

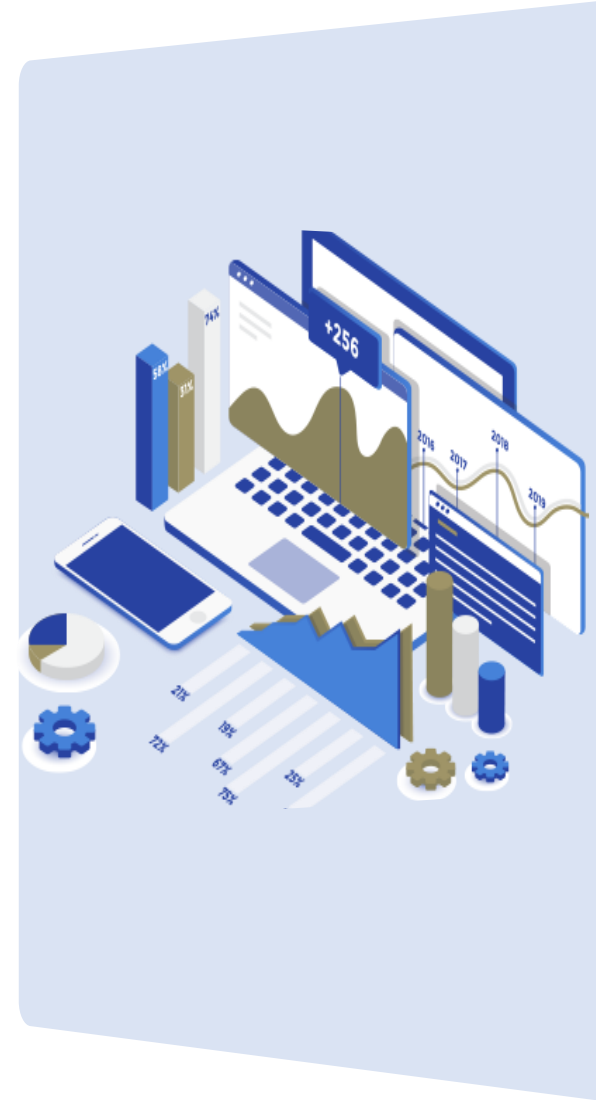


Market News

15/12/2022

NEWS

- Following the highly volatile action witnessed during the American trading hours on Wednesday, markets stay relatively quiet early Thursday with investors gearing up for the Bank of England and the European Central Bank policy announcements. The Swiss National Bank will also unveil its interest rate decision and the US economic docket will feature Retail Sales and Industrial Production data for November alongside the weekly Initial Jobless Claims and the NY Fed's Empire State Manufacturing Survey.
- Against a basket of currencies, the U.S. dollar index rose 0.22% to 103.89 after the Federal Reserve. But was still languishing near a six-month low hit in the previous session, which had reflected some market skepticism over whether the Fed's would actually take rates so high.
- A growing belief that U.S. inflation has likely peaked also fueled market skepticism.
- Fed funds futures show that markets are expecting U.S. rates to peak just under 5% by May next year, lower than what the Fed has guided.





EURUSD



FOREX



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EURUSD

- EUR/USD pair is displaying a correction to near 1.0650, paring previous day's gains during early Thursday. October Industrial Production fell 2% MoM and rose by 3.4% compared to a year earlier, missing the market's expectations.
- The European Central Bank expects the inflation rate to remain above 2% for the next three years, reported Reuters. As runaway prices are still far from reaching conclusion, European Central Bank's (ECB) revised projections has put inflation "comfortably above" 2% in 2024 and "slightly above" 2% in 2025.
- The asset is likely to find a bullish impulsive wave after completing its correction to the support of 1.0650. An occurrence of the same will drive the main pair towards 1.0750, followed by the upper band of duplicated daily bullish channel at 1.0850. Meanwhile, in case of breaking the 1.0650 level, previous week's high around 1.0600 will challenge the bears afterward.



