

DAILY MARKET REPORT

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GLOBAL MARKETS

- European stocks gave up early gains and bond yields recovered from lows as early elections loomed in Italy after the anti-establishment 5-Star and League parties abandoned plans to form a government.

GLOBAL ECONOMIES

- China told the World Trade Organization's dispute settlement body on Monday that U.S. accusations that Beijing forced companies to hand over technology as a cost of doing business in China were groundless.
- Japanese Prime Minister Shinzo Abe said on Monday he would seek to convince President Donald Trump of the crucial role his country's automakers play in boosting the U.S. economy.
- A new agreement on EU bank capital rules helps lift regulatory obstacles to cross-border bank mergers but further steps are still needed, France's central bank head said on Monday.
- Britain's finance ministry and the Bank of England are at odds over how to regulate financial services in the City of London after Brexit, the Financial Times reported on Monday, citing unnamed officials.

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GLOBAL MARKETS & ECONOMIES
GLOBAL MARKETS

U.S. & Global Markets – European stocks gave up early gains and bond yields recovered from lows as early elections loomed in Italy after the anti-establishment 5-Star and League parties abandoned plans to form a government.

European stocks were a mixed bag, after Asian shares mostly gained on signs the United States and North Korea were still working towards holding a summit.

Early in the European session, the euro, Italy's government debt and its FTSE MIB stock index all rose in opening trades. But those gains quickly dissipated.

European stocks were trading flat on the day and Italian bond yields were up 3 basis points on concern new elections would turn into a debate on euro membership.

"We doubt this rally in markets has legs as what this means is that the next election in Italy becomes a referendum vote on euro membership," said Frederik Ducrozet, senior European economist at Pictet Wealth Management.

Italian President Sergio Mattarella is expected to ask former International Monetary Fund official Carlo Cottarelli on Monday to head a stopgap government. He will meet Cottarelli at 1130 am (0930 GMT) on Monday, an official said.

His refusal to accept as economy minister Paolo Savona, who had threatened to pull Italy out of the euro, forced the 5-Star and the League to abandon efforts to form a government.

The euro initially rallied 0.6 percent to \$1.1728, pulling itself above 6 1/2-month lows, but headed back towards the day's lows to trade only 0.1 percent higher at \$1.1655.

The single currency strengthened by 0.8 percent against the Swiss franc, rebounding from near three-month lows to trade at 1.1629, but also gave up much of those gains.

Italian 10-year bond yields had dropped 10 basis points to 2.35 percent in early trade, coming off one-year highs, but investors quickly booked profits, pushing yields up 3 basis points on the day.

Italy's FTSE MIB index turned negative on the day after climbing 1.4 percent earlier as financials and utilities stocks surged.

"If there are new elections in autumn, then the populists are likely to get a stronger share and a more extreme mandate," said Peter Chatwell, head of European rates strategy at Mizuho International.

Europe's STOXX 600, and Germany's DAX were flat on the day. MSCI's main European index was down 0.1 percent while its Asian counterpart rose 0.4 percent as a retreat in oil prices from record highs helped sentiment.

(Source Reuters – @her1en)

GLOBAL ECONOMIES

China – China told the World Trade Organization's dispute settlement body on Monday that U.S. accusations that Beijing forced companies to hand over technology as a cost of doing business in China were groundless.

U.S. President Donald Trump has accused China of stealing American ideas and announced a plan for a \$50 billion tariff penalty against Chinese goods. Both sides launched legal complaints at the WTO over the issue earlier this year.

"There is no forced technology transfer in China," Chinese Ambassador Zhang Xiangchen told the meeting, according to a copy of his remarks provided to Reuters.

"According to the U.S.'s view, China forces the U.S. companies to transfer technologies by imposing joint venture requirements, foreign equity limitations and administrative licensing procedures," Zhang said.

"But the fact is, nothing in these regulatory measures requires technology transfer from foreign companies."

Zhang said the U.S. argument involved a "presumption of guilt". The U.S. Trade Representative believed U.S. firms in China faced an obligation to hand over technology, while failing to produce a single piece of evidence. Some of its claims were "pure speculation", he said, adding that the USTR saw Chinese M&A activity as a Chinese government conspiracy.

Japan – Japanese Prime Minister Shinzo Abe said on Monday he would seek to convince President Donald Trump of the crucial role his country's automakers play in boosting the U.S. economy.

The Trump administration decided last week to begin a national security investigation into auto imports that could lead to new U.S. tariffs similar to those imposed on imported steel and aluminium.

"Japanese automakers have created jobs and made huge contributions to the U.S. economy," Abe told parliament, when asked by a lawmaker how Japan would respond to the U.S. move.

"As a country that prioritises a rule-based, multilateral trade system, Japan believes that any steps taken on trade must be in line with World Trade Organization rules," he said.

The number of cars Japanese automakers produce in the United States is double the number it exports to the country, Abe said.

Abe also said Tokyo will continue to urge Washington to join the multi-lateral Trans-Pacific Partnership (TPP).

"Japan has explained to the United States its stance that TPP is the best format for both countries. We will continue to talk with the United States based on this view," he said.

Euro Zone – A new agreement on EU bank capital rules helps lift regulatory obstacles to cross-border bank mergers but further steps are still needed, France's central bank head said on Monday.

EU finance ministers reached an agreement on Friday on how to apply new global bank capital rules that overhauled financial regulations after the 2008-2009 global crisis.

As part of the package, Europe's biggest banks, such as France's BNP Paribas, would see their exposure to other countries in the bloc to be treated as safer domestic exposure, thus potentially reducing capital surcharge they pay, according to the agreement.

"In 2018, we should continue to continue our efforts to encourage consolidation in the European financial sector," Bank of France Governor Francois Villeroy de Galhau told journalists.

Since the end of the financial crisis, European banks have largely ignored calls to merge from some central bankers, who think that consolidation would make it easier to transmit monetary policy more evenly across the euro zone.

Villeroy, who is also head of France's ACPR financial sector regulator, said that the ministers' agreement on Friday was "a very good step, but we are not there yet".

He added that the next step should be to focus on quickly setting up a common backstop to prop up the sector's rescue facility, known as the Single Resolution Fund.

"As soon as the resolution (mechanism) is completed, the environment will be favourable for the emergence of cross-boarder banking and insurance groups, Villeroy said.

Turning to France specifically, Villeroy renewed concerns about surging corporate and household borrowing, which has pushed private-sector debt to record levels.

He added that France's financial stability council, which includes him and the finance minister, was prepared to take action at a meeting next month, including by requiring banks to hold extra capital.

Villeroy said the point was not to rein in borrowing, but rather to ensure banks had enough capital available to keep lending should the credit cycle take a turn for the worst in the future.

UK – Britain's finance ministry and the Bank of England are at odds over how to regulate financial services in the City of London after Brexit, the Financial Times reported on Monday, citing unnamed officials.

Finance minister Philip Hammond favours an approach that would keep Britain close to the European Union after Britain leaves the bloc, but the central bank does not want to be left as a "rule-taker", according to the report.

