

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS



Last Week: 6th of November 2017, to 10th of November 2017

Date	Time	Currency	Event	Actual	Forecast	Previous	
06-Nov	12:00am	AUD	MI Inflation Gauge m/m	0.30%		0.30%	
		NZD	ANZ Commodity Prices m/m	-0.30%		0.80%	
	12:30am	AUD	ANZ Job Advertisements m/m	1.40%		-0.70%	
	1:00am	JPY	BOJ Gov Kuroda Speaks				
	2:00am	NZD	Inflation Expectations q/q	2.00%		2.10%	
	7:00am	EUR	German Factory Orders m/m	1.00%	-1.00%	4.10%	
	8:15am	CHF	CPI m/m	0.10%	0.10%	0.20%	
		EUR	Spanish Services PMI	54.6	55.7	56.7	
	8:45am	EUR	Italian Services PMI	52.1	53.1	53.2	
	8:50am	EUR	French Final Services PMI	57.3	57.4	57.4	
	8:55am	EUR	German Final Services PMI	54.7	55.2	55.2	
	9:00am	EUR	Final Services PMI	55	54.9	54.9	
	9:30am	EUR	Sentix Investor Confidence	34	31.2	29.7	
	10:00am	EUR	PPI m/m	0.60%	0.40%	0.30%	
	All Day	EUR	Eurogroup Meetings				
	3:00pm	CAD	Ivey PMI	63.8	60.2	59.6	
	5:10pm	USD	FOMC Member Dudley Speaks				
07-Nov	12:00am	JPY	Average Cash Earnings y/y	0.90%	0.60%	0.70%	
	12:01am	GBP	BRC Retail Sales Monitor y/y	-1.00%		1.90%	
	3:30am	AUD	RBA Rate Statement				
		AUD	Cash Rate	1.50%	1.50%	1.50%	
	7:00am	EUR	German Industrial Production m/m	-1.60%	-0.70%	2.60%	
	8:00am	CHF	Foreign Currency Reserves	742B		724B	
	8:30am	EUR	French Gov Budget Balance	-76.3B		-93.0B	
		GBP	Halifax HPI m/m	0.30%	0.20%	0.80%	
	9:00am	EUR	ECB President Draghi Speaks				
		EUR	Italian Retail Sales m/m	0.90%	0.20%	-0.20%	
	9:10am	EUR	Retail PMI	51.1		52.3	
	10:00am	EUR	Retail Sales m/m	0.70%	0.60%	-0.10%	
		2:31pm	NZD	GDT Price Index	-3.50%		-1.00%
	3:00pm	USD	IBD/TIPP Economic Optimism	53.6	51.2	50.3	
			USD	JOLTS Job Openings	6.09M	5.98M	6.09M
	5:35pm	USD	FOMC Member Quarles Speaks				
	5:55pm	CAD	BOC Gov Poloz Speaks				
	7:30pm	USD	Fed Chair Yellen Speaks				
	8:00pm	USD	Consumer Credit m/m	20.8B	18.4B	13.1B	

