

TECHNICAL

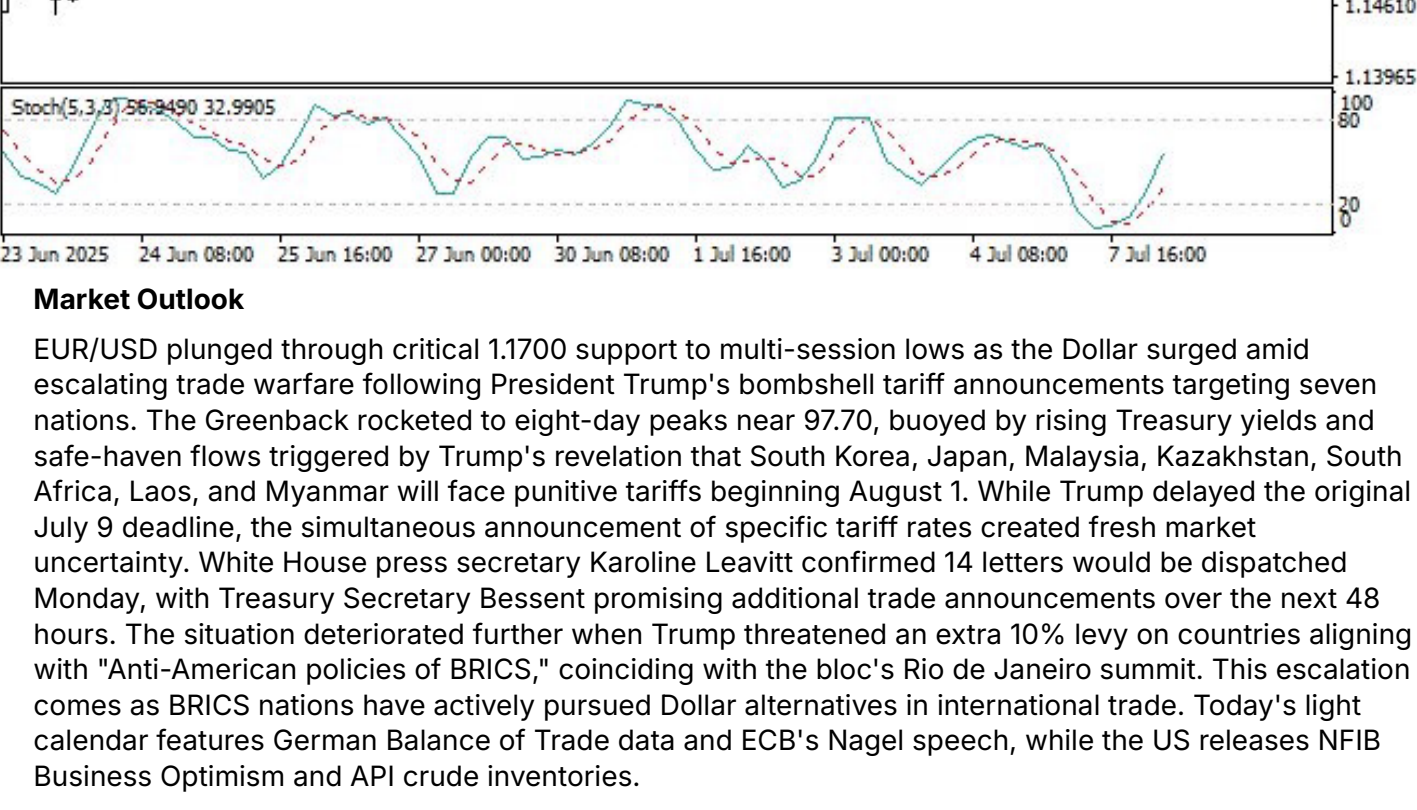
ANALYSIS REPORT

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EUR/USD

Previous Session Overview

EUR/USD moved lower on Monday, reaching below the previous support levels. The pair is currently trading at 1.1746.



