

Tuesday 16.06.2020

Asian Session

Asian equities rose alongside with US equities as the Federal Reserve announced fresh move to support the financial market, however this may be temporarily as a second wave of coronavirus threats the markets. Data showed factories in China increased the production for a second straight month in May, giving investors hope, but also sustained contractions in retail sales and investment. the Japan's index on futures rose 0.36%, while Hong Kong's index rose by 1.65%. Shanghai index rose by 1.24% and South Korea's KOSPI index rose by 5.3%.

Asian Stock	Closed
Nikkei	+0.36%
Hong Kong HSI	+1.65%
China Shanghai SSE	+1.24%
KOSPI – South Korea	+5.3%

US Stocks

US stocks index futures jumped today following gains on Wall Street after the announcement of the Fed which announced that will continue providing help to big business amid the pandemic. The Fed has noted that aims to expand the \$750 billion emergency corporate debt loan facility to include individual corporate bonds. Dow index on futures were up nearly 500 points, or 1.9%, while S&P 500 index on futures rose 1.15% and Nasdaq index on futures rose about 1.4%.

US Stocks	Closed
DOW	+1.9%
S&P500	+1.15%
NASDAQ	+1.4%

Major Currencies & Dollar Index

After the recent correction of around 200 pips to the downside, euro trying to be stabilized near 1.14 against dollar. Yesterday euro gained more than 100 pips after Fed announced extra stimulus plans about its emergency program. The pair is expected to be affected positively later from German ZEW survey as it expected to improve to 60 in June against 51 in previous month reflecting institutional investors opinions for the next six months. The British pound remained well supported by the latest no deal-Brexit optimism and mixed UK monthly employment details did little to provide any extra push as unemployment rate was greater than was expected. UK May jobless claims changed 528.9K against 370K expected. Boris Johnson said that deal may be achieved by the end of July. The pair is currently traded at 1.262 with next support be at 1.275. Dollar struggled to appreciate against yen for second consecutive day as Fed announced it will purchase U.S. corporate bonds starting from today and dollar weakened. Yen may continue appreciated against dollar as Bank of Japan will provide decision of its monetary policy meeting later today. It is expected to keep the short-term interest rate target at minus 0.1% and directing 10-year government bond yields toward zero.



Gold Market

Gold futures prices were trading lower yesterday but sustained above 1720 price level. Gold failed to benefit from the decline in US dollar amid worries of second coronavirus wave. Some selling pressure observed in gold as China took new lockdown measures. August gold futures lost \$10.10, or 0.6%, to settle at \$1,727.20 an ounce on Comex. Currently gold is traded modestly flat around 1726.50 levels, having breached the crucial resistance turned support at 1727.35, the confluence of the 50 and 100-hourly HMA. Both the dollar weakness and the recovery in gold could be short-lived if the coronavirus numbers continue to rise in China, the US, and other nations. After Fed announcement about expanding the emergency corporate debt loan facility gold went higher.

Oil Market

Crude oil prices rose yesterday by \$1 per barrel and this was amidst shrinking open interest and volume as according to CME traders have reduced their open positions for second day in a row by 5.3k contracts. The level of \$40 per barrel remains significant resistance level and taking into consideration a possible scenario of a second wave of the virus this may lead to the end of the rally in the oil market. The end of the OPEC deal for oil production cuts could be the start of a new oil price war. Interesting is that China is set to add 440 million of barrels in its inventories for the first half of the year according to HIS, the largest increase ever recorder by any country.

European Stocks

European stocks jumped higher following US equities after the data output about US monetary and fiscal stimulus plans, which boost investors sentiment in face of concerns over second wave of the virus. Stoxx50 index on futures went up by 2.9%.

On the data front 16-06-2020

Time (GMT+3)	Event	Impact
04:30 am	AUD RBA Meeting Minutes	High
06:00 am	JPY BoJ Monetary Policy Statement	High
09:00 am	GBP ILO Unemployment Rate (3M) (Apr)	High
12:00 pm	EUR ZEW Survey - Economic Sentiment (Jun)	High
17:00 pm	USD Fed's Chair Powell testifies	High