MH Markets Technical Analysis Report 2025/10/08 - WEDNESDAY



agreement. Wednesday's focus will be squarely on the FOMC Minutes from the September meeting, which will be scrutinized for insights into how Fed officials view the current economic environment and their rate-cutting trajectory. With markets pricing in substantial easing—potentially 1.25% by this Trump indicated he would discuss tariffs on Canadian imports with Prime Minister Mark Carney, noting he wants Canada to do great but expressing concerns about competition, suggesting trade policy remains fluid and could introduce additional volatility. **Technical Outlook** Stochastic moving inside the oversold area Price moving lower below the 20-period moving average. This indicates strong bearish momentum with deeply oversold conditions. **Key Levels to Watch** Resistance: 1.1689; 1.1739 Support: 1.1574; 1.1527 Conclusion EUR/USD has broken below its recent consolidation range and extended losses to 1.1619, with price firmly below the 20-period moving average indicating strong bearish control. The Stochastic

indicator deep in oversold territory suggests the pair is extremely stretched to the downside, increasing the probability of a technical bounce, though any recovery will face strong resistance at

1.1689. The fundamental backdrop remains challenging for the Euro, with risk-off sentiment

favouring the Dollar despite the US government shutdown. Immediate support at 1.1574 is critical—a

GOLD (XAU/USD)

Gold moved higher on Tuesday, reaching near previous resistance levels. The precious metal surged strongly higher during Wednesday's Asian session, breaking above the \$4,000 mark for the first time

break below could accelerate losses toward 1.1527. Today's FOMC Minutes will be crucial—dovish signals reinforcing aggressive easing expectations could weaken the Dollar and support EUR/USD recovery, while any hawkish elements might extend the pair's decline. Germany's Industrial

23 Sep 2025 24 Sep 09:00 25 Sep 17:00 29 Sep 01:00 30 Sep 09:00 1 Oct 17:00

Production data and multiple ECB speaker appearances also carry the potential to move the pair. Until price can reclaim the 20-period moving average, the bias remains firmly to the downside.

Market Outlook

Technical Outlook

Previous Session Overview

3910.60 3846.00 3716.80 3652,20 3587.60 Stock(5,3,3) 95.2314 90.4437

3 Oct 01:00

80

Gold has achieved a historic milestone, breaking through the psychologically monumental \$4,000 barrier for the first time ever during Wednesday's Asian session, as safe-haven demand intensifies amid the prolonged US government shutdown and growing expectations for aggressive Federal Reserve rate cuts. The precious metal's relentless rally continues to be driven by prospects of Fed rate cuts, generalized risk-off sentiment in global markets, and intensifying concerns about political dysfunction in Washington. The uncertainty surrounding the government shutdown has become a primary catalyst for gold's safe-haven appeal. Now in its seventh day, the political impasse shows no signs of resolution after the Senate failed for a fifth time on Monday to advance funding legislation. The standoff has moved beyond a mere political inconvenience—federal workers including TSA employees and air traffic controllers are working without pay, and active-duty military members face the prospect of missing paychecks if the shutdown extends into next week. The economic implications are mounting. Beyond delaying critical data releases, analysts warn the shutdown poses increasing risks to the US economy the longer it drags on. As workers miss paychecks, pressure on Congress to reach an agreement will intensify, but until then, uncertainty will continue driving safe haven flows into gold. Gold breaking decisively through \$4,000 per ounce represents a watershed moment, driven by investors hedging against riskier bets and seeking shelter from the storm of political dysfunction. The milestone comes despite—or perhaps because of—the lack of traditional economic data that would normally guide market decisions. The FOMC Minutes due Wednesday will be the week's most significant event. Markets are eagerly awaiting insights into Fed officials' thinking about the rate-cutting path, with current expectations pricing in substantial easing. Any confirmation of an aggressive dovish stance would propel gold even higher above \$4,000, while unexpected hawkish elements could trigger profit-taking from these elevated levels. Risk-off sentiment was evident in Tuesday's equity market performance, with the S&P 500 snapping a 7-day winning streak by falling 0.38% to 6,714.59. Oracle's decline on concerns about AI profitability led tech sector weakness, highlighting investor nervousness about the massive capital expenditures in artificial intelligence. This broader market uncertainty reinforces gold's appeal as a portfolio hedge.

