



TECHNICAL

ANALYSIS REPORT

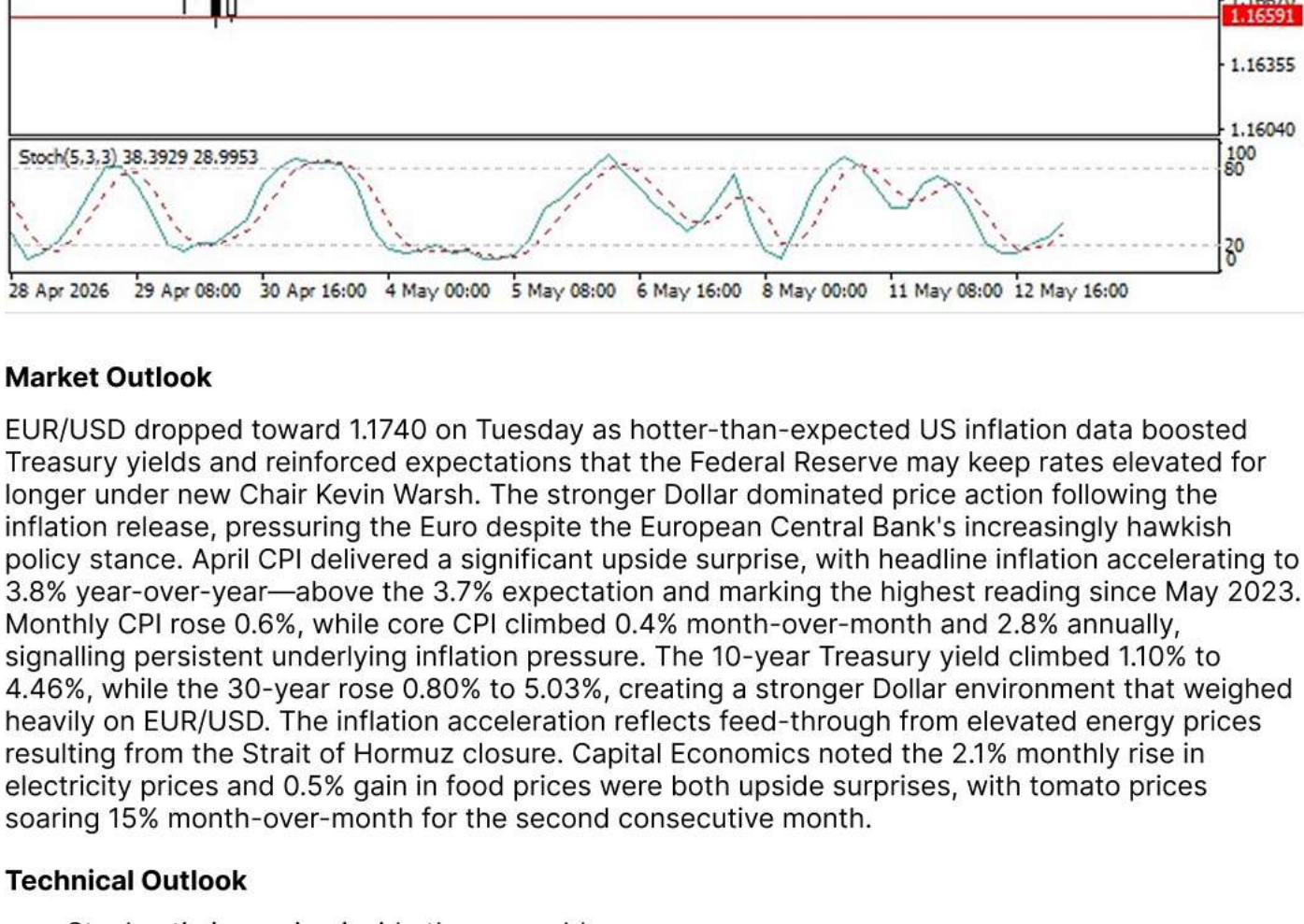
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EUR/USD

Previous Session Overview

EUR/USD moved lower on Tuesday, reaching below previous support levels. Currently trading at 1.1734.