08-Nov	3:40am	CNY	Trade Balance	254B	275B	193B
	3:50am	CNY	USD-Denominated Trade Balance	38.2B	39.4B	28.5B
	5:00am	JPY	Leading Indicators	106.60%	106.70%	107.20%
	7:45am	EUR	French Trade Balance	-4.7B	-4.7B	-4.2B
	1:13pm	CAD	Housing Starts	223K	211K	219K
	1:30pm	CAD	Building Permits m/m	3.80%	0.70%	-5.10%
	3:30pm	USD	Crude Oil Inventories	2.2M	-2.5M	-2.4M
	8:00pm	NZD	RBNZ Rate Statement			
		NZD	Official Cash Rate	1.75%	1.75%	1.75%
		NZD	RBNZ Monetary Policy Statement			
	9:00pm	NZD	RBNZ Press Conference			
	11:50pm	JPY	BOJ Summary of Opinions			
		JPY	Bank Lending y/y	2.80%	3.00%	2.90%
		JPY	Core Machinery Orders m/m	-8.10%	-1.80%	3.40%
		JPY	Current Account	1.84T	2.05T	2.27T
09-Nov	12:01am	GBP	RICS House Price Balance	1%	4%	6%
	12:30am	AUD	Home Loans m/m	-2.30%	2.50%	1.50%
	1:30am	CNY	CPI y/y	1.90%	1.80%	1.60%
		CNY	PPI y/y	6.90%	6.60%	6.90%
	5:00am	JPY	Economy Watchers Sentiment	52.2	50.7	51.3
	6:45am	CHF	Unemployment Rate	3.10%	3.10%	3.10%
	7:00am	EUR	German Trade Balance	21.8B	21.0B	21.3B
	9:00am	EUR	ECB Economic Bulletin			
	10:00am	EUR	EU Economic Forecasts			
	1:30pm	CAD	NHPI m/m	0.20%	0.20%	0.10%
		USD	Unemployment Claims	239K	232K	229K
	3:00pm	USD	Final Wholesale Inventories m/m	0.30%	0.30%	0.30%
	3:30pm	USD	Natural Gas Storage	15B	15B	65B
	4:30pm	CHF	SNB Chairman Jordan Speaks			
	11:50pm	JPY	M2 Money Stock y/y	4.10%	4.10%	4.00%
10-Nov	12:30am	AUD	RBA Monetary Policy Statement			
	4:30am	JPY	Tertiary Industry Activity m/m	-0.20%	-0.10%	-0.10%
	7:45am	EUR	French Industrial Production m/m	0.60%	0.60%	-0.20%
		EUR	French Prelim Private Payrolls q/q	0.20%	0.30%	0.40%
	9:00am	EUR	Italian Industrial Production m/m	-1.30%	-0.30%	1.20%
	9:30am	GBP	Manufacturing Production m/m	0.70%	0.30%	0.40%
		GBP	Goods Trade Balance	-11.3B	-12.9B	-12.4B
		GBP	Construction Output m/m	-1.60%	-0.60%	0.80%
		GBP	Industrial Production m/m	0.70%	0.30%	0.30%
	12:02pm	GBP	NIESR GDP Estimate	0.50%		0.40%
	3:00pm	USD	Prelim UoM Consumer Sentiment	97.8	100.8	100.7
		USD	Prelim UoM Inflation Expectations	2.60%		2.40%

Time: GMT

THE WEEK AHEAD



13th of November 2017, to 17th of November 2017

IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Event	Forecast	Previous	
13-Nov	12:01am	GBP	Rightmove HPI m/m			
	12:10am	USD	FOMC Member Harker Speaks			
	12th-17th	CNY	Foreign Direct Investment ytd/y		1.60%	
	6:00am	JPY	Prelim Machine Tool Orders y/y		45.00%	
	7:00am	EUR	German WPI m/m	0.40%	0.60%	
	13th-17th	USD	Mortgage Delinquencies		4.24%	
	5:45pm	JPY	BOJ Gov Kuroda Speaks			
	7:00pm	USD	Federal Budget Balance	-58.2B	8.0B	
	14-Nov	12:30am	AUD	NAB Business Confidence		7
		2:00am	CNY	Industrial Production y/y	6.30%	6.60%
		CNY	Fixed Asset Investment ytd/y	7.30%	7.50%	
		CNY	Retail Sales y/y	10.50%	10.30%	
7:00am		EUR	German Prelim GDP q/q	0.60%	0.60%	
		EUR	German Final CPI m/m	0.00%	0.00%	
14th-15th		CNY	M2 Money Supply y/y	9.20%	9.20%	
14th-15th		CNY	New Loans	781B	1270B	
8:05am		USD	FOMC Member Evans Speaks			
8:15am		CHF	PPI m/m	0.20%	0.50%	
9:00am		EUR	Italian Prelim GDP q/q	0.50%	0.30%	
9:30am		GBP	CPI y/y	3.10%	3.00%	
		GBP	PPI Input m/m	0.80%	0.40%	
		GBP	RPI y/y	4.10%	3.90%	
		GBP	Core CPI y/y	2.80%	2.70%	
		GBP	HPI y/y	5.20%	5.00%	
		GBP	PPI Output m/m	0.30%	0.20%	
10:00am		EUR	ECB President Draghi Speaks			
		EUR	Flash GDP q/q	0.60%	0.60%	
		EUR	German ZEW Economic Sentiment	19.8	17.6	
	EUR	Industrial Production m/m	-0.60%	1.40%		
	EUR	ZEW Economic Sentiment	29.3	26.7		
	GBP	BOE Gov Carney Speaks				
	JPY	BOJ Gov Kuroda Speaks				
	USD	Fed Chair Yellen Speaks				
11:00am	USD	NFIB Small Business Index	104.2	103		
1:30pm	USD	PPI m/m	0.10%	0.40%		
	USD	Core PPI m/m	0.20%	0.40%		

