

Daily Outlook

GLOBAL STOCK INDEX

DJIA

U.S. stocks slid on Tuesday as escalating trade tensions between the United States and China triggered global growth fears and drove investors away from riskier assets.

The Dow Jones Industrial Average posted its second-biggest daily percentage drop of the year, while the S&P 500 and Nasdaq registered their third-biggest percentage drops, even as the major indexes pared losses to end off their session lows.

U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin said late on Monday that China had backtracked from commitments made during trade negotiations. Those comments followed President Donald Trump's unexpected statement on Sunday that he would raise tariffs on \$200 billion worth of Chinese goods to 25 percent from 10 percent.

Beijing said on Tuesday that Chinese Vice Premier Liu He will visit the United States on Thursday and Friday for trade talks. Additional tariffs are set to take effect on Friday if a trade agreement is not reached by then.

Monday's comments from Lighthizer and Mnuchin raised concerns among some investors that trade talks between China and the United States could take much longer to resolve than previously thought.

Investors expressed concern that additional tariffs, if imposed, could interrupt supply chains and hamper economic growth.

Trade-sensitive industrial and technology stocks marked the biggest percentage declines among the S&P 500's major sectors. All 11 sectors were in the red, with only utilities and energy falling less than 1%.

Shares of Boeing Co, the largest U.S. exporter to China, slipped 3.9%, and shares of Caterpillar Inc, another industrial stalwart sensitive to China, declined 2.3%. Among technology stocks, Microsoft Inc shares slid 2.1%, while Apple Inc shares dropped 2.7%. Apple and Microsoft were the top two drags on the S&P 500.

The CBOE Volatility Index, a gauge of investor anxiety, spiked to its highest level in more than three months.

The Dow Jones Industrial Average fell 473.39 points, or 1.79%, to 25,965.09, the S&P 500 lost 48.42 points, or 1.65%, to 2,884.05 and the Nasdaq Composite dropped 159.53 points, or 1.96%, to 7,963.76.

In a bright spot, American International Group Inc shares jumped 6.8% after the insurer reported a quarterly profit that blew past expectations.

With earnings season now in its homestretch, first-quarter profits are now expected to rise 1.2%, a sharp improvement from the 2.3% decline expected at the start of the earnings season.

Nikkei

Japan's Nikkei slid on Tuesday as investors returned from a 10-day holiday to worries that U.S.-China trade negotiations may be at risk of breaking down.

Japanese markets were closed April 27 to May 6 for the Golden Week holidays.

Late on Sunday, U.S. President Donald Trump stunned financial markets by announcing he would hike tariffs on Chinese goods on Friday, triggering a global sell-off in stocks and other riskier assets which had been largely pricing in a trade deal.

The Nikkei share average dropped 1.5 percent to 21,923.72, its lowest close since April 12.

After the market close, China's commerce ministry said Vice Premier Liu He will visit the United States on May 9 and May 10 for bilateral trade talks at the invitation of senior U.S. officials.

Companies with high exposure to China such as construction equipment makers and factory automation machinery firms underperformed. Komatsu Ltd tumbled 10 percent, Yaskawa Electric dropped 6.4 percent and Fanuc Corp shed 3.2 percent.

Apple suppliers also tanked as a double-whammy of concerns about earnings and fears about a fall in Chinese demand weighed.

Kospi

South Korea's KOSPI stock index ended lower on Tuesday, after recovering some of its early losses on hopes that a Chinese delegation will visit the United States, soothing escalated U.S.-China trade worries to an extent after Washington prepared to impose tariffs on Chinese goods.

The Korean won strengthened, while the benchmark bond yield fell.

The Seoul stock market's benchmark KOSPI fell 19.33 points, or 0.88 percent, to 2,176.99 at close, after falling as much as 1.63 percent in during the day.

China's commerce ministry said on Tuesday Vice Premier Liu He will visit the United States on May 9 and May 10 for bilateral trade talks at the invitation of senior U.S. officials

Market sentiment slightly recovered on a report that Vice Premier Liu He is joining the trade talks but investors still remain cautious, says Kim Ji-hyung, an analyst at Hanyang Securities

Foreigners were net buyers of 202.5 billion won (\$173.49 million) worth of shares on the main board.

