

Daily Outlook

GLOBAL STOCK INDEX

<p><u>DJIA</u></p>	<p>U.S. stocks rebounded and the dollar fell after Federal Reserve Bank of New York President John Williams highlighted the need for swift action should policy makers conclude the economy is in trouble. Consumer and financial stocks led gains in the S&P 500 Index, while Treasury 10-year yields dropped. A positive outlook from Apple Inc. supplier's Taiwan Semiconductor Manufacturing Co.'s lifted chipmakers. The NYSE FANG+ Index slid on Netflix Inc.'s surprise loss of U.S. customers. A report that Iran made a "substantial" offer on its nuclear program in return for fewer sanctions gave a lift to equities that was later tempered by news that the U.S. Navy shot down an Iranian drone. In after-hours trading, Microsoft Corp. and CrowdStrike Holdings Inc. rallied after sales topped estimates. Investors have fully priced in a quarter-point rate cut by the U.S. central bank later this month. While that's the likeliest outcome, there's also a "meaningful chance" of a half-point reduction, according to Pacific Investment Management Co. Fed Vice Chairman Richard said "you don't want to wait" for the economy to turn down to act. Cutting U.S. interest rates could help cushion some of the blow from uncertainty about trade that's likely to prove persistent, Fed Bank of St. Louis President James Bullard said.</p> <p>"We're in a trade war, you're seeing the impact on corporate earnings, you're seeing the central banks forced to scramble to react to that," Bob Michele, CIO and head of global fixed income at JPMorgan Asset Management, said in a Bloomberg TV interview.</p> <p>Elsewhere, oil slid to the lowest in almost a month as pessimism about a trade truce between the U.S. and China continued to dog markets, while the resumption of Russian pipeline flows fed worries about a supply glut. The pound climbed as the British Parliament backed measures to prevent the next prime minister suspending the legislature to pursue a no-deal Brexit.</p>
<p><u>Nikkei</u></p>	<p>Japanese shares recorded their biggest one-day fall in nearly four months on Thursday as dismal export data and weak U.S. corporate earnings raised fresh worries about fallout from the Sino-U.S. trade war. The Nikkei share average fell 1.97% to 21,046.24 points, hitting a one-month low and marking its second biggest slide so far this year only after a 3% plunge on March 25. The broader Topix fell 2.11% to a one-month closing low of 1,534.27.</p> <p>As the U.S. earnings season kicked off, weak results from railway transport company CSX Corp stoked concerns that the protracted trade standoff between the United States and China could hurt the profits of U.S. companies.</p> <p>The outlook is seen even bleaker in Japan as companies struggle with the U.S.-China tariff war amid deteriorating global conditions that have dragged on its exports.</p> <p>Japan's June exports to China dropped more than 10% from a year earlier, its sixth fall in the past seven months, trade data showed on Thursday.</p> <p>Ahead of Japanese earnings seasons that will start later this month, Canon fell 4.0% after the Nikkei business daily reported its operating profit was on track to sink 40% this year. NOK Corp fell 6.4% after the manufacturer of sealant products slashed its earnings outlook, cutting its annual operating profit estimates by 34% on weak sales of car-related products in North America and China.</p> <p>Nikkei's slide accelerated after a few major technical support levels, including 25- and 50-day moving averages.</p> <p>Some brokerages bought a large amount of Nikkei put options with strike price of 20,000 — essentially bets that the Nikkei will fall below that level — to cover their trade with clients, further weakening the mood.</p> <p>As a result, the Nikkei volatility index, which hit two-year low of 13.01 the previous day, jumped to 16.44, making the biggest jump in nearly four months.</p> <p>A broad range of shares came under pressure, including both cyclicals as well as defensive shares, with decliners outnumbering advancers by 96 to 2 on the main board.</p> <p>Some shares with link to animation-making industry were hit after more than 10 people are feared dead in a suspected case of arson at an animation studio in Kyoto.</p>
<p><u>Kospi</u></p>	<p>South Korean shares ended lower on Thursday, as the central bank's surprise rate cut underscored growth worries amid a prolonged trade conflict between the United States and China, and Japan's export curbs. The won turned higher with forex dealers suspecting smoothing operations by authorities to curb the currency's weakness, while the benchmark bond yield fell. South Korea's central bank delivered a surprise interest rate cut, and shaved this year's growth forecast to the lowest in a decade, as a brewing dispute with Japan piled more pressure on the trade-dependent economy. The bank cut the base rate by 25 basis points to 1.50%. Though the rate cut came earlier than market consensus,</p>

