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06/12/2017















# FUNDAMENTAL

A N A L Y S I S



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## Major Events of the Week 4 - 8 December

Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
<b>MONDAY, 4 DECEMBER</b>							
9:30 AM		GBP	Construction PMI	November	53.1	51.2	50.8
<b>TUESDAY, 5 DECEMBER</b>							
3:30 AM		AUD	RBA Interest Rate Decision	Dec-05	1.5%	1.5%	1.5%
9:30 AM		GBP	Services PMI	November	53.8	55.2	55.6
1:30 PM		CAD	Trade Balance	October	C\$-1.5B	C\$-2.3B	C\$-3.2B
3:00 PM		USD	ISM Non-Manufacturing PMI	November	57.4	59.2	60.1
<b>WEDNESDAY, 6 DECEMBER</b>							
12:30 AM		AUD	GDP q/q	Q3	0.6%	0.7%	0.9%
1:00 PM		USD	ADP Non-Farm Employment Change	November		214K	235K
3:00 PM		CAD	BoC Interest Rate Decision	Dec-06		1.0%	1.0%
<b>THURSDAY, 7 DECEMBER</b>							
10:00 AM		EUR	GDP q/q	Q3		0.6%	0.6%
1:30 PM		CAD	Ivey PMI	November			63.5
<b>FRIDAY, 8 DECEMBER</b>							
9:30 AM		GBP	Manufacturing Production m/m	October			0.7%
1:30 PM		USD	Unemployment Rate	November		4.1%	4.1%

# GBP/USD: UK Services PMI



Historical Data Table: UK Services PMI

Date	03.08.2017	05.09.2017	04.10.2017	03.11.2017	05.12.2017
Actual	53.8	53.2	53.6	55.6	53.8
Forecast	53.6	53.5	53.2	53.3	55.2

Initial Reaction on Main Pairs

	Open Price	Close Price	% Change
GBP/USD	1.34098	1.34251	0.11%
EUR/GBP	0.88384	0.88299	-0.10%
GBP/CAD	1.69767	1.69975	0.12%
GBP/JPY	150.87	151.061	0.13%

The Sterling was little changed against the US Dollar on the UK Services PMI data, though the report managed to sustain the exchange rate above the 1.3400 level. The GBP/USD rose 15 base points or 0.11% to make further attempts to overcome 1.3440.

The UK economy suffered by the end of 2017, compared to the Euro zone's strong recovery, as the effects of Brexit vote kept weighing on businesses and shoppers. Markit said that country's services PMI dropped to 53.8 in the month of November. The businesses within the industry faced double impact, as costs increased mainly due to the lack of skilled labour, while inflation growth continued to squeeze household incomes and their willingness to spend.

# USD/CAD: Canadian Trade Balance



**Historical Data Table: Canadian Trade Balance**

Date	04.08.2017	06.09.2017	05.10.2017	03.11.2017	05.12.2017
Actual	-3.6B	-3.0B	-3.4B	-3.2B	-1.5B
Forecast	1.3B	-3.2B	-2.6B	-3.0B	-2.3B

**Initial Reaction on Main Pairs**

	Open Price	Close Price	% Change
AUD/CAD	0.96518	0.96437	-0.08%
CAD/CHF	0.77939	0.78027	0.11%
EUR/CAD	1.49746	1.49618	-0.09%
USD/CAD	1.26448	1.26346	-0.08%

The Greenback rebounded from a weekly low against the Loonie, as the report showed that the Canadian trade deficit shrunk in October. The USD/CAD currency pair fell 10 base points to the 1.2634 mark, but succumbed to bulls to move the exchange rate higher to the 1.2700 area.

Canadian export sector revealed unexpected signs of strengthening in October, as it marked the first raise since May on increased shipment to the US, while imports kept disappointing. Statistics Canada said that the country's trade deficit fell to the lowest level in five months of C\$1.5B from C\$3.4B in the prior month. Strong data came late to influence the Bank of Canada's monetary policy decision today, which is widely expected to keep interest rate unchanged.

# EUR/USD: ISM Non-Manufacturing PMI



Historical Data Table: ISM Non-Manufacturing PMI

Date	03.08.2017	06.09.2017	04.10.2017	03.11.2017	05.12.2017
Actual	53.9	53.3	59.8	60.1	57.4
Forecast	56.9	53.9	55.5	58.5	59.2

Initial Reaction on Main Pairs

	Open Price	Close Price	% Change
AUD/USD	0.76115	0.76054	-0.08%
EUR/USD	1.18346	1.18289	-0.05%
USD/JPY	112.764	112.814	0.04%
NZD/USD	0.68755	0.68721	-0.05%

The US Dollar was seen trading slightly higher against the European single currency, as the US economic reports revealed weaker than estimated results on Tuesday. The EUR/USD currency pair fell 6 base points, where the Euro was strong enough to return in the 1.1835 area.

The Institute for Supply Management stated that its non-manufacturing PMI for the US fell to 57.4 in November, compared with 60.1 in October, suggesting that the services sector's growth slowed due to moderation in both export and new orders. Another release showed that the country's trade deficit widened to a nine-month high in the same month amid higher oil prices and lingering deficits with Mexico and Canada, despite the strong increase of exports to the both countries.

# AUD/USD: Australian Gross Domestic Product



Historical Data Table: Australian GDP q/q

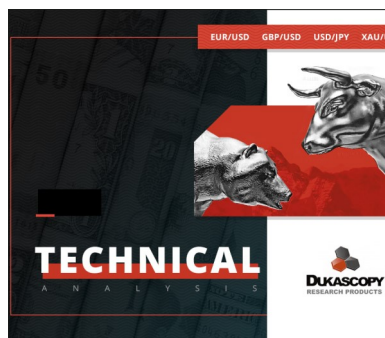
Date	7.12.2016	01.03.2017	07.07.2017	06.09.2017	05.12.2017
Actual	-0.5%	1.1%	0.3%	0.8%	0.6%
Forecast	0.2%	0.7%	0.2%	0.8%	0.7%

Initial Reaction on Main Pairs

	Open Price	Close Price	% Change
AUD/JPY	85.592	85.249	-0.40%
AUD/USD	0.76136	0.75847	-0.38%
EUR/AUD	1.55318	1.55933	0.40%
GBP/AUD	1.76219	1.7692	0.40%

The Aussie fell sharply against the US Dollar on the disappointing GDP report this morning. The AUD/USD lost initially 29 base points or 0.38% to continue consolidation in the 0.7585 area.

Australian economy expanded at a weaker-than-anticipated pace, as household spending grew at the slowest pace since the financial crisis in 2008, reinforcing the possibility of the Reserve Bank of Australia keeping its key interest rate unchanged for a longer period of time. The Australian Bureau of Statistics reported that the country's gross domestic product rose 0.6% in the third quarter, following an upwardly revised 0.9% in the prior period, with the largest downward contribution coming from a weak consumer spending affected by the insufficient pay growth.



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