

Daily Outlook

GLOBAL STOCK INDEX

<u>DJIA</u>	<p>U.S. stocks fell on Monday as Apple shares dropped following a broker downgrade and investors continued to weigh chances of an aggressive interest rate cut by the Federal Reserve later this month. Apple Inc fell 2.2% and was the biggest drag on the S&P 500 and Nasdaq. Rosenblatt Securities downgraded the iPhone maker's shares to "sell" from "neutral," and said it expected the company to face "fundamental deterioration" in the next six to 12 months.</p> <p>The technology .SPLRCT index was down 0.7%, while the healthcare index .SPXHC fell 0.8%, weighed down by U.S. President Donald Trump's recent statement about an upcoming executive order that would lower prescription drug prices.</p> <p>Surprisingly strong U.S. jobs data on Friday has forced traders to temper hopes of a sharp rate cut at the central bank's July 30-31 policy meeting, even as a reduction is still expected.</p> <p>"Expectations about the number and timing of rate cuts have changed slightly."The Dow Jones Industrial Average fell 115.98 points, or 0.43%, to 26,806.14, the S&P 500 lost 14.46 points, or 0.48%, to 2,975.95 and the Nasdaq Composite dropped 63.41 points, or 0.78%, to 8,098.38.</p> <p>Advertisement</p> <p>A week ago, the market forecast an 80.1% chance of a 25-basis-point cut, and a 19.9% chance of a 50-basis-point cut, according to CME Group's FedWatch tool. In afternoon trade, the chances were 92% and 8%, respectively.</p> <p>Investors might get an opportunity to gauge near-term monetary policy thinking during Fed Chairman Jerome Powell's semi-annual testimony to the U.S. Congress on July 10-11. Also ahead are the central bank's June meeting minutes, scheduled for release on Wednesday.</p> <p>Market watchers are also likely to focus on the start of the second-quarter earnings season next week. Profits for S&P 500 companies are expected to have dipped 0.1% from a year ago, according to Refinitiv IBES data.</p> <p>Boeing Co fell 1.3% and was the biggest drag on the Dow after Saudi Arabian budget airline flyadeal said it would not proceed with a provisional \$5.9 billion order for the planemaker's grounded 737 MAX aircraft, instead opting for a fleet of Airbus A320 jets.</p> <p>Symantec Corp rose 2.4% after Jefferies said the cybersecurity firm is a "logical financial acquisition" amid reports Broadcom Inc is in advanced talks for a deal.</p> <p>Advertisement</p> <p>Declining issues outnumbered advancing ones on the NYSE by a 1.77-to-1 ratio; on Nasdaq, a 2.30-to-1 ratio favored decliners.</p> <p>The S&P 500 posted 20 new 52-week highs and no new lows; the Nasdaq Composite recorded 42 new highs and 50 new lows.</p> <p>Volume on U.S. exchanges was 5.74 billion shares, compared to the 6.77 billion average for the full session over the last 20 trading days.</p>
<u>Nikkei</u>	<p>Japan's Nikkei fell on Monday after an unexpectedly strong U.S. job data dampened market expectations for aggressive rate cuts this month.</p> <p>Also denting the mood was weak domestic economic data. Japan's core machinery orders fell by the most in eight months in a worrying sign that global trade tensions are taking a greater toll on corporate investment.</p> <p>The Nikkei share average ended 1% lower at 21,534.35 points.</p> <p>Advertisement</p> <p>After Friday's strong U.S. nonfarm payroll readings, traders have scaled back expectations the Federal Reserve will cut rates by a hefty 50 basis points at its next policy meeting on July 30-31. But they are still expecting a quarter-point cut.</p> <p>Financial stocks bucked the weakness, after U.S. Treasury yields rose on Friday following the job report. Mitsubishi UFJ Financial Group was up 0.1%, Mizuho Financial Group added 0.6% and Dai-ichi Life Holdings gained 0.2%.</p> <p>Separately, the market was also pressured by selling related to passive funds' closing dates in early July, as most exchange-traded funds are going ex-dividend on Monday and Wednesday this week.</p>
<u>Kospi</u>	<p>South Korean shares fell over 2% on Monday, the most in two months, as strong U.S. jobs data tempered expectations of aggressive rate cuts by the Federal Reserve, and continued tensions between the world's two largest economies dampened investor sentiment. The won weakened nearly 1% and forex dealers suspected South Korean authorities of taking measures to curb the currency's weakness. The benchmark bond yield rose. U.S. job growth rebounded strongly in June, with government payrolls surging, but persistent moderate wage gains and mounting evidence the economy was losing momentum could still encourage the Fed to cut interest rates this month.</p>

