

TECHNICAL

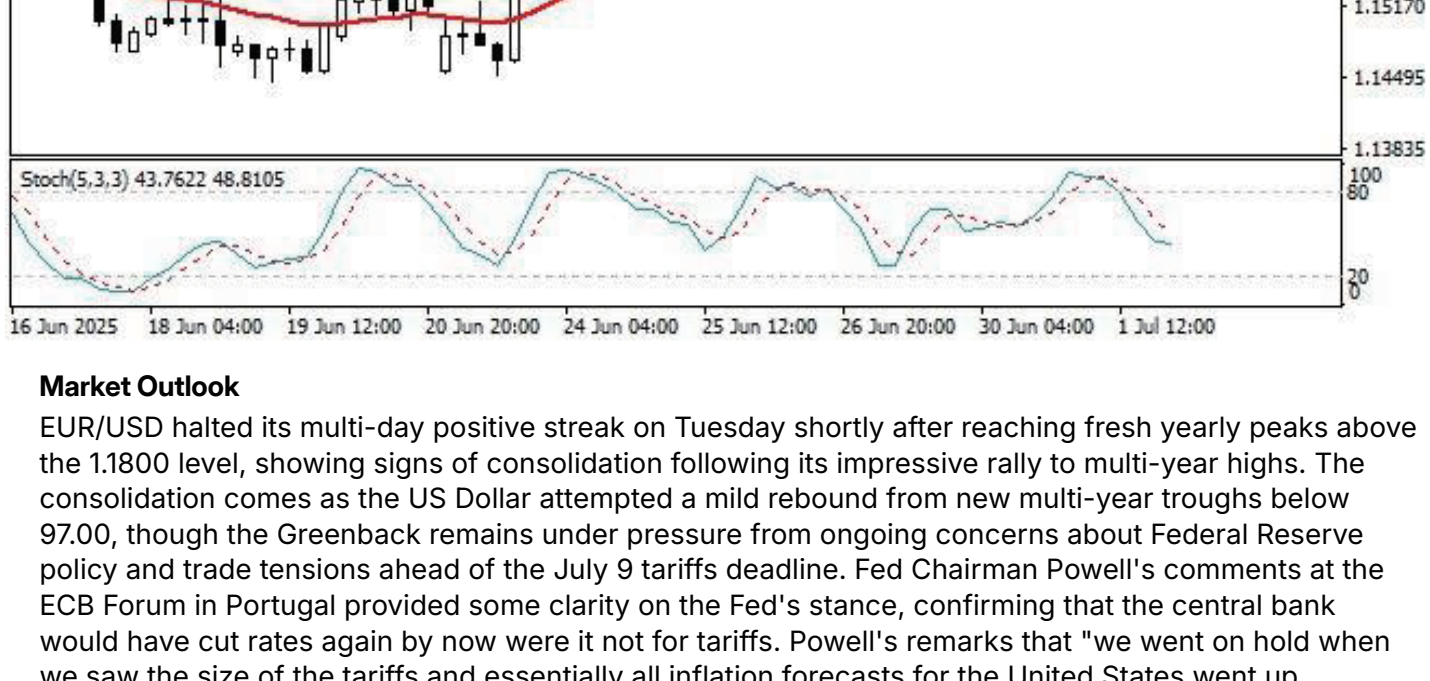
ANALYSIS REPORT

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EUR/USD

Previous Session Overview

EUR/USD consolidated on Tuesday, staying between the previous support and resistance levels. The pair is currently trading at 1.1801.



Market Outlook

EUR/USD halted its multi-day positive streak on Tuesday shortly after reaching fresh yearly peaks above the 1.1800 level, showing signs of consolidation following its impressive rally to multi-year highs. The consolidation comes as the US Dollar attempted a mild rebound from new multi-year troughs below 97.00, though the Greenback remains under pressure from ongoing concerns about Federal Reserve policy and trade tensions ahead of the July 9 tariffs deadline. Fed Chairman Powell's comments at the ECB Forum in Portugal provided some clarity on the Fed's stance, confirming that the central bank would have cut rates again by now were it not for tariffs. Powell's remarks that "we went on hold when we saw the size of the tariffs and essentially all inflation forecasts for the United States went up materially as a consequence of the tariffs" reinforced the market's view that trade policy remains a key constraint on Fed policy flexibility. The ECB Forum continues today with additional speeches from key policymakers, while the EMU's Unemployment Rate release will be watched for signs of labour market strength supporting the ECB's hawkish stance.

Technical Outlook

- Stochastic moved lower from overbought but currently held in the middle area.
- Price is consolidating above the 20-period moving average.
- This setup indicates healthy correction after strong rally while maintaining bullish structure.

