

DAILY ANALYSIS

23 MAY 2025



Economic Calendar

Time	Cur.	Event	Forecast	Previous
06:00	EUR	German GDP (QoQ) (Q1)	0.4%(Act)	-0.2%
06:00	GBP	Retail Sales MoM	1.2%(Act)	0.1%
17:00	USD	New Home Sales(Apr)	649K	742K

U.S.-China Tensions Simmer Amid AI Dispute

Beijing and Washington continued high-level diplomatic engagement with a phone call on Thursday between U.S. Deputy Secretary of State Christopher Landau and China's Executive Vice Foreign Minister Ma Zhaoxu. According to the U.S. State Department, the two officials exchanged views on a broad range of mutually significant issues, though no specific details were disclosed. Both parties underscored the importance of the bilateral relationship and agreed to maintain open lines of communication. The discussion occurred amid rising tensions, despite a recent softening of tariffs following a meeting in Switzerland. In response to a U.S. warning against the use of Chinese-made AI chips, including those from Huawei, China's Ministry of Commerce criticized the move as "unilateral bullying" and accused the United States of undermining ongoing trade negotiations.

Meanwhile, the yield on the U.S. 10-year Treasury note stabilized near 4.53% on Friday after falling five basis points in the previous session, retreating from a three-month high. The pullback followed the narrow approval of President Trump's new tax and spending bill in the House of Representatives, which now awaits Senate review. Federal Reserve Governor Christopher Waller stated that further rate cuts may be possible later this year, depending on the evolution of Trump's tariff measures. Earlier in the week, Treasury yields surged amid fears that the bill would significantly raise the U.S. national debt, currently exceeding \$36 trillion. The Congressional Budget Office estimates the cost of the legislation at nearly \$4 trillion, intensifying concerns about long-term fiscal stability. Investor unease was further exacerbated by Moody's decision to downgrade the U.S. credit rating from Aaa to Aa1, citing persistent deficits and rising interest payments.

Financial Markets Daily Performance

SYMBOLS	PRICE	DAILY	WEEKLY	MONTHLY	YoY
CURRENCIES					
EURUSD	1.13123	0.28%	1.31%	-0.69%	9.21%
GBPUSD	1.34492	0.23%	1.37%	0.80%	7.43%
AUDUSD	0.64365	0.41%	0.53%	0.45%	3.99%
NZDUSD	0.59202	0.32%	0.68%	-1.18%	5.85%
USDJPY	143.436	-0.40%	-1.55%	0.55%	-8.84%
USDCAD	1.38301	-0.19%	-1.03%	-0.15%	-3.81%
METALS					
XAUUSD	3308.22	0.25%	3.26%	-1.21%	26.06%
SILVER	33.166	0.37%	2.76%	-1.33%	14.84%
PLATIN	1091.8	1.44%	10.84%	12.86%	22.13%
INDICES					
S&P 500	5846.13	0.07%	-1.88%	6.59%	-0.60%
DOW JONES	41889	0.07%	-1.80%	4.48%	-1.54%
NASDAQ	21111	-0.01%	-1.48%	9.87%	0.47%
NIKKEI	37195	0.57%	-1.48%	6.15%	-6.77%
DAX	24041	0.17%	1.15%	8.96%	20.75%
ENERGY					
CRUDE OIL	60.883	-0.52%	-1.75%	-3.04%	-15.11%
BRENT OIL	64.154	-0.44%	-1.92%	-3.60%	-14.05%
NATURAL GAS	3.2784	0.78%	-1.67%	5.86%	-9.76%
BONDS					
US 10Y	4.533	0.70%	0.05%	0.23%	-0.04%
DE 10Y	2.6375	0.45%	0.01%	0.14%	0.28%
JAPAN 10Y	1.563	0.11%	0.11%	0.25%	0.47%
UK 10Y	4.756	0.54%	0.09%	0.19%	0.19%
CHINA 10Y	1.702	1.20%	0.04%	0.04%	0.02%

EURUSD



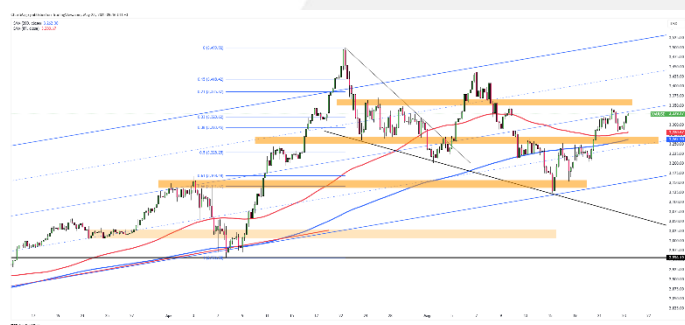
EUR/USD rebounded to around 1.1310 during Friday's Asian session, recovering from earlier losses as U.S. Treasury yields declined, with the 30-year yield retreating from a 19-month high of 5.15%, weighing on the dollar.

