MH Markets

TECHNICAL
ANALYSIS REPORT

MONDAY, SEPTEMBER 29 2025

EUR/USD

Previous Session Overview

EUR/USD moved higher on Friday, reaching near previous resistance levels. Currently trading at 1.1728.

Market Outlook

The euro concluded the week with renewed strength, recovering toward the 1.1700 mark after retreating from the yearly peak of 1.1918 established mid-September. The US Dollar demonstrated considerable volatility throughout the week, initially surging on Federal Reserve Chairman Jerome Powell's balanced commentary and robust American economic data, before giving back gains on Friday. Powell's Tuesday speech at the Greater Providence Chamber of Commerce effectively tempered market expectations for aggressive interest rate cuts, delivering a measured message that cautioned against moving too quickly and risking an inflation resurgence. He acknowledged that the job market remains "somewhat softer" while emphasizing the challenging nature of the Fed's current policy position. US economic strength was particularly evident in the final Q2 GDP reading, which showed an annualized growth pace of 3.8%, significantly exceeding the previously calculated 3.3%. Durable Goods Orders surged 2.9% in August, dramatically beating expectations of -0.5%, while Initial Jobless Claims came in at 218K, better than the anticipated 235K. The Personal Consumption Expenditures Price Index met expectations at 2.7% annually, with core inflation steady at 2.9%. Despite this economic resilience, Friday's session saw renewed euro strength as markets continued to digest the data and reassess Fed rate cut expectations. Market focus is now shifting from growth metrics to employment data, with next week's September Nonfarm Payrolls report taking centre stage as investors continue pricing in approximately 40 basis points of easing expected by December.

Technical Outlook

- Stochastic moving higher towards the overbought area.
- Price moving higher from below and now moving around the 20-period moving average.
- Recovery momentum building with price action challenging key moving average.

Key Levels to Watch

Resistance: 1.1804; 1.1853
Support: 1.1657; 1.1612

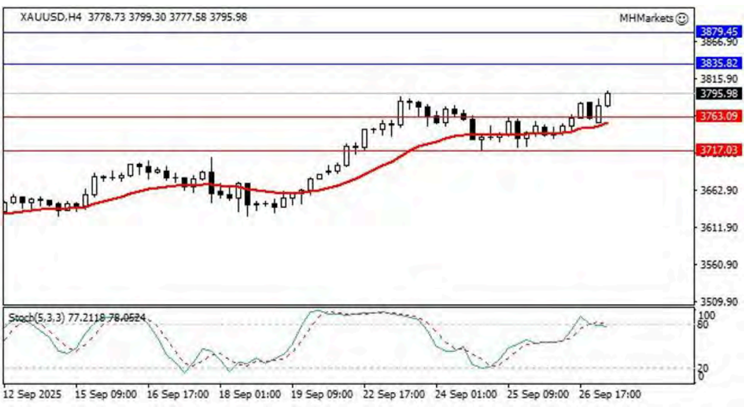
Conclusion

EUR/USD shows renewed bullish momentum, trading around the 20-period moving average at 1.1728 with the Stochastic moving toward overbought territory. The pair faces immediate resistance at 1.1804, with a break above potentially opening the door to 1.1853. Support at 1.1657 should contain any pullbacks, with stronger support at 1.1612. Friday's recovery suggests the euro is attempting to stabilize after the week's USD strength driven by solid economic data. The technical setup shows improving conditions with price reclaiming the key moving average. Next week's employment data will be crucial in determining whether this recovery can gain momentum or if the recent consolidation continues.

GOLD (XAU/USD)

Previous Session Overview

Gold moved higher on Friday, reaching above previous resistance levels. Currently trading at 3795.98.



