

# CORELLIAN 2 STEP PROCESS BREAKING DOWN THE WEEK AHEAD

**Risk sentiment** opened the week on a stable footing as traders refrained from taking major positioning decisions to await progress reports on the second round of trade negotiations between US and Chinese negotiators which are due to start in London later today. Stock indices fluctuated near Friday highs, while the dollar drifted lower and commodities experienced mixed results.

## STEP 1: AHEAD OF THE US MARKET OPEN WHERE DID MARKETS START THE WEEK AND WHY?

Monday data: China consumer deflation problem persists for the fourth month in a row

- **China Consumer Price Index (May) (Year on Year):**  
-0.1% versus -0.2% expected.  
**China Producer Price Index (May) (Year on Year):**  
-3.3% versus -3.2% expected.
- Chinese consumers remain reluctant to spend which remains a drag on the economy.



## 0700 BST: CURRENT MARKET STANDINGS

**Asian indices** have experienced mixed results to start the week. The China A50 initially opened with a push to a 1 week high of 13,434 but fell back lower again after the CPI release. **(Page 2 China A50 TA Update)**. The Hong Kong 50 rose 1.1% to a 3 month high of 24,089, while the Japan 225 climbed 0.3% to 38,075 and the ASX 200 gained 0.3% to 8,555.

**European and US indices** moved in tight ranges on the open as traders awaited updates on whether US and China trade teams can reduce tensions regarding the supply of rare earth minerals and advanced technology. The Germany 40 traded between a high of 24,330 and a low of 24,258, while the UK 100 ranged between 8,852 and 8,832.

The S&P 500 traded between a high of 6,015 and a low of 5,992, while the Nasdaq 100 bounced between a high of 21,818 and 21,717.

**Major FX Markets:** The US Dollar index fell 0.2% to 98.93 at the start of the week. EURUSD (+0.2% at 1.1425), GBPUSD (+0.3% at 1.3560), AUDUSD (+0.4% at 0.6514) and USDJPY (-0.4% at 144.27).





## China A50 TA Update:

Last week saw a rally following tests of support at 13080 (38% retrace April 7th to May 14th strength). However, resistance at 13483 (Bollinger mid-average) is still capping this recovery and while this level holds the risks are for closes back under 13239 (half latest rally), which could then see moves down to 13080 again.

To the upside, closes above 13483 may suggest strength towards 13868 (May 14th high).

**In commodities,** Silver opened with a fresh push towards Friday's multi-year high of 36.318 again, rising 0.5% to 36.158. **(Page 4 Silver Ta Update)**. Gold also rallied, climbing 0.3% to trade at 3,320. Platinum gained for the 6th day in a row, spiking 4.3% on the open to a new 4 year high at 1.225.

Oil struggled for direction at the open, falling back from opening levels at 64.84 to around 64.40, while Natural Gas fell 0.8% to 3.752.

## STEP 2: EARNINGS AND EVENTS

### 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	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
	9.6	10.6	11.6	12.6	13.6
BEFORE OPEN	VinFast	J.M. Smucker	Dollarama Chewy	Halma	
AFTER CLOSE		Gitlab	Oracle	Adobe RH	



## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Tuesday: 0130 BST AUDUSD Consumer Confidence.** The Australian central bank (RBA) are likely to factor the outcome of this release into their decision making on whether to cut interest rates again at their next meeting in early July. For this reason this update could impact the direction of AUDUSD and the ASX 200 in the week ahead.

**0700 BST GBP Employment Data.** Traders will probably be focused on the direction of wage growth and unemployment in this release. If wages for the month of May are still remaining stubbornly high and the unemployment rate is holding steady, it may be very difficult for the Bank of England to consider cutting interest rates again at their next meeting, with knock on implications for GBPUSD volatility. **(Below GBPUSD TA Update).**

### GBPUSD TA Update:

Last week saw another new recovery high at 1.3616 (June 5th) maintaining the uptrend pattern in price. This suggests while support at 1.3481 (Bollinger mid-average) remains intact, breaks above 1.3616 are possible to open scope to 1.3643 (February 2022 high) possibly further.

To the downside, closes under the 1.3481 support expose risks back to 1.3439 (38% retracement May 12th to Jun 5th high), even 1.3382 (50% retracement).



**Wednesday: UK Spending Review Announcement.** While the UK economy has showed some resilience at the start of 2025, there are still lingering concerns among investors that it could easily roll over into a recession if the UK government doesn't provide the correct investment to provide a boost to infrastructure, businesses and public confidence. How well these new spending decisions outlined by UK Chancellor Reeves are received by traders could impact the direction of the UK 100 and GBPUSD.

**1330 BST USD Inflation Data (CPI).** The impact of President Trump's trade tariffs on US inflation have seen the Federal Reserve (Fed) adopt a wait and see approach towards interest rates, and have left traders very sensitive to new CPI updates. This means that any deviation in expectations in this release could have a significant impact on the direction of US stock indices and the dollar in the week ahead.

**Thursday: 0700 BST GBP GDP (Month on Month).** The direction of UK economic growth is an important issue for the Bank of England when considering their next move on interest rates. This month on month update could generate some headlines which may impact the direction of GBPUSD and the UK 100.





#### Silver TA Update:

The upside acceleration last week saw closing breaks above resistance at 34.854 (Oct 22nd 2024 high) suggesting potential to higher levels. The next resistance could prove to be 37.474 (February 2012 high).

To the downside, the first support is 34.920 (38% retracement May 29th to June 6th strength) with breaks below this level suggesting risks to 34.477 (50% retracement).

**1330 BST USD Inflation Data (PPI).** This update concerns the direction of US factory gate prices which may get passed onto consumers and importers of US goods. This release has in the past been more volatile than the CPI reading (released a day earlier) and has led to volatile moves for US stock indices, the dollar and commodities. **(Above Silver TA Update).**

**Friday: 1000 BST EUR Industrial Production.** With US/EU trade talks still on-going and trader uncertainty increasing over the direction trade talks between the US/China are moving, this release could impact the direction of European indices in the week ahead, especially if it is weaker than expected.

**1500 BST USD Preliminary Michigan Consumer Sentiment.** Consumer sentiment has seen a brief bounce from the lows recently, but traders will want to know if that trend has continued for another month. This release also provides an update on inflation expectations for the year ahead, which the Fed takes very seriously. For this reason, any surprise readings could impact risk sentiment into the weekend.

## Key Levels for CFDs Corellian mentors are focused on

#### USDJPY:

##### Support

- 1: 142.52, Thursday's low
- 2: 142.11, May 27th low
- 3: 139.88, April 2025 low

##### Resistance

- 1: 145.38, 50% retracement
- 2: 146.27, May 29th high
- 3: 148.64, May 12th high

#### S&P 500:

##### Support

- 1: 5934, Bollinger mid-average
- 2: 5853, Current June low
- 3: 5757, May 25th low

##### Resistance

- 1: 6025, Last week's high
- 2: 6067, February 24th high
- 3: 6166, February 19th all-time high

#### Cocoa:

##### Support

- 1: 10007, Bollinger mid-average
- 2: 9788, 50% retracement
- 3: 9611, 62% retracement

##### Resistance

- 1: 10508, Last week's high
- 2: 10931, May 22nd high
- 3: 11265, May 20th high



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