

Monday, October 12, 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
28521	3473.50	11726.00
+0.57%	+0.88%	+1.39%

U.S stocks rose on Friday and the S&P 500 and NASDAQ registered their biggest weekly percentage gains since July as optimism over more federal fiscal aid grew. Talks were expected to continue on a COVID-19 stimulus package, even though U.S House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin failed on Friday to reach agreement. Mnuchin floated a new proposal Friday afternoon, but an aide for Pelosi said it lacked a broad plan to contain the pandemic. Recent trading on Wall Street has been dictated by headlines on fiscal aid, with the three main indexes tumbling on Tuesday after U.S President Donald Trump called off negotiations. He has since indicated he was willing to resume discussions. The Dow Jones Industrial Average rose 161.39 points, or 0.57%, the S&P 500 gained 30.31 points, or 0.88% and the NASDAQ added 158.96 points, or 1.39%. For the week, the S&P 500 rose 3.8% and the NASDAQ climbed 4.6%, their biggest weekly percentage gains since July. The Dow added 3.3%, its biggest weekly gain since August.

Major Economic Releases for Today

Period	Event	GMT	Forecast	Previous
	Switzerland SECO Economic Forecasts	07:30		
SEP	Japan Machine Tool Orders (YoY)	08:00		-23.3 %
SEP	Germany Wholesale Price Index (MoM)	08:30		-0.4 %
SEP	China Foreign Direct Investment (YTD) (YoY)	08:30		2.6 %
	ECB's Schnabel speech	08:45		
	ECB's President Lagarde speech	11:00		
	BoE's Haskel speech	14:00		
	ECB's De Guindos speech	15:00		
	BoE's Governor Bailey speech	16:00		

Dow Jones Industrial Average

The Dow Jones Industrial Average rose 0.57% to hit a new 1-month high. The best performers of the session on the Dow Jones Industrial Average were Microsoft Corporation, which rose 2.48% or 5.23 points to trade at 215.81 at the close. Meanwhile, Salesforce.com Inc. added 2.21% or 5.76 points to end at 265.98 and Visa Inc. Class A was up 1.80% or 3.66 points to 206.64 in late trade. The worst performers of the session were International Business Machines, which fell 2.81% or 3.70 points to trade at 127.79 at the close. Walgreens Boots Alliance Inc. declined 1.97% or 0.73 points to end at 36.34 and Chevron Corp was down 1.62% or 1.22 points to 74.00.

NASDAQ 100

The NASDAQ index added 1.39%. The top performers on the NASDAQ Composite were Marine Petroleum Trust which rose 110.67% to 3.750, VivoPower International PLC which was up 61.35% to settle at 16.280 and Matlin & Partners Acquisition Corp which gained 35.87% to close at 0.437. The worst performers were ShiftPixy Inc. which was down 22.28% to 2.79 in late trade, Rave Restaurant Group Inc. which lost 18.19% to settle at 0.811 and CUI Global Inc. which was down 16.67% to 0.900 at the close.

Oil

Oil prices dropped for a second straight session today as U.S producers began restoring output after Hurricane Delta weakened, while a strike that had affected production in Norway came to an end. U.S West Texas Intermediate for November was at \$40.30 a barrel, down 30 cents, or 0.7%. Front-month prices for both contracts gained more than 9% last week, the biggest weekly rise for Brent since June, but fell on Friday after Norwegian oil firms struck a wage bargain with labor union officials, resolving a strike that threatened to cut the country's oil and gas output by close to 25%. In the United States, Hurricane Delta, which dealt the greatest blow to U.S offshore Gulf of Mexico energy production in 15 years, was downgraded to a post-tropical cyclone by Sunday. Despite the storm's impact on offshore operations, oil prices holding around \$40 a barrel over the past few months.



Precious and Base Metals

Gold climbed more than 1% on Friday as the dollar retreated to a near three-week low and increased bets for fresh U.S stimulus pushed investors to bullion as a hedge against likely inflation. Spot gold rose 1.4% to \$1,919.36 per ounce, en route to a second straight weekly gain, of about 1.2%. U.S gold futures gained 1.6% to \$1,925. It seems like a lot of optimism is being built around it U.S stimulus” and “that’s really at the forefront” of gold’s move. A further drop in the dollar could add more fuel, and given the strong technical momentum, bullion could soon hit highs seen in August. After stalling talks with Democrats on a comprehensive aid package earlier this week, U.S President Donald Trump called for a “skinny” relief bill that would include a bailout of the struggling airline sector. Additionally, a widening lead for Democratic presidential candidate Joe Biden has raised the prospect of further stimulus, adding to gold’s allure. The dollar meanwhile slid as expectations grew for a Biden win, making gold cheaper for those holding other currencies. In fact, the long gold trade is likely agnostic to the election outcome. Barring a split government outcome, both administrations are likely to push through a large-scale fiscal deal in no time that would help de-bottleneck the real rate suppression, lifting precious metals in the process. Near-zero interest rates and unprecedented money printing by central banks to ease the economic blow from the coronavirus pandemic have driven a 26% rally for gold this year. Silver jumped 3.4% to \$24.63 per ounce and is up more than 4% so far this week. Platinum rose 2.7% to \$885.55 and palladium climbed 3.3% to \$2,450.95.



Traditional Agricultures

Soybean futures edged higher yesterday, trading near a more than two-year peak hit in the previous session as the U.S government's estimate for lower supplies supported prices. Corn rose for a second session while wheat gained ground. U.S corn and soybean supplies will be smaller than previously forecast, as adverse weather reduced the acreage that farmers will harvest, the U.S government said on Friday. Soybean stocks were pegged at a five-year low, with rising exports eating into the stockpile.



Futures Settlement Price Friday, October 09, 2020						
Instrument	Contract	Open	High	Low	Settlement	Net Change
Dow Jones	DJ	28382	28562	28322	28521	213
S & P 500	SP500	3447	3473.75	3445.25	3473.5	36
NASDAQ 100	NSDQ100	11561.5	11726.25	11552.25	11726	185.25
Gold	GO	1898.6	1935.5	1898.1	1925.7	27.7
Silver	SL	2398.5	2522	2395	2506.5	110.5
Copper	COPPER	304.2	309.75	303.9	308.1	3.95
Crude Oil	CRUDE	41.28	41.43	40.35	40.6	-0.64
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	595.5	606.25	588.25	593.75	-0.75
Soybeans	ISOYBEAN	1049.25	1078.25	1046.75	1064.5	15
Corn	ICORN	386.75	397.75	386	394.75	8.25

Daily Swings (The Pivot Levels)							
Instrument	Trading Range						
	S3	S2	S1	Pivot	R1	R2	R3
Dow Jones	28135	28228	28375	28468	28615	28708	28855
S & P 500	3426.08	3435.67	3454.58	3464.17	3483.08	3492.67	3511.58
NASDAQ 100	11436.08	11494.17	11610.08	11668.17	11784.08	11842.17	11958.08
Gold	1866.63	1882.37	1904.03	1919.77	1941.43	1957.17	1978.83
Silver	2300.00	2347.50	2427.00	2474.50	2554.00	2601.50	2681.00
Copper	298.90	301.40	304.75	307.25	310.60	313.10	316.45
Crude Oil	39.08	39.71	40.16	40.79	41.24	41.87	42.32
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	567.92	578.08	585.92	596.08	603.92	614.08	621.92
Soybeans	1016.58	1031.67	1048.08	1063.17	1079.58	1094.67	1111.08
Corn	376.17	381.08	387.92	392.83	399.67	404.58	411.42

Source: - News & Quotes (Courtesy: Reuters)

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