

# UK Gilt 10y Yield – Weekly Chart

UK 10Yr Yield Weekly Chart



- The trend is bullish.  
- However, a rising ending diagonal pattern has appeared on the long-term chart. This is a triangle with both support and resistance lines sloping in the same direction.  
- It is a bearish pattern and occurs in the final stages of a mature trend.  
- It highlights the risk of a reversal and if confirmed, on a breakout, would set the scene for a meaningful retracement.  
- A breach of the pattern appears to have occurred.  
- Triangle formations often deliver false breaks, so some additional confirmation is required. If indeed, the breakout is confirmed, this would strengthen a bearish theme and signal scope for a move towards 4.19% initially.

**Trend: L-T trend up, but bear threat exists**

**Key price points:**

**Resistance:**

- 4.56% - High Dec 16
- 4.62% - High Nov 19
- 5.05% - Top of the diagonal

**Support:**

- 4.19% - Low Dec 3
- 4.00% - Psychological round number

**Observation:**

- Rising ending diagonal pattern has appeared on the L-T chart. This is a triangle with both support and resistance lines sloping in the same direction.
- It is a bearish pattern and occurs in the final stages of a mature trend and highlights the risk of a reversal.
- A breach of the pattern appears to have occurred.
- Triangle formations often deliver false breaks, so some additional confirmation is required. If indeed, the breakout is confirmed, this would strengthen a bearish theme and signal scope for a move towards 4.19% initially.

