



*Market*News

11/05/2023





EUR / USD



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Support Level : 1.0910 - 1.0830 - 1.0710

Resistance Level : 1.1100 - 1.1180 - 1.1250

## EUR/USD

- EUR/USD rallied on the back of the US Consumer Price Index and reached a high of 1.1006 on the day from a low of 1.0941. It trimmed some gains and trading around 1.0980 at the end of US session.
- Headline CPI growth in the US ended lower to 4.9% in April from 5% in March. 'Core' inflation excluding food and energy products also moderated, to 5.5% from 5.6% in March. Meanwhile, the European Central Bank was later to start hiking so there is the consensus that the ECB should be later to pause. The ECB dialled back to a 25 bps hike in May but suggested further rate increases should be expected.
- The EUR/USD pair is trading near the 1.0980, up for the day with neutral to bullish stance in daily chart. The pair stabilized between 20 and 50 SMA, indicates neutral strength. Meanwhile, the 20 SMA continued developing above 50 and 200 SMA, suggests bulls not exhausted yet. On upside, the immediate resistance is 1.1100, break above this level will extend the advance to 1.1180.
- Technical readings in the daily chart support the neutral stance. The RSI indicator stabilizes around 52. The Momentum indicator holds just above the midline, indicating modest bullish potentials. On downside, the immediate support is 1.0910 and below this level will open the gate to 1.0830.









GBP / USD



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**Support Level:** 1.2540 - 1.2430 - 1.2340

**Resistance Level:** 1.2680 - 1.2800 - 1.2900

## GBP / USD

- The Pound Sterling rallied sharply versus the US Dollar after the release of US Consumer Price Index data for April on Wednesday. The pair failed to hold onto its gains, however, and pulled back down to near the 1.2630 level during the latter part of the US Session.
- US CPI inflation dips to 4.9% YoY in April, missing expectations of 5.0%. This reflects slowing inflationary pressures, and counter-intuitively weakens the US Dollar, as it makes it even more likely the Fed will leave interest rates unchanged. The Pound gains due to a widening monetary policy divergence since in the UK interest rates are still expected to rise substantially higher, and currencies that have higher interest rates to benefit from greater demand.
- 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 1.2680 with a break above it exposing to 1.2800.
- Technical readings in the daily chart support the bullish stances. RSI indicator stabilizes around 63, while the Momentum indicator stabilizes above the midline, suggesting upward potentials. On downside, the immediate support is 1.2540, unable to defend this level will resume the decline to 1.2430.







XAU / USD



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**Support Level** : 2000 - 1970 - 1935

**Resistance Level** : 2048 - 2080 - 2100

# XAU/USD

- Gold price slumps following the release of April's inflation in the United States, which initially sent the XAU/USD to its daily high of \$2048, though it retraced even though the US Dollar weakened on the news. Hence, the XAU/USD is trading at \$2030.7, down 0.28%.
- The US Labor Department revealed the CPI for April continued to decelerate, as the CPI rose 0.4% MoM, aligned with estimates, while the YoY came at 4.9%, below forecasts of 5%. Excluding volatile items like food and energy, the core CPI advanced 0.4% MoM, while annually based stood at around the 5.5% threshold. US Treasury bond yields dropped, with 2s and 10s, down eight and seven and a half bps, each at 3.935% and 3.446%, respectively. The greenback, which has an inverse correlation with Gold prices, slips 0.14%, down to 101.514.
- Gold price stabilized around 2030, down for the day and bullish in the daily chart. The gold price stabilizes above 20 SMA, suggesting bullish strength in short term. Meanwhile, the 20 SMA started turning flat but continued developing far above 50 and 200 SMA, indicates bulls not exhausted yet. On upside, the immediate resistance is 2048, break above this level will open the gate for more advance to 2080 area.
- From a technical perspective, the RSI indicator holds above the mid-line and stabilizes around 59, on a bullish strength. The Momentum indicator hold in positive territory, suggests upward potentials. On downside, the immediate support is 2000, below this area may resume the decline to 1970.









USD / JPY



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**Support Level** : 133.50 – 132.00 – 130.60

