

# Daily Bulletin

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Research Department

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## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

- The euro had its worst day against the dollar in 16 months on Thursday after the European Central Bank began weaning the euro zone off loose monetary policy, while U.S. Treasury yields rose slightly, hurt by weak demand at an auction of 7-year notes.

### GLOBAL ECONOMIES

- Australia's labour market still has a "sizable degree" of spare capacity, a top central banker said on Thursday, despite a massive surge in employment since the start of this year.
- China will not set a goal of doubling its gross domestic product starting in 2021 so it can focus more on higher-quality, long-term growth, a senior Communist Party official said, in a break from past practice.
- The Bank of Japan should not be overly criticised for failing to achieve its inflation target as its ultra-easy monetary policy has helped the economy and created jobs, an economic adviser to premier Shinzo Abe said on Thursday.
- The European Central Bank on Thursday took its biggest step yet in weaning the euro zone economy off years of stimulus but said the economic outlook was still dependent on its lavish monthly purchases of euro zone bonds.
- British retail sales plummeted in October at the fastest pace since early 2009 when the country was last in recession, according to a survey that could deepen economists' doubts about the wisdom of raising interest rates next week.
- President Donald Trump's search for the next chair of the U.S. Federal Reserve has come down to Fed Governor Jerome Powell and Stanford University economist John Taylor, Politico on Thursday cited one source as saying, while another counseled caution.

### GLOBAL MARKETS

**U.S. & Global Markets** – The euro had its worst day against the dollar in 16 months on Thursday after the European Central Bank began weaning the euro zone off loose monetary policy, while U.S. Treasury yields rose slightly, hurt by weak demand at an auction of 7-year notes.

The dollar index rose 0.99 percent, with the euro down 1.35 percent to \$1.1653 after the ECB said it would cut its bond purchases in half to 30 billion euros a month from January. However, it hedged its bets by extending asset purchases by nine months given low inflation.

"Overall, the ECB's focus on a very cautious and drawn-out tapering process that avoids pushing the euro higher was clearly more dovish than markets had been expecting," said James Chen, head of research at Gain Capital.

Benchmark 10-year U.S. Treasury notes last fell 5/32 in price to yield 2.4609 percent, from 2.444 percent late on Wednesday.

The 30-year bond last fell 10/32 in price to yield 2.9706 percent, from 2.955 percent late on Wednesday.

Yields fell earlier in the session, in line with the euro zone bond market, after the ECB's meeting.

A report from Politico saying that current Federal Reserve Chair Janet Yellen was out of the running for the top U.S. central bank job briefly nudged rates higher. But a White House official told Reuters: "No final decision has been made."

Yields weakened later in the day after a soft auction of U.S. 7-year notes drew the weakest demand since August last year.

The U.S. 7-year note was sold at 2.280 percent, higher than the expected yield at the bid deadline. The yield was the highest at an auction for this debt maturity since January.

Gold dipped as the dollar gained against the euro after the ECB decision to trim bond purchases as it hedged that move by also extending the lifespan of its bond-buying program.

Spot gold dropped 0.8 percent to \$1,267.01 an ounce.

### EQUITY STRENGTH

On Wall Street, the Dow Jones Industrial Average and the S&P 500 closed higher, boosted by upbeat corporate results on one of the busiest days of third-quarter earnings. Seventy-four percent of 231 S&P companies have beat profit expectations as of Thursday.

The Dow rose 71.4 points, or 0.31 percent, to 23,400.86, the S&P 500 gained 3.25 points, or 0.13 percent, to 2,560.4 and the Nasdaq Composite dropped 7.12 points, or 0.11 percent, to 6,556.77.

Ford Motor Co reported a better-than-expected quarterly net profit, driven largely by U.S. sales of its high-margin pickup trucks. It said it would begin to test self-driving cars in some cities next year. The company's shares were up 1.9103 percent.

Twitter's shares rose 18.4947 percent. The social network company said it could turn its first ever profit in the fourth quarter, after making cost cuts and finding new revenue sources. The social network company said it could turn its first-ever profit in the fourth quarter, after making cost cuts and finding new revenue sources.

Nike and holding company DowDuPont both lifted the Dow, with shares up 3.4 percent and 2.8 percent, respectively.

*(Source Reuters – @her1en)*

### GLOBAL ECONOMIES

**Australia** – Australia's labour market still has a "sizable degree" of spare capacity, a top central banker said on Thursday, despite a massive surge in employment since the start of this year.

The pace of job creation - 3.1 percent so far this year - is nearly twice that of annual population growth (1.6 percent). The number of jobs added in January-September was a sizzling 371,500.

Still, the jobless rate has remained stubbornly high at around 5.5 percent, with the underemployment rate - which measures workers wanting to put in more hours - near all-time highs.

The Reserve Bank of Australia (RBA) estimates the "non-accelerating inflation rate of unemployment" at 5 percent, meaning the labour market will need to tighten further before it creates a shortage for workers that lets them demand higher pay hikes.

The RBA does expect the spare capacity to gradually decline, Deputy Governor Guy Debelle said in a speech on Thursday entitled "Uncertainty".

But that does not necessarily mean a boost for wages.

Developed economies such as the United States and the United Kingdom have seen their labour markets tighten significantly but that has failed to lift pay rewards and, in turn, inflation, building the case for super-easy monetary policy globally.

In Australia, wages growth is crawling at the slowest pace to date while inflation has remained below the RBA's long-term target band for almost two full years, forcing policymakers to keep rates at a record low 1.50 percent.

Analysts suspect Australia might follow the global trend, in that wages and labour costs will remain benign even as the economy runs at full employment.

And the RBA will remain vigilant too.

"We will be alert to the possibility that these developments we see in other labour markets, in terms of subdued inflation in the face of minimal spare capacity, occur here too," DeBelle said.

**China** – China will not set a goal of doubling its gross domestic product starting in 2021 so it can focus more on higher-quality, long-term growth, a senior Communist Party official said, in a break from past practice.

The world's second-largest economy is well on track to hit its target of doubling GDP and per capita income by 2020 from 2010, and market speculation over new targets had intensified in the run-up to the twice-in-a-decade Communist Party congress that ended on Tuesday.

While China's pursuit of strong growth targets over the years has helped lift the global economy from recession after the financial crisis, its corporate and local government debt has soared, regional economic disparities have widened and environmental damage has worsened.

Yang Weimin, vice minister of the Office of the Central Leading Group on Financial and Economic Affairs, told a news conference in Beijing on Thursday that China will not solely pursue economic expansion and will emphasise the quality of its growth.

The shift away from ambitious long-term government growth targets is a departure from past practice in China, and marks a new strategy for longer-term economic development.

In the opening speech of the 19th party congress last week, President Xi Jinping did not explicitly mention the goal of doubling GDP by 2020. Throughout the gathering, there were also no public announcements about new economic growth targets.

Instead, Xi set broad long-term goals for China's development "in a new era", envisioning it as a modern socialist country by 2035, and a modern socialist "strong power" with leading influence on the world stage by 2050.

Obsessing less about targets could give policymakers more room to press ahead with painful, structural reforms -- in theory -- at the risk of weighing on domestic and global growth.

The International Monetary Fund (IMF) and many economists have urged Beijing to do away with or lower official growth targets altogether to reduce the country's long reliance on debt-fuelled stimulus and encourage more productive investment.

The IMF warned this year that China's credit growth was on a "dangerous trajectory" and called for "decisive action", while the Bank for International Settlements said in late 2016 that excessive debt growth was signalling a banking crisis in the next three years.

At the start of the congress, Xi said China would deepen economic and financial reforms and further open its markets to foreign investors as it looks to move from high-speed to high-quality growth.

**Japan** – The Bank of Japan should not be overly criticised for failing to achieve its inflation target as its ultra-easy monetary policy has helped the economy and created jobs, an economic adviser to premier Shinzo Abe said on Thursday.

"The reason we need an inflation target is because it is easier to achieve the basic needs" of the population, such as low unemployment, by setting one, Koichi Hamada said.

"It is wrong to over-criticise the monetary authorities for not achieving their inflation target," Hamada, cabinet adviser and emeritus professor of economics at Yale University, said in a seminar.

The comments by Hamada, considered among architects of the premier's "Abenomics" stimulus policies, underscore a growing view among analysts and government officials that the BOJ should not be so concerned about meeting its price target quickly.

Sayuri Shirai, a former BOJ board member, told the same seminar that it was "not easy" for Japan to achieve the central bank's 2 percent inflation target over the next few years.

"It's very clear monetary policy didn't have an effective result in generating demand-driven inflation," she said.

"I don't think the BOJ needs to abandon its 2 percent target but it needs to take a more flexible approach," she said, adding that the key to the outlook would be how the central bank steers a smooth exit from its ultra-loose monetary policy.

Japan's economy expanded at an annualised 2.5 percent in the second quarter as consumer and corporate spending picked up, with steady growth likely to be sustained in coming quarters.

But core consumer prices rose just 0.7 percent in August from a year earlier, well below the BOJ's target, and wage growth remains slow despite a tightening job market.

