

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS

28th of March 2016, to 1st of April 2016



- New Zealand credit card spending y/y 7.30% vs. 8.30% previously
- Eurozone current account 25.4 billion vs. 26.3 billion
- US existing home sales 5.08 million vs. 5.32 million
- Eurozone consumer confidence -10 vs. 08
- Australia HPI q/q 0.20% vs. 0.10%
- RBA Governor Stevens speech
- Japan flash manufacturing PMI 49.1 vs. 50.6
- Eurozone flash manufacturing PMI 51.4 vs. 51.4
- Eurozone flash services PMI 54.0 vs. 53.5
- UK CPI y/y 0.30% vs. 0.40%; Core CPI y/y 1.20% vs. 1.20%
- UK Public sector net borrowing 6.5 billion vs. 5.4 billion
- German ZEW economic sentiment 10.6 vs. 8.2
- US HPI m/m 0.50% vs. 0.50%
- US flash manufacturing PMI 51.4 vs. 51.6
- Canada's annual budget released
- Fed member Bullard speech
- US new home sales 512k vs. 512k
- US Crude Oil inventories 9.4 million vs. 2.5 million
- New Zealand trade balance 339 million vs. 75 million
- German import prices m/m -0.60% vs. -0.30%
- UK retail sales m/m -0.40% vs. -0.70%
- ECB targeted LTRO 7.3 billion vs. 24.3 billion
- US Core durable goods orders m/m -1.0% vs. -0.20%; durable goods orders m/m -2.80% vs. -3.0%
- US flash services PMI 51.0 vs. 51.3
- BoJ Core CPI y/y 1.10% vs. 1.10%
- US Q4 GDP 1.40% vs. 1.0%

THE WEEK AHEAD

28th of March 2016, to 1st of April 2016



IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Event	Forecast	Previous
28-Mar	12:30	USD	Core PCE Price Index m/m	0.20%	0.30%
		USD	Goods Trade Balance	-62.3B	-62.2B
		USD	Personal Spending m/m	0.20%	0.50%
		USD	Personal Income m/m	0.10%	0.50%
	14:00	USD	Pending Home Sales m/m	1.20%	-2.50%
	23:30	JPY	Household Spending y/y	-1.80%	-3.10%
		JPY	Unemployment Rate	3.20%	3.20%
		23:50	JPY	Retail Sales y/y	1.60%
29-Mar	08:00	EUR	M3 Money Supply y/y	5.00%	5.00%
		EUR	Private Loans y/y	1.40%	1.40%
	13:00	USD	S&P/CS Composite-20 HPI y/y	5.70%	5.70%
	14:00	USD	CB Consumer Confidence	93.9	92.2
	15:30	USD	<i>Fed Chair Yellen Speaks</i>		
	23:50	JPY	Prelim Industrial Production m/m	-5.80%	3.70%
30-Mar	All Day	EUR	German Prelim CPI m/m	0.60%	0.40%
	12:15	USD	ADP Non-Farm Employment Change	194K	214K
31-Mar	00:00	AUD	HIA New Home Sales m/m		3.10%
	00:30	AUD	Private Sector Credit m/m	0.50%	0.50%
	05:00	JPY	Housing Starts y/y	-2.20%	0.20%
	06:00	EUR	German Retail Sales m/m	0.30%	0.70%
	06:00	GBP	<i>BOE Gov Carney Speaks</i>		
	07:55	EUR	German Unemployment Change	-5K	-10K
	08:30	GBP	Current Account	-21.8B	-17.5B
		GBP	Final GDP q/q	0.50%	0.50%
	09:00	EUR	CPI Flash Estimate y/y	-0.10%	-0.20%
		EUR	Core CPI Flash Estimate y/y	0.90%	0.80%
	12:30	CAD	GDP m/m	0.30%	0.20%
		USD	Unemployment Claims	269K	265K
	21:00	USD	FOMC Member Dudley Speaks		
23:50	JPY	Tankan Manufacturing Index	8	12	
	JPY	Tankan Non-Manufacturing Index	23	25	
01-Apr	01:00	CNY	Manufacturing PMI	49.3	49

