



















DUKASCOPY
RESEARCH PRODUCTS

05/09/2016



Fundamental Analysis

Major events this week (September 5 - 9)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
2:30 am		JPY	BoJ Gov Kuroda Speech	August			
8:30 pm		GBP	Services PMI	August			47.4
TUESDAY							
4:30 am		AUD	RBA Rate Statement	August			
9:00 am		EUR	Gross Domestic Product (YoY)	Quarter			1.6%
2:00 pm		USD	ISM Non-Manufacturing PMI	August		55.7	55.5
Tentative		NZD	GDT Price Index				12.7%
WEDNESDAY							
1:30 am		AUD	Gross Domestic Product (YoY)	Quarter			3.1%
8:30 am		GBP	Manufacturing Production (MoM)	August			-0.3%
2:00 pm		CAD	BoC Rate Statement				
THURSDAY							
Tentative		CNY	Trade Balance	August			343B
1:30 am		AUD	Trade Balance	August			-3.20B
12:30 pm		EUR	ECB Press Conference				
12:00 pm		USD	Unemployment Claims	August			263K
FRIDAY							
1:30 am		CNY	Consumer Price Index (YoY)	August			1.8%
8:30 am		GBP	Goods Trade Balance	August			-12.4B
12:30 pm		CAD	Unemployment Rate	August			6.9%

Key highlights of the week ended September 2

UK

The UK economy grew more than expected in the Q2, despite the country's decision to leave the European Union, official data showed on Friday. According to the Office for National Statistics (ONS), the UK GDP advanced 0.6% during the reported period, compared to the preceding quarter's 0.5% rise. On an annual basis, GDP expanded 2.2% in the Q2 of 2016. Both readings came in line with analysts' expectations. The data also showed that services and production jumped 0.5% and 2.1%, respectively in the Q2. In contrast, construction dropped 0.4%, whereas agriculture fell 1.0%. Furthermore, household consumption increased 0.9% over the Q2, rising for 6 consecutive quarters. Year-over-year, household consumption climbed 3.0% in the reported quarter. Government spending declined 0.2% on a quarterly basis, but increased 0.8% on a yearly basis. Investment was the largest component of Britain's GDP in the Q2, growing 1.4% quarter-over-quarter and 0.9% year-over-year.

US

The Federal Reserve's favorite measure of inflation held steady in the seventh month of the year, official data revealed on Monday. According to the Bureau of Economic Analysis, the Personal Consumption Expenditures Price Index, excluding the volatile food and energy components, rose 1.6% year-over-year in July, unchanged from last month, while market analysts anticipated a slight decrease to 1.5% in the reported month. On a monthly basis, the core PCE grew 0.1% in July, in line with analysts' expectations and the previous month's reading. The overall PCE advanced 0.8% on a yearly basis in the same month, following June's 0.9% and meeting market forecasts. The data also showed that personal spending climbed 0.3% on a monthly basis in July, down from June's upwardly revised 0.5% gain, whereas personal income jumped 0.4% on the same basis in July, compared to last month's upwardly revised 0.3% hike. Both readings came in line with analysts' projections.

Canada

According to the data released by Statistics Canada, the country's economy shrank in the second quarter, mainly due to the huge wildfires in Alberta. Canadian gross domestic product, the broadest measure of goods and services produced in an economy, equals 1.6% annualized rate for the second quarter to \$1.36 trillion. Following numbers represents the worst GDP performance in a more than three-month period since mid-2009, when the country was experiencing the global financial crisis. By the way, expectations were for a 1.5% decrease, according to economists at Royal Bank of Canada. Moreover, the decline follows a revised 2.5% rise during the first quarter. The second quarter, in turn, was widely expected to be weak after fires in northern Alberta which forced to temporarily shut down some energy production in May and forced the evacuation of several communities, including Fort McMurray, which stands for a huge industry production.



“The Fed needed a barnburner payrolls report to hike as early as September, and today's data didn't measure up to that task”.

- Avery Shenfeld, CIBC World Market

USD



	Impact
Disappointing NFP report puts September rate hike in question	High

Fewer jobs were created than expected in the United States last month, official data revealed on Friday. According to the Labor Department, total nonfarm payroll employment in the country jumped 151,000 in August, following July's upwardly revised gain of 275,000, whereas market analysts expected the economy to add 180,000 new jobs in the reported month. Over the past three months, job gains averaged 232,000, compared with 182,000 for the first eight months of 2016. Furthermore, average hourly earnings advanced 0.1%, down from July's 0.3%, while the average workweek dropped to 34.3 hours in the same month from July's 34.4, leading to a 0.2% decline in the index of aggregate weekly hours. Over the past month, job growth in construction and manufacturing was weak, while strong in retail, healthcare, leisure, and government sectors. The headline unemployment rate remained unchanged at 4.9%, whereas economic desks anticipated a slight deceleration to 4.8% during the reported period. Average hourly earnings held steady at 2.4% in the same month. On Wednesday, payroll processor ADP said US companies created 177,000 new jobs in August, slightly surpassing the 174,000 market forecast. The report put into question the possibility of an interest rate increase by the Federal Reserve at its September meeting.



