

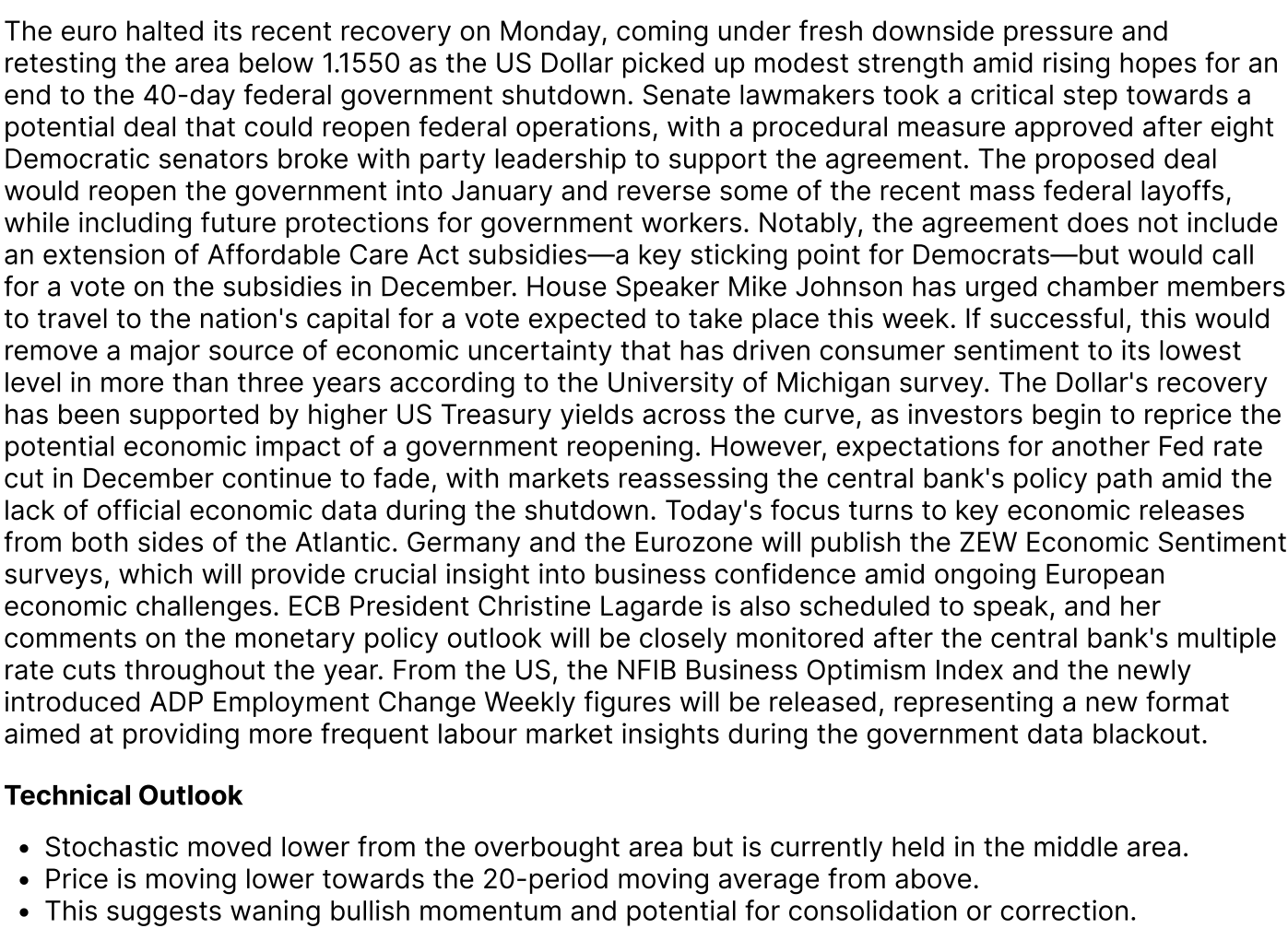
TECHNICAL ANALYSIS REPORT

T U E S D A Y , N O V E M B E R 1 1 2 0 2 5

EUR/USD

Previous Session Overview

EUR/USD consolidated higher on Monday, staying between previous support and resistance levels. Currently trading at 1.1556.



