

DAILY MARKET REPORT

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GLOBAL MARKETS

- The U.S. dollar rallied further to a five-month high on Wednesday, supported by relatively robust U.S. economic data in recent days, while Italy's borrowing costs jumped and its stocks slid on concerns linked to economic plans from the country's potential coalition government.

GLOBAL ECONOMIES

- Australian workers endured another quarter of feeble wage growth last quarter while consumer sentiment eased again in May, disappointing results that risk sapping economy-wide spending and restraining already-tepid inflation.
- Global dairy prices rose to a nine-month high at a fortnightly auction held early on Wednesday but prices for the key product, whole milk powder, were largely flat.
- China's new home prices rose in April with an increasing number of smaller cities driving broader growth, helped by state measures that allowed buyers to get around existing restrictions and economic development prospects in those centres.
- Japan's economy contracted more than expected at the start of this year, suggesting growth has peaked after the best run of expansion in decades, unwelcome news for a government struggling to get traction for its reflationary policies.
- Euro zone inflation slowed in April, European statistics agency Eurostat said on Wednesday, confirming an earlier flash estimate and adding to the headache of European Central Bank policy makers seeking to phase out a monetary stimulus package.
- Bank of England Deputy Governor Ben Broadbent said in an interview on Tuesday with the Telegraph that the central bank will not "spoon feed" markets with meeting-by-meeting guidance on interest rate hikes.
- U.S. factory output rose in April, although new estimates of manufacturing and overall industrial production showed less growth in prior months than initially believed, casting a shadow over the economic outlook.

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GLOBAL MARKETS & ECONOMIES
GLOBAL MARKETS

U.S. & Global Markets – The U.S. dollar rallied further to a five-month high on Wednesday, supported by relatively robust U.S. economic data in recent days, while Italy's borrowing costs jumped and its stocks slid on concerns linked to economic plans from the country's potential coalition government.

Wall Street's main stock indexes gained, with the Russell 2000 small-cap benchmark marking a record high.

Investors were digesting Tuesday's surge in U.S. bond yields on the heels of a retail sales report that fueled the dollar and hurt stocks.

The benchmark 10-year U.S. Treasury note yield held well above 3 percent after bursting through key technical levels on Tuesday. Data on Wednesday showed U.S. industrial production increased solidly in April, the latest indication that the economy was gathering momentum early in the second quarter.

"There is a lot of talk about the risks of interest rates and that's real. But then there's the question of why rates are rising and that's faster growth," said Brad McMillan, chief investment officer for Commonwealth Financial Network in Waltham, Massachusetts.

The Dow Jones Industrial Average rose 62.52 points, or 0.25 percent, to 24,768.93, the S&P 500 gained 11.01 points, or 0.41 percent, to 2,722.46 and the Nasdaq Composite added 46.67 points, or 0.63 percent, to 7,398.30.

Shares of U.S. retailers rose 0.5 percent after results from department store chain Macy's, whose shares jumped 10.8 percent.

The Russell 2000 rose 1.0 percent and set its first record high since late January.

"For small caps, they are not exposed to a lot of the risks that larger caps are facing," McMillan said.

Italy's two anti-system parties appeared on the verge of clinching a deal to form a coalition government, rattling markets with radical ideas to free up billions of euros for tax cuts and welfare.

Investors seized on a report that the anti-establishment 5-Star Movement and the far-right League party plan to ask the European Central Bank to forgive 250 billion euros (\$296 billion) of Italian debt, according to a draft the parties are working on.

Italian stocks tumbled 2.3 percent while Italy's 10-year bond yield jumped nearly 19 basis points to 2.13 percent.

"It's right to resonate with markets because it tells you about the sense of the wisdom between these negotiating parties," said Chris Scicluna, head of economic research at Daiwa Capital Markets.

Other major European stock markets were higher, and the pan-European FTSEurofirst 300 index rose 0.19 percent, supported by the weaker euro.

MSCI's gauge of stocks across the globe gained 0.17 percent.

North Korea threw next month's summit between Kim Jong Un and U.S. President Donald Trump into doubt by saying it may reconsider if Washington insists it unilaterally gives up its nuclear weapons.

"Investors have gotten sort of used to this. Whether we are talking about North Korea or the trade discussions with China ... I think investors are recognizing we are at the beginning of the beginning of this, so it's not anything to make dramatic portfolio moves or any significant bets on," said Katie Nixon, chief investment officer for the wealth management division of Northern Trust in Chicago.

U.S. Treasury yields ended slightly higher, with the 10-year yield touching near a seven-year high.

Benchmark 10-year notes last fell 6/32 in price to yield 3.1001 percent, from 3.08 percent late on Tuesday.

(Source Reuters – @her1en)

GLOBAL ECONOMIES

Australia – Australian workers endured another quarter of feeble wage growth last quarter while consumer sentiment eased again in May, disappointing results that risk sapping economy-wide spending and restraining already-tepid inflation.

The local dollar slipped 0.4 percent to the day's low at \$0.7447, as the wage report cemented views that the Reserve Bank of Australia (RBA) will hold rates at record lows for a prolonged period until it sees a revival in consumer prices.

Wednesday's figures from the Australian Bureau of Statistics showed annual wage growth at 2.1 percent in the first quarter, similar to the fourth quarter rate, and only just above the all-time trough of 1.9 percent.

Wage growth has now stayed stuck around 2 percent since early 2016 and is half the rate workers enjoyed during the decade-long mining boom that began in the early 2000s.

Policymakers have blamed the persistently high labour market spare capacity for discouraging firms from boosting pay rates, even as jobs have surged over the past year.

Australia's jobless rate has remained stubbornly stuck around 5.5 percent and levels of underemployment - those already working but wanting more hours - are near historical highs.

"We may not see a material improvement in wage growth until the unemployment rate dips below 5 percent and unfortunately policymakers don't expect that to happen in the next three years," said Callam Pickering, APAC Economist for global job site Indeed.

RBA's latest forecasts show the jobless rate easing to 5.25 percent by mid-2020, although core inflation is set to stay below the middle of its 2-3 percent target band even by then.

"Today's result won't change RBA thinking but it reinforces the challenges facing the Australian economy," Pickering said

The central bank last cut rates to a historical low of 1.5 percent in August 2016, notching up the longest period without a change in modern history. Financial markets are wagering the steady spell could last well into 2019.

On Tuesday, RBA Deputy Governor Guy Debelle said it may take a lower unemployment rate than currently expected to generate a sustained move higher in wage growth.

New Zealand – Global dairy prices rose to a nine-month high at a fortnightly auction held early on Wednesday but prices for the key product, whole milk powder, were largely flat.

The Global Dairy Trade (GDT) Price Index climbed 1.9 percent to an average selling price of \$3,637 per tonne in the auction held in the early hours of the morning.

That suggested a 1.1 percent drop at the previous sale was a temporary dip and the gradual recovery in prices was back on track.

Gains were led by anhydrous milk fat, which rose 5.8 percent, while skim milk powder jumped 3 percent.

"Skim milk powder (SMP) was also stronger than expected," said Amy Castleton, dairy analyst at AgriHQ. "SMP likely found some support from less product being available."

However, whole milk powder, the most-traded item, was only up a touch at 0.2 percent.

The auction results can affect the New Zealand dollar as the dairy sector generates more than 7 percent of the nation's gross domestic product.

But the tepid result for whole milk powder, the country's main goods export, and a rally in the U.S. dollar meant investors largely ignored the auction and the currency dropped to a six-month low of \$0.6862.

A total of 18,161 tonnes was sold at the latest auction, falling 6.9 percent from the previous one, the auction platform said.

GDT Events, which runs the auction, is owned by New Zealand's Fonterra Co-operative Group Ltd, but operates independently from the dairy giant.

U.S.-listed CRA International Inc is the trading manager for the twice-monthly Global Dairy Trade auction.

A number of companies, including Dairy America and Murray Goulburn, use the platform to sell milk powder and other dairy products.

The next auction is scheduled for June 5.

China – China's new home prices rose in April with an increasing number of smaller cities driving broader growth, helped by state measures that allowed buyers to get around existing restrictions and economic development prospects in those centres.

New home prices in China's 70 major cities rose 0.5 percent in April from the previous month, up from a 0.4 percent rise in March, Reuters calculated from National Bureau of Statistics (NBS) data published on Wednesday.

On an annual basis, home prices increased 4.7 percent in April, slowing from a 4.9 percent gain in March.

