

DAILY MARKET REPORT

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GLOBAL MARKETS

- Global stock markets rallied broadly on Monday after the United States and China agreed to halt a trade war, while oil hit multi-year highs on political uncertainty and potential sanctions on Venezuela.

GLOBAL ECONOMIES

- New Zealand retail sales volumes rose in the first quarter at the slowest rate for more than five years, pointing to slower economic growth in the year ahead.
- China will "actively and steadily" deleverage and tackle financial risks, sources said on Monday, underscoring concerted efforts by Beijing to defuse a potentially damaging economic fallout from years of cheap money and loose lending practices.
- Japan's exports accelerated in April on increased shipments of cars and machines used to make semiconductors, with rising volumes suggesting healthy overseas demand could help the economy recover quickly from a dip in the first quarter.
- Potential policy changes under a government being formed in Italy are creating a lot of nervousness but it is necessary to wait to see what is put in practice, ECB governing council member Ewald Nowotny said on Monday.
- British households became much cheerier about their financial situation this month, according to a survey on Monday that will hearten Bank of England officials who think the economy's weak start to the year was temporary.

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GLOBAL MARKETS & ECONOMIES
GLOBAL MARKETS

U.S. & Global Markets – Global stock markets rallied broadly on Monday after the United States and China agreed to halt a trade war, while oil hit multi-year highs on political uncertainty and potential sanctions on Venezuela.

The U.S. trade battle with China was put "on hold" after the world's two largest economies agreed to drop their tariff threats in favor of hashing out a broader deal, U.S. Treasury Secretary Steven Mnuchin said on Sunday.

In addition to the trade truce, Wall Street indexes rose on news of \$28 billion in U.S. merger deals.

The Dow Jones Industrial Average rose 298.2 points, or 1.21 percent, to 25,013.29, the S&P 500 gained 20.04 points, or 0.74 percent, to 2,733.01, and the Nasdaq Composite added 39.70 points, or 0.54 percent, to 7,394.04.

The small-cap Russell 2000 index hit a record high for a fourth straight session.

The pan-European FTSEurofirst 300 index rose 0.26 percent and MSCI's gauge of stocks across the globe gained 0.40 percent.

In the short term, analysts said they expect stocks to continue to trend higher barring a major negative event.

"This is an indication of what we'll see near term, because we are through earnings, relatively light on macro data, and with geopolitics it seems like some of the emotion has been reduced between now and the Korean summit," said Gordon Charlop, managing director at Rosenblatt Securities in New York.

The U.S.-China trade news also boosted the U.S. dollar to a five-month high against a basket of currencies as investors pared short positions on the greenback before starting to sell off again.

The dollar index fell 0.12 percent, with the euro up 0.14 percent to \$1.1792. Gold, meanwhile, sank to a low for the year so far.

The Japanese yen weakened 0.22 percent versus the greenback to 111.00 per dollar, while sterling was last trading at \$1.3432, down 0.29 percent.

The yen was pressured by recent weaker Japanese data, expectations of falling safe-haven demand with the easing of the U.S.-China trade war, and elevated U.S. Treasury yields, analysts said.

The euro turned slightly positive after suffering from concerns about political uncertainty in Italy.

Italy's far-right League and the 5-Star Movement agreed on a candidate to lead their planned coalition government and to implement spending plans seen by some investors as threatening the sustainability of the country's debt pile.

Italy's 10-year bond yield rose to its highest level since April 2017 before easing back.

U.S. Treasuries, which were steady ahead of \$99 billion in new supply scheduled for this week, were supported by safety buying prompted by the surging Italian borrowing costs.

(Source Reuters – @her1en)

GLOBAL ECONOMIES

New Zealand – New Zealand retail sales volumes rose in the first quarter at the slowest rate for more than five years, pointing to slower economic growth in the year ahead.

Retail sales volumes rose 3 percent on an annual basis, official data showed on Monday, a stark slowdown from the previous quarter's 5.4 percent jump and the weakest growth since the July-September 2012.

The New Zealand dollar fell from \$0.6925 to as low as \$0.6902 after the sales figures were published.

Sales were up just 0.1 percent on a quarterly basis, much weaker than the roughly 1 percent rise expected by economists.

"This signals downside risk to our Q1 gross domestic product forecast and chimes with other signs that the economy is slowing," said Satish Ranchhod, senior economist at Westpac Bank.

Clothing and footwear led the losses, falling 5.1 percent, while motor vehicles fell 1.1 percent.

The result pointed to some speed-bumps in the economy, which has been the envy of the developed world in recent years, but is starting to face headwinds as housing market growth and immigration slow.

The government has inherited robust economic growth thanks to record immigration levels and robust dairy prices creating growth of around 3 percent a year, though it slowed a touch to 2.9 percent at the end of 2017.

"We expect that household spending growth will remain modest over the coming year as the housing market cools in response to government policy changes," Ranchhod said.

The new Labour-led government took the helm in October and vowed to fix the country's housing crisis with plans to widen taxes on property investment and ban most foreigners from buying homes in New Zealand.

However, increased government investment announced in the annual budget on Thursday could offset weaker consumption spending, with the Treasury forecasting GDP growth reaching 3.8 percent in 2019.

First quarter GDP data is due on June 21.

China – China will "actively and steadily" deleverage and tackle financial risks, sources said on Monday, underscoring concerted efforts by Beijing to defuse a potentially damaging economic fallout from years of cheap money and loose lending practices.

The sources cited the country's five-year plan (2016-2020) for the financial sector which has been a major focus for regulators as they look to rein in shadow banking activity, improve transparency in funding sources and generally reduce a dangerous build-up of debt across the economy.

China will boost the role of price-based monetary policy targets with interest rates as core, according to two sources with knowledge of the matter and a document seen by Reuters.

The sources were quoting the plan jointly issued by the People's Bank of China, financial regulators and other government agencies.

"China must actively and steadily deleverage, adjust the overall floodgate of money supply and prevent the rapid increase in the macro leverage ratio," the five-year plan said.

The government is in the third year of a regulatory crackdown on riskier lending practices, which has slowly pushed up borrowing costs while reducing these alternative and murkier funding sources for companies such as shadow banking.

China's overall debt level rose 2.7 percentage points in 2017 to 250.3 percent of gross domestic product due to the impact from China's supply-side reforms, improving economy and corporate profits, the central bank has said.

Beijing will also actively and steadily tackle financial risks in the short- and medium-term, the sources said, adding that regulators will increase oversight of the shadow banking sector and various online financial businesses.

China will significantly boost the share of direct financing in its financial system, especially equity financing, the sources said.

The outstanding value of China's bond market is expected to match its gross domestic product by the end of 2020, they said.

China will continue to promote the process of yuan internationalisation, expecting cross-border yuan payments to account for over a third of all cross-border payments by 2020, the sources said.

The central bank has yet to respond to a Reuters request for comment.

Japan – Japan's exports accelerated in April on increased shipments of cars and machines used to make semiconductors, with rising volumes

suggesting healthy overseas demand could help the economy recover quickly from a dip in the first quarter.

Exports grew 7.8 percent in April from the same period a year ago, below the median estimate for an 8.1 percent annual increase expected by economists in a Reuters poll. In March, exports grew an annual 2.1 percent.

In terms of volume, which strips away the impact of exchange rates, Japan's exports rose an annual 4.6 percent in April, faster than the 1.8 percent annual increase seen in March.

