



# Daily Bulletin

GLOBAL MARKETS & ECONOMIES | WEEKLY ECONOMIC INDICATORS | ASIAN STOCK INDEX | CURRENCIES | PRECIOUS METAL | O I L |

Research Department

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## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

- Asian markets were lower overall after some early gains that largely shrugged off another missile launch by North Korea, the broad MSCI index of Asia-Pacific shares outside Japan dipping 0.2 percent.
- European shares inched lower in quiet trading on Monday with Italian stocks left behind as talk over a possible early election weighed, hitting banks.
- Concern over Italy's banks and Britain's national election dominated holiday-thinned European financial markets on Monday, pushing stock markets lower after Asian share indices fell back off two-year highs.

### GLOBAL ECONOMIES

- Standard & Poor's is likely to follow its regular ratings review schedule for China, and does not see any basis at this point for an out-of-schedule committee meeting, a senior director at the ratings agency told Reuters on Monday.
- Euro zone growth may be improving but inflation remains subdued and still requires substantial stimulus, European Central Bank President Mario Draghi said on Monday, tempering expectations for the bank's June 8 policy meeting.
- Britain will remain a strong ally of the European Union even as it leaves the bloc, its interior minister said on Monday, after German Chancellor Angela Merkel suggested Europe could no longer completely rely on Britain and the United States.
- The U.S. economy is at or near the Federal Reserve's goals of full employment and stable prices, San Francisco Fed President John Williams said, adding that the U.S. central bank wants to make sure markets stay calm as it slowly returns interest-rate policy to normal.

### GLOBAL MARKETS

**Asia** – Asian markets were lower overall after some early gains that largely shrugged off another missile launch by North Korea, the broad MSCI index of Asia-Pacific shares outside Japan dipping 0.2 percent. Japan's Nikkei ended flat at 19,682.57, after moving into and out of positive territory, while Australian shares fell as much as 0.8 percent, hit by another round of falls in the prices of oil and other commodities. China's markets are also closed on Monday and Tuesday for a holiday. South Korea's KOSPI closed down 0.1 percent at 2,352.97 points after being up through the morning and touching an intraday record high of 2,371.67.

**Euro Zone** – European shares inched lower in quiet trading on Monday with Italian stocks left behind as talk over a possible early election weighed, hitting banks.

Activity was reduced as holidays in major markets such Britain and the United States kept investors away.

The euro zone equity index slipped 0.16 percent, while Italian blue chips fell 2 percent to their lowest level in more than three weeks, while Germany's DAX added 0.2 percent.

Weekend reports that Italy's main parties could converge on a proportional electoral law pointed to growing chances of an early election in the autumn, possibly leading to no clear majority.

In an interview on Sunday, former Prime Minister Matteo Renzi said an accord on a proportional voting system was possible though it could result in a coalition government that may have trouble holding together.

"The risk of early elections has suddenly increased to 60 percent," LC Macro Advisers economist Lorenzo Codogno said, noting that the "nightmare" scenario of an outright victory for eurosceptic 5-Star Movement had only a very small probability.

"A hung parliament is thus the most likely outcome," he said.

While Italian government bond yield shot up, Italian banks, already hit by concerns surrounding the rescue of two ailing regional lenders Popolare di Vicenza and Veneto Banca lenders, fell 3.3 percent, suffering their biggest one-day drop in almost four months and dragging euro zone banks down 0.8 percent.

Among Europe's heavyweight lenders, Italy's Intesa Sanpaolo and UniCredit fell around 2 and 4 percent respectively, while Deutsche Bank slipped 0.4 percent and Banco Santander ended flat.

On the Italian blue chip index, utilities also suffered with state-controlled Enel down 2.3 percent.

A trader at an Italian bank said an expected continuation of record inflows into European equities from the United States, however, made any political related sell-off a buying opportunity.

European shares remain close to 21 month highs hit earlier in May as investors comforted by surprisingly strong earnings and solid economic prospects poured fresh money into the region.

Spanish-listed shares of International Airlines Group, the parent company of British Airways, fell 2.8 percent. British Airways flights suffered massive disruptions over the weekend with over 1,000 flights cancelled after a computer system failure.

Lanxess rose 6.7 percent, leading gainers on the STOXX after news that billionaire Warren Buffett had acquired a 3 percent stake in the German chemicals maker.

Another top mover was Danish jewellery maker Pandora which fell 4.3 percent after weaker-than-expected results at U.S. peers Tiffany's and Signet Jewelers last week.

**U.S. & Global Markets** – Concern over Italy's banks and Britain's national election dominated holiday-thinned European financial markets on Monday, pushing stock markets lower after Asian share indices fell back off two-year highs.

Sterling, hammered by a slump for Prime Minister Theresa May's Conservatives in opinion polls last week, recovered after weekend polls confirmed the trend but showed her still on course to win next week's vote.

European share prices were lower overall, but Italian banks and blue chips fell as worries over recapitalisations of regional Italian lenders bled over into a second week.

Weekend reports that Italy's main parties could converge on a proportional electoral law pointed to growing chances of an early election that may yield an indecisive hung parliament.

"The risk of early elections has suddenly increased to 60 percent," LC Macro Advisers founder Lorenzo Codogno said. "A hung parliament is thus the most likely outcome."

European blue chips overall slipped 0.2 percent, but losses for Banco BPM, Unicredit and others drove a 3.4 percent loss for Italy's banking index - its biggest in nearly four months.

Milan's main blue-chip index fell almost 2 percent while Germany's DAX was little changed.

Asian markets were also lower overall after some early gains that largely shrugged off another missile launch by North Korea, the broad MSCI index of Asia-Pacific shares outside Japan dipping 0.2 percent.

Japan's Nikkei edged up 0.2 percent while Australian shares fell as much as 0.8 percent, hit by another round of falls in the prices of oil and other commodities. China's markets are also closed on Monday and Tuesday for a holiday.

On currency markets, the dollar was flat, trading at \$1.1185 per euro and 111.35 yen after steadying on a better batch of U.S. economic data on Friday that solidified expectations of a rise in official interest rates next month.

San Francisco Federal Reserve President John Williams said in Singapore on Monday that medium-term trends in U.S. inflation remained "pretty favourable," despite some recent soft consumer price data.

After falling more than 2 cents last week, sterling was 0.2 to 0.3 percent stronger against the dollar and euro.

"A lot of what we are seeing is the after effects of Friday's news and data releases," said Thu Lan Nguyen, a currency strategist with Commerzbank in Frankfurt.

"We have a little bit of dollar strength following better U.S. data and some hawkish comments from Federal Reserve officials. And we have a little bit of a pound recovery following the latest poll results from the UK." [\(Source Reuters – @ErwinRiset - @her1en\)](#)

## **GLOBAL ECONOMIES**

**China** – Standard & Poor's is likely to follow its regular ratings review schedule for China, and does not see any basis at this point for an out-of-schedule committee meeting, a senior director at the ratings agency told Reuters on Monday.

Moody's Investors Service last week cut its sovereign ratings on China by a notch, putting them on par with those of Fitch Ratings.

That put S&P one step above the two agencies, holding an AA- rating with a negative outlook that it has maintained since March 2016.

"I don't think there has been anything that could justify the calling of an out-of-schedule committee at this point in time, so we are likely to follow our regular review pattern," Kim Eng Tan, S&P's Asia-Pacific senior director of sovereign ratings, said in a phone interview.

Tan declined to say when the next regular review would be.

Moody's cut China's sovereign ratings to A1, saying it expects the financial strength of the world's second-largest economy to erode in coming years as growth slows and debt continues to mount.

Fitch on Friday maintained its A+ rating on China, citing its "strong macroeconomic track record", though the agency also noted an accompanying build-up of imbalances and vulnerabilities.

But nobody is expecting any form of financial instability anytime in the near future, Tan told Reuters.

