



Market Analysis

14/11/2023

NEWS ANALYSIS

- The dollar climbed to its highest level in more than a year against the Japanese yen on Monday, near the key psychological level of 152, before falling sharply in a flurry of trading in \$3.45 billion of options that come due this week. The dollar index steadied around 105.6 on Tuesday as investors geared up for a key US inflation report that could provide clues on the path for Federal Reserve monetary policy.
- Projections suggest a slowdown in the consumer price index to an annual rate of 3.3% in October from 3.7% in September. Markets also await US producer inflation and retail sales data this week, as well as further commentary from central bank officials. Last week, the dollar was lifted by hawkish Fed messaging, with Fed Chair Jerome Powell saying the central bank is “not confident” that it has done enough to bring down inflation.
- It seems Fed Chief Jerome Powell and policymakers want markets to be wary in the hope rates stay high and keep monetary policy tight without the need to raise the Fed's lending rate further. That's why their rhetoric is much stronger than their actions right now. Rates are going to go down, bond prices are going to go up if credit markets really think that the Fed is done raising rates. That'll take the dollar lower because we do think the Fed is pretty much done raising rates.





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EURUSD

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EURUSD

- The EUR/USD pair is displaying a lackluster performance during early Tuesday after retesting the 1.0700 level on Monday.
- The fear of recession in the Eurozone might capped the upside of the Euro. The European Central Bank (ECB) Vice President Luis de Guindos said that Eurozone economic growth will remain weak in the near term. He further stated that there are signs that the labor market is beginning to weaken.
- The Eurozone Gross Domestic Product (GDP) for the third quarter (Q3) will be released in the European session on Tuesday. The quarterly growth number is expected to contract by 0.1%, while the annual growth number is estimated to expand by 0.1%.
- Bears are likely to drag the asset lower to Oct 12 high, surrounding 1.0640. On the contrary, bulls will region control if the main pair surpasses the resistance of 1.0700 confidently. This will direct the fiber to 1.0770, followed by the red upward-sloping resistance line.



EURUSD, 1D, O1.06986 H1.07022 L1.06928 C1.06963 -0.00023 (-0.02%)

USD



Mar Apr May Jun Jul Aug Sep Oct Nov 27

EURUSD, 4h, O1.06987 H1.07022 L1.06952 C1.06967 -0.00020 (-0.02%)

USD
1.08000
1.07700
1.07500
1.07000
1.06967
1.06500
1.06400
1.06000
1.05500
1.05300
1.05000
1.04500



Oct 13:00 9 13:00 16 13:00 23 26 Nov 6 14:00 13 14:0



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GBPUSD

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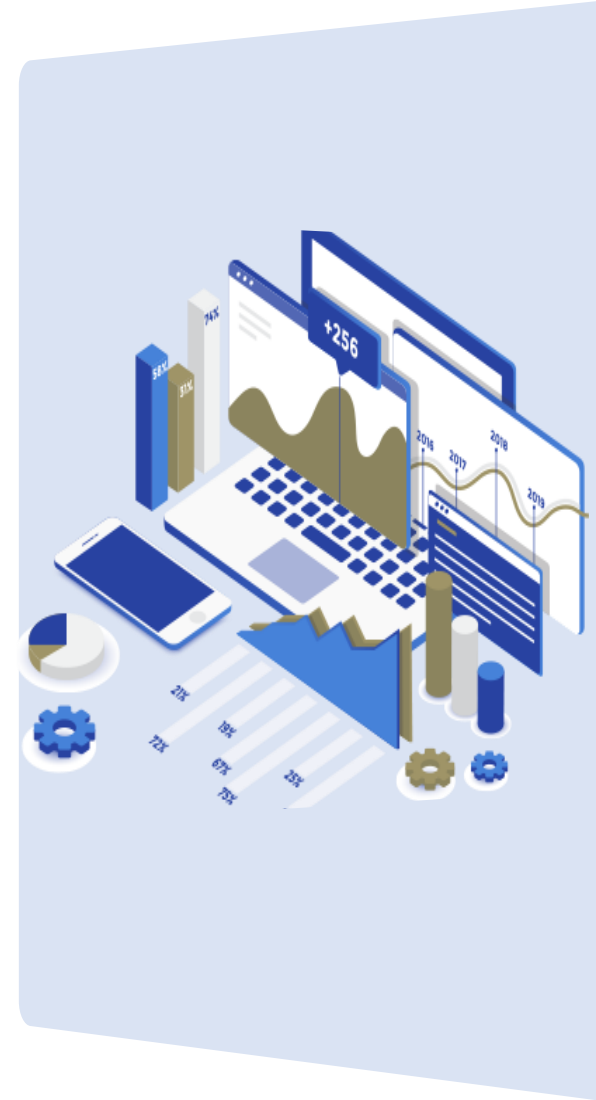


