

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS

Last Week: 11th of Aril 2016, to 15th of April 2016



- Australia home loans m/m 1.50% vs. 2.10%
- China CPI y/y 2.30% vs. 2.40%
- China PPI y/y -4.30% vs. -4.60%
- Italy industrial production m/m -0.60% vs. -0.80%
- Germany final CPI m/m 0.80% vs. 0.80%
- Japan preliminary machine tool orders y/y -21.20% vs. -22.5% previously
- UK CPI y/y 0.50% vs. 0.30%; Core CPI y/y 1.50% vs. 1.30%
- UK PPI input m/m 2.0% vs. 2.40%; PPI output m/m 0.30% vs. 0.30%
- US import prices m/m 0.20% vs. 1.0%
- Japan PPI y/y -3.80% vs. -3.50%
- China trade balance 29.9 billion vs. 30.2 billion
- France final CPI m/m 0.70% vs. 0.70%
- Eurozone industrial production m/m -0.80% vs. -0.60%
- US core retail sales m/m 0.20% vs. 0.40%; retail sales m/m -0.30% vs. 0.10%
- US PPI m/m -0.10% vs. 0.30%; core PPI m/m -0.10% vs. 0.10%
- BoC leaves interest rate unchanged at 0.50%
- US Crude oil inventories 6.6 million vs. 0.9 million
- Australia employment change 26.1k vs. 18.6k
- Australia unemployment rate 5.70% vs. 5.80%
- Switzerland PPI m/m 0.0% vs. -0.20%
- Eurozone final CPI y/y 0.0% vs. -0.10%; core CPI y/y 1.0% vs. 1.0%
- BoE leaves interest rate unchanged at 0.50%
- US CPI m/m 0.10% vs. 0.20%; core CPI m/m 0.10% vs. 0.20%
- Weekly unemployment claims 253k vs. 270k
- China GDP q/q 6.70% vs. 6.70%
- China industrial production y/y 6.80% vs. 5.90%

- China retail sales 10.50% vs. 10.40%
- Japan revised industrial production m/m -5.20% vs. -6.20%
- UK construction output m/m -0.30% vs. 0.0%
- US empire state manufacturing index 9.6 vs. 2.1
- US industrial production m/m -0.60% vs. -0.10%
- UoM consumer sentiment 89.7 vs. 91.9
- Prelim UoM inflation expectations 2.70% vs. 2.70% previously

THE WEEK AHEAD

18th of April 2016, to 22nd of April 2016



IMPORTANT ECONOMIC RELEASES FOR THE WEEK AHEAD

Date	Time	Currency	Event	Forecast	Previous
18-Apr	13:30	CAD	Foreign Securities Purchases	7.52B	13.51B
		USD	FOMC Member Dudley Speaks		
19-Apr	02:30	AUD	Monetary Policy Meeting Minutes		
	10:00	EUR	German ZEW Economic Sentiment	8.2	4.3
		EUR	ZEW Economic Sentiment	13.9	10.6
	13:30	USD	Building Permits	1.20M	1.18M
		USD	Housing Starts	1.17M	1.18M
	14:30	AUD	RBA Gov Stevens Speaks		
	16:00	CAD	BOC Gov Poloz Speaks		
20-Apr	09:30	GBP	Average Earnings Index 3m/y	2.10%	2.10%
		GBP	Claimant Count Change	-11.9K	-18.0K
		GBP	Unemployment Rate	5.10%	5.10%
	13:30	CAD	Wholesale Sales m/m		0.00%
	15:00	USD	Existing Home Sales	5.29M	5.08M
	15:30	USD	Crude Oil Inventories		6.6M
21-Apr	09:30	GBP	Retail Sales m/m	-0.20%	-0.40%
		GBP	Public Sector Net Borrowing	5.6B	6.5B
	12:45	EUR	Minimum Bid Rate	0.00%	0.00%
	13:30	EUR	ECB Press Conference		
		USD	Philly Fed Manufacturing Index		12.4
		USD	Unemployment Claims		253K
22-Apr	08:00	EUR	French Flash Manufacturing PMI	49.8	49.6
		EUR	French Flash Services PMI	50	49.9
	08:30	EUR	German Flash Manufacturing PMI	50.9	50.7
		EUR	German Flash Services PMI	55	55.1
	09:00	EUR	Flash Manufacturing PMI	51.7	51.6
		EUR	Flash Services PMI	53.2	53.1
	13:30	CAD	Core CPI m/m	0.40%	0.50%
		CAD	Core Retail Sales m/m	-0.70%	1.20%
		CAD	CPI m/m	0.40%	0.20%
		CAD	Retail Sales m/m	-0.70%	2.10%



