

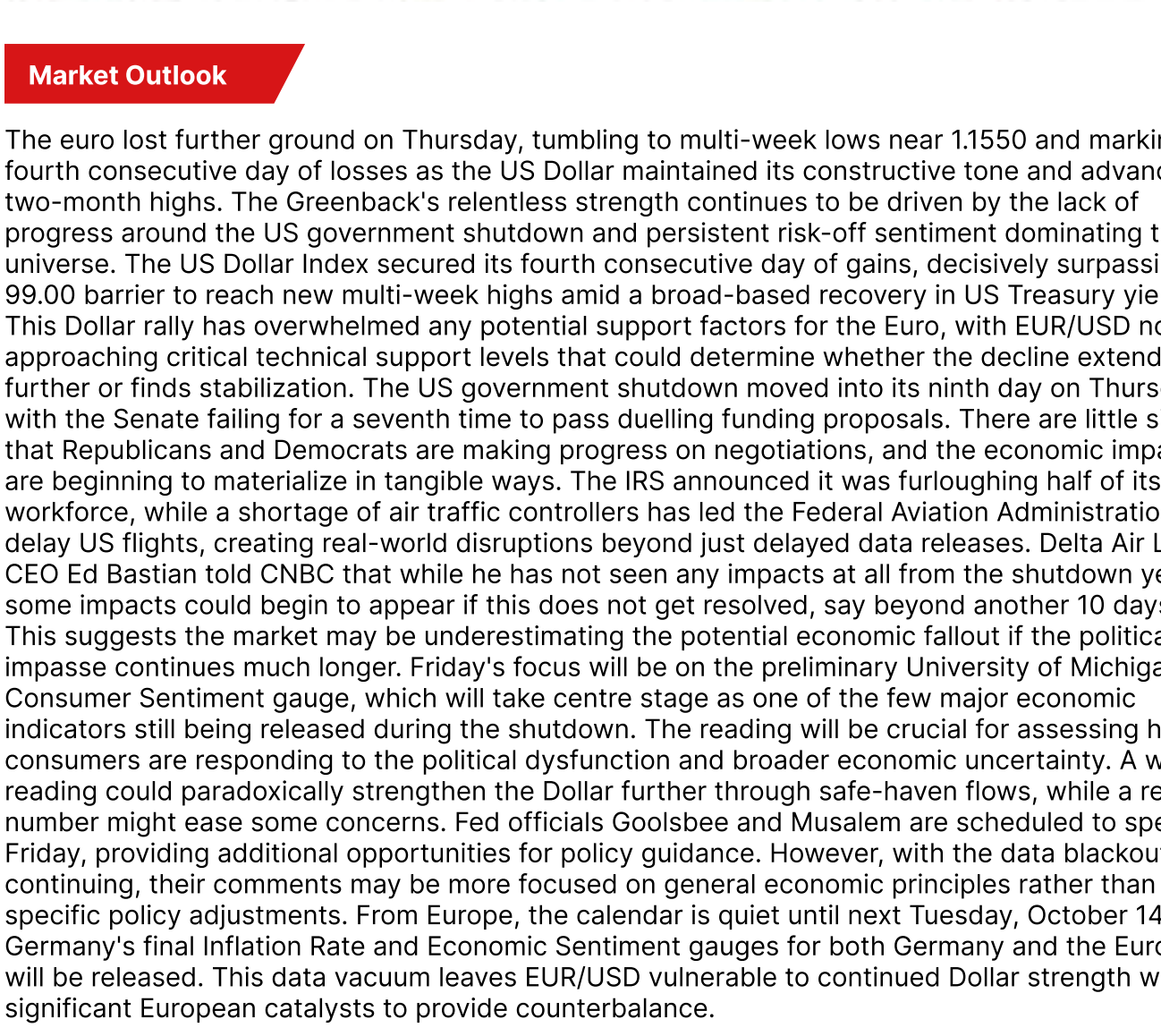
MH Markets Technical Analysis Report

2025/10/10 - FRIDAY

EUR/USD

Previous Session Overview

EUR/USD moved lower on Thursday, reaching below previous support levels. Currently trading at 1.1573.



