

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS



Last Week: 4th of September 2017, to 8st of September 2017

Date	Time	Currency	Event	Actual	Forecast	Previous
04-Sep	1:00am	AUD	MI Inflation Gauge m/m	0.10%		0.10%
	1:30am	AUD	Company Operating Profits q/q	-4.50%	-3.90%	5.80%
		AUD	ANZ Job Advertisements m/m	2.00%		1.60%
	7:00am	EUR	Spanish Unemployment Change	46.4K	16.3K	-26.9K
	8:30am	EUR	Sentix Investor Confidence	28.2	27.4	27.7
		GBP	Construction PMI	51.1	52.1	51.9
	9:00am	EUR	PPI m/m	0.00%	0.10%	-0.20%
	11:01pm	GBP	BRC Retail Sales Monitor y/y	1.30%		0.90%
	11:30pm	AUD	AIG Services Index	53		56.4
05-Sep	1:00am	NZD	ANZ Commodity Prices m/m	-0.80%		-0.80%
	1:30am	AUD	Current Account	-9.6B	-7.9B	-4.8B
	1:45am	CNY	Caixin Services PMI	52.7	51.8	51.5
	3:45am	JPY	10-y Bond Auction	0.01 4.0		0.07 4.2
	4:30am	AUD	Cash Rate	1.50%	1.50%	1.50%
		AUD	RBA Rate Statement			
	5:45am	CHF	GDP q/q	0.30%	0.50%	0.10%
	7:15am	CHF	CPI m/m	0.00%	0.00%	-0.30%
		EUR	Spanish Services PMI	56	56.9	57.6
	7:45am	EUR	Italian Services PMI	55.1	55.5	56.3
	7:50am	EUR	French Final Services PMI	54.9	55.5	55.5
	7:55am	EUR	German Final Services PMI	53.5	53.4	53.4
	8:00am	EUR	Final Services PMI	54.7	54.9	54.9
	8:30am	GBP	Services PMI	53.2	53.5	53.8
	9:00am	EUR	Retail Sales m/m	-0.30%	-0.20%	0.60%
	9:10am	AUD	RBA Gov Lowe Speaks			
	12:00pm	USD	FOMC Member Brainard Speaks			
	2:00pm	USD	Factory Orders m/m	-3.30%	-3.30%	3.20%
	2:28pm	NZD	GDT Price Index	0.30%		-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	-0.30%	0.50%	0.40%
	1:30am	AUD	GDP q/q	0.80%	0.80%	0.30%
	6:00am	EUR	German Factory Orders m/m	-0.70%	0.20%	0.90%
	8:00am	EUR	Italian Retail Sales m/m	-0.20%	-0.20%	0.60%
	8:10am	EUR	Retail PMI	50.8		51
	12:30pm	CAD	Trade Balance	-3.0B	-3.2B	-3.8B

