



# Weekly Market Bulletin

Week 31 | 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.

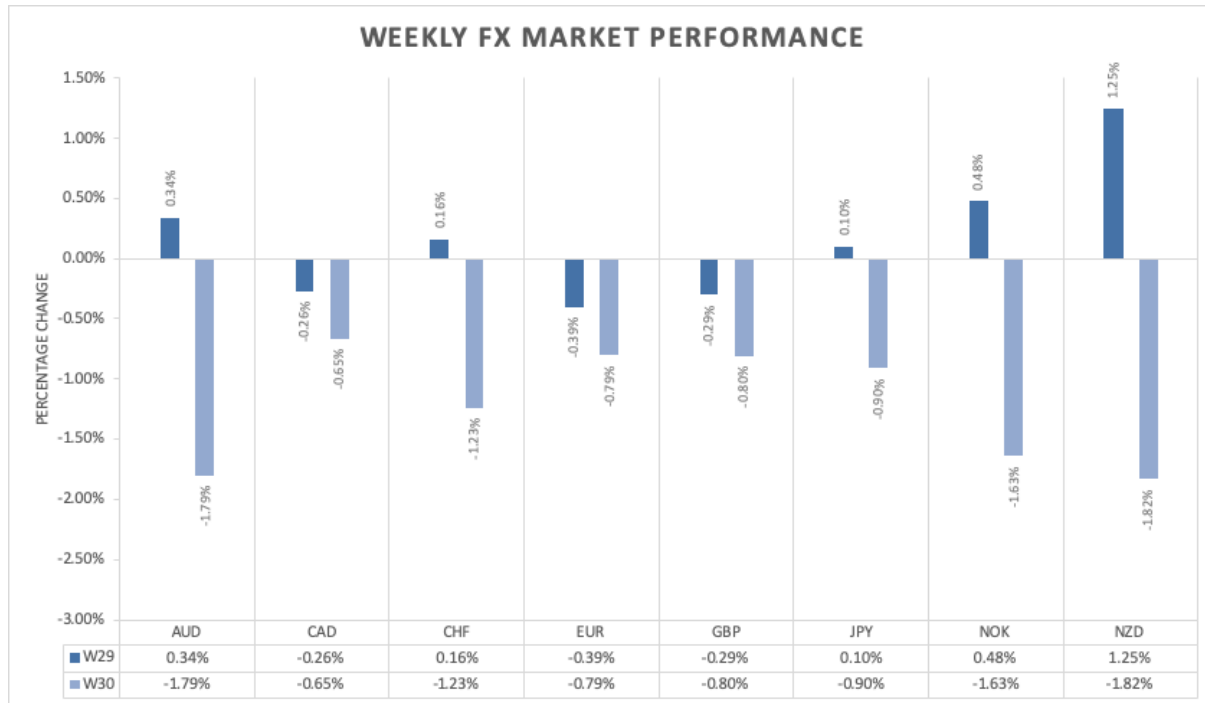
# TABLE OF CONTENTS

---

Weekly Currency Market Performance.....	3
Market Highlights – Week 30.....	4
Economic Events – The week ahead .....	5
Economic Calendar – Week 31 .....	6
Technical Trading Idea of the Week.....	13

# WEEKLY CURRENCY MARKET PERFORMANCE – W30

## Key points



- The USD continued to maintain gains, emerging as the top performing currency last week. The gains come ahead of the Fed meeting this week.
- The NZD erased gains from the week before, falling 1.82% and was the worst performing currency over the week.
- Oil prices remained weak pulling the CAD and the NOK lower as a result. The currencies shed 0.65% and

1.63% respectively.

- The EUR managed to fare somewhat better. However, the common currency was down 0.79% on the week. The GBP on the other hand was down 0.80%. The declines in GBP was mostly due to Brexit headlines.
- The safe haven currencies eased back on the week. JPY was down 0.90% on the week while the CHF lost 1.23% over the week. The declines in the safe haven currencies underlined the risk on sentiment in the market.

