EUR/USD consolidated on Wednesday, staying between previous support and resistance levels.

MHMarkets @

EURUSD, H4 1,15067 1,15081 1,15024 1,15066

Previous Session Overview

Currently trading at 1.1506.

1.17900 1.17200



PMI came in stronger than anticipated, reinforcing the narrative that the US economy remains resilient despite the ongoing government shutdown, which has now become the longest in US history. This data has further diminished expectations for a December Fed rate cut, providing

additional support for the Dollar. Wednesday's better-than-expected ADP payrolls data also suggested that the labour market remains strong, bolstering the Fed's case for patience on further

rate cuts. The euro faces headwinds from multiple directions as the European economy continues to show signs of weakness, with Germany's Q3 GDP at zero growth highlighting the challenges facing the region's largest economy. The ECB's comfort with current policy settings, having already delivered eight rate cuts, contrasts sharply with the Fed's newly hawkish stance, widening the monetary policy divergence that favours the Dollar. Today's European calendar features Germany's Industrial Production and the HCOB Construction PMI, followed by Retail Sales and the HCOB Construction PMI for the broader Eurozone. These releases will provide important insights into the health of the European economy. Multiple ECB officials are scheduled to speak today, including Schnabel, De Guindos, Buch, and Lane. Their commentary on the economic outlook and inflation trajectory will be closely monitored. On the US side, the Challenger Job Cuts report is the sole data release, but a parade of Fed officials including Barr, Williams, Paulson, Hammack, Waller, and Musalem are all due to speak. **Technical Outlook** Stochastic is moving higher towards the overbought area. Price is consolidating slightly below the 20-period moving average. This setup suggests a potential relief bounce but within a broader downtrend. **Key Levels to Watch** Resistance: 1.1576; 1.1632 Support: 1.1430; 1.1369 Conclusion

EUR/USD is attempting to stabilize after six consecutive days of losses, with the Stochastic indicator

and potentially the August lows. Today's focus will be on the heavy slate of central bank speakers

bounce may offer short-term relief, but the fundamental backdrop characterized by Fed-ECB policy divergence, US economic resilience, and European growth concerns continues to favour Dollar

moving toward overbought territory suggesting a technical bounce may be underway. However, the pair remains below the 20-period moving average, indicating the overall bearish trend is intact. The

- modest recovery from the 1.1470 low reflects extreme oversold conditions being relieved rather than a genuine shift in sentiment. Immediate resistance at 1.1576 represents the first significant hurdle for
- any recovery attempt, followed by 1.1632. The pair would need to decisively break above the 20period moving average and hold above 1.1576 to suggest the worst of the selling pressure has passed. On the downside, support at 1.1430 remains critical, as a break below would target 1.1369

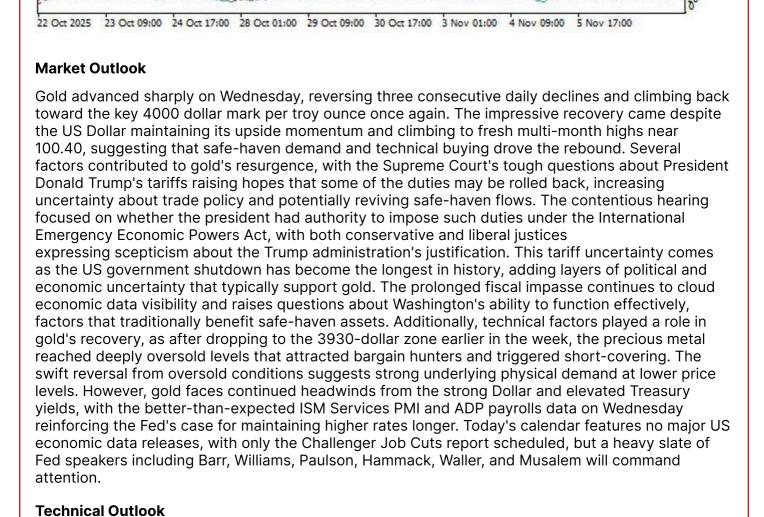
from both the ECB and Fed, with particular attention on whether Fed officials maintain their hawkish tone or show any willingness to ease in December. European economic data, particularly German Industrial Production and Eurozone Retail Sales, could provide additional direction. The technical

strength.

