MHMarkets @

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

Previous Session Overview

EURUSD, H4 1,14892 1,14918 1,14844 1,14857

at 1.1485.

 Stochastic is moving inside the oversold area. • Price is moving lower below the 20-period moving average. • This setup indicates strong bearish momentum but extreme oversold conditions. Conclusion EUR/USD has broken a critical support level and is now in deeply oversold territory, suggesting the selling pressure has been extreme but may be nearing exhaustion. The Stochastic indicator inside the oversold area warns that a technical bounce could be imminent, though the overall trend remains firmly bearish with price well below the 20-period moving average. Immediate support at 1.1403 is now crucial, as a break below could accelerate losses toward 1.1347 and potentially

GOLD (XAU/USD) Previous Session Overview Gold moved lower on Tuesday, reaching near previous support levels. Currently trading at 3962.14. XAUUSD, H4 3948.43 3965.11 3947.35 3962.14 MHMarkets @

**Market Outlook** Gold declined sharply on Tuesday, retreating to the 3930-dollar area per troy ounce as the stronger US Dollar and diminishing expectations for a December Fed rate cut weighed on the precious metal. The precious metal has now surrendered all its gains from the initial post-tariff safe-haven rally, as the powerful Dollar resurgence and rising Treasury yields create a challenging environment for non-yielding assets. The US Dollar Index's breakthrough above the psychological 100.00 barrier on its fifth consecutive day of gains has been the primary driver of gold's weakness. This Dollar strength, combined with elevated Treasury yields as markets reprice Fed policy expectations, has significantly increased the opportunity cost of holding gold. The fundamental shift in Fed expectations following Chair Powell's hawkish press conference last week continues to reverberate through markets. Traders have dramatically reduced their December rate cut bets, with the probability now significantly lower than the 90% priced in before the FOMC meeting. This reassessment has removed a key pillar of support for gold prices. However, several factors suggest gold's decline may be overdone. The ongoing US government shutdown, now approaching record length with no resolution in sight, represents a source of economic and political uncertainty that typically supports safe-haven assets. Geopolitical tensions remain elevated with the Russia-Ukraine conflict ongoing and Middle East instability persisting. Additionally, central banks worldwide continue their gold accumulation programs, providing steady physical demand. Today's economic calendar is particularly heavy and could provide significant volatility for gold. The ADP Employment Change report will offer crucial insights into labour market health, while the ISM Services PMI will gauge momentum in the dominant services sector. Strong data would reinforce Fed hawkishness and pressure gold further, while disappointing figures could spark a relief rally by reviving rate cut expectations. **Technical Outlook** 

Stoch(5,3,3) 7.4488 6.0986

**Technical Outlook** 

**Key Levels to Watch** 

Stochastic is moving inside the oversold area.

Price is moving lower below the 20-period moving average.

• This setup indicates extreme bearish momentum with severely oversold conditions.

Resistance: 4039.97; 4145.00 Support: 3889.32; 3797.83

Conclusion

- **Market Outlook** There was no respite for the selling pressure on the British Pound on Tuesday, sending GBP/USD to fresh multi-month lows in the 1.3020 to 1.3010 band. The pair has now broken decisively below the psychologically important 1.3100 level, marking a significant technical deterioration and suggesting the downtrend is accelerating. Sterling's weakness reflects multiple bearish drivers converging simultaneously. The US Dollar's relentless rally, now extending into its fifth consecutive day with the

22 Oct 08:00 23 Oct 16:00 27 Oct 00:00 28 Oct 08:00 29 Oct 16:00 31 Oct 00:00 3 Nov 08:00

#### failure that has triggered cascading stop-losses and momentum selling. Immediate support at 1.2939 is now the last line of defence before the psychologically crucial 1.2900 level, as a break The selling has been relentless, with no signs of stabilization. However, the extreme oversold conditions suggest that selling pressure may be reaching exhaustion, raising the possibility of a attempt will face immediate resistance at the broken 1.3100 level, which is likely to act as strong with further resistance at 1.3179. The fundamental backdrop remains extremely challenging for Sterling, as the combination of Dollar strength, UK fiscal concerns, and expectations for BoE dovishness creates a perfect storm. Today's UK Services PMI will be critical, with a weak reading potentially pushing GBP/USD toward 1.2939 support, while a strong figure might trigger short a violent short-squeeze, particularly given positioning is stretched. **SPX/USD (S&P 500)** Previous Session Overview at 6773.55. SPXUSD, H4 6757.92 6777.17 6757.42 6773.55 MHMarkets @ 6939.25

