

Wednesday 07.10.2020**Asian Session**

After the halting of further US stimulus, Asian stocks its Us rivals and were set to open lower today. Central bank watchers will get a more detailed look at board members' views on the economy when the Fed releases its minutes early Wednesday. Hong Kong's Hang Seng index recovered from an earlier slip as it rose 0.46% by the afternoon. South Korea's Kospi index also advanced 0.33% and Japan's Nikkei index slipped by 0.19%

| Asian Stock | Closed |
|---------------------|---------------|
| Nikkei | +0.52% |
| Hong Kong HSI | +0.90% |
| China Shanghai SSE | - |
| KOSPI – South Korea | +0.30% |

US Stocks

Us equities on futures market were slightly changed near yesterday end of trading session, as Donald Trump announced that will approve new stimulus aid package later than US elections. Dow Jones was up by only 3 points, while SP500 was below the flatline and Nasdaq was traded marginally higher. The S&P 500 lost 1.4% and the Nasdaq Composite fell 1.57% on Tuesday. Trump may believe that Us economy may not need further stimulus, or there was a negotiating tactic.

| U.S Stocks | Closed |
|-------------------|---------------|
| DOW | -1.34% |
| S&P500 | -1.40% |
| NASDAQ | -1.57% |

Major Currencies

Industrial Production in Germany unexpectedly fell in August, the official data showed on Wednesday, suggesting that the recovery in the manufacturing sector likely lost momentum. After Trump announced that no further stimulus will be provided euro fell near 1.173 and today is trying to recover. The Pound/Dollar pair has failed on its initial test of the mid-September high at 1.3008. The cable treads water around 1.2890/95 and Karen Jones, Team Head FICC Technical Analysis Research at Commerzbank, expects further losses to 1.2445 after seeing failure at the 1.3000 – 1.3070 zone. USD/JPY forecasted to keep the side-lined trading between 105.00 and 106.00 in the next weeks. US dollar regains the bull's attention as Trump's statements, virus woes and Brexit fears favor safe-haven buying.

Gold Market

Gold prices were generally traded neutrally yesterday before declining by almost \$30 per ounce amid a negative announcement from Trump saying that he will not pass another stimulus package before US elections. Gold investors were expecting more stimulus to boost gold prices but supply prevailed. Spot gold hit its lowest since September 28 at \$1,872.66 per ounce. Bullion prices climbed 0.3% to \$1,882 and gold on the futures market fell by 1.2% at \$1,886.3 per ounce. Today gold prices are trying to recover, amid renewed fears over economic recovery and uncertainty around the U.S. elections. The U.S. dollar index, which tracks the greenback against a basket of its peers, was at 93.859 after touching an earlier high of 93.9.

Oil Market

Oil prices declined after US president Donald Trump tweeted yesterday "I have instructed my representatives to stop negotiating until after the election when, immediately after I win, we will pass a major Stimulus Bill that focuses on hardworking Americans and Small Business". International benchmark Brent crude futures dropped 1.64% to \$41.95 per barrel while U.S. crude futures slipped 1.99% to \$39.86 per barrel. Prices were also pressured by data from the American Petroleum Institute showing U.S. oil stockpiles rose by 951,000 barrels last week.

European Stocks

European stocks are expected to open lower today as markets around the world react to President Trump's decision to halt stimulus talks until after the November election, however for August month EU factory orders climbed by 4.5%, against 2.6% forecasted. Yesterday the Pan-European index Stoxx600 closed slightly higher by 0.07%

On the data front 07-10-2020

| Time (GMT+3) | Event | Impact |
|--------------|------------------------------------|--------|
| 15:10 pm | EUR ECB's President Lagarde speech | High |
| 21:00 pm | USD FOMC Minutes | High |