

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment was muted into the early Friday close, with a general lack of enthusiasm to trade impacted by the US Thanksgiving holiday shortened session and US PMI data (**see below**) that didn't add anything new to the US economic growth picture. Stocks and bond yields made minor gains, the dollar fell, and commodities finished with mixed results.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: US business activity clings to expansion in November

- **Composite PMI for November (Above 50 = Expansion, Below 50 = Contraction):**
50.7 unchanged from October.
- **Manufacturing PMI:**
49.4 versus 49.8 expected, 3 month low.
- **Services PMI:**
50.8 versus 50.4 expected, 4 month high.



US Stock indices registered their fourth week of gains. Only the US Tech 100 closed down on Friday, falling 0.25% to 16,011 (+0.6% on week), impacted by a fall in Nvidia shares after a report suggested it had told Chinese customers that it was delaying the launch of an AI chip. The USA 500 was flat at 4,568, while the USA 30 Wall Street climbed 0.3% to 35,432, and the USA 2000, rallied 0.6% to 1,810, as sentiment towards the broader market improved. **In Europe**, the Germany 40 rose 0.2% (+0.6% on the week), to close at 16,070, a 2 month high, ahead of key Eurozone inflation data next week. (**Page 4 Germany 40 TA Update**).

The US Dollar Index slipped to a closing 3 month low at 103.26 as traders continued to unwind weak long positions after the Fed minutes released on Tuesday showed the FOMC committee were in broad agreement to proceed cautiously in order to assess the impact of interest rates hikes to date. GBPUSD was a strong performer, rising 1.2% to end the week at 1.2606, 2 month highs, helped by a stronger than expected PMI release.

US 10 Year Yields had a quiet week trading between a high at 4.49 and a low at 4.36% before eventually closing up 3bps at 4.47%.



Natural Gas TA Update:
While Friday did see a recovery from the latest declines, downside risks continue. While 3.139 (38% retrace Oct/Nov downside) caps prices, the potential is for breaks below 2.957 (half last week's rally) to trigger tests of 2.818 (last week's low), then 2.796 (mid-point Apr/Oct strength).

To the upside, breaks back above 3.139 are needed to open up potential moves to 3.237 (higher mid-point).



In commodities, Natural Gas hit a new 7 week low at 2.818 but rebounded strongly to close at 2.994, a small gain of 1.7% on the week. **(Above Natural Gas TA Update)**. Elsewhere, a lower dollar helped support a weekly gain of 1.1% in Gold to a close at 2,002, and a 2.6% gain in Silver, to close at 24.33. While Oil fell for the fifth week in a row, after it dropped 1.1% to 75.17, as traders reduced positions ahead of an OPEC+ meeting on Thursday.

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 27.11	TUESDAY 28.11	WEDNESDAY 29.11	THURSDAY 30.11	FRIDAY 1.12
BEFORE OPEN		EasyJet Scotiabank	Pennon Donaldson Hormel Foods Foot Locker Dollar Tree	Canadian Imperial RBC TD Bank Elekta The Kroger Co.	BMO
AFTER CLOSE	Zscaler	Splunk Intuit CrowdStrike NetApp Leslie's	Snowflake PVH Okta	Dell Technologies Ulta Beauty Salesforce Ambarella UiPath	



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 1500 GMT USD Consumer Confidence. With market participation back to full strength after US traders took an extended break for Thanksgiving holidays, this release could have an impact on risk sentiment at the start of the week, depending whether it shows a fourth monthly decline or a rebound.

Wednesday: 0030 GMT AUD Monthly CPI. A big release for the RBA who are still deciding whether a further 25bps hike may be necessary to cool off prices that remain elevated due to strong domestic demand, with knock on implications for the direction of AUDUSD, which consolidated recent gains above 0.6500 last week.

0100/0200 GMT RBNZ Interest Rate Decision and Press Conference. Market expectations are for the New Zealand central bank to hold rates steady at 5.5% again at this meeting, so the focus will be on the forward guidance conveyed at the press conference, which is likely to impact NZDUSD prices next week. **(Below NZDUSD TA Update).**



NZDUSD TA Update:

The latest upside move has broken 0.6055 (Oct 11th last failure high) to trade near 0.6093 (mid-point Jul/Oct sell-off) which is now the level to be watched. Breaks will be a further positive, opening upside to 0.6168 (higher 62% retrace), even 0.6224 (Jul 31st high).

To the downside, breaks back below 0.6034 suggest a deeper retracement risk to 0.6004 (38% retrace Nov 14th/Nov 24th upside)

1330 GMT USD Q3 GDP. With traders sensitive to updates on the current status of US economic growth, this release could generate some market moving headlines depending on if the print shows an economy slowing more than expected, supporting Fed rate cuts in 2024, or vice versa.

Thursday: 0130 GMT China Manufacturing and Non-Manufacturing PMI. After a surprise dip in last month's reading, traders will be hoping for a rebound in this latest update. If not, while it may increase hopes of further government stimulus, it could weigh on local stocks, European Indices and commodities.

0900 GMT OPEC+ Meeting (Delayed for Sunday). Oil traders are eagerly awaiting fresh updates on whether OPEC+ will further cut oil production as rumours have suggested, or if internal discord amongst the group, has dampened down attempts to support prices around the \$75 level. **(Oil Key Levels Update Page 4).**



Sunday 26th November 2023



Germany 40 TA Update:

A strong rally has developed since 14666 (Oct 27th low) a move that is now approaching 16151 (Sept 15th high). This level is the next focus, with breaks a potential trigger towards 16614 (Jul 31st extreme).

To the downside, correction risks develop if 15996 (half last week's range) gives way to expose potential moves back to 15722 (38% retrace Nov 7th/Nov 24th strength).

1000 GMT EUR Preliminary Inflation (HICP). After recent push back from central bankers on market expectations for ECB rate cuts in 2024, this release will provide an important update on whether the trend for Eurozone inflation is still moderating. If it is, then it may embolden traders to push European indices to fresh highs, and if not it could cause some profit taking on recent gains. **(Above Germany 40 TA Update).**

1330 GMT USD PCE Inflation. This will be an important release for all major US indices and the dollar next week. Will the Fed's preferred gauge of inflation support the current market view of an end to the central bank's interest rate hiking campaign? A below expectation reading, could see stock indices rally further, and the dollar slip to fresh lows, while a higher print could stop any Santa stock rally in its tracks.

Friday: 1600 GMT Fed Chairman Powell Speech. With traders so focused on the next Fed move, any comments from Powell on interest rates or the state of the US economy could see a volatile end to next week.

Key levels the Corellian mentors are focused on

Oil:

Support

- 1st - 73.78, Last week's low
- 2nd - 72.36, November low
- 3rd - 70.20, July 4th extreme

Resistance

- 1st - 78.02, Bollinger mid-average
- 2nd - 79.15, 38% retrace
- 3rd - 81.20, Mid-point

US Tech 100:

Support

- 1st - 15797, November 16th low
- 2nd - 15490, Bollinger mid-average
- 3rd - 15207, November 12th low

Resistance

- 1st - 16171, Last week's high
- 2nd - 16267, January 5th high
- 3rd - 16563, January 4th high

EURUSD:

Support

- 1st - 1.0852, Last week's low
- 2nd - 1.0794, Bollinger mid-average
- 3rd - 1.0743, Mid-point November

Resistance

- 1st - 1.0961, 62% retrace
- 2nd - 1.1004, August 12th high
- 3rd - 1.1063, August 10th high

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