

TECHNICAL A N A L Y S I S R E P O R T

EUR/USD

JULY

4

2025

Previous Session Overview EUR/USD moved lower on Thursday, reaching below the previous support levels. The pair is currently trading at 1.1771.

FRIDAY,



Market Outlook

EUR/USD suffered a sharp reversal from year-to-date peaks above 1.1800, tumbling toward the 1.1700 support zone as the Dollar surged to multi-day highs following blockbuster US employment data. Thursday's Nonfarm Payrolls report delivered a stunning beat, showing 147,000 jobs added versus 110,000 expected, while unemployment unexpectedly dropped to 4.1% against forecasts for a rise to 4.3%. This stark contrast to Wednesday's dismal ADP reading XX33,000) highlighted the resilience of America's labour market and triggered a dramatic repricing of Federal Reserve policy expectations. Fed funds futures now price a mere 5% chance of July rate cuts, down from 23% earlier in the week. Argent Capital's Jed Ellerbroek emphasized that "there's no way the Fed's cutting rates in July, and it's a question mark as to whether rates are cut at all this year." The Dollar Index rocketed to weekly peaks near 97.40, recovering sharply from multi-year lows below 97.00. With US markets shuttered for Independence Day, focus shifts to European releases including German Factory Orders, HCOB Construction PMI data, and speeches from ECB officials Lagarde and Elderson.

Technical Outlook

- Stochastic is trying to cross higher near the oversold area.
- Price is consolidating around the 20-period moving average.
- This suggests potential for technical bounce from current levels despite fundamental headwinds.

Key Levels to Watch

Resistance: 1.1816; 1.1868 Support: 1.1730; 1.1682

Conclusion

EUR/USD faces intense pressure following robust US employment data, with the pair at 1.1771 testing critical 1.1730 support after rejection from yearly highs. The Stochastic indicator's oversold positioning suggests potential for technical rebound, though the fundamental shift in Fed expectations creates substantial headwinds. The 20-period moving average represents a crucial battleground for determining whether this constitutes a deeper correction or temporary setback. European data and ECB communications will drive direction during holiday-thinned trading.

GOLD (XAU/USD)

Previous Session Overview

Gold moved lower on Thursday, reaching below the previous support levels. The precious metal is currently trading at \$3,336.78.



19 Jun 2025 20 Jun 09:00 23 Jun 17:00 25 Jun 01:00 26 Jun 09:00 27 Jun 17:00 1 Jul 01:00 2 Jul 09:00 3 Jul 17:00

Market Outlook

Gold tumbled back toward the \$3,300 threshold as the Dollar's dramatic resurgence and surging Treasury yields created a hostile environment for the non-yielding precious metal. Thursday's employment blockbuster completely reversed earlier dovish Fed expectations, with rate cut probabilities for July collapsing from 23% to just 5% in a matter of days. The precious metal's retreat from the \$3,364 peak demonstrates its acute sensitivity to monetary policy shifts and Dollar dynamics. Rising opportunity costs from higher yields and a strengthening Greenback have combined to pressure gold's appeal as an alternative store of value. The technical picture has deteriorated significantly from earlier optimism when gold was challenging \$3,390 resistance levels. However, the metal maintains substantial elevation above the post-ceasefire lows, suggesting underlying safe-haven demand persists amid ongoing trade uncertainties and geopolitical tensions. With US markets closed for Independence Day, trading volumes will remain subdued, potentially limiting price volatility unless fresh trade developments or geopolitical events emerge. Market participants continue monitoring the July 9 tariff deadline and potential breakthrough negotiations that could influence safe-haven flows.

Technical Outlook

- Stochastic is trying to cross higher near the oversold area.
- Price is consolidating around the 20-period moving average.
- This suggests potential for stabilization despite recent selling pressure.

Key Levels to Watch

Resistance: \$3,345.35; \$3,364.22 Support: \$3,314.50; \$3,295.62

Conclusion

Gold's position at \$3,336.78 reflects the market's dramatic adjustment to diminished Fed easing expectations following stellar employment data. The Stochastic indicator's oversold positioning suggests potential for stabilization, while price action around the 20-period moving average indicates a critical technical inflection point. Support at \$3,314.50 will be vital for preventing deeper losses toward \$3,295.62, while any recovery must overcome resistance at \$3,345.35. Holiday-shortened trading may contain volatility today.

GBP/USD				
Previous Session Overview				
GBP/USD consolidated on Thursday, staying between the previous support and resistance levels. The p currently trading at 1.3661.	oair is			
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19 Jun 2025 20 Jun 08:00 23 Jun 16:00 25 Jun 00:00 26 Jun 08:00 27 Jun 16:00 1 Jul 00:00 2 Jul 08:00 3 Jul 16:00

Market Outlook

GBP/USD staged a notable recovery above the 1.3600 threshold despite persistent Dollar strength and ongoing UK political anxieties, demonstrating Sterling's relative resilience compared to other major currencies. The Pound's outperformance versus the Euro suggests that divergent central bank expectations continue supporting the currency, with the Bank of England anticipated to maintain a more hawkish stance than peers despite Thursday's jobs data narrowing Fed-BoE policy divergence. However, domestic political uncertainties surrounding fiscal policy continue creating headwinds that prevent Sterling from fully capitalizing on earlier Dollar weakness. These political concerns have emerged as a key differentiating factor between GBP/USD and other major pairs. Today's economic releases include S&P Global Construction PMI and New Car Sales data, which while typically secondary indicators, could provide insights into economic health amid political and economic conditions. With US markets closed for Independence Day, reduced liquidity could amplify price volatility, making any political developments or unexpected data releases potentially market-moving for the Pound.