## MARKET HIGHLIGHTS – WEEK 30

---

- **The Bank of Japan governor, Kuroda gave a speech earlier on Tuesday.** According to the comments, Kuroda hinted that the central bank was ready to take additional easing measures. The BoJ has been struggling to lift inflation to its 2.0% inflation target rate for years now. Inflation in Japan has been stubbornly low. However, it is unlikely that the BoJ will respond any time soon. The proposed sales tax hike is due to be implemented in October this year which could give officials some breathing space.
- **Consumer confidence in the Eurozone improved in July, official data showed last week.** The flash consumer confidence index rose to -6.6 in July, up from -7.2 in June. Economists forecast that consumer confidence would register a reading of -7.1 for July. The consumer confidence index for the EU rose to -5.9 in July. The data underlined the moderately improving consumer confidence in the region. The final estimates will be released on July 30<sup>th</sup>.
- **Existing home sales in the United States fell sharply in the month of June.** Data from the National Association of Realtors showed existing home sales falling more than expected. Existing home sales fell 1.7% on the month in June, to an annual rate of 5.27 million. This followed an increase of 2.9% in the month before in May. Economists expected that existing home sales would fall by 0.2% in June. The data comes despite U.S. mortgage rates steadily falling, making home affordability more within reach of homebuyers.
- **The European Central Bank held its monetary policy meeting on Thursday last week.** As widely expected, the ECB said that it would be looking into cutting interest rates even further and would restart its bond purchase program. The announcement from ECB President Mario Draghi came amid a sharp slowdown in the Eurozone's economic growth. Although inflation recently ticked higher, it has remained well below the ECB's 2.0% inflation target rate. The euro currency was volatile after the release.
- **The second quarter GDP data from the U.S. showed that the economy grew at a slightly better pace than expected.** Official data showed that the second quarter GDP rose 2.1%. This was higher than the modest estimates of a 2.1% increase. Still, this was a slower pace of growth comparing to the first quarter where the U.S. economy rose 3.1% in the three months ending March 2019.

## ECONOMIC EVENTS – THE WEEK AHEAD

---

- **A busy week from the U.S. will see a line of some big ticket items over the week.** Among the many, the FOMC will be holding its monetary policy meeting this week on Wednesday. The Federal Reserve is widely expected to cut interest rates by 25 basis points at this week's meeting. It would bring down the Fed funds rate to 2.25% from 2.50%. With the rate cut already priced in, investors will be looking to see how the Fed will give its forward guidance and if there will be any further rate cuts down the line.
- **The Bank of England will be the next central bank coming up this week.** The BoE's meeting due on Thursday. The central bank is not expected to make any major changes to monetary policy. With a change of leadership in the UK parliament and the Brexit deadline looming, investors will be looking to see how the central bank will steer the markets. BoE's Carney is expected to give a cautious statement on monetary policy by beyond that, we do not expect to see any major changes.
- **The first week of August will see economic data that includes forward looking surveys from the Eurozone.** The data comes after just last week, the ECB signaled its intentions to restart the QE program in a few month's time. An uptick in the indexes of activity covering manufacturing and services will give insights into how the Eurozone's economy fared in the month of July.
- **Friday will be busy with the U.S. coming up with the jobs report trade balance figures that includes data from Canada.** The monthly payrolls report from the U.S. will be closely watched. Following the strong rebound in June, U.S. labor markets signaled their resilience. Question remains on whether this trend will continue into July. The U.S. unemployment rate is forecast to fall to 3.6% from 3.7% while the average payrolls are expected to rise just 160k from 220k in June.

