Daily Market Report

by **Monte Safieddine** @Monte_IG

GUIDE

EUR/USD	GBP/USD	USD/JPY	AUD/USD
GOLD	US CRUDE	US 500	WALL STREET
US TECH 100	FTSE 100	GERMANY 40	AUSTRALIA 200

Thursday, September 14, 2023

DISCLAIMER

Market Brief:

- *Stocks*: Small gains for S&P and Nasdaq, US CPI for August rises to 3.7% y/y and shows 0.6% m/m growth
- *Energy*: Oil price highs fail to stick, EIA's inventory estimates reveal a build for oil, gas, and distillate
- *FX*: Euro traders brace for the ECB policy decision, market pricing (Refinitiv) via majority anticipating a 25bp hike
- *Today*: **ECB**, US retail sales, claims and PPI
- *Tomorrow*: Chinese data, US trade pricing data, UoM's preliminary data

- The **Weekly** Market Report is released on Mondays with weekly chart, weekly technicals, weekly sentiment changes, weekly levels, and weekly technical overview, and includes Bitcoin
- The **Daily** Market Report is released Tuesday through Thursday with a daily chart, daily technicals, daily retail sentiment changes, daily levels and daily technical overview

GUIDE

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bearish	Bearish	Negative	Trending	Oversold	Lower Extreme

MA – Short: Status of short-term moving averages, aids in determining short-term price action for intraday trading

MA - Long: Status of long-term moving averages, aids in determining long-term trends for inter-day trading

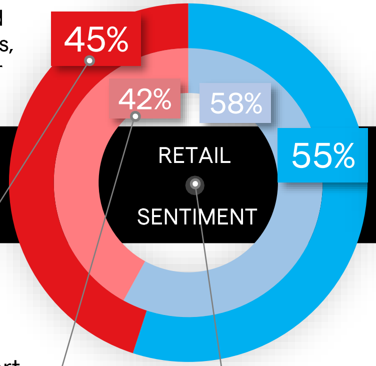
DMI: Directional Movement Index, here measures between DMI- and DMI+, should be used in conjunction with ADX to determine both trend strength and direction

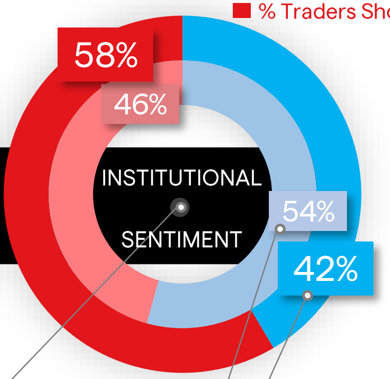
ADX: Average Directional Movement Index: Used to determine strength of a trend, "Trending" showing potential and "Consolidation" the lack thereof

RSI: Relative Strength Index: Momentum based indicator measuring speed and change of directional price movements, either in "Oversold", "Overbought", or "Neutral" territories

Bollinger Bands: Price relative to the Bollinger bands, be it at the "Upper Extreme", "Lower Extreme", or "Neutral"

% Traders Long
% Traders Short





Percentage of retail traders short as of today

Percentage of retail traders short as of previous trading day

IG's client sentiment

Based on speculative positioning of hedge funds, other major financial institutions, and large traders, from the CFTC's CoT report

Percentage of net speculative lots that are long as of last Tuesday

Percentage of net speculative lots that are long as of the Tuesday before

Current Technical Overview	Bull Average
Technical Overview Conformist Strategies	Buy 1st Support After Significant Reversal, Buy 1st Resistance Upon Breakout From Below
Technical Overview Contrarian Strategies	Sell 1st Resistance After Reversal, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	1.1322
2nd Resistance	1.1303
S/L for 1st Resistance	1.1284
1st Resistance	1.1265
Relative Starting Point	1.1227
1st Support	1.1189
S/L for 1st Support	1.1170
2nd Support	1.1151
S/L for 2nd Support	1.1132

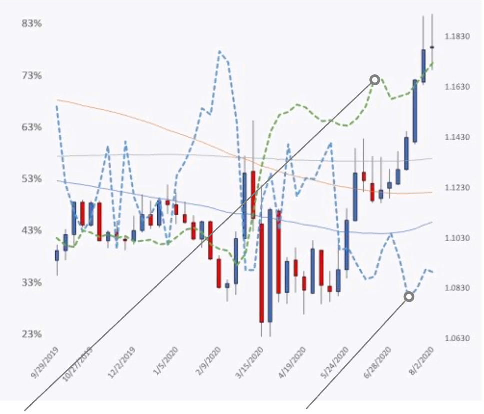
Current technical overview is based on an aggregate calculation of the product's technicals, however – as the commentary box will note – is less relevant on weeks that involve significant fundamental data or central bank monetary policy decisions, and will eventually shift

Strategies that complement the current technical overview, though note whether to initiate the trade after a reversal (in the event of more volatility and stop-out attempts), prior to the pivot point (in the event of strong technical movement and/or limited expected volatility), or a breakout strategy in favour of the technical overview's trend

Strategies that are contrary to the current technical overview, used by those expecting the current technical overview to shift, or fail to offer follow through. In a bull trend example those expecting the current bull trend to fail can opt for contrarian sell strategies off the key levels

The 1st Resistance is the first line of defense for trading, though in a bull trend technical state could be traded with a buy breakout strategy. The 2nd Resistance is the second line of defense that is more rarely breached, with the S/L being the stop losses for both resistance levels in the event a trader decides to initiate sell strategies

The 1st Support is the first line of defense in the event of a price drop, but in a bear trend technical overview sell breakout strategies to the downside can be entertained in the event of significant follow-through in price. The stop loss (S/L) for both 1st and 2nd Support are in the event buy strategies have been initiated



Dotted Green Line: Institutional sentiment during that period, as percentage long, using left axis

Dotted Blue Line: Retail sentiment during that period, as percentage long, using left axis

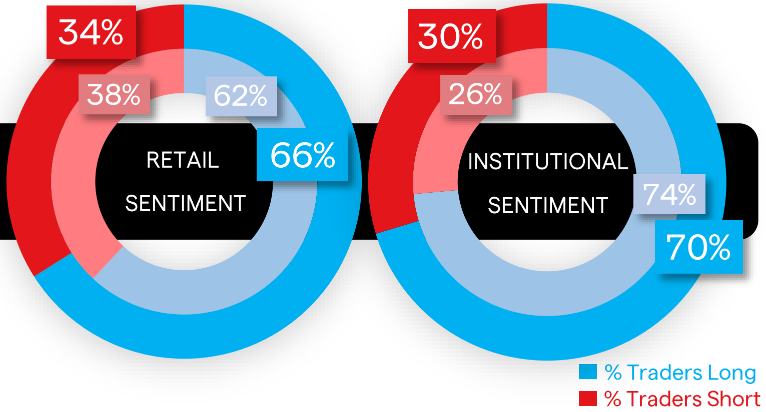
SMA 50 — 50-day simple moving average
SMA 100 — 100-day simple moving average
SMA 200 — 200-day simple moving average

In addition to commentary on technicals and sentiment for the product, when space permits you can find under:

