

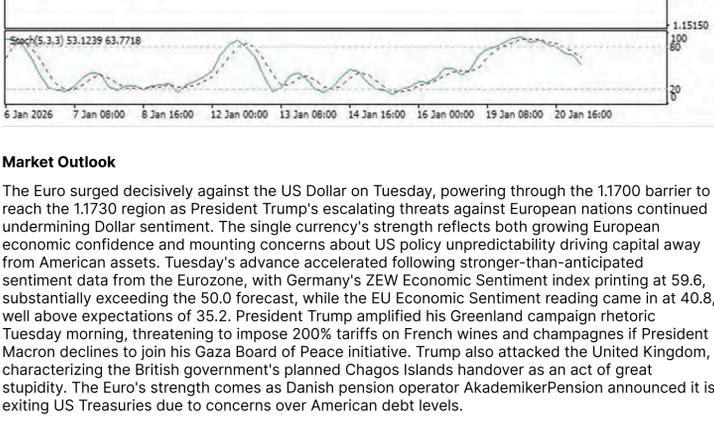
# TECHNICAL ANALYSIS REPORT

WEDNESDAY, JANUARY 21 2026

## EUR/USD

### Previous Session Overview

EUR/USD moved higher on Tuesday, reaching above previous resistance levels. Currently trading at 1.1714.



### Market Outlook

The Euro surged decisively against the US Dollar on Tuesday, powering through the 1.1700 barrier to reach the 1.1730 region as President Trump's escalating threats against European nations continued undermining Dollar sentiment. The single currency's strength reflects both growing European economic confidence and mounting concerns about US policy unpredictability driving capital away from American assets. Tuesday's advance accelerated following stronger-than-anticipated sentiment data from the Eurozone, with Germany's ZEW Economic Sentiment index printing at 59.6, substantially exceeding the 50.0 forecast, while the EU Economic Sentiment reading came in at 49.8, well above expectations of 35.2. President Trump amplified his Greenland campaign rhetoric Tuesday morning, threatening to impose 200% tariffs on French wines and champagnes if President Macron declines to join his Gaza Board of Peace initiative. Trump also attacked the United Kingdom, characterizing the British government's planned Chagos Islands handover as an act of great stupidity. The Euro's strength comes as Danish pension operator AkademikerPension announced it is exiting US Treasuries due to concerns over American debt levels.

### Technical Outlook

- Stochastic moved lower from the overbought area
- Price consolidating above the 20-period moving average.
- Configuration suggests healthy pullback within intact uptrend.

### Key Levels to Watch

Resistance: 1.1761; 1.1805  
Support: 1.1671; 1.1624

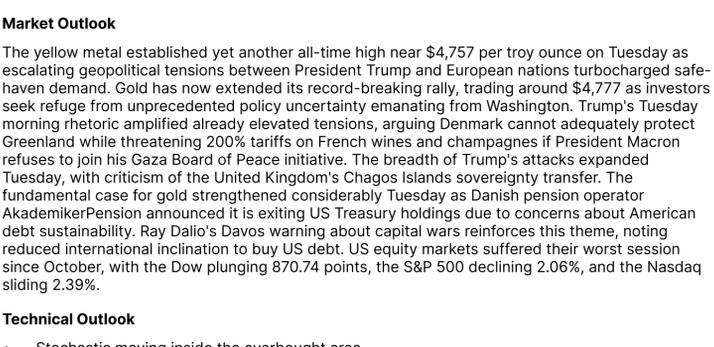
### Conclusion

EUR/USD demonstrates powerful bullish momentum trading at 1.1714, with the Stochastic indicator retreating from overbought levels signalling natural consolidation rather than trend reversal. Price maintaining position well above the 20-period moving average confirms bulls retain structural control despite near-term digestion of gains. The pair's surge through 1.1700 reflects market assessment that Trump's unpredictable trade warfare poses greater risks to US economic credibility than to European stability. Immediate resistance at 1.1761 represents the next target, with breaks opening pathways toward 1.1805 and potentially the psychologically significant 1.1850 zone. Support at 1.1671 should contain pullbacks, with deeper corrections finding buyers around 1.1624. Wednesday's Davos speech from Trump represents the week's most significant catalyst—escalating rhetoric could propel EUR/USD through resistance toward 1.1800, while unexpected conciliation might trigger profit-taking. Bulls maintain control as long as price stays above 1.1700 and the 20-period moving average, while bears need decisive breaks below 1.1624 to threaten the uptrend.

