

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS



Last Week: 24th of July 2017, to 28th of July 2017

| Date | Time | Currency | Event | Actual | Forecast | Previous |
|--------|---------|----------|-------------------------------------|----------|----------|----------|
| 24-Jul | 1:30am | JPY | Flash Manufacturing PMI | 52.2 | 52.3 | 52.4 |
| | 8:00am | EUR | French Flash Manufacturing PMI | 55.4 | 54.6 | 54.8 |
| | | EUR | French Flash Services PMI | 55.9 | 56.6 | 56.9 |
| | 8:30am | EUR | German Flash Manufacturing PMI | 58.3 | 59.1 | 59.6 |
| | | EUR | German Flash Services PMI | 53.5 | 54.4 | 54 |
| | 9:00am | EUR | Flash Manufacturing PMI | 56.8 | 57.3 | 57.4 |
| | | EUR | Flash Services PMI | 55.4 | 55.5 | 55.4 |
| | 11:00am | EUR | German Buba Monthly Report | | | |
| | 1:30pm | CAD | Wholesale Sales m/m | 0.90% | 0.50% | 0.80% |
| | 2:00pm | CNY | CB Leading Index m/m | 1.60% | | 1.70% |
| | 2:45pm | USD | Flash Manufacturing PMI | 53.2 | 52.3 | 52 |
| | | USD | Flash Services PMI | 54.2 | 54.3 | 54.2 |
| | 3:00pm | USD | Existing Home Sales | 5.52M | 5.59M | 5.62M |
| 25-Jul | 12:50am | JPY | Monetary Policy Meeting Minutes | | | |
| | 7:00am | EUR | German Import Prices m/m | -1.10% | -0.70% | -1.00% |
| | 9:00am | EUR | German Ifo Business Climate | 116 | 114.9 | 115.2 |
| | 10:34am | GBP | 30-y Bond Auction | 1.83 2.2 | | 1.67 2.1 |
| | 11:00am | GBP | CBI Industrial Order Expectations | 10 | 12 | 16 |
| | 1:59pm | EUR | Belgian NBB Business Climate | -1.5 | -1.9 | -2 |
| | 2:00pm | USD | HPI m/m | 0.40% | 0.50% | 0.60% |
| | | USD | S&P/CS Composite-20 HPI y/y | 5.70% | 5.80% | 5.80% |
| | 2:59pm | USD | Richmond Manufacturing Index | 14 | 7 | 7 |
| | 3:00pm | USD | CB Consumer Confidence | 121.1 | 116.5 | 117.3 |
| | 6:00pm | GBP | MPC Member Haldane Speaks | | | |
| | 9:15pm | NZD | RBNZ Assist Gov McDermott Speaks | | | |
| | 11:45pm | NZD | Trade Balance | 242M | 147M | 74M |
| 26-Jul | 12:50am | JPY | SPPI y/y | 0.80% | 0.80% | 0.80% |
| | 2:30am | AUD | CPI q/q | 0.20% | 0.40% | 0.50% |
| | | AUD | Trimmed Mean CPI q/q | 0.50% | 0.50% | 0.50% |
| | 4:05am | AUD | RBA Gov Lowe Speaks | | | |
| | 7:00am | CHF | UBS Consumption Indicator | 1.38 | | 1.32 |
| | 9:00am | CHF | Credit Suisse Economic Expectations | 34.7 | | 20.7 |
| | 9:30am | GBP | Prelim GDP q/q | 0.30% | 0.30% | 0.20% |
| | | GBP | BBA Mortgage Approvals | 40.2K | 39.9K | 40.3K |
| | | GBP | Index of Services 3m/3m | 0.40% | 0.40% | 0.20% |
| | 3:00pm | USD | New Home Sales | 610K | 615K | 605K |