Conclusion GBP/USD is in freefall, with the Stochastic indicator deep in oversold territory and price plunging below the 20-period moving average. The breakdown below 1.3100 represents a critical technical below could accelerate losses toward 1.2869 and potentially test the 200-day SMA around 1.2813. sharp technical bounce, particularly if today's UK Services PMI surprises to the upside. Any recovery overhead resistance. The pair would need to reclaim 1.3105 decisively to suggest the worst is over, covering. Trading strategy should acknowledge the extreme oversold conditions and elevated risk of The S&P 500 moved lower on Tuesday, reaching near previous support levels. Currently trading

#### with over 80% of the more than 300 companies that have reported beating expectations, concerns about future profit growth relative to massive capital expenditure commitments are growing **Technical Outlook** Stochastic is moving lower towards the oversold area.

**Key Levels to Watch** 

valuations.

Previous Session Overview

USOUSD, H4 60.055 60.334 60.048 60.291

trading at 60.29.

**Market Outlook** 

**Technical Outlook** 

**Key Levels to Watch** 

Date

5 Nov

6 Nov

Time

13:15

Resistance: 61.24; 62.28

Resistance: 6833.02; 6882.33

• Price is moving lower below the 20-period moving average.

-↑↑□<sup>↑</sup>↑

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↑↑

**Market Outlook** 

21 Oct 2025 22 Oct 09:00 23 Oct 17:00 27 Oct 01:00 28 Oct 09:00 29 Oct 17:00 31 Oct 01:00 3 Nov 09:00

Stocks fell on Tuesday, with the S&P 500 declining 1.17% to close at 6771.55, as investors grew increasingly concerned about valuations in the bull market-leading artificial intelligence stocks. The sell-off was led by declines in Al-related names, with Palantir shedding about 8% despite beating earnings estimates, while other high-flyers like Oracle, AMD, Nvidia, and Amazon also pulled back sharply. The tech-heavy Nasdaq bore the brunt of the selling, plunging 2.04% to finish at 23,348.64, while the Dow Jones Industrial Average lost 251.44 points, or 0.53%, to 47,085.24. The divergence in performance highlights growing concerns about the narrow leadership and stretched valuations in

mega-cap technology stocks. Valuation concerns have moved to the forefront of investor

consciousness, with AI stock gains driving the S&P 500's forward price-earnings ratio above 23, near its highest level since 2000 according to FactSet. Palantir, despite strong results and guidance, trades at more than 200 times forward earnings, a valuation that demands perfection and leaves little room for disappointment. Adding to investor anxiety, comments from chief executives at Goldman Sachs and Morgan Stanley suggested corrections are ahead. Goldman's David Solomon said it is there will be a 10 to 20% drawdown in equity markets sometime in the next 12 to 24

months, while Morgan Stanley's Ted Pick noted that drawdowns of 10 to 15% should be welcomed. The concerning lack of market breadth continues to raise red flags, with more than 300 stocks in the S&P 500 closing in the red on Monday, and this weakness persisting Tuesday. The narrow leadership concentrated in AI and technology stocks means the market lacks depth, and if

momentum in these sectors stalls, there are few areas to provide support. Despite strong earnings,

- 22 Oct 05:00 23 Oct 13:00 24 Oct 21:00 28 Oct 05:00 29 Oct 13:00 30 Oct 21:00 3 Nov 05:00
- psychology, with US production continuing at robust levels above 13.5 million barrels per day, while Russian exports persist above 7.3 million barrels per day despite Western sanctions. Chinese demand signals remain mixed, with Shandong refiners having increased utilization to 71% of capacity but facing reduced import quotas that will force cutbacks by mid-November. Today's EIA weekly report on US crude oil stockpiles will be crucial, as traders will scrutinize the official inventory data for signs of demand strength or weakness.

