

Global FX Insights

by LMAX Group Research & Analytics

Comprehensive daily market research and analytics, with insightful commentary and charts

Where things stand into Friday's US jobs report 🔊 [Wake-up call](#)

It's been a little odd to see currencies holding up in recent sessions against the US Dollar, considering all of the risk off flow we've been seeing this week. It's possible the FX market is trying to respond to toned down hawkish talk from Fed Powell on Wednesday and some weaker US initial jobless claims reads.

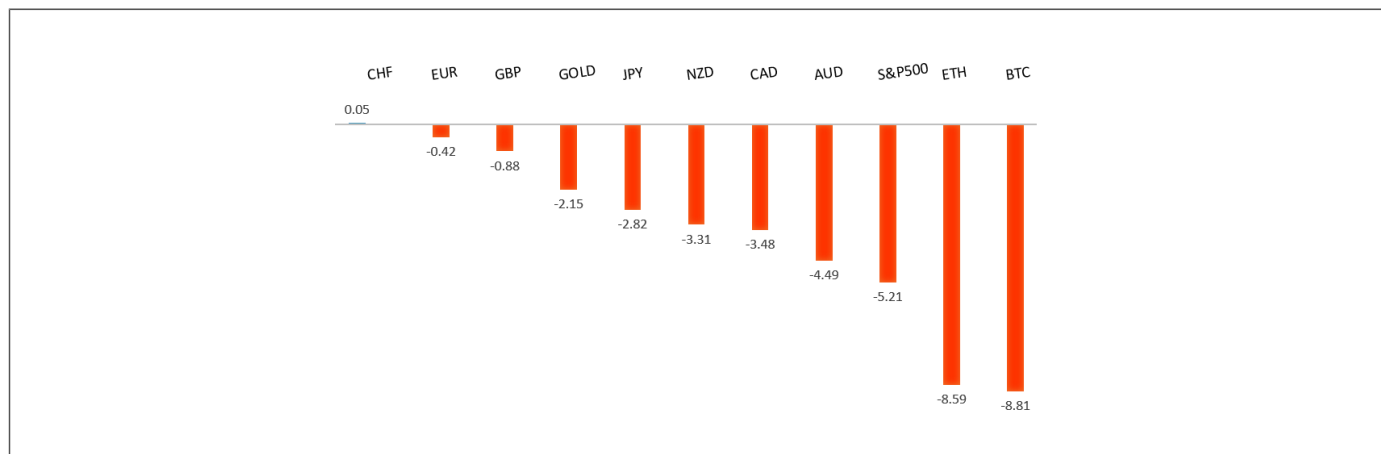
Technical highlights 📺 [Daily Video](#)

- [EURUSD](#) Looking for next higher low
- [GBPUSD](#) Room for more weakness
- [USDJPY](#) Signs of uptrend resumption
- [AUDUSD](#) Gravitating to critical support
- [USDCAD](#) Sights set on 1.4000
- [NZDUSD](#) Well capped into rallies
- [US SPX 500](#) Looking for downtrend resumption
- [GOLD](#) (spot) Setbacks seen forming higher low

Fundamental highlights

- [EURUSD](#) Euro extends recovery on position adjusting
- [GBPUSD](#) Pound to digest heavy batch of Friday data
- [USDJPY](#) No surprises from BOJ decision
- [AUDUSD](#) Aussie looking ahead to US jobs report
- [USDCAD](#) Canada employment report stands out
- [NZDUSD](#) Kiwi gets a little help from PMI uptick
- [US SPX 500](#) Inflation headache not going away
- [GOLD](#) (spot) Dealers report plenty of demand

