



# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** collapsed into the Friday close as traders reacted negatively to the news that China had responded to President Trump's Liberation Day tariffs with retaliatory measures on US imports (**see below**), escalating the trade war. Stock indices and commodities fell heavily, while the dollar bounced from weekly lows.

## STEP 1: WHERE DID MARKETS END LAST WEEK AND WHY?

Friday news: China announces tariffs against US, sending markets deeper into risk off mode

- **Bloomberg reported:** China will impose a 34% tariff on all imports from the US starting April 10, matching the level of President Trump's reciprocal tariffs on Chinese products. (**Hong Kong 50 TA Update Page 3**).
- This move continues the trade war escalation between the world's 2 biggest economies and increased trader fears for a global recession.



**US Stock indices** registered their biggest two day falls since March 2020 as traders positioned for the possibility that an extended trade war could lead to a US recession, which could drastically impact corporate earnings. The S&P 500 plunged 6.2% on Friday to close at 5,097 (-9% on week), its lowest level since April 2024. The Nasdaq 100 dropped 6.4% to finish at 17,487 (-9.5% on week), which officially saw it enter a bear market, 20% from its all time high of 22,449 seen on December 16th 2024.

**European Indices** also fell heavily on Friday as economic growth concerns for the region increased. The Germany 40 dropped 6.3% to close at 20,532, which was a fall of 9.6% on week and a 15 month low. The UK 100 slipped 5.6% to end at 7,994 (-7.5% on week), while the Europe 50 fell 5.7% on Friday to finish at 4,760 (-9.6% on week).

**The US Dollar Index** hit a 7 month low of 100.97 on Thursday after President Trump's tariff announcement but rebounded strongly on Friday to close at 102.68 (-1% on week). EURUSD rallied to a high of 1.1143 on Thursday but fell back to close the week at 1.0943 (+1% on week), while GBPUSD jumped to a 7 month high of 1.3205 on Thursday before reversing to close on Friday at 1.2872, which was a weekly fall of 0.4%. (**Page 4 GBPUSD TA Update**).





Oil TA Update:

Last week’s sell-off has broken support at 65.26 (Sep 10th low) and the risk now could be for further declines. This opens potential of moves to the next support at 58.72 (mid-Apr’21 low), even 57.62 (Apr’21 monthly extreme).

To the upside, breaks of resistance at 65.06 (38% retrace last week’s sell-off) may be needed to see further price strength towards 66.47 (50% retrace), even 67.83 (higher 62% level).



**In commodities,** Oil collapsed to a 4 year low of 60.52 on Friday before recovering slightly to close at 62.30, which was still a 10% fall on the week, as traders digested a weaker demand outlook and a surprise OPEC+ production increase. **(Above Oil TA Update)**. Gold hit a new all time high at 3,167 but couldn’t sustain the move, eventually closing at 3037 (-1.5% on week). Silver (-13%) and Copper (-14%) prices slumped on the week as risk aversion gripped markets.

STEP 2:

LOOKING FORWARD TO THE WEEK AHEAD

- Time Zone Key:
- BST -5 = New York
  - BST = London
  - BST +1 = Frankfurt
  - BST +10 = Sydney

All times are **British Standard Time (BST)**. Please use the key above to adjust to your appropriate time zone. **Key Earnings next week in table below.**

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	7.4	8.4	9.4	10.4	11.4
BEFORE OPEN		RPM Tilray Brands	Delta Airlines	Tesco CarMax	BNY Mellon JPMorgan Wells Fargo Morgan Stanley Blackrock
AFTER CLOSE	Levi Strauss		Constellation Brands		





## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Wednesday: 0300 BST NZD RBNZ Interest Rate Decision.** New Zealand's economy has started to emerge from its recession boosted by three aggressive 50bps (0.5%) rate cuts in a row from the RBNZ. While a smaller rate cut is a possibility at this meeting, expectations are for the central bank to remain unchanged which could have an impact on the direction of NZDUSD.

