

DAILY ANALYSIS

07 MAY 2025



Economic Calendar

Time	Cur.	Event	Forecast	Previous
08:30	GBP	S&P Global Construction PMI (Apr)	46.0	46.4
14:30	USD	Crude Oil Inventories	-2.500M	-2.696M
18:30	USD	FOMC Statement		
18:30	USD	Fed Interest Rate Decision	4.50%	4.50%
18:30	USD	FOMC Press Conference		

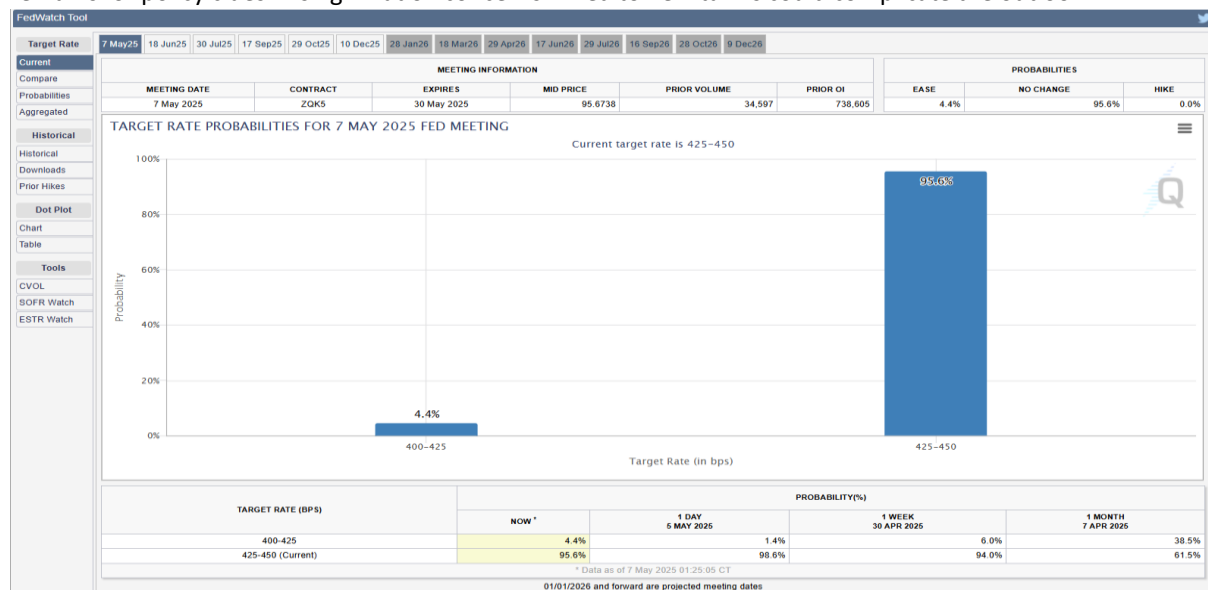
PBoC Moves to Support Growth Amid U.S. Trade Tensions

People's Bank of China (PBoC) Governor Pan Gongsheng announced on Wednesday a 50 basis point cut to the reserve requirement ratio (RRR), which could inject approximately CNY 1 trillion in liquidity into the financial system. This marks the first RRR reduction in 2025 as Beijing intensifies efforts to stimulate economic growth in the face of rising trade tensions with the United States. However, the implementation date for the RRR cut was not disclosed.

In addition, the PBoC lowered the interest rate on seven-day reverse repurchase agreements by 10 basis points to 1.40 percent, effective Thursday, May 8. This is the first policy rate cut since September 2024 and may lead to broader declines in market-based rates and other liquidity tools. The central bank also announced a CNY 500 billion re-lending facility to support consumption and elderly care sectors, along with a CNY 300 billion increase in its technology re-lending fund. Further expansion of re-lending programs targeting agriculture and small to medium-sized enterprises is also planned.

Meanwhile, U.S. Treasury Secretary Scott Bessent and Trade Representative Jamieson Greer are set to meet Chinese officials in Switzerland this week, raising hopes for renewed trade talks. The meeting is viewed as a potential turning point in resolving the ongoing trade conflict, which escalated last month when President Trump raised tariffs on Chinese imports to 145 percent while easing them for other U.S. trade partners. China responded with significant retaliatory tariffs.

