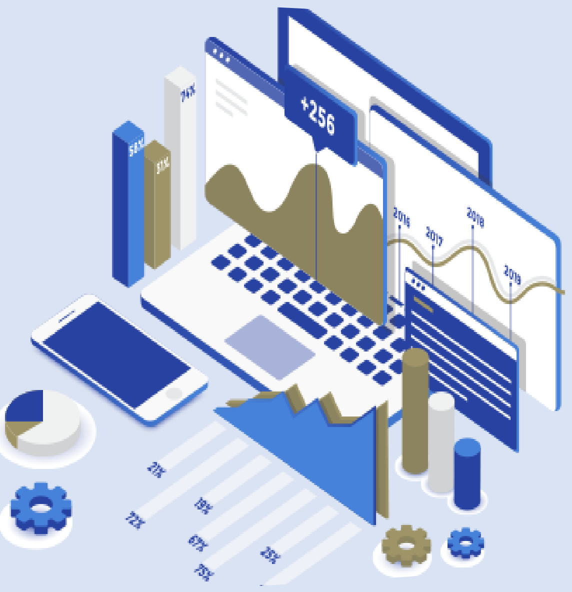
AGRA MARKETS

Market Analysis

06/10/2023

NEWS ANALYSIS

- The dollar index on Thursday fell by -0.40%. A decline in T-note yields Thursday undercut the dollar. Also, hawkish comments from ECB Vice President de Guindos boosted the euro and weighed on the dollar. Losses in the dollar were limited after weekly U.S. jobless claims rose less than expected, and the U.S. Aug trade deficit shrank to a nearly 3-year low.
- The nonfarm payrolls report due later today is expected to show the economy to have added fewer jobs in September compared to August, and an even softer-than-expected reading will likely drive the dollar and bond yields lower. The greenback also lost nearly 1% over the past two sessions, retreating from ten-month highs and tracking a decline in Treasury yields after ADP data showed that private job growth totaled 89,000 in September, the least since January 2021 and well below the 153,000 expected by analysts.
- There is an element here of just taking stock ahead of what should be a very important data release. We have got to be mindful that at the moment, U.S. Treasury yields and the dollar, in particular, have been very reactive to positive data releases coming from the U.S., and therefore there's potential for fireworks tonight.