The BOJ is expected to largely maintain its price forecasts at a policy meeting next week and blame stagnant inflation on factors like corporate efforts to boost productivity, signalling that it will hold off on expanding stimulus.

The central bank has postponed the time frame for achieving its 2 percent inflation target six times since deploying its massive monetary stimulus in 2013, as its huge money printing failed to nudge up price and wage growth.

**Euro Zone** – The European Central Bank on Thursday took its biggest step yet in weaning the euro zone economy off years of stimulus but said the economic outlook was still dependent on its lavish monthly purchases of euro zone bonds.

It said it will cut the amount of bonds it will buy each month from January, but hedged its bets by extending the lifespan of the bond-buying programme to the end of next September.

ECB President Mario Draghi called the changes a "recalibration" and indicated that the bank's work in boosting inflation and ensuring growth was not yet done.

The bank will cut its bond buys in half to 30 billion euros a month from January, taking comfort in an economic recovery now in its fifth year and moving in sync with peers like the U.S. Federal Reserve and the Bank of England, as they also prepare to tighten policy.

But bothered by stubbornly low inflation, the ECB twinned the cut with a nine month extension of the programme, opting to buy fewer bonds but for a longer period to reassure investors it will provide accommodation for a long time.

Indeed, the ECB even maintained its option to increase or extend the bond buying programme, an apparent victory for policy doves who argued that they should not commit to ending the buys since possible euro gains could exacerbate weak inflation.

Euro zone bond yields fell after the announcement on what traders said was relief over the programme's continuation, albeit it with less buying.

At a news conference, Draghi said that the euro zone economic outlook had improved but that core inflation had not yet shown any convincing signs of an upwards trend -- the goal of much of the stimulus.

"Domestic price pressures are still muted overall and the economic outlook and the path of inflation remain conditional on continued support from monetary policy," he said. "Therefore, an ample degree of monetary stimulus remains necessary."

Designed nearly three years ago to fight off the threat of deflation, the bond purchase scheme has cut funding costs, revived borrowing and lifted growth, even if it ultimately failed to raise inflation back to the ECB's target of almost 2 percent.

"If the outlook becomes less favourable, or if financial conditions become inconsistent with further progress towards a sustained adjustment in the path of inflation, the Governing Council stands ready to increase the asset purchase programme in terms of size and/or duration," the ECB said in a statement.

The ECB added that its main refinancing operations and the three-month longer-term refinancing operations will continue to be conducted as fixed rate tender procedures with full allotment for as long as necessary, and at least until the end of the last reserve maintenance period of 2019.

Interest rates were left unchanged as expected and the ECB reaffirmed its guidance to keep them unchanged until well after its bond buys end.

**U.K.** – British retail sales plummeted in October at the fastest pace since early 2009 when the country was last in recession, according to a survey that could deepen economists' doubts about the wisdom of raising interest rates next week.

With the economy having perked up slightly in the third quarter, it looks very likely that the Bank of England will in a week's time deliver Britain's first rate hike in more than a decade.

However, more than two-thirds of economists in a Reuters poll published on Tuesday said now was not the time for a hike.

That majority view was bolstered by Thursday's data from the Confederation of British Industry (CBI), which said its monthly retail sales gauge fell to -36 this month from a two-year high of +42 in September, marking its lowest level since March 2009.

The reading was far below even the lowest forecast in a Reuters poll of economists, most of whom expected a reasonably modest slowdown in growth.

While the CBI survey is extremely volatile from month to month, the three-month average balance for reported retail sales sank to -1 from +18 in September - a 13-month low.

Despite Wednesday's encouraging third quarter GDP reading, the outlook for the economy in coming months is mixed at best, and further complicated by uncertainty around the Brexit process.

JPMorgan economist Allan Monks said he tended to take Britain's array of monthly retail surveys with a pinch of salt, but added that Thursday's CBI survey raised concerns about momentum in the consumer economy.

"We don't think this changes the BoE decision next week. But it could influence the degree of caution the (Monetary Policy Committee) expresses about the near term outlook," he said in a note to clients.

The volume of orders that retailers placed with their suppliers also contracted at the fastest rate since 2009, the CBI said.

In the past this measure has linked well with the monthly IHS Markit/CIPS gauge of activity among consumer goods manufacturers.

"It's clear retailers are beginning to really feel the pinch from higher inflation," said Rain Newton-Smith, the CBI's chief economist.

"While retail sales can be volatile from month to month, the steep drop in sales in October echoes other recent data pointing to a marked softening in consumer demand."

The Brexit vote in June 2016 led to a big fall in the value of sterling, which has pushed up inflation, gnawing at consumers' disposable income this year.

Earlier on Thursday the British Retail Consortium reported that retailers cut jobs over the past three months at the fastest rate since comparable records began in 2008.

It cited a combination of technological change and government policies that pushed up employment costs as the main reasons for the fall.

**U.S.** – President Donald Trump's search for the next chair of the U.S. Federal Reserve has come down to Fed Governor Jerome Powell and Stanford University economist John Taylor, Politico on Thursday cited one source as saying, while another counseled caution.

Trump has said he was considering both Powell and Taylor, but that he also liked current Fed Chair Janet Yellen very much. Politico cited an unnamed source who talks regularly to Trump as saying the only finalists were Powell and Taylor.

Another unnamed senior source that Politico described as very close to the process said it was not safe to assume Trump will nominate Powell or Taylor for the top spot at the central bank, saying he "changes his mind about it every day."

A White House official told Reuters: "No final decision has been made."

Trump has been considering a short list for the post that also includes his top economic adviser, Gary Cohn, and former Fed Governor Kevin Warsh.

A senior administration official said on Wednesday that Trump was unlikely to nominate Cohn, who is helping to lead White House efforts to push a big tax cut package through Congress. Warsh's chances at the job have also appeared to fade, according to media reports, and Politico reported that its source who talks regularly to Trump said Warsh was out of the running.

As recently as Wednesday, Trump had indicated Yellen was still on the list he was considering, although he suggested he was interested in making his own mark on the Fed.

"I liked her a lot," Trump said of a recent meeting he held with Yellen. "I mean, it's somebody that I am thinking about," he told Fox News Channel.

In a separate interview with Fox Business Network which aired earlier this week, Trump said he would consider either Powell or Taylor for the top Fed post and the other for another top job at the central bank.

Yellen, who was nominated by former Democratic President Barack Obama, has chaired the Fed since early 2014. Her term expires in February.

Whoever Trump selects would need to be confirmed by the Senate. The Republican president is looking to announce a Fed chair nominee before leaving on a trip to Asia on Nov. 3 to give his choice time to go through the confirmation process. [\(Source Reuters, Research – @her1en\)](#)

## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
18-Oct - 24-Oct	N/A	CN	Chinese President Xi Opens 19th Communist Party Congress					
<b>Mon/23-Oct-17</b>	04:00	KR	PPI YoY	Sep	-	--	3.2%	
	12:00	JP	Leading Index CI	Aug F	107.2	--	106.8	
	12:00	JP	Coincident Index	Aug F	117.7	--	117.6	
	15:30	HK	CPI Composite YoY	Sep	-	--	1.9%	
	16:00	EZ	Govt Debt/GDP Ratio	2016	88.9%	--	89.2%	
	17:00	GB	CBI Business Optimism	Oct	-11	--	5	
	17:00	GB	CBI Trends Total Orders	Oct	-2	9	7	
	17:00	GB	CBI Trends Selling Prices	Oct	18	--	18	
	19:30	US	Chicago Fed Nat Activity Index	Sep	0.17	-0.1	-0.31	-0.37
	21:00	EZ	Consumer Confidence	Oct A	-1.0	-1.1	-1.2	
<b>Tue/24-Oct-17</b>	07:30	JP	Nikkei Japan PMI Mfg	Oct P	52.5	--	52.9	
	14:30	DE	Markit/BME Germany Manufacturing PMI	Oct P	60.5	60	60.6	
	14:30	DE	Markit Germany Services PMI	Oct P	55.2	55.5	55.6	
	14:30	DE	Markit/BME Germany Composite PMI	Oct P	56.9	57.5	57.7	
	15:00	EZ	ECB Bank Lending Survey					
	15:00	EZ	Markit Eurozone Manufacturing PMI	Oct P	58.6	57.8	58.1	
	15:00	EZ	Markit Eurozone Services PMI	Oct P	54.9	55.6	55.8	
	15:00	EZ	Markit Eurozone Composite PMI	Oct P	55.9	56.5	56.7	
	16:00	EZ	Euro Area Second Quarter Government Deficit					
	16:00	EZ	Euro Area Second Quarter Government Debt					
	20:45	US	Markit US Manufacturing PMI	Oct P	54.5	53.4	53.1	
	20:45	US	Markit US Services PMI	Oct P	55.9	55.1	55.3	
	20:45	US	Markit US Composite PMI	Oct P	55.7	--	54.8	
	21:00	US	Richmond Fed Manufact. Index	Oct	12	17	19	
<b>Wed/25-Oct-17</b>	04:00	KR	Consumer Confidence	Oct	-	--	107.7	
	07:30	AU	CPI QoQ	3Q	0.6%	0.8%	0.2%	
	07:30	AU	CPI YoY	3Q	1.8%	2.0%	1.9%	
	07:30	AU	CPI Trimmed Mean QoQ	3Q	0.3%	0.5%	0.5%	0.6%
	07:30	AU	CPI Trimmed Mean YoY	3Q	1.8%	2.0%	1.8%	
	07:30	AU	CPI Weighted Median QoQ	3Q	0.3%	0.5%	0.5%	0.6%
	07:30	AU	CPI Weighted Median YoY	3Q	1.9%	2.0%	1.8%	1.9%
25-Oct - 06-Nov	N/A	EZ	European Commission Economic Forecasts					
	13:00	CH	UBS Consumption Indicator	Sep	1.56	--	1.53	
	15:00	DE	IFO Business Climate	Oct	116.7	115.1	115.2	115.3
	15:00	DE	IFO Expectations	Oct	109.1	107.3	107.4	107.5
	15:00	DE	IFO Current Assessment	Oct	124.8	123.5	123.6	123.7
	15:00	CH	Credit Suisse Survey Expectations	Oct		--	28	
	15:30	GB	GDP QoQ	3Q A	0.4%	0.3%	0.3%	
	15:30	GB	GDP YoY	3Q A	1.5%	1.5%	1.5%	
	15:30	GB	Index of Services MoM	Aug	0.2%	0.3%	-0.2%	-0.1%
	15:30	GB	Index of Services 3M/3M	Aug	0.4%	0.4%	0.5%	
	19:30	US	Durable Goods Orders	Sep P	2.2%	1.0%	2.0%	
	19:30	US	Durables Ex Transportation	Sep P	0.7%	0.4%	0.5%	0.7%
	19:30	US	Cap Goods Orders Nondef Ex Air	Sep P	1.3%	0.3%	1.1%	1.3%
	19:30	US	Cap Goods Ship Nondef Ex Air	Sep P	0.7%	0.4%	1.1%	0.4%
	21:00	CA	Bank of Canada Rate Decision	Oct-25	1.00%	1.00%	1.00%	
	21:00	CA	Bank of Canada Releases October Monetary Policy Report					
	21:00	US	New Home Sales	Sep	667k	554k	560k	561k
	21:00	US	New Home Sales MoM	Sep	18.9%	-1.1%	-3.4%	-3.6%
	21:30	US	DOE U.S. Crude Oil Inventories	Oct-20	856k	-3000k	-5731k	
	21:30	US	DOE Cushing OK Crude Inventory	Oct-20	-237k	--	202k	

	21:30	US	DOE U.S. Gasoline Inventories	Oct-20	-5465k	-1700k	908k	
	21:30	US	DOE U.S. Distillate Inventory	Oct-20	-5246k	0k	528k	
	22:15	CA	BOC's Poloz and Wilkins Hold Press Conference in Ottawa					
	N/A	JP	Cabinet Office Monthly Economic Report for October					
<b>Thu/26-Oct-17</b>	04:45	NZ	Trade Balance NZD	Sep	-1143m	-900m	-1235m	-1179m
	04:45	NZ	Exports NZD	Sep	3.78b	3.90b	3.69b	
	04:45	NZ	Imports NZD	Sep	4.92b	4.88b	4.92b	4.86b
	04:45	NZ	Trade Balance 12 Mth YTD NZD	Sep	-2908m	-2706m	-3200m	-3154m
	06:00	KR	GDP SA QoQ	3Q P	-	--	0.6%	
	06:00	KR	GDP YoY	3Q P	-	--	2.7%	
	06:50	JP	PPI Services YoY	Sep	0.9%	0.8%	0.8%	
	13:00	DE	GfK Consumer Confidence	Nov	10.7	10.8	10.8	
	14:45	AU	RBA's Debelle Gives Speech in Sydney					
	15:00	EZ	M3 Money Supply YoY	Sep	5.1%	5.0%	5.0%	
	15:30	HK	Exports YoY	Sep	-	--	7.4%	
	15:30	HK	Imports YoY	Sep	-	--	7.7%	
	15:30	HK	Trade Balance HKD	Sep	-	--	-35.5b	
	17:00	GB	CBI Retailing Reported Sales	Oct	-36	14	42	
	17:00	GB	CBI Total Dist. Reported Sales	Oct	1	--	44	
	18:45	EZ	ECB Main Refinancing Rate	Oct-26	0.00%	0.00%	0.00%	
	18:45	EZ	ECB Marginal Lending Facility	Oct-26	0.25%	0.25%	0.25%	
	18:45	EZ	ECB Deposit Facility Rate	Oct-26	-0.40%	-0.40%	-0.40%	
	18:45	EZ	ECB Asset Purchase Target	Oct	-	--	EU60b	
	19:30	EZ	ECB press conference after Governing Council meeting					
	N/A	CA	CFIB Business Barometer	Oct	57.2	--	56.9	
	19:30	US	Wholesale Inventories MoM	Sep P	0.3%	0.4%	0.9%	
	19:30	US	Initial Jobless Claims	Oct-21	233k	235k	222k	223k
	19:30	US	Continuing Claims	Oct-14	1893k	1890k	1888k	1896k
	19:30	US	Advance Goods Trade Balance	Sep	-\$64.1b	-\$64.0b	-\$62.9b	-\$63.3b
	19:30	US	Retail Inventories MoM	Sep	-1.0%	--	0.7%	
	21:00	US	Pending Home Sales MoM	Sep	0.0%	0.5%	-2.6%	-2.8%
	21:00	US	Pending Home Sales NSA YoY	Sep	-5.4%	-4.2%	-3.1%	-3.3%
	22:00	US	Kansas City Fed Manf. Activity	Oct	23	17	17	
<b>Fri/27-Oct-17</b>	06:30	JP	Natl CPI YoY	Sep		0.8%	0.7%	
	06:30	JP	Natl CPI Ex Fresh Food YoY	Sep		0.7%	0.7%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Sep		0.2%	0.2%	
	07:30	AU	PPI QoQ	3Q		--	0.5%	
	07:30	AU	PPI YoY	3Q		--	1.7%	
	08:30	CN	Industrial Profits YoY	Sep		--	24.0%	
27-Oct - 03-Nov	N/A	DE	Retail Sales MoM	Sep		--	-0.4%	
27-Oct - 03-Nov	N/A	DE	Retail Sales YoY	Sep		--	2.8%	
	N/A	DE	Germany Sovereign Debt to be rated by S&P					
	N/A	GB	United Kingdom Sovereign Debt to be rated by Fitch					
	15:00	EZ	ECB Survey of Professional Forecasters					
	19:30	US	GDP Annualized QoQ	3Q A		2.6%	3.1%	
	19:30	US	Personal Consumption	3Q A		--	3.3%	
	19:30	US	GDP Price Index	3Q A		1.8%	1.0%	
	19:30	US	Core PCE QoQ	3Q A		--	0.9%	
	21:00	US	U. of Mich. Sentiment	Oct F		100.8	101.1	
	21:00	US	U. of Mich. Current Conditions	Oct F		--	116.4	
	21:00	US	U. of Mich. Expectations	Oct F		--	91.3	
	21:00	US	U. of Mich. 1 Yr Inflation	Oct F		--	2.3%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Oct F		--	2.4%	
<b>Sat/28-Oct-17</b>	00:00	US	Baker Hughes U.S. Rig Count	Oct-27		--	913	
28-Oct - 03-Nov	N/A	GB	Nationwide House PX MoM	Oct		--	0.2%	
28-Oct - 03-Nov	N/A	GB	Nationwide House Px NSA YoY	Oct		--	2.0%	

(Source: Reuters-FXstreet-DailyFX- Tradingeconomics-forexfactory, Research: @LukmanLoeng,@her1en)



## ASIAN STOCK INDICATORS – *Daily Outlook*

**Japan's Nikkei** share average edged up on Thursday, lifted by shares backed by strong earnings but embattled Kobe Steel fell after saying that it lost an industrial certification for copper products. The Nikkei ended 0.2 percent higher at 21,739.78. The share index ended lower the day before, snapping an unprecedented 16-day rising streak that had continued after the victory of Prime Minister Shinzo Abe's coalition in Sunday's election fuelled optimism for further stimulus. Thursday's market was underpinned by strong corporate earnings. Daiwa Securities Group jumped 5.4 percent after posting higher operating and recurring half-year profit and announcing a share buyback. It lifted the securities sector to be the best performer on the board. Shares of Panasonic Corp rose 2.5 percent after the Nikkei reported that the electronics giant will simultaneously increase its lithium battery production in Japan, China, and the United States. On the other hand, Kobe Steel Ltd shed 1.5 percent after it said on Thursday a Japanese Industrial Standards (JIS) certificate for some products made at its Hatano plant near Tokyo has been revoked because of data falsification. The move could hurt its business, which has been already affected as some customers are switching orders to competitors. Advantest Corp skidded 3.4 percent after the chip-making equipment maker cut its net profit outlook for the fiscal year ending March 2018 to 14.5 billion yen from 15 billion yen. The broader Topix edged up 0.1 percent to 1,753.90.

