## MH Markets Technical Analysis Report 2025/10/09 - THURSDAY



typically support currencies like the Euro against the Dollar, but the current risk-off environment and political dysfunction in Washington are overriding normal policy divergence dynamics. Thursday's focus will shift to Fed Chair Jerome Powell's speech, along with comments from Governors Bowman and Barr. Powell's remarks will be closely scrutinized for any clarification on the rate-cutting path, health of the Eurozone's export sector. The ECB will also publish its Accounts from the September markets, with gold climbing to the \$4,060 region for the first time ever, driven by steady bets on Fed **Technical Outlook**  Stochastic moved higher from the oversold area Price consolidating below the 20-period moving average. This suggests potential for a technical bounce, though bearish momentum remains intact. **Key Levels to Watch** Resistance: 1.1689; 1.1739 Support: 1.1574; 1.1527

- ECB Accounts are secondary factors but could move the pair if they significantly surprise expectations.

GOLD (XAU/USD)

3843.70 3788.80 3736.00 3681.60

#### 80 25 Sep 09:00 26 Sep 17:00 30 Sep 01:00 1 Oct 09:00 2 Oct 17:00 **Market Outlook** Gold has shattered yet another milestone, climbing to the \$4,060 region for the first time in its history on Thursday, propelled by a powerful combination of steady bets on Federal Reserve rate cuts, political uncertainty, and widespread risk-off sentiment sweeping through global markets. The precious metal's relentless ascent shows no signs of stopping as multiple supportive factors align. The US government shutdown, now entering its second week, has become a critical driver of safehaven demand. The Senate rejected duelling stopgap funding bills for a sixth time on Wednesday. with the probability of a near-term deal appearing zero. The political gridlock is no longer just an inconvenience—it is escalating into a genuine economic threat with tangible consequences for American workers and military personnel. President Trump's Tuesday statement that not all furloughed federal workers will receive back pay has added another layer of uncertainty and concern. More significantly, active-duty military members face the prospect of missing their paycheck scheduled for October 15 if the shutdown continues. This development could prove to be a tipping point that forces Congressional action, but until then, it amplifies the sense of political dysfunction driving gold's safe-haven appeal. Wednesday's FOMC Minutes revealed a Federal Reserve divided over how much further to cut rates, but the market focused on the fact that additional easing remains in the pipeline. This dovish backdrop—combined with expectations that rates could be lower by this time next year—continues to reduce the opportunity cost of holding non-yielding gold, making it more attractive relative to interest-bearing assets. The broader market context reinforces gold's appeal. While the S&P 500 and Nasdaq Composite managed to score new

**Conclusion** Gold's breakthrough to the all-time high of \$4,059 represents historic territory driven by an unprecedented combination of political dysfunction, monetary policy expectations, and global uncertainty. With price consolidating above the 20-period moving average at 4021.72 and the Stochastic pulling back from overbought levels, the technical picture suggests the precious metal is taking a breather after its recent surge. This consolidation phase is healthy and could provide the foundation for another leg higher. Immediate resistance at 4051.25 and 4079.12 represents the next targets, with the psychological \$4,100 level coming into view. Support has risen to 3980.96, with stronger backing at 3954.30. Today's speech from Fed Chair Powell represents the key event risk. Dovish commentary emphasizing the Fed's commitment to rate cuts despite the data blackout could provide the catalyst for gold to extend its record-breaking rally. The approaching October 15 deadline for military paychecks adds urgency to the funding crisis—if no deal emerges before then, safe-haven demand could intensify further. The \$4,000 level has now become established support, marking a paradigm shift in gold's valuation. **GBP/USD Previous Session Overview** GBP/USD consolidated on Wednesday, staying between previous support and resistance levels. Currently trading at 1.3414. GBPUSD, H4 1.34089 1.34184 1.34058 1.34137 MHMarkets @

with the pair consolidating below the 20-period moving average. The Stochastic indicator control, the pair needs to reclaim 1.3443 and ideally push back above the 20-period moving The approaching October 15 deadline for military paychecks adds another layer of uncertainty.

