

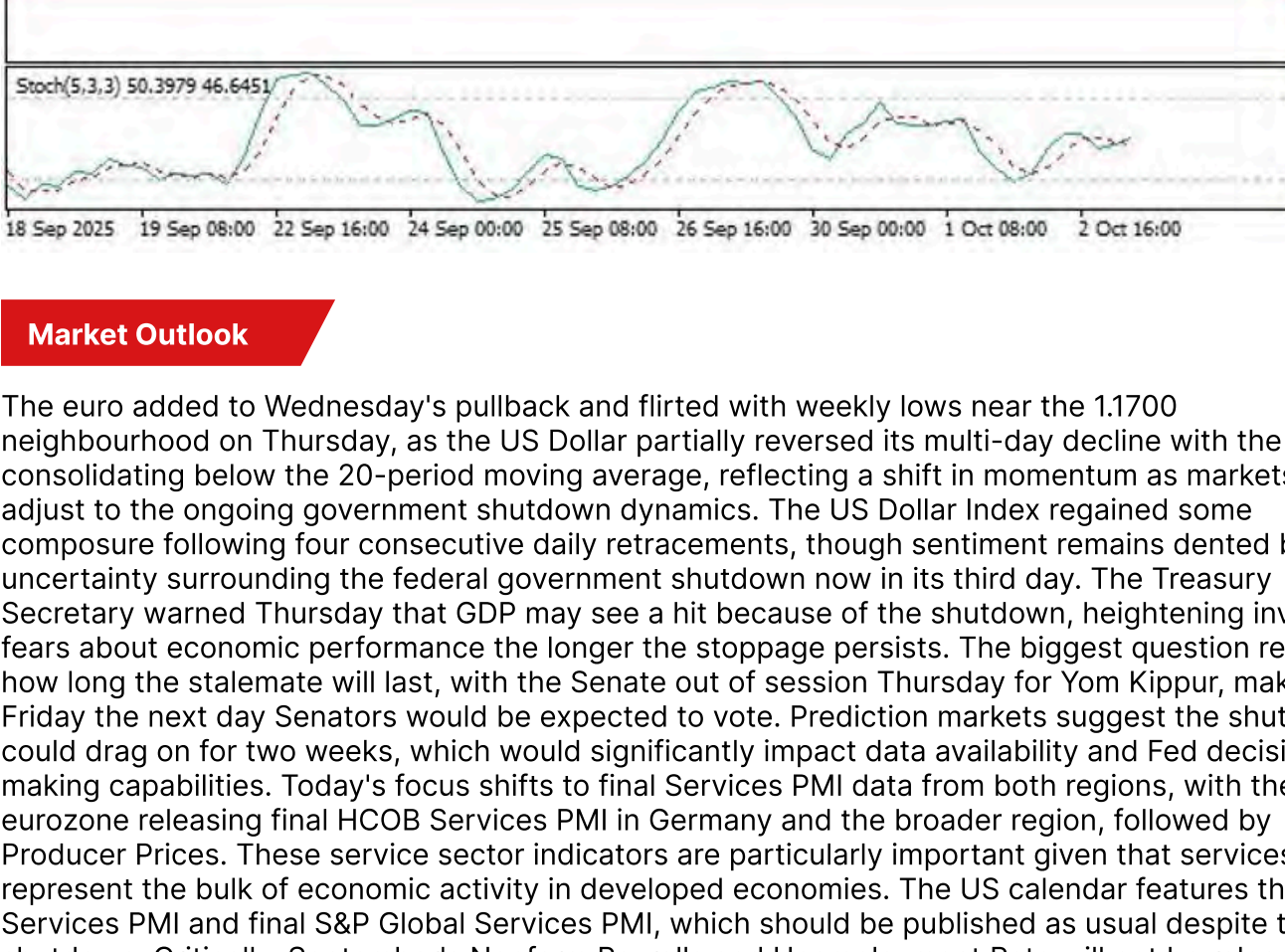
MH Markets Technical Analysis Report

2025/10/03 - FRIDAY

EUR/USD

Previous Session Overview

EUR/USD consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 1.1723.



