



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment rebounded from lower levels into the Friday close as traders digested a better than expected US manufacturing survey release (**See below**) and news that Mike Johnson was re-elected as House of Representatives speaker, which was seen as a boost to President Trump's hopes of getting his business friendly policies passed into law.

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

Friday data: US ISM manufacturing survey moved higher in December

- **ISM Manufacturing PMI:**
49.3 versus 48.4 expected. Highest level since March.
ISM Manufacturing PMI Prices Paid:
52.5 versus 51.7 expected.
ISM Manufacturing PMI Employment Index:
45.3 versus 48 expected.
- While still in contraction (below 50), manufacturing activity is improving, which is good news for US growth.



US Stock indices all rallied strongly on Friday, reversing some of the losses from the sell off into the end of 2024. The S&P 500 rose 1.2% to close at 5,985, while the Nasdaq 100 jumped 1.5% to finish the week at 21,492, helped by a 4.5% surge in Nvidia stock. The USA 30 bounced 0.7% to close at 42,995 and the USA 2000 spiked 1.5% to 2,282. (**Page 3 Nasdaq 100 TA Update**).

European indices all slipped lower on Friday hurt by falls in shares of industries exposed to China. The UK 100 dropped 0.4% to close at 8,229, while the Germany 40 slipped 0.5% to end the week at 20,048. The France 40 was the worst performer, falling 1.5% to 7,292 led by a 4% decline in LVMH stock.

The US Dollar Index pulled back from a 2 year high at 109.34 on Friday but still rose 1% on the week to close at 108.75, as traders reloaded long dollar bets to start the year. EURUSD traded to a low of 1.0223 on Thursday before recovering some of the losses to close on Friday at 1.0305 (-1.1% on week), while GBPUSD hit a 9 month low at 1.2352 before rebounding to end Friday at 1.2423, a fall of 1.2% on the week.



Natural Gas TA Update:

Last week’s sell-off from 2 year highs at 4.198 (Dec 30th high) saw closes below support at 3.451 (38% retrace Oct 21st to Dec 30th strength). This suggests the potential for a deeper phase of price weakness towards 3.216 (mid-point), even 2.982 (62% level).

To the upside, closes above resistance at 3.666 (38% retrace latest decline) are needed to open up the potential for moves to 3.876 (62% level), possibly 4.198 again.



In commodities, Natural Gas had a volatile week. After printing a 2 year high at 4.198 on Monday due to uncertainty around gas supplies into Europe from Russia, prices then fell 20% to close at 3.366. (Above Natural Gas TA Update). Oil rose 5% on the week to close at 2 month highs of 74.04 as traders reacted to news of falling US inventories and issues in the Red Sea.

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 6.1	TUESDAY 7.1	WEDNESDAY 8.1	THURSDAY 9.1	FRIDAY 10.1
BEFORE OPEN		RPM	Acuity Brands MSC		Delta Air Lines Walgreens Constellation Brands Tilray Brands
AFTER CLOSE			Jefferies Financial		



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0730 GMT CHF Inflation Data (CPI). Swiss inflation has fallen back to the central bank's target in recent months which has allowed the SNB to continue cutting interest rates. This release could impact the direction of USDCHF and EURCHF next week depending on whether it is above or below expectations.

1000 GMT EUR Inflation Data (HICP). An important release for traders of European indices and EURUSD to consider given that current expectations are for the ECB to cut interest rates numerous times to start 2025. If inflation is showing signs of a bounce it could change that current outlook.

1500 GMT USD Services PMI. Service activity was the main driver of US economic growth through 2024, and stock index traders will be looking for confirmation of that trend continuing when this survey is released. Any print below expectations could lead to selling of US stock indices. **(Below Nasdaq 100 TA Update).**

1500 GMT USD JOLTs Job Openings. This is the first of four key US labour market releases across the week. It is followed by ADP Private Sector Payrolls at 1315 GMT on Wednesday, Initial Jobless Claims on Thursday at 1330 GMT, and ends with Non Farm Payrolls on Friday. With traders looking for guidance on the direction of US stocks and the dollar to start the year, these releases could be the catalyst for a move.



Nasdaq 100 TA Update:

Last week prices tested support at 21007 (Dec 22nd low) which held on a closing basis. However, while prices remain below resistance at 21686 (Bollinger mid-average) the risks are for support at 21007 to give way, and expose moves to 20511 (38% retrace Aug/Dec'24 upside).

Closes above resistance at 21686 are needed to resume upside momentum to 22110 (Dec 26th high), even 22449 (Dec 16th all-time high).

Wednesday: 0030 GMT AUD Inflation Data (Monthly CPI). The RBA haven't yet started cutting interest rates but have started to sound like they could be persuaded to, if data readings, like this CPI release, give them encouragement that inflation is falling back towards their target. This release could impact the direction of AUDUSD and the ASX 200.

1900 GMT December Fed Meeting Minutes. US Stocks fell after Chairman Powell's press conference after this meeting in December as he indicates the Fed would slow the pace of rate cuts in 2025. Could this release create a similar move?



USDJPY TA Update:

A period of consolidation is developing for USDJPY after the December price strength, but while support at 155.67 (Bollinger mid-average) remains intact, the potential is for breaks of resistance at 158.07 (Dec 26th high) to open scope to 158.85 (Jul 16th extreme), even 161.94 (Jul 3rd high).

Closes under 155.67 suggest a deeper decline to 154.53 (38% retrace Dec strength) is possible.

Friday: 0130 GMT China Inflation Data (PPI/CPI). The Chinese central bank (PBOC) indicated at the end of last year that they would do more to support the economy, ensuring this release could move the China A50 and Hong Kong 50 indices next week depending on whether these readings are above or below expectations.

1330 GMT USD Non-farm Payrolls. This is big data for the Fed to consider. The US central bank are unlikely to cut interest rates again while the unemployment rate remains low at 4.2% and wage growth remains strong (4% year on year). So, the outcome of these updates are likely to move US stocks, the dollar and commodities depending on how far they deviate from expectations. **(Above USDJPY TA Update).**

1500 GMT USD Preliminary Michigan Consumer Sentiment. Consumer sentiment in the US has been strengthening in recent months, and it's important that trend continues as it usually leads to further spending, boosting economic growth.

Key levels the Corellian mentors are focused on

Germany 40:

Support

- 1: 19831, December 23rd low
- 2: 19722, Mid-point Nov/Dec upside
- 3: 19528, Deeper 62% retracement

Resistance

- 1: 20214, Bollinger mid-average
- 2: 20343, December 19th high
- 3: 20543, December 16th all-time high

Gold:

Support

- 1: 2638, Bollinger mid-average
- 2: 2596, December 30th low
- 3: 2582, December 19th low

Resistance

- 1: 2665, Last week's high
- 2: 2702, Upper daily Bollinger band
- 3: 2721, November 25th high

EURUSD:

Support

- 1: 1.0224, Late November 2022 low
- 2: 1.0203, 62% retrace Sep'22/Jul'23
- 3: 1.0000, Psychological level

Resistance

- 1: 1.0374, Thursday's high
- 2: 1.0421, Bollinger mid-average
- 3: 1.0458, December 30th high

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