

Thursday 16.04.2020

Asian Session

Asian market became vulnerable, Asian stocks plunged today as investors believe that a global recession is inevitable. Japan index Nikkei fell by 1.3%, while South Korea's index KOSPI declined by 0.2%. Australian index fell by 1.1%, Shanghai index and Hong Kong index decline both by almost 1%. According to International Monetary Fund Asia's growth will flat this year and investors will need to adjust their expectations until the end of the year.

Asian Stock	Closed
Nikkei	-1.3%
Hong Kong HSI	-1%
China Shanghai SSE	-1%
Kospi – South Korea	-0.2%

US Stocks

US stocks dropped yesterday following negative data output, generated from the recent announcements of corporate negative earnings for the first quarter and due to negative US retail sales data yesterday, which support other major pairs against dollar. Bank of America lost around 45% of its profits for the first quarter of \$4.8 billion. Retail sales data showed decline of 8.7% for March. Dow Jones dropped by 1.9%, SP500 dropped by 2.2% and Nasdaq index fell by 1.4%. Today all eyes turn to jobless claims report which is predicted to post another 5.1 million unemployed people.

US Stocks	Closed
DOW	-1.9
S&P500	-2.2%
NASDAQ	-1.4%

Major Currencies

Euro dollar remained weak yesterday at 1.09 price range as German and French virus figures weighing on the pair. We saw yesterday euro finding higher levels after the negative us retail sales data. It's expecting to see today how the pair will be affected after US jobless claims report. Canadian dollar lost value yesterday after the CAD interest rate decision which remained unchanged at 0.25%. Aussie dollar lost around 200 pips at 1.41 and it's expected to go even higher finding resistance level at 1.418. Pound dollar began the day negatively following yesterday's major pullback of 200 pips. It's expected to see further drop to the downside and if the pair breaks below 1.24 level then may go lower to 1.23 support level, a fact that is possible as UK government is set to extend the lockdowns.

Gold Market

Another 2.3k contracts placed on futures gold market yesterday according to CME, however volume dropped by almost 60.7k contracts indicating unstable activity in gold market. We may see a pullback after the rally to \$1750, at 1700 and then back to 1650. It will take time to reach 1800 level, however if we reach that level it will be fast and then a pullback is expected before we see a new rally to 2000 record.

high. Relative Strength index shows negative divergence meaning a possible pullback is on the way, however there is massive momentum to the upside.

Oil Market

The international Energy Agency yesterday noted that it's predicted that the black gold demand will fall by 9.3 million per day this year, due to implementation of lockdowns around the world. IEA projected that crude demand would fall by 29 million barrels a day and this is equal with 29% of the overall oil demand in daily basis which is 100 million barrel. US energy department has created a plan to compensate the companies which hold 365 million barrels of oil reserves, for emergency. US attempts to negotiate with 9 nine energy companies to store 23 million barrels for emergency strategic oil reserve, in a favorable prices, the lowest price in decades, in order to offset the supply of production which has stopped, with the demand. Yesterday oil fell by 1.25% at \$19.8 and might drop further at \$19 with next support 18.8.

USD Index

Dollar index closed the day higher yesterday after the announcement of US retail sales data which enhanced the people fears of recession and triggered a flight to safety for the dollar index. Dollar demand increases against other basket of major currencies during uncertainty. Yesterday DXY price rose from \$98 to \$99 and today may find support at \$100 if the risk off tone worsens after today's US unemployment report.

European Stocks

European stocks began the day higher after Stoxx600 index declined yesterday by 1.09% tracking its biggest single day loss the recent month. DAX30 today rose by 1.25% as Angela Merkel attempts to reopen the country's economy and the UK100 rose by 0.52%

On the data front 16-04-2020

Time	Event	Impact
09:00 am	EUR Harmonized Index of Consumer Prices (YoY)(Mar)	High
11:30 am	GBP BoE Credit Conditions Survey(Q1)	Medium
12:00 pm	EUR Industrial Production s.a. (MoM)(Feb)	Medium
14:30 pm	USD Building Permits (MoM)(Mar)	Medium
14:30 pm	USD Philadelphia Fed Manufacturing Survey (Apr)	Medium
14:30 pm	USD Initial Jobless Claims (Apr 10)	High
14:30 pm	USD Initial Jobless Claims 4-week average (Apr 10)	Medium
15:30 pm	GBP BoE's Tenreyro speech	Medium