

orbex WEEKLY MARKETS REPORT



OVERWEEK
BULLET POINTS



THE WEEK
AHEAD



MARKETS
PREVIEW



THE CHART OF
THE WEEK

OVERWEEK BULLET POINTS



26th of January , TO 30th of January 2015

- German IFO Business Climate (Jan) M/M 106.7 vs Exp. 106.5 (Prev. 105.5).
- United Kingdom GDP (Q4 A) Q/Q 0.5% vs Exp. 0.6% (Prev. 0.7%).
- United Kingdom BBA Loans for House Purchase (Dec) M/M 35667 vs Exp. 36500 (Prev.36657).
- United Kingdom Index of Services (3M/3M) 0.8% below expectations (1%) in November.
- US Services PMI (Jan P) M/M 54.0 vs. Exp. 53.8 (Prev. 53.3).
- US New Home Sales (Dec) M/M 11.6% vs. Exp. 2.7% (Prev. -1.6%).
- US Consumer Confidence Index (Jan) M/M 102.9 vs. Exp. 95.5 (Prev. 92.6).
- US manufacturing PMI declines to lowest in 12 months.
- Richmond Fed Manufacturing Index meets forecasts (6) in January.
- US Dallas Fed Services Revenue (Jan) M/M 12.1 (Prev. 20.5).
- Germany Import Price Index (YoY) -3.7% below forecasts (-3.5%) in December.
- Germany Import Price Index (MoM) -1.7% below forecasts (-1.5%) in December.
- Germany GfK Consumer Confidence Survey came in at 9.3, above expectations (9.1) in February.
- Switzerland UBS Consumption Indicator 1.42 vs. 1.29 previous in December.
- France Consumer Confidence registered at 90, below expectations (91) in January.
- US DoE Crude Oil Inventories (Jan 23) W/W 8874K vs. Exp. 3850K (Prev. 10071K).
- Spanish Retail Sales (Oct) Y/Y 6.5% vs. Exp. 2.5% (Prev. 1.9%).
- German CPI Saxony (Jan) Y/Y -0.3% vs. Prev. 0.5%.
- German Unemployment Change (Jan) M/M -9K vs. Exp. -10K (Prev. -27K).
- US Continuing Claims (Jan 17) W/W 2385K vs. Exp. 2405K (Prev. 2443K).
- US Initial Jobless Claims (Jan 24) W/W 265K vs. Exp. 300K (Prev. 307K).
- US Pending Home Sales (Dec) M/M -3.7% vs. Exp. 0.5% (Prev. 0.8%).
- US EIA Natural Gas Storage Change (Jan 23) W/W -94 vs. Exp. -108 (Prev. -216).
- Germany Retail Sales (YoY) 4%, above expectations (3.5%) in December.
- Germany Retail Sales (MoM) 0.2% ,below forecasts (0.3%) in December.
- France Consumer Spending (MoM) 1.5% ,above expectations (0.2%) in December.

OVERWEEK BULLET POINTS



26th of January, to 30th of January 2015

- France Producer Prices (MoM) dipped from previous -0.1% to -0.9% in December.
- Spain Gross Domestic Product (QoQ) 0.7% above forecasts (0.6%) in 4Q.
- Spain Gross Domestic Product (YoY) 2%, above expectations (1.9%) in 4Q.
- Switzerland Leading Indicator 97, below expectations (97.5) in January.
- Italian Unemployment Rate (Dec) 12.9% vs. Exp. 13.5% (Prev. 13.4%).
- German Brandenburg CPI (Jan) Y/Y -1.2% (Prev. 0.0%).
- UK Mortgage Approvals (Dec) M/M 60.3 K vs. Exp. 59.0K (Prev. 59.0K).
- UK Net Lending Secured on Dwellings (Dec) M/M 1.6bln vs Exp. 1.9bln (Prev. 1.9bln).
- UK Net Consumer Credit (Dec) M/M 0.6bln vs Exp. 1.2bln (Prev.1.2bln).
- UK Money Supply M4 (Dec) M/M 0.1% (Prev. 0.1%).
- Euro-zone CPI Estimate (Jan) Y/Y -0.6% vs Exp. -0.5% (Prev. -0.2%).
- Euro-zone Unemployment (Dec) M/M 11.4% vs Exp. 11.5% (Prev. 11.5%).
- Italian PPI (Dec) M/M -0.8% (Prev. -0.2%).
- Greece Retail Sales (YoY) down to -1.5% in November from previous 2.1%.
- Italy Producer Price Index (YoY): -1.8% (December) vs previous -1.2%.
- Italy Producer Price Index (MoM): -0.7% (December) vs previous -0.2%.
- Eurozone inflation declined 0.6 percent in January versus -0.5 percent expectations.
- Canada Gross Domestic Product (MoM) -0.2%, below expectations (0%) in November.
- United States Personal Consumption Expenditures Prices (QoQ) -0.5%, below expectations (0.8%) in 4Q.
- United States Core Personal Consumption Expenditures (QoQ) 1.1% below forecasts (1.2%) in 4Q.
- United States Employment cost index meets forecasts (0.6%) in 4Q.
- United States Gross Domestic Product Price Index -0.1% below forecasts (1%) in 4Q.
- United States Gross Domestic Product Annualized 2.6%, below expectations (3.3%) in 4Q.
- US Chicago PMI (Jan) M/M 59.4 vs. Exp. 57.5 (Prev. 58.3).
- University of Michigan Confidence (Jan F) M/M 98.1 vs. Exp. 98.2 (Prev. 98.2).

