

# DAILY MARKET REPORT

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## **GLOBAL MARKETS**

- Simmering political tensions roiled stocks and bonds across the globe on Wednesday, with U.S. yield curves continuing to flatten and stock markets closing in the red as industrial companies took a beating.

## **GLOBAL ECONOMIES**

- A measure of Australian consumer sentiment inched fractionally higher in March as some improvement in the state of family finances just managed to offset concerns about the long-run economic outlook.
- New Zealand posted a wider-than-expected current account deficit in the fourth quarter on the back of aircraft imports and robust earnings by foreign firms on local investments, official data showed on Wednesday.
- Bank of Japan Governor Haruhiko Kuroda on Wednesday voiced confidence the central bank could engineer a smooth exit from its ultra-loose monetary policy, but said it was too early to debate specifics with inflation still distant from its target.
- The European Central Bank needs further evidence that inflation is rising towards its target and will end asset buys only when it is satisfied that price growth is on a sustained path towards its objective, two of the ECB's top officials said on Wednesday.
- The British public's expectations for future inflation edged down in early 2018 from multi-year peaks reached late last year, a quarterly survey by Barclays showed on Wednesday.
- U.S. retail sales fell for a third straight month in February as households cut back on purchases of motor vehicles and other big-ticket items, pointing to a slowdown in economic growth in the first quarter.

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

**U.S. & Global Markets** – Simmering political tensions roiled stocks and bonds across the globe on Wednesday, with U.S. yield curves continuing to flatten and stock markets closing in the red as industrial companies took a beating.

Despite strong economic data out of China and the United States this week, markets struggled to shake a hangover from news that U.S. President Donald Trump was looking to impose tariffs on up to \$60 billion of Chinese imports.

On Wednesday, a White House spokeswoman said the Trump administration is pressing China to cut its trade surplus with the United States by \$100 billion.

Trump also spooked investors on Tuesday by firing Secretary of State Rex Tillerson, who was viewed as a supporter of free trade.

"There's trade war talk going on," said Michael O'Rourke, chief market strategist at JonesTrading in Greenwich, Connecticut. "We saw people taking profit amidst the uncertainty."

The Dow Jones Industrial Average fell 248.91 points, or 1 percent, to end at 24,758.12, the S&P 500 lost 15.83 points, or 0.57 percent, to 2,749.48 and the Nasdaq Composite dropped 14.20 points, or 0.19 percent, to 7,496.81.

Additionally on Wednesday, the Russian Foreign Ministry said it would retaliate after 23 of its diplomats were expelled by British Prime Minister Theresa May over a chemical attack on a former Russian double agent in England that May blamed on Moscow.

That helped continue a trend of flattening yield curves on U.S. government bonds, with the spread between two- and 10-year Treasury yields down 3.2 basis points to 55.3 basis points.

The spread between five- and 30-year yields was down 3.8 basis points to 44.4 basis points.

Benchmark 10-year U.S. Treasury notes last rose 9/32 in price to yield 2.817 percent, from 2.848 percent late on Tuesday.

The 30-year bond last rose 28/32 in price to yield 3.056 percent, from 3.101 percent Tuesday.

Germany's 10-year government bond yield fell to a 1-1/2-month low on the trade war fears, while Italian borrowing costs rose after right-wing leader and aspiring prime minister Matteo Salvini reiterated his party's view that the euro was a flawed currency.

Salvini also said he was open to forming any sort of coalition government as long as it did not include the Democratic Party.

His comments, along with the ongoing trade war concerns, sent European stocks slightly into the red despite a banner day for Adidas and a strong showing for mining stocks.

Adidas, the German sports fashion company, gained more than 11 percent on Wednesday after announcing a share buyback of up to 3 billion euros.

Yet the pan-European FTSEurofirst 300 index lost 0.14 percent and MSCI's gauge of stocks across the globe shed 0.46 percent.

Wall Street's losses were driven largely by plunges at industrial companies like Boeing, which tumbled 2.5 percent, leading losers on the Dow.

That was despite encouraging economic news that had spurred the U.S. indexes to open higher on Wednesday morning.

China reported industrial output expanding at a surprisingly faster pace at the start of the year. Fixed asset investment also beat forecasts, while retail sales improved.

Political uncertainty outweighed that, said Paul Nolte, portfolio manager at Kingsview Asset Management in Chicago. "Given the rearrangement that [Trump] has made to his cabinet ... it's being read as a lot more protectionist now than it was two weeks ago."

Emerging market stocks meanwhile, lost 0.42 percent.

Oil prices were choppy, up slightly in the afternoon after losing ground through the morning.

U.S. crude rose 0.35 percent to \$60.92 per barrel and Brent was last at \$64.84, up 0.31 percent.

The dollar index rose 0.1 percent, with the euro down 0.18 percent to \$1.2367. *(Source Reuters – @her1en)*

**GLOBAL ECONOMIES**

**Australia** – A measure of Australian consumer sentiment inched fractionally higher in March as some improvement in the state of family finances just managed to offset concerns about the long-run economic outlook.

A Melbourne Institute and Westpac Bank survey of 1,200 people published on Wednesday said its index of consumer sentiment rose 0.2 percent in March from February when it fell 2.3 percent.

The index was up 3.3 percent on February last year at 103.0, meaning optimists just outnumbered pessimists.

"Sentiment continues to hold in slightly optimistic territory with March marking the fourth consecutive monthly reading above the 100 level," said Westpac senior economist Matthew Hassan.

"That followed a year in which pessimism dominated. However, the index is still well below levels typically associated with a robust consumer."

Sluggish wage growth, rising living costs and high levels of household debt have been weighing on the consumer mood, offsetting broad-based strength in employment.

The survey's barometer of economic conditions over the next 12 months bounced 1.7 percent in March, but the outlook for the next five years dropped 4.1 percent.

Hassan noted recent news coverage of U.S. President Donald Trump's placing of tariffs on imported steel and aluminium may have caused some jitters.