| | | | | | | |
|--------|---------|-----|------------------------------------|----------|--------|----------|
| | 3:30pm | USD | Crude Oil Inventories | -7.2M | -3.3M | -4.7M |
| | 7:00pm | USD | FOMC Statement | | | |
| | | USD | Federal Funds Rate | <1.25% | <1.25% | <1.25% |
| 27-Jul | 2:30am | AUD | Import Prices q/q | -0.10% | 0.70% | 1.20% |
| | 7:00am | EUR | GfK German Consumer Climate | 10.8 | 10.7 | 10.6 |
| | 8:00am | EUR | Spanish Unemployment Rate | 17.20% | 17.80% | 18.80% |
| | 9:00am | EUR | M3 Money Supply y/y | 5.00% | 5.00% | 4.90% |
| | | EUR | Private Loans y/y | 2.60% | 2.70% | 2.60% |
| | 11:00am | GBP | CBI Realized Sales | 22 | 10 | 12 |
| | 1:30pm | USD | Core Durable Goods Orders m/m | 0.20% | 0.40% | 0.30% |
| | | USD | Unemployment Claims | 244K | 240K | 234K |
| | | USD | Durable Goods Orders m/m | 6.50% | 3.50% | -0.80% |
| | | USD | Goods Trade Balance | -63.9B | -65.0B | -66.3B |
| | | USD | Prelim Wholesale Inventories m/m | 0.60% | 0.30% | 0.40% |
| | 3:30pm | USD | Natural Gas Storage | 17B | 28B | 28B |
| | 11:46pm | GBP | GfK Consumer Confidence | -12 | -11 | -10 |
| 28-Jul | 12:30am | JPY | Household Spending y/y | 2.30% | 0.60% | -0.10% |
| | | JPY | National Core CPI y/y | 0.40% | 0.40% | 0.40% |
| | | JPY | Tokyo Core CPI y/y | 0.20% | 0.10% | 0.00% |
| | | JPY | Unemployment Rate | 2.80% | 3.00% | 3.10% |
| | 12:50am | JPY | BOJ Summary of Opinions | | | |
| | | JPY | Retail Sales y/y | 2.10% | 2.30% | 2.10% |
| | 2:30am | AUD | PPI q/q | 0.50% | 0.60% | 0.50% |
| | 6:30am | EUR | French Flash GDP q/q | 0.50% | 0.50% | 0.50% |
| | All Day | EUR | German Prelim CPI m/m | 0.40% | 0.20% | 0.20% |
| | 7:45am | EUR | French Consumer Spending m/m | -0.80% | -0.30% | 0.90% |
| | | EUR | French Prelim CPI m/m | -0.30% | -0.40% | 0.00% |
| | 8:00am | CHF | KOF Economic Barometer | 106.8 | 105.9 | 105.8 |
| | | EUR | Spanish Flash CPI y/y | 1.50% | 1.50% | 1.50% |
| | | EUR | Spanish Flash GDP q/q | 0.90% | 0.90% | 0.80% |
| | 10:14am | EUR | Italian 10-y Bond Auction | 2.16 1.7 | | 2.16 1.3 |
| | 1:30pm | CAD | GDP m/m | 0.60% | 0.20% | 0.20% |
| | | USD | Advance GDP q/q | 2.60% | 2.50% | 1.40% |
| | | USD | Advance GDP Price Index q/q | 1.00% | 1.30% | 1.90% |
| | | USD | Employment Cost Index q/q | 0.50% | 0.60% | 0.80% |
| | 3:00pm | USD | Revised UoM Consumer Sentiment | 93.4 | 93.2 | 93.1 |
| | | USD | Revised UoM Inflation Expectations | 2.60% | | 2.70% |
| | 6:20pm | USD | FOMC Member Kashkari Speaks | | | |

