



Market *Analysis*

24/02/2023

NEWS ANALYSIS

- US Dollar Index (DXY) bulls struggle to keep the reins around mid-104.00s, following a run-up to refresh the seven-week high to 104.78 mark after mixed United States figures.
- On the one hand, the annualized pace of growth in the country was downwardly revised to 2.7% from 2.9% in the last quarter of 2022. On the other, inflationary pressures in the same period were higher than previously estimated, as Personal Consumption Expenditure Prices rose by 3.7% QoQ, while the core inflation rate came in at 4.3% higher than the 3.9% gain from the third quarter of 2022.
- Market players are now waiting for final readings of Germany's fourth quarter (Q4) Gross Domestic Product (GDP) and GfK Consumer Confidence data ahead of the US January Personal Consumption Expenditures Price Index. January New Home Sales data and FedSpeak will also be watched closely by market participants.





EURUSD



FOREX



NG



ES



CT

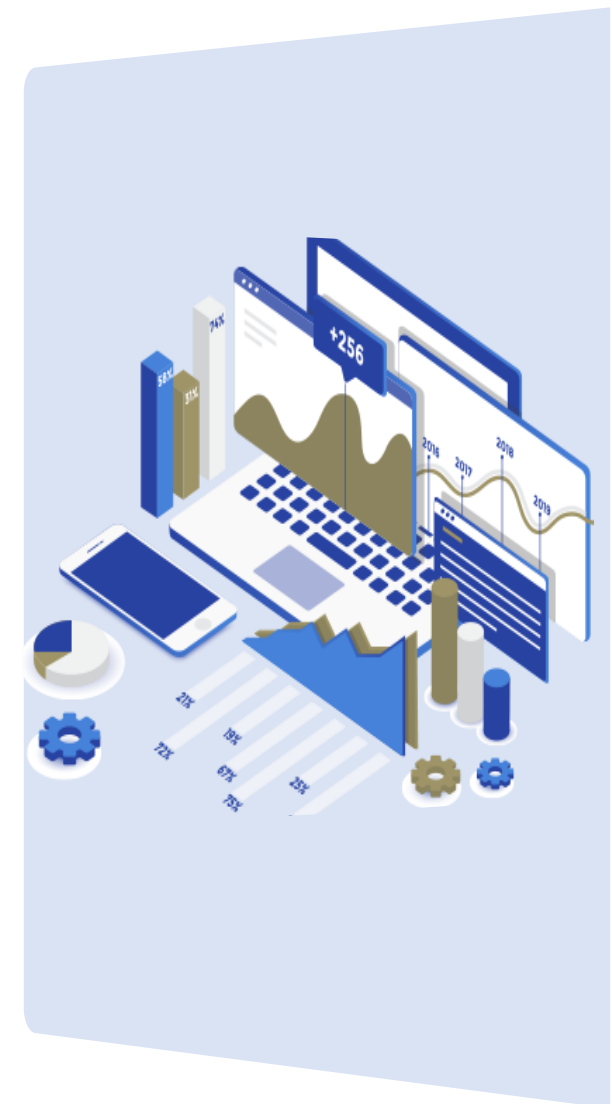


BB

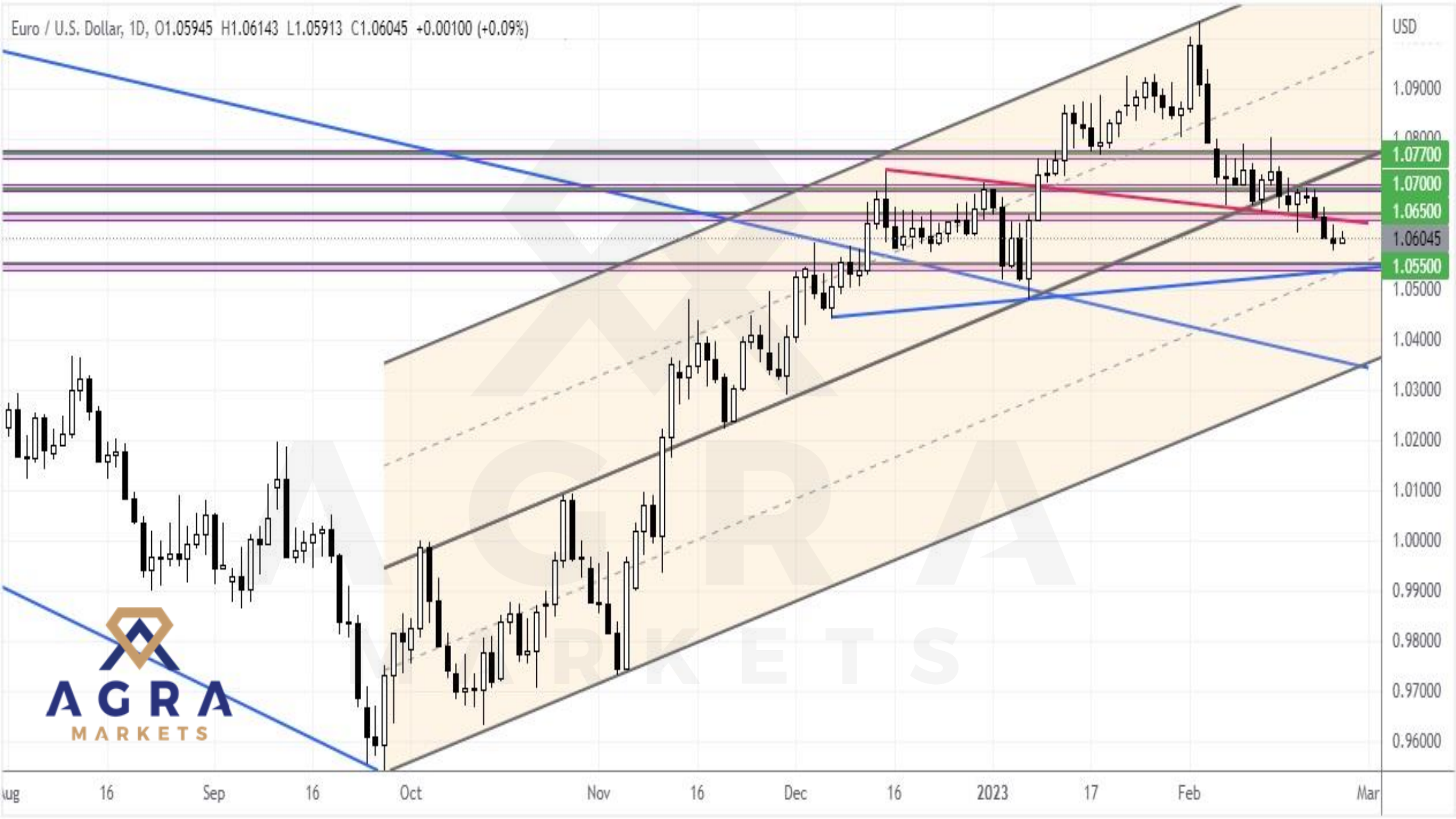


EURUSD

- EUR/USD bears take a breather around 1.0600 during early Friday after four consecutive days of falling.
- The Euro Zone published the final estimate of the January Harmonized Index of Consumer Prices (HICP), confirmed at 8.6% YoY. However, the core reading was upwardly revised to 5.3% from a preliminary estimate of 5.2%.
- “Europe is thinking and working on new sanctions on Russia,” French Finance Minister Bruno Le Maire said while speaking at the G20 meeting on Friday.
- As long as the asset remains below the resistance of 1.0650, bears take control and investors could use any recovery as a selling opportunity to the support of 1.0550. On the contrary, bulls will dominate the asset if main pair oversteps the downtrend line near 1.0650. This will push the asset to reclaim its recent week high at 1.0700.