"Despite the (Moody's) downgrade, all the major agencies have really high ratings on China, whether it's A+ or AA-, they are both high ratings," he said.

Government-led stimulus has been a key driver of China's economic growth in recent years. But that has been accompanied by credit growth that has created a mountain of debt - now at nearly 300 percent of gross domestic product (GDP).

"The key concerns that people have are longer term," Tan said. "Because if trends carry on as they do, from what we have seen in the past few years, then at some point in time, the risk of instability will rise to a level that will probably justify a further downgrade in the ratings."

S&P last changed its rating on China in late 2010, when it upgraded it by one notch.

**Euro Zone** – Euro zone growth may be improving but inflation remains subdued and still requires substantial stimulus, European Central Bank President Mario Draghi said on Monday, tempering expectations for the bank's June 8 policy meeting.

With euro zone growth on its best run since the bloc's crisis a decade ago, pressure from more conservative countries has been mounting on Draghi to start planning an exit from its policy of aggressive bond purchases and sub-zero rates, setting up June as a potentially key meeting.

Still, with wage growth remaining subdued and underlying inflation weak, Draghi argued that the extraordinary monetary policy support was still needed to raise inflation back to the bank's 2 percent target.

"For domestic price pressures to strengthen, we still need very accommodative financing conditions, which are themselves dependent on a fairly substantial amount of monetary accommodation," Draghi told the European Parliament's committee on economic affairs.

German bond yields fell a touch and the euro eased slightly as investors considered Draghi's comments relatively dovish.

With growth picking up, ECB policymakers are expected to say risks to the economic outlook are no longer predominantly negative when they meet next week.

"At its June monetary policy meeting the Governing Council will receive an update of the staff projections and a more complete information set on which it will be able to formulate its judgement on the distribution of risks around the most likely outlook for growth and inflation," Draghi added.

But any change in the bank's tone is likely to be nuanced as some policymakers, including chief economist Peter Praet, fear that a bigger move could touch off market turbulence, raising expectations for a more aggressive removal of stimulus.

The ECB has long argued that even with growth picking up, inflation is far from sustainable, requiring the bank to maintain an unprecedented level of stimulus, which includes 2.3 trillion euros (\$2.57 trillion) of asset buys and keeping rates in negative territory.

The next big decision for the bank may not come up until the autumn, when it has to decide whether to extend its bond purchase programme into next year or start winding it down as now scheduled.

**UK** – Britain will remain a strong ally of the European Union even as it leaves the bloc, its interior minister said on Monday, after German Chancellor Angela Merkel suggested Europe could no longer completely rely on Britain and the United States.

"As we begin the negotiations about leaving the EU, we will be able to reassure Germany and other European countries that we are going to be a strong partner to them. A strong partner on defence, security and we hope in trade," interior minister Amber Rudd told BBC radio.

**U.S.** – The U.S. economy is at or near the Federal Reserve's goals of full employment and stable prices, San Francisco Fed President John Williams said, adding that the U.S. central bank wants to make sure markets stay calm as it slowly returns interest-rate policy to normal.

"If you remember nothing else I've shared with you today, I hope you'll remember this: The last thing we want to do is to fuel unnecessary or avoidable volatility or disruption – whether we're talking about domestic markets or international markets," Williams said in remarks prepared for

delivery Monday to the Symposium on Asian Banking and Finance, co-hosted with the Monetary Authority of Singapore.

With the economy at full employment and inflation expected to reach the Fed's 2-percent goal by next year, the Fed needs to keep raising U.S. interest rates gradually or risk overheating the economy, Williams said.

The Fed raised rates in March, and at the time telegraphed a plan to lift them two more times this year, a pace that Williams last week told Reuters he thinks makes sense.

Policymakers meet again next month to decide their next move.

The Fed, Williams said Monday, is also committed to trimming its \$4.5 trillion balance sheet, accumulated during years of bond-buying to stimulate investment and hiring after the Great Recession.

The process, which he said will likely start sometime later this year, will be "widely telegraphed, gradual, and – frankly – boring," Williams said. "The more public understanding there is, the lesser the risk of market disruption and volatility."

The last time the Fed shifted its policy on its balance sheet, domestic and international markets swooned in response. Fed officials this time around are keen to prevent another such incident.

*(Source Reuters, Research – @her1en)*

## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/29-May-17	08:15	US	Fed's Williams Speaks in Singapore					
	15:00	EZ	M3 Money Supply YoY	Apr	4.9%	5.2%	5.3%	
			Draghi Speaks at European Parliament Economic Committee					
	20:00	EZ						
	<b>All Day</b>	<b>CN</b>	<b>Bank Holiday/Dragon Boat Festival</b>					
	<b>All Day</b>	<b>DE</b>	<b>UK Bank Holiday</b>					
<b>All Day</b>	<b>GB</b>	<b>Bank Holiday/Spring Bank Holiday</b>						
<b>All Day</b>	<b>US</b>	<b>Bank Holiday/Memorial Day</b>						
Tue/30-May-17	05:45	NZ	Building Permits MoM	Apr		--	-1.8%	
	06:30	AU	ANZ Roy Morgan Weekly Consumer Confidence Index	May-28		--	110.5	
	06:30	JP	Jobless Rate	Apr		2.8%	2.8%	
	06:30	JP	Job-To-Applicant Ratio	Apr		1.46	1.45	
	06:30	JP	Overall Household Spending YoY	Apr		-0.7%	-1.3%	
	06:50	JP	Retail Sales MoM	Apr		0.1%	0.2%	
	08:30	AU	Building Approvals MoM	Apr		3.0%	-13.4%	
	08:30	AU	Building Approvals YoY	Apr		-18.1%	-19.9%	
	14:00	CH	KOF Leading Indicator	May		--	106	
	16:00	EZ	Economic Confidence	May		110.0	109.6	
	16:00	EZ	Business Climate Indicator	May		1.11	1.09	
	16:00	EZ	Industrial Confidence	May		3.1	2.6	
	16:00	EZ	Services Confidence	May		14.2	14.2	
	16:00	EZ	Consumer Confidence	May F		-3.3	-3.3	
	19:00	DE	CPI MoM	May P		-0.1%	0.0%	
	19:00	DE	CPI YoY	May P		1.6%	2.0%	
19:00	DE	CPI EU Harmonized MoM	May P		-0.1%	0.0%		
19:00	DE	CPI EU Harmonized YoY	May P		1.5%	2.0%		

