

ORBEX

Weekly Markets Report

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



ORBEX Research Department
8st OF December, TO 12th of December

OVERWEEK BULLET POINTS – 1th of December , TO 5th of December

- Switzerland Purchasing Managers Index came in at 52.1, below expectations (54.5) in November.
- Italy Markit Manufacturing PMI (49) below forecasts (49.4) in November.
- France Markit Manufacturing PMI (48.4) above forecasts (47.6) in November.
- German Manufacturing PMI (Nov F) M/M 49.5 vs. Exp. 50.0 (Prev. 50.0).
- UK Manufacturing PMI (Nov) M/M 53.5 vs. Exp.53.0 (Prev. 53.2).
- UK Mortgage Approvals (Oct) M/M 59.4K vs. Exp. 59.0K (Prev. 61.3k).
- UK Money Supply M4 (Oct) M/M -0.1% (Prev. -0.7%).
- UK Net Consumer Credit (Oct) M/M GBP 1.1bln vs. Exp. GBP1.0bln (Prev. GBP 0.9).
- Eurozone PPI (Oct) M/M -0.4% vs. Exp. -0.3% (Prev. 0.2%).
- UK Construction PMI (Nov) M/M 59.4 vs. Exp. 61.0 (Prev. 61.4).
- ISM New York (Nov) M/M 62.4 vs. Exp. 55 (Prev. 54.8).
- US Construction Spending (Oct) M/M 1.1% vs. Exp.. 0.6% (Prev. -0.4%).
- Turkey Consumer Price Index (MoM): 0.18% (November) vs previous 1.9%.
- Turkey Consumer Price Index (YoY): 9.15% (November) vs 8.96%.
- Turkey Producer Price Index (MoM): -0.97% (November) vs previous 0.92%.
- Turkey Producer Price Index (YoY) fell from previous 10.1% to 8.36% in November.
- Spain Markit Services PMI registered at 52.7, below expectations (55.2) in November.
- France sees deficit at 4.1 percent of GDP in 2015 after extra savings.
- Italy Markit Services PMI above expectations (50.2) in November: Actual (51.8).
- France Markit Services PMI below forecasts (48.8) in November: Actual (47.9).
- Germany Markit Services PMI in line with expectations (52.1) in November.



- European Monetary Union Markit Services PMI registered at 51.1, below expectations (51.3) in November.
- United Kingdom Markit Services PMI came in at 58.6, above expectations (56.5) in November.
- Eurozone Retail Sales (Oct) M/M 0.4% vs. Exp. 0.5% (Prev. -1.3%).
- UK Chancellor Osborne says OBR forecasts show 2014 UK GDP growth of 3.0% (March 2.7%).
- U.K.s Osborne: Our long-term economic plan is working.
- U.K.s George Osborne: U.K. fastest growing major economy in the world.
- UK Chancellor Osborne to introduce 25% tax on UK profits shifted abroad.
- US ADP Employment (Nov) M/M 208K vs. Exp. 222K (Prev. 230K).
- US Nonfarm Productivity (Q3 F) Q/Q 2.3% vs. Exp. 2.4% (Prev. 2.0%).
- US Services PMI (Nov F) M/M 56.2 vs. Exp. 56.5 (Prev. 56.3).
- US ISM non-Manufacturing Composite (Nov) M/M 59.3 vs. Exp. 57.5 (Prev. 57.1).
- Bank of Canada keeps rates unchanged at 1.0% as expected.
- United States EIA Crude Oil Stocks change below forecasts (0.7M) in November 28: Actual (-3.689M).
- Australia Imports -2% (October) vs previous 6%.
- Australia Retail Sales (MoM) (0.4%) above expectations (0%) in October.
- Australia Trade Balance (-1323 M) above forecasts (-1900 M) in October.
- Goldman Sachs sees Australian dollar at 79 cents in 12 months.
- United Kingdom Halifax House Prices (3m/YoY) registered at 8.2% above expectations (8%) in November.
- United Kingdom Halifax House Prices (MoM) above forecasts (0.3%) in November: Actual (0.4%).
- Bank of England keeps bank rate on hold at 0.50% as expected.
- Bank of England keeps the APF unchanged at GBP 375bln as expected.
- US Challenger Job Cuts (Nov) Y/Y 35.940K (Prev. 51.183K).
- ECB keeps Main Refi Rate unchanged at 0.05% as expected.
- ECB keeps Marginal Lending Rate at 0.30% as expected.
- ECB keeps Deposit Rate unchanged at -0.20% as expected.



