

Tuesday 02.06.2020

Asian Session

Asian equities began the day higher today along with US equities, as investors are mainly focused on past prospects for the deployment of the US military to quell social unrest. There is too much optimism in the market, however big worries are coming from that widespread protests in the US, as they could disrupt the economic recovery and widen the outbreak. South Korea's KOSPI index rose by 1%, while Hong Kong's Index rose by 0.6%. Shanghai Composite index added 0.3% and Japan's index went up by 1.19%.

Asian Stock	Closed
Nikkei	+1.19%
Hong Kong HSI	+0.6%
China Shanghai SSE	+0.3%
KOSPI – South Korea	+1%

US Stocks

US stocks continued rising for three days in a row, as investors are optimistic about global factory activity and that will go towards recovery ignoring to some degree the violent protests in US cities. Dow Jones index has jumped by almost 100 points, 0.4% relatively slight increase in comparing with previous days, while SP500 rose by 0.4%, gaining 11 points and Nasdaq Composite index went up by 0.7% gaining 62 points.

US Stocks	Closed
DOW	+0.45
S&P500	+0.45
NASDAQ	+0.7%

Major Currencies & Dollar Index

The Australian dollar has broken above the March major decline and bonds were little changed after the Reserve Bank of Australia left its cash rate unchanged as it was expected. Australian dollar was appreciated yesterday against dollar and gained more than 150 pips in a single day, however, today is modestly traded at 0.68, with next major resistance level be around at 1.70 since late December 2019. Euro/dollar is currently traded at 1.113 and is indicating an ascending tendency. Technically, there are many signals that euro will follow the uptrend, however, today is trying to make some corrections as yesterday PMI news from Germany and Eurozone was worse than expected. USDJPY pair remains capped by the 200 SMA at 108.38 price level and maintains a neutral to bullish stance, according to Commerzbank's Karen Jones. Initial resistance level remains at 108.08 and downside pressure will exist in case the pair slip below 106 price level.

Gold Market

Gold prices have found strong inside resistance level at 1742 per ounce and closed slightly to the upside yesterday. Despite the violent protests in US, the stock market is rising and there is an optimism about economy's recovery and that led gold to lose some gains to the upside. The protests can have both positive and negative effects on gold, with lack of physical demand and from the other hand boost the demand for the precious metal. Gold is currently traded at 1736 with support level be around 1690 and resistance level be around 1760.

Oil Market

OPEC is expected to extend the current output oil restrictions for one to three months as Saudi Arabia announced that is willing to extend the supply cut until the end of the year. Russia may not want to extend oil production cut for another month or two. Interesting is that some analysts believe that when oil prices reach \$40 per barrel may kick off a new price war. Brent Crude was up yesterday by 1.9% at \$38.5 per barrel, while WTI rose by 0.23% at \$35.57 as there is an optimism for additional oil cuts.

European Stocks

European stocks rose yesterday trading as focus returned to the reopening of the world's economies at the start of the week. The pan-European Stoxx600 rose by 1.09% climbed, while the UK100, went up by 1.47%.

On the data front 02-06-2020

Time (GMT+3)	Event	Impact
01:30 am	AUD RBA Interest Rate Decision	High
01:30 am	AUD RBA Rate Statement	High
03:30 am	CHF Real Retail Sales (YoY)(Apr)	Medium
19:30 pm	AUD AiG Performance of Construction Index (May)	Medium