

Wednesday 01.07.2020

Asian Session

Asian stocks on futures declined at the commencement of the third quarter of 2020 as investors concerning about coronavirus new spread and Sino-American tensions. Japan equities fell with low volumes, with sentiment capped as confidence among large manufacturers in the country fell to the lowest level since 2009. Japan's index fell by 0.75%, while Hong Kong's index rose by 0.52%. Shanghai index rose by 1.38% and South Korea's Kospi index declined by 0.07%.

Asian Stock	Closed
Nikkei	-0.75%
Hong Kong HSI	+0.52%
China Shanghai SSE	+1.38%
KOSPI – South Korea	-0.07%

US Stocks

US stocks index on futures rose, as new data yesterday signaled a recovery in consumer's confidence and increased home prices and this aided to offset worries about the increasing number of new virus cases in America. Both the Dow and S&P 500 index booked their best quarterly performance in more than 20 years, while the Nasdaq Composite had its best quarter since 1999. Dow Jones has gained around 580 points and rose by 2.3%, while SP500 advanced higher by 1.5% and Nasdaq index jumped by 1.2%. Stocks also advanced after the testimony to Congress by Federal Reserve Chairman Jerome Powel. It is announced that Fed will establish another 11 emergency lending facilities.

US Stocks	Closed
DOW	+2.3%
S&P500	+1.5%
NASDAQ	+1.2%

Major Currencies & Dollar Index

At press time, EUR/USD is trading at 1.1228, representing a 0.05% decline on the day as the pair again slips back to the 1.1172 Fibonacci support. Despite euro is traded modestly Commerzbank's Karen Jones expects the currency pair to recover and reach the level around 1.15. Firmer back-end UST yields provide some support for the USD/JPY, however FX strategists at OCBC, expects the pair to remain within the 106.00-108.00 range and with the 55-DMA at 107.43 to hold the downside. "Some positive soundbites from Barnier allowed the GBP/USD to lift higher. It is nevertheless capped by the 1.2400 ceiling for now." For Pound/Dollar long positions remain above 1.2355 with targets at 1.2405 and 1.243, otherwise below 1.2355 further downside is seen with 1.2325 and 1.2285 as targets.

Gold Market

Gold prices have ended the second quarter above a major level of \$1780 per ounce and it is very close to reach the level of \$1800 per ounce. The safe haven asset can extend its north run towards \$1800, however, US dollar recovery might probe the bulls for the short-term as. Gold prices will be affected a lot from the market sentiment amid US-China tussle from virus woes.

Oil Market

Oil remained in bullish momentum with global demand on the rise. Oil prices not only going up due to OPEC historical cuts, but also from the signs that global economies start recovering and demand will increase even more with some limits until the end of the year. In a possible scenario with higher oil prices, will directly affect the US oil producers, because as the ex BP CEO Bob Dudley's noted that oil must be sustained at \$60 per barrel for US output to rise. WTI is now traded at 40.16 and rose by 2.27%, while Brent rose by 2.13% and is now traded at \$42.15.

European Stocks

European equities outperform the US stocks as investors remain confidence amid positive sentiment in Asia after China's factory activity jumped to a three-month high during June. Stoxx600 performed its best quarter since 2015. Stoxx600 index today rose by 0.13%.

On the data front 01-07-2020

Time (GMT+3)	Event	Impact
10:55 am	EUR Unemployment Rate (Jun)	High
15:15 pm	USD ADP Employment Change (Jun)	High
17:00 pm	USD ISM Manufacturing PMI(Jun)	High
21:00 pm	USD FOMC Minutes	High