

# DAILY ANALYSIS

28 MAY 2025



## Economic Calendar

Time	Cur.	Event	Forecast	Previous
10:00	USD	OPEC+ Meeting	-	-
18:00	USD	FOMC Meeting Minutes	-	-

### Markets Weigh Inflation and Bond Volatility

New York Fed President John Williams underscored the need to keep inflation expectations firmly anchored, emphasizing that strong policy responses are necessary when inflation veers off target to prevent it from becoming entrenched. Meanwhile, Minneapolis Fed President Neel Kashkari remarked on Tuesday that the Federal Reserve should hold off on interest rate changes until the inflationary effects of rising tariffs become clearer.

In Japan, Bank of Japan Governor Kazuo Ueda warned on Wednesday that volatility in super-long-term bond yields could spill over into short-term borrowing costs and disrupt the broader economy. With tapering talks set for next month, Ueda highlighted the BoJ's growing attention to yield fluctuations, noting that while short- and medium-term rates typically have a greater impact in Japan, given household and corporate debt structures, sharp movements in longer-term yields could still influence the entire curve. He pledged to track market dynamics and their economic implications closely.

The Reserve Bank of New Zealand (RBNZ) lowered its official cash rate by 25 basis points to 3.25% in May 2025, marking the lowest level since August 2022 and matching expectations. This follows similar moves in April and more aggressive rate cuts in late 2024 and early 2025. While inflation remains within target, the RBNZ warned that external risks, particularly from U.S. tariffs and policy uncertainty, could weaken demand and export growth. It now projects rates will ease further, reaching 2.92% in Q4 2025 and 2.85% in Q1 2026.

U.S. Treasury yields dropped across the curve, reversing last week's rise driven by concerns over an expanding global debt supply. The decline followed speculation that Japan may begin issuing more short-term debt. On Tuesday, both the yen and Japanese government bond yields fell sharply after reports suggested Japan's Ministry of Finance may reduce super-long bond issuance to curb rising yields. This comes after a disappointing 20-year bond auction, the weakest in over a decade, with investor attention now turning to the upcoming 40-year bond sale. Japan's 10-year yield edged up to around 1.50% on Wednesday.

Back in the U.S., Treasury auctions were well-received. Reuters reported that the two-year note auction cleared at a yield of 3.955%, roughly nine basis points below the prevailing market yield at the time. This week, the Treasury sold \$69 billion in two-year notes, with \$70 billion in five-year and \$44 billion in seven-year notes scheduled for Wednesday and Thursday.

U.S. Treasury yields posted notable declines on Tuesday: the two-year yield dropped 1.5 basis points and opened Wednesday at 3.97%, while the 10-year yield slipped four basis points to 4.47%. While expectations for Fed rate cuts remain muted in the first half of the year, markets anticipate the first cut could follow the Jackson Hole Symposium in August, likely taking place in September.

In economic data, U.S. Consumer Confidence improved in May, even as Durable Goods Orders for April dropped by 6.3% month-over-month, reversing March's strong 7.6% gain.

## Financial Markets Daily Performance

SYMBOLS	PRICE	DAILY	WEEKLY	MONTHLY	YoY
CURRENCIES					
EURUSD	1.13118	-0.15%	-0.18%	-0.64%	9.20%
GBPUSD	1.34897	-0.13%	0.52%	0.63%	7.75%
AUDUSD	0.64383	-0.07%	0.04%	0.87%	4.02%
NZDUSD	0.59553	0.11%	0.18%	0.27%	6.48%
USDJPY	144.328	0.00%	0.45%	1.45%	-8.28%
USDCAD	1.38219	0.09%	-0.27%	-0.08%	-3.86%
METALS					
XAUUSD	3305.07	-0.12%	-0.46%	-0.36%	25.94%
SILVER	33.322	0.15%	-0.39%	1.19%	15.38%
PLATIN	1075.9	0.06%	0.19%	10.46%	20.35%
INDICES					
S&P 500	5923.89	0.04%	1.36%	6.53%	0.72%
DOW JONES	42360	0.04%	1.19%	4.52%	-0.43%
NASDAQ	21436	0.10%	1.69%	9.68%	2.02%
NIKKEI	37940	0.57%	1.72%	5.26%	-4.90%
DAX	24274	0.19%	0.63%	8.24%	21.92%
ENERGY					
CRUDE OIL	61.338	0.44%	-0.38%	1.52%	-14.48%
BRENT OIL	64.527	0.40%	-0.59%	1.97%	-13.55%
NATURAL GAS	3.4005	4.01%	-0.77%	1.72%	-6.40%
BONDS					
US 10Y	4.463	1.40%	-0.14%	0.28%	-0.11%
DE 10Y	2.533	2.65%	-0.07%	0.03%	0.17%
JAPAN 10Y	1.499	3.29%	-0.02%	0.18%	0.41%
UK 10Y	4.671	1.20%	-0.03%	0.16%	0.10%
CHINA 10Y	1.702	0.50%	0.04%	0.07%	0.02%

