

TECHNICAL

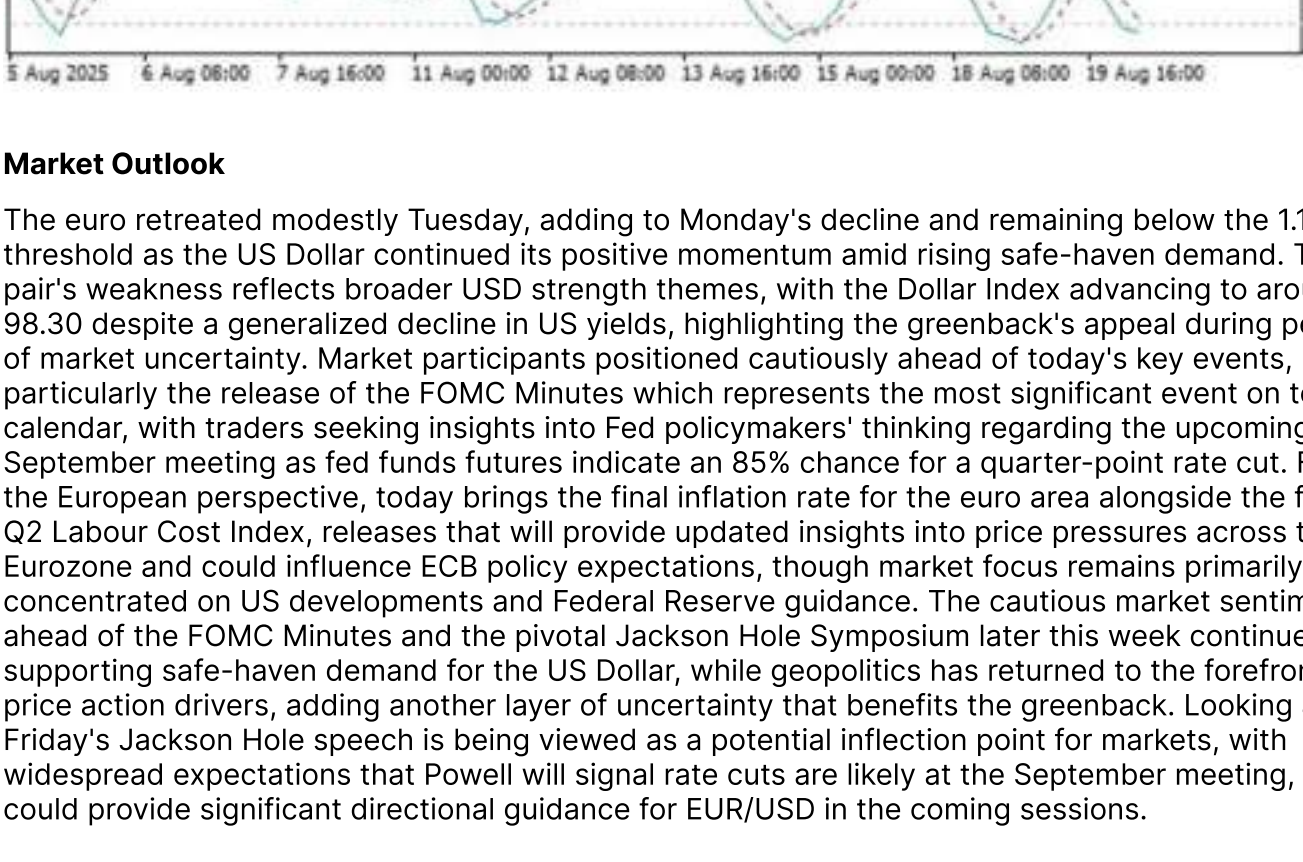
ANALYSIS REPORT

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EUR/USD

» Previous Session Overview

EUR/USD consolidated lower on Tuesday, staying between the previous support and resistance levels. Currently trading at 1.1634.