# ECONOMIC CALENDAR – WEEK 31

Date	Time	Currency	Name	Country	Previous	Consensus
<b>07/28/2019</b>	23:50:00	JPY	Retail Trade s.a (MoM)	Japan	0.3	0.8
	23:50:00	JPY	Retail Trade (YoY)	Japan	1.2	0.8
	23:50:00	JPY	Large Retailers' Sales	Japan	-0.5	-0.7
<b>07/29/2019</b>	06:00:00	GBP	Nationwide Housing Prices s.a (MoM)	United Kingdom	0.1	
	06:00:00	GBP	Nationwide Housing Prices n.s.a (YoY)	United Kingdom	0.5	
	07:00:00	EUR	HICP (YoY)	Spain	0.6	0.6
	07:00:00	EUR	HICP (MoM)	Spain	-0.1	-1.5
	07:00:00	EUR	Consumer Price Index (MoM)	Spain	-0.1	0.2
	07:00:00	EUR	Consumer Price Index (YoY)	Spain	0.4	0.4
	07:00:00	EUR	Retail Sales (YoY)	Spain	2.4	1.7
	08:00:00	EUR	Producer Price Index (MoM)	Italy	0.1	-0.1
	08:00:00	EUR	Producer Price Index (YoY)	Italy	1.5	0.9
	08:30:00	GBP	Net Lending to Individuals (MoM)	United Kingdom	3.9	
	08:30:00	GBP	Consumer Credit	United Kingdom	0.822	0.967
	08:30:00	GBP	Mortgage Approvals	United Kingdom	65.409	65.99
	08:30:00	GBP	M4 Money Supply (YoY)	United Kingdom	2.2	
	08:30:00	GBP	M4 Money Supply (MoM)	United Kingdom	-0.1	-0.5
	14:30:00	USD	Dallas Fed Manufacturing Business Index	United States	-12.1	-5.1
	22:45:00	NZD	Building Permits s.a. (MoM)	New Zealand	13.2	
	23:30:00	JPY	Unemployment Rate	Japan	2.4	2.4
	23:30:00	JPY	Jobs / Applicants Ratio	Japan	1.62	1.63
	23:50:00	JPY	Industrial Production (YoY)	Japan	-2.1	
	23:50:00	JPY	Industrial Production (MoM)	Japan	2	0.7

<b>07/30/2019</b>	01:30:00	AUD	Building Permits (YoY)	Australia	-19.6	
	01:30:00	AUD	Building Permits (MoM)	Australia	0.7	-3.7
	02:00:00	JPY	BoJ Interest Rate Decision	Japan	-0.1	
	02:00:00	JPY	BoJ Monetary Policy Statement	Japan		
	02:00:00	JPY	BoJ Outlook Report	Japan		
	05:30:00	EUR	Gross Domestic Product (QoQ)	France	0.3	0.3
	06:00:00	JPY	BoJ Press Conference	Japan		
	06:00:00	EUR	Gfk Consumer Confidence Survey	Germany	9.8	10
	06:45:00	EUR	Consumer Spending (MoM)	France	0.4	0.2
	06:45:00	EUR	Budget	France	-83.9	-60.5
	07:00:00	CHF	KOF Leading Indicator	Switzerland	93.6	94.9
	08:00:00	EUR	Private Loans (YoY)	EU	3.3	
	09:00:00	EUR	Consumer Confidence	EU	-6.6	-6.6
	09:00:00	EUR	Services Sentiment	EU	11	11.6
	09:00:00	EUR	Industrial Confidence	EU	-5.6	-5.6
	09:00:00	EUR	Business Climate	EU	0.17	-0.03
	09:00:00	EUR	Economic Sentiment Indicator	EU	103.3	103.6
	12:00:00	EUR	Consumer Price Index (YoY)	Germany	1.6	1.4
	12:00:00	EUR	Harmonized Index of Consumer Prices (YoY)	Germany	1.5	1.3
	12:00:00	EUR	Consumer Price Index (MoM)	Germany	0.3	0.1
	12:00:00	EUR	Harmonized Index of Consumer Prices (MoM)	Germany	0.3	0.1
	12:30:00	USD	Personal Spending	United States	0.4	0.3
	12:30:00	USD	Core Personal Consumption Expenditure - Price Index (YoY)	United States	1.6	1.6
	12:30:00	USD	Personal Consumption Expenditures - Price Index (MoM)	United States	0.2	0.2
	12:30:00	USD	Personal Income (MoM)	United States	0.5	0.4

