

# DAILY MARKET REPORT

GLOBAL MARKETS & ECONOMIES | WEEKLY ECONOMIC INDICATORS | ASIAN STOCK INDICATORS |  
CURRENCIES | PRECIOUS METAL | OIL |

## **GLOBAL MARKETS**

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## **GLOBAL ECONOMIES**

- Australia's new budget relies on optimistic revenue assumptions, rating agency Fitch said on Wednesday, creating some "downside risk" for the government's target to produce a surplus one year earlier than anticipated.
- China's banking and insurance regulator will soon publish detailed rules on banks' wealth management products (WMPs) as part of Beijing's effort to curb risks in the financial sector, three sources familiar with the matter told Reuters.
- Investors are pushing back expectations for a rise in euro zone interest rates further into 2019 against a backdrop of soft economic data and disappointing inflation numbers, money market pricing suggests.
- The Bank of England will wait until August before raising interest rates, according to a Reuters poll in which nearly all economists pushed back previous expectations of a hike on Thursday.
- U.S. producer prices barely rose in April after strong gains in the first quarter, held down by a moderation in the cost of both goods and services, which could ease fears that inflation pressures were rapidly building up.
- The value of Canadian building permits rose more than expected in March on increased plans to build apartment buildings in the provinces of Quebec and British Columbia, data from Statistics Canada showed on Wednesday.

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## GLOBAL MARKETS & ECONOMIES

### GLOBAL MARKETS

**U.S. & Global Markets** – Crude oil prices rose more than 3 percent on Wednesday after U.S. President Donald Trump's decision to withdraw from a nuclear accord with Iran, a move that helped lift equity markets as Exxon Mobil, Chevron and other oil majors rallied.

Contracts for Brent, the global crude benchmark, and its U.S. counterpart climbed to highs last seen in November 2014 after Trump on Tuesday abandoned the deal and announced the "highest level" of sanctions against Iran.

Trump's action raises the risk of conflict in the Middle East and casts uncertainty over oil supplies in an already tight market.

U.S. crude rose \$2.08 to settle at \$71.14 per barrel and Brent settled up \$2.36 at \$77.21.

The energy sector in equity markets rallied, helping lift European stocks, a gauge of world equity performance and the broad U.S. market.

"It's the clear leader today. It's overwhelming almost all the other sectors in terms of its impact on today's market action," said Michael Arone, chief investment strategist at State Street Global Advisors in Boston.

Exxon Mobil closed up 2.36 percent, Chevron gained 1.70 percent, Royal Dutch Shell added 3.38 percent and BP advanced 3.92 percent.

While crude oil prices have rallied over the past 12 months, energy stocks have basically gone nowhere, which helped their gains on Wednesday, Arone said.

U.S. crude since the end of March 2017 surged 46 percent, while the S&P energy sector rose 9.2 percent over that period. So far this quarter the energy index is up 12.5 percent.

"Now we're starting to see that gap close, so this could be a bit of a short-term rally for the energy sector," he said.

MSCI's gauge of equity performance in 47 countries rose 0.61 percent. Exxon and BP were the second- and third-largest contributors earlier in the session. Technology stars Alphabet and Facebook later led stocks higher.

Energy added the most points to the pan-European FTSEurofirst 300 index of regional stocks, which closed up 0.74 percent, led by Royal Dutch Shell and BP. Total was the fifth-largest gainer.

On Wall Street the technology sector led stocks higher, but the S&P energy sector was the biggest percentage gainer at 2.03 percent.

The Dow Jones Industrial Average rose 182.33 points, or 0.75 percent, to 24,542.54. The S&P 500 gained 25.87 points, or 0.97 percent, to 2,697.79 and the Nasdaq Composite added 73.00 points, or 1 percent, to 7,339.91.

Equities have recently traded in a range on concerns about U.S.-China trade negotiations, differing views between the Federal Reserve and investors over inflation and the economy, and the notion that earnings and growth have peaked, Arone said.

"Those things certainly have the market in a bit of a sideways pattern," he said.

The dollar fell from its strongest levels in 2018 against a basket of currencies because of mild profit-taking, but the greenback was expected to resume its rise as a result of solid U.S. economic growth and further monetary tightening by the Fed.

A bounce in the euro, which dropped to a low for the year in early trading, helped weaken the dollar.

"There's a little exhaustion with the long-dollar trade, but I don't think we've reached the end of it yet," said Ilya Gofshteyn, FX and global macro strategist at Standard Chartered Bank in New York.

The dollar index was little changed, with the euro up 0.1 percent to \$1.1850. The Japanese yen weakened 0.54 percent versus the greenback to 109.70 per dollar.

The yield on the benchmark U.S. Treasury note rose back above 3 percent, pushing prices down 10/32.

In Europe, the gap between Italian and German borrowing costs hit its widest in nearly six weeks on the possibility a coalition of Italian anti-establishment parties could come to power.

The Italy/Germany 10-year government bond yield spread widened five basis points immediately after news that 5-Star and the League had said they were holding last-minute talks to try to clinch a coalition deal.

(Source Reuters – @her1en)

### GLOBAL ECONOMIES

**Australia** – Australia's new budget relies on optimistic revenue assumptions, rating agency Fitch said on Wednesday, creating some "downside risk" for the government's target to produce a surplus one year earlier than anticipated.

Prime Minister Malcolm Turnbull's centre-right government unveiled its annual budget on Tuesday, with personal tax cuts and a pledge to deliver a surplus by 2019/20, ending almost a decade of deficits, as its centre-piece item.

The three major rating agencies have affirmed Australia's prized triple-A sovereign rating.

Standard & Poor's Global said the budget showed a commitment to fiscal prudence but there were "significant" risks to the fiscal outlook, including trade tensions and strains in emerging markets.

Moody's Investors Service said the 2018/19 is a positive step in improving Australia's fiscal outlook, provided underlying assumptions hold.

On Wednesday, Fitch said the projected 2019-/20 surplus was no sure thing.

"The reliance on improved revenues, rather than policy proposals, to narrow the deficit poses some downside risk to the achievement of the government's surplus target," Jeremy Zook, associate director at Fitch, said in a statement.

Australia's finances are forecast to hit a surplus of A\$2.2 billion (\$1.6 billion) in 2019/20, increasing to A\$11 billion in 2020/21 and A\$16.6 billion in 2021/22.

The forecast surpluses rely on an anticipated windfall from corporate taxes and the fruits of a crackdown on black market economic activity and multinational tax avoidance.

The budget is widely viewed as the unofficial campaign kick-off for the federal election due in the first half of 2019, which means the government can promote its economic credentials on the hustings.

Political analyst David Black said previous governments have had success - and come unstuck - on their surplus promises.

"Politicians sell it as an indicator that the economic situation is under control," he said.

**China** – China's banking and insurance regulator will soon publish detailed rules on banks' wealth management products (WMPs) as part of Beijing's effort to curb risks in the financial sector, three sources familiar with the matter told Reuters.

The rules, which would tighten banks' risk control of the country's \$4.63 trillion WMPs, follow the long-awaited publication by the central bank in April of broad new regulations on the \$15 trillion asset management industry that are scheduled to kick-in after 2020.

China is in the third year of an ambitious campaign to reduce risks in its financial system stemming from a rapid build-up in debt, which the Bank for International Settlements has warned could lead to a banking crisis.

The country's regulators are scrambling to keep up with fast-growing financial innovation as lenders and investors scrounge for higher returns while borrowers, unable to secure bank credit, turn to other means for funding, creating potential systemic risk.

In the forthcoming rules, the China Banking and Insurance Regulatory Commission (CBIRC) is likely to adjust the limit for exposure of bank wealth

management products to so-called non-standard investments, known widely as "shadow banking" products, said one of the sources.

Currently, such investments by banks cannot exceed 35 percent of the outstanding amount of their wealth management products or 4 percent of their total assets.

By end-2017, 562 banks had 29.54 trillion yuan (\$4.63 trillion) in outstanding WMPs, according to official data.

Banks are expected to come up with proposals to reduce the size of their outstanding shadow banking investments while not suddenly choking off credit to borrowers, the three sources said, and face quarterly reviews.

The April rules from the central bank were slated to kick in after 2020, but the banking regulator has informed banks that asset management products backed by newly-invested assets must comply with the rules immediately, the sources said.

All three sources declined to be named because the plan has not yet been made public.

The banking and insurance regulator did not immediately respond to requests for a comment.

Structured deposits, a relatively new way for banks to raise funds from retail investors, have gained popularity after banks were told to stop guaranteeing fixed returns for wealth management products.

The regulator had voiced concern that some banks, facing pressure on the liability side, were not prepared to handle the risks associated with structured deposits, the sources said.

