

Daily Outlook

GLOBAL STOCK INDEX

<u>DJIA</u>	<p>U.S. stocks climbed on Wednesday, recovering from early declines on gains in energy and financial shares, but investors remained leery about the potential for another flare-up in the U.S.-China trade war.</p> <p>The financial sector .SPSY was up 0.91%, recouping all of the prior day's losses that came on a deepening of the U.S. Treasury yield curve inversion, which often precedes a recession.</p> <p>Gains in the benchmark S&P 500 index were also supported by a 1.40% jump in energy .SPNY stocks after industry data showed a fall in stockpiles of U.S. crude, boosting oil prices, which settled up more than 1.5%.</p> <p>The two have been the worst performing of the 11 major S&P sectors in August.</p> <p>Investors took some relief in the lack of new developments on the trade front, although the U.S. Trade Representative's office on Wednesday reaffirmed President Donald Trump's plans to impose an additional 5% tariff on a list of \$300 billion of Chinese imports starting on Sept. 1 and Dec. 15.</p> <p>Next week, investors will look toward the monthly jobs report and manufacturing data which could guide expectations on the likelihood of another rate cut from the Federal Reserve at its mid-September meeting.</p> <p>The Dow Jones Industrial Average rose 258.2 points, or 1%, to 26,036.1, the S&P 500 gained 18.78 points, or 0.65%, to 2,887.94 and the Nasdaq Composite added 29.94 points, or 0.38%, to 7,856.88.</p> <p>In another factor that could support stock prices, the 30-year U.S. Treasury yield fell below that of the S&P 500 dividend yield, making equities a more attractive income alternative.</p>
<u>Nikkei</u>	<p>Japanese shares posted slim gains on Wednesday, led by buying in defensives such as telecommunications and consumer-linked firms, though concerns about Sino-U.S. relations capped gains.</p> <p>The Nikkei share average rose 0.15% to 20,487.22, drawing some support from higher Wall Street futures but still not far from seven-month lows of 20,110.76 touched earlier this month.</p> <p>The broader Topix gained 0.11% to 1,491.31.</p> <p>Financial markets have become concerned about protracted trade talks between the United States and China and growing increasingly sceptical both sides will arrive at an amicable trade deal in the near term.</p> <p>Telecommunication firm NTT jumped 2.6% while mobile carriers KDDI and NTT Docomo gained 2.5% and 1.9%, respectively. Cosmetics maker Shiseido rose 2.1%.</p> <p>Topix Value rose 0.21% while growth shares dipped 0.1%.</p> <p>On the main board, decliners outnumbered gainers by about three to two, despite gains in the main indexes as small cap shares fared poorly, with Topix Small falling 0.43%.</p> <p>Machinery makers, one of the sectors that are most vulnerable to the Sino-U.S. trade war, were the worst performing sector, falling 0.8%.</p>
<u>Kospi</u>	<p>South Korean shares closed firmer on Wednesday as investors flocked to pharmaceutical stocks following a sharp sell-off in the recent days. The won weakened, while the benchmark bond yield rose.</p> <p>The benchmark KOSPI ended up 16.49 points or 0.86% at 1,941.09.</p> <p>Despite external factors remained uncertain, rebound of pharmaceutical shares led gains of the broader market, said Lee Young-gon, an analyst at Hana Financial Investment. Investors bought bio shares on views that there would be no further negative issues, Lee added.</p> <p>The medical sub-index was the biggest percentage gainer among KOSPI sub-indexes, jumping 4.6%. The junior KOSDAQ rose 2.5%, also helped by bullish drugmakers.</p> <p>The medical sub-index has stumbled nearly 30% so far this year, hit by unfavourable news including suspension of SillaJen's clinical tests.</p> <p>Foreigners were net sellers of 51.9 billion won (\$42.80 million) worth of shares on the main board on Wednesday.</p> <p>The won was quoted at 1,213.9 per dollar on the onshore settlement platform, 0.22% lower than its previous close at 1,211.2.</p> <p>In offshore trading, the won was quoted at 1,213.8 per U.S. dollar, down 0.2% from the previous day, while in non-deliverable forward trading its one-month contract was quoted at 1,212.7 per dollar.</p>
	<p>➤ Hong Kong shares extended losses to a third session on Wednesday as uncertainty over the Sino-U.S. trade dispute and the city's deepening political crisis continued to sap risk appetite.</p> <p>The Hang Seng index and the China Enterprises Index ended down 0.2% at 25,615.48 and 9,980.73 points, respectively. Earlier in the week, U.S. President Donald Trump predicted a trade deal with China after positive gestures by Beijing, but China's foreign ministry said it was unaware of any calls made to</p>

Hang Seng & Shanghai

the United States. In addition to uncertainty around the trade war, investors also fear the political crisis in Hong Kong will plunge the Asian financial hub into an economic recession.