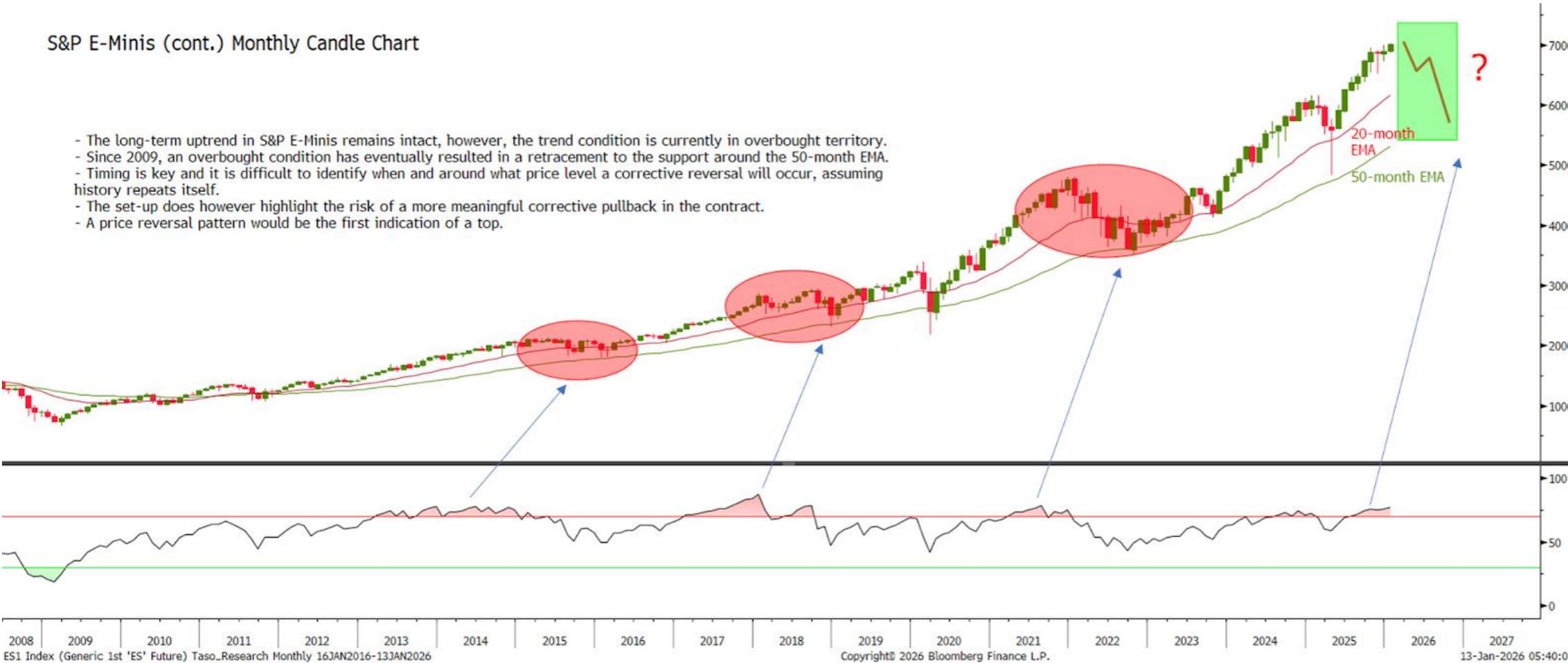
**Opportunities/Threats:**

- **UK political risk** – May local elections and speculation of leadership challenge against Starmer keeps a political risk premium on UK assets
- **UK fiscal risk** – The Autumn Budget provided relief for Gilts, with larger headroom than expected and lower need for large debt sales in second half of parliamentary term.
- **BoE easing cycle** – Disinflation should continue to pressure front-end rates lower. Budget's energy bills and fuel tax freeze should clear path for easier BoE policy into year-end (next decisions: Feb5, Mar19, Apr30)

# E-Mini S&P – Monthly Chart

S&P E-Minis (cont.) Monthly Candle Chart

- The long-term uptrend in S&P E-Minis remains intact, however, the trend condition is currently in overbought territory.
- Since 2009, an overbought condition has eventually resulted in a retracement to the support around the 50-month EMA.
- Timing is key and it is difficult to identify when and around what price level a corrective reversal will occur, assuming history repeats itself.
- The set-up does however highlight the risk of a more meaningful corrective pullback in the contract.
- A price reversal pattern would be the first indication of a top.



**Trend: Continues to appreciate but is overbought**

**Key price points:**

- Support:**
- **6072.75** - 20-month EMA
  - **5165.95**- 50-month EMA
  - **4832.00** - Low April 2025 and a key support

**Observation:**

- The long-term uptrend in S&P E-Minis remains intact, however, the trend condition is currently in overbought territory.
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- Timing is key and it is difficult to identify when and around what price level a corrective reversal will occur - assuming history repeats itself.
- The set-up does however highlight the risk of a more meaningful corrective pullback in the contract.
- A price reversal pattern would be the first indication of a top.

**Opportunities/Threats:**

- **Geopolitical Risk** – An uptick in global geopolitical risk has failed to materially dent the uptrend in US equities. That said, the spell of volatility following Trump’s demands to ‘acquire’ Greenland show asset markets remain fragile to international tensions – with allies or otherwise.
- **Magnificent Seven** – While indices rally, stock gains were narrow, with much of the upside driven by a small subset of stocks. As such, downside risk stems from potential underperformance of those same stocks.
- **Margin-led sell-off, global risk-off** – With geopolitics, central bank policy and regulation still under scrutiny, a sharper correction in global risk could trigger margin-led selling in stocks, raising market fragility.

# Europe Banking Stock Index (SX7E) – Monthly Chart



Europe Banking Stock Index (SX7E) Monthly Candle Chart



- Daily, weekly and monthly scales are in a bull-mode position, highlighting a strong uptrend.
- Fresh cycle highs reinforce the bull theme.
- The bullish acceleration last year means that the trend is in an extreme overbought condition. This highlights an increased likelihood a correction will unfold, to unwind the overbought position.
- However, a reversal signal is required to signal a top - this has not occurred yet.
- Until then, the trend needle continues to point north.

**Trend: L/T Trend Up, Retracing Major Bear Cycle**

**Key price points:**

**Resistance:**

- **300.74** - High Aug 29
- **322.31** - 61.8% retracement of the 2007 - 2020 bear leg

**Support:**

- **193.53** - 20 month EMA

**Observation:**

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**Opportunities/Threats:**

- **ECB policy** – A more pessimistic view on domestic demand or the impact of the easing cycle so far could raise the risk of sub-neutral policy rates in medium-term
- **Geopolitical risk** – European banks are large holders of peripheral and emerging market debt, with greater-than-average sensitivity to geopolitical risk stemming from Russia – Ukraine. Expedited progress toward a peace deal here could prove bullish
- **European politics, fiscal pressure** – Recent spell of uncertainty across French politics exposes downgrade risks for major EZ sovereigns. This is compounded by the still-surging wave of support for populist political views, bringing national regulatory uncertainty into focus

