MHMarkets @

1.18560

1.17820

1.17080

4013.04 3971.15

3883.70 3831.88

1.31385

1.30579 1.30170 1.29657 1.29245

80

EUR/USD moved lower on Friday, reaching near previous support levels. Currently trading at

EUR/USD

EURUSD, H4 1.15268 1.15335 1.15255 1.15322

Previous Session Overview

1.1532.



the US. Meanwhile, the European Central Bank held rates steady as expected last week, with

President Christine Lagarde reiterating that the ECB is in a good place after eight rate cuts since June 2024 brought policy rates to neutral levels. The divergence in monetary policy outlooks between the Fed and ECB continues to favour the Dollar, with the Fed signalling increased caution

while the ECB maintains its accommodative stance. The ongoing US government shutdown, now stretching beyond 30 days, continues to cloud economic data releases. This week's calendar features important releases including the final S&P Global Manufacturing PMI on Monday, Germany's Factory Orders and Eurozone PPI on Wednesday, followed by S&P Global Services PMIs and the US ISM Services PMI. German data released last week was mixed, with Q3 GDP showing zero growth, better than Q2's negative 0.3% but still disappointing, while the Eurozone's Q3 GDP came in at 0.2% quarter-over-quarter. Inflation data showed the October HICP easing to 2.1% year-over-year from 2.2%, though core inflation remained elevated at 2.4%. **Technical Outlook** Stochastic is consolidating near the oversold area. • Price is consolidating below the 20-period moving average. • This setup suggests potential for a technical bounce, but overall bearish bias remains. **Key Levels to Watch** Resistance: 1.1599; 1.1669 Support: 1.1461; 1.1392 Conclusion EUR/USD remains under pressure following the Fed's hawkish pivot, with the pair consolidating just above critical support levels. The Stochastic indicator near oversold territory suggests selling pressure may be overextended in the short term, potentially setting up conditions for a corrective

bounce toward 1.1599 resistance. However, the overall trend remains bearish as long as price stays below the 20-period moving average. A break below 1.1461 support could accelerate the decline

toward 1.1392. This week's focus will be on Fed speakers for clues about December rate cut prospects, alongside US ISM data and European economic releases. The Fed-ECB policy divergence

4013.04.

Stoch(5,3,3) 58.5183.49,3937

>> Previous Session Overview

- narrative continues to dominate, with markets now pricing in 82 basis points of Fed easing by the end of 2026 despite Powell's cautious tone.
- GOLD (XAU/USD)

XAUUSD,H4 4004,39 4013,49 4002,25 4013,04 MHMarkets @ 4416.35 4326.25 4238.80 4148.70 4061.25

Gold consolidated lower on Friday, reaching near previous support levels. Currently trading at

21 Oct 17:00 23 Oct 01:00 24 Oct 09:00 27 Oct 17:00 29 Oct 01:00 **Market Outlook** Gold regained some traction on Thursday following four consecutive daily declines, staging an impressive recovery that pushed prices above the critical \$4,000 mark per troy ounce. However, a convincing and sustained move above this key psychological level remained elusive as the session ended, leaving the precious metal in a precarious technical position. The recovery came despite the US Dollar adding to Wednesday's post-Fed strong rebound and climbing to fresh two-month highs past 99.70. The Dollar's strength, typically a headwind for gold, was offset by a combination of factors including profit-taking exhaustion after the four-day decline from record highs and some safe-haven demand triggered by the mixed reception of the US-China trade deal. The meeting between leaders concluded on Thursday with a partial agreement. Fentanyl tariffs on China were cut to 10%, bringing the overall levy on Chinese imports to 47% from 57%. China will work to stop fentanyl flows and buy American agricultural goods, while delaying rare earth export curbs by a year. However, critical issues remain unresolved, including semiconductor chip exports and social media divestiture. The partial and incomplete nature of the trade deal has introduced renewed uncertainty, supporting gold's safe-haven appeal. While the agreement removed some immediate trade war risks, the unresolved issues—particularly around technology and semiconductorssuggest ongoing geopolitical friction that could support gold demand. Gold's recovery also benefited from a technical oversold bounce. The precious metal had fallen over \$450 from its record high of \$4,381 to below \$3,950, representing a severe correction that liquidated many long positions. The sharp rebound on Thursday suggests buyers viewed the sub-\$4,000 levels as attractive entry points, though conviction remains questionable given the inability to hold decisively above \$4,000. The Federal Reserve's hawkish pivot continues to create crosscurrents for gold. While higher rates typically pressure the non-yielding metal, the uncertainty about future Fed policy and

ongoing geopolitical tensions provide support. US Treasury yields surged across the curve, with the

