

## DAILY OUTLOOK

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### GLOBAL MARKETS

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### GLOBAL ECONOMIES

- The Canadian dollar edged lower against its U.S. counterpart on Wednesday as oil prices fell and U.S. Treasury yields climbed toward multiyear peaks.
- Sterling rose half a percent to trade above \$1.32 on Wednesday after European Union Brexit negotiator Michel Barnier signalled progress on a deal with Britain over its withdrawal from the bloc, as well as on the crucial Irish border question.
- The German government has cut its forecasts for growth this year and next in Europe's largest economy and sees an escalation in the global trade dispute as the main risk for the future, a document seen by Reuters on Wednesday showed.
- China is suspending approvals for a niche overseas investment product in Shanghai known as the QDLP scheme and urging licence holders, such as JPMorgan Asset Management and Aberdeen Standard Investments, to be "low profile" in marketing it, sources said.
- Italian bond yields fell on Wednesday after the country's economy minister, Giovanni Tria, said the government will do all it can to recover market confidence.
- U.S. producer prices increased 0.2 percent in September, in line with expectations, while a revision to wholesale inventory estimates for August showed the biggest jump in nearly five years, beating forecasts.

## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

**U.S. & Global Markets** – Stocks on major world markets slid to a three-month low on Wednesday, with the benchmark S&P500 stock index falling more than 3.0 percent, its biggest one-day fall since February.

Technology shares tumbled on fears of slowing demand, while bond yields ended lower after seeing multi-year highs earlier this week.

Major equity indexes in Europe fell more than 1.0 percent, also pulled down by technology shares, and gold prices inched up as some investors sought refuge in the metal.

"The S&P 500 is looking very weak and negative and that is putting fear into investors," said Michael Matousek, head trader at U.S. Global Investors. "With the markets going down people are increasing their allocation towards gold."

On Wall Street, the Philadelphia Semiconductor index tumbled 4.46 percent after Swiss vacuum valve maker VAT Group said demand was softening from chip equipment makers.

Among the tech sector's worst performers in Europe, Austrian chipmaker AMS fell 5.9 percent and STMicroelectronics closed down 5.8 percent.

Benchmark U.S. 10-year Treasury notes rose late in the day, pushing yields down to 3.1931 percent. Yields on 3-year notes have recently traded just above 3.0 percent, providing long-absent competition for investment returns with equities.

The rise in U.S. Treasury yields has been bolstered by good U.S. economic data that has reinforced expectations of multiple rate hikes over the next 12 months by the Federal Reserve.

Stocks and bonds traditionally have been in a tug of war for capital, but for the past 10 years bonds have had one arm tied behind their back, said Jack Ablin, chief investment officer and founding partner at Cresset Wealth Advisors in Chicago.

"Short-term bonds are getting to be a compelling place to hang out," he said. "This orphan status that equity markets have enjoyed for the last 10 years is disappearing and finally getting some competition from the bond market."

The Dow Jones Industrial Average fell 831.83 points, or 2.2 percent, to 25,598.74. The S&P 500 lost 94.66 points, or 3.29 percent, to 2,785.68 and the Nasdaq Composite dropped 315.97 points, or 4.08 percent, to 7,422.05.

MSCI's gauge of stocks across the globe fell percent, its biggest single-day fall since February. The pan-European FTSEurofirst 300 index of leading regional shares closed down 1.57 percent.

The euro and sterling rose, underpinned by optimism for a Brexit deal, while the U.S. dollar lost ground against a basket of currencies even as U.S. yields hovered near multiyear peaks.

European Union Brexit negotiator Michel Barnier signaled progress on a deal with the UK over its withdrawal from the bloc.

"There is more optimism that they will find some agreement between Britain and the European Union before Brexit," said Steve Englander, global head of G10 FX research at Standard Chartered Bank in New York.

The dollar index fell 0.17 percent, with the euro up 0.25 percent to \$1.1518. The Japanese yen strengthened 0.53 percent versus the greenback at 112.36.

Oil prices fell more than 2 percent as U.S. stocks plunged, even though energy traders worried about shrinking supply from Iran due to U.S. sanctions and kept an eye on Hurricane Michael, which closed nearly 40 percent of U.S. Gulf of Mexico output.

U.S. crude settled down \$1.79 at \$73.17 per barrel and Brent fell \$1.91 to settle at \$83.09.

U.S. gold futures settled up \$1.9, or 0.16 percent, at \$1,193.4.

*(Source Reuters, Research – setiawan)*

### GLOBAL ECONOMIES

**Canada** – The Canadian dollar edged lower against its U.S. counterpart on Wednesday as oil prices fell and U.S. Treasury yields climbed toward multiyear peaks.

Investors were worried that higher bond yields and trade conflicts could hurt global economic growth. On Tuesday, the International Monetary Fund cut its world gross domestic product forecasts for the first time in two years.

Canada's economy could suffer if global growth slows, since it exports many commodities, including oil.

The price of oil dropped, even as Hurricane Michael forced the shutdown of nearly 40 percent of U.S. Gulf of Mexico oil output and U.S. sanctions restricted Iranian exports.

U.S. crude prices dipped 0.6 percent at \$74.55 a barrel.

At 9:41 a.m. (1341 GMT), the Canadian dollar traded 0.1 percent lower at 1.2966 to the greenback, or 77.12 U.S. cents. The currency traded in a range of 1.2927 to 1.2975.

The loonie has retreated 1.4 percent since notching its strongest in more than four months last week at 1.2783 as a deal to revamp the North American Free Trade Agreement reduced uncertainty for Canada's economy.

The value of Canadian building permits increased by 0.4 percent in August from July after a downwardly revised 1.5 percent drop in the prior month, Statistics Canada said.

Canadian government bond prices were lower across a steeper yield curve in sympathy with U.S. Treasuries. The 10-year declined 32 Canadian cents to yield 2.609 percent.

On Friday, the 10-year yield touched its highest in nearly five years at 2.615 percent.

U.S. Treasury yields advanced on Wednesday after data on U.S. producer prices rose in September.

**UK** – Sterling rose half a percent to trade above \$1.32 on Wednesday after European Union Brexit negotiator Michel Barnier signalled progress on a deal with Britain over its withdrawal from the bloc, as well as on the crucial Irish border question.

Hopes are building that a Brexit deal can be reached before an EU summit on Oct. 18 and sterling is benefiting as some investors unwind short bets on the currency.

Barnier said 80-85 percent of the withdrawal deal was agreed.

He also said the European Union wanted to carry out Irish border checks after Brexit "in the least intrusive way possible". The Irish border has been a key sticking point in Brexit talks.

The pound rose to \$1.3210, a fresh 3-1/2 month high and strengthened 0.2 percent versus the euro to trade at 87.31 pence

"The pound has gained strength ... A deal will mean companies can finally start to plan ahead. This should boost consumer spending, corporate profits and economic growth," said Miles Eakers, chief market analyst at FX and payments specialist Centrip.

British Prime Minister Theresa May will discuss Brexit with her cabinet of senior ministers at their regular Tuesday meeting next week before she heads to Brussels for the EU summit.

Some senior British ministers will also meet to be updated on the progress of Brexit negotiations on Thursday, the BBC's political editor said, adding that not all the cabinet would be involved.

Britain's ITV News reported late on Tuesday that the two sides had made progress in negotiations over an Irish border backstop.

"We've been here before (with Brexit hopes) but this pound move might have a little further to run, especially against the Australian and New Zealand dollars," Chris Turner, head of foreign exchange strategy at ING, said in a note to clients.

The Times newspaper reported that around 30 to 40 lawmakers from the opposition Labour Party would be prepared to back a Brexit deal that May is trying to strike with the EU, although Labour later played that down, suggesting "we should take all that with a pinch of salt".

The British economy's summer surge turned out to be stronger than expected as warm weather spurred consumer spending and housebuilding, official data showed on Wednesday.

The data is likely to reassure the Bank of England about the economy's momentum as Brexit approaches in March but it did not move the pound.

**Germany** – The German government has cut its forecasts for growth this year and next in Europe's largest economy and sees an escalation in the global trade dispute as the main risk for the future, a document seen by Reuters on Wednesday showed.

The government - due to present its updated forecasts on Thursday - slashed its 2018 and 2019 growth forecasts to 1.8 percent, compared with its previous predictions of 2.3 percent and 2.1 percent respectively, the document showed.

It blamed weak global trade, reduced state consumption, revisions to previously reported data and slower production in the auto sector due to difficulties adjusting to a new pollution standard.

Risks for the German economy include Britain's looming departure from the European Union and threat of economic crises in Turkey and Argentina spreading to other emerging economies, the document showed.

The German government expects the economy to expand by 1.8 percent in 2020, the document showed.

It said domestic demand remained strong but that the global economic environment was increasingly difficult.

Traditionally driven by exports, the German economy - now in its ninth year of expansion - relies heavily on household spending to grow as consumers enjoy record-high employment, rising real wages, strong job security and low borrowing costs.

Due to an increasingly tight labour market, characterized by low unemployment and more than a million job vacancies, the government expects nominal wages to rise by 3.0 percent this year and by 3.1 percent in both 2019 and 2020.

With inflation, predicted to rise to 1.9 percent this year and 2.0 percent in 2019, the wage hikes mean that German consumers will have more money to spend also in real terms.

"In view of the strong expansion of disposable income and moderate inflation, private consumption is likely to pick up noticeably," the document said.

Household spending is projected to grow by 1.6 percent in 2018 and by 2.0 percent in 2019.

Provisional budgeting in the first half of this year caused by an unusually long coalition building period means that state spending will be postponed into next year, it said.

State consumption is projected to rise by 1.4 percent this year and by 2.5 percent next while state investments are seen jumping by 5.9 percent in 2018 and by 5.2 percent in 2019.

**China** – China is suspending approvals for a niche overseas investment product in Shanghai known as the QDLP scheme and urging licence holders, such as JPMorgan Asset Management and Aberdeen Standard Investments, to be "low profile" in marketing it, sources said.

