



# Weekly Market Bulletin

Week 27 | 2019

---

## DISCLAIMER

The information contained in this publication is produced by ORBEX LTD and not intended as an offer or solicitation for the purchase or sale of any financial instrument. Any opinion offered herein reflects ORBEX LTD current judgment and may change without notice. This message is for information purposes only and is not intended as an offer, recommendation or solicitation to buy or sell, nor is it an official confirmation of terms. No representation or warranty is made that this information is complete or accurate. Any views or opinions expressed do not necessarily represent those ORBEX LTD. This email and the information it contains may be confidential, proprietary or legally privileged. If you receive this message in error, please notify the sender and delete it from your system. You must not, directly or indirectly, use, disclose, distribute, copy or store this message or any part of it if you are not the intended recipient. Unless otherwise stated, any pricing information given in this email is indicative only, is subject to changes and does not constitute an offer to deal at any price quoted.

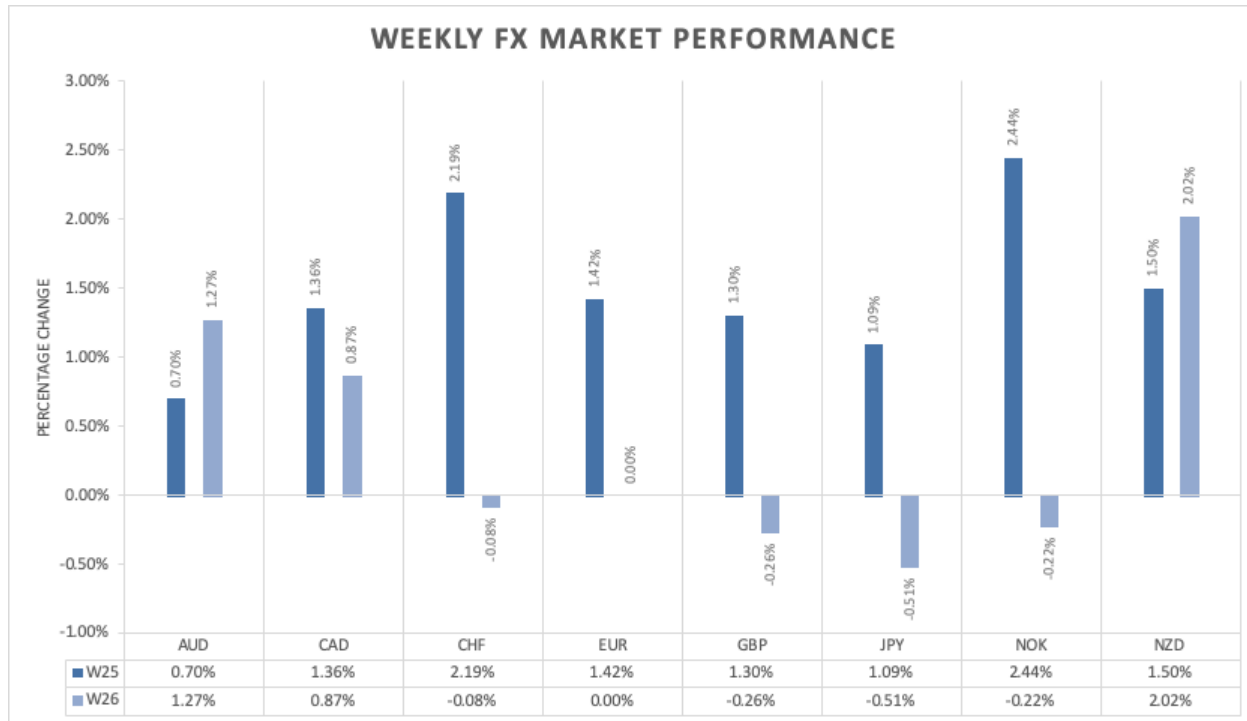
# TABLE OF CONTENTS

---

Weekly Currency Market Performance.....	3
Market Highlights – Week 26.....	4
Economic Events – The week ahead .....	5
Economic Calendar – Week 27 .....	6
Technical Trading Idea of the Week.....	10

# WEEKLY CURRENCY MARKET PERFORMANCE – W26

## Key points



- The NZD was the top performing currency last week as it gained 2.02% on the week, adding to the 1.05% gains from the week before.

- The market risk off sentiment was evident with the CHF losing 0.08% and the JPY down 0,51% on the week.

- The EUR currency was seen trading flat on the week. Lack of economic reports and a

flat USD over the week kept the common currency subdued for the most part.

- The CAD was up 0.87% on the week, lifted by a better than expected GDP report and briefly higher oil prices as well. The NOK on the other hand failed to capitalize on the gains in oil markets as the NOK closed with 0.22% losses.