Unrest escalated in Hong Kong in mid-June over a now-suspended extradition bill that would have allowed people to be sent to mainland China for trial in Communist Party-controlled courts. It has since evolved into calls for greater democracy under the “one country, two systems” formula under which Hong Kong has been administered since 1997, guaranteeing freedoms that include an independent judiciary.

The sub-index of the Hang Seng tracking energy shares closed 0.5% firmer, while the IT sector ended down 1.64%, the financial sector ended 0.06% higher and the property sector closed up 0.59%. The top gainer in the Hang Seng was Galaxy Entertainment Group Ltd, which closed 2.05% firmer, while the biggest loser was CSPC Pharmaceutical Group Ltd, which ended down 4.91%.

➤ **China stocks** ended lower on Wednesday as lingering uncertainty over the Sino-U.S. trade dispute continued to unnerve investors, and while the positive impact from MSCI’s latest phase of China stock inclusion fades.

The blue-chip CSI300 index ended down 0.4% at 3,802.58, while the Shanghai Composite Index lost 0.3% to 2,893.76 points. Earlier in the week, U.S. President Donald Trump predicted a trade deal with China after positive gestures by Beijing, but China’s foreign ministry said it was unaware of any calls made to the United States.

The issue regarding Trump’s credibility has taken centrestage, said Jingyi Pan, strategist, IG Group. “While the baseline view that both the U.S. and China will eventually resolve the trade conflict to avoid sustaining a lose-lose situation remains, President Donald Trump’s mercurial temperaments have now been perceived to be a factor likely to invite China to hold their horses on a deal,” he wrote, adding that for markets, the added sense of uncertainty could also translate to further volatility.

The market has also lost support from MSCI inclusion on Wednesday. Chinese shares rose in the previous session, after MSCI raised the inclusion factor for A-shares to 15% from 10% after close on Aug. 27, driving passive net inflow of about \$4.5 billion into A-shares. The CSI300 financial sector sub-index was lower by 0.93%, the consumer staples sector ended down 0.08%, the real estate index closed 0.44% lower and the healthcare sub-index down 0.84%. The smaller Shenzhen index ended down 0.12% and the start-up board ChiNext Composite index was weaker by 0.18%.

Closing Prices – 28 August 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	26036.30	↑ 258.20/1.00%	.N225	20479.42	↑ 23.34/0.11%
/.SPX	2887.94	↑ 18.78/0.65%	.KS200	1941.09	↑ 16.49/0.86%
/.IXIC	7856.882	↑ 29.94/0.38%	.HSI	25615.48	↓ 48.59/0.19%
JPY=	106.12	↑ 0.37/0.35%	/.SSEC	2893.7563	↓ 8.44/0.29%
KRW=	1214.01	↑ 2.87/0.24%	/CLc1 (Oil)	55.89	↑ 0.23/0.41%

