

CORELLIAN 2 STEP PROCESS BREAKING DOWN THE WEEK AHEAD

Risk sentiment has edged higher to start the week although traders remain cautious over the escalation of trade tensions between the US and China (**see below**), while the on-going US government shutdown and a political crisis in France are also in focus. Stock indices and commodities moved higher, while the dollar fluctuated around opening levels.

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

Weekend news: President Trump opens possibility of a trade deal with China

- **Bloomberg:** President Trump's administration signalled an openness Sunday to a deal with China to quell fresh trade tensions while also warning that recent export controls announced by Beijing were a major barrier to talks.



0700 BST: CURRENT MARKET STANDINGS

Asian indices recovered some of their losses from Friday's sell off but remain under pressure. The China A50, which traded as low as 14,335 on Friday after President Trump announced the threat of new 100% tariffs on China, is trading back at 14,700, while the Hong Kong 50 which fell to 24,963 on Friday is trading around 25,550. The Japan 225 is +1.3% at 46,575 and the ASX 200 is -0.9% at 8,900.

European and US indices have rallied to start the week, unwinding some of their heavy falls from Friday's volatile sell off. The Germany 40 is +0.4% at 24,470, while the Europe 50 is +0.4% at 5,565, and the UK 100 is +0.1% at 9,470.

The S&P 500 jumped 1.3% to trade at 6,680 on Monday as traders responded positively to a more conciliatory tone from President Trump towards China. The Nasdaq 100 rallied 1.8% to 24,825, the USA 30 rose 0.9% to 46,120 and the USA 2000 gained 1.7% at 2,450. (**Page 3 S&P 500 TA Update**).

Major FX Markets: The US Dollar Index dipped 0.1% to 98.63 as currency traders awaited further news before committing to their next move. AUDUSD was the outperformer, jumping 0.8% to 0.6526. EURUSD 1.1620 (flat), GBPUSD 1.3357 (Flat), USDJPY 151.80 (+0.4%). (**Page 4 GBPUSD TA Update**).



Copper TA Update:

Recent price strength has been capped at 5.1504 on a closing basis (50% retracement) triggering a sharp sell-off on Friday. However, while support at 4.8568 (Bollinger mid-average) holds risks remain for renewed tests of 5.1504. A closing break above 5.1504 could open scope toward 5.3426 (62% retracement).

To the downside, closes below 4.8568 may expose further price weakness toward 4.6926.

In commodities, Copper has experienced a volatile open, trading between a high of 5.0896 and a low of 4.9411, before settling down to trade +2% at 4.9905 as traders respond to weekend updates on trade tensions between the US and China. **(Above Copper TA Update).** Gold jumped to new record highs at 4077 (+1.4%), while Silver is also outperforming +3% at 51.60.

Oil prices have also risen to start the week, trading +1.5% at 59.78, with Brent Oil +1.5% at 63.66 and Natural Gas +0.7% at 3.1280.

STEP 2: EARNINGS AND EVENTS

LOOKING FORWARD TO

THE WEEK AHEAD

- Time Zone Key:
- BST -5

= New York
- BST

= London
- BST +1

= Frankfurt
- BST +10

= 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 13.10	TUESDAY 14.10	WEDNESDAY 15.10	THURSDAY 16.10	FRIDAY 17.10
BEFORE OPEN	Fastenal	J&J JP Morgan Wells Fargo Goldman Sachs Citigroup	ASML First Horizon Bank of America Morgan Stanley Abbott	BNY Mellon Snap-On Manpower M&T Bank Charles Schwab	Volvo Regions Financial AMEX State Street HBAN
AFTER CLOSE			United Airlines SL Green Realty J.B.Hunt	CSX	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0130 BST AUD RBA Meeting Minutes (September). The RBA kept interest rates unchanged in September and explained that concerns about higher inflation in Q3 are dominating their current decision making. This means traders will be searching through these minutes for insights into how long they may keep rates on pause, with implications for the direction of AUDUSD and the ASX 200. to start the week.

0700 BST GBP Employment Data. The direction of the unemployment rate and wage growth reading are likely to dominate trader's thoughts, with any deviations from expectations influencing BoE rate cut expectations as well as the direction of GBPUSD.

Weekly Q3 Earnings Highlights. Earnings season gets into full swing with the results and forward guidance from the major US banks. JP Morgan, Wells Fargo, Goldman Sachs and Citigroup report Tuesday (before close), while Bank of America and Morgan Stanley report Wednesday (before open). Their actual earnings, bad debt provisions and outlook for the US economy could set the tone for sentiment towards US indices early in the week. **(Below S&P 500 TA Update).**



S&P 500 TA Update:

A price rally has followed Friday's sharp sell-off, with strength now testing the 6678 to 6728 resistance zone (50%, 62% retracement and mid-average). A break above this band may be needed to reopen upside toward the October 9th high at 6812.

To the downside, a break below support at 6614 (half the latest rally) could signal renewed weakness toward 6462 (62% retracement), possibly further.

1720 BST USD Federal Reserve Chairman Powell Speech. Traders are likely to be extremely sensitive to any comments Chairman Powell makes regarding inflation, the economy and the likelihood of a rate cut in October, especially given the recent US/China tariff tensions.

