

TECHNICAL

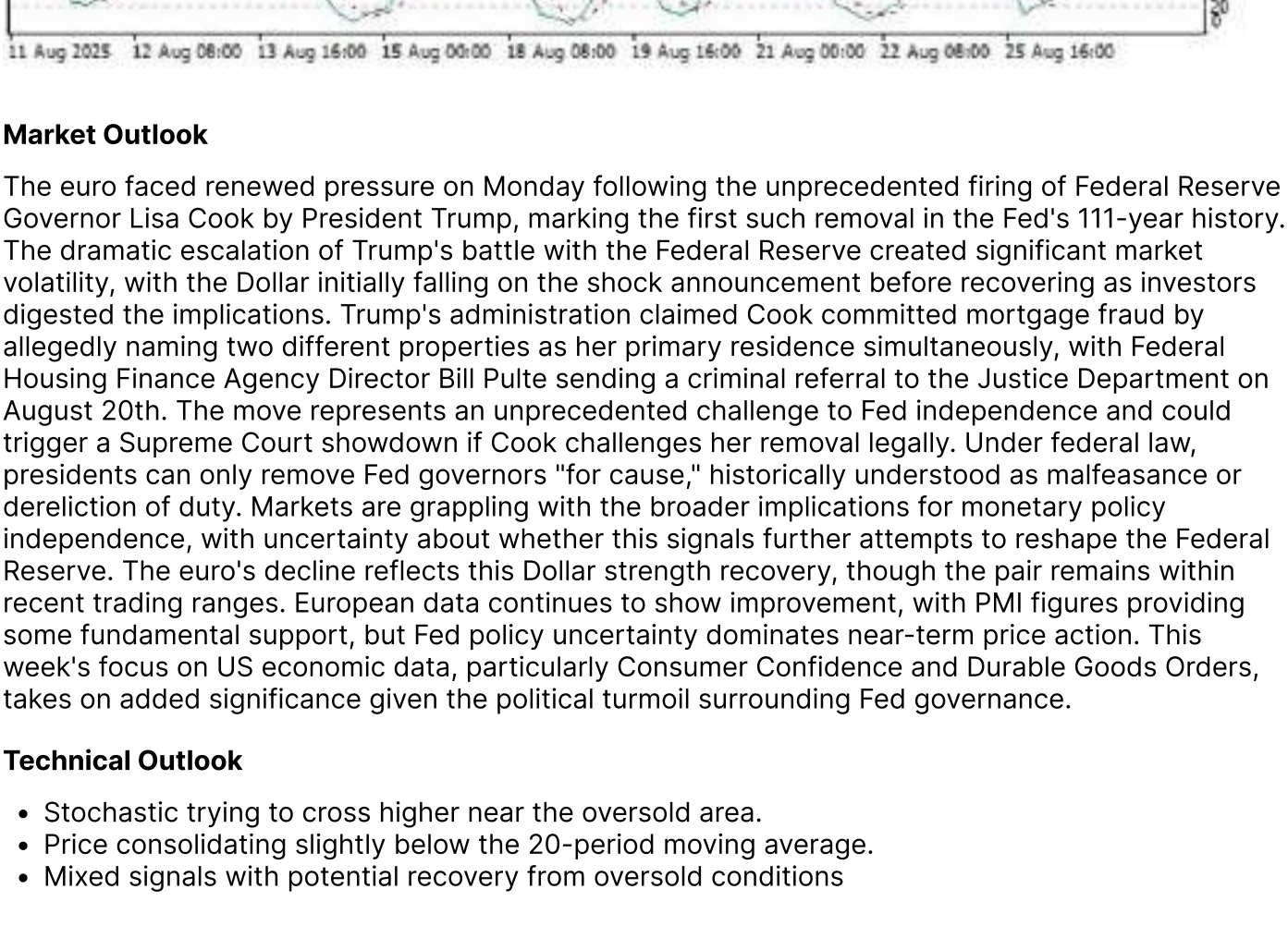
ANALYSIS REPORT

T U E S D A Y , A U G U S T 2 6 2 0 2 5

EUR/USD

Previous Session Overview

EUR/USD moved lower on Monday, reaching below the previous support levels. Currently trading at 1.1630.