	5:30pm	GBP	MPC Member Cunliffe Speaks		
	11:30pm	AUD	Westpac Consumer Sentiment		3.60%
	11:50pm	JPY	Prelim GDP q/q	0.40%	0.60%
		JPY	Prelim GDP Price Index y/y	0.10%	-0.40%
15-Nov	12:30am	AUD	Wage Price Index q/q	0.70%	0.50%
		AUD	New Motor Vehicle Sales m/m		-0.50%
	4:30am	JPY	Revised Industrial Production m/m	-1.10%	-1.10%
	7:00am	AUD	RBA Assist Gov Ellis Speaks		
	7:45am	EUR	French Final CPI m/m	0.10%	0.10%
	8:00am	USD	FOMC Member Evans Speaks		
	9:30am	GBP	Average Earnings Index 3m/y	2.10%	2.20%
		GBP	Claimant Count Change	2.4K	1.7K
		GBP	Unemployment Rate	4.30%	4.30%
	10:00am	EUR	Trade Balance	21.4B	21.6B
	1:00pm	GBP	MPC Member Broadbent Speaks		
	1:30pm	USD	CPI m/m	0.10%	0.50%
		USD	Core CPI m/m	0.20%	0.10%
		USD	Core Retail Sales m/m	0.20%	1.00%
		USD	Retail Sales m/m	0.00%	1.60%
		USD	Empire State Manufacturing Index	25.3	30.2
	2:30pm	GBP	CB Leading Index m/m		-0.10%
	3:00pm	USD	Business Inventories m/m	0.00%	0.70%
	3:30pm	USD	Crude Oil Inventories		2.2M
	9:00pm	USD	TIC Long-Term Purchases	34.6B	67.2B
	11:45pm	CAD	Gov Council Member Wilkins Speaks		
16-Nov	12:00am	AUD	MI Inflation Expectations		4.30%
	12:30am	AUD	Employment Change	18.9K	19.8K
		AUD	Unemployment Rate	5.50%	5.50%
	9:30am	GBP	Retail Sales m/m	0.20%	-0.80%
	Tentative	EUR	Spanish 10-y Bond Auction		1.46 1.3
	10:00am	EUR	Final CPI y/y	1.40%	1.40%
		EUR	Final Core CPI y/y	0.90%	0.90%
	Tentative	GBP	10-y Bond Auction		1.32 2.1
	1:30pm	CAD	Foreign Securities Purchases		9.85B
		CAD	Manufacturing Sales m/m	-0.40%	1.60%
		USD	Unemployment Claims	236K	239K
		USD	Import Prices m/m	0.40%	0.70%
		USD	Philly Fed Manufacturing Index	24.3	27.9
	2:00pm	GBP	BOE Gov Carney Speaks		
	2:15pm	USD	Capacity Utilization Rate	76.30%	76.00%
		USD	Industrial Production m/m	0.50%	0.30%
	2:30pm	USD	FOMC Member Brainard Speaks		
	3:00pm	USD	NAHB Housing Market Index	67	68
	3:30pm	CAD	BOC Review		
		USD	Natural Gas Storage		15B

	5:00pm	CHF	Gov Board Member Maechler Speaks		
	5:30pm	USD	FOMC Member Kaplan Speaks		
	9:30pm	NZD	Business NZ Manufacturing Index		57.5
	9:45pm	NZD	PPI Input q/q		1.40%
		NZD	PPI Output q/q		1.30%
17-Nov	8:30am	EUR	ECB President Draghi Speaks		
	9:00am	EUR	Current Account	30.2B	33.3B
		EUR	Italian Trade Balance	3.42B	2.77B
	1:00pm	EUR	German Buba President Weidmann Speaks		
	1:30pm	CAD	CPI m/m	0.10%	0.20%
		CAD	Common CPI y/y		1.50%
		CAD	Median CPI y/y		1.80%
		CAD	Trimmed CPI y/y		1.50%
		CAD	Core CPI m/m		0.20%
		USD	Building Permits	1.25M	1.23M
		USD	Housing Starts	1.19M	1.13M
	3:30pm	AUD	CB Leading Index m/m		0.10%

Time: GMT

MARKETS RECAP



Last Week: 6th of November 2017, to 10th of November 2017

The markets were seen trading relatively subdued last week with lack of any big macroeconomic drivers. Among the central bank meetings, the RBA and the RBNZ both kept the benchmark interest rates unchanged. The European Commission released its quarterly economic forecasts. The EU commission predicts a stronger GDP growth in 2017 and 2018 as economic activity is forecast to rise at the fastest pace in a decade. The euro was seen posting some recovery although the sideways range continues to exist for the most part.

RBA holds interest rates steady

The Reserve Bank of Australia held its monetary policy meeting last week on Tuesday. As widely expected by economists, the central bank held interest rates unchanged at the meeting at 1.50%. The central bank cut interest rates in May and August last year. It said that the current monetary policy was accommodative and helps to continue supporting the Australian economy.