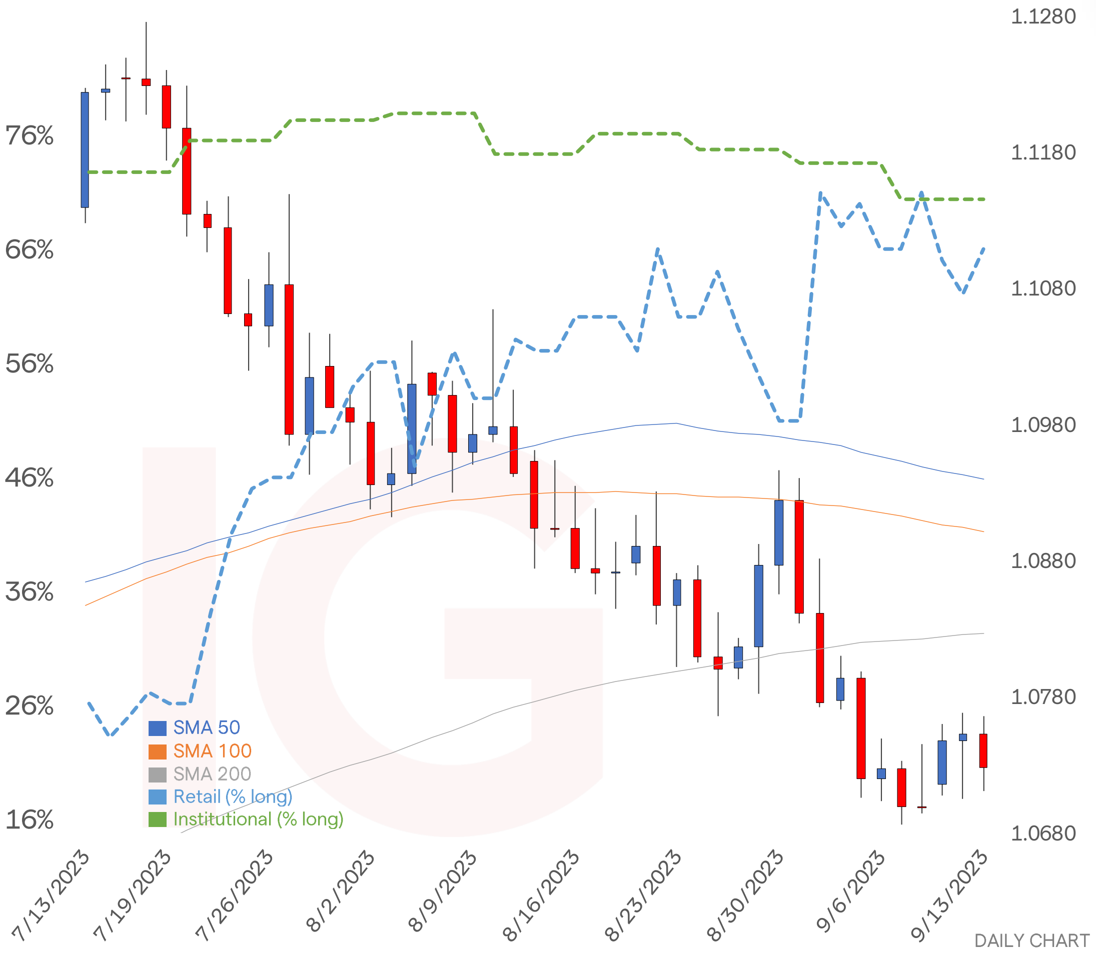
EUR/USD EZ data, ECB speak and decisions
GBP/USD UK data, BoE speak and decisions, CoT EUR/GBP
USD/JPY Japanese data, BoJ speak and decisions, US-JP yield spreads, CoT CHF
AUD/USD Australian and Chinese data, RBA, RBNZ and PBoC decisions, USD/CNY fix, CoT NZD and CAD
Gold FOMC speak, decisions (and market pricing), Treasuries, CoT silver, platinum and palladium
Oil updates in energy including inventory and rig count data, CoT gasoline, ULSD and natural gas
Wall Street US economic data
US Tech 100 US sector performance and tech
Germany 40 German economic data
Bitcoin crypto flows and sentiment for BTC and ETH

EUR/USD

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Neutral	Bearish	Neutral	Trending	Neutral	Neutral



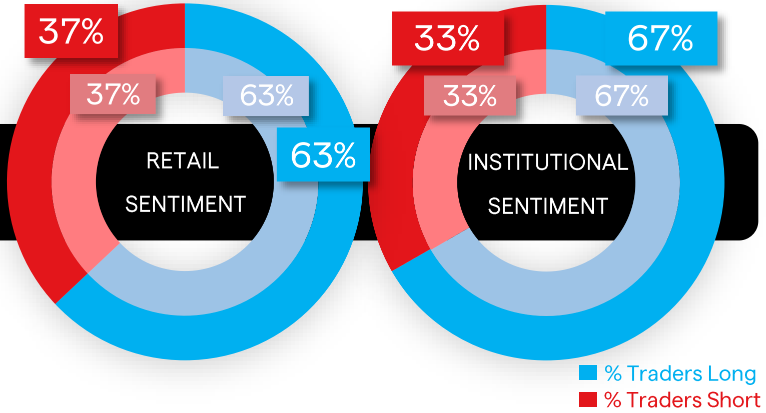
Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	1.0837
2nd Resistance	1.0816
S/L for 1st Resistance	1.0794
1st Resistance	1.0772
Relative Starting Point	1.0728
1st Support	1.0684
S/L for 1st Support	1.0662
2nd Support	1.0640
S/L for 2nd Support	1.0619



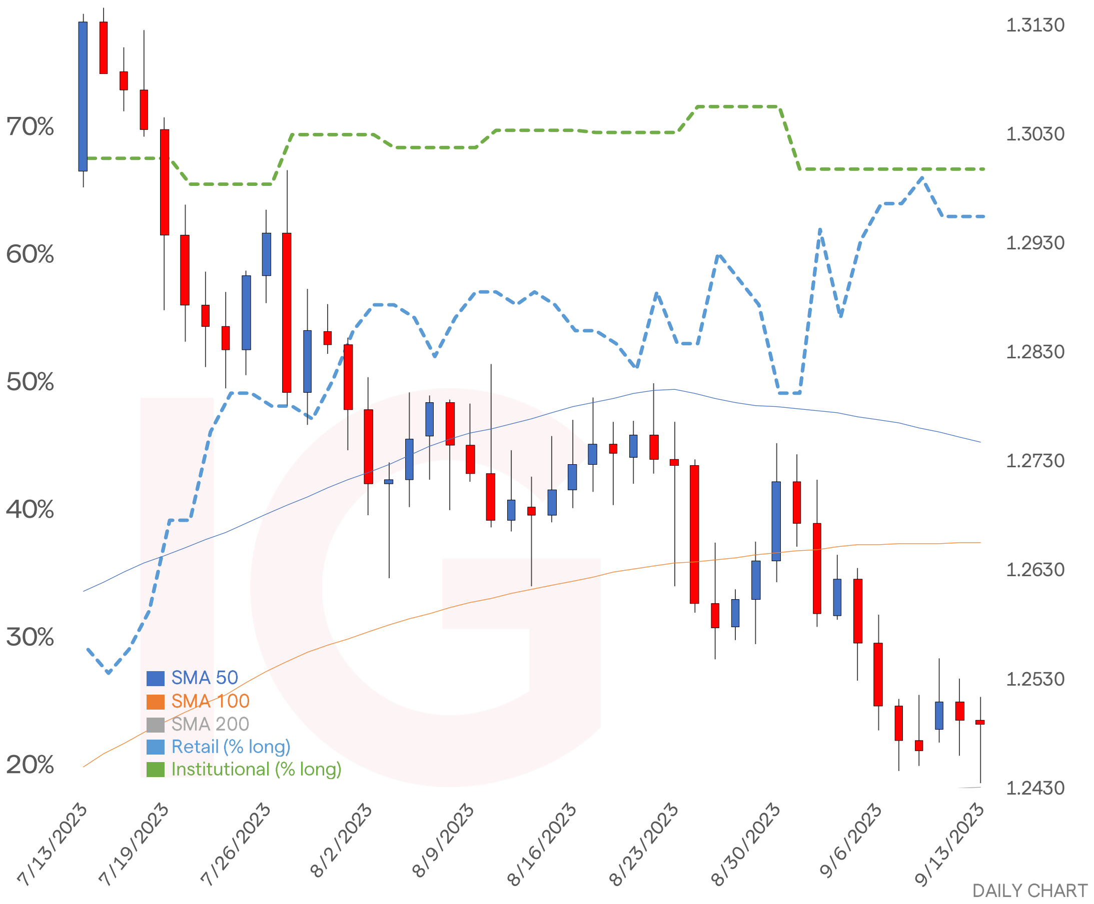
It's rare to see technical levels hold in the face of a fundamental event, and we've been getting small intraday movement even when the US CPI readings were released, the intraday lows reaching its previous 1st Support level which managed to hold though not via reversal let alone a significant one to trigger cautious conformist strategies, as attention now shifts towards the European Central Bank's monetary policy announcement where market pricing has moved away from the middle after the unconfirmed Reuters report released a couple days back to via majority pricing in a 25bp hike. Technicals usually hold less relevance in the face of a central bank decision, and even then, it's been a bit blurred between 'cautious consolidation' and 'bear average'.