The most notable shift in news recalled by respondents was around 'international conditions' which had the highest recall in 2 1/2 years and was viewed as significantly more negative than in December.

The measure of family finances compared to a year ago added 2.4 percent, while the outlook for the next 12 months rose 2.1 percent.

Yet consumers seemed reluctant to spend freely, with the index of whether it was a good time to buy a major household item down 0.5 percent.

The index on whether it was good time to buy a dwelling rose by 0.8 percent, to be up 5.0 percent on a year ago.

**New Zealand** – New Zealand posted a wider-than-expected current account deficit in the fourth quarter on the back of aircraft imports and robust earnings by foreign firms on local investments, official data showed on Wednesday.

On a seasonally adjusted basis, the quarterly deficit was NZ\$1.951 billion (\$1.43 billion), up from NZ\$1.544 billion in the previous quarter.

The actual quarterly deficit was NZ\$2.77 billion in the three months to December, compared to analysts' expectations of a NZ\$2.4 billion deficit.

"The ... increase in the deficit was mainly driven by New Zealand importing aircraft and other transport equipment, and crude oil," said Statistics New Zealand international statistics senior manager Daria Kwon in an emailed research note.

The New Zealand dollar edged down to \$0.7324 in the wake of the release from around \$0.7333.

New Zealand's relatively strong economy also drove up the deficit as overseas investors' incomes from local investment grew at a greater pace than New Zealanders' earnings from their investments abroad.

"The main surprise for us was a surge in the profits of overseas-owned firms in New Zealand. This is a positive indication of the strength of domestic demand," said Michael Gordon, senior economist at Westpac Bank.

The results were unlikely to alter the stance of the Reserve Bank of New Zealand, which has vowed to keep its official cash rate (OCR) at a record low of 1.75 percent, possibly for years, as it works to boost inflation.

"There are no implications from this release for our GDP or OCR view," said Nathan Penny, economist at ASB Bank.

Fourth-quarter gross domestic product figures are due to be released on Thursday, in which analysts widely expect quarterly growth to have picked up the pace to 0.7 percent.

The annual deficit to December was NZ\$7.722 billion, equal to 2.7 percent of gross domestic product.

**Japan** – Bank of Japan Governor Haruhiko Kuroda on Wednesday voiced confidence the central bank could engineer a smooth exit from its ultra-loose monetary policy, but said it was too early to debate specifics with inflation still distant from its target.

He also said the BOJ could learn from how other major central banks, such as the U.S. Federal Reserve, are whittling down stimulus for when it eventually exits easy policy.

"By combining various tools, it's possible to shrink the BOJ's balance sheet at an appropriate pace while keeping markets stable," Kuroda told parliament, when asked by a lawmaker about a BOJ exit strategy.

The remarks came after minutes released earlier on Wednesday showed some BOJ policymakers called for greater scrutiny on the potential drawbacks of massive monetary stimulus and signalled the possibility of a future interest rate hike.

One of Kuroda's biggest challenges in his second term as governor is to soften investors to the eventuality of an end to crisis-era policy without frightening markets.

The BOJ kept monetary settings unchanged at the meeting and most board members shared the view the bank must "persistently" pursue powerful easing, the minutes showed.

But some members said the central bank must be mindful of the potential side-effects of its policy, such as the damage years of near-zero interest rates is inflicting on financial institutions' profits, according to the minutes.

"Some members said it was important to continue to monitor and assess the positive impacts and side-effects of the current monetary easing policy, including its effects on Japan's banking system," the minutes showed.

One member said the BOJ would need to consider raising its yield target if economic and price conditions continue to improve, according to the minutes, adding that such a step would make the central bank's policy framework more sustainable.

Another member, however, called for ramping up stimulus given subdued inflation, highlighting the rift within the BOJ's nine-member board on the future policy direction.

After years of heavy asset buying failed to fire up inflation to its 2 percent target, the BOJ revamped its policy framework in 2016 to one targeting interest rates from the pace of money printing.

With inflation barely above 1 percent, Kuroda has repeatedly said the bank was in no rush to dial back stimulus even as the costs of prolonged easing mount.

He reiterated the stance in parliament on Wednesday, saying that Japan was not at a stage to debate an exit strategy given there was "some distance" to achieving the BOJ's price goal.

Kuroda said the fact the BOJ has succeeded in keeping yields low was a sign markets still hold trust in Japan's finances, despite the country's ballooning public debt.

"If market trust over Japan's debt is eroded, it will be difficult for us to keep interest rates low with our yield curve control policy," he added.

Some analysts have criticised that by keeping rates low with heavy money printing, the BOJ was allowing the government to delay efforts to get Japan's tattered finances in order.

Some BOJ board members are more worried about the cost of easing than others. Hitoshi Suzuki, a former commercial banker, said in February the

BOJ could raise rates or slow the purchase of risky assets if the costs of prolonged easing began to outweigh the benefits.

Another board member Goushi Kataoka, however, has called for expanding monetary stimulus, saying it was needed to ensure inflation hits the BOJ's 2 percent target.

At its most recent policy meeting on Friday, the BOJ held settings but Kuroda signaled his readiness to ramp up stimulus if the economic recovery lost steam, an emphatic pushback against creeping speculation it could tighten the money spigot.

**Euro Zone** – The European Central Bank needs further evidence that inflation is rising towards its target and will end asset buys only when it is satisfied that price growth is on a sustained path towards its objective, two of the ECB's top officials said on Wednesday.

After dropping a long-standing pledge last week to increase its bond buying if needed, investors are looking for clues to the ECB's next move. They expect policymakers to end lavish stimulus later this year, satisfied that economic growth has become self-sustaining and that inflation will slowly rise.

Tempering market expectations for a speedy exit, ECB President Mario Draghi and chief economist Peter Praet both argued that inflation was not yet on a sustained path, requiring patience, even if the bank's confidence in the trend for consumer prices is firming.