Key Levels to Watch

Resistance: 1.1829; 1.1868
Support: 1.1753; 1.1712

Conclusion

EUR/USD's consolidation above 1.1800 represents a healthy pause after reaching fresh yearly highs, with the pair maintaining its position above the 20-period moving average. The Stochastic pullback from overbought levels suggests the correction may have room to run, but the overall bullish structure remains intact. Support at 1.1753 will be key for maintaining the uptrend, while a break above 1.1829 could signal resumption of the rally toward 1.1868.

GOLD

Previous Session Overview

Gold moved higher on Tuesday, reaching near the previous resistance levels. The precious metal is currently trading at \$3,338.99.



Market Outlook

Gold prices rose markedly on Tuesday and revisited the \$3,360 zone per troy ounce, reaching multi-day highs following increasing caution around US trade policy and the vacillating Greenback. The rally gained momentum as fresh tensions emerged on the trade front in anticipation of the July 9 tariffs deadline, with Trump's 90-day reprieve on his steepest tariffs set to expire next week, increasing uncertainty about potential trade disruptions and demand for safe-haven assets. Fed Chairman Powell's confirmation that tariffs have constrained monetary policy has added to concerns about the economic impact. Powell's comments at the ECB Forum that the Fed would have cut rates again were it not for tariffs have reinforced expectations for eventual policy easing, which typically supports gold prices. The admission that "all inflation forecasts for the United States went up materially as a consequence of the tariffs" suggests the Fed remains in a difficult position. Market participants remain focused on trade developments and any potential deals between the US and its trading partners, with overall uncertainty continuing to support gold's safe-haven appeal.

Technical Outlook

- Stochastic moved lower from overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests potential for continued recovery with improved momentum.

Key Levels to Watch

Resistance: \$3,367.24; \$3,393.70
Support: \$3,302.00; \$3,273.07

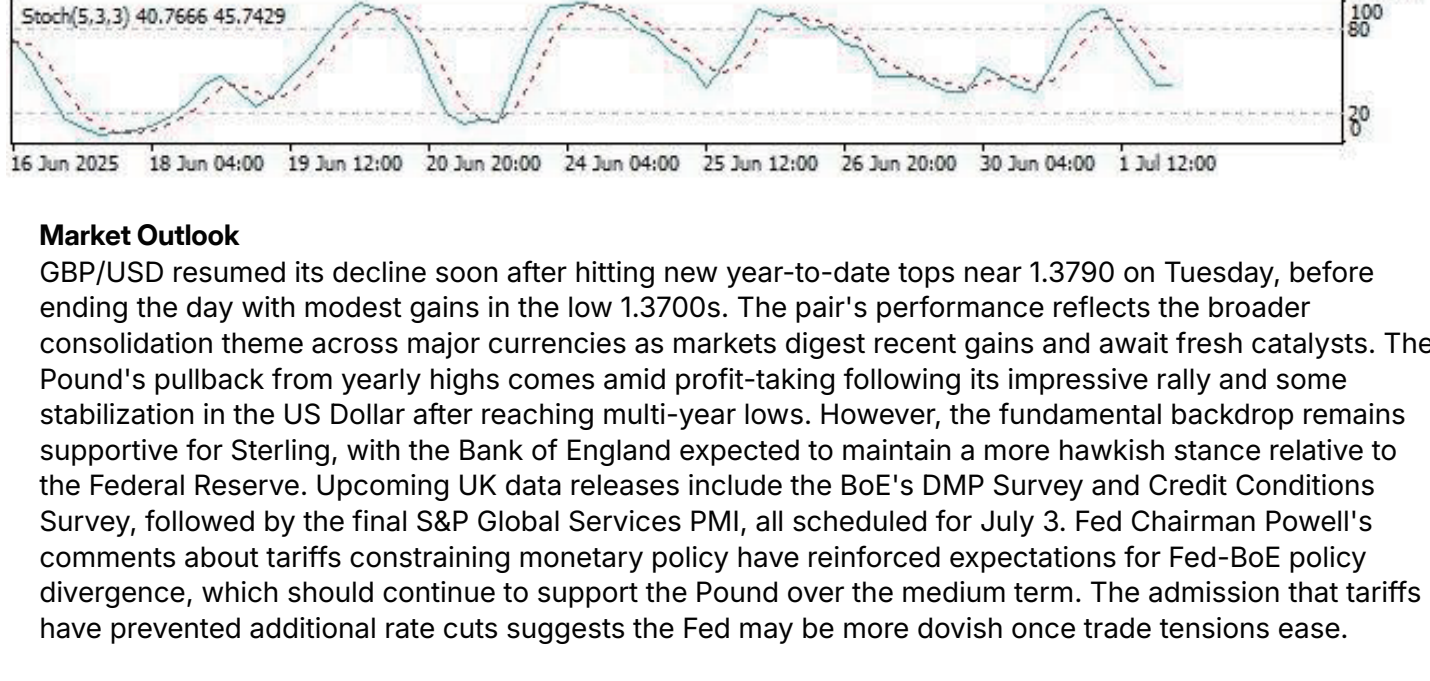
Conclusion

Gold's recovery to the \$3,360 area represents a significant technical improvement, with the precious metal successfully reclaiming the 20-period moving average and building momentum. The Stochastic pullback from overbought levels provides room for further gains, while the fundamental backdrop of trade uncertainty and Dollar weakness remains supportive. Immediate resistance at \$3,367.24 will be crucial for determining whether gold can extend its recovery toward \$3,393.70, while support at \$3,302.00 should contain any near-term weakness.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Tuesday, staying between the previous support and resistance levels. The pair is currently trading at 1.3742.



