



TECHNICAL

ANALYSIS REPORT

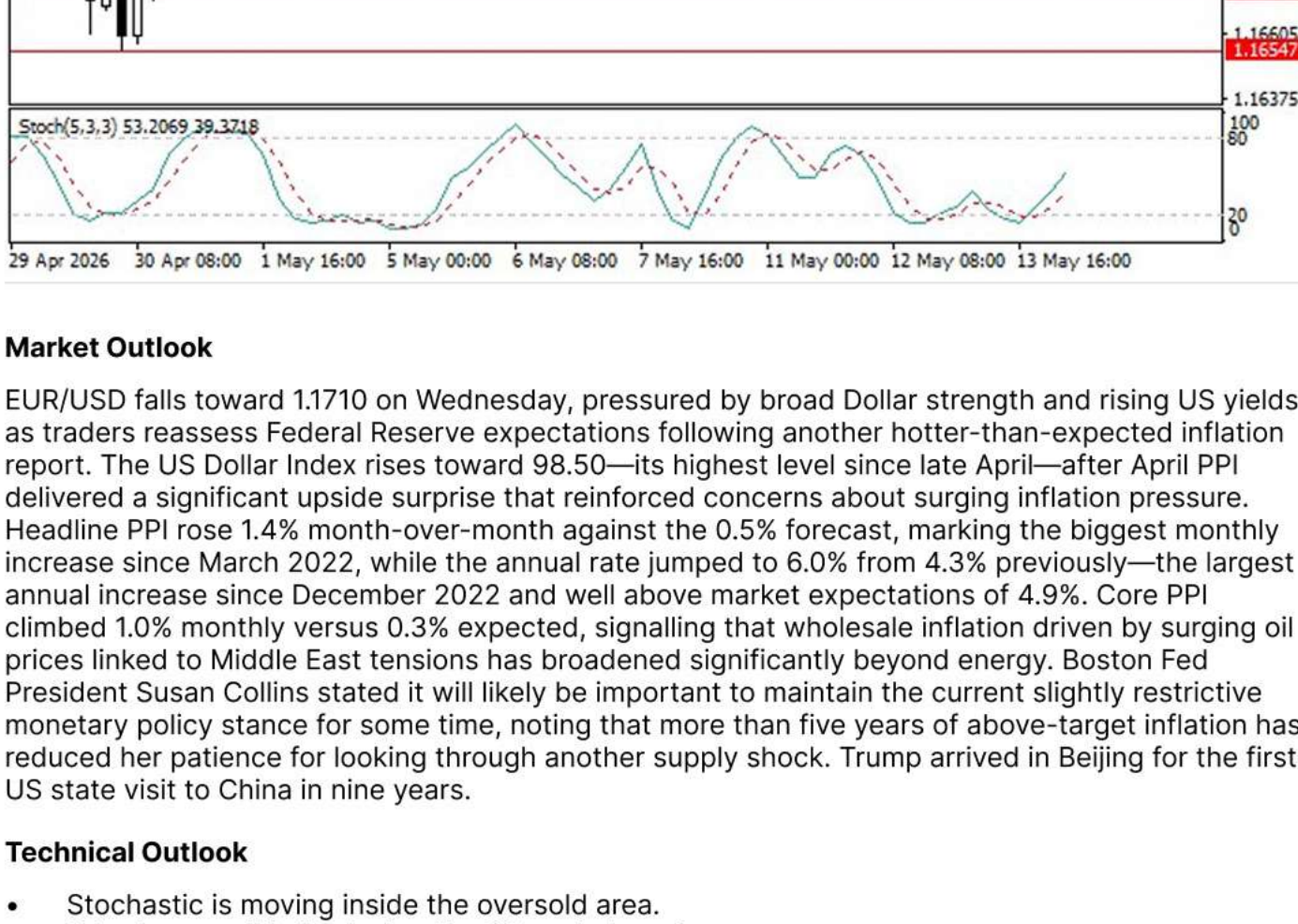
THURSDAY, MAY 14 2026



EUR/USD

Previous Session Overview

EUR/USD moved lower on Wednesday, reaching near previous support levels. Currently trading at 1.1714.