Fifty-eight cities of the total 70 cities surveyed by the NBS reported higher prices in April, up from 55 cities in March, suggesting broader market strength despite persistent curbs to contain the still hot market.

The data signals an increasing differentiation between urban property markets across the country, analysts say, with China's city-based policy fine-tuning has allowed some easing of restrictions in smaller centres.

"This perfectly illustrates the kind of mentality still prevalent in Chinese property market," said Yan Yuejin, research director at Shanghai-based E-house China R&D Institute. "Many buyers are looking to buy in cities that are still cheap, with lax policies and have come up with some kind of development concept, especially as opportunities are limited now in bigger cities."

New policies that allow college graduates to bypass purchase restrictions in provincial capitals have stoked investment, said Zhang Dawei, an analyst with Hong Kong-based Centaline, a real estate research consultancy.

Price growth in China's second tier cities, which include most of the larger provincial capitals, and smaller third tier cities accelerated 0.1 percentage points and 0.2 percentage points, respectively, in April, the statistics bureau said. It did not give the actual rates of growth.

Analysts also point to political and economic developments that have drawn new investors into markets away from the bigger centres.

The Chinese city of Dandong, which lies on the border with North Korea, became the top price performer in April, rising a robust 2 percent, NBS data showed.

Investors rushed into the city's property market after the historic inter-Korea summit last month opened the prospect of rapid improvement in relations between North Korea and the rest of the world.

China has also flagged the development of an international free trade zone and port on the southern island of Hainan, amid speculation it is trying to set up a rival to the trading and financial hub of Hong Kong.

Hainan cities Sanya and Haikou both rose 1.9 percent in April.

China's house price growth started to cool more notably in the second half of last year as the government sought to deal with property bubbles, following a two-year expansion in the sector.

Authorities have introduced curbs in more than 100 cities since 2016, in a push to reduce bubble risks while ensuring a soft landing as real estate remains a crucial driver of the economy.

With signs that rapid housing growth in top tier cities is cooling, regulators have this year turned their attention to smaller cities where there have been no purchase restrictions.

The Chinese southern provincial capital Guiyang issued restrictions this week banning newly-built houses from being resold within three years.

Despite signs of market resilience, data showed on Tuesday China's property investment growth slowed in April as higher borrowing costs and increased curbs on buyers weighed on demand.

Some analysts expect more curbs and that price appreciation will moderate as a result.

"The policy environment is still very against speculation and does not support sharp price gains in the short-term," said Tin Sun, head of research at the North China office of CBRE, a property consultancy.

"Most of the third tier and fourth tier cities are still suffering from population outflows so I doubt the overall demand would support sustainable gains in the longer term."

Japan – Japan's economy contracted more than expected at the start of this year, suggesting growth has peaked after the best run of expansion in decades, unwelcome news for a government struggling to get traction for its reflationary policies.

The world's third largest economy shrank by 0.6 percent on an annualised basis, a much more severe contraction than the median estimate for an annualised 0.2 percent decline.

The contraction, which was driven by declines in investment and consumption and weaker export growth, comes as Japan Inc frets over the possible effects of U.S. President Donald Trump's protectionist policies on exports.

It also highlights the central bank's vulnerability to an economic or financial shock after five years of heavy monetary stimulus has left it with little ammunition to defend growth.

Economy Minister Toshimitsu Motegi said there was no change to the government's view that the economy was recovering moderately, predicting a resumption in growth to be driven mainly by private consumption and capital expenditure.

"But we need to be mindful of the impact of overseas economic uncertainty and market volatility," he added.

External demand - or exports minus imports - added just 0.1 percentage point to first-quarter GDP as imports slowed more than exports.

However, a breakdown of the data shows export growth is losing momentum, expanding just 0.6 percent in the first quarter after growth of 2.2 percent October-December last year.

Slower export growth reflected a decline in shipments of mobile phone parts and factory equipment in the quarter, a government official said.

This is a concern for Japanese manufacturers because many of these machines and electronic components are sent to China, where they are used to produce goods for export, but this trade is at risk if the Trump administration's threatened tariffs on Chinese exports go ahead.

"Globally, IT-related items have been in an adjustment phase, which weighed down Japan's exports and factory output," said Yoshimasa Maruyama, chief market economist at SMBC Nikko Securities.

Economists say Japan's first-quarter contraction is temporary, but the rebound will not be nearly as strong as previous quarters.

"The economy is not headed for a recession," said Hiroshi Miyazaki, senior economist at Mitsubishi UFJ Morgan Stanley Securities. "However, it is clear that in the long term the pace of growth is slowing."

Wednesday's data marked the end to eight straight quarters of economic expansion, which was the longest stretch of growth since a 12-quarter run between April-June 1986 and January-March 1989.

Fourth quarter growth was revised to an annualised 0.6 percent, down from the 1.6 percent estimated earlier.

Capital expenditure fell 0.1 percent, down for the first time in six quarters, suggesting corporate investment is not as strong as many economists had expected. The median estimate was for a 0.4 percent increase.

The capital spending figures may presage data due on Thursday that is forecast to show core machinery orders, a leading indicator of capital expenditure, fell in March for the first time in three months.

Consumer spending fell marginally, registering a decline of less than one percentage point in the first quarter. The median estimate was for consumer spending to remain unchanged.

"The economy is unlikely to continue to contract further. The global economy is performing well and the yen is trading beyond 110 yen against the dollar, so once exports start to grow again, the economy will return to a moderate growth path," said

Maruyama of SMBC Nikko Securities.

The first-quarter contraction could make Japanese politicians more reluctant to implement a hike in sales tax to 10 percent from the current 8 percent scheduled for next year.

A sales tax hike to 5 percent from 3 percent in 2014 caused a large fall in consumer spending and tipped the economy into recession.

"The revised GDP data 2017 showed the economy had already started to slow down from the beginning of last year. And the economic contraction for January-March may support some ruling officials' call for a delay in a planned sales tax hike," said Kyohei Morita, chief economist at Credit Agricole Securities.

Euro Zone – Euro zone inflation slowed in April, European statistics agency Eurostat said on Wednesday, confirming an earlier flash estimate and adding to the headache of European Central Bank policy makers seeking to phase out a monetary stimulus package.

Inflation in the 19 countries sharing the euro currency was 1.2 percent in April compared to last year, for a 0.3 percent monthly rise.

ECB policy makers are debating whether to end a 2.55 trillion euro (\$3 trillion) bond-purchasing scheme, which was set up more than three years ago to push inflation back towards a target of close to but below 2 percent.

This target has, however, proved to be an elusive one, as the euro zone economy has showed further signs of slowing growth this year, after steadily emerging from a downturn over the past five years.

Inflation excluding volatile energy and unprocessed food prices, which the ECB uses as its preferred metric of "core" inflation, slowed to 1.1 percent annually in April from 1.3 percent in the previous month.

UK – Bank of England Deputy Governor Ben Broadbent said in an interview on Tuesday with the Telegraph that the central bank will not "spoon feed" markets with meeting-by-meeting guidance on interest rate hikes.

He said he has no time for complaints from the City of London, a top global financial centre, about the level of forward guidance the bank gives.

"Our communication is mainly addressed to the wider public," Broadbent told the British newspaper. "Their (the City's) job is to put themselves in our shoes. We all have the same data."

Broadbent's defense of how the central bank issues forward guidance follows the BoE holding interest rates steady on Thursday with Governor Mark Carney saying a rate hike was likely to happen before the end of the year if all went well.

Broadbent also said Britain's economy was in a slowdown in growth and wages comparable to a lull at the end of the 19th century, when the steam

era had peaked but the age of electricity had not yet begun, the Telegraph reported on Tuesday.

Today's economy could be experiencing a similar trough as it passes the boom of the digital era and awaits the next big breakthrough, possibly with artificial intelligence, Broadbent said.

There was a division in opinions over what has caused Britain's current slowdown, which has lasted for nearly a decade and resulted in poor growth and stagnant wages, according to the central banker.

U.S. – U.S. factory output rose in April, although new estimates of manufacturing and overall industrial production showed less growth in prior months than initially believed, casting a shadow over the economic outlook.

Manufacturing output rose 0.5 percent last month, the U.S. Federal Reserve said on Wednesday in a report on output across the industrial sector, which comprises manufacturing, mining, and electric and gas utilities.

Economists polled by Reuters had forecast a 0.5 percent rise in manufacturing. But the Fed's new estimates of factory output in prior months showed output was slightly lower than previously believed in each month between November and March.

