

Tuesday 26.05.2020**Asian Session**

Asian stocks jumped higher today along with US stocks as the global economies took steps towards reopening their economies. Japan index climbed by 2.6% and Japan eyeing a fresh stimulus package to more than 200 trillion yen which is about 40% of the annual output of the world's third biggest economy. Hong Kong index jumped by 2%, while South Korea's KOSPI index went up by 1.6% and Shanghai Composite index increase by 0.7%.

Asian Stock	Closed
Nikkei	+2.6%
Hong Kong HSI	+2%
China Shanghai SSE	+0.7%
KOSPI – South Korea	+1.65

US Stocks

US stock market began the day higher today as investors weighed more signs of global economies reopening against the rise in US and China tensions. Big threat against economies recovery is the escalating war of words between US and China and they expect that number of new cases slowing and there will be a progress towards medical solutions. SP500 index rose by 1.2%, while Dow Jones index lost 0.03% and Nasdaq index rose by 0.43%.

US Stocks	Closed
DOW	-0.03%
S&P500	+1.2%
NASDAQ	+0.43%

Major Currencies & Dollar Index

EURUSD extends the recovery even higher from 1.09 price level and a reason caused this was the German Consumer Business climate which announced better estimation than was expected. The recent refusal of German court against buying sovereign debt under ECB's WE program threatens the euro. For now, a breakout above 1.099 would target 1.101, otherwise significant support remains at 1.077. GBPUSD jumped today approximately by 50 pips, which caused by a modest US dollar pullback. Despite US and China tensions market is more optimism about dollar as a safe heaven against pound. Pound remains weaker for the last three weeks as there are expectations that the BoE may adjust negative rates for the time in history in combination with Brexit uncertainties. We expect to see an upside momentum as global economies reopening will come soon. USDJPY is traded higher for third day in a row amid upbeat sentiment for dollar. The pair is trading at 107.8 price level and it is expected to go even higher towards 108. Another reason yen declining is that Japan's Governor is pessimistic about the economy.

Gold Market

Gold closed yesterday slightly lower, however found a significant support level at 1720 price level, as bulls retain the control. First resistance point now is at 1736 including the weekly Fibonacci level at 38.2%. IF gold breaks above that level the upside target is at 1748, otherwise may go beyond to 1712 price. Gold traders are trying to gauge the impact for gold of increasing geopolitical tensions between US and China and this weigh a lot on investors sentiment.

Oil Market

Over the last few months oil demand plunged to a record lows, however Russia's oil Minister sees oil supply and demand situation rebalancing within two months period. He also said that the global surplus ranging between 7-12 million barrels. US shale drillers will be unprofitable even if oil prices were twice today's levels, however oil indicating bullish signs. WTI crude futures has gained 3.2% at \$34.3 per barrel, while Brent crude futures were up by 1.7% at \$36.1 per barrel. Today oil prices continue to the upside as there is optimism economies will reopen soon.

European Stocks

European stocks opened higher today on global vaccine hopes. American biotech firm Novavax said Monday it started the first human study of its experimental coronavirus vaccine. UK100 is seen opening 20 points higher at 6104, while Stoxx600 index went up by 1.47% and opened with a gap of about 25 points.

On the data front 26-05-2020

Time (GMT+3)	Event	Impact
09:00 am	EUR Gfk Consumer Confidence Survey (Jun)	Medium
15:45 pm	EUR ECB's Lane speech	Medium
23:59 pm	CAD BoC's Governor Poloz speech	High