

Thursday 23.04.2020

Asian Session

Asian stocks closed the day yesterday higher along with US stocks and continues to grow up today after the rebounding on crude oil prices and the promise of more US government aid to boost the economy. Japan index went up 1.52% yesterday, however the futures contracts went slightly higher. Hong Kong index rose by 0.57%. Shanghai index declined today by 0.2% and KOSPI index was up by almost 1%. Australian index rose by 1%

Asian Stock	Closed
Nikkei	+1.52%
Hong Kong HSI	+0.57%
China Shanghai SSE	-0.2%
Kospi – South Korea	+1%

US Stocks

US stock market rebound after two consecutive days losses and closed even higher on Wednesday. Investor confidence increased about market, after the adequate stimulus measures for additional funds that were passed from the Senators. Despite the boost in general the market remains broken amid weak demand, while pandemic resume to have a direct impact on corporate earnings and economic data. All eyes today turn to Jobless claims which it's expected to provide negative output once again. Dow Jones went up by 2%, while SP500 and Nasdaq index went up 2.3% and 2.8% respectively.

US Stocks	Closed
DOW	+25
S&P500	+2.3%
NASDAQ	+2.8%

Major Currencies

Despite that USDCAD is depreciated, there exist a bullish tendency as the pair remain above the Ichimoku cloud indicator. The levels to watch is at 1.405 as a support level, otherwise 1.438 is the next significant resistance level. The Canadian dollar dropped at 1.411 per dollar after the nation's death toll from the virus rose by less than 10per cent for third consecutive day, according to yesterday's data. The yen changed slightly and went up to 107.8 per dollar and the offshore yuan is traded at 7.08 per dollar. If we see a break above 108 level the pair may go further to 108.4. The today's EU meeting left the euro being depreciated against dollar reaching the level of 1.063, with next thoughts to be around 1.07 next support levels. Eyes now turn to EU PMI news and US jobless claims later on the day, which may help euro to rebound. Pound continues depreciating against dollar, however yesterday we saw short rebound along with Brent prices. The today UK PMI and the CBI on manufacturing sector data are expected to show further declined to the pair.

Gold Market

According to CME group investors placed another 5k contracts on gold futures to their open interest yesterday and retries to test the recent high for the year at 1750 level. If traders sustain the level of 1740 and price break above that level, we may see a rally to 1800. According to Bank of America the gold price may reach 3000 per ounce in 18 months timeframe. Oil market dips cannot support oil as deflation exit. It's a manner of time to see gold rally again with weaker dollar. The rebound in oil market aid investors to find attraction on government bonds, as we saw bond yields higher. Bond yields on 10-year Treasury were flat at 0.62%

Oil Market

The main reason that yesterday oil price rebound it was that Donald Trump ordered the Navy to destroy any Iranian gun boats that harass American ships at sea, however as analysts said this is a short term pullback and neither Trump, neither supply cut will help oil price reach massive rebound soon. Oil rose also amid hopes that lockdown will soon stop and by the fact that Russia and Saudi Arabia will begin cutting 9.6 million of barrels a day from May 1. West Texas Intermediate crude contract which expires in June rose by 12% to \$15.4 per barrel. Brent crude was up by 1.6% at \$20.7 per barrel. Oil began today higher amid indications that producers may proceed to cut production as OPEC ordered. If we see a relief in oil market, we may not see again negative pricing on next contract's expiration dates

USD Index

Dollar index went up by 0.3 cents with the euro being down 0.13 cent to 1.081. The Canadian dollar dropped at 1.411 per dollar after the nation's death toll from the virus rose by less than 10per cent for third consecutive day, according to yesterday's data. Dollar index slips back to 100.3 today with additional stimulus, oil rebound and corporate earnings and increase in bond yields aid positive sentiment. It seems that the index faces an exhaustion. Break above 100.3 lead to 101, otherwise support level remain t 98.2

European Stocks

European Central Banks needs to provide more support measures and it may take until the summer period for all the European countries to agree how they will aid their economies to recover from the pandemic as a major disagreements persist, a bloc official said on Wednesday. European stocks rebounded yesterday along with crude oil recover. Stoxx600 European index rose by 1.79%, DAX30 rose by 1.61% and UK100 by 2.29%

On the data front 23-04-2020

Time	Event	Impact
06:00 am	EUR Markit Manufacturing PMI (Apr)	Medium
07:30 am	EUR Germany Markit Manufacturing PMI (Apr)	High
07:30 am	EUR Markit PMI Composite (Apr)	High
11:30 am	GBP Markit Services PMI (Apr)	High
12:30 pm	USD Initial Jobless Claims (Apr 10)	High
13:45 pm	USD Markit PMI Composite (Apr)	Medium
23:01 pm	GBP GfK Consumer Confidence (Apr)	Medium
23:30 pm	JPY National CPI ex Food, Energy (YoY)(Mar)	Medium

