

Corellian 3 Step process to prepare for next week
Step 1: Where did markets end last week and why?

Risk sentiment fell again into Friday's close, after a volatile bear market squeeze the day before. Traders are again focused on US inflation and how far the Fed will go in getting it back under control, after a stronger than expected US CPI print (Thursday).



Friday data: Michigan Consumer Sentiment

Headline sentiment rose 59.8 (58.8 expected).

1 year consumer inflation expectations rose from 4.7% to 5.1%. First rise in 7 months.

5 year consumer inflation expectations rose from 2.7% to 2.9%. This sent risk sentiment back lower Friday.

Stock indices had a volatile final 2 days. The US Tech 100, which had fallen as low as 10484 after Thursday's US CPI release, recovered to 11251 by Friday afternoon, fell 3% again into the close on the Michigan release. Rising borrowing costs are not good news for technology (growth) stocks. **(See below for the US Tech 100 Technical Update).** The USA 30 Wall Street was the only major US index to close up on the week (+1.2%), even with a 400 point Friday fall. **(See page 3 for the USA 30 Wall Street Technical Update).**

Q3 US Earnings season gets into full swing in the week ahead. With Netflix, Tesla and IBM reporting **(Page 2).**



US Tech 100 Index Technical Update:

Rejection of Thursday's new correction lows has failed to see follow through, as selling pressure materialised Friday from below 11341 (Bollinger mid-average).

While this remains intact, potential is for pressure to build on 10485 (Oct 13th low) with closing breaks a trigger to retest 10302 (July 2020 low) possibly further if this gives way.

To the upside, only closes above 11341 point to 11454 (38% retrace Sep/Oct sell-off) even 11745 (higher mid-point).

The USD finished the week higher overall, with the US Dollar Index back above 113 (Closing at 113.18, +0.5%). USDJPY was the strongest G10 performer (+2.2% on the week), registering its highest close (148.62) in 32 years. **(See page 4 for the USDJPY Technical Update).**

In the commodity space fears of a global recession leading to lower demand going forward pushed oil back lower to a close at 85.54 (Down 8% on the week), While a higher USD hit Gold (-3% on week), and Silver (-9% on week).

The US 10 year yield closed above 4% for the first time in 2022. The economic data updates Thursday (CPI) and Friday (Michigan) on US inflation ensured a strong close at 4.02% (Weekly/yearly high 4.07%).



Step 2: What is new, if anything, from the weekend?

<p>Reuters: MOF Suzuki, Japan will act resolutely on forex volatility—Kyodo</p>	<p>Sky News: There were mistakes in mini budget and some taxes will go up</p>	<p>Financial Times: Credit Suisse prepares Swiss business sales to raise capital</p>
<p>Should traders be on intervention watch Monday morning?</p> <p>USDJPY jumped about 1% to a 32 year high at 148.83 Friday as investors remained focused on the policy divergence between the US and Japan.</p> <p>The Kyodo new agency quoted Japan's finance Minister Shunichi Suzuki as saying that it will act resolutely in case of volatility in the currency market.</p>	<p>Will UK PM Truss survive another week, and what next for UK assets?</p> <p>The new chancellor Jeremy Hunt has said there 'were mistakes' in Liz Truss and Kwasi Kwarteng's mini budget, "like cutting the rate of tax paid by the very wealthiest".</p> <p>Mr Hunt, said Saturday, "We won't have the speed of tax cuts we were hoping for and some taxes will go up".</p>	<p>Can the Swiss Bank calm market fears over its capital position?</p> <p>Credit Suisse is preparing to sell parts of its Swiss domestic bank as it attempts to close a capital hole of around CHF 4.5 billion, according to people briefed on the discussions.</p> <p>With less than two weeks until the lender is due to present plans for a radical strategic revamp, executives are also plotting a heavy round of job cuts.</p>

Step 3: Looking forward to the week ahead

Important events are coloured in bold red, all times are British Summer Time (BST)

Please use the key opposite to adjust to your appropriate time zone

Individual Share Update (Some of the key earnings next week in the chart below):

Time Zone Key:	
BST -5	= New York
BST	= London
BST +1	= Frankfurt
BST +8	= Tokyo
BST +9	= Sydney

A packed schedule of US Q3 Earnings.

