

29/04/2016









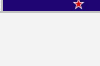






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# Fundamental Analysis

## Major events this week (April 25-29)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
<b>MONDAY</b>							
8:00 am		EUR	German Ifo Business Climate	April	106.6	107.1	106.7
2:00 pm		USD	New Home Sales	March	511K	521K	519K
<b>TUESDAY</b>							
12:30 pm		USD	Core Durable Goods Orders m/m	March	-0.2%	0.6%	-1.3%
12:55 pm		CAD	BOC Gov Poloz Speaks				
2:00 pm		USD	CB Consumer Confidence	April	94.2	95.8	96.1
<b>WEDNESDAY</b>							
1:30 am		AUD	CPI QoQ	Quarter 1	-0.2%	0.3%	0.4%
8:30 am		GBP	Prelim GDP QoQ	Quarter 1	0.4%	0.4%	0.6%
6:00 pm		USD	FOMC Statement				
9:00 pm		NZD	RBNZ Rate Statement				
<b>THURSDAY</b>							
Tentative		JPY	Monetary Policy Statement				
12:30 pm		USD	Advance GDP QoQ	Quarter 1	0.5%	0.7%	1.4%
<b>FRIDAY</b>							
9:00 am		EUR	CPI Flash Estimate YoY	April			0.0%
12:30 pm		CAD	GDP MoM	February			0.6%

## Key highlights of the week ended April 15

### Japan

Bank of Japan Governor Haruhiko Kuroda said the central bank stood ready to expand monetary stimulus again if recent weaknesses in inflation expectations persist, stressing that there are "many ways" to do so to reach the price target. Kuroda also dismissed the view the BoJ's decision in January to introduce negative interest rates was directly aimed at weakening the Japanese Yen to give Japan's exports a competitive advantage. While maintaining his optimistic view of Japan's economic outlook, Kuroda admitted that inflation expectations have been weakening in recent months. The BoJ may reconsider its current projection that inflation will hit 2% around the first half of fiscal 2017 if assumptions it was based on, such as oil price moves, change.

### Euro zone

German politicians and officials have repeatedly brutally castigated the European Central Bank for its monetary policy, with the latest critics coming from the outspoken German Finance Minister Wolfgang Schaeuble. Central banks in Europe and the US must gradually abandon easy-money policies, Mr Schaeuble said. He also partly blamed the ECB's policy for the success of the right-wing Alternative for Germany (AfD) in recent regional elections. Mr Schaeuble and ECB President Mario Draghi will probably hold talks in Washington this week. G-20 policy makers will meet from April 14-15, with finance ministers and central-bank governors from 188 countries gathering from April 15-17 for the spring meetings of the IMF and World Bank to discuss how to revive weak global growth.

### Canada

The Bank of Canada maintained its key interest rate at 0.5%, saying the Canadian economy continues to adjust to the oil price shock. The central bank admitted that GDP growth in the first quarter appeared to have been unexpectedly robust, but some of that strength was due to temporary factors and is likely to wane in the second quarter. Even though non-resource exports are predicted to strengthen, their profile is weaker than previously thought, partly due to slower foreign demand growth and the higher Canadian Dollar. The economy continues to create net new employment, especially in the services sector. Against this background, household spending continues to increase moderately.





*"For this year in general, we expect a rise in the unemployment figure due to the large inflow of refugees we have seen over the last year"*

- Johannes Gareis

## EUR



news	Impact
Germany's inflation slows in April, labour market continues to improve	High

The number of unemployed people in Germany continued to decline in April reaching a historic 25 years low despite the refugee crisis. The number of unemployed people in Germany dropped from March to April by 101,000 to 2.7 million, marking a 25 years' low. The unemployment rate remained at the record-low level of 6.2%. Meanwhile, a separate report showed price growth in Germany decelerated more than expected in April. Inflation in the Euro zone's powerhouse climbed 0.1% year-on-year in April, down from the 0.3% growth seen in March, according to the Federal Statistics Office. On a monthly basis, the measure trashed 0.2% in the reported month, down from the 0.8% rise recorded previously. The Harmonized Index of Consumer Prices showed inflation dropping 0.1% year-on-year, compared with March's 0.1% rise.

Separately, the Euro zone's business climate improved less than expected in April. The European Commission's Business Climate Index climbed to 0.13 in the reported month, compared with an upwardly revised 0.12 in March. At the same time, the economic sentiment in the Euro bloc increased to 103.9 in April, up from 103.0 registered in March.