Market Outlook

The euro lost further ground on Thursday, tumbling to multi-week lows near 1.1550 and marking its fourth consecutive day of losses as the US Dollar maintained its constructive tone and advanced to two-month highs. The Greenback's relentless strength continues to be driven by the lack of progress around the US government shutdown and persistent risk-off sentiment dominating the FX universe. The US Dollar Index secured its fourth consecutive day of gains, decisively surpassing the 99.00 barrier to reach new multi-week highs amid a broad-based recovery in US Treasury yields. This Dollar rally has overwhelmed any potential support factors for the Euro, with EUR/USD now approaching critical technical support levels that could determine whether the decline extends further or finds stabilization. The US government shutdown moved into its ninth day on Thursday with the Senate failing for a seventh time to pass duelling funding proposals. There are little signs that Republicans and Democrats are making progress on negotiations, and the economic impacts are beginning to materialize in tangible ways. The IRS announced it was furloughing half of its workforce, while a shortage of air traffic controllers has led the Federal Aviation Administration to delay US flights, creating real-world disruptions beyond just delayed data releases. Delta Air Lines CEO Ed Bastian told CNBC that while he has not seen any impacts at all from the shutdown yet, some impacts could begin to appear if this does not get resolved, say beyond another 10 days or so. This suggests the market may be underestimating the potential economic fallout if the political impasse continues much longer. Friday's focus will be on the preliminary University of Michigan Consumer Sentiment gauge, which will take centre stage as one of the few major economic indicators still being released during the shutdown. The reading will be crucial for assessing how consumers are responding to the political dysfunction and broader economic uncertainty. A weak reading could paradoxically strengthen the Dollar further through safe-haven flows, while a resilient number might ease some concerns. Fed officials Goolsbee and Musalem are scheduled to speak on Friday, providing additional opportunities for policy guidance. However, with the data blackout continuing, their comments may be more focused on general economic principles rather than specific policy adjustments. From Europe, the calendar is quiet until next Tuesday, October 14, when Germany's final Inflation Rate and Economic Sentiment gauges for both Germany and the Eurozone will be released. This data vacuum leaves EUR/USD vulnerable to continued Dollar strength without significant European catalysts to provide counterbalance.

Technical Outlook

- Stochastic trying to cross higher inside the oversold area.
- Price moving lower below the 20-period moving average.
- This indicates strong bearish momentum, though oversold conditions suggest potential for a technical bounce.

Key Levels to Watch

Resistance: 1.1650; 1.1739
Support: 1.1482; 1.1403

Conclusion

EUR/USD's tumble to multi-week lows at 1.1573 represents its fourth consecutive day of losses, with the pair now deeply oversold and testing critical support levels. The Stochastic indicator attempting to cross higher inside oversold territory suggests selling pressure may be reaching extreme levels, potentially setting conditions for a technical bounce. However, the fundamental backdrop remains overwhelmingly bearish for the Euro, with US Dollar strength showing no signs of abating. Immediate support at 1.1482 is now in focus—a break below this level could accelerate losses toward 1.1403 and potentially challenge the psychologically important 1.1400 level. For any meaningful recovery, the pair needs to reclaim 1.1650, though if price remains below the 20-period moving average, the bias stays firmly to the downside. Today's University of Michigan Consumer Sentiment data represents the key catalyst. A surprisingly weak reading could paradoxically support the Dollar through safe-haven flows, extending EUR/USD's decline. The approaching tenth day of the government shutdown with no resolution in sight keeps risk-off sentiment elevated.

GOLD (XAU/USD)

Previous Session Overview

Gold moved lower on Thursday, reaching below previous support levels. Currently trading at 3967.18.