	12:30:00	USD	Core Personal Consumption Expenditure - Price Index (MoM)	United States	0.2	0.1
	12:30:00	USD	Personal Consumption Expenditures - Price Index (YoY)	United States	1.5	1.7
	12:55:00	USD	Redbook Index (YoY)	United States	4.9	
	12:55:00	USD	Redbook Index (MoM)	United States	1.1	
	13:00:00	USD	S&P/Case-Shiller Home Price Indices (YoY)	United States	2.5	2.6
	14:00:00	USD	Consumer Confidence	United States		
	14:00:00	USD	Pending Home Sales (MoM)	United States	1.1	1
	14:00:00	USD	Pending Home Sales (YoY)	United States	-0.7	
	20:30:00	USD	API Weekly Crude Oil Stock	United States	-10.961	
	23:01:00	GBP	GfK Consumer Confidence	United Kingdom	-13	-11
<b>07/31/2019</b>	01:00:00	CNY	NBS Manufacturing PMI	China	49.4	49.6
	01:00:00	CNY	Non-Manufacturing PMI	China	54.2	54.5
	01:00:00	NZD	ANZ Activity Outlook	New Zealand	8	8.3
	01:00:00	NZD	ANZ Business Confidence	New Zealand	-38.1	-34.9
	01:30:00	AUD	Private Sector Credit (MoM)	Australia	0.2	0.3
	01:30:00	AUD	Private Sector Credit (YoY)	Australia	3.6	
	01:30:00	AUD	Consumer Price Index (YoY)	Australia	1.3	1.5
	01:30:00	AUD	RBA Trimmed Mean CPI (QoQ)	Australia	0.3	0.4
	01:30:00	AUD	RBA Trimmed Mean CPI (YoY)	Australia	1.6	1.7
	01:30:00	AUD	Consumer Price Index (QoQ)	Australia	0	0.2
	05:00:00	JPY	Housing Starts (YoY)	Japan	-8.7	-4.3
	05:00:00	JPY	Construction Orders (YoY)	Japan	-16.9	
	05:00:00	JPY	Annualized Housing Starts	Japan	0.9	
	05:00:00	JPY	Consumer Confidence Index	Japan	38.7	39.6
	06:00:00	EUR	Retail Sales (MoM)	Germany	-0.6	0.5
	06:00:00	EUR	Retail Sales (YoY)	Germany	4	2.7



06:45:00	EUR	Consumer Price Index (EU norm) (MoM)	France	0.3	-0.1
06:45:00	EUR	Consumer Price Index (EU norm) (YoY)	France	1.4	1.3
07:00:00	EUR	Gross Domestic Product - Estimated (QoQ)	Spain	0.7	0.6
07:00:00	EUR	Gross Domestic Product - Estimated (YoY)	Spain	2.4	2.3
07:55:00	EUR	Unemployment Change	Germany	-1	-3
07:55:00	EUR	Unemployment Rate s.a.	Germany	5	5
08:00:00	CHF	ZEW Survey - Expectations	Switzerland	-30	
08:00:00	EUR	Unemployment	Italy	9.9	10.3
08:00:00	EUR	Current Account Balance	Spain	-0.41	-0.7
09:00:00	EUR	Gross Domestic Product s.a. (YoY)	EU	1.2	1.1
09:00:00	EUR	Gross Domestic Product s.a. (QoQ)	EU	0.4	0.4
09:00:00	EUR	Unemployment Rate	EU	7.5	7.4
09:00:00	EUR	Consumer Price Index (YoY)	EU	1.3	1.2
09:00:00	EUR	Consumer Price Index - Core (YoY)	EU	1.1	1
09:00:00	EUR	Consumer Price Index (YoY)	Italy	0.7	0.7
09:00:00	EUR	Consumer Price Index (EU Norm) (YoY)	Italy	0.8	0.7
09:00:00	EUR	Consumer Price Index (MoM)	Italy	0.1	0.1
09:00:00	EUR	Consumer Price Index (EU Norm) (MoM)	Italy	0.1	
10:00:00	EUR	Gross Domestic Product (QoQ)	Italy	0.1	0.1
10:00:00	EUR	Gross Domestic Product (YoY)	Italy	-0.1	-0.1
11:00:00	USD	MBA Mortgage Applications	United States	-1.9	
12:15:00	USD	ADP Employment Change	United States	102	153
12:30:00	CAD	Industrial Product Price (MoM)	Canada	0.1	0.1
12:30:00	CAD	Raw Material Price Index	Canada	-2.3	-0.4
12:30:00	USD	Employment Cost Index	United States	0.7	0.2
12:30:00	CAD	Gross Domestic Product (MoM)	Canada	0.3	0.1
13:45:00	USD	Chicago Purchasing Managers' Index	United States	49.7	50.5