Overall industrial output expanded 0.7 percent in April and estimates of output in three of the previous four months were also lowered, including a sharply reduced estimate for February.

A 2.3 percent increase in machinery production bolstered the overall gain in factory output, although a drop in production of primary metals and fabricated metal products weighed on the sector.

The report follows a survey of factory managers published earlier this month that showed a slowdown in U.S. factory activity, with manufacturers complaining about rising commodity prices in the wake of the Trump administration's tariffs on steel and aluminum imports.

A recent Fed report based on comments of the central bank's business contacts across the country showed rising concern about the tariffs, although Fed Chairman Jerome Powell said last month it was too early to know how they would affect the U.S. economic outlook.

The utilities index jumped 1.9 percent last month.

In the 12 months through April overall industrial output rose 3.5 percent.

The percentage of industrial capacity in use rose 0.4 percentage point in April to 78.0 percent.

Fed officials look to capacity use as a signal for how much further the economy can accelerate before sparking higher inflation.

(Source Reuters, Research – @her1en)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/14-May-18	05:30	NZ	Performance Services Index	Apr	55.9	--	58.8	58.6
	06:50	JP	PPI MoM	Apr	0.1%	0.1%	-0.1%	
	06:50	JP	PPI YoY	Apr	2.0%	2.0%	2.1%	
	13:00	JP	Machine Tool Orders YoY	Apr P	22.0%	--	28.1%	
	13:30	EZ	ECB's Villeroy Speaks in Paris					
	13:45	US	Fed's Mester Speaks at Bank of France Conference					
	13:45	EZ	Fed's Mester, ECB's Villeroy Speak in Paris					
20:40	US	Fed's Bullard Speaks at Crypto Conference in New York						
Tue/15-May-18	06:10	AU	RBA's DeBelle Gives Speech in Sydney					
	08:30	AU	RBA May Meeting Minutes					

	08:40	AU	RBA's Debelle Speech to HK Forum Via Video Link						
	09:00	CN	Industrial Production YoY	Apr	7.0%	6.4%	6.0%		
	09:00	CN	Industrial Production YTD YoY	Apr	6.9%	6.7%	6.8%		
	09:00	CN	Retail Sales YoY	Apr	9.4%	10.0%	10.1%		
	09:00	CN	Retail Sales YTD YoY	Apr	9.7%	9.9%	9.8%		
	09:00	CN	Surveyed Jobless Rate	Apr	4.9%	--	5.1%		
	11:30	JP	Tertiary Industry Index MoM	Mar	-0.3%	-0.2%	0.0%	0.1%	
	13:00	DE	GDP NSA YoY	1Q P	1.6%	1.7%	2.3%		
	13:00	DE	GDP SA QoQ	1Q P	0.3%	0.4%	0.6%		
	13:00	DE	GDP WDA YoY	1Q P	2.3%	2.4%	2.9%		
	14:15	CH	Producer & Import Prices MoM	Apr	0.4%	0.3%	-0.2%		
	14:15	CH	Producer & Import Prices YoY	Apr	2.7%	--	2.0%		
	15:30	GB	Average Weekly Earnings 3M/YoY	Mar	2.6%	2.6%	2.8%		
	15:30	GB	Claimant Count Rate	Apr	2.5%	--	2.4%		
	15:30	GB	Employment Change 3M/3M	Mar	197k	129k	55k		
	15:30	GB	ILO Unemployment Rate 3Mths	Mar	4.2%	4.2%	4.2%		
	15:30	GB	Jobless Claims Change	Apr	31.2k	7.8k	11.6k	15.7k	
	15:30	GB	Weekly Earnings ex Bonus 3M/YoY	Mar	2.9%	2.9%	2.8%		
	16:00	EZ	GDP SA QoQ	1Q P	0.4%	0.4%	0.4%		
	16:00	EZ	GDP SA YoY	1Q P	2.5%	2.5%	2.5%		
	16:00	EZ	Industrial Production SA MoM	Mar	0.5%	0.7%	-0.8%	-0.9%	
	16:00	EZ	Industrial Production WDA YoY	Mar	3.0%	3.7%	2.9%	2.6%	
	16:00	DE	ZEW Survey Current Situation	May	87.4	85.2	87.9		
	16:00	EZ	ZEW Survey Expectations	May	2.4	2.0	1.9		
	16:00	DE	ZEW Survey Expectations	May	-8.2	-8.2	-8.2		
	19:30	US	Empire Manufacturing	May	20.1	15	15.8		
	19:30	US	Retail Sales Advance MoM	Apr	0.3%	0.3%	0.6%	0.8%	
	19:30	US	Retail Sales Control Group	Apr	0.4%	0.4%	0.4%	0.5%	
	19:30	US	Retail Sales Ex Auto and Gas	Apr	0.3%	0.4%	0.3%	0.4%	
	19:30	US	Retail Sales Ex Auto MoM	Apr	0.3%	0.5%	0.2%	0.4%	
	20:00	CA	Existing Home Sales MoM	Apr	-2.9%	0.4%	1.3%		
	21:00	US	Business Inventories	Mar	0.0%	0.1%	0.6%		
	21:00	US	NAHB Housing Market Index	May	70	69	69	68	
Wed/16-May-18	06:00	KR	Unemployment rate SA	Apr	3.8%	4.1%	4.0%		
	06:50	JP	GDP Annualized SA QoQ	1Q P	-0.6%	-0.1%	1.6%	0.6%	
	06:50	JP	GDP Business Spending QoQ	1Q P	-0.1%	0.4%	1.0%	0.6%	
	06:50	JP	GDP Deflator YoY	1Q P	0.5%	0.3%	0.1%	0.0%	
	06:50	JP	GDP Nominal SA QoQ	1Q P	-0.2%	0.0%	0.3%	0.1%	
	06:50	JP	GDP Private Consumption QoQ	1Q P	0.0%	0.0%	0.5%	0.2%	
	06:50	JP	GDP SA QoQ	1Q P	-0.2%	0.0%	0.4%	0.1%	
	07:30	AU	Westpac Consumer Conf Index	May	101.8	--	102.4		
	07:30	AU	Westpac Consumer Conf SA MoM	May	-0.6%	--	-0.6%		
	07:30	AU	Westpac Leading Index MoM	Apr	-	--	-0.22%		
	08:30	AU	Wage Price Index QoQ	1Q	0.5%	0.6%	0.6%	0.5%	
	08:30	AU	Wage Price Index YoY	1Q	2.1%	2.1%	2.1%		
	11:30	JP	Capacity Utilization MoM	Mar	0.5%	--	1.3%	3.3%	
	11:30	JP	Industrial Production MoM	Mar F	1.4%	1.2%	1.2%		
	11:30	JP	Industrial Production YoY	Mar F	2.4%	--	2.2%		
	13:00	DE	CPI EU Harmonized MoM	Apr F	-0.1%	-0.1%	-0.1%	0.4%	
	13:00	DE	CPI EU Harmonized YoY	Apr F	1.4%	1.4%	1.4%	1.5%	
	13:00	DE	CPI MoM	Apr F	0.0%	0.0%	0.0%		
	13:00	DE	CPI YoY	Apr F	1.6%	1.6%	1.6%		
	16:00	EZ	CPI Core YoY	Apr F	0.7%	0.7%	0.7%		
	16:00	EZ	CPI MoM	Apr	0.3%	0.3%	1.0%		
	16:00	EZ	CPI YoY	Apr F	1.2%	1.2%	1.3%		
	19:30	US	Building Permits	Apr	1352k	1350k	1354k	1377k	
	19:30	US	Building Permits MoM	Apr	-1.8%	-2.1%	2.5%	4.1%	
	19:30	US	Fed's Bostic to Give Economic Update						
	19:30	US	Housing Starts	Apr	1287k	1310k	1319k	1336k	
	19:30	US	Housing Starts MoM	Apr	-3.7%	-0.7%	1.9%	3.6%	
	19:30	CA	Manufacturing Sales MoM	Mar	1.4%	0.9%	1.9%	2.7%	
	19:30	US	Revisions: Housing Starts						
	20:15	US	Capacity Utilization	Apr	78.0%	78.4%	78.0%	77.6%	
	20:15	US	Industrial Production MoM	Apr	0.7%	0.6%	0.5%	0.7%	
	20:15	US	Manufacturing (SIC) Production	Apr	0.5%	0.5%	0.1%		
	21:30	US	DOE Cushing OK Crude Inventory	May-11	53k	--	1388k		

