

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment following a morning rally after a mixed Non-Farm Payrolls report, the bearish theme continued for the week, with expectations that the US economy will slow down and Fitch's earlier downgrade of the US weighed heavily on stocks. Commodities were mixed, the USD rallied late, and bond yields managed to hold on to gains.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: US payrolls for July show a slowing in employment gains

- **Non-Farm Payrolls (July):** +187k versus +200k expected
- **Unemployment Rate:** 3.5% versus 3.6% expected
- **Average Hourly Earnings:** 4.4% versus 4.4% expected

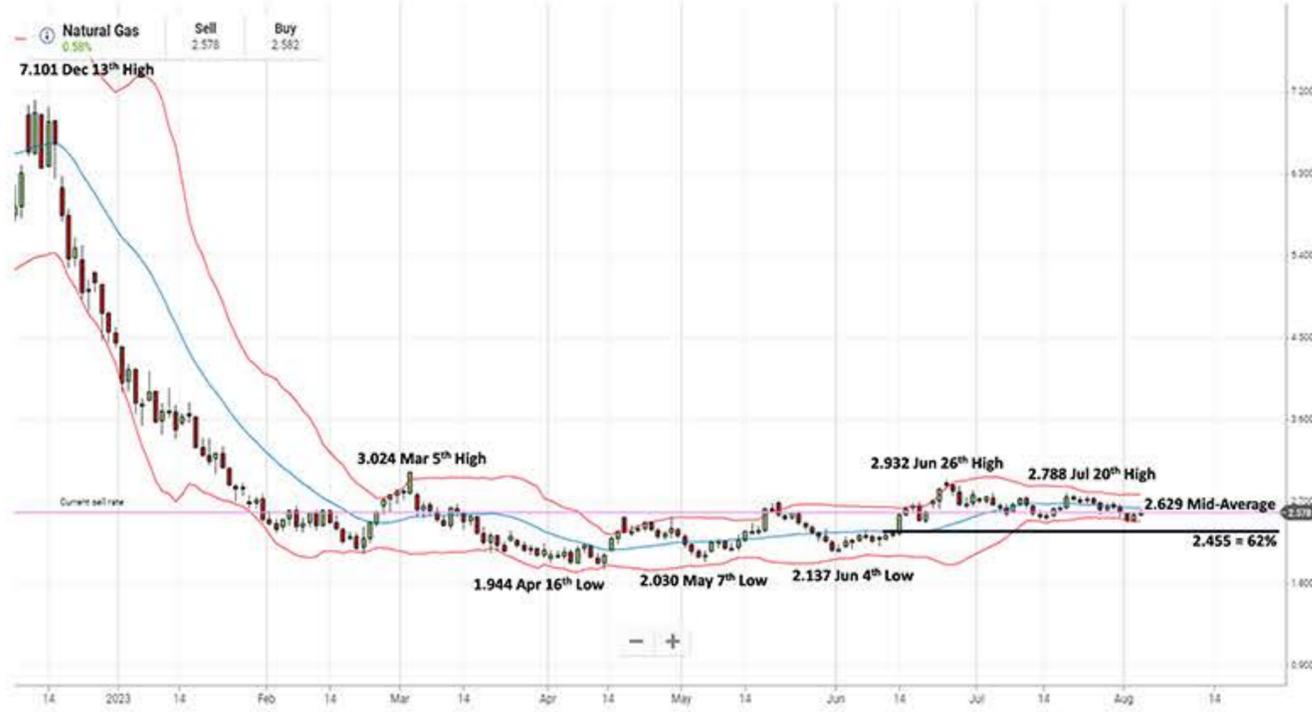
Higher wage growth could keep pressure on the Fed to hike in September.



US Stock indices all closed lower on the week with Apple's revenue missing analysts' targets closing down -7% on the week. Even Amazon delivering its best quarter in over 2 years couldn't help with US Tech 100 closing down -3% at 15,363, and the USA Wall Street dropped to 35,145 (-1.2% on week). **In Europe** stock indices fared no better, the German 40 closing at 15,908 down -3.9%. **(Page 3 German 40 TA update)**.

The US Dollar Index rallied Friday afternoon to finish up 0.3% at 101.82 continuing a 3-week rally, with USDJPY closing up 0.5% at 141.81. EURUSD had a choppy week making fresh monthly lows at 1.0912 before closing the week at 1.1008, as speculation on a pause in ECB rate hikes reversed. **(Page 4 EURUSD TA Update)**. GBPUSD failed to rally after Thursday's rate hike of 25bps to 5.25%, as inflation fears continued to weigh on the economy, closing down -0.9% at 1.2742.

US 10 Year Yields rose throughout the week even after Fitch's midweek downgrade of US debt to AA+ from AAA, hitting a yearly high of 4.2% straight after the Non-Farm Payroll report before investors digested key data showing that the economy added 187k jobs in July versus 200k expected, and June revised down to 185k from 209k, closing the week at 4.05%.



Natural Gas TA Update:

Latest attempts at upside failed below 3.024 (Mar 5th high) and a setback has materialised. This decline has seen closes below 2.629 (Bollinger mid-average) reflecting potential for price failure and deeper sell-off risk. Next support is 2.455 (62% retrace June upside) and if this gives way towards 2.137 (Jun 4th low).

To the upside, breaks of 2.788 (July 20th high) are required to resume scope towards 2.932 (Jun 26th high) even back to 3.024.



