

# DAILY ANALYSIS

21 MAY 2025



## Economic Calendar

Time	Cur.	Event	Forecast	Previous
06:00	GBP	United Kingdom Inflation Rate	3.5%(Act)	2.6%
06:00	GBP	United Kingdom Core Inflation Rate	3.8%(Act)	3.4%
14:30	USD	Crude Oil Inventories		-1.069M

### UK Inflation Hits 15-Month High, U.S. Dollar, EV Tariffs in Focus

The U.S. dollar index declined to approximately 99.5 on Wednesday, marking its third consecutive daily loss and falling to a two-week low amid heightened concerns over the nation's economic and fiscal outlook. The greenback came under additional pressure after President Trump failed to garner sufficient support from Republican holdouts for his comprehensive tax reform bill. This followed Moody's downgrade of the U.S. credit rating, citing escalating debt levels and a widening fiscal deficit. Moreover, Federal Reserve officials reiterated on Tuesday their concerns regarding the economic impact of the Trump administration's trade policies. St. Louis Fed President Alberto Musalem warned of a deteriorating labor market and rising inflation, while Cleveland Fed President Beth Hammack emphasized the risk of stagflation. Investors now turn their attention to the forthcoming U.S.-Japan bilateral talks between Treasury Secretary Scott Bessent and Finance Minister Katsunobu Kato, scheduled to take place during this week's G7 finance summit in Canada.

In the United Kingdom, annual inflation accelerated to 3.5% in April 2025, which is the highest level since January 2024, up from 2.6% in March and surpassing the 3.3% market forecast. The rise was mainly driven by increased prices in housing and household services, transportation, and recreation and culture, although declines in clothing and footwear prices provided some offset. On a monthly basis, consumer prices rose by 1.2%. Core inflation also picked up, rising to 3.8% from 3.4%.

Meanwhile, the U.S. Commerce Department concluded that Chinese producers of electric vehicle battery materials had benefited from unfair government subsidies, potentially resulting in import duties of up to 721%. These measures could significantly increase production costs for U.S.-manufactured EVs, particularly as concerns grow over potential reductions in consumer credit. A separate pricing investigation remains ongoing. These tariffs are distinct from those imposed during the Trump administration and unrelated to the latest duties on other imports.

In the bond markets, U.S. 10-year Treasury yields rose to 4.52%. In Japan, 10-year yields also moved higher to 1.52%, as expectations for interest rate cuts grew stronger.

## Financial Markets Daily Performance

SYMBOLS	PRICE	DAILY	WEEKLY	MONTHLY	YoY
CURRENCIES					
EURUSD	1.13244	0.36%	1.35%	-0.85%	9.32%
GBPUSD	1.34285	0.26%	1.29%	0.75%	7.27%
AUDUSD	0.64465	0.35%	0.28%	1.29%	4.15%
NZDUSD	0.59432	0.48%	0.76%	-0.60%	6.26%
USDJPY	143.927	-0.40%	-1.92%	1.66%	-8.53%
USDCAD	1.38935	-0.16%	-0.64%	0.58%	-3.37%
METALS					
XAUUSD	3302.57	0.36%	3.66%	-1.02%	25.84%
SILVER	33.068	-0.08%	2.65%	1.72%	14.51%
PLATIN	1053.9	-0.25%	7.72%	11.58%	17.89%
INDICES					
S&P 500	5930.29	-0.17%	0.64%	12.15%	0.83%
DOW JONES	42597	-0.19%	1.30%	8.70%	0.12%
NASDAQ	21339	-0.13%	0.09%	16.76%	1.56%
NIKKEI	37459	-0.19%	-1.76%	9.46%	-6.10%
DAX	24056	0.08%	2.25%	12.97%	20.83%
ENERGY					
CRUDE OIL	63.014	1.59%	-0.22%	-1.03%	-12.14%
BRENT OIL	66.396	1.55%	0.46%	-1.55%	-11.05%
NATURAL GAS	3.3967	-0.88%	-2.73%	12.96%	-6.50%
BONDS					
US 10Y	4.512	2.10%	-0.03%	0.12%	-0.06%
DE 10Y	2.599	2.30%	-0.08%	0.13%	0.24%
JAPAN 10Y	1.529	0.60%	0.07%	0.22%	0.44%
UK 10Y	4.705	3.96%	0.03%	0.14%	0.14%
CHINA 10Y	1.673	0.40%	0.00%	0.02%	-0.01%

