

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS



Last Week: 26th of June 2017, to 30th of June 2017

Date	Time	Currency	Event	Actual	Forecast	Previous
26-Jun	08:00	EUR	German Ifo Business Climate	115.1	114.7	114.6
	08:30	GBP	BBA Mortgage Approvals	40.3K	40.3K	40.7K
	10:00	EUR	German Buba Monthly Report			
	12:30	USD	Core Durable Goods Orders m/m	0.10%	0.40%	-0.50%
		USD	Durable Goods Orders m/m	-1.10%	-0.50%	-0.80%
	18:45	EUR	ECB President Draghi Speaks			
	22:45	NZD	Trade Balance	103M	420M	536M
27-Jun	08:00	EUR	ECB President Draghi Speaks			
	08:30	AUD	RBA Assist Gov DeBelle Speaks			
	09:30	GBP	BOE Financial Stability Report			
	10:00	GBP	BOE Gov Carney Speaks			
		GBP	CBI Realized Sales	12	4	2
	13:00	USD	S&P/CS Composite-20 HPI y/y	5.70%	5.90%	5.90%
	13:59	USD	Richmond Manufacturing Index	7	4	1
	14:00	USD	CB Consumer Confidence	118.9	116.1	117.6
	15:15	USD	FOMC Member Harker Speaks			
	17:00	USD	Fed Chair Yellen Speaks			
	21:30	USD	FOMC Member Kashkari Speaks			
28-Jun	06:00	CHF	UBS Consumption Indicator	1.39		1.34
		EUR	German Import Prices m/m	-1.00%	-0.60%	-0.10%
		GBP	Nationwide HPI m/m	1.10%	0.10%	-0.20%
	08:00	CHF	Credit Suisse Economic Expectations	20.7		30.8
		EUR	M3 Money Supply y/y	5.00%	5.00%	4.90%
		EUR	Private Loans y/y	2.60%	2.50%	2.40%
	09:00	EUR	Italian Prelim CPI m/m	-0.10%	0.10%	-0.20%
	12:30	USD	Goods Trade Balance	-65.9B	-66.2B	-67.1B
		USD	Prelim Wholesale Inventories m/m	0.30%	0.20%	-0.50%
	13:30	CAD	BOC Gov Poloz Speaks			
		EUR	ECB President Draghi Speaks			
		GBP	BOE Gov Carney Speaks			
		JPY	BOJ Gov Kuroda Speaks			
	14:00	USD	Pending Home Sales m/m	-0.80%	0.90%	-1.70%
	14:30	USD	Crude Oil Inventories	0.1M	-2.1M	-2.5M
	18:20	CAD	Gov Council Member Patterson Speaks			
	20:30	USD	Bank Stress Test Results			
23:50	JPY	Retail Sales y/y	2.00%	2.60%	3.20%	
29-Jun	01:00	AUD	HIA New Home Sales m/m	1.10%		0.80%