Market Outlook

The euro added to Wednesday's pullback and flirted with weekly lows near the 1.1700 neighbourhood on Thursday, as the US Dollar partially reversed its multi-day decline with the pair consolidating below the 20-period moving average, reflecting a shift in momentum as markets adjust to the ongoing government shutdown dynamics. The US Dollar Index regained some composure following four consecutive daily retracements, though sentiment remains dented by uncertainty surrounding the federal government shutdown now in its third day. The Treasury Secretary warned Thursday that GDP may see a hit because of the shutdown, heightening investors' fears about economic performance the longer the stoppage persists. The biggest question remains how long the stalemate will last, with the Senate out of session Thursday for Yom Kippur, making Friday the next day Senators would be expected to vote. Prediction markets suggest the shutdown could drag on for two weeks, which would significantly impact data availability and Fed decision-making capabilities. Today's focus shifts to final Services PMI data from both regions, with the eurozone releasing final HCOB Services PMI in Germany and the broader region, followed by Producer Prices. These services sector indicators are particularly important given that services represent the bulk of economic activity in developed economies. The US calendar features the ISM Services PMI and final S&P Global Services PMI, which should be published as usual despite the shutdown. Critically, September's Nonfarm Payrolls and Unemployment Rate will not be released as scheduled due to the Labor Department's pause on all activity, creating a significant data vacuum for Fed policy expectations.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating slightly below the 20-period moving average.
- This suggests near-term directional uncertainty with neutral momentum.

