

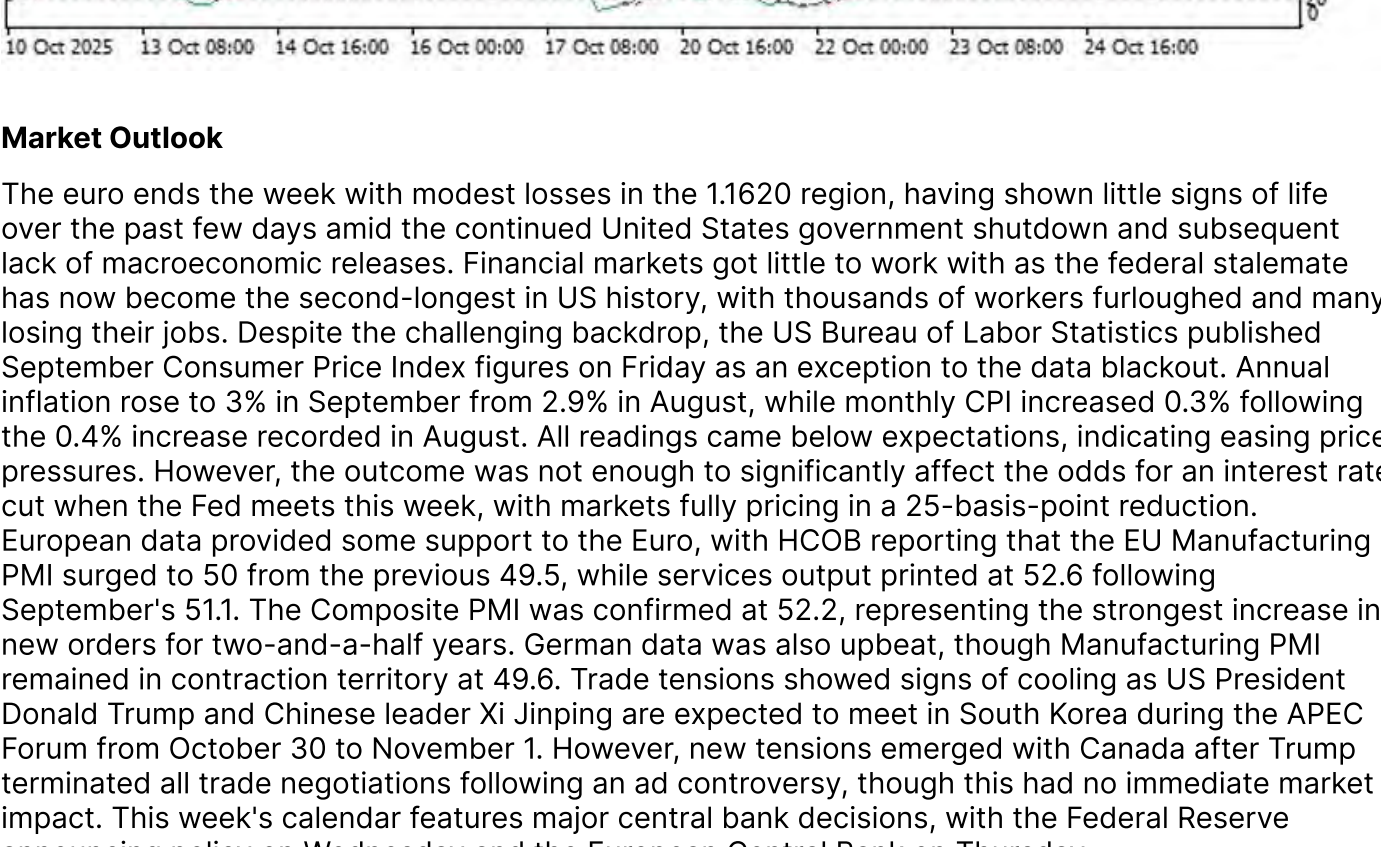
TECHNICAL ANALYSIS REPORT

MONDAY, OCTOBER 27 2025

EUR/USD

Previous Session Overview

EUR/USD consolidated higher on Friday, reaching near previous resistance levels. Currently trading at 1.1630.