The won was quoted at 1,166.5 per dollar on the onshore settlement platform, 0.30 percent higher

than its previous close at 1,170.0.

Hang Seng & Shanghai

➤ **Hong Kong** shares ended higher on Tuesday, after heavy losses in the previous session, as China confirmed sending Vice Premier Liu He to continue trade talks with the United States this week. At the close of trade, the Hang Seng index was up 0.5 percent at 29,363.02. The Hang Seng China Enterprises index rose 0.2 percent.

The sub-index of the Hang Seng tracking energy shares rose 1.3 percent, while the IT sector rose 1.1 percent, the financial sector ended 0.3 percent higher and the property sector rose 0.6 percent.

Shares climbed in the afternoon session as the Chinese commerce ministry confirmed that Vice Premier Liu He will go ahead with his visit to the United States on May 9 and May 10 for bilateral trade talks.

On Monday, a Chinese Foreign Ministry spokesman had said that China's trade negotiation team is "preparing to go to the United States for the discussions" but did not specify if Liu would lead the delegation.

The local market suffered a sell-off of Monday, which came on the heels of U.S. President Donald Trump threatening to raise tariffs on \$200 billion worth of Chinese goods to 25 percent from 10 percent by Friday, and to target the remaining Chinese imports with tariffs "soon".

➤ **Chinese** shares edged higher on Tuesday following the biggest one-day plunge for China's major stock indexes in more than three years, as investors looked to Beijing for signs of more support for the economy.

At the midday break, the Shanghai Composite index was up 0.32 percent at 2,915.87, after plunging 5.6 percent on Monday.

China's blue-chip CSI300 index rose 0.77 percent after Monday's 5.8 percent drop. Its financial sector sub-index was lower by 0.23 percent, the consumer staples sector was up 2.13 percent, the real estate index was up 2.15 percent and the healthcare sub-index added 1.7 percent.

Monday's stock market plunge had been sparked by tweets from U.S. President Donald Trump that he would raise tariffs on \$200 billion worth of Chinese goods to 25 percent from 10 percent by the end of the week, and would "soon" target the remaining Chinese imports with tariffs. Senior U.S. officials said that China has backtracked on commitments it made during trade talks.

On Monday, a Chinese Foreign Ministry spokesman said that China's trade negotiation team is "preparing to go to the United States for the discussions."

The analysts also highlighted a move by China's central bank to cut reserve requirement ratios for some small and medium-sized banks to help smaller companies struggling amid tougher economic conditions.

A sub-index tracking agriculture shares rose 3.07 percent. Some agriculture firms had rallied on Monday amid expectations that domestic agriculture firms could benefit if Beijing retaliated against higher U.S. tariffs.

Closing Prices – 07 May 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25965.09	↓ 473.39/1.79%	.N225	21923.72	↓ 335.01/1.51%
/.SPX	2884.05	↓ 48.42/1.65%	.KS200	281.31	↓ 2.36/0.83%
/.IXIC	7963.756	↓ 159.533/1.96%	.HSI	29363.02	↑ 153.20/0.52%
JPY=	110.24	↓ 0.52/0.47%	/.SSEC	2926.39080	↑ 19.92680/0.69%
KRW=	1172.22	↑ 4.07/0.35%	/CLc1 (Oil)	61.44	↓ 1.76/2.81%

