

TECHNICAL

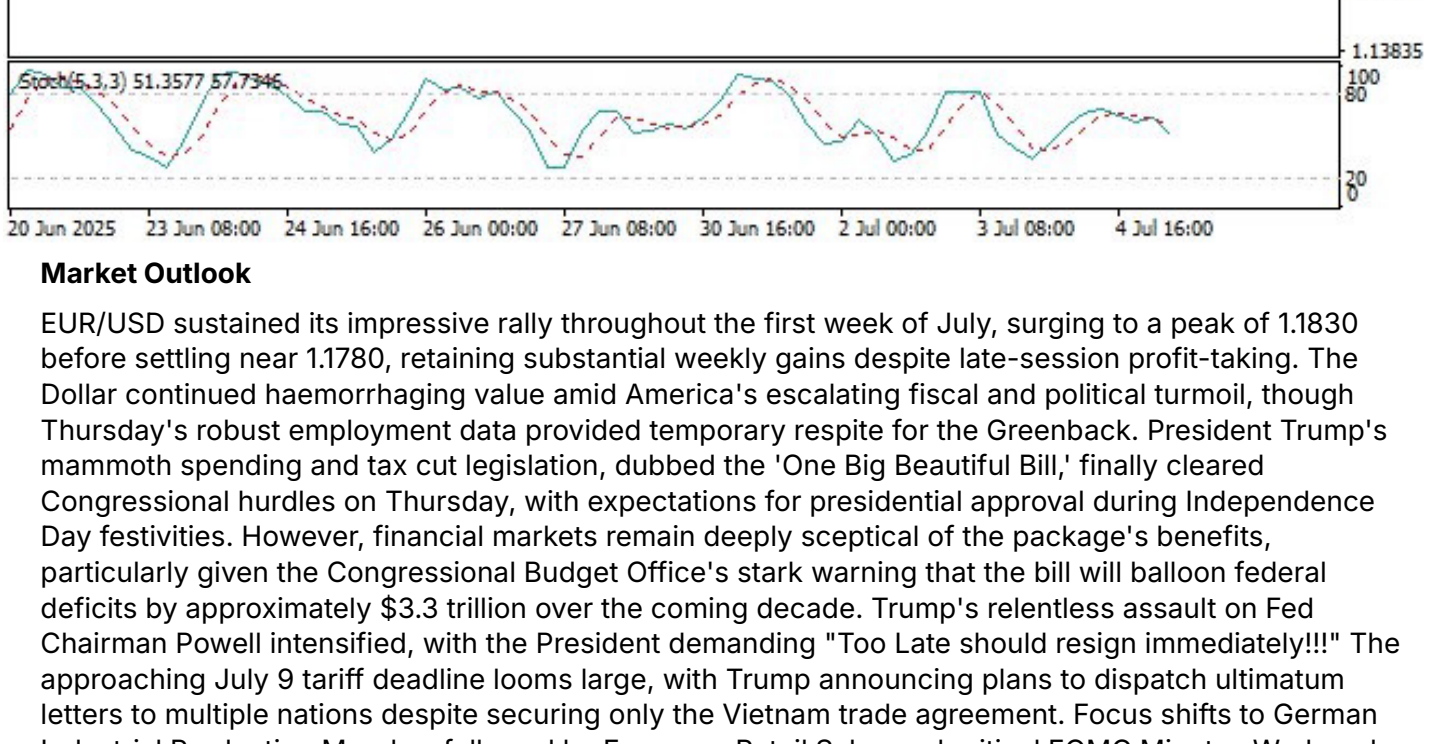
ANALYSIS REPORT

MONDAY, JULY 07 2025

EUR/USD

» Previous Session Overview

EUR/USD consolidated on Friday, staying between the previous support and resistance levels. The pair is currently trading at 1.1770.