**Resistance Level** : 135.70 – 136.70 – 137.90

## USD/JPY

- The USD/JPY snaps three days of gains, slides below the 135.00 figure after US inflation cooled down. The fall of the US 10-year Treasury bond yield weighed on the USD/JPY pair due to its close correlation. At the time of writing, the USD/JPY is trading at 134.30, down 0.70%.
- The US Dollar weakened across the board after the US Bureau of Labor Statistics reported that inflation in the US, as measured by the CPI rose 0.4% in April and the yearly rate eased to 4.9% from 5%. Meanwhile, the Core CPI, which excludes volatile food and energy prices, matched expectations, coming in at 0.4% and 5.5%, respectively. Nevertheless, the data reaffirms market bets for an imminent pause in the Federal Reserve's year-long rate-hiking cycle, which weighs heavily on the Greenback and exerts downward pressure on the USD/JPY pair.
- The USD/JPY pair stabilized around 134.30, down for the day and bullish in the daily chart. The price stabilizes between 20 and 50 SMA, suggests neutral to bullish strength in short term. Meanwhile, 20 SMA started turning flat but continued developing above longer ones, indicating bulls not exhausted. On upside, overcome 135.70 may encourage bulls to challenge 136.70, break above that level will open the gate to 137.90.
- Technical indicators suggest the neutral to bullish strength. RSI stabilizes around 50, while the Momentum indicator stabilizes just above the midline, suggests upward potentials. On downside, the immediate support is 133.50, break below this level will open the gate to 132.00 area.









DJI



FOREX



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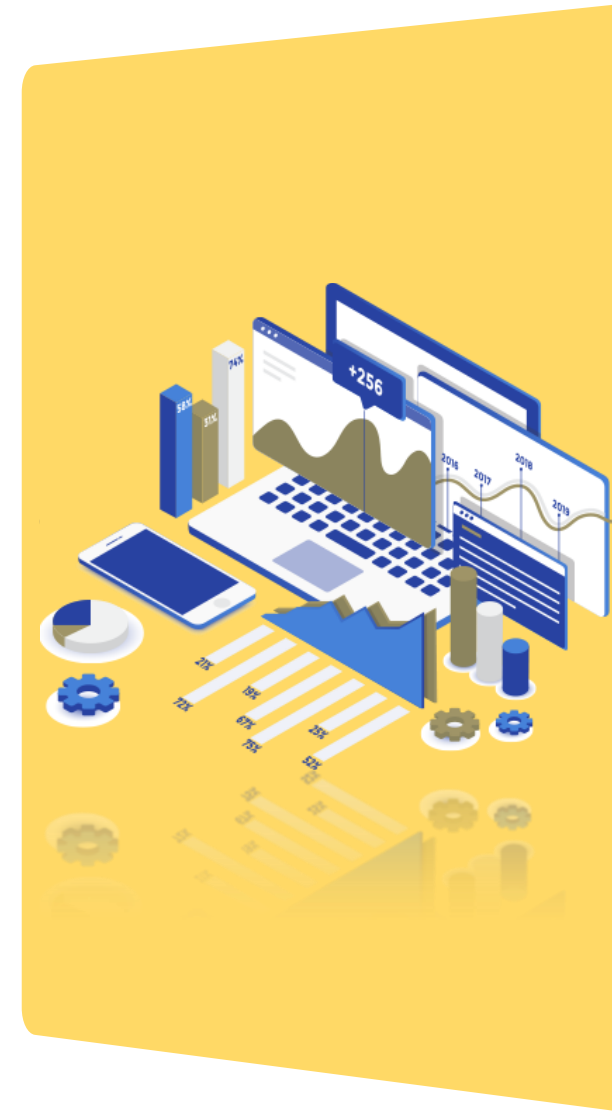


**Support Level** : 33300 - 33000 - 32700

**Resistance Level** : 33900 - 34180 - 34360

## DJI

- DJI tumbled to intraday low 33300 area post US CPI data, but recovered most losses in the latter part of US session and ended the day around 33610. Right now market is standing between 20 and 50 SMA, suggests neutral strength. Meanwhile, 20 and 50 SMA started turning flat and continued developing below 200 SMA, suggests bears not exhausted yet. On upside, overcome 33900 may encourage bulls to challenge 34180, break above that level will open the gate to 34360.
- Technical indicators suggest the bullish movement. RSI stabilizes around 51, while the Momentum indicator stabilizes below the midline, suggests downward potentials. On downside, the immediately support is 33300, break below this level will open the gate for more decline to 33000 area.









# BRENT



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**Support Level** : 75.00 – 73.40 – 71.40

**Resistance Level** : 77.60 – 79.20 – 80.60

# Brent

- Brent fluctuated in the familiar range on Wednesday, traded from intraday low 75.70 area to high 77.60 level. It ended the day around 76.60, down for the day and indicates bearish sign in the hourly chart. Meanwhile, the 20 SMA started turning south and heading towards longer ones, indicates bears not exhausted yet. On upside, overcome 77.60 may encourage bulls to challenge 79.20, break above that level will open the gate to 80.60.
- Technical indicators also suggest bearish movement, hovering below the midline. RSI stabilizes at 49, while the Momentum indicator stabilizes in negative territory, suggests downward potentials. On downside, the immediately support is 75.00, break below this level will open the gate for more decline to 73.40 area.









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