Market Outlook

Gold prices traded on the back foot on Thursday, receding sharply from their recent record highs above \$4,060 and returning to the area below the \$4,000 mark per troy ounce. This pullback represents the first significant correction after the metal's relentless rally to historic levels, driven by a combination of profit-taking, a stronger US Dollar, reduced geopolitical concerns, and some reassessment of Federal Reserve rate cut expectations. The sharp reversal from record highs reflects classic profit-taking behaviours after an extended rally that pushed gold through the psychologically significant \$4,000 level. With the US Dollar securing its fourth consecutive day of gains and surpassing the 99.00 barrier on the Dollar Index, the negative correlation between the Greenback and gold has reassessed itself. The Dollar's strength, driven by safe-haven flows amid the government shutdown, is now working against gold despite both typically benefiting from risk-off sentiment. The article mentions alleviated geopolitical concerns as a factor pressuring gold, suggesting some easing of international tensions that had previously supported safe-haven demand. While the US government shutdown continues into its ninth day, with the Senate failing for a seventh time to pass funding proposals, markets may be growing desensitized to the political drama in Washington, reducing its impact on gold prices. However, real economic impacts from the shutdown are beginning to materialize. The IRS has furloughed half its workforce, and air traffic controller shortages are causing flight delays. Delta Air Lines CEO Ed Bastian warned that impacts could emerge if this does not get resolved, say beyond another 10 days or so. These developing consequences could reignite safe-haven demand if the situation deteriorates further. Friday's University of Michigan Consumer Sentiment data will be closely watched as one of the few major indicators still being released during the shutdown. A weak reading could revive concerns about economic health and support gold's safe-haven appeal, while resilient consumer confidence might suggest the shutdown's economic impact remains limited, potentially extending gold's correction. Fed officials Goolsbee and Musalem are scheduled to speak Friday, and their commentary on rate cut expectations will be important. Reports from Delta and Costco showing resilient consumer behaviours despite the uncertain macroeconomic environment suggest the economy may be weathering the shutdown better than feared.

Technical Outlook

- Stochastic trying to cross higher inside the oversold area.
- Price consolidating slightly below the 20-period moving average.
- This suggests the correction may be finding support and attempting to stabilize.