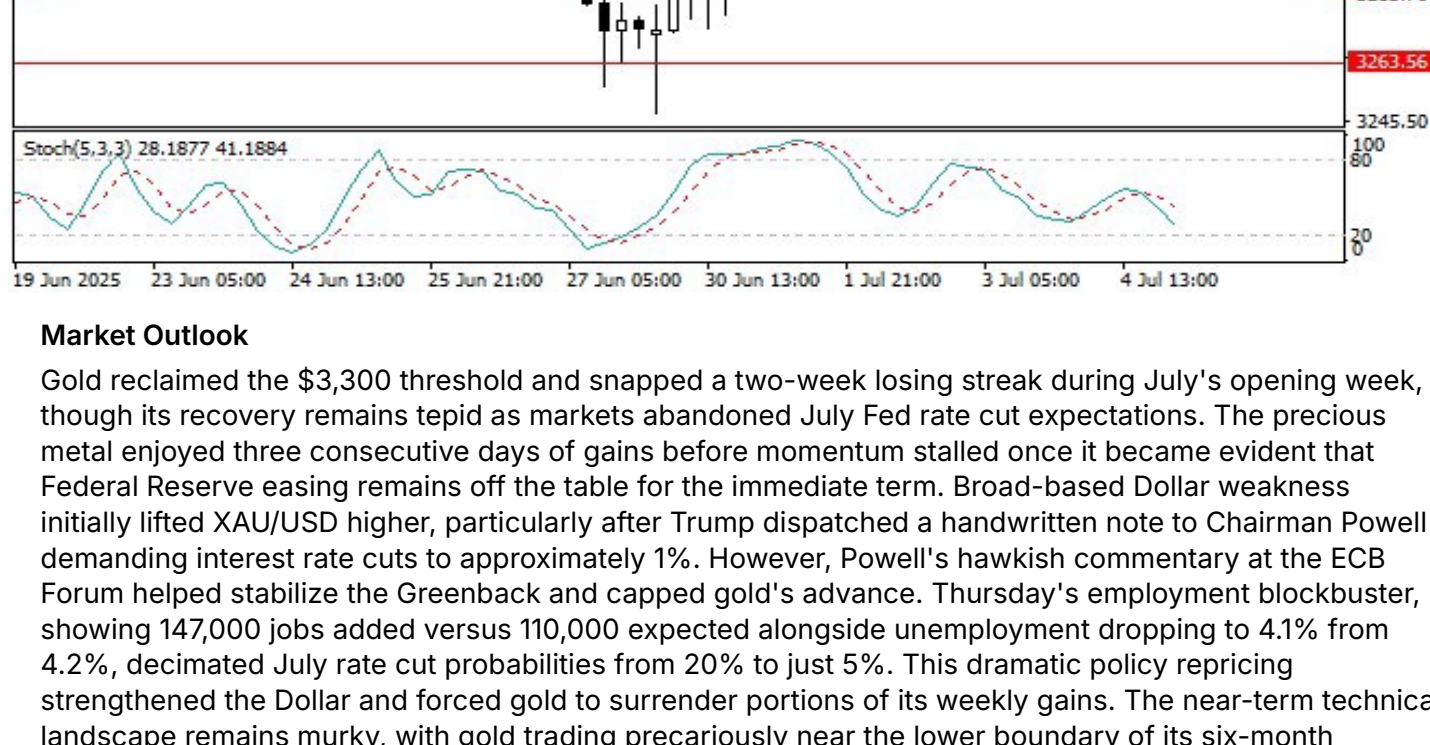


- Market Outlook**
- EUR/USD sustained its impressive rally throughout the first week of July, surging to a peak of 1.1830 before settling near 1.1780, retaining substantial weekly gains despite late-session profit-taking. The Dollar continued haemorrhaging value amid America's escalating fiscal and political turmoil, though Thursday's robust employment data provided temporary respite for the Greenback. President Trump's mammoth spending and tax cut legislation, dubbed the 'One Big Beautiful Bill,' finally cleared Congressional hurdles on Thursday, with expectations for presidential approval during Independence Day festivities. However, financial markets remain deeply sceptical of the package's benefits, particularly given the Congressional Budget Office's stark warning that the bill will balloon federal deficits by approximately \$3.3 trillion over the coming decade. Trump's relentless assault on Fed Chairman Powell intensified, with the President demanding "Too Late should resign immediately!!!" The approaching July 9 tariff deadline looms large, with Trump announcing plans to dispatch ultimatum letters to multiple nations despite securing only the Vietnam trade agreement. Focus shifts to German Industrial Production Monday, followed by Eurozone Retail Sales and critical FOMC Minutes Wednesday.
- Technical Outlook**
- Stochastic is consolidating in the middle area.
 - Price is consolidating around the 20-period moving average.
 - This setup indicates healthy consolidation after strong gains with potential for further upside.
- Key Levels to Watch**
- Resistance: 1.1816; 1.1868
Support: 1.1730; 1.1682
- Conclusion**
- EUR/USD's consolidation around 1.1770 represents a healthy pause after reaching multi-year highs, with the pair maintaining its bullish structure above the 20-period moving average. The Stochastic indicator's neutral position suggests room for movement in either direction, though the fundamental backdrop remains supportive for the Euro. The approaching tariff deadline and FOMC Minutes will be crucial catalysts, with potential for extension toward 1.1868 if Dollar weakness resumes or retreat to 1.1730 if trade tensions ease.

GOLD

» Previous Session Overview

Gold consolidated on Friday, staying between the previous support and resistance levels. The precious metal is currently trading at \$3,310.60.