EURUSD

MetaTrader4

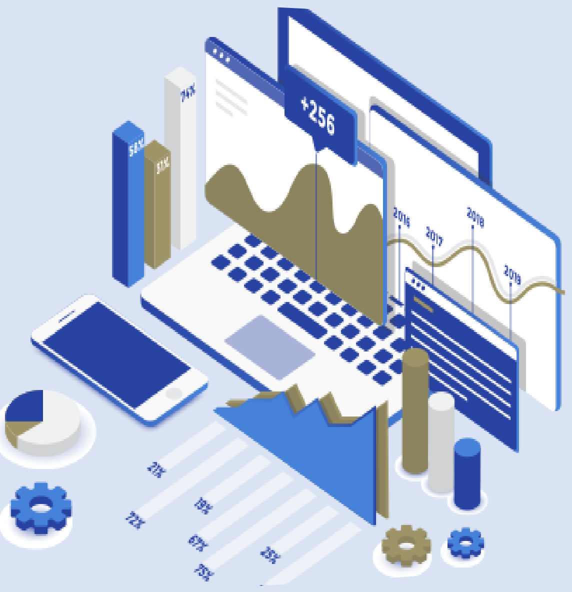
EURUSD

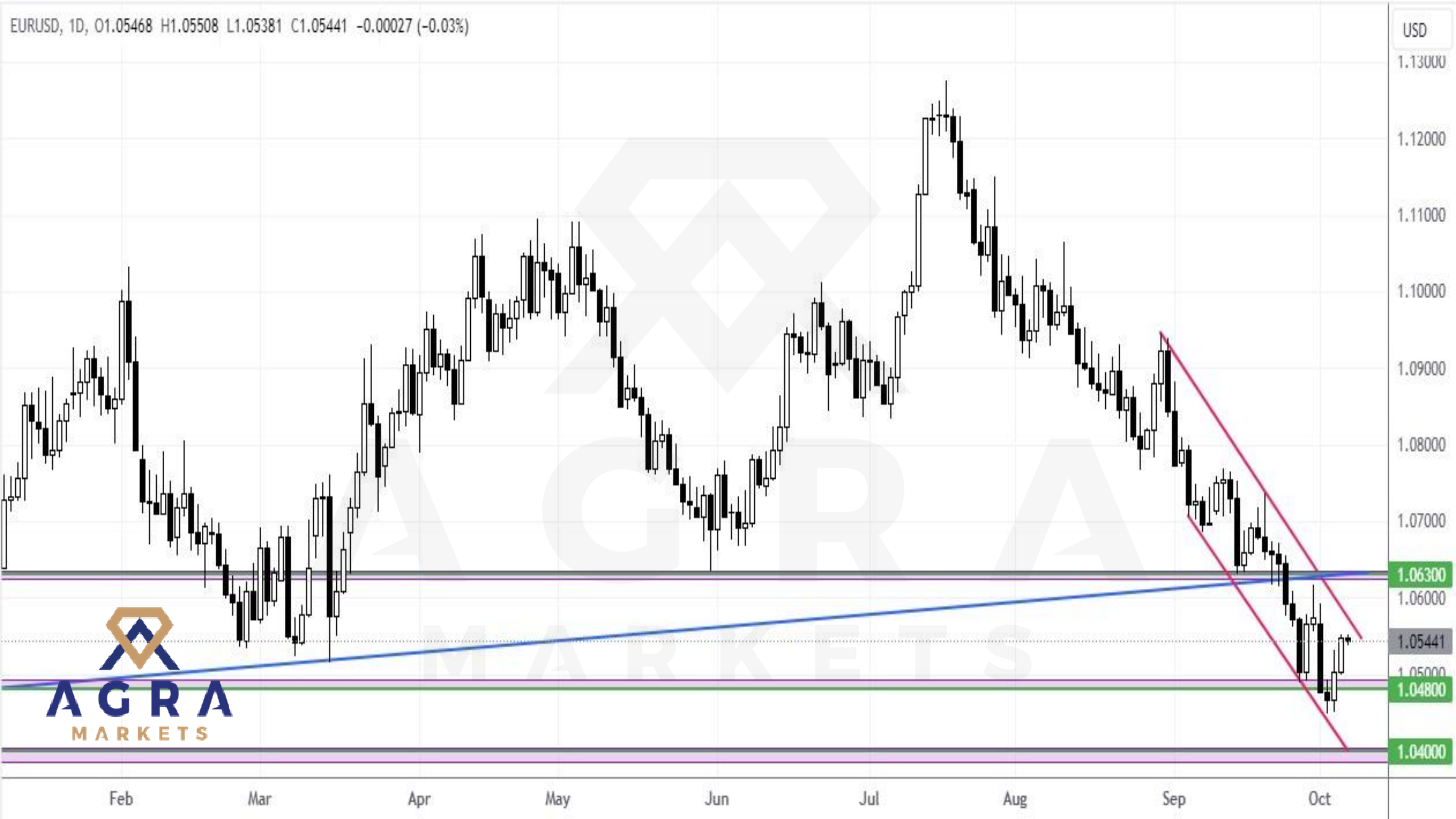
- EUR/USD bulls take a breather around 1.0540 during early Friday after two consecutive days of rising, as traders keenly await the release of the closely-watched US monthly employment details, popularly known as the NFP report.

- Economic data on Thursday revealed that Germany's trade surplus came in at €16.6 billion in August from €17.7 billion in July, higher than the market expectation of €15.0 billion. Additionally, France's Industrial Production for August contracted by 0.3% MoM versus a 0.5% rise prior, below the market consensus.