"We currently see inflation converging towards our aim over the medium term, and we are more confident than in the past this convergence will come to pass," Draghi told a conference. "But we still need to see further evidence that inflation dynamics are moving in the right direction.

"There is a very clear condition for us to bring net asset purchases to an end: we need to see a sustained adjustment in the path of inflation towards our aim," he added.

The euro zone's central bank has been clawing back stimulus by the smallest of increments, worried that any big move could unravel its work and force it into an embarrassing and economically damaging policy reversal.

Its caution is underlined by weak inflation. Consumer prices are likely to undershoot the ECB's target of just under 2 percent for years to come, even though the 19-member currency bloc is enjoying its fifth year of expansion, its best growth run since the global financial crisis.

**UK** – The British public's expectations for future inflation edged down in early 2018 from multi-year peaks reached late last year, a quarterly survey by Barclays showed on Wednesday.

Barclays said that public expectations for average inflation over the coming year slipped to 2.5 percent from 2.6 percent in the fourth quarter of 2017, while five-year ahead expectations fell to 4.1 percent from 4.2 percent.

"This is consistent with other surveys or market-based measures of expectations and should come as good news for the Bank of England as its credibility does not appear to be challenged," Barclays economists Fabrice Montagne and Sreekala Kochugovindan wrote in a note to clients.

The BoE said last month it might need to raise interest rates sooner and by more than it had previously thought to get consumer price inflation back to its 2 percent target.

The consumer price index hit 3.1 percent, its highest in over five years, in November, pushed up by the fall in the value of the pound following the Brexit vote in 2016.

Polling company GfK surveyed 2,039 adults for Barclays between Feb. 23 and March 5.

**U.S.** – U.S. retail sales fell for a third straight month in February as households cut back on purchases of motor vehicles and other big-ticket items, pointing to a slowdown in economic growth in the first quarter.

Despite signs of cooling in consumer spending, inflation pressures are steadily building, which should allow the Federal Reserve to raise interest rates next week.

March 15, 2018

Underlying producer prices increasing solidly in February, driven by strong gains in the cost of services such as hotel accommodation, airline fares and hospital inpatient care, other data showed on Wednesday.

The Commerce Department said retail sales slipped 0.1 percent last month. January data was revised to show sales dipping 0.1 percent instead of falling 0.3 percent as previously reported. It was the first time since April 2012 that retail sales have declined for three straight months.

Economists polled by Reuters had forecast retail sales rising 0.3 percent in February. Retail sales in February increased 4.0 percent from a year ago.

Excluding automobiles, gasoline, building materials and food services, retail sales edged up 0.1 percent last month after being unchanged in January. These so-called core retail sales correspond most closely with the consumer spending component of gross domestic product.

Consumer spending, which accounts for more than two-thirds of U.S. economic activity, appears to have slowed at the start of the year after accelerating at a 3.8 percent annualized rate in the fourth quarter.

"These retail sales data are weak on the face of it and point to sluggish growth in consumer spending in the first quarter," said John Ryding, chief economist at RDQ Economics in New York.

In a separate report, the Labor Department said a key measure of underlying producer price pressures that excludes food, energy and trade services rose 0.4 percent last month, matching January's gain.

That boosted the year-on-year increase in the so-called core PPI to 2.7 percent, the biggest gain since August 2014, from 2.5 percent in January. The increase in underlying wholesale prices supports views that consumer inflation will pick up this year.

U.S. financial markets largely shrugged off the weak retail sales report and investors focused instead on the wholesale inflation data. The dollar was trading higher against a basket of currencies. Prices for U.S. Treasuries were mixed, with the yield on the interest-rate-sensitive two-year note rising.

Stocks on Wall Street were marginally higher.

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

**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%	3.6%	3.6%	
	06:30	AU	Westpac Consumer Conf Index	Mar	103.0	--	102.7	
	06:30	AU	Westpac Consumer Conf SA MoM	Mar	0.2%	--	-2.3%	
	06:50	JP	BOJ Minutes of Policy Meeting					
	06:50	JP	Core Machine Orders MoM	Jan	8.2%	5.2%	-11.9%	
	06:50	JP	Core Machine Orders YoY	Jan	2.9%	-0.7%	-5.0%	
	09:00	CN	Industrial Production YTD YoY	Feb	7.2%	6.2%	6.6%	
	09:00	CN	Retail Sales YTD YoY	Feb	9.7%	10.0%	10.2%	
	14:00	DE	CPI EU Harmonized MoM	Feb F	0.5%	0.5%	0.5%	-1%
	14:00	DE	CPI EU Harmonized YoY	Feb F	1.2%	1.4%	1.2%	1.2%
	14:00	DE	CPI MoM	Feb F	0.5%	--	0.5%	
	14:00	DE	CPI YoY	Feb F	1.4%	--	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	0.3%	--	0.4%	
	17:00	EZ	Employment YoY	4Q	1.6%	--	1.7%	
	17:00	EZ	Industrial Production SA MoM	Jan	-1.0%	-0.5%	0.4%	
	17:00	EZ	Industrial Production WDA YoY	Jan	2.7%	4.4%	5.2%	5.3%
	17:45	EZ	ECB Vice President Constancio speaks in Frankfurt					
	19:30	US	PPI Ex Food and Energy MoM	Feb	0.2%	0.2%	0.4%	
	19:30	US	PPI Ex Food and Energy YoY	Feb	2.5%	2.5%	2.2%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Feb	0.4%	0.2%	0.4%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Feb	2.7%	--	2.5%	
	19:30	US	PPI Final Demand MoM	Feb	0.2%	0.1%	0.4%	
	19:30	US	PPI Final Demand YoY	Feb	2.8%	2.8%	2.7%	
	19:30	US	Retail Sales Advance MoM	Feb	-0.1%	0.3%	-0.3%	-0.1%
	19:30	US	Retail Sales Control Group	Feb	0.1%	0.4%	0.0%	
	19:30	US	Retail Sales Ex Auto and Gas	Feb	0.3%	0.3%	-0.2%	-0.1%
	19:30	US	Retail Sales Ex Auto MoM	Feb	0.2%	0.4%	0.0%	0.1%

