












DUKASCOPY
RESEARCH PRODUCTS

29/03/2017



Fundamental Analysis

Major events this week (March 27 - 31)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
08:00 am		EUR	German Ifo Business Climate	March	112.3	111.2	111.1
TUESDAY							
02:00 pm		USD	CB Consumer Confidence	March	125.6	113.9	114.8
02:10 pm		CAD	BOC Gov Poloz Speaks				
WEDNESDAY							
02:00 pm		USD	Pending Home Sales m/m	February		2.3%	-2.8%
THURSDAY							
07:00 am		CHF	KOF Economic Barometer			105.9	107.2
01:30 pm		USD	Final GDP q/q	Q4 2016		2.0%	1.9%
FRIDAY							
08:30 am		GBP	Final GDP q/q	Q4 2016		-16.3B	-25.5B
01:30 pm		CAD	GDP m/m			0.3%	0.3%
01:30 pm		USD	Core PCE Price Index m/m	February		0.2%	0.3%

Key highlights of the week ended February 24

United Kingdom

British inflation surpassed the Bank of England's target of 2% last month, official figures released on Tuesday showed. The Office for National Statistics reported that consumer prices advanced 2.3% in February, following the preceding month's 1.8% increase and surpassing analysts' expectations for a 2.1% climb. The Office for National Statistics reported on Thursday that British retail sales advanced 1.4% last month, following the preceding month's fall of 0.5% and surpassing analysts' expectations for a 0.4% rise. Despite a stronger-than-expected rebound, in the three months to February sales dropped 1.4%, compared to a 0.5% decline seen in the three-month period to January.

United States

Residential home sales plunged in February despite the promising start of the year. Contrary to experts' forecasts, total existing home sales slipped 3.7% over the month of February. Nevertheless, last month's results were still 5.4% higher than a year ago. The other data revealed that on the week ended March 17, US crude oil inventories surged 5.0M barrels, which significantly exceeds experts' forecasts. The US Department of Labour reported initial jobless claims rose by 15,000 to a total of 258,000 in the week ended March 17, up from the preceding week's upwardly revised reading of 243,000. US Department of Commerce reported that orders for durable goods advanced 1.7% in February, following the preceding month's upwardly revised gain of 2.3% and surpassing analysts' expectations for a 1.1% increase. Excluding transportation equipment, orders for US-manufactured durable goods climbed 0.4%, compared to the previous month's reading of 0.0%.

Canada

Canadian retail sales rose more than experts estimated, following a decline in the previous month. In January, retail sales soared 2.2% to C\$46 billion, which was the largest monthly advance since March 2010. Similarly, excluding the automotive sector, sales rose 1.7%. Statistics Canada reported wholesale sales advanced 3.3% to a record C\$59.09 billion, while analysts anticipated an increase of 0.3%. Meanwhile, December's 0.7% rise was revised down to 0.3%. January's figure marked the biggest climb since November 2009, when sale rose 3.8%. Statistics Canada reported that the Consumer Price Index advanced 0.2% in February, following the preceding month's 0.9% surge and meeting analysts' expectations.

New Zealand

The GDT Price Index advanced 1.7%, following a 6.3% fall at the prior auction and surpassing analysts' expectations for a 6% drop. The rise was mainly driven by a 2.9% price rise in whole milk powder. On Wednesday, the Monetary Policy Committee voted to hold the official cash rate at a record low of 1.75%, claiming that the current global situation was preventing inflation from reaching the Bank's target. Moreover, Wheeler said that the inflation rate would probably remain below 2% until 2019. The annual trade deficit in New Zealand hit a record of \$3.8B in the year ended February 2017, appearing to be the largest since April 2009, Stats NZ reported on Thursday.



“Consumers' assessment of current business and labor market conditions improved considerably.”
- Lynn Franco, The Conference Board

USD



	Impact
US consumers show strongest confidence since 2000 in March	High

The Conference Board Consumer Confidence Index increased significantly despite experts' pessimistic forecasts. In March, it gained 8% and reached 125.6, which is the highest value since December 2000. Therefore, the number of consumers who evaluated business conditions as “good” rose from 28.3% to 32.2%. Moreover, the number of consumers who believed that there was “enough” job offers in the market also climbed from 26.9% to 31.7%. Accordingly, the number people who evaluated business conditions as “bad” decreased from 13.4% to 12.9%. In addition, the number of people who were experiencing “difficulties” finding a job slightly diminished from 19.9% to 19.5%. Altogether, this mean that consumers believe that the current economic conditions have improved and that they are ready to increase their spending and investments. This also suggests that people are more optimistic about the near-term economic situation. For instance, the number of consumers who suggested that business conditions would improve even more in the next six months soared from 23.9% to 27.1%. At the same time, the number of consumers who suggested that more jobs would be created in the next six months also nudged from 20.9% to 24.8%.



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

	28.03 open price	28.03 close price	% change
AUD/USD	0.7617	0.7633	0.21%
USD/CHF	0.9857	0.9924	0.68%
USD/JPY	110.66	111.14	0.43%
NZD/USD	0.7047	0.7015	-0.46%

Major events previous week (March 20 - 24)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
01:30 pm		CAD	Wholesale Sales m/m	January	3.3%	0.3%	0.3%
TUESDAY							
01:30 am		AUD	Monetary Policy Meeting Minutes				
10:30 am		GBP	CPI y/y	February	2.3%	2.1%	1.8%
01:30 pm		CAD	Core Retail Sales m/m	January	1.7%	1.3%	-0.5%
Tentative		NZD	GDT Price Index		1.7%	-6.0%	-6.3%
WEDNESDAY							
03:30 pm		USD	Crude Oil Inventories	Last week	5.0M	1.9M	-0.2M
09:00 pm		NZD	Official Cash Rate		1.75%	1.75%	1.75%
THURSDAY							
10:30 am		GBP	Retail Sales m/m	February	1.4%	0.4%	-0.5%
01:30 pm		USD	Unemployment Claims	Last week	258K	240K	241K
10:45 pm		NZD	Trade Balance	February	-18M	160M	-285M
FRIDAY							
10:00 am		EUR	Flash Services PMI	March	56.5	55.4	55.5
01:30 pm		CAD	CPI m/m	February	0.2%	0.2%	0.9%
01:30 pm		USD	Core Durable Goods Orders m/m	February	0.4%	0.5%	0.0%

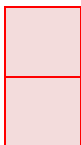
EXPLANATIONS

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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