

TECHNICAL

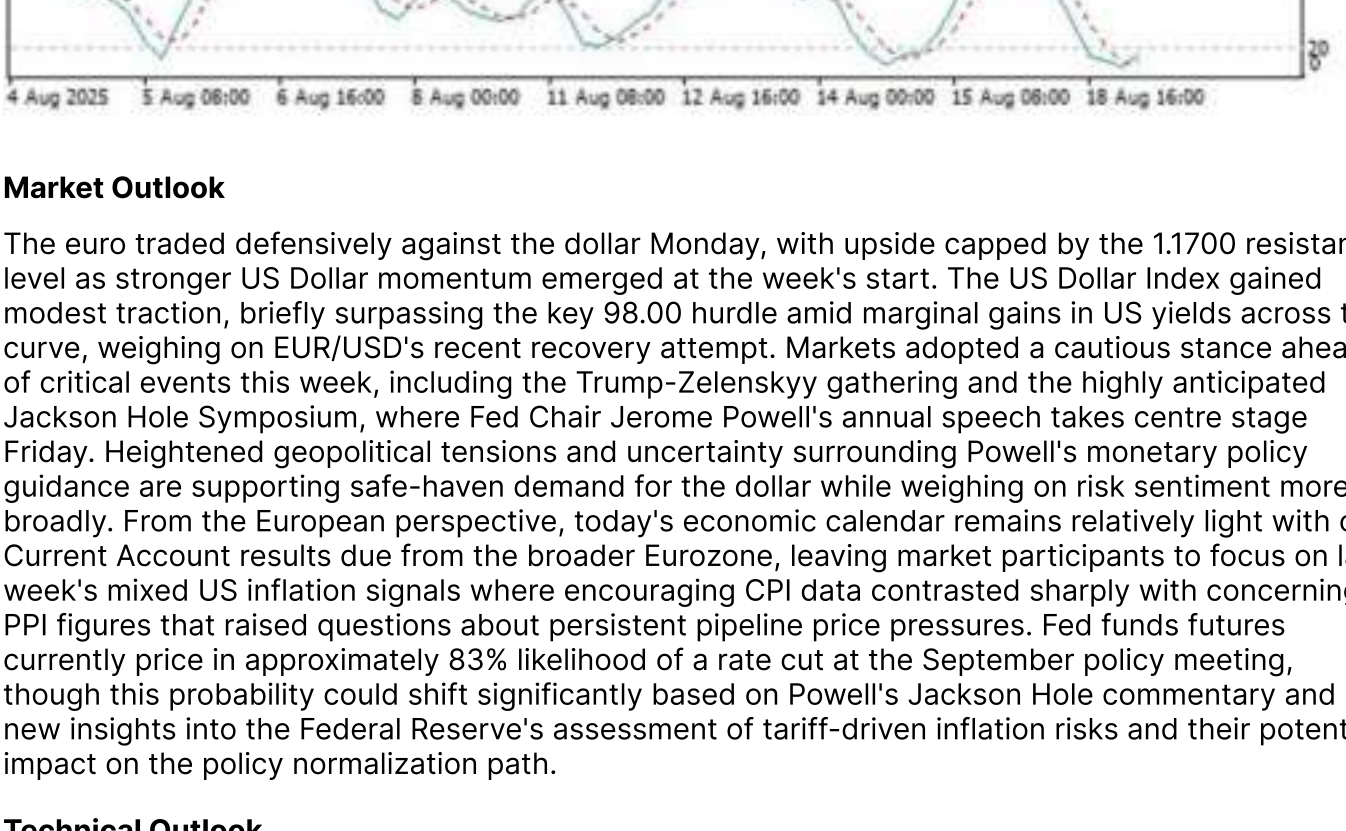
ANALYSIS REPORT

TUESDAY, AUGUST 19, 2025

EUR/USD

Previous Session Overview

EUR/USD consolidated lower on Monday, reaching near the previous support levels. Currently trading at 1.1657.



