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 28, 2023

DISCLAIMER

Market Brief:

- *Stocks*: Little changed recovering from intraday losses, higher yields and energy, and awaiting updates out of Congress ahead of weekend deadline
- *Energy*: Oil prices enjoy strong gains, EIA's inventory shows a drawdown for oil but slight surplus for gasoline & distillate
- *Today*: US GDP, claims, pending home sales, Fed member speak including Chairman Powell
- *Tomorrow*: US PCE price index, UoM's revised consumer sentiment and inflation expectations, EZ preliminary CPI, Tokyo CPI, UK GDP

- 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

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

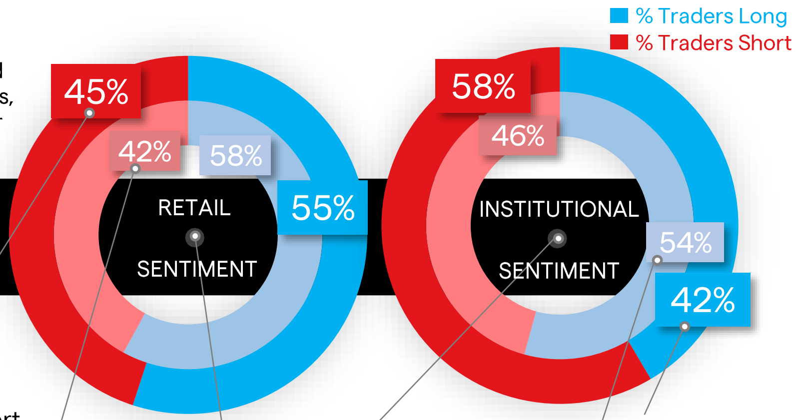
Status of long-term moving averages, aids in determining long-term trends for inter-day trading

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

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

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

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



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

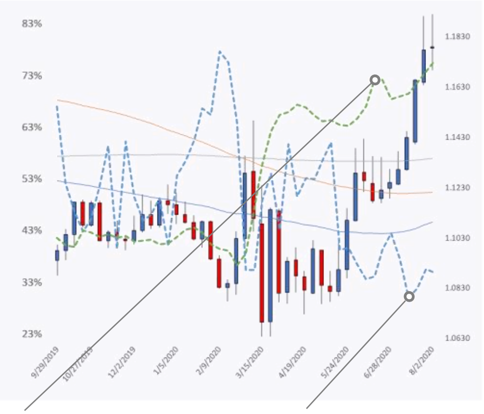
Current technical overview is based on an aggregate calculation of the product's technicals, however – as the commentary box will note – is less relevant on weeks that involve significant fundamental data or central bank monetary policy decisions, and will eventually shift

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

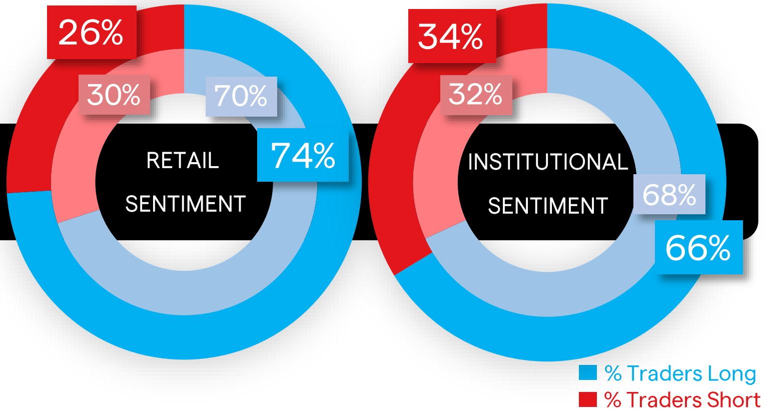
Dotted Red Line: the 50% line, when the blue or green dotted line goes above, they are majority buy, below it they are minority buy (i.e., majority short)

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

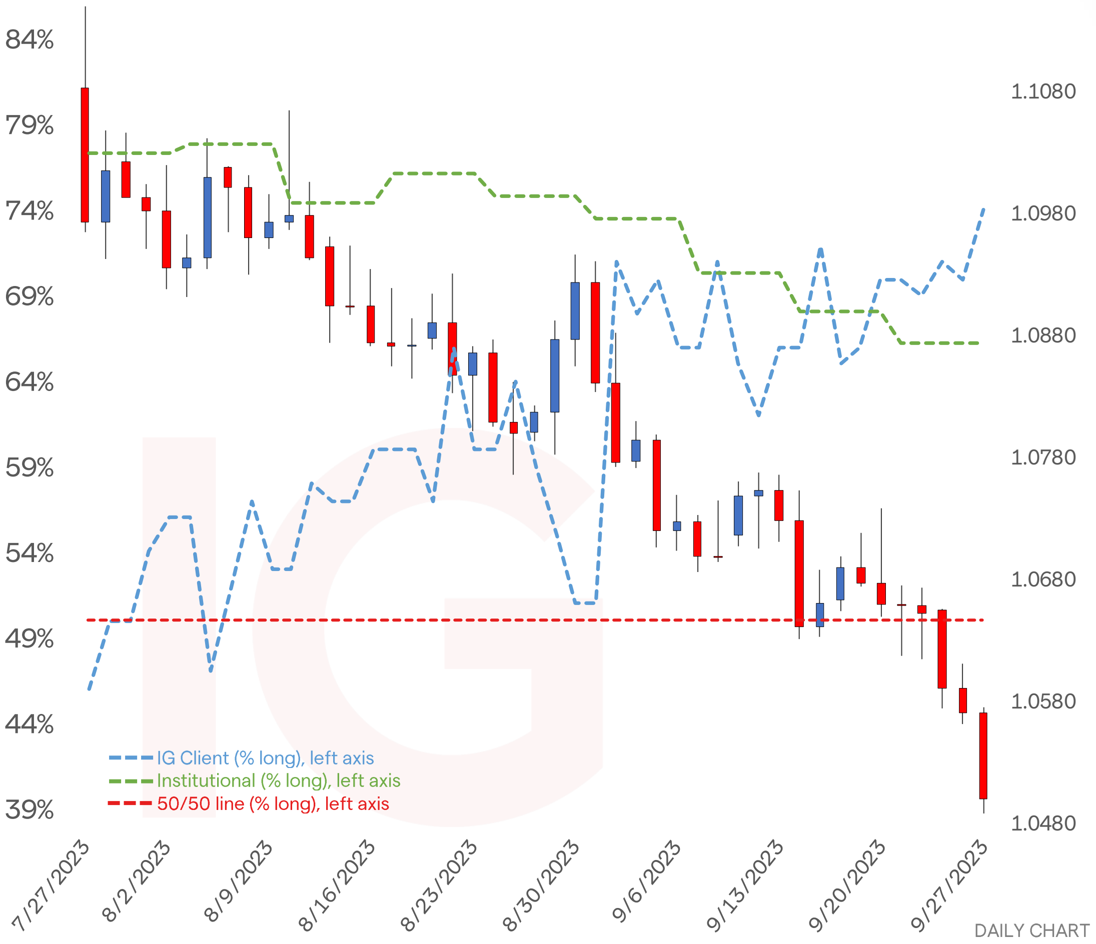
EUR/USD EZ data, ECB speak and decisions
GBP/USD UK data, BoE speak and decisions, CoT EUR/GBP
USD/JPY Japanese data, BoJ speak and decisions, US-JP yield spreads, CoT CHF
AUD/USD Australian and Chinese data, RBA, RBNZ and PBoC decisions, USD/CNY fix, CoT NZD and CAD
Gold FOMC speak, decisions (and market 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
Bearish	Bearish	Negative	Trending	Oversold	Lower Extreme