Market Outlook

EUR/USD plunged through critical 1.1700 support to multi-session lows as the Dollar surged amid escalating trade warfare following President Trump's bombshell tariff announcements targeting seven nations. The Greenback rocketed to eight-day peaks near 97.70, buoyed by rising Treasury yields and safe-haven flows triggered by Trump's revelation that South Korea, Japan, Malaysia, Kazakhstan, South Africa, Laos, and Myanmar will face punitive tariffs beginning August 1. While Trump delayed the original July 9 deadline, the simultaneous announcement of specific tariff rates created fresh market uncertainty. White House press secretary Karoline Leavitt confirmed 14 letters would be dispatched Monday, with Treasury Secretary Bessent promising additional trade announcements over the next 48 hours. The situation deteriorated further when Trump threatened an extra 10% levy on countries aligning with "Anti-American policies of BRICS," coinciding with the bloc's Rio de Janeiro summit. This escalation comes as BRICS nations have actively pursued Dollar alternatives in international trade. Today's light calendar features German Balance of Trade data and ECB's Nagel speech, while the US releases NFIB Business Optimism and API crude inventories.

Technical Outlook

- Stochastic moved higher from the oversold area.
- Price is consolidating around the 20-period moving average.
- This setup suggests potential for stabilization after recent decline.

