

ORBEX

# Weekly Markets Report

*OVERWEEK BULLET POINTS, THE WEEK AHEAD, MARKETS PREVIEW  
AND THE CHART OF THE WEEK*



**ORBEX Research Department**  
**7<sup>st</sup> OF July , TO 11<sup>th</sup> of July**

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**OVERWEEK BULLET POINTS** – 30<sup>th</sup> OF June. , TO 4<sup>th</sup> of July

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- Eurozone CPI Estimate (Jun) Y/Y 0.5% vs. Exp. 0.6% (Prev. 0.5%).
- Canadian GDP (Apr) M/M 0.1% vs. Exp. 0.2% (Prev. 0.1%).
- US Pending Home Sales 6.1% vs. Exp. 1.3% (Prev. 0.5%).
- Chicago PMI 62.6 vs. Exp. 63.2 (Prev. 65.5).
- Australia's central bank kept its cash rate steady at a record low of 2.5 percent on Tuesday.
- China final PMI in June 50.7 vs. flash estimate of 50. China's manufacturing activity rebounded further in June, government data showed on Tuesday.
- German Unemployment Unexpectedly Rises for Second Month to 9K.
- UK Manufacturing SA PMI (Jun) M/M 57.5 vs. Exp. 56.7 (Prev. 57.0).
- US Manufacturing PMI (Jun F) M/M 57.3 vs. Exp. 57.5 (Prev. 57.5).
- US ISM Manufacturing PMI (June ) M/M 55.3 vs. Exp. 55.6 (Prev. 55.4).
- United Kingdom Nationwide Housing Prices in June (YoY) forecasts (0.6%) : Actual (1%) Previous (0.7 %).
- United Kingdom Construction PMI (Jun) M/M 62.6 vs. Exp. 59.8 (Prev. 60.0).
- US ADP Employment Change (Jun) 281k vs. Exp 207k (Prev. 179k).
- German PMI services revised lower in June at 54.0 from 54.2 expected, also missing 56.0 recorded last month.
- Eurozone PMI services unrevised in June at 52.8, below 53.2 recorded last month.
- UK Services PMI (Jun) M/M 57.7 vs. Exp. 58.3 (Prev. 58.6).
- ECB keeps Main Refinancing Rate at 0.15% as expected.
- ECB keeps Deposit Rate unchanged at -0.10% as expected.
- ECB keeps Marginal Lending Rate unchanged at 0.40% as expected.
- US Change in Nonfarm Payrolls (June) M/M 288K vs. Exp. 215K (Prev. 217K).
- US Initial Jobless Claims (Jun 28) W/W 315K vs. Exp. 313K (Prev. 312K).
- US Trade Balance (USD) (May) M/M -44.4bln vs. Exp. -45.0bln (Prev. -47.2bln).
- US Unemployment Claims (Jun 21) W/W 2579K vs. Exp. 2560K (Prev. 2571K).
- ECBs Draghi says there will be 6 TLTROs between March 2015 and June 2016.
- Oil was little changed in Asian trades Friday amid improving demand outlook after stellar U.S. Non-Farm Payrolls print on Thursday.

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**THE WEEK AHEAD - 7<sup>th</sup> OF July , TO 11<sup>th</sup> of July**

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- *The most important economic release of the week*

<b>Mon Jul 7</b>	3:30pm	CAD	Building Permits m/m		3.10%	1.10%
	5:00pm	CAD	Ivey PMI		51.3	48.2
<b>Tue Jul 8</b>	1:00am	NZD	NZIER Business Confidence			52
	4:30am	AUD	NAB Business Confidence			7
	11:30am	GBP	Manufacturing Production m/m		0.50%	0.40%
<b>Wed Jul 9</b>	4:30am	CNY	CPI y/y		2.40%	2.50%
	9:00pm	USD	FOMC Meeting Minutes			
<b>Thu Jul 10</b>	4:30am	AUD	Employment Change		12.3K	-4.8K
		AUD	Unemployment Rate		5.90%	5.80%
	Tentative	CNY	Trade Balance		37.3B	35.9B
	2:00pm	GBP	Asset Purchase Facility		375B	375B
		GBP	Official Bank Rate		0.50%	0.50%
	Tentative	GBP	MPC Rate Statement			
3:30pm	USD	Unemployment Claims		316K	315K	
<b>Fri Jul 11</b>	3:30pm	CAD	Employment Change		26.2K	25.8K
		CAD	Unemployment Rate		7.00%	7.00%

- To view the full economic calendar kindly click on [Full Economic Calendar](#)

ECB maintained their Refi rate unchanged at 0.15%; last week was their meeting. Draghi mentioned that still the inflation rate (0.5 %) at low level and they are ready to implement “Unconventional instruments “if necessary to push the inflation rate higher and weakening their currency. He mentioned as well a more explanation about TLTROS (The targeted longer Term Refinancing Operations).



**EURUSD against Refi rate**

Emerging markets push more debate on the markets about their efforts to weaken their currency to increase their competitive advantage. Actually, most of the G10 central banks targeting a weaker currency; such as : ECB , BoE , Swiss National Banks , & Reserve Bank of Australia. Moreover, this gives no more ability for USD to be weaker further. Finally we do believe that the markets are now preparing for coming new bull trend for USD.

## Technical Corner

The Daily Chart of EURCAD; as shown below on the daily timeframe. The market successfully has broken the classical pattern on the upside with higher bullish momentum for the EUR against CAD. The breakout point (which is market trading over it) at 0.8390s the market is expected to going higher as per the breakout direction, in such a case, the market would targeting the levels of 0.8550 and 0.8680 as shown. However, if the market falls below the levels of 0.8290 or closing successfully inside the patterns, we would consider the breakout as a fake one and the probability for the market to continue the bigger down-trend is higher. For that reason, for the bull trader it would be advised to place the initial stop at the levels of 0.8220. Finally if the market achieved our second scenario then evaluating a short position would be an edge to expect a lower price and bottom on the longer-term trend.





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