"It is very, very bad. The bank wants to have as much control as possible and doesn't want to be a rule-taker," the FT quoted one BoE official as saying. Another said there was a fear that the finance ministry "is going to give it all away".

The Bank of England (BoE) declined to comment on the report.

The BoE and the finance ministry, known in Britain as the Treasury, had both backed "mutual recognition" as the basis of a deal in financial services, meaning close co-operation between regulators and financial

policymakers would see British and EU regulations recognised by the other party.

However, the EU's chief negotiator on Brexit Michel Barnier said last month the bloc's existing system of market access for foreign financial firms could work well for Britain after it leaves the European Union, reducing the chances that Britain's financial sector will get the bespoke deal that London is hoping for.

The search for a plan B has exposed the divisions between the BoE's deputy governor for financial stability Jon Cunliffe and the Treasury on the issue, the FT said.

A spokesman for the Treasury said it was united with the Bank of England in aiming to ensure the stability and prosperity of the economy.

"We are working together to ensure that the UK continues to remain the pre-eminent financial services centre of the world," the spokesman said. "We agree the United Kingdom cannot be an automatic rule-taker."

(Source Reuters, Research – @her1en)

WEEKLY ECONOMIC CALENDAR

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/28-May-18	06:50	JP	PPI Services YoY	Apr	0.9%	0.5%	0.5%	
	<i>All Day</i>	<i>DE</i>	<i>Bank Holiday/Spring Bank Holiday</i>					
	<i>All Day</i>	<i>GB</i>	<i>Bank Holiday/Spring Bank Holiday</i>					
	<i>All Day</i>	<i>US</i>	<i>Bank Holiday/Memorial Day</i>					
Tue/29-May-18	04:00	KR	Consumer Confidence	May	108.0	106.8	107.1	
	06:30	JP	Jobless Rate	Apr		2.5%	2.5%	
	06:30	JP	Job-To-Applicant Ratio	Apr		--	1.59	
	11:40	US	Fed's Bullard Speaks in Tokyo					
	14:45	EZ	ECB's Villeroy to Speak in Paris					
	16:30	EZ	ECB's Mersch Speaks at Frankfurt Finance Summit					
	20:00	US	S&P CoreLogic CS 20-City MoM SA	Mar		--	0.83%	
	20:00	US	S&P CoreLogic CS 20-City NSA Index	Mar		--	206.67	
	20:00	US	S&P CoreLogic CS 20-City YoY NSA	Mar		6.5%	6.8%	
	20:00	US	S&P CoreLogic CS US HPI NSA Index	Mar		--	197.01	
	20:00	US	S&P CoreLogic CS US HPI YoY NSA	Mar		--	6.34%	
	21:00	US	Conf. Board Consumer Confidence	May		128.2	128.7	
	21:00	US	Conf. Board Expectations	May		--	108.1	
	21:00	US	Conf. Board Present Situation	May		--	159.6	
	21:30	US	Dallas Fed Manf. Activity	May		--	21.8	
22:30	EZ	ECB's Lautenschlaeger Speaks at Colloquium in Frankfurt						
23:00	EZ	ECB's Coeure Speaks at Roundtable Discussion in Paris						
Wed/30-May-18	06:50	JP	Retail Sales MoM	Apr P		--	-0.7%	
	06:50	JP	Retail Trade YoY	Apr		--	1.0%	
	07:00	JP	BOJ Governor Kuroda Speaks at Conference					
	08:30	AU	Building Approvals MoM	Apr		-2.9%	2.6%	
	08:30	AU	Building Approvals YoY	Apr		--	14.5%	
	12:00	JP	Consumer Confidence Index	May		43.9	43.6	

	13:00	CN	IMF Press Conference on End of China Article IV Consultation					
	14:00	CH	KOF Leading Indicator	May		104.8	105.3	
	14:55	DE	Unemployment Change (000's)	May		-10k	-7k	
	14:55	DE	Unemployment Claims Rate SA	May		--	5.3%	
	15:00	CH	Credit Suisse Survey Expectations	May		--	7.2	
	16:00	EZ	Business Climate Indicator	May		--	1.35	
	16:00	EZ	Consumer Confidence	May F		--	0.2	
	16:00	EZ	Economic Confidence	May		--	112.7	
	16:00	EZ	Industrial Confidence	May		--	7.1	
	16:00	EZ	OECD Economic Forecasts					
	16:00	EZ	Services Confidence	May		--	14.9	
	19:00	DE	CPI EU Harmonized MoM	May P		--	-0.1%	
	19:00	DE	CPI EU Harmonized YoY	May P		--	1.4%	
	19:00	DE	CPI MoM	May P		--	0.0%	
	19:00	DE	CPI YoY	May P		--	1.6%	
	19:15	US	ADP Employment Change	May		195k	204k	
	19:30	US	Advance Goods Trade Balance	Apr		-\$71.0b	-\$68.0b	
	19:30	US	Core PCE QoQ	1Q S		--	2.5%	
	19:30	US	GDP Annualized QoQ	1Q S		2.3%	2.3%	
	19:30	US	GDP Price Index	1Q S		2.0%	2.0%	
	19:30	US	Personal Consumption	1Q S		--	1.1%	
	19:30	US	Retail Inventories MoM	Apr		--	-0.4%	
	19:30	US	Wholesale Inventories MoM	Apr P		--	0.3%	
	21:00	CA	Bank of Canada Rate Decision	May-30		1.25%	1.25%	
Thu/31-May-18	01:00	US	U.S. Federal Reserve Releases Beige Book					
	02:00	US	Fed to Hold Board Meeting to Discuss Volcker Rule Changes					
	04:00	KR	Business Survey Manufacturing	Jun		--	81	
	04:00	KR	Business Survey Non-Manufacturing	Jun		--	81	
	06:00	KR	Cyclical Leading Index Change	Apr		--	-0.2	
	06:00	KR	Industrial Production SA MoM	Apr		--	-2.5%	
	06:00	KR	Industrial Production YoY	Apr		--	-4.3%	
	06:01	GB	GfK Consumer Confidence	May		--	-9	
	06:01	GB	Lloyds Business Barometer	May		--	32	
	06:50	JP	Industrial Production MoM	Apr P		--	1.4%	
	06:50	JP	Industrial Production YoY	Apr P		--	2.4%	
	08:00	NZ	ANZ Activity Outlook	May		--	17.8	
	08:00	NZ	ANZ Business Confidence	May		--	-23.4	
	08:00	CN	Composite PMI	May		--	54.1	
	08:00	CN	Manufacturing PMI	May		51.4	51.4	
	08:00	CN	Non-manufacturing PMI	May		54.8	54.8	
	08:30	AU	Private Capital Expenditure	1Q		--	-0.2%	
	08:30	AU	Private Sector Credit MoM	Apr		--	0.5%	
	08:30	AU	Private Sector Credit YoY	Apr		--	5.1%	
	12:45	CH	GDP QoQ	1Q		--	0.6%	
	12:45	CH	GDP YoY	1Q		--	1.9%	
	14:15	CH	Retail Sales Real YoY	Apr		--	-1.8%	
	15:30	HK	Retail Sales Value YoY	Apr		--	11.4%	
	15:30	HK	Retail Sales Volume YoY	Apr		--	10.0%	
	16:00	EZ	CPI Core YoY	May A		--	0.7%	
	16:00	EZ	CPI Estimate YoY	May		--	1.2%	
	16:00	EZ	Unemployment Rate	Apr		--	8.5%	
	17:00	US	Fed's Bullard Takes Part in MNI Roundtable in Tokyo					
	19:30	US	Continuing Claims	May-19		--	1741k	
	19:30	US	Initial Jobless Claims	May-26		--	234k	
	19:30	US	PCE Core MoM	Apr		0.1%	0.2%	
	19:30	US	PCE Core YoY	Apr		--	1.9%	
	19:30	US	PCE Deflator MoM	Apr		0.2%	0.0%	
	19:30	US	PCE Deflator YoY	Apr		--	2.0%	
	19:30	US	Personal Income	Apr		0.3%	0.3%	
	19:30	US	Personal Spending	Apr		0.4%	0.4%	
	19:30	US	Real Personal Spending	Apr		--	0.4%	
31-May - 01-Jun	N/A	CA	CFIB Business Barometer	May		--	56.6	
	19:30	CA	GDP MoM	Mar		--	0.4%	
	19:30	CA	GDP YoY	Mar		--	3.0%	

