

DAILY MARKET REPORT

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GLOBAL MARKETS

- Global stocks staged a recovery on Wednesday, buoyed by optimism that Italy may avoid a potentially damaging general election.

GLOBAL ECONOMIES

- Australia's central bank is seen holding rates at record lows until next March, according to a Reuters poll, as it awaits a pick-up in inflation and economic growth.
- New Zealand's central bank said the country's financial system is better prepared to weather any unforeseen global shocks that could push up borrowing costs, but emphasised that more needed to be done to reduce high household and dairy sector debts.
- China lashed out on Wednesday at renewed threats from the White House on trade, warning that it was ready to fight back if Washington was looking for a trade war, days ahead of a planned visit by U.S. Commerce Secretary Wilbur Ross.
- Japan plans to ease restrictions on unskilled foreign workers in five sectors hit hard by labour shortfalls, the Nikkei business daily said on Wednesday, as the country confronts the challenges of a shrinking and ageing population.
- The European Central Bank is keeping a watchful eye on the market rout and political crisis engulfing Italy but sees no reason to intervene at this time, sources close to the matter told Reuters.
- British shop prices fell in May by the most since the start of last year, according to a survey released on Wednesday, adding to signs that a rise in inflation after the 2016 Brexit vote has peaked.
- U.S. economic growth slowed slightly more than initially thought in the first quarter as consumer spending rose at its weakest pace in nearly five years, but activity is already picking up against the backdrop of a tightening labor market and tax cuts.

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GLOBAL MARKETS & ECONOMIES
GLOBAL MARKETS

U.S. & Global Markets – Global stocks staged a recovery on Wednesday, buoyed by optimism that Italy may avoid a potentially damaging general election.

MSCI's gauge of stocks across the globe gained 0.67 percent, lifted by a rebound in both Europe and the United States.

The recovery was partly driven by news that Italy's two anti-establishment parties were renewing efforts to form a government, rather than force the country to the polls for the second time this year.

The prospect that no government would be formed, leading to elections that could be a referendum on Italy's euro membership, had sent short-term Italian bond yields up by the most in nearly 26 years.

Yet investors were in a buying mood on Wednesday.

The Dow Jones Industrial Average rose 306.33 points, or 1.26 percent, to 24,667.78, the S&P 500 gained 34.15 points, or 1.27 percent, to 2,724.01 and the Nasdaq Composite added 65.86 points, or 0.89 percent, to 7,462.45.

The pan-European FTSEurofirst 300 index rose 0.23 percent.

"The political problems in Italy heighten the risk of a systematic problem within the euro zone and within the euro zone financial system, but that is still a risk rather than a probability," said Laith Khalaf, senior analyst at Hargreaves Lansdown.

Another positive was a smooth auction of Italian debt that raised 5.57 billion euros, easing concerns about Rome's ability to finance itself.

Japan's biggest private life insurance firm, Nippon Life, which holds some 4.8 trillion yen (\$44 billion) worth of euro zone bonds, said it had no plans for now to buy or sell its Italian debt holdings.

Milan-listed equities snapped a five-day losing streak and bounced 2 percent while short-dated Italian bond yields - a sensitive gauge of political risk - fell more than four-tenths a percent from half-decade highs.

Jason Browne, chief investment strategist at FundX Investment Group LLC, said investors were on the look out for news such as the Italian volatility that could point to an end to a bull market led by large tech stocks. But betting against the market usually ended up painfully.

"The bigger picture over the last eight years has really been large-cap U.S. growth dominated, and I think everybody's always looking for a change," he said. "Then we get some news that comes out and we start to see evidence of that change, but each and every time those have tended to be a bit of a pain trade."

Browne said he expects volatility to continue.

The Italian election risk had also sent investors scurrying for safer German and U.S. government bonds, as well as currencies such as the yen and Swiss franc, at the expense of the euro.

That safe-haven trend receded on Wednesday, with the euro bouncing nearly one percent versus the dollar and recouping all its Tuesday losses, which had taken it down to 10-month lows. It also rose against the Swiss franc and yen.

Safe-haven bonds lost some of their appeal, too, after posting the best total returns in about seven years in massive trading the day prior. Benchmark 10-year notes last fell 21/32 in price to yield 2.8423 percent, from 2.768 percent late on Tuesday.

U.S. economic growth slowed slightly more than initially thought, with gross domestic product at a 2.2 percent annual rate in the first quarter, and consumer spending rising at its weakest pace in nearly five years.

Yet U.S. stock investors ignored that and ongoing U.S.-China trade conflict. Energy shares rose as oil prices rebounded after Russia's central bank expressed caution on plans to boost oil supply and analysts forecast a drawdown in U.S. crude inventories.

(Source Reuters – @her1en)

GLOBAL ECONOMIES

Australia – Australia's central bank is seen holding rates at record lows until next March, according to a Reuters poll, as it awaits a pick-up in inflation and economic growth.

The Reserve Bank of Australia (RBA) last cut rates to 1.50 percent in August 2016, and this record stretch of stable rates is likely to continue as analysts push back expectations for a rate hike.

Of the 48 economists polled, 47 forecast the RBA would stand pat at its policy meeting on June 5, with one predicting a cut.

A rise in the cash rate to 1.75 percent is not seen before the June quarter of 2019, according to a median of 46 analysts, compared with last month's poll, which predicted a hike by March.

Of the 46 analysts polled, 25 predicted at least one hike by the end of June 2019 versus two who predicted cuts. As many as 19 still see no change by the RBA.

The central bank has sounded optimistic about the economy recently as a drag from the end of a decade-long mining boom draws to a close and business investment and exports pick up. All that argues against a cut.

At the same time, there is growing uncertainty around the outlook for consumer spending as the housing market slows and wage growth crawls near its slowest pace on record.

"This standoff is likely to remain in place through to early 2020 at least and its too early to rule out the next move being a cut," said Shane Oliver, chief economist at AMP.

The cash rate is seen at 2.0 percent by December 2019 from previous expectation of September, according to a median of 43 economists.

Eight respondents including Australia's biggest wealth manager AMP, Westpac Banking Corp and JP Morgan forecast a steady outlook across the horizon.

New Zealand – New Zealand's central bank said the country's financial system is better prepared to weather any unforeseen global shocks that could push up borrowing costs, but emphasised that more needed to be done to reduce high household and dairy sector debts.

Reserve Bank of New Zealand Governor Adrian Orr said that while financial risks had lessened as both lending and house price growth slowed, there would be no further easing of mortgage lending restrictions for now.

The report named three key vulnerabilities to the financial sector - household sector indebtedness, dairy sector indebtedness, and exposure to international risks.

"Ultimately, continued stabilisation, or a further reduction, in the growth rates of household debt and house prices, will be required before the risk to the financial system is normalised," the bank said in its semi-annual Financial Stability Report.

Appearing before a parliamentary committee, Bernard Hodgetts, the head of the RBNZ's macro-financial department, said the central bank had done stress testing that showed banks would remain solvent even when house price fell "upwards of 40 percent".

Hodgetts said "it's certainly not a pretty picture," adding it would put the broader economy under pressure.

"That is a risky situation, but we do believe the banking system could withstand a reasonably significant decline in house prices."

House prices have risen more than 50 percent nationally over the past 10 years, and almost doubled in Auckland, New Zealand's largest city, while household debt levels have soared.

China – China lashed out on Wednesday at renewed threats from the White House on trade, warning that it was ready to fight back if Washington was looking for a trade war, days ahead of a planned visit by U.S. Commerce Secretary Wilbur Ross.

In an unexpected change in tone, the United States said on Tuesday that it still held the threat of imposing tariffs on \$50 billion of imports from China unless it addressed the issue of theft of American intellectual property.

Washington also said it will press ahead with restrictions on investment by Chinese companies in the United States as well as export controls for goods exported to China.

Its tougher stance comes as President Donald Trump prepares for a June 12 summit with North Korean leader Kim Jong Un, whose key diplomatic backer is China, and as Washington steps up efforts to counter what it sees as Beijing's efforts to limit freedom of navigation in the South China Sea.