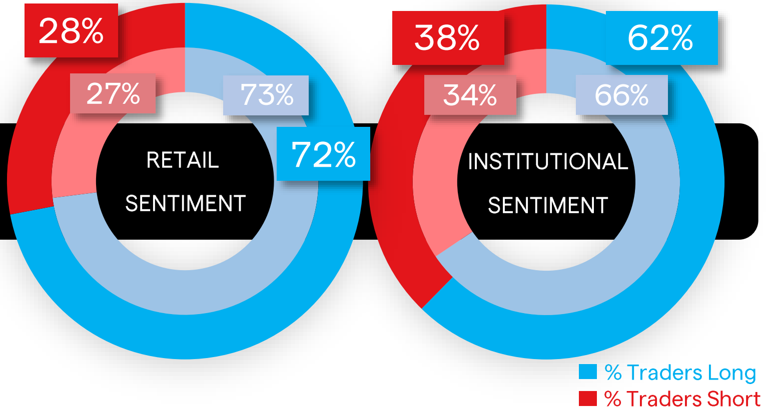
Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	1.0599
2nd Resistance	1.0579
S/L for 1st Resistance	1.0559
1st Resistance	1.0539
Relative Starting Point	1.0500
1st Support	1.0461
S/L for 1st Support	1.0441
2nd Support	1.0421
S/L for 2nd Support	1.0401



A harsher hit that went past its previous 1st Support level (even if it initially held) and settled near its previous 2nd Support as of writing this morning, in all favoring conformist sell-breakouts who got the follow-through needed while lacking a trigger for contrarian buy-after-reversals, and the red finish keeping the technical boxes and overview unchanged (by one calculation its ADX not in trending territory yet, though usually for this pair when reaches a struggle in offering a clean trend as of late). Data out of the bloc showed money supply contraction for August at -1.3% and worse than forecasts, private loans also a miss up only 1%, in ECB member speak hawk Holzmann wanting a far higher minimum reserve of "5 to 10%". Preliminary CPI tomorrow.

GBP/USD

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

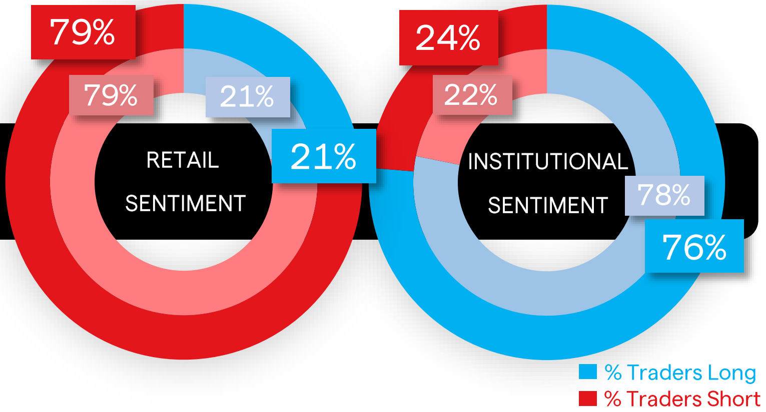


Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	1.2258
2nd Resistance	1.2233
S/L for 1st Resistance	1.2208
1st Resistance	1.2184
Relative Starting Point	1.2134
1st Support	1.2084
S/L for 1st Support	1.2060
2nd Support	1.2035
S/L for 2nd Support	1.2010

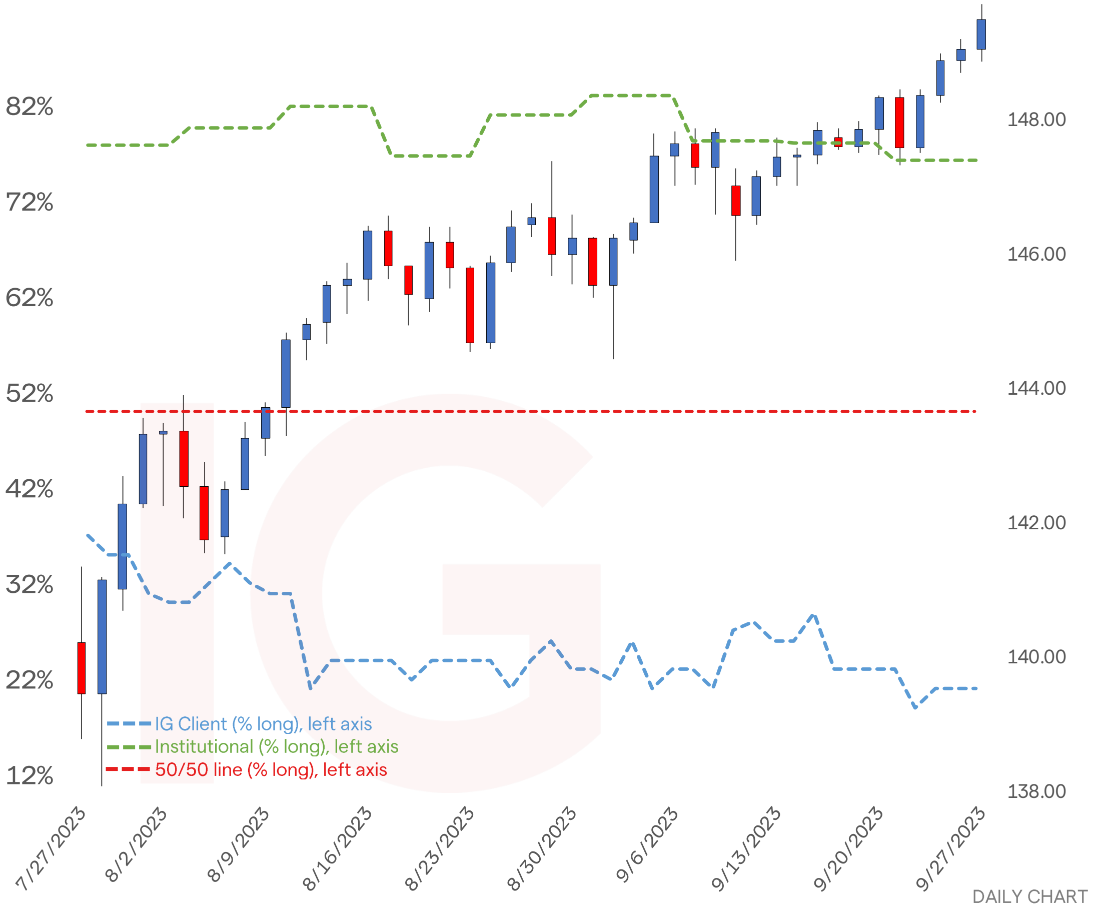
Another session in the red, but the losses limited intraday in the sense of its previous 1st Support level managing to hold even if lacking a trigger for contrarian reversals and lacking follow-through for conformist sell-breakout strategies, though with the technical boxes and the overview remains unchanged as bearish even when strategic considerations favor more consolidatory intraday strategies (but not on days where historically volatility is higher). There's been little to process in terms of data out of the UK as of late and will remain so until tomorrow's GDP, current account, and money and lending data, meaning we're down to the usual factors, including whether the US yield spread advantage can stick. As for sentiment, still heavy buy but a notch lower at 72%.