	20:30	EZ	Bank of France Governor Villeroy de Galhau speaks in Frankfurt					
	21:00	US	Business Inventories	Jan	0.6%	0.6%	0.4%	0.6%
	21:30	US	DOE Cushing OK Crude Inventory	Mar-09	338k	--	-605k	
	21:30	US	DOE U.S. Crude Oil Inventories	Mar-09	5022k	2500k	2408k	
	21:30	US	DOE U.S. Distillate Inventory	Mar-09	-4360k	1700k	-559k	
	21:30	US	DOE U.S. Gasoline Inventories	Mar-09	-6271k	-1100k	-788k	
<b>Thu/15-Mar-18</b>	04:45	NZ	GDP SA QoQ	4Q	0.6%	0.8%	0.6%	
	04:45	NZ	GDP YoY	4Q	2.9%	3.1%	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

**Japan's Nikkei** share average slid on Wednesday, ending a four-day winning streak, amid fears of rising U.S. protectionism after President Donald Trump fired his secretary of state and reportedly is eyeing hefty tariffs on Chinese imports.

Leading the drop were chip-related stocks, while shares of companies linked with defence attracted buying.

The Nikkei ended 0.9 percent lower to 21,777.29, but stayed above its 25-day moving average of 21,672.57.

The broader Topix declined 0.5 percent to 1,743.21, with 28 of its 33 subsectors falling. Volume was thin, with only 1.15 billion shares changing hands, the lowest level since late December.

Trump fired Tillerson on Tuesday after public rifts over policy on North Korea, Russia and Iran, replacing his chief diplomat with loyalist CIA Director Mike Pompeo.

Separately, Trump is seeking to impose tariffs on up to \$60 billion of Chinese imports and will target the technology and telecommunications sectors, two people who had discussed the issue with the Trump administration said on Tuesday.

Short-term investors looked for bargains in recently-battered defense equipment stocks on speculation that the appointment of hawkish Pompeo could raise geopolitical tensions.

**South Korean KOSPI** stock index nudged down on Wednesday, as profit-taking by foreign and institutional investors weighed. The Korean won gained on the local platform to close at a seven-week high, while bond yields fell.

At 06:30 GMT, the benchmark index was down 8.41 points or 0.34 percent at 2,486.08.

The won was quoted at 1,064.6 per dollar on the onshore settlement platform, 0.27 percent firmer than its previous close at 1,067.5. The currency ended trade at its highest closing level since Jan. 26.

In offshore trading, the won was quoted at 1,063.47 per U.S. dollar, up 0.23 percent from the previous day, while in one-year non-deliverable forwards it was being transacted at 1,053.9 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.71 percent, after U.S. stocks ended the previous session lower. Japanese stocks weakened 0.87 percent.

The KOSPI is up around 1.1 percent so far this year, and has risen 2.64 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 was 357,035,000 shares, and of the total traded issues of 887, the number of advancing shares was 324.

**Hong Kong stocks** fell on Wednesday, breaking a four-day rising streak, as fears of a Sino-U.S. trade war outweighed optimism from China's solid economic data.

The Hang Seng index fell 0.5 percent to 31,435.01, while the China Enterprises Index lost 0.5 percent to 12,684.52 points.

U.S. President Donald Trump is seeking to impose tariffs on up to \$60 billion of Chinese imports in the very near future and will target the technology and telecommunications sectors, Reuters reported on Tuesday. Also fuelling fears of a trade war, Trump has fired his Secretary of State, regarded as a moderate in his administration.

Investors shrugged off stronger-than-expected data from China which showed the country's industrial output expanded at a surprisingly faster pace at the start of the year. Fixed asset investment also handily beat forecasts, while retail sales improved from December.

The sub-index of the Hang Seng tracking energy shares rose 0.3 percent, while the IT sector rose 0.01 percent, the financial sector was 0.93 percent lower and property sector rose 0.17 percent.

**China and Hong Kong stocks** fell on Wednesday morning as U.S. protectionism fears overshadowed strong China factory and investment data.

At 04:05 GMT, the Shanghai Composite index was down 0.59 percent at 3,290.72, while China's blue-chip CSI300 index was down 0.52 percent at 4,070.01.

Chinese H-shares listed in Hong Kong fell 1.41 percent at 12,567.6, while the Hang Seng Index was down 1.25 percent at 31,206.31.

China's industrial output grew more strongly than expected at the start of the year, suggesting the economy has sustained solid momentum even as U.S. President Donald Trump readies hefty tariffs against one its most strategic growth drivers -- technology.

Trump is seeking to impose tariffs on up to \$60 billion of Chinese imports in the very near future and will target the technology and telecommunications sectors, Reuters reported on Tuesday.

Tariffs on tech exports could potentially hit the fastest growing segment of China's industrial sector, an area that the country's leaders have been keen to promote as they push for "higher quality" economic growth.

Tech and telecommunications shares slid in China and Hong Kong, with an index tracking major telecoms firms on the mainland down 0.7 percent.

Also adding to U.S. protectionism worries, Trump on Tuesday fired Secretary of State Rex Tillerson, regarded as a moderate in his administration, replacing his chief diplomat with hawkish CIA Director Mike Pompeo.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.76 percent while Japan's Nikkei index was down 1.04 percent.

The yuan was quoted at 6.3162 per U.S. dollar, 0.12 percent firmer than the previous close of 6.324.

