

Preparing for the week ahead : Corellian 3 Step Process

Step 1: Where did markets end last week and why?

On Friday, the U.S. added close to half a million jobs in March and the unemployment rate fell by more than expected to 3.6%, highlighting a robust labour market that's likely to support aggressive Federal Reserve tightening in the coming months. **The crisis in Ukraine continues.** Negotiators for both sides spoke Friday via video link, and Russian Foreign Minister Sergei Lavrov said Moscow is preparing a response to Ukraine's proposals on ending hostilities.



Stock markets in Europe and the US all hit their highs early in the week on quarter end rebalancing demand, but then drifted lower from that point into Friday's close. Despite that it remained a positive week for equities but can that continue? US ISM data out on Friday suggested manufacturing costs are still rising and maybe hard to pass on to consumers, impacting profit margins. (See the next page for the USA 30 Wallstreet Technical Update).

Financial Market	Closing Level Friday 25 th March	Closing Level Friday 1 st April	Weekly Change %
Asia Stocks:			
China A50	13560	13990	+3.2%
Japan 225	28007	27700	-1.1%
ASX (Australia) 200	7416	7488	+1.0%
Hong Kong 50	21643	22160	+2.4%
Europe Stocks:			
UK (FTSE) 100	7465	7525	+0.8%
Germany 40	14404	14490	+0.6%
Europe 50	3809	3845	+0.9%
France 40	6578	6702	+1.9%
US Stocks:			
USA 500	4536	4536	+0.0%
USA 30 Wall Street	34750	34702	-0.1%
US Tech 100	14751	14851	+0.7%
USA (Russell) 2000	2075	2087	+0.6%
Financial Market	Closing Level Friday 25 th March	Closing Level Friday 1 st April	Weekly Change %
G10 Currencies:			
EURUSD	1.0983	1.1048	+0.6%
GBPUSD	1.3181	1.3114	-0.5%
EURGBP	0.8332	0.8424	+1.1%
AUDUSD	0.7515	0.7504	-0.1%
USDJPY	122.05	122.54	+0.4%
USD Index	98.86	98.53	-0.3%
Commodities:			
GOLD	1958	1926	-1.6%
Silver	25.52	24.62	-3.5%
Copper	4.6932	4.7072	+0.3%
US Crude Oil	112.64	99.50	-11.7%
Other Markets:			
Bitcoin	44580	46500	+4.3%
US 10 Year Yield	2.48%	2.39%	-3.6%

A mixed week for the USD with big gains against JPY at the start of the week (125.10 High) erased, a big sell off against the EUR (1.1185 high) erased, while it held ground against the rest of G10. Even the strong US employment data on Friday couldn't rouse any significant movement. **Is the USD taking a breather before its next up move or is the rally running out of steam?**

Commodities generally all underperformed last week, but it was more of a drift lower into the end of a quarter that has seen big gains overall in this sector. Oil was the standout underachiever as traders came to grips with a small supply increase from OPEC+ and the biggest ever release from the US's Strategic Oil Reserve.

Step 2: What is new, if anything, from the weekend?

<p>Bloomberg:</p> <p>Ukraine update: Russia says talks with Kyiv to resume Monday</p> <p>Does risk sentiment hang on whether these talks progress far enough for Ukrainian President Zelenskiy and Russian President Putin to meet? (See page 5 for USA 500 Technical Update)</p> <p>Russia and Ukraine will resume talks by video on Monday, according to Moscow's chief negotiator, who said Kyiv was becoming "more realistic" in its positions.</p> <p>A Ukrainian negotiator said he views talks as advanced enough to set the stage for talks between Ukrainian President Zelenskiy and Russian President Putin</p>	<p>Bloomberg:</p> <p>China removes key hurdle to allow US full access to audits</p> <p>Will this give a further boost to the 200 plus Chinese companies listed in New York that have been under pressure from delisting fears (e.g. Alibaba, Xpeng etc) ? (See page 3 for US Tech 100 Technical Update)</p> <p>China modified a decade long rule that restricted offshore listed firms' financial data sharing practice, potentially removing a key hurdle for US regulators to gain full access to auditing reports of the majority of Chinese companies listed in New York.</p>	<p>Reuters:</p> <p>ECB expects to hike rates after ending bond buys in Q3: Schnabel</p> <p>ECB's head of market operations Schnabel continues to keep up the hawkish rhetoric, will this give EURUSD a boost from its Friday close back at 1.1048? (See page 5 for EURUSD Technical Update)</p> <p>The ECB plans to raise interest rates some time after winding down its bond purchase programme in the third quarter of this year, ECB board member Isabel Schnabel said on Saturday.</p>
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Step 3: Looking forward to the week ahead

Important events are coloured in bold red, all times are British Summer Time (BST)

Please use the key opposite to adjust to your appropriate time zone

Individual Share Update (Some of the key earnings next week in the chart below):

Earnings updates are light next week as the eagerly awaited start of Q1 2022 earnings season approaches on 13th April.

