

## Preparing for the week ahead : Corellian 3 Step Process

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

**Risk sentiment:** It was another interesting end to the week, after what can only be called a “blowout” US jobs number. Employers added 528k new jobs (+250k expected), and the unemployment rate fell to 3.5%, the lowest in 5 decades. Wage growth was also higher than expected (inflationary), keeping pressure on the Fed to be aggressive on rate hikes. US yields surged on this, taking the USD higher and stocks had a small sell off. **Geo-political** worries were also at the forefront as China reacted firmly in response to House Speaker Pelosi’s visit to Taiwan, sending ships and missiles across the Taiwan Strait’s median line, and cutting off defense/climate talks with the US. **Tensions are high and should be closely monitored! (Page 2).**

**RBA Rate Decision:** Raised 50bps and said the ‘size and timing’ of future hikes weren’t on a preset path leading traders to sell AUD on the belief the RBA will not be as aggressive moving forward.

**BoE rate decision:** Raised 50bps and said they will continue to act to curb inflation which they see at 13.5% in October. BoE Governor Bailey said a recession is coming in Q4 and will last for at least a year. **Will GBPUSD try and test 1.1889 again? (see page 4 for the GBPUSD technical update).**

**Stocks ended the day down but up for 3rd straight week:** Equity investors took some profit Friday after the employment data but the US Tech 100 is over 18% up from the lows (Mid June) and the uptrend is still in full swing as stock traders seem to be discounting further Fed rate hikes and focusing on the employment data which suggests recession concerns are potentially premature. (See below for US Tech 100 update).



**US/EU/UK Equities:** Another big earnings week, with **Porsche, Roblox & Coinbase** to name a few. (see page 2)

**The USD ended the week stronger on Friday’s close:** The USD had a mixed trading week, but ended stronger against all G10 FX as the market priced in more Fed rate hikes.

**Commodities:** Wheat had another busy week (off 3.9%) as grain shipments started moving through Odessa, alleviating global food concerns, Gold was little changed after briefly making fresh highs at \$1795, and Oil fell as global demand slackens. (see page 4 for the Oil technical update)

**Bond yields:** US 10yr yields had another volatile week, eventually reversing their recent downtrend, closing at 2.83%, after trading to fresh lows at 2.53% Tuesday.



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

<p><b>Reuters:</b></p> <p><b>Taiwan says Chinese planes, ships carry out attack simulation exercise</b></p> <p>Definitely a geopolitical event to monitor. Any escalation would likely impact all markets negatively and see a rush to safe havens.</p> <p>Chinese aircraft and warships practised on Saturday for an attack on Taiwan, island officials said, in retaliation for a visit there by US House Speaker Nancy Pelosi that also saw Beijing halt dialogue with the United States in several areas.</p> <p>Pelosi's brief unannounced visit during the week to the self ruled island claimed by China infuriated Beijing and has prompted unprecedented military drills.</p>	<p><b>Bloomberg:</b></p> <p><b>China's trade surplus at record as exports beat expectations</b></p> <p>Is this another sign that fears over a slowing global economy and potential recession may be premature. This news could support risk sentiment early in the week.</p> <p>China's trade surplus rose to a record as exports grew faster than expected, proving support for an economy battling sporadic Covid outbreaks and property woes.</p> <p>The nation's trade balance climbed to about \$101 billion in July, surpassing the previous record set in June, according to government figures released Sunday. <b>The highest data compiled since 1987.</b></p>	<p><b>Bloomberg:</b></p> <p><b>Fed's Bowman backs more large rate hikes until inflation eases</b></p> <p>If traders were in any doubt about the intentions of the Fed post July's FOMC it has been cleared up by Fed speakers in the last week. How do stocks, especially tech stocks respond on Monday?</p> <p>The Federal Reserve should keep considering large hikes similar to the 75bps increase approved last month until inflation meaningfully declines, Governor Michelle Bowman said Saturday.</p> <p>"My view is that similarly sized increases should be on the table until we see inflation declining in a consistent, meaningful, and lasting way,".</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

Time Zone Key:	
BST -5	= NY Time
BST	= London Time
BST +1	= Frankfurt Time
BST +8	= Tokyo
BST +9	= Sydney
BST	= British Summer Time

