MH Markets

TECHNICAL
ANALYSIS REPORT

WEDNESDAY, OCTOBER 15 2025

EUR/USD

Previous Session Overview

EUR/USD consolidated higher on Tuesday, reaching near previous resistance levels. Currently trading at 1.1623.

Market Outlook

The euro gathered marked traction on Tuesday and fully recovered Monday's strong pullback, managing to reclaim the 1.1600 barrier and beyond. The recovery came as the US Dollar Index failed to extend its gains despite a positive start, eventually receding modestly amid the steady lack of progress around any government shutdown deal and a persistent risk-off environment. The DXY traded with decent losses after faltering once again around the 99.50 region, pressured by declining US Treasury yields across the board and renewed risk aversion. This created an opening for EUR/USD to stage its comeback despite ongoing concerns about French political instability and the government's struggle to pass a budget through Parliament. Tuesday's trading session was dominated by escalating US-China trade tensions, which paradoxically hurt the Dollar rather than supporting it as a safe haven. China moved to tighten its grip on global shipping, imposing sanctions on five of South Korea's Hanwha Ocean's US subsidiaries, forbidding organizations and individuals in China from doing business with the affected companies. US Trade Representative Jamieson Greer responded by telling CNBC that it depends on China's next actions whether the 100% additional tariffs threatened by Trump go into effect on November 1, adding that the tariffs could be implemented even sooner. Later in the day, President Trump criticized China on Truth Social for not buying US soybeans, calling it an economically hostile act, and threatening to consider retribution such as a cooking oil embargo. These comments triggered renewed market volatility, though the Euro managed to hold its gains against the struggling Greenback. The ongoing US government shutdown continues to weigh on sentiment, with no progress evident toward a resolution as the October 15 military payrolls deadline has now arrived, adding urgency to the funding negotiations. Today's calendar features Industrial Production figures for the broader Eurozone, which will be the sole release on the domestic front. Additionally, ECB officials De Guindos, Buch, and Donnery are scheduled to speak, potentially providing insights into the central bank's thinking. On the US side, MBA Mortgage Applications will be released, followed by the NY Empire State Manufacturing Index and the API's report on US crude oil inventories, with Fed officials Bostic, Miran, Waller, and Schmid all due to speak.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating around the 20-period moving average.
- This setup suggests potential for continued upside but approaching resistance.

Key Levels to Watch

Resistance: 1.1679; 1.1738
Support: 1.1525; 1.1468

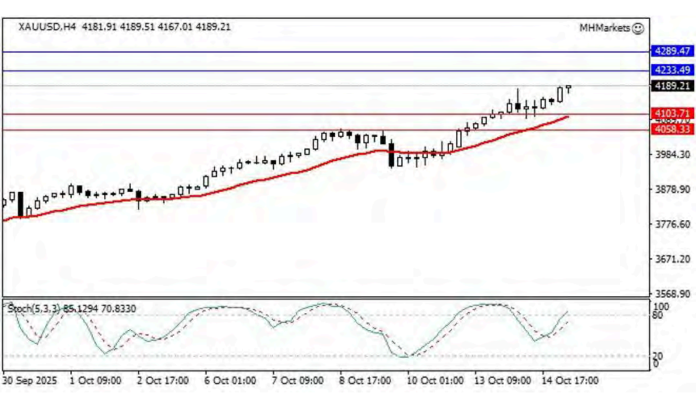
Conclusion

EUR/USD has staged an impressive recovery at 1.1623, reclaiming the 1.1600 level and consolidating around the 20-period moving average. The Stochastic indicator moving toward overbought territory suggests near-term upside potential, though the pair may face headwinds as it approaches the 1.1679 resistance level. The Dollar's inability to benefit from risk-off sentiment has provided EUR/USD with room to recover, despite persistent concerns about French political instability. Immediate resistance at 1.1679 will be the first major test for bulls, with 1.1738 representing the next barrier if momentum continues. Support at 1.1525 should contain any pullbacks, with stronger support at 1.1468 below. Today's focus will be on Fedspeak, with four Fed officials scheduled to speak. Any hawkish commentary could strengthen the Dollar and pressure EUR/USD lower, while dovish signals might allow the pair to challenge resistance levels.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Tuesday, staying between previous support and resistance levels. Currently trading at 4189.21.