The Seoul stock market's main KOSPI stock index closed down 46.42 points, or 2.20%, at 2,064.17, hitting the lowest close since May 31. The junior KOSDAQ stock index lost 3.7%. Reduced bets on steep U.S. rate cut affected the KOSPI index as well as Asian shares, said Noh Dong-kil, an analyst with NH Investment & Securities. As seen by the sharp fall in Chinese markets, hawkish remarks from China about the trade issue also pulled down the KOSPI index, he added. China and the rest of the world must co-exist, Chinese Vice President Wang Qishan said on Monday, in an indirect jab at the United States with which Beijing is currently trying to resolve a bitter trade war. Wang also warned against "protectionism in the name of national security", without mentioning the United States. South Korean President Moon Jae-in urged Japan to withdraw export curbs of high-tech materials bound for South Korea, calling the restriction a bid to limit bilateral private trade with a political aim.

Hang Seng & Shanghai

➤ Hong Kong's Hang Seng index on Monday posted its biggest daily drop in nearly four weeks, tracking a global pullback in equities after strong nonfarm payroll data out of the U.S. led investors to trim their bets on aggressive easing by the Fed. At the close of trade, the Hang Seng index was down 1.54% at 28,331.69. It was the biggest daily fall for the bourse since June 12. The Hang Seng China Enterprises index dropped 1.56% to 10,725.2. The sub-index of the Hang Seng tracking energy shares dropped 1.7%, while the IT sector lost 2.35%, the financial sector ended 1.23% lower and the property sector lost 1.97%. Stronger-than-expected nonfarm payrolls data tempered widespread expectations that the U.S. Federal Reserve will aggressively ease rates at its July meeting. Some analysts say that a move by the Fed to cut rates could lead to China cutting its own rates for the first time in four years. The top gainer on the Hang Seng was Sands China Ltd, which gained 0.39%, while the biggest loser was Geely Automobile Holdings Ltd, which fell 4.10%. China's main Shanghai Composite index closed down 2.58% at 2,933.36 points, while the blue-chip CSI300 index ended 2.32% lower.

➤ Chinese stocks fell on Monday, with the benchmark Shanghai Composite index posting its biggest daily loss in more than two months, as investors scaled back expectations for sharp U.S. rate cuts and a slew of new listings this week weighed on tech shares. At the close, the Shanghai Composite index was down 2.58% at 2,933.36, in its biggest daily loss since May 6. The blue-chip CSI300 index was down 2.32%, its biggest daily loss since May 17. The financial sector sub-index fell 2.21%, the consumer staples sector lost 1.19%, the real estate index retreated 1.89% and the healthcare sub-index gave up 1.94%. The smaller Shenzhen index ended down 2.9% and the start-up board ChiNext Composite index was weaker by 2.654%. Huatai Securities analysts said they expected markets to remain relatively stable as despite an initial surge last week prompted by a better-than-expected G20 outcome, "a turning point in fundamentals has not yet arrived". With mid-year corporate reports due soon, "results could become the biggest impetus for the market in the near-term," they said in a note. "With the Sino-U.S. relaxation and the opening of the gates to the STAR Market, investors should watch tech shares in the interim. But with the concentration of new listings this week, investors should be on guard against the impact on market liquidity," the analysts said. Twenty-two companies are set to conduct initial public offerings this week, of which 21 are on China's new high-tech STAR Market. The Shanghai Stock Exchange said on Friday that the trading in shares of the first batch of companies on the STAR Market would begin on July 22. Computer firms slumped 3.96% and IT firms dropped 3.72%.