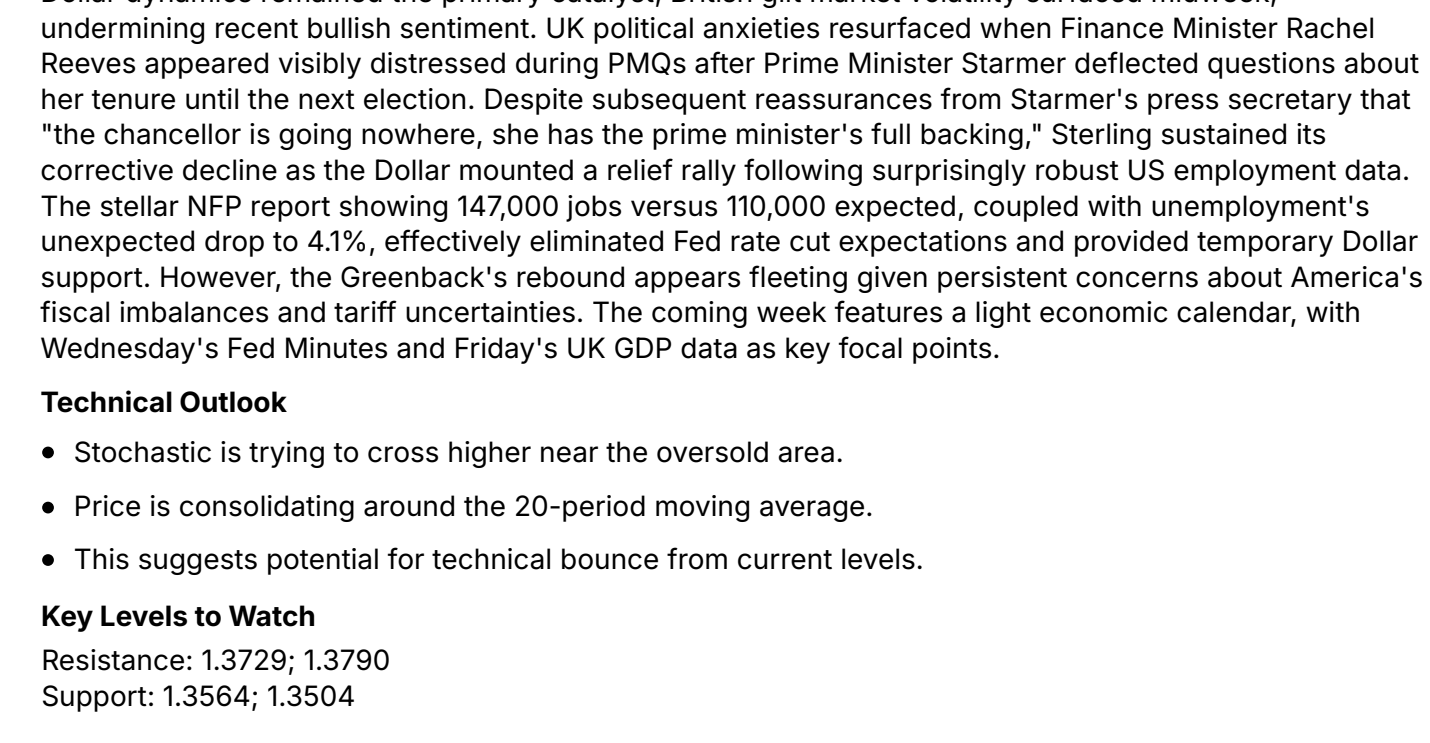


- Market Outlook**
- Gold reclaimed the \$3,300 threshold and snapped a two-week losing streak during July's opening week, though its recovery remains tepid as markets abandoned July Fed rate cut expectations. The precious metal enjoyed three consecutive days of gains before momentum stalled once it became evident that Federal Reserve easing remains off the table for the immediate term. Broad-based Dollar weakness initially lifted XAU/USD higher, particularly after Trump dispatched a handwritten note to Chairman Powell demanding interest rate cuts to approximately 1%. However, Powell's hawkish commentary at the ECB Forum helped stabilize the Greenback and capped gold's advance. Thursday's employment blockbuster, showing 147,000 jobs added versus 110,000 expected alongside unemployment dropping to 4.1% from 4.2%, decimated July rate cut probabilities from 20% to just 5%. This dramatic policy repricing strengthened the Dollar and forced gold to surrender portions of its weekly gains. The near-term technical landscape remains murky, with gold trading precariously near the lower boundary of its six-month ascending channel at \$3,330. Trade negotiations ahead of the July 9 deadline will prove pivotal, while reports suggest Hamas is edging closer to accepting a Gaza ceasefire, with Netanyahu scheduled to meet Trump on July 6.
- Technical Outlook**
- Stochastic is consolidating in the middle area.
 - Price is consolidating around the 20-period moving average.
 - This suggests potential for stabilization, but underlying momentum remains uncertain.
- Key Levels to Watch**
- Resistance: \$3,339.85; \$3,364.22
Support: \$3,288.84; \$3,263.56
- Conclusion**
- Gold's consolidation around \$3,310.60 reflects the market's adjustment to reduced Fed easing expectations following strong employment data. The Stochastic indicator's neutral position and price action around the 20-period moving average indicate a lack of clear directional bias. Trade developments ahead of the July 9 deadline will be crucial, with potential for safe-haven demand if negotiations fail or renewed selling pressure if deals are reached. Support at \$3,288.84 will be key for maintaining the current consolidation.

GBP/USD

» Previous Session Overview

GBP/USD consolidated on Friday, staying between the previous support and resistance levels. The pair is currently trading at 1.3627.