GBP/USD

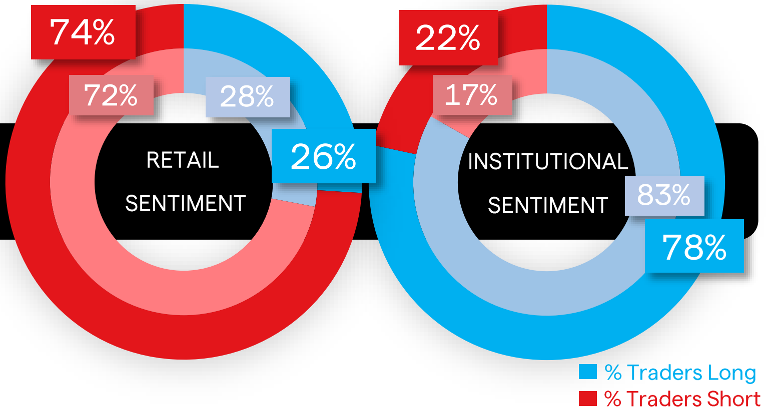
MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Neutral	Neutral	Negative	Trending	Neutral	Lower Extreme



Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	1.2631
2nd Resistance	1.2603
S/L for 1st Resistance	1.2574
1st Resistance	1.2545
Relative Starting Point	1.2488
1st Support	1.2431
S/L for 1st Support	1.2402
2nd Support	1.2373
S/L for 2nd Support	1.2345



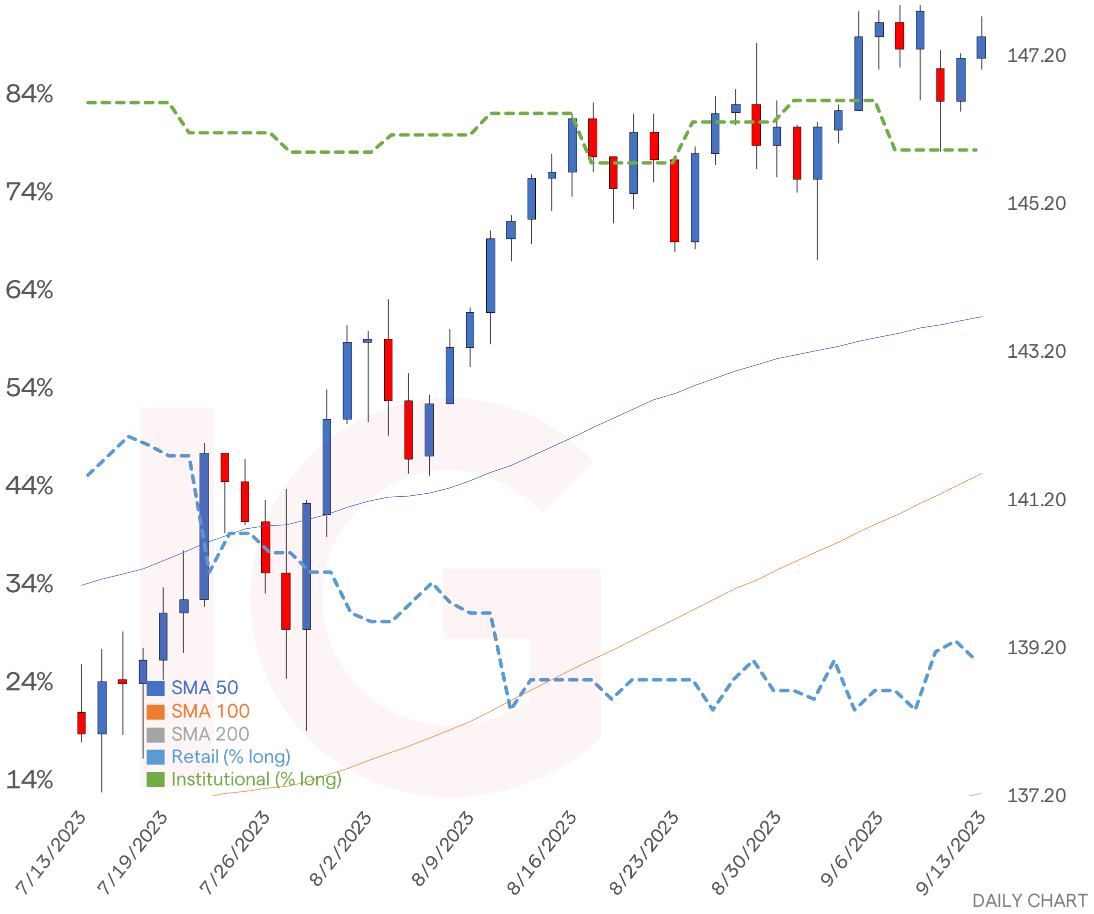
Its previous 1st Support level managed to hold despite the fundamental data on offer yesterday out of both the UK and the US, though it wasn't via reversal and certainly not a significant one to trigger cautious conformist buy-after-significant reversals in this time frame, the lower lows though an added scare that'll keep the technical overview here struggling between 'cautious consolidation' and 'bear average' owing to price-indicator proximity. Economic data out of the UK showed GDP for July a miss with a m/m print of -0.5%, and negative readings m/m for production and trade. It's relatively quiet on that front for the remainder of the week save for inflation expectations tomorrow, on the market pricing front (Refinitiv) showing it's now peak 5.5%.



USD/JPY

MA – Short	MA – Long	DMI	ADX	RSI	Bollinger Bands
Bullish	Bullish	Neutral	Trending	Neutral	Upper Extreme

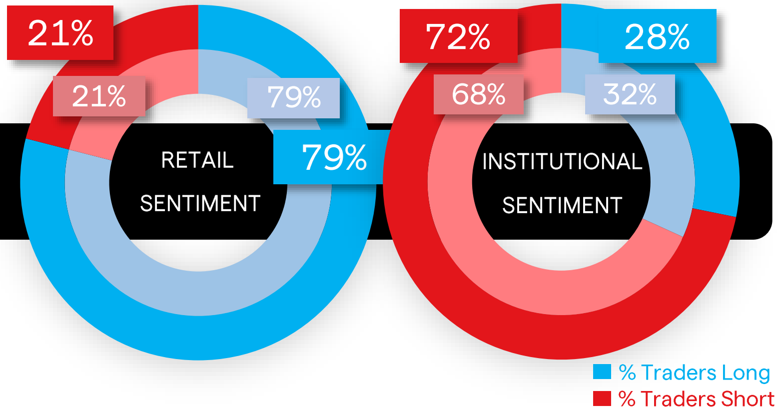
Current Technical Overview	Consolidation - Volatile
Technical Overview Conformist Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Sell 1st Resistance After Reversal, Buy 1st Support After Reversal
S/L for 2nd Resistance	149.12
2nd Resistance	148.78
S/L for 1st Resistance	148.45
1st Resistance	148.12
Relative Starting Point	147.45
1st Support	146.78
S/L for 1st Support	146.45
2nd Support	146.12
S/L for 2nd Support	145.78



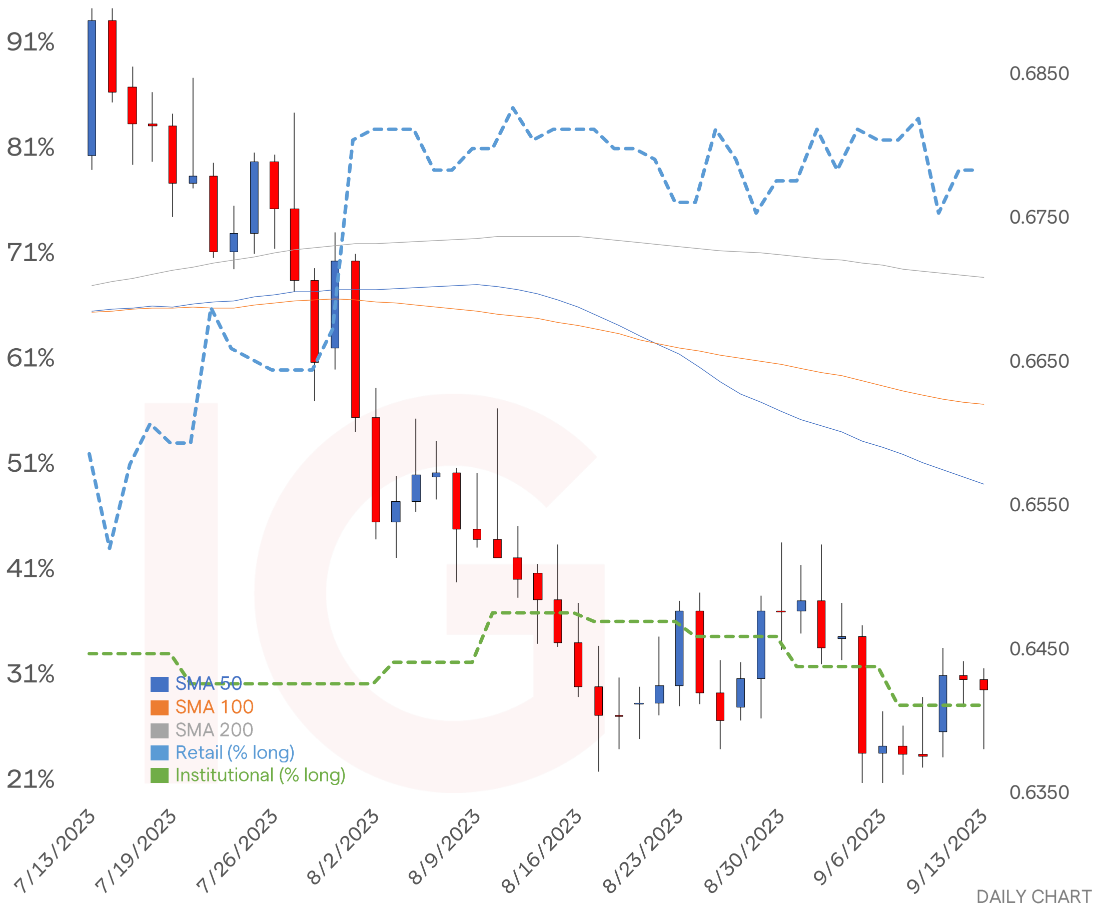
Lack of a play here for both conformists and contrarian strategies with the intraday highs shy of its previous 1st Resistance level, even if crossing and closing above the last of its main short-term moving averages and tilting the two at-risk technical boxes in this time frame back to green (of little surprise as mentioned in yesterday's commentary given where price is currently hovering at), and much of the gains for the yen since the gap at the start of this week following hawkish BoJ speak undone raising the worry over whether we'll get more policymaker talk before action. The gains didn't match the underlying, and we're seeing a pullback as of writing this morning. Economic data out of Japan a miss for machinery orders in July (-1.1%).