1800 BST GBP BoE Governor Bailey Speech. The head of the BoE speaks in Washington where he is attending a series of International Monetary Fund (IMF) events that are running all week. Any comments he makes regarding the sustainability of UK government debt, inflation or the economy could impact the direction of GBPUSD and the UK 100.

Wednesday: 0230 BST China Inflation Data (PPI/CPI). The outcome of these inflation readings could have an outsized influence on the direction of the China A50 and Hong Kong 50 indices depending on how much they deviate from expectations. The CPI update could be a more important focus for traders as they search for signs of improvement in the domestic economy.



GBPUSD TA Update:

Currently, resistance at the 1.3441 level (38% retracement) remains intact keeping downside risks in play. A break below support at 1.3261 (October 10th low) could expose tests of 1.3139/41 (May 12th and August 2nd lows).

To the upside, breaks above 1.3441 may open scope toward 1.3495 (50% retracement), even 1.3549 (62% retracement).

Thursday: 0130 BST AUD Employment Data. A key release for the Australian central bank (RBA) to consider as they try and ascertain how strong the country's economy actually is. Any surprises higher or lower than market expectations could have an outsized impact on the direction of AUDUSD and the ASX 200 into the weekend.

0700 BST GBP GDP (MoM). The UK economy finished Q2 stronger than originally expected but initial data readings have indicated that Q3 may have started poorly. This monthly GDP growth reading will add some clarity to the current UK economic outlook, with implications for the direction of GBPUSD and the UK 100. **(Above GBPUSD TA Update).**

1330 BST USD Retail Sales. Traders will be keen to see whether or not falling confidence among US consumers has negatively impacted their spending. If it has it could signal some warning signs for corporate profits into the end of 2025, which could then have a negative impact on the direction of US indices. However, if spending remains robust it could help support further gains for US stocks.

Key Levels for CFDs Corellian mentors are focused on

EURUSD:

Support

- 1: 1.1542, October 9th low
- 2: 1.1527, August 5th low
- 3: 1.1391, August 2nd low

Resistance

- 1: 1.1633, 38% retracement
- 2: 1.1661, 50% mid-point
- 3: 1.1690, 62% retracement

China A50:

Support

- 1: 14582, Half latest rally
- 2: 14335, Last week's low
- 3: 14114, August 20th low

Resistance

- 1: 14835, 50% retracement
- 2: 14949, 62% retracement
- 3: 15059, Bollinger mid-average

Oil:

Support

- 1: 8.20 October 10th low
- 2: 57.72, May 8th low
- 3: 55.37, May 5th low

Resistance

- 1: 60.04, 38% retracement
- 2: 61.10, 62% retracement
- 3: 62.90, Last week's high

Disclaimer:

This presentation has been designed and delivered by The Corellian Academy Limited, company number 11596572 whose registered address is 10 Western road, Romford, Essex RM1 3JT United Kingdom. Corellian (or The Firm) operate under a single title and have no affiliations with any entity other than the company. Information contained in this presentation is intended for the use of the recipient only and is confidential. Any dissemination, distribution, copying or use of this presentation without prior permission of the addressee is strictly prohibited.

Corellian is a provider of educational and information services which are delivered by way of newsletters, research documents, digital videos, webinars, live classroom events and other written products in the field of global financial markets trading. Corellian does not provide financial advice and is not authorised by the Financial Conduct Authority. Corellian does not accept liability for how you choose to engage in financial transactions. All opinions and judgements expressed in this presentation and all projections, forecasts and statements concerning future events or possible results achieved by Corellian are personal opinions, judgements, projections, forecasts, and statements of Corellian and result from the interpretation by Corellian of the information that was in its possession at the date of preparation of this presentation.

Any views and perspectives offered within this presentation are for the purposes of education and information only. Any market analysis, news or information supplied by Bloomberg, CNBC, Reuters or any other third-party provider, is from the public domain and used for educational and informational purposes only and are in no way to be construed as financial or investment advice. Corellian do not provide financial or investment advice and will not be held responsible for any misunderstanding or misuse of such information that results in a negative outcome. As a result, anyone participating in this presentation must form their own independent view as to such opinions, judgements, projections, forecasts, or statements.

The information herein is based on information obtained from sources believed to be reliable, but Corellian does not represent or warrant that it is accurate and complete or that the services herein are appropriate for any person. This presentation is for educational and informational purposes only and is not, and may not, be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer of any security or service. Certain information contained herein constitutes "forward-looking statements," which can be identified using terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue," "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or actual performance of the services offered herein may differ materially from those reflected or contemplated in such forward-looking statements.

As a result, the recipient should not rely on such forward-looking statements in making its decisions to pursue the services or products offered herein. No representation or warranty is made as to future performance or such forward-looking statements. All opinions and judgements expressed in this presentation and all projections, forecasts and statements concerning future events or possible results achieved by Corellian are personal opinions, judgements, projections, forecasts, and statements of Corellian and result from the interpretation by Corellian of the information that was in its possession at the date of preparation of this presentation.

S&P 500: S&P 500 is a trademark of Standard & Poor's Financial Services LLC.

ASX 200: S&P® is a trademark of Standard & Poor's Financial Services LLC. ASX® is a trademark of the Australian Securities Exchange.

USA 30: USA 30 is a trademark of Standard & Poor's Financial Services LLC.