Market Outlook

EUR/USD falls toward 1.1710 on Wednesday, pressured by broad Dollar strength and rising US yields as traders reassess Federal Reserve expectations following another hotter-than-expected inflation report. The US Dollar Index rises toward 98.50—its highest level since late April—after April PPI delivered a significant upside surprise that reinforced concerns about surging inflation pressure. Headline PPI rose 1.4% month-over-month against the 0.5% forecast, marking the biggest monthly increase since March 2022, while the annual rate jumped to 6.0% from 4.3% previously—the largest annual increase since December 2022 and well above market expectations of 4.9%. Core PPI climbed 1.0% monthly versus 0.3% expected, signalling that wholesale inflation driven by surging oil prices linked to Middle East tensions has broadened significantly beyond energy. Boston Fed President Susan Collins stated it will likely be important to maintain the current slightly restrictive monetary policy stance for some time, noting that more than five years of above-target inflation has reduced her patience for looking through another supply shock. Trump arrived in Beijing for the first US state visit to China in nine years.

Technical Outlook

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

Key Levels to Watch

Resistance: 1.1747; 1.1771

Support: 1.1676; 1.1655

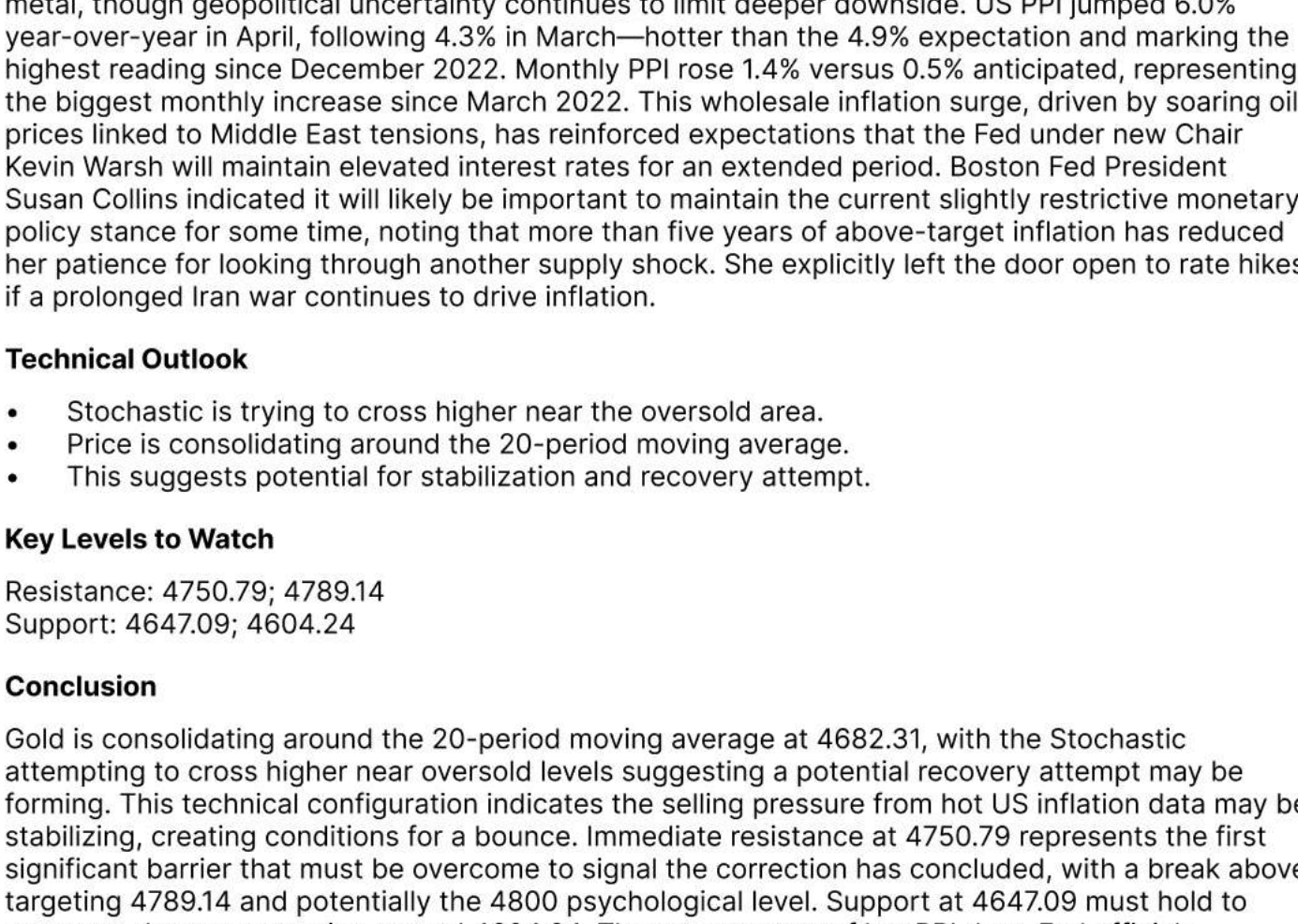
Conclusion

EUR/USD continues its descent, consolidating below the 20-period moving average at 1.1714 as hot US inflation data and surging Treasury yields maintain Dollar strength. The Stochastic entrenched in oversold territory suggests selling pressure may be overextended in the near term, potentially creating conditions for a technical bounce, though the fundamental momentum remains firmly bearish. The pair needs to reclaim 1.1747 resistance to neutralize the downside pressure and potentially target 1.1771. Support at 1.1676 represents the immediate floor, with a break below exposing 1.1655 and potentially deeper losses toward the 1.1600 psychological level. The convergence of hot US inflation data across both CPI and PPI, Fed