

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment remained upbeat into the Friday close as traders took positives from Chinese authorities revealing more details on their stimulus plans to boost capital markets, alongside further signs of resilience in the US economy and a solid start to the US corporate earnings season. Stock indices closed higher, the dollar dipped and precious metals posted strong gains.

STEP 1: WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: UK retail sales rise shrugging off the gloom of potential upcoming tax rises

- **Retail Sales ex fuel (MoM):**
+0.3% versus -0.3% expected
Retail Sales ex fuel (YoY):
+4% versus +3.2% expected
- UK retail sales volumes are now at their highest level for two years which potentially undermines trader hopes of a Bank of England rate cut in November.



US Stock indices posted small gains on Friday. The S&P 500 rose 0.4% to close at 5,907 and register its sixth up week in a row (+1% on the week), led higher by strong gains in Netflix and Apple stock. The Nasdaq 100 rallied 0.6% to finish the week at 20,484 (+0.4% on the week), while the USA 30 closed up 0.1% at 43,535 (+1% on the week), a new all time closing high. **(Page 4 USA 30 TA Update).**

European Indices also rose on Friday boosted by the news from China. The Germany 40 gained 0.4% on Friday to close the week up 1.5% at a new all time high of 19,765, while the Europe 50 jumped 0.7% to 5,004 (-0.2% on the week) and the France 40 rallied 0.4% to 7,635 (+0.4% on the week).

The US Dollar Index dipped 0.3% on Friday to close at 103.29 but still posted a gain of 1% on the week after stronger than expected US retail sales data saw traders scale back their expectations for Fed rate cuts into the end of 2024. EURUSD briefly hit a new three month low at 1.0811 on Thursday after the ECB cut interest rates for the third time in 2024, before rallying to close the week at 1.0864, a fall of 0.6% on the week.



Natural Gas TA Update:

October declines have now breached support at 2.315 (62% retrace Aug/Oct upside). These closing breaks are a fresh negative for Natural Gas prices which now expose 2.124 (Sep 10th low), then 2.018 (Aug 28th extreme).

To the upside, breaks of 2.441 (half last week's range) are needed to open moves back to 2.545 (38% retrace Oct sell-off).



In commodities, Natural Gas fell 14% last week to close at one month lows of 2.248 as traders cut weak long positions after US production managed to remain intact in spite of the recent hurricanes. **(Above Natural Gas TA Update).** Gold rallied 1% on Friday to close at a new all time high of 2,721 (+2.4% on the week), while Silver spiked 6.4% to end the week at 33.75, its highest level since 2013.

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
21.10

TUESDAY
22.10

WEDNESDAY
23.10

THURSDAY
24.10

FRIDAY
25.10

**BEFORE
OPEN**

Icade
Sandvik

General Motors
Verizon
Philip Morris
General Electric
3M

Hilton
Coca-Cola
Boeing
Northern Trust
KBR

Barclays
UPS
S&P Global
DTE Energy
Virtu Financial

Mercedes-Benz
NatWest
Aon
Colgate-Palmolive
Autonation

**AFTER
CLOSE**

SAP
Hexcel
Alexandria
W.R. Berkley
Nucor

Valmont
Texas Inst.
Robert Half
Baker Hughes

Tesla
Graco
Globe Life
IBM
Teradyne

Verisign
Capital One
Western Digital
Skechers
HIG

Vale

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 0215 BST PBOC Interest Rate Decision. It is unclear whether the PBOC will be ready to act again at this meeting coming only a month after they cut rates as part of China's biggest ever stimulus package to boost the economy, particularly the housing market. Traders will still be wary of further action from the Chinese central bank and any move could have a direct impact on the direction of the China A50 and Hong Kong 50 indices and key commodities.

Wednesday: 1445 BST BoC Interest Rate Decision, 1530 BST BoC Press Conference. After a weaker than expected CPI reading last week took Canadian inflation below the central bank's 2% target for the first time since February 2021, trader expectations have shifted towards the possibility of a jumbo 50bps (0.5%) rate cut from the Bank of Canada at this meeting. Whatever the outcome USDCAD, which touched 2 month highs above 1.38 last week is likely to experience an increase in volatility. **(Below USDCAD TA Update).**



USDCAD TA Update:

Upside themes continue to be seen and while trades develop above 1.3746 (last week's low) the risks are for breaks of resistance at 1.3838 (Oct 15th high). This would be a fresh positive to open scope to 1.3945 (Aug 5th extreme).

Breaks back below 1.3746 while not an outright negative, can see retests of 1.3678 (38% retrace Sep/Oct upside).

Start of Magnificent 7 Earnings Reporting. Its a big two week period for the big US technology companies with **Tesla (Wednesday)** and **Amazon (Thursday)** both reporting their results after the close, then the following week Microsoft, Meta, Alphabet and Apple all due to report. Earnings expectations are still high for these companies so there is room for disappointment, especially around the delivery and viability of Tesla's new cheaper EV car alternatives and performance of Amazon's cloud services division.

CNN Presidential Town Hall with Kamala Harris. Kamala Harris will want to try and wrestle back some momentum in this discussion as the US Presidential election is only two weeks away and Donald Trump is roaring back in the polls and surging in key swings states. Traders should be prepared for headlines from both candidates and fresh polling data to start to raise volatility across all markets moving forward. **(Page 4 USA 30 TA Update).**



USA 30 TA Update:

New all-time highs are being posted, maintaining bullish themes. While closes are seen above 43004 (38% retrace Oct upside) the risks are to extend the uptrend to challenge resistance at 43658 (162% Fibonacci extension of Jul/Aug weakness).

Falls back below 43004, while not an outright negative, can see a deeper sell-off to 42750 (Bollinger mid-average).

Thursday: Global Preliminary PMI Surveys, AUD, JPY, EUR, GBP, USD. These forward looking surveys are released throughout the day and will provide traders with an important health check on the current state of the major developed economies. Readings below 50 indicate economic contraction and readings above 50 indicate economic expansion and are likely to influence FX and equity markets.

Traders will be looking to see if Eurozone manufacturing and service activity is continuing to underperform which may mean further ECB rate cuts are likely before the end of 2024, while the UK readings will be scrutinized for any weakness which could support trader expectations that the BoE will be cutting interest rates again at their meeting at the start of November.

Friday: 0030 BST JPY Tokyo Inflation Data (CPI). The BoJ are looking for inflation to be led higher by consumer demand in the economy before raising rates again, so a higher than expected inflation print from Japan's capital could impact the direction of USDJPY and the Japan 225 index at the end of next week.

Key levels the Corellian mentors are focused on

Nasdaq 100:

Support

- 1: 20263, Bollinger mid-average
- 2: 19904, October 8th low
- 3: 17796, 38% retrace Sep/Oct

Resistance

- 1: 20678, Last week's high
- 2: 20795, July 15th high
- 3: 20982, July all-time high

Gold:

Support

- 1: 2657, Bollinger mid-average
- 2: 2625, 38% Sep/Oct upside
- 3: 2597, Mid-point same move

Resistance

- 1: 2722, October all-time high
- 2: 2803, 262% Fibo extension
- 3: 2976, 300% Fibo extension

Germany 40:

Support

- 1: 19406, Bollinger mid-average
- 2: 19200, 38% retrace Sep/Oct
- 3: 19013, Mid-point same move

Resistance

- 1: 19798, Thursday's all-time high
- 2: 19829, Upper daily Bollinger band
- 3: 20055, 162% Fibo extension

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