

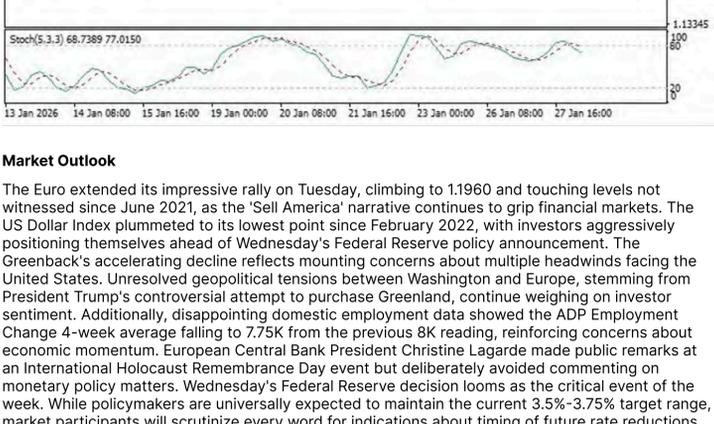
TECHNICAL ANALYSIS REPORT

WEDNESDAY, JANUARY 28 2026

EUR/USD

Previous Session Overview

EUR/USD moved higher on Tuesday, reaching above previous resistance levels. Currently trading at 1.2002.



Market Outlook

The Euro extended its impressive rally on Tuesday, climbing to 1.1960 and touching levels not witnessed since June 2021, as the 'Sell America' narrative continues to grip financial markets. The US Dollar Index plummeted to its lowest point since February 2022, with investors aggressively positioning themselves ahead of Wednesday's Federal Reserve policy announcement. The Greenback's accelerating decline reflects mounting concerns about multiple headwinds facing the United States. Unresolved geopolitical tensions between Washington and Europe, stemming from President Trump's controversial attempt to purchase Greenland, continue weighing on investor sentiment. Additionally, disappointing domestic employment data showed the ADP Employment Change 4-week average falling to 7.75K from the previous 8K reading, reinforcing concerns about economic momentum. European Central Bank President Christine Lagarde made public remarks at an International Holocaust Remembrance Day event but deliberately avoided commenting on monetary policy matters. Wednesday's Federal Reserve decision looms as the critical event of the week. While policymakers are universally expected to maintain the current 3.5%-3.75% target range, market participants will scrutinize every word for indications about timing of future rate reductions.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is consolidating above the 20-period moving average.
- This setup indicates strong bullish momentum but elevated near-term reversal risk.

Key Levels to Watch

Resistance: 1.2151; 1.2263
Support: 1.1865; 1.1753

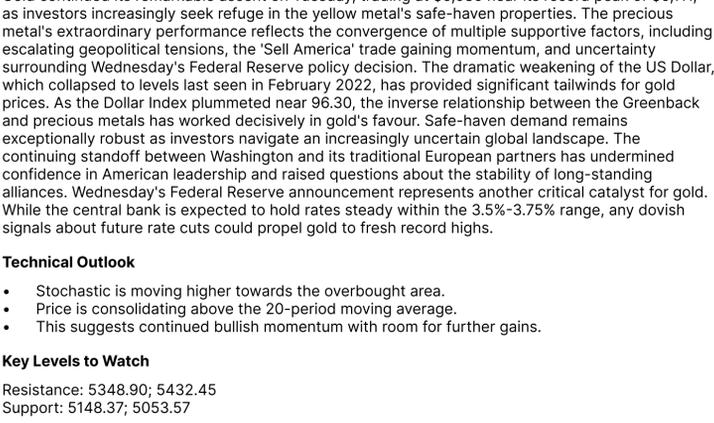
Conclusion

EUR/USD demonstrates extraordinary strength with the pair consolidating above the 20-period moving average at 1.2002 after breaking through significant resistance barriers. The Stochastic indicator's position in overbought territory signals that the rally may be overextended in the near term, though the underlying momentum remains decidedly bullish. Immediate resistance at 1.2151 represents the next target, with a breakthrough potentially unlocking the path toward 1.2263. Support at 1.1865 should provide initial protection against any profit-taking, with more substantial defence at 1.1753. Wednesday's Federal Reserve decision represents a pivotal moment that could either validate the current 'Sell America' thesis or trigger a sharp reversal if policymakers adopt an unexpectedly hawkish stance. The technical picture suggests caution is warranted given overbought conditions, yet the fundamental backdrop of Dollar weakness and geopolitical tensions indicates the uptrend could persist.