Market Outlook

The euro traded defensively against the dollar Monday, with upside capped by the 1.1700 resistance level as stronger US Dollar momentum emerged at the week's start. The US Dollar Index gained modest traction, briefly surpassing the key 98.00 hurdle amid marginal gains in US yields across the curve, weighing on EUR/USD's recent recovery attempt. Markets adopted a cautious stance ahead of critical events this week, including the Trump-Zelenskyy gathering and the highly anticipated Jackson Hole Symposium, where Fed Chair Jerome Powell's annual speech takes centre stage Friday. Heightened geopolitical tensions and uncertainty surrounding Powell's monetary policy guidance are supporting safe-haven demand for the dollar while weighing on risk sentiment more broadly. From the European perspective, today's economic calendar remains relatively light with only Current Account results due from the broader Eurozone, leaving market participants to focus on last week's mixed US inflation signals where encouraging CPI data contrasted sharply with concerning PPI figures that raised questions about persistent pipeline price pressures. Fed funds futures currently price in approximately 83% likelihood of a rate cut at the September policy meeting, though this probability could shift significantly based on Powell's Jackson Hole commentary and any new insights into the Federal Reserve's assessment of tariff-driven inflation risks and their potential impact on the policy normalization path.

Technical Outlook

- Stochastic trying to cross higher inside the oversold area.
- Price consolidating around the 20-period moving average.
- This setup suggests potential for technical bounce from oversold conditions.

