












DUKASCOPY
RESEARCH PRODUCTS

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Fundamental Analysis

Major events this week (July 10 - 14)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
08:30 am		EUR	Sentix Investor Confidence	July	28.3	28.1	28.4
TUESDAY							
01:30 am		AUD	NAB Business Conditions	June	15		11
12:15 pm		CAD	Housing Starts	June	213K	200K	195K
02:00 pm		USD	JOLTS Job Openings	May	5.67M	5.98M	5.97M
WEDNESDAY							
08:30 am		GBP	Claimant Count Change	June	6.0K	10.5K	7.3K
02:00 pm		CAD	BOC Rate Statement				
02:00 pm		USD	Fed Chair Yellen Testifies				
THURSDAY							
12:15 pm		USD	PPI m/m	June	0.1%	0.0%	0.0%
FRIDAY							
12:30 pm		USD	CPI m/m	June			-0.1%

Key highlights of the week ended July 7

United States

The US private sector created less than expected jobs last month, suggesting that job creation started to cool after strong gains registered earlier. The ADP National Employment Report released on Thursday showed companies added 158K new jobs to the economy in June, following the preceding month's downwardly revised figure of 230K and surpassing analysts' expectations for an 185K increase. Though, the official Labour Department's report showed that the country's private sector added 222K jobs last month, surpassing market expectations for a modest increase of around 175K in June. Meanwhile, May's figure was revised up to 152K from 138K registered previously. The US non-farm payrolls increase, the second largest within this year, was supported by strong gains in government, healthcare, restaurants as well as business and professional services sectors, the Labour Department revealed. Notwithstanding job growth acceleration, the unemployment rate was slightly higher, at 4.4%, suggesting that more people were left without job.

United Kingdom

Manufacturing activity in Britain slowed unexpectedly last month, a private survey showed on Monday. Markit report showed that its PMI for the UK manufacturing sector came in at 54.3 points in June, falling to a three-month low from a downwardly-revised figure of 56.3 in the preceding month. However, analysts expected a smaller decline to 56.4 for the month from May's originally reported 56.7. Growth of the country's manufacturing output slowed as businesses showed smaller increases in demand for new domestic orders, while export orders marked the weakest pace of growth in five months. Though, some economists expect the UK economy to show stronger growth in the Q2 with stronger competitiveness boosted by the weak Sterling. However, export orders are set to put downward pressures on further economic expansion.

Canada

Canada's trade deficit widened almost two times fueled by gains in aircraft imports. Statistics Canada reported that the country's trade gap came in at C\$1.1B in May, up from the preceding month's downwardly revised deficit of C\$0.6B. However, the reading missed market projections for a C\$0.5B trade deficit for the month. The trade balance report showed that the total value of exports posted a 1.3% monthly increase to C\$48.7, while imports rose 1.3% to C\$49.8 in May. Separate report showed on Friday that the Canadian economy created 45.3K jobs in June, following the preceding month's 54.5K gain and surpassing analysts' expectations for an 11.5K increase. The report showed that employment growth was mainly supported by faster part-time job creation, with 37.1K positions added last month, compared with an 8K rise in full time jobs. Meanwhile, the unemployment rate dropped to 6.5%, while analysts expected to see an unchanged reading of 6.6%.

New Zealand

Dairy product prices fell for the second consecutive time at the latest auction held on Tuesday in New Zealand, official data showed. The GDT Price Index dropped 0.4%, following a 0.8% decrease registered at the preceding auction, with an average selling price of \$3,303 per tonne. During the Tuesday auction, some 28,574 tonnes of dairy products were sold, compared with 21,171 sold previously. The price of skimmed milk powder fell 4.5% to \$2,090 per tonne, the price of anhydrous milk fat dropped 3.5% to \$6,596 per tonne. On the other hand, lactose gave up 3.3%, falling to \$839 per tonne, while prices of cheddar retreated 3.2% to \$4,051 per tonne. Moreover, the price of rennet casein fell 2.7% to \$6,133, whereas butter prices showed a slight decline of 0.1% to \$5,775. Though, the price of butter was still more than two times higher since June 2016. Some experts suggested that it was too early to expect dairy product prices to resume the downside trend. Some 127 out of 165 bidders won, with the majority of buyers coming from the Middle East and North Asia.



USD

"We expect inflation pressures to firm in the second half of the year, but any realized gains are likely to be limited."
— Sam Bullard, Wells Fargo Securities



	Impact
Producer prices edge up, initial jobless claims drop 3K	High

The US Producer Price Index for final demand nudged up 0.1% in June on the back of sustained increases in services cost that managed to offset plunging energy prices, data released by the Labour Department revealed on Thursday. The gain came in as a surprise, as the vast majority of analysts had predicted the index to stay unchanged, and suggested that a recent moderation in inflation was likely temporary. In 12 months through June, the PPI advanced 2.0%, down 0.4% from May's reading, as the energy-led spike was dropped out of the calculation. Meanwhile, the Core Finished Goods PPI advanced a modest 0.1% over the reported period, missing economists' expectations for a 0.2% uptick and following the 0.3% surge registered in May. Year-on-year, the core PPI climbed 2.0% in June after rising 2.1% in the preceding month.













In another report, the Labour Department said the number of Americans filing for unemployment benefits dropped 3K to a seasonally adjusted 247K in the week ended July 8.



* the data is based on international banks' forecasts

	13.07 open price	13.07 close price	% change
AUD/USD	0.7678	0.7732	0.70%
USD/CHF	0.9654	0.9673	0.20%
USD/JPY	113.16	113.29	0.11%
NZD/USD	0.726	0.7322	0.85%

Major events previous week (July 3 - 7)

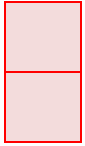
Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
08:30 am		GBP	Manufacturing PMI	June	54.3	56.4	56.3
02:00 pm		USD	ISM Manufacturing PMI	June	57.8	55.0	54.9
TUESDAY							
01:30 am		AUD	Retail Sales m/m	May	0.6%	0.3%	0.1%
08:30 am		GBP	Construction PMI	June	54.8	55.2	56.0
02:00 pm		NZD	GDT Price Index		-0.4%		-0.8%
WEDNESDAY							
08:30 am		GBP	Services PMI	June	53.4	53.5	53.8
02:00 pm		USD	Factory Orders m/m	Last week	-0.8%	-0.4%	-0.2%
THURSDAY							
12:15 pm		USD	ADP Non-Farm Employment Change	June	158K	181K	230K
12:30 pm		CAD	Trade Balance	May	-1.1B	-0.5B	-0.6B
FRIDAY							
08:30 am		GBP	Manufacturing Production m/m	May	-0.2%	0.5%	0.2%
12:30 pm		USD	Non-Farm Employment Change	June	222K	175K	152K
12:30 pm		CAD	Employment Change	June	45.3K	11.4K	54.5K

EXPLANATIONS

Chart

- **SMA (55)** – Simple Moving Average of 55 periods
- **SMA (200)** – Simple Moving Average of 200 periods

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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