uncertainties over Japan’s export controls and worries over Sino-U.S. trade negotiations had a larger impact, said Noh Dong-kil, an analyst with NH Investment & Securities, in a note. As the cut was in response to the sluggish economy, the impact was limited in the stock market, he added. The Bank of Korea estimated the economy to expand 2.2% in 2019, slowing from 2.5% seen earlier. It also trimmed this year’s inflation forecast to 0.7% from 1.1% seen previously.

The trade dispute between South Korea and Japan has shown scant signs of fading. Tokyo is considering taking the dispute with South Korea over its compensation for wartime forced labourers to the International Court of Justice, Japanese public broadcaster NHK reported. The Seoul stock market’s main KOSPI index closed down 6.37 points, or 0.31%, at 2,066.55 points. Shares of YG Entertainment, which manages top K-pop performers, closed 2% lower, after local media reported a former chief producer for the company had been booked by the local police on allegations that he arranged sex services for foreign investors.

Hang Seng & Shanghai

➤ **Hong Kong** shares closed lower on Thursday, as investors closely monitor corporate earnings to assess the impact of Sino-U.S. trade frictions amid uncertainty over economic prospects. The Hang Seng index ended down 0.5% at 28,461.66, while the China Enterprises Index closed 0.6% lower at 10,784.55 points.

Sentiment was also dented by a weak corporate earnings season so far in the United States, which underscored the negative impact of the trade standoff between Beijing and Washington. The sub-index of the Hang Seng tracking energy shares ended down 1.3%, while the IT sector closed 1.52% lower, the financial sector ended 0.06% lower and the property sector closed 0.38% down. The top gainer on the Hang Seng was Want Want China Holdings Ltd, which closed up 1.45%, while the biggest loser was Sunny Optical Technology Group Co Ltd, which ended 2.33% weaker. China’s main Shanghai Composite index closed down 1.04% at 2,901.18 points, while the blue-chip CSI300 index ended down 0.95%. Around the region, MSCI’s Asia ex-Japan stock index was weaker by 0.29%, while Japan’s Nikkei index closed down 1.97%. The yuan was quoted at 6.875 per U.S. dollar at 08:26 GMT, 0.02% weaker than the previous close of 6.8733.

➤ **China stocks** fell on Thursday as investors prepared for tepid results from the ongoing earnings season, as weak corporate earnings trends in the U.S. underscored the impact of the trade standoff between Beijing and Washington.

Shenzhen’s tech-heavy board ChiNext led the decline, falling nearly 2%, as the imminent debut of Shanghai’s competing Nasdaq-style board, the STAR Market, diverted attention and liquidity.

The blue-chip CSI300 index fell 1.0%, to 3,768.40, while the Shanghai Composite Index also dropped 1% to 2,901.18.

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Rare earth firms, which have been sensitive to trade tensions, bucked the broader market trend. JLMAG Rare Earth Co, which hosted Chinese President Xi Jinping in May, added 3%.

Gold firms also saw gains, with Zijin Mining adding 0.3%.

The CSI300 financial sector sub-index was lower by 0.46%, the consumer staples sector down 1.42%, the real estate index declined 0.88% and the healthcare sub-index fell 1.16%. The smaller Shenzhen index ended 1.63% lower and the start-up board ChiNext Composite index was weaker by 1.66%.

