

ORBEX

Weekly Markets Report

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



ORBEX Research Department
28st OF July , TO 1th of August

OVERWEEK BULLET POINTS – 21th OF July. , TO 25th OF July

- UK Public Sector Net Borrowing Ex Intervention (Jun) M/M 11.4bln vs. Exp. 10.5bln (Prev. 13.3bln, Rev. to 13.7bln).
- US CPI (Jun) M/M 0.3% vs. Exp. 0.3% (Prev. 0.4%).
- US Existing Home Sales (Jun) M/M 5.04mln vs. Exp. 4.99mln (Prev. 4.89mln).
- US Richmond Fed Manufacturing Index (May) M/M 7 vs. Exp. 5 (Prev. 3).
- Australia CPI (Q2) q/q 0.5% vs. Exp. 0.5% (Prev. 0.6%).
- UK MPC voted 9-0 to keep rates unchanged at July monetary policy meeting.
- Bank of Spain sees GDP growth picking up to 2% in 2015.
- UK CBI Reported Sales (Jul) M/M 21 vs. Exp. 15 (Prev. 4).
- Canadian Retail Sales (May) M/M 0.7% vs. Exp. 0.6% (Prev. 1.1%).
- Reserve Bank of New Zealand cash rate hike of 3.5% (pre 0.3.25%).
- New Zealand (June) trade balance: \$247m (vs. expected 100m).
- Italian Retail Sales (May) M/M -0.7% vs. Exp. 0.2% (Prev. 0.4%).
- Eurozone Manufacturing PMI (Jul) M/M 51.9 vs. Exp. 51.7 (Prev. 51.8).
- France Manufacturing PMI below forecasts (48.1) in (July) Actual (47.6).
- France Services PMI came in at 50.4, above expectations (48.4) in July.
- Germany Manufacturing PMI at 52.9, above forecasts (52) in July.
- UK Retail Sales Ex Auto (Jun) M/M -0.1% vs Exp. 0.3% (Prev. -0.5%).
- US Initial Jobless Claims (Jul 19) W/W 284K vs. Exp. 307K (Prev. 302K).
- US Manufacturing PMI (Jul P) M/M 56.3 vs. Exp. 57.5 (Prev. 57.3).
- US New Home Sales (Jun) M/M 406K vs. Exp. 475K (Prev. 504K).
- New Zealand Business confidence for July 39.7 vs.(prev. 42.8).
- German GfK consumer sentiment Aug 9.0 vs. (exp. 8.9).
- Italian wage inflation (June) m/m unchanged at +0.1%.
- Eurozone money annual growth (June) 1.5% vs. 1.1% exp.
- German IFO business climate (July) 108.0 vs. 109.4.
- UK GDP (Q2 A) Q/Q 0.8% vs Exp. 0.8% (Prev. 0.8%).
- US Durable Goods Orders (Jun) M/M 0.7% vs Exp. 0.5% (Prev. -1.0%).

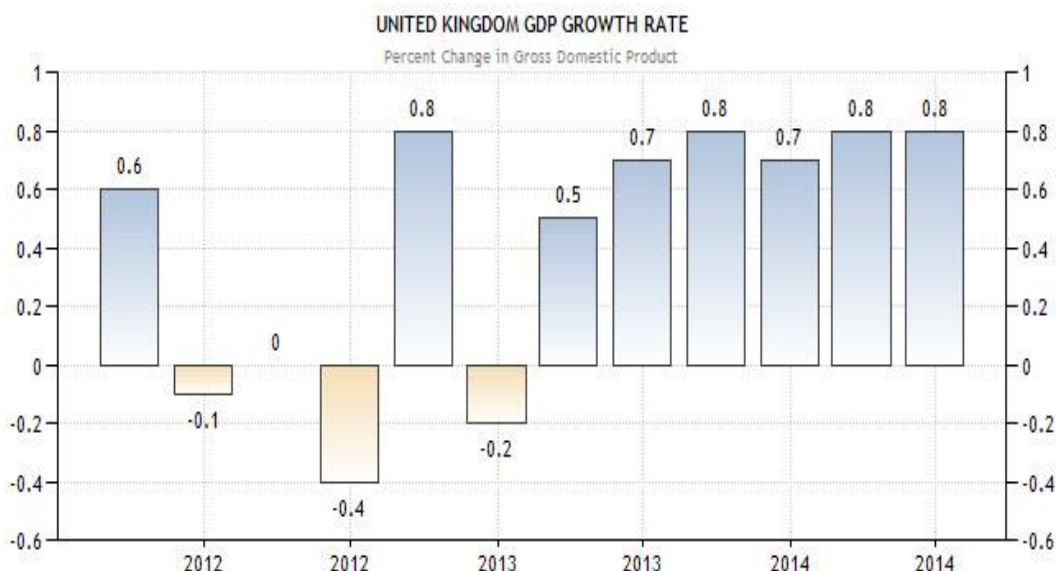
- *The most important economic release of the week*

