

# DAILY MARKET REPORT

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## **GLOBAL MARKETS**

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## **GLOBAL ECONOMIES**

- New Zealand's economy was expected to show brisk growth last quarter in data due out on Thursday, thanks to buoyant retail spending and business investment.
- China is merging its banking and insurance regulators, giving new powers to policymaking bodies such as the central bank and creating new ministries in the biggest government shake-up in years.
- The Swiss National Bank will maintain its expansive monetary policy when it gives its latest update on Thursday, according to a Reuters poll, as the Swiss wait for the European Central Bank to call time on its stimulus programme.
- Investors have moved to pricing in a March 2019 rate rise by the European Central Bank, whose dovish, go-slow message has persuaded markets to wipe out bets on an earlier move.
- Britain's sluggish economy looks set for more weak growth stretching out over the next five years, according to official forecasts announced by finance minister Philip Hammond on Tuesday as the country heads for Brexit.
- U.S. consumer price growth slowed in February amid a decline in gasoline prices and a moderation in the cost of rental accommodation, the latest indication that an anticipated pickup in inflation probably will be only gradual.

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

**U.S. & Global Markets** – U.S. and European stock indexes closed down on Tuesday, pressured by losses in technology stocks and U.S. President Donald Trump's ouster of Secretary of State Rex Tillerson.

Sagging equities, in turn, weighed on the dollar and crude oil prices. The possibility of additional tariffs on China, which made news late in the day, may have also dragged stocks down across sectors.

"Technology rallied hard yesterday and last week, and there is profit-taking, but it's just a short-term pressure," said Ken Polcari, director of the NYSE floor division at O'Neil Securities in New York.

Falling stock prices pressured oil futures, which fell as much as 1.8 percent before regaining some ground. Oil lately has trended in tandem with equities and remains under pressure from nagging concerns over rising U.S. production.

Trump gave Tillerson the boot after a series of public rifts over policy on North Korea, Russia and Iran, and replaced his chief diplomat with Central Intelligence Agency Director Mike Pompeo.

The move contributed to a volatile morning across asset classes, but markets began trending decidedly in the red by the afternoon.

U.S. crude fell 0.83 percent to \$60.85 per barrel. Brent was last at \$64.69, down 0.4 percent on the day.

Energy investors initially saw Tillerson's firing as a sign that a deal on Iran's nuclear program could collapse, potentially cutting that country's oil output. This view supported prices for awhile but could not overcome lingering fears about rising U.S. production.

"There's no stopping us and OPEC's frustration levels are going to grow," said Phillip Streible, senior market strategist at RJO Futures in Chicago, referring to efforts by major producers to curb output.

U.S. crude output has reached a record, and weekly data last week showed overall U.S. output rising further.

The Dow Jones Industrial Average fell 171.58 points, or 0.68 percent, to 25,007.03, the S&P 500 lost 17.71 points, or 0.64 percent, to 2,765.31 and the Nasdaq Composite dropped 77.31 points, or 1.02 percent, to 7,511.01. Stocks slid as shares of Microsoft, Facebook and Alphabet were down more than 1.5 percent each, top losers on the S&P 500 and the Nasdaq.

Equity markets had opened higher after the U.S. Labor Department announced its Consumer Price Index rose 0.2 percent in February. The data, in line with economists' expectations, suggested the Federal Reserve remains on track to raise interest rates at a gradual pace.

But "there's a lot of noise coming out of Washington over all these changes that's causing the markets to really not focus," said Ken Polcari, director of the NYSE floor division at O'Neil Securities in New York.

Potentially compounding the strain were revelations that Trump is seeking to impose tariffs on \$60 billion of Chinese imports and will target the technology and telecommunications sectors.

"I don't think China wants to engage in a tariff war, however, this may be upsetting the apple cart," said Bryan Novak, senior managing director at Astor Investment Management in Chicago. "There could be some anxiety around it. It's really hard to place value on this right now."

*(Source Reuters – @her1en)*

**GLOBAL ECONOMIES**

**New Zealand** – New Zealand's economy was expected to show brisk growth last quarter in data due out on Thursday, thanks to buoyant retail spending and business investment.

Eleven economists polled by Reuters forecast quarterly growth of 0.7 percent on average, in line with central bank predictions.

That would lead to growth of 3.1 percent for 2017, accelerating from annual expansion of 2.7 percent in the previous quarter.

A turbulent election period in the third quarter, in which a new centre-left Labour government was elected, was followed by a quiet period with

consumers and businesses holding off on big purchases as they waited for a more certain outlook.

But that changed once the Labour-led coalition took the helm in October with business investment holding up, despite some negative sentiment towards the new administration, and a burst of retail spending in the final three months of the year.

"The economy, more generally, appears to have got through the news of the new government," BNZ Bank economists said in a research note.

Strong GDP growth would be welcomed by the Reserve Bank of New Zealand, but it is unlikely to alter its course given its determined focus on seeing previously-tepid inflation settle around the middle of a 1 to 3 percent target band.

The bank slashed rates to a record low 1.75 percent at the end of 2016 and signalled it would hold them there, possibly for years, until it was confident inflation had recovered after spending years below the target band.

Economists saw some weak spots starting to appear in the economy as skills shortages held businesses back and immigration slowed in the wake of tightened conditions for skilled migrant visas.

In particular, the booming construction sector, which has in recent years been a key driver of New Zealand's growth, was hitting severe bottlenecks from rising costs and labour shortages.

Construction was still expected to grow at a reasonable 1.2 percent, but that was a far cry from the 3.6 percent jump in the previous quarter.

"Heading into 2018, capacity constraints are expected to once again limit growth in this sector," said Jeremy Couchman, Kiwibank senior economist.

Statistics New Zealand was also set to release fourth quarter balance of payment figures on Wednesday with economists expecting the current account deficit to widen slightly to NZ\$7.32 billion from NZ\$7.1 billion in the previous quarter.

**China** – China is merging its banking and insurance regulators, giving new powers to policymaking bodies such as the central bank and creating new ministries in the biggest government shake-up in years.

The revamp is a cornerstone of President Xi Jinping's agenda to put the leadership of the ruling Communist Party squarely at the heart of policy with Xi himself at the core of the party.

The economy and the party have become ever more intertwined since a party congress in October when Xi consolidated his grip on power, with party control deemed necessary to help push through reforms. On Sunday, presidential term limits were removed from the state constitution.

"Deepening the reform of the party and state institutions is an inevitable requirement for strengthening the long-term governance of the party," Liu He, Xi's top economic adviser and confidante, wrote in a commentary in the official People's Daily.

"Strengthening the party's overall leadership is the core issue," he said.

The commentary suggested the party will have greater influence and say in the government, or the State Council, which is headed by Premier Li Keqiang, some analysts say.

The long-awaited move to tighten oversight of China's \$42 trillion banking and insurance sectors comes as authorities seek more clout to crack down on riskier lending practices and reduce high corporate debt levels.

"The biggest news is still about the merger of the financial regulators. The central bank will be in charge of the macro supervision side, while the merged regulators will be responsible for the more concrete part of things," said Zhou Hao, senior emerging markets economist at Commerzbank.

China will also form a national markets supervision management bureau, according to a parliament document released on Tuesday.

The bureau will take on the pricing supervision and anti-monopoly law enforcement role from the state economic planner the National

Development and Reform Commission (NDRC), Ministry of Commerce and State Council.

The heads of the new merged regulator, ministries and departments will be announced before the close of the annual session of parliament on March 20.

Many Xi allies are expected to get top appointments including the chair of the National People's Congress, or parliament, and National Supervisory Commission.

**Swiss** – The Swiss National Bank will maintain its expansive monetary policy when it gives its latest update on Thursday, according to a Reuters poll, as the Swiss wait for the European Central Bank to call time on its stimulus programme.

All 35 economists questioned by Reuters said the central bank would keep its target range for the benchmark interest rate at minus 1.25 percent to minus 0.25 percent. None of them predicted a change until December at the earliest.

Respondents also expected the SNB to keep its negative rate of 0.75 percent on sight deposits, one tool it has used over the past three years to reduce the franc currency's attractiveness.

SNB Chairman Thomas Jordan will not want to jeopardise a recent weakening of the Swiss franc and is instead likely to wait for the ECB to tighten its monetary policy before he alters the SNB's course.

The ECB took a further baby step last week towards ending its stimulus package, dropping a long-standing pledge to increase bond buying if necessary.

But ECB President Mario Draghi would have to go further and start increasing the ECB's interest rates before the SNB did the same, most analysts said.

The SNB will change its policy "either when the ECB starts to increase its interest rates or if the euro-franc exchange rate weakens materially towards 1.25" said Maxime Botteron, an economist at Credit Suisse.

On Tuesday, the franc was trading around 1.17 versus the euro.

The SNB has had negative interest rates in place since January 2015, when the central bank upended currency markets by ditching its policy of pegging the franc at 1.20 per euro.

The resulting rapid rise in the Swiss franc, dubbed the "Frankenshock" in Switzerland, has now been largely overcome, the government said earlier this month.