	21:30	US	DOE U.S. Crude Oil Inventories	May-11	-1404k	-2000k	-2197k	
	21:30	US	DOE U.S. Distillate Inventory	May-11	-92k	-1950k	-3791k	
	21:30	US	DOE U.S. Gasoline Inventories	May-11	-3790k	-1436k	-2174k	
	23:15	CA	Bank of Canada's Schembri Speaks at the OEA					
Thu/17-May-18	05:45	NZ	PPI Input QoQ	1Q		0.3%	0.9%	
	05:45	NZ	PPI Output QoQ	1Q		0.2%	1.0%	
	06:50	JP	Core Machine Orders MoM	Mar		-2.7%	2.1%	
	06:50	JP	Core Machine Orders YoY	Mar		--	2.4%	
	08:30	AU	Employment Change	Apr		20.3k	4.9k	
	08:30	AU	Full Time Employment Change	Apr		--	-19.9k	
	08:30	AU	Part Time Employment Change	Apr		--	24.8k	
	08:30	AU	Participation Rate	Apr		--	65.5%	
	08:30	AU	Unemployment Rate	Apr		5.5%	5.5%	
	N/A	HK	Composite Interest Rate	Apr		--	0.38%	
	15:30	HK	Unemployment Rate SA	Apr		--	2.9%	
	16:00	EZ	Construction Output MoM	Mar		--	-0.5%	
	16:00	EZ	Construction Output YoY	Mar		--	0.4%	
	19:30	CA	ADP Publishes April Payrolls Report					
	19:30	US	Continuing Claims	May-05		--	1790k	
	19:30	US	Initial Jobless Claims	May-12		--	211k	
	19:30	US	Philadelphia Fed Business Outlook	May		21.1	23.2	
	21:00	US	Leading Index	Apr		0.4%	0.3%	
	21:45	US	Fed's Kashkari Speaks at Moderated Q&A in Minneapolis					
Fri/18-May-18	06:30	JP	Japan Apr CPI					
	06:30	JP	Natl CPI Ex Fresh Food YoY	Apr		--	0.9%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Apr		--	0.0%	
	06:30	JP	Natl CPI YoY	Apr		--	1.1%	
	13:00	DE	PPI MoM	Apr		--	0.1%	
	13:00	DE	PPI YoY	Apr		--	1.9%	
	15:00	EZ	Current Account NSA	Mar		--	22.7b	
	15:00	EZ	ECB Current Account SA	Mar		--	35.1b	
	16:00	EZ	Trade Balance NSA	Mar		--	18.9b	
	16:00	EZ	Trade Balance SA	Mar		--	21.0b	
	19:30	CA	Consumer Price Index	Apr		--	132.9	
	19:30	CA	CPI Core- Common YoY%	Apr		--	1.9%	
	19:30	CA	CPI Core- Median YoY%	Apr		--	2.1%	
	19:30	CA	CPI Core- Trim YoY%	Apr		--	2.0%	
	19:30	CA	CPI NSA MoM	Apr		--	0.3%	
	19:30	CA	CPI YoY	Apr		--	2.3%	
	19:30	CA	Retail Sales Ex Auto MoM	Mar		--	0.0%	
	19:30	CA	Retail Sales MoM	Mar		--	0.4%	
Sat/19-May-18	00:00	US	Baker Hughes U.S. Rig Count	May-18		--	1045	

(Source: Bloomberg-Reuters-Forexfactory-DailyFX-Tradingeconomics-FXStreet, Research: @LukmanLoeng,@her1en,rizal)

ASIAN STOCK INDEX

Japanese stocks edged lower on Wednesday as sentiment was knocked by a surge in U.S. Treasury yields to seven-year highs and after Pyongyang called off talks with Seoul, throwing a major U.S.-North Korean summit into question.

Nisshin Steel Co jumped 16 percent after Nippon Steel & Sumitomo Metal Corp said in the afternoon that Nisshin will become its wholly owned subsidiary next January via a share exchange.

The Nikkei ended 0.4 percent lower to 22,717.23.

Data in the morning showing the world's third-biggest economy suffered a deeper-than-expected contraction in the first-quarter also checked buyers.

Japan's economy contracted a more than expected 0.6 percent in the January-March period on an annualised basis, putting an end to eight straight quarters of expansion.

In the U.S. market overnight, the yield on 10-year U.S. Treasury notes jumped to its highest level since July 2011, driven by upbeat consumer spending and factory data.

Investors were also cautious about developments on the Korean peninsula, after North Korea cancelled high-level talks with Seoul, denouncing military exercises between South Korea and the United States.

That has raised doubts about the planned summit between U.S. President Donald Trump and his North Korean counterpart leader Kim Jong Un scheduled next month

Wednesday's big losers included Mitsubishi UFJ Financial Group, which fell 2.4 percent after the bank's annual net profit missed analyst estimates and on disappointment over the size of a share buyback plan.

Suruga Bank, whose shares have fallen 45 percent this year on worries about its loans to retail investors for property investments, tumbled 10 percent after the bank said that many employees knew about improper lending.

Metal shares were lower after gold shed 1.7 percent and hit the lowest this year at \$1,288.31 in the previous session, before edging up in Asian trade.

Sumitomo Metal Mining shed 2.5 percent.

The broader Topix dropped 0.3 percent to 1,800.35.

The South Korean won fell after North Korea threatened to cancel a summit with the United States and scrapped planned inter-Korea talks on Wednesday, casting doubts over its pledge to denuclearize the Korean peninsula. The Kospi index remained flat.

At 06:32 GMT, the KOSPI was up 1.28 points, or 0.05 percent, at 2,459.82. Tech shares traded higher, with Samsung Electronics rising 1.32 percent and LG Electronics edging up 0.31 percent. Steelmakers fell, with POSCO declining 2 percent and Hyundai Steel down 5.8 percent.

The won was quoted at 1,077.6 per dollar on the onshore settlement platform, 0.35 percent weaker than its previous close at 1,073.8.

In offshore trading, the won was quoted at 1,076.99 per U.S. dollar, up 0.28 percent from the previous day, while in one-year non-deliverable forwards it was being transacted at 1,061.3 per dollar.

The KOSPI is down around 0.4 percent so far this year, and up by 0.52 percent in the previous 30 days.

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

The trading volume during the session on the KOSPI index was 658,999,000 shares and, of the total traded issues of 884, the number of advancing shares was 196.

Foreigners were net sellers of 4,939 million won worth of shares.

The U.S dollar has risen 1 percent against the won this year. The won's high for the year is 1,053.55 per dollar on April 2, 2018 and low is 1,098.4 on Feb. 6, 2018.

In money and debt markets, June futures on three-year treasury bonds rose 0.04 points to 107.49.

The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.65 percent compared with a previous close of 1.65 percent, while the benchmark 3-year Korean treasury bond yielded 2.30 percent, lower than the previous day's 2.31 percent.

Hong Kong stocks barely changed on Wednesday, as renewed worries over North Korea and surging U.S. bond yields dampened sentiment in Asian markets. Investors were awaiting news from a second round of U.S.-China trade talks in Washington this week.

The Hang Seng index ended 0.1 percent down at 31,110.20, while the China Enterprises Index was unchanged at 12,440.12 points.

Pyongyang abruptly called off talks with Seoul, throwing a U.S.-North Korean summit into doubt. The cancellation could see tension on the Korean peninsula flare again even as investors worry about China-U.S. trade tensions and the sustainability of global economic growth.

Meanwhile, strong U.S. retail sales and factory data on Tuesday pushed the U.S. 10-year yield through a key level to hit 3.095 percent, its highest since July 2011, raising worries about higher borrowing costs for companies worldwide.

The sub-index of the Hang Seng tracking energy shares rose 0.3 percent, while the IT sector dipped 0.23 percent, the financial sector was 0.12 percent lower and property sector dipped 0.39 percent.

The top gainer on Hang Seng was AAC Technologies Holdings Inc up 2.45 percent, while the biggest loser was Wharf Real Estate Investment Company Ltd, which ended 3.40 percent down.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.01 percent while Japan's Nikkei index closed down 0.44 percent.

The yuan was quoted at 6.3686 per U.S. dollar at 08:30 GMT, 0.06 percent firmer than the previous close of 6.3725.