Time: GMT

THE WEEK AHEAD



31st of July 2017, to 4th of August 2017

IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

| Date | Time | Currency | Event | Forecast | Previous |
|--------|---------|----------|-----------------------------------|----------|----------|
| 31-Jul | 12:50am | JPY | Prelim Industrial Production m/m | 1.60% | -3.60% |
| | 2:00am | AUD | HIA New Home Sales m/m | | 1.10% |
| | | AUD | MI Inflation Gauge m/m | | 0.10% |
| | | CNY | Manufacturing PMI | 51.5 | 51.7 |
| | | CNY | Non-Manufacturing PMI | | 54.9 |
| | | NZD | ANZ Business Confidence | | 24.8 |
| | 2:30am | AUD | Private Sector Credit m/m | 0.40% | 0.40% |
| | 6:00am | JPY | Housing Starts y/y | 0.10% | -0.30% |
| | 7:00am | EUR | German Retail Sales m/m | 0.10% | 0.50% |
| | 9:00am | EUR | Italian Monthly Unemployment Rate | 11.20% | 11.30% |
| | 9:30am | GBP | Net Lending to Individuals m/m | 4.9B | 5.3B |
| | | GBP | M4 Money Supply m/m | 0.20% | -0.10% |
| | | GBP | Mortgage Approvals | 65K | 65K |
| | 10:00am | EUR | CPI Flash Estimate y/y | 1.30% | 1.30% |
| | | EUR | Core CPI Flash Estimate y/y | 1.10% | 1.10% |
| | | EUR | Italian Prelim CPI m/m | 0.00% | -0.10% |
| | | EUR | Unemployment Rate | 9.20% | 9.30% |
| | 1:30pm | CAD | RMPI m/m | | -1.80% |
| | | CAD | IPPI m/m | | -0.20% |
| | 2:45pm | USD | Chicago PMI | 60.8 | 65.7 |
| | 3:00pm | USD | Pending Home Sales m/m | 0.90% | -0.80% |
| 01-Aug | 12:30am | AUD | AIG Manufacturing Index | | 55 |
| | 1:30am | JPY | Final Manufacturing PMI | 52.2 | 52.2 |
| | 2:45am | CNY | Caixin Manufacturing PMI | 50.5 | 50.4 |
| | 5:30am | AUD | RBA Rate Statement | | |
| | | AUD | Cash Rate | 1.50% | 1.50% |
| | 6:00am | JPY | BOJ Core CPI y/y | 0.20% | 0.30% |
| | 7:00am | GBP | Nationwide HPI m/m | -0.10% | 1.10% |
| | 7:30am | AUD | Commodity Prices y/y | | 25.00% |
| | 8:15am | EUR | Spanish Manufacturing PMI | 54.9 | 54.7 |
| | 8:45am | EUR | Italian Manufacturing PMI | 55.2 | 55.2 |
| | 8:50am | EUR | French Final Manufacturing PMI | 55.4 | 55.4 |
| | 8:55am | EUR | German Final Manufacturing PMI | 58.3 | 58.3 |
| | | EUR | German Unemployment Change | -4K | 7K |
| | 9:00am | EUR | Final Manufacturing PMI | 56.8 | 56.8 |
| | 9:30am | GBP | Manufacturing PMI | 54.4 | 54.3 |

