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RESEARCH PRODUCTS

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Fundamental Analysis

Major events this week (February 13 - 17)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
00:00 am		JPY	Preliminary GDP q/q	Q4 2016	0.2%	0.3%	0.3%
TUESDAY							
07:00 am		EUR	German Preliminary GDP q/q	Q4 2016	0.4%	0.5%	0.2%
09:30 am		GBP	CPI y/y	January	1.8%	1.9%	1.6%
01:30 pm		USD	PPI m/m	January	0.6%	0.3%	0.3%
WEDNESDAY							
09:30 am		GBP	Claimant Count Change	January	-42.4K	1.1K	-20.5K
01:30 pm		CAD	Manufacturing Sales m/m	December	2.3%	1.4%	2.3%
01:30 pm		USD	CPI m/m	January	0.6%	0.3%	0.3%
THURSDAY							
01:30 pm		USD	Building Permits	January			1.21M
FRIDAY							
09:30 am		GBP	Retail Sales m/m	January			-1.9%
01:30 pm		CAD	Foreign Securities Purchases	December			7.24B

Key highlights of the week ended February 10

US

The Commerce Department reported the country's trade gap narrowed 3.2% to \$44.3 billion in the reported month, following November's upwardly revised deficit of 45.7 billion, while market analysts held expectations for a decrease to \$45.0 billion. The December improvement was driven by stronger exports that posted a 2.7%. Meanwhile, according to the Energy Information Administration, US crude stockpiles climbed 13.8 million barrels during the week ended February 3, following the preceding week's gain of 6.5 million barrels and surpassing analysts' expectations for a rise of 2.7 million barrels. Also, the Labour Department said national jobless claims declined 12,000, to 234,000, during the week ending February 4 from the preceding week's upwardly revised 246,000.

Australia

Australia's Central bank stated on Friday that the economy remained on a relatively strong footing during the second half of 2016. In its Monetary Policy Statement, the Reserve Bank of Australia said that the possibility of a widely expected downturn in the Australian housing market remained low. The Bank also said its forecasts for 2016 GDP growth were revised down, following sluggish growth in the Q3, when the economy unexpectedly contracted 0.5% after two straight quarters of economic growth.

Canada

Statistics Canada reported the country's merchandise trade surplus narrowed to C\$0.9 billion in the final month of 2016, following the preceding month's upwardly revised surplus of C\$1.0 billion and falling behind analysts' expectations of a rise to C\$1.2 billion. Separately, the Richard Ivey School of Business said on Tuesday its PMI fell unexpectedly to 57.2 in January, down from December's 60.8. On Friday, Statistics Canada reported the unemployment rate fell unexpectedly to 6.8% in December, following November's 6.9%.

New Zealand

New Zealand's inflation expectations advanced markedly in the first quarter of 2017, the latest quarterly survey revealed on Tuesday. In a report, the Reserve Bank of New Zealand said two-year inflation expectations climbed to 1.92% in the first quarter, the highest level since 2014, from 1.68% in the preceding quarter. However, inflation is expected to remain below the Central bank's inflationary target of 2%. Other data showed the GDT Price Index advanced 1.3% to \$3,537, up from \$3,517 registered at the prior auction that happened three weeks ago. New Zealand's Central bank left its benchmark interest rate unchanged at 1.75% on Wednesday and said it would be reasonable to keep the rate at record lows for an extended period of time. The statement caught analysts by surprise, as they widely expected the Reserve Bank of New Zealand to raise rates later this year.



“The U.S. economy has quite a bit of momentum as the year began. This morning's reports add a little more impetus for the Fed to move this quarter. Still not our call but it is becoming very interesting”.

USD - Jennifer Lee, BMO Capital Markets



	Impact
Both consumer prices and retail sales rise more than expected in January	High

US consumer prices posted the largest increase since February 2013 last month amid higher gasoline prices, keeping the Federal Reserve on course to raise interest rates further this year. The US Commerce Department reported on Wednesday its headline CPI climbed 0.6% month-over-month in January, while analysts expected the Index to remain unchanged from the prior month at 0.3%. Excluding volatile items, core consumer prices rose 0.3% last month, after growing 0.2% in December. The January inflation jump was mainly driven by higher gasoline, apparel and motor vehicles prices. On Tuesday, the Fed Chair Janet Yellen said the Bank would probably raise rates at its next policy meeting. Other data released by the Commerce Department on Wednesday showed retail sales advanced 0.4% in January after surging 1.0% in the previous month. However, analysts anticipated an increase of just 0.1% in the reported month. Furthermore, data showed core retail sales climbed 0.8% last month, following December's upwardly revised increase of 0.4%. A 1.6% rise in sales at electronics and appliances stores, the largest since June 2015, contributed the most to retail sales growth in January. Back in December, these stores posted a 1.1% drop in sales. In the meantime, automobile sales dropped 1.4%, the largest fall since March 2016, last month after surging 3.2% in December.