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GBPUSD

- GBP/USD is displaying a minor correction around 1.2270 during early Tuesday following the bounce off the support of 1.2200.
- The market sentiment for the Pound Sterling (GBP) received a boost as the UK preliminary Gross Domestic Product (GDP) data showed better-than-expected figures last Friday. This suggests that the UK may have avoided a recession in 2023. However, the growth outlook remains downbeat, with projections indicating a decline in fresh investments from firms for capacity expansion in the last quarter. This downturn is attributed to weak demand from both domestic and overseas markets.
- The bulls could aim for the 1.2330 level during further gains. A breach of the latter will drive the cable to Sep 07 low, around 1.2450. On the flip side, a clear break of the 1.2200 support will direct GBP/USD towards the uptrend line near 1.2100.



GBPUSD, 1D, O1.22788 H1.22808 L1.22615 C1.22729 -0.00059 (-0.05%)

USD



Mar Apr May Jun Jul Aug Sep Oct Nov

1.30000
1.29000
1.28000
1.27000
1.26000
1.25500
1.25000
1.24500
1.24000
1.23300
1.22729
1.22000
1.21000
1.20500
1.20000
1.19000
1.18000

GBPUSD, 4h, O1.22729 H1.22760 L1.22690 C1.22710 -0.00019 (-0.02%)

USD





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USDJPY

+



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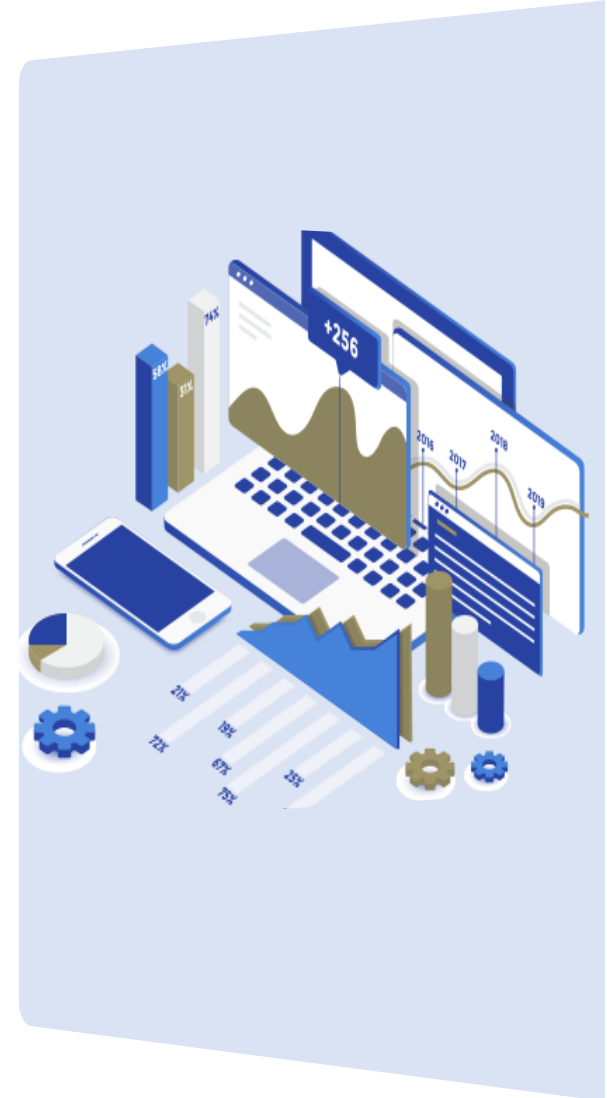


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USDJPY

- The USD/JPY pair bulls take a breather around 151.70 during early Tuesday after six consecutive days of rising.
- On Tuesday, US Treasury Secretary Janet Yellen said that she disagrees with Moody's decision to move the US rating to a negative outlook while adding that she's confident in the US economy and Treasuries as a safe-haven asset.
- On the Japanese Yen front, Japanese Finance Minister Sunichi Suzuki came with the verbal intervention on Monday by saying that it's important for currencies to move stably reflecting fundamentals, and will continue to take all possible steps on FX moves. However, both Japanese Finance Minister Suzuki and Bank of Japan (BoJ) Deputy Governor Shinichi Uchida denied to comment on FX levels.
- For more upside, bulls need to surpass the resistance of 151.95 to accelerate the upside move to the blue upward-sloping resistance line, followed by the top of the bullish channel. Meanwhile, the support of 150.80 will restrict the immediate downfall of USD/JPY ahead of the uptrend line, near 150.00.