Market Outlook

The euro ends the week with modest losses in the 1.1620 region, having shown little signs of life over the past few days amid the continued United States government shutdown and subsequent lack of macroeconomic releases. Financial markets got little to work with as the federal stalemate has now become the second-longest in US history, with thousands of workers furloughed and many losing their jobs. Despite the challenging backdrop, the US Bureau of Labor Statistics published September Consumer Price Index figures on Friday as an exception to the data blackout. Annual inflation rose to 3% in September from 2.9% in August, while monthly CPI increased 0.3% following the 0.4% increase recorded in August. All readings came below expectations, indicating easing price pressures. However, the outcome was not enough to significantly affect the odds for an interest rate cut when the Fed meets this week, with markets fully pricing in a 25-basis-point reduction. European data provided some support to the Euro, with HCOB reporting that the EU Manufacturing PMI surged to 50 from the previous 49.5, while services output printed at 52.6 following September's 51.1. The Composite PMI was confirmed at 52.2, representing the strongest increase in new orders for two-and-a-half years. German data was also upbeat, though Manufacturing PMI remained in contraction territory at 49.6. Trade tensions showed signs of cooling as US President Donald Trump and Chinese leader Xi Jinping are expected to meet in South Korea during the APEC Forum from October 30 to November 1. However, new tensions emerged with Canada after Trump terminated all trade negotiations following an ad controversy, though this had no immediate market impact. This week's calendar features major central bank decisions, with the Federal Reserve announcing policy on Wednesday and the European Central Bank on Thursday.

Technical Outlook

- Stochastic moved lower from overbought levels but is currently held in the middle area.
- Price is consolidating slightly above the 20-period moving average.
- This setup suggests a pause in momentum with potential for renewed direction after central bank meetings.

Key Levels to Watch

Resistance: 1.1728; 1.1813
Support: 1.1545; 1.1457

Conclusion

EUR/USD maintains a cautiously neutral stance as markets await pivotal central bank decisions this week. The pair's position slightly above the 20-period moving average with Stochastic in neutral territory suggests traders are waiting for clarity from the Fed and ECB before committing to a direction. The softer US inflation data supports expectations for Fed easing, while stronger Eurozone PMI data provides fundamental support for the Euro. Immediate resistance at 1.1728 needs to be cleared to challenge 1.1813, while support at 1.1545 should contain downside moves. With both the FOMC and ECB meetings scheduled within 24 hours of each other, volatility is expected to increase significantly mid-week. The US government shutdown continues to cloud the economic picture, making Chair Powell's commentary particularly important for gauging the Fed's outlook on labour market conditions and future policy direction.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Friday, staying between previous support and resistance levels. Currently trading at 4080.55.



Market Outlook

Gold staged a dramatic correction this week after setting a new record-high slightly above \$4,380 on Monday, snapping a nine-week winning streak. XAU/USD gathered bullish momentum early in the week and touched a new all-time peak of \$4,381 before making a sharp U-turn on Tuesday, registering its largest one-day loss of the year with a decline of about 5.3%. The reversal came as market sentiment improved on easing fears over a deepening trade conflict between the US and China. News that US President Donald Trump and Chinese President Xi Jinping are expected to meet in South Korea next week during the APEC Forum from October 30 to November 1 helped calm tensions. Investors also took the opportunity to book profits after the sharp rally that had driven gold to successive record highs. Gold extended its correction into Wednesday's Asian session, touching its lowest level in over a week at \$4,004, before finding support. The US Treasury Secretary Scott Bessent's comments that he would meet with Chinese Vice Premier He Lifeng in Malaysia to de-escalate renewed trade tensions over rare earth metals provided some reassurance to markets. On Friday, the delayed September US inflation data showed the Consumer Price Index rose 3% year-over-year, below the market expectation of 3.1%. Monthly CPI and core CPI increased 0.3% and 0.2% respectively, both coming in below analysts' estimates. The softer inflation readings initially pressured the US Dollar but were insufficient to meaningfully support gold's recovery. This week's focus shifts to the Federal Reserve's monetary policy decision on Wednesday. Markets are fully pricing in a 25-basis-point interest rate cut, making Chair Jerome Powell's commentary in the post-meeting press conference crucial for determining gold's next direction. The Xi-Trump meeting outcome will be equally critical for safe-haven demand dynamics.