Key Levels to Watch

Resistance: 1.1774; 1.1829
Support: 1.1596; 1.1536

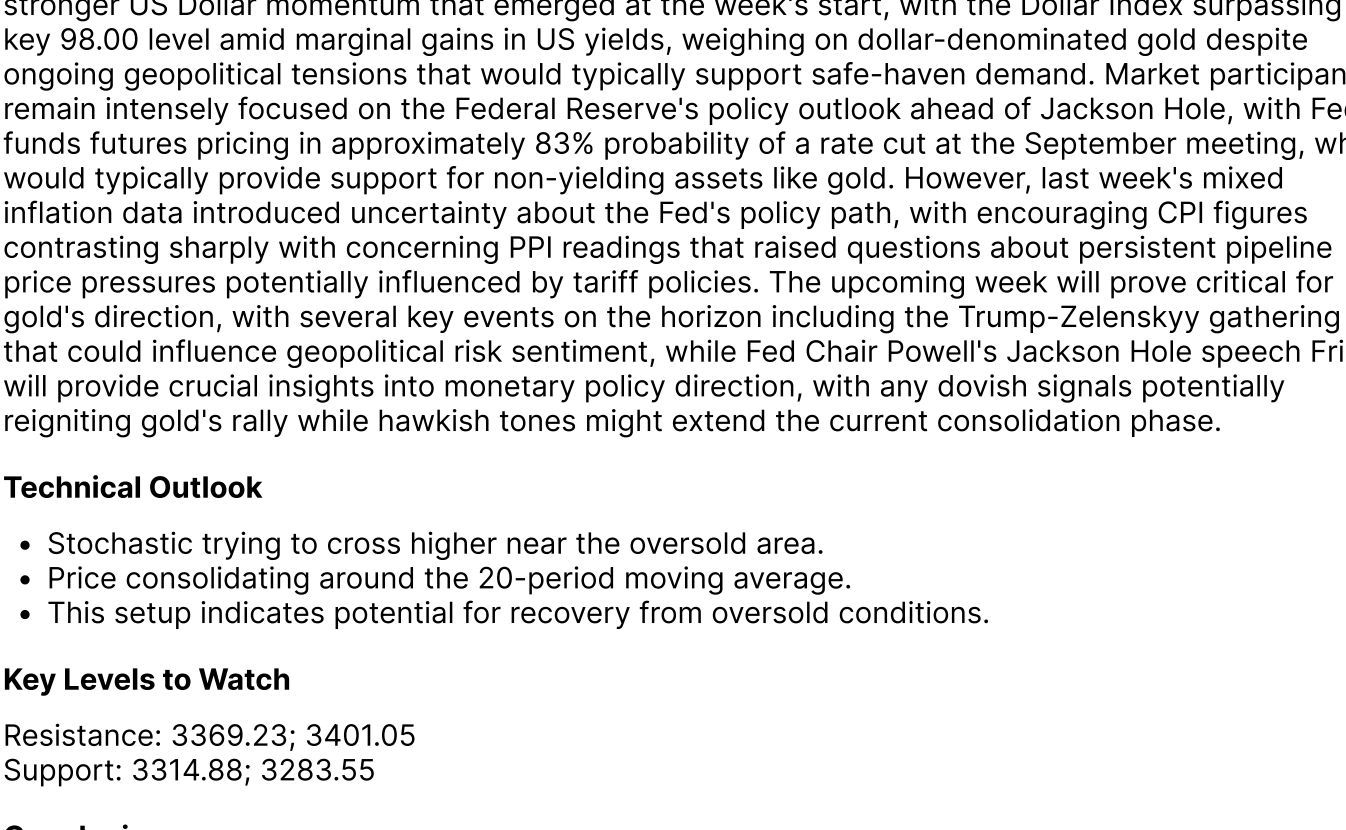
Conclusion

EUR/USD is consolidating around the 20-period moving average at 1.1657, with the Stochastic trying to cross higher from oversold territory, suggesting potential for a corrective bounce. The pair faces immediate resistance at 1.1774, requiring a significant reversal to challenge 1.1829. Critical support lies at 1.1596, with a break below potentially accelerating decline toward 1.1536. The technical setup shows improving conditions with the Stochastic attempting to recover from oversold levels. Today's Eurozone Current Account data and broader USD dynamics will influence near-term direction. This week's Jackson Hole Symposium and Powell's Friday speech will be pivotal for determining the pair's next directional move, particularly regarding Fed policy outlook amid persistent inflation concerns.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated lower on Monday, staying between the previous support and resistance levels. Currently trading at 3339.19.



Market Outlook

Gold prices retreated modestly Monday, revisiting levels near \$3,340 per troy ounce in an inconclusive session as investors closely monitored geopolitical developments and positioned cautiously ahead of the Jackson Hole Symposium. The precious metal's performance reflected the stronger US Dollar momentum that emerged at the week's start, with the Dollar Index surpassing the key 98.00 level amid marginal gains in US yields, weighing on dollar-denominated gold despite ongoing geopolitical tensions that would typically support safe-haven demand. Market participants remain intensely focused on the Federal Reserve's policy outlook ahead of Jackson Hole, with Fed funds futures pricing in approximately 83% probability of a rate cut at the September meeting, which would typically provide support for non-yielding assets like gold. However, last week's mixed inflation data introduced uncertainty about the Fed's policy path, with encouraging CPI figures contrasting sharply with concerning PPI readings that raised questions about persistent pipeline price pressures potentially influenced by tariff policies. The upcoming week will prove critical for gold's direction, with several key events on the horizon including the Trump-Zelenskyy gathering that could influence geopolitical risk sentiment, while Fed Chair Powell's Jackson Hole speech Friday will provide crucial insights into monetary policy direction, with any dovish signals potentially reigniting gold's rally while hawkish tones might extend the current consolidation phase.

Technical Outlook

- Stochastic trying to cross higher near the oversold area.
- Price consolidating around the 20-period moving average.
- This setup indicates potential for recovery from oversold conditions.

