MGMC 萬兆豐

PROFESSIONAL DILIGENCE INC.

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NEWSLETTER

	OPEN	HIGH	LOW	CLOSE	HIGH-LOW CHANGE		CLOSING CHANGE	PREVIOUS CLOSE
				MAJOR CURRENCIES				
EUR / USD	1.1203	1.1215	1.1166	1.1196	0.0050	↓	-0.0018	1.1214
USD / JPY	110.02	110.81	109.82	110.20	0.99	↑	0.20	110.00
GBP / USD	1.2802	1.2803	1.2636	1.2720	0.0166	↓	-0.0235	1.2955
USD / CHF	0.9680	0.9727	0.9675	0.9692	0.0052	↑	0.0019	0.9673
AUD / USD	0.7539	0.7545	0.7520	0.7529	0.0025	↓	-0.0018	0.7547
USD / PHP	49.52	49.56	49.41	49.50	0.15	↑	0.02	49.48
				PRECIOUS METALS / ENERGY				
GOLD	1277.50	1280.04	1264.66	1270.08	15.38	↓	-8.65	1278.73
SILVER	17.41	17.44	17.17	17.20	0.27	↓	-0.23	17.43
OIL	45.71	46.18	45.27	45.90	0.91	↑	0.26	45.64
				WORLD INDICES				
DJIA	21,208.96	21,305.35	21,159.45	21,271.97	145.90	↑	89.44	21,182.53
NASDAQ	6,330.25	6,341.70	6,137.68	6,207.92	204.02	↓	-113.84	6,321.76
S & P 500	2,436.39	2,446.20	2,415.70	2,431.77	30.50	↓	-2.02	2,433.79
FTSE	7,449.98	7,545.12	7,449.73	7,527.33	95.39	↑	77.35	7,449.98
NIKKEI 225	19,953.06	20,096.01	19,927.07	20,013.26	168.94	↑	104.00	19,909.26
HANGSENG	26,090.33	26,090.33	25,922.68	26,030.29	167.65	↓	-32.77	26,063.06
AORD	5,714.80	5,728.40	5,688.50	5,715.50	39.90	↑	0.70	5,714.80
PSEi	7,961.46	8,026.33	7,956.71	7,990.24	69.62	↑	31.61	7,958.63

PHYSICAL GOLD
P.M. Fixing Closing Prices (June 09, 2017)

Product Name	SELL/BUY (HKD/Bar)	SELL/BUY (USD/Bar)	SELL/BUY (RMB/Bar)
MIBD 99 / 5 Taels Gold	HKD 60200/61000	USD 7706/7808	RMB 51170/51850
MIBD 999.9 / 1 Kilo Gold	HKD 319988/330912	USD 41738/43162	RMB 278250/287750

WORLD INTEREST RATES

US	EUR	GBP	JPY	CHF	CAD	AUD	NZD
0.5 %	0.00 %	0.5 %	-0.1 %	- 0.75 %	0.5 %	1.5 %	2.25 %

Gold Succumbs to Selling Pressure After Failing to Trade Above $1300

Gold had been trading dramatically higher from the recent low of $1215 achieved on May 9th.

Over the last month, gold pricing had gained roughly $84, trading to a new yearly high on Tuesday when prices reached $1298 per ounce.

This price point was a little over a dollar above the former yearly high achieved during the week of April 17th.

However, Wednesday prices failed to breach $1300 as sellers entered the market, and from that point forward, market participants witnessed gold decline dramatically.

Gold lost $10.00, or 0.8%, to settle at $1,269.40 an ounce. This downward pressure has created a double top at $1300, which reconfirms current resistance at that price point.

That is unless you have been buying gold with British pounds.

The recent election in the United Kingdom put dynamic pressure on the country's currency.

In fact, gold priced in sterling closed at a seven-week high.

As reported by Bloomberg News, "Bullion priced in sterling rose as much as 2.2 percent to 1,007.52 pounds an ounce, a seven-week high, after Prime Minister Theresa May failed to win an overall majority.

In dollar terms, gold futures fell, posting its first weekly loss in more than a month, as market attention for the rest of the world refocuses on the prospect of U.S. interest rates rising this week."

For the rest of the world, yesterday's testimony by the former FBI director James Comey did not elicit a flight to safe-haven assets as many predicted it might.

Traders and investors, it seems, have moved past this week's political turmoil and are now focusing on next week's FOMC meeting.

Based on the CME's FedWatch tool, there is a 99.6% probability that an interest rate hike is still in play this month.