GOLD (XAU/USD)

Previous Session Overview

Gold moved higher on Tuesday, reaching above previous resistance levels. Currently trading at 5243.02.



Market Outlook

Gold continued its remarkable ascent on Tuesday, trading at \$5,085 near its record peak of \$5,111, as investors increasingly seek refuge in the yellow metal's safe-haven properties. The precious metal's extraordinary performance reflects the convergence of multiple supportive factors, including escalating geopolitical tensions, the 'Sell America' trade gaining momentum, and uncertainty surrounding Wednesday's Federal Reserve policy decision. The dramatic weakening of the US Dollar, which collapsed to levels last seen in February 2022, has provided significant tailwinds for gold prices. As the Dollar Index plummeted near 96.30, the inverse relationship between the Greenback and precious metals has worked decisively in gold's favour. Safe-haven demand remains exceptionally robust as investors navigate an increasingly uncertain global landscape. The continuing standoff between Washington and its traditional European partners has undermined confidence in American leadership and raised questions about the stability of long-standing alliances. Wednesday's Federal Reserve announcement represents another critical catalyst for gold. While the central bank is expected to hold rates steady within the 3.5%-3.75% range, any dovish signals about future rate cuts could propel gold to fresh record highs.

Technical Outlook

- Stochastic is moving higher towards the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests continued bullish momentum with room for further gains.

Key Levels to Watch

Resistance: 5348.90; 5432.45
Support: 5148.37; 5053.57

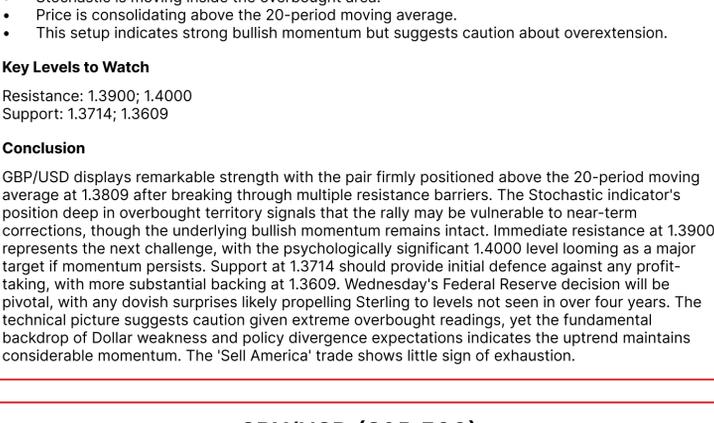
Conclusion

Gold maintains its impressive upward trajectory with prices firmly established above the 20-period moving average at 5243.02 and approaching all-time highs. The Stochastic indicator moving toward overbought territory suggests strong momentum that could carry prices higher before any meaningful correction materializes. Immediate resistance at 5348.90 represents the next hurdle, with a breakthrough potentially opening the path toward the psychologically significant 5432.45 level. Support at 5148.37 should contain any near-term profit-taking, with more substantial defence at 5053.57. Wednesday's Federal Reserve decision will be crucial, with any dovish surprises likely propelling gold to new record territory. The technical structure remains constructive, with the metal's ability to absorb selling pressure and maintain elevated levels demonstrating the strength of underlying safe-haven demand. The convergence of Dollar weakness, geopolitical tensions, and monetary policy uncertainty creates an exceptionally favourable environment for gold.

GBP/USD

Previous Session Overview

GBP/USD moved higher on Tuesday, reaching above previous resistance levels. Currently trading at 1.3809.



