














DUKASCOPY
RESEARCH PRODUCTS

17/11/2016



Fundamental Analysis

Major events this week (November 14-18)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
02:00 am		CNY	Industrial Production (YoY)	October	6.1%	6.2%	6.1%
03:00 pm		EUR	ECB President Draghi Speech				1.0%
TUESDAY							
09:30 am		GBP	Consumer Price Index (MoM)	October	0.9%	1.1%	1.0%
10:00 am		EUR	Gross Domestic Product	Quarter	1.6%	1.6%	1.6%
13:30 pm		USD	Retail Sales (MoM)	October	0.8%	0.6%	0.6%
WEDNESDAY							
13:30 pm		CAD	Manufacturing Sales (MoM)	September	0.3%	-0.2%	0.9%
15:30 pm		USD	Industrial Production (MoM)	October	0.0%	0.2%	0.1%
THURSDAY							
12:30 am		AUD	Unemployment Rate	October	5.6%	5.6%	5.6%
09:30 am		GBP	Retail Sales (MoM)	October		0.4%	0.0%
13:30 pm		USD	Consumer Price Index (MoM)	October		0.3%	0.3%
FRIDAY							
13:30 pm		CAD	Consumer Price Index	October			0.1%

Key highlights of the week ended November 11

US

Donald Trump's election as the 45th president of the United States sent shock waves across the world. His victory allowed the Republic Party to maintain the Senate, as well as win the White House. According to the final figures, in the presidential race of 2016 Trump won 276 electoral votes. Despite the post-election uncertainty, the US economy is set to continue its expansion at a rate of 2%. Moreover, analysts still expect a rate hike from the Federal Reserve in December, as markets are likely to stabilize ahead of the monetary policy meeting. Once the news broke, the Mexican Peso dropped more than 13%, hitting its overnight low, whereas the price of gold advanced 4.9% to \$1,337.4 per ounce. European stock markets fell around 2.3%, compared to a 9% plunge after Britain's decision to leave the European Union. However, European stocks managed to finish higher, with the FTSE rising around 1% after falling 2% at the start of the trading day.

UK

British manufacturing activity jumped unexpectedly in September amid rising inflationary pressures, official figures revealed on Tuesday. According to the Office for National Statistics, factory output rose 0.6% month-over-month in September, the biggest increase since April, up from the preceding month's gain of 0.2%, while market analysts anticipate an acceleration of 0.5%. On annual basis, manufacturing output grew 0.2%, surpassing forecasts for a 0.5% fall. Nevertheless, the country's manufacturing output dropped 0.9% in the Q3. On the negative side, industrial production declined 0.4% in September, unchanged from the previous month, whereas economists expected to see an increase of 0.1% in the reported month. Year-over-year, industrial output advanced 0.3%, although analysts predicted a rise of 0.8%. On a quarterly basis, UK industrial production declined 0.5%. The September fall in industrial output was mainly driven by a decrease in demand for heating amid warmer-than-usual weather and planned maintenance in oil and gas fields of the North Sea. Economic activity in the manufacturing sector is expected to expand markedly in the upcoming months due to the weak British Pound, which fell sharply after the country's decision to leave the European Union.

Canada

The Canadian economy more jobs than expected last month, official figures revealed on Friday. The growth was mainly driven by an increase in part-time positions, which offset a fall in full-time workers. According to Statistics Canada, employment rose by 43,900 jobs in October, following the preceding month's gain of 67,200, while market analysts anticipated the economy to lose 10,000 jobs in the reported period. The data also showed the unemployment rate held steady at 7.0% last month, in line with analysts' expectations. Part-time jobs increased by 67,000 in October, whereas the more-desirable full-time employment declined by 23,000. On annual basis, the economy added 140,000 new positions last month, gaining 16,000 full-time workers and 124,000 part-time workers. The services-producing sector added around 23,000 new jobs, while the goods-producing sector created 21,000. In regional terms, Ontario gained 25,000 new positions in October, whereas British Columbia created 15,000. In the meantime, the number of jobs dropped in Labrador and Newfoundland by 5,600 in the same month. Separately, Canadian imports rose 4.7% to \$47.6 billion in October, touching the highest level, while exports jumped 0.1% to \$43.5 billion.



“Current forecasts call for improved global GDP and industrial production growth rates, as well as higher levels of global capital expenditures. We therefore expect improvement to continue”.

USD - Blake Moret, Rockwell Automation Inc.



	Impact
US industrial output and producer prices remain flat in October; Crude oil inventories rise 5.3M last week	High

US industrial production remained unchanged unexpectedly last month, amid the weak heating demand. According to the Federal Reserve, the country's industrial output was flat on a seasonally adjusted basis in October, following the preceding month's downwardly revised fall of 0.2%. However, market analysts anticipated a slight increase of 0.2% in the reported month. Utilities production declined 2.6% last month, after dropping 3.0% in September. The Fed said milder weather than normal reduced the demand for heating during October, offsetting gains of 0.2% and 2.1% in the manufacturing and mining categories, respectively. Data also showed that capacity utilization fell 0.1% to 75.3%. Separately, the US Department of Labor said its Producer Price Index came in at 0.0% in October, whereas economists expected the Index to advance 0.3% as in the prior month. Nevertheless, on an annual basis, the PPI rose 0.8%, the largest increase since December 2014, compared to September's gain of 0.7%. In the meantime, the Energy Information Administration reported on Wednesday that US crude oil inventories increased to a seasonally adjusted rate of 5.3 million barrels in the week ended November 11, following the previous week's rise of 2.4 million barrels.



