

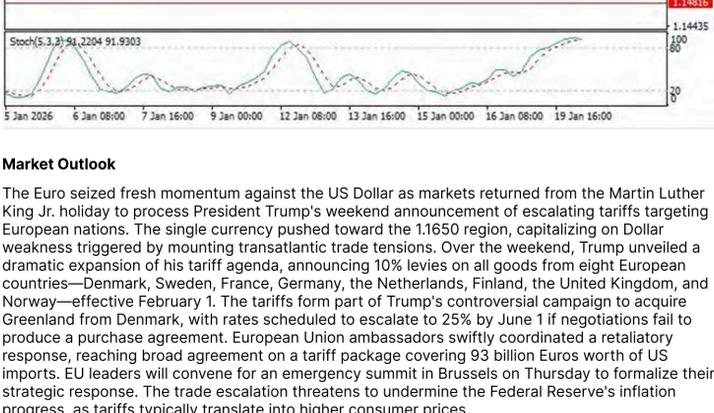
TECHNICAL ANALYSIS REPORT

TUESDAY, JANUARY 20 2026

EUR/USD

Previous Session Overview

EUR/USD consolidated on Monday, remaining between previous support and resistance levels. Currently trading at 1.1656.



Market Outlook

The Euro seized fresh momentum against the US Dollar as markets returned from the Martin Luther King Jr. holiday to process President Trump's weekend announcement of escalating tariffs targeting European nations. The single currency pushed toward the 1.1650 region, capitalizing on Dollar weakness triggered by mounting transatlantic trade tensions. Over the weekend, Trump unveiled a dramatic expansion of his tariff agenda, announcing 10% levies on all goods from eight European countries—Denmark, Sweden, France, Germany, the Netherlands, Finland, the United Kingdom, and Norway—effective February 1. The tariffs form part of Trump's controversial campaign to acquire Greenland from Denmark, with rates scheduled to escalate to 25% by June 1 if negotiations fail to produce a purchase agreement. European Union ambassadors swiftly coordinated a retaliatory response, reaching broad agreement on a tariff package covering 93 billion Euros worth of US imports. EU leaders will convene for an emergency summit in Brussels on Thursday to formalize their strategic response. The trade escalation threatens to undermine the Federal Reserve's inflation progress, as tariffs typically translate into higher consumer prices.

Technical Outlook

- Stochastic consolidating inside the overbought area
- Price consolidating slightly above the 20-period moving average.
- Configuration suggests bullish momentum intact with potential for extension.

Key Levels to Watch

Resistance: 1.1700; 1.1762
Support: 1.1551; 1.1482

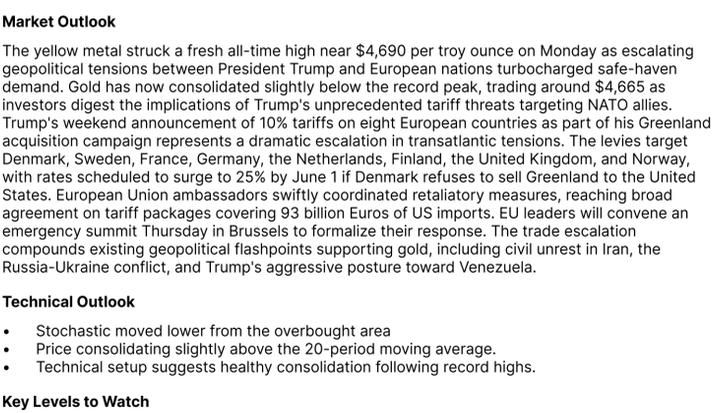
Conclusion

EUR/USD demonstrates resilience trading at 1.1656, with the Stochastic indicator consolidating in overbought territory and price holding above the 20-period moving average signalling that bulls maintain control. The pair's strength amid Trump's tariff escalation reflects market assessment that European retaliation poses greater risks to US economic prospects than to the Eurozone. Immediate resistance at 1.1700 represents the next psychological barrier, with a break targeting 1.1762 and potentially opening pathways toward the 1.1800 zone. Support at 1.1551 should contain any profit-taking, with deeper pullbacks finding buyers around 1.1482. Thursday's EU emergency summit will prove pivotal—a forceful, unified European response could propel EUR/USD through resistance as markets price in deteriorating US trade relationships. Bulls need sustained positioning above the 20-period moving average and 1.1650 to maintain momentum toward 1.1700, while bears require a decisive break below 1.1600 to threaten the uptrend.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Monday, maintaining position between previous support and resistance boundaries. Currently trading at 4680.70.