		NZD	ANZ Business Confidence	24.8		14.9
	06:00	EUR	GfK German Consumer Climate	10.6	10.4	10.4
	All Day	EUR	German Prelim CPI m/m	0.20%	0.00%	-0.20%
	07:00	EUR	Spanish Flash CPI y/y	1.50%	1.60%	1.90%
	All Day	EUR	Italian Bank Holiday			
	08:30	GBP	Net Lending to Individuals m/m	5.3B	4.0B	4.2B
		GBP	M4 Money Supply m/m	-0.10%	1.30%	1.30%
		GBP	Mortgage Approvals	65K	64K	65K
	12:30	USD	Final GDP q/q	1.40%	1.20%	1.20%
		USD	Unemployment Claims	244K	241K	242K
		USD	Final GDP Price Index q/q	1.90%	2.20%	2.20%
	14:30	USD	Natural Gas Storage	46B	50B	61B
	22:45	NZD	Building Consents m/m	7.00%		-7.40%
	23:01	GBP	GfK Consumer Confidence	-10	-7	-5
	23:30	JPY	Household Spending y/y	-0.10%	-0.70%	-1.40%
		JPY	National Core CPI y/y	0.40%	0.40%	0.30%
		JPY	Tokyo Core CPI y/y	0.00%	0.20%	0.10%
		JPY	Unemployment Rate	3.10%	2.80%	2.80%
	23:50	JPY	Prelim Industrial Production m/m	-3.30%	-3.10%	4.00%
30-Jun	01:00	CNY	Manufacturing PMI	51.7	51	51.2
		CNY	Non-Manufacturing PMI	54.9		54.5
	01:30	AUD	Private Sector Credit m/m	0.40%	0.40%	0.40%
	05:00	JPY	Housing Starts y/y	-0.30%	-1.10%	1.90%
	06:00	EUR	German Retail Sales m/m	0.50%	0.30%	-0.20%
	06:45	EUR	French Consumer Spending m/m	1.00%	0.50%	0.40%
		EUR	French Prelim CPI m/m	0.00%	0.00%	0.00%
	07:00	CHF	KOF Economic Barometer	105.5	102.5	102
	07:55	EUR	German Unemployment Change	7K	-10K	-7K
	08:30	GBP	Current Account	-16.9B	-17.2B	-12.1B
		GBP	Final GDP q/q	0.20%	0.20%	0.20%
		GBP	Index of Services 3m/3m	0.20%	0.30%	0.10%
		GBP	Revised Business Investment q/q	0.60%	0.60%	0.60%
	09:00	EUR	CPI Flash Estimate y/y	1.30%	1.20%	1.40%
		EUR	Core CPI Flash Estimate y/y	1.10%	1.00%	0.90%
	09:19	EUR	Italian 10-y Bond Auction	2.16 1.3		2.15 1.5
	12:30	CAD	GDP m/m	0.20%	0.20%	0.50%
		CAD	RMPI m/m	-1.80%	-0.60%	1.60%
		CAD	IPPI m/m	-0.20%	0.40%	0.60%
		USD	Core PCE Price Index m/m	0.10%	0.10%	0.10%
		USD	Personal Spending m/m	0.10%	0.10%	0.40%
		USD	Personal Income m/m	0.40%	0.30%	0.30%
	13:45	USD	Chicago PMI	65.7	58.1	59.4
	14:00	USD	Revised UoM Consumer Sentiment	95.1	94.5	94.5
		USD	Revised UoM Inflation Expectations	2.60%		2.60%
	14:30	CAD	BOC Business Outlook Survey			

Time: GMT

THE WEEK AHEAD



3rd of July 2017, to 7th of July 2017

IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Event	Forecast	Previous
03-Jul	00:30	JPY	Final Manufacturing PMI	52	52
	01:00	AUD	MI Inflation Gauge m/m		0.00%
	01:30	AUD	Building Approvals m/m	-1.20%	4.40%
		AUD	ANZ Job Advertisements m/m		0.40%
	01:45	CNY	Caixin Manufacturing PMI	49.9	49.6
	05:00	JPY	Consumer Confidence	43.9	43.6
	06:30	AUD	Commodity Prices y/y		32.60%
	07:15	CHF	Retail Sales y/y	-0.80%	-1.20%
		EUR	Spanish Manufacturing PMI	55.6	55.4
	07:30	CHF	Manufacturing PMI	56.5	55.6
	07:45	EUR	Italian Manufacturing PMI	55.3	55.1
	07:50	EUR	French Final Manufacturing PMI	55	55
	07:55	EUR	German Final Manufacturing PMI	59.3	59.3
	08:00	EUR	Final Manufacturing PMI	57.3	57.3
		EUR	Italian Monthly Unemployment Rate	11.10%	11.10%
	08:30	GBP	Manufacturing PMI	56.4	56.7
	09:00	EUR	Unemployment Rate	9.30%	9.30%
	All Day	CAD	Bank Holiday		
	13:45	USD	Final Manufacturing PMI	52.1	52.1
	14:00	USD	ISM Manufacturing PMI	55	54.9
		USD	Construction Spending m/m	0.30%	-1.40%
		USD	ISM Manufacturing Prices	58.5	60.5
	All Day	USD	Total Vehicle Sales	16.5M	16.7M
Tentative	NZD	NZIER Business Confidence		17	
23:50	JPY	Monetary Base y/y	19.20%	19.40%	
04-Jul	01:30	AUD	Retail Sales m/m	0.30%	1.00%
	04:30	AUD	RBA Rate Statement		
		AUD	Cash Rate	1.50%	1.50%
	05:00	JPY	BOJ Core CPI y/y	0.30%	0.20%
	07:00	EUR	Spanish Unemployment Change	-120.3K	-111.9K
	08:30	GBP	Construction PMI	55.2	56
	09:00	EUR	PPI m/m	-0.20%	0.00%
	All Day	USD	Bank Holiday		
	13:30	CAD	Manufacturing PMI		55.1
	Tentative	NZD	GDT Price Index		-0.80%
	23:01	GBP	BRC Shop Price Index y/y		-0.40%

