

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment turned down into the Friday close as traders received news that the Israeli army was expanding its ground activity in Gaza. This update, alongside an underwhelming corporate earnings season and concerns over what may come from next week's central bank meetings saw demand for safe haven assets increase, stock indices and bond yields fall, while the dollar ended flat.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: Fed's preferred inflation measure jumps most in four months in September

- **Core PCE Inflation (MoM):**
0.3% versus 0.3% expected.
Core PCE Inflation (YoY):
3.7% versus 3.7% expected.
Personal Spending:
0.7% versus 0.5% expected.
- This data will keep the Fed open to further hikes.



US Stock indices all had a disappointing end to the week, with only the US Tech 100 managing to finish up on the day, gaining 0.5% to end at 14,270 supported by strong earnings updates from Amazon and Intel after the market close on Thursday. The USA 500 dropped 0.5% to 4,136, its lowest level since early May, while the USA 30 Wall Street fell 1.2% to 32,470, 7 month lows. **(Page 4 USA 500 TA Update)**. **European indices** also performed poorly, with the UK 100 falling 0.9% to 2 month lows at 7,290, and the Germany 40 closing at 14,699 (7 month lows).

The US Dollar Index finished flat on the day Friday, but up on the week at 106.38 as strong economic data reinforced concerns that the Fed will remain open to raising rates further. USDJPY hit a 2023 high at 150.77 on Thursday but couldn't sustain the move closing back at 149.55, while EURUSD traded as low as 1.0522 after the ECB meeting (Thursday) before bouncing to close at 1.0570. **(Page 3 USDJPY TA Update)**.

US 10 Year Yields hit fresh 16 year highs at 5.02% at the start of the week, a pivotal level for some investors, before reversing gains and drifting back lower to close at 4.84%, as traders awaited fresh news from next week's Fed interest rate decision.



Oil TA Update:
A period of choppy sideways activity has developed after recent declines, with support being found above 81.06 (mid-point Jun/Sep upside). With the latest weakness this level remains the focus, with closing breaks suggesting deterioration to expose 77.73 (deeper 62% retrace). **To the upside**, closes above 85.74 (Bollinger mid-average) are needed to trigger continued strength towards 89.82 (Oct 22nd high).



In commodities, Oil had a volatile week as traders cut long positions on concerns of weakening global demand which saw it fall from 88.21 to register a low at 81.52 on Tuesday, before jumping 2.3% on Friday to close at 85.14. **(Above Oil TA Update)**. Gold (+1% at 2,006) and Silver (+1.4% at 23.14) also saw strong demand on Friday as traders sought out safe haven protection into the weekend.

STEP 2:
LOOKING FORWARD TO THE WEEK AHEAD

Time Zone Key:

GMT -4	= New York
GMT	= London
GMT +1	= Frankfurt
GMT +9	= Sydney

All times are Greenwich Mean Time (GMT). Please use the key above to adjust to your appropriate time zone. **Key Earnings next week in table below.**

	MONDAY 30.10	TUESDAY 31.10	WEDNESDAY 1.11	THURSDAY 2.11	FRIDAY 3.11
BEFORE OPEN	HSBC Lowe's ON Semiconductor McDonald's XPO Logistics	BASF BP Pfizer Caterpillar Amgen	Toyota GlaxoSmithKline Estee Lauder Kraft Heinz SunPower	KBR D.Lufthansa Sainsbury's Marriott Int. Hyatt	BMW Societe Generale Raiffeisen Sempra Energy AMC Networks
AFTER CLOSE	Tenet Healthcare FMC V.F. Chegg Wolfspeed	First Solar Lumen Technologies Paycom Cognex AMD	Airbnb Marathon Oil Cognizant PayPal Roku	Apple Expedia Cirrus Logic Dropbox Palantir Technologies	Microchip



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0130 GMT China Manufacturing and Non Manufacturing PMI. Traders are looking for some positive news on the Chinese economy after recent concerns around its housing market. After a slight improvement in last month's release hopes are for another uptick this time as well, which could have positive implications for commodities and local stocks. **(Page 2 Oil TA Update).**

0300/0600 GMT BoJ Interest Rate Decision and Press Conference. Governor Ueda has insisted the BoJ will take a patient approach to removing its stimulus but Japan's central bank have a track record of surprising the markets, so it is possible they may tweak their YCC program which could have implications for USDJPY after it hit fresh 2023 highs at 150.77 last week. **(Below USDJPY TA Update).**

1000 GMT EUR Preliminary Inflation (HICP). This is an important release to watch, coming so soon after the ECB took a pause from raising interest rates last Thursday. Any increase in inflation may mean further hikes may be necessary to bring inflation under control, hurting an already weak European economy, with knock on implications for EURUSD and European indices next week.



