

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS



Last Week: 28th of August 2017, to 1st of September 2017

Date	Time	Currency	Event	Actual	Forecast	Previous
28-Aug	8:00am	EUR	M3 Money Supply y/y	4.50%	4.90%	5.00%
		EUR	Private Loans y/y	2.60%	2.70%	2.60%
	12:30pm	USD	Goods Trade Balance	-65.1B	-64.5B	-64.0B
		USD	Prelim Wholesale Inventories m/m	0.40%	0.30%	0.70%
	11:30pm	JPY	Household Spending y/y	-0.20%	0.80%	2.30%
		JPY	Unemployment Rate	2.80%	2.80%	2.80%
29-Aug	1:07am	AUD	HIA New Home Sales m/m	-3.70%		-6.90%
	5:00am	JPY	BOJ Core CPI y/y	0.40%	0.20%	0.30%
	6:00am	EUR	German GfK Consumer Climate	10.9	10.8	10.8
		GBP	Nationwide HPI m/m	-0.10%	0.00%	0.20%
	6:45am	EUR	French Consumer Spending m/m	0.70%	0.70%	-0.70%
		EUR	French Prelim GDP q/q	0.50%	0.50%	0.50%
	12:30pm	CAD	RMPI m/m	-0.60%	-0.20%	-3.60%
		CAD	IPPI m/m	-1.50%	-0.70%	-1.10%
	1:00pm	USD	S&P/CS Composite-20 HPI y/y	5.70%	5.60%	5.70%
	2:00pm	USD	CB Consumer Confidence	122.9	120.9	120
	10:45pm	NZD	Building Consents m/m	-0.70%		-1.30%
	11:01pm	GBP	BRC Shop Price Index y/y	-0.30%		-0.40%
	11:50pm	JPY	Retail Sales y/y	1.90%	1.00%	2.20%
30-Aug	1:30am	AUD	Building Approvals m/m	-1.70%	-5.40%	11.70%
		AUD	Construction Work Done q/q	9.30%	0.90%	0.90%
		NZD	RBNZ Gov Wheeler Speaks			
	6:00am	CHF	UBS Consumption Indicator	1.38		1.3
	All Day	EUR	German Prelim CPI m/m	0.10%	0.10%	0.40%
	7:00am	CHF	KOF Economic Barometer	104.1	107	108
		EUR	Spanish Flash CPI y/y	1.60%	1.70%	1.50%
	8:00am	CHF	Credit Suisse Economic Expectations	25		34.7
	8:30am	GBP	Net Lending to Individuals m/m	4.8B	5.3B	5.5B
		GBP	M4 Money Supply m/m	0.50%	0.40%	-0.10%
		GBP	Mortgage Approvals	69K	66K	65K
	9:18am	EUR	Italian 10-y Bond Auction	2.09 1.6		2.16 1.7
	12:15pm	USD	ADP Non-Farm Employment Change	237K	185K	201K
12:30pm	CAD	Current Account	-16.3B	-17.3B	-12.9B	
	USD	Prelim GDP q/q	3.00%	2.70%	2.60%	
	USD	Prelim GDP Price Index q/q	1.00%	1.00%	1.00%	
	1:15pm	USD	FOMC Member Powell Speaks			