The window guidance, targeting one of a handful of overseas investment channels for mainland investors, signals Beijing's renewed worries over capital outflows as a rapidly-escalating Sino-U.S. trade war hurts its economy and the yuan currency.

China's foreign exchange regulator has also not issued fresh quotas in the past three months under another overseas investment scheme, the Qualified Domestic Institutional Investor, or QDII, data from the State Administration of Foreign Exchange (SAFE) showed.

In recent weeks, the Shanghai Municipal Financial Service Office (FSO), which oversees the Qualified Domestic Limited Partnership (QDLP) programme, has asked license holders to be "tight-lipped" on the business in public, and to the media, three executives at fund management companies said.

New applicants for the businesses are told to wait, two sources said.

"That should be no surprise as the SAFE quota to FSO is very limited," due to the pressures on the capital account, said one executive.

Both the FSO and the SAFE did not respond to faxed questions seeking comment.

JPMorgan Asset Management declined to comment when asked about the guidance, and Aberdeen did not immediately respond.

The QDLP and QDII schemes permit China-based local and foreign funds to raise money from domestic investors for offshore investments.

The tightening grip on QDLP represents a policy reversal by regulators, who resumed the scheme in February after a two-year hiatus against the backdrop of a strengthening yuan.

Global asset managers, including JPMorgan AM, Allianz, BNP Paribas, AXA, Robeco and Mirae Asset, have been awarded QDLP licences this year. The SAFE said in April it would expand the total quota for the QDLP program.

From 2013 to 2015, Shanghai awarded QDLP quotas worth a combined \$1.23 billion to 15 asset managers.

China also resumed the QDII scheme in April after a three-year suspension, but it ground to a halt again in July, as the yuan started to slide.

The yuan has weakened about 6 percent against the dollar this year, far less than currencies of some of the other large emerging markets that have been hurt by rising U.S. yields and outflows of risk-seeking portfolio flows.

It is down nearly 10 percent since late March, when the first of a series of U.S. President Donald Trump's tariffs on Chinese imports was announced.

China's attempts to deflect capital outflow pressures could be precautionary. The tightly managed yuan is shielded by a host of regulatory controls on retail and institutional purchases of foreign currency and China has seen few signs yet of the kind of capital flight experienced during the 2015-16 market turmoil.

But with its FX reserves close to falling below the psychological \$3-trillion mark and having created numerous channels, such as the Bond Connect and Stock Connect schemes, to allow movement of portfolio investments in and out of China, Beijing is understandably wary of giving investors a reason to sell down yuan assets.

Ken Cheung, a senior Asian FX strategist at Mizuho Bank Ltd said, "The overshooting of RMB (yuan) depreciation and capital outflow pressure will be lethal to China growth and financial stability."



**Italy** – Italian bond yields fell on Wednesday after the country's economy minister, Giovanni Tria, said the government will do all it can to recover market confidence.

Tria moved to reassure markets after a volatile early trading session, saying that the current Italy/Germany spread did not reflect Italy's economic fundamentals from the point of view of debt sustainability.

The two-year Italian government bond yield fell sharply after his comments, and was down eight basis points on the day to 1.64 percent, reversing earlier rises.

Italy's 10-year yield was down three basis points at 3.50 percent, while the key spread over Germany tightened to 295 basis points.

Yields had moved higher earlier in the session after a senior Moody's Analytics economist told La Stampa newspaper that Italy's budget is "a mistake," adding to comments from a senior League lawmaker that a downgrade of the Italian debt by credit rating agencies is possible [nL8N1WQOPY].

Moody's and S&P Global, which both rate Italy two notches above junk, are due to provide an updated opinion on Italy's credit rating in the second half of October. Analysts say around one downgrade is already priced in.

"The outlook after the downgrade is now the focus," said DZ Bank strategist Rene Albrecht. "It will be a volatile session again but we think the government is now more spread-sensitive."

The closely-watched Italy/Germany 10-year bond yield spread was tighter by four basis points on the day at around 295 bps after Tria's comments.

Analysts say the recovery in bond yields is partly a result of an expectation that the government will row back on some of its budgetary promises, despite comments from senior politicians to the contrary.

"There is hope in the market that the government makes some concession on the headline deficit target to the commission," said Antoine Bouvet, rates strategist at Mizuho.

"There is a well-defined pattern of governments buckling under market pressure because if yields rise to higher levels then the debt becomes less sustainable."

On Tuesday, Italy's parliamentary budget office refused to validate the multi-year budget plan, saying the forecasts for economic growth were too excessive.

But Italy remains committed to its budget forecast, Tria said, following comments from the leaders of the ruling populist coalition, Luigi di Maio and Matteo Salvini, who reiterated that the budget would not be amended.

Analysts say that should the spread of Italy's 10-year bond yield over Germany remain above a 300 basis point "threshold", the government would likely move to soothe markets.

European banking supervisors have stepped up their monitoring of liquidity levels at Italian banks after the sharp increase in bond yields, though there was no cause for alarm, a senior EU source said on Tuesday.

Elsewhere euro zone bond yields were up to one basis point higher, with Germany's 10-year yield, the benchmark for the region, at 0.55 percent.

**U.S.** – U.S. producer prices increased 0.2 percent in September, in line with expectations, while a revision to wholesale inventory estimates for August showed the biggest jump in nearly five years, beating forecasts.

A rise in services prices offset a slight drop in prices for goods, including a 3.5 percent drop in gasoline prices. Final demand prices had fallen 0.1 percent in August. In the 12 months through September, the producer price index rose 2.6 percent, slightly less than expected.

It was the first monthly rise in the producer price index since June. Yields on Treasury bonds rose to session highs while the dollar fell. U.S. stocks were trading lower.

Data on producer prices feed into inflation indicators watched by the Federal Reserve, which has been raising rates in hopes of keeping a price index based on personal consumption expenditures near the central bank's 2 percent target.

The Fed raised rates last month for the third time this year and is expected to do so again in December.

Economists polled by Reuters had forecast the PPI increasing 0.2 percent in September and advancing 2.8 percent year-on-year.

The rise in wholesale inventories was slightly above the 0.8 percent expected by analysts. The component of inventories that feeds into estimates of gross domestic product growth rose 0.7 percent.

After declining inventories subtracted more than a percentage point from GDP growth in the April-June quarter, economists expect investments in inventories to support GDP going forward.

A key gauge of underlying producer price pressures that excludes food, energy and trade services rose 0.4 percent last month, the largest increase since January. The so-called core PPI had risen 0.1 percent in August.

In the 12 months through September, the core PPI rose 2.9 percent, the same as the month before.

The cost of services rose 0.3 percent last month, reversing two months of declines, and driven by a 1.8 percent jump in transportation and warehousing services. Over one third of the increase in services was attributed to a 5.5 percent increase in the index for airline passenger services.

The index measures changes in margins received by wholesalers and retailers. Services had fallen 0.1 percent in August.

The slight decline in goods prices was the first since May 2017, led by a 0.8 percent drop in energy prices and a 0.6 percent drop in food. Excluding food and energy, goods prices rose 0.2 percent.

The report also hinted at the ongoing impact of the Trump administration's trade policies. Prices for oilseeds fell 3.9 percent from August to September. Soybeans have been the target of trade actions by China in retaliation for U.S. imposed tariffs.

Prices for steel mill products were unchanged month over month, but have risen 18 percent since September 2017. Trump imposed a 25 percent levy on imported steel in the spring.

