

Daily Outlook

GLOBAL STOCK INDEX

<u>DJIA</u>	<p>U.S. stocks ended higher on Monday, rebounding from Friday's losses as investors brushed aside worries about increased tensions in the Middle East and shares of Alphabet and other internet names gained.</p> <p>The S&P 500 energy index rose along with oil prices after the U.S. air strike that killed Iran's top military commander on Friday, raising the threat of a new conflagration in the Middle East.</p> <p>Stocks investors remained jittery at the start of trade on Monday but the market gained strength heading into the close. Friday's losses came a day after major indexes notched record highs on the new year's first trading day.</p> <p>Top internet companies led the S&P 500 higher. Alphabet Inc rose 2.7% after Pivotal Research upgraded the stock to "buy."</p> <p>But chipmakers were among the day's biggest decliners, after ranking as star performers in 2019. The Philadelphia semiconductor index, which surged about 60% last year, was down 1.0%.</p> <p>The Dow Jones Industrial Average rose 68.5 points, or 0.24%, to 28,703.38, the S&P 500 gained 11.43 points, or 0.35%, to 3,246.28, and the Nasdaq Composite added 50.70 points, or 0.56%, to 9,071.47.</p> <p>Boeing Co ended up 0.3%, reversing slight losses earlier. The Wall Street Journal reported that the planemaker was considering plans to raise more debt to bolster its finances after the grounding of its 737 MAX jet.</p> <p>The S&P 500 communication services index was the top gainer among the major sectors, rising 1.2%. Advancing issues outnumbered declining ones on the NYSE by a 1.16-to-1 ratio; on Nasdaq, a 1.17-to-1 ratio favored advancers.</p> <p>The S&P 500 posted 23 new 52-week highs and one new low; the Nasdaq Composite recorded 73 new highs and 26 new lows.</p>
<u>Nikkei</u>	<p>Japan's Nikkei share average fell to a one-month low on Monday as selloff gripped the market on the first trading day of 2020 on fears of an escalation in U.S-Iran tensions.</p> <p>U.S. President Donald Trump on Sunday threatened a "major retaliation" against Iran if Tehran were to hit back for the killing of one of its top military commanders.</p> <p>The Nikkei share average fell 1.91% to 23,204.86, breaking below two-major support levels - 25-day moving average around 23,600 and 50-day average around 23,350 - to its lowest level since Dec. 4.</p> <p>The broader Topix lost 1.39% to 1,697.49, its lowest close since late November. The Tokyo stock market was closed from Tuesday to Friday last week for New Year holidays.</p> <p>Both the Nikkei and Topix marked their biggest fall in three months, with 1,835 out of 2,161 listed stocks on the main board in the red, the highest ratio in three months.</p> <p>Concerns about a further escalation in the Middle East tension hit shippers and airlines, which fell 3.5% and 2.8%, respectively.</p> <p>Two Nikkei heavyweights, SoftBank and Fast Retailing, also posted fairly large fall of 3.9% and 3%.</p> <p>As the yen gained on safe-haven buying, a wide range of exporter shares took a hit. Honda Motor fell 3.0%, while Toyota Motor Corp dropped 1.9%.</p> <p>Meanwhile, a spike in oil prices helped oil companies, with the Tokyo Stock Exchange's oil and coal producer index rising 2.9%. Inpex rose 4.1% while JXTG gained 3.4%.</p>
<u>Kospi</u>	<p>South Korean stocks closed down nearly 1 per cent on Monday after the US and Iran exchanged threats, fuelling a rush to safe-haven assets. The won and the benchmark bond yield dropped.</p> <p>The Kospi fell 21.39 points, or 0.98 per cent, to 2,155.07 — its lowest close since Dec 12.</p> <p>The Middle East issue was the major factor, said Park Seok-hyun, an analyst at KTB Securities. A rise of oil prices might weigh on private consumption, he added.</p> <p>US President Donald Trump threatened to impose sanctions on Iraq and retaliate against Iran if it strikes back after the killing of its top commander. His threat against Iraq comes after its parliament voted in favour of expelling US troops.</p> <p>Foreigners were net buyers of 99.1 billion won (\$\$114.4 million) worth of shares on the main board.</p> <p>The won was quoted at 1,172.1 per US dollar on the onshore settlement platform, 0.43 per cent lower than its previous close at 1,167.1.</p> <p>In offshore trading, the won was quoted at 1,171.8 per US dollar, down 0.6 per cent from the previous day, while in non-deliverable forward trading, its one-month contract was quoted at 1,170.0 per dollar.</p>
<u>Hang Seng & Shanghai</u>	<p>➤ Hong Kong stocks closed lower on Monday, tracking broad weakness in Asian peers, as mounting tensions in the Middle East spurred geopolitical uncertainty and demand for safe-haven assets.</p> <p>The Hang Seng index ended 0.8% lower at 28,226.19, while the China Enterprises Index closed 0.8% weaker at 11,165.41.</p> <p>U.S. President Donald Trump threatened to impose sanctions on Iraq and retaliate against Iran if Tehran</p>

