



*Market* News

16/08/2022

# NEWS

- The dollar stays relatively quiet early Tuesday as markets await the next significant catalyst. Recession-related concerns took over financial markets at the beginning of the week, pushing the safe-haven dollar higher across the FX board. The European economic docket will feature the ZEW Survey results for the euro area and Germany. In the second half of the day, the US Census Bureau will publish the Housing Starts and Building Permits data for July.
- News coming from China spurred the dismal mood. Retail Sales in the country were up 2.7% YoY in July, while Industrial Production rose by 3.8% in the same period, both missing the market's expectations. At the same time, the central bank unexpectedly cut a key policy interest rate and drained liquidity. Additionally, China has announced more drills around Taiwan after a new delegation of US lawmakers met with Taiwanese President Tsai Ing-wen.
- Meanwhile, the EU is working on a nuclear deal with Iran, with the latter expected to provide an answer by the end of the day. The EU wants to bring back Tehran's nuclear deal amid energy shortages triggered by the Ukraine war.





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# EURUSD

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# EURUSD

- EUR/USD licks its wounds around 1.0160, after a brief corrective pullback, as fears surrounding economic slowdown join pre-data anxiety.
- Europe works on a nuclear deal with Iran to battle the energy crisis at home. However, Tehran's response appears not so positive as Tehran's "additional views and considerations" to the EU text would be conveyed later, per Reuters. It's worth noting that German Economy Minister Robert Habeck said on Monday, as reported by Reuters, "Germany's Russia-dependent energy model has failed and isn't coming back."
- The clear downside break of the uptrend line from July 14 low and the 4-hour bullish channel keep the EUR/USD bears hopeful. With this, the main pair becomes vulnerable to visiting the one-month-old horizontal support around 1.0100. On the other hand, the 1.0200 threshold will challenge the immediate upside ahead of August 05 high around 1.0250.



Euro / U.S. Dollar, 1D, O1.01579 H1.01698 L1.01472 C1.01616 +0.00037 (+0.04%)



