

## Daily Outlook

### GLOBAL STOCK INDEX

#### DJIA

U.S. stocks climbed on Monday as reports of stimulus efforts in China and Germany calmed fears of a severe downturn in the global economy that were stoked last week as bond yields fell. The benchmark S&P 500 has recovered most of its losses following Wednesday's brief inversion of the yield curve between 2-year and 10-year Treasuries, commonly viewed as an indicator of a recession within the next two years. After falling nearly 3% on Wednesday, the S&P 500 has risen for the last three sessions.

China's central bank unveiled a key interest rate reform on Saturday to help steer borrowing costs lower for companies. On Sunday, German Finance Minister Olaf Scholz suggested that Berlin could make available up to 50 billion euros (\$55 billion) of extra spending.

Stocks also received a boost as Washington extended by 90 days the window during which China's Huawei Technologies, blacklisted by the U.S. government in May, can buy components from U.S. companies to supply existing customers.

Shares of Apple Inc provided the biggest boost to the three main Wall Street indexes. President Donald Trump said on Sunday that he had spoken with Apple Chief Executive Officer Tim Cook, who "made a good case" that tariffs could hurt Apple.

The S&P 500 technology index rose 1.6%, while the Philadelphia semiconductor index .SOX rose 1.9%. The Dow Jones Industrial Average rose 249.78 points, or 0.96%, to 26,135.79, the S&P 500 gained 34.97 points, or 1.21%, to 2,923.65 and the Nasdaq Composite added 106.82 points, or 1.35%, to 8,002.81. All of the 11 major S&P sectors were higher. Energy shares .SPNY, which rose 2.1% as oil prices advanced, led S&P sectors in percentage gains. Reflecting Monday's risk-on sentiment, defensive sectors such as real estate .SPLRCR and utilities .SPLRCU lagged the broader index in percentage gains.

Given concerns about economic growth, investors have looked closely for cues from the Federal Reserve on monetary policy. In July, the U.S. central bank cut interest rates for the first time in more than a decade.

Wednesday's release of minutes from the Fed's July policy meeting, as well as Chair Jerome Powell's speech at the Jackson Hole symposium on Friday, might provide indications on whether the central bank will cut rates further, investors said.

#### Nikkei

Japanese shares rose on Monday as signs central banks around the world are taking steps to support their economies helped ease immediate concerns about a global recession.

However, buyers were somewhat restrained as the U.S.-China trade dispute remained a nagging worry. The Nikkei share average climbed 0.7% to 20,563.16 points, while the broader Topix added 0.6% to 1,494.33.

Turnover on the Tokyo Stock Exchange's main board was thin at 1.54 trillion yen, its lowest in six weeks, and well below its daily average of 2.33 trillion yen over the past year.

On Friday, Der Spiegel magazine reported that Germany's coalition government was prepared to set aside its balanced budget rule in order to take on new debt and launch stimulus steps to counter a possible recession.

In addition, China's central bank unveiled a key interest rate reform on Saturday, in a move viewed as a guided rate cut, to help steer borrowing costs lower for companies and support an economy gripped by the bruising trade war with the United States.

Those stimulus hopes helped yields on U.S. Treasuries and Japanese government bonds rise on Monday from multi-year lows.

That boosted rate-sensitive banks, which were battered by the sharp drop in bond yields last week, with Mitsubishi UFJ Financial Group advancing 1.3% and Sumitomo Mitsui Financial Group rising 0.8%. Another rate-sensitive TSE REIT index remained in demand, up 0.2% to extend its winning streak to a seventh day to a fresh 12-year high.

However, trade fears are still alive and weighing on investor sentiment as U.S. President Donald Trump on Sunday said he did not want the United States to do business with China's Huawei even as the administration weighs whether to extend a grace period for the company.

#### Kospi

South Korean shares rose on Monday, as global recession worries partially eased on hopes of stimulus from Germany and China, while the benchmark U.S. treasury yields rebounded. The Korean won strengthened and the benchmark bond yield also rose. As of 0143 GMT, the Seoul stock market's main KOSPI rose 10.88 points, or 0.56%, to 1,938.05. Foreigners were net sellers of 17.8 billion won (\$14.71 million) worth of shares on the main board. China's central bank unveiled a key interest rate reform on Saturday to help steer borrowing costs lower for companies and support a slowing economy that has been hurt by a trade war with the United States.

The won was quoted at 1,209.8 per dollar on the onshore settlement platform, 0.08% higher than its

previous close at 1,210.8. In offshore trading, the won was quoted at 1,209.4 per U.S. dollar, down 0.2% from the previous day, while in non-deliverable forward trading its one-month contract was quoted at 1,208.2 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.82%, after U.S. stocks rose. Japanese stocks rose 0.55%. The KOSPI has fallen 5.05% so far this year, and lost 8.6% in the previous 30 trading sessions.

