

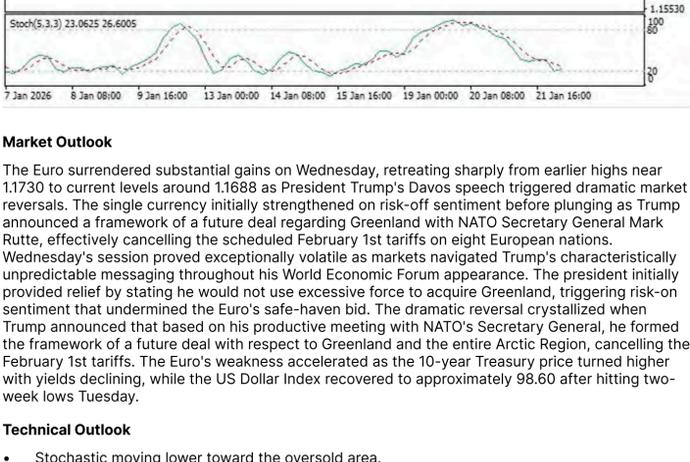
TECHNICAL ANALYSIS REPORT

THURSDAY, JANUARY 22 2026

EUR/USD

Previous Session Overview

EUR/USD moved lower on Wednesday, reaching previous support levels. Currently trading at 1.1688.



Market Outlook

The Euro surrendered substantial gains on Wednesday, retreating sharply from earlier highs near 1.1730 to current levels around 1.1688 as President Trump's Davos speech triggered dramatic market reversals. The single currency initially strengthened on risk-off sentiment before plunging as Trump announced a framework of a future deal regarding Greenland with NATO Secretary General Mark Rutte, effectively cancelling the scheduled February 1st tariffs on eight European nations. Wednesday's session proved exceptionally volatile as markets navigated Trump's characteristically unpredictable messaging throughout his World Economic Forum appearance. The president initially provided relief by stating he would not use excessive force to acquire Greenland, triggering risk-on sentiment that undermined the Euro's safe-haven bid. The dramatic reversal crystallized when Trump announced that based on his productive meeting with NATO's Secretary General, he formed the framework of a future deal with respect to Greenland and the entire Arctic Region, cancelling the February 1st tariffs. The Euro's weakness accelerated as the 10-year Treasury price turned higher with yields declining, while the US Dollar Index recovered to approximately 98.60 after hitting two-week lows Tuesday.

Technical Outlook

- Stochastic moving lower toward the oversold area.
- Price moving lower and currently around the 20-period moving average from above.
- Configuration signals breakdown of bullish structure with potential for further weakness

Key Levels to Watch

Resistance: 1.1729; 1.1769
Support: 1.1622; 1.1582

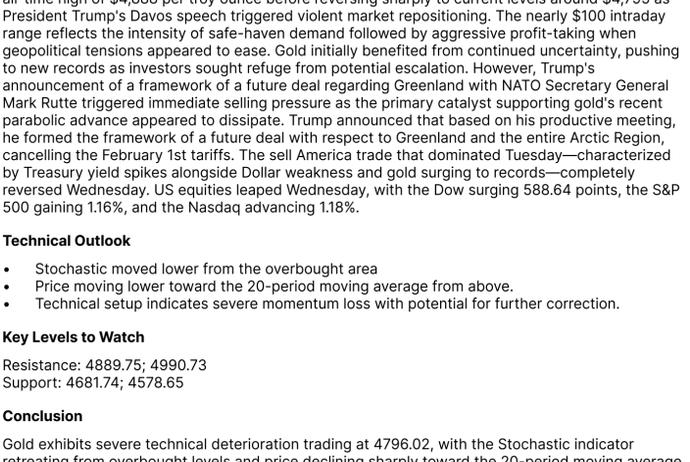
Conclusion

EUR/USD demonstrates significant technical deterioration trading at 1.1688, with the Stochastic indicator declining toward oversold territory and price breaking down to test the 20-period moving average from above. Wednesday's dramatic reversal—surrendering all intraday gains and cutting back a substantial chunk of weekly advances—reflects the market's violent reassessment following Trump's tariff suspension announcement. The pair's inability to hold above the moving average signals that bullish momentum has evaporated, at least temporarily. Immediate support at 1.1622 represents critical defence for bulls, with breaks potentially accelerating toward 1.1582. Resistance at 1.1729 must be reclaimed to stabilize the technical picture, with 1.1769 above providing more substantial barriers. The Stochastic indicator's descent toward oversold levels suggests near-term downside momentum remains intact. Thursday's US PCE inflation data will prove important—softer readings might revive Euro strength by reinforcing Fed easing expectations. Bulls need decisive reclaims of the 20-period moving average and 1.1700 to threaten recovery toward 1.1729, while bears maintain control while price stays below these levels.