Structured deposits are categorised as liabilities on banks' balance sheets, and have effectively replaced guaranteed-return WMPs. The products offer some principal protection and a chance to book high returns.

**Euro Zone** – Investors are pushing back expectations for a rise in euro zone interest rates further into 2019 against a backdrop of soft economic data and disappointing inflation numbers, money market pricing suggests.

The European Central Bank will not easily retreat from plans to end its bond purchases this year, even though growth is slowing, but it may push out expectations for interest rate increases to maintain the flow of money and support confidence.

Investors, it appears, are already moving in that direction with their views on the rate trajectory.

The difference between the overnight bank-to-bank interest rate for the euro zone (Eonia) and forward Eonia rates dated for the ECB's June 2019 meeting was around 7.5 basis points on Wednesday, down from almost 10 basis points just two weeks ago.

Analysts say that means investors are pricing in around a 75 percent chance of a 10 basis point increase in the ECB's deposit rate - the minimum it is likely to increase - from minus 0.4 percent currently.

A rate hike by July 2019 is fully priced in by markets.

That contrasts with three more rate hikes expected from the U.S. Federal Reserve over the remainder of the year after a cumulative 150 basis points in hikes since December 2015.

The euro zone economy has expanded for 20 straight quarters, but a string of recent indicators suggests that growth has slowed in early 2018, with the threat of a global trade war further clouding the outlook.

Data last week showed inflation in the bloc slowed unexpectedly to 1.2 percent in April - remaining well below the ECB's near 2 percent target.

A key market gauge of long-term inflation expectations, the five-year, five-year forward, has pulled back to around 1.70 percent from eight-week highs hit in April.

"The reason we've had such a move in rate-hike expectations is that the inflation numbers were the cheery on the cake of a recent slew of soft data," said Richard McGuire, the head of rates at Rabobank in London.

"The ECB will err on the side of caution, which is why you will see rate-hike expectations pushed further into the future."

Market pricing for the ECB's first rate rise of this economic cycle have had a rollercoaster ride in the space of a few months.

In January, strong data and hawkish comments from some central bank officials prompted investors to bet that the ECB could hike interest rates as early as year-end.

Those bets were slowly unwound, pushing out to the first quarter of 2019, with the consensus later building around mid-2019 as economic data disappointed.

A weakening in the euro also reflects a curtailment of investors' rate-hike expectations. The single currency slid to a new 2018 low on Wednesday just above \$1.18.

"Short term interest rates are predicting deposit rates to hit 0 percent by the end of 2019 - that is an unsustainable scenario if growth doesn't pick up soon," said Rishi Mishra, interest rates strategist at Futures First Info Services.

**UK** – The Bank of England will wait until August before raising interest rates, according to a Reuters poll in which nearly all economists pushed back previous expectations of a hike on Thursday.

That dramatic turnaround from a poll taken just a few weeks ago was triggered by dovish comments from BoE Governor Mark Carney, together with a slew of downbeat data suggesting Britain's economy is barely growing.

All but three of the 62 economists polled from May 3-8 expect no move from 0.5 percent this month - a complete reversal from an April 18 poll when 69 of 76 economists had a 25 basis point increase pencilled in for May 10.

Just under a third of economists polled now expect no change in August either.

Financial markets have made a similar about-face.

At the start of April they were pricing in a 90 percent chance of a hike, but that has plummeted to around 10 percent. Sterling has plunged from above \$1.43 in mid-April to around \$1.35 now.

"Following dovish comments from Governor Mark Carney on April 19, softening activity data, a downside surprise on inflation and GDP growth of just 0.1 percent quarter-on-quarter in Q1, the probability has fallen," Simon Wells at HSBC told clients when changing his forecast.

Bank Rate will instead rise to 0.75 percent in August, medians in the poll said, and then to 1.0 percent in the second quarter of 2019, just after Britain is scheduled to leave the European Union.

"We expect the data to improve in the coming months, allowing the Monetary Policy Committee to hike Bank Rate in August. But we acknowledge that the risks now look skewed to the downside," noted Andrew Wishart at Capital Economics.

Some of the economists polled have no rate hike this year or in their forecast horizon.

The BoE also publishes its quarterly Inflation Report forecasts on Thursday. Based on experience, economists and traders tend to view the BoE as more likely to change policy during months when it has forecasts to explain its decisions.

But Britain's economy has fallen from top to bottom of the list of 77 countries in terms of growth rate, and uncertainties over what sort of deal Britain strikes with the EU before it leaves in March next year has left consumers, investors and economists wary.

Signals that Britain's economy is slowing suggest "unreliable boyfriend" Carney - whose recent comments up-ended expectations the BoE would raise rates this month - may just be in touch with his data-sensitive side.

The bank governor's guidance on the path for interest rates has repeatedly been knocked off course by surprises in the economy, hence the accusation of unreliability from a lawmaker.

"It all boils down to how the Committee sees the recent weakness in British figures like GDP and inflation," said Andreas Wallstrom at Nordea, who added he was not super confident in his call for an increase this week.

"The signals from the Bank if you go back to before those outcomes was quite clear that they had the intention to hike. It is not set in stone."

Inflation, while still considerably above target, has fallen faster than the Bank expected and wage growth - which has long underpinned the BoE's view that rates will need to rise gradually over the next few years - dropped to less than 1 percent annualised in the three months to February.

"The MPC's inflation forecast, then, likely will signal that it believes it doesn't need to rush, but that it still expects to embark on a gradual tightening over the next three years," said Samuel Tombs at Pantheon Macroeconomics.

**U.S.** – U.S. producer prices barely rose in April after strong gains in the first quarter, held down by a moderation in the cost of both goods and services, which could ease fears that inflation pressures were rapidly building up.

The slowdown in wholesale price growth reported by the Labor Department on Wednesday is likely temporary as manufacturers have been reporting paying more for raw materials. Economists also expect oil prices to surge after President Donald Trump on Tuesday pulled the United States out of an international nuclear deal with Iran.

"Inflation isn't breaking out, although with Trump exiting the Iran nuclear deal, higher energy prices could kick-start a new round of inflation at the producer level," said Chris Rupkey, chief economist at MUFJ in New York.

The Labor Department said on Wednesday its producer price index for final demand edged up 0.1 percent last month after increasing 0.3 percent in March. That lowered the year-on-year increase in the PPI to 2.6 percent from 3.0 percent in March.

Economists polled by Reuters had forecast the PPI gaining 0.2 percent last month and rising 2.8 percent from a year ago.

A key gauge of underlying producer price pressures that excludes food, energy and trade services also nudged up 0.1 percent last month. The so-

called core PPI had increased by 0.4 percent in each of the past three months.

In the 12 months through April, the core PPI rose 2.5 percent after jumping 2.9 percent in March. Core goods prices increased 0.3 percent in April, matching March's gain.

Stocks on Wall Street were trading higher, with shares of energy companies getting a boost from surging oil prices after the United States exited the Iran nuclear deal and imposed the 'highest level' of sanctions against the OPEC member. Oil prices rose more than 2.5 percent. U.S. Treasury yields rose while the dollar fell against a basket of currencies.

**Canada** – The value of Canadian building permits rose more than expected in March on increased plans to build apartment buildings in the provinces of Quebec and British Columbia, data from Statistics Canada showed on Wednesday.

The 3.1-percent increase topped economists' forecasts for a gain of 2.0 percent, while February was revised slightly downward to a decline of 2.8 percent from an initially reported 2.6 percent drop.

March residential building permits rose 2.3 percent, driven by a 12.2 percent jump in the multi-family sector on higher construction intentions for apartments. Quebec and British Columbia saw the biggest increases, as builders also planned row houses.

But building plans for single-family homes fell 7.9 percent as Toronto tumbled for the second month in a row. The Ontario government took a number of steps to rein in the hot Toronto housing market last year.

