

Daily Outlook

GLOBAL STOCK INDEX

DJIA

Wall Street has ended down slightly, with bank stocks declining as prospects of a US interest rate cut rose and energy shares tumbled along with oil prices.

The S&P 500 energy index slid 1.4 per cent on Wednesday, the most among the 11 S&P sectors, as demand worries drove US crude prices down four per cent.

The day's losses made energy the worst-performing S&P 500 sector for the year to date.

A report from the Labor Department showed US consumer prices rose 0.1 per cent in May, in line with expectations of economists polled by Reuters, pointing to moderate inflation. This backed the case for a rate cut by the Federal Reserve.

Banking stocks, which tend to benefit from higher interest rates, dropped 1.4 per cent. The broader financial sector fell one per cent.

Still, hopes that the Fed will act to counter a slowing global economy due to the escalating trade war with China have spurred a rally in stocks this month. The S&P 500 index is up 4.6 per cent so far in June.

Fed policymakers will meet on June 18-19. Markets have priced in at least two rate cuts by the end of 2019. Fed fund futures imply around an 80 per cent chance of an easing in rates as soon as July.

Investors are reducing exposure to stocks after the recent rally, and as they brace for the Fed meeting.

The Dow Jones Industrial Average fell 43.68 points, or 0.17 per cent, to 26,004.83, the S&P 500 lost 5.88 points, or 0.2 per cent, to 2879.84 and the Nasdaq Composite dropped 29.85 points, or 0.38 per cent, to 7792.72.

S&P 500 utilities, which are positively affected by falling rates, was the day's best-performing sector, rising 1.3 per cent.

Lingering worries on the trade front weighed on sentiment, a day after US President Donald Trump said he was holding up a deal with China and had no interest in moving ahead unless Beijing agrees to four or five major points.

Less than three weeks before proposed talks between the US and Chinese leaders, sources say there has been little preparation.

Nikkei

Japan's Nikkei share average fell on Wednesday, snapping a three-day winning streak, as the tough stance taken by U.S. President Donald Trump in his latest comments on trade negotiations with China fed worries of a global slowdown.

The Nikkei fell 0.4% to 21,129.72, with an immediate resistance seen at its current 100-day moving average at 21,272. The broader Topix shed 0.5% to 1,554.22. Declining shares outnumbered advancing ones 1,329 to 717.

The market's recovery over the past several sessions from multi-month lows touched earlier in June is beginning to fade, largely due to concerns over the impact of a protracted U.S.-China trade war.

Trump said on Tuesday that he was holding up a trade deal with China and had no interest in moving ahead unless Beijing agrees again to four or five "major points", without specifying what those issues were.

Indeed, Japanese companies' earnings outlook continued to deteriorate. The forward earnings per share of Topix has dropped 6.7% from its peak late last year and is now down 2.1% from a year ago.

In a rare bright spot, Japan's machinery orders, a key leading gauge of capital spending, unexpectedly rose for a third straight month in April, helped by the strength in domestic demand.

Yet that meant little in light of the overwhelming uncertainties Sino-U.S. frictions are posing to companies' long-term investment plans, particularly in the technology sector.

Electric machinery company shares were down 0.7%, underperforming the market.

Kospi

South Korea's KOSPI stock index snapped a four-day rally and fell on Wednesday as investors cautiously watched the development of U.S.-China trade talks, with worries renewing after U.S. President Donald Trump added to pressure against China. The Korean won and the benchmark bond yield fell.

President Trump said on Tuesday he was holding up a trade deal with China and had no interest in moving ahead unless Beijing agrees again to four or five "major points" that Trump did not specify.

This month's G20 summit will help push U.S.-China trade talks forward but no final agreement was expected to be reached there, U.S. Commerce Secretary Wilbur Ross said on Tuesday. He added that a definitive trade deal with Beijing could not be made at the summit.

The Seoul stock market's main KOSPI fell 3.06 points or 0.14% to 2,108.75, snapping a four-session winning streak.

As it's difficult to figure out how the Sino-U.S. talks are going on, investors are taking a cautious stance, said Kim Ji-hyung, an analyst at Hanyang Securities.

South Korean shares exposed to North Korea closed firmer as U.S. President Donald Trump said he has

received a letter from North Korean leader Kim Jong Un. Foreigners were net sellers of 0.3 billion won (\$253,635.44) worth of shares on the main board. The won was quoted at 1,182.6 per dollar on the onshore settlement platform, 0.19% lower than its previous close at 1,180.4. In offshore trading, the won was quoted at 1,182.8 per U.S. dollar, down 0.4% from the previous day, while in non-deliverable forward trading its one-month contract was quoted at 1,181.4 per dollar. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.66%, after U.S. stocks inched lower. Japanese stocks fell 0.35%.

