

TECHNICAL

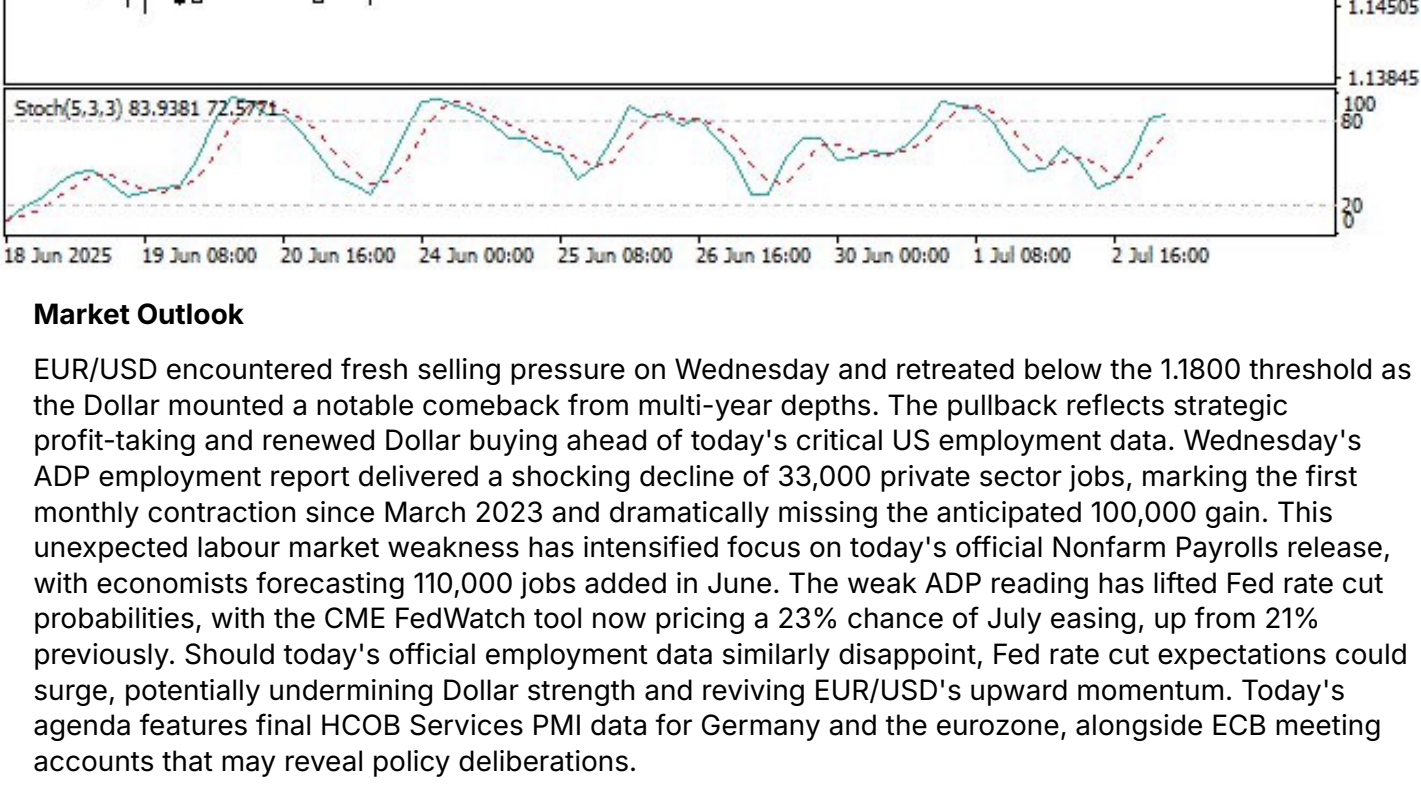
ANALYSIS REPORT

THURSDAY, JULY 3 2025

EUR/USD

» Previous Session Overview

EUR/USD consolidated on Wednesday, staying between the previous support and resistance levels. The pair is currently trading at 1.1794.