	19:30	CA	Current Account Balance	1Q		--	-\$10.73b	
	19:30	US	Personal Income	Apr		0.4%	0.2%	
	19:30	US	Personal Spending	Apr		0.4%	0.0%	
	19:30	US	Real Personal Spending	Apr		--	0.3%	
	19:30	US	PCE Deflator MoM	Apr		0.2%	-0.2%	
	19:30	US	PCE Deflator YoY	Apr		1.7%	1.8%	
	19:30	US	PCE Core MoM	Apr		0.1%	-0.1%	
	19:30	US	PCE Core YoY	Apr		1.5%	1.6%	
	21:00	US	Consumer Confidence	May		119.5	120.3	
	21:30	US	Dallas Fed Manf. Activity	May		15	16.8	
	<b>All Day</b>	<b>CN</b>	<b>Bank Holiday/Dragon Boat Festival</b>					
<b>Wed/31-May-17</b>	04:00	KR	Business Survey Manufacturing	Jun		--	84	
	04:00	KR	Business Survey Non-Manufacturing	Jun		--	78	
	06:00	KR	Industrial Production SA MoM	Apr		0.8%	1.0%	
	06:00	KR	Industrial Production YoY	Apr		5.6%	3.0%	
	06:01	GB	GfK Consumer Confidence	May		-8	-7	
	06:50	JP	Industrial Production MoM	Apr P		4.3%	-1.9%	
	06:50	JP	Industrial Production YoY	Apr P		6.2%	3.5%	
	08:00	CN	Manufacturing PMI	May		51	51.2	
	08:00	CN	Non-manufacturing PMI	May		--	54	
	08:00	NZ	ANZ Activity Outlook	May		--	37.7	
	08:00	NZ	ANZ Business Confidence	May		--	11	
	14:55	DE	Unemployment Change (000's)	May		-15k	-15k	
	14:55	DE	Unemployment Claims Rate SA	May		5.8%	5.8%	
	16:00	EZ	Unemployment Rate	Apr		9.4%	9.5%	
	16:00	EZ	CPI Estimate YoY	May		1.5%	1.9%	
	16:00	EZ	CPI Core YoY	May A		1.0%	1.2%	
	19:00	US	Fed's Kaplan Speaks in New York					
	19:30	CA	Quarterly GDP Annualized	1Q		3.6%	2.6%	
	19:30	CA	GDP MoM	Mar		0.2%	0.0%	
	19:30	CA	GDP YoY	Mar		2.9%	2.5%	
	19:30	DE	Merkel, Lautenschlaeger Address German Credit-Union Conference					
	21:00	US	Pending Home Sales MoM	Apr		0.4%	-0.8%	
	21:00	US	Pending Home Sales NSA YoY	Apr		--	0.5%	
<b>Thu/01-Jun-17</b>	01:00	US	U.S. Federal Reserve Releases Beige Book					
	05:45	NZ	Terms of Trade Index QoQ	1Q		3.9%	5.7%	
	06:00	KR	CPI MoM	May		0.2%	-0.1%	
	06:00	KR	CPI YoY	May		2.0%	1.9%	
	06:00	KR	CPI Core YoY	May		1.4%	1.3%	
	06:30	AU	AiG Perf of Mfg Index	May		--	59.2	
	07:00	KR	Exports YoY	May		16.5%	24.2%	
	07:00	KR	Imports YoY	May		14.0%	16.6%	
	07:00	KR	Trade Balance	May		\$7180m	\$13300m	
	07:10	US	Fed's Williams Speaks in Seoul					
	07:30	JP	Nikkei Japan PMI Mfg	May F		--	52	
	07:30	KR	Nikkei South Korea PMI Mfg	May		--	49.4	
	08:30	AU	Private Capital Expenditure	1Q		0.8%	-2.1%	
	08:30	AU	Retail Sales MoM	Apr		0.3%	-0.1%	
	08:30	JP	BOJ Harada speaks in Gifu					
	08:45	CN	Caixin China PMI Mfg	May		50.1	50.3	
	12:45	CH	GDP QoQ	1Q		--	0.1%	
	12:45	CH	GDP YoY	1Q		--	0.6%	
	14:15	EZ	ECB's Villeroy Speaks at Brussels Economic Forum in Brussels					
	N/A	EZ	China's Li Meets With EU's Tusk, Juncker in Brussels					
	N/A	EZ	EU-China Summit in Brussels June 1-2					
	14:15	CH	Retail Sales Real YoY	Apr		--	2.1%	
	14:30	CH	PMI Manufacturing	May		--	57.4	

	14:55	DE	Markit/BME Germany Manufacturing PMI	May F		59.4	59.4	
	15:00	EZ	Markit Eurozone Manufacturing PMI	May F		57	57	
	15:30	HK	Retail Sales Value YoY	Apr		2.8%	3.1%	
	15:30	HK	Retail Sales Volume YoY	Apr		2.5%	2.7%	
	15:30	GB	Markit UK PMI Manufacturing SA	May		56.1	57.3	
	16:00	EZ	EU's Dombrovskis Speaks at Brussels Economic Forum					
	16:00	EZ	ECB's Hakkarainen, Costa, EBA's Enria Speak in Lisbon					
	19:00	EZ	EU's Moscovici Speaks at Brussels Economic Forum in Brussels					
	19:00	EZ	Italy's Padoan on Panel at Brussels Economic Forum in Brussels					
	19:00	US	Fed's Powell Speaks on Normalization of Monetary Policy					
	19:15	US	ADP Employment Change	May		180k	177k	
	19:30	US	Initial Jobless Claims	w/e		238k	234k	
	19:30	US	Jobless Claims 4-wk Avg	w/e		--	235.25k	
	19:30	US	Continuing Jobless Claims	w/e		1.920m	1.923m	
	20:30	CA	Markit Canada Manufacturing PMI	May		--	55.9	
	20:45	US	Markit US Manufacturing PMI	May F		--	52.5	
	21:00	US	ISM Manufacturing	May		54.6	54.8	
	21:00	US	ISM Prices Paid	May		67	68.5	
	21:00	US	ISM New Orders	May		--	57.5	
	21:00	US	ISM Employment	May		--	52	
	21:00	US	Construction Spending MoM	Apr		0.5%	-0.2%	
	22:00	US	EIA Weekly Crude Stocks	w/e		--	-4.432m	
	22:00	US	EIA Weekly Dist. Stocks	w/e		--	-0.485m	
	22:00	US	EIA Weekly Gasoline Stocks	w/e		--	-0.787m	
<b>Fri/02-Jun-17</b>	06:00	KR	GDP SA QoQ	1Q F		0.9%	0.9%	
	06:00	KR	GDP YoY	1Q F		2.7%	2.7%	
	06:50	JP	Monetary Base YoY	May		--	19.8%	
	06:50	JP	Monetary Base End of period	May		--	¥462.2t	
	08:00	AU	HIA New Home Sales MoM	Apr		--	-1.1%	
	12:00	JP	Consumer Confidence Index	May		43.5	43.2	
	N/A	GB	United Kingdom Sovereign Debt to be rated by Moody's					
	15:30	GB	Markit/CIPS UK Construction PMI	May		52.7	53.1	
	16:00	EZ	PPI MoM	Apr		0.2%	-0.3%	
	16:00	EZ	PPI YoY	Apr		4.5%	3.9%	
	19:30	CA	Labor Productivity QoQ	1Q		--	0.4%	
	19:30	US	Change in Nonfarm Payrolls	May		185k	211k	
	19:30	US	Trade Balance	Apr		-\$46.1b	-\$43.7b	
	19:30	US	Two-Month Payroll Net Revision	May		--	-6k	
	19:30	US	Change in Private Payrolls	May		173k	194k	
	19:30	US	Change in Manufact. Payrolls	May		5k	6k	
	19:30	US	Unemployment Rate	May		4.4%	4.4%	
	19:30	US	Average Hourly Earnings MoM	May		0.3%	0.3%	
	19:30	US	Average Hourly Earnings YoY	May		2.7%	2.5%	
	19:30	US	Average Weekly Hours All Employees	May		34.4	34.4	
	19:30	US	Labor Force Participation Rate	May		--	62.9%	
	19:30	US	Underemployment Rate	May		--	8.6%	
<b>Sat/03-Jun-17</b>	00:00	US	Baker Hughes U.S. Rig Count	Jun-02		--	--	

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



## ASIAN STOCK INDICATORS – *Daily Outlook*

**Tokyo stocks** were flat in choppy trade on Monday as investors waited for key U.S. economic indicators out this week, including employment data, to provide clues on how soon U.S. interest rates might rise.

Trade was subdued with U.S. and other markets closed for national holidays.

The Nikkei share average ended flat at 19,682.57, after moving into and out of positive territory.

The broader Topix added 0.1 percent to 1,570.21 and the JPX-Nikkei Index 400 was flat at 13,996.49.

Volume on the main board was thin with only 1.27 billion shares changing hands, the lowest level since mid-August.

**South Korean shares** saw a six-day winning streak snapped on Monday, with early gains erased as local institutions accelerated their stock-selling in the afternoon.

The Korea Composite Stock Price Index (KOSPI) closed down 0.1 percent at 2,352.97 points after being up through the morning and touching an intraday record high of 2,371.67.