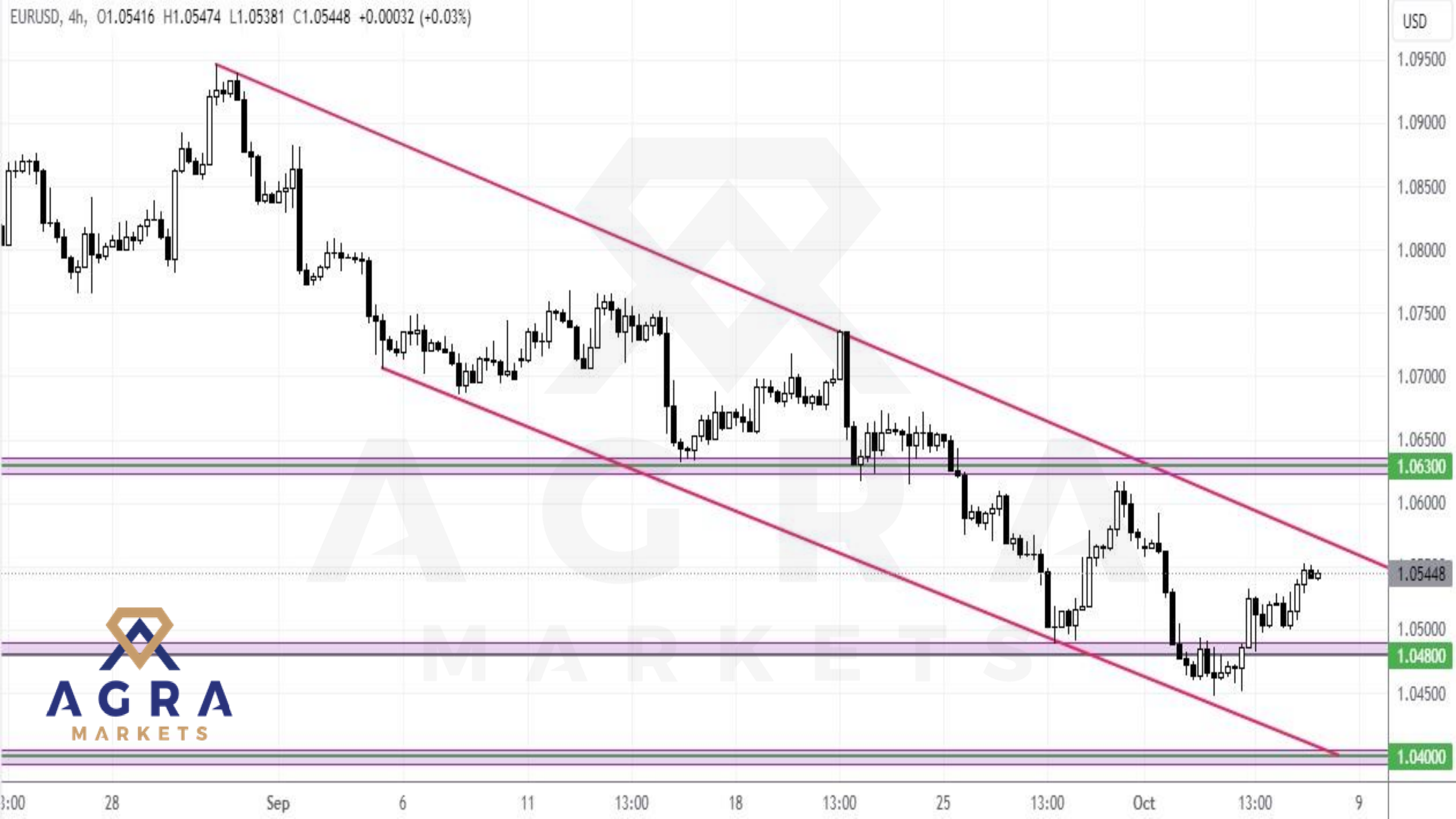
- Despite inflation levels exceeding the target and rising concerns of a future recession or stagflation in the region, the European Central Bank (ECB) is likely to maintain the interest rate by the end of the year.

- The asset is expected to face barricades around the upper band of the bearish channel which will drag the fiber to the bottom of the channel, surrounding 1.0400. On the contrary, should EUR/USD surpass the aforementioned resistance, Sep 14 low surrounding 1.0630 could act as the last defense for the sellers.





EURUSD, 1D, O1.05468 H1.05508 L1.05381 C1.05441 -0.00027 (-0.03%)
USD
1.13000
1.12000
1.11000
1.10000
1.09000
1.08000
1.07000
1.06300
1.06000
1.05441
1.05000
1.04800
1.04000
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
AGRA
MARKETS


EURUSD, 4h, O1.05416 H1.05474 L1.05381 C1.05448 +0.00032 (+0.03%)
USD
1.09500
1.09000
1.08500
1.08000
1.07500
1.07000
1.06500
1.06300
1.06000
1.05448
1.05000
1.04800
1.04500
1.04000
28
Sep
6
11
13:00
18
13:00
25
13:00
Oct
13:00
9
AGRA
MARKETS

GBPUSD

MetaTrader4

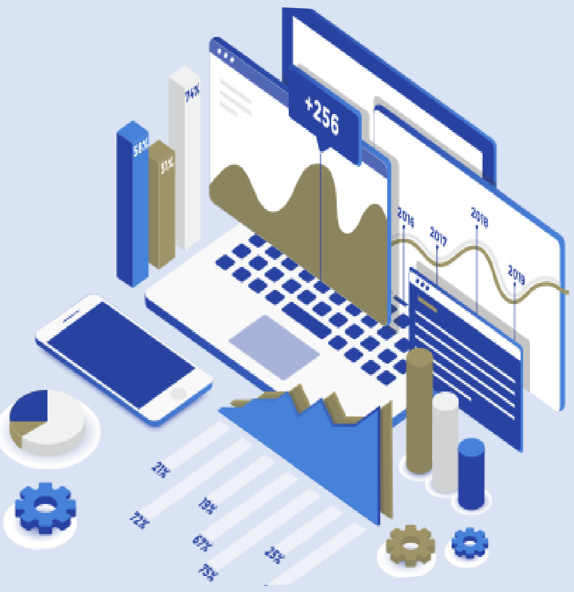
GBPUSD

- The GBP/USD pair is displaying a minor loss after hitting the downtrend line during the Asian session on Friday.

