MH Markets Technical Analysis Report 2025/10/02 - THURSDAY



fourth consecutive session, revisiting the 97.50 zone amid steady uncertainty, though late-session

expressing belief that the shutdown won't be "that long," citing evidence that "moderate Democrats are cracking a little bit." Today's eurozone focus shifts to the Unemployment Rate data, followed by speeches from ECB officials Montagner and De Guindos, which will provide insights into the labour market health and potential ECB policy trajectory. The economic data blackout in the US due to the shutdown takes on greater significance following Wednesday's ADP report showing private payrolls fell by 32,000 in September, the biggest drop since March 2023 and dramatically below the expected 45,000 gain, reinforcing concerns about labour market deterioration while keeping Fed rate cut expectations elevated. **Technical Outlook** • Stochastic is moving lower towards the oversold area. Price is consolidating around the 20-period moving average. This suggests potential for stabilization or bounce from oversold conditions. **Key Levels to Watch** Resistance: 1.1804; 1.1853

- moving toward oversold territory after Wednesday's pullback from 1.1780, suggesting near-term
- from shutdown uncertainty and late-session recovery attempts. Today's eurozone unemployment data will be important for direction. Support at 1.1657 should contain any deeper pullbacks, while a

pressure on the Greenback.

at 3895, then pulling back lower to stay between previous support and resistance levels. Currently trading at 3864.37. XAUUSD, H4 3864, 96 3869, 90 3861, 52 3864, 37 MHMarkets @

3770.60

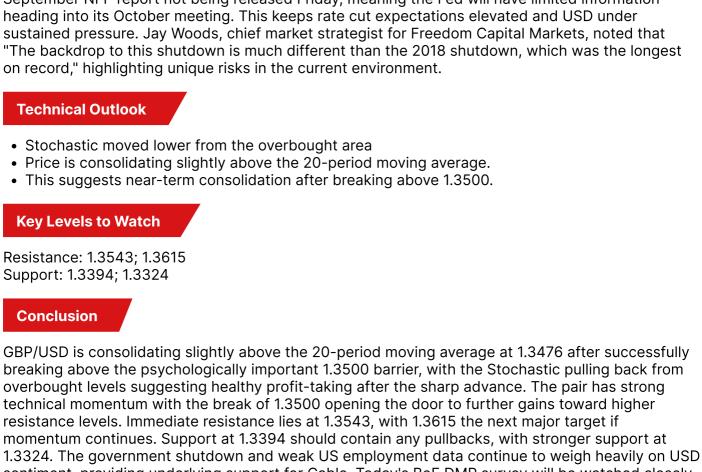
3721,30

3672.00

GOLD (XAU/USD)

3574.85 Stoch(5,3,3) 27.8386 28.8275 **Market Outlook** Gold prices advanced to the boundaries of the \$3,900 mark per troy ounce on Wednesday, hitting an all-time high of \$3,895 on the back of further weakness in the Greenback, declining US yields, and swelling uncertainty after the US government shutdown, before profit-taking brought prices back toward \$3,865. The government shutdown is now in its second day with no immediate resolution in sight, creating an economic data blackout that means the Fed will be "partially flying blind" heading into its late October meeting, with investors still expecting the central bank's second rate cut of the year. This uncertainty is highly supportive of gold as a safe-haven asset during periods of policy and economic ambiguity. Wednesday's ADP data showing a 32,000 decline in private payrolls, the biggest drop since March 2023, reinforces concerns about labour market deterioration. Combined with the fact that the September nonfarm payrolls report will not be released Friday as scheduled, this keeps Fed rate cut expectations firmly in place, supporting nonyielding gold by reducing the opportunity cost of holding the precious metal. The volatile session Wednesday, with gold spiking to \$3,895 before pulling back, suggests some traders are taking profits at these elevated levels after the remarkable rally from previous highs. However, the fundamental backdrop remains exceptionally supportive with USD weakness, declining yields, shutdown uncertainty, and Fed easing expectations all aligned in gold's favour, creating a powerful

Key Levels to Watch Resistance: 3897.27; 3928.44 Support: 3820.11; 3783.01 Conclusion momentum resumes. Support has firmed at 3820.11, with stronger support at 3783.01. The fundamental drivers remain powerfully bullish, including government shutdown uncertainty, Fed easing expectations, and USD weakness. Any dips toward 3820 could offer attractive buying opportunities for investors. The key question is whether the shutdown will be brief as Vance suggested or prolonged, with longer duration supporting higher gold prices.



Market Outlook The S&P 500 closed at a record high of 6,711.20 on Wednesday as traders expressed hope that the

trading at 6721.85.