Market Outlook

The euro halted its recent recovery on Monday, coming under fresh downside pressure and retesting the area below 1.1550 as the US Dollar picked up modest strength amid rising hopes for an end to the 40-day federal government shutdown. Senate lawmakers took a critical step towards a potential deal that could reopen federal operations, with a procedural measure approved after eight Democratic senators broke with party leadership to support the agreement. The proposed deal would reopen the government into January and reverse some of the recent mass federal layoffs, while including future protections for government workers. Notably, the agreement does not include an extension of Affordable Care Act subsidies—a key sticking point for Democrats—but would call for a vote on the subsidies in December. House Speaker Mike Johnson has urged chamber members to travel to the nation's capital for a vote expected to take place this week. If successful, this would remove a major source of economic uncertainty that has driven consumer sentiment to its lowest level in more than three years according to the University of Michigan survey. The Dollar's recovery has been supported by higher US Treasury yields across the curve, as investors begin to reprice the potential economic impact of a government reopening. However, expectations for another Fed rate cut in December continue to fade, with markets reassessing the central bank's policy path amid the lack of official economic data during the shutdown. Today's focus turns to key economic releases from both sides of the Atlantic. Germany and the Eurozone will publish the ZEW Economic Sentiment surveys, which will provide crucial insight into business confidence amid ongoing European economic challenges. ECB President Christine Lagarde is also scheduled to speak, and her comments on the monetary policy outlook will be closely monitored after the central bank's multiple rate cuts throughout the year. From the US, the NFIB Business Optimism Index and the newly introduced ADP Employment Change Weekly figures will be released, representing a new format aimed at providing more frequent labour market insights during the government data blackout.

Technical Outlook

- Stochastic moved lower from the overbought area but is currently held in the middle area.
- Price is moving lower towards the 20-period moving average from above.
- This suggests waning bullish momentum and potential for consolidation or correction.