Key Levels to Watch

Resistance: 4029.43; 4079.12
Support: 3917.45; 3863.62

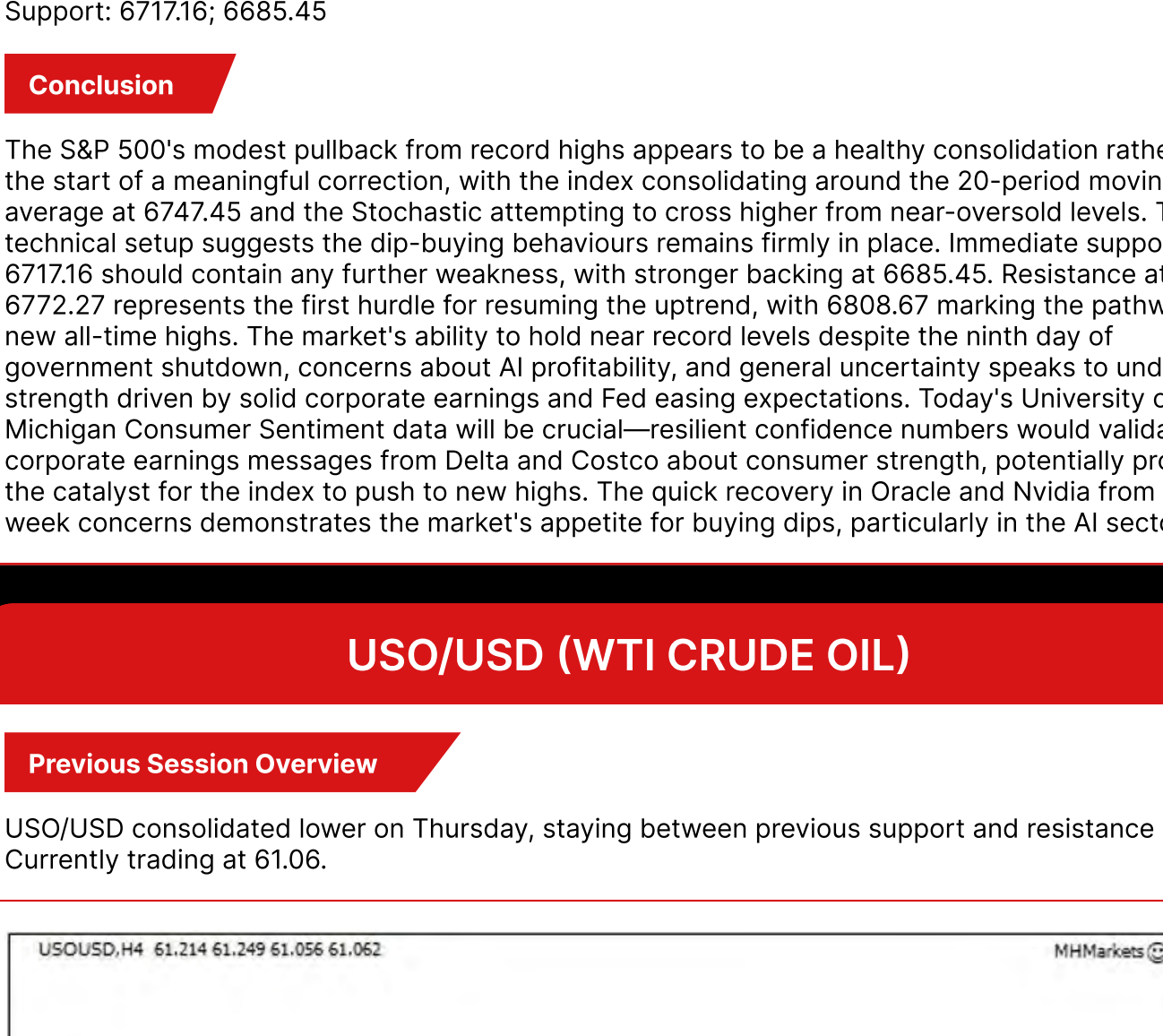
Conclusion

Gold's pullback from record highs above \$4,060 to below \$4,000 at 3967.18 represents the first significant correction after an extraordinary rally, with the precious metal consolidating slightly below the 20-period moving average. The Stochastic trying to cross higher from deeply oversold territory suggests the selling pressure may be exhausting and a stabilization attempt is underway. The \$4,000 psychological level is proving to be an important battleground—the current consolidation just below it indicates uncertainty about whether the recent highs have established a new valuation floor. A sustained break below could open the door to deeper corrections toward 3917.45 and potentially 3863.62. Immediate resistance at 4029.43 will test whether bulls can reassert control, with 4079.12 marking the pathway back toward recent record levels. Today's University of Michigan Consumer Sentiment data and speeches from Fed officials Goolsbee and Musalem represent key catalysts. The government shutdown entering its ninth day with tangible economic impacts emerging keeps the fundamental backdrop supportive for gold, even as profit-taking and Dollar strength create near-term headwinds.

GBP/USD

Previous Session Overview

GBP/USD moved lower on Thursday, reaching below previous support levels. Currently trading at 1.3312.



Market Outlook

The Pound Sterling extended its deep retracement on Thursday, revisiting the area of two-month troughs and breaking below the psychologically significant 1.3300 support level. Cable's weakness reflects the overwhelming dominance of US Dollar strength as the Greenback maintained its constructive tone and advanced to two-month highs amid the ongoing government shutdown and generalized risk-off sentiment. GBP/USD has now given back all its gains from the post-tariff rally, with the pair trading at levels last seen in early August. This dramatic reversal underscores how the US political dysfunction and resulting safe-haven flows are overriding fundamental considerations like central bank policy divergence or relative economic strength. The US government moved into its ninth day of shutdown on Thursday, with the Senate failing for a seventh time to pass funding proposals and little sign of progress in negotiations between Republicans and Democrats. Critically, real economic impacts are beginning to emerge beyond just delayed data releases. The IRS announced it would furlough half its workforce, while air traffic controller shortages have forced the FAA to delay flights, creating tangible disruptions to economic activity. Delta Air Lines CEO Ed Bastian's comments to CNBC are particularly noteworthy for Sterling traders. While he said he has not seen any impacts at all yet, he warned that some impacts could appear if this does not get resolved, say beyond another 10 days or so. This ten-day window suggests the market may be approaching an inflection point where the shutdown's economic consequences become more severe and potentially shift sentiment. Friday's calendar features the preliminary University of Michigan Consumer Sentiment gauge, which will take centre stage as one of the few major US indicators still being released. This reading will be crucial for assessing how American consumers are responding to the political chaos. A weak number could paradoxically strengthen the Dollar further through defensive positioning, while surprisingly resilient confidence might ease concerns and allow risk appetite to return, potentially supporting Sterling. Fed officials Goolsbee and Musalem are scheduled to speak Friday, though their ability to provide concrete policy guidance is limited by the data blackout. From the UK, the calendar is quiet until Tuesday, October 14, when the always-relevant labour market report will be released. This data vacuum leaves Cable vulnerable to continued US-driven volatility without UK-specific catalysts to provide support. Reports from Delta and Costco showing resilient consumer behaviours despite economic uncertainty, providing an interesting counterpoint.