The trade escalation came after the two sides had agreed during talks in Washington this month to find steps to narrow China's \$375 billion trade surplus. Ross is expected to try to get China to agree to firm numbers to buy more U.S. goods during a June 2-4 visit to the Chinese capital.

"We urge the United States to keep its promise, and meet China halfway in the spirit of the joint statement," Chinese Foreign Ministry spokeswoman Hua Chunying told a daily news briefing, adding that China would take "resolute and forceful" measures to protect its interests if Washington insists upon acting in an "arbitrary and reckless manner".

"When it comes to international relations, every time a country does an about face and contradicts itself, it's another blow to, and a squandering of, its reputation," Hua said.

China has said it will respond in kind to threats by Trump to impose tariffs on up to \$150 billion of Chinese goods.

It was not clear if the developments would have any impact on the planned visit to China by Ross. China's Foreign Ministry referred questions to the Commerce Ministry, which did not reply to a fax seeking comment.

Japan – Japan plans to ease restrictions on unskilled foreign workers in five sectors hit hard by labour shortfalls, the Nikkei business daily said on Wednesday, as the country confronts the challenges of a shrinking and ageing population.

The government hopes to attract more than 500,000 foreign labourers to nursing, shipbuilding, lodging as well as construction and agricultural industries by around 2025, the newspaper said.

Prospective foreign workers in those sectors can acquire work permits for up to five years by passing occupational and Japanese language tests starting next April, in which they will be required to demonstrate they are capable of understanding slow conversations and conducting basic tasks, the paper said.

A strengthening economy since Prime Minister Shinzo Abe took office in 2012, rebuilding after the 2011 tsunami, a construction boom ahead of the 2020 Tokyo Olympics and a shrinking and ageing population have aggravated Japan's labour shortage.

A ban on unskilled foreign workers has raised concerns the labour crunch would cap economic growth in the world's third-largest economy.

The government also plans to allow those in the country's "trainee" programme, designed to share technology with developing countries, to remain in Japan after the completion of the programme and work for a maximum of five years, the Nikkei said.

Asked about the report, Chief Cabinet Secretary Yoshihide Suga told a regular news conference the government was looking at new ways to attract foreign workers, but that they would not be targeted at unskilled workers.

"We are making consideration so that basic policy direction on a new framework to allow in foreigners with a certain level of specialty and skills will be reflected in the economic policy guidelines," Suga said.

"But this is not a step to allow in so-called unskilled workers."

The economic policy guidelines are scheduled to be compiled in June.

Euro Zone – The European Central Bank is keeping a watchful eye on the market rout and political crisis engulfing Italy but sees no reason to intervene at this time, sources close to the matter told Reuters.

Market speculation about an ECB intervention has mounted as political parties in Italy repeatedly failed to form a government and the notion of a euro exit began to swirl, sending borrowing costs for the euro zone's largest debtor soaring.

But three officials told Reuters the ECB was not considering taking any action because indicators were not yet showing signs of stress among banks and the central bank did not have the tools or mandate to solve what was essentially a political crisis.

Specifically, Italy's borrowing costs were still less than half those seen during the 2010-12 euro zone debt crisis, bank deposits were stable and there was no sign of stress in the inter-bank lending market.

"No central bank would act on the back of the events of a few days," one source said.

A spokesman for the ECB declined to comment.

Italy's two anti-establishment parties were staging a last-minute effort to form a government and avoid the threat of repeat elections that could turn into a de-facto referendum on the country's euro membership.

The mere hypothesis of Italy leaving the euro sent yields on its government bonds to multi-year highs this week and the country had to pay much higher interest rates for placing new debt on the market.

But while Italy paid the most in four years to sell 10-year debt on Wednesday, the 3 percent gross yield is a far cry from the 7.56 percent disbursed at an auction in November 2011.

Italian banks were still paying the same, deeply negative interest rate - in other words, getting paid - to borrow from their peers against collateral, now the most common form of lending between banks.

And auctions of ECB cash also showed no sign of a pent-up in demand from banks.

This was largely due to the massive ECB purchases of government bonds and its ultra-low interest rates - the two main planks of a stimulus programme that is expected to be gradually wound down in the coming months despite the Italian crisis.

"We're not yet at a stage when you have to start worrying about bank deposits and I hope we'll never get there," another source said.

Overall, financial indicators painted a very different picture from that of the summer of 2012, when ECB President Mario Draghi was forced to intervene to quash a market rout that was shutting countries like Italy out of the bond market and pummeling banks.

Besides, there are few obvious present-day equivalents to Draghi's pledge to do "whatever it takes to save the euro".

Back then, the market was betting that the ECB would not help a government that found itself in distress on the debt market.

That doubt was removed by the ECB's declaration, following Draghi's speech, that it would be prepared to buy the bonds of any country that sought a bailout from the European Union and accepted the conditions attached to an economic adjustment programme.

But this route - conjured up by the ECB's outgoing vice-president Vitor Constancio earlier this week - was unlikely to prove palatable to Italian anti-establishment parties that oppose austerity.

Besides, Italy's League has said it sees a euro exit as a contingency plan if its demands, including greater spending and lower taxes, are not accepted by European partners, rather than a prospect to avert at all costs.

This would leave the ECB with limited options, apart from protecting other euro zone members from what would likely be a financial meltdown if Italy were to depart the currency bloc.

French and German banks are the largest holders of Italian bonds outside of Italy while Portugal and Spain were seen by bond investors as the most exposed to contagion from a debt crisis in the euro zone's third-largest economy.

"The ECB could safeguard the remaining euro zone members but it would be merely controlling the disaster," one of the sources said.

UK – British shop prices fell in May by the most since the start of last year, according to a survey released on Wednesday, adding to signs that a rise in inflation after the 2016 Brexit vote has peaked.

Overall shop prices fell by 1.1 percent in year-on-year terms, making May the 61st month of prices declining, data from the British Retail Consortium (BRC) showed.

The BRC's survey highlighted a widening gap between rising prices for food and falling prices for other goods.

Prices of non-food items fell by the most since August 2016, down 2.5 percent in year-on-year terms in May, while food inflation picked up to 1.2 percent from 1.0 percent in April.

"While food inflation has increased this month as the weather, oil price and other geo-political factors have influenced global agricultural markets, we expect overall prices to fall in the coming months," BRC chief executive Helen Dickinson said.

Last week, Bank of England Governor Mark Carney said inflation would probably rise slightly in the coming months before resuming a decline.

The BoE has said it expects to raise interest rates gradually over the next three years.

British inflation rose sharply after the 2016 referendum decision to leave the European Union which pushed down the value of the pound, but the impact of the weaker currency was diminishing, the BRC said.

Consumer spending has been squeezed for more than a year by above-target inflation.

The Confederation of British Industry said consumer-focused businesses like hotels and restaurants had reported a fall in sales over the past three months in its latest survey, also published on Tuesday. But business and professional services enjoyed the fastest growth since August 2015.

"For all services, rising costs are exerting pressure on margins, but in business and professional services, sales volumes are helping profitability to kick in," CBI chief economist Rain Newton-Smith said.

U.S. – U.S. economic growth slowed slightly more than initially thought in the first quarter as consumer spending rose at its weakest pace in nearly

five years, but activity is already picking up against the backdrop of a tightening labor market and tax cuts.

Gross domestic product increased at a 2.2 percent annual rate, the Commerce Department said on Wednesday in its second estimate of first-quarter GDP, instead of the previously reported 2.3 percent pace. While business spending was stronger than initially estimated, inventory investment was far smaller than the government reported last month.

The economy grew at a 2.9 percent rate in the fourth quarter. Economists expect a \$1.5 trillion income tax cut package, which came into effect in January, will spur faster economic growth this year and lift annual GDP growth close to the Trump administration's 3 percent target.

Growth is also expected to get a boost from increased government spending. April data including retail sales, trade and industrial production suggest the economy regained speed early in the second quarter. Growth estimates for the second quarter are above a 3 percent rate.

Economists had expected first-quarter GDP growth would be unrevised at a 2.3 percent pace.

"Growth is set to rev up soon given the deficit-financed tax cuts and a big increase in federal government spending," said Scott Hoyt, a senior economist at Moody's Analytics in West Chester, Pennsylvania.

