MM Markets

TECHNICAL

ANALYSIS REPORT

TUESDAY, NOVEMBER 25 2025

EUR/USD

Previous Session Overview

EURUSD consolidated on Monday, staying between previous support and resistance levels. Currently trading at 1.1517.

Market Outlook

The euro regained modest ground on Monday, snapping six consecutive daily declines as it revisited the 1.1500 area. The currency's recent weakness has been driven by growing challenges they support around 100.00 and shifting Federal Reserve rate expectations, with the CME FedWatch Tool now showing odds for a December cut climbing back above 65%, a dramatic recovery from sub-30% probabilities seen days earlier. This reversal follows comments from New York Fed President John Williams, who signalled room for additional easing next month despite maintaining his broadly cautious stance on monetary policy. Meanwhile, the ECB's Governing Council meets centre stage Tuesday, positioned as the most hawkish major central bank. Recent comments from officials have underscored a cautious tone, with Bundesbank President Joachim Nagel warning against premature rate cuts and ECB chief economist Philip Lane noting that the bank's forecasts remain "very uncertain." Lane's remarks, delivered in a speech in Tokyo, also highlighted the ECB's willingness to maintain rates at the December meeting, creating a potential divergence with the Federal Reserve's trajectory. The upcoming week in Europe's calendar features critical releases including September Retail Sales, Producer Prices, and the Conference Board Consumer Confidence Index. These delayed reports, released as part of clearing the government shutdown backlog, will be closely watched for economic resilience or weakness signs. Any indication of a stagflationary environment combining weak growth with persistent inflation could add significant volatility, particularly given reduced trading volumes expected during Thanksgiving week.

Technical Outlook

- Stochastic is consolidating in the middle area.
- Price is consolidating below the 20-period moving average.
- This setup indicates tentative stabilization but maintains bearish undertones.

Key Levels to Watch

Resistance: 1.1567, 1.1619
Support: 1.1481, 1.1423

Conclusion

EURUSD shows signs of stabilization after Monday's modest recovery, but the pair remains below the 20-period moving average, keeping the near-term bias cautiously bearish. The technical picture suggests the pair is at a critical juncture - a sustained move above 1.1567 would indicate bears are losing control and open the path toward 1.1619, while renewed USD risk-off rates accelerating toward the 1.1450. Tuesday's heavy US data calendar will be pivotal in determining direction, with weaker-than-expected readings likely to support EURUSD through continued Dollar weakness, while strong data could reinforce USD strength and push the pair lower. The Stochastic indicator's consolidation in neutral territory reflects market indecision ahead of these catalysts. Given the thin liquidity expected during US Thanksgiving week, price action could easily be exaggerated, making risk management particularly important for navigating this critical data heavy session.

GOLD (XAU/USD)

Previous Session Overview

Gold moved higher on Monday, reaching previous resistance levels. Currently trading at 4142.70.

Market Outlook

Gold maintained strong momentum on Monday, surpassing the $4,100 mark to climb toward $4,141 amid a weakening Greenback and renewed hopes of further Federal Reserve easing. The precious metal's performance represents a sharp reversal from the previous week's consolidation, as market sentiment shifts favorably toward additional rate cuts. The catalyst has been the deteriorating US economic outlook, with weak labor market data prompting dovish Federal Reserve policy expectations. Following New York Fed President Williams' comments suggesting room for a December rate cut, market participants have dramatically increased dovish positioning, with the probability of a 25-basis point first rate cut climbing back above 65% from approximately 35% days earlier. This shift in monetary policy expectations provides a favorable backdrop for non-yielding assets like gold, as lower interest rates reduce the opportunity cost of holding the metal. The weakening Dollar enhances Gold's appeal for international buyers. Equities closed higher Monday, with the S&P 500 increasing 1.55% and Nasdaq jumping 2.69% in its best day since May, led by Alphabet and AI-related stocks suggesting improved risk appetite. However, analysts warn that single-stock leadership does not represent sustainable broad-based improvement. Tuesday brings a critical data dump including September Retail Sales, Producer Prices, and the Conference Board Consumer Confidence Index, delayed by the government shutdown. These releases will provide fresh insights into the economy's health heading into year-end. Weak readings would reinforce Fed dovish expectations and support further gold gains, while stronger-than-expected data could trigger profit-taking. The Conference Board Consumer Confidence Index will also be watched closely, as deteriorating sentiment could boost safe-haven demand.

Technical Outlook

- Ichotachi is moving higher towards the overbought area.
- Price is moving higher above the 20-period moving average.
- This setup indicates strong bullish momentum with potential for continuation.