officials signalling extended policy restrictiveness, and ECB's Lane suggesting a measured response to the energy shock has shifted the policy divergence narrative in favour of Dollar strength. Thursday's US Retail Sales data forecast at 0.5% month-over-month provides the next catalyst—a strong print would reinforce the higher-for-longer narrative and likely extend EUR/USD weakness toward 1.1676 support. The oversold Stochastic positioning suggests tactical buying opportunities may emerge, though the path of least resistance remains lower.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Wednesday, remaining between previous support and resistance levels. Currently trading at 4682.31.



Market Outlook

Gold trades in positive territory near 4700 during the early Asian session on Thursday, edging higher as markets turn cautious ahead of the Trump-Xi summit in Beijing. The precious metal remains pressured near 4690 as higher US yields and a stronger Dollar reduce demand for the non-yielding metal, though geopolitical uncertainty continues to limit deeper downside. US PPI jumped 6.0% year-over-year in April, following 4.3% in March—hotter than the 4.9% expectation and marking the highest reading since December 2022. Monthly PPI rose 1.4% versus 0.5% anticipated, representing the biggest monthly increase since March 2022. This wholesale inflation surge, driven by soaring oil prices linked to Middle East tensions, has reinforced expectations that the Fed under new Chair Kevin Warsh will maintain elevated interest rates for an extended period. Boston Fed President Susan Collins indicated it will likely be important to maintain the current slightly restrictive monetary policy stance for some time, noting that more than five years of above-target inflation has reduced her patience for looking through another supply shock. She explicitly left the door open to rate hikes if a prolonged Iran war continues to drive inflation.

Technical Outlook

- Stochastic is trying to cross higher near the oversold area.
- Price is consolidating around the 20-period moving average.
- This suggests potential for stabilization and recovery attempt.

