



CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment rebounded from its weekly lows into the Friday close. Traders shrugged off the disappointment of the US and Ukraine failing to sign a minerals deal, and instead focused on a milder US inflation update (see below) and hopes that negotiation may still head off US tariffs on Canada and Mexico coming into effect on March 4th. Stocks indices and the dollar rose while commodities fell.

STEP 1:

WHERE DID MARKETS END LAST WEEK AND WHY?

Friday data: Fed's preferred inflation gauge rises at a mild pace in January

- **Core PCE Index (Year on Year):**
+2.6% versus 2.6% expected.
Smallest annual increase since 2021.
- While providing good news on inflation this release highlighted a large fall in consumer spending, which could increase concerns around US economic growth.



US Stock indices all rallied on Friday, bringing an end to a volatile week of trading dominated by selling of technology stocks and potential trade wars. The S&P 500, which had traded as low as 5,848 on Friday, rebounded strongly to close up 1.4% at 5,958 (-1.1% on week), while the Nasdaq 100 recovered from touching four month lows at 20,461 to finish at 20,908 (-3.4% on week). The USA 30 jumped 1.3% on Friday to end at 43,844 (+0.8% on week) and the USA 2000 rose 0.9% to 2,164 (-1.6% on week).

European indices performed strongly across the week. Led higher by gains in the UK 100, which rallied 1% on Friday to finish at new record highs of 8,825 (+2.3% on week). The Germany 40 closed up 0.1% at 22,591 on Friday, which was a gain of 1.6% across the week, supported by an initial confirmation of a market friendly election win for the German Conservatives. **(Page 3 Germany 40 TA Update).**

The US Dollar Index rallied from touching three month lows at 106.02 on Monday to close the week up 0.8% at 107.49, as traders bought dollars in advance of next week's US trade tariffs going live on March 4th. EURUSD, which briefly touched a high of 1.0528 on Monday, reversed course later in the week to close at 1.0374 ahead of next Thursday's ECB rate decision. **(Page 4 EURUSD TA Update).**



Natural Gas TA Update:

Last week's sell-off saw closing breaks below support provided by the 38% retracement (Feb upside) at 3.853. This suggests risks are building for a deeper decline towards 3.690 (mid-point).

To the upside, gains above resistance at 4.109 (half latest sell-off) are needed to resume the potential of further price strength to retest the February 19th high at 4.391.



In commodities, Natural Gas dropped 6% across the week to close at 3.816 as traders positioned for lower heating demand moving forward into the warmer spring months. **(Above Natural Gas TA Update).** Gold, which touched a record high at 2,956 on Monday, fell victim to a bout of profit taking, dropping 2.7% on the week to close back lower at 2,858, while Silver slipped 4% to close at 31.043.

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
3.3

TUESDAY
4.3

WEDNESDAY
5.3

THURSDAY
6.3

FRIDAY
7.3

**BEFORE
OPEN**

Bunzl
Hut 8
TG Therapeutics
Plug Power

Continental
Target
Best Buy Co.
Paysafe
AutoZone

Adidas
Bayer
Foot Locker
Campbell's
Thor Industries

Admiral
D.Lufthansa
Deutsche Post
Merck
Macy's

Biomerieux

**AFTER
CLOSE**

Gitlab
Okta

Ecopetrol
Ross Stores
CrowdStrike
Nordstrom
ChargePoint

Veeva Systems
Zscaler
Marvell
MongoDB

Vivendi
Costco
Gap
Cooper
Broadcom

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Monday: 1000 GMT EUR Preliminary Inflation Data (HICP). While the ECB are still expected to cut interest rates again at their meeting on Thursday, this new inflation update could impact the pace of future ECB cuts across the rest of 2025.

1500 GMT USD ISM Manufacturing PMI. Last month, US manufacturing activity moved above 50 on this survey into economic expansion, reversing 26 consecutive months of contraction (below 50). However, the question for traders worried about a slowdown in the US economy will be, can this improvement last?