Market Outlook

Gold prices surged to new all-time highs around $4,180 per troy ounce on Tuesday, adding to Monday's uptick and clinching a third consecutive daily advance. Fed rate cut expectations and reignited trade concerns propelled the precious metal to fresh records, with the softer tone in the Greenback and declining US Treasury yields across the curve also contributing to the bullish move. The rally in Gold reflects multiple supportive factors converging simultaneously, with escalating US-China trade tensions dominating Tuesday's session. China imposed sanctions on South Korean subsidiaries and President Trump responded late in the day by criticizing China for not buying US soybeans, calling it an economically hostile act and threatening retribution such as a cooking oil embargo. US Trade Representative Jamieson Greer added fuel to the fire by stating that 100% additional tariffs could be implemented even before the November 1 deadline. The ongoing US government shutdown continues to create uncertainty, with the October 15 military payrolls deadline now arrived and no resolution in sight. The absence of key economic data has left the Federal Reserve operating in an information vacuum, increasing speculation that the central bank may need to adopt a more cautious approach to monetary policy, which paradoxically could mean maintaining accommodative conditions for longer. The softer tone in the US Dollar, with the DXY failing around the 99.50 region despite multiple attempts, has removed a traditional headwind for Gold. Declining Treasury yields across the curve have reduced the opportunity cost of holding non-yielding assets like Gold, making the precious metal more attractive relative to interest-bearing alternatives. Equity market volatility has also supported Gold's safe-haven appeal, with the S&P 500 experiencing wild swings on Tuesday in what traders described as a roller-coaster session, closing 0.2% after falling as much as 1.5% and gaining 0.4% at its highs. The Cboe Volatility Index rose above Friday's closing level at one point, hitting a high above 22, a four-month high, signalling renewed angst on Wall Street that there will be no easy solution to the China trade fight. Strong earnings from major financial institutions, with Citigroup and Wells Fargo rising 3.9% and 7.2% respectively on better-than-expected results, provided only temporary relief to equity markets before Trump's late-day comments sent stocks retreating from their highs.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is moving higher above the 20-period moving average.
- This setup indicates extremely strong bullish momentum despite overbought conditions.

Key Levels to Watch

Resistance: 4200.66; 4243.97
Support: 4103.71; 4058.33

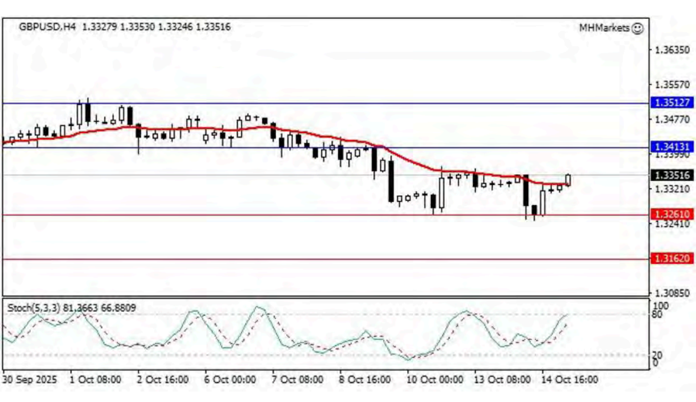
Conclusion

Gold continues its extraordinary rally at 4189.21 with price firmly above the 20-period moving average and trading near all-time highs around $4,180. The Stochastic indicator moving toward overbought territory has done nothing to slow the advance, as the combination of trade war fears, government shutdown uncertainty, Dollar weakness, and declining yields creates an ideal environment for the precious metal. Immediate resistance at $4,200.66 is now within striking distance, with potential for extension toward $4,243.97 if the current momentum persists. Support has shifted higher to $4,103.71, with stronger support at $4,058.33 representing the consolidation base from earlier this week. The precious metal's ability to reach new record highs on Tuesday despite some improvement in equity market sentiment during mid-day trading demonstrates the strength of underlying demand. Today's Fedspeak will be crucial, with any hints that the central bank may need to maintain accommodative policy longer due to the data blackout and economic uncertainties potentially pushing Gold toward the $4,200 level.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Tuesday, staying between previous support and resistance levels. Currently trading at 1.3351.