Technical Outlook

- Stochastic trying to cross higher inside the oversold area.
- Price moving lower below the 20-period moving average.
- This indicates continued bearish momentum, though oversold conditions suggest potential for a bounce.

Key Levels to Watch

Resistance: 1.3395; 1.3486
Support: 1.3235; 1.3162

Conclusion

GBP/USD's break below the 1.3300 psychological support represents a significant technical failure, with the pair stabilizing just above this level at 1.3312 while remaining below the 20-period moving average. The Stochastic indicator attempting to cross higher inside oversold territory suggests selling pressure may be reaching extreme levels and conditions are ripe for a technical bounce. However, the fundamental backdrop provides little reason for optimism about a sustained reversal. Immediate support at 1.3235 is now critical—a break below could accelerate losses toward 1.3162 and challenge deeper support levels. For bulls to regain any semblance of control, the pair needs to first reclaim 1.3395 and ideally push back above the 20-period moving average. Today's University of Michigan Consumer Sentiment data represents the key event risk. Weak confidence numbers could extend Cable's decline through continued safe-haven dollar demand, while surprisingly resilient data might trigger short-covering from these deeply oversold levels. The approaching ten-day timeframe mentioned by Delta's CEO for when shutdown impacts might materialize adds a specific timeline for potential market shifts.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved lower on Thursday, reaching below previous support levels, but then moved slightly higher. Currently trading at 6747.45.



Market Outlook

The S&P 500 pulled back from fresh all-time intraday highs on Thursday, dropping 0.28% to close at 6,735.11, taking a breather from the previous session's record-setting performance. The Nasdaq Composite slid 0.08% to finish at 23,024.63, while the Dow Jones Industrial Average declined more sharply, falling 243.36 points or 0.52% to close at 46,358.42. This modest pullback came as the US government shutdown continues into its ninth day, though resilient corporate earnings and AI optimism are helping to limit losses. Both indices were coming off Wednesday's record highs, with the S&P 500 notching its eighth winning day of the last nine sessions. At Thursday's intraday highs, the S&P 500 had added 0.2% and the Nasdaq was up 0.1%, indicating that buying interest remains strong even after the impressive rally from April's meltdown. Market strategists captured the current dynamics, noting that the market's relentless surge from the April lows continues despite concerns about overheating, with calls for a breather emerging even as the classic dip-buying strategy remains firmly in place. This market just continues to grind up with some under-the-hood rotation going on that can cause some intra-day volatility. The AI sector narrative received an important boost with both Oracle and Nvidia performing well. Oracle jumped 3% and Nvidia rose almost 2%, securing a new all-time high. This represents a remarkable reversal from earlier in the week when both names suffered losses following a report about Oracle's cloud business margins. The quick recovery suggests the market remains confident in the AI investment thesis despite periodic concerns about profitability. The government shutdown moved into its ninth day with the Senate failing for a seventh time to pass funding proposals. Real impacts are materializing: the IRS furloughed half its workforce, and air traffic controller shortages are causing flight delays. However, equities are showing remarkable resilience to these disruptions. Corporate earnings continue to demonstrate economic strength. Delta Air Lines jumped 4% on better-than-expected earnings, with CEO Ed Bastian telling CNBC he has not seen shutdown impacts yet, though he warned some could appear if this does not get resolved, say beyond another 10 days or so. Costco rose 3% after delivering solid September sales data. These results provide evidence of a resilient consumer in an uncertain macroeconomic environment. Friday's focus will be on the preliminary University of Michigan Consumer Sentiment gauge, one of the few major indicators still being released during the shutdown.

Technical Outlook

- Stochastic trying to cross higher near the oversold area.
- Price consolidating around the 20-period moving average.
- This suggests the pullback may be finding support and attempting to stabilize.

