

Daily Outlook

GLOBAL STOCK INDEX

DJIA

Wall Street's major indexes posted their biggest percentage drop of the year on Monday as a fall in the yuan following U.S. President Donald Trump's vow to impose additional tariffs on Chinese goods sparked fears of further escalation of the U.S.-China trade war.

While stocks pared losses in the last hour of trading to finish off their session lows, the benchmark S&P 500 fell about 3% to notch its biggest one-day percentage decline since Dec. 4. The index has fallen for six straight sessions and is now about 6% below its record closing high on July 26.

The yuan weakened past the seven-per-dollar level, its lowest in 11 years, after the People's Bank of China, with the blessing of policymakers, set its daily midpoint at the weakest level in eight months.

On Twitter, Trump called the action a "major violation" and "currency manipulation."

Several investors viewed the move in the yuan as a direct response to Trump's announcement of 10% tariffs on an additional \$300 billion of Chinese imports.

A weaker yuan and a stronger dollar pose challenges for U.S. companies that do substantial business in China by effectively raising the cost of their goods for Chinese customers.

Adding to the tensions, China's Commerce Ministry said that Chinese companies have stopped buying U.S. agricultural products and that China will not rule out imposing import tariffs on U.S. farm products that were bought after Aug. 3.

Shares of S&P 500 technology companies, which are heavily exposed to Chinese markets, dropped 4.1%.

Apple Inc shares slid 5.2% as analysts warned that the newly proposed tariffs may hurt demand for the iPhone, while the Philadelphia semiconductor index .SOX dropped 4.4%.

Stocks could slide further if there are no signs of improvement in U.S.-China trade relations before September, when the recently announced tariffs are to take effect, said Keith Lerner, chief market strategist at SunTrust Advisory Services in Atlanta.

The Dow Jones Industrial Average fell 767.27 points, or 2.9%, to 25,717.74, the S&P 500 lost 87.31 points, or 2.98%, to 2,844.74 and the Nasdaq Composite dropped 278.03 points, or 3.47%, to 7,726.04.

Nikkei

Stocks suffered a sell-off Monday amid heightened fears about an escalation of the U.S.-China trade conflict, pushing the benchmark Nikkei average down to a two-month low below the 21,000 threshold.

The Nikkei 225 average dived 366.87 points, or 1.74 percent, to end at 20,720.29, the lowest closing level since June 4. On Friday, the key market gauge plunged 453.83 points.

The Topix, which covers all first-section issues on the Tokyo Stock Exchange, finished 27.58 points, or 1.80 percent, lower at 1,505.88 after losing 33.89 points Friday.

The market expanded losses in the morning on broad-based selling in the wake of falls in U.S. and European stocks on Friday.

Investors have grown more risk-averse since China showed on Friday its intention to hit back in response to U.S. President Donald Trump's abrupt announcement the day before that Washington would slap additional tariffs on Chinese goods worth \$300 billion on Sept. 1, brokers said.

Investor concerns about the trade war was fueled by the Chinese yuan's plunge to an 11-year low against the dollar, because Beijing is believed to have allowed the Chinese currency's drop in a possible retaliation against Trump's move, brokers and other sources said.

The yen's sharp strengthening against the dollar and falls in other Asian markets further chilled sentiment, brokers said.

The market, however, showed some resilience in the afternoon. There was speculation that the market was underpinned by the Bank of Japan's purchases of exchange-traded funds.

Looking ahead, Yutaka Miura, senior technical analyst at Mizuho Securities Co., said the possibility cannot be ruled out that selling to test the market's downside will grow toward special quotation fixings on Friday to settle August options contracts.

Falling issues far outnumbered rising ones 1,914 to 196 in the first section, while 39 issues were unchanged.

Volume decreased to 1.474 billion shares from 1.544 billion Friday.

Kospi

South Korean shares tumbled more than 2% on Monday to close at their lowest level since June 2016 amid a worsening diplomatic row with Japan.

Escalating trade tensions between the United States and China, South Korea's largest export markets, added to the selling pressure. The Seoul stock market's main KOSPI index closed down 51.15 points or 2.56% at 1,946.98, marking its sharpest daily percentage loss since May 9.

Tech giant Samsung Electronics fell 2.2%, extending losses from last week when it reported a plunge in profit and warned Japanese curbs on the export of chip-making materials was blurring its outlook.