*(Source Reuters, Research:rizal)*

## ASIA AND GLOBAL MARKET SPOT PRICE 2018

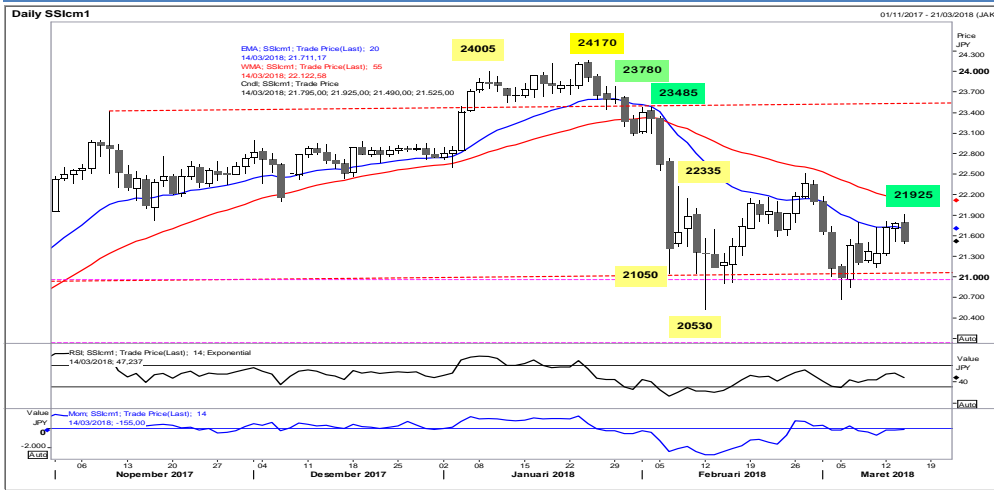
HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	339.59 (02/Nov/2017)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	6124.04400 (16/Oct./07)
<b>2017 HIGH</b>	23439.15 (13/Nov/2017)	339.59 (02/Nov/2017)	30199.69 (22/Nov/2017)	24876.07 (18/Dec/2017)	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 – 14 March 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	24758.12	↓ 248.91/1.00%	.N225	21777.29	↓ 190.81/0.87%
/.SPX	2749.59	↓ 15.72/0.57%	.KS200	321.99	↓ 0.99/0.31%
/.IXIC	7496.811	↓ 14.201/0.19%	.HSI	31435.01	↓ 166.44/0.53%
JPY=	106.32	↓ 0.24/0.23%	/.SSEC	3291.25860	↓ 18.98030/0.57%
KRW=	1063.55	↓ 2.32/0.22%	/CLc1 (Oil)	60.93	↑ 0.08/0.13%



### 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
14 Mar SSipmM8	21600	21735	21420	315	21560	---	↓ 50	0.23	24839
14 Mar SSLamM8	21575	21700	21490	210	21610	21610	↓ 180	0.83	55153
13 Mar SSipmM8	21795	21925	21530	395	21590	---	↓ 200	0.92	26127
13 Mar SSLamM8	21555	21805	21520	285	21790	21790	↑ 65	0.30	44952
12 Mar SSipmM8	21710	21735	21550	185	21560	---	↓ 165	0.76	19203
12 Mar SSLamM8	21730	21810	21505	305	21725	21725	↑ 370	1.73	74962
09 Mar SSipmM8	21350	21710	21310	400	31710	---	↑ 355	1.66	26822
09 Mar SSLamM8	21475	21715	21170	545	21355	21355	↑ 160	0.75	84606
08 Mar SSipmM8	21205	21435	21145	290	21395	---	↑ 200	0.94	24708
08 Mar SSLamM8	21310	21330	21105	225	21195	21195	↑ 170	0.81	59780

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
21925	21420	21965	20680	23485	20530	24170	20530
(13/Mar)	(14/Mar)	(01/Mar)	(02/Mar)	(01/Feb)	(09/Feb)	(23/Jan)	(09/Feb)

#### ANALYSIS & RECOMMENDATION

RESISTANCE	22100	High on Hourly Chart
	22000	High on Hourly Chart
	21965	Reactions High on Hourly Chart
	21805	High Mar 13,2018
SUPPORT	21315	Low on 1 Hourly Chart
	21160	Low on 1 Hourly Chart
	21010	Low on 1 Hourly Chart
	20985	Low on 1 Hourly Chart
RECOMMENDATION	BUY	----
	SELL	21510
	STOP LOSS	21660
	TARGET	21310 21210

## 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 – rizal)*

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
14 Mar	320.30	322.80	320.25	2.55	322.70	322.70	↑ 0.05	0.02	159538
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

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>	<b>BUY</b>	----
	<b>SELL</b>	<b>321.70</b>
	<b>STOP LOSS</b>	<b>323.20</b>
	<b>TARGET</b>	<b>319.70</b>
		<b>318.70</b>



## CURRENCIES – Daily Outlook

### Dollar drifts higher, but outlook bleak on U.S. political uncertainty - Reuters News



The dollar edged higher on Wednesday after three straight days of losses, as investors booked profits on their short currency bets, but the outlook remained murky amid political uncertainty in the Trump administration and renewed worries about trade wars. U.S. President Donald Trump's firing of U.S. Secretary of State Rex Tillerson on Tuesday, a week after the resignation of U.S. economic adviser Gary Cohn, has underscored an uncertain environment in the administration that is sure to scare away top-level

talent, analysts said.

Tillerson was replaced by Central Intelligence Agency Director Mike Pompeo, who is said to mirror Trump's hard-line stance on international political issues.

The move has "fanned worries about a more protectionist and isolationist faction of the president's advisors gaining power within the administration," said Omer Esiner, chief market analyst at Commonwealth Foreign Exchange in Washington.

Apart from the political revolving door in Trump's cabinet, investors grew concerned again about increased protectionism in his government.

Trump is seeking to impose tariffs on up to \$60 billion of Chinese imports and will target the technology and telecommunications sectors, two people who discussed the issue with the Trump administration said on Tuesday.

The news comes before a G20 meeting next week where the world's leaders will pledge to fight unfair trade practices and stress the role of global trade rules.