Market Outlook

The euro faced renewed pressure on Monday following the unprecedented firing of Federal Reserve Governor Lisa Cook by President Trump, marking the first such removal in the Fed's 111-year history. The dramatic escalation of Trump's battle with the Federal Reserve created significant market volatility, with the Dollar initially falling on the shock announcement before recovering as investors digested the implications. Trump's administration claimed Cook committed mortgage fraud by allegedly naming two different properties as her primary residence simultaneously, with Federal Housing Finance Agency Director Bill Pulte sending a criminal referral to the Justice Department on August 20th. The move represents an unprecedented challenge to Fed independence and could trigger a Supreme Court showdown if Cook challenges her removal legally. Under federal law, presidents can only remove Fed governors "for cause," historically understood as malfeasance or dereliction of duty. Markets are grappling with the broader implications for monetary policy independence, with uncertainty about whether this signals further attempts to reshape the Federal Reserve. The euro's decline reflects this Dollar strength recovery, though the pair remains within recent trading ranges. European data continues to show improvement, with PMI figures providing some fundamental support, but Fed policy uncertainty dominates near-term price action. This week's focus on US economic data, particularly Consumer Confidence and Durable Goods Orders, takes on added significance given the political turmoil surrounding Fed governance.

Technical Outlook

- Stochastic trying to cross higher near the oversold area.
- Price consolidating slightly below the 20-period moving average.
- Mixed signals with potential recovery from oversold conditions