Closing Prices – 08 July 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	26806.14	↓ 115.98/0.43%	.N225	21534.35	↓ 212.03/0.98%
/.SPX	2975.95	↓ 14.46/0.48%	.KS200	6672.25	↓ 79.03/1.17%
/.IXIC	8098.38	↓ 63.41/0.78%	.HSI	28331.69	↓ 443.14/1.54%
JPY=	108.71	↑ 0.23/0.21%	/.SSEC	2933.3633	↓ 77.70/2.58%
KRW=	1181.86	↑ 11.46/0.98%	/CLc1 (Oil)	57.55	↓ 0.11/0.19%

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/08-Jul-19	06:50	JP	Bank Lending Ex-Trusts YoY	Jun	2.4%	--	2.8%	
	06:50	JP	Bank Lending Incl Trusts YoY	Jun	2.4%	--	2.6%	
	06:50	JP	BoP Current Account Adjusted	May P	¥1305.7b	¥1231.3b	¥1600.1b	
	06:50	JP	BoP Current Account Balance	May P	¥1594.8b	¥1395.3b	¥1707.4b	
	06:50	JP	Core Machine Orders MoM	May	-7.8%	-3.7%	5.2%	
	06:50	JP	Core Machine Orders YoY	May	-3.7%	-3.6%	2.5%	
	06:50	JP	Trade Balance BoP Basis	May P	-¥650.9	-¥758.9b	-¥98.2b	
	07:30	JP	Kuroda Speaks at Branch Managers Meeting					
	12:00	JP	Eco Watchers Survey Current SA	Jun	44.0	43.8	44.1	
	12:00	JP	Eco Watchers Survey Outlook SA	Jun	45.8	44.5	45.6	
	13:00	DE	Current Account Balance	May	16.5b	12.5b	22.6b	
	13:00	DE	Exports SA MoM	May	1.1%	0.8%	-3.7%	-3.4%
	13:00	DE	Imports SA MoM	May	-0.5%	0.4%	-1.3%	-0.9%
	13:00	DE	Industrial Production SA MoM	May	0.3%	0.4%	-1.9%	-2.0%
	13:00	DE	Industrial Production WDA YoY	May	-3.7%	-3.2%	-1.8%	-2.3%
	13:00	DE	Trade Balance	May	18.7b	17.0b	17.9b	16.9b
	15:30	EZ	Sentix Investor Confidence	Jul	-5.8	0.2	-3.3	
Tue/09-Jul-19	02:00	US	Consumer Credit	May	\$17.086b	\$16.900b	\$17.497b	
	06:30	JP	Labor Cash Earnings YoY	May		-0.6%	-0.1%	
	06:30	JP	Real Cash Earnings YoY	May		--	-1.1%	
	08:30	AU	NAB Business Conditions	Jun		--	1	
	08:30	AU	NAB Business Confidence	Jun		--	7	
	12:45	CH	Unemployment Rate	Jun		2.2%	2.3%	
	12:45	CH	Unemployment Rate SA	Jun		2.4%	2.4%	
	13:00	JP	Machine Tool Orders YoY	Jun P		--	-27.3%	
	17:00	US	NFIB Small Business Optimism	Jun		--	105	
	19:45	US	Fed Chair Powell Speaks					
21:10	US	Fed's Bullard to Make Welcoming Comments in St. Louis						
Wed/10-Jul-19	01:00	US	Fed's Bostic Speaks at Washington University in St. Louis					
	06:00	KR	Unemployment rate SA	Jun		--	4.0%	
	06:50	JP	PPI MoM	Jun		-0.1%	-0.1%	
	06:50	JP	PPI YoY	Jun		0.4%	0.7%	
	07:30	AU	Westpac Consumer Conf Index	Jul		--	100.7	
	07:30	AU	Westpac Consumer Conf SA MoM	Jul		--	-0.6%	
	08:30	CN	CPI YoY	Jun		2.7%	2.7%	
	08:30	CN	PPI YoY	Jun		0.3%	0.6%	
	15:30	GB	Construction Output SA MoM	May		--	-0.4%	
	15:30	GB	Construction Output SA YoY	May		--	2.4%	
	15:30	GB	GDP (MoM)	May		0.2%	-0.4%	
	15:30	GB	Index of Services 3M/3M	May		--	0.2%	
	15:30	GB	Index of Services MoM	May		--	0.0%	
	15:30	GB	Industrial Production MoM	May		0.8%	-2.7%	
	15:30	GB	Industrial Production YoY	May		0.4%	-1.0%	
	15:30	GB	Manufacturing Production MoM	May		1.2%	-3.9%	
	15:30	GB	Manufacturing Production YoY	May		0.0%	-0.8%	
	15:30	GB	Trade Balance	May		-£3200m	-£2740m	
	15:30	GB	Trade Balance Non EU GBP/Mn	May		--	-£4595m	
	15:30	GB	Visible Trade Balance GBP/Mn	May		-£12600m	-£12113m	
	21:00	CA	Bank of Canada Rate Decision	Jul-10		1.75%	1.75%	
	21:00	US	Fed's Powell Testifies Before House Financial Services Panel					
	21:00	US	Wholesale Inventories MoM	May F		0.4%	0.4%	
21:00	US	Wholesale Trade Sales MoM	May		--	-0.4%		
21:30	US	DOE Cushing OK Crude Inventory	Jul-05		--	652k		
21:30	US	DOE U.S. Crude Oil Inventories	Jul-05		--	-1085k		
21:30	US	DOE U.S. Distillate Inventory	Jul-05		--	1408k		
21:30	US	DOE U.S. Gasoline Inventories	Jul-05		--	-1583k		
Thu/11-Jul-19	00:10	GB	BOE's Tenreyro speaks in London					
	00:30	US	Fed's Bullard To Speak at Washington University in St. Louis					
	01:00	US	FOMC Meeting Minutes	Jun-19		--	--	
	06:01	GB	RICS House Price Balance	Jun		--	-10%	
	08:00	AU	Consumer Inflation Expectation	Jul		--	3.3%	
	08:30	AU	Home Loans MoM	May		0.0%	-1.1%	
	08:30	AU	Investment Lending	May		--	-2.2%	
08:30	AU	Owner-Occupier Loan Value MoM	May		--	1.0%		

