















DUKASCOPY
RESEARCH PRODUCTS

08/03/2017



Fundamental Analysis

Major events this week (March 6 - 10)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
00:30 am		AUD	Retail Sales m/m	January	0.4%	0.4%	-0.1%
TUESDAY							
03:30 am		AUD	RBA Cash Rate		1.50%	1.50%	1.50%
01:30 pm		CAD	Trade Balance	January	0.8B	0.2B	0.4B
01:43 pm		NZD	GDT Price Index		-6.3%		-3.2%
11:50 pm		JPY	Final GDP q/q	Q4 2016	0.3%	0.4%	0.2%
WEDNESDAY							
12:30 am		GBP	Annual Budget Release				
13:15 pm		USD	ADP Non-Farm Employment Change	February		184K	246K
THURSDAY							
12:45 am		EUR	Minimum Bid Rate			0.00%	0.00%
01:30 pm		USD	Unemployment Claims	Last week		239K	223K
FRIDAY							
09:30 am		GBP	Manufacturing Production m/m	February		-0.6%	2.1%
01:30 pm		USD	Non-Farm Employment Change	February		185K	227K
01:30 pm		CAD	Employment Change	February			48.3K

Key highlights of the week ended February 24

US

According to the Commerce Department, total durable goods orders spiked 1.8% in the past month compared with a downwardly revised 0.8% reading registered in December. Figures released on Tuesday showed the US economy grew at an annualised pace of 1.9% in the Q4, following a strong 3.5% reading registered in the preceding quarter and falling behind analysts' expectations for a 2.1% rise. The Institute for Supply Management reported its Purchasing Managers' Index for the manufacturing sector advanced to 57.7 points last month, the highest level since December 2014, following the previous month's 56.0 points. Meanwhile, analysts anticipated a mild increase to 56.2. The US Department of Labour reported initial jobless claims dropped to 223,000 during the week ended February 24, the lowest level since March 1973, following the preceding week's downwardly revised 242,000 filings.

Canada

Statistics Canada reported its headline Consumer Price Index surged 2.1% year-over-year, after rising just 1.5% in December. On a monthly basis, the index jumped 0.9% in January, following the preceding month's 0.2% fall and surpassing analysts' expectations for a 0.3% rise. The Central bank acknowledged that the economy probably expanded at a stronger-than-expected pace in the final quarter of 2016 but left its benchmark rate at a record low of 0.50%, saying that the economy remained below its production capacity and inflation growth was driven mostly by temporary factors. Statistics Canada reported on Thursday that the country's GDP rose at an annualized rate of 2.6% in the Q4 of 2016, surpassing analysts' expectations for a 2% growth rate. Nevertheless, that was slower than the Q3 upwardly revised growth of 3.8%. On a monthly basis, the Canadian economy grew 0.3% in December, following the previous month's upwardly revised expansion of 0.5% and meeting analysts' forecasts.

Switzerland

The KOF Swiss Economic Institute reported the KOF index added 5.2 points in February, which is strongly above its long-term average, jumping to 107.2 from an upwardly revised reading of 102.0 registered in the preceding month.

United Kingdom

The British Bankers' Association reported mortgage approvals rose to 44,657 in January, compared with December's 43,581 reading. The reported month's figure was the highest since January a year ago, when mortgage approvals climbed to 45,794. Markit reported its PMI for the UK manufacturing sector dropped to a seasonally adjusted 54.6 points in February, while the preceding month's reading was revised up from 55.7 to 55.9 points. Market analysts anticipated a slighter decrease to 55.6 last month. Markit reported its Purchasing Managers' Index for the country's construction sector climbed to 52.5 in December, following the previous month's 52.2 points and surpassing analysts' expectations for an unchanged reading.



"This is no longer a blip. We've got a good run going here."
- Peter Hall, Export Development Canada

CAD



	Impact
Canada posts third consecutive monthly trade surplus in January	High

The Canadian trade balance remained in the positive territory for the third consecutive month in January, the longest streak since 2014, suggesting the economy regained momentum after the oil price collapse. Statistics Canada reported on Tuesday that the country's trade surplus hit C\$0.8 billion, while analysts expected January's surplus to come in at C\$0.2 billion. Meanwhile, December's originally reported trade surplus of C\$0.9 billion was revised down to C\$0.4 billion. Data showed exports advanced 0.5% in January, while imports fell 0.3%. In volume terms, exports and imports rose 1.0% and 2.5%, respectively. After the release, the Canadian Dollar rose slightly against its US counterpart, trading at C\$1.3406. Back in the Q4 of 2016, the Canadian economy expanded at a stronger than expected pace, driven by higher household spending and lower imports. However, despite the economy's strong performance, the Bank of Canada left its key interest rate unchanged at its last policy meeting on March 1, pointing to significant uncertainties in the Canadian economy. Other data released on Tuesday showed the Ivey PMI dropped to 55.0 last month, after hitting 56.4 in the previous month. February's decline was mainly driven by lower material prices. However, the Employment Index climbed to 54.5 from 53.5 in January.



FORECASTS		
Q1 17	Q2 17	Q3 17
		1.4
	1.38	
1.37	1.36	1.36
1.35		
1.32	1.32	
		1.31

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

	07.03 open price	07.03 close price	% change
AUD/CAD	1.0168	1.0182	0.14%
CAD/CHF	0.7549	0.7554	0.07%
EUR/CAD	1.4191	1.4181	-0.07%
USD/CAD	1.341	1.3416	0.04%



"One poor result doesn't have a huge impact on the milk price [but] it will be difficult for prices to recover quickly while there is surplus product available".

