



Market Analysis

27/06/2023

NEWS ANALYSIS

- The dollar index Monday fell mildly by -0.13% on slightly lower T-note yields. The 10-year T-note yield on Monday fell by -1.9 bp to 3.715%. The dollar Monday failed to see much safe-haven demand from the Wagner Group's aborted insurrection in Russia on Saturday.
- Last week, Federal Reserve Chair Jerome Powell said that further rate increases are likely ahead as inflation remains too high. Other Fed officials mirrored his statements, with San Francisco Fed Bank President Mary Daly suggesting that two more rate hikes this year is a "very reasonable" projection.
- Meanwhile, data released on Friday showed that US private sector activity slowed to a three-month low in June amid a deepening contraction in the manufacturing sector. The dollar also faced pressure from aggressive monetary tightening from other major central banks, with the European Central Bank and the Bank of England raising interest rates further in June.





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EURUSD

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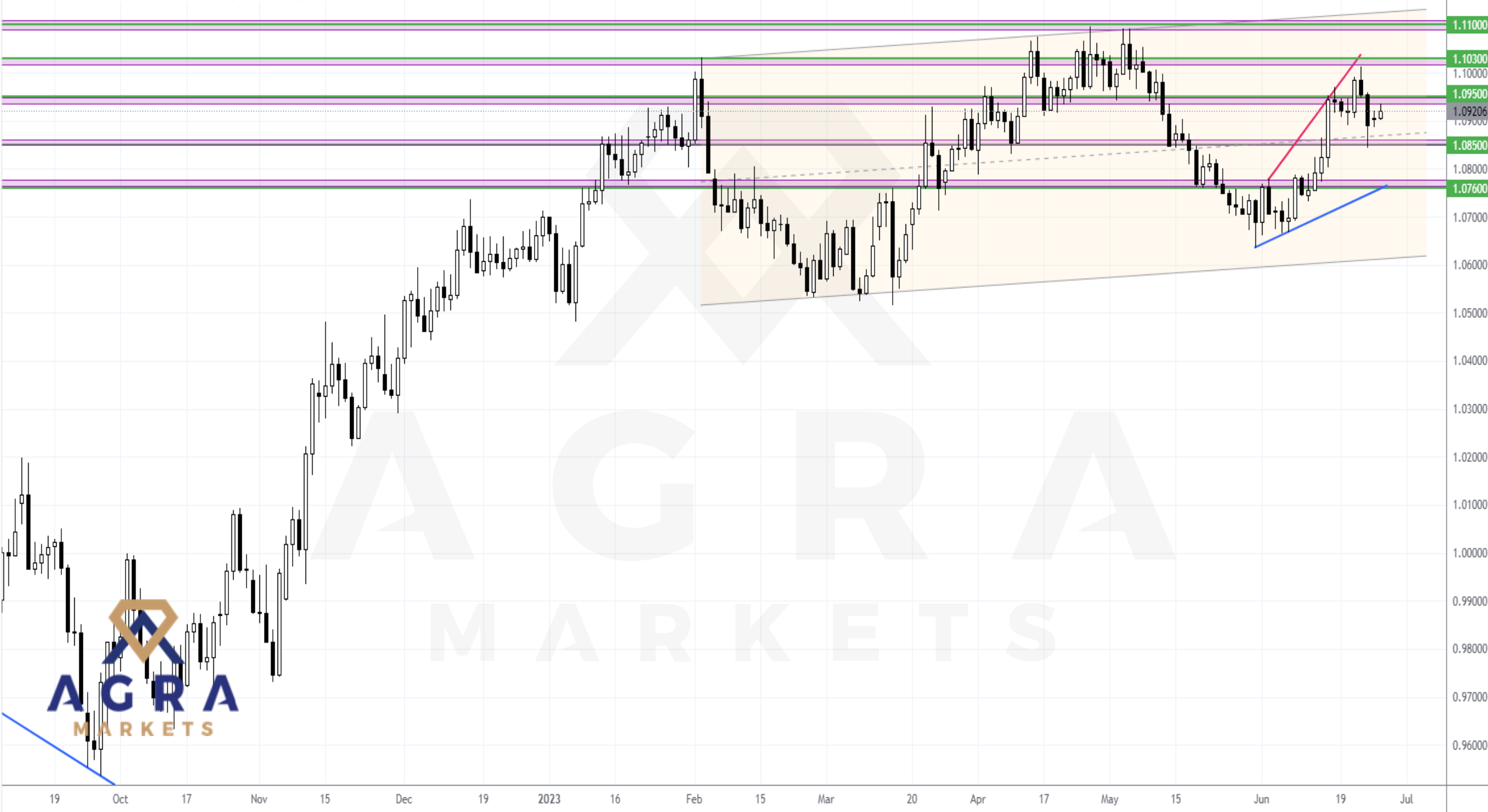
EURUSD