On the economic front, U.S. retail sales data on Wednesday did not really help the dollar. Retail sales fell, offsetting a stronger-than-forecast rise in domestic producer prices last month.

That should further prompt the Federal Reserve to raise interest rates at a gradual pace. The market still expects the Fed to raise rates three times this year, starting at next week's monetary policy meeting.

"Retail sales have been weak for some time, suggesting it was not weather-related," Stifel chief economist Lindsey Piegza told the Reuters Global Markets Forum chat room on Wednesday. "As such, the Fed has to consider the possibility of a weaker growth ahead."

In midafternoon trading, the dollar index was up 0.1 percent at 89.73, within striking distance of a one-month low of 89.40.

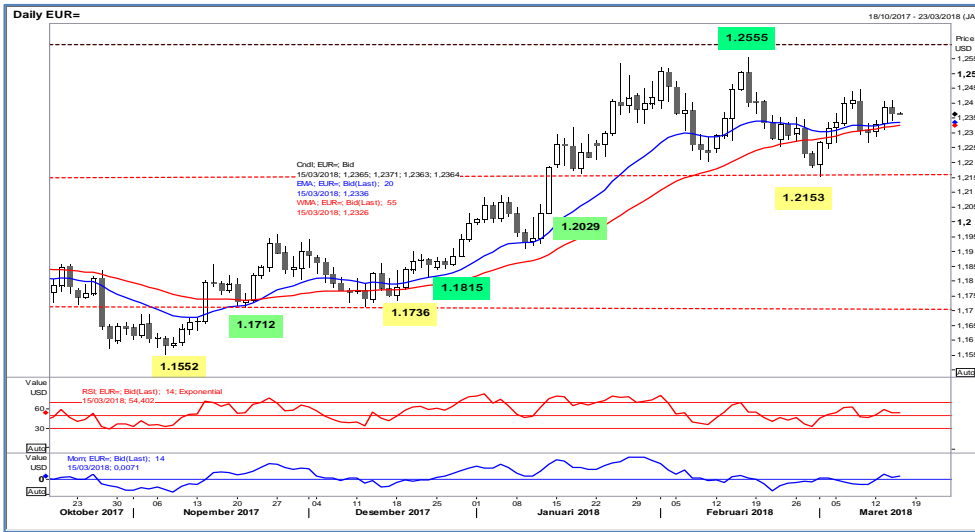
Against the yen, the dollar was down 0.3 percent at 106.29, having slipped overnight from a two-week high as caution over a political controversy in Japan waned slightly.

Elsewhere, the euro hit the day's lows after European Central Bank President Mario Draghi struck a dovish tone in his speech. It was last down 0.2 percent at \$1.2369.

Draghi said the ECB needs further evidence that inflation is rising towards its target but is growing more confident it is on track to do so. [\(Source Reuters, Research – @her1en\)](#)

## 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 14	1.23905	1.24114	1.23460	65,4	1.23662	↓ 23,1	1.23893
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

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.24114	1.22892	1.24449	1.21532	1.25542	1.21866	1.25542	1.19145
(14/Mar)	(12/Mar)	(08/Mar)	(01/Mar)	(16/Feb)	(28/Feb)	(16/Feb)	(09/Jan)

### ANALYSIS & RECOMMENDATION

RESISTANCE	1.2770	High Oct 29, 2014
	1.2639	High Oct 30, 2014
	1.2555	Reaction high on daily chart
	1.2446	High Mar 08
SUPPORT	1.2250	Low Mar 02
	1.2153	Reaction low on daily chart
	1.2029	Low Jan 12, 2018
	1.1927	Low Jan 11, 2018
RECOMMENDATION	BUY	1.2345
	SELL	-----
	STOP LOSS	1.2270
	TARGET	1.2420
		1.2455

**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 14	106.448	106.737	106.053	68,4	106.311	↓ 25,1	106.562
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

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
107.282	106.053	107.282	105.238	110.470	105.537	113.376	105.238
(13/Mar)	(14/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	106.50
	STOP LOSS	107.20
	TARGET	105.60
		105.30

**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 14	1.39632	1.39947	1.39241	70,6	1.39613	↓ 6	1.39619
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

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.39947	1.38400	1.39947	1.37106	1.42771	1.37558	1.43438	1.34571
(14/Mar)	(12/Mar)	(14/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	1.3940
	SELL	----
	STOP LOSS	1.3850
	TARGET	1.4040 1.4075

**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 14	0.94359	0.94793	0.94233	56,0	0.94472	↑ 8,3	0.94389
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

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	0.9465
	STOP LOSS	0.9545
	TARGET	0.9375 0.9345



## 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 14	0.78545	0.79152	0.78502	65,0	0.78771	↑ 18,8	0.78583
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

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.79152 (14/Mar)	0.78488 (13/Mar)	0.79152 (14/Mar)	0.77112 (01/Mar)	0.80661 (01/Feb)	0.77578 (09/Feb)	0.81346 (26/Jan)	0.77578 (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	0.7850
	SELL	-----
	STOP LOSS	0.7775
	TARGET	0.7925
		0.7960

## 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 14	0.73246	0.73528	0.73168	36,0	0.73315	↑ 8,3	0.73232
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

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	0.7295
	SELL	-----
	STOP LOSS	0.7220
	TARGET	0.7370 0.7405

**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 14	131.903	132.265	131.005	126,0	131.472	↓ 56,1	132.033
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

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	131.70
	STOP LOSS	132.50
	TARGET	130.70
		130.20

**USD/CAD**

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



- RSI 14 enters the overbought area
  - Beware of daily corrections
- [\(Research – riza\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2823</b>	<b>1.2948</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>	1.2826	Low Mar 13,2018
	1.2757	Low Feb 28,2018
	1.2667	Low Feb 22,2018
	1.2622	Low Feb 21,2018
<b>RECOMMENDATION</b>	BUY	----
	SELL	1.2970
	STOP LOSS	1.3050
	TARGET	1.2870 – 1.2840

## Precious Metal – *Daily Outlook*

### Gold edges lower on political drama and firming dollar - Reuters News



Gold prices edged lower on Wednesday, pressured by a recovering dollar and an expectation of higher interest rates, but supported by safe-haven buying after the sudden dismissal of U.S. Secretary of State Rex Tillerson.