Permits for non-residential structures rose 4.5 percent, recovering some of the previous month's decline as builders planned more commercial buildings. [\(Source Reuters, Research – @her1en\)](#)

## WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
<b>Mon/07-May-18</b>	05:30	AU	AiG Perf of Construction Index	Apr	55.4	--	57.2	
	06:00	US	Fed's Quarles Speaks at Atlanta Fed's Financial Conference					
	06:50	JP	BOJ Minutes of Policy Meeting					
	08:30	AU	NAB Business Conditions	Apr	21	--	14	15
	08:30	AU	NAB Business Confidence	Apr	10	--	7	8
	N/A	CN	Foreign Reserves	Apr	\$3125.00b	\$3133.00b	\$3142.82b	
	N/A	HK	Foreign Reserves	Apr	\$434.4b	\$430.6b	\$440.3b	
	13:00	DE	Factory Orders MoM	Mar	-0.9%	0.5%	0.3%	-0.2%
	13:00	DE	Factory Orders WDA YoY	Mar	3.1%	5.0%	3.5%	3.0%
	13:30	AU	Foreign Reserves	Apr	A\$72.8b	--	A\$76.6b	
	14:00	CH	Foreign Currency Reserves	Apr	757b	--	737.8b	737.6b
	14:15	CH	CPI EU Harmonized MoM	Apr	0.2%	0.3%	0.3%	
	14:15	CH	CPI EU Harmonized YoY	Apr	0.4%	0.7%	0.7%	
	14:15	CH	CPI MoM	Apr	0.2%	0.3%	0.4%	
	14:15	CH	CPI YoY	Apr	0.8%	0.9%	0.8%	
	14:30	DE	Markit Germany Construction PMI	Apr	50.9	--	47	
	15:10	EZ	Markit Eurozone Retail PMI	Apr	48.6	--	50.1	
	15:10	DE	Markit Germany Retail PMI	Apr	51	--	51.5	
	15:30	EZ	Sentix Investor Confidence	May	19.2	21	19.6	
	19:25	US	Fed's Bostic Makes Welcome at Financial Markets Conference					

	<i>All Day</i>	<i>KR</i>	<i>Bank Holiday/Make-up Holiday for Children's Day</i>					
	<i>All Day</i>	<i>GB</i>	<i>Bank Holiday/May Bank Holiday</i>					
<b>Tue/08-May-18</b>	01:00	US	Fed's Barkin Speaks in Moderated Q&A at GMU					
	02:00	CA	Bank of Canada's Tim Lane Speaks on a Panel in Portugal					
	02:00	US	Consumer Credit	Mar	\$11.622b	\$15.200b	\$10.601b	\$13.639b
	02:30	US	Fed's Evans Speaks At Atlanta Fed Financial Markets Conference					
	02:30	US	Fed's Kaplan Speaks on Panel at Financial Conference					
	06:00	AU	RBA's Boge Gives Speech in Sydney					
	06:30	JP	Household Spending YoY	Mar	-0.7%	1.1%	0.1%	-0.9%
	08:30	AU	Retail Sales Ex Inflation QoQ	1Q	0.2%	0.6%	0.9%	0.8%
	08:30	AU	Retail Sales MoM	Mar	0.0%	0.2%	0.6%	
	N/A	CN	Exports YoY	Apr	12.9%	8.0%	-2.7%	
	N/A	CN	Exports YoY CNY	Apr	3.7%	4.0%	-9.8%	
	N/A	CN	Imports YoY	Apr	21.5%	16.0%	14.4%	
	N/A	CN	Imports YoY CNY	Apr	11.6%	10.4%	5.9%	
	N/A	CN	Trade Balance	Apr	\$28.78b	\$27.75b	-\$4.98b	
	N/A	CN	Trade Balance CNY	Apr	182.80b	189.15b	-29.78b	
	10:00	NZ	2Yr Inflation Expectation	2Q	2.01%	--	2.11%	
	12:45	CH	Unemployment Rate	Apr	2.7%	2.9%	2.9%	
	12:45	CH	Unemployment Rate SA	Apr	2.7%	--	2.9%	2.8%
	13:00	DE	Exports SA MoM	Mar	1.7%	1.8%	-3.2%	-3.1%
	13:00	DE	Imports SA MoM	Mar	-0.9%	1.0%	-1.3%	-1.4%
	13:00	DE	Industrial Production SA MoM	Mar	1.0%	0.8%	-1.6%	-1.7%
	13:00	DE	Industrial Production WDA YoY	Mar	3.2%	3.0%	2.6%	2.2%
	13:00	DE	Trade Balance	Mar	25.2b	22.5b	19.2b	18.5b
	17:00	US	NFIB Small Business Optimism	Apr	104.8	104.5	104.7	
	19:15	CA	Housing Starts	Apr	214.4k	220k	225.2k	
<b>Wed/09-May-18</b>	06:50	JP	Official Reserve Assets	Apr	\$1256.0b	--	\$1268.3b	
	07:00	JP	Labor Cash Earnings YoY	Mar	2.1%	1.0%	1.3%	1.0%
	07:00	JP	Real Cash Earnings YoY	Mar	0.8%	-0.5%	-0.5%	-0.8%
	12:00	JP	Coincident Index	Mar P	116.4	116.4	116.1	116
	12:00	JP	Leading Index CI	Mar P	105	105.1	106	105.9
	19:30	US	PPI Ex Food and Energy MoM	Apr	0.2%	0.2%	0.3%	
	19:30	US	PPI Ex Food and Energy YoY	Apr	2.3%	2.4%	2.7%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Apr	0.1%	0.2%	0.4%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Apr	2.5%	--	2.9%	
	19:30	US	PPI Final Demand MoM	Apr	0.1%	0.2%	0.3%	
	19:30	US	PPI Final Demand YoY	Apr	2.6%	2.8%	3.0%	
	21:30	US	DOE Cushing OK Crude Inventory	May-04	1388k	--	416k	
	21:30	US	DOE U.S. Crude Oil Inventories	May-04	-2197k	1000k	6218k	
	21:30	US	DOE U.S. Distillate Inventory	May-04	-3791k	-1500k	-3900k	
	21:30	US	DOE U.S. Gasoline Inventories	May-04	-2174k	0k	1171k	
<b>Thu/10-May-18</b>	00:15	US	Fed's Bostic Speaks on Economic Outlook and Monetary Policy					
	04:00	NZ	RBNZ Official Cash Rate	May-10	1.75%	1.75%	1.75%	
	04:15	CA	Bank of Canada's Filipe Dinis Speaks on Cyber Security					
	06:50	JP	BOJ Summary of Opinions					
	06:50	JP	BoP Current Account Adjusted	Mar		¥1627.3b	¥1024.1b	
	06:50	JP	BoP Current Account Balance	Mar		¥2929.3b	¥2076.0b	
	06:50	JP	Trade Balance BoP Basis	Mar		¥1017.1b	¥188.7b	
	N/A	JP	Eco Watchers Survey Current SA	Apr		49.1	48.9	
	N/A	JP	Eco Watchers Survey Outlook SA	Apr		49.9	49.6	
	08:00	AU	Consumer Inflation Expectation	May		--	3.6%	
	08:30	CN	CPI YoY	Apr		1.9%	2.1%	
	08:30	CN	PPI YoY	Apr		3.4%	3.1%	
	15:00	EZ	ECB Publishes Economic Bulletin					
	15:30	GB	Construction Output SA MoM	Mar		-2.0%	-1.6%	
	15:30	GB	Construction Output SA YoY	Mar		--	-3.0%	
	15:30	GB	Industrial Production MoM	Mar		0.1%	0.1%	
	15:30	GB	Industrial Production YoY	Mar		--	2.2%	
	15:30	GB	Manufacturing Production MoM	Mar		-0.2%	-0.2%	
	15:30	GB	Manufacturing Production YoY	Mar		--	2.5%	
	15:30	GB	Trade Balance	Mar		--	-£965	
	15:30	GB	Trade Balance Non EU GBP/Mn	Mar		--	-£2237	
	15:30	GB	Visible Trade Balance GBP/Mn	Mar		--	-£10203	
	18:00	GB	Bank of England Bank Rate	May-10		0.50%	0.50%	
	18:00	GB	Bank of England Inflation Report					

