

Monday 22.06.2020

Asian Session

Stocks in Asia were lower in Monday afternoon trading as the cases of coronavirus increased again sharply and a possible second wave is coming. China left unchanged its lending rate with 1-year loan prime rate at 3.85% and the 5-year loan prime also remained unchanged at 4.65%. Japan's index edged higher 0.3%, while South Korea's KOSPI index went lower by 0.68%. Hong Kong's index plunged by 0.32% due to Alibaba major stock dropped almost 2% and Shanghai's index gained 0.28%.

Asian Stock	Closed
Nikkei	+0.3%
Hong Kong HSI	-0.32%
China Shanghai SSE	+0.28%
KOSPI – South Korea	-0.68%

US Stocks

US stocks market closed slightly higher last Friday, however the upbeat momentum ended in early Monday. Despite that Fed is buying corporate bonds along with record US retail sales lifted sentiment, the new global coronavirus cases reached a record high by 183,000 in a single day as the World Health Organization announced and caused a modest market. Dow Jones index on futures rose 0.4%, while SP500 index on futures rose by 0.19%, making modest gains as well and Nasdaq Composite index on futures slightly jumped by 0.33%.

US Stocks	Closed
DOW	+0.4%
S&P500	+0.19%
NASDAQ	+0.33%

Major Currencies & Dollar Index

The Euro/Dollar pair is trading at 1.1190, which is slightly above Friday's low of 1.1167. On the four-hour chart, the price is slightly above the 38.2% Fibonacci retracement level. Moving forward, preliminary PMIs and the German IFO survey should provide further details regarding the strength of the recovery in the euro area. Strategists at OCBC Bank see a clear path for Pound/Dollar towards 1.2076 as there are few supports to limit the slide. The lack of progress on the EU-UK Brexit trade talks and the heavy economic prints continue to impart downside pressure on the cable. Pound gained more than 50 pips today and bulls remain hopeful that UK PM Johnson will ease lockdown measures further. The Japanese yen traded at 106.89 per dollar after seeing levels above 107.4 in the previous week. Dollar/Yen is currently traded at 106.96 and it is expected that dollar will continue depreciating against yen as the threat of second wave of virus exist.



Gold Market

Although the bullish sentiment in the gold market, some analysts noted that the precious metal might not have enough steam to break through its months-long trading range. The precious metal is currently traded at \$1748 per ounce and did not managed to surpass the level of 1758 once again due to risk sentiment. The next resistance level to see is around \$1765 per ounce, otherwise in the downside the immediate support is seen at \$1744 at 23.6 Fibonacci level. According to Reuters most private banks usually advise clients to hold no or virtually no gold. Some other banks are advising clients to hold up to 10% of their portfolio in gold. As cash is devalued by banks QE programmes then gold gains in appeal.

Oil Market

Oil prices surged slightly higher in the afternoon of Asian trading hours, with international benchmark Brent crude futures up slightly at \$42.16 per barrel. U.S. crude futures were slightly up 0.13% to \$39.70 per barrel. Oil prices nudged higher today on tighter supplies from major producers but there are concerns for limited recovery in oil demand after record high of new virus infections.

European Stocks

European stocks opened today lower as it was expected by 0.15%, along with US equities as investors reacted in growing concerns over a rise in infections globally and in Germany as well. The U.S reported more than 30,000 new coronavirus cases on Friday and Saturday, the highest daily totals since May 1.

On the data front 22-06-2020

Time (GMT+3)	Event	Impact
04:30 am	CNY PBoC Interest Rate Decision	High
15:00 pm	EUR German Buba President Weidmann speech	Medium
18:00 pm	CAD BoC's Governor Macklem speech	High