Euro / U.S. Dollar, 1D, O1.06815 H1.06833 L1.06536 C1.06546 -0.00269 (-0.25%)

USD
1.09000
1.08500
1.08000
1.07500
1.07000
1.06546
1.06500
1.06000
1.05000
1.04500
1.04000
1.03000
1.02000
1.01000
1.00000
0.99000
0.98000
0.97000
0.96000



Jun Jul Aug Sep Oct Nov Dec

Euro / U.S. Dollar, 4h, O1.06625 H1.06652 L1.06543 C1.06553 -0.00072 (-0.07%)

USD



21

23

28

Dec

5

7

12

14

1.07500

1.07000

1.06553

1.06500

1.06000

1.05500

1.05000

1.04500

1.04000

1.03500

1.03000



+
GBPUSD
+



FOREX



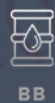
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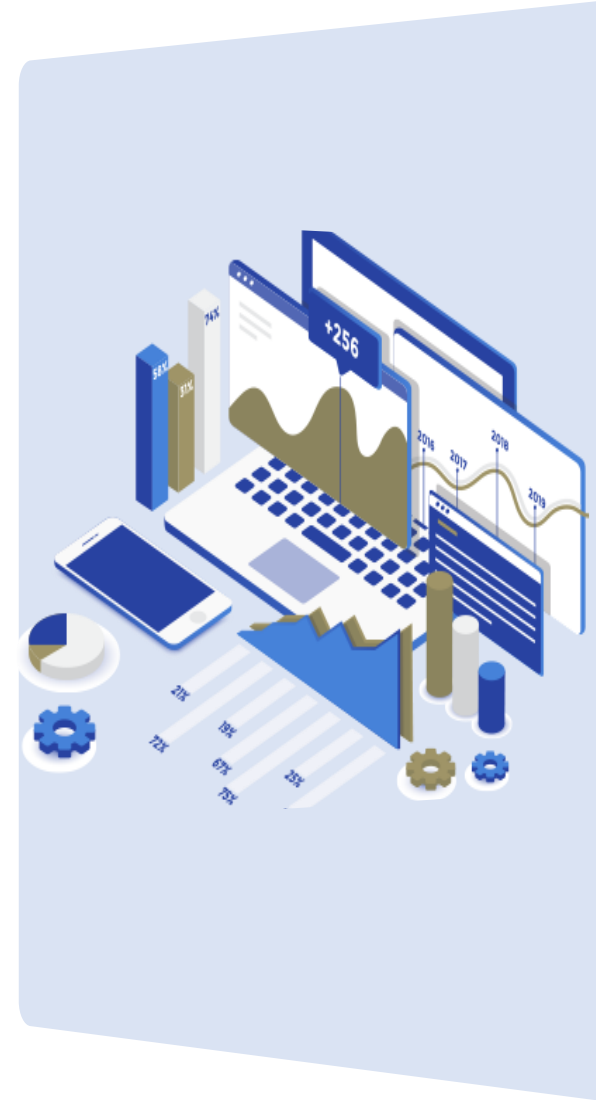


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GBPUSD

- The GBP/USD pair has dropped below the round-level support of 1.2400 in the Asian session.
- The headline annual inflation dropped to 10.7% vs. the expectations and the prior release of 10.9% and 11.1% respectively. Also, the core CPI that excludes oil and gas prices has declined to 6.3%. The Bank of England (BOE) is expected to hike interest rates further despite a decline in United Kingdom inflation as the road to price stability is still out of the sight.
- Technically, due to the price being above the uptrend line near 1.2330, it can be expected that the bulls push cable higher to 1.2500. On the other hand, a sustained move below the 1.2330 level will send the asset towards 1.2270, followed by November 24 high of 1.2150.



