

ORBEX

Weekly Markets Report

*OVERWEEK BULLET POINTS, THE WEEK AHEAD, MARKETS PREVIEW
AND THE CHART OF THE WEEK*



ORBEX Research Department
16st OF June , TO 20th of June

OVERWEEK BULLET POINTS – 9th OF June. , TO 13th of June

- _ Asian stocks rise after Chinese inflation data.
- _ UK Manufacturing Production (Apr) M/M 0.4% vs. Exp. 0.4% (Prev. 0.5%).

- _ UK Jobless Claims Change (May) M/M -27.4K vs. Exp. -25.0K (Prev. -25.1K, Rev. to -28.4K).

- _ Unemployment rate to 6.6% from 6.7% during the three months ending in April.

- _ World Bank cuts 2014 global growth forecast; 2015 unchanged.

- _ April Eurozone industrial production 0.8% vs. 0.5% expect m/m.

- _ The Reserve Bank of New Zealand raise benchmark interest rate by 25 percentage points to 3.25%.

- _ US Initial Jobless Claims (Jun 7) W/W 317k vs. Exp. 306k (Prev. 312k, Rev. 313k).

- _ US Retail Sales Advance (May) M/M 0.3% vs. Exp. 0.5% (Prev. 0.5%).

- _ Canadian National Bank HPI (May) M/M 0.8% (Prev. 0.5%).

- _ Oil futures hit 9-month high as Iraq crisis unfolds.

- _ Cable rallied to a three-week high against the dollar on the back of a surprise hint from the Bank of England that interest rates could rise this year. The BoE Gov. Mark Carney said Thursday that interest rates in the UK could rise sooner than investors anticipate.

- _ US PPI Final Demand (May) M/M -0.2% vs. Exp. 0.2% (0.6%).

- _ Canadian Manufacturing Sales (Apr) M/M -0.1% vs. Exp. 0.9% (Prev. 0.4 %).

THE WEEK AHEAD - 16th OF June , TO 20th of June

- **The most important economic release of the week**

Tue Jun 17	4:30am	AUD	Monetary Policy Meeting Minutes			
	11:30am	GBP	CPI y/y		1.70%	1.80%
	12:00pm	EUR	German ZEW Economic Sentiment		35.2	33.1
	3:30pm	USD	Building Permits		1.07M	1.08M
		USD	Core CPI m/m		0.20%	0.20%
Wed Jun 18	11:30am	GBP	MPC Asset Purchase Facility Votes		0-0-9	0-0-9
		GBP	MPC Official Bank Rate Votes		0-0-9	0-0-9
	9:00pm	USD	FOMC Economic Projections			
		USD	FOMC Statement			
	9:30pm	USD	FOMC Press Conference			
Thu Jun 19	1:45am	NZD	GDP q/q		1.20%	0.90%
	10:30am	CHF	Libor Rate		0.25%	0.25%
		CHF	SNB Monetary Policy Assessment			
		CHF	SNB Press Conference			
	11:30am	GBP	Retail Sales m/m		-0.50%	1.30%
	3:30pm	USD	Unemployment Claims		316K	317K
	5:00pm	USD	Philly Fed Manufacturing Index		14.3	15.4
Fri Jun 20	9:35am	JPY	BOJ Gov Kuroda Speaks			
	3:30pm	CAD	Core CPI m/m		0.20%	0.20%
		CAD	Core Retail Sales m/m		0.40%	0.10%

