

Tuesday 12.05.2020

Asian Session

Japan benchmark index and Hong Kong index were closed positively yesterday by 1.5%. Asian stocks rise caused by the weekend announcement from the People's Bank of China that it would decrease the lending rates and support the economy further, as a result investors sentiment strengthened. Shanghai index closed 0.1% lower as new cases of infection appeared. Today stocks began the day lower as Chinese inflation data for April showed that consumer price index rose by 3.3% year on year, lower than expected.

Asian Stock	Closed
Nikkei	+1.5%
Hong Kong HSI	+1.5%
China Shanghai SSE	-0.1%
Kospi – South Korea	-0.68%

US Stocks

US stocks index futures plunged in overnight trading, following a mixed day yesterday. Dow Jones declined by 0.6%, while SP500 futures index fell by almost 0.8% and Nasdaq index fell by 0.4%. Goldman's Sachs prediction for the SP500 reflects an 18% downside in three months target, a huge plunge in stock market before recover to normal levels.

US Stocks	Closed
DOW	-0.6%
S&P500	-0.8%
NASDAQ	-0.4%

Major Currencies & Dollar Index

GBPUSD closed the day yesterday negatively as UK lockdown has extended, and traders expecting the announcement tomorrow of the UK GDP which will be the worst ever. Pound fail to go beyond the 1.24 price level and there is a selling pressure. The pair is traded now at 1.233 and may go back again to 1.22 price range or further later on the week depending on data output. EURUSD remained flat and was traded on sideways yesterday around 1.08 price range. The pair dropped further today to 1.079 and now is traded again at 1.082. Support now became the level of 1.08 with stops above 1.082 and further to 1.085. Some bids are noted at 1.078 with stops below 1.0765. USDJPY indicates that we may observe further downside pressure if the eliot wave pattern become correct. The fears about second wave of pandemic infections weighed a lot on investors sentiment. The pair now is traded at 107 price level

Gold Market

Gold price find it difficult to sustain in bullish momentum significantly above 1700 level as investors are favouring dollar over gold. Almost a month has gone and gold price struggle to continue the bullish trend and find the previous resistance level. The upcoming US CPI data in unlikely to aid gold move higher as inflation does not exist yet. It remains to see gold reaction after US economy and when will skyrocket, as many buyers expecting the upcoming dips.

Oil Market

Oil prices did what it's called whipsawed, where the market aim to one significantly to one direction and at the same time return to the opposite side. That happened yesterday as Saudi Arabia announced to cut another 1 million barrels production per day reducing its total output to 7.5 million in June in order to balance the supply and demand. That caused Brent price to rose by 5%, but those gains disappeared as Brent fell later by 4.3% at \$29.6 some hours after the announcement. WTI finished the day by 2.4% lower at \$24.1. For many analysts, the worst is over, and the demand normalization is ahead.

European Stocks

European stock market was expected to open lower today as investors worrying ahead of a second wave of coronavirus cased, however opened today slightly higher and Stoxx600 index is traded at \$2874 and UK100 index and DAX30 opened lower today.

On the data front 12-05-2020

Time (GMT+2)	Event	Impact
04:30 am	CNY Consumer Price Index (YoY) ((Apr)	High
N/A	AUD Budget Release	High
15:30 pm	USD Consumer Price Index ex Food & Energy (MoM) (Apr)	High
15:30 pm	USD Consumer Price Index ex Food & Energy (YoY) (Apr)	High
17:00 pm	USD Fed's Harker & Quarles speech	Medium