	18:00	GB	BOE Asset Purchase Target	May	--	435b	
	18:00	GB	BOE Corporate Bond Target	May	--	10b	
	18:00	GB	NIESR GDP Estimate	Apr	--	0.2%	
	19:30	US	Continuing Claims	Apr-28	--	1756k	
	19:30	US	Initial Jobless Claims	May-05	219k	211k	
	19:30	US	CPI Core Index SA	Apr	--	256.2	
	19:30	US	CPI Ex Food and Energy MoM	Apr	0.2%	0.2%	
	19:30	US	CPI Ex Food and Energy YoY	Apr	2.2%	2.1%	
	19:30	US	CPI Index NSA	Apr	--	249.554	
	19:30	US	CPI MoM	Apr	0.3%	-0.1%	
	19:30	US	CPI YoY	Apr	2.5%	2.4%	
	19:30	US	Real Avg Hourly Earning YoY	Apr	--	0.4%	
	19:30	US	Real Avg Weekly Earnings YoY	Apr	--	0.9%	
	<b>All Day</b>	<b>CH</b>	<b>Bank Holiday/Ascension Day</b>				
<b>Fri/11-May-18</b>	05:30	NZ	BusinessNZ Manufacturing PMI	Apr	--	52.2	
	08:30	AU	Home Loans MoM	Mar	--	-0.2%	
	08:30	AU	Investment Lending	Mar	--	0.5%	
	08:30	AU	Owner-Occupier Loan Value MoM	Mar	--	1.3%	
	15:30	HK	GDP SA QoQ	1Q	--	0.8%	
	15:30	HK	GDP YoY	1Q	--	3.4%	
	19:30	US	Export Price Index MoM	Apr	--	0.3%	
	19:30	US	Export Price Index YoY	Apr	--	3.4%	
	19:30	CA	Full Time Employment Change	Apr	--	68.3	
	19:30	CA	Hourly Earnings Permanent Empl YoY	Apr	--	3.1%	
	19:30	CA	Net Change in Employment	Apr	19.5k	32.3k	
	19:30	CA	Part Time Employment Change	Apr	--	-35.9	
	19:30	CA	Participation Rate	Apr	--	65.5	
	19:30	CA	Unemployment Rate	Apr	5.8%	5.8%	
	20:00	CA	Bank of Canada's Wilkins Speaks at Women's Forum Canada				
	21:00	US	U. of Mich. 1 Yr Inflation	May P	--	2.7%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	May P	--	2.5%	
	21:00	US	U. of Mich. Current Conditions	May P	--	114.9	
	21:00	US	U. of Mich. Expectations	May P	--	88.4	
	21:00	US	U. of Mich. Sentiment	May P	98.4	98.8	
<b>Sat/12-May-18</b>	00:00	US	Baker Hughes U.S. Rig Count	May-11	--	1032	

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

## ASIAN STOCK INDEX

**Japanese stocks** fell on Wednesday as global tensions flared after President Donald Trump pulled the United States out of an international nuclear deal with Iran, but Toyota rose after releasing earnings and announcing a share buyback.

The Nikkei ended down 0.4 percent at 22,408.88 points.

Trump's move raised the risk of conflict in the Middle East, upsetting European allies and casting uncertainty over global oil supplies, which lifted shares of mining firm Inpex Corp by 1 percent.

"The short-term impact on the stock market may be limited, but worries over a mid-to-long term impact could lead to a risk-off stance from investors," said Norihiro Fujito, senior investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

"If oil prices stay high, costs will rise and that will trigger price increase."

Toyota Motor Corp, which released its full-year result during trading hours for the first time, soared 3.8 percent to a three-month high of 7,424 yen after it posted an operating profit of 2.4 trillion yen (\$21.90 billion) in the year just ended, outpacing rivals Volkswagen AG and Daimler AG for the fifth straight year.

Toyota forecast a 4.2 percent slide in operating profit to 2.3 trillion yen for the current year, hit by a stronger yen but still above market expectations.

Toyota also said that it would buy back up to 55 million of its own shares, or 1.85 percent outstanding, worth up to 300 billion yen.

Takeda Pharmaceutical fell 2.4 percent after it said on Tuesday it had agreed to buy London-listed Shire for (\$62 billion), the biggest yet in a wave of deals sweeping the drugs industry.

**South Korea's KOSPI** stock index ended lower, while the Korean won hit a two-week closing low as most riskier assets were affected after U.S. President Donald Trump pulled out of an international nuclear deal with Iran.

At 0632 GMT, the KOSPI ended down 5.83 points or 0.24 percent at 2,443.98.

The won was quoted at 1,080.9 per dollar on the onshore settlement platform, 0.41 percent weaker than its previous close at 1,076.5. The currency marked its weakest closing since April 26.

In offshore trading, the won was quoted at 1,079.7 per U.S. dollar, down 0.21 percent from the previous day, while in one-year non-deliverable forwards it was being asked at 1,064.05 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.18 percent, after U.S. stocks ended the previous session with losses Japanese stocks weakened 0.44 percent.

The KOSPI is down around 0.7 percent so far this year, and climbed 1.37 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.

In money and debt markets, June futures on three-year treasury bonds dropped 0.03 points to 107.45.

The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.65 percent, while the benchmark 3-year Korean treasury bond yielded 2.308 percent, lower than the previous day's 2.31 percent.

**Hong Kong shares rose** on Wednesday, led by energy stocks after U.S. President Donald Trump pulled out of the Iran nuclear deal, sparking fears about global oil supplies, and pushing oil prices higher.

The Hang Seng index rose 0.4 percent to 30,536.14, while the China Enterprises Index gained 0.3 percent to 12,185.44.

The sub-index of the Hang Seng tracking energy shares jumped 2.3 percent, while the IT sector rose 0.9 percent, the financial sector was 0.25 percent higher and property sector rose 0.7 percent.

The top gainer on the Hang Seng was PetroChina Co Ltd up 4.39 percent, while the biggest loser was China Resources Power Holdings Co Ltd which was down 2.23 percent.

China's main Shanghai Composite index closed down 0.08 percent at 3,161.4976 while its blue-chip CSI300 index ended down 0.18 percent.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.04 percent, while Japan's Nikkei index closed down 0.44 percent.

**China stocks** ended marginally lower on Wednesday as losses in financial and property shares outweighed gains in energy stocks.

The blue-chip CSI300 index fell 0.2 percent to 3,871.62 while the Shanghai Composite Index dipped 0.1 percent to 3,159.15 points.

The blue-chip CSI300 index was down 0.18 percent, with its financial sector sub-index falling 0.35 percent and the consumer staples sector shedding 0.41 percent while the real estate index was down 0.95 percent and healthcare sub-index was up 0.26 percent.

The smaller Shenzhen index ended down 0.09 percent and the start-up board ChiNext Composite index was weaker by 0.06 percent.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.16 percent while Japan's Nikkei index closed down 0.44 percent.

At 07:07 GMT, the yuan was quoted at 6.3756 per U.S. dollar, 0.13 percent weaker than the previous close of 6.3671.

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

The price-to-earnings ratio of the Shanghai index was 13.59 as of the last full trading day while the dividend yield was 2.2 percent.

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

## ASIA AND GLOBAL MARKET SPOT PRICE 2018

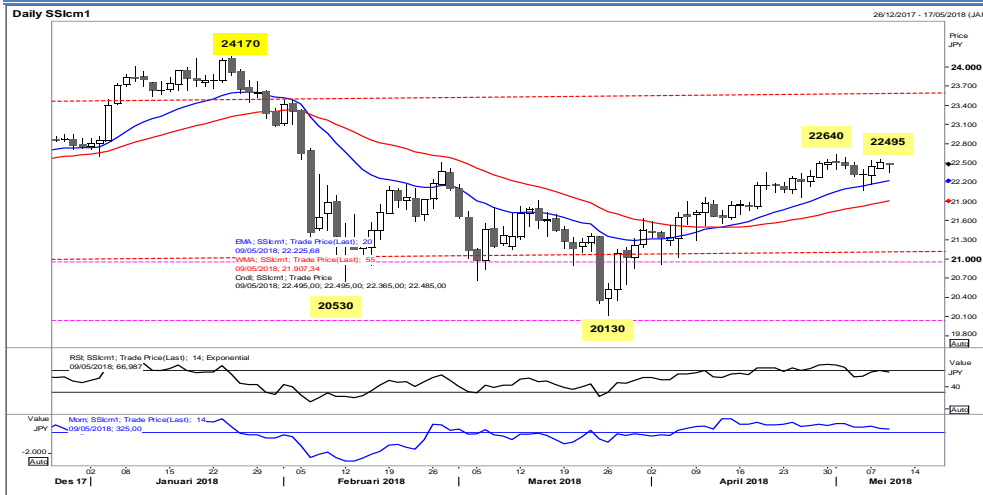
HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
<b>RECORD HIGH</b>	38915.87 (29/Dec/89)	339.59 (02/Nov/2017)	33154.12 (26/Jan/2018)	26616.71 (26/Jan/2018)	2872.62 (26/Jan/2018)	6124.04400 (16/Oct./07)
<b>2017 HIGH</b>	23439.15 (13/Nov/2017)	339.59 (02/Nov/2017)	30199.69 (22/Nov/2017)	24876.07 (18/Dec/2017)	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>	20617.86 (23/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 – 09 May 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	24542.54	↑ 182.33/0.75%	.N225	22408.88	↓ 99.81/0.44%
/.SPX	2697.79	↑ 29.87/0.97%	.KS200	314.42	↓ 1.45/0.46%
/.IXIC	7339.905	↑ 73.003/1.00%	.HSI	30536.14	↑ 133.33/0.44%
JPY=	109.74	↑ 0.62/0.57%	/.SSEC	3158.81360	↓ 2.68400/0.08%
KRW=	1078.38	↑ 0.95/0.09%	/CLc1 (Oil)	71.24	↑ 1.20/1.71%