## SPXUSD, H4 6759.04 6760.05 6749.56 6757.05

24 Sep 2025 25 Sep 09:00 26 Sep 17:00 30 Sep 01:00 1 Oct 09:00 2 Oct 17:00 6 Oct 01:00

#### Market observers are drawing parallels to the late 1990s internet bubble, but strategists offered perspective noting that even in the late-90s, there were big corrections in the Nasdaq every single year, and there could be several corrections before reaching a bull market top. **Technical Outlook**

 Stochastic trying to cross lower near the overbought area. Price consolidating above the 20-period moving average.

Fed's commitment to rate cuts could propel the index toward new highs, while any unexpected concerns about economic risks might trigger consolidation. Nvidia's confirmation of robust Al demand has temporarily alleviated concerns sparked by the Oracle report. The government shutdown's impact remains limited on equities so far, but the approaching October 15 military paycheck deadline could shift sentiment if no resolution emerges. The contrast between equities at record highs and gold surging to \$4,060 reflects a market that is bullish on growth while hedging with safe-haven assets. **USO/USD (WTI CRUDE OIL) Previous Session Overview** USO/USD consolidated on Wednesday, staying between previous support and resistance levels. Currently trading at 61.68.

The S&P 500's ability to set new all-time highs despite the government shutdown, Al profitability concerns, and general uncertainty underscores the market's focus on corporate earnings strength and Fed easing expectations. With price consolidating above the 20-period moving average at 6757.05 and the Stochastic attempting to cross lower near overbought territory, the technical picture suggests the index may consolidate or experience a modest pullback after its recent gains. Immediate resistance at 6796.77 and 6838.99 represents the next targets if the rally resumes. Support at 6727.95 should contain any profit-taking, with stronger backing at 6685.45. Today's speech from Fed Chair Powell represents the key event risk. Dovish commentary emphasizing the

- This suggests the recent rally is losing momentum with potential for further decline. **Key Levels to Watch** Resistance: 63.04; 65.13
  - - **Events Unemployment Claims** Fed Chair Powell Speaks

#### 225K **RBA Gov Bullock Speaks Employment Change** 2.8K

1.18880

1.18310

### all-time highs on Wednesday, the moves came amid ongoing concerns about AI sustainability and government dysfunction. The contrast between gold's surge to \$4,060 and equities reaching new highs reflects a market hedging its bets—seeking growth exposure while simultaneously building defensive positions. Political uncertainty extends beyond Washington, with political uncertainty in France mentioned as an additional support factor for gold, suggesting that European political dynamics are also contributing to safe-haven demand alongside the US shutdown drama. Thursday's spotlight falls on Fed Chair Jerome Powell, whose speech will be dissected for any hints about the central bank's policy trajectory amid the data vacuum created by the shutdown. **Technical Outlook** Stochastic moved lower from the overbought area Price consolidating above the 20-period moving average.

# 1.35810

# back pay and active-duty military members facing a missed paycheck on October 15 if the situation persists. This escalating crisis is creating a paradoxical dynamic where the Dollar strengthens

#### Resistance: 1.3443; 1.3505 Support: 1.3345; 1.3283 **Conclusion** GBP/USD has stabilized in the low-1.3400s at 1.3414 after breaking below the 1.3400 support level. recovering from oversold territory suggests the potential for a short-term technical bounce, but any recovery will face strong resistance at 1.3443, the recently broken support level. The fundamental backdrop remains challenging for Cable, with US Dollar strength and risk-off sentiment dominating price action. Support at 1.3345 represents the next critical level—a break below would accelerate losses toward 1.3283 and potentially challenge the 1.3300 psychological barrier. For bulls to regain average. Today's key event is Fed Chair Powell's speech. Unexpectedly dovish commentary could trigger a relief rally in Cable, while reinforcement of a cautious approach might extend the decline. **SPX/USD (S&P 500) Previous Session Overview** The S&P 500 moved higher on Wednesday, reaching above previous resistance levels. Currently trading at 6757.05.