*(Source Reuters, Research – setiawan)*

## ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/08-Oct-18	08:45	CN	Caixin China PMI Composite	Sep	52.1	--	52	
	08:45	CN	Caixin China PMI Services	Sep	53.1	51.4	51.5	
08-Oct - 18-Oct	N/A	CN	Foreign Direct Investment YoY CNY	Sep		--	1.9%	
	12:30	AU	Foreign Reserves	Sep		--	A\$71.0b	
	12:45	CH	Unemployment Rate	Sep	2.4%	2.4%	2.4%	
	12:45	CH	Unemployment Rate SA	Sep	2.5%	2.5%	2.6%	
	13:00	DE	Industrial Production SA MoM	Aug	-0.3%	0.3%	-1.1%	
	13:00	DE	Industrial Production WDA YoY	Aug	-0.1%	-0.1%	1.1%	
	15:30	EZ	Sentix Investor Confidence	Oct	11.4	11.7	12	
	16:30	US	Fed's Bullard Speaking in Singapore					
	N/A	JP	Bank Holiday					
	N/A	CA	Bank Holiday					
	N/A	US	Bank Holiday					
	Tue/09-Oct-18	06:50	JP	BoP Current Account Adjusted	Aug	¥1428.8b	¥1516b	¥1484.7b
06:50		JP	BoP Current Account Balance	Aug	¥1838.4b	¥1889.6b	¥2009.7b	
06:50		JP	Trade Balance BoP Basis	Aug	-¥219.3b	-¥208b	-¥1.0b	
N/A		JP	Eco Watchers Survey Current SA	Sep	48.6	47	48.7	
N/A		JP	Eco Watchers Survey Outlook SA	Sep	51.3	50.8	51.4	
07:30		AU	NAB Business Conditions	Sep	15	--	15	
07:30		AU	NAB Business Confidence	Sep	6	--	4	
13:00		DE	Current Account Balance	Aug	15.3b	16.2b	15.3b	
13:00		DE	Exports SA MoM	Aug	-0.1%	0.4%	-0.9%	-0.8%
13:00		DE	Imports SA MoM	Aug	-2.7%	0.1%	2.8%	
13:00		DE	Trade Balance	Aug	17.2b	16.2b	16.5b	
17:00		US	NFIB Small Business Optimism	Sep	107.9	108	108.8	
20:30		EZ	ECB's Francois Villeroy de Galhau speaks in Paris					
21:35		US	Fed's Williams, Indonesia Cen. Bank's Warjiyo speak to press					
Wed/10-Oct-18		00:00	US	Fed's Harker Speaks on Importance of Education to the Econ				
	06:30	AU	Westpac Consumer Conf Index	Oct	101.5	--	100.5	
	06:30	AU	Westpac Consumer Conf SA MoM	Oct	1.0%	--	-3.0%	
	06:50	JP	Core Machine Orders MoM	Aug	6.8%	-3.9%	11.0%	
	06:50	JP	Core Machine Orders YoY	Aug	12.6%	1.8%	13.9%	
10-Oct - 15-Oct	N/A	CN	New Yuan Loans CNY	Sep		1380.0b	1280.0b	
	08:15	US	Fed's Williams Speaks on Recent Monetary Policy Developmnt					
	13:00	JP	Machine Tool Orders YoY	Sep P	2.8%	--	5.1%	
	15:30	GB	Construction Output SA MoM	Aug	-0.7%	-0.4%	0.5%	
	15:30	GB	Construction Output SA YoY	Aug	0.3%	1.2%	3.5%	2.8%
	15:30	GB	GDP (MoM)	Aug	0.0%	0.1%	0.3%	0.4%
	15:30	GB	Index of Services 3M/3M	Aug	0.5%	0.5%	0.6%	0.7%
	15:30	GB	Index of Services MoM	Aug	0.0%	0.1%	0.3%	
	15:30	GB	Industrial Production MoM	Aug	0.2%	0.1%	0.1%	0.4%
	15:30	GB	Industrial Production YoY	Aug	1.3%	1.0%	0.9%	1.0%
	15:30	GB	Manufacturing Production MoM	Aug	-0.2%	0.1%	-0.2%	
	15:30	GB	Manufacturing Production YoY	Aug	1.3%	1.1%	1.1%	1.0%
	15:30	GB	Monthly GDP 3M/3M Change	Aug	0.7%	0.6%	0.6%	0.7%
	15:30	GB	Trade Balance	Aug	-£1274	-£1150	-£111	-£572
	15:30	GB	Trade Balance Non EU GBP/Mn	Aug	-£4219	-£3100	-£2800	-£3142
	15:30	GB	Visible Trade Balance GBP/Mn	Aug	-£11195	-£10900	-£9973	-£10387
	19:30	US	PPI Ex Food and Energy MoM	Sep	0.2%	0.2%	-0.1%	
	19:30	US	PPI Ex Food and Energy YoY	Sep	2.5%	2.6%	2.3%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Sep	0.4%	0.2%	0.1%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Sep	2.9%	--	2.9%	
	19:30	US	PPI Final Demand MoM	Sep	0.2%	0.2%	-0.1%	
	19:30	US	PPI Final Demand YoY	Sep	2.6%	2.7%	2.8%	
	21:00	US	Wholesale Inventories MoM	Aug F	1.0%	0.8%	0.8%	
21:00	US	Wholesale Trade Sales MoM	Aug	0.8%	0.5%	0.0%	0.2%	
23:15	US	Fed's Evans Speaks on Economy and Monetary Policy						
Thu/11-Oct-18	05:00	US	Fed's Bostic Speaks on Economic Outlook					
	05:30	AU	RBA's Ellis gives speech in Melbourne					
	06:00	KR	BoP Current Account Balance	Aug		--	\$8757.8m	
	06:00	KR	BoP Goods Balance	Aug		--	\$11428m	
06:01	GB	RICS House Price Balance	Sep		--	2%		

	06:50	JP	Bank Lending Ex-Trusts YoY	Sep	--	2.2%	
	06:50	JP	Bank Lending Incl Trusts YoY	Sep	--	2.2%	
	06:50	JP	PPI MoM	Sep	0.2%	0.0%	
	06:50	JP	PPI YoY	Sep	2.9%	3.0%	
	07:00	AU	Consumer Inflation Expectation	Oct	--	4.0%	
	15:30	GB	Bank of England Credit Conditions & Bank Liabilities Surveys				
	19:30	US	Continuing Claims	Sep-29	--	1650k	
	19:30	US	CPI Core Index SA	Sep	258.657	258.141	
	19:30	US	CPI Ex Food and Energy MoM	Sep	0.2%	0.1%	
	19:30	US	CPI Ex Food and Energy YoY	Sep	2.3%	2.2%	
	19:30	US	CPI Index NSA	Sep	252.702	252.146	
	19:30	US	CPI MoM	Sep	0.2%	0.2%	
	19:30	US	CPI YoY	Sep	2.4%	2.7%	
	19:30	US	Initial Jobless Claims	Oct-06	210k	207k	
	19:30	US	Real Avg Hourly Earning YoY	Sep	--	0.2%	
	19:30	US	Real Avg Weekly Earnings YoY	Sep	--	0.5%	
	22:00	US	DOE Cushing OK Crude Inventory	Oct-05	--	1699k	
	22:00	US	DOE U.S. Crude Oil Inventories	Oct-05	--	7975k	
	22:00	US	DOE U.S. Distillate Inventory	Oct-05	--	-1750k	
	22:00	US	DOE U.S. Gasoline Inventories	Oct-05	--	-459k	
<b>Fri/12-Oct-18</b>	01:00	US	Monthly Budget Statement	Sep	--	-\$214.1b	
	04:30	NZ	BusinessNZ Manufacturing PMI	Sep	--	52	
	06:00	KR	Unemployment rate SA	Sep	--	4.2%	
	07:30	AU	Home Loans MoM	Aug	--	0.4%	
	07:30	AU	Investment Lending	Aug	--	-1.3%	
	07:30	AU	Owner-Occupier Loan Value MoM	Aug	--	1.3%	
	07:30	AU	RBA Financial Stability Review				
	N/A	CN	Exports YoY	Sep	8.5%	9.8%	
	N/A	CN	Exports YoY CNY	Sep	--	7.9%	
	N/A	CN	Imports YoY	Sep	16.0%	20.0%	
	N/A	CN	Imports YoY CNY	Sep	--	18.8%	
	N/A	CN	Trade Balance	Sep	\$19.10b	--	
	N/A	CN	Trade Balance CNY	Sep	--	179.75b	
	11:30	JP	Tertiary Industry Index MoM	Aug	--	0.1%	
	13:00	DE	CPI EU Harmonized MoM	Sep F	--	0.4%	
	13:00	DE	CPI EU Harmonized YoY	Sep F	--	2.2%	
	13:00	DE	CPI MoM	Sep F	--	0.4%	
	13:00	DE	CPI YoY	Sep F	--	2.3%	
	16:00	EZ	Industrial Production SA MoM	Aug	--	-0.8%	
	16:00	EZ	Industrial Production WDA YoY	Aug	--	-0.1%	
<b>12-Oct - 13-Oct</b>	N/A	US	U.S. Sovereign Debt to Be Rated by Moody's				
	19:30	US	Export Price Index MoM	Sep	--	-0.1%	
	19:30	US	Export Price Index YoY	Sep	--	3.6%	
	19:30	US	Import Price Index ex Petroleum MoM	Sep	--	-0.2%	
	19:30	US	Import Price Index MoM	Sep	0.2%	-0.6%	
	19:30	US	Import Price Index YoY	Sep	--	3.7%	
	20:30	US	Fed's Evans Takes Part in Moderated Discussion on Economy				
	21:00	US	U. of Mich. 1 Yr Inflation	Oct P	--	2.7%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Oct P	--	2.5%	
	21:00	US	U. of Mich. Current Conditions	Oct P	--	115.2	
	21:00	US	U. of Mich. Expectations	Oct P	--	90.5	
	21:00	US	U. of Mich. Sentiment	Oct P	99.6	100.1	
	23:30	US	Fed's Bostic Discusses Recruitment, Economics & Public Policy				
<b>Sat/13-Oct-18</b>	00:00	US	Baker Hughes U.S. Rig Count	Oct-12	--	--	

Source: Bloomberg-Reuters-Forexfactory-DailyFX-Tradingeconomics-FXStreet, Research: @LukmanLoeng, Setiawan, Rizal



## ASIAN STOCK INDEX

**Japan's Nikkei** edged higher in choppy trade on Wednesday as investors picked up defensive stocks on the dips, while index-heavyweight SoftBank dived on news it was to buy a majority stake in U.S. shared office space provider WeWork.

Retailers Don Quijote Holdings jumped 9.4 percent and FamilyMart UNY rose 5.0 percent after the Nikkei Business online reported in late trade that FamilyMart is considering selling all of its UNY unit to Don Quijote.

The Nikkei share average ended 0.2 percent lower to 23,506.04, after switching between positive and negative territory through the day.

U.S. President Donald Trump repeated a threat on Tuesday to impose tariffs on an additional \$267 billion worth of Chinese imports if Beijing retaliates for the recent levies and other measures the United States has taken.

Yields on U.S. Treasury came off their highs overnight, but investors were wary given the prospects for further spikes in the wake of strong U.S. data and a hawkish Federal Reserve.

"On a day like today, defensive shares are favoured as U.S. yields fell. But investors are still wary that U.S. yields may start rising again, so market conditions are still unstable," said Shoji Hirakawa, a chief global strategist at Tokai Tokyo Research Institute.

Utilities advanced 1.4 percent, recouping the previous day's losses. Tokyo Gas jumped 1.4 percent and Chubu Electric Power gained 1.1 percent.

The land transport sector was up 1.2 percent after it fell to a three-week low on Tuesday. West Japan Railway Co gained 1.1 percent and Central Japan Railway Co rallied 1.3 percent.

Index-heavyweight SoftBank Group Corp tumbled 5.4 percent to a one-month low and posted the biggest daily percentage drop in two years after a source told Reuters that the technology conglomerate is in talks to take a majority stake in shared office space provider WeWork Cos.

Citing people familiar with the matter, the Wall Street Journal reported earlier that the investment could be between \$15 billion and \$20 billion and was likely to come from SoftBank's Vision Fund. Traders said the timing of the report was negative for SoftBank, which has invested in global IT companies and whose shares have been under pressure.

A market analyst at a Japanese brokerage firm said SoftBank's investment in another start-up company when FAANG stocks and U.S.-listed Chinese titans have been sold heavily was a worrying factor.