11-Jul - 18-Jul	N/A	CN	Foreign Direct Investment YoY CNY	Jun	--	8.5%	
	11:30	JP	Tertiary Industry Index MoM	May	0.1%	0.8%	
	13:00	DE	CPI EU Harmonized MoM	Jun F	--	0.1%	
	13:00	DE	CPI EU Harmonized YoY	Jun F	--	1.3%	
	13:00	DE	CPI MoM	Jun F	--	0.3%	
	13:00	DE	CPI YoY	Jun F	--	1.6%	
	16:30	GB	BOE publishes Financial Stability Report.				
	18:30	EZ	ECB Publishes Account of June 5-6 Policy Meeting				
	19:30	US	Continuing Claims	Jun-29	--	1686k	
	19:30	US	CPI Core Index SA	Jun	--	262.032	
	19:30	US	CPI Ex Food and Energy MoM	Jun	0.2%	0.1%	
	19:30	US	CPI Ex Food and Energy YoY	Jun	2.0%	2.0%	
	19:30	US	CPI Index NSA	Jun	256.071	256.092	
	19:30	US	CPI MoM	Jun	0.0%	0.1%	
	19:30	US	CPI YoY	Jun	1.6%	1.8%	
	19:30	US	Initial Jobless Claims	Jul-06	--	221k	
	19:30	US	Real Avg Hourly Earning YoY	Jun	--	1.3%	
	19:30	US	Real Avg Weekly Earnings YoY	Jun	--	1.0%	
	20:10	AU	RBA's Debelle Speech Via Videolink at New York Conference				
	21:00	US	Fed's Powell Testifies Before Senate Banking Committee				
	22:10	US	Fed's Williams To Speak on Revitalization in Albany, New York				
	23:15	US	Fed's Bostic Speaks on Monetary Policy at Fiscal Conference				
	23:30	US	Fed's Barkin to Speak at Rocky Mountain Economic Summit				
Fri/12-Jul-19	04:00	US	Fed's Kashkari Speaks at Townhall Event in South Dakota				
	05:30	NZ	BusinessNZ Manufacturing PMI	Jun	--	50.2	
	N/A	CN	Exports YoY	Jun	-0.5%	1.10%	
	N/A	CN	Exports YoY CNY	Jun	8.1%	7.70%	
	N/A	CN	Imports YoY	Jun	-3.5%	-8.50%	
	N/A	CN	Imports YoY CNY	Jun	3.8%	-2.50%	
	N/A	CN	Trade Balance	Jun	\$45.00b	\$41.65b	
	N/A	CN	Trade Balance CNY	Jun	274.10b	279.12b	
	11:30	JP	Capacity Utilization MoM	May	--	1.60%	
	11:30	JP	Industrial Production MoM	May F	--	2.30%	
	11:30	JP	Industrial Production YoY	May F	--	-1.80%	
	15:30	GB	BOE's Vlieghe speaks in London.				
	16:00	EZ	Industrial Production SA MoM	May	0.2%	-0.50%	
	16:00	EZ	Industrial Production WDA YoY	May	--	-0.40%	
	19:30	US	PPI Ex Food and Energy MoM	Jun	0.2%	0.20%	
	19:30	US	PPI Ex Food and Energy YoY	Jun	--	2.30%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Jun	--	0.40%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Jun	--	2.30%	
	19:30	US	PPI Final Demand MoM	Jun	0.1%	0.10%	
	19:30	US	PPI Final Demand YoY	Jun	--	1.80%	
Sat/13-Jul-19	00:00	US	Baker Hughes U.S. Rig Count	Jul-12	--	963	
13-Jul - 19-Jul	N/A	DE	Wholesale Price Index MoM	Jun	--	0.30%	
13-Jul - 19-Jul	N/A	DE	Wholesale Price Index YoY	Jun	--	1.60%	