Market Outlook

EUR/USD dropped toward 1.1740 on Tuesday as hotter-than-expected US inflation data boosted Treasury yields and reinforced expectations that the Federal Reserve may keep rates elevated for longer under new Chair Kevin Warsh. The stronger Dollar dominated price action following the inflation release, pressuring the Euro despite the European Central Bank's increasingly hawkish policy stance. April CPI delivered a significant upside surprise, with headline inflation accelerating to 3.8% year-over-year—above the 3.7% expectation and marking the highest reading since May 2023. Monthly CPI rose 0.6%, while core CPI climbed 0.4% month-over-month and 2.8% annually, signalling persistent underlying inflation pressure. The 10-year Treasury yield climbed 1.10% to 4.46%, while the 30-year rose 0.80% to 5.03%, creating a stronger Dollar environment that weighed heavily on EUR/USD. The inflation acceleration reflects feed-through from elevated energy prices resulting from the Strait of Hormuz closure. Capital Economics noted the 2.1% monthly rise in electricity prices and 0.5% gain in food prices were both upside surprises, with tomato prices soaring 15% month-over-month for the second consecutive month.

Technical Outlook

- Stochastic is moving inside the oversold area.
- Price is consolidating slightly below the 20-period moving average.
- This setup indicates bearish momentum but potentially oversold conditions.

