

FECHNICAL IS RE

EUR/USD

2025

Previous Session Overview

ERIDAY

EUR/USD consolidated lower on Thursday, reaching near the previous support levels. The pair is currently trading at 1.1681.



Market Outlook

EUR/USD plunged to two-week troughs near 1.1660 on Thursday as the Dollar mounted a fierce comeback, bolstered by escalating trade tensions and mounting speculation about potential US-EU bilateral negotiations. The Greenback snapped two consecutive daily declines, surging higher following sustained trade friction and another robust weekly labour market reading that reinforced American economic resilience. Rising prospects for a comprehensive US-EU trade agreement have created paradoxical dynamics for the currency pair, where successful negotiations could benefit European economic prospects, yet current uncertainty and Dollar safe-haven flows continue pressuring EUR/USD lower. Trade warfare intensified dramatically as Trump unveiled a punitive 50% tariff on Brazil, explicitly citing retaliation for former President Jair Bolsonaro's trial alongside claims of "unfair trade relationships." Brazilian President Lula da Silva's swift commitment to reciprocal economic measures under Brazil's economic reciprocity legislation highlights the escalating tit-for-tat nature of current trade conflicts. This political weaponization of tariff policy extends beyond traditional economic considerations, demonstrating how geopolitical factors increasingly influence global commerce architecture. Today's attention shifts to Britain's comprehensive economic data release featuring GDP, trade balance, and production figures, while Germany's wholesale prices precede ECB's Cipollone speech, potentially offering European monetary policy insights amid the turbulent trade landscape.

Technical Outlook

- Stochastic is trying to cross higher near the oversold area.
- Price is moving lower below the 20-period moving average.
- This suggests potential for technical bounce but underlying bearish momentum remains.

Key Levels to Watch

Resistance: 1.1749; 1.1791 Support: 1.1631; 1.1592

Conclusion

EUR/USD's decline to 1.1681 represents significant technical deterioration, with the pair approaching critical support at 1.1631. The Stochastic indicator's attempt to cross higher from oversold territory suggests potential for a technical bounce, though the price moving lower below the 20-period moving average indicates continued bearish momentum. The 1.1631 support level will be crucial for preventing further decline toward 1.1592, while any recovery faces significant resistance at 1.1749. US-EU trade deal prospects and today's UK data will be key drivers.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Thursday, reaching near the previous resistance levels. The precious metal is currently trading at \$3,334.90.



Market Outlook

Gold extended Wednesday's advance toward the \$3,330 threshold on Thursday as investors increasingly positioned for an eventual Federal Reserve easing cycle resumption in the latter half of 2025, despite current rate cut probabilities remaining minimal. The precious metal's resilience reflects sophisticated market positioning focused on longer-term monetary policy trajectories rather than immediate policy shifts. While July rate reduction expectations languish at just 5%, institutional investors appear convinced that escalating trade tensions will necessitate Fed accommodation to counter economic headwinds. Gold's outperformance amid concurrent Dollar strength and robust equity market performance underscores its evolving role as both an inflation hedge and trade war insurance policy. Trump's expanding tariff arsenal, including the retaliatory 50% Brazilian levy and broadening country coverage, reinforces concerns about systematic inflationary pressures stemming from import cost increases. The precious metal's technical progression toward \$3,330 resistance represents meaningful advancement from recent consolidation levels, with institutional demand appearing increasingly robust despite traditional headwinds from currency and yield dynamics. As trade conflicts transcend economic considerations to encompass political motivations—evidenced by the Bolsonaro trial retaliation—gold's safe-haven characteristics become more compelling for portfolio risk management. The metal's ability to maintain upward momentum despite competing asset class strength suggests underlying conviction about trade war's ultimate economic ramifications and monetary policy implications.

Technical Outlook

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

Key Levels to Watch

Resistance: \$3,363.39; \$3,392.19 Support: \$3,284.99; \$3,256.04

Conclusion

Gold's advance to \$3,334.90 demonstrates strong bullish momentum above the 20-period moving average, reflecting growing appeal as a hedge against trade and inflation risks. The Stochastic indicator's movement toward overbought territory suggests continued buying interest and strong institutional demand. Immediate resistance at \$3,363.39 represents the next target, with potential for extension toward \$3,392.19 if momentum continues. Support at \$3,284.99 should contain any near-term weakness, though the technical outlook remains strongly positive given the metal's ability to advance despite Dollar strength.



GBP/USD surrendered ground on Thursday, retreating to the low 1.3500s as relentless Dollar strength overwhelmed Sterling amid anticipation of today's comprehensive British economic data barrage. The Pound's decline reflects both global risk-off sentiment from escalating trade warfare and domestic uncertainties ahead of crucial economic releases that will provide definitive insights into Britain's economic trajectory. Today's data tsunami features GDP figures, Balance of Trade metrics, Industrial and Manufacturing Production statistics, Construction Output readings, and the NIESR Monthly GDP Tracker—collectively offering the most comprehensive economic health assessment in months. This extensive dataset assumes heightened significance given Britain's privileged position within Trump's expanding tariff framework, where economic performance data could influence future trade relationship dynamics. Sterling's technical deterioration toward the low 1.3500s represents meaningful pressure testing of recent support levels, with market participants adopting cautious positioning ahead of potentially market-moving data releases. While the UK has escaped the harshest tariff targeting compared to other major economies, the spillover effects from global trade disruption continue weighing on risk currencies and investor sentiment. The comprehensive nature of today's releases—spanning growth, trade, production, and construction sectors-will provide Bank of England policymakers with crucial intelligence for future monetary policy deliberations, particularly given their more hawkish stance relative to international peers. Market focus intensifies on GDP figures for evidence of economic resilience or vulnerability that could reshape Sterling's trading dynamics.