		CAD	Labor Productivity q/q	-0.10%	0.90%	1.30%
		USD	Trade Balance	-43.7B	-44.6B	-43.5B
	1:45pm	USD	Final Services PMI	56	56.8	56.9
	2:00pm	CAD	BOC Rate Statement			
		CAD	Overnight Rate	1.00%	0.75%	0.75%
		USD	ISM Non-Manufacturing PMI	55.3	55.8	53.9
	6:00pm	USD	Beige Book			
	11:30pm	AUD	AIG Construction Index	55.3		60.5
07-Sep	1:30am	AUD	Retail Sales m/m	0.00%	0.20%	0.20%
		AUD	Trade Balance	0.46B	0.93B	0.89B
	5:00am	JPY	Leading Indicators	105.00%	105.10%	105.90%
	6:00am	EUR	German Industrial Production m/m	0.00%	0.50%	-1.10%
	6:45am	EUR	French Trade Balance	-6.0B	-4.5B	-4.9B
	7:00am	CHF	Foreign Currency Reserves	717B		715B
	7:30am	GBP	Halifax HPI m/m	1.10%	0.20%	0.70%
	8:44am	EUR	Spanish 10-y Bond Auction	1.54 2.0		1.27 1.9
	9:00am	EUR	Revised GDP q/q	0.60%	0.60%	0.60%
	9:02am	EUR	French 10-y Bond Auction	0.67 2.0		0.75 2.1
	11:45am	EUR	Minimum Bid Rate	0.00%	0.00%	0.00%
	12:30pm	CAD	Building Permits m/m	-3.50%	-1.50%	4.40%
		EUR	ECB Press Conference			
		USD	Unemployment Claims	298K	245K	236K
		USD	Revised Nonfarm Productivity q/q	1.50%	1.30%	0.90%
		USD	Revised Unit Labor Costs q/q	0.20%	0.30%	0.60%
	1:58pm	USD	IBD/TIPP Economic Optimism	53.4	53.1	52.2
	2:00pm	CAD	Ivey PMI	56.3	61.3	60
	2:30pm	USD	Natural Gas Storage	65B	63B	30B
	3:00pm	USD	Crude Oil Inventories	4.6M	4.1M	-5.4M
	10:45pm	NZD	Manufacturing Sales q/q	3.90%		3.10%
	11:00pm	USD	FOMC Member Dudley Speaks			
	11:50pm	JPY	Final GDP q/q	0.60%	0.70%	1.00%
		JPY	Bank Lending y/y	3.20%	3.30%	3.30%
		JPY	Current Account	2.03T	1.65T	1.52T
		JPY	Final GDP Price Index y/y	-0.40%	-0.40%	-0.40%
08-Sep	1:30am	AUD	Home Loans m/m	2.90%	1.00%	1.20%
	3:00am	AUD	RBA Assist Gov Debelle Speaks			
	3:05am	CNY	Trade Balance	287B	337B	321B
	3:13am	CNY	USD-Denominated Trade Balance	42.0B	48.4B	46.7B
	5:00am	JPY	Economy Watchers Sentiment	49.7	49.5	49.7
	5:45am	CHF	Unemployment Rate	3.20%	3.20%	3.20%
	6:00am	EUR	German Trade Balance	19.5B	20.3B	21.2B
	6:45am	EUR	French Gov Budget Balance	-83.8B		-62.3B
		EUR	French Industrial Production m/m	0.50%	0.50%	-1.10%
	8:30am	AUD	RBA Gov Lowe Speaks			
		GBP	Manufacturing Production m/m	0.50%	0.30%	0.00%

		GBP	Goods Trade Balance	-11.6B	-11.9B	-11.5B
		GBP	Construction Output m/m	-0.90%	-0.20%	-0.10%
		GBP	Consumer Inflation Expectations	2.80%		2.80%
		GBP	Industrial Production m/m	0.20%	0.20%	0.50%
	11:44am	GBP	NIESR GDP Estimate	0.40%		0.20%
	12:30pm	CAD	Employment Change	22.2K	17.8K	10.9K
		CAD	Unemployment Rate	6.20%	6.30%	6.30%
		CAD	Capacity Utilization Rate	85.00%	84.90%	83.20%
	12:45pm	USD	FOMC Member Harker Speaks			
	2:00pm	USD	Final Wholesale Inventories m/m	0.60%	0.40%	0.40%
	7:00pm	USD	Consumer Credit m/m		15.1B	12.4B

Time: GMT

THE WEEK AHEAD



11th of September 2017, to 15th of September 2017

IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Event	Forecast	Previous	
11-Sep	4:30am	JPY	Tertiary Industry Activity m/m	0.10%	0.00%	
	6:00am	JPY	Prelim Machine Tool Orders y/y		28.00%	
	11th-15th	CNY	M2 Money Supply y/y	9.10%	9.20%	
	11th-15th	CNY	New Loans	950B	826B	
	8:00am	EUR	Italian Industrial Production m/m	-0.50%	1.10%	
12-Sep	12:15pm	CAD	Housing Starts	216K	222K	
	1:30am	AUD	NAB Business Confidence		12	
	12th-14th	CNY	Foreign Direct Investment ytd/y		-0.10%	
	5:30am	EUR	French Final Private Payrolls q/q	0.50%	0.50%	
	8:00am	EUR	Italian Quarterly Unemployment Rate	11.30%	11.60%	
	8:30am	GBP	CPI y/y	2.80%	2.60%	
			GBP	PPI Input m/m	1.20%	0.00%
			GBP	RPI y/y	3.70%	3.60%
			GBP	Core CPI y/y	2.50%	2.40%
			GBP	HPI y/y	4.80%	4.90%
			GBP	PPI Output m/m	0.20%	0.10%
	10:00am	USD	NFIB Small Business Index	105	105.2	
	2:00pm	USD	JOLTS Job Openings	5.96M	6.16M	
	5:01pm	USD	10-y Bond Auction		2.25 2.2	
	10:45pm	NZD	FPI m/m		-0.20%	
	11:50pm	JPY	BSI Manufacturing Index	-2.8	-2.9	
			JPY	PPI y/y	3.00%	2.60%
	13-Sep	12:30am	AUD	Westpac Consumer Sentiment		-1.20%
		6:00am	EUR	German Final CPI m/m	0.10%	0.10%
		EUR	German WPI m/m	0.10%	-0.10%	
7:15am		CHF	PPI m/m	0.20%	0.00%	
8:30am		GBP	Average Earnings Index 3m/y	2.30%	2.10%	
		GBP	Claimant Count Change		-4.2K	
		GBP	Unemployment Rate	4.40%	4.40%	
9:00am		EUR	Employment Change q/q	0.30%	0.40%	
		EUR	Industrial Production m/m	0.00%	-0.60%	
12:30pm		USD	PPI m/m	0.30%	-0.10%	
		USD	Core PPI m/m	0.20%	-0.10%	
2:30pm		USD	Crude Oil Inventories		4.6M	
5:01pm		USD	30-y Bond Auction		2.82 2.3	
6:00pm	USD	Federal Budget Balance	-124.3B	-42.9B		