	23:30	AUD	AIG Services Index		51.5	
05-Jul	01:00	NZD	ANZ Commodity Prices m/m		3.20%	
	01:45	CNY	Caixin Services PMI	52.9	52.8	
	07:15	EUR	Spanish Services PMI	56.6	57.3	
	07:45	EUR	Italian Services PMI	54.8	55.1	
	07:50	EUR	French Final Services PMI	55.3	55.3	
	07:55	EUR	German Final Services PMI	53.7	53.7	
	08:00	EUR	Final Services PMI		54.7	
	08:30	GBP	Services PMI	53.5	53.8	
	09:00	EUR	Retail Sales m/m	0.30%	0.10%	
	14:00	USD	Factory Orders m/m	-0.40%	-0.20%	
			USD	IBD/TIPP Economic Optimism	51.6	51.3
	18:00	USD	FOMC Meeting Minutes			
06-Jul	01:30	AUD	Trade Balance	1.11B	0.56B	
	03:45	JPY	30-y Bond Auction		0.82 3.6	
	06:00	EUR	German Factory Orders m/m	1.80%	-2.10%	
	07:15	CHF	CPI m/m	0.00%	0.20%	
	08:10	EUR	Retail PMI		52	
	08:30	GBP	Housing Equity Withdrawal q/q	-7.4B	-10.2B	
	11:30	EUR	ECB Monetary Policy Meeting Accounts			
			USD	Challenger Job Cuts y/y		9.70%
	12:15	USD	ADP Non-Farm Employment Change	181K	253K	
	12:30	CAD	Trade Balance		-0.4B	
			CAD	Building Permits m/m		-0.20%
			USD	Unemployment Claims	245K	244K
			USD	Trade Balance	-46.3B	-47.6B
	13:45	USD	Final Services PMI	53	53	
	14:00	USD	ISM Non-Manufacturing PMI	56.6	56.9	
			USD	FOMC Member Powell Speaks		
	15:00	USD	Crude Oil Inventories		0.1M	
	23:30	AUD	AIG Construction Index		56.7	
07-Jul	00:00	JPY	Average Cash Earnings y/y	0.40%	0.50%	
	05:00	JPY	Leading Indicators	104.60%	104.20%	
	05:45	CHF	Unemployment Rate	3.20%	3.20%	
	06:00	EUR	German Industrial Production m/m	0.40%	0.80%	
	06:45	EUR	French Gov Budget Balance		-57.9B	
			EUR	French Industrial Production m/m	0.60%	-0.50%
			EUR	French Trade Balance	-5.1B	-5.5B
	07:00	CHF	Foreign Currency Reserves		694B	
	07:30	GBP	Halifax HPI m/m	0.20%	0.40%	
	08:00	EUR	Italian Retail Sales m/m	0.30%	-0.10%	
	08:30	GBP	Manufacturing Production m/m	0.40%	0.20%	
			GBP	Goods Trade Balance	-10.9B	-10.4B
			GBP	Construction Output m/m	0.60%	-1.60%
			GBP	Industrial Production m/m	0.40%	0.20%
	Day 1		ALL	G20 Meetings		
		12:00	GBP	NIESR GDP Estimate		0.20%

	12:30	CAD	Employment Change		54.5K
		CAD	Unemployment Rate		6.60%
		USD	Average Hourly Earnings m/m	0.30%	0.20%
		USD	Non-Farm Employment Change	175K	138K
		USD	Unemployment Rate	4.30%	4.30%
	14:00	CAD	Ivey PMI		53.8
	14:30	USD	Natural Gas Storage		46B
	15:00	USD	Fed Monetary Policy Report		

