



# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** remained strong into the Friday close despite further comments from Fed speakers that reiterated they see no urgency to cut interest rates. Traders instead chose to focus on the positive prospects of a soft landing for the US economy and remain optimistic about corporate earnings in 2024. Stock indices and US bond yields rallied, while the dollar was flat, and commodities closed with mixed results.

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

Friday data: US annual CPI revisions confirm progress on inflation at the end of 2023

- US consumer prices excluding food and energy rose at 3.3% annualised rate in the final three months of 2023. In line with market expectations.
- This helped to confirm the Fed's significant progress on inflation in 2023 and is likely to support markets hopes for rate cuts in May or June.



**US Stock indices** ended the week with technology sector led gains which saw the S&P 500 jump 0.5% to 5,042 and the US Tech 100 rally 1% to close at 18,036, both fresh record closing highs. **(Page 4 S&P 500 TA Update)**. Elsewhere, the USA 2000 jumped 1.4% to 2,015, while the USA 30 Wall Street underperformed down 0.3% at 38,714. **In Europe**, the Germany 40 (17,028) and the UK 100 (7,564) both closed flat, while the Europe 50 finished up 0.5% at 4,756, a new all time high.

**The US Dollar Index** closed up for the sixth week in a row at 103.97 after briefly hitting a new 2024 high at 104.45 on Monday as traders scaled back their expectations for the number of Fed rate cuts in 2024 from six to just four 25bps cuts. EURUSD briefly hit a new low at 1.0723 on Tuesday but bounced to end the week flat at 1.0786. **(Page 3 EURUSD TA Update)**.

**US 10 Year Bond Yields** rallied for their second week in a row. After opening at 4.02% they quickly jumped to fresh highs at 4.18% after a strong US ISM Services PMI release on Monday afternoon before trading in a tight range between 4.10% and their eventual close at 4.17%.



**Gold TA Update:**

Choppy sideways activity has extended with no sign of a breakout of either side yet. As such, 2053 (downtrend) and 2021 (uptrend) are to be watched, with a closing breakout suggesting the direction of the next leg. Settlements above 2053 will be positive to open scope to 2065 (Feb 1st high), then 2088 (Dec 28th extreme), while closes under 2021, expose weakness to 2006 (Jan 17th low), then 1973 (Dec 13th rally point).



**In commodities,** Gold underperformed across the week, falling 0.7% to close at 2,024 as traders reduced their expectations for the amount of rate cuts from the major central banks in 2024. **(Above Gold TA Update).** Elsewhere, Copper dropped 3.5% to close at 3.6850, a fresh low for 2024 hurt by on-going concerns over demand for precious metals from China, while Oil spiked 5.8% to close at 76.60 and Natural Gas fell 12% to new closing lows at 1.859.

## 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**  
12.02

**TUESDAY**  
13.02

**WEDNESDAY**  
14.02

**THURSDAY**  
15.02

**FRIDAY**  
16.02

**BEFORE  
OPEN**

Trimble Navigation

TUI  
Hasbro  
Coca-Cola  
Ecolab  
Biogen

**ABN Amro**  
ThyssenKrupp  
Avantor  
**Kraft Heinz**  
IQVIA Holdings

**Commerzbank**  
**Hyatt**  
Targa  
Zebra  
Deere

DKSH  
BB Biotech  
Swiss Re  
Eni  
**Nat West**

**AFTER  
CLOSE**

Michelin  
Blackbaud  
Federal Realty  
Arista Networks  
Principal Financial

AIG  
Zillow  
Airbnb  
Lyft  
**MGM**

Sonoco  
Ventas  
Trip Advisor  
Equinix  
Fastly

Dropbox  
Coinbase  
Roku  
DoorDash  
Alliant Energy

## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Tuesday: 0700 GMT GBP Employment Data.** An important release for UK 100 and GBPUSD traders next week. The tightness of the UK labour market and rising wages are a major reason why the Bank of England are reluctant to start cutting interest rates to support their flat lining economy.

**0730 GMT CHF Inflation Data (CPI).** Expectations are for a higher CPI reading than the previous month but for inflation to stay within the SNB's 0-2% target range. Any deviation could have implications for the direction of USDCHF and EURCHF which have both been trending higher in February.

**1330 GMT USD Inflation Data (CPI).** With the dollar printing fresh highs last week as Fed speakers continued to push back on early rate cuts, this release is likely to be the event of the week for FX traders. Any print above expectations could hit risk sentiment and increase dollar buying against other G10 peers and vice versa.  
**(Below EURUSD TA Update).**



### EURUSD TA Update:

Last week extended recent declines, and new correction lows were posted (1.0722 Feb 6th). This is a further negative pointing to a deeper retracement risk to 1.0713 (62% retracement), even 1.0656 (November 11th low).

To the upside, closes above 1.0827 (38% retrace Jan 11th to Feb 6th sell-off and Bollinger mid-average) must be seen for upside tests of 1.0858 (higher mid-point).

