



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment fell into the Friday close as traders chose to remain cautious (**See below**) while assessing the current climate of on-going geopolitical risks, stubborn inflation and the prospect of higher Fed interest rates for longer than had been anticipated only several weeks ago. US bond yields rose, stock indices struggled, the dollar fluctuated at its highs and commodities were mixed.

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

Friday news: US stocks see largest two week outflow since late 2022

- **Bloomberg reported:** Investors redeemed \$21.1 billion from stock funds in the two weeks through Wednesday, the most in a fortnight since December 2022, according to Bank of America strategists.
- Geopolitical risks and stronger US economic data reducing the need for rate hikes were cited as some of the reasons.



US Stock indices closed with mixed results on Friday as selling of the world's largest technology stocks ahead of key earnings results next week (**See page 2 and 3**) saw the S&P 500 drop 1% to 5,003, its lowest close in 2 months, while the US Tech 100 fell 2% to 3 month lows at 17,178. In contrast, the USA 30 managed to close up 0.5% at 38,206. (**Page 3 S&P 500 TA Update**).

In Europe, the UK 100 outperformed for the second week in a row, closing at 7,947 (+0.6%) on Friday supported by dovish comments from BoE policymaker Ramsden. While the Germany 40 slipped 0.8% to 17,925 and the Europe 50 dropped 0.7% to 4,856.

The US Dollar Index finished flat on Friday at 105.96 and unchanged on the week, supported by safe haven demand. USDJPY performed strongly, rising 1% across the five trading days to close at multi-year highs at 154.60 ahead of the Bank of Japan interest rate decision next week. (**Page 4 USDJPY TA Update**).

US 10 Year Bond Yields remained firm across the week, rising from opening levels at 4.53% to close up 10bps at 4.63% on Friday.



Natural Gas TA Update:

Having continued to find resistance at 1.975 (38% retrace Jan 24th to Feb 19th) a period of sideways activity has developed between this level and 1.642 (Mar 14th low). This reflects a decision making process, with a closing breakout of either side needed to establish the next move. Gains above 1.975 opens scope back to 2.115 (mid-point), even 2.251 (higher 62% level), while closes under 1.642 is a negative trigger to expose 1.522 (Feb 19th low) and further if this gives way.



In commodities, Natural Gas fluctuated between lows at 1.642 and highs at 1.804, before closing the week at 1.759 as traders tried to work out the next major directional move. **(Above Natural Gas TA Update).** Elsewhere, Oil slipped 3.4% to 82.10, hurt by weaker risk sentiment and a higher dollar. Precious metals outperformed across the week with Gold closing at 2,392 (+2%), Silver ending at 28.70 (+2.8%) and Copper finishing at 4.493 (+4.1%).

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
22.04

TUESDAY
23.04

WEDNESDAY
24.04

THURSDAY
25.04

FRIDAY
26.04

**BEFORE
OPEN**

Icade
Verizon
Truist Financial
Zions Bancorporation

UPS
PepsiCo
Xerox
FCX
General Electric

TMO
Hilton
Hasbro
Boeing
AT&T

Deutsche Bank
Barclays
BNP Paribas
Caterpillar
Carrier Global

NatWest
Chevron
ExxonMobil
Colgate-Palmolive
Newell Brands

**AFTER
CLOSE**

Crane
Hexcel
Nucor
Globe Life

ASM
Tesla
Visa
Mattel
Baker Hughes

Meta
IBM
Ford
Chipotle
SLM

Alphabet
Microsoft
Intel
Snap
HIG

Porsche AG



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 0215 BST PBOC Interest Rate Decision. Recent mixed economic data has shown the Chinese economy is still rather weak in places leading some economists to suggest a rate cut may be in order, however with the PBOC fighting a weak currency as the dollar rises that could be unlikely at this meeting.