Exports are likely to continue to grow thanks to increased demand for manufacturing equipment, cars and car parts, but Japan's trade surplus with the United States makes it a potential target for U.S. President Donald Trump's protectionist policies.

"Overseas economies are in a growth phase, so Japan's exports will continue to do well," said Hiroshi Miyazaki, senior economist at Mitsubishi UFJ Morgan Stanley Securities.

"The U.S. government may turn its attention to Japan's trade surplus, but there are steps Japan can take, especially given the close defence relationship between the two countries."

The rise in the volume of exports was another reason to be optimistic, Miyazaki noted.

Exports of cars rose 15.3 percent in April from the same period a year ago, while exports of semiconductor manufacturing equipment rose 18.2 percent year-on-year, finance ministry data showed on Monday.

Exports to China, Japan's largest trading partner, rose an annual 10.9 percent in April, versus a 10.8 percent increase in the previous month, due to an increase of shipments of machines used to process metals and to make electronic components.

Japan's exports to China often serve as a barometer of global demand because companies in China use materials and equipment from Japan to make goods for export to other countries.

Japan's economy contracted more than expected at the start of this year, ending the best run of expansion in decades.

The April trade data suggests exports could help the economy quickly return to growth, but the rate of expansion could be slower than the previous growth spurt.

Japan's exports to the United States rose 4.3 percent year-on-year in April, faster than a 0.2 percent annual increase in March.

Japan's trade surplus with the United States was 615.7 billion yen (\$5.55 billion) in April, up 4.7 percent from the same period a year ago. In March the trade surplus with the United States fell an annual 0.3 percent.

Since taking office last year, Trump has pushed to rewrite free-trade deals to protect U.S. companies and jobs from what is seen as unfair foreign competition.

Trump has imposed tariffs on steel and aluminium imports, which affect Japanese companies, and has also criticised Japan for its low level of imports of American vehicles.

Last year Trump urged Japan to buy more U.S. military hardware, which remains an option for Japan to reduce its trade surplus with the United States.

The United States and China have called off their threats of tariffs while they discuss ways China can buy more American goods to lower the U.S. trade deficit.

Some officials in Tokyo are worried that the United States could seek a similar measures from Japan.

Euro Zone – Potential policy changes under a government being formed in Italy are creating a lot of nervousness but it is necessary to wait to see what is put in practice, ECB governing council member Ewald Nowotny said on Monday.

"It is something that creates a lot of nervousness, but of course on the other hand one has to wait. We do not see the effect of measures, we don't see what really comes out of it," he said a conference in Prague.

"I hope that the practice will be a much wiser approach than what is here today from the newspapers."

Italy's bond yields rose sharply on Monday, pushing the gap over Spanish peers to its widest since 2012, as fears over the big-spending plans of the two anti-establishment parties likely to make up Italy's next government continue to rattle investors.

UK – British households became much cheerier about their financial situation this month, according to a survey on Monday that will hearten Bank of England officials who think the economy's weak start to the year was temporary.

The IHS Markit Household Finance Index (HFI) rose to 44.7 in May from 43.4 in April, its highest level since the end of 2016 and indicating an easing financial squeeze for Britons, who have been hit by higher inflation since the 2016 Brexit vote.

"A welcome combination of rising incomes, falling inflation perceptions and fading concerns around job security all contributed to the strongest HFI survey results in nearly a year-and-a-half," said Sam Teague, an economist at financial data firm IHS Markit.

Earlier this month the BoE held interest rates steady and said it wanted to be sure the economy was recovering from a tepid beginning to the year before it raised borrowing costs again.

BoE Governor Mark Carney, who said he expected to see an interest rate hike before the end of the year, mentioned the household finance index as one of the gauges of the economy that the central bank looks at.

The latest survey showed more than half of households expect interest rates to rise before the end of the year, little changed from the previous month's report.

But only one in four see a rate rise by August, which is when most economists polled by Reuters expect rates to go up.

Households' worries about job security also fell this month to the lowest since the 2008/09 recession, IHS Markit said.

Last week official data showed British employers hired many more workers than economists had expected in early 2018, a tentative sign that the economy's weak start to the year may be temporary, as the Bank of England hopes.

The IHS Markit survey polled 1,500 people from May 11-14.

(Source Reuters, Research – @her1en)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.	
Mon/21-May-18	04:00	KR	PPI YoY	Apr	1.6%	1.5%	1.4%		
	05:45	NZ	Retail Sales Ex Inflation QoQ	1Q	0.1%	--	1.7%		
	06:50	JP	Exports YoY	Apr	7.8%	8.7%	2.1%		
	06:50	JP	Imports YoY	Apr	5.9%	9.8%	-0.6%		
	06:50	JP	Trade Balance	Apr	¥626.0b	¥440.0b	¥797.3b	¥797.0b	
	06:50	JP	Trade Balance Adjusted	Apr	¥550b	¥114.9b	¥119.2b		
	15:30	HK	CPI Composite YoY	Apr	-	--	2.6%		
	19:30	US	Chicago Fed Nat Activity Index	Apr	0.34	--	0.1	0.32	
	23:15	US	Fed's Bostic Speaks to Atlanta Economics Club						
	<i>All Day</i>	<i>CA</i>	<i>Bank Holiday/Victoria Day</i>						
	<i>All Day</i>	<i>CH</i>	<i>Bank Holiday/Whit Monday</i>						
	Tue/22-May-18	01:05	US	Fed's Harker Speaks in New York					
		04:30	US	Fed's Kashkari Speaks at Moderated Q&A in Escanaba, MI					
		15:30	GB	Central Government NCR	Apr	--	--	19.9b	
15:30		GB	PSNB ex Banking Groups	Apr	--	--	1.3b		
15:30		GB	Public Finances (PSNCR)	Apr	--	--	0.5b		
15:30		GB	Public Sector Net Borrowing	Apr	--	--	-0.3b		
17:00		GB	CBI Trends Selling Prices	May	--	--	18		
17:00		GB	CBI Trends Total Orders	May	--	2	4		
21:00		US	Richmond Fed Manufact. Index	May	--	--	-3		
Wed/23-May-18	07:30	JP	Nikkei Japan PMI Mfg	May P	--	--	53.8		
	07:30	AU	Westpac Leading Index MoM	Apr	--	--	-0.22%		
	11:30	JP	All Industry Activity Index MoM	Mar	--	--	0.4%		
	13:00	JP	Machine Tool Orders YoY	Apr F	--	--	22.0%		
	14:30	DE	Markit Germany Services PMI	May P	--	--	53		
	14:30	DE	Markit/BME Germany Composite PMI	May P	--	--	54.6		
	14:30	DE	Markit/BME Germany Manufacturing PMI	May P	--	--	58.1		
	15:00	EU	Markit Eurozone Composite PMI	May P	--	--	55.1		
	15:00	EU	Markit Eurozone Manufacturing PMI	May P	--	--	56.2		
	15:00	EU	Markit Eurozone Services PMI	May P	--	--	54.7		
	15:00	AU	RBA's Lowe Gives Speech in Sydney						
	15:30	GB	CPI Core YoY	Apr	--	--	2.3%		
	15:30	GB	CPI MoM	Apr	--	--	0.1%		
	15:30	GB	CPI YoY	Apr	--	--	2.5%		
	15:30	GB	CPIH YoY	Apr	--	--	2.3%		
	15:30	GB	PPI Input NSA MoM	Apr	--	--	-0.1%		
	15:30	GB	PPI Input NSA YoY	Apr	--	--	4.2%		
	15:30	GB	PPI Output Core NSA MoM	Apr	--	--	0.1%		
	15:30	GB	PPI Output Core NSA YoY	Apr	--	--	2.2%		
	15:30	GB	PPI Output NSA MoM	Apr	--	--	0.2%		
	15:30	GB	PPI Output NSA YoY	Apr	--	--	2.4%		
	15:30	GB	Retail Price Index	Apr	--	--	278.3		
	17:00	GB	CBI Retailing Reported Sales	May	--	--	-2		
	17:00	GB	CBI Total Dist. Reported Sales	May	--	--	6		
	20:45	US	Markit US Composite PMI	May P	--	--	54.9		
	20:45	US	Markit US Manufacturing PMI	May P	--	--	56.5		
	20:45	US	Markit US Services PMI	May P	--	--	54.6		
	21:00	EU	Consumer Confidence	May A	--	--	0.4		
	21:00	US	New Home Sales	Apr	--	680k	694k		
	21:00	US	New Home Sales MoM	Apr	--	-2.0%	4.0%		
	21:30	US	DOE Cushing OK Crude Inventory	May-18	--	--	53k		
	21:30	US	DOE U.S. Crude Oil Inventories	May-18	--	--	-1404k		
21:30	US	DOE U.S. Distillate Inventory	May-18	--	--	-92k			
21:30	US	DOE U.S. Gasoline Inventories	May-18	--	--	-3790k			
Thu/24-May-18	01:00	US	FOMC Meeting Minutes	May-02	--	--	--		