Key Levels to Watch

Resistance: 1.1816; 1.1868

Support: 1.1685; 1.1631

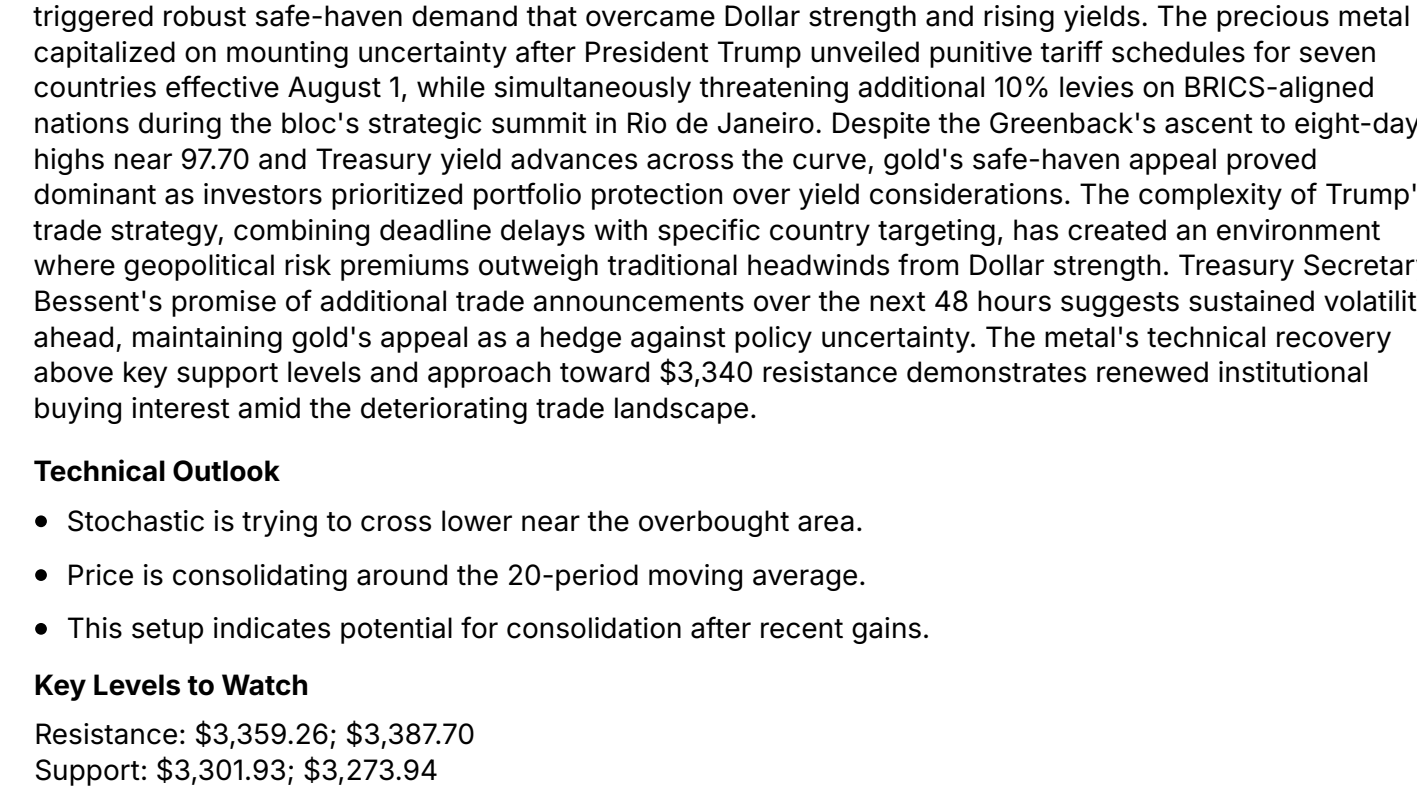
Conclusion

EUR/USD at 1.1746 shows signs of stabilization after breaking below 1.1700 support, with the Stochastic indicator's recovery from oversold territory and price consolidation around the 20-period moving average suggesting potential for technical bounce. However, the broader trade tension backdrop continues to create headwinds for risk sentiment. Immediate support at 1.1685 will be crucial for preventing further decline toward 1.1631. Any recovery faces significant resistance at 1.1816, with the pair's ability to reclaim 1.1700 needed to restore bullish momentum.

GOLD (XAU/USD)

Previous Session Overview

Gold moved higher on Monday, reaching near the previous resistance levels. The precious metal is currently trading at \$3,331.76.



Market Outlook

Gold defied initial bearish pressure and surged toward the \$3,340 threshold as escalating trade hostilities triggered robust safe-haven demand that overcame Dollar strength and rising yields. The precious metal capitalized on mounting uncertainty after President Trump unveiled punitive tariff schedules for seven countries effective August 1, while simultaneously threatening additional 10% levies on BRICS-aligned nations during the bloc's strategic summit in Rio de Janeiro. Despite the Greenback's ascent to eight-day highs near 97.70 and Treasury yield advances across the curve, gold's safe-haven appeal proved dominant as investors prioritized portfolio protection over yield considerations. The complexity of Trump's trade strategy, combining deadline delays with specific country targeting, has created an environment where geopolitical risk premiums outweigh traditional headwinds from Dollar strength. Treasury Secretary Bessent's promise of additional trade announcements over the next 48 hours suggests sustained volatility ahead, maintaining gold's appeal as a hedge against policy uncertainty. The metal's technical recovery above key support levels and approach toward \$3,340 resistance demonstrates renewed institutional buying interest amid the deteriorating trade landscape.

Technical Outlook

- Stochastic is trying to cross lower near the overbought area.
- Price is consolidating around the 20-period moving average.
- This setup indicates potential for consolidation after recent gains.