RBA Interest Rates, November 2017: 1.50%. Source: Tradingeconomics.com

The central bank also did not make any major changes to its forecasts. It was optimistic that inflation will continue to rise over time and expects the GDP to pick up as well.

"The central forecast is for GDP growth to pick up and to average around 3% over the next few years," the monetary policy statement said. Business investment, public infrastructure projects and stronger labor market conditions were attributed to the central bank retaining its previous forecasts.

The central bank also said that recent inflation data showed a weaker than expected increase. The board noted that inflation remains low largely due to weaker price pressures.

Last week, the retail sales data released was flat. Reflecting on this, the central bank said that household consumption continued to remain uncertain as it said that debt levels were also rising. The central bank

flagged the household sector as one of the largest uncertainties to the Australian economy. Australia's housing prices, although flat over the past few months showed a modest increase.

The RBA also warned against an appreciating Australian dollar's exchange rate. It said that this could result in slower pick up in the economy.

RBNZ keeps interest rates unchanged at 1.75%

The Reserve Bank of New Zealand held its monetary policy meeting last week on Wednesday. As widely expected, the central bank left the OCR unchanged at 1.75%. It said that the New Zealand economy was improving as it was supported by a weaker exchange rate and rising commodity prices. However, the central bank maintained the "ongoing uncertainties" which now also includes the potential overhaul of the RBNZ's mandate.

"Monetary policy will remain accommodative for a considerable period. Numerous uncertainties remain and policy may need to adjust accordingly," Gov. Spencer said in his statement. Spencer also added that the exchange rate decline if sustained could help increase the tradables inflation and would ensure a more balanced growth for the economy.

The new Labor party government has pledged to also include a dual mandate of full employment to the RBNZ and in this aspect released its preliminary report. The New Zealand dollar fell strongly, by nearly 6% since the elections that were held in September. Investors shunned the kiwi dollar largely due to the new government policy on the housing markets, migration and the preference for stronger intervention in the currency markets.

Consumer price index in China rises 1.9% in October

The monthly consumer price index data released by the National Bureau of Statistics showed that inflation grew stronger in the month of October. According to official data, consumer prices rose 1.9% on a year over year basis in the month of October. This was higher than the expectations of 1.8% and an acceleration from 1.6% inflation rate that was registered the month before.

On a month over month basis, inflation was seen rising 0.1%, which was however slower than the previous monthly increase of 0.5%. The NBS data also released the monthly producer prices index data.

Producer prices in China rose 6.9% on the year over year basis. This beat estimates of a 6.6% increase and inflation rose at the same pace as the month before.

Producer price index was seen to be moderating in the previous month after posting strong gains earlier. The better than expected data is likely to result in a potential tightening of monetary policy if the current trend continues.

MARKETS PREVIEW



13th of November 2017, to 17th of November 2017

The week ahead will see the inflation reports coming out for the most part. Data includes consumer prices from the U.S., the UK, the Eurozone and Canada. Focus will of course turn to the inflation reports from the Eurozone, the UK and the U.S. inflation reports and the possible impact on the monetary policy in the future. The labor market report will also be released this week from the UK and Australia. Both the Eurozone and Japan will be releasing the GDP reports for the third quarter.

GBP: Inflation and unemployment data to set the course

A busy week from the UK will see the fresh inflation figures and unemployment numbers from the UK. Starting off on a quiet note on Monday, the pace of economic data picks up steam on Tuesday as the consumer price data for October will be released.

According to the economists polled, the UK's inflation rate is expected to accelerate even further to 3.2% during the month. This is higher than the 3.0% increase in the annual inflation rate in the previous month. On a monthly basis, consumer prices are expected to rise 0.2%, slightly slower than the 0.3% increase seen previously.

Core CPI in the UK is expected to accelerate 2.9% in October, up from 2.7% previously. However, forecasts show that inflation could ease in the coming months as PPI input is expected to slow by half, rising just 4.6%, down from the 8.4% increase seen the month before.

On Wednesday, the unemployment data is expected to show the unemployment rate being unchanged at 4.3%. Average wages are expected to rise 2.2% including bonuses, which once again could show that wages continue to rise slower than inflation.

Inflation and GDP reports

Elsewhere, inflation continues to remain the main theme. The U.S., Canada, Sweden and the Eurozone will be releasing the inflation data for September. Both the Eurozone and Japan will also be releasing the GDP numbers for the third quarter.

