



Market *Analysis*

22/09/2023

NEWS ANALYSIS

- The dollar index on Thursday gave up an early advance and finished little changed, up only +0.01%. The dollar Thursday initially climbed to a 6-1/2 month high on carryover support from Wednesday when the FOMC signaled one more +25 bp rate hike this year and projected the fed funds rate next year +50 bp higher than they projected back in June. Also, Thursday's slump in stocks boosted liquidity demand for the dollar. In addition, soaring T-note yields Thursday strengthened the dollar's interest rate differentials.
- The U.S. dollar likewise rode Treasury yields higher and against a basket of currencies, the greenback touched a more than six-month high of 105.74 in the previous session. The index was last steady at 105.39. While the Fed kept interest rates steady this week, it signaled the possibility of another hike this year, with rates to be kept significantly tighter through 2024 than previously expected.
- The U.S. dollar will do well, supported by the hawkishness of the Fed, the reduction in the expected number of rate cuts the Fed will deliver in 2024, U.S. growth resiliency and our expectations of slower growth in the Euro area relative to the U.S. We like the U.S. dollar given this backdrop.





+

EURUSD

+



FOREX



NG



ES



CT



BB

MetaTrader4



EURUSD

- The EUR/USD pair pares daily losses around 1.0650 heading into Friday's European session. On Thursday, the main pair tested a six-month low near 1.0617 following US data and then staged a recovery, reaching 1.0670 fueled by a correction in the US Dollar.
- European Central Bank (ECB) policymakers expressed differing views on Thursday. Knot mentioned that he does not expect a rate hike at the next policy meeting, while Wunsch argued that it is premature to conclude that they have reached the terminal rate. After ECB's dovish pause, inflation figures will be crucial in shaping future decisions.
- On Friday, the key report to watch will be the PMIs, which will provide preliminary information about economic activity during September in the Eurozone and the US.
- The sellers need to conquer the support of 1.0630 to accelerate the downfall towards multiple lows, around 1.0530. Meanwhile, the resistance of 1.0700 will restrict the immediate upside of EUR/USD before directing the bulls towards 1.0780.



EURUSD, 1D, O1.06579 H1.06637 L1.06408 C1.06543 -0.00036 (-0.03%)

USD



2023 Feb Mar Apr May Jun Jul Aug Sep

EURUSD, 4h, O1.06575 H1.06576 L1.06408 C1.06549 -0.00026 (-0.02%)

USD



1.12500
1.12000
1.11500
1.11000
1.10500
1.10000
1.09500
1.09000
1.08500
1.08000
1.07800
1.07500
1.07000
1.06549
1.06300
1.06000



24

Aug

7

14

21

28

Sep

11

18

25



+

GBPUSD

+



FOREX



NG



ES



CT



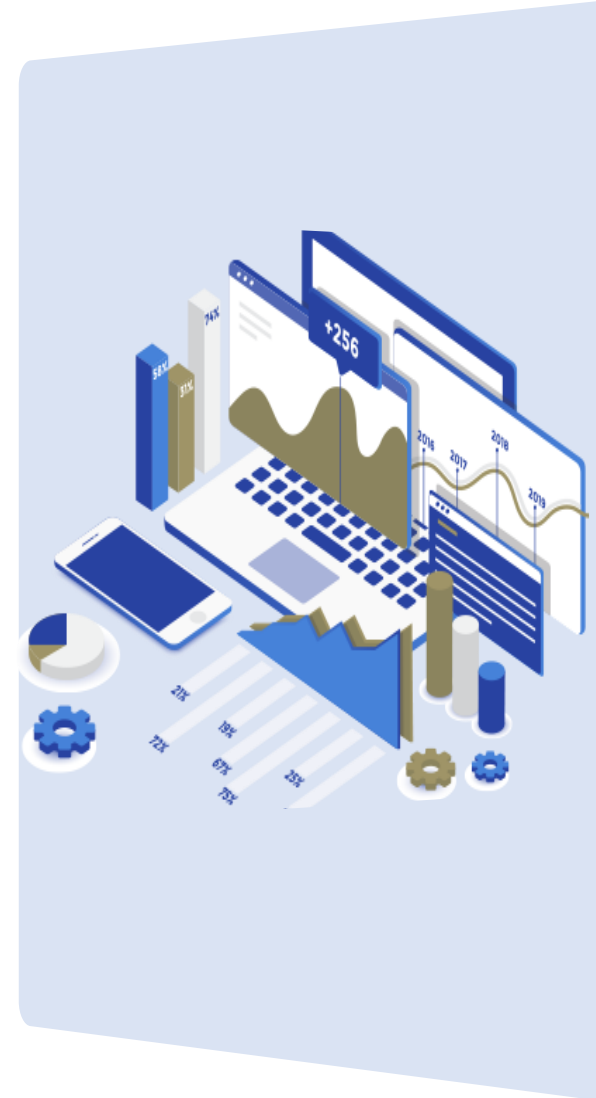
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GBPUSD