The recovery followed the U.S. House's approval of President Trump's fiscal bill, fueling deficit concerns. Earlier, strong U.S. PMI data (Composite: 52.1; Manufacturing and Services: 52.3) had supported the dollar. Fed Governor Waller suggested potential rate cuts later this year if tariffs stabilize, while Trump warned of increased tariffs on the EU. In Europe, ECB officials anticipate inflation nearing 2% by end-2025, though economic growth remains subdued.

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



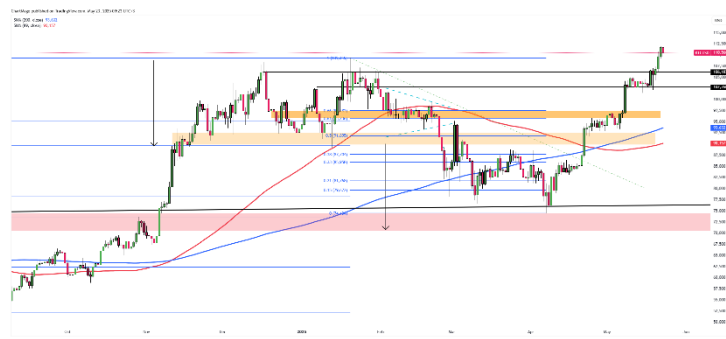
Gold hovered near \$3,300 on Friday and was on track for a weekly gain. Safe-haven demand increased due to concerns over U.S. fiscal stability and a weaker dollar. Investor anxiety grew after the passage of a \$4 trillion tax bill and Moody's downgrade of the U.S. credit rating.

Geopolitical tensions, including possible Israeli action against Iran and stalled Russia-Ukraine peace talks, also supported gold prices.

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 trades near \$110,500 on Friday morning, following a new all-time high set the previous day.

The next target is \$120,500, with bullish sentiment expected to persist if the price remains above the \$106,200 support level.

The first critical support for BTC/USD is seen at the \$106,200 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 strengthened to approximately 143.6 per dollar on Friday, gaining over 1% for the week, driven by stronger inflation data. Core inflation reached 3.5%, the highest in more than two years, reinforcing expectations of further Bank of Japan tightening.

The yen was also supported by a weaker U.S. dollar amid ongoing fiscal concerns. Finance Minister Kato dismissed speculation of intervention, denying any currency discussions at the G7 summit.

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



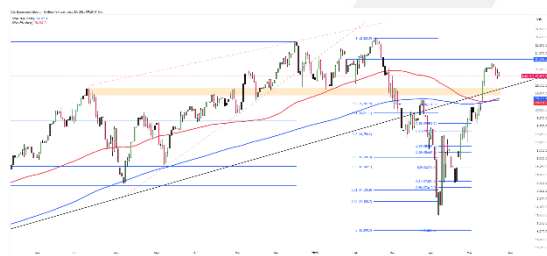
Brent crude futures fell toward \$64 per barrel on Friday and were on track for their first weekly decline in three weeks. The drop followed OPEC+ discussions on increasing July output by 411,000 bpd, a surprise rise in U.S. crude inventories, and growing storage demand, all fueling oversupply concerns.

Markets also monitored the upcoming Baker Hughes rig count and U.S.-Iran nuclear talks amid potential regional supply risks.

Key resistance is at \$67.70 meanwhile the major support is located at \$63.15 per barrel.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$73.10	\$70.00	\$67.70	\$63.15	\$61.00	\$58.30

NASDAQ



U.S. stock futures were little changed on Friday as investors assessed the fiscal implications of President Trump's \$4 trillion tax and spending plan, which includes tax cuts and increased defense spending. On Thursday, the Dow ended flat, the S&P 500 edged down 0.04%, and the Nasdaq gained 0.28%.

Moody's recent downgrade of the U.S. credit rating added pressure. Seven of 11 S&P sectors declined, led by utilities, health, and energy, while tech, communication, and consumer discretionary rose.

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 strengthened to approximately 7.19 per dollar on Friday, supported by renewed U.S.-China talks focused on keeping communication channels open despite persistent tensions. Both governments confirmed a recent call between officials to address key matters.

Additionally, the People's Bank of China injected CNY 500 billion to support liquidity and credit growth amid a fragile economic recovery. The yuan also benefited from a weaker U.S. dollar, pressured by fiscal concerns.

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