strikes back after the killing of its top commander. His threat against Iraq comes after its parliament voted in favour of expelling U.S. troops.

For the short-term, equities on the mainland and Hong Kong could be under pressure from the rising Middle East tensions, Zhang Chi, an analyst with Western Securities, said in report.

The correction pressure would be higher in Hong Kong than in the A-share market, given the former's stronger linkage with the U.S. stock market, Zhang added.

Sectors dropped across the board, except energy shares that gained as the Middle East turmoil also stoked worries about global crude supply and lifted oil prices to nearly four-month peaks. The Hang Seng energy sub-index ended 2.1% firmer.

➤ China's blue-chip index gave up early gains to end lower on Monday as rising tensions in the Middle East dampened sentiment, forcing investors to overlook positive cues such as progress in U.S.-China trade talks and Beijing's policy support to prop up the economy.

The blue-chip CSI300 index ended 0.4% lower at 4,129.30, while the Shanghai Composite Index was flat at 3,083.41.

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Favourable news and factors, including the Sino-U.S. trade deal progress and Beijing's policy support to help the real economy, have been largely factored in the strong rally in the A-share market recently, said Luo Kun, an analyst with Fortune Securities.

Any headwinds, including the sudden flare-up in Middle East tensions, could lead to profit-taking as sentiment soured, Luo said.

Losses on the mainland were more subdued, compared with other Asian markets, as investors expect more long-term funds.

China's Banking and Insurance Regulatory Commission in a document published last week said it would promote the conversion of household savings into long-term funds in capital markets, which analysts said would help underpin the onshore equities market in the long run.

Energy shares rallied as oil prices gained, with index heavyweight PetroChina rising as much as 5.5%.

The CSI300 energy index ended up 2.7% — a six-month high.

On the trade front, the South China Morning Post reported on Sunday a Chinese delegation plans to travel to Washington on Jan. 13 for the signing of the U.S.-China Phase 1 trade deal.

Closing Prices – 06 January 2020

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	28703.38	↑ 68.50/0.24%	.N225	23204.86	↓ 451.76/1.91%
/.SPX	3246.28	↑ 11.43/0.35%	.KS200	2155.07	↓ 21.39/0.98%
/.IXIC	9071.47	↑ 50.70/0.56%	.HSI	28226.19	↓ 225.31/0.79%
JPY=	108.35	↑ 0.24/0.22%	/.SSEC	3083.41	↓ 0.38/0.01%
KRW=	1171.99	↑ 5.06/0.43%	/CLc1 (Oil)	62.81	↓ 0.21/0.33%