Although it is widely believed that a June rate hike by the Federal Reserve has been factored into current pricing, a rate hike would be supportive of the U.S. dollar and continue to place downside pressure in gold.

Nasdaq Pulls Back Sharply But Dow Closes Higher

After reaching record intraday highs early in the session, stocks gave back some ground over the course of the trading day on Friday.

The tech-heavy Nasdaq pulled back firmly into negative territory, but the Dow managed to close in positive territory.

While the Dow climbed 89.44 points or 0.4 percent to 21,271.97, the Nasdaq tumbled 113.85 points or 1.8 percent to 6,207.92 and the S&P 500 edged down 2.02 points or 0.1 percent to 2,431.77.

The major averages also turned in a mixed performance for the week.

The Dow rose by 0.3 percent, while the Nasdaq slumped by 1.6 percent and the S&P 500 fell by 0.3 percent.

The sharp pullback seen by the Nasdaq came as traders cashed in on some of the recent strength among technology stocks.

Semiconductor stocks showed a substantial move to the downside, dragging the Philadelphia Semiconductor Index down by 4.2 percent.

The index ended the previous session at its best closing level in over sixteen years.

Internet, software, and computer hardware stocks also moved significantly lower, reflecting weakness throughout the tech sector.

On the other hand, energy stocks moved sharply higher on the day, regaining some ground after coming under pressure in recent sessions.

Reflecting the strength in the energy sector, the Philadelphia Oil Service Index spiked by 3.7 percent, the NYSE Arca Natural Gas Index surged up by 3 percent and the NYSE Arca Oil & Gas Index jumped by 2.3 percent.

The rebound by energy stocks came as the price of crude oil for July delivery rose $0.19 to $45.83 a barrel after ending the previous session at its lowest closing level in over a month.

Financial stocks also saw considerable strength, with the Dow Jones Banks Index and the NYSE Arca Broker/Dealer Index jumping by 2.5 percent and 1.8 percent, respectively.

The rally by financial stocks came after House Republicans voted Thursday to pass a bill rolling back many of the banking regulations put in place in response to the 2008 financial crisis.

Traders were also digesting the unexpected outcome of the U.K. elections in which no party gained a clear majority, resulting in a hung parliament.

The election backfired on U.K. Prime Minister Theresa May and her Conservative party, who had expected to expand their majority.

In remarks this morning, May indicated she would work with Northern Ireland's Democratic Unionist Party to form a government and provide certainty for the British people.

"Our two parties have enjoyed a strong relationship over the many years," May said.

"This gives me the confidence to believe that we will be able to work together in the interests of the whole United Kingdom."

Meanwhile, traders are looking ahead to this week's monetary policy announcement by the Federal Reserve.

CME Group's FedWatch Tool indicates a 99.6 percent chance that the Fed will raise interest rates by a quarter point next week.

With the Fed widely expected to raise rates, traders will pay close attention to the accompanying statement for clues about future rate hikes.

In overseas trading, stock markets across the Asia-Pacific region turned in yet another mixed performance on Friday.

Japan's Nikkei 225 Index climbed by 0.5 percent, while Hong Kong's Hang Seng Index edged down by 0.1 percent.

Meanwhile, the major European markets all moved to the upside on the day.

While the U.K.'s FTSE 100 Index jumped by 1 percent, the German DAX Index and the French CAC 40 Index advanced by 0.8 percent and 0.7 percent, respectively.

In the bond market, treasuries ended the day roughly flat after recovering from early weakness.

As a result, the yield on the benchmark ten-year note, which moves opposite of its price, inched up by less than a basis point to 2.199 percent.

The Fed's monetary policy decision is likely to be in the spotlight next week, with the central bank widely expected to announce a quarter-point rate hike next Wednesday.

Traders will also be presented will some key economic data, including reports on retail sales, industrial production, housing starts, and producer and consumer price inflation.

Oil rises as Nigerian pipeline leak overshadows supply worries

Oil prices rose on Friday after a pipeline stoppage in Nigeria, but crude still ended the week down nearly 4 percent on persistent worries about global oversupply.

Brent crude oil LCOc1 settled up 29 cents at $48.15 a barrel. U.S. crude CLc1 futures rose 19 cents to $45.83 a barrel.

Both benchmarks posted weekly declines of nearly 4 percent, pressured by big U.S. inventories and heavy worldwide flows.

The Shell Development Company of Nigeria declared force majeure on Nigerian Bonny light crude oil after someone drilled a hole into the Trans Niger Pipeline, causing a leak.