But a highly-valued franc remains a risk to the export-reliant economy by making Swiss products more expensive in the euro zone -- its main export market -- and reducing the profitability of Swiss companies.

As well as negative interest rates, economists polled by Reuters between March 9-13 expect the SNB to continue to use verbal interventions to head off currency appreciation.

Last September, the central bank changed its description of the franc from "significantly overvalued" to "highly valued", a description analysts expect the bank to maintain in its communication on Thursday.

"The franc is roughly in line with where it was prior to the December meeting," said Jessica Hinds, an analyst at Capital Economics.

"And given the appreciation of the franc against the euro in late January, we suspect that it [the SNB] won't want to risk further franc strength by toning down its language."

**Euro Zone** – Investors have moved to pricing in a March 2019 rate rise by the European Central Bank, whose dovish, go-slow message has persuaded markets to wipe out bets on an earlier move.

The ECB boosted markets' rate-hike expectations at the turn of the year with hawkish rhetoric, but it has since stressed that its exit from its ultra-easy monetary policy will be very slow.

That in turn has prompted investors to tame their most aggressive rate hike bets. Expectations for a rate rise as early as this December, which reached a peak in January, have been virtually erased.

The timing for what would be the ECB's first rate rise since 2011 now falls on March 2019, judging by money market pricing.

The difference between the overnight bank-to-bank interest rate in the euro area (Eonia) and forward Eonia rates, a closely followed gauge of market rate expectations, show that about 8 basis points worth of rate hikes is priced in by March next year.

That equates to roughly a 80 percent chance of a 10-basis-point rate hike, analysts say.

The ECB's deposit rate is at minus 0.40 percent.

"In terms of timing, the market is running a bit ahead of itself, but it's still pricing in very gradual normalisation of interest rates," said Martin van Vliet, senior rates strategist at ING.

Indeed, while money markets appear to have pushed back expectations for the first ECB rate hike in this economic cycle, they are still anticipating a move before most economists.

According to a recent Reuters poll, economists forecast the ECB will raise the deposit rate by 15 basis points to -0.25 percent in the second quarter next year and take it to zero by end-2019.

The ECB last week dropped a pledge to increase bond buys if necessary but signalled a slow route out of its 2.55 trillion-euro (\$3.16 trillion) asset-purchase scheme.

ECB staff offered policymakers meeting last week a scenario where rates would be raised in mid-2019 after bond purchases were wound down at the end of this year, three sources told Reuters on Friday.

The dichotomy facing the ECB is that economic growth is robust, but inflation remains weak, and well below the ECB's near 2 percent target.

ECB chief Mario Draghi said that inflation would hover around 1.5 percent for the rest of this year and even in 2020 only rise to 1.7 percent.

"The ECB is far from declaring victory on inflation, which means that investors have had to rethink earlier rate-hike expectations," said Kim Liu, senior fixed income strategist at ABN AMRO.

"Earlier expectations for a December rate hike have been almost fully priced out, which means the track record for Draghi pushing out rate hike expectations is much better than pushing down the euro."

**UK** – Britain's sluggish economy looks set for more weak growth stretching out over the next five years, according to official forecasts announced by finance minister Philip Hammond on Tuesday as the country heads for Brexit.

But Hammond, delivering a half-yearly update on the government finances, said Britain's budget forecasters expected the economy to expand by 1.5 percent in 2018, up only a touch from a forecast of 1.4 percent in November even though the world economy is growing strongly.

Growth forecasts in 2019 and 2020 were kept unchanged at 1.3 percent and were cut for the following two years, according to the independent Office for Budget Responsibility, which judged a recent pick-up in productivity to be temporary.

Hammond told parliament that he was aiming to prove the forecasters wrong.

"That's the OBR's forecast, Mr Speaker, but forecasts are there to be beaten," he said.

Hammond stressed he had to keep on bringing down Britain's public debt levels but tried to focus on the positives, highlighting the OBR's prediction of a return to growth in spending power for households in early 2019.

He also used his speech to attack the plans of the opposition Labour Party to spend and borrow more.

"There is indeed light at the end of the tunnel," Hammond said in parliament, turning his gaze to John McDonnell, Labour's would-be chancellor of the exchequer.

"But we've got to make absolutely sure it isn't the shadow chancellor's train, hurtling out of control in the other direction, towards Labour's next economic trainwreck."

Britain's economy has slowed sharply since the vote in June 2016 to leave the European Union.

March 14, 2018

Worryingly for Hammond, the OBR said the economy was already running slightly faster than it could do without generating excessive inflation, even as it lagged behind its historic growth rates.

Earlier on Tuesday, the Organisation for Economic Cooperation and Development said Britain would grow more slowly than all the other Group of 20 leading economies this year, leaving it lagging behind the global recovery.

Sarah Hewin, chief economist for Europe at Standard Chartered, said the latest forecasts announced by Hammond looked sub-par: "The surprise for many people is how little has changed... it's a pretty weak trajectory."

**U.S.** – U.S. consumer price growth slowed in February amid a decline in gasoline prices and a moderation in the cost of rental accommodation, the latest indication that an anticipated pickup in inflation probably will be only gradual.

The Labor Department said on Tuesday its Consumer Price Index rose 0.2 percent last month after jumping 0.5 percent in January. In the 12 months through February, the CPI rose 2.2 percent, up from 2.1 percent in January as the weak reading from last year dropped from the calculation.

Excluding the volatile food and energy components, the CPI gained 0.2 percent after accelerating 0.3 percent in January. The year-on-year increase in the so-called core CPI was unchanged at 1.8 percent in February.

"While there is evidence of building inflationary pressures in certain components, the annual growth rates, especially for the core CPI, do not suggest a breakout in inflation yet," said Ben Ayers, senior economist at Nationwide, in Columbus, Ohio.

Last month's increase in consumer prices was in line with economists' expectations. The Federal Reserve tracks a different index, the personal consumption expenditures price index excluding food and energy, which has consistently undershot the central bank's 2 percent target since mid-2012.

The CPI report came on the heels of data last Friday showing a deceleration in wage growth in February as well as a downward revision to January's increase in average hourly earnings. Average hourly earnings rose 2.6 percent on an annual basis in February, stepping down from January's 2.8 percent increase.

The dollar pared gains versus the yen and extended losses against the euro. Prices for U.S. Treasuries were trading higher. U.S. stock index futures rose.

Against the backdrop of a tightening labor market and strong economy, the Fed is widely expected to increase interest rates at its March 20-21 meeting. But steady inflation gains suggest the U.S. central bank will probably not change its interest rate forecast at next week's policy meeting.