Around the region, MSCI’s Asia ex-Japan stock index was weaker by 0.32%, while Japan’s Nikkei index closed down 1.97%. At 07:33 GMT, the yuan was quoted at 6.8785 per U.S. dollar, 0.08% weaker than the previous close of 6.8733.

Closing Prices – 18 July 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	27222.97	↑ 3.12/0.01%	.N225	21046.24	↓ 422.94/1.97%
/.SPX	2995.11	↑ 10.69/0.36%	.KS200	2066.55	↓ 6.37/0.31%
/.IXIC	8207.243	↑ 22.04/0.27%	.HSI	28461.66	↓ 131.51/0.46%
JPY=	107.30	↓ 0.66/0.61%	/.SSEC	2901.1765	↓ 30.52/1.04%
KRW=	1178.62	↓ 2.68/0.23%	/CLc1 (Oil)	55.61	↓ 0.93/1.64%

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
11-Jul - 15-Jul	N/A	CN	Aggregate Financing CNY	Jun		1900.0b	1400.0b	
11-Jul - 15-Jul	N/A	CN	New Yuan Loans CNY	Jun		1700.0b	1180.0b	
11-Jul - 18-Jul	N/A	CN	Foreign Direct Investment YoY CNY	Jun		--	8.5%	
Mon/15-Jul-19	05:30	NZ	Performance Services Index	Jun	52.7	--	53.6	53.5
	All	JP	Bank Holiday (Marine Day)					
	06:01	GB	Rightmove House Prices MoM	Jul	-0.2%	--	0.3%	
	06:01	GB	Rightmove House Prices YoY	Jul	-0.2%	--	0.0%	
	09:00	CN	Fixed Assets Ex Rural YTD YoY	Jun	5.8%	5.5%	5.6%	
	09:00	CN	GDP SA QoQ	2Q	1.6%	1.5%	1.4%	
	09:00	CN	GDP YoY	2Q	6.2%	6.2%	6.4%	
	09:00	CN	GDP YTD YoY	2Q	6.3%	6.3%	6.4%	
	09:00	CN	Industrial Production YoY	Jun	6.3%	5.2%	5.0%	
	09:00	CN	Industrial Production YTD YoY	Jun	6.0%	5.9%	6.0%	
	09:00	CN	Retail Sales YoY	Jun	9.8%	8.5%	8.6%	
	09:00	CN	Retail Sales YTD YoY	Jun	8.4%	8.2%	8.1%	
	09:00	CN	Surveyed Jobless Rate	Jun	5.1%	--	5.0%	
	19:30	US	Empire Manufacturing	Jul	4.3	2.0	-8.6	
	19:50	US	Fed's Williams Speaks at Labor briefing					
Tue/16-Jul-19	05:45	NZ	CPI QoQ	2Q	0.6%	0.6%	0.1%	
	05:45	NZ	CPI YoY	2Q	1.7%	1.7%	1.5%	
	08:30	AU	RBA Minutes of July Policy Meeting					
	15:30	GB	Average Weekly Earnings 3M/YoY	May	3.4%	3.1%	3.1%	3.2%
	15:30	GB	Claimant Count Rate	Jun	3.2%	--	3.1%	
	15:30	GB	Employment Change 3M/3M	May	28k	45k	32k	
	15:30	GB	ILO Unemployment Rate 3Mths	May	3.8%	3.8%	3.8%	
	15:30	GB	Jobless Claims Change	Jun	38.0k	22.8k	23.2k	24.5k
