

Monday 04.05.2020

Asian Session

Asian stocks are falling along with US stocks as trade war-era geopolitical tensions returned. Hong Kong index fell opened with gap to the downside and fell by 3.8%, while South Korea's KOSPI index dropped by 1.6%. Australia index rose by 0.9%, Japan and Shanghai index are closed due to holidays. Additionally, shares fall, caused by Donald Trump announcement that will punish China with new tariffs because of the pandemic outbreak.

Asian Stock	Closed
Nikkei	-
Hong Kong HSI	-3.8%
China Shanghai SSE	-
Kospi – South Korea	-1.6%

US Stocks

US stocks futures index and sentiment have decreased violently in late Sunday evening as investors have doubts about US economy reopening amid signs of conflict between China and America over Beijing's handling of the coronavirus outbreak. Dow Jones Futures declined by almost 1%, while SP500 fell by 0.5% and Nasdaq Composite index fell by 0.4%. Despite Fed's extra stimulus last week, stock market bottom not yet come according to analysts.

US Stocks	Closed
DOW	-1%
S&P500	-0.5%
NASDAQ	-0.4%

Major Currencies

Despite that euro against dollar was appreciated last Friday because the ECB left unchanged the Interest rate, today began the day negatively and is trying to make a correction to 1.092 from 1.10 closing price of previous week. We expect euro to fall again, however if the pair break above 1.10 may go higher to 1.11. Pound appreciated a lot last week against dollar and managed to reach the level of 1.26, however now is traded below 1.25 as the safe heaven dollar gains ground amid growing US-Sino tensions. The pair price now it is mainly depending on the extension of UK lockdown. In long term pound will be stronger due to Brexit and free trade. Dollar yen is currently trading narrowly below the 108 price level today. Investors sentiment is affected from Trump announcement to impose tariffs on China, as a conflict which generated due to pandemic.

Gold Market

Gold prices finally did not fail to extend beyond the 1700 price level. The bullion was slipped in the early Asian session amid broad risk off sentiment. Investors should take into consideration the US-China trade war which is affected a lot from the virus. Technically if gold price be sustained above 1700 price level we expect to find resistance level to 1720 and then to 1740, otherwise 1690 is the first support, before 1670 price level.

Oil Market

Oil prices commenced the day negatively after three days of recovery amid May 1 cut production by OPEC members. The reason of the decline is due to worries about the supply after new data production levels in April. As analysts said we can't expect oil to recover soon and its predicted that in early 2021 price will go back to \$40. WTI futures is traded at \$18.6 a barrel and its down by 6%, while Brent futures were down by 2.4% at \$25.8 a barrel

European Stocks

European stocks slumped today after three days in a row high, reacting to US-China trade war tensions as investors lose confidence about US economy reopening. Stoxx600 opened today with gap to the downside and fell by 3.2%. We expect to see the unemployment later to see how market will react

On the data front 04-05-2020

Time	Event	Impact
01-05 10:55 am	EUR Markit Manufacturing PMI	Medium
01-05 17:00 pm	USD Factory Orders (MoM)	Medium
01-05 10:55 am	EUR Unemployment	High
02-05 01:45 am	AUD AiG Performance of Construction Index (Apr)	Medium
02-05 01:45 am	NZD Building Permits s.a (MoM) (Mar)	Medium