

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS



Last Week: 20th of November 2017, to 24th of November 2017

Date	Time	Currency	Event	Actual	Forecast	Previous
20-Nov	7:00am	EUR	German PPI m/m	0.30%	0.20%	0.30%
	11:00am	EUR	German Buba Monthly Report			
	2:00pm	EUR	ECB President Draghi Speaks			
	2:02pm	CNY	CB Leading Index m/m	1.30%		1.30%
	3:00pm	USD	CB Leading Index m/m	1.20%	0.60%	0.10%
	4:00pm	EUR	ECB President Draghi Speaks			
	6:30pm	GBP	MPC Member Ramsden Speaks			
21-Nov	12:30am	AUD	Monetary Policy Meeting Minutes			
	1:59am	NZD	Credit Card Spending y/y	2.90%		4.90%
	3:50am	AUD	RBA Assist Gov Bullock Speaks			
	4:30am	JPY	All Industries Activity m/m	-0.50%	-0.40%	0.20%
	7:00am	CHF	Trade Balance	2.33B	3.21B	2.92B
	9:05am	AUD	RBA Gov Lowe Speaks			
	9:30am	GBP	Public Sector Net Borrowing	7.5B	6.6B	4.4B
	10:00am	GBP	Inflation Report Hearings			
	11:00am	GBP	CBI Industrial Order Expectations	17	3	-2
	1:30pm	CAD	Wholesale Sales m/m	-1.20%	0.60%	0.40%
	2:13pm	NZD	GDT Price Index	-3.40%		-3.50%
	3:00pm	USD	Existing Home Sales	5.48M	5.42M	5.37M
	9:45pm	NZD	Visitor Arrivals m/m	1.90%		0.40%
	11:00pm	USD	Fed Chair Yellen Speaks			
11:30pm	AUD	MI Leading Index m/m	0.10%		0.10%	
22-Nov	12:30am	AUD	Construction Work Done q/q	15.70%	-2.10%	9.80%
	12:30pm	GBP	Autumn Forecast Statement			
	1:30pm	USD	Core Durable Goods Orders m/m	0.40%	0.40%	1.10%
		USD	Unemployment Claims	239K	241K	252K
		USD	Durable Goods Orders m/m	-1.20%	0.40%	2.00%
	3:00pm	EUR	Consumer Confidence	0	-1	-1
		USD	Revised UoM Consumer Sentiment	98.5	98.2	97.8
		USD	Revised UoM Inflation Expectations	2.50%		2.60%
	3:30pm	USD	Crude Oil Inventories	-1.9M	-1.4M	1.9M
	5:00pm	USD	Natural Gas Storage	-46B	-51B	-18B
7:00pm	USD	FOMC Meeting Minutes				
9:45pm	NZD	Retail Sales q/q	0.20%	0.40%	1.80%	
9:49pm	NZD	Core Retail Sales q/q	0.50%	0.90%	1.90%	
23-Nov	7:00am	EUR	German Final GDP q/q	0.80%	0.80%	0.80%

	8:00am	EUR	French Flash Manufacturing PMI	57.5	55.9	56.1
		EUR	French Flash Services PMI	60.2	57.1	57.3
	8:30am	EUR	German Flash Manufacturing PMI	62.5	60.4	60.6
		EUR	German Flash Services PMI	54.9	55.2	54.7
	9:00am	EUR	Flash Manufacturing PMI	60	58.3	58.5
		EUR	Flash Services PMI	56.2	55.3	55
	9:30am	GBP	Second Estimate GDP q/q	0.40%	0.40%	0.40%
		GBP	Prelim Business Investment q/q	0.20%	0.30%	0.50%
		GBP	Index of Services 3m/3m	0.40%	0.40%	0.50%
	11:00am	GBP	CBI Realized Sales	26	5	-36
	12:30pm	EUR	ECB Monetary Policy Meeting Accounts			
	1:30pm	CAD	Core Retail Sales m/m	0.30%	0.90%	-0.40%
		CAD	Retail Sales m/m	0.10%	0.90%	-0.10%
	1:59pm	EUR	Belgian NBB Business Climate	1.6	0.8	0.5
	4:30pm	CHF	SNB Chairman Jordan Speaks			
	9:45pm	NZD	Trade Balance	-871M	-750M	-1156M
24-Nov	12:30am	JPY	Flash Manufacturing PMI	53.8	52.6	52.8
	9:00am	EUR	German Ifo Business Climate	117.5	116.6	116.8
	9:30am	GBP	High Street Lending	40.5K	40.9K	41.6K
	1:30pm	CAD	Corporate Profits q/q	8.50%		0.10%
	2:45pm	USD	Flash Manufacturing PMI	53.8	55.1	54.6
		USD	Flash Services PMI	54.7	55.5	55.3