Euro / U.S. Dollar, 1D, O1.05945 H1.06143 L1.05913 C1.06045 +0.00100 (+0.09%)



USD
1.09000
1.08000
1.07700
1.07000
1.06500
1.06045
1.05500
1.05000
1.04000
1.03000
1.02000
1.01000
1.00000
0.99000
0.98000
0.97000
0.96000

Aug 16 Sep 16 Oct 16 Nov 16 Dec 16 2023 17 Feb Mar

Euro / U.S. Dollar, 4h, O1.06012 H1.06063 L1.05947 C1.06048 +0.00036 (+0.03%)



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+

GBPUSD

+



FOREX



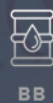
NG



ES



CT



BB



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GBPUSD

- The GBP/USD pair is displaying a minor recovery move after breaking the uptrend line on Thursday.
- Bank of England (BoE) policymaker Catherine Mann dictated on Thursday that the central bank should not consider the rate peak for now as the inflation figure is still in double-digits despite pushing rates to 4%.
- Shortage of labor and absence of signs of easing labor cost index looks sufficient to underpin inflationary pressures further.
- Technically, investors should use the pullback towards the resistance of 1.2050 as a selling opportunity. This will drag cable towards 1.1950, followed by the downward-sloping support line from Feb 07 low. On the flip side, bulls need to surpass the downtrend line near 1.2150 to aim for the level of 1.2300.



British Pound / U.S. Dollar, 1D, 01.20108 H1.20332 L1.20024 C1.20269 +0.00161 (+0.13%)



USD
1.24500
1.24000
1.23000
1.21500
1.20500
1.20269
1.19500
1.18400
1.18000
1.16000
1.14000
1.12000
1.10000
1.08000
1.06000
1.04000

Sep 19 Oct 17 Nov 15 Dec 19 2023 16 Feb 15 Mar

British Pound / U.S. Dollar, 4h, 01.20163 H1.20305 L1.20130 C1.20297 +0.00134 (+0.11%)

USD



16 14:00 23 26 Feb 6 14:00 13 14:00 20 23

1.24500
1.24000
1.23500
1.23000
1.22500
1.22000
1.21500
1.21000
1.20500
1.20297
1.20000
1.19500
1.19000
1.18400