Market Outlook

Gold prices staged an impressive recovery on Friday, breaking above the all-time high mark as the precious metal benefited from downside pressure on the Greenback amid lower yields and continued bets for further Fed rate cuts, despite Powell's more cautious rhetoric earlier in the week. This historic breakout represents a significant technical and psychological milestone for the precious metal, reflecting persistent safe-haven demand and robust investment flows. The precious metal has been underpinned by escalating geopolitical tensions, particularly after the United States launched strikes on Iranian nuclear facilities earlier in the week. While oil prices spiked initially on the news, gold's breakout to record highs underscores its enduring appeal as a reliable store of value during periods of heightened uncertainty and geopolitical stress. Recent Federal Reserve commentary has delivered mixed signals, with officials providing varying perspectives on the pace of future rate cuts. Chicago Fed President Austan Goolsbee suggested room for lower rates if inflation continues to ease, while other officials like Atlanta Fed President Raphael Bostic stressed that price pressures remain "very much alive." This policy uncertainty has kept gold well-supported as investors hedge against potential monetary policy missteps. The CME Group FedWatch Tool shows investors pricing in 40 basis points of easing by December, providing a supportive backdrop for non-yielding assets like gold. Central bank buying continues to provide fundamental support throughout 2025, with several major central banks adding to their gold reserves as part of ongoing diversification strategies away from traditional reserve currencies, creating persistent structural demand.

Technical Outlook

- Stochastic trying to cross lower near the overbought area.
- Price moving higher above the 20-period moving average.
- Breakout momentum above all-time high resistance at $3,800

Key Levels to Watch

Resistance: 3835.82; 3879.45
Support: 3763.09; 3717.03

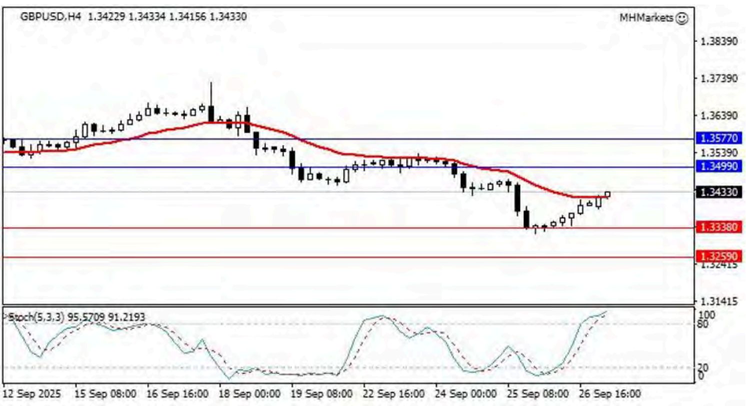
Conclusion

Gold stands at a historic milestone, trading above the 20-period moving average at 3795.98 after breaking the all-time high and reaching near $3,800 by the time this article is written. The Stochastic attempting to cross lower from overbought levels suggests potential for near-term consolidation following this significant breakout. Immediate resistance at 3835.82 is the next target, with further upside potential toward 3879.45 if momentum continues. Support at 3763.09 should contain any pullbacks, with the former resistance around $3,800 now serving as psychological support. The breakout above all-time highs are technically significant, opening the door for further gains. The upcoming employment data and Fed speakers will serve as key catalysts for gold's next move, while geopolitical tensions and central bank buying continue to underpin the structural bull case.

GBP/USD

Previous Session Overview

GBP/USD moved higher on Friday, reaching near previous resistance levels. Currently trading at 1.3433.



Market Outlook

The Pound Sterling regained composure and reversed two consecutive daily pullbacks on Friday, with Cable's recovery materializing on the back of renewed selling pressure in the Greenback. GBP/USD had touched seven-week lows below 1.3350 earlier in the week as broad-based US Dollar strength, combined with disappointing UK business PMI surveys, helped Sterling sellers strengthen their grip on the pair. Markets pared back their bets for aggressive US Federal Reserve interest rate cuts throughout the week in response to encouraging economic data and cautious Fed commentary, with this shift in sentiment surrounding Fed easing expectations initially powering USD recovery against its major rivals. However, Friday's session witnessed a meaningful reversal as investors continued to assess August's PCE readings and their implications for monetary policy direction. The week featured concerning UK data, with the S&P Global Composite PMI declining to 51 from 53.5 in August, significantly worse than market expectations of 52.7, highlighting the softer pace of economic activity in the UK's private sector compared to the previous month. The coming week promises to be data-heavy, packed with top-tier employment data from the United States. Tuesday will feature the US JOLTS Job Openings Survey, followed by ADP Employment Change on Wednesday and the critical Nonfarm Payrolls report on Friday. These releases will be instrumental in determining the Federal Reserve's policy path and subsequent USD direction, with particular focus on whether the labour market shows signs of continued softening or stabilization.

