



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment fell sharply into the Friday close, undermined by weaker than expected US economic data (**see below**) and a report suggesting that long run consumer inflation expectations had surged to their highest for 30 years. Stock indices and commodities fell, while the dollar bounced from weekly lows.

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

Friday data: US business activity for the service sector falls into contraction for first time in 2 years

- **Preliminary Manufacturing PMI (February):**
51.6 versus 51.5 expected.
Preliminary Service PMI:
49.7 versus 53 expected. 2 year low.
- The service sector is the main driver of US economic growth, so the fall into contraction is potentially concerning, especially if this developed into a trend.



US Stock indices registered their worst trading day of 2025 on Friday. The S&P 500, which had touched a new all time high at 6,166 on Wednesday, dropped 1.75% on Friday to close at 6,030 (-1.6% on week). The USA 30 slipped 1.8% to finish the week at 1 month lows of 43,481 (-2.5% on week), while the Nasdaq 100 fell 2.2% to end at 21,659 (-2.4% on week), and the USA 2000 dipped 3% to close the week at 2,200 (-3.8% on week). (**Page 3 Nasdaq 100 TA Update**).

European indices also ended the week lower. The Germany 40, which had hit a new record high of 22,999 on Wednesday, dropped 0.7% on Friday to close at 22,228 (-1.5% on week) ahead of the German election on Sunday. The UK 100 fell 0.3% to finish at three week lows of 8,614 (-0.9% on week), while the Europe 50 slipped 0.4% to end the week at 5,450 (-0.8% on week).

The US Dollar Index rebounded from hitting a ten week low at 106.22 on Thursday to close up 0.25% on Friday at 106.53, boosted by risk aversion into the weekend. USDJPY dropped 1.5% on Friday and 2% on the week to close at 149.12, its lowest level since early December, while EURUSD fell 0.4% to close the week at 1.0460. (**Page 4 EURUSD TA Update**).



Gold TA Update:

Tests of resistance at 2949 which is the 62% Fibonacci extension (Oct/Nov sell-off) continued last week. While this level remains intact on a closing basis the risks are for breaks back below initial support at 2915 (half rally from Feb 16th low) which could see a price decline down towards 2870 (38% retrace Jan 27th to Feb 20th strength).

Closes above 2949 could see continued strength towards 3044 (higher 100% extension).



In commodities, Gold rose 1.8% on the week to close at 2,935 on Friday, which was its eighth straight week of gains and a new all time closing high. **(Above Gold TA Update)**. Natural Gas spiked 15% on the week to close at a one month high of 4.153, helped by colder temperatures and lower inventories. Oil closed the week down 0.5% at 70.22, which was it's lowest close in 2025, as weaker US economic data weighed on the demand outlook.

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

24.2

TUESDAY

25.2

WEDNESDAY

26.2

THURSDAY

27.2

FRIDAY

28.2

BEFORE OPEN

Croda International
Owens Corning
Westlake Chemical
KBR

Smith & Nephew
Home Depot
Krispy Kreme
Scotiabank
BMO

E.ON
Deutsche Telekom
Munich Re
Gerresheimer
Lowe's

Axa
Swiss Re
Ocado
Aviva
RBC

Clariant
BASF
Allianz
Pearson
IMI

AFTER CLOSE

Public Storage
Tempus AI
Chegg
ONEOK
Ziff Davis

ASM
First Solar
Lemonade
Flywire
Intuit

Petrobras
Ovintiv
HEICO
C3.ai
NVIDIA

Mosaic
NetApp
FIGS
Dell Technologies
HP

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: German Election Results. The outcome of Sunday's German election could have major implications for the direction of EURUSD and European indices, especially the Germany 40, on Monday's market open.

Tuesday: 1500 BST USD Consumer Confidence. Consumer confidence has started to fall again at the start of 2025 and there are some early signs that it may be starting to impact spending, which could be a negative for future US economic growth and company earnings. This release could impact the direction of US stock indices and the dollar at the start of the week.

Wednesday: 0030 GMT AUD Inflation Data (Monthly CPI). After cutting interest rates for the first time in 4 years last week the Australian central bank (RBA) stated they need to see more evidence that inflation is continuing to fall before cutting again. That means this release could impact the direction of AUDUSD and the ASX 200 if it deviates outside of market expectations.

Nvidia Earnings (After the market close). Nvidia are the bellwether stock for US artificial intelligence and carry a big weighting in the S&P 500 and Nasdaq 100 indices due to their current market capitalisation of around \$3.4 trillion. Traders will be keen to see the strength of earnings but will also be focused on the outlook for future revenue given the recent emergence of DeepSeek as a potential major disruptor in the AI space. **(Below Nasdaq 100 TA Update).**

Nasdaq 100 TA Update:

Friday's price weakness broke below both the mid-average and 38% retracement support. This exposes risks for a deeper sell-off towards the next support level at 21529 (mid-point), even 21329 (62% Fibonacci level).

To the upside, breaks above resistance at 21974, which is equal to half of last week's sell-off, are needed to open potential for retests of resistance at 22318/22449 which are the Feb 18th and Dec 16th highs.



Thursday: 2330 GMT JPY Tokyo CPI, 2350 GMT JPY Retail Sales The direction of inflation in Japan's most populated city will be watched closely to support market expectations for a further rate hike from the Bank of Japan (BoJ), and to determine how quickly it may come. The Japanese central bank also wants to see evidence of increased consumer spending before committing to their next rate hike, ensuring the retail sales release could also be important for the direction of USDJPY and the Japan 225 index in the week ahead.



EURUSD TA Update:

EURUSD upside is now nearing a potentially strong resistance area at 1.0521/60 which represents the Jan 24th high and mid-point (Nov/Jan declines). A closing break higher above this area is needed to maintain an extension of price strength towards 1.0650 (higher 62% retrace).

To the downside, closes back below support at 1.0394 (38% retrace Feb upside) may suggest further weakness towards 1.0322 (62% level) is possible.

1300 GMT German Inflation Data (Preliminary CPI). The outcome of the German election (Sunday), the current path of inflation and the future direction of the economy are big issues for traders, ensuring this release could influence Germany 40 prices into the weekend.

1330 GMT CAD Gross Domestic Product. The Canadian economy looks weak and this reading may confirm that to be the case, keeping pressure on the central bank to cut interest rates again, with implications for the direction of USDCAD.

1330 GMT USD PCE Index, Personal Income and Spending. This is the Fed's preferred gauge of inflation and has the potential to increase volatility across all markets into the weekend, depending on whether it indicates US inflation is continuing to moderate or starting to turn back higher again. A higher reading could be seen as a negative for stock indices and may help to support the dollar, while a lower reading could mean the reverse. **(Above EURUSD TA Update).**

Key levels the Corellian mentors are focused on

Natural Gas:

Support

- 1: 3.946, Wednesday's low
- 2: 3.860, 38% Fibo retracement
- 3: 3.691, Mid-point

Resistance

- 1: 4.391, Last week's high
- 2: 4.772, 38% Fibo retracement
- 3: 5.227, December 2022 high

Germany 40:

Support

- 1: 22152, Bollinger mid-average
- 2: 21874, 62% Fibo retracement
- 3: 21727, February 6th low

Resistance

- 1: 22595, Half last week's sell-off
- 2: 22947, New all-time high
- 3: 23064, 362% Fibo extension

USDJPY:

Support

- 1: 148.91, Last week's low
- 2: 148.64, December 3rd low
- 3: 147.33, October 8th 2024 low

Resistance

- 1: 151.20, 38% Fibo Retracement
- 2: 151.87 Mid-point
- 3: 152.55, Bollinger mid-average

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