Time: GMT

THE WEEK AHEAD



27th of November 2017, to 1st of December 2017

IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Event	Forecast	Previous
27-Nov	3:00pm	USD	New Home Sales	627K	667K
28-Nov	12:00am	USD	FOMC Member Dudley Speaks		
	7:00am	EUR	German Import Prices m/m	0.40%	0.90%
		GBP	BOE Financial Stability Report		
	28th-4th	GBP	Nationwide HPI m/m	0.20%	0.20%
	Tentative	GBP	Bank Stress Test Results		
	Tentative	GBP	FPC Statement		
	9:00am	EUR	M3 Money Supply y/y	5.10%	5.10%
		EUR	Private Loans y/y	2.80%	2.70%
	12:00pm	EUR	German GfK Consumer Climate	10.8	10.7
	1:30pm	CAD	RMPI m/m		-0.10%
		CAD	IPPI m/m		-0.30%
		USD	Goods Trade Balance	-65.0B	-64.1B
		USD	Prelim Wholesale Inventories m/m	0.50%	0.30%
	2:00pm	USD	HPI m/m	0.60%	0.70%
		USD	S&P/CS Composite-20 HPI y/y	6.00%	5.90%
	3:00pm	USD	CB Consumer Confidence	123.9	125.9
		USD	Richmond Manufacturing Index	14	12
	3:15pm	USD	FOMC Member Harker Speaks		
	3:30pm	CAD	BOC Financial System Review		
	4:15pm	CAD	BOC Gov Poloz Speaks		
	8:00pm	NZD	RBNZ Financial Stability Report		
	11:50pm	JPY	Retail Sales y/y	0.10%	2.30%
29-Nov	12:00am	NZD	RBNZ Gov Spencer Speaks		
	12:01am	GBP	BRC Shop Price Index y/y		-0.10%
	7:00am	CHF	UBS Consumption Indicator		1.56
	All Day	EUR	German Prelim CPI m/m	0.30%	0.00%
	7:45am	EUR	French Consumer Spending m/m	0.00%	0.90%
		EUR	French Prelim GDP q/q	0.50%	0.50%
	8:00am	EUR	Spanish Flash CPI y/y	1.70%	1.60%
	9:00am	CHF	Credit Suisse Economic Expectations		32
	All Day	All	OPEC Meetings		
	9:30am	GBP	Net Lending to Individuals m/m	4.3B	5.5B
		GBP	M4 Money Supply m/m	0.30%	-0.20%
		GBP	Mortgage Approvals	65K	66K
	Tentative	EUR	Italian 10-y Bond Auction		1.86 1.4