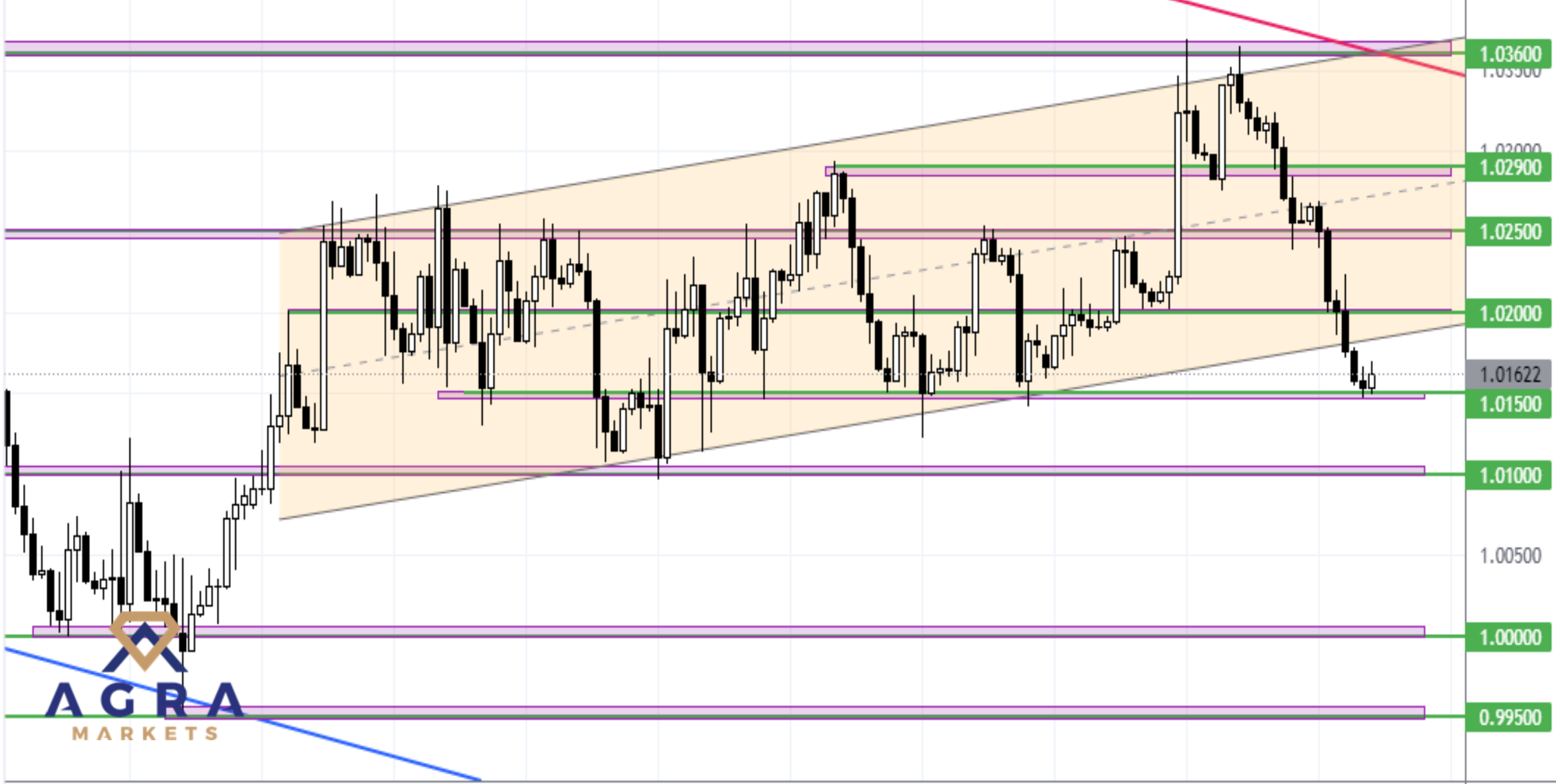
USD  
1.14000  
1.12000  
1.11250  
1.10000  
1.09200  
1.08000  
1.07800  
1.06400  
1.06000  
1.04700  
1.04000  
1.03600  
1.02500  
1.02000  
1.01616  
1.01000  
1.00000  
0.99500



Feb Mar Apr May Jun Jul Aug 22

Euro / U.S. Dollar, 4h, O1.01536 H1.01698 L1.01488 C1.01622 +0.00086 (+0.08%)

USD



1.0360  
1.0300

1.0200  
1.0290

1.0250

1.0200

1.01622  
1.0150

1.0100

1.0050

1.0000

0.9950



13:00

18

13:00

25

13:00

Aug

13:00

8

13:00

15

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# GBPUSD

**+**



# GBPUSD

- GBP/USD trades water around 1.2050 as the UK employment data fails to impress traders during the initial London open on Tuesday. Also challenging the Cable pair traders is the inaction at the bond markets ahead of Wednesday's release of the Fed Minutes, not to forget mixed concerns surrounding recession.
- As per the latest UK jobs report from the National Statistics, the headline Claimant Count Change improved to -10.533K in July versus -32K expected and -20K prior. Further, the ILO Unemployment Rate matched 3.8% expected and previous readings for three months to June.
- The bears are likely to drift the asset lower to 1.2000 and after breaking this level they will aim June 14 low around 1.1930. Alternatively, the pullback can initially aim for the 1.2100 resistance ahead of challenging the downtrend line from August 10 high around 1.2130.



