

Daily Outlook

GLOBAL STOCK INDEX

<p><u>DJIA</u></p>	<p>Wall Street sank on Monday after China defied Washington by announcing retaliatory tariffs, the latest salvo in the two countries' increasingly belligerent trade war, sending investors fleeing equities for less risky assets.</p> <p>All three major U.S. indexes lost ground in a widespread sell-off, with the tech-heavy Nasdaq posting its biggest one-day percentage loss this year. The S&P 500 and the Dow both had their largest percentage drop since Jan 3.</p> <p>China said it would impose higher tariffs on \$60 billion in U.S. goods despite President Donald Trump's warnings not to retaliate against additional tariffs on Chinese imports announced by the White House on Friday. The move stoked fears of a global economic downturn.</p> <p>U.S. Treasury yields fell to six-week lows, with 10-year yields falling below those of 3-month bills, an inversion seen by many as a potential harbinger of recession.</p> <p>Gold prices rose to a near three-month high.</p> <p>The CBOE Volatility index, a gauge of investor anxiety, posted its biggest daily point gain so far this year.</p> <p>The Dow Jones Industrial Average fell 617.38 points, or 2.38%, to 25,324.99, the S&P 500 lost 69.53 points, or 2.41%, to 2,811.87 and the Nasdaq Composite dropped 269.92 points, or 3.41%, to 7,647.02. Of the 11 major sectors of the S&P 500, only utilities ended the session in the black. Trade-sensitive tech companies suffered the largest percentage decline.</p> <p>Among stocks particularly vulnerable to U.S.-China tariffs, Boeing Co slid 4.9% and Caterpillar Inc fell 4.6% while the Philadelphia Chip index was down 4.7%, posting its biggest percentage drop since Jan. 3 and extending last week's 6% decline.</p> <p>Shares of Apple Inc sank 5.8% on the double whammy of heightened trade tensions and a decision by the U.S. Supreme Court to allow an antitrust lawsuit accusing the company of monopolizing the iPhone app market.</p>
<p><u>Nikkei</u></p>	<p>Japan's Nikkei dropped on Monday as most cyclical sectors lost ground after the trade war between the United States and China escalated, while a fall in U.S. futures hurt sentiment.</p> <p>The Nikkei share average ended 0.7% lower at 21,191.28, the lowest closing since March 28. The broader Topix shed 0.5% to 1,541.14.</p> <p>Mini S&P futures was down 1.1% as the Nikkei closed. The dollar was down 0.2% for the day at 109.70 yen</p> <p>The United States and China appeared at a deadlock over trade negotiations as Washington demanded promises of concrete changes to Chinese law and Beijing said it would not swallow any "bitter fruit" that harmed its interests.</p> <p>The trade war between the world's top two economies escalated on Friday, with the United States hiking tariffs on \$200 billion worth of Chinese goods after President Donald Trump said Beijing "broke the deal" by reneging on earlier commitments made during months of negotiations.</p> <p>Early on Monday, the Nikkei shed as much as 1% and the Topix to fall to near a February low, but selling has eased as investors digested the news and decided that it's too early to assess the impact from the latest developments of the trade talks at this stage.</p> <p>If the Topix falls below its February low of 1,536.65, it will be the lowest since Jan. 16.</p> <p>Meanwhile, White House economic adviser Larry Kudlow said on Sunday that Trump and his Chinese counterpart Xi Jinping are likely to meet during a G20 summit in Japan at the end of June and discuss trade.</p> <p>While Japanese indexes fell on Monday, the losses were sharper last year when Trump first imposed tariffs on imports from China.</p>
<p><u>Kospi</u></p>	<p>South Korea's KOSPI index on Monday ended at its lowest since January 15 on anxiety over whether Washington and Beijing could make headway in their trade talks. The won dropped to its lowest since 2017, while the benchmark bond yield was unchanged.</p> <p>The Seoul stock market's main KOSPI ended down 29.03 points, or 1.38%, at 2,079.01 points. The junior KOSDAQ market lost nearly 2%.</p> <p>The United States and China appeared at a deadlock over trade negotiations as Washington demanded promises of concrete changes to Chinese law and Beijing said it would not swallow any "bitter fruit" that harmed its interests.</p> <p>Foreigners were net sellers of 137.9 billion won (\$116.12 million) worth of shares on the main board.</p> <p>Deepening the woes in the domestic equity market, the Korean won was quoted at 1,187.5 per dollar on the onshore settlement platform, 0.88% lower than its previous close at 1,177.0. The won dropped</p>

to its lowest since Jan. 11, 2017.

