

TECHNICAL

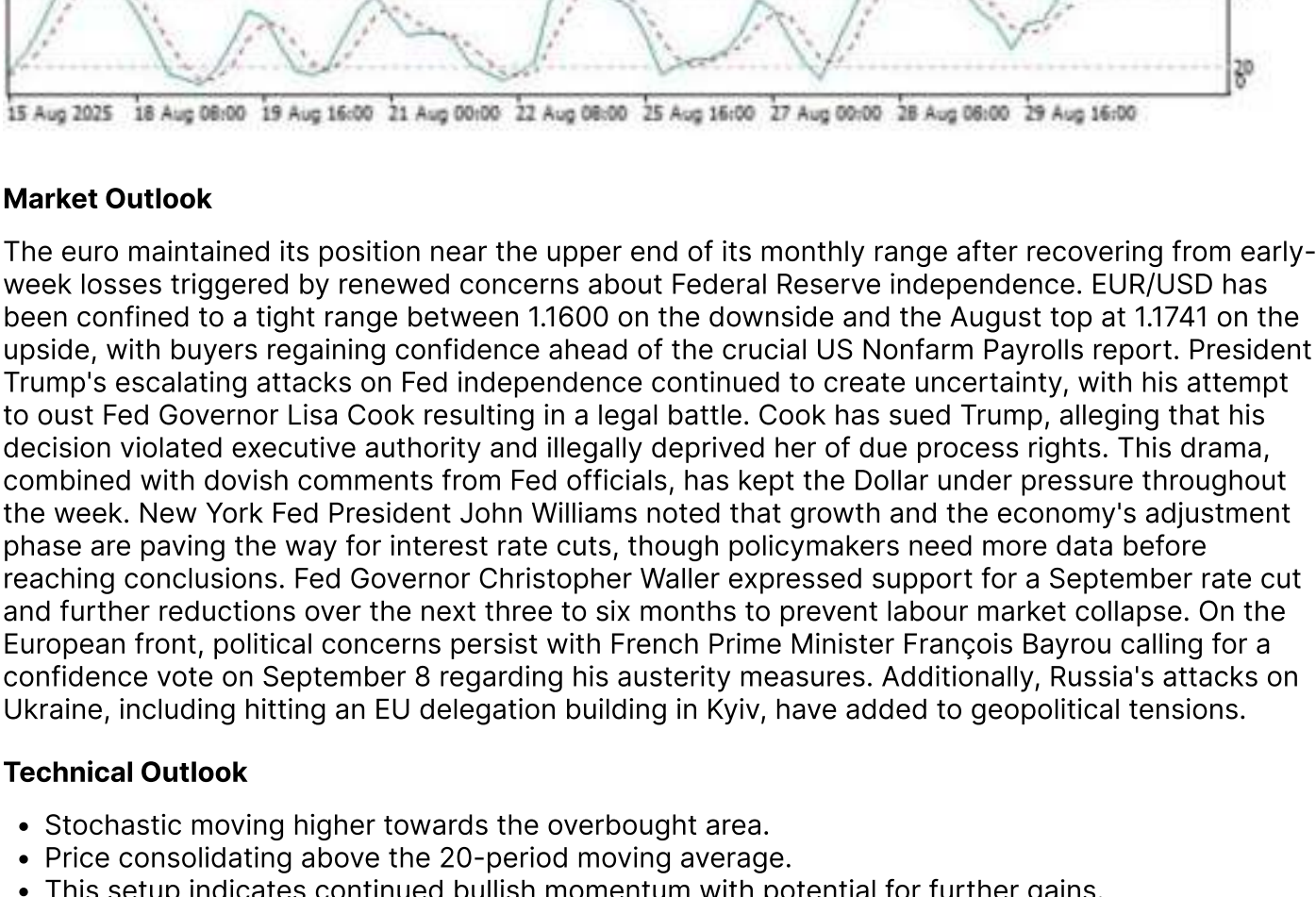
ANALYSIS REPORT

MONDAY, SEPTEMBER 1 2025

EUR/USD

Previous Session Overview

EUR/USD consolidated on Friday, staying between the previous support and resistance levels. Currently trading at 1.1708.



