AGRA MARKETS

MarketNews

21/07/2022

NEWS

- The U.S. dollar rose against most major rivals on Wednesday in a choppy session. Today, Investors will pay close attention to the monetary policy announcements from the European Central Bank (ECB).
- The Consumer Price Index in the UK surged by 9.4% YoY in June, while the Canadian CPI climbed by 8.1% in the same period, both up from May figures.
- In Italy, Prime Minister Mario Draghi won a confidence motion, but as three major cotillion parties boycotted the vote, he is likely to resign and call for early elections.
- European Commission President Ursula von der Leyen said on Wednesday that it was a likely scenario that there could be a full cut-off of Russian gas, as reported by Reuters. On the other hand, Russian President Vladimir Putin mentioned that they are yet to see in which condition the equipment for Nord Stream 1 will be after returning from maintenance, per Reuters.
- Meanwhile, Russia has announced geographical objectives of the special operation in Ukraine have changed to add new territories.

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EURUSD

MetaTrader4

EURUSD

- EURUSD price grinds higher around the intraday top near 1.0200 as traders brace for the key monetary policy announcements from the European Central Bank (ECB).

- Widespread fears of economic recession in Germany join Italy’s political crisis and downbeat EU Consumer Confidence to weigh on the regional currency Euro. However, record high inflation and hawkish expectations from the ECB appear to have underpinned the latest rebound in the major currency pair. It’s worth noting that the record inflation in Eurozone and downbeat employment figure make today’s ECB the key.

- In case EUR/USD rises above 1.0260 and starts using that level as support, it could target June 15 low around 1.0360. On the downside, 1.0180 aligns as the first support before 1.0070 at the broken trend line from June 27 high.

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Euro / U.S. Dollar, 1D, O1.01761 H1.02135 L1.01733 C1.02050 +0.00289 (+0.28%)
USD
1.14000
1.12000
1.11250
1.10000
1.09200
1.07800
1.06400
1.06000
1.04700
1.04000
1.03600
1.02600
1.02050
1.01800
1.00700
1.00000
0.99500
2022
Feb
Mar
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May
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Jul
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Euro / U.S. Dollar, 4h, O1.01869 H1.02135 L1.01816 C1.02046 +0.00177 (+0.17%)
USD
1.06000
1.05000
1.04700
1.04000
1.03600
1.03000
1.02600
1.02046
1.01800
1.01000
1.00700
1.00000
0.99500
0.99000
20
13:00
27
Jul
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13:00
25
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GBPUSD

MetaTrader4

GBPUSD

- GBP/USD was once again unable to retain gains above the 1.1980 threshold and hovers below that. The support of 1.1930 restricts immediate GBP/USD downside before directing the bears to the July 06 low at 1.1875. On the contrary, in case of breaking the resistance of 1.2050, cable will rise to 1.2100, followed by May 13 low around 1.2170.

- In the UK, the Conservative leadership contest has reduced candidates to two final ones, Rishi Sunak and Liz Truss. One of them will become the next Prime Minister replacing Boris Johnson. The winner will be announced on Monday, September 5, following a postal ballot completed by 160,000 Tory party members.

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British Pound / U.S. Dollar, 1D, O1.19649 H1.19920 L1.19584 C1.19786 +0.00137 (+0.11%)
USD
1.34000
1.32000
1.30000
1.28000
1.26000
1.24700
1.24000
1.22700
1.21700
1.20500
1.19786
1.19300
1.18750
1.18000
1.17130
14
Apr
18
May
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20
Jul
18
Aug


British Pound / U.S. Dollar, 4h, O1.19668 H1.19920 L1.19629 C1.19783 +0.00115 (+0.10%)
USD
1.24100
1.23400
1.23000
1.22700
1.22500
1.22000
1.21700
1.21500
1.21000
1.20500
1.19800
1.19783
1.19500
1.19300
1.19000
1.18750
1.18500
1.18000
1.17500
1.17130
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USDJPY

USDJPY

- USD/JPY holds onto the daily gains after the BOJ triggered a 50-pip move as traders seek more clues during early Thursday morning in Europe.

