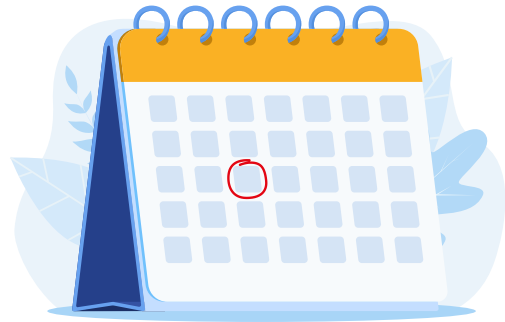


WEEKLY OUTLOOK

22.01.2024-26.01.2024



The previous week was extremely busy in macroeconomic announcements. The upcoming week the central bank of Europe will open its cards about a possible further increase in interest rates. Remarks by European Central Bank (ECB) President Christine Lagarde that " Rates cuts are coming but not as soon as some might be hoping for" won't help much Euro to gain strength. Lagarde continues " inflation is not where the ECB wants it, we can't victory until inflation sustainably at 2.0%". Under this statement it won't come as a surprise some further downside pressure for euro. The European Flash Manufacturing PMI will provide the necessary details about the European growth while the US GDP and Manufacturing PMI about the pace of growth in USA. The Manufacturing PMI it is used as an early indicator of where the final PMI data will settle and tracks output, new orders, and prices. Any reading above 50 indicates improving economic conditions, while readings below 50 show declines. The indicator highlights changes in the economy before most government statistics.

When it comes to gold it seems that bulls will struggle more to move the yellow metal higher. During the last months gold moved significantly higher and stands with confidence above \$2000. The demand for gold was driven by the geopolitical tensions in Middle East but mostly due to significant demand globally during Christmas holidays.

Technically gold seems to appear for a breakout higher but fundamentally a downside correction is more likely. Gold price challenging the critical 50- day SMA support at \$2,020 but a failure to sustain could fuel a fresh sell off towards the \$ 2000 mark. In any case the \$ 2000 level remains a good support.

When trade gold as a swing trader it is wise to think more about the monetary policy of the central banks.

The dollar index stands at a one- month high against a basket of currencies as traders do not expect anymore an interest rate cut. At the same time Chinese Yuan failed to pickup from a two – month low because of a mixed domestic economic data, as expectations grow that Beijing will increase stimulus. Japanese Yen drops to its lowest level since early December against USD.

The big picture in US indices remains bullish despite the recent downside correction. The major US indices touch once more the all-time highs. Nasdaq which is one of the indices that has gained the last ten years some of the biggest gains of all time stands a breath away from touching once more all highs.

The major economic events that drive the financial industry remain in place. Events such as the tensions in Middle East, a tighter monetary policy with higher interest rates, corporate debt remain the key drivers for markets.

Bitcoin faces three of four largest transactions so far in 2024 during the previous week when \$665.3 million in BTC was transferred. A total of 42,870 Bitcoin moved within an hour which is the highest transaction in nearly six months.

On Friday the central bank of Japan will provide more insights about its monetary policy. Inflation in Japan remains close to 2% and deflation is progressing in the Japanese economy. The previous BOJ monetary policy it brought no changes to the dovish BOJ monetary policy that has been in place for many years.

Monday 22 January 2024

Time CET (GMT+1)	Cur.	Event	Forecast	Previous
Tentative	EUR	German Buba Monthly Report	-	-

Tuesday 23 January 2024

Time CET (GMT+1)	Cur.	Event	Forecast	Previous
Tentative	JPY	Monetary Policy Statement	-	
Tentative	JPY	BoJ Policy Rate	-0.10%	-0.10%
Tentative	JPY	BoJ Press Conference	-	

Wednesday 24 January 2024

Time CET (GMT+1)	Cur.	Event	Forecast	Previous
10:15	EUR	French Flash Manufacturing PMI	-	42.1%
10:30	EUR	German Flash Manufacturing PMI	-	43.3%
11:00	EUR	Flash Manufacturing PMI	-	44%
11:30	GBP	Flash Manufacturing PMI	-	46.2%

4:45	CAD	BoC Rate Statement/ overnight rate	5.00%	5.00%
4:45	USD	Flash Manufacturing PMI	-	47.9%

Thursday 25 January 2024

Time CET (GMT+1)	Cur.	Event	Forecast	Previous
1:30	EUR	German ifo Business Climate	-	86.4
3:30	USD	Main Refinancing Rate	4.5%	4.5%
3:15	EUR	Monetary policy statement	-	-
3:30	USD	Advance GDP Price Index q/q	-	4.9%
3:45	EUR	ECB Press Conference	-	-

Friday 26 January 2024

Time CET (GMT+1)	Cur.	Event	Forecast	Previous
9:00	JPY	Tokyo Core CPI y/y	-	2.1%
3:30	USD	Core PCE Price Index m/m	-	0.1
5:00	USD	Pending Homes Sales m/m	-	0.0%