

# orbex WEEKLY MARKETS REPORT



OVERWEEK  
BULLET POINTS



THE WEEK  
AHEAD



MARKETS  
PREVIEW



THE CHART OF  
THE WEEK

# OVERWEEK BULLET POINTS

7th of March 2016, to 11th of March 2016



- Japan retail sales y/y -0.10% vs. 0.20%
- Australia company operating profits q/q -2.80% vs. -1.70%
- Germany retail sales m/m 0.70% vs. 0.30%
- Eurozone CPI flash estimates y/y -0.20% vs. 0.0%; y/y 0.70% vs. 0.90%
- Japan unemployment rate 3.20% vs. 3.30%
- Australia building approvals m/m -7.50% vs. -2.90%
- China manufacturing PMI 49.0 vs. 49.4
- China Caixin manufacturing PMI 48.0 vs. 48.4
- China non-manufacturing PMI 52.7 vs. 53.5 previously
- RBA leaves cash rate unchanged at 2.0%
- Switzerland retail sales y/y 0.20% vs. -1.20%
- Switzerland manufacturing PMI 51.6 vs. 49.6
- Eurozone final manufacturing PMI 51.2 vs. 51.0
- UK manufacturing PMI 50.8 vs. 52.3
- Canada GDP m/m 0.20% vs. 0.10%
- Canada manufacturing PMI 49.4 vs. 49.3 previously
- US ISM manufacturing PMI 49.5 vs. 48.5
- Australia GDP q/q 0.60% vs. 0.50%
- Switzerland GDP q/q 0.40% vs. 0.20%
- UK construction PMI 54.2 vs. 55.5
- US ADP private payrolls 214k vs. 185k
- Eurozone final services PMI 53.3 vs. 53.0
- UK services PMI 52.7 vs. 55.1
- US weekly unemployment claims 278k vs. 271k
- US ISM non-manufacturing PMI 53.4 vs. 53.2
- US factory orders m/m 1.60% vs. 2.10%
- Australia retail sales 0.30% vs. 0.40%
- US average hourly earnings m/m -0.10% vs. 0.20%
- US nonfarm employment change 242k vs. 195k
- US unemployment rate 4.90% vs. 4.90%

# THE WEEK AHEAD

7th of March 2016, to 11th of March 2016



## THE MOST IMPORTANT ECONOMIC RELEASE OF THE WEEK

Date	Time	Currency	Detail	Forecast	Previous
<b>07-Mar</b>	05:40	JPY	BOJ Gov Kuroda Speaks		
	09:00	EUR	German Factory Orders m/m	-0.40%	-0.70%
	10:00	CHF	Foreign Currency Reserves		575B
	11:30	EUR	Sentix Investor Confidence	8.8	6
	19:00	USD	FOMC Member Brainard Speaks		
	19:30	USD	FOMC Member Fischer Speaks		
	23:45	NZD	Manufacturing Sales q/q		4.20%
<b>08-Mar</b>	01:50	JPY	Current Account	1.66T	1.64T
		JPY	Final GDP q/q	-0.40%	-0.40%
		JPY	Bank Lending y/y		2.30%
		JPY	Final GDP Price Index y/y	1.50%	1.50%
	Tentative	CNY	Trade Balance	329B	406B
	Tentative	CNY	USD-Denominated Trade Balance	51.2B	63.3B
	07:00	JPY	Consumer Confidence	42.3	42.5
	08:45	CHF	Unemployment Rate	3.50%	3.40%
	09:00	EUR	German Industrial Production m/m	0.60%	-1.20%
	10:15	CHF	CPI m/m	-0.10%	-0.40%
	12:00	EUR	Revised GDP q/q	0.30%	0.30%
	13:00	USD	NFIB Small Business Index	94.5	93.9
	15:15	CAD	Housing Starts	181K	166K
	15:30	CAD	Building Permits m/m		11.30%
<b>09-Mar</b>	01:30	AUD	Westpac Consumer Sentiment		4.20%
	02:30	AUD	Home Loans m/m	-2.70%	2.60%
	11:30	GBP	Manufacturing Production m/m	0.20%	-0.20%
		GBP	Industrial Production m/m	0.60%	-1.10%
	17:00	CAD	BOC Rate Statement		
		CAD	Overnight Rate	0.50%	0.50%
		USD	Wholesale Inventories m/m	-0.20%	-0.10%
	22:00	NZD	Official Cash Rate	2.50%	2.50%
		NZD	RBNZ Rate Statement		
		NZD	RBNZ Monetary Policy Statement		
	22:05	NZD	RBNZ Press Conference		
<b>10-Mar</b>	01:50	JPY	PPI y/y	-3.40%	-3.10%
	02:00	AUD	MI Inflation Expectations		3.60%
	03:30	CNY	CPI y/y	1.80%	1.80%
		CNY	PPI y/y	-4.90%	-5.30%
	14:45	EUR	Minimum Bid Rate	0.05%	0.05%