In offshore trading, the won was quoted at 1,187.8 per U.S. dollar, down 1.1% from the previous day, while in one-year non-deliverable forward trading its one-month contract was quoted at 1,185.8 per dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.76%, after U.S. stocks closed firmer. Japanese stocks fell 0.72%.

Hang Seng & Shanghai

➤ **Markets in Hong Kong were closed Monday for a public holiday.**

➤ **China's main equity indexes** finished lower on Monday and the yuan weakened to a four-month low as investors' hopes for a deal to end an escalating trade war between the United States and China were dashed by signs of a stalemate in trade negotiations.

The benchmark Shanghai Composite index ended the day down 1.2% and the blue-chip CSI300 index lost 1.7%, resuming the previous week's downward slide.

For the month, the Shanghai Composite is down 5.7%, while the CSI300 has lost 6.2%.

Losses in the CSI300 on Monday were led by financial firms, which dropped 2 percent. The consumer staples sector ended down 0.06 percent, the real estate index lost 0.43 percent and the healthcare sub-index fell 0.58 percent.

While they recorded sharp losses for the whole of last week, both the Shanghai Composite and CSI300 had surged more than 3% on Friday, lifted by hopes that the continuation of talks could bring an agreement between Beijing and Washington, despite President Donald Trump hiking tariffs on \$200 billion worth of Chinese goods.

But those hopes ebbed on Monday as Beijing and Washington appeared to be at an impasse, as Washington demanded promises of concrete changes to Chinese law and Beijing said it would not swallow any "bitter fruit" that harmed its interests.

With no signs of a quick solution in sight, investors continued to await Beijing's response to the higher tariffs.

On Monday, China's foreign ministry said the country will never surrender to foreign pressure, but declined to comment on what countermeasures Beijing planned in response to the tariff hike.

Investors are watching to see how Chinese policymakers plan to offset the impact of the stiffer tariffs on both the economy and financial markets, analysts at Citi said, adding that Beijing's options include support for stock markets and the yuan, as well as monetary policy measures and liquidity injections.

Closing Prices – 13 May 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25323.97	↓ 618.40/2.38%	.N225	21191.28	↓ 153.64/0.72%
/.SPX	2811.85	↓ 69.55/2.41%	.KS200	268.72	↓ 3.34/1.23%
/.IXIC	7647.027	↓ 269.916/3.41%	.HSI	HOLIDAY	↑ 239.17/0.84%
JPY=	109.30	↓ 0.64/0.58%	/.SSEC	2903.71310	↓ 35.49750/1.21%
KRW=	1187.78	↑ 13.58/1.16%	/CLc1 (Oil)	60.84	↓ 0.87/1.41%