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

The trading volume during the session in the KOSPI index was 188.74 million shares and, of the total traded issues of 888, the number of advancing shares was 595.

The won has lost 7.8% against the U.S dollar so far this year. In money and debt markets, September futures on three-year treasury bonds fell 0.02 points to 111.44, while the 3-month Certificate of Deposit rate was quoted at 1.49%. The most liquid 3-year Korean treasury bond yield rose by 0.5 basis points to 1.100%, while the benchmark 10-year yield rose by 1.8 basis points to 1.190%.

**Hang Seng & Shanghai**

➤ Hong Kong stocks climbed more than 2% on Monday amid a broad upbeat investor mood, posting their best session in two months, bolstered by Beijing's reforms to help steer borrowing costs lower for companies and support businesses.

Hopes major economies will seek to prop up slowing growth with fresh stimulus have helped ease some of the recessionary fears unleashed in markets last week. The Hang Seng index ended up 2.2% at 26,291.84, while the China Enterprises Index gained 1.5% at 10,109.15. Both indexes were up for a fourth session in a row. China's central bank - the People's Bank of China - unveiled a key interest rate reform on Saturday to help steer borrowing costs lower for companies and support a slowing economy that has been hurt by the trade war with the United States. The move, widely seen as a guided rate cut, came after Beijing's latest plan to spur private consumption to shore up growth. That also followed Hong Kong government's announcement of a HK\$19.1 billion (\$2.44 billion) package on Thursday to support a slowing economy hurt by protests and protracted Sino-U.S. trade spat. Around the region, MSCI's Asia ex-Japan stock index was firmer by 1.09%, while Japan's Nikkei index closed 0.71% firmer. The yuan was quoted at 7.0446 per U.S. dollar at 0819 GMT, 0.04% weaker than the previous close of 7.042.

➤ China stocks jumped over 2% on Monday, their best since early July, as investors cheered Beijing's latest stimulus to prop up an economy hit hard by a never-ending trade war with the United States.

The CSI300 index rose 2.2%, to 3,791.09 points, while the Shanghai Composite Index gained 2.1%, to 2,883.10 points.

Both indexes were up for the fourth day in a row.

China's central bank unveiled a key interest rate reform on Saturday to help steer borrowing costs lower for companies and support a slowing economy that has been hurt by the trade war with the United States.

The move, widely seen as a guided rate cut, came after Beijing's latest plan to spur private consumption to shore up growth.

The rate reform will further boost expectations of monetary policy loosening in the short term, helping lift risk appetite, China Merchants Securities noted in report.

In the longer term, there would be stronger support for the stock market as companies' expected investment returns could benefit from lower borrowing costs, thus improving financing needs and alleviating the downward pressure on the economy, the brokerage added.

Shares in securities firms, which are expected to benefit from a market rally, led the gains, with an index tracking major brokerages surging 6.9%.

The CSI300 real estate index, tracking major developers which are expected to benefit from lower borrowing costs, closed up 3.3%.

Though banking firms lagged behind, as lenders expected their profitability to come under pressure after the rate reform.

**Closing Prices – 19 August 2019**

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	26135.79	↑ 249.78/0.96%	.N225	20563.16	↑ 144.35/0.71%
/.SPX	2923.65	↑ 34.97/1.21%	.KS200	1939.90	↑ 12.73/0.66%
/.IXIC	8002.812	↑ 106.82/1.35%	.HSI	26291.84	↑ 557.62/2.17%
JPY=	106.63	↑ 0.27/0.25%	/.SSEC	2883.096	↑ 59.27/2.10%
KRW=	1211.07	↓ 0.31/0.03%	/CLc1 (Oil)	56.09	↑ 1.19/2.17%

