



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment was mixed into Friday's close suggesting markets are on hold while they await next week's big central bank meetings and tier 1 data. Stocks closed lower on the day, while commodities closed higher, with many precious metals outperforming. Bond markets remained in tight ranges and the USD ended flat in thin trading.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: US producer prices increase but near term consumer inflation expectations ease

- US PPI rose more than expected in November amid a jump in the costs of services. (Actual 0.3% v Expected 0.1%).
- US Michigan consumer sentiment rose more than expected to 59.1 (Expected 53.3). Supported by consumers 1 year inflation expectations falling to a 15 month low (4.6%).



US Stock indices all closed down on Friday, and down on the week as traders took risk off the table ahead of next week's FOMC decision. The US Tech 100 fell 0.77% (-2.7% on the week). Hit by uncertainty about how high US interest rates may need to go and what this may mean for earnings. **(Page 2 US Tech 100 TA Update)**.

The US Dollar Index had a rollercoaster week, hitting fresh 4 month lows at 104.05 on Monday, rallying on profit taking mid week, before drifting into Friday's close at 104.90. EURUSD traded back to its recent highs just below 1.06 on Friday, but ended the week flat at 1.0530, as traders await fresh news from the ECB next week. **(Page 3 EURUSD TA Update)**.

US 10 year yields traded at fresh lows at 3.42% on Wednesday reflecting concerns that the US maybe falling into a mild recession but rallied Friday to close the week at 3.59% (+10bps on the week). Traders want to see the outcome of the FOMC rate decision next week before deciding on their next moves into the end of 2022.



US Tech 100 Technical Update:
Having failed again to clear 12135 resistance (mid-point Aug/Oct decline) a range is forming between this and 11464 (Nov 29th low). This reflects a decision making process and a search for direction, with a closing breakout needed to suggest the next leg.

Prices trading above 12135 point to upside towards 12517 (62% retrace) even 12981 (Sep 13th high) while closes under 11464 suggest weakness to retest 10485/640 (Oct 13th/Nov 4th lows).



In commodities, precious metals generally closed higher Friday, with Platinum (+2.13%), Palladium (+1.97%) and Silver outperforming (+1.77%) while Gold was up 0.5%. Only copper fell, closing down 0.7%. Oil finished flat Friday at \$71, but fell 11% on the week, its biggest weekly loss since April as restarts for key pipelines alleviated supply concerns in thin choppy trading. **(Page 4 Oil TA Update).**

STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

All times are Greenwich Mean Time (GMT) Please use the key opposite to adjust to your appropriate time zone.

Key Q3 Earnings next week in table below (Times GMT)

Time Zone Key:

GMT -5	= New York
GMT	= London
GMT +1	= Frankfurt
GMT +9	= Tokyo
GMT +11	= Sydney

Monday 12th Dec	Tuesday 13th Dec	Wednesday 14th Dec	Thursday 15th Dec	Friday 16th Dec
Oracle	Colruyt	Inditex 0700 TUI	Jabil Circuit	Accenture Darden Restaurants
		Lennar Trip.com Group 2130 Nordson	Adobe	



KEY EVENTS, SPEAKERS AND ECONOMIC

Monday: 2025 GMT BoC Governor Macklem Speech. Traders are looking for signals that the BoC maybe close to pausing rate hikes after hiking 50bps last week.

Tuesday: 0700 GMT GBP Employment Data. The BoE will be watching for signs of on going rises in wages and monitoring the tightness in the labour market. UK Gilts will probably move on this data and therefore, so will GBP.

1330 GMT USD CPI Data. There is a belief that US inflation has peaked. The Core reading will be the key for the Fed as it strips out the volatile food and energy prices. **This is a big release for all financial markets.**

2230 GMT RBA Governor Lowe Speech. The RBA are slowing the pace of hikes but have said they will have to do more. What Governor Lowe says will impact AUD.



EURUSD Technical Update:

Resistance offered by 1.0559 (62% retrace) was pressured last week but it continued to hold on a closing basis.

This remains the focus to start the week with confirmed breaks needed to trigger strength to 1.0615 (Jun 27th high) possibly 1.0786 (May 29th high).

While the supply holds, I will be watching 1.0417 defense (Bollinger mid-average) as breaks can see continued weakness.

Wednesday: 0700 GMT GBP CPI Data. Vital information for the BoE. Has UK inflation peaked yet? GBP will move on this release!

1900/1930 GMT FOMC Interest Rate Decision and Press Conference. The Fed has signalled they are likely to hike 50bps but what message will Chairman Powell want to send in his press conference? **Without doubt, this will impact all markets and may set the tone into Q1 next year. (Above EURUSD TA Update).**

Thursday: 0830/0900 GMT SNB Interest Rate Decision and Press Conference. A 50bps hike looks likely and the SNB have been clearly in favour of a higher CHF. What is interesting is that the SNB are some way behind the ECB now. **Could they be more aggressive?**

1200 GMT BoE Interest Rate Decision. The BoE is fully expected to hike by at least 50bps again at this meeting. It will be interesting to see how Governor Bailey frames higher rates with slowing growth as the UK economy looks very weak now. **Whatever the outcome GBP will be volatile before, during and after this event.**



Oil Technical Update:

Having seen Bollinger mid-average hold and reverse attempted rallies the previous week, fresh downside has emerged to post new correction lows. While a short term bounce as a reaction to over-extended downside conditions is possible but evidence points to this as limited, with risks to test 68.58 (mid-point 2020 to 2022 strength) possibly further if this gives way. To the upside, breaks above 75.40 (Thursday's high) can see 79.31 tests (38% retrace).

1315/1345 GMT ECB Interest Rate Decision and Press Conference. The ECB are definitely hiking, but will it be 75bps or 50bps? Traders will be keen to hear what Lagarde has to say in the press conference, especially how the conversation is going regarding plans for QT. Any colour on when it starts and how big it will be could impact market volatility.

1330 GMT USD Retail Sales. Any data on consumer spending patterns during the holiday period is crucial for determining a slowdown in US economic growth.

Friday: Global Preliminary PMI Data. Central banks are data dependent and these surveys come from businesses interacting every day in the major economies. They may show just what an impact higher rates and weak demand are having on confidence and future earnings. The manufacturing releases which have been steadily falling could have a major influence on commodity prices next week. Expectations are a for further weakness. **(Above Oil TA Update).**

Key levels the Corellian mentors are focused on

USA 500:

Support

- 1st - 3914, Last week's low trade
- 2nd - 3880, 38% retrace Oct/Nov
- 3rd - 3810, Mid-point same move

Resistance

- 1st - 4109, November high trade
- 2nd - 4199, 62% retrace Mar/Oct
- 3rd - 4327, August upside extreme

USA 30 Wall Street

Support

- 1st - 33450, Last week's low trade
- 2nd - 32393, 38% retrace Oct/Nov
- 3rd - 31678, Mid-point same move

Resistance

- 1st - 34704, December high trade
- 2nd - 35410, April 21st extreme
- 3rd - 35748, February 10th rejection

GBPUSD

Support

- 1st - 1.2072, Bollinger mid-average
- 2nd - 1.1900, November 30th low
- 3rd - 1.1778, November 21st low

Resistance

- 1st - 1.2310, 38% May'21/Sep'22
- 2nd - 1.2399, Mid-June high
- 3rd - 1.2599, June monthly extreme

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