**The South Korean won** rose to an eight-week high on Thursday as traders bet that the central bank will raise interest rates soon after robust third-quarter economic growth. The won was quoted at 1,124.6 to the dollar at the conclusion of onshore trade, its highest since Sept. 1 and up 0.3 percent from Wednesday's close of 1,127.9. South Korea's economy clocked its fastest growth in seven years last quarter, as global demand for the country's electronics more than offset the impact of regional geopolitical strains. Gross domestic product rose 1.4 percent in the third quarter from the previous quarter, preliminary numbers from the Bank of Korea showed, significantly beating the 0.8 percent forecast in a Reuters survey. South Korean shares edged down as the investors took profits after the benchmark index hit successive record highs for four straight sessions. The Korea Composite Stock Price Index (KOSPI) closed down 0.5 percent at 2,480.63 points. Foreign investors sold a net 35.2 billion won (\$31.32 million) worth of KOSPI shares on the day.

**Hong Kong** stocks softened on Thursday after Wall Street pulled back from record highs amid concerns of tighter liquidity in global financial markets ahead of a European Central Bank meeting. China's Communist

Party's Congress, which concluded on Tuesday, offered investors few surprises in terms of economic policies. Both the Hang Seng index and the China Enterprises Index lost 0.4 percent, to 28,202.38 and 11,446.21 points, respectively. The European Central Bank is all but certain to cut back on its bond-buying stimulus later in the day, taking its biggest step yet in unwinding years of loose monetary policy. Worries about tighter liquidity pushed up bond yields in the United States and European markets. Most sectors fell, with resources and IT shares among the biggest losers. Bucking the trend, shares in CRRC Corporation jumped more than 5 percent at one point, as investors expect China's largest train maker to benefit from an acceleration in Beijing's "Belt and Road" strategy, which was put into the party constitution. Also in the spotlight was Wai Chun Group Holdings Ltd, whose shares surged after the system integration service group said it would buy artificial intelligence firm Insight Technology International Investment Group to broaden its revenue stream.

**China's** blue-chip index powered to a fresh 28-month high on Thursday, underpinned by stellar earnings reports from companies such as liquor maker Moutai and as investors expect Beijing to push forward "Belt and Road" projects. The blue-chip CSI300 index rose 0.4 percent, to 3,993.58, while the Shanghai Composite Index added 0.3 percent to 3,407.57 points. Gains were led by consumer and industry firms, while healthcare and banking stocks retreated. Investors' attention shifted back towards earnings and economic fundamentals after the week-long Communist Party Congress and the country's new leadership line-up revealed on Wednesday provided few major surprises. Giving a big boost to confidence, Kweichow Moutai, already the world's most valuable liquor maker, reported a more than doubling in its third-quarter net profit. Moutai shares leapt 7 percent to a fresh peak, leading a 3.1 percent jump in the consumer sector. Industrial firms also rose, led by CRRC Corporation scaling an 11-month high, as investors expect the country's largest train maker to benefit from Beijing's efforts to push forward "Belt and Road" project. In an amended charter, China's ruling Communist Party pledges to "pursue the Belt and Road initiative", a further sign of President Xi Jinping's expanding power and evidence that the ambitious modern Silk Road initiative will endure beyond his tenure. "As political power has become more centralised, President Xi's agenda will be pivotal," Larry Hu, analyst with Macquarie Capital Limited, wrote in a report. ([Source Reuters](#), [Research: rizal](#))

## ASIA AND GLOBAL MARKET SPOT PRICE 2017

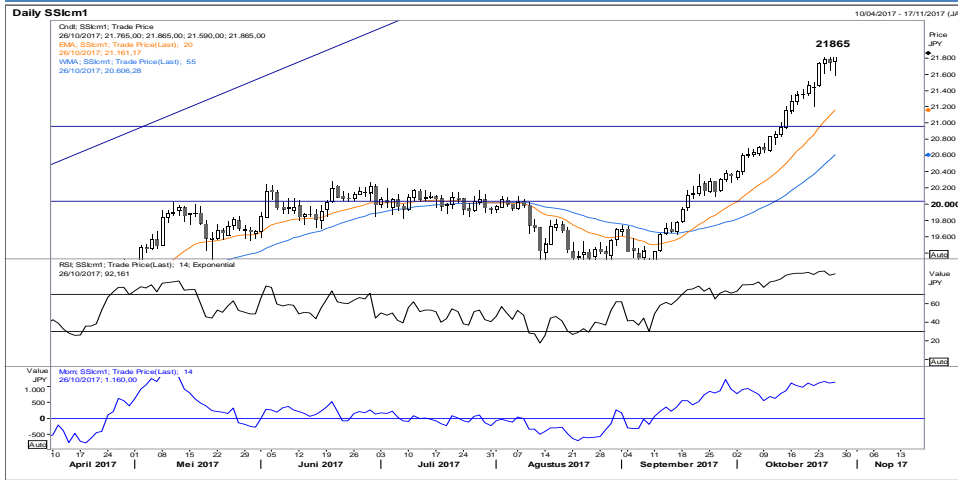
HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	329.45 (23/Oct/2017)	31958.41 (30/Oct/07)	23441.76 (24/Oct/2017)	2575.21 (20/Oct/2017)	6124.04400 (16/Oct./07)
<b>2016 HIGH</b>	19592.90 (21/Dec/16)	264.42 (21/Dec/16)	24364.00 (09/Sep/16)	19987.63 (20/Dec/16)	2277.53 (13/Dec/16)	3538.68940 (04/Jan/16)
<b>2017 HIGH</b>	21805.17 (24/Oct/2017)	329.45 (23/Oct/2017)	28711.76 (18/Oct/2017)	23441.76 (24/Oct/2017)	2575.21 (20/Oct/2017)	<b>3408.24490</b> <b>(26/Oct/2017)</b>
<b>2017 LOW</b>	18224.68 (17/Apr/2017)	258.64 (02/Jan/2017)	21883.82 (03/Jan/2017)	19677.94 (19/Jan/2017)	2245.13 (03/Jan/2017)	3016.53050 (11/May/2017)
<b>2016 LOW</b>	14864.01 (24/Jun/16)	222.92 (20/Jan/16)	18278.80 (12/Feb/16)	15450.56 (20/Jan/16)	1810.10 (11/Feb/16)	2638.30160 (27/Jan/16)
<b>RECORD LOW</b>	85.25 (06/Jul/50)	31.96 (16/Jun/98)	58.61 (31/Aug/67)	388.20 (17/Jan/55)	132.93 (23/Nov./82)	325.92200 (29/Jul/94)

### Closing Prices – 26 October 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	23400.86	↑ 71.40/ 0.31%	.N225	21739.78	↑ 32.16/0.15%
/.SPX	2560.40	↑ 3.25/ 0.127%	.KS200	326.99	↓ 2.32/0.70%
/.IXIC	6556.774	↓ 7.117/ 0.11%	.HSI	28202.38	↓ 100.51/0.36%
JPY=	113.98	↑ 0.25/ 0.22%	/.SSEC	3408.24490	↑ 11.34740/0.33%
KRW=	1127.75	↑ 0.94/ 0.08%	/CLc1 (Oil)	52.82	↑ 0.65/1.25%



**SSIamU7 (Nikkei Sep Futures) – Last Trading Date: 07 Sep 2017**



- The bullish trend, be alert of price rebound.
  - RSI is already in the overbought zone
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
26 Oct SSIpmZ7	21775	21865	21745	120	21865	---	↑ 95	0.44	20549
26 Oct SSIamZ7	21710	21795	21705	90	21770	21770	↑ 15	0.07	48877
25 Oct SSIpmZ7	21765	21830	21590	240	21730	---	↓ 25	0.11	34263
25 Oct SSIamZ7	21880	21930	21650	280	21755	21755	↓ 30	0.14	68394
24 Oct SSIpmZ7	21790	21930	21760	170	21905	---	↑ 120	0.53	26331
24 Oct SSIamZ7	21655	21815	21645	170	21785	21785	↑ 50	0.23	63376
23 Oct SSIpmZ7	21740	21835	21620	215	21645	---	↑ 90	0.41	27261
23 Oct SSIamZ7	21720	21755	21615	140	21735	21735	↑ 285	1.33	82638
20 Oct SSIpmZ7	21465	21565	21460	105	21550	---	↑ 100	0.47	25159
20 Oct SSIamZ7	21320	21500	21320	180	21450	21450	↓ 15	0.07	58265

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
21930	21615	21930	20370	20425	19085	21930	18190
(24/Oct)	(23/Oct)	(24/Oct)	(02/Oct)	(27/Sep)	(08/Sep)	(24/Oct)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	23522	Fibo Projections (423.6%)
	22808	Fibo Projections (261.8%)
	22367	Fibo Projections (161.8%)
	22095	Fibo Projections (100.0%)
<b>SUPPORT</b>	21460	Low 23/Oct/2017
	21345	Low 19/Oct/2017
	21230	Low 17/Oct/2017
	21115	Low 16/Oct/2017
<b>RECOMMENDATION</b>	BUY	21830
	SELL	----
	STOP LOSS	21730
	TARGET	21980
		22030

### KSZ7 (Kospi Dec Futures) – Exp. Date: 14 Dec 2017



- The bearish trend.
- Daily RSI is already in the overbought zone.

