



Market Analysis

30/01/2024

NEWS ANALYSIS

- The dollar index on Monday rose by +0.01% and posted a 1-1/2 month high. The dollar found safe-haven support Monday on increased tensions between the U.S. and Iran after three U.S. servicemen were killed Sunday after a drone attack by Iranian-backed militants on a U.S. base in Jordan. Also, weakness in EUR/USD was bullish for the dollar after dovish ECB comments Monday knocked the euro down to a 1-1/2 month low against the dollar.
- The central bank is set to keep interest rates steady but the focus will be on any hints about the timing and speed of rate cuts this year. Bets for a 25 basis point rate cut in March currently stands at about 47% while the odds for a 25 bps reduction in May stand at 50%, according to CME's FedWatch Tool. Meanwhile, markets will assess job openings data on Tuesday ahead of the closely watched monthly jobs report on Friday. Data on job openings from the U.S. Department of Labor Statistics due later on Tuesday will in the meantime offer a prelude to the closely watched payroll report to be released on Friday.
- We suspect that the FOMC meeting will not be as dovish as current market pricing suggests. If recent Fed comments are anything to go by, the Fed are unlikely to release a dove into the crowd - and that risks a bounce for the U.S. dollar and yields.





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EURUSD

+



EURUSD

- EUR/USD stays depressed around 1.0820 after printing a minor recovery move during early Tuesday.
- The European Central Bank (ECB) Governing Council member Peter Kazimir said that the central bank won't rush into cutting interest rates to avoid undoing progress on inflation. Kazimir added that it would be risky to act rapidly in response to short-term surprises without having more clarity about the medium term.
- The advanced Q4 Eurozone Gross Domestic Product (GDP) is due on Tuesday, which is estimated to contract by 0.1% QoQ and remain steady on an annual basis. If the report shows a weaker-than-expected outcome, this could exert some selling pressure on the Euro (EUR) and act as a headwind for the EUR/USD pair.
- A break below the previous day's low could pave the way for additional losses to the support of 1.0750. On the upside, 1.0830 aligns as the first resistance before 1.0950.





EURUSD, 4h, O1.08224 H1.08258 L1.08197 C1.08203 -0.00021 (-0.02%)





+

GBPUSD

+



FOREX



NG



ES



CT



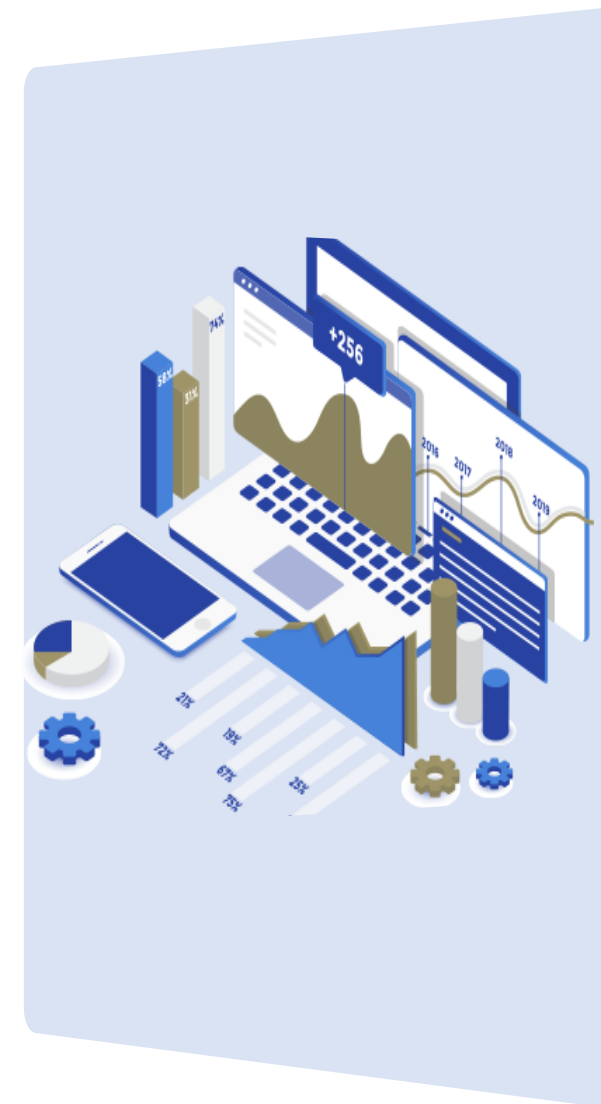
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MetaTrader4



