

ORBEX

# Weekly Markets Report

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



**ORBEX Research Department**  
**5<sup>st</sup> OF May. , TO 9<sup>th</sup> of May**

---

**OVERWEEK BULLET POINTS – 28<sup>th</sup> OF April. , TO 2<sup>th</sup> of May**

---

- Australia building approvals down by 3.5%
- Australia ANZ job advertisements up by 2.2%
- Chinese HSBC final manufacturing PMI downgraded from 48.3 to 48.1
- Euro zone Sentix investor confidence index due
- EU economic forecasts to be revised lower?
- Japanese banks on holiday
- BOJ Gov Kuroda: Domestic recovery is on track
- New Zealand ANZ commodity prices down by 4.0% in April
- Australia quarterly PPI up by 0.9% vs. 0.6% consensus
- Spanish and Italian manufacturing PMI due
- UK construction PMI to decline from 62.5 to 62.2?
- Swiss SVME PMI to show stronger expansion
- European Manufacturing PMI better-than-expected: 53.4 vs. 53.3 forecast/previous
- European Unemployment inline with previous but beats forecast: 11.8% vs. 11.9% forecast, 11.8% previous
- U.K. Construction PMI ticks lower: 60.8 vs. 62.2 forecast, 62.5 previous
- Coming up: U.S. Non-Farm Payrolls net change forecast at 218K vs. 192K previous, unemployment rate forecast: 6.6% vs. 6.7% previous
- US NFP prints at 288K vs. 218K expected and 203K previous
- US unemployment rate down from 6.7% to 6.3%
- US participation rate down from 63.2% to 62.8%
- US average earnings clocks in at 0.0% vs. 0.2% previous
- US factory orders disappoints at 1.1% vs. 1.5% last month
- Japanese markets out on Children's Day holiday
- UK markets out on May Day holiday
- US ISM manufacturing PMI up from 53.7 to 54.9 vs. 54.3 consensus
- US initial jobless claims at 344K vs. 317K expected
- US core PCE price index showed 0.2% uptick
- US personal spending and income both stronger than expected
- Chinese banks on Labor Day holiday
- Japanese household spending up by 7.2% y/y
- Japan's jobless rate held steady at 3.6%
- New Zealand ANZ commodity prices data due

---

**THE WEEK AHEAD - 5<sup>st</sup> OF May , TO 9<sup>TH</sup> May**

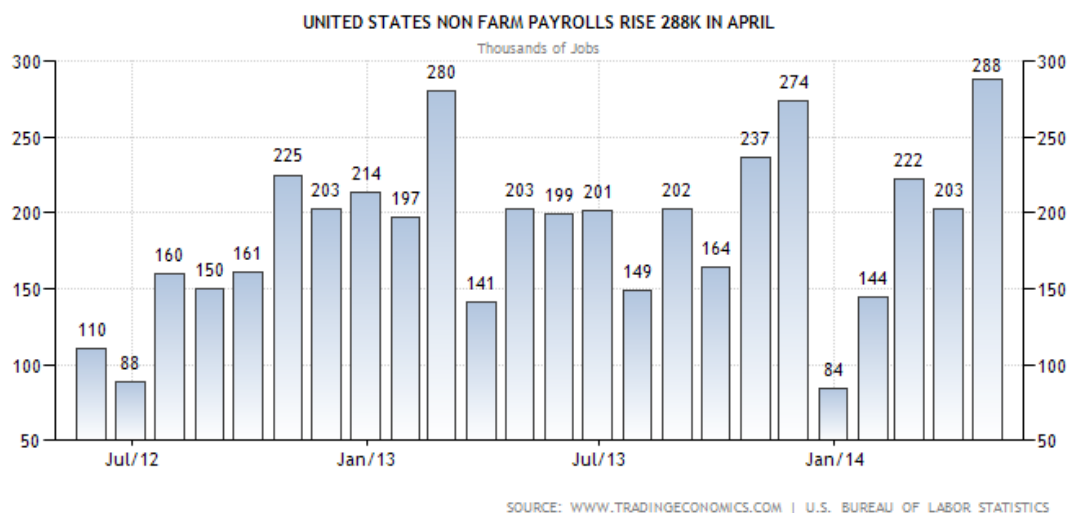
---

- *The most important economic release of the week*

Mon May 5	4:30am	AUD	Building Approvals m/m	-3.50%	1.30%	-5.40%
	4:45am	CNY	HSBC Final Manufacturing PMI	48.1	48.4	48.3
	5:00pm	USD	ISM Non-Manufacturing PMI		54.3	53.1
Tue May 6	4:30am	AUD	Trade Balance		1.10B	1.20B
	7:30am	AUD	Cash Rate		2.50%	2.50%
		AUD	RBA Rate Statement			
	11:30am	GBP	Services PMI		57.9	57.6
	3:30pm	CAD	Trade Balance		0.4B	0.3B
		USD	Trade Balance		-40.1B	-42.3B
	5:00pm	CAD	Ivey PMI		54.5	55.2
Wed May 7	1:45am	NZD	Employment Change q/q		0.60%	1.10%
		NZD	Unemployment Rate		5.80%	6.00%
	4:30am	AUD	Retail Sales m/m		0.40%	0.20%
	3:30pm	CAD	Building Permits m/m		3.90%	-11.60%
	5:00pm	USD	Fed Chair Yellen Testifies			
Thu May 8	4:30am	AUD	Employment Change		7.5K	18.1K
		AUD	Unemployment Rate		5.90%	5.80%
	Tentative	CNY	Trade Balance		15.2B	7.7B
	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		0.25%	0.25%
	3:30pm	EUR	ECB Press Conference			
		USD	Unemployment Claims		328K	344K
Fri May 9	4:30am	AUD	RBA Monetary Policy Statement			
		CNY	CPI y/y		2.10%	2.40%
	11:30am	GBP	Manufacturing Production m/m		0.30%	1.00%
	3:30pm	CAD	Employment Change		14.9K	42.9K
		CAD	Unemployment Rate		6.90%	6.90%
	5:00pm	USD	JOLTS Job Openings		4.21M	4.17M

