



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment slipped back from its highs into the close as traders digested a mixed US Non Farm Payrolls report (**See below**) and decided to lock in some profits on winning positions into the weekend. Stock indices, bond yields and the dollar fell, while commodities had mixed results.

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

Friday data: US hiring strong in February even as unemployment hits 2 year high

- **Headline Non-Farm Payrolls:**
+275k versus +200k expected.
Unemployment Rate:
3.9% versus 3.7% expected.
Average Hourly Earnings (MoM):
0.1% versus 0.3% expected.
- There are signs that the US labour market is slowing down and could support Fed rate cuts later in 2024.



US Stock indices all reversed initial strong gains to close lower on Friday led by profit taking in technology stocks. The S&P 500 which had printed a new all time high at 5,257, reversed and closed back at 5,195, helped lower by falls in Nvidia and Tesla. Similarly, the US Tech 100 which had touched a fresh high at 18,689 closed back at 18,304, a fall of 1.4%. (**Page 4 S&P 500 TA Update**).

European indices all followed the US markets lower, with the Germany 40 pulling back from a new all time high at 17,921 to close at 17,771, and the UK 100 falling 0.6% to 7,655.

The US Dollar Index fell 1.1% on the week to close at 102.71, its worst weekly fall since mid December as traders reacted to weaker US economic data and some dovish testimony from Fed Chairman Powell. USDJPY dropped 2% on the week to close at 147.07 on reports the BoJ could consider a rate rise at their March meeting. (**Page 3 USDJPY TA Update**).

US 10 Year Bond Yields rallied briefly from opening levels at 4.18% to print a Monday high at 4.24% before trending lower over the next four trading days to eventually close down 16bps at 4.08% as traders adjusted positions in response to weaker economic data.



Gold TA Update:

A break above 2088 (Dec 27th high) saw a sharp acceleration in prices which eclipsed the previous peak at 2146 (Dec 3rd high) and set a new all time high at 2195. Bollinger bands are widening and the mid average is turning higher suggesting potential for further gains back towards 2200, where a break could open up moves towards 2276 (Fibo 138.2% extension Feb low/March high). Any downside pullback should find initial support at 2137 (Half last week's move), 2114 (Fibo 38.2 Feb low/March high) area.



In commodities, Gold had a very strong week as it rallied 4.6% to hit an all time high at 2,195 on Friday before settling back slightly lower at 2,179 as traders reacted to increased hopes of rate cuts from the Fed and ECB. **(Above Gold TA Update).** Silver also did well, jumping 5.2% on the week to close at 24.35. Elsewhere, Oil struggled to sustain a Monday rally to a high at 80.64, eventually reversing 2.5% to close Friday at 77.86.

STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

Time Zone Key:

- GMT -4 = 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
11.03

TUESDAY
12.03

WEDNESDAY
13.03

THURSDAY
14.03

FRIDAY
15.03

**BEFORE
OPEN**

LEG

TAG Immobilien
 Fuchs Petrolub
 Persimmon
 Porsche AG
 Kohl's

Williams-Sonoma
E.ON
Volkswagen
Adidas
Dollar Tree

Swatch
Rheinmetall
RWE
Dollar General
Weibo

HelloFresh
 Vonovia
 RLX Technology
 Jabil Circuit

AFTER CLOSE

Oracle
Asana

Lennar
UiPath
SentinelOne

Uta Beauty
Adobe



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0700 GMT Employment Data. This is a very important release for UK financial markets and the Bank of England. Low unemployment and higher wage growth have been two of the major reasons forcing the central bank into keeping interest rates higher for longer. If the UK economy is struggling in recession, then this data should start to weaken with implications for the UK 100 and GBPUSD next week. **(Page 4 Key GBPUSD TA Levels).**

1230 GMT USD Inflation Data (CPI). US inflation has started to tick back higher in recent months which has supported the Fed's interest rate outlook for 2024 and forced markets to reduce their rate cut expectations to fall in line. With traders now a little less certain about what comes next, a higher than expected reading could see a fresh bout of profit taking in stocks and renewed demand for dollars, especially if it leads to a spike higher in bond yields. **(Below USDJPY TA Update).**



USDJPY TA Update:

Last week's aggressive sell off saw prices test support at 146.81 (Fibo 38.2% retrace Dec low/Feb high) which initially held the move. While a small pullback to higher levels is possible next week, as long as prices stay below 148.20 (Lower daily Bollinger Band) there is potential for a break below 146.80 to test 145.89 (Jan 31st low), even 145.58 (Mid level Dec low/Feb high). Only a close above 148.20 would relieve the downside pressure and open up a move to 149.20 (Feb 28th low).

Wednesday: 0700 GMT GBP Gross Domestic Product. With such a focus for FX traders on the performance and growth trend for the UK economy, this release is likely to grab some market moving headlines for GBPUSD and EURGBP traders, depending on whether it shows signs of improvement, or its shows a continuing trend of deterioration which could increase trader hopes of a more dovish outlook from the BoE when they meet to discuss monetary policy on Thursday 21st March.

Thursday: 1230 GMT USD Inflation Data (PPI). This update on US finished goods inflation has impacted the direction of stock indices and the dollar in previous months where it has deviated from market expectations.

1230 GMT USD Retail Sales. After a shock fall last month, traders will be watching this update closely to confirm whether US consumers are continuing to reduce spending as higher interest rates eat into their household budgets, which could in turn, have a negative impact on economic growth and company earnings. **(Page 4 S&P 500 TA Update).**



S&P 500 TA Update:

Last week's push to a new all time high at 5257 led to some profit taking on overbought conditions. While corrective in nature, the recent up trend remains intact while prices remain above the Bollinger mid average (5074). Short term focus next week will be on support at 5137 (Fibo 38.2 retrace Feb low/March high), with moves below here opening up 5074 (mid average). On the topside, 5257 remains in focus with fresh breaks here opening up further potential gains.

Friday: 0130 GMT China House Price Index. After the Chinese authorities last week set an economic growth target of 5% in 2024 at their annual National People's Congress, more government stimulus is expected by traders to support under performing areas of the economy. This release will provide an update on a shaky China real estate market, with potential implications for the direction of China A50 and Hong Kong 50 indices, as well as some key commodities. **(Below Oil Key TA Levels).**

1400 GMT USD Preliminary Michigan Consumer Sentiment. Sentiment, which had been increasing into the end of 2023 has started to fall again alongside a rise in inflation expectations. With the US consumer such an important driver of the economy this sentiment update and whether their inflation expectations are continuing to rise, could have implications for stock indices and FX markets ahead of the next Fed interest rate meeting on Wednesday 20th March.

Key levels the Corellian mentors are focused on

Oil:

Support

- 1st - 77.52 Last week's low
- 2nd - 76.15 Mid rate Feb/Mar
- 3rd - 75.83 February 25th low

Resistance

- 1st - 78.84 38% retrace
- 2nd - 79.72 Upper daily Bollinger
- 3rd - 80.82 March 1st high

US Tech 100:

Support

- 1st - 17980 Bollinger mid-average
- 2nd - 17833 Last week's low
- 3rd - 17373 February 20th low

Resistance

- 1st - 18431 Upper daily Bollinger
- 2nd - 18689 Last week's high
- 3rd - 19000 Psychological round number

GBPUSD:

Support

- 1st - 16335, Half latest upside move
- 2nd - 16145, Bollinger mid-average
- 3rd - 16056, Mid-point July

Resistance

- 1st - 1.2892 Last week's high
- 2nd - 1.2955 Upper weekly bollinger
- 3rd - 1.2995 July 26th 2023 high

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