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Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating around the 20-period moving average.
- This suggests recovery momentum despite broader Dollar strength.

Key Levels to Watch

Resistance: 1.3729; 1.3790 Support: 1.3579; 1.3521

Conclusion

GBP/USD at 1.3661 demonstrates notable resilience against broader Dollar strength and domestic political concerns. The Stochastic indicator's advance toward overbought territory reflects renewed buying interest, while price consolidation around the 20-period moving average suggests potential for further gains. The pair's ability to maintain above 1.3600 and challenge resistance at 1.3729 will determine whether this represents genuine reversal or temporary correction.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Thursday, reaching above the previous resistance levels. The index is currently trading at 6263.31.



18 Jun 2025 20 Jun 05:00 23 Jun 13:00 24 Jun 21:00 26 Jun 05:00 27 Jun 13:00 30 Jun 21:00 2 Jul 05:00 3 Jul 13:00

Market Outlook

Wall Street erupted to fresh record territory on Thursday, with the S&P 500 rocketing 0.83% to 6,279.35 and the Nasdaq surging 1.02% to 20,601.10 following stellar employment data that reinforced economic resilience amid trade policy turbulence. The Dow Jones climbed 344 points to 44,828.53, demonstrating broad-based strength across all major indices. The employment blockbuster showing 147,000 jobs added versus 110,000 expected, plus unemployment dropping to 4.1% against 4.3% forecasts, effectively eliminated July Fed rate cut expectations with futures now pricing just 5% probability. This monetary policy clarity has been welcomed by investors, reducing uncertainty about the Fed's path and confirming the economy can manage current rate levels. Argent Capital's Jed Ellerbroek noted that while "we will see a real tariff impact for a lot of businesses, the market is going to digest that without too much trouble," reflecting growing optimism about navigating trade policy changes. Thursday featured abbreviated trading, with markets shuttered today for Independence Day. All major indices posted strong weekly gains, with the S&P 500 and Nasdaq up 1.7% and 1.6% respectively, while the Dow surged 2.3%. The combination of economic strength, policy clarity, and trade deal progress continues supporting equity valuations.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is moving higher above the 20-period moving average.
- This setup indicates continued strong bullish momentum.

Key Levels to Watch

Resistance: 6290.36; 6347.17 Support: 6229.88; 6169.41

Conclusion

The S&P 500 at 6263.31 demonstrates exceptional strength near record territory and confirms market resilience amid various challenges. The Stochastic indicator's overbought positioning reflects sustained buying momentum, while the index's elevation well above the 20-period moving average validates the bullish trend. With US markets closed for Independence Day, the next test arrives when trading resumes, though technical and fundamental backdrops remain highly supportive for continued gains.

USO/USD (WTI Crude Oil)

Previous Session Overview

USO/USD consolidated on Thursday, staying between the previous support and resistance levels. The commodity is currently trading at \$66.17.



18 Jun 2025 20 Jun 05:00 23 Jun 13:00 24 Jun 21:00 26 Jun 05:00 27 Jun 13:00 30 Jun 21:00 2 Jul 05:00 3 Jul 13:00

Market Outlook

WTI crude surrendered modest ground near the \$67.00 level, relinquishing portions of recent gains as profit-taking emerged following the advance above \$66.00. The pullback reflects the stronger Dollar's impact following robust US employment data, as commodity prices typically face pressure when the Greenback strengthens and makes resources more expensive for international buyers. Reduced Fed easing expectations following the jobs blockbuster also removes some monetary stimulus hopes that had supported commodity prices earlier in the week. The energy complex confronts mixed signals, with positive equity performance suggesting healthy demand prospects while Dollar strength and diminished Fed dovishness create headwinds. The Trump-Vietnam trade agreement announced earlier provided general risk asset support, though oil-specific fundamentals remain balanced between supply increases and demand uncertainties. OPEC+ production additions continue representing medium-term supply pressure, while the approaching July 9 tariff deadline maintains uncertainty about global economic growth and energy consumption patterns. With US markets closed for Independence Day, reduced liquidity may amplify price volatility, making any trade developments or geopolitical events potentially more impactful than usual.

Technical Outlook

- Stochastic moved lower from overbought but currently held in the middle area.
- Price is consolidating above the 20-period moving average.
- This suggests healthy correction while maintaining overall bullish structure.

Key Levels to Watch

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

Conclusion

WTI crude oil at \$66.17 represents healthy consolidation after recent advances, with the commodity maintaining position above the 20-period moving average. The Stochastic indicator's retreat from overbought levels provides scope for renewed gains once current consolidation completes. Immediate support at \$65.61 will be crucial for preserving the recent uptrend, while resistance at \$67.67 represents the next target if bullish momentum resumes. Holiday trading may produce reduced volumes and choppy price action.

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

Date	Time	Currency	Events
4 July	All Day	USD	Bank Holiday
5 July	23:45	GBP	BOE Gov Bailey Speaks

Forecast Previous

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