As of the previous trading session, the Hang Seng index was up 4.12 percent this year, while China's H-share index was up 6.2 percent. As of previous close, the Hang Seng climbed 1.12 percent this month.

China stocks edged lower on Wednesday, as renewed worries over North Korea and surging U.S. bond yields dampened sentiment in Asian markets, while investors await news from a second round of U.S.-China trade talks in Washington this week.

The blue-chip CSI300 index fell 0.8 percent, to 3,892.84, while the Shanghai Composite Index lost 0.7 percent to 3,169.57 points.

Pyongyang abruptly called off talks with Seoul, throwing a U.S.-North Korean summit into doubt. The cancellation could see tensions on the Korean peninsula flare again even as investors worry about China-U.S. trade talks and the sustainability of global economic growth.

Meanwhile, strong U.S. retail sales and factory data on Tuesday pushed the U.S. 10-year yield through a key level to hit 3.095 percent, its highest since July 2011, raising worries about higher borrowing costs for companies worldwide.

The sub-index of the Hang Seng tracking energy shares was flat while the IT sector dipped 0.39 percent, the financial sector was flat and the property sector index dipped 0.32 percent.

The top gainer on Hang Seng was WH Group Ltd up 3.79 percent, while the biggest loser was Wharf Real Estate Investment Company Ltd, down 3.72 percent.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 0.02 percent while Japan's Nikkei index closed down 0.44 percent.

The yuan was quoted at 6.3702 per U.S. dollar at 07:20 GMT, 0.04 percent firmer than the previous close of 6.3725.

As of the previous trading session, the Hang Seng index was up 4.12 percent this year, while China's H-share index was up 6.2 percent. As of the previous close, the Hang Seng has risen 1.12 percent this month.

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

ASIA AND GLOBAL MARKET SPOT PRICE 2018

HIGH / LOW	.N225	.KS200	.HSI	.DJI	/.SPX	/.SSEC
RECORD HIGH	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)
2017 HIGH	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)
2018 HIGH	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)
2018 LOW	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)
2017 LOW	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)
RECORD LOW	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 – 16 May 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	24768.93	↑ 62.52/0.25%	.N225	22717.23	↓ 100.79/0.44%
/.SPX	2722.46	↑ 11.01/0.41%	.KS200	315.97	↑ 1.03/0.33%
/.IXIC	7398.295	↑ 46.688/0.63%	.HSI	31110.20	↓ 41.83/0.13%
JPY=	110.38	↑ 0.04/0.03%	/.SSEC	3169.70720	↓ 22.41110/0.70%
KRW=	1076.79	↓ 3.22/0.30%	/CLc1 (Oil)	71.54	↑ 0.54/0.76%

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
16 May SSlpmM8	22740	22820	22705	115	22820	---	↑ 80	0.35	11527
16 May SSlamM8	22705	22790	22695	95	22740	22740	↓ 75	0.33	34970
15 May SSlpmM8	22815	22830	22720	110	22755	---	↓ 60	0.26	21446
15 May SSlamM8	22875	22910	22800	110	22815	22815	↓ 40	0.18	32006
14 May SSlpmM8	22870	22890	22835	55	22880	---	↑ 25	0.11	9594
14 May SSlamM8	22735	22890	22735	155	22855	22855	↑ 145	0.64	32049
11 May SSlpmM8	22700	22725	22670	55	22695	---	↓ 15	0.07	13806
11 May SSlamM8	22530	22780	22510	270	22710	22710	↑ 230	1.02	51173
10 May SSlpmM8	22490	22550	22475	75	22515	---	↑ 35	0.16	16034
10 May SSlamM8	22505	22530	22420	110	22480	22480	↑ 75	0.33	37807

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
22910	22695	22910	22085	22640	20920	24170	20130
(15/May)	(16/May)	(15/May)	(03/May)	(30/Apr)	(02/Apr)	(23/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	23275	High on 1 Hourly Chart
	23140	High on 1 Hourly Chart
	23065	High on 1 Hourly Chart
	22910	High May 15,2018
SUPPORT	22670	Low May 14,2018
	22570	Low on 1 Hourly Chart
	22405	Low May 10,2018
	22295	Low on 1 Hourly Chart
RECOMMENDATION	BUY	22790
	SELL	----
	STOP LOSS	22640
	TARGET	22990 23090

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



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

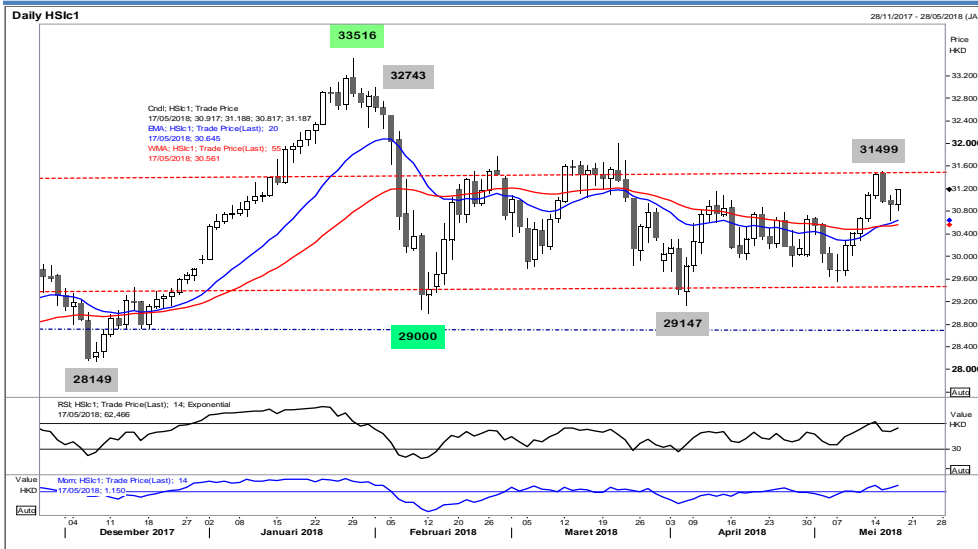
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
16 May	313.90	316.95	313.65	3.30	316.05	316.05	↑ 1.15	0.37	161004
15 May	317.50	318.50	314.70	3.80	314.90	314.90	↓ 3.10	0.97	140499
14 May	319.25	319.75	317.50	2.25	318.00	318.00	↓ 0.80	0.25	117739
11 May	318.50	319.95	318.00	1.95	318.80	318.80	↑ 1.80	0.57	146508
10 May	316.35	317.30	315.45	1.85	317.00	317.00	↑ 1.80	0.57	190338
09 May	315.70	316.25	312.80	3.45	315.20	315.20	Flat	Flat	231314

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
319.75 (14/May)	313.65 (16/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

RESISTANCE	322.80	High May 02,2018
	320.15	High May 04,2018
	319.30	High May 08,2018
	317.30	High May 10,2018
SUPPORT	314.75	Low Apr 16,2018
	313.85	Low Apr 13,2018
	312.85	Low Apr 12,2018
	310.30	Low Apr 10,2018
RECOMMENDATION	BUY	315.75
	SELL	----
	STOP LOSS	314.25
	TARGET	317.75
		318.75

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



- Correction in daily
- RSI approach oversold area, be alert of trend change
- Potentially open Gap up. [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
16 May	30677	31085	30673	412	30934	30934	↓ 56	0.18	226146
15 May	31182	31220	30958	262	30990	30990	↓ 466	1.48	182405
14 May	31455	31470	31310	160	31456	31456	↑ 362	1.16	186051
11 May	30938	31143	30928	215	31094	31094	↑ 414	1.35	210596
10 May	30630	30700	30554	146	30680	30680	↑ 262	0.86	201509
09 May	30194	30420	30255	165	30418	30418	↑ 216	0.72	226974
08 May	30183	30265	30081	184	30202	30202	↑ 445	1.50	209296

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
31470 (14/May)	30673 (16/May)	31470 (14/May)	29644 (04/May)	31151 (12/Apr)	29343 (04/Apr)	33516 (29/Jan)	29070 (09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	32005	High Mar 21, 2018
	31704	High Mar 22, 2018
	31561	High on 1 Hourly Chart
	31363	High on 1 Hourly Chart
SUPPORT	30953	Low on 1 Hourly Chart
	30763	Low on 1 Hourly Chart
	30680	Low on 1 Hourly Chart
	30554	Reactions Low on 1 Hourly Chart
RECOMMENDATION	BUY	31135
	SELL	----
	STOP LOSS	30985
	TARGET	31335 31435

CURRENCIES – Daily Outlook

Dollar index at five-month high as euro slips on Italian woes - Reuters News

The dollar added to recent gains against a basket of currencies on Wednesday to touch a five-month high, supported by relatively robust U.S. economic data in recent days, while the euro was hit by reports that a likely future Italian government would seek debt forgiveness from European creditors.