Key Levels to Watch

Resistance: 3369.23; 3401.05
Support: 3314.88; 3283.55

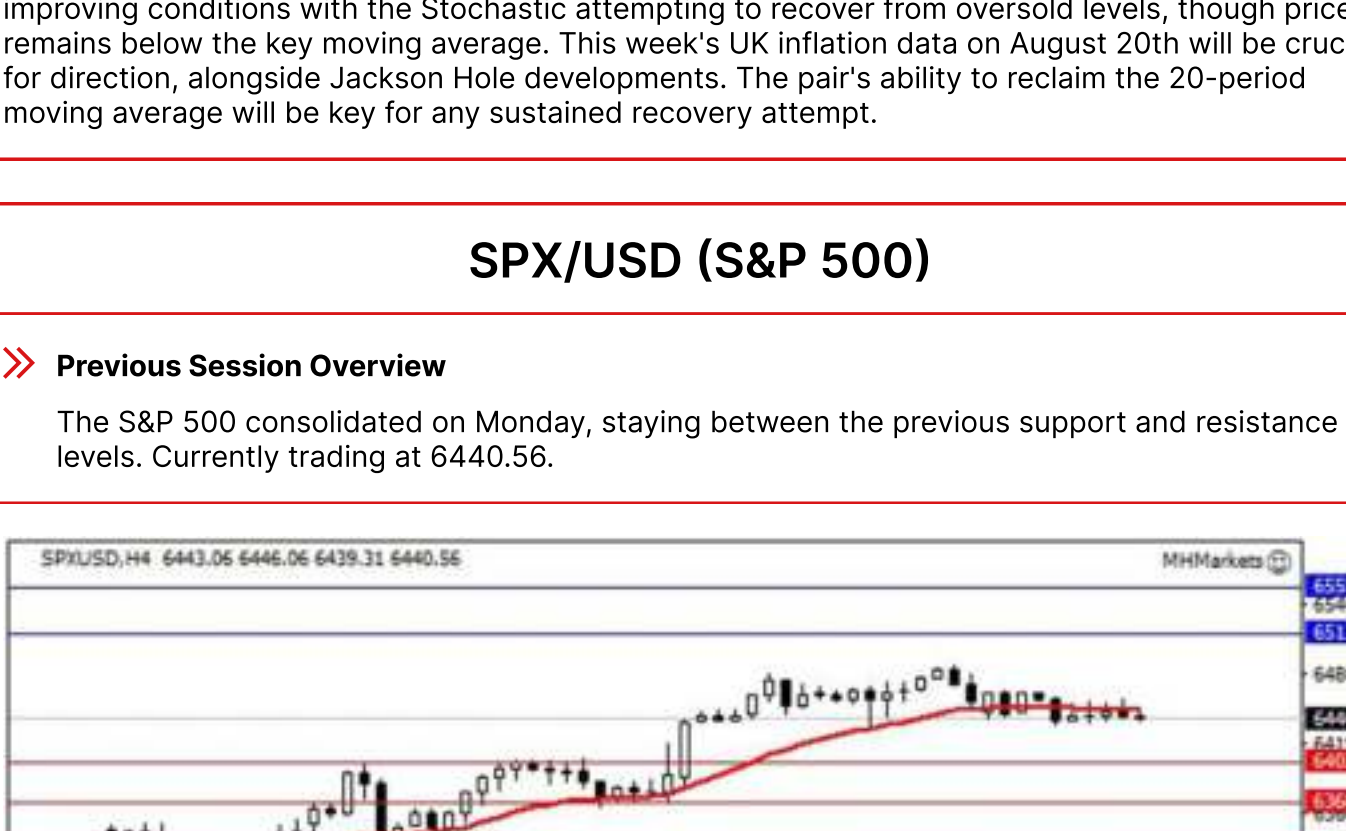
Conclusion

Gold stabilizes around the 20-period moving average at 3339.19, with the Stochastic trying to cross higher near oversold territory, suggesting potential for technical recovery. The precious metal faces immediate resistance at 3369.23, with a break above potentially targeting 3401.05. Support lies at 3314.88, with stronger support at 3283.55. The technical setup shows improving conditions with the Stochastic attempting to recover from oversold levels, though price remains range bound. This week's Trump-Zelenskyy meeting and Jackson Hole Symposium will be key drivers, with Powell's Friday speech crucial for determining whether the precious metal can break above resistance or if consolidation continues. Geopolitical developments and Fed policy guidance will drive near-term direction.

GBP/USD

Previous Session Overview

GBP/USD consolidated lower on Monday, reaching near the previous support levels. Currently trading at 1.3502.