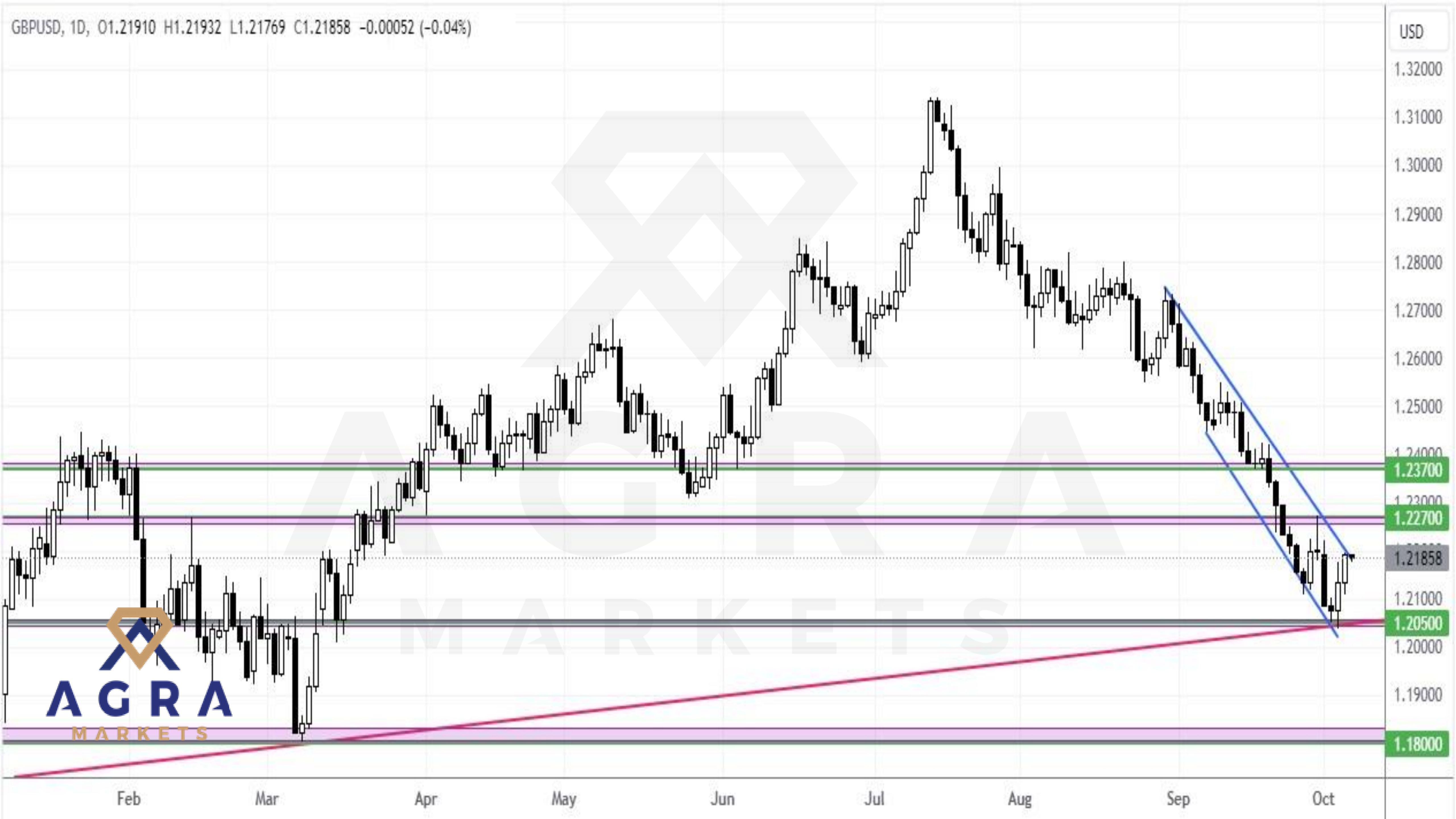
- The British Pound (GBP) faces a bout of underperformance, largely influenced by the unexpected move from the Bank of England (BoE) to halt its rate-hiking cycle in September. This shift deviates from the trend observed since December 2021, as the BoE chose not to raise interest rates.

