

Wednesday, October 07, 2020

Technicals



S&P 500	RSI (20:80)	Sto Fast
	52.26%	D 57.46% K 64.98%



Dow Jones	RSI (20:80)	Sto Fast
	54.45%	D 60.30% K 68.77%

U.S Stock Market

DJIA	S & P 500	NASDAQ
27692	3352.50	11270.75
-1.16%	-1.18%	-1.41%

U.S stock index futures were subdued yesterday as investors booked profits after a rally that sent the S&P 500 and the Dow to their highest levels in more than two weeks, while awaiting signs Washington was close to agreeing on more fiscal stimulus. House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin spoke by phone on Monday about fresh relief measures and were preparing to talk again. Comments from officials that a deal was still possible had lifted Wall Street's main indexes in the previous session, helping them recoup losses from last week that were sparked by news that President Donald Trump had contracted COVID-19. Trump returned to the White House on Monday from the Walter Reed Medical Center military hospital, but faced fresh backlash for removing his mask upon his return and urging Americans not to fear the disease that has killed more than 209,000 in the United States. Growing political uncertainty in the run up to the presidential elections and mixed macroeconomic data have increased volatility in U.S stocks.

Major Economic Releases for Today

Period	Event	GMT	Forecast	Previous
AUG	Japan Leading Economic Index	05:00	89.4	86.9
AUG	Germany Industrial Production s.a. (MoM)	06:00	1.5 %	1.2 %
SEP	U.K Halifax House Prices (MoM)	07:30	0.6 %	1.6 %
OCT	U.S MBA Mortgage Applications	11:00		-4.8 %
	ECB's President Lagarde speech	12:10		
SEP	Canada Ivey Purchasing Managers Index	14:00		64.6
	FOMC Minutes	18:00		
	Fed's Williams speech	18:00		
AUG	U.S Consumer Credit Change	19:00	\$13.75 B	\$12.25 B

Dow Jones Industrial Average

The Dow Jones Industrial Average lost 1.34%. The best performers of the session on the Dow Jones Industrial Average were Procter & Gamble Company, which rose 0.16% or 0.22 points to trade at 139.61 at the close. Meanwhile, Cisco Systems Inc. unchanged 0.00% or 0.00 points to end at 38.57 and International Business Machines was down 0.03% or 0.04 points to 121.97 in late trade. The worst performers of the session were Boeing Co, which fell 6.81% or 11.66 points to trade at 159.54 at the close. Apple Inc. declined 2.87% or 3.34 points to end at 113.16 and Microsoft Corporation was down 2.12% or 4.47 points to 205.91.

NASDAQ 100

The NASDAQ index fell 1.57%. The top performers on the NASDAQ Composite were Pioneer Pow which rose 205.73% to 4.800, Electro-Sensors Inc. which was up 146.38% to settle at 8.50 and Asia Pacific Wire & Cable Corp Ltd which gained 96.27% to close at 2.630. The worst performers were Corbus Pharmaceuticals Holding which was down 35.98% to 1.21 in late trade, Axovant Gene Therapies Ltd which lost 26.29% to settle at 4.15 and Miragen Therapeutics Inc. which was down 23.49% to 0.5815 at the close.

Oil

Oil prices rose more than \$1 a barrel yesterday, supported by U.S supply disruptions caused by an approaching hurricane in the Gulf of Mexico and an oil worker strike in Norway. Energy companies shut offshore oil platforms as Hurricane Delta strengthened to a Category 2 and was on track to reach the Gulf of Mexico on Thursday. It would be the 10th named storm to hit the United States this year, which would break a record dating back more a century. U.S West Texas Intermediate (WTI) crude rose \$1.22, or 3.1%, to \$40.44. The tropical storms are driving us up a bit with the shut-downs in production. Norway's petroleum output has declined by 8% due to an oil worker strike. A major labor union in the country is trying to resolve the dispute with oil companies, which have shut six offshore oil and gas fields. Risk assets also fed off U.S President Donald Trump's return to the White House following three days in the hospital for treatment for COVID-19.



