



*Market*News

18/04/2023





EUR / USD



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MetaTrader4

Support Level : 1.0900 - 1.0830 - 1.0780

Resistance Level : 1.1000 - 1.1070 - 1.1180

## EUR/USD

- EUR/USD losses traction on technical reasons and on a stronger US Dollar, as speculations that the US Fed would hike rates in May, gains adepts. US Treasury bond yields rose; consequently, bonds dropped, a tailwind for the buck. At the time of writing, the EUR/USD is trading at 1.0911 after hitting a YTD high at 1.1075.
- Wall Street trades with a risk-off-tilted mood. The economic docket in the United States and the Eurozone is light, with the main driver of EUR/USD's price action being the US 2-year Treasury bond yield. The US 2-year bond yield is gaining almost 10 bps, sitting at 4.194%, while the CME FedWatch Tool shows odds for a 25 bps rate hike by the Fed, at 84.7%, higher than last Friday's 78%.
- The EUR/USD pair is trading near the 1.0930, down for the day with bullish stance in daily chart. The pair stabilized above 20 and 50 SMA, indicates bullish strength. Meanwhile, the 20 SMA continued accelerating north and heading towards 50 and 200 SMA, suggests bulls not exhausted yet. On upside, the immediate resistance is 1.1000, break above this level will extend the advance to 1.1070.
- Technical readings in the daily chart support the bullish stance. The RSI indicator stabilizes around 57. The Momentum indicator holds above the midline, indicating bullish potentials. On downside, the immediate support is 1.0900 and below this level will open the gate to 1.0830.









GBP / USD



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**Support Level:** 1.2340 - 1.2270 - 1.2200

**Resistance Level:** 1.2440 - 1.2550 - 1.2660

## GBP / USD

- GBP/USD dropped after forming a double top in recent price action during the last nine days and falls amidst speculations that the US Fed would raise rates in May. That, alongside Fed Fund's swaps, pushing the first rate cut by November of 2023, increased appetite for the greenback. Therefore, the GBP/USD is trading at 1.2377 after hitting a high of 1.2438.
- US equities have turned red, while the greenback, as shown by the US Dollar Index stages a comeback. The DXY sits at 102.214, gains 0.62%, and is one of the reasons for the GBP/USD pullback. Underpinned by traders bracing for additional tightening by the Fed, US Treasury bond yields are heading north, consequently bolstering the USD. According to the CME FedWatch Tool, the probability of a 25 bps rate hike by the Fed stands at 84.7%, indicating an increase from last Friday's 78%.
- The GBP/USD offers bullish stance in daily chart. Cable stabilizes above 20 and 50 SMA, indicating bullish strength in short term. Meanwhile, the 20 SMA continued accelerating north and developing far above longer ones, suggests bulls not exhausted yet. On upside, the immediate resistance is 1.2440 with a break above it exposing to 1.2550.
- Technical readings in the daily chart support the bullish stances. RSI indicator stabilizes around 54, while the Momentum indicator stabilizes above the midline, suggesting upward potentials. On downside, the immediate support is 1.2340, unable to defend this level will resume the decline to 1.2270.









XAU / USD



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**Support Level** : 1981 - 1950 - 1933

**Resistance Level** : 2015 - 2032 - 2049

# XAU / USD

- Gold price resumed the downside on Monday, breaking under \$1,990. XAU/USD bottomed at \$1,981 reaching the lowest level in a week. As of writing it is hovering near \$1,995 around \$50 from last week's top. The reversal in gold gained momentum amid a rally of the US Dollar and higher US yields.
- Expectations that the Federal Reserve will raise interest rates again in May pushed yields to the upside. The US 10-year yield rose to 3.60%, the highest level since late March. The US Dollar Index is advancing for the second day in a row, and is above 102.20. Data released on Monday in the US showed a sharp rebound in the Empire Manufacturing Index in April to 10.8 from -24.60, surpassing expectations of -18.0. The numbers contribute to the expectations of one more rate hike from the Fed.
- Gold price stabilized around 1995, down for the day and bullish in the daily chart. The gold price still stabilizes above all main SMAs, suggesting bullish strength in short term. Meanwhile, the 20 continued accelerating north and continued developing far above 50 and 200 SMA, indicates bulls not exhausted yet. On upside, the immediate resistance is 2032, break above this level will open the gate for more advance to 2049 area.
- From a technical perspective, the RSI indicator holds above the mid-line and stabilizes around 57, on a bullish strength. The Momentum indicator holds in the positive territory, suggests upward potentials. On downside, the immediate support is 1981, below this area may resume the decline to 1950.