Nigeria has typically been Africa's largest oil exporter but rebel activity and government mismanagement have caused slowdowns and stoppages.

Oil markets have been under pressure in part because Nigeria and Libya, the two members of the Organization of the Petroleum Exporting Countries exempt from output cuts, were boosting production.

Last month OPEC and other key producers agreed to extend a November agreement to decrease production by almost 1.8 million barrels per day (bpd), and hold output there until the first quarter of 2018.

Libya's 270,000-bpd Sharara oilfield has reopened after a workers' protest and should return to normal production within three days, the National Oil Corp said on Friday.

U.S. production is also increasing. Drillers added eight oil rigs in the week to June 9, bringing the total count to 741, the most since April 2015, energy services firm Baker Hughes said on Friday.

U.S. data this week showed a surprise 3.3-million-barrel build in crude stocks to 513.2 million barrels.

Inventories of refined products also rose, despite the start of the peak-demand summer season.

U.S. refined product inventories are now back above 2016 levels and well above their five-year range, reflecting an unexpected slowdown in U.S. demand, Jefferies said.

Asian markets are also oversupplied, with traders putting excess crude into floating storage, an indicator of a glut.

Thomson Reuters shipping figures show at least 25 supertankers sitting in the Strait of Malacca and the Singapore Strait, holding unsold fuel.

Gold: A Buying Opportunity Ahead of Fed Meeting? - Analysts

The gold market is not ending the week on a very strong note and could be in for more weakness in the near-term as it has not only failed to make new highs for the year, but was unable to hold above a key six-year downtrend level.

Despite rallying to seven-month highs mid-week, gold was unable to hold those gains as prices ended the week 0.68% lower, last trading at $1,271.40 an ounce Friday..

Silver is seeing its four-week winning streak come to an end with prices last trading at $17.225 an ounce, down 1.7% from last week.

According to some analysts, the gold market got ahead of itself as the rally earlier this week drove prices to test key resistance just below $1,300 an ounce.

Analysts noted that the U.S. dollar managed to regain some momentum ahead of next week's Federal Reserve monetary policy meeting as a result of a weaker Euro and British pound..

A stronger U.S. dollar is creating some strong headwinds for gold and even a "dovish" rate hike next week might not be enough to boost the yellow metal.

"I think the market is already expecting a dovish rate hike," said Colin Cieszynski, senior market analyst at CMC Markets.

"The U.S. Dollar Index is trading at 97 heading into the rate hike. Ahead of the March rate hike, the dollar was trading at 102," he said.

While Cieszynski is expecting to see lower prices in the near-term, he added that he remains bullish on gold in the long-term and sees any drop as a buying opportunity.

He added that he would not be surprised to see gold eventually test support at its 200-day moving average at $1,252 an ounce .

"Despite near-term weakness, gold is still in a rising uptrend.

The number of risks heading into the fall continue to mount and that will be bullish for gold in the long-term," he said.

Christopher Vecchio, senior currency strategist at DailyFX.com, said that he is also expecting to see lower prices in the near-term but sees the current correction as a buying opportunity.

He said that there continues to be growing risks that the Federal Reserve will have to throttle back its interest rate expectations as wage growth and inflation remain muted.

He added that a recent spate of mediocre economic data does not support a third rate hike this year.

Heading into this week's Federal Reserve monetary policy meeting, CME 30-Day Fed Fund futures are pricing in a 100% chance of a rate hike; however, markets are looking past next week's meeting and will be looking for clues to see if there will be a third or fourth rate hike.

Currently, markets are pricing in a less than 50% chance that rates will rise a third time in December.

Vecchio said that these low expectations does create some risk for gold later in the year.

"If the economic data starts to improve then there is scope for expectations to shift and that could weigh on gold," he said.

Not only did the testimony from former FBI director James Comey fail to create a bid for gold, but the U.K. election saw Theresa May's Conservative Party lose a majority, resulting in a hung Parliament ahead of the start of Brexit negotiations next week.

Jasper Lawler, senior market strategist at London Capital Group, said that the UK election result is a fairly complex issue and could be too big for global markets to focus on.

Instead, traders are taking a simplified view, buying the U.S. dollar and punishing the pound as a result of the election.

That strength in the U.S. dollar is what is driving gold prices lower, said Lawler.

“Markets see this as a domestic issue now and maybe the results don’t justify a bid in gold at the moment,” he said.

“You can’t deny gold’s failed break out. The drop off we have seen is not something you would expect to see in a bullish uptrend.”