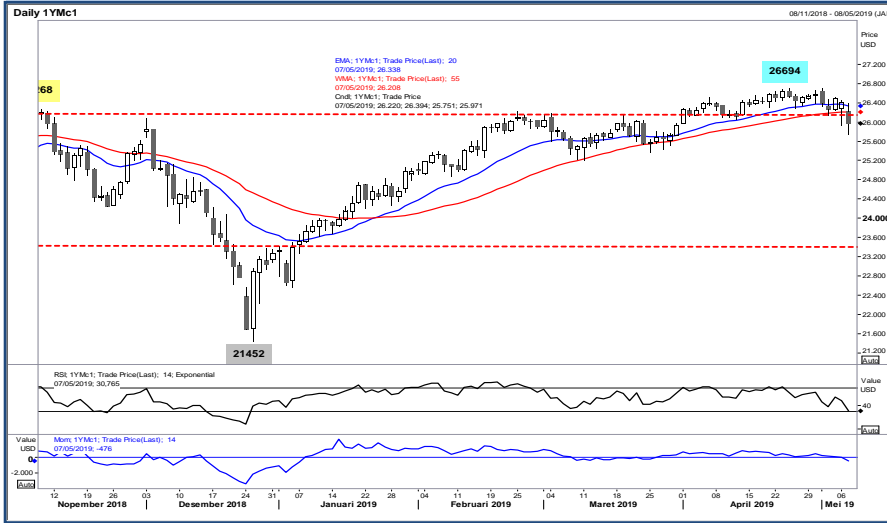
ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
29-Apr - 10-May	N/A	JP	Construction Orders YoY	Mar		--	-3.4%	
Mon/06-May-19	07:30	HK	Nikkei Hong Kong PMI	Apr		--	48	
	All	JP	Bank Holiday (Children's Day)					
	All	KR	Bank Holiday (Children's Day)					
	08:00	NZ	ANZ Commodity Price	Apr	2.5%	--	1.4%	
	08:00	AU	Melbourne Institute Inflation MoM	Apr	0.2%	--	0.4%	
	08:00	AU	Melbourne Institute Inflation YoY	Apr	1.8%	--	2.1%	
	08:45	CN	Caixin China PMI Composite	Apr	52.7	--	52.9	
	08:45	CN	Caixin China PMI Services	Apr	54.5	54.2	54.4	
	All	GB	Bank Holiday (May Bank Holiday)					
	All	DE	Bank Holiday (Early May Bank Holiday)					
	14:55	DE	Markit Germany Services PMI	Apr F	55.7	55.6	55.6	
	14:55	DE	Markit/BME Germany Composite PMI	Apr F	52.2	52.1	52.1	
	15:00	EZ	Markit Eurozone Composite PMI	Apr F	51.5	51.3	51.3	
	15:00	EZ	Markit Eurozone Services PMI	Apr F	52.8	52.5	52.5	
	15:30	EZ	Sentix Investor Confidence	May	5.3	1.1	-0.3	
	16:00	EZ	Retail Sales MoM	Mar	0.0%	-0.1%	0.4%	0.5%
	16:00	EZ	Retail Sales YoY	Mar	1.9%	1.6%	2.8%	3.0%
	20:30	US	Fed's Harker Speaks on the Economic Outlook					
Tue/07-May-19	00:45	CA	Speech – Stephen S. Poloz, Governor					
	04:00	KR	Foreign Reserves	Apr	\$404.03b	--	\$405.25b	
	N/A	HK	Foreign Reserves	Apr		--	\$437.9b	
	05:30	AU	AiG Perf of Construction Index	Apr	42.6	--	45.6	
	07:30	JP	Nikkei Japan PMI Mfg	Apr F	50.2	--	49.5	
	08:30	AU	Retail Sales Ex Inflation QoQ	1Q	-0.1%	0.3%	0.1%	
	08:30	AU	Retail Sales MoM	Mar	0.3%	0.2%	0.8%	0.9%
	08:30	AU	Trade Balance	Mar	A\$4949m	A\$4480m	A\$4801m	A\$5140m
	10:00	NZ	2Yr Inflation Expectation	2Q	2.01%	--	2.02%	
	11:30	AU	RBA Cash Rate Target	May-07	1.50%	1.25%	1.5%	
	13:00	DE	Factory Orders MoM	Mar	0.6%	1.5%	-4.2%	-4.0%
	13:00	DE	Factory Orders WDA YoY	Mar	-6.0%	-5.4%	-8.4%	-8.1%
