

CORELLIAN 2 STEP PROCESS BREAKING DOWN THE WEEK AHEAD

Risk sentiment started the week in a rather subdued fashion as traders focused on the heavy election defeat of the Japanese ruling LDP party in Sunday's elections (**see below**) and considered the potential for US trade deals being agreed with key partners before the August 1st deadline. Stock indices traded with mixed results, the dollar dipped, and key commodities rallied.

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

Monday news: Bloomberg: Japan faces trade and political uncertainty after ruling party's defeat

- **Bloomberg:** Japanese PM Shigeru Ishiba said he intended to stay on despite his ruling coalition suffering a historic setback in an upper house election.

USDJPY gap opened 0.7% lower at 147.72 before rebounding slightly. The Japan 225 opened at its lows of 39,629 but then moved higher.



0700 BST: CURRENT MARKET STANDINGS

Asian indices have traded with mixed results. The Japan 225 opened at its lows of 39,629 before reversing higher to trade up 0.3% at 39,815. The China A50 is +0.2% at 13,874, while the Hong Kong 50 is +0.4% at 24,950. The ASX 200 dropped 1.2% to 8,632 as traders rushed to bank profits after its push to new all time highs last week.

European indices edged lower to start the week as traders worried about whether a trade deal between the US/EU can be signed before the August 1st deadline. The Germany 40 fell 0.5% to an early low of 24,267 before recovering to trade down 0.2% at 24,323, while the Europe 50 traded -0.3% at 5,358 and the UK 100 was flat at 8,986.

US indices opened with small gains ahead of some key tech company earnings later in the week (**see page 2**). The S&P 500 rose 0.2% to 6,344, the Nasdaq 100 traded +0.2% at 23,276 and the USA 30 traded +0.1% at 44,586. (**Page 3 Nasdaq 100 TA Update**).

Major FX Markets: The US Dollar Index opened with a 0.3% fall to 97.91 but has since recovered some of its losses to trade -0.1% at 98.08. USDJPY has been the biggest mover, initially falling 0.7% to 147.72 before recovering slightly to trade -0.5% at 148.12. EURUSD 1.1632 (+0.1%), GBPUSD 1.3427 (+0.1%), AUDUSD 0.6512 (Flat) and USDCHF 0.8010 (-0.1%). (**Page 4 EURUSD TA Update**).



Copper TA Update:
After the previous week’s sharp acceleration higher, last week saw a consolidation in price but this is finding support above 5.4306 (50% retracement). While this level is intact the potential is for further price strength to test resistance at 5.8770 (July 8th high) and further if this gives way.

However, closes below support at 5.4306, would suggest room for a deeper decline to 5.3237 (62% retracement).

In commodities, Copper opened with a brief fall to lows of 5.5623 but then climbed up to 1 week highs of 5.639 before settling back to trade +0.2% at 5.6150, as traders focused on the potential of increased demand from China and weighed the likelihood of Trump imposing tariffs on imports. **(Above Copper TA Update).**

Gold rose 0.6% to 3,369, while Silver climbed 0.4% to 38.30 and Platinum increased 0.5% to 1,463. Energy commodities struggled, with Natural Gas falling 5% to 3.3840, and Oil flat at 66.01.

