

ORBEX

Weekly Markets Report

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



ORBEX Research Department
3st OF November, TO 7th of November

OVERWEEK BULLET POINTS – 27th of October , TO 31th of October

- German IFO Business Climate (Oct) M/M 103.2 vs. Exp. 104.5 (Prev. 104.7).
- Euro Zone M3 Money Supply (Sep) Y/Y 2.5% vs. Exp. 2.2% (Prev. 2.0%).
- UK CBI Reported Sales (Oct) M/M 31 vs. Exp. 25 (Prev. 31).
- United States Markit Services PMI below forecasts (58) in October: Actual (57.3).
- United States Pending Home Sales (Sep) M/M 0.3% vs. Exp. 1.0% (Prev. -1.0%).
- Germany Import Price Index (YoY) above expectations (-2%) in September: Actual (-1.6%).
- Germany Import Price Index (MoM) above expectations (-0.1%) in September: Actual (0.3%).
- US Durable Goods Orders (Sep) M/M -1.3% vs. Exp. 0.5% (Prev. -18.2%, Rev. -18.3%).
- US Richmond Fed Manufacturing Index (Oct) M/M 20 vs. Exp. 11 (Prev. 14).
- US Consumer Confidence (Oct) M/M 94.5 vs. Exp.87 (Prev. 86).
- United States Fed Interest Rate Decision in line with forecasts (0.25%).
- United States Fed Pace of Treasury Purchase Program fell from previous \$10B to \$0.
- United States Fed Pace of MBS Purchase Program down to \$0 from previous \$5B.
- German Unemployment Change (Oct) M/M -22K vs. Exp. 4K (Prev. -12K).
- United States GDP Annualized (Q3) Q/Q 3.5% vs. Exp. 3.0% (Prev. 4.6%).
- United States Gross Domestic Product Price Index below expectations (1.4%) in 3Q: Actual (1.3%).
- United States Continuing Jobless Claims registered at 2.384M above expectations (2.35M) in October 18.
- United States Core Personal Consumption Expenditures (QoQ) in line with forecasts (1.4%) in 3Q.
- United States Personal Consumption Expenditures Prices (QoQ) below expectations (1.3%) in 3Q: Actual (1.2%).
- United States Initial Jobless Claims came in at 287K, above forecasts (283K) in October 25.
- German CPI (Oct P) Y/Y 0.8% vs. Exp. 0.9% (Prev. 0.8%).
- Australia Private Sector Credit (YoY) climbed from previous 5.1% to 5.4% in September.



- Australia Private Sector Credit (MoM) registered at 0.5% above expectations (0.4%) in September.
- Australia Producer Price Index (QoQ) increased to 0.2% in 3Q from previous -0.1%.
- Australia Producer Price Index (YoY) declined to 1.2% in 3Q from previous 2.3%.
- New Zealand M3 Money Supply (YoY) climbed from previous 5.2% to 5.3% in September.
- Bank of Japan Interest Rate Decision unchanged at 0.1%.
- Japan Construction Orders (YoY) fell from previous 8.6% to -40.3% in September.
- Bank of Japan Raises Annual Monetary Base To \$718 Billion.
- Japanese 10-year bond yield falls to lowest level since April 2013.
- Japan Annualized Housing Starts increased to 0.88M in September from previous 0.845M.
- Japan Housing Starts (YoY) came in at -14.3%, above forecasts (-17.5%) in September.
- Germany Retail Sales (MoM) came in at -3.2%, below expectations (-1%) in September.
- Germany Retail Sales (YoY) above expectations (0.8%) in September: Actual (2.3%).
- France Consumer Spending (MoM) came in at -0.8% below forecasts (-0.3%) in September.
- France Producer Prices (MoM) came in at 0.5%, above forecasts (-0.1%) in September.
- Italian Unemployment Rate (Sep) M/M 12.6% vs. Exp. 12.4% (Prev. 12.3%).
- Spain Current Account Balance dipped from previous €1.4B to €1.29B in August.
- Italy Consumer Price Index (YoY) registered at 0.1% above expectations (-0.2%) in October.
- Eurozone Unemployment rate (Sep) M/M 11.5 vs. Exp. 11.5 (Prev. 11.5).
- Eurozone CPI Estimate (Oct) Y/Y 0.4% vs. Exp. 0.4% (Prev. 0.3%).
- Canadian GDP (Aug) M/M -0.1% vs. Exp. 0.0% (Prev. 0.0%).
- US Personal Spending (Sep) M/M -0.2% vs. Exp. 0.1% (Prev. 0.5%).
- US Personal Income (Sep) M/M 0.2% vs. Exp. 0.3% (Prev. 0.3%).
- US PCE Core (Sep) M/M 0.1% vs. Exp. 0.1% (Prev. 0.1%).
- US Employment cost index came in at 0.7%, above expectations (0.5%).
- US Chicago PMI (Oct) M/M 66.2 vs. Exp. 60.0 (Prev. 60.5).
- US University of Michigan Confidence (Oct F) M/M 86.9 vs. Exp. 86.4 (Prev. 86.4).

