

Daily Outlook

GLOBAL STOCK INDEX

<u>DJIA</u>	<p>Financial shares led U.S. stocks lower on Tuesday to end a three-day rally as investors awaited comments from Federal Reserve Chair Jerome Powell at the end of the week.</p> <p>The S&P 500 financial index dropped 1.4% and the group weighed most heavily on the benchmark index among its major sectors, which all registered losses.</p> <p>Prior to Tuesday's session, U.S. stocks had recovered most of their losses from a steep sell-off last Wednesday, which was triggered by a brief inversion of the yield curve between 2-year and 10-year Treasuries, widely considered a harbinger of a recession. Reports of stimulus efforts in China and Germany, along with the subsequent steepening of the yield curve, helped assuage recession fears.</p> <p>The S&P 500 is now 4.1% shy of its record closing high in July after having fallen as much as 6.2% below that level.</p> <p>Investors said they were looking forward to Friday's speech from the Fed's Powell at the Jackson Hole central bankers' conference for more clues on the course of monetary policy and interest rates. Hints on the U.S. central bank's plans may also be found in minutes from the Fed's July policy meeting, which will be released on Wednesday.</p> <p>The Fed's moves have drawn close attention as U.S. economic growth has moderated and the U.S.-China trade dispute has weighed on business confidence. On Tuesday, President Donald Trump said his administration was looking at cuts to payroll and capital gains taxes.</p> <p>Some investors said that such efforts, along with Trump's calls for the Fed to lower rates, could signal wavering confidence in the U.S. economy.</p> <p>The Dow Jones Industrial Average fell 173.35 points, or 0.66%, to 25,962.44, the S&P 500 lost 23.14 points, or 0.79%, to 2,900.51 and the Nasdaq Composite dropped 54.25 points, or 0.68%, to 7,948.56.</p> <p>Shares of Netflix Inc fell 3.4% after Walt Disney Co announced its streaming service would launch in Canada and the Netherlands in November.</p>
<u>Nikkei</u>	<p>Japan's Nikkei rose for a third straight day on Tuesday as investors tiptoed back into equities amid signs of a slight easing of trade tensions between the United States and China.</p> <p>Hopes for fresh stimulus moves by major economies also boosted riskier assets.</p> <p>On Monday, Washington extended a reprieve that permits China's Huawei Technologies to buy components from U.S. companies by 90 days, to supply existing customers.</p> <p>The Nikkei share average rose 0.6% to 20,677.22 points, while the broader Topix added 0.8% to 1,506.77.</p> <p>On Wall Street, all three major stock indexes gained overnight, with Apple jumping 1.9% to provide the biggest boost to the Nasdaq.</p> <p>That helped Tokyo-listed Apple suppliers, with Taiyo Yuden and TDK Corp rising 1.6% and Foster Electric advancing 1.4%.</p> <p>After speaking with Apple's chief executive Tim Cook on Sunday, U.S President Donald Trump said the CEO "made a good case" that tariffs could hurt Apple, given that Samsung's products would not be subject to those same tariffs.</p> <p>Tokyo-listed chipmaking-related firms also got a boost after the U.S. Philadelphia semiconductor index climbed 1.9% on Monday as Huawei's U.S. chip suppliers, such as Micron Technology, rose.</p>
<u>Kospi</u>	<p>South Korean shares rose more than 1% on Tuesday, boosted by gains in semiconductor stocks such as Samsung Electronics . The Korean won strengthened and the benchmark bond yield also rose.</p> <p>The Seoul stock market's main KOSPI rose 20.35 points, or 1.05%, to 1,960.25.</p> <p>Shares of Samsung Electronics rose nearly 2% on reports of Japan approving shipments of a high-tech material to South Korea, and the United States granting Huawei another 90 days to buy from American suppliers, said Park Sung-soon, analyst at Cape Investment & Securities.</p> <p>KOSPI sub-index for electric and electronics rose 1.73%.</p> <p>Japan has approved shipments of a high-tech material to South Korea for the second time since imposing export curbs last month, two sources said, ahead of talks by government officials this week to resolve a dispute stemming from their wartime past.</p> <p>The United States will extend a reprieve that permits China's Huawei Technologies to buy components from U.S. companies to supply existing customers, the Commerce Department said on Monday, but it also moved to add more than 40 of Huawei's units to its economic blacklist</p> <p>Foreigners were net buyers of 113.2 billion won (\$93.75 million) worth of shares on the main board. They were net buyers of KOSPI shares for the first time in 14 sessions.</p> <p>Foreigners bought 94.8 billion won worth of electric and electronics stocks on the main board, according to the Korea Exchange.</p> <p>The won was quoted at 1,208.3 per dollar on the onshore settlement platform, 0.22% higher than its</p>

Hang Seng & Shanghai

previous close at 1,211.0.
In offshore trading, the won was quoted at 1,207.7 per U.S. dollar, up 0.3% from the previous day, while in non-deliverable forward trading its one-month contract was quoted at 1,206.5 per dollar.