Precious and Base Metals

Gold inched higher yesterday buoyed by growing expectations that U.S lawmakers would agree on new stimulus legislation to blunt the economic impact of the coronavirus, bolstering the metal's appeal as a hedge against inflation. Spot gold rose 0.05% to \$1,913.76 per ounce, having hit its highest in almost two weeks on Monday at \$1,918.36. U.S gold futures fell 0.06% to \$1,919. The main pillar of support for this gold market continues to be the optimism in regards to the additional coronavirus stimulus package. This theme of ongoing stimulus-erosion of the money supply by injecting additional fiscal and monetary measures into the market weakens the dollar and supports gold. Gold tends to benefit from widespread stimulus measures from central banks as it is widely viewed as a hedge against inflation and currency debasement. However, improved appetite for riskier assets, which, apart from the stimulus hopes, was also bolstered by U.S President Donald Trump's return to the White House from hospital, stymying bullion's gains. Meanwhile, Chicago Federal Reserve Bank President Charles Evans on Monday said he expects U.S inflation to reach 2% by 2023 and wants to push it to 2.5% to offset years of below-target price rises. If inflation rises and the Fed does not raise rates, which it has basically said it will not, then real rates will become more negative. The rapid rise in equities may also see increased hedging-related buying in bullion. Elsewhere, silver shed 1.19% to \$24.06 per ounce and platinum fell 2.15%, to \$877.67. Copper edged lower yesterday as concern over the economic impact of rising coronavirus cases and a jump in metal inventories offset worries about possible strike action in Chile. Metals and other financial markets were unsettled after Federal Reserve Chair Jerome Powell warned that the U.S. economic recovery remains far from complete and could still slip into a downward spiral.

Traditional Agricultures

Wheat and soybean futures jumped more than 2% to multiyear highs yesterday, supported by concerns about dry weather in key production areas. Corn futures hit their highest level in 8-1/2 months, joining in the broad-based rally as the pace of the U.S harvest fell below expectations.



Futures Settlement Price Monday, October 05, 2020						
Instrument	Contract	Open	High	Low	Settlement	Net Change
Dow Jones	DJ	28066	28230	27604	27692	-304
S & P 500	SP500	3391.5	3421.5	3343.5	3352.5	-40.5
NASDAQ 100	NSDQ100	11472.8	11523.75	11238.5	11270.75	-197.25
Gold	GO	1917.6	1926.7	1878.2	1881.5	-36.8
Silver	SL	2452.5	2464	2296	2315	-136
Copper	COPPER	296.35	297.6	292.2	292.35	-4.05
Crude Oil	CRUDE	39.31	40.82	39.07	39.8	0.49
Platinum	PLATINUM	872.05	873.90	824.10	829.10	-3.55
Palladium	PALDIUM	2239.70	2295.40	2191.20	2223.40	-23.60
Natural Gas	NGAS	1.845	2.207	1.815	2.125	0.054
Wheat	IWHEAT	583	601.25	579.25	591.75	7.75
Soybeans	ISOYBEAN	1022.75	1053.25	1022	1043.25	22
Corn	ICORN	378.5	388.75	378.25	384.25	5

Daily Swings (The Pivot Levels)							
Instrument	Trading Range						
	S3	S2	S1	Pivot	R1	R2	R3
Dow Jones	26828	27216	27454	27842	28080	28468	28706
S & P 500	3245.50	3294.50	3323.50	3372.50	3401.50	3450.50	3479.50
NASDAQ 100	10879.67	11059.08	11164.92	11344.33	11450.17	11629.58	11735.42
Gold	1815.73	1846.97	1864.23	1895.47	1912.73	1943.97	1961.23
Silver	2084.67	2190.33	2252.67	2358.33	2420.67	2526.33	2588.67
Copper	285.10	288.65	290.50	294.05	295.90	299.45	301.30
Crude Oil	37.22	38.15	38.97	39.90	40.72	41.65	42.47
Platinum	761	793	811	842	861	892	910
Palladium	2073.73	2132.47	2177.93	2236.67	2282.13	2340.87	2386.33
Natural Gas	1.50	1.66	1.89	2.05	2.28	2.44	2.68
Wheat	558.25	568.75	580.25	590.75	602.25	612.75	624.25
Soybeans	994.50	1008.25	1025.75	1039.50	1057.00	1070.75	1088.25
Corn	368.25	373.25	378.75	383.75	389.25	394.25	399.75

Source: - News & Quotes (Courtesy: Reuters)

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