

Monday 15.06.2020

Asian Session

Asian stocks fell along with US equities as Japan index dropped by 0.6% during early Monday trading hours. South Korea's KOSPI index lost 0.4%, while Hong Kong's index fell by 0.6% and Shanghai's index lost 0.9%, amid new fear of a second wave in Beijing. Despite market fall, the industrial production in China increased by 4.4% during May compared to previous year according to National Bureau of Statistics, however the unemployment rate in May reached 5.9% slightly better than April.

| Asian Stock | Closed |
|---------------------|---------------|
| Nikkei | -0.65% |
| Hong Kong HSI | -0.6% |
| China Shanghai SSE | -0.9% |
| KOSPI – South Korea | -0.4% |

US Stocks

Despite Friday's higher partial rebound on US equities, a sharp drop occurred during late Sunday. Dow Jones futures index has lost 1.4%, while SP500 futures index declined by 2.3% and Nasdaq index rose by 1%. Dallas Fed President Robert said that US economic rebound mainly depends on effective public health measure against the virus as there is huge possibility of a second wave of the virus. The Dow Jones 1.9% on Friday closing, while SP500 index gained 1.3% Nasdaq Index climbed 1%.

| US Stocks | Closed |
|------------------|---------------|
| DOW | -1.4% |
| S&P500 | -2.3% |
| NASDAQ | +1% |

Major Currencies & Dollar Index

Euro/Dollar opened with gab to the downside today, indicating a reversal pattern from the tops of 1.14 levels, breaking the upward trendline in hourly timeframe. We may see further sell off to 1.10 price range. The pair affected from the Eurozone Industrial Production that showed 17.1% contraction and amid a possible scenario of a second wave of virus. Despite gradually recovering from the intraday low of 1.248, the pound/dollar pair record losses worth 0.16%, while taking rounds to 1.252 today. Cable faces a potential drop to the mid-1.2400s in the near-term, suggested FX Strategists at UOB Group. Data released on Friday showed that the UK GDP contracted 20.4% in April. Today's EU and UK meeting will determine future pair's reaction. Dollar remains vulnerable against yen below 107 price level as a second wave of coronavirus worry the market as yen deemed benefited as a safe haven asset during this period and all eyes turn to the BOJ's 2-day monetary policy meeting begins from today. Short positions should be below 107.5, otherwise further upside can be found at 108.2.

Gold Market

Gold, the globe's universal currency and store of value, is being de-globalized. Mocatta, the largest gold bullion trading company, is being unwound and shut down by Scotiabank. JPMorgan, the leading US bullion bank, is ever more reluctant and slower to take on new counterparties. Gold prices aided amid worries for second virus outbreak, however, today is traded narrowly as there exist uncertainty over economic rebound and a possibility of additional stimulus. Strategists at TD Securities believe a long period of negative rates is here to stay and, therefore, the yellow metal should offer hedge for the investment.

Oil Market

Oil prices also affected from a possible scenario of a second wave of virus and moved lower with WTI crude oil futures today declined by 3% and currently traded slightly below \$35 per barrel. Brent has lost more than 2% at \$37.84 per barrel. Both contracts were plunged more than 85% the previous week amid worries of a resurgence of the pandemic, despite that market started strong last week on the back of the OPEC agreement to extend its output cuts.

European Stocks

European stocks were opened lower with a gap to, as it was expected amid the new anti-racism protests that took place in Europe countries and amid worries over a resurgence of the coronavirus in Asia and US. Stoxx600 index lost 2.11% and UK100 index declined by 2.17%.

On the data front 15-06-2020

| Time (GMT+3) | Event | Impact |
|---------------------|--------------------------------------|---------------|
| 05:00 am | CNY Industrial Production (YoY)(May) | Medium |
| 05:00 am | CNY Retail Sales (YoY)(May) | Medium |
| 12:00 pm | EUR Trade Balance (Apr) | Low |