Key Levels to Watch

Resistance: \$3,359.26; \$3,387.70

Support: \$3,301.93; \$3,273.94

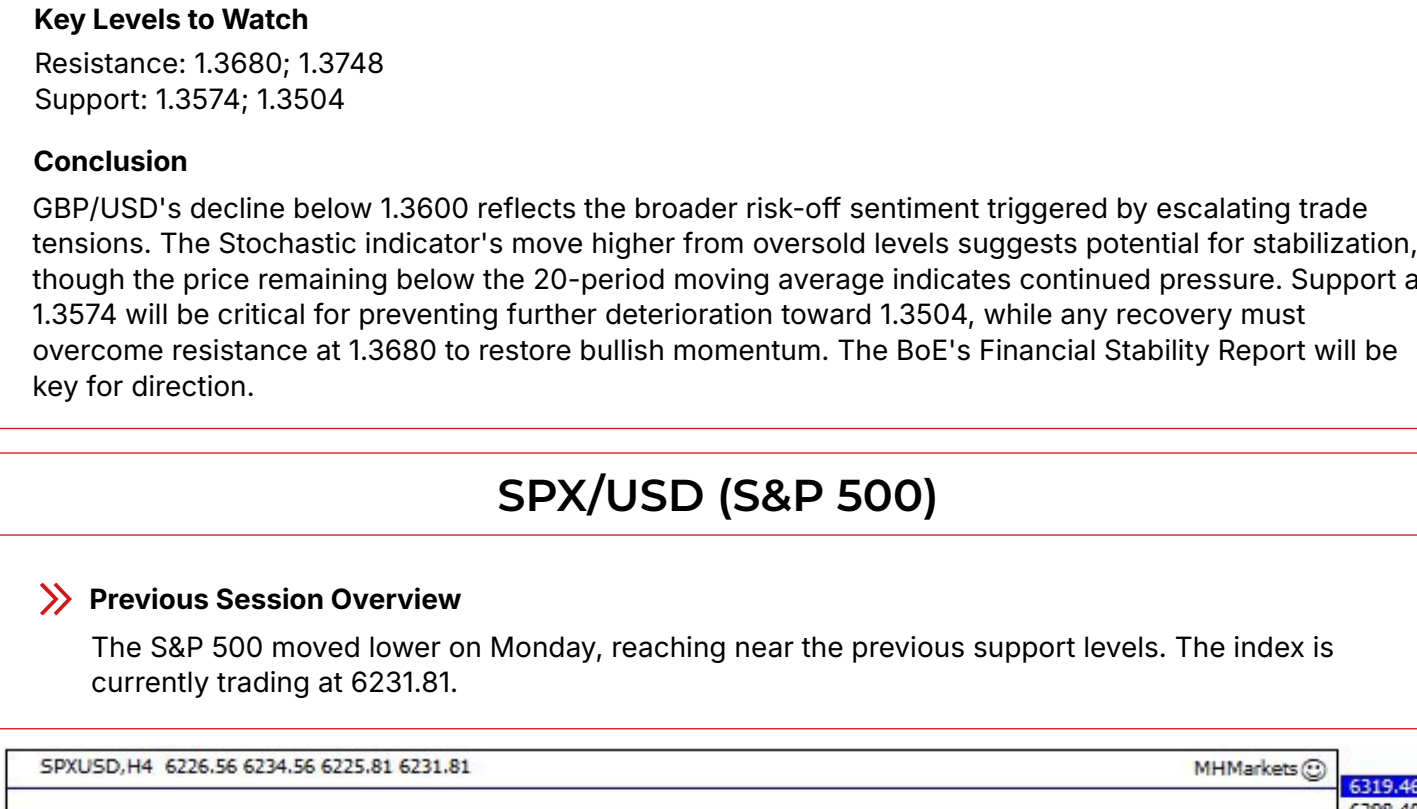
Conclusion

Gold's recovery toward \$3,340 demonstrates the metal's resilience as a safe-haven asset amid escalating trade tensions. The Stochastic indicator's move toward overbought territory reflects renewed buying interest, while price action above the 20-period moving average confirms the bullish momentum. Immediate resistance at \$3,359.26 represents the next target, with potential for extension toward \$3,387.70 if trade concerns intensify. Support at \$3,301.93 should contain any profit-taking, though the fundamental backdrop of trade uncertainty remains supportive for higher prices.

GBP/USD

Previous Session Overview

GBP/USD moved lower on Monday, reaching near the previous support levels. The pair is currently trading at 1.3632.



Market Outlook

GBP/USD succumbed to broad risk-off sentiment, retreating below the 1.3600 threshold as President Trump's tariff offensive triggered widespread Dollar strength and flight-to-safety flows. Sterling's decline occurred despite the UK's privileged position in Trump's trade hierarchy compared to other major economies, highlighting how global uncertainty can overwhelm regional advantages. The complex nature of Trump's trade strategy, featuring both deadline delays and simultaneous escalation through specific country targeting, has created an environment where risk currencies face indiscriminate selling pressure. The additional threat of 10% tariffs on BRICS-aligned nations compounds uncertainty about global trade architecture, weighing on currencies perceived as sensitive to international commerce disruptions. Sterling's technical breakdown below 1.3600 represents a significant shift from recent strength, with the level having previously provided reliable support during consolidation phases. Tomorrow's Bank of England Financial Stability Report takes on heightened importance given the deteriorating trade environment, with markets eager for the central bank's assessment of global trade risks and their potential transmission to UK financial stability. The BoE's commentary could prove pivotal for Sterling sentiment amid the current uncertainty.

Technical Outlook

- Stochastic moved higher from the oversold area.
- Price is consolidating around the 20-period moving average.
- This suggests potential for stabilization despite broader risk-off sentiment.