Key Levels to Watch

Resistance: 1.1700; 1.1742
Support: 1.1583; 1.1537

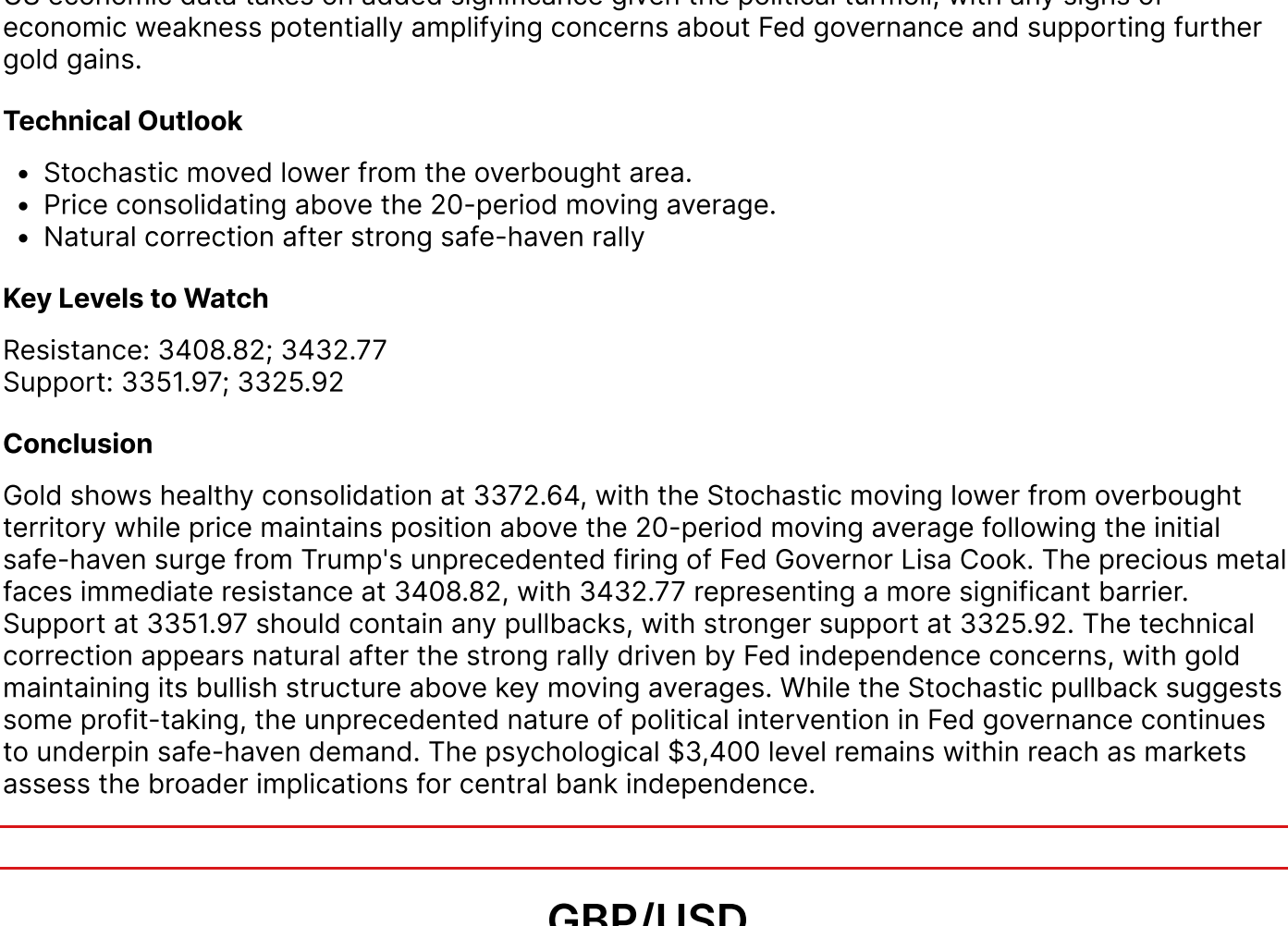
Conclusion

EUR/USD shows mixed technical signals at 1.1630, with the Stochastic trying to cross higher from oversold territory while price consolidates slightly below the 20-period moving average following Trump's unprecedented firing of Fed Governor Lisa Cook. The pair faces immediate resistance at 1.1700, with 1.1742 representing a more significant barrier. Support at 1.1583 should contain any near-term weakness, with deeper losses potentially targeting 1.1537. The firing creates unprecedented uncertainty about Fed independence and monetary policy, overshadowing previous Powell Jackson Hole dovish sentiment. While the technical setup suggests potential for recovery from oversold conditions, the price remaining below the key moving average indicates continued pressure. The fundamental backdrop remains highly uncertain as markets assess the broader implications of Trump's escalating battle with the Federal Reserve.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Monday, staying between the previous support and resistance levels. Currently trading at 3372.64.



Market Outlook

Gold demonstrated remarkable resilience on Monday, climbing to approach \$3,380 as safe-haven demand surged following President Trump's unprecedented firing of Federal Reserve Governor Lisa Cook - the first such removal in the Fed's 111-year history. The precious metal recovered from early losses and moved higher due to a weaker dollar, lower Treasury yields, and a significant increase in US political uncertainty surrounding Fed independence. Trump's administration claimed Cook committed mortgage fraud by allegedly naming two different properties as her primary residence simultaneously, with Federal Housing Finance Agency Director Bill Pulte sending a criminal referral to the Justice Department on August 20th. The dramatic escalation represents an unprecedented challenge to central bank independence and has boosted safe-haven demand for precious metals as investors assess the broader implications for monetary policy. The firing could trigger a Supreme Court showdown if Cook challenges her removal, as federal law traditionally requires presidents to remove Fed governors only "for cause" - historically, understood as malfeasance or dereliction of duty. Gold's strength reflects not only immediate safe haven flows but also concerns about the potential politicization of monetary policy, which historically benefits non-yielding assets. The combination of lower Treasury yields, and dollar weakness created ideal conditions for gold's advance, with institutional buying evident as investors hedge against policy uncertainty. This week's US economic data takes on added significance given the political turmoil, with any signs of economic weakness potentially amplifying concerns about Fed governance and supporting further gold gains.