	2:30pm	USD	Crude Oil Inventories	-5.4M	-1.8M	-3.3M
	11:01pm	GBP	GfK Consumer Confidence	-10	-13	-12
	11:50pm	JPY	Prelim Industrial Production m/m	-0.80%	-0.40%	2.20%
31-Aug	12:52am	CNY	Manufacturing PMI	51.7	51.3	51.4
	1:00am	CNY	Non-Manufacturing PMI	53.4		54.5
	1:02am	NZD	ANZ Business Confidence	18.3		19.4
	1:30am	AUD	Private Capital Expenditure q/q	0.80%	0.20%	0.90%
		AUD	Private Sector Credit m/m	0.50%	0.50%	0.60%
	5:00am	JPY	Housing Starts y/y	-2.30%	-0.20%	1.70%
	6:00am	EUR	German Retail Sales m/m	-1.20%	-0.50%	1.30%
	6:45am	EUR	French Prelim CPI m/m	0.50%	0.50%	-0.30%
	7:25am	GBP	MPC Member Saunders Speaks			
	7:55am	EUR	German Unemployment Change	-5K	-6K	-8K
	8:00am	EUR	Italian Monthly Unemployment Rate	11.30%	11.10%	11.20%
	9:00am	EUR	CPI Flash Estimate y/y	1.50%	1.40%	1.30%
		EUR	Core CPI Flash Estimate y/y	1.20%	1.20%	1.20%
		EUR	Italian Prelim CPI m/m	0.30%	0.20%	0.10%
		EUR	Unemployment Rate	9.10%	9.10%	9.10%
	11:30am	USD	Challenger Job Cuts y/y	5.10%		-37.60%
	12:30pm	CAD	GDP m/m	0.30%	0.10%	0.60%
		USD	Unemployment Claims	236K	237K	235K
		USD	Core PCE Price Index m/m	0.10%	0.10%	0.10%
		USD	Personal Spending m/m	0.30%	0.40%	0.20%
		USD	Personal Income m/m	0.40%	0.30%	0.00%
	1:45pm	USD	Chicago PMI	58.9	58.7	58.9
	2:00pm	USD	Pending Home Sales m/m	-0.80%	0.40%	1.30%
	2:30pm	USD	Natural Gas Storage	30B	33B	43B
	10:45pm	NZD	Overseas Trade Index q/q	1.50%	3.20%	3.90%
	11:30pm	AUD	AIG Manufacturing Index	59.8		56
	11:50pm	JPY	Capital Spending q/y	1.50%	8.00%	4.50%
01-Sep	12:30am	JPY	Final Manufacturing PMI	52.2	52.8	52.8
	1:45am	CNY	Caixin Manufacturing PMI	51.6	50.9	51.1
	5:00am	JPY	Consumer Confidence	43.3	43.5	43.8
	6:30am	AUD	Commodity Prices y/y	20.10%		21.70%
	7:15am	CHF	Retail Sales y/y	-0.70%	1.70%	1.70%
		EUR	Spanish Manufacturing PMI	52.4	54.4	54
	7:30am	CHF	Manufacturing PMI	61.2	60.4	60.9
	7:45am	EUR	Italian Manufacturing PMI	56.3	55.3	55.1
	7:50am	EUR	French Final Manufacturing PMI	55.8	55.8	55.8
	7:55am	EUR	German Final Manufacturing PMI	59.3	59.4	59.4
	8:00am	EUR	Final Manufacturing PMI	57.4	57.4	57.4
	8:30am	GBP	Manufacturing PMI	56.9	55	55.3
	12:30pm	USD	Average Hourly Earnings m/m	0.10%	0.20%	0.30%
		USD	Non-Farm Employment Change	156K	180K	189K
		USD	Unemployment Rate	4.40%	4.30%	4.30%

	1:30pm	CAD	Manufacturing PMI	54.6		55.5
	1:45pm	USD	Final Manufacturing PMI	52.8	52.5	52.5
	2:00pm	USD	ISM Manufacturing PMI	58.8	56.5	56.3
		USD	Revised UoM Consumer Sentiment	96.8	97.4	97.6
		USD	Construction Spending m/m	-0.60%	0.50%	-1.40%
		USD	ISM Manufacturing Prices	62	61.9	62
		USD	Revised UoM Inflation Expectations	2.60%		2.60%
	All Day	USD	Total Vehicle Sales	16.1M	16.6M	16.7M

