

**Friday 28.08.2020****Asian Session**

Asian equities are rising along with US stocks as US stock market start making more peaks for a third consecutive day and this caused the bond yields to rise due to the Federal Reserve's average inflation strategy, as they promised to confront the coronavirus pandemic. Shanghai's index rose by 0.54% ,while Hong Kong's index lost 0.83%. Japan's Nikkei index lost 0.35% and South Korea's Kospi index lost 0.82%.

<b>Asian Stock</b>	<b>Closed</b>
Nikkei	-0.35%
Hong Kong HSI	-0.83%
China Shanghai SSE	+0.45%
KOSPI – South Korea	-0.82%

**US Stocks**

US equities went even higher yesterday after the Federal Reserve Bank Chairman Jerome Powell noted that they will abandon the Fed policy of raising interest rates to confront the inflation. When interest rates remain low stock market will still be rising up. Dow Jones Industrial index jumped higher by 160 points which was 0.6%, while SP500 slightly rose by 0.17% and Nasdaq index declined by 0.34%.

<b>U.S Stocks</b>	<b>Closed</b>
DOW	+0.6%
S&P500	+0.17%
NASDAQ	-0.34%

**Major Currencies**

Yesterday we witnessed a huge drop in Euro/Dollar from 1.19 price level to almost 1.176 a reaction that few moments later reversed and get back to 1.18 price range. The downward movement caused by the Fed policy which noted that interest rates will remain low, however today euro appreciated breaking above 1.19 looking to reach 1.20. Initial jobless claims report showed worse data than it was forecasted and that also affected the price of the pair. Pound/Dollar advanced even higher today amid dollar's selling pressure and the bulls are closely watching the price level of 1.33 to move beyond. The Fed Chair Jerome Powell on Thursday outlined the new monetary policy strategy and signalled an increased tolerance for higher inflation. Fresh dollar's selling after Powell revealed new Fed's inflation policy, along with the news of resignation of Japanese PM Shinzo Abe affected the Dollar/Yen today to lose value and the pair is currently traded at 105.7. Bears so far retraced 50% of 105.10/16.94 up leg, shifting near-term focus lower, with scenario requiring confirmation on today's close below 106 level (10DMA/50% retracement).

## **Gold Market**

Gold futures end lower Thursday after a volatile session that saw prices move in either direction by as much as 2%. After Fed's Chairman Jerome Powell announced the changes in Fed policy for maintain low the interest rates, gold retreated and lost around \$30, but in the long term the Fed policy will underpin gold to go higher. The Fed's strategy retains 2% annual inflation as a target, but the Fed said it "seeks to achieve inflation that averages 2% over time and as we now gold is traded against inflation.

## **Oil Market**

Oil on futures market dropped yesterday, setting an end to a third day in a row of gains in U.S. prices, as traders hoped on a quick recovery for the energy market in the Gulf of Mexico region after one of strongest hurricanes in years made landfall near the heart of the U.S. refining industry. WTI crude for October delivery CL.1, -0.39% CLV20, -0.39% declined by 35 cents, or 0.8%, to settle at \$43.04 per. October Brent crude BRNV20, -0.44%, declined 55 cents, or 1.2%, to \$45.09 a barrel on ICE Futures Europe.

## **European Stocks**

European equities retreated in early trading session today as investors digested a major policy shift by the US. Federal Reserve and reports that Japanese Prime Minister Shinzo Abe is set to resign. The Pan-European index Stoxx600 declined by 0.48%.

## **On the data front 28-08-2020**

Time (GMT+3)	Event	Impact
03:00 pm	USD Jackson Hole Symposium	High
12:00 pm	EUR Consumer Confidence (Aug)	Medium
15:30 pm	CAD Gross Domestic Product Annualized (QoQ) (Q2)	High
16:05 pm	GBP BoE's Governor Bailey speech	High