This suggests potential for consolidation or pullback after reaching new all-time highs. **Key Levels to Watch** Resistance: 6796.77; 6838.99 Support: 6727.95; 6685.45

**Conclusion** 

Stoch(5,3,3) 80.6618 86.1475

**Market Outlook** 

Stoch(5,3;3)-25.0858 38.6699 2 Oct 13:00 23 Sep 2025 25 Sep 05:00 26 Sep 13:00 29 Sep 21:00 1 Oct 05:00

**Market Outlook** 

Support: 60.29; 58.24

Time

12:30

01:00

12:30

12:30

14:00

14:00

**Tentative** 

Date

9 Oct

10 Oct

Conclusion

- group between price support and market share defence. **Technical Outlook** 
  - market struggling to find direction amid conflicting signals. The Stochastic indicator moving lower toward oversold territory suggests the bounce from last week's lows is running out of steam and bearish pressure is building. While OPEC+ production restraint provided initial support, the largerthan-expected EIA inventory build, and persistent oversupply concerns are capping upside potential. Immediate resistance at 63.04 will be the first test for bulls attempting to extend Wednesday's gains, with 65.13 representing a more significant barrier. On the downside, support at 60.29 is

critical—a break below would trigger a retest of recent lows and potentially target 58.24. The fundamental backdrop remains bearish with rising inventories, weak seasonal demand, and

WTI crude oil's consolidation around the \$61.68 level, at the 20-period moving average, reflects a

- Currency USD USD
  - Average Hourly Earnings m/m 0.3% Non-Farm Employment Change 52K **Unemployment Rate** 4.3% 54.6 4.7%
- CAD **Unemployment Rate Tentative** USD Tentative USD USD Tentative

**AUD** 

CAD

- **Previous Session Overview** Currently trading at 1.1644. EURUSD.H4 1.16359 1.16470 1.16358 1.16438
  - EUR/USD consolidated on Wednesday, staying between previous support and resistance levels. MHMarkets @

**EUR/USD** 

- day, supported by a modest rebound in US Treasury yields. The ongoing government shutdown, now entering its second week, continues to weigh on market sentiment as the Senate rejected

- duelling stopgap funding bills for a sixth time on Wednesday. The probability of a near-term deal

- appears zero, ensuring that key economic data releases—including the weekly Initial Jobless Claims —will be postponed once again. The economic impact of the shutdown is escalating. President Trump suggested on Tuesday that not all furloughed federal workers will receive back pay, stating it depends on who we are talking about. More critically, active-duty military members might miss their paycheck scheduled for October 15, which could significantly amplify pressure on Congress to reach

- an agreement and potentially shift market sentiment. Wednesday's FOMC Minutes revealed a Federal Reserve divided over how much further to cut rates, though the market's interpretation remained focused on the fact that further easing is still expected. This dovish undertone would particularly given the data vacuum created by the shutdown. Any dovish signals could provide temporary relief for EUR/USD, though the broader trend remains challenged. From Europe, Germany's Balance of Trade results are due Thursday, which could provide some insight into the meeting, and ECB's Lane is scheduled to speak. The risk-off sentiment has been evident across rate cuts, political uncertainty, and widespread defensive positioning.
- **Conclusion** EUR/USD continues to consolidate below the 20-period moving average at 1.1644 near six-week lows, with the pair testing the psychologically important 1.1600 level. While the Stochastic indicator recovering from oversold territory suggests conditions may be ripe for a technical bounce, the fundamental backdrop remains challenging. The US Dollar's strength driven by safe haven flows and shutdown concerns is overriding the typical support the Euro might receive from Fed dovishness. Immediate support at 1.1574 will be critical to watch—a break below could accelerate losses toward 1.1527. For bulls to mount any meaningful recovery, the pair needs to reclaim 1.1689 and ideally break back above the 20-period moving average. Today's key catalyst will be Fed Chair Powell's speech. Unexpectedly dovish commentary could trigger a short-covering rally in EUR/USD, while reinforcement of a cautious approach might keep the pair under pressure. Germany's trade data and
- **Previous Session Overview** Gold moved higher on Wednesday, reaching above previous resistance levels. The precious metal surged strongly higher on Wednesday, creating a new all-time high at the \$4,059 mark. Currently trading at 4021.72. XAUUSD.H4 4019.62 4021.87 4002.51 4021.72 MHMarkets @
- This indicates potential for consolidation after the recent surge to all-time highs. **Key Levels to Watch** Resistance: 4051.25; 4079.12 Support: 3980.96; 3954.30
  - 1.35330 1.35050 1.34850 1.34137 1.33890 1.32440

