



# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** cooled into the Friday close as traders took a step back to consider their next moves at the start of 2025. Moves in the major markets were dominated by year end rebalancing of portfolios in thin Christmas holiday liquidity. US stock indices, the dollar and precious metals fell, while energy commodities rose.

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

Friday news: Tokyo inflation rises for second month in a row, supporting BoJ rate hike hopes

- **Tokyo December CPI (YoY):**  
+3.0% versus +2.6% expected.  
**Tokyo CPI excluding Food, Energy (YoY):**  
+2.4% versus +2.2% expected.
- Rising inflation, a tight labour market and stronger retail sales support a view of a slowly improving economy. However, it also suggests there isn't an urgent need for the BoJ to raise interest rates in January.



**US Stock indices** all fell on Friday as traders locked in some profits after an impressive performance in 2024. The S&P 500 dropped 1.1% to close at 6,029, while the Nasdaq 100 slipped 1.3% to 21,720 led by falls in mega technology companies like Microsoft and Nvidia. The USA 30 fell 0.8% to 43,351 and the USA 2000 dropped 1.5% to end Friday at 2,265.

**European indices** rose on Friday, benefitting from a rebalancing of global portfolios which saw selling of US stocks and buying of underperforming European company shares. The Germany 40 rallied 0.5% to close at 20,107 on Friday, while the Europe 50 jumped 0.9% to finish at 4,915 and the France 40 gained 0.9% to end at 7,358.

**The US Dollar Index** slipped 0.1% on Friday to close the week at 107.80, which was only just below its 2024 highs of 1.0828 set on December 20th. USDJPY rose 1% on the week to register its highest closing level for 5 months at 157.90, while EURUSD consolidated at lower levels, eventually finishing flat on the week at 1.0425. **(Page 4 EURUSD TA Update).**





**Oil TA Update:**  
Strength has developed following tests of uptrend support. This move has now seen closes above the mid-average (currently at 69.27). While this support holds the risks are for moves to test resistance at 70.92 (Dec 15th high), then potentially 71.48 (Nov 24th extreme) and even 72.84 (Nov 7th high).  
  
Breaks below support at 69.27 suggest risks of falls back to 68.44 (Dec 22nd low). then 67.32 (current uptrend level).



**In commodities,** Oil rose 0.9% on Friday to close at 70.24, which was a gain of 1.2% on the week as traders focused on issues in the Middle East where Israel struck fresh targets in Yemen which it said were controlled by Houthi rebels who have been menacing shipping in the Red Sea throughout 2024. **(Above Oil TA Update).** Gold fell 0.5% on Friday to close at 2,621, while Silver dropped 1.4% to end the week at 29.295.

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 30.12	TUESDAY 31.12	WEDNESDAY 1.01	THURSDAY 2.01	FRIDAY 3.01
BEFORE OPEN			New Years Day	ConAgra Foods	
AFTER CLOSE			Markets Closed		



## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Monday: Quarter and Year End Portfolio Rebalancing.** At the end of a very busy year dominated by gains in US equity markets, global money managers may need to rebalance portfolios in preparation for the start of 2025. These flows could impact equity, FX and commodity markets into the end of trading on Tuesday.

**1500 GMT USD Pending Home Sales.** The trading week is light on events due to the New Years holiday, however US equity traders will be focused on this release to ensure that the US housing market closes the year on strong foundations, and that there are no warning signs of a potential economic slowdown in early 2025.

**Tuesday: 0130 GMT China Manufacturing and Non Manufacturing PMI.** These surveys will provide important updates on the on-going impact the huge government stimulus added in the second half of 2024 has had on the economy. Traders will be looking for readings above 50 to signal a clear shift towards economic expansion, with implications for the direction of the China A50 index next week. **(Below China A50 TA Update).**



### China A50 TA Update:

Sideways price activity continues to build between trendline support at 12798 (trendline connecting Oct/Nov lows) and trendline resistance at 14401 (trendline connecting Nov/Dec highs).

A closing breakout of either side is needed, with downside breaks below 12798 suggesting retests of 11058 (Sep 19th low), while trendline resistance at 14401 giving way points to moves towards 16345 (Oct 7th extreme).

**Thursday: 1330 GMT USD Initial Jobless Claims.** This US labour market update will be the first of 2025 and could move US equity indices and the dollar depending on how far it deviates from market expectations.

**1430 GMT CAD Manufacturing PMI.** This release will be important for traders to assess how successful the aggressive interest rate cuts from the Bank of Canada have worked to boost economic growth in the country, with implications for the direction of USDCAD next week.

**Friday: 0855 GMT Germany Unemployment Rate.** Germany's economic strength remains in question as traders focus on FX markets at the start of 2025. The directional trend of the country's unemployment rate could influence EURUSD at the end of the week. **(Page 4 EURUSD TA Update).**





#### EURUSD TA Update:

Having tested support at 1.0333 (Nov 22nd low) a consolidation period has been seen moving into year end. However, prices still remain below key resistance at 1.0470 (Bollinger mid-average). Breaks of this upside level are required to open tests of 1.0533/71 (Dec 17th high & 38% retrace Nov declines). While EURUSD prices remain below 1.0470, it's possible to see retests of 1.0333, where breaks lower could open up moves to 1.0203 (62% retrace Sep'22/Jul'23 strength).

**1500 GMT USD ISM Manufacturing PMI.** This forward looking survey release is likely to generate volatility in US stock indices and the dollar into the Friday close. Traders are looking at US economic data to continue its recent robust performance early in 2025. If the data disappoints in anyway it could start to undermine risk sentiment towards US financial markets.

**1530 GMT USD EIA Natural Gas Storage Change.** This release has been rescheduled for Friday again due to the New Years Day holiday. With Natural Gas volatility increasing in recent weeks, this storage update could have a big influence on how prices move into the first weekend of 2025.

## Key levels the Corellian mentors are focused on

#### Natural Gas:

##### Support

- 1: 3.316, Bollinger mid-average
- 2: 3.216, 38% retrace Oct/Dec
- 3: 3.089, December 17th low

##### Resistance

- 1: 3.516, Thursday's high
- 2: 3.681, Upper daily Bollinger band
- 3: 3.826, December 22nd high

#### S&P 500:

##### Support

- 1: 5983, Friday's session low
- 2: 5876, 38% retrace Sep/Dec
- 3: 5787, Mid-point same move

##### Resistance

- 1: 6107, Last week's high
- 2: 6163, December all-time high
- 3: 6182, 62% Fib extension Nov

#### AUDUSD:

##### Support

- 1: 0.6199, December low
- 2: 0.6173, October 2022 low
- 3: 0.5981, April 2020 low

##### Resistance

- 1: 0.6272, 38% retrace latest sell-off
- 2: 0.6294, Mid-point same move
- 3: 0.6327, Bollinger mid-average



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