GBPUSD

- The GBP/USD pair remains confined in a narrow trading range above the 1.2700 mark during the early European trading hours on Tuesday.
- The Fed is widely anticipated to hold benchmark interest rates steady at a 23-year high of 5.25–5.50% at its January meeting on Wednesday, after a lengthy effort to tame rampant inflation. Meanwhile, the BoE is expected to keep rates steady. Nonetheless, signs that the inflation crisis is easing off might convince the UK central bank to lower rates after all.
- The BoE is in a balancing act between vulnerable economic conditions in the domestic and the overseas market and stubborn price pressures. The maintenance of higher interest rates for a longer period by the BoE could dampen labor market and demand conditions while a dovish signal will ramp-up price pressures again.
- A downfall below the previous day's low will confirm the breaking of the short-term uptrend line and direct the cable to Jan 17 low, surrounding 1.2600. Alternatively, bulls will dominate the asset if it surpasses the 1.2780 level. An occurrence of the same will direct the asset to 1.2850.



GBPUSD, 1D, O1.27081 H1.27210 L1.27000 C1.27006 -0.00075 (-0.06%)

USD



15 Jun 19 Jul 17 Aug 14 Sep 18 Oct 16 Nov 20 Dec 18 2024 15 Feb

GBPUSD, 4h, O1.27056 H1.27086 L1.27000 C1.27006 -0.00050 (-0.04%)

USD

1.26200

1.28000

1.27800

1.27600

1.27400

1.27200

1.27006

1.27000

1.26800

1.26600

1.26400

1.26200

1.26000

1.25800

1.25600

1.25500

1.25400

1.25200

1.25000

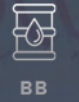
1.24800



14:00 27 Dec 6 11 14:00 18 14:00 26 2024 8 14:00 15 14:00 22 14:00 29



USDJPY



USDJPY

- The USD/JPY is making a minor recovery after pulling back to the support of 147.20 on Monday.
- A further escalation of conflicts in the Middle East tempers investors' appetite for riskier assets, which is evident from a generally softer tone around the equity markets. This, along with the Bank of Japan's (BoJ) hawkish tilt last week, signalling that conditions for phasing out huge stimulus and pulling short-term interest rates out of negative territory were falling into place, lends some support to the safe-haven JPY.
- It, however, remains to be seen if the JPY can build on the uptick as traders might prefer to wait on the sidelines ahead of the highly-anticipated two-day FOMC meeting starting on Tuesday. Investors this week will also confront important US macro releases scheduled at the start of a new month, including the Nonfarm Payrolls (NFP) on Friday.
- The support of 147.20 could direct the asset to the 148.00 level. A breach of the latter will drive the yen pair to Nov 03 low, around 149.20. On the flip side, bears need to conquer the 147.20 level confidently to drag the ninja to Jan 11 high, surrounding 146.40.









+

XAUUSD

+

-  FOREX
-  NG
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XAUUSD

- Gold futures rose on Monday even as the dollar moved higher as investors seek the safety of the precious metal amid concerns the United States will be drawn into a Middle East war after Iran-backed militants on the weekend launched a drone attack on a US military base in Jordan that killed three.
- Meanwhile, Gold's strength may diminish this week. The FOMC meeting could signal the Fed maintaining a resolute stance against excessive dovishness. Another key point of interest is the U.S. Treasury's quarterly refunding announcement on Wednesday.
- The precious metal is trading below the resistance of \$2,035 at the press time. For more upside, bulls need to surpass that level which will send the yellow metal to \$2,050. On the flip side, pullback moves may initially aim for the level of \$2,020 before testing the support of \$2,010.



XAUUSD, 1D, O2032.530 H2036.075 L2029.335 C2033.985 +1.455 (+0.07%)

USD



19 Jul 17 Aug 14 Sep 18 Oct 16 Nov 13 Dec 18 2024 15 Feb

2120.000
2100.000
2080.000
2060.000
2050.000
2035.000
2033.985
2020.000
2010.000
1997.000
1980.000
1960.000
1940.000
1920.000
1900.000
1880.000
1860.000
1840.000
1820.000

XAUUSD, 4h, O2032.225 H2036.075 L2032.140 C2034.440 +2.215 (+0.11%)

USD
2130.000
2120.000
2110.000
2100.000
2090.000
2080.000
2070.000
2060.000
2050.000
2040.000
2035.000
2034.440
2030.000
2020.000
2010.000
2000.000
1997.000
1990.000
1980.000



27

Dec

6

11

14:00

18

14:00

25

2024

8

14:00

15

14:00

22

14:00

29





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.

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