Market Outlook

Sterling surrendered part of recent gains Monday, returning to the vicinity of 1.3500 and hitting three-day lows as the US Dollar regained upside momentum in a session marked by heightened market caution ahead of key events this week. The pair's retreat reflects broader USD strength themes, with the Dollar Index surpassing the key 98.00 level as investors positioned defensively before the Trump-Zelenskyy gathering and the Jackson Hole Symposium, benefiting the greenback at the expense of risk-sensitive currencies like Sterling. This week will prove particularly important for GBP/USD direction, with crucial UK inflation data due August 20th that will be closely scrutinized for insights into the Bank of England's policy outlook, especially given recent concerns about rising price pressures and the BoE's lifted forecast for September inflation to peak at 4% from 3.7%. Any data confirming this upward trajectory could significantly influence expectations for future BoE rate decisions and potentially support Sterling if it suggests a more hawkish policy stance compared to Fed expectations. Beyond domestic data, the Jackson Hole Symposium remains in sharp focus, with Fed Chair Powell's speech Friday potentially driving significant market movements, while BoE Governor Bailey is also scheduled to speak during the symposium, which could provide additional insights into UK monetary policy direction and offer support for Sterling if the tone remains relatively hawkish compared to anticipated Fed dovishness.

Technical Outlook

- Stochastic trying to cross higher inside the oversold area.
- Price consolidating slightly below the 20-period moving average.
- This setup suggests potential for technical bounce from oversold conditions.