USD/JPY

MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bullish	Bullish	Positive	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	150.96
2nd Resistance	150.67
S/L for 1st Resistance	150.37
1st Resistance	150.08
Relative Starting Point	149.49
1st Support	148.90
S/L for 1st Support	148.61
2nd Support	148.31
S/L for 2nd Support	148.02



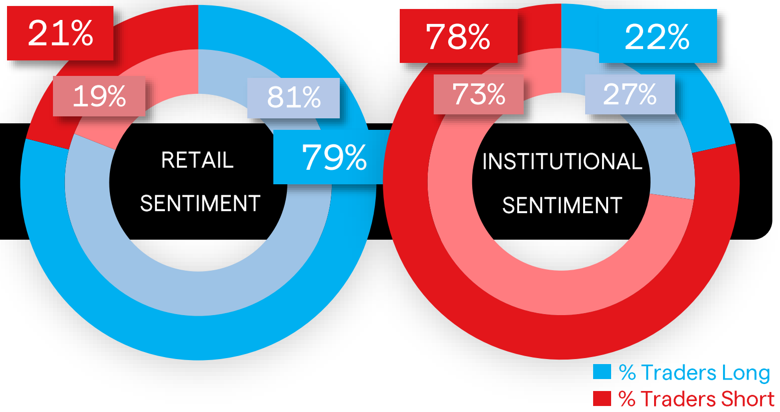
Another session of controlled gains, its previous 1st Resistance level managing to hold and causing conformist buy-breakouts to fail while lacking a trigger for contrarian sell-after-reversals, and should it remain a controlled ascent meaning breakouts will require interday movement to get follow-through, while nervously noting any updates on talk or intervention, in policymaker speak FM Suzuki once more on keeping all options open on dealing with excessive volatility in currency moves. The weekly foreign investment flows suffered negative prints for bonds and more so for stocks, and we've got CPI readings out of the capital, unemployment, and more tomorrow morning. As for IG client sentiment, stuck in extreme sell territory at 79%.

Thursday, September 28, 2023

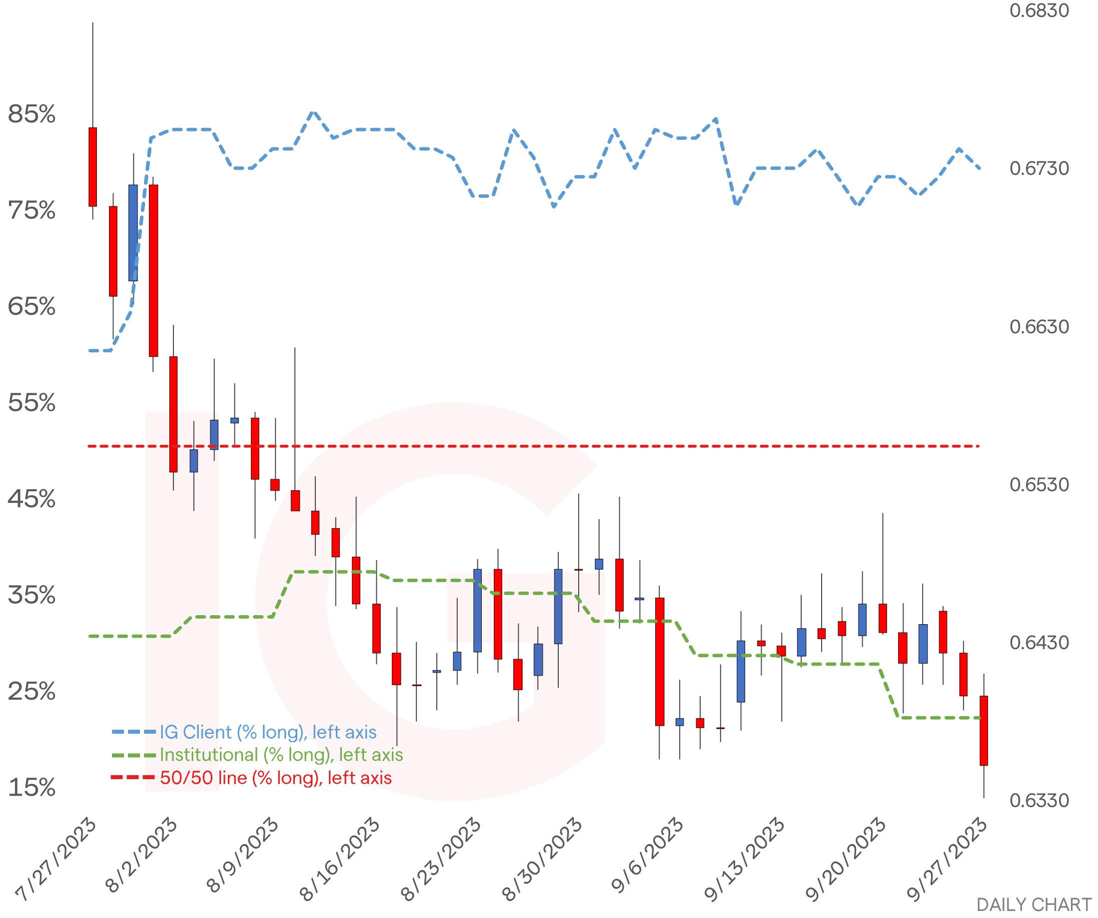
DAILY MARKET REPORT

AUD/USD

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



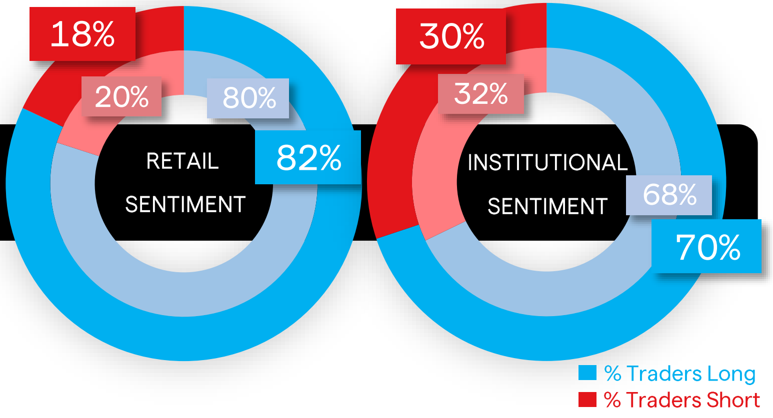
Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	0.6437
2nd Resistance	0.6420
S/L for 1st Resistance	0.6403
1st Resistance	0.6386
Relative Starting Point	0.6352
1st Support	0.6318
S/L for 1st Support	0.6301
2nd Support	0.6284
S/L for 2nd Support	0.6267



