

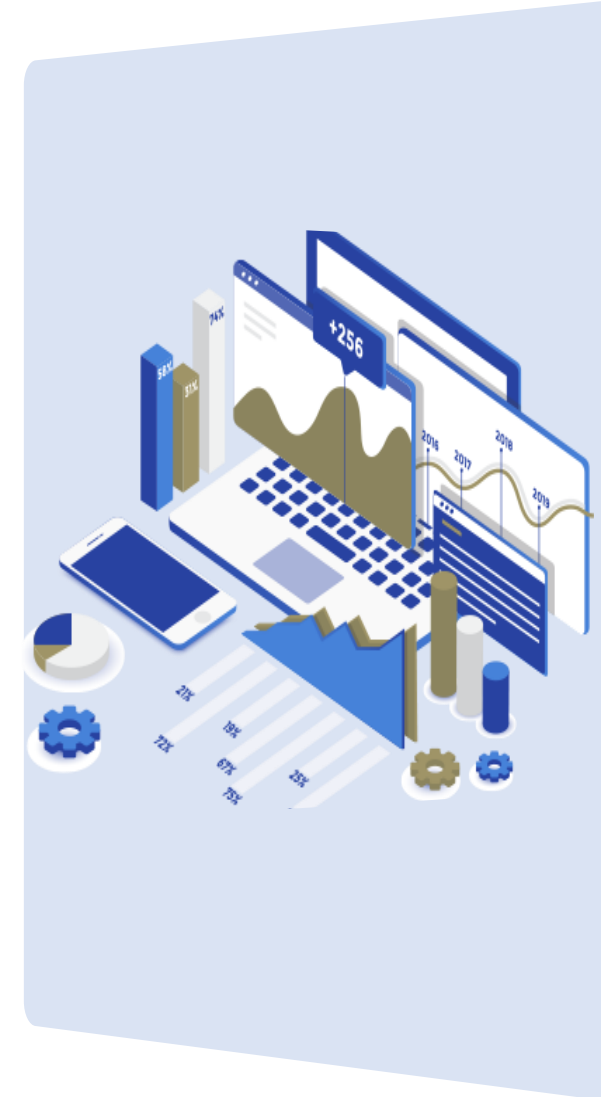


Market Analysis

03/05/2023

NEWS ANALYSIS

- The dollar index eased below 101.9 on Wednesday, extending losses from the previous session as weaker-than-expected jobs data, concerns over the debt ceiling and banking sector risks piled on fears that the US economy could be headed for a recession. U.S. job openings fell for a third straight month in March and layoffs increased to the highest in more than two years, data showed on Tuesday, offering some hope that the softening in the labour market could aid the Fed's fight against inflation.
- Markets are expecting rate cuts towards the end of the year due to the stress in the U.S. banking system. But, the Fed might seek to downplay the prospect for lower rates as data is showing that while the U.S. economy is slowing, it is not slowing fast enough to bring inflation back to the 2% target. The Fed is unlikely to be ready to declare the end of tightening for this cycle and run the risk of the data forcing its hand to make a U-turn.
- Still, the Federal Reserve is widely expected to deliver another 25 basis point interest rate hike on Wednesday, though analysts remain divided on whether the central bank would keep borrowing costs elevated for the remainder of the year or start cutting rates in the second half.





+

EURUSD

+



FOREX



NG



ES



CT



BB



EURUSD

- EUR/USD prints mild gains around 1.1030 while extending the previous day's rebound from the lower band of the 4-hour bullish channel amid early Wednesday.
- The first readings of Eurozone inflation, per the Harmonized Index of Consumer Prices (HICP), rose to 7.0% YoY in April versus 6.9% market forecasts and previous readings. However, the ECB's preferred inflation gauge, namely the Core HICP, eased to 5.6% during the stated period versus 5.7% analysts' estimations and previous readings.
- The main pair is expected to remain in the grip of bulls and move towards the top of the 4-hour bullish channel, followed by 1.1150. Alternatively, sellers need to find a strong foothold below the 1.0900 support to challenge the blue uptrend line.