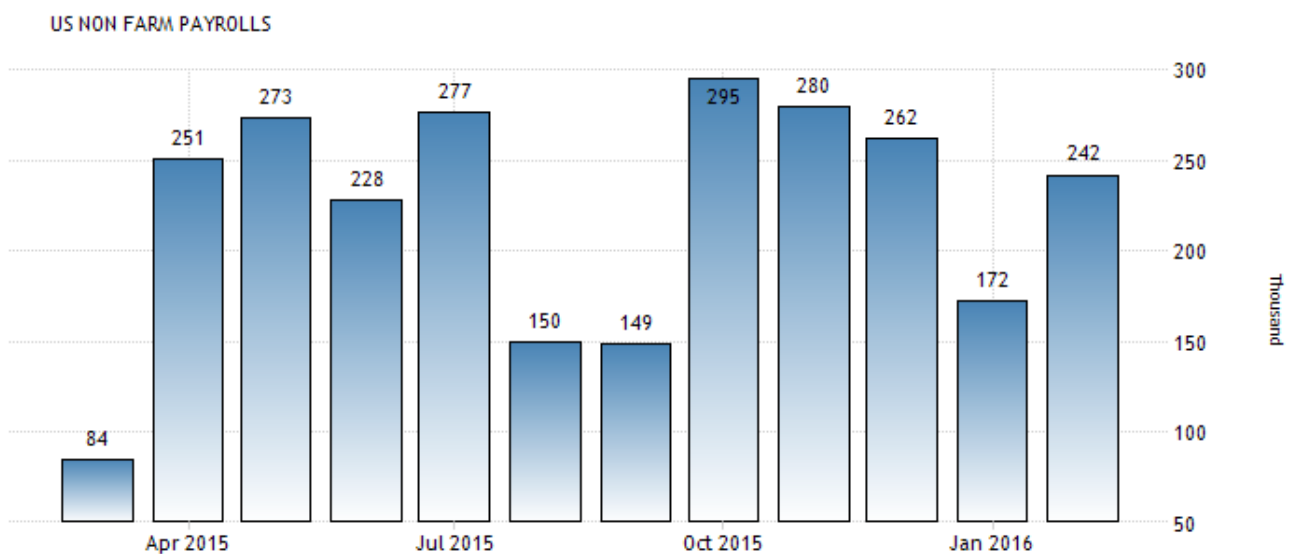
	15:30	CAD	NHPI m/m	0.20%	0.10%
		EUR	ECB Press Conference		
		USD	Unemployment Claims	272K	278K
	23:15	CAD	BOC Gov Poloz Speaks		
	23:45	NZD	FPI m/m		2.00%
<b>11-Mar</b>	01:50	JPY	BSI Manufacturing Index	4.2	3.8
	09:00	EUR	German Final CPI m/m	0.40%	0.40%
	11:30	GBP	Trade Balance	-10.3B	-9.9B
		GBP	Construction Output m/m	-1.30%	1.50%
	15:30	CAD	Employment Change	10.2K	-5.7K
		CAD	Unemployment Rate	7.20%	7.20%
		USD	Import Prices m/m	-0.70%	-1.10%

# MARKETS PREVIEW

7th of March 2016, to 11th of March 2016



The US Dollar was the weakest currency this past week despite a modestly better February jobs report. Data released by the Bureau of Labor Statistics on Friday, March 4th showed that the US economy 242k jobs to the economy, well above the forecasted 195k jobs. While the US unemployment rate was steady for the second month in a row, wages slipped strongly falling -0.10% for the month. While the Dollar initially managed to gain, the Greenback fell broadly across the board. It is now expected that the Federal Reserve which meets in two weeks time will be holding interest rates steady at 0.25% - 0.50%.