- EUR/USD remains firmer around 1.0920 heading into Tuesday's European session, keeping the week-start rebound from the key horizontal support.
- That said, hawkish comments from the ECB official and optimism by the German bank also allow the EUR/USD bulls to keep the reins. European Central Bank (ECB) policymaker Martin Kazaks recently said that he sees the central bank raising interest rates beyond the July meeting if inflation remains too high.
- On Monday, Germany's Bundesbank ruled out recession woes in its monthly report by saying that the German economy appears to have bottomed out and is forecast to post a small growth in the Gross Domestic Product (GDP) in the second quarter (Q2).
- The asset is expected to face barricades near the 1.0950 level which could drag the major towards the previous week's low around 1.0850, followed by the uptrend line near 1.0760. On the flip side, euro bulls could regain control if the asset oversteps the resistance of 1.1030. This will drive the fiber towards Apr 26 high surrounding 1.1100.



EURUSD, 1D, O1.09057 H1.09351 L1.09019 C1.09206 +0.00149 (+0.14%)

USD

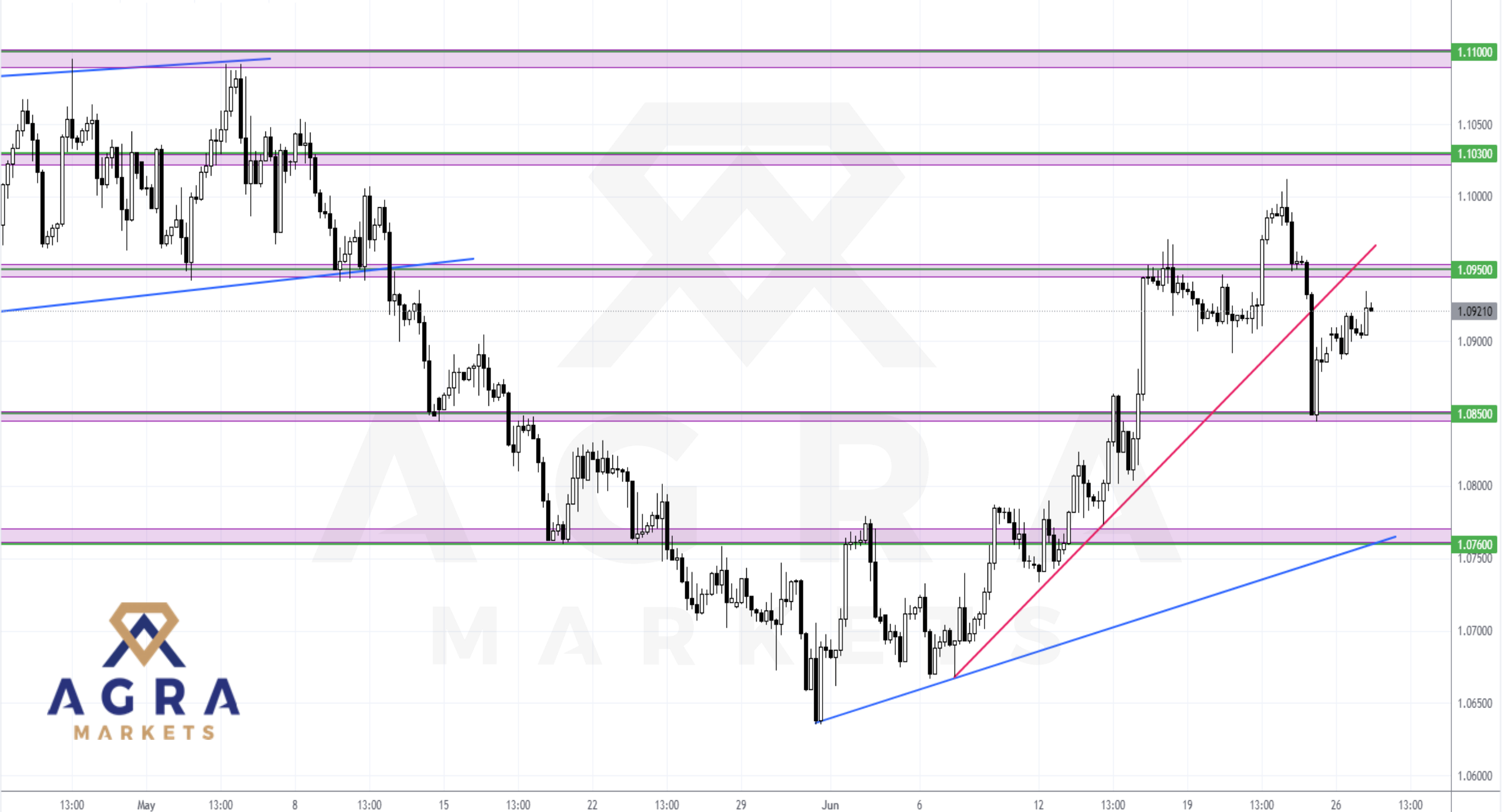


1.11000
 1.10300
 1.10000
 1.09500
 1.09206
 1.09000