Market Outlook

The yellow metal struck a fresh all-time high near \$4,690 per troy ounce on Monday as escalating geopolitical tensions between President Trump and European nations turbocharged safe-haven demand. Gold has now consolidated slightly below the record peak, trading around \$4,665 as investors digest the implications of Trump's unprecedented tariff threats targeting NATO allies. Trump's weekend announcement of 10% tariffs on eight European countries as part of his Greenland acquisition campaign represents a dramatic escalation in transatlantic tensions. The levies target Denmark, Sweden, France, Germany, the Netherlands, Finland, the United Kingdom, and Norway, with rates scheduled to surge to 25% by June 1 if Denmark refuses to sell Greenland to the United States. European Union ambassadors swiftly coordinated retaliatory measures, reaching broad agreement on tariff packages covering 93 billion Euros of US imports. EU leaders will convene an emergency summit Thursday in Brussels to formalize their response. The trade escalation compounds existing geopolitical flashpoints supporting gold, including civil unrest in Iran, the Russia-Ukraine conflict, and Trump's aggressive posture toward Venezuela.

Technical Outlook

- Stochastic moved lower from the overbought area
- Price consolidating slightly above the 20-period moving average.
- Technical setup suggests healthy consolidation following record highs.

Key Levels to Watch

Resistance: 4751.66; 4802.41
Support: 4587.22; 4536.47

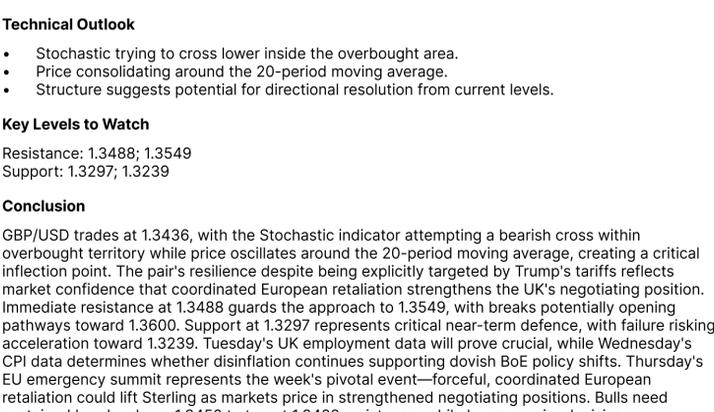
Conclusion

Gold consolidates near \$4,665 after striking all-time highs around \$4,690, with the Stochastic indicator retreating from overbought territory signalling temporary exhaustion rather than trend reversal. Price maintaining position above the 20-period moving average confirms bulls remain structurally in control despite near-term consolidation. The record high achieved Monday demonstrates that institutional and retail investors view current geopolitical escalations—particularly Trump's extraordinary Greenland demands and European trade war threats—as justifying aggressive safe-haven positioning. Immediate resistance at 4751.66 represents the next upside target, with breaks opening pathways toward 4802.41 and bringing the psychologically significant \$5,000 level into realistic striking distance. Thursday's EU emergency summit represents a critical catalyst—forceful European retaliation or escalating rhetoric from either side could propel gold through resistance toward new records. The fundamental backdrop overwhelmingly favours continued upside, with the path toward \$5,000 appearing increasingly inevitable.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Monday, holding between previous support and resistance parameters. Currently trading at 1.3436.