	1:30pm	USD	Prelim GDP q/q	3.30%	3.00%
		USD	FOMC Member Dudley Speaks		
		USD	Prelim GDP Price Index q/q	2.20%	2.20%
	3:00pm	USD	Fed Chair Yellen Testifies		
		USD	Pending Home Sales m/m	1.10%	0.00%
	3:30pm	USD	Crude Oil Inventories		-1.9M
	7:00pm	USD	Beige Book		
	9:45pm	NZD	Building Consents m/m		-2.30%
	11:50pm	JPY	Prelim Industrial Production m/m	1.90%	-1.00%
30-Nov	12:00am	AUD	HIA New Home Sales m/m		-6.10%
		NZD	ANZ Business Confidence		-10.1
	12:01am	GBP	GfK Consumer Confidence	-9	-10
	12:30am	AUD	Private Capital Expenditure q/q	1.10%	0.80%
		AUD	Building Approvals m/m	-0.90%	1.50%
		AUD	Private Sector Credit m/m	0.40%	0.30%
	1:00am	CNY	Manufacturing PMI	51.5	51.6
		CNY	Non-Manufacturing PMI		54.3
	5:00am	JPY	Housing Starts y/y	-2.60%	-2.90%
	6:45am	CHF	GDP q/q	0.60%	0.30%
	7:00am	EUR	German Retail Sales m/m	0.30%	0.50%
	7:45am	EUR	French Prelim CPI m/m	0.10%	0.10%
	8:00am	CHF	KOF Economic Barometer	109.5	109.1
	8:15am	CHF	Retail Sales y/y	0.30%	-0.40%
	8:55am	EUR	German Unemployment Change	-10K	-11K
	9:00am	EUR	Italian Monthly Unemployment Rate	11.10%	11.10%
	Tentative	EUR	ECB Financial Stability Review		
	10:00am	EUR	CPI Flash Estimate y/y	1.60%	1.40%
		EUR	Core CPI Flash Estimate y/y	1.00%	0.90%
		EUR	Italian Prelim CPI m/m	0.10%	-0.20%
		EUR	Unemployment Rate	8.90%	8.90%
	1:30pm	CAD	Current Account		-16.3B
		USD	Unemployment Claims	241K	239K
		USD	Core PCE Price Index m/m	0.20%	0.10%
		USD	Personal Spending m/m	0.20%	1.00%
		USD	Personal Income m/m	0.30%	0.40%
	2:45pm	USD	Chicago PMI	62.2	66.2
	3:30pm	USD	Natural Gas Storage		-46B
	6:00pm	USD	FOMC Member Kaplan Speaks		
	9:45pm	NZD	Overseas Trade Index q/q	1.30%	1.50%
	10:30pm	AUD	AIG Manufacturing Index		51.1
	11:30pm	JPY	Household Spending y/y	-0.20%	-0.30%
		JPY	National Core CPI y/y	0.80%	0.70%
		JPY	Tokyo Core CPI y/y	0.60%	0.60%
		JPY	Unemployment Rate	2.80%	2.80%
	11:50pm	JPY	Capital Spending q/y	3.30%	1.50%

01-Dec	12:30am	JPY	Final Manufacturing PMI	53.8	53.8
	1:45am	CNY	Caixin Manufacturing PMI	51.2	51
	5:30am	AUD	Commodity Prices y/y		9.10%
	8:15am	EUR	Spanish Manufacturing PMI	56.6	55.8
	8:30am	CHF	Manufacturing PMI	62.6	62
	8:45am	EUR	Italian Manufacturing PMI	58.4	57.8
	8:50am	EUR	French Final Manufacturing PMI	57.5	57.5
	8:55am	EUR	German Final Manufacturing PMI	62.5	62.5
	9:00am	EUR	Final Manufacturing PMI	60	60
	9:30am	GBP	Manufacturing PMI	56.6	56.3
	1:30pm	CAD	Employment Change		35.3K
		CAD	GDP m/m		-0.10%
		CAD	Unemployment Rate		6.30%
	2:30pm	CAD	Manufacturing PMI		54.3
		USD	FOMC Member Kaplan Speaks		
	2:45pm	USD	Final Manufacturing PMI	53.8	53.8
	3:00pm	USD	ISM Manufacturing PMI	58.4	58.7
		USD	Construction Spending m/m	0.50%	0.30%
		USD	ISM Manufacturing Prices	67	68.5
	3:15pm	USD	FOMC Member Harker Speaks		
	All Day	USD	Total Vehicle Sales	17.5M	18.1M

