

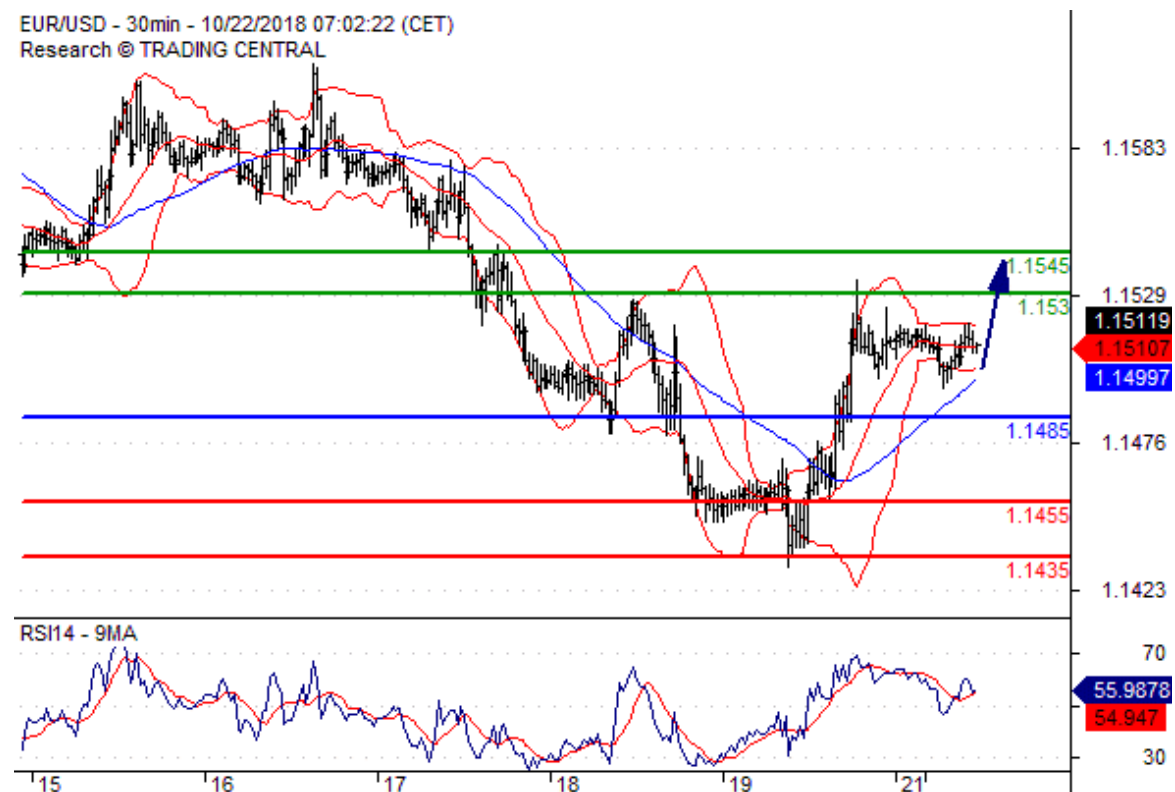
Daily Technical Analysis - EUR/USD Intraday: the bias remains bullish.

Pivot: 1.1485

Our preference: long positions above 1.1485 with targets at 1.1530 & 1.1545 in extension.

Alternative scenario: below 1.1485 look for further downside with 1.1455 & 1.1435 as targets.

Comment: technically the RSI is above its neutrality area at 50.