	19:30	CA	Quarterly GDP Annualized	1Q	--	1.7%	
	20:45	US	Chicago Purchasing Manager	May	58.1	57.6	
	21:00	US	Pending Home Sales MoM	Apr	1.0%	0.4%	
	21:00	US	Pending Home Sales NSA YoY	Apr	--	-4.4%	
	22:00	US	DOE Cushing OK Crude Inventory	May-25	--	-1123k	
	22:00	US	DOE U.S. Crude Oil Inventories	May-25	--	5778k	
	22:00	US	DOE U.S. Distillate Inventory	May-25	--	-951k	
	22:00	US	DOE U.S. Gasoline Inventories	May-25	--	1883k	
	23:30	US	Fed's Bostic Speaks in Moderated Q&A in Orlando				
Fri/01-Jun-18	05:00	NZ	ANZ Consumer Confidence Index	May	--	120.5	
	05:00	NZ	ANZ Consumer Confidence MoM	May	--	-5.9%	
	05:30	AU	AiG Perf of Mfg Index	May	--	58.3	
	06:00	AU	CBA Australia PMI Mfg	May	--	55.5	
	06:00	KR	CPI Core YoY	May	--	1.4%	
	06:00	KR	CPI MoM	May	--	0.1%	
	06:00	KR	CPI YoY	May	--	1.6%	
	06:00	KR	GDP SA QoQ	1Q F	--	1.1%	
	06:00	KR	GDP YoY	1Q F	--	2.8%	
	06:50	JP	Capital Spending Ex Software	1Q	--	4.7%	
	06:50	JP	Capital Spending YoY	1Q	--	4.3%	
	06:50	JP	Company Profits	1Q	--	0.9%	
	06:50	JP	Company Sales	1Q	--	5.9%	
	07:00	AU	CoreLogic House Px MoM	May	--	-0.3%	
	07:00	KR	Exports YoY	May	--	-1.5%	
	07:00	KR	Imports YoY	May	--	14.5%	
	07:00	KR	Trade Balance	May	--	\$6611m	
	07:30	JP	Nikkei Japan PMI Mfg	May F	--	52.5	
	07:30	KR	Nikkei South Korea PMI Mfg	May	--	48.4	
01-Jun - 07-Jun	N/A	JP	Official Reserve Assets	May	--	\$1256.0b	
	08:45	CN	Caixin China PMI Mfg	May	51.2	51.1	
	14:30	CH	PMI Manufacturing	May	--	63.6	
	14:55	DE	Markit/BME Germany Manufacturing PMI	May F	--	56.8	
	15:00	EZ	Markit Eurozone Manufacturing PMI	May F	--	55.5	
	15:30	GB	Markit UK PMI Manufacturing SA	May	--	53.9	
	19:30	US	Average Hourly Earnings MoM	May	0.3%	0.1%	
	19:30	US	Average Hourly Earnings YoY	May	--	2.6%	
	19:30	US	Average Weekly Hours All Employees	May	34.5	34.5	
	19:30	US	Change in Manufacturing Payrolls	May	20k	24k	
	19:30	US	Change in Nonfarm Payrolls	May	195k	164k	
	19:30	US	Change in Private Payrolls	May	183k	168k	
	19:30	US	Labor Force Participation Rate	May	--	62.8%	
	19:30	CA	MLI Leading Indicator MoM	Apr	--	0.1%	
	19:30	US	Two-Month Payroll Net Revision	May	--	30k	
	19:30	US	Underemployment Rate	May	--	7.8%	
	19:30	US	Unemployment Rate	May	3.9%	3.9%	
	20:30	CA	Markit Canada Manufacturing PMI	May	--	55.5	
	20:45	US	Markit US Manufacturing PMI	May F	--	56.6	
	21:00	US	ISM Employment	May	--	54.2	
	21:00	US	ISM Manufacturing	May	58	57.3	
	21:00	US	ISM New Orders	May	--	61.2	
	21:00	US	ISM Prices Paid	May	--	79.3	
Sat/02-Jun-18	00:00	US	Baker Hughes U.S. Rig Count	Jun-01	--	1059	

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

ASIAN STOCK INDEX

Japanese shares ended little changed on Monday as a further slide in oil prices pulled down energy-related stocks, offsetting initial gains stemming from renewed hopes for a U.S.-North Korea summit next month.

The benchmark Nikkei share average closed up 0.1 percent at 22,481.09, giving up much of the 0.4 percent gain seen in early trade. The broader Topix slipped 0.1 percent to 1,770.42, with the JPX-Nikkei Index 400 closed virtually flat at 15,662.22.

As oil prices extended their sharp declines on Monday, oil refinery and exploration companies were hit hard, with Japex and JXTG shedding 3.2 and 4.2 percent, respectively.

But lower fuel prices benefited the air transport sector, with its index, advancing 1.9 percent.

Although the Nikkei had opened higher on optimism that the historic summit between United States and North Korea may be back on track, most investors were cautious and kept to the sidelines.

President Donald Trump said on Sunday a U.S. team had arrived in North Korea to prepare for a proposed summit with North Korean leader Kim Jong Un, which Trump pulled out of last week before reconsidering.

Developments in Italy were also giving investors pause.

Italy's president rejected the nomination of a prominent eurosceptic for the key economy ministry, a decision that led to a collapse in efforts to form a coalition government, triggering a possible constitutional crisis and opening the prospect of fresh elections.

Trade was subdued, with turnover of just 1.81 trillion yen, the lowest in nearly two months, as British and U.S. markets were closed on Monday for the spring bank holiday and Memorial Day, respectively.

South Korea's KOSPI stock index and the won gained on Monday as inter-Korea sentiment improved and on hopes of a summit between North Korea and the U.S., while bond yields rose.