## MARKET HIGHLIGHTS – WEEK 26

---

- **Germany's business sentiment index continued to remain weak, staying at four-year lows.** Official data showed that business confidence index fell to 97.4 in June compared to 97.9 in May. Economists forecast that the index would fall to 97.5, data from Ifo showed last week. The decline was seen to be the lowest since November 2014. The company's assessment of the current situation showed a marginal improvement, but expectations fell further. The current conditions index rose to 100.8 matching expectations.
- **The new home sales report for the month of May saw the report showing a disappointing print.** Data released by the Commerce department showed that new home sales fell 7.8% in the month of May, to an annual rate of 626,000. This follows April's decline of 3.7% which was revised. Economists forecast that retail sales would rise by one percent during the period. The unexpected decline in new home sales came due to sharp declines in the Western regions which fell by over 35.9%. New home sales in the Northeast were down 17.6%. The data comes on the bank of the previous week's report which showed a bigger than expected rise in existing home sales.
- **Producer prices in Japan rose 0.8% on the year in May.** Data from the Bank of Japan was just shy of the median estimates which forecast a 1.0% increase during the same period. On a month over month basis, producer prices fell 0.3% after falling 0.1% in the month before. Price of communication, transportation, advertising and maintenance were down while real estate prices picked up strongly. The data comes after the Bank of Japan recently opted to leave monetary policy unchanged but noted that it was willing to expand its QQE program.
- **The Reserve Bank of New Zealand held its monetary policy meeting on late Tuesday.** As widely expected, the RBNZ left the overnight cash rate unchanged at 1.50%. This comes just a month after the central bank lowered the rates. The RBNZ however hinted that more rate cuts were appropriate. The markets expect the RBNZ to lower the interest rates as early as August this year.
- **The U.S. Federal Reserve held its monetary policy meeting on Wednesday.** The central bank left the Fed funds rate unchanged as widely expected. However, the central bank signaled that it was prepared to cut rates during the year. The Fed also released its economic projections as well as the dot plot, which interestingly signaled that rates would remain unchanged for the rest of the year.

## ECONOMIC EVENTS – THE WEEK AHEAD

---

- **It will be a busy week for the U.S. dollar as investors look to how the economy fared in the month of June.** Economic data will gain prominence as the markets will be looking to see how the U.S. economy performed in the second quarter of the year. The week starts off with some important data sets that include the ISM's manufacturing and non-manufacturing PMI reports. Jobs data will also be on the radar as the ADP private payrolls alongside Friday's official payrolls report are due to come out.
- **The Reserve Bank of Australia will start off the new month with its monetary policy meeting.** The central bank had indicated its easing bias. The RBA is expected to cut rates again this month. The RBA cut rates in June but comments from central bank officials indicate that another rate cut is on the horizon. The markets expect the RBA to cut rates again in August. But this will depend on how the forward guidance is mentioned at this week's monetary policy meeting.
- **Economic data from China will be closely watched this week as investors weigh the consequences of the trade wars with the U.S.** Data from China this week will see the monthly manufacturing report coming out. The Caixin manufacturing PMI was stable at 50.2 for the past two months but could slow in June. The slowdown in the manufacturing is attributed to Washington imposing fresh tariffs on China's goods recently.
- **Economic data from the Eurozone will shed light on the monthly manufacturing and services PMI reports to be released by Markit.** Preliminary data suggests that the Eurozone's manufacturing and services activity remained mixed. Manufacturing was subdued while services sector managed to post some modest growth. The ECB will be releasing its monetary policy meeting accounts this week as well. The ECB minutes could reveal the recent dovish comments from Mario Draghi at the conference in Sintra, Portugal.

## ECONOMIC CALENDAR – WEEK 27

Date	Time	Currency	Event	Forecast	Previous
1-Jul	01:30	AUD	AIG Manufacturing Index		52.7
	02:50	JPY	Tankan Manufacturing Index	9	12
		JPY	Tankan Non-Manufacturing Index	20	21
	03:30	JPY	Final Manufacturing PMI	49.5	49.5
	04:00	AUD	MI Inflation Gauge m/m		0.00%
	04:45	CNY	Caixin Manufacturing PMI	50.1	50.2
	08:00	JPY	Consumer Confidence	39.2	39.4
	09:30	AUD	Commodity Prices y/y		12.60%
		CHF	Retail Sales y/y	0.60%	-0.70%
	10:15	EUR	Spanish Manufacturing PMI	49.6	50.1
	10:30	CHF	Manufacturing PMI	48.9	48.6
	10:45	EUR	Italian Manufacturing PMI	48.7	49.7
	10:50	EUR	French Final Manufacturing PMI	52	52
	10:55	EUR	German Final Manufacturing PMI	45.4	45.4
		EUR	German Unemployment Change	1K	60K
	11:00	EUR	Final Manufacturing PMI	47.8	47.8
		EUR	M3 Money Supply y/y	4.60%	4.70%
		EUR	Italian Monthly Unemployment Rate	10.30%	10.20%
		EUR	Private Loans y/y	3.50%	3.40%