Time: GMT

THE WEEK AHEAD



4th of September 2017, to 8th of September 2017

IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Event	Forecast	Previous
04-Sep	1:00am	AUD	MI Inflation Gauge m/m		0.10%
	1:30am	AUD	Company Operating Profits q/q	-3.90%	6.00%
		AUD	ANZ Job Advertisements m/m		1.50%
	7:00am	EUR	Spanish Unemployment Change	16.3K	-26.9K
	8:30am	EUR	Sentix Investor Confidence	27.4	27.7
		GBP	Construction PMI	52.1	51.9
	9:00am	EUR	PPI m/m	0.10%	-0.10%
	11:01pm	GBP	BRC Retail Sales Monitor y/y		0.90%
	11:30pm	AUD	AIG Services Index		56.4
05-Sep	1:00am	NZD	ANZ Commodity Prices m/m		-0.80%
	1:30am	AUD	Current Account	-7.4B	-3.1B
	1:45am	CNY	Caixin Services PMI	51.8	51.5
	5th-8th	CNY	Foreign Direct Investment ytd/y		-0.10%
	3:45am	JPY	10-y Bond Auction		0.07 4.2
	4:30am	AUD	Cash Rate	1.50%	1.50%
		AUD	RBA Rate Statement		
	5:45am	CHF	GDP q/q	0.50%	0.30%
	7:15am	CHF	CPI m/m	0.00%	-0.30%
		EUR	Spanish Services PMI	57.1	57.6
	7:45am	EUR	Italian Services PMI	55.3	56.3
	7:50am	EUR	French Final Services PMI	55.5	55.5
	7:55am	EUR	German Final Services PMI	53.4	53.4
	8:00am	EUR	Final Services PMI	54.9	54.9
	8:30am	GBP	Services PMI	53.6	53.8
	9:00am	EUR	Retail Sales m/m	-0.20%	0.50%
		EUR	Revised GDP q/q	0.60%	0.60%
	9:10am	AUD	RBA Gov Lowe Speaks		
	12:00pm	USD	FOMC Member Brainard Speaks		
	2:00pm	USD	Factory Orders m/m	-3.10%	3.00%
		USD	IBD/TIPP Economic Optimism	53.1	52.2
	Tentative	NZD	GDT Price Index		-0.40%
	5:10pm	USD	FOMC Member Kashkari Speaks		
	10:05pm	USD	FOMC Member Kaplan Speaks		
06-Sep	12:00am	JPY	Average Cash Earnings y/y	0.50%	-0.40%
	1:30am	AUD	GDP q/q	0.80%	0.30%
	6:00am	EUR	German Factory Orders m/m	0.40%	1.00%