- The GBP/USD pair has sensed selling pressure after hitting an intraday high of 1.2295 in the Tokyo session. The British Pound (GBP) continues with its relative underperformance in the wake of the Bank of England's (BoE) surprise decision to leave interest rates unchanged on Thursday.
- The UK central bank decided to leave the benchmark interest rate steady at 5.25%, defying expectations of a 25 bps hike to 5.50% in the wake of the recent deceleration of inflation, signs that the UK labor market is cooling and reviving recession fears. In contrast, the Federal Reserve's (Fed) hawkish outlook, signaling the possibility of at least one more rate hike by the end of this year, assists the US Dollar (USD) in holding steady just below a six-month peak.
- The aforementioned fundamental backdrop seems tilted in favor of bearish traders and suggests that the path of least resistance for the GBP/USD pair to the downside.
- Bears are likely to drag the cable lower to the confluence of the downward-sloping support line and the bottom of the bearish channel, near 1.2200. Alternatively, a breach above the resistance of 1.2300 will drive the asset to the red downtrend line.



GBPUSD, 1D, O1.22941 H1.22951 L1.22727 C1.22794 -0.00147 (-0.12%)

USD



MARKETS

2023 Feb Mar Apr May Jun Jul Aug Sep Oct

1.32000
1.31000
1.30000
1.29000
1.28000
1.27000
1.26000
1.25000
1.24000
1.23000
1.22794
1.22000
1.21000
1.20000
1.19000
1.18000
1.17000

GBPUSD, 4h, O1.22860 H1.22861 L1.22728 C1.22830 -0.00030 (-0.02%)

USD



1.31000
 1.30000
 1.29000
 1.28000
 1.27000
 1.26000
 1.25000
 1.24000
 1.23000
 1.22830
 1.22000