Hang Seng & Shanghai

➤ **Hong Kong's financial markets** came under pressure on Wednesday, with stocks falling and demand for cash surging, as protesters clashed with police during a mass demonstration against legislation that would allow citizens to be extradited to China. Tens of thousands of protesters had gathered peacefully in the Chinese-ruled city to protest against the extradition bill. But as tempers flared, riot police fired multiple volleys of tear gas at demonstrators who threw plastic bottles in running battles outside the city's legislature. Some businesses shut and workers walked out on strike, a rarity in Hong Kong, to support the protest. The benchmark Hang Seng Index closed 1.7% lower, having lost as much as 2% in afternoon, while Chinese companies in Hong Kong ended down 1.2%. That compared with losses of less than 0.6% in Shanghai and Asia ex-Japan. The selloff came amid broader concerns about the global economy due to fears that the Sino-U.S. trade war could be prolonged.

➤ **China stocks** fell on Wednesday after the previous session's rally, as weak factory inflation data and prospects of an escalation in the Sino-U.S. trade war curbed risk appetite. The blue-chip CSI300 index fell 0.8%, to 3,691.10 points, while the Shanghai Composite Index lost 0.6%, to 2,909.38 points. China's factory gate inflation slowed amid sluggish commodity demand and faltering manufacturing activity, reinforcing worries about slowing economic growth. In a sign that trade tensions could intensify, U.S. President Donald Trump on Tuesday defended the use of tariffs as part of his trade strategy while China vowed a tough response if the United States insists on escalating trade tensions. Shares of real estate companies fell on worries about the sector's health, after the city of Enshi made moves to stabilise property prices. Bucking weakness in the broader market, rare earth stocks jumped after news that China launched a survey of rare earth resources in seven regions on Monday, amid speculation that Beijing may curb exports of the materials to the United States.

Closing Prices – 12 June 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	26004.83	↓ 43.68/0.17%	.N225	21129.72	↓ 74.56/0.35%
/.SPX	2879.84	↓ 5.88/0.20%	.KS200	272.74	↓ 0.47/0.17%
/.IXIC	7792.719	↓ 29.847/0.38%	.HSI	27308.46	↓ 480.88/1.73%
JPY=	108.49	↓ 0.01/Flat	/.SSEC	2909.37960	↓ 16.33660/0.56%
KRW=	1183.35	↑ 5.14/0.44%	/CLc1 (Oil)	51.08	↓ 1.97/3.71%