The dollar index, which measures the greenback against a basket of six other currencies, was up 0.19 percent at 93.393, after rising as high as 93.632, its highest since Dec. 19.

The greenback has risen about 1.7 percent this month, boosted by a view that the Federal Reserve will outpace most major central banks in policy normalization.

"There's been some improved sentiment on conditions in the U.S. compared with other parts of the world," said Sireen Harajli, foreign exchange strategist at Mizuho in New York.

"Essentially, the dollar is stronger mostly because the rest of the world is not," said Harajli.

U.S. factory output rose in April, although new estimates of manufacturing and overall industrial production showed less growth in prior months than initially believed.

The U.S. currency got a boost on Tuesday when strong U.S. consumer spending numbers sent 10-year Treasury yields surging to a seven-year peak of 3.095 percent.

On Wednesday, the move in the greenback was largely driven by news out of Europe, said Alfonso Esparza, senior currency analyst at OANDA in Toronto.

The euro was 0.3 percent lower against the greenback at \$1.1801, its lowest since December, after reports that Italy's anti-establishment 5-Star Movement and anti-immigrant League may ask the European Central Bank to forgive 250 billion euros (\$294 billion) of debt.

The euro was 0.31 percent lower against the Swiss franc, after dropping to a five-week low of 1.1772 francs. The Swiss franc typically attracts capital in times of uncertainty.

"Whenever there is euroskepticism on the rise you are definitely going to see this type of a move in the euro," said Esparza.

"It's just one of the factors that reminds us again that European growth is slowing down," he said.

Euro zone inflation slowed in April, European statistics agency Eurostat said on Wednesday, confirming an earlier flash estimate and adding to the headache of European Central Bank policy makers seeking to phase out monetary stimulus.

Against the yen, the dollar was down 0.11 percent at 110.22 yen, but still close to the highest it has been since early February.

Japan's economy contracted more than expected at the start of this year, suggesting growth has peaked after the best run of expansion in decades, unwelcome news for a government struggling to get traction for its reflationary policies.

Sterling fell towards its lowest point of the year against the dollar and was down 0.18 percent on the day, amid fresh worries about Britain's Brexit negotiations and relatively modest UK wage growth.

(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 1.2209
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 16	1.18365	1.18528	1.17620	90,8	1.18060	↓ 31,7	1.18377
May 15	1.19252	1.19372	1.18191	118,1	1.18377	↓ 86,7	1.19244
May 14	1.19462	1.19949	1.19247	70,2	1.19244	↓ 19,4	1.19438
May 11	1.19152	1.19667	1.18900	76,7	1.19438	↑ 30,7	1.19131
May 10	1.18505	1.19454	1.18418	103,6	1.19131	↑ 64,8	1.18483

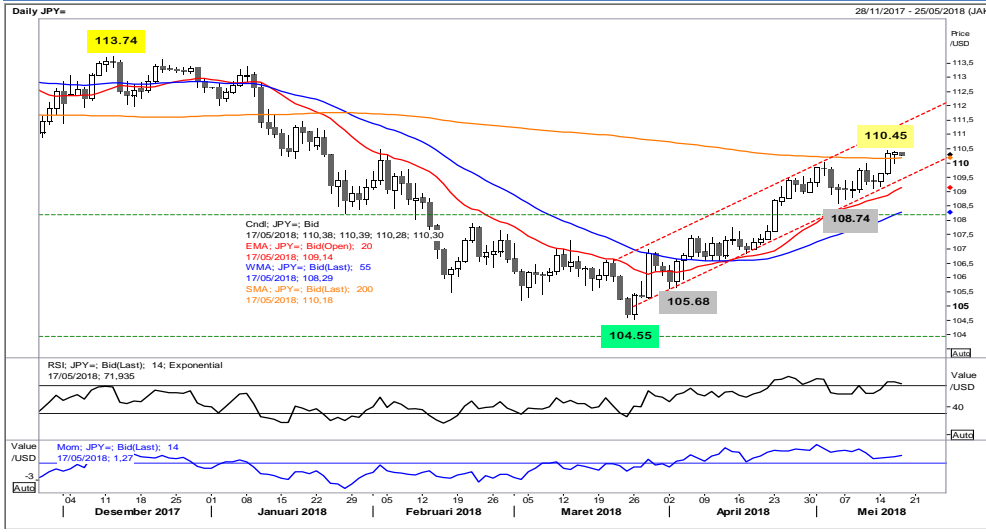
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.19949	1.17620	1.20829	1.17620	1.24125	1.20542	1.25542	1.17620
(14/May)	(16/May)	(01/May)	(16/May)	(17/Apr)	(27/Apr)	(16/Feb)	(16/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2209	High Apr 26
	1.2139	High Apr 30
	1.2032	High May 02
	1.1938	High May 15
SUPPORT	1.1736	Low Dec 18, 2017
	1.1658	Low Nov 14, 2017
	1.1552	Low Nov 07, 2017
	1.1477	Low July 20, 2017
RECOMMENDATION	BUY	-----
	SELL	1.1835
	STOP LOSS	1.1910
	TARGET	1.1760
		1.1725

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 16	110.324	110.375	110.028	34,7	110.410	↑ 13,8	110.272
May 15	109.680	110.442	109.648	79,4	110.272	↑ 63,5	109.637
May 14	109.348	109.659	109.196	46,3	109.637	↑ 34,3	109.294
May 11	109.407	109.556	109.141	41,5	109.294	↓ 7,9	109.373
May 10	109.720	110.007	109.304	70,3	109.373	↓ 32,4	109.697

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
110.442	109.196	110.442	108.635	109.525	105.646	113.376	104.623
(15/May)	(14/May)	(15/May)	(04/May)	(27/Apr)	(02/Apr)	(08/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	113.38	High Jan 08,2018
	112.77	High Jan 10,2018
	111.87	High Jan 11,2018
	111.17	High Jan 23,2018
SUPPORT	109.57	Low May 02,2018
	108.78	Low Apr 25, 2018
	107.62	Low Apr 23, 2018
	106.68	Low Apr 12, 2018
RECOMMENDATION	BUY	110.10
	SELL	----
	STOP LOSS	109.30
	TARGET	110.95
		111.20

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 16	1.35047	1.35198	1.34547	65,1	1.34825	↓ 20,4	1.35029
May 15	1.35562	1.35707	1.34501	120,6	1.35029	↓ 51,3	1.35542
May 14	1.35453	1.36071	1.35416	65,5	1.35542	↑ 12,5	1.35417
May 11	1.35152	1.35945	1.35009	93,6	1.35417	↑ 30,4	1.35113
May 10	1.35454	1.36165	1.34588	157,7	1.35113	↓ 31,2	1.35425

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.36071 (14/May)	1.34501 (15/May)	1.37717 (01/May)	1.34501 (15/May)	1.43754 (17/Apr)	1.37113 (30/Apr)	1.43754 (17/Apr)	1.34501 (15/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3891	High on 1 Hourly Chart
	1.3773	High May 01,2018
	1.3666	High May 02,2018
	1.3595	High May 11,2018
SUPPORT	1.3345	Low Dec 26, 2017
	1.3219	Low Nov 28, 2017
	1.3133	Low Nov 16, 2017
	1.3073	Low Nov 11, 2017
RECOMMENDATION	BUY	1.3495
	SELL	----
	STOP LOSS	1.3410
	TARGET	1.3585 1.3615

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 16	1.00089	1.00179	0.99832	34,7	1.00092	↓ 1	1.00093
May 15	1.00007	1.00406	0.99822	58,4	1.00093	↑ 5,9	1.00034
May 14	1.00022	1.00043	0.99565	47,8	1.00034	↓ 3,4	1.00068
May 11	1.00248	1.00387	0.99754	63,3	1.00068	↓ 15,6	1.00224
May 10	1.00468	1.00552	0.99930	62,2	1.00224	↓ 26,1	1.00485