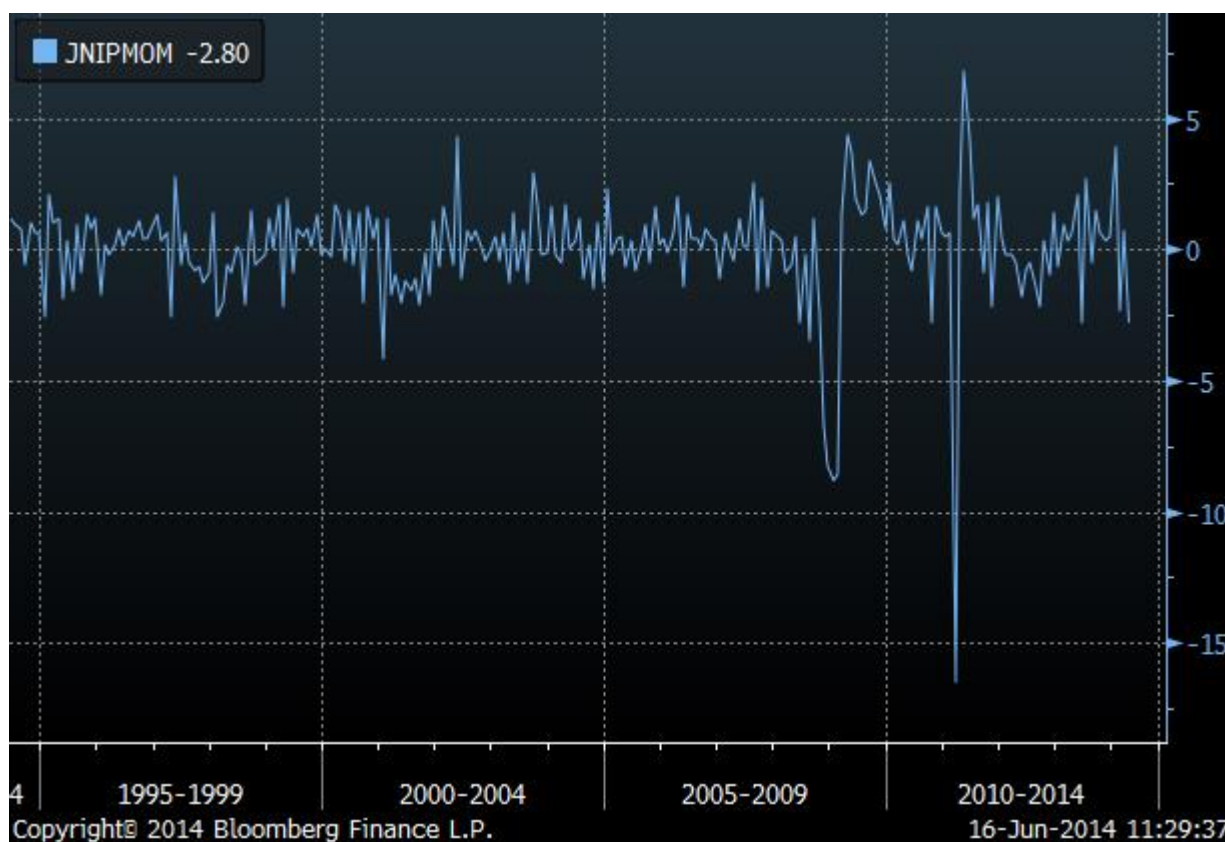
- To view the full economic calendar kindly click on [Full Economic Calendar](#)

When the rate get different it affects the market (Forex) negatively especially on the volatility and volume of trading. Most id investors get away from currency markets after the major central banks (G10) start to lower their interest rates for longer periods. Central Banks goal is depreciate their currency against other currency to have an economic advantage (cheaper goods and services); in other words it is like a soft currency war. ECB finally did what the markets were waiting for; they did use their tools to reduce deflation and growth risks. The decrease of the interest rate and easing a monetary policy of Europe by the ECB will likely lead to interest rate divergence ; especially against other hawkish central banks like BoE and Fed. In case the hawkish central banks increase their interest rate as we do expect soon and based on their lately comments , the volatility would increase because of searching for high yield currencies.



Refi compared to EONIA

The statement by the central bank of Japan has shown that they still confident about the performance of their economy and signaling no change in their rate or the stimulus package as well. Interest rate hike has been helped to boost the purchasing by consumers before that hike which positively printed a positive numbers lately. Most of the US economic release was negative; USD /JPY were trading in range around 102.00. Last manufacturing numbers were negative in Japan; however, most of the economists have hope on the tax cut for corporate which would have a positive effect on the coming economic release.



Japan Industrial Production

Technical Corner

As shown on the weekly chart for EURGBP; the market recently has broken the falling channel which is one of the low probability breakouts; however, as long as market successfully trading under the lower boundary of the channel, sell-off acceleration is expected as shown.

For the first target we are awaiting the levels of 0.7760 as a major support; moreover, any successful downward breakout of that levels then it would be a major signal for adding to position or opening a new short position to target the next support.

The stop lose should be placed above the high of the started spike candle; as shown it would be at the levels of 0.8080.



EURGBP; Weekly Chart



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