



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment recovered on Friday from a nasty slide the day before as traders shifted their focus from worrying that the Fed may delay rate cuts due to stubborn inflation and elevated tensions in the Middle East back to the strength of the US economy, and what that may mean for corporate earnings after receiving the release of the US Non Farm Payroll Report (**See Below**).

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

Friday data: US jobs spike again in March as unemployment rate drops

- **Headline Non Farm Payrolls:**
+303k versus +200k expected.
Unemployment Rate:
3.8% versus 3.9% expected.
Average Hourly Earnings (YoY):
4.1% versus 4.1% expected.
- The strength of this report boosts the chances the Fed remain patient on inflation and delay the first rate cut.



US Stock indices all rallied strongly on Friday reducing the damage done from falls earlier in the week. The S&P 500 climbed 1.1% to close at 5,255 (-0.8% on the week), while the US Tech 100 bounced 1.3% to 18,311 (-0.7% on the week), and the USA 30 rallied 0.9% to close at 39,246 (-2.1% on the week). (**Page 4 S&P 500 TA Update**).

It was a different story in Europe where weaker sentiment saw all the major indices fall on Friday. The UK 100 fell 0.7% to close at 7,934 and the Germany 40 dropped 1.2% to end the week at 18,433 as traders banked some profits ahead of next week's ECB meeting.

The US Dollar Index railed 0.2% on Friday to close at 104.07 which wasn't enough to stop the index falling for the first time in 4 weeks (-0.3%). AUDUSD was the main beneficiary as it jumped 1% to close at 0.6580 supported by big gains in commodities.

US 10 Year Yields jumped 21bps on the week to close at 4.41% (2024 Closing Highs) as traders reacted to stronger US economic data by scaling back their projections for Fed cuts in 2024.



Gold TA Update:

Upside acceleration extended to post new all-time highs and close above both 2266 (200% Fibonacci extension May'23/Oct'23 sell-off) and 2325 (higher 238% level). This suggests 2362 (the 262% extension) could be challenged.

To the downside while not an outright negative development, breaks below 2300 (half Friday's range) can see tests of 2262 (38% retrace Mar 18th/Apr 5th strength).



In commodities, Gold continued its impressive up trend by rallying another 4% on the week to close at 2,330, another new all time high. **(Above Gold TA Update).** Silver and Copper both outperformed across the five trading days. Silver spiked 10% to close at 27.57 (3 year highs), while Copper jumped 6% to end the week at 4.2420 (15 month highs). Elsewhere, Oil closed 4% higher at 86.75 (5 month highs) on supply concerns.

STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

Time Zone Key:

BST -5	= New York
BST	= London
BST +1	= Frankfurt
BST +10	= Sydney

All times are British Standard Time (GMT). Please use the key above to adjust to your appropriate time zone. **Key Earnings next week in table below.**

MONDAY
8.04

TUESDAY
9.04

WEDNESDAY
10.04

THURSDAY
11.04

FRIDAY
12.04

**BEFORE
OPEN**

Industrivarden

Tilray Brands

Tesco
Delta Air Lines
MSC

Gerresheimer
Car Max
Fastenal
Constellation Brands

JP Morgan
Citigroup
Wells Fargo
State Street
Blackrock

**AFTER
CLOSE**

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Wednesday: 0300 BST RBNZ Interest Rate Decision. This is going to be an interesting meeting for NZDUSD traders. The RBNZ have shifted from being close to hiking again at their last meeting to seriously considering a cut as New Zealand's economy has moved into a recession. No change is expected but will they signal a cut may be on its way later in 2024?

1330 BST USD Inflation Data (CPI). A huge release for traders to focus as they grapple with the possibility that the Fed may delay cutting rates in order to get inflation fully under control. Another strong print could negatively impact stocks and push the dollar higher. **(Below USDJPY TA Update).**

1445/1530 BST BoC Interest Rate Decision and Press Conference. No change is expected from the BoC at this meeting but it could be a close call. Many of the key measures that the Canadian central bank follow show progress being made to get inflation back under control. Any signals the BoC provide at the press conference about the likelihood of cuts at their June meeting could also prove to be crucial to where USDCAD moves next.



USDJPY TA Update:

Latest upside has been held by 151.93 (Oct'22 rejection point) and a consolidation has materialised from it. This tested 150.87 (Bollinger mid-average) to see a bounce, suggesting risks to retest, even breach 151.94 and open 153.82 (weekly Bollinger upper band).

To the downside, moves below 150.87 suggest a deeper setback to 149.87 (38% retrace Mar/Apr upside).

1900 BST Fed Meeting Minutes. The Fed Chairman and other key policymakers have clarified the US central bank's 'No Rush' stance on interest rates in the last two weeks but it is still possible that this release could generate some market moving headlines for US stock indices.

Thursday: 0230 BST China Inflation Data (PPI/CPI). After last weekend's manufacturing PMI release showed industrial activity picking up, China A50 and Hong Kong 50 traders are very focused on all new economic data releases to assess whether the Chinese economy is starting to turn back higher again.



S&P 500 TA Update:

Thursday's close below 5252 (Bollinger mid-average) reflects risks for deeper corrections, even after Friday's recovery. This can see tests of 5171 (Bollinger lower band), possibly 5091 (38% retrace YTD strength).

To the upside, closes back above 5308 (Thursday's rejection high) suggest upside resumption that can breach 5333 (Apr 1st high) and resume the longer term bullish trend.

1315/1345 BST ECB Interest Rate Decision and Press Conference. Another big event for traders to focus after EU inflation fell more than expected last week. While no change on interest rates is expected there is still an outside chance the ECB could cut 25bps at this meeting or at least provide a clear signal that a cut in June is almost a certainty. Either way, traders should be prepared for volatility in EURUSD and European indices next week. **(Below Key Germany 40 and EURUSD Levels).**

1330 BST USD Inflation Data (PPI). Factory gate inflation has been moving stock markets in 2024 just as much as CPI releases. After a surprise jump in last months reading traders will be watching closely to see if that was just an anomaly or start of worrying trend. **(Above S&P 500 TA Update).**

Friday: Start of Q1 2024 Earnings Season. US earnings season kicks off with the major US banks reporting Friday. If US stock indices are to continue to push higher from current levels they may need the support of a strong reporting season from US companies. Disappointing earnings could see traders reassess their positive outlook.

Key levels the Corellian mentors are focused on

Oil:

Support

- 1: 84.93, 38% retrace latest upside
- 2: 84.11, Mid-point same move
- 3: 83.27, Deeper 62% retracement

Resistance

- 1: 87.60, Last week's high trade
- 2: 88.21, October 23rd high
- 3: 89.82, October 22nd high

Germany 40:

Support

- 1: 18328, Bollinger mid-average
- 2: 18076, 38% retrace Feb/Apr
- 3: 17848, Mid-point same move

Resistance

- 1: 18677, Thursday's session high
- 2: 18835, Current April high
- 3: 18932, Daily Bollinger upper band

EURUSD:

Support

- 1: 1.0783, 62% retrace April upside
- 2: 1.0724, March monthly low
- 3: 1.0694, February 14th extreme

Resistance

- 1: 1.0876, Last week's failure high
- 2: 1.0882, 62% retrace Mar/Apr
- 3: 1.0942, March 21st rejection high

Sunday 7th April 2024

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