Givtrade

Pre-U.S. Market

Tuesday, August 18, 2026

Market Review

Major stock indexes ended lower on Monday. The S&P 500 and the Nasdaq 100 closed lower by -0.46% and -0.23% respectively. However, the Dow Industrial Average decreased by -0.48%. The US Dollar Index (DXY), which tracks the Greenback against a basket of currencies, builds on the overnight goodish rebound from the 99.30 area, or the lowest level since June 5, and gains some follow-through traction on Tuesday. The intraday move up lifts the index to a fresh daily high, around the 99.70 region, during the early European session, though it lacks bullish conviction amid the uncertainty over the US Federal Reserve's (Fed) policy path. Soft US inflation and weak consumer spending data released last week undermined prospects for imminent interest rate hikes by the US central bank. Investors, however, remain worried about inflation risks stemming from higher energy prices, which might force the Fed to adopt a more hawkish stance. Hence, Wednesday's release of FOMC Minutes will be scrutinized closely for more cues about the interest rate trajectory, which, in turn, will play a key role in influencing the near-term trajectory for the DXY. Analysts at OCBC note that "oil, yields and geopolitics are keeping markets on edge," but argue that "reduced Fed tightening expectations should keep the USD rangebound and preserve support for carry trades." They add that this week's key focus will be the release of the July FOMC minutes, with markets expected to "look for greater clarity on policymakers' inflation views and the extent of support for keeping rates unchanged, beyond the three regional Fed presidents reportedly favoring higher rates."

US consumer price inflation has come in as expected in July. After a remarkably benign June report, headline prices rose 0.1% month-on-month in July while core CPI (ex-food and energy) rose 0.2% MoM. This brings the year-on-year rate of inflation down to 3.4% from 3.5% for headline while core inflation is now running at 2.5% versus 2.6% previously. In terms of 3M annualized core inflation, we are now down to just 1.6%, which, after the poor jobs report last Friday, should leave the Fed hawks less confident on the need for a rate hike, but we do have another job and inflation print plus the annual Jackson Hole symposium before the next FOMC meeting on 16 September. This will limit the scope for significant market reaction today. In terms of the details, gasoline prices fell 2.9% MoM while shelter was subdued at just 0.1% MoM with food (+0.1%), apparel (+0.1%) and new vehicles (+0.1%) and other goods & services (+0.1%) all very well-behaved.

The Producer Price Index for final demand was unchanged in July, the Bureau of Labor Statistics reported Thursday, as a drop in goods prices offset a modest rise in services. On an unadjusted basis, wholesale prices rose 4.7% over the 12 months ended in July, the BLS said. Goods prices fell 0.7% for the month, driven by a 3.1% decline in energy costs, including a 5.7% slide in gasoline prices. Food prices dropped 0.9%. Services prices rose 0.2%, led by a 6.5% surge in the portfolio management index. Construction prices advanced 2.2%. Excluding food and energy, core PPI rose 0.2% in July, according to CNBC. That came in below a 0.3% consensus estimate. Core PPI excluding trade services increased 0.4%, and the 12-month unadjusted rate for that measure also came in at 4.7%, according to the BLS. July's flat monthly reading undershot the 0.2% consensus forecast, and came after a revised 0.1% dip in June; that June figure had initially been reported as a 0.3% decline.

China's economic momentum has weakened noticeably in the opening months of the second half of 2026, with July data pointing to persistent weakness in domestic demand. Industrial production grew 4.5% year-on-year, down from 5.3% in June and below expectations, while retail sales increased only 0.6%, well short of forecasts and the previous month's 1.0% growth. Fixed-asset investment also deteriorated, falling 6.7% in the first seven months of the year, while the prolonged property-market downturn continues to weigh on household confidence, investment and consumption. This weakness follows a slowdown in Q2 GDP growth to 4.3%, its weakest pace in more than three years. However, the economy remains uneven, as strong exports—particularly technology and AI-related products—continue to provide an important source of growth despite subdued domestic activity. Overall, the latest figures reinforce concerns that China's recovery is becoming increasingly dependent on exports and policy support, increasing pressure on Beijing to introduce measures aimed at stimulating consumption, investment and the struggling property sector.