Technical Outlook

- Stochastic moved lower from the overbought area.
- Price consolidating above the 20-period moving average.
- Natural correction after strong safe-haven rally

Key Levels to Watch

Resistance: 3408.82; 3432.77
Support: 3351.97; 3325.92

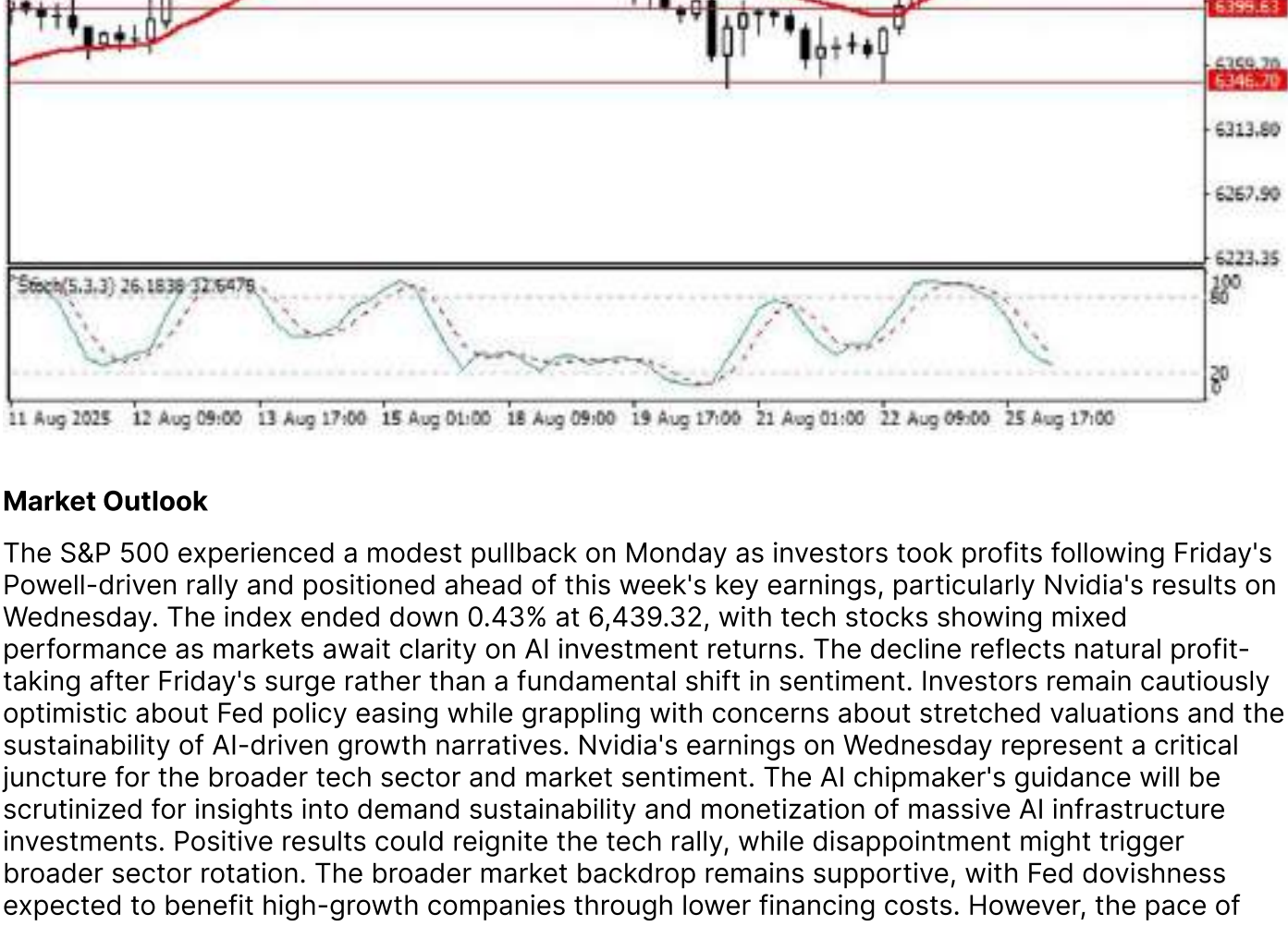
Conclusion

Gold shows healthy consolidation at 3372.64, with the Stochastic moving lower from overbought territory while price maintains position above the 20-period moving average following the initial safe-haven surge from Trump's unprecedented firing of Fed Governor Lisa Cook. The precious metal faces immediate resistance at 3408.82, with 3432.77 representing a more significant barrier. Support at 3351.97 should contain any pullbacks, with stronger support at 3325.92. The technical correction appears natural after the strong rally driven by Fed independence concerns, with gold maintaining its bullish structure above key moving averages. While the Stochastic pullback suggests some profit-taking, the unprecedented nature of political intervention in Fed governance continues to underpin safe-haven demand. The psychological \$3,400 level remains within reach as markets assess the broader implications for central bank independence.

GBP/USD

Previous Session Overview

GBP/USD moved lower on Monday, reaching below the previous support levels. Currently trading at 1.3456.



Market Outlook

The Pound Sterling faced weakness on Monday as the US Dollar staged a recovery following Friday's post-Powell wobble, with GBP/USD retreating from above 1.3500 to test support below that key psychological level, reflecting broader USD strength rather than UK-specific factors. The pullback appears primarily technical in nature, representing profit-taking after Friday's surge rather than a fundamental shift in the GBP/USD outlook. The pair had gained significantly following Powell's dovish Jackson Hole speech, and some consolidation was expected as markets reassess the pace and scale of potential Fed rate cuts. UK fundamentals remain relatively supportive, with inflation data continuing to show persistence above the Bank of England's target. The headline rate of 3.8% in July suggests the BoE may maintain a more hawkish stance compared to the Fed, potentially limiting GBP/USD downside over the medium term. This week's calendar is light on UK data due to the Summer Bank Holiday, with only the BRC Shop Price Index providing domestic insights. Focus will remain on US data releases, particularly Consumer Confidence and Durable Goods Orders, which could influence Fed policy expectations and drive pair direction. The technical breakdown below 1.3500 suggests near-term pressure, though the longer-term uptrend remains intact provided key support levels hold.