"It could have been positive when appraisal gains are expanding, but it is seen as a bad timing for such an investment."

The broader Topix was up 0.2 percent to 1,763.86.

**South Korea's KOSPI stock index** closed down on Wednesday, hitting its lowest close since May 2, 2017 after the International Monetary Fund (IMF) cut its growth forecast for the country. The Korean won erased gains and closed lower, a day after U.S. President Donald Trump criticised the Federal Reserve on raising rates too fast. South Korean bond yields also fell.

Trump on Tuesday again criticized the Federal Reserve, telling reporters the central bank is going too fast in raising rates when inflation is minimal and government data points to a strong economy. Trump told the reporters that he doesn't "think it's necessary to go as fast."

At 06:32 GMT, the KOSPI ended down 25.21 points or 1.12 percent at 2,228.62, marking its seventh straight session of fall, the longest since Sept. 2017.

South Korean shares exposed to North Korea plunged on growing uncertainties after Trump said his second summit with North Korean leader Kim Jong Un would be held after U.S. congressional elections on Nov. 6, which is later than expected by some analysts. Hyundai Elevator, down 17.9 percent and Hyundai Rotem, down 14.9 percent, led the losses.

The won was quoted at 1,133.8 per dollar on the onshore settlement platform, 0.1 percent weaker than its previous close of 1,132.7. The currency recorded its sixth consecutive session of loss. In offshore trading, the won was quoted at 1,133.51 per U.S. dollar, down 0.21 percent from the previous day, while in one-year non-deliverable forwards it was being asked at 1,116.5 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.24 percent after U.S. stocks ended the previous session with mild losses. Japanese stocks rose 0.16 percent.

The KOSPI is down around 8.7 percent so far this year, and down by 0.71 percent in the previous 30 days.

The current price-to-earnings ratio is 12.10, the dividend yield is 1.28 percent and the market capitalisation is 1,242.04 trillion won.

The trading volume during the session on the KOSPI index was 348,671,000 shares, and of the total traded issues of 897, the number of advancing shares was 107.

Foreigners were net sellers of 229,492 million won worth of shares.

The U.S. dollar has risen 6.3 percent against the won this year. The won's high for the year is 1,053.55 per dollar on April 2 2018 and low is 1,140.4 on July 19 2018.

In money and debt markets, December futures on three-year treasury bonds rose 0.09 points to 108.21.

The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.65 percent while the benchmark 3-year Korean treasury bond yielded 2.061 percent, lower than the previous day's 2.09 percent.

**Hong Kong shares** ended slightly higher on Wednesday, breaking a six-session losing streak, but persistent concerns over growth and global trade capped gains.

The Hang Seng index rose 0.1 percent to 26,193.07 points, while the China Enterprises Index gained 0.2 percent to 10,442.71 points.

U.S. President Donald Trump on Tuesday repeated his threat to impose tariffs on \$267 billion worth of additional Chinese imports if China retaliates for the recent levies and other measures the United States has taken in the countries' escalating trade war.

China must take strong stimulus measures to support growth, with the country in a "critical" period of stabilising its economy, according to a commentary in the Global Times, a state-backed Chinese tabloid.

Risks to the global financial system have risen over the past six months and could increase sharply if pressures in emerging markets escalate or global trade relations deteriorate further, the International Monetary Fund said on Wednesday. But the IMF's chief economist said he was not concerned about China's ability to defend its currency.

The sub-index of the Hang Seng tracking energy shares rose 0.4 percent, while the IT sector dipped 1.63 percent, the financial sector was 0.17 percent higher and property sector dipped 0.27 percent.

Index heavyweight Tencent Holdings Ltd weighed on the tech sector as the company's shares fell to 15-month lows in their ninth straight session of losses, closing down 2.5 percent.

The top gainer on Hang Seng was China Shenhua Energy Co Ltd, up 4.1 percent, while the biggest loser was Want Want China Holdings Ltd, which fell 6.86 percent.

China's main Shanghai Composite index closed up 0.2 percent at 2,725.84, while the blue-chip CSI300 index ended down 0.22 percent.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.03 percent, while Japan's Nikkei index closed up 0.16 percent.

The yuan was quoted at 6.9192 per U.S. dollar at 08:23 GMT, 0.1 percent firmer than the previous close of 6.926.

As of the previous trading session, the Hang Seng index was down 12.52 percent this year, while China's H-share index was down 11.0 percent. As of the previous close, the Hang Seng has declined 5.81 percent this month.

The top gainers among H-shares were China Shenhua Energy Co Ltd up 4.1 percent, followed by ZhongAn Online P & C Insurance Co Ltd, gaining 3.61 percent and China Mobile Ltd, up by 3 percent.

The three biggest H-shares percentage decliners were Shenzhou International Group Holdings Ltd, which was down 4.85 percent, China Gas Holdings Ltd, which fell 3.4 percent and Tencent Holdings Ltd, down by 2.5 percent.

About 1.77 billion Hang Seng index shares were traded, roughly the same as the market's 30-day moving average. The volume traded in the previous trading session was 1.80 billion.

At close, China's A-shares were trading at a premium of 23.22 percent over the Hong Kong-listed H-shares.

The price-to-earnings ratio of the Hang Seng index was 10.14 as of the last full trading day while the dividend yield was 3.6 percent.

So far this week, the market capitalisation of the Hang Seng index has fallen by 1.55 percent to HK\$17.06 trillion.

The short and one-factor leveraged Hang Seng index, which is designed to replicate the payoff of a short or leveraged portfolio and is linked to the movements of the Hang Seng Index, was lower by 0.07 percent on the day at 5,348.05 points.

**China's blue-chip index** fell for a third consecutive day on Wednesday, but the main Shanghai Composite index rose as investors weighed government support for continued growth against the impact of the U.S.-China trade war.

At the close, the Shanghai Composite index was up 0.2 percent at 2,725.84.

The blue-chip CSI300 index was down 0.22 percent, with its financial sector sub-index higher by 0.22 percent, the consumer staples sector down 2.64 percent, the real estate index up 0.12 percent and healthcare sub-index down 1.18 percent. It was the third consecutive day of losses for the CSI300 index, bringing its losses for the week to 4.6 percent.

U.S. President Donald Trump on Tuesday repeated his threat to impose tariffs on \$267 billion worth of additional Chinese imports if China retaliates for the recent levies and other measures the United States has taken in the countries' escalating trade war.

China must take strong stimulus measures to support growth, with the country in a "critical" period of stabilising its economy, according to a commentary in the Global Times, a state-backed Chinese tabloid.

Risks to the global financial system have risen over the past six months and could increase sharply if pressures in emerging markets escalate or global trade relations deteriorate further, the International Monetary Fund said on Wednesday. But the IMF's chief economist said he was not concerned about China's ability to defend its currency.

China's yuan is forecast to pare some of its recent losses against the dollar over the coming year on hopes that risks from an escalating U.S.-China trade war and a deep sell-off in emerging markets will subside, a Reuters poll found.

At 07:12 GMT, the yuan was quoted at 6.9211 per U.S. dollar, 0.07 percent firmer than the previous close of 6.926.

The Shanghai stock index is below its 50-day moving average and below its 200-day moving average.

The price-to-earnings ratio of the Shanghai index was 11.54 as of the last full trading day, while the dividend yield was 2.7 percent.

So far this week, the market capitalisation of the Shanghai stock index has fallen by 3.54 percent to 29.03 trillion yuan.

*(Source: Reuters, Research: rizal)*



## ASIA AND GLOBAL MARKET SPOT PRICE 2018

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	339.59 (02/Nov/2017)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2914.04 (29/Aug/2018)	6124.04400 (16/Oct./07)
<b>2017 HIGH</b>	23439.15 (13/Nov/2017)	339.59 (02/Nov/2017)	30199.69 (22/Nov/2017)	24876.07 (18/Dec/2017)	2694.97 (18/Dec/2017)	3450.49490 (14/Nov/2017)
<b>2018 HIGH</b>	24270.62 (02/Oct/2018)	338.05 (29/Jan/2018)	33484.08 (29/Jan/2018)	26828.39 (03/Oct/2018)	2930.83 (20/Sep/2018)	3587.50890 (29/Jan/2018)
<b>2018 LOW</b>	20617.86 (23/Mar/2018)	<b>287.85</b> <b>(10/Oct/2018)</b>	26172.91 (09/Oct/2018)	23360.29 (08/Feb/2018)	2532.69 (08/Feb/2018)	2651.79070 (17/Sep/2018)
<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>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 – 10 October 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25598.74	↓ 831.83/3.15%	.N225	23506.04	↑ 36.65/0.16%
/.SPX	2786.19	↓ 94.15/3.27%	.KS200	287.85	↓ 2.06/0.71%
/.IXIC	7422.050	↓ 315.966/4.08%	.HSI	26193.07	↑ 20.16/0.08%
JPY=	112.25	↓ 0.69/0.61%	/.SSEC	2725.83670	↑ 4.82370/0.18%
KRW=	1142.30	↑ 11.18/0.99%	/CLc1 (Oil)	72.63	↓ 2.04/2.73%