	14:30:00	USD	EIA Crude Oil Stocks Change	United States	-10.835	
	18:00:00	USD	Fed's Monetary Policy Statement	United States		
	18:00:00	USD	Fed Interest Rate Decision	United States	2.5	2.25
	18:30:00	USD	FOMC Press Conference	United States		
	22:30:00	AUD	AiG Performance of Mfg Index	Australia	49.4	
	23:00:00	AUD	Commonwealth Bank Manufacturing PMI	Australia	51.4	51.4
	23:50:00	JPY	JP Foreign Reserves	Japan	1322.3	
<b>08/01/2019</b>	00:30:00	JPY	Nikkei Manufacturing PMI	Japan	49.6	49.6
	01:30:00	AUD	Export Price Index (QoQ)	Australia	4.5	0.1
	01:30:00	AUD	Import Price Index (QoQ)	Australia	-0.5	-1.4
	01:30:00	AUD	HIA New Home Sales (MoM)	Australia	28.8	
	01:45:00	CNY	Caixin Manufacturing PMI	China	49.4	49.6
	06:30:00	AUD	RBA Commodity Index SDR (YoY)	Australia	13	10.5
	07:15:00	EUR	Markit Manufacturing PMI	Spain	47.9	47.2
	07:30:00	CHF	SVME - Purchasing Managers' Index	Switzerland	47.7	
	07:45:00	EUR	Markit Manufacturing PMI	Italy	48.4	48.8
	07:50:00	EUR	Markit Manufacturing PMI	France	50	50
	07:55:00	EUR	Markit Manufacturing PMI	Germany	43.1	45.4
	08:00:00	EUR	Markit Manufacturing PMI	EU	46.4	47.8
	08:30:00	GBP	Markit Manufacturing PMI	United Kingdom	48	49.2
	11:00:00	GBP	BoE Asset Purchase Facility	United Kingdom	435	435
	11:00:00	GBP	BoE Interest Rate Decision	United Kingdom	0.75	0.75
	11:00:00	GBP	Bank of England Quarterly Inflation Report	United Kingdom		
	11:00:00	GBP	BoE MPC Vote Unchanged	United Kingdom	9	9
	11:00:00	GBP	BoE MPC Vote Cut	United Kingdom	0	0
	11:00:00	GBP	BoE MPC Vote Hike	United Kingdom	0	0
	11:00:00	GBP	Bank of England Minutes	United Kingdom		

