



TECHNICAL

ANALYSIS REPORT

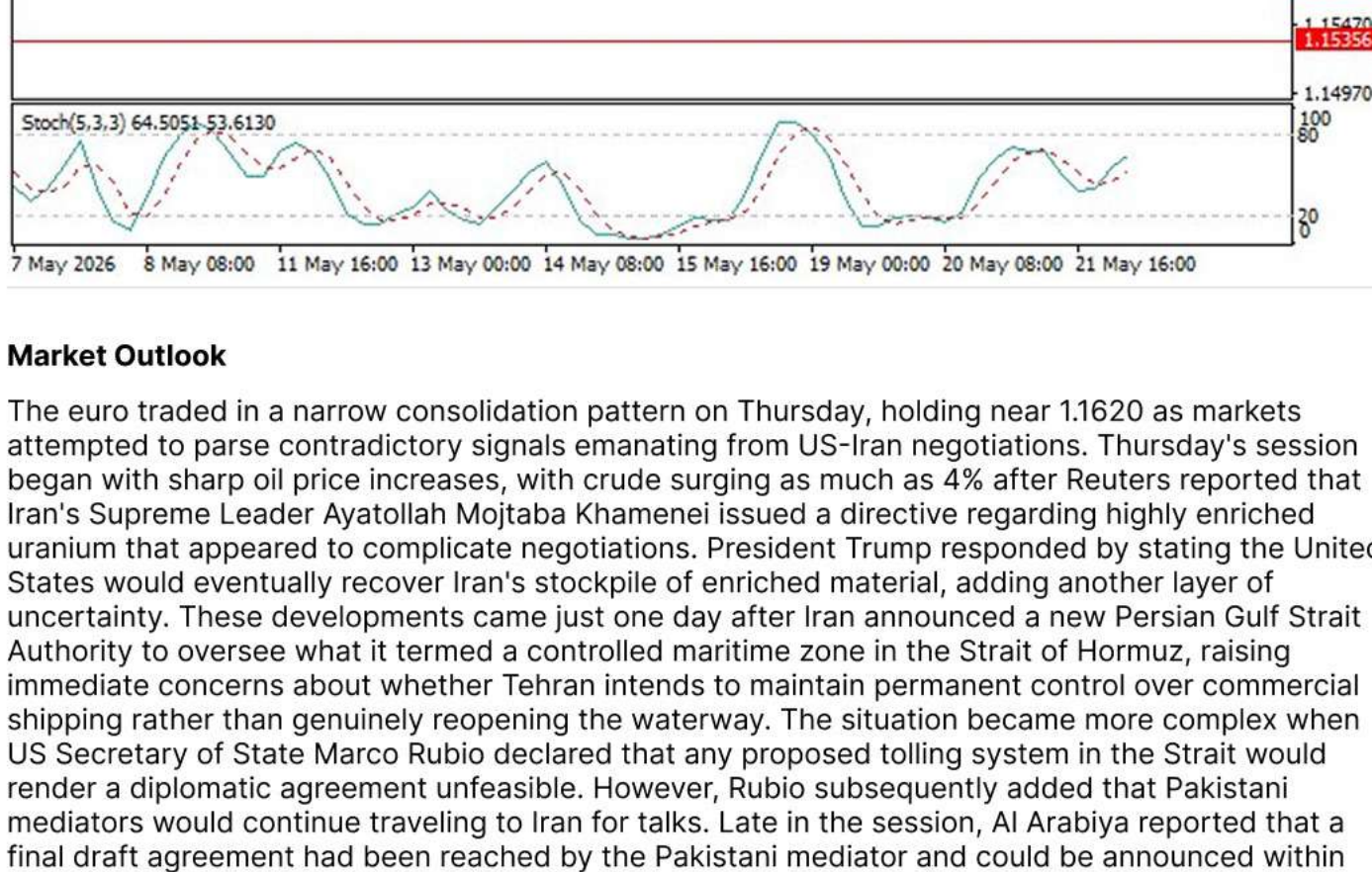
FRIDAY, MAY 22 2026



EUR/USD

Previous Session Overview

EUR/USD consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 1.1609.



