

Daily Outlook

GLOBAL STOCK INDEX

DJIA

Wall Street's main indexes rose on Wednesday as upbeat earnings from retailers pointed to strength in U.S. consumer demand, and held gains after minutes from last month's Federal Reserve meeting showed policymakers had debated a more aggressive interest rate cut.

U.S. stocks moved solidly higher following better-than-expected results from retailers Target Corp and Lowe's Cos Inc. Target shares surged 20.4% after the big-box retailer raised its annual earnings forecast. Lowe's shares climbed 10.4% after the home-improvement chain beat profit estimates.

Robust U.S. consumer spending has helped stave off fears of an impending recession. Concerns about an economic slowdown rose as the yield curve between 2-year and 10-year Treasuries briefly inverted last week. Though the yield curve again briefly inverted on Wednesday, it had little impact on stocks this time around.

Minutes from the Fed's policy-setting meeting on July 30-31, when the Fed cut rates by 25 basis points, showed that policymakers debated cutting rates more aggressively. Some participants preferred a 50-basis-point cut, but the committee was united in wanting to avoid the appearance of being on a path to further rate cuts.

The Dow Jones Industrial Average rose 240.29 points, or 0.93%, to 26,202.73, the S&P 500 gained 23.92 points, or 0.82%, to 2,924.43 and the Nasdaq Composite added 71.65 points, or 0.90%, to 8,020.21.

Fed Chair Jerome Powell is scheduled to speak on Friday at the Jackson Hole, Wyoming, central bankers' conference. Several market strategists said Powell's comments at the conclave would offer greater insight on the course of monetary policy than the minutes from the July Fed meeting given developments since then, including U.S. President Donald Trump's announcement of tariffs on an additional \$300 billion worth of Chinese goods.

On Wednesday, the nonpartisan Congressional Budget Office said changes in U.S. and foreign trade policies since January 2018 would reduce inflation-adjusted U.S. gross domestic product by 0.3% from what it would be otherwise by 2020.

Among individual stocks, shares of Toll Brothers Inc slipped 4.5% after the luxury homebuilder posted a decline in orders, hinting at weaker demand for new homes.

Nikkei

Japanese shares dropped on Wednesday as fresh worries about a global recession weighed on risk assets, with U.S. President Donald Trump showing no signs of backing down in his trade war with China. The Nikkei share average took its cue from Wall Street's selloff overnight and fell 0.4% to 20,596.92 by the midday break. Trading remained subdued as key events due later in the week kept many investors on the sidelines.

In New York, all three major stock indexes retreated on Tuesday to end a three-day rally, with financial shares leading the losses.

Trump said on Tuesday he had to confront China over trade even if it caused short-term harm to the U.S. economy because Beijing had been cheating Washington for decades.

Concerns about Italy's political chaos and Britain's tumultuous exit from the European Union also have made investors wary.

The broader Topix shed 0.8% to 1,495.19, with all but one of Tokyo's 33 subindexes finishing the morning session in negative territory.

A notable mover was benchmark Nikkei's heavyweight SoftBank Group, which slid 3.0% to become the most traded stock on the main board.

Although there was no fresh negative news from the company, traders said markets are digesting the Wall Street Journal's weekend report of the firm's plan to lend employees up to \$20 billion to invest in its Vision Fund 2.

Rate-sensitive TSE REIT index eased 0.1%, snapping its eight-day winning streak, but still not far from its 12-year peak.

Looking ahead, investors await comments from Federal Reserve Chairman Jerome Powell at the Jackson Hole symposium on Friday and the Group of Seven (G7) summit, to be held in southwestern France on Aug 24-26.

Kospi

South Korean shares rose on Wednesday as prospects of more economic stimulus tempered global recession fears amid signs of a drop in foreign selling. The Korean won strengthened, while the benchmark bond yield fell.

As of 0311 GMT, the Seoul stock market's main KOSPI was up 4.54 points or 0.23% at 1,964.79 points. Investors welcomed signs that more monetary stimulus was on its way, hoping it would help stave off signs of an economic

downturn. Foreign net selling has led South Korean stocks to drop sharply since late-July. "However, it has now begun to ease,"

Hang Seng & Shanghai

says Han Ji-young, analyst, Cape Investment & Securities Foreigners were net sellers of 26 billion won worth of shares on the main board. U.S. President Donald Trump said on Tuesday his administration was considering potential tax cuts on wages as well as profit from asset sales, and sought to play down market anxieties that the world's top economy could be heading for a recession.

➤ Hong Kong stocks closed a tick higher on Wednesday, while markets bet on central banks to ease policy and stave off fears of global economic slowdown amid consistent headwinds from the Sino-U.S. trade dispute.

At the close of trade, the Hang Seng index was up 0.2% at 26,270.04 points. The Hang Seng China Enterprises index ended 0.4% firmer. The sub-index for energy shares closed 0.1% down, while the IT sector settled down 0.5%, the financial sector ended 0.2% higher and the property sector closed up 0.6%. Asian shares flatlined as worries about global recession and endless trade wars wrestled with hopes for more monetary and fiscal stimulus to keep growth going. Traders are betting on the U.S. Federal Reserve to deliver another 25 basis point cut next month, while the central bank will release minutes of its July policy meeting later in the day. The People's Bank of China lowered its new lending reference rate slightly on Tuesday and kicked off interest rate reforms designed to reduce corporate borrowing costs. Bank of East Asia Ltd (BEA) warned on Wednesday that weeks of protests in Hong Kong could hit the economies of the island city and mainland China as demonstrators prepared a sit-in at a subway and site of a mid-summer mob attack. Alibaba Group Holding Ltd has delayed its up to \$15 billion listing in Hong Kong amid growing political unrest in the Asian financial hub, two people with knowledge of the matter told Reuters. The top gainer on the Hang Seng was China Resources Land Ltd, which gained 4.5%, while the biggest loser was Hong Kong and China Gas Co Ltd, which dropped 5.3%.

