



## **Economic and Fundamental Developments 05-05-2020**

- Oil prices rose significantly yesterday as countries eased isolation measures and a report issued by Goldman Sachs Bank was optimistic about the rise in oil next year due to the decline in production.
- The US Treasury said it plans to borrow about \$3 trillion in the second quarter of 2020, which is five times higher than the 2008 level during the financial crisis.
- US and Asian stock indices rose yesterday, as traders were optimistic after the gains in energy markets and the easing of worldwide quarantine measures.
- Gold prices are trading within limited ranges, around \$1700 per ounce, due to tension between the demand for gold as a safe haven and the rise in the dollar.
- According to Reuters, a government source in India confirmed that the country's imports of gold decreased by 99.9% during the month of April, the lowest level in 30 years. The country imported only 50kg in April 2020 compared to 110.8 tons in April 2019.
- Today, important economic data from the United States of America is expected. This data will reflect the economic damage effected by the coronavirus in April.

Stock indices around the world managed to rise due to the rise in oil prices. This eased concerns of other global economic fallouts due to the recent deterioration in the energy sector, while news of the easing of global isolation measures pushed equity markets higher. Yesterday it was reported that the number of new daily infections of the coronavirus have decreased over the past four days, from 94550 to 79582, resulting in the relaxation of isolation measures which has contributed to the improvement in investment appetite.

At the same time, traders will follow US economic data closely, which may reveal how much the US economy has been affected by the spread of the coronavirus. Also, traders will follow any developments and political statements regarding economic and political relations between America and China. There is concern that the trade war will reignite, due to the latest accusations against China by the United States concerning the origin and cause of the COVID-19 outbreak.

Today, the German Constitutional Court ruling will be issued regarding the constitutionality of explicit monetary transactions by the European Central Bank. This ruling may impact European financial markets and the price of the euro.

| Time GMT  | Country   | News                      | Previous | Expected | Effect |
|-----------|-----------|---------------------------|----------|----------|--------|
| Tentative | Euro Area | EU Economic Forecasts     | ---      | ----     | Strong |
| 12:30     | Canada    | Trade Balance             | -1.0B    | -2.5B    | Strong |
| 12:30     | US        | Trade Balance             | -39.9B   | -41.0B   | Weak   |
| 14:00     | US        | ISM Non-Manufacturing PMI | 52.5     | 37.5     | Strong |



## **Smart Reports**

### **The method of work:**

An expected scenario is suggested for the day, and the probability of this scenario being achieved by technical analysis may be between 60% and 75%. However, if the first scenario fails, the probability of achieving the second scenario will be 60% to 75%.

The preferred scenario fails when the price reaches the level of the alternative scenario condition, and immediately activates and cancels the forecast in the preferred scenario.

These reports are not an alternative to the trader's decision; they are a tool for the follower to make his own decisions, as a reference based on the origin of classical technical analysis.



### XAUUSD 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 1701.00

Preferences: **Buy** gold around 1695.00 with a target price of 1736.00

Alternative: **Sell** gold around 1680.00 with a target of 1665.00

Comment: Trading above the support line favors the rise

### XAGUSD 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 14.80

Preferred: **Buy** Silver around 14.75 with a target price of 15.33

Alternative: **Sell** silver around 14.40 with a target price of 13.80

Comment: Trading above the support line favors the rise

### WTI 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 23.15

Preferred: **Buy** Oil around 22.80 with a target at 25.40

Alternative: **Sell** Oil around 21.70 with a target at 17.60

Comment: Trading above moving averages and the support line favors the rise



### **EURUSD 05 May**

**Trend: Down**

Time frame: 60 mins

Current Price: 1.0907

**Preferred:** **Sell** the pair around 1.0920 with a target of 1.0807

**Alternative:** **Buy** the pair around 1.0975 with a target of 1.1107

**Commentary:** Trading below moving averages favors the fall but breaking through the support line is required to confirm the trend