The Federal Reserve is expected to hold rates steady today, but markets are watching Chair Jerome Powell's remarks for policy clues. Rising inflation concerns linked to new tariffs could complicate the outlook.



The yield on the 10-year U.S. Treasury note remained near 4.31 percent on Wednesday as investors awaited the Federal Reserve's policy decision. Japan's 10-year government bond yield climbed above 1.27 percent after news of upcoming U.S.-China trade talks in Switzerland eased investor concerns and reduced demand for safe assets. Market sentiment in Asia also improved following the People's Bank of China's decision to cut interest rates to support economic growth. Investors continued to track developments in U.S.-Japan trade discussions, with Tokyo aiming to finalize a bilateral agreement by June. In Europe, ahead of the Federal Reserve's announcement and amid easing global trade tensions, Germany's 10-year bond yield traded around 2.56 percent with slight gains.



Financial Markets Daily Performance

SYMBOLS	PRICE	DAILY	WEEKLY	MONTHLY	YoY
CURRENCIES					
EURUSD	1.13481	-0.19%	0.17%	3.53%	9.55%
GBPUSD	1.33508	-0.11%	0.17%	4.59%	6.64%
AUDUSD	0.64868	-0.12%	1.33%	8.92%	4.80%
NZDUSD	0.60074	0.00%	1.17%	8.26%	7.41%
USDJPY	143.16	0.53%	0.06%	-2.13%	-9.02%
USDCAD	1.37879	0.07%	-0.08%	-3.34%	-4.10%
METALS					
XAUUSD	3384.42	-0.48%	3.41%	13.63%	28.96%
SILVER	33.041	-0.35%	1.30%	11.65%	14.41%
PLATIN	981.5	-0.42%	2.02%	9.85%	9.79%
INDICES					
S&P 500	5644.44	0.67%	1.35%	13.28%	-4.03%
DOW JONES	41086	0.63%	1.02%	9.14%	-3.43%
NASDAQ	19939	0.75%	1.88%	16.67%	-5.11%
NIKKEI	36887	0.15%	2.33%	11.74%	-7.54%
DAX	23351	0.44%	3.80%	15.14%	17.29%
ENERGY					
CRUDE OIL	59.641	0.93%	2.46%	0.10%	-16.84%
BRENT OIL	62.639	0.79%	2.59%	-0.29%	-16.08%
NATURAL GAS	3.5694	3.07%	7.32%	3.01%	-1.75%
BONDS					
US 10Y	4.315	0.70%	0.14%	0.06%	-0.26%
DE 10Y	2.5315	1.35%	0.04%	-0.07%	0.17%
JAPAN 10Y	1.278	1.60%	-0.04%	0.00%	0.18%
UK 10Y	4.52	0.40%	0.04%	-0.09%	-0.05%
CHINA 10Y	1.64	0.30%	0.01%	-0.02%	-0.04%

EURUSD



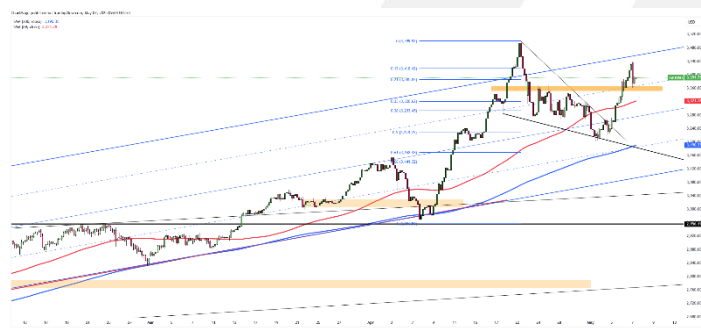
The euro declined 0.2% to \$1.1338 on Wednesday, retreating after recent gains and political changes in Germany. Although the U.S. dollar remained weak due to global outflows and trade concerns, the euro lacked direction as markets awaited the Federal Reserve's decision.

Expectations of steady rates, coupled with inflation uncertainty, kept EUR/USD trading within a narrow range.