10 17 24 Aug 13:00 14 21 27 Sep 11 18 25

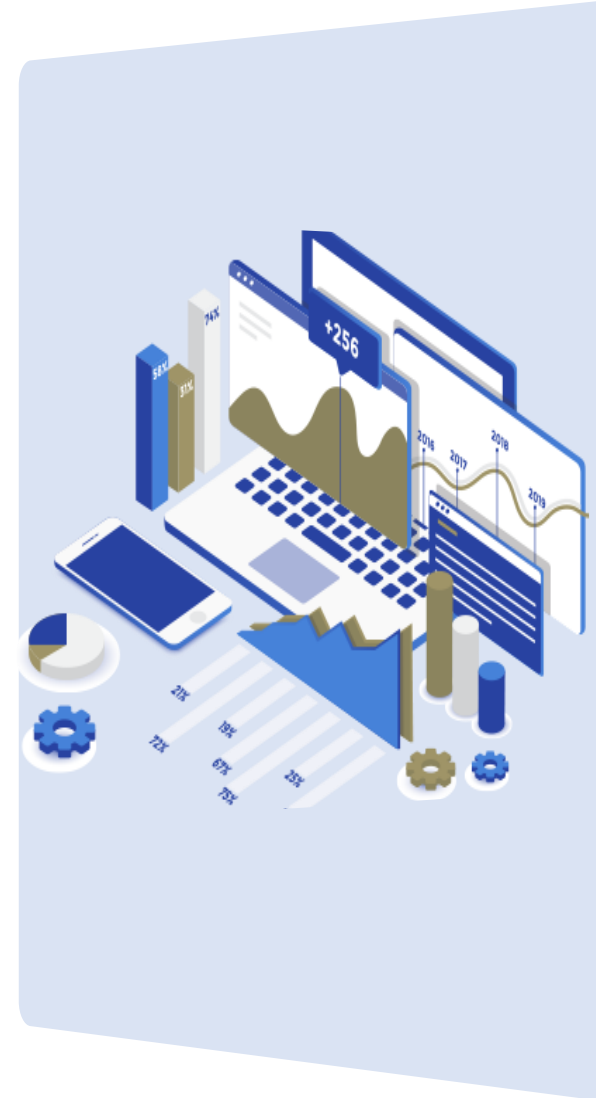


USDJPY



USDJPY

- The USD/JPY pair regains positive traction during the Asian session on Friday and surges above 148.00 after the Bank of Japan (BoJ) announced its policy decision.
- The Japanese central bank, as was widely anticipated, decided to leave its monetary policy settings unchanged and fell short of offering any forward guidance. This marks a big divergence in comparison to the Federal Reserve's (Fed) hawkish outlook, which continues to underpin the US Dollar (USD) and acts as a tailwind for the USD/JPY pair.
- Bulls need to surpass the previous day's high to extend its upside journey towards 148.00. A breach of the latter will pave the way for additional gains toward the top of the daily bullish channel, near 150.00. On the contrary, a breach below the previous day's low will confirm the breakout of the uptrend line and drag the asset to 147.00, followed by Sep 11 low of 145.90.



USDJPY, 1D, O147.569 H148.257 L147.506 C148.171 +0.602 (+0.41%)

JPY



Apr 17 May 15 Jun 19 Jul 17 Aug 14 Sep 18 Oct

USDJPY, 4h, O147.615 H148.257 L147.604 C148.137 +0.522 (+0.35%)

JPY



AGRA
MARKETS

13:00 14 13:00 21 13:00 28 Sep 6 11 13:00 18 13:00 25



+

XAUUSD

+

- FOREX
- NG
- ES
- CT
- BB



XAUUSD

- Gold prices fell about -0.6 percent over the past 24 hours as financial markets continued digesting the aftermath and implications of the Federal Reserve interest rate decision. In response, retail traders have increased bullish exposure in the precious metal. This can be seen by looking at IG Client Sentiment (IGCS), which often functions as a contrarian indicator.
- Stronger labor markets and persistent inflation raise the prospect of rates remaining higher for the foreseeable future. The peak in U.S. Treasury yields is almost here, but until recession risks become the base case for the U.S., the precious metal might struggle to stabilize.
- The bright metal is displaying a minor pause and a pullback to the resistance of \$1,925. Responsive sellers may attack the precious metal here, which could drag the asset towards the support of \$1,910. Alternatively, a decisive move above the level of \$1,925 will send the asset towards \$1,935.



XAUUSD, 1D, O1920.085 H1925.580 L1919.855 C1924.055 +3.970 (+0.21%)

USD



Feb Mar Apr May Jun Jul Aug Sep Oct

2040.000
2020.000
2000.000
1985.000
1980.000
1960.000
1950.000
1935.000
1925.000
1924.055
1920.000
1910.000
1900.000
1885.000
1880.000
1860.000
1840.000
1820.000

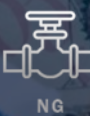
XAUUSD, 4h, O1923.505 H1925.580 L1922.100 C1924.215 +0.710 (+0.04%)

USD



14 13:00 21 13:00 28 Sep 6 11 13:00 18 13:00 25

1950.00
1940.00
1935.00
1930.00
1925.00
1924.215
1920.00
1910.00
1900.00
1890.00
1885.00
1880.00



