

Friday 04.09.2020

Asian Session

Asian shares fell, along with US equities while Wall Street's benchmarks posted their biggest declines within a single day for nearly three months as investors concerns about the economy came up. "Asia has to open lower," said Rodrigo Catril, senior foreign exchange strategist at National Australian Bank, although he noted investors "will wait for another indication from the U.S. on whether the tech correction has legs."

Asian Stock	Closed
Nikkei	+0.94%
Hong Kong HSI	-0.45%
China Shanghai SSE	-0.58%
KOSPI – South Korea	+1.54%

US Stocks

US stock market has fallen yesterday as investors overestimated the value of stocks and led the market fall, with technology stocks and other high-flying stock sectors suffering steep losses and faced their worst day since June. The Dow Jones Industrial ended lower yesterday with a loss of 807.77 points, or 2.8%, at 28,292.73, while the S&P500 closed 125.78 points lower, down 3.5%, at 3,455.06 and Nasdaq index tumbled 598.34 points, or 5%.

U.S Stocks	Closed
DOW	-2.8%
S&P500	-3.5%
NASDAQ	-5%

Major Currencies

Euro remained neutral yesterday against dollar and closed the day with small losses. The pair is currently traded at 1.185 price level and traders expect the release of key US jobs report along with jobless claims report later on the day. The economy is expected to add 1400K jobs in August vs. +1763K prior while the jobless rate is seen ticking lower to 9.8% from July's 10.2%. Further euro depreciation is not ruled out for the time being given that German factory orders report today showed lower than expected. Pound/Dollar is trying to stable its direction around the weekly lows after two days of loss. The pair price is ranging around 1.328 and founding strong support, ignoring Brexit woes, tax hikes ahead of the key US Nonfarm Payrolls. In opinion of FX Strategists at UOB Group, a move to 104.70 in USD/JPY appears to be losing momentum for the time being. The rebound on US equity futures, a modest pickup in the US bond yields extended some support for dollar however the profits are limited.

Gold Market

According to CME the open interest on gold futures market increased for third session in a row yesterday by around 4.2k contracts, however the open interest in the downside is much higher as gold made another correction yesterday and closed the day around \$1930 per ounce and it is expected further downfall near \$1900. All eyes turn now to NFP report later on the day. According to Credit Swiss, gold is more likely to drop further at a key support level which seen at \$1887 as gold is ranging in a consolidation level and the upside target is harder to be reached.

Oil Market

Oil investors reduced their open interest positions by nearly 13k yesterday after two consecutive days of some gains. The initial support level for WTI is around \$40 per barrel. While the USD move and Iraq news may have led to some profit-taking, underlying supply/demand trends continue to suggest a tightening market and a move towards the WTI \$45 per barrel. WTI on futures market is currently traded at \$41 per barrel.

European Stocks

European equities closed by 1.4% lower after increasing more than 1.2% as technology stocks weakened, with the group falling 3.76% in its biggest single day decline since April 21. The Stoxx600 index closed the day lower by 1.4%.

On the data front 04-09-2020

Time (GMT+3)	Event	Impact
15:00 pm	USD Nonfarm Payrolls (Aug)	High
15:30 pm	CAD Unemployment Rate (Aug)	High
15:30 pm	CAD Net Change in Employment (Aug)	High