# Daily Outlook



- Forex
- Commodities
- Asian Stock Index

## 1YMZ8(Dow Jones Dec Futures) – Exp. Date: 21 December 2018



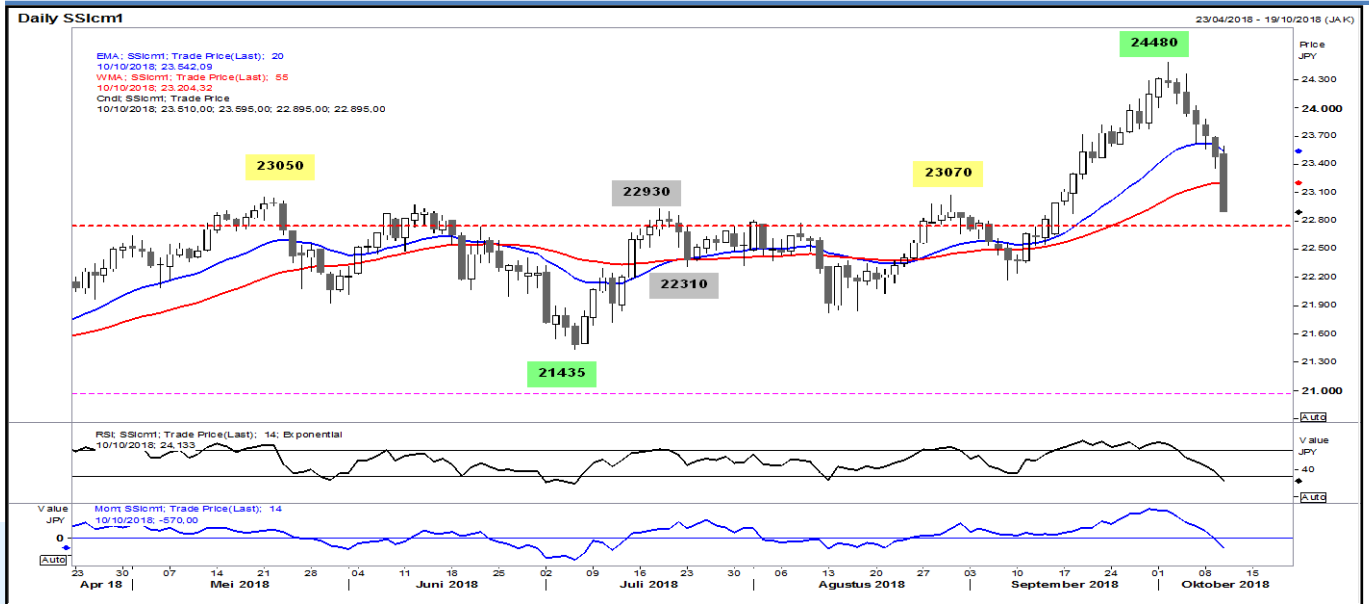
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
10 Oct	26472	26522	25431	1091	25437	25437	↓1044	3.94	413473
09 Oct	26531	26562	26337	225	26473	26473	↓ 71	0.27	234493
08 Oct	26520	26549	26226	323	26531	26531	↑ 39	0.15	222531
05 Oct	26671	26736	26311	425	26500	26500	↓ 152	0.57	273816
04 Oct	26832	26832	26483	349	26687	26687	↓ 185	0.69	265898
03 Oct	26813	26966	26776	190	26825	26825	↑ 18	0.07	162853
02 Oct	26685	26837	26552	285	26819	26819	↑ 141	0.53	163662

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
26562	25431	26966	25431	26820	25764	26966	23088
(09/Oct)	(10/Oct)	(03/Oct)	(10/Oct)	(21/Sep)	(11/Sep)	(03/Oct)	(06/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	26119	High on 1-Hourly Chart
	26041	High on 1-Hourly Chart
	25932	High on 1-Hourly Chart
	25655	High on 1-Hourly Chart
SUPPORT	25215	Low Aug 10 ,2018
	25087	Low Aug 02 ,2018
	24912	Low Jul 20 ,2018
	24745	Low Jul 10 ,2018
RECOMMENDATION	BUY	----
	SELL	25335
	STOP LOSS	25535
	TARGET	25035 24885

## SSlamZ8 (Nikkei Dec Futures) – Last Trading Date: 17 Dec 2018



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	%	VOLUME
10 Oct SSipmZ8	23550	23585	22715	870	22740	---	↓ 810	3.44	54908
10 Oct SSlamZ8	23550	23595	23365	230	23550	23550	↑ 70	0.30	56502
09 Oct SSipmZ8	23510	23560	23325	235	23515	---	↑ 35	0.15	38684
09 Oct SSlamZ8	23625	23625	23445	180	23480	23480	↓ 220	0.93	65898
08 Oct SSipmZ8	23685	23690	23360	330	23630	---	↓ 70	0.30	16701
08 Oct SSlamZ8	23715	23810	23625	185	23700	23700	↓ 130	0.55	7894
05 Oct SSipmZ8	23825	23880	23555	325	23675	---	↓ 155	0.65	35713
05 Oct SSlamZ8	23765	23935	23730	205	23830	23830	↓ 105	0.44	58904
04 Oct SSipmZ8	23970	24025	23620	405	23755	---	↓ 180	0.75	39675
04 Oct SSlamZ8	24265	24290	23910	380	23935	23935	↓ 220	0.91	63095

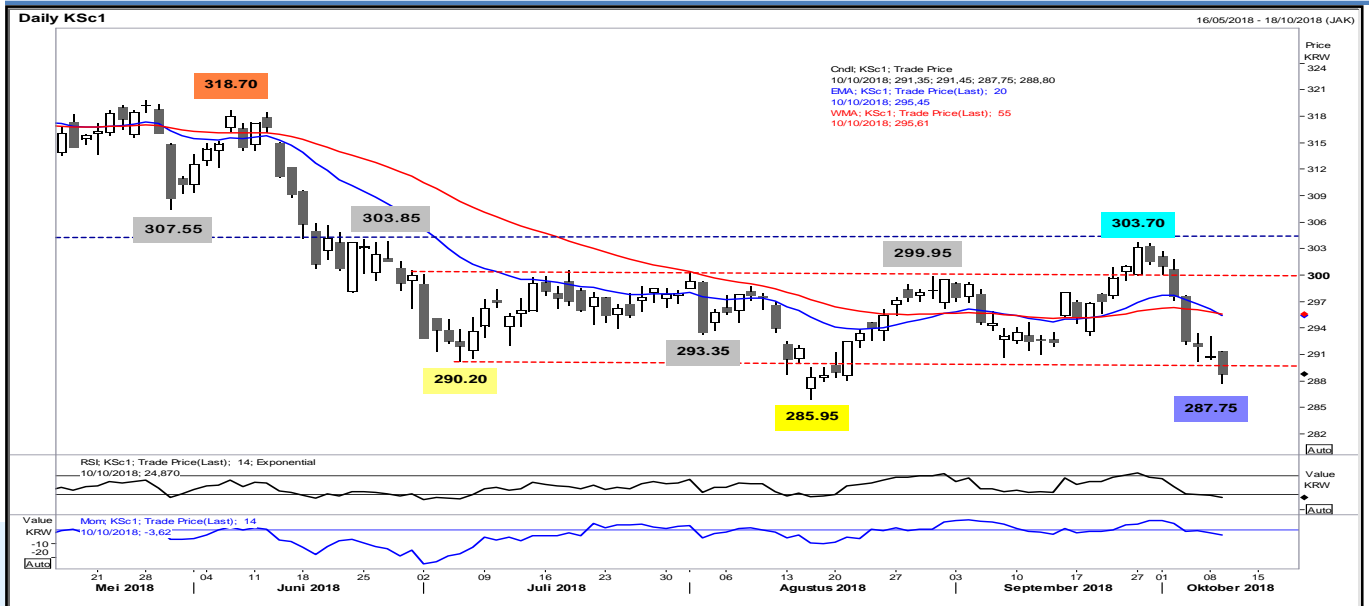
WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
23810	22715	24480	22715	24290	22165	24480	20130
(08/Oct)	(10/Oct)	(01/Oct)	(10/Oct)	(28/Sep)	(07/Sep)	(01/Oct)	(23/Mar)

### ANALYSIS & RECOMMENDATION

RESISTANCE	23255	High on 1-Hourly Chart
	23170	High on 1-Hourly Chart
	23065	High on 1-Hourly Chart
	22910	High on 1-Hourly Chart
SUPPORT	22545	Low Sep 13,2018
	22355	Low Sep 11,2018
	22245	Low Sep 10,2018
	22165	Low Sep 07,2018
RECOMMENDATION	BUY	----
	SELL	22690
	STOP LOSS	22840
	TARGET	22490 22390



## KSZ8 (Kospi Dec Futures) – Exp. Date: 13 Dec 2018



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
10 Oct	291.35	291.45	287.75	3.70	288.80	288.80	↓ 2.00	0.69	325747
09 Oct	--	H	O	L	I	D	A	Y	--
08 Oct	290.75	293.05	290.55	2.50	290.80	290.80	↓ 1.10	0.38	235552
05 Oct	292.20	293.35	290.30	3.05	291.90	291.90	↓ 0.65	0.22	291140
04 Oct	297.60	297.75	292.15	5.60	292.55	292.55	↓ 5.05	1.70	291642
03 Oct	--	H	O	L	I	D	A	Y	--

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
293.05	287.75	302.70	287.75	303.70	290.75	340.30	285.95
(08/Oct)	(10/Oct)	(01/Oct)	(10/Oct)	(27/Sep)	(07/Sep)	(29/Jan)	(16/Aug)

### ANALYSIS & RECOMMENDATION

RESISTANCE	292.05	Reactions High on 1-Hourly Chart
	291.05	High on 1-Hourly Chart
	290.30	High on 1-Hourly Chart
	289.75	High on 1-Hourly Chart
SUPPORT	285.95	Low Aug 16,2018
	282.10	Low Apr 25,2017
	281.30	Low Apr 24,2017
	279.15	Low Apr 05,2017
RECOMMENDATION	BUY	----
	SELL	287.30
	STOP LOSS	288.80
	TARGET	285.30
		284.30

## HSIV8 (Hang Seng Oct Futures) – Exp. Date: 30 October 2018



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
10 Oct	26154	26470	26113	357	26165	26165	↑ 105	0.40	264342
09 Oct	26102	26342	26022	320	26060	26060	↓ 87	0.33	262286
08 Oct	26476	26771	26128	643	26147	26147	↓ 312	1.18	263452
05 Oct	26395	26599	26323	276	26459	26459	↓ 104	0.39	202559
04 Oct	26832	26902	26490	412	26563	26563	↓ 494	1.83	203632
03 Oct	27006	27252	26871	381	27057	27057	↑ 63	0.23	212171
02 Oct	27755	27760	26991	769	26994	26994	↓ 883	3.16	222333

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
26771	26022	27760	26022	28049	26170	33516	26022
(08/Oct)	(09/Oct)	(02/Oct)	(09/Oct)	(26/Sep)	(12/Sep)	(29/Jan)	(09/Oct)

### ANALYSIS & RECOMMENDATION

RESISTANCE	26388	High on 1 Hourly Chart
	26256	High on 1 Hourly Chart
	26145	High on 1 Hourly Chart
	25970	High on 1 Hourly Chart
SUPPORT	25459	Low Jul 11,2017
	25277	Low Jul 10,2017
	25110	Low Jul 05,2017
	24918	Low May 12,2017
RECOMMENDATION	BUY	----
	SELL	25650
	STOP LOSS	25800
	TARGET	25450 25350

## FOREX/CURRENCIES

**Euro, sterling rise on hopes for Brexit deal - Reuters News**

The euro and sterling rose on Wednesday, underpinned by optimism for a Brexit deal, while the dollar lost ground against a basket of currencies even as U.S. bond yields hovered at multiyear peaks.

