

Thursday 07.05.2020

Asian Session

Asian stock began the day lower as investors awaiting data to come out to see how the world economy is dealing with the coronavirus outbreak as we continuously see uncertainty. Japan index reopened today after holidays and lost 0.2%, while Hong Kong index went down by 0.5%. Shanghai Composite index was flat and South Korea's KOSPI index rose by 0.2%. Australia's index was down by 0.5%. China's exports have jumped for the April and this could be seen as positive development. Chinese customs officials said today that country's exports in dollar terms rose by 3.5%

Asian Stock	Closed
Nikkei	-0.2%
Hong Kong HSI	-0.5%
China Shanghai SSE	-0.2%
Kospi – South Korea	+0.2%

US Stocks

After unstable direction yesterday with gains and losses, stocks in Wall Street declined slightly, amid signs that the countries were slowly emerging from economically devastating lockdowns. SP500 declined by 0.7%, while Dow Jones index lost 0.9% and Nasdaq index rose by 0.6%. The big dilemma now is if Trump reopen the economy the more efficient economy but higher potential for more deaths due to pandemic.

US Stocks	Closed
DOW	-0.9%
S&P500	-0.7%
NASDAQ	+0.6%

Major Currencies

Euro continues losing value against dollar, but today we expect some recovery after the initial jobless claims data, which already have shown that more than 30 million workers lost their jobs. The pair is currently traded at 1.08. Interesting day today as we expect UK report from BoE on interest rates and we are waiting to see if the government will extend the lockdown period. Pound against dollar depends a lot from today's news and we expect to pound appreciated against dollar. Pound dollar lost almost 80 pips yesterday trying to find support at previous level. If continues to drop pound may go to 1.22 price range today, otherwise 1.26 is the target for the next resistance level. Current interest rate in Great Britain now is at 0.1% and its expected to decrease more. UK GDP is expected to fall by 14% this year. Dollar yen is trading at 106.3 and the pair is moving below Ichimoku cloud indicating descending tendency. It may drop to 105 price range, otherwise may rebound to 106.8 price level. Aussie dollar started rising as China reports a big jump in trade surplus. AUDUSD is traded at 0.641 following the release of the better than expected China trade data.



Gold Market

Gold prices began the day slightly to the upside today as investors have doubts about the recovery in economy even though some countries started to ease their lockdown restrictions. Gold futures could go lower as there is gold now become less attractive. We observe a symmetrical triangle in the daily time frame which indicates continuation pattern, but wherever the price goes we will see volatility after the breakout from the triangle. IF we see a break above the triangle next target should be 1800 price level. Fundamentally and technically gold remain strong yet.



Oil Market

After the rebound for 6 consecutive days oil prices fell yesterday despite the fact that the Energy Information Administration in US reported yesterday lower crude oil inventories than expected to 4.590 million barrels. The forecast was about seven million. Investors worry about the oversupply chain and we may see some correction again to the downside as we expect prices to drop near the June futures expiration date. Oil yesterday reached the price of 26\$ and retreated to \$23 barrel. Today US oil is traded slightly to the downside at \$24 per barrel and Brent at \$29 per barrel

European Stocks

European stocks began today higher as investors summarize the latest news regarding the pandemic outbreak and are waiting to see efforts to ease lockdown measures. Stoxx600 European index jumped today by 0.5%.

On the data front 07-05-2020

Time	Event	Impact
05:00 am	CNY Exports (YoY) (Apr)	Medium
09:00 am	GBP Bank of England Monetary Policy Report	High
09:00 am	GBP Bank of England Minutes	High
09:00 am	GBP BoE Interest Rate Decision	High
09:45 am	EUR Non-Farm Payrolls (QoQ) (Q1)	Medium
10:00 am	EUR ECB's De Guindos speech	Medium
12:00 pm	GBP BoE's Governor Bailey speech	High
15:30 pm	USD Initial Jobless Claims (May 1)	High
17:00 pm	EUR ECB's President Lagarde speech	High