

DAILY ANALYSIS

19 MAY 2025



Economic Calendar

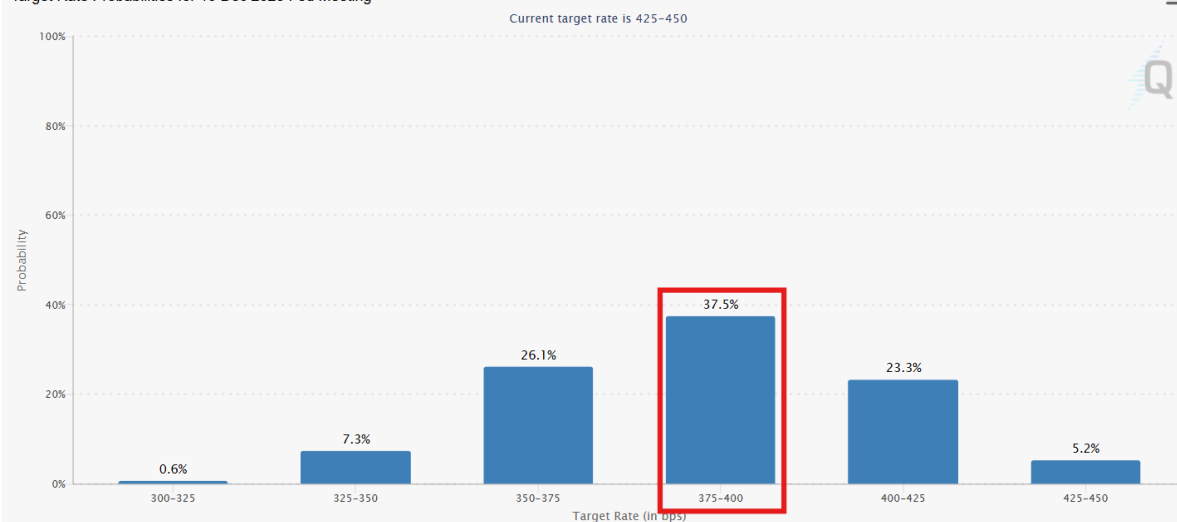
Time	Cur.	Event	Forecast	Previous
09:00	EUR	CPI (YoY) (Apr)	2.2%	2.2%
12:30	USD	FED Bostic Speech		

U.S. Credit Rating Cut to Aa1, Yields Rise

Moody's downgraded the U.S. government's credit rating from Aaa to Aa1, removing the country's last remaining triple-A status among the three major rating agencies. This follows S&P's downgrade in 2011 and Fitch's in 2023. The decision was driven by concerns over the growing fiscal deficit and the increasing cost of refinancing existing debt in a high interest rate environment. The downgrade coincides with congressional efforts to extend and expand President Trump's tax cuts, a move expected to widen the deficit further. U.S. Treasury Secretary Scott Bessent downplayed the impact of Moody's action, asserting that the administration's focus on strong economic growth would help offset the rise in national debt. He also cautioned international trade partners, stating that they would face the full extent of tariffs announced by President Trump last month if they failed to engage in constructive negotiations.

Meanwhile, China's surveyed unemployment rate declined to 5.1% in April 2025, improving from 5.2% in March and reaching the lowest level since December 2024. Additionally, a string of weaker U.S. economic data, particularly in inflation and core retail sales, has reinforced market expectations that the Federal Reserve may implement two interest rate cuts before the end of the year.

Target Rate Probabilities for 10 Dec 2025 Fed Meeting



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 16 MAY 2025	1 WEEK 12 MAY 2025	1 MONTH 17 APR 2025
275-300	0.0%	0.0%	0.0%	1.3%
300-325	0.6%	0.4%	0.6%	16.2%
325-350	7.3%	6.3%	8.9%	34.6%
350-375	26.1%	25.2%	29.7%	31.0%
375-400	37.5%	38.2%	37.4%	13.7%
400-425	23.3%	24.4%	19.7%	2.9%
425-450 (Current)	5.2%	5.5%	3.7%	0.2%

* Data as of 19 May 2025 01:23:06 CT

01/01/2026 and forward are projected meeting dates

On the bond front, US 10-year Treasury yields rose to around 4.52% following the credit rating downgrade. Meanwhile, German 10-year yields remained flat around the 2.59% level, while Japanese 10-year yields climbed to the 1.49% range, driven by expectations of an interest rate hike.

Financial Markets Daily Performance

SYMBOLS	PRICE	DAILY	WEEKLY	MONTHLY	YoY
CURRENCIES					
EURUSD	1.11806	0.14%	0.86%	-2.91%	7.94%
GBPUSD	1.32951	0.21%	0.91%	-0.62%	6.20%
AUDUSD	0.64118	0.14%	0.61%	-0.04%	3.59%
NZDUSD	0.58897	0.16%	0.58%	-1.91%	5.30%
USDJPY	145.244	-0.31%	-2.17%	3.14%	-7.69%
USDCAD	1.39695	-0.03%	-0.04%	0.92%	-2.84%
METALS					
XAUUSD	3209.87	0.19%	-0.83%	-6.54%	22.31%
SILVER	32.275	0.00%	-0.90%	-1.41%	11.76%
PLATIN	988.8	0.39%	1.48%	3.14%	10.60%
INDICES					
S&P 500	5896.21	-1.04%	0.89%	14.31%	0.25%
DOW JONES	42329	-0.76%	-0.19%	10.89%	-0.51%
NASDAQ	21134	-1.37%	1.28%	18.68%	0.58%
NIKKEI	37530	-0.59%	-0.30%	9.48%	-5.93%
DAX	23767	0.30%	1.14%	12.08%	19.38%
ENERGY					
CRUDE OIL	62.602	0.18%	1.05%	0.31%	-12.71%
BRENT OIL	65.472	0.09%	0.79%	-1.19%	-12.28%
NATURAL GAS	3.2591	-2.25%	-10.61%	8.06%	-10.29%
BONDS					
US 10Y	4.515	3.10%	0.04%	0.11%	-0.06%
DE 10Y	2.586	3.90%	0.04%	0.12%	0.22%
JAPAN 10Y	1.472	1.69%	0.08%	0.18%	0.38%
UK 10Y	4.647	0.04%	0.00%	0.08%	0.08%
CHINA 10Y	1.682	2.20%	0.03%	0.02%	0.00%