10-year back above 4%, but gold's recovery suggests the market is weighing multiple factors beyond just rate differentials. Today's calendar features limited major catalysts, with the Chicago PMI and speeches by Fed officials due. Any reinforcement of Powell's hawkish message could

• This suggests a period of indecision with potential for directional move in either direction.

Gold is consolidating around the critical 4000-dollar psychological level and the 20-period moving average, reflecting market indecision following the recent correction. The Stochastic indicator's retreat from overbought levels suggests the initial selling pressure has eased, but conviction is needed for a sustained recovery. A decisive break above 4106.46 would confirm renewed bullish momentum and potentially target 4187.48, while failure to hold above 3912.57 could extend the correction toward 3831.88. This week's US economic data and Fed speaker commentary will be crucial in determining gold's next directional move. Traders should watch for any shift in Fed rhetoric that could alter December rate cut expectations, as well as any escalation in geopolitical tensions

pressure gold, while dovish commentary might provide support.

Price is consolidating around the 20-period moving average.

Stochastic moved lower from the overbought area

that could revive safe-haven demand. The technical picture remains neutral, making gold a market that needs catalysts to break out of its current consolidation pattern.

Stoch(5,3,3) 72.5458 58.5707

Market Outlook

for Sterling's direction.

Technical Outlook

Key Levels to Watch

Conclusion

Market Outlook

Technical Outlook

Key Levels to Watch

Conclusion

sanctions.

Technical Outlook

Resistance: 6928.29; 6986.47 Support: 6812.20; 6755.44

>>> Previous Session Overview

Stochastic is consolidating in the middle area.

• Price is consolidating around the 20-period moving average. This setup indicates a healthy pause within an ongoing uptrend.

Resistance: 1.3205; 1.3291 Support: 1.3058; 1.2966

Technical Outlook

Key Levels to Watch

Conclusion

Resistance: 4106.46; 4187.48 Support: 3912.57; 3831.88

GBP/USD >>> Previous Session Overview GBP/USD moved lower on Friday, reaching near previous support levels. Currently trading at 1.3138. GBPUSD,H4 1.31346 1.31413 1.31321 1.31385 MHMarkets @ 1.35770 1.34845 1.33920 1.32913 1,32048

expected to lower productivity forecasts, raising financial stress and concerns about the UK's fiscal trajectory. These budget worries, combined with softer economic data, have fuelled speculation that the Bank of England may need to cut rates more aggressively than previously thought. The successful US-China trade truce announcement also weighed on the higher-yielding Pound Sterling, as reduced geopolitical tensions prompted a flight to quality reversal that favoured the Dollar.

Trump's announcement that China tariffs would drop from 57% to 47%, coupled with China's commitment to pause rare earth export controls and expand agricultural trade, eased trade war fears but strengthened the already robust Dollar. This week brings the critical Bank of England Super Thursday policy decision, with the BoE widely expected to hold its key policy rate at 4.00%, but the updated economic projections and Governor Andrew Bailey's hints on future rate cuts will be crucial

This suggests a potential corrective bounce but within an overall bearish structure.

GBP/USD is attempting a modest recovery from six-month lows, with the Stochastic indicator moving higher suggesting short-term oversold conditions are being relieved. However, the pair remains below the 20-period moving average, indicating that the broader downtrend is still intact. The technical setup points to potential sell on bounce trades, with any rally toward 1.3205 resistance likely to attract renewed selling pressure. Support at 1.3058 is now critical, as a break below could accelerate declines toward 1.2966 and potentially test the 200-day SMA around 1.2813. This week's BoE decision will be pivotal, with the market focused on whether policymakers signal readiness to resume rate cuts in December, which would extend Sterling's weakness. Conversely, a more hawkish stance could provide temporary support. The technical picture suggests caution until price action

confirms a break above the 20-period moving average and reclaims the 1.3200 handle.