*(Source Reuters, Research@her1en)*

**WEEKLY ECONOMIC CALENDAR**

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
08-Mar - 18-Mar	N/A	CN	Foreign Direct Investment YoY CNY	Feb	-	--	0.3%	
<b>Mon/12-Mar-18</b>	06:50	JP	BSI Large All Industry QoQ	1Q	3.3	--	6.2	
	06:50	JP	BSI Large Manufacturing QoQ	1Q	2.9	--	9.7	
	13:00	JP	Machine Tool Orders YoY	Feb P	39.5%	--	48.8%	
<b>Tue/13-Mar-18</b>	01:00	US	Monthly Budget Statement	Feb	\$215.2b	-\$216.0b	-\$192.0b	
	06:40	AU	RBA's Bullock Gives Speech in Sydney					
	06:50	JP	PPI MoM	Feb	0.0%	0.2%	0.3%	
	06:50	JP	PPI YoY	Feb	2.5%	2.5%	2.7%	
	07:01	DE	Germany Second Quarter Manpower Employment Outlook					
	07:30	AU	Home Loans MoM	Jan	-1.1%	-1.0%	-2.3%	
	07:30	AU	Investment Lending	Jan	1.1%	--	-2.6%	-2.9%
	07:30	AU	NAB Business Conditions	Feb	21	--	19	18
	07:30	AU	NAB Business Confidence	Feb	9	--	12	11
	11:30	JP	Tertiary Industry Index MoM	Jan	-0.6%	-0.3%	-0.2%	
	15:30	HK	Industrial Production YoY	4Q	0.6%	0.7%	0.3%	
	15:30	HK	PPI YoY	4Q	-	--	3.7%	
	17:00	US	NFIB Small Business Optimism	Feb	107.6	107.1	106.9	
	19:30	US	CPI Core Index SA	Feb	255.750	255.749	255.287	
	19:30	US	CPI Ex Food and Energy MoM	Feb	0.2%	0.2%	0.3%	
	19:30	US	CPI Ex Food and Energy YoY	Feb	1.8%	1.8%	1.8%	
	19:30	US	CPI Index NSA	Feb	248.991	248.929	247.867	
	19:30	US	CPI MoM	Feb	0.2%	0.2%	0.5%	
	19:30	US	CPI YoY	Feb	2.2%	2.2%	2.1%	
	19:30	US	Real Avg Hourly Earning YoY	Feb	0.6%	--	0.8%	0.6%
	19:30	US	Real Avg Weekly Earnings YoY	Feb	0.4%	--	0.4%	0.7%
	21:30	CA	Bank of Canada Governor Stephen Poloz Speech in Kingston					
<b>Wed/14-Mar-18</b>	04:45	NZ	BoP Current Account Balance NZD	4Q	-2.770b	-2.450b	-4.679b	-4.833b
	05:10	AU	RBA's Kent Gives Speech in Sydney					
	06:00	KR	Unemployment rate SA	Feb		--	3.6%	
	06:30	AU	Westpac Consumer Conf Index	Mar		--	102.7	
	06:30	AU	Westpac Consumer Conf SA MoM	Mar		--	-2.3%	
	06:50	JP	BOJ Minutes of Policy Meeting					
	06:50	JP	Core Machine Orders MoM	Jan		--	-11.9%	
	06:50	JP	Core Machine Orders YoY	Jan		--	-5.0%	
	09:00	CN	Industrial Production YTD YoY	Feb		6.2%	6.6%	
	09:00	CN	Retail Sales YTD YoY	Feb		9.8%	10.2%	
	14:00	DE	CPI EU Harmonized MoM	Feb F		--	0.5%	
	14:00	DE	CPI EU Harmonized YoY	Feb F		--	1.2%	
	14:00	DE	CPI MoM	Feb F		--	0.5%	
	14:00	DE	CPI YoY	Feb F		--	1.4%	
	15:00	EZ	ECB President Draghi speaks in Frankfurt					
	15:45	EZ	ECB's Peter Praet to speak in Frankfurt					
	17:00	EZ	Employment QoQ	4Q		--	0.4%	
	17:00	EZ	Employment YoY	4Q		--	1.7%	
	17:00	EZ	Industrial Production SA MoM	Jan		--	0.4%	
	17:00	EZ	Industrial Production WDA YoY	Jan		--	5.2%	
	17:45	EZ	ECB Vice President Constancio speaks in Frankfurt					
	19:30	US	PPI Ex Food and Energy MoM	Feb		0.2%	0.4%	
	19:30	US	PPI Ex Food and Energy YoY	Feb		2.5%	2.2%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Feb		0.2%	0.4%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Feb		--	2.5%	
	19:30	US	PPI Final Demand MoM	Feb		0.1%	0.4%	
	19:30	US	PPI Final Demand YoY	Feb		2.8%	2.7%	
	19:30	US	Retail Sales Advance MoM	Feb		0.3%	-0.3%	
	19:30	US	Retail Sales Control Group	Feb		0.4%	0.0%	
	19:30	US	Retail Sales Ex Auto and Gas	Feb		--	-0.2%	
	19:30	US	Retail Sales Ex Auto MoM	Feb		0.4%	0.0%	

	20:30	EZ	Bank of France Governor Villeroy de Galhau speaks in Frankfurt					
	21:00	US	Business Inventories	Jan		0.5%	0.4%	
	21:30	US	DOE Cushing OK Crude Inventory	Mar-09		--	-605k	
	21:30	US	DOE U.S. Crude Oil Inventories	Mar-09		--	2408k	
	21:30	US	DOE U.S. Distillate Inventory	Mar-09		--	-559k	
	21:30	US	DOE U.S. Gasoline Inventories	Mar-09		--	-788k	
<b>Thu/15-Mar-18</b>	04:45	NZ	GDP SA QoQ	4Q		--	0.6%	
	04:45	NZ	GDP YoY	4Q		--	2.7%	
	07:00	AU	Consumer Inflation Expectation	Mar		--	3.6%	
	15:15	CH	Producer & Import Prices MoM	Feb		--	0.3%	
	15:15	CH	Producer & Import Prices YoY	Feb		--	1.8%	
	15:30	CH	SNB 3-Month Libor Lower Target Range	Mar-15		--	-1.25%	
	15:30	CH	SNB 3-Month Libor Upper Target Range	Mar-15		--	-0.25%	
	15:30	CH	SNB Sight Deposit Interest Rate	Mar-15		--	-0.75%	
	18:30	CA	CPP Investment Board President speaks in Halifax					
	19:30	US	Initial Jobless Claims	Mar-10		--	1870k	
	19:30	US	Continuing Claims	Mar-03		--	231k	
	19:30	US	Empire Manufacturing	Mar		15	13.1	
	19:30	US	Philadelphia Fed Business Outlook	Mar		22.5	25.8	
	21:00	US	NAHB Housing Market Index	Mar		72	72	
<b>Fri/16-Mar-18</b>	04:30	NZ	BusinessNZ Manufacturing PMI	Feb		--	55.6	
	05:45	AU	RBA's Debelle Gives Speech in Sydney					
	11:30	JP	Capacity Utilization MoM	Jan		--	2.8%	
	11:30	JP	Industrial Production MoM	Jan F		--	-6.6%	
	11:30	JP	Industrial Production YoY	Jan F		--	2.7%	
	17:00	EZ	CPI Core YoY	Feb F		--	1.0%	
	17:00	EZ	CPI MoM	Feb		--	-0.9%	
	17:00	EZ	CPI YoY	Feb F		--	1.3%	
	19:30	US	Building Permits	Feb		1320k	1396k	
	19:30	US	Building Permits MoM	Feb		-4.1%	7.4%	
	19:30	US	Housing Starts	Feb		1280k	1326k	
	19:30	US	Housing Starts MoM	Feb		-3.5%	9.7%	
	19:30	CA	Manufacturing Sales MoM	Jan		--	-0.3%	
	20:15	US	Capacity Utilization	Feb		77.6%	77.5%	
	20:15	US	Industrial Production MoM	Feb		0.3%	-0.1%	
	20:15	US	Manufacturing (SIC) Production	Feb		--	0.0%	
	21:00	US	U. of Mich. 1 Yr Inflation	Mar P		--	2.7%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Mar P		--	2.5%	
	21:00	US	U. of Mich. Current Conditions	Mar P		--	114.9	
	21:00	US	U. of Mich. Expectations	Mar P		--	90	
	21:00	US	U. of Mich. Sentiment	Mar P		--	99.7	
<b>Sat/17-Mar-18</b>	00:00	US	Baker Hughes U.S. Rig Count	Mar-16		--	984	

(Source: Bloomberg-Reuters-ForexFactory-DailyFX-TradingEconomics-FXStreet, Research: @LukmanLoeng,@her1en,rizal)

## ASIAN STOCK INDEX

**Japanese shares** rose for a fourth day on Tuesday in choppy trade as a weak yen triggered buying in futures, offsetting weakness in steelmakers and automakers still battered by concerns about U.S. tariffs on imported steel and aluminium.

The Nikkei average gained 0.7 percent to 21,968.10 while the broader Topix added 0.6 percent to 1,751.03.

Tuesday's winners included defensive names and domestic-demand sensitive stocks such as utility shares, food processors and drugmakers. Tokyo Gas surged 2.5 percent, Ajinomoto advanced 1.4 percent and Eisai soared 2.1 percent.

Steelmakers fell 0.3 percent, while transport equipment makers lost 0.04 percent, underperforming the overall market since the U.S. tariffs were announced on March 1.

**South Korean KOSPI** stock index rose on Tuesday, while its won currency edged down against the greenback in onshore trade and bond yields fell.

At 06:32 GMT, the KOSPI was up 10.36 points or 0.42 percent at 2,494.48. Tech giants Samsung Electronics and SK Hynix gained 3.9 percent and 6 percent, respectively, lifting Seoul stock markets.

The won was quoted at 1,067.5 per dollar on the onshore settlement platform, 0.22 percent weaker than its previous close at 1,065.2.

In offshore trading, the won was quoted at 1,066.49 per U.S. dollar, down 0.22 percent from the previous day, while in one-year non-deliverable forwards it was being transacted at 1,055.6 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.11 percent, while two key U.S. indexes ended the previous session with losses. Japanese stocks rose 0.66 percent.

The KOSPI is up around 0.7 percent so far this year, and has risen 2.12 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 345,464,000 shares, and of the total traded issues of 885, the number of advancing shares was 317.

**Hong Kong shares** ended flat on Tuesday as investors pondered over the impact of a government reshuffle on the mainland.

Market participants also awaited the U.S. inflation data later in the day which could offer clues on the pace of interest rate rises this year. China is merging its banking and insurance regulators and giving new powers to policymaking bodies such as the central bank in the biggest government shake-up in years.

"The consolidation of the banking and insurance regulators would streamline and unify regulation, especially on shadow-banking activities, by reducing the room for regulatory arbitrage," Moody's wrote in a report.

At close of trade, the Hang Seng index was flat at 31,601.45, while the Hang Seng China Enterprises index rose 0.4 percent to 12,746.78.

The sub-index of the Hang Seng tracking energy shares dipped 1.1 percent while the IT sector rose 0.44 percent, the financial sector was 0.37 percent higher and property sector dipped 0.25 percent.

The top gainer on Hang Seng was Hong Kong and China Gas Co Ltd up 1.79 percent, while the biggest loser was WH Group Ltd which was down 1.98 percent.