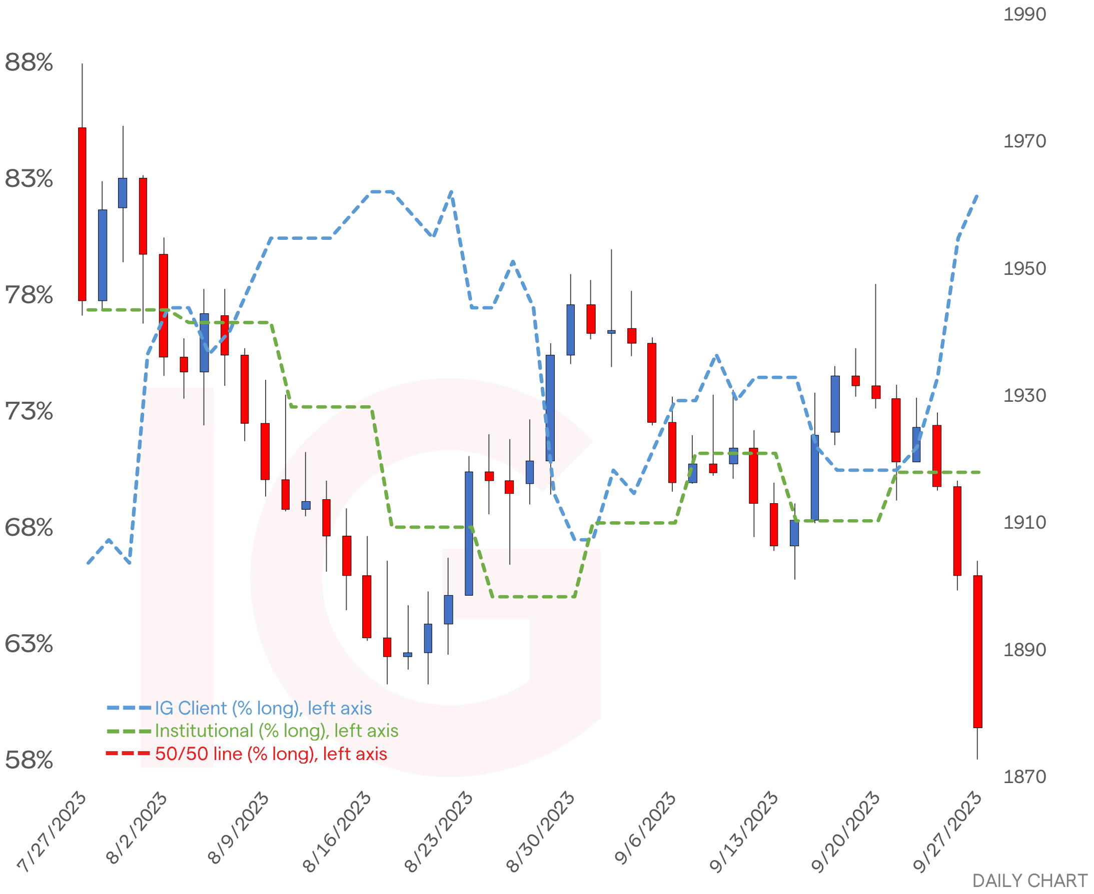
A harsher fall that reached its previous 2nd Support level with an initial struggle to get past its previous 1st Support level that initially held, but the move down eventually favoring conformist sell-breakout strategies, and tilting another technical box into the red with prior consolidatory moves making it a relatively easy task for another to join it if the losses persist, and in turn its overview unchanged even if weakened by the oscillations over the past month, and more so if the pair's price can mount a recovery back to the average. As for economic data out of Australia this morning, retail sales for the month of August a slight miss at 0.2% m/m, out of China the USD/CNY fix slightly higher with the pair's price little changed in yesterday's session.

GOLD

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



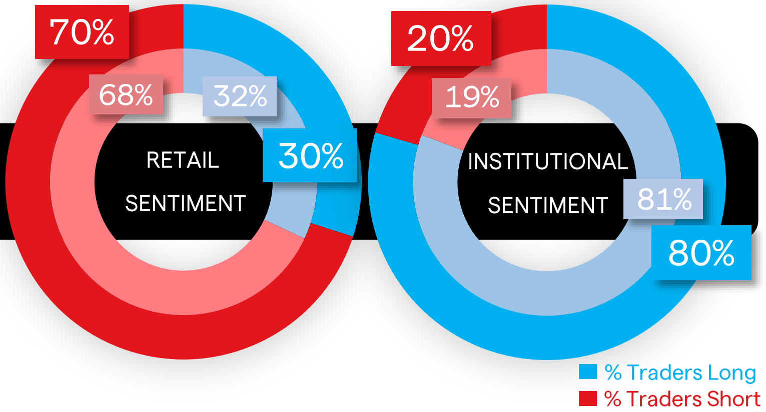
Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	1894.8
2nd Resistance	1891.4
S/L for 1st Resistance	1887.9
1st Resistance	1884.5
Relative Starting Point	1877.7
1st Support	1870.8
S/L for 1st Support	1867.4
2nd Support	1863.9
S/L for 2nd Support	1860.5



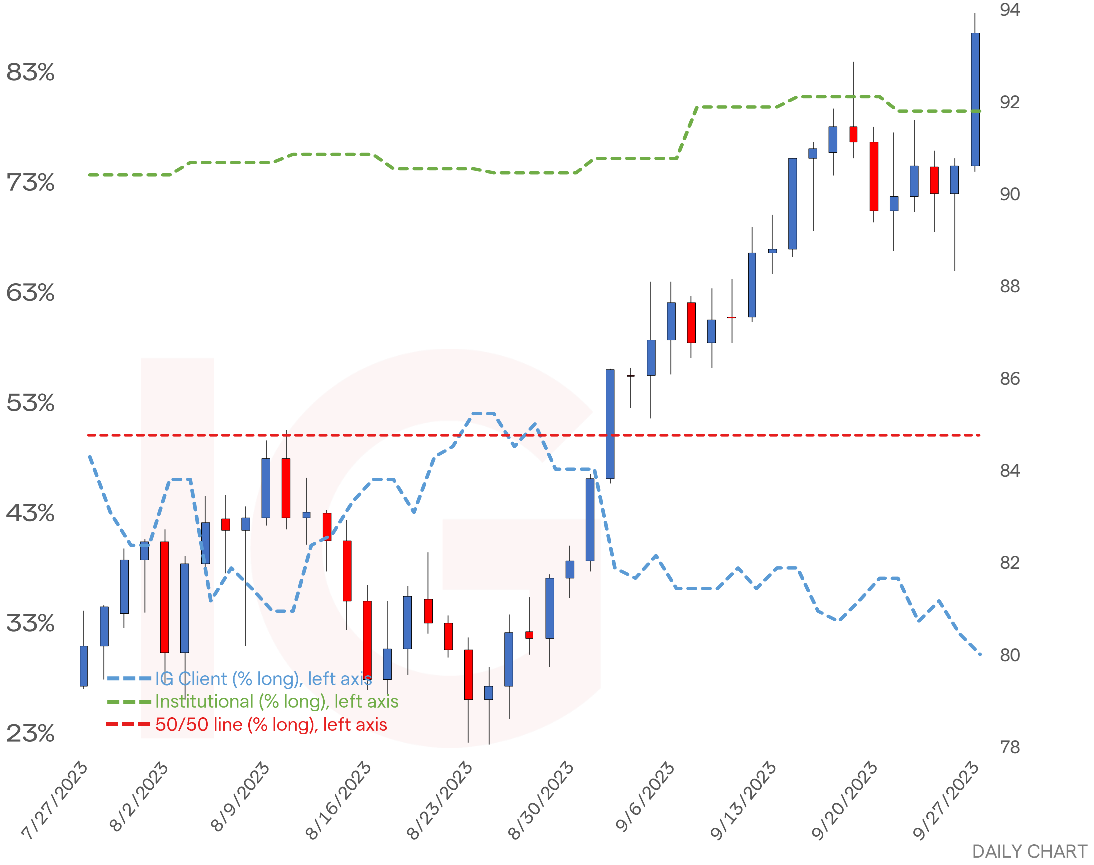
Big losses yesterday with a move well past its previous 1st and 2nd Support levels favoring conformist sell-breakouts and lacking a trigger for contrarian buy-after-reversals, though based on historic real yield correlations and the pricing is still a very large gap to where it would normally be. As for Treasury yields, they were in for a climb and slightly so in real terms, breakeven inflation rates averaging within a slightly higher range compared to the second quarter of this year, and market pricing (CME's FedWatch) still a significant minority on a final 25bp rate hike out of the US Federal Reserve that at times hasn't been too far off a coin toss, and leaving the first rate cut from these levels between July and September of next year.