An alternative measure of economic growth, gross domestic income (GDI) increased at a 2.8 percent rate in the January-March quarter, the fastest since the third quarter of 2016. GDI rose at a 1.0 percent pace in the fourth quarter.

The average of GDP and GDI, also referred to as gross domestic output and considered a better measure of economic activity, increased at a 2.5 percent rate in the first quarter. That followed a 2.0 percent rate of growth in the prior period.

The income side of the growth ledger was boosted by after-tax corporate profits, which surged at a 5.9 percent rate last quarter after rising at a 1.7 percent pace in the fourth quarter. The government slashed the corporate tax rate to 21 percent from 35 percent effective January.

Wages and salaries also got a lift from lower tax rates, increasing \$119.5 billion in the first quarter, an upward revision of \$3.1 billion from earlier estimates.

(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%	2.5%	
	06:30	JP	Job-To-Applicant Ratio	Apr	1.59	1.60	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	0.53%	0.7%	0.83%	0.84%
	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	6.8%	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	6.5%	--	6.34%	
	21:00	US	Conf. Board Consumer Confidence	May	128	128.2	128.7	125.6
	21:00	US	Conf. Board Expectations	May	105.6	--	108.1	104.3
	21:00	US	Conf. Board Present Situation	May	161.7	--	159.6	157.5
	21:30	US	Dallas Fed Manf. Activity	May	26.8	23.8	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	1.4%	0.5%	-0.7%	-0.6%	
	06:50	JP	Retail Trade YoY	Apr	1.6%	1%	1.0%		
	07:00	JP	BOJ Governor Kuroda Speaks at Conference						
	08:30	AU	Building Approvals MoM	Apr	-5%	-3%	2.6%	3.5%	
	08:30	AU	Building Approvals YoY	Apr	1.9%	4.1%	14.5%	15.6%	
	12:00	JP	Consumer Confidence Index	May	43.8	43.9	43.6		
	13:00	CN	IMF Press Conference on End of China Article IV Consultation						
	13:00	DE	Retail Sales MoM	Apr	2.3%	-0.5%	-0.6%	-0.4%	
	13:00	DE	Retail Sales YoY	Apr	1.2%	1.6%	1.3%	1.7%	
	14:00	CH	KOF Leading Indicator	May	100	104.7	105.3	103.3	
	14:55	DE	Unemployment Change (000's)	May	-11k	-10k	-7k	-8k	
	14:55	DE	Unemployment Claims Rate SA	May	5.2%	5.3%	5.3%		
	15:00	CH	Credit Suisse Survey Expectations	May	28	--	7.2		
	16:00	EZ	Business Climate Indicator	May	1.45	1.29	1.35	1.39	
	16:00	EZ	Consumer Confidence	May F	0.2	0.2	0.2		
	16:00	EZ	Economic Confidence	May	112.5	112	112.7		
	16:00	EZ	Industrial Confidence	May	6.8	6.8	7.1	7.3	
	16:00	EZ	OECD Economic Forecasts						
	16:00	EZ	Services Confidence	May	14.3	14.3	14.9	14.7	
	19:00	DE	CPI EU Harmonized MoM	May P	0.6%	0.2%	-0.1%		
	19:00	DE	CPI EU Harmonized YoY	May P	2.2%	1.6%	1.4%		
	19:00	DE	CPI MoM	May P	0.5%	0.3%	0.0%		
	19:00	DE	CPI YoY	May P	2.2%	1.9%	1.6%		
	19:15	US	ADP Employment Change	May	178k	190k	204k	163k	
	19:30	US	Advance Goods Trade Balance	Apr	-\$68.2b	-\$71.0b	-\$68.0b	-\$68.6b	
	19:30	US	Core PCE QoQ	1Q S	2.3%	2.5%	2.5%		
	19:30	US	GDP Annualized QoQ	1Q S	2.2%	2.3%	2.3%		
	19:30	US	GDP Price Index	1Q S	1.9%	2.0%	2.0%		
	19:30	US	Personal Consumption	1Q S	1.0%	1.2%	1.1%		
	19:30	US	Retail Inventories MoM	Apr	0.6%	--	-0.4%	-0.7%	
	19:30	US	Wholesale Inventories MoM	Apr P	0.0%	0.5%	0.3%	0.2%	
	21:00	CA	Bank of Canada Rate Decision	May-30	1.25%	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

Japan's Nikkei share average tumbled to six-week lows on Wednesday after political turmoil in Italy sparked concerns over the stability of the euro zone, hitting financial and exporter shares in particular.

The Nikkei ended 1.5 percent lower to 22,018.52, after falling to a six-week low of 21,931.65. The Nikkei managed to stay above its 75-day moving average of 21,920.19, which has become the index's immediate support level.

Sources close to some of Italy's main parties said Italy may hold repeat elections as early as July after the man asked to be prime minister failed to secure support from major political parties - even for a stop-gap government.

Italy's political crisis, and the threat to the euro it could represent, triggered a rush to safe havens such as U.S. Treasury debt and the Japanese yen.

"The Italian political problems triggered global investors' risk-off stance. Exporters and financials have been hard hit and they will likely remain vulnerable," said Norihiro Fujito, senior investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

Insurers and banks, which have invested in higher-yielding foreign bonds because of Japan's low yield environment, stumbled to lose 2.4 percent and 2.3 percent, respectively.

Analysts said that there might be further selling in the financial sector because there was speculation that a spike in the yen could trigger further monetary easing by the Bank Of Japan.

The BOJ adopted negative interest rates two years ago in a move that has been hugely unpopular among banks.

"We don't know if the BOJ would deepen negative interest rates to thwart any sharp spikes in the yen, but at least the bank will not abandon negative rates as long as the strong yen keeps threatening the economy," said Hiroyuki Fukunaga, chief executive of Investrust.

Sompo Holdings shed 2.6 percent, Dai-ichi Life Holdings declined 2.8 percent. Mitsubishi UFJ Financial Group dropped 3.4 percent and regional bank Hiroshima Bank declined 2.9 percent and Hachijuni Bank tumbled 3.0 percent.

U.S. benchmark 10-year Treasury yields on Tuesday posted their largest one-day drop in nearly two years as prices rose on safe-haven demand.

Exporters were under pressure as the dollar slipped 0.3 percent to 108.38 yen. Companies with high exposure to the euro zone underperformed, with Mazda Motor Corp falling 2.1 percent, Makita Corp down 3.8 percent and Nikon Corp shedding 2.0 percent.

Traders said they expected the Bank of Japan to buy exchange-traded funds to support the market amid the morning weakness. The BOJ bought ETFs for five straight sessions up until Tuesday as part of its wider policy of supporting asset prices in the economy.

The broader Topix dropped 1.5 percent to 1,736.13.

South Korea's KOSPI stock index and the won fell on Wednesday as the renewal of trade tensions between the United States and China, and Italy's political turmoil hurt investor sentiment. Bond yields rose.

At 06:30 GMT, the KOSPI was down 48.22 points, or 1.96 percent, at 2,409.03. Market heavyweight Samsung Electronics dropped 3.5 percent on report Samsung Life Insurance plans to sell part of its shares in Samsung Electronics. The won was quoted at 1,080.9 per dollar on the onshore settlement platform, 0.38 percent weaker than its previous close at 1,076.8.

In offshore trading, the won was quoted at 1,080.11 per U.S. dollar, up 0.3 percent from the previous day, while in one-year non-deliverable forwards it was being transacted at 1,063.65 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 1.35 percent, after U.S. stocks ended the previous session with mild losses. Japanese stocks weakened 1.52 percent.

The KOSPI is down around 0.4 percent so far this year, and down by 0.60 percent in the previous 30 days.

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

The trading volume during the session on the KOSPI index was 565,116,000 shares and, of the total traded issues of 884, the number of advancing shares was 222.

Foreigners were net sellers of 655,946 million won worth of shares.

The U.S dollar has risen 1.29 percent against the won this year. The won's high for the year is 1,053.55 per dollar on April 2, 2018 and low is 1,098.4 on Feb. 6, 2018.

