



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment fell into the Friday close as traders reacted to the release of a resilient US employment report (**See below**), consumer confidence falling to 7 month lows due to inflation concerns, and fresh comments from President Trump stating he will issue reciprocal tariffs on trading partners next week. Stock indices fell and the dollar rallied.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: US employment data supports Fed decision to pause further rate cuts

- **Non Farm Payrolls:** +143k versus +170k expected.
Unemployment Rate: 4% versus 4.1% expected.
Average Hourly Earnings (YoY): 4.1% versus 3.8% expected.
- This mixed report supports the view of a healthy US labour market and highlights potential inflation issues surrounding strong wage growth pressures.



US Stock indices all erased their weekly gains on Friday. The S&P 500 fell 1% to close the week at 6,050 (-0.2% on week), while the Nasdaq 100 dropped 1.4% to end at 21,575 (+0.1% on week), both led lower by a 4% fall in Amazon stock following a disappointing earnings release late on Thursday. The USA 30 slipped 1% to finish the week at 44,415 (-0.5% on week) and the USA 2000 fell 1.1% to close at 2,289 (-0.1% on week). **(Page 3 S&P 500 TA Update).**

European indices also fell on Friday but closed higher on the week. The UK 100 registered a new all time high at 8,744 on Thursday but fell back on Friday to close down 0.6% at 8,660 (+0.7% on week). The Germany 40 hit another fresh record high early on Friday morning at 22,037 before reversing those gains to close at 21,831 (+0.6% on week), while the Europe 50 fell 0.9% on Friday to finish the week at 5,326 (+1.2% on week).

The US Dollar Index recovered most of its weekly losses with a rally of 0.4% on Friday to close at 107.95 (-0.3% on week). USDJPY was the week's worst performing FX pair as it dropped 2.4% to close at 2 month lows of 151.29, led lower by strong Japanese economic wage growth and spending updates which increased trader hopes of further Bank of Japan interest rate rises. **(Page 4 USDJPY TA Update).**



Coffee TA Update:

Coffee prices continue to accelerate higher as the positive trend continues. This maintains risks to test the next resistance at 425.27 which is the 200% Fibonacci extension of the previous sell-off.

If price weakness is to develop, it may be breaks under support at 394.29 (half last week's range) that act as a trigger and open the way for fresh downside moves towards 375.39 (38% retrace Jan/Feb strength).



In commodities, Coffee prices jumped 10% on the week to close at a fresh all time high of 411.85, as concerns over supplies from top grower Brazil impacted sentiment. **(Above Coffee TA Update).** Gold hit a fresh record high at 2,886 on Friday before succumbing to some profit taking which saw it close slightly lower at 2,861 (+2.2% on week). Oil dropped 3.6% on the week to close at 71.04 as traders cut longs over fears of what a trade war could mean for future demand.

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 10.2	TUESDAY 11.2	WEDNESDAY 12.2	THURSDAY 13.2	FRIDAY 14.2
BEFORE OPEN	Loews McDonald's Incyte ON Semiconductor CNA Financial	UniCredit BP Marriott International Coca-Cola Fidelity	ABN Amro Barrick Gold Kraft Heinz Biogen Exelon	Siemens ThyssenKrupp Nestle Barclays Hyatt	SEGRO NatWest Magna International Moderna AMC Networks
AFTER CLOSE	Kilroy Realty Vertex Coty Creditcorp	Welltower AIG DoorDash Lyft Zillow	Michelin Reddit Royal Gold Fastly MGM	Roku Coinbase Applied Mat. Wynn Resorts Airbnb	



KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 2330 GMT AUD Consumer Confidence. This update on the Australian consumer will be another input for the RBA to consider when they meet to decide whether or not to cut interest rates for the first time on February 18th. This release could impact the direction of AUDUSD and the ASX 200 at the start of next week.

Tuesday: 0001 GMT GBP British Retail Consortium Retail Sales. The spending trend of consumers is an important indicator for the direction of UK economic growth, so this release could have implications for the direction of UK stocks next week.

1215 GMT BoE Governor Bailey Speech. Coming only days after the Bank of England's latest decision on interest rates, this speech gives Governor Bailey a chance to correct any points he feels were missed or misunderstood in his post rate decision press conference. His comments could influence where GBPUSD moves next in the week ahead.

1500 GMT Fed Chairman Powell Testimony (Also Wednesday 1500 GMT). Although Chairman Powell is unlikely to discuss the potential implications of President Trump's recent policy decisions, any new comments from him on US inflation, economic growth and interest rates are likely to have an impact on sentiment towards US stock indices and the dollar next week. **(Below S&P 500 TA Update).**



S&P 500 TA Update:

Last week's initial price weakness tested support at 5942 (62% retrace Jan up upside) on Monday from which price strength has emerged again. This can lead to fresh tests of resistance at 6162 (Jan 26th all-time high), with closing breaks above this level opening the potential for moves to higher levels.

To the downside, closes under 6049 (Bollinger mid-average) are needed to open up retests of the 5942 support.

Wednesday: 1330 GMT USD Inflation Data (CPI). Updates on US inflation are an important focus for traders of all markets, as they could hold the key to whether the Fed are able to cut interest rates in the first half of 2025. Any reading higher than expectations could have a negative impact on US stock indices and see gains for the dollar. **(Page 4 USDJPY TA Update).**

Thursday: 0700 GMT GBP Gross Domestic Product (Preliminary). Traders are concerned about the strength of the UK economy so this growth update may generate some headlines that could impact GBPUSD and the UK 100 next week.



USDJPY TA Update:

Price weakness is now below support at 151.50 which is the 38% retracement of Sep to Jan strength. This could lead to an extension of recent declines. The next support level now appears to be 149.22 (deeper mid-point).

To the upside, breaks above resistance at 153.37 (half last week's range) suggests tests of 154.78 (Bollinger mid-average) could be seen.

0730 GMT CHF Inflation Data (CPI). An important update for the Swiss National Bank (SNB) to consider as they battle to contain the impact of safe haven flows that have seen the Swiss Franc appreciate recently. A lower reading may indicate they have room to take interest rates back into negative territory, with knock on implications for FX markets.

1330 GMT USD Inflation Data (PPI). US factory gate inflation releases have influenced sentiment towards US stock indices and FX markets before, so need to be monitored next week.

Friday: 1330 GMT USD Retail Sales. This update on spending from US consumers will be important for the direction of US stock indices into the Friday close. Consumer sentiment has started to fall recently so traders will be looking to see if that has impacted spending decisions, with potential implications for future US economic growth.

Key levels the Corellian mentors are focused on

Oil:

Support

- 1: 70.42, Last week's low
- 2: 69.32, December 26th low
- 3: 68.44, December 22nd low

Resistance

- 1: 72.31, 38% retracement
- 2: 72.82, Mid-point
- 3: 73.38, 62% retracement

Germany 40:

Support

- 1: 21634, Half last week's range
- 2: 21358, Bollinger mid-average
- 3: 21201, Last week's low

Resistance

- 1: 22037, Friday's all-time high
- 2: 22327, Upper daily Bollinger band
- 3: 22421, 262% Fibonacci extension

EURUSD:

Support

- 1: 1.0322, Half latest recovery
- 2: 1.0202, February 2nd low
- 3: 1.0177, January 13th low

Resistance

- 1: 1.0440, Last week's high
- 2: 1.0532, January 27th high
- 3: 1.0557, Mid-point Nov/Jan

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