

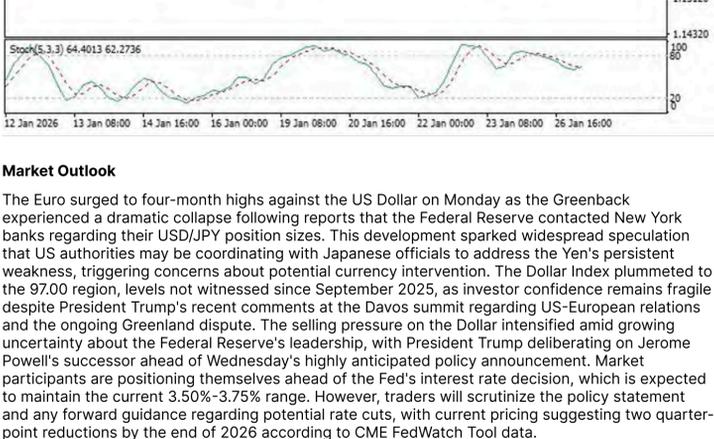
TECHNICAL ANALYSIS REPORT

TUESDAY, JANUARY 27 2026

EUR/USD

Previous Session Overview

EUR/USD consolidated on Monday, staying between previous support and resistance levels. Currently trading at 1.1888.



Market Outlook

The Euro surged to four-month highs against the US Dollar on Monday as the Greenback experienced a dramatic collapse following reports that the Federal Reserve contacted New York banks regarding their USD/JPY position sizes. This development sparked widespread speculation that US authorities may be coordinating with Japanese officials to address the Yen's persistent weakness, triggering concerns about potential currency intervention. The Dollar Index plummeted to the 97.00 region, levels not witnessed since September 2025, as investor confidence remains fragile despite President Trump's recent comments at the Davos summit regarding US-European relations and the ongoing Greenland dispute. The selling pressure on the Dollar intensified amid growing uncertainty about the Federal Reserve's leadership, with President Trump deliberating on Jerome Powell's successor ahead of Wednesday's highly anticipated policy announcement. Market participants are positioning themselves ahead of the Fed's interest rate decision, which is expected to maintain the current 3.50%-3.75% range. However, traders will scrutinize the policy statement and any forward guidance regarding potential rate cuts, with current pricing suggesting two quarter-point reductions by the end of 2026 according to CME FedWatch Tool data.

Technical Outlook

- Stochastic has moved lower from the overbought area.
- Price is consolidating above the 20-period moving average.
- This setup suggests a pause in the uptrend with potential for continuation.

Key Levels to Watch

Resistance: 1.1955; 1.2012
Support: 1.1826; 1.1760

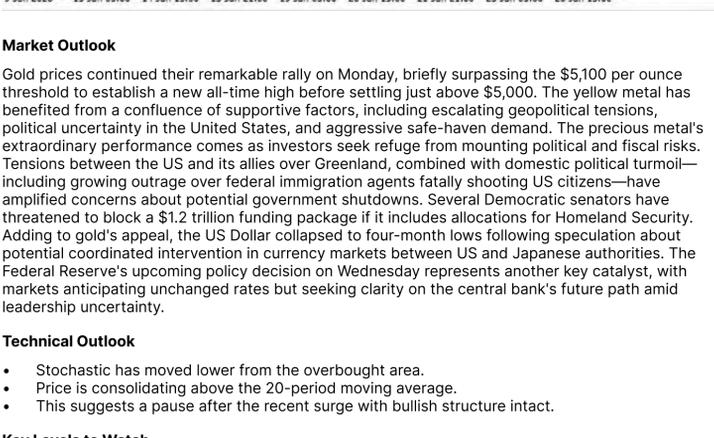
Conclusion

EUR/USD maintains its bullish posture with the pair firmly positioned above the 20-period moving average at 1.1888 despite some consolidation after reaching four-month peaks. The Stochastic indicator's retreat from overbought territory indicates a healthy correction that could set the stage for further advances. Immediate resistance at 1.1955 represents the first hurdle, with a breakthrough potentially opening the path toward the psychologically significant 1.2012 level. Support at 1.1826 should absorb any near-term selling pressure, with the 1.1760 level serving as secondary defence. Wednesday's Federal Reserve decision will be pivotal in determining the pair's next directional move, particularly any hints about the timing of future rate cuts. The ongoing Dollar weakness amid political uncertainty and potential currency intervention concerns suggests the path of least resistance remains to the upside for EUR/USD.

GOLD (XAU/USD)

Previous Session Overview

Gold consolidated on Monday, staying between previous support and resistance levels. Currently trading at 5067.72.



