

# DAILY MARKET REPORT

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## **GLOBAL MARKETS**

- Benchmark U.S. Treasury yields hit a 10-month high on Tuesday after the Bank of Japan tweaked its bond-buying program, while stocks in world indexes continued their flying start to the year.

## **GLOBAL ECONOMIES**

- China's central bank has taken a step to loosen control over the yuan exchange rate, sources familiar with the matter told Reuters on Tuesday, reflecting confidence that depreciation pressures on the Chinese currency have eased for now.
- Speculation the Bank of Japan may wind back its monetary stimulus this year gripped markets on Tuesday after the central bank trimmed the amount of its purchases of Japanese government bonds.
- Euro zone unemployment fell to a new nine-year low in November thanks to strong economic growth, data showed on Tuesday, but the jobless rates differ widely across the single currency bloc.
- Britain is expected to choose a new central bank chief this year to succeed Canadian Mark Carney, who will step down in June 2019, three months after the country's scheduled exit from the European Union.

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**GLOBAL MARKETS & ECONOMIES****GLOBAL MARKETS**

**U.S. & Global Markets** – Benchmark U.S. Treasury yields hit a 10-month high on Tuesday after the Bank of Japan tweaked its bond-buying program, while stocks in world indexes continued their flying start to the year.

U.S. oil touched its highest since late 2014, while the yen hit a six-day high following the Bank of Japan's announcement that it will trim its purchases of Japanese government bonds.

The move raised speculation Japan's central bank may wind down its monetary stimulus this year.

"We don't necessarily see this as a signal of impending policy change, but investors are very sensitive to the overall monetary policy backdrop, especially out of the major central banks," said John Briggs, head of Americas strategy at NatWest Markets in Stamford, Connecticut.

The U.S. 10-year note yielded 2.546 percent, the highest since March 15, while the 3-year note yield, which is sensitive to traders' views on Fed policy, was 2.074 percent, its highest since the instrument was reissued in 2007.

Stocks extended their record run. The S&P 500 and Nasdaq have hit records every trading day of the new year, or the past six sessions, providing optimism on the outlook for the rest of the year. The S&P 500 is up 2.9 percent since Dec. 31.

U.S. stock investors remain upbeat about fourth-quarter earnings season, which begins on Friday with results from JPMorgan Chase, with the focus expected to be on any comments related to the just-approved U.S. tax overhaul that includes hefty corporate tax cuts.

Bank stocks were boosted on Tuesday by rising U.S. Treasury 10-year yields. The S&P financial index was up 0.7 percent.

"We're continuing the rally. Earnings season starts this Friday, and we'll probably have another decent season. There will be some noise there with tax adjustments, but the forward-looking comments ought to be pretty positive. Investors are buying into that," said Bucky Hellwig, senior vice president at BB&T Wealth Management in Birmingham, Alabama.

"You have low inflation and rising earnings. That's a good environment for stocks, so we've seen all of the indexes moving higher, continuing what we've had this year," he said.

The Dow Jones Industrial Average rose 102.8 points, or 0.41 percent, to 25,385.8, the S&P 500 gained 3.58 points, or 0.13 percent, to 2,751.29 and the Nasdaq Composite added 6.19 points, or 0.09 percent, to 7,163.58.

The pan-European FTSEurofirst 300 index rose 0.48 percent and MSCI's gauge of stocks across the globe gained 0.14 percent.

Also, in foreign exchange market, the dollar edged higher against a basket of major currencies and hit an 11-day peak, as its decline last week to the lowest in more than three months continued to draw bargain hunters.

*(Source Reuters – @her1en)*

**GLOBAL ECONOMIES**

**China** – China's central bank has taken a step to loosen control over the yuan exchange rate, sources familiar with the matter told Reuters on Tuesday, reflecting confidence that depreciation pressures on the Chinese currency have eased for now.

The People's Bank of China (PBOC) effectively reduced the influence of the "counter-cyclical factor" it introduced in May last year to the formula it uses to determine the mid-point reference rate for the yuan's exchange rate against the U.S. dollar each day. That factor was designed to lessen the impact of market forces on the yuan's reference point.

Sources said the PBOC had notified banks that contribute mid-point estimates to it for the official rate calculation that they could adjust the

counter-cyclical factor by themselves, effectively allowing them to minimise its influence on their exchange rate contributions.

One source said this reflected the fact that the yuan was no longer under depreciation pressure.

In response to Reuters' request for information about the matter, the PBOC said it was up to the contributing banks to determine the counter-cyclical factor coefficient independently.

The formula the PBOC uses to determine the next day's midpoint fixing factors in the yuan settlement rate against the U.S. dollar at 4:30 p.m. (0830 GMT), along with changes in the trade-weighted basket of currencies and the counter-cyclical factor.

When it introduced that "X" factor, the PBOC said it would help to better reflect supply and demand, lessen possible "herd effects" in the market and guide the market to focus more on macroeconomic fundamentals.

But many traders saw it as a tool to reduce price swings and counteract pressure on the yuan after a rough 2016 when the Chinese currency lost about 6.5 percent against the dollar.

The yuan slipped after the news, finishing onshore trade at 6.5207 per dollar at 0830 GMT, weakening 0.34 percent from the previous late night close.

The offshore yuan was trading weaker at 6.5326 per dollar at 1056 GMT.

The yuan is allowed to trade within a band of two percent on either side of the daily midpoint.

The change could trigger further yuan weakening, said one currency trader at a foreign bank in Shanghai who forecast that it could test the 6.6 yuan, or renminbi, per dollar level.

Stephen Gallo, European head of FX Strategy at Bank of Montreal, said in a note he thinks this "doesn't drastically shift the balance of forces" in the yuan-dollar exchange rate.

"If market forces will now be allowed to play a greater role in the level of the dollar-yuan mid-rate, the general downward trend in the U.S. dollar can presumably be transmitted through USDRMB more easily. Therefore, today's move doesn't signal an intent to drastically weaken the renminbi on the part of the PBOC," he wrote.

Analysts at Nomura also agreed it did not mean China wanted to allow the yuan to depreciate.

"We do not believe this is the goal and see the change as likely related to authorities allowing for greater FX flexibility," they said in a note.

"In our view, this means that, if CNY faces appreciation/depreciation pressures, it would likely translate into a greater move in the following day's fixing."

The yuan rose nearly 6.8 percent against the dollar in 2017, more than reversing the previous year's losses. Most of those gains were in the second half of the year after the introduction of the counter-cyclical factor as well as government efforts to plug outflows of capital and restore confidence in the yuan.

**Japan** – Speculation the Bank of Japan may wind back its monetary stimulus this year gripped markets on Tuesday after the central bank trimmed the amount of its purchases of Japanese government bonds.

Traders appeared to latch on to the BOJ announcement that it will buy less of the long-dated bonds, sending the dollar down about 0.5 percent against the yen and the longer dated 20- and 40-year bond yields up to their highest in a month.

While the move was in line with the BOJ's subtle reduction in its bond buying, the so-called 'stealth tapering', traders said it highlighted how sensitive markets are to a pullback in the massive stimulus that has been the centre piece of Prime Minister Shinzo Abe's 'Abenomics' policies of the past 4-1/2 years.

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"This goes to show that the amount of attention being given to the word 'tapering,' or any action from the BOJ in that direction that could be taken as a suggestion of it, there's a lot of sensitivity around it," said Bart Wakabayashi, branch manager for State Street Bank in Tokyo.

BOJ Governor Haruhiko Kuroda has repeatedly dismissed the chance of withdrawing stimulus any time soon, even as some policymakers have recently expressed concerns over the perceived demerits of monetary easing, especially the hit on financial institutions' profit margins.

That has led to speculation that the central bank may have to consider raising its yield targets or slow purchases of risky assets later in 2018 and bringing Japan in line with a host of developed nations which have started to tighten policy, partly thanks to a synchronized uptick in global growth.

The Federal Reserve raised rates three times last year, while the Bank of Canada tightened policy for the first time in seven years and the European Central Bank has signalled it could start to taper soon.

The BOJ pledged in 2016 to guide short-term interest rates at minus 0.1 percent and 10-year bond yields at around zero percent.

It also keeps a loose pledge to increase its bond holdings at 80 trillion yen (\$710.29 billion) per year, although the actual increase was only around 58 trillion last year, which some investors see as an effective tapering of the BOJ's stimulus.