Market Outlook

The euro traded in a narrow consolidation pattern on Thursday, holding near 1.1620 as markets attempted to parse contradictory signals emanating from US-Iran negotiations. Thursday's session began with sharp oil price increases, with crude surging as much as 4% after Reuters reported that Iran's Supreme Leader Ayatollah Mojtaba Khamenei issued a directive regarding highly enriched uranium that appeared to complicate negotiations. President Trump responded by stating the United States would eventually recover Iran's stockpile of enriched material, adding another layer of uncertainty. These developments came just one day after Iran announced a new Persian Gulf Strait Authority to oversee what it termed a controlled maritime zone in the Strait of Hormuz, raising immediate concerns about whether Tehran intends to maintain permanent control over commercial shipping rather than genuinely reopening the waterway. The situation became more complex when US Secretary of State Marco Rubio declared that any proposed tolling system in the Strait would render a diplomatic agreement unfeasible. However, Rubio subsequently added that Pakistani mediators would continue travelling to Iran for talks. Late in the session, Al Arabiya reported that a final draft agreement had been reached by the Pakistani mediator and could be announced within hours, with Iran's ILNA news agency revealing details suggesting immediate ceasefire, freedom of navigation through the Persian Gulf and Strait of Hormuz, lifting of US sanctions, and commencement of negotiations within seven days.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating around the 20-period moving average.
- This setup indicates near-term indecision and range-bound trading conditions.