2 Oct 16:00

The Pound Sterling dropped below the 1.3400 support level on Wednesday, succumbing to the firmer note in the Greenback as the US Dollar extended its rally to new two-month highs. Cable's weakness reflects the overwhelming influence of US Dollar strength driven by shutdown concerns and risk-off sentiment, which is overriding any Sterling-specific support factors. The US government shutdown, now entering its second week, continues to dominate market dynamics and support defensive Dollar positioning. The Senate's sixth failed vote on Wednesday to advance funding legislation has eliminated any near-term hope for resolution. The political impasse is becoming increasingly serious, with President Trump suggesting that not all furloughed workers will receive

6 Oct 00:00

25 Sep 08:00 26 Sep 16:00 30 Sep 00:00 1 Oct 08:00

hedging their equity exposure with safe-haven assets.

**Market Outlook** 

30

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6685.45

6632.00

6581,00

6530.00

6480.50

68,735

67,070

65,132

63,740

63.036

61.676

60.287

57,125 100

80

**Previous** 

218K

-65.5K

7.1% 0.3%

22K

4.3%

55.1

**Forecast** 

7.2%

- despite domestic dysfunction. The Greenback's role as the world's primary reserve currency and safe-haven asset means that global uncertainty—even when originating in Washington—tends to support the US currency against most counterparts, including Sterling. Wednesday's FOMC Minutes showed a Federal Reserve divided over the extent of further rate cuts, but markets interpreted the document as confirmation that additional easing remains likely. While this dovish outlook would typically pressure the Dollar, the current risk-off environment is allowing the Greenback to strengthen despite the expectation of lower rates ahead. Thursday's calendar features only the RICS House Price Balance release from the UK, leaving GBP/USD vulnerable to external factors, particularly Fed Chair Jerome Powell's highly anticipated speech. Powell's comments will be critical given the data vacuum created by the shutdown—how the Fed plans to navigate policy without access to key economic indicators will be closely watched. The Bank of England has maintained a hawkish stance compared to the Federal Reserve, with officials expressing concerns about persistent inflationary pressures. However, this policy divergence narrative has failed to support Sterling in the face of overwhelming risk-off flows and Dollar strength. Equity markets provided a mixed signal on Wednesday, with the S&P 500 and Nasdaq hitting new all-time highs despite ongoing AI profitability concerns and government dysfunction. Nvidia shares rose 2% after CEO Jensen Huang confirmed robust demand, helping to alleviate some worries about the sustainability of AI spending. However, the fact that gold simultaneously surged to \$4,060 suggests investors are
- **Technical Outlook**  Stochastic moved higher from the oversold area Price consolidating below the 20-period moving average. This suggests potential for a technical bounce, though bearish pressure remains while below the **Key Levels to Watch**

returns, but Nvidia's confirmation of robust demand has provided short-term reassurance. Stocks showed little immediate reaction to the FOMC Minutes released Wednesday, which revealed a Federal Reserve divided over how much further to cut rates. The market appears comfortable with the general trajectory toward lower rates, even if the exact path remains uncertain. The government shutdown, now entering its second week following another failed Senate vote on Wednesday (the sixth such failure), continues to pose risks that have weighed little on equities thus far. However, the situation is escalating—President Trump suggested that not all furloughed workers will receive back pay, and active-duty military members might miss their October 15 paycheck if the impasse continues. Thursday's focus will be on Fed Chair Jerome Powell's speech, which will be closely watched for insights into how the central bank plans to navigate policy amid the data blackout.

