

CORELLIAN 2 STEP PROCESS BREAKING DOWN THE WEEK AHEAD

Risk sentiment remained upbeat to start the week as traders focused on the announcement on Saturday that pro stimulus candidate Sanae Takaichi was the surprise winner of the leadership contest to become Japan's next prime minister (**see below**). Stock indices, the dollar and precious metal commodities rose.

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

Weekend news: A first female PM for Japan and OPEC+ agree November production increase.

- **Bloomberg:** Sanae Takaichi, the pro-stimulus conservative is poised to become Japan's first female prime minister.
- **OPEC+** agreed to a modest 137k barrels per day increase in its November oil production as Saudi Arabia and Russia overcame a difference in position.



0700 BST: CURRENT MARKET STANDINGS

Asian indices opened the week with a mixed performance. The Japan 225 surged on hopes that the incoming policy decisions of Sane Takaichi will boost corporate earnings. After touching a new record high of 48,580 prices slipped slightly to trade 48,060 (+4.4%). China A50, 15,147 (-0.2%), Hong Kong, 50 27,010 (-0.6%), ASX 200, 9012 (flat).

European indices initially opened higher but then drifted back to opening levels. The UK 100 registered a new record high at 9,548 but edged back lower to trade flat at 9,525. Germany 40, 24,525 (+0.1%), Europe 50, 5,670 (flat), France 40, 8,070 (-0.2%).

US indices all moved higher to start the week. The S&P 500 rose 0.3% to trade at 6,785, while the Nasdaq 100 traded +0.4% at 25,093, the USA 30 +0.2% at 47,120 and the USA 2000 +0.3% at 2,500. (**Page 3 USA 30 TA Update**).

Major FX Markets: The US Dollar Index moved 0.5% higher on the open to trade at 97.83. This up move was driven mainly by a 1.8% spike in USDJPY to 150.18 as traders positioned for the possibility of no more rate hikes in 2025 from the BoJ after Sanae Takaichi was named as Japan's new incoming prime minister. EURUSD 1.1706 (-0.3%), GBPUSD 1.3440 (-0.3%), AUDUSD 0.6603 (flat). (**Page 4 EURUSD TA Update**).



Silver TA Update:

While prices remain above support at 47.200 (half latest strength) the potential is to challenge 49.691 (300% extension). A break above 49.691 on a closing basis could be a further positive to suggest risks of moves towards 50.180 (338% extension).

To the downside, closes below 47.200 could see tests of 45.730 (38% retracement), even 44.846 (50% retracement).

In commodities, Silver started the week with a jump of 1.3% to trade at 48.60, its highest level since April 2011, as traders rushed to buy precious metals as an alternative asset over concerns regarding higher government spending and debt levels. **(Above Silver TA Update)**. Gold spiked 1.4% to trade at a new record high of 3,944.

Oil opened higher on Monday after OPEC+ agreed on Sunday to increase production in November by a smaller amount than feared (137k barrels per day), trading +1.2% at 61.60, with Brent Oil +1.1% at 65.28 and Natural Gas +2.8% at 3.414.

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 6.10	TUESDAY 7.10	WEDNESDAY 8.10	THURSDAY 9.10	FRIDAY 10.10
BEFORE OPEN		McCormick		PepsiCo Delta Air Lines Tilray Brands	Gerresheimer
AFTER CLOSE	Constellation Brands			Aritzia Levi Strauss	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 1800 BST EUR ECB President Lagarde Speech. Any comments Madame Lagarde makes regarding the Eurozone economy, inflation, US tariffs or a potential rate cut in December could impact the direction of EURUSD and European indices to start the week.

1830 BST GBP BoE Governor Bailey Speech. Despite an upward revision to UK Q2 growth last week the outlook for the UK economy remains in doubt due to the impact of US tariffs on global demand and stubbornly high inflation. Any comments Governor Bailey makes regarding these topics or the possibility of a further BoE rate cut in November could impact the direction of GBPUSD and the UK 100.

Tuesday: 0130 BST AUD Consumer Confidence. An important release for AUDUSD and ASX 200 traders to focus on given it's the first data update since the RBA kept interest rates on hold last week and warned that inflation in Q3 may be higher than expected. An upbeat consumer could add to the inflation problem by paying higher prices.



USA 30 TA Update:

While prices remain above support at 46460 (Bollinger mid-average) the potential is to test and ultimately break above 47322 (October 3rd high). Such moves could open tests of 47829 (138% extension), even 48262 (162% extension).

To the downside, a close below 46460 may trigger a deeper decline toward 46096 (September 25th low).

Wednesday: 0200 BST RBNZ Interest Rate Decision. Expectations are for the RBNZ to cut interest rates by 25bps (0.25%) to help support a New Zealand economy suffering from weak growth, however, some economists think they could be more aggressive and cut 50bps (0.5%). This added uncertainty could increase NZDUSD volatility next week.

0700 BST German Industrial Production. In a country so heavily reliant on the performance of its heavy industry to keep the economy moving forward, this release could have an influence on the direction of the Germany 40 index at the start of Q4. Traders will be focused on judging actual performance against expectations and the previous month.

1900 BST USD Fed Meeting Minutes (September). These minutes are likely to be scanned by traders for extra insight into what Fed policymakers are thinking in terms of interest rate moves across the remainder of the year. Any surprises could increase volatility for US indices and the dollar.



EURUSD TA Update:

EURUSD prices have been consolidating between support at 1.1645 (September 25th low) and resistance at 1.1778 (October 1st high).

A close above 1.1778 suggests potential price strength toward 1.1918 (September 17th high), while a close below 1.1645 points to price weakness and possible tests of 1.1574 (August 27th low).

1230 BST ECB Meeting Minutes (September). Current expectations are for the ECB to keep interest rates on hold while they assess incoming growth and inflation data, however EURUSD traders may scan these minutes for any wording that supports the possibility of a rate cut at the ECB's final meeting of the year in December. **(Above EURUSD TA Update).**

Start of US Q3 Earnings Season. The new earnings season starts on Thursday with updates from PepsiCo and Delta Airlines (before open). This is an important reporting quarter for traders to monitor and assess the impact of tariffs and higher prices on company revenue.

Friday: 1330 BST CAD Employment Data. A weak employment update in August led the Bank of Canada to cut interest rates to provide an added boost to an economy showing damage from US tariffs. The outcome of this new release could impact USDCAD.

1500 BST USD Preliminary Michigan Consumer Confidence. Recent updates on the US consumer have shown sentiment falling again due to concerns related to inflation and job security. This new update could impact US indices and the dollar to end the week.

Key Levels for CFDs Corellian mentors are focused on

USDJPY:

Support

- 1: 148.92, 38% retracement
- 2: 148.04, 62% retracement
- 3: 146.58, Last week's low

Resistance

- 1: 150.91, August 2nd high
- 2: 151.20, March 29th high
- 3: 152.36, February 17th high

S&P 500:

Support

- 1: 6736, 38% retracement
- 2: 6693, 62% retracement
- 3: 6685, Bollinger mid-average

Resistance

- 1: 6808, 38% extension
- 2: 6840, 62% extension
- 3: 6889, 100% extension

Brent Oil:

Support

- 1: 63.98, Last week's low
- 2: 63.02, June 1st low
- 3: 62.13, May 30th low

Resistance

- 1: 66.25, 38% retracement
- 2: 66.99, Bollinger mid-average
- 3: 67.67, 62% retracement

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