**ECONOMIC INDICATORS**

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/19-Aug-19	05:30	NZ	Performance Services Index	Jul	54.7	--	52.7	
	05:45	NZ	PPI Input QoQ	2Q	0.3%	--	-0.9%	
	05:45	NZ	PPI Output QoQ	2Q	0.5%	--	-0.5%	
	06:01	GB	Rightmove House Prices MoM	Aug	-1.0%	--	-0.2%	
	06:01	GB	Rightmove House Prices YoY	Aug	1.2%	--	-0.2%	
	06:50	JP	Exports YoY	Jul	-1.6%	-2.3%	-6.7%	-6.6%
	06:50	JP	Imports YoY	Jul	-1.2%	-2.3%	-5.2%	
	06:50	JP	Trade Balance	Jul	-¥249.6b	-¥194.5	¥589.5b	
	06:50	JP	Trade Balance Adjusted	Jul	-¥126.8b	-¥150.8b	-¥14.4b	-¥33.9b
	N/A	HK	Composite Interest Rate	Jul		--	0.95%	
	15:00	EZ	ECB Current Account SA	Jun	18.0b	--	29.7b	30.2b
	15:30	HK	Unemployment Rate SA	Jul	2.9%	2.8%	2.8%	
	16:00	EZ	CPI Core YoY	Jul F	0.9%	0.9%	0.9%	
	16:00	EZ	CPI MoM	Jul	-0.5%	-0.4%	0.2%	
16:00	EZ	CPI YoY	Jul F	1.0%	1.1%	1.3%		
Tue/20-Aug-19	08:30	AU	RBA Minutes of August Policy Meeting					
	13:00	CH	Exports Real MoM	Jul		--	-0.1%	
	13:00	CH	Imports Real MoM	Jul		--	1.4%	
	13:00	DE	PPI MoM	Jul		--	-0.4%	
	13:00	DE	PPI YoY	Jul		--	1.2%	
	15:30	HK	CPI Composite YoY	Jul		3.0%	3.3%	
	16:00	EZ	Construction Output MoM	Jun		--	-0.3%	
	16:00	EZ	Construction Output YoY	Jun		--	2.0%	
	17:00	GB	CBI Trends Selling Prices	Aug		--	12	
	17:00	GB	CBI Trends Total Orders	Aug		--	-34	
19:30	CA	Manufacturing Sales MoM	Jun		-1.5%	1.6%		
Wed/21-Aug-19	04:00	KR	PPI YoY	Jul		--	0.1%	
	N/A	KR	Exports 20 Days YoY	Aug		--	-13.6%	
	N/A	KR	Imports 20 Days YoY	Aug		--	-10.3%	
	07:30	AU	Westpac Leading Index MoM	Jul		--	-0.08%	
	15:30	GB	Central Government NCR	Jul		--	13.5b	
	15:30	GB	PSNB ex Banking Groups	Jul		--	7.2b	
	15:30	GB	Public Finances (PSNCR)	Jul		--	15.2b	
	15:30	GB	Public Sector Net Borrowing	Jul		--	6.5b	
	19:30	CA	Consumer Price Index	Jul		136.5	136.3	
	19:30	CA	CPI Core- Common YoY%	Jul		1.8%	1.8%	
	19:30	CA	CPI Core- Median YoY%	Jul		2.1%	2.2%	
	19:30	CA	CPI Core- Trim YoY%	Jul		2.0%	2.1%	
	19:30	CA	CPI NSA MoM	Jul		0.1%	-0.2%	
	19:30	CA	CPI YoY	Jul		1.6%	2.0%	
	21:00	US	Existing Home Sales	Jul		5.38m	5.27m	
	21:00	US	Existing Home Sales MoM	Jul		2.2%	-1.7%	
	21:30	US	DOE Cushing OK Crude Inventory	Aug-16		--	-2540k	
21:30	US	DOE U.S. Crude Oil Inventories	Aug-16		--	1580k		
21:30	US	DOE U.S. Distillate Inventory	Aug-16		--	-1938k		
21:30	US	DOE U.S. Gasoline Inventories	Aug-16		--	-1412k		
Thu/22-Aug-19	01:00	US	FOMC Meeting Minutes	Jul-31		--	--	
	06:00	AU	CBA Australia PMI Composite	Aug P		--	52.1	