Key Levels to Watch

Resistance: 1.1663; 1.1701
Support: 1.1575; 1.1536

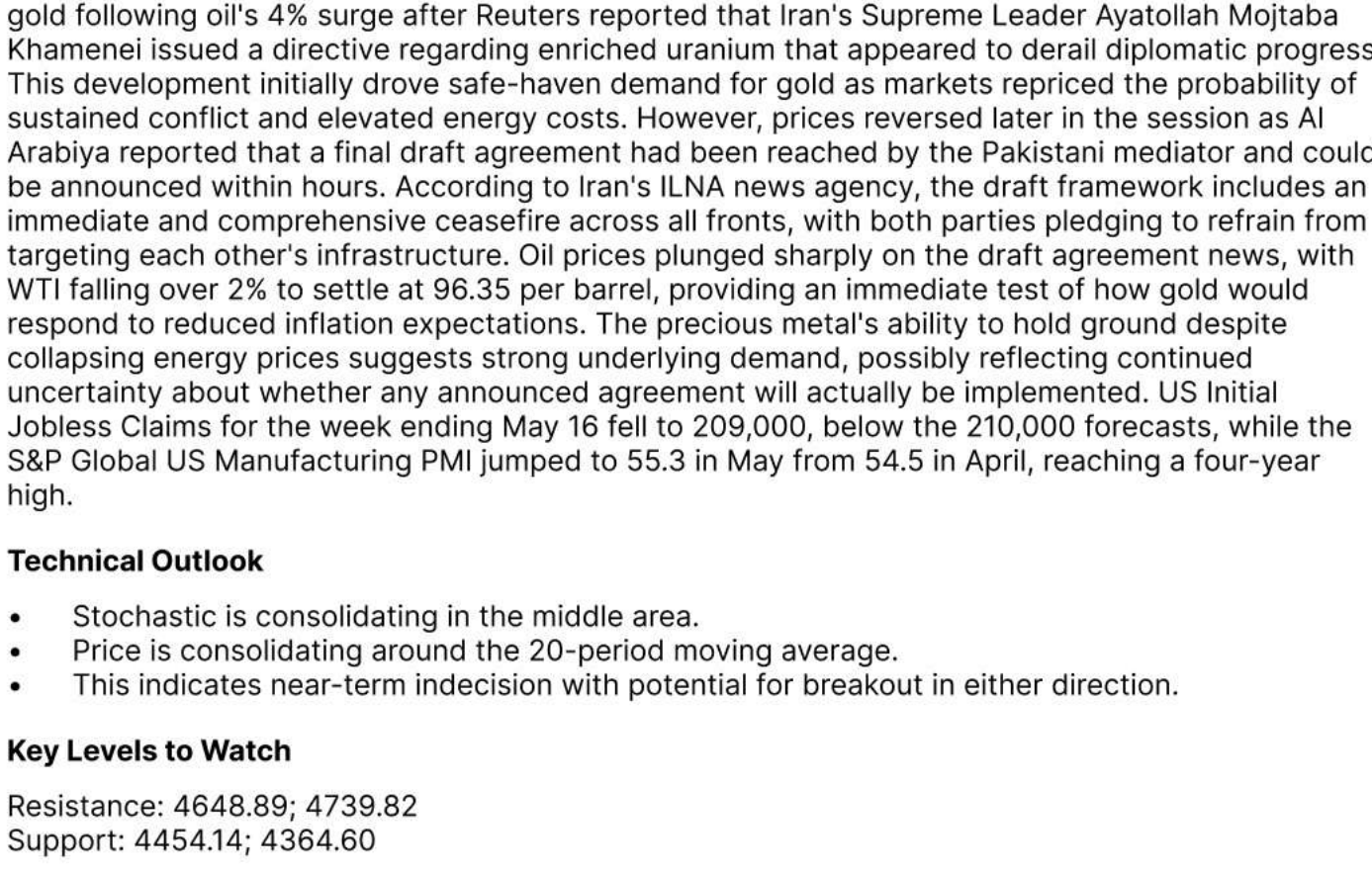
Conclusion

EUR/USD is consolidating around the 20-period moving average at 1.1609 with the Stochastic indicator positioned in neutral middle territory, reflecting Thursday's indecisive price action as markets await clarity on US-Iran negotiations. The pair continues trading with a mildly bearish near-term bias while remaining beneath the triple SMA cluster near 1.1649, unable to generate sustained momentum in either direction amid conflicting diplomatic signals. Immediate resistance at 1.1663 must be overcome to target 1.1701 and potentially challenge the key SMA cluster that has capped rallies throughout the week. On the downside, support at 1.1575 is critical, with a break below exposing 1.1536 and potentially retesting the former uptrend break near 1.1578 that marks a crucial technical juncture. The Stochastic consolidating in middle territory suggests the pair could break either direction based on how diplomatic developments unfold, with confirmation of a comprehensive Iran deal including genuine Strait of Hormuz reopening and sanctions relief likely driving a rally toward 1.1663-1.1701, while negotiation collapse or implementation of Iran's controlled maritime zone framework would pressure the pair toward 1.1575-1.1536 as safe-haven dollar demand resurges. Friday's Michigan Consumer Sentiment and inflation expectations data could influence near-term direction through their impact on Fed policy expectations, while Germany GDP and IFO survey results will test the eurozone growth narrative.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 4521.62.



Market Outlook

Gold prices oscillated through a turbulent Thursday session, ultimately trading near 4538 and finishing virtually unchanged as conflicting signals about US-Iran negotiations created whipsaw conditions across commodity and currency markets. Thursday's session began with sharp gains in gold following oil's 4% surge after Reuters reported that Iran's Supreme Leader Ayatollah Mojtaba Khamenei issued a directive regarding enriched uranium that appeared to derail diplomatic progress. This development initially drove safe-haven demand for gold as markets repriced the probability of sustained conflict and elevated energy costs. However, prices reversed later in the session as Al Arabiya reported that a final draft agreement had been reached by the Pakistani mediator and could be announced within hours. According to Iran's ILNA news agency, the draft framework includes an immediate and comprehensive ceasefire across all fronts, with both parties pledging to refrain from targeting each other's infrastructure. Oil prices plunged sharply on the draft agreement news, with WTI falling over 2% to settle at 96.35 per barrel, providing an immediate test of how gold would respond to reduced inflation expectations. The precious metal's ability to hold ground despite collapsing energy prices suggests strong underlying demand, possibly reflecting continued uncertainty about whether any announced agreement will actually be implemented. US Initial Jobless Claims for the week ending May 16 fell to 209,000, below the 210,000 forecasts, while the S&P Global US Manufacturing PMI jumped to 55.3 in May from 54.5 in April, reaching a four-year high.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating around the 20-period moving average.
- This indicates near-term indecision with potential for breakout in either direction.

