

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment rose into the weekend with traders focusing on the positives from Fed member Bostic's comments on Thursday suggesting that the central bank could pause its rate hikes sometime over the Summer, and Friday's US ISM Services data release that showed growing order books and costs rising at a slower pace. Stocks and commodities rallied, while yields and the dollar fell.

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

Friday data: US service sector expands more than forecast

- ISM Services 55.1 in Feb versus 55.2 in Jan
ISM Services Employment 54 versus 50
ISM Services New Orders 62.6 versus 60.4
ISM Services Prices Paid 65.6 versus 67.8
- Highlighting a potential Goldilocks scenario with higher growth but stalling prices.



US Stock indices climbed steadily through the Friday session and then accelerated higher into the close as traders rushed to cover weak short positions. The USA 500 snapped a 3 week losing streak with a 1.7% rally to close at 4053, while the US Tech 100 rose 2.2% to finish at 12,326. **(Page 4 US Tech 100 TA Update)**. **European indices**, which had received a boost earlier in the week from strong economic data released from China, also had strong closes, with the Germany 40 up 2% and the Europe 50 up 1.9%.

The US dollar index dropped 0.5% to 104.46 on Friday, breaking its recent 4 week up trend, hit by lower yields and rising risk sentiment. GBPUSD bounced 0.9% to 1.2045 on confirmation of agreement of a new Brexit deal, while EURUSD saw gains after inflation prints across the Euro-zone surprised to the upside.

US yields had a strong week but momentum stalled into the close as traders saw the lower prices paid print in the US ISM Services release. US 10 year yields hit 6 month highs at 4.09% on Thursday but dropped back Friday to end the week flat at 3.96%.



Natural Gas TA Update:
Reactive recovery themes are emerging after a prolonged phase of weakness from 7.801 (Nov 24th high). Upside has now seen 2.654 (Feb 7th last failure high) give way, suggesting strength can continue with next resistance 3.297 (Jan 23rd high) then 3.787 (Jan 16th extreme).

To the downside, it will be moves below 2.530 (Bollinger mid-average) that can expose downside resumption to retest 2.112 (Feb 22nd low).



Commodities had a good week, initially supported by stronger than expected China PMI releases and then boosted by a falling dollar. Oil finished up 2.2% at 79.88 after recovering well from earlier headlines suggesting the UAE is questioning its membership of OPEC, while Natural Gas jumped 9% on Friday to 3.0140, a 6 week high. **(Above Natural Gas TA Update)**. Precious metals also outperformed with Gold up 1%, Silver up 1.7% and Platinum up 1.7%.

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 Q4 Earnings next week in table below (Times GMT)

Time Zone Key:

- GMT -5

GMT

GMT +1

GMT +9

GMT +11
- = New York

= London

= Frankfurt

= Tokyo

= Sydney

Monday 6th March	Tuesday 7th March	Wednesday 8th March	Thursday 9th March	Friday 10th March
0600 Helvetia	1130 Sea	0630 Adidas	0600 Deutsche Post	
1200 CIENA	Trip.com Group	0730 Continental	0700 Aviva	
Sealed Air	Array Technologies	1215 Campbell Soup	1155 Paysafe	
Before Market Opens:	Before Market Opens:	Before Market Opens:	Before Market Opens:	Before Market Opens:
	Thor Industries	Full Truck Alliance	JD.Com	Casino
After Market Closes:	After Market Closes:	After Market Closes:	After Market Closes:	After Market Closes:
	CrowdStrike	2105 Asana	2105 Ulta Beauty	RLX Technology
		Vivendi	2115 Gap	
		Mongodb	Docusign	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0330 GMT RBA Interest Rate Decision. Expectations are for another 25bps hike but the focus for traders is also on 'what next'? A shock weaker CPI reading last week, alongside falling housing and employment could lead to a more dovish statement and a knock on effect for AUD prices.