	11:30	GBP	Manufacturing PMI	49.5	49.4
		GBP	M4 Money Supply m/m	0.60%	0.90%
		GBP	Mortgage Approvals	66K	66K
		GBP	Net Lending to Individuals m/m	5.1B	5.2B
	12:00	EUR	Unemployment Rate	7.60%	7.60%
	All Day	All	OPEC Meetings		
	16:45	USD	Final Manufacturing PMI	50.1	50.1
	17:00	USD	ISM Manufacturing PMI	51.3	52.1
		USD	Construction Spending m/m	0.10%	0.00%
		USD	ISM Manufacturing Prices	52.9	53.2
2-Jul	01:00	NZD	NZIER Business Confidence		-29
	01:45	NZD	Building Consents m/m		-7.90%
	02:50	JPY	Monetary Base y/y	3.40%	3.60%
	07:30	AUD	Cash Rate	1.00%	1.25%
		AUD	RBA Rate Statement		
	09:00	EUR	German Retail Sales m/m	0.50%	-2.00%
	09:45	EUR	French Gov Budget Balance		-67.2B
	10:00	EUR	Spanish Unemployment Change	-90.0K	-84.1K
	11:30	GBP	Construction PMI	49.4	48.6
	12:00	EUR	PPI m/m	0.10%	-0.30%
	All Day	All	OPEC-JMMC Meetings		
	13:35	USD	FOMC Member Williams Speaks		
	16:30	CAD	Manufacturing PMI		49.1

	All Day	USD	Wards Total Vehicle Sales	17.0M	17.3M
	Tentative	NZD	GDT Price Index		-3.80%
3-Jul	00:30	AUD	RBA Gov Lowe Speaks		
	04:30	AUD	Building Approvals m/m	0.00%	-4.70%
		AUD	Trade Balance	5.25B	4.87B
	04:45	CNY	Caixin Services PMI	52.6	52.7
	10:15	EUR	Spanish Services PMI	52.7	52.8
	10:45	EUR	Italian Services PMI	50	50
	10:50	EUR	French Final Services PMI	53.1	53.1
	10:55	EUR	German Final Services PMI	55.6	55.6
	11:00	EUR	Final Services PMI	53.4	53.4
	11:30	GBP	Services PMI	51	51
	15:15	GBP	MPC Member Broadbent Speaks		
		USD	ADP Non-Farm Employment Change	140K	27K
	15:30	CAD	Trade Balance		-1.0B
		USD	Trade Balance	-53.2B	-50.8B
		USD	Unemployment Claims	220K	227K
	16:45	USD	Final Services PMI	50.7	50.7
	17:00	USD	ISM Non-Manufacturing PMI	56.1	56.9
		USD	Factory Orders m/m	-0.40%	-0.80%
4-Jul	04:30	AUD	Retail Sales m/m	0.20%	-0.10%
	09:30	CHF	CPI m/m	-0.10%	0.30%
	11:30	GBP	Housing Equity Withdrawal q/q	-6.9B	-6.2B



	12:00	EUR	Retail Sales m/m	0.40%	-0.40%
5-Jul	01:30	AUD	AIG Construction Index		40.4
	02:30	JPY	Household Spending y/y	1.40%	1.30%
	08:00	JPY	Leading Indicators	95.30%	95.90%
	09:00	EUR	German Factory Orders m/m	-0.10%	0.30%
	09:45	EUR	French Trade Balance	-4.8B	-5.0B
	10:30	GBP	Halifax HPI m/m	-0.40%	0.50%
	15:30	CAD	Employment Change		27.7K
		CAD	Unemployment Rate		5.40%
		USD	Average Hourly Earnings m/m	0.30%	0.20%
		USD	Non-Farm Employment Change	164K	75K
		USD	Unemployment Rate	3.60%	3.60%
	17:00	CAD	Ivey PMI	56.2	55.9

# TECHNICAL TRADING IDEA OF THE WEEK

Gold prices posted a fresh high last week as price action touched a new six year high on an intraday basis. However, failure to close above the highs resulted in price retracing back the gains. Gold ended the week, still on a somewhat bullish note after all. Prices settled near highs above \$1400.00 by Friday's close.



The recent dip in gold prices comes as the price tested the short term support level at 1404 - 1398.

A rebound off this level is required in order for gold to post further gains.

We expect to see a short term retracement in

prices however. A lot will depend on how this weekend's G20 meetings will result in. The markets remain mixed at the moment. However, with the dovish outcome largely priced in, gold could likely take a breather in the short term. We expect to see a medium term support of 1350 level being tested in the near term ahead of further gains that could come.