Technical Outlook

- Stochastic moved lower from overbought levels but is currently held in the middle area.
- Price is consolidating below the 20-period moving average.
- This suggests weakened bullish momentum with potential for further consolidation.

Key Levels to Watch

Resistance: 4180.54; 4271.60
Support: 3975.59; 3888.88

Conclusion

Gold's technical picture has deteriorated following the week's sharp correction, with prices now consolidating below the 20-period moving average. The Stochastic indicator in neutral territory suggests the selling pressure may have exhausted itself temporarily, though the break below the moving average indicates weakened bullish momentum. Immediate support at 3975.59 will be critical to prevent a deeper retracement toward 3888.88. On the upside, gold needs to reclaim the 20-period moving average and push above 4180.54 resistance to signal a potential resumption of the uptrend. The \$4,000 psychological level remains an important reference point. This week's Fed decision and US-China talk represent major event risks that could determine whether gold extends its correction or resumes its record-breaking rally. With geopolitical tensions easing and profit-taking evident after the nine-week winning streak, the path of least resistance may be slightly lower in the near term unless safe-haven demand returns.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Friday, staying between previous support and resistance levels. Currently trading at 1.3322.



Market Outlook

The Pound Sterling faced rejection once again on its way to the 1.3500 level against the US Dollar, sending GBP/USD back toward the 1.3300 mark. The pair faced a double whammy this week, reversing a major portion of the previous week's recovery. Escalating geo-political uncertainties and trade friction weighed on risk sentiment early in the week, boosting safe-haven flows into the Dollar while pressuring the higher-yielding Pound Sterling. US President Donald Trump threatened late Monday to slap 155% tariffs on China from November 1 unless they make a deal, even after Treasury Secretary Scott Bessent's comments about meeting with Chinese officials to de-escalate tensions. The failure to end the budget deadlock between Democrats and Republicans for the fourth consecutive week also weighed on investor sentiment. Toward midweek, tensions eased on the US-China trade front as Trump touted a fair deal during his upcoming meeting with China's President Xi Jinping in South Korea on October 30. However, relief was short-lived as Trump imposed sanctions on Russian oil companies and accused Russians of lacking commitment toward ending the war in Ukraine. On the UK side, the Pound Sterling extended losses after softer inflation data for September boosted bets for a Bank of England rate cut in December. The Office for National Statistics showed consumer inflation held steady at 3.8% last month, defying the expected 4% growth. Traders rushed to price a 75% chance of the BoE cutting rates by its December meeting, up sharply from 46% before the data. Positively, UK Retail Sales unexpectedly rose 0.5% over the month in September, marking a fourth consecutive monthly increase. The S&P Global Flash UK Composite PMI registered 51.1 in October, up from 50.1 in September and above the 50.6 expected. Next week's focus will be on potential US data releases if the government funding is restored, particularly the September Nonfarm Payrolls report alongside the Fed's October 28-29 monetary policy meeting.

Technical Outlook

- Stochastic is consolidating slightly above the oversold area.
- Price is consolidating below the 20-period moving average.
- This suggests bearish pressure may be easing but momentum remains weak.