Key Levels to Watch

Resistance: 4750.79; 4789.14

Support: 4647.09; 4604.24

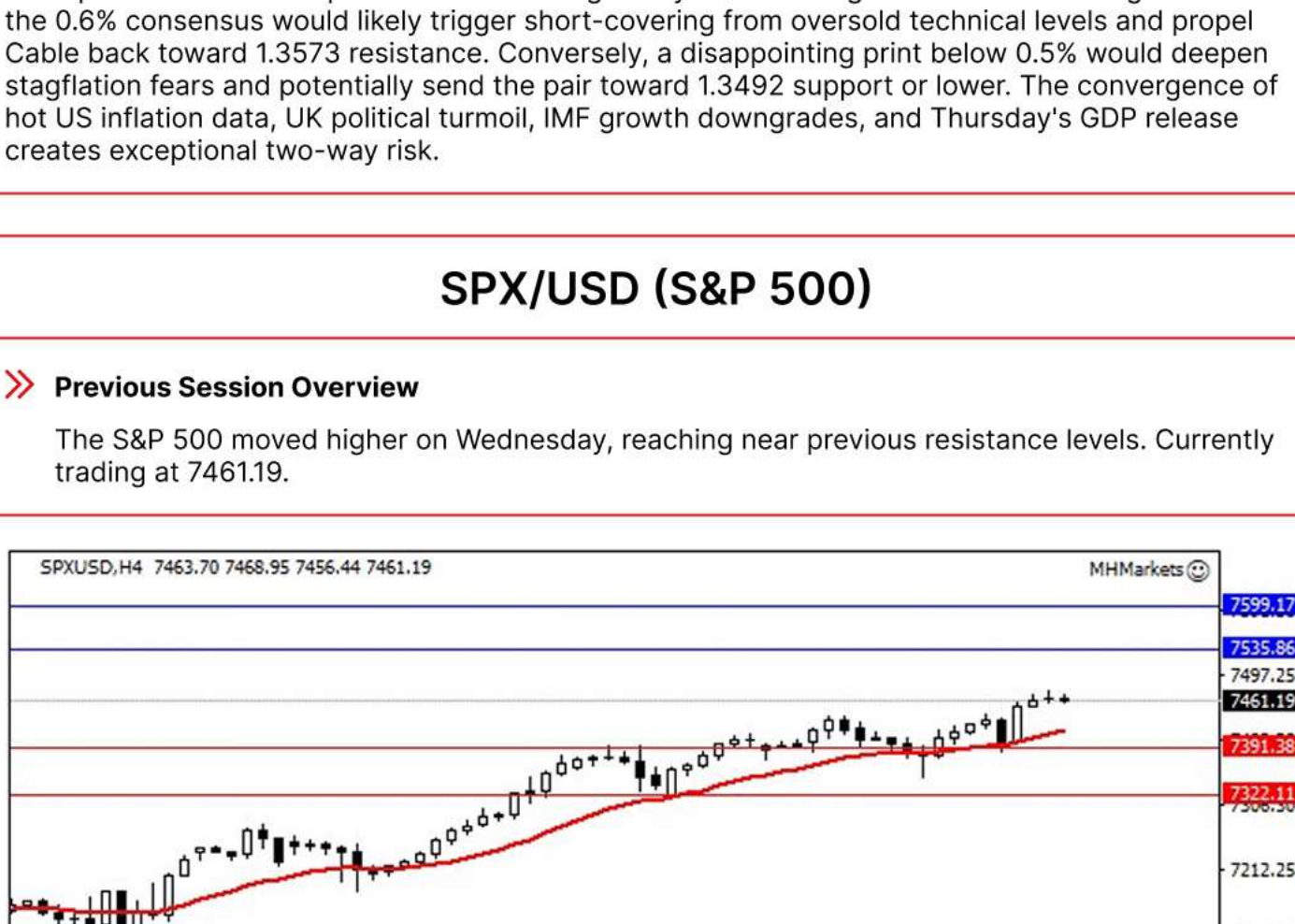
Conclusion

Gold is consolidating around the 20-period moving average at 4682.31, with the Stochastic attempting to cross higher near oversold levels suggesting a potential recovery attempt may be forming. This technical configuration indicates the selling pressure from hot US inflation data may be stabilizing, creating conditions for a bounce. Immediate resistance at 4750.79 represents the first significant barrier that must be overcome to signal the correction has concluded, with a break above targeting 4789.14 and potentially the 4800 psychological level. Support at 4647.09 must hold to prevent a deeper correction toward 4604.24. The convergence of hot PPI data, Fed officials signalling extended restrictiveness with potential for rate hikes, and rising Treasury yields creates a fundamentally challenging environment for gold. However, the Stochastic positioning near oversold territory and price consolidation around the 20-period moving average suggest the worst of the near-term selling may be complete. Thursday's US Retail Sales data provides a crucial catalyst—weak consumption data would signal economic strain from elevated inflation and potentially trigger safe-haven flows into gold, while strong spending would reinforce the higher-for-longer Fed narrative and maintain pressure on the precious metal.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Wednesday, remaining between previous support and resistance levels. Currently trading at 1.3529.