- Susan Kilsby, AgriHQ

NZD



	Impact
Dairy product prices fall sharply at latest GDT auction	High

Dairy product prices dropped markedly at the latest Global Dairy Trade auction, official figures revealed on Tuesday. The GDT Price Index fell 6.3% amid a decrease in skim-milk and whole-milk powder prices. Data showed the price of whole-milk powder, New Zealand's key commodity export, fell 12.4% to \$2,782 per tonne, while the price of skim-milk powder declined 15.5% to \$2,118 per tonne. Back in February, Fonterra confirmed its forecast farm gate milk price for 2016-2017 of \$6 a kilogram of milk solids amid a rebound in whole-milk powder pricing. Nevertheless, whole-milk powder prices dropped 22.5% since December. Usually at this time of the year offer volumes of dairy products start to decline; however, the recent pick-up in Fonterra's milk intake is expected to increase the company's supply of dairy products. Last week, Fonterra lifted 49% skim-milk powder volumes, as well as increased 6% the amount of whole-milk powder available. Analysts reported that the GDT prices at this morning's auction had been even weaker than the marked initially expected. Anhydrous milk-fat prices fell 0.8%, while prices of cheddar, lactose and casein dropped 4.2%, 4.3% and 6.6%, respectively. However, the price of butter climbed 1.2%, whereas the butter-milk powder price rose 8.4%.



FORECASTS		
1 MONTH	3 MONTHS	12 MONTH
0.71		0.71
	0.7	
0.69	0.69	
0.68		0.68
	0.67	
		0.66

Trends*	Q1 17	Q2 17	Q3 17
MAX	0.77	0.77	0.78
75% percentile	0.71	0.70	0.71
Median	0.69	0.69	0.68
25% percentile	0.68	0.67	0.66
MIN	0.63	0.61	0.59

* the data is based on international banks' forecasts

	07.03 open price	07.03 close price	% change
AUD/NZD	1.0838	1.0903	0.60%
EUR/NZD	1.5127	1.5184	0.38%
GBP/NZD	1.7495	1.7543	0.27%
NZD/USD	0.6996	0.6961	-0.50%



“The manufacturing sector is very worried about the development of U.S. economic policy. I think that is one of the reasons why they are very cautious about making greater business investments. This is the one area where we have a great deal of uncertainty in Japan”.
- Sayuri Shirai, Keio University












JPY

	Impact
Japanese economy expands at stronger than originally expected pace in Q4 2016	High

The Japanese economy expanded at a stronger than initially reported pace in the last quarter of 2016, due to upward revisions in business spending and business investment. The Cabinet Office reported on Wednesday the economy grew at an annualized pace of 1.2% in the Q4 of 2016, up from the preliminary reading of 1.0%. However, the figure missed analysts' expectations, who anticipated growth at 1.6%. On a quarterly basis, Japan's GDP climbed 0.3%, above the 0.2% preliminary reading, yet below consensus estimates of a 0.4% rise. Fresh data confirmed the presence of serious challenges, faced by Japan's policymakers. Even though the Japanese economy reported growth for four consecutive quarters, marking the longest stretch in three years, business investment and consumption remained subdued. The Bank of Japan's former board member Sayuri Shirai said that the corporate sector was "very cautious of making an investment" amid uncertainties in both global and local economy. Shirai served at the BoJ's Policy Board from April 2011 to March 2016 and supported the QQE programme in 2013 and 2014. However, back in January 2016, she voted against negative interest rates. Data showed capital expenditure advanced 2.0% quarter-over-quarter in the Q4, surpassing expectations for a 1.7% climb and following the preliminary figure of 0.9%.



Major events previous week (February 27 - March 3)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
01:30 pm		USD	Durable Goods m/m	January	1.8%	1.6%	-0.5%
TUESDAY							
08:00 am		CHF	KOF Leading Indicator	February	107.2	102.3	102.0
01:30 pm		USD	Prelim GDP q/q	Q4 2016	1.9%	2.1%	1.9%
WEDNESDAY							
09:30 am		GBP	Manufacturing PMI	February	54.6	55.6	55.9
03:00 pm		CAD	BOC Rate Statement		0.50%	0.50%	0.50%
03:00 pm		USD	ISM Manufacturing PMI	February	57.7	56.2	56.0
THURSDAY							
09:30 am		GBP	Construction PMI	February	52.5	52.2	52.2
01:30 pm		CAD	GDP m/m	December	0.3%	0.3%	0.5%
01:30 pm		USD	Unemployment Claims	Last week	223K	243K	244K
FRIDAY							
09:30 am		GBP	Services PMI	February	53.3	54.2	54.5
03:00 pm		USD	ISM Non-Manufacturing PMI	February	57.6	56.5	56.5

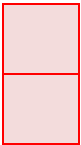
EXPLANATIONS

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



Fundamental Analysis



Technical Analysis



Press Review



Market Research



Expert Commentary



Dukascopy Bank
Sentiment Index



Trade Pattern Ideas



Global Stock Market Review



Commodity Overview



Economic Research



Dukascopy Aggregate
Technical Indicator

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