Mon Jul 28	5:00pm	USD	Pending Home Sales m/m		-0.20%	6.10%
Tue Jul 29	5:00pm	USD	CB Consumer Confidence		85.5	85.2
Wed Jul 30	All Day	EUR	German Prelim CPI m/m		0.20%	0.30%
	3:15pm	USD	ADP Non-Farm Employment Change		234K	281K
	3:30pm	USD	Advance GDP q/q		3.10%	-2.90%
	9:00pm	USD	FOMC Statement			
Thu Jul 31	4:30am	AUD	Building Approvals m/m		0.20%	9.90%
	12:00pm	EUR	CPI Flash Estimate y/y		0.50%	0.50%
	3:30pm	CAD	GDP m/m		0.30%	0.10%
USD		Unemployment Claims		306K	284K	
Fri Aug 1	4:00am	CNY	Manufacturing PMI		51.4	51
	4:30am	AUD	PPI q/q		0.70%	0.90%
	4:45am	CNY	HSBC Final Manufacturing PMI		52	52
	6:30am	JPY	BOJ Gov Kuroda Speaks			
	11:30am	GBP	Manufacturing PMI		57.2	57.5
	3:30pm	USD	Non-Farm Employment Change		230K	288K
		USD	Unemployment Rate		6.10%	6.10%
	5:00pm	USD	ISM Manufacturing PMI		56.1	55.3

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

Britain's economy is leading when compared to the world's most developed economies. Preliminary release of GDP growth revealed that the UK's economy expanded by 0.8%, as it was forecast. When compared to last year's values, economic growth rose 3.1%, also corresponding to what was predicted. During the month of June retail sales rose by 0.1% in the United Kingdom. However, this increase was unsatisfactory compared to its forecast. After the release, the Sterling extended losses versus the Dollar, dropping by 0.16% from 1.7040 to 1.7018.

UK's economy is on the verge of growing larger than recorded before 2008. GDP was forecast at the same speed as in the first quarter, this way revealing a 0.8% expansion, making it the strongest pace since the end of 2007. The Sterling was expected to perform an impressive rally on Friday, as GDP report was projected to show the economy is now the fastest growing economy among other G7 members. however, was not able to surprise markets to the upside, hence, market reaction was muted. On the back of disappointing statistics from Germany, the Sterling slid to 1.6976, while the reaction on the U.K. GDP report was short-lived, with the pair first rising to 1.6992, however, a couple of minutes later the pair eased back to 1.6965.



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UNITED KINGDOM GDP

GBP / AUD on daily time frame, as we can notice from the late price action of the market. Obviously, the market is trending higher on a rising channel correcting the short-term down trend which started on January 2014. In this case the most probable action would be continuation of the down-trend after breaking the up channel. So , the most appropriate action would be shorting the market once it reaches the higher band of that channel with placing stop loss at the levels of 1.8450 (as shown on chart).Moreover , after a successful break for the channel the market would probably target the major support area at the 1.7420s levels.



GBP / AUD - Daily Time Frame



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