On Tuesday, markets were surprised by the central bank's decision to reduce its purchases of JGBs with 10 to 25 years left to maturity as it was the first cut in that tenor in more than a year.

In all, the BOJ cut buying of 10 to 25 year bonds and 25 to 40 year paper by 10 billion yen (\$88.39 million) each, from its previous operations, to 190 billion yen and 80 billion respectively.

The announcement pushed the dollar to a session low of 112.50 yen, down around 0.5 percent on the day.

In the Japanese bond market the selloff was more measured, with yields on 20-year to 40-year paper rising to one-month highs but still well below last year's peaks.

"While it has become difficult to bid up JGBs, there's no reason to sell JGBs considering that the BOJ is highly unlikely to change its policy at least until it will have a new leadership in April," said Ryoko Tada, fixed income analyst at Nomura Securities.

None of the bank's current nine policy board members has proposed any reduction in stimulus. One has even proposed a further easing.

**Euro Zone** – Euro zone unemployment fell to a new nine-year low in November thanks to strong economic growth, data showed on Tuesday, but the jobless rates differ widely across the single currency bloc.

The European Union's statistics office Eurostat said the jobless rate in the 19 countries sharing the euro was 8.7 percent in November, down from 8.8 percent in October and the lowest since January 2009.

The number of unemployed fell by around 107,000 people to 14.263 million in the euro area, Eurostat said.

Emerging from years of economic malaise caused by the sovereign debt crisis, the euro zone economy is now growing strongest pace in a decade - at 2.5 percent year-on-year in the third quarter of 2017.

But the average unemployment rate for the whole single currency area masks great differences within it -- Germany has an unemployment rate of 3.6 percent while Greece's was at 20.5 percent in September, Spain's was at 16.7 percent in November and Italy's was 11.0 percent.

Even greater differences were seen in youth unemployment numbers, Germany leading with 6.6 percent and Greece having the highest number at 39.5 percent, followed by Spain at 37.9 percent and Italy at 32.7 percent.

**U.K.** – Britain is expected to choose a new central bank chief this year to succeed Canadian Mark Carney, who will step down in June 2019, three months after the country's scheduled exit from the European Union.

Following is a summary of possible contenders to run the Bank of England (BoE), which oversees the world's sixth-biggest economy and Britain's huge finance industry. No one has yet thrown their hat into the ring.

**ANDREW BAILEY** - the outsider insider

Widely tipped by analysts as Carney's most likely successor, Bailey reached the role of deputy governor of the BoE with a focus on banks before becoming chief executive of the Financial Conduct Authority, a financial markets regulator.

During his time at the BoE, Bailey helped to steer Britain's banks through the global financial crisis, enhancing his reputation as a safe pair of hands.

However, heading the FCA - which roots out misconduct in Britain's large financial services sector - is fraught with risks. The head of the British parliament's influential Treasury Committee has criticised Bailey for withholding parts of a report into alleged misconduct by state-owned RBS during the financial crisis. Bailey has cited privacy restrictions.

As FCA boss, Bailey sits on important panels at the BoE that oversee banks. Although he has never been interest-rate setter, he once ran the BoE international economic analysis team.

Bailey acknowledged the speculation about a move to the BoE in an interview published this week. "You'll be unsurprised to know this question comes up reasonably often," Bailey told Financial News. "But I've got a job and, I have to be honest with you, I have never spent my time thinking about the one I want to do next."

**BEN BROADBENT AND DAVE RAMSDEN** - the deputies

Broadbent and Ramsden are deputy governors for monetary policy and for markets and banking respectively, burnishing their credentials as potential successors to Carney.

Broadbent, a former Goldman Sachs economist who once trained as a classical pianist, is respected for his economic analysis but has less experience on banking oversight, which has become an important part of the BoE governor's role.

Ramsden only joined the central bank in September although he is no stranger to the Monetary Policy Committee having attended 92 of its meetings in his previous role as the Treasury's chief economic advisor.

The two other BoE deputy governors, Jon Cunliffe and Sam Woods, are less likely contenders. Woods focuses mostly on bank regulation while Cunliffe - a former British ambassador to the EU - would be aged 66 at the start of the term which usually runs for eight years, although Carney has chosen to step down after six.

**ANDY HALDANE** - the free thinker

The BoE's chief economist, Haldane has developed a reputation for floating unconventional ideas, including the abolition of cash as a way to give central banks more muscle over the economies they run. In 2012, he praised the anti-capitalist Occupy movement for suggesting new ways to fix the shortcomings of global finance. Haldane has experience of both sides of the Bank, having served previously as executive director for financial stability, overseeing the risks to the economy from the banking system. But he might be seen as too much of a maverick to take the job of governor.

**OUTSIDERS?**

The announcement of Carney, the first non-British governor of the BoE in more than three centuries, was a surprise. Should finance minister Philip Hammond also opt for a less obvious candidate, one name that has appeared in Britain's media is that of Sharon White, the head of a telecoms regulator and who previously worked at the Treasury. The daughter of Jamaican immigrants, she has won wide praise for her high-profile roles in the public sector. Another outside contender would be Adair Turner, a former chairman of a now defunct financial services regulator who was in the running last time around. He continues to speak about the British economy and has warned of the risks from high debt levels.

**A LABOUR PARTY GOVERNOR?**

The prospect of the left-wing Labour Party taking power in the next year or so is remote but investors are mindful that Prime Minister Theresa May has only a small majority in parliament after last year's failed election gamble and her Conservative Party is split over how to leave the European Union. Labour leader Jeremy Corbyn and his would-be finance minister John McDonnell are socialists and have in the past proposed that

the BoE should fund investment in infrastructure, a big change from its current focus on inflation. If they were to pick the next BoE governor, Ben Seager-Scott, chief investment strategist at Tilney Group, an investment firm, said they might consider former members of an economic advisory committee which included U.S. academic and Nobel Prize winner Joseph Stiglitz and Ann Pettifor, a British economist who is an austerity critic. [\(Source Reuters, Research – @her1en\)](#)

**WEEKLY ECONOMIC CALENDAR**

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
<b>Mon/08-Jan-18</b>	05:30	AU	AiG Performance of Construction Index	Dec	52.8	--	57.5	
08-Jan - 18-Jan	N/A	CN	Foreign Direct Investment YoY CNY	Dec	-	--	90.7%	
	12:30	AU	Foreign Reserves	Dec	A\$85.4b	--	A\$85.8b	
	14:00	DE	Factory Orders MoM	Nov	-0.4%	0.0%	0.5%	0.7%
	14:00	DE	Factory Orders WDA YoY	Nov	8.7%	7.8%	6.9%	7.2%
	15:15	CH	CPI EU Harmonized MoM	Dec	0.2%	--	-0.3%	
	15:15	CH	CPI EU Harmonized YoY	Dec	1.1%	--	0.8%	
	15:15	CH	CPI MoM	Dec	0.0%	-0.1%	-0.1%	
	15:15	CH	CPI YoY	Dec	0.8%	0.8%	0.8%	
	16:30	EZ	Sentix Investor Confidence	Jan	32.9	31.3	31.1	
	17:00	EZ	Business Climate Indicator	Dec	1.66	1.5	1.49	
	17:00	EZ	Consumer Confidence	Dec F	0.5	0.5	0.5	
	17:00	EZ	Economic Confidence	Dec	116.0	114.8	114.6	
	17:00	EZ	Industrial Confidence	Dec	9.1	8.4	8.2	8.1
	17:00	EZ	Retail Sales MoM	Nov	1.5%	1.3%	-1.1%	
	17:00	EZ	Retail Sales YoY	Nov	2.8%	2.4%	0.4%	0.2%
	17:00	EZ	Services Confidence	Dec	18.4	16.5	16.3	16.4
<b>Tue/09-Jan-18</b>	00:40	US	Fed's Bostic Speaks on Economic Outlook in Atlanta					
	01:35	US	Fed's Williams Speaks at Inflation Targeting Conference					
	03:00	US	Consumer Credit	Nov	\$27.951b	\$17.800b	\$20.519b	\$20.532b
	04:00	US	Fed's Rosengren Speaks at Inflation Targeting Conference					
	07:00	JP	Labor Cash Earnings YoY	Nov	0.9%	0.6%	0.6%	0.2%
	07:00	JP	Real Cash Earnings YoY	Nov	0.1%	-0.1%	0.2%	-0.1%
	07:30	AU	Building Approvals MoM	Nov	11.7%	-1.3%	0.9%	-0.1%
	07:30	AU	Building Approvals YoY	Nov	17.1%	4.6%	18.4%	17.5%
	12:00	JP	Consumer Confidence Index	Dec	44.7	45	44.9	
	13:45	CH	Unemployment Rate	Dec	3.3%	3.2%	3.1%	
	13:45	CH	Unemployment Rate SA	Dec	3.0%	3.0%	3.0%	3.1%
	14:00	DE	Current Account Balance	Nov	25.4b	25.5b	18.1b	
	14:00	DE	Exports SA MoM	Nov	4.1%	1.2%	-0.4%	-0.3%
	14:00	DE	Imports SA MoM	Nov	2.3%	0.4%	1.8%	