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
01-Jun - 10-Jun	N/A	GB	BoE/TNS Inflation Next 12 Mths	May		--	3.2%	
Mon/10-Jun-19	All	AU	Bank Holiday (Queen's Birthday)					
	06:50	JP	Bank Lending Ex-Trusts YoY	May	2.8%	--	2.5%	
	06:50	JP	Bank Lending Incl Trusts YoY	May	2.6%	--	2.4%	
	06:50	JP	BoP Current Account Adjusted	Apr P	¥1600.1b	¥1440.2b	¥1271.0b	
	06:50	JP	BoP Current Account Balance	Apr P	¥1707.4b	¥1514.5b	¥2847.9b	
	06:50	JP	GDP Annualized SA QoQ	1Q F	2.2%	2.2%	2.1%	
	06:50	JP	GDP Business Spending QoQ	1Q F	0.3%	0.5%	-0.3%	
	06:50	JP	GDP Deflator YoY	1Q F	0.1%	0.2%	0.2%	
	06:50	JP	GDP Nominal SA QoQ	1Q F	0.8%	0.8%	0.8%	
	06:50	JP	GDP Private Consumption QoQ	1Q F	-0.1%	-0.1%	-0.1%	
	06:50	JP	GDP SA QoQ	1Q F	0.6%	0.6%	0.5%	
	06:50	JP	Trade Balance BoP Basis	Apr P	-98.2b¥	¥5.0b	¥700.1b	
	08:33	CN	Exports YoY	May	1.1%	-3.9%	-2.7%	
	08:33	CN	Exports YoY CNY	May	7.7%	4.7%	3.1%	
	08:33	CN	Imports YoY	May	-8.5%	-3.5%	4.0%	
	08:33	CN	Imports YoY CNY	May	-2.5%	5.8%	10.3%	
	08:33	CN	Trade Balance	May	\$41.65b	\$22.30b	\$13.84b	
	08:33	CN	Trade Balance CNY	May	279.12b	136.00b	93.57b	
	12:00	JP	Eco Watchers Survey Current SA	May	44.1	45.4	45.3	
	12:00	JP	Eco Watchers Survey Outlook SA	May	45.6	48.0	48.4	
	15:30	GB	Construction Output SA MoM	Apr	-0.4%	0.5%	-1.9%	
	15:30	GB	Construction Output SA YoY	Apr	2.4%	3.3%	3.2%	
	15:30	GB	GDP (MoM)	Apr	-0.4%	-0.1%	-0.1%	
	15:30	GB	Index of Services 3M/3M	Apr	0.2%	0.2%	0.3%	
	15:30	GB	Index of Services MoM	Apr	0.0%	0.1%	-0.1%	
	15:30	GB	Industrial Production MoM	Apr	-2.7%	-1.0%	0.7%	
	15:30	GB	Industrial Production YoY	Apr	-1.0%	0.9%	1.3%	
	15:30	GB	Manufacturing Production MoM	Apr	-3.9%	-1.4%	0.9%	
	15:30	GB	Manufacturing Production YoY	Apr	-0.8%	2.0%	2.6%	
	15:30	GB	Monthly GDP 3M/3M Change	Apr	0.3%	0.4%	0.5%	
	15:30	GB	Trade Balance	Apr	-£2740m	-£4700m	-£5408m	-£6151m
	15:30	GB	Trade Balance Non EU GBP/Mn	Apr	-£4595m	-£4476m	-£4361m	-£6217m
	15:30	GB	Visible Trade Balance GBP/Mn	Apr	-£12113m	-£13000m	-£13650m	-£15430m
Tue/11-Jun-19	05:45	NZ	Mfg Activity SA QoQ	1Q	1.0%	--	-0.5%	
	05:45	NZ	Mfg Activity Volume QoQ	1Q	2.0%	--	2.0%	
	08:30	AU	NAB Business Conditions	May	1	--	3	
	08:30	AU	NAB Business Confidence	May	7	--	0	
11-Jun - 18-Jun	N/A	CN	Foreign Direct Investment YoY CNY	May		--	6.3%	
	13:00	JP	Machine Tool Orders YoY	May P	-27.3%	--	-33.4%	
	15:30	GB	Average Weekly Earnings 3M/YoY	Apr	3.1%	3.0%	3.2%	3.3%
	15:30	GB	Claimant Count Rate	May	3.1%	--	3.0%	
	15:30	GB	Employment Change 3M/3M	Apr	32k	10k	99k	
	15:30	GB	ILO Unemployment Rate 3Mths	Apr	3.8%	3.8%	3.8%	
	15:30	GB	Jobless Claims Change	May	23.2k	--	24.7k	19.1k
	15:30	EZ	Sentix Investor Confidence	Jun	-3.3	2.5	5.3	
	15:30	GB	Weekly Earnings ex Bonus 3M/YoY	Apr	3.4%	3.1%	3.3%	
	17:00	US	NFIB Small Business Optimism	May	105	101.9	103.5	
	19:30	US	PPI Ex Food and Energy MoM	May	0.2%	0.2%	0.1%	
	19:30	US	PPI Ex Food and Energy YoY	May	2.3%	2.3%	2.4%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	May	0.4%	0.2%	0.4%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	May	2.3%	--	2.2%	
	19:30	US	PPI Final Demand MoM	May	0.1%	0.1%	0.2%	
	19:30	US	PPI Final Demand YoY	May	1.8%	1.9%	2.2%	
Wed/12-Jun-19	06:00	KR	Unemployment rate SA	May	4.0%	4.0%	4.1%	
	06:25	AU	RBA's Kent Speaks in Melbourne					
	06:50	JP	Core Machine Orders MoM	Apr	5.2%	-0.8%	3.8%	
	06:50	JP	Core Machine Orders YoY	Apr	2.5%	-5.3%	-0.7%	
	06:50	JP	PPI MoM	May	-0.1%	0.0%	0.3%	0.4%
	06:50	JP	PPI YoY	May	0.7%	0.7%	1.2%	1.3%
	07:30	AU	Westpac Consumer Conf Index	Jun	100.7	--	101.3	
	07:30	AU	Westpac Consumer Conf SA MoM	Jun	-0.6%	--	0.6%	
	08:30	CN	CPI YoY	May	2.7%	2.7%	2.5%	
	08:30	CN	PPI YoY	May	0.6%	0.6%	0.9%	
	16:00	AU	RBA's Ellis Speaks in Melbourne					