30 Day Performance vs. US dollar (%)

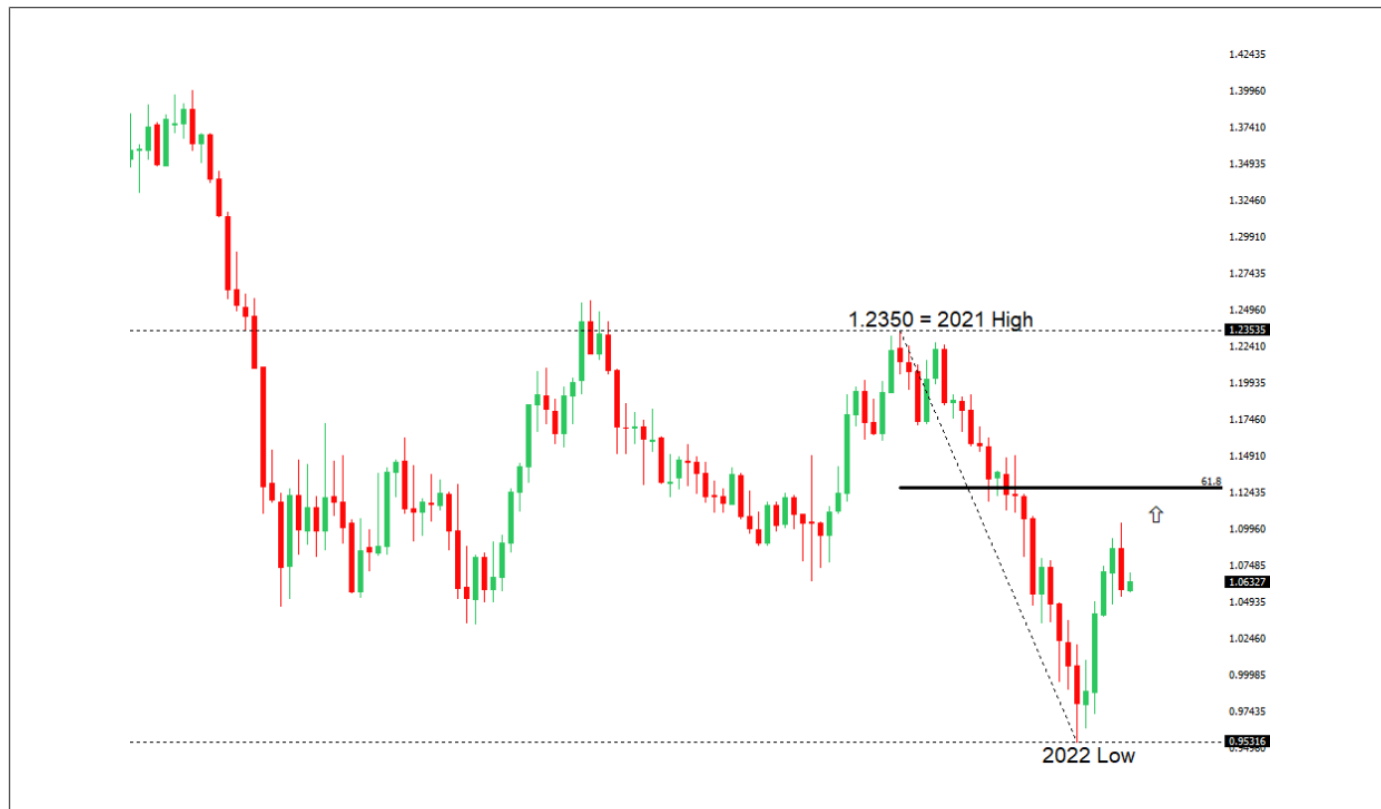


Suggested reading

- [Banks Throw Markets a Curveball](#), J. Authers, **Bloomberg** (March 10, 2023)
- [A One-Stop Investment Shop for the Global Elite](#), S. Indap, **Morningstar** (March 9, 2023)

EURUSD - technical overview

The Euro is in the throes of a correction following a run to the topside through 1.1000 earlier this year. Any additional setbacks should be well supported ahead of 1.0200 in favor of the formation of the next major higher low and a bullish continuation. Ultimately, only a monthly close back below parity would give reason for concern.