Domestic institutions sold a net 98.9 billion won (\$88.18 million) of KOSPI shares while offshore investors bought a net 14.4 billion won worth for the day.

Brokers said the latest North Korea missile test had no impact on Monday's trading.

The South Korean won moved narrowly throughout the session amid the absence of strong market momentum.

The won was quoted at 1,121.7 to the dollar at the conclusion of onshore trade, little changed from Friday's close of 1,120.7.

**Hong Kong stocks** edged up on Monday, on which China markets were closed, with mainland property shares aiding the rise on anticipation of strong home demand in smaller Chinese cities.

The blue chip Hang Seng index rose 0.2 percent to 25,701.63 points, the highest close since July 3, 2015. The Hong Kong China Enterprises Index gained 0.4 percent to 10,619.34.

China Evergrande Group Ltd led the surge in mainland property stocks after Morgan Stanley initiated coverage on the developer with "overweight".

The brokerage said it expects Evergrande's gearing to drop to 237 percent by end-2017 from 432 percent at December 2016 on introduction of strategic investors.

The stock, whose share-price has tripled this year, soared nearly 23 percent to a record close of HK\$15.20.

Other mainland developers also shot up. Country Garden rose 9.4 percent, Agile Group climbed 5.1 percent and China Resources Land 2.0 percent.

The Hong Kong property sector remained strong with the sub-index rising 1.04 percent, ignoring Hong Kong banks' move over the weekend to increase mortgage rates.

Large commercial banks, including Standard Chartered, HSBC Holdings and Bank of China Hong Kong, said they would raise interest rates following the latest round of mortgage tightening measures by the city's de facto central bank.

Shares of Lianhua Supermarket soared 24.4 percent to their highest close since September 2015 after its shareholder Shanghai Yiguo E-Commerce Co Ltd agreed to sell an 18 percent stake in the supermarket chain operator to a unit of Alibaba Group Holding Ltd.

Hong Kong financial markets will be closed for a holiday on Tuesday. Mainland markets will be closed again, and will reopen on Wednesday.

### ***China markets closed on Monday-Tuesday (29-30 May 2017) for national holiday (Dragon Boat Festival)***

**China stocks** reversed earlier losses to end the week higher on Friday, led by the blue-chip CSI300 index posting its best week in six months as suspected state-directed buying offset concerns over a surprise move by Moody's to cut the country's credit rating.

For the day, the blue-chip CSI300 index fell 0.2 percent to 3,480.43 points, while the Shanghai Composite Index added 0.1 percent to 3,110.06 points.

For the week, CSI300 advanced 2.3 percent, while the SSEC gained 0.6 percent.

Sentiment in the market earlier in the week had been depressed by lingering concerns over tightening policy and the growth outlook, with the Moody's downgrade pushing Shanghai stocks to near seven-month lows on Wednesday morning.

But strong gains in index-heavyweight financial stocks on suspected government support lifted the market on Thursday amid growing hopes that global index provider MSCI Inc would add mainland Chinese shares to its benchmark next month.

An index tracking the country's major lenders jumped 5.4 percent in its best week since early March, 2016.

"This is apparently a stabilisation effort by the government. The index has dropped to a very critical level," said Wu Kan, head of equity trading at investment firm Shanshan Finance, referring to the 3,000 points - a key psychological level closely watched by many traders.

"But the state of stability could be temporary."

State intervention in financial markets is not unheard of in China. During the market rout of mid-2015, a band of government-backed investors, dubbed the "National Team", was ordered to try to stop the bleeding by buying stocks.

There was some speculation online that the National Team was at it again in the wake of the downgrade.

*(Source Reuters, Research: @ErwinRiset)*

### ASIA AND GLOBAL MARKET SPOT PRICE 2016

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	<b>309.32</b> <b>(29/May/2017)</b>	31958.41 (30/Oct/07)	21169.11 (01/Mar/2017)	2400.98 (01/Mar/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>	19998.49 (16/May/2017)	<b>309.32</b> <b>(29/May/2017)</b>	<b>25744.72</b> <b>(29/May/2017)</b>	21169.11 (01/Mar/2017)	<b>2418.71</b> <b>(26/May/2017)</b>	3295.18700 (07/Apr/2017)
<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 – 29 May 2017

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	<b>HOLIDAY</b>	↓ 2.67/ 0.01%	.N225	19682.57	↓ 4.27/0.02%
/.SPX	<b>HOLIDAY</b>	↑ 0.75/ 0.03%	.KS200	306.52	↓ 0.44/0.14%
/.IXIC	<b>HOLIDAY</b>	↑ 4.937/ 0.08%	.HSI	25701.63	↑ 62.36/0.24%
JPY=	111.30	↓ 0.01/ 0.01%	/.SSEC	<b>HOLIDAY</b>	↑ 2.33370/0.08%
KRW=	1121.21	↑ 3.38/ 0.30%	/Clc1 (Oil)	49.99	↑ 0.19/0.38%



**SSIamM7 (Nikkei Jun Futures) – Last Trading Date: 12 June 2017**



- Area of 19690 is being tested. If it effective, then correction potentially faces a trendline support around 19650
  - Crucial support at 19580
  - Short-term resistance at 19750 – 19800
- [\(Research – @ErwinRiset\)](#)

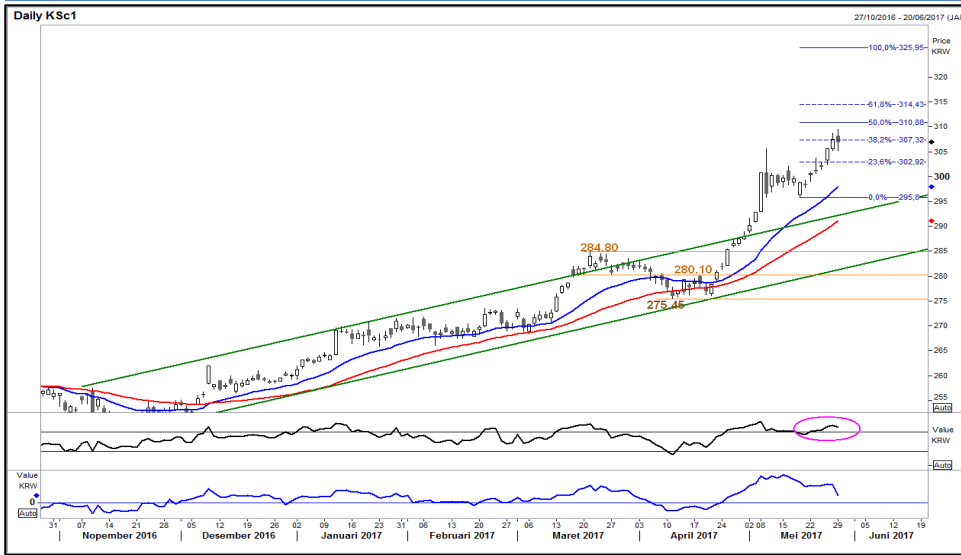
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
29 May SSIpmM7	19675	19695	19670	25	19690	---	UNCH	UNCH	3972
29 May SSIamM7	19720	19740	19625	115	19690	19690	↓ 15	0.08	28133
26 May SSIpmM7	19680	19720	19590	130	19715	---	↑ 10	0.05	22066
26 May SSIamM7	19775	19800	19680	120	19705	19705	↓ 110	0.56	35358
25 May SSIpmM7	19805	19855	19755	100	19815	---	UNCH	UNCH	25044
25 May SSIamM7	19710	19850	19710	140	19815	19815	↑ 85	0.43	39866
24 May SSIpmM7	19740	19770	19690	80	19730	---	UNCH	UNCH	18090
24 May SSIamM7	19780	19790	19690	100	19730	19730	↑ 80	0.41	37758
23 May SSIpmM7	19620	19780	19615	165	19775	---	↑ 125	0.64	22246
23 May SSIamM7	19675	19695	19580	115	19650	19650	↓ 30	0.15	35506