THE WEEK AHEAD



2th of February, to 6th of February 2015

THE MOST IMPORTANT ECONOMIC RELEASE OF THE WEEK

Mon Feb 2	4:45	CNY	HSBC Final Manufacturing PMI		49.8	49.8
	11:00	EUR	Spanish Unemployment Change		-32.4K	-64.4K
	12:30	GBP	Manufacturing PMI		52.9	52.5
	18:00	USD	ISM Manufacturing PMI		54.9	55.5
Tue Feb 3	3:30	AUD	Building Approvals m/m		-4.80%	7.50%
		AUD	Trade Balance		-0.85B	-0.93B
	6:30	AUD	Cash Rate		2.50%	2.50%
		AUD	RBA Rate Statement			
	12:30	GBP	Construction PMI		56.9	57.6
	Tentative	NZD	GDT Price Index			1.00%
Wed Feb 4	0:45	NZD	Employment Change q/q		0.80%	0.80%
		NZD	Unemployment Rate		5.30%	5.40%
	2:00	NZD	RBNZ Gov Wheeler Speaks			
	12:30	GBP	Services PMI		56.6	55.8
	16:15	USD	ADP Non-Farm Employment Change		221K	241K
	18:00	CAD	Ivey PMI		55.9	55.4
		USD	ISM Non-Manufacturing PMI		56.6	56.2
Thu Feb 5	3:30	AUD	Retail Sales m/m		0.30%	0.10%
	15:00	GBP	Official Bank Rate		0.50%	0.50%
	Tentative	GBP	MPC Rate Statement			
	16:30	CAD	Trade Balance		-1.0B	-0.6B
		USD	Trade Balance		-38.0B	-39.0B
		USD	Unemployment Claims		277K	265K
	All Day	NZD	Bank Holiday			
Fri Feb 6	3:30	AUD	RBA Monetary Policy Statement			
	16:30	CAD	Building Permits m/m		4.50%	-13.80%
		CAD	Employment Change		5.1K	-4.3K
		CAD	Unemployment Rate		6.70%	6.60%
		USD	Non-Farm Employment Change		231K	252K
		USD	Unemployment Rate		5.60%	5.60%