Time: GMT

MARKETS RECAP

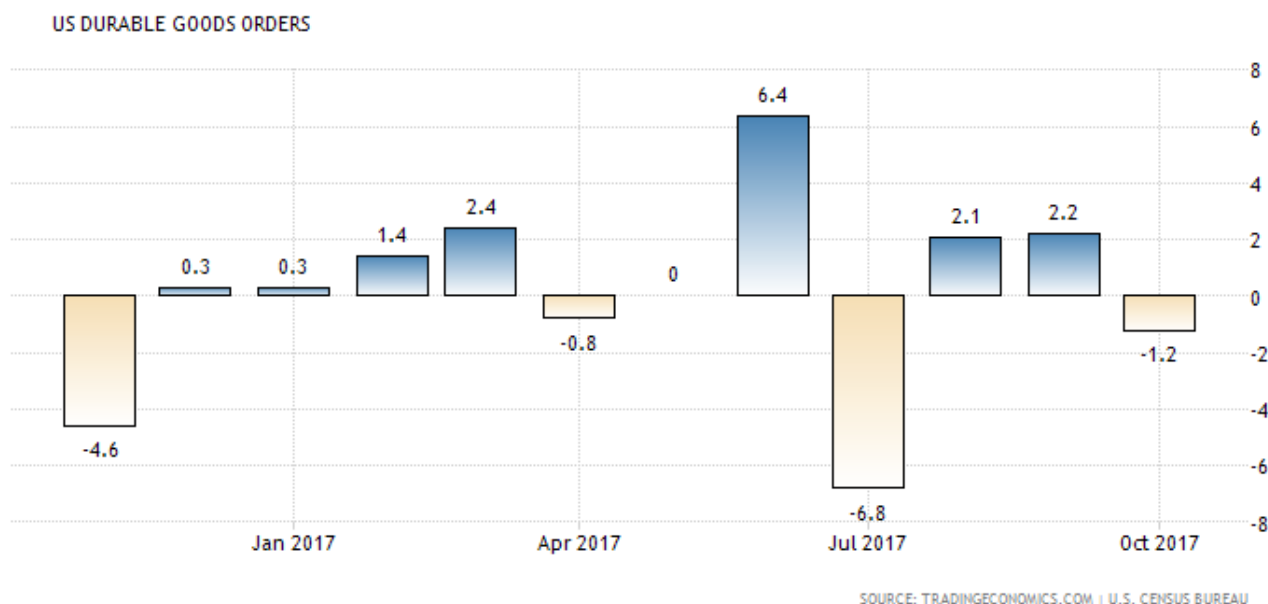


Last Week: 20th of November 2017, to 24th of November 2017

The week ahead was relatively quiet with no major macro themes for the markets to fall back upon. The euro opened on a lower note on Monday after news reports emerged that the German coalition talks fell apart. The FOMC meeting minutes were the next major data point of interest. The Fed minutes did not reveal anything new for the markets. Officials were seen focusing on hiking interest rates in December. Economic data from the U.S. released over the week was mixed with durable goods orders declining 1.2% on the month.

U.S. durable goods orders decline 1.2% on the month

The U.S. durable goods orders posted a surprising decline in orders for transportation equipment. Data from the U.S. commerce department showed a decline for the month of October, surprising economists. The decline in the data came after September's durable goods orders data showed a strong increase. However, the declines were much stronger than expected.



U.S. Durable goods orders October 2017: -1.2% (m/m). Source: Tradingeconomics.com

Coming in below forecasts, the commerce department data showed that durable goods orders fell 1.2% on the month in October. This came after September's increase was further revised to show a 2.2% upward revision. The decline in durable goods orders was a surprise as economists polled hoped that durable goods orders would rise 0.3% for October.

Excluding the decline in orders for transportation equipment, the headline durable goods orders rose 0.4% during the month. This was a 1.1% increase from September. Excluding transportation orders, durable goods orders rose 0.5% on the month.

The data from the commerce department showed that the decline came due to lower orders for transportation equipment which fell 4.3% during the month. This came after orders for transportation equipment rose 4.4% previously. Orders for non-defence aircraft and parts showed a decline, falling

18.6% during the month. In the previous month, orders for non-defence aircraft and parts surged 33.9%.

There was some increase seen in the orders that excluded transportation equipment. This came due to a rebound in orders for primary metals which showed an increase of 1.3% during the month. This offset the decline of 0.5% seen previously. Orders for non defense capital goods that excludes aircrafts showed a decline of 0.5%. This data underlined the fact that business investment declined in October after rising 2.1% in the previous month.

UK trims growth forecasts, plans for Brexit

The UK government released its budget plan last week. According to official data, the government was seen allocating 3 billion GBP over the next two years. This amount was said to assist the government with the Brexit plans when the nation is expected to exit from the single market.