- **R2 1.0805** - 14 February high - Strong
- **R1 1.0695** - 7 March high - Strong
- **S1 1.0500** - Round number - Medium
- **S2 1.0482** - 6 January low - Strong

EURUSD - fundamental overview

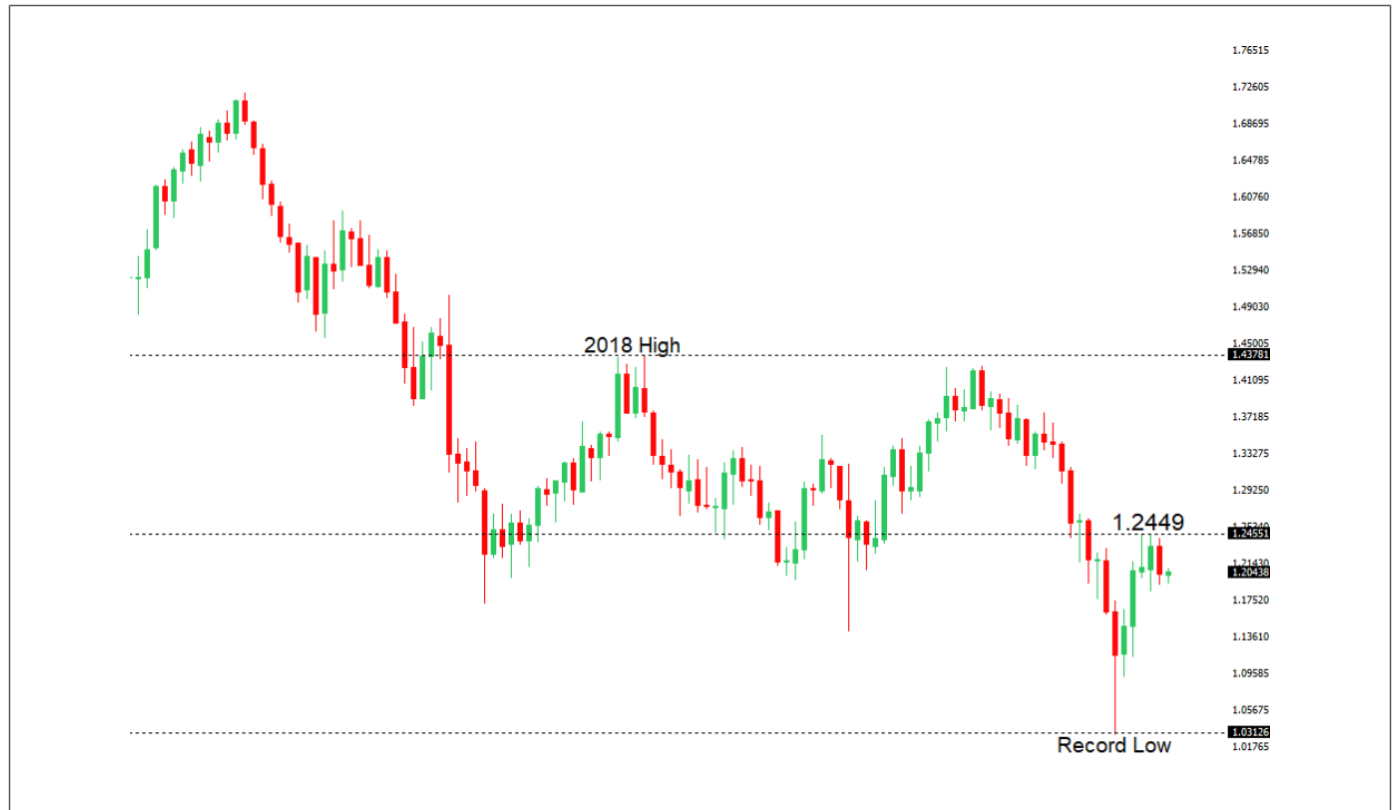
Not a lot of news out of the Eurozone on Thursday, though the Euro did manage to recover for the second day as it found some relief in positioning adjusting between Powell testimony and today's US jobs report. ECB's Villeroy was on the wires saying French GDP would be upgraded slightly, and that inflation would be at target in late 2024. Key standouts on Friday's calendar come from German inflation, UK GDP, industrial production, trade, and construction output, Canada employment, and the monthly employment report out of the US.

EURUSD - Technical charts in detail

[Watch now](#)

GBPUSD - technical overview

Signs have emerged of the market wanting to put in a longer-term base after collapsing to a record low in September 2022. The recent weekly close back above the September high at 1.1739 strengthens this prospect. Any setbacks should now be well supported ahead of 1.1500. Next key resistance comes in at 1.2668.