Technical Outlook

- Stochastic trying to cross higher near the oversold area.
- Price consolidating around the 20-period moving average.
- Mixed signals with potential recovery from oversold conditions

Key Levels to Watch

Resistance: 1.3528; 1.3595
Support: 1.3393; 1.3330

Conclusion

GBP/USD shows mixed technical signals at 1.3456, with the Stochastic trying to cross higher from oversold territory while price consolidates around the 20-period moving average amid Fed governance uncertainty following Trump's firing of Governor Lisa Cook. The pair faces immediate resistance at 1.3528, with 1.3595 representing a more significant barrier. Support at 1.3393 must hold to prevent deeper losses toward 1.3330. While UK inflation data continues to support BoE hawkishness relative to the Fed, the unprecedented political intervention in Fed affairs creates broader uncertainty. The technical setup suggests potential for recovery from oversold conditions, but the overall trend remains dependent on how markets assess the implications for central bank independence and monetary policy credibility.

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 6435.80.



Market Outlook

The S&P 500 experienced a modest pullback on Monday as investors took profits following Friday's Powell-driven rally and positioned ahead of this week's key earnings, particularly Nvidia's results on Wednesday. The index ended down 0.43% at 6,439.32, with tech stocks showing mixed performance as markets await clarity on AI investment returns. The decline reflects natural profit-taking after Friday's surge rather than a fundamental shift in sentiment. Investors remain cautiously optimistic about Fed policy easing while grappling with concerns about stretched valuations and the sustainability of AI-driven growth narratives. Nvidia's earnings on Wednesday represent a critical juncture for the broader tech sector and market sentiment. The AI chipmaker's guidance will be scrutinized for insights into demand sustainability and monetization of massive AI infrastructure investments. Positive results could reignite the tech rally, while disappointment might trigger broader sector rotation. The broader market backdrop remains supportive, with Fed dovishness expected to benefit high-growth companies through lower financing costs. However, the pace of rate cuts and their economic implications continue to create uncertainty about the optimal investment strategy. Technical indicators suggest the pullback represents healthy consolidation rather than a trend reversal, with key support levels maintaining the overall bullish structure established in recent months.

