

CORELLIAN 2 STEP PROCESS BREAKING DOWN THE WEEK AHEAD

Risk sentiment has moved higher on Monday as traders finish adjusting their portfolios for the end of quarter three, prepare for a busy calendar of events in the week ahead, and ignore the potential risk of a US government shutdown (**see below**). Stock indices rallied and precious metal commodities rallied, while the dollar fell.

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

Sunday news: President Trump to meet Congressional leaders as US shutdown looms

- **Bloomberg:** The top 4 congressional leaders will meet with President Trump at the White House on Monday as the threat of an Oct. 1 government shutdown looms.

The discussions will be the first between Trump and Democratic leaders ahead of the funding deadline.



0700 BST: CURRENT MARKET STANDINGS

Asian indices jumped on the Monday open, led by strong gains in the China A50 (15,295, +2.2%) and Hong Kong 50 (26,730, +2.2%) which benefitted from economic data released on Saturday showing industrial profits climbing for the first time in four months. The ASX 200 also moved higher, trading +1% at 8,905, while the Japan 225 was -0.3% at 44,990.

European and US indices tracked Asian markets higher. The UK 100 was the early outperformer, trading +0.4% at 9,365, a one month high, while the Germany 40 was +0.3% at 23,935, Europe 50 +0.35% at 5,530 and France 40 +0.3% at 7,895.

The S&P 500 opened around its lows at 6,696 and moved steadily higher to trade +0.3% at 6,720 as traders focused on the potential for a further interest rate cut from the Fed in October. The Nasdaq 100 was +0.4% at 24,830, the USA 30 +0.3% at 46,685 and USA 2000 +0.4% at 2,460. **(Page 4 S&P 500 TA Update).**

Major FX Markets: The US Dollar Index continued its decline from Friday, trading -0.2% at 97.60. AUDUSD jumped 0.4% to trade at 0.6570 as traders awaited the outcome of the RBA interest rate decision on Tuesday. EURUSD 1.1722 (+0.2%), GBPUSD 1.3440 (+0.4%), USDJPY 148.80 (-0.5%), USDCHF 0.7960 (-0.2%). **(Page 3 AUDUSD TA Update).**



Gold TA Update:

While Gold prices continue to hold above support at 3717 (September 24th low) the potential is to test and break above resistance at 3882 (62% extension). Successful closing breaks above the 3882 level opens the possibility to test 4027 (100% extension).

To the downside, moves below 3717 could see declines to test support at 3667 (Bollinger mid-average), even 3618 (38% retracement).

In commodities, Gold surged 1.4% to new all time highs of 3,818 on the open boosted by safe haven demand in case the US government were to shut down on October 1st if an agreement on funding can't be reached. **(Above Gold TA Update).** Silver traded +2% at 47.01, Platinum +2.7% at 1,623 and Palladium +1.2% at 1,325.

Oil fell 0.8% to trade at 65.20 as traders focused on the potential for OPEC+ to increase production in November, while Brent Oil traded -0.7% at 68.72 and Natural Gas -0.9% at 3.175.

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
29.9

TUESDAY
30.9

WEDNESDAY
1.10

THURSDAY
2.10

FRIDAY
3.10

**BEFORE
OPEN**

Carnival

Paychex

Acuity
RPM
ConAgra Foods
NovaGold Resources

Tesco

**AFTER
CLOSE**

Jefferies Financial

Nike



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0230 BST China Manufacturing and Non-manufacturing PMI Surveys. These surveys provide important updates on the direction of business activity in the Chinese economy. Below 50 = economic contraction, while above 50 = economic expansion. Traders will be measuring the performance of both readings against expectations and the previous month's prints which came in weaker than anticipated, with implications for the direction of the Hong Kong 50 and China A50.

0530 BST AUD RBA Interest Rate Decision, 0630 BST RBA Press Conference. The RBA are taking a more measured approach to deciding when to cut Australian interest rates and because of this they are expected to remain unchanged at this meeting. If that is the case, comments made by Governor Bullock in the press conference could be what generates increased levels of volatility for AUDUSD and the ASX 200. **(Below AUDUSD TA Update).**



AUDUSD TA Update:

Last week's price recovery was capped by resistance at 0.6627 (September 24th high) and while this level remains intact the risks are for a deeper decline. This can see tests of support at 0.6486 (September 2nd low) and if this breaks, possible moves to 0.6404 (38% retracement).

To the upside, closes above 0.6627 opens potential to test 0.6706 (September 17th high).

0700 BST GBP Q2 GDP (Final). Traders are sensitive to data providing updates on the direction of growth in the UK economy. This reading could have an outsized impact on the direction of GBPUSD and the UK 100 depending on how far it deviates from expectations.

1500 BST USD JOLTs Job Openings. This is the first of 3 updates on the current health of the US labour market, including ADP Private Sector Payrolls (Wed, 13154 BST), and the critical Non-farm payrolls release (Fri, 1330 BST). Any deviation from expectations could influence the direction of US stock indices and the dollar.

Wednesday: 1000 BST EUR Preliminary Inflation Data (HICP). The direction of Eurozone inflation is an important factor for ECB policymakers when considering whether to cut interest rates again at some stage before the end of the year. For that reason any surprise readings, above or below expectations, could increase volatility for EURUSD and European Indices in the middle of the week.

1500 BST USD ISM Manufacturing PMI Survey. A key report on the health of the US manufacturing sector. Traders will be focused on the headline reading, new orders, employment and prices paid, with the potential for any shock prints to influence US indices.



S&P 500 TA Update:

While closes in price stay above the 6625 level (Bollinger mid-average), a test and then break above 6756 (September 22nd all-time high) is possible. A break could open potential for moves towards 7010 (62% extension), possibly higher.

On the downside, a close below the 6625 level opens risks of a pullback in price toward 6569 (38% retracement).

Thursday: 0730 BST CHF Inflation Data (CPI). Crucial data for the Swiss central bank (SNB) to consider as they try to decide how best to support their country's exporters suffering from US tariffs. This update could influence the direction of USDCHF and EURCHF.

Friday: 1330 BST USD Non-farm Payrolls. This is the big event of the week for traders of all markets to consider. The Fed has suggested that further interest rate cuts are more dependent on the health of the labour market than inflation, so the outcome of the payrolls headline, previous month revisions and the direction of the unemployment rate could have an outsized impact on volatility. **(Above S&P 500 TA Update).**

1500 BST USD ISM Services PMI. Service activity has been the main driver of growth in the US economy for many months. Traders will be keen to see whether this print remains in economic expansion (above 50), as it did in the previous month, or whether tariffs, higher prices and concerns over job security are impacting spending behaviour and confidence.

Key Levels for CFDs Corellian mentors are focused on

EURUSD:

Support

- 1: 1.1656, 50% retracement
- 2: 1.1594, 62% retracement
- 3: 1.1574, August 27th low

Resistance

- 1: 1.1750, Bollinger mid-average
- 2: 1.1819, September 23rd high
- 3: 1.1918, September 17th high

Nasdaq 100:

Support

- 1: 24317, Bollinger mid-average
- 2: 23904, 50% retracement
- 3: 23672, 62% retracement

Resistance

- 1: 25026, Last week's high
- 2: 25335, Upper daily Bollinger band
- 3: 25923, 62% extension

Silver:

Support

- 1: 44.438, Half last week's range
- 2: 43.356, 38% retracement
- 3: 42.634, Bollinger mid-average

Resistance

- 1: 47.144, Latest high
- 2: 47.749, 238% extension
- 3: 48.605, 262% extension

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