



# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** dipped into the Friday close as traders adjusted positioning and looked ahead to a huge week packed with important data and key central bank meetings. US bond yields and the dollar rallied, while stock indices and commodities ended the week with mixed results.

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

Friday data: US consumer sentiment remains steady as Americans focus towards election

- **Preliminary Michigan Consumer Sentiment**  
**Headline sentiment:** 76.5 versus 76.9 expected.  
**1 year inflation expectations:** 3% as expected.  
**5-year inflation expectations:** 2.9% as expected.
- US consumers are reserving judgment on what comes next for the economy as November's presidential election looms.



**US Stock indices** all fell on Friday with the down moves amplified by a quarterly option contract expiry known as triple witching. Technology stocks again led the moves helped by Adobe which sank on a weak sales outlook. The US Tech 100 closed down 1.1% at 18,063, while the S&P 500 fell 0.7% to finish the week at 5,183, and the USA 30 dropped 0.5% to end at 39,140. **(Page 3 US Tech 100 TA Update).**

**European Indices** outperformed for the second week in a row helped by increased optimism around rate cuts. The Germany 40 hit a new all time high at 18,324 before closing at 18,275, a gain of 0.3%, while the UK 100 finished flat at 7,768, its highest close since September.

**The US Dollar Index** rebounded from its lows at 102.29 to close the week at 103.09, a gain of 0.6%, supported by economic data that showed an increase in US inflation. GBPUSD dropped 1% from its highest levels of 2024, to finish the week at 1.2735 ahead of the BoE rate decision next Thursday. **(Page 4 GBPUSD TA Update).**

**US 10 Year Bond Yields** rose 24bps across the week to close at 4.32%, their highest level of 2024 ahead of next week's Fed rate decision and press conference.





Oil TA Update:

Completion of the bullish reverse Head and Shoulders pattern was a positive development for tests of 81.46 (mid-point Sept/Dec sell-off). However, risks remain for closing breaks to open scope towards 84.75 (higher 62% retracement), then 89.82 (Oct 22nd high). To the downside, breaks back under 78.59 (Bollinger mid=average) suggest increasing potential to 77.76 (38% retrace Feb/Mar upside), even 76.60 (deeper mid-point).



In commodities,

Oil had a strong week, rising 4% to close at 81.04 as traders reacted to news that US crude inventories dropped for the first time since January. **(Above Oil TA Update)**. Elsewhere, Natural Gas fell for a second week in a row. Closing Friday at 1.667, a weekly drop of 8%. In precious metals, Copper rose 6% to close at its highest level since April 2023 at 4.1222.

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 18.03	TUESDAY 19.03	WEDNESDAY 20.03	THURSDAY 21.03	FRIDAY 22.03
BEFORE OPEN	Hannover Re	Georg Fischer Partners Fraport HUYA XPeng	Prudential Deutsche Wohnen Atos General Mills Kingsoft Cloud	Swatch ESR BMW Next Factset Research	Heidel. Cement Meituan Phoenix Group
AFTER CLOSE	StoneCo		Chewy Micron	Enel Lululemon Athletica FedEx Nike	



## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

### **Monday: 0200 GMT China Industrial Production, Retail Sales and Unemployment.**

An important release for traders who are still watching for clearer signs of a recovery in the Chinese economy. If there is some improvement in this data set it could boost key commodities like oil and copper. **(Page 2 Oil TA Update).**

### **Tuesday: 0230/0630 GMT BoJ Interest Rate Decision and Press Conference.**

Recent reports that the Japanese central bank could hike rates at this meeting, its first move in decades, increased volatility in USDJPY and other crosses last week. However, Governor Ueda seemed to suggest they may wait until April, once they confirm the outcome of key wage negotiations. Either way, this event is likely to dominate FX market moves at the start of next week.

