

Thursday 17.09.2020

Asian Session

Investors had reacted negatively in Asian stock market after the Fed announcement yesterday and Asian stocks were traded lower on early trading today. Hong Kong's Hang Seng index lost by 1.61%, while Shanghai index lost 0.99%. South Korea's Kospi index shed by 1.24% and Japan's index slipped by 0.64%.

Asian Stock	Closed
Nikkei	+0.09%
Hong Kong HSI	-0.03%
China Shanghai SSE	-0.36%
KOSPI – South Korea	-0.28%

US Stocks

As it was expected Fed left unchanged the interest rate until 2023 and led the stock market retreat after a jump to the upside yesterday ahead the report. Powell says economic scars of unemployment, foreclosures, and evictions a risk without additional fiscal stimulus from Congress. Dow Jones added 0.1% yesterday before fell today by more than 800 points, while SP500 fell by 0.5% and Nasdaq composite index fell by 1.3% after flipping between positive and negative territory.

U.S Stocks	Closed
DOW	+0.1%
S&P500	-0.5%
NASDAQ	-1.3%

Major Currencies

EUR/USD is trading below 1.18 after falling to the lowest in a month price level as the Fed refused to signal imminent stimulus despite painting an uncertain picture of the economy. All eyes today turn to Jobless claims report which is expected to be 0.850 million and the unemployment level seems that increases. Terence Wu from OCBC Bank remains negative on the GBP at this point, pending clarity on the Internal Market Bill and the Bank of England and watch the 1.2870 support. First resistance level for the pair remains at 1.30. The Bank of Japan (BoJ) kept monetary policy steady today and the BoJ said the Japanese economy has started to pick up but remained in "a severe situation" due to the impact of the coronavirus pandemic at home and abroad. The BoJ's optimistic economic evaluation underpinned the Japanese yen and Dollar/Yen may drop further to 104 price level.

Gold Market

Spot gold was traded lower by 0.8% at \$1,943.70 per ounce by early trading session following yesterday neutral closing day after the Fed meeting. U.S. gold futures slipped 1% to \$1,950.50. Despite Fed did not provide any new stimulus packages dollar climbed as Fed painted a favorable economic recovery.

Oil Market

Oil prices slipped in the afternoon of Asian trading hours, with international benchmark Brent crude futures losing almost 1.26% to \$41.69 per barrel, while US crude oil on futures market retreated by 1.47% to \$39.57 per barrel. Yesterday WTI jumped by 4.9%, while Brent rose by 4.2%, however concerns still exist for weak demand. Distillate stockpiles rose by 3.5 million barrels last week, U.S. Energy Information Administration data showed on Wednesday – nearly six times more than analysts had expected.

European Stocks

European equities fell along with US and Asian stocks after Fed report yesterday. EU stocks began lower today with Pan-European index losing 1.2%, as basic resources and tech stocks falling by 2% to lead losses as all sectors and major bourses slid into the red.

On the data front 17-09-2020

Time (GMT+3)	Event	Impact
01:45 am	NZD Gross Domestic Product (YoY)(Q2)	High
06:00 am	JPY BoJ Interest Rate Decision	High
11:00 am	GBP BoE MPC Vote Unchanged	High
11:00 am	GBP BoE Asset Purchase Facility (Sep)	High
11:00 am	GBP Monetary Policy Summary	High
11:00 am	GBP BoE MPC Vote Cut	High
11:00 am	GBP Bank of England Minutes	High
11:00 am	GBP BoE MPC Vote Hike	High
11:00 am	GBP BoE Interest Rate Decision	High