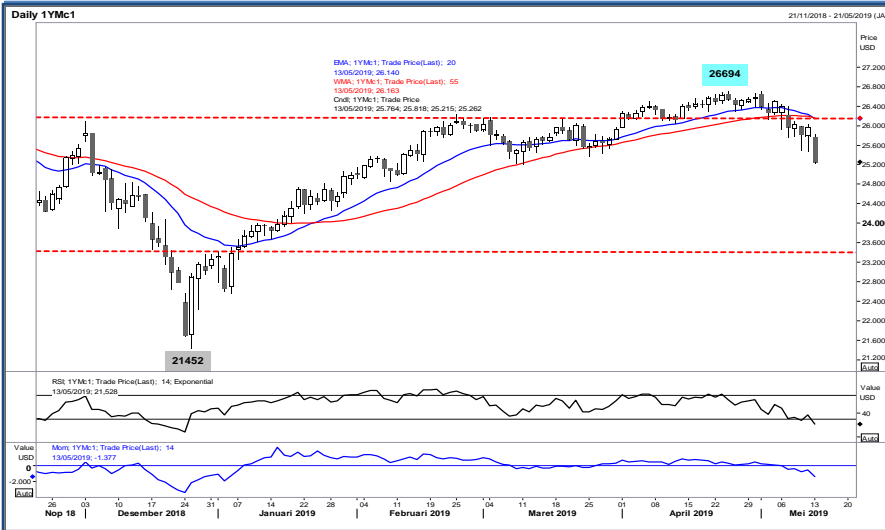
ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
11-May - 18-May	N/A	CN	Foreign Direct Investment YoY CNY	Apr		--	8.0%	
Mon/13-May-19	06:50	JP	Official Reserve Assets	Apr	\$1293.5b	--	\$1291.8b	
	All	HK	Bank Holiday (The Birthday of The Buddha)					
	08:30	AU	Home Loans MoM	Mar	-2.8%	-0.5%	0.8%	0.5%
	08:30	AU	Investment Lending	Mar	-2.7%	-1.5%	0.9%	-0.2%
	08:30	AU	Owner-Occupier Loan Value MoM	Mar	-3.4%	-0.5%	3.4%	2.8%
	12:00	JP	Coincident Index	Mar P	99.6	99.6	100.4	
	12:00	JP	Leading Index CI	Mar P	96.3	96.3	97.1	
	20:05	US	Fed's Rosengren, Clarida Makes Remarks at Fed Listens Event					
Tue/14-May-19	06:50	JP	BoP Current Account Adjusted	Mar P		--	¥1957.6b	
	06:50	JP	BoP Current Account Balance	Mar P		--	¥2676.8b	
	06:50	JP	Trade Balance BoP Basis	Mar P		--	¥489.2b	
	N/A	JP	Eco Watchers Survey Current SA	Apr		--	44.8	
	N/A	JP	Eco Watchers Survey Outlook SA	Apr		--	48.6	
	08:30	AU	NAB Business Conditions	Apr		--	7	
	08:30	AU	NAB Business Confidence	Apr		--	0	
	13:00	DE	CPI EU Harmonized MoM	Apr F		--	1.0%	
	13:00	DE	CPI EU Harmonized YoY	Apr F		--	2.1%	
	13:00	DE	CPI MoM	Apr F		--	1.0%	
	13:00	DE	CPI YoY	Apr F		--	2.0%	
	14:15	US	Fed's Williams Speaks at SNB/IMF Event in Zurich					
	15:30	GB	Average Weekly Earnings 3M/YoY	Mar		--	3.5%	
	15:30	GB	Claimant Count Rate	Apr		--	3.0%	
	15:30	GB	Employment Change 3M/3M	Mar		--	179k	
	15:30	GB	ILO Unemployment Rate 3Mths	Mar		--	3.9%	
	15:30	GB	Jobless Claims Change	Apr		--	28.3k	
	15:30	GB	Weekly Earnings ex Bonus 3M/YoY	Mar		--	3.4%	
	16:00	EZ	Industrial Production SA MoM	Mar		--	-0.2%	
	16:00	EZ	Industrial Production WDA YoY	Mar		--	-0.3%	
	16:00	DE	ZEW Survey Current Situation	May		--	5.5	
	16:00	EZ	ZEW Survey Expectations	May		--	4.5	
	16:00	DE	ZEW Survey Expectations	May		--	3.1	
	17:00	US	NFIB Small Business Optimism	Apr		102	101.8	
	23:45	US	Fed's George Speaks to Economic Club of Minnesota					
Wed/15-May-19	06:00	KR	Unemployment rate SA	Apr		--	3.8%	
	07:30	AU	Westpac Consumer Conf Index	May		--	100.7	
	07:30	AU	Westpac Consumer Conf SA MoM	May		--	1.9%	
	08:30	AU	Wage Price Index QoQ	1Q		--	0.5%	
	08:30	AU	Wage Price Index YoY	1Q		--	2.3%	
	09:00	CN	Industrial Production YoY	Apr		6.5%	8.5%	
	09:00	CN	Industrial Production YTD YoY	Apr		6.4%	6.5%	
	09:00	CN	Retail Sales YoY	Apr		8.6%	8.7%	
	09:00	CN	Retail Sales YTD YoY	Apr		8.4%	8.3%	
	09:00	CN	Surveyed Jobless Rate	Apr		--	5.2%	
	13:00	DE	GDP NSA YoY	1Q P		--	0.9%	
	13:00	DE	GDP SA QoQ	1Q P		--	0.0%	
	13:00	DE	GDP WDA YoY	1Q P		--	0.6%	
	13:00	JP	Machine Tool Orders YoY	Apr P		--	-28.5%	
	16:00	EZ	Employment QoQ	1Q P		--	0.3%	
	16:00	EZ	Employment YoY	1Q P		--	1.3%	
	16:00	EZ	GDP SA QoQ	1Q P		--	0.4%	
	16:00	EZ	GDP SA YoY	1Q P		--	1.2%	
	19:30	CA	Consumer Price Index	Apr		--	135.4	
	19:30	CA	CPI Core- Common YoY%	Apr		--	1.8%	
	19:30	CA	CPI Core- Median YoY%	Apr		--	2.0%	
	19:30	CA	CPI Core- Trim YoY%	Apr		--	2.1%	
	19:30	CA	CPI NSA MoM	Apr		--	0.7%	
	19:30	CA	CPI YoY	Apr		--	1.9%	
	19:30	US	Empire Manufacturing	May		8	10.1	
	19:30	US	Retail Sales Advance MoM	Apr		0.3%	1.6%	
	19:30	US	Retail Sales Control Group	Apr		--	1.0%	
	19:30	US	Retail Sales Ex Auto and Gas	Apr		--	0.9%	
	19:30	US	Retail Sales Ex Auto MoM	Apr		0.7%	1.2%	
	20:15	US	Capacity Utilization	Apr		78.8%	78.8%	
	20:15	US	Industrial Production MoM	Apr		0.1%	-0.1%	