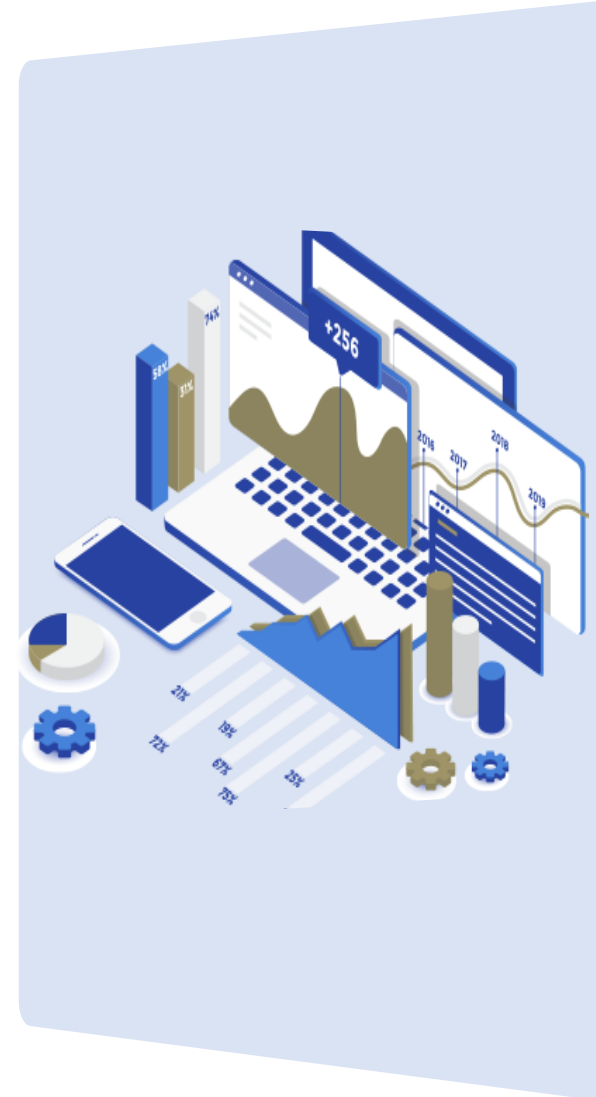


USDJPY



USDJPY

- USD/JPY bears run out of steam after the latest downside move from last day's high around 135.40 as the Yen pair remains well-anchored above the key support levels.
- Bank of Japan Ueda cleared that the decade-high inflation is backed by higher import prices and has nothing to do with the domestic demand and labor cost index, which are extremely weak. Bank of Japan Ueda cited the current policy easing as appropriate to achieve pre-pandemic growth levels.
- Apart from that, the Bank of Japan Ueda cited that the central bank will look for normalization of the stimulant monetary policy after confidently achieving the 2% inflation target. The BoJ Kuroda successor refrained from discussing specifics of the Yield Conversion Control (YCC) for now.
- USD/JPY bulls need to crack the resistance of 135.50 to aim for the confluence of trend lines near 136.50. Alternatively, should the asset drop below the broken upper band of bullish channel, ninja will be reduced to the uptrend line at 133.00.



U.S. Dollar / Japanese Yen, 1D, O134.687 H134.926 L134.060 C134.637 -0.050 (-0.04%)



U.S. Dollar / Japanese Yen, 4h, O134.782 H134.828 L134.577 C134.624 -0.158 (-0.12%)



JPY
136.500
136.000
135.500
135.000
134.624
134.500
134.000
133.000
132.000
131.500
131.000
130.400
130.000
129.000





XAUUSD

+

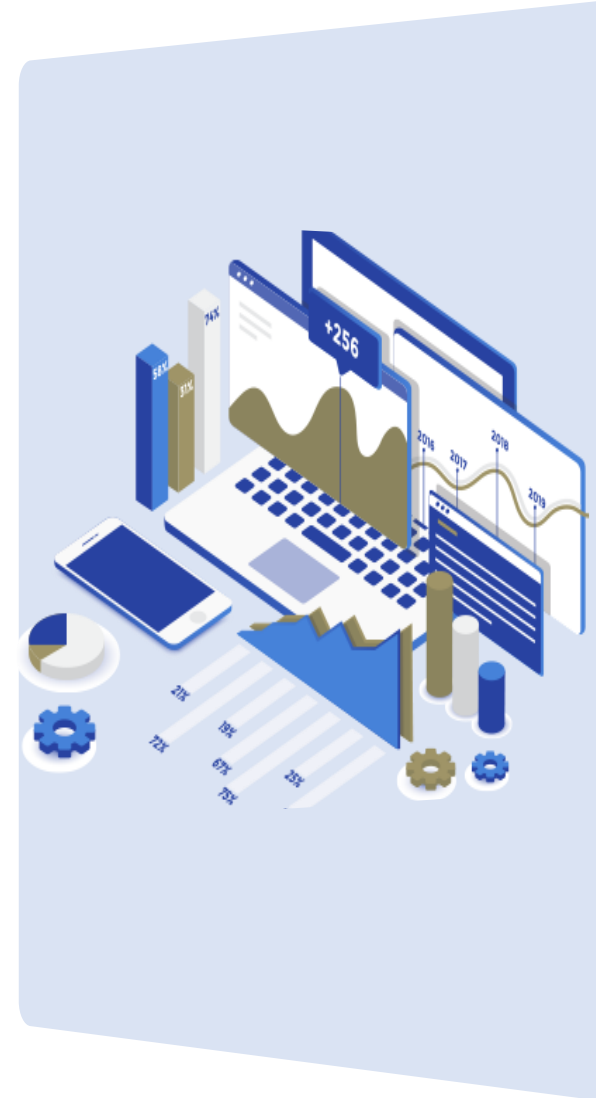
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- ES
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- BB



XAUUSD

- XAU/USD remains on the bears' radar while printing mild gains during early Friday. The yields on US government bonds are still struggling to recover after a severe correction. At the time of writing, the 10-year US Treasury Yields were available at around 3.87%.
- On Thursday, the US Department of Labor reported a surprise decline in the Initial Jobless Claims (IJC) to 193K from Bloomberg's estimates of 200K. Meanwhile, Continuing claims that count individuals who have already received unemployment benefits for a week or more, decreased by 37,000 — the biggest drop since December — to 1.65 million in the week ended Feb. 11, as reported by Bloomberg.
- A minor pullback move towards the resistance of \$1,830 will be an optimal selling opportunity for investors, which will drag the precious metal towards \$1,800. On the flip side, bulls could regain control if the asset oversteps the downtrend line confidently. An occurrence of the same will drive the asset towards \$1,860.



