














DUKASCOPY
RESEARCH PRODUCTS

20/06/2017



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.



AUD

"The RBA is getting more concerned about the outlook for consumption and, just as it didn't get too depressed by the rise in the unemployment rate to 5.9 percent earlier this year, it won't get too excited by the fall to 5.5%."
— Paul Dales, Capital Economics




	Impact
Reserve Bank of Australia expresses concerns over housing market and employment	High

The Reserve Bank of Australia remained concerned over employment and the housing market, official data released on Tuesday showed. The Central bank said that real estate prices were surging in Sydney and Melbourne but noted that price pressures started to ease to some extent, minutes of the Bank's last meeting when policymakers kept interest rates unchanged at 1.50% revealed. Apart from that, the RBA said that employment growth improved significantly over the past several months, while the number of hours worked dropped. The Bank held its meeting before employment data for May was released and showed that the jobless rate fell to a four-year low of 5.5% and the economy gained new jobs for the third consecutive month. Policymakers expressed concerns over housing debt, as it offset household earnings. The RBA stated that weak pay growth would unlikely rebound in the near future and, therefore, consumer spending is expected to remain weak. Despite the weak Q1 performance, policymakers said that economic growth would likely pick-up in the upcoming quarters.

















FORECASTS		
1 MONTH	3 MONTHS	12 MONTHS
		0.75
0.74	0.74	
0.73		
	0.72	0.72
0.71	0.71	
		0.7

 Trends*	Q1 17	Q2 17	Q3 17
MAX	0.80	0.81	0.82
75% percentile	0.74	0.74	0.75
Median	0.73	0.72	0.72
25% percentile	0.71	0.71	0.70
MIN	0.68	0.63	0.60

* the data is based on international banks' forecasts

	19.06 open price	19.06 close price	% change
AUD/JPY	84.51	84.75	0.28%
AUD/USD	0.7618	0.7599	-0.25%
EUR/AUD	1.4693	1.4672	-0.14%
GBP/AUD	1.6752	1.6762	0.06%

Major events previous week (June 12 - 16)

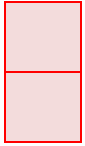
Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
05:35 pm		CAD	Gov Council Member Wilkins Speaks				
TUESDAY							
01:30 am		AUD	NAB Business Confidence	May	7		13
08:30 am		GBP	CPI y/y	May	2.9%	2.7%	2.7%
09:00 am		EUR	German ZEW Economic Sentiment	June	18.6	21.6	20.6
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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 Expert Commentary
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