Time: GMT

MARKETS RECAP



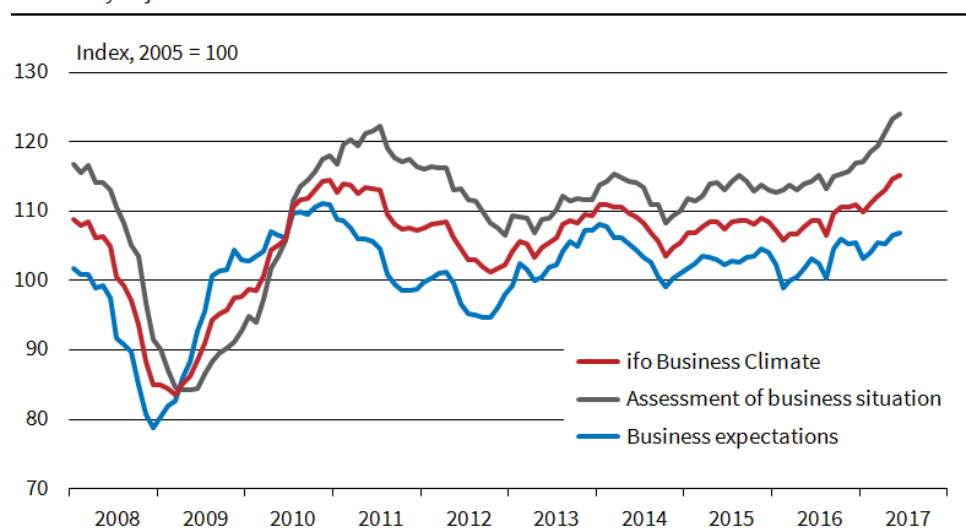
Last Week: 26th of June 2017, to 30th of June 2017

It was another bad week for the U.S. dollar which continued to weaken significantly. The declines came about on the back of hawkish comments from ECB, BoE and BoC governors who convened in Portugal for a banking conference. The Euro surged at \$1.1400 while the British pound rallied to \$1.3000. Even an upward revised Q1 GDP data in the U.S. failed to keep the dollar supported.

German Ifo business climate data reaches to new record highs

Business confidence in Germany rose to a record high in the month of June. June's data broke past the previous month's record according to data from the Ifo institute based in Germany.

ifo Business Climate for Industry and Trade^a
Seasonally adjusted



^a Manufacturing, construction, wholesaling and retailing.
Source: Ifo Business Survey, June 2017.

© Ifo Institute

German Ifo Business Climate (June 2016)

Companies in the survey reported that they were more than satisfied with their current situation based on a positive outlook. The business confidence index rose to 115.1 in June. In May, the business confidence index was registered at 114.6, which was already a record high.

June's Ifo index data reached the highest level since 1991. The data beat forecasts where economists expected the Ifo to fall to 114.4. The current conditions index also rose from 123.3 in May to 124.1 in June. This was forecast to rise to 123.3 in June. The expectations index also rose to 106.8 in June, up from 106.5 in May.