Key Levels to Watch

Resistance: 1.1777; 1.1811
Support: 1.1692; 1.1659

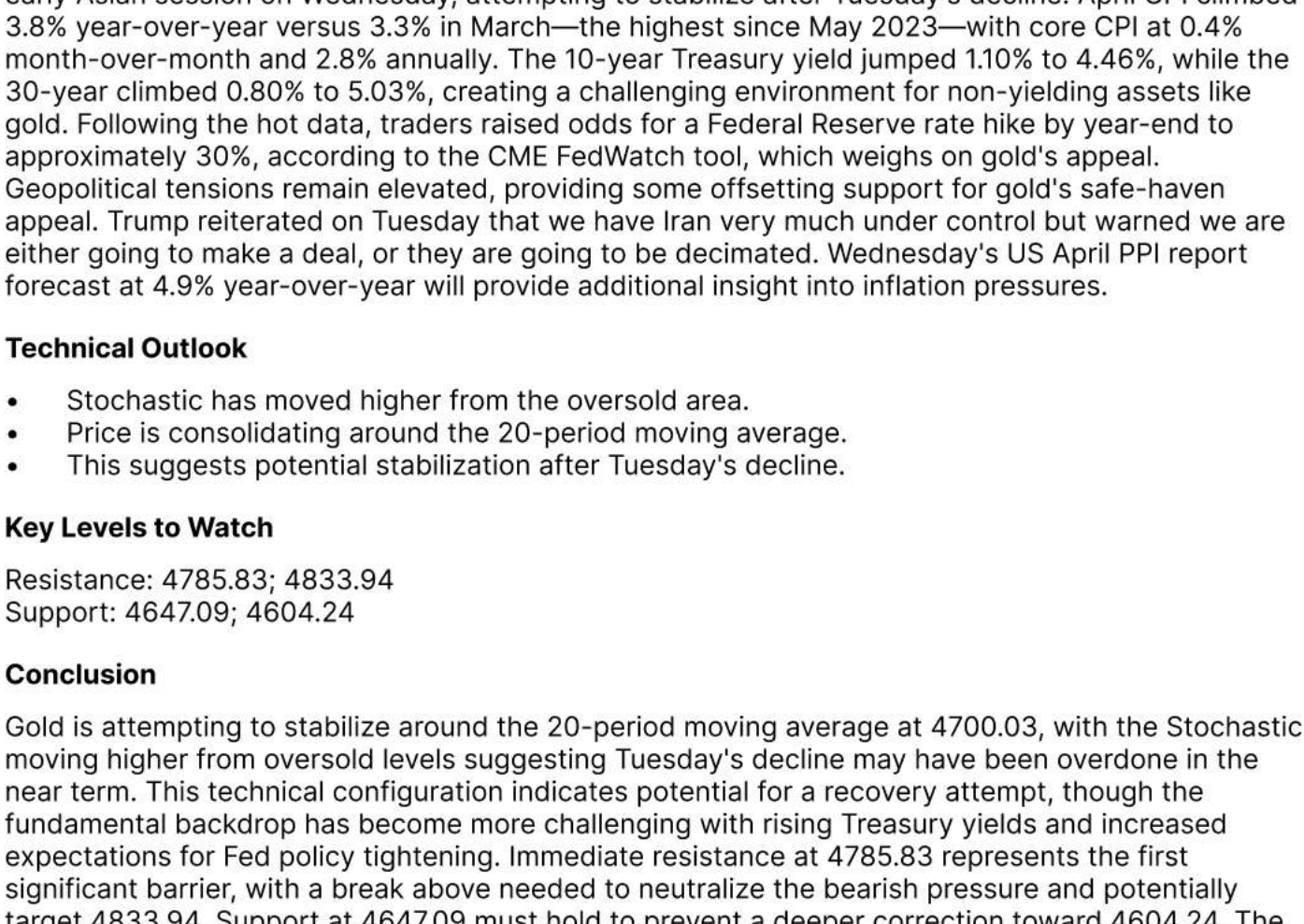
Conclusion

EUR/USD has broken below key support levels, consolidating slightly below the 20-period moving average at 1.1734 following Tuesday's hot CPI release. The Stochastic moving inside oversold territory suggests selling pressure may be overextended in the near term, potentially creating conditions for a technical bounce. However, the overall momentum has shifted bearish with the pair now needing to reclaim 1.1777 resistance to neutralize the downside pressure. Support at 1.1692 represents the immediate floor, with a break below exposing 1.1659 and potentially deeper losses. The fundamental backdrop has shifted decisively in favour of Dollar strength, with inflation running hotter than expected and Treasury yields surging across the curve. Wednesday's PPI data represents the next catalyst—another upside surprise would reinforce higher-for-longer Fed expectations and likely extend EUR/USD weakness toward 1.1692 support. Conversely, a softer wholesale inflation print could trigger short-covering and a recovery toward 1.1777 resistance. The ECB's hawkish stance provides some fundamental support but has been overwhelmed by the US inflation surprise and rising Treasury yields.

GOLD (XAU/USD)

Previous Session Overview

Gold moved lower on Tuesday, reaching below previous support levels. Currently trading at 4700.03.



Market Outlook

Gold slipped toward 4700 on Tuesday as the stronger US Dollar and rising Treasury yields pressured the metal following hotter-than-expected inflation data, although geopolitical uncertainty continued offering some safe-haven support. The precious metal trades with mild gains near 4720 during the early Asian session on Wednesday, attempting to stabilize after Tuesday's decline. April CPI climbed 3.8% year-over-year versus 3.3% in March—the highest since May 2023—with core CPI at 0.4% month-over-month and 2.8% annually. The 10-year Treasury yield jumped 1.10% to 4.46%, while the 30-year climbed 0.80% to 5.03%, creating a challenging environment for non-yielding assets like gold. Following the hot data, traders raised odds for a Federal Reserve rate hike by year-end to approximately 30%, according to the CME FedWatch tool, which weighs on gold's appeal. Geopolitical tensions remain elevated, providing some offsetting support for gold's safe-haven appeal. Trump reiterated on Tuesday that we have Iran very much under control but warned we are either going to make a deal, or they are going to be decimated. Wednesday's US April PPI report forecast at 4.9% year-over-year will provide additional insight into inflation pressures.

Technical Outlook

- Stochastic has moved higher from the oversold area.
- Price is consolidating around the 20-period moving average.
- This suggests potential stabilization after Tuesday's decline.