Market Outlook

GBP/USD ended Wednesday little changed on a net basis near 1.3520, though the session included a sharp intraday swing of approximately 65 pips. The pair climbed through London hours before an aggressive reversal into the US session pressed it to the day's low, with a recovery through the New York afternoon leaving price near the opening level. Sterling declines toward 1.3520, weighed down by the stronger Greenback and renewed UK political and fiscal concerns. UK political uncertainty continued to pressure Sterling, with more than 80 Labour MPs having called for Prime Minister Keir Starmer to step down following poor local election results. Investors are concerned a leadership change could lead to looser fiscal policy, adding to already elevated UK borrowing pressures. The International Monetary Fund recently cut its UK 2026 growth forecast from 1.3% to 0.8%, deepening concerns about the UK's economic trajectory. US April PPI delivered a sharp beat—headline month-over-month at 1.4% against a 0.5% consensus and year-over-year at 6.0%, well above the 4.9% forecast. Thursday's first-quarter GDP release represents the key upcoming event, with the preliminary estimate expected at 0.6% quarter-over-quarter. An upside surprise would help offset the political turmoil narrative.

Technical Outlook

- Stochastic has moved higher from the oversold area.
- Price is consolidating below the 20-period moving average.
- This setup suggests potential stabilization but continued bearish bias.