Market Outlook

The euro retreated modestly Tuesday, adding to Monday's decline and remaining below the 1.1700 threshold as the US Dollar continued its positive momentum amid rising safe-haven demand. The pair's weakness reflects broader USD strength themes, with the Dollar Index advancing to around 98.30 despite a generalized decline in US yields, highlighting the greenback's appeal during periods of market uncertainty. Market participants positioned cautiously ahead of today's key events, particularly the release of the FOMC Minutes which represents the most significant event on today's calendar, with traders seeking insights into Fed policymakers' thinking regarding the upcoming September meeting as fed funds futures indicate an 85% chance for a quarter-point rate cut. From the European perspective, today brings the final inflation rate for the euro area alongside the flash Q2 Labour Cost Index, releases that will provide updated insights into price pressures across the Eurozone and could influence ECB policy expectations, though market focus remains primarily concentrated on US developments and Federal Reserve guidance. The cautious market sentiment ahead of the FOMC Minutes and the pivotal Jackson Hole Symposium later this week continues supporting safe-haven demand for the US Dollar, while geopolitics has returned to the forefront of price action drivers, adding another layer of uncertainty that benefits the greenback. Looking ahead, Friday's Jackson Hole speech is being viewed as a potential inflection point for markets, with widespread expectations that Powell will signal rate cuts are likely at the September meeting, which could provide significant directional guidance for EUR/USD in the coming sessions.

