

Financial News & Events

16 September, 2020



Currencies

The dollar dropped to a two-week low against the yen on Tuesday on expectations the Federal Reserve will maintain its downbeat stance on the U.S. economy as it grapples with the COVID-19 pandemic, and keep U.S. interest rates near zero for some time. The Fed begins a two-day meeting on Tuesday and analysts expect the U.S. central bank to affirm its current zero-interest-rate policy over the next three years, a view that could further weigh on the dollar. The dollar fell 0.3% against the yen to 105.46, after earlier sliding to a two-week low of 105.30 yen. A break below 105.20 yen could pave the way for further technical selling, analysts said. The U.S. central bank will be wary of uncertainty the U.S. presidential election will bring with it and wouldn't want to cause unnecessary turmoil in the financial markets, said Fawad Razaqada, market analyst, at ThinkMarkets.com in London. The dollar index was little changed at 93.062, as the greenback recovered somewhat after the euro reversed earlier gains. The euro was last down 0.1% at \$1.1851. Earlier, the euro gained after the ZEW economic sentiment survey showed investor sentiment in Germany rose in September, despite headwinds from Brexit and rising coronavirus infections. China's industrial output accelerated and retail sales grew for the first time this year, beating analysts' forecasts.



Stocks

U.S. stocks rose on Tuesday as investors hoped the Federal Reserve would stick with its supportive policy stance as the central bank's two-day meeting got under way. But the market was off its session highs as Apple Inc's shares AAPL.O erased most of their gains from early in the day. The stock ended flat after briefly turning lower in the wake of its product event, which included the rollout of a new virtual fitness service and a bundle of all its subscriptions, Apple One. Apple's stock, which was up as much as about 3% early in the session and rose 3% on Monday, often dips after running up prior to that event. Investors were optimistic as the Fed began its first policy meeting since Chair Jerome Powell announced a more accommodative stance on inflation. The Dow Jones Industrial Average rose 2.27 points, or 0.01%, to 27,995.6, the S&P 500 gained 17.66 points, or 0.52%, to 3,401.2 and the Nasdaq Composite added 133.67 points, or 1.21%, to 11,190.32. The S&P 500 financial index fell 1.4%, with Citigroup Inc C.N dropping 6.9% following a report that federal regulators were preparing to reprimand the U.S. lender for failing to improve its risk-management systems. JPMorgan Chase & Co JPM.N slipped 3.1% as it lowered its full-year net interest income forecast. Volume on U.S. exchanges was 8.99 billion shares, compared with the 9.33 billion average for the full session over the last 20 trading days.



Metals

Gold edged lower from a near-two week high on Tuesday as the dollar rose, although hopes for a dovish monetary policy stance from the U.S. Federal Reserve limited the safe-haven metals' losses. Spot gold was down 0.1% to \$1,955.21 per ounce, after earlier climbing to its highest since Sept. 2 at \$1,971.71. U.S. gold futures settled up 0.1% at \$1,966.20. The dollar index rose against rivals, making gold more expensive for buyers holding other currencies. Investors are now awaiting a statement from the Fed's two-day policy event, which ends on Wednesday. Meanwhile, a group of Democratic and Republican members of U.S. Congress unveiled a \$1.5 trillion bipartisan coronavirus relief legislation, which they hoped would break a deadlock. Unprecedented monetary stimulus and a low interest rate environment have led bullion to gain 29% this year, as it is seen as a hedge against inflation and currency debasement. Elsewhere, silver rose 0.2% to \$27.20 per ounce, while palladium climbed 3.8% at \$2,400.25, having hit its highest since March 31 at \$2,419.19. Platinum rose 1.7% to \$970.47, after hitting its highest since Aug. 11 at \$973.98. Platinum could outperform gold by about 10%, if the World Platinum Investment Council's forecasts for a supply deficit come to pass and the gold-to-platinum ratio breaks out of the 2.02-2.20 range, said Saxo Bank analyst Ole Hansen.