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

**MARKETS PREVIEW** 28<sup>th</sup> OF April. , TO 2<sup>th</sup> of May



After the surprise last Friday of the NFP reading which recorded an increase of +288 K and a decrease in unemployment rate to record +6.3%. Beside Geopolitical risk, which increase the gold demand lately to record new highs? Next week we do have major central banks interest rate decision .Last Manufacturing PMI for the Euro recorded 54.1 ( Exp. : 54.2 ; Prev. : 53.7 ) , We do expected there is no major change in Monetary policy at EURO central bank meeting .PMI recorded mixes results for the region last week , expansion at Germany , & France , Italy , and Spain as well recorded a print higher than 50.0 threshold which means an expansion in activity. Deflation is the main concern for ECB, Moreover; March reading has recorded a negative -0.7% which is less than the expected.

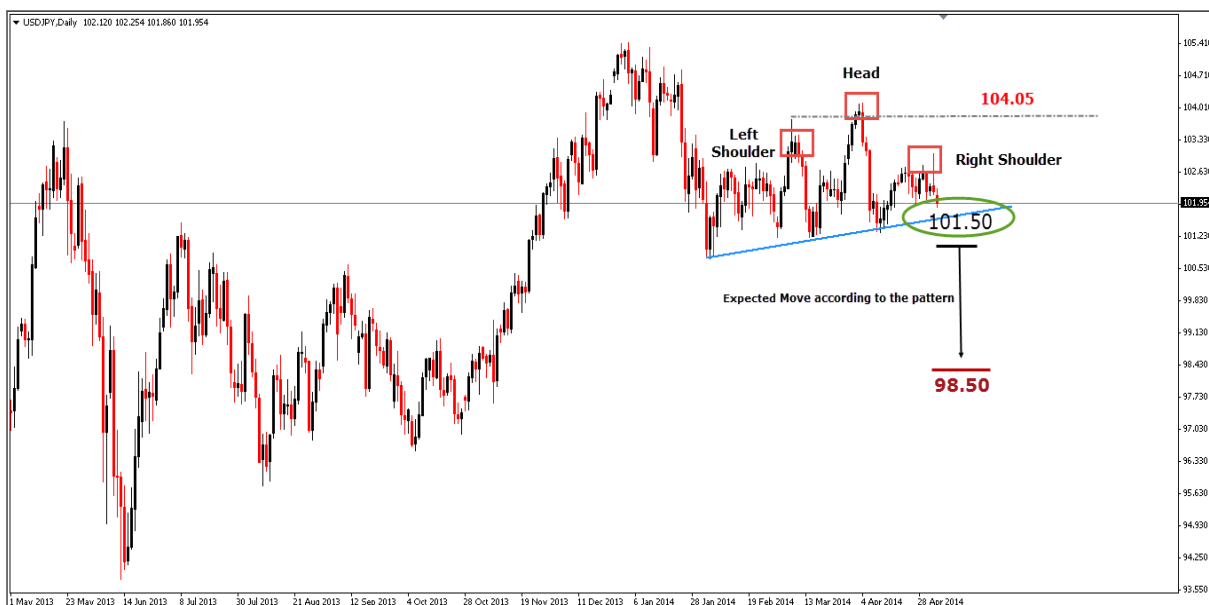




SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK

**US GDP recorded a softer than expected reading. Upbeat NFP data and unemployment rate were not enough for the market to convince them about the performance about US economy. However, the Participation rate has dropped to 62.8% from 63.2% which naturally a negative component affecting the positive reading for NFP or Unemployment rate as well.**

## Technical Corner



As you see through the chart the market in the process of building a head and shoulder patterns on the 4H time frame which could be considered as a reversal pattern to the downside. However, the levels where the pattern would be not valid in case the price reaches to it would be 104.05 (mentioned on the chart – the height of the Left Shoulder). Moreover, the pattern if it is valid should break the neckline which is at levels of 101.50 to 101.30 in case a penetration to those levels or the neckline then we do expect the market would go down for the same interval as the difference between the head and the neckline; which means our price target would be 98.50, after reaching the price target we do expect a retracement to the neckline again, finally, we are not waiting the retracement, we do wait the breakout out of the neckline to build a short position after the break-out (Not before). The pattern has a probability of achieving at 60-70%.



**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.