AUD/USD

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Neutral	Bearish	Neutral	Trending	Neutral	Neutral



Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	0.6510
2nd Resistance	0.6492
S/L for 1st Resistance	0.6474
1st Resistance	0.6457
Relative Starting Point	0.6421
1st Support	0.6385
S/L for 1st Support	0.6368
2nd Support	0.6350
S/L for 2nd Support	0.6332

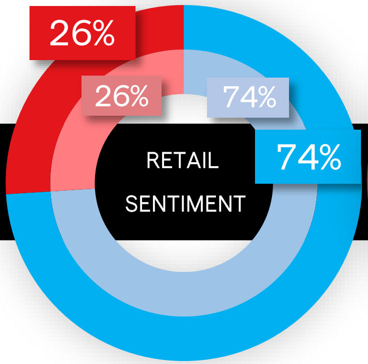


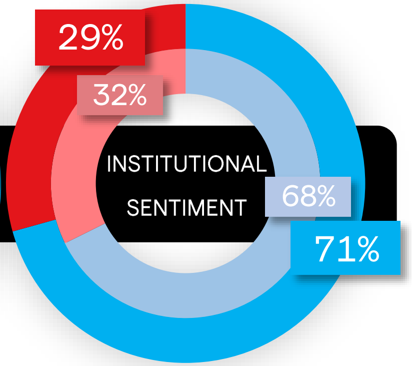
The intraday lows following the US CPI release was just shy of its previous 1st Support's S/L, with little on offer for conformist sell-breakouts and far more and outperformance for contrarian buy-after-reversals, the slightly lower finish tilting one of its at-risk technical boxes to neutral though given where prices are hovering of little surprise especially for this time frame. Economic data this morning out of Australia showed an employment change of nearly 65K for August that was well above estimates, though most of it driven by part-time with full-time up only 2.8K, the participation rate rising to 67%, and the unemployment rate unchanged at 3.7%. It'll be about Chinese economic data tomorrow morning.

Thursday, September 14, 2023

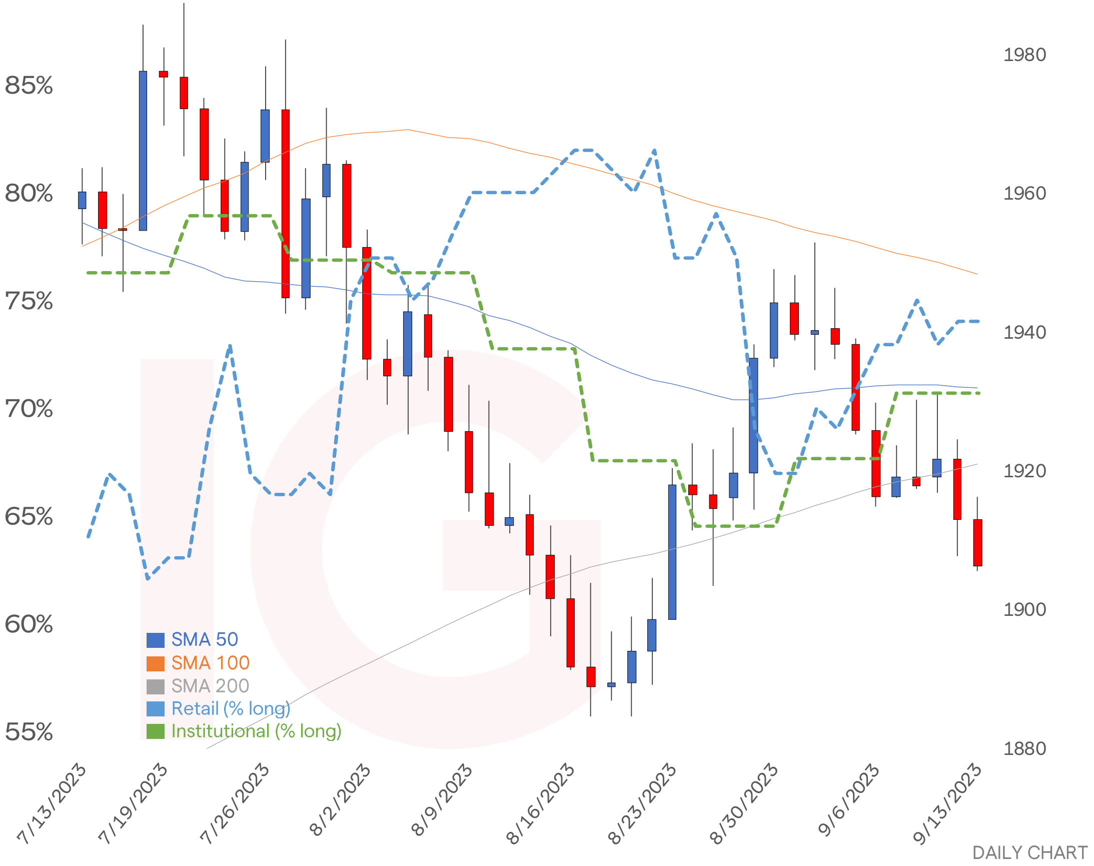
GOLD

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bearish	Bearish	Neutral	Consolidation	Neutral	Neutral





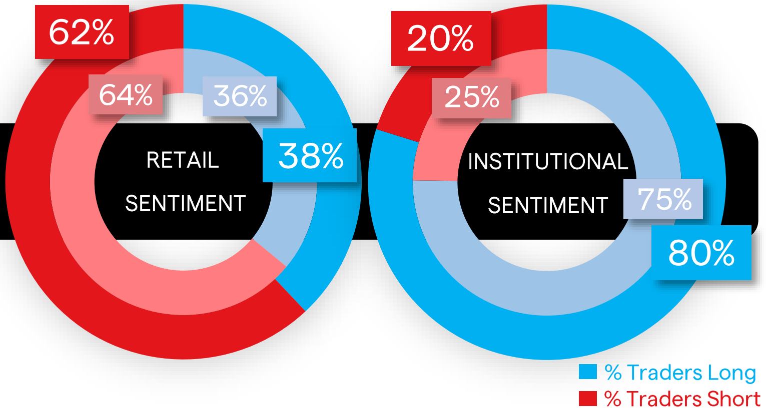
Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	1923.1
2nd Resistance	1919.8
S/L for 1st Resistance	1916.4
1st Resistance	1913.0
Relative Starting Point	1906.3
1st Support	1899.6
S/L for 1st Support	1896.2
2nd Support	1892.8
S/L for 2nd Support	1889.5