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



- RSI 14 is near the overbought zone
  - Daily daily corrections
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 May SSIpmM8	22420	22495	22405	90	22495	---	↑ 90	0.40	16726
09 May SSIamM8	22480	22485	22365	120	22405	22405	↓ 100	0.44	46171
08 May SSIpmM8	22495	22510	22410	100	22490	---	↓ 15	0.07	19681
08 May SSIamM8	22465	22565	22415	150	22505	22505	↑ 60	0.27	35358
07 May SSIpmM8	22430	22520	22415	105	22470	---	↑ 25	0.11	14287
07 May SSIamM8	22545	22545	22345	200	22445	22445	↑ 110	0.49	39338
04 May SSIpmM8	22210	22505	22165	340	22460	---	↑ 125	0.56	14974
04 May SSIamM8	22365	22410	22280	130	22335	22335	↑ 10	0.04	6510
03 May SSIpmM8	22335	22390	22085	305	22330	---	↑ 5	0.02	20189
03 May SSIamM8	22355	22395	22305	90	22325	22325	↓ 150	0.67	5671

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
22565	22345	22595	22085	22640	20920	24170	20130
(08/May)	(07/May)	(01/May)	(03/May)	(30/Apr)	(02/Apr)	(23/Jan)	(23/Mar)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	23065	High on 1 Hourly Chart
	22845	High on 1 Hourly Chart
	22735	High Feb 06,2018
	22640	High May 01,2018
<b>SUPPORT</b>	22385	Low on 1 Hourly Chart
	22265	Low on 1 Hourly Chart
	22095	Low Apr 19,2018
	21915	Low on 1 Hourly Chart
<b>RECOMMENDATION</b>	BUY	22465
	SELL	----
	STOP LOSS	22315
	TARGET	22665 22765

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



- Daily daily corrections
- RSI 14 is near the oversold zone ([Research – rizal](#))

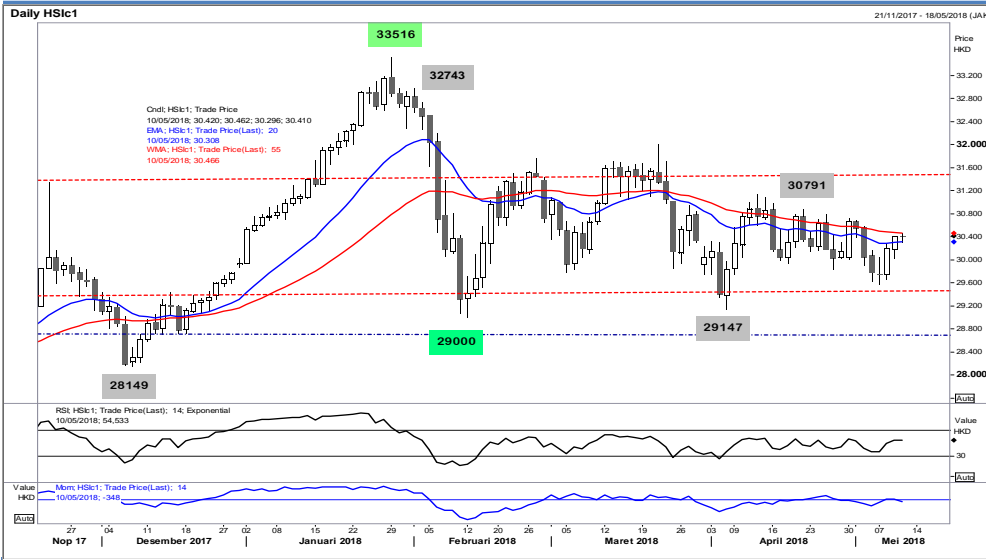
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 May	315.70	316.25	312.80	3.45	315.20	315.20	Flat	Flat	231314
08 May	318.50	319.30	315.20	4.10	315.20	315.20	↓ 2.40	0.76	174969
07 May		<b>H</b>	<b>O</b>	<b>L</b>	<b>I</b>	<b>D</b>	<b>A</b>	<b>Y</b>	
04 May	319.80	320.15	317.05	3.10	317.60	317.60	↓ 1.55	0.49	184217
03 May	320.10	320.80	318.60	2.20	319.15	319.15	↓ 1.75	0.55	146526
02 May	322.25	322.80	320.35	2.45	320.90	320.90	↓ 1.90	0.59	133689

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
319.30 (08/May)	312.80 (09/May)	322.80 (02/May)	312.80 (09/May)	323.45 (30/Apr)	308.70 (04/Apr)	340.30 (29/Jan)	302.10 (09/Feb)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	322.80	High May 02,2018
	320.15	High May 04,2018
	319.30	High May 08,2018
	317.60	High on 1 Hourly Chart
<b>SUPPORT</b>	313.85	Low Apr 13,2018
	312.85	Low Apr 12,2018
	310.30	Low Apr 10,2018
	308.70	Low Apr 04,2018
<b>RECOMMENDATION</b>	BUY	314.70
	SELL	----
	STOP LOSS	313.20
	TARGET	316.70 317.70

**HSIK8 (Hang Seng May Futures) – Exp. Date: 30 May 2018**



- Correction in daily
  - RSI approach oversold area, be alert of trend change
- (Research – riza)*

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
09 May	30194	30420	30255	165	30418	30418	↑ 216	0.72	226974
08 May	30183	30265	30081	184	30202	30202	↑ 445	1.50	209296
07 May	29850	29970	29655	315	29757	29757	↓ 18	0.06	252229
04 May	29849	30052	29644	408	29775	29775	↓ 281	0.93	268161
03 May	30047	30242	29901	341	30056	30056	↓ 499	1.63	239022
02 May	30472	30579	30392	187	30555	30555	↓ 110	0.36	202714
01 May		<i>H</i>	<i>O</i>	<i>L</i>	<i>I</i>	<i>D</i>	<i>A</i>	<i>Y</i>	

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
30420	29655	30579	29644	31151	29343	33516	29070
(09/May)	(07/May)	(02/May)	(04/May)	(12/Apr)	(04/Apr)	(29/Jan)	(09/Feb)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	31000	High Apr 16,2018
	30879	High Apr 20,2018
	30782	High Apr 25,2018
	30696	High May 02,2018
<b>SUPPORT</b>	30302	Low on 1 Hourly Chart
	30227	Low on 1 Hourly Chart
	30145	Low on 1 Hourly Chart
	30064	Low on 1 Hourly Chart
<b>RECOMMENDATION</b>	BUY	30380
	SELL	----
	STOP LOSS	30230
	TARGET	30580
		30680

CURRENCIES – *Daily Outlook***Dollar dips from 2018 high; seen as temporary pause - Reuters News**

The dollar fell on Wednesday from its strongest levels in 2018 against a basket of currencies due to mild profit-taking, but is expected to resume its rise on solid U.S. economic growth and more interest rate increases anticipated from the Federal Reserve.

The weaker greenback stemmed from a bounce in the euro, which hit a fresh year-to-date low in earlier trading.

"There's a little exhaustion with the long-dollar trade, but I don't think we've reached the end of it yet," said Ilya Gofshteyn, FX and global macro strategist at Standard

Chartered Bank in New York.

Concerns about the U.S. exit from an international nuclear deal with Iran had also supported the dollar in early Asian trading. For now, traders have put the issue on the backburner until any further development, analysts said.

"The market has kind of moved past this," said Boris Schlossberg, managing director of FX strategy at BK Asset Management in New York.

The index that tracks the dollar against six currencies slipped 0.1 percent to 93.028 after touching a 2018 peak of 93.416 earlier.

The three-week long rally for the U.S. currency, in which it has reversed several months of weakness, has caused the unwinding of popular long bets on emerging market and G10 currencies.

The euro hit a year-to-date low of 1.1821 earlier on Wednesday before paring gains to \$1.1875, for a 0.1 percent rise on the day, according to Reuters data.

The dollar climbed 0.5 percent to 109.68 yen and edged up 0.3 percent to 1.0044 Swiss franc on fading worries about U.S. President Donald Trump's decision to pull the United States out of the Iran nuclear deal.

The dollar's pullback was moderated by higher U.S. yields underpinned by expectations of rising U.S. inflation and a swelling U.S. budget deficit.

Low inflation remains a concern for major central banks.

On Wednesday, the U.S. government's producer price index grew by a slim 0.1 percent in April, less than what analysts had expected.

