

CORELLIAN 2 STEP PROCESS BREAKING DOWN THE WEEK AHEAD

Risk sentiment has started the week in a stable manner as traders recover from last Friday's sell off and try to work out what comes next regarding global trade, the US economy and interest rate moves from the Federal Reserve. Stock indices have moved higher, the dollar has slipped lower, while commodities fluctuate around opening levels.

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

Sunday news: OPEC+ agrees another production increase for September

- **Bloomberg:** Saudi Arabia and its partners agreed to add 547,000 barrels a day next month. This completes the reversal of a 2.2 million-barrel cutback made by eight members in 2023. **(Page 2 Oil TA Update).**



0700 BST: CURRENT MARKET STANDINGS

Asian indices have edged steadily higher to start the week as traders rebuy the dip following last week's falls. After opening at 24,346 the Hong Kong 50 is now trading 0.7% higher at 24,618, while the China A50 is +0.45% at 13,720 and the Japan 225 is +0.6% at 40,235. Only the ASX 200 is trading flat at 8,618.

European and US indices have opened higher as traders assess the likelihood of Bank of England rate cut on Thursday and the potential for a Federal Reserve reduction at their next meeting in September. The UK 100 has gained 0.5% to trade at 9,100, while the Germany 40 is +0.5% at 23,650 and the Europe 50 is +0.6% at 5,216. **(Page 3 Germany 40 TA Update).**

The S&P 500 opened at 6,251 and moved up to trade +0.4% at 6,290, with the Nasdaq 100 following, trading +0.5% at 22,993 and the USA 30 +0.4% at 43,871.

Major FX Markets: The US Dollar Index resumed its sell off from Friday, trading as low as 98.31 on the open, before recovering slightly to trade -0.3% at 98.62. GBPUSD was flat as traders look ahead to Thursday's Bank of England rate decision, with EURUSD -0.1% at 1.1572, AUDUSD +0.1% at 0.6480 and USDJPY +0.3% at 147.85. **(Page 4 GBPUSD TA Update).**



Oil TA Update:

The latest price strength has so far failed below resistance at 71.05 (50% Fibonacci retracement) and the near term support at 67.25 (Bollinger mid-average) is currently being tested. Daily closing breaks below 67.25 would suggest a deeper decline to 63.98 (June 24th low), even 59.88 (June 1st low) is possible.

Closes above the resistance at 71.05 are needed to open tests of 72.74 (62% retracement).

In commodities, the OPEC+ decision to increase production in September saw the Oil price briefly dip to a low at 66.62 on the Monday open, however the move had been widely expected and prices have recovered to trade +0.1% at 67.38, with traders now focused on the potential of US sanctions on Russian energy. **(Above Oil TA Update).**

Natural Gas dropped to an opening low at 3.018 but has recovered to trade -0.6% at 3.063. Gold opened at a high of 3,368 but has moved back lower to trade -0.2% at 3,355, Silver is +0.35% at 37.16, while Copper is -0.2% at 4.4265.

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 4.8	TUESDAY 5.8	WEDNESDAY 6.8	THURSDAY 7.8	FRIDAY 8.8
BEFORE OPEN	Lowe's IDEXX Laboratories Bruker Tyson Foods ON Semiconductor	Deutsche Post Infineon Diageo Caterpillar Fidelity	ABN AMRO Bayer LGEN McDonald's Walt Disney	LEG Siemens Allianz Merck Eli Lilly	Munich Re Under Armour Canopy Growth Tempus AI AMC Networks
AFTER CLOSE	ONEOK IAC Aecom Vertex Palantir Technologies	AMD Cirrus Logic Lucid Group Amgen Rivian	MetLife Airbnb Royal Gold Zillow Certara	Microchip Petrobras Gilead Twilio FIGS	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0050 BST JPY BoJ Meeting Minutes (July). After last week's Bank of Japan decision to leave interest rates unchanged for another month, traders will be focused on these minutes for further insight into whether a rate hike may be due at their next meeting on September 19th, with implications for the direction of USDJPY and the Japan 225 index.

