

# orbex WEEKLY MARKETS REPORT



OVERWEEK  
BULLET POINTS



THE WEEK  
AHEAD



MARKETS  
PREVIEW



THE CHART OF  
THE WEEK

# OVERWEEK BULLET POINTS



9<sup>th</sup> of January, TO 23<sup>th</sup> of January 2015

- ECB current account (Nov) M/M 18.1bln vs. (Prev. 20.5bln).
- Italy Global Trade Balance fell from previous €5.396B to €3.541B in November.
- Germany ZEW Survey Economic Sentiment came in at 48.4, above expectations (40) in January.
- European Monetary Union ZEW Survey Economic Sentiment came in at 45.2, above forecasts (37.6) in January.
- Turkey Interest Rate Decision down to 7.75% in January from previous 8.25%.
- Canadian Manufacturing Sales (Nov) M/M -1.4% vs. Exp. -0.7% (Prev. -0.6%).
- UK ILO Unemployment Rate (Nov) 3M/3M 5.8% vs Exp. 5.9% (Prev. 6.0%).
- UK Average Weekly Earnings ex-Bonus 3M/Y (Nov) 1.8% vs. Exp. 1.9% (Prev. 1.6%).
- UK Jobless Claims Change (Dec) M/M -29.7 vs Exp. -25.0k (Prev. -26.9k).
- Bank of England January minutes show a 9-0 vote on rates against expectations of 7-2 as Weale and McCafferty bring an end to their call for higher rates.
- Bank of England agents summary of business conditions show retail sales values growth edged higher and housing subdued.
- Switzerland ZEW Survey - Expectations: -10.8 (January) vs previous -4.9.
- Canadian Wholesale Trade Sales (Nov) M/M -0.3% vs. Exp. 0.0% (Prev. 0.1%).
- US Housing Starts (Dec) M/M 1089K vs. Exp. 1040K (Prev.1043K).
- US Building Permits (Dec) M/M 1032K vs. Exp. 1060K (Prev. 1035K).
- US Chicago PMI reading for December revised higher from 58.3 to 58.8.
- Canadian Central Bank cut interest rates by 25 basis points to 0.75% from 1.00%, with a reduction in growth and inflation expectations.
- Spain Unemployment Survey came in at 23.7%, above expectations (23.5%) in 4Q.
- Turkey Consumer Confidence: 67.71 (January) vs 67.7.
- Italy Industrial Sales (MoM) -0.6% (November) vs previous 0.4%.
- Italy Industrial Sales (YoY) -1.6% (November) vs previous -0.7%.
- Italy Industrial Orders (MoM) declined to -1.1% in November from previous 0.1%.
- Italy Industrial Orders (YoY) declined to -4.1% in November from previous -0.2%.
- United Kingdom Public Sector Net Borrowing (£12.465B) above expectations (£9.2B) in December.

# OVERWEEK BULLET POINTS



9<sup>th</sup> of January, TO 23<sup>th</sup> of January 2015

- Italy Retail Sales (MoM) up to 0.1% in November from previous 0%.
- Italy Retail Sales (YoY) decline to -2.3% in November from previous -0.8%.
- ECB keeps Main Rate unchanged at 0.05% as expected.
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- ECB keeps Deposit Rate unchanged at -0.20% as expected.
- US Initial Jobless Claims (Jan 17) W/W 307K vs. Exp. 300K (Prev. 317K).
- ECB President Draghi says decided to launch an expanded asset purchase program.
- ECB President Draghi says purchases of securities will be based on the national central bank share in capital of ECB.
- ECB President Draghi says changing TLTRO pricing so TLTRO rate will be equal to MRO rate.
- ECB President Draghi reiterates that rates are at the lower bound.
- ECB President Draghi says the issuer limit is 30% and they will not buy more than 25% of each issue.
- ECB President Draghi says the range of QE purchases will be in maturities of between 2-30 years.
- ECB President Draghi says QE program could include Greek sovereign debt from July.
- ECB President Draghi says QE asset purchases will include bonds with negative yields.
- ECB President Draghi says will buy 60 billion euros a month of assets until SEPT 2016 and start investment grade sovereign bonds buying in March.
- US House Price Index (Nov) M/M 0.8% vs. Exp. 0.3% (Prev. 0.6%).
- European Monetary Union Consumer Confidence came in at -8.5, above expectations (-10.5) in January.
- France Markit Manufacturing PMI 49.5, above expectations (48.1) in January.
- France Markit Services PMI registered at 49.5, below expectations (50.7) in January.
- German Manufacturing PMI (Jan P) M/M 51.0 vs. Exp. 51.7 (Prev. 51.2).
- Eurozone Manufacturing PMI (Jan P) M/M 51.0 vs. Exp. 51.0 (Prev. 50.6).
- Canadian CPI (Dec) Y/Y 1.5% vs. Exp. 1.60% (Prev. 2.0%).
- Canadian Retail Sales (Nov) M/M 0.4% vs. Exp. -0.2% (Prev. 0.0%).
- US Chicago Fed Nat Activity Index (Dec) M/M -0.05 vs. Exp. 0.48 (Prev. 0.73).
- US Existing Home Sales (Dec) M/M 5.04mln vs. Exp. 5.08mln (Prev. 4.93mln).
- US Leading Index (Dec) M/M 0.5% vs. Exp. 0.4% (Prev. 0.6%).

