

**Thursday 28.05.2020****Asian Session**

Investors are mainly focused on US and China recent tensions and taking into consideration a possible sanction over Beijing's crackdown in Hong Kong. Mike Pompeo noted that Hong Kong is no longer politically autonomous from China, something that could have consequences on its trading status. Hong Kong futures stocks index fell by 1%, while Japan's index rose by 1.8%. Shanghai index went down slightly by 0.1% and South Korea's KOSPI index fell by 0.1%.

<b>Asian Stock</b>	<b>Closed</b>
Nikkei	+1.8%
Hong Kong HSI	-1%
China Shanghai SSE	-0.1%
KOSPI – South Korea	-0.1%

**US Stocks**

US stock market rose rapidly yesterday and climbed to levels that we have not seen since March. This fact caused by the optimism that economy is recovering, and more stimulus packages are coming to boost the economy. Dow Jones rose by 2.2% and reached almost 25600 price level. The index's most gains derived from American Express, Goldman Sachs and JPMorgan Chase, all climbed by more than 5%. Dow today is traded at 25700. SP500 rose by 1.5% and Nasdaq index went up 0.6%.

<b>US Stocks</b>	<b>Closed</b>
DOW	+2.2%
S&P500	+1.45
NASDAQ	+0.6%

**Major Currencies & Dollar Index**

EURUSD closed the day above the critical level of 1.10 yesterday, as European Union announce that will provide another 750 billion euros for the economy. Traders are very optimistic, as a result we may see EURUSD go even higher with next resistance level being at 1.115. The pair is currently trade at 1.102. CPI and jobless claims data news later on the day will have direct impact for the course of the pair. GBPUSD lost more than 50 pips yesterday as some fresh selling pressure exist amid Brexit worries. The UK OM spokesman said the Brexit will not be extended beyond the end of the year. EU is willing to drop its approach on fisheries in the next round of Brexit negotiations starting next week. Bulls managed to stay above 1.22 price level, however the pair remains below 200 SMA. A break above 108.6 is a buy signal for USDJPY. The pair remains in sideways in daily time frame, however since yesterday gain more than 100 pips to the upside as dollar remains as a safe haven. If the pair break below 107.5 may go lower to 106.8. Despite the WTI short term pullback, along with US and China tensions USDCAD pair seems that is benefited from the dollar weakness and is currently traded at 1.376.



## **Gold Market**

Yesterday gold price sustained above 1700 price level after the plunged at 1690 as it was initially expected the recent days as economies try to reopen. The next resistance level should be at 1740. According to CME gold futures shrunk by 6K contracts. Strong support level remains at 1680 price level. The yellow metal is up 0.30% on the day, having charted an indecisive Doji candle on Wednesday on daily timeframe and that indicates an upside movement. If breaks below 1690 gold may go even lower to 1660 support level.

## **Oil Market**

A break above 1.35 level it will be a signal for a bullish position, however according to CME oil futures traders scaled back their open interest positions by almost 9.4k contracts and that caused the price of WTI to drop yesterday by more than \$3 per barrel, almost from 35 price level. Also, investors are looking for safety in US and other countries bonds rather than in oil. Another reason oil priced fell is that China reduced the annual GDP growth rate due to the pandemic effect, along with the tensions between US and China.

## **European Stocks**

European stock index Stoxx600 went up more than 1%, as European Union will announce bigger than was expected 750 billion stimulus programs for economy recovery. 500 billion of grants mainly targeting most affected countries such as Spain and Italy and the rest 200 billion would be a package of low interest rates loans. German DAX index rose by 1.33%. Additionally, Italy's government bonds after the EU package announcement.

## **On the data front 28-05-2020**

Time (GMT+3)	Event	Impact
15:00 pm	EUR Harmonized Index of Consumer Prices (YoY)(May)	High
15:30 pm	USD Initial Jobless Claims (May 22)	High
15:30 pm	USD Nondefense Capital Goods Orders ex Aircraft (Apr)	High
15:30 pm	USD Gross Domestic Product Annualized(Q1)	High
18:00 pm	USD Fed's Williams speech	Medium
18:00 pm	USD EIA Crude Oil Stocks Change (May 22)	Medium