**1900 BST USD Fed Meeting Minutes (March).** While Fed Chairman Powell has been clear in recent weeks about why the US central bank has decided to keep interest rates unchanged, this release could still contain information on inflation, the economy or future rate outlook that moves US stock indices or the dollar.

**Thursday: 0230 BST China Inflation Data (CPI).** Recent data releases have suggested that the economy is responding positively to fresh stimulus added by Chinese authorities. This CPI release will provide traders with an update on whether consumers are happy to spend, which is something the government has been trying to encourage in 2025. This release could have implications for the direction of the China A50 and Hong Kong 50. **(Below Hong Kong 50 TA Update).**



### Hong Kong 50 TA Update:

The latest price weakness has tested support at 22563 (38% retrace Jan/Mar upside) which held to see a bounce into Friday's close. However, it looks as if breaks above resistance at 23002 (Friday's high) are required to open up potential to test 23479 (38% retrace Mar/Apr decline) possibly even 23698 (Bollinger mid-average) again.

Closes below support at 22563 would be a further negative to expose potential to test 21825 (50% retrace).

**1000 BST AUD RBA Governor Bullock Speech.** After the Australian central bank kept interest rates unchanged last week, AUDUSD and ASX 200 traders will be listening for any further commentary on whether a rate cut in May is still a possibility now that President Trump has unleashed his newest series of trade tariffs.

**1330 BST USD Inflation Data (CPI).** Traders are very focused on the direction of US inflation right now. This is because it directly impacts the ability of the Federal Reserve to cut interest rates to support an economy that is facing some downside pressure from President Trump's tariff policies, federal government job cuts and spending curbs. A higher CPI reading could weaken sentiment towards US stock indices, while a lower number may provide some support.





#### GBPUSD TA Update:

Friday's sharp sell-off from 1.3205 (April 3rd high) is back to support at 1.2867 (Mar 26th low) which is a focus for next week. Closes below 1.2867 could see further price weakness to 1.2784 (38% retrace Jan/Apr strength), even 1.2652 (50% retracement).

However, while the support at 1.2867 holds, upside can be seen again to challenge resistance at 1.2994 (38% retrace latest sell-off) possibly 1.3076 (higher 62% level).

**Friday: 0700 BST GBP Gross Domestic Product.** Recent retail sales and PMI survey releases have provided a more positive outlook for the UK economy. Traders will be keen to see if this positivity has been picked up in this GDP growth data, with implications for the direction of GBPUSD. **(Above GBPUSD TA Update).**

**Start of US Q1 Earnings Season.** The latest earnings season starts under the shadow of President Trump's latest round of tariffs, which went into effect last week. The major US banks like Wells Fargo, JP Morgan and Morgan Stanley, report on Friday **(see page 2)**. While traders will be comparing actual earnings against expectations, they will also want to hear what the CEOs say about the future outlook for earnings, the US economy and inflation.

**1500 BST USD Preliminary Michigan Consumer Sentiment.** This number has been falling steadily in the first months of 2025 as US consumers concerns increase regarding higher prices and job security. Another weak reading here, alongside an increase in inflation expectations could increase market volatility into the weekend.

## Key levels the Corellian mentors are focused on

#### Gold:

##### Support

- 1: 3029, Bollinger mid-average
- 2: 2999, March 23rd low
- 3: 2946, 38% retrace Dec/Apr

##### Resistance

- 1: 3093, Half last week's sell-off
- 2: 3136, Friday's high
- 3: 3167, Thursday's all-time high

#### Nasdaq 100:

##### Support

- 1: 17412, Friday's low
- 2: 17354, August 5th 2024 low
- 3: 17343, 62% retrace Oct'23/Dec'24

##### Resistance

- 1: 18079, Half Friday's range
- 2: 18613, 38% retrace Mar 25th/Apr
- 3: 18977, Mid-point same move

#### USDJPY:

##### Support

- 1: 144.54, Friday's session low
- 2: 142.96, October 2024 low
- 3: 141.64, September 30th 2024 low

##### Resistance

- 1: 147.12, 38% retrace Mar 27th/Apr
- 2: 147.87, Mid-point same move
- 3: 148.67, 62% retracement



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