THE WEEK AHEAD - 3th of November , TO 7th of November

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

Mon Nov 3	3:30	AUD	Building Approvals m/m	-11.00%	-0.90%	3.40%
	4:45	CNY	HSBC Final Manufacturing PMI	50.4	50.4	50.4
	12:30	GBP	Manufacturing PMI		51.5	51.6
	18:00	USD	ISM Manufacturing PMI		56.5	56.6
	20:50	CAD	BOC Gov Poloz Speaks			
Tue Nov 4	3:30	AUD	Retail Sales m/m		0.30%	0.10%
	3:30	AUD	Trade Balance		-1.78B	-0.79B
	6:30	AUD	Cash Rate		2.50%	2.50%
	6:30	AUD	RBA Rate Statement			
	11:00	EUR	Spanish Unemployment Change		23.4K	19.7K
	12:30	GBP	Construction PMI		63.5	64.2
	16:30	CAD	Trade Balance		-0.7B	-0.6B
	16:30	USD	Trade Balance		-40.0B	-40.1B
Tentative	NZD	GDT Price Index			1.40%	
18:30	CAD	BOC Gov Poloz Speaks				
Wed Nov 5	00:45	NZD	Employment Change q/q		0.60%	0.40%
	00:45	NZD	Unemployment Rate		5.50%	5.60%
	5:30	JPY	BOJ Gov Kuroda Speaks			
	12:30	GBP	Services PMI		58.5	58.7
	16:15	USD	ADP Non-Farm Employment Change		214K	213K
18:00	USD	ISM Non-Manufacturing PMI		58.2	58.6	
Thu Nov 6	3:30	AUD	Employment Change		10.3K	-29.7K
	3:30	AUD	Unemployment Rate		6.10%	6.10%
	12:30	GBP	Manufacturing Production m/m		0.30%	0.10%
	15:00	GBP	Asset Purchase Facility		375B	375B
	15:00	GBP	Official Bank Rate		0.50%	0.50%
	Tentative	GBP	MPC Rate Statement			
	15:45	EUR	Minimum Bid Rate		0.05%	0.05%
	16:30	CAD	Building Permits m/m		5.20%	-27.30%
	16:30	EUR	ECB Press Conference			
18:00	USD	Unemployment Claims		285K	287K	
18:00	CAD	Ivey PMI		59.2	58.6	
Fri Nov 7	3:30	AUD	RBA Monetary Policy Statement			
	16:30	CAD	Employment Change		0.4K	74.1K
	16:30	CAD	Unemployment Rate		6.80%	6.80%
	16:30	USD	Non-Farm Employment Change		229K	248K
	16:30	USD	Unemployment Rate		5.90%	5.90%