Key Levels to Watch

Resistance: 1.1583; 1.1616
Support: 1.1534; 1.1501

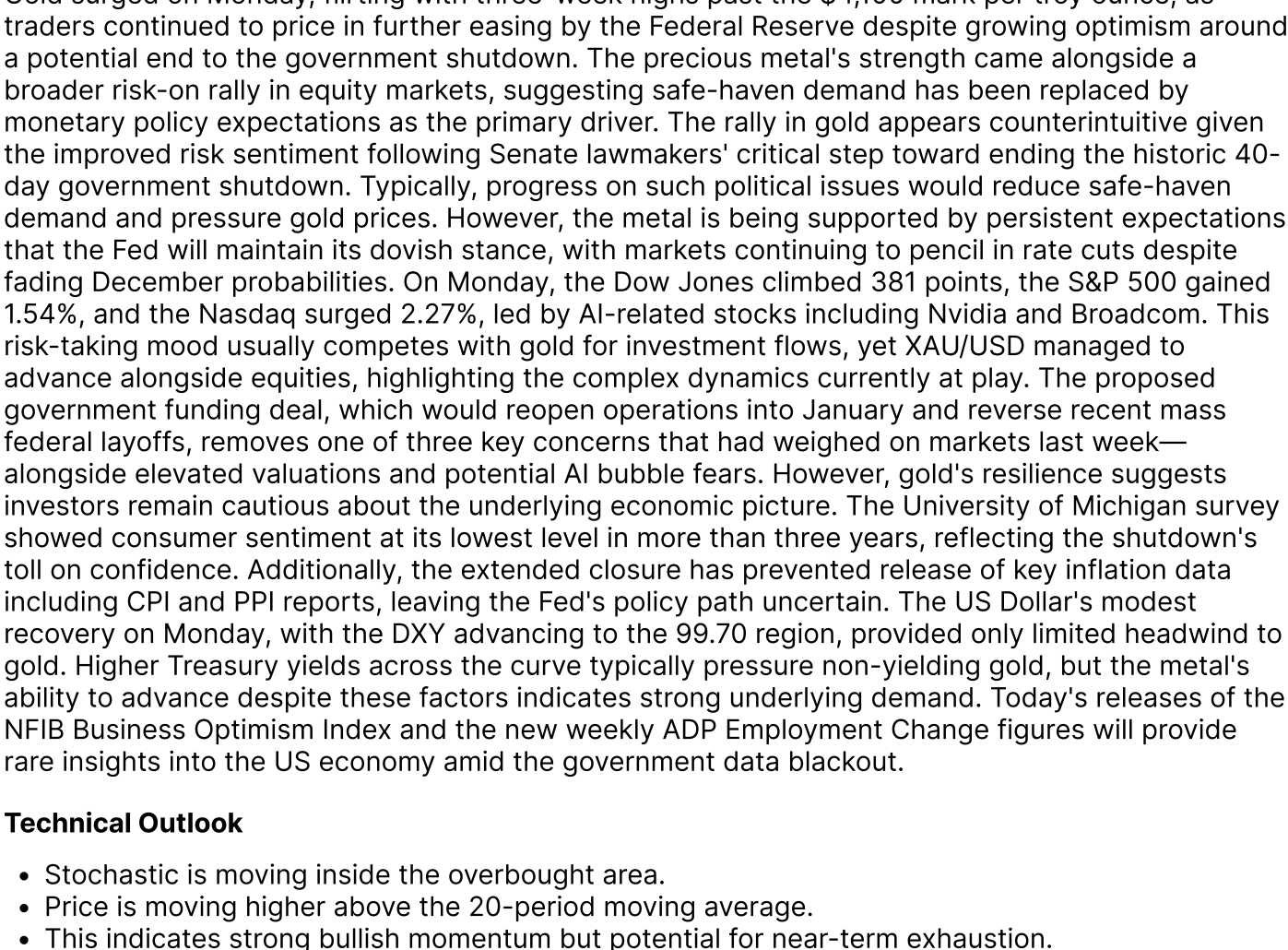
Conclusion

EUR/USD is showing signs of exhaustion after its recent rally, with the pair now testing the 20-period moving average as shutdown resolution hopes boost the US Dollar. The Stochastic indicator's retreat from overbought levels to the middle area confirms the loss of upward momentum. The 1.1534 support level is critical in the near term—a break below could accelerate declines toward 1.1501. On the upside, the pair needs to reclaim 1.1583 to resume its bullish trend. Today's focus on the ZEW surveys and US labour market data will be crucial. Strong German sentiment readings could provide support for the Euro, while positive US employment data would reinforce Dollar strength. The potential government shutdown resolution represents a significant shift in the fundamental backdrop, reducing safe-haven flows and uncertainty premiums that had weighed on the Dollar. As long as EUR/USD holds above the 20-period moving average and 1.1534 support, the broader uptrend remains intact, but a decisive break below these levels would signal a deeper correction is underway.

GOLD (XAU/USD)

Previous Session Overview

Gold moved higher on Monday, reaching above previous resistance levels. Currently trading at 4146.15.



Market Outlook

Gold surged on Monday, flirting with three-week highs past the \$4,100 mark per troy ounce, as traders continued to price in further easing by the Federal Reserve despite growing optimism around a potential end to the government shutdown. The precious metal's strength came alongside a broader risk-on rally in equity markets, suggesting safe-haven demand has been replaced by monetary policy expectations as the primary driver. The rally in gold appears counterintuitive given the improved risk sentiment following Senate lawmakers' critical step toward ending the historic 40-day government shutdown. Typically, progress on such political issues would reduce safe-haven demand and pressure gold prices. However, the metal is being supported by persistent expectations that the Fed will maintain its dovish stance, with markets continuing to pencil in rate cuts despite fading December probabilities. On Monday, the Dow Jones climbed 381 points, and the S&P 500 gained 1.54%, and the Nasdaq surged 2.27%, led by AI-related stocks including Nvidia and Broadcom. This risk-taking mood usually competes with gold for investment flows, yet XAU/USD managed to advance alongside equities, highlighting the complex dynamics currently at play. The proposed government funding deal, which would reopen operations into January and reverse recent mass federal layoffs, removes one of three key concerns that had weighed on markets last week—alongside elevated valuations and potential AI bubble fears. However, gold's resilience suggests investors remain cautious about the underlying economic picture. The University of Michigan survey showed consumer sentiment at its lowest level in more than three years, reflecting the shutdown's toll on confidence. Additionally, the extended closure has prevented release of key inflation data including CPI and PPI reports, leaving the Fed's policy path uncertain. The US Dollar's modest recovery on Monday, with the DXY advancing to the 99.70 region, provided only limited headwind to gold. Higher Treasury yields across the curve typically pressure non-yielding gold, but the metal's ability to advance despite these factors indicates strong underlying demand. Today's releases of the NFIB Business Optimism Index and the new weekly ADP Employment Change figures will provide rare insights into the US economy amid the government data blackout.