➤ Hong Kong stocks ended lower on Tuesday as investors locked in profit after a four-day winning streak following Beijing’s interest rate reform, which boosted riskier assets and tempered recession fears.
The Hang Seng index ended down 0.2% at 26,231.54, while the China Enterprises Index closed 0.2% higher at 10,132.77.
China lowered its new lending reference rate slightly on Tuesday, as expected, as the country’s central bank kicked off new interest rate reforms designed to lower corporate borrowing costs.
Analysts and investors say the reforms are an official attempt to lower financing costs in the world’s second-largest economy, which has faced continued pressure from weakening demand at home and an extended trade war with the United States.
Hong Kong leader Carrie Lam said on Tuesday she hoped a peaceful anti-government weekend protest was the start of an effort to restore calm and that talks with non-violent protesters would provide “a way out” for the Chinese-ruled city.
Around the region, MSCI’s Asia ex-Japan stock index was firmer by 0.36%, while Japan’s Nikkei index closed up 0.55%.
The yuan was quoted at 7.0622 per U.S. dollar at 0814 GMT, 0.16% weaker than the previous close of 7.0509.

➤ China stocks ended slightly lower on Tuesday as investors took a breather following a strong rally in the previous session and pondered the extent and impact of Beijing’s interest rate reform.
The blue-chip CSI300 index fell 0.1%, to 3,787.73, while the Shanghai Composite Index eased 0.1%, to 2,880.00 points.
China lowered its new lending reference rate slightly on Tuesday, as expected, as the country’s central bank kicked off new interest rate reforms designed to lower corporate borrowing costs.
The People’s Bank of China (PBOC) on Saturday said the Loan Prime Rate (LPR) would become the lending benchmark for banks when setting rates for new loans to households and businesses, instead of the central bank’s existing benchmark one-year lending rate.
Analysts and investors say the reforms are an official attempt to lower financing costs in the world’s second-largest economy, which has faced continued pressure from weakening demand at home and an extended trade war with the United States.
“The trend is clear - rates will go down in China. They will nudge it downward and won’t do in such an obvious way to spook markets, or for people to think the slowdown is very severe,” Trinh Nguyen, a senior economist for emerging Asia at Natixis in Hong Kong, told the Reuters Global Markets Forum on Tuesday.
“Overall, it is a modest cut in line with our expectations, though in the future, it’s expected the LPR could go further lower, as China has its own target of steering funding costs lower,” said Shen Xinfeng, an analyst with Northeast Securities.
Eyes were also on Chinese tech giant Huawei, caught in the crossfire of a protracted Sino-U.S. trade war.
The United States will extend a reprieve that permits China’s Huawei Technologies to buy components from U.S. companies to supply existing customers, the Commerce Department said on Monday, but it also moved to add more than 40 of Huawei’s units to its economic blacklist.

Closing Prices – 20 August 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25962.44	↓ 173.35/0.66%	.N225	20677.22	↑ 114.06/0.55%
/.SPX	2900.51	↓ 23.14/0.79%	.KS200	1960.25	↑ 20.35/1.05%
/.IXIC	7948.56	↓ 54.25/0.68%	.HSI	26231.54	↓ 60.30/0.23%
JPY=	106.63	↓ 0.40/0.38%	/.SSEC	2880.0012	↓ 3.09/0.11%
KRW=	1208.03	↓ 3.04/0.25%	/CLc1 (Oil)	56.09	↑ Flat/Flat

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	-1.8%	--	-0.1%	2.5%
13:00		CH	Imports Real MoM	Jul	-0.5%	--	-1.3%	
13:00		DE	PPI MoM	Jul	0.1%	0.0%	-0.4%	
13:00		DE	PPI YoY	Jul	1.1%	1.0%	1.2%	
15:30		HK	CPI Composite YoY	Jul	3.3%	2.9%	3.3%	
16:00		EZ	Construction Output MoM	Jun	0.0%	--	-0.3%	-0.5%
16:00		EZ	Construction Output YoY	Jun	1.0%	--	2.0%	1.7%
17:00		GB	CBI Trends Selling Prices	Aug	-2	--	12	
17:00		GB	CBI Trends Total Orders	Aug	-13	-25	-34	
19:30	CA	Manufacturing Sales MoM	Jun	-1.2%	-1.8%	1.6%		
Wed/21-Aug-19	04:00	KR	PPI YoY	Jul	-0.3%	-0.5%	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	
Fri/23-Aug-19	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%	
Sat/24-Aug-19	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	26381	
	26287	
	26107	
SUPPORT	25833	
	25739	
	25559	
RECOMMENDATION	BUY	---
	SELL	25960
	S/L	26110
	T/P:	25460 25610

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
20 Aug	26100	26193	25919	274	25928	25928	↓ 186	0.71	--

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	20796	
	20728	
	20591	
SUPPORT	20386	
	20318	
	20181	
SUGGESTION	BUY	---
	SELL	20485
	S/L	20585
	T/P:	20310 20185

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
20 Aug	20635	20660	20465	195	20455	20455	↓ 175	0.85	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
20675 (19/Aug)	20465 (20/Aug)	21565 (01/Aug)	19965 (06/Aug)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



RESISTANCE	262.91	
	260.68	
	259.31	
SUPPORT	255.71	
	253.48	
	252.11	
SUGGESTION	BUY	---
	SELL	258.25
	S/L	259.75
	T/P:	256.25 254.75

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
20 Aug	255.05	258.45	254.85	3.60	257.95	257.95	↑ 2.40	0.94	---

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
258.45 (20/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	26487	
	26385	
	26234	
SUPPORT	25981	
	25879	
	25728	
SUGGESTION	BUY	---
	SELL	26115
	S/L	26265
	T/P:	25915 25765

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
20 Aug	26166	26283	26057	226	26214	26214	↑ 27	0.10	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26283 (20/Aug)	25840 (19/Aug)	27683 (01/Aug)	24814 (15/Aug)	30336 (15/Apr)	24814 (15/Aug)



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