	05:45	NZ	Exports NZD	Apr		--	4.85b	
	05:45	NZ	Imports NZD	Apr		--	4.94b	
	05:45	NZ	Trade Balance 12 Mth YTD NZD	Apr		--	-3421m	
	05:45	NZ	Trade Balance NZD	Apr		--	-86m	
	N/A	KR	BoK 7-Day Repo Rate	May-24		--	1.50%	
	N/A	AU	RBA's Bullock Gives Speech in Amsterdam					
	8:30	JP	BOJ Sakurai speaks in Maebashi					
	12:00	JP	Coincident Index	Mar F		--	116.4	
	12:00	JP	Leading Index CI	Mar F		--	105	
	13:00	DE	Exports QoQ	1Q		--	2.7%	
	13:00	DE	GDP NSA YoY	1Q F		--	1.6%	
	13:00	DE	GDP SA QoQ	1Q F		--	0.3%	
	13:00	DE	GDP WDA YoY	1Q F		--	2.3%	
	13:00	DE	GfK Consumer Confidence	Jun		--	10.8	
	13:00	DE	Imports QoQ	1Q		--	2.0%	
	13:00	DE	Private Consumption QoQ	1Q		--	0.0%	
	15:15	US	Fed's Dudley Speaks on Reference Rate Reform at BoE Event					
	15:30	GB	Retail Sales Ex Auto Fuel MoM	Apr		--	-0.5%	
	15:30	GB	Retail Sales Ex Auto Fuel YoY	Apr		--	1.1%	
	15:30	GB	Retail Sales Inc Auto Fuel MoM	Apr		--	-1.2%	
	15:30	GB	Retail Sales Inc Auto Fuel YoY	Apr		--	1.1%	
	19:30	US	Continuing Claims	May-12		--	1707k	
	19:30	US	Initial Jobless Claims	May-19		--	222k	
	20:00	US	FHFA House Price Index MoM	Mar		--	0.6%	
	20:00	US	House Price Purchase Index QoQ	1Q		--	1.6%	
	21:00	US	Existing Home Sales	Apr		5.57m	5.60m	
	21:00	US	Existing Home Sales MoM	Apr		-0.5%	1.1%	
	22:00	US	Kansas City Fed Manf. Activity	May		--	26	
Fri/25-May-18	01:00	US	Fed's Harker Speaks About Technology's Impact on Labor Market					
	14:15	CH	Industrial Output WDA YoY	1Q		--	8.7%	
	14:15	CH	Industry & Construction Output WDA YoY	1Q		--	8.5%	
	15:00	DE	IFO Business Climate	May		--	102.1	
	15:00	DE	IFO Current Assessment	May		--	105.7	
	15:00	DE	IFO Expectations	May		--	98.7	
	15:30	GB	Exports QoQ	1Q P		--	-0.9%	
	15:30	GB	GDP QoQ	1Q P		--	0.1%	
	15:30	GB	GDP YoY	1Q P		--	1.2%	
	15:30	GB	Imports QoQ	1Q P		--	0.4%	
	15:30	GB	Index of Services 3M/3M	Mar		--	0.4%	
	15:30	GB	Index of Services MoM	Mar		--	-0.2%	
	15:30	GB	Private Consumption QoQ	1Q P		--	0.3%	
	15:30	GB	Total Business Investment QoQ	1Q P		--	0.3%	
	15:30	GB	Total Business Investment YoY	1Q P		--	2.6%	
	19:30	US	Cap Goods Orders Nondef Ex Air	Apr P		0.50%	-0.4%	
	19:30	US	Cap Goods Ship Nondef Ex Air	Apr P		--	-0.8%	
	19:30	US	Durable Goods Orders	Apr P		-1.50%	2.6%	
	19:30	US	Durables Ex Transportation	Apr P		0.50%	0.1%	
	20:00	US	Fed's Powell Joins Riksbank's 350th Anniversary Conference					
	21:00	US	U. of Mich. 1 Yr Inflation	May F		--	2.8%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	May F		--	2.5%	
	21:00	US	U. of Mich. Current Conditions	May F		--	113.3	
	21:00	US	U. of Mich. Expectations	May F		--	89.5	
	21:00	US	U. of Mich. Sentiment	May F		98.8	98.8	
	22:45	US	Fed's Kaplan, Evans and Bostic Speak at Dallas Fed					
Sat/26-May-18	00:00	US	Baker Hughes U.S. Rig Count	May-25		--	1046	

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

ASIAN STOCK INDEX

Japan's Nikkei share average rose on Monday as the dollars' rise against the yen supported some exporters after news of easing U.S.-China trade tensions, but weakness in financial stocks kept wider gains limited.

The Nikkei ended 0.3 percent higher at 23,002.37, after the dollar rose 0.5 percent to 111.245 yen, hitting a fresh four-month high in Asian trade.

The Nikkei broke the psychologically important level of 23,000 for the first time since early February. Analysts see the next resistance level at 23,122.45, an intraday low marked on Feb. 2.

However, the broader Topix edged 0.1 percent lower to 1,813.75, with only 1.29 billion shares changing hands, the lowest volume since early April.

U.S. stock futures gained after Treasury Secretary Steven Mnuchin said on Sunday that the United States and China had agreed put their tariff skirmishing "on hold" to work on a wider trade agreement.

The S&P 500 E-mini futures were up 0.6 percent, the Nasdaq 100 e-minis were 0.7 percent higher with Dow e-minis also up 0.9 percent.

"A combination of a dollar-yen level above 111 and higher U.S. stock futures is favourable to Japanese stocks, while sentiment has recovered," said Yutaka Miura, a senior technical analyst at Mizuho Securities.

South Korea's KOSPI stock index ended higher on Monday. The Korean won tumbled to its weakest closing low since early February, while bond yields rose.