## EURUSD



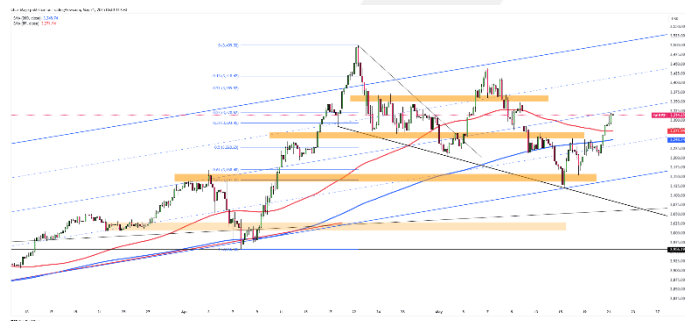
EUR/USD gained for a second straight session on Tuesday, approaching 1.1300 but remaining below its multi-year high of 1.1575. As EU officials attend G7 meetings, focus turns to U.S. trade policy.

Optimism over potential tariff progress under the Trump administration is lifting sentiment, though uncertainty and a looming 90-day deadline for reciprocal measures are limiting further gains.

The key resistance is located at 1.1390 and the first support stands at 1.1260.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
1.1580	1.1460	1.1390	1.1260	1.1100	1.1050

## XAUUSD



Gold rose above \$3,300 as market caution increased demand for safe-haven assets. The Dollar faced pressure from Moody's U.S. credit downgrade and tax-cut concerns.

Heightened U.S.-China tensions and the prospect of G7 tariffs on Chinese goods further weakened sentiment, reinforcing support for gold's upward momentum.

The first critical support for gold is seen at the \$3250 and the first resistance is located at \$3320.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
3440	3370	3320	3250	3150	3025

## BTCUSD



Bitcoin is trading near \$107,400, with resistance projected at \$109,200.

The broader outlook stays positive as long as the price holds above \$93,200, which coincides 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
\$130,000	\$120,500	\$109,200	\$97,500	\$93,200	\$87,700

## USDJPY



The Japanese Yen strengthened on Wednesday, pushing USD/JPY below 144.00 to a two-week low. Anticipation of another Bank of Japan rate hike in 2025, fueled by persistent inflation and hawkish signals, strengthened the currency.

Rising U.S.-China tensions and optimism over a U.S.-Japan trade agreement lifted safe-haven demand, while the U.S. Dollar declined on expectations of further Fed rate cuts.

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 oil futures rose above \$66 per barrel on Wednesday following reports that Israel may launch strikes on Iranian nuclear sites. While no decision is confirmed, fears of supply disruptions in the Middle East have intensified. Markets are also concerned that Iran could respond by closing the Strait of Hormuz, a key route for Gulf oil exports.

Tensions persist amid stalled U.S.-Russia ceasefire talks over Ukraine. However, some pressure eased after API data showed a 2.5 million barrel increase in U.S. crude inventories last week, contrary to expectations of a decline.

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 Wall Street's downturn, as the S&P 500 ended a six-day rally. Investors focused on the federal budget and the growing deficit. China accused the U.S. of disrupting trade talks over Huawei.

Fed officials suggested a prolonged rate pause, viewing tariff-driven inflation as temporary. FICO dropped on pricing concerns, while Moderna rose after FDA COVID-19 booster guidance.

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 appreciated to approximately 7.20 per dollar on Wednesday, halting a three-day decline as the U.S. dollar weakened. The dollar faced pressure following President Trump's failure to secure backing for his tax bill and Moody's downgrade of U.S. credit.

Meanwhile, China's central bank cut key lending rates for the first time in seven months, reducing the one-year LPR to 3% and the five-year to 3.5% to support growth amid trade tensions.

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](https://zitaplus.com)

✉ [support@zitaplus.com](mailto: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