The key resistance is located at 1.1460 and the first support stands at 1.1260.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
1.1680	1.1580	1.1460	1.1260	1.1200	1.1150

XAUUSD



Gold dropped below \$3,380 per ounce on Wednesday, halting a two-day advance, as news of an upcoming U.S.-China meeting reduced safe-haven demand. The talks aim to ease trade tensions following recent tariff hikes.

Markets now turn to the Federal Reserve's policy decision and Chair Powell's remarks, with interest rates expected to remain steady despite ongoing political calls for cuts.

The first critical support for gold is seen at the \$3350 and the first resistance is located at \$3460.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
3550	3500	3460	3350	3300	3265

BTCUSD



Bitcoin is currently trading around \$96,570. The resistance is expected at \$97,800.

The broader outlook remains positive as long as the price holds above \$90,500, which corresponds to the 200-day moving average and serves as a critical support level for sustaining bullish momentum.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$108,000	\$99,500	\$97,800	\$90,500	\$85,000	\$73,000

USDJPY



The Japanese yen declined beyond 143 per dollar on Wednesday, ending a three-day advance, as optimism over upcoming U.S.-China trade talks reduced safe-haven demand. Sentiment was further lifted by China's rate cuts and strong Japanese services PMI data.

Meanwhile, traders watched U.S.-Japan trade discussions, and the Bank of Japan's decision to hold rates signaled limited prospects for tightening.

The key resistance is at \$145.90 meanwhile the major support is located at \$139.70.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
149.80	146.75	145.90	139.70	137.70	135.00

BRENT OIL



Brent crude climbed toward \$62 on Wednesday, supported by declining U.S. output and rising demand in Europe and China. Diamondback and Coterra plan to reduce rig activity, while strong May Day spending in China and improved European earnings outlooks lifted sentiment.

Optimism over U.S.-China relations and a 4.5 million-barrel drop in U.S. crude inventories also contributed to the gains, which were beyond expectations.

Key resistance is at \$63.75 meanwhile the major support is located at \$58.35 per barrel.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$70.00	\$67.70	\$63.75	\$58.35	\$55.60	\$53.65

NASDAQ



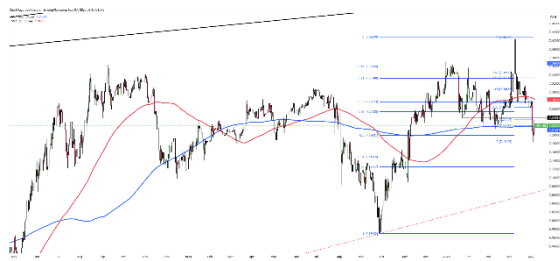
U.S. stock futures advanced on Wednesday following news that Treasury Secretary Bessent and trade official Greer will meet Chinese officials in Switzerland, lifting sentiment ahead of the Federal Reserve's policy announcement. The Fed is expected to keep rates unchanged, with attention on Chair Powell's comments.

AMD rose 2% on strong results, while Rivian declined over 1% after lowering its 2025 delivery forecast. The Nasdaq fell 0.87% on Tuesday.

The first resistance is at \$20,200 while the initial support stands at \$19,200

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$21,570	\$20,750	\$20,200	\$19,200	\$18,250	\$17,800

USDCNH



The offshore yuan declined to approximately 7.21 per dollar following China's monetary easing measures, which included a 10 basis point rate cut and a 50 basis point reduction in the reserve requirement ratio, injecting CNY 1 trillion into the economy.

Optimism increased as Vice Premier He Lifeng is set to meet senior U.S. officials, marking the first high-level trade talks since January amid rising bilateral tariffs.

Key resistance is at \$7.2400 meanwhile the major support is located at \$7.1850.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
7.3060	7.2840	7.2400	7.1850	7.1490	7.0865

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🌐 zitaplus.com

✉ support@zitaplus.com

☎ +971 4 287 1454

📞 +44 74 42 66 7878

📍 The H Hotel Office Tower,
One Sheikh Zayed Road, 18th floor,
Office No:1803, Dubai, United Arab Emirates