At 0632 GMT, the KOSPI was up 4.92 points or 0.20 percent at 2,465.57.

The won was quoted at 1,085.4 per dollar on the onshore settlement platform, 0.72 percent weaker than its previous close at 1,077.6. The currency extended losses later in the session as greenback continued to hold strong in the global markets.

In offshore trading, the won was quoted at 1,084.19 per U.S. dollar, down 0.34 percent from the previous day, while in one-year non-deliverable forwards it was being asked at 1,068.25 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.25 percent, after U.S. stocks ended the previous session with losses. Japanese stocks rose 0.31 percent.

The KOSPI slipped about 0.3 percent so far this year, and slid 2.18 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 fell 0.06 points to 107.7.

The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.65 percent, while the benchmark 3-year Korean treasury bond yielded 2.25 percent, higher than the previous day's 2.24 percent.

Hong Kong stocks rose on Monday, after U.S. Treasury Secretary Steven Mnuchin said Washington's trade war with Beijing was put "on hold", easing trade tensions that had damped risk appetite.

The Hang Seng index rose 0.6 percent, to 31,234.35, while the China Enterprises Index was unchanged at 12,349.61 points.

The United States and China agreed to drop their tariff threats while they work on a wider trade agreement, Mnuchin said on Sunday. China has agreed to significantly increase its purchases of U.S. goods and services, the two countries said on Saturday, but made no mention of a \$200 billion target the White House had touted earlier.

The sub-index of the Hang Seng tracking energy shares dipped 0.4 percent, while the IT sector dropped 0.22 percent; the financial sector was 0.92 percent higher and the property sector rose 0.22 percent.

The top gainer on Hang Seng was WH Group Ltd, up 5.11 percent, while the biggest loser was China Shenhua Energy Co Ltd, which was down 4.09 percent.

Around the region, MSCI's Asia ex-Japan stock index was firmer by 0.1 percent, while Japan's Nikkei index closed up 0.31 percent.

The yuan was quoted at 6.3875 per U.S. dollar at 08:19 GMT, 0.17 percent weaker than the previous close of 6.3767.

As of the previous trading session, the Hang Seng index was up 3.77 percent this year, while China's H-share index was up 5.5 percent. As of the previous close, the Hang Seng has risen 0.78 percent this month.

China stocks extended gains to end higher on Monday, as trade tensions eased after U.S. Treasury Secretary Steven Mnuchin said their trade war with China was put "on hold".

The blue-chip CSI300 index ended up 0.5 percent at 3,921.24 points, while the Shanghai Composite Index closed 0.6 percent higher at 3,213.84 points.

The U.S. trade war with China is "on hold" after the world's largest economies agreed to drop their tariff threats while they work on a wider trade agreement, Mnuchin said on Sunday.

China has agreed to significantly increase its purchases of U.S. goods and services, the two countries said on Saturday, but made no mention of a \$200 billion target the White House had touted earlier.

"The U.S.-China agreement should provide investors some relief as a full-scale trade war has been avoided," said Tai Hui, Chief Market Strategist for Asia Pacific, J.P. Morgan Asset Management.

Transport firms, in particular shipping companies, led the rally on the mainland, with Cosco Shipping Holdings closing up 7.4 percent. Analysts said the "ceasefire" of the trade war is positive for shipping demand and port throughput. Around the region, MSCI's Asia ex-Japan stock index was firmer by 0.22 percent, while Japan's Nikkei index closed 0.31 percent higher.

At 0700 GMT, the yuan was quoted at 6.3859 per U.S. dollar, 0.14 percent weaker than the previous close of 6.3767.

So far this year, the Shanghai stock index is down 2.8 percent, the CSI300 has fallen 2.7 percent, while China's H-share index listed in Hong Kong is up 5.8 percent. Shanghai stocks have risen 4.29 percent this month.

(Source Reuters, Research: rizal)

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 – 21 May 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25013.29	↑ 298.20/1.21%	.N225	23002.37	↑ 72.01/0.31%
/.SPX	2733.01	↑ 20.04/0.74%	.KS200	316.25	↑ 0.88/0.28%
/.IXIC	7394.036	↑ 39.697/0.54%	.HSI	31234.35	↑ 186.44/0.60%
JPY=	111.04	↑ 0.30/0.27%	/.SSEC	3214.36100	↑ 21.05760/0.66%
KRW=	1076.55	↓ 4.02/0.37%	/CLc1 (Oil)	72.66	↑ 1.18/1.65%

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
21 May SSIpmM8	22990	23040	22980	60	23025	---	↑ 50	0.22	9636
21 May SSIamM8	22900	23050	22895	155	22975	22975	↑ 65	0.28	36968
18 May SSIpmM8	22925	22935	22810	125	22810	---	↓ 100	0.44	12898
18 May SSIamM8	22925	22960	22865	95	22910	22910	↑ 70	0.31	35799
17 May SSIpmM8	22830	22955	22820	135	22885	---	↑ 45	0.20	14576
17 May SSIamM8	22800	22880	22790	90	22840	22840	↑ 100	0.44	34823
16 May SSIpmM8	22740	22820	22705	115	22820	---	↑ 80	0.35	11527
16 May SSIamM8	22705	22790	22695	95	22740	22740	↓ 75	0.33	34970
15 May SSIpmM8	22815	22830	22720	110	22755	---	↓ 60	0.26	21446
15 May SSIamM8	22875	22910	22800	110	22815	22815	↓ 40	0.18	32006

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
23050	22895	23050	22085	22640	20920	24170	20130
(21/May)	(21/May)	(21/May)	(03/May)	(30/Apr)	(02/Apr)	(23/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	23640	High Jan 30, 2018
	23485	High Feb 02,2018
	23275	High on 1 Hourly Chart
	23140	High on 1 Hourly Chart
SUPPORT	22820	Low May 18,2018
	22670	Low May 14,2018
	22570	Low on 1 Hourly Chart
	22405	Low May 10,2018
RECOMMENDATION	BUY	23100
	SELL	----
	STOP LOSS	22950
	TARGET	23300 23400

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



- Daily daily corrections
 - RSI 14 is near the oversold zone
 - Potentially Open Gap Up.
- [\(Research – riza\)](#)