[\(Research – rizal\)](#)

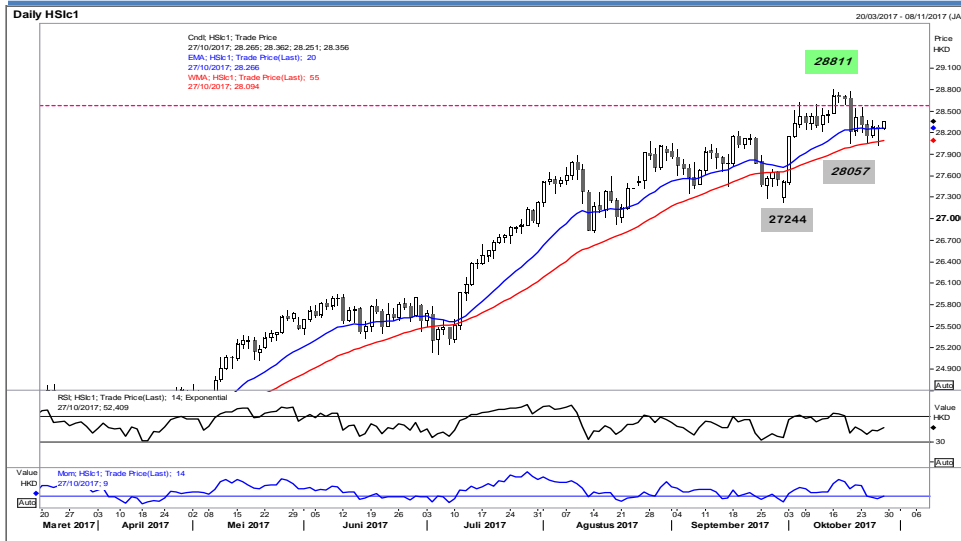
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
26 Oct	329.85	330.10	327.10	3.00	327.10	327.10	↓ 3.00	0.91	157991
25 Oct	330.05	330.65	328.70	1.95	330.10	330.10	↑ 0.20	0.06	174523
24 Oct	330.20	330.80	329.80	1.00	329.90	329.90	↓ 0.50	0.15	116091
23 Oct	330.55	331.10	329.25	1.85	330.40	330.40	↑ 0.80	0.24	178744
20 Oct	327.60	329.65	327.60	2.05	329.60	329.60	↑ 2.15	0.66	150556
19 Oct	330.05	330.25	327.10	3.15	327.45	327.45	↓ 1.75	0.53	172806

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
331.10 (23/Oct)	327.10 (26/Oct)	331.10 (23/Oct)	321.40 (10/Oct)	321.60 (20/Sep)	302.70 (06/Sep)	331.10 (23/Oct)	259.25 (02/Jan)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	334.92	Fibo.Projections (423.6%)
	332.85	Fibo.Projections (261.8%)
	331.10	High 23 Oct/2017
	330.10	High 26/Oct/2017
SUPPORT	326.80	Low 12/Oct/2017
	324.10	Low 11/Oct/2017
	321.40	Low 10/Oct/2017
	320.35	Low 27/Jul/2017
RECOMMENDATION	BUY	----
	SELL	327.45
	STOP LOSS	328.45
	TARGET	325.95 325.45

## HSIV7 (Hang Seng October Futures) – Exp. Date: 30 Oct 2017



- Be alert for daily rebounds.
  - Beware of RSI approaching overbought area.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
26 Oct (HSIX7)	28265	28290	28162	128	28264	28264	↓ 19	0.07	74279
26 Oct (HSIV7)	28273	28298	28170	128	28270	28270	↑ 8	0.03	173242
25 Oct (HSIX7)	28282	28363	28210	153	28283	28283	↑ 123	0.43	61781
25 Oct (HSIV7)	28281	28363	28213	150	28262	28262	↑ 100	0.35	164376
24 Oct	28296	28340	28072	268	28162	28162	↓ 142	0.50	143714
23 Oct	28260	28360	28251	109	28304	28304	↓ 115	0.40	111842
20 Oct	28368	28531	28346	185	28419	28419	↑ 192	0.68	125383

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
28360	28072	28811	27688	28225	27272	28811	21863
(23/Oct)	(24/Oct)	(16/Oct)	(03/Oct)	(19/Sep)	(28/Sep)	(16/Oct)	(03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	29530	High 05/Des/2007
	29248	High 10/Des/2007
	28822	High 12/Des/2007
	28623	High 06/Oct/2017
<b>SUPPORT</b>	28057	Low 19/Oct/2017
	27483	Low 03/Oct/2017
	27244	Low 29/Sep/2017
	26951	Low 21/Aug/2017
<b>RECOMMENDATION</b>	BUY	28235
	SELL	----
	STOP LOSS	28135
	TARGET	28385 28435

## CURRENCIES – Daily Outlook

### Euro plunges as ECB decides to extend bond buying - Reuters News



The euro tumbled on Thursday for its worst day against the dollar in 16 months as the European Central Bank prolonged its bond purchases well into 2018, diminishing the chances the ECB would raise interest rates next year.

Traders dumped the single currency after the ECB extended its bond purchase by nine months to September 2018 and left the door open to keep buying after that. The central bank said it will begin paring its monthly purchases by half to 30 billion

euros starting in January.

Draghi, who expressed some optimism about euro zone growth at his press conference, remained cautious about the region's sluggish inflation which would need continued heavy stimulus in the form of quantitative easing (QE) from the ECB.

"Overall, the ECB's focus on a very cautious and drawn-out tapering process that avoids pushing the euro higher was clearly more dovish than markets had been expecting," said James Chen, head of research at Gain Capital.

The ECB's decision about its bond purchases came five weeks after the Federal Reserve announced its plan to shrink its \$4.5 trillion balance sheet that had ballooned from three rounds of QE this month.

The euro sagged to \$1.1651, down nearly 1.4 percent from late Wednesday for its steepest one-day loss against the greenback since June 2016, Reuters data showed.

The single currency was down 1.2 percent at 132.79 yen. It retreated from 134.48 yen reached earlier on Thursday which was its strongest against the Japanese currency since December 2015.

The latest CFTC data showed that speculative net longs in the euro have retreated from their record highs but were still near multi-year highs at above \$13 billion.

The euro was still nearly 11 percent stronger versus the greenback since the end of 2016.

The dollar has risen in recent days on optimism about forthcoming federal tax cuts and speculation U.S. President Donald Trump would select someone to head the Fed who may want to raise interest rates at a faster pace than current Fed Chair Janet Yellen.

Trump has narrowed his search for Fed chief to Fed Governor Jerome Powell and Stanford University economist John Taylor, Politico reported on Thursday citing one source, while another counselled caution. Yellen, Trump's economic adviser Gary Cohn and former Fed Governor Kevin Warsh are also under consideration for the post.

Trump is expected to announce his candidate before his Asian trip in early November.

An index that tracks the dollar against euro, yen and four other currencies hit a three-month high at 94.668 after breaking key technical resistance. It gained 1 percent for its biggest one-day gain since Dec. 15.

[\(Source Reuters, Research – @her1en\)](#)

## EUR/USD

Interest Rate: 0.00% (EU)/ 1.00%-1.25% (US)



- With support area at 1.1477
- Crucial resistance around 1.2004
- Daily RSI is down  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	1.18146	1.18355	1.16393	196,2	1.16506	↓ 160,3	1.18109
Oct 25	1.17624	1.18165	1.17519	64,6	1.18109	↑ 51,1	1.17598
Oct 24	1.17479	1.17916	1.17416	50,0	1.17598	↑ 12,5	1.17473
Oct 23	1.17610	1.17761	1.17237	52,4	1.17473	↓ 30,1	1.17774
Oct 20	1.18453	1.18567	1.17611	95,6	1.17774	↓ 73,2	1.18506