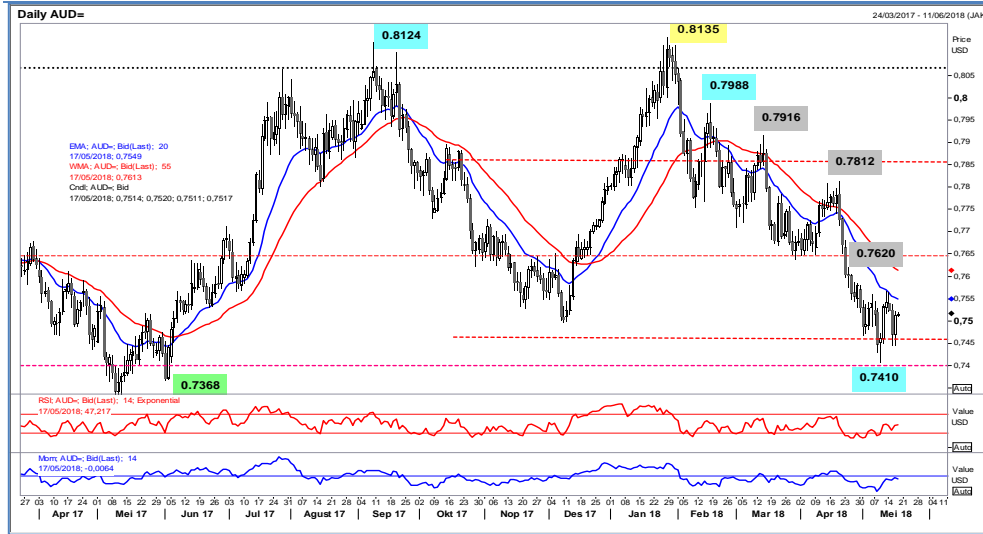
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.00406 (15/May)	0.99565 (14/May)	1.00553 (07/May)	0.99034 (01/May)	0.99199 (30/Apr)	0.95258 (02/Apr)	1.00553 (07/May)	0.91863 (16/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.0248	High Jan 11, 2017
	1.0170	High Mar 07,2017
	1.0107	High Apr 10,2017
	1.0056	High May 07,2018
SUPPORT	0.9953	Reactions Low May 03,2018
	0.9869	Low Apr 30,2018
	0.9815	Low Apr 26,2018
	0.9766	Low Apr 24,2018
RECOMMENDATION	BUY	---
	SELL	1.0020
	STOP LOSS	1.0095
	TARGET	0.9935 0.9910

AUD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 16	0.74699	0.75217	0.74460	75,7	0.75122	↑ 45,2	0.74670
May 15	0.75252	0.75364	0.74467	89,7	0.74670	↓ 54,4	0.75214
May 14	0.75446	0.75638	0.75214	42,4	0.75214	↓ 24,3	0.75457
May 11	0.75316	0.75657	0.75214	44,3	0.75457	↑ 14,7	0.75310
May 10	0.74599	0.75386	0.74536	85,0	0.75310	↑ 81,4	0.74496

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75638 (14/May)	0.74460 (16/May)	0.75657 (11/May)	0.74112 (09/May)	0.78117 (19/Apr)	0.75241 (30/Apr)	0.81346 (26/Jan)	0.74112 (09/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7812	High Apr 19
	0.7731	High Apr 20
	0.7682	High Apr 23
	0.7620	High Apr 24
SUPPORT	0.7410	Low June 05, 2017
	0.7326	Low May 09, 2017
	0.7266	Low Jan 05, 2017
	0.7152	Low Dec 26, 2016
RECOMMENDATION	BUY	0.7490
	SELL	-----
	STOP LOSS	0.7415
	TARGET	0.7565
		0.7600

NZD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 16	0.68614	0.69159	0.68500	65,9	0.68917	↑ 32,5	0.68592
May 15	0.69153	0.69235	0.68528	70,7	0.68592	↓ 52,1	0.69113
May 14	0.69608	0.69734	0.69100	63,4	0.69113	↓ 57,7	0.69690
May 11	0.69638	0.69859	0.69530	32,9	0.69690	↑ 8,3	0.69607
May 10	0.69401	0.69696	0.69014	68,2	0.69607	↑ 6,8	0.69539

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.69734 (14/May)	0.68500 (16/May)	0.70516 (04/May)	0.68500 (16/May)	0.73943 (13/Apr)	0.70321 (30/Apr)	0.74359 (16/Feb)	0.68500 (16/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7221	High Apr 23
	0.7121	High Apr 25
	0.7040	High May 01
	0.6924	High May 15
SUPPORT	0.6815	Low Dec 01, 2017
	0.6779	Low Nov 17, 2017
	0.6674	Low May 30, 2016
	0.6574	Low Mar 16, 2016
RECOMMENDATION	BUY	-----
	SELL	0.6915
	STOP LOSS	0.6990
	TARGET	0.6840 0.6805

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 16	130.602	130.608	129.513	109,5	130.326	↓ 23,4	130.560
May 15	130.807	131.119	130.422	69,7	130.560	↓ 19,1	130.751
May 14	130.639	131.359	130.581	77,8	130.751	↑ 20,3	130.548
May 11	130.373	130.668	129.982	68,6	130.548	↑ 23,5	130.313
May 10	130.034	130.746	129.992	75,4	130.313	↑ 31,9	129.994

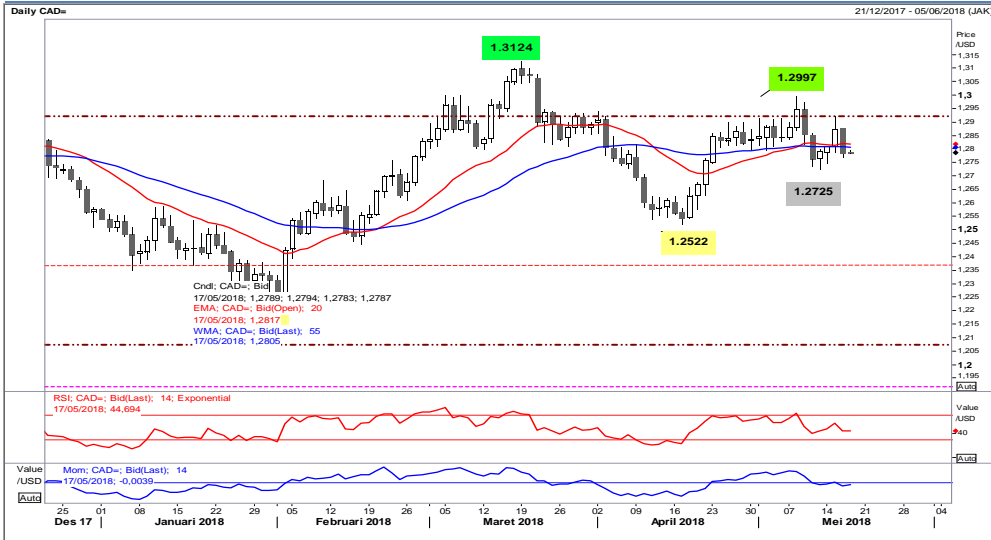
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
131.359 (14/May)	129.513 (16/May)	132.117 (01/May)	129.215 (08/May)	133.466 (24/Apr)	129.962 (02/Apr)	137.486 (02/Feb)	128.931 (23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	134.16	High Feb 09,2018
	133.24	High Apr 26,2018
	132.54	High Apr 30,2018
	131.65	High May 03,2018
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	----
	SELL	130.50
	STOP LOSS	131.40
	TARGET	129.50 129.00

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
- [\(Research – riza\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2788	1.2787

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2924 (15/May)	1.2746 (14/May)	1.2997 (08/May)	1.2725 (11/May)	1.2943 (02/Apr)	1.2522 (17/Apr)	1.3124 (19/Mar)	1.2246 (31/Jan)

ANALYSIS & RECOMMENDATION		
RESISTANCE	1.3127	High Mar 19,2018
	1.3079	High Mar 21,2018
	1.2974	High May 09,2018
	1.2876	High May 16,2018
SUPPORT	1.2745	Low Apr 23,2018
	1.2628	Low Apr 20,2018
	1.2543	Low Apr 18,2018
	1.2445	Low Feb 16,2018
RECOMMENDATION	BUY	----
	SELL	1.2805
	STOP LOSS	1.2895
	TARGET	1.2715 – 1.2675

Precious Metal – Daily Outlook

Gold rises on short-covering after falling to 4-month low - Reuters News



Gold prices rebounded from a 4-1/2-month low on Wednesday on short-covering as the U.S. dollar came off its 2018 highs and U.S. bond yields sat near multi-year peaks.

