

Daily Outlook

GLOBAL STOCK INDEX

<p><u>DJIA</u></p>	<p>U.S. stocks slumped on Thursday as investors dumped shares of companies in growth and cyclical sectors, with energy and technology leading declines, on fears that the escalating U.S.-China trade war would stymie global economic growth.</p> <p>Further fueling trade fears among investors, Beijing said that Washington needs to correct its "wrong actions" for trade talks to continue after the United States blacklisted Huawei Technology Co Ltd last week.</p> <p>Among S&P 500 sectors, only utilities and real estate, both considered defensive areas, registered gains as investors moved to safe-haven assets such as Treasuries. Stocks pared losses in the last hour of trading, but Wall Street's major indexes all ended more than 1% lower.</p> <p>Shares of S&P 500 technology and industrial companies, two sectors that have been bellwethers of trade sentiment, fell 1.7% and 1.6%, respectively. Shares of S&P 500 companies in the cyclical financial and energy sectors also tumbled, with the 3.1% drop in energy shares leading losses among S&P 500 sectors.</p> <p>A 5% plunge in oil prices in response to a dampened outlook for demand impeded energy shares while a drop in 10-year Treasury yields, which hit their lowest level since October 2017, held back financial shares.</p> <p>Adding to the downbeat mood in markets, data from IHS Markit showed U.S. manufacturing faltered in May, with new orders falling for the first time since August 2009.</p> <p>The Dow Jones Industrial Average fell 286.14 points, or 1.11%, to 25,490.47, the S&P 500 lost 34.03 points, or 1.19%, to 2,822.24 and the Nasdaq Composite dropped 122.56 points, or 1.58%, to 7,628.28. Stocks succumbed to selling pressure in May after Washington and Beijing engaged in tit-for-tat tariffs and other retaliatory measures, with the S&P 500 on track to post its first monthly decline since the December sell-off.</p> <p>Shares of NetApp Inc tumbled 8.1%, the biggest percentage drop on the S&P 500, after the data storage equipment maker forecast current-quarter profit and revenue below Wall Street estimates.</p> <p>L Brands Inc shares jumped 12.8% after the owner of Victoria's Secret and Bath & Body Works reported better-than-expected quarterly earnings.</p> <p>Declining issues outnumbered advancing ones on the NYSE by a 3.26-to-1 ratio; on Nasdaq, a 3.84-to-1 ratio favored decliners.</p> <p>The S&P 500 posted 28 new 52-week highs and 27 new lows; the Nasdaq Composite recorded 22 new highs and 189 new lows.</p> <p>Volume on U.S. exchanges was 7.61 billion shares, compared to the 6.99 billion-share average for the full session over the last 20 trading days.</p>
<p><u>Nikkei</u></p>	<p>Japan's Nikkei dropped on Thursday after renewed U.S.-China trade tensions dragged down technology shares, while index-heavyweight SoftBank Group fell more than 5 percent.</p> <p>The Nikkei share average ended 0.6% lower at 21,151.14. Tech shares were sold heavily after media reports on Wednesday said the United States was considering sanctions on video surveillance firm Hikvision.</p> <p>TDK Corp dived 6.5%, Advantest Corp declined 2.6%, Tokyo Electron shed 2.5%, and Sony Corp slid 3.7%. SoftBank Group, which has a stake in Sprint Corp, tanked 5.3%, removing 62 points from the Nikkei benchmark index after sources told Reuters that U.S. Justice Department's antitrust division staff have recommended the agency blocks T-Mobile US Inc's \$26 billion acquisition of smaller rival Sprint.</p> <p>Elsewhere, Daiichi Sankyo Co which was trading in negative territory in early trade, rose 1.2%. Driving the increase was a report from Nikkei Business that said the drugmaker was in talks with several companies to sell its wholly owned over-the-counter drug unit for around 100 billion yen (\$900 million).</p> <p>Discount clothing chain Nishimatsuya Chain Co surged 3.2% after its same-store sales in May rose 7.5% from a year earlier, thanks to strong sales in summer clothes as the weather was warm during Japan's Golden Week holidays. The broader Topix declined 0.4% to 1,540.58. Declining issues outnumbered advancing ones 1,258 to 783.</p>
<p><u>Kospi</u></p>	<p>South Korea's KOSPI stock index fell on Thursday on growing anxiety over the Sino-U.S. conflicts involving Huawei Technologies, with the spillover impact dragging on a South Korean telecom operator.</p> <p>The Seoul stock market's main KOSPI closed down 5.27 points, or 0.26%, at 2,059.59.</p> <p>South Korean telecom operator LG Uplus Corp, which uses Huawei gears, lost 6.4% on a local media report which said the U.S. government was lobbying Seoul not to use Huawei products amid a wider push by Washington to get its allies to boycott the Chinese telecom giant.</p> <p>British chip designer ARM halted relations with Huawei to comply with a U.S. blockade of the company, potentially crippling the Chinese telecom company's ability to make new chips for its future</p>