Technical Outlook

- Stochastic moving lower towards the oversold area.
- Price consolidating around the 20-period moving average.
- Continued consolidation amid political uncertainty over Fed governance.

Key Levels to Watch

Resistance: 6485.09; 6534.76
Support: 6399.63; 6346.70

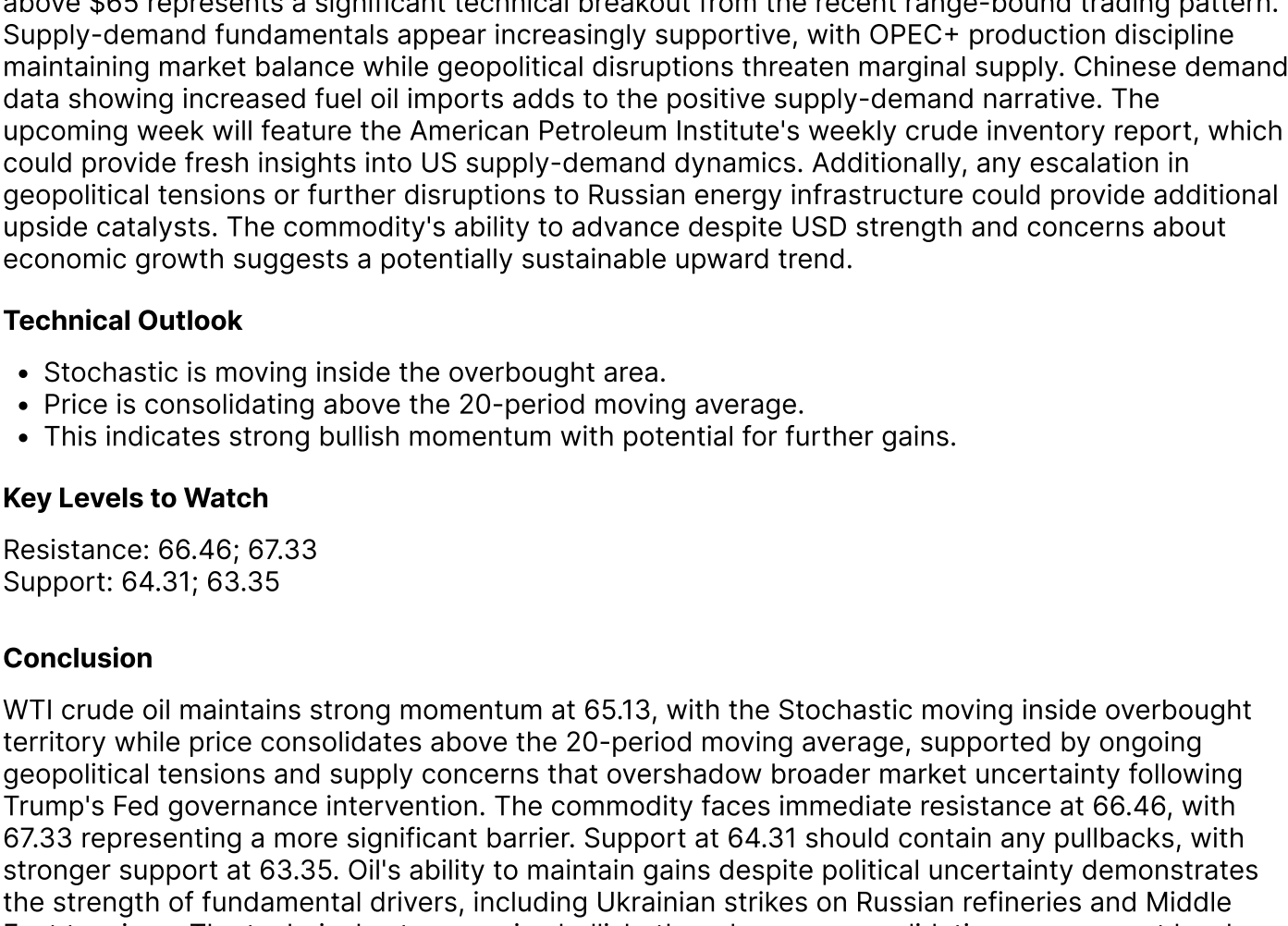
Conclusion

The S&P 500's consolidation at 6435.80 reflects ongoing uncertainty amid the unprecedented political intervention in Fed governance following Trump's firing of Governor Lisa Cook, with the Stochastic moving lower toward oversold territory as the index maintains position around the 20-period moving average. The index faces immediate resistance at 6485.09, with 6534.76 representing a more significant barrier. Support at 6399.63 should contain near-term weakness, with deeper correction potentially reaching 6346.70. While the technical setup suggests the pullback is approaching oversold levels that could attract buyers, the unprecedented nature of Fed governance interference creates additional uncertainty for risk assets. This week's Nvidia earnings and US economic data will be crucial in determining whether markets can look past political uncertainty and focus on fundamentals, or if concerns about central bank independence continue to weigh on sentiment.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved higher on Monday, reaching above the previous resistance levels. Currently trading at 65.18.



Market Outlook

WTI crude oil continued its recovery momentum on Monday, pushing above \$65 per barrel as supply concerns and geopolitical tensions overshadowed broader economic uncertainty. The commodity's strength comes despite a recovering US Dollar, indicating robust underlying fundamentals supporting higher prices. Several factors are driving the oil rally, including fresh Ukrainian drone strikes continuing to disrupt Russian refinery operations, limiting fuel supplies, and creating regional shortages. Additionally, ongoing tensions in the Middle East and increased US sanctions pressure on Iran's oil trade are maintaining supply-side concerns. From a technical perspective, oil has broken above key resistance levels and appears to be building momentum for further gains. The move above \$65 represents a significant technical breakout from the recent range-bound trading pattern. Supply-demand