Saturday: Tesla reported they delivered a record 310,048 cars worldwide in what Elon Musk said was an “exceptionally” difficult first quarter. This was just above the average 309,158 vehicles analysts expected.

Monday 4 th April	Tuesday 5 th April	Wednesday 6 th April	Thursday 7 th April	Friday 8 th April
1100 Gmt Acuity Brands	Levi Strauss 0700 Gmt Chr. Hansen	Gerresheimer 1230 Gmt ConAgra Foods		EMS
<u>Before Market Opens:</u>	<u>Before Market Opens:</u>	<u>Before Market Opens:</u>	<u>Before Market Opens:</u>	<u>Before Market Opens:</u>
	RPM	Constellation Brands		
<u>After Market Closes:</u>	<u>After Market Closes:</u>	<u>After Market Closes:</u>	<u>After Market Closes:</u>	<u>After Market Closes:</u>
Array Technologies NovaGold Resources	Tilray Brands Sprinklr			

Central Bank Meetings and Key Central Bank Speakers:

The RBA Interest rate decision on Tuesday is certain to move the AUD, a currency that is at a pivot point against many of its peers in G10 FX. The Australian central bank aren't expected to change interest rates from 0.1%, but traders will be watching for a change in tone. Up to now the RBA have been at the more dovish end of the spectrum in terms of major central banks, but their economy is running hot. **Could this meeting be the one where they signal a change in direction to a more assertive approach to rising inflation?**

On Wednesday watch for headlines from the release of the FOMC meeting minutes. This will give a further insight into how Fed members view the economic outlook for the US economy, the potential for bigger rate hikes (50 bps not 25 bps) in upcoming meetings and how they will look to reduce the balance sheet. **All things that will have a big impact on stock markets that have seen decent bounces in the last 2 weeks (See the next page for US Tech 100 Technical Update).**

Monday 4 th April	Tuesday 5 th April	Wednesday 6 th April	Thursday 7 th April	Friday 8 th April
<p>*1005 BST GBP* BoE Governor Bailey Speech</p>	<p>*0530 BST AUD* RBA Interest Rate Decision and Monetary Policy Statement</p> <p>*1605 BST USD* Fed Vice Chair Brainard Speech</p>	<p>*1900 BST USD* FOMC Minutes</p> <p>1145 BST EUR ECB Chief Economist Lane Speech</p>	<p>*1230 BST EUR* ECB Meeting Minutes</p> <p>1315 BST GBP BoE Chief Economist Pill Speech</p>	

Thursday ECB Meeting Minutes: Traders are trying to work out what the next move from the ECB is going to be, and what that means for EU bond markets, yields and above all the direction of the next big move for the EUR. **This release may just give further insight into where the council members all sit on these topics.**



BoE Governor Bailey speaks Monday. Traders will watch what he says on the tough choices the BoE have ahead, as they balance rising inflation, strong wage growth and a very tight labour market against a consumer facing massive spikes in essential costs which is hurting confidence and spending. **GBP has been trading heavy against many G10 pairs so what he says could increase volatility (See the next page for the GBPUSD technical update).**

Fed Vice Chair Brainard is close to Chairman Powell and so what she has to say matters! She is known as something of a dove but even the historically dovish Powell is talking like a hawk now, and all the Fed speakers seem to be singing from the same song sheet about needing to deal with soaring inflation. **Expect her to repeat the Fed's openness to larger interest rate hike/ hikes if deemed necessary, and watch for any deviation as this could hurt or boost stocks and the USD (See page 5 for the USA 500 Technical Update)**



Key Economic Data Next Week:

A relatively quiet week for economic data but there are a couple of things to watch out for.

Monday 4 th April	Tuesday 5 th April	Wednesday 6 th April	Thursday 7 th April	Friday 8 th April
0700 BST EUR (Ger) Imports, Exports and Trade Balance	0000 BST AUD Services PMI (Final)	0245 BST China Caixin Services PMI	0230 BST AUD Imports, Exports and Trade Balance	0600 BST JPY Consumer Confidence
0930 BST EUR Sentix Investor Confidence	0130 BST JPY Services PMI (Final)	0700 BST EUR (Ger) Factory Orders	0645 BST CHF Unemployment Rate	*1330 BST CAD* Employment Change, Unemployment Rate and Average Hourly Earnings
1500 BST USD Factory Orders	0845-0930 BST Fra, Ger, EUR and GBP Services PMI (Final)	1000 BST EUR Inflation Data (PPI)	0700 BST EUR (Ger) Industrial Production	
	1330 BST CAD and USD Imports, Exports and Trade Balance	1530 BST USD EIA Crude Oil Stocks Change	1000 BST EUR Retail Sales	
	1445 BST USD Services PMI		1330 BST USD Initial Jobless Claims	
	1500 BST USD ISM Non-Manufacturing PMI			
	2130 BST USD API Crude Oil Stock Change			

Tuesday: US ISM Non-manufacturing (Services) PMI. Services are a major part of the US economy now and the headline and components of these data are important. To date, services have done well and it will be interesting if this sector remains as strong as it has been. **Unlikely to impact Fed thinking yet unless it's a big downside surprise, but it will give valuable insight into how strong, or not, US economic performance actually is.**



Wednesday: EUR PPI Data is another part of the inflation jigsaw within the EU, and the ECB is going to have to address this soon, but input prices around the globe are continuing to rise or remain elevated. **After a record 7.5% EU CPI print on Friday, and further comments from ECB members that inflation is a major problem that must be dealt with, this could be a further catalyst for EUR volatility (See below for the EURUSD Technical Update).**



Friday: CAD Employment data is hugely important, and movement in the CAD is not just about the oil price. Remember the BoC is expected to hike interest rates quite a bit still from here. These data may add to the view that the BoC is behind the curve, like the Fed.

