

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment was relatively muted into the Friday close as traders paused and assessed whether the strong up moves to date for many assets in November can continue, rather than add to existing risk positions. Bond yields and the dollar drifted lower, while stock indices and commodities had mixed closes.

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

Friday data: UK October retail sales fall unexpectedly as rate hikes bite

- **October Retail Sales (MoM):**
-0.3% versus +0.3% expected.
Retail Sales (YoY):
-2.7% versus -1.5% expected.
- With sales falling to their lowest level since February 2021, this report suggests consumers are cutting back, a worrying sign for the UK economy.



US Stock indices were flat on Friday, apart from the USA 2000 index of small cap stocks which jumped 1.25% to close at 1,802, a gain of 5% across the trading week. The US Tech 100 ended down 0.2% on Friday at 15,874 (+2% on the week), while the USA 500 finished flat at 4,523 (+2.5% on the week). **(Page 3 US Tech 100 TA Update). European Indices** outshone their US peers on Friday and across the week overall, with the Germany 40 closing up 1% at 15,994, its highest level since mid September, and a 4% gain on the week.

The US Dollar Index had its worst week in 4 months, falling 1.9% to close at 103.67, as traders cut weak longs in anticipation the Fed is done with rate hikes. EURUSD closed at 1.0907, its highest level since early August (+2.3% on the week), while USDJPY fell 1.3% to end the week at 149.68, only days after hitting fresh 2023 highs at 151.90. **(Page 4 USDJPY TA Update).**

US 10 Year Yields continued their recent trend lower. Opening on Monday at 4.65%, they hit a fresh 2 month low at 4.40% on Friday, before closing at 4.44%, as softer data released across the week, reinforced the view that the US economy is slowing.



Oil TA Update:

Continued selling pressure has developed to post new correction lows (72.36 Nov 16th) and extend a negative trend. Risks appear for tests of 66.78 (Jun 12th low), even on to 63.61 (May 4th extreme) especially if 74.37 (half the rally) gives way.

To the upside, breaks of 76.71 (38% retrace November sell-off) are required to see further strength to 78.02 (higher mid-point).



In commodities, Oil experienced a volatile week of trading. Initially dipping to fresh lows at 72.36 on Thursday after reports of an increased build up of US inventories, before jumping 4% on Friday to close at 76.08, on suggestions that OPEC+ may cut production further to stabilise prices. **(Above Oil TA Update)**. Elsewhere, Gold closed higher at 1981 (+2.3% on the week), while Silver closed at 23.72 (+6.8% on the week), both supported by a weaker dollar.

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
20.11

TUESDAY
21.11

WEDNESDAY
22.11

THURSDAY
23.11

FRIDAY
24.11

**BEFORE
OPEN**

Trip.com Group
Compass
Full Truck Alliance

Bilibili
iQIYI
Lowe's
Kohl's
Baidu

Sage
Chinadata Holdings
ThyssenKrupp
Severn Trent
Deere

Meituan
Futu Holdings

**AFTER
CLOSE**

Agilent Technologies
Zoom
Keysight Tech.

Nordstrom
Autodesk
HP
NVIDIA

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 0115 GMT PBOC Interest Rate Decision. Data released last week showed consumer spending and industrial activity in China expanded more than expected in October, but continued problems in the property market offset any positivity and increased calls for more stimulus. While the PBOC maybe close to acting on policy, nothing is expected from this meeting, so any move would be a surprise.

1845 GMT BoE Governor Bailey Speech. With market volatility increasing as traders adjust to fresh inflation and employment updates from the UK in the last week, any comments from Bailey on the state of the economy, or path of interest rates in this speech is likely to impact the direction of GBPUSD, EURGBP and the UK 100.

2300 GMT RBA Governor Bullock. The RBA hiked 25bps at their last meeting and set a higher bar for further hikes which sent AUDUSD tumbling initially, but it has rebounded strongly since to hit 3 month highs. Markets will be keen to hear the Governor's thoughts on inflation and the growth path for the economy, which are likely to impact the direction of the Australia 200 index and AUD next week.



US Tech 100 TA Update:

With latest strength seeing successful breaks of downtrend resistance, continued upside is approaching 16060 (Jul 19th high). This is a focus for the coming week, but evidence points to potential of this giving way to see a more extended advance to 16655 (Dec'21 high), even 16766 (Nov'21 extreme).

To the downside, breaks below 15740 (38% retrace latest strength) can expose 15542 (deeper 62% level).

Tuesday: 1330 GMT CAD Inflation Data (CPI). Traders are super sensitive to inflation releases right now as central banks get closer to ending their hiking cycles. Any deviation, especially lower, than expectations in this release is likely to move USDCAD going forward.

1900 GMT FOMC Meeting Minutes. After the below expectations US CPI release last week traders are betting the Fed are done with hikes, and will start cutting in the first half of 2024. These minutes could put a dent in that theory, with implications for the dollar and US stock indices, or vice versa. **(Above US Tech 100 TA Update).**

After the Market Close, Nvidia Q3 Earnings. The Nvidia stock price has surged aggressively in November back to its August all time highs, helping to lift the US Tech 100 7.5%. With this in mind, a strong set of results could help push technology stocks to new highs, while weaker results could cap the recent rally.



USDJPY TA Update:

Having tested 151.93 (Oct'22 high) upside failure has developed, a move that is approaching 148.80 (Oct 30th last correction low). Closing breaks will be a negative, increasing potential for tests of 147.45 (Oct 3rd low) even 146.27 (38% retrace Jul/Nov strength).

To the upside, breaks of 150.30 (38% retrace latest weakness) are needed to resume strength to 150.92 (higher 62% level) possibly back to 151.93.

Wednesday: Global Preliminary PMI's, AUD (Wednesday), EUR and GBP (Thursday), JPY and USD (Friday). Spread across 3 days due to the US Thanksgiving holiday on Thursday, these releases are extremely important updates on the potential direction of economic growth for the major economies, and will likely impact all markets depending on whether they are trending down, below 50, into contraction, or above 50 into expansion. While traders expect weaker numbers to help confirm central banks are finished hiking interest rates, potentially boosting stock indices, they will also stoke demand concerns in key commodities like oil and copper.
Update).

Thursday: 2330 GMT JPY Inflation Data (CPI). With USDJPY hitting fresh highs at 151.90 last week, and the JPY weakening against all of the other G7 currencies as well, traders will be watching this inflation release closely for any signs that the BoJ could have a reason to change their ultra loose monetary policy stance. **(Above USDJPY TA Update).**

Key levels the Corellian mentors are focused on

Hong Kong 50: Support

1st - 17134, Last week's low
2nd - 16822, Late Nov'22 low
3rd - 15930, Nov'22 monthly low

Resistance

1st - 18386, October 12th high
2nd - 18662, Mid-point
3rd - 18894, September 4th high

Natural Gas: Support

1st - 2.8780, October 22nd low
2nd - 2.7940, September 26th low
3rd - 2.5970, 62% retrace

Resistance

1st - 3.1860, 38% retrace
2nd - 3.2720, Mid-point
3rd - 3.3590, Higher 62% retrace

Germany 40: Support

1st - 15760, Thursday's low
2nd - 15674, 38% retrace
3rd - 15574, Mid-point

Resistance

1st - 15996, Last week's high
2nd - 16151, September 15th high
3rd - 16332, August 1st high



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