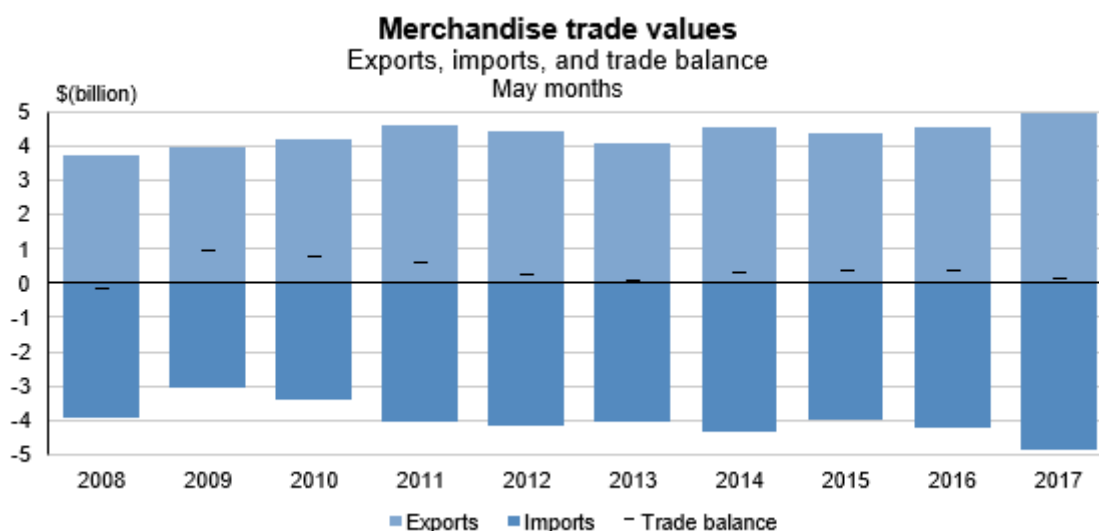
The survey suggests that the German gross domestic product growth could potentially accelerate in the months ahead.

Although there could be some discrepancies between the survey and actual growth, the continued increase in the Ifo confidence shows that Germany could outperform the consensus expectations this year.

Just a week before, the Ifo institute upgraded the growth outlook for Germany. The institute forecasts GDP to average 1.8% up from 1.5% this year and in 2018, GDP growth is projected at 2%, up from its previous estimates of 1.8%.

New Zealand Trade Surplus widens less than expected

Trade data released by Statistics New Zealand showed last week that the trade surplus was \$103 million in the month of May. This was below the market forecasts of \$500 million. The lower than expected surplus data came due to a higher fuel import bill.



New Zealand Merchandise Trade

On a seasonally adjusted basis, New Zealand's merchandise trade showed that exports fell 6.6%. However, this decline came after April's exports increased 17.2%. Overall, the level of exports for the quarter ending June was still higher compared to the previous quarter ending March. This is also expected to see stronger GDP with a big contribution from the export sector to the economy.

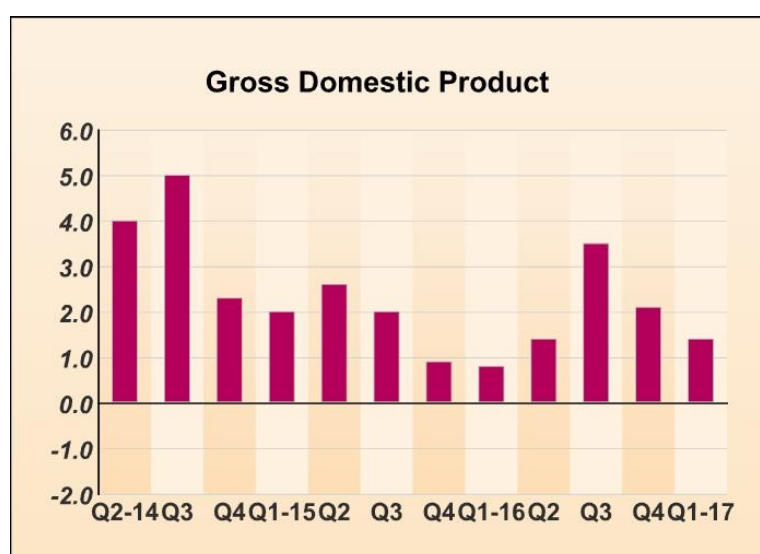
In May, the rise in meat and dairy exports were offset by decline in machinery, wine and crude oil.

Imports, on a seasonally adjusted basis rose 1.1% during the month. This was lower than April's 5.7% increase. Fuel imports contributed majorly to the imports with the sector alone showing a 63% increase.

The import of capital equipment remained steady compared to April. On a year over year basis, exports rose 8.7% while imports rose 15% on an annualized basis. The annual trade deficit increased to \$3.8 billion in May, compared to \$3.6 billion in April.

U.S. Final Q1 GDP revised higher

The economic activity in the United States, measured by the Gross Domestic Product or GDP for the quarter ending March 2017 was revised to 1.4%. Data from the U.S. Department of Commerce released last week was higher than the expected 1.2% increase that was registered as of the second estimates.