Technical Outlook

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

Key Levels to Watch

Resistance: 1.1713; 1.1774

Support: 1.1596; 1.1536

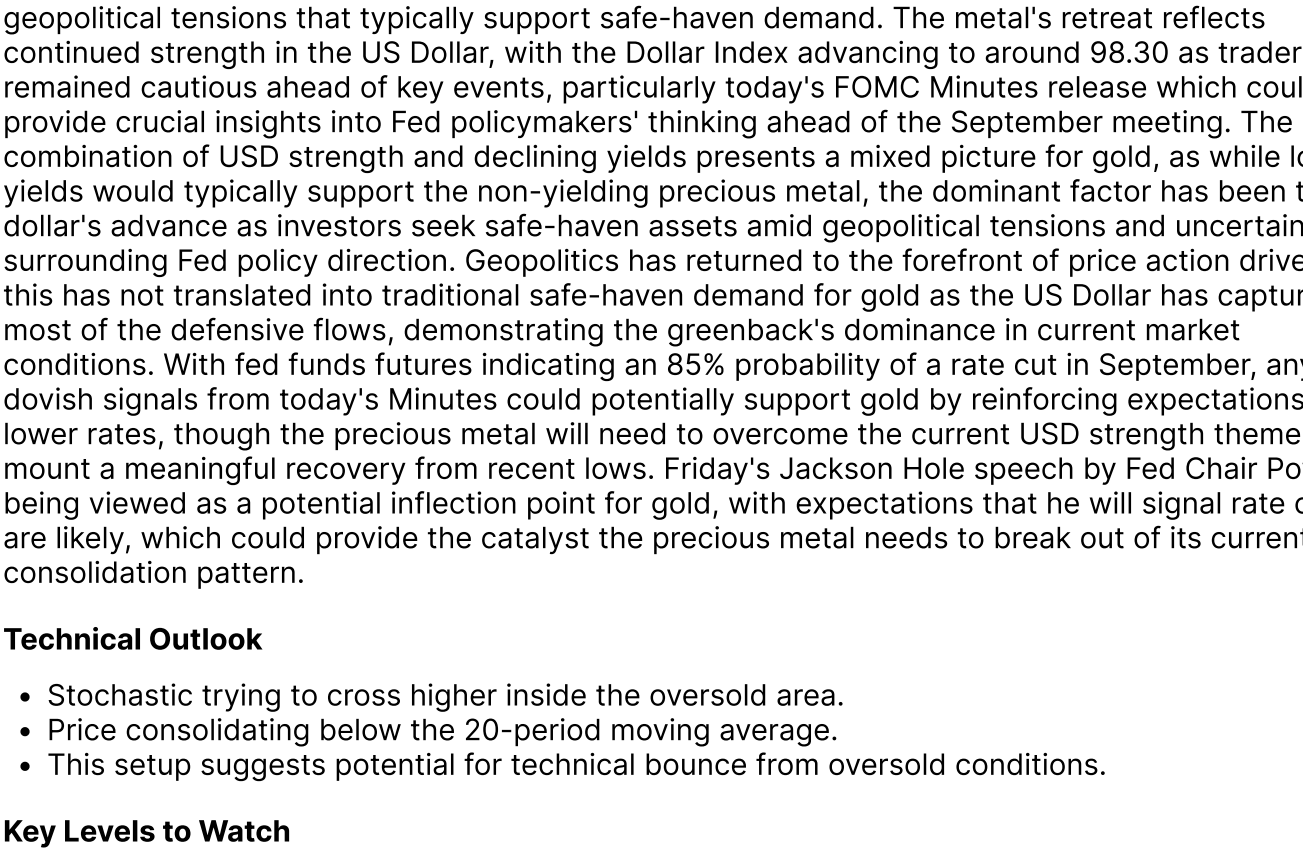
Conclusion

EUR/USD extends its decline below the 20-period moving average at 1.1634, with the Stochastic moving toward oversold territory, suggesting continued bearish pressure. The pair faces immediate resistance at 1.1713, requiring significant recovery to challenge 1.1774. Critical support lies at 1.1596, with a break below potentially accelerating the decline toward 1.1536. The technical setup shows deteriorating conditions with both price action and momentum indicators pointing lower. Today's FOMC Minutes and final Eurozone inflation data will be crucial drivers, while Jackson Hole anticipation continues supporting USD strength. The pair needs to reclaim the 20-period moving average to halt the current bearish momentum.

GOLD (XAU/USD)

» Previous Session Overview

Gold consolidated lower on Tuesday, reaching the previous support levels. Currently trading at 3317.33.



Market Outlook

Gold posted marked losses Tuesday, slipping back to the \$3,315 zone per troy ounce amid gains in the Greenback and declining US yields, as the precious metal struggled to benefit from heightened geopolitical tensions that typically support safe-haven demand. The metal's retreat reflects continued strength in the US Dollar, with the Dollar Index advancing to around 98.30 as traders remained cautious ahead of key events, particularly today's FOMC Minutes release which could provide crucial insights into Fed policymakers' thinking ahead of the September meeting. The combination of USD strength and declining yields presents a mixed picture for gold, as while lower yields would typically support the non-yielding precious metal, the dominant factor has been the dollar's advance as investors seek safe-haven assets amid geopolitical tensions and uncertainty surrounding Fed policy direction. Geopolitics has returned to the forefront of price action drivers, yet this has not translated into traditional safe-haven demand for gold as the US Dollar has captured most of the defensive flows, demonstrating the greenback's dominance in current market conditions. With fed funds futures indicating an 85% probability of a rate cut in September, any dovish signals from today's Minutes could potentially support gold by reinforcing expectations of lower rates, though the precious metal will need to overcome the current USD strength theme to mount a meaningful recovery from recent lows. Friday's Jackson Hole speech by Fed Chair Powell is being viewed as a potential inflection point for gold, with expectations that he will signal rate cuts are likely, which could provide the catalyst the precious metal needs to break out of its current consolidation pattern.