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
19740	19625	20030	19165	19325	18190	20030	18190
(29/May)	(29/May)	(09/May)	(01/May)	(26/Apr)	(17/Apr)	(09/May)	(17/Apr)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	20030	Peak level
	19995	Horizontal resistance
	19860	Reaction high (hourly)
	19800	Reaction high (hourly)
<b>SUPPORT</b>	19625	Reaction low (hourly)
	19580	Reaction low (hourly)
	19490	Reaction low (hourly)
	19280	Reaction low (hourly)
<b>RECOMMENDATION</b>	BUY	----
	SELL	19705
	STOP LOSS	19815
	TARGET	19570 19500

**KSM7 (Kospi Jun Futures) – Exp. Date: 08 June 2017**



- Rally continues, recording this year's new highs at 309.50
  - Rally faces medium resistance at 310.88 (50% Fib. Projection)
  - Beware of RSI in the overbought zone
- [\(Research – @ErwinRiset\)](#)

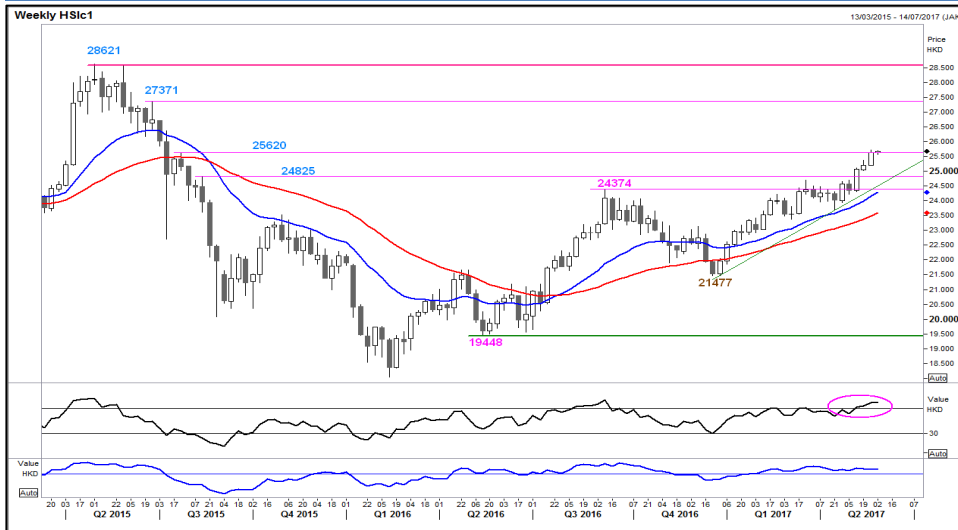
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
29 May	308.20	309.50	305.25	4.25	306.90	306.90	↓ 0.55	0.18	229693
26 May	305.60	308.75	305.20	3.55	307.45	307.45	↑ 1.85	0.61	264607
25 May	303.35	305.60	302.40	3.20	305.45	305.60	↑ 3.60	1.19	227780
24 May	302.25	302.95	301.40	1.55	302.00	302.00	↑ 0.85	0.28	140933
23 May	301.15	303.80	300.70	3.10	301.15	301.15	↑ 0.45	0.15	236516
22 May	300.35	300.90	299.00	1.90	300.70	300.70	↑ 2.35	0.79	164910

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
309.50 (29/May)	305.25 (29/May)	309.50 (29/May)	288.65 (02/May)	288.90 (28/Apr)	275.45 (11/Apr)	309.50 (29/May)	259.25 (02/Jan)

**ANALYSIS & RECOMMENDATION**

RESISTANCE	325.95	100% Fib. Projection (Daily)
	314.43	61.8% Fib. Projection (Daily)
	310.88	50% Fib. Projection (Daily)
	309.50	High 29/May/2017
SUPPORT	304.35	Reaction low (hourly)
	301.15	Reaction low (hourly)
	299.00	Reaction low (hourly)
	295.80	Low 18/May/2017
RECOMMENDATION	BUY	305.60
	SELL	----
	STOP LOSS	304.25
	TARGET	307.75 308.80

## HSIM7 (Hang Seng June Futures) – Exp. Date: 29 June 2017



- After hit high 25723 (HSIM7), the price moves to the 25500's range (HSIM7)
- Short-term support around 25358 – 25300  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
29 May (HSIM7)	25410	25555	25377	178	25487	25483	↑ 65	0.26	71261
26 May (HSIM7)	25455	25521	25385	136	25422	-	↓ 6	0.02	71777
26 May	25669	25723	25585	138	25625	25625	↓ 8	0.03	105608
25 May	25446	25666	25436	230	25632	25633	↑ 212	0.83	172666
24 May	25378	25422	25303	119	25420	25420	↑ 18	0.07	135487
23 May	25375	25445	25299	146	25402	25402	↑ 61	0.24	112043
22 May	25284	25422	25194	228	25341	25341	↑ 154	0.61	103761

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
25555	25377	25723	24220	24646	23706	25723	21863
(29/May)	(29/May)	(26/May)	(05/May)	(26/Apr)	(19/Apr)	(26/May)	(03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	26723	High 03/Jul/2015 (Weekly)
	26358	High 10/Jul/2015 (Weekly)
	25723	High 26/May/2017
	25555	High 29/May/2017
<b>SUPPORT</b>	25299	Reaction low (hourly)
	25194	Reaction low (hourly)
	25028	Reaction low (hourly)
	24991	Reaction low (hourly)
<b>RECOMMENDATION</b>	BUY	----
	SELL	25525
	STOP LOSS	25600
	TARGET	25350 25260

## CURRENCIES – *Daily Outlook*

### **Sterling steadies after opinion poll pummelling - Reuters News**



Britain's pound was the main mover among major currencies on Monday, recovering some ground after weekend polls showed Prime Minister Theresa May is set to win next week's elections even if the scale of victory is in question.

Sterling had its worst day since early February on Friday and fell around 2 cents last week as polls showed May's lead over the opposition Labour Party had shrunk from as much as 20 points last month to as low as 5 in one poll.

More surveys over the weekend confirmed the trend but also showed that May's Conservatives still lead

and should win - just potentially not by the landslide she had targetted when calling the election six weeks ago.

With London markets closed for a holiday, the pound rose 0.2 to 0.3 percent in thin trade in Europe, trading at \$1.2837 and 87.07 pence per euro respectively.

The dollar, which also struggled last week in the face of receding expectations for a major boost for growth from the Trump administration, was roughly steady at \$1.1185 per euro and 111.35 yen.

"A lot of what we are seeing is the after-effects of Friday's news and data releases," said Thu Lan Nguyen, a currency strategist with Commerzbank in Frankfurt.

"We have a little bit of dollar strength following better U.S. data and some hawkish comments from Federal Reserve officials. And we have a little bit of a pound recovery following the latest poll results from the UK."

The dollar index, which tracks the U.S. currency against a basket of six other major currencies, was lower at 97.366 but above last week's nadir of 96.797, its lowest since Nov. 9.

San Francisco Federal Reserve President John Williams said in Singapore on Monday that medium-term trends in U.S. inflation remained "pretty favourable," despite some recent soft consumer price data.

The U.S. economy was at or near the Federal Reserve's goals of full employment and stable prices, Williams said, adding that the U.S. central bank wanted to ensure markets stayed calm as the Fed slowly returned interest-rate policy to normal.

Data on Friday indicated the U.S. economy was expanding, solidifying expectations for a rise in official interest rates next month and adding to the case for the Fed to begin paring its \$4.5 trillion balance sheet.

"Friday's batch of US data is weighing on the euro as it strengthens the case a recent slowdown in US data may in fact have been transitory in nature," said LMAX Exchange analyst Joel Kruger.