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/26-Aug-19	05:45	NZ	Exports NZD	Jul	5.03b	5.05b	5.01b	
	05:45	NZ	Imports NZD	Jul	5.71b	5.20b	4.65b	
	05:45	NZ	Trade Balance 12 Mth YTD NZD	Jul	-5463m	-5012m	-4937m	
	05:45	NZ	Trade Balance NZD	Jul	-685m	-254m	365m	
	12:00	JP	Coincident Index	Jun F	100.4	--	100.4	
	12:00	JP	Leading Index CI	Jun F	93.3	--	93.3	
	All	GB	Bank Holiday					
	Day 3	All	G 7 Meetings					
	15:00	DE	IFO Business Climate	Aug	94.3	95.0	95.7	95.8
	15:00	DE	IFO Current Assessment	Aug	97.3	98.8	99.4	99.6
	15:00	DE	IFO Expectations	Aug	91.3	91.8	92.2	92.1
	15:30	HK	Exports YoY	Jul	-5.7%	--	-9.0%	
	15:30	HK	Imports YoY	Jul	-8.7%	--	-7.5%	
	15:30	HK	Trade Balance HKD	Jul	H\$-32.2b	H\$-49b	H\$-55.2b	
	19:30	US	Cap Goods Orders Nondef Ex Air	Jul P	0.4%	0.0%	1.5%	0.9%
	19:30	US	Cap Goods Ship Nondef Ex Air	Jul P	-0.7%	0.1%	0.3%	0.0%
	19:30	US	Chicago Fed Nat Activity Index	Jul	-0.36	0.00	-0.02	0.03
	19:30	US	Durable Goods Orders	Jul P	2.1%	1.2%	1.9%	1.8%
	19:30	US	Durables Ex Transportation	Jul P	-0.4%	0.0%	1.0%	
			BOE Governor Carney Speaks on Financial Services in Frankfurt					
	20:45	GB	BOE Governor Carney Speaks on Financial Services in Frankfurt					
	21:30	US	Dallas Fed Manf. Activity	Aug	2.7	-4.0	-6.3	
Tue/27-Aug-19	04:00	KR	Consumer Confidence	Aug	92.5	96.3	95.9	
	06:50	JP	PPI Services YoY	Jul	0.5%	0.6%	0.7%	
	08:30	CN	Industrial Profits YoY	Jul	-1.7%	-3%	-3.1%	-2.4%
	09:00	AU	RBA's Debelle Gives Speech in Canberra					
	13:00	DE	Capital Investment QoQ	2Q	-0.1%	0.1%	1.1%	1.6%
	13:00	DE	GDP NSA YoY	2Q F	0.0%	0.0%	0.0%	
	13:00	DE	GDP SA QoQ	2Q F	-0.1%	-0.1%	-0.1%	
	13:00	DE	GDP WDA YoY	2Q F	0.4%	0.4%	0.4%	
	13:00	DE	Government Spending QoQ	2Q	0.5%	0.4%	-0.3%	0.8%
	13:00	DE	Private Consumption QoQ	2Q	0.1%	0.2%	1.2%	0.8%
27-Aug - 03-Sep	N/A	DE	Retail Sales MoM	Jul		--	3.5%	
27-Aug - 03-Sep	N/A	DE	Retail Sales NSA YoY	Jul		--	-1.6%	
	15:30	GB	UK Finance Loans for Housing	Jul	43342	42854	42775	
	20:00	US	FHFA House Price Index MoM	Jun	0.2%	0.2%	0.1%	0.2%
	20:00	US	House Price Purchase Index QoQ	2Q	1.0%	0.3%	1.1%	1.3%
	20:00	US	S&P CoreLogic CS 20-City MoM SA	Jun	0.01%	0.1%	0.14%	0.13%
	20:00	US	S&P CoreLogic CS 20-City NSA Index	Jun	217.65	218.02	216.94	216.92
	20:00	US	S&P CoreLogic CS 20-City YoY NSA	Jun	2.13%	2.3%	2.39%	2.37%
	20:00	US	S&P CoreLogic CS US HPI NSA Index	Jun	210.71	--	209.66	209.49
	20:00	US	S&P CoreLogic CS US HPI YoY NSA	Jun	3.13%	3.30%	3.43%	3.35%
	21:00	US	Conf. Board Consumer Confidence	Aug	135.1	129	135.8	
	21:00	US	Conf. Board Expectations	Aug	107.0	--	112.2	112.4
	21:00	US	Conf. Board Present Situation	Aug	177.2	--	170.9	
	21:00	US	Richmond Fed Manufact. Index	Aug	1	-4	-12	
Wed/28-Aug-19	08:30	AU	Construction Work Done	2Q	-3.8%	-1.0%	-1.9%	
	13:00	DE	GfK Consumer Confidence	Sep	9.7	9.6	9.7	
	15:00	CH	Credit Suisse Survey Expectations	Aug	-37.5	--	-24	
28-Aug - 03-Sep	N/A	GB	Nationwide House PX MoM	Aug		--	0.3%	
28-Aug - 03-Sep	N/A	GB	Nationwide House Px NSA YoY	Aug		--	0.3%	
	21:30	US	DOE Cushing OK Crude Inventory	Aug-23	-1980k	--	-2485k	
	21:30	US	DOE U.S. Crude Oil Inventories	Aug-23	-10027k	-2941k	-2732k	
	21:30	US	DOE U.S. Distillate Inventory	Aug-23	-2063k	1157k	2610k	
	21:30	US	DOE U.S. Gasoline Inventories	Aug-23	-2090k	-138k	312k	
			Fed's Barkin Speaks to West Virginia Chamber of Commerce					
Thu/29-Aug-19	04:00	KR	Business Survey Manufacturing	Sep	68	71	71	73
	04:00	KR	Business Survey Non-Manufacturing	Sep		--	71	
	04:30	US	Fed's Daly Speaks at RBNZ/IMF Conference in New Zealand					
	08:00	NZ	ANZ Activity Outlook	Aug		--	5	
	08:00	NZ	ANZ Business Confidence	Aug		--	-44.3	
	08:30	JP	BOJ Hitoshi Suzuki speaks in Kumamoto					
	08:30	AU	Private Capital Expenditure	2Q		--	-1.7%	
	14:55	DE	Unemployment Change (000's)	Aug		--	1.0k	