Dow Jones (1YMU9 – Sep)

Exp. Date: 20 Sep 2019



RESISTANCE	27071	
	26995	
	26891	
SUPPORT	26711	
	26635	
	26531	
SUGGESTION	BUY	---
	SELL	26820
	S/L	26920
	T/P:	26670 26570

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
08 July	26883	26919	26739	180	26787	26787	↓ 92	0.34	--

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26919 (08/Jul)	26739 (08/Jul)	26999 (05/Jul)	26609 (01/Jul)	26999 (05/Jul)	22563 (04/Jan)

Nikkei (SSlamU9 – Sep)

Exp. Date: 12 Sep 2019



RESISTANCE	21873	
	21766	
	21673	
SUPPORT	21473	
	21366	
	21273	
SUGGESTION	BUY	---
	SELL	21610
	S/L	21735
	T/P:	21410 21310

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
08 July	21655	21660	21460	200	21580	21580	↓ 80	0.37	--

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
21660 (08/Jul)	21460 (08/Jul)	21810 (01/Jul)	21460 (08/Jul)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



RESISTANCE	275.23	
	273.96	
	271.53	
SUPPORT	267.83	
	266.56	
	264.13	
SUGGESTION	BUY	---
	SELL	269.40
	S/L	270.90
	T/P:	267.40 265.90

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
08 July	272.70	272.70	269.00	3.70	269.10	269.10	↓ 5.85	2.13	---

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
272.70 (08/Jul)	269.00 (08/Jul)	281.00 (01/Jul)	269.00 (08/Jul)	292.10 (17/Apr)	255.60 (04/Jan)

Hang Seng (HSIN9 – JUL)

Exp. Date: 30 July 2019



RESISTANCE	29046	
	28841	
	28624	
SUPPORT	28202	
	27997	
	27780	
SUGGESTION	BUY	---
	SELL	28440
	S/L	28590
	T/P:	28240 28140

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
08 July	28274	28387	28214	173	28214	28214	↓ 566	1.97	--

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
28387 (08/Jul)	28214 (08/Jul)	29054 (02/Jul)	28214 (08/Jul)	30336 (15/Apr)	24876 (03/Jan)



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