# Spot Gold – Monthly Chart

Gold Monthly Candle Chart

- The rally over the past 2-years highlights an acceleration of the uptrend - an impulsive bull wave.
- The result of this is that gold is in an extreme overbought position.
- This set-up signals potential for a corrective cycle into the support zone highlighted by the 20- and 50-day EMAs. The area around the 50-day EMA, is the key support - currently at \$4311.0.
- A reversal signal in price however, is required to highlight the potential start of a corrective phase.
- Until then, the direction remains up



**Trend: Bullish Cycle, Impulsive Wave**

**Key price points:**

**Support:**

- \$4472.0 and \$4311.0 - the area between the 20-day and 50-day EMA
- \$4121.4 - 20-week Ema

**Observation:**

- The rally over the past 2-years highlights an acceleration of the uptrend - an impulsive bull wave.
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- A reversal signal in price however, is required to highlight the potential start of a corrective phase.
- Until then, the direction remains up.

**Opportunities/Threats:**

- **Central bank buying** – Official accumulation as part of reserve diversification and hedging against geopolitical risk remains a primary driver
- **Fed independence** – With Powell set to be replaced as Fed chair this year, the views of his replacement and pressures from the Oval Office could spur further portfolio diversification
- **Retail involvement** – With sell-side analysts still looking for additional gold gains, the market is at risk of one-sided pricing and crowded positioning, particularly as retail ownership grows

# USD Index (DXY) – Monthly Chart

USD Index (DXY) Monthly Candle Chart



**Trend: L/T Trend Up, But M/T Cycle Bearish**

**Key price points:**

**Support:**

- **97.11** - Long-term trendline drawn from the May 2011 low.
- **95.24** - 76.4% retracement of the 2021 - 2022 bull cycle.

**Resistance:**

- **101.49** - 50-month EMA

**Observation:**

- The bear leg since Sep 2022 appears to be a correction.
- The index has arrived at a crossroads - at a trendline support drawn from the May 2011 low.
- Price activity in July '25 highlights a potential reversal signal - a monthly bullish engulfing candle.
- If correct, it signals the end of the medium-term correction OR at least the start of a recovery in the index in the months ahead.
- A clear break of the trendline would instead send a strong bearish USD signal.

**Opportunities/Threats:**

- **Jan FOMC Meeting** – Markets see just under two rate cuts priced for 2026, however rescheduled US data is yet to catch up with present-day, leaving considerable 'fog' on policy
- **Powell Replacement** – The next Fed Chair is still unknown – but an announcement is expected imminently. A sympathetic Fed chair to Trump's preferred policy mix could spur easier policy.
- **AI-led equity risk** – Equity gains last year have been narrow, with rallies concentrated in AI and chipmaking stocks. Renewed valuation concerns could trigger risk-off, leading USD to regain haven status.

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# Spot USD/JPY – Monthly Chart



USDJPY Monthly Candle Chart



**Trend: Bull Cycle, Major Support Intact**

**Key price points:**

**Resistance:**

- **161.95** - High July 2024

**Support:**

- **140.00** - Low Dec '23 / Sep '24 / Apr '25 and a key pivot level

**Observation:**

The trend is **bullish**.

- Key pivot support at the 140.00 handle remains intact. This level has survived three tests, since December 2023.
- The long-term trend remains up while 140.00 is intact.
- A clear breach of this price point would highlight an important reversal.
- Current trend signals suggest potential for a climb above the July 2024 high of 161.95.
- A break of this level would confirm a resumption of the primary uptrend.

**Opportunities/Threats:**

- **February elections** – While Takaichi is expected to grow the LDP's representation in parliament, strengthening opposition parties could stymie her expansion plans
- **Growing intervention risk** – USDJPY's acceleration higher and momentum pick-up is raising concerns of imminent intervention, and ministers have already begun to verbally intervene by warning against speculative FX moves.
- **BoJ policy** – Two further hikes are priced from the BoJ this year, but volatility in domestic bond markets could unsettle tightening plans

# Spot EUR/GBP – Monthly Chart



EURGBP Monthly Candle Chart



- EURGBP has traded inside a range since 2017.  
- The parameters - 0.9300 and 0.8300 - are well established and highlight key long-term directional triggers.  
- Currently price is in the middle of the range, however, the latest recovery highlights a bull cycle from the base of the range.  
- This signals potential for an extension towards the upper band of the multi-year range - 0.9300.  
- The range parameters have in the past been pierced, however, a clear break of either extreme is required to signal a range breakout and this would provide an important medium and longer-term directional clue.  
- The 50-month EMA represents a key support