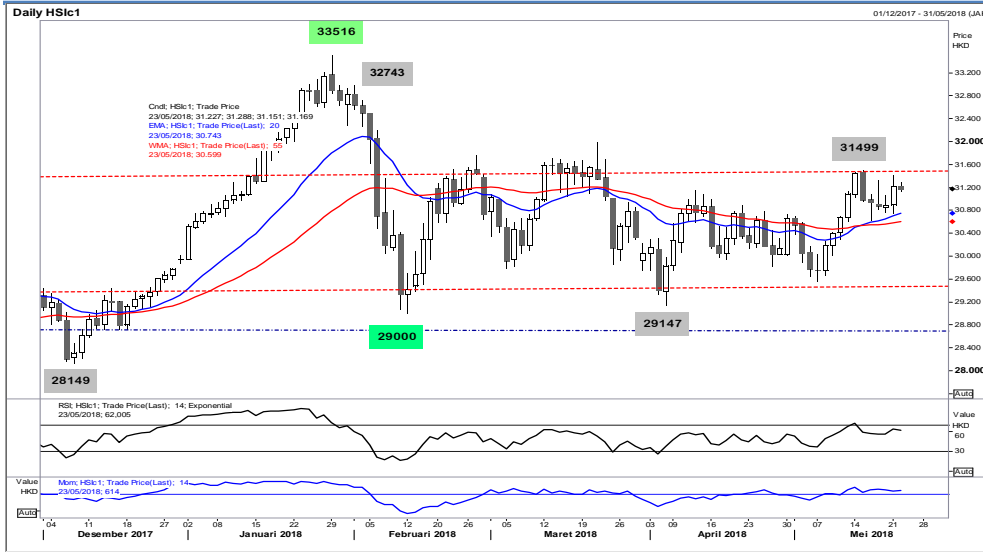
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
21 May	316.15	317.30	313.65	3.65	316.25	316.25	↑ 0.35	0.11	148887
18 May	315.50	316.00	314.80	1.20	315.90	315.90	↑ 1.35	0.43	98653
17 May	317.35	318.15	314.55	3.60	314.55	314.55	↓ 1.50	0.47	146279
16 May	313.90	316.95	313.65	3.30	316.05	316.05	↑ 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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
317.30 (21/May)	313.65 (21/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	232.45	High Apr 30, 2018
	322.80	High May 02, 2018
	320.15	High May 04, 2018
	319.30	High May 08, 2018
SUPPORT	314.90	Low Apr 24, 2018
	313.85	Low Apr 13, 2018
	312.85	Low Apr 12, 2018
	310.30	Low Apr 10, 2018
RECOMMENDATION	BUY	317.25
	SELL	----
	STOP LOSS	315.75
	TARGET	319.25
		320.25

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
21 May	31351	31407	31151	256	31226	31226	↑ 330	1.07	185737
18 May	30834	31077	30808	269	30896	30896	↑ 16	0.05	185581
17 May	31005	31057	30820	237	30880	30880	↓ 54	0.17	202798
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
31407 (21/May)	31151 (21/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	31089	Low on 1 Hourly Chart
	30863	Low on 1 Hourly Chart
	30680	Low on 1 Hourly Chart
	30554	Reactions Low on 1 Hourly Chart
RECOMMENDATION	BUY	31270
	SELL	----
	STOP LOSS	31120
	TARGET	31520 31620

CURRENCIES – Daily Outlook

Dollar hits five-month peak as U.S.-China trade tensions ebb - Reuters News



The dollar advanced to a five-month high against a basket of currencies on Monday, as news of a truce between the United States and China on trade tariffs prompted investors to pare back short positions on the greenback.

Investors have been short the dollar since July of last year, but the dollar index has rallied nearly 7 percent since mid-February. The dollar has been mainly bolstered by generally solid U.S. economic data that has backed the Federal Reserve's monetary

policy tightening stance this year.

The prospect of a resolution to the U.S.-China trade tensions has further added to the dollar's shine.

The world's two largest economies have agreed to drop their tariff threats for now. U.S. Treasury Secretary Steven Mnuchin and President Donald Trump's top economic adviser, Larry Kudlow, said on Sunday the agreement reached by Chinese and American negotiators on Saturday set up a framework for addressing trade imbalances in the future.

"In the absence of major economic releases, the headline on the easing of trade tensions with China has been positive for the dollar, although the dollar in general has been doing a little bit better," said Sireen Harajli, FX strategist at Mizuho Bank in New York.

"Economic data in the U.S. has been performing fairly well, in contrast to other parts where things have not been so great," she added.

Harajli cited concerns about Japan's economy, which contracted in the first quarter of 2018, and the euro zone, with Germany, the biggest economy in the region, revising down its first-quarter growth.

In late trading, the dollar index rose 0.1 percent to 93.681 after earlier hitting a five-month high above 94.

This week, the dollar's fate rests on the Fed, with several of its officials speaking and the minutes of the U.S. central bank's last monetary policy meeting due to be released on Wednesday.

Investors will focus on the Fed's inflation outlook. Higher inflation could mean faster interest rate hikes and a stronger dollar.

In other currency pairs, the dollar rose to a four-month high against the yen at 111.39 and was last at 111.10, up 0.3 percent. The yen has been pressured by recent weaker Japanese data, a U.S.-China trade war truce and elevated U.S. Treasury yields, analysts said.

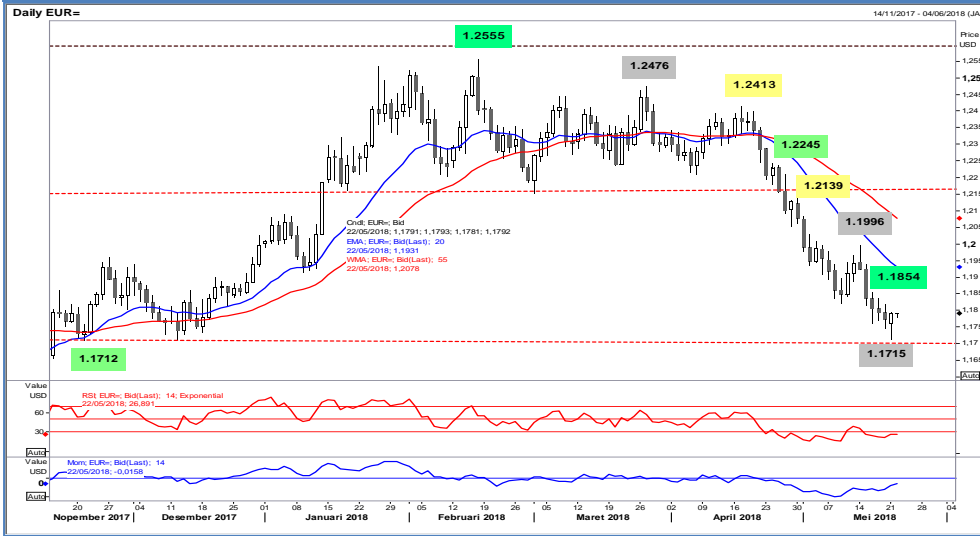
The euro, meanwhile, was flat against the dollar at \$1.1775, after earlier falling to its lowest level since around mid-November. Europe's single currency has been affected by concerns about political uncertainty in Italy.

This week will bring about a further test for stubborn euro bulls with the release of May flash PMI data on Wednesday, with markets waiting to see whether the first-quarter slowdown in Europe has spilled over to subsequent months.

(Source Reuters, Research – @her1en)

EUR/USD

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



- With the support area at 1.1477
 - Important resistance around 1.1938
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 21	1.17653	1.17944	1.17154	79,0	1.17886	↑ 24,2	1.17644
May 18	1.17937	1.18209	1.17486	72,3	1.17644	↓ 28,8	1.17932
May 17	1.18104	1.18363	1.17752	61,1	1.17932	↓ 12,8	1.18060
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