Trends*	Q4 16	Q1 17	Q2 17
MAX	140	121	120
75% percentile	108	110	110
Median	105	105	107
25% percentile	102	101	101
MIN	81	95	92

* the data is based on international banks' forecasts

	16.11 open price	16.11 close price	% change
AUD/USD	0.75574	0.74786	-1.05%
USD/CHF	1.0017	1.00183	+0.01%
USD/JPY	109.173	109.072	-0.09%
NZD/USD	0.70989	0.70697	-0.41%



“The fourth quarter was on track for annualized growth of 1.5 percent, in line with the Bank of Canada's recently downgraded forecast”.

- Robert Both, TD Securities

CAD



	Impact
Canadian factory sales post surprise rise in September	High

Canadian manufacturing sales advanced more than expected in September, led by the transportation equipment sector, official data revealed on Wednesday. According to Statistics Canada, sales rose 0.3% to C\$51.47 billion (\$38.28 billion) in the reported month, following August's increase of 0.9%, while market analysts anticipated a fall of 0.2%. However, not taking into account price changes, the volume of factory goods sold in September, dropped 0.2%. On an annual basis, factory sales climbed 1.4%. Even though sales fell in volume terms, manufacturing sales are expected to provide significant support to the Canadian economy in the Q4. Sales grew in 12 out of 21 industries; however, the transportation equipment sector's gain of 1.5% accounted for more than 85% of the September gain. The September rise was also helped by fabricated metal products, which posted a 2.4% increase, the largest since May of 2015. Statistics Canada also said that new orders advanced 2.3%, mainly driven by gains in the machinery and transportation equipment sectors, while unfilled orders decreased 0.2% in the ninth month of the year. Furthermore, inventories increased 0.5% to C\$70.27, supported by the food, transportation equipment and chemical industries.



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	16.11 open price	16.11 close price	% change
AUD/CAD	1.01629	1.00534	-1.09%
CAD/CHF	0.74474	0.74499	+0.03%
EUR/CAD	1.44174	1.43715	-0.32%
USD/CAD	1.34477	1.34432	-0.03%



“Since December 2015 we have seen a continued decline in trend full-time employment and an increase in part-time employment, with a corresponding increase in the share of hours worked by part-time workers”.

AUD - Jacqui Jones, Bureau's labour and income branch



	Impact
Australian unemployment remains at 5.6%	High

The unemployment rate has remained steady at 5.6%, despite the creation of nearly 10,000 jobs in October, since workforce participation dropped to a decade low. The jobs growth was spurred by 41,500 extra full-time positions while the seasonally adjusted estimates point to 31,700 part-time jobs being shed. In comparison, part-time employment has advanced by 132,700, with its share of overall employment increasing from 31.1% to 32%. Meanwhile, economists have said wages are growing so slowly in Australia because the demand for labour, and the composition of labour, remains insufficient to make wages rise in a significant way. On a gender-basis, the unemployment rate slipped to 5.52% for males, registering the lowest level since February 2013, while that among females remained unchanged at 5.64%. Labor force participation, in turn, held steady at 64.4%, courtesy of a downward revision to the September figure which was previously reported at 64.5%.

In the meantime, the employment report remains a major indicator for the policy moves by the Reserve Bank of Australia and the November jobs data will be eyed closely before the next monetary policy meeting scheduled to be held in mid-December.














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	16.11 open price	16.11 close price	% change
AUD/JPY	82.52	81.572	-1.16%
AUD/USD	0.75574	0.74786	-1.05%
EUR/AUD	1.41828	1.42902	+0.75%
GBP/AUD	1.64706	1.66302	+0.96%

Major events previous week (November 7-11)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
07:00 am		EUR	German Factory Orders (MoM)	November	-0.6%	0.2%	1.0%
12:30 pm		GBP	Halifax HPI (MoM)	November	1.4%	0.3%	0.1%
TUESDAY							
Tentative		CNY	Trade Balance	November	325B	366B	278B
09:30 am		GBP	Manufacturing PMI (MoM)	November	0.6%	0.5%	0.2%
Tentative		USD	Presidential Election	November			
WEDNESDAY							
09:30 am		GBP	Goods Trade Balance	November	-12.69B	-11.3B	-12.1B
15:30 pm		USD	Crude Oil Inventories	November	2.4M	1.3M	14.4M
20:00 pm		NZD	RBNZ Rate Statement	November	1.75%	1.75%	2%
THURSDAY							
13:30 pm		USD	Unemployment Claims	November	254K	267K	265K
FRIDAY							
15:00 pm		USD	Prelim UoM Consumer Sentiment	November	91.6	87.4	87.2
15:50 pm		CAD	BoC Gov Poloz Speaks	November			

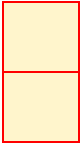
EXPLANATIONS

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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