S&P

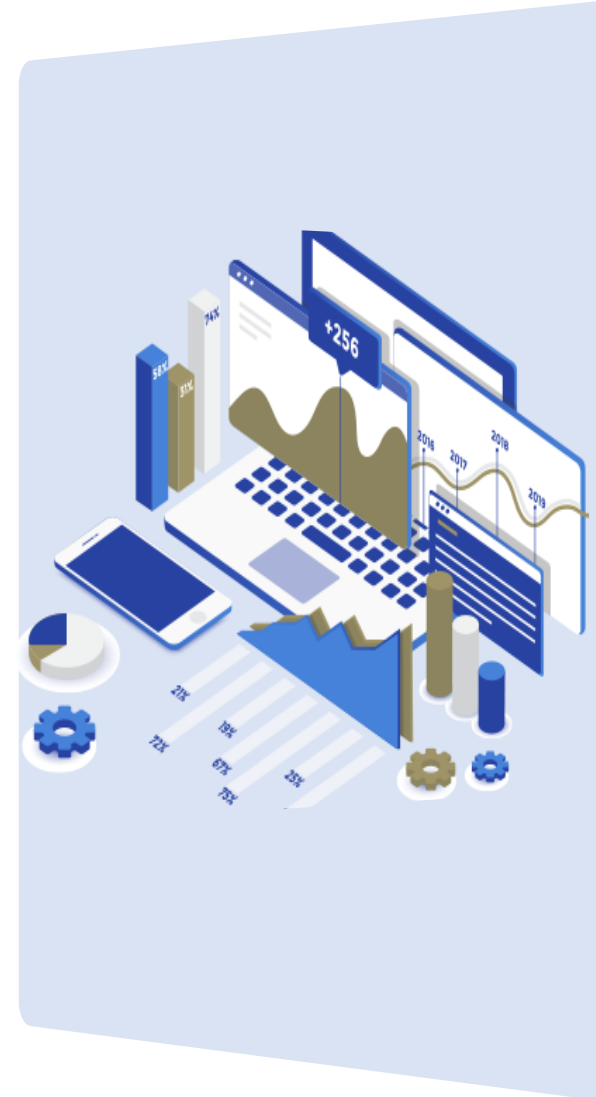


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S&P

- Stocks on Thursday extended Wednesday's selloff, with the S&P 500 and Nasdaq 100 falling to 1-month lows and the Dow Jones Industrials dropping to a 3-1/2 week low. Stocks were under pressure Thursday from the hawkish tone of Wednesday's FOMC meeting, which curbed global risk sentiment. The S&P 500 Index on Thursday closed down -1.64%.
- The Fed thinks they can have a smooth landing, but if you raise rates and keep them at a hefty level for a sustained period of time, and oil prices move against you, how long can the consumer last? The Fed's revised "dot plot" forecast released on Wednesday fortified a view that the potential path of interest rates could remain higher for longer, with the central bank's policy rate pegged to remain above 5% for some time. That could put stress on companies and landlords with trillions of dollars of debt coming due and could also weigh on stocks.
- The S&P 500 continued to drop down on Thursday. The index is expected to find significant bids around the immediate cushion of 4,300. So after the conclusion of this move, the asset might start its upside move. On the contrary, the price will find initiative selling if it slips below 4,300, which will send the asset towards the support of 4,230.



SPX, 1D, O4374.36 H4375.70 L4329.17 C4330.01 -72.20 (-1.64%)

