













DUKASCOPY
RESEARCH PRODUCTS

21/06/2017



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				
Tentative		NZD	GDT Price Index		-0.8%		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.



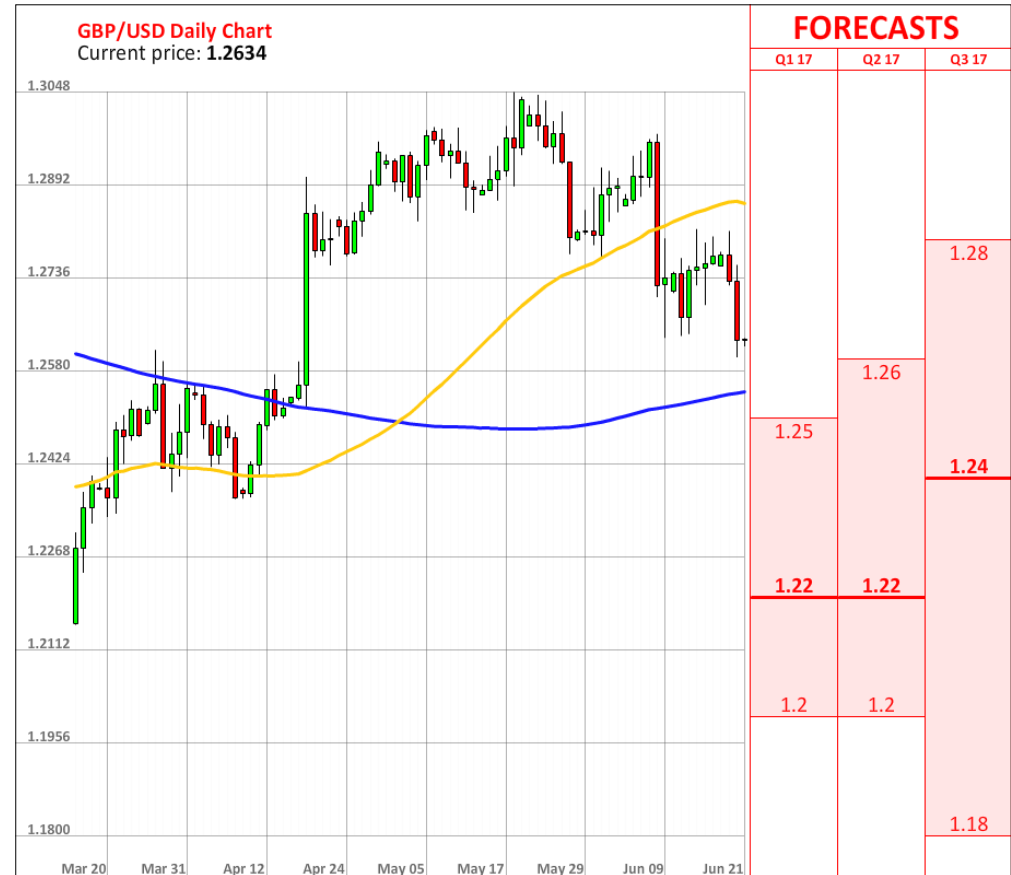
GBP

"Before long, we will all begin to find out the extent to which Brexit is a gentle stroll along a smooth path to a land of cake and consumption."
— Mark Carney, Bank of England



	Impact
Bank of England Governor Mark Carney delivers speech at Mansion House dinner	High

The Bank of England Governor Mark Carney delivered a speech on Tuesday at the Mansion House dinner in London. The Governor said that the potential movement of the Euro-clearing centre from London to another EU-based city amid Britain's withdrawal from the European Union would likely lead to higher costs for participants and do little for the region's financial stability. Last week the European Commission proposed to move all Euro-clearing businesses away from London after the UK leaves the EU in 2019. The European Commission said that the following step would likely sustain financial stability in the region. In the meantime, Carney urged the EU to develop together a new form of cross-border supervisory cooperation, highlighting the high importance of free trade in financial services. Apart from that, the Governor stated that policymakers would proceed tolerating the inflation rate above the 2% target "to see the extent to which weaker consumption growth is offset by other components of demand" and assess both wage and economic growth and, thus, leave interest rates on hold.



Trends*	Q1 17	Q2 17	Q3 17
MAX	1.84	1.32	1.62
75% percentile	1.25	1.26	1.28
Median	1.22	1.22	1.24
25% percentile	1.20	1.20	1.18
MIN	1.07	1.03	1.02

* the data is based on international banks' forecasts


	20.06 open price	20.06 close price	% change
GBP/USD	1.2736	1.263	-0.84%
EUR/GBP	0.8753	0.8816	0.71%
GBP/CAD	1.6838	1.6757	-0.48%
GBP/JPY	142.08	140.77	-0.93%



NZD


"On the supply side, there have been renewed uncertainties surrounding Chinese demand for Whole Milk Powder with a growing demand for more value-added produce such as butter."
— Tom Clayton, Economic Calendar



	Impact
GDT Price Index posts first drop after six straight gains	High

Dairy product prices dropped slightly at Tuesday's Global Dairy Trade auction, the first decrease after six consecutive gains. The GDT Price Index fell 0.8%, following a rise of 0.6% posted at the preceding auction. According to data published, there were 111 winning bidders, while the event lasted about three hours. Some 21 million tonnes of dairy products were sold. That was 3.8% less than at the previous auction held two weeks ago. The price of skimmed milk powder advanced 1.4% to \$2,218 per tonne, whereas the price of whole milk powder dropped 3.3% to \$3,022 per tonne. Prices of butter climbed 2.9% to \$5,768 per tonne, while the cheddar price declined 3.8% to \$4,121 per tonne. The price of lactose plunged 11.1% to \$869 per tonne, whereas the rennet casein price dropped 8.0% to \$6,104 per tonne. Meanwhile, butter milk powder was not traded at the auction. Despite the latest auction's drop, dairy product prices remained above their December highs. According to analysts, it will be highly crucial to keep prices in the following support area through the winter in order to support the underlying outlook.

















 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

	20.06 open price	20.06 close price	% change
AUD/NZD	1.0511	1.0467	-0.42%
EUR/NZD	1.5418	1.5375	-0.28%
GBP/NZD	1.7618	1.7442	-1.01%
NZD/USD	0.7234	0.7242	0.11%

Major events previous week (June 12 - 16)

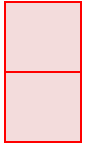
Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
05:35 pm		CAD	Gov Council Member Wilkins Speaks				
TUESDAY							
01:30 am		AUD	NAB Business Confidence	May	7		13
08:30 am		GBP	CPI y/y	May	2.9%	2.7%	2.7%
09:00 am		EUR	German ZEW Economic Sentiment	June	18.6	21.6	20.6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