## Trend: Recovery from multi-year range base

### Key price points:

#### Support:

- **0.8979** - Feb '23 high
- **0.9300** - Top of the multi-year range

#### Resistance:

- **0.8572** - 50-month EMA
- **0.8300** - Base of the multi-year range

### Observation:

- EURGBP has traded inside a range since 2017.
- The parameters - 0.9300 and 0.8300 - are well established and highlight key long-term directional triggers.
- Currently price is in the middle of the range, however, the latest recovery highlights a bull cycle from the base of the range.
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- The range parameters have in the past been pierced, however, a clear break of either extreme is required to signal a range breakout and this would provide an important medium and longer-term directional clue.
- The 50-month EMA represents a key support

### Opportunities/Threats:

- **Vol return** – GBP has erased a large part of the pre-Budget vol stress, but risk premium rises beyond the three-month tenor. Rebuilding vols should prove GBP negative.
- **UK political risk** – May local elections and speculation of leadership challenge against Starmer keeps a political risk premium on UK assets
- **BoE easing cycle** – Disinflation should continue to pressure front-end rates lower (next decisions: Feb5, Mar19, Apr30)

# Spot USD/MXN – Daily Chart



USDMXN Daily Candle Chart

- A dominant downtrend remains intact.
- This is clearly highlighted by moving average studies that are in a bear-mode position.
- While these trend signals remain in place, potential is seen for an extension towards the 17.00 handle.
- In order to highlight a potential reversal, price will need to trade above 18.7706, the early Nov high

## Trend: Clearly defined downward sequence

### Key price points:

#### Support:

- **17.3004** - 2.382 projection of the Nov 5 - 13 - 21 ' 25 price swing
- **17.000** - Round number support
- **16.5282** - Low May 21 '24

#### Resistance:

- **17.9950**- 50-day EMA value (23-Jan)
- **18.7706** - High Nov 5 and a potential reversal trigger short-term resistance

### Observation:

- A dominant downtrend remains intact.
- This is clearly highlighted by moving average studies that are in a bear-mode position.
- While these trend signals remain in place, potential is seen for an extension towards the 17.00 handle.
- In order to highlight a potential reversal, price will need to trade above 18.7706, the early Nov high.

### Opportunities/Threats:

- **Banxico** – Recent shift in guidance, plus confirmation from MNI interview with Cuadra, has cemented easing cycle pause. Inflation/growth data key in deciphering terminal rate.
- **Politics** – Sheinbaum popularity and Trump relationship may be severely tested amid more aggressive US rhetoric towards drug trafficking and the conflict with Venezuela.
- **Tariff Policy** – Recent approval of up to 50% tariffs on more than 1400 goods (many on China) appears to be step in right direction for smooth USMCA review process, however, uncertainty regarding the agreement will likely remain high across H1.



# Spot EUR/HUF – Daily Chart



EURHUF Daily Candle Chart



- A dominant downtrend remains intact.
- This is clearly highlighted by the bear-mode position in moving average studies.
- However, the cross has recovered from the base of a bear channel - drawn from the Jan 15 '25 low.
- This signals potential for a short-term recovery towards the top of the channel - around 394.15 (Jan 19).
- While bearish trend conditions dominate, the set-up suggests potential for an extension towards 367.59, the Jun 2023 low and a key medium-term support, on a resumption of the downtrend.

**Trend: Clear downward trend sequence**

**Key price points:**

**Support:**

- **380.25** - Low Dec 3
- **367.59** - Jun 2023 low and a key medium-term support

**Resistance:**

- **394.15** - Top of a bear channel drawn from the Jan 2025 high

**Observation:**

- A dominant downtrend remains intact.
- This is clearly highlighted by the bear-mode position in moving average studies.
- However, the cross has recovered from the base of a bear channel - drawn from the Jan 15 '25 low.
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- While bearish trend conditions dominate, the set-up suggests potential for an extension towards 367.59, the Jun 2023 low and a key medium-term support, on a resumption of the downtrend.