- Market Outlook**
- EUR/USD encountered fresh selling pressure on Wednesday and retreated below the 1.1800 threshold as the Dollar mounted a notable comeback from multi-year depths. The pullback reflects strategic profit-taking and renewed Dollar buying ahead of today's critical US employment data. Wednesday's ADP employment report delivered a shocking decline of 33,000 private sector jobs, marking the first monthly contraction since March 2023 and dramatically missing the anticipated 100,000 gain. This unexpected labour market weakness has intensified focus on today's official Nonfarm Payrolls release, with economists forecasting 110,000 jobs added in June. The weak ADP reading has lifted Fed rate cut probabilities, with the CME FedWatch tool now pricing a 23% chance of July easing, up from 21% previously. Should today's official employment data similarly disappoint, Fed rate cut expectations could surge, potentially undermining Dollar strength and reviving EUR/USD's upward momentum. Today's agenda features final HCOB Services PMI data for Germany and the eurozone, alongside ECB meeting accounts that may reveal policy deliberations.
- Technical Outlook**
- Stochastic is moving higher towards the overbought area.
 - Price is consolidating above the 20-period moving average.
 - This setup indicates potential for recovery despite Wednesday's pullback.

Key Levels to Watch

Resistance: 1.1829; 1.1868
Support: 1.1753; 1.1712

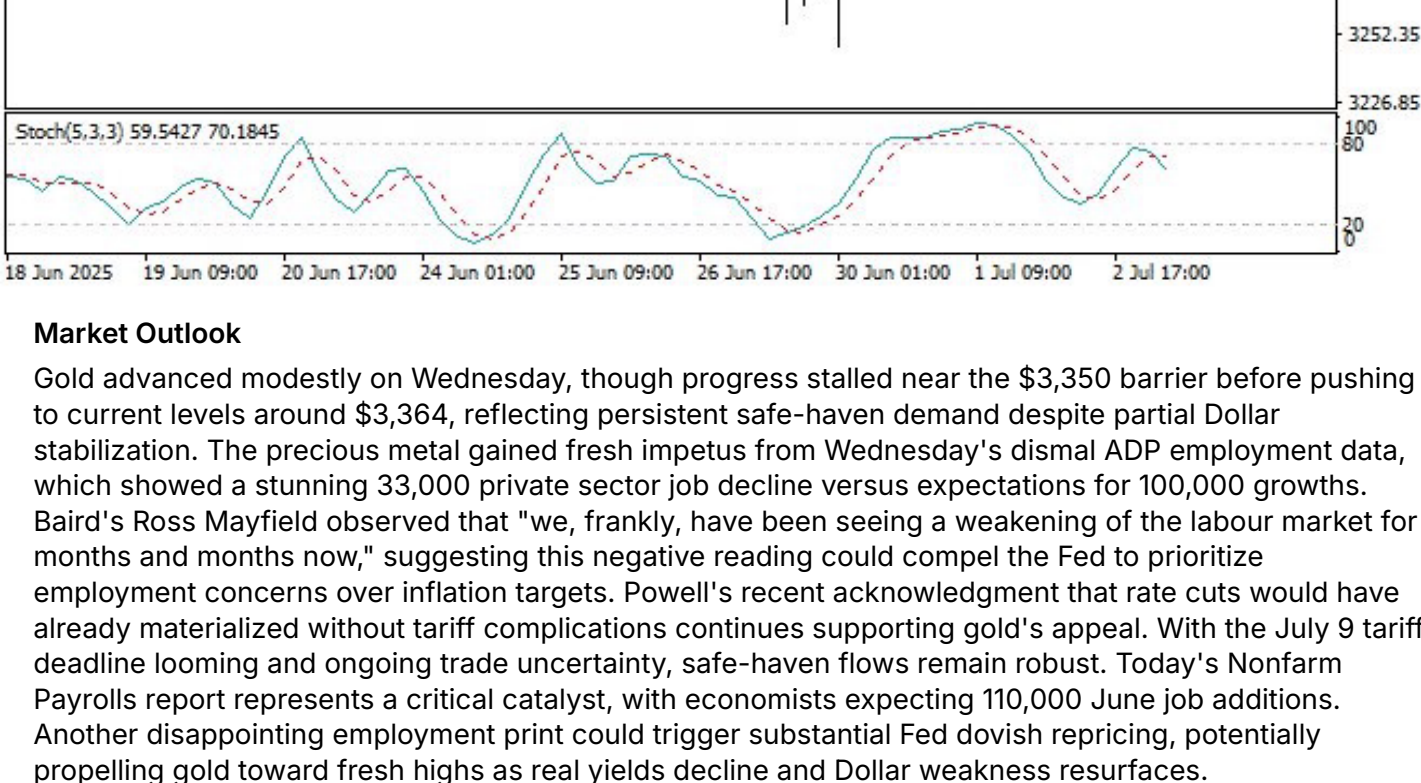
Conclusion

EUR/USD's retreat to 1.1794 represents healthy consolidation after testing yearly peaks, with the pair maintaining crucial support above the 20-period moving average. The Stochastic indicator's advance toward overbought levels suggests underlying strength persists despite recent weakness. Today's US employment figures will prove decisive, with disappointing jobs data likely to reignite Dollar selling and restore EUR/USD's bullish trajectory. Support at 1.1753 remains vital for preserving the upward bias.