- **R2 1.2066** - 7 March high - Strong
- **R1 1.1915** - 17 February low - Medium
- **S1 1.1800** - Round number - Medium
- **S2 1.1739** - 13 September 2022 high - Strong

GBPUSD - fundamental overview

The Pound has put in a healthy recovery after getting slammed earlier in the week on hawkish Fed Powell testimony. There haven't been any major updates and the price action is more likely positioning ahead of today's US jobs report than anything else. Key standouts on Friday's calendar come from German inflation, UK GDP, industrial production, trade, and construction output, Canada employment, and the monthly employment report out of the US.

[Watch now](#)

USDJPY - technical overview

The major pair has seen a nice recovery following the massive correction out from multi-year highs. Setbacks have finally been well supported ahead of 125.00 in the 127s thus far. At this stage, it looks like the market could be wanting to resume the bigger picture uptrend and head back towards a retest of that multi-year high from October 2022 up at 151.95. Look for any weakness to continue to be well supported in favor of higher lows along the way.



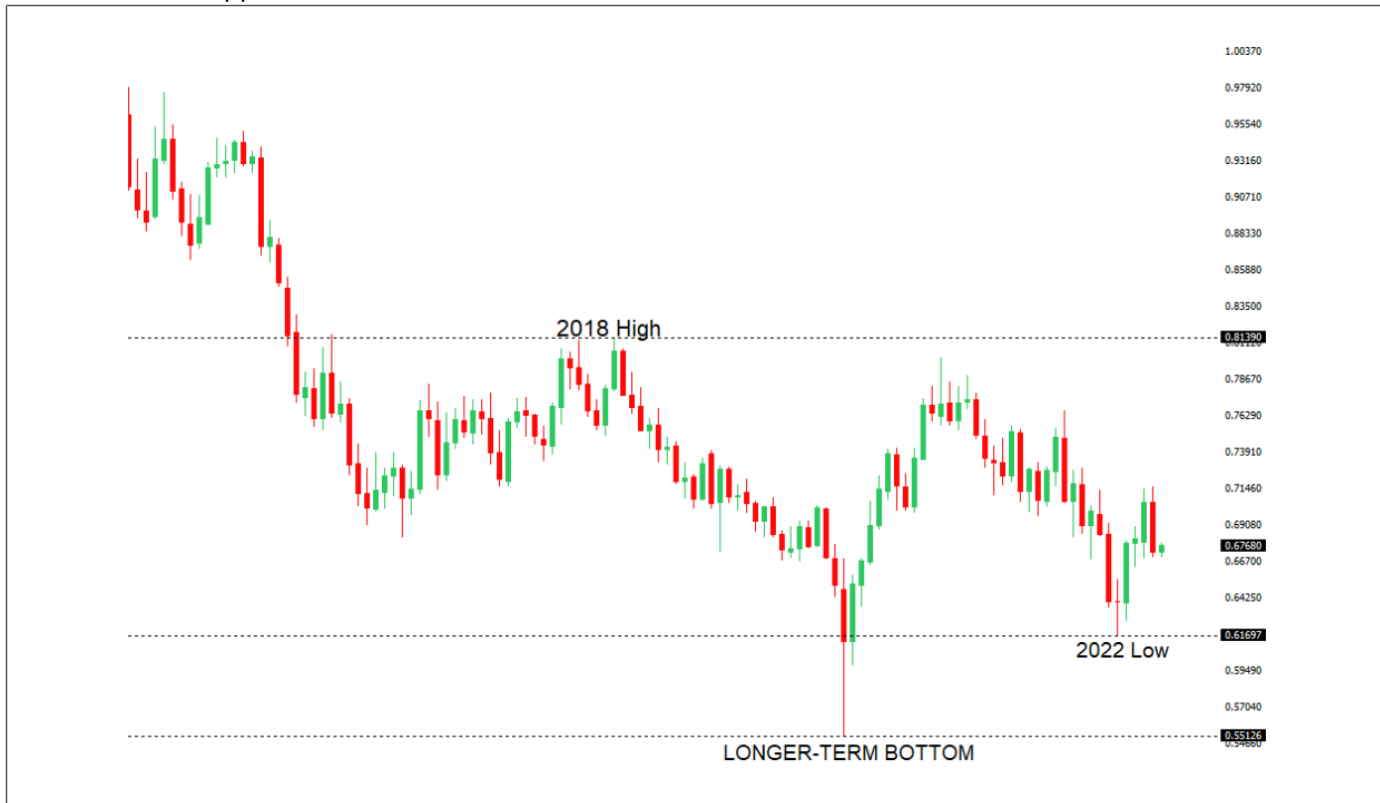
- **R2 138.18** - 15 December high - Strong
- **R1 138.00** - Figure - Medium
- **S1 136.99** - 8 March low - Medium
- **S2 135.26** - 1 March low - Strong