smartphones.

Japan's Panasonic Corp said it has stopped shipments of certain components to Huawei Technologies to comply with U.S. restrictions on the Chinese company.

Foreigners were net buyers of 85.3 billion won (\$71.70 million) worth of shares on the main board.

The KOSPI has risen 0.91% so far this year, but has lost 6.6% in the previous 30 trading sessions. The current price-to-earnings ratio is 12.10, the dividend yield is 1.28% and the market capitalisation is 1,242.04 trillion won.

The trading volume during the session on the KOSPI index was 500.23 million shares and, of the total traded issues of 896, the number of advancing shares was 218. The won has lost 6.2% against the U.S. dollar so far this year.

Hang Seng & Shanghai

➤ **Hong Kong stocks** dropped to four-month lows on Thursday, dragged by technology shares, as worries mount that the Sino-U.S. trade conflict could fast turn into a technology cold war and threaten global economic growth.

The Hang Seng index fell 1.6% to 27,267.13, while the China Enterprises Index lost 1.9% to 10,401.11.

After the United States placed Huawei Technologies on a trade blacklist last week, Reuters reported late on Wednesday the U.S. administration was considering Huawei-like sanctions on Chinese video surveillance firm Hikvision over the country's treatment of its Uighur Muslim minority. Hong Kong's technology shares tumbled nearly 4%. Index heavyweight Tencent Holdings slumped 3.8% to a four-month low in its sixth straight session of decline. Hong Kong-listed Huawei suppliers including Sunny Optical Technology, AAC Technologies Holdings Inc and Q Technology (Group) Co Ltd fell sharply.

➤ **China's blue-chip stock index** dropped to a three-month closing low on Thursday, as investors dumped technology shares amid worries a growing number of Chinese firms in the hi-tech sector could bear the brunt of an escalating trade war with the United States.

The blue-chip CSI300 index fell 1.8%, to 3,583.96, the lowest closing level since February 22. The Shanghai Composite Index lost 1.4% to 2,852.52. Technology shares led the decline, with an index tracking the sector down 3.5%.

Late Wednesday, Reuters reported the U.S. administration was considering Huawei-like sanctions on Chinese video surveillance firm Hikvision over the country's treatment of its Uighur Muslim minority.

Hikvision shares extended steep losses, slumping 5.8%. Another security equipment manufacturer Zhejiang Dahua Technology Co Ltd tumbled 4.6%.

Shares of Huawei suppliers continued to tank. After the United States placed Huawei Technologies on a trade blacklist last week, British chip designer ARM has halted relations with Huawei in order to comply with the blockade.

Suppliers including Luxshare Precision Industry, Shenzhen Sunway Communication Co Ltd, Shennan Circuits and Shenzhen Goodix Technology Co. Ltd. all fell sharply.

Bucking the broad selloff, shares of China's semiconductor firms jump on Thursday, as Beijing rolls out supportive measures to bolster the development of the key industry.

Beijing's preferential tax treatment to China's chip design and software industry bolstered shares in Hunan Goke Microelectronics, Ningbo Kangqiang Electronics Co Ltd and Shenzhen Fine Made Electronics Group Co Ltd.

China-listed rare earth firms, including Innuovo Technology Co Ltd and JL MAG Rare-Earth Co Ltd continued to rise sharply, amid speculation the sector could be the next front in the trade war.

Rising tensions between the United States and China have sparked concerns that Beijing could use its dominant position as a supplier of rare earths for leverage in the trade war between the two global economic powers.