**China stocks** broke a three-day winning streak and ended lower on Tuesday, weighed down by healthcare and consumer stocks, as investors pondered over the impact of a government reshuffle.

At the close, the Shanghai Composite index was down 0.5 percent at 3,310.24, while the blue-chip CSI300 index was down 0.9 percent at 4,091.25.

China is merging its banking and insurance regulators and giving new powers to policymaking bodies such as the central bank in the biggest government shake-up in years.

The revamp is a cornerstone of President Xi Jinping's agenda to put the leadership of the ruling Communist Party squarely at the heart of policy with Xi himself at the core of the party.

The merger of two key financial regulators in itself should not be very significant, but it is a precursor for the establishment of a more powerful Financial Stability and Development Commission (FSDC) housed within the People's Bank of China (PBOC), Jonas Short, analyst with Everbright Sun Hung Kai, wrote in note.

Financial sector was down 0.8 percent on Tuesday, with banking sector basically flat, while most insurers led the decline. The largest percentage gainers in the main Shanghai Composite index were Dr.Peng Telecom & Media Group Co Ltd, up 10.02 percent, followed by Yangzhou Yaxing Motor Coach Co Ltd, up 10.02 percent, and Guizhou Guihang Automotive Components Co Ltd, up 9.98 percent. The Shanghai stock index is below its 50-day moving average and above its 200-day moving average. The price-to-earnings ratio of the Shanghai index was 15.1 as of the last full trading day while the dividend yield was 1.9 percent. So far this week, the market capitalisation of the Shanghai stock index has risen by 0.51 percent to 29.66 trillion yuan.

*(Source Reuters, [Research:rizal](#))*

## ASIA AND GLOBAL MARKET SPOT PRICE 2018

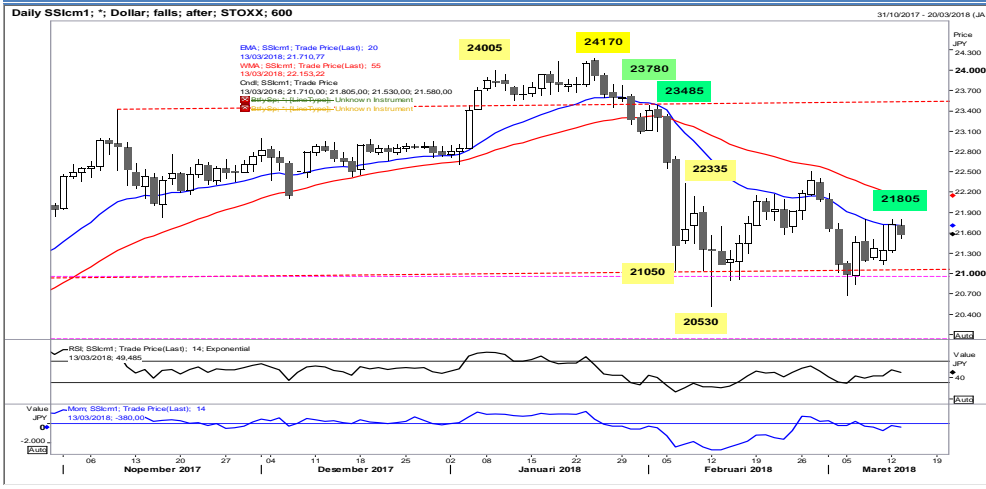
HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	339.59 (02/Nov/2017)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	6124.04400 (16/Oct./07)
<b>2017 HIGH</b>	23439.15 (13/Nov/2017)	339.59 (02/Nov/2017)	30199.69 (22/Nov/2017)	24876.07 (18/Dec/2017)	2694.97 (18/Dec/2017)	3450.49490 (14/Nov/2017)
<b>2018 HIGH</b>	24129.34 (23/Jan/2018)	338.05 (29/Jan/2018)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	3587.50890 (29/Jan/2018)
<b>2018 LOW</b>	21042.09 (05/Mar/2018)	304.58 (05/Mar/2018)	29129.26 (09/Feb/2018)	23360.29 (08/Feb/2018)	2532.69 (08/Feb/2018)	3062.74260 (08/Feb/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 – 13 March 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25007.03	↓ 171.58/0.68%	.N225	21968.10	↑ 144.07/0.66%
/.SPX	2765.30	↓ 17.72/0.64%	.KS200	322.98	↑ 2.28/0.71%
/.IXIC	7511.012	↓ 77.313/1.02%	.HSI	31601.45	↑ 7.12/0.02%
JPY=	106.56	↑ 0.15/0.14%	/.SSEC	3311.27550	↓ 15.42370/0.46%
KRW=	1065.87	↑ 1.85/0.17%	/CLc1 (Oil)	60.85	↓ 0.53/0.86%



**SSlamM8 (Nikkei Jun Futures) – Last Trading Date: 07 Jun 2018**



- RSI 14 is in the oversold zone, be aware of the daily rise
  - Daily daily corrections
  - Potential gap at market opening
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
13 Mar SSipmM8	21795	21925	21530	395	21590	---	↓ 200	0.92	26127
13 Mar SSiamM8	21555	21805	21520	285	21790	21790	↑ 65	0.30	44952
12 Mar SSipmM8	21710	21735	21550	185	21560	---	↓ 165	0.76	19203
12 Mar SSiamM8	21730	21810	21505	305	21725	21725	↑ 370	1.73	74962
09 Mar SSipmM8	21350	21710	21310	400	31710	---	↑ 355	1.66	26822
09 Mar SSiamM8	21475	21715	21170	545	21355	21355	↑ 160	0.75	84606
08 Mar SSipmM8	21205	21435	21145	290	21395	---	↑ 200	0.94	24708
08 Mar SSiamM8	21310	21330	21105	225	21195	21195	↑ 170	0.81	59780
07 Mar SSipmM8	21070	21300	21040	260	21285	---	↑ 260	1.24	19376
07 Mar SSiamM8	21105	21315	21005	310	21025	21025	↓ 260	1.22	49776

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
21925	21505	21965	20680	23485	20530	24170	20530
(13/Mar)	(12/Mar)	(01/Mar)	(02/Mar)	(01/Feb)	(09/Feb)	(23/Jan)	(09/Feb)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	22100	High on Hourly Chart
	22000	High on Hourly Chart
	21965	Reactions High on Hourly Chart
	21805	High Mar 13,2018
<b>SUPPORT</b>	21420	Low on 1 Hourly Chart
	21315	Low on 1 Hourly Chart
	21160	Low on 1 Hourly Chart
	21010	Low on 1 Hourly Chart
<b>RECOMMENDATION</b>	BUY	----
	SELL	21645
	STOP LOSS	21795
	TARGET	21445 21345

**KSM8 (Kospi Jun Futures) – Exp. Date: 07 Jun 2018**



- Daily daily corrections
- RSI 14 is in oversold zone, beware of trend change
- Potential gap at market opening [\(Research – riza\)](#)

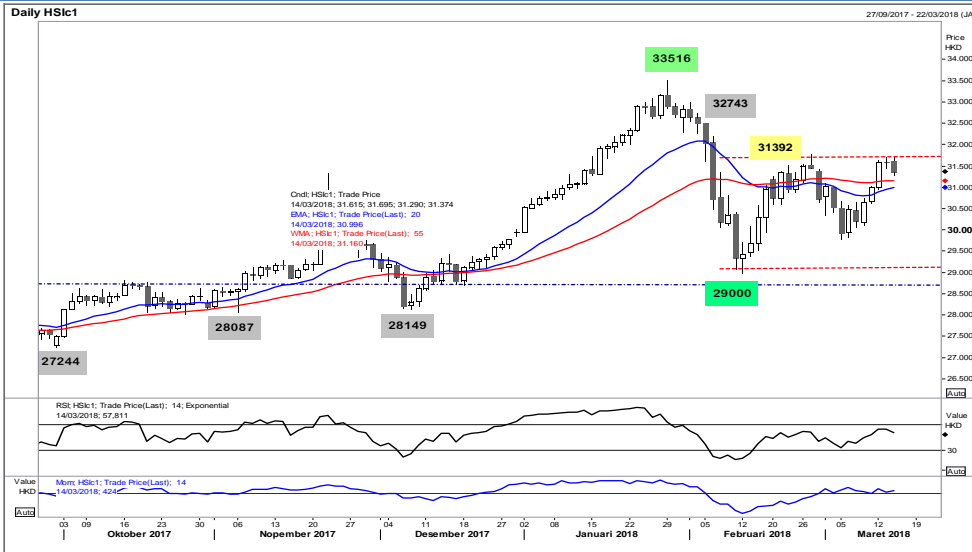
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
13 Mar	321.35	323.15	320.80	2.35	322.65	322.65	↑ 1.40	0.44	145619
12 Mar	321.85	322.55	320.15	2.40	321.25	321.25	↑ 3.00	0.94	170485
09 Mar	316.25	321.30	315.35	5.95	318.25	318.25	↑ 3.50	1.11	246930
08 Mar (KSM8)	314.45	315.15	312.05	3.10	314.75	314.75	↑ 3.75	1.21	101430
08 Mar (KSH8)	313.70	314.20	310.90	3.30	314.10	314.10	↑ 3.15	1.01	210998
07 Mar (KSM8)	312.45	314.90	309.65	5.25	311.00	311.00	↓ 1.50	0.48	66732