Presenting the budget, the UK's Chancellor of the Exchequer Philip Hammond also trimmed the growth forecasts for the UK. ***"The negotiations on our future relationship with the EU are in a critical phase,"*** Hammond said speaking in the parliament. He said that the government had already invested 700 million GBP for the Brexit preparations.

The latest allocation of 3 billion GBP comes on top of this. The chancellor said that the government was willing to allocate more if need be. The forecasts for the UK's growth were revised down sharply. Data showed that the UK economy was expected to grow at a pace of 1.5% this year, down from previous estimates of 2.0%.

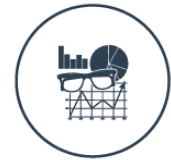
The forecasts published the Office for Budget Responsibility said that the main reason for lowering the GDP forecasts from the March data was due to low productivity growth. The OBR said that the latest growth forecasts accounts for the post-crisis weakness. Growth forecasts for the year ahead is said to be around 1.4%, down from the March estimates of 1.6%. For the year 2019, the UK's GDP is expected to slow to 1.3%, which was lower.

RBA minutes dovish as central bank stays cautious

The Reserve Bank of Australia released the meeting minutes on Tuesday last week which briefly sent the Australian dollar lower. The RBA had left the office cash rate unchanged at 1.50%, which was a record low at its monetary policy meeting on November 7. The meeting minutes showed that the central bank officials were concerned about the currency's appreciation which was seen to be hindering growth.

The minutes also showed that officials were concerned about considerable uncertainty and when wage growth could start to lift. Recent data showed that Australia's labor market while tightening still saw wage growth to remain subdued.

MARKETS PREVIEW



27th of November 2017, to 1st of December 2017

Economic data from the week ahead is relatively quiet. Dominating the news wires will of course be the OPEC meetings scheduled this week. The OPEC member nations and Russia are expected to further extend the production cuts in a bid to send oil prices higher. On the economic front, the data ahead will focus on the second revised GDP estimates for the third quarter in the U.S. GDP is forecast to rise slightly higher. Elsewhere, Canada will be reporting on the monthly GDP figures. Later in the week, data from the U.S. will include the core PCE data as well as the ISM manufacturing PMI data for the month of November.

OPEC meetings to set the tone for oil prices

Member nations of the OPEC will be convening in Vienna, Austria this week. The OPEC meetings will also be joined by Russia, one of the largest non-OPEC oil producing nations. At the agenda, the main focus will be on whether the production cuts on oil supply from OPEC and Russia will be extended.

Recent data showed that the member nations were serious about curbing the oil output which sent crude oil prices plunging. The move, led by Saudi Arabia was seen as a measure to squeeze out the U.S. shale oil producers. However, the production supply glut came at a hefty prize for the OPEC nations. Following the decision to start curbing oil output, the nations managed to stabilize oil prices.

In October, data showed that both OPEC and non-OPEC members honored their commitment to cutting production. This combined effort from the 21 nations was an attempt to cut oil supply by 1.8 million barrels per day. So far, Iran has been exempt from the production cuts. November's OPEC meeting will no doubt bring some volatility to the oil markets but by and large, the wider speculation is that the OPEC members will continue to extend the production cuts for the near future.

U.S. GDP and Core PCE data in focus

Economic data from the U.S. this week will be dominated by the second revised GDP for the third quarter and the core PCE data. These two data points will be important for the U.S. dollar as the markets head closer to the December FOMC meeting. Economic data from the U.S. has remained broadly positive supporting the expectations of a rate hike from the Federal Reserve this December.

The second revised estimate on the GDP is forecast to show that the U.S. economy might have increased at a pace of 3.2% during the third quarter. During the first revision, economists were expecting to see growth slowing. However, the 3.0% increase was a surprise with the data showing that the U.S. economy remained resilient despite the hurricanes that impacted the economy briefly in September.

