

Wednesday 29.04.2020

Asian Session

Asian mark stocks today traded higher as investors awaiting for Federal Reserve meeting later today. Hong Kong index rose today by 0.1%, while the Shanghai Composite index edged up 0.4%. South Korea's index KOSPI index rose by 0.7% despite that tech giants companies reported bad earning for the first quarter such as Samsung Electronics shares which lost 0.2% in net quarterly profit. Australia's index rose by 1.5% and Japan index was closed for holidays.

Asian Stock	Closed
Nikkei	-
Hong Kong HSI	+0.1
China Shanghai SSE	+0.4%
Kospi - South Korea	+0.7%

US Stocks

It is expected that the interest rates report will remain unchanged later today, however the Fed is expected to offer reassurance to investors, meaning that the economy is under control and they can provide more stimulus, as the US moves towards reopening the economy. Yesterday we saw an increase to stocks market, before giving up early gains, as technology stocks took a hit ahead of earning reports. Today we are expecting the earning reporting from Tesla Boeing and Facebook. Futures on mini Dow and SP500 stocks today rose by almost 1%. Dow Jones yesterday lost 0.1%, while SP500 lost 0.52% and Nasdaq lost 1.4%.

US Stocks	Closed
DOW	-0.1%
S&P500	-0.52%
NASDAQ	-1.4%

Major Currencies

Bad US data output yesterday aid euro to appreciate against dollar, reaching 1.088 price level from lows of 1.08. The pair may try to reach back again the level of 1.0915 awaiting the today FOMC and interest rate news. After finishing the descending impulse at 1.242 pound against dollar trying to retest towards 1.248. Later we may see a decline if it breaks below 1.241 with short-term target at 1.234. On dollar yen we saw a descending structure and the pair is traded 106.7, and if it close well below the level of 107 we may see further drop until 105.5, otherwise we may see ascending structure to reach again the 107.4 price level. The advance US GDP report later today is expected to show that the economy contracted by 4.0% annualized pace during the first quarter of 2020 and this may help pound go even higher and extend its yesterday gains against dollar. We may see pound jump to 1.26 territory again.

Gold Market

After gold pullback yesterday at 1690 price level, we saw price reaching again the recent resistance level at 1716. We may see a correction again at 1700 psychological level and then go up again and may try to reach 1750 price level after today's Fed news for extra stimulus.

Fed may provide additional stimulus up to 3 trillion dollars and that will help gold go higher. Yesterday gold moved lower amid hopes of US economy reopening.

Oil Market

Oil prices closed lower yesterday after known oil ETF announce that will roll its contracts from June to the next months. Later on, yesterday oil prices extend their gains higher after Turkey press reported a bomb denoted on an oil tanker in Syria and killed at least 10 people. WTI yesterday dropped by 3.4% and settled at \$12.3, while Brent closed at \$20.46. The prices continued the pullback yesterday after the America Petroleum Institute showed that US crude inventories jumped by 10 million barrels in the week to overall 510 million barrels, which was lower than expected. Remains to see from May1 oil price reaction after the historical production cut by 9.7 million barrels per day.

European Stocks

European stocks began the day higher today amid earning reporting, but also get support from gains in oil stocks. Stoxx600 index opened flat today, while DAX30 rose by almost 0.1% and UK100 rose by 0.6%. Investors expect Fed to provide extra stimulus.

On the data front 29-04-2020

Time	Event	Impact
29-04 11:00 am	CHF ZEW Survey – Expectations (Apr)	Medium
29-04 12:00 pm	EUR Business Climate (Apr)	Medium
29-04 12:00 pm	EUR Harmonized Index of Consumer Prices (YoY) (Apr)	High
29-04 15:30 pm	USD Gross Domestic Product Annualized (Q1)	High
29-04 15:30 pm	USD EIA Crude Oil Stocks Change (Apr 24)	Medium
29-04 21:00 pm	USD Fed Interest Rate Decision	High
29-04 21:30 pm	USD FOMC Press Conference	High
29-04 23:50 pm	JPY Industrial Production (YoY) (Mar)	High