GOLD

» Previous Session Overview

Gold moved higher on Wednesday, reaching near the previous resistance levels. The precious metal is currently trading at \$3,347.10.



- Market Outlook**
- Gold advanced modestly on Wednesday, though progress stalled near the \$3,350 barrier before pushing to current levels around \$3,364, reflecting persistent safe-haven demand despite partial Dollar stabilization. The precious metal gained fresh impetus from Wednesday's dismal ADP employment data, which showed a stunning 33,000 private sector job decline versus expectations for 100,000 growths. Baird's Ross Mayfield observed that "we, frankly, have been seeing a weakening of the labour market for months and months now," suggesting this negative reading could compel the Fed to prioritize employment concerns over inflation targets. Powell's recent acknowledgment that rate cuts would have already materialized without tariff complications continues supporting gold's appeal. With the July 9 tariff deadline looming and ongoing trade uncertainty, safe-haven flows remain robust. Today's Nonfarm Payrolls report represents a critical catalyst, with economists expecting 110,000 June job additions. Another disappointing employment print could trigger substantial Fed dovish repricing, potentially propelling gold toward fresh highs as real yields decline and Dollar weakness resurfaces.
- Technical Outlook**
- Stochastic is trying to cross lower near the overbought area.
 - Price is consolidating above the 20-period moving average.
 - This setup indicates potential for consolidation despite recent gains.

