

DAILY MARKET ANALYSIS 11-10-2022

The US Dollar Index (DXY) is at a critical spot and point in time given the recent sharp turn off long-term slope resistance. Momentum is starting to turn back to the downside after a solid rise, and on that the dollar could be in the process of posting a meaningful lower high. If this is the case, then we may see another round of weakness like what we just saw recently. It doesn't necessarily mean that the dollar has turned in the intermediate term, but there may be an opportunity for traders looking at USD shorts.

Stocks

Last week's better-than-expected NFP data appears to have eliminated hopes of a Fed pivot which saw risk assets perk up in the lead up to the data release. Since then, US equities have continued to sell off and now the S&P 500 (E-mini futures, ES1!) fast approaches the yearly low of 3571.75.

Currencies

- EUR/USD is moving sideways at around 0.9700. In the view of economists at Société Générale, there is no relief for the shared currency, with the pair at risk of retesting the September low.
- GBP/USD traded below 1.10 briefly before bouncing modestly. The pair could test the September 28 low near 1.0540 on failure to hold 1.0905, economists at BBH report.
- USD/JPY pair struggles to capitalize on its modest intraday uptick on Tuesday and retreats a few pips from the vicinity of a 24-year top touched in September. The pair trades near the lower end of its daily range, just above the mid-145.00s and remains at the mercy of the US dollar price dynamics heading into the North American session.
- AUD/USD pair consolidates its recent losses to the lowest level since April 2020 and oscillates in a range around the 0.6265 region through the mid-European session.

Cryptos

Ripple's XRP token is in the spotlight again with a strengthening technical analysis outlook for the token. At the same time, investors are becoming more hopeful that a long legal battle with America's financial regulator could soon end and, with XRP potentially skyrocketing as a result.

Commodities

Gold: Gold price is on the retreat again. Strategists at Commerzbank expect the yellow metal to stay offered as rising yields lift the dollar.



Up Ahead – Wednesday 12-10-2022

- USD FOMC Meeting Minutes

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