Key Levels to Watch

Resistance: 1.3367; 1.3423
Support: 1.3260; 1.3205

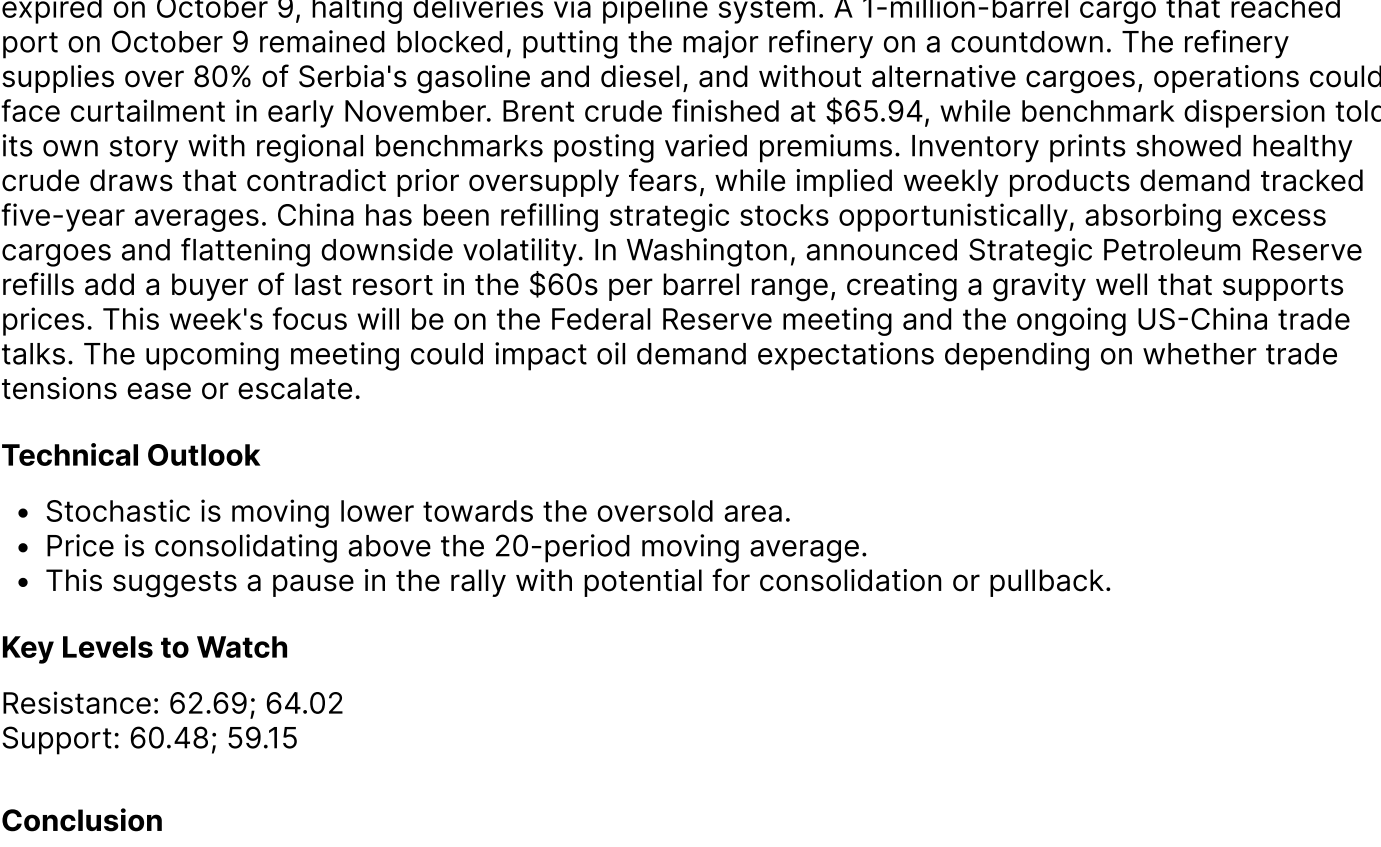
Conclusion

GBP/USD's technical outlook has weakened with the pair trading below the 20-period moving average, though the Stochastic indicator consolidating above oversold levels suggests selling pressure may be stabilizing. The pair faces a critical week with the Fed decision likely to be the primary driver of near-term price action. Immediate support at 1.3260 will be important to hold to prevent a test of 1.3205. On the upside, the pair needs to reclaim the 20-period moving average and break above 1.3368 to signal renewed bullish momentum toward 1.3423. The combination of increased dovish bets surrounding the BoE's interest rate outlook and USD safe-haven flows has created headwinds for Sterling. However, the oversold technical conditions suggest potential for a corrective bounce, particularly if the Fed adopts a more dovish stance on Wednesday or if US-China trade talks produce positive outcomes.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Friday, reaching above previous resistance levels. Currently trading at 6851.24.