	15:30	GB	Weekly Earnings ex Bonus 3M/YoY	May	3.6%	3.5%	3.4%	
	16:00	EZ	Trade Balance NSA	May	23.0b	--	15.7b	
	16:00	EZ	Trade Balance SA	May	20.2b	17.5b	15.3b	15.7b
	16:00	DE	ZEW Survey Current Situation	Jul	-1.1	5.0	7.8	
	16:00	EZ	ZEW Survey Expectations	Jul	-20.3	--	-20.2	
	16:00	DE	ZEW Survey Expectations	Jul	-24.5	-22.0	-21.1	
	19:00	GB	BOE's Carney speaks on panel in Paris.					
	19:15	US	Fed's Bostic Moderates Fed Listens Event in Augusta, Georgia					
	19:30	US	Retail Sales Advance MoM	Jun	0.4%	0.1%	0.5%	0.4%
	19:30	US	Retail Sales Control Group	Jun	0.7%	0.3%	0.5%	0.6%
	19:30	US	Retail Sales Ex Auto and Gas	Jun	0.7%	0.3%	0.5%	
	19:30	US	Retail Sales Ex Auto MoM	Jun	0.4%	0.1%	0.5%	0.4%
	20:15	US	Capacity Utilization	Jun	77.9%	78.1%	78.1%	
	20:15	US	Industrial Production MoM	Jun	0.0%	0.1%	0.4%	
	20:15	US	Manufacturing (SIC) Production	Jun	0.4%	0.3%	0.2%	
	21:00	US	Business Inventories	May	0.3%	0.3%	0.5%	
	21:00	US	NAHB Housing Market Index	Jul	65	64	64	
Wed/17-Jul-19	02:30	US	Fed's Evans to Speak in Chicago					
	07:30	AU	Westpac Leading Index MoM	Jun	-0.08%	--	-0.08%	-0.07%
	15:30	GB	CPI Core YoY	Jun	1.8%	1.8%	1.7%	
	15:30	GB	CPI MoM	Jun	0.0%	0.0%	0.3%	
	15:30	GB	CPI YoY	Jun	2.0%	2.0%	2.0%	
	15:30	GB	CPIH YoY	Jun	1.9%	1.9%	1.9%	
	15:30	GB	House Price Index YoY	May	1.2%	1.3%	1.4%	1.5%
	15:30	GB	PPI Input NSA MoM	Jun	-1.4%	-0.8%	0.0%	
	15:30	GB	PPI Input NSA YoY	Jun	-0.3%	0.5%	1.3%	1.4%
	15:30	GB	PPI Output Core NSA MoM	Jun	0.1%	0.1%	0.1%	
	15:30	GB	PPI Output Core NSA YoY	Jun	1.7%	1.7%	2.0%	
	15:30	GB	PPI Output NSA MoM	Jun	-0.1%	0.1%	0.3%	
	15:30	GB	PPI Output NSA YoY	Jun	1.6%	1.7%	1.8%	1.9%
	15:30	GB	Retail Price Index	Jun	289.6	289.6	289.2	
	15:30	GB	RPI Ex Mort Int.Payments (YoY)	Jun	2.8%	2.9%	3.0%	
	15:30	GB	RPI MoM	Jun	0.1%	0.1%	0.3%	
	15:30	GB	RPI YoY	Jun	2.9%	2.9%	3.0%	
	16:00	EZ	Construction Output MoM	May	-0.3%	--	-0.8%	-1.7%
	16:00	EZ	Construction Output YoY	May	2.0%	--	3.9%	3.1%
	16:00	EZ	CPI Core YoY	Jun F	1.1%	1.1%	1.1%	
	16:00	EZ	CPI MoM	Jun	0.2%	0.1%	0.1%	
	16:00	EZ	CPI YoY	Jun F	1.3%	1.2%	1.2%	