Key Levels to Watch

Resistance: 4785.83; 4833.94
Support: 4647.09; 4604.24

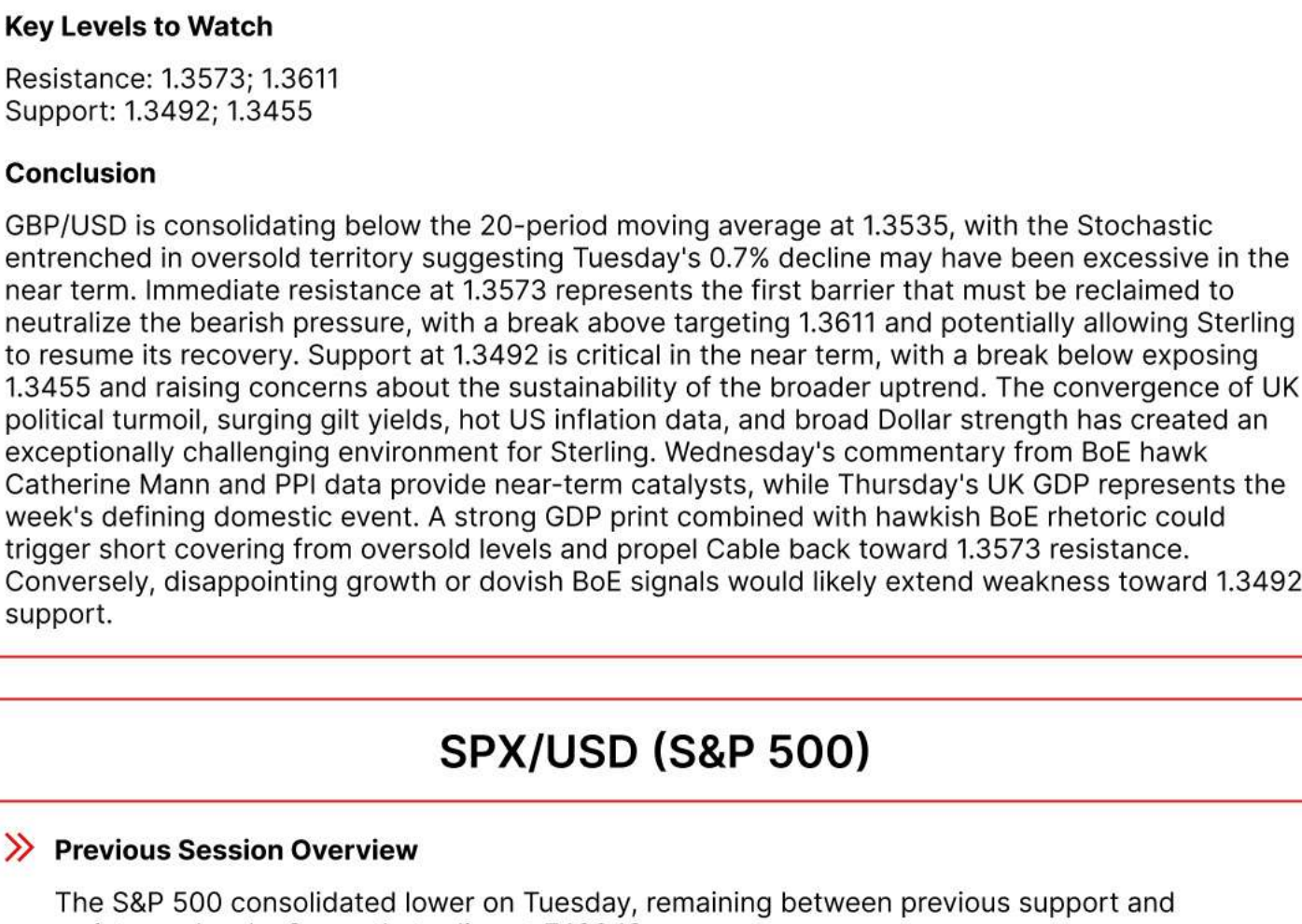
Conclusion

Gold is attempting to stabilize around the 20-period moving average at 4700.03, with the Stochastic moving higher from oversold levels suggesting Tuesday's decline may have been overdone in the near term. This technical configuration indicates potential for a recovery attempt, though the fundamental backdrop has become more challenging with rising Treasury yields and increased expectations for Fed policy tightening. Immediate resistance at 4785.83 represents the first significant barrier, with a break above needed to neutralize the bearish pressure and potentially target 4833.94. Support at 4647.09 must hold to prevent a deeper correction toward 4604.24. The convergence of hot US inflation data, surging Treasury yields, and rising rate hike expectations creates a difficult environment for non-yielding gold, despite ongoing geopolitical tensions providing safe-haven support. Wednesday's PPI data will be crucial—a hot print would likely pressure gold toward 4647.09 support, while a softer reading could trigger short-covering and a recovery toward 4785.83 resistance. The Trump-Xi summit Thursday and Friday provides a secondary catalyst, though Trump's stated focus on trade rather than Iran reduces expectations for a geopolitical breakthrough that would typically boost gold.