 1.08500
 1.08000
 1.07600
 1.07000
 1.06000
 1.05000
 1.04000
 1.03000
 1.02000
 1.01000
 1.00000
 0.99000
 0.98000
 0.97000
 0.96000

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19 Oct 17 Nov 15 Dec 19 2023 16 Feb 15 Mar 20 Apr 17 May 15 Jun 19 Jul





+

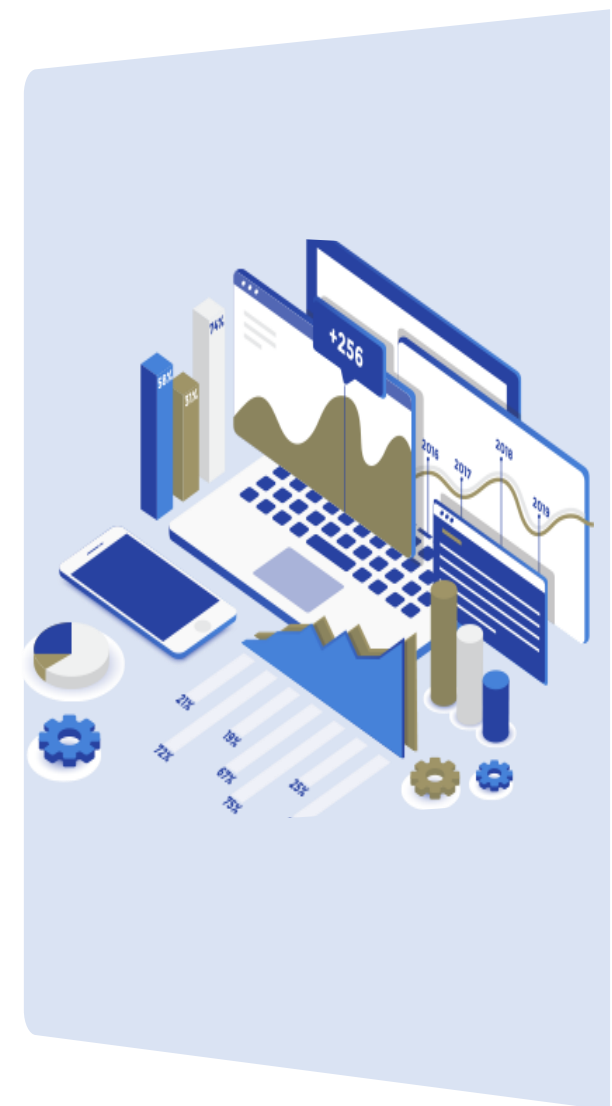
GBPUSD

+



GBPUSD

- The GBP/USD pair pares early Asian losses, rebounding to the short-term downtrend line heading into Tuesday's European session as the United Kingdom's government looking beyond monetary tools to bring down stubborn inflation.
- Last week, hotter-than-expected headline United Kingdom's headline inflation and fresh highs in the core Consumer Price Index (CPI) forced the Bank of England (BoE) to announce a fat rate hike of 50 basis points. Headline inflation remained higher than anticipation as upbeat sales of second-hand automobiles offset a decline in energy prices.
- The sellers need to conquer the resistance-turned-support of 1.2700 to aim for the uptrend line surrounding 1.2550. On the contrary, a sustained move above the short-term downtrend line will direct the cable towards the resistance of 1.2830 and the upward-sloping resistance line plotted from Apr 04.