	13:30	AU	Foreign Reserves	Apr	A\$75.7b	--	A\$77.1b	
	14:00	CH	Foreign Currency Reserves	Apr	771.6b	756.0b	756.0b	
	14:30	GB	Halifax House Price 3Mths/Year	Apr	4.5%	4.5%	2.6%	
	14:30	GB	Halifax House Prices MoM	Apr	0.1%	0.1%	-1.6%	
	14:30	DE	Markit Germany Construction PMI	Apr	53.0	--	55.6	
	15:00	GB	BOE's Cunliffe speaks in London.					
	15:30	CN	Foreign Reserves	Apr	\$3095b	\$3100b	\$3098.76b	
	16:00	EZ	EU Commission Economic Forecasts					
	18:00	US	Fed's Kaplan Speaks in Beijing on Moderated Panel					
	21:00	CA	Ivey Purchasing Managers Index SA	Apr	55.9	--	54.3	
	23:30	GB	BOE's Haldane speaks in Sheffield.					
Wed/08-May-19	02:00	US	Consumer Credit	Mar	\$10.281b	\$16.750b	\$15.188b	
	06:00	KR	BoP Current Account Balance	Mar		--	\$3601.9m	
	06:00	KR	BoP Goods Balance	Mar		--	\$5479.4m	
	06:50	JP	BOJ Minutes of March Policy Meeting					
	06:50	JP	Monetary Base End of period	Apr		--	¥506.3t	
	06:50	JP	Monetary Base YoY	Apr		--	3.8%	
	07:30	JP	Nikkei Japan PMI Composite	Apr		--	50.4	
	07:30	JP	Nikkei Japan PMI Services	Apr		--	52	
	09:00	NZ	RBNZ Official Cash Rate	May-08		1.75%	1.75%	
	N/A	CN	Exports YoY	Apr		--	14.2%	
	N/A	CN	Exports YoY CNY	Apr		--	21.3%	
	N/A	CN	Imports YoY	Apr		--	-7.6%	
	N/A	CN	Imports YoY CNY	Apr		--	-1.8%	
	N/A	CN	Trade Balance	Apr		--	\$32.64b	
	N/A	CN	Trade Balance CNY	Apr		--	221.23b	
	12:45	CH	Unemployment Rate	Apr		--	2.5%	
	12:45	CH	Unemployment Rate SA	Apr		--	2.4%	
	13:00	DE	Industrial Production SA MoM	Mar		--	0.7%	
	13:00	DE	Industrial Production WDA YoY	Mar		--	-0.4%	
	15:15	GB	BOE's Ramsden speaks in London.					
	21:30	US	DOE Cushing OK Crude Inventory	May-03		--	265k	
	21:30	US	DOE U.S. Crude Oil Inventories	May-03		--	9934k	
	21:30	US	DOE U.S. Distillate Inventory	May-03		--	-1307k	
	21:30	US	DOE U.S. Gasoline Inventories	May-03		--	917k	