GBP/USD

Previous Session Overview

GBP/USD moved lower on Tuesday, reaching below previous support levels. Currently trading at 1.3535.



Market Outlook

GBP/USD lost approximately 0.7% on Tuesday, sliding from prior session highs near 1.3650 to evaluate the 1.3500 round figure before a modest late session rebound to close near 1.3540. The Pound fell near 1.3540, pressured by broad Dollar strength following hot US inflation data, weaker risk appetite, and rising UK fiscal uncertainty. The Pound came under pressure from multiple fronts. UK political instability deepened significantly, with more than 70 Labour MPs publicly urging Prime Minister Keir Starmer to resign after heavy local election losses. UK gilts sold off sharply, with the 30-year yield briefly touching 5.81%—the highest since 1998—amid worries that a leadership transition could mean looser fiscal policy and diminished fiscal credibility. European stocks fell broadly with the Stoxx 600 down 0.8% as UK political turmoil pushed gilt yields sharply higher. The 10-year gilt yield climbed nearly 12 basis points to 5.126%. British banks tumbled on the sovereign debt concerns: Natwest fell 4.7%, Lloyds dropped 4.3%, and Barclays declined 4.1%. On the US side, April CPI printed hot at 3.8% year-over-year headline and 2.8% annually for core, both above consensus.

Technical Outlook

- Stochastic is consolidating inside the oversold area.
- Price is consolidating below the 20-period moving average.
- This setup indicates bearish momentum but oversold conditions.