➤ Chinese stocks were largely unchanged on Wednesday as the market awaits clues from policymakers at home and abroad this week on further support to shore up growth amid a protracted trade war between the world's two largest economies.

At the close, the Shanghai Composite index was flat at 2,880.33 points. The blue-chip CSI300 index edged down 0.2%. CSI300's financial sector sub-index was lower by 0.2%, the consumer staples sector lost 0.6%, while the real estate index rose 0.1%. The smaller Shenzhen index and the start-up board ChiNext Composite index were weaker by 0.1% each. U.S. President Donald Trump toughened his trade rhetoric on Tuesday, saying he had to confront China even if it caused short-term harm to the U.S. economy because Beijing had been cheating Washington for decades. Markets across Asia are placing hopes on central banks to step in and boost lacklustre economic growth, as central bankers gather in Jackson Hole later this week. Traders are betting for the Fed to deliver another 25 basis point cut next month, and the U.S. central bank releases minutes of its last policy-setting meeting later on Wednesday. The People's Bank of China lowered its new lending reference rate slightly on Tuesday and kicked off interest rate reforms designed to reduce corporate borrowing costs.

Closing Prices – 21 August 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	26202.73	↑ 240.29/0.93%	.N225	20618.57	↓ 58.65/0.28%
/.SPX	2924.43	↑ 23.92/0.82%	.KS200	1964.65	↑ 4.40/0.22%
/.IXIC	8020.208	↑ 71.65/0.90%	.HSI	26270.04	↑ 38.50/0.15%
JPY=	106.61	↓ 0.02/0.02%	/.SSEC	2880.3308	↑ 0.33/0.01%
KRW=	1202.35	↓ 5.68/0.47%	/CLc1 (Oil)	55.83	↓ 0.26/0.46%

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	0.1%	--	-0.08%	-0.1%
	15:30	GB	Central Government NCR	Jul	-8.1b	--	13.5b	
	15:30	GB	PSNB ex Banking Groups	Jul	-1.3b	-2.7b	6.3b	
	15:30	GB	Public Finances (PSNCR)	Jul	-13.5b	--	15.2b	
	15:30	GB	Public Sector Net Borrowing	Jul	-2.0b	-3.4b	6.5b	5.7b
	19:30	CA	Consumer Price Index	Jul	137.0	136.6	136.3	
	19:30	CA	CPI Core- Common YoY%	Jul	1.9%	1.8%	1.8%	
	19:30	CA	CPI Core- Median YoY%	Jul	2.1%	2.1%	2.2%	
	19:30	CA	CPI Core- Trim YoY%	Jul	2.1%	2.0%	2.1%	
	19:30	CA	CPI NSA MoM	Jul	0.5%	0.2%	-0.2%	
	19:30	CA	CPI YoY	Jul	2.0%	1.7%	2.0%	
	21:00	US	Existing Home Sales	Jul	5.42m	5.40m	5.27m	
	21:00	US	Existing Home Sales MoM	Jul	2.5%	2.5%	-1.7%	-1.3%
	21:30	US	DOE Cushing OK Crude Inventory	Aug-16	-2485k	--	-2540k	
21:30	US	DOE U.S. Crude Oil Inventories	Aug-16	-2732k	-1329k	1580k		
21:30	US	DOE U.S. Distillate Inventory	Aug-16	2610k	-35k	-1938k		
21:30	US	DOE U.S. Gasoline Inventories	Aug-16	312k	-150k	-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	26762	
	26511	
	26369	
SUPPORT	25976	
	25725	
	25583	
RECOMMENDATION	BUY	26200
	SELL	---
	S/L	26050
	T/P:	26400 26550

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
21 Aug	25887	26260	25867	393	26227	26227	↑ 299	1.15	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26260 (21/Aug)	25867 (21/Aug)	27143 (01/Aug)	25030 (06/Aug)	27392 (15/Jul)	22563 (04/Jan)

Nikkei (SSlamU9 – Sep)

Exp. Date: 12 Sep 2019



RESISTANCE	21066	
	20893	
	20801	
SUPPORT	20536	
	20363	
	20271	
SUGGESTION	BUY	20680
	SELL	---
	S/L	20530
	T/P:	20880 21030

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
21 Aug	20465	20720	20455	265	20710	20710	↑ 255	1.25	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
20720 (21/Aug)	20455 (21/Aug)	21565 (01/Aug)	19965 (06/Aug)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



RESISTANCE	261.60	
	260.50	
	259.50	
SUPPORT	257.40	
	256.30	
	255.30	
SUGGESTION	BUY	258.20
	SELL	---
	S/L	257.20
	T/P:	260.20 261.20

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
21 Aug	257.30	259.40	257.30	2.10	258.50	258.50	↑ 0.55	0.21	---

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
259.40 (21/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	26622	
	26460	
	26338	
SUPPORT	26054	
	25892	
	25770	
SUGGESTION	BUY	26265
	SELL	---
	S/L	26115
	T/P:	26465 26615

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
21 Aug	26068	26269	26015	254	26231	26231	↑ 17	0.06	--

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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