	8:00am	EUR	Italian Retail Sales m/m	0.40%	0.60%
	8:10am	EUR	Retail PMI		51
	12:30pm	CAD	Trade Balance	-3.8B	-3.6B
		CAD	Labor Productivity q/q	0.90%	1.40%
		USD	Trade Balance	-44.6B	-43.6B
	1:45pm	USD	Final Services PMI	56.8	56.9
	2:00pm	CAD	BOC Rate Statement		
		CAD	Overnight Rate	0.75%	0.75%
		USD	ISM Non-Manufacturing PMI	55.5	53.9
	6:00pm	USD	Beige Book		
	11:30pm	AUD	AIG Construction Index		60.5
07-Sep	1:30am	AUD	Retail Sales m/m	0.20%	0.30%
		AUD	Trade Balance	0.95B	0.86B
	5:00am	JPY	Leading Indicators	105.20%	105.90%
	6:00am	EUR	German Industrial Production m/m	0.60%	-1.10%
	6:45am	EUR	French Trade Balance	-4.5B	-4.7B
	7:00am	CHF	Foreign Currency Reserves		714B
	7:30am	GBP	Halifax HPI m/m	0.20%	0.40%
	Tentative	EUR	Spanish 10-y Bond Auction		1.27 1.9
	Tentative	EUR	French 10-y Bond Auction		0.75 2.1
	11:45am	EUR	Minimum Bid Rate	0.00%	0.00%
	12:30pm	CAD	Building Permits m/m	2.20%	2.50%
		EUR	ECB Press Conference		
		USD	Unemployment Claims	245K	236K
		USD	Revised Nonfarm Productivity q/q	1.20%	0.90%
		USD	Revised Unit Labor Costs q/q	0.50%	0.60%
	2:00pm	CAD	Ivey PMI	61.3	60
	2:30pm	USD	Natural Gas Storage		30B
	3:00pm	USD	Crude Oil Inventories		-5.4M
	10:45pm	NZD	Manufacturing Sales q/q		2.80%
	11:00pm	USD	FOMC Member Dudley Speaks		
	11:50pm	JPY	Final GDP q/q	0.70%	1.00%
		JPY	Bank Lending y/y	3.30%	3.30%
		JPY	Current Account	1.65T	1.52T
		JPY	Final GDP Price Index y/y	-0.40%	-0.40%
08-Sep	1:30am	AUD	Home Loans m/m	1.10%	0.50%
	3:00am	AUD	RBA Assist Gov Debelle Speaks		
	Tentative	CNY	Trade Balance		321B
	Tentative	CNY	USD-Denominated Trade Balance	48.6B	46.7B
	5:00am	JPY	Economy Watchers Sentiment	49.5	49.7
	5:45am	CHF	Unemployment Rate	3.20%	3.20%
	6:00am	EUR	German Trade Balance	21.5B	21.2B
	6:45am	EUR	French Gov Budget Balance		-62.3B
		EUR	French Industrial Production m/m	0.50%	-1.10%
	8:30am	AUD	RBA Gov Lowe Speaks		

		GBP	Manufacturing Production m/m	0.30%	0.00%
		GBP	Goods Trade Balance	-12.1B	-12.7B
		GBP	Construction Output m/m	-0.20%	-0.10%
		GBP	Consumer Inflation Expectations		2.80%
		GBP	Industrial Production m/m	0.20%	0.50%
	12:00pm	GBP	NIESR GDP Estimate		0.20%
	12:30pm	CAD	Employment Change	15.0K	10.9K
		CAD	Unemployment Rate	6.30%	6.30%
		CAD	Capacity Utilization Rate		83.30%
	12:45pm	USD	FOMC Member Harker Speaks		
	2:00pm	USD	Final Wholesale Inventories m/m	0.40%	0.40%
	7:00pm	USD	Consumer Credit m/m	15.7B	12.4B

Time: GMT

MARKETS RECAP



Last Week: 28th of August 2017, to 1st of September 2017

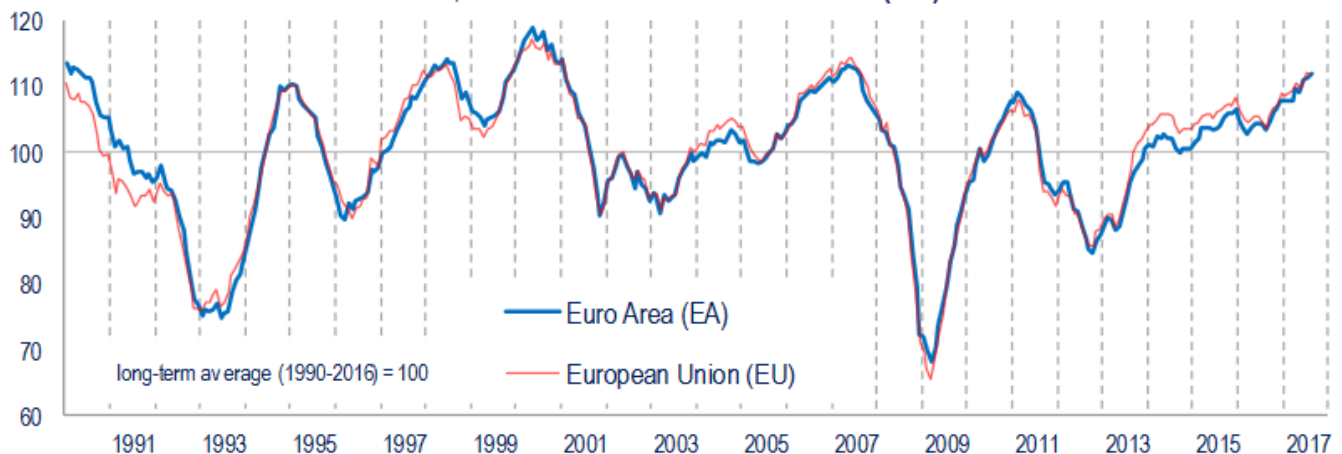
The euro continued to remain in the limelight last week as the common currency briefly traded above \$1.2000 posting a fresh two year high. The gains came as investors continued to build up speculative positions in the euro ahead of the ECB meeting this Thursday. The Eurozone's flash inflation estimates also provided some encouragement as headline consumer prices were seen accelerating at a pace of 1.5%.