As the new week begins, the economic calendar is very light the whole week, with no releases scheduled for today or tomorrow. Attention turns to Wednesday, with the release of FOMC Meeting Minutes. Beyond economic data, investors will continue to closely monitor the ongoing corporate earnings season, with several major companies across the Nasdaq 100, Dow Jones, and S&P 500 scheduled to report their results.

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DXY.F

US Dollar Index

Market Price: 99.624 **Daily Pivot: 99.397**

Daily Expected Range:

95.463 97.247 101.526 103.745

Technical View:

The major trend is Bullish.

On the H1 chart, the USD Index is hovering around 99.624. A sustainable break above 101.526 will lead to higher levels reaching 103.745. Yet, A break back below 97.247 will lead to lower levels reaching the 95.463 area.

Comments:

The US Dollar Index (DXY) rebounds toward 99.70, extending its recovery from the 99.30 area, its lowest level since June 5, although the move higher lacks strong bullish conviction.

Recent soft US inflation and consumer spending data continue to weigh on the Dollar, reducing expectations for an imminent Federal Reserve rate hike.

Higher oil prices are complicating the Fed's policy outlook, as a prolonged energy shock could reignite inflation and encourage policymakers to maintain a more hawkish stance.

The upcoming FOMC Minutes will be a key catalyst for the Dollar, with investors looking for clues about policymakers' inflation concerns and the degree of support for keeping interest rates unchanged.

Oil prices, Treasury yields and geopolitical tensions remain the main drivers of the USD, creating a mixed fundamental backdrop that could keep the Dollar range-bound in the near term.

The US-Iran standoff is supporting safe-haven demand for the Greenback, while uncertainty surrounding the Strait of Hormuz continues to push crude oil prices higher.

President Trump's decision not to seek an extension of the US-Iran memorandum adds to geopolitical uncertainty, while his comments regarding potential US control of the Strait of Hormuz further increase market concerns over energy supply disruptions.

The Dollar could retain near-term support if oil prices and geopolitical tensions continue to rise, despite reduced expectations for Fed tightening, as investors seek the safety of the US currency.

EURUSD

Euro

Market Price: 1.15761

Daily Pivot: 1.16144

Daily Expected Range:

1.04873 | 1.09752 | 1.23823 | 1.30648

Technical View:

The major trend is Bullish.

On the H1 chart, the Euro is hovering around the 1.15761 area; a sustainable break above the key level 1.23823 will lead to the 1.30648 area. Yet, a sustainable break back below 1.09752 will lead to the 1.04873 level.

Comments:

EUR/USD retreats toward 1.1575, snapping a three-day winning streak as renewed geopolitical tensions increase demand for the safe-haven US Dollar.

The Strait of Hormuz remains a key source of market uncertainty, after UKMTO reported that a vessel was struck by an unknown projectile while transiting the strategically important waterway.

US-Iran negotiations remain deadlocked, with President Trump indicating that Washington is not seeking to renew the expiring agreement, while Tehran insists that the US must remove its blockade before progress can be made.

Escalating Middle East tensions could continue to support the Greenback, creating a near-term headwind for EUR/USD as investors favor defensive assets.

However, the downside for EUR/USD may be limited by reduced Fed rate-hike expectations, following softer US inflation and consumer spending data that have weakened the case for an immediate September rate increase.

The Euro could also find support from expectations of tighter ECB policy, particularly if Eurozone inflation remains elevated and markets continue to price a less accommodative stance from the European Central Bank.

Higher oil prices represent a risk for the Eurozone economy, as the region is heavily dependent on imported energy, meaning a prolonged disruption around the Strait of Hormuz could increase inflation while simultaneously weighing on economic growth.

USDJPY
Japanese Yen
Market Price: 159.698

Daily Pivot: 159.268

Daily Expected Range:

155.846

157.623

161.483

163.354

Technical View:

The major trend is Bullish.

On the H1 chart, the USDJPY is hovering around the 159.698 level; A sustainable break above 161.483 will lead to the 163.354 area. Yet, a break below the 157.623 level will lead to the 155.846 level.