Gold Spot / U.S. Dollar, 1D, O1822.300 H1827.885 L1822.260 C1826.045 +3.745 (+0.21%)

USD



15 Sep 19 Oct 17 Nov 15 Dec 15 2023 17 Feb 15 Mar

Gold Spot / U.S. Dollar, 4h, O1826.145 H1827.885 L1824.425 C1825.655 -0.490 (-0.03%)

USD
1960.000
1940.000
1920.000
1900.000
1880.000
1860.000
1840.000
1830.000
1825.655
1820.000
1800.000



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S&P

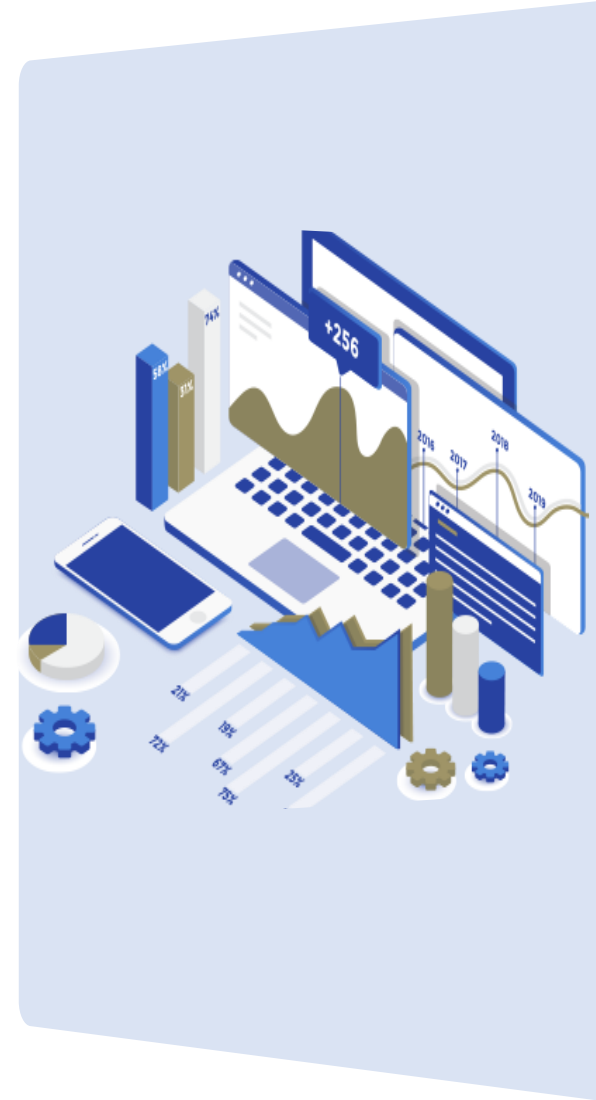


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S&P

- Wall Street's three major indexes displayed back and forth moves on Thursday with mixed US economic data.
- However, U.S. stocks closed on the positive side and S&P 500 gains 0.53%. In S&P sectors tech, with help from chips, was the biggest gainer followed by energy which rose with oil prices on expectations of steep cuts to Russian production next month which weighed against demand concerns.
- Bulls need to surpass the resistance of 4,050 to accelerate bullish move towards 4,100. On the downside, the uptrend line near 3,950 will restrict further losses of index.



S&P 500 Index, 1D, O4018.60 H4028.30 L3969.19 C4012.33 +21.27 (+0.53%)

USD



4300.00

4200.00

4150.00

4100.00

4050.00

4012.33

4000.00

3950.00

3900.00

3800.00

3700.00

3600.00



Jul

Aug

Sep

Oct

Nov

Dec

2023

Feb

Mar

S&P 500 Index, 4h, O3982.58 H4021.98 L3979.40 C4012.33 +29.84 (+0.75%)



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14 21 Dec 12 19 2023 10 23 Feb 13 21

USD
4200.00
4160.00
4150.00
4120.00
4100.00
4080.00
4050.00
4040.00
4012.33
4000.00
3950.00
3920.00
3880.00
3840.00
3800.00
3760.00
3720.00
3680.00
3640.00



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