	06:00	AU	CBA Australia PMI Mfg	Aug P	--	51.6	
	06:00	AU	CBA Australia PMI Services	Aug P	--	52.3	
	07:30	JP	Jibun Bank Japan PMI Composite	Aug P	--	51.2	
	07:30	JP	Jibun Bank Japan PMI Mfg	Aug P	--	49.4	
	07:30	JP	Jibun Bank Japan PMI Services	Aug P	--	51.8	
	11:30	JP	All Industry Activity Index MoM	Jun	-0.8%	0.3%	
	13:00	JP	Machine Tool Orders YoY	Jul F	--	-33.0%	
	13:30	CH	Industrial Output WDA YoY	2Q	--	4.3%	
	13:30	CH	Industry & Construction Output WDA YoY	2Q	--	3.7%	
	14:30	DE	Markit Germany Services PMI	Aug P	54	54.5	
	14:30	DE	Markit/BME Germany Composite PMI	Aug P	51	50.9	
	14:30	DE	Markit/BME Germany Manufacturing PMI	Aug P	44.5	43.2	
	15:00	EZ	Markit Eurozone Composite PMI	Aug P	51.2	51.5	
	15:00	EZ	Markit Eurozone Manufacturing PMI	Aug P	47	46.5	
	15:00	EZ	Markit Eurozone Services PMI	Aug P	52.9	53.2	
	17:00	GB	CBI Retailing Reported Sales	Aug	--	-16	
	17:00	GB	CBI Total Dist. Reported Sales	Aug	--	-11	
	18:30	EZ	ECB Publishes Account of Policy Meeting				
	19:30	US	Continuing Claims	Aug-10	--	--	
	19:30	US	Initial Jobless Claims	Aug-17	--	--	
	19:30	CA	Wholesale Trade Sales MoM	Jun	-0.2%	-1.8%	
	20:45	US	Markit US Composite PMI	Aug P	--	52.6	
	20:45	US	Markit US Manufacturing PMI	Aug P	--	50.4	
	20:45	US	Markit US Services PMI	Aug P	--	53	
	21:00	EZ	Consumer Confidence	Aug A	--	-6.6	
	21:00	US	Leading Index	Jul	0.2%	-0.3%	
	22:00	US	Kansas City Fed Manf. Activity	Aug	--	-1	
<b>Fri/23-Aug-19</b>	05:45	NZ	Retail Sales Ex Inflation QoQ	2Q	--	0.7%	
	06:30	JP	Japan Jul CPI				
	06:30	JP	Natl CPI Ex Fresh Food YoY	Jul	0.6%	0.6%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Jul	0.5%	0.5%	
	06:30	JP	Natl CPI YoY	Jul	0.6%	0.7%	
	08:00	US	Annual Federal Reserve Policy Symposium in Jackson Hole				
	19:30	CA	Retail Sales Ex Auto MoM	Jun	-0.3%	-0.3%	
	19:30	CA	Retail Sales MoM	Jun	-0.4%	-0.1%	
	21:00	US	New Home Sales	Jul	640k	646k	
	21:00	US	New Home Sales MoM	Jul	-0.9%	7.0%	
<b>Sat/24-Aug-19</b>	00:00	US	Baker Hughes U.S. Rig Count	Aug-23	--	--	
	23:25	AU	RBA's Lowe Gives Speech at Jackson Hole				

### Dow Jones (1YMU9 – Sep)

Exp. Date: 20 Sep 2019



RESISTANCE	26586	
	26409	
	26262	
SUPPORT	25938	
	25761	
	25614	
RECOMMENDATION	BUY	26085
	SELL	---
	S/L	25935
	T/P:	26285 26435

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
19 Aug	25908	26232	25908	324	26114	26114	↑ 209	0.81	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26232 (19/Aug)	25908 (19/Aug)	27143 (01/Aug)	25030 (06/Aug)	27392 (15/Jul)	22563 (04/Jan)

### Nikkei (SSlamU9 – Sep)

Exp. Date: 12 Sep 2019



RESISTANCE	20928	
	20801	
	20723	
SUPPORT	20518	
	20391	
	20313	
SUGGESTION	BUY	20600
	SELL	---
	S/L	20500
	T/P:	20800 20900

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
19 Aug	20625	20675	20470	205	20630	20630	↑ 70	0.34	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
20675 (19/Aug)	20470 (19/Aug)	21565 (01/Aug)	19965 (06/Aug)	22495 (03/May)	19205 (04/Jan)

### Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



RESISTANCE	257.71	
	256.78	
	256.16	
SUPPORT	254.61	
	253.68	
	253.06	
SUGGESTION	BUY	255.25
	SELL	---
	S/L	253.75
	T/P:	257.25 258.25

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
19 Aug	255.20	255.85	254.30	1.55	255.55	255.55	↑ 1.55	0.61	---

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
255.85 (19/Aug)	254.30 (19/Aug)	267.80 (01/Aug)	250.95 (06/Aug)	292.10 (17/Apr)	250.95 (06/Aug)

### Hang Seng (HSIQ9 – AUG)

Exp. Date: 29 Aug 2019



RESISTANCE	26945	
	26660	
	26410	
SUPPORT	25875	
	25590	
	25340	
SUGGESTION	BUY	26210
	SELL	---
	S/L	26060
	T/P:	26410 26560

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
19 Aug	25901	26278	25840	438	26187	26187	↑ 554	2.16	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26278 (19/Aug)	25840 (19/Aug)	27683 (01/Aug)	24814 (15/Aug)	30336 (15/Apr)	24814 (15/Aug)



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