Comments:

USD/JPY climbs toward 159.75, extending its gains for a second consecutive session and approaching the psychologically important 160.00 level, which markets view as a potential intervention threshold for Japanese authorities.
The Japanese Yen is being pressured by renewed risk-off sentiment, as investors become increasingly concerned about a fresh escalation in Middle East tensions following the expiration of the US-Iran memorandum.
Rising geopolitical tensions are supporting the safe-haven US Dollar, while the threat of further military escalation is weighing on risk appetite and undermining demand for the Yen.
US-Iran relations have deteriorated further, with Washington issuing stronger threats while Iranian authorities signal a shift toward a more offensive military posture.
Weak Japanese economic data is also weighing on the Yen, with Q2 GDP growth slowing to 0.3% from 0.5%, below expectations and raising questions about the pace of future Bank of Japan tightening.
The softer Japanese growth outlook could delay further BoJ rate hikes, reducing one of the key fundamental supports for the JPY against the USD.
UOB maintains a bullish bias toward USD/JPY, noting that the underlying tone remains firm, although the bank expects near-term trading to remain relatively contained within the 158.00–160.20 range.

GBPUSD
British Pound
Market Price: 1.35294 Daily Pivot: 1.35537

Daily Expected Range:

1.31345 1.33484 1.37587 1.39678

Technical View:

The major trend is Bullish.

On the H1 chart, the Pound is hovering around the 1.35294 level; a break above 1.37587 will lead us to 1.39678. Yet, a sustainable a break under 1.33484 will lead to lower levels reaching 1.31345.

Comments:

GBP/USD retreats toward 1.3520, extending its reversal after being rejected around the 1.3570 area as renewed geopolitical tensions boost demand for the US Dollar.
UK unemployment remained unchanged at 4.9%, missing expectations for an improvement to 4.8%, while employment growth slowed significantly to 83K from 147K previously.
UK wage growth accelerated, with Average Earnings Excluding Bonus rising 3.5% year-on-year from 3.4%, suggesting that persistent wage pressures could continue to complicate the Bank of England's inflation outlook.
The weaker UK labor-market picture limits support for the Pound, as slower employment growth could strengthen expectations for a more cautious BoE monetary-policy stance.
Geopolitical tensions are supporting the US Dollar, with the expiration of the US-Iran memorandum and increasingly aggressive rhetoric from both sides triggering a broader risk-off move.
The USD's upside remains constrained by weaker US economic data, which has reduced expectations for further Federal Reserve tightening and prevented a stronger Dollar rally.
US fiscal concerns are also weighing on the Greenback, with a steepening Treasury yield curve reflecting growing investor concerns over the US fiscal outlook.
Scotiabank maintains a near-term bearish view on the USD, arguing that reduced Fed tightening expectations and the steeper yield curve could push the DXY toward the 97.5–98.5 area.

AUDUSD
Australian Dollar
Market Price: 0.71039

Daily Pivot: 0.71245

Daily Expected Range:

0.67348 | 0.69235 | 0.73463 | 0.75565

Technical View:

The major trend is Bullish.

On the H1 chart, the Aussie is hovering around the 0.71039 level; a break above 0.73463 will lead to higher levels reaching 0.75565. Yet, a sustainable break under 0.69235 will lead to further losses reaching 0.67348.

Comments:

AUD/USD turns lower toward the 0.7100 level, reversing its earlier Asian-session gains as the US Dollar strengthens and investors await a clearer directional break.
The USD is recovering from a two-month low, supported by concerns that rising oil prices could reignite inflation and keep the Federal Reserve's rate-hike option open.
Renewed US-Iran tensions are supporting safe-haven demand for the Greenback, creating additional downside pressure on the risk-sensitive Australian Dollar.
Oil prices have climbed to a two-week high, following escalating tensions around the Strait of Hormuz and increased Houthi activity in the region, raising concerns over global energy supplies.
Higher energy prices could complicate the Fed's disinflation progress, potentially forcing policymakers to maintain a more hawkish stance and limiting AUD/USD upside.
The FOMC Minutes due Wednesday are the key near-term catalyst, with investors looking for clues about policymakers' views on inflation and the likelihood of future rate adjustments.
The RBA's relatively hawkish stance provides an important counterweight to USD strength, helping limit the downside for AUD/USD.
Governor Michelle Bullock emphasized that another RBA rate increase remains possible, noting that policymakers had actively considered both holding and raising rates at the latest meeting.
A sustained break below 0.7100 could signal further downside, while continued RBA hawkishness and a softer Fed outlook could help the pair regain its upward momentum.

