

ORBEX

Weekly Markets Report

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



ORBEX Research Department
21st OF July , TO 25th of July

OVERWEEK BULLET POINTS – 14th OF July. , TO 18th of July

- UK CPI inflation raises to 1.9% in June from 1.6% expected, annual RPI advances to 2.6% from 2.4% a year ago
- German ZEW Survey Expectations (Jul) M/M 27.1 vs Exp. 28.2 (Prev. 29.8.).
- US Empire Manufacturing (Jul) M/M 25.60 vs. Exp. 17.00 (Prev. 19.28).
- US Retail Sales Advance (Jun) M/M 0.2% vs. Exp. 0.6% (Prev. 0.3%).
- US Import Price Index (Jun) M/M 0.1% vs. Exp. 0.4% (Prev. 0.1).
- UK Jobless Claims Change (Jun) M/M -36.3K vs. Exp. -27.0K (Prev. -27.4K).
- UK ILO Unemployment Rate (May) 3M/3M 6.5% vs. Exp. 6.50% (Prev. 6.60%).
- US PPI Final Demand (Jun) M/M 0.4% vs. Exp. 0.2% (Prev. -0.2%).
- Canadian Manufacturing Sales (May) M/M 1.6% vs. Exp. 1.0% (Prev. -0.1%).
- Bank of Canada leaves rates unchanged at 1.0% July after monetary policy meeting.
- Italian Current Account Balance (May) M/M 1889mln (Prev. 2033mln).
- Eurozone CPI (Jun F) Y/Y 0.5% vs. Exp. 0.5% (Prev. 0.5%).
- Eurozone Construction Output (May) M/M -1.5% (Prev. 0.8%).
- US Initial Jobless Claims (Jul 12) W/W 302K vs. Exp. 310K (Prev. 304K).
- US Continuing Claims (Jul 05) W/W 2507K vs. Exp. 2580K (Prev. 2584K).
- US Housing Starts (Jun) M/M 893K vs. Exp. 1020K (Prev. 1001K).
- US Building Permits (Jun) M/M 963k vs. Exp. 1035k (Prev. 991k).
- US Philly Fed Manufacturing Index (Jul) M/M 23.9 vs. Exp. 16 (Prev. 17.8).
- Canadian CPI (Jun) Y/Y 2.4% Exp. 2.3% (Prev. 2.3%).
- Canadian Wholesale Trade Sales (May) M/M 2.2% vs. Exp. 0.6% (Prev. 1.2%).

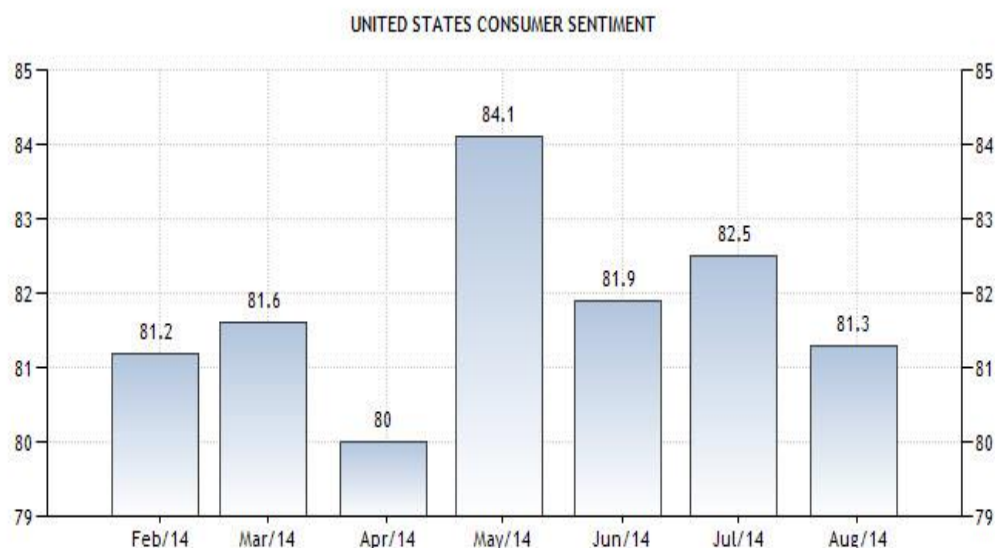
- **The most important economic release of the week**