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 for near-term exhaustion.

Key Levels to Watch

Resistance: 4204.32; 4273.08
Support: 4040.40; 3964.87

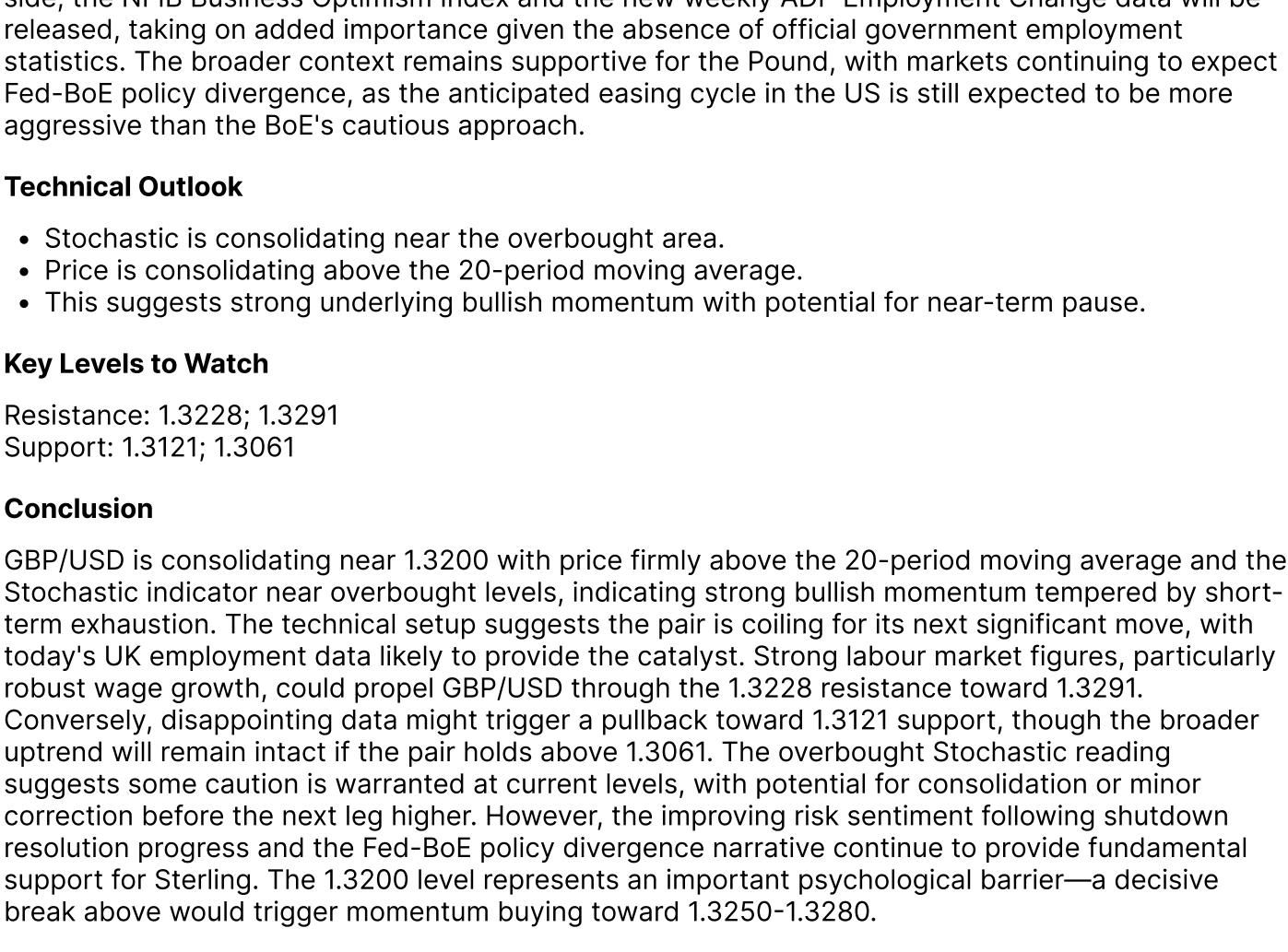
Conclusion

Gold's push above \$4,100 reflects robust bullish momentum, with the precious metal now firmly established above the 20-period moving average and the Stochastic indicator in overbought territory. The technical setup suggests strong buying interest, though the overbought condition warns of potential near-term consolidation or pullback. Immediate resistance at 4204.32 represents the next upside target, with a break potentially opening the path toward 4273.08. Support at 4040.40 should contain any profit-taking, with stronger backing at 3964.87 below. The key question is whether gold can maintain its gains once the government shutdown ends and risk sentiment fully normalizes. The metal's unusual behaviour—rallying alongside equities—suggests the market is pricing in a scenario where the economy remains resilient enough to support stocks but weak enough to keep the Fed accommodative. Today's US employment data will test this thesis. Stronger-than-expected figures could trigger profit-taking in gold as December rate cut odds diminish further, while disappointing data would reinforce the precious metal's appeal. The overbought technical condition suggests caution is warranted at current levels, though the strong uptrend remains intact as long as gold holds above \$4,040.

GBP/USD

Previous Session Overview

GBP/USD consolidated higher on Monday, staying between previous support and resistance levels. Currently trading at 1.3168.



Market Outlook

The Pound Sterling extended its ongoing rebound on Monday, moving closer to the 1.3200 mark despite modest strength in the Greenback. GBP/USD benefited from the broader risk-on sentiment that swept through markets as hopes grew for an imminent end to the 40-day US government shutdown, though the pair's advance was tempered by the Dollar's recovery from recent lows. Senate lawmakers took a critical step toward a funding deal on Monday, with a procedural measure approved after eight Democratic senators broke with party leadership. The proposed agreement would reopen the government into January, reverse recent mass federal layoffs, and include future worker protections. House Speaker Mike Johnson has urged members to return to Washington for a vote expected this week, potentially removing a major cloud of uncertainty hanging over financial markets. The improved risk sentiment propelled US equity markets sharply higher, with the Nasdaq surging 2.27%, the S&P 500 gaining 1.54%, and the Dow advancing 0.81%, led by AI-related stocks including Nvidia and Broadcom. The Pound typically benefits from such risk-on environments, supporting