GOLD (XAU/USD)

Previous Session Overview

Gold moved lower on Wednesday, reaching near previous support levels. Currently trading at 4796.02.



Market Outlook

The yellow metal experienced dramatic intraday volatility on Wednesday, initially surging to a fresh all-time high of \$4,888 per troy ounce before reversing sharply to current levels around \$4,795 as President Trump's Davos speech triggered violent market repositioning. The nearly \$100 intraday range reflects the intensity of safe-haven demand followed by aggressive profit-taking when geopolitical tensions appeared to ease. Gold initially benefited from continued uncertainty, pushing to new records as investors sought refuge from potential escalation. However, Trump's announcement of a framework of a future deal regarding Greenland with NATO Secretary General Mark Rutte triggered immediate selling pressure as the primary catalyst supporting gold's recent parabolic advance appeared to dissipate. Trump announced that based on his productive meeting, he formed the framework of a future deal with respect to Greenland and the entire Arctic Region, cancelling the February 1st tariffs. The sell America trade that dominated Tuesday—characterized by Treasury yield spikes alongside Dollar weakness and gold surging to records—completely reversed Wednesday. US equities leaped Wednesday, with the Dow surging 588.64 points, the S&P 500 gaining 1.16%, and the Nasdaq advancing 1.18%.

Technical Outlook

- Stochastic moved lower from the overbought area
- Price moving lower toward the 20-period moving average from above.
- Technical setup indicates severe momentum loss with potential for further correction.

Key Levels to Watch

Resistance: 4889.75; 4990.73
Support: 4681.74; 4578.65

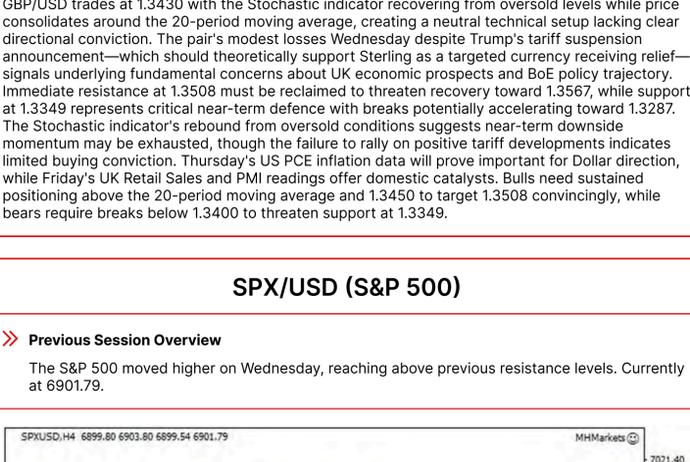
Conclusion

Gold exhibits severe technical deterioration trading at 4796.02, with the Stochastic indicator retreating from overbought levels and price declining sharply toward the 20-period moving average from above. Wednesday's dramatic reversal—establishing a fresh all-time high at \$4,888 before surrendering nearly \$100—represents one of the sharpest intraday reversals in the precious metal's recent history. The violent profit-taking following Trump's Greenland tariff suspension demonstrates how dependent gold's parabolic advance had become on geopolitical risk premiums rather than fundamental monetary or inflation drivers. Immediate support at 4681.74 represents critical defence for bulls, with breaks potentially accelerating toward 4578.65 and threatening the entire recent advance. Resistance at 4889.75 must be reclaimed to stabilize the technical picture, with the psychological \$5,000 level at 4990.73 now appearing distant. The Stochastic indicator's sharp decline from overbought conditions combined with price breaking down toward the moving average signals that bullish momentum has evaporated. Bulls need decisive reclaims of \$4,850 and the 20-period moving average to threaten recovery toward 4889.75, while bears maintain control while price stays below these levels.