USDJPY TA Update:

While new recovery highs were posted last week, these failed to hold as selling pressure emerged on Friday. This ended the week with tests of 149.49 (38% retrace Oct upside and Bollinger mid-average) defense of which is watched, as closing breaks can see a deeper sell-off to 148.89 (Oct 17th low) then 148.73 (62% level). **To the upside**, breaks above 150.14 (half last week's decline) are needed for upside resumption to test 150.77 (Oct 26th high).

Wednesday: 1215 GMT USD ADP Employment Change/1400 GMT JOLTs Job Openings. Its a big week for US labour market data, starting with these updates on private sector employment and current job openings, and finishing with Friday's Non Farm Payroll release. Traders will be sensitive to both of these prints as the current state of the labour market is central to Fed policy moving forward.

1800/1830 GMT Fed Interest Rate Decision and Press Conference. The expectation is for the US central bank to hold rates steady at this meeting, so traders will be focused on any signals Chairman Powell provides in the press conference on what may be on the cards for December's meeting. He is expected to leave the door open for further hikes as recent US economic data has been strong. This event has implications for all markets. **(Page 4 USA 500 TA Update).**



Sunday 29th October 2023



USA 500 TA Weekly Update:
Weekly closes below 4207 (38% retrace Oct'22 to Jul'23 upside) have been seen, reflecting continued deterioration. Potential is for deeper declines towards 4062/73 (combination of Apr'23 low and mid-point), perhaps further if this gives way. Recoveries are possible over the short term but closes above 4211 (half last week's sell-off) are needed to suggest a more extended rally back to 4321 (38% retrace Jul/Oct sell-off).

Thursday: 1200/1230 GMT BoE Interest Rate Decision and Press Conference. This will be a very interesting meeting for GBP and UK 100 traders, as UK growth is stalling while inflation remains high. Market expectations are for another pause at this meeting so anything else would be a shock. **(Below Key GBPUSD Levels).**

Apple Q3 Earnings Release. It's another busy week for US company earnings reports, with amongst others, economic bellwethers Kraft Heinz and Caterpillar reporting, but none will be watched closer than Apple's update after mixed results last week from the other Megacap tech companies, saw Alphabet and Meta shares fall and Microsoft and Amazon stock prices spike. **(Page 2 Earnings Table).**

Friday: 1330 GMT USD Non Farm Payrolls. Traders will be focused on whether or not the US unemployment rate is trending back higher and if average hourly earnings are showing a cooling in wage price pressures. If these aren't happening then the Fed will be unlikely to take further rate hikes off the table, with implications for stock indices and the dollar.

Key levels the Corellian mentors are focused on

Natural Gas:

Support

- 1st - 3.2600, Half latest strength
- 2nd - 3.2030, Bollinger mid-average
- 3rd - 2.8720, October 22nd low

Resistance

- 1st - 3.6400, October monthly high
- 2nd - January 17th high
- 3rd - January 12th bounce failure

US Tech 100:

Support

- 1st - 14140, Last week's low
- 2nd - 14043, 38% retrace Dec'22/Jul'23
- 3rd - 13566, May 24th low

Resistance

- 1st - 14452, 38% retrace
- 2nd - 14546, Mid-point
- 3rd - 14641, Higher 62% retrace

GBPUSD:

Support

- 1st - 1.2036, October monthly low
- 2nd - 1.2010, March 15th low
- 3rd - 1.1908, March 11th hold level

Resistance

- 1st - 1.2182, Bollinger mid-average
- 2nd - 1.2288, Last week's high
- 3rd - 1.2326, October monthly high

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