

CORELLIAN 2 STEP PROCESS TO PREPARE FOR NEXT WEEK

Risk sentiment remained mixed at the end of a trading week shortened by the Easter break, as traders weigh up the next move from the Federal Reserve. While Friday's Non farm payrolls report reflected the continued strength of the US labour market in Q1, it seems that the chances of a US recession could be rising again after a series of poor economic indicators released earlier in the week.

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

Friday data: US payrolls rise at a firm but more moderate pace in March

- **Headline Non Farm Payrolls** +236k versus 240k expected. **Unemployment rate** fell back to 3.5% from 3.6% previously. **Average Hourly Earnings** (YoY) 4.2% versus 4.3% expected.
- A mixed report for the Fed to consider as they weigh a strong labour market against persistent inflation.



US Stock indices were officially closed on Friday for the Easter bank holiday, although there was some limited futures trading until 45 minutes after the payrolls release (1415 BST). The USA 500 closed up 0.3% at 4,141, the USA 30 Wall Street +0.2% at 33,724 and the US Tech 100 finished up +0.1% at 13,184, all more or less flat on the week. **(Page 3 US Tech 100 TA Update)**. **European Indices** were all shut Friday, however, up to Thursday the UK 100 was the best performer, closing at 7,750, (+1.4%), while the Germany 40 ended the week flat at 15,785.

In quiet trading, the dollar rallied on Friday supported by the data and rising bond yields. EURUSD which had hit a 2 month high at 1.0973 Tuesday, fell to close at 1.0900 (+0.6% on week). Similarly, GBPUSD fell from its Tuesday peak at 1.2524 (its highest level since June 2022), to end the week up just 0.7% at 1.2425. **(Page 4 EURUSD TA Update)**.

US 10 year yields spiked higher on the US employment release to end Friday at 3.41%, down just 6bps on the week. They had traded to 8 month lows at 3.25% on Thursday as fears for a US recession increased after a series of poor economic data releases.



Gold TA Update (Weekly Chart):
Last week saw further acceleration to 2032, posting the highest trade since March 2022, a move that maintains the positive trend which has been in place since 1615 (Sep'22 low). A short term reaction to latest strength is possible, but such moves appear limited to 1992 (half last week's range) with risks to 2070/75 (Mar'22/Aug'20 extremes).
To the downside, breaks of 1992 point to a deeper decline to 1946 (38% retrace Feb/Apr strength).



In commodities, Oil spiked 6% higher to 80.05 on the Monday open after the surprise weekend OPEC+ production cut but then consolidated gains to close at 80.45. Natural gas continued to be hampered by warmer weather and healthy storage levels. After briefly trading to a fresh low at 1.991 it steadied to finish down 3% on the week at 2.029. Gold closed the week up 2% at 2007, supported by safe haven demand as banking woes linger and news that China increased its reserves for the 5th month in a row. **(Above Gold TA Update).**

STEP 2: LOOKING FORWARD TO THE WEEK AHEAD

All times are British Standard Time (BST). Please use the key opposite to adjust to your appropriate time zone.

Key Q4 Earnings next week in table below (Times BST).

Time Zone Key:	
BST -5	= New York
BST	= London
BST +1	= Frankfurt
BST +8	= Tokyo
BST +9	= Sydney

Monday 10th April	Tuesday 11th April	Wednesday 12th April	Thursday 13th April	Friday 14th April
1200 Tilray Brands			0700 Tesco	1200 JPMorgan
			1130 Delta Air Lines	1300 Citigroup
			1200 Fastenal	Wells Fargo
Before Market Opens:				
	CarMax		The Progressive	Blackrock
				UnitedHealth
After Market Closes:				

KEY EVENTS, SPEAKERS AND ECONOMIC DATA

Tuesday: 0001 BST BRC Retail Sales. UK inflation remains uncomfortably high and the BoE is looking closely at all UK economic data now. Retail sales are a key component in this process as the central bank wants to see whether or not consumers continue to spend at higher prices to support the economy.

0230 BST China Inflation Data (PPI and CPI). Chinese authorities have been struggling to stimulate domestic demand since reopening so CPI will be in focus for those trading local stocks. PPI will be important for global central banks as any pick up in factory gate prices will be exported around the world.

Wednesday: 1330 BST USD Inflation Data (CPI). This is the main event of the week. Traders will be looking to see if price rises have slowed enough to calm central banks' appetite for further rate hikes. Any release that is above or below expectations will impact interest rate expectations and could have a significant impact on technology stocks. **(Below US Tech 100 TA Update).**

1400 BST BoE Governor Bailey Speech. There is a sense that the BoE would like to pause rate hikes to allow the economy to heal but with inflation very high and a tight labour market that could just be wishful thinking. What Bailey says will likely impact GBPUSD which has been performing well recently.



US Tech 100 TA Update:

A consolidation week materialised into the long holiday weekend, although positive themes remain in place. This suggests extension of the uptrend pattern is possible, with the next significant resistance marked by 13739 (Aug 16th '22 high), possibly further if this gives way.

On the downside 12852 (Bollinger mid-average) reflects the first support and it appears breaks of this level could expose a deeper retracement to 12767 (38% level) even 12588 (mid-point).

1500/1600 BoC Interest Rate Decision and Press Conference. After surprisingly strong employment data last Thursday all eyes are on how the Canadian central bank proceed after they paused hiking at the last meeting. While nothing is expected they could provide commentary on rate hikes remaining an option in the future if necessary. This event will likely impact USDCAD volatility next week.

1900 BST FOMC Meeting Minutes. This could impact markets, especially if there is any commentary on what the Fed discussed around the current banking crisis and its potential impact on the normal functioning of lending to businesses and individuals.

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