	19:30	US	CPI Core Index SA	May	262.03	262.30	261.735	
	19:30	US	CPI Ex Food and Energy MoM	May	0.1%	0.2%	0.1%	
	19:30	US	CPI Ex Food and Energy YoY	May	2.0%	2.1%	2.1%	
	19:30	US	CPI Index NSA	May	256.092	256.192	255.548	
	19:30	US	CPI MoM	May	0.1%	0.1%	0.3%	
	19:30	US	CPI YoY	May	1.8%	1.9%	2.0%	
	19:30	US	Real Avg Hourly Earning YoY	May	1.3%	--	1.2%	
	19:30	US	Real Avg Weekly Earnings YoY	May	1.0%	--	0.9%	
	21:30	US	DOE Cushing OK Crude Inventory	Jun-07	2096k	--	6771k	
	21:30	US	DOE U.S. Crude Oil Inventories	Jun-07	2206k	--	1791k	
	21:30	US	DOE U.S. Distillate Inventory	Jun-07	-1000k	--	4572k	
	21:30	US	DOE U.S. Gasoline Inventories	Jun-07	764k	--	3205k	
Thu/13-Jun-19	01:00	US	Monthly Budget Statement	May	-\$207.8b	-\$202.5b	\$160.3b	
	06:01	GB	RICS House Price Balance	May		--	-23%	
	06:50	JP	BSI Large All Industry QoQ	2Q		--	-1.7	
	06:50	JP	BSI Large Manufacturing QoQ	2Q		--	-7.3	
	08:00	AU	Consumer Inflation Expectation	Jun		--	3.3%	
	08:30	AU	Employment Change	May		--	28.4k	
	08:30	AU	Full Time Employment Change	May		--	-6.3k	
	08:30	AU	Part Time Employment Change	May		--	34.7k	
	08:30	AU	Participation Rate	May		--	65.8%	
	08:30	AU	Unemployment Rate	May		--	5.2%	
	11:30	JP	Tertiary Industry Index MoM	Apr		--	-0.4%	
	12:45	CH	SECO June 2019 Economic Forecasts					
	13:00	DE	CPI EU Harmonized MoM	May F		--	--	
	13:00	DE	CPI EU Harmonized YoY	May F		--	--	
	13:00	DE	CPI MoM	May F		--	--	
	13:00	DE	CPI YoY	May F		--	--	
	14:00	CH	KOF Institute Summer Economic Forecast					
	14:30	CH	SNB 3-Month Libor Lower Target Range	Jun-13		--	-1.25%	
	14:30	CH	SNB 3-Month Libor Upper Target Range	Jun-13		--	-0.25%	
	14:30	CH	SNB Sight Deposit Interest Rate	Jun-13		--	-0.75%	
	16:00	EZ	Industrial Production SA MoM	Apr		--	-0.3%	
	16:00	EZ	Industrial Production WDA YoY	Apr		--	-0.6%	
	19:30	US	Continuing Claims	Jun-01		--	--	
	19:30	US	Initial Jobless Claims	Jun-08		--	--	
Fri/14-Jun-19	05:30	NZ	BusinessNZ Manufacturing PMI	May		--	53	
	09:00	CN	Industrial Production YoY	May		--	5.4%	
	09:00	CN	Industrial Production YTD YoY	May		--	6.2%	
	09:00	CN	Retail Sales YoY	May		--	7.2%	
	09:00	CN	Retail Sales YTD YoY	May		--	8.0%	
	09:00	CN	Surveyed Jobless Rate	May		--	5.0%	
	11:30	JP	Capacity Utilization MoM	Apr		--	-0.4%	
	11:30	JP	Industrial Production MoM	Apr F		--	--	
	11:30	JP	Industrial Production YoY	Apr F		--	--	
	15:30	HK	Industrial Production YoY	1Q		--	1.3%	
	15:30	HK	PPI YoY	1Q		--	0.3%	
	19:30	US	Retail Sales Advance MoM	May		--	-0.2%	
	19:30	US	Retail Sales Control Group	May		--	0.0%	
	19:30	US	Retail Sales Ex Auto and Gas	May		--	-0.2%	
	19:30	US	Retail Sales Ex Auto MoM	May		--	0.1%	
	20:15	US	Capacity Utilization	May		--	77.9%	
	20:15	US	Industrial Production MoM	May		--	-0.5%	
	20:15	US	Manufacturing (SIC) Production	May		--	-0.5%	
	21:00	US	Business Inventories	Apr		--	0.0%	
	21:00	US	U. of Mich. 1 Yr Inflation	Jun P		--	--	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Jun P		--	--	
	21:00	US	U. of Mich. Current Conditions	Jun P		--	--	
	21:00	US	U. of Mich. Expectations	Jun P		--	--	
	21:00	US	U. of Mich. Sentiment	Jun P		--	--	
Sat/15-Jun-19	00:00	US	Baker Hughes U.S. Rig Count	Jun-14		--	--	

