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RESEARCH PRODUCTS

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# Fundamental Analysis

## Major events this week (November 28 - December 5)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
<b>MONDAY</b>							
14:00 pm		EUR	ECB President Draghi Speech				
23:50 pm		JPY	Retail Trade (YoY)	October	-0.1%	-1.2%	-1.9%
<b>TUESDAY</b>							
13:30 pm		USD	Prelim Gross Domestic Product	Quarter	3.2%	3.0%	2.9%
23:50 pm		JPY	Industrial Production (MoM)	October	0.1%	0.6%	0.2%
<b>WEDNESDAY</b>							
07:00 am		GBP	Bank Stress Test Results				
10:00 am		EUR	Consumer Price Index (YoY)	November	0.6%	0.6%	0.5%
13:15 pm		USD	ADP Non-Farm Employment Change	November	216K	165K	147K
13:30 pm		CAD	Gross Domestic Product	September	0.3%	0.1%	0.2%
<b>THURSDAY</b>							
09:30 am		GBP	Manufacturing PMI	November			54.3
15:30 pm		USD	Unemployment Claims	November			51.9
<b>FRIDAY</b>							
12:30 am		AUD	Retail Sales (MoM)	October			0.6%
09:30 am		GBP	Construction PMI	November			52.6
13:30 pm		CAD	Employment Change	October			43.9K
13:30 pm		USD	Unemployment Rate	November			4.9%

## Key highlights of the week ended November 25

### Canada

Canadian retail sales advanced in September, amid higher auto sales, official data showed on Tuesday. According to Statistics Canada, sales climbed 0.6% to a seasonally adjusted C\$44.38 billion (\$33.08 billion) in the reported month, following August's upwardly revised gain of 0.1%. Furthermore, sales increased 0.6% in volume terms and 2.5% year-over-year. However, even though retail sales increased markedly in September, the figure came in below analysts' expectations for an increase of 0.7%. The September growth was mainly driven by a 2.4% sales rise posted by the motor vehicle and parts dealers subsector. Moreover, a new measure revealed e-commerce accounted for 2.1% of total sales in September on a seasonally adjusted basis, after advancing 2.0% in the previous month. Core retail sales, which exclude sales of automobiles, came in at 0.0%, whereas the prior month's number was revised up to 0.2% from the originally reported reading of 0.0%. Economists anticipated a rise to 0.6% during September.

### US

New orders for US manufactured durable goods rose markedly last month, driven by higher demand for machinery and other equipment, official figures revealed on Wednesday. Overall, new orders for capital goods jumped 4.8% in October, according to the US Department of Commerce. Meanwhile, market analysts anticipated a slight acceleration to 1.2%. The September figure was revised down from -0.1% to -0.3%. Demand for transportation equipment jumped 12% during the reported month, the largest gain since October 2015. Back in September, new orders for transportation equipment climbed 0.4%. Excluding orders tied to transportation, core durable goods orders increased 1.0%, following September's downwardly revised gain of 0.1% and surpassing the 0.2% rise market forecast. The US economy is set to expand at a 3.6% annual pace in the Q3, after growing 2.9% in the previous quarter.

### EU

German business sentiment remained unchanged in November, a private survey revealed on Thursday. The Munich-based Ifo economic institute reported on Thursday that its Business Climate Index came in at 110.4 in the reported month, while September's reading was unchanged at 110.4 in November, after the preceding month's reading was revised down to 110.4 from 110.5. Market analysts anticipated a slight increase to 110.6 points. The November figure suggests that executives remain positive about the country's economic growth, despite the uncertainties hanging over Brexit negotiations and Donald Trump's presidency. Back in October, the Index hit its highest level in more than two and a half years. In the meantime, the Current Assessment Index jumped to 115.6 in November from 115.1 points registered in the prior month, surpassing the 115.0 market forecast.



*“Aided by the European Central Bank's monetary stimulus measures and other efforts, inflation in the euro area is expected to return to the bank's objective of below but close to 2 percent by 2018-2019”.*

**EUR** - Mario Draghi, ECB



	<b>Impact</b>
EU Consumer prices advanced	High

Consumer prices climbed in the Euro zone last month, official figures revealed on Wednesday. According to the Eurostat, the CPI came in at annualized 0.6% in November, up from 0.5% rise in October, the largest gain since May 2014. On a yearly basis, the core CPI came in at 0.8% unchanged from the prior month and matching analysts' expectations. The slump in energy prices was fractionally higher at annual 1.1% compared with 0.9% previously. In the meantime, oil prices felt from the highest level in October, though stayed greater than the 7.3% decrease in November 2015. The yearly growth in food and beverages prices advanced to 0.7% from 0.4% the previous month. The so-called core CPI, which excludes food, energy, alcohol and tobacco, held steady at 0.3% on an annual basis in the same month, meanwhile the service sector CPI was unchanged with a slight step lower from 1.2% in November 2015. Although core inflation holds at 0.8%, price increases stays below the European Central Bank aim of 2% despite sustaining an accommodative monetary stimulus.

