

# orbex WEEKLY MARKETS REPORT



OVERWEEK  
BULLET POINTS



THE WEEK  
AHEAD



MARKETS  
PREVIEW



THE CHART OF  
THE WEEK

# OVERWEEK BULLET POINTS

7<sup>th</sup> of December, to 11<sup>th</sup> of December 2015



- New Zealand Manufacturing sales climbed to (4.2%), from previous (1.0%) in third quarter.
- Japan Gross Domestic Product (QoQ) is (0.3%), above forecasts (0.1%) in third quarter.
- Japan Current Account is (¥1.53T), below forecasts (¥1.49T) in October.
- China Trade Balance is (\$54.1B), below forecasts (\$63.3B) in November.
- France Trade Balance EUR dipped to (€-4.6B), from previous (€-3.3B) in October.
- UK Halifax House Prices is (MoM) dipped to (-0.2%), from previous (1.1%) in November.
- Turkey Industrial Production is (YoY) climbed to (4.6%), from previous (2.8%) in October.
- UK Manufacturing Production is (MoM) (-0.4%), below forecasts (-0.1%) in October.
- US NFIB Small Business Index is (94.8), below forecasts (96.6) in November.
- Canada Building Permits (MoM) is (9.1%), above forecasts (3.0%) in October.
- US IBD/TIPP Economic Optimism (MoM) is (47.2), above forecasts (45.2) in December.
- China Consumer Price Index (YoY) is (1.5%), above forecasts (1.4%) in November.
- Germany Trade Balance is (€20.8B), above forecasts (€19.2B) in October.
- US Wholesale Inventories is (-0.1%), below forecasts (0.1%) in October.
- New Zealand RBNZ cuts rates to (2.50%), from (2.75%) in December.
- Australia Employment Change is (71.4K), above forecasts (-10.0K) in November.
- Australia Unemployment Rate is (5.8%), below forecasts (6%) in November.
- Turkey Current Account Balance dipped to (\$-0.133B), from previous (\$0.095B) in October.
- Turkey Gross Domestic Product climbed to (4%), from previous (3.8%) in third quarter.
- UK Goods Trade Balance is (£-11.83B), below forecasts (£-9.8B) in October.
- UK BOE MPC Vote to Maintain Rates comes same as forecasts (1-0-8).
- UK BoE Interest Rate Decision comes same as forecasts (0.5%) in December 10.
- UK BoE Asset Purchase Facility comes same as forecasts (£375B) in December.
- US Unemployment Claims is (282K), above forecasts (266K) in December 4.
- Canada New Housing Price Index (MoM) is (0.3%), above forecasts (0.1%) in November.
- Germany Consumer Price Index (MoM), comes same as forecasts (0.1%) in November.
- Eurozone Targeted LTRO is (€18.3B), above forecasts (€7.5B).
- US Retail Sales (MoM) is (0.2%), below forecasts (0.3%) in November.
- US Core Retail Sales (MoM) is (0.4%), above forecasts (0.3%) in November.
- US Producer Price Index (MoM) is (0.3%), above forecasts (0%) in November.
- US Core Producer Price Index (MoM) is (0.3%), above forecasts (0.1%) in November.
- US Core Producer Price Index (MoM) is (0.3%), above forecasts (0.1%) in November.