Key Levels to Watch

Resistance: 1.3573; 1.3611

Support: 1.3492; 1.3455

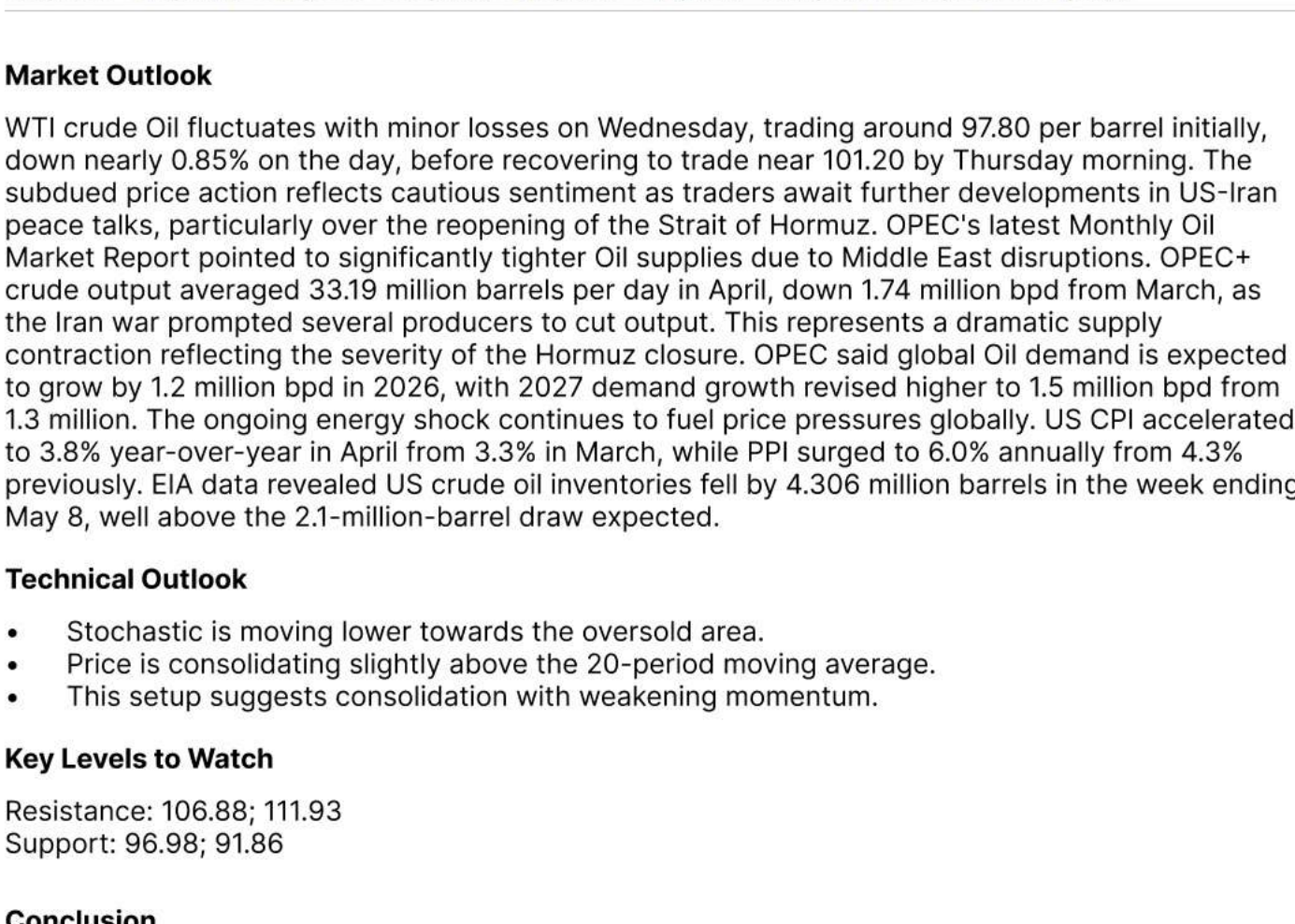
Conclusion

GBP/USD is consolidating below the 20-period moving average at 1.3529, with the Stochastic moving higher from oversold levels suggesting some stabilization after recent weakness. The technical configuration suggests the worst of the near-term selling pressure may be exhausting, though price needs to reclaim position above the 20-period moving average and break through 1.3573 resistance to signal a sustainable recovery. Immediate resistance at 1.3573 represents the first barrier, with a break above targeting 1.3611 and potentially allowing Sterling to resume its broader recovery. Support at 1.3492 is critical, with a break below exposing 1.3455. Thursday's UK first-quarter GDP data represents the defining catalyst for Sterling this week—a reading at or above the 0.6% consensus would likely trigger short-covering from oversold technical levels and propel Cable back toward 1.3573 resistance. Conversely, a disappointing print below 0.5% would deepen stagflation fears and potentially send the pair toward 1.3492 support or lower. The convergence of hot US inflation data, UK political turmoil, IMF growth downgrades, and Thursday's GDP release creates exceptional two-way risk.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Wednesday, reaching near previous resistance levels. Currently trading at 7461.19.



Market Outlook

The S&P 500 rose 0.58% to a new all-time high of 7444.25 on Wednesday as technology enthusiasm overshadowed another hotter-than-expected inflation report. The Nasdaq added 1.2% to a record close of 26402.34, while the Dow shed 67.36 points or 0.14% to 49693.20. Notably, roughly two-thirds of S&P 500 stocks closed lower on the day, highlighting the narrow leadership driving the rally. The semiconductor sector led the advance, with Nvidia closing up more than 2% and Micron gaining more than 4%. The VanEck Semiconductor ETF advanced 2%, reversing Tuesday's 5% decline and demonstrating the sector's resilience. Nvidia CEO Jensen Huang joined President Trump on his trip to China to meet Xi Jinping, signalling potential positive developments for Nvidia's ability to sell AI chips in Chinese markets—a significant development that supported technology stocks. The PPI came in at plus 1.4% month-over-month—the biggest monthly increase since March 2022—and plus 6.0% year-over-year, the largest annual increase since December 2022. However, retail stocks extended losses with the S&P Retail ETF shedding nearly 2% on the day and down approximately 6.5% for the week, reflecting consumer strain from elevated inflation and energy prices.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is moving higher above the 20-period moving average.
- This setup indicates strong bullish momentum but extended conditions.