Dow Jones (1YMM9 – Jun)

Exp. Date: 21 Jun 2019



RESISTANCE	26226	
	26162	
	26089	
SUPPORT	25952	
	25888	
	25815	
SUGGESTION	BUY	---
	SELL	26045
	S/L	26145
	T/P:	25845 25745

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
12 June	26064	26098	25961	137	26016	26016	↓ 49	0.19	152297

WEEKLY		JUNE		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26289 (10/Jun)	25961 (12/Jun)	26289 (10/Jun)	24610 (03/Jun)	26694 (24/Apr)	22563 (04/Jan)

Nikkei (SSlamU9 – Sep)

Exp. Date: 12 Sep 2019



RESISTANCE	21481	
	21368	
	21181	
SUPPORT	20881	
	20768	
	20581	
SUGGESTION	BUY	---
	SELL	21025
	S/L	21175
	T/P:	20825 20725

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
12 June SS1pmU9	21050	21100	20955	145	20995	---	↓ 65	0.31	14181
12 June SS1amU9	21120	21200	21050	150	21060	21060	↓ 95	0.45	33801
12 June SS1pmM9	21120	21160	21020	140	21065	---	↓ 50	0.24	21231
12 June SS1amM9	21180	21255	21115	140	21115	21115	↓ 100	0.47	51650

WEEKLY		JUNE		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
21265 (11/Jun)	20955 (12/Jun)	21265 (11/Jun)	20285 (04/Jun)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



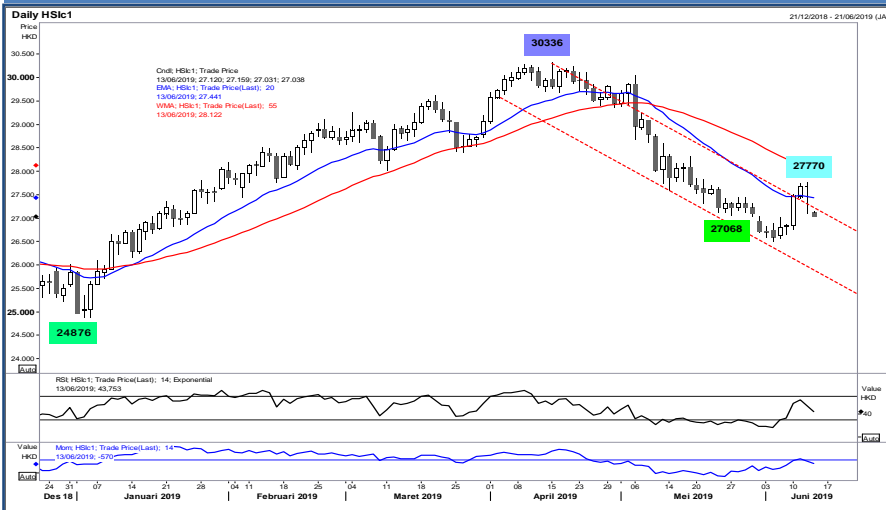
RESISTANCE	276.30	
	275.35	
	273.90	
SUPPORT	271.50	
	270.55	
	269.10	
SUGGESTION	BUY	---
	SELL	272.75
	S/L	274.25
	T/P:	270.75 269.75

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
12 June (KSU9)	273.60	274.40	272.25	2.15	272.45	272.45	↓ 1.15	0.42	38509
12 June (KSM9)	273.25	274.15	272.00	2.15	272.15	272.15	↓ 1.00	0.37	215503

WEEKLY		JUNE		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
274.40 (12/Jun)	268.40 (10/Jun)	274.40 (12/Jun)	261.90 (03/Jun)	292.10 (17/Apr)	255.60 (04/Jan)

Hang Seng (HSIM9 – JUN)

Exp. Date: 27 June 2019



RESISTANCE	28013	
	27799	
	27400	
SUPPORT	26787	
	26573	
	26174	
SUGGESTION	BUY	---
	SELL	27030
	S/L	27180
	T/P:	26830 26680

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
12 June	27582	27585	27106	479	27122	27122	↓ 566	2.04	196294

WEEKLY		JUNE		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
27756 (11/Jun)	27016 (10/Jun)	27756 (11/Jun)	26505 (04/Jun)	30336 (15/Apr)	24876 (03/Jan)



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