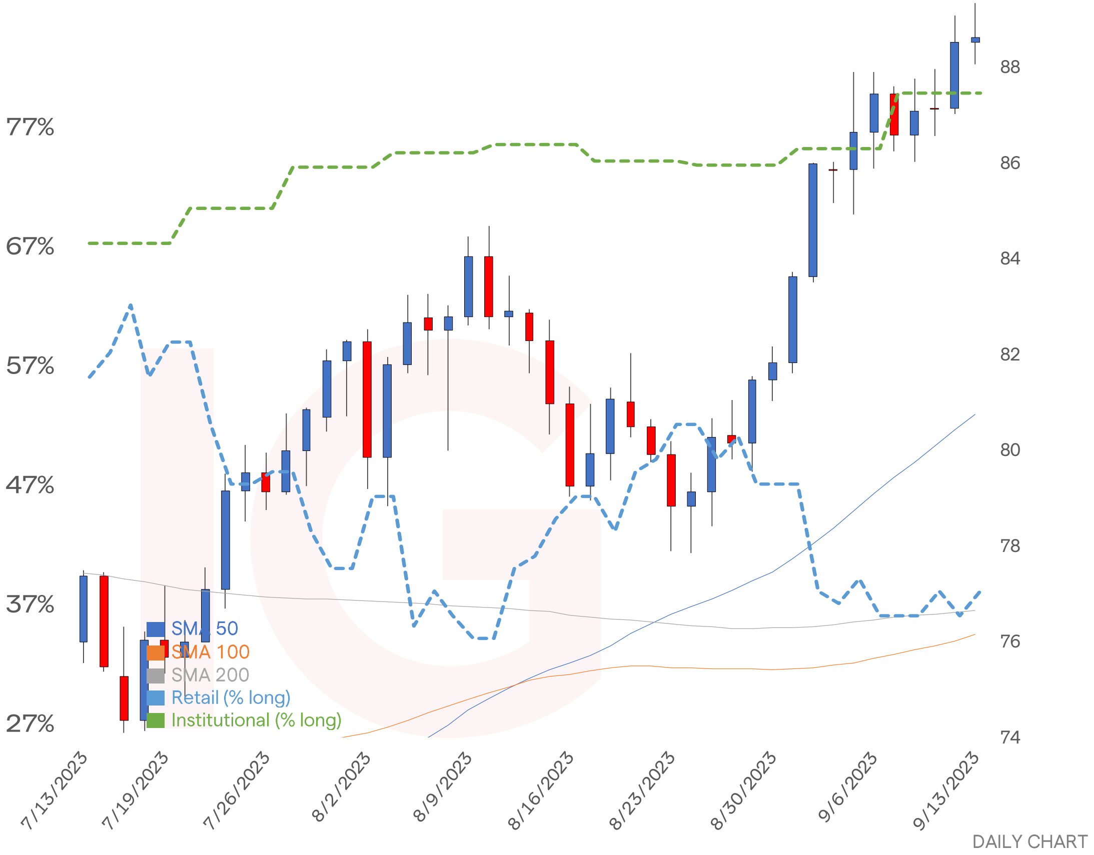
Its previous 1st Support level managed to hold despite the fundamental event, though couldn't trigger then-cautious conformist buy-after-significant reversals, with the overview still blurred between the previous 'cautious consolidation' and 'bear average', the latter needing an uptick in downside follow-through to favor conformists. As for Treasury yields, they finished the session lower and so too in real terms, breakeven inflation rates edging slightly higher again, and market pricing (Refinitiv) showing a pause nearly fully priced in for the FOMC meeting next week, and backing off what was nearly a coin toss on another 25bp hike for their final two meetings of this year, and the first rate cut from current levels in June of next year via slight majority.

OIL – US CRUDE

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bullish	Bullish	Positive	Trending	Overbought	Upper Extreme



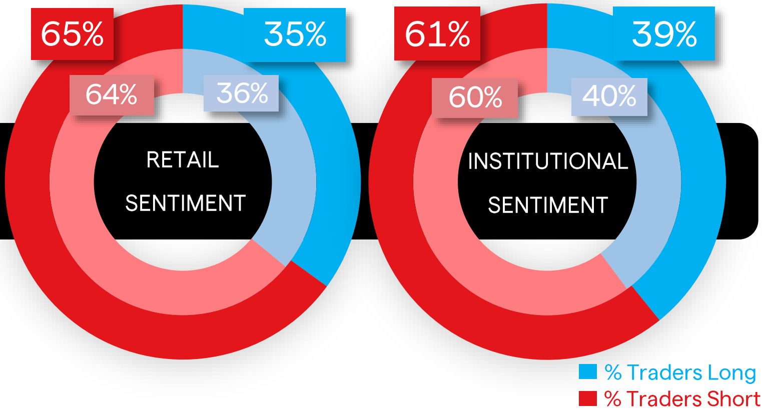
Current Technical Overview	Bull Average
Technical Overview Conformist Strategies	Buy 1st Support After Significant Reversal, Buy 1st Resistance Upon Breakout From Below
Technical Overview Contrarian Strategies	Sell 1st Resistance After Reversal, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	91.08
2nd Resistance	90.53
S/L for 1st Resistance	89.98
1st Resistance	89.42
Relative Starting Point	88.32
1st Support	87.22
S/L for 1st Support	86.66
2nd Support	86.11
S/L for 2nd Support	85.56



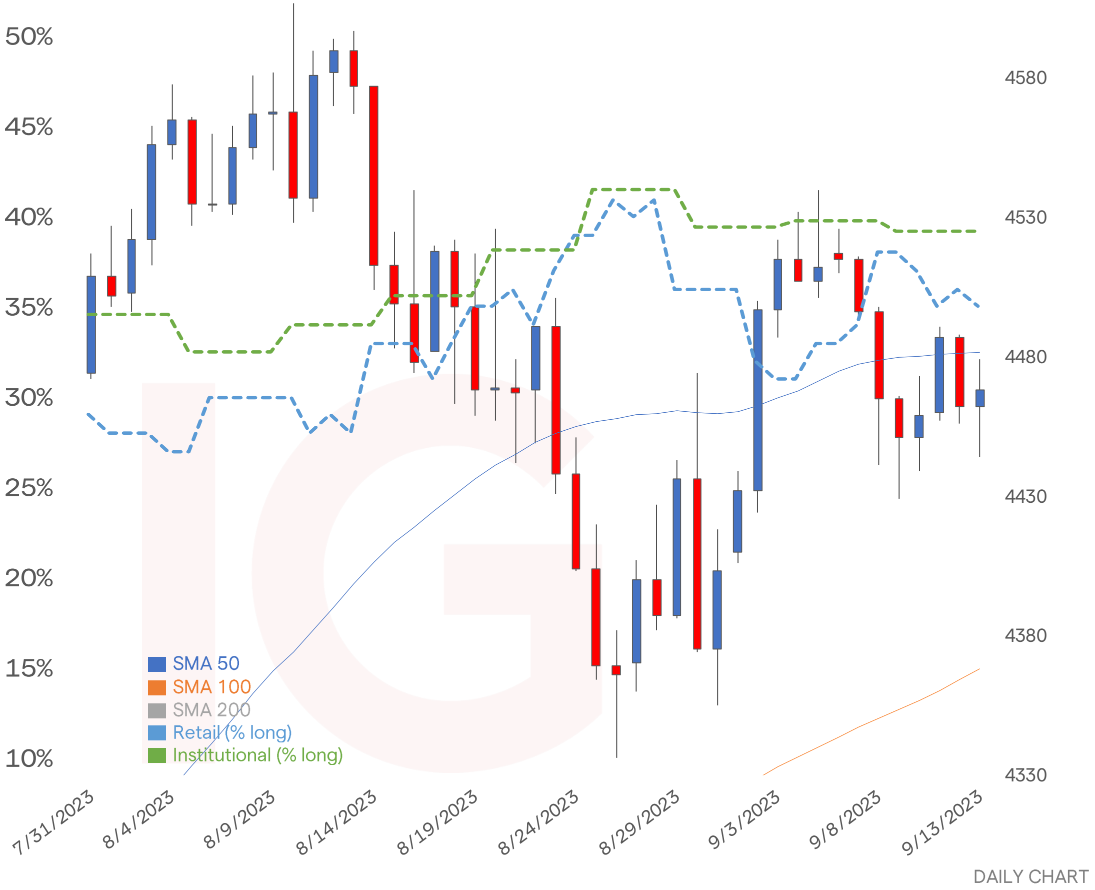
Higher highs that couldn't stick and failing to reach its previous 1st Resistance level translating into a lack of a play for conformist and contrarian strategies, though yet to shift the technical boxes in this time frame even if at least three are seen as at-risk ones in this time frame. Updates include (1) inventory data out of EIA showing an increase for oil of 4m barrels with gasoline up a larger 5.6m and distillate by 3.9m, and (2) IEA's monthly oil report anticipating "a significant supply shortfall through the fourth quarter" and the difference against OPEC's forecasts larger for next year (1m bpd vs. 2.25m). As for sentiment amongst retail traders, opting to remain cautious in terms of selling into price gains, and thus far avoiding heavy short territory.