OIL – US CRUDE

	MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
OIL – US CRUDE	Bullish	Bullish	Positive	Trending	Overbought	Neutral



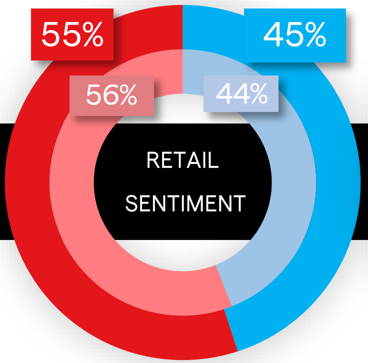
Current Technical Overview	Bull Average
Technical Overview Conformist Strategies	Buy 1st Support After Significant Reversal, Buy 1st Resistance Upon Breakout From Below
Technical Overview Contrarian Strategies	Sell 1st Resistance After Reversal, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	95.80
2nd Resistance	95.24
S/L for 1st Resistance	94.68
1st Resistance	94.12
Relative Starting Point	93.00
1st Support	91.88
S/L for 1st Support	91.32
2nd Support	90.76
S/L for 2nd Support	90.20

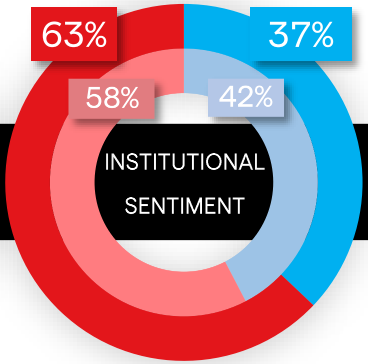


It might have been a decent day for the greenback in the FX market and against most commodities, but energy didn't get the memo, and especially here with strong gains that went past its previous 1st and 2nd Resistance levels easily favoring conformist buy-breakout strategies and tilting a couple more technical boxes into the green, and price now hovering above its weekly 1st Resistance as well (where the overview is showing positive technical bias but the overview relatively cautious off longer-term levels). Inventory data out of EIA showed a drop of 2.2m barrels for oil but gasoline up by 1m and so too distillate by a lower 400K, the drop in crude stocks at Cushing taking the attention. Client sentiment is creeping higher and further into heavy sell territory.

US 500

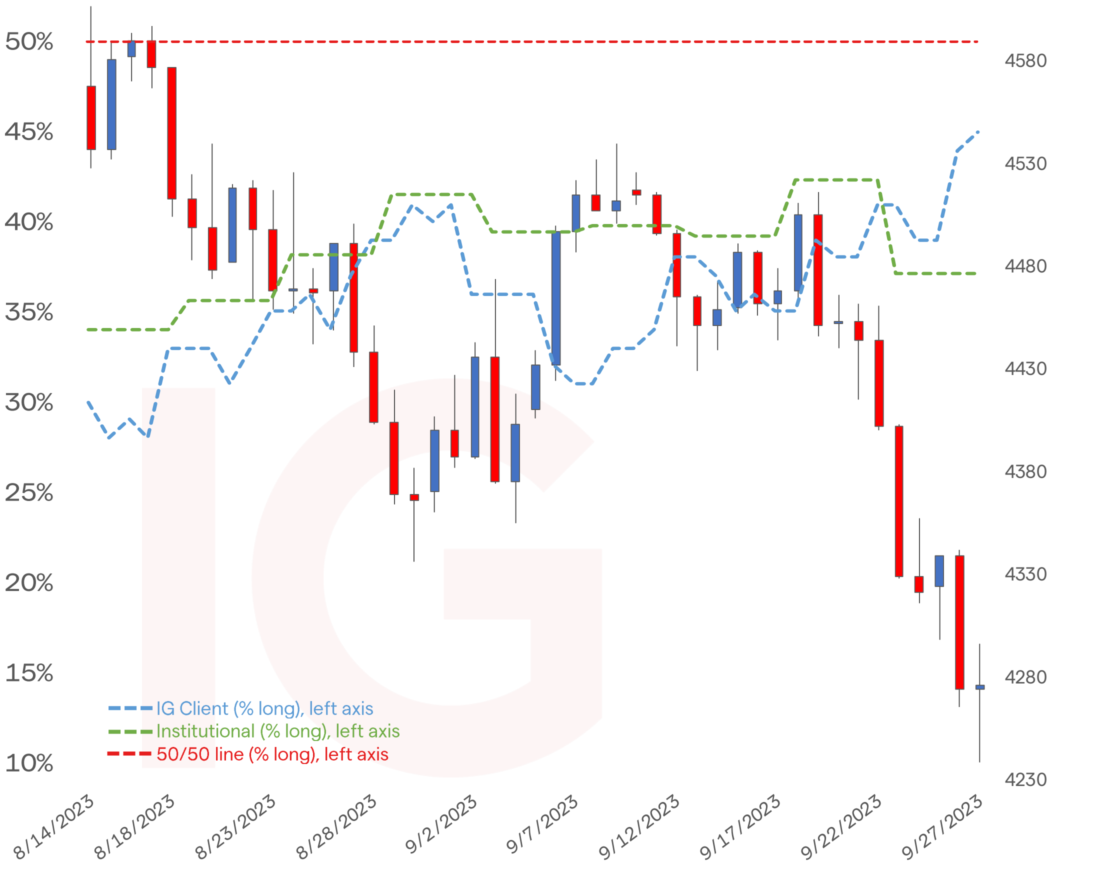
MA – Short	MA - Long	DMI	ADX	RSI	Bollinger Bands
Bearish	Neutral	Negative	Consolidation	Oversold	Lower Extreme





% Traders Long
% Traders Short

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	4344
2nd Resistance	4330
S/L for 1st Resistance	4317
1st Resistance	4303
Relative Starting Point	4276
1st Support	4249
S/L for 1st Support	4235
2nd Support	4222
S/L for 2nd Support	4208