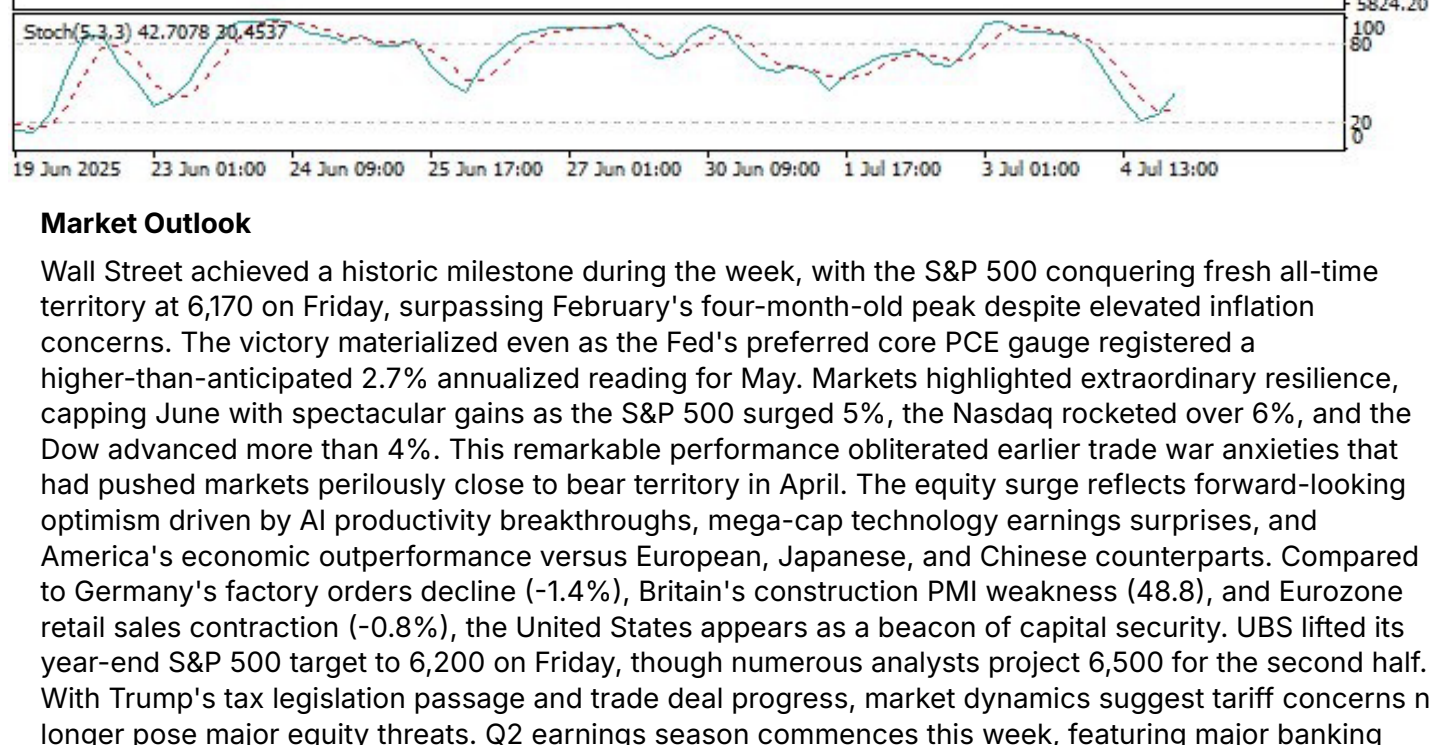


- Market Outlook**
- Sterling extended its remarkable recovery journey, striking its loftiest level since October 2021 against the Dollar before profit-taking emerged, driving GBP/USD back toward the 1.3650 territory. After a spectacular two-week surge, bullish momentum finally showed signs of exhaustion as buyers stepped aside. While Dollar dynamics remained the primary catalyst, British gilt market volatility surfaced midweek, undermining recent bullish sentiment. UK political anxieties resurfaced when Finance Minister Rachel Reeves appeared visibly distressed during PMQs after Prime Minister Starmer deflected questions about her tenure until the next election. Despite subsequent reassurances from Starmer's press secretary that "the chancellor is going nowhere, she has the prime minister's full backing," Sterling sustained its corrective decline as the Dollar mounted a relief rally following surprisingly robust US employment data. The stellar NFP report showing 147,000 jobs versus 110,000 expected, coupled with unemployment's unexpected drop to 4.1%, effectively eliminated Fed rate cut expectations and provided temporary Dollar support. However, the Greenback's rebound appears fleeting given persistent concerns about America's fiscal imbalances and tariff uncertainties. The coming week features a light economic calendar, with Wednesday's Fed Minutes and Friday's UK GDP data as key focal points.
- 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.
- Key Levels to Watch**
- Resistance: 1.3729; 1.3790
Support: 1.3564; 1.3504
- Conclusion**
- GBP/USD's consolidation around 1.3627 represents a natural pause after testing four-year highs, with the Stochastic indicator's position near oversold levels suggesting potential for a technical bounce. The pair's ability to maintain levels around the 20-period moving average keeps the overall bullish structure intact. Critical support at 1.3564 must hold to prevent deeper correction, while resistance at 1.3729 represents the next hurdle for any recovery attempt. UK political developments and trade deadline outcomes will be key drivers.