## GOLD (XAU/USD)

### Previous Session Overview

Gold moved higher on Tuesday, reaching above previous resistance levels. Currently trading at 4841.01.



### Market Outlook

The yellow metal established yet another all-time high near \$4,757 per troy ounce on Tuesday as escalating geopolitical tensions between President Trump and European nations turbocharged safe-haven demand. Gold has now extended its record-breaking rally, trading around \$4,777 as investors seek refuge from unprecedented policy uncertainty emanating from Washington. Trump's Tuesday morning rhetoric amplified already elevated tensions, arguing Denmark cannot adequately protect Greenland while threatening 200% tariffs on French wines and champagnes if President Macron refuses to join his Gaza Board of Peace initiative. The breadth of Trump's attacks expanded Tuesday, with criticism of the United Kingdom's Chagos Islands sovereignty transfer. The fundamental case for gold strengthened considerably Tuesday as Danish pension operator AkademikerPension announced it is exiting US Treasury holdings due to concerns about American debt sustainability. Ray Dalio's Davos warning about capital wars reinforces this theme, noting reduced international inclination to buy US debt. US equity markets suffered their worst session since October, with the Dow plunging 870.74 points, the S&P 500 declining 2.06%, and the Nasdaq sliding 2.39%.

### Technical Outlook

- Stochastic moving inside the overbought area
- Price moving higher above the 20-period moving average.
- Technical setup indicates powerful bullish momentum with extension potential.

### Key Levels to Watch

Resistance: 4927.55; 5020.56  
Support: 4755.15; 4661.12

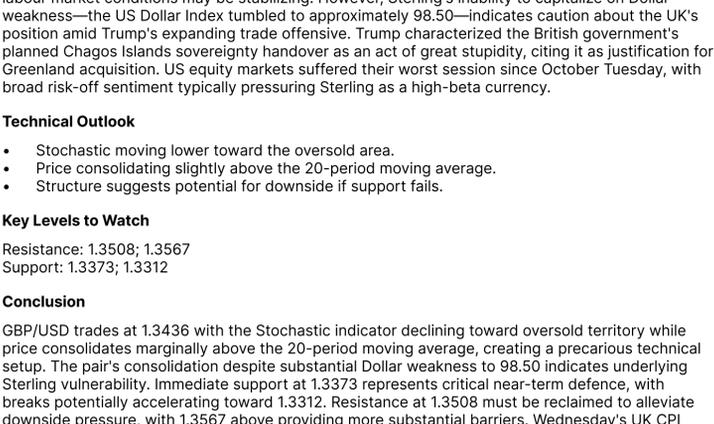
### Conclusion

Gold exhibits exceptional strength trading at 4841.01, with the Stochastic indicator firmly in overbought territory and price surging above the 20-period moving average signalling that bulls maintain overwhelming control. The precious metal's establishment of fresh all-time highs near \$4,757 validates the sustained uptrend and creates momentum for further gains toward the psychologically significant \$5,000 level. Immediate resistance at 4927.55 represents the next upside target, with breaks opening pathways toward 5020.56 and potentially \$4,900. Support at 4755.15 should contain any profit-taking, with deeper corrections finding buyers around 4661.12. Wednesday's Trump Davos speech represents a critical catalyst that could propel gold either through resistance or triggers limited profit-taking if conciliation emerges. The fundamental backdrop—combining unprecedented geopolitical uncertainty, capital flight from US assets, equity market weakness with VIX surging to 20.99, and European unity against Trump's demands—creates an exceptionally supportive environment. The path toward \$5,000 appears increasingly inevitable.

## GBP/USD

### Previous Session Overview

GBP/USD consolidated on Tuesday, remaining between previous support and resistance levels. Currently trading at 1.3436.