01:45	CNY	Caixin Manufacturing PMI	48.3	48
02:00	JPY	Final Manufacturing PMI	49.1	49.1
07:15	CHF	Retail Sales y/y	0.50%	0.20%
07:30	CHF	Manufacturing PMI	51.3	51.6
08:00	EUR	Final Manufacturing PMI	51.4	51.4
08:30	GBP	Manufacturing PMI	51.3	50.8
09:00	EUR	Unemployment Rate	10.30%	10.30%
12:30	USD	<i>Average Hourly Earnings m/m</i>	<i>0.30%</i>	<i>-0.10%</i>
	USD	<i>Non-Farm Employment Change</i>	<i>208K</i>	<i>242K</i>
	USD	<i>Unemployment Rate</i>	<i>4.90%</i>	<i>4.90%</i>
13:45	USD	<i>Final Manufacturing PMI</i>	<i>51.5</i>	<i>51.4</i>
14:00	USD	<i>ISM Manufacturing PMI</i>	<i>50.8</i>	<i>49.5</i>
	USD	Revised UoM Consumer Sentiment	90.6	90
	USD	Construction Spending m/m	0.20%	1.50%
	USD	ISM Manufacturing Prices	44.5	38.5
17:00	USD	FOMC Member Mester Speaks		

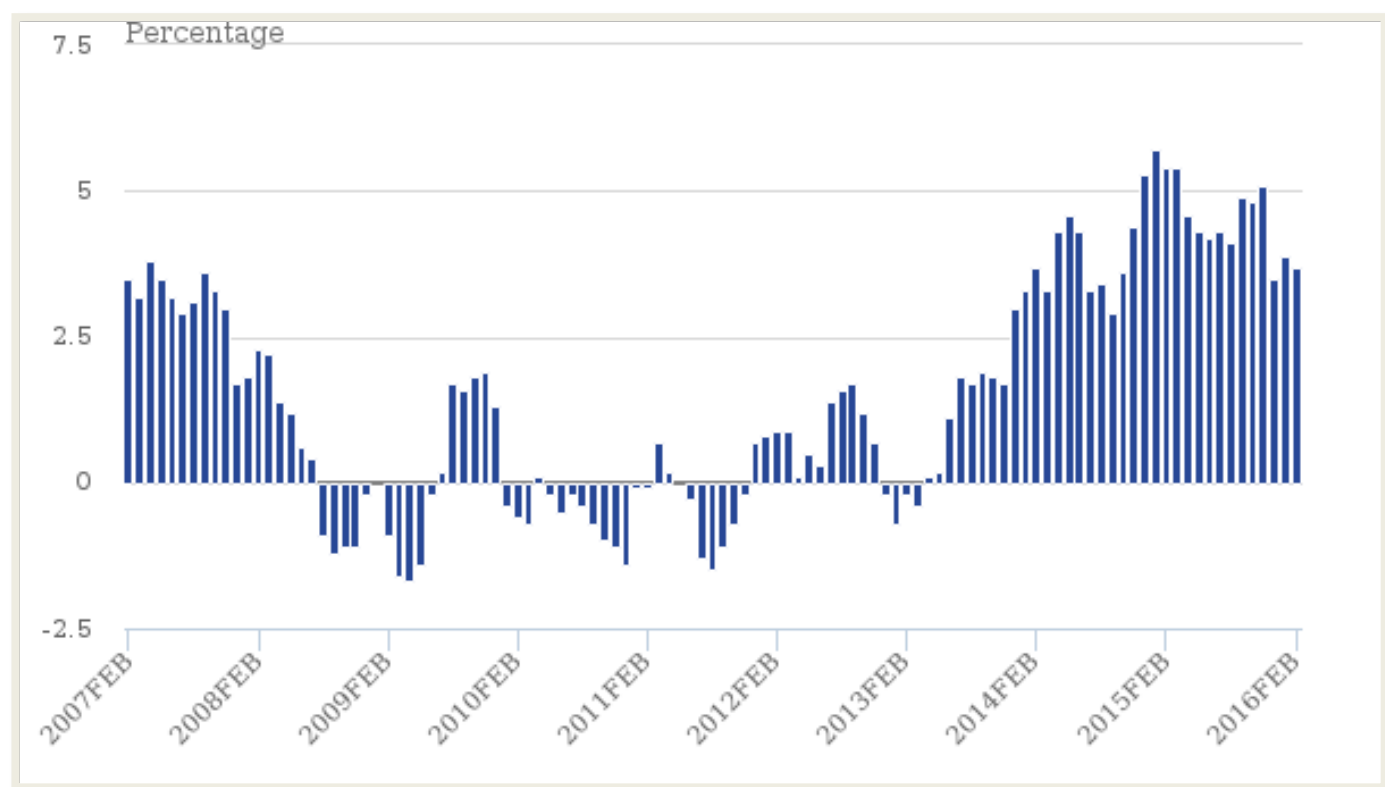


MARKETS PREVIEW

28th of March 2016, to 1st of April 2016

The markets brushed aside the Brussels bombing last week as the equity markets briefly fell on the news. News reports confirmed two attacks, at the Brussels airport and an underground train station which left behind casualties. The Euro initial slipped on the news but managed to recover.