	20:15	US	Manufacturing (SIC) Production	Apr		--	0.0%	
	21:00	US	Business Inventories	Mar		0.0%	0.3%	
	21:00	US	NAHB Housing Market Index	May		64	63	
	21:30	US	DOE Cushing OK Crude Inventory	May-10		--	821k	
	21:30	US	DOE U.S. Crude Oil Inventories	May-10		--	-3963k	
	21:30	US	DOE U.S. Distillate Inventory	May-10		--	-159k	
	21:30	US	DOE U.S. Gasoline Inventories	May-10		--	-596k	
	23:00	US	Fed's Barkin Speaks to Economists in New York					
Thu/16-May-19	06:50	JP	PPI MoM	Apr		--	0.3%	
	06:50	JP	PPI YoY	Apr		--	1.3%	
	08:00	AU	Consumer Inflation Expectation	May		--	3.9%	
	08:30	AU	Employment Change	Apr		--	25.7k	
	08:30	AU	Full Time Employment Change	Apr		--	48.3k	
	08:30	AU	Part Time Employment Change	Apr		--	-22.6k	
	08:30	AU	Participation Rate	Apr		--	65.7%	
	08:30	AU	Unemployment Rate	Apr		--	5.0%	
	09:45	AU	RBA's Bullock Gives Speech in Sydney					
	16:00	EZ	Trade Balance NSA	Mar		--	17.9b	
	16:00	EZ	Trade Balance SA	Mar		--	19.5b	
	19:30	CA	ADP Canada Releases April Payroll Estimates					
	19:30	US	Building Permits	Apr		1295k	1269k	
	19:30	US	Building Permits MoM	Apr		2.1%	-1.7%	
	19:30	US	Continuing Claims	May-04		--	--	
	19:30	US	Housing Starts	Apr		1228k	1139k	
	19:30	US	Housing Starts MoM	Apr		7.8%	-0.3%	
	19:30	US	Initial Jobless Claims	May-11		--	--	
	19:30	CA	Manufacturing Sales MoM	Mar		--	-0.2%	
	19:30	US	Philadelphia Fed Business Outlook	May		10	8.5	
	21:30	CA	Publication - Bank of Canada's Financial System Review					
	23:05	US	Fed's Kashkari Discusses Monetary Policy and the Economy					
Fri/17-May-19	00:30	GB	BOE's Jonathan Haskel speaks in York					
	05:30	NZ	BusinessNZ Manufacturing PMI	Apr		--	51.9	
	05:45	NZ	PPI Input QoQ	1Q		--	1.6%	
	05:45	NZ	PPI Output QoQ	1Q		--	0.8%	
	N/A	HK	Composite Interest Rate	Apr		--	0.82%	
	11:30	JP	Tertiary Industry Index MoM	Mar		--	-0.6%	
	15:30	HK	GDP SA QoQ	1Q F		--	1.2%	
	15:30	HK	GDP YoY	1Q F		--	0.5%	
	16:00	EZ	Construction Output MoM	Mar		--	3.0%	
	16:00	EZ	Construction Output YoY	Mar		--	5.2%	
	16:00	EZ	CPI Core YoY	Apr F		--	1.2%	
	16:00	EZ	CPI MoM	Apr		--	1.0%	
	16:00	EZ	CPI YoY	Apr F		--	1.4%	
	19:00	GB	BOE's Alex Brazier speaks in London					
	21:00	US	Leading Index	Apr		0.2%	0.4%	
	21:00	US	U. of Mich. 1 Yr Inflation	May P		--	2.5%	
	21:00	US	U. of Mich. 5-10 Yr Inflation	May P		--	2.3%	
	21:00	US	U. of Mich. Current Conditions	May P		--	112.3	
	21:00	US	U. of Mich. Expectations	May P		--	87.4	
	21:00	US	U. of Mich. Sentiment	May P		97.7	97.2	
	22:15	US	Fed's Williams Meets With Community Leaders					
Sat/18-May-19	00:00	US	Baker Hughes U.S. Rig Count	May-17		--	--	
	01:00	US	Fed's Williams Meets With Community Leaders					