This indicates extremely strong bullish momentum after breaking the historic \$4,000 level. **Key Levels to Watch** Resistance: 4033.99; 4070.10 Support: 3977.66; 3940.11 **Conclusion** Gold's historic breakthrough above \$4,000 to 4011.05 represents an extraordinary achievement driven by political dysfunction, monetary policy expectations, and relentless safe-haven demand. With price well above the 20-period moving average and the Stochastic deeply overbought, the technical picture shows extreme momentum that has successfully carried the metal through the psychological barrier. The next resistance targets lie at 4033.99 and 4070.10, representing entirely uncharted territory. Support has risen to 3977.66, with stronger backing at 3940.11, though the round \$4,000 level itself may now act as psychological support. Today's FOMC Minutes will be critical—dovish commentary reinforcing aggressive rate cut expectations could propel gold toward 4033.99 and beyond. However, investors should be aware that severely overbought conditions and the historic nature of these levels increase the risk of sharp profit-taking if any resolution emerges on the government shutdown or if the Fed Minutes contain unexpected hawkish elements. The longer the political impasse continues, and military personnel go unpaid, the stronger gold's safe-

GBP/USD

GBP/USD consolidated lower on Tuesday, reaching near previous support levels. Currently trading at

MHMarkets @

1.36065

1.35495

1.34434

1.33911

1.33260

1.32135 100

6516.10

80

80

Market Outlook

1.3391.

haven bid is likely to remain.

Previous Session Overview

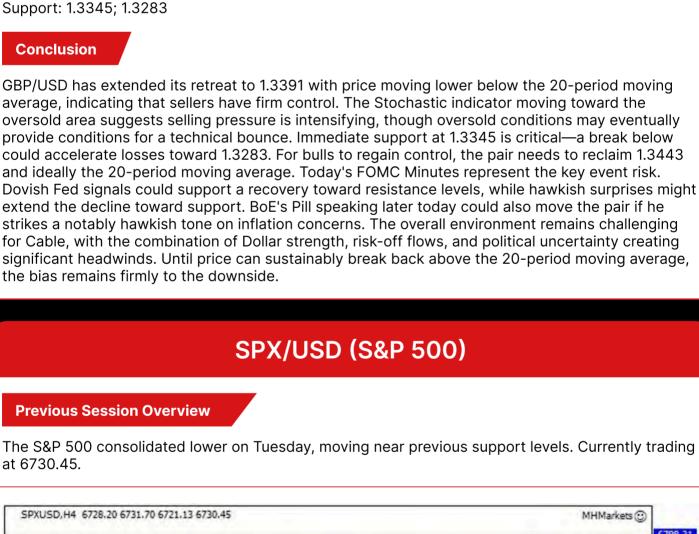
GBPUSD.H4 1.34107 1.34141 1.33903 1.33911

24 Sep 08:00 25 Sep 16:00 29 Sep 00:00 30 Sep 08:00 1 Oct 16:00

The Pound Sterling set aside two daily advances in a row and faced renewed selling pressure in the low-1.3400s on Tuesday as risk-off sentiment dominated global markets and the US Dollar extended its recovery to fresh two-week highs. The pair's inability to sustain its recent recovery attempt reflects the broad-based nature of Dollar strength in the current environment. Cable's weakness comes despite an otherwise empty UK economic calendar on Wednesday, with only Bank of England Chief Economist Huw Pill scheduled to speak. This leaves GBP/USD vulnerable to external factors, particularly developments from the United States including the crucial FOMC Minutes and the ongoing government shutdown saga. The US political dysfunction continues to support safe haven flows into the Dollar, even as the shutdown creates domestic economic concerns. Now in its seventh

day, the impasse shows no signs of resolution after the Senate's fifth failed vote on Monday. The political standoff is escalating beyond mere inconvenience—federal workers are going unpaid, and active-duty military personnel face missing paychecks if the situation extends into next week. President Trump's blame game with Democrats continues, with the President suggesting

negotiations were underway only to be contradicted by Senate Minority Leader Chuck Schumer.



24 Sep 09:00 25 Sep 17:00 29 Sep 01:00 30 Sep 09:00 1 Oct 17:00

Stock(5.3.3) 39.3351 34.2784

Market Outlook

money being thrown into Al development. The US government shutdown, now entering its second week, continues to weigh on sentiment. After the Senate's fifth failed vote on Monday to advance funding legislation, hopes for a quick resolution have faded. The economic implications are intensifying—federal workers including TSA employees and air traffic controllers are working without pay, and active-duty military members will not receive paychecks if the shutdown extends into next week. Analysts note that as furloughed workers do not get paychecks and active-duty military faces missed payments, pressure on Congress will increase. However, the political standoff between President Trump and Democrats over healthcare policy shows no signs of breaking. The uncertainty drove investors toward safe-haven assets, with gold futures breaking through \$4,000 per ounce for the first time in history. Wednesday's FOMC Minutes will be crucial for market direction. With investors focused on earnings optimism and the prospect of additional Federal Reserve rate cuts, any dovish signals from the Minutes could help stocks recover. However, unexpected hawkish elements might extend Tuesday's losses. President Trump indicated he would discuss tariffs on Canadian imports, suggesting trade policy remains unpredictable and potentially undermining investor confidence. **Technical Outlook** Stochastic trying to cross higher near the oversold area. Price consolidating around the 20-period moving average. This suggests stabilization attempts after Tuesday's decline with potential for recovery. **Key Levels to Watch**