	19:30	US	Building Permits	Jun	1220k	1300k	1294k	1299k
	19:30	US	Building Permits MoM	Jun	-6.1%	0.1%	0.3%	0.7%
	19:30	CA	Consumer Price Index	Jun	136.3	136.3	136.6	
	19:30	CA	CPI Core- Common YoY%	Jun	1.8%	1.8%	1.8%	
	19:30	CA	CPI Core- Median YoY%	Jun	2.2%	2.1%	2.1%	
	19:30	CA	CPI Core- Trim YoY%	Jun	2.1%	2.2%	2.3%	
	19:30	CA	CPI NSA MoM	Jun	-0.2%	-0.3%	0.4%	
	19:30	CA	CPI YoY	Jun	2.0%	2.0%	2.4%	
	19:30	US	Housing Starts	Jun	1253k	1260k	1269k	1265k
	19:30	US	Housing Starts MoM	Jun	-0.9%	-0.7%	-0.9%	-0.4%
	19:30	CA	Manufacturing Sales MoM	May	1.6%	2.0%	-0.6%	-0.4%
	21:30	US	DOE Cushing OK Crude Inventory	Jul-12	-1351k	--	-310k	
	21:30	US	DOE U.S. Crude Oil Inventories	Jul-12	-3116k	-3672k	-9499k	
	21:30	US	DOE U.S. Distillate Inventory	Jul-12	5686k	709k	3729k	
	21:30	US	DOE U.S. Gasoline Inventories	Jul-12	3565k	2401k	-1455k	
Thu/18-Jul-19	01:00	US	U.S. Federal Reserve Releases Beige Book					
	06:50	JP	Exports YoY	Jun	-6.7%	-5.4%	-7.8%	
	06:50	JP	Imports YoY	Jun	-5.2%	-0.2%	-1.5%	
	06:50	JP	Trade Balance	Jun	¥589.5b	¥403.5b	¥967.1b	¥968.3b
	06:50	JP	Trade Balance Adjusted	Jun	¥14.4b	¥140.9b	¥609.1b	¥621.5b
	08:00	KR	BoK 7-Day Repo Rate	Jul-18	1.50%	1.75%	1.75%	
	08:30	AU	Employment Change	Jun	0.5k	9.0k	42.3k	45.3k
	08:30	AU	Full Time Employment Change	Jun	21.1k	--	2.4k	3.1k
	08:30	AU	NAB Business Confidence	2Q	6	--	-1	
	08:30	AU	Part Time Employment Change	Jun	-20.6k	--	39.8k	42.2k
	08:30	AU	Participation Rate	Jun	66.0%	65.9%	66.0%	
	08:30	AU	Unemployment Rate	Jun	5.2%	5.2%	5.2%	
	N/A	HK	Composite Interest Rate	Jun		--	0.84%	
	13:00	CH	Exports Real MoM	Jun	0.1%	--	-1.2%	
	13:00	CH	Imports Real MoM	Jun	-1.4%	--	0.7%	
	15:30	GB	Bank of England Bank Liabilities/Credit Conditions Surveys					
	15:30	GB	Retail Sales Ex Auto Fuel MoM	Jun	0.9%	-0.2%	-0.3%	-0.4%
	15:30	GB	Retail Sales Ex Auto Fuel YoY	Jun	3.6%	2.6%	2.2%	2.0%
	15:30	GB	Retail Sales Inc Auto Fuel MoM	Jun	1.0%	-0.3%	-0.5%	-0.6%
	15:30	GB	Retail Sales Inc Auto Fuel YoY	Jun	3.8%	2.6%	2.3%	2.2%
	15:30	HK	Unemployment Rate SA	Jun		--	2.8%	
	19:30	CA	ADP Canada Releases June Payroll Estimates					
	19:30	US	Continuing Claims	Jul-06	1686k	1700k	1728k	
	19:30	US	Initial Jobless Claims	Jul-13	216k	216k	208k	
	19:30	US	Philadelphia Fed Business Outlook	Jul	21.8	5.0	0.3	
	20:30	US	Fed's Bostic Speaks to Clarksville Chamber in Tennessee					
	21:00	US	Leading Index	Jun	-0.3%	0.1%	0.0%	
Fri/19-Jul-19	01:15	US	Fed's Williams Speaks on Monetary Policy					
	04:00	KR	PPI YoY	Jun		--	0.4%	
	06:30	JP	Japan Jun CPI					
	06:30	JP	Natl CPI Ex Fresh Food YoY	Jun		--	0.8%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Jun		--	0.5%	
	06:30	JP	Natl CPI YoY	Jun		--	0.7%	
	11:30	JP	All Industry Activity Index MoM	May		--	0.9%	
	13:00	DE	PPI MoM	Jun		--	-0.1%	
	13:00	DE	PPI YoY	Jun		--	1.9%	
	15:00	EZ	ECB Current Account SA	May		--	20.9b	
	15:30	GB	Central Government NCR	Jun		--	16.6b	
	15:30	GB	PSNB ex Banking Groups	Jun		--	5.1b	
	15:30	GB	Public Finances (PSNCR)	Jun		--	10.7b	
	15:30	GB	Public Sector Net Borrowing	Jun		--	4.5b	
	19:30	CA	Retail Sales Ex Auto MoM	May		--	0.1%	
	19:30	CA	Retail Sales MoM	May		--	0.1%	
	21:00	US	U. of Mich. 1 Yr Inflation	Jul P		--	2.7%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Jul P		--	2.3%	
	21:00	US	U. of Mich. Current Conditions	Jul P		--	111.9	
	21:00	US	U. of Mich. Expectations	Jul P		--	89.3	
	21:00	US	U. of Mich. Sentiment	Jul P		98.4	98.2	
	22:05	US	Fed's Bullard Speaks at Central Bank Research in New York					
Sat/20-Jul-19	00:00	US	Baker Hughes U.S. Rig Count	Jul-19		--	--	
	03:30	US	Fed's Rosengren Joins Panel on Central Bank Independence					