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

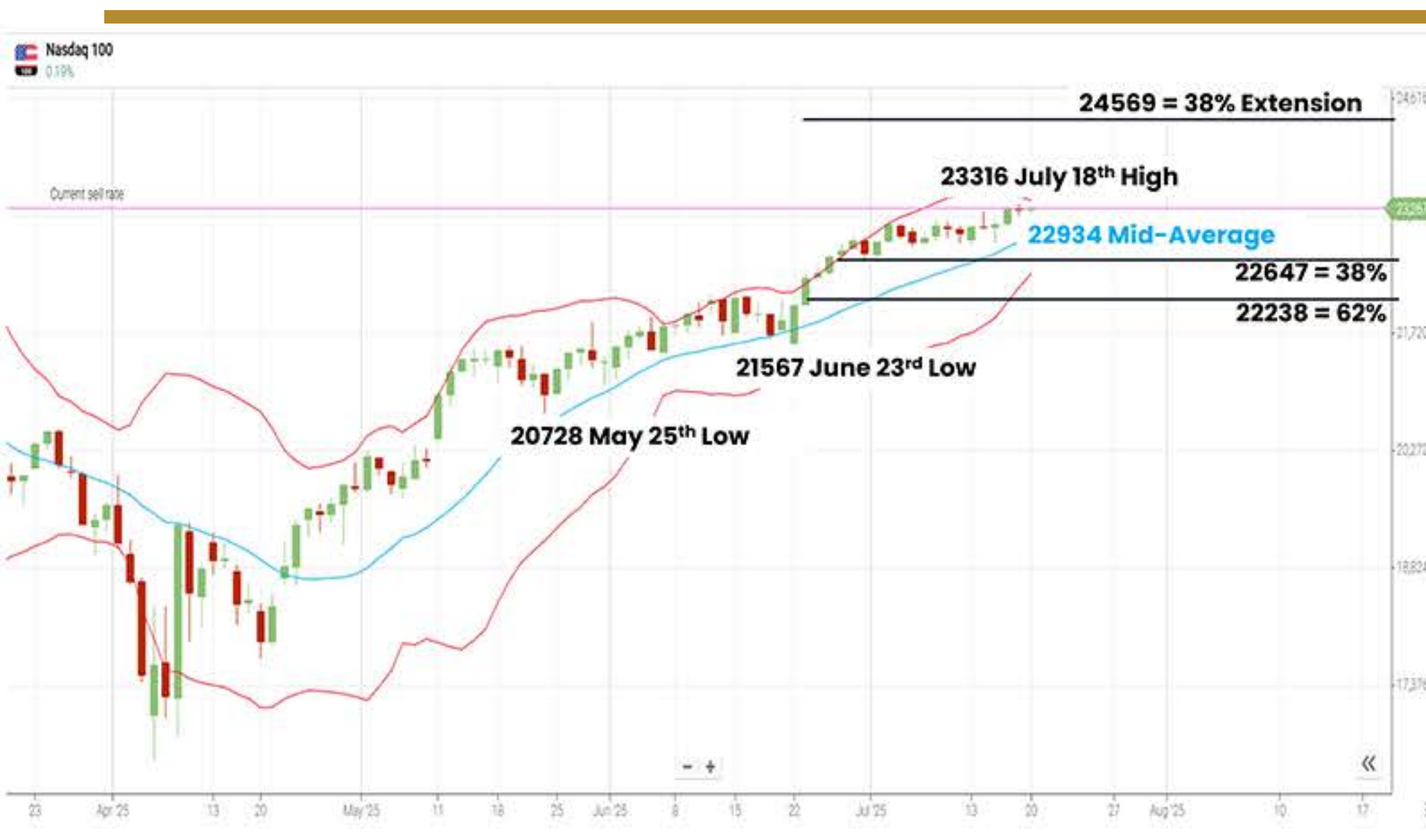
All times are **British Standard Time (BST)**. Please use the key above to adjust to your appropriate time zone. **Key Earnings next week in table below.**

	MONDAY 21.7	TUESDAY 22.7	WEDNESDAY 23.7	THURSDAY 24.7	FRIDAY 25.7
BEFORE OPEN	Roper Technologies Verizon Cleveland-Cliffs	Equifax General Motors Halliburton Coca-Cola IQVIA Holdings	TMO Hilton FCX Northern Trust AT&T	BNP Paribas Lloyds Banking Grp Total Honeywell Textron	NatWest Aon Flagstar Autonation Gentex
AFTER CLOSE	AGNC Investment W.R.Berkley Steel Dynamics Alexandria NXP Semiconductors	ASM Chubb SAP Capital One Baker Hughes	Tesla IBM Alphabet T-Mobile Mattel	Hexcel Newmont Intel Verisign SLM	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0230 BST AUD RBA Meeting Minutes (July). This release could be important for the direction of AUDUSD and the ASX 200 at the start of the week. It will provide extra insight into why the RBA went against trader expectations for a 25bps (0.25%) rate cut and kept interest rates unchanged at their meeting earlier in the month.

