

June 01.06.2020**Asian Session**

Asian stock market began the week higher, as the progress on economies opening aid to offset the recent tensions between US and China, as Trump left their deal intact for the moment. An official Chinese survey showed increase in factory, however with lower pace during May. Hong Kong index rose by 3.6%, while Japan's index rose by 1.1%. Shanghai index jumped by more than 2% and South Korea's KOSPI index rose by 1.7%.

| Asian Stock | Closed |
|---------------------|---------------|
| Nikkei | +1.1% |
| Hong Kong HSI | +3.6% |
| China Shanghai SSE | +2% |
| KOSPI – South Korea | +1.7% |

US Stocks

US stocks trying to recover today and bounced around the early Monday trading morning, amid protests within the country, erupted after a black man died last Monday following a confrontation with police. White House do not expect that this fact will cause long term economic implications. While this happening, many retailers and businesses are still exhausted from the pandemic and were caught up in vandalism. Meanwhile Trump announced a number of measures against China's proposal to limit Hong Kong independence. Dow Jones fell by 0.07%, while SP500 rose by 0.5% and Nasdaq index went up by 1.29%.

| US Stocks | Closed |
|------------------|---------------|
| DOW | -0.07% |
| S&P500 | +0.5% |
| NASDAQ | +1.29% |

Major Currencies & Dollar Index

Today Euro/dollar exceeded well enough the 1.11 price level and is currently traded at 1.115, with next resistance levels be around 1.117 and 1.123. IT is obvious that the pair is showing string bullish momentum. This caused amid optimism for the EU recovery fund along with dollar weakness as protests spread within the country. Additionally, there are expectations that the ECB will likely boost the bond-buying at its monetary policy meeting this Thursday. Pound/dollar is expected to continue growing towards resistance level of 1.245 and then to 1.257, otherwise this may no longer be valid if the price breaks towards 1.2207 and then goes even lower to 1.208. Tuesday's Brexit negotiations between the EU and the British policymakers will be the key, today's Manufacturing PMIs from the UK and the US will offer intermediate clues and will see the pair's reaction. Dollar/Yen is traded at 107.6 and remains in a consolidate range for almost two weeks. Dollar was narrowly traded in Asia, however the renewed yen selling on return of risk sentiment after Trump left US-China trade deal untouched as well as Chinese PMI news suggest range trading with upside bias remains.



Gold Market

Gold closed modestly higher last Friday and remained choppy. Gold prices moved higher today after the violent protests in US cities while the country trying to reopen its economy, along with the uncertain relationships between China and America. According to CME gold futures shrunked by 23K contracts last Friday, however, there exist high probability to see gold touching yearly highs near 1770. Gold is currently traded at 1740 price level with next resistance level be around 1750, otherwise inside support can be found at 1730 level.

Oil Market

WTI has broke the recent downfall and is currently traded at 35.5 dollars per barrel. Worth noted is that US oil producers have slushed the output and have cut around 400 billion of dollars from capital spending budgets and the pace of drilling decreased by more than 80% from the peak of the Great American Oil Boom. Investors have added around 16.3k contracts in oil futures last Friday according to CME and WTI now targets \$40 per barrel, in the short term horizon. Brent is currently traded very close to \$38 per barrel slightly higher since last Friday.

European Stocks

European stocks edge higher after Chinese data came out with positive economic expansion during May. All eyes turn to the meeting of the European Central Bank later on the week, which expected to boost the bond buying program by around 500 billion euros to 1.25 trillion euros. Stox600 index rose today by 1.44%.

On the data front 01-06-2020

| Time (GMT+3) | Event | Impact |
|--------------|--|--------|
| 11:00 am | EUR Markit Manufacturing PMI(May) | Low |
| 11:30 am | GBP Markit Manufacturing PMI(May) | Medium |
| 17:00 pm | USD ISM Manufacturing Employment Index (May) | High |
| 17:00 pm | USD ISM Manufacturing PMI(May) | High |