















DUKASCOPY
RESEARCH PRODUCTS

05/12/2016



Fundamental Analysis

Major events this week (December 5 - 9)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
09:00 am		EUR	Final Services PMI				54.1
09:30 am		GBP	Services PMI				54.5
03:00 pm		USD	ISM Non-Manufacturing PMI				
TUESDAY							
03:30 am		AUD	RBA Interest Rate Decision				1.5%
10:00 am		EUR	Gross Domestic Product	Quarter			0.3%
13:30 pm		CAD	Trade Balance				-4.1B
WEDNESDAY							
09:30 am		GBP	Manufacturing Production				0.6%
15:00 pm		CAD	BoC Rate Statement				
15:30 pm		USD	Crude Oil Inventories				-0.9M
THURSDAY							
13:30 pm		EUR	ECB Press Conference				
13:30 pm		USD	Unemployment Claims				268K
FRIDAY							
15:00 pm		USD	Prelim UoM Consumer Sentiment				93.8

Key highlights of the week ended December 2

Canada

Canada posted its strongest economic growth in more than 2 years in the third quarter, since a rebound in energy exports helped the economy to rebound strongly from a deep second-quarter contraction, which saw the economy recoil by a revised 1.3%. Meanwhile, the healthy rebound followed a second-quarter decline largely caused by oil-production shutdowns caused by Alberta wildfires and scheduled maintenance at oil sands facilities. Real gross domestic product advanced 0.9% in the third quarter, following a 0.3% decline in the second quarter. Growth in final domestic demand slipped to 0.2%. In the meantime, exports rose 2.2%, making up some ground lost in the second quarter (-3.9%). Growth was driven by a 6.1% increase in the energy sector, following a 5.1% drop in the second quarter as a result of the Fort McMurray wildfires. Exports of goods jumped 2.3%, while services advanced 1%.

US

The number of homes that went under contract inched higher in October, a sign the housing market could be plateauing in the final months of the year. The National Association of Realtors reported that its pending home sales index, which tracks contract signings for previously owned homes, edged up 0.1% from a downwardly revised September reading to a seasonally adjusted 110.0. Sales typically close within a month or two of signing. It is essential to note that while demand for housing is high, supply still continues to weaken across much of the nation and is well below 2015 levels. While homebuilders ramped up production in October, overall construction is still well below historical norms. Builders cite the high costs of land, labor and regulation as barriers to increased volume.

EU

Corporate lending in the Euro zone advanced at the fastest pace since June 2011 in October, while the total amount of currency in circulation fell, official figures showed on Monday. According to the European Central Bank, lending to firms rose 2.1% on a monthly basis in October, the fastest pace in more than five years, following the preceding month's gain of 2.0%. Lending to households climbed 1.8% on an annual basis in the same month, unchanged from the September reading, whereas market analysts anticipated a slight increase to 1.9%. A measure of the money supply in the region, known as M3, grew 4.4% year-over-year in October, down from the prior month's 5.1% and below the 5.0% increase market forecast. The Central bank's policymakers are widely expected to extend their quantitative easing program by six months at their next meeting on December 8. According to the OECD's latest forecasts published on Monday, the Euro zone is set to grow 1.7% in 2016 and 1.6% in 2017, both figures were revised up from the September estimates despite the post-Brexit uncertainties. Moreover, later on the same day, Mario Draghi said in his speech to the European Parliament that the economy managed to overcome major challenges caused by Britain's decision to leave the European Union.



“Taken together, labor market indicators show an economy that is on solid footing and close to our mandate of maximum employment”.

- Jerome Powell, Federal Reserve

USD



	Impact
US unemployment rate fell from 4.9% to 4.6% in November, lowest level since 2007	High

The US unemployment rate fell to a nine-year low in November, adding to expectations that US interest rates will rise later this month. Figures from the Labor Department showed the US economy created 178,000 jobs in November, while the jobless rate fell to 4.6% from 4.9% in October. The first employment report since voters went to the polls last month shows an economy in strong shape as President-elect Donald Trump prepares to take office. The unemployment rate fell to levels not seen since August 2007, before a bubble in the U.S. housing market began to burst. The fall was driven partly by the creation of new jobs and partly by people retiring and otherwise leaving the labor force. In addition, average hourly earnings in the US fell more-than-expected last month touching a seasonally adjusted -0.1%, from 0.4% in the preceding month. The data release comes ahead of the Fed’s meeting, when the central bank is expected to announce its first interest rate increase in a year. Although wages fell slightly in November, many economists view the steady wage gains of the earlier months as a sign that a tightening labor market is allowing workers to demand higher pay, increasing pressure on the Fed to head off inflation by hiking interest rates.

















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

	02.12 open price	02.12 close price	% change
AUD/USD	0.74141	0.74578	+0.59%
USD/CHF	1.01019	1.01035	+0.02%
USD/JPY	114.061	113.55	-0.45%
NZD/USD	0.70888	0.71433	+0.76%

Major events previous week (November 28 - December 5)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
14:00 pm		EUR	ECB President Draghi Speech				
23:50 pm		JPY	Retail Trade (YoY)	October	-0.1%	-1.2%	-1.9%
TUESDAY							
13:30 pm		USD	Prelim Gross Domestic Product	Quarter	3.2%	3.0%	2.9%
23:50 pm		JPY	Industrial Production (MoM)	October	0.1%	0.6%	0.2%
WEDNESDAY							
07:00 am		GBP	Bank Stress Test Results				
10:00 am		EUR	Consumer Price Index (YoY)	November	0.6%	0.6%	0.5%
13:15 pm		USD	ADP Non-Farm Employment Change	November	216K	165K	147K
13:30 pm		CAD	Gross Domestic Product	September	0.3%	0.1%	0.2%
THURSDAY							
09:30 am		GBP	Manufacturing PMI	November	53.4		54.3
15:30 pm		USD	Unemployment Claims	November	268K	253K	251K
FRIDAY							
12:30 am		AUD	Retail Sales (MoM)	October	0.5%	0.3%	0.6%
09:30 am		GBP	Construction PMI	November	52.8	52.3	52.6
13:30 pm		CAD	Employment Change	October	10.7K		43.9K
13:30 pm		USD	Unemployment Rate	November	4.6%		4.9%

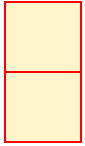
EXPLANATIONS

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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