At 06:33 GMT, the KOSPI was up 18.16 points or 0.74 percent at 2,478.96, led by large-cap construction and steel shares related to potential inter-Korean economic projects. Hyundai Engineering & Construction surged 30 percent, while Hyundai Elevator gained 29 percent.

The won was quoted at 1,074.2 per dollar on the onshore settlement platform, 0.35 percent firmer than its previous close of 1,078.

In offshore trading, the won was quoted at 1,073.05 per U.S. dollar, up 0.4 percent from the previous day, while in one-year non-deliverable forwards it was being transacted at 1,056.95 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.39 percent, after U.S. stocks ended the previous session with mild losses. Japanese stocks rose 0.13 percent.

The KOSPI is down around 0.3 percent so far this year, and up by 0.41 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.

Trading volume during the session on the KOSPI index was 702,198,000 shares and of the total traded 887 issues, the number of advancing shares was 603.

Foreigners were net sellers of 161,453 million won worth of shares.

The U.S. dollar has risen 0.63 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 February 6, 2018. The Korean 3-month Certificate of Deposit benchmark rate was quoted at 1.65 percent compared with

the previous close of 1.65 percent, while the benchmark 3-year Korean treasury bond yielded 2.211 percent, higher than the previous day's 2.20 percent.

Hong Kong stocks closed higher on Monday on robust China data and amid optimism that the United States and North Korea were still working towards holding a summit.

The Hang Seng index ended 0.7 percent higher at 30,792.26, while the China Enterprises Index closed 0.6 percent higher to 12,115.17 points.

U.S. President Donald Trump said on Sunday a U.S. team had arrived in North Korea to prepare for a proposed summit between him and North Korean leader Kim Jong Un, which Trump pulled out of last week before reconsidering.

Investors found solace after data showed profits earned by Chinese industrial firms in April rose at their fastest pace in six months.

The sub-index of the Hang Seng tracking energy shares rose 0.9 percent, while the IT sector rose 0.58 percent, the financial sector was 0.69 percent higher and property sector rose 0.39 percent.

The top gainer on Hang Seng was PetroChina Co Ltd up 6.45 percent, while the biggest loser was CK Asset Holdings Ltd, which slipped 1.20 percent.

Around the region, MSCI's Asia ex-Japan stock index was firmer by 0.35 percent, while Japan's Nikkei index closed up 0.13 percent.

The yuan was quoted at 6.3931 per U.S. dollar at 08:14 GMT, 0.02 percent weaker than the previous close of 6.3917.

As of previous trading session, the Hang Seng index was up 2.24 percent this year, while China's H-share index was up 2.9 percent. As of previous close, the Hang Seng declined 0.72 percent this month

China's blue-chip index ended higher on Monday, helped by robust gains in consumer and healthcare firms, and on signs the United States and North Korea were still working towards holding a summit.

The blue-chip CSI300 index closed up 0.4 percent at 3,833.26, while the Shanghai Composite Index slipped 0.2 percent to 3,135.08 points.

Sector performance was mixed on Monday. Gains were led by consumer and healthcare firms, with indexes tracking them ending up 3.3 percent and 2.3 percent, respectively.

U.S. President Donald Trump said on Sunday a U.S. team had arrived in North Korea to prepare for a proposed summit between him and North Korean leader Kim Jong Un, which Trump pulled out of last week before reconsidering.

Sentiment was also aided as worries eased over trade tensions between China and the United States, after Washington reached a deal to keep China's ZTE in business.

The Trump administration told lawmakers the U.S. government has reached a deal to put Chinese telecommunications company ZTE Corp back in business after it pays a significant fine and makes management changes, a senior congressional aide said on Friday.

Chinese Vice President Wang Qishan said on Friday there would be no winners if there was a trade war between China and the United States, but said Beijing had to be ready for any turn of events.

Investors also found solace after data showed profits earned by Chinese industrial firms in April rose at their fastest pace in six months.

(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 – 28 May 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	HOLIDAY	↓ 58.67/0.24%	.N225	22481.09	↑ 30.30/0.13%
/.SPX	HOLIDAY	↓ 6.43/0.23%	.KS200	318.99	↑ 0.94/0.30%
/.IXIC	HOLIDAY	↑ 9.425/0.13%	.HSI	30792.26	↑ 204.22/0.67%
JPY=	109.40	↑ 0.02/0.02%	/.SSEC	3135.34590	↓ 5.95730/0.19%
KRW=	1074.41	↓ 2.96/0.27%	/CLc1 (Oil)	66.47	↓ 1.03/1.52%

DISCLAIMER:

The information contained above is intended to provide general information and does not constitute or purports to be a financial advice, investment advice, trading advice, or any other advice. Any strategies, views or opinions expressed above are not intended to be presented as an offer or solicitation for the purchase or sale of any financial instrument. Client should seek personal professional advice before making any decisions. The client should ensure that financial instruments are suitable for his/her own individual objectives, financial situation and investment needs.

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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
28 May SSIpmM8	22500	22505	22350	155	22430	---	↓ 60	0.27	10674
28 May SSIamM8	22485	22545	22405	140	22490	22490	↑ 55	0.25	31499
25 May SSIpmM8	22410	22480	22260	220	22360	---	↓ 75	0.33	24833
25 May SSIamM8	22325	22515	22300	215	22435	22435	↑ 10	0.04	49953
24 May SSIpmM8	22455	22540	22075	465	22310	---	↓ 115	0.51	42988
24 May SSIamM8	22635	22640	22360	280	22425	22425	↓ 275	1.21	55610
23 May SSIpmM8	22695	22695	22475	220	22610	---	↓ 90	0.40	32970
23 May SSIamM8	22925	22950	22645	305	22700	22700	↓ 285	1.24	67655
22 May SSIpmM8	22985	23015	22910	105	22930	---	↓ 55	0.24	9593
22 May SSIamM8	23010	23025	22955	70	22985	22985	↑ 10	0.04	26591

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
22545	22350	23050	22075	22640	20920	24170	20130
(28/May)	(28/May)	(21/May)	(24/May)	(30/Apr)	(02/Apr)	(23/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	22925	High on 1 Hourly Chart
	22730	High on 1 Hourly Chart
	22475	High on 1 Hourly Chart
	22580	High on 1 Hourly Chart
SUPPORT	22365	Low on 1 Hourly Chart
	22265	Low Apr 27,2018
	22140	Low Apr 26,2018
RECOMMENDATION	21965	Low Apr 25,2018
	BUY	----
	SELL	22460
	STOP LOSS	22610
RECOMMENDATION	TARGET	22260
	TARGET	22160

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
28 May	319.20	319.80	318.50	1.30	319.25	319.25	↑ 0.80	0.25	119111
25 May	315.95	318.75	315.75	3.00	318.45	318.45	↑ 0.75	0.24	144518
24 May	319.00	319.30	316.55	2.75	317.70	317.70	↓ 0.60	0.19	147441
23 May	316.20	318.75	315.85	2.90	318.30	318.30	↑ 2.05	0.65	146188
22 May	--	H	O	L	I	D	A	Y	--
21 May	316.15	317.30	313.65	3.65	316.25	316.25	↑ 0.35	0.11	148887