	11:30:00	GBP	BoE's Governor Carney speech	United Kingdom		
	11:30:00	GBP	BoE's Governor Carney speech	United Kingdom		
	12:30:00	USD	Challenger Job Cuts	United States	41.977	
	12:30:00	USD	Continuing Jobless Claims	United States	1.676	
	12:30:00	USD	Initial Jobless Claims	United States	206	
	12:30:00	USD	Initial Jobless Claims 4-week average	United States	213	
	13:30:00	CAD	Markit Manufacturing PMI	Canada	49.2	49.5
	13:45:00	USD	Markit Manufacturing PMI	United States	50	50
	14:00:00	USD	ISM Manufacturing PMI	United States	51.7	52.7
	14:00:00	USD	ISM Prices Paid	United States	47.9	53
	14:00:00	USD	Construction Spending (MoM)	United States	-0.8	0.4
	19:30:00	USD	Total Vehicle Sales	United States	17.3	
	23:50:00	JPY	Monetary Base (YoY)	Japan	4	3.2
	23:50:00	JPY	BoJ Monetary Policy Meeting Minutes	Japan		
<b>08/02/2019</b>	01:30:00	AUD	Retail Sales s.a. (MoM)	Australia	0.1	0.2
	01:30:00	AUD	Producer Price Index (QoQ)	Australia	0.4	
	01:30:00	AUD	Producer Price Index (YoY)	Australia	1.9	
	06:30:00	CHF	Consumer Price Index (YoY)	Switzerland	0.6	0.5
	06:30:00	CHF	Consumer Price Index (MoM)	Switzerland	0	
	06:45:00	EUR	Current Account	France	0.3	
	07:15:00	CHF	Real Retail Sales (YoY)	Switzerland	-1.7	
	08:00:00	EUR	Retail Sales n.s.a (YoY)	Italy	-1.8	
	08:00:00	EUR	Retail Sales s.a. (MoM)	Italy	-0.7	
	08:00:00	EUR	Industrial Output w.d.a (YoY)	Italy	-0.7	
	08:00:00	EUR	Industrial Output s.a. (MoM)	Italy	0.9	
	08:30:00	GBP	Markit Construction PMI	United Kingdom	43.1	
	09:00:00	EUR	Producer Price Index (MoM)	EU	-0.1	-0.1

09:00:00	EUR	Producer Price Index (YoY)	EU	1.6	1.7
09:00:00	EUR	Retail Sales (YoY)	EU	1.3	1.6
09:00:00	EUR	Retail Sales (MoM)	EU	-0.3	
12:30:00	USD	Average Hourly Earnings (YoY)	United States	3.1	
12:30:00	USD	Average Weekly Hours	United States	34.4	34.4
12:30:00	USD	Average Hourly Earnings (MoM)	United States	0.2	0.2
12:30:00	USD	Labor Force Participation Rate	United States	62.9	
12:30:00	USD	Nonfarm Payrolls	United States	224	160
12:30:00	USD	Unemployment Rate	United States	3.7	3.6
12:30:00	USD	Trade Balance	United States	-55.5	-55
12:30:00	CAD	Exports	Canada	53.11	50.4
12:30:00	CAD	International Merchandise Trade	Canada	0.76	-1.5
12:30:00	CAD	Imports	Canada	52.34	52.1
13:45:00	USD	ISM-NY Business Conditions Index	United States	50	
14:00:00	USD	Michigan Consumer Sentiment Index	United States	98.4	98.8
	USD	Factory Orders (MoM)	United States	-0.7	

# TECHNICAL TRADING IDEA OF THE WEEK

Gold prices were on track to close the week on a bearish note. The declines in the precious metal came amid a mix of economic reports. Friday's GDP data which was better than expected soothed investor concerns. This has kept the precious metal rather subdued over the week.



In the near term, we see that gold prices are consolidating into an ascending triangle pattern.

This could potentially trigger a downside breakout.

We expect gold prices to rise to the resistance area of 1439 – 1437 region. A retest of this level will see gold likely to

test the resistance before posting declines.

A breakout from the rising wedge/ascending triangle pattern will see gold initially falling to 1384 level where support could be formed. However, in the longer term, gold is likely to correct lower to test the 1346 – 1340 levels of support.