

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment strengthened into the Friday close after a busy week that saw the heads of the Fed, BoE and ECB all push back on the market assertion that they are finished with hiking rates and their next moves are down sometime next year. Stocks rallied, bond yields and the dollar were steady, while commodities struggled.

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

Friday data: UK narrowly avoids a recession as growth flatlines in Q3

- **Gross Domestic Product**
(MoM): +0.2% versus -0.1% expected
(QoQ): 0% versus -0.1% expected
(YoY): +0.6% versus 0.5% expected
- While better than expected, UK growth is stagnating and this release is unlikely to reverse the market view of BoE rate cuts in 2024.



US Stock indices extended their November rally on Friday. The US Tech 100 gained 2%, led by strong gains in Microsoft and Nvidia, to close at 15,582 (6 week high), while the USA 500 surged 1.4% to close at 4,424, its highest level since mid September. **(Page 3 USA 500 TA Update)**. **European Indices** also rallied, erasing early losses, with the Germany 40 up 0.4% at 15,384 and the Europe 50 jumping 0.8% to close at 4,240, an eight week high.

The US Dollar Index was flat on Friday, closing at 105.66, but was 0.7% higher on the week as traders rebought the world's reserve currency after Fed Chairman Powell reiterated his stance that it's too early to call an end to US central bank's rate hiking cycle. GBPUSD was a major faller, dropping 1.3% on the week to close at 1.2226, after briefly hitting a 6 week high at 1.2428 on Monday. **(Page 4 GBPUSD TA Update)**.

US 10 Year Yields had a choppy week trading between highs at 4.67% and lows at 4.47%, pulled around by commentary from a large number of Fed speakers and various pieces of US economic data, eventually closing higher at 4.65%, a gain of 7bps.



Gold TA Update:

After October's strength, a reactive back lower has developed, which having also seen Bollinger mid-average support at 1968 give way, tested 1934 (38% retrace Oct strength). This is the focus next week, as breaks below here expose moves towards 1910 (deeper mid-point).

To the upside, breaks of 1961 (38% retrace of latest declines) suggest a more extended rally to 1979 (higher 62% level).



In commodities, Gold had a bad week, falling 2.6% to close at 1939, as traders reduced safe haven hedges as risk sentiment improved. **(Above Gold TA Update).** Elsewhere, a 2% rally in Oil to 77.36 on Friday's close couldn't save it from a third weekly fall in a row (-4% on week), with traders focused on concerns about falling global demand. Natural Gas also struggled, slipping 11% to end the week at 3.016.

STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

Time Zone Key:

GMT -5	= New York
GMT	= London
GMT +1	= Frankfurt
GMT +11	= 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
13.11

TUESDAY
14.11

WEDNESDAY
15.11

THURSDAY
16.11

FRIDAY
17.11

**BEFORE
OPEN**

British Land
ERG
Tyson Foods
RLX Technology
Henry Schein

RWE
Vodafone
Home Depot
Sea
Energizer

Infineon
Experian
SSE
Target
XPeng

United Utilities
Royal Mail
Siemens
Walmart
Macy's

Footlocker
Generali
Spectrum Brands

**AFTER
CLOSE**

Aecom
Lufax Holding
BRF S.A.
Sun Life Financial

Palo Alto Networks
Sonos
Cisco

Ugi
Applied Mat.
Ross Stores
Dolby
Gap

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: Q3 Earnings for Big US Retailers. With traders focused on how long US consumers will continue spending to support the US economy, the earnings and forward guidance from Home Depot (Tuesday), Target (Wednesday), Walmart (Thursday) will be watched closely for signs of any potential slowdown, with a knock on impact for US indices, and even the dollar. **(Below USA 500 TA Update).**

0700 GMT GBP Employment Data. After briefly hitting a 2 month high at 1.2428 last week GBPUSD fell back as traders started to price in as many as 3 rate cuts from the Bank of England in 2024. Along side Wednesday's CPI print (below), this is an essential release for the central bank to consider, as a tight labour market and strong wage demands have been keeping inflation underpinned in the UK.

1000 BST EUR Preliminary Q3 GDP. Economic growth has started to become more important than inflation for some traders, and the data coming from the Eurozone recently has been extremely weak. The ECB have kept the door open for more hikes, but some traders feel they may have done enough already.

1330 GMT USD Inflation Data (CPI). This is the big data point of the week, as there is some divergence between what the markets expect the Fed's next move to be, and what the Fed have actually been communicating. A strong inflation reading could mean further hikes will still be necessary, while a weaker than expected release could confirm the US central bank is done.

USA 500 TA Update:

The sharp rally from October lows has placed the index within striking distance of important 4430/42 resistance (Oct 12th high & 62% Jul/Oct sell-off). Defense of this is watched, as closing breaks are needed to open scope towards 4566 (Sep 17th high).

To the downside, breaks of 4354 (Friday's low) suggest a deeper retracement to 4316 (38% retrace latest upside).



Wednesday: 0200 GMT China Industrial Production and Retail Sales. The industrial production release provides an insight into global demand, which seems to have been slowing recently, while retail sales provide a glimpse into the China's domestic economy, which has been under pressure recently. These releases are likely to impact local indices which struggled to rally last week, and general risk sentiment.



GBPUSD TA Update:

A sharp rally developed from October lows, but this was held by 1.2420 (mid-point Aug/Oct decline) from which weakness has been seen. On Friday, this tested 1.2204 (Bollinger mid-average) which is the focus next week, as breaks can see weakness towards 1,2069 (Oct 26th low) even 1.2037 (Oct 4th extreme).

To the upside, breaks of 1.2310 (half latest declines) are required to open upside to 1.2420.

0700 GMT GBP Inflation Data (CPI). UK inflation remains stubbornly high, which has forced the BoE to remain open to further rate hikes, despite a weakening economy. A print below market expectations could provide the BoE with some breathing room to consider their next move, pushing GBPUSD lower in the process, and vice versa. **(Above GBPUSD TA Update).**

1330 GMT USD Retail Sales. The US consumer is extremely important to the US economy, so this release will be looked at closely for any signs their spending is being scaled back ahead of the important Thanksgiving holiday season. Any deviation from expectations is likely to impact stock indices and the dollar.

Thursday: 0030 GMT AUD Employment Data. The RBA are still data dependent after hiking rates again last week, so traders will be looking to see how strong the labour market is in order to grasp what may come next from Australia's central bank. This release is likely to impact AUDUSD and the Australia 200 Index.

Key levels the Corellian mentors are focused on

Natural Gas:

Support

- 1st - 2.9900, Last week's low
- 2nd - 2.8780, October 22nd low
- 3rd - 2.7940, September 26th low

Resistance

- 1st - 3.1600, Thursday's high
- 2nd - 3.2410, 38% retrace
- 3rd - 2.932, 3.3170, Mid-point

USA 30 Wall Street:

Support

- 1st - 33884, November 5th low
- 2nd - 33631, 38% retrace
- 3rd - 33398, Mid-point

Resistance

- 1st - 34370, Last week's high
- 2nd - 34541, 62% retrace
- 3rd - 34744, September 21st high

Oil:

Support

- 1st - 74.90, Last week's low
- 2nd - 73.77, July 17th low
- 3rd - 72.74, July 10th extreme

Resistance

- 1st - 78.30, 38% retrace
- 2nd - 79.37, Mid-point
- 3rd - 80.39, Higher 62% retrace

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