In money and debt markets, June futures on three-year treasury bonds fell 0.02 points to 107.88.

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 2.196 percent, higher than the previous day's 2.19 percent.

Hong Kong stocks fell to a three-week closing low on Wednesday, with investor sentiment dampened by the political crisis in Italy and renewed fears over a Sino-U.S. trade war.

The Hang Seng index fell 1.4 percent, to 30,056.79, while the China Enterprises Index lost 1.6 percent, to 11,769.16 points.

Investors fear that repeat elections in Italy - which could come as soon as July - may become a de-facto referendum on Italian membership of the currency bloc and the country's role in the European Union.

Adding to pressure were worries over trade tensions between China and the United States. The United States said on Tuesday that it would continue pursuing actions on trade with China, days after Washington and Beijing announced a tentative solution to their dispute and suggested that tensions had cooled.

The sub-index of the Hang Seng tracking energy shares dipped 0.6 percent, while the IT sector declined 1.54 percent, the financial sector was 1.52 percent lower and the property sector fell 1.3 percent.

The top gainer on Hang Seng was CNOOC Ltd, up 0.78 percent, while the biggest loser was WH Group Ltd, which was down 3.11 percent.

China's blue-chip CSI300 index fell 2.1 percent, to 3,723.37, while the Shanghai Composite Index dropped 2.5 percent to 3,041.44.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 1.26 percent, while Japan's Nikkei index closed down 1.52 percent.

The yuan was quoted at 6.4243 per U.S. dollar at 08:20 GMT, 0.15 percent weaker than the previous close of 6.415.

As of the previous trading session, the Hang Seng index was up 1.89 percent this year, while China's H-share index was up 2.1 percent. As of the previous close, the Hang Seng has declined 1.05 percent this month.

The top gainers among H-shares were Postal Savings Bank of China Co Ltd up 1.14 percent, followed by CNOOC Ltd gaining 0.78 percent and ZhongAn Online P & C Insurance Co Ltd up by 0.2 percent.

The three biggest H-shares percentage decliners were Haitong Securities Co Ltd, which was down 2.66 percent, Sinopharm Group Co Ltd, which fell 2.6 percent, and GF Securities Co Ltd, down by 2.6 percent.

About 2.48 billion Hang Seng index shares were traded, roughly 152.2 percent of the market's 30-day moving average of 1.63 billion shares a day. The volume traded in the previous trading session was 1.71 billion.

At close, China's A-shares were trading at a premium of 19.20 percent over the Hong Kong-listed H-shares.

The price-to-earnings ratio of the Hang Seng index was 12.13 as of the last full trading day, while the dividend yield was 3.2 percent.

China's major stock indexes fell the most in more than two months on Wednesday, with the Shanghai Composite Index hitting a 19-month closing low, amid a global selloff provoked by the political crisis in Italy and renewed U.S.-China trade war fears.

The blue-chip CSI300 index fell 2.1 percent, to 3,723.37, while the Shanghai Composite Index dropped 2.5 percent to 3,041.44 points, its lowest close since October 2016.

Both indexes posted their biggest single-day drop since March 23.

Around 200 stocks plunged the maximum allowed 10 percent, as investors dumped shares across the board.

Investors fear that repeat elections in the euro zone's third-largest economy - which could come as soon as July - may become a de-facto referendum on Italian membership of the currency bloc and the country's role in the European Union.

Adding to pressure were worries over trade tensions between China and the United States.

The United States said on Tuesday that it would continue pursuing actions on trade with China, days after Washington and Beijing announced a tentative solution to their dispute and suggested that tensions had cooled.

China's state media on Wednesday lashed into a U.S. announcement that it would press ahead with restrictions on investment by Chinese companies, saying Beijing was ready to fight back if Washington was looking to ignite a trade war.

Trade frictions pose a risk for China's economy, an official from the International Monetary Fund (IMF) said on Wednesday. "The U.S. persistence in pursuing trade actions against China is quite surprising after the two countries issued a joint statement (regarding trade consultations)," CITIC Securities wrote in a report.

The short-term uncertainties would rise and sentiment in the A-share market could be curbed, the brokerage added.

Noting the continued weakness in China's banking shares, the brokerage said that to some extent reflected investors' pessimistic expectations about the quality of those lenders' assets amid credit risks in a wave of bond defaults.

An index tracking major lenders on the mainland skid 2 percent to a 10-month low, marking its seventh straight session of fall.

Around the region, MSCI's Asia ex-Japan stock index was weaker by 1.35 percent, while Japan's Nikkei index closed down 1.52 percent.

At 07:00 GMT, the yuan was quoted at 6.4307 per U.S. dollar, 0.24 percent weaker than the previous close of 6.415.

The largest percentage gainers on the main Shanghai Composite index were Xinjiang Sayram Modern Agriculture Co Ltd up 10.08

percent, followed by BanBao Co Ltd gaining 10.01 percent and Great-Sun Foods Co Ltd up by 10 percent.

The largest percentage losers on the Shanghai index were Zhejiang Zomax Transmission Co Ltd down 10.04 percent, followed by Clenergy Xiamen Technology Co Ltd losing 10.03 percent and Xinjiang Bai Hua Cun Co Ltd down by 10.02 percent.

As of 07:01 GMT, China's A-shares were trading at a premium of 19.42 percent over the Hong Kong-listed H-shares.

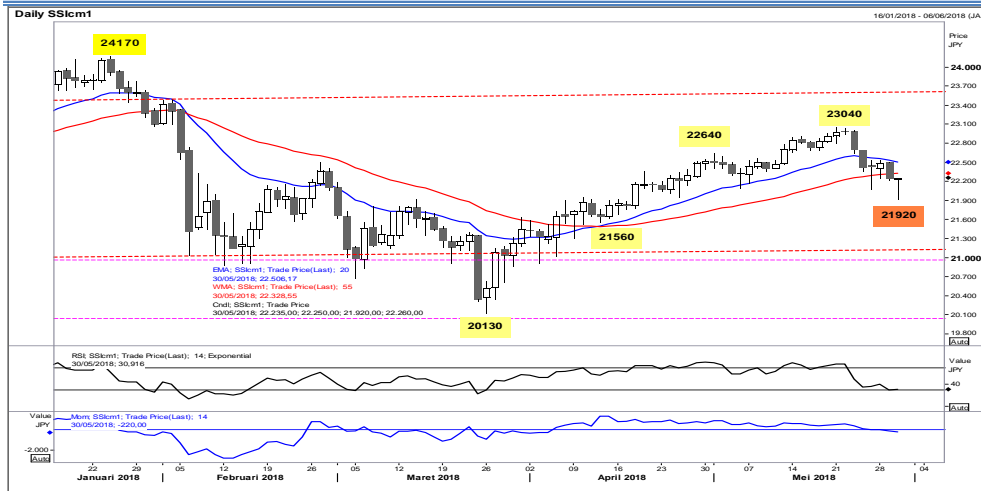
[\(Source Reuters, Research:rizal\)](#)

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)	3041.64500 (30/May/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 – 30 May 2018

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	24667.78	↑ 306.33/1.26%	.N225	22018.52	↓ 339.91/1.52%
/.SPX	2724.01	↑ 34.15/1.27%	.KS200	309.26	↓ 6.94/2.19%
/.IXIC	7462.453	↑ 65.859/0.89%	.HSI	30056.79	↓ 427.79/1.40%
JPY=	108.90	↑ 0.15/0.14%	/.SSEC	3041.64500	↓ 78.81550/2.53%
KRW=	1075.79	↓ 7.58/0.70%	/CLc1 (Oil)	68.23	↑ 1.36/2.03%