	14:00	DE	Industrial Production SA MoM	Nov	3.4%	1.8%	-1.4%	-1.2%
	14:00	DE	Industrial Production WDA YoY	Nov	5.6%	3.9%	2.7%	2.8%
	14:00	DE	Trade Balance	Nov	23.7b	21.3b	18.9b	
	15:15	CH	Retail Sales Real YoY	Nov	-0.2%	-2.5%	-3.0%	-2.6%
	17:00	EZ	Unemployment Rate	Nov	8.7%	8.7%	8.8%	
	20:15	CA	Housing Starts	Dec	217k	211k	252.2k	251.7k
	22:00	US	Fed's Kashkari Speaks on Moderated Panel					
<b>Wed/10-Jan-18</b>	06:00	KR	Unemployment rate SA	Dec	3.6%	3.7%	3.7%	
	08:30	CN	CPI YoY	Dec		1.9%	1.7%	
	08:30	CN	PPI YoY	Dec		4.8%	5.8%	
	16:30	GB	Construction Output SA MoM	Nov		0.5%	-1.7%	
	16:30	GB	Construction Output SA YoY	Nov		--	-0.2%	
	16:30	GB	Industrial Production MoM	Nov		0.4%	0.0%	
	16:30	GB	Industrial Production YoY	Nov		--	3.6%	
	16:30	GB	Manufacturing Production MoM	Nov		0.3%	0.1%	
	16:30	GB	Manufacturing Production YoY	Nov		--	3.9%	
	16:30	GB	Trade Balance	Nov		--	-£1405	
	16:30	GB	Trade Balance Non EU GBP/Mn	Nov		--	-£2382	
	16:30	GB	Visible Trade Balance GBP/Mn	Nov		--	-£10781	
	20:00	GB	NIESR GDP Estimate	Dec		--	0.5%	
	21:00	US	Fed's Evans Discusses Economy and Policy Outlook					
	22:30	US	DOE Cushing OK Crude Inventory	Jan-05		--	-2441k	
	22:30	US	DOE U.S. Crude Oil Inventories	Jan-05		--	-7419k	
	22:30	US	DOE U.S. Distillate Inventory	Jan-05		--	8899k	
	22:30	US	DOE U.S. Gasoline Inventories	Jan-05		--	4813k	
<b>Thu/11-Jan-18</b>	01:30	US	Fed's Bullard Speaks on U.S. Economic Outlook in St. Louis					
	06:50	JP	Official Reserve Assets	Dec		--	\$1261.2b	
	07:30	AU	Retail Sales MoM	Nov		--	0.5%	
	12:00	JP	Coincident Index	Nov P		117.9	116.4	
	12:00	JP	Leading Index CI	Nov P		108.6	106.5	
	16:00	DE	GDP NSA YoY	2017		--	1.9%	
	16:30	GB	Bank of England Credit Conditions & Bank Liabilities Surveys					
	17:00	EZ	Industrial Production SA MoM	Nov		0.6%	0.2%	
	17:00	EZ	Industrial Production WDA YoY	Nov		--	3.7%	
	19:30	EZ	ECB account of the monetary policy meeting					
	20:30	US	Initial Jobless Claims	Jan-06		248k	250k	
	20:30	US	Continuing Claims	Dec-30		--	1914k	
	20:30	US	PPI Ex Food and Energy MoM	Dec		0.2%	0.3%	
	20:30	US	PPI Ex Food and Energy YoY	Dec		--	2.4%	
	20:30	US	PPI Ex Food, Energy, Trade MoM	Dec		--	0.4%	
	20:30	US	PPI Ex Food, Energy, Trade YoY	Dec		--	2.4%	
	20:30	US	PPI Final Demand MoM	Dec		0.2%	0.4%	
	20:30	US	PPI Final Demand YoY	Dec		--	3.1%	
	20:30	US	Revisions: Philadelphia Fed Manufacturing Index					
<b>Fri/12-Jan-18</b>	02:00	US	Monthly Budget Statement	Dec		-\$52.0b	-\$138.5b	
	03:30	US	Fed's Dudley Speaks on the U.S. Economic Outlook					
	06:50	JP	BoP Current Account Adjusted	Nov		¥2212.6b	¥2441.5b	
	06:50	JP	BoP Current Account Balance	Nov		¥1840.8b	¥2176.4b	
	06:50	JP	Trade Balance BoP Basis	Nov		¥321.8b	¥430.2b	
	N/A	JP	Eco Watchers Survey Current SA	Dec		55.2	55.1	
	N/A	JP	Eco Watchers Survey Outlook SA	Dec		53.5	53.8	
	N/A	CN	Exports YoY	Dec		9.8%	12.3%	
	N/A	CN	Exports YoY CNY	Dec		6.3%	10.3%	
	N/A	CN	Imports YoY	Dec		15.0%	17.7%	
	N/A	CN	Imports YoY CNY	Dec		11.3%	15.6%	
	N/A	CN	Trade Balance	Dec		\$38.00b	\$40.21b	
	N/A	CN	Trade Balance CNY	Dec		245.15b	263.60b	
	20:30	US	CPI Core Index SA	Dec		--	253.724	
	20:30	US	CPI Ex Food and Energy MoM	Dec		0.2%	0.1%	
	20:30	US	CPI Ex Food and Energy YoY	Dec		--	1.7%	
	20:30	US	CPI Index NSA	Dec		--	246.669	
	20:30	US	CPI MoM	Dec		0.2%	0.4%	

	20:30	US	CPI YoY	Dec		--	2.2%	
	20:30	US	Real Avg Hourly Earning YoY	Dec		--	0.2%	
	20:30	US	Real Avg Weekly Earnings YoY	Dec		--	0.8%	
	20:30	US	Retail Sales Advance MoM	Dec		0.3%	0.8%	
	20:30	US	Retail Sales Control Group	Dec		--	0.8%	
	20:30	US	Retail Sales Ex Auto and Gas	Dec		--	0.8%	
	20:30	US	Retail Sales Ex Auto MoM	Dec		0.4%	1.0%	
	22:00	US	Business Inventories	Nov		0.3%	-0.1%	
<b>Sat/13-Jan-18</b>	01:00	US	Baker Hughes U.S. Rig Count	Jan-12		--	924	
	04:15	US	Fed's Rosengren Gives Keynote Address at UC San Diego Conf					

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



## ASIAN STOCK INDICATORS – Daily Outlook

**Japan's Nikkei** share average hit a 26-year high on Tuesday, helped by gains on Wall Street during a Japanese holiday, while index heavyweight Fast Retailing soared on strong December sales.

The Nikkei ended 0.6 percent higher at 23,849.99, the highest closing level since November 1991. Japanese markets were closed on Monday for a national holiday.

Fast Retailing Co rose 1.2 percent after the clothing company said on Friday that same-store sales at its Uniqlo clothing outlets in Japan rose 18.1 percent in December on the year. Fast Retailing added 20 points to the Nikkei index and was the biggest contributor.

Chip-making equipment manufacturers and electronic components makers outperformed, with Tokyo Electron rising 1.7 percent and TDK Corp adding 0.9 percent.

The broader Topix ended 0.5 percent higher at 1,889.29, its highest closing level since June 1991.

**South Korea's KOSPI** stock index weakened on Tuesday. The Korean won inched down on the local platform while bond yields rose.

At 06:30 GMT, the KOSPI was down 3.05 points or 0.12 percent at 2,510.23. The benchmark index erased earlier gains as market heavyweight Samsung Electronics extended losses to more than 3 percent after its fourth-quarter profit guidance missed expectations.

The won was quoted at 1,067.1 per dollar on the onshore settlement platform, 0.1 percent weaker than its previous close at 1,066.