Key Levels to Watch

Resistance: 7535.86; 7599.17

Support: 7391.38; 7322.11

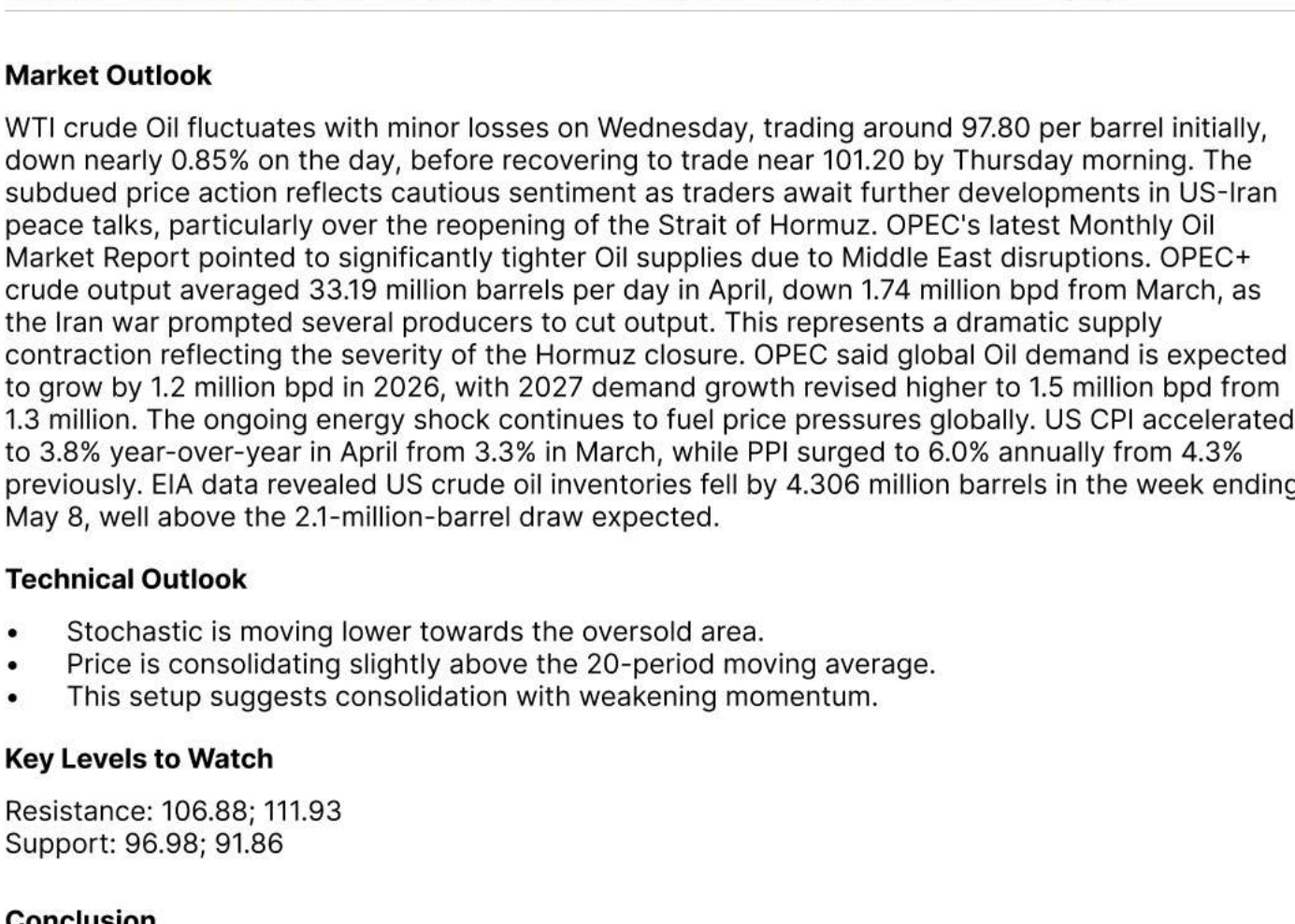
Conclusion

The S&P 500 continues its remarkable ascent, trading above the 20-period moving average at 7461.19 with the Stochastic deeply in overbought territory. Wednesday's new all-time high demonstrates the market's ability to look past hot inflation data and focus on AI-driven earnings momentum, though the fact that two-thirds of constituents closed lower highlights concerning market breadth deterioration. Immediate resistance at 7535.86 represents the next target, with a break above opening the path toward 7599.17 and potentially the upgraded analyst targets in the 7650 to 8250 range. Support at 7391.38 should contain any near-term weakness, with more substantial support at 7322.11. The extreme overbought Stochastic reading suggests caution is warranted despite the powerful upward momentum. The divergence between semiconductor strength and retail weakness indicates selectivity is intensifying, with consumer-facing sectors showing strain from inflation and elevated energy prices. Thursday's US Retail Sales data forecast at 0.5% month-over-month represents a critical test—weak consumption would validate stagflation concerns and potentially trigger profit-taking from stretched levels, while strong spending would reinforce the resilient economy narrative. Nvidia CEO Jensen Huang's presence at the Trump-Xi summit provides a bullish catalyst for technology leadership.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD consolidated on Wednesday, remaining between previous support and resistance levels. Currently trading at 101.49.



Market Outlook

WTI crude Oil fluctuates with minor losses on Wednesday, trading around 97.80 per barrel initially, down nearly 0.85% on the day, before recovering to trade near 101.20 by Thursday morning. The subdued price action reflects cautious sentiment as traders await further developments in US-Iran peace talks, particularly over the reopening of the Strait of Hormuz. OPEC's latest Monthly Oil Market Report pointed to significantly tighter Oil supplies due to Middle East disruptions. OPEC+ crude output averaged 33.19 million barrels per day in April, down 1.74 million bpd from March, as the Iran war prompted several producers to cut output. This