

DAILY ANALYSIS

22 MAY 2025



Economic Calendar

Time	Cur.	Event	Forecast	Previous
07:30	EUR	Germany Manufacturing PMI	49.1	48.4
08:00	EUR	Euro Area Composite PMI	49.2	49
08:30	GBP	United Kingdom Manufacturing PMI	45.4	46
12:30	USD	Initial Jobless Claims	231.0K	229K
13:45	USD	S&P Global Manufacturing PMI	50.3	50.2
18:00	USD	Fed Williams Speech		

Asia Fortifies Trade While U.S. Faces Yield Pressures

China and the 10-member ASEAN bloc have concluded negotiations on an upgraded free-trade agreement, version 3.0, set to deepen regional ties amid persistent US trade tensions. The updated deal, reworking a 15-year-old pact, now awaits ratification and could be signed by year-end. Chinese Commerce Minister Wang Wentao reaffirmed Beijing's commitment to stable supply chains and criticized US trade tactics, stressing that "tariff wars have no winners." The new agreement introduces nine chapters covering digital and green economies, customs, and supply chains, along with cooperation in cybersecurity, e-payments, infrastructure, and standards, particularly in new energy vehicles and electronics.

The Bank of Japan (BoJ) will revisit its bond-buying reduction plans at its June 2025 meeting and set new guidelines for April 2026. BoJ board member Asahi Noguchi said no immediate changes are needed, noting Japan's recovery remains intact despite inflationary pressures from higher food prices and a weaker yen. He flagged rising US tariffs as a potential risk and emphasized the need for flexible policy and cautious optimism. Meanwhile, Finance Minister Katsunobu Kato denied discussing exchange rates with US Treasury Secretary Scott Bessent during the G7 in Canada, refuting speculation of coordinated FX intervention.

Bitcoin jumped past a record \$109,500 as stablecoin legislation advanced in the US. With Democrats dropping their opposition, the bill now stands a strong chance of passing by the weekend, fueling hopes that regulatory clarity for dollar-pegged cryptocurrencies will drive wider adoption.

The US 10-year Treasury yield hovered near a three-month high of 4.6% on Thursday as investors assessed rising fiscal risks and weak demand in bond markets. President Trump's tax-cut-heavy budget is expected to add over \$3 trillion to the national debt, raising financial stability concerns. Republicans continue to oppose the bill unless it includes expanded deductions for state and local taxes. A lackluster 20-year bond auction on Wednesday further signaled waning investor appetite for US debt. Focus now shifts to Thursday's weekly jobless claims.

Japan's 10-year bond yields also climbed, nearing the 16-year high seen in March, trading around 1.58%.

Financial Markets Daily Performance

SYMBOLS	PRICE	DAILY	WEEKLY	MONTHLY	YoY
CURRENCIES					
EURUSD	1.13374	0.05%	1.34%	0.19%	9.45%
GBPUSD	1.34305	0.08%	0.94%	1.34%	7.28%
AUDUSD	0.6441	0.08%	0.54%	1.29%	4.06%
NZDUSD	0.5927	-0.29%	0.91%	-0.48%	5.97%
USDJPY	143.263	-0.29%	-1.65%	-0.14%	-8.95%
USDCAD	1.3851	-0.06%	-0.77%	-0.22%	-3.66%
METALS					
XAUUSD	3343.91	0.71%	3.30%	0.83%	27.42%
SILVER	33.598	0.44%	2.97%	-0.09%	16.34%
PLATIN	1081.3	0.69%	9.05%	11.72%	20.95%
INDICES					
S&P 500	5854.5	0.17%	-1.06%	8.90%	-0.46%
DOW JONES	41905	0.11%	-0.99%	5.80%	-1.50%
NASDAQ	21133	0.25%	-0.95%	13.05%	0.58%
NIKKEI	36925	-1.00%	-2.20%	5.90%	-7.44%
DAX	24005	-0.49%	1.31%	9.30%	20.57%
ENERGY					
CRUDE OIL	61.582	0.02%	0.71%	-1.10%	-14.14%
BRENT OIL	64.907	0.00%	0.58%	-1.83%	-13.04%
NATURAL GAS	3.3602	-0.23%	-0.05%	6.20%	-7.51%
BONDS					
US 10Y	4.593	1.20%	0.16%	0.21%	0.02%
DE 10Y	2.642	4.30%	-0.05%	0.20%	0.28%
JAPAN 10Y	1.55	2.92%	0.07%	0.23%	0.46%
UK 10Y	4.761	5.62%	0.05%	0.20%	0.19%
CHINA 10Y	1.688	1.40%	0.02%	0.03%	0.01%

EURUSD



EUR/USD hovered near 1.1340 during Thursday's Asian session, holding close to two-week highs as the euro rallied for the fourth day. Traders are eyeing Eurozone PMI data, with expectations pointing to stronger business activity in May.