USDJPY - fundamental overview

As was widely expected, there were no surprises from the BOJ earlier today, with the central bank leaving policy on hold and keeping with its commitment to ease further if necessary. This was Kuroda's final meeting. Key standouts on Friday's calendar come from German inflation, UK GDP, industrial production, trade, and construction output, Canada employment, and the monthly employment report out of the US. [Watch now](#)

AUDUSD - technical overview

There are signs of the potential formation of a longer-term base following the late 2022 surge back above 0.6500. The recent weekly close back above previous support now turned resistance at 0.6682 strengthens the outlook for a bullish structural shift. Next key resistance comes in at 0.7284. Setbacks should be well supported ahead of 0.6500.



- **R1 0.6784** - 1 March high - Strong
- **R2 0.6695** - 1 March low - Medium
- **S1 0.6564**- 9 March low - Medium
- **S2 0.6500** - Psychological - Strong

AUDUSD - fundamental overview

The Australian Dollar is trying to put in a recovery into the end of the week, seemingly on the back of the softer inflation data out of China and selling in the US Dollar on positioning into today's US jobs report. Key standouts on Friday's calendar come from German inflation, UK GDP, industrial production, trade, and construction output, Canada employment, and the monthly employment report out of the US.

USDCAD - technical overview

A recent surge back above 1.3000 signals an end to a period of bearish consolidation and suggests the market is in the process of carving out a more significant longer-term base. Next key resistance now comes in up into the 1.4000 area. Setbacks should be very well supported down into the 1.3000 area.



- **R2 1.3900** - Figure - Medium
- **R1 1.3850** - Mid-Figure - Medium
- **S1 1.3666** - 24 February high - Medium
- **S2 1.3555** - 3 March low - Strong

USDCAD - fundamental overview

The Canadian Dollar has extended its run of declines after the Bank of Canada paused on rate hikes earlier this week after nine consecutive hikes. The central bank also forecast CPI to decline to 3% by the middle of 2023, while seeing near-zero GDP growth through Q3. Adding insult to injury for the Loonie is risk off flow and downside pressure in the price of oil. Key standouts on Friday's calendar come from German inflation, UK GDP, industrial production, trade, and construction output, Canada employment, and the monthly employment report out of the US.

NZDUSD - technical overview

Overall pressure remains on the downside with the market once again stalling out on a run up into the 0.6500 area. Ultimately, a break back above 0.6577 would be required to take the immediate pressure off the downside.