**Opportunities/Threats:**

- **2026 election** - Tisza still lead Orban in most polls. Party has pledged to take steps to unlock €17bln frozen EU funds while officials have also suggested a preference for EUR adoption in the longer term.
- **NBH Policy** - Easing could resume as soon as February, threatening HUF's attractive carry profile. Profit margin caps likely to be extended, but a surge in price growth expected once these caps expire. Growing calls from gov officials for lower rates has weighed on HUF.
- **Geopolitics** - HUF remains sensitive to the prospects of a Ukraine-Russia peace deal due to Hungary's reliance on imported natural gas and oil from Russia.

# Bitcoin – Monthly Chart

Bitcoin Monthly Candle chart

- The long term trend in Bitcoin is up, however the trend remains in overbought territory.
- The current bear leg is allowing that overbought reading to unwind.
- Moving average studies have been in a bull-mode since 2014 and this highlights the fact that the long-term trend remains up.
- Every major correction in BTC has resulted in a retracement to the area around the 50-month EMA.
- This suggests that the current corrective cycle is likely to retrace to the average - currently at 64909.00.
- A retracement to, or even below, the 50-month average, would signal the end of the correction and highlight an area where buying interest may develop.
- While the 50-month EMA represents a key long-term support. Note too that the area between the 20- and 50-month EMAs also represents an important support zone.

## Trend: Bear leg highlights correction

### Key price points:

#### Support:

- **74,424.95** - Apr '25 low
- **64,909.00** - 50-month EMA

### Observation:

- The long term trend in Bitcoin is up, however the trend remains in overbought territory.
- The current bear leg is allowing that overbought reading to unwind.
- Moving average studies have been in a bull-mode since 2014 and this highlights the fact that the long-term trend remains up.
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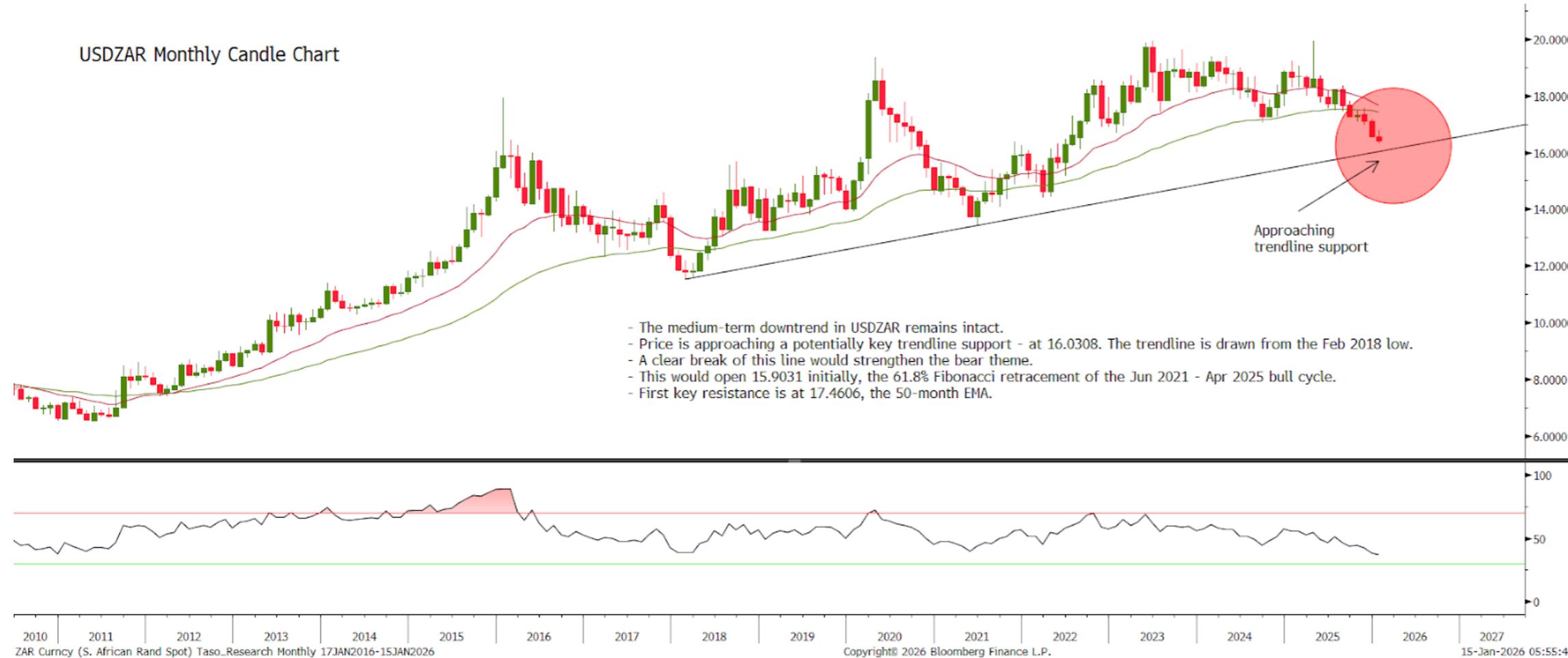
### Opportunities/Threats:

