



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment ended the week on a positive footing after a much stronger than expected Non-farm payrolls report (**See below**) highlighted the resilience of the US economy. Stock indices and the dollar rallied, while commodities fluctuated.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: September US payrolls smash estimates, boosting stock indices

- **Non-farm payrolls:**
+254k versus +140k expected.
- **Unemployment rate:**
4.1% versus 4.2% expected.
- **Average hourly earnings (Year on Year):**
+4% versus +3.8% expected.
- This report supports a soft landing for the US economy and pushes back on the need for bigger Fed rate cuts.



US Stock indices all rose on Friday shaking off concerns about an escalation of geopolitical risks in the Middle East from earlier in the week. The S&P 500 rallied 0.8% to close at 5,795, a gain of 0.3% on the week, while the Nasdaq 100 jumped 1.1% to end at 20,202 (+0.1% on the week). The USA 30 rose 0.8% to finish at 42,635 (+0.1% on the week) and the USA 2000 was the outperformer on Friday, rising 1.4% to close at 2,229 (-0.5% on the week). (**Page 3 Nasdaq 100 TA Update**).

European indices also rallied on Friday but underperformed across the week as the boost from China's stimulus package faded. The Germany 40 jumped 1.1% to close at 19,347 (-1% on the week), the Europe 50 rose 1.3% to 5,003 (-1.4% on the week), while the France 40 spiked 1.4% to 7,595 on Friday but was still down 2.4% on the week.

The US Dollar Index rallied for five straight days in a row supported initially by safe haven demand and then by strong US economic data. It rose 2.2% on the week to close at 102.24, a two month high. USDJPY was the strongest performer, rising 4.5% on the week to finish at 148.77 as traders cut short positions above previous September highs. (**Page 4 USDJPY TA Update**).



Oil TA Update:
An improving backdrop has emerged as upside moves breached immediate resistance points to challenge 74.89 (mid-point Jul/Sep weakness). Closing defense of this level is watched, with confirmed breaks a further positive for a further move to 77.17 (higher 62% level).

To the downside, closes under 73.46 (Friday's low) can see weakness resume back towards 72.07 (38% retrace Oct upside).



In commodities, Oil posted its best week since March 2023 as it rose 8.5% to close at 74.43 as traders rushed to cover short positions over concerns that the Middle East conflict may escalate disrupting supplies from the region. **(Above Oil TA Update)**. Natural Gas fell 2.2% on the week to close at 2.83 after failing to break above its April highs at 3.156.

STEP 2:
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 7.10	TUESDAY 8.10	WEDNESDAY 9.10	THURSDAY 10.10	FRIDAY 11.10
BEFORE OPEN		PepsiCo		Gerresheimer Delta Air Lines Tilray Brands	BNY Mellon Fastenal JP Morgan Well Fargo Blackrock
AFTER CLOSE					

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0130 BST RBA Meeting Minutes. With AUDUSD and the ASX 200 falling back from 2024 range highs last week, traders will be keen to receive this report to see how close the Australian central bank were to raising interest rates at their last interest rate meeting in September.

Wednesday: 0030 BST AUD Consumer Confidence. The Australian consumer is an important part of the economy, so their level of confidence can influence spending decisions which impact future company earnings and the direction of economic growth in the country.

0200 BST RBNZ Interest Rate Decision. NZDUSD has been in a strong uptrend since early August and registered 2024 highs last week. However, the New Zealand economy has been struggling as unemployment continues to rise. The RBNZ are fully expected to cut interest rates again at this meeting but traders are unsure whether it will be 25bps (0.25%) or 50bps (0.5%), meaning there is likely to be an increased chance for NZDUSD volatility next week.

1900 BST Fed Meeting Minutes. After last week's US employment update traders are even more sensitive to what the Federal Reserve is likely to do next regarding interest rates. So this report is likely to generate some headlines which could influence the direction of US stock indices and the dollar next week. **(Below Nasdaq 100 TA Update).**



Nasdaq 100 TA Update:

Last week's correction tested support at 19710/19821 (Bollinger mid-average & 38% Sept upside). While this downside level remains intact, breaks above resistance at 20330 (Tuesday's high) suggest a resumption of upside moves towards 20537 (Sep 26th high), even 20982 (Jul 11th all-time extreme).

Closes under 19710, while not a negative, can see retests of 19445 (mid-point).

Thursday: 1330 BST USD Inflation Data (CPI). This is an important release for all markets given that US inflation needs to continue trending down for the Federal Reserve to keep cutting interest rates at the pace currently expected by traders. A surprise stronger than expected print would be a concern that could see the dollar extend its recent rally from 2024 lows. **(Page 4 USDJPY TA Update).**



USDJPY TA Update:

The latest dollar strength breached 147.20 (Sep 3rd extreme) which marked the last failure high of the bearish trend. With 148.17 (38% retrace Jul/Sep weakness) also giving way, defense of 149.36 (Aug 15th extreme) is now watched with confirmed breaks opening up moves to 150.84 (higher mid-point).

To the downside breaks under 147.46 (half Friday's range) expose potential falls to 145.46 (38% retrace Sep/Oct upside).

Friday: 0700 BST GBP Gross Domestic Product (GDP). The direction of UK economic growth is now impacting GBPUSD and the UK 100 as the Bank of England will find it tough to justify cutting interest rates again while growth remains resilient. Any release deviating from market expectations could impact markets.

US Q3 Earnings Season. The earnings season starts again with the large US banks BNY Mellon, JP Morgan and Wells Fargo reporting on Friday (**See page 2**). Expectations are for another solid performance but traders will want to see the size of bad loan provisions, the outlook for future revenue and how fast the CEO's see the US economy slowing down.

1500 BST Preliminary Michigan Consumer Sentiment. The US consumer has been driving growth in the economy and sentiment has improved in recent months as the Fed have started cutting interest rates. Traders will want to know if this uptrend has continued as it could mean that a soft landing and not a recession is still the most likely scenario for the US economy.

Key levels the Corellian mentors are focused on

Hong Kong 50:

Support

- 1: 21526, Thursday's low
- 2: 20636, 38% retrace Sep/Oct
- 3: 19903, Mid-point same move

Resistance

- 1: 22912, Mid-point
- 2: 24225, Late Feb'22 high
- 3: 24844, Higher 62% retrace

Gold:

Support

- 1: 2625, Last week's low
- 2: 2608, Bollinger mid-average
- 3: 2578, Mid-point September

Resistance

- 1: 2685, September all-time high
- 2: 2695, 238% Fibo extension
- 3: 2803, 262% Fibo extension

Germany 40:

Support

- 1: 19108, 38% retrace Sept
- 2: 18998, Bollinger mid-average
- 3: 18939, Mid-point same move

Resistance

- 1: 19426, Wednesday's high
- 2: 19455, 62% retrace
- 3: 19660, September all-time high

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