Market Outlook

Sterling experienced a volatile session on Tuesday, initially sinking to multi-week lows well south of the 1.3300 support level before staging a strong comeback to end the day almost unchanged in the low 1.3300s. The intraday reversal reflected the broader confusion in currency markets as traders struggled to assess the implications of escalating US-China trade tensions and the ongoing US government shutdown. Cable's early weakness came as risk aversion initially drove flows toward the US Dollar, with China's overnight announcement of sanctions on South Korean subsidiaries adding to concerns about global trade disruption. However, as the US trading session progressed, the Dollar failed to maintain its safe-haven bid, with the DXY faltering once again around the 99.50 region amid declining Treasury yields and the persistent lack of progress on the government funding bill. GBP/USD's recovery accelerated during the US session as equity markets shook off their morning losses, with the S&P 500 trading well into positive territory for most of the session. However, President Trump's late-day comments on Truth Social criticizing China for not buying US soybeans and threatening retribution added fresh volatility to markets, causing stocks to pull back from their highs and briefly pressuring Cable once again. The Pound found support from hawkish Bank of England rhetoric, with recent comments from multiple BoE officials warning about persistent inflationary pressures and advocating for the central bank's prudence on further easing. This stance contrasts with growing market expectations for additional Fed rate cuts, with investors increasingly pricing in a more dovish trajectory for US monetary policy amid economic uncertainties. Last week's UK employment figures showed resilience in the labour market, though concerns persist about the Labour government's upcoming late November budget, with tax increases appearing unavoidable, which could eventually pressure the BoE to adopt a more accommodative stance. Today's calendar features speeches by BoE officials Ramsden and Breeden, which will be the salient events across the Channel. Given recent hawkish messaging from BoE policymakers, these speeches could provide additional support for the Pound if they continue to emphasize the need for restrictive policy.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating around the 20-period moving average.
- This suggests potential for upside but facing key resistance.

Key Levels to Watch

Resistance: 1.3413; 1.3513
Support: 1.3261; 1.3162

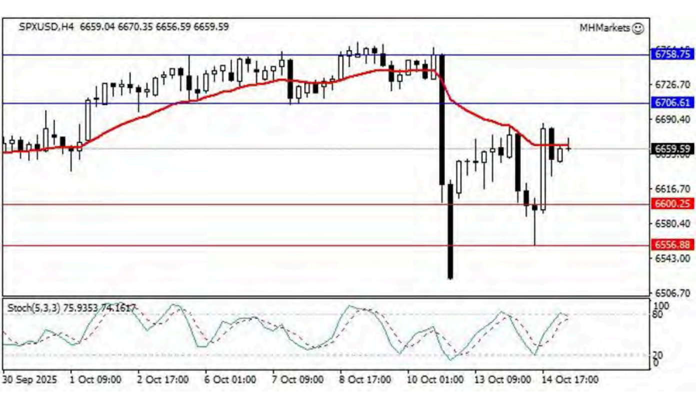
Conclusion

GBP/USD demonstrated resilience on Tuesday, recovering from multi-week lows to close unchanged around 1.3351, now consolidating around the 20-period moving average. The Stochastic indicator moving toward overbought territory suggests some near-term upside potential, though the pair faces significant resistance at 1.3413. The intraday reversal from below 1.3300 to above 1.3320 indicates dip-buying interest remains strong, supported by the hawkish Bank of England stance and the US Dollar's inability to capitalize on risk-off sentiment. Immediate resistance at 1.3413 will be crucial, with a break above potentially opening the door toward 1.3513 and signalling a resumption of the broader uptrend. Support at 1.3261 should contain any pullbacks, with stronger support at 1.3162 below. Today's speeches by BoE officials Ramsden and Breeden could provide direction, particularly if they reinforce the message that monetary policy must remain restrictive for longer. The multiple Fed speakers also represent significant event risk, with dovish commentary potentially weakening the Dollar and supporting Cable's recovery.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 consolidated on Tuesday, staying between previous support and resistance levels. Currently trading at 6659.59.



