

Indices fall, EURUSD tumbles as rising yields return

Good morning Traders,

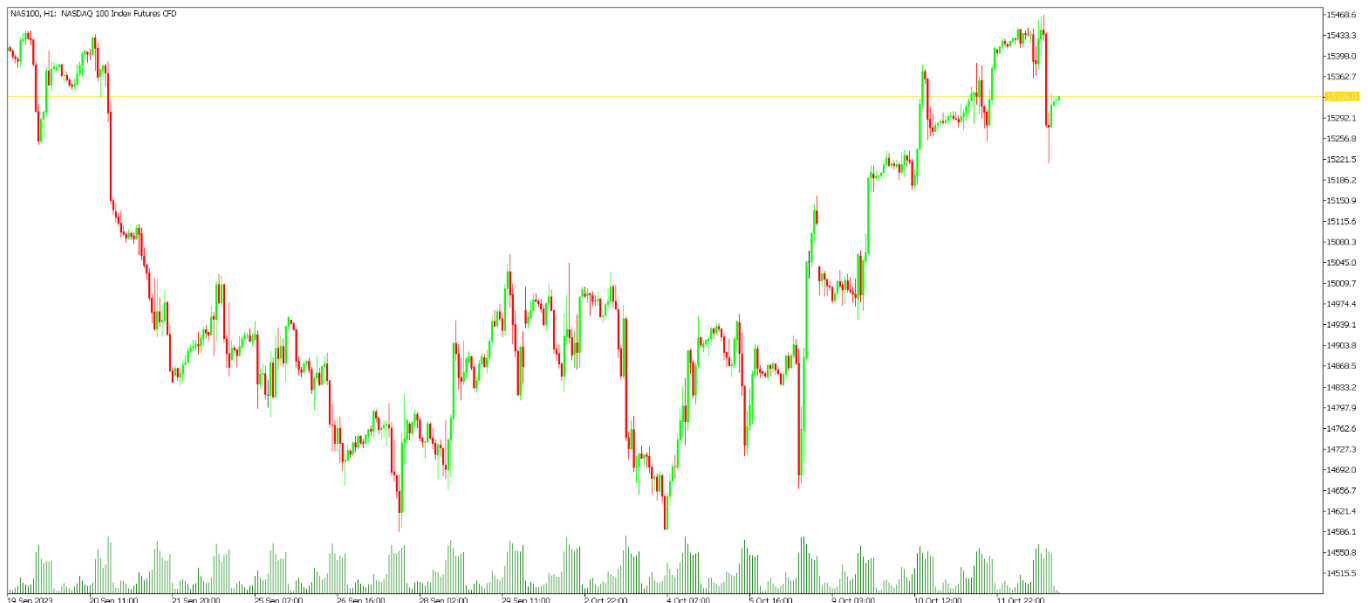
U.S. benchmark 10-year yields rose and hit a session high after US inflation data. The magnitude of the move higher in rates caused a significant downward pressure in equities across Wall Street.

The Consumer Price Index (CPI) rose 0.4% in September, slightly above the market consensus of 0.3%. However, combined with the wholesale inflation data from Wednesday, it added evidence to the narrative of higher interest rates for a longer period. As a result, the Dow Jones Industrial Average fell 0.6%, 173 points, Nasdaq fell 0.6% and the S&P 500 fell 0.6%. The NAS100 slips after three days consecutive rise.

On the technical side the NAS100 future still travels in the uptrend tunnel, reaching its resistance level of 15326. It may continue its bullish direction before it reverses back to its bearish direction to reach the August low level of 14653.



NAS100 D1



NAS100 H1

The strengthening US dollar following US inflation data leads Euro vulnerability and a sharp reversal in EURUSD. The pair has enjoyed four consecutive days gain from 1.05167 from Monday and reached 1.06392 weekly high last night before tumbling back to the weekly opening level.

On the technical side the EURUSD has touched its key dynamic resistance of 1.0520, which marks the upper limit of a downward channel. It may continue its previous bearish direction towards the next support level of 1.0500. If it falls below 1.0490 the pair may travel towards the October low of 1.0455.



EURUSD H4



EURUSD D1

What is your take and how are you going to trade?

Happy trading!

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