Key Levels to Watch

Resistance: 1.1804; 1.1853
Support: 1.1657; 1.1612

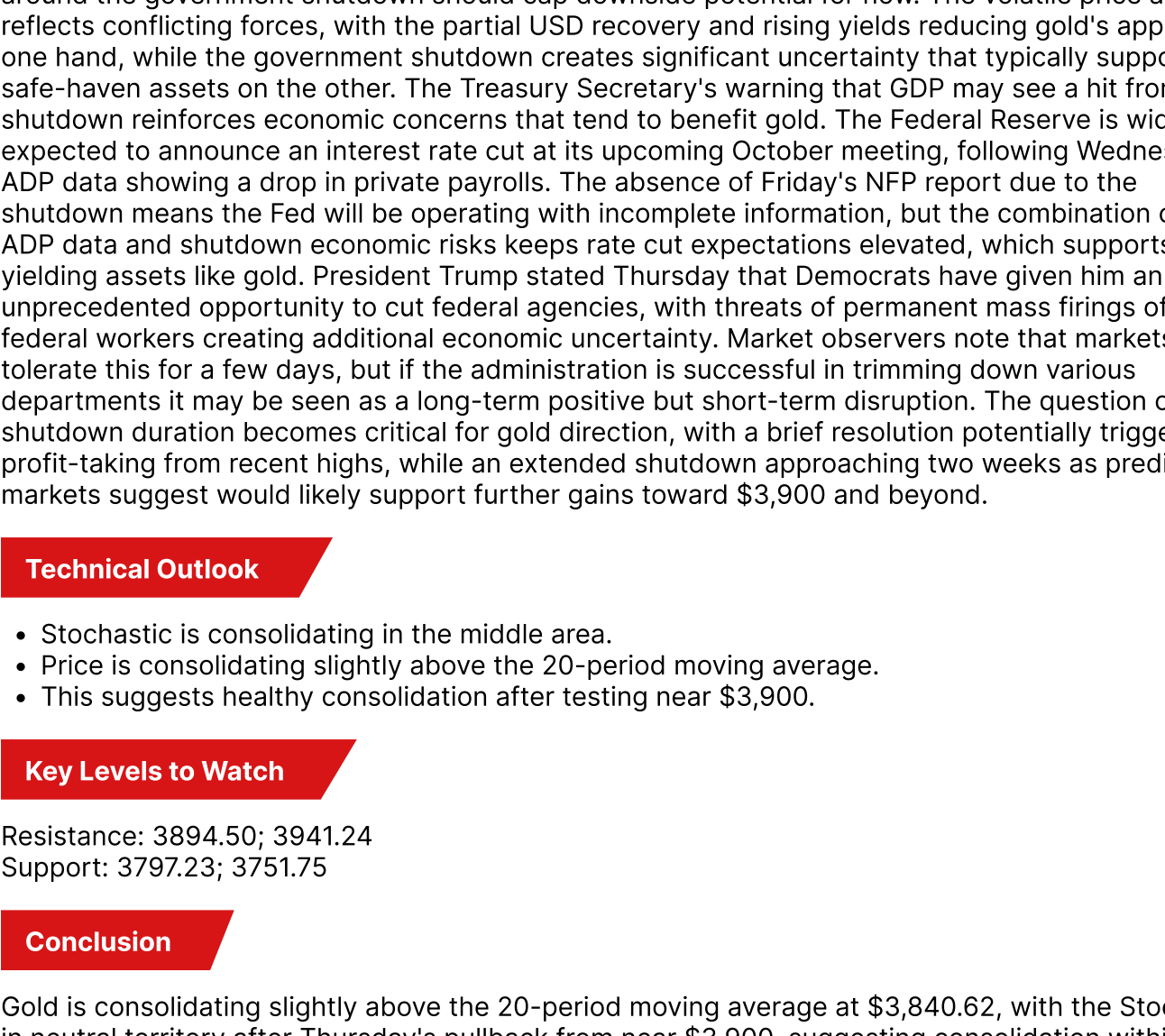
Conclusion

EUR/USD is consolidating slightly below the 20-period moving average at 1.1723, with the Stochastic in neutral territory suggesting directional uncertainty after testing weekly lows near 1.1700, indicating some USD stabilization after four days of losses. Today's Services PMI data will be crucial, with strong eurozone readings potentially supporting EUR, while robust US data might extend the Dollar's recovery. The absence of NFP data removes a major catalyst, keeping the pair range-bound in the near term. Support at 1.1657 should contain deeper pullbacks, while a recovery above 1.1804 would signal renewed bullish momentum. The shutdown's duration remains the key variable for USD direction.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 3840.62.



Market Outlook

Gold prices flirted with record highs just ahead of the \$3,900 mark per troy ounce on Thursday before receding to two-day lows near \$3,830, with the precious metal's correction coming on the back of marked resurgence in buying interest in the US Dollar and higher yields, though uncertainty around the government shutdown should cap downside potential for now. The volatile price action reflects conflicting forces, with the partial USD recovery and rising yields reducing gold's appeal on one hand, while the government shutdown creates significant uncertainty that typically supports safe-haven assets on the other. The Treasury Secretary's warning that GDP may see a hit from the shutdown reinforces economic concerns that tend to benefit gold. The Federal Reserve is widely expected to announce an interest rate cut at its upcoming October meeting, following Wednesday's ADP data showing a drop in private payrolls. The absence of Friday's NFP report due to the shutdown means the Fed will be operating with incomplete information, but the combination of weak ADP data and shutdown economic risks keeps rate cut expectations elevated, which supports non-yielding assets like gold. President Trump stated Thursday that Democrats have given him an unprecedented opportunity to cut federal agencies, with threats of permanent mass firings of federal workers creating additional economic uncertainty. Market observers note that markets will tolerate this for a few days, but if the administration is successful in trimming down various departments it may be seen as a long-term positive but short-term disruption. The question of shutdown duration becomes critical for gold direction, with a brief resolution potentially triggering profit-taking from recent highs, while an extended shutdown approaching two weeks as prediction markets suggest would likely support further gains toward \$3,900 and beyond.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating slightly above the 20-period moving average.
- This suggests healthy consolidation after testing near \$3,900.