MARKETS PREVIEW

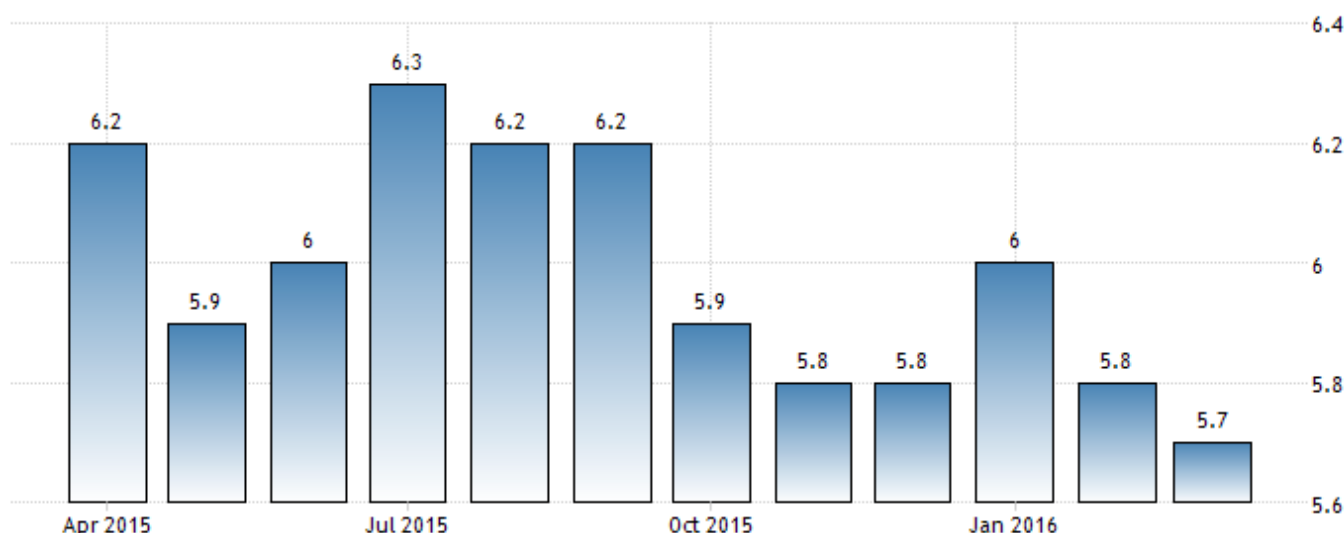
18th of April 2016, to 22nd of April 2016

Last week saw the economic data from China which showed a mixed picture but broadly better than previous period's performance. China's inflation came out at 2.30%, slightly below expectations but with no major disappointments, the markets took the data in their stride. The softly weaker CPI data was offset by the producer price index falling 4.30%, less than the estimated 4.60%. Later in the week, China's trade balance returned to a surplus with exports leading the way. Friday's GDP data and industrial production painted a mixed bag. While the first quarter GDP came out at 6.70%, rising at the slowest pace since 2009, industrial production jumped 6.80% beating estimates of 5.90%.

In Canada, the Bank of Canada left the main interest rates unchanged at 0.50%. The central bank released its quarterly forecasts with higher revised CPI and GDP data. The central bank however noted that the first quarter jump in economic data could see some downside risks into the second quarter. Canadian dollar posted some strong gains this week with Oil prices leading the way.

In Australia, the unemployment rate fell to 5.70% surprisingly, down from 5.80% previously in February. The Australian economy managed to add 26.1k jobs to the economy with a surge in part-time employment. The better than expected jobs data is likely to keep the RBA off the rate cut pedal for the moment.