- **AI-led equity risk** – Bitcoin price action has been heavily correlated with equity returns and broader liquidity in 2025. Renewed valuation concerns surrounding AI-led equities could prompt a sharper correction.
- **Margin-led sell-off, global risk-off** – With geopolitics, central bank policy and regulation still under scrutiny, a sharper correction in global risk could trigger margin-led selling in crypto, raising bitcoin fragility.



# USDZAR – Monthly Chart

USDZAR Monthly Candle Chart



**Trend: Bear Cycle - The M/T downtrend remains intact**

**Key price points:**

- Support:**
- **16.0308** - trendline support drawn from the Feb '18 low
  - **15.9301** - 61.8% retracement of the Jun 2021 - Apr 2025 bull cycle

- Resistance:**
- **16.7760** - 50-day EMA (Value on Jan 19)
  - **17.4606** - 50-month EMA

**Observation:**

- The trend is **bearish**.
- The medium-term downtrend in USDZAR remains intact.
  - Price is approaching a potentially key trendline support - at 16.0308. The trendline is drawn from the Feb 2018 low.
  - A clear break of this line would strengthen the bear theme.
  - This would open 15.9031 initially, the 61.8% Fibonacci retracement of the Jun 2021 - Apr 2025 bull cycle.
  - First key M/T resistance is at 17.4606, the 50-month EMA.

**Opportunities/Threats:**

- **Gold-backed** – The rip higher in gold and precious metals prices across 2025 has propped ZAR and helped reverse a small part of the multi-year rally.
- **Supply-side Reform** – Energy policy will be in focus across H1 with new electricity pricing policy due. A shift to cheaper prices is expected now that capacity constraints have (largely) eased. This, combined with more equitable energy grid access, should support growth and industry later in 2026 and, in turn, the currency.
- **SARB** – Rates markets favour easier policy later this year, but stickier inflation, particularly with a lower CPI target, could stall rate cuts.

USDCNH Daily Candle Chart



- The current trend direction remains down.
- Moving average studies are in a bear-mode position, highlighting a dominant downtrend.
- 6.9713, the Sep 26 '24 low and a key support has been pierced.
- A clear break of this level would reinforce the bear theme.
- Note that the trend is oversold and the development of bullish divergence between price and momentum highlights the possibility or risk of a corrective recovery to unwind this oversold set-up.
- If one occurs, this would bring into focus resistance around the 50-day EMA.

6.9713 key support - Sep 26 '24

Bullish divergence between price and mom

## Trend: Clearly Defined Bearish Sequence

### Key price points:

#### Resistance:

- 7.0200 - 50-day EMA (current value Jan 19)
- 7.0851 - Low Sep 17

#### Support:

- 6.9713 - Low Sep 26 '24 (pierced)
- 6.8701 - 76.4% Fibonacci retracement of the Jan 16 '23 - Apr 8 '25 bull leg

### Observation:

- The current trend direction remains down.
- Moving average studies are in a bear-mode position, highlighting a dominant downtrend.
- 6.9713, the Sep 26 '24 low and a key support has been pierced.
- A clear break of this level would reinforce the bear theme.
- Note that the trend is oversold and the development of bullish divergence between price and momentum highlights the possibility or risk of a corrective recovery to unwind this oversold set-up.
- If one occurs, this would bring into focus resistance around the 50-day EMA.

### Opportunities/Threats:

- **Lunar New Year** – Authorities commonly use fixing strategies to manage liquidity headed into the extended holiday period in February. Recent weeks have seen PBOC act to slow the pullback in the rate.
- **Monetary Policy** – Several PBoC members have talked up the likely use of RRR and interest rate cuts in 2026. The magnitude and activist approach on policy will help determine market trajectory in H1.