

# orbex WEEKLY MARKETS REPORT



OVERWEEK  
BULLET POINTS



THE WEEK  
AHEAD



MARKETS  
PREVIEW



THE CHART OF  
THE WEEK

# OVERWEEK BULLET POINTS

30<sup>th</sup> of November, to 4<sup>th</sup> of December 2015



- Germany Retail Sales (MoM) dipped to (-0.4%), from previous (0.0%) in November.
- Spain Current Account Balance climbed to (€1.89B), from previous (€1.65B) in September.
- UK M4 Money Supply (MoM) (0.6%), above forecasts (-0.2%) in October.
- UK Net Lending to Individuals (MoM) same as forecasts (£4.8B) in October.
- Italy Consumer Price Index (MoM) dipped to (-0.4%), from previous (0.2%) in November.
- US Chicago Purchasing Managers' Index (48.7), below forecasts (54.3) in November.
- US Pending Home Sales (MoM) (0.2%), below forecasts (1.6%) in October.
- Australia Building Permits (MoM) (3.9%), above forecasts (-2.4%) in October.
- Australia Current Account Balance (-18.1B), below forecasts (-16.6B) in 3Q.
- China NBS Manufacturing PMI (49.6), below forecasts (49.9) in November.
- China Non-manufacturing PMI climbed to (53.6), from previous (53.1) in November.
- Japan Nikkei Manufacturing PMI dipped to (52.6), from previous (52.8) in November.
- China Caixin Manufacturing PMI (48.6), above forecasts (48.3) in October.
- Switzerland Gross Domestic Product (QoQ) (0.0%), below forecasts (0.2%) in 3Q.
- Spain Manufacturing PMI (53.1), above forecasts (51.9) in November.
- Switzerland Retail Sales (YoY) (-0.8%), below forecasts (0.4%) in November.
- Switzerland Manufacturing PMI (49.7), below forecasts (50.8) in November.
- Italy Manufacturing PMI (54.9), above forecasts (54.3) in November.
- Germany Unemployment Change (-13K), below forecasts (-4K) in November.
- Germany Unemployment Rate (6.3%), below forecasts (6.4%) in November.
- Germany Manufacturing PMI (52.9), above forecasts (52.6) in November.
- Italy Unemployment (11.5%), below forecasts (11.7%) in October.
- Eurozone Manufacturing PMI same as forecasts (52.8) in November.
- UK Manufacturing PMI (52.7), below forecasts (53.7) in November.
- Canada Gross Domestic Product (MoM) (-0.5%), below forecasts (0.1%) in September.
- Canada RBC Manufacturing PMI climbed to (48.6), from previous (48.0) in November.
- US Manufacturing PMI (52.8) above forecasts (52.6) in November.
- US ISM Manufacturing PMI (48.6), below forecasts (50.6) in November.
- US Construction Spending (MoM) (1.0%), above forecasts (0.5%) in October.
- Australia Gross Domestic Product (QoQ) (0.9%), above forecasts (0.7%) in 3Q.
- Spain Unemployment Change (-27.1K), below forecasts (-10.3K) in November.
- UK Construction PMI (55.3), below forecasts (58.4) in November.
- Eurozone Producer Price Index (MoM) (-0.3%), above forecasts (-0.4%) in November.
- Eurozone Consumer Price Index (YoY) (0.1%), below forecasts (0.2%) in November.