	14:55	DE	Unemployment Claims Rate SA	Aug	--	5.0%	
	16:00	EZ	Business Climate Indicator	Aug	--	-0.12	
	16:00	EZ	Consumer Confidence	Aug F	--	--	
	16:00	EZ	Economic Confidence	Aug	--	102.7	
	16:00	EZ	Industrial Confidence	Aug	--	-7.4	
	16:00	EZ	Services Confidence	Aug	--	10.6	
	19:00	DE	CPI EU Harmonized MoM	Aug P	--	0.4%	
	19:00	DE	CPI EU Harmonized YoY	Aug P	--	1.1%	
	19:00	DE	CPI MoM	Aug P	--	0.5%	
	19:00	DE	CPI YoY	Aug P	--	1.7%	
	19:30	US	Advance Goods Trade Balance	Jul	-\$74.0b	-\$74.2b	
	19:30	US	Continuing Claims	Aug-17	--	--	
	19:30	US	Core PCE QoQ	2Q S	--	1.80%	
	19:30	CA	Current Account Balance	2Q	--	-\$17.35b	
	19:30	US	GDP Annualized QoQ	2Q S	2.0%	2.1%	
	19:30	US	GDP Price Index	2Q S	2.4%	2.4%	
	19:30	US	Initial Jobless Claims	Aug-24	--	--	
	19:30	US	Personal Consumption	2Q S	--	4.3%	
	19:30	US	Retail Inventories MoM	Jul	--	-0.1%	
	19:30	US	Wholesale Inventories MoM	Jul P	--	0.0%	
	21:00	CA	CFIB Business Barometer	Aug	--	57.8	
	21:00	US	Pending Home Sales MoM	Jul	0.0%	2.8%	
	21:00	US	Pending Home Sales NSA YoY	Jul	--	-0.6%	
Fri/30-Aug-19	05:00	NZ	ANZ Consumer Confidence Index	Aug	--	116.4	
	05:00	NZ	ANZ Consumer Confidence MoM	Aug	--	-5.1%	
	06:00	KR	Cyclical Leading Index Change	Jul	--	-0.2	
	06:00	KR	Industrial Production SA MoM	Jul	--	0.2%	
	06:00	KR	Industrial Production YoY	Jul	--	-2.9%	
	06:01	GB	GfK Consumer Confidence	Aug	-10	-11	
	06:01	GB	Lloyds Business Barometer	Aug	--	13	
	06:30	JP	Jobless Rate	Jul	2.3%	2.3%	
	06:30	JP	Job-To-Applicant Ratio	Jul	1.6	1.61	
	06:50	JP	Industrial Production MoM	Jul P	0.3%	-3.3%	
	06:50	JP	Industrial Production YoY	Jul P	-0.4%	-3.8%	
	06:50	JP	Retail Sales MoM	Jul	--	0.0%	
	06:50	JP	Retail Sales YoY	Jul	-1.6%	0.5%	
	08:00	KR	BoK 7-Day Repo Rate	Aug-30	--	1.5%	
	08:30	AU	Building Approvals MoM	Jul	--	-1.2%	
	08:30	AU	Building Approvals YoY	Jul	--	-25.6%	
	08:30	AU	Private Sector Credit MoM	Jul	--	0.1%	
	08:30	AU	Private Sector Credit YoY	Jul	--	3.3%	
	14:00	CH	KOF Leading Indicator	Aug	96.5	97.1	
	15:30	GB	Consumer Credit YoY	Jul	--	5.5%	
	15:30	GB	Net Consumer Credit	Jul	1.0b	1.0b	
	15:30	GB	Net Lending Sec. on Dwellings	Jul	--	3.7b	
	15:30	HK	Retail Sales Value YoY	Jul	--	-6.7%	
	15:30	HK	Retail Sales Volume YoY	Jul	--	-7.6%	
	16:00	EZ	CPI Core YoY	Aug A	1.0%	0.9%	
	16:00	EZ	CPI Estimate YoY	Aug	1.1%	1.1%	
	16:00	EZ	Unemployment Rate	Jul	7.5%	7.5%	
	19:30	CA	GDP MoM	Jun	0.1%	0.2%	
	19:30	CA	GDP YoY	Jun	--	1.4%	
	19:30	CA	Industrial Product Price MoM	Jul	--	-1.4%	
	19:30	US	PCE Core Deflator MoM	Jul	0.2%	0.2%	
	19:30	US	PCE Core Deflator YoY	Jul	1.6%	1.6%	
	19:30	US	PCE Deflator MoM	Jul	0.2%	0.1%	
	19:30	US	PCE Deflator YoY	Jul	--	1.4%	
	19:30	US	Personal Income	Jul	0.3%	0.4%	
	19:30	US	Personal Spending	Jul	0.5%	0.3%	
	19:30	CA	Quarterly GDP Annualized	2Q	2.9%	0.4%	
	19:30	US	Real Personal Spending	Jul	--	0.2%	
	20:45	US	MNI Chicago PMI	Aug	48	44.4	
	21:00	US	U. of Mich. 1 Yr Inflation	Aug F	--	2.7%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	Aug F	--	2.6%	
	21:00	US	U. of Mich. Current Conditions	Aug F	--	107.4	
	21:00	US	U. of Mich. Expectations	Aug F	--	82.3	
	21:00	US	U. of Mich. Sentiment	Aug F	92.4	92.1	
Sat/31-Aug-19	00:00	US	Baker Hughes U.S. Rig Count	Aug-30	--	--	
	08:00	CN	Composite PMI	Aug	--	53.1	
	08:00	CN	Manufacturing PMI	Aug	49.6	49.7	
	08:00	CN	Non-manufacturing PMI	Aug	--	53.7	