Key Levels to Watch

Resistance: 4648.89; 4739.82
Support: 4454.14; 4364.60

Conclusion

Gold is consolidating around the 20-period moving average at 4521.62 with the Stochastic indicator positioned in neutral middle territory, reflecting Thursday's indecisive session as conflicting Iran negotiation signals prevented directional conviction. The precious metal remains in a technical downtrend unless buyers can push prices back above the May 12 swing high at 4773, with the RSI remaining flat below the 50-neutral level confirming consolidation mode. Immediate resistance at 4648.89 must be overcome to target 4739.82 and begin challenging the downtrend structure, with a break above the downside resistance trendline around 4590 opening the door to 4600, then the 20-day SMA at 4619 and the 50-day SMA at 4678. On the downside, support at 4454.14 is critical, with a drop below the May 20 swing low at 4453 targeting 4400 and then the 200-day SMA at 4346, confirming the bearish structure remains dominant. The Stochastic consolidating in middle territory suggests the precious metal could break either direction based on geopolitical clarity, with confirmation of a comprehensive Iran deal with genuine sanctions relief and Strait reopening likely pressuring gold toward 4454-4365 as both safe-haven demand and inflation premium erode, while negotiation collapse or revelation that Iran's controlled maritime zone framework maintains supply disruptions would drive prices toward 4649-4740 resistance. Friday's US Michigan Consumer Sentiment and inflation expectations data will influence Fed policy outlook and dollar direction.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Thursday, staying between previous support and resistance levels. Currently trading at 1.3423.



Market Outlook

The British pound traded in a narrow consolidation pattern on Thursday, remaining near 1.3440 as markets digested conflicting signals about US-Iran negotiations while awaiting Friday's critical UK retail sales data. Sterling's ability to maintain position above the psychologically important 1.3400 handle despite poorer domestic fundamentals continues reflecting dollar dynamics rather than pound-specific strength. Thursday's session was dominated by the same whipsaw messaging that affected broader currency markets, with oil prices surging as much as 4% early in the session after Reuters reported Iran's Supreme Leader issued a directive that appeared to complicate diplomatic efforts, before reversing sharply lower, ultimately settling down approximately 2%. Wednesday's UK CPI data showing comprehensive disinflation, with headline at 2.8% and core at 2.5% year-over-year, both below forecasts, would typically argue for a weaker pound under normal circumstances. However, sterling has proven remarkably resilient, largely because markets continue pricing modest probability of BoE tightening rather than easing despite the softer inflation prints. The US Dollar Index maintained its eighth consecutive day of higher daily highs despite the geopolitical turbulence, trading near 99.20 as stronger-than-expected US Manufacturing PMI data reinforced Federal Reserve officials' ability to maintain restrictive policy. The S&P Global US Manufacturing PMI jumped to 55.3 in May from 54.5 in April, a four-year high. Friday's UK retail sales data represents a critical test for sterling's near-term trajectory, with consensus forecasts anticipating an outright monthly contraction following March's gain.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating around the 20-period moving average.
- This setup indicates near-term indecision within a defined trading range.

