

# orbex WEEKLY MARKETS REPORT



OVERWEEK  
BULLET POINTS



THE WEEK  
AHEAD



MARKETS  
PREVIEW



THE CHART OF  
THE WEEK

# OVERWEEK BULLET POINTS

15<sup>th</sup> of February 2016, to 19<sup>th</sup> of February 2016



- Japan Average Cash Earnings y/y 0.10% vs. 0.70%
- Switzerland unemployment rate 3.40% vs. 3.50%
- Germany industrial production m/m -1.20% vs. 0.20%
- US Wholesale inventories m/m -0.10% vs. -0.10%
- Australia new home sales m/m 6.05% vs. -2.70% previously
- UK Manufacturing Production m/m -0.20% vs. 0.0%
- UK Industrial Production m/m -1.10% vs. -0.10%
- Fed Chair Yellen semi-annual testimony
- US Weekly unemployment claims 269k vs. 287k
- Australia home loans m/m 2.60% vs. 2.90%
- Germany prelim GDP q/q 0.30% vs. 0.30%
- Germany final CPI m/m -0.80% vs. -0.80%
- Eurozone Flash GDP q/q 0.30% vs. 0.30%
- Eurozone industrial production m/m -1.0% vs. 0.30%
- US Core retail sales m/m 0.10% vs. 0.0%; retail sales m/m 0.20% vs. 0.10%
- US Import prices m/m -1.10% vs. -1.40%
- Prelim UoM Consumer sentiment 90.7 vs. 92.6

# THE WEEK AHEAD

15<sup>th</sup> of February 2016, to 19<sup>th</sup> of February 2016



## THE MOST IMPORTANT ECONOMIC RELEASE OF THE WEEK

Date	Time	Currency	Detail	Forecast	Previous
<b>15-Feb</b>	01:50	JPY	Prelim GDP q/q	-0.20%	0.30%
		JPY	Prelim GDP Price Index y/y	1.60%	1.80%
	Tentative	CNY	Trade Balance	389B	382B
	06:30	JPY	Revised Industrial Production m/m	-1.30%	-1.40%
	16:00	EUR	ECB President Draghi Speaks		
	23:45	NZD	Retail Sales q/q	1.50%	1.60%
		NZD	Core Retail Sales q/q	1.10%	1.00%
<b>16-Feb</b>	02:30	AUD	Monetary Policy Meeting Minutes		
	04:00	NZD	Inflation Expectations q/q		1.90%
	Tentative	EUR	German Constitutional Court Ruling		
	11:30	GBP	CPI y/y	0.30%	0.20%
		GBP	PPI Input m/m	-1.20%	-0.80%
		GBP	Core CPI y/y	1.30%	1.40%
		GBP	HPI y/y	7.90%	7.70%
		GBP	PPI Output m/m	-0.20%	-0.20%
	12:00	EUR	German ZEW Economic Sentiment	0.1	10.2
		EUR	ZEW Economic Sentiment	10.3	22.7
	15:30	CAD	Manufacturing Sales m/m	0.90%	1.00%
		USD	Empire State Manufacturing Index	-10	-19.4
	Tentative	NZD	GDT Price Index		-7.40%
<b>17-Feb</b>	01:50	JPY	Core Machinery Orders m/m	4.80%	-14.40%
	11:30	GBP	Average Earnings Index 3m/y	1.90%	2.00%
		GBP	Claimant Count Change	-2.9K	-4.3K
		GBP	Unemployment Rate	5.00%	5.10%
		USD	Building Permits	1.21M	1.20M
		USD	PPI m/m	-0.20%	-0.20%
		USD	Core PPI m/m	0.10%	0.10%
		USD	Housing Starts	1.17M	1.15M
		USD	Industrial Production m/m	0.30%	-0.40%
	21:00	USD	FOMC Meeting Minutes		
	23:45	NZD	PPI Input q/q		1.60%
		NZD	PPI Output q/q		1.30%
	<b>18-Feb</b>	02:30	AUD	Employment Change	13.2K
		AUD	Unemployment Rate	5.80%	5.80%