British Pound / U.S. Dollar, 1D, O1.20533 H1.20603 L1.20352 C1.20479 -0.00054 (-0.04%)



USD  
1.36000  
1.34000  
1.32000  
1.30000  
1.28000  
1.26000  
1.24700  
1.24000  
1.22700  
1.21700  
1.20500  
1.20479  
1.20000  
1.19300  
1.18750  
1.18000



Feb Mar Apr May Jun Jul Aug 22

British Pound / U.S. Dollar, 4h, O1.20398 H1.20603 L1.20352 C1.20475 +0.00077 (+0.06%)



USD  
1.23000  
1.22700  
1.22500  
1.22000  
1.21700  
1.21500  
1.21300  
1.21000  
1.20500  
1.20475  
1.20000  
1.19500  
1.19300  
1.19000  
1.18750  
1.18500  
1.18000  
1.17500

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**USDJPY**



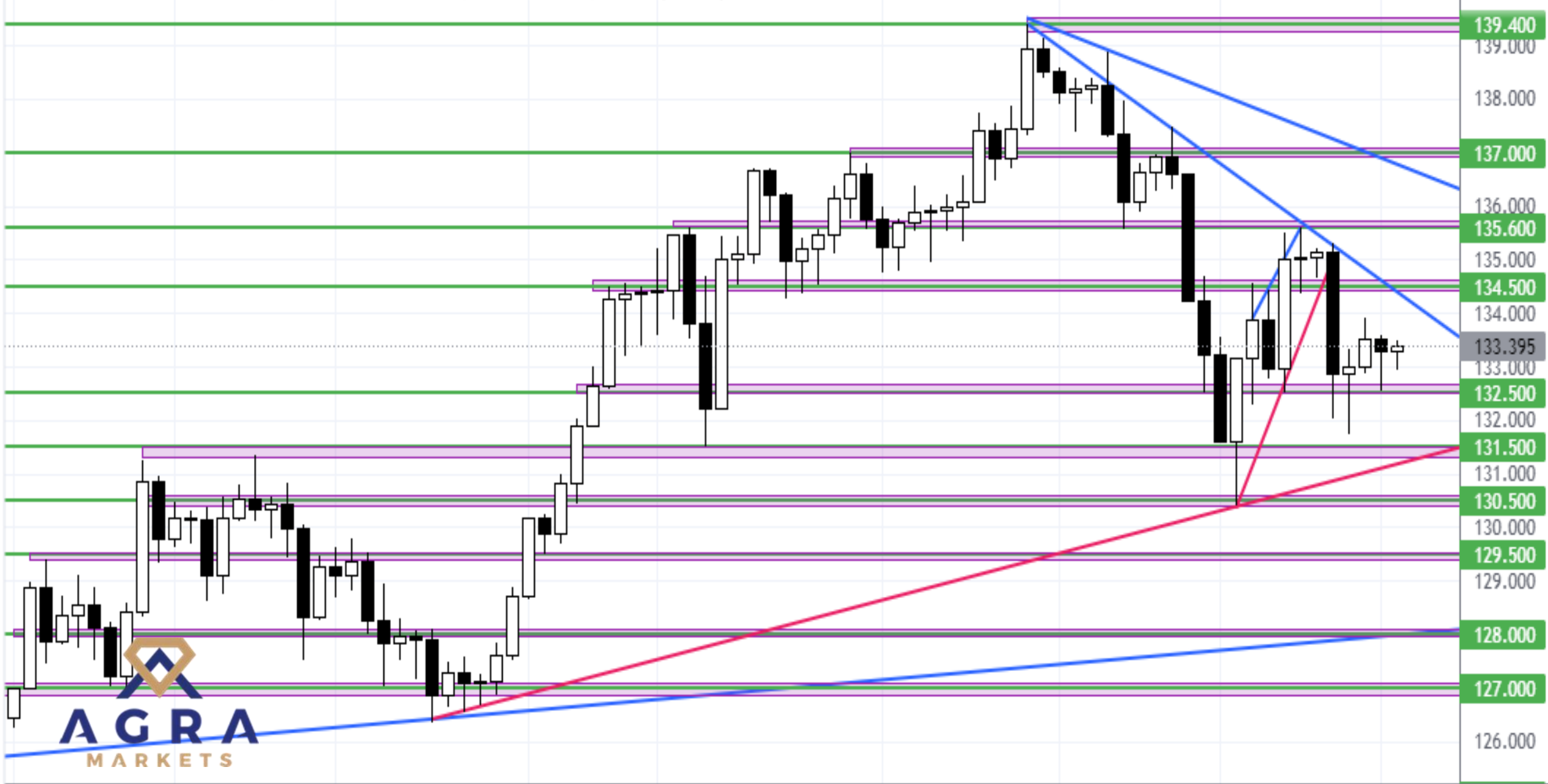
# USDJPY

- USD/JPY extends early Asian session gains while approaching to the resistance of 133.50 heading into Tuesday's European session. For more upside, bulls need to surpass the resistance of 133.50, which will send the pair to 134.50. On the contrary, bears can take control if the major plunge below the support of 132.50. This will drive the yen pair towards June 16 low around 131.50.
- A combination of factors undermine the Japanese yen and act as a tailwind for the USD/JPY pair amid a modest pickup in the US dollar demand. The overnight sharp spike in the US Treasury bond yields widens the US-Japan rate differential, which, along with a positive risk tone, weighs on the safe-haven JPY. Apart from this, a big divergence in the monetary policy stance adopted by the Bank of Japan and the Federal Reserve offers additional support to the major.



U.S. Dollar / Japanese Yen, 1D, O133.303 H133.490 L132.952 C133.395 +0.091 (+0.07%)

JPY