In offshore trading, the won was quoted at 1,066.69 per dollar, up 0.15 percent from the previous day, while in one-year non-deliverable forwards it changed hands at 1,058.3 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.01 percent, after U.S. stocks maintained their New Year rally. Japanese stocks rose 0.57 percent.

The KOSPI is up around 1.9 percent so far this year, and up by 1.07 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 369,650,000 shares, and of the total traded issues of 882, the number of advancing shares was 382.

Foreigners were net buyers of 19,331 million won worth of shares.

The dollar has stayed flat with a change of 0.01 percent against the won this year. The won's high for the year is 1,059 per dollar on January 8 and low is 1,069.7 also on the same day.

In money and debt markets, March futures on three-year treasury bonds fell 0.05 points to 107.85.

The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.66 percent, unchanged from its previous close, while the benchmark 3-year Korean treasury bond yielded 2.151 percent, higher than the previous day's 2.14 percent.

**Hong Kong** stocks rose for the 11th straight session to a fresh 10-year high on Tuesday, aided by inbound money flows from China and strength in index heavyweight Tencent Holdings.

Chinese investors continued to pile money into Hong Kong stocks, using up nearly a quarter of the daily quota under the Shanghai-Hong Kong Stock Connect. Tencent rose for the sixth straight session, and hit a record.

At close of trade, the Hang Seng index was up 111.88 points or 0.36 percent at 31,011.41. The Hang Seng China Enterprises index rose 0.17 percent to 12,255.68.

The sub-index of the Hang Seng tracking energy shares rose 0.5 percent while the IT sector rose 1 percent, the financial sector was 0.36 percent higher and property sector rose 0.56 percent.

The top gainer on Hang Seng was Sands China Ltd up 4.89 percent, while the biggest loser was Hengan International Group Company Ltd, down 2.96 percent.

**China's main Shanghai Composite index** closed up 0.16 percent at 3,414.8339 points while its blue-chip CSI300 index ended up 0.71 percent. Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.11 percent while Japan's Nikkei index closed up 0.57 percent.

The yuan was quoted at 6.5216 per U.S. dollar at 08:28 GMT, 0.36 percent weaker than the previous close of 6.4984.

The top gainers among H-shares were Ping An Insurance Group Co of China Ltd up 2.49 percent, followed by Dongfeng Motor Group Co Ltd gaining 1.8 percent and New China Life Insurance Co Ltd up by 1.59 percent.

The three biggest H-shares percentage decliners were Anhui Conch Cement Co Ltd which was down 2.62 percent, CRRC Corp Ltd which fell 2.6 percent and Air China Ltd down by 1.9 percent.

About 2.07 billion Hang Seng index shares were traded, roughly 117.1 percent of the market's 30-day moving average of 1.77 billion shares a day. The volume traded in the previous trading session was 2.07 billion.

At close, China's A-shares were trading at a premium of 26.93 percent over the Hong Kong-listed H-shares.

The price-to-earnings ratio of the Hang Seng index was 14.09 as of the last full trading day while the dividend yield was 2.8 percent.

So far this week, the market capitalisation of the Hang Seng index has risen by 0.48 percent to HK\$20.33 trillion.

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

## 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)	31958.41 (30/Oct/07)	<b>25439.78</b> (09/Jan/2018)	<b>2759.14</b> (09/Jan/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>	<b>23952.61</b> (09/Jan/2018)	<b>332.70</b> (09/Jan/2018)	<b>31056.70</b> (09/Jan/2018)	<b>25439.78</b> (09/Jan/2018)	<b>2759.14</b> (09/Jan/2018)	<b>3417.22780</b> (09/Jan/2018)
<b>2018 LOW</b>	23506.33 (04/Jan/2018)	324.58 (04/Jan/2018)	30515.31 (02/Jan/2018)	24824.01 (02/Jan/2018)	2695.83 (02/Jan/2018)	3349.05200 (02/Jan/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 – 09 January 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25385.80	↑ 102.80/0.41%	.N225	23849.99	↑ 135.46/0.57%
/.SPX	2751.29	↑ 3.58/0.13%	.KS200	330.25	↓ 0.31/1.03%
/.IXIC	7163.578	↑ 6.192/0.09%	.HSI	31011.41	↑ 111.88/0.36%
JPY=	112.64	↓ 0.44/0.39%	/.SSEC	3414.83390	↑ 5.35440/0.16%
KRW=	1070.97	↑ 3.11/0.29%	/CLc1 (Oil)	63.48	↑ 1.75/2.83%

**DISCLAIMER:**

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**SSlamH8 (Nikkei Mar Futures) – Last Trading Date: 12 Mar 2018**



- Daily RSI in overbought zone
- Be aware of trend changes [\[Research – @her1en\]](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 Jan SS1pmH8	23850	23930	23765	165	23845	---	↑ 10	0.04	19224
09 Jan SS1amH8	23920	24005	23765	240	23835	23835	↑ 10	0.04	63122
08 Jan SS1pmH8	23850	23980	23810	170	23960	---	↑ 115	0.48	11955
08 Jan SS1amH8	23795	23900	23790	110	23845	23845	↑ 130	0.55	4956
05 Jan SS1pmH8	23735	23815	23705	110	23805	---	↑ 90	0.38	22683
05 Jan SS1amH8	23640	23750	23510	240	23715	23715	↑ 305	1.30	60688
04 Jan SS1pmH8	23435	23665	23420	245	23620	---	↑ 210	0.90	22544
04 Jan SS1amH8	23135	23490	23080	410	23410	23410	↑ 560	2.45	74302
03 Jan SS1pmH8	22855	23180	22850	330	23165	---	↑ 315	1.38	13531
03 Jan SS1amH8	22845	22915	22795	120	22850	22850	↑ 45	0.20	6156

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
24005	23790	24005	22615	22995	22015	24005	22615
(09/Jan)	(08/Jan)	(09/Jan)	(02/Jan)	(01/Dec)	(06/Dec)	(09/Jan)	(02/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	25556	Fibo Projections Chart (423.6%)
	24845	Fibo Projections Chart (261.8%)
	24406	Fibo Projections Chart (161.8%)
	24134	Fibo Projections Chart (100.0%)
<b>SUPPORT</b>	23790	Low on 1-Hourly Chart
	23540	Low on 1-Hourly Chart
	23400	Reaction Low on 1-Hourly Chart
	23205	Low on 1-Hour Chart
<b>RECOMMENDATION</b>	BUY	23850
	SELL	----
	STOP LOSS	23680
	TARGET	24050 24100

**KSH8 (Kospi Mar Futures) – Exp. Date: 08 Mar 2018**


- The series rises to a high level in daily movement
  - Daily RSI near overbought area
  - The opening potential is a gap up
- [\[Research – @herien\]](#)

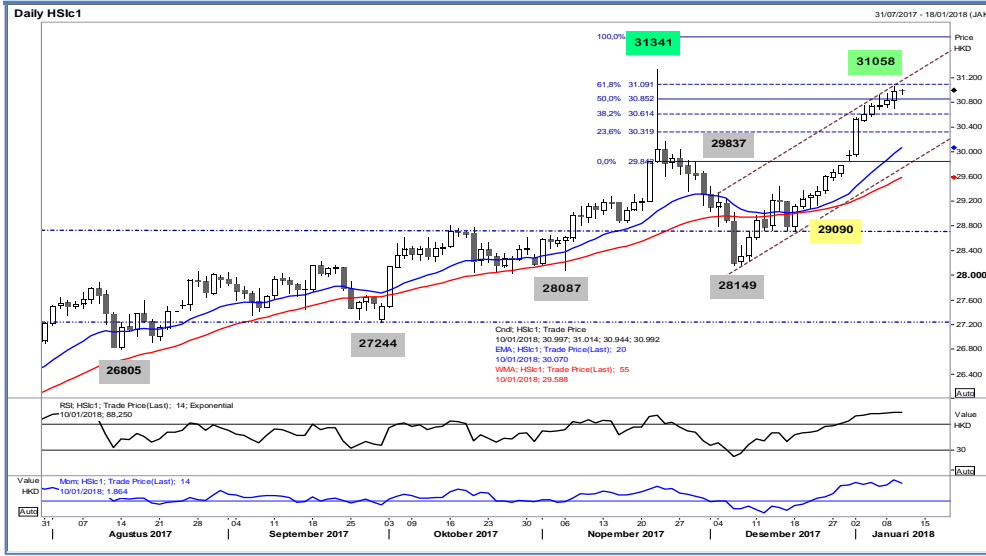
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 Jan	331.20	333.50	329.45	4.05	330.95	330.95	↓ 0.80	0.24	218883
08 Jan	331.40	332.65	329.25	3.40	331.75	331.75	↑ 2.30	0.70	220291
05 Jan	326.50	329.70	326.25	3.45	329.45	329.45	↑ 3.95	1.21	162652
04 Jan	329.95	330.15	325.05	5.10	325.50	325.50	↓ 2.70	0.82	226047
03 Jan	328.00	329.10	327.25	1.85	328.20	328.20	↑ 1.20	0.37	135886
02 Jan	326.60	327.50	325.45	2.05	327.00	327.00	↑ 0.85	0.26	131400

