



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment was muted into the weekend after the mixed Global PMI today with Japan and Europe both registering contraction, while the US (**See below**) beat expectations and prospect of lower borrowing costs. The disappointing EU data weighed on commodities, while the dollar gained, and US bond yields were flat.

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

Friday data: US PMI service sector reached highest level in over 2 years, signaling resilience of the US

- **Above 50 = Expansion, below 50 = Contraction**
Composite PMI: 54.6 versus 54.5 expected.
- **Services PMI:** 55.1 versus 54.8 expected.
- **Manufacturing PMI:** 51.7 versus 51.3 expected.
- This upbeat data led by the services sector shows strong domestic demand and a recovery in manufacturing.



US Stock Indices rallied throughout the week, with tech stocks leading the way as the AI frenzy continued briefly making Nvidia the world's most valuable company at one point, faltered on Friday as huge option expiries gave traders to pause nudging indices slightly lower, but all closing up on the week with US Tech 100 up 1.8% at 20009, the USA 30 up 1.5% at 39586 and the S&P 500 up 0.7% at 5536 (**Page 3 S&P 500 TA Update**).

European indices all fared well on the week even after mixed data throughout the week, led by the German 40 up 2.3% at 18366, the France 40 also rallied gaining 2.1% after last week's 6.4% decline. The UK 100 also rallied 1.2% to 8275 as traders feel the BoE is closer to cutting interest rates.

The US Dollar Index was unchanged from the previous week to close at 105.49. USDJPY was the biggest gainer of the week up 1.4% grinding higher to 159.60 as traders' intervention fears dampen and yields between Japan and the US remain. GBPUSD fell 0.2% as the BoE held rates unchanged, but the dovish commentary weighed on GBPUSD to close the week at 1.2648. (**Page 4 USDJPY TA Update**).



Gold TA Update:

There is a risk Gold is forming a bearish Head and Shoulder reversal after Friday saw rejection below 2388 (Jun 9th high). This will be developed if 2287/93 (Jun 9th low and possible neckline) gives way on a closing basis. Such moves appear a trigger for a deeper retracement to 2218 (mid-point YTD strength) even 2162 (62% level). To the upside, closes above 2368 (Friday's high) are needed to end the reversal threat, opening strength back towards 2450 (May 20th).



In commodities, precious metals had a calm start to the week before rallying through Thursday on geo-political risks with Gold hitting two week highs above 2365 and Silver trading above 30.80, but a strong dollar and the better than expected US PMI Friday erased all gains with Gold finishing down at 2322 and Silver down 3.8% on the day, flat on the week at 29.55, Copper faring no better down 1.5% at 4.43. **(Above for Gold TA Update).**

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
24.06

TUESDAY
25.06

WEDNESDAY
26.06

THURSDAY
27.06

FRIDAY
28.06

**BEFORE
OPEN**

Jefferies Financial

National Beverage
General Mills
Paychex

H&M
Acuity Brands
McCormick
Walgreens

Geely Automobile

AFTER CLOSE

FedEx

Micron
Levi Strauss
NovaGold Resources
Blackberry

Nike



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 1800 BST CAD BoC Governor Macklem Speech. Following last week's BoC minutes the market will be keen to hear from Macklem regarding policy and whether they see a need to cut further. Macklem has made it clear that Canadian interest policy is totally independent and doesn't need to move lockstep with the US. It was a signal that divergence in rates is not a huge concern with one of the largest US trading partners. This speech could impact domestic markets and potentially add downward pressure on the currency.

Tuesday: 0130 BST AUD Consumer Confidence. With recent data mixed, and the RBA maintaining a hawkish bias, they will be keeping a close eye on this number. Domestic markets and the AUD could be impacted by this release.

1330 BST CAD Inflation Data (CPI). Canadian inflation is the reason why the BoC cut interest rates at their last meeting, where Macklem's dovish tone showed a growing confidence that the worst of inflation was behind them. This data is very likely to move CAD bonds and currency.

1500 BST USD Consumer Confidence. After last week's disappointing Michigan survey, and data showing a slowdown in retail sales, traders will be looking to see if consumers are willing to spend money or not.