Swedish inflation edged down to 1.9 percent on a year-over-year basis last month, just below the Riksbank's 2 percent goal.

Nevertheless, the Swedish crown, one of the worst performing G10 currencies in 2018, rallied in the wake of the softer inflation reading. It jumped 1.4 percent versus the dollar and the euro.

Elsewhere, the Malaysian ringgit one-month deliverable forward fell to its lowest against the dollar as that country's opposition party claimed it had won enough parliament seats to form the next government. [\(Source Reuters, Research – @her1en\)](#)

**EUR/USD**

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



- With the support area at 1.1658
- Important resistance around 1.2139
- RSI 14 enters the oversold area  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	1.18607	1.18957	1.18215	74,2	1.18483	↓ 13,5	1.18618
May 08	1.19211	1.19375	1.18368	100,7	1.18618	↓ 59,4	1.19212
May 07	1.19590	1.19767	1.18963	80,4	1.19212	↓ 34,4	1.19556
May 04	1.19857	1.19942	1.19094	84,8	1.19556	↓ 30,5	1.19861
May 03	1.19546	1.20076	1.19464	61,2	1.19861	↑ 37,0	1.19491

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.19767 (07/May)	1.18215 (09/May)	1.20829 (01/May)	1.18215 (09/May)	1.24125 (17/Apr)	1.20542 (27/Apr)	1.25542 (16/Feb)	1.18215 (09/May)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1.2245	High Apr 24
	1.2209	High Apr 26
	1.2139	High Apr 30
	1.2032	High May 02
<b>SUPPORT</b>	1.1815	Low Dec 22, 2017
	1.1736	Low Dec 18, 2017
	1.1658	Low Nov 14, 2017
	1.1552	Low Nov 07, 2017
<b>RECOMMENDATION</b>	BUY	-----
	SELL	1.1875
	STOP LOSS	1.1950
	TARGET	1.1800 1.1765

**USD/JPY**

Interest Rate: 1.50%-1.75% (US)/-0.1% (JP)



- The main resistance at 110.47, support 105.68
  - RSI 14 daily rises
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	109.049	109.820	108.983	83,7	109.697	↑ 58,6	109.111
May 08	109.072	109.339	108.818	52,1	109.111	↑ 4,5	109.066
May 07	109.076	109.385	108.746	63,9	109.066	↓ 1,7	109.083
May 04	109.161	109.260	108.635	62,5	109.083	↓ 9,3	109.176
May 03	109.837	109.869	108.918	95,1	109.176	↓ 64,6	109.822

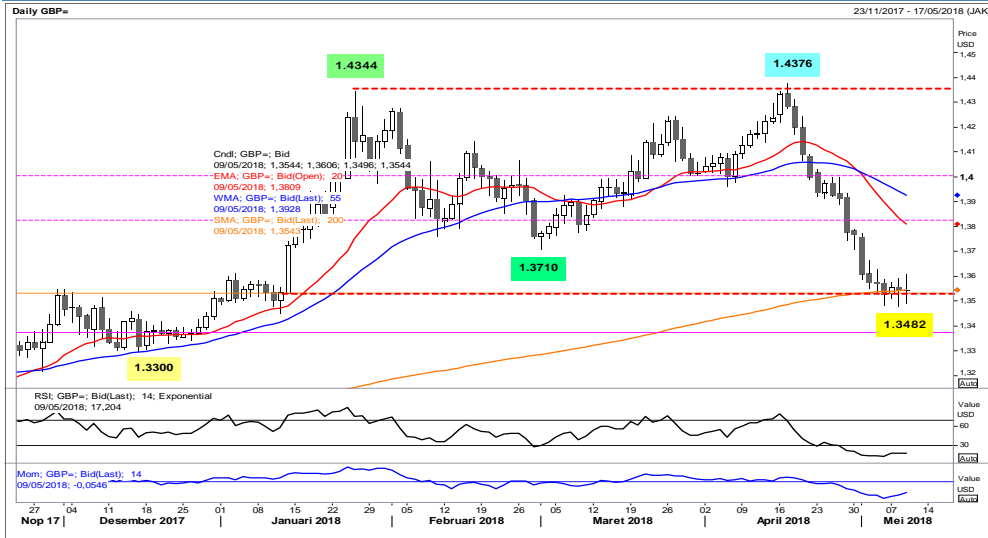
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
109.820	108.746	110.024	108.635	109.525	105.646	113.376	104.623
(09/May)	(07/May)	(02/May)	(04/May)	(27/Apr)	(02/Apr)	(08/Jan)	(23/Mar)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	112.77	High Jan 12,2018
	111.87	High Jan 11,2018
	111.17	High Jan 23,2018
	110.47	High Feb 02, 2018
<b>SUPPORT</b>	109.22	Low May 01,2018
	108.78	Low Apr 25, 2018
	107.62	Low Apr 23, 2018
	106.68	Low Apr 12, 2018
<b>RECOMMENDATION</b>	BUY	----
	SELL	109.85
	STOP LOSS	110.65
	TARGET	108.95
		108.65

**GBP/USD**

Interest Rate: 0.50% (GB)/1.50%-1.75% (US)



- Corrections occur daily
  - RSI 14 is in oversold area
  - Be aware of trend changes
- (Research -rizal)*

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	1.35450	1.36058	1.34979	107,9	1.35425	↑ 1,1	1.35414
May 08	1.35571	1.35921	1.34836	108,5	1.35414	↓ 14,5	1.35559
May 07	1.35356	1.35743	1.35142	60,1	1.35559	↑ 22,0	1.35339
May 04	1.35724	1.35848	1.34851	99,7	1.35339	↓ 37,3	1.35712
May 03	1.35742	1.36284	1.35367	91,7	1.35712	↑ 1,7	1.35695

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.36058	1.34836	1.37717	1.34836	1.43754	1.37113	1.43754	1.34571
(09/May)	(08/May)	(01/May)	(08/May)	(17/Apr)	(30/Apr)	(17/Apr)	(11/Jan)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1.3996	High Apr 25,2018
	1.3891	High on 1 Hourly Chart
	1.3773	High May 01,2018
	1.3666	High May 02,2018
<b>SUPPORT</b>	1.3455	Low Jan 11,2018
	1.3345	Low Dec 26, 2017
	1.3219	Low Nov 28, 2017
	1.3133	Low Nov 16, 2017
<b>RECOMMENDATION</b>	BUY	1.3530
	SELL	----
	STOP LOSS	1.3440
	TARGET	1.3630
		1.3660

USD/CHF

Interest Rate: 1.50%-1.75% (US)/-1.25 to -0.25% (CH)



- Daily RSI approach overbought area
  - Main resistance 1.0170, support 0.9784
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	1.00134	1.00549	1.00027	52,2	1.00485	↑ 33,7	1.00148
May 08	1.00273	1.00440	1.00017	42,3	1.00148	↓ 2,0	1.00168
May 07	1.00001	1.00553	0.99827	72,6	1.00168	↑ 11,2	1.00056
May 04	0.99750	1.00216	0.99648	56,8	1.00056	↑ 33,0	0.99726
May 03	0.99815	0.99982	0.99546	43,6	0.99726	↑ 1,9	0.99707

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.00553	0.99827	1.00553	0.99034	0.99199	0.95258	1.00553	0.91863
(07/May)	(07/May)	(07/May)	(01/May)	(30/Apr)	(02/Apr)	(07/May)	(16/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.0335	High Jan 03, 2017
	1.0248	High Jan 11, 2017
	1.0170	High Mar 07,2017
	1.0107	High Apr 10,2017
SUPPORT	1.0002	Low May 09,2018
	0.9953	Reactions Low May 03,2018
	0.9869	Low Apr 30,2018
	0.9815	Low Apr 26,2018
RECOMMENDATION	BUY	---
	SELL	1.0065
	STOP LOSS	1.0145
	TARGET	0.9975
		0.9945



**AUD/USD**

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



- RSI RSI 14 is down
- The main resistance at 0.7731, support 0.7266  
[\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	0.74510	0.74715	0.74112	60,3	0.74496	↓ 6	0.74502
May 08	0.75119	0.75268	0.74327	94,1	0.74502	↓ 61,9	0.75121
May 07	0.75325	0.75418	0.74920	49,8	0.75121	↓ 20,4	0.75325
May 04	0.75301	0.75593	0.74910	68,3	0.75325	↑ 2,9	0.75296
May 03	0.74921	0.75416	0.74843	57,3	0.75296	↑ 42,4	0.74872