	11:01pm	GBP	RICS House Price Balance	0%	1%
	11:15pm	AUD	RBA Assist Gov Debelle Speaks		
14-Sep	1:00am	AUD	MI Inflation Expectations		4.20%
	1:30am	AUD	Employment Change	19.2K	27.9K
		AUD	Unemployment Rate	5.60%	5.60%
	2:00am	CNY	Industrial Production y/y	6.60%	6.40%
		CNY	Fixed Asset Investment ytd/y	8.20%	8.30%
		CNY	Retail Sales y/y	10.50%	10.40%
	4:30am	JPY	Revised Industrial Production m/m	-0.80%	-0.80%
	6:45am	EUR	French Final CPI m/m	0.50%	0.50%
	7:30am	CHF	Libor Rate	-0.75%	-0.75%
		CHF	SNB Monetary Policy Assessment		
	11:00am	GBP	MPC Official Bank Rate Votes	2-0-7	2-0-6
		GBP	Monetary Policy Summary		
		GBP	Official Bank Rate	0.25%	0.25%
		GBP	Asset Purchase Facility	435B	435B
		GBP	MPC Asset Purchase Facility Votes	0-0-9	0-0-8
	12:30pm	CAD	NHPI m/m	0.20%	0.20%
		USD	CPI m/m	0.30%	0.10%
		USD	Core CPI m/m	0.20%	0.10%
		USD	Unemployment Claims	300K	298K
	2:30pm	USD	Natural Gas Storage		65B
	3:30pm	EUR	German Buba President Weidmann Speaks		
	10:30pm	NZD	Business NZ Manufacturing Index		55.4
15-Sep	9:00am	EUR	Trade Balance	22.1B	22.3B
	11:00am	GBP	BOE Quarterly Bulletin		
	12:30pm	USD	Core Retail Sales m/m	0.50%	0.50%
		USD	Retail Sales m/m	0.10%	0.60%
		USD	Empire State Manufacturing Index	18.3	25.2
	1:15pm	USD	Capacity Utilization Rate	76.80%	76.70%
		USD	Industrial Production m/m	0.10%	0.20%
	1:30pm	GBP	CB Leading Index m/m		-0.10%
	2:00pm	USD	Prelim UoM Consumer Sentiment	95.3	96.8
		USD	Business Inventories m/m	0.20%	0.50%
		USD	Prelim UoM Inflation Expectations		2.60%

Time: GMT

MARKETS RECAP



Last Week: 4th of September 2017, to 8th of September 2017

The U.S. dollar saw another week with losses as economic and geo-political risks continued to weigh on the greenback. The threat of North Korea's missile tests saw the markets bidding up safe haven assets. Investors were also concerned about the U.S. debt ceiling which eventually managed to be postponed to December. Meanwhile, the hurricanes that have hit the U.S. shores also added their bit in keeping the U.S. dollar subdued through the week.

RBA keeps interest rates unchanged at 1.5%

The Reserve Bank of Australia opted to keep the cash rate unchanged at record lows of 1.5% at its meeting last week. This marked a twelfth consecutive policy meeting where the central bank has left interest rates steady. The last rate cut took place in 2016 when the RBA lowered the cash rate by 25 basis points.

Last week's decision to hold the interest rates steady was widely expected. In the monetary policy statement, the RBA said that it remained optimistic on the economy and expects that the current low interest rate period will help the economy to recover. The RBA said that it expects the domestic economy to pick up in the coming year.



