












DUKASCOPY
RESEARCH PRODUCTS

30/03/2017



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	5.5%	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.



“The good news is that warm winter weather has led to a surge in construction that will hopefully result in a bloom of new homes for sale this spring.”

- Joseph Kirchner, realtor.com

USD



	Impact
US existing home sales rally in February; Crude oil inventories rise but less than estimated	High

Pending home sales increased substantially and, thus, surprised many experts who did not expect such a leap. In February, the Pending Home Sales Index spiked 5.5% and reached the highest level in almost a year and the second highest level in over a decade. Growth was partially attributable to a record-warm end of winter, which motivated people to start looking for a house more actively than usual. Another factor that boosted sales was households' concern over a possible rise of interest rates by the end of this year. However, the main reason behind increased sales was strong demand, which was driven by improving economic conditions in the US. Yet, many potential home-buyers faced the problem of supply shortages, which negatively impacted prices, especially in the lower- and mid-market price ranges.

Other data released on Wednesday revealed that US crude oil inventories rose 900,000 barrels last week, following the preceding week's gain of 5 million barrels. Meanwhile, analysts anticipated a climb of 1.2 million barrels during the reported week. Oil prices rose shortly after the release, with WTI jumping above \$49 per barrel. Data suggests that the OPEC production deal cut has finally started bearing fruits.
















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

	29.03 open price	29.03 close price	% change
AUD/USD	0.7633	0.767	0.48%
USD/CHF	0.9924	0.9966	0.42%
USD/JPY	111.15	111.04	-0.10%
NZD/USD	0.7014	0.7031	0.24%

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%

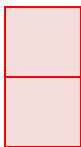
EXPLANATIONS

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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