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

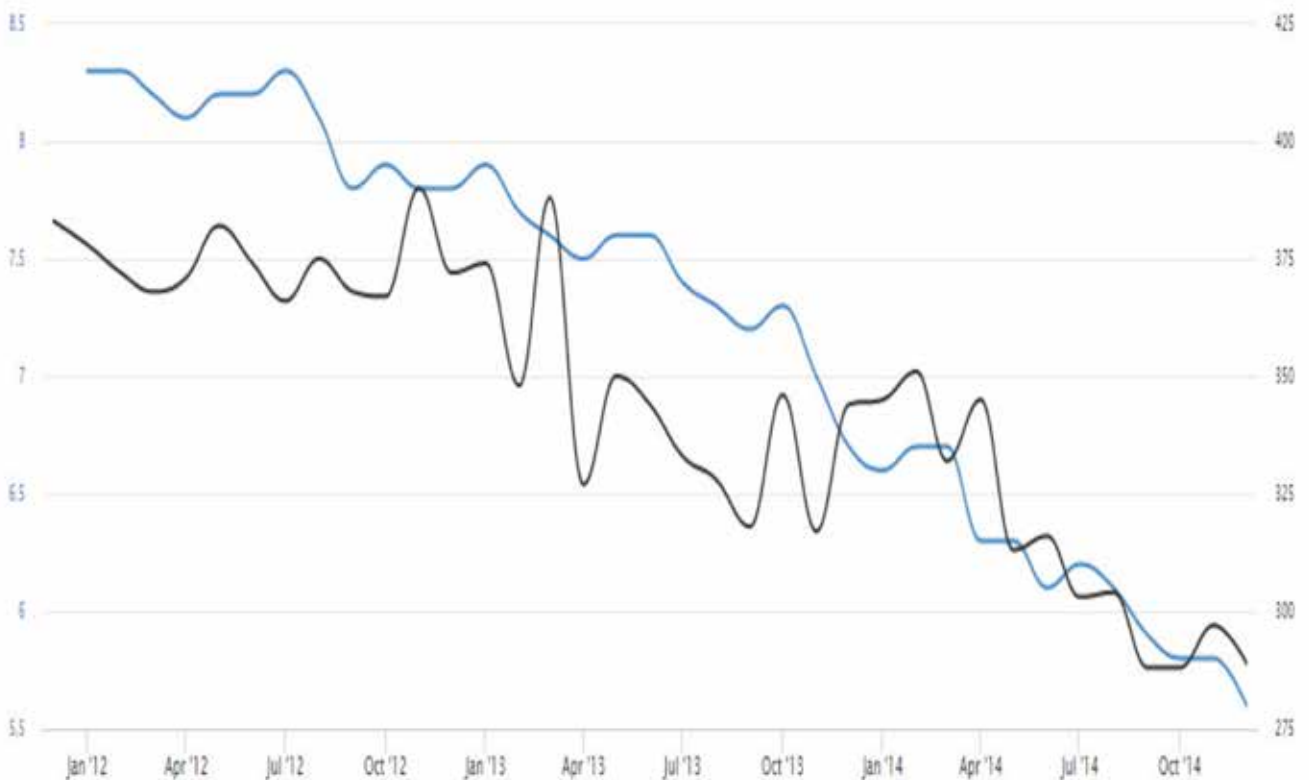
MARKETS PREVIEW



26th of January, to 30th of January 2015

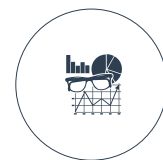
The number of Americans seeking unemployment benefits plunged to the lowest level in 15 years in the week ended January 23, a day after the Fed painted an optimistic outlook for the world's number one economy. According to the US Department of Labor, initial jobless claims dropped to 265,000, following a revised 308,000 in the preceding week. It was the biggest weekly fall since November 2012. However, the data might be a subject to revision, as it included the Martin Luther King holiday, meaning fewer claims were likely processed. The four-week moving average of claims, considered a better gauge of labour market trends as it strips out weekly volatility, declined 8,250 last week to 298,500. The report also revealed the number of people still receiving benefits after an initial week of aid dropped 71,000 to 2.39 million in the week ended January 17, and pending home sales unexpectedly dropped in December. That was the lowest reading for the index since April and the biggest month-on-month decline in a year, and the Fed reiterated in January that the housing recovery remains slow.

▼ United States - Unemployment Rate ▼ United States - Initial Jobless Claims



United States Unemployment Rate Initial (compare) Jobless Claims

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While the Fed pointed out that the US economy was growing at a sustainable pace with solid job gains and lower unemployment rate, the central bank said that it would maintain short-term interest rates at record low at least until mid-year. In addition to labour, inflation and financial data, policy makers also highlighted that they would take into consideration international developments when thinking about the timing of the first interest rates hike, adding a reference to global markets for the first time in two years. Many Fed officials have pointed to a possible rate increase around mid-year, but they also left the door open to a later move. The Fed has kept its benchmark rate near zero since 2008 to boost borrowing, spending and investment and fuel the recovery following the Great Recession. The Fed's stance sharply contrasts to many central banks in developed countries that have recently eased monetary policy to support faltering economies, being led by the European Central Bank's 1 trillion euro quantitative easing programme to prop up the Euro zone's economy. The policy divergence has pushed the US Dollar to multi-year peaks, a looming concern on the US central bank's radar as the move tends to have a negative effect on US exporters and inflation. The economy in the United States expanded at a slower pace than forecast in the fourth quarter, a slump in government outlays and a widening trade gap took some of the luster off the biggest gain in consumer spending in almost nine years. Gross domestic product grew at a 2.6 percent annualized rate after a 5 percent gain in the third quarter that was the fastest since 2003.



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMIC ANALYSIS

United States GDP Growth Rate

TECHNICAL CORNER



As USDJPY retests the 118.50s, we use this opportunity for entering shorts towards a preliminary target of 117.20s, before considering chances for 115.80s. The view from medium-speed stochastics on the Daily chart suggest the bull market is diminishing in momentum and more violent declines are ahead. With the Fed expected to begin signaling a delayed rate hike, pressure will continue on bond yields as well as USDJPY. And as long as equity markets remain positively correlated with USDJPY and bond yields, the correlated trend will continue to point lower.



USDJPY Daily Chart

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