| | | | | | |
|--------|-----------|-----|-----------------------------------|--------|--------|
| | 10:00am | EUR | Prelim Flash GDP q/q | 0.60% | 0.60% |
| | 1:30pm | USD | Core PCE Price Index m/m | 0.10% | 0.10% |
| | | USD | Personal Spending m/m | 0.10% | 0.10% |
| | | USD | Personal Income m/m | 0.40% | 0.40% |
| | 2:30pm | CAD | Manufacturing PMI | | 54.7 |
| | 2:45pm | USD | Final Manufacturing PMI | 53.2 | 53.2 |
| | 3:00pm | USD | ISM Manufacturing PMI | 56.4 | 57.8 |
| | | USD | Construction Spending m/m | 0.40% | 0.00% |
| | | USD | ISM Manufacturing Prices | 56.5 | 55 |
| | All Day | USD | Total Vehicle Sales | 16.8M | 16.5M |
| | Tentative | NZD | GDT Price Index | | 0.20% |
| | 11:45pm | NZD | Employment Change q/q | 0.70% | 1.20% |
| | | NZD | Unemployment Rate | 4.80% | 4.90% |
| | | NZD | Labor Cost Index q/q | 0.50% | 0.40% |
| 02-Aug | 12:01am | GBP | BRC Shop Price Index y/y | | -0.30% |
| | 12:50am | JPY | Monetary Base y/y | 16.60% | 17.00% |
| | 2:30am | AUD | Building Approvals m/m | 1.10% | -5.60% |
| | 6:00am | JPY | Consumer Confidence | 43.6 | 43.3 |
| | 6:45am | CHF | SECO Consumer Climate | -3 | -8 |
| | 8:00am | EUR | Spanish Unemployment Change | -66.5K | -98.3K |
| | 8:15am | CHF | Retail Sales y/y | 1.30% | -0.30% |
| | 8:30am | CHF | Manufacturing PMI | 58.9 | 60.1 |
| | 9:30am | GBP | Construction PMI | 54.2 | 54.8 |
| | 10:00am | EUR | PPI m/m | -0.10% | -0.40% |
| | 1:15pm | USD | ADP Non-Farm Employment Change | 187K | 158K |
| | 3:30pm | USD | Crude Oil Inventories | | -7.2M |
| 03-Aug | 12:30am | AUD | AIG Services Index | | 54.8 |
| | 2:00am | NZD | ANZ Commodity Prices m/m | | 2.10% |
| | 2:30am | AUD | Trade Balance | 1.77B | 2.47B |
| | 2:45am | CNY | Caixin Services PMI | 51.9 | 51.6 |
| | 8:15am | EUR | Spanish Services PMI | 58.6 | 58.3 |
| | 8:45am | EUR | Italian Services PMI | 54.1 | 53.6 |
| | 8:50am | EUR | French Final Services PMI | 55.9 | 55.9 |
| | 8:55am | EUR | German Final Services PMI | 53.5 | 53.5 |
| | 9:00am | EUR | ECB Economic Bulletin | | |
| | | EUR | Final Services PMI | 55.4 | 55.4 |
| | 9:30am | GBP | Services PMI | 53.7 | 53.4 |
| | 10:00am | EUR | Retail Sales m/m | 0.10% | 0.40% |
| | 12:00pm | GBP | BOE Inflation Report | | |
| | | GBP | MPC Official Bank Rate Votes | 3-0-5 | 3-0-5 |
| | | GBP | Monetary Policy Summary | | |
| | | GBP | Official Bank Rate | 0.25% | 0.25% |
| | | GBP | Asset Purchase Facility | 435B | 435B |
| | | GBP | MPC Asset Purchase Facility Votes | 0-0-8 | 0-0-8 |
| | 12:30pm | GBP | BOE Gov Carney Speaks | | |

| | | | | | |
|--------|--------|-----|-------------------------------|--------|---------|
| | | USD | Challenger Job Cuts y/y | | -19.30% |
| | 1:30pm | USD | Unemployment Claims | 242K | 244K |
| | 2:45pm | USD | Final Services PMI | 54.2 | 54.2 |
| | 3:00pm | USD | ISM Non-Manufacturing PMI | 56.9 | 57.4 |
| | | USD | Factory Orders m/m | 2.70% | -0.80% |
| | 3:30pm | USD | Natural Gas Storage | | 17B |
| 04-Aug | 1:00am | JPY | Average Cash Earnings y/y | 0.60% | 0.60% |
| | 2:30am | AUD | RBA Monetary Policy Statement | | |
| | | AUD | Retail Sales m/m | 0.20% | 0.60% |
| | 7:00am | EUR | German Factory Orders m/m | 0.60% | 1.00% |
| | 9:00am | EUR | Italian Retail Sales m/m | 0.20% | -0.10% |
| | 9:10am | EUR | Retail PMI | | 53.2 |
| | 1:30pm | CAD | Employment Change | 14.6K | 45.3K |
| | | CAD | Trade Balance | -1.4B | -1.1B |
| | | CAD | Unemployment Rate | 6.50% | 6.50% |
| | | USD | Average Hourly Earnings m/m | 0.30% | 0.20% |
| | | USD | Non-Farm Employment Change | 183K | 222K |
| | | USD | Unemployment Rate | 4.30% | 4.40% |
| | | USD | Trade Balance | -45.6B | -46.5B |
| | 3:00pm | CAD | Ivey PMI | 59.2 | 61.6 |

Time: GMT

MARKETS RECAP



Last Week: 24th of July 2017, to 28th of July 2017

It was a rather quiet week for the markets, save for the ECB meeting. With lack of any tier-one economic data to go by, traders focused on the ECB. As widely expected the ECB held rates steady but deferred the decision on QE tapering to sometime in August. The U.S. dollar continued to remain weak and was seen trading mixed. The BoJ also met last week. The central bank kept monetary policy steady but lowered its inflation forecasts.