Market Outlook

GBP/USD resumed its decline soon after hitting new year-to-date tops near 1.3790 on Tuesday, before ending the day with modest gains in the low 1.3700s. The pair's performance reflects the broader consolidation theme across major currencies as markets digest recent gains and await fresh catalysts. The Pound's pullback from yearly highs comes amid profit-taking following its impressive rally and some stabilization in the US Dollar after reaching multi-year lows. However, the fundamental backdrop remains supportive for Sterling, with the Bank of England expected to maintain a more hawkish stance relative to the Federal Reserve. Upcoming UK data releases include the BoE's DMP Survey and Credit Conditions Survey, followed by the final S&P Global Services PMI, all scheduled for July 3. Fed Chairman Powell's comments about tariffs constraining monetary policy have reinforced expectations for Fed-BoE policy divergence, which should continue to support the Pound over the medium term. The admission that tariffs have prevented additional rate cuts suggests the Fed may be more dovish once trade tensions ease.

Technical Outlook

- Stochastic moved lower from overbought but currently held in the middle area.
- Price is consolidating above the 20-period moving average.
- This setup indicates healthy pullback while maintaining overall bullish bias.

Key Levels to Watch

Resistance: 1.3812; 1.3883
Support: 1.3659; 1.3590

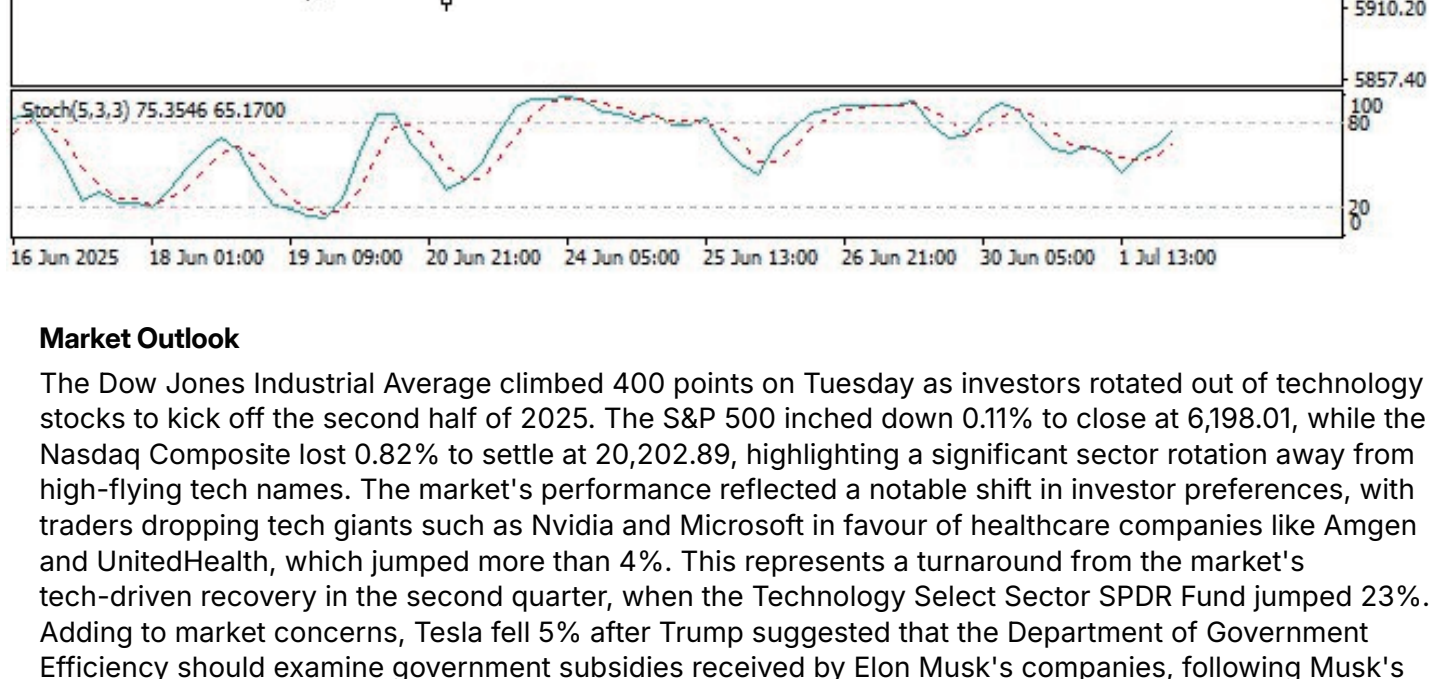
Conclusion

GBP/USD's consolidation following its test of yearly highs represents a natural pause in the uptrend, with the pair maintaining its position above the 20-period moving average. The Stochastic indicator's move away from overbought levels provides scope for renewed upside momentum, while the fundamental case for Sterling strength remains intact. Support at 1.3659 will be important for maintaining the bullish structure, with a break above 1.3812 needed to resume the advance toward 1.3883.

SPX/USD

Previous Session Overview

The S&P 500 consolidated on Tuesday, staying between the previous support and resistance levels. The index is currently trading at 6202.36.



Market Outlook

The Dow Jones Industrial Average climbed 400 points on Tuesday as investors rotated out of technology stocks to kick off the second half of 2025. The S&P 500 inched down 0.11% to close at 6,198.01, while the Nasdaq Composite lost 0.82% to settle at 20,202.89, highlighting a significant sector rotation away from high-flying tech names. The market's performance reflected a notable shift in investor preferences, with traders dropping tech giants such as Nvidia and Microsoft in favour of healthcare companies like Amgen and UnitedHealth, which jumped more than 4%. This represents a turnaround from the market's tech-driven recovery in the second quarter, when the Technology Select Sector SPDR Fund jumped 23%. Adding to market concerns, Tesla fell 5% after Trump suggested that the Department of Government Efficiency should examine government subsidies received by Elon Musk's companies, following Musk's criticism of Trump's megabill as "utterly insane and destructive." The megabill passed in the Senate Tuesday in a 51-50 vote and now moves to the House, which can still reject changes to the legislation.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests underlying strength despite sector rotation effects.