### Market Outlook

The Pound Sterling maintained a consolidative stance near the 1.3460 region on Tuesday despite mixed UK employment data and intensifying trade tensions between President Trump and European nations. Sterling's relative resilience reflects both Dollar weakness from escalating geopolitical uncertainty and labour market figures that came in better than feared. The UK Office for National Statistics reported that the ILO Unemployment Rate remained unchanged at 5.1% in the three months to November, matching the highest level since March 2021. More significantly, Employment Change registered +82,000 compared to the 17,000-decrease recorded previously, suggesting labour market conditions may be stabilizing. However, Sterling's inability to capitalize on Dollar weakness—the US Dollar Index tumbled to approximately 98.50—indicates caution about the UK's position amid Trump's expanding trade offensive. Trump characterized the British government's planned Chagos Islands sovereignty handover as an act of great stupidity, citing it as justification for Greenland acquisition. US equity markets suffered their worst session since October Tuesday, with broad risk-off sentiment typically pressuring Sterling as a high-beta currency.

### Technical Outlook

- Stochastic moving lower toward the oversold area.
- Price consolidating slightly above the 20-period moving average.
- Structure suggests potential for downside if support fails.

### Key Levels to Watch

Resistance: 1.3508; 1.3567  
Support: 1.3372; 1.3312

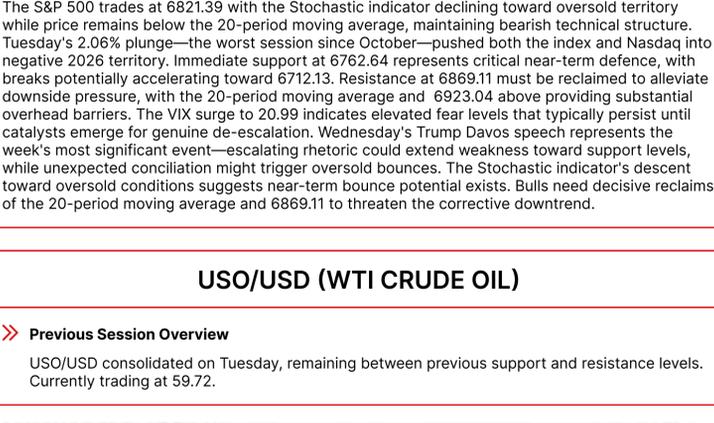
### Conclusion

GBP/USD trades at 1.3436 with the Stochastic indicator declining toward oversold territory while price consolidates marginally above the 20-period moving average, creating a precarious technical setup. The pair's consolidation despite substantial Dollar weakness to 98.50 indicates underlying Sterling vulnerability. Immediate support at 1.3372 represents critical near-term defence, with breaks potentially accelerating toward 1.3312. Resistance at 1.3508 must be reclaimed to alleviate downside pressure, with 1.3567 above providing more substantial barriers. Wednesday's UK CPI data will prove important for Bank of England policy expectations—continued disinflation supporting dovish tilts might pressure Sterling despite Dollar weakness. Wednesday's Trump Davos speech represents the week's most significant episodes. The Stochastic indicator's descent toward oversold levels suggests near-term downside risks are elevated. Bulls need sustained positioning above the 20-period moving average and 1.3450 to target 1.3508 resistance, while bears require breaks below 1.3400 and support at 1.3372 to threaten deeper corrections toward 1.3312.

## SPX/USD (S&P 500)

### Previous Session Overview

The S&P 500 moved lower on Tuesday, reaching below previous support levels. Currently at 6821.39.



### Market Outlook

US equity markets suffered their worst session since October on Tuesday as President Trump's intensifying Greenland rhetoric and expanding tariff threats triggered broad-based selling across all major indices. The S&P 500 plunged 2.06% to settle at 6,796.86, with the Dow Jones Industrial Average shedding 870.74 points and the Nasdaq Composite sliding 2.39%. Tuesday's carnage pushed both the S&P 500 and Nasdaq into negative territory for 2026, with the broad market index now down 0.7% year-to-date. The Cboe Volatility Index surged to 20.99, indicating elevated fear levels not seen since autumn volatility episodes. The sell-off reflects growing recognition that Trump's trade policy has evolved beyond traditional economic objectives. Trump's Saturday announcement that eight NATO members face escalating tariffs until a deal is reached for Greenland acquisition established the initial shock. Tuesday brought escalation with threats of 200% tariffs on French wines while attacking the UK's Chagos Islands decision. US Treasury yields spiked Tuesday even as the Dollar declined—an unusual combination typically signalling fundamental concerns about creditworthiness.