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


- RSI 14 is near the oversold zone
 - Daily daily corrections
 - The opening potential occurs gap up
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
30 May SSIpmM8	22070	22275	22045	230	22250	---	↑ 185	0.84	27739
30 May SSIamM8	21985	22080	21925	155	22065	22065	↓ 185	0.83	60446
29 May SSIpmM8	22235	22250	21920	330	22025	---	↓ 225	1.01	50504
29 May SSIamM8	22440	22450	22225	225	22250	22250	↓ 240	1.07	46975
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
22545	21920	23050	21920	22640	20920	24170	20130
(28/May)	(29/May)	(21/May)	(29/May)	(30/Apr)	(02/Apr)	(23/Jan)	(23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	22925	High on 1 Hourly Chart
	22730	High on 1 Hourly Chart
	22580	High on 1 Hourly Chart
	22475	High on 1 Hourly Chart
SUPPORT	22265	Low Apr 27,2018
	22140	Low Apr 26,2018
	21965	Low Apr 25,2018
	21795	Low Apr 18,2018
RECOMMENDATION	BUY	22350
	SELL	----
	STOP LOSS	22200
	TARGET	22550 22650

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



- Daily corrections
- RSI 14 is near the oversold zone.
- The opening potential occurs gap up [\(Research – rizal\)](#)

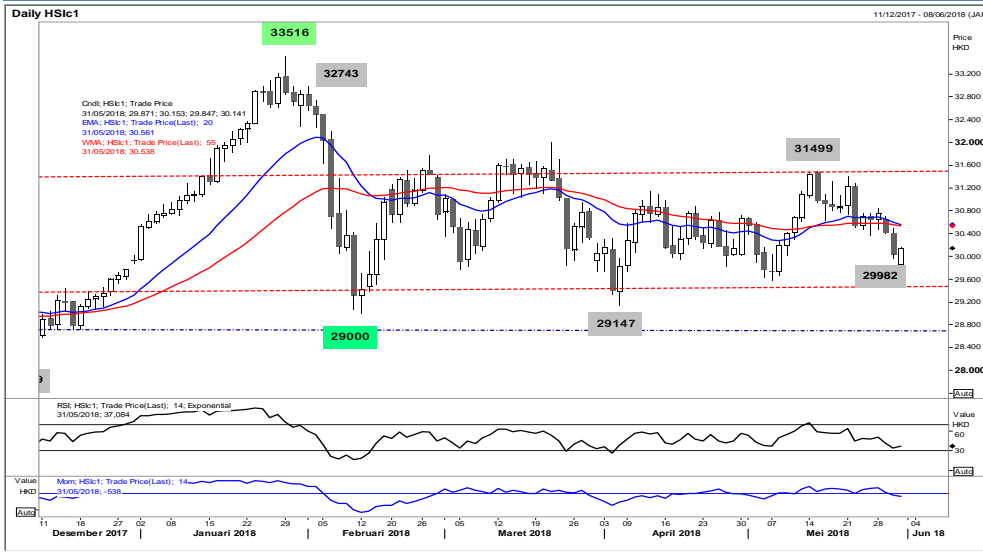
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
30 May	314.80	315.00	307.55	7.45	308.70	308.70	↓ 7.35	2.33	280393
29 May	318.75	319.30	316.05	3.25	316.05	316.05	↓ 3.20	1.00	153806
28 May	319.20	319.80	318.50	1.30	319.25	319.25	↑ 0.80	0.25	119111
25 May	315.95	318.75	315.75	3.00	318.45	318.45	↑ 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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
319.80 (28/May)	307.55 (30/May)	322.80 (02/May)	307.55 (30/May)	323.45 (30/Apr)	308.70 (04/Apr)	340.30 (29/Jan)	302.10 (09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	318.75	High May 25,2018
	317.10	High on 1 hourly Chart
	315.00	High on 1 hourly Chart
	311.70	High on 1 hourly Chart
SUPPORT	307.55	Low May 30,2018
	306.75	Low Mar 06,2018
	304.05	Low Mar 05,2018
	302.10	Low Feb 09,2018
RECOMMENDATION	BUY	309.70
	SELL	----
	STOP LOSS	308.20
	TARGET	311.70 312.70

HSIM8 (Hang Seng June Futures) – Exp. Date: 28 June 2018



- The series goes down on daily
 - RSI approach oversold area, be alert of trend change
 - The opening potential occurs gap up
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	% CHANGE	VOLUME
30 May (HSIM8)	30050	30109	29794	315	29864	29864	↓ 448	1.78	206115
29 May (HSIM8)	30530	30604	30308	296	30312	30312	↓ 343	1.11	106406
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
30858	29794	31470	29644	31151	29343	33516	29070
(28/May)	(30/May)	(14/May)	(04/May)	(12/Apr)	(04/Apr)	(29/Jan)	(09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	30630	High on 1 Hourly Chart
	30544	High on 1 Hourly Chart
	30475	High on 1 Hourly Chart
	30251	High on 1 Hourly Chart
SUPPORT	30022	Low May 09,2018
	29901	Low May 03,2018
	29752	Low Apr 09,2018
	29517	Low Feb 14,2018
RECOMMENDATION	BUY	30190
	SELL	----
	STOP LOSS	30040
	TARGET	30390
		30490

CURRENCIES – Daily Outlook

Dollar falls, euro recovers as Italian political tensions ease - Reuters News



The euro on Wednesday recorded its second-biggest daily rise against the dollar this year following reports that Italy's biggest party would make a renewed attempt to form a coalition government and end months of political turmoil.

A source close to 5-Star, which emerged from inconclusive elections in March as the single-biggest party in parliament, said the parties were now trying to find "a point of compromise on another name" for economy minister.

The crisis began over the weekend when 5-Star and the right-wing League abandoned their plan to form a coalition after Italy's head of state vetoed their choice of 81-year-old euroskeptic Paolo Savona as economy minister. This raised the prospect of an early election, which markets feared would become a de facto referendum on Italy's use of the euro. On Wednesday, the euro rallied and Italian government bond yields, settled below multiyear highs after Tuesday's market slide. The dollar index, which tracks the greenback against a basket of six currencies, fell 0.8 percent to a session low of 94.038, a day after hitting a 6-1/2-month high. The dollar remained steady against the yen.

"We're seeing a relief trade today. Markets passed through the panic from yesterday so everything that sold off hard is climbing back, the euro in particular," said Greg Anderson, global head of FX strategy at BMO Capital Markets in New York.

The euro, which plunged to a 10-month low of \$1.1510 on Tuesday, rose 1.2 percent to a session high of \$1.1676 on Wednesday. It remains down 4 percent this month against the dollar.

Erin Browne, head of asset allocation at UBS Asset Management in New York, said that though fears of Italy's leaving the euro, or "QuitItaly," waned on Wednesday, "We recognize the path to resolution is likely to be bumpy," saying the firm "downgraded our outlook on European assets to account for recent developments."

Against the greenback, the Canadian dollar strengthened as much as 1.4 percent on Wednesday after the country's central bank held interest rates steady but suggested that it could raise rates soon, possibly as early as July.

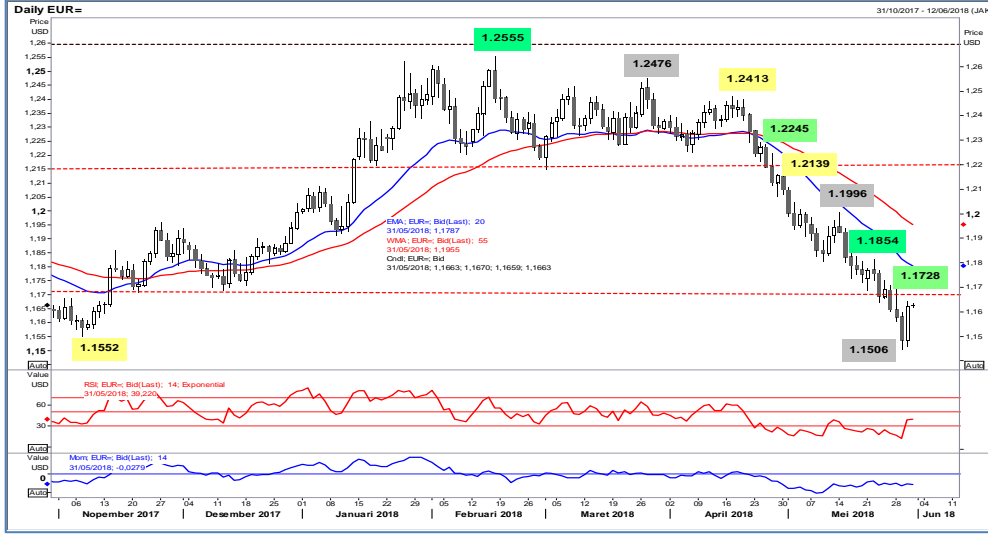
"The OIS, if you use it as a probability measure, is at about a 79 percent chance of a rate hike in July. That's significant as yesterday it was about 50/50," Amarjit Sahota, director of Klarify FX in San Francisco, said.