Market Outlook

The S&P 500 experienced a wild roller-coaster session on Tuesday, staging a big comeback from its lows before giving much of it back as the US and China traded blows in a renewed trade feud. The index closed 0.2% to 6,644.31 in a session that saw the benchmark fall as much as 1.5% and gain 0.4% at its highs, perfectly capturing the current market's extreme volatility and headline sensitivity. Stocks opened lower after China overnight moved to tighten its grip on global shipping, imposing sanctions on five of South Korea's Hanwha Ocean's US subsidiaries and forbidding organizations and individuals in China from doing business with the affected companies. US Trade Representative Jamieson Greer escalated tensions by telling CNBC that it depends on China's next actions whether the 100% additional tariffs threatened by Trump go into effect November 1, adding that the tariffs could be implemented even sooner. Despite this hawkish rhetoric, the major indexes shook off the morning losses and the S&P 500 traded well into the green for most of the session, demonstrating the market's willingness to buy dips. However, President Trump hit China late Tuesday again on Truth Social, saying the country is choosing not to buy US soybeans in an economically hostile act and threatening to consider retribution such as a cooking oil embargo, with stock indexes pulling back sharply from their highs into the close. The Nasdaq Composite fared worse, falling 0.8% to 22,521.70, although at one point it had fallen as much as 2.1%, with tech stocks such as Nvidia remaining under pressure. The Dow Jones Industrial Average managed to close 0.4%, or 202.88 points, to 46,270.46 after gaining 1% at one point. A bright spot emerged from earnings season, with strong results serving as an encouraging sign that fundamentals remain solid. Citigroup and Wells Fargo rose 3.9% and 7.2% respectively on better-than-expected earnings, while JPMorgan and Goldman also beat estimates. The Cboe Volatility Index rose above Friday's closing level at one point, hitting a high above 22, a four-month high, signalling renewed angst on Wall Street. Trade tensions have been whipsawing markets since late last week, with Trump threatening 100% tariffs on Friday, backing off on Sunday, and then renewing threats on Tuesday, creating extreme uncertainty.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating around the 20-period moving average.
- This setup suggests potential for upside but facing resistance from headline risk.

Key Levels to Watch

Resistance: 6706.61; 6758.75
Support: 6600.25; 6556.88

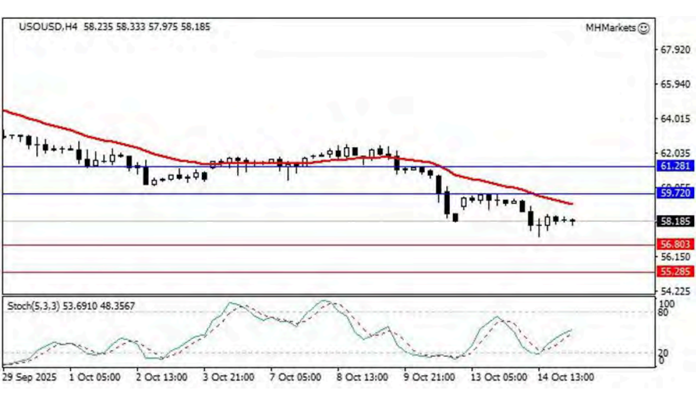
Conclusion

The S&P 500 is consolidating around the 20-period moving average near 6659.59, with the Stochastic indicator moving toward overbought territory suggesting technical conditions support near-term upside. However, Tuesday's wild intraday swings, from down 1.5% to up 0.4% and back to down 0.2%, perfectly illustrate the challenge facing equity investors in the current environment. The index is caught between strong underlying fundamentals, as evidenced by better-than-expected bank earnings, and headline risk from escalating US-China trade tensions. Immediate resistance at 6,706.61 will be difficult to overcome without a genuine de-escalation in trade rhetoric, while support at 6,600.25 should contain near-term weakness. The strong start to earnings season provides a fundamental underpinning that could support the market if trade tensions ease, but President Trump's pattern of late-day inflammatory social media posts creates constant risk of sharp reversals. The VIX trading above 20 and touching four-month highs indicates that hedging costs remain elevated.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved lower on Tuesday, reaching previous support levels. Currently trading at 58.19.