1500 GMT Fed Chairman Powell Speech to Congress (Tue/Wed). Any statements from Chairman Powell have the potential to impact all markets. Expectations are for him to maintain a vigilant stance on inflation and outline the need for more rate hikes, so any deviation from this view will lead to an increase in volatility.

2155 GMT RBA Governor Lowe Speech. This will be of significance for AUD traders after the interest rate decision from earlier in the day.



USDCAD TA Update:

February has seen upside develop, as the USD staged a reaction to previous declines. Last week saw this move approach what is set to be a strong supply area at 1.3693/3704 (combination of Dec 16th high and 62% retrace Oct/Nov downside). Defense will be watched as closing breaks are needed to extend the advance to 1.3807 (Nov 3rd high) even 1.3977 (Oct 13th extreme). While resistance holds, closing breaks under 1.3512 (38% Feb upside) can trigger deeper declines.

Wednesday: 0300 GMT China Trade Data. Traders are looking for further positive economic releases to confirm the acceleration of growth in China post lockdowns. Exports are especially in focus to provide an insight into global demand. **General risk sentiment and commodities are likely to be impacted by this print.**

1315 GMT USD ADP Employment Change. This private sector employment data is likely to set the tone into the all important non payrolls print on Friday.

1500 GMT BoC Interest Rate Decision. Most economists see the BoC pausing rate hikes while the Fed pushes US rates higher and this is impacting USDCAD. Whether this is actually the view of the Canadian central bank remains to be seen but volatility is likely, especially with the CAD employment release Friday at the same time as the US release. **(Above USDCAD TA Update).**

Thursday: 0130 GMT China Inflation data (PPI/CPI). Traders in China and Hong Kong stocks will want to see internal demand picking up as unlocking and central bank stimulus takes effect. **Is this the case or not?**



US Tech 100 TA Update:

Corrective themes initially extended last week, a move that tested 11860 (mid-point Jan 6th/Feb 2nd upside) which helped see a strong recovery to end the week. Resistance offered by 12334 (Bollinger mid-average) held Friday's advance and defense will be watched to start the new week. Closing breaks suggesting scope to 12531 (62% retrace Feb/Mar decline) even 12946 (Feb 2nd high). To the downside, moves below 12100 (half last weeks rally) could see 11860 retests.

Friday: 0300 GMT BoJ Interest Rate Decision. The Japanese central bank are expected to continue to monitor the impact of recent tweaks to its policy rather than act at the last meeting for out-going Governor Kuroda. However there is still uncertainty and speculation around whether this will be the case, which almost guarantees extra volatility around this event.

1330 GMT USD Non Farm Payrolls. Unemployment data is at the heart of why the Fed is still hiking rates while it stays at historic lows (3.4%). This release will have a big impact on whether stock indices can continue their rally for a second week in a row or not. **(Above US Tech 100 TA Update).**

1500 GMT USD Preliminary Michigan Consumer Sentiment. While not as important to traders as the payrolls release it provides a regular update on how the US consumer is responding to rate hikes and their thoughts on inflation going forward. **It should guarantee a volatile end to the week.**

Key levels the Corellian mentors are focused on

Germany 40

Support

1st - 15457, Bollinger mid-average
2nd - 15160, Last week's low
3rd - 14962, 38% retrace Dec/Feb

Resistance

1st - 15698, February high trade
2nd - 16117, Weekly upper band
3rd - 16294, Nov'21 all time high

USA 500

Support

1st - 3991, Half last weeks rally
2nd - 3940, 38% Oct/Feb upside
3rd - 3902, January 19th low

Resistance

1st - 4064, Bollinger mid-average
2nd - 4185, February 14th high
3rd - 4208, February extreme

AUDUSD

Support

1st - 0.6695, Last week's low trade
2nd - 0.6666, Mid-point Oct/Feb
3rd - 0.6629, December 20th low

Resistance

1st - 0.6783, Last week's high
2nd - 0.6840, Bollinger average
3rd - 0.6921, February 20th high

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