The euro, after dropping 1 percent against the safe-haven Swiss franc on Tuesday in its biggest daily fall since September, recovered 1.1 percent to 1.1566 francs.

(Source Reuters, Research – @her1en)

EUR/USD

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



- With the support area at 1.1290
 - Important resistance around 1.1854
- [\(Research – @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	1.15401	1.16746	1.15174	157,2	1.16610	↑127,3	1.15337
May 29	1.16253	1.16383	1.15089	129,4	1.15337	↓93,9	1.16276
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

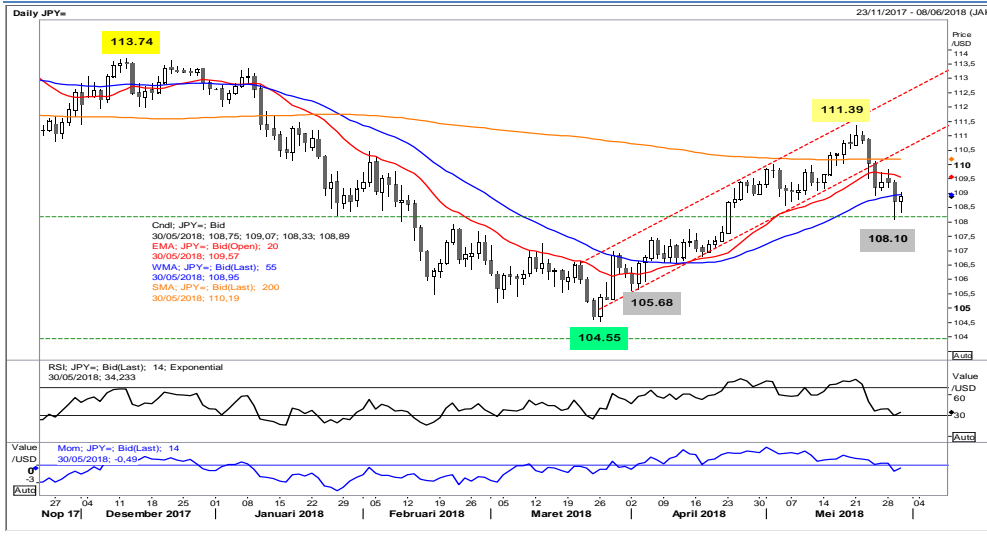
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.17272	1.15089	1.20829	1.15089	1.24125	1.20542	1.25542	1.15089
(28/May)	(29/May)	(01/May)	(29/May)	(17/Apr)	(27/Apr)	(16/Feb)	(29/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.1938	High May 15
	1.1854	High May 16
	1.1750	High May 24
	1.1728	High May 28
SUPPORT	1.1477	Low July 20, 2017
	1.1369	Low July 13, 2017
	1.1290	Low June 28 2017
	1.1176	Low June 27 2017
RECOMMENDATION	BUY	1.1640
	SELL	-----
	STOP LOSS	1.1565
	TARGET	1.1715
		1.1750

USD/JPY

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



- The main resistance at 111.87, support 106.85
- RSI 14 daily is down [\(Research – riza\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	108.589	109.052	108.339	71,3	108.892	↑ 10,4	108.788
May 29	109.438	109.447	108.101	134,6	108.788	↓ 61,9	109.407
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

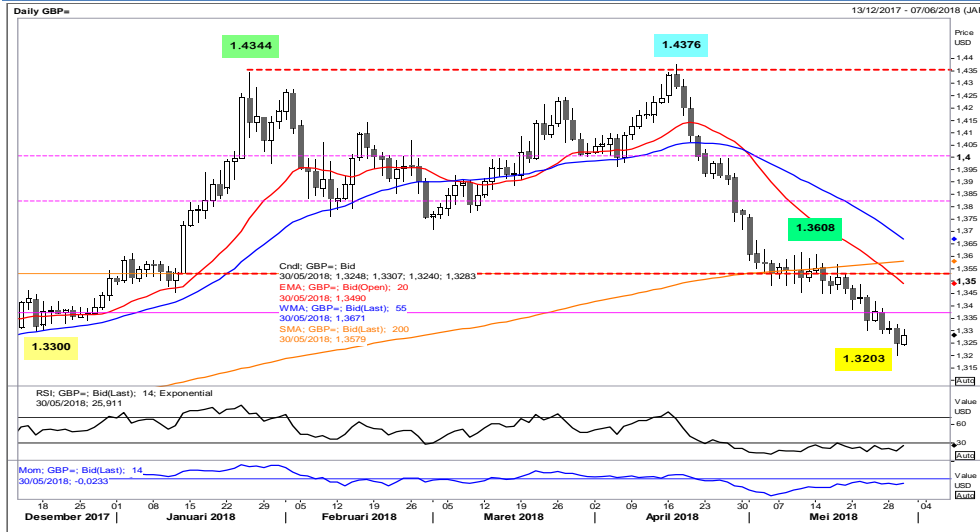
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
109.601 (28/May)	108.101 (29/May)	111.384 (21/May)	108.101 (29/May)	109.525 (27/Apr)	105.646 (02/Apr)	113.376 (08/Jan)	104.623 (23/Mar)

ANALYSIS & RECOMMENDATION

RESISTANCE	111.87	High Jan 11,2018
	110.92	High May 23,2018
	110.10	High May 24,2018
	109.46	High May 29,2018
SUPPORT	108.10	Low May 29,2018
	107.62	Low Apr 23, 2018
	106.85	Low Apr 17, 2018
	105.97	Low Apr 04, 2018
RECOMMENDATION	BUY	108.65
	SELL	----
	STOP LOSS	107.80
	TARGET	109.55 109.95

GBP/USD

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



- The series drop in daily high
- RSI 14 is in oversold area
- Be aware of trend changes

[\(Research -rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	1.32545	1.33061	1.32409	65,2	1.32835	↑ 40,4	1.32431
May 29	1.33097	1.33238	1.32034	120,4	1.32431	↓ 68,0	1.33111
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

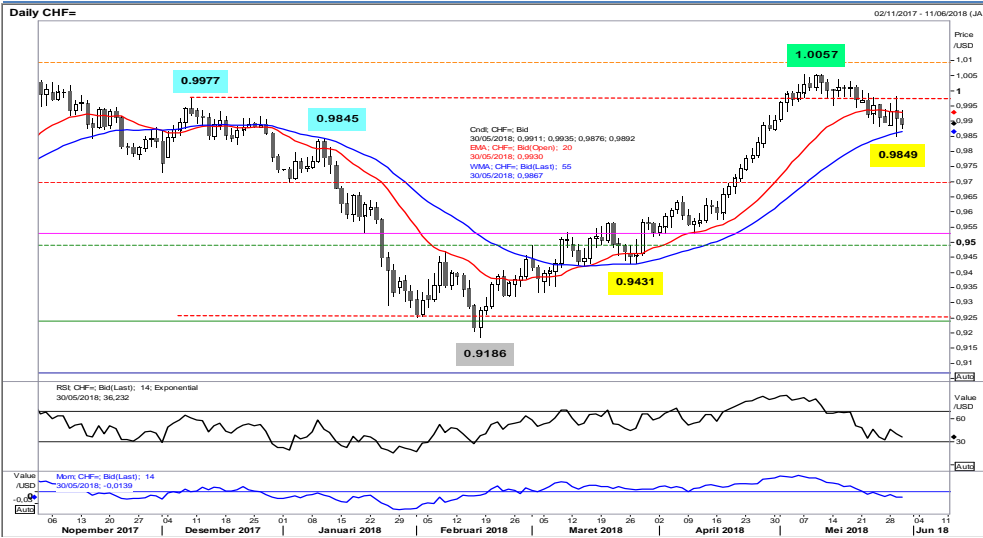
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.33398	1.32034	1.37717	1.32034	1.43754	1.37113	1.43754	1.32034
(28/May)	(29/May)	(01/May)	(29/May)	(17/Apr)	(30/Apr)	(17/Apr)	(29/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	1.3595	High May 11,2018
	1.3483	High May 21,2018
	1.3391	High May 25,2018
	1.3325	High May 29,2018
SUPPORT	1.3203	Low May 29,2018
	1.3133	Low Nov 16, 2017
	1.3060	Reactions Low Nov 13, 2017
	1.2907	Low Sept 05,2017
RECOMMENDATION	BUY	1.3270
	SELL	----
	STOP LOSS	1.3190
	TARGET	1.3360 1.3390