Key Levels to Watch

Resistance: 1.3491; 1.3564
Support: 1.3376; 1.3302

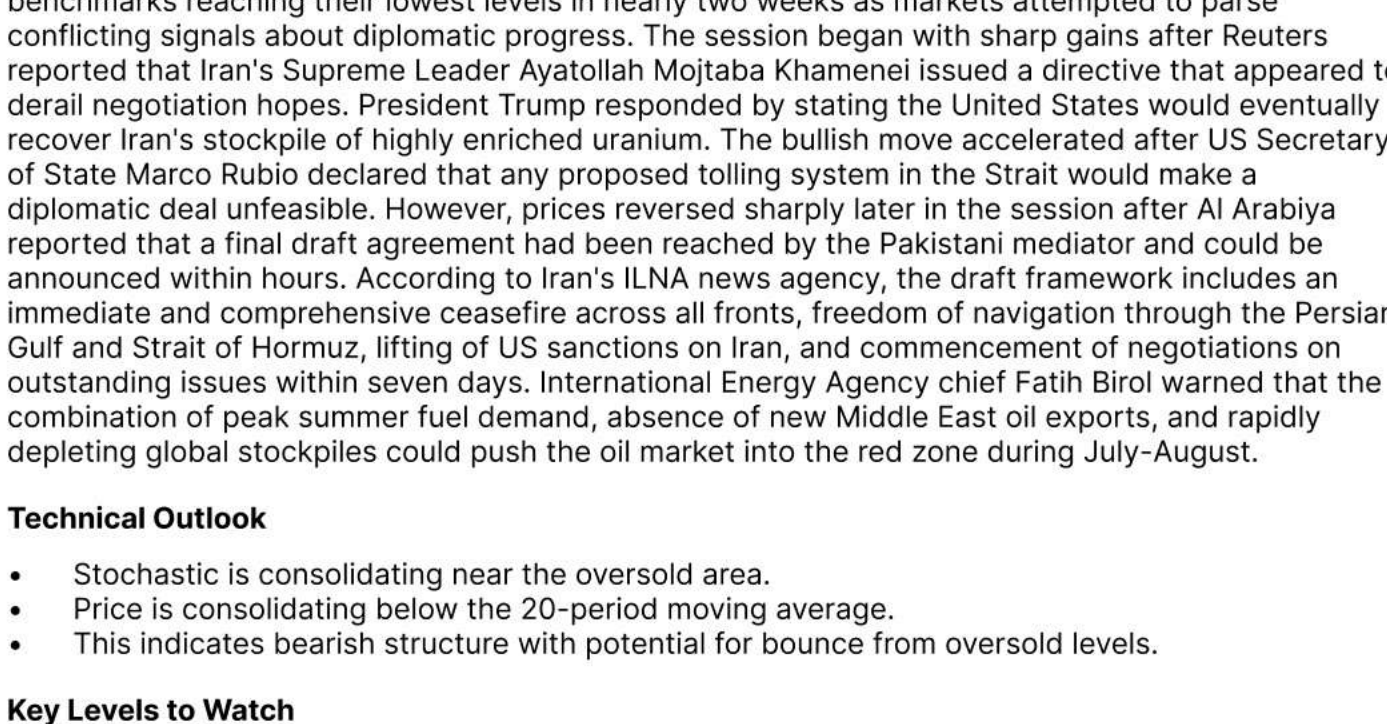
Conclusion

GBP/USD is consolidating around the 20-period moving average at 1.3423 with the Stochastic indicator positioned in neutral middle territory, reflecting Thursday's range-bound price action as markets await both geopolitical clarity and Friday's UK retail sales data. The pair remains boxed between its 50-day EMA near 1.3468 and the 200-day EMA around 1.3405, with current pricing threading between these key technical levels. Immediate resistance at 1.3491 must be overcome to target 1.3564 and the psychologically important 1.3500 handle, while support at 1.3376 is critical, with a daily close below pressuring the 200-day EMA and potentially retesting the 1.3302 early-May lows. The Stochastic consolidating in middle territory suggests the pair could break either direction based on Friday's catalysts, with stronger-than-expected retail sales supporting sterling toward 1.3491-1.3564 by easing growth concerns, while the anticipated contraction would pressure the pair toward 1.3376-1.3302 and reinforce stagflation-lite concerns. Confirmation of a comprehensive US-Iran deal would create cross-currency volatility through dollar weakness, potentially lifting cable toward 1.3491 even with soft UK data, while negotiation collapse and revealing trigger safe-haven dollar strength pressuring sterling toward 1.3376. The technical configuration suggests continued range-bound trading between 1.3376 and 1.3491 is most probable until Friday's data and geopolitical developments provide directional clarity.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Thursday, reaching previous resistance levels. Currently trading at 7470.39.



Market Outlook

The S&P 500 advanced 0.17% on Thursday to close at 7445.72, navigating a volatile session that saw oil prices swing dramatically while digesting blockbuster earnings from Nvidia and cautious commentary from Walmart about consumer conditions. The Dow Jones Industrial Average rose 276.31 points or 0.55% to close at a fresh record of 50285.66, while the Nasdaq Composite gained 0.09% to end at 26293.10. Nvidia delivered record quarterly revenue of \$1.6 billion, substantially exceeding analyst forecasts of approximately 78.6 billion on voracious artificial intelligence hardware demand. Despite this exceptional performance, Nvidia shares declined 1.8% as investors have come to expect the company to not merely beat estimates but to exceed them by increasingly wide margins. Walmart delivered a stark counterpoint to the AI optimism narrative, tumbling 7.3% as traders focused on the company's cautious forecast and revealing commentary about diverging consumer behaviour, with CFO John David Rainey noting that the high-income customer is spending with confidence into many categories while the lower income consumer is more budget conscious. Oil prices provided the session's most dramatic volatility, initially surging as much as 4% after Reuters reported Iran's Supreme Leader issued a directive that appeared to complicate negotiations, before reversing to close approximately 2% lower, with WTI settling at 96.35 per barrel while Brent closed at 102.58, both at their lowest levels in nearly two weeks.