Eurozone economic confidences continues to soar

Economic confidence in the Eurozone reached the highest levels in more than a decade in August, official data from Moody's showed last week. Overall, growth is expected to average around 0.3% faster in 2017 and in 2018, the ratings agency said.

Moody's gave the upbeat forecast on the back of solid growth momentum from Germany. The euro area is expected to grow at a pace of 2.1% in 2017 and 1.9% in 2018. Last year, the euro area economic expansion rose 1.7%.

Graph 1: Economic sentiment indicator (s.a.)



source: European Commission services

Eurozon Economic Sentiment index (Source: European Commission)

Details from the European Commission also showed that economic confidence in the region was recorded at 111.9 in August, accelerating from 111.3 in July. This was the highest level seen since July 2007. The economic confidence data was supposed to rise 111.3 for August.

The upbeat forecasts from the European Commission left the index pointing to higher GDP growth in the months ahead. This is unlikely to take off any pressure from the common currency was briefly flirted with \$1.20 handle before pulling back.

Despite strong economic growth, Eurozone's inflation continues to remain weak in comparison. However, recent inflation readings showed that inflation continued to rise at a steady pace although it is still far off from the ECB's 2% inflation target rate.

Moody's said in its report that based on the above factors, the easy monetary policy is likely to be tightened by next year. Economists are hopeful that the European Central Bank will be announcing some form of tightening to its QE purchases when it meets in a week's time.

U.S. nonfarm payrolls rise less than forecast

The U.S. Bureau of Labor Statistics released the monthly nonfarm payrolls report on Friday. The data showed that hiring activity slowed as the U.S. economy added fewer jobs than what was estimated. The unemployment rate also increased slightly while average hourly earnings rose less than expected.

The labor department's monthly payrolls showed that the nonfarm payrolls rose 156k in August. This was lower than July's payroll figures which were revised down to about 180k jobs. The report also lowered the job growth numbers for both June and July to 210k and 189k respectively. Overall, the net revision to past numbers was a decline of 41,000 jobs. The slower pace of growth in employment was attributed to the slowdown in the job markets from the services sector. The services sector was seen adding just 95,000 jobs in August. However, offsetting the declines from the services sector, the construction and manufacturing contributed to the overall job report.

The unemployment rate, which was forecast to remain steady at 4.3%, inched higher to 4.4%. Despite the unemployment rate increasing, economists were hopeful that the past data signaled a strong labor market in the third quarter. However, there were some words of caution as hurricane Harvey could potentially impact the jobs report for September.

The average hourly earnings were also slower, rising just 0.1% on the month in August, down from 0.3% that was seen previously. On a year over year basis, the U.S. average hourly earnings were steady at 2.5%.

Canada monthly GDP beats estimates

Canada's GDP numbers released last week showed that the economy unexpectedly accelerated in the second quarter. While economists were expecting a 3.7% increase in the second quarter, that would match the previous quarter's pace, the Canadian GDP surged 4.5%.