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
333.50 (09/Jan)	329.25 (08/Jan)	333.50 (09/Jan)	325.05 (04/Jan)	331.35 (14/Dec)	317.35 (21/Dec)	333.50 (09/Jan)	325.05 (04/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	338.60	High 17/Nov/2017
	337.50	High 22/Nov/2017
	336.00	High 27/Nov/2017
	332.85	High on 1-Hourly Chart
<b>SUPPORT</b>	330.15	Reaction low on 1-H chart
	329.25	Low 08/Jan/2018
	326.25	Low 05/Jan/2018
	325.05	Low 04/Jan/2018
<b>RECOMMENDATION</b>	BUY	331.40
	SELL	----
	STOP LOSS	329.60
	TARGET	333.40 333.90

HSIF8 (Hang Seng Jan Futures) – Exp. Date: 30 Jan 2018



- The series goes up high on daily
- Daily RSI is in the overbought zone
- The opening potential is a gap up [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 Jan	30947	31058	30836	222	30985	30985	↑ 149	0.48	135741
08 Jan	30940	30950	30732	218	30836	30836	↑ 72	0.23	131330
05 Jan	30890	30912	30693	219	30764	30764	↑ 16	0.05	120994
04 Jan	30738	30795	30591	204	30748	30748	↑ 133	0.43	132471
03 Jan	30590	30750	30512	238	30615	30615	↑ 83	0.27	142623
02 Jan	30379	30512	30371	141	30532	30532	↑ 584	1.95	122832
01 Jan	--	H	O	L	I	D	A	Y	--

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
31058	30732	31058	30371	30027	28149	31058	30371
(09/Jan)	(08/Jan)	(09/Jan)	(02/Jan)	(29/Dec)	(07/Dec)	(09/Jan)	(02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	33112	Fibo.Projections Chart (161.8%)
	31863	Fibo.Projections Chart (100.0%)
	31341	High 22/Nov/2017
	31091	Fibo.Projections Chart (61.8%)
SUPPORT	30732	Low 08/Jan/2018
	30591	Low 04/Jan/2018
	30493	Low 03/Jan/2018
	30371	low on 1-H chart
RECOMMENDATION	BUY	31060
	SELL	----
	STOP LOSS	30880
	TARGET	31260
		31310

## CURRENCIES – Daily Outlook

**Dollar extends recovery, yen rises on BOJ move - Reuters News**

The dollar edged higher against a basket of major currencies on Tuesday, to hit an eleven-day peak, as its decline last week to the lowest in more than three months continued to draw bargain hunters.

The dollar index, which measures the greenback against six rival currencies, was up 0.18 percent at 92.524. The index fell to 91.751 on January 2, its lowest since September 20.

"I think we came into this week with the dollar having been beat up over the better part of the last four weeks. The dollar looked ripe for a little bit of a recovery across the board," said Omer Esiner, chief market analyst, at Commonwealth Foreign Exchange in Washington.

The euro extended losses from the previous session and slipped 0.27 percent to \$1.1933. On Thursday, it

had hit a nearly four-month high of \$1.2089.

"We are seeing a little bit of the optimism surrounding the euro fade a little," Esiner said.

"While euro zone data continues to paint a picture of an economy that closed out 2017 with very strong momentum, there continues to be a significant lack of inflation that will ultimately keep the pace of ECB normalization very, very cautious," he said.

In recent weeks, the euro rallied on expectations for a shift in European Central Bank monetary policy this year, but weakened after Friday's cooler-than-expected reading of the euro zone's December consumer price index.

"With Europe's improving economic conditions supporting the euro and the outlook for the dollar still somewhat shaky amid low inflation concerns in the States, the EURUSD remains fundamentally bullish," Lukman Otunuga, research analyst at futures brokerage FXTM in London, said in a note.

The dollar fell against the yen after the Bank of Japan trimmed its purchases of long-dated government bonds in market operations, stoking speculation the central bank could start to wind down its huge stimulus policy this year.

Since it adopted its yield-curve-control policy in 2016, the BOJ has occasionally tweaked its bond operations, with officials saying any changes are meant to keep bond yields in line with its policy goal and not to telegraph hints on its future policy.

The Japanese currency hit a six-day high.

Sterling was down 0.24 percent against the dollar as investors took profits after a recent rally although expectations that Brexit talks will have a positive outcome continued to underpin the British currency.

*(Source Reuters, Research – @her1en)*

**EUR/USD**

Interest Rate: 0.00% (EU)/1.25%-1.50% (US)



- With support area at 1.1775
  - Crucial resistance around 1.2254
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	1.19671	1.19743	1.19145	59,8	1.19352	↓ 31,6	1.19668
Jan 08	1.20303	1.20510	1.19545	96,5	1.19668	↓ 79,8	1.20466
Jan 05	1.20703	1.20817	1.20194	62,3	1.20466	↓ 19,5	1.20661
Jan 04	1.20095	1.20876	1.20032	84,4	1.20661	↑ 53,2	1.20129
Jan 03	1.20561	1.20650	1.20001	64,9	1.20129	↓ 44,3	1.20572

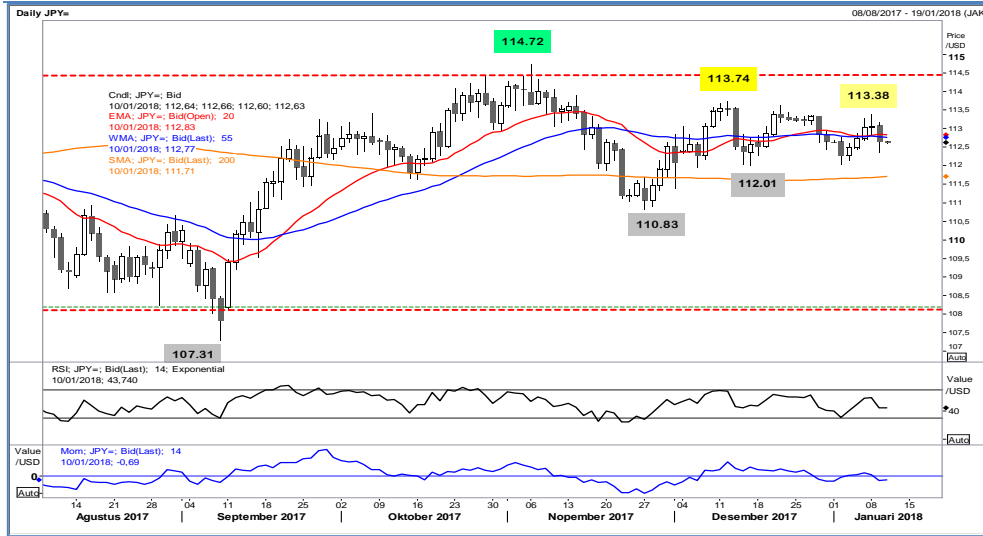
WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.20510 (08/Jan)	1.19145 (09/Jan)	1.20876 (04/Jan)	1.19145 (09/Jan)	1.20242 (29/Dec)	1.17163 (12/Dec)	1.20876 (04/Jan)	1.19145 (09/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1.2515	High Dec 17, 2014
	1.2352	Reaction high (High Dec 18, 2014)
	1.2254	Reaction high (High Dec 25, 2014)
	1.2092	Reaction high (High Sept 08)
<b>SUPPORT</b>	1.1886	Low Dec 28
	1.1775	Low Dec 19
	1.1712	Low Nov 21
	1.1658	Low Nov 14
<b>RECOMMENDATION</b>	BUY	-----
	SELL	1.1955
	STOP LOSS	1.2030
	TARGET	1.1880 1.1845

**USD/JPY**

Interest Rate: 1.25%-1.50% (US)/-0.1% (JP)



