














DUKASCOPY
RESEARCH PRODUCTS

19/06/2017



Fundamental Analysis

Major events this week (June 19 - 23)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
03:00 pm		EUR	Buba President Weidmann Speaks				
TUESDAY							
01:30 am		AUD	Monetary Policy Meeting Minutes				
07:30 am		GBP	BOE Gov Carney Speaks				
12:30 pm		CAD	Wholesale Sales m/m	April			0.9%
Tentative		NZD	GDT Price Index				0.6%
WEDNESDAY							
02:30 pm		USD	Crude Oil Inventories	Last week			-1.7M
08:00 pm		NZD	RBNZ Rate Statement				
THURSDAY							
12:30 pm		CAD	Core Retail Sales m/m	April			-0.2%
12:30 pm		USD	Unemployment Claims	Last week		241K	237K
FRIDAY							
08:00 am		EUR	Flash Services PMI	June		56.2	56.23
12:30 pm		CAD	CPI m/m	May			0.4%

Key highlights of the week ended June 16

United Kingdom

The Office for National Statistics reported on Tuesday that its CPI surged 2.9% year-over-year in May. That followed a 2.7% rise in the preceding month and marked the largest increase since June 2012. The consumer price jump was mainly driven by the sharp fall in the value of the Pound. The Office for National Statistics reported on Wednesday that the unemployment rate came in at 4.6% for the period between February and April, unchanged from the prior month and in line with forecasts. Meanwhile, the number of claimants fell to 7.3K, following the preceding month's upwardly revised figure of 22.0K and surpassing expectations for a decrease to 12.5K. Apart from that, average hourly earnings grew just 2.1% between February and April, the weakest since February 2016 and following the March quarter's downwardly revised increase of 2.3%, whereas analysts anticipated a rise of 2.4%. The Office for National Statistics reported on Thursday that retail sales dropped 1.2% month-over-month in May, following the preceding month's upwardly revised gain of 2.5% and falling behind analysts' expectations for 0.9% drop. May's fall suggested that the sharp rise in inflation after the country's decision to leave the European Union started to put significant pressure on households that are the main GDP contributors.

Canada

The Bank of Canada Senior Deputy Governor Carolyn Wilkins said on Monday that the Bank would discuss whether monetary policy stimulus was still required. The Governor noted that the economy showed impressive growth, whereas the share of sectors posting employment gains was increasing.

United States

The Labour Department reported on Tuesday that its Producer Price Index came in at 0.0% in May, following the preceding month's climb of 0.5% but meeting analysts' expectations. On an annual basis, the headline PPI rose 2.4%, compared to April's 2.5% jump, which was the largest yearly rise since February 2012. In the meantime, the so-called core PPI climbed 0.3% last month, following April's rise of 0.4%. As markets expected, the Federal Reserve raised its interest rates at the end of its meeting on Wednesday, adding that it would start cutting its Treasury bonds and other securities this year amid solid economic growth and strong employment trends. Despite the release of weak retail sales and inflation figures earlier in the day, policymakers voted to lift its benchmark lending rate to a target range of 1.00-1.25% and predicted one more rate hike this year. The Labour Department reported on Thursday that initial jobless claims fell 8K to 237K in the week ended June 9, while market analysts anticipated a slighter decrease to 241K during the reported week.

Australia

According to the National Australia Bank's May business survey, the overall NAB Business Confidence Index dropped to 7 in May from the preceding month's 13 points. However, the Index remained above its long run average of 5 points. The Australian Bureau of Statistics reported on Thursday that the economy generated 42.0K jobs on a seasonally adjusted basis in May, following the preceding month's upwardly revised gain of 46.1K jobs, whereas analysts expected the economy to create just 9.7K new positions.



USD

"Homebuilders continue to caution that construction may be limited by a lack of available lots or skilled labor, but the market fundamentals suggest that demand should remain solid."
— Tom Simons, Jefferies LLC



	Impact
US housing starts and building permits drop unexpectedly last month	High

US homebuilding activity rose slowed unexpectedly last month, official figures revealed on Friday. The Commerce Department reported that housing starts fell 5.5% to a seasonally adjusted annual pace of 1.09M units, the lowest since September 2016, following the preceding month's downwardly revised pace of 1.16M and falling behind analysts' expectations for decline to 1.23M-unit pace. On an annual basis, homebuilding dropped 2.4%. Single-family homebuilding fell 3.9% to a 194K-unit pace in May, the lowest in eight months, after hitting its almost 10-year high in February. The volatile-family housing sector posted a drop of 9.7% to a 298K-unit pace last month. In the meantime, building permits plunged 4.9% to a pace of 1.17M units during the reported month, compared to the prior month's pace of 1.23M units, whereas analysts anticipated an increase to a 1.25M-unit pace. Despite weak data on homebuilding, analysts suggested that employment would boost home construction in the upcoming months, taking into account the jobless rate at a record low of 4.3% and strong job creation.

















Trends*	Q1 17	Q2 17	Q3 17
MAX	1.19	1.18	1.22
75% percentile	1.07	1.08	1.10
Median	1.05	1.04	1.05
25% percentile	1.03	1.02	1.01
MIN	0.98	0.95	0.90

* the data is based on international banks' forecasts

	16.06 open price	16.06 close price	% change
AUD/USD	0.7578	0.762	0.55%
USD/CHF	0.9752	0.9734	-0.18%
USD/JPY	110.93	110.87	-0.05%
NZD/USD	0.7207	0.725	0.59%

Major events previous week (June 12 - 16)

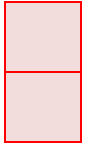
Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
05:35 pm		CAD	Gov Council Member Wilkins Speaks				
TUESDAY							
01:30 am		AUD	NAB Business Confidence	May	7		13
08:30 am		GBP	CPI y/y	May	2.9%	2.7%	2.7%
09:00 am		EUR	German ZEW Economic Sentiment	June	18.6	21.6	20.6
12:30 pm		USD	PPI m/m	May	0.0%	0.0%	0.5%
WEDNESDAY							
08:30 am		GBP	Average Earnings Index 3m/y	April	2.1%	2.4%	2.3%
06:30 pm		USD	FOMC Statement				
10:45 pm		NZD	GDP q/q	Q1 2017	0.5%	0.7%	0.4%
THURSDAY							
01:30 am		AUD	Employment Change	May	42.0K	9.7K	46.1K
07:30 am		CHF	SNB Monetary Policy Assessment				
08:30 am		GBP	Retail Sales m/m	May	-1.2%	-0.9%	2.5%
12:30 pm		USD	Unemployment Claims	Last week	237K	241K	245K
FRIDAY							
Tentative		JPY	Monetary Policy Statement				
12:30 pm		USD	Building Permits	May	1.17M	1.25M	1.23M

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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