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
323.15 (13/Mar)	320.15 (12/Mar)	323.15 (13/Mar)	304.05 (05/Mar)	336.30 (01/Feb)	302.10 (09/Feb)	340.30 (29/Jan)	302.10 (09/Feb)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	331.35	High Dec 14,2017
	328.40	High on 1 Hourly Chart
	327.25	High Dec 19,2017
	325.30	High Dec 20,2017
<b>SUPPORT</b>	320.15	Low Mar 12,2018
	317.00	Low on 1 Hourly Chart
	315.35	Low Mar 09,2018
	313.30	Low on 1 Hourly Chart
<b>RECOMMENDATION</b>	BUY	----
	SELL	323.15
	STOP LOSS	324.65
	TARGET	321.15 320.15

**HSIH8 (Hang Seng Mar Futures) – Exp. Date: 28 Mar 2018**



- The series goes down low on daily
- RSI enters the oversold area, be aware of the trend change
- Potential gap at market opening [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
13 Mar	31616	31651	31501	150	31586	31586	↓ 8	0.02	138433
12 Mar	31427	31640	31394	246	31594	31594	↑ 598	1.93	149597
09 Mar	30928	31044	30854	190	30996	30996	↑ 335	1.09	143314
08 Mar	30519	30741	30509	232	30661	30661	↑ 463	1.53	163175
07 Mar	30480	30549	30060	489	30198	30198	↓ 287	0.94	211726
06 Mar	30210	30595	30116	479	30485	30485	↑ 559	1.87	178298
05 Mar	30205	30255	29790	465	29926	29926	↓ 608	1.99	221660

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
31651	31394	31651	29790	32978	29070	33516	29070
(13/Mar)	(12/Mar)	(13/Mar)	(05/Mar)	(01/Feb)	(09/Feb)	(29/Jan)	(09/Feb)

ANALYSIS & RECOMMENDATION		
RESISTANCE	32350	High on 1 Hourly Chart
	32189	High on 1 Hourly Chart
	31968	High on 1 Hourly Chart
	31714	High Mar 13,2018
SUPPORT	31348	Low on 1 Hourly Chart
	31191	Low on 1 Hourly Chart
	30958	Low on 1 Hourly Chart
	30817	Low on 1 Hourly Chart
RECOMMENDATION	BUY	----
	SELL	31425
	STOP LOSS	31575
	TARGET	31225
		31125

## CURRENCIES – *Daily Outlook*

### **Dollar slides after tame U.S. inflation data, Tillerson ouster - Reuters News**



The dollar fell against most major currencies on Tuesday after U.S. inflation data for February was in line with expectations, suggesting the Federal Reserve remained on track to raise interest rates at a gradual pace. The dollar also lost traction after U.S. President Donald Trump fired Secretary of State Rex Tillerson and replaced him with Central Intelligence Agency Director Mike Pompeo, marking the biggest shakeup of the

administration's Cabinet.

Pompeo's views typify Trump's hard line stance on international political issues, including the Iran nuclear deal and North Korea's nuclear and missile programs, analysts said.

Investors were bracing for a breakout number in U.S. February inflation after a strong figure the previous month and when that did not happen, the dollar pared some of its gains against the yen and fell versus the euro, said John Doyle, director of markets at Tempus Consulting in Washington.

The Labor Department said on Tuesday the U.S. consumer price index rose 0.2 percent last month after jumping 0.5 percent in January. Excluding the volatile food and energy components, the CPI gained 0.2 percent after accelerating 0.3 percent in January.

"The lower inflation readings relative to the previous month decreased expectations that the Federal Reserve will need to raise interest rates faster than anticipated," said James Chen, head of research at Forex.com in Bedminster, New Jersey.

After the data, Fed funds futures data showed a lower chance of a fourth rate hike this year.

In late afternoon trading, the dollar index fell 0.2 percent to 89.694, as the euro gained 0.5 percent on the day to \$1.2363.

The dollar also slid against the Swiss franc and the British pound, as well as the Australian and New Zealand dollars.

Tillerson's firing and Pompeo's appointment as his replacement, coming a week after the resignation of U.S. economic adviser Gary Cohn, also weighed on the dollar.

"Pompeo is seen as having a similar anti-globalist perspective to that of Trump," said Chen. "Much of the risk of this hard line stance for the dollar lies in the high likelihood that the top U.S. diplomat will be yet another staunch supporter of Trump's protectionist trade policies."

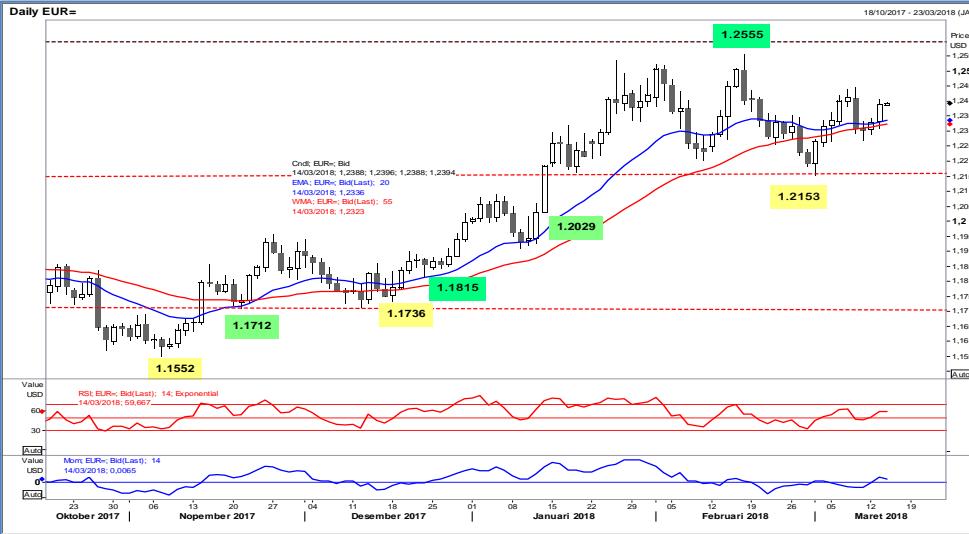
The greenback gained against the yen, rising 0.1 percent to 106.51.

The yen came under some pressure from a scandal involving Prime Minister Shinzo Abe. It weakened by 0.3 to 0.5 percent against other major currencies after Japan's ministry of finance said on Monday it altered documents for a sale of state-owned land linked to Abe's wife.

*(Source Reuters, Research – @her1en)*

**EUR/USD**

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



- With the support area at 1.2153
  - Important resistance around 1.2639
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	1.23333	1.24062	1.23134	92,8	1.23893	↑ 53,7	1.23356
Mar 12	1.23093	1.23444	1.22892	55,2	1.23356	↑ 22,1	1.23135
Mar 09	1.23118	1.23331	1.22719	61,2	1.23135	↑ 2,8	1.23107
Mar 08	1.2409	1.24449	1.22969	148,0	1.23107	↓ 99,1	1.24098
Mar 07	1.24198	1.24437	1.23837	60,0	1.24098	↑ 6,3	1.24035

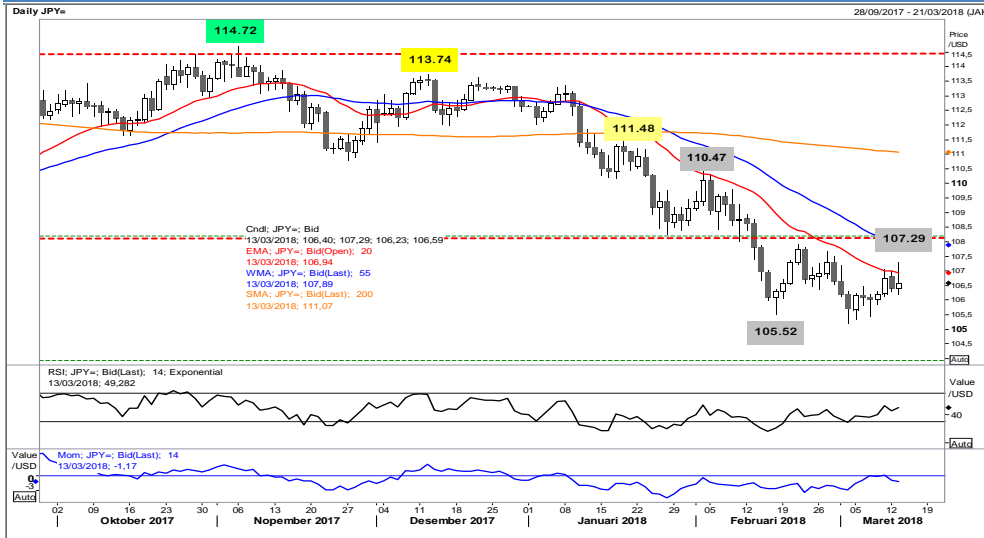
WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.24062	1.22892	1.24449	1.21532	1.25542	1.21866	1.25542	1.19145
(13/Mar)	(12/Mar)	(08/Mar)	(01/Mar)	(16/Feb)	(28/Feb)	(16/Feb)	(09/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1.2770	High Oct 29, 2014
	1.2639	High Oct 30,2014
	1.2555	Reaction high on daily chart
	1.2446	High Mar 08
<b>SUPPORT</b>	1.2250	Low Mar 02
	1.2153	Reaction low on daily chart
	1.2029	Low Jan 12,2018
	1.1927	Low Jan 11,2018
<b>RECOMMENDATION</b>	BUY	1.2370
	SELL	-----
	STOP LOSS	1.2295
	TARGET	1.2445
		1.2480