SPX/USD (S&P 500)

» Previous Session Overview

The S&P 500 consolidated on Friday, staying between the previous support and resistance levels. The index is currently trading at 6253.31.

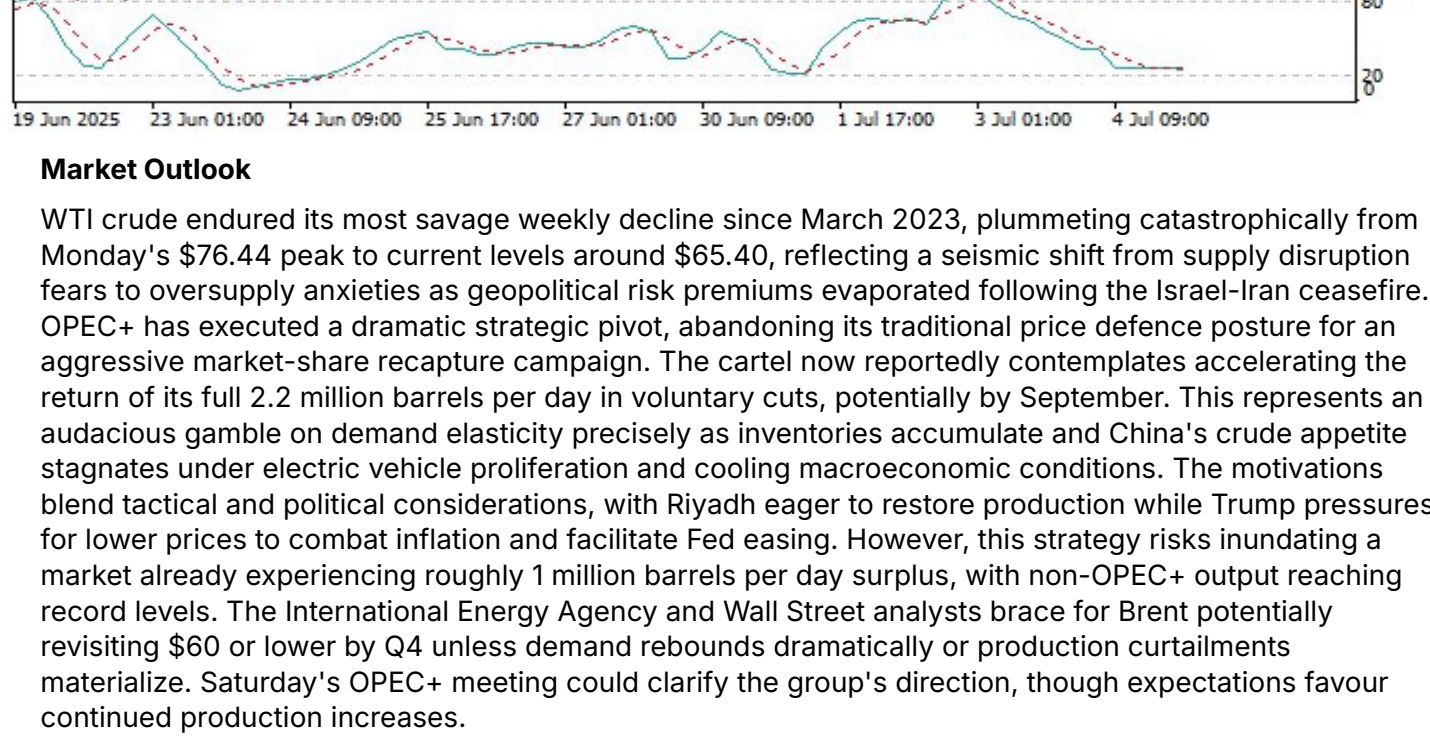


- Market Outlook**
- Wall Street achieved a historic milestone during the week, with the S&P 500 conquering fresh all-time territory at 6,170 on Friday, surpassing February's four-month-old peak despite elevated inflation concerns. The victory materialized even as the Fed's preferred core PCE gauge registered a higher-than-anticipated 2.7% annualized reading for May. Markets highlighted extraordinary resilience, capping June with spectacular gains as the S&P 500 surged 5%, the Nasdaq rocketed over 6%, and the Dow advanced more than 4%. This remarkable performance obliterated earlier trade war anxieties that had pushed markets perilously close to bear territory in April. The equity surge reflects forward-looking optimism driven by AI productivity breakthroughs, mega-cap technology earnings surprises, and America's economic outperformance versus European, Japanese, and Chinese counterparts. Compared to Germany's factory orders decline (-1.4%), Britain's construction PMI weakness (48.8), and Eurozone retail sales contraction (-0.8%), the United States appears as a beacon of capital security. UBS lifted its year-end S&P 500 target to 6,200 on Friday, though numerous analysts project 6,500 for the second half. With Trump's tax legislation passage and trade deal progress, market dynamics suggest tariff concerns no longer pose major equity threats. Q2 earnings season commences this week, featuring major banking reports from JPMorgan and Wells Fargo.
- Technical Outlook**
- Stochastic is trying to cross higher near the oversold area.
 - Price is consolidating above the 20-period moving average.
 - This suggests healthy pullback with potential for resumed uptrend.
- Key Levels to Watch**
- Resistance: 6290.36; 6347.17
Support: 6194.56; 6136.74
- Conclusion**
- The S&P 500's consolidation after reaching record highs demonstrates healthy price action, with the index maintaining its position above the 20-period moving average. The Stochastic indicator's attempt to cross higher from oversold levels suggests potential for renewed upside momentum. Strong fundamental support from improving earnings, stable inflation expectations, and positive trade developments underpin the bullish outlook. Immediate resistance at 6290.36 represents the next target, with significant support at 6194.56 containing any meaningful pullback.

USO/USD (WTI Crude Oil)

» Previous Session Overview