18 May 16 Jun 13 Jul 18 Aug 15

U.S. Dollar / Japanese Yen, 4h, O133.194 H133.490 L133.168 C133.391 +0.197 (+0.15%)

JPY



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# XAUUSD

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# XAUUSD

- XAU/USD pares the recent losses at around \$1,781 during Tuesday morning in Europe. At the moment, the weakness in the US Treasury, in the wake of the flight to safety in the American government bonds, could offer temporary comfort to gold bulls.
- However, risk-off flows dominate amid recessionary fears amplified by the Chinese activity data, keeping the sentiment around the safe-haven US dollar broadly underpinned. Despite mounting growth concerns, the Fed is widely expected to hike rates by 50 bps next month, which also continues to hurt the non-interest-bearing bullion.
- For an ideal short build-up, investors should use the pullback towards the resistance of \$1,785 as a selling opportunity. This will drag the yellow metal towards \$1,772, followed by August 03 low around \$1,755. Alternatively, the bulls could regain control if the asset rises above \$1,810, which will drive the precious metal towards June 01 low surrounding \$1,830.



Gold Spot / U.S. Dollar, 1D, O1779.580 H1783.195 L1776.910 C1781.165 +1.605 (+0.09%)



Feb Mar Apr May Jun Jul Aug Sep

Gold Spot / U.S. Dollar, 4h, O1777.830 H1783.195 L1776.910 C1781.665 +3.835 (+0.22%)

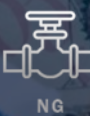
USD



- 1810.000
- 1800.000
- 1790.000
- 1785.000
- 1781.665
- 1772.000
- 1760.000
- 1755.000
- 1750.000
- 1740.000
- 1730.000
- 1720.000
- 1715.000
- 1710.000
- 1700.000
- 1690.000
- 1680.000