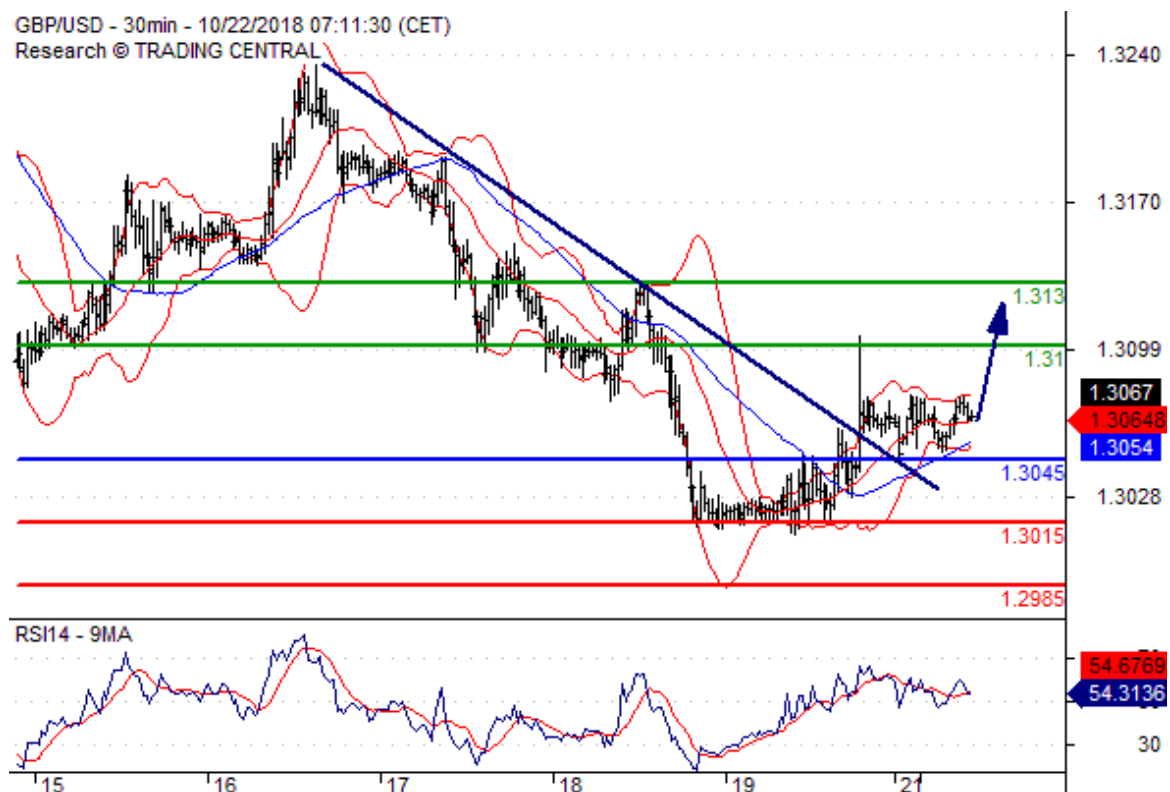
GBP/USD Intraday: the bias remains bullish.

Pivot: 1.3045

Our preference: long positions above 1.3045 with targets at 1.3100 & 1.3130 in extension.

Alternative scenario: below 1.3045 look for further downside with 1.3015 & 1.2985 as targets.

Comment: the RSI advocates for further upside.



AUD/USD Intraday: under pressure.

Pivot: 0.7120

Our preference: short positions below 0.7120 with targets at 0.7090 & 0.7070 in extension.

Alternative scenario: above 0.7120 look for further upside with 0.7135 & 0.7150 as targets.

Comment: technically the RSI is below its neutrality area at 50.



Gold spot Intraday: the upside prevails.

Pivot: 1225.0000

Our preference: long positions above 1225.00 with targets at 1231.00 & 1233.00 in extension.

Alternative scenario: below 1225.00 look for further downside with

1223.00 & 1221.00 as targets.

Comment: the RSI is supported by a bullish trend line.



Silver spot Intraday: further advance.

Pivot: 14.5800

Our preference: long positions above 14.5800 with targets at 14.7200 & 14.7700 in extension.

Alternative scenario: below 14.5800 look for further downside with 14.5300 & 14.4700 as targets.

Comment: the RSI is mixed to bullish.



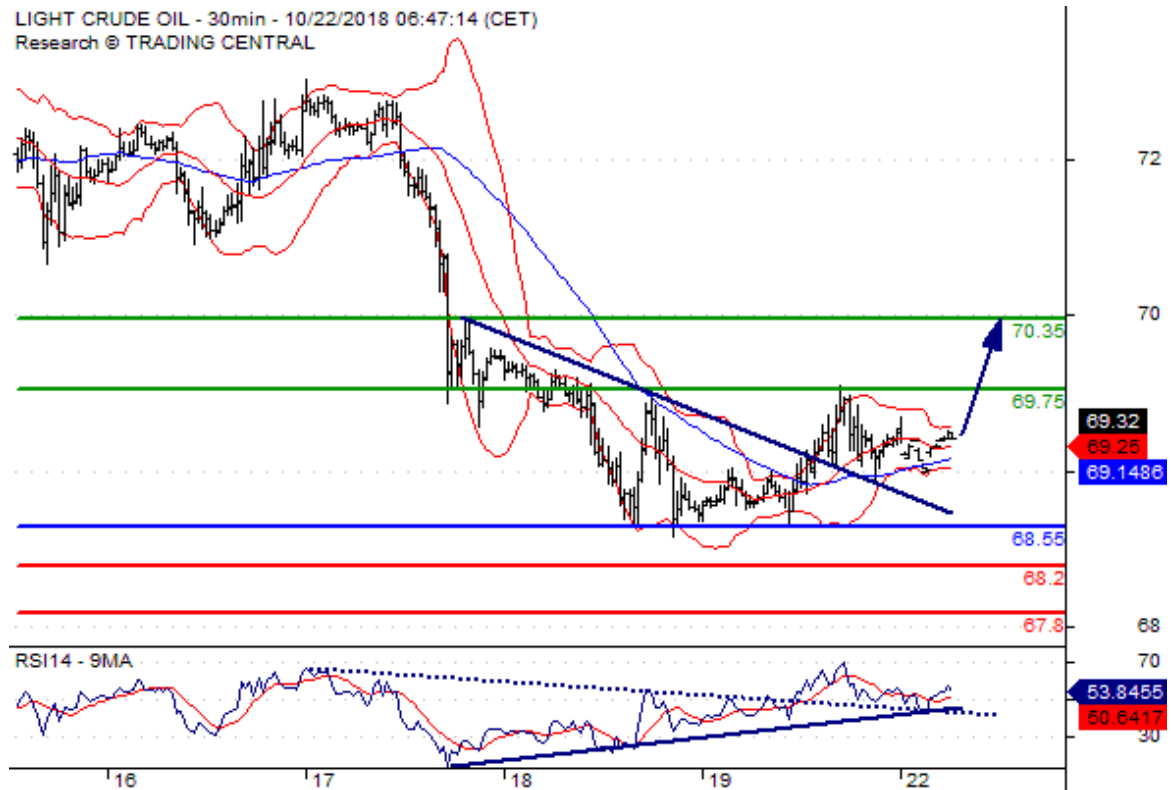
Crude Oil (WTI) (X18) Intraday: further advance.

