

Monday 20.07.2020

### **Asian Session**

Mainland Chinese stocks advanced higher today. Chinese one-year and five-year loan prime rate remain unchanged, according to Reuters as its economy resume rebounding, while Japan's exports plunged 26.2% in June from a year earlier and that was a worse drop than expected. Autos, a big export sector for Japan, fell. Nissan dived 3.12%, Mitsubishi Motor tumbled 2.12% and Suzuki declined 3.79%. The Shanghai composite index jumped 0.13%, while Kospi index rose by 0.9%. Nikkei index dipped by 0.32% and Hong Kong's index rose by 0.47%.

<b>Asian Stock</b>	<b>Closed</b>
Nikkei	-0.32%
Hong Kong HSI	+0.47%
China Shanghai SSE	+0.13%
KOSPI – South Korea	+0.9%

### **US Stocks**

US stocks market closed with modest gains last Friday, as the Dow and SP500 ended up with weekly gains for a third consecutive week. Millionaire investors are more optimistic about US economic recovery, despite that coronavirus cases increased day by day. Bullishness among investors with \$1 million or more in a brokerage account they self-manage was up 13% from last quarter, according to the latest E-Trade Financial investor survey. The CEO of JP Morgan there is a second quarter earnings report and "we don't know what will happen next". Dow Jones closed by -0.12%, while SP500 closed by +0.28% and Nasdaq by 0.18%.

<b>US Stocks</b>	<b>Closed</b>
DOW	-0.12%
S&P500	+0.28%
NASDAQ	+0.18%

### **Major Currencies & Dollar**

Euro/Dollar began the week on a positive foot and is lifting to the 1.1465/70 band, new three-month peaks, while Monday's 4-hour chart points to further gains, FXStreet's analyst Yohay Elam reports. According to prelim figures, the Michigan Consumer Expectations Index fell from 72.3 to 66.2 in July. The Consumer Sentiment Index slipped from 78.1 to 73.2. "Euro/dollar is trading above the previous high of 1.1452, which now turns to support. GBP/USD reversed an early dip on Friday amid the emergence of some fresh USD selling. A sustained the 1.2500 psychological mark might confirm a near-term bearish breakdown. The Fridays' narrow trading caused from strong bid tone for the EUR/GBP amid the optimism over a deal on the EU's proposed €750 billion coronavirus recovery fund. Immediate resistance now seems to be 1.26. Dollar/Yen struggles to extend rebound moves from 107.02. BOJ Minutes suggest policymakers praised aggressive fiscal and monetary policies.

### **Gold Market**

Gold prices slow down today, although the positive close last week at \$1810 per ounce, as the increasing number of coronavirus globally increased the US dollar haven demand. The EU Summit deadlock and US stimulus talks will continue to underpin the yellow metal, in the absence of US economic data due later this Monday. Analysts at Citigroup Assess a 30% probability it would go above \$2,000 in the next 3-5 months.

### **Oil Market**

Crude oil markets initially pulled back during today's beginning, as the WTI is finding massive resistance in the form of the \$41 level. It seems that oil prices are squeezed to the upside and if the price breaks above \$42 per barrel most probably will go towards \$49 per barrel. OPEC+ agreed to reduce its production cuts by 2mb/d to 7.7mb/d from August. Rising coronavirus cases could lead to another reduction in traffic while refinery margins have yet to recover, suggesting refiners' demand will stay subdued, per ANZ Bank.

### **European Stocks**

Optimism amid a compromise on the economic recovery fund in the Eurozone will still be a key focus actor for European stocks later on the day, but currently risk sentiment remains more on the cautious side to begin the day. Pan-European index rose by 0.16% on Friday.

### **On the data front 20-07-2020**

<b>Time (GMT+3)</b>	<b>Event</b>	<b>Impact</b>
09:00 am	EUR Producer Price Index (MoM)(Jun)	Medium
17:30 pm	EUR ECB's Lane speech	Medium
18:10 pm	GBP BoE's Tenreyro speech	Medium