




DUKASCOPY
RESEARCH PRODUCTS

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Fundamental Analysis

Major events this week (March 20 - 24)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
01:30 pm		CAD	Wholesale Sales m/m	January	3.3%	0.3%	0.3%
TUESDAY							
01:30 am		AUD	Monetary Policy Meeting Minutes				
10:30 am		GBP	CPI y/y	February		2.1%	1.8%
01:30 pm		CAD	Core Retail Sales m/m	January			-0.3%
Tentative		NZD	GDT Price Index				-6.3%
WEDNESDAY							
03:30 pm		USD	Crude Oil Inventories	Last week			-0.2M
09:00 pm		NZD	Official Cash Rate			1.75%	1.75%
THURSDAY							
10:30 am		GBP	Retail Sales m/m	February		0.4%	-0.3%
01:30 pm		USD	Unemployment Claims	Last week		240K	241K
10:45 pm		NZD	Trade Balance	February		160M	-285M
FRIDAY							
10:00 am		EUR	Flash Services PMI	March		55.4	55.5
01:30 pm		CAD	CPI m/m	February			0.9%
01:30 pm		USD	Core Durable Goods Orders m/m	February		0.5%	0.0%

Key highlights of the week ended February 24

Euro zone

The European Central Bank Mario Draghi did not provide any news in terms of monetary policy during his speech on Monday. Back on Friday, sources close to the ECB, reported that policymakers discussed the possibility of raising interest rates before the end of asset purchases but the discussion was brief and light. Investor sentiment in the Euro zone's largest economy, Germany, improved markedly in March but less than analysts expected, a report released on Tuesday showed. The Mannheim-based Centre for European Economic Research (ZEW) said its German Economic Sentiment Index came in at 12.8 points for March, slightly up from the preceding month's 10.4. However, market analysts anticipated a bigger increase to 13.2 during the reported period.

United Kingdom

The Office for National Statistics reported on Wednesday that the claimant count fell 11,300 to 734,700, the lowest level since May 1975, last month, following January's downwardly revised decline of 41,400 and surpassing analysts' expectations for a rise of 3,200. The ONS also reported that the unemployment rate dropped to 4.7%, the lowest since the summer of 1975, in three months to January, amid a 31,000 decline in the number of unemployed people. Eight of nine policymakers voted to keep the key interest rate at the record low level of 0.25%. Kristin Forbes, who is due to leave the BoE in June, cast the sole vote in favour of raising interest rates to 0.50%, adding that she was feeling uncomfortable keeping interest rates on hold.

Unites States

Central bank lifted its overnight interest rate by 25 basis points to a range of 0.75% to 1.00%. This was the necessary step to get the Bank's monetary policy back to a normal footing. The number of Americans who filed for unemployment insurance last week decreased to 241,000, a survey from the Labor Department revealed on Thursday, following the preceding week's 243,000 filings. US industrial production was unchanged last month, while market analysts anticipated an increase, official figures revealed on Friday.

New Zealand

Statistics New Zealand reported the country's current account deficit fell to NZ\$2.34 billion in the Q4 of 2016, surpassing analysts' expectations for a NZ\$2.43 billion deficit. Meanwhile, the preceding quarter's gap of NZ\$4.89 billion was revised up to NZ\$5.03 billion. In the last quarter of 2016, New Zealand's GDP rose 0.4%, state officials reported on Wednesday. The growth was lower than experts estimated. Moreover, it was the weakest quarterly expansion since the June 2015 quarter.

Australia

The seasonally adjusted number of employed people fell 9.7% in February, the Australian Bureau of Statistics reported on Wednesday. Among them, full-time employment soared to 8,158.900 but part-time jobs dropped to 3,840.000. Accordingly, the seasonally adjusted unemployment rate unexpectedly gained 0.2% compared to January, which is higher than experts estimated.



“The auto sector drove wholesaling crazy in January, enough for at least some eyebrows to be raised at what is typically seen as a second-tier Canadian economic indicator.”

