

# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** dropped into the Friday close as traders responded negatively to comments from President Trump (**see below**) which threatened fresh trade tariffs on the EU and suggested the on-going trade talks had stalled. Stock indices and the dollar fell, while commodities closed with mixed results.

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

Friday news: President Trump threatens fresh tariffs on EU and Apple, risk sentiment takes a hit

- **Bloomberg:** President Trump threatened a 50% tariff on goods from the EU starting on June 1, saying "our discussions with them are going nowhere".
- He also threatened Apple with a tariff of at least 25% if the tech company does not manufacture iPhones in the US.



**US Stock indices** all closed lower on Friday as traders reduced risk into the long weekend. The S&P 500 dropped 0.7% to close at a two week low of 5,815 (-2.2% on week), dragged down by a 3% fall in Apple stock. The Nasdaq 100 fell 1% to 20,954 (-2.2% on week), while the USA 30 slipped 0.6% to 41,663 (-2.2% on week) and the USA 2000 finished down 0.5% at 2,040 (-3.4% on week). (**Page 3 Nasdaq 100 TA Update**).

**European indices** fell heavily on Friday after President Trump's comments. The Germany 40 fell 1.7% to close at 23,648 (-0.5% on week), while the Europe 50 dropped 1.8% to finish at 5,330 (-1.5% on week) and the France 40 slipped 1.8% to end the week at 7,707 (-2.2% on week). The UK 100 was the stand out performer, finishing flat at 8,742 on Friday, which was a gain of 0.5% on the week.

**The US Dollar Index** fell 0.8% on Friday to finish at 98.99 and register its lowest weekly close since April 2022. EURUSD jumped 0.7% to end at 1.1363 (+1.8% on week), while GBPUSD closed the week at a 27 month high of 1.3535 (+1.9% on week). USDJPY dropped 2.1% on the week to finish Friday at 142.50, which was a one month low. (**Page 4 USDJPY TA Update**).





#### Natural Gas TA Update:

Last week's recovery rally has so far failed below resistance at 3.555 (62% retracement May weakness), which suggests there is potential to retest support at 3.098 (May 19th low), possibly 2.945 (April 22nd extreme) if this gives way.

To the upside, closing breaks above 3.555 are required to open up moves towards 3.834 (May 12th high) retests.



**In commodities,** Natural Gas experienced a volatile week, trading at a low of 3.098 on Monday and a high of 3.51 on Wednesday, before settling down to close at 3.309 on Friday, which was a small weekly gain of 0.6%. **(Above Natural Gas TA Update).** Gold spiked 4.8% on the week to close at 3,357 as traders rushed to safe havens in response to President Trump's tariff threats, while Silver closed at 33.45 (+3.7% on week), and Copper finished at 4.8640 (+6% on week).

## STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

#### Time Zone Key:

BST -5	= New York
BST	= London
BST +1	= Frankfurt
BST +9	= 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**  
26.5

**TUESDAY**  
27.5

**WEDNESDAY**  
28.5

**THURSDAY**  
29.5

**FRIDAY**  
30.5

**BEFORE  
OPEN**

**Scotiabank**  
AutoZone

**BMO**  
**Macy's**  
Dick's Sporting Goods  
Kingsoft Cloud Hold.

**Canadian Imperial**  
**RBC**  
Foot Locker  
Kohl's  
Li Auto

Canopy Growth

**AFTER  
CLOSE**

Okta

Salesforce  
Sentinel One  
**C3.ai**  
**NVIDIA**  
HP

Zscaler  
NetApp  
Ambarella  
Dell Technologies  
**Costco**



## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Tuesday: 1500 BST USD Consumer Confidence.** Some US earnings updates have started to indicate that weaker sentiment and economic uncertainty are negatively impacting spending. Traders will be looking to see whether this reading shows any signs of improvement, with implications for US stock indices.