Dow Jones (1YMU9 – Sep)

Exp. Date: 20 Sep 2019



RESISTANCE	27480	
	27366	
	27281	
SUPPORT	27082	
	26968	
	26883	
SUGGESTION	BUY	27175
	SELL	---
	S/L	27075
	T/P:	27325 27425

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
18 July	27159	27252	27053	199	27196	27196	↓ 36	0.13	--

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
27392 (15/Jul)	27053 (18/Jul)	27392 (15/Jul)	26609 (01/Jul)	27392 (15/Jul)	22563 (04/Jan)

Nikkei (SSlamU9 – Sep)

Exp. Date: 12 Sep 2019



RESISTANCE	21683	
	21496	
	21328	
SUPPORT	20973	
	20786	
	20618	
SUGGESTION	BUY	---
	SELL	21180
	S/L	21305
	T/P:	21030 20930

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
18 July	21275	21310	20955	355	21160	21160	↓ 135	0.63	--

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
21675 (15/Jul)	20955 (18/Jul)	21810 (01/Jul)	20955 (18/Jul)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



RESISTANCE	274.26	
	273.28	
	272.26	
SUPPORT	270.26	
	269.28	
	268.26	
SUGGESTION	BUY	271.05
	SELL	---
	S/L	270.05
	T/P:	272.30 273.55

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
18 July	271.20	272.30	270.30	2.00	271.25	271.25	↓ 0.65	0.24	---

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
275.15 (16/Jul)	270.30 (18/Jul)	281.00 (01/Jul)	268.15 (09/Jul)	292.10 (17/Apr)	255.60 (04/Jan)

Hang Seng (HSIN9 – JUL)

Exp. Date: 30 July 2019



RESISTANCE	28836	
	28688	
	28606	
SUPPORT	28376	
	28228	
	28146	
SUGGESTION	BUY	28505
	SELL	---
	S/L	28405
	T/P:	28655 28755

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
18 July	28312	28520	28398	122	28427	28427	↑ 67	0.24	--

WEEKLY		JULY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
28659 (16/Jul)	28136 (15/Jul)	29054 (02/Jul)	28091 (09/Jul)	30336 (15/Apr)	24876 (03/Jan)



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