## USD/JPY

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



- The main resistance at 111.87, support 103.06
  - RSI 14 near the oversold zone
- (Research – riza)*

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	106.432	107.282	106.242	104,0	106.562	↑ 16,1	106.401
Mar 12	106.929	106.960	106.302	65,8	106.401	↓ 36,0	106.761
Mar 09	106.276	107.041	106.247	79,4	106.761	↑ 55,4	106.207
Mar 08	106.113	106.303	105.881	42,2	106.207	↑ 15,0	106.057
Mar 07	105.648	106.208	105.443	76,5	106.057	↓ 5,2	106.109

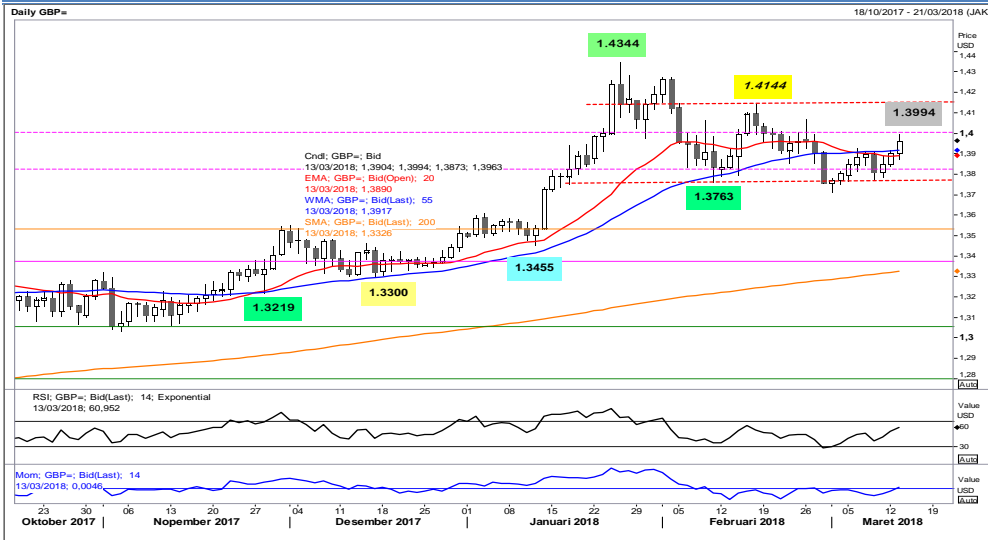
WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
107.282	106.242	107.282	105.238	110.470	105.537	113.376	105.238
(13/Mar)	(13/Mar)	(13/Mar)	(02/Mar)	(02/Feb)	(16/Feb)	(08/Jan)	(02/Mar)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	109.30	Reactions High on Daily Chart Feb 09,2018
	108.77	High Feb 13,2018
	107.79	High Feb 22,2018
	107.19	High Mar 01,2018
<b>SUPPORT</b>	106.13	Low Mar 09,2018
	105.34	Low Mar 05,2018
	104.95	Low Nov 10, 2016
	103.08	Low Nov 07,2016
<b>RECOMMENDATION</b>	BUY	----
	SELL	106.70
	STOP LOSS	107.50
	TARGET	105.40

**GBP/USD**

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



- Daily RSI approach overbought area
  - Major resistance at the 1.4150 level, support at 1.3532 level
- [\(Research - rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	1.39030	1.39933	1.38734	119,9	1.39619	↑ 58,3	1.39036
Mar 12	1.38519	1.39162	1.38400	76,2	1.39036	↑ 55,7	1.38479
Mar 09	1.38124	1.38879	1.37870	100,9	1.38479	↑ 37,8	1.38101
Mar 08	1.38993	1.39086	1.37800	128,6	1.38101	↓ 90,0	1.39001
Mar 07	1.38966	1.39113	1.38450	66,3	1.39001	↑ 13,6	1.38865

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.39933	1.38400	1.39933	1.37106	1.42771	1.37558	1.43438	1.34571
(13/Mar)	(12/Mar)	(13/Mar)	(01/Mar)	(01/Feb)	(28/Feb)	(25/Jan)	(11/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1.4344	High Jan 25,2018
	1.4277	High Feb 02,2018
	1.4150	High Feb 05,2018
	1.4049	High Feb 19,2018
<b>SUPPORT</b>	1.3873	Low Mar 13,2018
	1.3838	Low Mar 12,2018
	1.3720	Low Jan 15,2018
	1.3609	Low on 1 Hourly Chart
<b>RECOMMENDATION</b>	BUY	1.3935
	SELL	----
	STOP LOSS	1.3835
	TARGET	1.4045 1.4085

**USD/CHF**

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



- Daily RSI enters the oversold area
  - Main resistance 0.9581, support 0.9152
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	0.94738	0.94929	0.94282	64,7	0.94389	↓ 34,1	0.94730
Mar 12	0.95100	0.95112	0.94581	53,1	0.94730	↓ 33,0	0.95060
Mar 09	0.95079	1.95331	0.94864	45,7	0.95060	↓ 4,1	0.95101
Mar 08	0.94320	0.95191	0.94208	98,3	0.95101	↑ 77,3	0.94328
Mar 07	0.93705	0.94415	0.93562	85,3	0.94328	↑ 27,4	0.94054

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.95112 (12/Mar)	0.94282 (13/Mar)	0.95331 (09/Mar)	0.93374 (02/Mar)	0.94690 (08/Feb)	0.91863 (16/Feb)	0.98444 (10/Jan)	0.91863 (16/Feb)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	0.9685	High Jan 15,2018
	0.9633	High Jan 23,2018
	0.9581	High Jan 24,2018
	0.9514	High Mar 12,2018
<b>SUPPORT</b>	0.9420	Low Mar 08,2018
	0.9337	Low Mar 05,2018
	0.9261	Low Feb 19,2018
	0.9152	Low Jun 22,2015
<b>RECOMMENDATION</b>	BUY	---
	SELL	0.9455
	STOP LOSS	0.9535
	TARGET	0.9365 0.9335



**AUD/USD**

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



- Daily RSI 14 is up
- The main resistance at 0.8043, support 0.7549  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	0.78720	0.78965	0.78488	47,7	0.78583	↓ 12,5	0.78708
Mar 12	0.78535	0.78786	0.78523	26,3	0.78708	↑ 23,7	0.78471
Mar 09	0.77839	0.78527	0.77753	77,4	0.78471	↑ 62,4	0.77847
Mar 08	0.78146	0.78376	0.77716	66,0	0.77847	↓ 38,3	0.78230
Mar 07	0.78061	0.78288	0.77708	58,0	0.78230	↓ 4,1	0.78271

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.78965	0.78488	0.78965	0.77112	0.80661	0.77578	0.81346	0.77578
(13/Mar)	(13/Mar)	(13/Mar)	(01/Mar)	(01/Feb)	(09/Feb)	(26/Jan)	(09/Feb)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	0.8295	High Jan 15, 2015
	0.8162	Reaction high (High May 14, 2015)
	0.8043	High Feb 02
	0.7966	High Feb 15
<b>SUPPORT</b>	0.7753	Low Mar 06
	0.7651	Low Dec 21
	0.7549	Low Dec 13
	0.7498	Low Dec 08
<b>RECOMMENDATION</b>	BUY	0.7840
	SELL	-----
	STOP LOSS	0.7765
	TARGET	0.7915
		0.7950

**NZD/USD**

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



- Correction in daily movement
- RSI 14 is up  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	0.72930	0.73539	0.72910	62,9	0.73232	↑ 29,6	0.72936
Mar 12	0.72942	0.73221	0.72849	37,2	0.72936	↑ 4,7	0.72889
Mar 09	0.72608	0.72964	0.72483	48,1	0.72889	↑ 28,8	0.72601
Mar 08	0.72745	0.72962	0.72441	52,1	0.72601	↓ 24,1	0.72842
Mar 07	0.72853	0.72987	0.72531	45,6	0.72842	↓ 8,7	0.72929