Market Outlook

Gold prices continued their remarkable rally on Monday, briefly surpassing the \$5,100 per ounce threshold to establish a new all-time high before settling just above \$5,000. The yellow metal has benefited from a confluence of supportive factors, including escalating geopolitical tensions, political uncertainty in the United States, and aggressive safe-haven demand. The precious metal's extraordinary performance comes as investors seek refuge from mounting political and fiscal risks. Tensions between the US and its allies over Greenland, combined with domestic political turmoil—including growing outrage over federal immigration agents fatally shooting US citizens—have amplified concerns about potential government shutdowns. Several Democratic senators have threatened to block a \$1.2 trillion funding package if it includes allocations for Homeland Security. Adding to gold's appeal, the US Dollar collapsed to four-month lows following speculation about potential coordinated intervention in currency markets between US and Japanese authorities. The Federal Reserve's upcoming policy decision on Wednesday represents another key catalyst, with markets anticipating unchanged rates but seeking clarity on the central bank's future path amid leadership uncertainty.

Technical Outlook

- Stochastic has moved lower from the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests a pause after the recent surge with bullish structure intact.

Key Levels to Watch

Resistance: 5159.51; 5265.31
Support: 4989.04; 4883.24

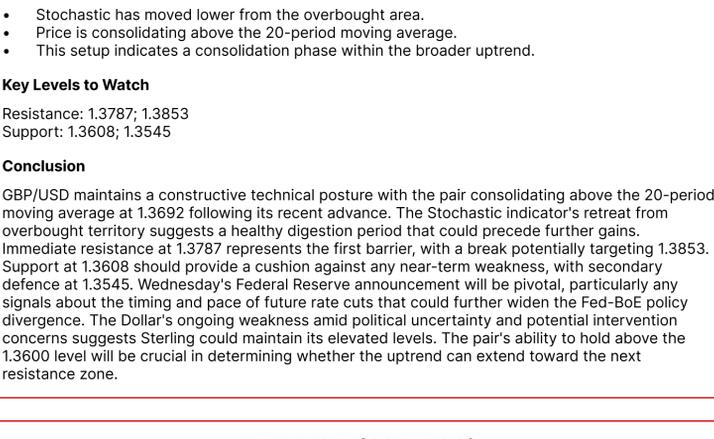
Conclusion

Gold maintains its bullish trajectory with prices consolidating above the 20-period moving average at 5067.72 after touching record highs above \$5,100. The Stochastic indicator's pullback from overbought levels indicates a natural pause that could provide a platform for the next leg higher. The precious metal's technical structure remains constructive, with immediate resistance at 5159.51 followed by the significant 5265.31 level. Support at 4989.04 should contain any near-term profit-taking, with additional defence at 4883.24. Wednesday's Federal Reserve decision could inject fresh volatility, though the current environment of geopolitical uncertainty, Dollar weakness, and political instability suggests gold's upward momentum remains intact. Investors continue viewing the metal as essential portfolio insurance against an increasingly uncertain global landscape, with the combination of monetary policy speculation and international tensions likely to keep prices elevated.

GBP/USD

Previous Session Overview

GBP/USD consolidated on Monday, staying between previous support and resistance levels. Currently trading at 1.3692.



Market Outlook

Sterling hovered near the 1.3690 level on Monday, benefiting primarily from the US Dollar's dramatic weakness rather than UK-specific strength. The Greenback's collapse to four-month lows followed market speculation about potential coordinated intervention in currency markets, triggered by reports that the Federal Reserve contacted New York banks regarding their USD/JPY positions. The Pound's advance comes despite broader concerns about the global economic outlook and mounting political tensions. President Trump's weekend threat to impose 100% tariffs on Canadian goods if Ottawa pursues a trade deal with China has reignited fears about unpredictable trade policy, though Canadian Prime Minister Mark Carney quickly dismissed any intentions of negotiating with Beijing. The constant wielding of import taxes as diplomatic leverage continues gradually eroding market confidence. Domestically, the UK economy faces its own challenges, though market expectations for Bank of England policy remain stable compared to growing speculation about Federal Reserve rate cuts. Traders are currently pricing in two quarter-point Fed reductions by the end of 2026, potentially widening the monetary policy divergence between the two central banks. This week's calendar is dominated by Wednesday's Federal Reserve decision.

Technical Outlook

- Stochastic has moved lower from the overbought area.
- Price is consolidating above the 20-period moving average.
- This setup indicates a consolidation phase within the broader uptrend.