USDCAD
Canadian Dollar
Market Price: 1.38655

Daily Pivot: 1.38450

Daily Expected Range:

1.34267 1.36613 1.40578 1.42719

Technical View:

The major trend is Bullish.

On the H1 chart, the USDCAD is hovering around the 1.38655 level; a break above 1.40578 will lead to higher levels reaching 1.42719. Yet, a sustainable break below 1.36613 will lead to the 1.34267 level.

Comments:

USD/CAD extends its decline for a fourth consecutive session, trading around 1.3870 as the Canadian Dollar benefits from stronger crude oil prices.
WTI crude remains elevated near $84.10 per barrel, while Brent has climbed toward $91.85, its highest level in more than three weeks, as US-Iran tensions keep the geopolitical risk premium elevated.
Dimming prospects for a US-Iran agreement are supporting oil prices, after President Trump indicated that Washington is not interested in extending the interim peace agreement that expired on Monday.
The Strait of Hormuz remains the key risk for energy markets, with prolonged disruption potentially keeping crude prices elevated and providing further support to the commodity-linked CAD.
Higher oil prices are creating downward pressure on USD/CAD, as stronger energy revenues and improved terms of trade generally benefit the Canadian Dollar.
The US Dollar is receiving some safe-haven support from geopolitical uncertainty, limiting the extent of the pair's decline despite the stronger CAD.
However, fading Federal Reserve rate-hike expectations are weighing on the Greenback, following softer US employment and inflation data.
Markets now price only a 36.6% probability of a Fed rate hike at the upcoming meeting, down sharply from 48.4% one week earlier, reducing the yield advantage supporting the USD.
The outlook for USD/CAD therefore remains tilted lower, with sustained strength in crude oil and further deterioration in US rate expectations potentially opening the door to additional declines.

USOIL
WTI Crude Oil
Market Price: 86.040 Daily Pivot: 83.852

Daily Expected Range:

76.356 80.738 92.472 96.632

Technical View:

The major trend is Bullish.

On the H1 chart, the US Oil is hovering around the86.040 level; a sustainable break above 92.472 level will lead to the 96.632 level. While a break below 80.738 will lead to the 76.356 level.

Comments:

WTI crude trades around $84.00 per barrel, remaining elevated as markets assess the latest developments surrounding the US-Iran conflict and the future of the Strait of Hormuz.
Oil prices are being supported by the collapse of the US-Iran interim agreement, with both sides ruling out an extension of the memorandum that expired on Monday.
President Trump's comments regarding US control of the Strait of Hormuz are increasing supply-disruption concerns, particularly given the waterway's importance to global energy flows.
Iran has warned that tensions could escalate further, with officials signaling that Tehran is prepared to take difficult actions in the Strait of Hormuz and the wider region if negotiations fail.
The lack of progress in US-Iran negotiations keeps a significant geopolitical risk premium embedded in crude prices, limiting downside pressure on WTI despite uncertainty over global demand.
The upcoming API weekly inventory report is the next key catalyst for WTI, with traders looking for confirmation of whether US crude inventories are tightening or building.
A larger-than-expected inventory draw could push WTI higher, signaling stronger demand and tighter domestic supply, while a significant inventory build would likely weigh on crude prices.
WTI therefore remains caught between opposing forces, with geopolitical supply risks supporting prices while potential inventory builds and demand concerns could limit further gains.
A sustained break above the $85.00 level could strengthen WTI's bullish momentum, particularly if geopolitical tensions intensify or the API report shows a significant inventory draw, while failure to hold the $84 area could encourage a deeper pullback.

XAUUSD
Gold
Market Price: 4399.89

Daily Pivot: 4348.27

Daily Expected Range:

4197.31 | 4290.97 | 4503.10 | 4599.51

Technical View:

The major trend is Bullish.

On the H1 chart, the Gold is hovering around the 4399.89 level; a sustainable break above 4503.10 will lead to gains reaching 4599.51. While a break below 4290.97 will lead to the 4197.31 level.