GOLD (XAU/USD) Previous Session Overview Gold moved higher on Wednesday, reaching near previous resistance levels. Currently trading at 3984.77. XAUUSD, H4 3983, 30 3985, 23 3979, 39 3984, 77 MHMarkets @ 4420.70 4328.90

4237.10

Stoch(5,3,3) 78,7242 79.1954



Hawkish rhetoric reinforcing the higher for longer narrative would pressure gold back toward support levels, while any dovish hints could spark another leg higher. The tariff uncertainty stemming from the Supreme Court hearing provides an additional supportive factor, as does the record-length government shutdown. These political and policy uncertainties could provide a floor under gold prices even as the strong Dollar and elevated yields create headwinds. Trading strategy

Key Levels to Watch

Conclusion

Resistance: 4045.89; 4119.12 Support: 3905.39; 3833.76

GBP/USD

 Stochastic is trying to cross lower near the overbought area. Price is consolidating around the 20-period moving average.

This suggests potential for consolidation or mild pullback after the sharp rally.

Gold has staged an impressive recovery to approach the psychologically important 4000-

interest exists at lower levels. The critical 4000-dollar level will be decisive, as a break above 4045.89 would confirm renewed bullish momentum and potentially target 4119.12, while failure to sustain above the 20-period moving average could see a retest of 3905.39 support. Today's parade

of Fed speakers will be crucial, with markets seeking clarity on December rate cut prospects.

should focus on the 4000-dollar pivot, as holding above this level with confirmation through

4045.89 suggests the correction is complete and a new leg higher is beginning, while failure to hold

GBP/USD consolidated on Wednesday, staying between previous support and resistance levels.

MHMarkets @

1.35640

1.34530

1.33420

near overbought territory attempting to cross lower. This technical setup suggests that

dollar level, now consolidating around the 20-period moving average with the Stochastic indicator

the initial bounce may be losing momentum, with potential for consolidation or a mild pullback in the near term. However, the swift recovery from the 3930-dollar zone demonstrates that strong buying

Previous Session Overview

GBPUSD, H4 1,30625 1,30633 1,30565 1,30615

Currently trading at 1.3061.

could see gold retreat toward 3905.39.

1.31170 1.30615 **■**-++□••□ 1.30060 1.28950 1.27840 Stoch(5,3,3) 94.9333 82.4335 80 22 Oct 2025 23 Oct 08:00 24 Oct 16:00 28 Oct 00:00 29 Oct 08:00 30 Oct 16:00 3 Nov 00:00 **Market Outlook** The Pound Sterling attempted a tepid comeback on Wednesday after bottoming out near the key 1.3000 support, or seven-month troughs. The pair's ability to hold above this psychologically critical level and stage a modest bounce suggests that extreme oversold conditions have attracted some

buying interest, though the recovery remains fragile. The Pound faces a critical day with the Bank of England monetary policy decision taking centre stage. The BoE is widely expected to keep its policy rate unchanged at 4.00%, but the focus will be on the updated economic projections and Governor

interested in whether the BoE signals readiness to resume its easing cycle in December, especially given mounting concerns about UK economic growth and fiscal pressures. Chancellor Rachel Reeves's upcoming Autumn Budget on November 26 continues to weigh on sentiment, with

expectations that the Office for Budget Responsibility will lower productivity forecasts. These fiscal concerns, combined with disappointing economic data, have fuelled speculation that the BoE may need to cut rates more aggressively than previously anticipated to support growth. The contrast with Federal Reserve policy could not be starker, as while the BoE contemplates renewed easing,

Wednesday's better-than-expected ISM Services PMI and ADP payrolls reinforced the resilience of the US economy, further widening the expected monetary policy divergence between the two central banks. The US Dollar's relentless strength continues to dominate, with the Dollar Index reaching fresh highs near 100.40 for the first time since late May. This broad-based Dollar rally has been the primary driver of Sterling weakness, though UK-specific concerns have amplified the

Andrew Bailey's commentary regarding future rate cuts. Market participants are particularly

the Fed has adopted a hawkish pause following stronger-than-expected economic data.

decline. Today's UK calendar also features the S&P Global Construction PMI and the BoE's Decision Maker Panel, which will provide additional insights into business confidence and economic conditions. **Technical Outlook** Stochastic is moving higher towards the overbought area. Price is consolidating slightly below the 20-period moving average. • This setup suggests a potential relief rally but within an overall bearish structure. **Key Levels to Watch** Resistance: 1.3158; 1.3247 Support: 1.2954; 1.2859 Conclusion GBP/USD is attempting to stabilize and recover from seven-month lows, with the Stochastic indicator moving toward overbought territory suggesting short-term momentum has shifted positive. However, the pair remains below the 20-period moving average, indicating the broader downtrend is intact. The successful defence of the psychologically critical 1.3000 level is significant, demonstrating that buyers are willing to step in at extreme levels. Today's Bank of England decision will be crucial for determining Sterling's near-term direction. A dovish tilt signalling readiness to resume rate cuts in December would pressure GBP/USD back toward the 1.3000 support and potentially break below toward 1.2954 and 1.2859. Conversely, a more hawkish stance emphasizing data dependency and caution about near-term easing could spark a relief rally toward 1.3158 resistance. Immediate resistance at 1.3158 represents a significant hurdle, with the pair needing to reclaim the 20-period moving average and break above this level to alter the bearish technical outlook. The fundamental backdrop remains challenging, as the combination of Dollar strength driven by Fed hawkishness, UK fiscal concerns, and expectations for BoE dovishness creates significant headwinds. However, extreme oversold conditions and positioning suggest that

level remains pivotal psychological support, as a decisive break below would accelerate losses and

