

ORBEX

Weekly Markets Report

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



ORBEX Research Department
14th of April , TO 18th of April

OVERWEEK BULLET POINTS – 7st OF April , TO 11th of April

- German inflation data (Final) in-line with expectations: y/y HICP 0.9% vs. 0.9% forecast and previous
- German Wholesale price index ticks higher: y/y -1.7% vs. -1.8% previous
- French Current Account: -1.4B EUR vs. -3.7B EUR prev
- U.K. Construction Output weaker at -2.8% vs. -1.3% forecast
- NZ REINZ house prices rises by 3.2% m/m and 9.2% y/y
- BOJ meeting minutes show agreement over current policy plans
- China annualized CPI at 2.4% as expected
- China annualized PPI drops by 2.3% vs. 2.2% slip expected
- US initial jobless claims falls by 32K, the lowest since May 2007
- CA house price index up by 0.2% vs. 0.1% uptick expected
- US import prices up by 0.6% vs. 0.9% previous
- US Fed budget balance shows 36.9 billion USD deficit vs. 193.5 billion USD previous
- French inflation data ticks lower: HICP y/y 0.7% vs. 0.8% forecast, 1.1% previous
- French industrial production weaker-than-expected: y/y -0.8% vs. -0.3% forecast, 0.2% previous
- BOE Monetary Policy Committee keeps rates steady at 0.5%, asset purchases at 375B GBP per month
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THE WEEK AHEAD - 14th OF April , TO 18^h of April

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

MonApr 14	3:30pm	USD	Core Retail Sales m/m	0.50%	0.30%
		USD	Retail Sales m/m	0.80%	0.30%
TueApr 15	4:30am	AUD	Monetary Policy Meeting Minutes		
	11:30am	GBP	CPI y/y	1.60%	1.70%
	12:00pm	EUR	German ZEW Economic Sentiment	46.3	46.6
	3:30pm	CAD	Manufacturing Sales m/m	1.10%	1.50%
		USD	Core CPI m/m	0.10%	0.10%
3:45pm	USD	Fed Chair Yellen Speaks			
WedApr 16	1:45am	NZD	CPI q/q	0.50%	0.10%
	5:00am	CNY	GDP q/y	7.40%	7.70%
		CNY	Industrial Production y/y	9.10%	8.60%
	9:15am	JPY	BOJ Gov Kuroda Speaks		
	11:30am	GBP	Claimant Count Change	-30.2K	-34.6K
		GBP	Unemployment Rate	7.20%	7.20%
	3:30pm	USD	Building Permits	1.00M	1.01M
5:00pm	CAD	BOC Monetary Policy Report			



		CAD	BOC Rate Statement		
		CAD	Overnight Rate	1.00%	1.00%
	6:15pm	CAD	BOC Press Conference		
	7:15pm	USD	Fed Chair Yellen Speaks		
ThuApr 17	3:30am	JPY	BOJ Gov Kuroda Speaks		
	3:30pm	CAD	Core CPI m/m	0.30%	0.70%
		USD	Unemployment Claims	316K	300K
	5:00pm	USD	Philly Fed Manufacturing Index	9.6	9

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

BOE (BANK Of England) left the interest rate unchanged at 0.5% and the monthly asset purchase at £ 375 , Moreover , the market is expected that the Carney (BOE Governor) would leave the rate unchanging the remainder of this year. UK has a good growth with reasonable inflation rate ; BOE expected the GDP at 3.4% , However , IMF last week has forecasted UK GDP at 2.96% which is less than BOE forecast. February inflation reading for UK has record +1.7% which is less than previous, however, we do expect the inflation would hit the 2% target for BOE by this year. ECB still awaiting a more confirmation for the low inflation records , before announcing a new measures to increase the inflation rate like QE ; as example.

As we can see in the following chart; the positive relation between UK GDP Y-O-Y (Pink) and GBP spot rate (Green) ; However , the inflation has a negative relation to them which with them currently.



UK GDP, UK Inflation, & GBP spot rate

This week the dollar has been sold heavily by the market after FOMC dovish statement , the market was pricing a hike in interest rate by the Fed Because of positive employment readings ; However , The Fed Chairwoman ; Janet Yellen has announced that the economy still needs more work to be done before we do speak about any rate hikes , Sure this statement or the



comments by Yellen has delivered a dovish tone by the Fed for the market which negatively affected the dollar prices on the market. Yellen is waiting a more positive and stable reading for inflation and employment before any consideration about rate hike. Last Friday March PPI print higher than expected reading at 0.5% which supported the dollar on the market. So , by this reading we can conclude that the inflation now is building and awaiting an employment development before pricing any rate hike by the Fed.

BOJ was successfully by Abe-economics fighting the deflation lately, especially when they announced a round of monetary easing. Their target to reach a 2% inflation rate for the economy before reducing any stimulus plan. The first stage of this easing was successfully achieved what was planned for and the stock market for Japan was going higher and the Japanese yen was depreciation against the most major currencies . The markets were expecting this week at the meeting of BOJ to announce a new round of stimulus because of eliminating the negative effect of the first of April tax hike, however, the BOJ did not announce and they were more hawkish than usual which give boost to strengthen for Japanese yen and more boost got for the currency after last FOMC meeting as well.

Technical Corner

As we can see at the 4H gold chart; the lately down move was a correction for the uptrend which started by the beginning of the year. The gold found support at 1278.00 levels which represent the 50% correction at Fibonacci retracement; to rebound from that level to record a high for the last week at 1224.00. XAUUSD is affected by USD condition and Ukraine tensions .For the USD as we motioned the FOMC meeting had a positive effect on the gold prices, and Ukraine tension as well support gold to further increase in its prices.



Moreover, the daily chart for XAUUSD the gold prices has broken the descending triangles and re-tested it which support our view on the 4-H frame analysis. By combining the daily and 4-H analysis we do expect the gold would reach higher prices and approaching 1400 levels as a mid-term forecasting. If successfully the prices kept traded above 1250.00 Levels.





XAU – USD	SUPPORT	RESISTANCE
LEVEL 1	1310	1228
LEVEL 2	1305	1233
LEVEL 3	1287	1243

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