In commodities it was a mixed week with Oil the best performer on the week up 2.5% to close at 82.64 continuing the trend. Precious metals fell with Silver falling -3.3% to 23.63, Copper off -2.2% closing at 3.8468 and Gold down -0.9% to 1943. Natural Gas fell from last Friday's close of 2.655 as stout supplies continued weigh on prices to a low of 2.458 before rebounding on Friday as demand in US increased due to hotter than normal weather closing at 2.578. **(See Natural Gas TA Update above).**

STEP 2:
LOOKING FORWARD TO THE WEEK AHEAD

All times are British Standard Time (BST). Please use the key opposite to adjust to your appropriate time zone.

Key Q4 Earnings next week in table below (Times BST).

Time Zone Key:

- BST -5 = New York
- BST = London
- BST +1 = Frankfurt
- BST +8 = Tokyo
- BST +9 = Sydney

Monday 7th August	Tuesday 8th August	Wednesday 9th Aug	Thursday 10th August	Friday 11th August
0600 Aurubus	0630 Bayer	0600 E.ON	0600 Deutsche Tele	1130 Spectrum Brands
1155 Tyson Foods	1125 Eli Lilly	0700 SONY	0600 Allianz	China Mobile
Berkshire Hathaway	1155 Under Armour	1300 Roblox	0600 Siemens	REA Group
Before Market Opens:				
	NRG Energy	Vestas	Alibaba	Newcrest Mining
	Energizer		Krispy Kreme	
After Market Closes:				
2105 Chegg	Lyft	2105 Walt Disney	2115 News Corp	
2105 Beyond Meat	Rivian	Canopy Growth	Aurora Cannabis Inc	
Lucid Group	Twilio	Plug Power	Credicorp	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 0700 BST German Industrial Production. Markets have grown concerned after the steep fall in German manufacturing data last month, and another bad number will only add to that and put pressure on an already weakening EUR. **(Page 4 EURUSD TA Update).**

1700 BST GBP BoE Chief Economist Pill Speech. Coming so close after the BoE decision to raise interest rates again. It will be interesting to hear what the BoE chief economist has to say, after last week's interest hike.

Tuesday: 0001 BST GBP BRC Retail Sales. This data is very important to the BoE as a gauge of the UK consumer who are keeping the economy alive. A high reading is seen as positive and vice versa, GBP can move on this data.

0130 BST AUD Consumer Confidence. This data matters to the RBA who held interest rates at the last meeting, but another strong number could not only impact AUD but also the RBA's holding stance.



Germany 40 TA Update:
While last Monday saw a new 16614 all time high posted, this was rejected, a move that broke mid-average support. This suggests a deeper sell-off risk and retracement towards 15535 (38% retrace Dec 20th to Jul 31st upside) which links with July monthly lows. Settlements under here point to a more extended phase of weakness towards 15197 (mid-point level). **To the upside**, closes above 16156 (38% retrace last week's decline) are needed to point to 16199 (Bollinger mid-average) even 16333 (higher 62% retrace).

0400 BST China Imports, Exports and Trade Balance. Very important data, and traders will be looking closely to gauge the health of the global economy. Currencies like the EUR and AUD with close ties to Chinese trade could be impacted.

Wednesday: 0230 BST China Inflation Data (PPI/CPI). After last month's PPI release (-5.4%), this will be traders' main focus, and is expected to show continued deflationary pressure. As a major exporter falling PPI has seen lower inflation readings recently, and this could impact local equities, the EUR and AUD. **(see page 4 for EURUSD TA Update).**



EURUSD TA Update:

A recovery materialised following latest payrolls data, although this appears a reactive move from over-extended downside conditions. As such, focus is on 1.1052 (38% retrace of July/August declines) as a possible hold area from which fresh weakness could be seen. This can see pressure build on 1.0912 (last week's low) then 1.0882 (62% retrace May/Jul strength). It will be closes above 1.1052 that can see 1.1095 retests (Bollinger mid-average) even 1.1138 (higher 62% retrace).

Thursday: 1330 BST USD Inflation Data (CPI). The big release for traders of all financial markets, with the Fed having left the door open for another 25bps hike on the table for September after July's meeting, special attention will be paid to the core reading. This data has implications for global markets from bonds to equities to FX.

Friday: 0700 BST GBP GDP (Preliminary). Expectations are low (0.2%) and markets are very sensitive to the UK data, with the economy under pressure from higher interest rates and GBP in a bearish trend. A surprise number could see aggressive short covering and vice versa.

1330 BST USD Inflation Data (PPI). Key data which can move markets, being a major exporter, this could show them exporting at lower or higher prices.

1500 USD Michigan Consumer Sentiment (Preliminary). Traders will be keeping a close eye on this, as it contains inflation expectations and the consumer mood. Beating consensus tends to be USD positive.

Key levels the Corellian mentors are focused on

US Tech 100:

Support

- 1st - 15062, July 10th low trade
- 2nd - 14817, 38% retrace Apr/Jul up
- 3rd - 14635, June 11th hold level

Resistance

- 1st - 15622, Bollinger mid-average
- 2nd - 15915, July 31st session high
- 3rd - 16060, July 19th up extreme

Oil:

Support

- 1st - 77.96, Bollinger mid-average
- 2nd - 77.13, 38% retrace Jun/Aug up
- 3rd - 75.20, Mid-point same move

Resistance

- 1st - 83.51, April 12th session high
- 2nd - 86.60, 38% retracement
- 3rd - 90.08, November 13th high trade

USDJPY:

Support

- 1st - 140.65, Bollinger mid-average
- 2nd - 138.04, July 29th session low
- 3rd - 137.24, July 16th down extreme

Resistance

- 1st - 143.88, Last week's failure
- 2nd - 145.06, July monthly high
- 3rd - 146.58, Nov 10th rejection

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