US equity markets demonstrated remarkable resilience on Wednesday, with the S&P 500 climbing 0.58% to close at 6,753.72 and the Nasdaq Composite advancing 1.12% to finish at 23,043.38, both scoring new all-time intraday and closing highs. This impressive performance came just a day after the market snapped a seven-day winning streak on Oracle-related concerns about Al profitability, suggesting the bull market remains firmly intact despite multiple headwinds. The S&P 500's advance was supported by strength across its information technology, utilities, and industrials sectors, all of which notched fresh closing highs. The Dow Jones Industrial Average traded flat, falling just 1.20 points to end at 46,601.78, reflecting more mixed sentiment among blue-chip stocks. Nvidia

provided the catalyst for Wednesday's tech sector strength, with shares rising 2% after CEO Jensen Huang told CNBC that this year, particularly the last six months, demand of computing has gone up.

Huang also confirmed the company's involvement in funding Elon Musk's artificial intelligence startup xAI, expressing enthusiasm about the financing opportunity. This commentary directly addressed concerns raised the previous day about AI profitability and demand sustainability. Investment strategists noted that sustained demand remains evident, with Nvidia being uniquely positioned to assess this trend, providing reassurance that capital expenditure levels are not entirely self-referential. The market is carefully monitoring whether massive AI investments will generate

- USOUSD, H4 61.722 61.778 61.602 61.676 MHMarkets @
- currently consolidating around the \$61.68 level. The fundamental picture remains mixed at best. While OPEC+ showed restraint in its production increase, the group still added supply to a market showing signs of weakness. JPMorgan continues to project significant oversupply extending through Q4 2025 and into early 2026, with demand indicators weakening as seasonal refinery maintenance reduces global runs. The broader market context adds uncertainty. The US government shutdown, now entering its second week, poses potential economic risks that could weigh on fuel demand if it persists. While the direct impact has been limited so far, the escalating nature of the crisis—with military personnel potentially missing paychecks on October 15—could eventually translate to reduced economic activity and lower oil consumption. Risk-off sentiment has dominated global markets, as evidenced by gold's surge to \$4,060 and the US Dollar's climb to two-month highs. This defensive positioning typically does not favour commodities like crude oil, which tend to benefit from risk-on sentiment and economic growth optimism. Thursday's focus will include Fed Chair

Jerome Powell's speech, which could impact oil through its effect on the Dollar and broader market sentiment. OPEC+ dynamics remain critical. While the weekend decision showed restraint, the fact

WTI crude oil prices rose further on Wednesday, hitting multi-day highs near the \$63.00 mark per barrel as traders continued to digest the implications of OPEC+'s smaller-than-expected output hike

fundamental picture for the commodity. The EIA's weekly inventory report showed a significant build in US crude stockpiles, which would typically pressure prices lower by signalling oversupply. The fact that oil prices rose despite this bearish data suggests the market is placing greater weight on OPEC+'s production restraint than on short-term inventory fluctuations. This dynamic indicates that

announced over the weekend. However, Wednesday's advance came despite an unexpectedly larger-than-estimated build in US crude oil supplies reported by the EIA, creating a complex

traders view the supply-side discipline from OPEC+ as more important for medium-term price direction than weekly US storage changes. However, the rally is losing momentum, with price

- that eight member nations favour further production increases suggests internal pressure continues. Saudi Arabia's fiscal challenges with oil well below its \$80 breakeven level create tension within the Stochastic moving lower towards the oversold area. Price consolidating around the 20-period moving average.
  - macroeconomic uncertainty from the government shutdown. Today's speech from Fed Chair Powell could move oil through its impact on the Dollar and risk sentiment, but absent any major surprise, oil appears more likely to drift lower than stage a sustained rally. **Key events for today and tomorrow (GMT):** 
    - Prelim UoM Consumer Sentiment USD **USD Prelim UoM Inflation Expectations** www.mhmarkets.com support@mhmarkets.com