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

Monday 8 <sup>th</sup> August	Tuesday 9 <sup>th</sup> August	Wednesday 10 <sup>th</sup> August	Thursday 11 <sup>th</sup> August	Friday 12 <sup>th</sup> August
<p><b>Porsche</b> 1200 Palantir Technologies</p> <p><b>Before Market Opens:</b> Dominion Tyson Foods Energizer</p> <p><b>After Market Closes:</b> Root AIG Luminar Lemonade</p>	<p>Abrdn 0630 Munich Re 0700 LGEN 1300 Ralph Lauren</p> <p><b>Before Market Opens:</b> Emerson SYSCO <b>Hyatt</b></p> <p><b>After Market Closes:</b> Flywire <b>Wynn Resorts</b> <b>Roblox</b> <b>Coinbase</b></p>	<p>Weibo <b>0700 AVIVA</b> <b>0700 Admiral</b> <b>0700 Prudential</b></p> <p><b>Before Market Opens:</b> Twenty First Century Bright Health Group Wendy's Company</p> <p><b>After Market Closes:</b> Walt Disney Sonos Bumble Energys</p>	<p>Antofagasta Cineworld TG Therapeutics 0600 Deutsche Telecom</p> <p><b>Before Market Opens:</b> Cardinal Health Hanesbrands Arrival</p> <p><b>After Market Closes:</b> Mister Car Wash Poshmark <b>Rivian</b> Illumina</p>	<p>Broadridge 0700 Flutter Entertainment</p> <p><b>Before Market Opens:</b> Spectrum Brands</p> <p><b>After Market Closes:</b></p>

## Central Bank Meetings, Key Central Bank Speakers and Important Economic Data:

### Tuesday:

#### GBP-BRC Retail Sales

Traders need to monitor the UK consumer very closely now as they are weighed down by the soaring costs of essential goods and services. It is possible consumers could shift away from things they want, to things they need. Keep an eye on the details of this report and remember, the BoE sees a recession coming.

### Wednesday (Key Data Day):

#### JPY-PPI

This is often not taken seriously enough, but with inflation at the forefront of central bank policies, it is worth remembering that PPI is part of the inflation dynamic and inflation will be exported by the major exporters like Japan.

Monday 8 <sup>th</sup> August	Tuesday 9 <sup>th</sup> August	Wednesday 10 <sup>th</sup> August	Thursday 11 <sup>th</sup> August	Friday 12 <sup>th</sup> August
	0001 BST GBP BRC Retail Sales	0050 BST JPY Inflation Data (PPI)  0130 BST AUD Consumer Confidence  *0230 BST China* Inflation Data (PPI/CPI)  0700 BST EUR (Ger) Inflation Data (Final)  *1330 BST USD* Inflation Data (CPI)	1330 BST USD Inflation Data (PPI)	0700 BST GBP Gross Domestic Product  1500 BST USD Michigan Consumer Sentiment Index

### Wednesday continued:

#### AUD-Consumer Confidence

Aussie data is becoming more important and the RBA have clearly stated they are still committed to the fight against inflation but a consumer that is not confident is one that will stop spending. Important data for the RBA and the AUD.

#### China-PPI & CPI

This data can have an impact on global markets if there is a deviation from the consensus. Again, China is a huge exporter and if PPI is still high then it will be exported. CPI is important as it can move the CNY which holds implications for the broader US dollar. This data also impacts the support the Chinese authorities will be able to provide to keep stimulating the economy.

#### EUR-German Inflation data Final

The final reading of CPI is important but far less so than the flash readings which were released 2 weeks ago. However, if this release differs from the flash reading traders could see a move in EUR.

#### USD-CPI

This is **THE MAJOR DATA** event of the week and could set the tone for all markets going forward. The Fed has sent a very clear message that inflation is their main concern, and way more so than any slowing of US economic growth. If this release is different from the market consensus, even marginally, then expect a volatile reaction everywhere, especially stock markets.

(See below for the USA 500 technical update)





**Thursday:**

**USD-Initial Jobless claims**

Despite the recent strong jobs report, claims are starting to creep up and this data is a good weekly indicator of how the job market is developing from this point. Traders will monitor this to see if the positive trend is starting to roll over into August.

**Friday:**

**GBP-GDP Preliminary**

UK growth is at the forefront of traders minds after the BoE suggested the UK is now facing a recession and so all UK data is likely to create volatility. GDP is rather backward looking but will grab headlines and move GBP against the rest of G10 FX.

(See below for the GBPUUSD technical update).



**Commodity Focus Oil:** Oil is very volatile but traders have seen some persistent weakness over the last week. Oil closed Friday with a punishing weekly loss on increasing evidence that a global economic slowdown is spurring demand destruction. Oil prices collapsed to the lowest level in six months, (WTI Crude closing below \$90). This means the tightness in supply is starting to ease, but falling oil is not always good for US equity markets as they seem to be correlated.

(See below for the Oil technical update).