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75418	0.74112	0.75593	0.74112	0.78117	0.75241	0.81346	0.74112
(07/May)	(09/May)	(04/May)	(09/May)	(19/Apr)	(30/Apr)	(26/Jan)	(09/May)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	0.7731	High Apr 20
	0.7682	High Apr 23
	0.7620	High Apr 24
	0.7560	High May 04
<b>SUPPORT</b>	0.7410	Low June 05, 2017
	0.7326	Low May 09, 2017
	0.7266	Low Jan 05, 2017
	0.7160	Low Jan 02, 2017
<b>RECOMMENDATION</b>	BUY	-----
	SELL	0.7470
	STOP LOSS	0.7545
	TARGET	0.7395
		0.7360

## NZD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	0.69692	0.69957	0.69478	47,9	0.69539	↓ 11,5	0.69654
May 08	0.70141	0.70293	0.69522	77,1	0.69654	↓ 39,4	0.70048
May 07	0.70175	0.70402	0.69937	46,5	0.70048	↓ 11,4	0.70162
May 04	0.70403	0.70516	0.69931	58,5	0.70162	↓ 23,4	0.70396
May 03	0.69945	0.70460	0.69904	55,6	0.70396	↑ 53,6	0.69860

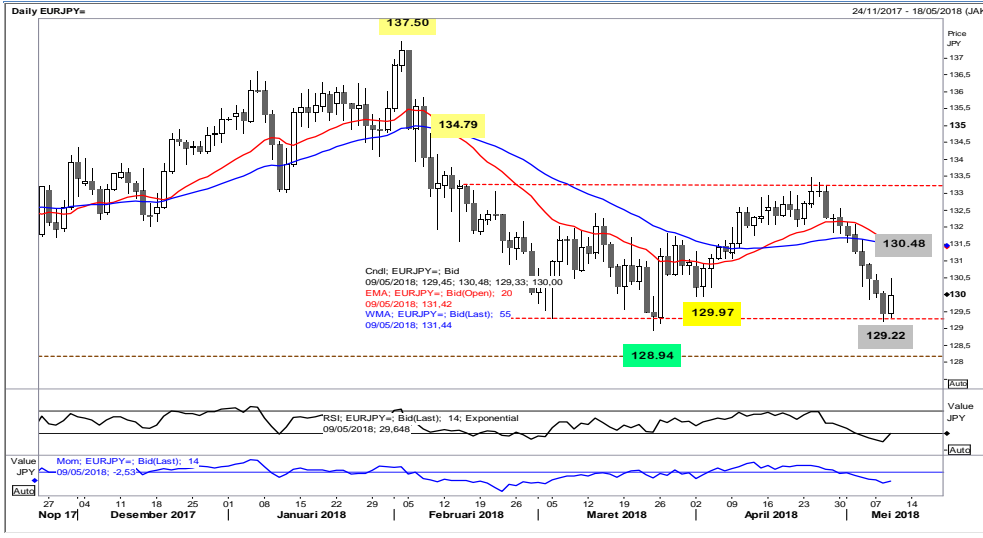
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.70402 (07/May)	0.69478 (09/May)	0.70516 (04/May)	0.69478 (09/May)	0.73943 (13/Apr)	0.70321 (30/Apr)	0.74359 (16/Feb)	0.69478 (09/May)

### ANALYSIS & RECOMMENDATION

<b>RESISTANCE</b>	0.7436	High Feb 16,2018
	0.7342	High Apr 19
	0.7221	High Apr 23
	0.7121	High Apr 25
<b>SUPPORT</b>	0.6947	Low May 09
	0.6899	Low Dec 12, 2017
	0.6815	Low Dec 01, 2017
	0.6779	Low Nov 17, 2017
<b>RECOMMENDATION</b>	BUY	-----
	SELL	0.6960
	STOP LOSS	0.7035
	TARGET	0.6885 0.6850

EUR/JPY

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



- RSI 14 is up
  - Important resistance at 134.16, support at 129.59
- [\(Research – riza\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	129.353	130.470	129.336	113,4	129.994	↑ 54,7	129.447
May 08	130.040	130.104	129.215	88,9	129.447	↓ 68,9	130.136
May 07	130.453	130.574	129.936	63,8	130.136	↓ 28,9	130.425
May 04	130.854	130.895	129.878	101,7	130.425	↓ 45,9	130.884
May 03	131.325	131.649	130.250	139,9	130.884	↓ 39,2	131.276

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
130.574 (07/May)	129.215 (08/May)	132.117 (01/May)	129.215 (08/May)	133.466 (24/Apr)	129.962 (02/Apr)	137.486 (02/Feb)	128.931 (23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	133.24	High Apr 26,2018
	132.54	High Apr 30,2018
	131.65	High May 03,2018
	130.93	High May 04,2018
SUPPORT	129.22	Low May 08,2018
	128.51	Low Aug 24,2017
	127.82	Low Aug 21,2017
	126.47	Low Jun 28,2017
RECOMMENDATION	BUY	129.80
	SELL	----
	STOP LOSS	129.00
	TARGET	130.70 131.10

**USD/CAD**

Interest Rate: 1.50%-1.75% (US)/1.25% (CA)



- RSI 14 • RSI 14 daily rises
  - Beware of daily corrections
  - Main Resistance 1.3127, Support 1.2445
- [\(Research – riza\)](#)

<b>WEEKLY OPEN</b>	<b>CURRENT PRICE</b>
<b>1.2843</b>	<b>1.2850</b>

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2997 (08/May)	1.2821 (09/May)	1.2997 (08/May)	1.2799 (02/May)	1.2943 (02/Apr)	1.2522 (17/Apr)	1.3124 (19/Mar)	1.2246 (31/Jan)

ANALYSIS & RECOMMENDATION		
<b>RESISTANCE</b>	1.3197	High Jun 28,2017
	1.3127	High Mar 19,2018
	1.3079	High Mar 21,2018
	1.2974	High May 09,2018
<b>SUPPORT</b>	1.2815	Low May 01,2018
	1.2745	Low Apr 23,2018
	1.2628	Low Apr 20,2018
	1.2543	Low Apr 18,2018
<b>RECOMMENDATION</b>	BUY	----
	SELL	1.2865
	STOP LOSS	1.2950
	TARGET	1.2775 – 1.2745

**Precious Metal – Daily Outlook**

**Gold slips; Trump Iran move fails to spark safe-haven buying - Reuters News**



Gold prices dipped on Wednesday as safe-haven buying failed to kick in after the United States withdrew from the Iranian nuclear accord, and as rising U.S. Treasury yields added pressure.

Dismayed European allies sought to salvage the international nuclear pact with Iran after U.S. President Donald Trump pulled Washington out of the landmark accord, reached in 2015 before he took office.

"The fact that the cat is out of the bag and we have the announcement (on Iran) - that has removed some of the geopolitical support for gold," said Ole Hansen, head of commodity strategy at Saxo Bank in Copenhagen.

Gold prices often rise during times of political turmoil, as bullion is widely considered a safe-haven asset alongside the dollar and the Japanese yen.

Also weighing on gold, geopolitical tensions in the Korean peninsula eased further as North Korea freed three American detainees ahead of talks between Trump and North Korea leader Kim Jong Un.

Spot gold lost 0.1 percent at \$1,312.89 an ounce by 1:33 p.m. EDT (1733 GMT), after touching a one-week low of \$1,304.11.

U.S. gold futures for June delivery settled down 70 cents, or 0.05 percent, at \$1,313 per ounce.

The dollar index rose to a 2018 peak, then went into negative territory after U.S. producer prices rose less than expected.

Yields on the benchmark 10-year Treasury note breached 3 percent. A series of U.S. bond auctions this week could boost yields further, which could pressure gold enough to challenge the \$1,300 support area, Hansen added.

The prospect of more U.S. interest rate increases will also weigh on gold, Standard Chartered analyst Suki Cooper said.

"We continue to expect prices to test the downside in the lead-up to the June FOMC meeting as the market re-prices the Fed hiking trajectory," she said in a note.

Spot gold may revisit its May 1 low of \$1,301.51 per ounce as it failed three times to break resistance at \$1,317, said Reuters technical analyst Wang Tao.

However, a four-year high in oil prices may stoke inflation.

"If we start to see any sign that inflation will spike, that'll drive gold higher," said Chris Gaffney, president of world markets at EverBank.

Silver rose 0.6 percent at \$16.53 an ounce. During the session it reached \$16.62, a two-week high.

Platinum rose 0.8 percent to \$912.74 an ounce. Palladium added 0.6 percent to \$975.50. It hit \$982.60, close to a two-week high.

