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ORBEX

# Weekly Markets Report

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



**ORBEX Market Research Department**  
**10 Mar to 14 Mar**

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**OVERWEEK BULLET POINTS 10 Mar to 14 Mar**

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- **Foreign central banks US debt holdings fall \$106.142 bn to Usd 3.206 tln in Mar**
- **Fed Evans says Fed must make it clear that rates will stay low if inflation stays low**
- **Ex Fed Chair Bernanke: US recovery to continue, but has a way to go with Fed to keep supporting**
- **Retail sales in the U.S. rose in February for the first time in three months from -0.6% to 0.3%**
- **Producer prices in the U.S. unexpectedly dropped in February from 0.2% to -0.1%**
- **Markets tense waiting for the Ukrainian crisis and fears the worst.**
- **Gold hit the highest level in 6 months on Ukrainian crisis news on Friday at 1387 per Once.**
- **The euro hit a fresh 2-1/2-year peak on Thursday at 1.3960 .**
- **Japan Feb bank lending growth slows marginally to 2.2% y/y from 2.3% Jan**
- **BOJ left policy unchanged, as widely expected**
- **RBNZ hikes rates to 2.75% from 2.50%, Sees rise in inflationary pressure over next 2yrs**
- **China Feb retail sales 11.8% y/y (f/c 13.5, prior 13.6), ind output 8.6% y/y (f/c 9.5, last 9.7)**

**THE WEEK AHEAD 17 Mar to 21<sup>st</sup> Mar**

Date	Time	Currency	Description	Forecast	Previous
<b>Mon Mar 17</b>	1:00pm	EUR	CPI Y/Y	0.8%	0.8%
	1:00pm	EUR	Core CPI Y/Y	1.0%	0.8%
	4:15pm	USD	Industrial Production m/m	0.2%	-0.3%
<b>Tue Mar 18</b>	3:30am	AUD	Monetary Policy Meeting Minutes	-	-
	1:00 PM	EUR	German ZEW Economic Sentiment	52.8	55.7
	1:00 PM	EUR	ZEW Economic Sentiment	67.3	68.5
	1:00 PM	EUR	Trade Balance	13.9B	13.7B
	3:30pm	USD	Core CPI m/m	0.1%	0.1%
	8:45pm	GBP	BOE Gov Carney Speaks	-	-
<b>Wed Mar 19</b>	8:00am	JPY	BOJ Gov Kuroda Speaks	-	-
	12:30pm	GBP	Claimant Count Change	-23.3K	-27.6K
	12:30pm	GBP	MPC Asset Purchase Facility Votes	0-0-9	0-0-9
	12:30pm	GBP	Unemployment Rate	7.2%	7.2%
	9:00pm	USD	FOMC Statement		
	9:00pm	USD	Federal Funds Rate	<0.25%	<0.25%
<b>Thu Mar 20</b>	12:45am	NZD	GDP q/q	1.0%	1.4%
	11:30am	CHF	Libor Rate	<0.25%	<0.25%
	3:30pm	USD	Unemployment Claims	327K	315K
	5:00PM	USD	Existing Home Sales	4.65M	4.62M
<b>Fri Mar 21</b>	All Day	JPY	Bank Holiday	-	-
	3:30pm	CAD	Core CPI m/m	0.5%	0.2%
	3:30pm	CAD	Core Retail Sales m/m	0.9%	-1.4%
	6:00PM	EUR	Consumer Confidence	-12	-13



- The most important economic release of the week
- To view the full economic calendar kindly click on [Full Economic Calendar](#)

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## **MARKETS PREVIEW 10 Mar to 14 Mar**

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Concern over Ukraine and fear of economic development in China. Still most important factors affecting the markets in the process in general. Wall Street ended the week on a striking decline in European markets were preceded him. Gold demand rose upon this natural habit for being a center for safe havens and hit a new 6 month high at 1380. Rise of the dollar and the yen was also hurt in this stream.

U.S. data point to the positive retail sales or especially in terms of decline in weekly jobless claims did not intercede for something the market has not translated progress and profits. Growing tension in Ukraine dominated every positive and every attempt to highlight the future of economic activity and the prospect of getting rid of economic crisis.

### **Economic data to the second row**

Of course constructed in the positive. Every positive statement is frozen now, but every negative statement is treated as a catalyst for the crisis and extra complicated her. the markets have dealt with the negative Chinese data released Thursday morning, worked on guiding European markets. This was also a significant positive U.S. data ignored by the market and put it in the queue, until the cloud passes, the challenge in the Ukraine, and show signs of a solution are working on it but the strings are not yet clear.

### **The Euro continues to climb trip**

Euro bullish had begun lacks the pulse confident under the influence of the ongoing crisis in Ukraine and the risk of sanctions and counter- sanctions. This was evident with every point closer to the euro from 1.4000 and Mario Draghi here this afternoon.

