MH Markets

TECHNICAL

ANALYSIS REPORT

FRIDAY, NOVEMBER 21 2025

EUR/USD

Previous Session Overview

EUR/USD consolidated higher on Thursday, reaching near previous resistance levels. Currently trading at 1.1536.

Market Outlook

The euro weakened further on Thursday, exposing a potential test of the key support at 1.1500 as the greenback maintained its upside momentum for yet another session. The dollar climbed to six-month highs backed by declining bets for another interest rate cut by the Federal Reserve at its December meeting, with the US Dollar Index advancing past the 100.00 barrier despite declining Treasury yields. The catalyst for continued dollar strength was Thursday's September Nonfarm Payrolls report, which surprised to the upside by showing the economy added 119,000 jobs, more than economists expected given the extended government shutdown. Following this data, fed funds futures trading showed less than 40% odds that the Federal Reserve would cut for a third time this year next month, down from approximately 45% previously and a dramatic collapse from the 90% probability priced in just a month ago. Market sentiment soured significantly on Thursday despite initially positive reactions to Nvidia's blockbuster earnings, with equities shedding 1.56% after rallying as much as 1.9% earlier. Today marks PMI-day with the flash S&P Global Manufacturing and Services PMIs taking centre stage. These readings will provide crucial insights into the health of both the US and European economies. Germany and the eurozone will release the advanced HCOB Manufacturing and Services PMIs to conclude the domestic calendar, complemented by ECB Negotiated Wage Growth data and remarks from ECB officials Lagarde, De Guindos, and Machado. The final University of Michigan Consumer Sentiment index and speeches from Fed officials Williams, Barr, Jefferson, and Logan will also feature prominently.

Technical Outlook

- Stochastic moved higher from the oversold area
- Price is consolidating below the 20-period moving average.
- This suggests a potential technical bounce within a broader bearish trend.

Key Levels to Watch

Resistance: 1.1572; 1.1597
Support: 1.1492; 1.1468

Conclusion

EUR/USD is consolidating just above 1.1500 after modest gains from oversold conditions, but remains below the 20-period moving average, indicating the bearish bias remains intact. The Stochastic moving higher from oversold suggests potential for a near-term bounce, though the fundamental backdrop has deteriorated significantly with Fed rate cut odds collapsing below 40%. The pair is approaching a critical juncture at 1.1500, where a decisive break would expose 1.1468 and signal a complete breakdown of the recent bullish structure. If today's PMI data shows European resilience or US weakness, the pair could recover toward 1.1572 resistance, with 1.1597 above that. However, the dollar's momentum is formidable, having broken above 100.00 and reaching six-month highs. Today's PMI releases are crucial, as weak European data combined with resilient US readings would accelerate the decline toward 1.1468. Until the Fed rate cut narrative stabilizes or European economic data significantly improves, the pair faces continued downside pressure with 1.1500 representing the line in the sand.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 4053.53.

Market Outlook

Gold could not sustain its recent gains on Thursday, reversing two daily advances in a row and coming close to the key $4,000 mark per troy ounce as traders continued to scale back bets of a Fed rate cut next month. The precious metal faces mounting pressure as the probability of a December Fed rate cut has collapsed to less than 40%, the lowest level in months and down dramatically from over 90% just four weeks ago. Thursday's September Nonfarm Payrolls report, which showed the economy added 119,000 jobs despite the extended shutdown, reinforced the narrative of labour market resilience, and reduced the urgency for Fed easing. The broader market backdrop has turned decidedly negative for gold. Despite Nvidia's blockbuster earnings and guidance, stocks fell sharply on Thursday as investors realized the Fed easing cycle may be ending prematurely. This equity market weakness, typically supportive for safe-haven gold, has been overwhelmed by the strength in the dollar, which climbed to six-month highs above 100.00. The dollar's resilience despite declining Treasury yields is particularly notable. Normally, falling yields would support gold by reducing the opportunity cost of holding the non-yielding metal. However, the hawkish Fed repricing has created such strong dollar momentum that it is overwhelming this traditional relationship. Today's focus shifts to flash PMI data from both the US and major economies, alongside the final University of Michigan Consumer Sentiment index. Strong US PMI readings would further reinforce the no-landing economic narrative and pressure gold lower. Additionally, speeches from four Fed officials create significant event risk.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating around the 20-period moving average.
- This suggests near-term indecision with potential for directional breakout.

Key Levels to Watch

Resistance: 4146.13; 4226.33
Support: 4008.64; 3933.39

Conclusion

Gold is consolidating around the critical 20-period moving average at $4,078, reflecting market indecision as traders assess the collapse in Fed rate cut expectations against persistent safe-haven demand. The Stochastic in neutral territory suggests the market is at an inflection point, with today's PMI data and Fed speeches likely to determine the next directional move. A break below the 20-period moving average and support at 4008.64 would trigger a test of $4,000 and potentially accelerate declines toward 3933.39. Conversely, weaker-than-expected US data or dovish Fed commentary could trigger a relief rally above 4146.13 toward 4226.33. However, the fundamental backdrop has deteriorated significantly for gold with Fed rate cut odds below 40%, the dollar at six-month highs, and equity market weakness failing to provide safe-haven support. The flurry of Fed speakers today creates substantial risk for further hawkish signals. Unless there is a significant shift in Fed expectations or economic data disappoints meaningfully, gold appears vulnerable to testing $4,000 and below in the coming sessions.