USDJPY, 1D, O151.721 H151.787 L151.616 C151.718 -0.003 (-0.00%)



JPY

151.950
151.718
150.800
150.000
149.000
148.000
146.000
144.000
142.000
140.000
138.000
136.000
134.000



Mar Apr May Jun Jul Aug Sep Oct Nov

USDJPY, 4h, O151.732 H151.759 L151.694 C151.720 -0.012 (-0.01%)

JPY
152.500
151.950
151.720
151.500
151.000
150.800
150.500
150.000
149.000
148.500
148.000
147.500
147.000
146.500
146.000



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XAUUSD



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XAUUSD

- Gold edged higher early on Monday, supported by safe-haven buying while the dollar and treasury yields fell back ahead of Tuesday's release on October inflation data. Gold prices were stuck in a narrow range on Tuesday as investors refrained from taking big positions ahead of U.S. inflation data that could offer more clarity on whether the Federal Reserve is likely to raise interest rates further.
- Along with the precious metal, U.S. treasury yields and the dollar are also flat as traders await the inflation report to gauge the Fed's next move. If the inflation data disappoints, it may give the precious metal another push above the \$2,000 level, which it has repeatedly failed to break significantly.
- The bright metal rose after meeting the support of \$1,933 on Monday. The asset is trading near the resistance of \$1,950 at the press time. If the bears come into play, the price will find initiative selling, which will send the yellow metal towards \$1,933. Alternatively, in case the asset rises above \$1,950 and starts using that level as support, it could target the level of \$1,963.



XAUUSD, 1D, O1946.155 H1948.420 L1944.470 C1945.515 -0.640 (-0.03%)



USD
2000.000
2040.000
2020.000
2000.000
1985.000
1963.000
1950.000
1945.515
1933.000
1920.000
1915.000
1900.000
1885.000
1860.000
1840.000
1820.000

MARKETS



Apr May Jun Jul Aug Sep Oct Nov

XAUUSD, 4h, O1945.740 H1946.740 L1944.470 C1945.470 -0.270 (-0.01%)

USD
2010.000
2000.000
1990.000
1985.000
1980.000
1970.000
1963.000
1950.000
1945.470
1940.000
1933.000
1920.000
1915.000
1910.000
1900.000
1890.000
1885.000
1880.000
1870.000



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S&P



MetaTrader4



S&P

- US stock futures were little changed on Tuesday as investors look ahead to the highly anticipated inflation report that could influence the economic and monetary policy outlooks. In regular trading on Monday, the Dow rose 0.16%, while the S&P 500 and Nasdaq Composite lost 0.08% and 0.22%, respectively. Energy, healthcare and consumer staple stocks outperformed the market, while utilities, real estate and technology stocks lagged behind.
- The major U.S. stock indexes had rebounded so far this month, fueled by a stronger-than-expected earnings season and hopes that U.S. interest rates are near their peak. Among the S&P 500's 11 major sectors energy was the biggest gainer, ending up 0.7% while utilities was the biggest loser, falling 1.2%.
- The S&P 500 displayed a sideways move on Monday. As illustrated on the chart the price is near the resistance of 4,430 and the red downtrend line, thus the bears can drag the asset towards the level of 4,335. On the flip side, the index bulls can dictate the asset if it breaks above the level of \$4,430. This will send the asset towards 4,600.



SPX, 1D, O4406.66 H4421.76 L4393.82 C4411.54 -3.69 (-0.08%)

USD



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MARKETS

Mar Apr May Jun Jul Aug Sep Oct Nov

SPX, 4h, O4410.63 H4419.69 L4408.49 C4411.54 +0.67 (+0.02%)

USD



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Jul 17 Aug 14 23 Sep 18 Oct 16 Nov 13



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