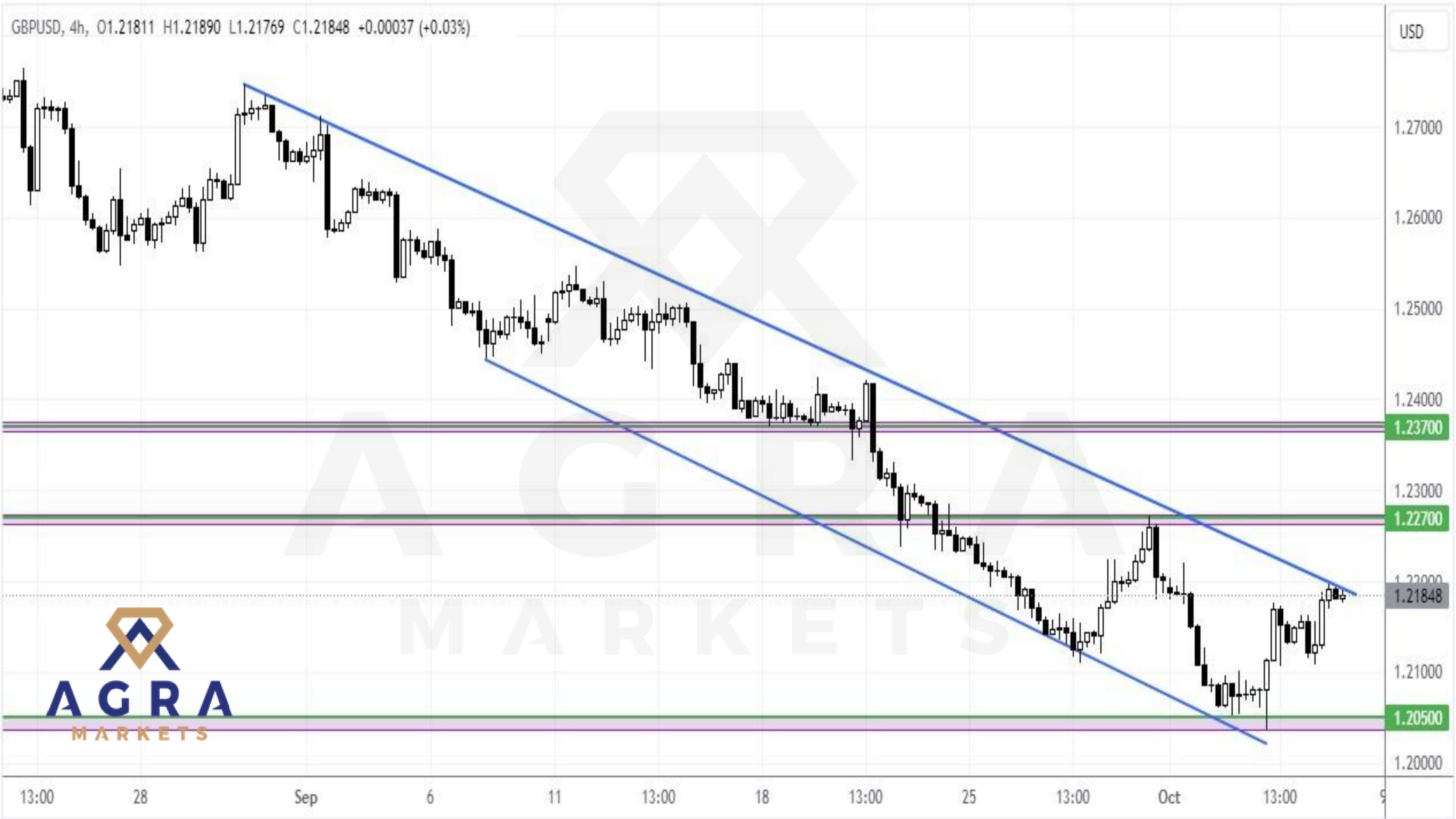
- Adding to the challenge, the central bank revised down its growth forecast for the July-September period from 0.4% to a mere 0.1%, providing little indication of any inclination to pursue further rate increases. In conjunction with the robust bullish sentiment surrounding the USD, these factors present hurdles for the Pound Sterling (GBP).

