

Monday 18.05.2020

Asian Session

Asian shares also began higher today along with US stock market as the Chairman of the Fed is optimistic about the economy, and this has encouraged investors that there are signs of business reopening across major economies. Japan index rose by 0.6%, however Japan economy shrank by an annualized rate of 3.4% in the first quarter of 2020 as the it's government announced today. Hong Kong index rose by 0.5%. Shanghai Composite index went up by 0.6% and South Korea's KOSPI index rose by 0.7%.

Asian Stock	Closed
Nikkei	+0.6%
Hong Kong HSI	+0.5%
China Shanghai SSE	+0.6%
KOSPI – South Korea	+0.7%

US Stocks

The US stock futures market opened higher today as Jerome Powell the chairman of the Federal Reserve noted that Americans need to expect subsequently a tough road ahead of the virus but he noted that he would not bet against the domestic economy's ability. Dow Jones futures index rose by 1.2%, while SP500 and Nasdaq index went up by 1.2%, 1.1% respectively.

US Stocks	Closed
DOW	+1.2%
S&P500	+1.2%
NASDAQ	+1.1%

Major Currencies & Dollar Index

Given that European dysfunction exists, with high rates of unemployment and the disagreements about debt pooling, can lead Euro go even lower against dollar to almost 1.05 price level in 3 months period an analysts said. US and China trade tensions may weigh heavily on the euro. The pair is currently traded at 1.08. GBPUSD is currently trading in one month low at 1.21 and may go towards 1.20 price range soon. The pair is near 50% retracement since March. Minor psychological level remains at 1.20 amid UK government's issues with dealing with the coronavirus. We do not expect further gains on USDJPY as there is a lack of momentum as FX Strategist at UOB Group noted. USD surged to 107.7 today against yen. All eyes turn to the NAHB housing market index release later today for May month and traders should keep an eye for any US and China trade news. USDCAD is declining today as oil prices rises further beyond \$30 per barrel. The pair is traded at 1.408 and its down 0.18% for the day. Next resistance level is at 1.417 and support level now became at 1.404.

Gold Market

Massive break out for gold price since the end of the last week. Spot gold was up by 1.1% at 1760 price level after rising to its highest level since October of 2012. Gold futures market advanced higher by 0.8% to 1770 price level. Gold went up today by 1% as US data punctuated how badly is the economic damaged in the country and the recovery is going to be slower than was expected the previous days. We expect gold price to reach the 1800 price level very soon.

Oil Market

Higher opened interest appeared in oil futures markets by 5.4k contracts on Friday according to CME Group, however open interest on the downtrend extended by nearly 86k contracts. CME have taken all the steps to reduce as much open volume as it can ahead WTI June contract's expiry tomorrow. According to analysts its possible to see again negative price, but in the other hand this may not happen as OPEC production decreased a lot and the demand is recovering. Brent was up by 3.7% at \$33.7 per barrel and WTI rose by 4.3% at \$30.7 per barrel. Saudi Arabia announced that it would cut another 1 million barrels per day in June. We expect to see tomorrow how the price will be affected after the physical contracts delivery.

European Stocks

European stocks jumped higher on Friday as signs of recovery in China aid to boost sentiment after a strong end on Wall Street, but the peaks became later limited on signs of fresh trade tensions between US and China. Stoxx600 index climbed by 0.4%, while the DAX30 rose by 1% and the UK100 by 1%

On the data front 18-05-2020

Time (GMT+2)	Event	Impact
02:50 am	JPY Gross Domestic Product (QoQ) (Q1)	High
03:00 am	EUR Eurogroup Meeting	Medium
04:45 am	CNY House Price Index (Apr)	Low
18:30 pm	USD 6-Month Bill Auction	Low