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**S&P**



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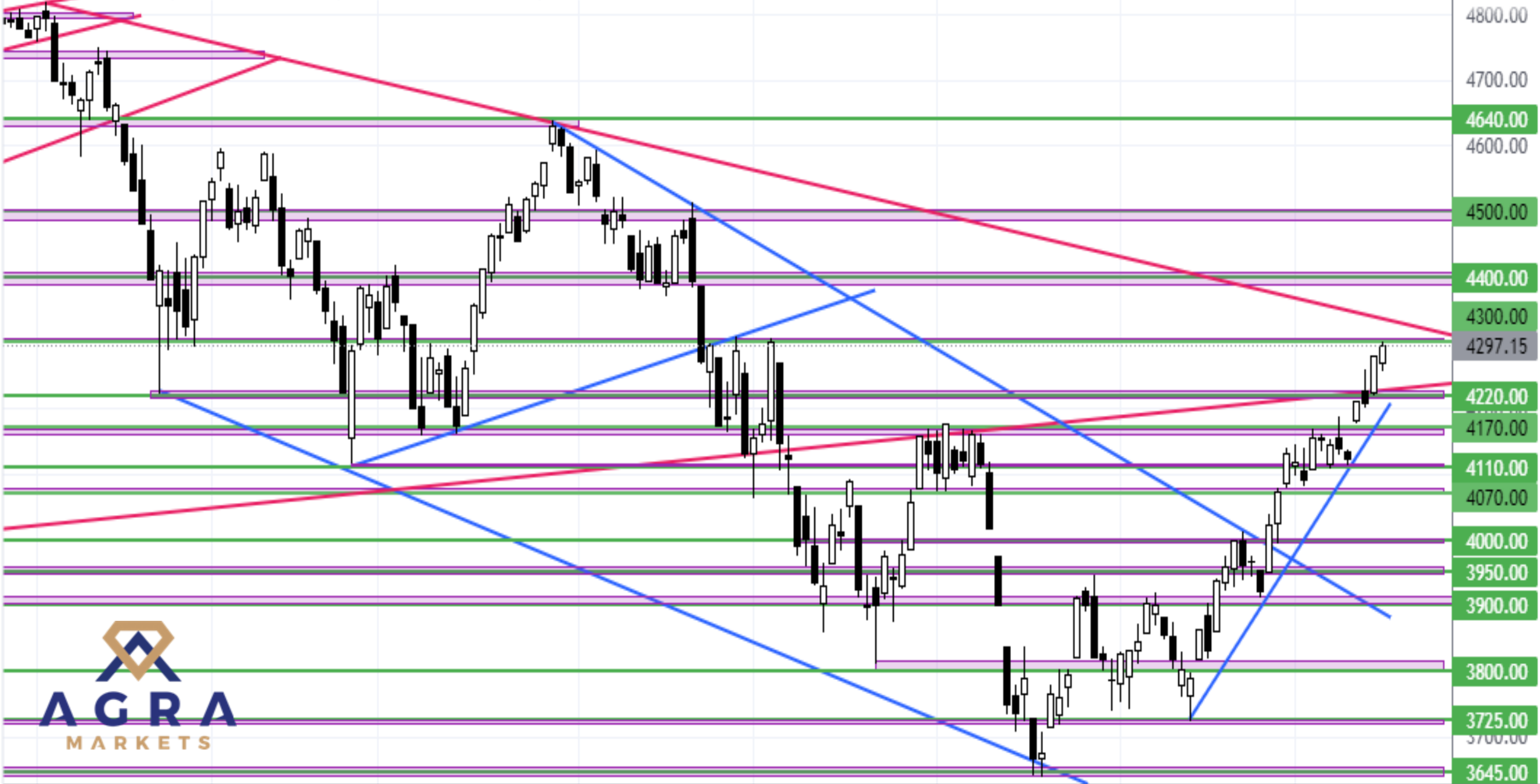


# S&P

- US stocks started the week higher, despite opening in negative territory, as Tesla TSLA helped lift the tech sector on Monday.
- The S&P 500 gained 0.4% to 4,297.15. Should the index overstep the downtrend line from January 04 high around 4,300, a bullish reveal will be witnessed which will send the asset towards the level of 4,000. On a contrary, in case of breaking the support of 4,220, the index will be reduced to 4,170.
- In company news, Gilead Sciences GILD unveiled statistically significant results from the second interim analysis of the key secondary endpoint of overall survival in the late-stage study of Trodelvy in patients with metastatic breast cancer.
- Topping the S&P 500 index and the Nasdaq 100 was Illumina ILMN, whose shares soared 8.8% Monday, rebounding from Friday's drop after the company posted Q2 adjusted earnings on Thursday of \$0.57 per diluted share, down from \$1.87 a year ago. Revenue for the quarter was \$1.16 billion, up from \$1.13 billion a year earlier.