Private sector activity in the Eurozone slips to a 6-month low

The private sector activity in the eurozone as measured by IHS Markit's PMI surveys showed that businesses entered the third quarter on a firm footing. However, the pace of growth was seen posting a slowdown for the second consecutive month in July. This slowdown was largely attributed to a moderation in the manufacturing sector, data showed last week.



According to the IHS Markit's survey, the Eurozone's composite output index hit a 6-month low at 55.8 for July. This was slower than June's 56.3 reading. Economists polled expected the PMI to slip marginally to 56.2 during the month.

The July's PMI's were seen coming off the recent highs but despite the moderation, activity in the private sector was seen to be robust, remaining at historically high levels.

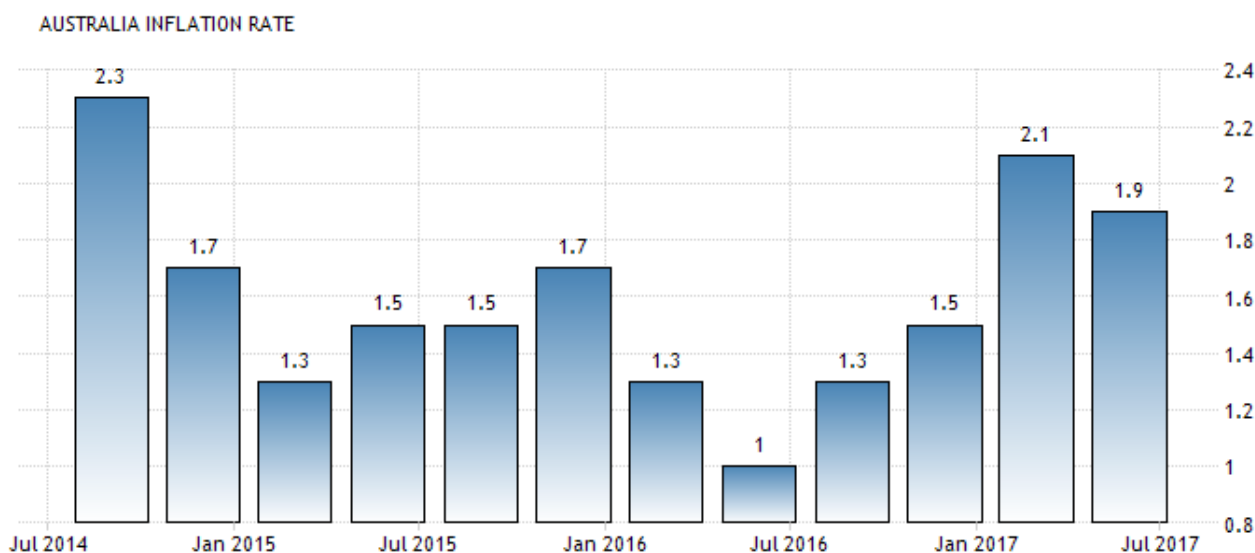
Flash services PMI was seen unchanged for July at 55.4, missing estimates of an increase to 55.5. Manufacturing PMI was seen falling more than expected to register a reading of 56.8 in July compared to expectations of 57.2. It was also slower than 57.4 in June.

Chris Williamson, chief business economist at IHS Markit said, ***"The survey data are historically consistent with GDP rising at a quarterly rate of 0.6 percent, cooling slightly from a pace of over 0.7 percent signaled for the second quarter."***

Williamson said that it is still too early to tell if the economy hit a bump or whether the uptick in activity was starting to take a turn.

Australia's inflation stays muted in Q2

Consumer prices in Australia remained subdued in the second quarter which reflected weak wage growth and energy prices and a surprise decline in fruit prices. The decline in the consumer price index was more than what economists had forecast.