Technical Outlook

- Stochastic moving higher towards the overbought area.
- Price moving higher from below and now moving around the 20-period moving average.
- Recovery momentum building with price reclaiming key technical level.

Key Levels to Watch

Resistance: 1.3499; 1.3577
Support: 1.3338; 1.3259

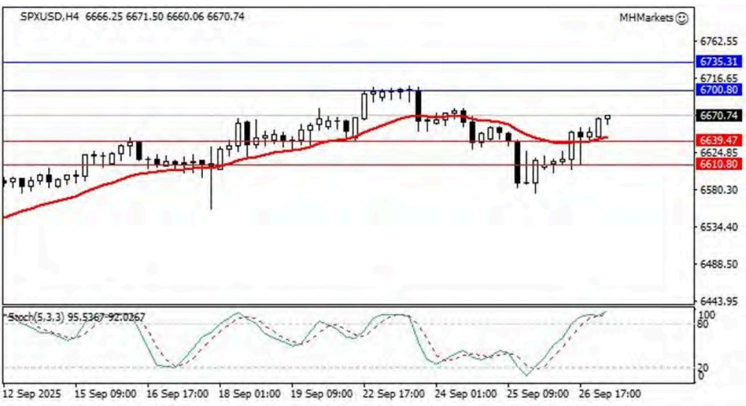
Conclusion

GBP/USD shows improving technical conditions, trading around the 20-period moving average at 1.3433 with the Stochastic moving toward overbought territory following Friday's recovery from the week's earlier lows. The pair faces immediate resistance at 1.3499, with a break above potentially opening the door to 1.3577. Support at 1.3338 should contain any declines, with stronger support at 1.3259. The recovery suggests sterling is attempting to stabilize after testing seven-week lows. For any meaningful continuation, the pair needs to find sustained acceptance above the moving average. The upcoming barrage of US labour data will be crucial for the pair's direction as traders gear up for the final quarter of 2025.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Friday, reaching near previous resistance levels. Currently trading at 6670.74.



Market Outlook

The S&P 500 concluded the week with strong gains, trading at 6,670.74 and approaching its record close of 6,693.75 established earlier in the week, marking an impressive 12.8% gain year-to-date. The Dow Jones Industrial Average climbed to 46,247.29, while the Nasdaq Composite reached 22,484.07, representing an extraordinary rally powered by artificial intelligence investments, consumer resilience, and unprecedented household equity exposure. The AI spending surge continues to propel the Nasdaq higher, with multi-hundred-billion-dollar infrastructure commitments driving market enthusiasm. Nvidia surged after pledging a $100 billion investment in OpenAI, which secured a $300 billion agreement with Oracle under the Stargate program. CoreWeave's contracts expanded to $22.4 billion, while Broadcom locked in a $10 billion customer deal, creating a system where capital inflows return as GPU sales revenue, though market sceptics warn this resembles vendor financing patterns from the dot-com era. Household exposure to equities has reached unprecedented levels, with stocks now accounting for 45% of US households' financial assets, surpassing the late-1990s peak. The Magnificent Seven technology companies now control 34% of the S&P 500's market capitalization, contributing approximately 41% of the index's gains this year. While this concentration magnifies upside potential during favourable conditions, it also raises systemic risks during periods of market stress. The September employment report due Friday will be pivotal, following August's disappointing 22,000 job addition. Fed Chair Powell described the current policy backdrop as "challenging," caught between rising unemployment concerns and lingering inflation pressures, while Treasury yields softened last week, providing additional fuel for equity gains.