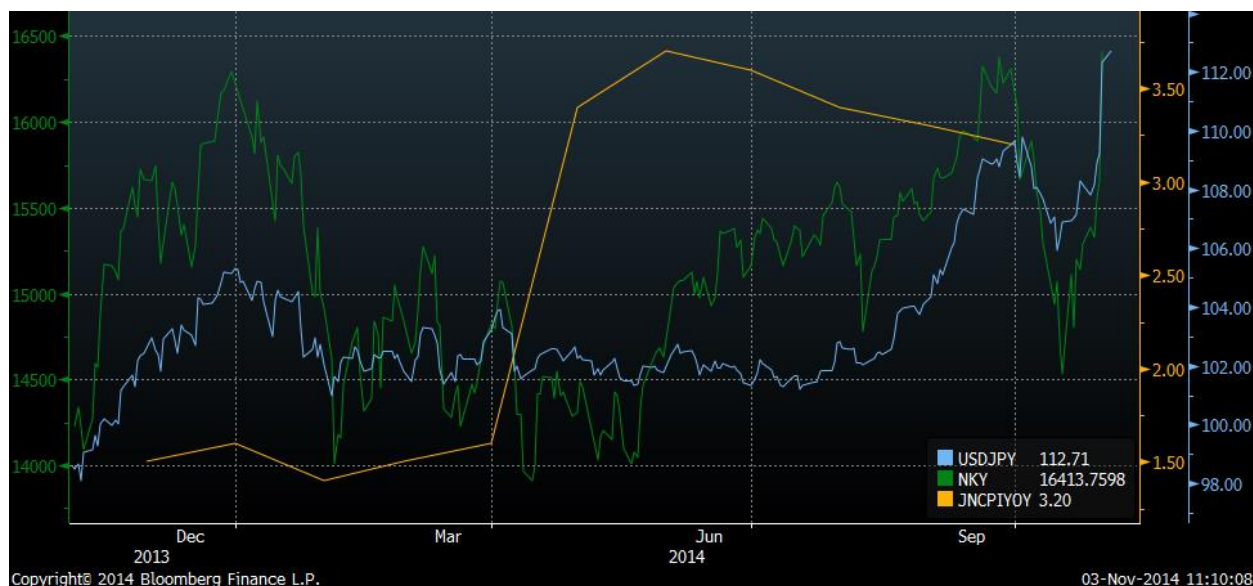
- To view the full economic calendar kindly click on [Full Economic Calendar](#)

MARKETS PREVIEW 27th of October , TO 31th of October

The Euro zone inflation slightly stepped up in October, bringing some much needed relief for the European Central Bank (ECB), although the rate remains well below its target of around 2%. Consumer prices advanced by 0.4% year-on-year in October. The figure was in line with the analyst estimates, and marked a slight rise from September's 0.3%.