US 500

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Neutral	Neutral	Neutral	Consolidation	Neutral	Neutral



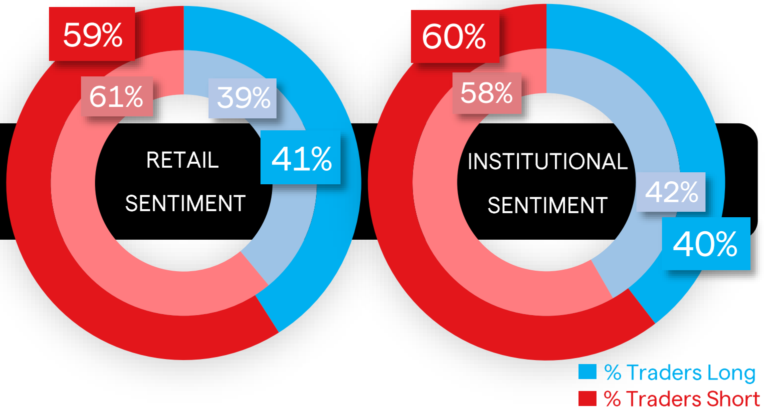
Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	4545
2nd Resistance	4529
S/L for 1st Resistance	4514
1st Resistance	4499
Relative Starting Point	4468
1st Support	4437
S/L for 1st Support	4422
2nd Support	4407
S/L for 2nd Support	4391



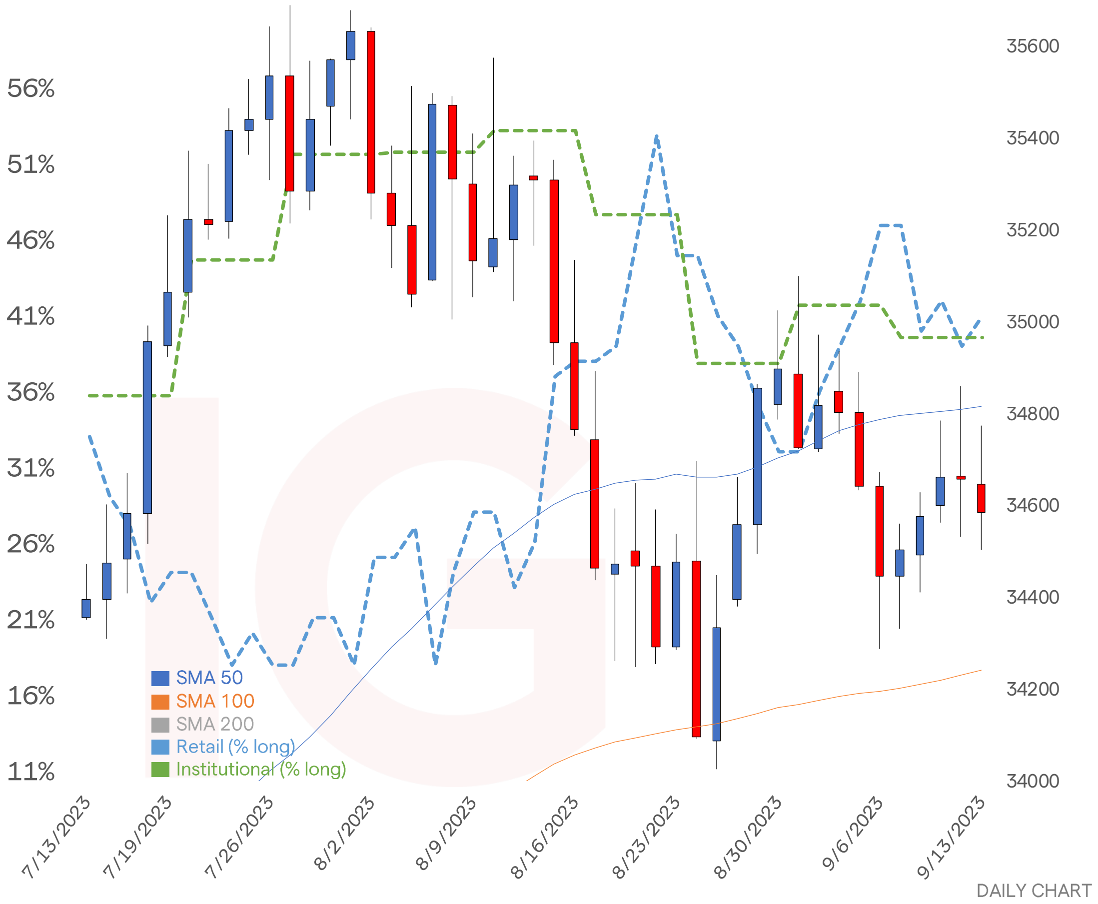
See gold's commentary regarding Treasury yields and Fed speak, Wall Street's commentary on US economic data, and US Tech 100 for sector performance.

WALL STREET

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Neutral	Neutral	Neutral	Consolidation	Neutral	Neutral



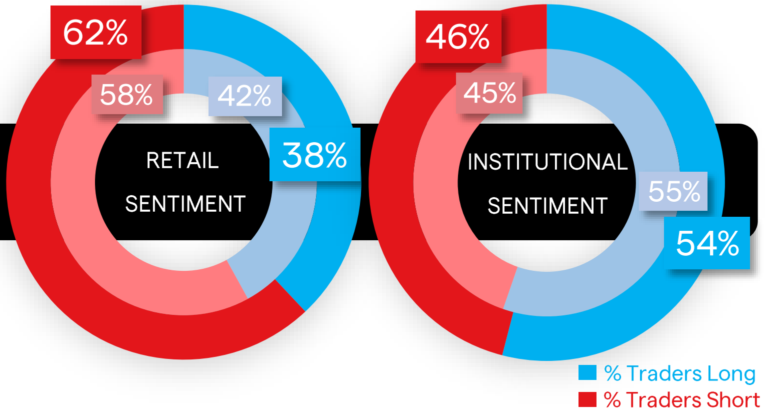
Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	35098
2nd Resistance	34996
S/L for 1st Resistance	34893
1st Resistance	34790
Relative Starting Point	34585
1st Support	34380
S/L for 1st Support	34277
2nd Support	34174
S/L for 2nd Support	34072



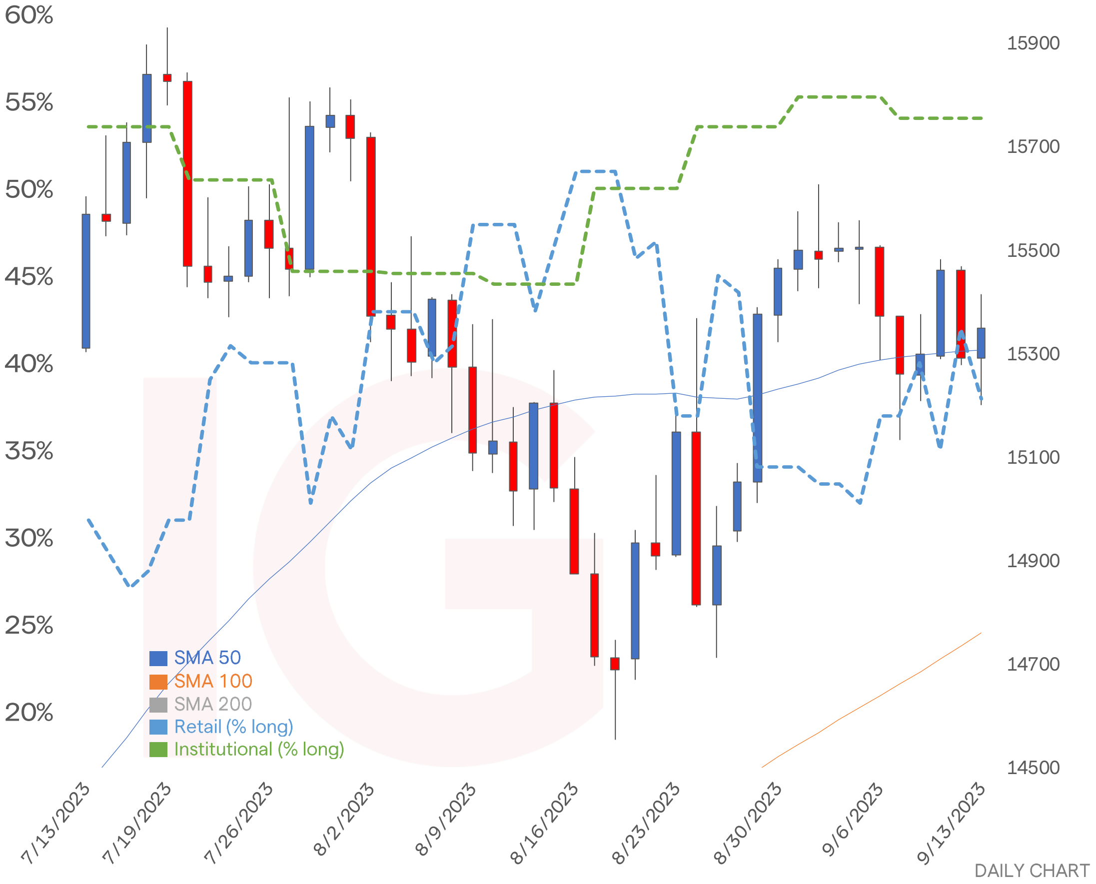
Lack of a play for both conformist and contrarian strategies with the intraday highs and lows within its previous 1st levels, this despite the fundamental data on offer yesterday, and a close not too far off where it started keeping the technical boxes neutral and by the other calculation its ADX no longer in trending territory. Component performance by the close put Microsoft on top, on the other end 3M hit hardest (warns of "slow growth environment"). CPI readings were hotter than anticipated for headline (3.7% y/y vs. 3.6%) and core m/m at 0.3% (headline 0.6% m/m, 4.3% y/y core), the weekly mortgage applications registering another red reading, and we've got PPI and claims up next.