# THE WEEK AHEAD

14<sup>th</sup> of December, to 18<sup>th</sup> of December 2015



## THE MOST IMPORTANT ECONOMIC RELEASE OF THE WEEK

<b>Mon Dec 14</b>	14:00	EUR	ECB President Draghi Speaks				
<b>Tue Dec 15</b>	3:30	AUD	Monetary Policy Meeting Minutes				
	12:30	GBP	CPI y/y		0.10%	-0.10%	
	13:00	EUR	German ZEW Economic Sentiment		15.2	10.4	
	16:30	CAD	Manufacturing Sales m/m				-1.50%
		USD	CPI m/m		0.00%	0.20%	
		USD	Core CPI m/m		0.20%	0.20%	
19:45	CAD	BOC Gov Poloz Speaks					
<b>Wed Dec 16</b>	11:00	EUR	French Flash Manufacturing PMI		50.6	50.6	
	11:30	EUR	German Flash Manufacturing PMI		52.7	52.9	
	12:30	GBP	Average Earnings Index 3m/y		2.50%	3.00%	
		GBP	Claimant Count Change		0.9K	3.3K	
	16:30	USD	Building Permits		1.16M	1.16M	
	22:00	USD	FOMC Economic Projections				
		USD	FOMC Statement				
USD		Federal Funds Rate		0.50%	0.25%		
22:30	USD	FOMC Press Conference					
<b>Thu Dec 17</b>	0:45	NZD	GDP q/q			0.40%	
	12:00	EUR	German Ifo Business Climate		109.2	109	
	12:30	GBP	Retail Sales m/m		0.60%	-0.60%	
	16:30	USD	Philly Fed Manufacturing Index		2.1	1.9	
		USD	Unemployment Claims		271K	282K	
<b>Fri Dec 18</b>	3:00	NZD	ANZ Business Confidence			14.6	
	Tentative	JPY	Monetary Policy Statement				
	Tentative	JPY	BOJ Press Conference				
	16:30	CAD	Core CPI m/m			0.30%	



# MARKETS PREVIEW

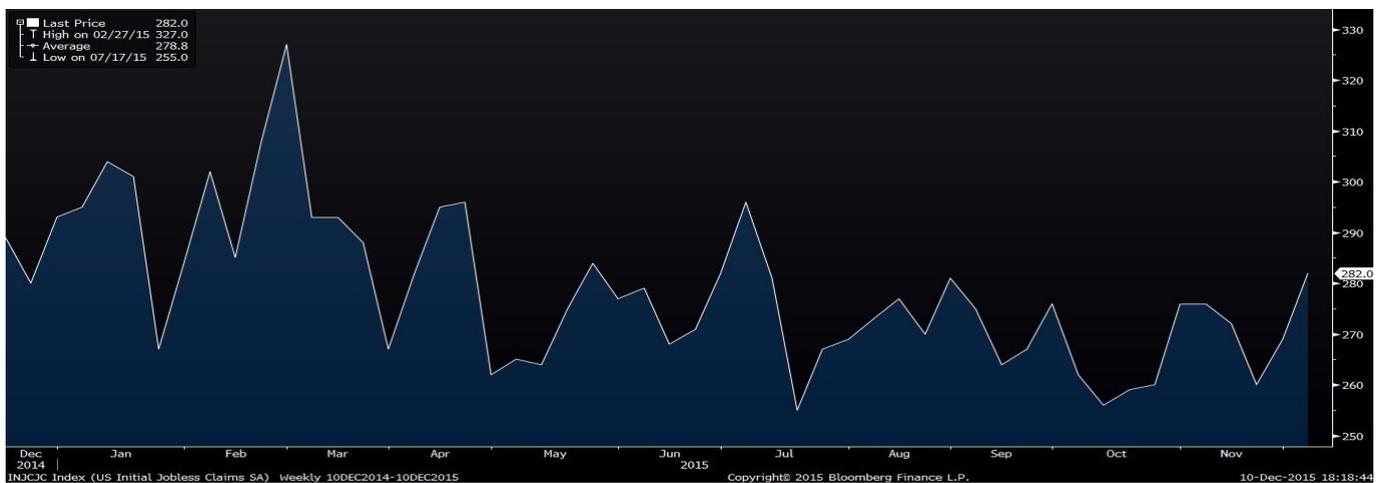
7<sup>th</sup> of December, to 11<sup>th</sup> of December 2015

The Bank of England Monetary Policy Committee decided to keep both its interest rate voted by a majority of (1-8) whereas Ian McCafferty, one of four external members of the MPC, was the only one to vote for a rate rise. It is the 81st meeting in a row at which rates have been left unchanged as a lowest level at(0.50%) since March of 2009. and amount of asset purchases at (£375 B) on last Thursday its in December 2015 meeting by the Bank of England. Meanwhile, pointing to lower oil prices and weak wage growth, which is likely to keep a lid on inflation for some time to come. However, Consumer inflation remained at (-0.1%) in October since Twelve-month, a little more than (2%) below the inflation target. Nevertheless, core inflation remains subdued, and Consumer inflation is expected to stay below (1%) until the second half of next year. Investors expect the BoE to raise interest rates late next year or early 2017.



