

ORBEX

Weekly Markets Report

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



ORBEX Research Department
2st OF June , TO 6th of June

OVERWEEK BULLET POINTS – 26th OF May. , TO 30th of May

- _ **European equities rose on Monday, Italy's outperforming the regional stock market after voters endorse Prime Minister Matteo Renzi.**
- _ **Draghi: ECB monitors the risk of deflation and is willing to take action, and option of buying bonds on a large scale still exists.**
- _ **United Kingdom BBA Mortgage Approvals below expectations (45.2K) in April: Actual (42.2K).**
- _ **USA Consumer Confidence (May) M/M 83.0 vs. Exp. 83.2 (Prev. 82.3).**
- _ **USA 10Y Yield 2.4% Drops To 10-Month Lows As Stocks Hit Record Highs.**
- _ **Spain grows at firm pace in first quarter of 2014.**
- _ **Gold trades near 16-week low as investors assess U.S. economic data.**
- _ **Retail sales fell in Japan is higher than expected during April after raising consumption taxes.**
- _ **GDP in U.S. Fell 1 Percent in First Quarter, Revised From 0.1 Percent Gain.**
- _ **US commercial crude oil inventories increased by 1.7 million barrels from the previous week.**
- _ **Consumer Spending in U.S. Unexpectedly Falls as Incomes Slow.**
- _ **US Chicago PMI (May) M/M 65.5 vs. Exp. 61.0 (Prev. 63.0).**
- _ **University of Michigan Confidence (May F) M/M 81.9 vs. Exp. 82.5 (Prev. 81.8).**

THE WEEK AHEAD - 2th OF June , TO 6th of June

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

Mon Jun 2	4:30am	AUD	Building Approvals m/m		2.10%	-3.50%
	All Day	EUR	German Prelim CPI m/m		0.10%	-0.20%
	11:30am	GBP	Manufacturing PMI		57.1	57.3
	5:00pm	USD	ISM Manufacturing PMI		55.7	54.9
Tue Jun 3	4:00am	CNY	Non-Manufacturing PMI			54.8
	4:30am	AUD	Retail Sales m/m		0.30%	0.10%
	4:45am	CNY	HSBC Final Manufacturing PMI		49.7	49.7
	7:30am	AUD	Cash Rate		2.50%	2.50%
		AUD	RBA Rate Statement			
	11:30am	GBP	Construction PMI		61.2	60.8
	12:00pm	EUR	CPI Flash Estimate y/y		0.70%	0.70%
Wed Jun 4	4:30am	AUD	GDP q/q		0.90%	0.80%
	11:30am	GBP	Services PMI		58.3	58.7
	Day 1	ALL	G7 Meetings			
	3:15pm	USD	ADP Non-Farm Employment Change		217K	220K
		CAD	Trade Balance		-0.2B	0.1B
	3:30pm	USD	Trade Balance		-40.8B	-40.4B
		CAD	BOC Rate Statement			
	5:00pm	CAD	Overnight Rate		1.00%	1.00%
		USD	ISM Non-Manufacturing PMI		55.6	55.2
	Thu Jun 5	4:30am	AUD	Trade Balance		0.53B
Day 2		ALL	G7 Meetings			
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		0.10%	0.25%
3:30pm		CAD	Building Permits m/m		1.40%	-3.00%
		EUR	ECB Press Conference			
		USD	Unemployment Claims		314K	300K
5:00pm	CAD	Ivey PMI		58.6	54.1	
Fri Jun 6	3:30pm	CAD	Employment Change		12.3K	-28.9K
		CAD	Unemployment Rate		6.90%	6.90%
		USD	Non-Farm Employment Change		219K	288K
		USD	Unemployment Rate		6.40%	6.30%

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

This week has started quite in major economic news and releases; However, The market has moved quit differently than most of the markets expected and that is because the increase of the risk appetite of the investors and sharp declining US bonds yield which drove a more demand for US dollar across the major pairs.

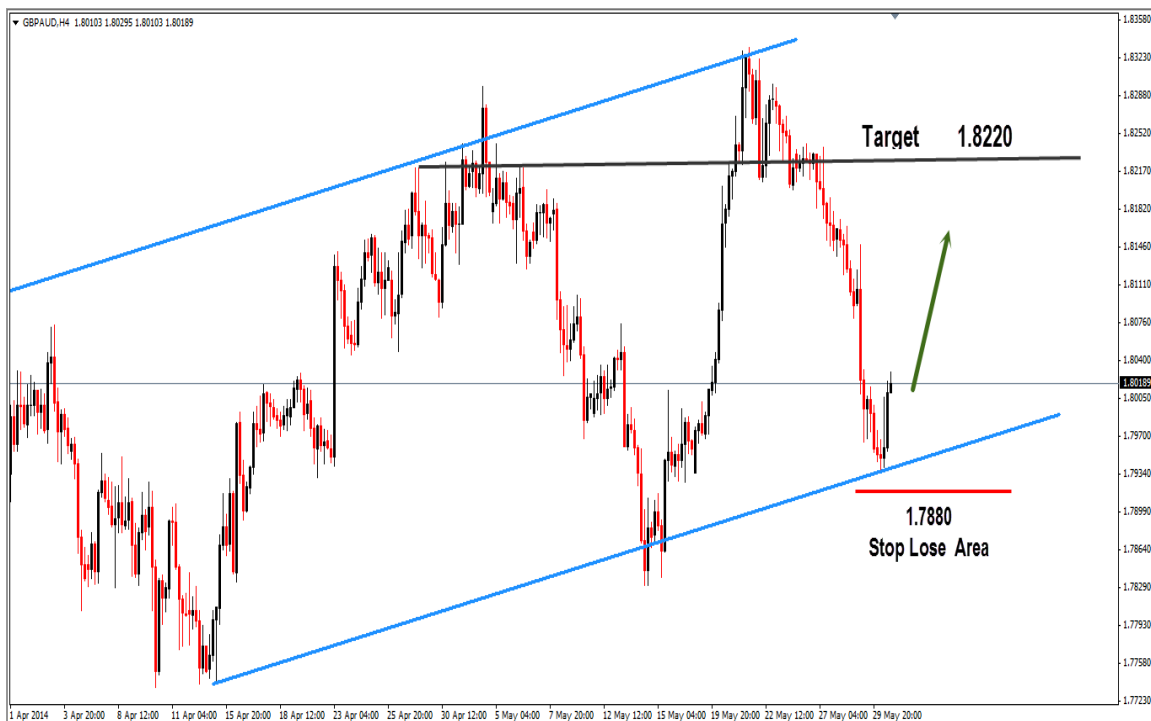
Moreover, as mentioned on the last section we are busy coming week with a lot of data expected to be released .Market is awaiting the ECB meeting and their decision to control the deflation at their area. We have mentioned a lot at our previous reports about our expectation about ECB action which we do expect more loose monetary policy. However , as we are now on the awaiting week by us and the markets it would be better to focus on the real data and leave the expectation aside.



EURUSD (Blue Color) – EURZONE refi Rate (Green Color) – EUROZONE CPI (Yellow color)

Technical Corner

As we can see at the above chart; GBPAUD on 4H time frame has reached with the last week to the bottom of the rising channel. The market has formed an entry signal on the bottom on that channel at 1.7990-1.8020 ; Where we could point out as a good entry signal to go long on the pairs to target the mention levels of 1.8200 – 1.8220 .However , If the market has been trending down instead the most probable stop lose would be at the levels of 1.7880 .





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