CAD - Avery Shenfeld, CIBC



	Impact
Canadian wholesale trade improves markedly in January	High

Canadian wholesale sales rose markedly in January, posting the largest monthly gain in more than seven years. Statistics Canada reported wholesale sales advanced 3.3% to a record C\$59.09 billion, while analysts anticipated an increase of 0.3%. Meanwhile, December’s 0.7% rise was revised down to 0.3%. January’s figure marked the biggest climb since November 2009, when sale rose 3.8%. In volume terms, wholesale trade advanced 3.4% in January. Sales rose in four out of the seven sectors, accounting for 55% of total wholesale trade. The increase was mainly driven by higher demand in the motor vehicles and parts sector, where sales climbed 17.1%, posting the biggest monthly gain since August 2005 and ending a two-month streak of declines. Excluding this sector, wholesale sales climbed 0.3% in January. Sales in the personal and household goods sector rose 3.0%, as sales of entertainment equipment and household appliances posted a 30.6% jump. In the meantime, sales in the miscellaneous sector fell 1.0%, driven by lower demand in the agricultural supplies industry. Monday’s data combined with the stronger-than-expected manufacturing sales, trade and job creation suggest that the Canadian economy started the year with solid growth.



FORECASTS		
Q1 17	Q2 17	Q3 17
		1.4
	1.38	
1.37	1.36	1.36
1.35		
1.32	1.32	
		1.31

Trends*	Q1 17	Q2 17	Q3 17
MAX	1.42	1.45	1.45
75% percentile	1.37	1.38	1.40
Median	1.35	1.36	1.36
25% percentile	1.32	1.32	1.31
MIN	0.84	1.22	1.20

* the data is based on international banks' forecasts

	20.03 open price	20.03 close price	% change
AUD/CAD	1.0280	1.0322	0.41%
CAD/CHF	0.7483	0.7478	-0.07%
EUR/CAD	1.4325	1.4338	0.09%
USD/CAD	1.3342	1.3350	0.06%



“The acceleration in house price inflation in the fourth quarter of last year has undoubtedly continued into the start of this year and will remain a thorn in the side of the Reserve Bank of Australia for a while yet.”

AUD - Paul Dales, Capital Economics



	Impact
Reserve Bank of Australia expresses concerns over housing market	High

The minutes, which were released on Tuesday, showed that members of the RBA were generally upbeat about both global and domestic economic growth. Policymakers said that global industrial production and merchandise trade improved markedly over the last several months. Furthermore, members saw significant improvements in global business sentiment and inflation. According to the minutes, economic growth climbed 1.1% in the Q4 of 2017, following a 0.5% contraction in the September quarter, which was triggered by temporary factors. The economy managed to recover in the December quarter thanks to solid export growth and a rebound in consumption and business investment. Nevertheless, members pointed to mixed labour market trends, as the economy saw strong growth in part-time employment and low wage growth. Moreover, data released last week showed that the Australian jobless rate rose unexpectedly to 5.9% in February. Members of the committee noted that financial markets were quite over the previous month, as investors turned their attention to the March meeting of the Federal Reserve and the upcoming European elections. Policymakers also expressed concerns over the Australian housing market, pointing to a steep rise in prices since the global financial crisis.

















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

	20.03 open price	20.03 close price	% change
AUD/JPY	86.71	87.02	0.36%
AUD/USD	0.7693	0.7732	0.50%
EUR/AUD	1.3950	1.3891	-0.42%
GBP/AUD	1.6083	1.5984	-0.62%

Major events previous week (March 13 - 17)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
01:30 pm		EUR	ECB President Draghi Speaks				
TUESDAY							
10:00 am		EUR	German ZEW Economic Sentiment	March	12.8	13.2	10.4
12:30 pm		USD	PPI m/m	February	0.3%	0.1%	0.6%
09:45 pm		NZD	Current Account	Q4 2016	-2.34B	-2.43B	-4.89B
WEDNESDAY							
09:30 am		GBP	Average Earnings Index 3m/y	January	2.2%	2.4%	2.6%
06:00 pm		USD	FOMC Statement				
09:45 pm		NZD	GDP q/q	Q4 2016	0.4%	0.7%	0.8%
THURSDAY							
00:30 am		AUD	Unemployment Rate	February	5.9%	5.7%	5.7%
02:55 am		JPY	BOJ Policy Rate		-0.10%	-0.10%	-0.10%
08:30 am		CHF	Libor Rate		-0.75%	-0.75%	-0.75%
12:00 pm		GBP	Official Bank Rate		0.25%	0.25%	0.25%
12:30 pm		USD	Building Permits	February	1.21M	1.26M	1.29M
FRIDAY							
12:30 pm		CAD	Manufacturing Sales m/m	January	0.6%		2.1%
02:00 pm		USD	Prelim UoM Consumer Sentiment	March	97.6	97.1	96.3

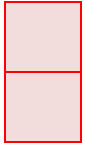
EXPLANATIONS

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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