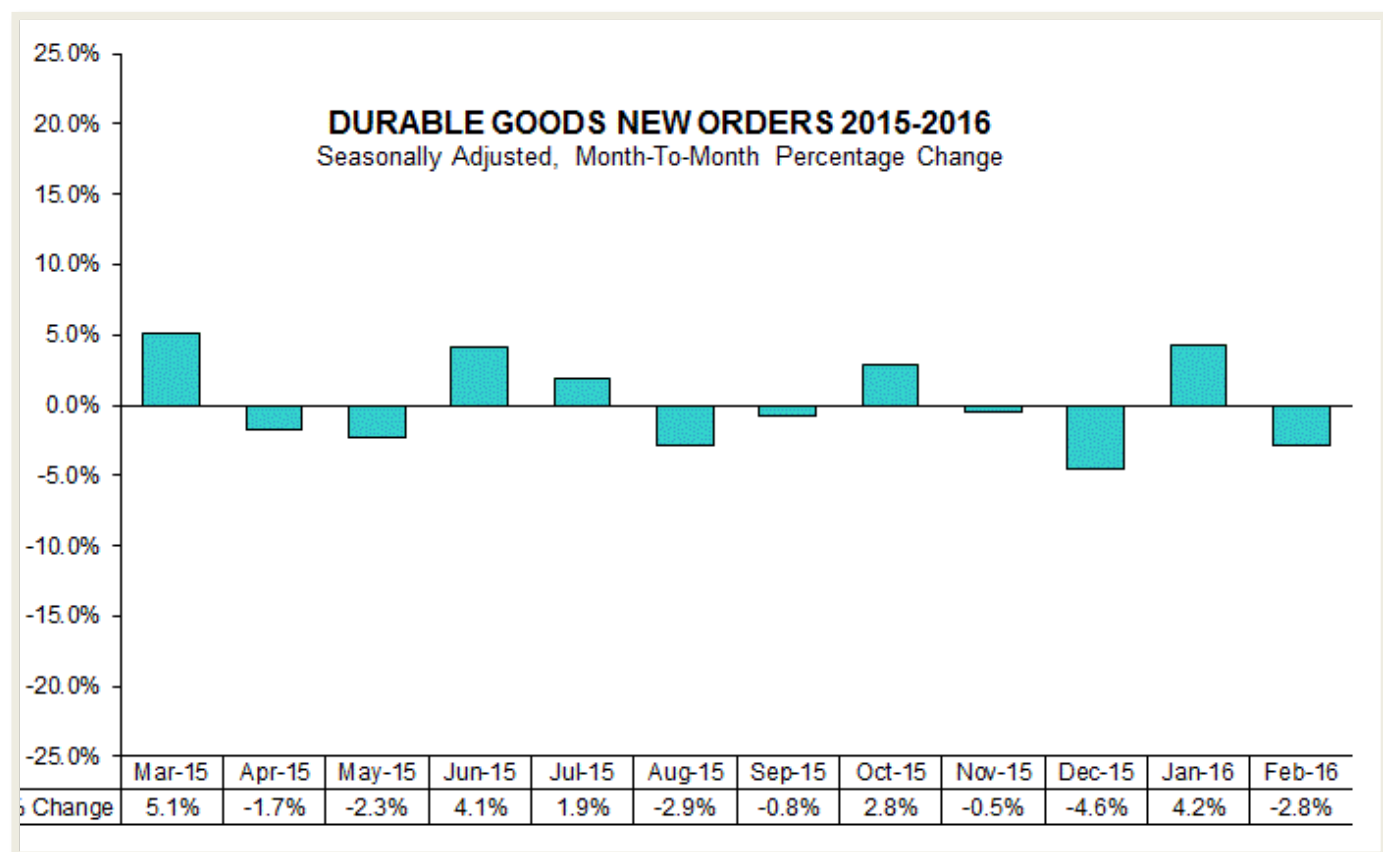
However, the British Pound was not as lucky as the Cable came under immense pressure with the latest attacks being seen as yet another reason for the UK to leave its membership to the EU. GBPUSD which managed to recover from the initial decline after the Brexit referendum date was announced in early March was seen heading back lower. Price fell below the \$1.42 handle this week. Economic data was also weak in the UK. Consumer inflation grew at a slower pace of 0.30% for the month of February, missing forecasts of 0.40% increase. The print was unchanged from January's inflation rate of 0.30%. On the core reading, UK's inflation was steady at 1.20%. Retail sales numbers released later in the week saw a rebound. British consumers managed to spend but retail sales fell -0.40%, but at a slower pace than the forecasted -0.70%.



3m/3m a year earlier growth in the volume of retail sales, 3m to February 2007 to 3 months to February 2016 – Source: ONS

The US Dollar erased the gains from a week ago as Fed officials supported the view for rate hikes, in contrast to the dovish statement from the FOMC just a week before. The market expectations are for another rate hike likely to come in at the FOMC's June meeting. The Dollar also got a bid in the aftermath of the Brussels bombing as a flight to

safety saw the US Dollar gather momentum. Economic data from the US was mixed. Flash manufacturing PMI was soft, rising to 51.4 from 51.3 previously but missing forecasts of an increase to 51.9. New home sales increased at a slower pace, rising 2.0% in February with January's data being revised higher from -9.20% initial estimates to -7.0% revised. Existing home sales declined -7.10% more than the estimated -2.70% and down from January's 0.40% increase. Durable goods slowed in month of February, posting a contraction of -2.80% on the headline and -1.0% on the core. The final revision to the fourth quarter GDP however surprised, rising 1.40%, against estimates of an unchanged print. Corporate profits however declined sharply, falling -8.10% in the quarter.