Meanwhile, the US dollar continues to struggle under weak sentiment, further weighed down by Moody's downgrade of the US credit rating to Aa1 and projections of debt rising to 134% of GDP by 2035. Even after the House Rules Committee approved Trump's proposed tax cuts, the US Dollar Index remains sluggish at nearly 99.50.

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 climbed toward \$3,340 per ounce, marking its fourth gain and nearing a two-week high, as growing U.S. fiscal concerns drove demand for precious metals. Investors reacted to a proposed budget plan and Moody's downgrade of the U.S. credit rating, both of which reignited worries over ballooning national debt.

Geopolitical tensions, including Middle East unrest and stalled Russia-Ukraine diplomacy, added support. Meanwhile, Chinese gold imports surged 73% in April to an 11-month high, driven by strong demand and added import quotas.

The first critical support for gold is seen at the \$3250 and the first resistance is located at \$3370.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
3500	3440	3370	3250	3150	3025

BTCUSD



Bitcoin soared past \$109,500 for the first time on record, extending its rally that began in mid-April. The surge was fueled by momentum around U.S. legislation to regulate stablecoins, as Democrats dropped opposition to a key bill, raising expectations it could pass by the end of the week.

Investors view the move toward clearer regulation of dollar-pegged cryptocurrencies as a catalyst for broader digital asset adoption. Despite economic uncertainty, Bitcoin has climbed this year as sentiment shifts away from dollar-based assets. Continued buying from major crypto investors, including Michael Saylor's Strategy, has also helped drive prices higher.

The first critical support for BTCUSD is seen at the \$106,200 level, and the first resistance is located at \$120,500.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$135,000	\$130,000	\$120,500	\$106,200	\$97,500	\$93,500

USDJPY



The Japanese yen climbed to around 143 per dollar on Thursday, marking its strongest level in over two weeks, as U.S. fiscal worries dragged down the dollar. Investor sentiment soured with fears that Trump's proposed tax cuts could swell U.S. debt by more than \$3 trillion, shaking confidence in the dollar's stability.

Japan's Finance Minister confirmed there were no currency discussions with U.S. officials during the G7 summit. On the domestic front, machinery orders surged 13% in March, although May PMI data pointed to ongoing weakness in both manufacturing and services sectors.

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	146.75	139.70	137.70	135.00

BRENT OIL



Brent crude futures hovered around \$64.80 per barrel, weighed down by rising U.S. crude inventories and oversupply concerns. The EIA reported a 1.328 million barrel increase in stockpiles last week, defying expectations of a draw. Additional pressure came from higher gasoline and distillate inventories, further dampening sentiment.

Oil prices also slipped with a broader market sell-off fueled by concerns over the ballooning U.S. deficit. However, hopes for progress in U.S.-Iran nuclear talks this weekend helped ease fears of potential Middle East supply disruptions, despite recent reports of possible Israeli strikes on Iranian targets.

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 held steady after major indexes tumbled the day before with concerns over the rising federal deficit. The Nasdaq slid 1.41% as Treasury yields spiked, rattling investor sentiment. Budget negotiations remained tense, with some Republicans pushing back on Trump's tax proposals due to disagreements over state and local tax deductions.

Market attention now turns to Thursday's jobless claims report for fresh signals on the labor market. In corporate news, Lumen Technologies jumped 11% after AT&T announced a deal to acquire its fiber internet unit, while Snowflake and Urban Outfitters also gained on strong earnings reports.

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 climbed to around 7.19 per dollar on U.S. dollar weakness fueled by concerns over America's fiscal outlook and Trump's proposed tax cuts, which could significantly expand national debt. Pressure on the dollar intensified after a weak 20-year Treasury bond auction.

China's central bank lowered key lending rates for the first time in seven months, cutting the one-year Loan Prime Rate (LPR) to 3% and the five-year LPR to 3.5%, in a move aimed at supporting economic growth amid ongoing trade tensions.

Key resistance is at \$7.2650, while 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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