Tue Jul 22	3:30pm	USD	Core CPI m/m		0.20%	0.30%
	5:00pm	USD	Existing Home Sales		4.98M	4.89M
	4:30am	AUD	CPI q/q		0.50%	0.60%
Wed Jul 23	11:30am	GBP	MPC Asset Purchase Facility Votes		0-0-9	0-0-9
		GBP	MPC Official Bank Rate Votes		0-0-9	0-0-9
	3:30pm	CAD	Core Retail Sales m/m		0.30%	0.70%
Thu Jul 24	12:00am	NZD	Official Cash Rate		3.50%	3.25%
		NZD	RBNZ Rate Statement			
	1:45am	NZD	Trade Balance		155M	285M
	4:45am	CNY	HSBC Flash Manufacturing PMI		51.2	50.7
	10:00am	EUR	French Flash Manufacturing PMI		48.5	48.2
	10:30am	EUR	German Flash Manufacturing PMI		52.2	52
	11:30am	GBP	Retail Sales m/m		0.20%	-0.50%
	3:30pm	USD	Unemployment Claims		310K	302K
	5:00pm	USD	New Home Sales		485K	504K
Fri Jul 25	4:00am	NZD	ANZ Business Confidence			42.8
	11:00am	EUR	German Ifo Business Climate		109.6	109.7
	11:30am	GBP	Prelim GDP q/q		0.80%	0.80%
	3:30pm	USD	Core Durable Goods Orders m/m		0.60%	0.00%

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

The most remarkable aspect of recent trends in consumer confidence has been its resistance to change in either direction due to very negative GDP nor very positive employment gains, Consumer morale in the U.S. unexpectedly declined in July to the lowest level in four month, while index of consumer expectations fell for a third consecutive month as Americans' outlook for the country's economy worsened. The Thomson Reuters/University of Michigan's preliminary July reading of sentiment slipped to 81.3, down from 82.5 recorded in June, whereas economists had called for a July reading of 83. The survey's gauge of current economic conditions rose to 97.1 from 96.6, while the barometer of consumer expectations fell to 71.1 from 73.5. Higher prices at grocery-store checkout lines are undermining Americans' confidence and straining household budgets as they take a bigger bite out of workers' paychecks. A timid pickup in wage growth.

A higher cost of living increase the risk that consumer spending, which accounts for almost 70% of the nation's economy, is likely to wane. More rapid income growth would help ease the burden of higher prices. The cost of living, as measured by the consumer price index, rose 2.1% in May from the same month last year, the biggest advance since October 2012. Food costs in May climbed as much as 0.5% from a month earlier; the most since August 2011, Americans see an inflation rate of 3.3% over the next year, compared with 3.1% in the previous month. Over the next five to 10 years, they expect a 2.6% rate of inflation, the lowest since March 2009, compared with the 2.9% expectation posted in June.



SOURCE: WWW.TRADINGECONOMICS.COM | THOMSON REUTERS/UNIVERSITY OF MICHIGAN

UNITED STATES CONSUMER CONFIDENCE

As shown in chart for CADCHF for the daily time frame; the mid-term major down trend this has started on May 2013 from the peak of 0.9500s levels. So, as we do expect that the correction almost end that the levels of 0.8400s and a continuation for the down trend are expected. The speed and magnitude for the declining price depends on market condition, however, if the market broken that correction pattern; it is expected at least to re-test the major support at 0.7800s levels. In case the market continuing rally to upside the 0.8520s levels represent a major resistance and a reasonable place for placing Stop loses and exiting any short trade above that mentioned level.



CADCHF – Daily Time Frame



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