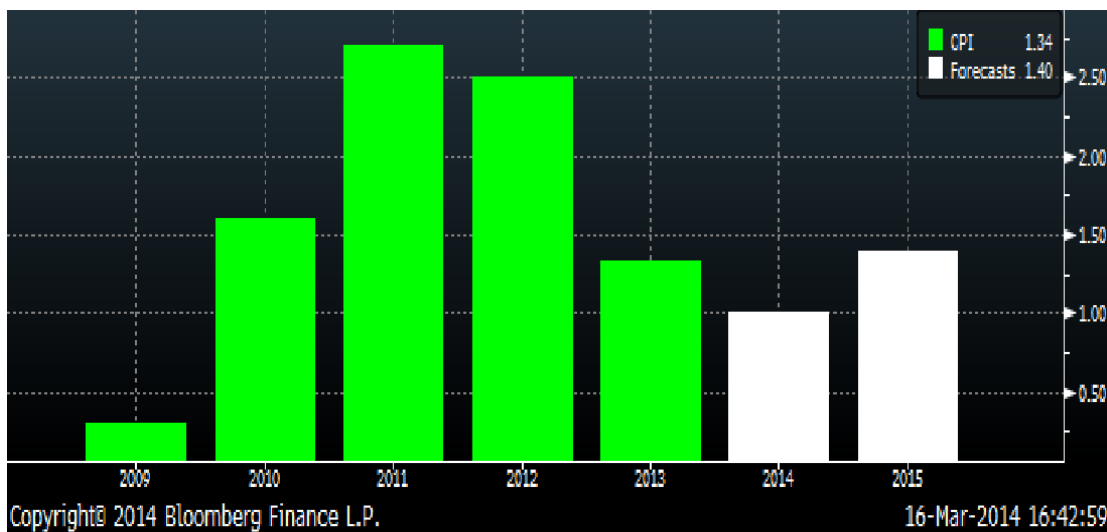
Mario Draghi, President of the European Central perhaps fed up with the continuous rises, chose verbal intervention in an interview from Vienna, where the secondary stressed that the rising euro in the past two years has hurt inflation and helped to activate the risk of deflation. Deflation, which denied the existence of the risk of him last Thursday in his press conference, returned today to highlight the risks that would be serious if the euro continued its gains. Central attended the ways of confrontation and is



ready to act when needed. Market does not need more clarity to choose to sell the euro and resorting to what is safer. It became clear that the masters of the Central do not want the euro to exceed the 1.4000 even though that Mr. Draghi had said on last Thursday that the euro exchange rate is not what determines monetary policy. Gentlemen are now apparently fear of the euro area exceeded the 1.4000



▪ **Comparison between EUR /USD price action and CPI for EURO ZONE.**



▪ **EURO ZONE Inflation forecast**

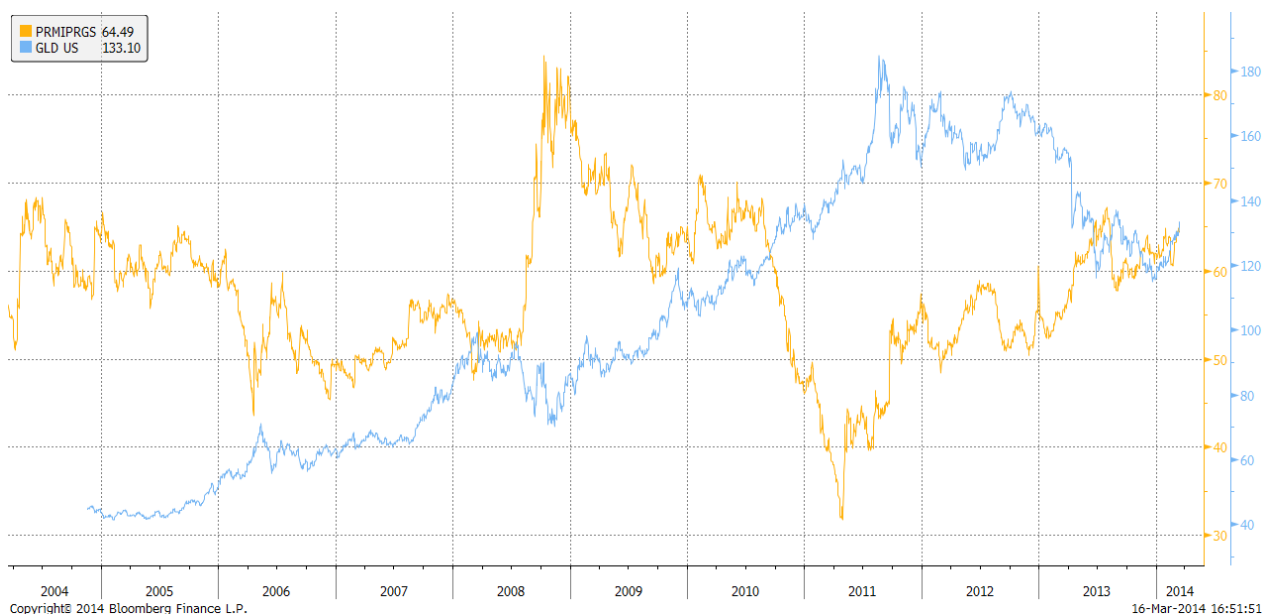
## Gold and high sixth straight week

Of course, the relationship between the heights current gold and successive developments and negative in the West's relationship with Russia under the influence of the crisis Crimea and the referendum is expected there in the weekend.