Japan said on Friday it would remove South Korea from a list of countries that enjoy minimum export

restrictions from Aug. 28, pushing the KOSPI down nearly 1%. Japan tightened controls in July on exports to South Korea, escalating a row over wartime forced labourers and sparking a boycott by South Korean consumers of Japanese products and services, from cars, beer and pens to tours. "Japan's tighter export controls may dent South Korea's capital investment, exports and private consumption, which may lead to this year's growth rate being lower than 2%," said Lee Kyung-su, chief of Mertz Securities research centre.

South Korea on Monday announced plans to invest about 7.8 trillion won (\$6.44 billion) in research and development for local materials, parts and equipment over the next seven years in an effort to cut reliance on Japanese imports.

However, such measures are expected to take some time to kick in, according to analysts.

The junior KOSDAQ extended its losses, triggering the bourse to suspend future linked trades for five minutes. It ended down 7.5% The KOSPI's pharmaceutical sub-index was the biggest percentage loser with a 8.8% drop on dampened sentiment across the sector after SillaJen's halted clinical tests.

Trade worries and a sudden slide in China's yuan sent South Korea's won to as low as 1218.3 per dollar. The yuan breached the 7 per dollar level for the first time in 11 years.

The won was quoted at 1,215.3 per dollar on the onshore settlement platform, 1.42% lower than its previous close at 1,198.0, marking its sharpest daily percentage loss since August 2016. Amid greater appetite for safe-haven assets, the currency marked its lowest against the Japanese yen since July 2016.

Hang Seng & Shanghai

Hong Kong stocks had their worst day in months on Monday as investors worried about the city's deteriorating political crisis, slowing economic growth in the region and escalating trade tensions between the United States and China.

The Hang Seng Index (closed nearly 2.9% lower, marking the biggest single-day percentage decline since the beginning of May. Earlier in the day the index had slumped more than 3%. The Hang Seng hasn't closed that low since October.

Just one of the 50 component stocks of the benchmark index eked out a gain as widespread strikes and protests across the city caused major disruptions in the Asian financial hub.

The Hang Seng has dropped 13% since April, wiping out most of its gains for the year.

Local real estate developers and financial services firms all dropped. The top loser was Sun Hung Kai Properties, one of the city's largest developers. It sank 5.2%. BOC Hong Kong, a major lender owned by Bank of China, fell 3.4%.

The MTR — the city's subway system and a major real estate developer — dropped 3.4%.

Elsewhere on the market, local airline operators and retailers fell sharply.

Cathay Pacific, the city's flagship carrier, dropped 4.2%. Tse Sui Luen Jewellery, a Hong Kong jewelry brand, plummeted 12.1%. Department store operator Lifestyle International, which owns stores in Hong Kong, tumbled 6.4%.

A riot policeman gestures to photographers as they retreat back to Kwun tong police station in Hong Kong, Sunday, August 4, 2019. Monday's mass demonstrations caused disruption throughout the city. Hundreds of flights were canceled at the city's international airport and major subway lines were obstructed.

The city is one of the world's most important financial centers, and is widely considered safe and stable for foreign companies and investors. But the protests have begun to shake investor confidence. Hong Kong authorities have warned that the city is beginning to seem insecure to foreign companies and tourists.

Global brands and local merchants are taking a hit. Swiss watch makers Swatch and Richemont both recently said that sales in Hong Kong were suffering from the street protests.

China's yuan falls to lowest level in more than a decade

Closing Prices – 05 August 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25717.74	↓ 767.27/2.90%	.N225	20720.29	↓ 366.87/1.74%
/.SPX	2844.74	↓ 87.31/2.98%	.KS200	1946.98	↓ 51.15/2.56%
/.IXIC	7726.04	↓ 278.03/3.47%	.HSI	26151.32	↓ 767.26/2.85%
JPY=	105.93	↓ 0.66/0.62%	/.SSEC	2821.4956	↓ 46.34/1.62%
KRW=	1215.32	↑ 17.72/1.48%	/CLc1 (Oil)	54.97	↓ 0.23/0.42%