Technical Outlook

- Stochastic is consolidating near the overbought area.
- Price is moving higher above the 20-period moving average.
- This indicates sustained bullish momentum approaching potential exhaustion levels.

Key Levels to Watch

Resistance: 7509.81; 7550.27
Support: 7422.35; 7380.58

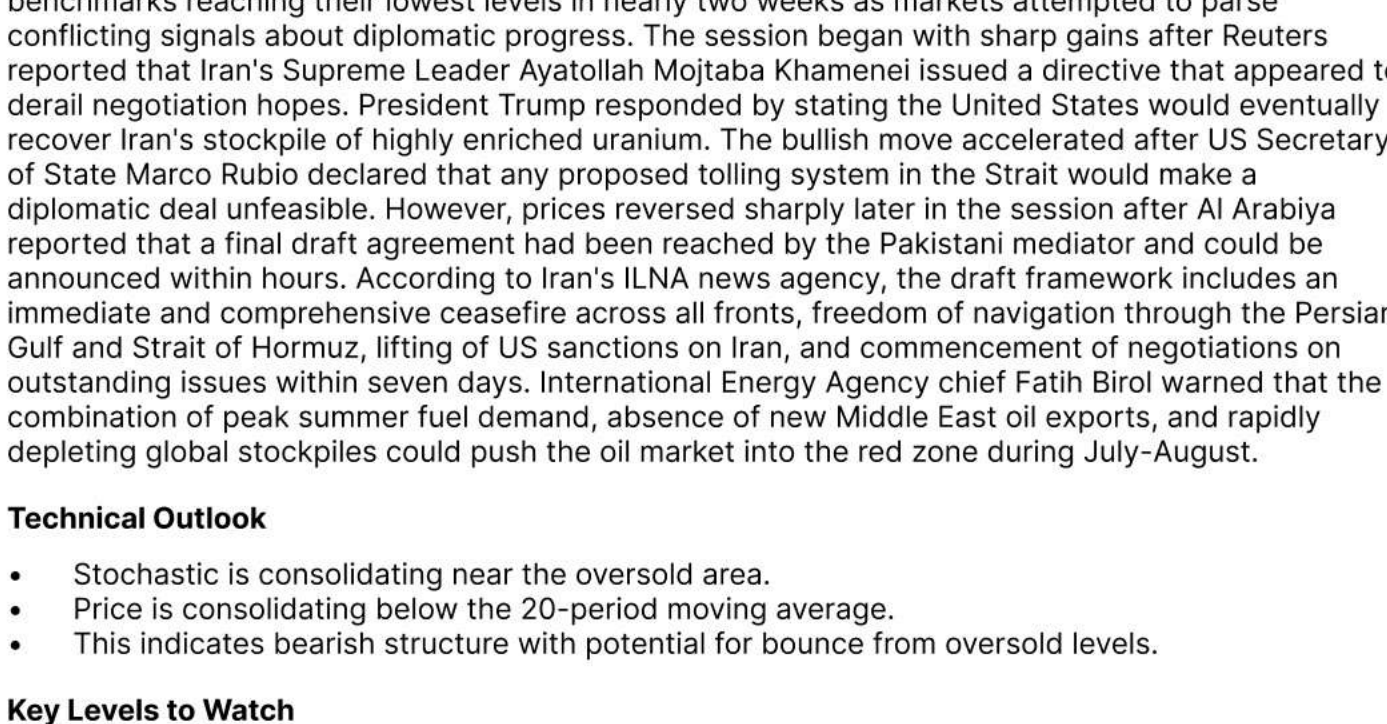
Conclusion

The S&P 500 is moving higher above the 20-period moving average at 7470.39 with the Stochastic indicator consolidating near overbought territory, reflecting Thursday's advance that pushed the index to fresh resistance levels despite mixed fundamental signals. The index has successfully navigated above the critical 7445-7467 zone, positioning for a potential test of the 7501 all-time high reached last week. Immediate resistance at 7509.81 must be overcome to target 7550.27 and establish new record territory, while support at 7422.35 is now crucial, with a break below exposing 7380.58 and signalling that Thursday's advance was merely a temporary probe rather than a sustainable breakout. The Stochastic consolidating near overbought warns that near-term upside momentum may be approaching exhaustion, with the technical configuration suggesting consolidation between 7422 and 7510 is probable near-term. The fundamental backdrop remains complex, with Nvidia's record results validating AI infrastructure spending momentum, but the stock's negative reaction despite the beat raising questions about valuation sustainability. Walmart's cautionary consumer commentary and the sharp Philadelphia Fed manufacturing index decline provide counterweights to optimism. Friday's US Michigan Consumer Sentiment and inflation expectations data could drive volatility through Fed policy implications, while any clarity on the Iran diplomatic situation will influence energy prices and broader risk sentiment. The technical setup favours modest bullish bias as long as the index holds above 7422 and the 20-period moving average.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved lower on Thursday, reaching previous support levels. Currently trading at 100.75.



Market Outlook

WTI crude oil experienced one of its most volatile sessions of the entire eleven-week conflict on Thursday, ultimately settling 1.9% lower at 96.35 per barrel after swinging as much as 4% higher earlier in the day. Brent crude followed a similar pattern, closing down 2.3% at 102.58, both benchmarks reaching their lowest levels in nearly two weeks as markets attempted to parse conflicting signals about diplomatic progress. The session began with sharp gains after Reuters reported that Iran's Supreme Leader Ayatollah Mojtaba Khamenei issued a directive that appeared to derail negotiation hopes. President Trump responded by stating the United States would eventually recover Iran's stockpile of highly enriched uranium. The bullish move accelerated after US Secretary of State Marco Rubio declared that any proposed