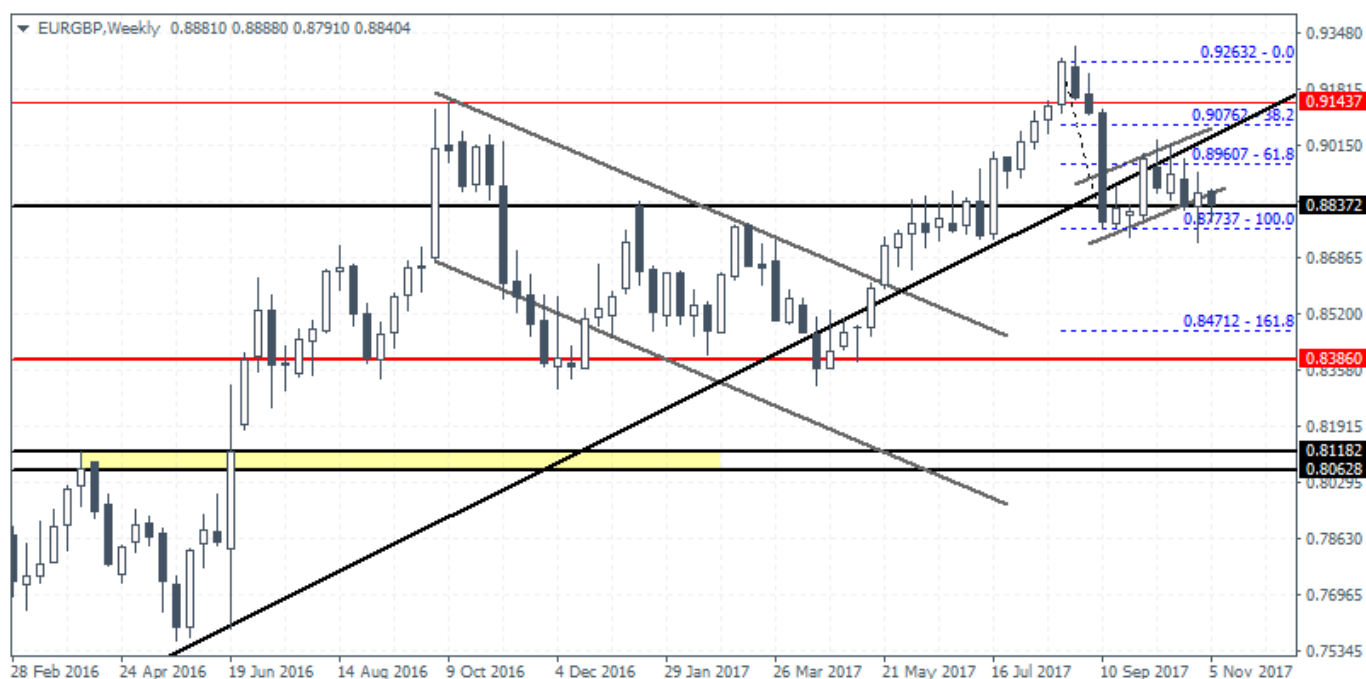
No changes are expected to the Eurozone GDP which is expected to show a 2.5% annual GDP growth rate. Japan's quarterly GDP data is forecast to rise 0.4% on the quarter, which would be a slower than expected pace of increase. Japan's nominal GDP is forecast to rise 0.6% on the quarter, somewhat slower than the 0.7% increase seen in the previous quarter.

TECHNICAL CORNER



EURGBP bias turns bearish

The euro currency was seen weakening against the British pound over the past few weeks. This came after price action rallied to highs near 0.9263 levels earlier this year. Price action continues to remain volatile as traders adjust to the ever changing developments as far as the Brexit talks are concerned. What initially seemed like a bullish momentum in EURGBP saw price quickly changing direction. We now expect EURGBP to potentially turn bearish in the short term marking a stronger than expected correction in prices.



EURGBP (0.8840) – Weekly Chart

The EURGBP has formed a small bearish flag pattern that emerged quickly after price posted a high. This suggests that the downside momentum in EURGBP might be increasing. The bearish flag pattern puts the minimum downside objective in price towards 0.8471. This level comes close to the main support level that is likely to be tested at 0.8386.

The decline to 0.8386 - 0.8471 will mark a retest of the breakout level from the larger bullish flag pattern that was formed. However, this correction could potentially weaken the bullish outlook in price. The week ahead will be a busy week for the British pound which could potentially bring more volatility to the price action in EURGBP.

The UK will be releasing the monthly inflation and jobs data that could potentially stoke expectations of hawkish rhetoric from the Bank of the England. However, with the Brexit talks still playing in the background, we expect price action to remain choppy in the near term.

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