Tuesday: US Trade Tariffs Commence. President Trump's confirmation that proposed tariffs on Canada, Mexico and an additional 10% on China were to start on March 4th saw risk sentiment drop last week. However, there is some lingering uncertainty about whether these tariffs will actually take effect. The reality is likely to impact the direction of all global indices. **(Below Germany 40 TA Update).**



Germany 40 TA Update:

The latest price weakness has tested support provided by the Bollinger mid-average at 22375. How this level performs on a closing basis in the week ahead is important. Closes below this level suggest risks for a deeper sell-off towards the next support at 22100 (mid-point Feb upside,) even 21882 (62% level).

To the upside, breaks above resistance at 22880 (Feb 26th high) are needed to suggest retests of February 19th all-time high at 23000.

Wednesday: 0030 GMT AUD GDP. This update on Australian economic growth will be important for the RBA to consider as they look to use interest rate cuts to provide support for any future slowdown in the economy. This release could impact the direction of AUDUSD and the ASX 200 next week.

1315 GMT USD ADP Private Sector Payrolls. The first of three updates on the US labour market released across the week, including Weekly Jobless Claims on Thursday at 1330 GMT, and the Non-farm Payrolls release at 1330 GMT on Friday. Traders are likely to be sensitive to any updates suggesting an employment slowdown.

1500 GMT USD ISM Services PMI. Service activity has been the driver of US economic growth for several years now, however, recently there have been some signs that US consumers are starting to cut back as higher prices erode confidence and household budgets. Last month's reading was 52.8, indicating economic expansion (above 50). Traders will be looking to see if that trend continues, which may be seen as a positive, or reverses course and falls into economic contraction (below 50), which may be perceived as a negative for US stock indices and the dollar.



EURUSD TA Update:

The sell-off following tests of resistance at the 1.0521/60 area (Jan 24th high & mid-point Nov/Jan decline) saw closing breaks below support provided by the Bollinger mid-average, currently at 1.0426, and 1.0407 which is the 38% retracement of February's upside move. This has seen risks build for a deeper decline towards 1.0329 (62% retrace), even 1.0274 (Feb 9th low). To the upside, breaks above resistance at 1.0426 are required to open up potential for retests of 1.0521/60.

Thursday: 1315 GMT ECB Interest Rate Decision, 1345 ECB Press Conference. Traders fully expect another 25bps interest rate cut at this meeting, so anything else would be a surprise. However, uncertainty has been building around what the ECB may do next regarding future cuts, meaning what Madame Lagarde says in her press conference on this topic could create some extra volatility for European indices and EURUSD. **(Above EURUSD TA Update).**

Friday: 0300 GMT China Imports, Exports and Trade Balance. Anticipation is building that Chinese authorities are close to providing more stimulus to boost the economy, ensuring that these updates on global demand (exports) and domestic growth (imports) from China could influence moves in the China A50 and Hong Kong 50.

1330 GMT USD Non-farm Payrolls. A big update for traders of all markets to consider. With concerns growing about the current health of the US economy, the focus is likely to be on the unemployment rate (currently 4%), where any increase could negatively impact sentiment towards US stock indices into the weekend.

Key levels the Corellian mentors are focused on

S&P 500:

Support

- 1: 5848, Last week's low
- 2: 5809, January monthly low
- 3: 5770, 38% retrace Aug/Feb

Resistance

- 1: 5973, 38% retrace Feb sell-off
- 2: 6011, Mid-point same move
- 3: 6048, 62% retrace

Gold:

Support

- 1: 2832, Last week's low
- 2: 2818, 62% retrace
- 3: 2772, February monthly low

Resistance

- 1: 2881, 38% retrace
- 2: 2896, Bollinger mid-average
- 3: 2909, 62% retrace

USDJPY:

Support

- 1: 148.56, Last week's low
- 2: 147.33, October 8th 2024 low
- 3: 146.91, 62% retrace Sep/Jan

Resistance

- 1: 151.01, 38% retrace Feb decline
- 2: 151.74, Mid-point same move
- 3: 152.50, 62% retrace

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