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

Support	Resistance	Support	Resistance
<b>USA 500:</b> 1 <sup>st</sup> – 4080, August 2 <sup>nd</sup> low trade 2 <sup>nd</sup> – 3970, 38% retrace Jun/Aug upside 3 <sup>rd</sup> – 3908, Mid-point same move	1 <sup>st</sup> – 4173, Last weeks hold level 2 <sup>nd</sup> – 4201, May 30 <sup>th</sup> session high 3 <sup>rd</sup> – 4252, Higher 62% retracement	<b>EURUSD:</b> 1 <sup>st</sup> – 1.0096, July 27 <sup>th</sup> downside extreme 2 <sup>nd</sup> – 0.9952, July monthly low trade 3 <sup>rd</sup> – 0.9882, November 2002 extreme	1 <sup>st</sup> – 1.0275, 38% retrace May/Jul sell-off 2 <sup>nd</sup> – 1.0370, Mid-point same move 3 <sup>rd</sup> – 1.0469, Higher 62% retracement
<b>US Tech 100:</b> 1 <sup>st</sup> – 12810, August 2 <sup>nd</sup> low trade 2 <sup>nd</sup> – 12514, 38% retrace Jun/Aug upside 3 <sup>rd</sup> – 12245, Mid-point Same rally	1 <sup>st</sup> – 13381, Last weeks hold level 2 <sup>nd</sup> – 13685, 62% retrace Dec/Jun sell-off 3 <sup>rd</sup> – 15267, March 28 <sup>th</sup> session high	<b>GBPUSD:</b> 1 <sup>st</sup> – 1.2050, Bollinger mid-average 2 <sup>nd</sup> – 1.1889, July 21 <sup>st</sup> extreme 3 <sup>rd</sup> – 1.1760, July correction low	1 <sup>st</sup> – 1.2278, Last week's failure high 2 <sup>nd</sup> – 1.2321, 62% retrace May/Jul sell-off 3 <sup>rd</sup> – 1.2406, June 16 <sup>th</sup> session high
<b>USA 30 Wallstreet:</b> 1 <sup>st</sup> – 32341, August 3 <sup>rd</sup> session low 2 <sup>nd</sup> – 31678, 38% retrace Jun/Aug rally 3 <sup>rd</sup> – 31305, Mid-point same move	1 <sup>st</sup> – 33232, 62% retrace Apr/Jun sell-off 2 <sup>nd</sup> – 33430, May 30 <sup>th</sup> session high 3 <sup>rd</sup> – 34024, May 4 <sup>th</sup> failure point	<b>USDJPY:</b> 1 <sup>st</sup> – 133.06, Mid-point May/Jul upside 2 <sup>nd</sup> – 130.41, August 2 <sup>nd</sup> session low trade 3 <sup>rd</sup> – 129.91, 38% retrace Feb/Jul advance	1 <sup>st</sup> – 135.87, Bollinger mid-average 2 <sup>nd</sup> – 137.46, July 27 <sup>th</sup> extreme 3 <sup>rd</sup> – 138.87, July 21 <sup>st</sup> bounce failure
<b>Germany 40:</b> 1 <sup>st</sup> – 13325, August 3 <sup>rd</sup> session low 2 <sup>nd</sup> – 13189, Bollinger mid-average 3 <sup>rd</sup> – 13085, Mid-point Jul/Aug upside	1 <sup>st</sup> – 13789, Last weeks high trade 2 <sup>nd</sup> – 13822, 62% retrace Jun/Jul decline 3 <sup>rd</sup> – 14707, June monthly high trade	<b>AUDUSD:</b> 1 <sup>st</sup> – 0.6869, Friday's session low trade 2 <sup>nd</sup> – 0.6823, 62% retrace Jul/Aug upside 3 <sup>rd</sup> – 0.6681, July monthly low trade	1 <sup>st</sup> – 0.7046, Last weeks failure extreme 2 <sup>nd</sup> – 0.7069, June 15 <sup>th</sup> bounce failure 3 <sup>rd</sup> – 0.7137, June 10 <sup>th</sup> session high
<b>UK 100:</b> 1 <sup>st</sup> – 7318, August 3 <sup>rd</sup> low trade 2 <sup>nd</sup> – 7251, Bollinger mid-average 3 <sup>rd</sup> – 7184, Mid-point Jun/Aug upside	1 <sup>st</sup> – 7450, Last weeks high trade 2 <sup>nd</sup> – 7571, June 10 <sup>th</sup> session extreme 3 <sup>rd</sup> – 7645, June 7 <sup>th</sup> failure level	<b>USDCAD:</b> 1 <sup>st</sup> – 1.2787, 62% retrace Jun/Jul upside 2 <sup>nd</sup> – 1.2680, June 10 <sup>th</sup> session extreme 3 <sup>rd</sup> – 1.2517, June monthly low trade	1 <sup>st</sup> – 1.2997, Mid-point July sell-off 2 <sup>nd</sup> – 1.3050, Higher 62% retracement 3 <sup>rd</sup> – 1.3223, July rection high

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