



# CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

**Risk sentiment** improved slightly into the Friday close but traders remained on edge regarding the possible negative impact of President Trump's tariff policy on the global economy, US consumer sentiment (**see below**), and US assets. Stock indices and commodities rose, while the dollar fell.

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

Friday data: US consumer sentiment continues its slump on inflation fears

- **Preliminary Michigan Consumer Sentiment (April):**  
50.8 versus 57 expected. Second lowest print on record.  
**1 Year Consumer Inflation Expectations:**  
6.7% versus 5% expected.
- This highlights US consumers are increasingly worried about tariffs leading to higher prices, job losses and lower income. None of which are good news for the economy or corporate earnings.



**US Stock indices** all rallied on Friday to lock in their biggest weekly gain in 18 months as traders reversed some of the heavy selling seen at the start of April. The S&P 500 rose 1.8% on Friday to close at 5,395, which led to a total gain of 5.7% across a volatile week of trading. The Nasdaq 100 also rallied 1.8% to finish at 18,820 (+7.7% on week), while the USA 30 jumped 1.6% to end at 40,445 (+5.3% on week). (**Page 3 Nasdaq 100 TA Update**).

**European indices** also moved higher on Friday led by strong gains in the UK 100 which jumped 2.1% to close the week at 8,096 (+1.4% on week), helped by a much stronger than expected UK GDP growth update for February. The Germany 40 rose 0.4% on Friday to finish at 20,870, which was a gain of 2% on the week, while the Europe 50 jumped 1% to end at 4,815 (+1.3% on week).

**The US Dollar Index** fell 3% on the week to close at 99.58, a level last seen in July 2023, as traders added to short positions in response to the escalating trade war between the US and China. EURUSD was the main beneficiary of dollar weakness, rising 3.6% on the week to finish at 1.1341 and post its highest close since February 2022. (**Page 4 EURUSD TA Update**).





#### Cocoa TA Update:

Support at 7630 (Mar 24th low) held last week's downside move, but while resistance at 8591 (half April weakness) continues to cap the upside, the potential is for eventual breaks lower towards 6721 (Nov 11th low).

If closes back above 8591 are seen, it might suggest renewed potential for further gains to 9479 (Apr 4th high), even 9645 (38% retrace Dec 18th to Mar 24th weakness).



**In commodities,** Cocoa had a volatile week, initially falling to a three week low of 7,665 on Wednesday before recovering to close the week at 8,377. **(Above Cocoa TA Update)**. Gold recovered from hitting a 1 month low at 2,956 on Monday to close the week at new all time highs of 3,236 (+6.6% on week) on safe haven demand. Oil recovered from trading at a 4 year low of 55.12 on Wednesday to close back at 61.46 on Friday (-1.2% on week).

## STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

#### Time Zone Key:

BST -5	= New York
BST	= London
BST +1	= Frankfurt
BST +9	= Sydney

All times are **British Standard Time (BST)**. Please use the key above to adjust to your appropriate time zone. **Key Earnings next week in table below.**

#### MONDAY

14.4

#### TUESDAY

15.4

#### WEDNESDAY

16.4

#### THURSDAY

17.4

#### FRIDAY

18.4

#### BEFORE OPEN

M&T Bank  
Goldman Sachs

PNC Financial  
Bank of America  
Citigroup  
J&J

ASML  
First Horizon  
US Bancorp  
Prologis  
Abbott

Sainsbury's  
United Health  
AMEX  
State Street  
HBAN

Comerica Inc

#### AFTER CLOSE

United Airlines  
Omnicom  
J.B. Hunt

Icade  
Synovus Financial  
Alcoa  
SL Green Realty  
CSX

Netflix





## KEY EVENTS, SPEAKERS AND ECONOMIC DATA

**Monday: 0400 BST China Imports, Exports and Trade Balance.** An important update on the current health of the global economy (exports), supply chains and domestic consumption (imports) at the start of the week. This release could have an impact on the direction of the China A50 and Hong Kong 50 indices.