SPXUSD, H4 6728.09 6728.35 6715.81 6721.85

Technical Outlook Stochastic is moving higher towards the overbought area. Price is consolidating above the 20-period moving average. This indicates continued bullish momentum with new all-time highs. **Key Levels to Watch** Resistance: 6753.52; 6798.31 Support: 6687.84; 6647.03

data demonstrates robust bullish sentiment and confidence in a brief resolution. Immediate resistance lies at 6753.52, with 6798.31 the next major target if the rally continues. Support at 6687.84 should contain any pullbacks, with stronger support at 6647.03. However, investors should remain cautious about elevated valuations, concentration risks, and the potential for extended shutdown duration. The weak ADP data and absence of Friday's NFP report create uncertainty that

USO/USD (WTI CRUDE OIL)

USO/USD moved lower on Wednesday, reaching below previous support levels. Currently trading at 61.88. USOUSD, H4 61.911 62.070 61.812 61.881 MHMarkets @ 68,530 67.090 65,650 61.330 60.591 58,450 Stoch(5,3,3) 42,5342 31,6686

WTI prices retreated further on Wednesday, reaching new five-month lows around \$61.40 per barrel as market participants continued evaluating OPEC+ plans to hike oil output while demand concerns added to the widespread decline, with the current price around \$61.88 representing a significant breakdown below recent support level. The persistent selling pressure reflects growing market conviction that supply will outpace demand in coming months, as OPEC+ production increase plans are being taken seriously by traders, adding barrels to an already well-supplied global market. Meanwhile, concerns about economic growth, highlighted by the US government shutdown and weak ADP employment data showing a 32,000 decline in private payrolls, are dampening demand expectations and creating headwinds for energy prices. The five-month low represents a critical technical and psychological level, with current prices around \$61-62 forcing many US shale producers to face margin pressure, as breakeven costs for new wells have risen toward \$70 per barrel according to industry data. This could eventually limit production growth and provide a floor under prices, but near-term momentum remains decisively bearish. The government shutdown adds another layer of uncertainty to the oil market as the usual weekly EIA crude oil stockpiles report may be delayed or suspended entirely, creating a data vacuum that could increase volatility as traders operate with less transparency about real-time supply-demand dynamics. Canadian producers

- This indicates sustained bearish pressure but potential exhaustion of selling.
- **Key events for today and tomorrow (GMT):** Time Date

12:30

01:05

3 Oct

Key Levels to Watch

Resistance: 62.66; 63.74 Support: 60.59; 59.47

Conclusion

- Currency 2 Oct 06:30 CHF
 - CPI m/m **Unemployment Claims BOJ Gov Ueda Speaks**
 - All Day Average Hourly Earnings m/m 0.3% tentative USD 0.3% tentative **USD** Non-Farm Employment Change 51K 22K **USD Unemployment Rate** 4.3% 4.3% tentative 13:20

Previous

-0.1%

218K

52.0

Forecast

-0.2%

229K

German Bank Holiday **EUR GBP**

- **EUR/USD Previous Session Overview** EUR/USD consolidated on Wednesday, staying between previous support and resistance levels. Currently trading at 1.1733. EURUSD, H4 1.17292 1.17413 1.17232 1.17337 MHMarkets @ 1,19690 1.19105 1.18526
- surrounding the US federal government shutdown, which entered its second day after Republican

downside momentum may be exhausting. The pair faces conflicting forces between USD weakness recovery above 1.1804 could target 1.1853. The shutdown's length will be crucial for direction, with a brief resolution potentially supporting USD recovery, while prolonged closure maintains downside

Previous Session Overview Gold consolidated in high volatility on Wednesday, moving strongly higher to create an all-time high

Gold is consolidating around \$3,865 after Wednesday's volatile session that saw a spike to the alltime high of \$3,895, with the Stochastic moving toward oversold territory and price holding above the 20-period moving average suggesting a healthy pullback after the strong rally. The all-time high at \$3,895 now represents immediate resistance, with 3897.27 and 3928.44 as next targets if buying

GBP/USD

GBP/USD consolidated higher on Wednesday, staying between previous support and resistance

MHMarkets @

1.38010

1.31885 Stoch(5,3,3) 31.2553 41.5338 100 80 18 Sep 08:00 19 Sep 16:00 23 Sep 00:00 24 Sep 08:00 25 Sep 16:00 29 Sep 00:00

*+++10+0++++++ Stoch(5,3,3)/92/2895 88.6428

consequences. Wednesday's ADP data showing a 32,000 decline in private payrolls, the biggest drop since March 2023, is particularly concerning. With the September NFP report cancelled due to the shutdown, this becomes the key labour market indicator available to the Fed heading into its October meeting, creating significant policy uncertainty. The market is focusing on shutdown length, with Vice President Vance indicating he does not believe it will be "that long," which helps maintain market confidence for now.