Key Levels to Watch

Resistance: 6772.27; 6808.67
Support: 6717.16; 6685.45

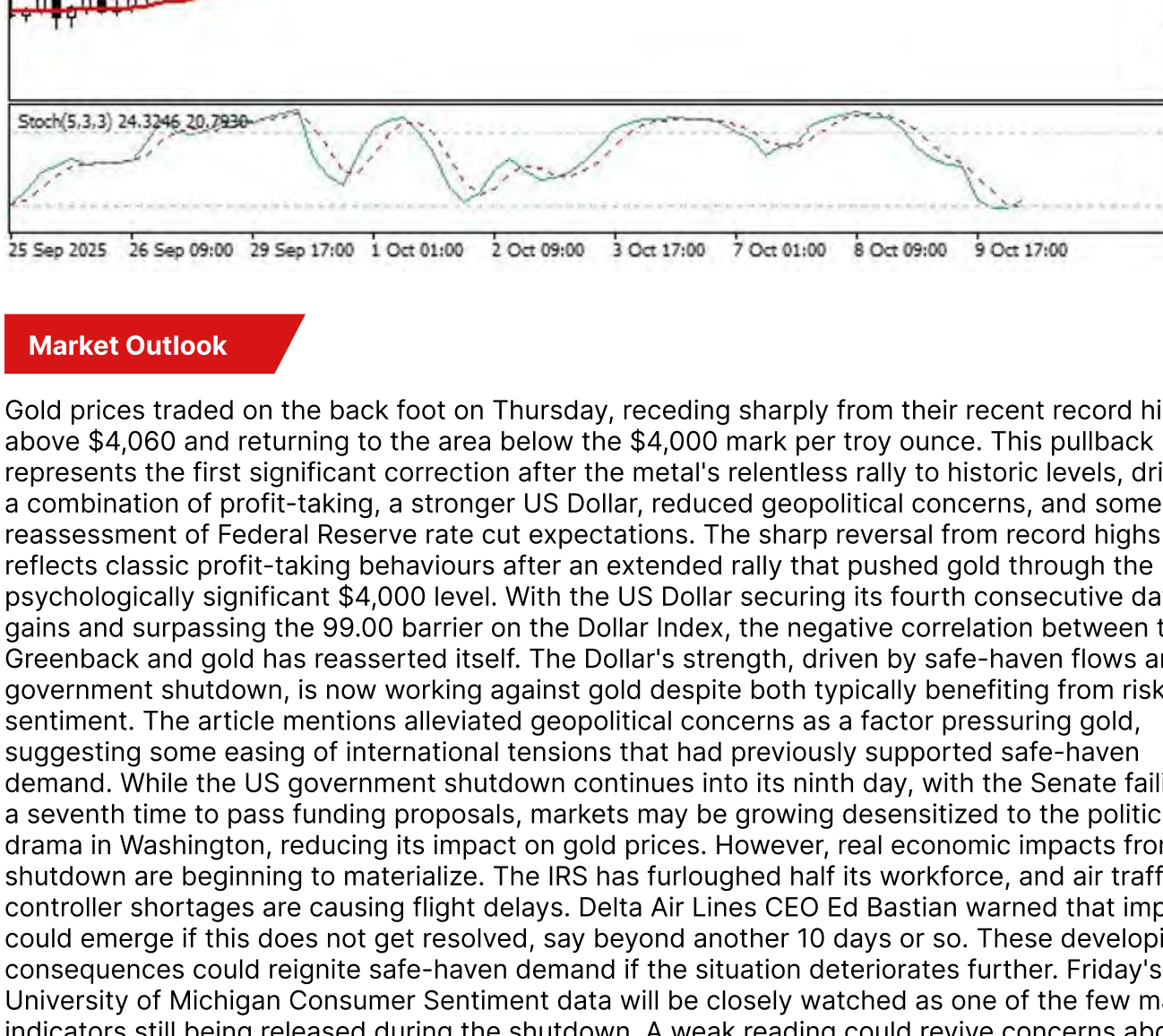
Conclusion

The S&P 500's modest pullback from record highs appears to be a healthy consolidation rather than the start of a meaningful correction, with the index consolidating around the 20-period moving average at 6747.45 and the Stochastic attempting to cross higher from near-oversold levels. This technical setup suggests the dip-buying behaviours remains firmly in place. Immediate support at 6717.16 should contain any further weakness, with stronger backing at 6685.45. Resistance at 6772.27 represents the first hurdle for resuming the uptrend, with 6808.67 marking the pathway to new all-time highs. The market's ability to hold near record levels despite the ninth day of government shutdown, concerns about AI profitability, and general uncertainty speaks to underlying strength driven by solid corporate earnings and Fed easing expectations. Today's University of Michigan Consumer Sentiment data will be crucial—resilient confidence numbers would validate the corporate earnings messages from Delta and Costco about consumer strength, potentially providing the catalyst for the index to push to new highs. The quick recovery in Oracle and Nvidia from earlier-week concerns demonstrates the market's appetite for buying dips, particularly in the AI sector.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD consolidated lower on Thursday, staying between previous support and resistance levels. Currently trading at 61.06.