Monday 17th October	Tuesday 18th October	Wednesday 19th October	Thursday 20th October	Friday 21st October
<p>1130 BNY Mellon 1145 Bank of America</p> <p>Before Market Opens: Charles Schwab</p> <p>After Market Closes:</p>	<p>J&J 1230 State Street 1230 Goldman Sachs</p> <p>Before Market Opens: Lockheed Martin Signature Bank</p> <p>After Market Closes: 2100 Netflix United Airlines</p>	<p>0600 ASML 1200 NASDAQ 1200 Baker Hughes</p> <p>Before Market Opens: Northern Trust P&G</p> <p>After Market Closes: IBM Tesla</p>	<p>1200 AT&T 1200 American Airlines 1230 Webster Financial</p> <p>Before Market Opens: Manpower MMC</p> <p>After Market Closes: Snap 2105 Whirlpool</p>	<p>1200 AMEX 1230 Verizon</p> <p>Before Market Opens: HBAN HCA Healthcare</p> <p>After Market Closes:</p>

Central Bank Meetings, Key Central Bank Speakers and Important Economic Data:

Monday: China National Congress. Traders will be monitoring headlines for any new economic policies, comments on geo-political events, like Taiwan or China's relationship with Russia, and any pushback on recent US initiatives to curb Chinese control of the semi conductor market. **Any updates will impact market sentiment.**

NZD Inflation Data (CPI). The RBNZ were hawkish at their last interest rate meeting, where they hiked 50bps. This release will give a heads up on, what next! **It should move NZD!**

Monday 17th October	Tuesday 18th October	Wednesday 19th October	Thursday 20th October	Friday 21st October
<p>China: 20th National Congress All Week</p> <p>2245 BST NZD Inflation Data (CPI)</p>	<p>0130 BST AUD RBA Meeting Minutes</p> <p>*0300 BST China* Gross Domestic Product, Industrial Production, Unemployment Rate and Retail Sales</p>	<p>*0700 BST GBP* Inflation Data (PPI/CPI)</p> <p>1000 BST EUR Inflation Data (Final HICP)</p> <p>*1330 BST CAD* Inflation Data (PPI/CPI)</p>	<p>*0130 BST AUD* Employment Data</p> <p>*0230 BST China* PBOC Interest Rate Decision</p>	<p>0001 BST GBP Gfk Consumer Confidence</p> <p>*0700 BST GBP* Retail Sales</p>

Tuesday: RBA Meeting Minutes. Expect this to be an interesting read! The RBA were the first major central bank to pull back from aggressive hikes at their last meeting (Only raised 25bps). This release will make their reasoning clear and should impact AUD.

China Gross Domestic product, Industrial Production, Retail Sales and Unemployment. Vital data for the global economic outlook and will be monitored closely. It will have an impact on risk sentiment and for the path of commodities in the week ahead. **(See page 3 for the Oil Technical Update).**



Oil Technical Update:

After a strong rally the previous week, last week saw downside pressure build, a move that closed under 86.03 (38% retrace).

Risks are this reflects deterioration and potential for extension of the longer term downtrend to 82.96 (deeper 62% retrace) even towards 76.24 (Sep 26th low) if this gives way.

To the upside, breaks of 89.70 (Friday's high) are needed to open 94.48 (38% retrace) tests.

Wednesday: GBP Inflation Data (PPI/CPI). A very important release for the BoE who are set to hike interest rates at their next meeting, by as much as 100bps, if the market is to be believed. Inflation is expected to remain high and GBP is very sensitive to news right now. **Watch this space for increased volatility in GBPUSD and EURGBP!**

EUR Inflation Data (HICP). It's a final reading, so no surprises expected, but it may grab market moving headlines.

CAD Inflation Data (PPI/CPI). The BoC and the Fed have been at the forefront of rate hikes. Traders are again worried inflation may not be topping out. Expect this data to impact the thinking of the BoC, and direction of CAD.

USA 30 Wall Street Technical Update:

An impressive recovery having tested 28639 (Oct 3rd low) failed below 30510 (Oct 5th high) confirming this as important resistance next week.

While intact, potential is to retest 29578 (half last week's rally) and on further if this gives way back to 28639.

To the upside, only settlements above 30510 suggest a more extended retracement towards 31262 (62% level).



Thursday: AUD Employment Data. This release is an important input for the RBA as they slowed rate hikes due to weak wages growth. It will have an influence on their decision making and the direction of AUD.

PBOC Interest Rate Decision. While nothing is expected, it's still a must watch. Any action would have an important impact on market sentiment.