With gold’s failed breakout, investors are back to watching the key level at $1,280 an ounce, which represents a six-year downtrend.

Not only does gold have to break that but according to some analysts, prices have to close above the April highs to regain enough momentum for a sustained break above $1,300 an ounce.

With analysts seeing renewed downside momentum, they say that the first key support level is at $1,260 an ounce, which represents an uptrend from the December 2016 and March lows.

Some analysts are also watching gold’s 200-day moving average as an important support level, which comes in at $1,252 an ounce.

The last key support level comes in at $1,236 an ounce, a 38.2% retracement level from December’s low to April’s high.

While this week’s Federal Reserve interest rate decision is the main event next week, there are other important events that could create some volatility in markets.

The Gold Sector Continues to Confuse Participants

Earlier last week, the gold sector appeared to be heading for a breakout after the miners had been lagging the gold price for the past three weeks.

On Tuesday, June 6th, the miner sector finally decided to join the bullion party and had a very nice upside move while gold raced toward the $1300 level.

This move caught many by surprise as the highly publicized Junior Miners Gold Index GDXJ rebalance has kept many would be participants on the sidelines.

The announcement, which was made by the fund back in mid-April, was a call to arms for hedge fund shorts to sell down many of the small cap precious metal companies that make up much of the index.

The strong volume move in the GDX on June 6th above $23.50 resistance breathed new life into the sector.

The equally strong daily close in gold above the $1280 level earlier this week had the bulls calling this price action a possible breakout from the downtrend line formed after the 2011 top at $1920.

After gold had become short term overbought, we saw some profit taking in the next few trading sessions with investors preparing for the outcome of the UK snap election vote on “Super Thursday”.

At around this time last year, we had a surprise outcome of the “Brexit” vote which moved the gold sector higher on safe haven buying.

However, the surprise results of the just announced UK snap election have lead to a “hung parliament”, casting some doubt on Great Britain leaving the European Union.

Ironically, a few days before the UK election results were known, gold made a reversal within the week near the same level it was trading when the “Brexit” vote was announced on June 24th last year.

This unexpected outcome is in the process of possibly forming a nasty bearish reversal on the weekly gold chart.

The spot bullion price of $1260 needs to hold week or there is a strong chance of heavy selling as we head into the Federal Reserve FOMC meeting this week.

The US Dollar has also become oversold and may be in the process of bouncing into the meeting results next Wednesday, putting further pressure on the gold sector.

The Federal Reserve FOMC policy meeting speech on June 14th at 11:00am EST is the next possible catalyst for the gold sector.

A fourth Fed rate hike has now been priced in by the market, however, the future outlook by the committee will be what the algorithm based trading will be focusing on.

As we head into the FOMC meeting this week, the yellow metal needs to maintain the $1260 level to negate further selling and the GDX has to hold the $22 area, or we could easily see more pain heading into July.

On the upside, this new miner bull market will begin the next leg higher once we see a strong weekly close above the $1310 level in gold accompanied with the $25 level in the GDX.

U.S. Wholesale Inventories Fall More Than Expected In April

Reflecting decrease in inventories of both durable and non-durable goods, the Commerce Department released a report on Friday showing a bigger than expected drop in U.S. wholesale inventories in the month of April.

The Commerce Department said wholesale inventories fell by 0.5 percent in April after inching up by a revised 0.1 percent in March.

Economists had expected inventories to dip by 0.3 percent compared to the 0.2 percent uptick originally reported for the previous month.

The report said inventories of non-durable goods slid by 0.8 percent amid steep drops in inventories of petroleum and farm products.

Inventories of durable goods also fell by 0.3 percent, reflecting notable decreases in inventories of computer equipment and automotive products.

The Commerce Department also said wholesale sales dropped by 0.3 percent in April after falling by 0.2 percent in March.

A 1.1 percent decline in sales of non-durable goods more than offset a 0.3 percent increase in sales of durable goods.

The inventories/sales ratio for merchant wholesalers subsequently came in at 1.28 in April, unchanged from the previous month but down from 1.35 a year ago.