AUSTRALIA UNEMPLOYMENT RATE

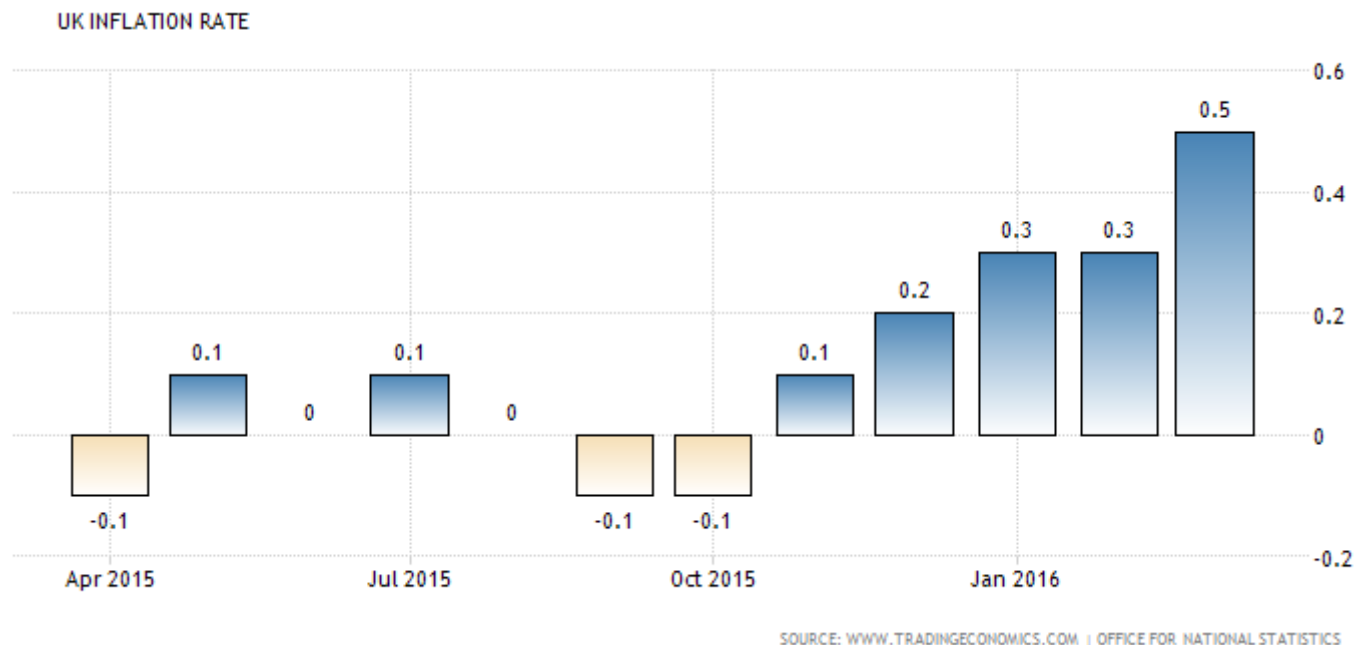


SOURCE: WWW.TRADINGECONOMICS.COM | AUSTRALIAN BUREAU OF STATISTICS

Australia Monthly Unemployment Rate (March 2016)

In the US, economic data was mixed. Retail sales increased less than expected and the data was followed by a soft reading on inflation in March. Failing to keep up with the broad increase in inflation across the world, US consumer prices increased 0.10% and

missed forecasts of a 0.20% increase, while core inflation increased 1.0% as expected. On the other hand, inflation data in the UK showed a surprise jump, rising 0.50% beating forecasts of 0.30% in March. Core CPI also saw a strong rebound, rising 1.50%. The Bank of England met this week and left interest rates unchanged at 0.50% by a unanimous vote. However, the central bank said that the Brexit uncertainty continues to remain a big risk for the economy and washed down optimism on inflation noting that inflation is likely to fall back lower over the next few months..



UK Inflation Rate (March 2016)

The ECB will be meeting this week on Thursday. No changes are expected at this event and the central bank is likely to use the event to discuss the unfolding events. With inflation in the Eurozone showing signs of recovery, ECB officials could use this meeting to talk down the euro which has remained steady near the 1.13 - 1.14 region over the past several weeks. Data this week will be dominated by the flash manufacturing and services PMI data from the rest of Europe.

In the UK, the monthly jobs data for March is expected to show no change with the average earnings expected to rise at 2.10% while the unemployment rate is expected to be unchanged at 5.10%. Retail sales data from the UK is expected to show a decline 0.20% in March following 0.70% decline a month ago.

From Canada, the monthly inflation figures will be out on Friday with a mixed bag. Headline CPI is expected to rise 0.40% in March, up from 0.20% previously but core inflation is expected to rise at a slower pace of 0.40%, down from 0.50% increase previously. Retail sales will be released simultaneously as well and is expected to show a 0.70% slump following the previous month's strong 2.10% increase.

TECHNICAL CORNER



USDZAR is one of the currency pairs that could see some strong upside momentum as the US dollar attempts to push for another leg higher. The recent downtrend in the US dollar has sent the emerging market currencies, including the South African Rand to appreciate strongly. Despite political headwinds from South Africa where the President Jacob Zuma is embroiled in a controversy of violating his oath of office, the Rand has managed to hold its ground quite steady having gained nearly 5.0% on a year to date basis.



USDZAR (\$14.56) – Daily Chart

The technical chart for the USDZAR shows prices trading within a falling wedge pattern and indicative by the doji reversal (bullish) that we got on Friday. 14.965 is the key level to watch as a daily close above this price could see the dollar attempt to make gains pushing prices to 15.19 - 15.0 levels as the initial target. A break above this key support/resistance level could send the USDZAR towards 15.86 - 15.91. The bullish bias would be invalidated if price fails to break above the initial resistance level of 15.19 - 15 and instead closes below 14.965.

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