Stochastic moved higher from the oversold area but currently held in the middle area.

WTI maintained its trading activity within the established range on Tuesday, oscillating near

the 60.00-dollar threshold per barrel as moderate declines reflected ongoing oversupply concerns and continued Dollar strength. The crude oil market remains under pressure as multiple bearish

discounting strategy for Asian customers, cutting official selling prices by 1.00 to 1.50 dollars per barrel for December cargoes to China and India, underscores the challenging demand environment. This price cutting suggests that physical demand remains softer than desired, despite assurances about market fundamentals. The US Dollar's powerful rally, with the Dollar Index now surpassing 100.00 for the first time in months, has added significant downward pressure on dollar-denominated

- moving average, reflecting market indecision about near-term direction. The Stochastic indicator recovering from oversold levels and settling in the middle area suggests that extreme selling pressure has eased, but conviction is lacking for a sustained move in either direction. The 60.00dollar level is critical, as a decisive break below would trigger stop-loss selling and accelerate losses toward 59.17 support and potentially 58.10. This would force OPEC+ to reconsider its production increase plans and could prompt emergency policy responses. Conversely, a successful defence of 60.00 dollars followed by a move above 61.24 would suggest that oversupply fears are overdone and could spark a relief rally toward 62.28. Today's EIA inventory report will be the key catalyst, with traders positioned for a significant move in either direction based on the data. The fundamental
  - successful defence opens the door for a bounce toward 61.24. Key events for today and tomorrow (GMT):

Currency

USD

- 50.8 0-1-8
- 4.00% 4.00% support@mhmarkets.com

Forecast

28K

**Previous** 

-32K

50.0

0 - 2 - 7

# **Market Outlook** expectations that the Federal Reserve might stay on hold in December following Chair Powell's tailwind for the Greenback, with traders reassessing their rate cut forecasts and positioning ongoing government shutdown, which is now nearing record length. Paradoxically, this political releases that could significantly impact EUR/USD. From Europe, Germany's Factory Orders will official labour market data. The final S&P Global Services PMI and the highly anticipated ISM

- 4039.97 3845.40 3744.75 Stoch(5,3,3) 26.8996 20.0011-23 Oct 17:00 27 Oct 01:00 28 Oct 09:00 29 Oct 17:00 31 Oct 01:00 3 Nov 09:00

4145.00

1.34630

1.33550

1.32440 1.31790 1.31360

1.30160

1.28694 1.28090

20

6802.90 6773.55 6757.00

6709.55

6661.49

6620.65

 Stochastic is moving lower towards the oversold area. Price is moving lower below the 20-period moving average. • This setup indicates strong bearish momentum with potential for exhaustion. **Key Levels to Watch** 

Gold is under severe pressure, trading well below the 20-period moving average with the Stochastic indicator approaching oversold territory. The breakdown below 4000 dollars represents a significant technical development that has triggered stop-loss selling and could attract additional momentum sellers. Immediate support at 3889.32 is critical, as a break below could accelerate the decline toward 3797.83 and potentially test the key 3800-dollar level. The technical damage is substantial, with gold needing to reclaim 4039.97 and then the psychologically important 4000-dollar level to suggest stabilization. Resistance at 4145.00 would need to be cleared to alter the bearish outlook. Today's US economic data, particularly the ISM Services PMI and ADP Employment report, will be

the 3889.32 support level, while disappointing figures could trigger short-covering and a relief rally back toward 4000 dollars. The extreme moves in both the Dollar and gold suggest positioning has become stretched, raising the risk of sharp reversals. However, until Fed speakers signal renewed

crucial catalysts. Strong data would reinforce the Dollar's strength and push gold toward

openness to December easing or economic data deteriorates significantly, the path of least resistance for gold remains lower. Trading strategy should acknowledge the oversold conditions