Gold rises traditional and understandable in such cases as a safe haven, and in particular the fear of the cooler Russian economy reinforce this trend, too.

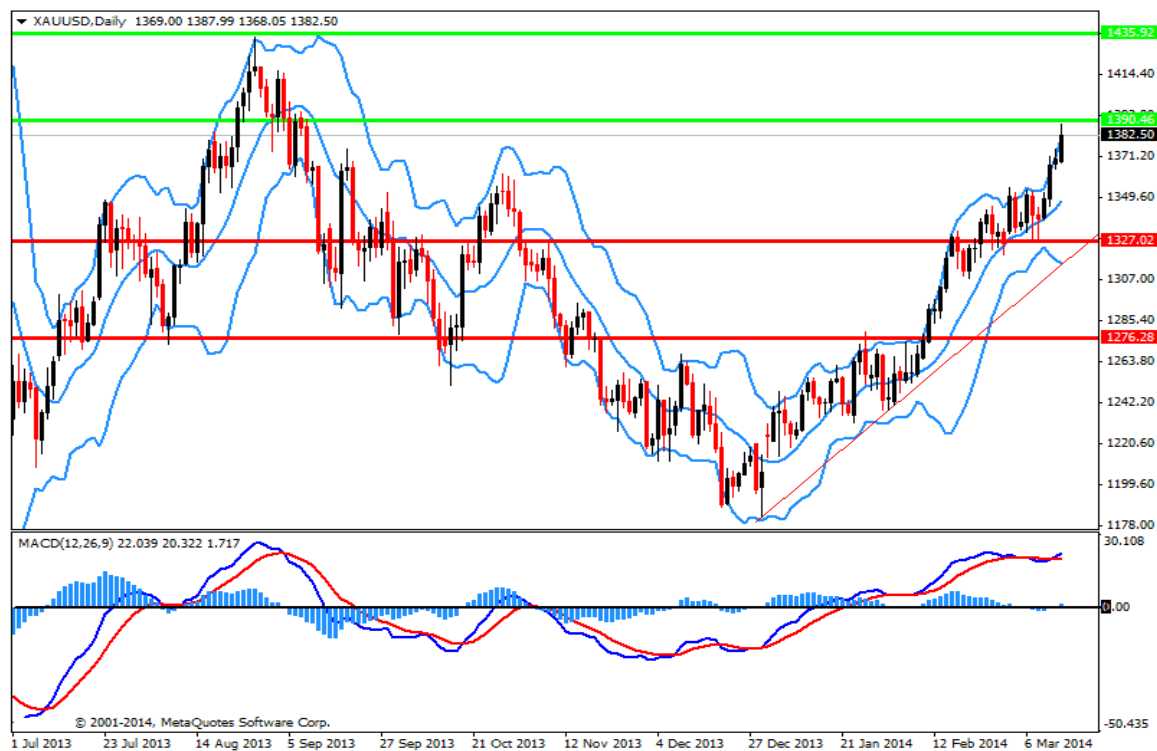
Realized gains recently, the highest since August 2011 for a record sixth consecutive week. Only this year, the rise was 14% so far this remarkable evolution.

It is noted also coincide with the high price of gold. The rise in the holdings of mutual funds, where it rose in the biggest fund at the global level SPDR Gold Trust to 813.3 tones, the highest level since December 20<sup>th</sup> 2013.



- SPDR against GOLD / SILVER ratio

### GOLD MID TERM VIWE



Daily XAU/USD Chart

XAU – USD	SUPPORT	RESISTANCE
LEVEL 1	1327.00	1390.00
LEVEL 2	1276.00	1435.00
LEVEL 3	1240.00	1480.00

- Midterm Support and Resistance table



▪ **Estimates of banks to gold prices in 2014**

Issuer	Date	2013	2014avg	2014eoy	2015
Morgan Stanley	10/07/2013	\$1,313; 1,200- 1,350			
Goldman Sachs	09/13/2013	\$1,320	below \$1000 in the near term; \$1,144	\$1,050	\$1,200
HSBC	09/13/2013	\$1,446	\$1,435		
Bank of America/Merrill Lynch	09/27/2013	\$1,419		\$1,294	\$1,356
Fitch	10/02/2013	\$1,200		\$1,200	\$1,200
Citi	09/23/2013		\$1,250		
Deutsche Bank	04/11/2013	average \$1,637	\$1,810		
BNP Paribas	06/24/2013	average \$1,405	\$1,155		
Société Générale	06/13/2013	\$1,200		\$1,150	
Bloomberg LMBA survey	10/01/2013		\$1,405		
LMBA forecast 2013		average \$1,753			
Jim Rogers	11/01/2013				
Thomson Reuters GFMS Gold Survey 2013	09/12/2013	average \$1,446	\$1,350	\$1,300	

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