

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment edged higher into what was a quiet end to the week with many traders in the US taking advantage of the Thanksgiving holiday to enjoy a long weekend. Stock indices and precious metals rose, while the dollar fell.

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

Friday data: Eurozone inflation accelerates in November in line with economist estimates

- **Eurozone HICP Inflation (Year on Year):**
+2.3% versus +2.3% expected. (Previous Month 2%).
Eurozone Core HICP Inflation (Year on Year):
+2.8% versus 2.8% expected. (Previous Month +2.7%).
- With energy base effects a big reason for the November advance in prices this release is unlikely to deter further ECB rate cuts in December and beyond.



US Stock indices all rallied on Friday to close out another strong month. The S&P 500 rose 0.6% to register a new all time closing high at 6,051 and post a monthly gain of 5.5% for November. The Nasdaq 100 jumped 0.9% to end the week at 20,990, while the USA 30 gained 0.5% to finish at 45,052 and post another new all time closing high. The USA 2000 index of small cap stocks rose 0.5% to end at 2,446. **(Page 4 S&P 500 TA Update).**

European indices all gained on Friday but posted mixed performances across the week. The Germany 40 shone with a 1.1% jump on Friday, as it climbed to one month highs at 19,686 (+1.5% on week). The France 40 rallied 0.6% to 7,234 on Friday, but fell 0.5% on the week as political issues soured sentiment towards the index, while the Europe 50, which closed at 4,807, and the UK 100, which closed at 8,300 both ended flat on the week.

The US Dollar Index ended Friday at 105.78 which was a fall of 1% on the week, as traders locked in some profits on the big dollar rally since Donald Trump won the US Presidential election. USDJPY dropped 3% on the week from opening levels at 154.08 to close at one month lows of 149.62, hurt by the weaker dollar and increased expectations for a Bank of Japan rate hike at its final meeting of 2024 on December 19th.



Gold TA Update:

Last week’s downside move found support at 2609 (62% retrace Nov strength) from which a bounce has developed to break above the Bollinger mid-average and test resistance at 2665 (half latest decline). If this level gives way it would suggest a recovery back to 2721 (Nov 25th high), even 2790 (Oct 30th all-time high) is possible.

To the downside, closes below 2645 (Bollinger mid-average) points to retests of 2609.



In commodities, Gold had another volatile week. It opened with a \$100 fall to 2,605 on the announcement of a ceasefire between Israel and Hezbollah before recovering to close at 2,650 on Friday, which locked in a weekly fall of 2.4%. **(Above Gold TA Update)**. Oil slipped 4% on the week to close at 68.03 as traders nervously awaited the outcome of a delayed OPEC+ meeting, which is now scheduled for next Thursday, December 5th.

STEP 2:

LOOKING FORWARD TO

THE WEEK AHEAD

Time Zone Key:

GMT -5	= New York
GMT	= London
GMT +1	= Frankfurt
GMT +11	= 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 2.12	TUESDAY 3.12	WEDNESDAY 4.12	THURSDAY 5.12	FRIDAY 6.12
BEFORE OPEN		Scotiabank Donaldson	RBC Campbell's Foot Locker Chewy Dollar Tree	Aurubis Canadian Imperial TD Bank BMO Dollar General	Berkeley Group
AFTER CLOSE	CleanSpark Zscaler	Salesforce Okta Marvell	PVH Sprinklr SentinelOne ChargePoint	Gitlab DocuSign Asana Lululemon Athletica UiPath	



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 1500 GMT USD ISM Manufacturing PMI. (Below 50 = economic contraction, above 50 = economic expansion). A week packed full of important events starts with the release of this forward looking survey updating traders on the strength of US manufacturing activity. After a weak October print (46.5) confirmed the sector contracted for the seventh consecutive month, traders will be looking for any sign of improvement in this reading.

Tuesday: 0730 GMT CHF Inflation Data (CPI). Last month's unexpected fall in Switzerland's CPI fuelled concerns inflation may undershoot the central bank's target, and strengthened the case for further rate cuts. Another fall in this release could confirm that outlook with implications for the direction of USDCHF next week.

