

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS

28th of March 2016, to 1st of April 2016



- US Core PCE Price Index m/m 0.10% vs. 0.20%
- US Personal spending m/m 0.10% vs. 0.20%
- US Pending home sales 3.50% vs. 1.20%
- Japan household spending y/y 1.20% vs. -1.80%
- Japan unemployment rate 3.30% vs. 3.20%
- US CB Consumer confidence 96.2 vs. 93.90
- Fed Chair Yellen speech
- Japan preliminary industrial production m/m -6.20% vs. -5.80%
- Germany preliminary CPI m/m 0.80% vs. 0.60%
- US ADP Private payrolls 200k vs. 195k
- US Crude Oil inventories 2.3Mn vs. 3.1Mn
- Japan housing starts y/y 7.80% vs. -2.20%
- Germany retail sales m/m -0.40% vs. 0.30%
- French Preliminary CPI m/m 0.70% vs. 0.50%
- UK Current account -32.7 billion vs. -21.1bn
- UK Final GDP Q4, 2015 0.60% vs. 0.50%
- Eurozone CPI flash estimates y/y -0.10% vs. -0.10%; Core CPI 1.0% vs. 0.90%
- Canada GDP m/m 0.60% vs. 0.30%
- Chicago PMI 53.6 vs. 50.5
- Japan Tankan manufacturing index 6 vs. 8; Tankan non-manufacturing index 22 vs. 24
- China Manufacturing PMI 50.2 vs. 49.3
- China Caixin manufacturing PMI 49.7 vs. 48.3
- Japan final manufacturing PMI 49.1 vs. 49.1
- Eurozone final manufacturing PMI 51.6 vs. 51.4
- UK Manufacturing PMI 51.0 vs. 51.4
- US nonfarm payroll change 215k vs. 206k

- US average hourly earnings m/m 0.30% vs. 0.20%
- US unemployment rate 5.0% vs. 4.90%
- US ISM manufacturing PMI 51.8 vs. 50.8
- Canada RBC manufacturing PMI 51.5 vs. 49.4 previously

THE WEEK AHEAD

4th of April 2016, to 8th of April 2016



IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Detail	Forecast	Previous
04-Apr	02:30	AUD	Building Approvals m/m	2.10%	-7.50%
		AUD	Retail Sales m/m	0.40%	0.30%
	08:00	EUR	Spanish Unemployment Change	21.3K	2.2K
	09:30	GBP	Construction PMI	54.3	54.2
	10:00	EUR	Unemployment Rate	10.30%	10.30%
	15:00	USD	Factory Orders m/m	-1.50%	1.60%
	15:30	CAD	BOC Business Outlook Survey		
05-Apr	02:30	AUD	Trade Balance	-2.55B	-2.94B
		AUD	Cash Rate	2.00%	2.00%
		AUD	RBA Rate Statement		
	07:00	EUR	German Factory Orders m/m	0.50%	-0.10%
	09:30	GBP	Services PMI	53.9	52.7
	13:30	CAD	Trade Balance	0.9B	-0.7B
		USD	Trade Balance	-46.3B	-45.7B
	15:00	USD	ISM Non-Manufacturing PMI	54.1	53.4
	15:00	NZD	GDT Price Index		-2.90%
	20:00	CAD	Gov Council Member Wilkins Speaks		
06-Apr	02:45	CNY	Caixin Services PMI	51.4	51.2
		AUD	RBA Assist Gov Kent Speaks		

	15:00	CAD	Ivey PMI	55.6	53.4
	15:30	USD	Crude Oil Inventories		2.3M
	17:20	USD	FOMC Member Mester Speaks		
	19:00	USD	FOMC Meeting Minutes		
07-Apr	08:00	CHF	Foreign Currency Reserves		571B
	08:30	GBP	Halifax HPI m/m	1.10%	-1.40%
	12:30	EUR	ECB Monetary Policy Meeting Accounts		
	13:30	CAD	Building Permits m/m	2.30%	-9.80%
		USD	Unemployment Claims	271K	276K
	Tentative	EUR	ECB President Draghi Speaks		
	22:30	USD	Fed Chair Yellen Speaks		
08-Apr	01:15	USD	FOMC Member George Speaks		
	09:30	GBP	Manufacturing Production m/m	-0.10%	0.70%
		GBP	Goods Trade Balance	-10.1B	-10.3B
	13:30	CAD	Employment Change	15.3k	-2.3K
		CAD	Unemployment Rate	7.30%	7.30%

