

Friday 08.05.2020

Asian Session

Japan stocks went up higher as Asian shares rose ahead of US NFP report later on the day. Asian stock also rose after upbeat corporate earnings in US stocks data which is expected to show the worst US unemployment rate in more than 70 years. Japan index rose by 2.06%, while Shanghai index jumped by 0.9% and Hong Kong index rose by 1%. South Korea's KOSPI index rose by 1.82% and AUS index by 0.74%.

Asian Stock	Closed
Nikkei	+2.06%
Hong Kong HSI	+1%
China Shanghai SSE	+0.9%
Kospi - South Korea	+1.82%

US Stocks

US stocks closed higher on Thursday as investors retested the bullish momentum following the rallies in energy and technology related firms. Investors are waiting today's report of Non-Farm Payrolls later on the day. Dow Jones futures index rose by 1%, while SP500 index rose by 1.1% and Nasdaq index went up 1.1%. It remains to see the stock market reaction where will close at the end of the day. NFP report is expected to announce more than 20 million jobs that were lost last month and in case the rate is higher than expected this is bad for dollar.

US Stocks	Closed
DOW	+1%
S&P500	+1.1%
NASDAQ	+1.1%

Major Currencies & Dollar Index

Despite that initial Jobless claims report yesterday announced another 3.2 million workers who lost their jobs euro remained relatively weaker against dollar, but closed the day higher about almost 60 pips, after it found support at 1.077 at the beginning of the day. NFP report expected to have direct impact on the pair which is traded now at 1.0837. We expect to see some recovery to the upside at 1.09. Australian dollar remains in bullish momentum against dollar despite today RBA released its monetary policy which showed that their GDP will fall sharply in the first half of 2020. The pair is traded at 0.652 and its expected to find resistance level at 0.647. Dollar is strengthening against yen for two days in a row. The pair is traded at 106.3 price level and is 70 pips lower than few days before. Dollar index which tracks the greenback against a basket of major currencies, was last at 99.7 after lapsing from levels above 100 seen earlier this week.

Gold Market & Treasuries

Gold price bounced to the upside yesterday by \$20 as investors expecting the worst ever NFP report alongside with yesterday's initial jobless claims report which showed another 3.2 million workers who lost their jobs. Gold price braked out from the symmetrical triangle pattern and we expect to see sharp tendency and we may retest the 1740 price level in the short term. US Treasury yields fell yesterday from three weeks highs as investors find again more attractive the bond market as a part of US government is planning to borrow 3 trillion dollars for this quarter. The yield on 10-year note fell to 0.63 from 0.71 and the yield on the 30-year bond fell to 1.31 from 1.41.

Oil Market

Oil prices were higher during Asian session with International benchmark of Brent crude futures up by 1.39% at almost \$30 per barrel, while WTI crude futures also advanced 1.57% to \$24 per barrel. The higher oil price caused by a surprise Chinese exports announcement of the black gold which have increased along with Saudi Arabia's official price for crude. Analysts expect that the surplus may shift to shortage of crude as a known condition which is called arise where futures prices are above the current market price. Contango can encourage investors to put oil into storage for later sale and that creates storage to rise and is shrinking the storage capacity. USOIL is currently traded at \$25.6 per barrel.

European Stocks

European stock market jumped higher today, opening with the gap, tracking gains for US equity futures market between US and China trade negotiations. Also, European stocks went higher as investors expect bad news later on the day on US jobs report. Stox600 index rose by 0.6% and DAX30 rose by 1.1%

On the data front 08-05-2020

Time	Event	Impact
15:30 pm	USD Nonfarm Payrolls (Apr)	High
15:30 pm	USD Average Weekly Hours (YoY) (Apr)	High
15:30 pm	USD Unemployment Rate (Apr)	High
15:30 pm	CAD Net Change in Employment (Apr)	High