US TECH 100

MA – Short	MA – Long	DMI	ADX	RSI	Bollinger Bands
Neutral	Bullish	Neutral	Consolidation	Neutral	Neutral



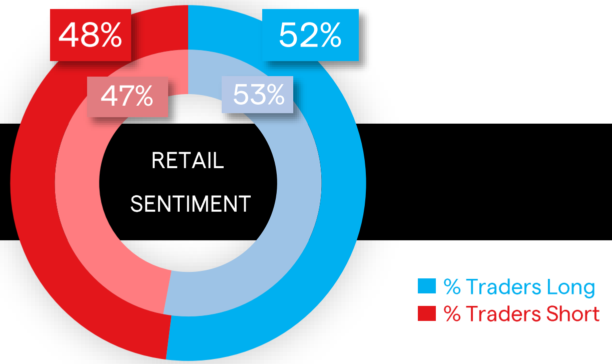
Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	15703
2nd Resistance	15632
S/L for 1st Resistance	15562
1st Resistance	15491
Relative Starting Point	15350
1st Support	15209
S/L for 1st Support	15138
2nd Support	15068
S/L for 2nd Support	14997



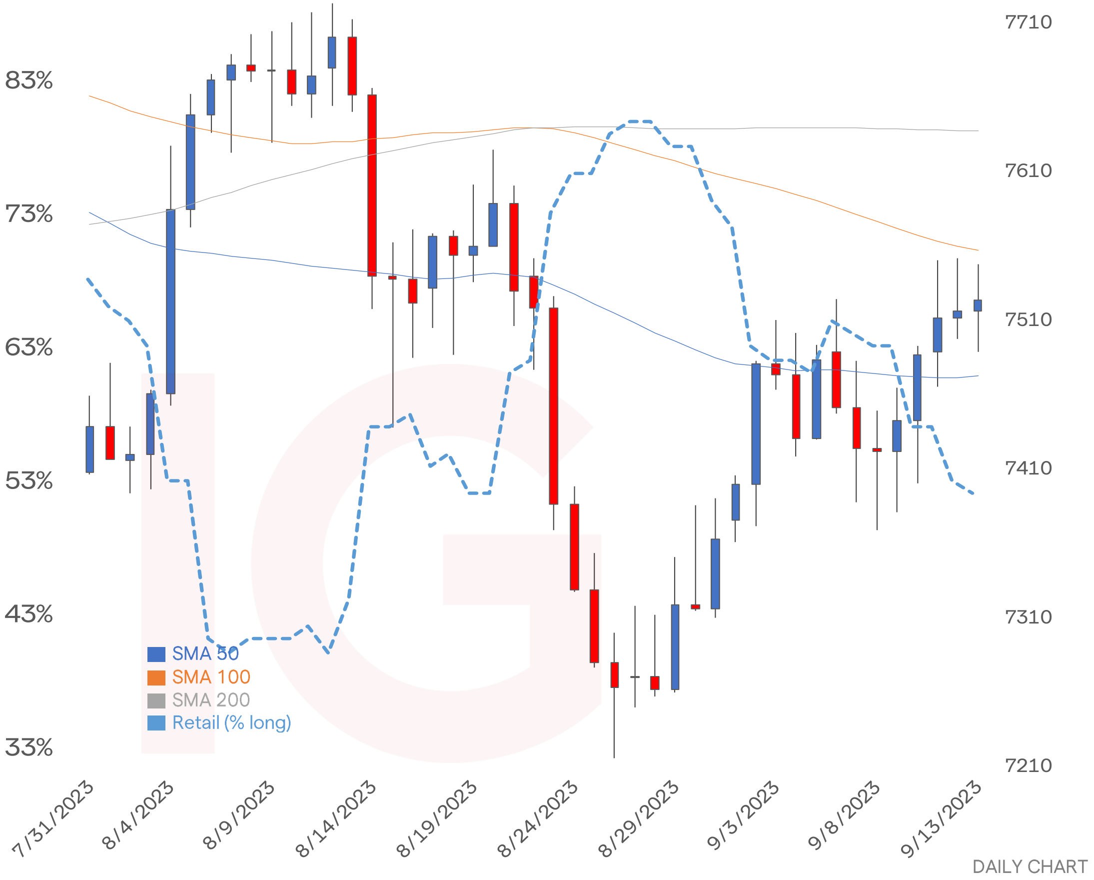
Sector performance was mixed yesterday, but consumer discretionary, communication, and tech managed to enjoy a positive finish, and this tech-heavy index outperforming against both Dow and S&P for the session, though the highs and lows were within its previous 1st levels translating into a lack of a play for both conformist and contrarian strategies, price closing above the last of its main long-term moving averages but otherwise neutral technical boxes and an overview still cautious in this time frame. Component performance by the close put Moderna (news regarding updated vaccines) and Synopsys on top, on the other end Netflix hit hardest. As for sentiment, retail trader sell bias has risen from 58% to 62% as of this morning.

FTSE 100

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bullish	Neutral	Neutral	Trending	Neutral	Upper Extreme



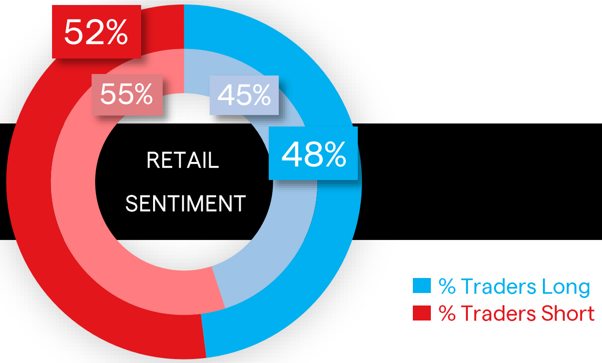
Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	7648.0
2nd Resistance	7623.0
S/L for 1st Resistance	7598.0
1st Resistance	7573.0
Relative Starting Point	7523.0
1st Support	7473.0
S/L for 1st Support	7448.0
2nd Support	7423.0
S/L for 2nd Support	7398.0