represents a dramatic supply contraction reflecting the severity of the Hormuz closure. OPEC said global Oil demand is expected to grow by 1.2 million bpd in 2026, with 2027 demand growth revised higher to 1.5 million bpd from 1.3 million. The ongoing energy shock continues to fuel price pressures globally. US CPI accelerated to 3.8% year-over-year in April from 3.3% in March, while PPI surged to 6.0% annually from 4.3% previously. EIA data revealed US crude oil inventories fell by 4.306 million barrels in the week ending May 8, well above the 2.1-million-barrel draw expected.

Technical Outlook

- Stochastic is moving lower towards the oversold area.
- Price is consolidating slightly above the 20-period moving average.
- This setup suggests consolidation with weakening momentum.

Key Levels to Watch

Resistance: 106.88; 111.93

Support: 96.98; 91.86

Conclusion

WTI crude oil is consolidating slightly above the 20-period moving average at 101.49, with the Stochastic moving lower toward oversold territory suggesting near-term momentum is weakening after the sharp advance earlier in the week. The commodity trades near 101.20, supported by falling US crude inventories (down 4.3 million barrels, more than expected) and persistent supply concerns from the Iran conflict and Strait of Hormuz disruption. The technical configuration indicates potential for further consolidation in the 97 to 107 range absent major diplomatic or military developments. Immediate resistance at 106.88 represents the first significant barrier, with a break above targeting 111.93 and rekindling elevated supply disruption premiums. Support at 96.98 should contain any near-term weakness, with more substantial support at 91.86. OPEC's report showing a 1.74 million barrel per day production decline in April and the larger-than-expected US inventory draw provide fundamental support for prices. However, the Stochastic moving toward oversold levels and the absence of major diplomatic developments suggest consolidation is the most likely near-term scenario. Thursday's US Retail Sales data provides a demand-side indicator, while the Trump-Xi summit offers potential for coordinated diplomatic pressure on Iran.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
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%
15 May			No Key Events for Friday		