

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment rallied into the Friday close as traders digested opening remarks from Fed Chairman Powell at the annual Jackson Hole Symposium which gave the clearest signal yet the Fed will begin to cut interest rates in September (**See below**). Stock indices and commodities rose while the dollar fell.

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

Friday event: Stock indices gain as Powell says 'time has come' for Fed to cut interest rates

- **Jackson Hole Symposium Speech:**

Chairman Powell validated trader expectations for Fed cuts in September. He also acknowledged recent progress on lowering inflation and said he sees the economy growing at a 'solid pace', which provides traders with some reassurance after growth concerns at the start of August.



US Stock indices all made strong gains on Friday. The S&P 500 rose 1% to close at six week highs of 5,650, while the US Tech 100 also jumped 1% to finish at 19,777. The USA 30 gained 1.1% to end the week at 41,270, and close within touching distance of its all time highs of 41,670 registered in mid July. The star performer was the USA 2000 which jumped 3.2% to finish at 2,228 as traders bought small cap stocks in response to Fed Powell's confirmation of a September rate cut. (**Page 3 US Tech 100 TA Update**).

European indices also performed well. The Germany 40 rallied 0.7% to finish the week at 18,681, its highest close since late July, while the UK 100 also jumped 0.7% on Friday to end at 8,357 and the France 40 gained 0.8% to close at 7,605.

The US Dollar Index fell 1.6% across the week to close at 100.54, its lowest level of 2024 so far. GBPUSD rose 2.1% to finish at 1.3211, its highest level for over two years, while EURUSD jumped 1.5% on the week to end at one year highs of 1.1191 ahead of some key inflation readings next week. (**Page 4 EURUSD TA Update**).



Gold TA Update:

Last week Gold posted new all-time highs (2532) and tested key resistance at 2522 (200% Fibonacci extension Mar'22/ Sep'22 sell-off). This 2522-2532 area is now important next week as closing breaks would open up the possibility of a move to 2695 (higher 238% level).

To the downside, falls below 2471 (last week's low) while not an outright negative, can see tests of 2439 (38% retrace Jun/Aug strength).



In commodities, Gold had a volatile week, registering a new all time high at 2,532 on Tuesday, before falling back to 2,471 on Thursday and then closing 1% higher on Friday at 2,512, which ensured a gain of just 0.2% on the week. **(Above Gold TA Update)**. Silver rallied 2.9% on the week to close at 29.80, its highest level for six weeks, while Copper rallied 1.3% to end at 4.2035, which were three week highs.

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 (BST). Please use the key above to adjust to your appropriate time zone. **Key Earnings next week in table below.**

	MONDAY 26.08	TUESDAY 27.08	WEDNESDAY 28.08	THURSDAY 29.08	FRIDAY 30.08
BEFORE OPEN		BMO Scotiabank The Hain Celestial	Prudential RBC Foot Locker Kohl's Chewy	Pernod Ricard Canadian Imperial Burlington Dollar General Best Buy Co.	Jinko Solar
AFTER CLOSE	HEICO BHP (AU)	Ambarella PVH Nordstrom SentinelOne	Salesforce CrowdStrike NetApp HP NVIDIA	Autodesk MongoDB Dell Technologies Lululemon Gap	



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 1500 BST USD Consumer Confidence. Its a quiet start to next week from an event perspective, so this data release will be important to traders of US stock indices. US consumer spending is what drives economic growth and if confidence is falling it could lead to householders delaying purchases which could impact future earnings for companies through the rest of 2024.

Wednesday: 0230 BST AUD Monthly Inflation (CPI). Currently the RBA's approach of 'higher interest rates for longer' makes it an outlier amongst global central banks. Any signs inflation is slowing could mean it has to reconsider that view at its next meeting with implications for AUDUSD and the ASX 200 next week.

Nvidia Earnings After the Close. After such a strong recovery in the US Tech 100 from its early August lows the release of Nvidia's earnings could prove pivotal in determining if the index ends August on its highs or faces a retest of the downside. Traders will not only be focused on whether the company beats expectations but on updates from the CEO regarding its future earnings outlook, chip sales to China, and delays to bringing new chips online. **(Below US Tech 100 TA Update).**



US Tech 100 TA Update:

The rejection from lows at 17354 (Aug 5th) has extended to breach the Bollinger mid-average at 19715 (Aug 1st high). This opens up scope to challenge 20084 (Jul 23rd extreme) and if this level is breached on a closing basis, the potential to test to 20982 (Jul 11th all-time high).

To the downside, only breaks under 19525 (last week's low) suggest a deeper sell-off towards 18983 (38% retrace Aug strength).

Thursday: 1330 BST USD Gross Domestic Product (GDP). Now that a Fed rate cut in September is all but assured the direction of US economic growth is very much at the forefront of traders minds. That ensures that this GDP update is likely to generate some market moving headlines next week. A below expectation print could bring recession fears back into play which could pressure the downside for US stock indices, and see trader expectations for bigger Fed rate cuts increase, which could be negative for the dollar.

Friday: 0030 BST Tokyo Inflation Data (CPI). While the national inflation reading was only released last week this update for Japan's capital and busiest economic center is likely to be important for the Bank of Japan to consider. Any inflation reading that deviates from market expectations could well generate out sized moves for USDJPY and the Japan 225 index next week.



EURUSD TA Update:

Sustained upside has developed for EURUSD price after the clean break above resistance at 1.0980/90 (Mar 9th & Jan 11th highs) a move that has now also seen 1.1139 (Dec 28th high) breached. This move opens up potential to test 1.1275 (Jul 2023 rejection level).

To the downside, breaks under 1.1112 (half last week's range) suggest a deeper decline to 1.1039 (38% retrace August strength).

1000 BST EUR Preliminary Inflation (HICP). This release is vitally important data for the European Central Bank (ECB) and traders to consider. It could well determine whether the ECB feel confident enough that inflation is under control to cut interest rates for the second time in 2024 in order to give the struggling Eurozone economy a much needed boost. This update will have implications for the direction of European indices and EURUSD next week. **(Above EURUSD TA Update).**

1330 BST CAD Gross Domestic Product (GDP). USDCAD traders will be keen to see whether this update on growth in Canada's economy has seen any boost from the two back to back rate cuts from the Bank of Canada. If it hasn't then more cuts could be required.

1330 BST USD PCE Index. This is the Fed's preferred gauge of inflation and so it will have a big impact on decision making at the US central bank towards rate cuts, and knock on implications for the direction of US stock indices and the dollar.

Key levels the Corellian mentors are focused on

Natural Gas:

Support

- 1: 2.127, Bollinger mid-average
- 2: 2.061, 62% retrace August
- 3: 2.026, August 8th low

Resistance

- 1: 2.372, 38% retrace Jun/Aug
- 2: 2.444, July 9th high
- 3: 2.528, Mid-point Jun/Aug

USA 30:

Support

- 1: 40638, Last week's low
- 2: 40255, Bollinger mid-average
- 3: 39918, Mid-point August

Resistance

- 1: 41303, Last week's high
- 2: 41422, July 31st high
- 3: 41670, July 18th all-time high

Oil:

Support

- 1: 73.29, Half last week's range
- 2: 71.44, Last week's low
- 3: 69.26, YTD downside low

Resistance

- 1: 75.63, Bollinger mid-average
- 2: 76.85, 62% retrace August
- 3: 78.57, August 18th high

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