SPX/USD (S&P 500)

The S&P 500 moved higher on Wednesday, reaching near previous resistance levels. Currently

MHMarkets (*)

6928.10 6910.37 6885.60

6807.82

6756.63

6718.10

6675.60

6634.35

20

any hawkish surprise from the BoE could trigger a sharp short squeeze. The 1.3000

mark a new phase of Sterling weakness.

Previous Session Overview

SPXUSD,H4 6808.32 6811.57 6807.32 6807.82

U+0 P+1

Market Outlook

Resistance: 6855.06; 6910.37 Support: 6756.63; 6697.24

Previous Session Overview

USOUSD.H4 59.620 59.641 59.576 59.598

at 59.60.

Conclusion

++[†]0[†]••†0‡

trading at 6807.82.

Supreme Court hearing regarding President Trump's tariffs, which focused on whether the president had authority to impose such sweeping duties under the International Emergency Economic Powers Act. Both conservative and liberal justices asked pointed questions about the Trump administration's justification, leading traders on prediction markets to reduce their bets that the Supreme Court would uphold the tariffs. This tariff uncertainty sparked gains in sectors most exposed to trade tensions, with shares of Detroit automakers Ford and General Motors popping more than 2% each while Caterpillar grew about 4%. Among Al stocks, AMD provided leadership after posting thirdquarter earnings and revenue that beat analyst expectations, with shares closing 2.5%. Other technology names followed, with Broadcom and Micron Technology jumping 2% and about 9%, respectively. However, not all AI stocks participated in the recovery, as Palantir extended its losses dropping more than 1% after Tuesday's 8% plunge, while Super Micro Devices pulled back 11% on disappointing fiscal first-quarter results. Economic data on Wednesday provided encouragement, with better-than-expected ADP payrolls and a stronger-than-expected ISM Services reading, though the strong data boosted yields which some investors view as a headwind for equity valuations. **Technical Outlook** Stochastic is trying to cross lower near the overbought area. Price is consolidating around the 20-period moving average. • This suggests potential for near-term consolidation or mild pullback. **Key Levels to Watch**

The S&P 500 has recovered to consolidate around the 20-period moving average following

setup indicates the market is at a critical juncture, as price action around the 20-period moving average will determine whether this represents a successful defence of support or merely a pause before further weakness. Immediate resistance at 6855.06 needs to be cleared to confirm the recovery and potentially target 6910.37 and new highs. Failure to hold current levels could see a retest of 6756.63 support, with a break below potentially accelerating toward 6697.24. The

fundamental backdrop remains mixed, with earnings continuing to beat expectations as over 80% of companies surpass estimates, economic data showing resilience with strong ISM Services and ADP payrolls, and potential tariff relief from Supreme Court scepticism. However, concerning factors include stretched valuations with the forward PE ratio above 23 near 2000 levels, extremely narrow market breadth with AI stocks driving all gains, and warnings from Goldman Sachs and Morgan Stanley CEOs about potential 10 to 20% drawdowns. Today's focus will be on the parade of Fed speakers for clues about December rate cut prospects. Hawkish rhetoric reinforcing higher for longer could pressure valuations, while any dovish hints might spark a relief rally. The 6800 level serves as a key pivot, as holding above suggests resilience and potential for gradual grind higher, while break below could trigger the 5 to 10% correction that strategists have warned about.

USO/USD (WTI CRUDE OIL)

USO/USD moved lower on Wednesday, reaching near previous support levels. Currently trading

MHMarkets (**)

62,050 61,728 61.330

59.910 59,598 59,190

58.403

territory attempting to cross lower, suggesting momentum may be waning. The technical

Tuesday's valuation-driven sell-off, with the Stochastic indicator near overbought