Closing Prices – 23 May 2019

	CLOSE	CHANGE		CLOSE	CHANGE
.DJI	25490.47	↓ 286.14/1.11%	.N225	21151.14	↓ 132.23/0.62%
/.SPX	2822.24	↓ 34.03/1.19%	.KS200	266.38	↓ 0.27/0.10%
/.IXIC	7628.284	↓ 122.559/1.58%	.HSI	27267.13	↓ 438.81/1.58%
JPY=	109.59	↓ 0.75/0.68%	/.SSEC	2852.51530	↓ 39.18930/1.36%
KRW=	1188.80	↓ 1.57/0.13%	/CLc1 (Oil)	58.19	↓ 3.13/5.10%

ECONOMIC INDICATORS

DATE	WIB	CTY	INDICATORS	PER	ACTUAL	FORECAST	PREV.	REV.
Mon/20-May-19	05:30	NZ	Performance Services Index	Apr	51.8	--	52.9	52.3
	06:01	GB	Rightmove House Prices MoM	May	0.9%	--	1.1%	
	06:01	GB	Rightmove House Prices YoY	May	0.1%	--	-0.1%	
	06:50	JP	GDP Annualized SA QoQ	1Q P	2.1%	-0.2%	1.9%	1.6%
	06:50	JP	GDP Business Spending QoQ	1Q P	-0.3%	-1.9%	2.7%	2.5%
	06:50	JP	GDP Deflator YoY	1Q P	0.2%	0.2%	-0.3%	
	06:50	JP	GDP Nominal SA QoQ	1Q P	0.8%	0.1%	0.4%	0.5%
	06:50	JP	GDP Private Consumption QoQ	1Q P	-0.1%	-0.2%	0.4%	0.2%
	06:50	JP	GDP SA QoQ	1Q P	0.5%	-0.1%	0.5%	0.4%
	11:30	JP	Capacity Utilization MoM	Mar	-0.4%	--	1.0%	
	11:30	JP	Industrial Production MoM	Mar F	-0.6%	--	-0.9%	
	11:30	JP	Industrial Production YoY	Mar F	-4.3%	--	-4.6%	
	13:00	DE	PPI MoM	Apr	0.5%	0.3%	-0.1%	
	13:00	DE	PPI YoY	Apr	2.5%	2.4%	2.4%	
	15:00	EZ	ECB Current Account SA	Mar	35.1b	--	26.8b	16.7b
	15:30	HK	Unemployment Rate SA	Apr	2.8%	2.8%	2.8%	
	All	CA	Bank Holiday (Victoria Day)					
	19:30	US	Chicago Fed Nat Activity Index	Apr	-0.45	-0.2	-0.15	
	20:30	US	Fed's Harker Speaks About Management Science in Boston					
	Tue/21-May-19	04:00	KR	PPI YoY	Apr	0.6%	0.2%	0.1%
N/A		KR	Exports 20 Days YoY	May		--	-8.7%	
N/A		KR	Imports 20 Days YoY	May		--	-1.2%	
06:00		US	Powell Speaks at Atlanta Fed Financial Markets Conference					
08:30		AU	RBA Minutes of May Policy Meeting					
09:15		AU	RBA Governor Lowe Gives Speech in Brisbane					
15:30		GB	BOE's Carney, Broadbent, Tenreyro, Saunders Speak in London					
16:00		EZ	OECD Publishes Economic Outlook					
