

ORBEX

Weekly Markets Report

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



ORBEX Research Department
4st OF August , TO 8th of August

OVERWEEK BULLET POINTS – 28th OF July , TO 1th of August

- US Services PMI (Jul) M/M 60.9 vs. Exp. 59.8 (Prev. 61.00).
- US pending home sales (Jul) M/M -1.1% vs. Exp. -0.2% (Prev. 6.0%).
- UK Mortgage Approvals (Jun) M/M 67.2k vs Exp. 63.0k (Prev. 61.7k).
- UK Money Supply M4 (Jun) M/M 0.1% (Prev. -0.1%).
- UK Consumer Credit (Jun) M/M 0.4bln vs Exp. 0.8bln (Prev. 0.7bln).
- US home price index 20 City 9.3% (May) y/y 9.8% vs. Exp. 0.30% (Prev. 10.8%).
- US Consumer Confidence Index (Jul) M/M 90.9 vs. Exp. 85.4 (Prev. 85.2).
- German CPI (Jul) Y/Y 0.8% vs. Exp. 0.8% (Prev. 1.0%).
- US ADP Employment Change (Jul) M/M 218k vs. Exp. 230k (Prev. 281k).
- US GDP Annualized (Q2 A) Q/Q 4.0% vs. Exp. 3.0% (Prev. -2.9%).
- Canadian Industrial Product Price (Jun) M/M -0.1% vs. Exp. 0.2% (Prev. -0.5%).
- Fed cuts another (\$10bln) from easing in monetary policy and removes reference to unemployment rate being elevate and keep the funds rate at (0.25%).
- FOMC says odds of persistent sub 2% inflation diminished somewhat.
- German unemployment steadies at 6.7% in July, unemployment change falls 12K vs. 5K drop expected.
- Eurozone CPI Estimate (Jul) Y/Y 0.4% vs. Exp. 0.5% (Prev. 0.5%).
- Eurozone Unemployment Rate (Jun) M/M 11.5% vs. Exp. 11.6% (Prev. 11.6%).
- Canadian GDP (May) M/M 0.4% vs. Exp. 0.4% (Prev. 0.1%).
- US Continuing Claims (Jul 19) W/W 2539K vs. Exp. 2492K (Prev. 2500K).



- US Initial Jobless Claims (Jul 26) W/W 302K vs. Exp. 300K (Prev. 284K).
- US Employment Cost Index (Q2) Q/Q 0.7% vs. Exp. 0.5% (Prev. 0.3%).
- US Chicago PMI (Jun) M/M 52.6 vs. Exp. 63.0 (Prev. 62.6).
- US Natural Gas Storage Change (Jul 25) W/W 88 vs. Exp. 92 (Prev. 90).
- China official Manufacturing Purchasing Managers Index (PMI) for July: 51.7 (vs. expected 51.4).
- Australia Producer Price Index (Q2) q/q -0.1% Vs. Exp. 0.7% (prev. +0.9%).
- Japan Manufacturing PMI (July) 50.5 vs. Exp. 50.8 (prev. 50.8).
- China Manufacturing PMI (July) 51.7 vs. Exp. 52.0 (prev. 52.0).
- France Manufacturing PMI registered at 47.8 above expectations (47.6) in July.
- German Manufacturing PMI registered at 52.4 below expectations (52.9) in July.
- Italy Manufacturing PMI registered at 51.9 below expectations (52.6) in July.
- Eurozone Manufacturing PMI 51.8 below expectations (51.9) in July.
- UK Manufacturing PMI (Jul) M/M 55.4 vs. Exp. 57.2 (Prev. 57.5).
- US Change in Nonfarm Payrolls (Jul) M/M 209K vs. Exp. 230K (Prev. 288K).
- US Average Hourly Earnings (Jul) Y/Y 2.0% vs. Exp. 2.2% (Prev. 2.0%).
- US Unemployment Rate (Jul) M/M 6.2% vs. Exp. 6.1% (Prev. 6.1%).
- US Personal Income (Jun) M/M 0.4% vs. Exp. 0.4% (Prev. 0.4%).
- US Construction Spending (Jun) M/M -1.8% vs. Exp. 0.5% (Prev. 0.1%).
- US ISM Manufacturing (July) MM 57.1 vs. Exp. 56.0 (Prev. 55.3).