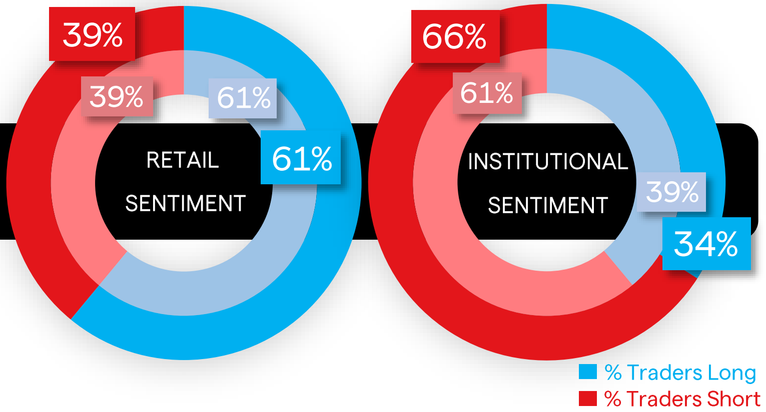


DAILY CHART

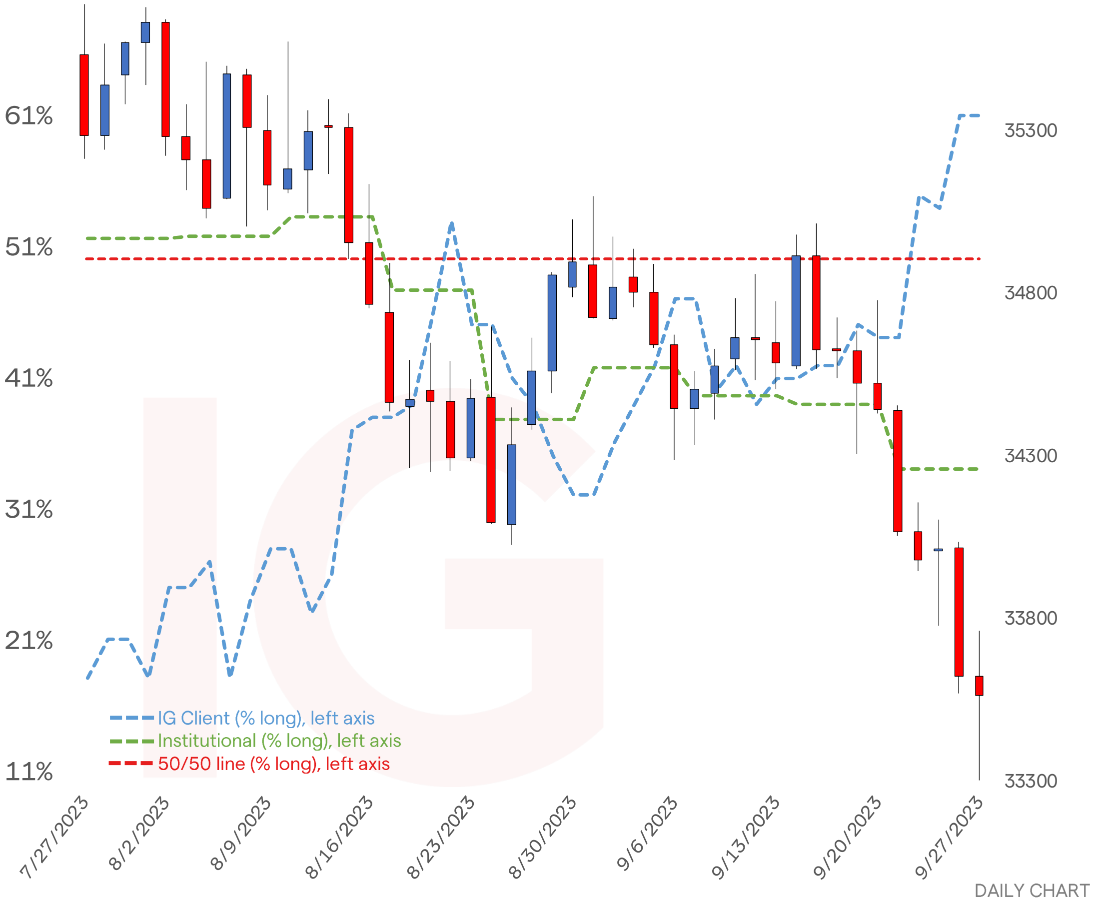
See gold's commentary regarding Treasury yields and Fed speak, Wall Street's commentary on US economic data, and US Tech 100 for sector performance.

WALL STREET

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



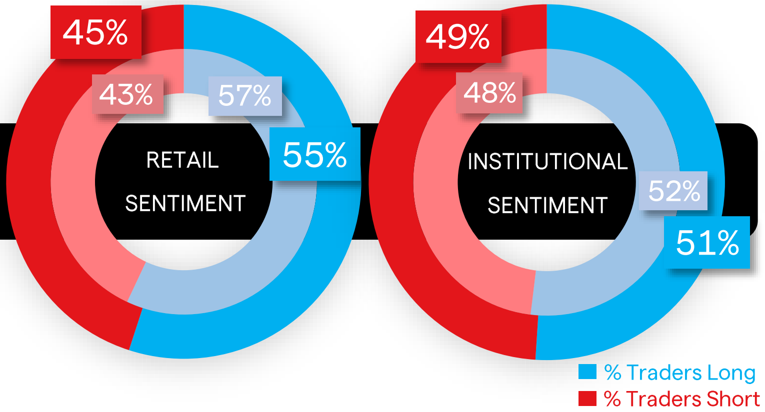
Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	34056
2nd Resistance	33958
S/L for 1st Resistance	33859
1st Resistance	33760
Relative Starting Point	33563
1st Support	33366
S/L for 1st Support	33267
2nd Support	33168
S/L for 2nd Support	33070



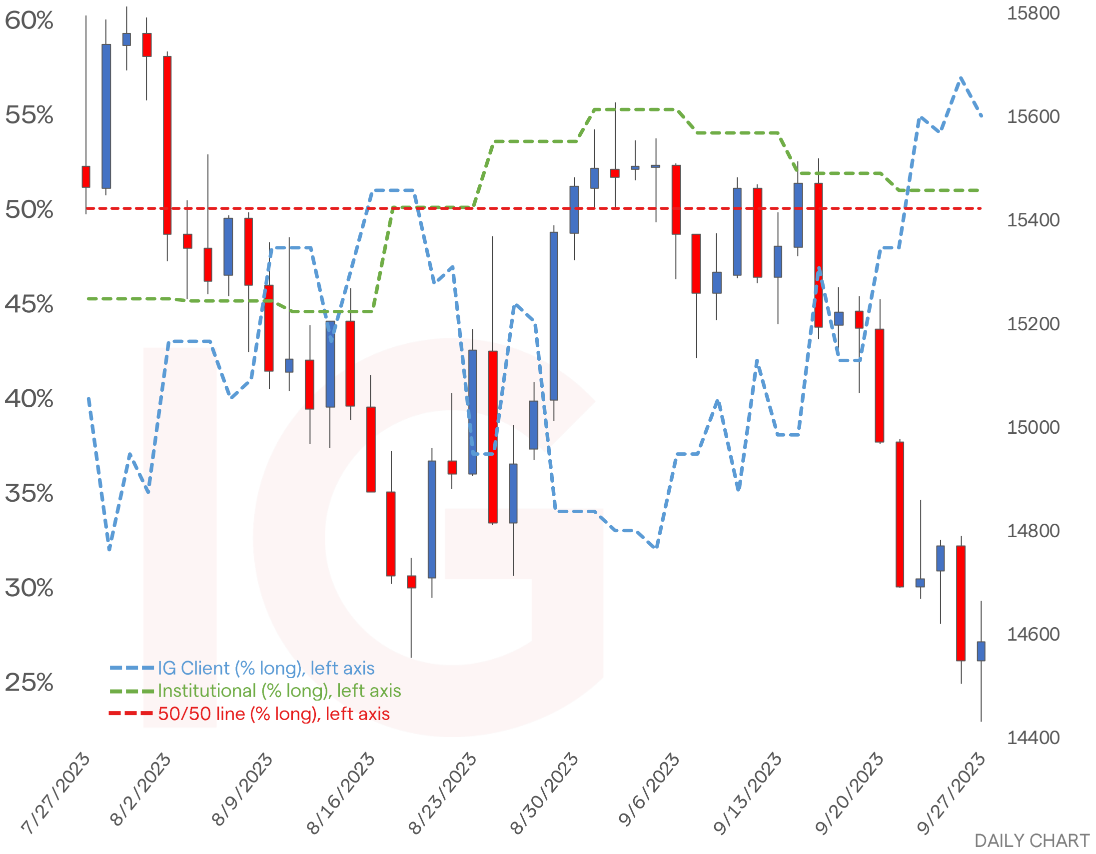
Although prices are hovering above its previous 1st Support level, the moves intraday went past its previous 1st Support and its S/L to initially favor conformist sell-breakouts before the recovery gave contrarian buy-after-reversals more to cheer about, though in all the technical boxes thanks to price-indicator proximity still painting a red picture (by one calculation ADX not in trending territory). Component performance by the close put Intel and Chevron on top, on the other end Verizon and McDonald's suffering most. US data showed durables a beat and grow 0.2% in August, the weekly mortgage applications suffering a -1.3% print. Plenty today and tomorrow with PCE price index, while noting whether a shutdown is avoided.