Dow Jones (1YMU9 – Sep)

Exp. Date: 20 Sep 2019



RESISTANCE	26598	
	26318	
	26177	
SUPPORT	25756	
	25476	
	25335	
RECOMMENDATION	BUY	26065
	SELL	---
	S/L	25915
	T/P:	26265 26415

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
28 Aug	25755	26039	25618	421	26036	26036	↑ 297	1.15	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26059 (27/Aug)	25263 (26/Aug)	27143 (01/Aug)	25030 (06/Aug)	27392 (15/Jul)	22563 (04/Jan)

Nikkei (SSlamU9 – Sep)

Exp. Date: 12 Sep 2019



RESISTANCE	20800	
	20660	
	20590	
SUPPORT	20380	
	20240	
	20170	
SUGGESTION	BUY	20465
	SELL	---
	S/L	20335
	T/P:	20640 20765

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
28 Aug	20440	20520	20310	210	20495	20495	↑ 95	0.47	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
20595 (26/Aug)	20010 (26/Aug)	21565 (01/Aug)	19965 (06/Aug)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSU9 – Sep)

Exp. Date: 11 Sep 2019



RESISTANCE	258.73	
	257.31	
	256.48	
SUPPORT	254.23	
	252.81	
	251.98	
SUGGESTION	BUY	255.35
	SELL	---
	S/L	253.85
	T/P:	257.35 258.85

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
28 Aug	254.40	255.90	253.65	2.25	255.65	255.65	↑ 2.15	0.85	---

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
255.90 (28/Aug)	251.00 (26/Aug)	267.80 (01/Aug)	250.95 (06/Aug)	292.10 (17/Apr)	250.95 (06/Aug)

Hang Seng (HSIU9 – Sep)

Exp. Date: 27 Sep 2019



RESISTANCE	26286	
	26067	
	25865	
SUPPORT	25444	
	25225	
	25023	
SUGGESTION	BUY	---
	SELL	25635
	S/L	25785
	T/P:	25435 25285

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
28 Aug (HSIQ9)	25758	25848	25558	290	25626	25626	↓ 26	0.10	--
28 Aug (HSIU9)	25672	25762	25475	287	25543	25543	↓ 24	0.09	--

WEEKLY		AUGUST		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
25848 (28/Aug)	25158 (26/Aug)	27683 (01/Aug)	24814 (15/Aug)	30336 (15/Apr)	24814 (15/Aug)



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