












DUKASCOPY
RESEARCH PRODUCTS

23/02/2017



Fundamental Analysis

Major events this week (February 20 - 24)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
01:30 pm		CAD	Wholesale Sales m/m	December	0.7%	0.4%	0.2%
TUESDAY							
09:00 am		EUR	Flash Services PMI	February	55.6	53.7	53.7
09:30 am		GBP	Public Sector Net Borrowing		-9.8B	-14.4B	6.4B
WEDNESDAY							
09:30 am		GBP	Second Estimate GDP q/q	Q4 2016	0.7%	0.6%	0.6%
01:30 pm		CAD	Core Retail Sales m/m	December	-0.3%	0.8%	0.1%
THURSDAY							
01:30 pm		USD	Unemployment Claims	Last week		242K	239K
04:00 pm		USD	Crude Oil Inventories	Last week			9.5M
FRIDAY							
01:30 pm		CAD	CPI m/m	January		0.3%	-0.2%
03:00 pm		USD	New Home Sales	January		575K	536K

Key highlights of the week ended February 17

US

The US Commerce Department reported its headline CPI climbed 0.6% month-over-month in January, while analysts expected the Index to remain unchanged from the prior month at 0.3%. Excluding volatile items, core consumer prices rose 0.3% last month, after growing 0.2% in December. The January inflation jump was mainly driven by higher gasoline, apparel and motor vehicles prices. In the meantime, the US Labour Department revealed the Producer Price Index advanced 0.6% in January, while market analysts expected the Index to remain unchanged from the previous month at 0.3%. That marked the largest gain since September 2012. 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.

Australia

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 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. 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.

Canada

Canadian manufacturing sales rose for the second consecutive month in December. According to Statistics Canada, sales advanced 2.3% on a monthly basis in December, the largest increase since 2015, following the preceding month's upwardly revised gain of 2.3% and surpassing analysts' expectations for an increase of 1.4%. In volume terms, manufacturing sales climbed 2.3% in the reported month, suggesting the Canadian economy performed well in the final quarter of 2016.

United Kingdom

The number of Britons filing for unemployment benefits dropped markedly last month, while wage growth slowed in the Q4. The Office for National Statistics reported the number of claimants declined 42,400 to 787,400 in January, following the preceding month's upwardly revised fall of 20,500. In the meantime, including bonuses, average hourly earnings climbed 2.6% on an annual basis in the Q4 of 2016, while analysts expected an unchanged reading from the prior month, when the Average Earnings Index rose 2.8%.



“Businesses will likely become more cautious over investment and employment as the economy shows increasing signs of slowing and uncertainties over the outlook are magnified by 'Brexit' negotiations coming to the forefront after the government triggers Article 50.”

GBP

- Howard Archer, IHS Markit



	Impact
UK economy expands 0.7% in Q4 of 2016	High

The British economy showed first signs of Brexit vote influence, as the overall growth slowed, seeing the annual GDP growth rate holding steady at 2%, behind expectations for a 2.2% increase. Nevertheless, according to the second GDP estimate released by the Office for National Statistics on Wednesday, the UK economy expanded 0.7% in the Q4, the strongest performance since the last quarter of 2015, compared with a 0.6% growth pace observed in the previous quarter. In the report, the ONS highlighted that economic growth was mainly boosted by upwardly revised manufacturing output, which expanded 1.2% from 0.7% registered previously. As to the expenditure side, net trade and household consumption supported the economy, while capital spending levels set negative impact on the overall economic performance in the United Kingdom. In the meantime, the weak Pound is expected to support exports in the foreseeable future, though risks brought by the Brexit are still in place.



Trends*	Q1 17	Q2 17	Q3 17
MAX	1.84	1.32	1.62
75% percentile	1.25	1.26	1.28
Median	1.22	1.22	1.24
25% percentile	1.20	1.20	1.18
MIN	1.07	1.03	1.02

* the data is based on international banks' forecasts

	22.02 open price	22.02 close price	% change
GBP/USD	1.2472	1.246	-0.10%
EUR/GBP	0.8455	0.8481	0.31%
GBP/CAD	1.6386	1.6376	-0.06%
GBP/JPY	141.7	140.9	-0.57%




"The decline in volume puts a dent into what was otherwise looking like a firm performance for December GDP."

- Nick Exarhos, CIBC


CAD



	Impact
Canadian retail sales post 0.5% decline in December	High

Having posted four straight monthly advances, sales in the Canadian retail sector slumped over the month of December, official data showed on Wednesday. Statistics Canada reported that retail sales nosedived 0.5% in the final month of 2016, with sales declining in 9 out of 11 subsectors. In volume terms, retail sales excluding price changes effects dropped 1.0% in the reported month. The core reading also came in worse than expected, slipping 0.3% last month compared with a 0.5% print expected by the market. The downmove was mainly caused by a plunge in new cars sales. On balance, automotive parts, accessories and tire dealers enjoyed an 18.0% bounce in sales in December, while gasoline stations saw a 6.6% increase, as prices for the fuel surged 3.1% on an unadjusted basis in the reported month. Another factor that managed to contribute to the fall in retail sales in December was slower holiday season shopping, with sales at apparel stores declining 3.7% and jewellery, luggage and leather goods stores posting a 12.4% drop in the observed period. Overall, store retailers in Canada generated \$532B in sales in 2016, which is up 3.7% when compared to 2015.














 Trends*	Q1 17	Q2 17	Q3 17
MAX	1.42	1.45	1.45
75% percentile	1.37	1.38	1.40
Median	1.35	1.36	1.36
25% percentile	1.32	1.32	1.31
MIN	0.84	1.22	1.20

* the data is based on international banks' forecasts

	22.02 open price	22.02 close price	% change
AUD/CAD	1.0092	1.0131	0.38%
CAD/CHF	0.7684	0.7676	-0.10%
EUR/CAD	1.3854	1.3889	0.25%
USD/CAD	1.3138	1.3144	0.05%

Major events previous 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	-0.3%	1.0%	-1.9%
01:30 pm		CAD	Foreign Securities Purchases	December	10.23B	11.59B	7.24B

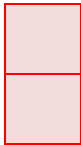
EXPLANATIONS

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



Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.