Market Outlook

Stocks set fresh all-time highs on Friday with the S&P 500 gapping at the open and refusing to fill that gap, firmly in the rear view as delayed September CPI report. The tariff scare of two weeks ago is now helping in the rear view as stocks overtook prior highs this week, helped by a strong opening gap on Friday following the inflation data showing both headline and core CPI at 3% year-over-year, better than the expected 3.1%. The top-line numbers were more favourable than expected despite concerns about price pressure from tariffs. The details were similarly comforting, with the pace of price gains for services and housing slowing. This week brings massive drivers with the Fed widely expected to cut rates by 25 basis points on Wednesday, and it is the busiest week of the earnings season. Five of the Magnificent 7 companies report earnings: Alphabet, Meta Platforms, and Microsoft after the close on Wednesday; Apple and Amazon after the close on Thursday. This group has an outsized impact on the S&P 500's expected earnings growth and serves as an essential bellwether for gauging the health of the artificial intelligence boom and the technology sector. Earnings season has been positive so far, with financials, information technology, and industrials sectors providing the most significant contributions to the S&P 500's earnings growth rate increase. Despite the government shutdown, tariffs, and a cooling labour market, the economy continues to hold up well, with betting odds of a US recession in 2025 falling to just 4%. President Trump is scheduled to meet with China's President Xi this week, and markets anticipate some thawing in tensions between the countries. US energy equities advanced about 2.5% on the week after crude oil jumped 7.6% following fresh US sanctions on Russian producers and supply disruptions.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is moving higher above the 20-period moving average.
- This indicates strong bullish momentum but potential exhaustion near term.