USD / JPY



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**Support Level** : 133.70 – 132.80 – 132.00

**Resistance Level** : 135.10 – 137.00 – 138.00

## USD/JPY

- The USD/JPY moved higher as US Treasury bond yields resumed their uptrend, following the last week's hawkish commentary by Fed officials. Fed Board Governor Christopher Waller's comments that more tightening is needed, triggered the latest jump in the 10-year US T-bond yield. Therefore, the USD/JPY rallied and is trading at 134.40, up 0.50%.
- Expectations that the Federal Reserve (Fed) will pause its rate-hiking cycle, sooner rather than later, fail to assist the USD to capitalize on its recovery move from a one-year low, which, in turn, acts as a headwind for the USD/JPY pair. The bets were lifted after the US CPI and the PPI report released last week indicated that disinflation is progressing smoothly. That said, speculations that the US central bank might continue raising rates in the wake of a rise in short-term inflation expectations should help limit any meaningful downfall for the Greenback and the major, at least for now.
- The USD/JPY pair stabilized around 134.40, up for the day and bullish in the daily chart. The price stabilizes above 20 and 50 SMA, suggests bullish strength in short term. However, 20 SMA started turning flat but continued developing below longer ones, indicating bears not exhausted. On upside, overcome 135.10 may encourage bulls to challenge 137.00, break above that level will open the gate to 138.00.
- Technical indicators suggest the bullish strength. RSI stabilizes around 58, while the Momentum indicator stabilizes above the midline, suggests upward potentials. On downside, the immediate support is 133.70, break below this level will open the gate to 132.80 area.









DJI



FOREX



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**Support Level** : 33940 - 33870 - 33730

**Resistance Level** : 34260 - 34410 - 34750

## DJI

- DJI tumble to intraday low 33940 area, but trimmed all losses and bounced back to intraday high 33140 level at the end of the last hour of Monday, up for the day and indicates bullish sign in the hourly chart. Right now market is standing above 20 and 50 SMA, suggests bullish strength. Meanwhile, 20 SMA started turning flat but continued developing far above 200 SMA, suggests bulls not exhausted yet. On upside, overcome 34260 may encourage bulls to challenge 34410, break above that level will open the gate to 34750.
- Technical indicators suggest the directionless movement. RSI stabilizes around 60, while the Momentum indicator stabilizes below the midline, suggests downward potentials. On downside, the immediately support is 33940, break below this level will open the gate for more decline to 33870 area.









# BRENT



FOREX



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**Support Level** : 83.50 – 80.00 – 78.40

**Resistance Level** : 85.50 – 86.60 – 87.50

# Brent

- Brent under the strong sell pressure, tumbled from intraday high 86.50 to intraday low 84.40. It recovered modestly and ended the day around 84.88, down for the day and indicates bearish sign in the hourly chart. Meanwhile, the 20 SMA continued accelerating south and heading towards longer ones, indicates bears not exhausted yet. On upside, overcome 85.50 may encourage bulls to challenge 86.60, break above that level will open the gate to 87.50.
- Technical indicators also suggest bearish movement, hovering below the midline. RSI stabilizes at 33, while the Momentum indicator stabilizes below the midline, suggests downward potentials. On downside, the immediately support is 83.50, break below this level will open the gate for more decline to 80.00 area.









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