GBP/USD

Previous Session Overview

GBP/USD consolidated higher on Thursday, reaching previous resistance levels but then moved lower back to between the support and resistance levels. Currently trading at 1.3086.

Market Outlook

Sterling was the outperformer among its risk-linked peers on Thursday, ending the day around 1.3086 following an earlier move past 1.3100. Despite the intraday volatility and eventual pullback, the Pound showed relative resilience compared to the euro and other risk currencies amid the broader dollar strength that pushed the greenback to six-month highs. Thursday's stronger-than-expected US Nonfarm Payrolls report showing 119,000 jobs added in September drove Fed rate cut expectations below 40% for December, down dramatically from over 90% a month ago. This hawkish repricing typically pressures risk-sensitive currencies like Sterling, yet the pair managed to hold ground better than peers. Today brings an interesting UK data calendar that could be pivotal for the Pound's direction. The GfK Consumer Confidence gauge will provide insights into household sentiment, while Retail Sales figures will reveal the health of consumer spending heading into the critical holiday season. Most importantly, the flash S&P Global Manufacturing and Services PMIs will be crucial in determining whether the UK economy is maintaining momentum or faltering. With the Bank of England facing pressure to cut rates following soft CPI data earlier in the week, strong PMI readings could reduce December rate cut expectations and support Sterling, while weak readings would reinforce the easing case. The US side of the equation also matters significantly, with flash US PMIs, the final University of Michigan Consumer Sentiment index, and speeches from four Fed officials all capable of moving the dollar.

Technical Outlook

- Stochastic moved higher from the oversold area but is currently held in the middle area.
- Price is consolidating below the 20-period moving average.
- This suggests a recovery attempt that has stalled, with the trend remaining bearish.

Key Levels to Watch

Resistance: 1.3138; 1.3174
Support: 1.3038; 1.2999

Conclusion

GBP/USD is consolidating around 1.3086, trapped between support and resistance after Thursday's intraday whipsaw. The Stochastic stalling in the middle area after recovering from oversold suggests the bounce has lost momentum, while the price remaining below the 20-period moving average indicates the bearish trend remains intact. Today's UK data dump is critical, as strong Retail Sales and PMIs could drive the pair above 1.3138 resistance toward 1.3174, reducing BoE December rate cut expectations. Conversely, weak data would push the pair toward 1.3038 support, with a break below exposing the 1.2999 level. The technical breakdown below 1.3100 earlier in the week remains a concern, with the downward-sloping 21-day SMA maintaining bearish undertones. The convergence of BoE and Fed rate cut expectations around 40-45% has removed a key Sterling support. The immediate trading range is 1.3038-1.3138, with a breakout determining near-term direction, but the path of least resistance remains lower given the broader fundamental headwinds facing Sterling.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved lower on Thursday, reaching below previous support levels. Currently trading at 6580.20.

Market Outlook

Stocks fell sharply on Thursday in a dramatic reversal, as a market-wide rally sparked by blockbuster Nvidia results gave up steam and investors lost hope that the Federal Reserve would cut rates again in December. The benchmark shed 1.56% to end at 6,538.76, despite rising as much as 1.9% earlier in the session, a stunning 3.5% intraday swing that underscores the fragility of market sentiment. The tech-heavy composite suffered the worst damage, falling 2.16% after advancing 2.6% at one point, nearly a 5% intraday reversal. The catalyst for this dramatic reversal was the realization that the Federal Reserve is unlikely to cut rates in December. Following Thursday's better-than-expected September jobs report showing 119,000 jobs added, fed funds futures showed less than 40% odds that the central bank would cut for a third time this year next month. Nvidia epitomized the day's reversal. Shares gained as much as 5% after the chipmaker released better-than-expected quarterly results with CEO Jensen Huang reassuring that demand for Blackwell chips is off the charts. However, the stock closed 3%, dragging the broader market down. This builds on a weak November for the AI trade, with Nvidia on track to finish the month down nearly 11%. In contrast, Walmart shares rose around 6% following stronger-than-expected sales, reflecting an ongoing rotation out of higher-valued tech into defensive companies. Today brings flash PMI data from both the manufacturing and services sectors, alongside the final University of Michigan Consumer Sentiment index.

Technical Outlook

- Stochastic moved lower from the overbought area
- Price is moving lower below the 20-period moving average.
- This indicates renewed bearish momentum after the failed rally attempt.