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/05-Aug-19	All	AU	Bank Holiday					
	04:00	KR	Foreign Reserves	Jul	\$403.11b	\$404b	\$403.07b	
	05:30	AU	AiG Perf of Services Index	Jul	43.9	--	52.2	
	06:00	AU	CBA Australia PMI Composite	Jul F	52.3	--	51.8	
	06:00	AU	CBA Australia PMI Services	Jul F	52.1	--	51.9	
	07:30	JP	Jibun Bank Japan PMI Composite	Jul F	51.2	--	51.2	
	07:30	JP	Jibun Bank Japan PMI Services	Jul F	51.8	--	52.3	
	07:30	HK	Markit Hong Kong PMI	Jul	43.8	47.1	47.9	
	08:00	AU	Melbourne Institute Inflation MoM	Jul	0.3%	--	0.0%	
	08:00	AU	Melbourne Institute Inflation YoY	Jul	1.8%	--	1.6%	
	08:45	CN	Caixin China PMI Composite	Jul	50.9	--	50.6	
	08:45	CN	Caixin China PMI Services	Jul	51.6	52	52	
	12:45	CH	SECO Consumer Confidence	Jul	-8	-8	-6	
	13:30	CH	Retail Sales Real YoY	Jun	0.7%	--	-1.7%	1.1%
	14:55	DE	Markit Germany Services PMI	Jul F	54.5	55.4	55.4	
	14:55	DE	Markit/BME Germany Composite PMI	Jul F	50.9	51.4	51.4	
	15:00	EZ	Markit Eurozone Composite PMI	Jul F	51.5	51.5	51.5	
	15:00	EZ	Markit Eurozone Services PMI	Jul F	53.2	53.3	53.3	
	15:30	GB	Markit/CIPS UK Composite PMI	Jul	50.7	49.8	49.7	
	15:30	GB	Markit/CIPS UK Services PMI	Jul	51.4	50.4	50.2	
	15:30	GB	Official Reserves Changes	Jul	\$1749m	--	\$3650m	
	15:30	EZ	Sentix Investor Confidence	Aug	-13.7	-7.0	-5.8	
	All	CA	Bank Holiday					
	20:45	US	Markit US Composite PMI	Jul F	52.6	--	51.6	
	20:45	US	Markit US Services PMI	Jul F	53.0	--	52.2	
	21:00	US	ISM Non-Manufacturing Index	Jul	53.7	55.5	55.1	
Tue/06-Aug-19	05:45	NZ	Average Hourly Earnings QoQ	2Q		--	1.1%	
	05:45	NZ	Employment Change QoQ	2Q		--	-0.2%	
	05:45	NZ	Employment Change YoY	2Q		--	1.5%	
	05:45	NZ	Participation Rate	2Q		--	70.4%	
	05:45	NZ	Pvt Wages Ex Overtime QoQ	2Q		--	0.3%	
	05:45	NZ	Pvt Wages Inc Overtime QoQ	2Q		--	0.3%	
	05:45	NZ	Unemployment Rate	2Q		--	4.2%	
	06:00	KR	BoP Current Account Balance	Jun		--	\$4949.4m	
	06:00	KR	BoP Goods Balance	Jun		--	\$5392.2m	
	06:30	JP	Household Spending YoY	Jun		--	4.0%	
	06:30	JP	Labor Cash Earnings YoY	Jun		--	-0.2%	
	06:30	JP	Real Cash Earnings YoY	Jun		--	-1.0%	
	08:30	AU	Trade Balance	Jun		--	A\$5745m	
	10:00	NZ	2Yr Inflation Expectation	3Q		--	2.01%	
	11:30	AU	RBA Cash Rate Target	Aug-06		--	1.0%	
	12:00	JP	Coincident Index	Jun P		--	103.4	
	12:00	JP	Leading Index CI	Jun P		--	94.9	
	13:00	DE	Factory Orders MoM	Jun		--	-2.2%	
	13:00	DE	Factory Orders WDA YoY	Jun		--	-8.6%	
	14:30	DE	Markit Germany Construction PMI	Jul		--	50	
	23:00	US	Fed's Bullard Speaks on U.S. Economy in Washington					
Wed/08-Aug-19	05:30	AU	AiG Perf of Construction Index	Jul		--	43	
	06:50	JP	BOJ Summary of Opinions					
	06:50	JP	Official Reserve Assets	Jul		--	\$1322.3b	
	08:30	AU	Home Loans MoM	Jun		--	-0.1%	
	08:30	AU	Investment Lending	Jun		--	-1.7%	
	08:30	AU	Owner-Occupier Loan Value MoM	Jun		--	-2.7%	
	09:00	NZ	RBNZ Official Cash Rate	Aug-07		--	1.5%	
	N/A	CN	Foreign Reserves	Jul		--	\$3119.23b	
	N/A	HK	Foreign Reserves	Jul		--	\$445.6b	
	11:00	US	Fed's Evans Holds Media Breakfast in Chicago					
	13:00	DE	Industrial Production SA MoM	Jun		--	0.3%	
	13:00	DE	Industrial Production WDA YoY	Jun		--	-3.7%	
	14:00	CH	Foreign Currency Reserves	Jul		--	759.1b	
	14:30	GB	Halifax House Price 3Mths/Year	Jul		--	5.7%	
	14:30	GB	Halifax House Prices MoM	Jul		--	-0.3%	
	21:00	CA	Ivey Purchasing Managers Index SA	Jul		--	52.4	
	21:30	US	DOE Cushing OK Crude Inventory	Aug-02		--	-1533k	
	21:30	US	DOE U.S. Crude Oil Inventories	Aug-02		--	-8496k	
	21:30	US	DOE U.S. Distillate Inventory	Aug-02		--	-894k	