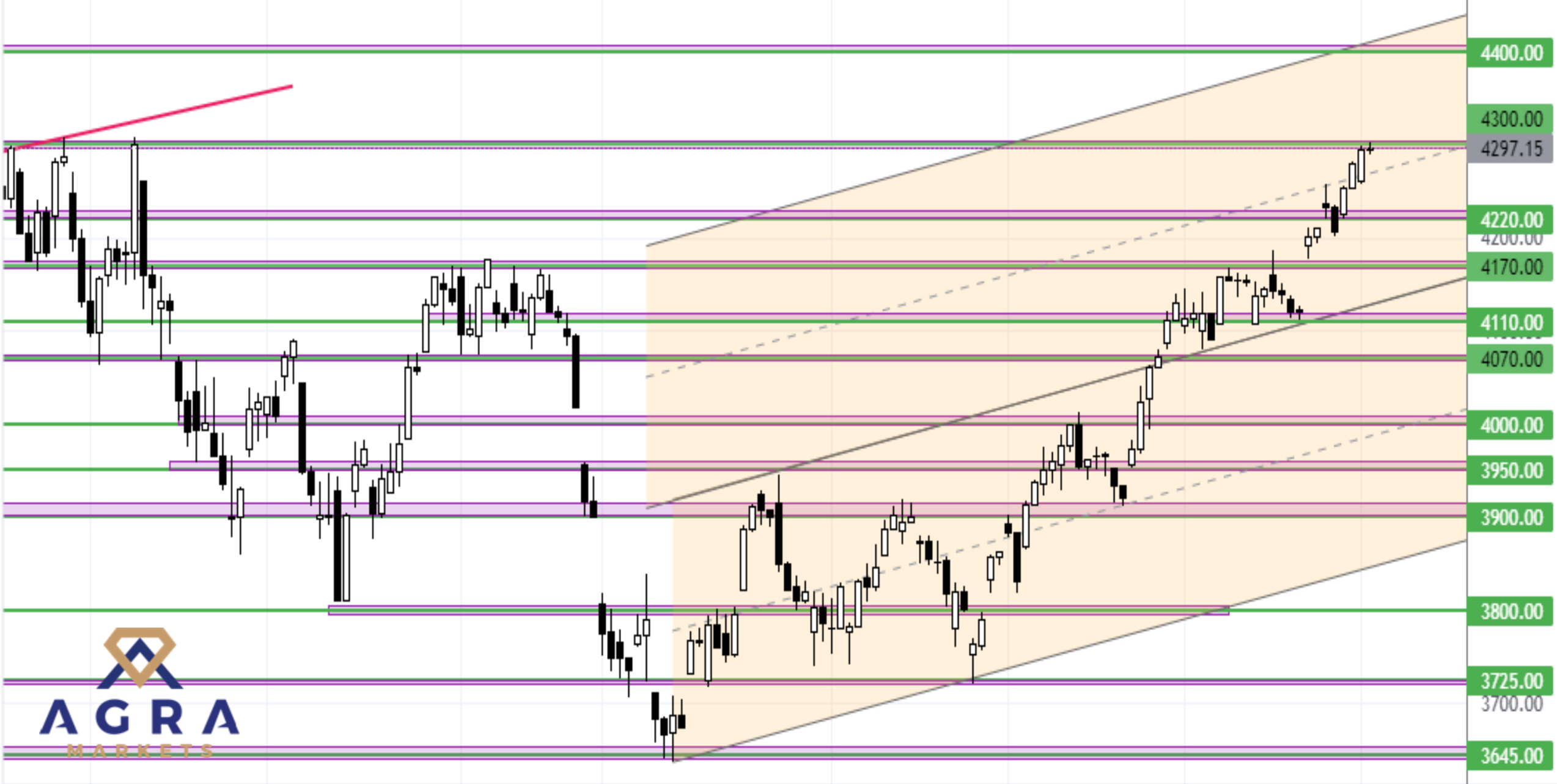
S&P 500 Index, 1D, O4269.37 H4301.79 L4256.90 C4297.15 +17.01 (+0.40%)



2022 Feb Mar Apr May Jun Jul Aug

S&P 500 Index, 4h, O4294.41 H4301.79 L4289.47 C4297.15 +2.72 (+0.06%)

USD



May 16 Jun 13 Jul 18 Aug 15



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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