Market Outlook

Sterling surged to 1.3790 on Tuesday, reaching elevations not observed since October 2021, as the British Pound capitalized on the US Dollar's accelerating decline. The Greenback's collapse to a February 2022 lows has created an environment where the Pound has emerged as a primary beneficiary of the intensifying 'Sell America' trade. The currency pair's advance reflects less about UK economic strength and more about the Dollar's profound weakness. The US Dollar Index plummeting near 96.30 has lifted most major currencies, with Sterling proving particularly responsive given its status as a liquid alternative to Dollar exposure. Disappointing US employment data has reinforced concerns about economic deterioration, with the ADP Employment Change 4-week average declining to 7.75K from 8K. This demoralization in labour market indicators comes at an inopportune moment, just ahead of Wednesday's Federal Reserve policy decision. From the UK perspective, the Bank of England's relatively stable policy outlook contrasts favourably with growing expectations for Federal Reserve rate cuts. Market pricing currently suggests two quarter-point Fed reductions could arrive by the end of 2026, potentially widening the monetary policy divergence between the two central banks.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is consolidating above the 20-period moving average.
- This setup indicates strong bullish momentum but suggests caution about overextension.

Key Levels to Watch

Resistance: 1.3900; 1.4000
Support: 1.3714; 1.3609

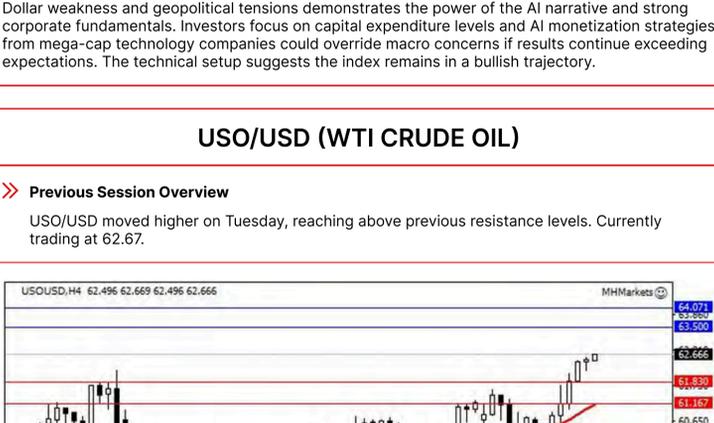
Conclusion

GBP/USD displays remarkable strength with the pair firmly positioned above the 20-period moving average at 1.3809 after breaking through multiple resistance barriers. The Stochastic indicator's position deep in overbought territory signals that the rally may be vulnerable to near-term correction, though the underlying bullish momentum remains intact. Immediate resistance at 1.3900 represents the next challenge, with the psychologically significant 1.4000 level looming as a major target if momentum persists. Support at 1.3714 should provide initial defence against any profit-taking, with more substantial backing at 1.3609. Wednesday's Federal Reserve decision will be pivotal, with any dovish surprises likely propelling Sterling to levels not seen in over four years. The technical picture suggests caution given extreme overbought readings, yet the fundamental backdrop of Dollar weakness and policy divergence expectations indicates the uptrend maintains considerable momentum. The 'Sell America' trade shows little sign of exhaustion.

SPX/USD (S&P 500)

Previous Session Overview

The S&P 500 moved higher on Tuesday, reaching above previous resistance levels. Currently trading at 7000.74.



Market Outlook

The S&P 500 achieved a new all-time intraday high on Tuesday before settling with a 0.41% gain at a closing record of 6,978.60, demonstrating remarkable resilience despite broader concerns about the 'Sell America' narrative. The Nasdaq Composite climbed 0.91% to finish at 23,817.10, powered by Big Tech anticipation, while the Dow Jones Industrial Average struggled with a 408.99-point decline to 49,003.41. Technology stocks provided the primary propulsion, with Apple advancing over 1% and Microsoft surging more than 2% ahead of their highly anticipated earnings reports. The market's attention remains laser-focused on artificial intelligence monetization, with investors eagerly awaiting results from Meta Platforms, Microsoft, and Tesla on Wednesday, followed by Apple on Thursday. Over 90 S&P 500 constituents will have reported by week's end. Healthcare stocks suffered significant losses after the Centers for Medicare & Medicaid Services proposed raising Medicare Advantage payments by merely 0.09% in 2027. Humana plummeted 21%, while CVS Health dropped 14%. Wednesday's Federal Reserve decision looms as the critical catalyst that could either validate or challenge current market positioning. The central bank is expected to maintain its 3.5%-3.75% target range.