**Wednesday: 0700 GMT GBP Inflation Data (CPI).** More crucial data for FX traders to consider. Inflation is still well above the UK central bank's 2% target which has seen markets mark the BoE down as one of the last major central banks to cut rates in 2024. A lower than expected reading here could see that change with implications for the direction of the UK 100 index, GBPUSD and EURGBP next week.

**2350 GMT JPY Preliminary GDP.** Japanese economic data faces more scrutiny ever since the BoJ suggested they are considering a shift from their ultra loose policy stance. Stronger growth would help to support that view and so this release could impact the direction of USDJPY and the Japan 225 index next week.

**Thursday: 0030 GMT AUD Employment Data.** The resilience of the Australian labour market is at the heart of why the RBA continues to hold interest rates at elevated levels and is still reluctant to consider cuts. With that in mind this update could have an impact on the direction of AUDUSD and the ASX 200 index next week.



#### S&P 500 TA Update:

Little stands in the way of current bullish trends and last week again saw new all-time highs posted (5048 Feb 9th). This maintains the risks to extend higher over the course of the coming week, with the next resistance marked by 5061 (upper daily Bollinger band).

To the downside, only breaks under 4981 (38% retrace latest upside) suggest a deeper decline towards 4937 (the 62% level and rising mid-average).

**Thursday: 0700 GMT GBP Preliminary GDP.** UK economic growth continues to bump along the zero line, defying market expectations of a recession. This release could grab some market moving headlines if the number shows the UK economy to be deteriorating faster or further than expected or vice versa.

**1330 GMT USD Retail Sales.** This release takes on more significance given that US consumer spending has been strong in recent months despite higher prices. Another strong print here could boost trader hopes of a soft landing for the US economy in 2024, but could also signal the Fed doesn't need to cut interest rates anytime soon, with implications for the direction of US stock indices. **(Above S&P 500 TA Update).**

**Friday: 1500 GMT USD Preliminary Michigan Consumer Sentiment.** A confident consumer has helped support US economic growth with spending on goods and services despite interest rates remaining at their highs. For that reason traders are sensitive to this release and it could impact all markets into Friday's close.

## Key levels the Corellian mentors are focused on

#### Oil:

##### Support

- 1st - 74.71, Bollinger mid-average
- 2nd - 71.40, Last week's low
- 3rd - 70.50, January 8th low

##### Resistance

- 1st - 77.26, Last week's high
- 2nd - 79.25, January 29th high
- 3rd - 81.46, Mid-point Sept/Dec'23

#### US Tech 100:

##### Support

- 1st - 17748, 38% retrace latest upside
- 2nd - 17648, Mid-point same move
- 3rd - 17549, Deeper 62% retrace

##### Resistance

- 1st - 18069, Last week's high
- 2nd - 18113, Daily Bollinger upper band
- 3rd - 18335, Weekly upper band

#### USDJPY:

##### Support

- 1st - 148.60, Half latest upside
- 2nd - 148.03, Bollinger mid-average
- 3rd - 147.63, Last week's low

##### Resistance

- 1st - 149.57, Last week's high
- 2nd - 151.41, November 15th high
- 3rd - 151.90, November 2023 high

**Disclaimer:**

This presentation has been designed and delivered by The Corellian Academy Limited, company number 11596572 whose registered address is 10 Western Road, Romford, Essex RM1 3JT, United Kingdom. Corellian (or The Firm) operate under a single title and have no affiliations with any entity other than the company.

Information contained in this document is intended for the use of the addressee only and is confidential. Any dissemination, distribution, copying or use of this document without prior permission of the addressee is strictly prohibited.

All opinions and judgements expressed in this presentation /document and all projections, forecasts and statements concerning future events or possible results achieved by Corellian are personal opinions, judgements, projections, forecasts, and statements of Corellian and result from the interpretation by Corellian of the information that was in its possession at the date of preparation of this introductory presentation.

Any views and perspectives offered within this presentation are for the purposes of education only. Corellian do not provide financial advice and will not be held responsible for any misunderstanding or misuse of such information that results in a negative outcome. As a result, anyone participating in this presentation must form their own independent view as to such opinions, judgements, projections, forecasts, or statements.

The information herein is based on information obtained from sources believed to be reliable, but Corellian does not represent or warrant that it is accurate and complete or that the services herein are appropriate for any person. This presentation is for informational purposes only and is not, and may not, be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer of any security or service.

Certain information contained herein constitutes "forward-looking statements," which can be identified using terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue," "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or actual performance of the services offered herein may differ materially from those reflected or contemplated in such forward-looking statements.

As a result, the recipient should not rely on such forward-looking statements in making its decisions to pursue the services or products offered herein. No representation or warranty is made as to future performance or such forward-looking statements. All opinions and judgements expressed in this presentation and all projections, forecasts and statements concerning future events or possible results achieved by Corellian are personal opinions, judgements, projections, forecasts, and statements of Corellian and result from the interpretation by Corellian of the information that was in its possession at the date of preparation of this introductory presentation.