US federal government shutdown would be brief and have little impact on the economy, with the index gaining 0.34% while the Nasdaq Composite rose 0.42% to settle at 22,755.16 and the Dow advanced 0.09% to 46,441.10. It was a notable turnaround from intraday lows where the S&P 500 was down 0.5%, with the move higher led by health-care stocks including significant gains in Regeneron Pharmaceuticals and Moderna. Momentum remains positive." However, underlying concerns persist as this shutdown could be riskier than previous episodes given the array of economic factors at play, including a slowing labour market evidenced by the shocking 32,000 decline in ADP payrolls, inflation risks, historically elevated stock valuations, and extreme market concentration. The nonpartisan Congressional Budget Office estimated 750,000 federal employee

furloughs, with Trump threatening permanent mass firings that could have lasting economic

- 19 Sep 13:00 22 Sep 21:00 24 Sep 05:00 25 Sep 13:00 26 Sep 21:00 30 Sep 05:00 **Market Outlook**
- continue to face structural challenges from the 10% US tariff on energy imports, limiting their ability to respond to price signals and adding to market inefficiencies.
- potential for at least a technical bounce. Critical support lies at 60.59, with 59.47 below that representing the next major level if selling continues. Any recovery will face immediate resistance at 62.66 and stronger resistance at 63.74. The fundamental backdrop remains challenging with OPEC+
 - **USD JPY**
 - ISM Services PMI 14:00 **USD** 52.0 www.mhmarkets.com support@mhmarkets.com

- attempts to secure a temporary spending bill failed Tuesday. The US Dollar Index lost ground for the
- recovery suggests the market may be stabilizing as traders adjust to the shutdown reality. The nonpartisan Congressional Budget Office estimated that the shutdown will result in the furlough of 750,000 federal employees, creating significant economic disruption. Vice President JD Vance revealed at a White House press briefing Wednesday that the Trump administration will "have to lay some people off if the shutdown continues," though no final decisions have been made, while
- Support: 1.1657; 1.1612
- Conclusion EUR/USD is consolidating around the 20-period moving average at 1.1733, with the Stochastic

 - 3622,70
- combination of bullish drivers. **Technical Outlook** • Stochastic is moving lower towards the oversold area.

Price is consolidating above the 20-period moving average. This suggests healthy consolidation after reaching all-time highs.

Previous Session Overview

levels. Currently trading at 1.3476.

GBPUSD, H4 1,34688 1,34868 1,34667 1,34764

- 1,37135 1.36153 1.33635 1.32760
- **Market Outlook** The Pound Sterling advanced sharply on Wednesday, managing to surpass the 1.3500 hurdle to hit fresh five-day peaks before consolidating around 1.3476, benefiting from broad-based USD weakness as the government shutdown entered its second day and weak ADP employment data reinforced concerns about US labour market deterioration. The Congressional Budget Office's estimate that 750,000 federal employees will be furloughed, combined with Trump's threats of permanent mass firings, adds significant economic risk to this shutdown beyond previous episodes. Vice President Vance's comments that layoffs may be necessary if the shutdown continues, while

noting no final decisions have been made, keeps uncertainty elevated and dollar sentiment

will provide crucial insights into business sentiment and expectations. This survey has become

depressed. Today's UK calendar features the Bank of England's Decision Market Panel survey, which

increasingly important for gauging economic conditions and inflation expectations from the business community's perspective. The weak US ADP data showing a 32,000 decline in private payrolls takes

- on even greater importance given the economic data blackout from the shutdown, with the September NFP report not being released Friday, meaning the Fed will have limited information

Conclusion The S&P 500 is consolidating above the 20-period moving average at new all-time highs around 6721.85, with the Stochastic moving toward overbought territory indicating strong bullish momentum remains intact. The market's resilience in the face of government shutdown and weak employment

could eventually weigh on sentiment if the shutdown proves prolonged.

Previous Session Overview

Technical Outlook Stochastic is consolidating inside the oversold area. Price is consolidating below the 20-period moving average.

WTI crude oil is consolidating near five-month lows around \$61.88, well below the 20-period moving average, with the Stochastic consolidating in oversold territory suggesting selling pressure may be nearing exhaustion. The technical picture remains bearish, but extreme oversold conditions indicate

production increases and demand concerns from weak economic data. However, prices are approaching levels where supply response could emerge, particularly from US shale producers facing unprofitable economics below \$60. A technical bounce is possible, but sustained recovery requires either supply disruptions or improved demand outlook.

Events

- **BOE Gov Bailey Speaks**

- sentiment, providing underlying support for Cable. Today's BoE DMP survey will be watched closely for any shifts in UK business sentiment. **SPX/USD (S&P 500) Previous Session Overview** The S&P 500 moved higher on Wednesday, reaching above previous resistance levels. Currently
 - 18 Sep 09:00 19 Sep 17:00 23 Sep 01:00 24 Sep 09:00 25 Sep 17:00 29 Sep 01:00 30 Sep 09:00 1 Oct 17:00

MHMarkets @

6600.45

6551.15

6503.30

6455,45

80