Technical Outlook

- Stochastic moving inside the overbought area
- Price moving higher above the 20-period moving average.
- Strong bullish momentum with continued upside pressure

Key Levels to Watch

Resistance: 6700.80; 6735.31
Support: 6639.47; 6610.80

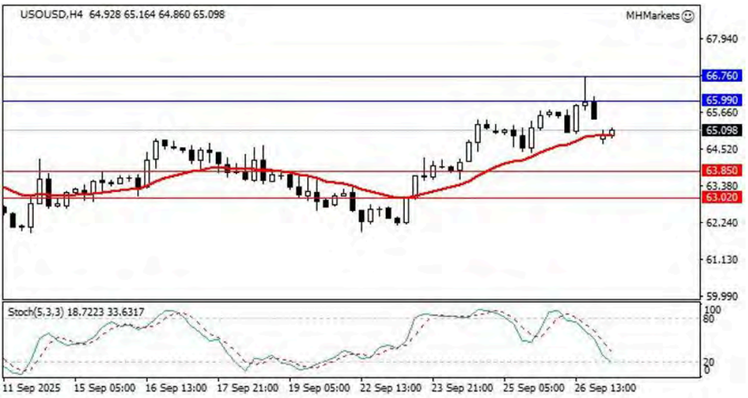
Conclusion

The S&P 500 remains entrenched in a strong uptrend, trading above the 20-period moving average at 6670.74 with the Stochastic positioned in overbought territory. The index faces immediate resistance at 6700.80, with a break above potentially targeting 6735.31 and new record highs. Support at 6639.47 should contain any pullbacks, with stronger support at 6610.80. The technical setup shows strong bullish momentum, though overbought conditions suggest potential for near-term consolidation. The index faces the challenge of extremely stretched valuations, with forward P/E at 22x and CAPE ratio at 40x. The upcoming employment data will be crucial in determining whether the rally can extend further toward record highs or if a healthy pullback emerges to provide better entry opportunities.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved higher on Friday, reaching near previous resistance levels. Currently trading at 65.10.



Market Outlook

WTI crude prices opened the week under heightened tension after the United States launched strikes on Iranian nuclear facilities, initially driving WTI futures up as much as 6.2% before quickly surrendering gains. The commodity has since stabilized around current levels near $65.10, with the rapid reversal signalling that traders are not yet pricing in a sustained supply shock, despite Iran's threats to blockade the Strait of Hormuz, which handles approximately one-third of global seaborne crude oil flows. Goldman Sachs analysts have incorporated a $12 per barrel geopolitical risk premium into their models, estimating Brent could spike to $90 if Iran loses 1.75 million barrels per day of output, or potentially reach $110 if flows through the Hormuz Strait are halved for a month. However, markets remain sceptical of full disruption scenarios given the significant economic and political blowback such actions would generate. Canadian oil exporters continue to face structural challenges, remaining constrained by the 10% US tariff imposed on energy imports. Companies like Canadian Natural Resources and Suncor Energy have experienced margin compression despite WTI trading above traditional breakeven levels. The tariff pause extended to other countries has notably not been applied to Canada, leaving its producers at a persistent structural disadvantage in North American markets. US shale fundamentals continue their concerning deterioration trajectory, with breakeven costs projected to rise toward $95 by 2035 as core acreage depletes and drilling efficiency gains plateau. Data from Enverus indicates the average breakeven cost for new US shale wells now sits at $70 per barrel, already above current price levels, raising fundamental questions about the long-term viability of America's "drill and export" energy policy framework.

Technical Outlook

- Stochastic moving lower towards the oversold area.
- Price consolidating around the 20-period moving average.
- Mixed signals with consolidation following geopolitical volatility.

Key Levels to Watch

Resistance: 65.99; 66.76
Support: 63.85; 63.02

Conclusion

WTI crude oil is consolidating around the 20-period moving average at 65.10 following the week's significant geopolitical volatility and subsequent price action. The Stochastic moving toward oversold territory suggests potential for a technical bounce from current levels as selling pressure becomes exhausted. The commodity faces immediate resistance at 65.99, with a break above potentially targeting 66.76. Support at 63.85 should contain downside moves, with stronger support at 63.02. While geopolitical risks continue to provide a price floor, structural challenges including rising shale production costs and persistent tariff pressures create meaningful headwinds for sustained upward momentum. The market sits at the intersection of geopolitics, trade policy, and supply chain fragility, suggesting volatility is likely to persist as these competing forces continue to influence price discovery.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
29 Sept			No key events for today		
30 Sept	04:30	AUD	Cash Rate	3.60%	3.60%
	04:30	AUD	RBA Rate Statement		
	05:30	AUD	RBA Press Conference		
	All Day	CAD	Bank Holiday		
	14:00	USD	JOLTS Job Openings	7.15M	7.18M

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