Key Levels to Watch

Resistance: \$3,370.43; \$3,392.33
Support: \$3,332.84; \$3,314.45

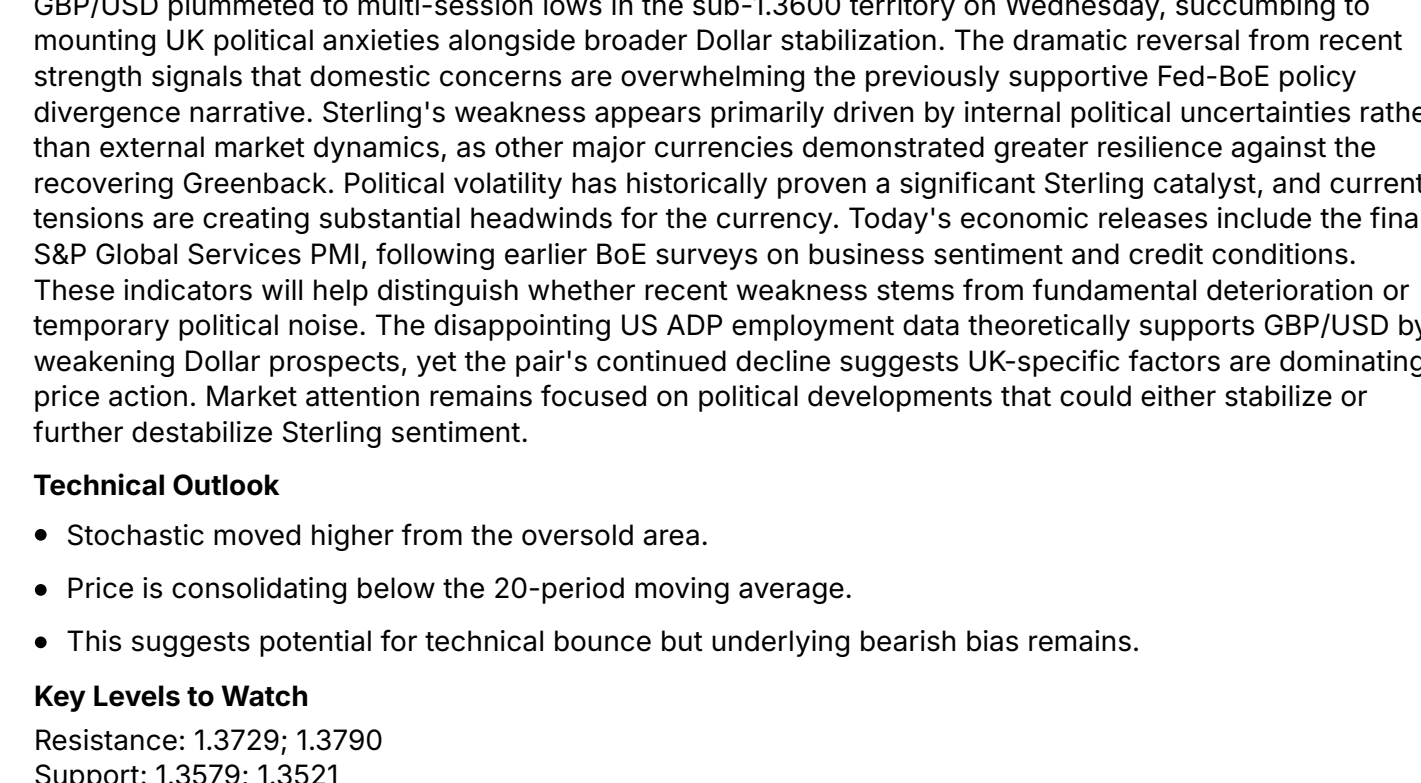
Conclusion

Gold's position at \$3,347.10 demonstrates solid recovery momentum, with the precious metal maintaining critical technical levels above the 20-period moving average. The Stochastic indicator's attempt to cross lower near overbought territory suggests potential for consolidation, while fundamental drivers including labour market deterioration and trade tensions continue underpinning safe-haven demand. Immediate resistance at \$3,370.43 beckons, with potential extension toward \$3,392.33 if momentum sustains.

GBP/USD

» Previous Session Overview

GBP/USD moved lower on Wednesday, reaching below the previous support levels. The pair is currently trading at 1.3629.



- Market Outlook**
- GBP/USD plummeted to multi-session lows in the sub-1.3600 territory on Wednesday, succumbing to mounting UK political anxieties alongside broader Dollar stabilization. The dramatic reversal from recent strength signals that domestic concerns are overwhelming the previously supportive Fed-BoE policy divergence narrative. Sterling's weakness appears primarily driven by internal political uncertainties rather than external market dynamics, as other major currencies demonstrated greater resilience against the recovering Greenback. Political volatility has historically proven a significant Sterling catalyst, and current tensions are creating substantial headwinds for the currency. Today's economic releases include the final S&P Global Services PMI, following earlier BoE surveys on business sentiment and credit conditions. These indicators will help distinguish whether recent weakness stems from fundamental deterioration or temporary political noise. The disappointing US ADP employment data theoretically supports GBP/USD by weakening Dollar prospects, yet the pair's continued decline suggests UK-specific factors are dominating price action. Market attention remains focused on political developments that could either stabilize or further destabilize Sterling sentiment.
- Technical Outlook**
- Stochastic moved higher from the oversold area.
 - Price is consolidating below the 20-period moving average.
 - This suggests potential for technical bounce but underlying bearish bias remains.