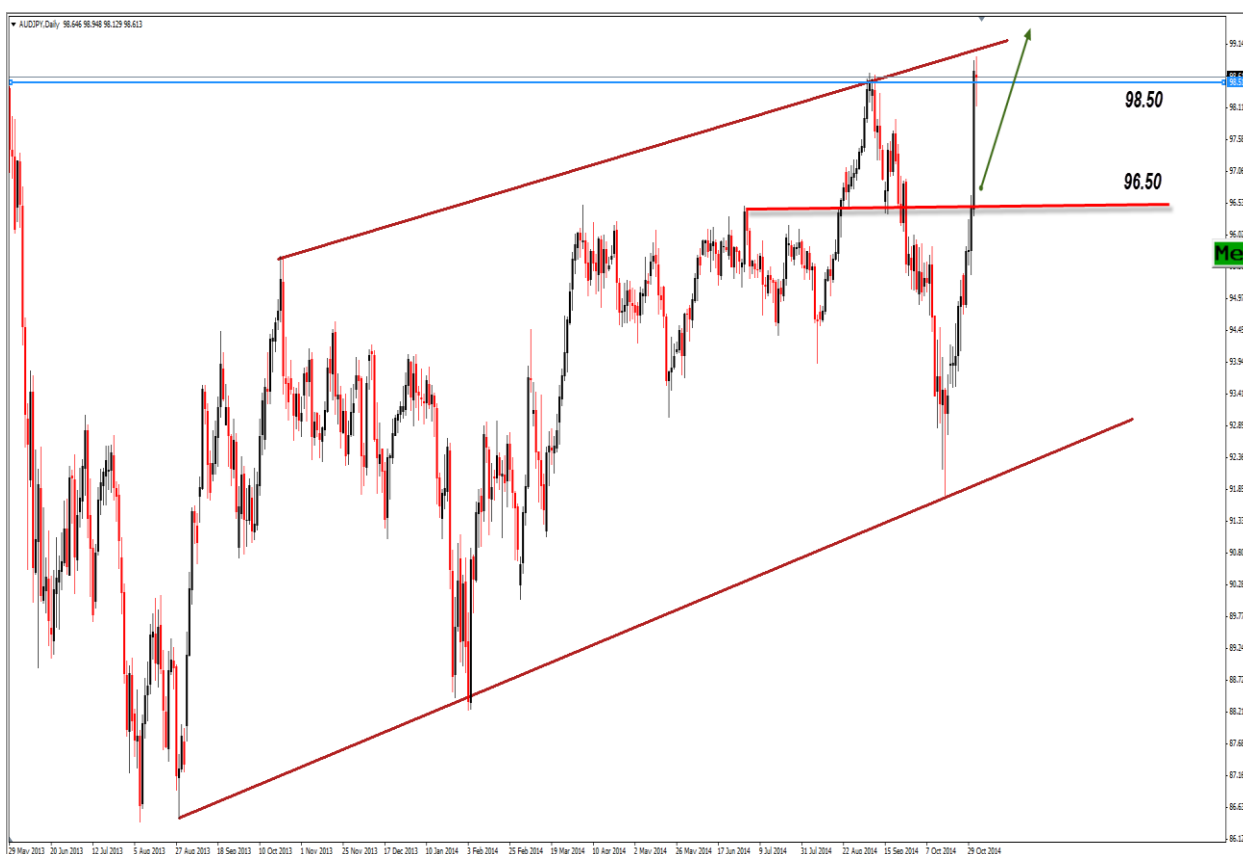
The US consumer spending fell for the first time in 8 months in September, suggesting the economy lost some traction, heading into the 4th quarter. But some analysts suggest that due to the increasing consumer sentiment and faster wage growth, a weakness in spending will be temporary while the economy will remain on firm ground. Economists still see that the fundamentals are in place to continue the growth

BoJ has increased unexpectedly its QQE (Qualitative and Quantities Easing Program); by approximately ¥30 Trillion, So the annual purchase would be ¥80 Trillion. USDJPY has increased by almost 3% on Friday trading session and had a positive effect on stock markets around. This move mainly for two reasons , First , to upward effect on the country inflation to reach the 2% target , Secondly , to reduce the negative effect from the last April VAT hike (Sales tax) from 6% to 8%.



USDJPY – CPI – Nikkei Index

AUDJPY on the daily chart; In a broader rising channel which in general in long-term uptrend. However, after BoJ announcement the market rose from 96.00s levels to 98.50s levels in a trading session. This gives a higher probability of continuation the last candle breakout out direction and the upward channel direction as well! Market Now traded little above a major resistance levels 98.50s, Any successful two day trading above this levels means a further increase in demand for AUD Against JPY .So , A long position would be taken and stop be placed beyond the mid-term support at 96.50s to target a 102.50s as a first target (We would follow-up the signal on the further reports) .



AUDJPY; Daily Time-Frame



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