Key Levels to Watch

Resistance: 1.3585; 1.3635
Support: 1.3449; 1.3398

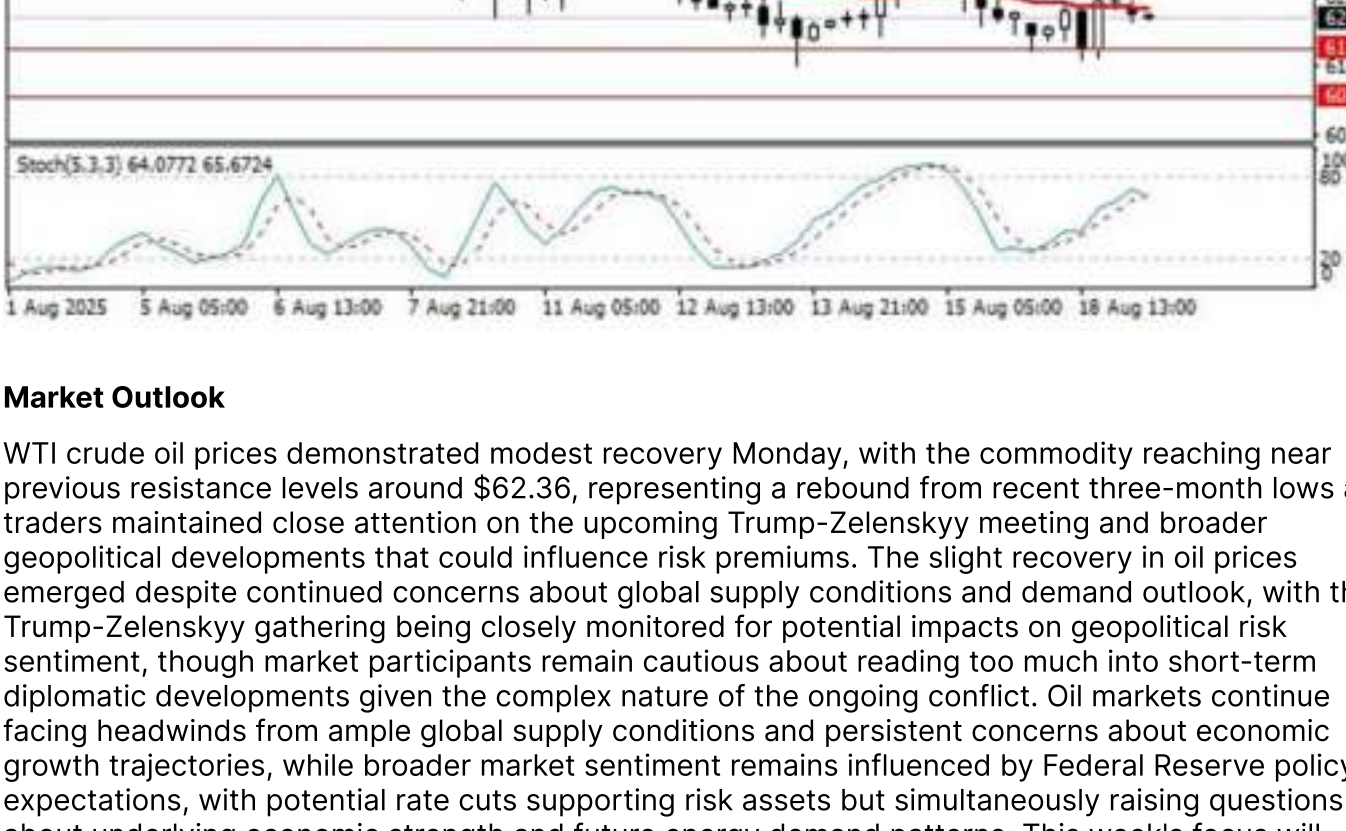
Conclusion

GBP/USD consolidates slightly below the 20-period moving average at 1.3502, with the Stochastic trying to cross higher from oversold territory, suggesting potential for a technical bounce. The pair faces immediate resistance at 1.3585, requiring recovery momentum to challenge 1.3635. Critical support lies at 1.3449, with a break below potentially targeting 1.3398. The technical setup shows improving conditions with the Stochastic attempting to recover from oversold levels, though price remains below the key moving average. This week's UK inflation data on August 20th will be crucial for direction, alongside Jackson Hole developments. The pair's ability to reclaim the 20-period moving average will be key for any sustained recovery attempt.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 consolidated on Monday, staying between the previous support and resistance levels. Currently trading at 6440.56.



Market Outlook

US equity markets ended Monday unchanged after posting a winning week, with the S&P 500 closing down just 0.01% at 6,449.15 as investors adopted a cautious stance ahead of key retail earnings and Fed Chair Jerome Powell's annual Jackson Hole speech. The Dow Jones Industrial Average dropped 34.30 points or 0.08% to 44,911.82, while the Nasdaq Composite inched up 0.03% to 21,629.77, reflecting the market's consolidative mood as traders positioned for potentially market-moving events this week. Individual stock movements saw Meta Platforms and Microsoft decline approximately 2.3% and 0.6% respectively, though the broader market impact remained minimal as indices maintained their recent ranges. Investors this week will scrutinize financial results from major big-box retailers including Home Depot, Lowe's, Walmart, and Target for crucial insights into US consumer health and spending patterns amid ongoing concerns about tariff impacts and inflation pressures. According to Wells Fargo Investment Institute senior global market strategist Scott Wren, retailer earnings reports this week are likely to reflect tariff concerns, inflation upticks, and an anticipated economic slowdown, adding that the equity rally seen in recent weeks is likely to stall as these fundamental challenges come into sharper focus. Concerns about elevated valuations, persistent tariff impacts, and moderating job growth remain prominent for market participants heading into the year's second half, while the Federal Reserve continues drawing attention as central bank members travel to Jackson Hole for the annual economic policy symposium where investors will monitor closely for clues about future interest rate policy direction.

Technical Outlook

- Stochastic consolidating near the oversold area
- Price consolidating around the 20-period moving average.
- This setup suggests continued consolidation with potential for stabilization.

Key Levels to Watch

Resistance: 6513.72; 6555.44
Support: 6402.93; 6368.26

Conclusion

The S&P 500 maintains consolidation around the 20-period moving average at 6440.56, with the Stochastic remaining near oversold territory, suggesting the index is seeking direction amid mixed signals. This technical configuration indicates continued range-bound trading with potential for stabilization around current levels. Immediate resistance at 6513.72 represents the next target for any recovery, with new highs possible above 6555.44. Support at 6402.93 should contain any pullbacks. The index's ability to hold above the 20-period moving average while Stochastic consolidates near oversold levels suggests underlying resilience. This week's retail earnings and Powell's Jackson Hole speech will be crucial catalysts for the next directional move, with Fed policy guidance potentially driving significant volatility.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
19 Aug	12:30	CAD	CPI m/m	0.4%	0.1%
	12:30	CAD	Median CPI y/y	3.1%	3.1%
	12:30	CAD	Trimmed CPI y/y	3.0%	3.0%
20 Aug	02:00	NZD	Official Cash Rate	3.00%	3.25%
	02:00	NZD	RBNZ Monetary Policy Statement		
	02:00	NZD	RBNZ Rate Statement		
	03:00	NZD	RBNZ Press Conference		
	06:00	GBP	CPI y/y	3.7%	3.6%