Spot gold declined 0.1 percent at \$1,324.40 per ounce by 1:36 p.m. EST (1736 GMT), earlier touching \$1,330.02, its highest since March 7.

U.S. gold futures for April delivery settled down \$1.50, 0.1 percent, at \$1,325.60 per ounce.

"The political uncertainty has limited the downside price risk for gold in a raising rates environment, as opposed to driving prices significantly higher," said Suki Cooper, Standard Chartered Bank precious metals analyst.

Rising interest rates tend to make gold less attractive since it does not bear interest.

Technical Fibonacci support for gold was at \$1,317.20 an ounce with resistance at \$1,336.30, said analysts at ScotiaMocatta in a note.

Gold is seen as a safe haven during times of political and financial uncertainty and benefited on Tuesday when President Donald Trump fired Tillerson after a series of public rifts over policy, replacing him with loyalist CIA Director Mike Pompeo.

Investors have switched to become more risk-averse following the unexpected news of Tillerson's dismissal and the appointment of Pompeo, said OCBC analyst Barnabas Gan.

The U.S. dollar inched higher against major currencies, recovering from a decline caused by the dismissal of Tillerson.

A stronger dollar makes commodities priced in the greenback more expensive for holders of other currencies.

"Pompeo is a supporter of Trump's trade policy and could help advance his agenda of imposing it on U.S. trading partners ... all this uncertainty and risk aversion leaves gold as a safe haven option," Gan added.

Supporting gold was news that Trump was seeking to impose tariffs on up to \$60 billion of Chinese imports and will target the technology and telecommunications sectors.

Meanwhile, data on Tuesday showed U.S. consumer prices cooled in February amid a decline in gasoline prices and a moderation in the cost of rental accommodation, the latest indication that an anticipated pick-up in inflation probably will be gradual.

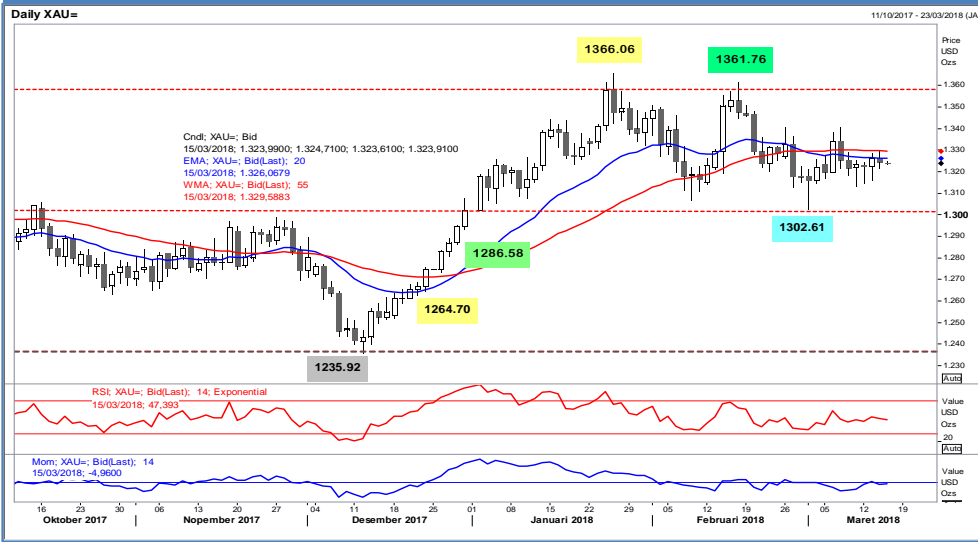
Inflation is a key economic factor the U.S. central bank considers when deciding monetary policy. A strong U.S. inflation reading could raise expectations for future interest rate increases, pressuring on non-yielding bullion.

In other precious metals, silver was barely changed at \$16.53 per ounce.

Platinum was flat at \$960.60 an ounce after touching \$973.20, a one-week high, and palladium dropped 0.2 percent to \$988.70, reaching a near two-week high earlier at \$1006.30.

*(Source Reuters, Research – @her1en)*

**GOLD (XAU/USD)**



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

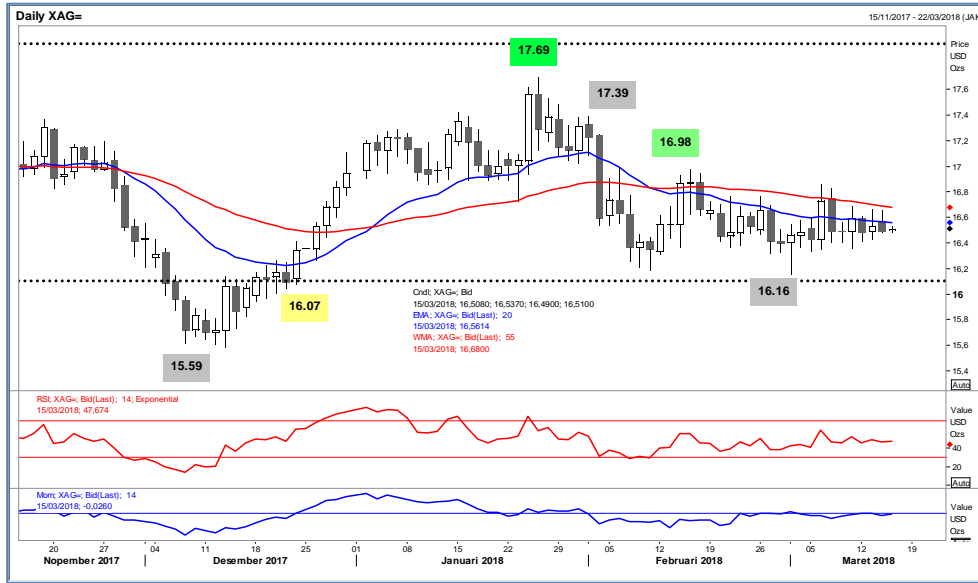
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
Mar 14	1325.950	1329.880	1321.320	8.56	1324.810	↓ 1.43	1326.240	1324.95	1323.55
Mar 13	1322.580	1328.180	1313.810	14.37	1326.240	↑ 3.36	1322.880	1318.70	1322.75
Mar 12	1322.880	1324.020	1314.950	9.07	1322.880	↓ 0.56	1323.440	1317.25	1319.15
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