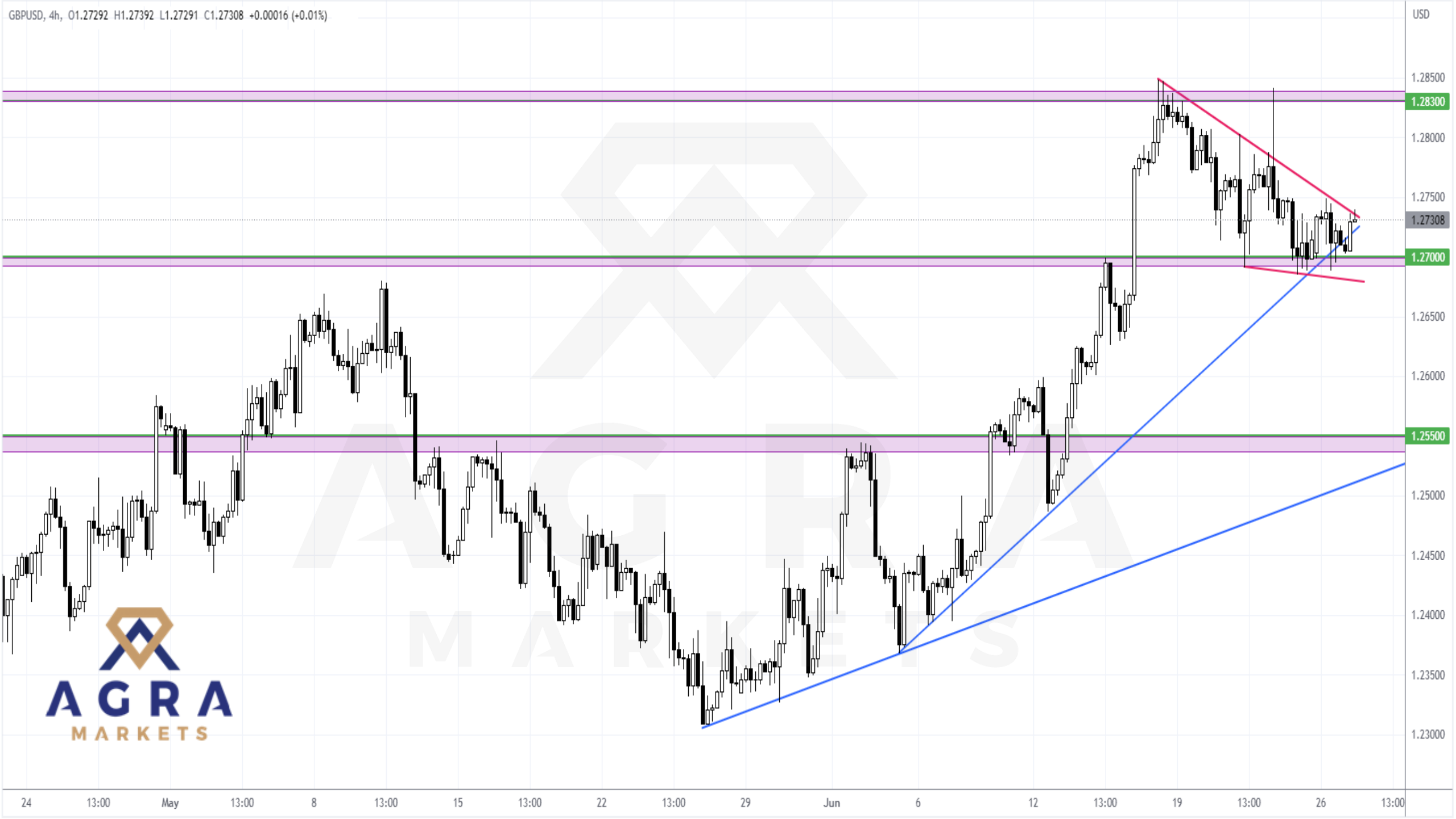




1.30000
1.28300
1.27339
1.27000
1.26000
1.25500
1.24000
1.22000
1.20000
1.18000
1.16000
1.14000
1.12000
1.10000
1.08000
1.06000
1.04000