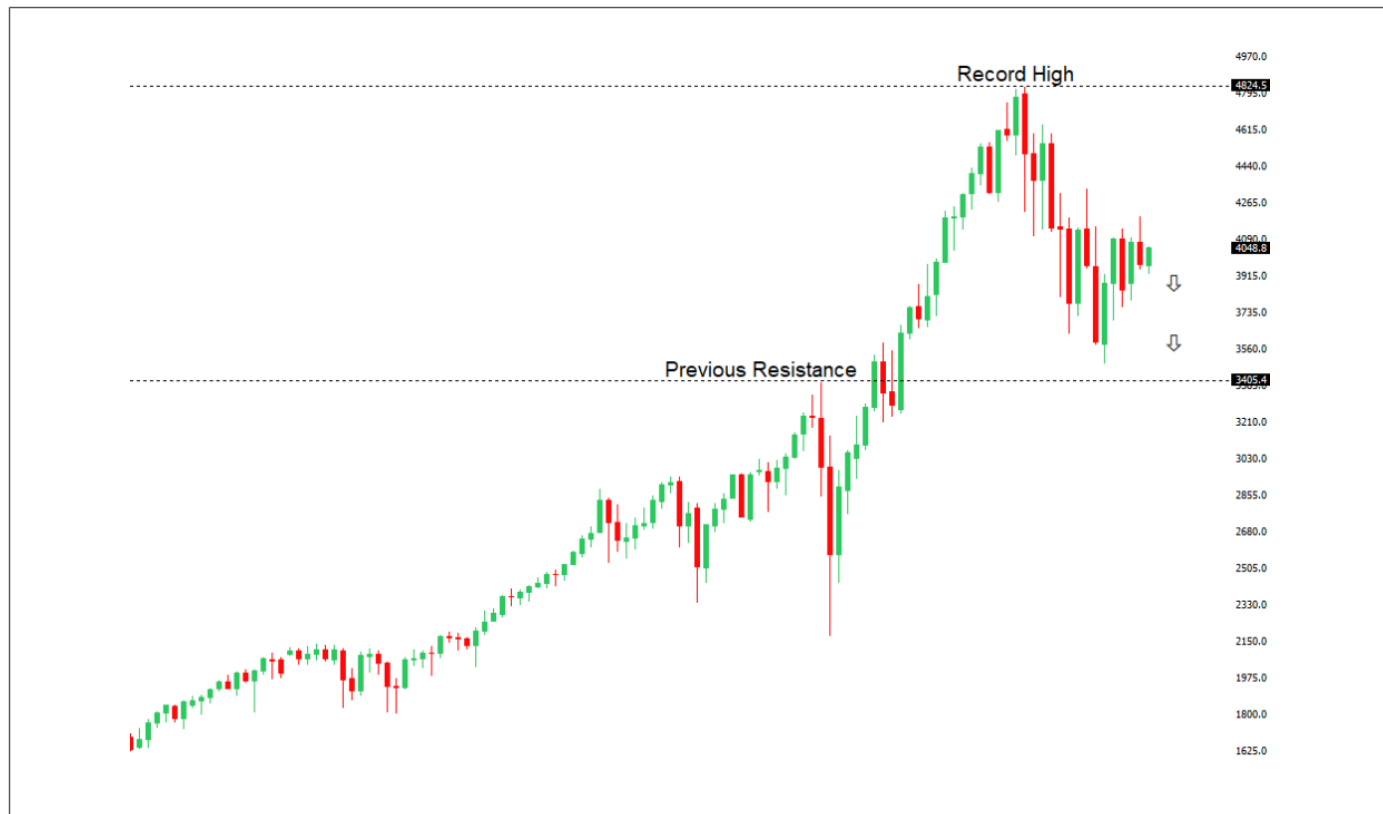
- **R2 0.6276** - 1 March high - Strong
- **R1 0.6222** - 7 March high - Medium
- **S1 0.6084** - 8 March low - Medium
- **S2 0.6064** - 17 November low - Strong

NZDUSD - fundamental overview

New Zealand PMI reads ticked up from previous earlier today, which could be helping to give the New Zealand Dollar a little extra boost. But overall, the currency remains well offered into rallies as risk assets come under pressure on hawkish Fed policy expectations. Key standouts on Friday's calendar come from German inflation, UK GDP, industrial production, trade, and construction output, Canada employment, and the monthly employment report out of the US.

US SPX 500 - technical overview

Longer-term technical studies are in the process of unwinding from extended readings off record highs. Look for rallies to be well capped in favor of lower tops and lower lows. A monthly close back above 4300 will be required at a minimum to take the immediate pressure off the downside. Next major support comes in at 3763.



