

Friday 05.06.2020

Asian Session

Asian stock market went higher today continuing the upward trend for two consecutive weeks of gains, US and European equities futures advanced. Asian stocks were mixed today as Japan and South Korea's index saw modest gains, as investors waiting for the US employment data later today. In addition, Trump administration activated again the anti-China moves against companies that listed on American indices and Trump threaten to increase the bars for Beijing. Japan index rose by 0.5%, while Hong Kong index jumped by 0.7%. Shanghai index rose by 0.2 and South Korea's kOSPI index added 1.5%.

Asian Stock	Closed
Nikkei	+0.5%
Hong Kong HSI	+0.7%
China Shanghai SSE	+0.2%
KOSPI – South Korea	+1.5%

US Stocks

US stocks rose sharply today as there is a lot of optimism around the market. Airline companies will begin again their operations and this aid stock index to go even higher. Investors are waiting plans for additional stimulus and very optimistic despite the protests in the country that generated a lot of damage. SP500 futures index went up by 0.7%. Dow Jones index rose by 1.2% and Nasdaq index rose by 0.7%. There is huge volatile trading session that forced investors to weigh their optimism about the reopening of the economy against data that showed the pandemic's continued toll.

US Stocks	Closed
DOW	+1.2%
S&P500	+0.7%
NASDAQ	+0.7%

Major Currencies & Dollar Index

Euro skyrocket to the upside since yesterday as it gained more than 300 pips and is currently traded at 1.136. The ECB's €600 billion additional stimulus program is boosting the currency and US Non-Farm Payrolls are awaited. The euro ignored a plunge of 25.8% in German Factory Orders caused due to pandemic crisis. ECB also decided to leave the deposit and interest rate unchanged. The pair may retest the 1.15 price level of March monthly swings high. Some fresh weakness in dollar aid Pound go even higher touching significantly above 1.26 price level and investors are waiting for US NFP data later today which is expected to announce more unemployment. Despite pound recent appreciation, there are worries over hard Brexit, however with worsening US and China relations pound found is finding support. Dollar continues the upside movement for fourth day in a row and is currently traded at 109.3. Selling pressure on yen caused by the continued risk on sentiment due to gains on US stock market optimism after many countries ended their lockdown measures. Next resistance could be found at 111.6, while support can be found at 108 as inside support level.

Gold Market

Gold futures posted some gains yesterday after two consecutive days drop and sustained above 1700 psychological level. Gold gained after some weakness observed yesterday on the US stock market, along with the ECB's bond buying program. The ECB decision was very positive for risky assets such as gold. Gold buying has been supported by central bank stimulus measure to control the economic damage. Gold futures for August delivery rose by 1.3% and settles at \$1729.

Oil Market

China's crude imports went up by 13% since April to 11.11 million barrels per day in May. There still a stable recovery in Chinese refinery crude processing rates in recent weeks to warrant higher imports. US OIL continue rising and according to CME open interest in futures market increased by 9k contracts. WTI still targeting to a key barrier at the \$40 per barrel. Traders are still waiting for Nigeria and Iraq to comply with the OPEC production deals and to ensure that the burden of oil cuts is distributed equitably. US oil is currently traded at \$37.8 per barrel very close to \$40.

European Stocks

The European Central Bank provided yesterday on ECB's meeting another 600 billion euros to its Pandemic Emergency Purchase program(PEPP) and noted that the GDP its expected to contract by 8.7% by this year and may not recover as it was in pre-crisis. Stoxx600 rose by more than 1%.

On the data front 05-06-2020

Time (GMT+3)	Event	Impact
15:30 pm	USD Nonfarm Payrolls (May)	High
15:30 pm	USD Unemployment Rate (May)	High
15:30 pm	CAD Unemployment Rate (May)	High
15:30 pm	CAD Net Change in Employment (May)	High