Key Levels to Watch

Resistance: 1.3729; 1.3790
Support: 1.3579; 1.3521

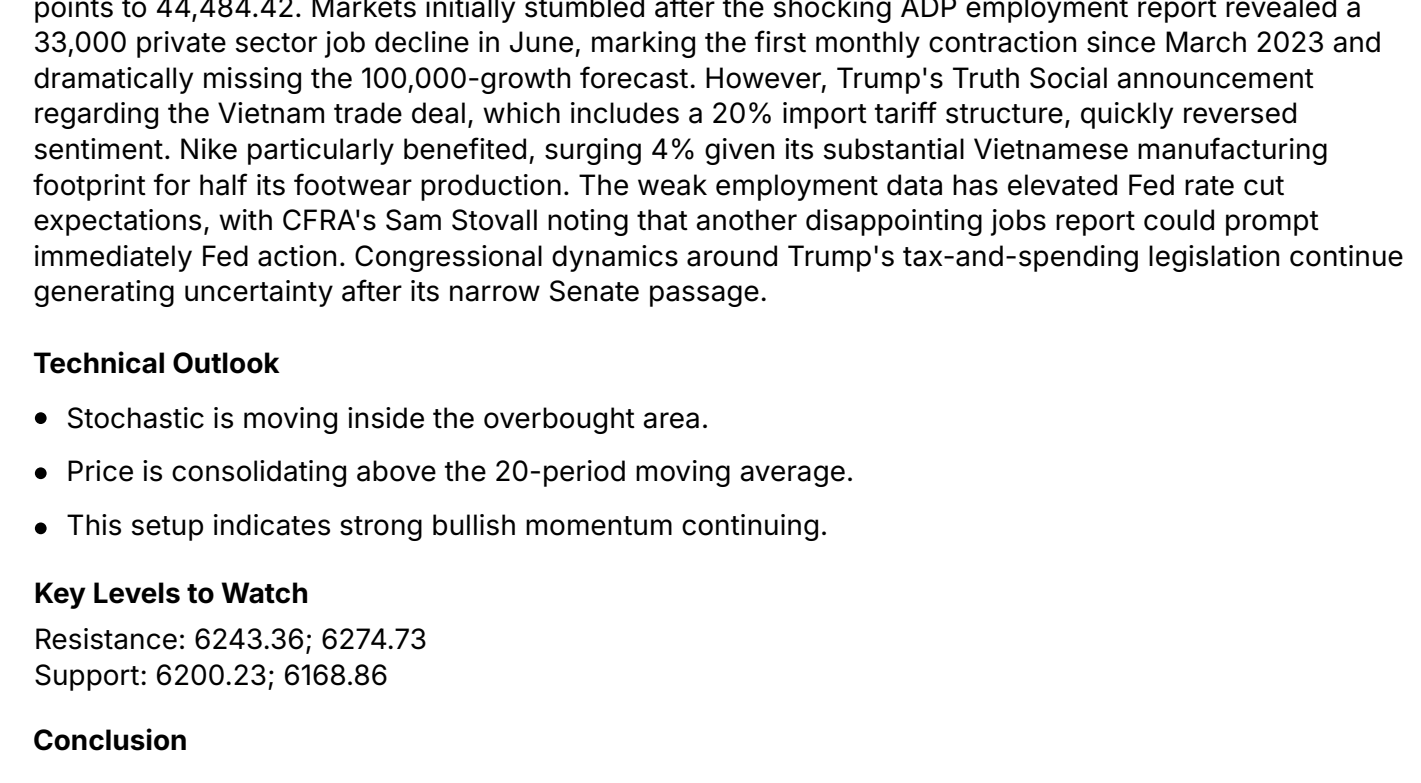
Conclusion

GBP/USD's decline to 1.3629 reflects UK-specific concerns overriding broader market dynamics. The Stochastic indicator's recovery from oversold levels suggests potential for technical rebound, though price action below the 20-period moving average indicates underlying bearish bias remains. The pair's ability to maintain 1.3579 support will prove crucial for preventing further deterioration, with any recovery encountering resistance at 1.3729. Today's UK data and US employment figures will be pivotal for near-term direction.