The common currency's gains were limited by worries about the sustainability of Italy's public finances, though Italian Economy Minister Giovanni Tria reiterated on Wednesday that the government would do everything in its power to regain the confidence of

financial markets.

"There is more optimism that they will find some agreement between Britain and (the) European Union before Brexit," said Steve Englander, global head of G10 FX research at Standard Chartered Bank in New York.

This week, Brexit negotiators have hinted at progress toward terms for Britain to leave the economic bloc in March, which gave investors hope for an orderly departure. Still, caution persists due to scant details.

On Wednesday, EU's Brexit negotiator, Michel Barnier, said the two parties have agreed on much of the withdrawal agreement ahead of a summit of all the bloc's 28 national leaders next week.

The pound reached a two-week high at \$1.3216 Wednesday and held a gain of 0.45 percent on the day. It hit its strongest level against the euro since June 15 at 87.23 pence.

The euro rose 0.3 percent to \$1.15270 and held steady at 129.750 yen.

Some traders remain skeptical about a final Brexit deal.

"We see a lot of volatility, so the good news may be a temporary thing because the EU has been quick to reject most proposals even if it has the backing of Labour," said Juan Perez, senior currency trader with Tempus, Inc. in Washington.

Perez was referring to the U.K. Labour Party whose spokesman on Wednesday downplayed a news report that some party members would back a Brexit deal that Prime Minister Theresa May supports.

The bounce in the two currencies offset the effects of an increase in U.S. Treasury yields, putting pressure on the dollar.

Benchmark 10-year yields retreated from a seven-year high of 3.261 percent set on Tuesday, even as investors and dealers pared their bond holdings to make space for \$36 billion 3-year and \$23 billion 10-year note supply sold on Wednesday.

U.S. yields have increased on rising government debt supply and worries about higher inflation, which may push the Federal Reserve to raise short-term rates more quickly.

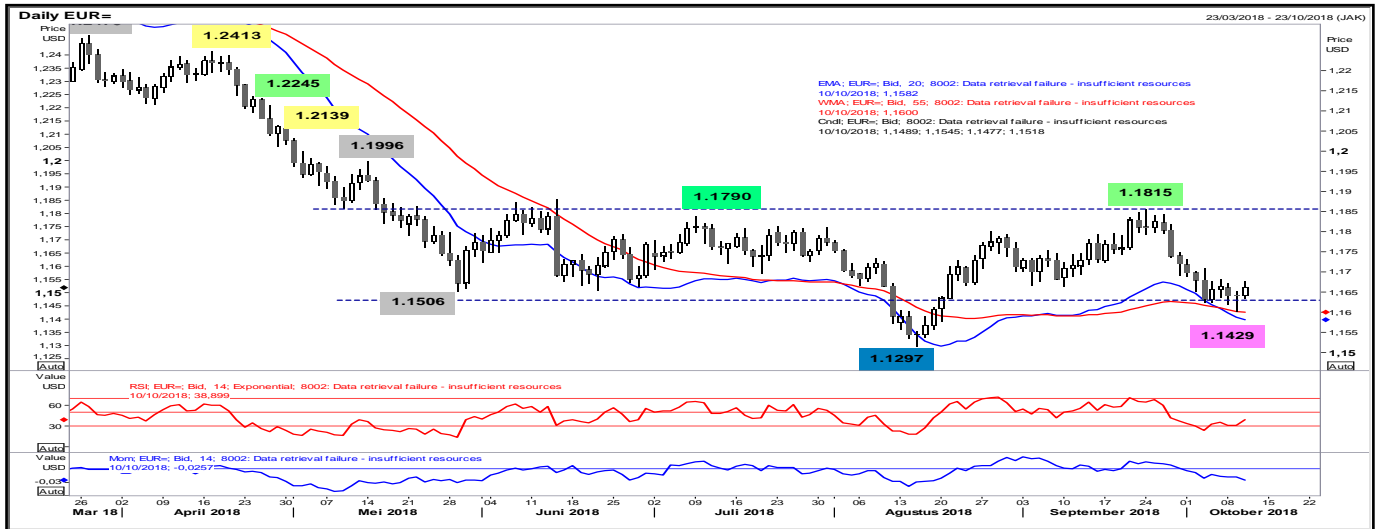
The ICE dollar index, which tracks the greenback against six major currencies, fell 0.2 percent on the day to 95.480. It hit a seven-week high on Tuesday at 96.155.

*(Source Reuters, Research – setiawan).*



## EUR/USD

Interest Rate: 0.00% (EU) / 2.00%-2.25% (US)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	1.14907	1.15441	1.14786	65,5	1.15178	↑ 30,8	1.14870
Oct 09	1.14896	1.15020	1.14310	71,0	1.14870	↑ 4,6	1.14824
Oct 08	1.15242	1.15284	1.14586	69,8	1.14824	↓ 39,5	1.15219
Oct 05	1.15132	1.15485	1.14828	65,7	1.15219	↑ 8,9	1.15130
Oct 04	1.14800	1.15372	1.14621	75,1	1.15130	↑ 39,7	1.14733

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.15441	1.14586	1.16235	1.14586	1.18139	1.15252	1.25542	1.12997
(10/Oct)	(08/Oct)	(01/Oct)	(08/Oct)	(24/Sep)	(10/Sep)	(16/Feb)	(15/Aug)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.1712	High on 1-Hourly Chart
	1.1651	High Sep 28,2018
	1.1628	High Oct 01,2018
	1.1580	High Oct 02,2018
SUPPORT	1.1457	Low Oct 08,2018
	1.1392	Low Aug 20,2018
	1.1363	Low Aug 17,2018
	1.1297	Low Aug 15,2018
RECOMMENDATION	BUY	1.1510
	SELL	-----
	STOP LOSS	1.1460
	TARGET	1.1590 1.1620

## USD/JPY

Interest Rate: 2.00%-2.25% (US)/-0.1% (JP)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	112.952	113.276	112.245	103,1	112.243	↓ 70,9	112.952
Oct 09	113.160	113.380	112.859	52,1	112.952	↓ 25,6	113.208
Oct 08	113.699	113.931	112.810	112,1	113.208	↓ 45,6	113.664
Oct 05	113.873	114.089	113.546	54,3	113.664	↓ 19,3	113.857
Oct 04	114.464	114.538	113.621	91,7	113.857	↓ 63,9	114.496

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
113.931	112.245	114.538	112.245	113.654	110.367	114.538	104.623
(08/Oct)	(10/Oct)	(04/Oct)	(10/Oct)	(28/Sep)	(07/Sep)	(04/Oct)	(23/Mar)

### ANALYSIS & RECOMMENDATION

RESISTANCE	114.72	High Nov 06,2017
	114.09	High Oct 05,2018
	113.73	High on 1-Hourly Chart (Oct 08,2018)
	113.28	High Oct 10,2018
SUPPORT	112.01	Low Sep 20,2018
	111.65	Low Sep 18,2018
	111.14	Low Sep 13,2018
	110.37	Low Sep 07,2018
RECOMMENDATION	BUY	----
	SELL	112.40
	STOP LOSS	113.00
	TARGET	111.60 111.20

## GBP/USD

Interest Rate: 0.75% (GB)/ 2.00%-2.25% (US)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	1.31384	1.32146	1.31352	79,4	1.31892	↑ 45,2	1.31440
Oct 09	1.30883	1.31489	1.30318	117,1	1.31440	↑ 65,2	1.30788
Oct 08	1.31250	1.31315	1.30270	104,5	1.30788	↓ 35,9	1.31147
Oct 05	1.30176	1.31217	1.30020	119,7	1.31147	↑ 95,1	1.30196
Oct 04	1.29495	1.30381	1.29210	117,1	1.30196	↑ 80,2	1.29394

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.32146	1.30270	1.32146	1.29210	1.32970	1.27842	1.43754	1.26605
(10/Oct)	(08/Oct)	(10/Oct)	(04/Oct)	(20/Sep)	(05/Sep)	(17/Apr)	(15/Aug)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.3446	High Jun 14,2018
	1.3362	High Jul 09,2018
	1.3285	High Jul 11,2018
	1.3239	High Jul 13,2018
SUPPORT	1.3132	Low Oct 10,2018
	1.3084	Low on 1-Hourly Chart (Oct 09,2018)
	1.3032	Low on 1-Hourly Chart (Oct 05,2018)
RECOMMENDATION	BUY	1.3185
	SELL	---
	STOP LOSS	1.3115
	TARGET	1.3275
		1.3315



## USD/CHF

Interest Rate: 2.00%-2.25% (US)/-1.25 to -0.25% (CH)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	0.99173	0.99328	0.98943	38,5	0.99001	↓ 16,3	0.99164
Oct 09	0.99222	0.99545	0.99099	44,6	0.99164	↓ 4,0	0.99204
Oct 08	0.99168	0.99434	0.99061	37,3	0.99204	↑ 4,8	0.99156
Oct 05	0.99153	0.99537	0.99090	44,7	0.99156	↑ 1,3	0.99143
Oct 04	0.99026	0.99329	0.98947	38,2	0.99143	↓ 6,7	0.99210