- The main resistance at 115.19, support 110.83
- Daily RSI is down  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	113.140	113.168	112.355	81,3	112.623	↓ 44,9	113.072
Jan 08	113.104	113.376	112.870	50,6	113.072	↓ 5,1	113.123
Jan 05	112.765	113.296	112.711	58,5	113.123	↑ 38,6	112.737
Jan 04	112.532	112.853	112.477	37,6	112.737	↑ 24,4	112.493
Jan 03	112.209	112.596	112.159	43,7	112.493	↑ 24,1	112.252

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
113.376 (08/Jan)	112.355 (09/Jan)	113.376 (08/Jan)	112.042 (02/Jan)	113.739 (12/Dec)	111.394 (01/Dec)	113.376 (08/Jan)	112.042 (02/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	115.19	High 14/Mar/2017
	114.72	High 06/Nov/2017
	113.91	High 14/Nov/2017
	113.18	High Jan 09
<b>SUPPORT</b>	112.01	Low 15/Dec/2017
	111.41	Low 01/Dec/2017
	110.83	Low 27/Nov/2017
	109.54	Low Sept 15
<b>RECOMMENDATION</b>	BUY	----
	SELL	112.85
	STOP LOSS	113.60
	TARGET	112.10 111.75

**GBP/USD**

Interest Rate: 0.50% (GB)/1.25%-1.50% (US)



- Daily RSI is down
  - The main resistance at the 1.3656 level, support at the 1.3300 level
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	1.35681	1.35811	1.35040	77,1	1.35388	↓ 24,4	1.35632
Jan 08	1.35667	1.35843	1.35220	62,3	1.35632	↓ 2,0	1.35652
Jan 05	1.35467	1.35812	1.35221	59,1	1.35652	↑ 22,4	1.35428
Jan 04	1.35099	1.35586	1.35044	54,2	1.35428	↑ 33,0	1.35098
Jan 03	1.35889	1.36115	1.34931	118,4	1.35098	↓ 76,4	1.35862

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.35843 (08/Jan)	1.35040 (09/Jan)	1.36115 (03/Jan)	1.34931 (03/Jan)	1.35483 (01/Dec)	1.33004 (15/Dec)	1.36115 (03/Jan)	1.34931 (03/Jan)

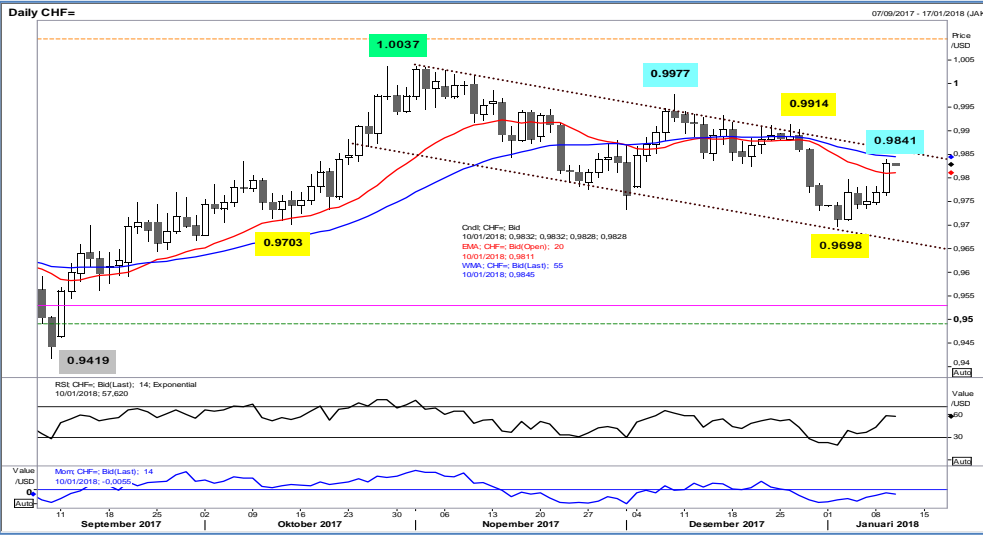
**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1.4257	Fibo. Projections (423.6%)
	1.3941	Fibo. Projections (261.8%)
	1.3746	Fibo. Projections (161.8%)
	1.3656	High 20/Sep/2017
<b>SUPPORT</b>	1.3498	Low 02/Jan/2018
	1.3425	Low 29/Dec/2017
	1.3390	Low 28/Dec/2017
	1.3300	Reaction Low Low 15/Dec/2017 (Daily)
<b>RECOMMENDATION</b>	BUY	----
	SELL	1.3560
	STOP LOSS	1.3625
	TARGET	1.3485 1.3450



USD/CHF

Interest Rate: 1.25%-1.50% (US)/-1.25 to -0.25% (CH)



- Daily RSI is up
- Daily corrections
- The main resistance is 1.0170, support 0.9562  
[\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	0.97710	0.98406	0.97644	76,2	0.98205	↑ 59,7	0.97608
Jan 08	0.97487	0.97831	0.97446	38,5	0.97608	↑ 7,5	0.97533
Jan 05	0.97444	0.97835	0.97382	45,3	0.97533	↑ 10,4	0.97429
Jan 04	0.97692	0.97793	0.97359	43,4	0.97429	↓ 27,3	0.97702
Jan 03	0.97165	0.97964	0.97092	87,2	0.97702	↑ 55,1	0.97151

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.98406 (09/Jan)	0.97446 (08/Jan)	0.98406 (09/Jan)	0.96984 (02/Jan)	0.99765 (08/Dec)	0.97330 (29/Dec)	0.98406 (09/Jan)	0.96984 (02/Jan)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.0107	High 10/Apr/2017
	1.0099	High 11/May/2017
	0.9986	High 13/Nov/2017
	0.9863	High 28/Dec/2017
SUPPORT	0.9763	Low Jan 09
	0.9703	Reactions Low 13/Oct/2017 (Daily Chart)
	0.9668	Low 29/Sep/2017
	0.9562	Low 15/Sep/2017
RECOMMENDATION	BUY	0.9805
	SELL	----
	STOP LOSS	0.9730
	TARGET	0.9880 0.9915

## AUD/USD

Interest Rate: 1.5% (AU)/1.25%-1.50% (US)



- Daily RSI 14 on overbought area
- The main resistance at 0.8124, support 0.7625  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	0.78374	0.78634	0.78063	57,1	0.78229	↓ 17,1	0.78400
Jan 08	0.78648	0.78714	0.78258	45,6	0.78400	↓ 26,4	0.78664
Jan 05	0.78609	0.78691	0.78338	35,3	0.78664	↑ 4,8	0.78616
Jan 04	0.78263	0.78651	0.78133	51,8	0.78616	↑ 27,5	0.78341
Jan 03	0.78249	0.78437	0.78040	39,7	0.78341	↑ 8,8	0.78253

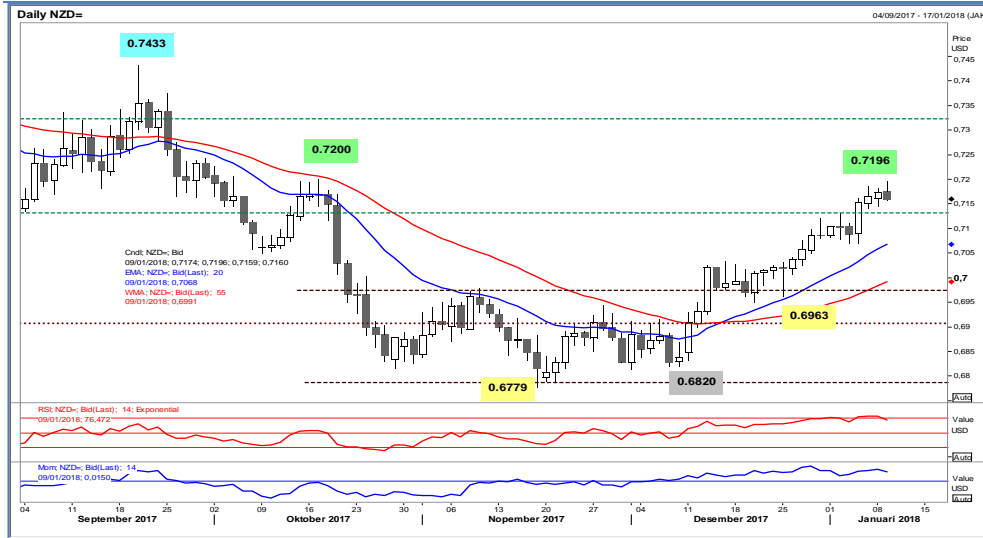
WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.78714 (08/Jan)	0.78063 (09/Jan)	0.78714 (08/Jan)	0.77935 (02/Jan)	0.78238 (29/Dec)	0.75002 (08/Dec)	0.78714 (08/Jan)	0.77935 (02/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	0.8162	Reaction high (High May 14, 2015)
	0.8124	High Sep 08
	0.8036	High Sep 21
	0.7897	Reaction high on daily chart (Oct 13)
SUPPORT	0.7792	Low Jan 02
	0.7721	Low Dec 27
	0.7625	Low Dec 14
	0.7528	Low June 14
RECOMMENDATION	BUY	-----
	SELL	0.7845
	STOP LOSS	0.7920
	TARGET	0.7770 0.7735

