

Tuesday 14.07.2020**Asian Session**

Asian equities began the day lower amid fresh Sino-American tensions and worries over the economic impact under the scenario of new coronavirus infection cases. The White House's decision to reject nearly all Chinese maritime claims in the South China Sea added to investor nervousness. Japan's index Nikkei 225 fell by 0.8% while Hong Kong's index slipped by 1.7%. The Shanghai Composite index declined by 0.9% and South Korea's KOSPI went down by 0.5%.

Asian Stock	Closed
Nikkei	-0.8%
Hong Kong HSI	-1.7%
China Shanghai SSE	-0.9%
KOSPI – South Korea	-0.5%

US Stocks

The rally on US stock market yesterday slipped, after the announcement that California rolled back its reopening plan of the economy, creating concerns about another coronavirus lockdown. Major equities indices retreated earlier in the session, with the Dow Jones index rising more as much as 563 points. Dow Jones yesterday fell by 0.37%, while SP500 lost 0.94% and Nasdaq closed lower by 2.16%.

US Stocks	Closed
DOW	-0.37%
S&P500	-0.94%
NASDAQ	-2.16%

Major Currencies & Dollar Index

The euro is pushing higher on the day with the range finally showing signals of giving way to a trend. Price action is clearing the upside end of the range at 1.1347 and this bullish breakout could see a continuation to the upside. US inflation data is expected to show +0.5% increase mom in June, up from -0.1% decline in May. The headline Economic Sentiment Index is expected to improve to 60.0 in July as against a 63.4 reading booked in the previous month. A break above 1.137 would aid euro find 1.142 resistance level. According to Fiona from CityIndex UK economic growth massively undershot expectations increasing just +1.8% month on month in May as lockdown measures were gradually eased. This is a very shallow rebound given the -20.4% contraction in April. Analysts had been expecting a 5% jump in GDP in May. USD/JPY is seen sticking to the broad consolidative theme in the next weeks, noted FX Strategists at UOB Group. Short positions are below 107.35 with targets at 107.05 106.90, otherwise above 107.35 target is at 107.6. The US inflation data will determine the course of the pair along with US CPI data.

Gold Market

The precious metal was trading above the 1800 level yesterday. Gold dipped to the psychological round number level to establish support. However, we see a lower high forming near the top. If gold prices fail to make any further gains, we could expect to see a short-term correction. Gold is trading slightly lower from the recent record highs for two days in a row. It is interesting to see later on the day how the US CPI news will affect either negative or positive gold prices. Support levels now becomes the price level of 1780.

Oil Market

WTI pulled back today to \$39.3 per barrel. China's sustained increase in oil imports confronts chatter of easing output cuts. To the upside, oil prices will have to break out above the 42.00 handle to confirm further gains. Alternately, to the downside, the minor support area near 38.10 might hold up prices from posting further declines. All eyes today turn to American Petroleum Institute (API) which will report the US crude oil inventories.

European Stocks

European equities were opened lower today, as Trump Administration decided to reject China's expansive claims in South China Sea, and this was criticized by Beijing. Stoxx600 Pan-European index is down minus 1.635 for the day.

On the data front 14-07-2020

Time (GMT+3)	Event	Impact
09:00 am 14.07	GBP Gross Domestic Product (MoM)(May)	High
11:00 am 14.07	EUR ECB Bank Lending Survey	High
15:30 pm 14.07	USD Consumer Price Index Ex Food & Energy (YoY) (Jun)	High
16:30 pm 14.07	CHF SNB's Chairman Jordan speech	High