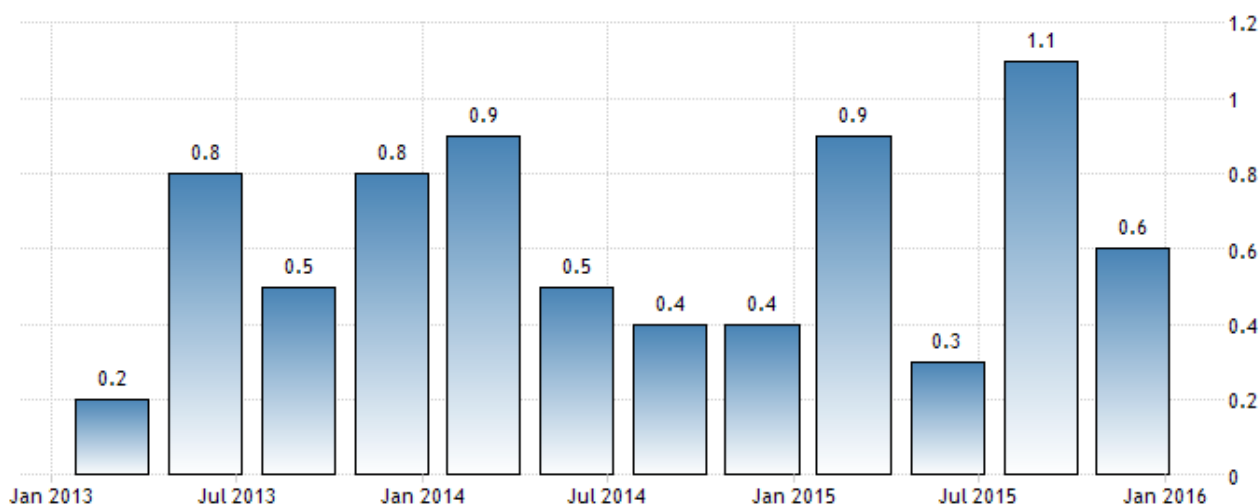


SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

## US Nonfarm Payrolls (February 2016)

There was a risk on mood in the markets as the commodity currencies surged. The Australian dollar was the top gainer as the RBA left rates unchanged with a neutral tone in its statement. However, a day later expectations of a rate cut later in the year were scaled back as the quarterly GDP data showed a growth of 0.60% for the fourth quarter of 2015, and ending the year with an annualized growth rate of 3.0%. Retail sales data was the only weak spot in the data last week, but with an increase of 0.30% from 0.0% a month before, the data was essentially better.

## AUSTRALIA GDP GROWTH RATE



SOURCE: WWW.TRADINGECONOMICS.COM | AUSTRALIAN BUREAU OF STATISTICS

### Australia Quarterly GDP Growth Rate – 0.60% (Q4 2015)/3.0% Annual

The Euro continued its declines into Friday as Eurozone inflation expectations fell strongly putting more pressure on the ECB when it meets next week. Friday, news wires reported that there was still no consensus among the ECB members with deposit rate cut being the only option being considered so far. The Euro surged on the news and despite the NFP volatility, EURUSD managed to close the day with gains of 0.43%.

On the commodity front, the markets were stronger as Gold prices have surged over 2.89% for the week, closing at \$1258 an ounce, after briefly trading near session highs of \$1279. Silver prices also edged higher by Friday, rising 5.17% to close at \$15.49. Crude Oil was also stronger, gaining 10.20% for the week as prices settled at \$36.20 a barrel.

The week ahead will see the Bank of Canada holding its monetary policy meeting. Expectations are flat as rates are likely to be unchanged with Oil prices bouncing off their historic lows. Later in the week, Canadian jobs numbers will be out on Friday with expectations of no change to the unemployment rate at 7.20%, while the average jobs is expected to rise 10.2k. The RBNZ will be meeting this week as well and expectations are for the Central bank to hold rates steady at 2.50% with the possibility of expecting the RBNZ to come out dovish on the NZD's exchange rate.

The big event of the week will however be the ECB which meets on March 10th. Expectations are still puzzling with the ECB not giving out any clear signals just as yet. So far there is speculation for a deposit rate cut but no talk on expanding the scope of the QE purchases. As such, the ECB's meeting will be a key market shaping event next week.

# TECHNICAL CORNER



NZDUSD is an interesting currency pair to watch as prices are in the process of forming an inverse head and shoulders pattern with the left shoulder forming a low near 0.65, while the head was established near the lows of 0.64. Currently, NZDUSD is back at the neckline resistance and a bias to the downside could see another attempt towards 0.65 region. With the RBNZ's meeting up next week, the Kiwi could come under downside pressure depending on how the RBNZ words its statement.

The weekly chart shows a bullish engulfing candlestick pattern formed as of last week with the clear resistance showing at 0.68 – 0.69 level. A break above this neckline resistance could see further upside push NZDUSD towards 0.73 – 0.72 handle. Watch for a potential downside momentum in NZDUSD this week towards 0.65.



**NZDUSD (0.6810) – Daily Chart**

## 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.