**NZD/USD**

Interest Rate: 2.00% (NZ)/1.25%-1.50% (US)



- Correction in daily movement
  - Daily RSI 14 on overbought area
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	0.71677	0.71959	0.71588	37,1	0.71602	↓ 11,4	0.71716
Jan 08	0.71666	0.71831	0.71542	28,9	0.71716	↓ 3,8	0.71754
Jan 05	0.71530	0.71855	0.71436	41,9	0.71754	↑ 21,3	0.71541
Jan 04	0.70880	0.71622	0.70719	90,3	0.71541	↑ 63,9	0.70902
Jan 03	0.70978	0.71094	0.70722	37,2	0.70902	↓ 8,7	0.70989

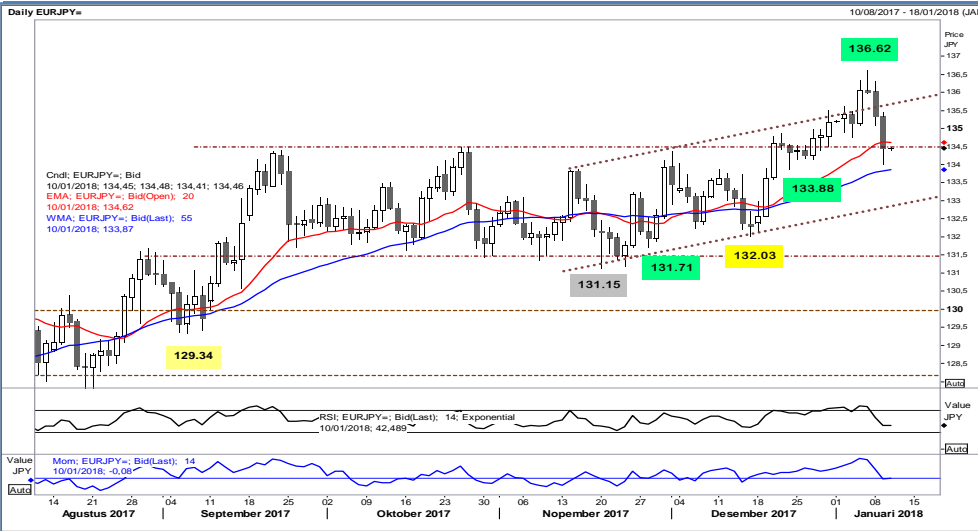
WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.71959	0.71542	0.71959	0.70438	0.71226	0.68191	0.71959	0.70438
(09/Jan)	(08/Jan)	(09/Jan)	(02/Jan)	(29/Dec)	(01/Dec)	(09/Jan)	(02/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	0.7524	High Aug 01
	0.7433	High Sept 20
	0.7374	High Sept 25
	0.7243	High Sept 29
<b>SUPPORT</b>	0.7071	Low Jan 02
	0.7027	Low Dec 27
	0.6952	Low Dec 20
	0.6899	Low Dec 12
<b>RECOMMENDATION</b>	BUY	-----
	SELL	0.7180
	STOP LOSS	0.7245
	TARGET	0.7105
		0.7070

**EUR/JPY**

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



- Daily RSI down
- Important resistance at 137.46, support 132.53  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	135.396	135.448	134.023	142,5	134.433	↓ 89,8	135.331
Jan 08	136.078	136.294	135.101	119,3	135.331	↓ 95,4	136.285
Jan 05	136.121	136.608	136.052	55,6	136.285	↑ 24,2	136.043
Jan 04	135.154	136.340	135.138	120,2	136.043	↑ 87,6	135.167
Jan 03	135.289	135.478	134.776	70,2	135.167	↓ 19,3	135.360

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
136.294	134.023	136.608	134.023	135.489	132.024	136.608	134.023
(08/Jan)	(09/Jan)	(05/Jan)	(09/Jan)	(29/Dec)	(15/Dec)	(05/Jan)	(09/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	139.02	High 21/Aug/2015
	138.61	High 25/Aug/2015
	137.46	High 17/Sept/2015
	135.46	High Jan 09
<b>SUPPORT</b>	133.61	Low 20/Dec/2017
	132.53	Low 30/Nov/2017
	131.71	Low 28/Nov/2017
	131.15	Low Nov 20
<b>RECOMMENDATION</b>	BUY	----
	SELL	134.65
	STOP LOSS	135.40
	TARGET	133.95
		133.55

**USD/CAD**

Interest Rate: 1.25%-1.50% (US)/1.00% (CA)



- Daily RSI is in the oversold zone.
  - Be alert of changes in price movements.
- [\(Research – @her1en\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2413</b>	<b>1.2460</b>

WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2477 (09/Jan)	1.2375 (08/Jan)	1.2558 (02/Jan)	1.2351 (05/Jan)	1.2918 (19/Dec)	1.2511 (29/Dec)	1.2558 (02/Jan)	1.2351 (05/Jan)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.2780	Hourly Chart
	1.2661	High Dec 28
	1.2584	Reaction High 29/Dec/2017 (Daily Chart)
	1.2513	High 05/Jan 2018
<b>SUPPORT</b>	1.2326	Reaction Low 26/Sept/2017 (Daily Chart)
	1.2251	Low 22/Sep/2017
	1.2198	Low 20/Sep/2017
	1.2116	Low 15/Sep/2017
<b>RECOMMENDATION</b>	BUY	1.2440
	SELL	----
	STOP LOSS	1.2365
	TARGET	1.2515 – 1.2550

## Precious Metal – Daily Outlook

### Gold drifts lower on Europe concerns, buoyant shares - Reuters News



Gold edged lower on Tuesday, weighed down by a stronger U.S. dollar on the back of concerns about political uncertainty in Europe, while a buoyant stock market also drained enthusiasm for bullion.

Palladium, meanwhile, recorded its third record high so far in January, boosted by increased demand from the automotive industry.

Spot gold was down 0.6 percent at \$1,312.58 per ounce by 1:36 p.m. EST (1836 GMT). Prices last week touched their highest since Sept. 15 at \$1,325.86.

U.S. gold futures for February delivery settled down \$6.70, or 0.5 percent, at \$1,313.70 per ounce.

Palladium was trading up 0.1 percent at \$1,101.55 an ounce after touching a fresh record high of \$1,111.40.

The dollar was up 0.2 percent against a basket of major currencies on Tuesday, making commodities priced in the greenback more expensive for buyers using other currencies. It hit a more than one-week high on Monday.

"The dollar has bounced back, partly due to weakness in the euro," said Jonathan Butler, commodities analyst at Mitsubishi in London.

"There's also the continuing rally in the equity markets. All of that has probably helped take the wind out of gold's sails."

The euro is being weighted down on concerns about upcoming Italian elections, problems forming a German government and lingering Brexit concerns, he added.

Gold is also seeing profit-taking from its recent rally, traders said.

Global gold-backed, exchange-traded funds added 197.5 tonnes in 2017, an 8.4 percent increase, the World Gold Council said.

"The gold price was clearly finding support from inflows ... into gold ETFs, meaning that inflows since the start of the year have totaled almost six tonnes," Commerzbank said in a research note.

But gold may edge lower soon, according to traders.

"If it goes below the \$1,240 level, then you'll see a lot of sell stops ... That'll be the first sign of the trend starting to change," said Michael Matousek, head trader at U.S. Global Investors in San Antonio, Texas.

Though U.S. auto sales figures for December were in line with expectations, palladium extended its 2018 rally.

"There are still strong fundamentals coming from the automotive industry, which uses catalytic converters in vehicles to fight pollution," said Phillip Streible, senior commodities strategist at RJO Futures in Chicago.