### Technical Outlook

- Stochastic moving lower toward the oversold area.
- Price consolidating below the 20-period moving average.
- Configuration signals continued bearish pressure with oversold bounce potential.

### Key Levels to Watch

Resistance: 6869.11; 6923.04  
Support: 6762.64; 6712.13

### Conclusion

The S&P 500 trades at 6821.39 with the Stochastic indicator declining toward oversold territory while price remains below the 20-period moving average, maintaining bearish technical structure. Tuesday's 2.06% plunge—the worst session since October—pushed both the index and Nasdaq into negative 2026 territory. Immediate support at 6762.64 represents critical near-term defence, with breaks potentially accelerating toward 6712.13. Resistance at 6869.11 must be reclaimed to alleviate downside pressure, with the 20-period moving average and 6923.04 above providing substantial overhead barriers. The VIX surge to 20.99 indicates elevated fear levels that typically persist until catalysts emerge for genuine de-escalation. Wednesday's Trump Davos speech represents the week's most significant event—escalating rhetoric could extend weakness toward support levels, while unexpected conciliation might trigger oversold bounces. The Stochastic indicator's descent toward oversold conditions suggests near-term potential exists. Bulls need decisive reclaims of the 20-period moving average and 6869.11 to threaten the corrective downtrend.

## USO/USD (WTI CRUDE OIL)

### Previous Session Overview

USO/USD consolidated on Tuesday, remaining between previous support and resistance levels. Currently trading at 59.72.



### Market Outlook

Crude oil prices advanced on Tuesday, with WTI breaking past the \$60 threshold up approximately 1.7% as traders processed a complex mixture of geopolitical tensions, supply disruptions, and macroeconomic tailwinds that collectively supported higher pricing. Brent crude rose roughly 1.5% to approach \$65 per barrel. One immediate catalyst emerged from Kazakhstan, where Tengizchevroil temporarily suspended production at the massive Tengiz and Korojev fields following power distribution complications. Geopolitical developments provided additional upward pressure as President Trump's intensifying tariff threats against European nations introduced fresh uncertainty into global trade dynamics. Tuesday morning brought Trump threatening 200% tariffs on French wines while criticizing UK policy decisions, demonstrating determination to expand his offensive beyond the initial eight European nations. Macroeconomic factors contributed positively, with China reporting better-than-anticipated fourth-quarter GDP growth. Simultaneously, the US Dollar declined to approximately 98.50 on the Dollar Index, making crude cheaper for non-US buyers. However, US production remains robust, and OPEC+ maintains substantial spare capacity.

### Technical Outlook

- Stochastic moved lower from the overbought area
- Price consolidating around the 20-period moving average.
- Setup suggests directional resolution pending from current consolidation.

### Key Levels to Watch

Resistance: 60.70; 61.83  
Support: 58.51; 57.43

### Conclusion

WTI crude oil trades at 59.72 with the Stochastic indicator retreating from overbought levels while price consolidates around the 20-period moving average, creating a critical inflection point. Tuesday's 1.7% advance pushing WTI past \$60 reedheads markets beginning to price elevated geopolitical risk premiums despite supply-side headwinds from OPEC+ production increases. Immediate resistance at 60.70 represents the next upside target, with breaks potentially extending toward 61.80 and mid-\$60s if geopolitical catalysts intensify. Support at 58.51 must hold to maintain the nascent recovery, with failures risking acceleration toward 57.43. Wednesday's Trump Davos speech represents the week's most significant catalyst for crude—escalating rhetoric could propel WTI through 60.70 resistance on risk premium expansion, while unexpected conciliation might trigger profit-taking toward 58.51 support. Bulls need sustained positioning above \$60 and the 20-period moving average to target 60.70 convincingly, while bears require breaks below 59.00 and support at 58.51 to threaten the recovery.

### Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
21 Jan	07:00	GBP	CPI y/y	3.3%	3.2%
	Day 3	All	WEF Annual Meetings		
22 Jan	00:30	AUD	Employment Change	26.5K	-21.3K
	00:30	AUD	Unemployment Rate	4.4%	4.3%
	13:30	USD	Core PCE Price Index m/m	0.2%	
	13:30	USD	Final GDP q/q	4.3%	4.3%