Key Levels to Watch

Resistance: 4206.87, 4246.16
Support: 4081.26, 4041.27

Conclusion

Gold's technical picture has brightened considerably with price breaking decisively above the 20-period moving average and the psychologically important $4,100 level at 4142.70. The Ichotachi indicator approaching overbought territory suggests strong momentum but also warns that the rally may be extended in the near term. Immediate resistance stands at $4206.87, with a breakout potentially targeting 4246.16, though traders should be cautious of potential pullbacks given overbought conditions. Support has strengthened at $4081.26 and $4041.27 levels. The path of least resistance remains bullish for the metal, higher if Gold maintains above the 20-period moving average and the Fed maintains its dovish bias. Tuesday's US economic data will be critical - weak readings should propel Gold toward the 4207-4246 resistance zone, while surprisingly strong data could trigger correction back toward 4081 supports. With Thanksgiving-related liquidity constraints expected to amplify any data-driven volatility, the upcoming week's trading in Gold should be managed carefully while the overall outlook remains constructive for gold bulls.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Monday, between previous support and resistance levels. Currently trading at 1.3100.

Market Outlook

The Pound rose modestly on Monday, maintaining its three-day recovery and flirting with the 1.3120 zone as the US Dollar remained under broad-based pressure ahead of Wednesday's critical UK Budget. The pair has gained roughly 0.3% since last week's lows near 1.3070 as traders position for Sterling strength, with the Dollar Index challenging support around 100.00 as investors reassess pricing further Federal Reserve rate cuts following dovish commentary from New York Fed President Williams. Market expectations for a December Fed rate cut have surged back above 65%, providing a supportive backdrop for GBP/USD. However, domestic UK factors present significant headwinds. Chancellor Rachel Reeves is expected to announce tax hikes of up to £20 billion to close the fiscal gap, with speculation that the Chancellor may propose PM Legislation to raise the basic rate of income tax by 2p to 22p, or extend the fiscal drag framework beyond the April 2028 expiry. This would be the highest tax burden since the 1950s, which could influence the Dollar's trajectory.

Technical Outlook

- Stochastic is consolidating near the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests temporary equilibrium but vulnerability to directional breakout.

Key Levels to Watch

Resistance: 1.3170, 1.3212
Support: 1.3038, 1.2999

Conclusion

GBP/USD appears poised for a decisive move as it consolidates around 1.3100 ahead of Wednesday's high-stakes UK Budget. The technical picture shows the pair trading precariously around the 20-period moving average with Stochastic near overbought levels, suggesting limited upside momentum. Immediate resistance at 1.3170 represents the December 2025 high, while support lies at 1.3038 with critical backing at 1.2999. The pair remains a 'sell-on-bounce' candidate given the broader Dollar strength and the UK's fiscal challenges. The Budget will be the direction, but Reeves's speech reportedly represents the genuine inflection point. A post-very-dovish Budget could trigger breakdown below 1.3038 support, potentially accelerating toward 1.2999, while a Budget that strikes the right balance between fiscal responsibility and growth support could spark relief rally toward 1.3170-1.3212. Given elevated event risk and potential for outsized moves on thin liquidity, traders should reduce position sizes, avoid exercise caution with position sizing and maintain disciplined stop-loss levels.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Monday, reaching previous resistance levels. Currently trading at 6708.90.

Market Outlook

Equities climbed sharply higher on Monday, with the S&P 500 surging 1.55% to 6,705.12, rebounding into Thanksgiving holiday week after a slide that had knocked the air out of this year's artificial intelligence rally. The broad market participation marked a shift from recent weeks' narrow drop roughly 2% last week. Monday's advance was primarily driven by Alphabet, which jumped 6.3% as investors grew optimistic about the company's standing in the AI race following its upgraded Gemini 3 AI model announcement. The enthusiasm extended broadly across the AI trade, with Broadcom surging 11%, Micron gaining 8%, while Palantir, AMD, Meta, Nvidia, and Amazon also posted gains. The Nasdaq Composite rose 2.69% and the Dow Jones Industrial Average added 1.21%. However, market data also expressed caution about sustainability. The strong rebound built on Friday's momentum when New York Fed President Williams left the door open to a December interest rate cut, dramatically shifting market expectations. Fed Fund Futures now price approximately 65% odds of a December cut, up from below 30% earlier in the month. Despite Monday's rally, the broader picture remains challenging. The index remains down 2% on the week, followed by reconsideration of sky-high valuations across AI-linked names. Tuesday brings critical economic data including September Retail Sales and Producer Price Index; part of the backlog being cleared from the government shutdown. With trading volume expected to thin ahead of Thursday's Thanksgiving closure and Friday's early close, volatility could pick up dramatically on any surprises.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is consolidating above the 20-period moving average after strong recovery.
- This indicates strong bullish momentum but potentially overextended in near-term.