British Pound / U.S. Dollar, 1D, O1.24253 H1.24277 L1.23813 C1.23824 -0.00429 (-0.35%)

USD



Sep 19 Oct 17 Nov 14 Dec 19

British Pound / U.S. Dollar, 4h, O1.24003 H1.24037 L1.23813 C1.23827 -0.00176 (-0.14%)



USD
1.25000
1.24000
1.23827
1.23300
1.23000
1.22700
1.22000
1.21500
1.21000
1.20000
1.19000
1.18000
1.17000
1.16000



14:00 14 14:00 21 14:00 28 Dec 6 12 14:00



USDJPY



USDJPY

- The USD/JPY pair is displaying topsy-turvy moves around 135.50 in the Asian session.
- Investors are expecting more stimulus packages from the Japanese administration in order to spurt the extent of economic activities. The Bank of Japan (BOJ) is already favoring policy easing approach to accelerate inflation and is expected to continue further till inflation reaches to 2% target confidently.
- Should the USD/JPY bulls surpass previous day's high around 136.00, the resistances of 136.50 and 137.00 challenge the further advances. Meanwhile, the support of 134.00 will restrict the short-term downside of ninja before highlighting August 15 low, around 132.50.



U.S. Dollar / Japanese Yen, 1D, O135.482 H135.626 L135.240 C135.560 +0.078 (+0.06%)

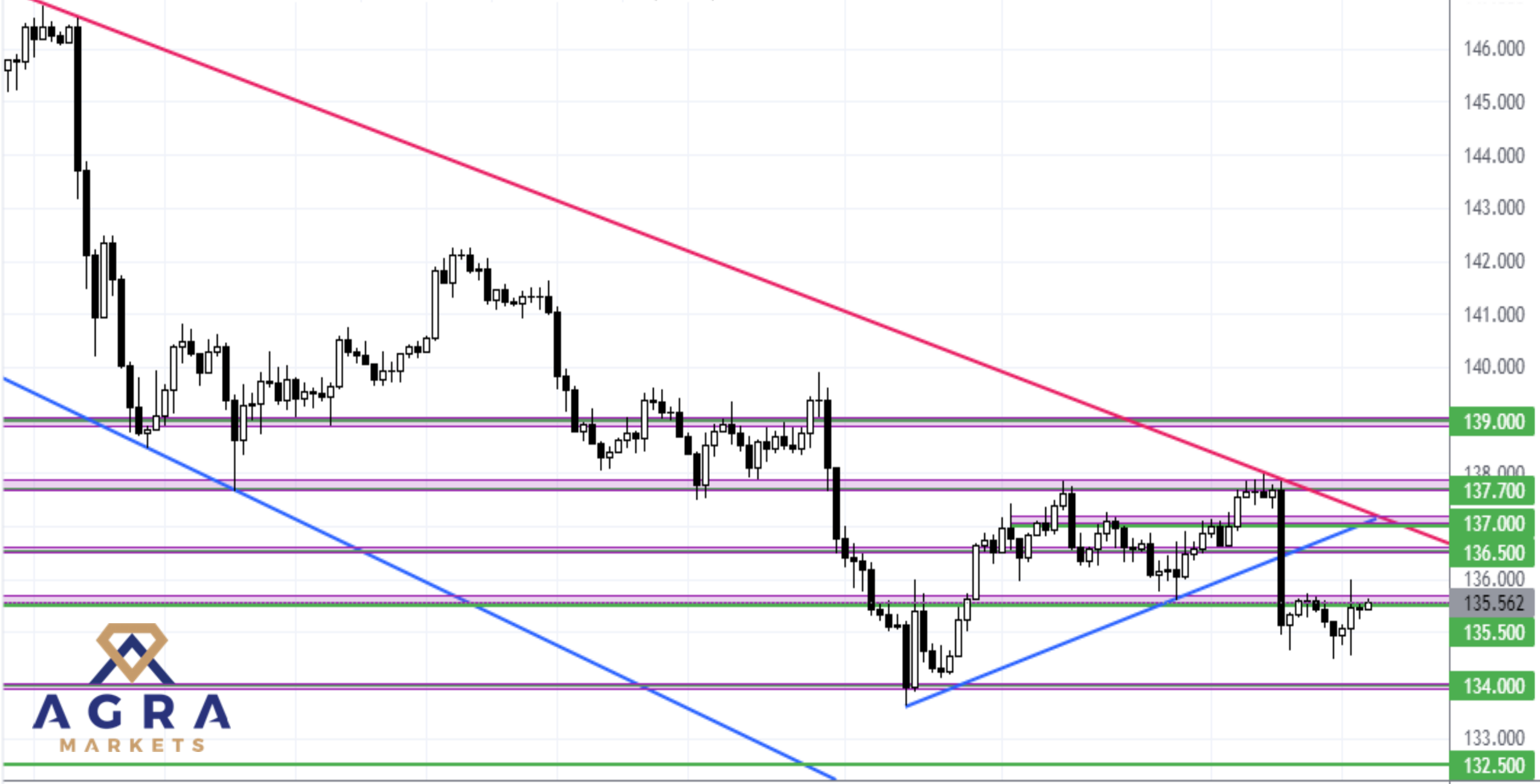
JPY
150.000
148.000
146.000
144.000
142.000
140.000
139.000
138.000
137.700
136.500
135.560
135.500
134.000
132.500



