

CORELLIAN 2 STEP PROCESS BREAKING DOWN THE WEEK AHEAD

Risk sentiment has opened the week on a solid footing as traders focus on the potential positives of incoming rate cuts from the Federal Reserve rather than concerns that the US economy may be slowing down. Stock indices have edged higher, while the dollar has fluctuated around opening levels, and commodities have experienced mixed results.

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

Sunday news: OPEC+ agrees to bring next wave of halted production back online

- **Bloomberg:** OPEC+ agreed to return 137,000 barrels a day from October, the first part of a 1.65 million barrels a day tranche of supply that was meant to be held back until the end of next year.

The group will gradually return all or part of the 1.65 million barrels, depending on market conditions.



0700 BST: CURRENT MARKET STANDINGS

Asian indices have started the week with mixed results. The Japan 225 rallied strongly after Japanese PM Ishiba resigned over the weekend (+1.75% at 43,640), while the Hong Kong 50 moved higher boosted by gains in Alibaba and Tencent (+0.4% at 25,495). China A50 14,810 (-0.1%), ASX 200 8,836 (-0.3%).

European indices edged higher while traders awaited the outcome of a no confidence vote on the French PM later in the day. The France 40 traded +0.4% at 7,710, Germany 40 +0.4% at 23,700, the UK 100 +0.2% at 9,240, and the Europe 50 +0.35% at 5,337.

US indices have consolidated near opening levels to start the week. The S&P 500 initially rallied to a high of 6,507 but slipped back to trade +0.1% at 6,495, while the Nasdaq 100, which had reached a high of 23,790 fell back to trade +0.25% at 23,735, and the USA 30 was +0.1% at 45,485 (**Page 4 USA 30 TA Update**).

Major FX Markets: The US Dollar Index traded in a tight range on the open between 97.73 and 97.90. USDJPY spiked 0.8% to a high of 148.57 on the weekend news of the Prime Minister's resignation but then settled back +0.5% at 148.15. EURUSD 1.1715 (flat), GBPUSD 1.3498 (-0.1%), AUDUSD 0.6564 (+0.1%), USDCHF 0.7971 (-0.1%). (**Page 3 EURUSD TA Update**).



Silver TA Update:

While prices remain above support at 39.479 (38% retracement) the potential is to retest 41.444 (September 3rd high). This level giving way on a closing basis would be a further positive to suggest risks to test 41.719 (62% Fibonacci extension), then 43.059 (100% extension).

To the downside, closes under 39.479 could see 38.239 (62% retracement) tested.

In commodities, Silver initially experienced some profit taking on last week’s strong rally. Prices fell from opening levels around 41.05 to a low at 40.52 before moving slightly higher to trade -0.4% at 40.80. **(Above Silver TA Update).** Gold slipped to a low of 3,578 but rebounded strongly, +0.2% at 3,593, with Copper, +0.3% at 4.5660.

Energy commodities surged on the open. Oil jumped 1.9% (63.00) to start the week after OPEC+ production increases agreed over the weekend weren’t as aggressive as first feared. Brent Oil +1.77% at 66.65, Natural Gas +2.6% to 3.125.

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 8.9 | TUESDAY 9.9 | WEDNESDAY 10.9 | THURSDAY 11.9 | FRIDAY 12.9 |
|-------------|---------------|---------------------|-------------------|------------------|----------------|
| BEFORE OPEN | Phoenix Group | | Baloise Chewy | The Kroger Co. | |
| AFTER CLOSE | | Rubis SCA Oracle | | Adobe | |

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: No Confidence Vote in French Prime Minister. This vote has been forced as the French PM wants backing for an unpopular debt reduction plan. Initial expectations are that he will lose the vote which could increase political uncertainty in the country, with knock on implications for European indices and EURUSD to start the week.

Tuesday: 0001 BST GBP BRC Retail Sales. The UK economy needs its consumers to keep spending to help support economic growth and this release will provide an update on the important end of summer period. Any deviation from expectations could impact the direction of GBPUSD and the UK 100.

0130 BST AUD Consumer Confidence. An important update for AUDUSD and ASX 200 traders to consider as the direction of this release can be an early indicator for consumer spending, which has a knock on impact for economic growth and corporate earnings.



EURUSD TA Update:

Prices have consolidated between support at 1.1574 (August 27th low) and resistance at 1.1759 (September 5th high).

A close above 1.1759 would suggest potential for further price strength toward 1.1829 (July 1st high), while a break below 1.1574 would point to the possibility of further weakness to test 1.1391 (August 2nd low).

Wednesday: 0230 BST China Inflation Data (PPI/CPI). With the China A50 and Hong Kong 50 recently trading at 2025 highs, these inflation updates could have an impact on whether the moves extend or run into a wave of profit taking. The CPI reading is likely to be the main focus as Chinese authorities have deployed huge stimulus to increase domestic consumption. The outcome of these releases could determine if more is required.

1330 BST USD Inflation Data (PPI). A higher than expected PPI reading last month saw US stock indices drop over fears that higher producer prices might be passed onto US consumers, a situation that may stop the US central bank from cutting interest rates. This number will be watched closely again for similar reasons.

Thursday: 1315 BST EUR ECB Interest Rate Decision, 1345 BST ECB Press Conference. Traders are expecting the ECB to leave rates unchanged after Eurozone inflation edged above their 2% target last week. This means any EURUSD volatility may come from comments Madame Lagarde makes at the press conference regarding future cuts, economic growth, and issues surrounding high levels of European government debt. **(Above EURUSD TA Update).**



USA 30 TA Update:

While support at 45,305 (Bollinger mid-average) remains intact the potential is to test and even break above resistance at 45838 (August 24th high). Such moves could suggest tests of 46,032 (38% extension), potentially even 46,491 (62% extension).

To the downside, a close below 45,305 may trigger a deeper decline toward 44642 (August 21st low).

1330 BST USD Inflation Data (CPI). This is likely to be the event of the week. Traders are very sensitive to the direction of US inflation as higher tariff related costs for businesses start to be passed on to consumers. Any print above expectations could impact hopes of a rate cut from the Federal Reserve when they meet on September 17th, with implications for the direction of US stock indices and the dollar. **(Above USA 30 TA Update).**

Friday: 0700 BST GBP GDP (MoM). There is a big focus on the UK currently due to its precarious fiscal situation and stubbornly high inflation. The outcome of this monthly growth update could impact the direction of GBPUSD and the UK 100 at the end of the week.

1500 BST USD Preliminary Michigan Consumer Sentiment. This update will provide an insight into how US consumers are feeling towards the current direction of the economy, their jobs, and update traders on any concerns they have about higher inflation. All of which could impact household spending, future economic growth and corporate earnings. This release could increase volatility for US indices and the dollar.

Key Levels for CFDs Corellian mentors are focused on

GBPUSD:

Support

- 1: 1.3445, Half last week's range
- 2: 1.3333, September 3rd low
- 3: 1.3253, August 4th low

Resistance

- 1: 1.3554, Last week's high
- 2: 1.3594, August 14th high
- 3: 1.3681, July 5th high

China A50:

Support

- 1: 14616, Bollinger mid-average
- 2: 14336, 50% retracement
- 3: 14163, 62% retracement

Resistance

- 1: 15061, August 26th high
- 2: 15210, Upper daily Bollinger band
- 3: 16149, October 8th high

Copper:

Support

- 1: 4.5132, 38% retracement
- 2: 4.4064, August 21st low
- 3: 4.3343, July 31st low

Resistance

- 1: 4.6729, Last week's high
- 2: 4.9621, 38% retracement
- 3: 5.1575, 50% retracement

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