Australia Annual GDP Growth Rate: 1.8% (Q2 2017) Source: Tradingeconomics.com

This was optimistic in comparison to the previous statement where the RBA was less optimistic and cited concerns in the residential construction. The central bank also said that it expects wage growth to rise and was more optimistic on the labor markets. Speaking on wage growth, the RBA's governor Philip Lowe said that wage growth ***"is likely to continue for a while yet, although stronger conditions in the labour market should see some lift in wages growth over time."***

Later in the week, the Australian quarterly GDP numbers were released. According to official data, the Australian economy expanded at a pace of 0.8% in the second quarter ending June. On a year over year basis, the Australian GDP expanded 1.8%, in line with the median forecasts and slightly higher from 1.7% in the first quarter.

Final consumption expenditure added 0.8% on the quarter and 2.6% on the year as fixed capital income rose 1.5% on the quarter to post 1.8% increase on the year.

Bank of Canada hikes rates sooner than expected

The Bank of Canada met for its monthly monetary policy meeting last week. At the meeting, the BoC hiked interest rates by 25 basis points to 0.75%, marking a second consecutive monthly increase in interest rates.

"Recent economic data have been stronger than expected, supporting the bank's view that growth in Canada is becoming more broadly-based and self-sustaining," the bank said in its statement. Just last week, the Canadian economy was seen expanding and posted the strongest growth numbers in the first half of the year. Canadian GDP rose to the highest levels since 2002, which was also referenced by the BoC as it said, ***"The level of GDP is now higher than the bank had expected."***

The central bank however managed expectations of further rate hikes as it said that monetary policy decisions were not pre-determined but that decisions could be influenced by incoming economic data. The markets had previously expected the BoC to hike at the meeting in October.

However, following last week's meeting, the expectations still remain that another rate hike could be expected by end of this year.

ECB postpones tapering decision to October

The much anticipated monetary policy meeting from the European central bank last week saw the ECB postponing the decision to taper QE to the October monetary policy meeting. However, the ECB was seen giving ample clues that it would proceed with policy tightening in the near term.

The ECB also gave its fresh projections as it expected growth to expand slightly faster than previously estimated. However, long term inflation forecasts were revised lower. The ECB President Mario Draghi also touched upon the exchange rate of the euro calling it one of the risks. However, the markets ignored his comments for lack of conviction and bid the euro higher.

The ECB is expected to cut back its QE purchases by another 20 billion euro starting January after the current QE purchases runs its course. The central bank is expected to announce further measures when it meets in October.



MARKETS PREVIEW

11th of September 2017, to 15th of September 2017

Central bank meetings continue into another week. The baton passes over to the Swiss National Bank and the Bank of England. No policy changes are expected from either of the central banks this week. On the economic front, data from the U.S. will include inflation figures while a busy week from the UK will see inflation and jobs report coming out during the week ahead of Thursday's BoE meeting. Elsewhere, in the Eurozone, economic data takes a back seat with only second tier data coming out.

Focus on UK: Inflation, jobs and the BoE

The British pound managed to rally to 1.32 against the U.S. dollar last week. The gains came despite a weak set of numbers which the pound sterling ignored. The week ahead will signal some important economic releases. Start the week, the UK's monthly inflation numbers will be coming out. According to the economists polled, consumer prices in the UK are expected to rise 2.8%, accelerating from 2.6% previously. This could potentially bring forth pressure on the Bank of England as last month inflation failed to pick up.

Later in the week, the monthly jobs report is expected to show the UK's unemployment rate steady at 4.4%. The unemployment rate fell in July surprisingly. Wage growth will once again come into focus, especially if inflation figures come out stronger from the previous month. The UK's average earnings are expected to rise 2.3% on a year over year basis in August. This is higher than 2.1% increase seen in the previous month. A stronger wage growth data could potentially increase confidence in the UK's labor market.

Following the inflation and jobs report, on Thursday the Bank of England will be holding its monetary policy review. No major changes are expected from the BoE. The UK's main interest rates are expected to remain steady at 0.25% while the asset purchase program is also not expected to be changes. Investors will be looking for any hawkish forward guidance from the BoE officials.