US Durable Goods orders (Feb'2016) – Source: US Census Bureau

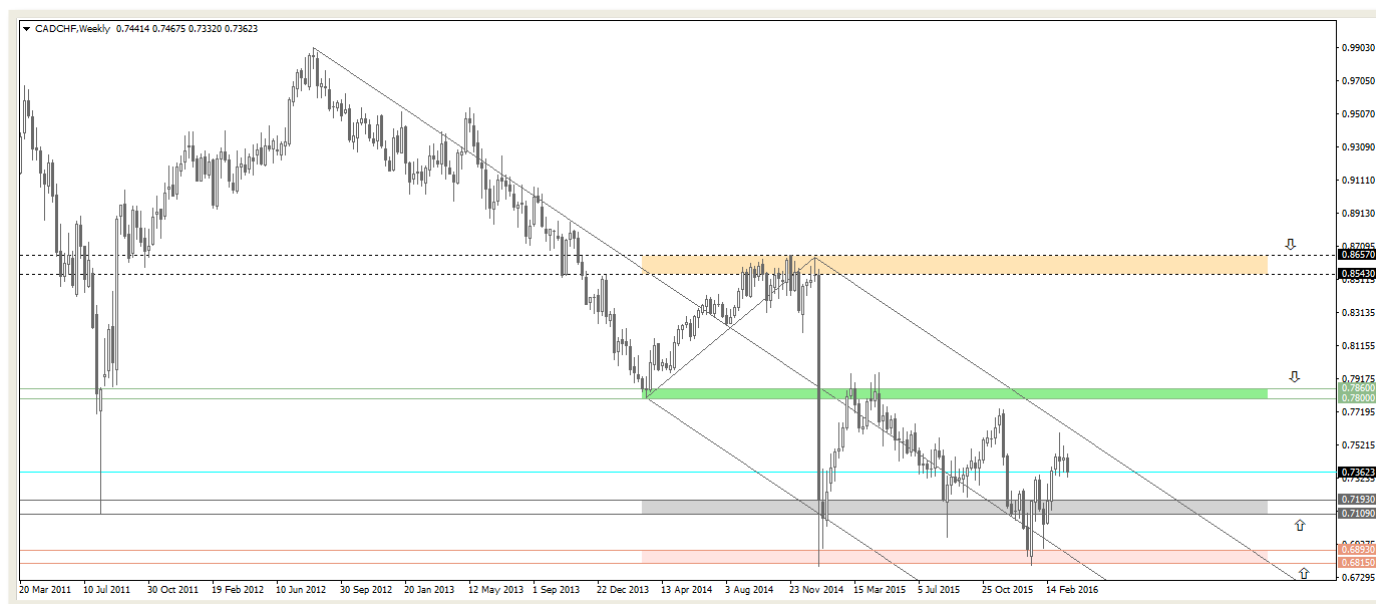
The week ahead will see the March trading month concluding. It will be another slow start to the week with most of the markets closed on Monday. But economic data picks up pace later into the week as US ADP private payrolls numbers are due on Wednesday. Forecasts call for a 200k jobs, down from 214k in February. Friday's nonfarm payrolls report is expected to show the US unemployment rate unchanged at 4.90% while the number of jobs added is expected to rise 200k, down from February's estimates of 242k. US PCE data is also due this week and is expected to show the Core PCE Price Index staying unchanged at 1.70% while the headline PCE price index is expected to rise at a slower pace at 1.0% down from 1.30% previously.

TECHNICAL CORNER



CADCHF long term view shows a very interesting evolving price action. The weekly charts for CADCHF shows prices moving in a downtrend with multiple tests to lower support at 0.6893 - 0.6815. Prices were seen being rejected at this lower levels twice. A minor support level was also identified near 0.7193 - 0.7109.

The weekly candlestick pattern shows a bearish reversal and last week's session closing strongly bearish. This bearish view should see CADCHF fall back to the minor support at 0.7193 - 0.7109 to affirm the support at this level. In the process, a higher low could be formed here and indicative of a move to the upside. The next resistance is identified at 0.786 - 0.780, which will be the likely target if CADCHF manages to break out from the falling median line.



CADCHF (0.7362) – Weekly Chart

If CADCHF fails to re-affirm support at 0.7193 - 0.7109, then prices are likely to continue falling back to the lower support established at 0.6893 - 0.6815.

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