USD



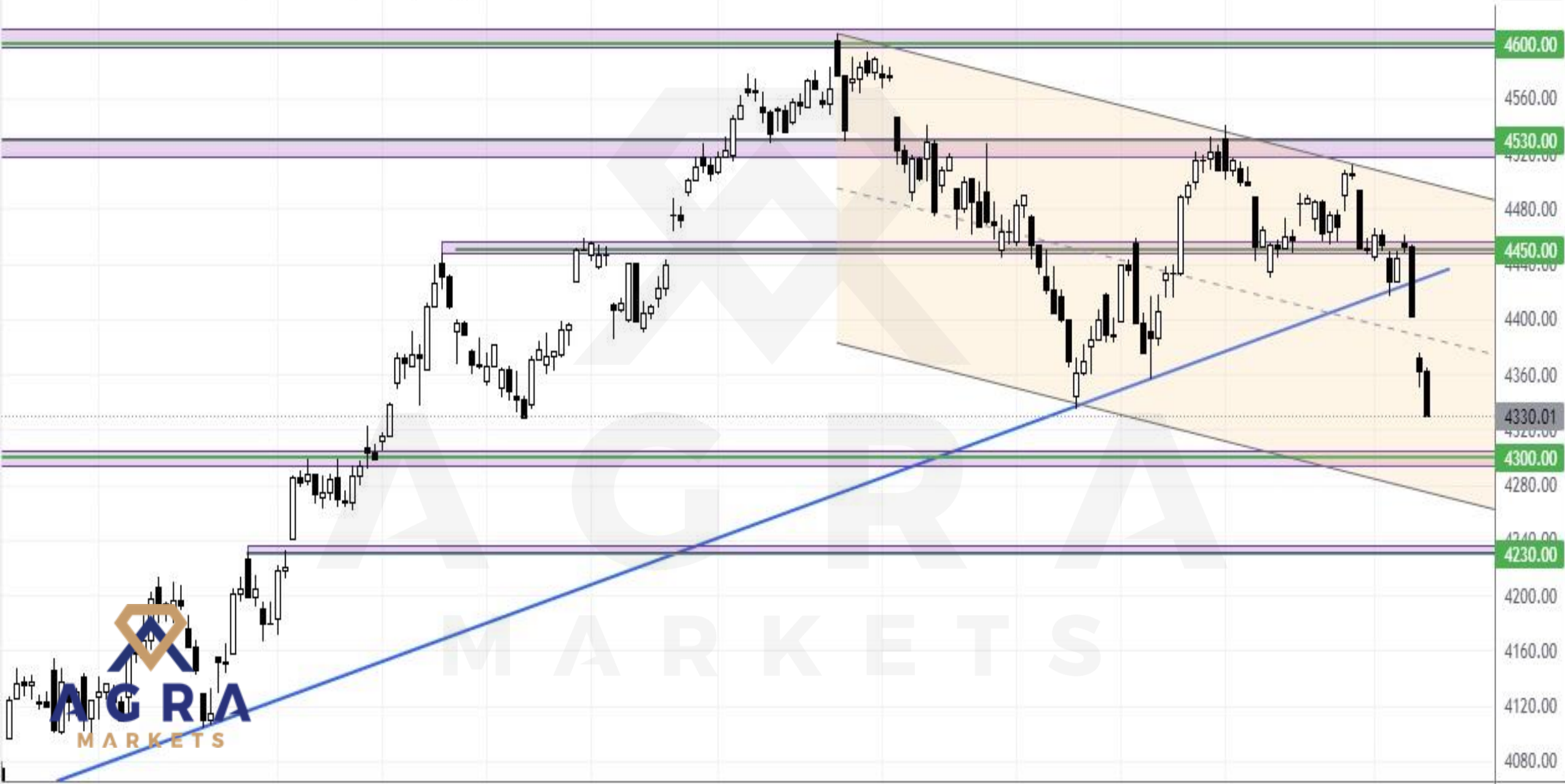
4600.00
4530.00
4500.00
4450.00
4400.00
4330.01
4300.00
4230.00
4200.00
4100.00
4000.00
3900.00
3800.00

2023 Feb Mar Apr May Jun Jul Aug Sep



SPX, 4h, O4362.72 H4365.24 L4329.17 C4330.01 -32.71 (-0.75%)

USD



4600.00
 4560.00
 4530.00
 4520.00
 4480.00
 4450.00
 4440.00
 4400.00
 4360.00
 4330.01
 4320.00
 4300.00
 4280.00
 4240.00
 4230.00
 4200.00
 4160.00
 4120.00
 4080.00

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15 Jun 12 22 Jul 17 Aug 14 23 Sep 18



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