18 Aug 15 Sep 19 Oct 17 Nov 15 Dec 19

U.S. Dollar / Japanese Yen, 4h, O135.444 H135.626 L135.432 C135.562 +0.118 (+0.09%)

JPY



14:00 14 14:00 21 14:00 28 Dec 6 12 14:00



+

XAUUSD

+



FOREX



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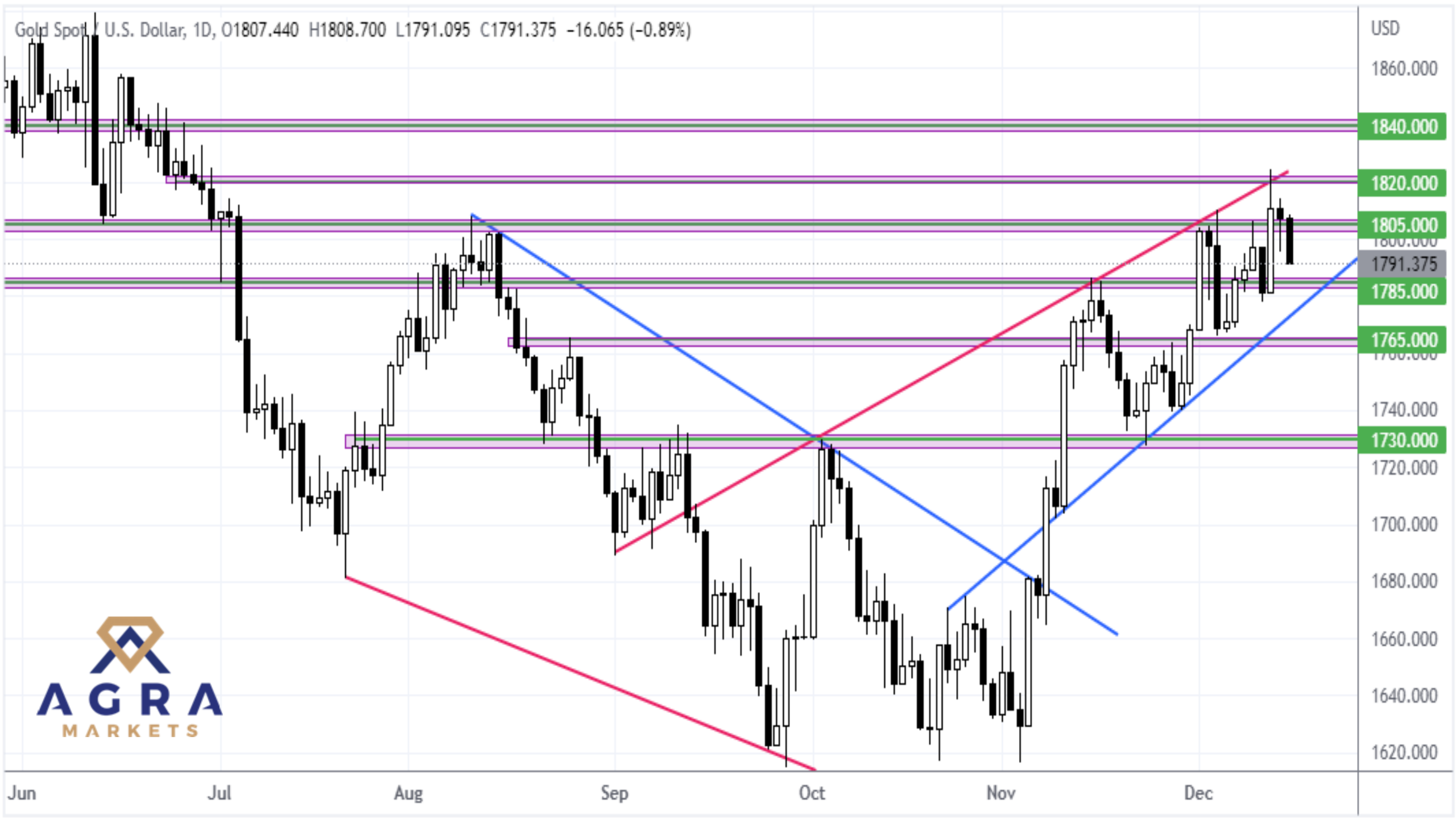