- The upper band of the bearish channel is likely to restrict the immediate upside of the GBP/USD and direct the asset to 1.2050. A breach of the latter will pave the way for additional losses to Mar 08 low, around 1.1800. On the flip side, bulls need to crack the previous week's high around 1.2270 to aim for Sep 18 low, around 1.2370.



AGRA MARKETS


GBPUSD, 1D, O1.21910 H1.21932 L1.21769 C1.21858 -0.00052 (-0.04%)
USD
1.32000
1.31000
1.30000
1.29000
1.28000
1.27000
1.26000
1.25000
1.23700
1.22700
1.21858
1.21000
1.20500
1.20000
1.19000
1.18000
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
AGRA
MARKETS


GBPUSD, 4h, O1.21811 H1.21890 L1.21769 C1.21848 +0.00037 (+0.03%)
USD
1.27000
1.26000
1.25000
1.24000
1.23700
1.23000
1.22700
1.21848
1.21000
1.20500
1.20000
13:00
28
Sep
6
11
13:00
18
13:00
25
13:00
Oct
13:00
AGRA
MARKETS

USDJPY

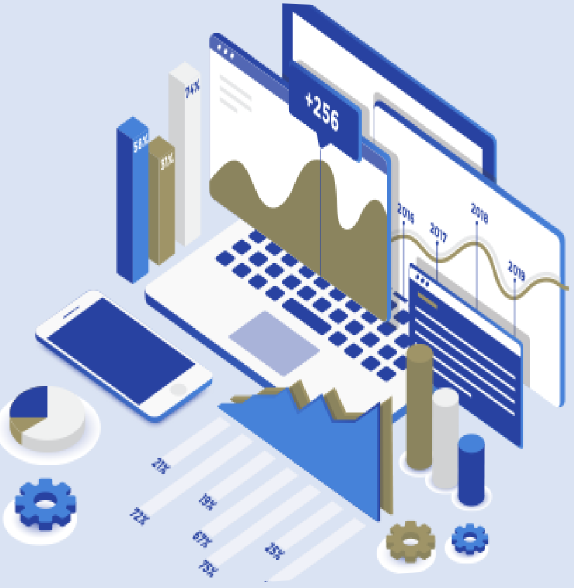
MetaTrader4

USDJPY

- The USD/JPY pair takes offers to renew intraday high around 148.70, reversing a part of the previous day's losses during early Friday, as traders prefer to wait on the sidelines ahead of the closely-watched US monthly employment details.

- Heading into the key data risk, speculations that Japanese authorities will intervene in the foreign exchange market to support the domestic currency might continue to act as a headwind for the USD/JPY pair. Japan's Finance Minister Shunichi Suzuki reiterated this week that currency rates must move stably reflecting fundamentals and that the government was ready to take necessary action against excess volatility, without ruling out any options.

- Technically, the confluence of the blue uptrend line and static resistances of 148.00 can challenge the bearish move and direct the asset to the 149.00 level, followed by 150.50. Alternatively, a breach below Tuesday's low will drag the ninja to Jun 30 high, around 145.00.



USDJPY, 1D, O148.509 H148.694 L148.362 C148.630 +0.120 (+0.08%)
JPY
150.500
150.000
149.000
148.630
148.000
146.000
145.000
144.000
142.000
140.000
138.000
136.000
134.000
132.000
130.000
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
AGRA
MARKETS

USDJPY, 4h, O148.640 H148.761 L148.465 C148.702 +0.062 (+0.04%)
JPY
150.500
150.000
149.000
148.702
148.000
147.000
146.000
145.000
144.000
143.000
142.000
Aug
7
14
21
28
Sep
11
18
25
Oct
9
AGRA
MARKETS

