

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment edged lower into the Friday close as traders prepared for the possibility that the Federal Reserve may indicate a slower pace of interest rate cuts in 2025 at their meeting next week (**See page 3**). Stock indices and metal commodities dipped, while the dollar closed near to its weekly high.

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

Friday data: The UK economy contracted for the second straight month

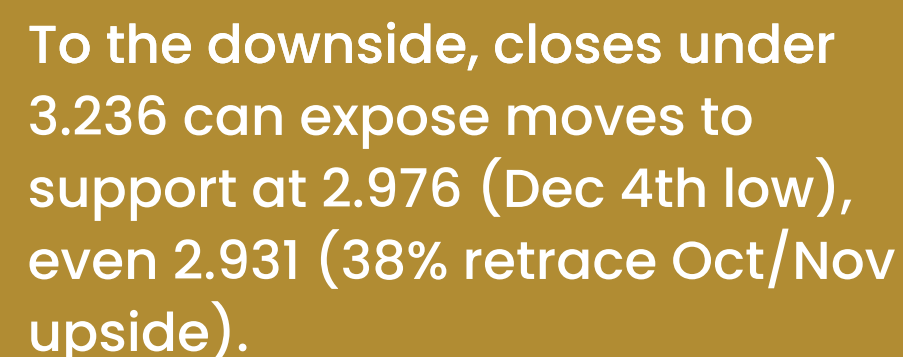
- **Gross Domestic Product November (MoM):**
-0.1 versus +0.1% expected.
- This disappointing report could impact the decision of Bank of England policymakers at their interest rate meeting next week.



US Stock indices had a mixed performance on Friday and across the week. Technology stocks continued to perform strongly, with the Nasdaq 100 closing up 0.6% on Friday at a new record high of 22,046 (+0.7% on week), led by a 25% gain in Broadcom stock after they predicted strong future demand for their AI chips. (**Page 3 Nasdaq 100 TA Update**). The S&P 500 dipped 0.1% to 6,121 on Friday (+0.4% on week), while the USA 30 fell 0.3% to 44,315 (-0.9% on week), and the USA 2000 dropped 0.7% to close at 2,374 (-1.5% on week).

European indices all fell slightly on Friday but were relatively unchanged on the week. The UK 100 dipped 0.2% to 8,305, while the Germany 40 fell 0.1% to 20,430 and the France 40 fell 0.2% to end the week at 7,412.

The US Dollar Index rose 0.7% on the week to close at 106.62 as traders reacted to the potential for less Fed rate cuts in 2025 after some firm US inflation readings on Wednesday (CPI) and Thursday (PPI). USDJPY was the strongest performer across the week, rising 2.4% to close at 153.65 ahead of the Bank of Japan interest rate decision next Thursday. (**Page 4 USDJPY TA Update**).



In commodities, Natural Gas had a volatile week trading between a low at 3.068 and a high of 3.556, , as traders reacted to geopolitical events in Ukraine, updates on gas storage and weather predictions. Prices eventually closed the week unchanged at 3.267. **(Above Natural Gas TA Update)**. Gold fell 1.2% on Friday to close at 2,648 (+0.6% on week), while Silver dropped 1.4% to end at 30.550 (-1.3% on the week) as dollar strength weighed on metals.

STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

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.**

FRIDAY
20.12

AFTER CLOSE

FedEx
Nike
Blackberry

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: Preliminary Global PMI Surveys JPY, EUR, GBP, USD. Released throughout the day, these are important updates highlighting the direction of growth in the major economies for central bankers and traders to consider. A reading above 50 = economic expansion, while below 50 = economic contraction. These readings could influence risk sentiment on Monday.

0200 GMT China Industrial Production, Unemployment Rate and Retail Sales. Chinese economic data is in focus right now after several headlines last week detailed the commitment of Chinese authorities to new stimulus to boost the country's growth in 2025. The outcome of these releases is likely to have an impact on the direction of the China A50 and Honk Kong 50 indices next week.