Key Levels to Watch

Resistance: 1.3680; 1.3748

Support: 1.3574; 1.3504

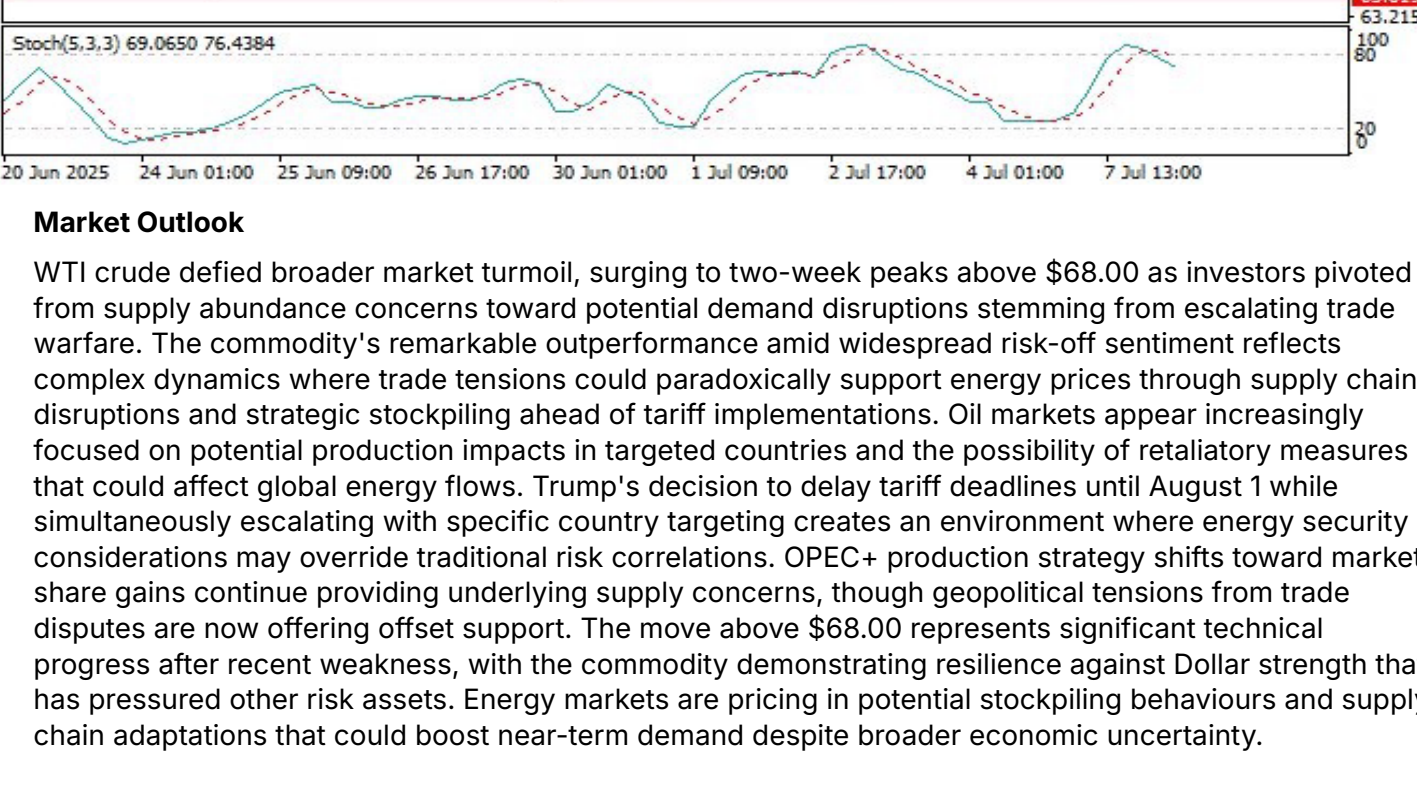
Conclusion

GBP/USD's decline below 1.3600 reflects the broader risk-off sentiment triggered by escalating trade tensions. The Stochastic indicator's move higher from oversold levels suggests potential for stabilization, though the price remaining below the 20-period moving average indicates continued pressure. Support at 1.3574 will be critical for preventing further deterioration toward 1.3504, while any recovery must overcome resistance at 1.3680 to restore bullish momentum. The BoE's Financial Stability Report will be key for the direction.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved lower on Monday, reaching near the previous support levels. The index is currently trading at 6231.81.



