

Monday 31.08.2020**Asian Session**

Japan's equities outperformed the stock market and been enhanced by Berkshire Hathaway Inc.'s purchase of stakes in five major trading companies, one of billionaire Warren Buffett's biggest investments in the nation. China stocks had gains, however on the other hand South Korea's and Australia's stocks fell. Shanghai's index ended higher on Friday by a record of 2.39%, while Nikkei index lost 1.41%. Kospi index rose by 0.26% and Hong Kong's index rose by 0.66%.

Asian Stock	Closed
Nikkei	-1.41%
Hong Kong HSI	+0.66%
China Shanghai SSE	+2.39%
KOSPI – South Korea	+0.26%

US Stocks

US stock equities pushed the market even higher to a record-highs from the day the recovery began, as a result the sector is more valuable than the entire European market. The total market capitalization of the US technology stock market reached \$9.1 trillion, while European, UK and Switzerland market are now worth around \$8.9 trillion. Dow Jones index rose by 0.50% by Friday's closing, while Nasdaq index rose by 0.60% and SP500 gained 0.67%.

U.S Stocks	Closed
DOW	+0.50%
S&P500	+0.67%
NASDAQ	+0.60%

Major Currencies

Euro/Dollar is currently trading around 1.19, marginally off the highs it achieved after the Fed announced a dovish policy shift the previous week. Preliminary German inflation figures are in front of the day and investors need to watch closely the report and keep an eye on it as August ends. Terence Wu, FX strategist at OCBC Bank, expects the market to chase the 1.1966 top this week and pair can find the 1.20 beyond that level. On Pound/Dollar prevails an upside momentum with long positions being above 1.33 with next targets at 1.3338 and 1.34415 correspondingly. Alternatively, 1.326 and 1.322 are the next nearest support levels to watch at. Pound/Dollar trades in eight-month highs, around mid-1.3300s, and targets the 1.3500 area, Axel Rudolph, Senior FICC Technical Analyst at Commerzbank, reports. Britain's Chief Brexit Negotiator David Frost noted that he believes that the UK should leave without a trade deal if Brussels continues to ask that the UK should align with its rules on state aid. A drop to the 104.70 region in Dollar/Yen should not be ruled out in the upcoming weeks, as FX Strategists at UOB Group noted. Dollar/Yen regained some positive traction today amid as dollar retreated once again due to Fed policy, along with upbeat Chinese PMI reported.

Gold Market

Spot gold price was up by almost 0.4% at \$1,971.68 per ounce, after reaching its highest since August 19 at \$1,976 per ounce in early Asian trade. However, gold is down nearly 0.2% so far this month as previously reached a high record of \$2075 per ounce at the mid of month. U.S. gold futures rose 0.4% to \$1,982.50, as dollar remain weaker due to the Fed policy where noted the interest rates will remain low.

Oil Market

Brent crude on futures for November climbed 27 cents, or 0.6%, to \$46.08 a barrel, while WTI crude Oil was traded at \$43.11 per barrel, which was 14 cents higher or 0.3%. The highest level that Brent reached since early March was \$46.23, while WTI reached the highest level of \$43.78. A weaker dollar underpinned oil prices although demand struggled to recovered due to coronavirus pandemic and supplies remain in excessive level.

European Stocks

European equities are set to open higher today as dovish U.S. monetary policy signals enhanced the confidence for a global risk assets. Germany's DAX index is seen climbing 116 points to 13,145, and France's CAC up 44 points at 5,049. Pan European index lost 0.52% on Friday's closing.

On the data front 31-08-2020

Time (GMT+3)	Event	Impact
04:00 am	CNY Non-Manufacturing PMI(Aug)	High
09:30 am	CHF Real Retail Sales (YoY) (Jul)	Medium
15:00 pm	EUR Harmonized Index of Consumer Prices (YoY) (Aug)	High
16:00 pm	USD Fed's Clarida speech	High