Key Levels to Watch

Resistance: 6798.60, 6885.13
Support: 6643.52, 6544.75

Conclusion

The S&P 500's technical picture has improved significantly with Monday's strong advance breaking decisively above the 20-period moving average at 6708.90. However, the Stochastic indicator deep in overbought territory warns that the rally may be overextended and vulnerable to profit-taking. Immediate resistance stands at the December 2025 high of 6798.60, with extended resistance at 6885.13. Support has strengthened at 6643.52 and 6544.75. Tuesday's economic data will be pivotal: weak Retail Sales or elevated PPI readings could either support Fed dovish narrative or raise stagflation concerns. While Monday's 1.55% surge is encouraging, concerns about narrow market leadership, AI valuation sustainability, and thin Thanksgiving week liquidity suggest caution. Traders should watch for follow-through above 6798 with broadening participation beyond mega-cap tech to confirm rally sustainability. Bears will target breakdown below 6645 to invalidate the recovery. Given overbought conditions and event risk, prudent traders may wait for consolidation rather than chasing Monday's rally.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved higher on Monday, reaching previous resistance levels. Currently trading at 58.56.

Market Outlook

WTI crude oil prices traded with marked gains on Monday, recovering from four-week lows in the sub-$58.00 region to climb back toward $59 as traders assessed the likelihood of peace talks in the Russia-Ukraine conflict and probable interest rate cuts by the Federal Reserve. The recovery represents a significant bounce from deeply oversold conditions. Oil's advance was supported by growing optimism that Ukraine could agree to US peace terms by Thanksgiving, with Ukraine's envoy there as reportedly speculation about Federal Reserve rate cuts, with December rate cut probability surging back above 65% following dovish commentary from New York Fed President John Williams, which boosted risk appetite and weakened the Dollar. However, the rally faces mounting resistance from geopolitical concerns. Ukraine's latest drone attacks on Russian oil infrastructure underscore that lifted supply markets also remain sensitive to geopolitical risk. The S&P 500 surging 1.55% while Nasdaq jumped 2.69% suggesting improved risk appetite. Progress in Russia-Ukraine peace negotiations continues presenting a double-edged sword - while successful peace would remove geopolitical risk premium, it would also potentially increase Russian oil supply flows. Technically, the Stochastic indicator deep oversold readings remain significant despite Monday's technical bounce. The latest Baker Hughes data showed US rig counts climbing to 418, with production near record highs of 13.83 million barrels per day. French EIA revised continued inventory accumulation, confirming supply exceeds typical seasonal demand patterns. Saudi exports remain elevated above 72 million barrels per day as the kingdom maintains its production strategy despite OPEC+ discipline. Tuesday's US data dump will weekly crude oil inventory reports (Cushing hub first time in supply-demand dynamics, alongside Conference Board Consumer Confidence data for insights on Japanese investment flows into holiday trade season.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating slightly above the 20-period moving average after breaking from below.
- This indicates technical recovery, but sustainability remains questionable.

Key Levels to Watch

Resistance: 59.77, 60.59
Support: 57.79, 57.00

Conclusion

WTI crude oil's Monday recovery has improved the near-term technical picture, with price breaking back above the 20-period moving average to trade at 58.56. The Stochastic indicator recovering toward overbought territory confirms strengthening momentum, though it also suggests the bounce may face resistance near the 59.77 and 60.59 levels. Support stands at 57.79 and 57.00, potentially targeting 60.59, while support holds near the 57.79 with critical backing at 57.00. The key question is whether Monday's gain represents genuine reversal or merely technical bounce within ongoing downtrend. The fundamental backdrop remains bearish with oversupply dynamics intact, elevated Saudi exports, and rising US production, though the Fed's dovish pivot and improved risk appetite provide some offsetting support. Tuesday's US data dump including weekly crude oil inventory and rig count data will be critical. A stronger-than-expected reading could extend the recovery toward 60.59. Traders should watch for follow-through above 59.77 to confirm bullish momentum, while failure to hold above 57.79 would suggest Monday's recovery was merely technical bounce before resuming downward trend $57.00

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
25 Nov	13:30	USD	Core PPI m/m	0.2%	-0.1%
	13:30	USD	Core Retail Sales m/m	0.3%	0.7%
	13:30	USD	PPI m/m	0.3%	-0.1%
	13:30	USD	Retail Sales m/m	0.4%	0.6%
26 Nov	00:30	AUD	CPI y/y	3.6%	3.5%
	01:00	NZD	Official Cash Rate	2.25%	2.50%
	02:00	NZD	RBNZ Monetary Policy Statement		
	02:00	NZD	RBNZ Rate Statement		
	02:00	NZD	RBNZ Press Conference		
	12:30	GBP	Autumn Forecast Statement		
	13:30	USD	Unemployment Claims	226K	220K

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