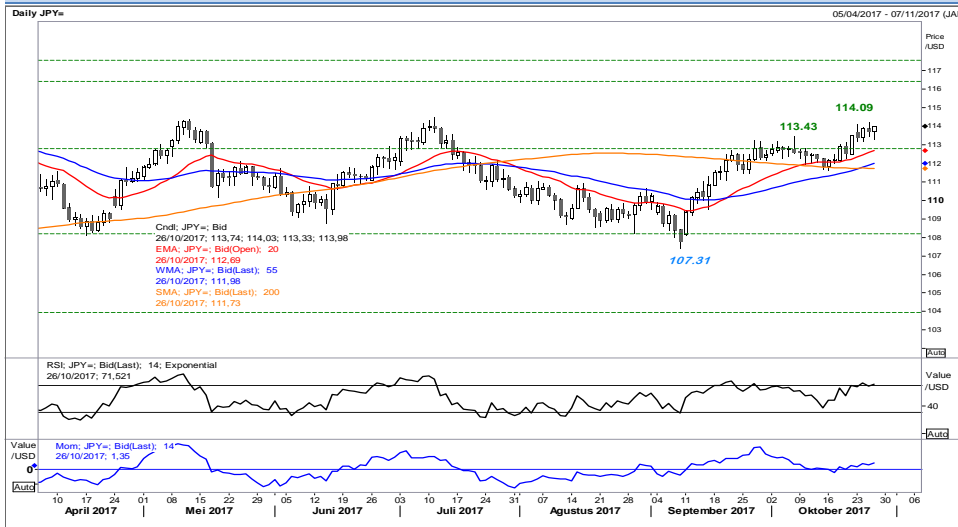
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.18355 (26/Oct)	1.16393 (26/Oct)	1.18785 (12/Oct)	1.16393 (26/Oct)	1.20915 (08/Sep)	1.17157 (27/Sep)	1.20915 (08/Sep)	1.0342 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.2004	High Sept 22
	1.1960	High Sept 25
	1.1880	High Oct 12
	1.1836	High Oct 26
SUPPORT	1.1667	Low Oct 06
	1.1477	Low Jul 20
	1.1369	Low Jul 13
	1.1311	Low Jul 05
RECOMMENDATION	BUY	-----
	SELL	1.1675
	STOP LOSS	1.1775
	TARGET	1.1555 1.1525

## USD/JPY

Interest Rate: 1.00%-1.25% (US)/-0.1% (JP)



- The bearish trend
  - RSI tends to be flat.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	113.673	114.068	113.329	73,9	113.962	↑ 23,5	113.727
Oct 25	113.911	114.231	113.468	76,3	113.727	↓ 15,8	113.885
Oct 24	113.467	114.011	113.237	77,4	113.885	↑ 46,5	113.420
Oct 23	113.870	114.087	113.233	85,4	113.420	↓ 6,7	113.487
Oct 20	112.552	113.557	112.502	105,5	113.487	↑ 97,4	112.513

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
114.231 (25/Oct)	113.233 (23/Oct)	114.231 (25/Oct)	111.976 (10/Oct)	113.245 (27/Sep)	107.307 (08/Sep)	118.60 (03/Jan)	107.307 (08/Sep)

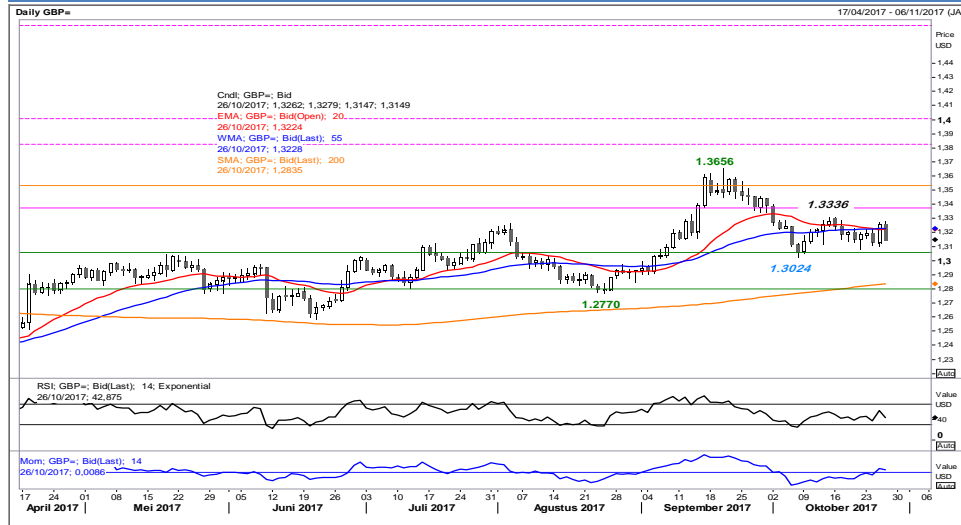
### ANALYSIS & RECOMMENDATION

RESISTANCE	117.18	Reaction High 06/Jan/2017 (Daily)
	116.85	High 11/Jan/2017
	115.19	High 14/Mar/2017
	114.49	High 11/Jul/2017
SUPPORT	112.54	Low 06/Oct/2017
	111.46	Low 25/Sep/2017
	109.54	Low 15/Sep/2017
	107.31	Low 08/Sep/2017
RECOMMENDATION	BUY	113.65
	SELL	----
	STOP LOSS	112.95
	TARGET	114.65 114.95



## GBP/USD

Interest Rate: 0.25% (GB)/1.00%-1.25% (US)



- The movement is *bullish*.
  - RSI rebounds the oversold area.
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	1.32616	1.32780	1.31455	132,5	1.31562	↓ 101,9	1.32581
Oct 25	1.31275	1.32703	1.31087	161,6	1.32581	↑ 133,2	1.31249
Oct 24	1.31959	1.32264	1.31121	114,3	1.31249	↓ 71,1	1.31960
Oct 23	1.31809	1.32259	1.31565	69,4	1.31960	↑ 4,1	1.31919
Oct 20	1.31511	1.31994	1.30865	112,9	1.31919	↑ 34,1	1.31578

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.32780 (26/Oct)	1.31087 (25/Oct)	1.33969 (02/Oct)	1.30259 (06/Oct)	1.36565 (20/Sep)	1.29043 (01/Sep)	1.36565 (20/Sep)	1.1986 (16/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.3595	High 22/Sep/2017
	1.3455	Reaction high 28/Sep/2017 ( Daily )
	1.3402	High 02/Oct/2017
	1.3336	High 13/Oct/2017
SUPPORT	1.3054	Low 09/Oct/2017
	1.2907	Low 05/Sep/2017
	1.2849	Low 31/Aug/2017
	1.2770	Low 24/Aug/2017
RECOMMENDATION	BUY	----
	SELL	1.3180
	STOP LOSS	1.3280
	TARGET	1.3060 1.3030

## USD/CHF

Interest Rate: 1.00%-1.25% (US)/-1.25 to -0.25% (CH)



- The trend of RSI tends to fall.
- Be alert for daily rebounds. [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	0.98921	0.99781	0.98745	103,6	0.99764	↑ 81,1	0.98953
Oct 25	0.99079	0.99387	0.98675	71,2	0.98953	↓ 13,1	0.99084
Oct 24	0.98478	0.99103	0.98368	73,5	0.99084	↑ 60,6	0.98478
Oct 23	0.98538	0.98799	0.98299	50,0	0.98478	↑ 1,6	0.98462
Oct 20	0.97604	0.98488	0.97554	93,4	0.98462	↑ 86,5	0.97597

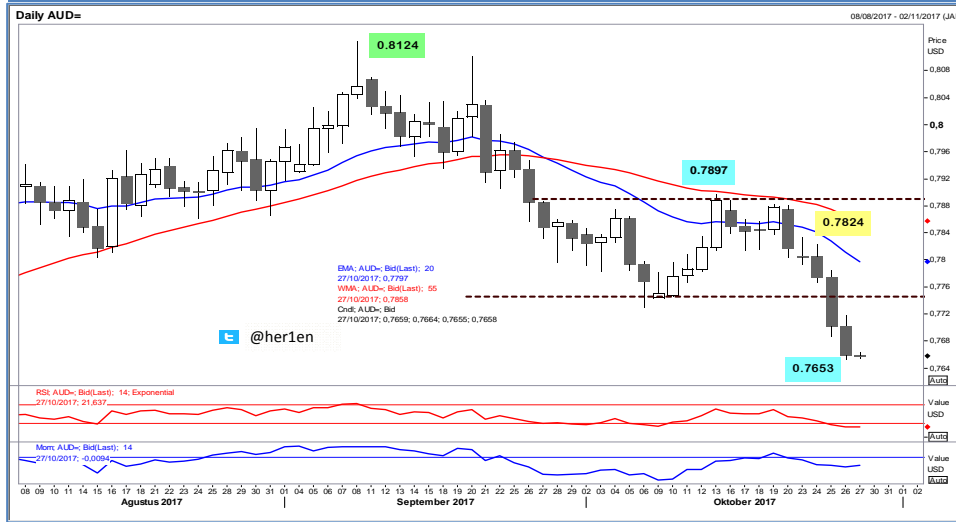
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.99781 (26/Oct)	0.98299 (23/Oct)	0.99781 (26/Oct)	0.96809 (02/Oct)	0.97686 (27/Sep)	0.94195 (08/Sep)	1.0335 (03/Jan)	0.94195 (08/Sep)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.0248	High 11/Jan/2017
	1.0170	High 07/Mar/2017
	1.0107	High 10/Apr/2017
	1.0099	High 11/May/2017
SUPPORT	0.9735	Reaction Low 19/Oct/2017 (Daily)
	0.9668	Low 29/Sep/2017
	0.9562	Low 15/Sep/2017
	0.9419	Low 08/Sep/2017
RECOMMENDATION	BUY	0.9930
	SELL	----
	STOP LOSS	0.9860
	TARGET	1.0030 1.0060

## AUD/USD

Interest Rate: 1.5% (AU)/ 1.00%-1.25% (US)