"But there's a potential for profit-taking. Over the long run, we might see more demand for electric vehicles," he added.

Among other precious metals, spot silver fell 0.93 percent at \$16.98 an ounce.

Platinum dropped 0.9 percent at \$963.74 an ounce after hitting a 3-1/2-month peak on Monday at \$973.60. [\(Source Reuters, Research – @her1en\)](#)

**GOLD (XAU/USD)**



- Resistance around 1339
  - Support area is around 1286
  - Daily RSI 14 on overbought area
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Jan 09	1320.220	1320.240	1308.740	11.50	1312.620	↓ 7.64	1320.260	1314.95	1311.00
Jan 08	1320.290	1321.990	1314.650	7.34	1320.260	↓ 0.27	1320.530	1318.80	1319.95
Jan 05	1322.720	1323.250	1313.540	9.71	1320.530	↓ 2.02	1322.550	1317.90	1317.15
Jan 04	1312.840	1325.830	1305.750	20.08	1322.550	↑ 9.58	1312.970	1313.70	1314.50
Jan 03	1317.400	1321.370	1307.330	14.04	1312.970	↓ 4.41	1317.380	1314.60	1314.90

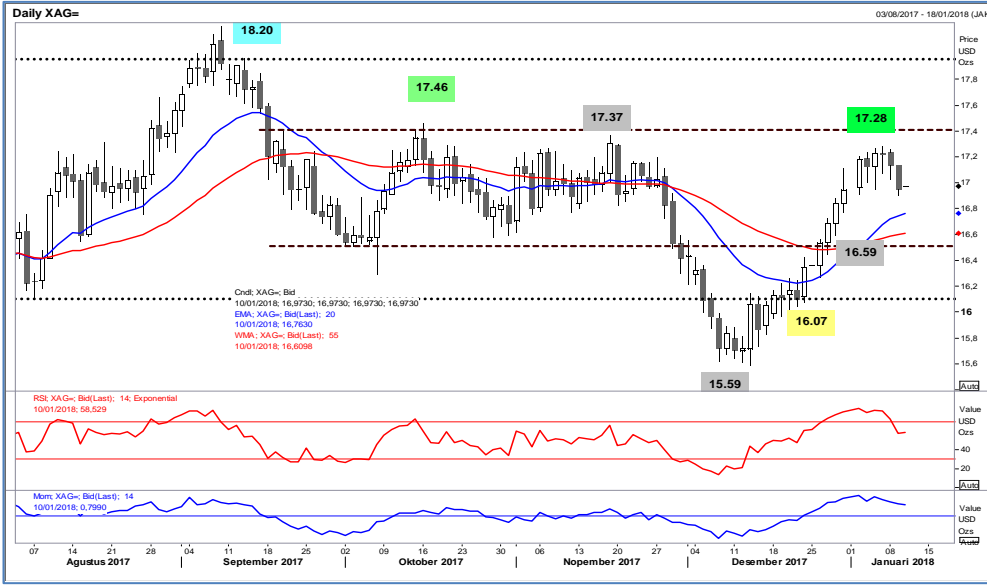
WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1321.990	1308.740	1325.830	1304.100	1307.440	1236.320	1325.830	1304.100
(08/Jan)	(09/Jan)	(04/Jan)	(02/Jan)	(29/Dec)	(12/Dec)	(04/Jan)	(02/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1357.54	High Sep 08
	1339.96	High Sep 11
	1334.36	Reaction high on daily chart (High Sep 15)
	1325.86	High Jan 04
<b>SUPPORT</b>	1302.45	Low Jan 02, 2018
	1293.49	Low Dec 29
	1286.58	Low Dec 27
	1273.20	Low Dec 26
<b>RECOMMENDATION</b>	BUY	-----
	SELL	1314.00
	STOP LOSS	1325.00
	TARGET	1304.00
		1299.00



**SILVER (XAG/USD)**



- With strong resistance at 17.85
- While the crucial support area is around 16.59
- Daily RSI 14 on overbought area [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Jan 09	17.113	17.122	16.896	0.23	16.952	↓ 0.16	17.114
Jan 08	17.224	17.243	17.025	0.22	17.114	↓ 0.09	17.209
Jan 05	17.205	17.268	17.080	0.19	17.209	FLAT	17.209
Jan 04	17.110	17.258	16.968	0.29	17.209	↑ 0.09	17.114
Jan 03	17.165	17.223	17.008	0.22	17.114	↓ 0.05	17.164

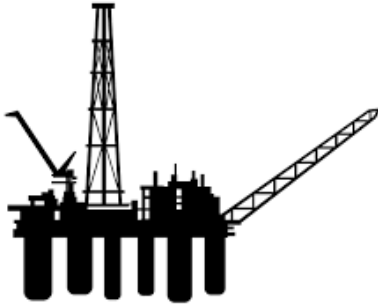
WEEKLY		JANUARY		DECEMBER		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
17.243	16.896	17.268	16.896	17.096	15.602	17.268	16.896
(08/Jan)	(09/Jan)	(05/Jan)	(09/Jan)	(29/Dec)	(12/Dec)	(05/Jan)	(09/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	17.62	High Sept 18
	17.46	High Oct 16
	17.30	High Oct 20
	17.14	High Jan 09
<b>SUPPORT</b>	16.90	Low Jan 09
	16.77	Low Dec 29
	16.59	Low Dec 28
	16.45	Low Dec 27
<b>RECOMMENDATION</b>	BUY	-----
	SELL	17.00
	STOP LOSS	17.30
	TARGET	16.65 16.45

## OIL – Daily Outlook

### U.S. crude hits 3-year high as prices climb in tight market - Reuters News



Oil prices edged higher on Tuesday, with U.S. crude touching its highest since December 2014, supported by OPEC-led production cuts and expectations that U.S. crude inventories have dropped for an eighth week in a row.

The Organization of the Petroleum Exporting Countries and allies including Russia are keeping supply limits in place in 2018, a second year of restraint, to reduce a price-denting glut of oil held in inventories.

U.S. West Texas Intermediate (WTI) crude rose \$1.23, or 2 percent, to settle at \$62.96 a barrel after touching its highest since December 2014 at \$63.24.

Brent crude ended the session up \$1.04, or 1.5 percent, at \$68.82 per barrel after hitting a session high of \$69.08, its highest since May 2015. Both contracts had their strongest close since December 2014.

"You're so long this market at this point, you could certainly get more interest at these levels," said Rob Haworth, senior investment strategist at U.S. Bank Wealth Management.

"This is a little more confirmation of what speculators have been looking for and after tomorrow's (U.S. government inventory) report, we'll see if they look to do some profit-taking."

OPEC is cutting output by even more than it promised and the restraint is reducing oil stocks globally, a trend most visible in the United States, the world's largest and most transparent oil market.

Supply reports this week from industry group the American Petroleum Institute and the U.S. government's Energy Information Administration are expected to show U.S. crude stocks fell 3.9 million barrels, an eighth week of decline.

The API releases its data at 4:30 p.m. EST (2130 GMT) on Tuesday and the government report is due at 10:30 a.m. EST on Wednesday.

"We expect oil demand growth to outpace non-OPEC supply growth in both 2018 and 2019," Standard Chartered analysts said in a note.

"In our view, the back of the Brent and WTI curves are both still underpriced. We do not think that prices below \$65 per barrel are sustainable into the medium term."

Many producers, still suffering from a 2014 price collapse, are enjoying the rally, although they are wary it will spur rival supply sources. Iran said OPEC members were not keen on increased prices.

The rise in prices is expected to drive gains in U.S. production during 2018, offsetting curbs by others.

U.S. crude oil production is expected to surpass 10 million barrels per day (bpd) next month, en route to an all-time record months ahead of previous forecasts, the U.S. Energy Information Administration said Tuesday. Production was expected to rise to an average 10.04 million bpd during the first quarter of this year. Some analysts have said the rise in U.S. shale oil production could discourage OPEC and Russia to maintain their deal to curb supply until the end of the year for fears of losing market share.

"I am now on the lookout for bearish technical patterns to emerge on oil prices as I believe they will struggle to go north of \$65-\$75 per barrel given the above fundamental consideration," said Fawad Razaqada, technical analyst for Forex.com.

"If WTI were to go back below the 2017 high of \$60.48, which was hit late in the year, and the 2018's opening price of \$60.09, then the technical outlook would turn bearish on oil. But for now, the bullish trend remains intact as prices remain above key supports." [\(Source Reuters, Research – @her1en\)](#)