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
319.80 (28/May)	318.50 (28/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	325.50	High Mar 22,2018
	323.45	High Apr 30,2018
	322.80	High May 02,2018
	320.15	High May 04,2018
SUPPORT	318.50	Low May 28,2018
	317.60	Low on 1 Hourly Chart
	315.85	Low May 23,2018
	314.90	Low Apr 24,2018
RECOMMENDATION	BUY	318.95
	SELL	----
	STOP LOSS	317.45
	TARGET	320.95 321.95

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
28 May (HSIM8)	30634	30750	30409	341	30655	30655	↑ 125	0.41	68906
28 May (HSIK8)	30742	30858	30688	170	30760	30760	↑ 107	0.35	205584
25 May	30673	30734	30494	240	30653	30653	↓ 46	0.15	242836
24 May	30570	30768	30548	220	30699	30699	↑ 154	0.50	210120
23 May	30928	30929	30522	407	30545	30545	↓ 681	2.18	205106
22 May	--	H	O	L	I	D	A	Y	--
21 May	31351	31407	31151	256	31226	31226	↑ 330	1.07	185737

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
30858	30409	31470	29644	31151	29343	33516	29070
(28/May)	(28/May)	(14/May)	(04/May)	(12/Apr)	(04/Apr)	(29/Jan)	(09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	31363	High on 1 Hourly Chart
	31140	High on 1 Hourly Chart
	30950	High on 1 Hourly Chart
	30865	High on 1 Hourly Chart
SUPPORT	30485	Low May 24,2018
	30296	Low May 10,2018
	30022	Low May 09,2018
	29901	Low May 03,2018
RECOMMENDATION	BUY	30625
	SELL	----
	STOP LOSS	30475
	TARGET	30825
		30925

CURRENCIES – *Daily Outlook***Euro's rise halted as Italy faces new elections - Reuters News**

The euro gave up its early gains and turned negative on Monday after Italy's president set the country on a path to fresh elections, raising concerns that such a route may deliver an even stronger mandate for the country's anti-establishment parties.

President Sergio Mattarella's decision to appoint Carlo Cottarelli to form a stopgap administration sets the stage for elections that are likely to be fought over Italy's role in the European Union and the euro zone, a prospect that is unnerving global financial markets.

After climbing more than half a percent in early London trading to rise to the day's highs of \$1.17285, the single currency fell sharply to trade at the day's lows at \$1.1647, down 0.1 percent on the day.

"Given the stance towards the euro is the single topic financial markets are most sensitive to, the worries towards Italy are probably only starting to increase in the bigger picture," Nordea economist Jan Von Gerich said.

With elections likely to be held in the second half of the year, markets are worried the timing of Italy's elections poses a tricky problem to European Central Bank policymakers who are on track to wind down its bond purchase program by September.

Nordea's Gerich believes the ECB may choose a more cautious alternative and extend its bond purchases beyond that month.

The euro has been weakened by the dollar's rally and by widening bond spreads between Italian and German debt, as markets grappled with the prospects of a spendthrift coalition government in Rome comprising the two parties.

Though investors have initially ignored the impact of the new coalition, the events in the last few days have prompted investors to cut their positions in the single currency.

Latest positioning data shows that net euro long positions are at their lowest levels this year after a fifth consecutive weekly drop in bullish euro bets.

The euro also strengthened by 0.8 percent against the Swiss franc, rebounding from near three-month lows, but was halved those gains in midday European trading.

Goldman Sachs strategists said political uncertainty will remain elevated, because the prospect of new elections would remain a drag on the economy.

The euro's weakness meant that the dollar firmed against a basket of rivals on Friday and was trading 0.2 percent up on the day at 94.34 at a fresh six-month high.

Elsewhere, the dollar was flat against the Japanese yen at 109.42 yen. Risk aversion receded after U.S. President Donald Trump said on Sunday a U.S. team had arrived in North Korea to prepare for a summit between him and North Korean leader Kim Jong Un.

Trump had pulled out of the summit last week, which had sapped investor risk appetite and helped push the dollar to a two-week trough of 108.955 yen on Thursday.

Trading volumes were low with Britain and the United States, the two main financial centres for foreign exchange trading, both closed for holidays, thus leading to some exaggerated price moves.

Adding to concerns was news that Spanish Prime Minister Mariano Rajoy would face a vote of confidence in his leadership on Friday. [\(Source Reuters, Research – @her1en\)](#)

EUR/USD

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



- With the support area at 1.1369
- Important resistance around 1.1854
- Be alert of the RSI area of 14 entering the oversold area [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 28	1.17064	1.17272	1.16063	120,9	1.16276	↓ 31,9	1.16595
May 25	1.17209	1.17323	1.16453	87,0	1.16595	↓ 59,7	1.17192
May 24	1.17012	1.17490	1.16896	59,4	1.17192	↑ 24,7	1.16945
May 23	1.17771	1.17884	1.16747	113,7	1.16945	↓ 84,4	1.17789
May 22	1.17923	1.18286	1.17554	73,2	1.17789	↓ 9,7	1.17886

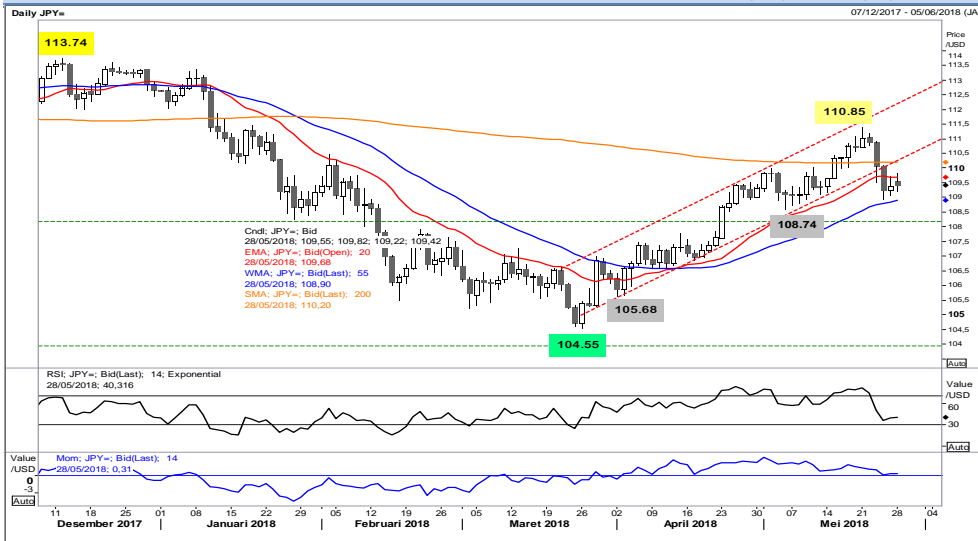
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.17272 (28/May)	1.16063 (28/May)	1.20829 (01/May)	1.16063 (28/May)	1.24125 (17/Apr)	1.20542 (27/Apr)	1.25542 (16/Feb)	1.16063 (28/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.2032	High May 02
	1.1938	High May 15
	1.1854	High May 16
	1.1750	High May 24
SUPPORT	1.1552	Low Nov 07, 2017
	1.1477	Low July 20, 2017
	1.1369	Low July 13, 2017
	1.1290	Low June 28
RECOMMENDATION	BUY	-----
	SELL	1.1645
	STOP LOSS	1.1720
	TARGET	1.1570 1.1535

