














DUKASCOPY
RESEARCH PRODUCTS

17/02/2017



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							
00:30 am		AUD	Employment Change	January	13.5K	9.7K	16.3K
01:30 pm		USD	Building Permits	January	1.29M	1.23M	1.23M
FRIDAY							
09:30 am		GBP	Retail Sales m/m	January		1.0%	-1.9%
01:30 pm		CAD	Foreign Securities Purchases	December		11.59B	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 big uptick in permits should be good news for inventory-constrained homebuyers, as permits eventually become starts, which in turn become new homes for sale. As a result, we shouldn’t be surprised to see a strong uptick in starts in mid-2017.”

USD

-Ralph McLaughlin, Trulia



	Impact
US building permits jump 4.6%, while housing starts fall 2.6% in January	High

US building permits advanced more than expected whereas homebuilding activity weakened in January, official figures revealed on Thursday. The Commerce Department reported building permits rose 4.6% to a seasonally adjusted annual pace of 1.29 million in January, following the previous month's upwardly revised 1.23 million units and surpassing analysts' expectations for a 1.23 million-unit rate. The increase caught markets by surprise, as the figure reached the highest level since November 2015, suggesting solid growth in starts in the middle of 2017.

Meanwhile, housing starts declined 2.6% to an annualised rate of 1.25 million units in the same month, following December's upwardly revised reading of 1.28 million, whereas economists expected them to increase to a 1.23. Analysts suggest that the housing market recovery is likely to be sustained by strong labor market, which supported household formation.

Separately, the Philadelphia Federal Reserve said its Manufacturing Index jumped to 43.3 points in February, the highest level in 33 years, driven by a jump in new orders, which climbed to 38.0 from 26.00. Data also showed the Employment Index fell to 11.1 from 12.8, while the Business Outlook Index for the next six months slid to 53.5 points.



FORECASTS		
Q1 17	Q2 17	Q3 17
	118	118
116		115
114	114	
110		110
	109	

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

	16.02 open price	16.02 close price	% change
AUD/USD	0.7717	0.7693	-0.31%
USD/CHF	1.005	0.9973	-0.77%
USD/JPY	114.08	113.24	-0.74%
NZD/USD	0.7227	0.7224	-0.04%



"We are still seeing strong growth in part-time employment in January 2017, and in recent months, increasing growth in full-time employment."

- Bruce Hockman, Australian Bureau of Statistics

AUD



	Impact
January jobs data surprises; unemployment rate down to 5.7%	High

The Australian labour market continued its uptrend for the fourth consecutive month, with employers adding more workers than expected over the month of January. The official figures released by the Australian Bureau of Statistics on Thursday showed that the number of employees topped analysts' expectations for a 9.7K rise, inching up 13.5K compared to an upwardly revised 16.3K surge registered in the preceding month. The upmove was mainly caused by a jump in part-time employment, which rose by 58.3K and managed to offset an abrupt drop in the number of full-time workers, which plummeted 44.8K.

In the meantime, the jobless rate came in at 5.7%, down from 5.8% in December, as the seasonally adjusted labour force participation rate fell to 64.6% from 64.7%, which resulted in total number of unemployed diving to 720.02K. The male jobless rate took a fall, sliding to 5.5%, the lowest point in nearly 4 years, whilst the female unemployment held at the same level of 5.8% in the reported month.

















Trends*	Q1 17	Q2 17	Q3 17
MAX	0.80	0.81	0.82
75% percentile	0.74	0.74	0.75
Median	0.73	0.72	0.72
25% percentile	0.71	0.71	0.70
MIN	0.68	0.63	0.60

* the data is based on international banks' forecasts

	16.02 open price	16.02 close price	% change
AUD/JPY	88.02	87.14	-1.01%
AUD/USD	0.7717	0.7693	-0.31%
EUR/AUD	1.3739	1.3874	0.97%
GBP/AUD	1.6141	1.6232	0.56%

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

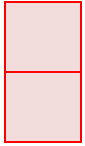
EXPLANATIONS

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



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