1330 BST USD Fed Chairman Powell Speech. Any comments from Chairman Powell on whether the Fed may cut interest rates sooner than anticipated after US inflation (CPI) printed below market expectations for the fifth month in a row last week, alongside his response to questions asking him about the current political pressure he is facing from President Trump and his administration, could impact the direction of US stock indices and the dollar at the start of the week.



Nasdaq 100 TA Update:

Last week saw new all-time price highs posted (23316 July 18th), suggesting the uptrend pattern remains in place. While closes are seen above support at 22934 (mid-average) the potential is to break resistance at 23316 (July 18th all time high) and open the possibility of moves towards 24569 (38% extension).

Closes below support at 22934 suggest a deeper decline to 22647 (38% retracement).

Wednesday: Alphabet and Tesla Q2 Earnings. Traders will be eagerly awaiting the earnings updates from these two big US technology firms which report after the close. Their actual results, alongside future revenue updates, comments on AI and tariffs could have an outsized impact on the direction of US stock indices in the middle of next week due to their high market capitalisation and index weightings. **(Below Nasdaq 100 TA Update).**

Thursday: Preliminary PMI Surveys, AUD, JPY, EUR, GBP, USD. These surveys provide a health check on manufacturing and service activity in the major economies. They have the ability to move both domestic stock indices and FX markets depending on whether the surveys are trending down below 50, indicating economic contraction, or moving higher above 50, which indicates economic expansion. The service PMIs for the US, Eurozone and the UK will probably gain the most attention from traders due to their importance to economic growth.

0405 BST AUD RBA Governor Bullock Speech. AUDUSD and ASX 200 traders will be keen to hear any comments from RBA Governor Bullock on the future direction of interest rates in Australia, the central bank's inflation outlook, any concerns about employment, and the potential impact of trade tariffs on the economy.



EURUSD TA Update:

The latest price weakness has seen breaks below the Bollinger mid-average (currently at 1.1698) which suggests tests of support at 1.1542 (38% retracement) are possible. Closing breaks below 1.1542 would open potential for a deeper decline to 1.1450 (50% retracement), even 1.1358 (62% retracement).

To the upside, closes above 1.1698 opens potential to retest, even break above 1.1829 (July 1st high).

1315 BST EUR ECB Interest Rate Decision, 1345 BST ECB Press Conference. The on-going uncertainty surrounding the likelihood of a trade deal being agreed between the US and EU before the August 1st deadline has traders expecting the ECB will keep interest rates unchanged at this meeting, although it could be a close call. That may mean the comments of Madame Lagarde in the press conference could be what impacts the direction of EURUSD and European indices. **(Above EURUSD TA Update).**

Friday: 0030 BST JPY Tokyo Inflation Data (CPI). With the Bank of Japan deciding on interest rates at the end of July, this inflation update from Japan's biggest city could impact the direction of USDJPY and the Japan 225 at the end of the week depending on how far it deviates from expectations.

0700 BST GBP Retail Sales. GBPUSD and UK 100 traders are concerned that the UK economy is starting to fall into recession and will be sensitive to this release which provides an update on consumer spending during the crucial period at the start to summer.

Key Levels for CFDs Corellian mentors are focused on

USDJPY:

Support

- 1: 146.70, 38% retracement
- 2: 146.35, Bollinger mid-average
- 3: 145.16, 62% retracement

Resistance

- 1: 149.39, 50% retracement
- 2: 150.46, April 2nd high
- 3: 151.20, March 29th high

Germany 40:

Support

- 1: 24173, Bollinger mid-average
- 2: 24015, Last week's low
- 3: 23780, 62% retracement

Resistance

- 1: 24586, Friday's high
- 2: 24747, July 10th all-time high
- 3: 25033, 38% Fibonacci extension

Gold:

Support

- 1: 3310, Last week's low
- 2: 3283, July 9th low
- 3: 3247, June 30th low

Resistance

- 1: 3375, July 14th high
- 2: 3403, June 17th high
- 3: 3452, June 16th high

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