 Stochastic is moving higher towards the overbought area. • Price is consolidating below the 20-period moving average.

The Pound Sterling accelerated its recent decline against the US Dollar last week, briefly revisiting levels under the 1.3150 psychological mark and touching six-month lows near 1.3115. The pair suffered from multiple headwinds including the Dollar's broad-based recovery following Fed Chair Powell's hawkish press conference, mounting concerns over the UK's fiscal outlook, and increased

expectations that the Bank of England may need to resume rate cuts sooner than previously anticipated. The Dollar staged a powerful comeback after Powell tempered expectations for a December rate cut, noting that policymakers are likely to become more cautious if the government shutdown deprives them of employment and inflation data. This shifted market pricing dramatically, with the probability of a December Fed rate cut falling to 72.8% from 91.1% a week earlier. Adding to Sterling's woes, investors grew increasingly anxious ahead of Chancellor Rachel Reeves's Autumn Budget scheduled for November 26. Reuters reported that the Office for Budget Responsibility is

20 Oct 08:00 21 Oct 16:00 23 Oct 00:00 24 Oct 08:00 27 Oct 16:00 29 Oct 00:00

SPX/USD (S&P 500) Previous Session Overview The S&P 500 consolidated on Friday, staying between previous support and resistance levels. Currently trading at 6864.57. SPXUSD.H4 6868.27 6868.52 6861.07 6864.57 MHMarkets @ +0+1+0+++ 100+0+00+ 6670.90 6596.10 6521.30 6448.70 Stoch(5,3,3) 53:8881 44:5372 80 17 Oct 2025 20 Oct 09:00 21 Oct 17:00 23 Oct 01:00 24 Oct 09:00 27 Oct 17:00 29 Oct 01:00

Wednesday as Fed Chair Powell dampened expectations for a December rate cut. By Friday's close, the market had recovered, reflecting the underlying strength of corporate earnings and economic fundamentals. The third-quarter earnings season has been a major tailwind for equities, with 64% of S&P 500 companies having reported so far and an impressive 83% beating consensus estimates. The blended earnings growth rate for the quarter now stands at 10.7% year-over-year, significantly above the 7.9% expected at guarter-end. Forward earnings growth expectations have also improved, with 2025 and 2026 estimates rising to 11.2% and 14.0%, respectively. The Magnificent 7 technology stocks, Microsoft, Meta Platforms, Amazon, Apple, Nvidia, Alphabet, and Tesla, continue to be critical drivers, outperforming last week despite some individual disappointments. Alphabet, Microsoft, and Amazon delivered particularly strong results, supporting the thesis that artificial intelligence demand is driving robust growth. Nvidia, the last of the group to report, is scheduled to

The S&P 500 demonstrated remarkable resilience last week, consolidating near all-time highs despite an intraweek reversal following the Federal Reserve's policy announcement. The index began the week with an enthusiastic rally to fresh record highs, only to reverse course on

announce earnings on November 19, which could provide further direction for the tech-heavy index. The successful US-China trade de-escalation announced at the APEC Summit provided additional support for risk assets. The agreement covering rare earth minerals, fentanyl cooperation, and semiconductor sales reduced a major overhang that had been weighing on sentiment, particularly for multinational corporations with significant China exposure. However, clouds remain on the

horizon as the ongoing government shutdown, now extending beyond 30 days, continues to disrupt

The S&P 500's consolidation around record highs reflects a market digesting the Fed's hawkish pivot while remaining supported by strong corporate earnings. The technical picture shows the Stochastic in neutral territory and price action around the 20-period moving average, suggesting neither bulls nor bears have clear control in the immediate term. However, the broader trend remains bullish, with multiple technical indicators suggesting this is a pause rather than a reversal. Resistance at 6928.29 represents the next challenge for bulls, with a break above potentially targeting 6986.47. On the downside, support at 6812.20 should contain any pullbacks, with stronger support at 6755.44. The market's ability to hold above 6650 in recent weakness reinforces the underlying bullish structure. This week's focus will be on Fed speaker commentary regarding December rate cut prospects and key economic data releases. The second-busiest week of earnings season, featuring 135 S&P 500 companies reporting, will also provide crucial insights into corporate health and future guidance.