USD/CHF

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



- Daily RSI approach oversold area
 - Main resistance 1.0170, support 0.9665
- [\(Research – rizal\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	0.99065	0.99340	0.98775	56,5	0.98884	↓ 23,0	0.99114
May 29	0.99342	0.99821	0.98494	132,7	0.99114	↓ 21,5	0.99329
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

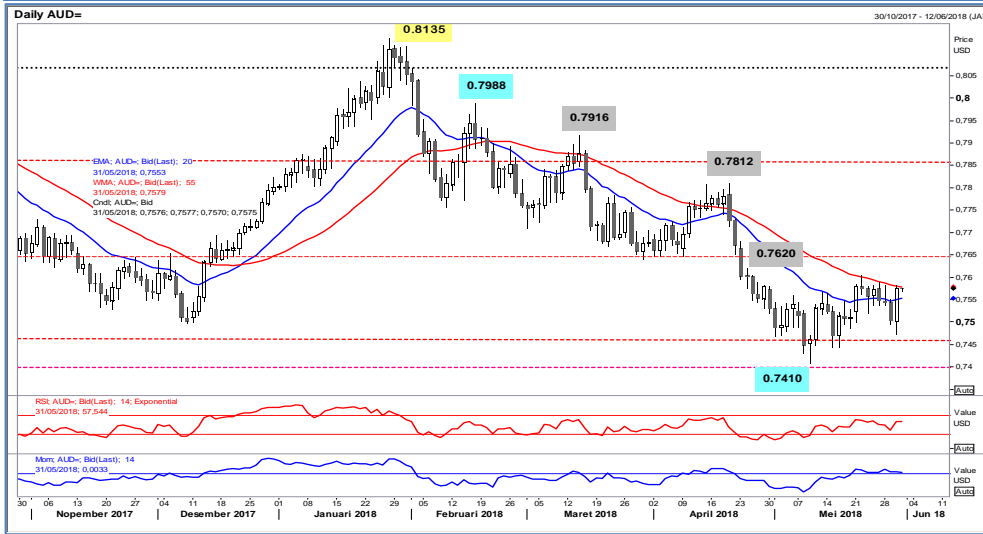
WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.99821	0.98494	1.00553	0.98494	0.99199	0.95258	1.00553	0.91863
(29/May)	(29/May)	(07/May)	(29/May)	(30/Apr)	(02/Apr)	(07/May)	(16/Feb)

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	0.9766	Low Apr 24,2018
	0.9665	Low Apr 19,2018
	0.9576	Low Apr 16,2018
	0.9431	Low Mar 26,2018
RECOMMENDATION	BUY	---
	SELL	0.9905
	STOP LOSS	0.9985
	TARGET	0.9815 0.9785

AUD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	0.75049	0.75816	0.74750	106,6	0.75723	↑ 68,6	0.75037
May 29	0.75450	0.75516	0.74968	54,8	0.75037	↓ 39,2	0.75429
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.75816 (30/May)	0.74750 (30/May)	0.76041 (22/May)	0.74112 (09/May)	0.78117 (19/Apr)	0.75241 (30/Apr)	0.81346 (26/Jan)	0.74112 (09/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7812	High Apr 19
	0.7731	High Apr 20
	0.7682	High Apr 23
	0.7620	High Apr 24
SUPPORT	0.7410	Low June 05, 2017
	0.7326	Low May 09, 2017
	0.7266	Low Jan 05, 2017
	0.7152	Low Dec 26, 2016
RECOMMENDATION	BUY	0.7550
	SELL	-----
	STOP LOSS	0.7475
	TARGET	0.7625
		0.7660

NZD/USD

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



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

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	0.68962	0.69915	0.68815	110,0	0.69840	↑ 87,8	0.68962
May 29	0.69379	0.69481	0.68885	59,6	0.68962	↓ 40,7	0.69369
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
0.69915 (30/May)	0.68815 (30/May)	0.70516 (04/May)	0.68500 (16/May)	0.73943 (13/Apr)	0.70321 (30/Apr)	0.74359 (16/Feb)	0.68500 (16/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	0.7342	High Apr 19
	0.7221	High Apr 23
	0.7121	High Apr 25
	0.7040	High May 01
SUPPORT	0.6880	Low May 30
	0.6815	Low Dec 01, 2017
	0.6779	Low Nov 17, 2017
	0.6674	Low May 30,2016
RECOMMENDATION	BUY	0.6960
	SELL	-----
	STOP LOSS	0.6885
	TARGET	0.7035 0.7070

EUR/JPY

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



- RSI 14 is down
 - Important resistance at 127.27, support at 122.89
- [\(Research – riza\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	125.316	127.298	124.966	233,2	126.987	↑ 156,8	125.419
May 29	127.235	127.261	124.602	265,9	125.419	↓ 180,3	127.222
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
128.518	124.602	132.117	124.602	133.466	129.962	137.486	124.602
(28/May)	(29/May)	(01/May)	(29/May)	(24/Apr)	(02/Apr)	(02/Feb)	(29/May)

ANALYSIS & RECOMMENDATION

RESISTANCE	131.34	High May 22,2018
	130.66	High May 23,2018
	129.78	High on 1 Hourly Chart
	128.52	High May 25,2018
SUPPORT	126.40	Low on 1 Hourly Chart
	125.87	Low on 1 Hourly Chart
	124.72	Low Jun 27,2017
	123.99	Low Jun 23,2017
RECOMMENDATION	BUY	126.80
	SELL	----
	STOP LOSS	125.80
	TARGET	127.90
		128.30

USD/CAD

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



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

WEEKLY OPEN	CURRENT PRICE
1.2969	1.2875

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1.3047 (29/May)	1.2831 (30/May)	1.3047 (29/May)	1.2725 (11/May)	1.2943 (02/Apr)	1.2522 (17/Apr)	1.3124 (19/Mar)	1.2246 (31/Jan)

ANALYSIS & RECOMMENDATION		
RESISTANCE	1.3197	High Jun 28,2017
	1.3127	High Mar 19,2018
	1.3079	High Mar 21,2018
	1.2987	High May 25,2018
SUPPORT	1.2807	Low May 23,2018
	1.2745	Low Apr 23,2018
	1.2628	Low Apr 20,2018
	1.2543	Low Apr 18,2018
RECOMMENDATION	BUY	----
	SELL	1.2895
	STOP LOSS	1.2985
	TARGET	1.2795 – 1.2765

Precious Metal – *Daily Outlook*

Gold gains on U.S. growth data with lingering Italy uncertainty - Reuters News



Gold prices edged higher on Wednesday as the dollar wilted after U.S. data showed the U.S. economy slowed slightly more than initially expected in the first quarter while political uncertainty lingered in Italy.

U.S. gross domestic product increased at a 2.2 percent annual rate, the Commerce Department said in its second estimate of first-quarter GDP, instead of the previously reported 2.3 percent pace.

The news knocked the dollar lower against a basket of leading currencies, away from near 6-1/2 month highs. A weaker greenback makes dollar-denominated gold

cheaper for holders of other currencies.

"This has supported the EUR/USD exchange rate, which in turn has underpinned the price of the positively-correlating yellow precious metal," said Forex.com analyst Fawad Razaqzada.

Spot gold was up 0.32 percent at \$1,302.17 per ounce by 1:32 p.m. EDT (1732 GMT), while U.S. gold futures for June delivery settled up \$2.50, or 0.2 percent, at \$1,301.50 per ounce.