Technical Outlook

- Stochastic is trying to cross higher near the oversold area.
- Price is consolidating below the 20-period moving average.
- This suggests potential for technical bounce, but underlying weakness remains.

Key Levels to Watch

Resistance: 1.3647; 1.3748 Support: 1.3501; 1.3401

Conclusion

GBP/USD's decline to 1.3581 reflects continued pressure from Dollar strength and trade uncertainty, with the pair approaching critical support at 1.3501. The Stochastic indicator's attempt to cross higher from oversold levels suggests potential for stabilization, though the price remaining below the 20-period moving average indicates continued weakness. Today's comprehensive UK data release will be crucial for determining near-term direction, with support at 1.3501 representing a key level for preventing further deterioration toward 1.3401.

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 6265.31.



27 Jun 01:00 30 Jun 09:00 25 Jun 2025 1 Jul 17:00 3 Jul 01:00 4 Jul 13:00 8 Jul 01:00 9 Jul 09:00 10 Jul 17:00

Market Outlook

Wall Street achieved another historic milestone on Thursday, with both the S&P 500 and Nasdaq Composite establishing fresh all-time highs as investors demonstrated remarkable indifference to escalating trade hostilities. The S&P 500 advanced 0.27% to 6,280.46 while the Nasdaq edged 0.09% higher to 20,630.67, and the Dow Jones climbed 192 points (0.43%) to 44,650.64, highlighting broad-based strength across major indices. Market resilience proved extraordinary given the day's trade war escalation, including Trump's retaliatory 50% Brazilian tariff citing the Bolsonaro trial alongside alleged unfair trade practices. Horizon Investment's Mike Dickson captured the prevailing sentiment perfectly: "It is wild to think that valuations are above where we started the year considering all the uncertainties with tariffs... The market's been extremely desensitized to all of this back and forth." This desensitization reflects growing institutional confidence that ultimate tariff implementations will prove less draconian than headline threats suggest, with the extended August 1 timeline providing negotiation opportunities. Nvidia maintained its position as the world's first \$4 trillion company, adding 0.8% as artificial intelligence optimism continues fuelling technology sector outperformance. The Brazilian response, with President Lula committing to economic reciprocity measures, caused the iShares MSCI Brazil ETF to tumble 1.6%, demonstrating that individual markets remain vulnerable even as US equities display remarkable immunity to trade headlines. This divergence suggests American investors believe domestic markets will benefit from any eventual trade renegotiations while emerging markets bear adjustment costs.

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, but underlying strength remains.

Key Levels to Watch

Resistance: 6317.50; 6344.74 Support: 6226.93; 6194.69

Conclusion

The S&P 500's advance to 6,286.81 and new all-time highs demonstrates exceptional market resilience,

with the index moving decisively above the 20-period moving average. The Stochastic indicator's move toward overbought territory reflects strong bullish momentum, though some consolidation may emerge at these elevated levels. Immediate resistance at 6317.50 represents the next target, while support at 6246.65 should contain any near-term pullbacks. The market's ability to ignore escalating tariff threats suggests continued focus on fundamental factors and deal-making optimism.

USO/USD (WTI Crude Oil)

Previous Session Overview

USO/USD moved lower on Thursday, reaching near the previous support levels. The commodity is currently trading at \$66.04.



Market Outlook

WTI crude surrendered three consecutive days of gains, plummeting below the critical \$67.00 threshold to three-session lows as trade war anxieties overwhelmed previous supply-side optimism and geopolitical risk premiums. The commodity's sharp reversal highlights energy markets' acute sensitivity to global economic growth concerns stemming from escalating trade hostilities, where demand destruction fears are beginning to outweigh supply disruption considerations. Trump's retaliatory 50% Brazilian tariff, targeting a significant regional oil producer, creates complex energy trade dynamics that could reshape global crude flows and pricing mechanisms. Brazil's immediate commitment to reciprocal economic measures under their economic reciprocity legislation raises prospects for further energy sector complications, potentially affecting bilateral energy commerce and regional supply arrangements. The oil market's inability to sustain gains above \$67.00 despite ongoing geopolitical tensions and OPEC+ production uncertainties suggests that demand-side concerns are gaining prominence over supply-side considerations. This fundamental shift reflects market recognition that broadening trade conflicts could significantly impact global economic growth trajectories and corresponding energy consumption patterns. The failure to maintain recent technical progress indicates that energy markets may be prioritizing recession risks over traditional supply disruption scenarios, marking a notable change in commodity sentiment. Energy traders appear increasingly focused on trade war's potential economic ramifications rather than immediate geopolitical risk premiums, suggesting a more cautious approach to oil demand forecasting amid escalating international tensions.

Technical Outlook

- Stochastic is moving inside the oversold area.
- Price is consolidating below the 20-period moving average.
- This setup indicates bearish momentum with potential for further weakness.

Key Levels to Watch

Resistance: \$67.03: \$67.99 Support: \$65.03; \$64.09

Conclusion

WTI crude oil's decline to \$65.98 represents a significant reversal from recent strength, with the commodity breaking below the 20-period moving average. The Stochastic indicator's position in oversold territory suggests selling pressure may be nearing exhaustion, though the technical damage indicates continued vulnerability. Support at \$65.03 will be critical for preventing deeper declines toward \$64.09, while any recovery faces resistance at \$67.03. The oil market's reaction to broadening trade tensions highlights the complex dynamics between supply and demand factors.

Key events for today (GMT+8):

Da	ate	
11	Jul	

Currency GBP 20:30 CAD 20:30 CAD

Time

14:00

Events GDP m/m **Employment Change Unemployment Rate**

Forecast 0.1% 10K 7.0%

Previous -0.3% 8.8K 7.0%

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