EURUSD



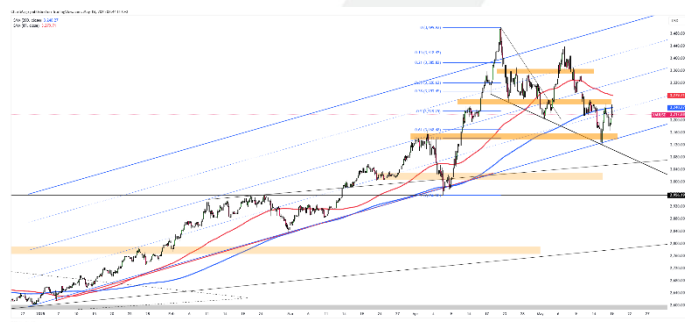
The EUR/USD pair began the week with a downside gap, falling to 1.1064 on Monday as the U.S. dollar gained strength. The move followed news of easing trade tensions between the U.S. and China.

After weekend negotiations, both sides agreed to a 90-day suspension of retaliatory tariffs and reported "significant progress" toward a broader deal. The U.S. will reduce tariffs on Chinese goods from 145% to 30%, while China will lower duties on American imports from 125% to 10%.

The key resistance is located at 1.1260 and the first support stands at 1.1040.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
1.1580	1.1460	1.1260	1.1040	1.1000	1.0960

XAUUSD



Gold rose above \$3,220 per ounce on Monday, recovering from its largest weekly decline in six months, as safe-haven demand increased amid growing concerns over the U.S. economy and fiscal health. The rebound followed Moody's downgrade of the U.S. credit rating from triple-A, citing persistent deficits and rising borrowing costs.

Last week, gold dropped over 3%, which was its sharpest fall since November, due to risk-on sentiment after the U.S. and China agreed to pause most tariffs for 90 days. Softer U.S. inflation and weak data have also reinforced expectations of further Fed rate cuts this year.

The first critical support for gold is seen at the \$3120 and the first resistance is located at \$3250.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
3350	3300	3250	3120	3030	2956

BTCUSD



Bitcoin is trading near \$103,000, with resistance seen at \$106,200.

The overall trend remains positive as long as the price holds above \$92,800, which aligns with 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
\$120,500	\$109,500	\$106,200	\$97,500	\$92,800	\$87,700

USDJPY



The USD/JPY pair declined to near 144.80 on Monday, marking its lowest level in over a week amid renewed selling pressure during Asian trading. The downtrend may persist following last Monday's six-week high. The Japanese Yen remains supported by expectations of a 2025 rate hike by the Bank of Japan.

Additionally, Moody's downgrade of the U.S. sovereign credit rating to "Aa1," citing rising debt levels, has dampened risk appetite and boosted demand for safe-haven assets like the yen.

The key resistance is at \$148.60 meanwhile the major support is located at \$139.70.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
151.20	149.80	148.60	139.70	137.70	135.00

BRENT OIL



Brent crude hovered around \$65.4 on Monday, as attention remained on US-Iran nuclear negotiations, with Iran affirming its commitment to continued dialogue despite US pressure. Market sentiment was further dampened by Moody's downgrade of the US credit rating, heightening concerns over global growth.

Last week, Brent gained over 1% following a US-China tariff truce. President Trump is also expected to discuss the Ukraine conflict with President Putin.

Key resistance is at \$67.70 meanwhile the major support is located at \$63.65 per barrel.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$73.10	\$70.00	\$67.70	\$63.65	\$61.00	\$58.30

NASDAQ



U.S. stock futures declined following Moody's downgrade of the U.S. credit rating to Aa1, citing elevated debt and political stalemate. Treasury Secretary Bessent downplayed the rating cut as outdated.

Losses were limited by strong capital inflows and optimism over the U.S.-China tariff pause. President Trump also intends to discuss Ukraine with President Putin.

The first resistance is at \$21,570 while the initial support stands at \$20,200

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$23,000	\$22,200	\$21,570	\$20,200	\$19,250	\$18,200

USDCNH



The offshore yuan remained stable around 7.21, near two-month lows, as investors assessed mixed Chinese data. Retail sales underperformed, while industrial output exceeded expectations.

A modest decline in unemployment indicated labor market stability. Optimism over trade talks and a weaker U.S. dollar after the credit downgrade provided support. Attention now turns to potential PBOC rate cuts.

Key resistance is at \$7.2650 meanwhile the major support is located at \$7.1850.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
7.3060	7.2800	7.2650	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