Thu/09-May-19	06:01	GB	RICS House Price Balance	Apr	--	-24%	
	08:30	CN	CPI YoY	Apr	--	2.3%	
	08:30	CN	PPI YoY	Apr	--	0.4%	
	12:00	JP	Consumer Confidence Index	Apr	40.4	40.5	
	19:30	US	Continuing Claims	Apr-27	--	--	
	19:30	US	Initial Jobless Claims	May-04	--	--	
	19:30	US	PPI Ex Food and Energy MoM	Apr	0.2%	0.3%	
	19:30	US	PPI Ex Food and Energy YoY	Apr	2.5%	2.4%	
	19:30	US	PPI Ex Food, Energy, Trade MoM	Apr	0.2%	0.0%	
	19:30	US	PPI Ex Food, Energy, Trade YoY	Apr	--	2.0%	
	19:30	US	PPI Final Demand MoM	Apr	0.2%	0.6%	
	19:30	US	PPI Final Demand YoY	Apr	2.3%	2.2%	
	19:30	US	Trade Balance	Mar	-\$52.0b	-\$49.4b	
	21:00	US	Wholesale Inventories MoM	Mar F	--	--	
	21:00	US	Wholesale Trade Sales MoM	Mar	--	0.3%	
	Fri/10-May-19	00:15	US	Fed's Evans Speaks at Community Development Conference			
06:30		JP	Household Spending YoY	Mar	1.7%	1.7%	
06:30		JP	Labor Cash Earnings YoY	Mar	-0.6%	-0.8%	
06:30		JP	Real Cash Earnings YoY	Mar	-1.2%	-1.1%	
06:50		JP	BOJ Summary of Opinions				
08:30		AU	RBA Statement on Monetary Policy				
N/A		CN	BoP Current Account Balance	1Q P	--	\$54.6b	
13:00		DE	Current Account Balance	Mar	--	16.3b	
13:00		DE	Exports SA MoM	Mar	--	-1.3%	
13:00		DE	Imports SA MoM	Mar	--	-1.6%	
13:00		DE	Trade Balance	Mar	--	17.9b	
14:00		EZ	ECB's Villeroy Speaks in Paris				
14:30		EZ	ECB's Lautenschlaeger Speaks in Paris				
15:30		GB	Construction Output SA MoM	Mar	--	0.4%	
15:30		GB	Construction Output SA YoY	Mar	--	3.3%	
15:30		GB	Exports QoQ	1Q P	--	1.6%	
15:30		GB	GDP (MoM)	Mar	--	0.2%	
15:30		GB	GDP QoQ	1Q P	--	0.2%	
15:30		GB	GDP YoY	1Q P	--	1.4%	
15:30		GB	Government Spending QoQ	1Q P	--	1.3%	
15:30		GB	Gross Fixed Capital Formation QoQ	1Q P	--	-0.6%	
15:30		GB	Imports QoQ	1Q P	--	2.1%	
15:30		GB	Index of Services 3M/3M	Mar	--	0.4%	
15:30		GB	Index of Services MoM	Mar	--	0.1%	
15:30		GB	Industrial Production MoM	Mar	--	0.6%	
15:30		GB	Industrial Production YoY	Mar	--	0.1%	
15:30		GB	Manufacturing Production MoM	Mar	--	0.9%	
15:30		GB	Manufacturing Production YoY	Mar	--	0.6%	
15:30		GB	Private Consumption QoQ	1Q P	--	0.3%	
15:30		GB	Total Business Investment QoQ	1Q P	--	-0.9%	
15:30		GB	Total Business Investment YoY	1Q P	--	-2.5%	
15:30		GB	Trade Balance	Mar	--	-£4860m	
15:30		GB	Trade Balance Non EU GBP/Mn	Mar	--	-£5841m	
15:30		GB	Visible Trade Balance GBP/Mn	Mar	--	-£14112m	
16:30		EZ	ECB's Visco Speaks in Paris				
19:30		US	CPI Core Index SA	Apr	261.884	261.374	
19:30		US	CPI Ex Food and Energy MoM	Apr	0.2%	0.1%	
19:30		US	CPI Ex Food and Energy YoY	Apr	2.1%	2.0%	
19:30		US	CPI Index NSA	Apr	255.732	254.202	
19:30		US	CPI MoM	Apr	0.4%	0.4%	
19:30		US	CPI YoY	Apr	2.0%	1.9%	
19:30		CA	Full Time Employment Change	Apr	--	-6.4	
19:30		CA	Hourly Wage Rate Permanent Employees YoY	Apr	--	2.3%	
19:30		CA	Net Change in Employment	Apr	--	-7.2k	
19:30		CA	Part Time Employment Change	Apr	--	-0.9	
19:30		CA	Participation Rate	Apr	--	65.7	
19:30	US	Real Avg Hourly Earning YoY	Apr	--	1.3%		
19:30	US	Real Avg Weekly Earnings YoY	Apr	--	1.3%		
19:30	CA	Unemployment Rate	Apr	--	5.8%		
20:08	US	Fed's Bostic Discusses Economic Outlook					
21:00	US	Fed's Williams Speaks to Bronx Bankers Breakfast					
21:30	EZ	ECB's Coeure Speaks in Paris					
Sat/11-May-19	00:00	US	Baker Hughes U.S. Rig Count	May-10	--	--	
	01:00	US	Monthly Budget Statement	Apr	\$165.0b	-\$146.9b	
11-May - 18-May	N/A	CN	Foreign Direct Investment YoY CNY	Apr	--	8.0%	

