



# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** moved steadily higher on Friday initially supported by strong AI driven earnings from two of the world's largest technology companies the evening before, and then, later in the day by news that the US PCE inflation reading (**See below**), had printed in line with estimates. Stock indices and the dollar rallied, US bond yields drifted lower, and commodities were mixed.

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

Friday data: Fed's preferred inflation measure rises at a brisk pace as consumer spending climbs

- **Core March PCE Inflation (MoM):**  
0.3% versus 0.3% expected.  
**Core PCE Inflation (YoY):**  
2.8% versus 2.7% expected.  
**Personal Spending:**  
0.5% versus 0.3% expected. Biggest gain in 2024.
- This data reinforces concerns that stubborn inflation will likely delay Fed rate cuts.



**US Stock indices** all rallied on Friday, driven higher by strong gains in Microsoft and Alphabet stocks. The S&P 500 closed up 1% at 5,131 to notch its first up week since the middle of March (+2.7%). Similarly, the US Tech 100 rallied 1.5% to finish at 17,837 (+4% on the week), as traders moved back into large technology company stocks. (**Page 4 US Tech 100 TA Update**).

**European indices** tracked US markets higher with the UK 100 jumping 1% on Friday to close at a new all time high of 8,173 (+2.9% on the week), and the Germany 40 up 1.4% to end the week at 18,360 (+2.7% on the week).

**The US Dollar Index** remained unchanged for its second week in a row as it closed at 105.98 ahead of the Fed interest rate decision next week. Gains for EURUSD, GBPUSD and AUDUSD were offset by a 2.4% rally in USDJPY to a new multi-year high at 157.90 after the BoJ remained unchanged on monetary policy earlier in the day on Friday.

**US 10 Year Yields** briefly rallied 11bps from opening levels to register fresh 2024 highs at 4.74% but drifted lower on Friday to close back at 4.67%, a gain of 4bps on the week.





### Gold TA Update:

Corrections from over-extended upside conditions have seen tests of 2290 (mid-point Mar 18th to Apr 14th). Upside from here is approaching resistance at 2361 (Half latest weakness) with fresh breaks re-establishing strength towards 2431 (Apr high), possibly 2478 (the 338% Fibonacci extension).

To the downside, breaks below 2290 are needed to maintain correction themes towards 2256 (deeper 62% level).



**In commodities,** Gold initially fell heavily from 2,388 to 2,291 as traders responded to an easing of tensions in the Middle East by cutting weak long positions, before recovering some of the lost ground to close at 2,338 (-2.3% on the week). **(Above Gold TA Update).** Elsewhere in precious metals, Silver fell to 27.21 (-5.1% on the week), while Copper hit 2 year highs at 4.6150 before slipping back slightly to close at 4.5880 (+1.6% on the week).

## 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**  
29.04

**TUESDAY**  
30.04

**WEDNESDAY**  
1.05

**THURSDAY**  
2.05

**FRIDAY**  
3.05

**BEFORE  
OPEN**

Philips  
**BBVA**  
Revvity  
ON Semiconductor  
Franklin

**HSBC**  
Adidas  
**Eli Lilly**  
**McDonald's**  
PayPal

**GlaxoSmithKline**  
**Pfizer**  
**Estee Lauder**  
**Kraft Heinz**  
Mastercard

**Standard Chartered**  
Targa  
**Moderna**  
**ConocoPhillips**  
Exelon

**Societe Generale**  
**Danske Bank**  
**Credit Agricole**  
XPO Logistics  
CBRE

**AFTER  
CLOSE**

Chegg  
Welltower  
Paramount Global  
MicroStrategy  
F5

**Starbucks**  
Lemonade  
**Amazon**  
**AMD**  
Ashland

MetLife  
**Qualcomm**  
Cognizant  
Zillow  
MGM

Amgen  
Expedia  
**Coinbase**  
Digital Realty  
**Apple**



## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Tuesday: 0230 BST China Manufacturing and Non Manufacturing PMIs.** An important release for traders who will be looking to see if the strong start for China's manufacturing sector in 2024 has continued into April with implications for the direction of Oil, copper and other key commodities. **(Page 4 Oil Key Chart Levels).**