USO/USD (WTI CRUDE OIL)

economic data releases and could eventually impact consumer and business confidence.

USO/USD consolidated higher on Friday, staying between previous support and resistance levels, but opened with a gap higher on Monday morning. Currently trading at 61.03. USOUSD.H4 61,014 61,045 60,926 61,037 MHMarkets @ 61.037 56,480 55.000 53.520 100 20 Oct 05:00 21 Oct 13:00 22 Oct 21:00 24 Oct 05:00 27 Oct 13:00 28 Oct 21:00 30 Oct 05:00 31 Oct 13:00 **Market Outlook** WTI crude oil is showing signs of recovery after a challenging October that saw the commodity post its third consecutive monthly loss. The market opened Monday with a notable gap higher, reflecting

changing supply dynamics and improved sentiment following the US-China trade truce announcement. OPEC+ is eyeing a modest output increase of 137,000 barrels per day at its

above the 60-dollar threshold. Reports suggest Saudi Arabia has pivoted its strategy toward

upcoming meeting, a symbolic adjustment designed to signal market stability rather than a full-scale policy shift. The Saudi-Russian led alliance maintains a cautious stance with WTI prices trading just

protecting Asian market share, preparing to reduce official selling prices by 1.00 to 1.50 dollars per barrel for December shipments destined for China and India. Despite the planned price cuts, Saudi Arabia's internal production remains constrained near 9.2 million barrels per day, reflecting efforts to prevent excessive downside price risk. The OPEC basket rose 1.87% last week to 66.46 dollars, with Middle Eastern grades showing relative strength, suggesting some stabilization in the physical market. The successful US-China trade de-escalation has provided a tailwind for oil prices by reducing concerns about demand destruction from an escalating trade war. China's commitment to expand agricultural purchases and cooperate on various trade issues has improved the outlook for Asian demand, which remains critical for global oil consumption. However, supply pressures persist as ExxonMobil and Chevron reported record Q3 production levels, with combined output from the top five oil majors driving continued US supply growth. Total US crude output has surpassed 13.5 million barrels per day, matching pre-pandemic highs. The resilience of US shale production continues to cap upside price potential despite OPEC+ production restraint. Geopolitical factors remain in play with Russian oil exports staying above 7.3 million barrels per day despite Western

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Time Currency **Events** Forecast Previous JPY Bank Holiday All Day 07:30 CHF CPI m/m -0.1% -0.2% 15:00 USD ISM Manufacturing PMI 49.4 49.1 AUD 3.60% 3.60% 03:30 Cash Rate AUD **RBA Monetary Policy Statement** 03:30 03:30 AUD **RBA Rate Statement** 04:30 AUD **RBA Press Conference**

recovery attempt.

 Stochastic is moving higher towards the overbought area. Price is moving higher above the 20-period moving average. • This setup indicates renewed bullish momentum. **Key Levels to Watch** Resistance: 62.52; 63.98 Support: 59.77; 58.18 Conclusion WTI crude oil is showing renewed strength with a gap-up opening on Monday, breaking above the 20-period moving average and suggesting a potential shift in sentiment. The Stochastic indicator moving toward overbought territory confirms building bullish momentum. Immediate resistance at 62.52 is now the next target, with a break above potentially extending gains toward 63.98. The technical reversal comes as market participants reassess the supply-demand balance following OPEC+'s modest production increase plans and improved trade relations between the US and China. Support at 59.77 should now contain any pullbacks, with stronger support at 58.18. The gap-up opening suggests strong conviction from buyers, though traders should watch for potential gap-fill pressure if momentum wanes. The fundamental backdrop remains mixed, with OPEC+ production discipline and improved demand outlook from trade de-escalation providing support, while robust Key events for today (GMT):

Date 3 Nov

US production and ample global supplies cap upside potential. The coming week will be crucial in determining whether oil can sustain this technical breakout or if resistance levels will cap the 4 Nov 7.21M 7.23M Tentative USD **JOLTS Job Openings** www.mhmarkets.com