- Eurozone Core Consumer Price Index (YoY) (0.9%), below forecasts (1.1%) in November.
- US ADP Non-Farm Employment Change (217K), above forecasts (191K) in November.
- US Unit Labor Costs (1.8%), above forecasts (1.1%) in 3Q.
- Canada BoC Interest Rate Decision same as forecasts (0.5%).
- Australia New Home Sales (MoM) climbed to (-3%), from previous (-4%) in October.
- Australia Trade Balance (-3.31B), below forecasts (-2.61B) in October.
- Japan Services PMI dipped to (51.6), from previous (52.2) in November.
- China Caixin China Services PMI dipped to (51.2), from previous (52.0) in November.
- Turkey Consumer Price Index (YoY) climbed to (8.1%), from previous (7.58%) in November.
- Turkey Producer Price Index (MoM) dipped to (-1.42%), from previous (-0.2%) in November.
- Spain Services PMI (56.7), above forecasts (56.2) in November.
- Italy Services PMI (53.4), below forecasts (53.9) in November.
- France Services PMI (51), below forecasts (51.3) in November.
- Germany Services PMI same as forecasts (55.6) in November.
- Eurozone Services PMI (54.2), below forecasts (54.6) in November.
- UK Services PMI (55.9), above forecasts (55.1) in November.
- Eurozone Retail Sales (MoM) (-0.1%), below forecasts (0.2%) in October.
- Eurozone ECB Interest Rate Decision same as forecasts (0.05%) in December 3.
- US Initial Jobless Claims came same as forecasts (269K) in November 27.
- US Services PMI (56.1), below forecasts (56.5) in November.
- US Factory Orders (MoM) (1.5%), above forecasts (1.4%) in October.
- US ISM Non-Manufacturing PMI (55.9), below forecasts (58.1) in November.
- Australia Retail Sales (MoM) (0.5%), above forecasts (0.4%) in October.
- Japan Consumer Confidence Index (42.6), above forecasts (41.8) in November.
- Germany Factory Orders (MoM) (1.8%), above forecasts (1.3%) in October.
- Switzerland Consumer Price Index (MoM) (-0.1%), below forecasts (0.0%) in November.
- Canada Unemployment Rate (7.1%), above forecasts (7%) in November.
- Canada Labor Productivity (QoQ) climbed to (0.1%), from previous (-0.9%) in 3Q.
- Canada Trade Balance (\$-2.8B), below forecasts (\$-1.7B) in October.
- Canada Employment Change (-35.7K), below forecasts (-9.7K) in November.
- US Unemployment Rate same as forecasts (5%) in November.
- US Non-Farm Employment Change (211K), above forecasts (201K) in November.
- US Average Hourly Earnings (MoM) come same as forecasts (0.2%) in November.
- US Trade Balance (\$-43.9B), above forecasts (\$-40.6B) in October.

# THE WEEK AHEAD

7<sup>th</sup> of December, to 11<sup>th</sup> of December 2015



## THE MOST IMPORTANT ECONOMIC RELEASE OF THE WEEK

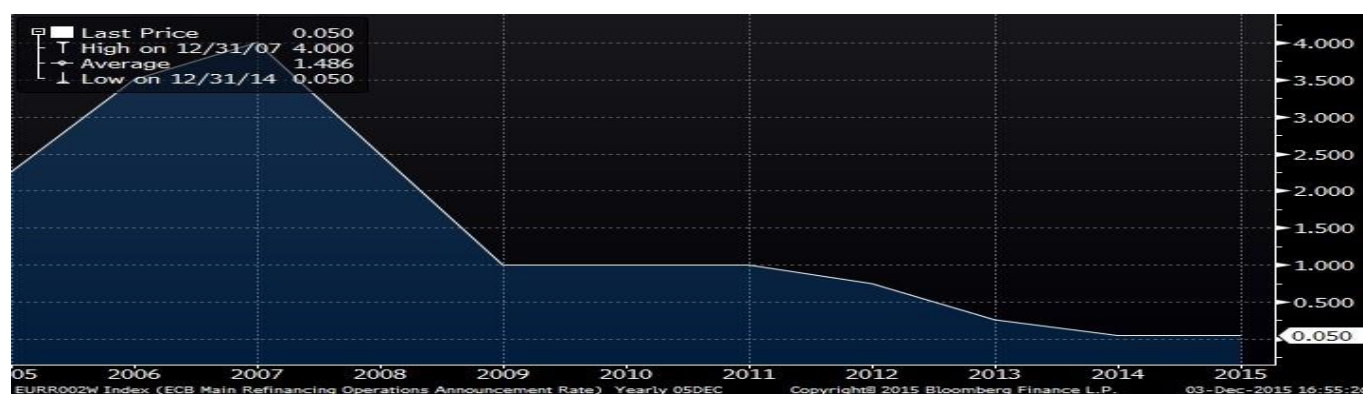
<b>Mon Dec 7</b>	Tentative	JPY	BOJ Gov Kuroda Speaks			
	18:00	GBP	BOE Gov Carney Speaks			
<b>Tue Dec 8</b>	3:30	AUD	NAB Business Confidence			2
	Tentative	CNY	Trade Balance		395B	393B
	All Day	EUR	Italian Bank Holiday			
	12:30	GBP	Manufacturing Production m/m		-0.10%	0.80%
	16:30	CAD	Building Permits m/m			-6.70%
	20:50	CAD	BOC Gov Poloz Speaks			
<b>Wed Dec 9</b>	4:30	CNY	CPI y/y		1.40%	1.30%
	23:00	NZD	Official Cash Rate		2.50%	2.75%
		NZD	RBNZ Rate Statement			
	23:05	NZD	RBNZ Press Conference			
<b>Thu Dec 10</b>	3:30	AUD	Employment Change		-10.0K	58.6K
		AUD	Unemployment Rate		6.00%	5.90%
	11:30	CHF	Libor Rate		-0.75%	-0.75%
		CHF	SNB Monetary Policy Assessment			
	15:00	GBP	MPC Official Bank Rate Votes		1-0-8	1-0-8
		GBP	Monetary Policy Summary			
		GBP	Official Bank Rate		0.50%	0.50%
	16:30	USD	Unemployment Claims		266K	269K
<b>Fri Dec 11</b>	13:15	EUR	Targeted LTRO			15.5B
	16:30	USD	Core Retail Sales m/m		0.30%	0.20%
		USD	PPI m/m		0.00%	-0.40%
		USD	Retail Sales m/m		0.20%	0.10%
	18:00	USD	Prelim UoM Consumer Sentiment		92.3	91.3