- ECBs Draghi says balance sheet goal is an intention, not target; decision to change balance sheet language not unanimous.
- ECBs Draghi says when asked about what early means says "early 2015 mean early, not necessarily the next meeting".
- ECB cuts 2015 inflation to 0.7% vs. 1.1%.
- ECBs Draghi says economic forecasts do not yet incorporate the fall of oil prices over the past few weeks.
- ECB cuts 2014 inflation to 0.5% vs. 0.6%.
- ECB sees 2016 GDP growth of 1.5% vs. 1.9%.
- ECBs Draghi says latest Euro area projections indicate lower inflation and weaker GDP growth.
- ECB sees 2015 GDP growth of 1% vs. 1.6%.
- ECB sees 2014 GDP growth 0.8% vs. Prev 0.9%.
- ECBs Draghi says governing council is unanimous in its commitment to using additional unconventional measures, if needed.
- ECBs Draghi says next year will reassess monetary stimulus achieved.
- ECBs Draghi says ECB to reassess current stimulus next quarter.
- US Continuing Claims (Nov 22) W/W 2362K vs. Exp. 2318K (Prev. 2316K).
- US Initial Jobless Claims (Nov 29) W/W 297K vs. Exp. 295K (Prev. 313K).
- US Change in Nonfarm Payrolls (Nov) M/M 321K vs. Exp. 230K (Prev. 214K).
- US Average Hourly Earnings (Nov) M/M 0.4% vs. Exp. 0.2% (Prev. 0.1%).
- US Unemployment Rate (Nov) M/M 5.8% vs. Exp. 5.8% (Prev. 5.8%).
- Canadian International Merchandise Trade (Oct) M/M 0.10bln vs. Exp. 0.15bln (Prev. 0.71bln).
- Canadian Net Change in Employment (Nov) M/M -10.7K vs. Exp. 0.0K (Prev. 43.1K).
- US Trade Balance (USD) (Oct) M/M -43.4bln vs. Exp. -41.2bln (Prev. -43.0bln).
- US short-term interest rate futures now pricing in first Fed hike in July 2015.
- US Factory Orders (Oct) M/M -0.7% vs. Exp. 0.0% (Prev. -0.6%).

THE WEEK AHEAD - 8^h of December , TO 12th of December

- *The most important economic release of the week*

Mon Dec 8	5:07	CNY	Trade Balance	54.5B	44.3B	45.4B
	16:30	CAD	Building Permits m/m		2.10%	12.70%
Tue Dec 9	3:30	AUD	NAB Business Confidence			4
	12:30	GBP	Manufacturing Production m/m		0.20%	0.40%
Wed Dec 10	4:30	CNY	CPI y/y		1.60%	1.60%
	23:00	NZD	Official Cash Rate		3.50%	3.50%
		NZD	RBNZ Press Conference			
Thu Dec 11	3:10	NZD	RBNZ Gov Wheeler Speaks			
	3:30	AUD	Employment Change		15.2K	24.1K
		AUD	Unemployment Rate		6.30%	6.20%
	11:30	CHF	Libor Rate		<0.25%	<0.25%
		CHF	SNB Monetary Policy Assessment			
		CHF	SNB Press Conference			
	13:15	EUR	Targeted LTRO			82.6B
	16:00	CAD	BOC Gov Poloz Speaks			
	16:30	USD	Core Retail Sales m/m		0.10%	0.30%
USD		Retail Sales m/m		0.30%	0.30%	
USD		Unemployment Claims		299K	297K	
Fri Dec 12	8:30	CNY	Industrial Production y/y		7.60%	7.70%
	16:30	USD	PPI m/m		-0.10%	0.20%
	17:55	USD	Prelim UoM Consumer Sentiment		89.6	88.8

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

Standard & Poor's reduced Italy's sovereign credit rating on Friday from BBB to BBB-, just one level above junk. The reason behind this downgrade is weak growth and poor market competitiveness, which questions whether the country will pay the bills over its huge public debt. This is a signal for Prime Minister Matteo Renzi, who pledged for radical reforms, but has seen the economy continue to shrink.