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USD
1.28500
1.28300
1.28000
1.27500
1.27308
1.27000
1.26500
1.26000
1.25500
1.25000
1.24500
1.24000
1.23500
1.23000

24 13:00 May 13:00 8 13:00 15 13:00 22 13:00 29 Jun 6 12 13:00 19 13:00 26 13:00



USDJPY



USDJPY

- The USD/JPY pair takes the bids to refresh intraday high near 143.62 as investors are hoping that the Bank of Japan (BoJ) will continue to keep the monetary policy dovish in order to attain sustainable 2% inflation.
- It is worth recalling that BoJ Governor Kazuo Ueda recently ruled out the possibility of any change in ultra-loose policy settings. In contrast, Fed Chair Jerome Powell, during his two-day congressional testimony last week, reiterated that the central bank will likely raise interest rates again this year, albeit at a "careful pace", to contain high inflation. Powell added that the Fed doesn't see rate cuts happening any time soon and is going to wait until it is confident that inflation is moving down to the 2% target. This, in turn, is seen lending support to the USD/JPY pair.
- The yen pair is expected to extend its upside journey to the red upward-sloping resistance line and the static resistance of 145.00. Meanwhile, pullback moves will be limited by the resistance-turned-support of 142.50 and the upward-sloping support line drawn from Mar 08 respectively.



USDJPY, 1D, O143.512 H143.623 L143.282 C143.613 +0.101 (+0.07%)



19 Oct 17 Nov 15 Dec 15 2023 16 Feb 15 Mar 20 Apr 17 May 15 Jun 19 Jul

JPY
151.000
150.000
149.000
148.000
147.000
146.000
145.000
144.000
143.613
143.000
142.500
142.000
141.000
140.000
139.000
138.000
137.000
136.000
135.000
134.000
133.000
132.000
131.000
130.000
129.000
128.000
127.000



145.000
144.000
143.621
142.500
142.000
141.000
140.000
139.000
138.000
137.000
136.000
135.000
134.000
133.000
132.000