Dow Jones (1YMM9 – Jun)

Exp. Date: 21 Jun 2019



RESISTANCE	26274	
	26046	
	25671	
SUPPORT	25068	
	24840	
	24465	
SUGGESTION	BUY	---
	SELL	25245
	S/L	25395
	T/P:	24995 24895

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
13 May	25764	25818	25215	603	25296	25296	↓ 668	2.57	356496

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
25818 (13/May)	25215 (13/May)	26691 (01/May)	25215 (13/May)	26694 (24/Apr)	22563 (04/Jan)

Nikkei (SSlamM9 – Jun)

Last Trading Date: 17 Jun 2019



RESISTANCE	21628	
	21451	
	21123	
SUPPORT	20618	
	20441	
	20113	
SUGGESTION	BUY	---
	SELL	20745
	S/L	20895
	T/P:	20495 20395

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
13 May SS1pmM9	21215	21215	20770	445	20795	---	↓ 410	1.93	46486
13 May SS1amM9	21240	21275	21125	150	21205	21205	↓ 135	0.63	52857

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
21275 (13/May)	20770 (13/May)	22495 (03/May)	20770 (13/May)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSM9 – Jun)

Exp. Date: 13 Jun 2019



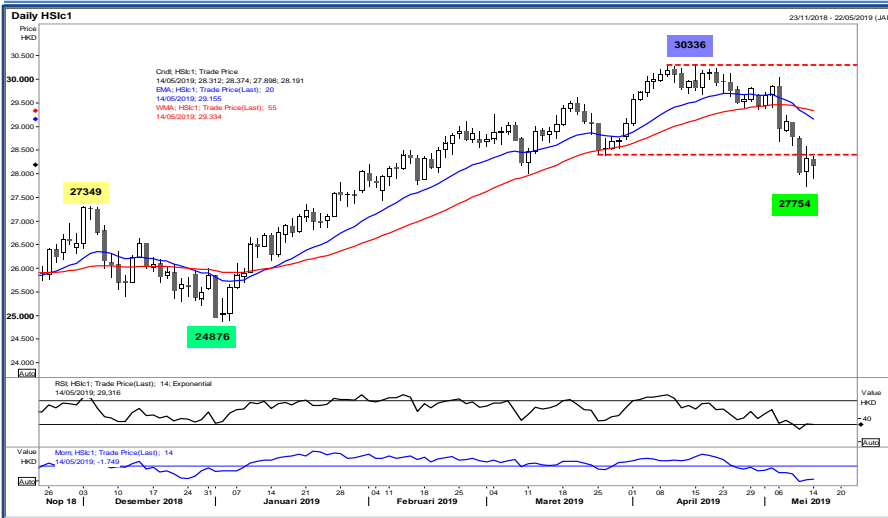
RESISTANCE	273.65	
	272.65	
	270.85	
SUPPORT	268.05	
	267.05	
	265.25	
SUGGESTION	BUY	---
	SELL	268.75
	S/L	270.25
	T/P:	273.65 275.15

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
13 May	269.55	271.65	268.85	2.80	269.05	269.05	↓ 2.90	1.07	228412

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
271.65 (13/May)	268.85 (13/May)	287.50 (02/May)	268.85 (13/May)	292.10 (17/Apr)	255.60 (04/Jan)

Hang Seng (HSIK9 – May)

Exp. Date: 30 May 2019



RESISTANCE	29243	
	28915	
	28553	
SUPPORT	27863	
	27535	
	27173	
SUGGESTION	BUY	---
	SELL	28240
	S/L	28390
	T/P:	28040 27890

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
13 May	--	H	O	L	I	D	A	Y	--

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
29287 (06/May)	27935 (10/May)	29875 (03/May)	27935 (10/May)	30336 (15/Apr)	24876 (03/Jan)

Disclaimer

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