17:00		GB	CBI Trends Selling Prices	May	-1	0	1	
17:00		GB	CBI Trends Total Orders	May	-10	-5	-5	
21:00		EZ	Consumer Confidence	May A	-6.5	-8.6	-7.9	-7.3
21:00		US	Existing Home Sales	Apr	5.19m	5.35m	5.21m	
21:00		US	Existing Home Sales MoM	Apr	-0.4%	2.7%	-4.9%	
21:45		US	Fed's Evans Discusses Economy and Monetary Policy					
23:00	US	Fed's Rosengren Speaks to Economic Club of New York						
Wed/22-May-19	05:45	NZ	Retail Sales Ex Inflation QoQ	1Q	0.7%	0.6%	1.7%	
	06:50	JP	Machine Orders MoM	Mar	3.8%	0.0%	1.8%	
	06:50	JP	Machine Orders YoY	Mar	-0.7%	-3.5%	-5.5%	
	06:50	JP	Exports YoY	Apr	-2.4%	-1.5%	-2.4%	
	06:50	JP	Imports YoY	Apr	6.4%	4.6%	1.1%	1.2%
	06:50	JP	Trade Balance	Apr	¥60.4b	¥229.5b	¥528.5b	
	06:50	JP	Trade Balance Adjusted	Apr	-¥110.9b	-¥37.5b	-¥177.8b	
	07:30	AU	Westpac Leading Index MoM	Apr	-0.09%	--	0.19%	-0.28%
	08:30	JP	BOJ Harada speaks in Nagasaki					
	08:30	AU	Construction Work Done	1Q	-1.9%	0.0%	-3.1%	-2.1%
	12:00	US	Fed's Bullard Speaks in Hong Kong on U.S. Economic Outlook					
	14:00	EZ	ECB President Draghi Speaks in Frankfurt					
	15:30	GB	Central Government NCR	Apr	-9.8b	--	22.5b	22.1b
	15:30	GB	CPI Core YoY	Apr	1.8%	1.9%	1.8%	
	15:30	GB	CPI MoM	Apr	0.6%	0.7%	0.2%	
	15:30	GB	CPI YoY	Apr	2.1%	2.2%	1.9%	
	15:30	GB	CPIH YoY	Apr	2.0%	2.1%	1.8%	
	15:30	GB	House Price Index YoY	Mar	1.4%	1.0%	0.6%	1.0%
	15:30	GB	PPI Input NSA MoM	Apr	1.1%	1.2%	-0.2%	-0.8%
	15:30	GB	PPI Input NSA YoY	Apr	3.8%	4.4%	3.7%	3.2%
	15:30	GB	PPI Output Core NSA MoM	Apr	0.2%	0.2%	0.0%	-0.1%
	15:30	GB	PPI Output Core NSA YoY	Apr	2.2%	2.2%	2.2%	
	15:30	GB	PPI Output NSA MoM	Apr	0.3%	0.3%	0.3%	0.1%
	15:30	GB	PPI Output NSA YoY	Apr	2.1%	2.3%	2.4%	2.2%
	15:30	GB	PSNB ex Banking Groups	Apr	5.8b	5.9b	1.7b	-0.1b
	15:30	GB	Public Finances (PSNCR)	Apr	-7.1b	--	8.9b	8.8b
	15:30	GB	Public Sector Net Borrowing	Apr	5.0b	5.1b	0.8b	-1.0b
	15:30	GB	Retail Price Index	Apr	288.2	287.6	285.1	

