

Tuesday 21.04.2020

Asian Session

Along with US and European, Asian equities also fell, following oil prices massive decline. Japan index fell by almost 1.9%, while Hong Kong index declined by 2.4%. South Korea KOSPI index fell by 3% as Korea's leader Kim Jong Un is in danger after previous surgery. Australia index dropped by 2.46% as the country's central bank warned about an economic contraction and Shanghai index fell by 1.5%

Asian Stock	Closed
Nikkei	-1.9%
Hong Kong HSI	-2.4%
China Shanghai SSE	-1.5%
Kospi – South Korea	-3%

US Stocks

Last Friday Donald Trump announced plans to reopen the economy, ignoring the seriousness of the pandemic, giving short confidence to stock market. US stocks closed even lower on Monday, as investors are very pessimistic along with the oil future crash prices, although the plans for easing of global lockdowns. The senators may struggle providing potential additional emergency funds for small businesses. Dow Jones index fell by 2.4% at 23600, while SP500 fell by 1.78% and Nasdaq Composite index fell by 1.03%.

US Stocks	Closed
DOW	-2.4%
S&P500	-1.78%
NASDAQ	-1.03%

Major Currencies

Euro dollar is traded at 1.083 for the day and the price may get affected by the German economic sentiment later on the day. Positive outcome of the survey may lead euro go higher to 1.089. On the meantime the rout in oil prices along with the concerns of North Korea's leader both supporting the safe haven dollar. Pound depreciated against dollar amid a negative mood for increase in the unemployment sector. Pound is in pressure as oil futures are now calculated for June contracts and they may drop again. Eyes now turn to US Existing Home Sales report for March later on the day. Dollar yen still be in a trading range and it is possible to see dollar become stronger according to UOB group, reaching 108.2 level with support level being at 107. Dollar against Canadian dollar remains stronger, gaining almost 50 pips for the day. Canadian dollar price affected a lot from oil price and we expected to see USDCAD moving higher.

Gold Market

Gold price last Friday became weakening after Trump announce a possible reopen in US economy. After the rally to 1750 a record high for the year we saw a pullback in gold prices, however the momentum is bullish. If we take into consideration that oil prices moving in very negative territory, this cannot create inflation so it will be more difficult for gold to go higher, along with Trump's announcement of reopening the economy. It's predicted that until June the price of gold will jumped approximately to 1800-1850 price level. Yesterday gold investors manage to keep the price above 1670, the recent support level indicating that gold may get back again above 1700 within the week.

Oil Market

Yesterday, futures oil prices went below zero, a massive drop since NYMEX opened futures trading in 1983. The May contracts for WTI that expires today, closed the trading day yesterday at -\$37.6 per barrel. This means that anyone willing to sell barrels of oil have to pay the other party, amid lack of supply and storage, as a result producers will pay the purchases to take oil off their hands. June contracts rose by 4.5% to \$21 a barrel. Analysts believe that the black gold will be the last asset that will recover from lockdown. Brent Futures moved slightly lower to \$25 a barrel today.

USD Index

Dollar index is prolonging the upside momentum today reaching above the 100 level, as investors prefer the buck as countries extending their lockdowns. It is interesting where the index will range after the existing home sales report later on the day.

European Stocks

European stocks began on Monday higher, as coronavirus cases decreases as a result of the lockdowns measures taken, however closed the day lower. The European Council this week is expected to announce a recovery fund. Today also they will publish the institutional investor economic sentiment and may generate a volatile market.

On the data front 21-04-2020

Time	Event	Impact
12:00 pm	EUR ZEW Survey - Economic Sentiment (Apr)	Medium
12:00 pm	EUR ZEW Survey - Economic Sentiment (Apr)	High
14:30 pm	CAD Retail Sales ex Autos (MoM)(Feb)	Medium
14:30 pm	CAD Retail Sales (MoM)(Feb)	High
16:00 pm	USD Existing Home Sales (MoM)(Mar)	Medium
N/A	NZD GDT Price Index	Medium