Tuesday: 0700 GBP Employment Data. Key data for the Bank of England to consider, especially after recent surveys have pointed to a slowdown in hiring from UK businesses due to increased costs from the Autumn budget. Any rise in unemployment could impact the direction of GBPUSD and the UK 100.

1330 GMT USD Retail Sales. Traders will be looking closely at this release to see the strength of consumer spending at the start of the holiday period. If it remains strong then that could help to boost stock indices next week.



Nasdaq 100 TA Update:

Upside themes continue, as last week saw further new all-time highs posted (22183 Dec 13th). While closes are seen above 21765 (half last week's range) the risks are to challenge resistance at 22258 (100% Fib extension Nov sell-off), even 22607 (higher 138% level).

On the downside, falls below 21765 while not an outright negative, can possibly see tests of support at 21508 (38% retrace Nov 19th to Dec 13th strength).

Wednesday: 0700 GMT GBP Inflation Data (CPI). Released one day before the Bank of England's next rate meeting, this update is important for GBPUSD and UK 100 traders. Any deviation from market expectations could influence the decisions of BoE policymakers on Thursday.

1900 GMT Fed Interest rate Decision, 1930 GMT Fed Press Conference. This is the event of the week, especially given traders seem very confident that another 25bps (0.25%) interest rate cut is on the way, so anything else would be a big surprise. This rate decision and what Chairman Powell says at the press conference is likely to increase volatility for US stocks and the dollar. **(Above Nasdaq 100 TA Update).**



USDJPY TA Update:

December price strength is now challenging resistance at 153.68 (62% retrace Nov/Dec declines). This level is the focus moving forward, as closing breaks could see a more extended recovery to 155.88 (Nov 20th high), even towards 156.74 (Nov 15th extreme).

To the downside, closes under 151.64 (Bollinger mid-average) can expose moves back to 151.28 (half latest upside), possibly 148.64 (Dec 3rd low).

Thursday: 0330 BST BoJ Interest Rate Decision, 0630 GMT BoJ Press Conference.

These events could generate increased volatility for USDJPY and the Japan 225 index next week as traders are uncertain whether the Japanese central bank will raise interest rates again at this meeting. The comments of Governor Ueda at the press conference will also be important. **(Above USDJPY TA Update).**

1200 GMT BoE Interest Rate Decision. Whether the BoE cut interest rates to provide a boost to a slowing UK economy or remain unchanged due to stubborn inflation could be a close call. This means the outcome, once known, is likely to impact the direction of GBPUSD and the UK 100 next week.

Friday: 0115 GMT PBOC Interest Rate Decision. Comments from top Chinese officials last week suggested that the PBOC would pursue a looser approach to monetary policy in 2025 to help boost the economy. Whether they cut interest rates at this final meeting of 2024 is uncertain, but their decision is likely to impact the direction of the China A50 and Hong Kong 50 indices on Friday.

Key levels the Corellian mentors are focused on

Oil:

Support

- 1: 69.10, Bollinger mid-average
- 2: 66.97, December monthly low
- 3: 65.26, September downside low

Resistance

- 1: 71.09, 38% retrace Oct/Nov
- 2: 72.50, Mid-point same move
- 3: 72.84, November 7th high

S&P 500:

Support

- 1: 6086, Half last week's rally
- 2: 6022, Bollinger mid-average
- 3: 5992, 38% retrace Nov/Dec

Resistance

- 1: 6155, Last week's all-time high
- 2: 6182, 62% Fib extension
- 3: 6257, Higher 100% extension

GBPUSD:

Support

- 1: 1.2608, Last week's low
- 2: 1.2527, Bollinger lower band
- 3: 1.2486, November monthly low

Resistance

- 1: 1.2674, Bollinger mid-average
- 2: 1.2711, Half latest sell-off
- 3: 1.2810, December 7th high

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