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.73539	0.72849	0.73539	0.71850	0.74359	0.71755	0.74359	0.70438
(13/Mar)	(12/Mar)	(13/Mar)	(01/Mar)	(16/Feb)	(08/Feb)	(16/Feb)	(02/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	0.7627	High May 01, 2015
	0.7558	High Jul 27,2017
	0.7524	High Aug 01,2017
	0.7436	High Feb 16
<b>SUPPORT</b>	0.7219	Low Mar 06
	0.7180	Low Jan 11,2018
	0.7071	Low Jan 02,2018
	0.6963	Reaction low on daily chart
<b>RECOMMENDATION</b>	BUY	0.7300
	SELL	-----
	STOP LOSS	0.7225
	TARGET	0.7375
		0.7410

**EUR/JPY**

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



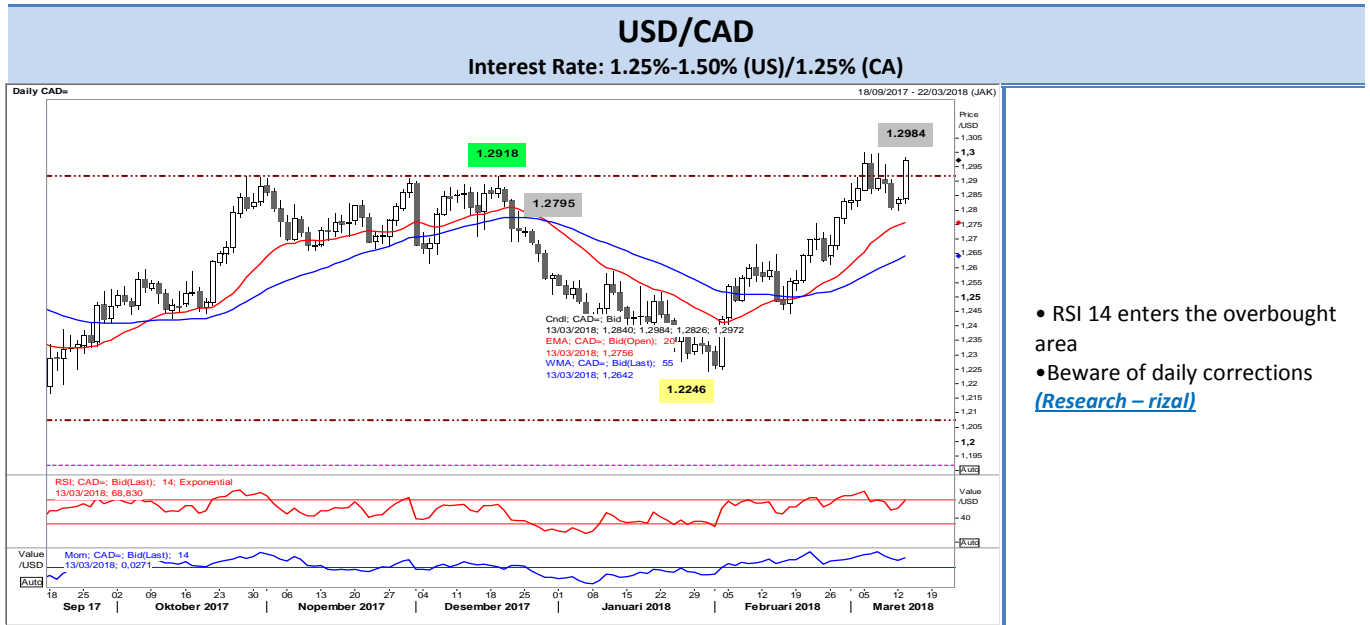
- RSI 14 near the oversold area
  - Important resistance at 135.78, support at 129.44
- [\(Research – riza\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	131.272	132.415	131.094	132,1	132.033	↑ 78,4	131.249
Mar 12	131.636	131.680	130.948	73,2	131.249	↓ 22,2	131.471
Mar 09	130.856	131.876	130.825	105,1	131.471	↑ 28,8	130.723
Mar 08	131.692	131.963	130.500	146,3	130.723	↓ 90,3	131.626
Mar 07	131.224	131.728	130.906	82,2	131.626	↑ 2	131.624

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
132.415	130.948	132.415	129.335	137.486	130.022	137.486	129.335
(13/Mar)	(12/Mar)	(13/Mar)	(05/Mar)	(02/Feb)	(28/Feb)	(02/Feb)	(05/Mar)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	134.79	High Feb 08,2018
	134.16	High Feb 09,2018
	133.29	High Feb 15,2018
	132.37	High Feb 19,2018
<b>SUPPORT</b>	131.09	Low Mar 13,2018
	130.49	Low Mar 08,2018
	129.44	Reactions Low on Daily Chart Sept 08,2017
	128.51	Low Aug 24,2017
<b>RECOMMENDATION</b>	BUY	----
	SELL	132.25
	STOP LOSS	133.35
	TARGET	131.15
		130.75



<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2823</b>	<b>1.2953</b>

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2984 (13/Mar)	1.2801 (12/Mar)	1.3000 (05/Mar)	1.2801 (12/Mar)	1.2841 (28/Feb)	1.2252 (02/Feb)	1.3000 (05/Mar)	1.2246 (31/Jan)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.3307	Reactions High Jun 23,2017
	1.3260	High Jun 27,2017
	1.3197	High Jun 28,2017
	1.3014	High Jul 04,2017
<b>SUPPORT</b>	1.2757	Low Feb 28,2018
	1.2667	Low Feb 22,2018
	1.2622	Low Feb 21,2018
	1.2553	Low Feb 20,2018
<b>RECOMMENDATION</b>	BUY	1.2930
	SELL	----
	STOP LOSS	1.2840
	TARGET	1.3040 – 1.3080

## Precious Metal – Daily Outlook

### Gold claws way back into the black after Trump sacks Tillerson - Reuters News



Gold prices turned positive on Tuesday as the U.S. dollar lost ground after news that U.S. President Donald Trump replaced Secretary of State Rex Tillerson, while U.S. inflation data was in line with forecasts.

Spot gold was up 0.3 percent at \$1,326.49 an ounce by 1:42 p.m. EDT (1742 GMT), while U.S. gold futures for April delivery settled up 0.5 percent at \$1,327.10.

Trump fired Tillerson after a series of public rifts over policy on North Korea, Russia and Iran, replacing him with loyalist Central Intelligence Agency Director Mike Pompeo.

"The dollar is lower and gold is higher off the Tillerson news. We've been seeing this pattern (of gold following the dollar) because there's no other strong factor leading to buying gold now," said Bill O'Neill, co-founder of Logic Advisors.

The U.S. dollar index relinquished its gains and fell against a basket of currencies, making commodities priced in the greenback cheaper for buyers using other currencies.

Also weighing on the dollar was news that U.S. consumer prices cooled in February, the latest indication that an expected pick-up in inflation is likely to be only gradual.

Some investors had been worried stronger-than-expected CPI data could stoke expectations that the U.S. Federal Reserve will raise interest rates four times rather than three this year.

Higher interest rates typically make gold less attractive since it does not bear interest.

"Overall the outlook is not looking that great in the short term. I still expect prices to go towards \$1,300, said Georgette Boele, ABN AMRO commodity strategist.

Markets are looking to the next Fed meeting for direction on the pace of U.S. interest rate hikes this year.

"As we approach next week's FOMC day, we should see gold come under pressure as it struggles to compete against interest-bearing assets," said Daniel Ghali, commodities strategist at TD Securities.

Silver rose 0.6 percent at \$16.59 an ounce.

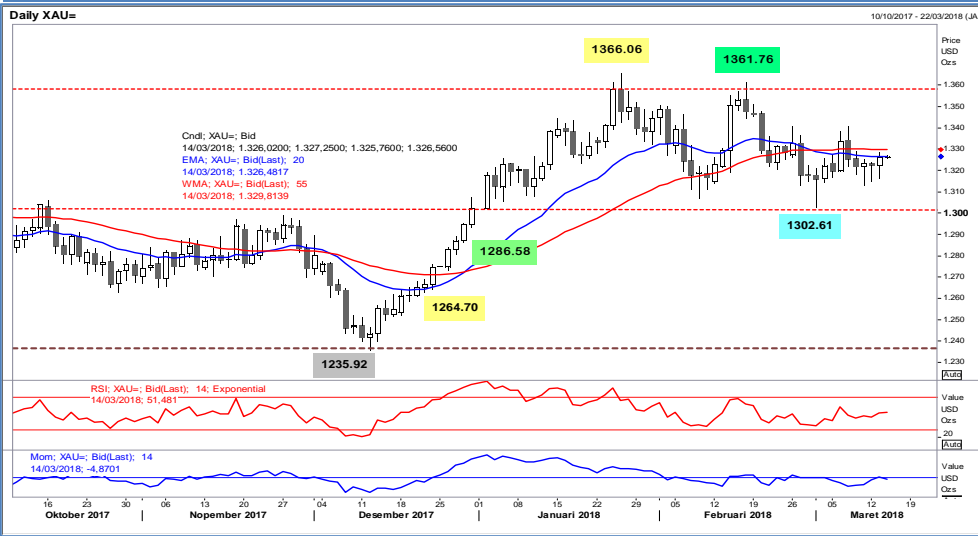
Platinum was up 0.4 percent at \$966.60 an ounce, near a one-week high of \$970.90. Palladium climbed 1.7 percent to \$995.30 per ounce, after touching a one-week high of \$997.40.