Key Levels to Watch

Resistance: 6927.27; 7019.56
Support: 6764.98; 6672.69

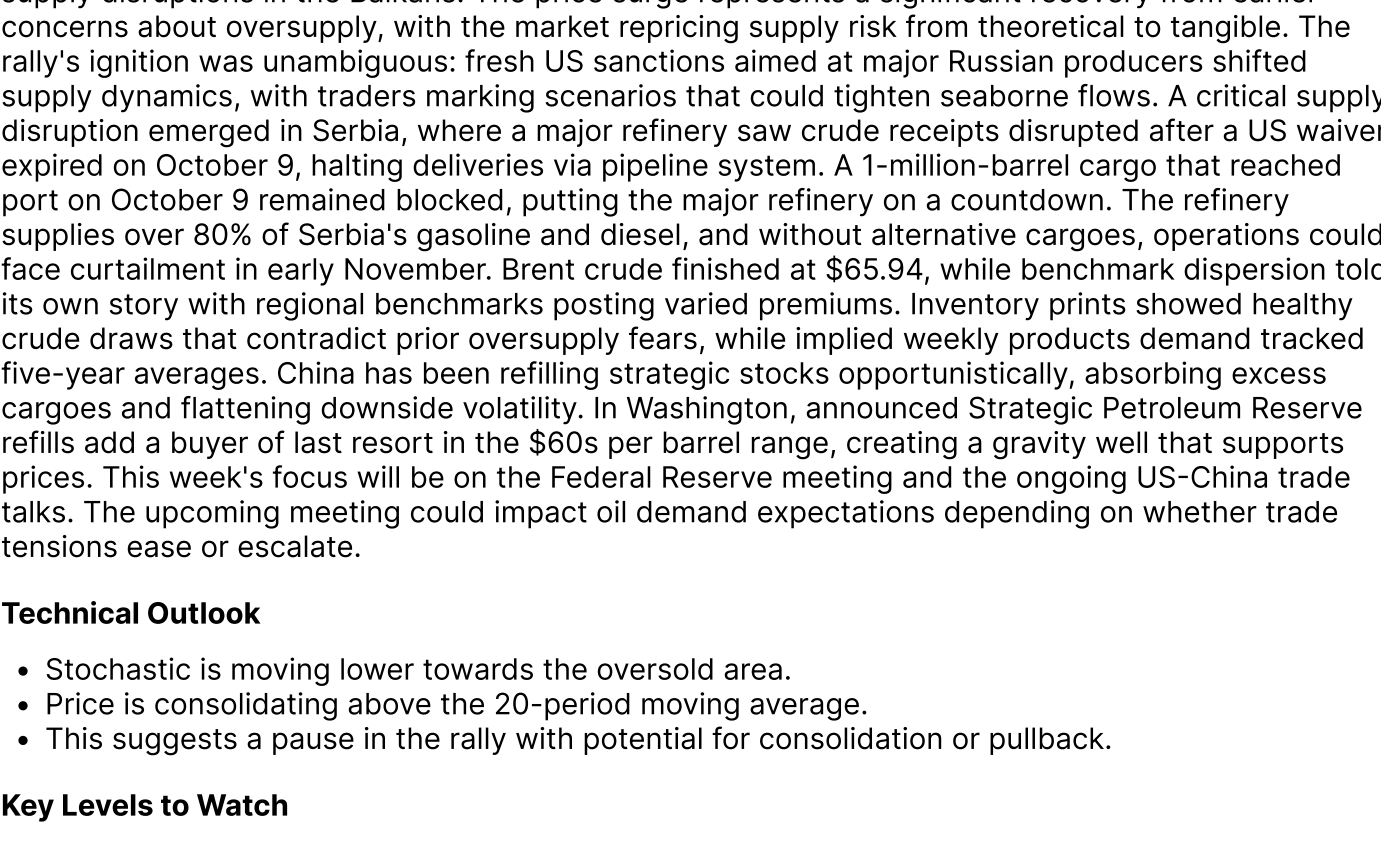
Conclusion

The S&P 500's technical picture remains firmly bullish with the index setting fresh all-time highs and trading well above the 20-period moving average. However, the Stochastic indicator deep in overbought territory suggests caution for chasing at current levels. The Friday gap that begins at 6738 and runs up to 6772 remains unfilled and presents an attractive area for support if profit-taking emerges. The immediate support at 6764.98 should contain any near-term pullbacks. Resistance at 6927.27 is the next target, with 7019.56 above representing the measured move from the ascending triangle breakout. This week's Fed decision and Powell's commentary will be critical, as past rate meeting pressures have occasionally triggered profit-taking. However, with recession odds at just 4%, robust earnings season, and technical strength intact, the bias remains bullish. The focus on Magnificent 7 earnings could drive significant volatility, as these companies represent a substantial percentage of the index's market capitalization.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD consolidated on Friday, staying between previous support and resistance levels. Currently trading at 61.46.



Market Outlook

West Texas Intermediate held at \$61.50 on the week, with Friday's close at \$61.46 following a dramatic 7.6% weekly rally that was driven by fresh US sanctions on Russian oil producers and supply disruptions in the Balkans. The price surge represents a significant recovery from earlier concerns about oversupply, with the market pricing supply risk from theoretical to tangible. The rally's ignition was unambiguous: fresh US sanctions aimed at major Russian producers shifted supply dynamics, with traders marking scenarios that could tighten seaborne flows. A critical supply disruption emerged in Serbia, where a major refinery saw crude receipts disrupted after a US waiver expired on October 9, halting deliveries via a pipeline system. A 1-million-barrel cargo that reached port on October 9 remained blocked, putting the major refinery on a countdown. The refinery supplies over 80% of Serbia's gasoline and diesel, and without alternative cargoes, operations could face curtailment in early November. Brent crude finished at \$65.94, while benchmark dispersion told its own story with regional benchmarks posting varied premiums. Inventory prints showed healthy crude draws that contradict prior oversupply fears, while implied weekly products demand tracked five-year averages. China has been refilling strategic stocks opportunistically, absorbing excess cargoes and flattening downside volatility. In Washington, announced Strategic Petroleum Reserve refills add a buyer of last resort in the \$60s per barrel range, creating a gravity well that supports prices. This week's focus will be on the Federal Reserve meeting and the ongoing US-China trade talks. The upcoming meeting could impact oil demand expectations depending on whether trade tensions ease or escalate.

Technical Outlook

- Stochastic is moving lower towards the oversold area.
- Price is consolidating above the 20-period moving average.
- This suggests a pause in the rally with potential for consolidation or pullback.

Key Levels to Watch

Resistance: 62.69; 64.02
Support: 60.48; 59.15

Conclusion

WTI crude oil's technical picture shows the price consolidating gains above the 20-period moving average following the week's 7.6% surge, though the Stochastic indicator moving toward oversold suggests some profit-taking or consolidation may be emerging. The \$61-\$66 zone continues to act as a gravity well supported by Chinese strategic buying and US SPR refills. Immediate support at 60.48 should contain near-term weakness, with stronger support at 59.15. On the upside, a break above 62.69 resistance could extend gains toward 64.02 and potentially test higher levels. The sanction impulse has tilted the market's balance away from the prior Q4 oversupply narrative. This week's events—particularly the Fed decision's impact on growth expectations and the Xi-Trump meeting's implications for demand—will be critical in determining whether oil can build on recent gains or consolidates in the low-\$60s range.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
27 Oct			No Key Events for Today		
28 Oct			No Key Events for Tuesday		

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