1500 GMT USD JOLTs Job Openings. This is the first of 4 important updates on the US labour market across the week which could impact US stock indices and the dollar. It is followed by the ADP Private Sector release at 1315 GMT on Wednesday, Initial Jobless Claims on Thursday at 1330 GMT, and culminates with Non-farm Payrolls on Friday.

Wednesday: 0030 GMT AUD Gross Domestic Product (GDP). This update on growth of the Australian economy is likely to have implications for the direction of AUDUSD, especially if it deviates from market expectations. **(Below AUDUSD TA Update).**



AUDUSD TA Update:

Consolidation activity has developed since 0.6434 (Nov 26th low) as a reaction to late Sept/mid-Nov declines. However, resistance is still evident at 0.6532 (38% retrace Nov weakness). Defense of this level needs to be watched, with closing breaks required to open up potential for moves to 0.6561 (mid-point), even 0.6591 (62% level).

To the downside, breaks under 0.6480 point to pressure for tests of 0.6434 (Nov 26th low) again.

1330 GMT ECB President Lagarde Speech (European Parliament). With the next ECB rate decision less than 2 weeks away, any comments from Madame Lagarde on interest rates or the direction of Eurozone growth is likely to impact the direction of EURUSD and European indices next week.

1500 GMT USD ISM Services PMI (Below 50 = economic contraction, above 50 = economic expansion). Service activity has been the driver of US economic growth in 2024, and last month's reading of 56 was the highest since July 2022. Therefore the relative strength of this update is likely to influence the direction of US stock indices next week. **(Page 4 S&P 500 TA Update).**



S&P 500 TA Update:

Having found support again at the rising Bollinger mid-average either side of Nov 19th, fresh upside has developed, and it is now challenging 6053 (Nov 11th high). This is the focus this week with closing breaks a potential positive to open scope to 6124 (38% Fib extension of the latest setback), even 6168 (62% extension). To the downside, breaks back below 5984 (38% retrace Nov 19th to Nov 29th) suggest a deeper sell-off risk to 5934 (62% level), possibly further.

1845 GMT Fed Chairman Powell (Moderated Discussion). The start of December is likely to be dominated by whether the Federal Reserve will cut interest rates again at their last meeting of the year on December 18th. So, any comments from Chairman Powell on inflation, US economic growth or the path of interest rates moving forward are likely to influence the direction of stocks and the dollar next week.

Friday: 1330 GMT USD Non-farm Payrolls. This could be the most important economic data release in December, so its outcome is likely to increase volatility for all markets into the weekend. Traders will be focused on where the unemployment rate, currently 4.1%, is trending. If it moves higher again it could boost their expectations for another Fed interest rate cut later in the month.

1500 GMT USD Preliminary Michigan Consumer Sentiment. This number has been moving higher in recent months which has coincided with increased consumer spending and stronger economic growth. Can this increased confidence continue?

Key levels the Corellian mentors are focused on

Natural Gas:

Support

- 1: 3.174, Last week's low
- 2: 3.094, Mid-point
- 3: 3.033, Bollinger mid-average

Resistance

- 1: 3.412, Half latest sell-off
- 2: 3.640, October 2023 high
- 3: 3.787, January 17th 2023 high

Nasdaq 100:

Support

- 1: 20675, Last week's low
- 2: 20308, November 19th low
- 3: 20201, 38% retrace Sep/Nov

Resistance

- 1: 21079, Last week's high
- 2: 21339, All-time high
- 3: 21711, 38% Fib extension

EURUSD:

Support

- 1: 1.0498, 38% retrace latest rally
- 2: 1.0466, Mid-point same move
- 3: 1.0434, Deeper 62% retracement

Resistance

- 1: 1.0596, Last week's high
- 2: 1.0636, Mid-point Nov decline
- 3: 1.0708, Higher 62% retracement

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