**Wednesday: 0230 BST AUD Monthly Inflation Data (CPI).** RBA Governor Bullock indicated last week that the Australian central bank were possibly more open to further rate cuts than anticipated by traders, so the outcome of this release could impact the direction of AUDUSD and the ASX 200, depending on how far it deviates from expectations.

**0300 BST RBNZ Interest Rate Decision, 0400 BST RBNZ Press Conference.** The New Zealand central bank has suggested that the potential fallout from trade tariffs could negatively impact the country's economy, so expectations are that they may cut interest rates again at this meeting, with implications for the direction of NZDUSD in the week ahead.

**1900 BST Fed Meeting Minutes (May).** While Fed Chairman Powell has been clear that US interest rates are currently on hold until more data indicating the impact of tariffs on inflation and the economy are received, the detail in these minutes may still generate headlines that could move US stock indices and the dollar.



### Nasdaq 100 TA Update:

A price setback was seen last week but this drop was held on a closing basis by support at 20853 (38% retracement May strength). While this level remains intact the potential is for price strength to resume back to 21561 (May 20th high), even 22318 (February 18th high).

Closes below the support at 20853 suggest a deeper sell-off towards 20410 (62% retracement).

**NVIDIA Earnings (After the Close).** This is an important earnings update from the second biggest company in the world. Traders will not only be focused on whether earnings beat expectations, but will also be looking for updates on the potential impact of Trump's trade tariffs on future revenue, competition, and chip deals with the Middle East. These earnings could generate volatility in all US indices in the week ahead. **(Above Nasdaq 100 TA Update).**

**Thursday: 1330 BST USD GDP (2nd Estimate).** The direction of US economic growth is important to traders, so this release could generate some market moving headlines towards the end of the week.





#### USDJPY TA Update:

Last week saw closing breaks under support provided by the Bollinger mid-average (currently 145.00), exposing risks for a more extended decline. The next support is at 142.35 (May 6th low), then if this gives way on a closing basis, 141.92 (April 29th low).

To the upside, breaks above 144.83 (38% retracement May decline) reopens potential for a move higher to test resistance at 146.34 (62% level).

**Friday: 0030 BST JPY Tokyo Inflation Data (CPI), 0050 BST JPY Retail Sales.** With traders focused on the path of Japanese inflation and concerns about economic growth, these 2 updates could impact the direction of USDJPY and the Japan 225 if they deviate from expectations. **(Above USDJPY TA Update).**

**1330 BST CAD Q1 GDP.** The on-going trade war with the US has negatively impacted the Canadian economy and forced the central bank to aggressively cut interest rates. Traders will be looking to see if these cuts are supporting a positive recovery or more may be required, which could impact the direction of USDCAD.

**1330 BST USD PCE Index, Personal Income and Spending.** This is the Fed's preferred gauge of inflation and traders across all markets will be eagerly awaiting this release to determine if US inflation is still moderating or the impact of President Trump's tariffs are starting to push up prices again. The outcome of this release could impact all markets into the weekend.

## Key levels the Corellian mentors are focused on

#### Oil:

##### Support

- 1: 60.06, May 15th low
- 2: 59.78, 50% retracement
- 3: 58.78, 62% retracement

##### Resistance

- 1: 62.31, Half last week's sell-off
- 2: 64.12, Last week's high
- 3: 64.84, April 23rd high

#### Germany 40:

##### Support

- 1: 23470, Bollinger mid-average
- 2: 22789, May monthly low
- 3: 22260, 38% retracement

##### Resistance

- 1: 24215, Wednesday's all-time high
- 2: 24512, Upper daily Bollinger band
- 3: 25327, 38% Fibonacci extension

#### EURUSD:

##### Support

- 1: 1.1250, Bollinger mid-average
- 2: 1.1131, May 17th low
- 3: 1.1058, 62% retracement

##### Resistance

- 1: 1.1380, May 6th high
- 2: 1.1424, April 28th high
- 3: 1.1572, April monthly high



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