THE WEEK AHEAD - 4th OF August , TO 8th of August

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

Mon Aug 4	4:30am	AUD	Retail Sales m/m		0.30%	-0.50%
	11:30am	GBP	Construction PMI		62.1	62.6
Tue Aug 5	4:30am	AUD	Trade Balance		-2.00B	-1.91B
	7:30am	AUD	Cash Rate		2.50%	2.50%
		AUD	RBA Rate Statement			
	11:30am	GBP	Services PMI		58.1	57.7
5:00pm	USD	ISM Non-Manufacturing PMI		56.6	56	
Wed Aug 6	1:45am	NZD	Employment Change q/q		0.70%	0.90%
		NZD	Unemployment Rate		5.80%	6.00%
	11:30am	GBP	Manufacturing Production m/m		0.70%	-1.30%
	3:30pm	CAD	Trade Balance		-0.1B	-0.2B
USD		Trade Balance		-44.2B	-44.4B	
Thu Aug 7	4:30am	AUD	Employment Change		13.5K	15.9K
		AUD	Unemployment Rate		6.00%	6.00%
	2:00pm	GBP	Asset Purchase Facility		375B	375B
		GBP	Official Bank Rate		0.50%	0.50%
	Tentative	GBP	MPC Rate Statement			
	2:45pm	EUR	Minimum Bid Rate		0.15%	0.15%
	3:30pm	CAD	Building Permits m/m		-1.80%	13.80%
EUR		ECB Press Conference				
5:00pm	USD	Unemployment Claims		305K	302K	
Fri Aug 8	4:30am	AUD	RBA Monetary Policy Statement			
	Tentative	JPY	Monetary Policy Statement			
	Tentative	CNY	Trade Balance		26.0B	31.6B
	Tentative	JPY	BOJ Press Conference			
	3:30pm	CAD	Employment Change		25.4K	-9.4K
CAD		Unemployment Rate		7.00%	7.10%	

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

MARKETS PREVIEW 28th OF July , TO 1th of August

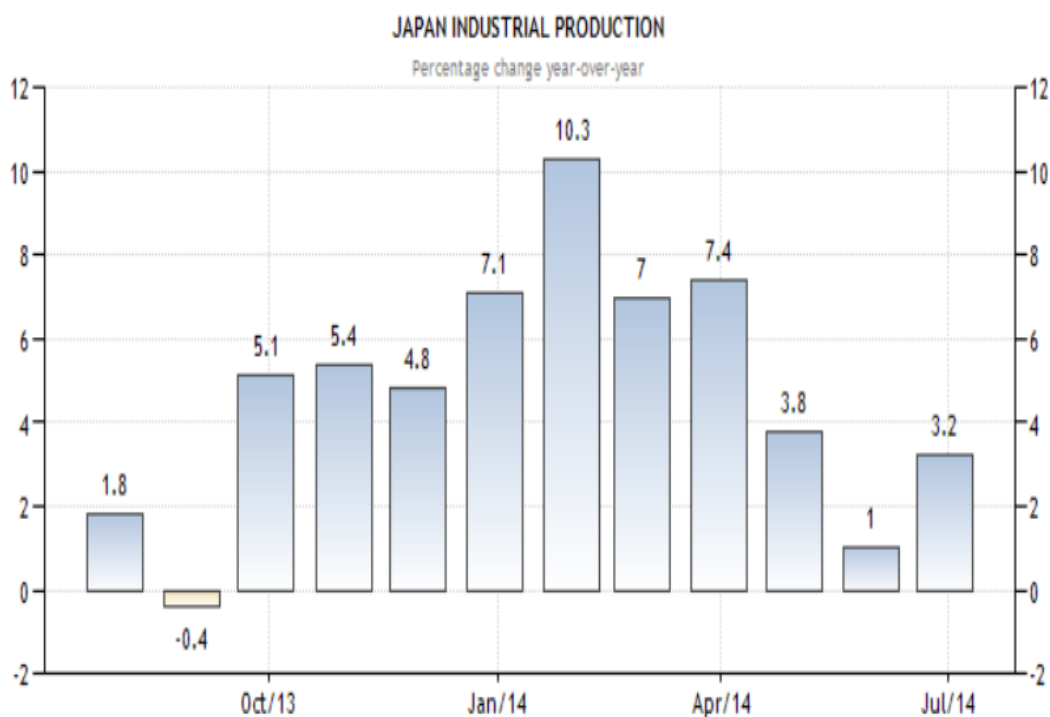
An improved U.S. fundamentals and less dovish Fed tone , + 4% GDP growth for the second quarter was a good number to give further push after a stable , and the positive growth on the NFP number +200 K new jobs have been added to the economy. These figures have given the markets a more motive to increase the demand on USD dollar; the most awaiting move in the forex market; Not only that we have noticed an increase the volatility recently in the markets which provide a lot of trade opportunities for traders.



NFP (Navy) – S&P500 (Green) – Gold (Yellow) – EUR (Pink)

From the Chart above we can notice strong positive correlation – same direction movement- between NFP and US equity; and negative strong correlation – opposite direction – with Gold and EURUSD prices which means strong dollar. That is giving us a more assurance about our assumption of U.S. economy recovery and a strong dollar cycle.

BOJ still holding their positive assessment about the economic behavior; however, the recently negatives figures which have released give the markets more reasons and assurance that BOJ would interfere further if needed after a several more negative readings. Industrial output has fallen at the fastest pace since 2011 earthquake.



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JAPAN INDUSTRIAL PRODUCTION

Technical Corner

AS we can see on the chart; we would have a selling opportunity generated on the chart. First, Three pushes (Marked on the chart) which mean a wedge generated, secondly, the market has broken the tight channel on Friday down candle. Finally, the market has reached on a major resistance levels and market exhausted signals and increased supply as well at 1.5400s and failed to break. For all the previous mentioned reason the shorting option would be the most probable correct decision to be taken ;expecting the market to decline further (CHF appreciating) to reach 1.5100s levels .



GBPCHF DAILY CHART



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