The better than expected data came on account of stronger consumption growth. The GDP data is likely to cement expectations that the Bank of Canada could be preparing for another interest rate hike. The central bank had previously signaled that the economic activity was near full capacity in what has become a strong turning point in the economy.

The markets are currently pricing in another rate hike from the Bank of Canada this year. The BoC has become the second central bank among the G7 economies to hike interest rates, following the Fed's rate hike.



MARKETS PREVIEW

4th of September 2017, to 8th of September 2017

The markets shift into full gear next week as important economic flows continue. Starting the week will be the RBA's monetary policy meeting. No changes are expected at this month's meeting, while later in the week the quarterly GDP numbers from Australia will be coming out. The Bank of Canada will be another central bank that will be holding its monetary policy meeting this week. The main event of the week though will be Thursday's ECB meeting, where speculation is high that Mario Draghi will be announcing another round of tapering to the QE program.

ECB takes the limelight amid central bank meetings

The central bank meetings that are lined up this week include the RBA and the BoC followed by the ECB on Thursday. While the RBA and the BoC are expected to hold the interest rate steady, focus turns to the European Central Bank's monetary policy decision. As the ECB breaks from its summer break, focus will be on what the next policy action might be. So far, the euro currency's rally was seen rising on the back of solid expectations that Draghi will be announcing another taper to the ECB's QE program.

However, with the euro's exchange rate briefly touching \$1.20 last week, there are also concerns that the higher exchange rate could potentially harm weaker economies in the eurozone and thus slow growth. Furthermore, while the eurozone's economic recovery has been rising at a steady pace, consumer prices have remained rather flat.

With the mix in the overall economic performance, the ECB's meeting will be a tricky one. Considering that the ECB will announce another taper to its QE program, Draghi will need to balance out the tone in order not to spur further gains in the euro, especially against the U.S. dollar. Likewise, not making any policy changes could also dent the sentiment in the euro which could see some strong unwinding of the trades. Either ways, Thursday's ECB meeting is likely to take the centre stage.

Australia and Japan to release quarterly GDP numbers

Besides the central bank decisions, GDP numbers will be coming out this week from both Australia and Japan on a quarterly basis. In Australia, the quarterly GDP growth was seen at 0.3% on the quarter ending March 2017. The fresh GDP numbers covering the quarter ending June is forecast to rise 0.8%, marking a strong increase in economic expansion.

In Japan, the GDP numbers are expected to show a 0.7% increase on a quarterly basis for the second quarter. Based on weaker than expected increase in capital expenditure, the GDP expansion is expected to be slower than the previous quarter. Japan's quarterly GDP rose at a pace of 4.5% in the first quarter. Preliminary estimates put Japan's GDP rate on a quarterly basis at 4%.

TECHNICAL CORNER



EURUSD – Will the markets be disappointed with the ECB?

The EURUSD managed to post some of the best gains last week as price surged to a fresh two-year high. EURUSD briefly traded above the \$1.20 handle last week but gave up the gains towards the close. With the ECB meeting coming up this week, investors will be cautious with the speculative rally. The big question on investors' minds will be whether the ECB will signal monetary policy tightening at this week's meeting.



EURUS (1.1860) – Daily Chart

The ECB President Mario Draghi will need to tread carefully so as not to let the market interpret his comments that could drive the euro higher. A stronger exchange rate is expected to dent the economic recovery in the eurozone which is just recovering. Although last week's flash inflation estimates provide some optimistic, a premature tightening of monetary policy conditions will no doubt impact the years of work put into the QE program.

The common currency has managed to settle near 1.1859 by Friday's close. This level will be key as a break down below the support could signal a strong correction to as much as 1.1440. To the upside, the rally looks a bit overstretched unless we can expect to see new support being formed. As a result, we can potentially expect the EURUSD to push lower this week, potentially test the June highs of 1.1440.

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