After the release, the Euro rose 0.14% against the US Dollar to trade at 1.0640, while Germany's DAX traded up 0.13%, France's CAC 40 advanced 0.24% and London's FTSE 100 gained 0.16%.



Trends*	Q4 16	Q1 17	Q2 17
MAX	1.43	1.19	1.20
75% percentile	1.11	1.12	1.13
Median	1.09	1.09	1.09
25% percentile	1.07	1.07	1.06
MIN	0.97	0.96	0.95

\* the data is based on international banks' forecasts

	30.11 open price	30.11 close price	% change
EUR/USD	1.06495	1.05873	-0.59%
EUR/GBP	0.85241	0.84657	-0.69%
EUR/CHF	1.07711	1.07729	+0.02%
EUR/JPY	119.673	121.169	+1.23%



*“With mortgage rates expected to rise into next year and put added strain on affordability, sales expansion will be contingent on more inventory coming onto the market and continued job gains”.*

**USD** - Lawrence Yun , NAR



	<b>Impact</b>
US pending home sales edged higher in October, while crude oil inventories dropped	High

The number of homes that went under contract inched higher in October, a sign the housing market could be plateauing in the final months of the year. The National Association of Realtors reported that its pending home sales index, which tracks contract signings for previously owned homes, edged up 0.1% from a downwardly revised September reading to a seasonally adjusted 110.0. Sales typically close within a month or two of signing. It is essential to note that while demand for housing is high, supply still continues to weaken across much of the nation and is well below 2015 levels. While homebuilders ramped up production in October, overall construction is still well below historical norms. Builders cite the high costs of land, labor and regulation as barriers to increased volume.

In addition to that data showed that US crude oil inventories fell unexpectedly last month. In a report, Energy Information Administration said that US crude oil inventories fell to a seasonally adjusted annual rate of -0.884M, from -1.255M in the preceding month.



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	30.11 open price	30.11 close price	% change
AUD/USD	0.7484	0.73837	-1.36%
USD/CHF	1.01145	1.0171	+0.56%
USD/JPY	112.371	114.447	+1.81%
NZD/USD	0.71266	0.70829	-0.62%



*"I strongly believe that the continued expansion of our service sector is pointing the way toward full economic recovery and the return of sustained, natural growth".*  
- Stephen Poloz, Bank of Canada Governor

**CAD**



	<b>Impact</b>
Canadian economy rebounds with fastest growth in two years	High

Canada posted its strongest economic growth in more than 2 years in the third quarter, since a rebound in energy exports helped the economy to rebound strongly from a deep second-quarter contraction, which saw the economy recoil by a revised 1.3%. Meanwhile, the healthy rebound followed a second-quarter decline largely caused by oil-production shutdowns caused by Alberta wildfires and scheduled maintenance at oil sands facilities Real gross domestic product advanced 0.9% in the third quarter, following a 0.3% decline in the second quarter. Growth in final domestic demand slipped to 0.2%. In the meantime, exports rose 2.2%, making up some ground lost in the second quarter (-3.9%). Growth was driven by a 6.1% increase in the energy sector, following a 5.1% drop in the second quarter as a result of the Fort McMurray wildfires. Exports of goods jumped 2.3%, while services advanced 1%.

The GDP reading was released ahead of the Bank of Canada's scheduled announcement next week on its trend-setting interest rate, which is widely expected to stay at 0.5%.









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	30.11 open price	30.11 close price	% change
AUD/CAD	1.00503	0.99203	-1.31%
CAD/CHF	0.75289	0.7568	+0.52%
EUR/CAD	1.4301	1.42233	-0.55%
USD/CAD	1.34293	1.3436	+0.05%

## Major events previous week (November 21-25)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
<b>MONDAY</b>							
13:30 pm		CAD	Wholesale Sales (MoM)	November	-1.2%	0.3%	0.8%
16:00 pm		EUR	ECB President Draghi Speech				
<b>TUESDAY</b>							
Tentative		NZD	Retail Sales	Quarter		0.8%	0.6%
13:30 pm		CAD	Core Retail Sales (MoM)	October	0.0%	0.6%	0.2%
<b>WEDNESDAY</b>							
15:30 pm		USD	Core Durable Goods Orders (MoM)	November	1.0%	0.2%	0.1%
<b>THURSDAY</b>							
09:00 am		EUR	German IFO Business Climate	November	110.4	110.6	110.4
11:30 pm		JPY	Tokyo Core CPI (YoY)	November	-0.4%		-0.4%
<b>FRIDAY</b>							
13:30 pm		GBP	Gross Domestic Product Q3	Quarter	0.5%	0.5%	0.5%

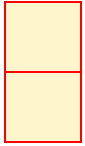
## EXPLANATIONS

### 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





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