**1000 BST EUR Preliminary Inflation (HICP).** Markets fully expect the ECB to cut interest rates in June but are becoming increasingly unsure what comes next. A lower inflation reading could help support a case for more cuts and boost EU indices and weaken the EUR, while a higher print could mean the reverse. **(Below EURUSD TA Update).**



### EURUSD TA Update:

Recovery moves higher continue, and this has seen EURUSD trade back towards 1.0747 (38% retrace Mar/Apr). This level is the focus in the week ahead. Closing breaks higher can trigger a more extended retracement to 1.0790 (mid-point), even 1.0836 (62% level).

On the downside, breaks back under 1.0679 (half latest rally) can see moves develop towards 1.0600 (Apr low) again.

**Earnings Season Continues for Big Tech.** After some volatile price moves last week in response to the earnings releases from Tesla, Meta, Alphabet and Microsoft. This week its the turn of Amazon (After the close Tuesday) and Apple (Apple the close Thursday). Their earnings updates and forward guidance are likely to be a key influence on the direction of major US indices. **(Page 4 US Tech 100 TA Update).**

**Wednesday: 1315 BST USD ADP Employment.** The first of 4 updates across the week regarding the US labour market. This is private sector employment, which is followed by JOLTs job openings at 1500 BST, initial jobless claims at 1330 BST Thursday, and culminates with Non Farm Payrolls on Friday. Traders are very sensitive to this type of data given its importance to the Fed's interest rate outlook.

**1500 BST USD ISM Manufacturing.** US manufacturing activity moved back into expansion territory last month for the first time since September 2022. Another strong reading here could indicate a trend is starting to form with implications for commodities, as well as US stock indices and the dollar, depending on whether the report also shows inflationary pressures returning.





#### US Tech 100 TA Update:

An unwinding of downside extremes is being seen after the latest sharp declines. This move has breached 17739 (38% retrace Mar/Apr weakness) suggesting a rally towards 17973 (Bollinger mid-average) is possible, although this combined with 18105 (higher 62% retrace) appears a strong resistance area. To the downside, breaks back under 17525 (half latest upside) suggest resumption of weakness to 16982 (38% retrace Oct 26th to Mar 10th strength).

**1900/1930 BST Fed Interest Rate Decision and Press Conference.** No change is expected from the Fed at this meeting ensuring traders will be totally focused on what Chairman Powell says about the US economy, inflation and the direction of interest rates in the press conference. His comments are very likely to increase volatility across all markets.

**Friday: 1330 BST USD Non Farm Payrolls.** The current strength of the US labour market has been one of the key factors stopping the Fed from cutting interest rates so the unemployment rate (Currently 3.7%) and average hourly earnings will again be key to determining the direction of risk sentiment into the weekend.

**1500 BST USD ISM Services PMI.** Consumer spending on services has been the main driver of US growth over the last year but surprisingly fell last month, although still remained in expansion (51.4). Another drop closer to contraction (Below 50) in this release could imply US consumers are starting to cut back as interest rates remain high with implications for US economic growth going forward.

## Key levels the Corellian mentors are focused on

#### Germany 40:

##### Support

- 1: 17983, Thursday's low
- 2: 17605, April 19th low
- 3: 17379, 62% retrace YTD upside

##### Resistance

- 1: 18438, Wednesday's high
- 2: 18572, April 8th high
- 3: 18835, April all-time high

#### Oil:

##### Support

- 1: 82.49, Half latest recovery
- 2: 80.70, April 22nd low trade
- 3: 80.06, 38% retrace Dec/Apr

##### Resistance

- 1: 84.55, Bollinger mid-average
- 2: 85.58, April 21st high
- 3: 87.60, April monthly high

#### S&P 500:

##### Support

- 1: 5022, Thursday's low
- 2: 4963, Current April low
- 3: 4936, February 13th low

##### Resistance

- 1: 5161, Bollinger mid-average
- 2: 5195, 62% retrace April sell-off
- 3: 5280, April 10th high



Sunday 28th April 2024

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