# THE WEEK AHEAD



26<sup>th</sup> of January , TO 30<sup>th</sup> of January 2015

## THE MOST IMPORTANT ECONOMIC RELEASE OF THE WEEK

Mon Jan 26	All Day	AUD	Bank Holiday			
	12:00	EUR	German Ifo Business Climate		106.7	105.5
Tue Jan 27	3:30	AUD	NAB Business Confidence			1
	12:30	GBP	Prelim GDP q/q		0.60%	0.70%
	16:30	USD	Core Durable Goods Orders m/m		0.60%	-0.70%
	18:00	USD	CB Consumer Confidence		95.7	92.6
		USD	New Home Sales		452K	438K
Wed Jan 28	3:30	AUD	CPI q/q		0.30%	0.50%
	22:00	USD	FOMC Statement			
		USD	Federal Funds Rate		<0.25%	<0.25%
	23:00	NZD	Official Cash Rate		3.50%	3.50%
		NZD	RBNZ Rate Statement			
Thu Jan 29	0:45	NZD	Trade Balance		-70M	-213M
	All Day	EUR	German Prelim CPI m/m		-0.80%	0.00%
	16:30	USD	Unemployment Claims		301K	307K
Fri Jan 30	3:30	AUD	PPI q/q		0.30%	0.20%
	13:00	EUR	CPI Flash Estimate y/y		-0.50%	-0.20%
	16:30	CAD	GDP m/m		-0.10%	0.30%
		USD	Advance GDP q/q		3.10%	5.00%

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

# MARKETS PREVIEW



19<sup>th</sup> of January , TO 23<sup>th</sup> of January 2015

The US-state unemployment benefits dropped last week from the highest level in seven months, with the underlying trend pointing to consistent improvement in the US labour market. Initial jobless claims across the country declined to a seasonally adjusted 307,000 in the week ended January 16, down from last week's revised 317,000, considered a better gauge of labour market performance as it strips out week-to-week volatility, advanced 6,500 last week to 306,500, breaking above the 300,000 level for the first time since September. Meanwhile, continuing claims for the week ending January 10 rose slightly and came in at 2.443 million, compared to last week's reading of 2.428 million. Employment gains have exceeded 200,000 in each of the last 11 months, the longest such streak since 1994. In addition to that, the ratio of unemployed people for every job opening is the lowest since early 2008. The US unemployment rate slid to 5.6% in December, down from 5.8% in November, reaching the lowest level since June 2008. The US economy created nearly three million jobs last year. The trends in the US labour market will play a key role in the central bank's decision making process regarding monetary policy normalization.



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. DEPARTMENT OF LABOR

# MARKETS PREVIEW



19<sup>th</sup> of January , TO 23<sup>th</sup> of January 2015

The European Central Bank maintained status quo on interest rates for a fourth consecutive month and said it is going to announce more policy measures shortly as markets hold breath to know the details of the widely expected massive quantitative easing plan. The bank also left the deposit rate unchanged at -0.20 percent and the marginal lending rate at 0.30 percent. The three main interest rates were lowered by 10 basis points in September.

▼ Euro Area - Inflation Rate ▼ Euro Area - Interest Rate



Euro Area - Inflation Rate (compare) Interest Rate

# MARKETS PREVIEW

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19<sup>th</sup> of January , TO 23<sup>th</sup> of January 2015

The European Central Bank agreed to purchase government bonds worth 60 billion euros a month. The long-awaited programme comes after inflation in the Euro bloc broke below zero and put prolonged deflationary threat on the horizon, which can lead to higher unemployment and is notoriously difficult to reverse. The ECB will be buying government bonds, debt securities issued by European institutions and private-sector bonds starting from March 2015 till at least September 2016. Such a decision would pump large amounts of money into the financial system that could then be used by banks and other lenders to boost available credit. Consequently, that could spur consumer spending and act as a support to economic growth.

# TECHNICAL CORNER



The market on a longer term is in up-trend; However after reaching a peak of 1.5500s levels on April of the last year the market entered a correction phase (Down mid-term trend) ,We do expect with the recent development of the market fundamentals the market would continue its uptrend , So , A long positions near 1.3700s levels with stop lose below 1.3500s and targeting 1.4900s would be an advised opportunity on a longer term horizon.



EUR/CAD, Weekly Chart



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