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 [\(Research – riza!\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 28	109.375	109.601	109.221	38,0	109.407	↓ 4,4	109.451
May 25	109.189	109.731	109.112	61,9	109.451	↑ 21,9	109.232
May 24	109.937	110.031	108.942	108,9	109.232	↓ 82,0	110.052
May 23	110.894	110.907	109.545	136,2	110.052	↓ 82,3	110.875
May 22	111.016	111.173	110.784	38,9	110.875	↓ 12,7	111.002

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
109.601	109.221	111.384	108.635	109.525	105.646	113.376	104.623
(28/May)	(28/May)	(21/May)	(04/May)	(27/Apr)	(02/Apr)	(08/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	112.77	High Jan 10,2018
	111.87	High Jan 11,2018
	110.92	High May 23,2018
	110.10	High May 24,2018
SUPPORT	108.78	Low Apr 25, 2018
	107.62	Low Apr 23, 2018
	106.85	Low Apr 17, 2018
	105.97	Low Apr 04,2018
RECOMMENDATION	BUY	109.25
	SELL	----
	STOP LOSS	108.50
	TARGET	110.05
		110.35

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 28	1.33188	1.33398	1.32951	44,7	1.33111	↓ 2,4	1.33135
May 25	1.33825	1.33865	1.33040	82,5	1.33135	↓ 62,4	1.33759
May 24	1.33513	1.34203	1.33487	71,6	1.33759	↑ 39,1	1.33368
May 23	1.34318	1.34412	1.33042	137,0	1.33368	↓ 93,6	1.34304
May 22	1.34298	1.34906	1.34114	79,2	1.34304	↑ 7,1	1.34233

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.33398	1.32951	1.37717	1.32951	1.43754	1.37113	1.43754	1.32951
(28/May)	(28/May)	(01/May)	(28/May)	(17/Apr)	(30/Apr)	(17/Apr)	(28/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3666	High May 02,2018
	1.3595	High May 11,2018
	1.3483	High May 21,2018
	1.3391	High May 25,2018
SUPPORT	1.3219	Low Nov 28, 2017
	1.3133	Low Nov 16, 2017
	1.3060	Reactions Low Nov 13, 2017
	1.2907	Low Sept 05,2017
RECOMMENDATION	BUY	1.3295
	SELL	----
	STOP LOSS	1.3210
	TARGET	1.3385 1.3415

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
- [\(Research – riza!\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 28	0.99142	0.99568	0.99094	47,4	0.99329	↑ 24,0	0.99089
May 25	0.99040	0.99359	0.99018	34,1	0.99089	↑ 7,3	0.99016
May 24	0.99419	0.99469	0.98845	62,4	0.99016	↓ 52,5	0.99541
May 23	0.99247	0.99771	0.98929	84,2	0.99541	↑ 29,1	0.99250
May 22	0.99668	0.99892	0.99168	72,4	0.99250	↓ 42,4	0.99674

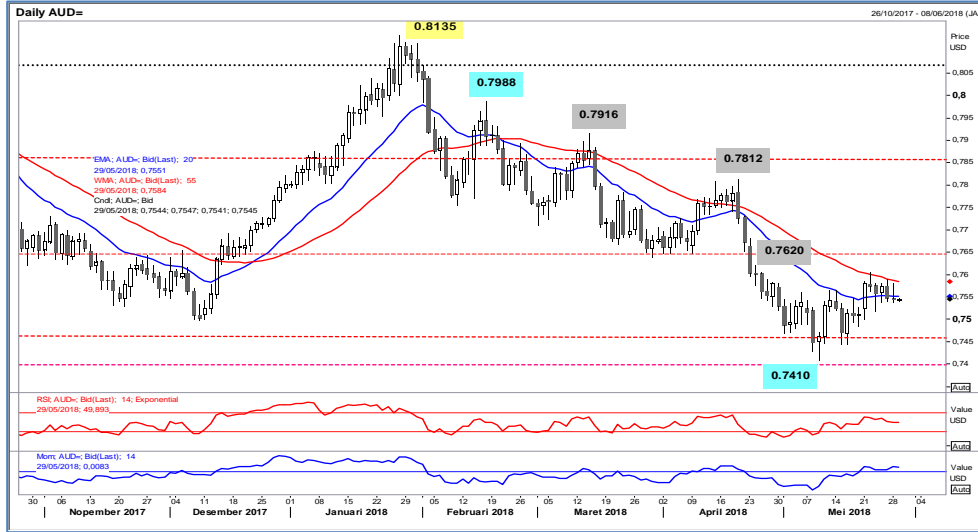
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.99568	0.99094	1.00553	0.98845	0.99199	0.95258	1.00553	0.91863
(28/May)	(28/May)	(07/May)	(24/May)	(30/Apr)	(02/Apr)	(07/May)	(16/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.0170	High Mar 07,2017
	1.0107	High Apr 10,2017
	1.0056	High May 07,2018
	0.9990	High May 22,2018
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	0.9920
	SELL	----
	STOP LOSS	0.9840
	TARGET	1.0005
		1.0030

AUD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 28	0.75674	0.75798	0.75419	37,9	0.75429	↓ 2,3	0.75452
May 25	0.75762	0.75890	0.75414	47,6	0.75452	↓ 29,1	0.75743
May 24	0.75638	0.75815	0.75409	40,6	0.75743	↑ 18,2	0.75561
May 23	0.75740	0.75815	0.75215	60,0	0.75561	↓ 18,2	0.75743
May 22	0.75839	0.76041	0.75649	39,2	0.75743	↓ 3,8	0.75781

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75798	0.75419	0.76041	0.74112	0.78117	0.75241	0.81346	0.74112
(28/May)	(28/May)	(22/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	0.7535
	SELL	-----
	STOP LOSS	0.7460
	TARGET	0.7610
		0.7645

NZD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 28	0.69455	0.69585	0.69367	21,8	0.69369	↓ 23,1	0.69138
May 25	0.69300	0.69370	0.69045	32,5	0.69138	↓ 3,7	0.69175
May 24	0.69251	0.69363	0.69051	31,2	0.69175	↑ 1,7	0.69158
May 23	0.69368	0.69437	0.68832	60,5	0.69158	↓ 13,2	0.69290
May 22	0.69492	0.69733	0.69192	54,1	0.69290	↓ 14,6	0.69436

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.69585	0.69367	0.70516	0.68500	0.73943	0.70321	0.74359	0.68500
(28/May)	(28/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	0.6920
	SELL	-----
	STOP LOSS	0.6845
	TARGET	0.6995 0.7030