The platinum price will struggle to move back above palladium, ING analyst Oliver Nugent said in a note.

"Based on our own forecasts, we don't think such a move will happen for the next few years due to platinum's weaker fundamentals with the palladium backwardation actually making it more expensive for investors to short the ratio."

The platinum/palladium ratio increased from late February. Palladium flipped to a premium over platinum last September for the first time since 2001. [\(Source Reuters, Research – @her1en\)](#)

**GOLD (XAU/USD)**



- Important resistance around 1366
  - Important support area around 1286
- [\(Research – @her1en\)](#)

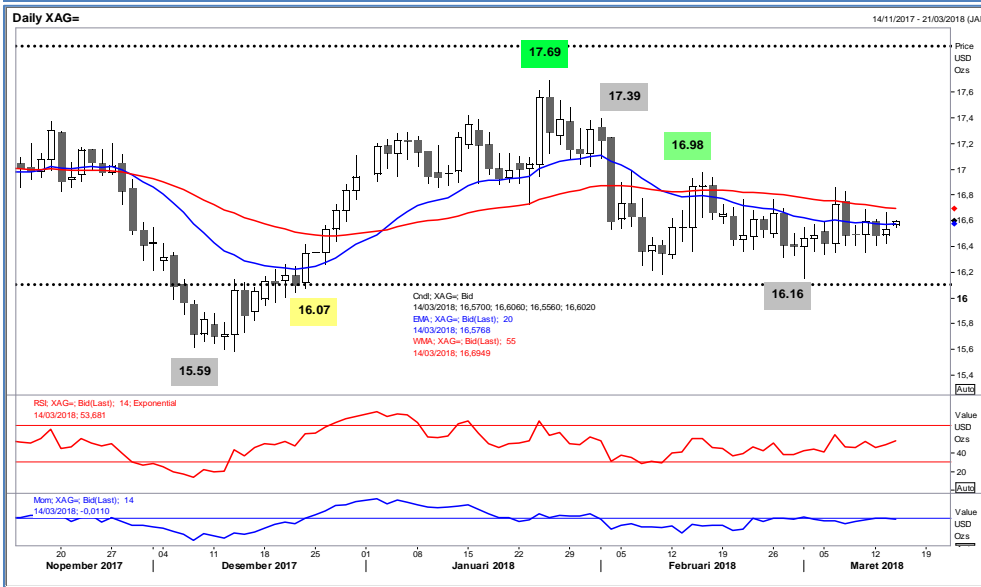
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Mar 13	1322.580	1328.180	1313.810	14.37	1326.240	↑ 3.36	1322.880	1318.70	1322.75
Mar 12	1322.880	1324.020	1314.950	9.07	1322.880	↓ 0.56	1323.440	1317.25	1319.15
Mar 09	1321.560	1325.020	1312.740	12.28	1323.440	↑ 1.68	1321.760	1319.35	1320.60
Mar 08	1325.080	1328.910	1318.900	10.01	1321.760	↓ 3.63	1325.390	1325.40	1321.00
Mar 07	1338.730	1340.360	1322.110	18.25	1325.390	↓ 9.07	1334.460	1332.50	1329.40

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1328.180	1313.810	1340.360	1302.690	1361.570	1306.930	1365.910	1302.690
(13/Mar)	(13/Mar)	(07/Mar)	(01/Mar)	(16/Feb)	(08/Feb)	(25/Jan)	(01/Mar)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1391.76	High Mar 17, 2014
	1374.71	High July 11
	1366.06	Reaction high on daily chart
	1348.14	High Feb 20
<b>SUPPORT</b>	1316.41	Low Mar 13
	1312.99	Low Mar 09
	1302.45	Low Jan 02
	1286.58	Low Dec 28
<b>RECOMMENDATION</b>	BUY	1324.00
	SELL	-----
	STOP LOSS	1314.00
	TARGET	1334.00
	TARGET	1339.00

## SILVER (XAG/USD)



- With With strong resistance at 17.25
- While the crucial support area is around 16.07  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	16.507	16.651	16.440	0.21	16.568	↑ 0.05	16.513
Mar 12	16.580	16.590	16.415	0.18	16.513	↓ 0.08	16.590
Mar 09	16.480	16.674	16.332	0.34	16.590	↑ 0.12	16.474
Mar 08	16.473	16.554	16.410	0.14	16.474	FLAT	16.474
Mar 07	16.789	16.817	16.410	0.41	16.474	↓ 0.26	16.738

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.651	16.415	16.848	16.149	17.381	16.171	17.682	16.149
(13/Mar)	(12/Mar)	(06/Mar)	(01/Mar)	(01/Feb)	(09/Feb)	(25/Jan)	(01/Mar)

### ANALYSIS & RECOMMENDATION

RESISTANCE	17.85	High Sept 15, 2017
	17.62	High Sept 18,2017
	17.25	High Feb 02
	16.98	High Feb 06
SUPPORT	16.36	Low Mar 06
	16.22	Low Feb 08
	16.07	Low Dec 22,2017
	15.74	Low Dec 14
RECOMMENDATION	BUY	16.55
	SELL	-----
	STOP LOSS	16.30
	TARGET	16.85
		17.10

## OIL – Daily Outlook

### U.S. crude falls 1 percent on concerns over rising output - Reuters News



Oil fell more than 1 percent on concerns over rising U.S. production and as equities fell, erasing earlier gains driven in part by the firing of U.S. Secretary of State Rex Tillerson.

Brent crude futures dropped 31 cents, or 0.5 percent, to settle at \$64.64 per barrel. U.S. West Texas (WTI) crude futures fell 65 cents, or 1.06 percent, to \$60.71 per barrel.

The market has been buffeted by a number of factors in an active session, including weakness in the equity market, which has trended in tandem

with oil of late.

U.S. production has reached an all-time record and weekly data last week showed overall output rising further, to more than 10.3 million barrels per day.

U.S. crude production from major shale formations was expected to rise in April to a record 6.95 million bpd, the U.S. Energy Information Administration (EIA) said on Monday.

"There's no stopping us and OPEC's frustration levels are going to grow," said Philip Streible, senior market strategist at RJO Futures in Chicago, referring to efforts by major producers to curb output since last year.

Tillerson's firing increases risks to the multilateral agreement to limit Iran's nuclear capabilities, raising questions about potential effects on output by the third largest crude oil producer in the Organization of the Petroleum Exporting Countries.

CIA director Mike Pompeo is the pick to replace Tillerson; he has called for the 2015 Iran nuclear deal to be scrapped.

Trump has threatened to withdraw from the accord between Iran and six world powers unless Congress and European allies "fix" it with a follow-up pact.

"The market is having a wobble on the back of the potential impact on future supply from Iran and also for the ramifications for the Middle East as a whole," Ole Hansen, senior manager at Saxo Bank, said.

Concerns about supply have had an effect in the forward curve in the futures market, where the May contract has outperformed April, putting May's price higher than April's, known as "contango."

When the front-month contract is trading at a lower level than a later-dated contract, it suggests emerging concerns about growing supply, and reduced need to buy oil now.

"The market switched from backwardation to contango in the crude oil curve today... that's a situation that implies weakness; it's a situation that, if it persists, will lead to an increase in storage," said Bob Yawger, director of energy futures at Mizuho in New York.

Data from the American Petroleum Institute will be released at 4:30 p.m. on Tuesday, and is expected to show a build U.S. crude inventories for the third straight week. [\(Source Reuters, Research – @her1en\)](#)



## CLJ8/USD (OIL)

(Exp.: 20 Mar. 2018 - Reuters)



- Correction in daily movement
  - Important resistance at 63.44, support at 58.07
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
Mar 13	61.35	61.95	60.26	1.69	60.83	↓ 0.53	61.36
Mar 12	62.11	62.31	60.66	1.65	61.36	↓ 0.74	62.10
Mar 09	60.25	62.14	60.13	2.01	62.10	↑ 1.80	60.30
Mar 08	61.31	61.38	59.96	1.42	60.30	↓ 1.04	61.34
Mar 07	62.28	62.56	60.57	1.99	61.34	↓ 1.01	62.35

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
62.31	60.26	63.25	59.96	66.22	58.06	66.63	58.06
(12/Mar)	(13/Mar)	(06/Mar)	(08/Mar)	(01/Feb)	(09/Feb)	(25/Jan)	(09/Feb)

### ANALYSIS & RECOMMENDATION

RESISTANCE	66.00	High Feb 02
	64.97	High Feb 05
	63.44	High Feb 28
	62.33	High Mar 12
SUPPORT	59.72	Low Feb 15
	58.07	Low Feb 12
	56.01	Low Dec 14, 2017
	55.37	Low Nov 14, 2017
RECOMMENDATION	BUY	-----
	SELL	61.00
	STOP LOSS	62.20
	TARGET	59.60
		59.10