XAUUSD

- The precious metal dropped in the last two days as the US Federal Reserve (Fed) showed readiness to keep the interest rate high while announcing the 50 basis points (bps) rate hike, as expected. Also likely to have weighed the XAU/USD price could be the downbeat Industrial Production and Retail Sales data from China, one of the key customers of Gold.
- Gold has witnessed a strong decline after violating the support of \$1,805 on the downside, which is currently trading near the support of \$1,785 at the press time. The bears are likely to drift the asset lower to \$1,785 and after breaking this level and lower band of 4 hour bullish channel they will aim \$1,765, followed by \$1,730. In case the precious metal rises above \$1,805 and starts using that level as support, it could target \$1,820 and \$1,840.



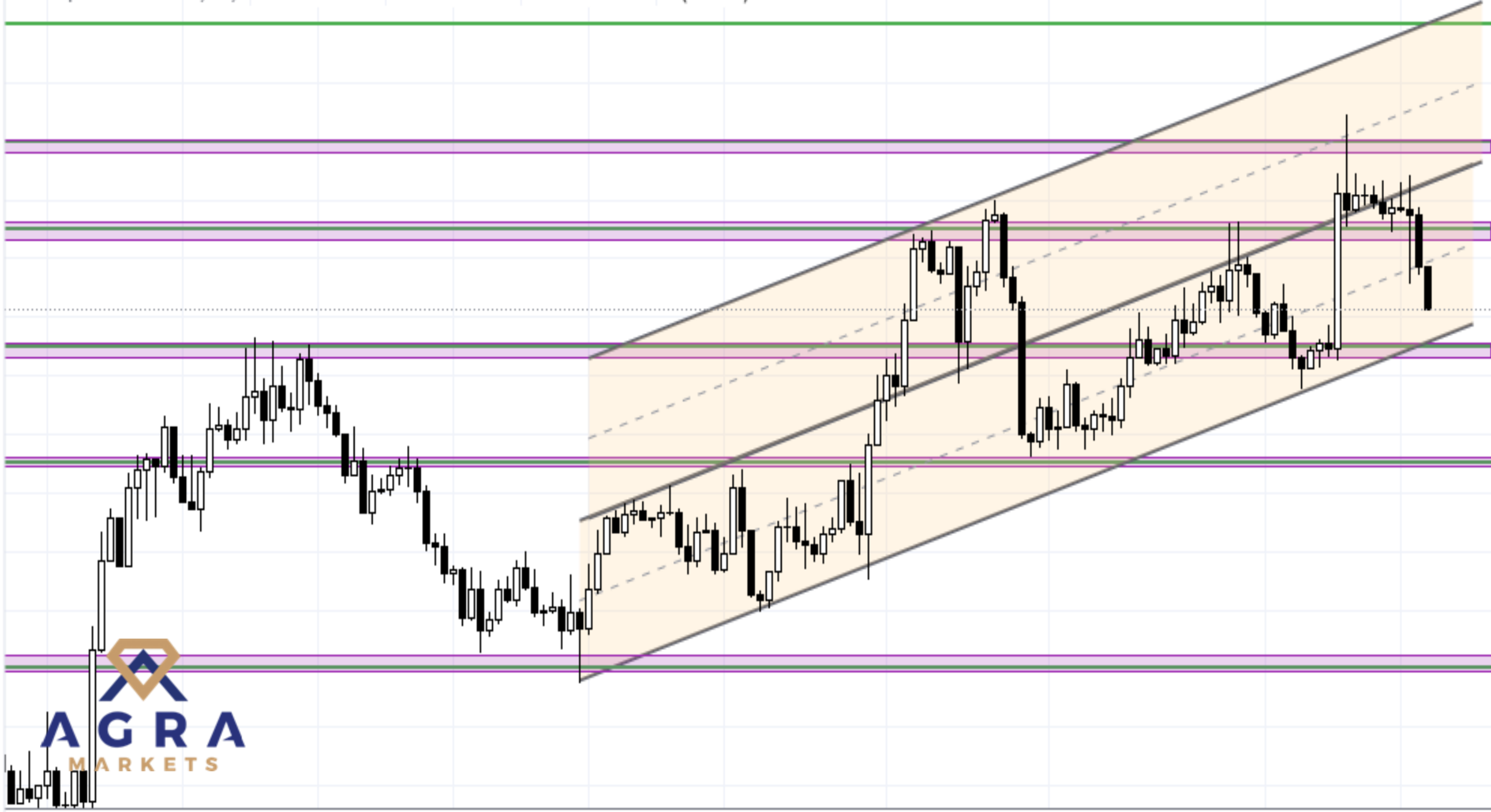
Gold Spot / U.S. Dollar, 1D, O1807.440 H1808.700 L1791.095 C1791.375 -16.065 (-0.89%)



Jun Jul Aug Sep Oct Nov Dec

Gold Spot / U.S. Dollar, 4h, O1798.525 H1798.745 L1791.095 C1791.185 -7.340 (-0.41%)

USD
1840.000
1830.000
1820.000
1810.000
1800.000
1791.185
1785.000
1780.000
1770.000
1765.000
1760.000
1750.000
1740.000
1730.000
1720.000
1710.000