- The series goes down the daily high level
- The main resistance at 0.8124, support 0.7497  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	0.77029	0.77181	0.76510	67,1	0.76561	↓ 45,9	0.77020
Oct 25	0.77737	0.77828	0.76890	93,8	0.77020	↓ 72,2	0.77742
Oct 24	0.78073	0.78235	0.77692	54,3	0.77742	↓ 30,2	0.78044
Oct 23	0.78120	0.78332	0.77950	38,2	0.78044	↓ 10,8	0.78152
Oct 20	0.78762	0.78809	0.78071	73,8	0.78152	↓ 62,8	0.78780

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.78332 (23/Oct)	0.76510 (26/Oct)	0.78960 (13/Oct)	0.76510 (26/Oct)	0.81239 (08/Sep)	0.77984 (28/Sep)	0.81239 (08/Sep)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.8124	High Sept 08
	0.8036	High Sept 21
	0.7948	High Sept 26
	0.7903	High Oct 26
SUPPORT	0.7567	Low July 05
	0.7532	Low June 22
	0.7497	Low June 07
	0.7410	Low June 05
ECOMMENDATION	BUY	-----
	SELL	0.7680
	STOP LOSS	0.7745
	TARGET	0.7610 0.7580

## NZD/USD

Interest Rate: 2.00% (NZ)/ 1.00%-1.25% (US)



- The series goes down the daily high level
- Daily RSI flat, beware of entering the oversold area  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	0.68883	0.69026	0.68323	70,3	0.68436	↓ 43,0	0.68866
Oct 25	0.68978	0.69112	0.68598	51,4	0.68866	↓ 17,0	0.69036
Oct 24	0.69748	0.70029	0.68848	118,1	0.69036	↓ 60,2	0.69638
Oct 23	0.69423	0.69887	0.69301	58,6	0.69638	↓ 2,1	0.69659
Oct 20	0.70259	0.70334	0.69528	80,6	0.69659	↓ 62,6	0.70285

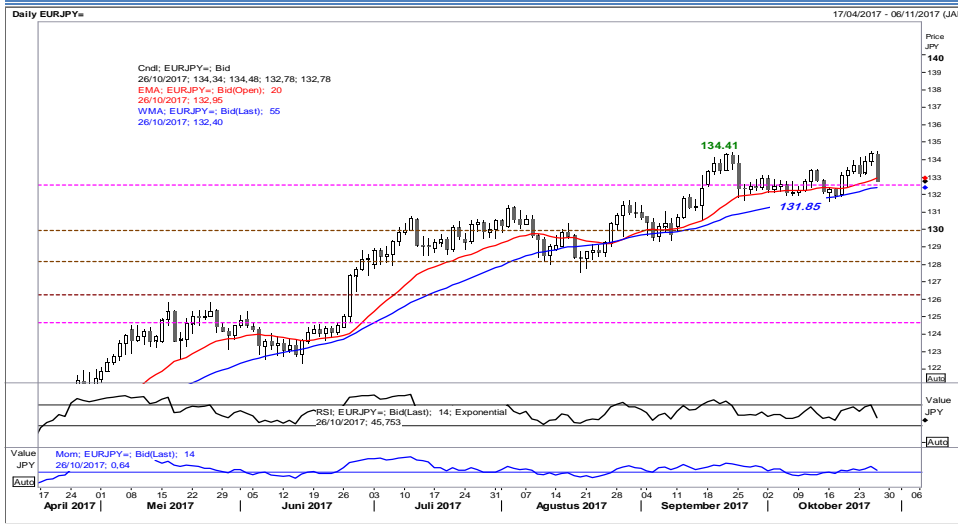
WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.70029 (24/Oct)	0.68323 (26/Oct)	0.72248 (02/Oct)	0.68323 (26/Oct)	0.74323 (20/Sep)	0.71446 (01/Sep)	0.75570 (27/Jul)	0.68166 (11/May)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	0.7243	High Sept 29
	0.7170	High Oct 19
	0.7036	High Oct 20
	0.7003	High Oct 24
<b>SUPPORT</b>	0.6816	Low May 11
	0.6756	Low June 01, 2016
	0.6674	Low May 30, 2016
	0.6574	Low Mar 16, 2016
<b>RECOMMENDATION</b>	BUY	-----
	SELL	0.6860
	STOP LOSS	0.6925
	TARGET	0.6790 0.6760

## EUR/JPY

Interest Rate: 0.00% (EU)/-0.1% (JP)



- RSI occurs rebound, be alert of price fluctuations.
  - The bullish trend.
- (Research – rizal)*

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	134.296	134.464	132.629	183,5	132.789	↓ 155,5	134.342
Oct 25	133.994	134.472	133.727	74,5	134.342	↑ 40,7	133.935
Oct 24	133.302	134.165	133.154	101,1	133.935	↑ 69,2	133.243
Oct 23	133.919	134.080	133.073	100,7	133.243	↓ 41,7	133.660
Oct 20	133.323	133.932	133.299	63,3	133.660	↑ 30,5	133.355

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
134.472	132.629	134.472	131.814	134.377	129.340	134.472	114.87
(25/Oct)	(26/Oct)	(25/Oct)	(05/Oct)	(22/Sep)	(06/Sep)	(25/Oct)	(17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	139.02	High 21/Aug/2015
	138.61	High 25/Aug/2015
	137.29	High 18/Sep/2015
	136.06	High 22/Oct/2015
SUPPORT	132.48	Low 18/Sep/2017
	130.59	Low 15/Sep/2017
	129.34	Low 06/Sep/2017
	128.31	Low 22/Aug/2017
RECOMMENDATION	BUY	----
	SELL	133.20
	STOP LOSS	133.90
	TARGET	132.20 131.90

## USD/CAD

Interest Rate: 1.00%-1.25% (US)/0.75% (CA)



- There was a daily rebound.
  - The RSI has entered the overbought area, be alert of a rebound.
- [\(Research – rizal\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2622</b>	<b>1.2848</b>

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2857 (26/Oct)	1.2609 (23/Oct)	1.2857 (26/Oct)	1.2444 (04/Oct)	1.2527 (29/Sep)	1.2057 (08/Sep)	1.3793 (05/May)	1.2057 (08/Sep)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.3470	High 12/Jun/2017
	1.3307	Reaction High 23/Jun/2017 (Daily)
	1.3011	Reaction High 03/Jul/2017 (Daily)
	1.2943	High 11/Jul/2017
<b>SUPPORT</b>	1.2412	Low 29/Sep/2017
	1.2326	Low 26/Sep/2017
	1.2251	Reaction Low 22/Sep/2017 (Daily)
	1.2198	Reaction Low 20/Sep/2017 (Daily)
<b>RECOMMENDATION</b>	BUY	1.2810
	SELL	----
	STOP LOSS	1.2735
	TARGET	1.2910 – 1.2940



## Precious Metal – *Daily Outlook*

### Gold touches nearly three-week low as ECB plan lifts dollar - Reuters News



Gold fell to a nearly three-week low on Thursday as the dollar gained against the euro after the European Central Bank said it would extend the lifespan of its bond-buying program.

The bank also decided to cut back bond purchases, a widely expected move that was factored into gold prices and the dollar, and the extension of the bond-buying program took the wind out of the euro's rally against the dollar.

European stock markets gained following the decision as investors started to price out future rate increases, moving away from safe-haven gold and bonds and into stocks and other assets perceived as risky.

A strong greenback makes dollar-priced gold costlier for non-U.S. investors.

"Stocks are at extremely high levels in the U.S., but I think Europe is going to start playing catch-up," said Forex.com analyst Fawad Razaqzada. "I'm bearish on gold while we remain below \$1,300."

Spot gold was down 0.7 percent at \$1,267.61 an ounce by 2:10 p.m. EDT (1810 GMT) after touching \$1,266.27, its lowest since Oct. 6. U.S. gold futures for December delivery settled down \$9.40, or 0.7 percent, at \$1,269.60 per ounce.

Also weighing on gold and boosting the dollar was fresh speculation that the next U.S. Federal Reserve chair could be a policy hawk following reports that current Chair Janet Yellen is out of the running.

On Tuesday, U.S. President Donald Trump polled Republicans on whether they would prefer Stanford University economist John Taylor or Fed Governor Jerome Powell for the job. More senators preferred Taylor.

Taylor would be more likely to raise interest rates, said John Lawrence, senior trader at Heraeus Precious Metals in New York.

"If Yellen is out of the race, that takes out some of the dovish nature," Lawrence said. "The dollar is stronger."

Gold is likely to flatline for another year in 2018 as rising U.S. interest rates clip momentum, a Reuters poll showed on Thursday, while silver forecasts were cut again after the metal lagged forecasts in the third quarter.

Silver dropped 0.9 percent to \$16.76 an ounce after touching \$16.72, its lowest since Oct. 6.

Platinum fell 0.7 percent to \$914 an ounce, while palladium climbed 1.05 percent to \$970.60 an ounce.

"On current levels, a lot of bad news is priced into platinum, while palladium still looks due for a correction with another dent in global car sales looming," Julius Baer Group said in a note.