Key Levels to Watch

Resistance: 6675.03; 6780.79
Support: 6493.58; 6389.63

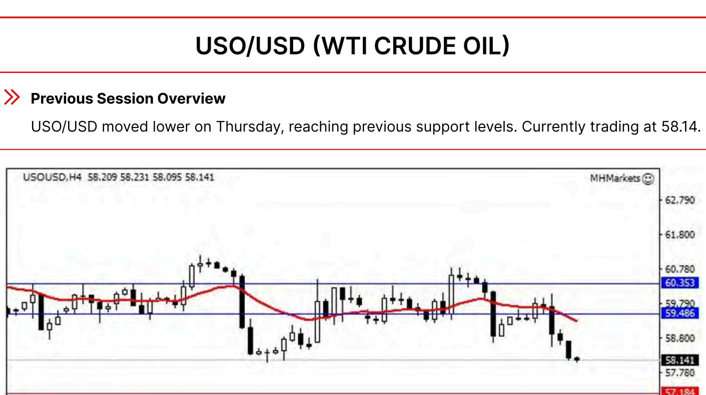
Conclusion

The S&P 500 has suffered a significant technical breakdown, plunging to 6580.20 after Thursday's dramatic reversal that saw gains of nearly 2% transform into losses of 1.56%. The index is now trading well below the 20-period moving average with the Stochastic turning lower from overbought levels, suggesting the brief recovery attempt has failed and bearish momentum is reasserting itself. Thursday's price action was particularly damaging psychologically, as the inability to sustain gains despite Nvidia's blockbuster earnings demonstrates that even positive catalysts cannot overcome the headwind of collapsed Fed rate cut expectations. Immediate support at 6493.58 is now critical, with a break below targeting 6389.63. On the upside, the index must reclaim 6675.03 to suggest Thursday's selloff was an overreaction. Today's PMI data creates substantial risk, as strong readings would confirm economic resilience, but further pressure rate cut expectations. The rotation into defensive stocks like Walmart highlights the shift in market leadership. Until rate cut expectations stabilize, the technical and fundamental picture remains bearish for equities.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved lower on Thursday, reaching previous support levels. Currently trading at 58.14.



Market Outlook

WTI prices added to Wednesday's deep retracement on Thursday, breaching below the $59.00 mark per barrel despite shrinking US stockpiles and sanctions on Russian oil. The continued decline underscores that even positive supply-side developments cannot overcome the overwhelming bearish fundamental backdrop driven by persistent global oversupply concerns. The breakdown below $59.00 is technically and psychologically significant, representing a failure of the brief recovery attempt that had taken prices above $60.00 earlier in the week. Most concerning is that this decline occurred despite what would typically be supportive factors: the EIA report showing inventory draws reversing the previous massive 6.4-million-barrel build, ongoing US sanctions on Russian oil producers, and continued geopolitical tensions. This suggests the market's focus has shifted decisively toward demand-side concerns, with fears about economic growth overwhelming supply-side dynamics. The collapse in Fed rate cut expectations, now below 40% for December, has contributed to this shift, as higher-for-longer interest rates typically weigh on economic growth and energy demand. The persistent agency forecasts predicting oversupply through 2026 continue to hang over the market. OPEC's projection of a 2026 surplus, the IEA's raised supply growth estimates, and the EIA's forecast for record US production create a structural bearish outlook. Today's focus on flash PMI data from major economies will be crucial for oil, as weak readings would reinforce demand concerns.

Technical Outlook

- Stochastic is moving lower towards the oversold area.
- Price is moving lower below the 20-period moving average.
- This indicates strong bearish momentum with potential oversold conditions developing.

Key Levels to Watch

Resistance: 59.49; 60.35
Support: 57.18; 56.38

Conclusion

WTI crude oil has broken decisively below $59.00 to trade at 58.14, extending the decline below the 20-period moving average as the Stochastic moves toward oversold territory. This breakdown confirms the failure of the recent rally attempt and suggests the structural bear market remains firmly intact. The inability to sustain gains despite inventory draws and Russian supply concerns is particularly bearish, indicating that demand fears are overwhelming supply-side positives. Immediate support at 57.18 is now in focus, with a break below exposing 56.38 and potentially triggering another leg lower toward the $56.00 area. On the upside, oil must reclaim $59.00 and the 20-period moving average to suggest the decline is merely a correction. However, the fundamental backdrop remains decidedly bearish with agency forecasts predicting persistent oversupply through 2026 and demand concerns intensifying. Today's PMI releases are critical, as weak readings from major economies would reinforce demand fears and likely accelerate the decline toward $57.00. The extreme oversold conditions suggest potential for a technical bounce, but any rally is likely to be sold.

Key events for today (GMT):

Date	Time	Currency	Events	Forecast	Previous
21 Nov	07:00	GBP	Retail Sales m/m	-0.1%	0.5%
	08:30	EUR	German Flash Manufacturing PMI	49.8	49.6
	08:30	EUR	German Flash Services PMI	54.0	54.6
	09:30	GBP	Flash Manufacturing PMI	49.3	49.7
	09:30	GBP	Flash Services PMI	51.9	52.3
	14:45	USD	Flash Manufacturing PMI	52.0	52.5
	14:45	USD	Flash Services PMI	54.6	54.8

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