XAUUSD



FOREX



NG



ES



CT



BB

MetaTrader4

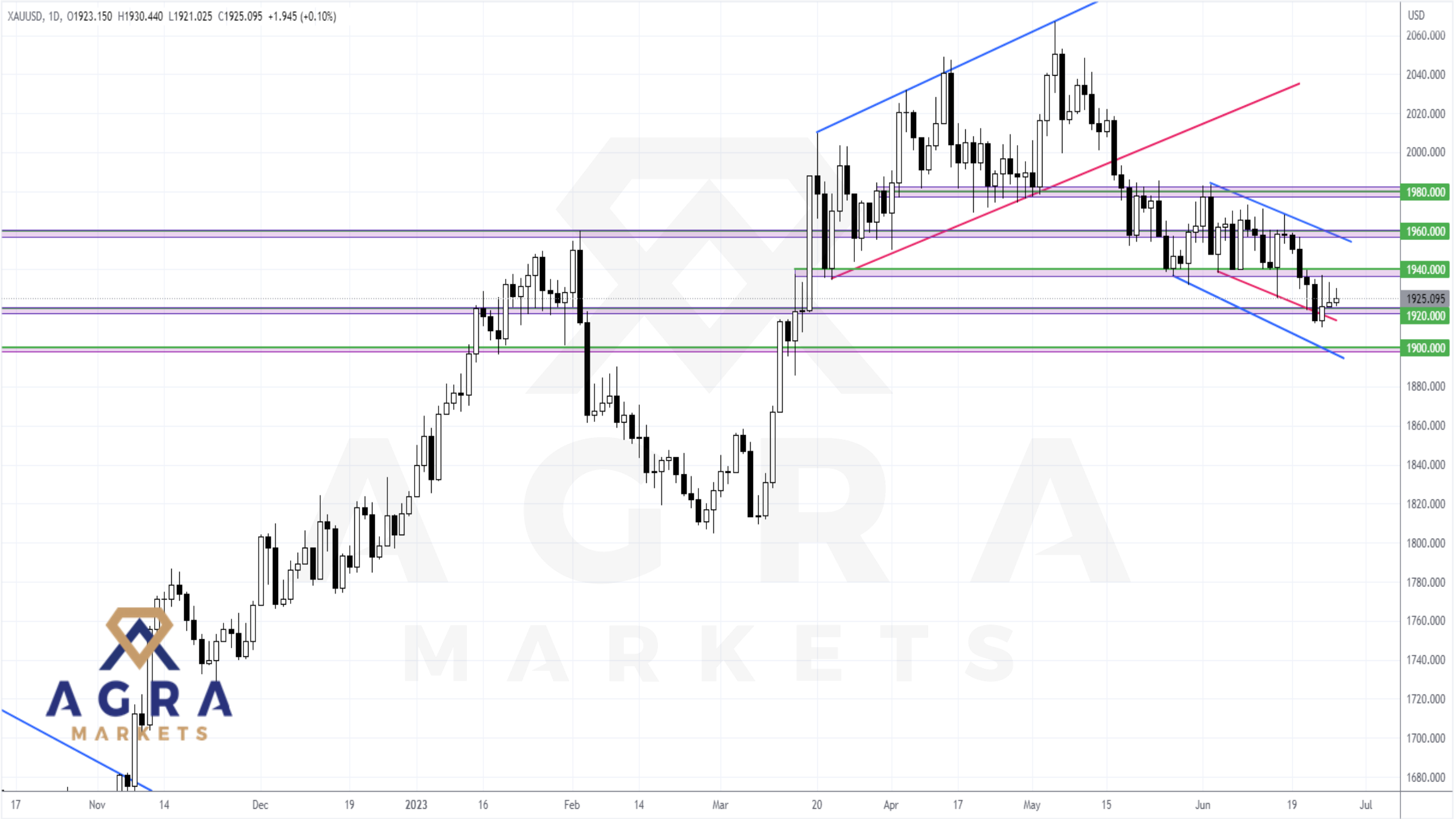


XAUUSD

- Gold prices rose on Tuesday as the dollar retreated ahead of key economic data from China and the United States due this week, while traders also awaited Federal Reserve Chair Jerome Powell's speech to assess how rate hikes would pan out.
- The precious metal is likely to remain under continued downward pressure in the near term. continued strength in the dollar and persistently tight monetary policies are the key drags for gold prices.
- The precious metal is trading above the support of \$1,920. The price will find initiative selling if it slips below that level, which will send the asset towards \$1,900. On the flip side, in case the yellow metal rises above \$1,940 and starts using that level as a support, it could target \$1,960.