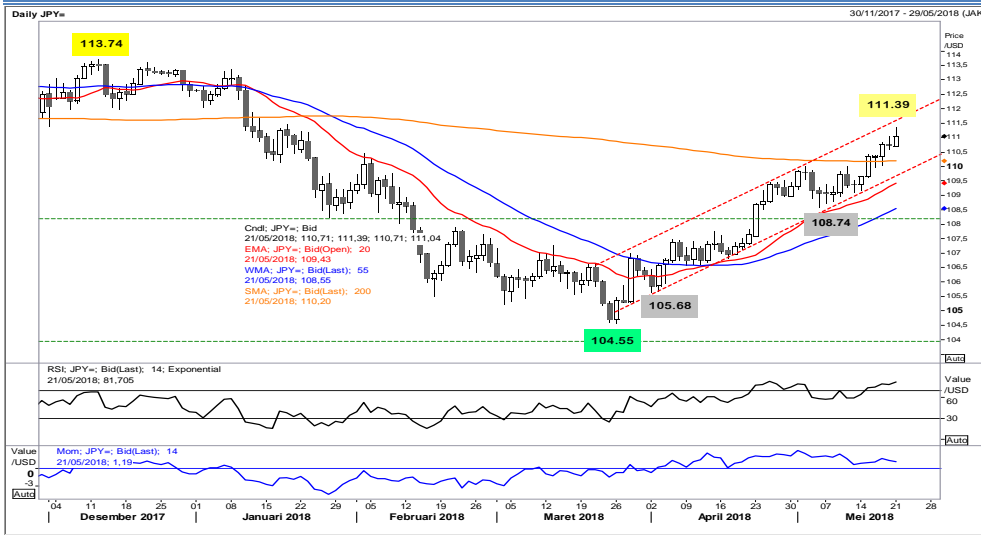
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.17944	1.17154	1.20829	1.17154	1.24125	1.20542	1.25542	1.17154
(21/May)	(21/May)	(01/May)	(21/May)	(17/Apr)	(27/Apr)	(16/Feb)	(21/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2139	High Apr 30
	1.2032	High May 02
	1.1938	High May 15
	1.1854	High May 16
SUPPORT	1.1658	Low Nov 14, 2017
	1.1552	Low Nov 07, 2017
	1.1477	Low July 20, 2017
	1.1369	Low July 13, 2017
RECOMMENDATION	BUY	-----
	SELL	1.1810
	STOP LOSS	1.1885
	TARGET	1.1735
		1.1700

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
- Bearish Advance Block
[\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 21	110.855	111.384	110.829	55,5	111.002	↑ 29,2	110.710
May 18	110.769	111.069	110.598	47,1	110.710	↓ 3,2	110.742
May 17	110.274	110.846	110.061	78,5	110.742	↑ 33,2	110.410
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

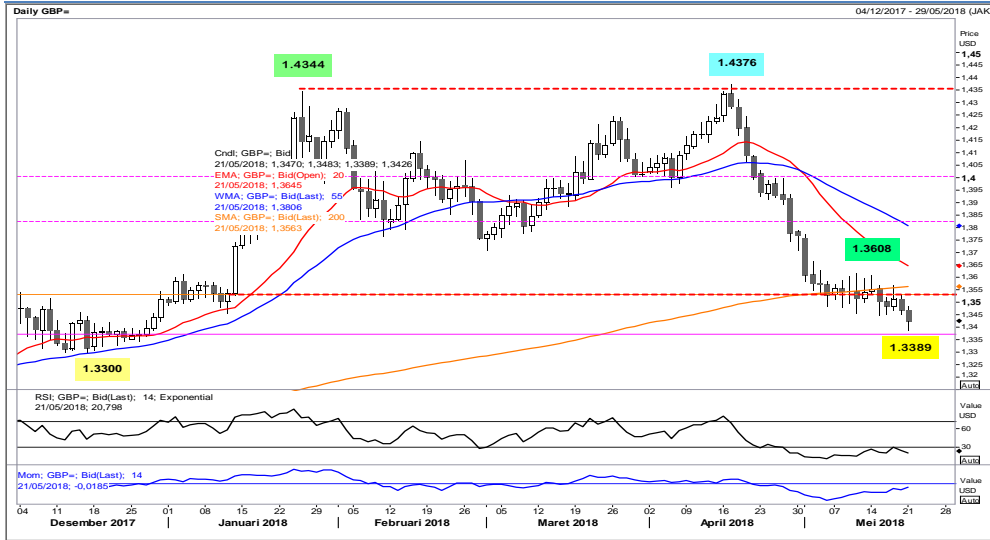
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
111.384 (21/May)	110.829 (21/May)	111.384 (21/May)	108.635 (04/May)	109.525 (27/Apr)	105.646 (02/Apr)	113.376 (08/Jan)	104.623 (23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	113.74	High Dec 12, 2017
	113.38	High Jan 08,2018
	112.77	High Jan 10,2018
	111.87	High Jan 11,2018
SUPPORT	110.59	Low May 18,2018
	110.01	Low May 16,2018
	109.57	Low May 02,2018
	108.78	Low Apr 25, 2018
RECOMMENDATION	BUY	----
	SELL	111.15
	STOP LOSS	111.90
	TARGET	110.35 110.05

GBP/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 21	1.34739	1.34774	1.33897	87,7	1.34233	↓ 52,1	1.34754
May 18	1.35139	1.35268	1.34537	73,1	1.34754	↓ 38,3	1.35137
May 17	1.35121	1.35682	1.34732	95,0	1.35137	↑ 31,2	1.34825
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.34774 (21/May)	1.33897 (21/May)	1.37717 (01/May)	1.33897 (21/May)	1.43754 (17/Apr)	1.37113 (30/Apr)	1.43754 (17/Apr)	1.33897 (21/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3773	High May 01,2018
	1.3666	High May 02,2018
	1.3595	High May 11,2018
	1.3483	High May 21,2018
SUPPORT	1.3345	Low Dec 26, 2017
	1.3219	Low Nov 28, 2017
	1.3133	Low Nov 16, 2017
	1.3060	Reactions Low Nov 13, 2017
RECOMMENDATION	BUY	1.3410
	SELL	----
	STOP LOSS	1.3330
	TARGET	1.3580 1.3540

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 21	0.99770	1.00004	0.99689	31,5	0.99674	↓ 9,4	0.99768
May 18	1.00113	1.00171	0.99491	68,0	0.99768	↓ 34,1	1.00109
May 17	1.00036	1.00320	0.99856	46,4	1.00109	↑ 1,7	1.00092
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

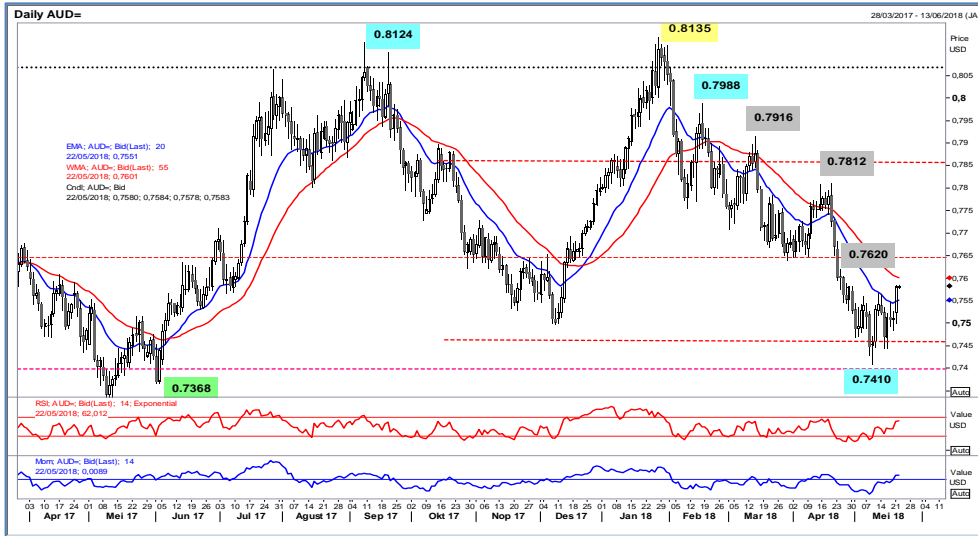
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.00004 (21/May)	0.99689 (21/May)	1.00553 (07/May)	0.99034 (01/May)	0.99199 (30/Apr)	0.95258 (02/Apr)	1.00553 (07/May)	0.91863 (16/Feb)

