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US markets – Us stocks rallied higher at the beginning of last week pushing Nasdaq to an all-time high and the SP500 into positive track for the current year. The greater than expected Non-Farm Payrolls along with that drug makers promised positive upcoming news for the virus vaccines, have aided the market to have even more optimism for economy recovery. Since early May we have seen a clear uptrend in the market, and reports yesterday showed that small business owners in May were more optimistic for economic rebound, and their optimism was increased by 4.5 points more than was expected as National Federation of Independent Business said. Fed interest rate decision to keep unchanged the interest rate near zero until 2022, caused US stock market to perform its worst since March, however Fed stated that will keep purchasing bonds to support the credit market. The Fed also said that expects the U.S. economy to contract by 6.5% during 2020 before expanding by 5% in 2021. Fed projected the unemployment rate to be at 9.3% at the end of 2020 and at 5.5%in 2022. Since February nearly 20 million jobs have been lost. 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.

Asian - Asian shares were rising simultaneously along with US stock market as there is an optimism about economic recovery amid positive outcome from previous US jobs data release. Stocks were mixed later in the week as investors took stock of the recent risk asset rally and awaited for some output on upcoming monetary policy from the Fed, before pulling back as Fed's chairman Powell noted that the economic recovery will take longer. Asian stock also declined on Friday closing, along with US equities as Wall Street suffered its worst since March. Additionally, Chinese crude oil stocks fell, except the technological sector, as the price of crude oil continued falling. There is negative sentiment for this week with equities continue falling, amid new fear of a second wave in Beijing as the existence of new infections took place in Asia. 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.

European Markets – European stock market failed to continue the recent gains amid the extra relief package that Christine Lagarde announced, as around data showed that Germany faced 18% contraction in industrial output in April which was more than expected, however some investors have confidence that will be a swift recovery in the economy, despite the concerns of a second wave of coronavirus. In addition, European stocks fell after Fed's announcements about its new monetary policy last week where the interest rate was left unchanged near zero. European stocks were opened lower with a gap today, 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 commenced this week losing 2.11%.

Gold Market - As global economies commenced recovering gold prices became more vulnerable to new lows, as gold lost almost $100 per ounce the recent days. In the near-term gold may find support from the US and China trade tensions. Inverse relationship exists with the US equities as investors hope on faster recovery. The decision of Fed to retain the interest rates near zero aided gold to moved higher jumping by approximately $32 higher and proved once again that is an attractive safe haven asset. Gold price shows some improvement amid worried for a second wave of infection and a sobering economic outlook from the Federal Reserve. August gold futures rose by almost 1% at $1735 per ounce after Fed announcement last week, but taking into consideration that unemployment has been decreasing and economy reopening is stable, gradual is unlikely for gold to benefit from a further fall in interest rates soon. Concerns arise given the fact that 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 – After OPEC decision last week to extend its existing agreement for output cut by 9.7 million per barrel until the end of July crude oil then reached $40 per barrel. The agreement is for 100k bpd lower than the prior deal because Mexico will end its supply constraints. Additionally, some Gulf producers may end their extra production cuts at the end of June and they US producers may reverse the production cuts as crude demand increases. Interesting remains that the breakeven point for the most OPEC members ranged at $60 per barrel. As more US business opened from lockdown measures, bring hopes for a rebound in the black gold demand. As dollar weakened later on the week after Fed's announcement oil prices closed even higher, and despite that Energy Information Report announced previous week 6 million of barrels more than expected of crude oil in inventories held by US firms, oil finished higher. The supply increased along with the increase in demand however they must find the balance. As interest rate remain near zero, they support the energy sector. Gasoline supply rose by 900,000 barrels, while distillate stockpiles were 1.6 million barrels previous days. After touching $40.57 per barrel crude started falling for two consecutive days reaching again $35 per barrel, in electronic trading on the NYMEX. Oil prices faced its biggest lost last Thursday in over six weeks, as a weekly increase in US inventories evidence the rising cases of the virus. Oil prices continue falling this week, as they are affected from a possible scenario of a second wave of virus and moved lower.