23 Oct 09:00 24 Oct 17:00 28 Oct 01:00 29 Oct 09:00 30 Oct 17:00 3 Nov 01:00 4 Nov 09:00 5 Nov 17:00

US equities rose on Wednesday, with the S&P 500 advancing 0.37% to finish at 6796.29, as the Supreme Court's tough questions about President Donald Trump's tariffs raised hopes that some of the duties may be rolled back. The recovery came as chipmaker Advanced Micro Devices and other names in the artificial intelligence trade rebounded from valuation concerns that had plagued the market in the prior session. The Dow Jones Industrial Average gained 225.76 points, or 0.48%, to close at 47,311.00, while the Nasdaq Composite advanced 0.65% to settle at 23,499.80. The stronger performance in technology stocks helped reverse Tuesday's sharp declines, though concerns about valuations and market breadth persist. Investors paid close attention to the

57.750 57.030 Stoch(5,3,3) 11,4795 10,8705 21 Oct 2025 23 Oct 05:00 24 Oct 13:00 27 Oct 21:00 29 Oct 05:00 30 Oct 13:00 31 Oct 21:00 4 Nov 05:00 **Market Outlook** WTI surrendered its recent support on Wednesday and declined to four-day lows, breaching the key 60.00 dollar mark per barrel as market participants assessed multiple bearish pressures including the stronger US Dollar, weakening economic activity data from China, and the larger-thananticipated weekly build in US crude oil inventories. This breakdown below the psychologically critical 60-dollar threshold represents a significant technical and psychological defeat for oil bulls. The EIA's weekly inventory report showed a larger-than-expected build in US crude oil stockpiles, reinforcing concerns about weakening demand and ample supply. This data, combined with robust US production levels exceeding 13.5 million barrels per day, paints a picture of a well-supplied market struggling with demand headwinds. China's cooling economic activity data adds another layer of concern, as the world's largest crude oil importer showing any weakness has outsized implications for global oil prices. The combination of reduced import quotas forcing Shandong refiners to cut runs by mid-November and broader economic softness suggests that Asian demand, critical for oil market balance, remains challenged. The US Dollar's surge to fresh highs near 100.40

has created additional headwinds for dollar-denominated commodities, with the six-day winning streak for the Greenback making oil increasingly expensive for foreign buyers and potentially dampening international demand further. OPEC+'s planned 137,000 barrel per day output increase, while modest, sends a signal that the alliance believes the market can absorb additional supply. This assessment appears increasingly questionable given current price action. Saudi Arabia's aggressive discounting of December cargoes to Asian customers by 1.00 to 1.50 dollars per barrel suggests that

physical demand remains softer than desired, even with production restraint. The technical breakdown below 60.00 dollars is particularly concerning because this level had acted as critical

This setup indicates strong bearish momentum with potential for further decline.

WTI crude oil has broken decisively below the critical 60.00-dollar psychological level and

oversold territory. This technical breakdown represents a significant development that could trigger additional momentum selling and potentially force OPEC+ policy responses. Immediate support at 58.40 is now critical, as a break below could accelerate losses toward 57.37 and potentially test the psychologically important 55.00-dollar area. The fundamental backdrop has turned decidedly bearish with multiple negative factors converging, including the larger-thanexpected EIA inventory build suggesting weak demand, Chinese economic cooling reducing Asian

is consolidating below the 20-period moving average, with the Stochastic indicator moving toward

production increases and risk further price erosion, or pause and reverse the increases to defend

7 Nov

13:30

13:30

CAD

CAD

www.mhmarkets.com

psychological support.

Technical Outlook

Key Levels to Watch

Conclusion

Resistance: 60.70; 61.73 Support: 58.40; 57.37

consumption, the strong Dollar making oil expensive for foreign buyers, OPEC+ proceeding with production increases despite weak prices, and Saudi discounting to Asia indicating soft physical demand. Any recovery attempt will face stiff resistance at the broken 60.00-dollar level, now likely to act as resistance, followed by 60.70 and 61.73. The pair needs to reclaim 60.00 dollars decisively to suggest the breakdown was a false move. The breakdown below 60.00 dollars raises questions about OPEC+ strategy, as the alliance faces a dilemma of whether to proceed with planned

Stochastic is moving lower towards the oversold area.

Price is consolidating below the 20-period moving average.

price levels. Sustained trading below 60 dollars might force an emergency policy response. Key events for today and tomorrow (GMT): Time Date Currency **Events** Forecast Previous **BOE Monetary Policy Report** 6 Nov 12:00 GBP 12:00 Monetary Policy Summary **GBP** 12:00 **GBP** MPC Official Bank Rate Votes 0-1-8 0-2-7 12:00 **GBP** Official Bank Rate 4.00% 4.00% **USD Tentative Unemployment Claims**

USD Average Hourly Earnings m/m **Tentative** Core PCE Price Index m/m **Tentative** USD 0.2% 0.2% **Tentative** USD Non-Farm Employment Change **Tentative** USD **Unemployment Rate**

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Employment Change

Unemployment Rate

-4.0K

7.2%

support@mhmarkets.com

60.4K

7.1%