

Tuesday 09.06.2020

Asian Session

Asian shares rose yesterday along with US stock market as there exist an optimism about economy recovery amid positive outcome from last week's US jobs data release. Japan index rose by 1.37% as Japan's airline stocks rose about 3%. while Shanghai index rose by 0.24%. Hong Kong index has increased by 1.7% and South Korea's index Kospi rose by 0.11%. The gains continued today alongside with the increasing in oil pricing.

Asian Stock	Closed
Nikkei	+1.37%
Hong Kong HSI	+1.7%
China Shanghai SSE	+0.24%
KOSPI – South Korea	+0.11%

US Stocks

US stocks rallied to the upside again yesterday pushing Nasdaq to an all-time high and the SP500 into positive track for the current year. The greater than expected Non-Farm Payrolls have aid the market to become even more optimism for economy recovery. Dow Jones closed significantly above 27100 level at 27500 gaining around 1.7%, while SP500 rose by 1.2% and Nasdaq gained 1.1%. Additionally, stocks rose as drug makers promised in their announcement positive upcoming news for the virus treatment and vaccines.

US Stocks	Closed
DOW	+1.7%
S&P500	+1.2%
NASDAQ	+1.1%

Major Currencies & Dollar Index

Euro fell slightly against dollar after the positive outcome of Friday's report for the US unemployment which has dropped from 14.7% to 13.3 for the May and the pair entered into a consolidative range yesterday near 1.13 price level. It is expected that the pair will be traded between 1.126 and 1.133 in the short term. Pullback is seen in pound after reaching the highest level since mid-April around 1.275 against dollar. Long positions remain above 1.27 with target be ta 1.278, otherwise below 1.27 price level look for further downside pressure at 1.264 as a target. 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. Support can be found at 1.2528, while resistance can be found at 1.275. Two last trading days dollar went slightly below 110 level against yen and since then plunged back to 107.9 level. Investors now waits Fed's decision on Wednesday meeting, however Fed is expected to remain cautious despite recent positive sentiment in the markets, but at least they will not talk about negative interest rates.

Gold Market

As global economies commenced recovering gold prices became more vulnerable to new lows, as gold lost almost \$100 per ounce the last seven days. In the near term gold may find support from the US and China trade tensions. Inverse relationship exists with the US equities as stock as investors hopes on faster recovery. August gold futures rose by 1.3% and settled at \$1705 per ounce after the recent decline of last week by 3.9%. Gold is narrowly traded at 1694 price level and it is expected to slightly recover.

Oil Market

Oil prices were trading higher yesterday touching the level of \$40 per barrel, after OPEC decision over the weekend to extend its existing agreement for output cut by 9.7 million per barrel until the end of July and that created stabilization in the market for oil recovery. The agreement is for 100k bpd lower than the prior deal, because Mexico will end its supply constraints. It is expected to see short term pullbacks reaching \$35 per barrel and according to UBS WTI may closed the year around \$31 per barrel. WTI is currently traded at \$38.4. Interesting remains that the breakeven point for the most OPEC members ranged at \$60 per barrel.

European Stocks

European stock market failed to continue the recent gains amid the extra relief package, as around data showed that Germany faced 18% contraction in industrial output in April. Stoxx600 has fell by 0.3%, however some investors have confidence that will be a swift recovery in the economy.

On the data front 09-06-2020

Time (GMT+3)	Event	Impact
12:00 pm	EUR Gross Domestic Product (QoQ) (Q1)	High
12:00 pm	EUR Gross Domestic Product (YoY) (Q1)	High
17:30 pm	GBP BoE's Cunliffe speech	Medium