



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment maintained its positive upward momentum into the Friday close, driven by renewed trader hopes that the Fed may be ready to deliver a bigger 50bps (0.5%) rate cut at its meeting next week. **(See page 3)**. Stock indices and commodities rallied, while the dollar fell.

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

Friday data: US consumer sentiment rises to a four month high in September

- **Michigan Consumer Sentiment:**
69 versus 68 expected.
1 Year Inflation Expectations:
2.7% versus 2.8% expected.
5 Year Inflation Expectations:
3.1% versus 3.0% expected.
- US Consumers are more upbeat on the economy and less concerned about inflation.



US Stock indices had their best week in 2024. The S&P 500 finished Friday up 0.5% at 5,688 (+4.2% on the week) helped by a rotation into companies that usually benefit the most from Fed rate cuts. The USA 30 rose 0.7% to close at 41,821 (+2.8% on the week), while the USA 2000 spiked 2.4% on Friday to end at 2,205 (+4.4% on the week). The US Tech 100 gained only 0.3% on Friday but rose 6.2% on the week to close at 19,741. **(Page 3 US Tech 100 TA Update)**.

European indices also had a good week supported by a second ECB interest rate cut on Thursday. The Germany 40 closed up 1% at 18,700 on Friday (+2.5% on the week), while the UK 100 rose 0.5% to end at 8,289 (+1.5% on the week), and the Europe 50 jumped 0.8% to 4,850 (+2.6% on the week).

The US Dollar Index fell for its second week in a row. It slipped 0.2% on Friday to 100.76, as traders prepared for the first Fed rate cut of 2024 at their meeting next Wednesday. While EURUSD and GBPUSD were unchanged on the week, USDJPY again did poorly, falling 1% on the week to close at 140.92, its lowest close since December 2023. **(Page 4 USDJPY TA Update)**.

Sunday 15th September 2024



Upside acceleration has seen new all-time highs posted (2586 Sept 13th), maintaining the long term uptrend. This has also prompted closes above 2522 (200% Fibonacci extension) which can open scope to 2695 (higher 238% extension).

To the downside, breaks under 2544 (38% retrace Sept strength) could suggest potential for a deeper sell-off back to 2517 (62% level).



In commodities, Gold rallied strongly to print a new all time high at 2,586 before closing the week at 2,576, a gain of 3.3%. **(Above Gold TA Update)**. Other key metals also performed strongly. Silver spiked 10% on the week to close at 30.59, a 2 month high, while Copper jumped 4% to close at 4.2220. Oil hit a new 15 month low at 65.26 but recovered well to close back at 69.22 (+1.2% on the week).

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.**

FRIDAY

20.09

Next
Factset Research
Darden Restaurants

**BEFORE
OPEN**

AFTER CLOSE

Alten
Lennar
FedEx

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 1330 BST USD Retail Sales. US consumers are responsible for over 70% of the US economy ensuring their spending patterns have a big influence on economic growth and determining whether a soft landing or recession is the more likely scenario. This release should generate some volatility for US stock indices.

Wednesday: 0700 BST GBP Inflation Data (CPI). An important release for the Bank of England, who meet a day later, to consider. Policymakers will want further evidence that inflation is still trending down before they consider whether a second interest rate cut in 2024 is possible. Any deviation from market expectations is likely to influence the direction of GBPUSD and the UK 100 next week.

1900 BST Fed Interest Rate Decision, 1930 BST Fed Press Conference. This is the event of the week for traders as there is some uncertainty over how big the first Fed interest rate cut will be, 25bps (0.25%) or 50bps (0.5%). The press conference led by Chairman Powell will also be extremely important. Traders will react to his comments on the potential of future rate cuts in 2024, direction of inflation and how quickly the US economy is slowing down. A lot of volatility is expected around this event and it will impact all markets. **(Below US Tech 100 TA Update).**



US Tech 100 TA Update:

Last week's strong rally shifts focus back to resistance at 20023 (Aug 22nd high), with risks building for retests of this level. Closing breaks above 20023 would be a positive, opening scope to breach 20084 (Jul 23rd extreme) and suggest moves back to 20982 (Jul 11th all-time high) would be possible.

To the downside, breaks under 19382 (Bollinger mid-average) while not an outright negative, could see retests of 19248 (38% retrace Sept upside).

Thursday: 0230 BST AUD Employment Data. With the RBA an outlier amongst other major central banks with its hawkish stance on interest rates, this employment update could increase volatility for AUDUSD and the ASX 200 index next week, especially if the print is weaker than expected, which could increase pressure on the RBA to flip their bias from a potential rate hike to a first rate cut in 2024.

1200 BST BoE Interest Rate Decision. Recent UK economic data has been better than many of the other G7 countries which has led to some uncertainty about whether the BoE will cut interest rates for the second time at this meeting. This decision is likely to be a close call which means volatility is likely to increase for the UK 100 index and GBPUSD around the event.



USDJPY TA Update:

Downside acceleration saw tests of 140.25 support (Dec 28th low) which is the focus next week. Closing breaks below this level would be a negative to trigger further declines towards 137.33 (July 2023 extreme), possibly further.

To the upside breaks of 142.05 (half last week's range) would suggest retests of 142.91 (38% retrace Sept sell-off) are possible.

Friday: 0030 BST JPY Inflation Data (CPI). An important update for traders to digest with the BoJ interest rate decision just hours later. Any reading in line or higher than expectations is likely to stoke further USDJPY and Japan 225 volatility as traders reposition for the possibility of a third rate hike from Japan's central bank. **(Above USDJPY TA Update).**

0215 BST PBOC Interest Rate Decision. Some disappointing inflation readings last week increased calls for more stimulus from Chinese authorities to boost household spending within the economy, ensuring the outcome of this decision will be eagerly awaited by traders of China A50 and Hong Kong 50 indices.

0500 BST BoJ Interest Rate Decision, 0630 BST BoJ Press Conference. An important event for USDJPY and Japan 225 traders. No change is expected at this meeting so anything else would be a surprise. Governor Ueda's comments at the press conference will be important and could add to volatility at the end of a busy week.

Key levels the Corellian mentors are focused on

Oil:

Support

- 1: 68.35, 38% retrace
- 2: 67.75, Mid-point same move
- 3: 67.23, Deeper 62% retrace

Resistance

- 1: 70.00, 38% retrace
- 2: 71.42, Mid-average same move
- 3: 71.74, Bollinger mid-average

S&P 500:

Support

- 1: 5658, Friday's session low
- 2: 5592, Bollinger mid-average
- 3: 5549, Mid-point

Resistance

- 1: 5702, Last week's high
- 2: 5721, July 16th all-time high
- 3: 5768, 200% Fibonacci extension

GBPUSD:

Support

- 1: 1.3097, 38% retrace
- 2: 1.3061, Deeper 62% retrace
- 3: 1.3001, Last week's low

Resistance

- 1: 1.3157, Last week's high
- 2: 1.3236, September 7th high
- 3: 1.3265, August 27th high

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