Dow Jones (1YMM9 – Jun)

Exp. Date: 21 Jun 2019



RESISTANCE	26968	
	26681	
	26325	
SUPPORT	25682	
	25395	
	25039	
SUGGESTION	BUY	---
	SELL	26000
	S/L	26150
	T/P:	25800 25650

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
07 May	26220	26394	25751	643	25970	25970	↓ 435	1.65	376046

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
26447 (06/May)	25751 (07/May)	26691 (01/May)	25751 (07/May)	26694 (24/Apr)	22563 (04/Jan)

Nikkei (SSlamM9 – Jun)

Last Trading Date: 17 Jun 2019



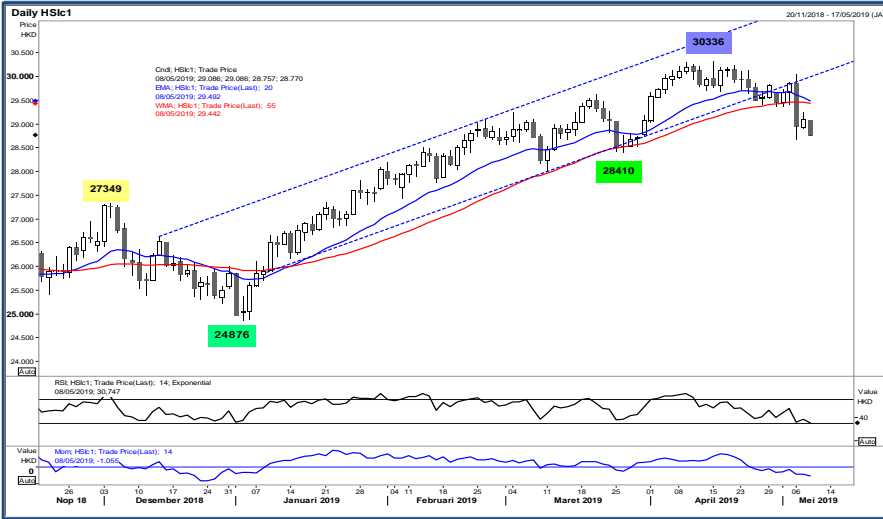
RESISTANCE	22670	
	22410	
	22035	
SUPPORT	21400	
	21140	
	21673	
SUGGESTION	BUY	---
	SELL	21630
	S/L	21780
	T/P:	21410 21280

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
07 May SS1pmM9	22030	22050	21515	535	21660	---	↓ 400	1.81	47731
07 May SS1amM9	22070	22150	21875	275	22060	22060	↑ 60	0.27	81082

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
22230 (06/May)	21515 (07/May)	22495 (03/May)	21515 (07/May)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSM9 – Jun)

Exp. Date: 13 Jun 2019



RESISTANCE	285.81	
	283.93	
	282.86	
SUPPORT	279.91	
	278.03	
	276.96	
SUGGESTION	BUY	---
	SELL	281.30
	S/L	282.80
	T/P:	279.30 277.80

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
07 May	281.00	282.05	279.10	2.95	281.80	281.80	↓ 2.15	0.76	255521

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
282.05 (07/May)	279.10 (07/May)	287.50 (02/May)	279.10 (07/May)	292.10 (17/Apr)	255.60 (04/Jan)

Hang Seng (HSIK9 – May)

Exp. Date: 30 May 2019



RESISTANCE	29683	
	29462	
	29065	
SUPPORT	28447	
	28226	
	27829	
SUGGESTION	BUY	---
	SELL	28620
	S/L	28770
	T/P:	28420 28270

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
07 May	29092	29242	28928	314	29106	29106	↑ 136	0.47	250172

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
29287 (06/May)	28687 (06/May)	29875 (03/May)	28687 (06/May)	30336 (15/Apr)	24876 (03/Jan)

Disclaimer

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