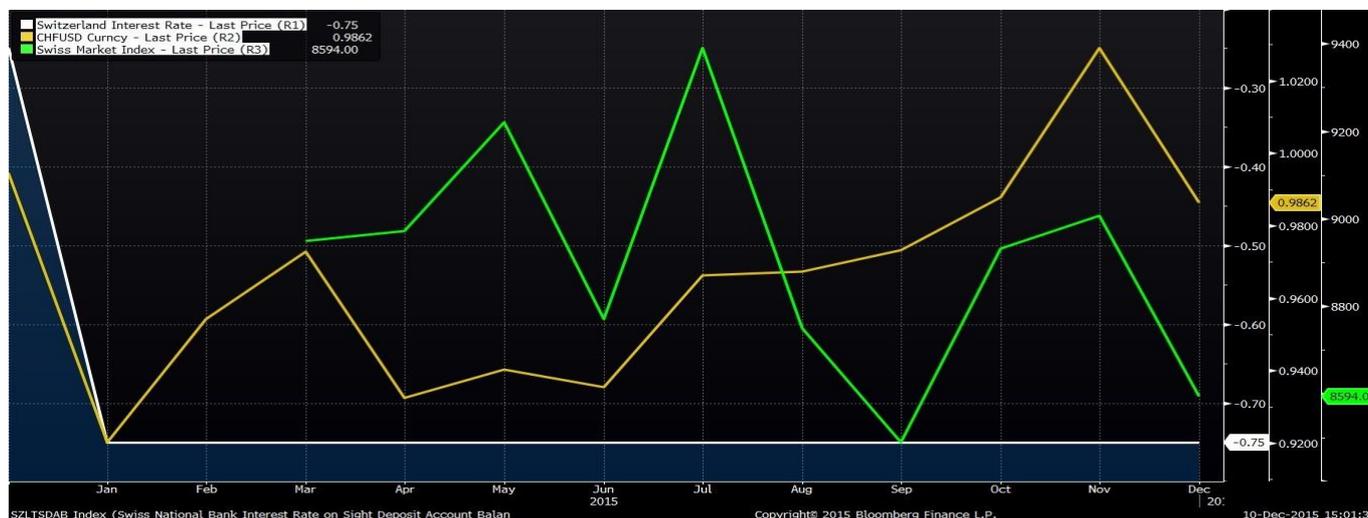
UK Official Bank Rate - UK Asset Purchase Program Target Amount - GBPUSD Currency

The number of Americans applying for unemployment claims was (282K) in December 5th, unexpectedly increased to the highest level in five months last week it's a sharp increase of (13K) from the previous week's unrevised level of (269K) and staying way above market expectations of (269K), when jobless claims hit (296K) in July 4th. Yet, the sharp jump did not mean deterioration in the labor market, as the underlying trend remained consistent with tightening conditions. Meanwhile, US imports less deflation than expected in November. Import prices dropped (-0.4%) after decreasing (-0.3%) in October. In annual terms, Import prices were (-9.4%). Also, Dollar strength and a sharp decline in oil prices have dampened inflation, leaving it running well below the target for Federal Reserve's at (2%).