U.S. Final GDP Q1 2017 (1.4%)

Although the U.S. GDP was revised higher, growth in the first quarter reflected a slowdown in the economy compared to the 2.1% increase that was seen in the fourth quarter of 2016.

The acceleration in the GDP which led to the revision was on the basis of an upward revision to consumer spending which rose 1.1% on the quarter, compared to the second revised estimates of 0.6%.

The GDP report also showed that stronger than expected export growth was offset by a downward revision to the non-residential fixed investment. The Commerce Department said that the GDP slowdown compared to the previous quarter showed a decline in private inventory investment and a deceleration in consumer spending.

MARKETS PREVIEW



3rd of July 2017, to 7th of July 2017

The markets will be entering into a new trading week for July. Along with it, comes a lot of fresh economic reports from across the major economies. On the tap will be the U.S. ISM manufacturing PMI numbers on Monday followed by the FOMC meeting minutes that will be released on Wednesday. The U.S. data culminates with Friday's non-farm payrolls report. Elsewhere the RBA is due to meet on Tuesday.

Traders to focus on U.S. payrolls, FOMC minutes

It will be a rather busy week from the U.S. which starts off with Monday's ISM manufacturing PMI. The manufacturing sector index has been steadily declining over the past few months. A reversal in the index is much needed in order to instill confidence among the investors that the U.S. economy is on track for growth.

On Wednesday, the ADP/Moody's analytics will be releasing the monthly private payrolls data. A few hours later, the FOMC meeting minutes will be released. The minutes will be from the June FOMC meeting where central bank officials voted to hike interest rates by 25 basis points.

Further details on the central bank's intentions to unwind the balance sheet will also be provided in the minutes. Given the hawkish nature of the June meeting, the FOMC meeting minutes will most likely reflect the same.

On Friday, the monthly payrolls report will be released for the month of May. In June, the U.S. economy added 138k jobs, missing forecasts of 181k. April's numbers were also revised lower to show 174k. The U.S. unemployment rate was slightly higher, rising to 6.6% in May, from 6.5% in April. However, the most important aspect is the average hourly earnings. This was in line with forecasts, rising 0.2% on a month over month basis. But overall wage growth looks to have stagnated.

RBA expected to leave interest rates unchanged

The Reserve Bank of Australia (RBA) is expected to leave interest rates unchanged at this week's meeting. The central bank will be holding its monetary policy meeting on Tuesday. At its previous meeting on June 6th, the central bank kept the interest rates unchanged at 1.50%.

The RBA's rate statement showed that the central bank was comfortable in leaving the monetary policy unchanged and found it appropriate with the current conditions in the economy. The housing market was also showing signs of stabilizing with varying levels across the different regions.

The central bank had reported another solid month of jobs in April and acknowledged the uptick in the job advertisements in May. The central bank struck an optimistic tone, which is unlikely to change much at this week's monetary policy meeting as well.

TECHNICAL CORNER



GBPCHF - Will the upside prevail?

The British pound has been trading in a range of 1.3032 and 1.2173 levels for the past couple of months. The sideways range was established since September 2016 and GBPCHF has been flat mainly on account of the Brexit and the latest political uncertainty. The rally towards 1.3032 failed quite quickly with prices falling back to the lower range at 1.2173.



GBPCHF (1.2486) – Weekly Chart

Last week's hawkish comments from officials at the Bank of England managed to breathe some life in GBPCHF. However, price action has remained flat with the past three weekly sessions trading within the doji candlestick pattern that was formed. This is likely to signal a possible breakout in the near term.

There is a potential for an upside breakout, above the doji high of 1.2537. A breakout from here could result in a short term rally to the upside. This will also signal the head and shoulders that is forming. The neckline support can be seen at 1.2173, which was tested previously before the left shoulder and the head was formed.

Therefore, any near term gains will most likely be short lived towards 1.2779 where the right shoulder could be formed. From here, a reversal could see GBPCHF retrace the gains back to the neckline support at 1.2173 and a break down from here will validate the head and shoulders pattern, giving a downside target of 1.7453.

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