fundamentals appear increasingly supportive, with OPEC+ production discipline maintaining market balance while geopolitical disruptions threaten marginal supply. Chinese demand data showing increased fuel oil imports adds to the positive supply-demand narrative. The upcoming week will feature the American Petroleum Institute's weekly crude inventory report, which could provide fresh insights into US supply-demand dynamics. Additionally, any escalation in geopolitical tensions or further disruptions to Russian energy infrastructure could provide additional upside catalysts. The commodity's ability to advance despite USD strength and concerns about economic growth suggests a potentially sustainable upward trend.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is consolidating above the 20-period moving average.
- This indicates strong bullish momentum with potential for further gains.

Key Levels to Watch

Resistance: 66.46; 67.33
Support: 64.31; 63.35

Conclusion

WTI crude oil maintains strong momentum at 65.13, with the Stochastic moving inside overbought territory while price consolidates above the 20-period moving average, supported by ongoing geopolitical tensions and supply concerns that overshadow broader market uncertainty following Trump's Fed governance intervention. The commodity faces immediate resistance at 66.46, with 67.33 representing a more significant barrier. Support at 64.31 should contain any pullbacks, with stronger support at 63.35. Oil's ability to maintain gains despite political uncertainty demonstrates the strength of fundamental drivers, including Ukrainian strikes on Russian refineries and Middle East tensions. The technical setup remains bullish, though some consolidation near current levels appears natural given overbought conditions. The overall outlook stays positive as long as geopolitical tensions persist and supply disruptions continue to impact global energy markets.

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

Date	Time	Currency	Events	Forecast	Previous
26 Aug	12:30	USD	Core Durable Goods Orders m/m	0.3%	0.2%
	12:30	USD	Durable Goods Orders m/m	-3.8%	-9.4%
	14:00	USD	CB Consumer Confidence	96.3	97.2
	14:00	USD	Richmond Manufacturing Index	-17	-20
	18:30	CAD	BOC Gov Macklem Speaks		
27 Aug	01:30	AUD	CPI y/y	2.3%	1.9%

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