Market Outlook

WTI crude oil prices broke below the $58.00 mark per barrel for the first time since early May on Tuesday, extending losses as escalating US-China trade tensions and bearish supply forecasts from the International Energy Agency combined to pressure the energy complex. The break below this psychologically important level signals intensifying bearish momentum in oil markets. The primary driver of Tuesday's decline was the sharp deterioration in US-China relations, which threatens global economic growth and energy demand. China's overnight decision to impose sanctions on South Korean subsidiaries, followed by US Trade Representative Jamieson Greer's warning that 100% tariffs could be implemented even before November 1, raised serious concerns about a full-blown trade war and its impact on global oil consumption. President Trump's late-day comments on Truth Social, criticizing China for not buying US soybeans and threatening retribution such as a cooking oil embargo, added further pressure to commodities markets. The escalating rhetoric suggests trade tensions are intensifying rather than resolving, with oil prices particularly vulnerable given their sensitivity to global growth expectations. The IEA's projections for a surplus in the oil industry in 2026 provided additional fundamental pressure, compounding existing concerns about OPEC+ production increases, which are set to add supply to a market already struggling with demand growth concerns. The combination of increasing supply and potentially weakening demand creates a bearish fundamental backdrop that has pushed prices to five-month lows. Monday's modest 1% bounce proved to be nothing more than a dead-cat bounce, with Tuesday's action confirming that the path of least resistance remains to the downside. The Middle East ceasefire, with Hamas freeing the last 20 surviving Israeli hostages under a US-brokered deal, has removed any remaining geopolitical risk premium from oil prices. While Trump proclaimed the historic dawn of a new Middle East, traders have been quick to discount Middle East tensions, and the peace agreement simply confirms what the market had already been pricing in. Today's API report on US crude oil inventories could provide some direction, though with the government shutdown ongoing, official data from the Energy Information Administration remains unavailable.

Technical Outlook

- Stochastic moved higher from the oversold area
- Price is consolidating below the 20-period moving average.
- This setup indicates a potential technical bounce, but overall bearish bias remains.

Key Levels to Watch

Resistance: 59.72; 61.28
Support: 56.80; 55.28

Conclusion

WTI crude oil remains under severe pressure at 58.19 with price consolidating below the 20-period moving average after breaking below the psychologically important $58.00 level. The Stochastic indicator moving higher from oversold conditions suggests potential for a short-term technical bounce, but the fundamental backdrop remains decidedly bearish. Immediate resistance at $59.72 will likely cap any recovery attempts, with more significant resistance at $61.28 above. Support at $56.80 is now the next critical level, with a break below potentially accelerating declines toward $55.28 and retesting the April-May lows. The combination of escalating US-China trade tensions threatening global demand, IEA projections for oversupply in 2026, OPEC+ production increases, and the removal of Middle East geopolitical risk premium creates multiple bearish drivers working in tandem. Oil's break below $58 represents a significant technical development that suggests the correction from earlier highs is far from complete.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
15 Oct	12:30	USD	Empire State Manufacturing Index	0.2	-8.7
16 Oct	00:30	AUD	Employment Change	20.0K	-5.4K
	00:30	AUD	Unemployment Rate	4.3%	4.2%
	06:00	GBP	GDP m/m	0.1%	0.0%
	12:30	USD	Philly Fed Manufacturing Index	9.1	23.2
	Tentative	USD	Core PPI m/m	0.3%	-0.1%
	Tentative	USD	Core Retail Sales m/m	0.3%	0.7%
	Tentative	USD	PPI m/m	0.3%	-0.1%
	Tentative	USD	Retail Sales m/m	0.4%	0.6%
	Tentative	USD	Unemployment Claims		

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