Though gold prices edged higher, easing concerns of political strife in Italy dented the appeal for safe haven gold purchases, said Rob Haworth, senior investment strategist for US Bank Wealth Management.

"Today we're still following the dollar and gold will probably be under pressure if Italian politics sorts itself out over the next day or two," Haworth said.

Meanwhile, Italy searched for a last-minute exit from almost three months of political turmoil, with its biggest party looking to make a renewed attempt to form a coalition government with the right-wing League.

Analysts said some uncertainty still remained over Italy even as a resolution was being sought.

"I don't see any market-pleasing resolution to be honest, because a new caretaker government will not last long because it doesn't not have any majority in parliament," said Commerzbank commodity analyst Carsten Fritsch.

U.S. benchmark 10-year Treasury yields on Tuesday registered their largest one-day drop since Brexit nearly two years ago. Higher rates generally dent demand for non-interest-paying gold.

China on Wednesday lashed out at Washington's unexpected statement that it is sticking to the threat of imposing tariffs on \$50 billion of Chinese goods, saying Beijing was ready to fight back in any trade war.

But Capital Economics' Simona Gambarini said the potential trade war between China and the United States was mostly priced into gold, which would need an escalation or resolution to become a catalyst to prices again.

Meanwhile, spot silver was up 0.9 percent at \$16.53 an ounce.

Platinum rose 0.5 percent at \$908.60 an ounce, while palladium gained 0.2 percent at \$981.22.

(Source Reuters, Research – @her1en)

GOLD (XAU/USD)



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

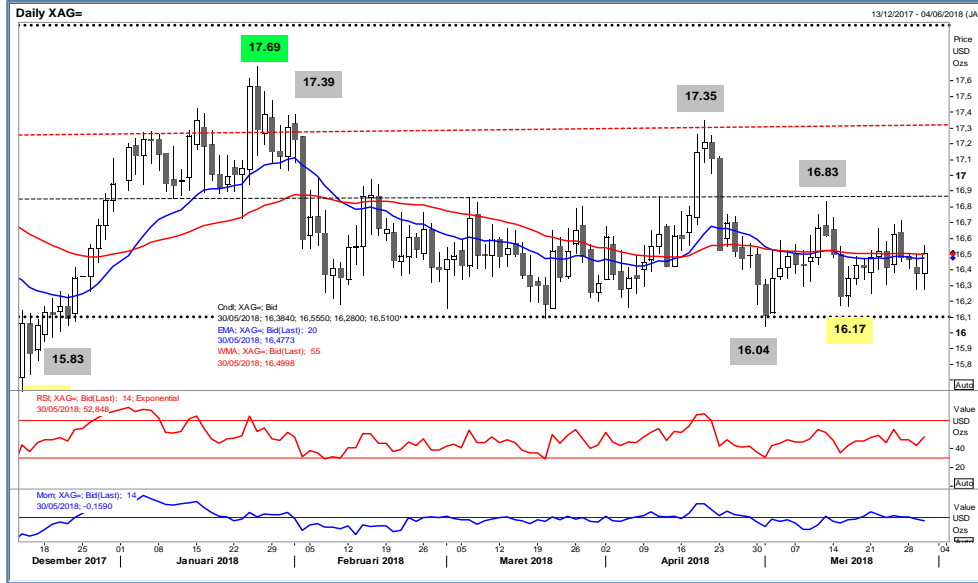
DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS	AM FIX	PM FIX
May 30	1299.120	1304.240	1295.780	8.46	1301.220	↑ 2.54	1298.680	--	--
May 29	1297.560	1306.480	1292.870	13.61	1298.680	↑ 0.73	1297.950	-	-
May 28	1298.340	1300.220	1295.390	4.83	1297.950	↓ 2.66	1300.610	-	-
May 25	1304.190	1307.630	1300.230	7.40	1300.610	↓ 4.21	1304.820	--	--
May 24	1293.970	1306.670	1292.810	13.86	1304.820	↑ 11.38	1293.440	--	--

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
1306.480 (29/May)	1292.870 (29/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 30	16.361	16.538	16.301	0.24	16.491	↑ 0.11	16.379
May 29	16.459	16.489	16.299	0.19	16.379	↓ 0.07	16.454
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
16.538	16.299	16.815	16.149	17.336	16.169	17.682	16.105
(30/May)	(29/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	16.25	Low May 21
	15.97	Low Dec 19, 2017
	15.74	Low Dec 14, 2017
	15.59	Low Dec 13, 2017
RECOMMENDATION	BUY	16.45
	SELL	-----
	STOP LOSS	16.10
	TARGET	16.85 17.05

OIL – Daily Outlook

Oil climbs over 2 pct, shrugs off API's U.S. crude build - Reuters News



Oil prices surged on Wednesday, shrugging off an unexpected build in U.S. crude stockpiles and rebounding from a four-day slump as Russia's central bank expressed caution on plans to boost oil supply.

Brent settled up \$2.11, or 2.8 percent, at \$77.50 a barrel. U.S. crude gained \$1.48, or 2.2 percent, to \$68.21.

Data from industry group American Petroleum Institute (API) showed that U.S. crude inventories rose unexpectedly last week, increasing by 1 million barrels against analyst expectations of a

525,000-barrel decline.

Prices were little changed in post-settlement trading despite the surprise stock build.

Oil has been pressured by reports that the Organization of the Petroleum Exporting Countries (OPEC) and Russia may ease up on output cuts in place since January 2017. The cuts have driven down global inventories and boosted prices, with global benchmark Brent reaching a 3-1/2-year high of \$80.50 a barrel on May 17.

On May 25, sources told Reuters that Saudi Arabia and Russia are discussing raising oil output from OPEC and allied non-OPEC countries by around 1 million bpd.

On Wednesday, however, the Russian central bank said falling oil prices would pose a risk to the country's financial sector.

"It seems that somebody in the central bank is taking notice of the big drop in oil prices and sending a signal of, 'Hey, wait a second. We don't want these prices to fall too far,'" said Phil Flynn, analyst at Price Futures Group in Chicago.

U.S. crude's discount to Brent rose to as much as \$9.31, with Brent supported as investors worried that U.S. sanctions could be cutting crude supplies from Iran.

"There's more concern on the Brent side that supply losses from Iran are harder to be made up," Flynn said.

India's Reliance Industries Ltd, owner of the world's biggest refining complex, plans to halt oil imports from Iran, two sources familiar with the matter said.

In Brazil, the FUP oil workers union said workers had joined the call for a nationwide strike on at least 20 oil rigs in the lucrative Campos basin and other areas of the country.

Protesters are calling for the resignation of Petroleo Brasileiro SA Chief Executive Officer Pedro Parente and a change to company fuel pricing policies. The company said production was not affected. Last week there was a strike by Brazilian truckers over high diesel prices. Ongoing unrest could threaten demand for fuels in Brazil, which U.S. data showed was the No. 8 energy consumer in 2016.

(Source Reuters, Research – @her1en)

CLN8/USD (OIL)

(Exp.: 20 June 2018 - Reuters)



- Important resistance at 70.80, support at 65.38
- RSI 14 is up
[\(Research - @her1en\)](#)

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	CHANGE	PREVIOUS
May 30	66.84	68.63	66.34	2.29	68.22	↑ 1.37	66.85
May 29	66.47	67.32	65.91	1.41	66.85	↑ 0.37	66.48
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

WEEKLY		MAY		APRIL		2018	
HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
68.63	65.91	72.88	65.91	69.53	61.80	72.88	58.06
(30/May)	(29/May)	(22/May)	(29/May)	(19/Apr)	(06/Apr)	(22/May)	(09/Feb)

ANALYSIS & RECOMMENDATION

RESISTANCE	77.02	Nov 28
	73.56	High Nov 28, 2014
	72.00	High May 24
	70.80	High May 25
SUPPORT	65.38	Low Apr 17
	62.99	Low Apr 10
	61.73	Low Apr 06
	59.84	Low Mar 14
RECOMMENDATION	BUY	68.00
	SELL	-----
	STOP LOSS	67.80
	TARGET	69.50 69.90