Trends*	Q1 17	Q2 17	Q3 17
MAX	122	122	125
75% percentile	116	118	118
Median	114	114	115
25% percentile	110	109	110
MIN	98	100	100

* the data is based on international banks' forecasts

	15.02 open price	15.02 close price	% change
AUD/USD	0.7656	0.7718	0.80%
USD/CHF	1.0066	1.005	-0.16%
USD/JPY	114.24	114.09	-0.13%
NZD/USD	0.7166	0.7227	0.84%



"Continued moderate growth in employment has led to a new high in the total employment rate, while the rate for women has reached 70pc for the first time on record. Overall, the labour market appears to be edging towards full capacity."
- David Freeman, ONS

GBP



	Impact
UK unemployment claimant count falls in January while wage growth slows in Q4	High

The number of Britons filing for unemployment benefits dropped markedly last month, while wage growth slowed in the Q4. The Office for National Statistics reported on Wednesday the number of claimants declined 42,400 to 787,400 in January, following the preceding month's upwardly revised fall of 20,500. In the meantime, including bonuses, average hourly earnings climbed 2.6% on an annual basis in the Q4 of 2016, while analysts expected an unchanged reading from the prior month, when the Average Earnings Index rose 2.8%. Excluding bonuses, earnings advanced 2.6%, falling behind analysts' expectations for a 2.7% climb. Wage growth is closely followed by the Bank of England in the wake of the Brexit vote, as an acceleration in pay growth amid higher inflation could force the Bank to raise interest rates. Inflation rose 1.6% in the 12 months to December 2016. Nevertheless, analysts say they do not expect wage growth to pick up in the upcoming months. Wednesday's data also showed the unemployment rate held steady at its 11-year low of 4.8% during the final quarter of 2016, in line with economists' forecasts. The data suggests that the labour market was not affected by the June 23 referendum; however, the 2017-year outlook remains ambiguous. The number of foreign workers in Britain declined 9,000 on a quarterly basis in the Q4.



Trends*	Q1 17	Q2 17	Q3 17
MAX	1.84	1.32	1.62
75% percentile	1.25	1.26	1.28
Median	1.22	1.22	1.24
25% percentile	1.20	1.20	1.18
MIN	1.07	1.03	1.02

* the data is based on international banks' forecasts

	15.02 open price	15.02 close price	% change
GBP/USD	1.2469	1.2456	-0.10%
EUR/GBP	0.8482	0.8512	0.35%
GBP/CAD	1.6298	1.6285	-0.08%
GBP/JPY	142.44	142.09	-0.25%



“Overall, the consensus-beating figures today, combined with the revisions, should have growth in Q4 tracking close to two per cent. That should remove further the possibility of a near-term ease from the BoC, despite its continuing dovish bias”.
-Nick Exarhos, CIBC

CAD



	Impact
Canadian manufacturing sales post biggest increase since 2015 in December	High

Canadian manufacturing sales rose for the second consecutive month in December, official figures showed on Wednesday. According to Statistics Canada, sales advanced 2.3% on a monthly basis in December, the largest increase since 2015, following the preceding month's upwardly revised gain of 2.3% and surpassing analysts' expectations for an increase of 1.4%. In volume terms, manufacturing sales climbed 2.3% in the reported month, suggesting the Canadian economy performed well in the final quarter of 2016. Transportation sales jumped 7.4% in December, mainly driven by gains in the vehicle parts and assembly industries. Sales in the petroleum and coal product industry were up 11.6% amid the return of refineries from autumn maintenance. Wednesday's data showed sales increased in eight out of 21 industries. In the meantime, inventories posted a third straight monthly decline of 0.3% in December, whereas new orders dropped 0.6%. Low-commodity prices and the Alberta wildfires dampened economic growth during the first three quarters of 2016. However, analyst suggest that the economy managed to fully recover by the end of the past year. The weaker Loonie, which dropped around 25% against the Greenback over the past five years, helped manufacturers offset low commodity prices.

















FORECASTS		
Q1 17	Q2 17	Q3 17
		1.4
	1.38	
1.37		
	1.36	1.36
1.35		
	1.32	
1.32		
		1.31

Trends*	Q1 17	Q2 17	Q3 17
MAX	1.42	1.45	1.45
75% percentile	1.37	1.38	1.40
Median	1.35	1.36	1.36
25% percentile	1.32	1.32	1.31
MIN	0.84	1.22	1.20

* the data is based on international banks' forecasts

	15.02 open price	15.02 close price	% change
AUD/CAD	1.0008	1.0089	0.80%
CAD/CHF	0.7696	0.7687	-0.12%
EUR/CAD	1.3824	1.3862	0.27%
USD/CAD	1.3071	1.3075	0.03%

Major events previous week (February 6 - 10)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
00:30 am		AUD	Retail Sales m/m	December	-0.1%	0.3%	0.1%
07:00 am		EUR	German Factory Orders m/m	December	5.2%	0.6%	-3.6%
TUESDAY							
03:30 am		AUD	Cash Rate		1.50%	1.50%	1.50%
08:30 am		GBP	Halifax HPI m/m	January	-0.6%	0.2%	1.6%
01:30 pm		CAD	Trade Balance	December	0.9B	1.2B	1.0B
01:30 pm		USD	Trade Balance	December	-44.3B	-45.0B	-45.2B
02:00 pm		NZD	GDT Price Index		1.3%		0.6%
WEDNESDAY							
03:30 pm		USD	Crude Oil Inventories	Last week	13.8M	2.7M	6.5M
08:00 pm		NZD	Official Cash Rate		1.75%	1.75%	1.75%
THURSDAY							
01:30 pm		USD	Unemployment Claims	Last week	234K	249K	246K
FRIDAY							
00:30 am		AUD	RBA Monetary Policy Statement				
09:30 am		GBP	Manufacturing Production m/m	December	2.1%	0.3%	1.4%
01:30 pm		CAD	Employment Change	January	48.3K	-10.1K	53.7K
03:00 pm		USD	Prelim UoM Consumer Sentiment	February	95.7	97.9	98.5

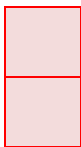
EXPLANATIONS

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



Fundamental Analysis



Technical Analysis



Press Review



Market Research



Expert Commentary



Dukascopy Bank Sentiment Index



Trade Pattern Ideas



Global Stock Market Review



Commodity Overview



Economic Research



Dukascopy Aggregate Technical Indicator

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