### **GBPUSD 05 May**

**Trend: Down**

Time frame: 60 mins

Current Price: 1.2466

**Preferred:** **Sell** the pair around 1.2485 with a target price of 1.2313

**Alternative:** **Buy** the pair around 1.2570 with a target price of 1.2697

**Comment:** Trading below the resistance line favors the fall

### **USDJPY 05 May**

**Trend: Down**

Time frame: 60 mins

Current Price: 106.61

**Preferred:** **Sell** the pair around 106.70 with a target price of 105.83

**Alternative:** **Buy** the pair around 107.15 with a target price of 108.11

**Comment:** Trading below the resistance line and moving averages favors the fall



### US30 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 23902.00

**Preferred:** **Buy** the index around 23853.00 with a target of 24438.00

**Alternative:** **Sell** the index around 23600.00 with a target of 22987.00

**Comment:** Breach in the resistance line and trading above moving averages favors the rise

### US500 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 2857.00

**Preferred:** **Buy** the index around 2844.00 with a target level of 2965.00

**Alternative:** **Sell** the index 2800.00 with a target level of 2707.00

**Comment:** Breach in the resistance line and trading above moving averages favors the rise

### USDCHF 05 May

**Trend: Up**

Time frame: 60 Mins

Current Price: 0.9655

**Preferred:** **Buy** the pair around 0.9640 with a target price of 0.9757

**Alternative:** **Sell** the pair around 0.9595 with a target of 0.9485

**Comment:** Bullish technical indicators favors the rise but breaching the resistance line is required to confirm the trend



### USDCAD 05 May

**Trend: Down**

Time frame: 60mins

Current Price: 1.4049

**Preferred:** **Sell** the pair around 1.4065 with a target price of 1.3924

**Alternative:** **Buy** the pair around 1.4115 with a target price of 1.4230

**Comment:** Trading below moving averages and the resistance line favors the fall

### AUDUSD 05 May

**Trend: Up**

Time frame: 60mins

Current Price: 0.6458

**Preferred:** **Buy** the pair around 0.6435 with target at 0.6549

**Alternative:** **Sell** the pair around 0.6370 with a target price of 0.6263

**Comment:** Trading above the support line and moving averages favors the rise

### BRENT 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 28.82

**Preferred:** **Buy** Oil around 28.30 with a target at 31.57

**Alternative:** **Sell** Oil around 26.10 with a target at 23.15

**Comment:** Trading above the support line and moving averages favors the rise



### **GBPJPY 05 May**

**Trend: Down**

Time frame: 60 mins

Current Price: 132.91

**Preferred:** **Sell** the pair around 133.00 with expected target at 132.03

**Alternative:** **Buy** the pair around 133.50 with expected target at 134.57

**Comment:** Trading below moving averages and the resistance line favors the fall

### **EURJPY 05 May**

**Trend: Down**

Time frame: 60 mins

Current Price: 116.21

**Preferred:** **Sell** the pair around 116.45 with a target price of 115.55

**Alternative:** **Buy** the pair around 117.20 with a target price of 118.36

**Comment:** Trading below moving averages and the resistance line favors the fall

### **Apple 05 May**

**Trend: Up**

Time frame: 60 mins

Current Price: 293.38

**Preferred:** **Buy** the Share around 293.00 with a target price of 310.67

**Alternative:** **Sell** the Share around 287.00 with a target price of 266.79

**Comment:** Trading above moving averages and the support line favors the rise



### Citigroup 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 44.94

**Preferred:** **Buy** the Share around 44.50 with a target price of 48.48

**Alternative:** **Sell** the Share around 42.00 with a target price of 39.93

**Comment:** Trading above the support line favors the rise

### Facebook 05 May

**Trend: Up**

Time frame: 60 mins

Current Price: 205.23

**Preferred:** **Buy** the Share around 205.00 with a target price of 214.53

**Alternative:** **Sell** the Share around 201.60 with a target price of 186.68

**Comment:** Trading above moving averages and the support line favors the rise





### **The tools used in this technical analysis today:**

Classical technical analysis is the basic of predicting price movements, which is derived from statistical and computational studies. Classical technical analysis is based on price action, peaks and bottoms, along with price channels, support and resistance, and much Fibonacci ratios are used.

Unpublished Fibonacci ratios for use in the study of price movements, discovered by Leonardo Fibonacci in his statistical and mathematical studies, tested for financial markets and price movements, and gave excellent results for the prediction of wave propagation and wave interruption during the historical test stages.

The exponential moving averages are instrumental in determining price trends and can be followed to identify intersections that cause potential change of direction. In addition, moving averages of different types represent support and resistance.

AROON is a pointer that determines whether the price is moving in a channel or not, and the indicator also identifies potential reversal points in directions and also shows how strong the trend is. Consists of the ascending line and the descending line, and their divergence indicates a channel in favor of the upper line between them, and their proximity indicates the possibility of reversal or trading in a weak direction.

The MACD is a momentum and oscillator, and exponential moving averages are used for its calculation, and the convergence and divergence between these averages is calculated. Therefore, one of the most important indicators used to integrate it between the measurement of torque and trends together.