SOURCE: TRADINGECONOMICS.COM | AUSTRALIAN BUREAU OF STATISTICS

Australia Inflation Rate: 1.9%, YoY (Q2 2017)

According to data released by the Australian Bureau of Statistics last week, data showed that various measures of core inflation remained well anchored below the Reserve Bank of Australia's target band of 2% to 3%. The weak pace of inflation suggests that the central bank will keep interest rates on hold for some more time.

Data showed that consumer prices rose just 0.2% on the quarter. This was a weak headline print compared to the previous quarter. On a year over year basis, Australian inflation rate was just 1.9%, sitting below the central bank's 2% lower target band.

Economists were optimistic on Australia's inflation and forecast an increase of 0.4% on the quarter and 2.2% on an annual basis.

Stripping the volatile components, the core inflation measure rose 0.5% in the quarter, matching estimates. On a year over year basis, this was 1.8% higher as well. Last week's inflation data was broadly consistent with the RBA's forecast on inflation.

The consumer price index data is unlikely to prompt any significant shifts as far as the outlook for interest rates are concerned.

The weakness in the wage growth is however likely to stand out. The lack of any wage pressures suggests that the RBA will not be forced to act at the moment. However, the central bank could be concerned that the expected return of inflation might not occur within the projected period.

Fed to start balance sheet normalization "relatively soon"

The FOMC meeting that concluded on Wednesday saw the central bank still planning to raise interest rates this year as well as begin unwinding the balance sheet "relatively soon," the FOMC statement showed.

Officials voted to keep the main interest rate unchanged at 1% to 1.25% after raising interest rates twice this year. The decision to keep monetary policy unchanged was widely expected. Officials did not offer any specific timeline for the reduction of the balance sheet.

The FOMC statement also showed that officials were concerned that inflation would continue to run below its 2% target rate. The Fed's measure of inflation, the PCE price index slowed to 1.4% in May, just after touching 2.1% in February this year. The dovish remarks on inflation was seen as a downbeat assesment compared to the Fed's language previously in June.

MARKETS PREVIEW



31st of July 2017, to 4th of August 2017

The week ahead marks the start of a new trading month. August is traditionally known as a slow period for the markets with most of the traders off due to the summer vacations. Still, economic data is expected to come out in full force. Central bank meeting line-ups include the RBA and the BoE meetings while the U.S. data will see the monthly ISM reports and the July nonfarm payroll report on Friday.

BoE to keep rates steady

Officials at the Bank of England will be meeting this week on Thursday for the monthly monetary policy review. Interest rates in the UK are expected to remain unchanged at 0.25%. This comes despite the possibility that there will yet again be three votes in favor of a rate hike. Latest economic data from the UK continues to paint a mixed picture.

Inflation for the month of June slipped, rising just 2.6% on the month. This comes after inflation rose 2.9% in May. Although headline consumer prices remain well above the BoE's 2% inflation target, the possibility of further easing in consumer prices could signal that the BoE will maintain a steady hand for now.

Last week, the gross domestic product report (GDP) showed that the UK's economy expanded at a slightly higher pace of 0.3% on the quarter. This was a modest increase from the 0.2% quarterly GDP growth rate in the three months ending March 2017. Officials are likely to maintain the hawkish rhetoric on interest rates which could give some upside to the British pound.

U.S. wages expected to rise 0.3% on the month

A busy week from the United States will see data include the monthly ISM's manufacturing and non-manufacturing data. Both the PMI's are expected to fall back after rising strongly in June. However, a reading above 50-level suggests that economic expansion continues in the respective sectors.

Friday's payrolls report will of course be the main event this week. Economists are forecasting that the U.S. unemployment rate will fall to 4.3%, after rising to 4.4% previously. Focus will of course be on the wage growth. Polls show that average wages are expected to rise 0.3%, up from 0.2% previously, which could bode well for the U.S. dollar.