Energies

Oil prices rose more than 2% on Tuesday, supported by hurricane supply disruptions in the United States, but demand concerns loomed as energy industry forecasters predicted a slower-than-expected recovery from the pandemic. Brent crude gained 92 cents, or 2.3%, to settle at \$40.53 a barrel, while U.S. West Texas Intermediate crude futures rose \$1.02, or 2.7%, to settle at \$38.28 a barrel. Both contracts fell on Monday. The outlook for oil demand remained weak, capping price gains. The International Energy Agency trimmed its 2020 outlook by 200,000 barrels per day to 91.7 million bpd, citing caution about the pace of economic recovery. The agency said commercial oil stocks in the developed world hit an all-time high of 3.225 billion barrels in July, and cut its forecast for implied stock draws for the second half of the year. World oil demand will tumble by 9.46 million bpd this year, the Organization of the Petroleum Exporting Countries said in a monthly report on Monday, more than the 9.06 million bpd decline OPEC expected a month ago. Meanwhile, China's crude oil throughput in August rose from a year ago, reaching its second-highest level on record, as refineries worked to digest record imports earlier this year. In the United States, crude inventories fell by 9.5 million barrels in the week to Sept. 11 to about 494.6 million barrels, data from industry group the American Petroleum Institute showed on Tuesday.

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Economic Events

DATE	TIME	COUNTRY	RELEASE	MONTH	ACTUAL	FORECAST	LAST
16-Sep	10:00	UK	Core CPI YoY	AUG	-	0.6%	1.8%
16-Sep	10:00	UK	CPI MoM	AUG	-	-0.6%	0.4%
16-Sep	10:00	UK	CPI YoY	AUG	-	0.1%	1.0%
16-Sep	10:00	UK	PPI Input YoY	AUG	-	-4.9%	-5.7%
16-Sep	10:00	UK	RPI YoY	AUG	-	0.6%	1.6%
16-Sep	13:00	EUR	Trade Balance	JUL	-	12.6B	21.2B
16-Sep	16:30	US	Core Retail Sales MoM	AUG	-	0.9%	1.9%
16-Sep	16:30	US	Retail Control MoM	AUG	-	0.5%	1.4%
16-Sep	16:30	US	Retail Sales YoY	AUG	-	-	2.74%
16-Sep	16:30	US	Retail Sales MoM	AUG	-	1.0%	1.2%
16-Sep	16:30	CAD	CPI YoY	-	-	0.4%	0.1%
16-Sep	17:00	EUR	ECB Hakkarainen Speaks	-	-	-	-
16-Sep	17:30	US	Seevol Cushing Storage Report	-	-	-	0.391M
16-Sep	18:00	US	Business Inventories MoM	JUL	-	0.1%	-1.1%
16-Sep	18:00	US	NAHB Housing Market Index	SEP	-	78	78
16-Sep	18:00	US	Retail Inventories Ex Auto	JUL	-	-	0.6%
16-Sep	18:30	US	Crude Oil Inventories	-	-	1.271M	2.032M
16-Sep	18:30	US	EIA Refinery Crude Runs WoW	-	-	-	-1.089M
16-Sep	18:30	US	Crude Oil Imports	-	-	-	0.581M
16-Sep	18:30	US	Cushing Crude Oil Inventories	-	-	-	1.838M
16-Sep	18:30	US	Distillate Fuel Production	-	-	-	-0.381M
16-Sep	18:30	US	EIA Weekly Distillates Stocks	-	-	0.600M	-1.675M
16-Sep	18:30	US	Gasoline Production	-	-	-	-0.604M
16-Sep	18:30	US	Heating Oil Stockpiles	-	-	-	-0.551M
16-Sep	18:30	US	EIA Weekly Refinery Utilization Rates WoW	-	-	1.8%	-4.9%
16-Sep	18:30	US	Gasoline Inventories	-	-	-0.160M	-2.954M
16-Sep	22:00	US	FOMC Statement	-	-	-	-
16-Sep	22:00	US	Fed Interest Rate Decision	-	-	0.25%	0.25%
16-Sep	22:30	US	FOMC Press Conference	-	-	-	-

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