	15:30	GB	RPI Ex Mort Int.Payments (YoY)	Apr	3.0%	2.8%	2.4%	
	15:30	GB	RPI MoM	Apr	1.1%	0.9%	0.0%	
	15:30	GB	RPI YoY	Apr	3.0%	2.8%	2.4%	
	16:30	EZ	ECB Chief Economist Praet Speaks in Frankfurt					
	19:30	CA	Retail Sales Ex Auto MoM	Mar	1.7%	0.8%	0.6%	
	19:30	CA	Retail Sales MoM	Mar	1.1%	1.0%	0.8%	
	21:00	US	Fed's Williams Hosts Economic Press Briefing					
	21:10	US	Fed's Bostic Makes Opening Remarks at Dallas Fed Conference					
	21:30	US	DOE Cushing OK Crude Inventory	May-17	1266k	--	1805k	
	21:30	US	DOE U.S. Crude Oil Inventories	May-17	4740k	--	5431k	
	21:30	US	DOE U.S. Distillate Inventory	May-17	768k	500k	84k	
	21:30	US	DOE U.S. Gasoline Inventories	May-17	3716k	-850k	-1123k	
Thu/23-May-19	01:00	US	FOMC Meeting Minutes	May-01				
	06:00	AU	CBA Australia PMI Composite	May P	52.2	--	50	
	06:00	AU	CBA Australia PMI Mfg	May P	51.1	--	50.9	
	06:00	AU	CBA Australia PMI Services	May P	52.3	--	50.1	
	07:30	JP	Nikkei Japan PMI Mfg	May P	49.6	--	50.2	
	10:00	KR	Short-Term External Debt	1Q		--	\$126.6b	
	12:00	GB	European Parliament Elections					
	13:00	DE	Capital Investment QoQ	1Q	1.1%	1.0%	0.9%	0.8%
	13:00	DE	GDP NSA YoY	1Q F	0.6%	0.6%	0.6%	
	13:00	DE	GDP SA QoQ	1Q F	0.4%	0.4%	0.4%	
	13:00	DE	GDP WDA YoY	1Q F	0.7%	0.7%	0.7%	
	13:00	DE	Government Spending QoQ	1Q	0.3%	0.3%	1.6%	1.3%
	13:00	JP	Machine Tool Orders YoY	Apr F	--	--	-33.4%	
	13:00	DE	Private Consumption QoQ	1Q	1.2%	0.6%	0.2%	0.3%
	14:30	DE	Markit Germany Services PMI	May P	55.0	55.4	55.7	
	14:30	DE	Markit/BME Germany Composite PMI	May P	52.4	52.0	52.2	
	14:30	DE	Markit/BME Germany Manufacturing PMI	May P	44.3	44.8	44.4	
	15:00	DE	IFO Business Climate	May	97.9	99.1	99.2	
	15:00	DE	IFO Current Assessment	May	100.6	103.5	103.3	103.4
	15:00	DE	IFO Expectations	May	95.3	95.0	95.2	95.3
	15:00	EZ	Markit Eurozone Composite PMI	May P	51.6	51.7	51.5	
	15:00	EZ	Markit Eurozone Manufacturing PMI	May P	47.7	48.1	47.9	
	15:00	EZ	Markit Eurozone Services PMI	May P	52.5	53.0	52.8	
	15:30	HK	CPI Composite YoY	Apr		2.3%	2.1%	
	18:30	EZ	ECB Releases Minutes of its April Monetary Policy Meeting					
	19:30	US	Continuing Claims	May-11	1676k	1669k	1664k	
	19:30	US	Initial Jobless Claims	May-18	211k	215k	212k	
	20:45	US	Markit US Composite PMI	May P	50.9	--	53	
	20:45	US	Markit US Manufacturing PMI	May P	50.6	52.7	52.6	
	20:45	US	Markit US Services PMI	May P	50.9	53.5	53	
	21:00	US	New Home Sales	Apr	673k	675k	692k	
	21:00	US	New Home Sales MoM	Apr	-6.9%	-2.5%	4.5%	
	22:00	US	Kansas City Fed Manf. Activity	May	4	7	5	
Fri/24-May-19	00:00	US	Fed's Kaplan, Daly, Bostic and Barkin Speak on Panel					
	05:45	NZ	Exports NZD	Apr		--	5.70b	
	05:45	NZ	Imports NZD	Apr		--	4.77b	
	05:45	NZ	Trade Balance 12 Mth YTD NZD	Apr		--	-5616m	
	05:45	NZ	Trade Balance NZD	Apr		--	922m	
	06:30	JP	Japan Apr CPI					
	06:30	JP	Natl CPI Ex Fresh Food YoY	Apr		--	0.8%	
	06:30	JP	Natl CPI Ex Fresh Food, Energy YoY	Apr		--	0.4%	
	06:30	JP	Natl CPI YoY	Apr		--	0.5%	
	12:30	JP	All Industry Activity Index MoM	Mar		--	-0.2%	
	15:30	US	ECB's Nowotny Gives Briefing with IMF Delegation in Vienna					
	15:30	GB	Retail Sales Ex Auto Fuel MoM	Apr		--	1.2%	
	15:30	GB	Retail Sales Ex Auto Fuel YoY	Apr		--	6.2%	
	15:30	GB	Retail Sales Inc Auto Fuel MoM	Apr		--	1.1%	
	15:30	GB	Retail Sales Inc Auto Fuel YoY	Apr		--	6.7%	
	17:00	GB	CBI Retailing Reported Sales	May		--	13	
	17:00	GB	CBI Total Dist. Reported Sales	May		--	9	
	19:30	US	Cap Goods Orders Nondef Ex Air	Apr P		--	1.4%	
	19:30	US	Cap Goods Ship Nondef Ex Air	Apr P		--	0.0%	
	19:30	US	Durable Goods Orders	Apr P		-1.8%	2.6%	
	19:30	US	Durables Ex Transportation	Apr P		0.3%	0.3%	
Sat/25-May-19	00:00	US	Baker Hughes U.S. Rig Count	May-24		--	--	