GBP/USD

Previous Session Overview

GBP/USD consolidated lower on Wednesday, reaching near previous support levels. Currently trading at 1.3430.



Market Outlook

The Pound Sterling endured modest losses on Wednesday, trimming earlier week gains to trade near the 1.3430 region as President Trump's Davos speech triggered Dollar recovery that overwhelmed mixed UK inflation data. The currency's inability to capitalize on Trump's apparent tariff de-escalation reflects underlying concerns about UK economic fundamentals and Bank of England policy trajectory. Wednesday brought December UK CPI data broadly aligned with market expectations though showing continued inflationary pressures, with the annual reading ticking modestly higher to 3.4% from November's 3.2%, slightly above the 3.3% target. This persistent elevation well above the Bank of England's 2% target complicates monetary policy decisions. However, Sterling's modest losses despite in-line inflation data signals market focus have shifted decisively toward Trump policy volatility. The dramatic Wednesday reversal saw Trump announce a framework of a future deal regarding Greenland with NATO Secretary General Mark Rutte, effectively cancelling scheduled February 1st tariffs on eight European nations including the United Kingdom. The tariff suspension represented relief for the UK, which faced 10% levies rising to 25% by June.

Technical Outlook

- Stochastic moved higher from the oversold area
- Price consolidating around the 20-period moving average.
- Structure suggests potential for stabilization though directional conviction lacking.

Key Levels to Watch

Resistance: 1.3508; 1.3567
Support: 1.3349; 1.3287

Conclusion

GBP/USD trades at 1.3430 with the Stochastic indicator recovering from oversold levels while price consolidates around the 20-period moving average, creating a neutral technical setup lacking clear directional conviction. The pair's modest losses Wednesday despite Trump's tariff suspension announcement—which should theoretically support Sterling as a targeted currency receiving relief—signals underlying fundamental concerns about UK economic prospects and BoE policy trajectory. Immediate resistance at 1.3508 must be reclaimed to threaten recovery toward 1.3567, while support at 1.3349 represents critical near-term defence with breaks potentially accelerating toward 1.3287. The Stochastic indicator's rebound from oversold conditions suggests near-term downside momentum may be exhausted, though the failure to rally on positive tariff developments indicates limited buying conviction. Thursday's US PCE inflation data will prove important for Dollar direction, while Friday's UK Retail Sales and PMI readings offer domestic catalysts. Bulls need sustained positioning above the 20-period moving average and 1.3450 to target 1.3508 convincingly, while bears require breaks below 1.3400 to threaten support at 1.3349.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Wednesday, reaching above previous resistance levels. Currently at 6901.79.



Market Outlook

US equity markets staged a powerful recovery on Wednesday, with the S&P 500 surging 1.16% to close at 6,875.62 as President Trump's apparent de-escalation of international tensions triggered broad-based buying across all major indices. The Dow Jones Industrial Average leaped 588.64 points to end at 49,007.23, while the Nasdaq Composite advanced 1.18% to settle at 23,224.82, completely reversing Tuesday's worst session since October. The dramatic rally crystallized when Trump announced a framework of a future deal regarding Greenland with NATO Secretary General Mark Rutte, effectively cancelling the scheduled February 1st tariffs on eight European nations. This announcement sparked immediate relief across equity markets as the sell America trade that dominated Tuesday completely reversed. The 10-year Treasury price turned higher with yields declining, the US Dollar Index recovered to approximately 98.60, and risk appetite returned with force. Tech stocks led the market comeback as investors returned aggressively to their favourite growth names, with the AI trade reasserting itself. Despite Wednesday's strong gains, the three major indices remain in the red for the week, with the Dow pacing for a 0.6% decline, the S&P 500 heading for a 0.9% drop, and the Nasdaq off 1.2% week-to-date.