Key Levels to Watch

Resistance: 1.3787; 1.3853
Support: 1.3608; 1.3545

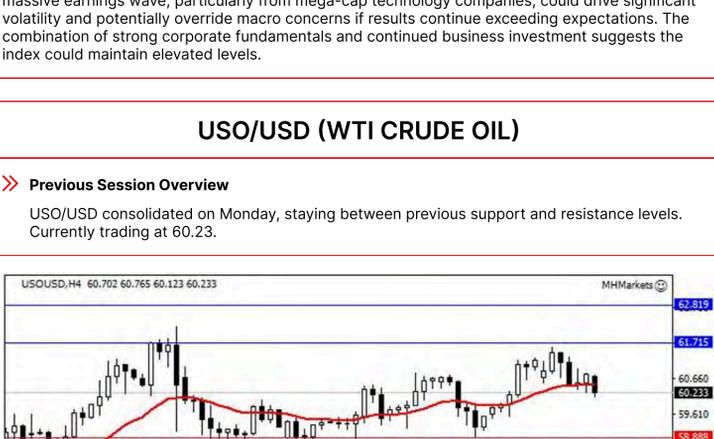
Conclusion

GBP/USD maintains a constructive technical posture with the pair consolidating above the 20-period moving average at 1.3692 following its recent advance. The Stochastic indicator's retreat from overbought territory suggests a healthy digestion period that could precede further gains. Immediate resistance at 1.3787 represents the first barrier, with a break potentially targeting 1.3853. Support at 1.3608 should provide a cushion against any near-term weakness, with secondary defence at 1.3545. Wednesday's Federal Reserve announcement will be pivotal, particularly any signals about the timing and pace of future rate cuts that could further widen the Fed-BoE policy divergence. The Dollar's ongoing weakness amid political uncertainty and potential intervention concerns suggests Sterling could maintain its elevated levels. The pair's ability to hold above the 1.3600 level will be crucial in determining whether the uptrend can extend toward the next resistance zone.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Monday, reaching above previous resistance levels. Currently trading at 6966.75.



Market Outlook

The S&P 500 advanced 0.50% on Monday to close at 6,950.23, as investors monitored political developments while preparing for a critical week featuring major earnings releases and the Federal Reserve's policy decision. The Dow Jones Industrial Average gained 313.69 points or 0.64% to settle at 49,412.40, while the Nasdaq Composite climbed 0.43% to finish at 23,601.36. Technology stocks provided significant support, with Apple, Meta Platforms, and Microsoft jumping approximately 3%, 2%, and 1% respectively ahead of their earnings reports scheduled for later this week. Market sentiment remains cautiously optimistic despite numerous headlines. President Trump's weekend threat to impose 100% tariffs on Canadian imports if Ottawa pursues a trade deal with China has reignited fears about unpredictable trade policy, though Canadian Prime Minister Mark Carney quickly dismissed any intentions of negotiating with Beijing. The constant wielding of import taxes as diplomatic leverage continues gradually eroding market confidence. Domestically, the US economy faces its own challenges, though market expectations for Fed policy remain stable compared to growing speculation about Federal Reserve rate cuts. Traders are currently pricing in two quarter-point Fed reductions by the end of 2026, potentially widening the monetary policy divergence between the two central banks. This week's calendar is dominated by Wednesday's Federal Reserve decision.

Technical Outlook

- Stochastic is trying to cross lower near the oversold area.
- Price is consolidating above the 20-period moving average.
- This suggests potential for near-term consolidation or minor pullback.

Key Levels to Watch

Resistance: 6989.74; 7018.76
Support: 6938.73; 6907.63

Conclusion

The S&P 500 maintains its position above the 20-period moving average at 6966.75 with the Stochastic indicator showing signs of potential near-term consolidation from overbought levels. The index's ability to push through Monday's resistance demonstrates underlying strength, though the technical setup suggests some digestion may be warranted. Immediate resistance at 6989.74 represents the next hurdle, with a breakthrough opening the path toward 7018.76 if momentum continues. Support at 6938.73 should contain any profit-taking, with additional defence at 6907.63. Wednesday's Federal Reserve decision will be pivotal, with markets seeking clarity on future rate cuts while the central bank is widely expected to keep rates unchanged at 3.50%-3.75%. The massive earnings wave, particularly from mega-cap technology companies, could drive significant volatility and potentially override macro concerns if results continue exceeding expectations. The combination of strong corporate fundamentals and continued business investment suggests the index could maintain elevated levels.

Key events for today and tomorrow (GMT):

Date	Time	Currency	Events	Forecast	Previous
27 Jan	15:00	USD	CB Consumer Confidence	90.1	89.1
	15:00	USD	Richmond Manufacturing Index	-5	-7
28 Jan	00:30	AUD	CPI m/m	0.1%	0.0%
	00:30	AUD	CPI y/y	3.5%	3.4%
	00:30	AUD	Trimmed Mean CPI m/m	0.4%	0.3%
	14:45	CAD	BOC Monetary Policy Report		
	14:45	CAD	BOC Rate Statement		
	15:30	CAD	Overnight Rate	2.25%	2.25%

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