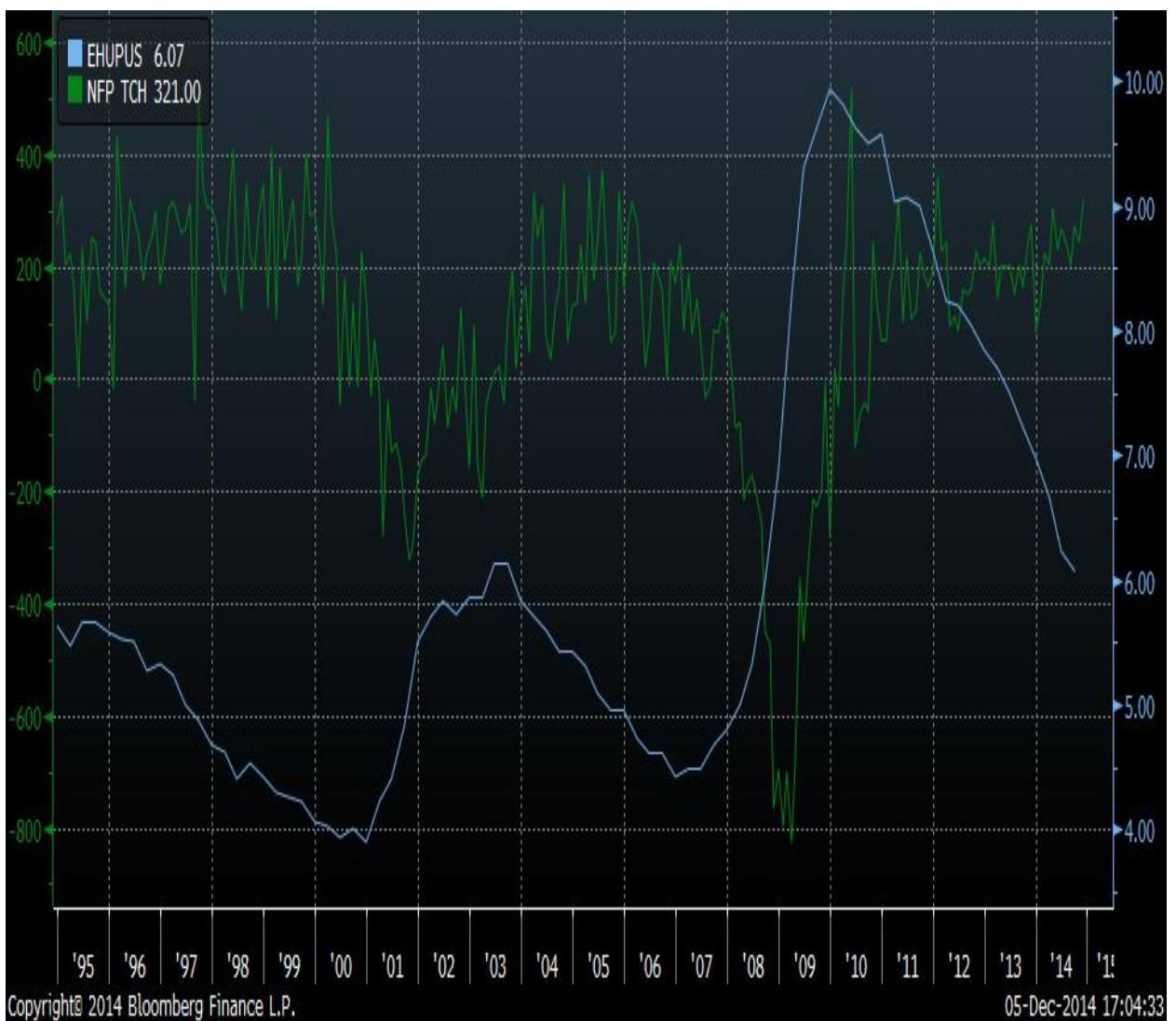


Italy GDP YoY (Blue) against Eur/Usd (Green)

Job creation unexpectedly improved in November, with the US economy adding 321K vacancies. However, the unemployment rate remained unchanged at the 5.8% level. Economists were expecting 230K new nonfarm payrolls jobs and unemployment at 5.8%. However, the October and September figures were revised higher to 243K and 271K jobs, respectively.



US economy the best among its neighbors, they added 321 K jobs for; as November, which is the best since 2012. Moreover, Wage has entitled for growth and corporate confidence for economy growth has increased as well. Unemployment rate recorded 5.8% which consider near from the neutral unemployment rate set by the FED. Finally, Growth in wages if continues for the coming reading we would expects a rate hike on June 2015.



Unemployment rate (Green) Against monthly change on NFP (Blue)

Technical Corner

As shown on the daily CHFJPY chart. Shows a strong breakout after the market crossed 118s levels to record high at 124 /125 levels, However , at those levels the market has reach a longer – term (Weekly time frame) upper band of the longer upward channel . Now the market retest the high and most probably the market would be trading at these levels or 50 pips higher , So , in case the market on daily frame (For Monday) Closed below the opening of today or below the closing of last Friday trading session , would be a highly probable sell signal and break below this close (The Monday expected close as mentioned earlier) would trigger a sell signal for a swing correction to target the lower band of the last two week price actions which at 121/120 levels (Those will be considered as the first target for short position). Moreover, we do expect a downside pressure for the market to retest the breakout levels (Mid-term critical support) at 118 which there would be the final exit of our sell and thinking of a new buy signal. Finally, your stop lose would be at a levels higher than 126.00 (It is a risk: reward higher than 2:1) with a prober position size compared to the current balance.



CHF/JPY Daily Chart



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