Comments:

Gold (XAU/USD) trades below $4,400, extending modest losses and potentially snapping its two-day winning streak as the US Dollar strengthens.
The US Dollar is recovering from a two-month low, supported by renewed concerns that higher oil prices could reignite inflation and increase the likelihood of at least one Fed rate hike in 2026.
Higher energy prices are creating a headwind for Gold, as renewed inflationary pressure could keep US Treasury yields elevated and reduce the appeal of the non-yielding precious metal.
Geopolitical tensions remain elevated following the expiration of the US-Iran memorandum, with President Trump ruling out an extension and demanding that Iran surrender to end the conflict.
The Strait of Hormuz remains a major source of uncertainty for energy markets, with Trump again proposing US control over the strategic waterway and warning Oman against obstructing efforts to reopen it.
Houthi attacks are adding another layer of supply-chain risk, after the group targeted a Saudi military landing ship and accompanying patrol boats near Mokha, potentially threatening shipping through the Bab al-Mandeb Strait.
Crude oil prices have climbed to a two-week high, as risks to shipping through both Hormuz and Bab al-Mandeb raise concerns over global energy supplies and reinforce the geopolitical risk premium.
Markets remain concerned that sustained energy-price increases could complicate the Fed's inflation outlook, supporting expectations for relatively high interest rates and Treasury yields.

DJIA
Dow Jones Industrial Average Index

Market Price: 53382.00 **Daily Pivot: 53762.84**

Daily Expected Range:

51947.05 | 52647.14 | 54163.34 | 54855.08

Technical View:

The major trend is Bullish.

On the H1 chart, the Dow is hovering around the 53382.00 level; a sustainable break above the 54163.34 level will lead to the 54855.08 area. However, a close below 52647.14 can lead to further losses reaching 51947.05.

Comments:

The Dow Jones Industrial Average trades around 53,550, down roughly 200 points and approximately 1,200 points below its August 5 record high, reflecting renewed risk-off sentiment.
The market is reacting to the expiration of the 60-day negotiating window over the Strait of Hormuz, with no extension or replacement agreement announced and no direct US-Iran talks currently underway.
Geopolitical tensions are escalating as the deadline expires, with an Iranian official warning that Tehran could shift from a defensive to an offensive posture if diplomacy fails.
Traffic through the Strait of Hormuz remains severely disrupted, with only three vessels crossing on Sunday versus a five-day average of 12 and roughly 130 vessels per day before the conflict.
Crude oil prices are gaining as supply-disruption risks increase, with WTI trading near $83 and Brent above $88, reinforcing concerns about renewed inflationary pressure.
Higher oil prices could create additional pressure on US equities, particularly if persistent energy costs force investors to reassess expectations for Federal Reserve monetary policy.
US refiners are benefiting from the disruption in global energy markets, with Valero, Marathon Petroleum and Phillips 66 trading near record or multi-year highs as refining margins surge.
The strength in refiners reflects exceptionally high diesel margins and constrained global refining capacity, with Ukrainian attacks disrupting Russian refineries while Gulf supply remains restricted by the Hormuz chokepoint.

DAX
Dax Performance Index
Market Price: 26201.35

Daily Pivot: 26527.34

Daily Expected Range:

25240.51 25737.95 26772.09 27256.44

Technical View:

The major trend is Bullish.

On the H1 chart, the Dax is hovering around the 26201.35 level. A sustainable break above 26772.09 will lead to the 27256.44 level. While a break back below 25737.95 will lead to the 25240.51 level.

Comments:

The DAX is trading around 26,258, down from Monday's close near 26,339 and roughly 200 points below its recent record high of 26,454, indicating some profit-taking near record levels.
European equities are facing renewed selling pressure, with German DAX futures down around 0.5% in early trading as escalating Middle East tensions weigh on global risk appetite.
The deterioration in US-Iran diplomatic relations is a major headwind for the DAX, as Iran signals a potentially more aggressive military stance following the failure to extend the temporary ceasefire.
Higher oil prices are adding pressure to European equities, with Brent crude rising toward $92 per barrel and WTI reaching around $85.50 as fears of prolonged disruption through the Strait of Hormuz intensify.
Germany's export-oriented economy is particularly sensitive to higher energy costs, meaning a prolonged oil shock could squeeze corporate margins while simultaneously increasing inflationary pressures across the Eurozone.
Rising global bond yields are another source of pressure, as investors reassess the inflation outlook. The US 30-year Treasury yield has climbed above 5.3%, while higher borrowing costs can weigh on equity valuations globally.
Despite the short-term pressure, the DAX remains close to record territory, supported by resilient corporate earnings and relatively favorable investor sentiment that helped the index reach its record high last week.