

Tuesday 29.09.2020

Asian Session

Asian equities and more specifically in Asia Pacific were mixed today, as logistics firm ZTO Express soared in its Hong Kong debut, climbing around 10%. Meanwhile, the Hang Seng index in Hong Kong dipped 0.34%. Mainland Chinese stocks were higher, with the Shanghai composite up 0.51%. South Korea's Kospi index rose by 1.02% and Japan's index Nikkei added 0.44%.

Asian Stock	Closed
Nikkei	+1.32%
Hong Kong HSI	+1.04%
China Shanghai SSE	-0.06%
KOSPI – South Korea	+1.40%

US Stocks

Investors are being prepared ahead of November US election, with the first presidential debate taking place today. Stock market advanced slightly higher amid elections debate mood. Dow Jones on futures market increased by 80 points or 0.3%, while SP500 and Nasdaq both advanced by 0.3%. The Dow and the S&P 500 have fallen for four consecutive weeks. The Nasdaq Composite managed to break its own three-week streak with a 1% gain last week.

U.S Stocks	Closed
DOW	+1.51%
S&P500	+1.61%
NASDAQ	+1.87%

Major Currencies

Euro/Dollar is consolidating the recent corrective advance towards 1.1700, as Dollar weakened against its major counters, despite the risk-on market mood. We may observe a volatile market today ahead of US elections first debate today. FX Strategists at UOB Group believe EUR/USD still risks a move below the 1.1600 mark. Worries over rising virus cases aided limit the dollar pullback and capped gains. The key focus will also remain on the first US presidential debate to provide some impetus to traders on Pound/Dollar as well, along with Brexit trade negotiations. Pound underpinned as BoE policymaker Dave Ramsden avoid the possibility of negative interest rates in the near term. Further gains in USD/JPY are likely if the 106.00 level is cleared, noted FX Strategists at UOB Group. All eyes today turn to Tokyo inflation data which may cause some volatility to the pair.

Gold Market

House Speaker Nancy Pelosi said on Monday night that the Democrats were unveiling a new \$2.2 trillion stimulus package, and this would definitely underpin the yellow precious metal to go back again to highs. "We like gold, because we think that gold is likely to actually hit about \$2,000 per ounce by the end of the year," Kelvin Tay, regional chief investment officer at UBS Global Wealth Management told CNBC. Investors should be putting their money in gold now, as it represents a "very good hedge" ahead of risk events such as the U.S. election, UBS Global Wealth Management told CNBC.

Oil Market

Oil prices were lower in the afternoon of Asian trading hours, with international benchmark Brent crude oil in futures market down around 0.4% to \$42.26 per barrel, while US crude futures shed 0.57% to \$40.37 per barrel. Oil fell due to the new relief coronavirus package proposal from US democrats of 2.2 trillion dollars and there are a lot of concerns about demand. Meanwhile, data from Japan's Ministry of Finance showed that the country's imports of crude oil in August fell more than 25% from a year earlier.

European Stocks

European equities are expected to begin the day higher, following yesterday's rally with Brexit talks, along with essential fiscal stimulus package from the US and US elections first debate. EU and UK delayed proceeding with a Brexit deal after negotiations recommenced on Monday. Stoxx600 index closed on Monday higher by 2.22%.

On the data front 29-09-2020

Time (GMT+3)	Event	Impact
15:00 pm	EUR Harmonized Index of Consumer Prices (YoY) (Sep)	High
16:00 pm	USD S&P/Case-Shiller Home Price Indices (YoY) (Jul)	Medium
17:00 pm	GBP BoE's Governor Bailey speech	High