Market Outlook

Wall Street endured a brutal session as trade war anxieties demolished recent optimism, with the Dow plummeting 422 points (-0.94%) to 44,406, the S&P 500 sliding 0.79% to 6,229, and the Nasdaq tumbling 0.92% to 20,412 in their worst performance since mid-June. The carnage intensified during afternoon trading following Trump's revelation that seven countries face steep tariffs from August 1, delivered via signed form letters to South Korea, Japan, Malaysia, Kazakhstan, South Africa, Laos, and Myanmar leaders. Asian automotive giants bore the brunt of punishment, with Toyota crashing 4% and Honda diving 3.9%, while technology behemoths including Apple and Alphabet shed over 1% as growth sectors faced indiscriminate selling. Tesla amplified market distress, plunging nearly 7% after CEO Elon Musk announced his intention to launch the "America Party," raising fresh concerns about political distractions impacting the company's core business. AMD haemorrhaged over 2% while even AI darling Nvidia struggled to maintain gains. Argent Capital's Jed Ellerbrock captured market sentiment perfectly: "Given that we've got this optimistic view — the markets are at record highs — tariff talk is not going to be helpful. The more we're talking about tariffs, the less happy the market is." Treasury Secretary Bessent's promise of additional trade announcements over 48 hours suggests continued turbulence ahead.

Technical Outlook

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

Key Levels to Watch

Resistance: 6277.19; 6319.46

Support: 6171.89; 6131.08

Conclusion

The S&P 500's sharp decline to 6,222 represents a significant shift from recent record highs, with the index breaking below the 20-period moving average amid broad-based selling. The Stochastic indicator's move toward oversold territory reflects the intensity of the selling pressure, though historical patterns suggest potential for stabilization at these levels. Immediate support at 6171.89 will be crucial for preventing deeper declines toward 6131.08. Any recovery faces significant resistance at 6277.19, with the market likely to remain volatile until trade uncertainty diminishes.

USO/USD (WTI Crude Oil)

Previous Session Overview

USO/USD moved higher on Monday, reaching near the previous resistance levels. The commodity is currently trading at \$68.80.

Market Outlook

WTI crude defied broader market turmoil, surging to two-week peaks above \$68.00 as investors pivoted from supply abundance concerns toward potential demand disruptions stemming from escalating trade warfare. The commodity's remarkable outperformance amid widespread risk-off sentiment reflects complex dynamics where trade tensions could paradoxically support energy prices through supply chain disruptions and strategic stockpiling ahead of tariff implementations. Oil markets appear increasingly focused on potential production impacts in targeted countries and the possibility of retaliatory measures that could affect global energy flows. Trump's decision to delay tariff deadlines until August 1 while simultaneously escalating with specific country targeting creates an environment where energy security considerations may override traditional risk correlations. OPEC+ production strategy shifts toward market share gains continue providing underlying supply concerns, though geopolitical tensions from trade disputes are now offering offset support. The move above \$68.00 represents significant technical progress after recent weakness, with the commodity demonstrating resilience against Dollar strength that has pressured other risk assets. Energy markets are pricing in potential stockpiling behaviours and supply chain adaptations that could boost near-term demand despite broader economic uncertainty.

Technical Outlook

- Stochastic is trying to cross lower near the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests potential for consolidation while maintaining bullish structure.

Key Levels to Watch

Resistance: \$68.03; \$69.23

Support: \$65.10; \$63.82

Conclusion

WTI crude oil's advance to \$66.95 demonstrates the commodity's resilience amid broader market volatility, with prices successfully establishing above the 20-period moving average. The Stochastic indicator's position in overbought territory suggests potential for consolidation, though the underlying factors of trade tensions and supply concerns continue to provide support. Immediate resistance at \$68.03 represents the next target, while support at \$65.10 should contain any near-term weakness. Oil's outperformance relative to other risk assets highlights the complex dynamics between trade tensions and energy market fundamentals.

Markets for today and tomorrow (GMT+8):

Date	Time	Currency	Events	Forecast	Previous
8 July	12:30	AUD	Cash Rate	3.60%	3.85%
	12:30	AUD	RBA Rate Statement		
	13:30	AUD	RBA Press Conference		
9 July	10:00	NZD	Official Cash Rate	3.25%	3.25%
	10:00	NZD	RBNZ Rate Statement		