

Thursday 27.08.2020**Asian Session**

As long as China's economic outlook gets better the share market also will advance higher. Asian shares were mixed in early session today as the latest data showed China's economy continued to recover. China's industrial sector has grown 19.6% since last year an increase from the 11.5% gain in June, as the country's recovery from the pandemic continues. Shanghai's index rose declined by 1.17%, while Hong Kong's index slightly rose by 0.02%. Japan's index Nikkei fell by 0.03% and South Korea's index rose by 0.26%.

| Asian Stock | Closed |
|---------------------|---------------|
| Nikkei | -0.03% |
| Hong Kong HSI | +0.02% |
| China Shanghai SSE | -1.17% |
| KOSPI – South Korea | +0.26% |

US Stocks

Another high records for technology stocks led the SP500 and Nasdaq Composite index to move even higher for fourth consecutive session and refreshed their records. Salesforce surged as much as 29% after the software company's big earning beat. Additionally, yesterday's US durable goods enhanced investors confidence. Dow Jones yesterday closed by 0.42%, while SP500 gained 1.02% and Nasdaq rose by 1.73%.

| U.S Stocks | Closed |
|-------------------|---------------|
| DOW | +0.42% |
| S&P500 | +1.02% |
| NASDAQ | +1.73% |

Major Currencies

FX Strategists at UOB Group noted EUR/USD could have now entered into a consolidative phase. Euro/Dollar remained flat yesterday, recovering from an intraday low towards 1.1770, but did not manage to go above 1.1850. Terence WU, FX Strategists at OCBC Bank, sees the pair in a consolidative mode between 1.1780 and 1.1850 ahead of Powell's speech. Pound/Dollar gained traction for the second straight session on Wednesday amid fresh USD selling, despite good enough US data. Cable keeps the mixed outlook for the time being, suggested FX Strategists at UOB Group. Pound soared to a high of 1.3219 before ended the day on a firm note at 1.3210 by +0.46%. Dollar/Yen reverses an early dip to the 105.80 region and moved to session tops. Bulls are looking to extend the price further to 106 and the US dollar remained on the defensive amid expectations for a dovish Fed signals.

Gold Market

Despite robust US durable goods gold yesterday managed to close higher, despite the early session negative mood from investors where sent gold back to \$1900 per ounce ahead of Key Powell speech. Prices for gold had spent time early yesterday trading lower, pressured on the back of a rise in bond yields, along with Durable goods increase to 11.2%, a 4.8% forecasted. Powell is expected to advocate for a so-called asymmetric inflation target, one that allows policy makers to let inflation rise above their traditional annual target of 2%, which could be seen as bullish for gold and other precious metals.

Oil Market

CME Group's preliminary readings for crude oil futures markets noted open interest increased for the second consecutive session today, by around 8.2K contracts. WTI price per barrel closed with marginal gains yesterday amid rising open interest and this may indicate further gains for oil should not be ignored. The price of \$44 per barrel remains significant resistance level. Yesterday the weekly EIA data showed a bigger-than-expected draw in US crude oil stocks.

European Stocks

According to investing European stock markets are expected to open lower today amid further tension between the U.S. and China, despite that losses may be limited ahead of a key speech from Jerome Powell, the head of the U.S. Federal Reserve. The Pan-European index closed higher yesterday by 0.91% due to that Germany extended its coronavirus stimulus package.

On the data front 27-08-2020

| Time (GMT+3) | Event | Impact |
|-----------------|--|--------|
| 03:00 am | SD Jackson Hole Symposium | High |
| 08:45 am | CHF Gross Domestic Product (QoQ) (Q2) | High |
| 15:30 pm | USD Gross Domestic Product Annualized (Q2) | High |
| 15:30 pm | USD Initial Jobless Claims (Aug 21) | Medium |
| 17:00 pm | USD Fed's Chair Powell speech | High |
| 18:15 pm | CAD BoC's Governor Macklem speech | High |