#### Previous Session Overview at 1.3016. GBPUSD,H4 1.30156 1.30221 1.30131 1.30160 MHMarkets @ 1.35710

- Dollar Index surpassing 100.00, has been the primary force pushing GBP/USD lower. Growing expectations that the Federal Reserve will stay on hold in December have fundamentally shifted the interest rate differential outlook, favouring the Dollar over the Pound. UK-specific concerns continue to weigh heavily on Sterling as investors remain anxious ahead of Chancellor Rachel Reeves's Autumn Budget scheduled for November 26, with expectations that the Office for Budget Responsibility will lower productivity forecasts. These fiscal worries are compounding concerns about the UK's economic growth trajectory, particularly after Germany's disappointing Q3 GDP showed zero growth, raising questions about the broader European economy's health. Market expectations for Bank of England policy have also shifted more dovish, with the UK economy showing signs of weakening and fiscal pressures mounting. Traders are increasingly pricing in the possibility that the BoE may need to resume rate cuts sooner than previously anticipated, potentially as early as December. This contrasts sharply with the Fed's newly hawkish stance, widening the expected monetary policy divergence. Today's key release is the final S&P Global Services PMI for the UK, which will provide crucial insights into the health of the economy's dominant sector. A

#### Support: 6709.55; 6661.49 Conclusion The S&P 500 has broken below its 20-period moving average with momentum deteriorating as the Stochastic indicator heads toward oversold territory. This technical breakdown follows growing concerns about stretched valuations, particularly in Al-related stocks, and warnings from major bank

This setup indicates deteriorating momentum with potential for further weakness.

- factors converge, including ample global supply, OPEC+ production increase plans, robust US output, and the strengthening Dollar. The psychological 60.00-dollar level has now become a critical battleground for oil bulls, with trading around this threshold reflecting the market's uncertainty about the supply-demand balance going forward. OPEC+'s planned 137,000 barrel per day output increase, while modest, signals the alliance's belief that the market can absorb additional supply, a view that many traders are questioning given current price levels. Saudi Arabia's aggressive
- Support: 59.17; 58.10 Conclusion WTI crude oil is consolidating around the critical 60.00-dollar psychological level and the 20-period

This setup suggests indecision with potential for a directional break.

Price is consolidating around the 20-period moving average.

**Events** 

- 15:00 USD ISM Services PMI 12:00 **BOE Monetary Policy Report** GBP 12:00 **GBP** Monetary Policy Summary 12:00 **GBP** MPC Official Bank Rate Votes
- www.mhmarkets.com Risk Warning: The material provided here has not been prepared in accordance with legal requirements designed to promote the independence of investment research and as such is considered to be a marketing communication. Whilst it is not subject to any prohibition on dealing ahead of the dissemination of investment research, we will not seek to take any advantage before providing it to our clients. Trading Forex and CFDs carries a high level of risk to your capital and you should only trade with money you can afford to lose. Trading Forex antd CFDs may not be suitable for all investors, so please ensure that you fully understand the risks involved and seek independent advice if necessary. You don't own or have rights in the underlying assets. Past performance is no indication of future performance and tax laws are subject to change. The information on this website is general in nature and oben't take into account or your collent's personal objectives, financial circumstances, or needs. Please read legial documents and ensure you fully understand the risks before you make any trading decisions. We encourage you to seek independent advice. The information, products an services offered on this website are not intended for distribution to any individual in any country or jurisdiction where such distribution or use would be contrary to local law or applicable regulations. This includes but not limited to USA, Canada, Iran, Iraq, DPRK, Belarus, Australia, Malaysia, Myanmar, Russia and Talwan.