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1329.880	1313.810	1340.360	1302.690	1361.570	1306.930	1365.910	1302.690
(14/Mar)	(13/Mar)	(07/Mar)	(01/Mar)	(16/Feb)	(08/Feb)	(25/Jan)	(01/Mar)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1374.71	High July 11
	1366.06	Reaction high on daily chart
	1348.14	High Feb 20
	1340.42	High Mar 07
<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	1322.00
	SELL	-----
	STOP LOSS	1312.00
	TARGET	1332.00
	TARGET	1337.00

## 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 14	16.567	16.639	16.495	0.14	16.524	↓ 0.04	16.568
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

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	16.45
	SELL	-----
	STOP LOSS	16.10
	TARGET	16.80
		17.00

## OIL – Daily Outlook

### Oil edges up after choppy session on mixed U.S. crude stocks data - Reuters News



Oil prices gained 0.4 percent in choppy trade on Wednesday, after a report showing a bigger-than-expected U.S. crude stock build was offset by large distillate and gasoline inventory draws.

U.S. crude stocks rose by 5 million barrels, the biggest jump since late January, the U.S. Energy Information Administration (EIA) said. Expectations had been for a 2 million barrel build. But there was a larger-than-expected draw on fuel stocks.

"We're not pressuring the downside that

much. Of course, the reason is because we had some unexpectedly large draws in distillates and gasoline that, when added together, are two times bigger than the crude build," said Bob Yawger, director of energy futures at Mizuho.

Brent crude oil futures were up 25 cents, or 0.4 percent, to settle at \$64.89 per barrel. U.S. West Texas Intermediate (WTI) futures also gained 25 cents, to settle at \$60.96 per barrel.

"I don't think we have a clear set of directions, and I don't think this (EIA) report gives that much of an insight as to whether the rebalance continues or not. We continue to just chop around here," said Gene McGillian, manager of market research at Tradition Energy.

Prices were pressured after The Organization of the Petroleum Exporting Countries (OPEC) said in its monthly report that supply from non-members is likely to grow by 1.66 million barrels per day (bpd) in 2018, almost double the growth it predicted in November, largely due to rising U.S. supply.

OPEC also said oil inventories across the most industrialized countries rose in January for the first time in eight months, a sign the impact of its output cuts may be waning. OPEC trimmed its 2018 demand forecast for its own crude by 250,000 bpd to 32.61 million bpd, a fourth consecutive decline.

"According to the OPEC report, demand for OPEC's oil must be 33 million barrels per day for the rest of the year to get rid of any remaining oversupply," Commerzbank strategist Carsten Fritsch said.

Oil prices got a boost early in the session from a broader investor push into commodities after Chinese data showed industrial production in the world's largest importer of raw materials grew more than expected over the first two months of the year.

Oil may also soon get some support from seasonal demand.

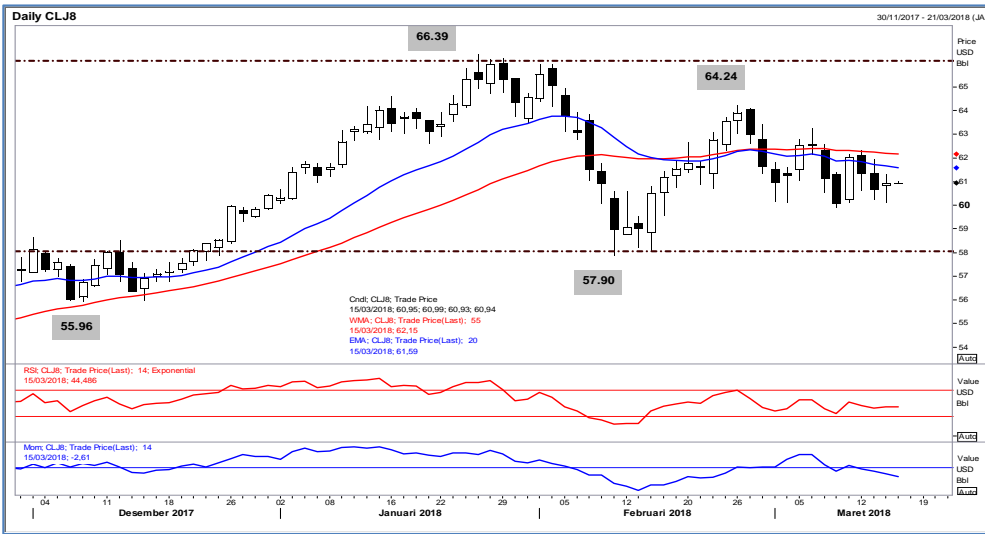
"We are now only two to four weeks away from when weekly oil inventory data will start to draw again which should be supportive for oil prices," SEB commodities strategist Bjarne Schieldrop said.

*(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 14	60.86	61.30	60.10	1.20	60.98	↑ 0.15	60.83
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

WEEKLY		MARCH		FEBRUARY		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
62.31	60.10	63.25	59.96	66.22	58.06	66.63	58.06
(12/Mar)	(14/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	61.15
	STOP LOSS	62.35
	TARGET	59.75
		59.25