Tuesday: Preliminary Global PMIs, AUD, JPY, EUR, GBP and USD. These readings will provide traders with an important health check on growth within the major economies. Services have been strong, while manufacturing activity has started to show signs of improvement in recent months with implications for commodity prices. Traders will be particularly focused on European PMI readings to see if they support ECB President Lagarde's view that the economy is recovering, which could influence the number of rate cuts in 2024 and impact EURUSD.

Earnings Season for Mega Technology companies. Last week was a bad one for technology stocks as traders raced to lock in profits in response to the real possibility of higher Fed interest rates for longer than previous anticipated. Next week the focus is on earnings from Tesla (Tuesday), Meta (Wednesday), Microsoft and Alphabet (Thursday). Earnings expectations are high so any disappointment could lead to further selling. **(Below S&P 500 TA Update).**



S&P 500 TA Update:

Continued selling pressure has developed following closing breaks under the Bollinger mid-average (5211), which continues to fall. With 5063 (Mar 5th low) also giving way, further deterioration is signalled increasing risks to 4936 (Feb 13th low), then 4873 (38% retrace Oct/Apr strength).

To the upside, closes above 5107 (38% retrace Apr decline) are needed to open scope back to 5150 (higher mid-point).

Wednesday: 0230 BST AUD Inflation Data (CPI). Recent uncertainty over central bank rate cuts in 2024 makes this an important release for traders of the ASX 200 and AUDUSD to consider. Australian inflation has been falling steadily in recent months and another drop here could boost traders hopes for a first RBA rate cut in August again, however a strong release could undermine that theory.

Thursday: 1330 BST USD Gross Domestic Product. This preliminary reading of growth in the US economy for Q1 could grab some market moving headlines depending how far it deviates from expectations. A stronger reading could support trader expectations for a soft landing for the US economy but reduce the need for Fed rate cuts and vice versa.



USDJPY TA Update:

Bullish trending conditions are still in place with consistent new recovery highs posted. While closes are seen above 153.31 (38% retrace Apr upside) the potential is for limited corrections and pressure on 154.78 (Apr 16th high) with breaks above this level a trigger to test 155.79 (Jun'90 extreme), possibly further.

Only breaks back below 153.31 suggest a deeper retracement risk to 152.85 (mid-point), even 152.39 (deeper 62% level).

Friday: 0330/0730 BST BoJ Interest Rate Decision and Press Conference. Traders expect the Bank of Japan to hold interest rates at this meeting after a minimal hike last month. This means the focus will be on what Governor Ueda says at the press conference, especially given that USDJPY hit fresh 2024 highs last week as the yield differential between Japanese and US rates continues to widen, making intervention a more real possibility. **(Above USDJPY TA Update).**

1330 BST USD PCE Index (Fed's preferred inflation gauge). This release takes on more importance given that Fed Chairman Powell said last week that persistent inflation means interest rates will stay elevated for longer than previously thought. Another high print could increase the negativity around US stock indices and boost the dollar further, while a lower reading could help to support risk sentiment at lower levels. **(Below Key US Tech 100 Levels).**

Key levels the Corellian mentors are focused on

Gold:

Support

- 1: 2324, 38% retrace latest strength
- 2: 2290, Mid-point same move
- 3: 2256, Deeper 62% retracement

Resistance

- 1: 2431, April monthly high
- 2: 2452, Daily upper Bollinger band
- 3: 2478, 338% Fibonacci extension

US Tech 100:

Support

- 1: 17114, Current April low trade
- 2: 16963, 38% retrace Oct/Mar rise
- 3: 16669, January 31st low trade

Resistance

- 1: 17737, 38% retrace Mar/Apr fall
- 2: 17920, Mid-point same move
- 3: 18112, Higher 62% retracement

EURUSD:

Support

- 1: 1.0600, Last week's low trade
- 2: 1.0574, Daily Bollinger lower band
- 3: 1.0516, November monthly low

Resistance

- 1: 1.0689, Last week's bounce failure
- 2: 1.0743, Bollinger mid-average
- 3: 1.0776, 62% retrace April sell-off

Sunday 21st April 2024

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