



Market Analysis

12/06/2023

NEWS ANALYSIS

- The dollar steadied marginally on Monday but remained near multi-week lows against some major currencies as traders stayed on guard ahead of monetary policy decisions due this week from several central banks, including the Federal Reserve. The dollar index steadied above 103.5 on Monday as investors geared up for US inflation data and the Federal Reserve's interest rate decision this week. Last week, the index lost 0.5% as softer-than-expected economic data supported the case for a pause in the Fed's tightening cycle at the upcoming meeting.
- Given the event risks ahead of us, market activity is likely to be relatively muted today. U.S. May inflation data is out on Tuesday as the Fed kicks off its two-day meeting. Any USD move should remain restrained and recent ranges should still hold ahead of FOMC. Perhaps a softer (inflation) print can negate USD's bullish pressure.
- Money markets are leaning towards a pause from the Fed when it announces its interest rate decision on Wednesday, expectations that sent Wall Street surging to a 13-month high on Friday as risk sentiment improved.





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EURUSD

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EURUSD

- EUR/USD is moving lower below 1.0750 and correcting the previous week's bullish move heading into Monday's European session.
- Although the EUR/USD is retreating from weekly highs, it is set to continue to strengthen, with two central banks set to diverge on their monetary policy stance. In this week, the Federal Reserve is expected to keep rates unchanged at the 5.0-5.25% area. The European Central Bank (ECB) would likely increase rates toward 3.50%, even though the Eurozone (EU) reported a technical recession after printing back-to-back quarters with negative GDP. However, the ECB will continue to tighten monetary conditions, as stressed by Isabel Schnabel, an ECB Governing Council member, who said: "The costs of doing too little (in monetary tightening) continued to be greater than the costs of doing too much."
- The main pair is expected to find significant bids around the lower band of the rising wedge as the downside bias is not backed by wave structure. So after the conclusion of the pullback move, the quote will resume its upside journey towards the top of the pattern. A breach of the latter will drive the asset towards 1.0850, followed by the broken uptrend line near 1.0950. Alternatively, a downside break of the rising wedge will pave the way for additional losses to the bottom of the daily bullish channel.



EURUSD, 1D, O1.07460 H1.07516 L1.07330 C1.07400 -0.00081 (-0.08%)



EURUSD, 4h, O1.07452 H1.07459 L1.07330 C1.07389 -0.00063 (-0.06%)



