

Friday 22.05.2020**Asian Session**

Asian shares have slid after China announced that will imposed a national security law on Hong Kong and this create even more tensions. Alongside Chinese leaders announced that will increase government spending to battle the economy. Hong Kong index lost almost 5%. The yuan dipped as China's Congress pledges to sell bonds. Japan index fell by almost 1%, while South Korea's KOSPI index fell by 1.7% and Shanghai Composite index lost 1.4%.

Asian Stock	Closed
Nikkei	-1%
Hong Kong HSI	-5%
China Shanghai SSE	-1.4%
KOSPI – South Korea	-1.7%

US Stocks

US stocks went lower yesterday amid renewed tensions between US and China. Us stock market also declined after the Initial Jobless Claims report yesterday which announced another 2.4 million who lost their jobs. Given the fact that Donald Trump persist to accuse China about virus outbreak, stock market could remain vulnerable. Dow Jones declined by 0.4%, while SP500 went down by 0.8% and Nasdaq index was down by 1%.

US Stocks	Closed
DOW	-0.4%
S&P500	-0.8%
NASDAQ	-1%

Major Currencies & Dollar Index

After 3 days in row retracement to the upside, we see Pound continue depreciating against dollar and it is currently traded at 1.21 price range. UK economy is likely to the deepest recession in centuries due to the virus and BoE do not intends to apply negatives rates. If we see a close below 1.219 we expect the pair t reach 1.21 price level. Euro against dollar remains weaker after touching again the 1.10 price level with the dollar be more favourable to risk aversion. EURUSD is approached 1.09 ahead of ECB minutes report later on the day. Euro may lose more value after the recent German court ruling against purchases of sovereign debt under the ECB's QE program and this could limit any serious recovery in the currency. USDJPY pair continues to be traded at 107 price range on sideways. The Bank of Japan launched a new lending program but refrained to change its policy rate or pace of asset purchases. Resistance level is expected to be around 108 and support should be at 107.2.

Gold Market

Gold bulls sustained the gold price above 1730 which can be deemed as a critical level. Yesterday prices pulled back almost \$40, however today gold began the day higher and the yellow metal is mainly driven by the European trader's reaction to the escalation in the US and China tensions. Technically next resistance level can be found 1740 and beyond at 1750 and 1765. The downside target remains at support level of 1716.3. Gold pullback is due to that remain an optimism of global economic upturn.

Oil Market

Oil future prices closed yesterday higher. Oil prices continues steadily to grow, as a slowdown in crude supplies and hope for higher demand aid prices to recover. WTI crude oil rose by 1.3% at \$33.9 per barrel, while Brent crude rose by 0.9% to settled at \$36 per barrel. During this month futures contracts climbed 80% on WTI. OPEC members have cut oil exports by 6 million per day and that was very supportive for the prices. Oil's yesterday gains dropped sharply today as US and China tensions worsening. WTI lost today 5% and found support back to \$30 per barrel. More likely to see the continuation to the upside.

European Stocks

European stocks dropped sharply today, amid investors concerns over US and China trade tensions. The Stoxx600 index fell by 1.46%, while the DAX30 declined by 1.50 and the UK100 went down by 1.83%

On the data front 22-05-2020

Time (GMT+3)	Event	Impact
06:00 am	JPY BoJ Interest Rate Decision	High
09:00 am	GBP Retail Sales (MoM)(Apr)	Medium
14:30 pm	EUR ECB Monetary Policy Meeting Accounts	High
15:30 pm	CAD Retail Sales (MoM)(Mar)	High