

Monday 27.07.2020

Asian Session

Shares in Asia were mostly higher in Monday afternoon trade. Investors are waiting for further stimulus package from lawmakers, as the US Republicans have finalized a bill worth about \$1 trillion. The Sino-American tensions increased last week and led Asian stocks to plunged on Friday. China's industrial profits for June soared 11.5% year-on-year, according to the country's National Bureau of Statistics. South Korea's Kospi rose today by 1.04%. Shanghai index added 0.2%, while Hong Kong's index is falling 0.45% and Japan's index slipped by 0.18%.

Asian Stock	Closed
Nikkei	-
Hong Kong HSI	-2.21%
China Shanghai SSE	-3.86%
KOSPI – South Korea	-0.70%

US Stocks

US stocks equities rose late yesterday, as investors are mainly focused on this busy earnings week, with Dow Jones index on futures gained about 130 points, or 0.5%, while SP500 index on futures rose by 0.31% and Nasdaq-100 futures rose by 0.52%. About 180 of the SP500 companies will report quarterly earnings later on the week, including Alphabet GOOGL, Amazon AMZN, Apple, AAPL, Facebook. On Thursday, the second-quarter GDP data, will be released by the US Commerce Department, with economists expecting an unprecedented 33% contraction due to the coronavirus pandemic. A weaker dollar should be a positive for equities, though foreign stocks will likely benefit more, analysts said, however is not necessarily good for stocks if it reflects big problems on the domestic front.

US Stocks	Closed
DOW	-0.83%
S&P500	-0.62%
NASDAQ	-0.94%

Major Currencies

Euro is resuming the bullish momentum and achieved to break above the 1.17 critical level and is eyeing for further upside. The Eurozone's manufacturing PMI rose from 47.4 to 51.1, with the services PMI jumping from 48.3 to 55.1, oppositely with the US Manufacturing PMI with a rise from 49.8 to 51.3 falling short of a forecasted 51.5. Dollar remains broadly pressured amid gold's rally. Sino-US tensions and fiscal deadlock in the US add to the dollar's weakness. In light of the recent price action, EUR/USD could now extend the move to 1.1750 and even beyond 1.1800, suggested FX Strategists at UOB Group. The Japanese yen traded at 105.63 per dollar after strengthening sharply late last week from levels above 106.5 against the greenback. Dollar/Yen remained under some heavy selling pressure for 3rd straight session today. Concerns about rising coronavirus cases, along with Sino-American tensions weighed on the USD and kept exerting some pressure. For the last seven days Pound still appreciating against dollar and concerns about rising COVID-19 cases, worsening US-China relations undermined the USD. Pound is almost in overbought

conditions and preventing investors for further bullish movements and this comes amid fears of a no-deal Brexit. The pair is currently traded slightly above 1.28.

Gold Market

Gold prices advanced even higher to a new record on today's session during Asian trading hours. Spot gold traded as high as \$1,943.927 per ounce, before paring gains to change hands at around \$1,931.76 per ounce. Those levels eclipsed the previous record high price set in September 2011. Buyers still remain hopeful ahead of US Durable Goods data and for the US stimulus progress. "The bullish momentum may continue only on a break above the \$1950 psychological level if the bulls surpass the latest record high.

Oil Market

Oil prices were little changed in the afternoon of Asian trading hours, Brent crude futures hovering above the flatline at \$43.35 per barrel. U.S. crude futures rose fractionally to \$41.31 per barrel. WTI oil price regained traction and bounced from \$40.70 to the session high at \$41.64 per barrel in European trading on Friday, recovering a part of previous day's drop. Weak dollar continues to support but rising tensions between the US and China partially offset positive impact in oil prices.

European Stocks

It was downward momentum for the European major equities on last Friday, with The DAX30 slid by 2.02%, with the CAC40 and EuroStoxx600 falling by 1.54% and by 1.70% respectively. Today EU stocks opened lower as investors focus on US-China tension, with Stoxx600 edged lower by 0.2%, while corporate earnings season gathers momentum.

On the data front 27-07-2020

Time (GMT+3)	Event	Impact
11:00 am	EUR IFO – Expectations (Jul)	Medium
15:30 pm	USD Durable Goods Orders (Jun)	High
15:30 pm	USD Nondefense Capital Goods Orders ex Aircraft (Jun)	High