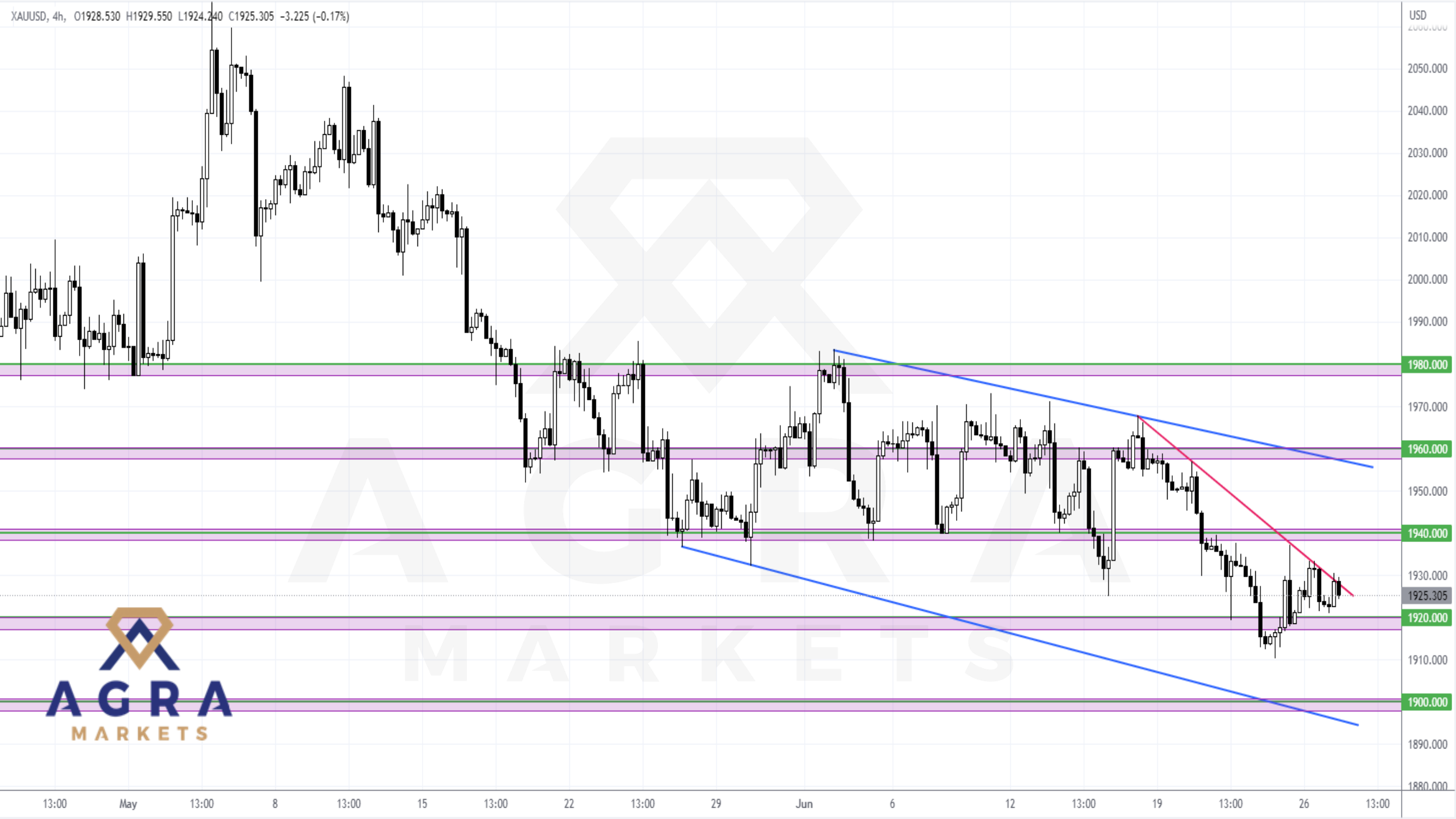
XAUUSD, 1D, O1923.150 H1930.440 L1921.025 C1925.095 +1.945 (+0.10%)

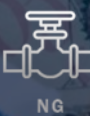


17 Nov 14 Dec 19 2023 16 Feb 14 Mar 20 Apr 17 May 15 Jun 19 Jul

USD
2060.000
2040.000
2020.000
2000.000
1980.000
1960.000
1940.000
1925.095
1920.000
1900.000
1880.000
1860.000
1840.000
1820.000
1800.000
1780.000
1760.000
1740.000
1720.000
1700.000
1680.000

XAUUSD, 4h, O1928.530 H1929.550 L1924.240 C1925.305 -3.225 (-0.17%)