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/06-Jan-20	01:15	US	Fed's Williams, ECB's Lane, BoE's Broadbent Speak on AEA Panel					
	04:00	KR	Foreign Reserves	Dec	\$408.82b	\$408.5b	\$407.46b	
	04:30	AU	AiG Perf of Mfg Index	Dec	48.3	--	48.1	
	05:00	AU	CBA Australia PMI Composite	Dec F	49.6	--	49.4	
	05:00	AU	CBA Australia PMI Services	Dec F	49.8	--	49.5	
	07:30	JP	Jibun Bank Japan PMI Mfg	Dec F	48.4	--	48.8	
	07:30	HK	Markit Hong Kong PMI	Dec	42.1	37.5	38.5	
	08:45	CN	Caixin China PMI Composite	Dec	52.6	--	53.2	
	08:45	CN	Caixin China PMI Services	Dec	52.5	53.2	53.5	
06-Jan - 10-Jan	N/A	JP	Official Reserve Assets	Dec		--	\$1317.3b	
	14:00	DE	Retail Sales MoM	Nov	2.1%	1.0%	-1.9%	
	14:00	DE	Retail Sales NSA YoY	Nov	2.8%	1.0%	0.8%	
	15:55	DE	Markit Germany Services PMI	Dec F	52.9	52	52	
	15:55	DE	Markit/BME Germany Composite PMI	Dec F	50.2	49.5	49.4	
	16:00	EZ	Markit Eurozone Composite PMI	Dec F	50.9	50.6	50.6	
	16:00	EZ	Markit Eurozone Services PMI	Dec F	52.8	52.4	52.4	
	16:30	GB	Markit/CIPS UK Composite PMI	Dec F	49.3	48.5	48.5	
	16:30	GB	Markit/CIPS UK Services PMI	Dec F	50	49.1	49	
	16:30	GB	Official Reserves Changes	Dec		--	\$49m	
	16:30	EZ	Sentix Investor Confidence	Jan	7.6	2.6	0.7	
	17:00	EZ	PPI MoM	Nov	0.2%	0.1%	0.1%	
	17:00	EZ	PPI YoY	Nov	-1.4%	-1.5%	-1.9%	
	20:30	CA	Industrial Product Price MoM	Nov	0.1%	--	0.1%	
	21:45	US	Markit US Composite PMI	Dec F	52.7	--	52.2	
	21:45	US	Markit US Services PMI	Dec F	52.8	52.2	52.2	51.6
Tue/07-Jan-20	06:00	KR	BoP Current Account Balance	Nov		--	\$7827.2m	
	06:00	KR	BoP Goods Balance	Nov		--	\$8028.2m	
	06:50	JP	Monetary Base End of period	Dec		--	¥517.3t	
	06:50	JP	Monetary Base YoY	Dec		--	3.30%	
	07:30	JP	Jibun Bank Japan PMI Composite	Dec F		--	49.8	
	07:30	JP	Jibun Bank Japan PMI Services	Dec F		--	50.6	
	N/A	CN	Foreign Reserves	Dec		--	\$3095.59b	
	N/A	HK	Foreign Reserves	Dec		--	\$434.3b	
	14:30	CH	CPI Core YoY	Dec		0.3%	0.4%	
	14:30	CH	CPI EU Harmonized MoM	Dec		--	-0.4%	
	14:30	CH	CPI EU Harmonized YoY	Dec		--	-0.3%	
	14:30	CH	CPI MoM	Dec		-0.1%	-0.1%	
	14:30	CH	CPI YoY	Dec		0.0%	-0.1%	
	15:30	DE	Markit Germany Construction PMI	Dec		--	52.5	
	17:00	EZ	CPI Core YoY	Dec P		1.3%	1.3%	
	17:00	EZ	CPI Estimate YoY	Dec		1.3%	1.0%	
	17:00	EZ	CPI MoM	Dec P		0.3%	-0.3%	
	17:00	EZ	Retail Sales MoM	Nov		0.5%	-0.6%	
	17:00	EZ	Retail Sales YoY	Nov		1.5%	1.4%	
	20:30	US	Trade Balance	Nov		-\$44.5b	-\$47.2b	
	22:00	US	Cap Goods Orders Nondef Ex Air	Nov F		--	0.1%	
	22:00	US	Cap Goods Ship Nondef Ex Air	Nov F		--	-0.3%	
	22:00	US	Durable Goods Orders	Nov F		--	-2.0%	
	22:00	US	Durables Ex Transportation	Nov F		--	0.0%	
22:00	US	Factory Orders	Nov		-0.7%	0.3%		
22:00	US	Factory Orders Ex Trans	Nov		--	0.2%		
22:00	US	ISM Non-Manufacturing Index	Dec		54.5	53.9		
22:00	CA	Ivey Purchasing Managers Index SA	Dec		--	60		
Wed/08-Jan-20	04:30	AU	AiG Perf of Construction Index	Dec		--	40	
	06:30	JP	Labor Cash Earnings YoY	Nov		-0.2%	0.5%	
	06:30	JP	Real Cash Earnings YoY	Nov		-0.8%	0.1%	
	07:30	AU	Building Approvals MoM	Nov		2.0%	-8.1%	
	07:30	AU	Building Approvals YoY	Nov		-11.7%	-23.6%	
	12:00	JP	Consumer Confidence Index	Dec		39.5	38.7	
	12:30	AU	Foreign Reserves	Dec		--	A\$77.9b	
	14:00	DE	Factory Orders MoM	Nov		0.2%	-0.4%	
	14:00	DE	Factory Orders WDA YoY	Nov		-4.7%	-5.5%	
	16:30	GB	Output Per Hour YoY	3Q F		--	0.0%	
	16:30	GB	Unit Labor Costs YoY	3Q		--	3.6%	
17:00	EZ	Business Climate Indicator	Dec		-0.18	-0.23		