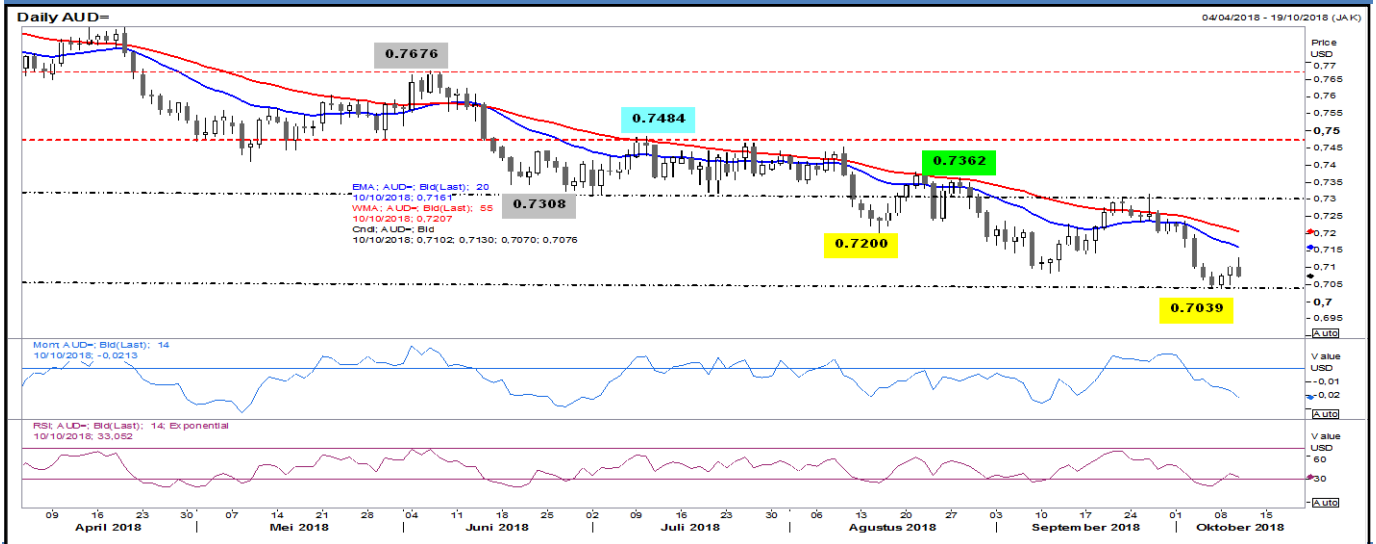
WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.99545	0.98943	0.99545	0.98058	0.98177	0.95409	1.00668	0.91863
(09/Oct)	(10/Oct)	(09/Oct)	(01/Oct)	(28/Sep)	(21/Sep)	(13/Jul)	(16/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.0149	High Jan 12,2017
	1.0068	High Jul 13,2018
	1.0010	High Jul 20,2018
	0.9968	High Aug 20,2018
SUPPORT	0.9870	Low on 1-Hourly Chart
	0.9831	Low Oct 03,2018
	0.9763	Low on 1-Hourly Chart
	0.9735	Low Sep 28,2018
RECOMMENDATION	BUY	----
	SELL	0.9905
	STOP LOSS	0.9955
	TARGET	0.9835
		0.9805

## AUD/USD

Interest Rate: 1.5% (AU)/ 2.00%-2.25% (US)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	0.71020	0.71295	0.70406	88,9	0.70440	↓ 52,9	0.70969
Oct 09	0.70760	0.71046	0.70529	51,7	0.70969	↑ 22,1	0.70748
Oct 08	0.70525	0.70802	0.70399	40,3	0.70748	↑ 27,2	0.70476
Oct 05	0.70746	0.70859	0.70412	44,7	0.70476	↓ 22,5	0.70701
Oct 04	0.71072	0.71089	0.70643	44,6	0.70701	↓ 29,7	0.70998

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.71295	0.70399	0.72369	0.70399	0.73141	0.70839	0.81346	0.70399
(10/Oct)	(08/Oct)	(02/Oct)	(08/Oct)	(26/Sep)	(11/Sep)	(26/Jan)	(08/Oct)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.7314	High Sep 26,2018
	0.7275	High Sep 19,2018
	0.7241	High Sep 28,2018
	0.7197	High Oct 03,2018
SUPPORT	0.6982	Low Feb 11,2016
	0.6916	Low Jan 16,2016
	0.6763	Low Mar 30,2009
	0.6721	Low Mar 19,2009
RECOMMENDATION	BUY	-----
	SELL	0.7070
	STOP LOSS	0.7100
	TARGET	0.7035 0.7000

## NZD/USD

Interest Rate: 1.75% (NZ)/ 2.00%-2.25% (US)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	0.64748	0.64952	0.64405	54,7	0.64428	↓ 24,1	0.64669
Oct 09	0.64488	0.64716	0.64260	45,6	0.64669	↑ 29,1	0.64378
Oct 08	0.64386	0.64534	0.64231	30,3	0.64378	↓ 1,9	0.64397
Oct 05	0.64757	0.64847	0.64310	53,7	0.64397	↓ 34,2	0.64739
Oct 04	0.65165	0.65184	0.64728	45,6	0.64739	↓ 35,5	0.65094

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.64952	0.64231	0.66271	0.64231	0.66979	0.64998	0.74359	0.64231
(10/Oct)	(08/Oct)	(01/Oct)	(08/Oct)	(21/Sep)	(11/Sep)	(16/Feb)	(08/Oct)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.6661	High Aug 31, 2018
	0.6607	High Sep 04, 2018
	0.6565	High Sep 12, 2018
	0.6519	High Oct 04, 2018
SUPPORT	0.6346	Low Jan 20, 2016
	0.6288	Low Sep 29, 2015
	0.6233	Low Sep 23, 2015
	0.6192	Low Jul 13, 2009
RECOMMENDATION	BUY	-----
	SELL	0.6460
	STOP LOSS	0.6500
	TARGET	0.6425
		0.6380

## EUR/JPY

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



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	129.808	130.483	129.282	120,1	129.308	↓ 45,4	129.762
Oct 09	130.045	130.211	129.321	89,0	129.762	↓ 29,1	130.053
Oct 08	131.036	131.231	129.491	174,0	130.053	↓ 93,1	130.984
Oct 05	131.121	131.399	130.584	81,5	130.984	↓ 9,9	131.083
Oct 04	131.430	131.560	130.727	83,3	131.083	↓ 28,5	131.368

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
131.231	129.282	132.445	129.282	133.113	128.000	137.486	124.602
(08/Oct)	(10/Oct)	(01/Oct)	(10/Oct)	(21/Sep)	(07/Sep)	(02/Feb)	(29/May)

### ANALYSIS & RECOMMENDATION

RESISTANCE	132.54	High Apr 30,2018
	131.99	High Oct 02,2018
	131.41	High Oct 05,2018
	130.70	High on 1-Hourly Chart
SUPPORT	129.24	Low Sep 13,2018
	128.75	Low Sep 11,2018
	127.85	Low Sep 10,2018
	127.33	Low Aug 22,2018
RECOMMENDATION	BUY	----
	SELL	129.55
	STOP LOSS	130.40
	TARGET	128.50 128.05



## USD/CAD

Interest Rate: 2.00%-2.25% (US)/1.25% (CA)



<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2941</b>	<b>1.3043</b>

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.3069	1.2922	1.3069	1.2778	1.3226	1.2880	1.3385	1.2246
(10/Oct)	(10/Oct)	(10/Oct)	(01/Oct)	(06/Sep)	(20/Sep)	(27/Jun)	(31/Jan)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	1.3289	High Jul 20,2018
	1.3226	High Sep 06,2018
	1.3174	High Sep 11,2018
	1.3078	High Sep 12,2018
<b>SUPPORT</b>	1.2934	Low Oct 08,2018
	1.2890	Low Oct 05,2018
	1.2853	Low Oct 04,2018
	1.2803	Low Oct 03,2018
<b>RECOMMENDATION</b>	BUY	1.3025
	SELL	----
	STOP LOSS	1.2950
	TARGET	1.3120 1.3165

## PRECIOUS METAL

**Gold edges up as dollar slips, global stocks sag - Reuters News**

Gold prices inched up on Wednesday as some investors sought refuge in the metal after the dollar weakened and global stocks tumbled on the back of rising bond yields.

Spot gold edged 0.2 percent higher to \$1,191.84 per ounce by 2:24 p.m. EDT (1824 GMT). U.S. gold futures settled up \$1.9, or 0.16 percent, at \$1,193.4.

World equities fell more than 1 percent to three-month lows, while the U.S. dollar index retreated from a seven-week peak hit in the previous session.

"The S&P 500 is looking very weak and negative and that is putting fear into investors," said Michael Matousek, head

trader at U.S. Global Investors.

"With the markets going down people are increasing their allocation towards gold."

Gold, however, has fallen over 13 percent since hitting a peak in April, with investors increasingly opting for the safety of the greenback as the U.S.-China trade war unfolded against a backdrop of rising U.S. interest rates.

Rising bond yields have also dampened the appeal of gold, which pays no interest. Higher Treasury yields can translate into more demand for the dollar, making bullion more expensive for holders of other currencies.

"The higher yield environment and stronger dollar are providing a toxic mix for gold," said Fawad Razaqada, an analyst with Forex.com.

"The trend for yields has been bullish and they could rise further from here. It will be hard for gold to sustain any rallies in this environment."

U.S. Treasury yields advanced, holding near multi-year highs after government data showed the U.S. producer price index (PPI) climbed in September, which reinforced expectations that the Fed would hike interest rates at a faster pace.

"Gold prices will struggle to rebound over the remainder of 2018," said Sabrin Chowdhury, commodities analyst at Fitch Solutions.