EUR/JPY

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



- RSI 14 is up
 - Important resistance at 131.65, support at 124.72
- [\(Research – riza\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 28	128.049	128.518	126.841	167,7	127.222	↓ 40,2	127.624
May 25	127.984	128.510	127.134	137,6	127.624	↓ 39,5	128.019
May 24	128.652	128.857	127.702	115,5	128.019	↓ 69,8	128.717
May 23	130.614	130.633	128.215	241,8	128.717	↓ 189,0	130.607
May 22	130.925	131.330	130.582	74,8	130.607	↓ 26,5	130.872

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
128.518	126.841	132.117	126.841	133.466	129.962	137.486	126.841
(28/May)	(28/May)	(01/May)	(28/May)	(24/Apr)	(02/Apr)	(02/Feb)	(28/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	131.13	High May 15,2018
	130.66	High May 23,2018
	129.78	High on 1 Hourly Chart
	128.52	High May 25,2018
SUPPORT	126.47	Low Jun 28,2017
	124.72	Low Jun 27,2017
	123.99	Low Jun 23,2017
	122.89	Low Jun 06,2017
RECOMMENDATION	BUY	----
	SELL	127.40
	STOP LOSS	128.35
	TARGET	126.40
		125.90

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
- [\(Research – rizal\)](#)

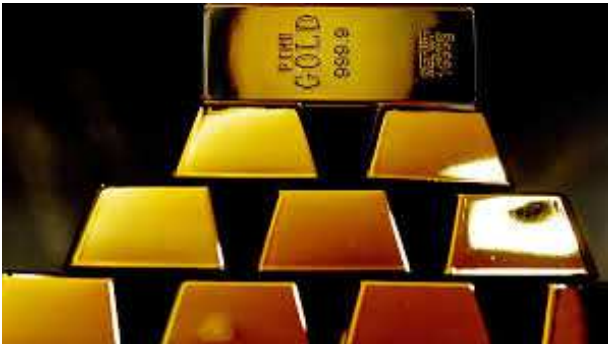
WEEKLY OPEN	CURRENT PRICE
1.2969	1.2995

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.3021	1.2958	1.3021	1.2725	1.2943	1.2522	1.3124	1.2246
(28/May)	(28/May)	(28/May)	(11/May)	(02/Apr)	(17/Apr)	(19/Mar)	(31/Jan)

ANALYSIS & RECOMMENDATION		
RESISTANCE	1.3260	High Jun 27,2017
	1.3197	High Jun 28,2017
	1.3127	High Mar 19,2018
	1.3079	High Mar 21,2018
SUPPORT	1.2871	Low May 25,2018
	1.2807	Low May 23,2018
	1.2745	Low Apr 23,2018
	1.2628	Low Apr 20,2018
RECOMMENDATION	BUY	1.2980
	SELL	----
	STOP LOSS	1.2900
	TARGET	1.3070 – 1.3100

Precious Metal – *Daily Outlook*

Gold falls on dollar gains, prospects for U.S.-N.Korea summit - Reuters News



Gold prices fell for a second session on Monday as the U.S. dollar firmed and after U.S. President Donald Trump revived hopes that he would meet North Korean leader Kim Jong Un next month, lowering political tensions and demand for gold as a safe-haven investment.

The dollar strengthened to a 2018 high, pressuring gold by making it more expensive for buyers holding other currencies.

Spot gold slipped 0.3 percent to \$1,297.70 an ounce by 1:25 EDT (1725 GMT), while U.S. gold futures for June delivery were down 0.4 percent at \$1,298.20.

Trading volumes were low, with New York and London markets closed for public holidays.

"We've migrated lower from just north of \$1,300 towards the end of the week. The U.S. dollar jumped a little ... as the Canadian dollar and euro fell off here," said TD Securities head of commodity strategy Bart Melek.

Trump last week pulled out of the June 12 summit, pushing gold above \$1,300 an ounce, but then reversed his decision and said on Sunday that a U.S. team had arrived in North Korea to prepare.

"It looks like there is some chance of a meeting between the U.S. and North Korean leaders that would lower geopolitical risks and lessen the appeal of gold," said National Australia Bank economist John Sharma.

Gold is traditionally used as a safe place to store assets during times of uncertainty.

Gold had been trading between about \$1,310 and \$1,360 since hitting a 1-1/2-year high in January, but it was pushed lower this month as the dollar strengthened.

More weakness could be in the offing, Melek said, on expectations that the Federal Reserve would proceed with lifting benchmark U.S. interest rates this year.

Higher rates typically weigh on gold as they increase the opportunity cost of holding non-yielding assets such as bullion.

Speculative bets on higher prices have fallen sharply, with funds' net long position in COMEX gold falling to its lowest in 10 months.

Prices are now trapped between gold's 200-day moving average at \$1,307 and Fibonacci support at \$1,286, said Saxo Bank analyst Ole Hansen.

"The potential for fireworks is biggest on the upside given the sharp reduction we have seen in speculative longs," he said. "If we do break higher, the funds will have to chase the market to rebuild their long positions."

In other precious metals, spot silver was down 0.05 percent at \$16.47 an ounce.

Speculative investors have become less pessimistic about prices, with data on Friday showing their net short position in COMEX silver at its lowest since February 2014.

Platinum was up 0.6 percent at \$902 while palladium had gained 0.5 percent to \$984.50.

(Source Reuters, Research – @her1en)

GOLD (XAU/USD)



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

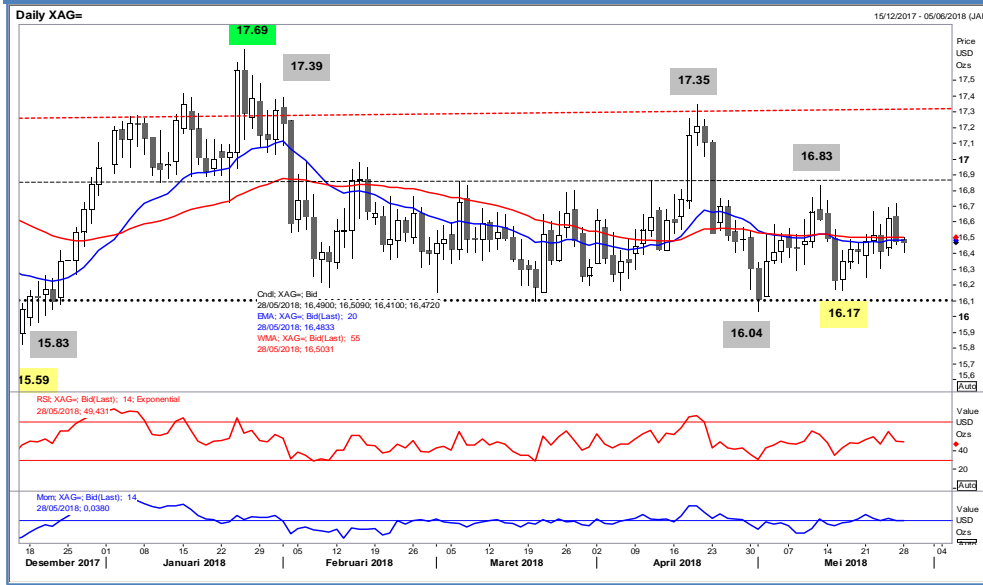
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
May 28	1298.340	1300.220	1295.390	4.83	1297.950	↓ 2.66	1300.610	-	-
May 25	1304.190	1307.630	1300.230	7.40	1300.610	↓ 4.21	1304.820	--	--
May 24	1293.970	1306.670	1292.810	13.86	1304.820	↑ 11.38	1293.440	--	--
May 23	1291.150	1298.490	1287.970	10.52	1293.440	↑ 2.07	1291.370	--	--
May 22	1293.020	1296.240	1287.980	8.26	1291.370	↓ 1.32	1292.690	--	--

