

# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** rebounded from weekly lows into the Friday close as traders digested the slightly softer release of the Fed's preferred inflation gauge (**see below**), which helped to take the edge off of the shock generated by the US central bank's decision to act more cautiously regarding rate cuts in 2025. Stock indices and commodities rallied while the dollar sold off from 2 year highs.

## STEP 1:

### WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: Fed's preferred inflation gauge rises at slowest pace for 6 months

- **US Core PCE Index November (Month on Month):**  
+0.1% versus +0.2% expected.
- **US Core PCE Index November (Year on Year):**  
+2.8% versus +2.9% expected.

- Now the Fed are back focused on the direction of US inflation this release was seen as welcome news for policymakers looking to cut interest rates in 2025.



**US Stock indices** all closed higher on Friday, which ensured a bad week ended on a more solid footing, as traders reacted positively to the US inflation update. The USA 30 had a very volatile week, trading from highs of 44,483 on Monday to early Friday lows of 42,495, before eventually closing 1.1% higher on the day at 43,280 (-2.5% on week). The S&P 500 rebounded 1% on Friday to finish at 5,996 (-2.1% on week), while the Nasdaq 100 rallied 0.8% to close at 21,552, which was a weekly fall of 2.3%. (**Page 3 USA 30 TA Update**).

**European indices** all fell on Friday and across the week as interest rate concerns hurt sentiment. The UK 100 closed down 0.4% at 8,099 on Friday (-2.6% on week), while the Germany 40 fell 0.7% to 20,061 (-2.1% on week), and the Europe 50 slipped 0.6% to 4,881 (-1.9% on week).

**The US Dollar Index** registered a new 2 year high at 108.28 briefly on Friday but eventually closed the day 0.6% lower at 107.54, as traders locked in some profits on longs after the US inflation update. AUDUSD fell to its lowest level since October 2022 at 0.6199 on Thursday before recovering some of its losses on Friday to close at 0.6253. (**Page 4 AUDUSD TA Update**).



**Gold TA Update:**

After trading to 2790 (Oct 30th all-high) a period of consolidation has developed. For next week, the first support level is 2582 (Dec 19th low), with breaks below this area suggesting tests of 2537 (Nov 14th low) may be possible.

To the upside, moves above 2643 (Bollinger mid-average) opens scope back to 2726 (Dec 12th failure high).



**In commodities,** Gold fell 3% to 1 month lows at 2,582 on Wednesday as traders reacted negatively to a more cautious Fed rate outlook for 2025, but recovered some of its losses on Friday to end the week down 1% at 2,623. **(Above Gold TA Update).** Natural Gas closed at 2 year high of 3.7480 after climbing 3% on the week as colder weather and geopolitical issues in Ukraine increased supply concerns.

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

**MONDAY**  
23.12

**TUESDAY**  
24.12

**WEDNESDAY**  
25.12

**THURSDAY**  
26.12

**FRIDAY**  
27.12

**BEFORE  
OPEN**

**Christmas  
Day**

**AFTER  
CLOSE**

**No Earnings  
This Week**

## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Monday: 0700 GMT GBP Gross Domestic Product.** With traders concerned about a major slowdown in the UK economy, this update on the current trend of growth is likely to impact the direction of GBPUSD and the UK 100 into the end of 2024.

**1330 GMT CAD Gross Domestic Product (GDP).** The Bank of Canada have been proactive in cutting interest rates to stimulate growth in the economy. This release will show whether it has been working, especially as the economy faces a new potential threat from Trump trade tariffs at the start of 2025.

**1500 GMT USD Consumer Confidence.** An important release for US stock index traders to consider given that the consumer is such a large part of the US economy. If this number keeps trending higher, as it has in recent months, they are likely to keep spending, which is good news for company earnings in early 2025. **(Below USA 30 TA Update).**



### USA 30 TA Update:

Tests of support at 42667 (38% retrace Aug/Dec upside) were seen last week and a bounce developed on Friday afternoon. While resistance at 43844 holds any end of year price strength (mid-point of Dec weakness) breaks below the support at 42667 could be seen to open up tests of 41791/41886 (Nov 4th low & deeper mid-point).

Closes above 43844 would release some of the downside pressure and could open up tests of 44158 (62% retracement).

**2330 GMT Bank of Japan Meeting Minutes.** This release may show just how close the Japanese central bank were to raising rates at their meeting last week, which could impact the direction of USDJPY and the Japan 225 index, especially after last Thursday's higher than expected inflation (CPI) print for November.

**Tuesday: 0030 GMT Reserve Bank of Australia Meeting Minutes.** AUDUSD traders will be following this update closely, given that the RBA's change to a more dovish tone at their last interest rate meeting helped to send the currency down to yearly lows around 0.6200 last week. **(Page 4 AUDUSD TA Update).**

**1330 GMT USD Durable Goods Orders.** While US consumers have been concentrating their spending on services, such as restaurants, bars and hotels, rather than goods, this number is still an important part of the US growth story, and it has been trending higher recently. Another strong reading could impact the direction of stock indices and the dollar.



Sunday 22nd December 2024



**AUDUSD TA Update:**

A small price recovery was seen on Friday after the recent downside weakness, but while resistance at 0.6293 (half last week's decline) holds, the risks are to retest 0.6199 (Dec 19th low). Breaks below this support may suggest declines towards 0.6170 (Oct'22 extreme).

Moves back above the 0.6293 resistance points to tests of 0.6334 (38% retrace Nov 25th/Dec 19th downside).

**Thursday: 2330 GMT Tokyo Inflation Data (CPI).** This inflation release from Japan's most populated city will be important to determine whether the Bank of Japan may raise interest rates at their first meeting of 2025. For this reason, it could impact the direction of USDJPY and the Japan 225 into the weekend.

## Key levels the Corellian mentors are focused on

**Natural Gas:**

**Support**

- 1: 3.553, Friday's session low
- 2: 3.506, 38% retrace December
- 3: 3.407, Mid-point same move

**Resistance**

- 1: 3.826, Last week's high
- 2: 3.941, January 11th 2023 high
- 3: 4.123, January 8th 2023 high

**Nasdaq 100:**

**Support**

- 1: 21007, Last week's low
- 2: 20940, 62% retrace Nov/Dec
- 3: 20383, November 19th low

**Resistance**

- 1: 21811, Friday's high
- 2: 21906, 62% retracement
- 3: 22449, Dec 16th all-time high

**EURUSD:**

**Support**

- 1: 1.0342, Last week's low
- 2: 1.0224, Late November 2022 low
- 3: 1.0203, 62% retrace Sep'22/Jul'23

**Resistance**

- 1: 1.0505, Bollinger mid-average
- 2: 1.0533, Last week's high
- 3: 1.0565, 38% retrace Nov/Dec

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