Friday: GBP Consumer Confidence. The UK consumer is being hit on all sides and this data may continue to show that. With inflation likely to remain elevated, it is a very difficult issue for the BoE to balance.

GBP Retail Sales. The consumer is integral to UK growth. However, the UK consumer is being hit hard with higher prices and borrowing/mortgage costs and may be pulling back on non-essential spending. What will the UK government do after their recent U turn on tax cuts? This data could ensure a volatile end to the week for GBP.

Chart of the Week: USDJPY, Intervention watch!

With USDJPY closing at 148.62, 30 year highs, on the back of a 2.2% rally on the week, Japanese government officials are already back out talking of taking ‘decisive action’ to stem the speed of the move. **Are they preparing for action Monday?**

USDJPY Technical Update:

A week of acceleration that breached important long term resistance levels on a closing basis.

First was 147.33 (38% Feb’85 to Oct’11 sell-off) followed by 147.61 (Aug’98 failure high) a move that maintains risks for continued strength.

Next main resistance stands at 151.61 (Aug 1990 high) potentially further if this gives way.

To the downside, retracement risks look set to increase if 146.48 (Thursday’s low) is broken.



Below are the key levels in Stocks and G10 FX the Corellian mentors are focused on.

Support	Resistance	Support	Resistance
USA 500: 1 st - 3502, Last week’s low trade 2 nd - 3496, Half Mar’20/Jan’22 3 rd - 3429, Nov 4 th 2020 low	1 st - 3710, Bollinger mid-average 2 nd - 3761, 38% retrace Sep/Oct 3 rd - 3820, Oct 5 th high trade	EURUSD: 1 st - 0.9632, Last week’s low trade 2 nd - 0.9536, Sep 28 th low trade 3 rd - 0.9400, Channel lower limits	1 st - 0.9808, Last week’s high 2 nd - 0.9938, Bollinger upper band 3 rd - 0.9999, Channel upper limits
US Tech 100: 1 st - 10485, Thursday’s low trade 2 nd - 10302, July 2020 extreme 3 rd - 9729, Late June 2020 low	1 st - 11341, Bollinger mid-average 2 nd - 11454, 38% retrace Sep/Oct 3 rd - 11745, Mid-point same move	GBPUSD: 1 st - 1.1086, Bollinger mid-average 2 nd - 1.0924, Mid-point same move 3 rd - 1.0786, Deeper 62% retrace	1 st - 1.1380, Last week’s high trade 2 nd - 1.1495, October monthly high 3 rd - 1.1738, September extreme
USA 30 Wallstreet: 1 st - 29578, Half last week’s rally 2 nd - 28639, September low 3 rd - 28324, Mid-Nov’20 low	1 st - 30510, Oct 5 th last high trade 2 nd - 30727, Mid-point Sep/Oct 3 rd - 31262, Higher 62% retrace	USDJPY: 1 st - 146.48, Thursday’s low 2 nd - 145.65, 38% retrace Aug/Oct 3 rd - 144.66, Mid-point same move	1 st - 148.86, Last week’s high trade 2 nd - 150.00, Psychological number 3 rd - 151.66, Aug 1990 extreme
Germany 40: 1 st - 12011, Last week’s low trade 2 nd - 11827, Oct 4 th extreme 3 rd - 11495, Nov’20 monthly low	1 st - 12702, Mid-point Sep/Oct 2 nd - 12845, Bollinger upper band 3 rd - 12904, Higher 62% retrace	AUDUSD: 1 st - 0.6170, Last weeks low trade 2 nd - 0.5981, Late-Mar’20 extreme 3 rd - 0.5701, Mid-Mar’20 low	1 st - 0.6360, Half Oct sell-off 2 nd - 0.6431, Bollinger mid-average 3 rd - 0.6547, Oct monthly high
UK 100: 1 st - 6711, Last week’s extreme 2 nd - 6566, March 2021 rally level 3 rd - 6431, Feb 21 st 2021 low	1 st - 7002, Bollinger mid-average 2 nd - 7113, October 6 th high trade 3 rd - 7146, Mid-point Aug/Oct	USDCAD: 1 st - 1.3684, Bollinger mid-average 2 nd - 1.3590, 38% retrace Sep/Oct 3 rd - 1.3496, October low trade	1 st - 1.3977, Last week’s failure high 2 nd - 1.4007, Late May’20 extreme 3 rd - 1.4173, May’20 rejection



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