Technical Outlook

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

Key Levels to Watch

Resistance: 3343.13; 3364.00

Support: 3296.51; 3275.95

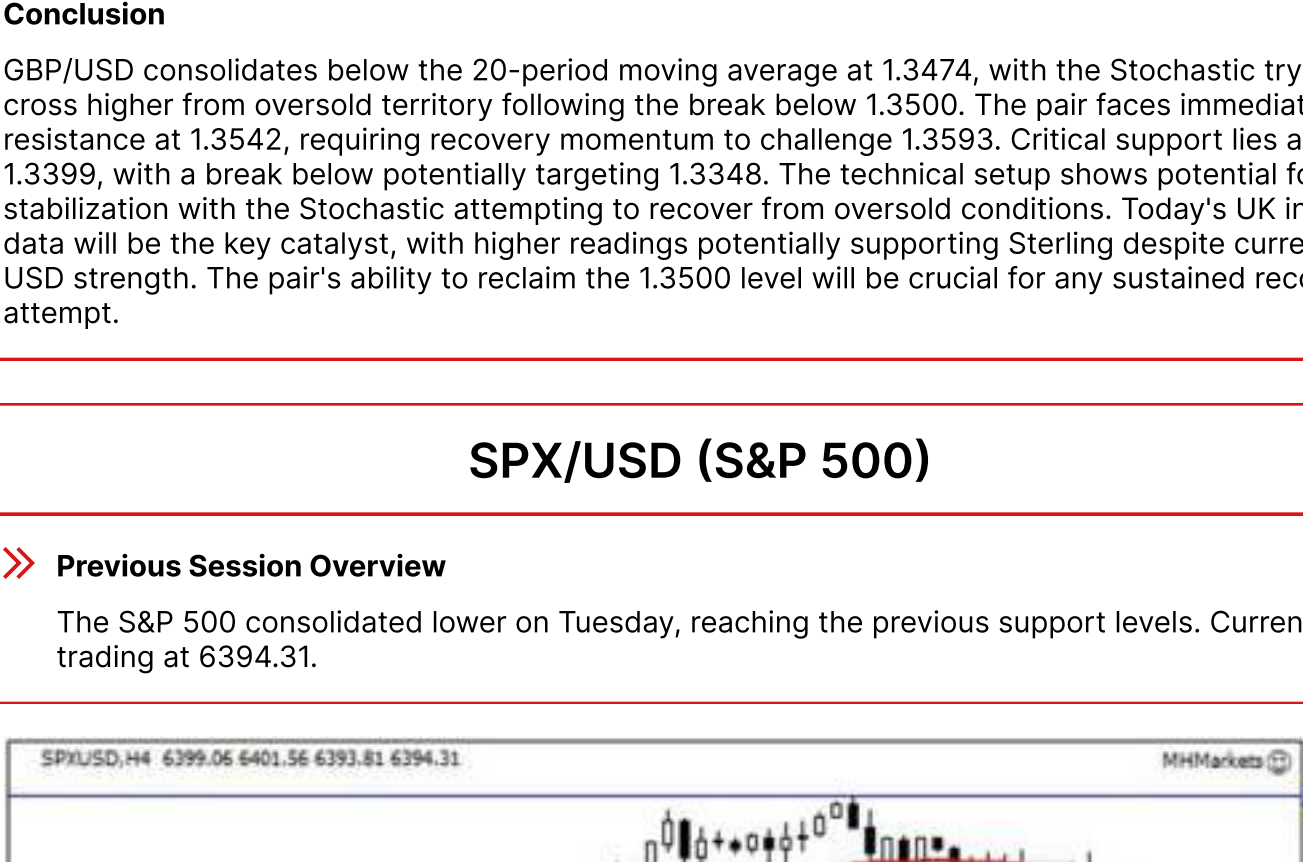
Conclusion

Gold consolidates below the 20-period moving average at 3317.33, with the Stochastic trying to cross higher from oversold territory, suggesting potential for a technical bounce. The precious metal faces immediate resistance at 3343.13, requiring significant recovery to challenge 3364.00. Support lies at 3296.51, with stronger support at 3275.95. The technical setup shows mixed signals with oversold conditions providing potential support while USD strength continues weighing on prices. Today's FOMC Minutes will be crucial for direction, with dovish signals potentially supporting gold despite current dollar dominance. Friday's Jackson Hole speech remains the key event that could determine whether gold can break above resistance levels.

GBP/USD

» Previous Session Overview

GBP/USD consolidated lower on Tuesday, staying between the previous support and resistance levels. Currently trading at 1.3474.



Market Outlook

Sterling retreated to multi-day lows Tuesday after breaching below the psychologically important 1.3500 support level, reflecting broader USD strength themes and specific concerns about UK economic dynamics as traders positioned ahead of today's critical UK inflation rate release. The pair's weakness emerges as the Bank of England has lifted its forecast for September inflation to peak at 4% from 3.7%, and today's figures will provide crucial insights into whether this concerning trajectory is materializing as expected. Any confirmation of elevated inflation readings could significantly influence BoE policy expectations and potentially provide some support for Sterling if it suggests the central bank may need to maintain a more hawkish stance compared to Federal Reserve expectations. However, the pair is simultaneously being weighed down by broader market caution ahead of the FOMC Minutes release and Jackson Hole Symposium anticipation, with the US Dollar's advance to around 98.30 reflecting defensive positioning as geopolitical tensions have returned to the forefront and uncertainty about Fed policy persists. The technical breach below 1.3500 represents a significant development for GBP/USD, suggesting that recent bullish momentum may be losing steam and opening the door for further weakness toward deeper support levels. With fed funds futures indicating an 85% chance of a Fed rate cut in September, the pair's direction will depend heavily on the relative positioning of BoE versus Fed policy expectations, particularly given current inflation dynamics. Friday's Jackson Hole speech by Powell, along with BoE Governor Bailey's participation in the symposium, could provide crucial insights into the policy divergence between the two central banks and determine Sterling's medium-term trajectory.