SPX/USD

» Previous Session Overview

The S&P 500 moved higher on Wednesday, reaching above the previous resistance levels. The index is currently trading at 6223.31.



- Market Outlook**
- Wall Street surged to fresh record territory on Wednesday following President Trump's announcement of a breakthrough US-Vietnam trade agreement, with the S&P 500 advancing 0.47% to close at 6,227.42. The index achieved a new intraday high and record close, while the Nasdaq Composite soared 0.94% to establish a fresh closing record at 20,393.13. The Dow Jones managed only marginal gains, slipping 10.52 points to 44,484.42. Markets initially stumbled after the shocking ADP employment report revealed a 33,000 private sector job decline in June, marking the first monthly contraction since March 2023 and dramatically missing the 100,000-growth forecast. However, Trump's Truth Social announcement regarding the Vietnam trade deal, which includes a 20% import tariff structure, quickly reversed sentiment. Nike particularly benefited, surging 4% given its substantial Vietnamese manufacturing footprint for half its footwear production. The weak employment data has elevated Fed rate cut expectations, with CFRA's Sam Stovall noting that another disappointing jobs report could prompt immediately Fed action. Congressional dynamics around Trump's tax-and-spend legislation continue generating uncertainty after its narrow Senate passage.
- Technical Outlook**
- Stochastic is moving inside the overbought area.
 - Price is consolidating above the 20-period moving average.
 - This setup indicates strong bullish momentum continuing.