- The Bank of Japan (BOJ) matched market expectations by announcing no change in the current monetary policy. In doing so, the Japanese central bank kept the benchmark rate unchanged at -0.10% while keeping the target rate for the Japanese Government Bonds (JGBs) at 0.0%.

- USD/JPY bears’ inability to conquer the support of 137.75 redirects the pair towards the July 14 high at 138.40. A breach of the latter will drive the major to the resistance of 140.50. Alternatively, convincing break below the support of 137.75 might prompt aggressive technical selling and drag the pair further to June 29 high of 137.00.


U.S. Dollar / Japanese Yen, 1D, O138.256 H138.556 L137.980 C138.286 +0.030 (+0.02%)
JPY
141.500
140.500
140.000
139.400
138.286
137.750
137.000
136.500
135.600
134.500
134.000
132.000
131.300
130.500
130.000
129.500
127.800
126.000
125.000
124.000
122.000
121.500
Apr
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U.S. Dollar / Japanese Yen, 4h, O138.468 H138.524 L137.980 C138.279 -0.189 (-0.14%)
JPY
140.500
140.000
139.400
139.000
138.279
138.000
137.750
137.000
136.500
136.000
135.600
135.000
134.500
134.000
133.500
132.943
132.000
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XAUUSD

MetaTrader4

XAUUSD

- Gold fell to a fresh weekly low below $1,700 and now trades in the $1,691 price zone. It is worth noting that the asset has broken the volatility contraction to the downside and bears are unleashed. The bears are likely to drift the asset lower to late 2021 low surrounding $1,678, followed by the lower band of daily bearish channel at $1,650. Alternatively, pullback moves will be limited by the resistance of $1,700.

- Investors have turned their back on the gold price despite the weakness in the DXY. Usually, gold price and DXY carries an inverse relationship as losses in one asset result in gains for the other. This time, both assets are declining and it would be worth calling 'gold price' a weaker asset as rick-perceived currencies are performing stronger.

Gold Spot / U.S. Dollar, 1D, O1696.835 H1697.465 L1690.050 C1691.540 -5.295 (-0.31%)
USD
2070.003
2040.000
2000.000
1960.000
1920.000
1910.000
1880.000
1855.000
1840.000
1830.000
1810.000
1800.000
1785.000
1760.000
1745.000
1725.000
1700.000
1691.540
1678.000
1650.000
2022
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Gold Spot / U.S. Dollar, 4h, O1694.760 H1694.820 L1690.050 C1691.585 −3.175 (−0.19%)
USD
1855.000
1840.000
1830.000
1820.000
1810.000
1800.000
1785.000
1760.000
1745.000
1725.000
1700.000
1691.585
1678.000
1660.000
1650.000
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S&P

MetaTrader4

S&P

- US stocks closed higher Wednesday, driven by the consumer discretionary and technology sectors, while data showed a steeper-than-anticipated drop in existing home sales for June.

- The S&P 500 gained 0.6% to 3,959.89. Despite snapping a two-day uptrend on Wednesday, an downtrend line from March 29 will restrict the immediate upside of index, around 3,950. A breach of the latter will send the index towards the level of 4,070. On the contrary, in case of breaking the support of 3,900 at the July 18 high, the S&P 500 will fall to the 3,800 level.

- Tesla (TSLA) late Wednesday reported second-quarter adjusted earnings of $2.27 per share, up from $1.45 a year earlier. Revenue increased to $16.93 billion from $11.96 billion over the period.

- Baker Hughes (BKR) shares slumped 8.3%, one of the worst performers on the S&P 500, after the company's second-quarter results missed Wall Street estimates.