	03:00	USD	FOMC Member Bullard Speaks		
	03:30	CNY	CPI y/y	1.90%	1.60%
		CNY	PPI y/y	-5.50%	-5.90%
	14:30	EUR	ECB Monetary Policy Meeting Accounts		
	15:30	CAD	Wholesale Sales m/m	-0.30%	1.80%
		USD	Philly Fed Manufacturing Index	-3.1	-3.5
		USD	Unemployment Claims	275K	269K
	18:00	USD	Crude Oil Inventories		-0.8M
<b>19-Feb</b>	09:00	EUR	German PPI m/m	-0.30%	-0.50%
	11:30	GBP	Retail Sales m/m	0.90%	-1.00%
	15:30	CAD	Core CPI m/m	0.20%	-0.40%
		CAD	Core Retail Sales m/m	-0.50%	1.10%
		CAD	CPI m/m	0.10%	-0.50%
		CAD	Retail Sales m/m	-0.80%	1.70%
		USD	CPI m/m	-0.10%	-0.10%
		USD	Core CPI m/m	0.20%	0.10%

# MARKETS PREVIEW

15<sup>th</sup> of January 2016, to 19<sup>th</sup> of January 2016



**Economic Overview:** The US Dollar continued one of its worst weeks on risk aversion. Despite Janet Yellen's testimony to the US Congress, the markets failed to revive the Greenback as speculators continued to rush to the safe haven assets. March rate hikes are almost nearly off the table in light of weak economic data and general market sentiment which has engulfed the global markets. It was only on Friday that better than expected US retail sales numbers managed to see the markets post a modest rally. Retail sales for January came out better than expected with the retail sales control core rising 0.60% month-on-month, beating estimates of 0.50% and up from -0.30% decline seen in December. The headline retail sales increased a modest 0.20%, above median consensus of 0.10% with December numbers being revised from -0.10% to 0.20%. The core retail sales which exclude auto and gas increased 0.40% from December and above estimates of 0.30% increase. December data was also revised higher from 0.0% to 0.10%.



**US Annualized retail sales – 3.40%**

In Eurozone, Flash GDP numbers came out as expected. The Euro did not react much to the news as the single currency continued to benefit from a weaker Greenback. EURUSD tested highs of \$1.135 briefly before pulling back into Friday's trading session. In the UK, industrial and manufacturing production continued to remain a concern for the markets. The British Pound was trading sideways this week between \$1.46 and \$1.44.

**Commodities:** WTI Crude Oil prices saw another volatile week in the markets. Prices initially touched 13-year lows to \$26.03 and pulled the equity markets lower as well. Last week, the US commercial stockpiles showed a modest decline after posting nearly two straight weeks of one of the strongest inventory build-up. Oil production cuts continue to hit the newswires but so far with no country openly coming forward to cut production, Oil prices are likely to remain subdued. Gold prices also gained this week in what was one of the strongest rallies ever seen. Gold prices were seen trading near Feb/March 2015 highs of \$1250 this week before prices started to show signs of exhaustion on Friday. Overall, Gold rallied nearly 11.83% for 13 straight days marking one of the strongest intra-week rallies ever in the precious metal.



**Gold Daily Chart (\$1238.17)**

# TECHNICAL CORNER



**WTI Crude Oil (29.06)** reversed the declines on Friday on a bullish note. The reversal comes off Thursday's Doji reversal near the lows. However, the upside remains capped as prices test the strong resistance near \$30 - \$29.5. A break above this resistance level will see prices likely to struggle with the long term falling trend line. To the downside, below \$30 - \$29.5, prices are likely to decline further to retest previous lows near \$26 - \$25.5. A close near this level will likely see a short term bottom being formed in prices.



**WTI Crude Oil Futures (\$29.06)**

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