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## DAILY MARKET ANALYSIS –21.12.2020

### Agenda and Markets Overview

- Senate Majority Leader Mitch McConnell said lawmakers had agreed on a \$ 900 billion aid package to provide direct payments and unemployment assistance to Americans struggling with the pandemic. The announcement comes after negotiators revoke the Federal Reserve's emergency lending powers, resolving a key point of conflict. Congress attempted to approve a one-day spending measure on Sunday to avoid a government shutdown that would start at 12:01 am ET on Monday. Parliament adopted the measure Sunday night, and the Senate aims to ratify it before midnight. Lawmakers will vote on the aid and funding bill on Monday.
  - Britain's chief medical officer, Professor Chris Whitty, announced on Saturday that the UK has identified a new strain of coronavirus that "can spread faster" than previous strains of the virus. Whilst so far, a series of evidence suggests that the new strain "has a significant, increase in contagion", Whitty added that so far there is no evidence that it causes more severe disease, more hospitalizations, or affects coronavirus treatments and vaccines.
  - With the news that Covid-19 was mutated and spread faster, the dollar index rose, the British pound fell, stocks lost value, and oil prices lost about 3%.
  - Brexit talks are on hold due to continuing fishing rights disputes.
  - The Fed announced that it will allow the 33 largest American banks, which it is subject to the second stress test of the year, to continue with limited share buybacks in the first quarter of 2021.
  - Proxies in the US are expected to approve a \$ 1.9 billion program to remove the equipment of Chinese companies Huawei and ZTE from the telecommunications system in the country, within the government's year-end budget and the incentive package to combat Covid-19, according to Reuters.
  - The US Department of Commerce announced that it has blacklisted more than 60 Chinese companies, including the microchip manufacturer International Semiconductor Manufacturing Corporation (SMIC), for "protecting national security".
  - TESLA (TSLA) will be included in the S&P 500 index today. Tesla will be the fifth largest company in the index, weighing 1.69%.
- China kept its benchmark lending rate (3.85%) unchanged for the 8th month in a row, in line with the expectations.
- GBP / USD parity, the trading range was 1.3471-1.3592 on Friday, while closing was 1.3520. Today, the last transaction price is 1.3350 with the clogged Brexit talks and news of the faster spreading Covid-19 mutation.
  - With the news of the Covis-19 mutation detected in England, the Netherlands, Denmark and South Africa and announced to spread faster, there is some recovery after the losses exceeding 3% in oil. Crude oil is traded at 47.98 and Brent oil at 50.84.

## Stock Markets

European stocks closed one week negatively on Friday. DAX dropped 0.27%, FTSE 100 0.33%, and CAC 40 0.39%. In the futures market, morale is upset with the news of the Covid-19 mutation, DAX is down 1.22% and FTSE 100 is down 0.83%.

There were also decreases in the USA at the end of the week. The Dow fell 0.41%, the S&P 500 fell 0.35% and the Nasdaq 0.97%. In the futures market, on the other hand, a more balanced session is experienced compared to Europe due to the fiscal stimulus package of 900 billion dollars, on which an agreement was reached. Dow 0.16% up, S&P 500 is down 0.02% below and Nasdaq is up 0.39%.

There are mixed performances in Asia today. Nikkei is down 0.20%, and Hang Seng is down 0.26%, Shanghai is up 0.57%.

## XAU/USD

With the news of the Covid-19 mutation that has been found to spread faster, gold has been traded above the 1,900 level for the first time since the beginning of November. The trading range was 1.876-1.889 on Friday, while closing was 1.880. The last transaction price today is 1.905. Resistance levels 1.900 and 1.904, support levels 1.870 and 1.858.

**RESISTANCE 1 / 1.900      RESISTANCE 2 / 1.904**  
**SUPPORT 1 / 1.871      SUPPORT 2 / 1.850**



## DAX

The trading range on Friday was 13.624-13.774, closing was 13.630. 13.798 stands as a key resistance level. The index is down 1.22% in futures. Resistance levels 13.640 and 13.798, support levels 13.460 and 13.308.

**RESISTANCE 1 / 13.640      RESISTANCE 2 / 13.798**

**SUPPORT 1 / 13.460      SUPPORT 2 / 13.308**



## EUR/USD

The pair's trading range was 1.2225-1.2273 yesterday, and the closing was 1.2255. With the news of the Covid-19 mutation that has been found to spread faster, the parity is experiencing a sharp decline today, the last transaction price is 1.2185. Resistance levels 1.2270 and 1.2375, support levels 1.2170 and 1.2111.

**RESISTANCE 1 / 1,2270      RESISTANCE 2 / 1,2375**

**SUPPORT 1 / 1,2170      SUPPORT 2 / 1,2111**



## USD/TRY

The pair's trading range on Friday was 7.6122-7.7607, with closing at 7.6239. The last transaction price today is 7.6874. Resistance levels 7.7095 and 7.7550, support levels 7.6050 and 7.5035.

**RESISTANCE 1 / 7,7095**

**RESISTANCE 2 / 7,7550**

**SUPPORT 1 / 7,6050**

**SUPPORT 2 / 7,5035**



- All the latest market values in the report refer to the values at the time of writing.

## ECONOMIC CALENDAR

Date	Country	Time	Data	Prev.	Forec.	Imp.
Dec 21, Mon	USA	16:30	Chicago Fed national activity	0,83		**
	Euro Blg.	18:00	Consumer confidence	-17,60	-19,00	***



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