

Monday 23.05.2020

Asian Session

Asian stock market lost early gains earlier today amid souring relations between China and US. Hong Kong stocks extending losses on mounting fears about future stability. MSCI index outside Japan fell by 0.1%. Hong Kong index dropped by 1.4% today after the massive plunged on Friday by 5.5%. Japan's index jumped by 1.5% as it announced that a new stimulus package of 925 billion dollars is on the way to confront the virus. South Korea's KOSPI index rose by 1.13% and Shanghai index fell by 0.15%.

Asian Stock	Closed
Nikkei	+1.5%
Hong Kong HSI	-1.4%
China Shanghai SSE	-0.15%
KOSPI – South Korea	+1.13%

US Stocks

US stocks on futures market were slightly rose late Sunday amid increasing tensions between US and China. Dow Jones future index rose by 0.53%, while SP500 rose by 0.51% and Nasdaq index jumped by 0.65%. Investors are focusing on how US and global economies will reopen their economies, but stock market affected a lot from US China tensions as the US may sanction China if a bill approved.0.53%.

US Stocks	Closed
DOW	+0.53%
S&P500	+0.51%
NASDAQ	+0.65%

Major Currencies & Dollar Index

EURUSD is expected to be affected after IFO survey takes place later today, where it analyses economic policy for Business climate index for Germany. Last week the pair faced rejection near the 200-day SMA. If the pair dropped below 1.09 will create some fresh selling pressure and may go even lower at 1.08 support level, otherwise above 1.09 could find resistance at 1.095. It remains to see if IFO news will be better than expected. GBPUSD is currently traded below 1.21 price level, as investors continue speculating about the Bank of England setting negative interest rates and Boris Johnson is under pressure after his senior adviser violated the lockdown. The fall may go beyond to 1.21 and then again to 1.20 price level. USDJPY rises to 107.7 and rose by 0.08% for the day. We expect yen to appreciate in short term as Japan announced another stimulus package of 925 billion dollars. Immediate resistance remains at 108.1, otherwise there is a possibility the pair to drop to 106 price range.

Gold Market

According CME Group a lower open interest in gold futures market observed for the second session in a row on last Friday by around 2.5k contracts. Gold is currently traded at \$1726 price level. Is not much unlikely to see gold retesting again the \$1675 price level, in the near term. Citibank expects that gold may fall back again between 1600-1700 price range and then will skyrocket to \$2000 per ounce. Resistance level remains at \$1800 with support at 1682-1720.

Oil Market

As per analyst's prediction despite that oil prices have climbed since late April, gains could be coming to an end. China's oil demand has climbed by 13 million barrels per day, however on Friday oil prices dropped sharply before took back their gains, amid worries about China growth and fresh tension between Washington and Beijing. Technically WTI crude could slip back towards \$24 per barrel. WTI settled at \$ 33 per barrel on Friday, while Brent settled at \$35 per barrel.

European Stocks

European stock market index had its best weekly return in more than a month on Friday's closing as investors worried that China intends to tighten control over Hong Kong with a new security law. Stoxx600 index rose by 3.3% for the last week.

On the data front 25-05-2020

Time (GMT+3)	Event	Impact
09:00 am	EUR Gross Domestic Product (YoY)(Q1)	Medium
11:00 am	EUR IFO - Business Climate (May)	Medium
20:30 pm	CAD BoC's Governor Poloz speech	High