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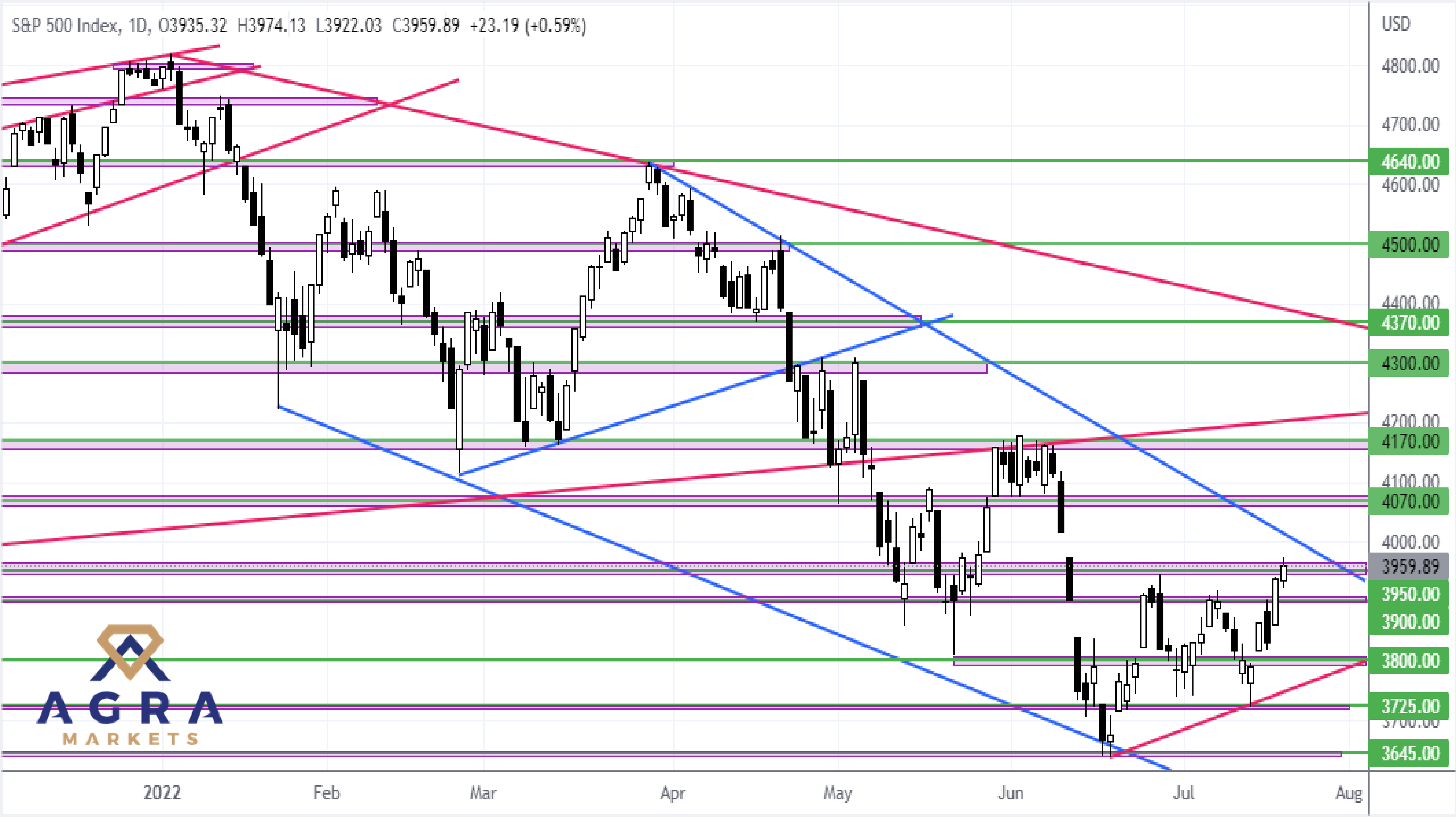

S&P 500 Index, 1D, O3935.32 H3974.13 L3922.03 C3959.89 +23.19 (+0.59%)
USD
4800.00
4700.00
4640.00
4600.00
4500.00
4400.00
4370.00
4300.00
4200.00
4170.00
4100.00
4070.00
4000.00
3959.89
3950.00
3900.00
3800.00
3725.00
3700.00
3645.00
2022
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S&P 500 Index, 4h, O3949.87 H3969.57 L3936.40 C3959.89 +10.02 (+0.25%)
USD
4600.00
4500.00
4400.00
4300.00
4200.00
4170.00
4100.00
4070.00
4000.00
3959.89
3950.00
3900.00
3800.00
3725.00
3700.00
3645.00
Apr
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Trading futures, options or foreign currencies involves the risk of loss. You may lose more than the amount originally invested and, in respect of these products traded on margin, you may have to pay additional funds later. You should not invest in such products unless satisfied that they are suitable for you.

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