Market Outlook

The Pound Sterling captured modest gains against the US Dollar on Monday, advancing toward the 1.3440 region as investors processed President Trump's weekend tariff announcement targeting European nations including the United Kingdom. Sterling's advance reflects both Dollar weakness from escalating trade tensions and relief that UK exposure to Trump's levies appears limited compared to continental European nations. Trump's extraordinary weekend declaration imposed 10% tariffs on eight countries—Denmark, Sweden, France, Germany, the Netherlands, Finland, the United Kingdom, and Norway—effective February 1 as part of his campaign to pressure Denmark into selling Greenland. The tariffs escalate to 25% by June 1 if negotiations fail, representing an unprecedented use of economic coercion against NATO allies to acquire sovereign territory. European Union ambassadors reached broad agreement on retaliatory tariff packages covering 93 billion Euros of US imports, with EU leaders convening an emergency summit Thursday in Brussels. This week's critical data releases will prove pivotal for Bank of England policy expectations. Tuesday brings UK employment data, followed by December CPI Wednesday.

Technical Outlook

- Stochastic trying to cross lower inside the overbought area.
- Price consolidating around the 20-period moving average.
- Structure suggests potential for directional resolution from current levels.

Key Levels to Watch

Resistance: 1.3488; 1.3549
Support: 1.3297; 1.3239

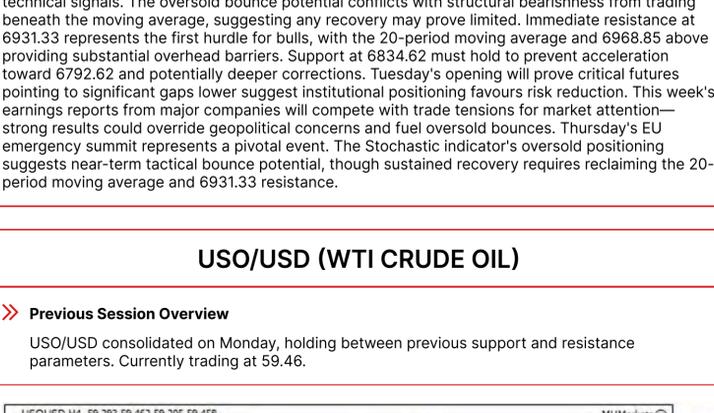
Conclusion

GBP/USD trades at 1.3436, with the Stochastic indicator attempting a bearish cross within overbought territory while price oscillates around the 20-period moving average, creating a critical inflection point. The pair's resilience despite being explicitly targeted by Trump's tariffs reflects market confidence that coordinated European retaliation strengthens the UK's negotiating position. Immediate resistance at 1.3488 guards the approach to 1.3549, with breaks potentially opening pathways toward 1.3600. Support at 1.3297 represents critical near-term defence, with failure risking acceleration toward 1.3239. Tuesday's UK employment data will prove crucial, while Wednesday's CPI data determines whether disinflation continues supporting dovish BoE policy shifts. Thursday's EU emergency summit represents the week's pivotal event—forceful, coordinated European retaliation could lift Sterling as markets price in strengthened negotiating positions. Bulls need sustained breaks above 1.3450 to target 1.3488 resistance, while bears require decisive moves below 1.3400 to threaten support at 1.3297.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 consolidated lower on Monday, remaining between previous support and resistance zones. Currently at 6880.64.



Market Outlook

US equity markets endured a challenging Monday session as investors absorbed President Trump's weekend tariff announcement targeting eight European nations as part of his Greenland acquisition campaign. The S&P 500 declined despite US cash markets being closed for Martin Luther King Jr. Day, with futures activity reflecting mounting concerns about escalating trade tensions. Stock futures Monday night pointed decisively lower for Tuesday's session, with Dow Jones Industrial Average futures indicating a 378-point decline at the open. Trump's Saturday announcement stated that eight NATO members' US imports will face escalating tariffs until a deal is reached for the complete purchase of Greenland. The levies begin at 10% on February 1, surging to 25% by June 1. European leaders immediately characterized the penalties as unacceptable, with EU ambassadors coordinating retaliatory tariff packages covering 93 billion Euros of US imports. The S&P 500 continues wrestling with unprecedented concentration, as approximately 41 AI-related stocks account for 47% of total index valuation. This week brings quarterly results from Netflix, Charles Schwab, Johnson & Johnson, and Intel.