Weekly US Q2 Earnings Highlights. Corporate bellwether Caterpillar reports on Tuesday (before open), McDonald's and Walt Disney are Wednesday (before open) and pharmaceutical giant Eli Lilly reports on Thursday (before open). US stock traders will be keen to hear the impact of tariffs on current earnings, future revenue and new orders moving into the second half of the year (**see page 2**).

1500 BST USD ISM Services PMI. This is an important forward looking survey that provides a health check on service activity, which is the main driver of growth in the US economy. Any reading below 50 = economic contraction, while above 50 = economic expansion. Now trade tariffs are set traders are sensitive to the impact they may be having on new orders, prices paid and business sentiment. This release could impact the direction of US stock indices and the dollar.



Germany 40 TA Update:

The latest price weakness suggests risks to test support at 23139 (June 19th low) and if this level gives way on a closing basis, it could open potential for tests of 22569 (38% Fibonacci retracement).

To the upside, breaks above 24259 (Bollinger mid-average) are needed to suggest retests of 24740 (July 9th all-time high).

2345 BST NZD Employment Data. The latest CPI update for New Zealand showed inflation accelerated less than expected in the second quarter, shifting the focus for the country's central bank (RBNZ) to employment. A weaker than expected release could increase trader hopes of another rate cut later this year, with a potential impact on NZDUSD prices.

Wednesday: 0700 BST EUR German Factory Orders. This release will provide traders with an insight into the strength of global demand for German exports and could impact the direction of the Germany 40 index which has seen an increase in volatility across the last week. (**Above Germany 40 TA Update**).

Thursday: 0400 BST China Imports, Exports and Trade Balance. There have been signs of improvement in the Chinese economy in recent weeks and China A50 and Hong Kong 50 traders will be keen to see whether these updates show that trend continuing.



GBPUSD TA Update:

The latest price weakness has tested support at 1.3121/39 (62% retracement and May 12th low). A rally in price is developing from this area, but while resistance at 1.3315 (38% retracement) caps the recovery, risks are for further declines and breaks below 1.3121/39, to open moves towards 1.2707 (April 7th low).

Daily closes above 1.3315 would point to tests of the next resistance at 1.3425 (62% retracement).

0700 BST EUR German Industrial Production. An important update for Germany 40 traders to consider given the weight the industrials sector carries in the index. The focus is likely to be on the relative strength of this reading against the previous month now that German companies have 15% trade tariffs to negotiate on exports to the US moving forward.

1200 BST GBP BoE Interest Rate Decision, 1230 BST BoE Press Conference. Expectations are high that the UK central bank will cut interest rates 25bps (0.25%) at this meeting, so anything else could be a surprise. The vote split on the 9 member decision making committee will be important for GBPUSD and UK 100 traders, as will the comments Governor Bailey makes in the press conference regarding future rate cuts, the direction of inflation and economic growth. **(Above GBPUSD TA Update).**

Friday: 1330 BST CAD Employment Data. The Canadian economy and business confidence has been hit hard by US trade tariffs. If unemployment is rising it may mean that despite keeping interest rates unchanged at their meeting last week, the Bank of Canada may need to consider another rate cut, with implications for USDCAD.

Key Levels for CFDs Corellian mentors are focused on

EURUSD:

Support

- 1: 1.1391, Last week's low
- 2: 1.1359, 62% retracement
- 3: 1.1209, May 29th low

Resistance

- 1: 1.1628, Bollinger mid-average
- 2: 1.1788, July 24th high
- 3: 1.1829, July 1st high

UK 100:

Support

- 1: 9035, Bollinger mid-average
- 2: 8949, 50% retracement
- 3: 8896, 62% retracement

Resistance

- 1: 9182, July 31st all-time high
- 2: 9220, 162% Fibonacci extension
- 3: 9301, 200% Fibonacci extension

Gold:

Support

- 1: 3268, Last week's low
- 2: 3247, June 30th low
- 3: 3134, 38% Fibonacci retracement

Resistance

- 1: 3415, Upper daily Bollinger band
- 2: 3439, July 23rd high
- 3: 3452, June 16th high

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