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	0.9869	Low Apr 30,2018
	0.9815	Low Apr 26,2018
	0.9766	Low Apr 24,2018
	0.9665	Low Apr 19,2018
RECOMMENDATION	BUY	---
	SELL	0.9985
	STOP LOSS	1.0060
	TARGET	0.9905 0.9885

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 21	0.75219	0.75853	0.75017	83,6	0.75781	↑ 70,6	0.75075
May 18	0.75093	0.75269	0.74873	39,6	0.75075	↑ 2	0.75073
May 17	0.75163	0.75464	0.74964	50,0	0.75073	↓ 4,9	0.75122
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75853	0.75017	0.75853	0.74112	0.78117	0.75241	0.81346	0.74112
(21/May)	(21/May)	(21/May)	(09/May)	(19/Apr)	(30/Apr)	(26/Jan)	(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	0.7555
	SELL	-----
	STOP LOSS	0.7480
	TARGET	0.7630
		0.7665

NZD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 21	0.69090	0.69488	0.68829	65,9	0.69436	↑ 28,2	0.69154
May 18	0.68764	0.69167	0.68719	44,8	0.69154	↑ 41,4	0.68740
May 17	0.69008	0.69364	0.68714	65,0	0.68740	↓ 17,7	0.68917
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

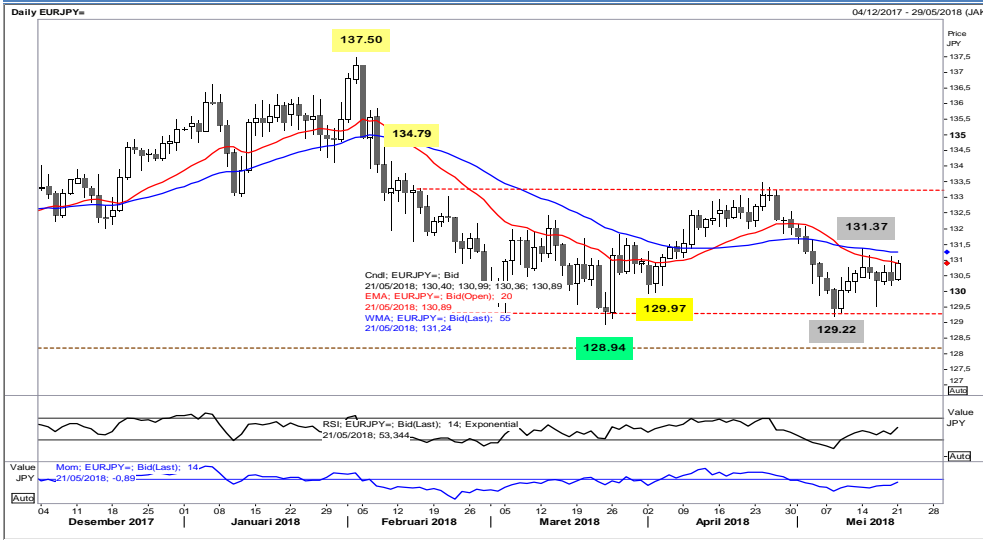
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.69488	0.68829	0.70516	0.68500	0.73943	0.70321	0.74359	0.68500
(21/May)	(21/May)	(04/May)	(16/May)	(13/Apr)	(30/Apr)	(16/Feb)	(16/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7221	High Apr 23
	0.7121	High Apr 25
	0.7040	High May 01
	0.6974	High May 14
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	0.6925
	SELL	-----
	STOP LOSS	0.6850
	TARGET	0.7000
		0.7035

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 21	130.437	130.986	130.358	62,8	130.872	↑ 61,8	130.254
May 18	130.653	131.107	130.222	88,5	130.254	↓ 36,8	130.622
May 17	130.253	130.830	130.240	59,0	130.622	↑ 29,6	130.326
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
130.986	130.358	132.117	129.215	133.466	129.962	137.486	128.931
(21/May)	(21/May)	(01/May)	(08/May)	(24/Apr)	(02/Apr)	(02/Feb)	(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	130.22	Low May 17,2018
	129.98	Low May 11,2018
	129.22	Low May 08,2018
	128.51	Low Aug 24,2017
RECOMMENDATION	BUY	130.75
	SELL	----
	STOP LOSS	129.90
	TARGET	131.75
		132.05

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
- [\(Research – rizal\)](#)

WEEKLY OPEN	CURRENT PRICE
1.2879	1.2782

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.2890 (21/May)	1.2788 (21/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	1.2800
	STOP LOSS	1.2885
	TARGET	1.2710 – 1.2670

Precious Metal – *Daily Outlook*

Gold hits 2018 low as trade comments lift stocks, dollar - Reuters News



Gold on Monday marked a new low for the year to date after U.S. Treasury Secretary Steven Mnuchin's declaration that a trade war between China and the United States was "on hold" helped boost appetite for higher-risk assets, such as stocks.

Buoyancy in U.S. Treasury yields also weighed on appetite for non-interest-bearing assets, like bullion, analysts said.

Spot gold fell to its lowest since late December at \$1,281.76 an ounce, and was down 0.03 percent at \$1,291.1 per ounce by 1:34 p.m. EDT

(1734 GMT). U.S. gold futures for June delivery settled down 40 cents, or 0.03 percent, at \$1,290.90 per ounce.

"The dollar's riding high and the 10-year (Treasury note's) yield has broken above 3.05 percent for the first time since 2011," said Mitsubishi analyst Jonathan Butler.

A stronger dollar makes assets priced in the U.S. greenback more expensive for holders of other currencies, while a bounce in yields had added to pressure on gold.

"With the China trade news, international investors sold off gold," said Michael Matousek, head trader at U.S. Global Investors.

The world's two largest economies stepped back from the brink of a global trade war and agreed to hold further talks aimed at boosting U.S. exports to China.

Gold prices last week fell below the psychologically-important level of \$1,300 an ounce, and posted the first weekly close below the 200-day moving average since late December.

The yellow metal is also being weighed down by expectations that the Federal Reserve will lift U.S. interest rates again next month. Higher interest rates make non-yielding assets like gold less attractive to investors.

Naeem Aslam, chief market analyst at Think Markets, said investors were now looking ahead to this week's meeting of the Federal Open Market Committee, which sets rates.