# MARKETS PREVIEW

30<sup>th</sup> of November, to 4<sup>th</sup> of December 2015

The deposit rate of the European Central Bank dropped last week from (-0.2%) to (-0.3%), pushing the floor for borrowing costs deeper, below zero, as officials seek to prevent too-low inflation from becoming rooted. The main refinancing rate and the marginal lending rate were left unchanged. The broadly anticipated move shows that central bankers are in incentive mode. Also, the ECB extended its monthly (€60B) stimulus program for six months (to March 2017), but left its main interest rate remaining at a low levels record of (0.05%). As for growth forecasts, the ECB raised its projections for this year from (1.4%) to (1.5%), and from (1.8%) to (1.9%) for 2017. The 2016 forecasts were kept the same at (1.7%). Mario Draghi, the ECB President, released in the news conference that its bond-buying stimulus programme was working. But an extension of QE was needed to tackle a continued low inflation and get it back towards the (2%) target of the ECB.



EUR Minimum Bid Rate

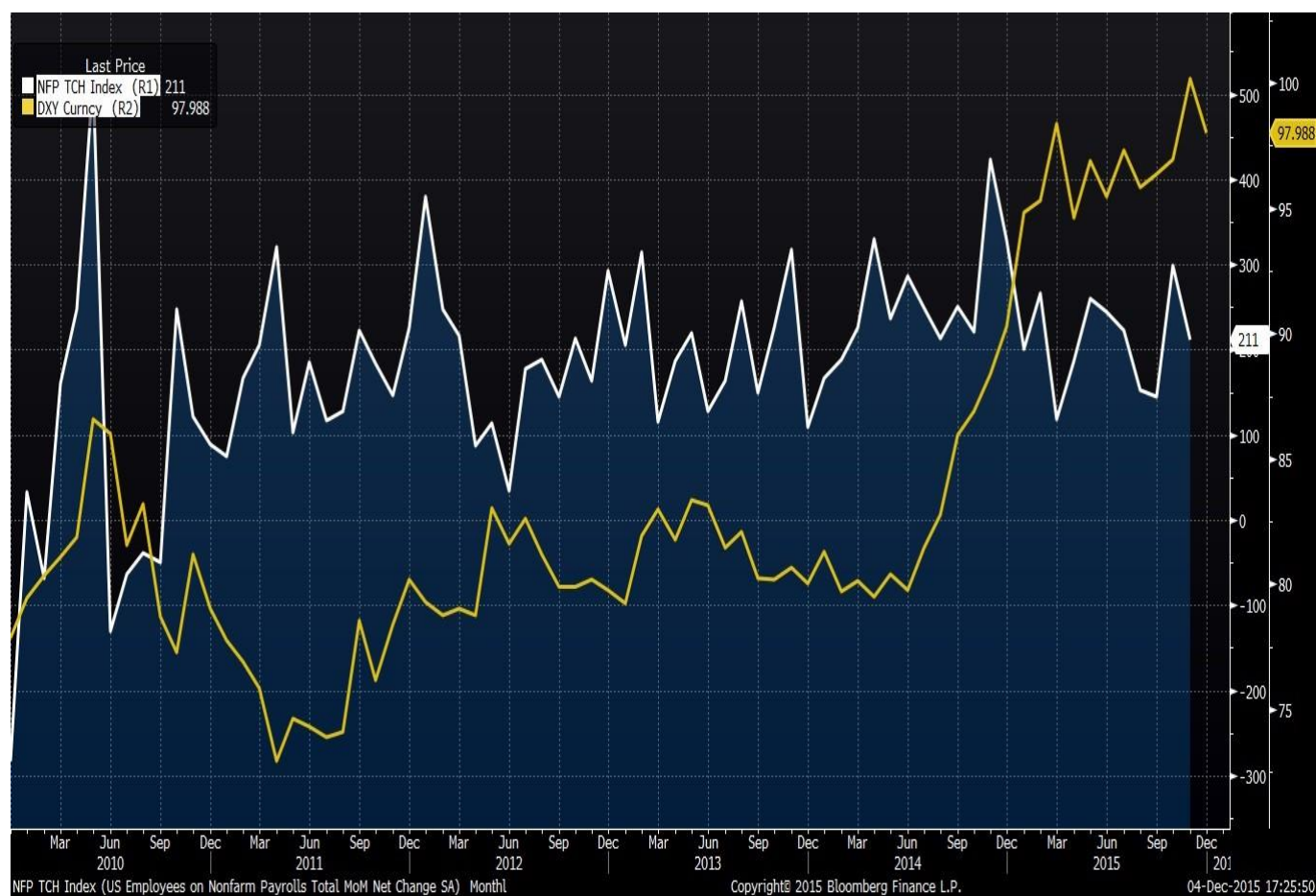
For the meantime, the main stock markets in Germany and France turned negative as soon as the ECB's announcement was released. Frankfurt's Dax fell down to (2.5%), while France's Cac index fell (1.96%) lower. The euro had been weakening ahead of the announcement. However, when the measures fell short of expectations, the EUR/USD rose more than two cents above (\$1.08).



EURUSD after ECB Cuts Depo by 10bps



In November, and as the labour department report showed last Friday, the US Nonfarm payrolls increased firmly to show the resilience of the economy. It exceeded the forecast (201K) to reach at (211k), after an increase at (271k) in the prior month. Since 1939 until 2015, the Nonfarm Payrolls in the United States averaged (122.01K), but it showed the jobless rate held at its seven-and-a-half year low of (5%). Moreover, the Employee pay increased at a slower pace last month. In November, the