0 17 24 May 8 15 22 26 Jun 13:00 12



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GBPUSD

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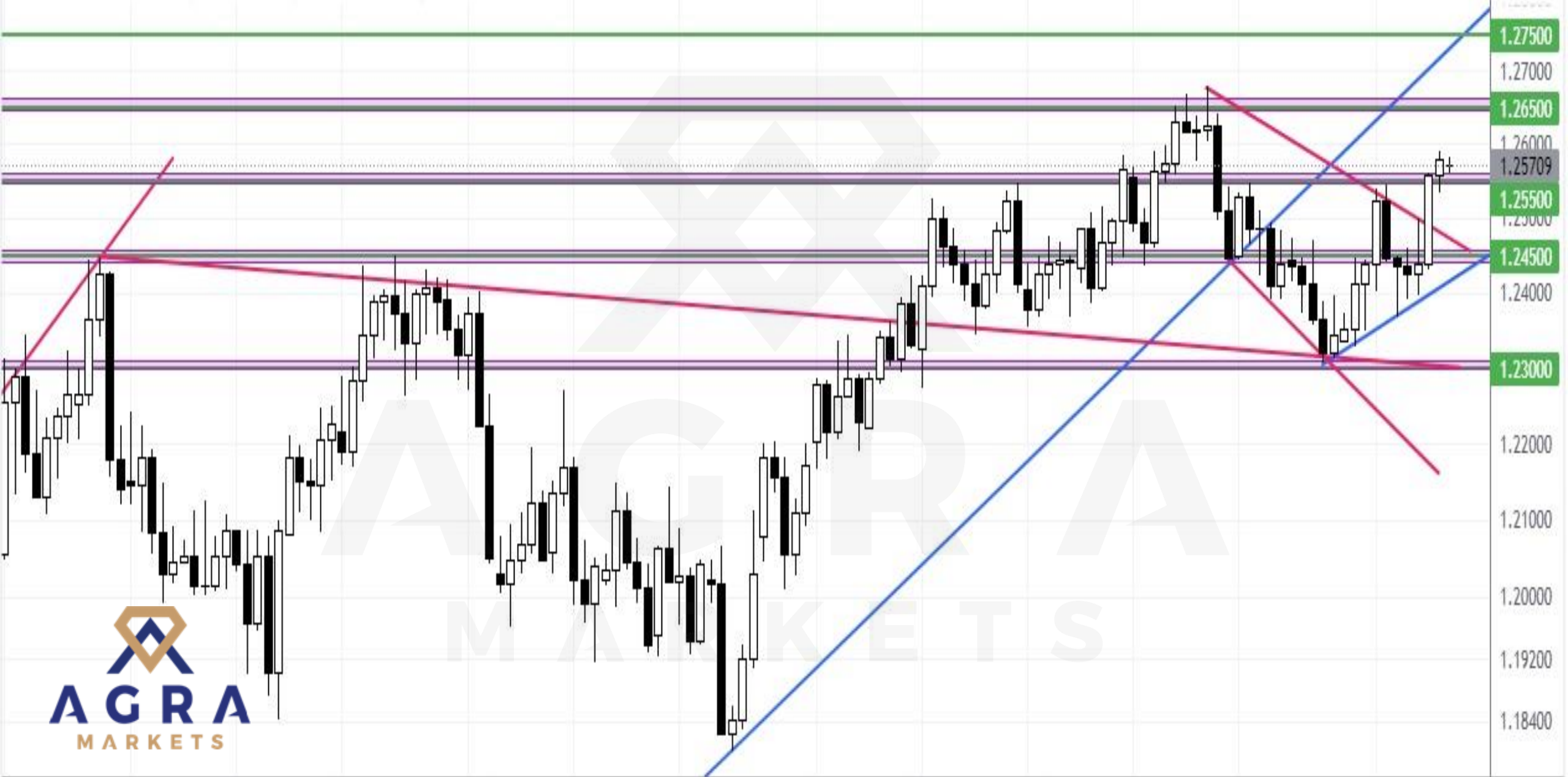


GBPUSD

- The GBP/USD pair kicks off the new week on a subdued note and consolidates its recent gains to a one-month high touched on Friday.
- Investors are awaiting the release of the United Kingdom Employment data (May). As per the estimates, Claimant Count Change is seen declining by 9.6K vs. a sheer addition of 46.7K reported in April. The Unemployment Rate for three months is seen higher at 4.0% against the prior release of 3.9%.
- Apart from the UK Employment data, the speech from Bank of England (BoE) Governor Andrew Bailey will be in focus. BoE Bailey is likely to provide cues about the likely monetary policy action ahead.
- The asset is likely to find a bullish impulsive wave after completing its correction to the resistance-turned-support of 1.2550 and move towards the 1.2650 level. On the contrary, should the asset drop below the 1.2550 level, the short-term uptrend line around 1.2450 could act as the last defense for the buyers.



GBPUSD, 1D, O1.25720 H1.25825 L1.25613 C1.25709 -0.00078 (-0.06%)



ec 19 2023 16 Feb 15 Mar 20 Apr 17 May 15 Jun

GBPUSD, 4h, O1.25759 H1.25766 L1.25648 C1.25711 -0.00048 (-0.04%)

USD



May 13:00 8 13:00 15 13:00 22 13:00 29 Jun 6 12

1.26500
1.26000
1.25711
1.25500
1.25100
1.24700
1.24500
1.24300
1.23900
1.23500
1.23150
1.23000