Market Outlook

The euro maintained its position near the upper end of its monthly range after recovering from early-week losses triggered by renewed concerns about Federal Reserve independence. EUR/USD has been confined to a tight range between 1.1600 on the downside and the August top at 1.1741 on the upside, with buyers regaining confidence ahead of the crucial US Nonfarm Payrolls report. President Trump's escalating attacks on Fed independence continued to create uncertainty, with his attempt to oust Fed Governor Lisa Cook resulting in a legal battle. Cook has sued Trump, alleging that his decision violated executive authority and illegally deprived her of due process rights. This drama, combined with dovish comments from Fed officials, has kept the Dollar under pressure throughout the week. New York Fed President John Williams noted that growth and the economy's adjustment phase are paving the way for interest rate cuts, though policymakers need more data before reaching conclusions. Fed Governor Christopher Waller expressed support for a September rate cut and further reductions over the next three to six months to prevent labour market collapse. On the European front, political concerns persist with French Prime Minister François Bayrou calling for a confidence vote on September 8 regarding his austerity measures. Additionally, Russia's attacks on Ukraine, including hitting an EU delegation building in Kyiv, have added to geopolitical tensions.

Technical Outlook

- Stochastic moving higher towards the overbought area.
- Price consolidating above the 20-period moving average.
- This setup indicates continued bullish momentum with potential for further gains.