	17:00	EZ	Consumer Confidence	Dec F		--	-8.1	
	17:00	EZ	Economic Confidence	Dec		101.5	101.3	
	17:00	EZ	Industrial Confidence	Dec		-8.9	-9.2	
	17:00	EZ	Services Confidence	Dec		9.5	9.3	
	20:15	US	ADP Employment Change	Dec		165k	67k	
	22:00	US	Fed's Brainard Speaks on the Community Reinvestment Act					
	22:30	US	DOE Cushing OK Crude Inventory	Jan-03		--	--	
	22:30	US	DOE U.S. Crude Oil Inventories	Jan-03		--	--	
	22:30	US	DOE U.S. Distillate Inventory	Jan-03		--	--	
	22:30	US	DOE U.S. Gasoline Inventories	Jan-03		--	--	
Thu/09-Jan-20	03:00	US	Consumer Credit	Nov		\$13.250b	\$18.908b	
	07:30	AU	Trade Balance	Nov		A\$4200m	A\$4502m	
	08:30	CN	CPI YoY	Dec		4.7%	4.5%	
	08:30	CN	PPI YoY	Dec		-0.4%	-1.4%	
09-Jan - 16-Jan	N/A	AU	Westpac Consumer Conf Index	Jan		--	95.1	
09-Jan - 16-Jan	N/A	AU	Westpac Consumer Conf SA MoM	Jan		--	-1.9%	
	14:00	DE	Current Account Balance	Nov		24.0b	22.7b	
	14:00	DE	Exports SA MoM	Nov		-0.7%	1.2%	
	14:00	DE	Imports SA MoM	Nov		0.3%	0.0%	
	14:00	DE	Industrial Production SA MoM	Nov		0.8%	-1.7%	
	14:00	DE	Industrial Production WDA YoY	Nov		-3.8%	-5.3%	
	14:00	DE	Trade Balance	Nov		22.0b	21.5b	
	14:30	CH	Retail Sales Real YoY	Nov		--	0.7%	
	15:00	CH	Foreign Currency Reserves	Dec		--	782.9b	
	17:00	EZ	Unemployment Rate	Nov		7.5%	7.5%	
	20:00	US	Fed's Clarida Discusses Economy, Monetary Policy in New York					
	20:30	US	Continuing Claims	Dec-28		--	1728k	
	20:30	US	Initial Jobless Claims	Jan-04		--	222k	
	20:30	US	Revisions: Philadelphia Fed Manufacturing Index					
	23:30	US	Fed's Williams Speaks at BoE in London					
Fri/10-Jan-20	01:20	US	Fed's Evans Speaks on Economic Outlook					
	02:00	US	Fed's Bullard Speaks to Wisconsin Bankers					
	04:30	AU	AiG Perf of Services Index	Dec		--	53.7	
	06:30	JP	Household Spending YoY	Nov		-2.0%	-5.1%	
	07:30	AU	Retail Sales MoM	Nov		0.4%	0.0%	
	12:00	JP	Coincident Index	Nov P		95.2	95.3	
	12:00	JP	Leading Index CI	Nov P		90.9	91.6	
	13:45	CH	Unemployment Rate	Dec		2.4%	2.3%	
	13:45	CH	Unemployment Rate SA	Dec		2.3%	2.3%	
	20:30	CA	Full Time Employment Change	Dec		--	-38.4	
	20:30	CA	Hourly Wage Rate Permanent Employees YoY	Dec		--	4.4%	
	20:30	CA	Net Change in Employment	Dec		31.7k	-71.2k	
	20:30	CA	Part Time Employment Change	Dec		--	-32.8	
	20:30	CA	Participation Rate	Dec		--	65.6	
	20:30	CA	Unemployment Rate	Dec		5.8%	5.9%	
	20:30	US	Average Hourly Earnings MoM	Dec		0.3%	0.2%	
	20:30	US	Average Hourly Earnings YoY	Dec		3.1%	3.1%	
	20:30	US	Average Weekly Hours All Employees	Dec		34.4	34.4	
	20:30	US	Change in Manufact. Payrolls	Dec		5k	54k	
	20:30	US	Change in Nonfarm Payrolls	Dec		167k	266k	
	20:30	US	Change in Private Payrolls	Dec		155k	254k	
	20:30	US	Labor Force Participation Rate	Dec		--	63.2%	
	20:30	US	Revisions: Household Survey Data					
	20:30	US	Two-Month Payroll Net Revision	Dec		--	41k	
	20:30	US	Underemployment Rate	Dec		--	6.9%	
	20:30	US	Unemployment Rate	Dec		3.5%	3.5%	
Sat/11-Jan-20	01:00	US	Baker Hughes U.S. Rig Count	Jan-10		--	--	
11-Jan - 18-Jan	N/A	CN	Foreign Direct Investment YoY CNY	Dec		--	1.5%	