USDCAD Technical Commentary: With continued declines last week, tests of range lower extremes developed, which for Monday stands at 1.2428. While intact, the potential is for extension of more balanced themes, although it will only be 1.2592 (Monday's high) breaks that suggest a prolonged recovery towards upper extremes around 1.2900. Closes below 1.2428 will be a fresh negative and catalyst for extension of bearish themes.

Commodity Focus: Oil

The potential for oil to sell off further looks to be increasing after the US announced the largest ever release of stocks from their strategic reserve on Thursday, and other member countries of the International Energy Agency (IEA) agreed to follow late Friday, making this an unprecedented deployment of oil stock piles in an effort to ease the economic damage from high energy prices. The US alone are releasing 180 million over a 6 month period and its expected that Japan and the UK will add another 30-50 million barrels. **While this is important, what Putin does next in Ukraine will also have an impact. Will he take this on the chin or act to mitigate the fall out?**



Below are key levels in Stocks and G10 FX the Corellian mentors are focused on.

Support	Resistance	Support	Resistance
USA 500: 1 st – 4429.58, 38% retrace latest upside 2 nd – 4401.16 Bollinger mid-average 3 rd – 4304.93, Deeper 62% retracement	1 st – 4630.52, Last weeks high trade 2 nd – 4707.22, Bollinger upper band 3 rd – 4739.15, January 11 th extreme	EURUSD: 1 st – 1.1013, Bollinger mid-average 2 nd – 1.0977, Trend connecting March lows 3 rd – 1.0900, March 11 th low trade	1 st – 1.1184, Last weeks high trade 2 nd – 1.1232, 62% retrace Feb 10 th /Mar 7 th 3 rd – 1.1389, February 20 th high trade
US Tech 100: 1 st – 14657.92, Last weeks low trade 2 nd – 14206.25, Bollinger mid-average 3 rd – 12942.18, March 14 th session low	1 st – 15246.81, 62% retrace Dec/Mar sell-off 2 nd – 15581.97, Bollinger upper band 3 rd – 16007.80, January 11 th high trade	GBPUSD: 1 st – 1.3050, Last weeks low trade 2 nd – 1.2996, March 14 th low trade 3 rd – 1.2831, Mid-point Mar'20/May'21	1 st – 1.3184, Last weeks high trade 2 nd – 1.3257, Bollinger upper extreme 3 rd – 1.3298, March 22 nd session high
USA 30 Wallstreet: 1 st – 34437.00, Last weeks low trade 2 nd – 34057.00, Bollinger mid-average 3 rd – 32576.00, March 14 th low trade	1 st – 35277.00, Last week high trade 2 nd – 35748.00, February 9 th extreme 3 rd – 36386.00, January 12 th bounce failure	USDJPY: 1 st – 121.27, Thursday's session low 2 nd – 121.01, 38% retrace March rally 3 rd – 119.75, Mid-point same move	1 st – 123.22, Half last weeks sell-off 2 nd – 125.09, March 27 th session high 3 rd – 125.82, June 2105 high trade
Germany 40: 1 st – 14118.99, Bollinger mid-average 2 nd – 13698.13, Half March recovery 3 rd – 13401.27, Deeper 62% retrace	1 st – 14942.95, Last weeks high trade 2 nd – 15230.10, Bollinger upper extreme 3 rd – 15532.52, February 16 th session high	AUDUSD: 1 st – 0.7456, Tuesday's session low 2 nd – 0.7397, 38% retrace latest upside 3 rd – 0.7354, Mid-point same move	1 st – 0.7538, 62% retrace May'21/Jan'21 2 nd – 0.7555, October 27 th extreme 3 rd – 0.7616, June 25 th failure high trade
UK 100: 1 st – 7413.50, Last weeks low trade 2 nd – 7308.21, Bollinger mid-average 3 rd – 7235.18, 38% retrace Mar upside	1 st – 7551.00, Last weeks failure high 2 nd – 7628.75, February 10 th extreme 3 rd – 7680.31 Bollinger upper band	USDCAD: 1 st – 1.2428, Trendline since Mid-November 2 nd – 1.2390, November 10 th rally point 3 rd – 1.2329, October 29 th downside	1 st – 1.2592, Monday's session high trade 2 nd – 1.2610, 38% retrace March downside 3 rd – 1.2665, Mid-point same move



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