Trends*	Q3 16	Q4 16	Q1 16
MAX	126	140	130
75% percentile	116	119	119
Median	112	115	115
25% percentile	109	110	111
MIN	95	81	98

* the data is based on international banks' forecasts

	02.09 open price	02.09 close price	% change
AUD/USD	0.75511	0.757	+0.25%
USD/CHF	0.97928	0.98007	+0.08%
USD/JPY	103.24	104.022	+0.75%
NZD/USD	0.72822	0.72912	+0.12%



“Domestic demand in the United States is still strong ... and that's translating into growth for Canadian exports”.

- Ross Prusakowski, Export Development Canada

CAD



	Impact
Canadian trade balance improves in July driven by non-	High

Canada’s trade deficit narrowed more than expected in July, fresh data showed on Friday. According to Statistics Canada’s report, the country’s trade gap dropped to C\$2.5 billion (\$1.9 billion) in the seventh month of the year, compared to June’s upwardly revised reading of C\$4.0 billion (\$3.1 billion). Meanwhile, market analysts expected Canada’s trade deficit to narrow to C\$3.2 billion (\$2.5 billion) in the reported month. Stephen S. Poloz, the Governor of the Bank of Canada, suggests the economy rebound in the second half of the year rebound will be led by non-energy exports. Overall, exports jumped 3.4% to C\$42.7 billion in July, driven by gains in nine out of eleven categories, whereas imports declined 0.1% to C\$45.2 billion, posting the second decline in three months. Motor vehicle shipments advanced 6.2% in July, the first rise for six months, while exports of both metal and aircraft increased around 10%. Motor vehicle shipments advanced 6.2% in July, the first rise for six months, while exports of both metal and aircraft jumped around 10%. Not taking into account price changes, export volumes grew 3.7% and import volumes declined 1.2% in July.

The USD/CAD pair fell sharply after the data release and was seen trading at \$1.3020 with higher oil prices also providing support for the Canadian Dollar.


















Trends*	Q3 16	Q4 16	Q1 16
MAX	1.40	1.45	1.50
75% percentile	1.35	1.34	1.35
Median	1.32	1.31	1.30
25% percentile	1.28	1.26	1.27
MIN	1.22	0.84	1.18

* the data is based on international banks' forecasts

	02.09 open price	02.09 close price	% change
AUD/CAD	0.98924	0.98294	-0.64%
CAD/CHF	0.74787	0.75461	+0.89%
EUR/CAD	1.46688	1.44869	-1.26%
USD/CAD	1.31018	1.29861	-1.89%

Major events previous week (August 26—September 5)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
11:30 pm		USD	Personal Spending MoM	August	0.3%	0.3%	0.5%
11:30 pm		JPY	Household Spending YoY	August	-0.5%	-1.3%	-2.2%
TUESDAY							
1:30 am		AUD	Building Approvals MoM	August	11.3%	0.0%	-4.7%
12:30 pm		CAD	Current Account	August	-19.9B	-20.6B	-16.8B
2:00 pm		USD	CB Consumer Confidence	August	101.1	97.2	97.3
WEDNESDAY							
12:15 pm		USD	ADP Non-Farm Employment Change	August	177K	173K	179K
12:30 pm		CAD	GDP MoM	August	0.6%	0.5%	-0.6%
2:30 pm		USD	Crude Oil Inventories	August	2.276M		2.5M
THURSDAY							
1:00 am		CNY	Manufacturing PMI	August	50.4	49.9	49.9
8:30 am		AUD	Retail Sales MoM	August	0.0%	0.3%	0.1%
12:30 pm		GBP	Manufacturing PMI	August	53.3	49.1	48.2
2:00 pm		USD	ISM Manufacturing PMI	August	49.4	52.0	52.6
FRIDAY							
8:30 am		GBP	Construction PMI	August	49.2	46.6	45.9
12:30 pm		CAD	Trade Balance	August	-2.5B	-3.2B	-3.6B
12:30 pm		USD	Unemployment Rate	August	4.9%	4.8%	4.9%

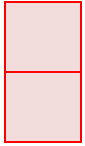
EXPLANATIONS

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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