Technical Outlook

- Stochastic trying to cross higher inside the overbought area.
- Price consolidating below the 20-period moving average.
- Configuration suggests potential for oversold bounce despite structural weakness.

Key Levels to Watch

Resistance: 6931.33; 6968.85
Support: 6834.62; 6792.62

Conclusion

The S&P 500 trades at 6880.64 with the Stochastic indicator attempting a bullish cross from oversold territory while price remains below the 20-period moving average, creating conflicting technical signals. The oversold bounce potential conflicts with structural bearishness from trading beneath the moving average, suggesting any recovery may prove limited. Immediate resistance at 6931.33 represents the first hurdle for bulls, with the 20-period moving average and 6968.85 above providing substantial overhead barriers. Support at 6834.62 must hold to prevent acceleration toward 6792.62 and potentially deeper corrections. Tuesday's opening will prove critical futures pointing to significant gaps lower suggest institutional positioning favours risk reduction. This week's earnings reports from major companies will compete with trade tensions for market attention—strong results could override geopolitical concerns and fuel oversold bounces. Thursday's EU emergency summit represents a pivotal event. The Stochastic indicator's oversold positioning suggests near-term tactical bounce potential, though sustained recovery requires reclaiming the 20-period moving average and 6931.33 resistance.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD consolidated on Monday, holding between previous support and resistance parameters. Currently trading at 59.46.



Market Outlook

Crude oil prices stabilized Monday as civil unrest in Iran subsided, diminishing the likelihood of US military intervention that could disrupt supplies from the major producer. However, market attention swiftly pivoted toward the standoff over Greenland as President Trump's weekend tariff announcement targeting European nations introduced fresh uncertainty to global trade dynamics. Brent crude advanced marginally, up one cent to \$64.14 per barrel, while West Texas Intermediate remained flat at \$59.44. Iran's violent crackdown has quelled protests that officials report killed 5,000 people since demonstrations began December 28. President Trump initially threatened military intervention though he subsequently moderated his rhetoric. Our analysis explained the shifting market focus, noting that with fears around Iran subsiding, the market is now focusing on the Greenland situation and how deep any fallout between the US and Europe could be, as any trade war expansion could impact demand. Trump intensified his campaign to wrest Greenland sovereignty from NATO ally Denmark, prompting European Union consideration of retaliatory measures.

Technical Outlook

- Stochastic moving higher toward the overbought area.
- Price consolidating around the 20-period moving average.
- Setup suggests potential for upside continuation if momentum sustains.

Key Levels to Watch

Resistance: 60.70; 61.80
Support: 57.72; 56.56

Conclusion

WTI crude oil trades at 59.46 with the Stochastic indicator advancing toward overbought territory while price consolidates around the 20-period moving average, suggesting bulls are attempting to regain control. The technical positioning indicates potential for upside continuation if momentum sustains, though resistance barriers loom overhead. Immediate resistance at 60.70 represents the first challenge for bulls, with breaks targeting 61.80 and potentially mid-\$60s if geopolitical catalysts emerge. Support at 57.72 should contain pullbacks, with deeper corrections finding buyers around 56.56. Thursday's EU emergency summit represents a critical catalyst—forceful European retaliation escalating trade war prospects might pressure crude on growth concerns, while conciliatory earnings reports from major companies will compete with trade tensions for market attention—strong results could override geopolitical concerns and fuel oversold bounces. Thursday's EU emergency summit represents a pivotal event. The Stochastic indicator's oversold positioning suggests near-term tactical bounce potential, though sustained recovery requires reclaiming the 20-period moving average and 60.70 resistance convincingly, while bears require moves below 59.00 and support at 57.72 to threaten the consolidation range.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
20 Jan	07:00	GBP	Claimant Count Change	18.8K	20.1K
21 Jan	07:00	GBP	CPI y/y	3.3%	3.2%
	Day 3	All	WEF Annual Meetings		

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