

**Wednesday 20.05.2020****Asian Session**

Asian stocks were mixed today following the losses yesterday on Wall Street, as bad sentiment about slow and gradual recovery prevails. Japan index rose by 0.7%, while Hong Kong index declined by 0.2% and Shanghai index fell by 0.3%. South Korea's KOSPI index has gained 0.2% and Australia's index rose by 0.2% and was about flat. Earlier today, the People's Bank of China left its lending rate unchanged as it was expected.

<b>Asian Stock</b>	<b>Closed</b>
Nikkei	+0.7%
Hong Kong HSI	-0.2%
China Shanghai SSE	-0.3%
KOSPI – South Korea	+0.2%

**US Stocks**

US stock market closed negatively yesterday after three consecutive days of gains. Stock started declining after the testify speech from the Chairman of the Fed Jerome Powell for the US monetary policy before the Senate Banking Committee announcement, however we did not observe significant fall to the markets. Dow Jones index fell by 1.6%, while SP500 slipped by 1% and Nasdaq Composite index declined by 0.5%.

<b>US Stocks</b>	<b>Closed</b>
DOW	-1.6%
S&P500	-1%
NASDAQ	-0.5%

**Major Currencies & Dollar Index**

Euro rose against dollar yesterday after Fed Chair Powell's bearish comments, along with proposed recovery fund and the ZEW survey result which remained supportive for the euro. He warned that the current downturn is significantly worse than any recession since the World War 2 and noted that they will keep interest rates near zero until economy is back on track. The pair managed to hold above 1.09 and we expect that will find resistance at 1.10 soon. Depends a lot from today ECB's interest rate decision, deposit rate decision and FOMC news later in the day. GBPUSD is trying to recover and the bias remains bullish. Long positions should be above 1.223 with targets 1.229 and 1.233 in extension, otherwise below 1.223 for further downside with 1.22 and 1.218 as targets. In the other hand we may see some downward correction at the pair as UK CPI fell to 0.8% in April worse than expected and the inflation fell, as a result there are rising chance to see negatives interest rates. USDJPY it may continue turning down as we may see double top pattern is formed. Short position can be found below 108 price level with target at 107.3 and above 108 look for further upside with 108.3 as a target.



## **Gold Market**

As long as there exist a weak economic data and the dollar weakens gold price will continue rising. The yellow metal rose after Fed Chair Powell's bearish comments. He warned that the current downturn is significantly worse than any recession since the World War 2 and noted. Gold price retested again the 1750 price level after the announcement and looking for higher highs. To the downside, immediate support is seen at 1730 and a break below that level may lead gold to 1700 level.

## **Oil Market**

Oil prices began the day higher amid signs of higher demand and a drawdown in US crude oil inventories, as the American Petroleum Institute announced minus 4.8 million to 521.3 million barrels in the week to May 15, less than expected. Brent crude futures for July delivery rose by 0.7% at \$34.88 per barrel, while WTI crude futures for July went up 0.4% at \$32.1 per barrel. The long-awaited June contract expired yesterday at \$32.5 per barrel and was up by 2.1%, as the market avoided the selling panic of last month's May expiry when prices plunged below zero. Oil climbed more than \$30 the past three weeks supported by massive output cuts.

## **European Stocks**

European stocks closed the day lower yesterday after the bad news from Jerome Powell the Fed's Chairman as he noted the economy will recover slower than expected, however European markets supported by the EU recovery fund worth 500 billion which was announced by Angela Merkel and French President Macron last days.

## **On the data front 20-05-2020**

Time (GMT+2)	Event	Impact
09:00 am	GBP Consumer Price Index (YoY) (Apr)	High
12:00 pm	EUR Consumer Price Index (YoY) (Apr)	Medium
14:45 pm	ECB Interest Rate and Deposit Decision	High
15:30 pm	CAD BoC Consumer Price Index Core (MoM) (Apr)	High
16:30 pm	GBP BoE's Governor Bailey speech	High
17:30 pm	USD EIA Crude Oil Stocks Change (May 15)	Medium
21:00 pm	USD FOMC Minutes	High