+

USDJPY

+



FOREX



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USDJPY

- The USD/JPY pair has turned sideways among a symmetrical triangle after hitting the top of the daily bullish channel in late May.
- The Japanese Yen (JPY) weakens a bit on the first day of a new week in reaction to the dismal domestic data, showing that Japan's Producer Price Index (PPI) decelerated more than anticipated, to 5.1% YoY in May from the 5.9% previous. Adding to this, the Bank of Japan Deputy Governor Masazumi Wakatabe ruled out the possibility of any change in the central bank's monetary policy stance later this week. This, along with a modest mildly positive risk tone, undermines the safe-haven JPY and acts as a tailwind for the USD/JPY pair.
- For more upside, bulls need to surpass the resistance of 140.00, which will send the pair to the top of the daily bullish channel. A breach of the latter will drive the ninja to the 142.50 level. On the contrary, bears can take control if the major plunge below the support of 138.80. This will drag the pair towards 138.00, followed by the uptrend line near 136.50.



USDJPY, 1D, O139.378 H139.646 L139.267 C139.375 -0.003 (-0.00%)

JPY



142.500
142.000
140.000
139.375
138.800
138.000
136.500
136.000
134.000
132.500
131.000
129.500
128.300



19 2023 16 Feb 14 Mar 20 Apr 17 May 15 Jun 19

USDJPY, 4h, O139.406 H139.646 L139.354 C139.355 -0.051 (-0.04%)



JPY
142.500
142.000
141.000
140.000
139.355
138.800
138.000
137.000
136.500
136.000
135.000
134.000
133.000
132.000
131.000



27 Apr 10 17 24 May 8 15 22 Jun 12



XAUUSD



MetaTrader4



XAUUSD

- Gold fell below \$1,960 an ounce in subdued trade on Monday, as caution dominated sentiment ahead of monetary policy meetings scheduled this week for the Federal Reserve, the European Central Bank and the Bank of Japan. Investors also braced for US inflation data this week that could influence the outlook for the economy and interest rates.
- While the Fed is expected to hold their interest rate, they are unlikely to deliver a dovish undertone required to tempt gold bulls back to the table in a meaningful way. Bullion does not appear to be in any hurry to break out of the \$1,935-\$1,985 range. However, if the Fed's message is not as hawkish as expected, it could allow gold to head for the \$1,985-\$2,000 zone.
- The precious metal is trading below the blue downtrend line and the level of \$1,960. Responsive sellers may attack the asset here, which could drag the yellow metal towards \$1,920. Alternatively, a clear upside break of the downtrend line and the resistance of \$1,980, enables the buyers to aim the level of \$2,010.



XAUUSD, 1D, O1960.745 H1960.745 L1954.305 C1957.205 -3.540 (-0.18%)

USD



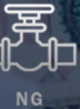
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AGRA MARKETS

XAUUSD, 4h, O1958.360 H1959.595 L1954.305 C1957.970 -0.390 (-0.02%)





S&P



MetaTrader4



S&P

- Wall Street indexes reached their highest level in months, despite some concerns about the global economic outlook. Expectations of a less hawkish Fed contributed to the improvement in market sentiment. US yields ended the week moderately higher, supported mostly by expectations of another rate hike but not in June.
- The S&P 500 closed higher on Friday but off session highs, as a Tesla rally failed to galvanize the broader market on the eve of the Federal Reserve's policy meeting and inflation data next week.
- The price was resisted around the level of 4,300 on Friday. Should the index oversteps that resistance, a bullish reveal will be witnessed which will send the asset towards the level of 4,400. On the contrary, the price will find initiative selling if it slips below 4,200, which will send the index towards 4,100.



SPX, 1D, O4304.88 H4322.62 L4291.70 C4298.87 +4.95 (+0.12%)

USD



AGRA
MARKETS

Oct Nov Dec 2023 Feb Mar Apr May Jun

4400.00
4300.00
4298.87
4200.00
4100.00
4020.00
3940.00
3860.00
3785.00
3705.00
3645.00
3585.00
3525.00

SPX, 4h, O4304.02 H4309.93 L4297.55 C4298.87 -5.08 (-0.12%)

USD



4400.00
4300.00
4298.87
4240.00
4200.00
4160.00
4100.00
4060.00
4000.00
3940.00
3890.00
3840.00
3796.00



Feb 13 Mar 13 22 Apr 17 May 15 Jun 12



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