



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment slipped lower at the end of a busy week as traders reacted to a stronger than expected US Non Farm Payrolls report (**See Below**) that seemed to add weight to the Fed's higher interest rates for longer narrative. Stock indices and commodities fell, while the dollar and US bond yields rallied.

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

Friday data: US jobs growth surge in May and wages accelerate

- **Non Farm Payrolls:**
+272k versus +185k expected.
- **Unemployment Rate:**
4% versus 3.9% expected. 2 year high.
- **Average Hourly Earnings (YoY):**
4.1% versus 3.9% expected.
- This stronger labour market report will reinforce the Fed's cautious approach to cutting interest rates.



US Stock indices initially rallied to new highs after the payrolls data as fears of an economic slowdown hurting corporate America diminished, however, they couldn't sustain the move, all finishing lower on the day. The US Tech 100 hit a new all time high at 19,153 but reversed all of its gains to close the week at 19,030 (+2.6% on the week), while the S&P 500 ended the week at 5,353. (**Page 3 US Tech 100 TA Update**).

European Indices also fell on Friday. The UK 100 was the worst performer slipping 0.8% to 8,230 led by falls in mining and energy stocks, while the Germany 40 slipped 0.6% to end the week at 18,572.

The US Dollar Index, which had hit 2 month lows at 103.92 on Tuesday, rallied 0.8% on Friday to close at 104.92 as the payrolls data pushed back market hopes of Fed rate cuts to the end of 2024. EURUSD, which had hit new range highs at 1.0915 at the start of the week slipped back lower on Friday to finish at 1.0800.

US 10 Year Bond Yields fell from opening levels at 4.50% on Monday to 4.27% on Wednesday before rallying strongly on Friday to close the week at 4.44%.



Oil TA Update:

A reactive upside recovery developed after recent declines but there are no signs yet of a positive sentiment shift. Prices are touching 75.65 (38% retrace May 29th to June 4th declines) and defense of this level is watched. While resistance from here up to 76.61 (higher mid-point) is intact, downside risks continue.

Breaks under 74.37 (half latest upside) will be a fresh negative to expose 72.46 (Jun 4th low), then 71.40 (Feb 5th extreme).



In commodities, Oil had a roller coaster five trading days. Initially falling from opening levels at 76.93 to hit 4 month lows at 72.46 before recovering to close the week at 75.38 (-2.4% on week). **(Above Oil TA Update).** Elsewhere, Gold fell 3.5% to five week lows on Friday at 2,293 as traders reacted negatively to news that China had paused its 18 month buying spree in May. Silver also fell 7% to 29.15, while Copper slipped 5% to close at 4.4475.

STEP 2:
LOOKING FORWARD TO THE WEEK AHEAD

Time Zone Key:

- BST -5 = New York
- BST = London
- BST +1 = Frankfurt
- BST +9 = 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 10.06	TUESDAY 11.06	WEDNESDAY 12.06	THURSDAY 13.06	FRIDAY 14.06
BEFORE OPEN	FuelCell Energy			Halma The Kroger Co. Jabil Circuit	
AFTER CLOSE		Colruyt	Broadcom	Adobe	

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0700 BST GBP Employment Data. The unemployment and wage growth updates in this release could help clarify the BoE's stance on rate cuts with knock on implications for the direction of GBPUSD next week.

Wednesday: 0230 BST China Inflation Data (PPI/CPI). There are concerns amongst China A50 and Hong Kong 50 traders that the recent manufacturing led recovery in the Chinese economy may be starting to fade. This will put the factory gate price release (PPI) into focus, while the CPI reading is centered on consumer demand, which up until now has been fragile. **(Page 2 Oil TA Update).**

0700 BST GBP GDP. Growth in the UK economy is a major focus for the Bank of England, especially after recent declines in retail sales data suggests consumers are starting to cut back on spending. Any print away from consensus could impact the direction of the UK 100, which has been experiencing some downside pressure.

1330 BST USD Inflation Data (CPI). This is the big economic data release of the week, especially since it comes out hours before the next Fed rate decision. Stock indices rallied after the pace of inflation slowed in the previous month, and traders will be ultra sensitive to whether this trend is continued. A higher than expected reading could see technology stocks come under renewed pressure and vice versa. **(Below US Tech 100 TA Update).**



US Tech 100 TA Update:
New all-time highs have been scored again, a move that can trigger extension of the current advance. First resistance is now at 19171 (upper daily Bollinger band) but there is potential for this level to give way and trigger tests of 19330 (38% Fibonacci extension Mar/Apr sell-off).
First support is down at 18794 (Bollinger mid-average) with breaks lower suggesting a deeper sell-off towards 18368 (38% retrace Apr/May strength).

1900/1930 BST Fed Interest Rate Decision and Press Conference. The Fed is fully expected by traders to maintain an unchanged stance on interest rates at this meeting. This makes what Chairman Powell says in the press conference about the inflation release (CPI) from earlier in the day, the recent weakness in US economic data and whether there is now a greater chance of a Fed rate cut in September of paramount importance to the direction of stock indices, commodities and the dollar next week.



Sunday 9th June 2024



USDJPY TA Update:

Consolidation activity is materialising as a reaction to the latest strength. This is forming a balanced range between 154.54 (Jun 4th low) and 157.70 (May 29th high). A closing breakout of either side is required. Moves above 157.70 will be bullish to open scope back to 160.09 (Apr 29th rejection high), while closes under 154.54, expose a deeper sell-off towards 153.59 (May 16th low), even 151.85 (May monthly extreme).

Thursday: 0230 BST AUD Employment Data. The RBA is a central bank still considering whether it may need to hike interest rates, and this employment update could support that outlook or help to confirm it isn't necessary. Either way, AUDUSD is likely to move on any print that deviates from expectations.

Friday: 0400/0630 BST BoJ Interest Rate Decision and Press Conference. This long awaited central bank meeting is going to be an interesting one as some economists think the BoJ could decide to raise interest rates for the second time in 2024 or adjust monetary policy to provide support for a weak JPY. Whatever happens USDJPY is likely to be volatile throughout next week. **(Above USDJPY TA Update).**

1500 BST USD Preliminary Michigan Consumer Sentiment. This release has the potential to impact stock indices as not only is it a good gauge of US consumer sentiment but it also provides an update on their inflation expectations, which are something the Fed takes very seriously.

Key levels the Corellian mentors are focused on

Silver:

Support

- 1: 28.51, 62% retrace May strength
- 2: 27.96, May 13th low
- 3: 27.00, May 8th extreme

Resistance

- 1: 30.56, Bollinger mid-average
- 2: 31.54, Last week's high
- 3: 32.28, May 29th high

USA 30:

Support

- 1: 38648, Half latest recovery
- 2: 38330, Last week's low
- 3: 38109, May monthly low

Resistance

- 1: 39245, Bollinger mid-average
- 2: 39423, 62% retrace May sell-off
- 3: 40210, May monthly high

Gold:

Support

- 1: 2287, Friday's downside extreme
- 2: 2277, May monthly low
- 3: 2252, 38% retrace Nov'23/May'24

Resistance

- 1: 2338, Half Friday's range
- 2: 2388, Last week's high
- 3: 2445, Upper daily Bollinger band

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