XAUUSD

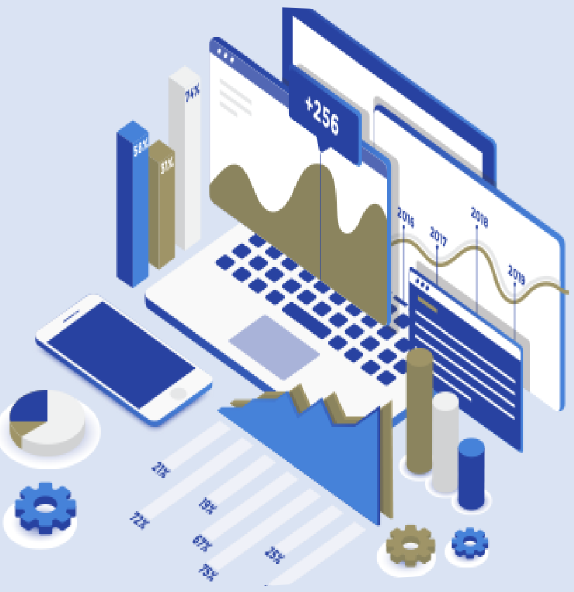
MetaTrader4

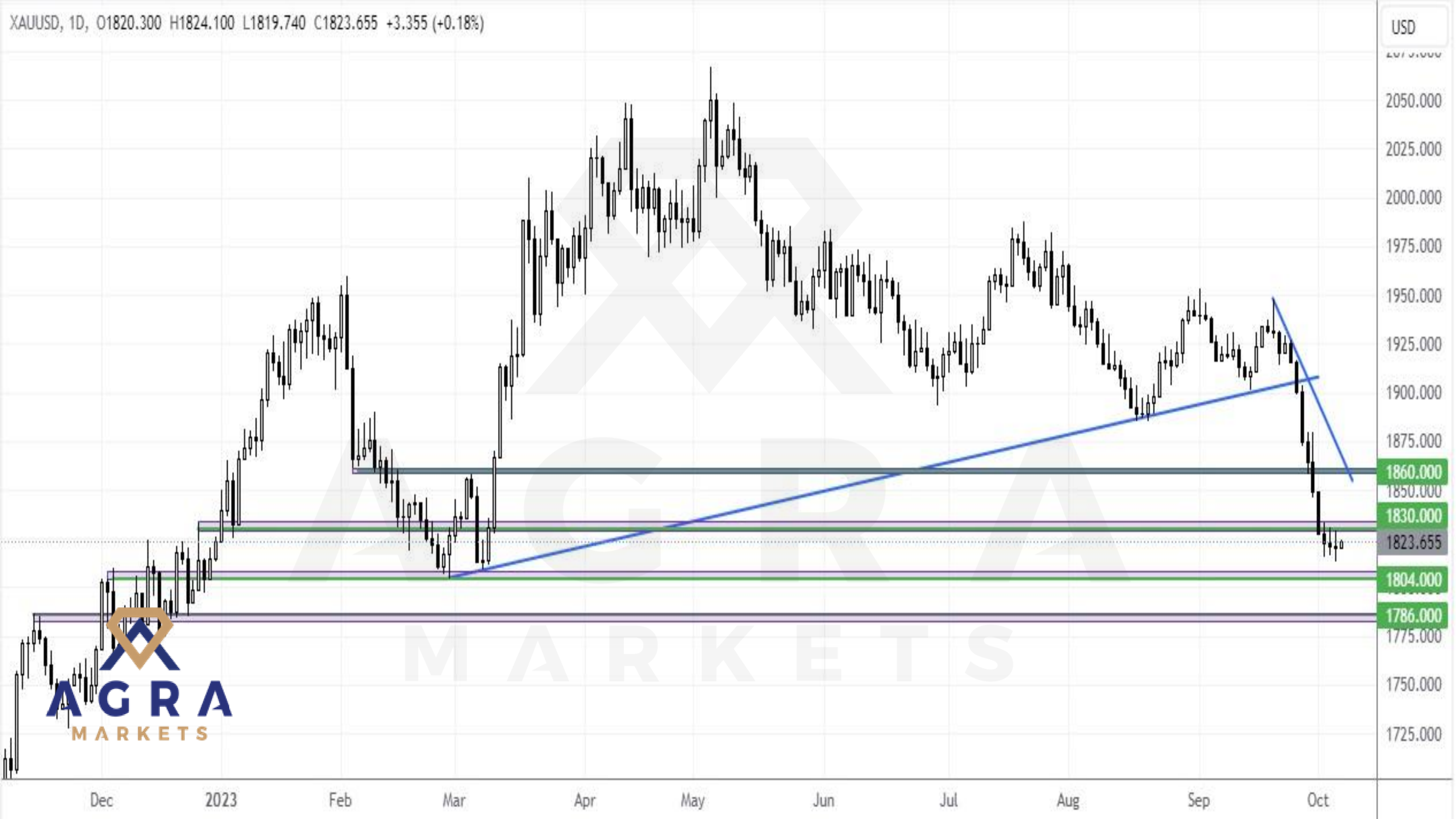
XAUUSD

- Gold edged up from seven-month lows on Friday as the U.S. dollar and bond yields, which scaled fresh highs this week, took a breather as investors awaited U.S. non-farm payrolls data that could affect the interest rate outlook.

- Investors are still mostly maintaining a bearish stance toward equities, which should eventually lead to safe-haven flows for gold. Jobless claims are still at historically low levels which will probably keep the Fed sticking to the hawkish script. Investors are waiting for the release of U.S. inflation data on Oct. 12 for a clearer picture on gold prices.