With New York traders not at their desks, reaction was minimal to a speech by European Central Bank chief Mario Draghi, which stressed the need for extraordinary monetary stimulus and prodded euro zone bond yields lower. [\(Source Reuters, Research – @her1en\)](#)

## EUR/USD

Interest Rate: 0.00% (EU)/ 0.75%-1.00% (US)



- Daily RSI flat
- With the resistance at 1.1430
- Important support at the 1.0970 level ([Research - @her1en](#))

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	1.11817	1.11887	1.11607	28,0	1.11744	↓ 1	1.11745
May 26	1.12071	1.12335	1.11594	74,1	1.11745	↓ 34,0	1.12085
May 25	1.12125	1.12490	1.11927	56,3	1.12085	↓ 8,5	1.12170
May 24	1.11832	1.12189	1.11674	51,5	1.12170	↑ 36,1	1.11809
May 23	1.12351	1.12671	1.11739	93,2	1.11809	↓ 54,2	1.12351

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.11887 (29/May)	1.11607 (29/May)	1.12671 (23/May)	1.08379 (11/May)	1.0950 (25/Apr)	1.0571 (10/Apr)	1.12671 (23/May)	1.0342 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.1432	High June 24, 2016
	1.1365	Reaction high on 1-H chart
	1.1299	High 09/Nov/2016
	1.1267	High May 23
SUPPORT	1.1094	Low May 19
	1.0971	Low May 16
	1.0920	Low May 15
	1.0819	Reaction low on 1-H chart
RECOMMENDATION	BUY	-----
	SELL	1.1185
	STOP LOSS	1.1250
	TARGET	1.1115 1.1085

## USD/JPY

Interest Rate: 0.75%-1.00% (US)/-0.1% (JP)



- Rebound hampered after failing to breakout significantly area of 112
  - Correction is testing the support area at 110.84
  - Short-term support at 110.21
  - Medium resistance around 112.29 (50% Fibon Retracement)
- [\[Research – @ErwinRiset\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	111.202	111.456	111.188	26,8	111.287	↑ 10,8	111.179
May 26	111.807	111.835	110.867	96,8	111.179	↓ 62,9	111.808
May 25	111.553	111.939	111.500	43,9	111.808	↑ 32,7	111.481
May 24	111.797	112.117	111.467	65,0	111.481	↓ 26,7	111.748
May 23	111.278	111.846	110.850	99,6	111.748	↑ 47,5	111.273

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
111.456 (29/May)	111.188 (29/May)	114.356 (10/May)	110.773 (17/May)	111.77 (26/Apr)	108.14 (17/Apr)	118.60 (03/Jan)	108.14 (17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	114.36	High 11/May/2017 (Peak)
	113.85	Reaction high (hourly)
	113.12	High 17/May/2017
	112.56	Reaction high (hourly)
SUPPORT	110.84	Low 23/May/2017 (Reaction low)
	110.21	Low 18/May/2017 (Reaction low)
	109.57	Low 25/Apr/2017 (Reaction low)
	108.69	Low 20/Apr/2017
RECOMMENDATION	BUY	----
	SELL	111.40
	STOP LOSS	112.60
	TARGET	110.60 110.20

## GBP/USD

Interest Rate: 0.25% (GB)/ 0.75%-1.00% (US)



- Rebound tests crucial level at 1.2829, having managed to hold above the support level of 1.2758
- Rebound potentially facing trendline resistance around 1.2980
- Peak level at 1.3047  
[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	1.28154	1.28490	1.28099	39,1	1.28365	↑ 26,1	1.28104
May 26	1.29344	1.29400	1.27741	165,9	1.28104	↓ 122,7	1.29331
May 25	1.29689	1.30137	1.29305	83,2	1.29331	↓ 28,1	1.29612
May 24	1.29602	1.29979	1.29258	72,1	1.29612	↑ 2,9	1.29583
May 23	1.29975	1.30326	1.29511	81,5	1.29583	↓ 36,2	1.29945

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.28490 (29/May)	1.28099 (29/May)	1.30466 (18/May)	1.27741 (26/May)	1.2965 (28/Apr)	1.2367 (10/Apr)	1.30466 (18/May)	1.1986 (16/Jan)

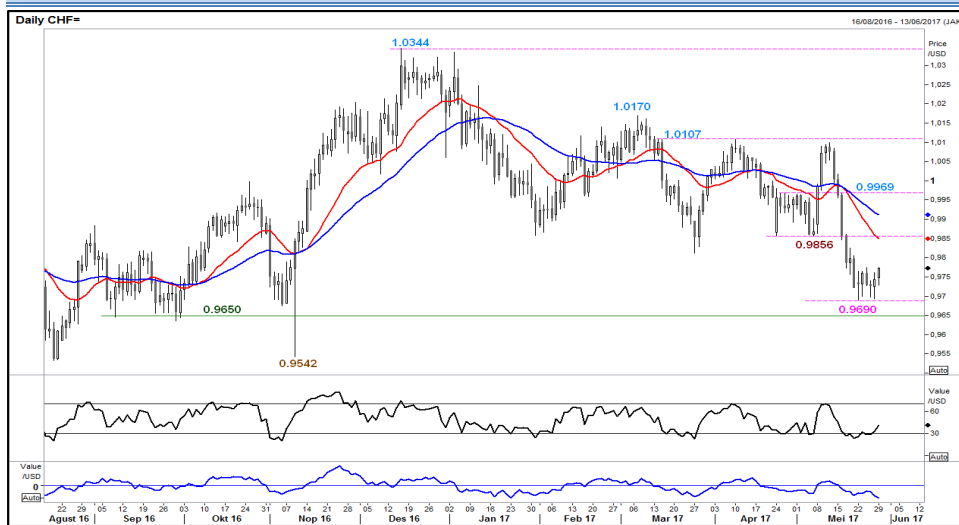
### ANALYSIS & RECOMMENDATION

RESISTANCE	1.3278	High 15/Sep/2016 (Reaction high)
	1.3120	High 22/Sep/2016
	1.3058	High 29/Sep/2016
	1.2947	High 26/Sep/2016
SUPPORT	1.2758	Low 21/Apr/2017 (Reaction low)
	1.2589	SMA200
	1.2513	Low 18/Apr/2017 (Reaction low)
	1.2477	Low 12/Apr/2017
RECOMMENDATION	BUY	1.2815
	SELL	----
	STOP LOSS	1.2740
	TARGET	1.2925 1.2970



## USD/CHF

Interest Rate: 0.75%-1.00% (US)/-1.25 to -0.25% (CH)



- Rebound develops after able to hold above the support level 0.9690
  - Rebound potentially faces a crucial resistance area at 0.9856
  - While the crucial support is at 0.9650
- [\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	0.97431	0.97666	0.97304	36,2	0.97600	↑ 14,9	0.97451
May 26	0.97273	0.97599	0.96951	64,8	0.97451	↑ 32,5	0.97126
May 25	0.97346	0.97378	0.96992	38,6	0.97126	↓ 12,9	0.97255
May 24	0.97576	0.97754	0.97247	50,7	0.97255	↓ 30,4	0.97559
May 23	0.97313	0.97620	0.97006	61,4	0.97559	↑ 24,3	0.97316

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.97666 (29/May)	0.97304 (29/May)	1.00987 (11/May)	0.96907 (22/May)	1.0107 (10/Apr)	0.9863 (24/Apr)	1.0335 (03/Jan)	0.96907 (22/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.0107	High 14/Mar/2017 (horizontal resistance)
	0.9969	Pivot line
	0.9861	High 17/May/2017
	0.9805	High 19/May/2017
SUPPORT	0.9690	Low 22/May/2017
	0.9542	Low 09/Nov/2016 (Bottom)
	0.9532	Low 18/Aug/2016 (Bottom)
	0.9473	Low 15/Oct/2015 (Bottom)
RECOMMENDATION	BUY	0.9745
	SELL	----
	STOP LOSS	0.9675
	TARGET	0.9815 0.9850