Key Levels to Watch

Resistance: 3894.50; 3941.24
Support: 3797.23; 3751.75

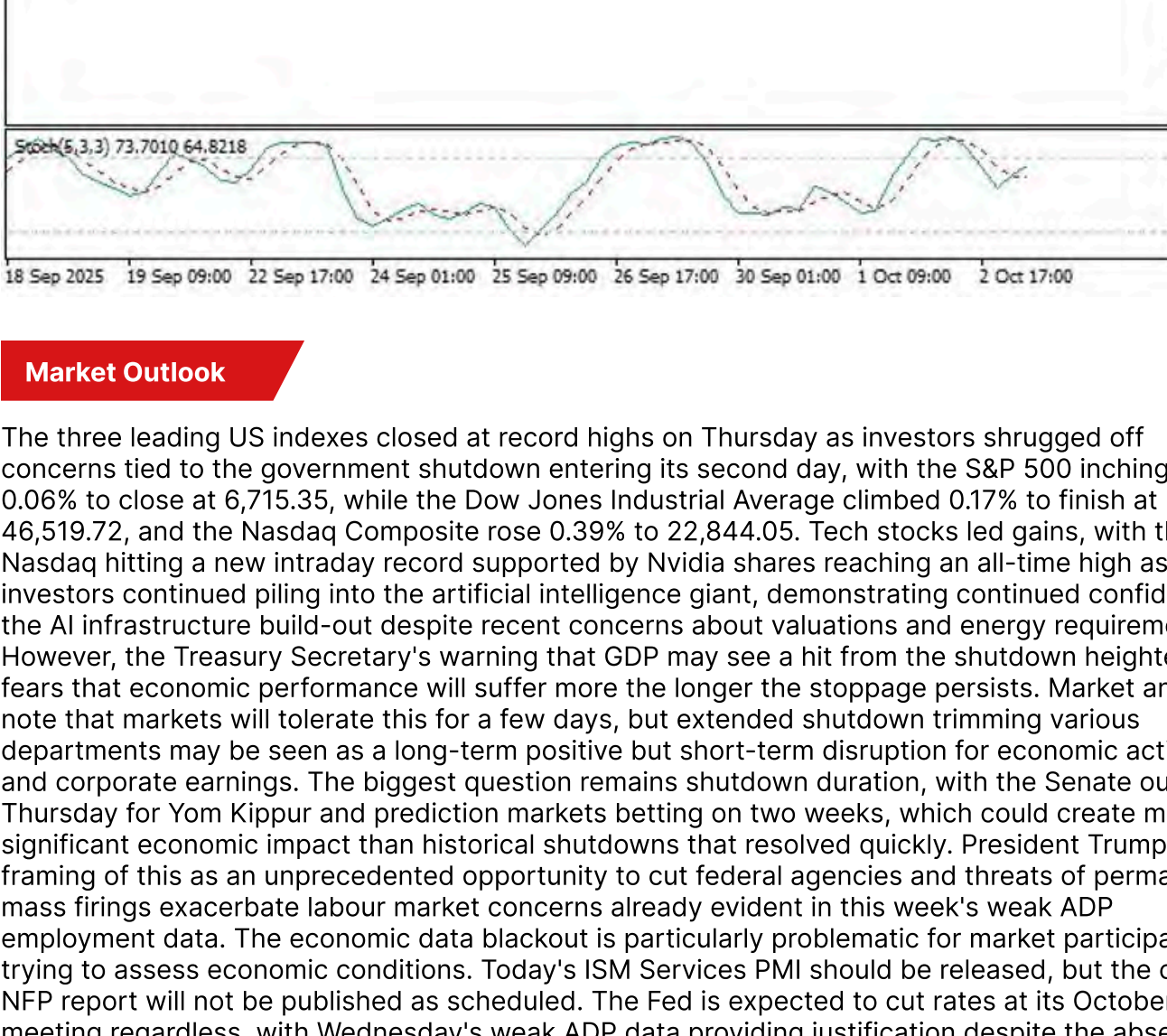
Conclusion

Gold is consolidating slightly above the 20-period moving average at \$3,840.62, with the Stochastic in neutral territory after Thursday's pullback from near \$3,900, suggesting consolidation within a broader uptrend. Support at 3797.23 is critical, with holding above this level keeping the bullish structure intact for further gains. A break above 3894.50 could quickly target 3941.24 and the psychological \$4,000 level. The fundamental backdrop remains supportive with government shutdown uncertainty, Fed easing expectations, and geopolitical concerns providing tailwinds. However, the partial USD recovery and higher yields create near-term headwinds. The absence of today's NFP data removes a potential catalyst, suggesting continued consolidation is likely before the next major directional move.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 1.3438.



Market Outlook

The Pound Sterling came under pressure following the Dollar's rebound on Thursday, flirting with three-day lows near the 1.3410 area as the pair pulled back from Wednesday's five-day peak above 1.3500, reflecting profit-taking as USD found some stability after four consecutive days of losses. The partial recovery in the Greenback came despite ongoing government shutdown concerns now entering day three, with the market appearing to stabilize as traders adjust to the reality that this shutdown may persist for longer than initially hoped. With the Senate out for Yom Kippur Thursday, the earliest progress could come Friday, adding to near-term uncertainty. Today's UK calendar features the final S&P Global Services PMI, which will wrap up the weekly economic data releases and provide insights into the dominant part of the UK economy, potentially influencing Bank of England policy expectations heading into the final quarter of the year. The broader market backdrop remains complex, as while investors have historically shrugged off government shutdowns, this one carry unique risks given elevated valuations, market concentration in AI stocks, inflation concerns, and threats of permanent federal worker layoffs that could impact consumer spending and economic growth. President Trump's comments about using the shutdown as an unprecedented opportunity to cut federal agencies add to uncertainty about the eventual economic impact. The absence of Friday's US NFP report removes a major potential catalyst for GBP/USD direction, with the Fed still expected to cut rates in October despite the data blackout following weak ADP numbers, but the lack of confirmation from official employment data creates ambiguity about the labour market's true condition.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating slightly below the 20-period moving average.
- This suggests near-term directional uncertainty after pullback from highs.

Key Levels to Watch

Resistance: 1.3524; 1.3595
Support: 1.3394; 1.3324

Conclusion

GBP/USD is consolidating slightly below the 20-period moving average at 1.3438, with the Stochastic in neutral territory indicating indecision after the pullback from above 1.3500. The pair faces resistance at 1.3524, with a break above needed to target 1.3595 and resume the broader uptrend. Support at 1.3394 should contain further declines, with 1.3324 below that providing stronger support. Today's UK Services PMI will provide direction, while the absence of US NFP data suggests range-bound trading may persist. The technical picture has turned slightly negative with the rejection at 1.3500 and move below the 20-MA, but the broader uptrend remains intact as long as price holds above 1.3394 support.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 6729.31.

