

Thursday 03.09.2020

### **Asian Session**

After today's reports on Chinese private survey Asian shares were mixed. A report today on China's services sector activity expanded even more as the PMI came in at 54, as compared to July's of 54.1. Mainland Chinese stocks retreated earlier gains and were lower by the afternoon, with the Shanghai composite index down by 0.175, while Hong Kong's Hang Seng index lost 0.31%. South Korea's Kospi jumped 1.32% and Japan's Nikkei index rose by 1.12%.

<b>Asian Stock</b>	<b>Closed</b>
Nikkei	+0.47%
Hong Kong HSI	-0.26%
China Shanghai SSE	-0.17%
KOSPI – South Korea	+0.52%

### **US Stocks**

US stocks benchmarks make a new high record yesterday since start rebounding from March dips, as investors reassess the involvement in the development of tests and vaccines for Covid19. Despite that private sector jobs report yesterday was worse than expected investors ignored it. Dow Jones closed higher by 1.6% and closed slightly above 29k, while SP500 jumped by 1.5% and Nasdaq Composite index gained 1%.

<b>U.S Stocks</b>	<b>Closed</b>
DOW	+1.6%
S&P500	+1.5%
NASDAQ	+1%

### **Major Currencies**

A stronger domestic currency "will not be nice to exporters in the euro zone," according to Robert Greil, chief strategist at Merck Finck. The euro rose above \$1.20 on Tuesday for the first time in more than two years, and with real U.S. interest rates falling, it should move toward its "purchasing power parity" at around \$1.25 through the end of next year, Greil said. Within two days in a row euro lost more than 200 pips as dollar strengthen and is currently traded at 1.182. Final UK services PMI, US ISM Non-Manufacturing PMI eyed for some trading impetus today as the pair fell quickly from 1.35 level to 1.32 level area. The pair lost some additional ground after the Bank of Governor Andrew Bailey said that the downside risk to forecasts from the coronavirus outbreak is much bigger than for Brexit. Cable's upside bias could extend further north and test the 1.35 level and beyond, noted FX Strategists at UOB Group. Yesterday Dollar/Yen advanced higher to 106.2 before retreated back to 106 after the US ADP report which was worse than expected and is currently traded around 106.2 and dollar appreciated as the market ignores the US private-sector and In opinion of FX Strategists at UOB Group, a move of USD/JPY to the 104.70 region in the short-term seems to be losing traction.

### **Gold Market**

Investors on gold futures markets seems that are selling gold as volume to the downside increased by 28.6k contracts. Gold price dropped to new 3-day lows yesterday and there is high possibility to see gold prices go back again to \$1900 per ounce. Gold slipped from \$2000 the most recent resistance level, amid dollar's strength. Gold is currently traded at \$1942 per ounce and all eyes turn to US jobless claims report later on the day.

### **Oil Market**

The price of WTI crude oil declined even more despite EIA (Energy Information Administration) released better-than-expected crude inventories data. The numbers showed that inventories declined by more than 9.36 million barrels in the previous week and was better than the 1.8 million that analysts were expecting. Additionally, on Tuesday, data from the American Petroleum Institute (API) showed that the inventories dropped by more than 2 million barrels. Brent and WTI prices lost over 3% yesterday and the drop caused by weak US labour market data from ADP, which showed an increase of 438,000 jobs in contrast to the expected 1.25 million increase.

### **European Stocks**

All eyes turn today to Eurozone's retail sales data for July month, along with EU PMI rates which expected to show modest expansion. The Pan-European index yesterday closed by 1.66% higher and today continued the upside momentum as investors monitor key economic data from around the world.

### **On the data front 03-09-2020**

Time (GMT+3)	Event	Impact
11:00 am	EUR Markit PMI Composite (Aug)	Medium
12:00 pm	EUR Retail Sales (YoY) (Jul)	High
17:00 pm	USD ISM Services PMI(Aug)	High
17:00 pm	GBP BoE's Governor Bailey speech	High