Foreign Currencies - Euro was appreciating against dollar as dollar resumed its fall throughout last week. All eyes turned to today's Fed monetary policy decision, where finally they left the interest rate unchanged near zero and aided euro reach 1.14 price level. Jerome Powell, Chairman of the Federal Reserve, said the bank has "crossed red lines" and urged the government to do more. Euro rise also caused from the US Consumer Price Index report which was lower than anticipated and declined by 0.1%. Later, higher unemployment rate than was expected aided Euro to appreciate against dollar. The number of the new unemployed people in Us rose with another 1.5 million. Analysts from Deutsche Bank forecast Euro/Dollar to find resistance level to 1.20 as there are expectation for further dollar weaknesses. 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

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a second wave of virus. Pullback is seen in pound after reaching the highest level since mid-April around 1.275 against dollar at the beginning of last week. One factor that may pressure the pound is Britain's slow reopening and the issue with the World Trade Organization that need to be cleared and may still weigh on pound. The fourth round of the EU-UK post-Brexit negotiations ended without any significant progress on key issues and fueled concerns about a no-deal Brexit. The ongoing selling pressure on dollar continued driving Pound higher last week, however last Thursday we observed a pullback of more than 50 pips in pound without any major market-moving economic releases from the UK. Pound/Dollar lost almost 150 pips in Friday closing as David Frost, the chief UK negotiator, reiterated that the country will not seek a transition period extension. This means that chances of a no-deal Brexit are high as time runs out. The UK economy plunged by over 20.4% in April worse than expected, according to the latest monthly GDP estimates, and this follows an initial 5.8% decline back in March. Cable faces a potential drop to the mid-1.2400s in the near-term, suggested FX Strategists at UOB Group and EU and UK meeting this week will determine future pair's reaction. Dollar went slightly below 110 level against yen at the beginning of last week trading session and since then plunged back to 107.9 level as investors preferred much more yen rather than dollar, in which selling pressure exists. Dollar depreciated for third day in a row against yen, in post FOMC New York after Fed's pessimistic economic outlook. FX Strategists at UOB Group noted USD/JPY faces a key support at 106.70 in the weeks ahead. After Japan's BSI Large Manufacturing Condition index, which represents the strength of the Japanese economy, for the second quarter last week was minus 52.3, dollar rebound more than 60 pips, but dollar remains vulnerable against yen below 107 price level as a second wave of coronavirus worry the market.

Weekly News 15-06-2020 – 19-06-2020

Time (GMT+3)	Event	Impact
15.06 05:00 am	CNY Industrial Production (YoY)(May)	Medium
15.06 05:00 am	CNY Retail Sales (YoY)(May)	Medium
16.06 04:30 am	AUD RBA Meeting Minutes	High
16.06 06:00 am	JPY BoJ Monetary Policy Statement	High
16.06 09:00 am	GBP ILO Unemployment Rate (3M) (Apr)	High
16.06 12:00 pm	EUR ZEW Survey - Economic Sentiment (Jun)	High
16.06 17:00 pm	USD Fed's Chair Powell testifies	High
17.06 09:00 am	GBP Consumer Price Index (YoY)(May)	High
17.06 12:00 pm	EUR Consumer Price Index - Core (YoY)(May)	Medium
17.06 15:30 pm	CAD BoC Consumer Price Index Core (YoY)(May)	High
17.06 19:00 pm	USD Fed's Chair Powell testifies	High
18.06 01:45 pm	NZD Gross Domestic Product (QoQ) (Q1)	High
18.06 04:30 pm	AUD Unemployment Rate (May)	High
18.06 10:30 pm	CHF SNB Monetary Policy Assessment	High
18.06 14:00 pm	GBP BoE MPC Vote Unchanged	High
18.06 14:00 pm	GBP Monetary Policy Summary	High
18.06 14:00 pm	GBP Bank of England Minutes	High
18.06 15:30 pm	USD Initial Jobless Claims (Jun 12)	High
19.06 03:00 pm	EUR European Council Meeting	Medium
19.06 15:30 pm	CAD Retail Sales (MoM)(Apr)	High
19.06 20:00 pm	USD Fed's Chair Powell speech	High