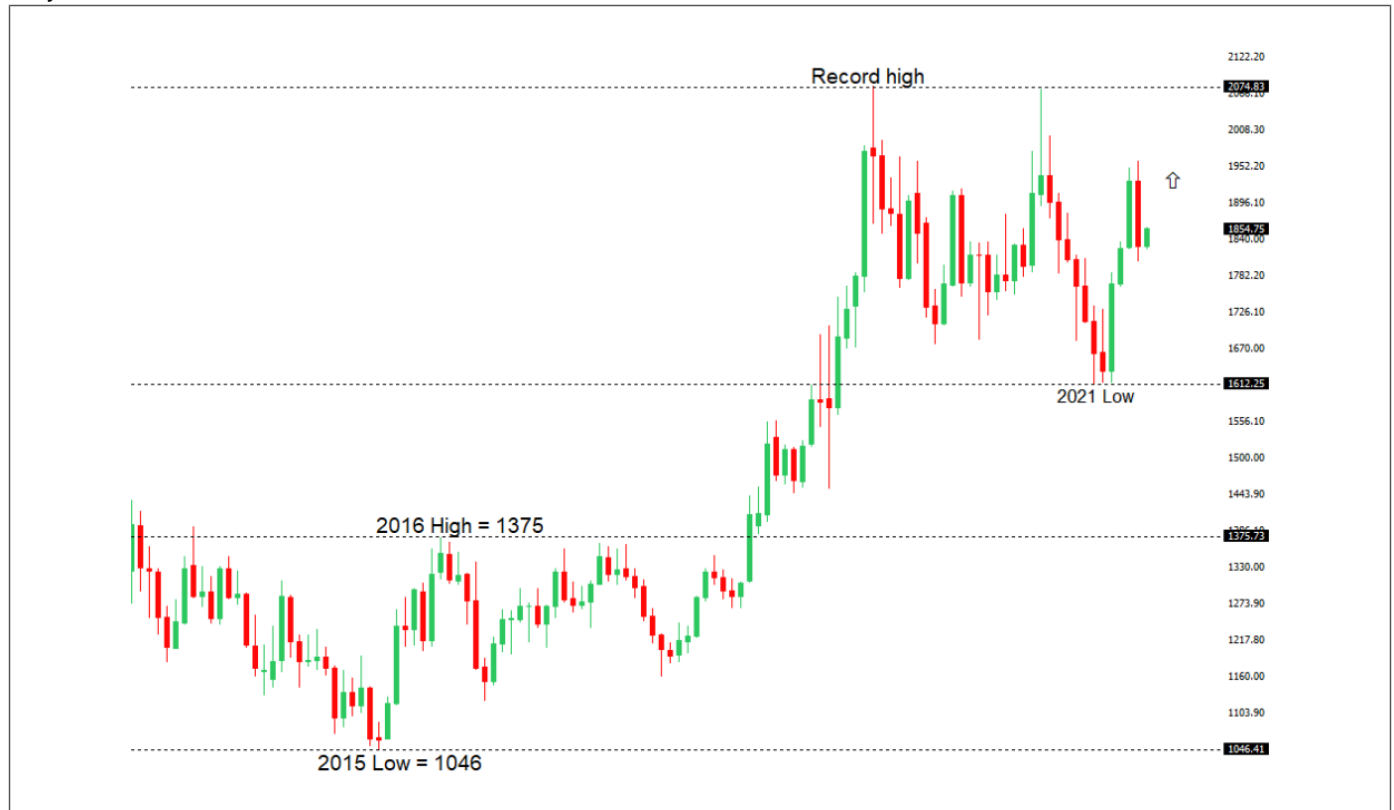
- **R2 4198** - 2 February/2023 high - Strong
- **R1 4080** - 6 February high - Medium
- **S1 3800** - Round number - Medium
- **S2 3763** - 22 December low - Strong

US SPX 500 - fundamental overview

We've finally reached a point in the cycle where the Fed recognizes unanchored inflation expectations pose a greater downside risk than over-tightening. This is significant, as it means less investor friendly monetary policy that risks potential recession in the months ahead. Overall, we expect inflation to continue to be a problem in H1 2023 that results in downside pressure into rallies.

GOLD (SPOT) - technical overview

The 2019 breakout above the 2016 high at 1375 was a significant development, opening the door for fresh record highs. Setbacks should now be well supported above 1600 on a monthly close basis ahead of the next major upside extension. The recent break back above 1808 strengthens the bullish outlook. Next major resistance comes in at 2000.



- **R2 1960** - 2 February/2023 high - Strong
- **R1 1859** - 6 March high - Medium
- **S1 1804** - 28 February low - Medium
- **S2 1719** - 23 November 2022 low - Strong

GOLD (SPOT) - fundamental overview

The yellow metal continues to be well supported on dips with solid demand from medium and longer-term accounts. These players are more concerned about inflation risk and a less upbeat global growth outlook. All of this should keep the commodity well supported, with many market participants also fleeing to the hard asset as the grand dichotomy of record high equities and record low yields comes to an unnerving climax.



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