## EURUSD



EUR/USD declined for a second straight session, trading around 1.1310 during Wednesday's Asian session. The dollar gained momentum on the back of falling U.S. Treasury yields and a strong U.S. consumer confidence reading, while durable goods orders fell less than anticipated, offering further support.

Markets await the FOMC minutes. The euro found some relief as US-EU trade tensions eased after Trump extended the tariff deadline to July 9 and the EU agreed to accelerate talks.

The key resistance is located at 1.1425 and the first support stands at 1.1260.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
1.1580	1.1460	1.1425	1.1260	1.1100	1.1050

## XAUUSD



Gold steadied around \$3,300 per ounce after a sharp decline, weighed down by a stronger U.S. dollar and improved risk appetite. The greenback rose following a rebound in consumer confidence in May, while trade concerns eased after Trump postponed EU tariffs.

Investors now turn their attention to the upcoming Fed minutes and PCE inflation data for further policy signals.

Key technical levels show first support at \$3,270 and initial resistance at \$3,370.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
3500	3440	3370	3270	3150	3025

## BTCUSD



Bitcoin is trading around \$109,000 on Monday morning after reaching a new record last week.

The first target BTC could reach is \$120,500, and the optimism will continue if the price stays above \$106,200.

The first critical support for BTCUSD is seen at \$106,200, and the first resistance is 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 weakened beyond 144.5 per dollar on Wednesday, marking its third straight session of losses amid policy and bond market uncertainty. BOJ Governor Ueda pointed to ongoing US trade talks as a source of economic concern, while Finance Minister Kato noted that bond markets are under their radar.

The yen and bond yields fell Tuesday after reports that Japan may cut super-long bond issuance following weak demand at a recent 20-year bond auction. Investors now await the 40-year bond sale.

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 climbed back to around \$64.5, recovering earlier losses as renewed supply concerns supported prices. The rebound followed heightened geopolitical tensions after Trump criticized Putin over stalled Ukraine negotiations and signaled potential new sanctions against Russia.

The US also restricted Chevron from exporting Venezuelan oil. However, gains were capped by expectations that OPEC+ might raise output by 411,000 barrels/day in July. Meanwhile, the EU is reviewing US investments after Trump paused tariffs on European goods.

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



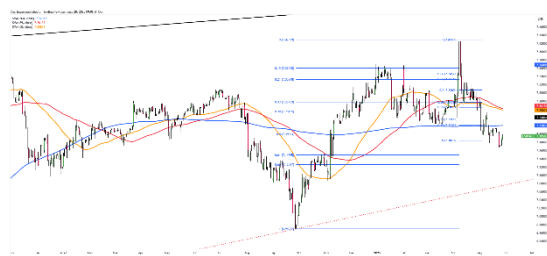
US stock futures were steady on Wednesday as investors awaited Nvidia's earnings with China export restrictions. Major retailers like Abercrombie & Fitch and Macy's also reported. Okta shares fell 12% after maintaining guidance despite uncertainty.

Tuesday saw gains: Dow +1.78%, S&P 500 +2.05%, Nasdaq +2.47%, supported by Trump delaying a 50% EU tariff and hopes for tax cuts and deregulation. Markets now focus on upcoming FOMC minutes for policy clues.

The first resistance is at \$21,570, while the initial support stands at \$20,675

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
\$23,000	\$22,200	\$21,570	\$20,675	\$20,365	\$19,250

## USDCNH



The offshore yuan fell past 7.19 per dollar, extending losses. China and the EU are boosting cooperation against US tariffs, with talks set at a WTO meeting next month.

Despite US-China communication, progress on a trade deal remains limited. Investors await China's PMI data, while a stronger US dollar and optimism over Trump's tariff delay pressured the yuan.

Key resistance is at \$7.2200 while the major support is located at \$7.1490.

Resistance 3	Resistance 2	Resistance 1	Support 1	Support 2	Support 3
7.2800	7.2650	7.2200	7.1490	7.0865	7.0700

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