Technical Outlook

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

Key Levels to Watch

Resistance: 1.3542; 1.3593

Support: 1.3399; 1.3348

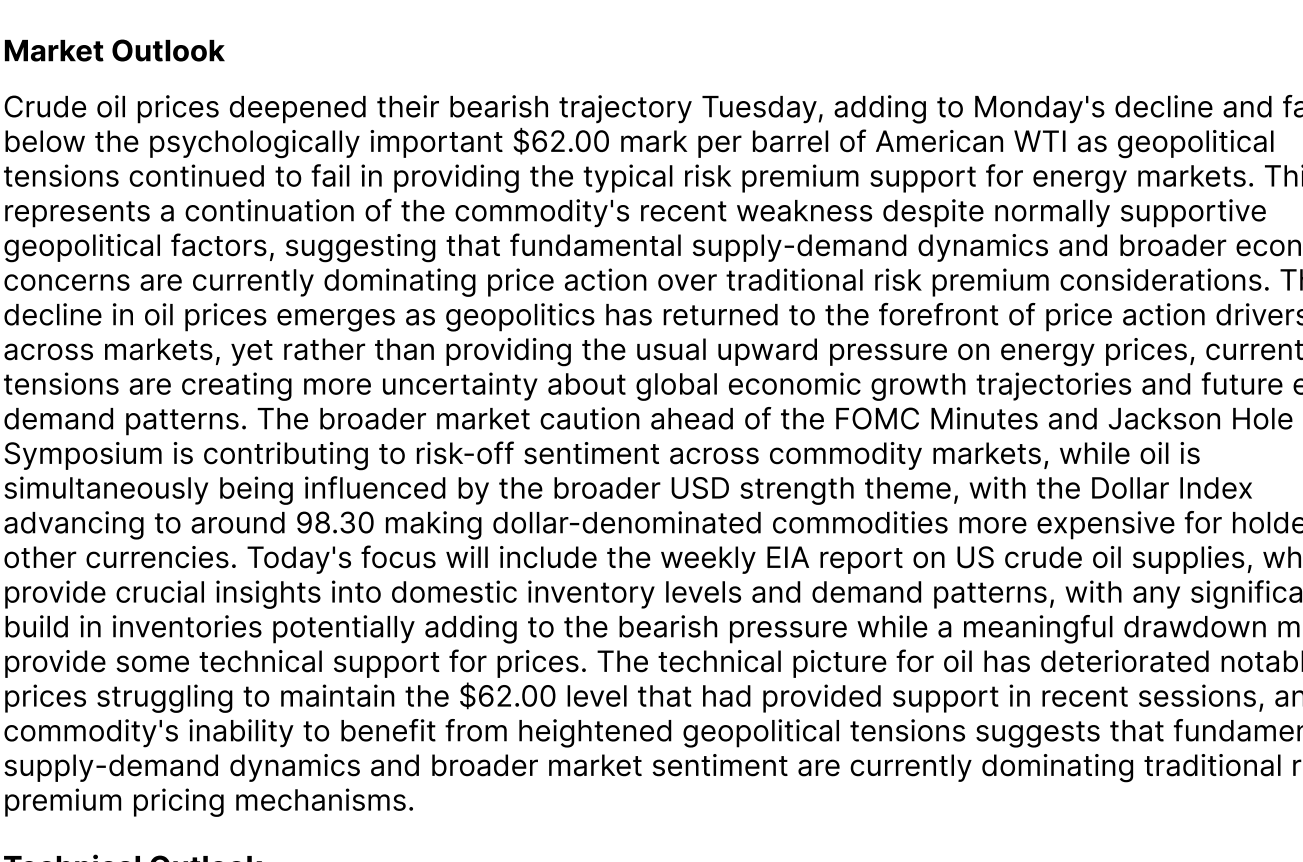
Conclusion

GBP/USD consolidates below the 20-period moving average at 1.3474, with the Stochastic trying to cross higher from oversold territory following the break below 1.3500. The pair faces immediate resistance at 1.3542, requiring recovery momentum to challenge 1.3593. Critical support lies at 1.3399, with a break below potentially targeting 1.3348. The technical setup shows potential for stabilization with the Stochastic attempting to recover from oversold conditions. Today's UK inflation data will be the key catalyst, with higher readings potentially supporting Sterling despite current USD strength. The pair's ability to reclaim the 1.3500 level will be crucial for any sustained recovery attempt.

SPX/USD (S&P 500)

» Previous Session Overview

The S&P 500 consolidated lower on Tuesday, reaching the previous support levels. Currently trading at 6394.31.



Market Outlook

US equity markets experienced notable selling pressure Tuesday, with the S&P 500 declining 0.59% to close at 6,411.37, weighed down primarily by Nvidia shares and a broad retreat in technology stocks that highlighted profit-taking after the sector's significant rally. The Nasdaq Composite fell more sharply, dropping 1.46% to 21,314.95, while the Dow Jones Industrial Average managed a modest gain of 0.02% to end at 44,922.27, even touching a fresh record high during the session powered by Home Depot's impressive performance. The technology selloff proved notable, with megacap and chipmaker stocks leading the decline as Nvidia shares lost 3.5%, while Advanced Micro Devices and Broadcom slipped 5.4% and 3.6% respectively, and high-flying software stock Palantir dropped more than 9% to become the S&P 500's worst performer, with other major tech names including Tesla, Meta Platforms, and Netflix also coming under pressure. According to Jayson Bronchetti, CIO at Lincoln Financial, the AI trade may not be breaking but could be catching its breath after a 40% plus run for the NASDAQ since April, with historically normal pauses