Technical Outlook

- Stochastic moving higher toward the overbought area.
- Price moving higher above the 20-period moving average.
- Configuration signals strong bullish momentum resumption

Key Levels to Watch

Resistance: 6939.29; 6985.08
Support: 6829.06; 6787.18

Conclusion

The S&P 500 demonstrates powerful technical recovery trading at 6901.79, with the Stochastic indicator advancing toward overbought territory and price surging above the 20-period moving average signalling that bulls have recaptured control. Wednesday's 1.16% rally—completely reversing Tuesday's 2.06% plunge—reflects the market's violent reassessment following Trump's Greenland tariff suspension announcement. The decisive break above the moving average and prior resistance establishes constructive technical structure favouring further gains. Immediate resistance at 6939.29 represents the next upside target, with breaks opening pathways toward 6985.08 and potentially testing recent highs. Support at 6829.06 should contain pullbacks, with deeper corrections finding buyers around 6787.18. The Stochastic indicator's advance toward overbought levels reflects genuine buying conviction, with tech stocks leading the recovery. Bulls maintain strong control while price stays above the 20-period moving average and 6850, with momentum favouring extension toward 6939.29-6985.08. Bears need decisive breaks below 6829.06 to threaten the recovery. Thursday's PCE inflation data and Friday's PMI readings will prove important for assessing whether the rally can extend on fundamental considerations.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved higher on Wednesday, reaching near previous resistance levels. Currently trading at 60.73.



Market Outlook

Crude oil prices advanced modestly on Wednesday, with WTI closing 32 cents higher at \$60.62 per barrel and Brent rising 32 cents to settle at \$65.24 as the prospect of ballooning conflict between the US and Europe over Greenland receded. The gains proved relatively muted compared to dramatic movements in equities and currencies, reflecting crude's complex positioning between geopolitical risk premiums and fundamental supply-demand dynamics. The rally crystallized when Trump announced a framework of a future deal regarding Greenland with NATO Secretary General Mark Rutte, effectively cancelling scheduled February 1st tariffs on eight European nations. This removed the immediate threat of escalating trade warfare that might undermine global economic growth and consequently oil demand. Equities, currencies, and commodities markets had been on tenterhooks ahead of Trump's Davos appearance Wednesday, with the president appearing to rule out military force for Greenland acquisition. This ongoing uncertainty explains crude's relatively modest gains despite substantial risk-on sentiment across broader markets. While equities surged, crude advanced less than half a percent, suggesting traders remain cautious about pricing in durable demand recovery when Trump's policy reversals could prove as temporary as his initial threats.

Technical Outlook

- Stochastic moving higher toward the overbought area.
- Price consolidating above the 20-period moving average.
- Setup suggests bullish structure intact with potential for further gains.

Key Levels to Watch

Resistance: 61.73; 62.52
Support: 59.44; 58.57

Conclusion

WTI crude oil trades at 60.73 with the Stochastic indicator advancing toward overbought territory while price consolidates above the 20-period moving average, maintaining constructive technical structure. Wednesday's modest 26-cent gain pushing WTI to \$60.62—far more muted than dramatic equity and currency movements—reflects crude's complex positioning between geopolitical risk premium removal and fundamental supply-demand dynamics. Immediate resistance at 61.73 represents the next upside target, with breaks potentially extending toward 62.52 if risk appetite persists. Support at 59.44 should contain pullbacks, with deeper corrections finding buyers around 58.57. The Stochastic indicator's advance toward overbought conditions suggests near-term bullish momentum, though crude's relative underperformance versus broader risk assets indicates trader caution about sustainability. Bulls maintain control while price stays above the 20-period moving average and \$60, with momentum favouring consolidation or modest gains toward 61.73. Bears need decisive breaks below \$60 to threaten support at 59.44. Thursday's US PCE data and Friday's PMI readings should influence demand outlook.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
22 Jan	13:30	USD	Core PCE Price Index m/m	0.2%	
	13:30	USD	Final GDP q/q	4.3%	4.3%
	21:45	NZD	CPI q/q	0.5%	1.0%
23 Jan	Tentative	JPY	BOJ Policy Rate	<0.75%	<0.75%
	Tentative	JPY	Monetary Policy Statement		
	Tentative	JPY	BOJ Outlook Report		
	Tentative	JPY	BOJ Press Conference		
	07:00	GBP	Retail Sales m/m	0.0%	-0.1%
	08:30	EUR	German Flash Manufacturing PMI	47.6	47.0
	08:30	EUR	German Flash Services PMI	52.5	52.7
	09:30	GBP	Flash Manufacturing PMI	50.6	50.6
	09:30	GBP	Flash Services PMI	51.7	51.4
	14:45	USD	Flash Manufacturing PMI	52.1	51.8
	14:45	USD	Flash Services PMI	52.8	52.5

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