

Monday 09.05.2020

Asian Session

Asian stocks rose alongside with American stocks as investors looking ahead that more countries trying to restart their economies, however South Korea has warned a second possible wave of coronavirus as infections rebounded. Japan's index rose by 0.7%, while South Korea's KOSPI index rose 0.3%. Shanghai Composite index went down slightly by 0.08% and Hong Kong index rose by 1.4%.

Asian Stock	Closed
Nikkei	+0.7%
Hong Kong HSI	+1.4%
China Shanghai SSE	-0.08%
Kospi - South Korea	+0.3%

US Stocks

On late Sunday we observed US stock index futures shooting higher with Dow Jones index futures rising by 0.6%, while SP500 index rose by 0.11% and Nasdaq futures index went up by 0.2%. Stocks rose also during last Friday amid expectations for an economic recovery after the economy reopening, despite that more than 20 million Americans lost their jobs last month.

US Stocks	Closed
DOW	+0.6%
S&P500	+0.11%
NASDAQ	+0.2%

Major Currencies & Dollar Index

Pound dollar as its called Cable is seen ranging between 1.228 and 1.25 for the next few weeks, as FX Strategists at UOB Group suggested. It was expected that we might see some improvement on Pound however the pair remain under pressure and now is traded at 1.242. We expected further drop to the pound as they expect their GDP to drop dramatically this year. Boris Johnson announced a minor easing of the lockdown and that caused the inaction of pound to go higher. Euro against dollar remained above the level of 1.08 as the bulls cheer the economic reopening up leave away the safe heaven dollar for now. The EU-German conflict could be closely followed in the week ahead and the ECB will adjust the size of the virus emergency purchase program. Dollar against yen is currently trading near 106.8 representing 0.23% gain for the day and risk reversals hit 11-week highs. Dollar index gives away initial gains and returns to 99.7 price level and market focus remains on the US economy reopening.

Gold Market

Last Friday gold price somehow reacted well after US bad data came out during NFP report as finally broke above the symmetrical triangle in the daily timeframe and reached the 1720 price level, however sellers came in and send the price back to 1700. Gold now is traded around 1704 and remain mildly positive up by 0.17% for the day and fail to break below 200 HMA. Strong support zone remains at 1690 and we expect to see if gold sustain to be above 1700 after this week's data.

Oil Market

Brent futures were slightly down by 0.9% at \$30.6 per barrel, while WTI crude futures fell by 0.7% at \$24.5 pe barrel. Oil prices became weaker today amid concerns of oversupply, caused by the pandemic. Last weeks we saw oil prices rebounding from the historic dips as countries have eased business and lockdowns. Goldman Sachs still concern that demand will continue be weaker until the end of the year. We expect to see oil price reaction after the futures June contract expire. Analysts expected next important key level for oil prices o be around \$30 per barrel but for short term period.

European Stocks

European stocks jumped last Friday tracking gains from US equities future markets and the rise caused by new talks between US and China about their trade deals. Stox600 index began the day today slightly higher and gained 0.9%.

On the data front 09-05-2020

Time	Event	Impact
11:00 am	EUR Industrial Output s.a (MoM) (Mar)	Low
18:30 pm	USD 3-Month Bill Auction	Low
18:30 pm	USD 6-Month Bill Auction	Low
N/A	NZD REINZ House Price Index (MoM) (Apr)	Medium