14:00 14 14:00 21 14:00 28 Dec 6 12 14:00





+
S&P
+



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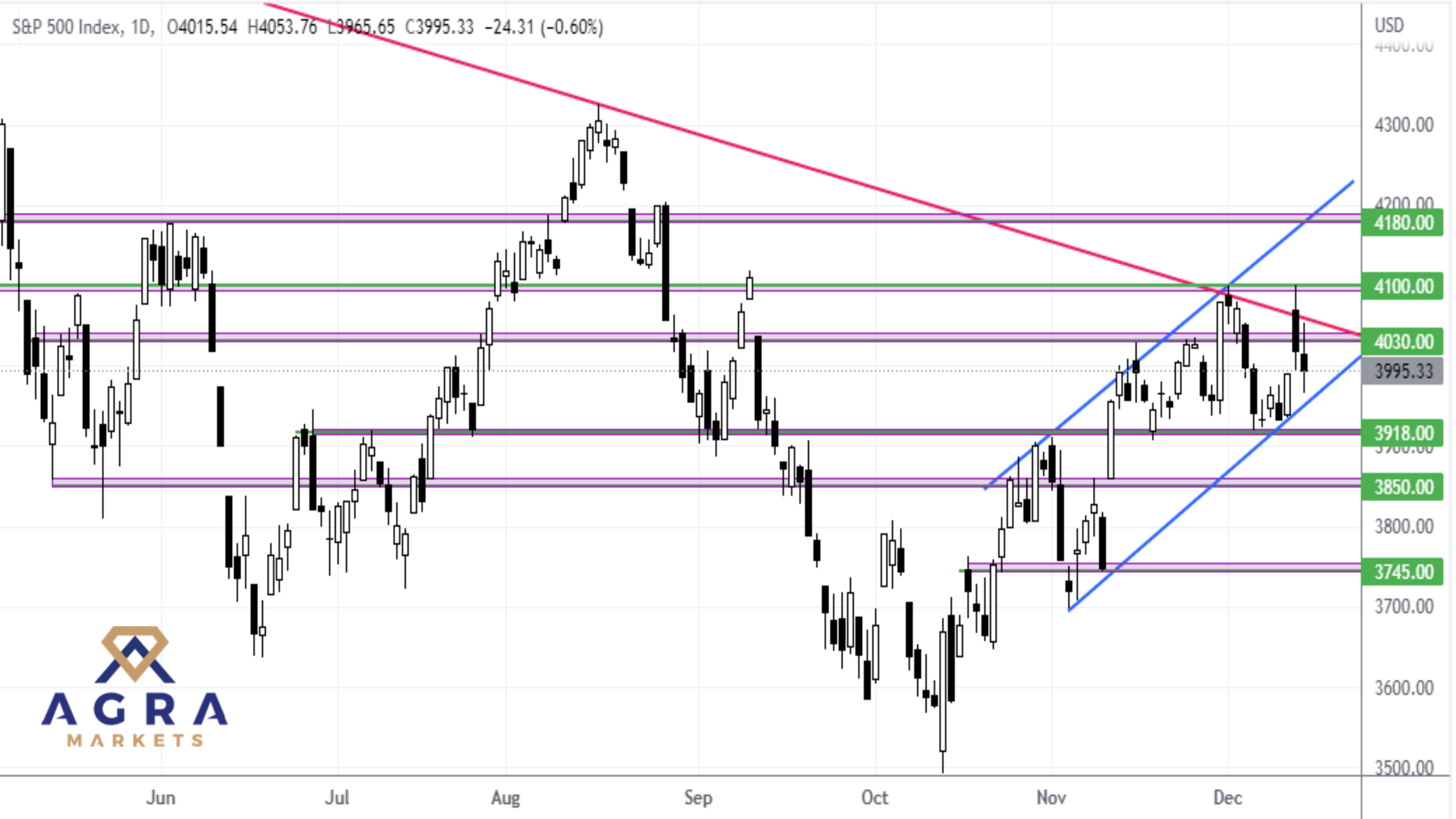


S&P

- U.S. stocks closed lower in volatile trading on Wednesday. Overnight, the U.S. S&P 500 lost 0.61%. Nearly all of the 11 major S&P sectors ended the session in negative territory, with healthcare the sole advancer. Financials, down 1.29%, were the worst performing sector.
- U.S. Treasury yields remained depressed and the curve deeply inverted as traders continued to fret that tighter policy would trigger a recession.
- S&P 500 has dropped after a pullback move to the broken level of 4,030 while trapped between there and support of 3,918. The asset might accelerate the downfall back towards the 3,918 before dropping to challenge the level of 3,850. However, the upside momentum needs validation from the double tops near 4,100 to retake control.



S&P 500 Index, 1D, O4015.54 H4053.76 L3965.65 C3995.33 -24.31 (-0.60%)



S&P 500 Index, 4h, O4041.23 H4053.76 L3965.65 C3995.33 -46.00 (-1.14%)

USD

4200.00
4180.00
4150.00
4100.00
4050.00
4030.00
3995.33
3950.00
3918.00
3900.00
3850.00
3800.00
3745.00
3700.00
3650.00
3600.00
3550.00
3500.00



Sep 19 Oct 17 Nov 14 Dec 12



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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