ADP Non-Farm Employment Change

1.17900 1.17220 \*+=0~\* 1,16540 151.7722 1.15160 1.14857 1.14460 1.14025 1.13780 1.13466 1,13100 Stoch(5,3,3) 24.2848 21.1207 80 22 Oct 08:00 23 Oct 16:00 27 Oct 00:00 28 Oct 08:00 29 Oct 16:00 31 Oct 00:00 The euro weakened further on Tuesday, breaching well below the 1.1500 support for the first time since early August, marking a significant technical breakdown. The pair faces relentless pressure as the US Dollar Index advanced for the fifth consecutive day, challenging multi-month highs and finally surpassing the psychological 100.00 barrier. The Dollar's strength continues to be driven by growing hawkish pivot last week. This fundamental shift in Fed policy expectations has created a powerful accordingly. Meanwhile, Washington remains stuck in gridlock with no sign yet of a deal to end the dysfunction has supported the Dollar rather than weakened it, as markets interpret Fed caution as potentially justified given the lack of clear economic data. Today's calendar is packed with critical provide insights into industrial demand, while the final HCOB Services PMI for both Germany and the Eurozone will gauge momentum in the dominant services sector. Producer Prices for the broader bloc will also be released, offering clues about pipeline inflation pressures. On the US side, the day features the usual weekly MBA Mortgage Applications, followed by the crucial ADP Employment

# **Technical Outlook**

# **Key Levels to Watch** Resistance: 1.1572; 1.1634

## target the August lows. Any recovery attempt will face immediate resistance at the broken 1.1500 level, followed by 1.1572. The pair needs to reclaim 1.1500 decisively to suggest the worst of the selling is over. Today's heavy data calendar, particularly the US ISM Services PMI and ADP Employment report, could provide the catalyst for either a relief rally or further breakdown. Strong US data would extend Dollar strength and push EUR/USD lower, while disappointing figures might

# trigger a short-covering bounce. The Fed-ECB policy divergence remains the dominant theme, with the Fed's hawkish pause contrasting sharply with the ECB's dovish comfort at current rate levels. Trading strategy should be cautious given extreme oversold conditions, as while the trend is clearly down, chasing shorts at these levels carries elevated risk of a sharp reversal. 4458.45 4357.80 4254.10

- while respecting the powerful downtrend, as any bounce should be viewed as a potential selling opportunity unless fundamental drivers change. GBP/USD GBP/USD moved lower on Tuesday, reaching near previous support levels. Currently trading
- disappointing reading would reinforce concerns about economic momentum and add further pressure to Sterling, while a strong figure might provide temporary relief.
- Resistance: 1.3105; 1.3179 Support: 1.2939; 1.2869

#### Employment report, could provide additional volatility. Strong data might reinforce Fed hawkishness and pressure valuations further, while weak data could raise recession concerns. Trading strategy should acknowledge that this could be the beginning of a healthy 5 to 10% correction rather than a major top, particularly given the repeated warnings from seasoned investors about stretched

**USO/USD (WTI CRUDE OIL)** 

USO/USD consolidated lower on Tuesday, reaching near previous support levels. Currently

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62.277

60.291

59.167

58,430

57.455

56.505

55.555

creates vulnerability. Today's economic calendar, featuring the ISM Services PMI and ADP

CEOs about potential 10 to 20% drawdowns ahead. Immediate support at 6709.55 is now critical, as a break below could accelerate losses toward 6661.49 and mark a more significant correction. The technical damage is mounting, with the index needing to reclaim 6833.02 and then the 20-period moving average to suggest stabilization. Resistance at 6882.33 would need to be cleared to restore the bullish trend. The fundamental backdrop has shifted from supportive to cautionary, as while earnings remain strong with over 80% of companies beating estimates, investors are questioning whether profit growth can justify current valuations, particularly given massive Al infrastructure investments. The narrow market breadth, with only a handful of mega-cap tech stocks driving gains,

### commodities like oil. The five-day winning streak for the Greenback has made oil more expensive for foreign buyers, potentially dampening international demand. Oversupply concerns dominate market

- backdrop remains challenging, with OPEC+ production increases, robust US supply, Saudi discounting to Asia, and Dollar strength all pointing to continued pressure. However, geopolitical risks, the government shutdown uncertainty, and potential demand improvements from easing US-China trade tensions provide some support. Trading strategy should focus on the 60.00-dollar pivot, as a break below with confirmation suggests further downside toward 59.17, while a
  - Official Bank Rate 12:00 **GBP** Tentative USD **Unemployment Claims**