US TECH 100

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



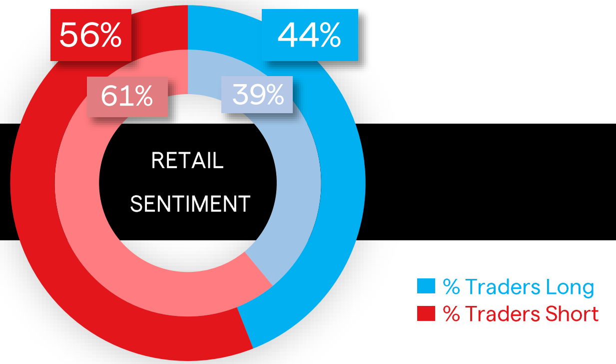
Current Technical Overview	Bear Average
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Sell 1st Support Upon Breakout From Above
Technical Overview Contrarian Strategies	Buy 1st Support After Reversal, Buy 1st Resistance Upon Breakout From Below
S/L for 2nd Resistance	14921
2nd Resistance	14853
S/L for 1st Resistance	14786
1st Resistance	14719
Relative Starting Point	14585
1st Support	14451
S/L for 1st Support	14384
2nd Support	14317
S/L for 2nd Support	14249



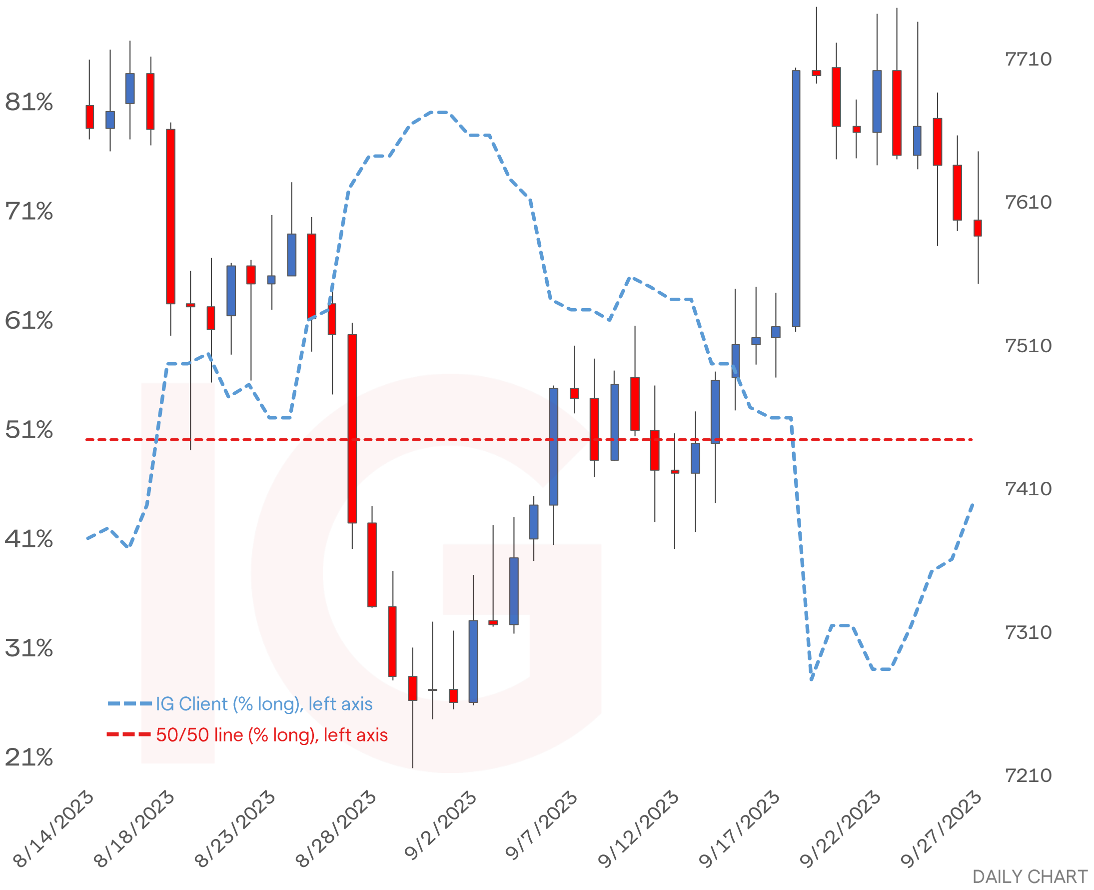
Sector performance was mostly sub-1%, the exception being energy on top by a clear margin (thanks to rising oil prices) and in the very bottom utilities also somewhat clear of real estate in second, bond proxies suffering in this stage. Tech and communication both managed to finish in the green, and light losses for consumer discretionary in all giving the tech-heavy index a slight positive finish outperforming against both Dow and S&P. Sirius and Dexcom on top amongst its components by the close, on the other end PayPal and Monster suffering most, in after-hours Micron in retreat after projecting a loss that was harsher than estimates. IG client sentiment is still majority to the buy side but dropping a bit to 55%.

FTSE 100

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	7714.7
2nd Resistance	7689.1
S/L for 1st Resistance	7663.6
1st Resistance	7638.1
Relative Starting Point	7587.0
1st Support	7535.9
S/L for 1st Support	7510.4
2nd Support	7484.9
S/L for 2nd Support	7459.3



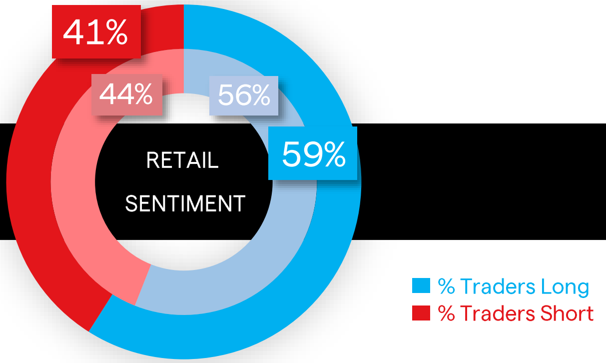
Its previous 1st Resistance level managed to hold but lacked a trigger for cautious conformist strategies with the lows just shy of its previous 1st Support level, and not far off an overview tweak to removing the caution once passing what is usually the most volatile trading day of the week, the technical boxes neutral in this time frame but price-indicator proximity as always an issue in tilting the shorter-term narrative. Component performance by the close put BP and Shell in the green bested only by IMI, on the other end losses heaviest for Ocado by a significant margin, thereafter Centrica and Land Securities. As for IG client bias, the short unwind continued for another consecutive session with majority sell bias dropping from 61% to 56%.