USO/USD consolidated on Friday, staying between the previous support and resistance levels. The commodity is currently trading at \$65.25.



- Market Outlook**
- WTI crude endured its most savage weekly decline since March 2023, plummeting catastrophically from Monday's \$76.44 peak to current levels around \$65.40, reflecting a seismic shift from supply disruption fears to oversupply anxieties as geopolitical risk premiums evaporated following the Israel-Iran ceasefire. OPEC+ has executed a dramatic strategic pivot, abandoning its traditional price defence posture for an aggressive market-share recapture campaign. The cartel now reportedly contemplates accelerating the return of its full 2.2 million barrels per day in voluntary cuts, potentially by September. This represents an audacious gamble on demand elasticity precisely as inventories accumulate and China's crude appetite stagnates under electric vehicle proliferation and cooling macroeconomic conditions. The motivations blend tactical and political considerations, with Riyadh eager to restore production while Trump pressures for lower prices to combat inflation and facilitate Fed easing. However, this strategy risks inundating a market already experiencing roughly 1 million barrels per day surplus, with non-OPEC+ output reaching record levels. The International Energy Agency and Wall Street analysts brace for Brent potentially revisiting \$60 or lower by Q4 unless demand rebounds dramatically or production curtailments materialize. Saturday's OPEC+ meeting could clarify the group's direction, though expectations favour continued production increases.
- 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 severely oversold conditions.
- Key Levels to Watch**
- Resistance: \$67.26; \$69.23
Support: \$64.08; \$62.15
- Conclusion**
- WTI crude oil's consolidation around \$65.25 represents an attempt to find equilibrium after the dramatic sell-off, with the Stochastic indicator's position near oversold levels suggesting potential for a technical bounce. However, fundamental headwinds from OPEC+ supply increases and weakening demand outlook continue to challenge any meaningful recovery. Immediate support at \$64.08 will be crucial for preventing a deeper decline toward \$62.15, while any recovery faces significant resistance at \$67.26. The path of least resistance remains lower unless OPEC+ surprises with production restraint or demand signals improve dramatically.

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

Date	Time	Currency	Events	Forecast	Previous
7 July			No key events for today		
8 July	12:30	AUD	Cash Rate	3.60%	3.85%
	12:30	AUD	RBA Rate Statement		
	12:30	AUD	RBA Press Conference		