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1300.220 (28/May)	1295.390 (28/May)	1325.830 (11/May)	1282.150 (21/May)	1364.980 (11/Apr)	1310.240 (30/Apr)	1365.910 (25/Jan)	1282.150 (21/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	1292.51	Low May 24
	1281.06	Low Dec 27, 2017
	1264.70	Low Dec 22, 2017
	1249.85	Low Dec 14, 2017
RECOMMENDATION	BUY	1299.00
	SELL	-----
	STOP LOSS	1289.00
	TARGET	1309.00
		1314.00

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 28	16.461	16.482	16.413	0.07	16.454	↓ 0.03	16.484
May 25	16.648	16.698	16.474	0.22	16.484	↓ 0.17	16.651
May 24	16.446	16.675	16.390	0.29	16.651	↑ 0.22	16.436
May 23	16.525	16.567	16.303	0.26	16.436	↓ 0.09	16.526
May 22	16.499	16.652	16.433	0.22	16.526	↑ 0.03	16.494

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.482	16.413	16.815	16.149	17.336	16.169	17.682	16.105
(28/May)	(28/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
	16.73	High May 14
SUPPORT	16.39	Low May 24
	16.25	Low May 21
	15.97	Low Dec 19, 2017
	15.74	Low Dec 14, 2017
RECOMMENDATION	BUY	-----
	SELL	16.50
	STOP LOSS	16.85
	TARGET	16.20
		15.95

OIL – Daily Outlook**Oil hits multi-week lows as OPEC and Russia look to raise output - Reuters News**

Oil prices extended losses on Monday as Saudi Arabia and Russia said they may increase supplies while U.S. production gains show no sign of slowing.

Brent crude futures stood at \$75.22 a barrel at 1526 GMT, down \$1.22 from the previous close. The contract touched a three-week low of \$74.49 earlier in the session.

U.S. crude futures were at \$66.49, down \$1.39, after hitting a six-week low of \$65.80.

The spread between the two contracts reached \$9.38 a barrel, its widest since March 2015.

Trading was light due to public holidays in the United States and United Kingdom.

The Organization of the Petroleum Exporting Countries (OPEC) and other producers led by Russia began withholding 1.8 million barrels per day (bpd) of supplies in 2017 to tighten the market and prop up prices that in 2016 fell to their lowest in more than a decade at less than \$30 a barrel.

Prices have soared since the start of the cuts last year, with Brent breaking through \$80 this month, triggering concerns that high prices could crimp economic growth and stoke inflation.

"The pace of the recent rise in oil prices has sparked a debate among investors on whether this poses downside risks to global growth," Chetan Ahya, chief economist at U.S. bank Morgan Stanley, wrote in a weekend note.

To address potential supply shortfalls Saudi Arabia, the de facto leader of OPEC, and top producer Russia have been in talks about easing the cuts and raising oil production by 1 million bpd.

Russian Energy Minister Alexander Novak said a return to October 2016 production levels, the baseline for the current supply pact, was one option for easing curbs.

"Given that our crude balance is short some 825,000 bpd over (the second half of the year), a gradual increase of about 1 million bpd would probably limit stock draws to quite some extent," Vienna-based consultancy JBC Energy said.

Meanwhile, surging U.S. crude production showed no sign of abating as drillers continued to expand their search for new oilfields to exploit.

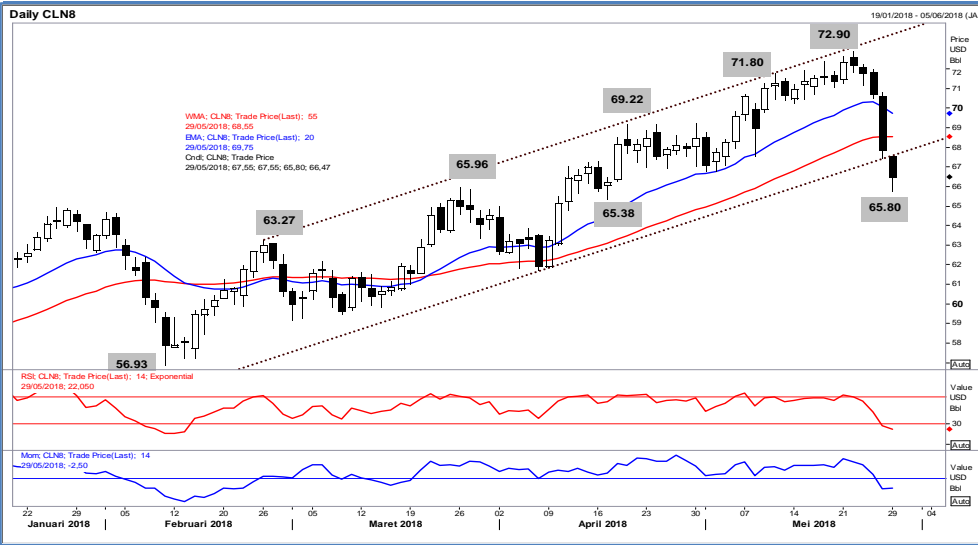
U.S. energy companies added 15 rigs looking for new oil in the week ending May 25, bringing the rig count to 859, its highest since 2015, in a strong indication that American crude production will continue to rise.

U.S. crude output has already surged by more than 27 percent in the past two years, to 10.73 million bpd, ever closer to Russia's 11 million bpd.

(Source Reuters, Research – @her1en)

CLN8/USD (OIL)

(Exp.: 20 June 2018 - Reuters)



- Important resistance at 70.80, support at 65.35
 - RSI 14 is down
- [\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 28	66.15	67.01	65.99	1.02	66.48	↓ 0.97	67.45
May 25	70.63	70.78	67.41	3.37	67.45	↓ 3.21	70.66
May 24	71.81	71.94	70.53	1.41	70.66	↓ 1.16	71.82
May 23	72.09	72.24	71.18	1.06	71.82	↓ 0.28	72.10
May 22	72.60	72.88	71.98	0.90	72.10	↓ 0.54	72.64

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
67.01	65.99	72.88	65.99	69.53	61.80	72.88	58.06
(28/May)	(28/May)	(22/May)	(28/May)	(19/Apr)	(06/Apr)	(22/May)	(09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	74.48	High Nov 26, 2014
	73.56	High Nov 28, 2014
	72.00	High May 24
	70.80	High May 25
SUPPORT	66.77	Low May 01
	65.38	Low Apr 17
	62.99	Low Apr 10
	61.73	Low Apr 06
RECOMMENDATION	BUY	-----
	SELL	66.70
	STOP LOSS	67.90
	TARGET	65.30
		64.80