Key Levels to Watch

Resistance: 1.3573; 1.3611
Support: 1.3492; 1.3455

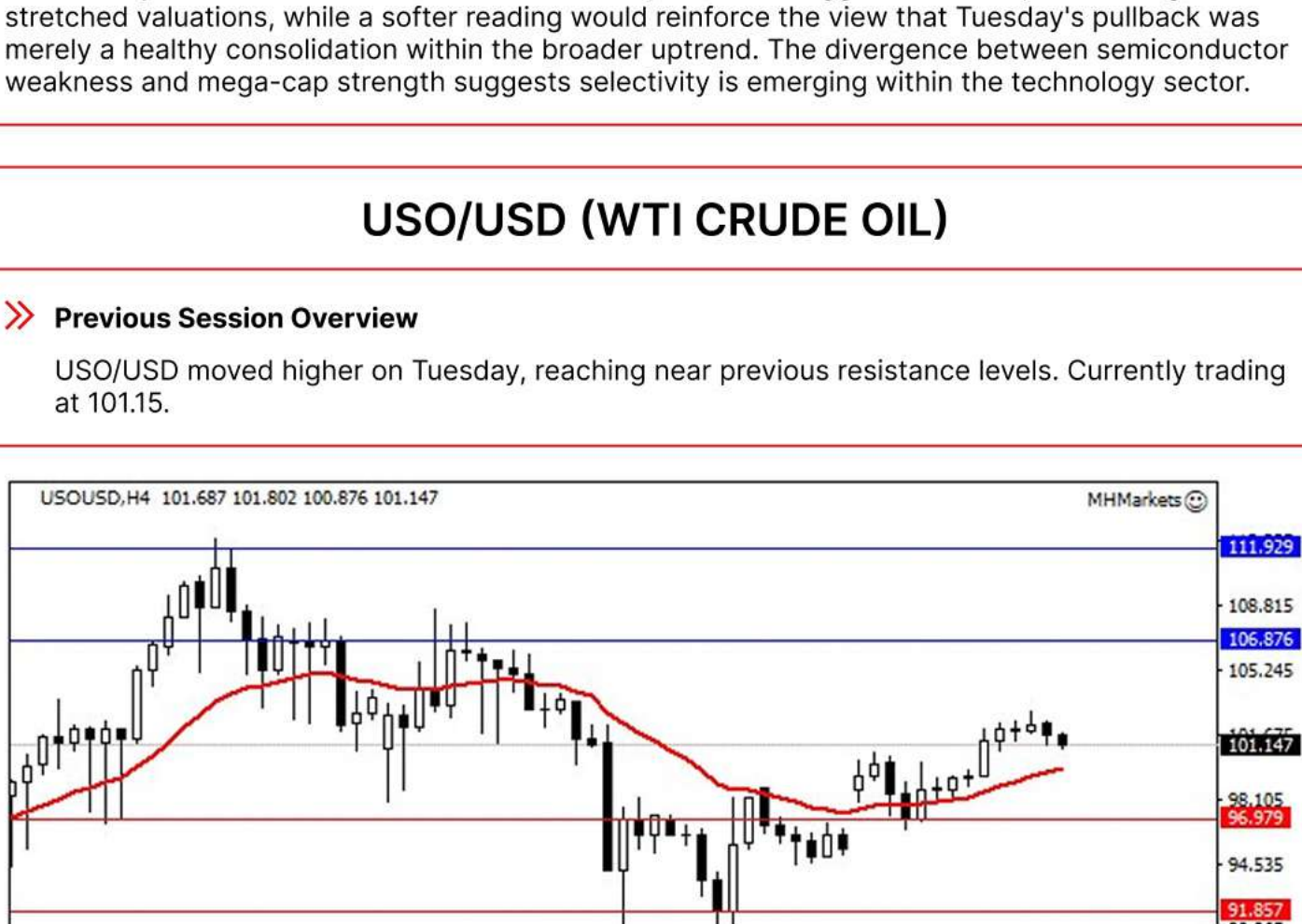
Conclusion

GBP/USD is consolidating below the 20-period moving average at 1.3535, with the Stochastic entrenched in oversold territory suggesting Tuesday's 0.7% decline may have been excessive in the near term. Immediate resistance at 1.3573 represents the first barrier that must be reclaimed to neutralize the bearish pressure, with a break above targeting 1.3611 and potentially allowing Sterling to resume its recovery. Support at 1.3492 is critical in the near term, with a break below exposing 1.3455 and raising concerns about the sustainability of the broader uptrend. The convergence of UK political turmoil, surging gilt yields, hot US inflation data, and broad Dollar strength has created an exceptionally challenging environment for Sterling. Wednesday's commentary from BoE hawk Catherine Mann and PPI data provide near-term catalysts, while Thursday's UK GDP represents the week's defining domestic event. A strong GDP print combined with hawkish BoE rhetoric could trigger short-covering from oversold levels and propel Cable back toward 1.3573 resistance. Conversely, disappointing growth or dovish BoE signals would likely extend weakness toward 1.3492 support.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 consolidated lower on Tuesday, remaining between previous support and resistance levels. Currently trading at 7420.12.



Market Outlook

The S&P 500 fell 0.16% to close at 7400.96 on Tuesday, slipping from Monday's record high as technology stocks retreated and investors digested hotter-than-expected inflation data. The Nasdaq dropped 0.71% to 26088.20, while the Dow managed a modest gain of 56.09 points or 0.11% to 49760.56. The semiconductor sector led the decline, with Micron—which drove indexes to record highs on Monday—reversing course and falling 3.6% after surging 37% last week and 53% in April. AMD and Qualcomm dropped 2% and 11% respectively, with Qualcomm headed for its worst session since 2020. The iShares Semiconductor ETF sank 5%, suggesting the AI-driven chip rally that has powered markets to record highs may be taking a breather. April CPI rose 0.6% monthly and 3.8% annually—the highest since May 2023—exceeding the 3.7% consensus. WTI jumped 4.19% to settle at 102.18 per barrel, while Brent settled up 3.42% at 107.77. The 30-year Treasury yield climbed to 5.03%, approaching the 5.08% level that represents a structural risk to equity valuations at current stretched levels. Despite the semiconductor weakness, pockets of strength emerged. Apple hit a fresh all-time intraday high on Tuesday.

Technical Outlook

- Stochastic has moved higher from the oversold area.
- Price is consolidating around the 20-period moving average.
- This suggests potential stabilization after Monday's record high.