EURUSD, 1D, O1.09987 H1.10299 L1.09969 C1.10285 +0.00298 (+0.27%)



USD
1.11500
1.10300
1.10285
1.10000
1.09000
1.08000
1.06000
1.04000
1.02000
1.00000
0.98000
0.96000



ACRA
MARKETS

Oct Nov Dec 2023 Feb Mar Apr May

EURUSD, 4h, O1.10173 H1.10299 L1.10128 C1.10287 +0.00114 (+0.10%)

USD



1.11500

1.11000

1.10300

1.10287

1.10000

1.09500

1.09000

1.08500

1.08000

1.07500

1.07000

1.06500



13:00 27 13:00 Apr 13:00 10 13:00 17 13:00 24 13:00 May 13:00



+

GBPUSD

+



FOREX



NG



ES



CT



BB

MetaTrader4



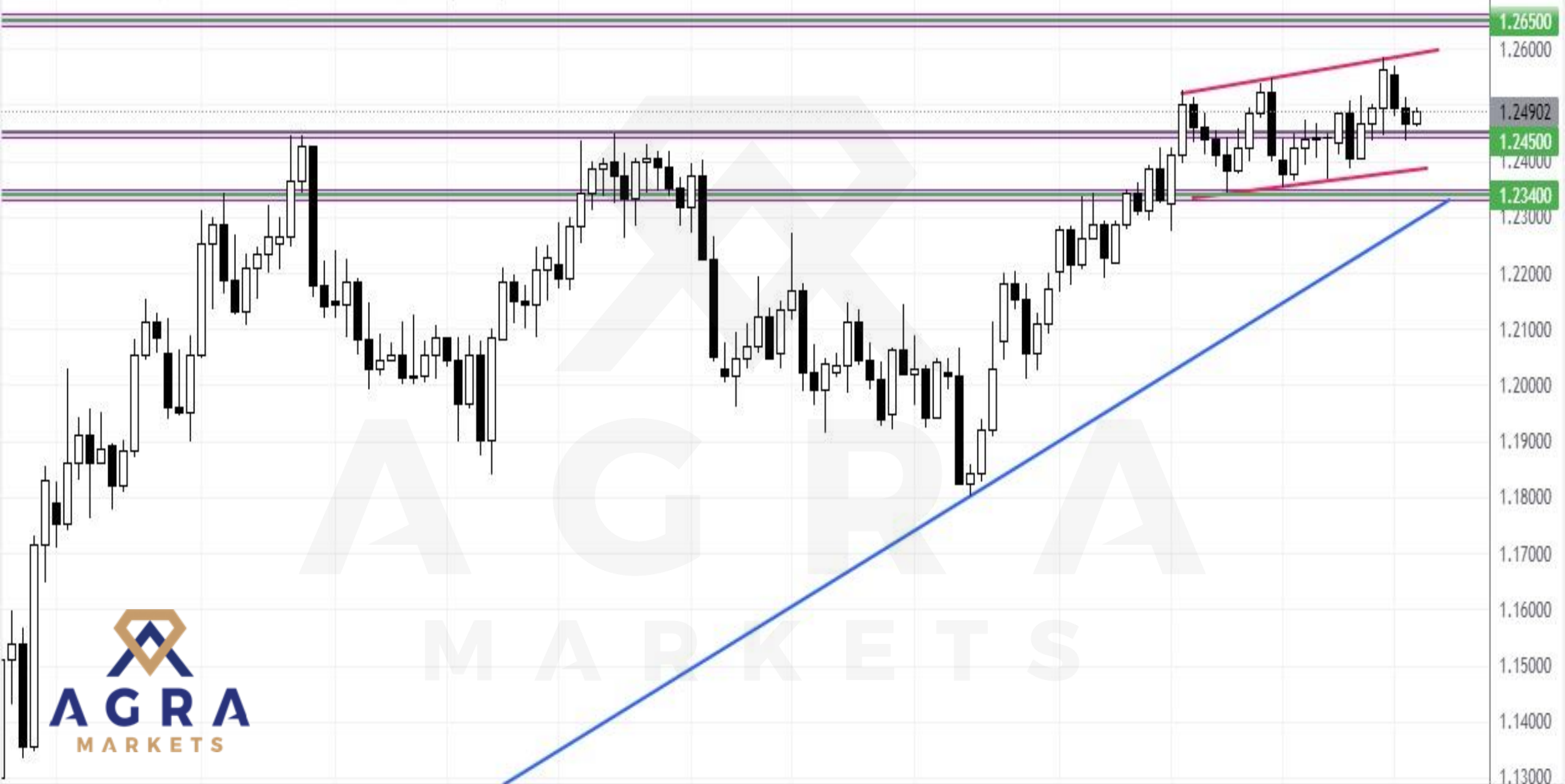
GBPUSD

- The GBP/USD pair seesaws around 1.2490 after a recovery move from the short-term uptrend line.
- The Bank of England's (BoE) more than 10% inflation contradicts the comparatively sluggish inflation data from the US, which in turn adds strength to the GBP/USD upside.
- The UK Manufacturing PMI is revised higher and finalized at 47.8 for April as compared to the 46.6 estimated in the flash reading.
- The bulls are likely to drift GBP/USD higher to the top of the 4-hour bullish channel and after breaking this level they will aim for the 1.2650 level. On the flip side, should GBP/USD drop below the 1.2450 support, the lower band of channel could act as the last defense for the buyers.