Technical Outlook

- Stochastic is consolidating inside the overbought area.
- Price is consolidating above the 20-period moving average.
- This suggests potential for continued gains but with increased volatility risk.

Key Levels to Watch

Resistance: 7029.46; 7055.85
Support: 6970.94; 6944.54

Conclusion

The S&P 500 maintains its position above the 20-period moving average at 7000.74 with the Stochastic indicator consolidating in overbought territory, suggesting the index could extend its record-breaking run despite technical signals flashing caution. Immediate resistance at 7029.46 represents the next milestone, with a breakthrough potentially targeting 7055.85. Support at 6970.94 should contain any near-term weakness, with additional defence at 6944.54. Wednesday's Federal Reserve decision and the avalanche of Big Tech earnings reports create exceptional event risk that could drive significant volatility in either direction. The market's resilience in the face of Dollar weakness and geopolitical tensions demonstrates the power of the AI narrative and strong corporate fundamentals. Investors focus on capital expenditure levels and AI monetization strategies from mega-cap technology companies could override macro concerns if results continue exceeding expectations. The technical setup suggests the index remains in a bullish trajectory.

USO/USD (WTI CRUDE OIL)

Previous Session Overview

USO/USD moved higher on Tuesday, reaching above previous resistance levels. Currently trading at 62.67.



Market Outlook

WTI crude oil rallied strongly on Tuesday, with prices climbing above \$61.90 and approaching \$62 as the market reassessed near-term supply risks beyond geopolitical concerns and vague production forecasts. Brent crude surged to \$66.90 before pushing past \$67 during afternoon trading, suggesting the move represents more than just recovery from earlier weakness. The immediate catalyst came from severe winter weather that hampered US production infrastructure. Analysts estimated that approximately 2 million barrels per day were out of line over the weekend as the storm system battered oil-producing regions. Perhaps most significantly, crude exports flowed from Gulf Coast ports reached zero on Sunday before recovering as shipping channels reopened. However, the rally extends beyond weather-related headlines. Kazakhstan's Tengiz field continues recovering more sluggishly than anticipated following fire and power outage incidents, with less than half of normal production restored heading into early February. The weakening US Dollar, which collapsed to 96.30, also becomes more attractive for international support for crude prices. As the Dollar index plummeted near 96.30, it becomes more attractive for international support for crude prices using non-Dollar currencies.

Technical Outlook

- Stochastic is moving inside the overbought area.
- Price is consolidating above the 20-period moving average.
- This setup indicates strong bullish momentum but elevated reversal risk.

Key Levels to Watch

Resistance: 63.50; 64.07
Support: 61.83; 61.17

Conclusion

WTI crude oil demonstrates renewed strength with prices consolidating above the 20-period moving average at 62.67 following Tuesday's robust rally. The Stochastic indicator's position in overbought territory signals that the advance may be vulnerable to near-term profit-taking, though the underlying momentum remains constructive. Immediate resistance at 63.50 represents the next challenge, with a breakthrough potentially opening the path toward 64.07. Support at 61.83 should contain any corrective moves, with more substantial defence at 61.17. The technical picture suggests crude has reached a critical juncture where the convergence of weather-related supply disruptions, Kazakhstan's slower-than-expected recovery, and geopolitical tensions could drive prices toward \$64 if momentum continues. Wednesday's Federal Reserve decision adds another layer of complexity, as any signals about future rate cuts could further weaken the Dollar and provide additional support for commodities. The market's reassessment of supply flexibility challenges previous assumptions about unlimited American production capacity.

Key events for today and tomorrow (GMT):

| Date | Time | Currency | Events | Forecast | Previous |
|--------|-------|----------|----------------------------|----------|----------|
| 28 Jan | 14:45 | CAD | BOC Monetary Policy Report | | |
| | 14:45 | CAD | BOC Rate Statement | | |
| | 15:30 | CAD | Overnight Rate | 2.25% | 2.25% |
| | 19:00 | USD | BOC Press Conference | | |
| | 19:00 | USD | Federal Funds Rate | 3.75% | 3.75% |
| 29 Jan | 13:30 | USD | FOMC Statement | | |
| | 19:30 | USD | FOMC Press Conference | | |
| 29 Jan | 13:30 | USD | Unemployment Claims | 202K | 200K |

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