Key Levels to Watch

Resistance: 1.1762; 1.1807  
Support: 1.1657; 1.1609

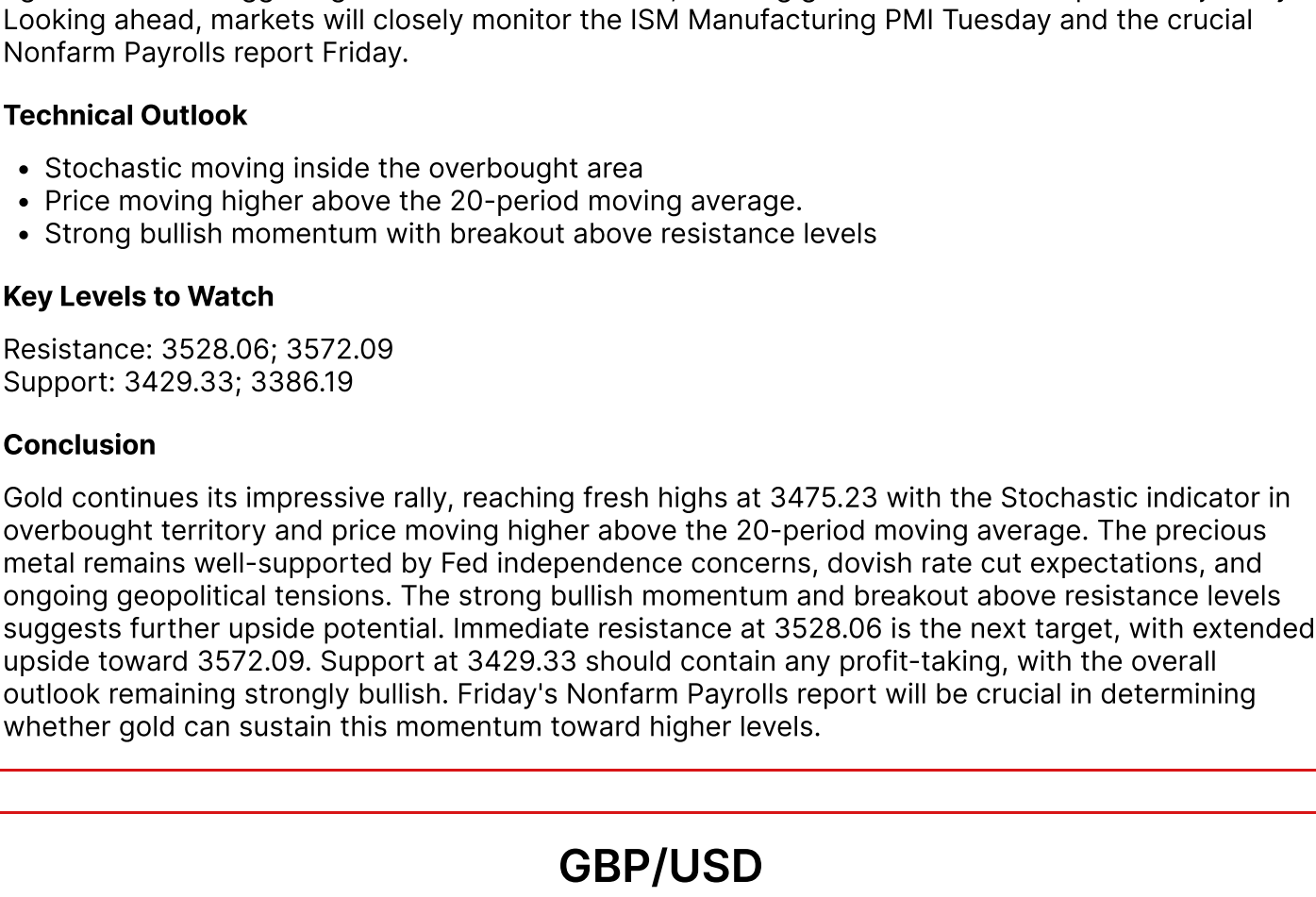
Conclusion

EUR/USD buyers have gained confidence ahead of the Nonfarm Payrolls report, with the pair consolidating above the 20-period moving average at 1.1708. The Stochastic indicator moving towards overbought territory suggests strong upside momentum, though some consolidation may occur near current levels. Immediate resistance at 1.1762 represents the next key level, while support at 1.1657 should contain any pullbacks. The ongoing Fed independence concerns and dovish expectations continue to support the Euro against a weakening Dollar. Friday's employment data will be crucial in determining whether the pair can break above the 1.1762 resistance and target 1.1807.

GOLD (XAU/USD)

Previous Session Overview

Gold moved higher on Friday, reaching above the previous resistance levels. Currently trading at 3475.23.



Market Outlook

Gold preserved its bullish momentum and climbed to its highest level since late July above \$3,400, driven by a combination of dovish Federal Reserve expectations and escalating geopolitical tensions. The precious metal has benefited significantly from growing concerns over Fed independence and safe-haven demand amid the ongoing Russia-Ukraine conflict. President Trump's attempt to fire Fed Governor Lisa Cook has intensified fears about central bank politicization, while his renewed tariff threats against China urging magnet supplies or facing tariffs up to 200% have further supported gold prices. The legal battle over Cook's position has created additional uncertainty around monetary policy direction. Russia's second-biggest aerial attack since its invasion of Ukraine, killing 23 people and damaging EU offices, has dimmed expectations for a peace agreement and boosted safe-haven flows into gold. This development has coincided with the US Dollar's weakness following dovish Fed commentary from officials like John Williams and Christopher Waller. Economic data showed mixed signals, with Q2 GDP revised upward to 3.3% from 3.0%, while the PCE Price Index remained steady at 2.6% annually and core PCE at 2.9%. These figures failed to trigger significant market reactions, allowing gold to continue its upward trajectory. Looking ahead, markets will closely monitor the ISM Manufacturing PMI Tuesday and the crucial Nonfarm Payrolls report Friday.

Technical Outlook

- Stochastic moving inside the overbought area
- Price moving higher above the 20-period moving average.
- Strong bullish momentum with breakout above resistance levels

Key Levels to Watch

Resistance: 3528.06; 3572.09  
Support: 3429.33; 3386.19

Conclusion

Gold continues its impressive rally, reaching fresh highs at 3475.23 with the Stochastic indicator in overbought territory and price moving higher above the 20-period moving average. The precious metal remains well-supported by Fed independence concerns, dovish rate cut expectations, and ongoing geopolitical tensions. The strong bullish momentum and breakout above resistance levels suggests further upside potential. Immediate resistance at 3528.06 is the next target, with extended upside toward 3572.09. Support at 3429.33 should contain any profit-taking, with the overall outlook remaining strongly bullish. Friday's Nonfarm Payrolls report will be crucial in determining whether gold can sustain this momentum toward higher levels.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Friday, staying between the previous support and resistance levels. Currently trading at 1.3524.