Dow Jones (DJ – Mar)

Exp. Date: 20 Mar 2020



RESISTANCE	29123	
	28909	
	28774	
SUPPORT	28425	
	28211	
	28076	
SUGGESTION	BUY	28610
	SELL	---
	S/L	28460
	T/P:	28810 28960

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
06 Jan	28467	28696	28347	349	28638	28638	↑ 42	0.15	--

WEEKLY		JANUARY		2020	
HIGH	LOW	HIGH	LOW	HIGH	LOW
28696 (06/Jan)	28347 (06/Jan)	28886 (03/Jan)	28347 (06/Jan)	28886 (03/Jan)	28347 (06/Jan)

Nikkei (NIK – Mar)

Exp. Date: 12 Mar 2020



RESISTANCE	23743	
	23541	
	23428	
SUPPORT	23113	
	22911	
	22798	
SUGGESTION	BUY	---
	SELL	23345
	S/L	23495
	T/P:	23145 22995

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
06 Jan	23175	23340	23025	315	23315	23315	↑ 30	0.13	--

WEEKLY		JANUARY		2020	
HIGH	LOW	HIGH	LOW	HIGH	LOW
23340 (06/Jan)	23025 (06/Jan)	23770 (02/Jan)	23025 (06/Jan)	23770 (02/Jan)	23025 (06/Jan)

Kospi 200 (KOS – Mar)

Exp. Date: 12 Mar 2020



RESISTANCE	291.60	
	290.80	
	289.95	
SUPPORT	288.30	
	287.50	
	286.65	
SUGGESTION	BUY	288.80
	SELL	---
	S/L	287.30
	T/P:	290.80 292.30

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
06 Jan	288.90	290.00	288.35	1.65	289.10	289.10	↓ 2.35	0.81	--

WEEKLY		JANUARY		2020	
HIGH	LOW	HIGH	LOW	HIGH	LOW
290.00 (06/Jan)	288.35 (06/Jan)	292.85 (02/Jan)	288.35 (06/Jan)	292.85 (02/Jan)	288.35 (06/Jan)

Hang Seng (HAS – Jan)

Exp. Date: 30 Jan 2020



RESISTANCE	28822	
	28627	
	28466	
SUPPORT	28110	
	27915	
	27754	
SUGGESTION	BUY	28275
	SELL	---
	S/L	28125
	T/P:	28475 28625

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
06 Jan	28290	28432	28076	356	28191	28191	↓ 255	0.90	---

WEEKLY		JANUARY		2020	
HIGH	LOW	HIGH	LOW	HIGH	LOW
28432 (06/Jan)	28076 (06/Jan)	28943 (03/Jan)	28076 (06/Jan)	28943 (03/Jan)	28076 (06/Jan)



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