Key Levels to Watch

Resistance: 6220.72; 6251.23
Support: 6172.42; 6135.56

Conclusion

The S&P 500's consolidation reflects healthy sector rotation rather than fundamental weakness, with the index maintaining its position above the 20-period moving average. The Stochastic indicator moving toward overbought levels suggests underlying momentum remains positive despite Tuesday's modest decline. The sector rotation from tech to healthcare and other value sectors could provide broader market support going forward. Immediate resistance at 6220.72 remains the key level to watch for resumption of the uptrend.

USO/USD

Previous Session Overview

USO/USD consolidated on Tuesday, staying between the previous support and resistance levels. The commodity is currently trading at \$64.94.



Market Outlook

WTI crude struggled for direction on Tuesday, hovering near the \$65.00 mark per barrel as uncertainty gripped energy markets ahead of the crucial OPEC+ meeting and escalating trade tensions. Oil has struggled to establish clear direction following last week's dramatic decline from geopolitical risk premium removal. The energy complex remains caught between conflicting forces, with supply concerns from OPEC+ production increases offset by potential demand disruption from escalating trade tensions. The looming July 9 tariffs deadline has created uncertainty about global economic growth and energy demand, keeping traders on edge. Fed Chairman Powell's confirmation that tariffs have materially increased inflation forecasts adds another layer of complexity to oil's outlook. Higher inflation expectations could support commodity prices in the long term, but the immediate impact of potential trade disruption on demand remains a concern. OPEC+ meeting outcomes will be closely watched for any further supply adjustments, while the Energy Information Administration's weekly inventory report will provide demand-side insights.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests potential for recovery if broader sentiment improves.

Key Levels to Watch

Resistance: \$66.26; \$67.80
Support: \$63.83; \$62.35

Conclusion

WTI crude oil's consolidation around \$65.00 reflects the market's attempt to find equilibrium between supply and demand concerns. The Stochastic indicator's move toward overbought territory and price action above the 20-period moving average suggest potential for modest recovery if risk sentiment improves. However, the fundamental challenges from increased OPEC+ supply and trade uncertainty continue to limit upside potential. Immediate resistance at \$66.26 will be key for any meaningful recovery attempt, while support at \$63.83 remains crucial for preventing a deeper decline.

Key events for today and tomorrow (GMT+8):

Date	Time	Currency	Events	Forecast	Previous
2 July	20:15	USD	ADP Non-Farm Employment Change	105K	37K
3 July	14:30	CHF	CPI m/m	0.1%	0.1%
	20:30	USD	Average Hourly Earnings m/m	0.3%	0.4%
	20:30	USD	Non-Farm Employment Change	120K	139K
	20:30	USD	Unemployment Rate	4.3%	4.2%
	22:00	USD	ISM Services PMI	50.8	49.9