

Monday 27.04.2020

### **Asian Session**

Asian shares went higher today, after the Bank of Japan announced that will enhance its monetary policy, by purchasing in corporate, governments bonds and discount treasury bills. Japan index rose by 2.47%, while Shanghai index rose by 0.7%. Hong Kong index jumped higher by 1.64%. South Korea's KOSPI index rose by 1.69% and Australia's index rose by 1.25%. Chinese industrial profits came out according to country's Bureau of Statistics as Chinese economy start recovering.

<b>Asian Stock</b>	<b>Closed</b>
Nikkei	+2.47%
Hong Kong HSI	+0.7%
China Shanghai SSE	+1.64%
Kospi - South Korea	+1.69%

### **US Stocks**

US futures stock market value for some huge companies increased at Sunday closing, ahead of possible negative earnings report, later this week. Dow Jones Industrial futures index went up by 0.4% after earlier losses, while SP500 futures and Nasdaq index rose by 0.95% and 1.23% respectively. The eyes turn on this week earning report, and its expected to see another drop to stock market amid coronavirus concerns, along with the extra stimulus package from the Congress.

<b>US Stocks</b>	<b>Closed</b>
DOW	+0.4%
S&P500	+0.95%
NASDAQ	+1.23%

### **Major Currencies**

Dollar yen remains in the range of 107-109 and may remain according to UOB group. Yen appreciated today against dollar as Bank of Japan announced that will enhance its monetary policy and purchase in corporate bonds and will leave interest rate unchanged. The pair is traded at 107.2. Euro is rising against dollar and went to 1.084 from the lows of 1.073 last Friday, as investors are very optimistic about possible economy reopening and further stimulus measures. The pair recovered almost 110 pips and it is expected to go higher at 1.088. Remains to see the Fed interest rate decision later on the week Dollar is depreciated against Canadian dollar which it is called loonie and began the day lower at 1.406. Short positions will be below 1.4115, targeting 1.403, otherwise above 1.4115, look further upside to 1.418 resistance levels. Pound surged at 1.23 against dollar last Friday after bad UK Retail sales data for March, however pullback on dollar after bad Durable Goods Order report aid pound found previous resistance level at 1.24 which is traded at it now and it's expected to see pound even higher as a resistance level to the upward trendline at 1.2475.

## **Gold Market**

Despite that analysts forecast that gold price will touch \$3000 per ounce in 18 months timeframe, the precious metal it's facing now near-term risks. The truth is that gold is benefiting from low interest rates, and outperformed the wider market, however a virus vaccine news may lead gold price in very negative territory, along with US economic recovery. The last thing that may lead back the price is deflation, as gold tends to move against inflation. Gold began today by 0.3% lower and we expect a pullback to the next support level.

## **Oil Market**

The financial pain for oil market it seems that has just began. The big dilemma now is whether oil companies will proceed to cut its dividends or cut their operations. Eni big oil company reported on Friday 94% declined in profits for the first quarter. US crude futures is below \$16 a barrel and fell by 8.8%, while Brent crude futures fell by 2.1% and traded at \$21. Today oil prices fell on signs that oil storage is fully covered, increasing concerns that cuts for May 1 will now offset the lack of demand soon. US crude inventories rose to 518.6 million barrels. WTI

## **European Stocks**

European governments have discussed about a possible reopening the economy in recent days. Any opening will be slow, but investors were optimistic in such scenario, that recovery could begin soon, however further lockdown is possible. European stocks closed lower on Friday, after a European Union summit failed to agree on a stimulus package. Investors are waiting for the ECB meeting, which will decide further stimulus package later on this week. DAX30 went higher 210 points, while France40 went higher by 92 points and UK100 77 points higher.

## **Dollar Index**

The greenback started the week negatively and retreats to the 100 price level, following last Friday's losses, failing to find resistance at 101, amid the improvement in dollar's rivals such as euro pound and yen, along with the rise in US bond yields. All eyes turn to US economy reopening, Fed interest rate decision and FOMC conference. At the moment, DXY lost 0.38% at 99.9 and next support is 99.2. A break above 100.9 would aim to 101.3.

## **On the data front 27-04-2020**

<b>Time</b>	<b>Event</b>	<b>Impact</b>
06:30 am	JPY BoJ Press Conference	High
14:30 pm	USD Dallas Fed Manufacturing Business Index (Apr)	Medium
17:00 pm	USD 5-Year Note Auction	Low
23:30 pm	JPY Jobs / Applicants Ratio (Mar)	Medium
23:30 pm	JPY Unemployment Rate (Mar)	Medium