

Wednesday 27.05.2020

### **Asian Session**

Asian stocks were mixed today as investors weigh hopes for a recovery in economy against the US and China tensions of the recent days. After Japan announced second plans for providing stimulus package, encouraged bull investors as a result Japan index is rising for fourth day in a row. Hong Kong and Shanghai index slipped over a new national security law for Hong Kong which forced to increase US and China tensions. Japan index rose by 0.7%, while Hong Kong index declined by 0.8%. Shanghai index fell by 0.34% and South Korea's KOSPI index rose slightly by 0.07%.

<b>Asian Stock</b>	<b>Closed</b>
Nikkei	+0.7%
Hong Kong HSI	-0.8%
China Shanghai SSE	-0.34%
KOSPI – South Korea	+0.07%

### **US Stocks**

US stocks market closed yesterday with 900 points gain as investors remain optimistic and they focus on shoots of US economic activity along with vaccine news. Dow Jones index continue rising today and Trump noted that "there will be ups and down but the next year will be one of the best year for the economy". Dow Jones rose by 2.16%, while SP500 index went up by 1.22% and Nasdaq Composite index rose by 0.2%.

<b>US Stocks</b>	<b>Closed</b>
DOW	+2.16%
S&P500	+1.22%
NASDAQ	+0.2%

### **Major Currencies & Dollar Index**

Bank of England has stated that it predicts rapid recoveries from the current deep recession, but UK GDP and is expected to be lower than 4% in 2024 and according to independent economist UK may have a national income deficit of 5% by the time of next election in 2024. GBPUSD began today slightly lower after 2 days in a row increase and is currently traded at 1.229 and there is some fresh selling as bears take out the 1.23 price level. EURUSD today showed some weakness after touching the 1.10 price level. If we see a break above 1.10 will trigger a run higher. The pair remains above 50,100 and 200 SMA, but if cannot surpassed 1.10 level is a bearish signal. ECB's President Lagarde speech today may have direct impact on both upside and downside for the euro. The US and China tensions favor Yen and exert pressure on dollar. Dollar is supported by the positive mood around the equity markets as a result the pair is currently traded on sideways at 107.5 price level.

## **Gold Market**

Gold prices continue falling for fifth day in a row, however many analysts remain positive on gold as it seen as a safe haven asset during economic uncertainty and one of the reason that gold plunged is due to the recent market optimism that economies will reopen soon. Gold is currently traded at 1708 price level, but China and US tensions over Beijing's proposed new security law for Hong Kong capped the downside for gold. There exist bearish signals for gold in short term and the 38.2% Fibonacci level offer strong support at \$1645

## **Oil Market**

US crude oil has declined today by 1.54% and is currently traded at \$34 per barrel in electronic trading on NYME, while Brent is falling by 1.63% and is traded at \$36.5 per barrel. Oil futures closed slightly higher yesterday as the production is decreasing along with pick-up in demand. Generally, despite that the recent weeks showed that demand has rebounded, most countries remain significantly below pre-Covid levels. Morgan Stanley said that expect demand to rebound by 97 million barrels per day by fourth quarter of 2020.

## **European Stocks**

European stocks opened higher today along with US equities, as there is an optimism that economies will reopen soon and there is a speculation that the EU will announce a massive stimulus program. Stoxx600 index rose by 0.38% and DAX30 rose by 0.39%. The European Commission is due to present its proposal for a bailout package, potentially backing efforts by France and Germany for a 500 billion euro fund to aid recovery efforts.

## **On the data front 27-05-2020**

<b>Time (GMT+3)</b>	<b>Event</b>	<b>Impact</b>
10:30 am	EUR ECB's President Lagarde speech	High
11:00 am	CHF ZEW Survey – Expectations (May)	Medium
11:30 am	EUR ECB's De Guindos speech	Medium
21:00 pm	USD Fed's Beige Book	Medium