



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment fluctuated into the Friday close as traders reacted to comments from President Trump that accused China of violating their tariff agreement with the US but later also stated that he expected to Chinese President Xi. The dollar rose slightly, while stock indices and commodities both closed with mixed results.

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

Friday data: Fed's preferred inflation gauge registers smallest annual advance in 4 years

- **US Core PCE Index (April) (Year on Year):**
+2.5% versus +2.5% expected.
Final Michigan Consumer Sentiment (May):
52.2 versus 51 expected.
- Fed policymakers are still likely to keep rates unchanged while they await more clarity on the impact of tariffs on inflation and the economy.



US Stock indices experienced a volatile days trading on Friday, but at the close, still registered their best performance for the month of May since 1990. The S&P 500, which had traded as low as 5,853 at one point on Friday, rallied into the close to finish down just 0.2% at 5,913 (+1.7% on week). The Nasdaq 100 followed a similar pattern, recovering from an early fall to 21,072 to finish down 0.2% at 21,367 (+2% on week), while the USA 30 ended flat at 42,277 (+1.5% on week). **(Page 4 USA 30 TA Update).**

European indices closed the week with mixed results. The UK 100 jumped 0.7% to end at 8,801 and register its highest weekly close since March (+0.6% on week). The Germany 40 finished up 0.2% at 24,057 (+1.8% on week), while the Europe 50 dropped 0.2% to close at 5,368 (+0.7% on week), and the France 50 fell 0.3% to end at 7,749 (+4% on week).

The US Dollar Index, which had briefly traded to a 2 week high at 100.40 on Thursday, closed the week with a 0.2% gain at 99.36. EURUSD recovered strongly from a fall to 1.1209 on Thursday to finish the week at 1.1356 (-0.1% on week) as traders squared positions in advance of the ECB rate decision in the week ahead. **(Page 3 EURUSD TA Update).**



Cocoa TA Update:

The latest price weakness has tested support at 9041 (62% retracement April 10th to May 21st strength) which has prompted a recovery. While the support holds, potential is for fresh upside to test resistance at 9907 (38% retracement), and if this gives way, on to 10179 (50% mid-point), even 10439 (62% retracement).

Closes below the support at 9041 suggest further price weakness towards 8378 (May 1st low).



In commodities, Cocoa experienced a volatile period of trading, slipping to a 2 week low of 9,040 on Thursday before unwinding all of the week's losses with a rally of 7.2% on Friday to close back at 9,750 **(Above Cocoa TA Update)**. Gold finished a choppy week of trading with a fall of 0.9% on Friday to close at 3,288 and lock in a 2.1% fall on the week, while Silver dropped 1% on Friday to end at 32.97 (-1.5% 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

2.6

TUESDAY
3.6

WEDNESDAY
4.6

THURSDAY

5.6

FRIDAY

6.6

Campbell's

Pennon
 Donaldson
 Dollar General
 NIO

Remy Cointreau
Dollar Tree
Thor Industries
Sprinklr

CIENA
Toro

**BEFORE
OPEN**

AFTER CLOSE

CrowdStrike
Asana
Hewlett Packard

ChargePoint Mongodb PVH

Petco Health
Docusign
Lululemon Athletica
Broadcom

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 1500 BST USD ISM Manufacturing PMI. An important survey update on the health of US manufacturing activity. Any reading below 50 = economic contraction, while above 50 = economic expansion. Traders will be focused on whether tariff concerns are continuing to undermine sentiment and manufacturing activity or if the recent 90 day pause has helped see an improvement from previous low levels.

Tuesday: 1000 BST EUR Preliminary Inflation Data (HICP). This update could impact the direction of EURUSD and European indices depending on how far it deviates from expectations. Traders are expecting the ECB to cut rates 25bps (0.25%) on Thursday, so anything contradicting that could increase volatility. **(Below EURUSD TA Update).**



EURUSD TA Update:

Last week's sell-off was supported by the Bollinger mid-average at 1.1259 and while this holds on a closing basis, risks point to another challenge of the resistance at 1.1418/24 (April 28th and May 26th highs). Closing breaks of this resistance could see retests of the April 21st high at 1.1572.

To the downside, closes under the Bollinger mid-average at 1.1259 point to further price weakness, towards 1.1065 (May 12th low).

1500 BST USD JOLTs Job Openings. It's the start of a new month and that means traders are bombarded with a series of new updates on the current health of the US labour market, which includes this reading, US Private Sector Payrolls (1315 BST Wednesday), Initial Jobless Claims (1330 BST Thursday) and US Non-farm Payrolls (1330 Friday). All of which could impact the direction of US stock indices.

Wednesday: 0230 BST AUD Q1 GDP. The direction of economic growth in the Australian economy will be crucial to the RBA's decision making on whether to cut interest rates again at their next meeting at the start of July, ensuring this update could impact AUDUSD and the ASX 200 in the week ahead.

1445 BST CAD BoC Interest Rate Decision, 1530 BST BoC Press Conference. The Canadian central bank held interest rates unchanged at their last meeting to gain more clarity on the direction of inflation and growth in the country. However, with the economy and employment under pressure, this meeting could be a closer call than many traders expect, with implications for the direction of USDCAD.



USA 30 TA Update:

While support offered by the rising Bollinger mid-average (currently at 42025) holds any future price weakness the potential is to test resistance at 42965/43146 (May 20th and March 26th highs). Closing breaks of this area would be a positive and could open tests of 44116 (March 3rd high).

Closes below the support at 42025 suggest risks for a deeper sell-off to 41233 (May 25th low).

1500 BST USD ISM Services PMI. Service activity is currently the main driver of US economic growth, meaning the outcome of this release is likely to impact sentiment towards US stock indices, depending on whether it remains above 50 in economic expansion territory, or falls back towards, or even below 50 into contraction. **(Above USA 30 TA Update).**

Thursday: 1315 BST EUR ECB Interest Rate Decision, 1345 BST ECB Press Conference. Market expectations are for the ECB to cut interest rates by 25bps (0.25%) again at this meeting, so anything else would be a surprise. Traders will also be eagerly awaiting the comments from Madame Lagarde in the press conference regarding inflation, Eurozone growth and progress on a trade deal with the US.

Friday: 1330 BST USD Non-farm Payrolls. A big release for traders to consider at the end of a busy week. The focus is likely to be the unemployment rate (currently 4.2%) and the average hourly earnings data, which could impact future Fed interest rate decisions. This release could increase volatility across all markets into the weekend.

Key levels the Corellian mentors are focused on

AUDUSD:

Support

- 1: 0.6387, May 17th low
- 2: 0.6356, May monthly low
- 3: 0.6300, 38% retracement

Resistance

- 1: 0.6460, Thursday's high
- 2: 0.6497, Upper daily Bollinger band
- 3: 0.6537, May monthly high

Germany 40:

Support

- 1: 23826, Bollinger mid-average
- 2: 23309, May 23rd low
- 3: 22780, May monthly low

Resistance

- 1: 24421, Thursday's all-time high
- 2: 24758, 62% Fibonacci extension
- 3: 25086, 100% Fibonacci extension

Gold:

Support

- 1: 3245, Last week's low
- 2: 3168, 50% retracement
- 3: 3121, May 15th low

Resistance

- 1: 3366, May 25th high
- 2: 3437, May monthly high
- 3: 3500, April 22nd all-time high

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