expected as the market recalibrates around the latest economic data and anticipated Fed policy direction. Home Depot provided a notable bright spot, rising 3% after maintaining its full-year outlook despite second-quarter earnings coming in below expectations, while investors await earnings from Lowe's, Walmart, and Target later this week for crucial insights on consumer health amid mixed inflation outlook and evolving trade policy uncertainty. Wall Street continues focusing intensely on Fed Chair Powell's upcoming Jackson Hole speech, with fed funds futures indicating an 85% chance for a quarter-point rate cut in September.

Technical Outlook

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

Key Levels to Watch

Resistance: 6438.64; 6488.29

Support: 6359.91; 6308.11

Conclusion

The S&P 500 extends its decline below the 20-period moving average at 6394.31, with the Stochastic moving toward oversold territory following the tech-heavy selloff. The index faces immediate resistance at 6438.64, requiring significant recovery to challenge 6488.29. Critical support lies at 6359.91, with a break below potentially targeting 6308.11. The technical setup shows deteriorating conditions with profit-taking in AI/tech stocks driving broader weakness. Today's FOMC Minutes and upcoming retail earnings will be key catalysts, while Jackson Hole remains the major event that could determine market direction. The index needs to reclaim the 20-period moving average to halt the current bearish momentum into the back half of 2025.

Key events for today and tomorrow (GMT):

| Date | Time | Currency | Events | Forecast | Previous |
|--------|-------|----------|--------------------------------|----------|----------|
| 20 Aug | 06:00 | GBP | FPI y/y | 3.7% | 3.6% |
| | 18:00 | USD | COMF Meeting Minutes | | |
| 21 Aug | 07:30 | EUR | German Flash Manufacturing PMI | 48.8 | 49.1 |
| | 07:30 | EUR | German Flash Services PMI | 50.5 | 50.6 |
| | 08:30 | GBP | Flash Manufacturing PMI | 48.2 | 48.0 |
| | 08:30 | GBP | Flash Services PMI | 51.9 | 51.8 |
| | 12:30 | USD | Unemployment Claims | 227K | 224K |
| | 13:45 | USD | Flash Manufacturing PMI | 49.9 | 49.8 |
| | 13:45 | USD | Flash Services PMI | 53.3 | 55.7 |