S&P



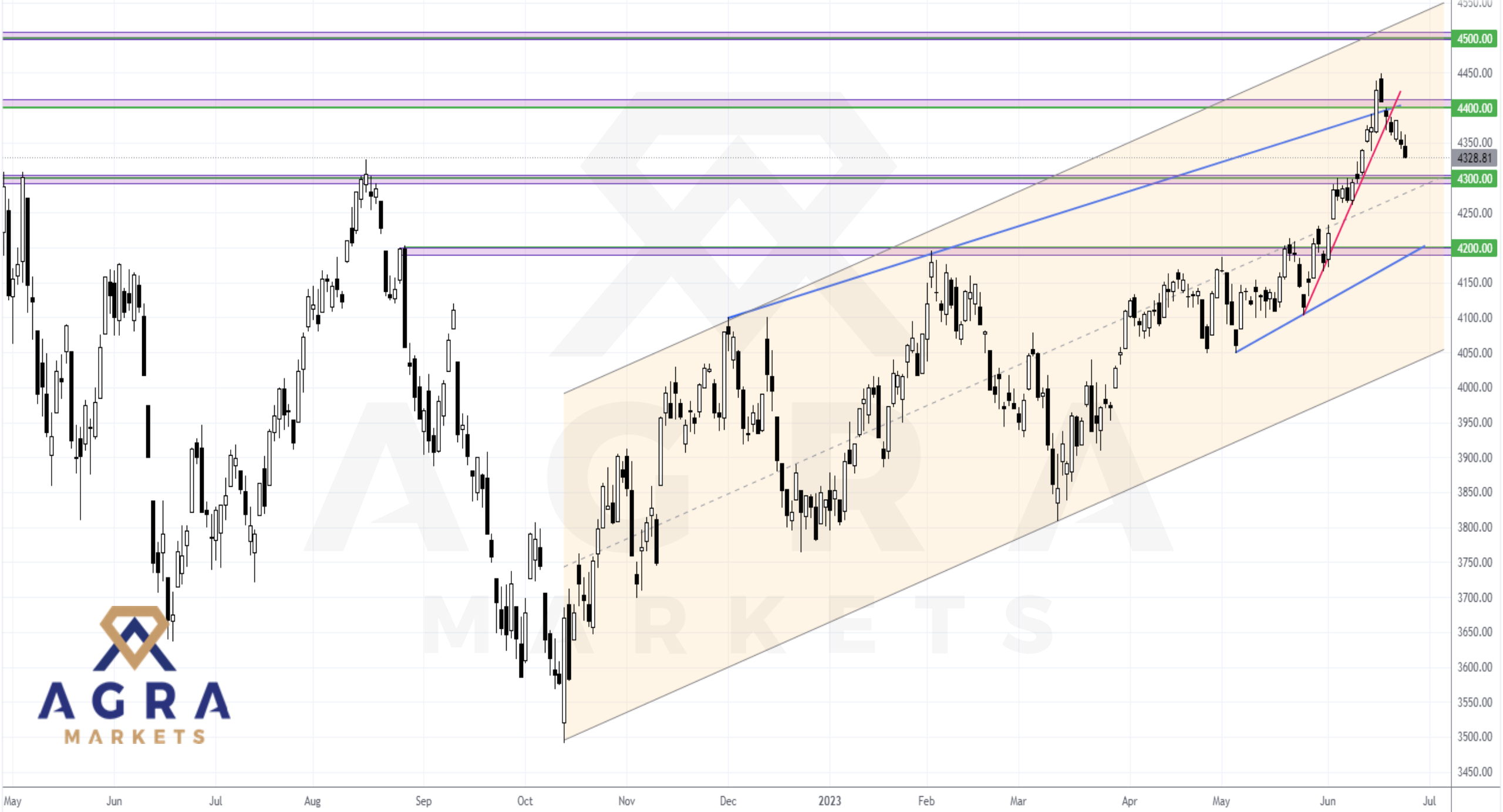
MetaTrader4



S&P

- U.S. stocks on Monday fell on geopolitical uncertainty and weak economic news in China and Germany. The markets were also on guard for any more shoes to drop in Russia after the aborted insurrection over the weekend by the Wagner Group. Major tech stocks ran into long liquidation pressure on Monday with Tesla, NVIDIA, Meta and Alphabet all showing declines of more than -2%. The S&P 500 Index on Monday fell -0.45%.
- With the S&P 500 just above the 4,320 level, the sold call options mean options dealers – in this case, large banks or financial institutions - are induced to buy equities when the index drops underneath that level and sell when it moves above it. That may help curb market volatility.
- The S&P 500 is trading near the support of 4,300. The asset is likely to find a bullish impulsive wave after completing its correction to near this level, which will send the index towards 4,400. Alternatively, if the selling pressure intensifies, then the support of 4,200 will come into play.







Price Level (USD)
4520.00
4500.00
4480.00
4440.00
4400.00
4360.00
4328.81
4300.00
4280.00
4240.00
4200.00
4160.00
4120.00
4080.00
4040.00
4000.00
3960.00
3920.00
3880.00
3840.00
3800.00
3760.00
3720.00
3680.00
3640.00
3600.00



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