GBP/USD's advance despite Dollar strength. However, the pair's inability to break decisively above 1.3200 reflects some caution ahead of today's critical UK labour market report. The employment data will provide crucial insight into the health of the British economy and could significantly influence the Bank of England's policy trajectory. Market participants are particularly focused on wage growth and unemployment figures, as these metrics will help determine whether the BoE can maintain its hawkish stance compared to other major central banks. The BRC Retail Sales Monitor, also due today, will offer additional colour on UK consumer spending patterns. Strong retail sales would bolster confidence in the domestic economy and support Sterling, while weak readings could raise concerns about consumer resilience amid elevated living costs. From the US side, the NFIB Business Optimism Index and the new weekly ADP Employment Change data will be released, taking on added importance given the absence of official government employment statistics. The broader context remains supportive for the Pound, with markets continuing to expect Fed-BoE policy divergence, as the anticipated easing cycle in the US is still expected to be more aggressive than the BoE's cautious approach.

Technical Outlook

- Stochastic is consolidating near the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests strong underlying bullish momentum with potential for near-term pause.

Key Levels to Watch

Resistance: 1.3228; 1.3291
Support: 1.3121; 1.3061

Conclusion

GBP/USD is consolidating near 1.3200 with price firmly above the 20-period moving average and the Stochastic indicator near overbought levels, indicating strong bullish momentum tempered by short-term exhaustion. The technical setup suggests the pair is coiling for its next significant move, with today's UK employment data likely to provide the catalyst. Strong labour market figures, particularly robust wage growth, could propel GBP/USD through the 1.3228 resistance toward 1.3291. Conversely, disappointing data might trigger a pullback toward 1.3121 support, though the broader uptrend will remain intact if the pair holds above 1.3061. The overbought Stochastic reading suggests some caution is warranted at current levels, with potential for consolidation or minor correction before the next leg higher. However, the improving risk sentiment following shutdown resolution progress and the Fed-BoE policy divergence narrative continue to provide fundamental support for Sterling. The 1.3200 level represents an important psychological barrier—a decisive break above would trigger momentum buying toward 1.3250-1.3280.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Monday, reaching above previous resistance levels. Currently trading at 6846.54.