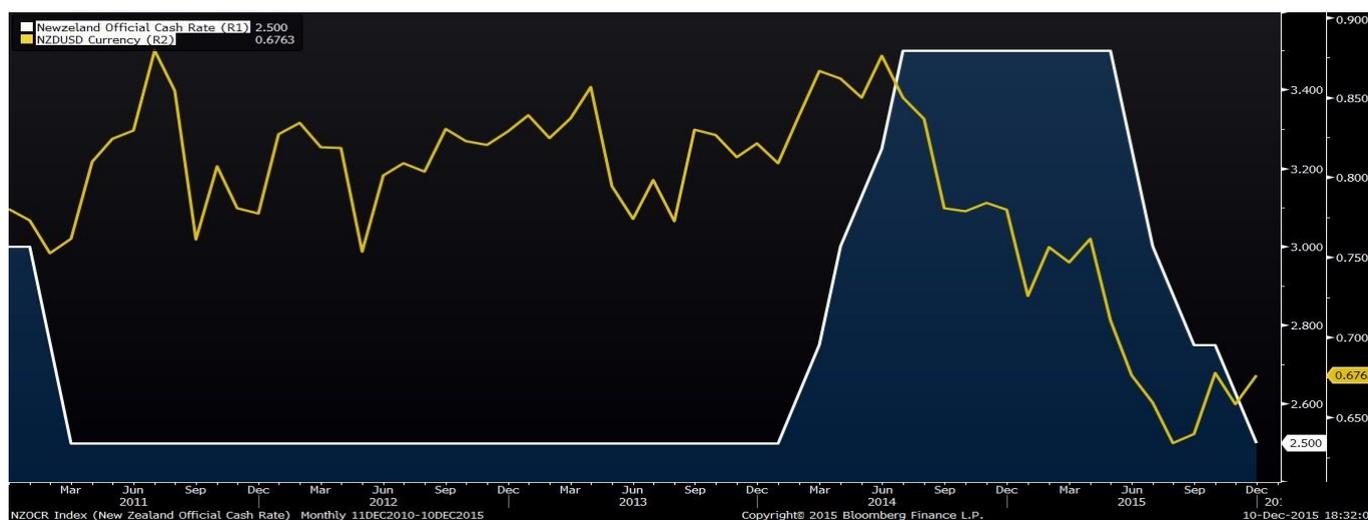
United States Initial Jobless Claims

The Swiss National Bank kept the deposit interest rate on hold at a low record at (-0.75%) last week, after reaching an all-time high at (3.50%) in June 2000, and a lowest record at (-0.75%) in January 2015. The SNB stated that the current monetary policy helps to stabilize price developments and support economic activity to maintain its pledge to intervene if needed to push back against pressure on the significantly overvalued franc. However, the SNB kept its inflation forecast for 2016 at (0.5-%), and lowered its 2017 projection to (0.3%) from (0.4%). Growth will accelerate to (1.5%) next year from just under (1%) this year.



**Switzerland Interest Rate - CHFUSD Currency - Swiss Market Index**

The Reserve Bank of New Zealand cut its key rate by (0.25%) points to (2.5%) in December for the fourth time this year, as voiced concern about softer economic growth and weak inflation rate, despite highly stimulatory monetary conditions. Interest Rate in New Zealand recorded a low of (2.50%) in April 2009. The RBNZ revised its annual GDP growth projection for the year ended in March 2016 to (2.2%) from (2.1%) and its 2017 forecast from (2.5%) to (2.9%). Also, the inflation climbed to (0.4%) in the third quarter, well below the central bank's target range of (1% - 3%). However, The kiwi dollar gained on Wednesday despite an interest rate cut by the Reserve bank of New Zealand, whereas pared some of its earlier gains against the Greenback from (0.63) to (0.6780).



**New Zealand Official Cash Rate - NZDUSD currency**

# TECHNICAL CORNER



Fed Rate Decision, The markets are closing to Fed Rate Decision this week, we may need to carefully watch the inflation data over for USA, Euro zone, and England. As we see Oil prices slump to lowest since 2008. Commodity prices are coming down which may weigh on Inflation. While a big possibility is that the Inflation Data effect may take place after the Fed Rate Announcement this Wednesday Oct.16. As a result For Fed Interest Rate hike we May expect a strength for U.S Dollar against everything else. The other Direction that may take place is a kind of Sell-off for U.S Dollar versus currencies.

From Technical Analysis prospective we still see 96.50-90 zone as the main support zone for the uptrend wave with targets towards 101.00-102.00 zone, while a break below 96.50 may add more pressure towards further drop to 92.20 zones as we see on the chart.



USD Index – 4 Hours chart

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