Key Levels to Watch

Resistance: 6243.36; 6274.73
Support: 6200.23; 6168.86

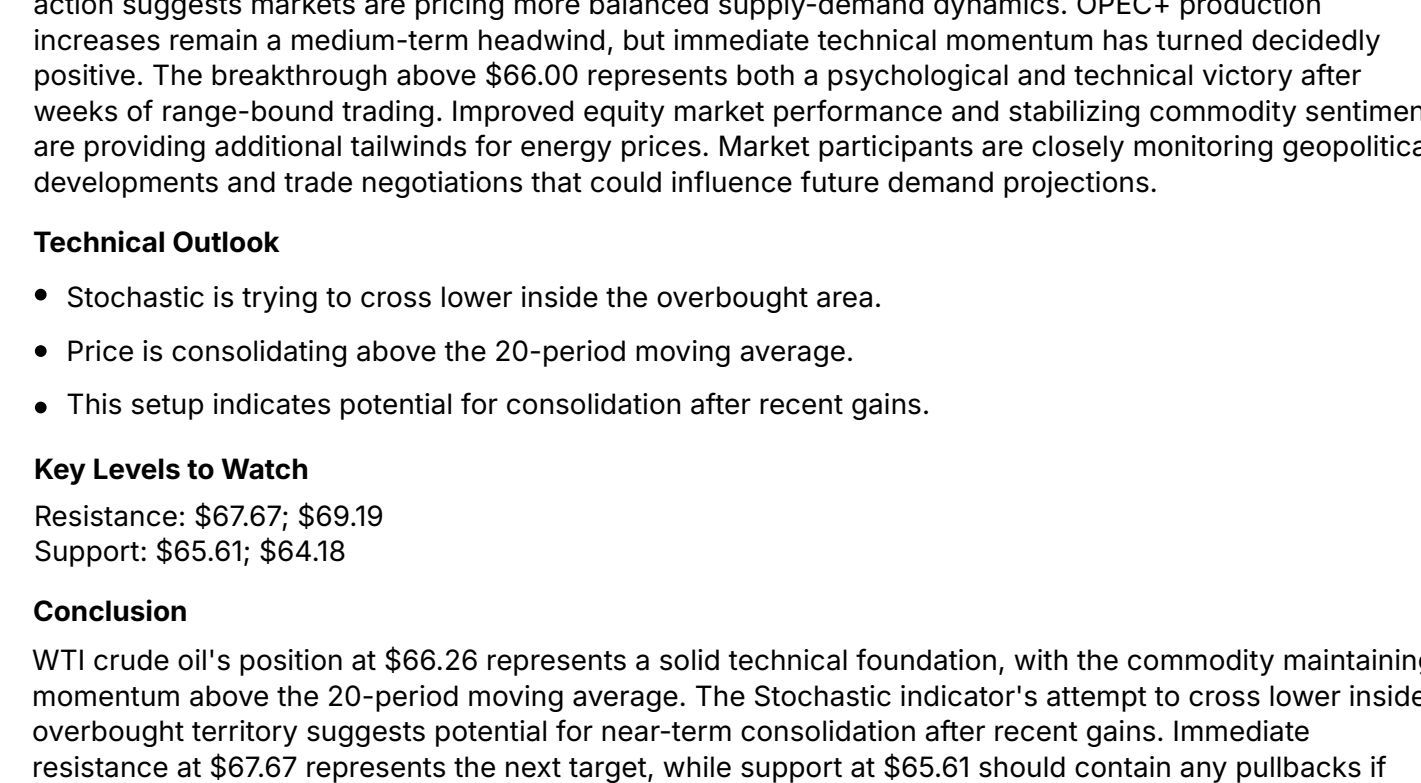
Conclusion

The S&P 500's position at 6223.31 demonstrates continued strength near record highs, with the index maintaining its position well above the 20-period moving average. The Stochastic indicator's overbought positioning reflects sustained buying momentum, confirming the bullish trend remains intact. Immediate resistance at 6243.36 represents the next target, with potential extension toward 6274.73 if positive momentum continues despite economic uncertainties.

USO/USD

» Previous Session Overview

USO/USD moved higher on Wednesday, reaching above the previous resistance levels. The commodity is currently trading at \$66.26.



- Market Outlook**
- WTI crude extended Tuesday's gains and surged past the \$66.00 threshold on Wednesday, reaching \$66.79 despite the Energy Information Administration reporting a larger-than-anticipated US inventory build. The advance represents a significant recovery from recent \$65.00 consolidation levels and suggests oil markets are finding renewed footing. The rally occurred despite bearish inventory data, indicating that broader risk sentiment and supply considerations are overriding immediate storage concerns. Trump's Vietnam trade deal announcement boosted general risk appetite, lifting oil alongside other commodities as part of the broader reflation trade. The approaching July 9 tariff deadline continues creating uncertainty about global economic growth and energy demand patterns, though current price action suggests markets are pricing more balanced supply-demand dynamics. OPEC+ production increases remain a medium-term headwind, but immediate technical momentum has turned decidedly positive. The breakthrough above \$66.00 represents both a psychological and technical victory after weeks of range-bound trading. Improved equity market performance and stabilizing commodity sentiment are providing additional tailwinds for energy prices. Market participants are closely monitoring geopolitical developments and trade negotiations that could influence future demand projections.
- Technical Outlook**
- Stochastic is trying to cross lower inside the overbought area.
 - Price is consolidating above the 20-period moving average.
 - This setup indicates potential for consolidation after recent gains.

Key Levels to Watch

Resistance: \$67.67; \$69.19
Support: \$65.61; \$64.18

Conclusion

WTI crude oil's position at \$66.26 represents a solid technical foundation, with the commodity maintaining momentum above the 20-period moving average. The Stochastic indicator's attempt to cross lower inside overbought territory suggests potential for near-term consolidation after recent gains. Immediate resistance at \$67.67 represents the next target, while support at \$65.61 should contain any pullbacks if risk sentiment remains constructive.

Key events for today and tomorrow (GMT+8):

Date	Time	Currency	Events	Forecast	Previous
3 July	14:30	CHF	CPI m/m	0.1%	0.1%
	20:30	USD	Average Hourly Earnings m/m	0.3%	0.4%
	20:30	USD	Non-Farm Employment Change	120K	139K
	20:30	USD	Unemployment Rate	4.3%	4.2%
	22:00	USD	ISM Services PMI	50.8	49.9
4 July	All Day	USD	Bank Holiday		