GBPUSD, 1D, O1.24665 H1.24934 L1.24596 C1.24902 +0.00237 (+0.19%)

USD



1.26500
1.26000
1.24902
1.24500
1.24000
1.23400
1.23000
1.22000
1.21000
1.20000
1.19000
1.18000
1.17000
1.16000
1.15000
1.14000
1.13000



14 Dec 19 2023 16 Feb 14 Mar 20 Apr 17 May

GBPUSD, 4h, O1.24821 H1.24934 L1.24769 C1.24913 +0.00092 (+0.07%)

USD
1.26000
1.25500
1.25000
1.24913
1.24500
1.24000
1.23500
1.23400
1.23000
1.22500
1.22000



13:00 27 13:00 Apr 13:00 10 13:00 17 13:00 24 13:00 May 13:00



USDJPY



USDJPY

- The USD/JPY pair extends the previous day's sharp retracement slide from two-month high and remains under heavy selling pressure for the second successive day on Wednesday.
- The overnight release of the US Job Openings and Labor Turnover Survey (JOLTS) indicated that the ultra-tight US job market is loosening. Apart from this, concerns over the US debt ceiling and renewed fears of a full-blown banking crisis continue to weigh on the Greenback.
- That said, a big divergence in the monetary policy stance adopted by the Bank of Japan (BoJ) and the Federal Reserve (Fed) could help limit the downside for the USD/JPY pair, at least for the time being.
- Bears currently aim for the middle band of the daily channel as an immediate target during further losses. However, the support of 135.00 will be a tough nut to crack for the pair's bears afterward. On the contrary, bulls need to surpass the resistance of 138.00 to retake control.



USDJPY, 1D, O136.568 H136.614 L135.920 C136.084 -0.484 (-0.35%)

