

TECHNICAL

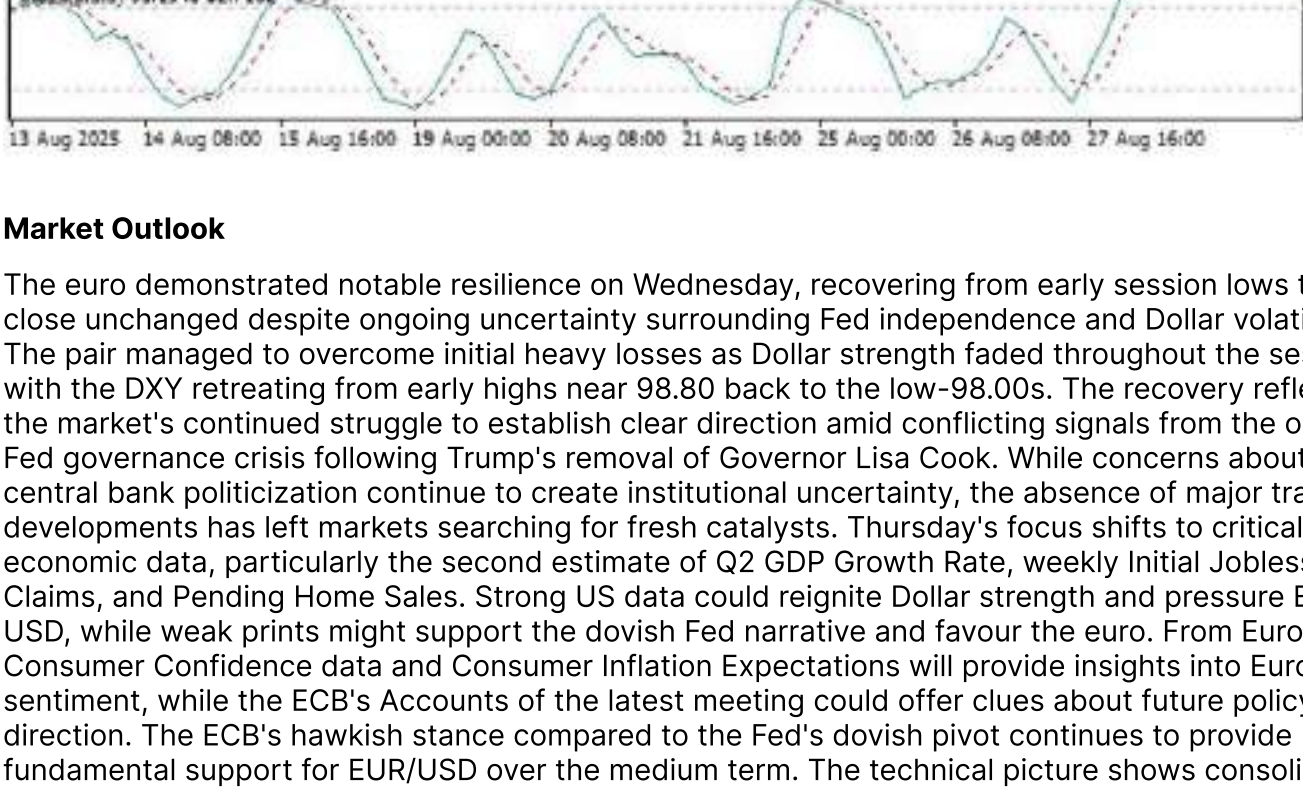
ANALYSIS REPORT

THURSDAY, AUGUST 28 2025

EUR/USD

Previous Session Overview

EUR/USD consolidated on Wednesday, staying between the previous support and resistance levels after reaching the support level. Currently trading at 1.1648.



The euro demonstrated notable resilience on Wednesday, recovering from early session lows to close unchanged despite ongoing uncertainty surrounding Fed independence and Dollar volatility. The pair managed to overcome initial heavy losses as Dollar strength faded throughout the session, with the DXY retreating from early highs near 98.80 back to the low-98.00s. The recovery reflects the market's continued struggle to establish clear direction amid conflicting signals from the ongoing Fed governance crisis following Trump's removal of Governor Lisa Cook. While concerns about central bank politicization continue to create institutional uncertainty, the absence of major trade developments has left markets searching for fresh catalysts. Thursday's focus shifts to critical US economic data, particularly the second estimate of Q2 GDP Growth Rate, weekly Initial Jobless Claims, and Pending Home Sales. Strong US data could reignite Dollar strength and pressure EUR/USD, while weak prints might support the dovish Fed narrative and favour the euro. From Europe, Consumer Confidence data and Consumer Inflation Expectations will provide insights into Eurozone sentiment, while the ECB's Accounts of the latest meeting could offer clues about future policy direction. The ECB's hawkish stance compared to the Fed's dovish pivot continues to provide fundamental support for EUR/USD over the medium term. The technical picture shows consolidation around key levels, with the pair testing the resilience of support areas while attempting to establish sustainable upward momentum.

Technical Outlook

- Stochastic moving higher towards the overbought area.
- Price consolidating around the 20-period moving average.
- Building momentum suggests potential for recovery from recent support test.

Key Levels to Watch

Resistance: 1.1700; 1.1742

Support: 1.1583; 1.1537

Conclusion

EUR/USD's recovery from early session weakness demonstrates underlying resilience at 1.1648, with the Stochastic indicator moving toward overbought territory while price consolidates around the 20-period moving average. The pair's ability to bounce from support levels suggests potential for further recovery toward resistance at 1.1700. Today's US GDP data will be crucial in determining near-term direction, with strong readings potentially pressuring the pair while weak data could support further euro strength. The consolidation pattern around the key moving average indicates markets are assessing the sustainability of recent Dollar weakness amid Fed governance uncertainty.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated higher on Wednesday but still below the previous resistance levels. Currently trading at 3390.28.