tolling system in the Strait would make a diplomatic deal unfeasible. However, prices reversed sharply later in the session after Al Arabiya reported that a final draft agreement had been reached by the Pakistani mediator and could be announced within hours. According to Iran's ILNA news agency, the draft framework includes an immediate and comprehensive ceasefire across all fronts, freedom of navigation through the Persian Gulf and Strait of Hormuz, lifting of US sanctions on Iran, and commencement of negotiations on outstanding issues within seven days. International Energy Agency chief Fatih Birol warned that the combination of peak summer fuel demand, absence of new Middle East oil exports, and rapidly depleting global stockpiles could push the oil market into the red zone during July-August.

Technical Outlook

- Stochastic is consolidating near the oversold area.
- Price is consolidating below the 20-period moving average.
- This indicates bearish structure with potential for bounce from oversold levels.

Key Levels to Watch

Resistance: 105.02; 107.76
Support: 96.96; 94.02

Conclusion

WTI crude oil is consolidating below the 20-period moving average at 100.75 with the Stochastic indicator positioned near oversold territory, reflecting Thursday's 1.9% decline that pushed the commodity to 96.35, its lowest settlement in nearly two weeks. The technical structure has shifted bearish with price beneath the moving average and momentum indicators warning of potential further weakness if diplomatic progress continues. However, the oversold Stochastic suggests immediate downside momentum may be approaching exhaustion, potentially setting conditions for consolidation or technical bounce. Immediate support at 96.96 is critical, with a break below exposing 94.02 and potentially driving crude into the low-90s if confirmation emerges of a comprehensive Iran deal with genuine Strait reopening and sanctions relief. On the upside, resistance at 105.02 and 107.76 would come into play if negotiations collapse or if implementation reveals that Iran's controlled maritime zone framework maintains meaningful supply disruptions. The fundamental backdrop remains binary, with the draft agreement announced by Pakistani mediators potentially testing 94-96 support if implemented with genuine freedom of navigation. However, the IEA's warning about entering the red zone during July-August and ADNOC's assessment that full flows will not return until 2027 suggest that even with diplomatic resolution, structural supply deficits will support prices above pre-war levels for quarters. Friday brings additional event risk through Germany GDP, US Michigan Consumer Sentiment, and potential clarity on whether the draft Iran agreement materializes into actual implementation.

Key events for today (GMT):

Date	Time	Currency	Events	Forecast	Previous
22 May			No Key Events for Today		

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