



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment drifted back from its highs into the Friday close as traders digested a surprise fall in US retail sales (**see below**) and looked to lock in some profits on gains made across the week. Stock indices closed with mixed results, the dollar fell, and precious metals gave back some of their weekly gains.

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

Friday data: US consumers abruptly pullback on spending in January

- **US Retail Sales (month on month):**
-0.9% versus -0.1% expected. Biggest drop in 2 years.
- **US Retail Sales (year on year):**
+4.2 versus +4.4 expected.
- This pullback in spending coincides with a drop in US consumer confidence due to worries about rising inflation. If the trend were to continue it could have negative implications for economic growth in 2025.



US Stock indices closed with mixed results on Friday but gained across the week. The Nasdaq 100 closed up 0.4% on Friday at 22,202 (+3% on week), to register a new record closing high for the index, led by strong gains in Dell Technologies and Meta. The S&P 500 closed flat at 6,133 (+1.4% on week) to leave it within touching distance of its all time high at 6,163 (Dec 16th), while the USA 30 dropped 0.4% to close at 44,635 (+0.5% on week).

European indices had a strong week boosted by hopes of a potential Ukraine peace deal. The Germany 40 hit a new record high at 22,706 on Thursday before giving back some of its gains with a 0.6% fall on Friday to leave it at 22,571 (+3.5% on week). The France 40 rallied 0.7% on Friday to end the week at 8,178 (+2.8% on week), while the UK 100, which traded to a new all time high at 8,816 on Thursday, fell back to close the week at 8,680 (+0.2% on week), ahead of some important UK data next week. **(Page 4 UK 100 TA Update).**

The US Dollar Index fell for the second week in a row to close at 106.67, a 2 month low. EURUSD rallied 1.6% on the week to finish at 1.0492, while GBPUSD rose 1.5% to close at a 2 month high of 1.2586. AUDUSD jumped 1.3% on the week to end at 0.6356 ahead of the RBA rate decision next week. **(AUDUSD TA Update Page 3).**



Silver TA Update:

Friday's upside move failed to close above resistance at 32.519 (62% retrace) after a rejection from the high at 33.370 was seen. While the resistance at 32.519 remains intact on a closing basis, the risks are for a sell-off back towards support at 31.620 (38% retrace), even 31.366 (Bollinger mid-average).

Closes above 32.519 can see further strength to retest 33.370, possibly further.



In commodities, Silver touched a 5 month high at 33.37 on Friday but couldn't sustain the up move, eventually falling back 0.7% to close at 32.03 (+1.1% on week). **(Above Silver TA Update)**. Gold followed a similar pattern, pulling back 1.6% from all time highs at 2,942 to close the week at 2,882 (+0.8% on week), while copper fell 3% on Friday to close at 4.6370 (+1.1% on week), as traders locked in some profits after strong gains to start the year.

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
17.2

TUESDAY
18.2

WEDNESDAY
19.2

THURSDAY
20.2

FRIDAY
21.2

**BEFORE
OPEN**

iQIYI
Medtronic
EXPD
Valmont
Baidu

HSBC
Philips
BAE Systems
Appian
Etsy

Lloyds Banking Grp
Anglo American
Airbus
Walmart
Alibaba

BB Biotech
Air Liquide
Elektro
Kingspan
Standard Chartered

**AFTER
CLOSE**

Huntsman

Flowserve
Occidental
Liberty Global
Bumble
Toll Brothers

ADP
Rio Tinto
Vale
Host Hotels
SolarEdge

Newmont
Alliant Energy
Block
Rivian
Dropbox

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0330 GMT RBA Interest Rate Decision, 0430 GMT RBA Press Conference.

After the most recent CPI reading showed inflation to be trending lower, and with the Australian economy facing the threat of US tariffs and a potential trade war, expectations are for the RBA to cut interest rates 25 bps (0.25%) at this meeting, which could impact the direction of AUDUSD and the ASX 200. **(Below AUDUSD TA Update).**

0700 GMT GBP Employment Data. This release will provide an update on the direction of UK unemployment and wage growth, which is still of vital importance to the Bank of England when considering their next move on interest rates. This update could influence the direction of GBPUSD and the UK 100.

1330 GMT CAD Inflation Data (CPI). An important update for the Bank of Canada to consider given they may be close to the end of their recent rate cutting cycle. This release could impact where USDCAD moves next at the start of the week.



AUDUSD TA Update:

Friday closed above resistance at 0.6320 (38% retracement) opening up the potential to test higher levels. This can see moves towards 0.6390 (mid-point), possibly even 0.6460 (higher 62% retracement).

To the downside, breaks under support at 0.6304, which represents half of the latest upside strength can see a sell-off to 0.6265 (38% retracement).

Wednesday: 0100 GMT RBNZ Interest Rate Decision, 0200 GMT RBNZ Press Conference.

The New Zealand economy has been suffering from rising unemployment, falling business confidence and weaker house prices, which has convinced many traders that a 50bps (0.5%) interest rate cut at this meeting is possible. Whatever the outcome, NZDUSD is likely to be volatile around this event.

0700 GMT GBP Inflation Data (CPI). A very important piece of economic data for the Bank of England to consider given that 2 committee members called for a more aggressive 50bps (0.5%) cut at the last interest rate meeting in early February. If this print comes in below expectations it could increase trader hopes of further interest rate cuts sooner than initially anticipated, with knock on impacts for the direction of GBPUSD and the UK 100. **(Page 4 UK 100 TA Update).**



UK 100 TA Update:

Last week ended with a sell-off from Thursday's new all-time high at 8816. This downmove can continue towards the next support at 8666 (38% retracement), but while this level holds the potential is for further upside strength to breach resistance at 8746 (half last week's sell-off) and to open up retests of the 8816 high.

Breaks under the support at 8666 suggest a deeper sell-off towards 8620 (mid-point) are possible.

1900 GMT Fed Meeting Minutes (January). While Federal Reserve policymakers have been clear that US interest rates are on hold for now and that the outlook for what happens next is very data dependent, this release of the minutes from the January meeting may still generate some market moving headlines for US stock indices and the dollar.

Thursday: 2350 GMT JPY Inflation Data (CPI). Trader expectations for further rate hikes from the Bank of Japan have increased in recent weeks. This release could provide clarity on whether these expectations are justified or unfounded, with implications for the direction of USDJPY and the Japan 225.

Friday: Global Preliminary PMI Surveys, JPY, EUR, GBP, USD. This forward looking survey data will provide a health check on the major developed economies. A print above 50 = economic expansion, while below 50 = economic contraction. The updates on the UK, US and Eurozone will be especially important and could impact the direction of local stock indices and FX markets.

Key levels the Corellian mentors are focused on

Oil:

Support

- 1: 70.20, Last week's low trade
- 2: 69.32, December 26th low
- 3: 68.44, December 22nd low

Resistance

- 1: 72.18, 38% retracement
- 2: 73.01, Bollinger mid-average
- 3: 73.31, 62% retracement

Nasdaq 100:

Support

- 1: 21736, Bollinger mid-average
- 2: 21686, 38% retracement
- 3: 21520, Mid-point

Resistance

- 1: 22220, Last week's high
- 2: 22449, December all-time high
- 3: 23125, 38% Fibonacci extension

EURUSD:

Support

- 1: 1.0447, Friday's low
- 2: 1.0397, 38% retracement
- 3: 1.0321, 62% retracement

Resistance

- 1: 1.0532, January monthly high
- 2: 1.0559, Mid-point
- 3: 1.0629, December 5th high

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