JPY



144.000

142.000

140.000

138.000

136.084

135.000

134.000

132.000

130.000

128.000



4

Dec

19

2023

16

Feb

14

Mar

20

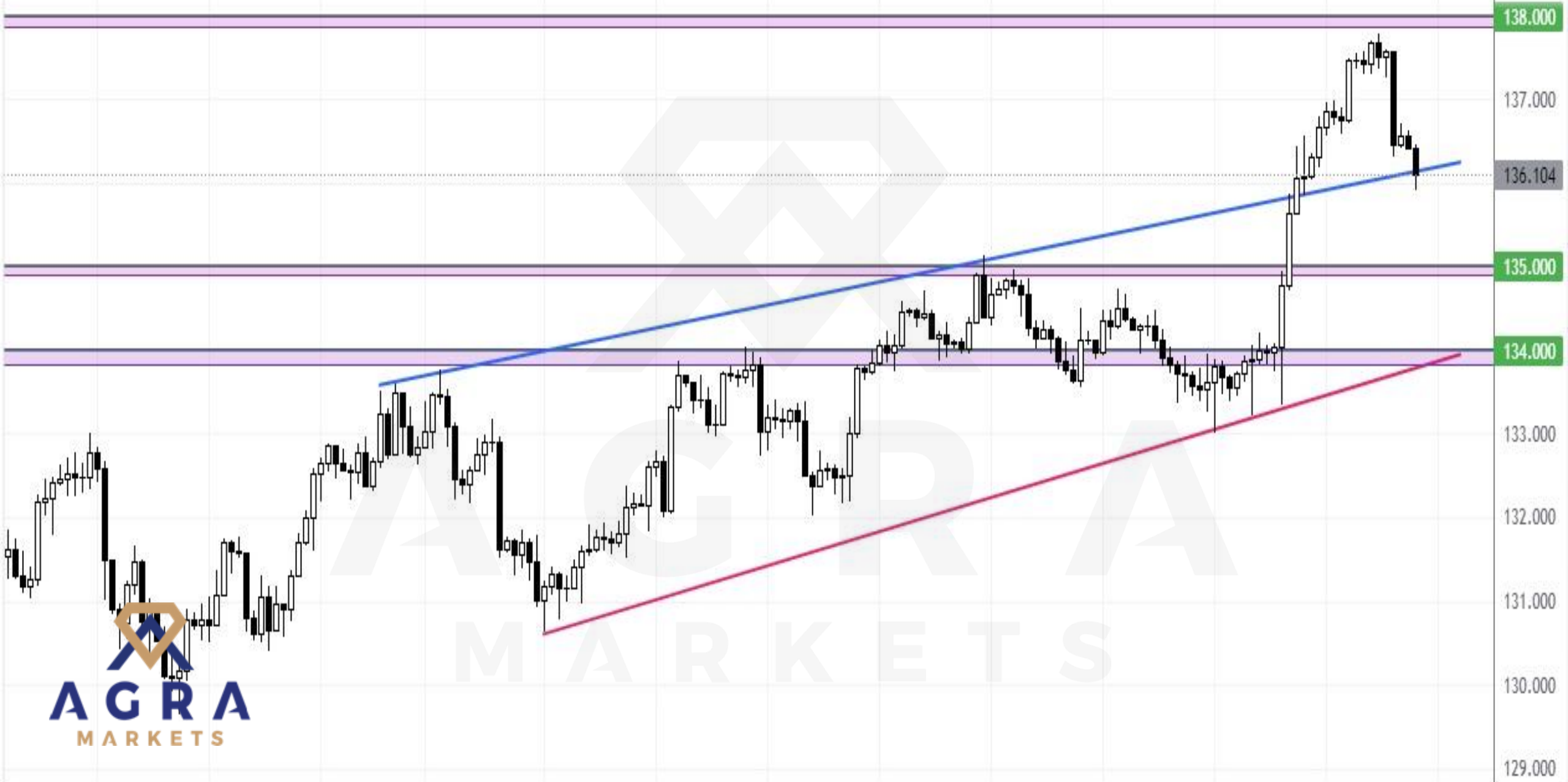
Apr

17

May

USDJPY, 4h, O136.408 H136.457 L135.920 C136.104 -0.304 (-0.22%)

JPY



13:00 27 13:00 Apr 13:00 10 13:00 17 13:00 24 13:00 May 13:00

138.000
137.000
136.104
135.000
134.000
133.000
132.000
131.000
130.000
129.000



+

XAUUSD

+

-  FOREX
-  NG
-  ES
-  CT
-  BB



XAUUSD

- Gold mining stocks posted broad gains along with the price of the metal Tuesday, as investors flocked to safe havens from the fallout over First Republic Bank's failure and the Federal Reserve's upcoming meeting, where another interest rate hike is expected. The gold market is telling us that the Fed is close to ending its tightening cycle, and that bond yields will remain under pressure as economic growth slows down.
- The inflation expectations were little changed but the returns for supposed risk-free assets like US government debt were sort after. The perceived haven status of the yellow metal also appeared to benefit from the market's mood.
- The yellow metal has shifted into a bullish range which signals a fresh impulsive wave going forward. Should the asset continue to rise, the price will start marching decisively towards \$2,070. On the flip side, Gold bulls can lose strength if the asset drops below \$2,010, which will drag the asset towards \$1,960, followed by the support of \$1,920.



XAUUSD, 1D, O2016.600 H2019.590 L2014.255 C2017.545 +0.945 (+0.05%)

USD



Nov 15 Dec 15 2023 17 Feb 15 Mar 20 Apr May

XAUUSD, 4h, O2016.375 H2019.590 L2015.855 C2017.455 +1.080 (+0.05%)

USD



13 20 27 Apr 10 17 24 May

1940.000
1960.000
2000.000
2010.000
2020.000
2040.000
2060.000
2070.000



S&P



MetaTrader4



S&P

- Stock indexes Tuesday posted moderate losses on concern about the health of the U.S. banking system and the debt ceiling impasse. Also, energy stocks were hammered Tuesday after the price of WTI crude plunged more than -5% to a 5-week low. The S&P 500 Index Tuesday closed down -1.16%.
- While investors worry that the Fed's aggressive rate hikes will tip the U.S. economy into recession, discussions on recent quarterly conference calls may be hinting that corporations and analysts have become a bit less concerned. With first-quarter reports over halfway through, analysts see aggregate earnings for S&P 500 companies declining 1.4% year over year, according to IBES data from Refinitiv Tuesday. Before companies began to report at the start of April, Wall Street had been bracing for a 5.1% drop.
- If the responsive sellers attack the index here, it will drop to the 4-hour uptrend line. A breach of the latter will drive the asset to the level of 4,040. Alternatively, in case of returning the price above the resistance of 4,120, it will rise to 4,200.



SPX, 1D, O4164.10 H4164.10 L4089.72 C4119.57 -48.31 (-1.16%)

USD



4300.00

4200.00

4120.00

4119.57

4100.00

4040.00

4000.00

3900.00

3800.00

3700.00

3600.00

3500.00



Sep

Oct

Nov

Dec

2023

Feb

Mar

Apr

May

SPX, 4h, O4113.85 H4126.55 L4109.43 C4119.57 +5.75 (+0.14%)

USD



4200.00

4160.00

4120.00

4119.57

4080.00

4040.00

4000.00

3960.00

3920.00

3880.00

3840.00

3800.00

3760.00

3720.00



21 2023 23 Feb 13 Mar 13 22 Apr 17 May



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