average hourly earnings at private employers rose (0.2%) after an increase of (0.4%). Also, hourly pay climbed (2.3%) in November, which most probably paves the way for the Federal Reserve to increase the interest rates this month for the first time in nearly a decade. The jobs stats indicated that the food services, construction and retail sectors all saw healthy job growths.



**USD INDEX (COMPARED) US Nonfarm Payrolls**

Meanwhile, Minutes of the Fed's in October meeting saw the improvement of the jobs market and an inflation starting to move towards their (2%) annual target. Last Thursday, Janet Yellen, the Fed Chair has signalled to a joint Congressional committee that the Federal Reserve was on track for a December rates rise. The Fed, whose policy-setting committee will meet on 15 and 16 December, cut rates to near zero in December 2008 in response to the financial crisis.

## DISCLAIMER

The information contained in this publication is produced by ORBEX LTD and not intended as an offer or solicitation for the purchase or sale of any financial instrument. Any opinion offered herein reflects ORBEX LTD current judgment and may change without notice. This message is for information purposes only and is not intended as an offer, recommendation or solicitation to buy or sell, nor is it an official confirmation of terms. No representation or warranty is made that this information is complete or accurate. Any views or opinions expressed do not necessarily represent those ORBEX LTD. This email and the information it contains may be confidential, proprietary or legally privileged. If you receive this message in error, please notify the sender and delete it from your system. You must not, directly or indirectly, use, disclose, distribute, copy or store this message or any part of it if you are not the intended recipient. Unless otherwise stated, any pricing information given in this email is indicative only, is subject to changes and does not constitute an offer to deal at any price quoted.