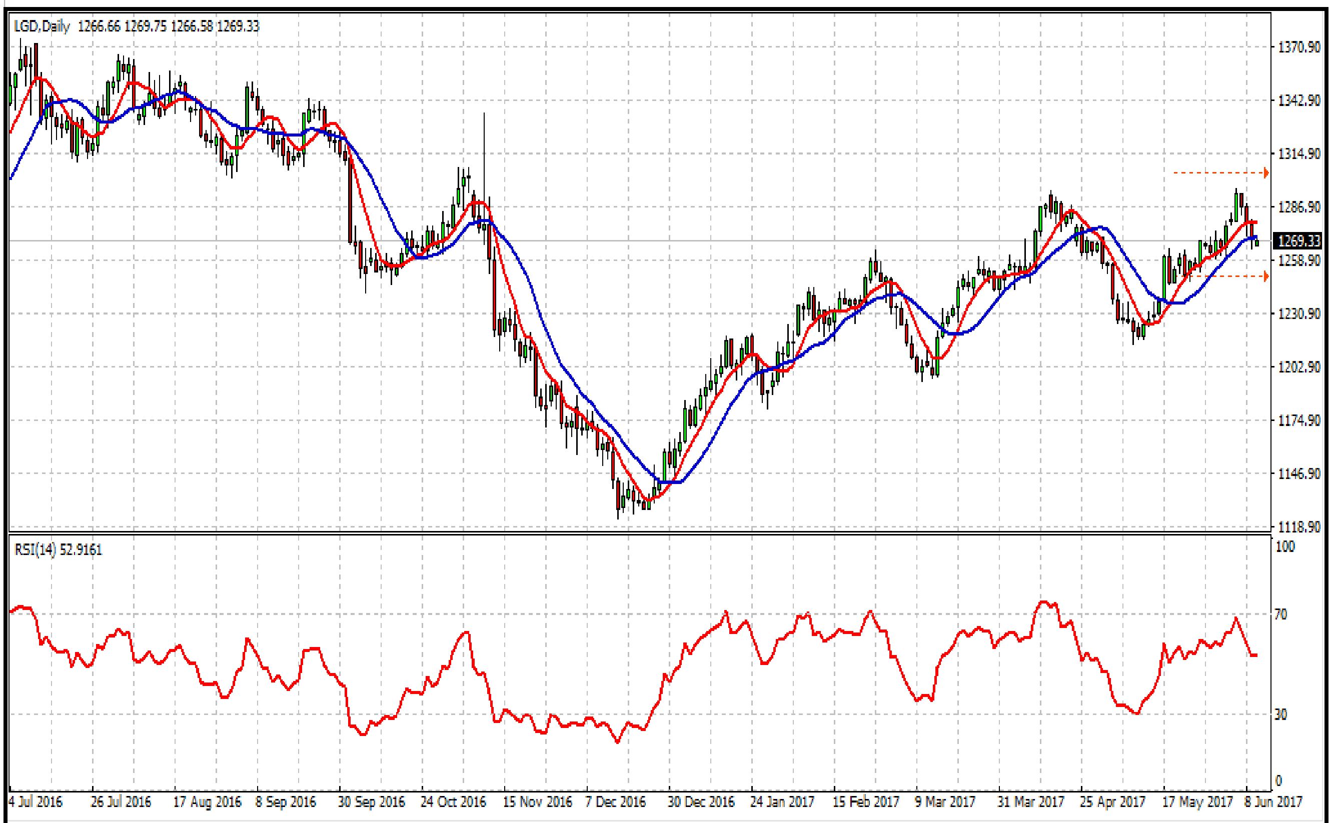
GLOBAL ECONOMIC CALENDAR

GMT	COUNTRY	INDICATOR	VOL.	FCAST	PREV

"NO MAJOR ECONOMIC INDICTOR SCHEDULED"

! Low Volatility Expected   !! Moderate Volatility Expected   !!! High Volatility Expected

TECHNICALS



GOLD

R3	R2	R1	PIVOT	S1	S2	S3
1293.91	1286.97	1278.53	1271.59	1263.15	1256.21	1247.77

SILVER

R3	R2	R1	PIVOT	S1	S2	S3
17.64	17.54	17.37	17.27	17.10	17.00	16.84

EURO

R3	R2	R1	PIVOT	S1	S2	S3
1.1269	1.1242	1.1219	1.1192	1.1170	1.1143	1.1120

YEN

R3	R2	R1	PIVOT	S1	S2	S3
111.73	111.27	110.73	110.28	109.74	109.28	108.75

GBP

R3	R2	R1	PIVOT	S1	S2	S3
1.2969	1.2886	1.2803	1.2720	1.2637	1.2553	1.2470

CHF

R3	R2	R1	PIVOT	S1	S2	S3
0.9773	0.9750	0.9721	0.9698	0.9669	0.9646	0.9617

AUD

R3	R2	R1	PIVOT	S1	S2	S3
0.7567	0.7556	0.7542	0.7531	0.7517	0.7506	0.7492