## AUD/USD

Interest Rate: 1.5% (AU)/ 0.75%-1.00% (US)



- Daily RSI is flat
- Upperline around 0.7610, while lowerline at 0.7300  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	0.74400	0.74491	0.74259	23,2	0.74419	↓ 5,5	0.74474
May 26	0.74537	0.74600	0.74209	39,1	0.74474	↓ 5,4	0.74528
May 25	0.74987	0.75147	0.74496	65,1	0.74528	↓ 49,7	0.75025
May 24	0.74766	0.75066	0.74413	65,3	0.75025	↑ 23,5	0.74790
May 23	0.74732	0.75160	0.74651	50,9	0.74790	↑ 3,2	0.74758

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.74491 (29/May)	0.74259 (29/May)	0.75549 (02/May)	0.73277 (09/May)	0.7641 (03/Apr)	0.7441 (27/Apr)	0.7749 (21/Mar)	0.7182 (03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7610	High 17/Apr/2017 (Reaction high)
	0.7591	High 24/Apr/2017 (Reaction high)
	0.7555	High 02/May/2017 (Reaction high)
	0.7517	High May 23
SUPPORT	0.7403	Low May 19
	0.7326	Low 09/May/2017
	0.7284	Low 06/Jan/2017
	0.7206	Low 04/Jan/2017
ECOMMENDATION	BUY	-----
	SELL	0.7450
	STOP LOSS	0.7515
	TARGET	0.7380 0.7350

## NZD/USD

Interest Rate: 2.00% (NZ) / 0.75%-1.00% (US)



- Face the support area at 0.6910
  - Strong support at 0.6870
  - Important resistance at 0.7150
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	0.70562	0.70873	0.70368	50,5	0.70531	↓ 17,2	0.70703
May 26	0.70155	0.70757	0.70057	70,0	0.70703	↑ 53,0	0.70173
May 25	0.70420	0.70536	0.70151	38,5	0.70173	↓ 28,3	0.70456
May 24	0.70114	0.70574	0.69875	69,9	0.70456	↑ 40,4	0.70052
May 23	0.69921	0.70456	0.69911	54,5	0.70052	↑ 12,9	0.69923

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.70873	0.70368	0.70873	0.68166	0.7053	0.6849	0.7374	0.68166
(29/May)	(29/May)	(29/May)	(11/May)	(24/Apr)	(27/Apr)	(07/Feb)	(11/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7402	High Nov 08, 2016
	0.7333	High Feb 08
	0.7239	High Feb 28
	0.7150	High 02/Mar/2017
SUPPORT	0.7005	Low May 26
	0.6987	Low May 24
	0.6910	Low May 22
	0.6876	Low May 17
RECOMMENDATION	BUY	0.7040
	SELL	-----
	STOP LOSS	0.6975
	TARGET	0.7110 0.7140

## EUR/JPY

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



- Correction develops after forming Double Top at 125.80
- Correction faces a crucial support level at 123.84
- Short-term support at 122.94 - 122.54

[\(Research – @ErwinRiset\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	124.339	124.616	124.197	41,9	124.355	↑ 11,9	124.236
May 26	125.325	125.401	124.140	126,1	124.236	↓ 110,3	125.339
May 25	125.080	125.778	125.054	72,4	125.339	↑ 28,5	125.054
May 24	125.034	125.378	124.878	50,0	125.054	↑ 9,3	124.961
May 23	125.028	125.361	124.535	82,6	124.961	↓ 7,3	125.034

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
124.616	124.197	125.787	121.334	121.99	114.87	125.787	114.87
(29/May)	(29/May)	(16/May)	(01/May)	(28/Apr)	(17/Apr)	(16/May)	(17/Apr)

### ANALYSIS & RECOMMENDATION

RESISTANCE	127.34	High 04/Apr/2016
	126.47	High 28/Apr/2016 (Reaction high)
	125.80	High 16/May/2017 (Double Top)
	125.43	High 26/May/2017
SUPPORT	123.36	Low 19/May/2017
	122.54	Low 18/May/2017
	122.00	Pivot line
	121.30	Low 01/May/2017
RECOMMENDATION	BUY	----
	SELL	124.50
	STOP LOSS	125.50
	TARGET	123.60 123.20

## USD/CAD

Interest Rate: 0.75%-1.00% (US)/0.5% (CA)



- Crucial level at 1.3460 is being tested
  - Trendline support around 1.3400
  - Short-term resistance at 1.3540
- [\(Research – @ErwinRiset\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.3445</b>	<b>1.3457</b>

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.3467	1.3424	1.3793	1.3385	1.3697	1.3220	1.3793	1.2967
(29/May)	(29/May)	(05/May)	(25/May)	(28/Apr)	(13/Apr)	(05/May)	(31/Jan)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.3741	Reaction high (hourly)
	1.3669	High 18/May/2017 (Reaction high)
	1.3610	High 19/May/2017
	1.3540	High 24/May/2017
<b>SUPPORT</b>	1.3385	Low 25/May/2017 (Reaction low)
	1.3220	Low 13/Apr/2017 (Bottom)
	1.3162	Low 28/Feb/2017
	1.3054	Low 24/Feb/2017 (Bottom)
<b>RECOMMENDATION</b>	BUY	1.3430
	SELL	----
	STOP LOSS	1.3350
	TARGET	1.3525 – 1.3595

## Precious Metal – *Daily Outlook*

### Gold holds near 1-month peak as dollar, stock markets soften - Reuters News



Gold held near its highest in a month on Monday in holiday-thinned trade, with a softer dollar and a retreat in stock markets helping the metal cling on to the previous session's gains.

Gold hit its highest level since May 1 on Friday at \$1,269.50 an ounce, as nervousness over U.S. President Donald Trump's negotiations with other world leaders at the G7 summit prompted investors to buy bullion as an alternative to nominally higher-risk assets such as shares.

Spot gold settled at \$1,266.67 an ounce, little

changed from \$1,266.66 late on Friday. U.S. gold futures for June delivery down 0.1 percent at \$1,266.50.

Moves were muted, with traders in the United States, Britain and China all out for national holidays.

"Potential for prices is limited right now, but with the news from the G7 meeting and the weaker dollar, the gold price has gone up," said LBBW analyst Thorsten Proettel.

Pointing to bruising meetings of Group of Seven nations and NATO last week, German Chancellor Angela Merkel said on Sunday Europe can no longer completely rely on its allies.

Under pressure from the G7, Trump on Saturday backed a pledge to fight protectionism but refused to endorse a global accord on climate change, saying he needed more time to decide.

The market is also awaiting next month's Federal Open Market Committee meeting for any clues on the U.S. Federal Reserve's stance on interest rate increases.

Gold is highly sensitive to rising U.S. rates, which increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.

"Market participants will presumably be casting an eye over the labour market report in the U.S. this week," Commerzbank said in a note. "If the data turn out to be positive, there is probably nothing to prevent the (Fed) implementing its next rate hike in mid-June."