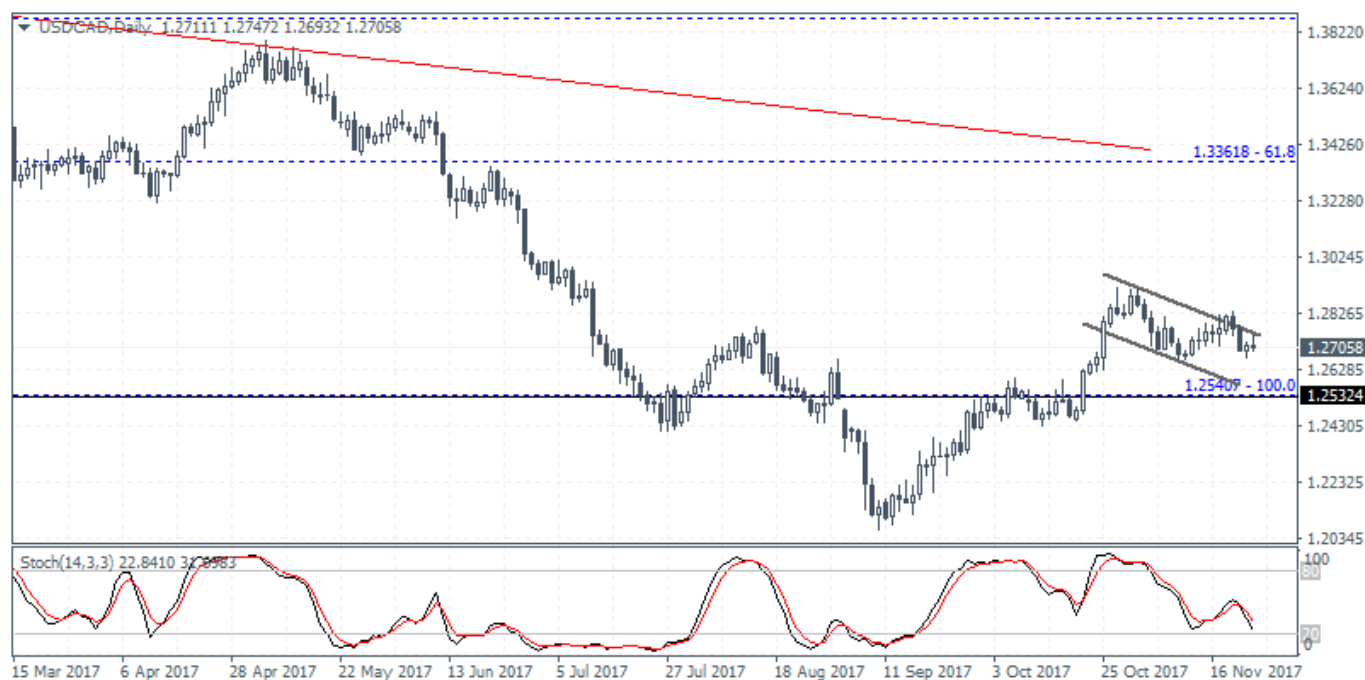
Later in the week, the U.S. core PCE data and the monthly ISM manufacturing index data will be released. The core PCE data, which is a measure of inflation, will stand out as the final data point for the Fed. A broadly stable inflation figures will cement expectations for a December rate hike.

TECHNICAL CORNER



USDCAD – Bullish Flag on the weekly chart

The Canadian dollar was seen reversing the gains few weeks ago. What started off a strong rally in the Canadian dollar, marked by two rate hikes this year saw a reversal as economic data showed a flat pace of growth. This led the Canadian dollar weaker as the U.S. dollar quickly managed to emerge strong. The recent rally in oil prices have also failed to keep the momentum going for the Canadian dollar. While the initial signs showed that the USDCAD could fall towards the 1.1956 level, price action reversed near 1.2050 region.



USDCAD (1.2705) – Weekly Chart

The bullish momentum in the Canadian dollar is seen to be clearly slipping. Economic data released over the past few weeks showed that inflation was easing back after initially posting strong gains. Likewise, the Canadian GDP was also hit after Canada's export businesses felt the pinch of a stronger Canadian dollar in the first half of the year.

Adding to the above, the Bank of Canada took a cautious turn after hiking interest rates earlier this year. Initially, the BoC was expected to hike interest rates in December. However, the uncertainty due to the NAFTA trade talks alongside a weakening in the economy largely due to the stronger exchange rate of the loonie has now put aside the prospects of a BoC rate hike into next year.

As a result, we can expect to see some continued strength in the USDCAD. The bullish flag pattern on the weekly chart suggests a bullish rally in the making if it is validated to the upside.

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