**Tuesday: 0700 BST GBP Employment Data.** GBPUSD traders will be focused on the unemployment and wage growth updates in this release to try and determine whether the Bank of England may be able to cut interest rates later in the month.

**1330 BST CAD Inflation Data (CPI).** This inflation reading could clarify if the recent trade war escalation with the US is leading to higher prices, which could force the Canadian central bank (BoC) to leave interest rates unchanged at their meeting on Wednesday, with implications for the direction of USDCAD.



### Nasdaq 100 TA Update:

Last week's rally was held by resistance at 19405 (mid-point Feb 18th/Apr 7th sell-off). Declines from this level have found support at 17919 (mid-point April price strength) which remains a focus next week. Breaks below this level suggest downside risks towards 16459 (April 7th low).

To the upside, closes above 19405 are needed to indicate strength to 20094 (higher 62% retracement), even 20535 (Mar 26th high).

**Wednesday: 0300 BST China Industrial Production, GDP and Retail Sales.** Last week the Chinese Premier said the country had ample policy tools to offset the negative impact of the escalating trade war with the US. Traders will be watching these updates on the current health of the economy to determine the size of any new stimulus that may be deployed with implications for the China A50 index.

**0700 BST GBP Inflation Data (CPI).** A big release for the Bank of England to consider given they failed to cut interest rates last month over uncertainty regarding the direction of UK inflation. A lower CPI reading could increase trader expectations for an interest rate cut in April, while a higher print could lead to disappointment. Either way this number is likely to influence UK 100 and GBPUSD prices.

**1330 BST USD Retail Sales.** US stock index traders will be watching this update closely to see if weaker consumer sentiment has impacted household spending. If it has it could damage corporate earning expectations which may undermine sentiment. **(Above Nasdaq 100 TA Update).**





#### EURUSD TA Update:

Last week's upside acceleration successfully broke and closed above 1.1213 (Sep 25th high), maintaining scope to higher levels. A short term downside reaction in price may be seen, but while 1.1194 (38% retrace Mar 27th to Apr 11th strength) remains intact, risks are for 1.1472 (Friday's high) to give way, opening possibilities to 1.1494 (Feb 2022 high) even 1.1692 (Oct 2021 high).

Breaks under 1.1194 while not an outright negative, may see tests of 1.1104 (50% retracement).

**1445 BST CAD BoC Interest Rate Decision, 1530 BST BoC Press Conference.** It could be a close call as to whether the Canadian central bank cut interest rates again at this meeting as they balance higher inflation concerns against a weakening economy.

**Thursday: 1315 BST EUR ECB Interest Rate Decision, 1345 ECB Press Conference.** A really big event for traders to digest. The ECB committee seems split on what to do next regarding interest rates due to the uncertainty created by the recent US trade tariffs. This increases the chances of volatility for EURUSD and European indices over the actual rate announcement and during ECB President Lagarde's press conference. **(Above EURUSD TA Update).**

**Friday: 0030 BST JPY Inflation Data (CPI).** The direction of Japanese inflation is crucial to determining the timing of when the next interest rate hike from the Bank of Japan could be. Any reading deviating from expectations could increase USDJPY and Japan 225 volatility at the end of the week.

## Key levels the Corellian mentors are focused on

#### AUDUSD:

##### Support

- 1: 0.6154, 38% retracement
- 2: 0.6108, Mid-point same move
- 3: 0.6063, 62% retracement

##### Resistance

- 1: 0.6299, Friday's high
- 2: 0.6309, 38% retracement
- 3: 0.6388, April monthly high

#### Germany 40:

##### Support

- 1: 20273, Friday's low
- 2: 19003, Last Monday's low
- 3: 18868, November 2024 low

##### Resistance

- 1: 21077, Friday's high
- 2: 21693, Last week's high
- 3: 21823, 62% retracement Mar/Apr

#### Gold:

##### Support

- 1: 3174, Friday's low
- 2: 3137, 38% retracement April
- 3: 3104, Mid-point same move

##### Resistance

- 1: 3245, Last week's all-time high
- 2: 3292, 200% Fibonacci extension
- 3: 3388, 238% Fibonacci extension





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