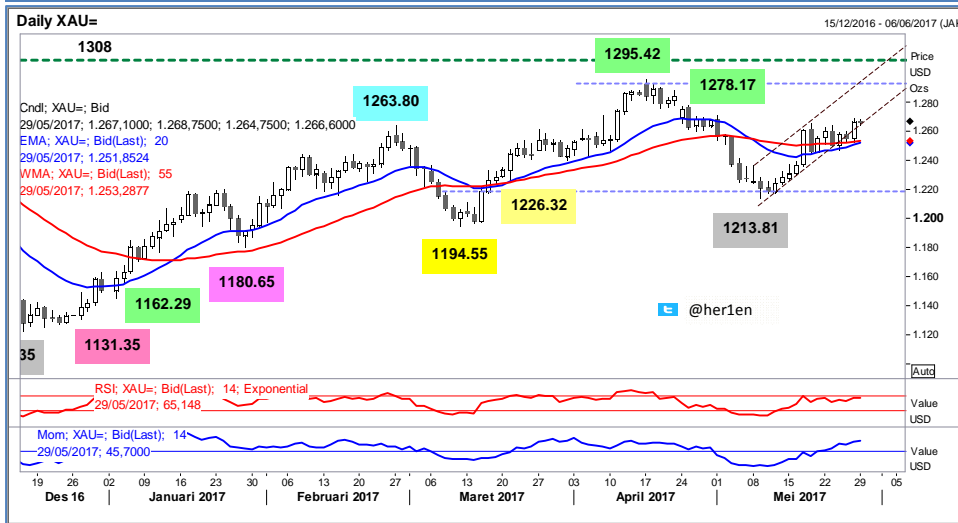
Hedge funds and other money managers increased their net long position in COMEX gold for the first time in four weeks in the week to May 23, U.S. Commodity Futures Trading Commission data showed.

Concerns over Italy's banks and Britain's national election campaign dominated European financial markets on Monday, prodding stock markets lower in muted trade.

In other precious metals, silver was up 0.1 percent at \$17.37 an ounce, having touched a one-month high of \$17.41.

Platinum was 0.6 percent lower at \$950, while palladium was up 0.9 percent at \$797, after hitting a near two-week peak of \$800.90. [\(Source Reuters, Research – @her1en\)](#)

## GOLD (XAU/USD)



- Daily RSI is flat
- Important resistance at 1295 level
- Support at 1224  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
May 29	1267.810	1268.600	1264.910	3.69	1266.500	↓ 2.42	1268.920	1265.00	1265.05
May 26	1255.340	1269.330	1252.970	16.36	1268.920	↑ 13.49	1255.430	1265.00	1265.05
May 25	1257.920	1259.510	1253.690	5.82	1255.430	↑ 3.00	1258.430	1257.10	1256.95
May 24	1251.240	1258.810	1247.770	11.04	1258.430	↑ 7.50	1250.930	1251.35	1252.55
May 23	1260.050	1263.650	1250.540	13.11	1250.930	↓ 9.25	1260.180	1259.90	1260.20

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1268.600 (29/May)	1264.910 (29/May)	1270.950 (01/May)	1214.100 (09/May)	1295.42 (17/Apr)	1244.04 (05/Apr)	1295.42 (17/Apr)	1146.31 (03/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	1308.00	Pivot line
	1295.42	High April 17
	1288.17	High 21/Apr/2017 (Reaction high)
	1278.17	High Apr 25
<b>SUPPORT</b>	1252.50	Low May 26
	1246.11	Low May 19
	1235.90	Low May 17
	1224.05	Low May 12
<b>RECOMMENDATION</b>	BUY	1264.00
	SELL	-----
	STOP LOSS	1256.00
	TARGET	1273.50 1278.00



## SILVER (XAG/USD)



- Continue the movement in the daily bullish trend channel
- Resistance at 18.00
- Important support at 16.55  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	17.362	17.428	17.307	0.12	17.386	↑ 0.04	17.348
May 26	17.135	17.369	17.090	0.28	17.348	↑ 0.21	17.137
May 25	17.193	17.247	17.116	0.13	17.137	↓ 0.07	17.212
May 24	17.045	17.214	16.883	0.33	17.212	↑ 0.16	17.051
May 23	17.130	17.288	17.018	0.27	17.051	↓ 0.09	17.139

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.428	17.307	17.428	16.045	18.63	17.15	18.63	15.88
(29/May)	(29/May)	(29/May)	(09/May)	(17/Apr)	(28/Apr)	(17/Apr)	(03/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	18.64	High Mar 17
	18.33	High Mar 19
	18.00	High Mar 25
	17.65	High Apr 26
SUPPORT	17.06	Low May 26
	16.85	Low May 24
	16.77	Low May 22
	16.54	Low May 19
ECOMMENDATION	BUY	17.30
	SELL	-----
	STOP LOSS	17.10
	TARGET	17.60
		17.80

## OIL – Daily Outlook

### Oil inches up in quiet holiday trade, focus on crude glut - Reuters News



Oil prices rose slightly on Monday, barely paring last week's steep losses with the market remaining cautious as increases in U.S. drilling activity have undercut an OPEC-led push to tighten supply.

Trading was subdued due to public holidays in China, the United States and Britain. The market remains uncertain about whether the extension of output cuts by OPEC and other producing countries will be enough to support prices.

Brent crude futures settled up 14 cents, or 0.2 percent, at \$52.29 per barrel. Brent fell nearly 3 percent the previous week.

U.S. West Texas Intermediate (WTI) crude futures were 19 cents higher at \$49.99 per barrel.

The Organization of the Petroleum Exporting Countries and some non-OPEC producers pledged last week to extend production cuts of around 1.8 million barrels per day (bpd) until March 2018.

An initial agreement, in place since January, would have expired in June.

"This is a little bit of a bounce back from last Thursday when we had a really heavy drop," said James L. Williams, an energy economist at WTRG Economics in Arkansas.

Nine months of current production levels is not going to be enough to meet OPEC's goal of balancing supply, which is limiting price gains, he added.

Commerzbank analyst Carsten Fritsch called Monday's price moves little more than "intraday noise."

High compliance with the cuts so far was unlikely to last, he said, which should keep physical oil stockpiles near record levels. So far the output cuts have not lifted oil prices much beyond \$50 per barrel.

While OPEC and other countries including Russia are trying to draw down inventories, crude production has surged in the United States, up 10 percent since mid-2016. U.S. output of more than 9.3 million bpd is close to levels in major producers Russia and Saudi Arabia.

U.S. drillers have added rigs for 19 straight weeks, bringing the total 722, the highest since April 2015 and the longest run of additions on record, according to energy services firm Baker Hughes Inc.

Even if the rig count did not rise further, Goldman Sachs estimated U.S. output would increase by 785,000 bpd between the fourth quarter of 2016 and the fourth quarter of 2017 across the Permian, Eagle Ford, Bakken and Niobrara shale plays.

Analysts will watch whether the OPEC output cuts can reduce the global crude glut.

"It's going to be all about inventories and whether they fall as much as OPEC thinks," said Greg McKenna, chief market strategist at futures brokerage AxiTrader. [\(Source Reuters, Research – @her1en\)](#)

**CLN7/USD (OIL)**  
 (Exp.: 20 June 2017 - Reuters)



- Important support around 48.00
- Resistance at 53.40
- Daily RSI is rise  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 29	49.83	50.27	49.50	0.77	49.97	↑ 0.11	49.86
May 26	48.71	49.92	48.17	1.75	49.86	↑ 1.20	48.66
May 25	51.24	51.98	48.45	3.53	48.66	↓ 2.61	51.27
May 24	51.43	51.86	51.02	0.84	51.27	↓ 0.20	51.47
May 23	51.04	51.74	50.57	1.17	51.47	↑ 0.45	51.02

WEEKLY		MAY		APRIL		2017	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
50.27	49.50	51.98	43.75	53.74	48.21	55.22	43.75
(29/May)	(29/May)	(25/May)	(05/May)	(12/Apr)	(27/Apr)	(03/Jan)	(05/May)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	55.43	High Mar 01
	54.45	Reaction high on 1-H chart (High Apr 12)
	53.42	High Apr 19
	52.00	High Apr 25
<b>SUPPORT</b>	49.51	Low May 29
	48.03	Low May 17
	47.70	Low May 12
	46.40	Low May 10
<b>RECOMMENDATION</b>	BUY	49.75
	SELL	----
	STOP LOSS	48.90
	TARGET	51.05 51.55