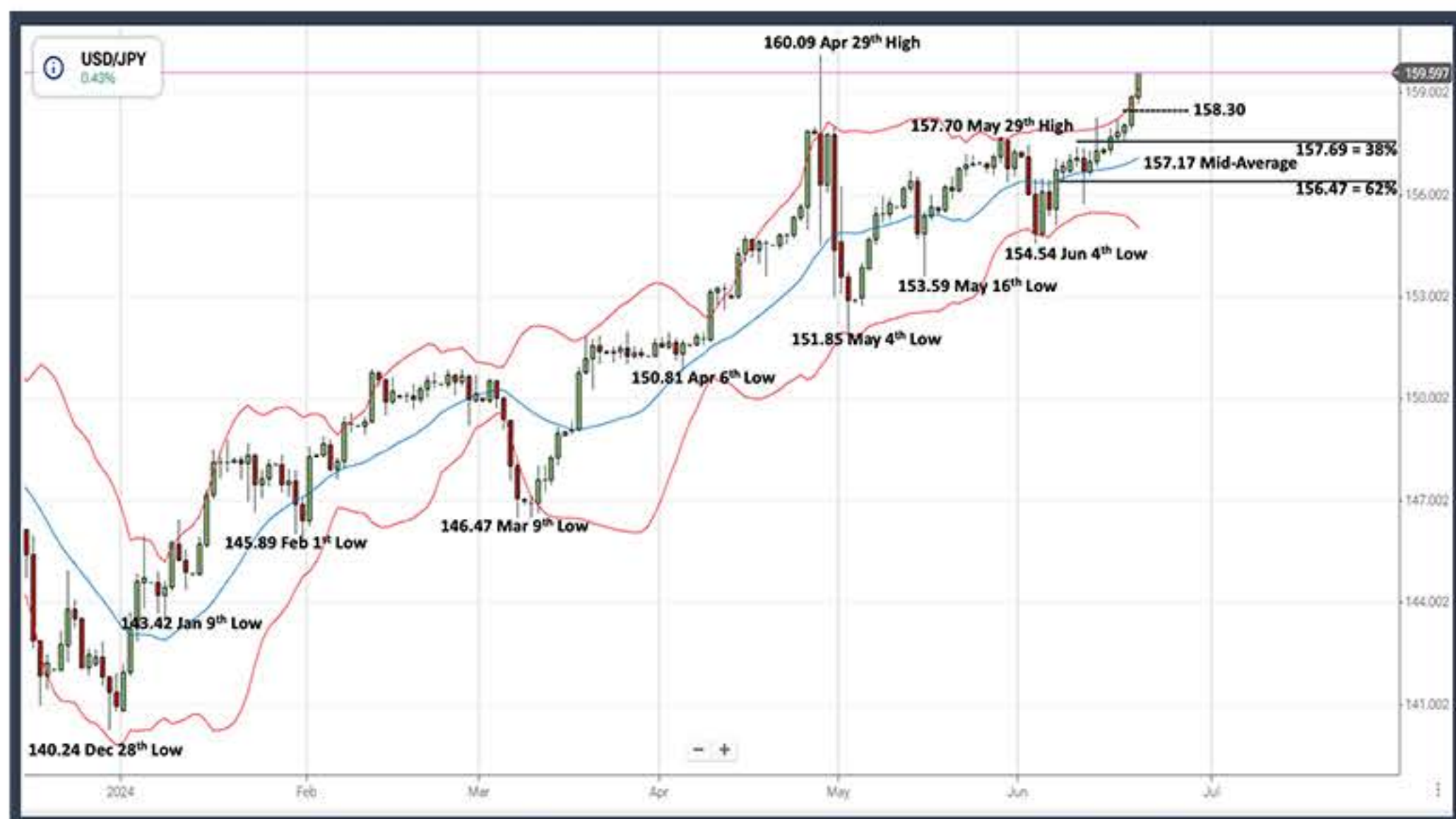


S&P 500 TA Update:

While a setback ended the week, a new all-time high was posted Thursday, maintaining positive themes. This can see pressure build on 5588 (Jun 20th high) with breaks a catalyst for extension towards 5617 (162% Fibonacci extension of the Apr sell-off). To the downside, it will be breaks under 5490 (last week's low) that can trigger a deeper decline to 5443 (38% retrace Jun strength).

Wednesday: 0230 BST AUD Inflation Data (CPI). As mentioned, the RBA have maintained a hawkish stance on rates; being data driven and with markets pricing in a 20% chance of a rate hike in August, this release will be very important. Local markets and AUD could be impacted.

Thursday: 1330 BST USD GDP. A final look at GDP, a deviation from the consensus could impact all markets.



USDJPY TA Update:

JPY deterioration has seen fresh upside emerge to breach 157.70 (May 29th high) and complete a bullish continuation pattern. This opens scope to pressure 160.09/26 (Apr 29th extreme and Apr'90 failure) then 164.91 (Nov'86 high). To the downside, breaks under 158.30 (half last week's rally) are needed to expose 157.69 (38% retrace Jun strength) then 157.17 (Bollinger mid-average).

Friday: 0030 BST JPY Tokyo Inflation Data CPI. Being a large part of the Japanese economy, this index is often considered a leading indicator of the countries overall CPI. The markets will digest this release to see if the BoJ could be comfortable to raising interest rates, Japanese bond markets and JPY could all move on this data. **(Above USDJPY TA Update).**

0700 BST GBP GDP. Like the US GDP this is a final number and only a deviation from general consensus should impact markets.

1330 USD PCE Index (Fed's preferred inflation gauge). Arguably the most important data this week for the Fed and the markets alike, this is the Fed's preferred gauge of inflation. The main focus will be on the core reading of PCE, but both spending and income data are also very important. A higher print could negatively impact US stocks, boost the dollar and mean interest rates elevated for longer, while lower reading could support risk sentiment. **(Page 3 S&P 500 TA Update).**

Key levels the Corellian mentors are focused on

US Tech 100:

Support

- 1st - 19914, Friday's session low
- 2nd - 19570, 38% retrace Jun up
- 3rd - 19317, Mid-point same move

Resistance

- 1st - 20144, Half latest decline
- 2nd - 20369, Thurs' all-time high
- 3rd - 20491, Upper daily Bollinger

Oil:

Support

- 1st - 80.30, Wednesday session low
- 2nd - 78.24, 38% retrace Jun upside
- 3rd - 77.17, Mid-point same move

Resistance

- 1st - 81.87, 62% retrace Apr/Jun
- 2nd - 82.68, Upper daily Bollinger
- 3rd - 84.42, April 28th session high

France 40:

Support

- 1st - 7585, Half last week's rally
- 2nd - 7460, June monthly low trade
- 3rd - 7283, YTD downside extreme

Resistance

- 1st - 7696, 38% retrace June
- 2nd - 7767, Mid-point same move
- 3rd - 7841, Higher 62% retracement

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