*(Source Reuters, Research – @her1en)*

## GOLD (XAU/USD)



- Resistance around 1313
- Support area is around 1251
- Daily RSI is down  
[\(Research – @her1en\)](#)

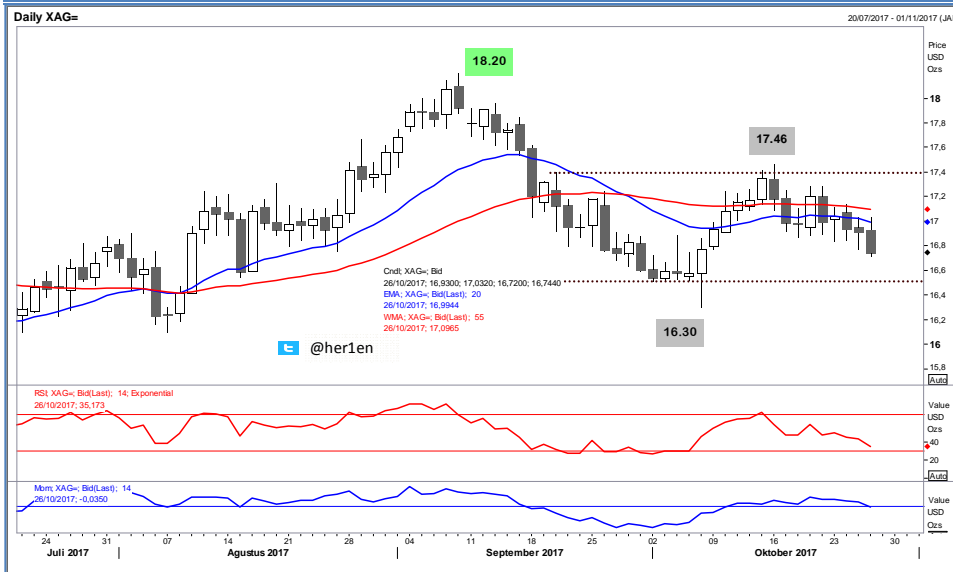
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Oct 26	1277.380	1282.330	1265.550	16.78	1266.870	↓10.38	1277.250	1278.00	1273.75
Oct 25	1276.550	1279.840	1270.850	8.99	1277.250	↑0.74	1276.510	1273.00	1275.00
Oct 24	1281.510	1283.470	1273.570	9.90	1276.510	↓5.28	1281.790	1278.30	1276.45
Oct 23	1277.160	1283.080	1272.330	10.75	1281.790	↑2.41	1279.380	1275.25	1274.90
Oct 20	1289.570	1290.870	1277.800	13.07	1279.380	↓10.11	1289.490	1280.25	1281.20

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1283.470	1265.550	1305.890	1260.470	1357.380	1277.560	1357.380	1146.31
(24/Oct)	(26/Oct)	(16/Oct)	(06/Oct)	(08/Sep)	(28/Sep)	(08/Sep)	(03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	1313.54	High Sept 26
	1296.28	High Oct 17
	1291.08	High Oct 20
	1283.66	High Oct 24
<b>SUPPORT</b>	1270.63	Low Oct 25
	1260.16	Low Oct 06
	1251.01	Low Aug 08
	1243.41	Low July 26
<b>RECOMMENDATION</b>	BUY	1265.00
	SELL	-----
	STOP LOSS	1255.00
	TARGET	1276.00 1281.00

## SILVER (XAG/USD)



- With strong resistance at 17.85
  - While the crucial support area is around 16.30
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	16.938	17.014	16.730	0.28	16.771	↓ 0.17	16.937
Oct 25	16.931	17.021	16.796	0.23	16.937	FLAT	16.933
Oct 24	17.062	17.128	16.865	0.26	16.933	↓ 0.14	17.069
Oct 23	16.975	17.094	16.842	0.25	17.069	↑ 0.07	16.999
Oct 20	17.245	17.272	16.913	0.36	16.999	↓ 0.23	17.230

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.128	16.730	17.448	16.316	18.199	16.614	18.63	14.334
(24/Oct)	(26/Oct)	(16/Oct)	(06/Oct)	(08/Sep)	(29/Sep)	(17/Apr)	(07/Jul)

### ANALYSIS & RECOMMENDATION

RESISTANCE	17.85	High Sept 15
	17.62	High Sept 18
	17.46	High Oct 16
	17.26	High Oct 19
SUPPORT	16.77	Low Oct 09
	16.30	Low Oct 06
	16.10	Low Aug 07
	15.94	Low July 17
ECOMMENDATION	BUY	16.70
	SELL	-----
	STOP LOSS	16.40
	TARGET	17.10
		17.30

## OIL – Daily Outlook

### Brent oil hits 27-mth high on Saudi talk of extending supply cuts - Reuters News



Brent crude closed at a 27-month high on Thursday as the market focused more on comments from Saudi Arabia about ending a global supply glut instead of an unexpected increase in U.S. crude inventories and high U.S. production and exports.

Brent futures gained 86 cents, or 1.5 percent, to settle at \$59.30 a barrel, its highest close since July 3, 2015.

U.S. West Texas Intermediate crude, meanwhile, rose 46 cents, or 0.9 percent, to settle at a six-month high of \$52.64, its highest close since April 17.

With Thursday's gains, Brent futures were up for three

days in a row following comments earlier in the week from Saudi Arabia that the Kingdom was determined to end a global supply glut that has weighed on prices for more than three years.

"We are committed to work with all producers, OPEC and non-OPEC countries ... We will support anything to stabilise the oil demand and supply," Saudi Arabia's Crown Prince Mohammad bin Salman told Reuters on Thursday when asked whether the kingdom would support extending an agreement to cut supplies until the end of 2018.

The Organization of the Petroleum Exporting Countries (OPEC), plus Russia and nine other producers, have cut oil output by about 1.8 million barrels per day (bpd) since January. The pact runs to March 2018, but they are considering extending it.

"When you couple what Mohammed Bin Salman said along with (Russian President Vladimir) Putin, you have to realize we have two of the largest oil producers basically putting a blessing on an extension of production cuts through the end of 2018," Rob Thummel, a portfolio manager at Tortoise Capital Advisors.

Putin said earlier this month the oil supply deal could be extended to the end of 2018, although OPEC ministers have not given specific commitments on doing so.

"Price volatility in the oil market is expected to persist in the run-up to the November OPEC meeting. Saudi Arabia's bullish stance, together with ongoing geopolitical tensions in the Middle East, will remain supportive of prices," said Abhishek Kumar, Senior Energy Analyst at Interfax Energy's Global Gas Analytics in London.

OPEC will next meet on Nov. 30 in Vienna.

"However, the market is also mindful of rising oil production in the United States and persistently high exports from the country, which will cap price gains," Kumar noted.

U.S. crude inventories rose by 856,000 barrels last week, U.S. Energy Information Administration (EIA) data showed on Wednesday, versus analysts' forecast for a 2.6 million-barrel draw.

The data also showed that U.S. crude production rose 1.1 million bpd last week to 9.5 million bpd after a decline due to Hurricane Nate, while U.S. oil exports hit a new record four-week average of 1.7 million bpd.

"We continue to highlight a near record level of crude exports that appears sustainable near 2 (million bpd) through next month due to a widening Brent-WTI spread that pushed above \$6 per barrel resistance in yesterday's trade," Jim Ritterbusch, president of Chicago-based energy advisory firm Ritterbusch & Associates, said in a note.

Brent's premium over WTI was up 6.7 percent on Thursday at \$6.68 amidst renewed strength in the global benchmark. [\(Source Reuters, Research – @her1en\)](#)

**CLZ7/USD (OIL)**  
 (Exp.: 20 Nov. 2017 - Reuters)



- Daily RSI is flat
  - Correction occurs in daily movement
  - Important resistance at 54.44, support at 48.12.
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 26	52.17	52.84	51.91	0.93	52.80	↑ 0.64	52.16
Oct 25	52.54	52.54	51.88	0.66	52.16	↓ 0.36	52.52
Oct 24	51.87	52.59	51.54	1.05	52.52	↑ 0.68	51.84
Oct 23	52.05	52.27	51.67	0.60	51.84	↓ 0.20	52.04
Oct 20	51.56	52.05	50.86	1.19	52.04	↑ 0.47	51.57

WEEKLY		OCTOBER		SEPTEMBER		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
52.84 (26/Oct)	51.54 (24/Oct)	52.84 (26/Oct)	49.09 (06/Oct)	52.84 (28/Sep)	46.55 (01/Sep)	55.22 (03/Jan)	42.04 (21/Jun)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	54.94	High Feb 23
	54.44	High Mar 01
	53.99	High Apr 19
	52.86	High Sept 28
<b>SUPPORT</b>	51.55	Low Oct 24
	50.48	Low Oct 12
	49.54	Low Oct 10
	48.12	Low Sept 13
<b>RECOMMENDATION</b>	BUY	52.60
	SELL	----
	STOP LOSS	51.60
	TARGET	54.00 54.50