	21:30	US	DOE U.S. Gasoline Inventories	Aug-02		--	-1791k	
Thu/08-Aug-19	02:00	US	Consumer Credit	Jun		\$17.000b	\$17.086b	
	04:30	AU	RBA's Bullock Gives Speech in Toowoomba					
	06:01	GB	RICS House Price Balance	Jul		--	-1%	
	06:50	JP	BoP Current Account Adjusted	Jun		--	¥1305.7b	
	06:50	JP	BoP Current Account Balance	Jun		--	¥1594.8b	
	06:50	JP	Trade Balance BoP Basis	Jun		--	-\$650.9b	
	N/A	JP	Eco Watchers Survey Current SA	Jul		--	44	
	N/A	JP	Eco Watchers Survey Outlook SA	Jul		--	45.8	
	N/A	CN	Exports YoY	Jul		--	-1.3%	
	N/A	CN	Exports YoY CNY	Jul		--	6.1%	
	N/A	CN	Imports YoY	Jul		--	-7.3%	
	N/A	CN	Imports YoY CNY	Jul		--	-0.4%	
	N/A	CN	Trade Balance	Jul		--	\$50.98b	
	N/A	CN	Trade Balance CNY	Jul		--	345.18b	
	13:30	AU	Foreign Reserves	Jul		--	A\$77.5b	
	15:00	EZ	ECB Publishes Economic Bulletin					
	19:30	US	Continuing Claims	Jul-27		--	--	
	19:30	US	Initial Jobless Claims	Aug-03		--	--	
	21:00	US	Wholesale Inventories MoM	Jun F		0.1%	0.2%	
	21:00	US	Wholesale Trade Sales MoM	Jun		--	0.1%	
Fri/09-Aug-19	06:30	AU	RBA's Lowe Semi-Annual Testimony to Committee in Canberra					
	06:50	JP	GDP Annualized SA QoQ	2Q P		0.7%	2.2%	
	06:50	JP	GDP Business Spending QoQ	2Q P		0.8%	0.3%	
	06:50	JP	GDP Deflator YoY	2Q P		0.4%	0.1%	
	06:50	JP	GDP Nominal SA QoQ	2Q P		0.1%	0.8%	
	06:50	JP	GDP Private Consumption QoQ	2Q P		0.7%	-0.1%	
	06:50	JP	GDP SA QoQ	2Q P		0.2%	0.6%	
	08:30	CN	CPI YoY	Jul		--	2.7%	
	08:30	CN	PPI YoY	Jul		--	0.0%	
	08:30	AU	RBA Statement on Monetary Policy					
	N/A	CN	BoP Current Account Balance	2Q P		--	\$49.0b	
	12:45	CH	Unemployment Rate	Jul		--	2.1%	
	12:45	CH	Unemployment Rate SA	Jul		--	2.3%	
	13:00	DE	Current Account Balance	Jun		--	16.5b	
	13:00	DE	Exports SA MoM	Jun		--	1.1%	
	13:00	DE	Imports SA MoM	Jun		--	-0.5%	
	13:00	DE	Trade Balance	Jun		--	20.6b	
	15:30	GB	Construction Output MoM	Jun		--	0.6%	
	15:30	GB	Construction Output YoY	Jun		--	1.7%	
	15:30	GB	Exports QoQ	2Q P		--	0.0%	
	15:30	GB	GDP QoQ	2Q P		--	0.5%	
	15:30	GB	GDP YoY	2Q P		--	1.8%	
	15:30	GB	Government Spending QoQ	2Q P		--	1.4%	
	15:30	GB	Gross Fixed Capital Formation QoQ	2Q P		--	2.1%	
	15:30	GB	Imports QoQ	2Q P		--	6.8%	
	15:30	GB	Index of Services 3M/3M	Jun		--	0.3%	
	15:30	GB	Index of Services MoM	Jun		--	0.0%	
	15:30	GB	Industrial Production MoM	Jun		--	1.4%	
	15:30	GB	Industrial Production YoY	Jun		--	0.9%	
	15:30	GB	Manufacturing Production MoM	Jun		--	1.4%	
	15:30	GB	Manufacturing Production YoY	Jun		--	0.0%	
	15:30	GB	Monthly GDP (MoM)	Jun		--	0.3%	
	15:30	GB	Private Consumption QoQ	2Q P		--	0.7%	
	15:30	GB	Total Business Investment QoQ	2Q P		--	0.4%	
	15:30	GB	Total Business Investment YoY	2Q P		--	-1.5%	
	15:30	GB	Trade Balance GBP/Mn	Jun		--	-\$2324m	
	15:30	GB	Trade Balance Non EU GBP/Mn	Jun		--	-\$4905m	
	15:30	GB	Visible Trade Balance GBP/Mn	Jun		--	-\$11524m	
	19:30	CA	Full Time Employment Change	Jul		--	24.1	
	19:30	CA	Hourly Wage Rate Permanent Employees YoY	Jul		--	3.60%	
	19:30	CA	Net Change in Employment	Jul		--	-2.2k	
	19:30	CA	Part Time Employment Change	Jul		--	-26.2	
	19:30	CA	Participation Rate	Jul		--	65.7	
	19:30	CA	Unemployment Rate	Jul		--	5.5%	
	19:30	US	PPI Ex Food and Energy MoM	Jul		0.1%	0.3%	
	19:30	US	PPI Ex Food and Energy YoY	Jul		2.3%	2.3%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Jul		0.2%	0.0%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Jul		--	2.1%	
	19:30	US	PPI Final Demand MoM	Jul		0.2%	0.1%	
	19:30	US	PPI Final Demand YoY	Jul		1.7%	1.7%	