**0330/0430 GMT RBA Interest Rate Decision.** No change from the RBA is anticipated so traders will be listening to what is said at the press conference closely. Rate cuts are currently expected to start in September, however, with inflation and household spending falling, any willingness from the RBA to embrace earlier moves could influence the direction of AUDUSD and the ASX 200 index.



### **US Tech 100 TA Update:**

Risks of a more extended correction are materialising after Friday's close under 18087 (Bollinger mid-average). While not an outright negative, risks appear moves towards 17799 are possible (38% retrace Jan/Mar strength), even 17603 (current level of Bollinger lower band).

To the upside, breaks of 18352 (half latest correction) increase the possibilities of moves back higher to challenge 18690 (Mar 10th high).

**Wednesday: 0700 GMT GBP Inflation Data (CPI).** This is a big release for the BoE to consider, especially since it comes just one day before their rate decision. Hopes have been increasing in the last week that the BoE may cut interest rates more than expected in 2024 after wage growth slowed. This update could confirm that view with implications for the direction of GBPUSD and the UK 100 index.

**1800/1830 GMT Fed Interest Rate Decision and Press Conference.** This is the event of the week and will likely influence the direction of all markets. No change on interest rates is expected, so the focus is on the press conference. Traders continue to anticipate the first Fed rate cut in June but after a strong CPI print last Tuesday, will Chairman Powell try and walk those expectations back or provide commentary that supports that view? **(Above US Tech 100 TA Update).**





#### GBPUSD TA Update:

After the sharp advance into 1.2892 (Mar 9th high) a correction has developed back towards 1.2723 (Bollinger mid-average). This level, alongside 1.2706 (mid-average Jan/Mar strength) are the focus, as while intact risks are for fresh upside moves to breach 1.2790 (38% retrace Mar sell-off) and open tests of 1.2830 (62% level), even 1.2892 (Mar 9th high). To the downside, breaks under 1.2706/23 suggest a more extended decline to 1.2662 (deeper 62% retracement).

**Thursday: Global Preliminary PMIs.** These PMI readings will provide important updates on the direction of growth in the developed economies, which in turn could influence the thinking of central banks on how soon they can cut interest rates.

**0830/0900 GMT SNB Interest Rate Decision and Press Conference.** The focus for FX traders is on whether the SNB could be the first western central bank to declare victory over inflation and start cutting interest rates. Expectations are they will want to wait until June, and cut in line with the ECB, as Europe is their main trading partner, but if they don't it could see some volatile moves in USDCHF and EURCHF next week.

**1200 GMT BoE Interest Rate Decision.** With wage growth falling, and depending on the outcome of Wednesday's inflation reading, this could be a big meeting for the BoE and GBPUSD traders. A more dovish tone from the UK central bank, embracing the potential for rate cuts starting earlier than August could see GBP begin to underperform other G10 currencies and vice versa. **(Above GBPUSD TA Update).**

## Key levels the Corellian mentors are focused on

#### Gold:

##### Support

- 1st - 2151, Last week's low
- 2nd - 2116, 38% retrace Feb/Mar
- 3rd - 2095, Bollinger mid-average

##### Resistance

- 1st - 2177, Thursday's failure high
- 2nd - 2195, March upside extreme
- 3rd - 2222, Upper Bollinger band

#### S&P 500:

##### Support

- 1st - 5145, 38% retrace Feb/Mar
- 2nd - 5123, Bollinger mid-average
- 3rd - 5109, Mid-point same move

##### Resistance

- 1st - 5212, Half latest sell-off
- 2nd - 5253, Last week's high
- 3rd - 5306, Weekly Bollinger upper band

#### USDJPY:

##### Support

- 1st - 148.16, 38% retrace March rally
- 2nd - 147.82, Mid-point same move
- 3rd - 147.52, Deeper 62% retrace

##### Resistance

- 1st - 149.24, Bollinger mid-average
- 2nd - 150.08, March 5th high
- 3rd - 150.56, March 3rd extreme



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