WTI crude oil prices surrendered part of their recent advance on Tuesday, briefly breaking below the \$61.00 mark per barrel as traders continued to evaluate the implications of OPEC+'s smaller-thanexpected output hike announced over the weekend. The commodity is attempting to stabilize in the low-\$61 area, caught between technical support levels and persistent fundamental concerns about oversupply. The modest rebound from Monday quickly faded as market participants digested the reality that even a restrained OPEC+ production increase adds supply to a market already showing signs of weakness. While the weekend announcement provided temporary relief by coming in below the most bearish expectations, the fundamental picture remains challenging with demand indicators softening and inventories rising. Wednesday's focus will include the EIA's weekly report on US crude oil inventories, which follows last week's build of 1.8 million barrels that pushed total stocks to 416.5 million barrels. Another significant inventory increase would reinforce concerns about oversupply and pressure prices lower, while a draw could provide support for a more sustained bounce. The broader market context remains bearish for commodities. Risk-off sentiment dominated Tuesday's trading, with equity markets pulling back as concerns about Al profitability and the government

may be limited initially, the broader economic implications—including federal workers going unpaid and potential GDP erosion—could eventually weigh on fuel demand if the situation persists. OPEC+ dynamics remain a wild card. While the group showed restraint in its weekend decision, the fact that eight member nations favour further production increases suggests internal pressure continues. Saudi Arabia faces fiscal pressure with oil prices well below its estimated \$80 breakeven level. Irag's resumed exports through the Ceyhan pipeline continue to add supply, with initial flows of 200,000 bpd expected to gradually increase. Combined with seasonal refinery maintenance reducing

demand by an estimated 1.1 million bpd globally, the supply-demand balance remains tilted toward surplus. JPMorgan's projection of significant oversupply extending into Q4 2025 and early 2026

- WTI crude oil is consolidating slightly above the 20-period moving average at 62.01 with the Stochastic indicator moving toward overbought territory, suggesting the bounce from last week's lows retains near-term momentum. This technical setup indicates potential for further recovery toward resistance levels, though the fundamental backdrop remains challenging. Immediate resistance at 63.04 will test whether bulls can extend the recovery, with 65.13 representing a more significant barrier. On the downside, support at 60.29 is critical—a break below would trigger a

 - Key events for today and tomorrow (GMT+8):

production dynamics all suggest caution. The FOMC Minutes later Wednesday could also impact oil

USD **FOMC Meeting Minutes USD Unemployment Claims** 225K USD Fed Chair Powell Speaks

25 Sep 13:00 26 Sep 21:00 30 Sep 05:00 1 Oct 13:00

- Conclusion
 - retest of last week's lows and potentially target 58.24. Wednesday's EIA inventory report will be crucial for direction. Another large build would undermine the technical bounce and send prices back toward support levels, while a surprise draw could fuel a more sustained recovery toward resistance. The broader risk-off environment, government shutdown uncertainty, and OPEC+
 - Currency **Events Forecast** Official Cash Rate 2.75% NZD NZD **RBNZ Rate Statement**
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- **EUR/USD Previous Session Overview** EUR/USD moved lower on Tuesday, reaching below previous support levels. Currently trading at 1.1619. EURUSD, H4 1.16462 1.16462 1.16163 1.16186 MHMarkets @ 1,19030 1.18445 1.17860

- ongoing US government shutdown continues to dominate market sentiment, now stretching into its seventh day with no resolution in sight. The Senate failed for a fifth time on Monday to pass a House bill that would have funded the government through November 21, with the vote falling along party
- lines. At least eight Democrats need to join Republicans to meet the 60-vote threshold, but partisan disagreements over healthcare policies remain an insurmountable obstacle. President Trump blamed Democrats for the shutdown while suggesting negotiations were underway, though Senate Minority Leader Chuck Schumer quickly denied any such talks were taking place. The political impasse has driven investors toward safe-haven assets and away from risk, supporting the Dollar despite the
- domestic dysfunction. The economic impact of the shutdown is becoming increasingly concerning. Beyond delaying key economic data releases, certain federal workers including TSA employees and air traffic controllers are not getting paid. Active-duty military members will not receive paychecks if the stoppage extends into next week, potentially increasing pressure on Congress to reach an

- time next year—any hints about the pace or magnitude of cuts could significantly move currency markets. From Europe, Germany's Industrial Production data is due for release, providing another gauge of the Eurozone's largest economy's health. ECB officials including Buch, Elderson, and Lagarde are all scheduled to speak, offering multiple opportunities for policy guidance. President

in history. Currently trading at 4011.05. XAUUSD.H4 4000.69 4014.54 3995.68 4011.05 MHMarkets (2) 4070.10

Stochastic moving inside the overbought area Price moving higher above the 20-period moving average.