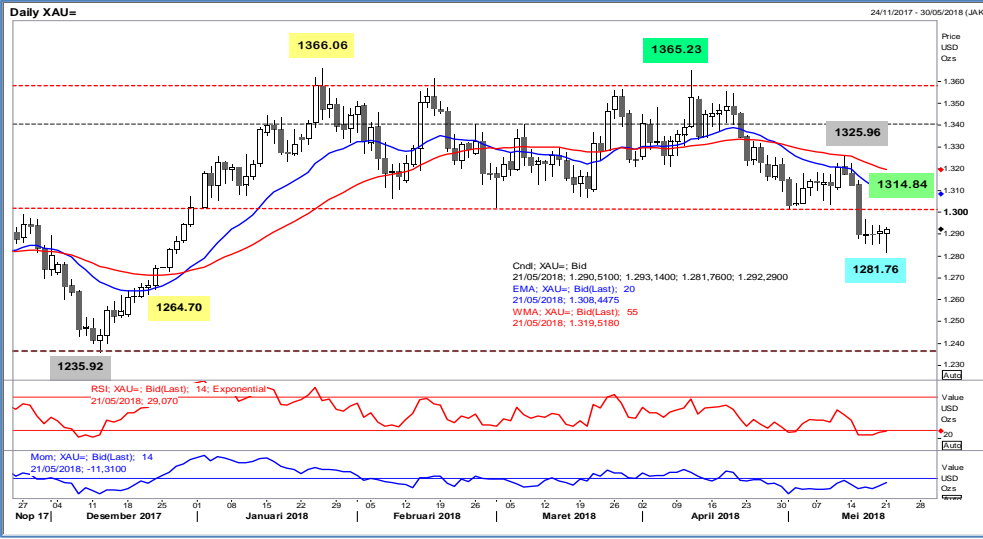
"If the Fed doesn't tame its hawkish stance, we would expect more weakness in the gold price," he said. Mitsubishi's Butler said gold could benefit from safe-haven buying in the long run if that exuberance loses steam and inflation pressures mount. But he added: "It's possible that we might see a further correction in the very short term. That will of course depend on the newsflow, and whether the dollar can hold on to its gains."

Meanwhile, platinum gained 1.9 percent at \$899.50 an ounce, after also marking a fresh low for the year in earlier trade at \$873.50.

Silver was up 0.4 percent at \$16.49 an ounce, while palladium, the most industrial of the major precious metals, jumped 2.9 percent to \$990.72.

(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 21	1290.880	1293.150	1282.150	11.00	1292.690	↑ 0.77	1291.920	--	--
May 18	1290.610	1294.240	1286.120	8.12	1291.920	↑ 1.03	1290.890	--	--
May 17	1290.890	1294.410	1285.160	9.25	1290.890	↑ 0.12	1290.770	--	--
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	--	--

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1293.150	1282.150	1325.830	1282.150	1364.980	1310.240	1365.910	1282.150
(21/May)	(21/May)	(11/May)	(21/May)	(11/Apr)	(30/Apr)	(25/Jan)	(21/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1355.74	High Apr 18
	1335.38	High Apr 23
	1314.84	High May 15
	1296.87	High May 16
SUPPORT	1281.06	Low Dec 27, 2017
	1264.70	Low Dec 22, 2017
	1249.85	Low Dec 14, 2017
	1235.92	Low Dec 12, 2017
RECOMMENDATION	BUY	-----
	SELL	1294.00
	STOP LOSS	1304.00
	TARGET	1284.00 1279.00

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 21	16.427	16.504	16.254	0.25	16.494	↑ 0.08	16.417
May 18	16.411	16.452	16.346	0.11	16.417	↑ 0.01	16.410
May 17	16.354	16.474	16.310	0.16	16.410	↑ 0.05	16.364
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.504	16.254	16.815	16.149	17.336	16.169	17.682	16.105
(21/May)	(21/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	16.50
	STOP LOSS	16.85
	TARGET	16.15 15.95

OIL – Daily Outlook

Oil rallies to multi-year highs on Venezuela worries - Reuters News



U.S. crude hit its highest level since 2014 on Monday amid rising concerns that Venezuela's oil output could fall further following the country's presidential election and potential sanctions on the OPEC-member nation.

Prices firmed further as U.S. President Donald Trump had discussions with Russia and China about issuing new debt to Venezuela. Trump signed an executive order on Monday restricting Venezuela's ability to liquidate state assets, a senior administration official told reporters.

Any restriction on Venezuela's financing, logistics or power supply could further depress the country's crude output.

"It's been going down for a bit, but there is an expectation that the decline will accelerate," said Jamie Webster, senior director of the Center for Energy Impact at the Boston Consulting Group. "There's increasingly a view that this could be as bad as Libya was in its worst days - that production could fall to a very small percent of what it is capable of doing."

U.S. crude futures settled 96 cents, or 1.4 percent, firmer at \$72.24 a barrel, after touching \$72.33, the highest since November 2014. In post-settlement trade, the benchmark hit a fresh 3-1/2 year high at 72.59.

Brent crude futures gained 71 cents, or 0.9 percent, to settle at \$79.22 a barrel. In post-settlement trade, the global benchmark rallied to \$79.59, up more than a dollar from the previous close.

Venezuela's socialist President Nicolas Maduro faced widespread international condemnation on Monday after his re-election in a weekend vote his critics denounced as a farce cementing autocracy in the crisis-stricken oil producer.

The United States is actively considering oil sanctions on Venezuela, where output has dropped by a third in two years to its lowest in decades.

"The spectre of U.S. oil sanctions on the embattled Latin American producer now looms large as Washington strives to tighten the financial noose," PVM Oil Associates strategist Stephen Brennock said in a note.

Brent pushed past \$80 a barrel last week for the first time since 2014, and the market may again try to clear that hurdle, said Gene McGillian, vice president of research at Tradition Energy in Stamford, Connecticut.

"It seems as if the pull backs are just short-term profit taking and we will see whether people are going to be willing to drive the market through \$80 again," he said.

Beyond Venezuela's production woes, geopolitical concerns that U.S. sanctions on Iran could curb the country's crude exports have led prices to trade higher in recent weeks.

Additionally, a possible U.S. trade war with China is "on hold" after the world's two largest economies agreed to drop their tariff threats while they work on a wider trade agreement, U.S. Treasury Secretary Steven Mnuchin said on Sunday, giving global markets a lift in early Monday trade.

Stabilizing trade relations between the countries could boost oil demand, Tradition's McGillian said.

Rising output from U.S. shale and key OPEC producers could end the rally, BP Chief Executive Bob Dudley told Reuters. Dudley said he expected a flood of U.S. shale and a possible reopening of OPEC taps to cool oil markets after crude rose above \$80 a barrel last week.

Dudley said he saw oil prices falling to between \$50 and \$65 because of surging shale output and OPEC's capacity to boost production to cover a potential shortfall in Iranian supplies owing to U.S. sanctions.

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

CLN8/USD (OIL)

(Exp.: 20 June 2018 - Reuters)



- Important resistance at 74.48, support at 69.85
- RSI 14 is flat
(Research – @her1en)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 21 (CLN8)	71.72	72.66	71.31	1.35	72.64	↑ 1.19	71.45
May 18 (CLN8)	71.61	71.84	71.07	0.77	71.45	↓ 0.22	71.67
May 18 (CLM8)	71.58	71.73	70.99	0.74	71.37	↓ 0.20	71.57
May 17	71.54	72.28	71.10	1.18	71.57	↑ 0.05	71.52
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
72.66	71.31	72.66	66.92	69.53	61.80	72.66	58.06
(21/May)	(21/May)	(21/May)	(02/May)	(19/Apr)	(06/Apr)	(21/May)	(09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	77.83	High Nov 21, 2014
	76.58	High Nov 25, 2014
	74.48	High Nov 26, 2014
	73.56	High Nov 28, 2014
SUPPORT	71.32	Low May 21
	70.42	Low May 15
	69.85	Low May 09
	67.63	Low May 08
RECOMMENDATION	BUY	72.40
	SELL	-----
	STOP LOSS	71.20
	TARGET	73.80
		74.30