Market Outlook

WTI crude oil prices reversed four consecutive gains on Thursday, coming under fresh selling pressure and approaching the \$61.00 mark per barrel as traders reassessed the market fundamentals. The reversal was driven by alleviated geopolitical concerns and Wednesday's revelation of a larger-than-expected build in US crude oil inventories, which reinforced worries about oversupply in the market. The pullback represents a significant technical failure after oil had managed to bounce from recent lows near \$60, suggesting the brief recovery was more of a corrective move than the start of a sustained uptrend. The EIA's report showing a larger-than-anticipated inventory build undermines the bullish narrative that OPEC+ production restraint would be sufficient to ease the market. The article's reference to alleviated geopolitical concerns suggests some balancing of international tensions that had previously provided a risk premium to oil prices. Combined with rising US inventories and seasonal weakness in refinery demand, the fundamental picture for crude remains decidedly bearish despite OPEC's disciplined approach to production increases. The broader market context adds to oil's challenges. While equity markets pulled back modestly from record highs, the US Dollar extended its rally to two-month highs, surpassing the 99.00 barrier on the Dollar Index. This Dollar strength makes dollar-denominated commodities like crude oil more expensive for foreign buyers, potentially dampening demand. The US government shutdown, now in its ninth day, continues to create economic uncertainty. Real impacts are materializing with the IRS furloughing workers and air traffic delays occurring. Delta CEO Ed Bastian's warning that impacts could emerge if this does not get resolved, say beyond another 10 days or so suggests the economic fallout could intensify, potentially weighing on fuel demand. However, corporate earnings reports from Delta and Costco showing resilient consumer behaviours provide a counterpoint. If consumer strength persists despite the shutdown, fuel demand for transportation and logistics might hold up better than feared. Friday's University of Michigan Consumer Sentiment data will be important for oil markets through its implications for economic activity and fuel consumption. JPMorgan's ongoing projection of significant oversupply through Q4 2025 and into early 2026 remains a dark cloud hanging over the market.

Technical Outlook

- Stochastic moving lower towards the oversold area.
- Price consolidating below the 20-period moving average.
- This indicates renewed bearish pressure with sellers regaining control.

Key Levels to Watch

Resistance: 63.04; 65.13
Support: 60.23; 58.24

Conclusion

WTI crude oil's reversal of four consecutive gains and retreat to 61.06 underscores the fragility of the recent bounce and the persistent bearish fundamentals facing the market. With price consolidating below the 20-period moving average and the Stochastic moving toward oversold territory, the technical picture has deteriorated significantly. The larger-than-expected EIA inventory build and alleviated geopolitical concerns have stripped away the factors that supported Wednesday's rally, leaving oil vulnerable to further declines. Immediate support at 60.23 is critical—a break below would trigger a test of 58.24 and potentially push oil toward the psychologically important \$58 level. For any recovery, oil needs to reclaim 63.04 resistance, though the fundamental backdrop makes sustained rallies appear unlikely. Today's University of Michigan Consumer Sentiment data could impact oil through its implications for economic activity. The combination of rising inventories, seasonal refinery weakness, Dollar strength, and broader economic uncertainty from the government shutdown all point to continued pressure on crude prices.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
10 Oct	12:30	CAD	Employment Change	2.8K	-65.5K
	12:30	CAD	Unemployment Rate	7.2%	7.1%
	Tentative	USD	Average Hourly Earnings m/m	0.3%	0.3%
	Tentative	USD	Non-Farm Employment Change	52K	22K
	Tentative	USD	Unemployment Rate	4.3%	4.3%
	14:00	USD	Prelim UoM Consumer Sentiment	54.6	55.1