- Stoch(5,3,3) 24.4942 34.1090
- This dynamic reinforces the sense that no compromise is imminent, keeping uncertainty elevated and supporting defensive positioning in currency markets. The risk-off mood was evident in Tuesday's equity market performance, with the S&P 500 snapping its 7-day winning streak and Oracle shares tumbling on concerns about Al profitability. This broad market nervousness tends to benefit the Dollar as the world's primary reserve currency, particularly against growth-sensitive currencies like Sterling. Wednesday's FOMC Minutes will be the focal point for markets. With Fed rate cut expectations firmly entrenched—potentially 1.25% of easing by this time next year—the Minutes will be scrutinized for any hints about the pace and magnitude of cuts. Dovish signals could weaken the Dollar and provide relief for GBP/USD, while any hawkish elements might extend Cable's losses. Bank of England Chief Economist Huw Pill's speech will be important for Sterling direction. BoE officials have recently struck a more cautious tone on further easing compared to Fed counterparts, emphasizing concerns about persistent inflationary pressures. Hawkish commentary from Pill could provide some support for the Pound, though it may struggle to overcome the broader risk-off environment. **Technical Outlook** Stochastic moving lower towards the oversold area. Price moving lower below the 20-period moving average. This indicates accelerating bearish momentum with oversold conditions developing. **Key Levels to Watch** Resistance: 1.3443; 1.3505
 - 6730.45 6715.30 6675.70 6636.10 6595.30 6555.70

US equity markets struggled on Tuesday, with the S&P 500 pulling back 0.38% to close at 6.714.59. snapping an impressive 7-day winning streak. The Nasdag Composite fell more sharply, declining 0.67% to finish at 22,788.36, while the Dow Jones Industrial Average dropped 91.99 points or 0.2% to end at 46,602.98. The pullback reflects growing investor concerns about multiple issues, from Al profitability to the prolonged government shutdown. Oracle led the tech sector decline following reports indicating the software company's cloud business margins are significantly below current analyst estimates, with the company incurring losses on certain Nyidia chip rental agreements. Oracle shares lost 2.5%, dragging the Nasdaq to its session lows and raising broader questions about the return on investment from massive AI capital expenditures. Market strategists captured the growing unease, noting that investors will eventually look at how much money is being spent and question the return on investment. While AI is not necessarily in a bubble, there's opportunity for a reset in expectations, particularly about the results and profitability from the enormous amount of

3 Oct 01:00

Resistance: 6764.27; 6798.31 Support: 6688.80; 6655.69 **Conclusion** The S&P 500's snap of its 7-day winning streak reflects growing investor nervousness about Al profitability, the government shutdown's economic impact, and broader uncertainty. The index is

consolidating around the 20-period moving average at 6730.45, a critical technical support level, with the Stochastic indicator attempting to cross higher near oversold territory suggesting selling pressure may be reaching exhaustion. This technical setup indicates potential for a stabilization or

correction toward 6655.69. On the upside, resistance at 6764.27 represents the first hurdle for any recovery attempt. Today's FOMC Minutes will be the key catalyst—dovish commentary reinforcing rate cut expectations could help the index recover toward resistance levels and potentially resume its uptrend. However, the Oracle-sparked concerns about AI returns on investment represent a potentially significant headwind, as they challenge one of the market's key bullish narratives for 2025. The longer the government shutdown persists, particularly as military personnel face missed paychecks and gold breaks above \$4,000, the more pressure it will place on market sentiment.

USO/USD (WTI CRUDE OIL)

USO/USD consolidated higher on Tuesday, moving near previous resistance levels. Currently trading

MHMarkets @

68,735

67,070

63,740 63.036 62.010

57.125

80

Previous

3.00%

218K

Previous Session Overview

USOUSD, H4 61.891 62.014 61.883 62.010

at 62.01

D+++0

Stoch(5,3,3) 98,2946 86,239

Market Outlook

continues to hang over the market.

Technical Outlook

Key Levels to Watch

Date

8 Oct

9 Oct

Time

01:00

01:00

18:00

12:30

Tentative

bounce in the near term. Immediate support at 6688.80 needs to hold to prevent a deeper

shutdown weighed on investor confidence. This risk-aversion typically does not favour crude oil, which tends to track broader economic growth expectations. The US government shutdown, now in its seventh day, adds uncertainty to the demand outlook. While the direct impact on oil consumption

Resistance: 63.04; 65.13 Support: 60.29; 58.24

Price consolidating slightly above the 20-period moving average.

This suggests the technical bounce retains upside momentum in the near term.

Stochastic moving higher towards the overbought area.

through their effect on the Dollar and broader market sentiment.