Key Levels to Watch

Resistance: 7507.10; 7599.17
Support: 7275.63; 7182.01

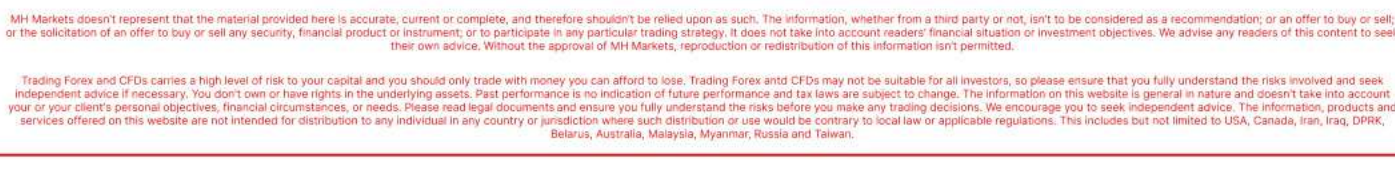
Conclusion

The S&P 500 is consolidating around the 20-period moving average at 7420.12 following Tuesday's modest pullback from record highs, with the Stochastic recovering from oversold levels suggesting the correction may be limited in scope. The index's ability to hold above 7400 despite hot inflation data, surging oil prices, and semiconductor sector weakness demonstrates remarkable resilience. Immediate resistance at 7507.10 represents the next upside target, with a break above potentially extending the rally toward 7599.17 and the upgraded analyst targets in the 7650 to 8250 range. Support at 7275.63 should contain any near-term weakness, with more substantial support at 7182.01. The convergence of multiple factors—hot CPI data, 30-year yields approaching 5%, semiconductor sector profit-taking, and Fed leadership transition—creates two-way risk for equities. Wednesday's PPI data will be crucial: another hot print could trigger additional profit-taking from stretched valuations, while a softer reading would reinforce the view that Tuesday's pullback was merely a healthy consolidation within the broader uptrend. The divergence between semiconductor weakness and mega-cap strength suggests selectivity is taking within the technology sector.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved higher on Tuesday, reaching near previous resistance levels. Currently trading at 101.15.



Market Outlook

WTI Crude Oil climbed approximately 3.3% on Tuesday, pushing toward the 100-round figure in spot markets with a high close to 99.40 before consolidating around 98.70. By settlement, WTI jumped 4.19% to 102.18 per barrel, while Brent settled up 3.42% at 107.77, building on Monday's advance as diplomatic prospects deteriorated further. The rally followed Trump's rejection of Tehran's latest peace proposal, which he dismissed as garbage while warning the ceasefire was on life support. Trump reiterated that we have Iran very much under control but warned we are either going to make a deal, or they are going to be decimated. Reports suggest Trump is preparing to meet his national security team to consider renewed military action and discuss escorting commercial vessels through the Strait of Hormuz, further reducing the likelihood of a near-term reopening. Saudi Aramco CEO Amin Nasser provided stark context on the supply disruption, warning the global market is losing roughly 100 million barrels of supply each week, with any return to normal conditions potentially slipping into 2027. WTI traded above 102.00 per barrel as geopolitical tensions surrounding Iran and the Strait of Hormuz maintained fears of supply disruptions.

Technical Outlook

- Stochastic is moving to cross lower inside the overbought area.
- Price is consolidating above the 20-period moving average.
- This setup indicates strong bullish momentum but potential near-term consolidation.

Key Levels to Watch

Resistance: 106.88; 111.93
Support: 96.98; 91.86

Conclusion

WTI crude oil is consolidating above the 20-period moving average at 101.15 after Tuesday's 4.19% surge pushed prices decisively through the psychological 100 level. The Stochastic attempting to cross lower inside overbought territory suggests near-term momentum may be pausing after the sharp two-day advance, though the overall bias remains bullish. Immediate resistance at 106.88 represents the next upside target, with a break above opening the path toward 111.93 and potentially higher levels if diplomatic efforts continue to fail. Support at 96.98 should contain any near-term pullback, with more substantial support at 91.86. Saudi Aramco's warning that supply normalization could slip into 2027 provides fundamental support for elevated prices, as does the ongoing diplomatic impasse with increasingly entrenched positions on both sides. Wednesday's EIA inventory data and PPI release provide near-term catalysts, while Thursday's Trump-Xi summit offers potential for coordinated diplomatic pressure on Iran, though expectations are limited. The technical setup suggests consolidation in the 96 to 107 range is most likely in the near term absent a major diplomatic breakthrough or military escalation.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
13 May	12:30	USD	Core PPI m/m	0.3%	0.1%
	12:30	USD	PPI m/m	0.5%	0.5%
14 May	06:00	GBP	GDP m/m	-0.2%	0.5%
	12:30	USD	Core Retail Sales m/m	0.6%	1.9%
	12:30	USD	Retail Sales m/m	0.6%	1.7%