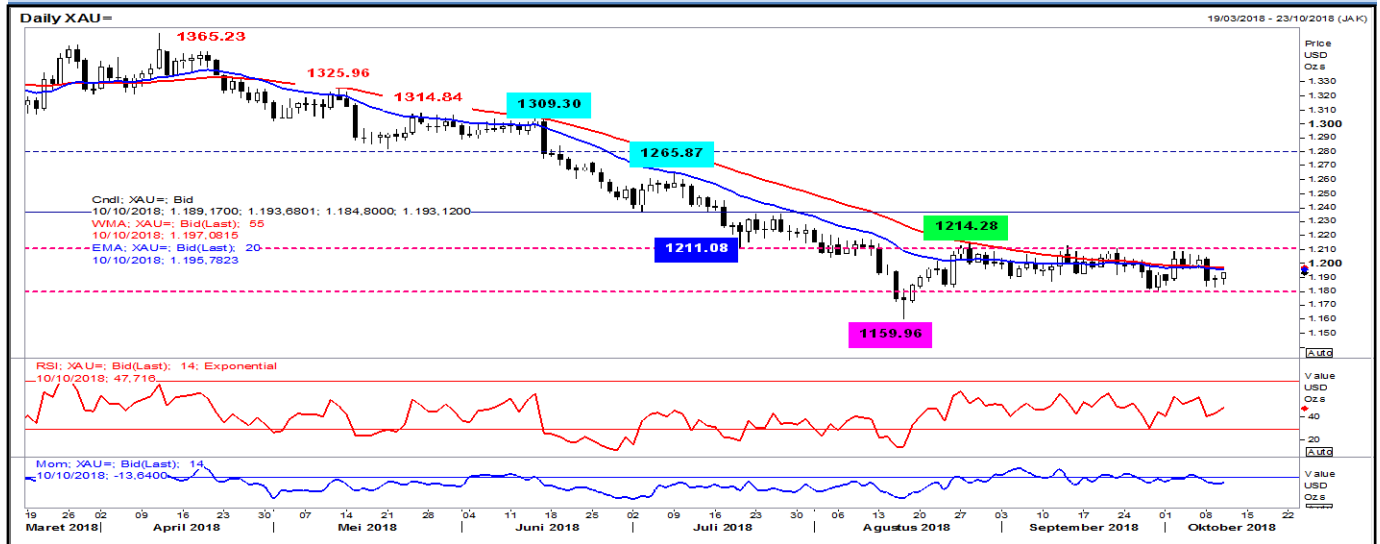
"Strong U.S. economic growth, concurrent monetary policy normalisation by the U.S. Federal Reserve and a strong dollar will all limit the attractiveness of holding gold as an investment."

The Fed increased interest rates last month for the third time this year and is widely expected to hike again in December, with no suggestion its tightening policy will cease anytime soon.

Analysts said an upside in gold could also be limited by waning demand due to depreciating domestic currencies in major gold-consuming countries such as India.

*(Source Reuters, Research – setiawan)*

## GOLD (XAU/USD)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	1189.330	1194.650	1185.230	9.42	1194.590	↑ 4.99	1189.600
Oct 09	1188.660	1191.790	1183.190	8.60	1189.600	↑ 1.77	1187.830
Oct 08	1203.470	1203.950	1183.150	20.80	1187.830	↓ 15.35	1203.180
Oct 05	1199.600	1205.680	1197.150	8.53	1203.180	↑ 3.44	1199.740
Oct 04	1197.770	1206.560	1195.880	10.68	1199.740	↑ 2.56	1197.180

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1203.950	1183.150	1208.170	1183.150	1212.540	1180.670	1365.910	1160.130
(08/Oct)	(08/Oct)	(03/Oct)	(08/Oct)	(13/Sep)	(28/Sep)	(25/Jan)	(16/Aug)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1228.31	Reactions High High Jul 31,2018
	1217.03	High Aug 10,2018
	1213.83	High Aug 13,2018
	1207.33	High Aug 29,2018
SUPPORT	1180.34	Low Sep 28,2018
	1171.61	Low Aug 17,2018
	1159.96	Low Aug 16,2018
	1145.68	Low Jan 03,2017
RECOMMENDATION	BUY	1192.00
	SELL	----
	STOP LOSS	1188.00
	TARGET	1196.80 1204.00

## SILVER (XAG/USD)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 09	14.376	14.424	14.251	0.17	14.366	↑ 0.02	14.348
Oct 08	14.638	14.644	14.250	0.39	14.348	↓ 0.27	14.615
Oct 05	14.577	14.699	14.500	0.20	14.615	↑ 0.04	14.574
Oct 04	14.625	14.755	14.517	0.24	14.574	↓ 0.04	14.615
Oct 03	14.680	14.808	14.605	0.20	14.615	↓ 0.05	14.661

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
14.644	14.223	14.894	14.223	14.700	13.923	17.682	13.923
(08/Oct)	(10/Oct)	(02/Oct)	(10/Oct)	(28/Sep)	(11/Sep)	(25/Jan)	(11/Sep)

### ANALYSIS & RECOMMENDATION

RESISTANCE	14.99	High Aug 28,2018
	14.81	High Aug 30,2018
	14.71	High Sep 28,2018
	14.49	High On 1-Hourly Chart
SUPPORT	14.20	Low Sep 25,2018
	14.12	Low Sep 19, 2018
	14.00	Low Sep 17, 2018
	13.90	Low Sep 11, 2018
RECOMMENDATION	BUY	14.25
	SELL	----
	STOP LOSS	14.15
	TARGET	14.40 14.55



## OIL

## Oil prices slump 2 pct as Wall Street slides - Reuters News



Oil prices dropped 2 percent on Wednesday as U.S. equity markets broadly fell, even though energy traders worried about shrinking Iranian supply from U.S. sanctions and kept an eye on Hurricane Michael, which closed some U.S. Gulf of Mexico oil output.

Brent crude futures fell \$1.91, or 2.3 percent, to settle at \$83.09 a barrel. The global benchmark posted a 1.3 percent gain on Tuesday.

U.S. West Texas Intermediate (WTI) crude futures fell \$1.79 to settle at \$73.17 a barrel, a 2.4 percent loss.

U.S. stocks markets skidded, on track for the biggest daily decline since April, and the sell-off intensified as the day wore on as rising U.S. Treasury yields and trade policy related worries sent investors fleeing for safety.

"As long as we continue to see broad-based weakness in the equity sector, that's going to start spilling over into other areas as well. One in particular will be energy because it's all about economic expectations," said Brian LaRose, a technical analyst at United-ICAP.

Risks to the global financial system have risen over the past six months and could increase sharply if pressures in emerging markets escalate or global trade relations deteriorate further, the International Monetary Fund (IMF) said.

On Tuesday, the IMF cut its global economic growth forecasts for 2018 and 2019, raising concerns that demand for oil may also slump.

In the U.S. Gulf of Mexico, producers have cut oil output by roughly 42 percent due to Hurricane Michael, the Bureau of Safety and Environmental Enforcement said on Wednesday, citing reports from 30 companies. The cuts represent 718,877 barrels per day of oil production. [nL2N1WQ1I7]

The storm made landfall in Florida on Wednesday as a Category 4 hurricane.

While crude output has been cut because of the hurricane, "down time is expected to be brief and Gulf of Mexico output now accounts for a comparatively small portion of total U.S. production," Jim Ritterbusch, president of Ritterbusch and Associates, said in a note.

Worries about crude supply from the Middle East have given prices some support.

Iran's crude exports fell further in early October as buyers sought alternatives ahead of U.S. sanctions that take effect on Nov. 4, according to tanker data and an industry source.

Saudi Arabia, the world's biggest oil exporter, will supply Indian buyers with an additional 4 million barrels of crude oil in November, several sources familiar with the matter said. India is Iran's top oil client after China.

Several of the world's biggest trading houses expect U.S. sanctions on Iran to keep oil prices high, with crude staying above \$65 and possibly breaking above \$100 in the medium term.

U.S. crude oil output this year was expected to rise 1.39 million bpd to a record 10.74 million bpd, the U.S. Energy Information Administration said in its monthly forecast on Wednesday. [nL2N1WQ157]

In the short term, the market was eyeing upcoming U.S. inventory data which was forecast to show a 2.6 million-barrel rise in crude stocks for last week, the third straight weekly build.

The American Petroleum Institute (API), an industry group, will release its data at 4:30 p.m. (2030 GMT), followed by the EIA's report on Thursday at 11 a.m. - both reports delayed a day by Monday's federal holiday. [\(Source Reuters, Research – setiawan\)](#)

## CLX8/USD (OIL)

(Exp.: 22 Oct 2018 - Reuters)



DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Oct 10	74.64	75.06	72.37	2.69	72.59	↓ 2.07	74.66
Oct 09	74.19	75.25	73.99	1.26	74.66	↑ 0.46	74.20
Oct 08	74.27	74.32	73.07	1.25	74.20	↓ 0.08	74.28
Oct 05	74.65	75.19	73.85	1.34	74.28	↓ 0.36	74.64
Oct 04	76.15	76.44	73.87	2.57	74.64	↓ 1.56	76.20
Oct 03	75.10	76.88	74.31	2.57	76.20	↑ 1.16	75.04

WEEKLY		OCTOBER		SEPTEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
75.25	72.37	76.88	72.37	73.71	66.85	76.88	58.06
(09/Oct)	(10/Oct)	(03/Oct)	(10/Oct)	(28/Sep)	(07/Sep)	(03/Oct)	(09/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	77.06	Fibo.Projections on D-Chart ( 50.0% )
	76.47	High Oct 04,2018
	75.89	High on 1-Hourly Chart
	75.15	High on 1-Hourly Chart
SUPPORT	72.03	Low on 1-Hourly Chart
	71.47	Low Sep 26,2018
	69.98	Low Sep 21,2018
	67.79	Low Sep 14,2018
RECOMMENDATION	BUY	----
	SELL	72.80
	STOP LOSS	73.70
	TARGET	71.40 70.00

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