- The bright metal has returned after breaking the October 3 low and is trading below the resistance of $1,830 at the press time. If the asset violates the resistance of $1,830, the yellow metal will start marching decisively towards the level of $1,860. Alternatively, if the asset tests the level of $1,830 and responsive sellers attack the precious metal, it will drop towards $1,804.





XAUUSD, 1D, O1820.300 H1824.100 L1819.740 C1823.655 +3.355 (+0.18%)
USD
2050.000
2025.000
2000.000
1975.000
1950.000
1925.000
1900.000
1875.000
1860.000
1850.000
1830.000
1823.655
1804.000
1786.000
1775.000
1750.000
1725.000
Dec
2023
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
AGRA
MARKETS

XAUUSD, 4h, O1820.730 H1824.100 L1819.740 C1823.695 +2.965 (+0.16%)
USD
1940.000
1920.000
1900.000
1880.000
1860.000
1840.000
1830.000
1823.695
1820.000
1804.000
1800.000
21
28
Sep
6
11
18
25
Oct
9
AGRA
MARKETS

S&P

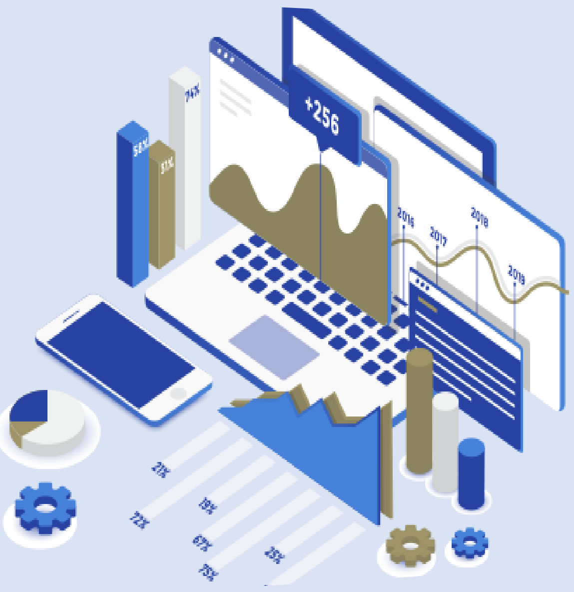
MetaTrader4

S&P

- Stocks on Thursday posted modest losses ahead of Friday's monthly U.S. payrolls report. An easing of T-note yields was supportive for stocks, although the decline in yields was limited after weekly jobless claims rose less than expected, a sign of labor market strength that is hawkish for Fed policy. Stocks also found support on the U.S. Aug trade report that showed the trade deficit narrowed more than expected to a 3-year low, a positive development for GDP. The S&P 500 Index on Thursday closed down -0.13%.

- Because the $25-trillion Treasury market is considered the bedrock of the global financial system, soaring yields on U.S. government bonds have had wide-ranging effects. The S&P 500 is down about 8% from its highs of the year, as the promise of guaranteed yields on U.S. government debt draws investors away from equities. Mortgage rates, meanwhile, stand at more than 20-year highs, weighing on real estate prices. Higher Treasury yields can curb investors' appetite for stocks and other risky assets by tightening financial conditions as they raise the cost of credit for companies and individuals.

- The S&P 500 displayed a sideway move on Thursday. If the index bulls can drag the asset up, the resistance of 4,335 and the red downtrend line will come into play. Alternatively, in case of breaking the level of 4,230, further fall will be expected for the asset




SPX, 1D, O4259.31 H4267.13 L4225.91 C4258.18 -5.58 (-0.13%)
USD
4500.00
4430.00
4400.00
4335.00
4300.00
4258.18
4230.00
4100.00
4000.00
3900.00
3800.00
3700.00
3600.00
3500.00
Oct
Nov
Dec
2023
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
AGRA MARKETS

SPX, 4h, O4242.74 H4267.13 L4238.82 C4258.18 +15.40 (+0.36%)
USD
4600.00
4560.00
4520.00
4480.00
4430.00
4400.00
4360.00
4335.00
4280.00
4258.18
4230.00
4200.00
4160.00
4120.00
4100.00
4080.00
Jun
12
22
Jul
17
Aug
14
23
Sep
18
Oct
AGRA
MARKETS

Trading futures, options or foreign currencies involves the risk of loss. You may lose more than the amount originally invested and, in respect of these products traded on margin, you may have to pay additional funds later. You should not invest in such products unless satisfied that they are suitable for you.

www.agramarkets.com

AGRA MARKETS