*(Source Reuters, Research – @her1en)*

**GOLD (XAU/USD)**



- Important resistance around 1365
  - Important support area around 1264
- [\(Research – @her1en\)](#)

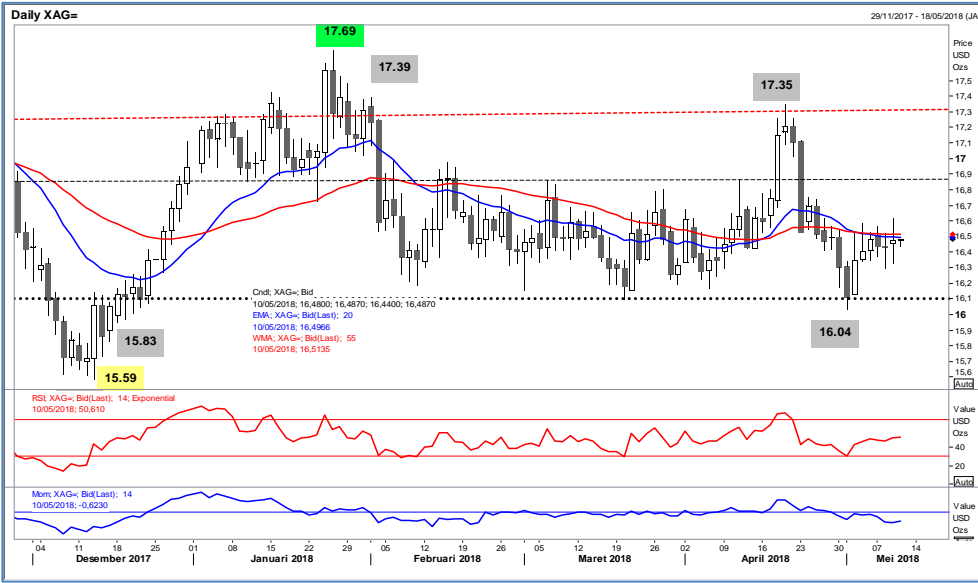
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
May 09	1314.420	1317.290	1304.200	13.09	1312.610	↓ 1.66	1314.270	--	--
May 08	1313.980	1317.710	1305.960	11.75	1314.270	↑ 0.20	1314.070	--	--
May 07	1314.690	1318.820	1310.130	8.69	1314.070	↑ 0.08	1313.990	-	-
May 04	1312.060	1315.260	1307.870	7.39	1313.990	↑ 1.92	1312.070	-	-
May 03	1305.160	1317.970	1305.130	12.84	1312.070	↑ 7.41	1304.660	-	-

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1318.820 (07/May)	1304.200 (09/May)	1318.820 (07/May)	1301.279 (01/May)	1364.980 (11/Apr)	1310.240 (30/Apr)	1365.910 (25/Jan)	1301.279 (01/May)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	1365.23	High Apr 11
	1355.74	High Apr 18
	1335.38	High Apr 23
	1318.85	High May 07
<b>SUPPORT</b>	1304.17	Low May 09
	1293.49	Low Dec 29,2017
	1286.58	Low Dec 28,2017
	1264.70	Low Dec 22, 2017
<b>RECOMMENDATION</b>	BUY	-----
	SELL	1314.00
	STOP LOSS	1324.50
	TARGET	1304.50 1299.00

SILVER (XAG/USD)



- With With strong resistance at 17.11
  - While the crucial support area is around 15.83
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	16.463	16.602	16.335	0.27	16.474	↑ 0.01	16.460
May 08	16.470	16.506	16.298	0.21	16.460	FLAT	16.462
May 07	16.506	16.553	16.387	0.17	16.462	↓ 0.02	16.486
May 04	16.425	16.490	16.350	0.14	16.486	↑ 0.07	16.415
May 03	16.365	16.571	16.342	0.23	16.415	↑ 0.06	16.359

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.602	16.298	16.602	16.149	17.336	16.169	17.682	16.105
(09/May)	(08/May)	(09/May)	(02/May)	(19/Apr)	(05/Apr)	(25/Jan)	(20/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.35	High Apr 19
	17.11	High Apr 23
	16.73	High Apr 25
	16.62	High May 09
SUPPORT	16.13	Low May 02,2018
	15.97	Low Dec 19, 2017
	15.83	Low Dec 15, 2017
	15.59	Low Dec 13, 2017
RECOMMENDATION	BUY	-----
	SELL	16.50
	STOP LOSS	16.85
	TARGET	16.20
		15.95

## OIL – Daily Outlook

### Oil jumps 3 pct after U.S. quits Iran deal, U.S. stock drawdown - Reuters News



Oil prices rose about 3 percent on Wednesday and hit fresh 3-1/2 year highs after a bigger-than-expected drawdown in U.S. oil inventories extended gains from the United States' decision to quit a nuclear deal with Iran.

Ignoring pleas by allies, U.S. President Trump on Tuesday pulled out of a 2015 international deal with Iran and announced the "highest level" of sanctions against the OPEC member, making investors nervous about rising risks of conflict in the Middle East and about oil supplies in a tight market.

News of the deal prompted a volatile trading session on Tuesday in the heaviest volumes for front-month U.S. crude futures since Nov. 30, 2016.

The United States will likely re-impose sanctions against Iran after 180 days, unless some other agreement is reached.

Brent crude futures rose \$2.36, or 3.2 percent, to settle at \$77.21 a barrel. The global benchmark hit a session high of \$77.43, the highest since November 2014. U.S. West Texas Intermediate (WTI) crude futures rose \$2.08 to settle at \$71.14 a barrel, a 3-percent gain.

Both contracts notched their biggest daily percentage gain in a month.

Prices extended gains after U.S. Energy Information Administration data showed domestic crude inventories fell 2.2 million barrels in the latest week, far exceeding forecasts for a decrease of 719,000 barrels.

Net U.S. crude imports fell last week by 955,000 barrels per day to 5.4 million bpd, the lowest since mid-February, the EIA data showed.

U.S. gasoline futures hit a high of \$2.1701 a gallon, the highest since Hurricane Harvey sent prices surging in August. U.S. heating oil futures surged to \$2.2258 a gallon, the highest since February 2015.

"A whopping drop in imports has resulted in a moderate draw to crude stocks, while a drop in both gasoline and distillates inventories round out a broadly supportive report," said Matt Smith, director of commodity research at ClipperData.

Oil ministers from Saudi Arabia and Kuwait said their countries will work closely with major OPEC and non-OPEC producers to lessen the impact of any supply shortages after U.S. withdrawal from the Iran nuclear deal.

Iran re-emerged as a major oil exporter in 2016 after international sanctions against it were lifted in return for curbs on its nuclear program. The country, the third-biggest producer of crude within the Organization of the Petroleum Exporting Countries, exported about 2.6 million barrels per day (bpd) in April.

Analysts' estimates of the possible reduction in Iranian crude supplies as a result of any new U.S. sanctions range from 200,000 bpd to 1 million bpd.

Investment bank Goldman Sachs said in a note that Trump's announcement brought upside risks to its forecast that Brent crude will hit \$82.50 a barrel by the summer.

Several refiners in Asia said they were seeking alternatives to Iranian supplies.

A number of countries have already cut reliance on Iranian oil, as well as other "traditional" sources of supply, due to a surge in cheaper U.S. crude exports.

Volumes jumped for all key crude oil futures contracts as investors took new positions and refiners hedged to protect themselves from higher feedstock prices.

*(Source Reuters, Research – @her1en)*



**CLM8/USD (OIL)**

(Exp.: 22 May 2018 - Reuters)



- Important resistance at 70.35, support at 65.15
- RSI 14 is down [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 09	70.04	71.34	69.84	1.50	71.24	↑ 1.21	70.03
May 08	70.01	70.32	67.63	2.69	70.03	↑ 0.06	69.97
May 07	69.83	70.81	69.50	1.31	69.97	↑ 0.20	69.77
May 04	68.47	69.95	68.12	1.83	69.77	↑ 1.29	68.48
May 03	67.66	68.58	67.20	1.38	68.48	↑ 0.81	67.67

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
71.34	67.63	71.34	66.92	69.53	61.80	71.34	58.06
(09/May)	(08/May)	(09/May)	(02/May)	(19/Apr)	(06/Apr)	(09/May)	(09/Feb)

**ANALYSIS & RECOMMENDATION**

<b>RESISTANCE</b>	76.58	High Nov 25, 2014
	74.48	High Nov 26, 2014
	73.56	High Nov 28, 2014
	71.36	High May 09
<b>SUPPORT</b>	69.85	Low May 09
	67.63	Low May 08
	66.56	Low Apr 18
	65.59	Low Apr 17
<b>RECOMMENDATION</b>	BUY	71.00
	SELL	-----
	STOP LOSS	69.80
	TARGET	72.40 72.90