Dow Jones (1YMM9 – Jun)

Exp. Date: 21 Jun 2019



RESISTANCE	26202	
	25990	
	25743	
SUPPORT	25284	
	25072	
	24825	
SUGGESTION	BUY	---
	SELL	25515
	S/L	25715
	T/P:	25165 25055

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
23 May	25779	25779	25320	459	25496	25496	↓ 271	1.05	297718

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
25904 (22/May)	25320 (23/May)	26691 (01/May)	25215 (13/May)	26694 (24/Apr)	22563 (04/Jan)

Nikkei (SSlamM9 – Jun)

Last Trading Date: 17 Jun 2019



RESISTANCE	21513	
	21361	
	21113	
SUPPORT	20713	
	20561	
	20313	
SUGGESTION	BUY	---
	SELL	20885
	S/L	20985
	T/P:	20635 20585

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE%	VOLUME
23 May SS1pmM9	21090	21095	20810	285	20865	---	↓ 355	1.67	44300
23 May SS1amM9	21195	21210	21070	140	21100	21100	↓ 190	0.89	48314

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
21435 (20/May)	20810 (23/May)	22495 (03/May)	20745 (14/May)	22495 (03/May)	19205 (04/Jan)

Kospi 200 (KSM9 – Jun)

Exp. Date: 13 Jun 2019



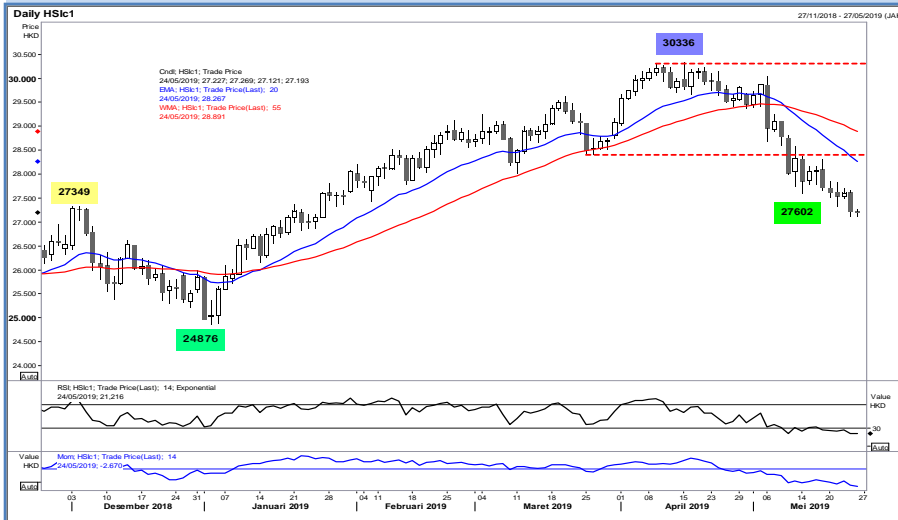
RESISTANCE	269.96	
	268.58	
	267.36	
SUPPORT	264.76	
	263.38	
	262.16	
SUGGESTION	BUY	---
	SELL	266.35
	S/L	266.85
	T/P:	264.85 263.85

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
23 May	266.75	267.20	264.60	2.60	266.15	266.15	↓ 1.05	0.39	222289

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
268.70 (21/May)	264.05 (22/May)	287.50 (02/May)	264.05 (22/May)	292.10 (17/Apr)	255.60 (04/Jan)

Hang Seng (HSIK9 – May)

Exp. Date: 30 May 2019



RESISTANCE	27773	
	27621	
	27424	
SUPPORT	27075	
	26923	
	26726	
SUGGESTION	BUY	---
	SELL	27195
	S/L	27295
	T/P:	26995 26845

DATE	OPEN	HIGH	LOW	RANGE	CLOSE	SETTLE	CHANGE	CHANGE %	VOLUME
23 May	27377	27469	27120	349	27227	27227	↓ 381	1.38	232143

WEEKLY		MAY		2019	
HIGH	LOW	HIGH	LOW	HIGH	LOW
27850 (20/May)	27120 (23/May)	29875 (03/May)	27120 (23/May)	30336 (15/Apr)	24876 (03/Jan)

Disclaimer

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