U.S. retail sales and monthly inflation data

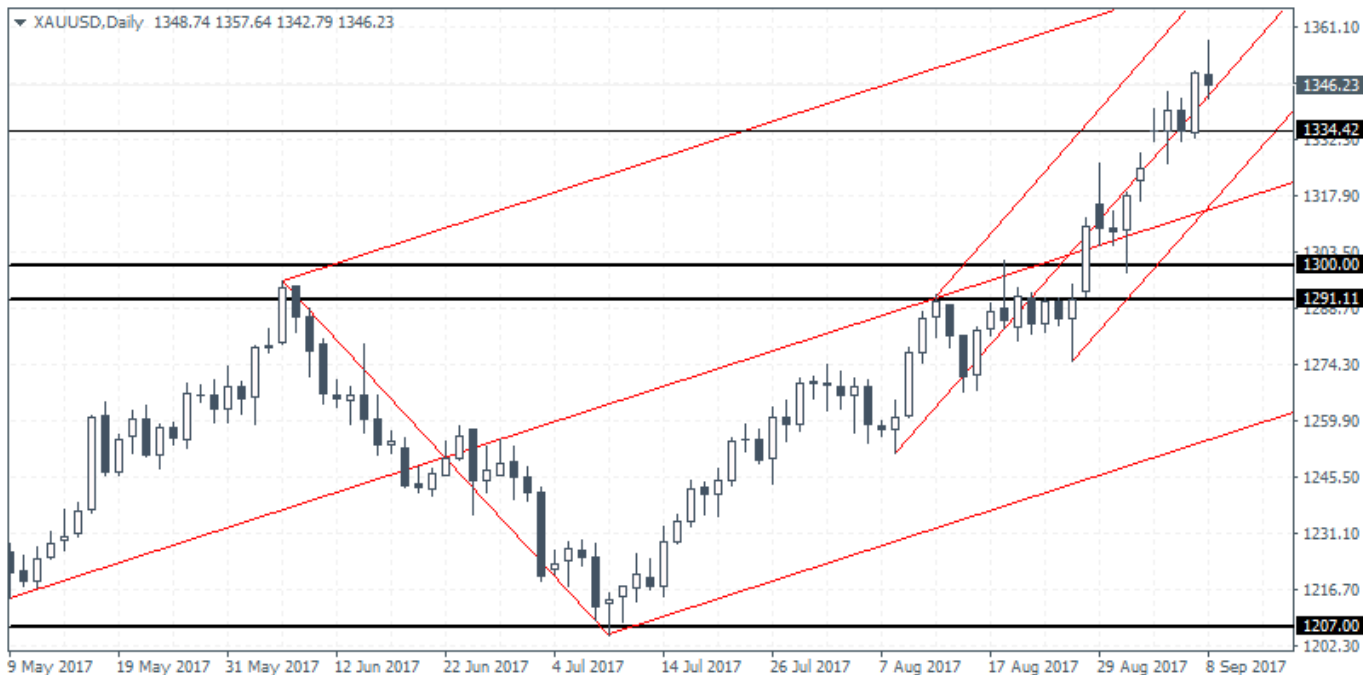
From the U.S. traders will be focusing on the monthly retail sales and inflation figures next week. Following a slow start to the trading week, economic data picks up speed from Thursday onwards when the CPI numbers will be coming out. According to median estimates, inflation in the U.S. is forecast to have increased 0.3% on the month in August, accelerating from 0.1% in July.

Core inflation rate is also expected to rise by a modest 0.2% from 0.1% previously. Later in the week, the monthly retail sales figures is forecast to show a slowdown as headline retail sales is expected to rise just 0.1%, after increasing 0.6% previously. Core retail sales figures are however expected to rise at a steady pace of 0.5%, same as the previous month.

TECHNICAL CORNER



Gold prices have continued the strong surge to the upside. After initially breaking past the \$1300.00 an ounce level, gold prices were seen rising towards \$1350.00. On Friday, the bearish price action in the precious metal suggested a possible loss of this bullish momentum. As a result, we can expect a near term decline. Still, this dip in the rally could potentially offer further buying opportunity. Most of the gains in the precious metal came on the back of the uncertainty from the geo-political issues. The continued threats from North Korea has pushed investors to bid up the prices of gold.



XAUUSD (1346.23) – Daily Chart

From a technical stand point, Friday's price action which was a bearish close suggests that traders could be looking to book profit at the current levels. A near term correction in gold prices could be on the cards. In this scenario, gold prices could be seen pushing lower to retest the recently breached support level of 1300 - 1291. A retest of this support level which previously acted as resistance shows further upside to come.

In the near term, minor support has been formed at 1334. A break down below this minor support will indicate the near term decline to 1300.00. Longer term investors could be looking to enter on to the long side near the 1300.00 support level.

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