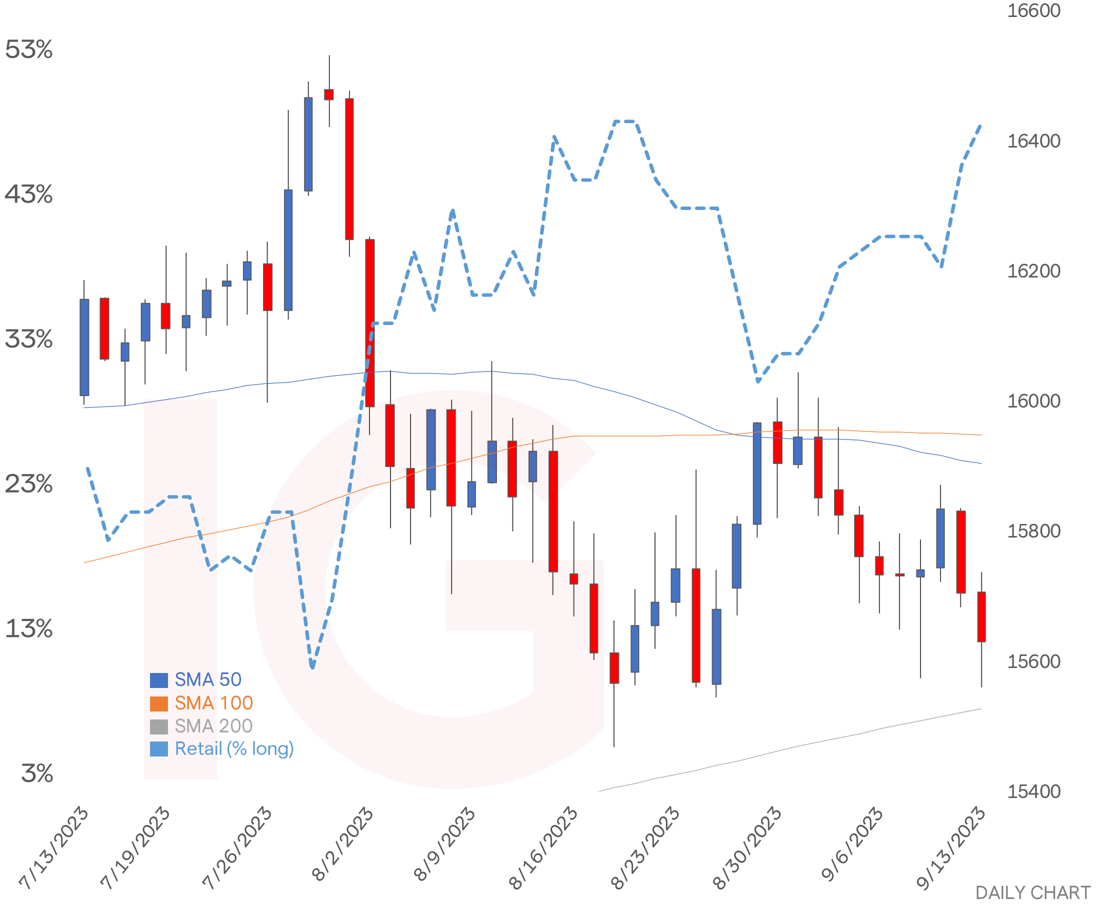
The intraday highs and lows were within its previous 1st levels translating into a lack of a play for both conformists and contrarians, and the little change by the close (once more) keeping the technical boxes and the overview as is though closer to shifting back to 'consolidation' but ideally not when daily volatility is usually highest (i.e., Thursday and more so when adding any Friday follow-through) but at the start of the week (issue is that next week both FOMC and BoE decisions usually translates into added volatility on the risk front and in turn likely cautious until after). Aviva and Melrose outperforming by the close amongst its components, on the other end Ocado and IAG losing out most. As for sentiment, barley holding in slight buy territory.

GERMANY 40

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bearish	Neutral	Negative	Trending	Neutral	Neutral



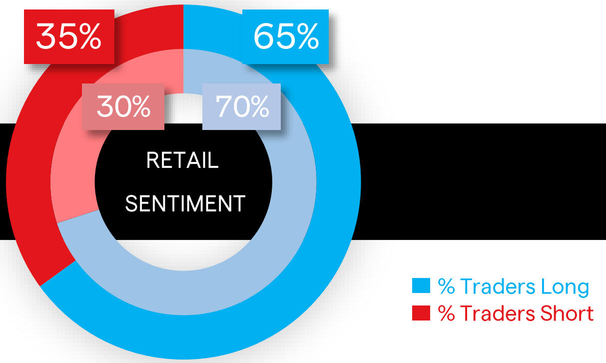
Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	15911
2nd Resistance	15854
S/L for 1st Resistance	15798
1st Resistance	15742
Relative Starting Point	15630
1st Support	15518
S/L for 1st Support	15462
2nd Support	15406
S/L for 2nd Support	15349



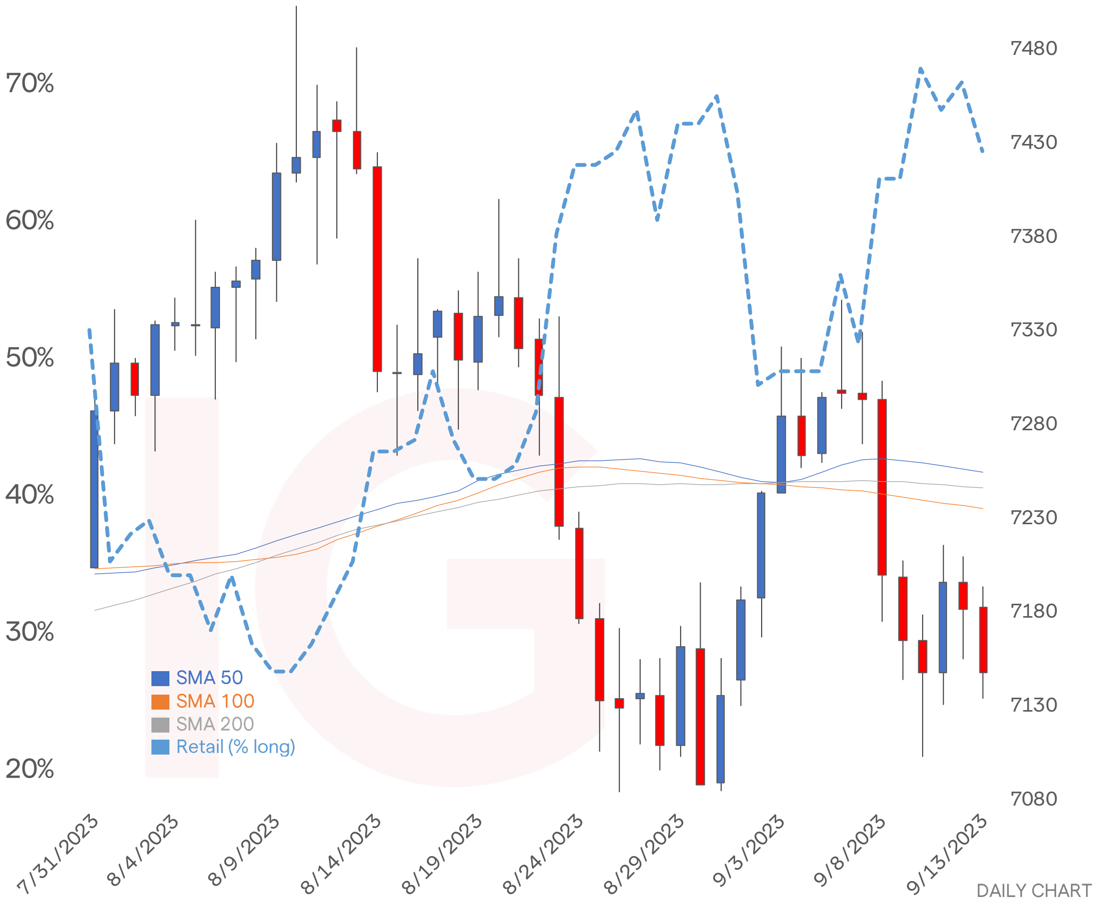
The intraday lows reached its previous 1st Support level before reversing to finish above it, offering far more for conformist buy-after-significant reversals and more so when factoring the gains as of writing this morning. The technical boxes are as of the close, but the red DMI could easily shift back depending on whether gains can stick given the -DI to +DI margin isn't that large, and by another calculation its ADX beneath trending territory. The 200-day MA isn't far off now, and in turn the bulls are hoping the key support level which roughly coincided with yesterday's lows manages to hold, else the overview could be in for a tilt to reflect the recent averaging lower. The attention next will be on the ECB next, in terms of German data there's WPI tomorrow.

AUSTRALIA 200

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bearish	Bearish	Neutral	Trending	Neutral	Neutral



Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	7260
2nd Resistance	7237
S/L for 1st Resistance	7215
1st Resistance	7192
Relative Starting Point	7147
1st Support	7102
S/L for 1st Support	7079
2nd Support	7057
S/L for 2nd Support	7034



Although its previous 1st Support level managed to hold, it lacked a trigger for cautious conformist buy-after-significant reversals, and as of writing this morning already breaching today's 1st Resistance level, and if managing to stick by the close easily shifting one red technical box back to neutral and not too far off tilting the other as well, as mentioned prior the ADX by one calculation not in trending territory. Paladin Energy and Coronado outperforming amongst its components, on the other end Fletcher and Spark New Zealand suffering most. As for sentiment, still heavy to the buy side but pulling back from 70% to 65% (sentiment taken after the gains this morning, technical boxes and chart are as of the close).

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