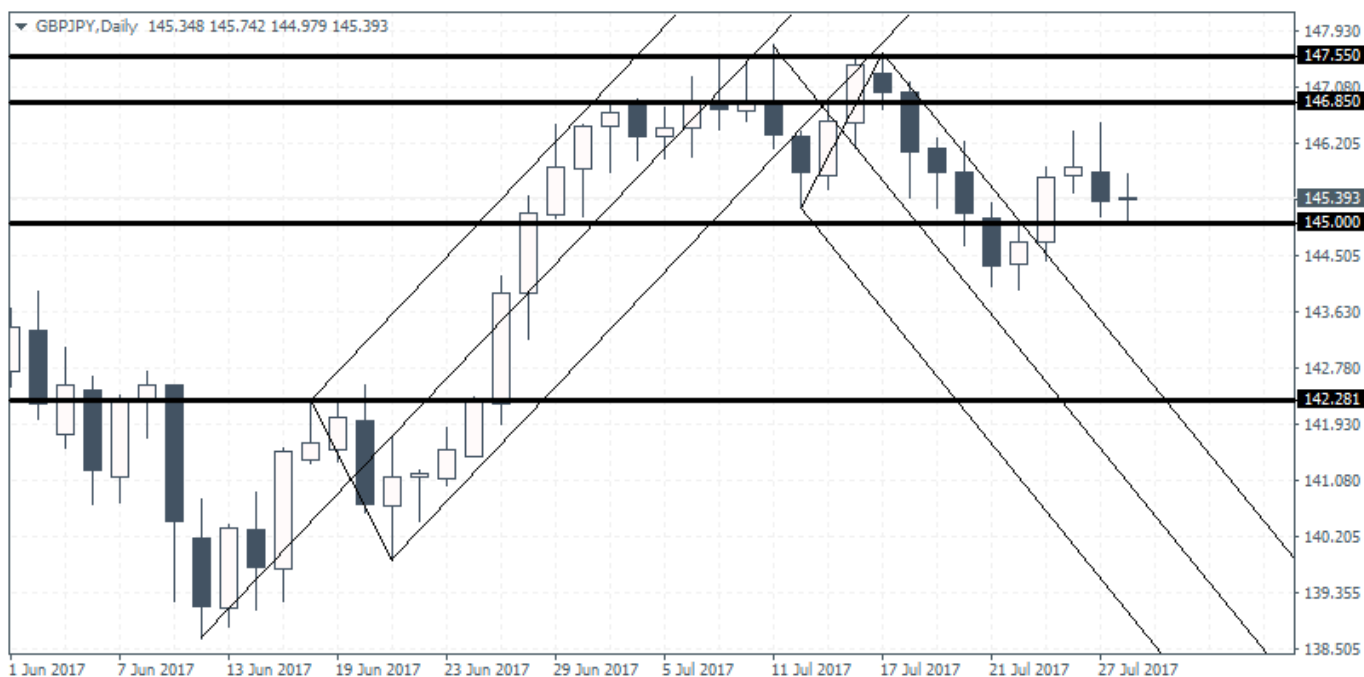
The U.S. economy is expected to add 183k jobs in July. This is lower than the 222k jobs that were reported last month. Of course, revisions to the previous payrolls report will give a clearer picture. A better than expected data could potentially help the sentiment to improve in the U.S. dollar.

TECHNICAL CORNER



GBPJPY – Bias for the downside increased

The GBPJPY has managed to remain largely stable over the past month following the strong rally off the lows near 139. Price action is seen trading rather flat after GBPJPY rallied to test the highs above 147.55 few weeks ago. However, with soe key economic reports lined up this week, GBPJPY poses a potential risk to the downside as a result.



GBPJPY (145.39) – D1 Chart

Technical support at 145.00 remains a key level for the GBPJPY. Price action could remain range bound, supported above this level. Resistance is seen at 146.85 which could put a cap on any short term gains. GBPJPY poses the risk of a correction towards 142.28 where a strong technical support exists. Price action is expected to retrace to this level before any prospects of posting further gains.

The week ahead will see a lot of economic data coming out from the UK. This could keep the GBP crosses busy. Thursday's BoE meeting could be the most volatile event. Although no rate hike is expected, the BoE officials are likely to come out hawkish and maintain that rates will rise in the near term.

The PMI numbers that includes manufacturing, construction and services are also expected this week. Following the weak GDP growth, PMI's will come under focus. Economists are however hopeful for an uptick across the three main sectors of the economy.

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