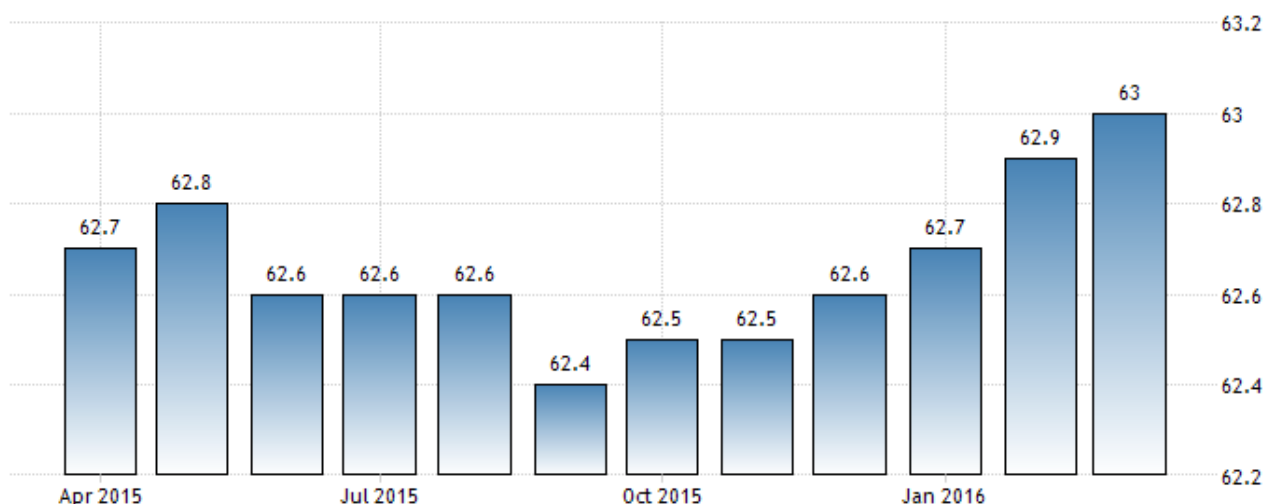


MARKETS PREVIEW

4th of April 2016, to 8th of April 2016

The last trading week of the first quarter saw the volatility staying strong in the markets. The main take away from the week was that the Federal Reserve was likely to take a gradual approach to rate hikes as inflation remains a worry for the Federal Reserve Chairwoman Janet Yellen. Speaking at the Economic Club of New York, the Fed Chair said that the ongoing global economic risks could pose some headwinds to recovery and therefore warranted a more cautious approach to tightening policy. The comments saw the US Dollar post one of the strongest declines in the day. The Greenback was however staging a comeback by Friday's trading supported by better jobs report. The US economy added 215k jobs in the month of March beating forecasts of 206k. The unemployment rate increased to 5.0% up from 4.90% in February but the participation rate increased from 62.90% to 63%. Average hourly earnings also increased on an annualized basis at 2.30% beating forecasts of 2.20%. The NFP report came after the ADP report released earlier on Wednesday showed the private sector adding 200k jobs, more than the 195k estimates.

US LABOR FORCE PARTICIPATION RATE



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

US Labor Force Participation Rate (63% in March)

The Euro saw a profitable week riding on a weaker Greenback. Over the week saw hawkish comments from some ECB officials who have said that cutting interest further into negative territory would be difficult as a policy tool. The comments echo Mario Draghi's comments at the March ECB meeting where in the press conference he ruled out further rate cuts for the time being. Economic data from the Eurozone included modestly better flash inflation estimates. The headline CPI measured over the year fell 0.10% but Core CPI estimates picked up pace rising 1.0% in March, up from 0.90% in February.

The British Pound remained weak despite the fourth quarter GDP seeing a strong revision from 0.50% to 0.60%. While the Sterling managed to post some gains on the data, it was short lived as manufacturing PMI for March increased at a slower than expected pace of 51.0. On the GDP front, Canada's monthly economic activity posted strong gains, rising 0.60% in January, beating estimates of 0.30%. With broadly positive economic data from Canada, the BoC is likely to stand aside from further rate cuts in the near future.



UK Q4 2015 Revised GDP – 0.60% from 0.50%

In the commodity markets, it was another week of declines for Crude Oil prices. The weekly US commercial Crude Oil inventory showed a slower pace of build up in inventory but supply continued to outstrip demand. According to a Reuters survey, Oil production in February increased by as much as 100k barrels per day. While initial talks on freezing Oil production were seen as positive, this week Saudi Arabia and Kuwait announced re-opening an oil field which is expected to see an additional 300k barrels hitting the supply. WTI Crude Oil prices touched weekly highs of \$40.13 before trending lower, closing the week at \$36.70 a barrel.

TECHNICAL CORNER



EURGBP has been in a steady uptrend since December last year and has been grinding higher steadily since touching the lows of 0.70. Last week, EURGBP touched 0.80 for the first time since in a year led by a stronger Euro and the British Pound which has been plagued by Brexit concerns. This strong uptrend looks to be a bit overstretched with prices showing any meaningful pullbacks. Comparing the price action to the Stochastics, we can see that there is a hidden bearish divergence showing that prices could turn lower in the near term. Taking this bearish bias with the fact that 0.80 makes for a psychological resistance level and a round number, we expect EURGBP to started retreating in the near term.



Unless we get to see a weekly break and close above the 0.80 handle, the bias remains to the downside with 0.7785 coming in as a minor support but a dip to 0.74875 - 0.7425 longer term support level is pending a retested. This level of 0.74875 - 0.7425 was previously a strong resistance level which held price rallies previously. Therefore, EURGBP is very likely to fall back to this level to establish support.

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.