Thursday, September 28, 2023

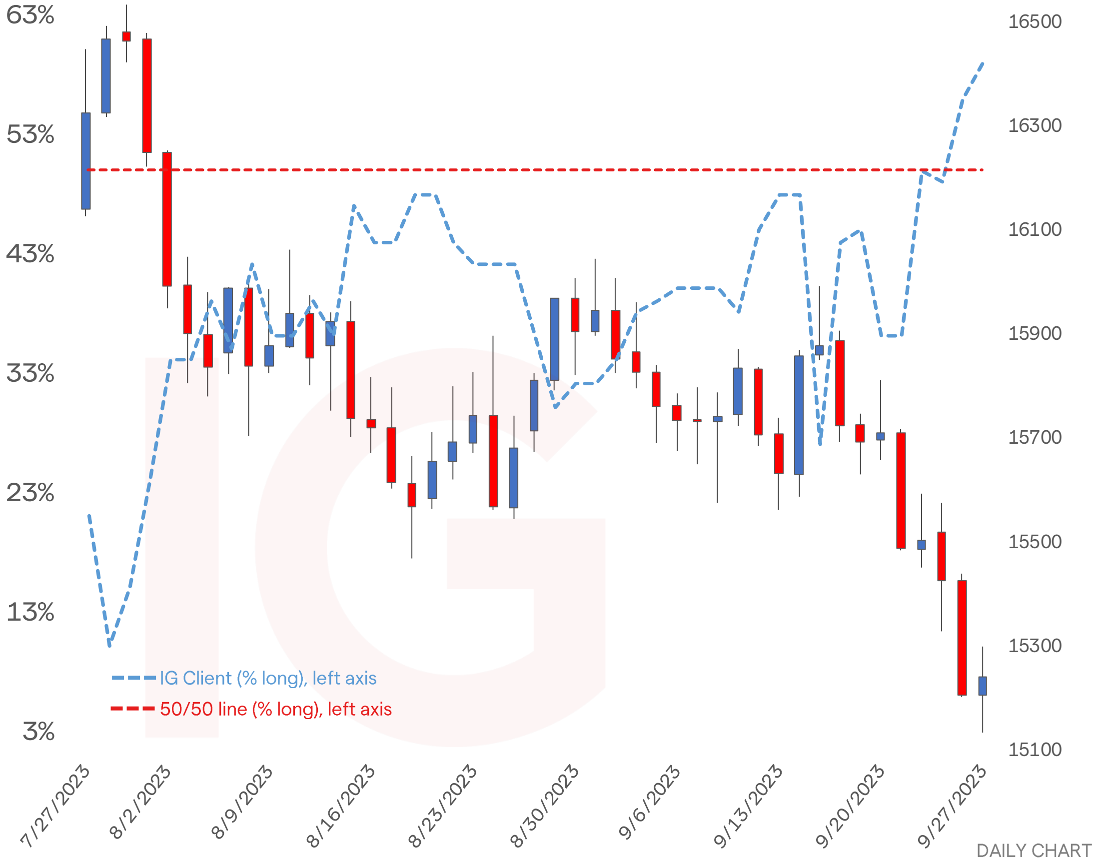
DAILY MARKET REPORT

GERMANY 40

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



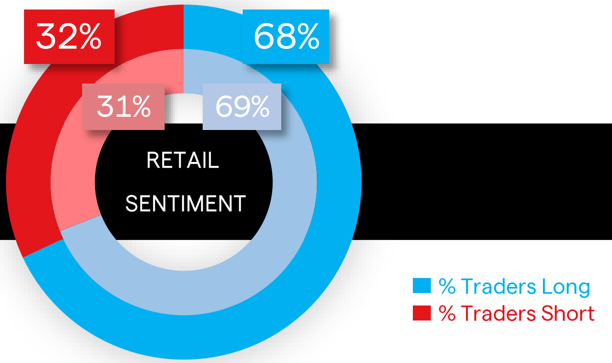
Current Technical Overview	Cautious Consolidation
Technical Overview Conformist Strategies	Sell 1st Resistance After Significant Reversal, Buy 1st Support After Significant Reversal
Technical Overview Contrarian Strategies	Buy 1st Resistance Upon Breakout From Below, Sell 1st Support Upon Breakout From Above
S/L for 2nd Resistance	15515
2nd Resistance	15460
S/L for 1st Resistance	15405
1st Resistance	15349
Relative Starting Point	15239
1st Support	15129
S/L for 1st Support	15073
2nd Support	15018
S/L for 2nd Support	14963



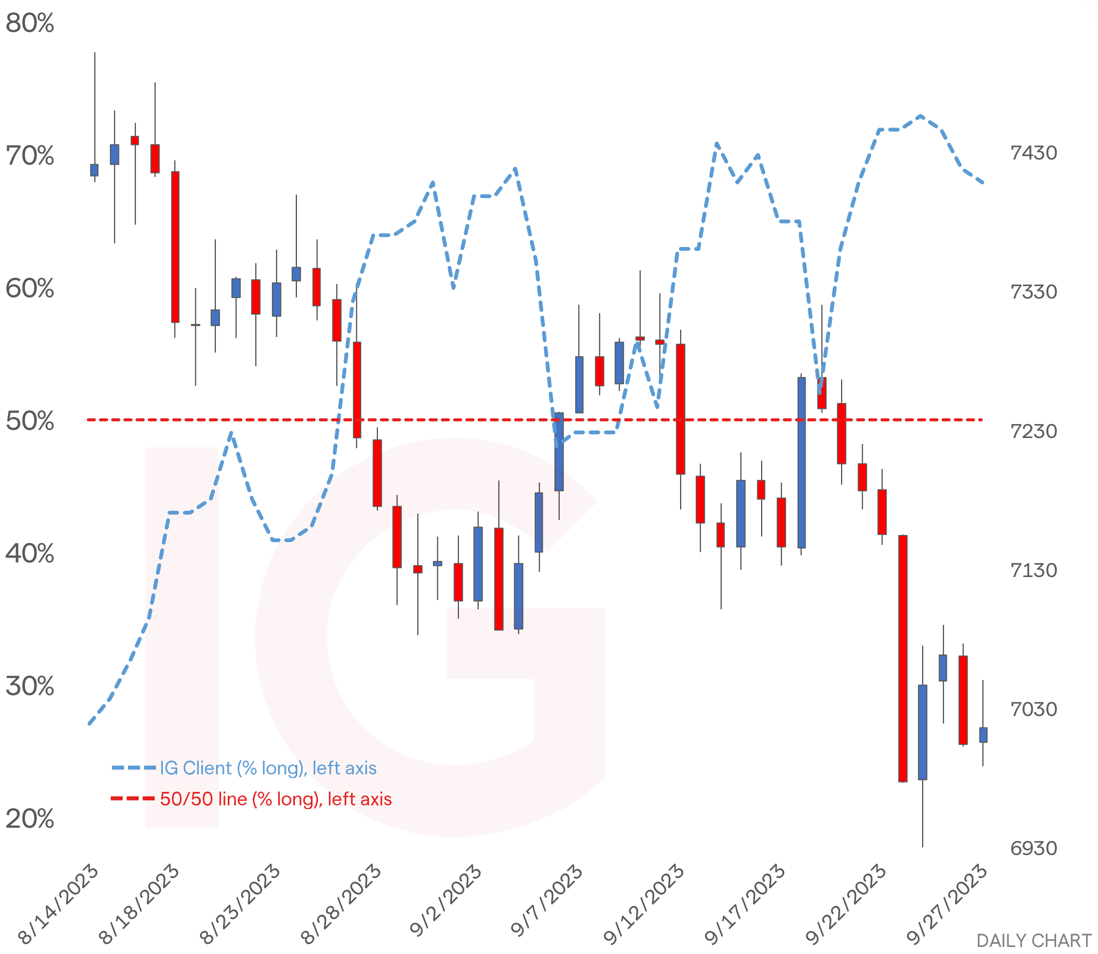
If we're looking at the technical boxes alone and the red picture usually translates into a bearish overview, but putting into a bit more context with the oscillations prior causing plenty of indicators to huddle and price-indicator proximity combined with an ADX reading not in trending territory by another calculation, and while there's negative technical bias that can't be denied it requires more distance to translate into an overview shift (but of course, that's what contrarian strategies are for to those who don't expect a return to average). Component performance by the close put Siemens and Deutsche Bank on top, on the other end Fresenius and Daimler Truck suffering most. And in sentiment, IG clients are majority buy and rising to 59%.

AUSTRALIA 200

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



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	7129
2nd Resistance	7107
S/L for 1st Resistance	7084
1st Resistance	7062
Relative Starting Point	7017
1st Support	6972
S/L for 1st Support	6950
2nd Support	6927
S/L for 2nd Support	6905



The intraday highs reached its previous 1st Resistance level which managed to hold though lacking a trigger for cautious conformist sell-after-significant reversals under a 'bear average' technical overview, and while the technical boxes are mostly red they are less reliable due to price-indicator proximity with a few that can easily shift back should higher lows occur in the coming phase, in a situation similar to the Germany 40 where similar to here needs more distance from the mean that can stick. Whitehaven Coal and ResMed outperforming amongst its components, on the other end Brickworks suffering most. IG client bias remains heavy buy but down a notch to 68%.

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We may increase margins, including up to 100%, at short notice.

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