Pivot: 68.5500

Our preference: long positions above 68.55 with targets at 69.75 & 70.35 in extension.

Alternative scenario: below 68.55 look for further downside with 68.20 & 67.80 as targets.

Comment: the RSI is supported by a rising trend line.



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## Markets Higher As Chinese Stimulus Optimism Overshadows Geopolitical

# Tensions

**By LCG Research team**

Wall Street ended Friday mixed. The Dow snapped a three-day losing streak following strong earnings from Proctor & Gamble. Impressive results saw the stock surge 8.8%, its biggest one day jump in a decade, boosting the Dow. The S&P closed flat, and the Nasdaq closed lower despite a promising start.

## **US earnings season supportive of stocks**

Encouraging corporate earnings helped the broader US market close higher across the week, after concerns of rising rates, geopolitical tensions and the slowdown of the global economy have weighed on sentiment.

Despite these prominent tensions, the fact that earnings are consistently beating expectations is supportive of stocks. This can help investors call the bottom of the recent rout and reposition for the recovery. Yet a move higher will be fragile as headwinds are growing for stocks. The slightest hint of the stronger dollar, higher borrowing costs and the impact of the trade war hitting profit fundamentals could quickly bring stocks crashing down. This week is a packed week for US earnings season with big names Amazon, Alphabet, Microsoft and Caterpillar reporting.

## **Asia Higher on Beijing support**

Asian shares bounced higher on Monday, as Chinese stocks extended their rebound for a second straight session, pulling European futures higher in the process. Beijing's pledge of support for the economy is overshadowing geopolitical concerns over Saudi Arabia, Italy and Brexit.

## **US tread difficult path on Saudi Arabia**

Saudi Arabia will remain in focus on Monday as relations with foreign governments continue to deteriorate. Riyadh's hands are looking increasingly dirty following the disappearance of journalist Jamal Khashoggi. This has encouraged investors to price in a changing relationship between the US and Saudi Arabia. The US are treading carefully to censure Saudi's actions, whilst also keeping their ally, the world's biggest oil exporter close. Pressure is mounting on Riyadh to come clean, with the Saudi stock market experiencing its biggest exodus of foreign investors since opening to direct foreign buying in mid-2015.

## **Oil edging higher as Iran sanctions approach**

Oil prices edged higher amid the Saudi scandal and with more tightening on the supply side expected as US sanctions on Iran are due to kick in next month. With a disruptive winter on the cards,



major oil consumers are stock piling. Saudi Arabia could struggle to make up the fall in supply from Iran as promised, especially when you consider added pressure from falling Venezuelan and Angolan production. \$80 is offering resistance but we don't expect that to be a big hurdle for oil to overcome.

### **Italy's time to explain**

The euro and the FTSEMIB are looking resilient as Italy is due to explain its breach of European Commission rules today. Italian yields are not showing the same strength as 4 year lows. The broad expectation is for Brussels to reject the budget on Tuesday. Whilst this has been on the cards for some time, the markets will want to see what the next chapter is in this unprecedented move. Sanctions could do more damage than good to this delicate situation. At least a slightly busier eurozone economic calendar will provide some distraction for euro traders with a slew of PMI figures on Wednesday and the ECB meeting on Thursday.

Source: [LCG Broker](#)

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