**"The first quarter is going to be the worst quarter for consumption for all of 2016"**

-RBC Capital Markets LLC

## USD



	Impact
US economy's growth slows in Q1	High

The US economy expanded in the first quarter at the slowest pace in two years due to a sharp pullback in business investment and sluggish global demand. Gross domestic product rose at a 0.5% seasonally adjusted annual rate in the first quarter, according to the Commerce Department. This is the government's first of three estimates for the quarter before annual revisions in July. Consumers and the housing market kept the US economy from sliding backward, albeit only barely. Among the forces working against the US growth in recent months was a lacklustre demand from overseas and a strong Dollar that have led to a decline in exports, subtracting from growth.

After its meeting earlier in the week, the Fed provided a mixed review of the economy, saying in its statement that economic activity had slowed despite labour market improvement. Though the US central bank had entered the year with the plan to hike interest rates several times, it has so far refrained from any moves, a response to overseas volatility, particularly in China, and to the contradicting signals about US economic health. Analysts say the Fed could still decide to raise interest rates at its next meeting in June. The International Monetary Fund, in mid-April, estimated that the US economy would grow by 2.4% this year, slightly better than the pace of other developed economies.








*"We expect inflation to strengthen as the effects of low oil prices drop out and as capacity pressures gradually build"*

- RBNZ

## NZD




	Impact
New Zealand business confidence improves, building permits decline in March	High

New Zealand firms were more upbeat about the economic outlook this month as a sturdy construction sector remains central to the country's growth in the coming year, while retail, construction, and service firms felt the biggest boost in confidence. The ANZ Business Outlook survey showed that a net 6.2% of New Zealand companies were optimistic about general business conditions and the economy in April, up from 3.2% in March. Some 32% predict their own activity to increase, compared with 29% a month earlier. Construction is still the most optimistic sector in terms of the wider economy and its own activity, and residential investment intentions were unchanged at 36%, while commercial construction intentions slipped to 24% from 30%. ANZ report showed the agriculture sector was the most pessimistic with a net 27% anticipating the economy will deteriorate over the coming year, and just 6% expect their own activity to improve.

A separate report showed new residential building approvals fell steeply in March after climbing at the fastest rate in seven months in February. New Zealand building consents dropped a seasonally-adjusted 9.8% month-on-month in March, according to Statistics New Zealand, after surging a revised 10.3% in February.

















 Trends*	Q2 16	Q3 16	Q4 16
MAX	0.82	0.84	0.86
75% percentile	0.68	0.67	0.68
Median	0.65	0.64	0.64
25% percentile	0.63	0.62	0.61
MIN	0.55	0.55	0.52

\* the data is based on international banks' forecasts

	28.04 open price	28.04 close price	% change
AUD/NZD	1.1087	1.0954	-1.20%
EUR/NZD	1.6552	1.6306	-1.49%
GBP/NZD	2.1278	2.0985	-1.38%
NZD/USD	0.6847	0.6962	+1.68%

## Major events this week (April 18-22)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
<b>MONDAY</b>							
12:30 pm		USD	FOMC Member Dudley Speaks				
<b>TUESDAY</b>							
1:30 am		AUD	Monetary Policy Meeting Minutes				
9:00 am		EUR	German ZEW Economic Sentiment	April	11.2	8.2	4.3
12:30 pm		USD	Building Permits	March	1.09M	1.20M	1.18M
3:00 pm		CAD	BOC Gov Poloz Speaks				
<b>WEDNESDAY</b>							
8:30 am		GBP	Average Earnings Index 3m/y	February	1.8%	2.1%	2.1%
12:30 pm		CAD	Wholesale Sales MoM	February	-2.2%	-0.4%	0.2%
2:00 pm		USD	Existing Home Sales	March	5.33M	5.29M	5.07M
<b>THURSDAY</b>							
08:30 am		GBP	Retail Sales MoM	March	-1.3%	-0.1%	-0.5%
11:45 pm		EUR	Minimum Bid Rate				0.0%
12:30 pm		USD	Unemployment Claims	April 16	247K	265K	253K
<b>FRIDAY</b>							
8:00 am		EUR	Flash Manufacturing PMI	April	51.5	51.8	51.6
12:30 pm		CAD	Core CPI MoM	March	0.7%	0.4%	0.5%
12:30 pm		CAD	Core Retail Sales MoM	March	0.2%	-0.8%	1.3%



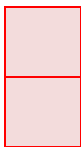
## EXPLANATIONS

### Chart

- **SMA (55)** – Simple Moving Average of 55 periods
- **SMA (200)** – Simple Moving Average of 200 periods

### Forecasts

*Third Quartile* – separates 25% of the highest forecasts



*Second Quartile* – the median price based on the projections of the industry

*First Quartile* – separates 25% of the lowest forecasts





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