

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment strengthened into the Friday close as traders ignored Fed Chairman Powell's attempt, during a Speech in Atlanta (**See below**), to push back on market expectations of rate cuts from the US central bank starting in the first half of 2024. Stocks and precious metals rallied, while bond yields, the dollar and energy commodities all fell.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday news: Fed Chairman Powell pushes back on market rate cut bets in 2024

- He said "it would be premature to conclude with confidence that we have achieved a sufficiently restrictive stance, or to speculate on when policy might ease".
- However, he also signalled the Fed expected to pause hikes again at their December meeting to assess the impact of their moves to date.



US Stock indices all rallied on Friday, ensuring their fifth week of gains. The USA 30 Wall Street closed up 0.87% at 36,323, a high for 2023, while the USA 2000 index of small cap stocks, jumped 2.95% to close at 1,868, its highest level in 2 months. **(Page 4 USA 30 Wall Street TA Update)**. **It was a similar story for European indices**, with the Germany 40 closing up 1.2% at 16,460, a 4 month high, and the UK 100 closing up 1% at 7,540.

The US Dollar Index fell for the third week in a row, dropping 0.3% on Friday, to close at 103.11, although it had hit fresh 4 month lows at 102.37 on Wednesday. USDJPY slipped 1.8% lower on the week to close at 146.87, tracking the fall in US bond yields, while AUDUSD strengthened 1.3% to close at 0.6676 (4 month highs) ahead of the RBA interest rate meeting next Tuesday. **(Page 3 AUDUSD TA Update)**.

US 10 Year Yields were under pressure from the very start of the week. Opening at 4.47% on Monday, they hit a brief high at 4.51%, before trending down 31bps to an eventual close at 4.20% (4 month lows). The move was supported by in line PCE inflation data on Thursday and a disappointing ISM Manufacturing PMI survey release on Friday.



Oil TA Update:
After the aggressive sell-off from September highs, a period of choppy consolidation activity has developed. However, 79.12/74 (38% retrace Oct 22nd/Nov 16th sell-off and Nov 14th high) remains intact and prompted a sharp decline on Thursday, maintaining risks to test 74.04 (Nov 27th low), then 72.36 (Nov monthly extreme).

To the upside, only breaks of 76.87 (half last week's range) suggest scope back to 79.12/74.



In commodities, Oil had another disappointing down week, closing at 74.36, after a late 2% fall on Friday as traders were less than convinced the 900k barrels per day of voluntary production cuts announced by OPEC+ were going to be complied with. **(Above Oil TA Update)**. Elsewhere precious metals all outperformed. Gold closed at 2072 (+3.5% on the week), Silver finished at 25.45 (+4.7% on the week) and Copper ended at 3.9200 (+2.2% on the week).

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 4.12	TUESDAY 5.12	WEDNESDAY 6.12	THURSDAY 7.12	FRIDAY 8.12
BEFORE OPEN	NIO	J.M. Smucker Ashtead Ferguson AutoZone	RH TUI Campbell Soup Thor Industries	National Beverage DS Smith Dollar General CIENA	Berkeley Group
AFTER CLOSE	Gitlab	Mongodb Asana SentinelOne Toll Brothers	Chewy C3.ai Veeva Systems Sprinklr Charge Point	Broadcom DocuSign Lululemon Cooper	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 0730 GMT CHF Inflation Data (CPI). This release is important for EURCHF and USDCHF traders, as it could decide whether the Swiss central bank contemplate hiking again, something the SNB Chairman recently hasn't ruled out.

2330 GMT JPY Tokyo CPI. While not the national release, Tokyo is a big part of the Japanese economy, and its inflation data has impacted USDJPY prices in the past.

Tuesday: 0330 GMT RBA Interest Rate Decision. The RBA is one of the very few major central banks still considering whether a further 25bps hike is necessary to cool a strong domestic economy, and subdue inflation. This decision and the tone of the accompanying statement, will likely influence the next moves for the Australia 200 and AUDUSD next week. **(Below AUDUSD TA Update).**

AUDUSD TA Update:

While corrections materialised from 0.6676 (Nov 29th session high) it is still positive trending conditions that dominate. This suggests scope for upside extension to post new recovery extremes, and open 0.6739 (Jul 31st high), even 0.6821 (Jul 27th failure).

To the downside, moves back below 0.6625 (half latest upside) are needed for a deeper sell-off to 0.6571 (Thursday's low).



1500 GMT USD ISM Services PMI. This is the sector supporting the US economy at present, and traders will be focused on whether it is managing to stay above the 50 level, that separates expansion from contraction. This release should impact US stocks and the dollar next week. **(Page 4 USA 30 Wall Street TA Update).**

1500 GMT USD JOLTs Job Openings. This is the first piece of US labour market data of the week, followed up by **ADP Employment at 1315 GMT Wednesday**, and **Initial Jobless Claims Thursday at 1330 GMT**, which are all building into the final Non Farm Payrolls release of the year on Friday. Traders will be sensitive to any of these prints that show the employment market cooling down, with a likely knock on impact for the direction of US stocks and the dollar.

Wednesday: 1500 GMT BoC Interest Rate Decision. Traders aren't expecting the Canadian central bank to do anything at this meeting after the BoC Governor said recently that the current level of interest rates is enough to bring inflation back to target. However, the accompanying statement may create some volatility in USDCAD prices that traders should be prepared for.



Sunday 3rd December 2023



USA 30 Wall Street TA Update: Upside continues to be seen and last week saw closing breaks of 35840 (Jul'23 high), which appears to be a fresh positive. Such moves look to open scope back to 36829 (Jan'22 rejection high), potentially further if this gives way.

To the downside, breaks back below 35857 (half last week's range) are needed for a deeper sell-off towards 35312 (last week's low).

Thursday: 0300 GMT China Imports, Exports and Trade Balance. After last Thursday's weaker than expected China PMI releases hit sentiment in local stock indices, commodities, EUR and AUD. Traders next week will be looking for something more positive from this set of data. If not, it could mean further falls are in store. **(Page 2 Oil TA Update).**

Friday: 1330 USD Non Farm Payrolls. The data event of the week, as the US labour market is at the centre of Fed decision making on interest rates. If the unemployment rate starts to print higher again (currently 3.9%), and average hourly earnings continue to moderate, it could help stock indices to build on their current Santa rally, and the dollar to continue its recent downtrend, or vice versa.

1500 GMT USD Preliminary Michigan Consumer Sentiment. This number has been falling recently as US consumers worry about what inflation may mean for their household budgets, and spending in the short term. Its a release than could ensure a busy end to next to the week for traders of all financial assets.

Key levels the Corellian mentors are focused on

Gold:

Support

- 1st - 2032, Thursday's low
- 2nd - 2021, 38% retrace Nov upside
- 3rd - 2004, Mid-point same move

Resistance

- 1st - 2074, May 2023 high
- 2nd - 2113, 100% Fibon Extension
- 3rd - 2171, 138% Fibon Extension

US Tech 100:

Support

- 1st - 15805, Bollinger mid-average
- 2nd - 15431, 38% retrace Oct/Nov
- 3rd - 15187, Mid-point same move

Resistance

- 1st - 16206, Last week's high
- 2nd - 16267, January 5th high
- 3rd - 16563, January 4th high

EURUSD:

Support

- 1st - 1.0828, 38% retrace Nov
- 2nd - 1.0769, Mid-point same move
- 3rd - 1.0710, Deeper 62% retrace

Resistance

- 1st - 1.0901, 38% last week's range
- 2nd - 1.0946, Higher 62% retrace
- 3rd - 1.1017, Last week's high

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