Sat/10-Aug-19	00:00	US	Baker Hughes U.S. Rig Count	Aug-09		--	--	
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Dow Jones (1YMU9 – Sep)

Exp. Date: 20 Sep 2019



RESISTANCE	27149	
	26802	
	26166	
SUPPORT	25183	
	24836	
	24200	
SUGGESTION	BUY	---
	SELL	25500
	S/L	25650
	T/P:	25300 25150

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
05 Aug	26411	26455	25472	983	25529	25529	↓ 912	3.45	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26455 (05/Aug)	25472 (05/Aug)	27143 (01/Aug)	25472 (05/Aug)	27392 (15/Jul)	22563 (04/Jan)

Nikkei (SSlamU9 – Sep)

Exp. Date: 12 Sep 2019



RESISTANCE	21416	
	21133	
	20736	
SUPPORT	20056	
	19773	
	19376	
SUGGESTION	BUY	---
	SELL	20160
	S/L	20310
	T/P:	19960 19810

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
05 Aug	20840	20850	20170	680	20210	20210	↓ 685	3.28	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
20850 (05/Aug)	20170 (05/Aug)	21565 (01/Aug)	20170 (05/Aug)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



RESISTANCE	263.66	
	262.28	
	259.81	
SUPPORT	255.96	
	254.58	
	252.11	
SUGGESTION	BUY	---
	SELL	256.85
	S/L	258.35
	T/P:	254.85 253.35

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
05 Aug	260.50	260.90	257.05	3.85	257.35	257.35	↓ 6.30	2.39	---

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
260.90 (05/Aug)	257.05 (05/Aug)	267.80 (01/Aug)	257.05 (05/Aug)	292.10 (17/Apr)	255.60 (04/Jan)

Hang Seng (HSIQ9 – AUG)

Exp. Date: 29 Aug 2019



RESISTANCE	27337	
	26953	
	26200	
SUPPORT	25063	
	24679	
	23926	
SUGGESTION	BUY	---
	SELL	25350
	S/L	25500
	T/P:	25150 25000

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
05 Aug	26435	26569	26000	569	26028	26028	↓ 781	2.91	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26569 (05/Aug)	26000 (05/Aug)	27683 (01/Aug)	26000 (05/Aug)	30336 (15/Apr)	24876 (03/Jan)



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