Spot gold was 0.2 percent higher at \$1,292.19 by 1:39 p.m. ET (1739 GMT), having gone as low as \$1,286.20, its weakest since Dec. 27.

U.S. gold futures for June delivery settled up \$1.20, or 0.1 percent, at \$1,291.50 per ounce.

"A lot of people are trying to cover shorts from the break at the \$1,316 level. That was a good area

people were betting for the downside," Michael Matousek, head trader at U.S. Global Investors.

"Now you want to start taking some profits, because statistically, it looks like it can bounce from the short-term."

Gold prices barely responded to North Korea saying it might not attend the unprecedented June 12 summit with the United States if Washington continues to insist that it unilaterally give up its nuclear weapons. North Korea also called off high-level talks with South Korea scheduled for Wednesday, blaming U.S.-South Korean military exercises.

But higher 10-year Treasury yields, which stayed near highs hit on Tuesday, capped gold's gains, traders said, as the U.S. dollar came off its highs.

A weaker dollar makes gold less expensive for holders of other currencies, but higher U.S. bond yields make non-yielding bullion less attractive to investors.

Bullion had suffered its biggest single-day loss since November 2016 when it fell 1.7 percent on Tuesday to below the 200-day moving average and the psychologically significant \$1,300-an-ounce level.

Gold is likely to fall to \$1,275 by the end of June and \$1,250 by the end of the year as U.S. yields and the dollar strengthen, said ABN AMRO analyst Georgette Boele. That is below the \$1,310-\$1,360 range gold has inhabited since January.

"It held up for so long on such a high level. Now you are below \$1,300 and the 200-day moving average; people who hold long positions are a little bit nervous," she said.

Technical and momentum indicators suggested that gold could fall to about \$1,278, ScotiaMocatta analysts said. Fibonacci support for the metal was at \$1,287, they added.

In other precious metals, silver was up 0.9 percent at \$16.37 an ounce after dipping to a two-week low, \$16.17.

Platinum eased by 0.4 percent at \$889.07 per ounce, while palladium gained 0.4 percent at \$986.75, earlier dipping to \$883.50, a five-month low.

(Source Reuters, Research – @her1en)

GOLD (XAU/USD)



- Important resistance around 1355
 - Important support area around 1249
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
May 16	1290.520	1296.930	1286.440	10.49	1290.770	↑ 0.15	1290.620	--	--
May 15	1313.480	1314.770	1288.750	26.02	1290.620	↓ 22.65	1313.270	--	--
May 14	1319.300	1322.200	1312.870	9.33	1313.270	↓ 5.72	1318.990	--	--
May 11	1321.280	1325.830	1318.110	7.72	1318.990	↓ 2.21	1321.200	--	--
May 10	1312.390	1322.730	1310.660	12.07	1321.200	↑ 8.59	1312.610	--	--

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1322.200	1286.440	1325.830	1286.440	1364.980	1310.240	1365.910	1286.440
(14/May)	(16/May)	(11/May)	(16/May)	(11/Apr)	(30/Apr)	(25/Jan)	(16/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1365.23	High Apr 11
	1355.74	High Apr 18
	1335.38	High Apr 23
	1314.84	High May 15
SUPPORT	1286.20	Low May 16
	1281.06	Low Dec 27, 2017
	1264.70	Low Dec 22, 2017
	1249.85	Low Dec 14, 2017
RECOMMENDATION	BUY	-----
	SELL	1292.00
	STOP LOSS	1302.00
	TARGET	1282.00
		1277.00

SILVER (XAG/USD)



- With With strong resistance at 17.35
 - While the crucial support area is around 15.74
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 16	16.256	16.327	16.170	0.16	16.364	↑ 0.11	16.250
May 15	16.509	16.536	16.186	0.35	16.250	↓ 0.25	16.497
May 14	16.671	16.718	16.483	0.23	16.497	↓ 0.16	16.656
May 11	16.708	16.815	16.643	0.17	16.656	↓ 0.04	16.697
May 10	16.471	16.738	16.458	0.28	16.697	↑ 0.22	16.474

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.718	16.170	16.815	16.149	17.336	16.169	17.682	16.105
(14/May)	(16/May)	(11/May)	(02/May)	(19/Apr)	(05/Apr)	(25/Jan)	(20/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	17.48	High Jan 29
	17.35	High Apr 19
	17.11	High Apr 23
	16.55	High May 15
SUPPORT	16.13	Low May 02,2018
	15.97	Low Dec 19, 2017
	15.74	Low Dec 14, 2017
	15.59	Low Dec 13, 2017
RECOMMENDATION	BUY	-----
	SELL	16.40
	STOP LOSS	16.75
	TARGET	16.05
		15.85

OIL – Daily Outlook

Oil gains after report shows larger than expected U.S. stock draws - Reuters News



Oil prices gained on Wednesday, shaking off the effects of a strengthening dollar, after an inventory report showed U.S. crude and gasoline stocks fell more than expected.

Brent crude futures gained 85 cents to settle at \$79.28 a barrel, while U.S. crude futures gained 18 cents to settle at \$71.49 a barrel.

"We rallied as the day went on," said Gene McGillian, manager of market research at Tradition in Stamford.

"We continued to receive support from concerns about

supply from the Iranian nuclear accord, Venezuela ... as well as the draw in crude," McGillian said.

U.S. crude inventories fell by 1.4 million barrels in the week to May 11, compared with analyst expectations for a 763,000 barrel decrease.

U.S. gasoline stocks fell 3.79 million barrels, according to the U.S. Energy Information Administration's weekly report. Analysts had expected a 1.42 million barrel decline. That helped push gasoline futures to their highest levels since October 2014.

"The strength of gasoline, which made new highs, a 3-1/2-year high today ... helped pull up crude later in the session," said Jim Ritterbusch, president of Ritterbusch and Associates in Galena, Illinois.

Exports hit a new one-week record, the EIA said.

The report pointed to healthy demand for U.S. crude, Commerzbank analyst Carsten Fritsch said.

In Venezuela, production plunged to 1.5 million barrels last month, its lowest level in decades due to its ongoing economic crisis.

Meanwhile, the dollar firmed to nearly a five-month high against a basket of other major currencies on Wednesday. A stronger greenback makes it more expensive to buy dollar-denominated commodities such as oil.

While futures prices climb, physical crude markets are sagging under the weight of unsold barrels. The 50 percent rise in oil prices in the last year is encouraging major companies such as ExxonMobil, Royal Dutch Shell, Chevron, BP and Total to increase output.

Spot crude oil cargo prices are at their steepest discounts to futures prices in years as sellers struggle to find buyers for West African, Russian and Kazakh cargoes, while pipeline bottlenecks trap supply in West Texas and Canada.

The International Energy Agency warned global demand is likely to moderate this year as crude prices near \$80 a barrel and many key importing countries no longer offer consumers generous fuel subsidies.

In its monthly report, the Paris-based IEA cut its forecast for 2018 global demand growth to 1.4 million barrels per day, from 1.5 million bpd.

"On balance, the report is tending more to the negative side. Demand for oil has been revised downwards for the second half of the year from April," PVM Oil Associates strategist Tamas Varga said.

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

CLM8/USD (OIL)

(Exp.: 22 May 2018 - Reuters)



- Important resistance at 73.56, support at 69.85
 - RSI 14 is flat
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 16	70.99	71.57	70.65	0.92	71.52	↑ 0.54	70.98
May 15	71.13	71.89	70.42	1.47	70.98	↓ 0.16	71.14
May 14	70.65	71.21	70.26	0.95	71.14	↑ 0.64	70.50
May 11	71.43	71.61	70.44	1.17	70.50	↓ 0.88	71.38
May 10	71.21	71.86	70.55	1.31	71.38	↑ 0.14	71.24

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
71.89	70.26	71.89	66.92	69.53	61.80	71.89	58.06
(15/May)	(14/May)	(15/May)	(02/May)	(19/Apr)	(06/Apr)	(15/May)	(09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	76.58	High Nov 25, 2014
	74.48	High Nov 26, 2014
	73.56	High Nov 28, 2014
	71.92	High May 15
SUPPORT	70.42	Low May 15
	69.85	Low May 09
	67.63	Low May 08
	66.56	Low Apr 18
RECOMMENDATION	BUY	71.30
	SELL	-----
	STOP LOSS	70.10
	TARGET	72.70
		73.20