















DUKASCOPY
RESEARCH PRODUCTS

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Fundamental Analysis

Major events this week (April 24 - 28)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
08:00 am		EUR	German Ifo Business Climate	April	112.9	112.4	112.4
12:30 pm		CAD	Wholesale Sales m/m	February	-0.2%	-1.0%	3.0%
TUESDAY							
02:00 pm		USD	CB Consumer Confidence	April	120.3	123.7	124.9
WEDNESDAY							
01:30 am		AUD	CPI q/q	March	0.5%	0.6%	0.5%
01:30 pm		CAD	Core Retail Sales m/m	February	-0.1%	-0.2%	2.3%
02:30 pm		USD	Crude Oil Inventories	Last week	-3.6M	-1.1M	-1.0M
THURSDAY							
03:50 am		JPY	Monetary Policy Statement				
11:45 am		EUR	Minimum Bid Rate			0.00%	0.00%
12:30 pm		USD	Core Durable Goods Orders m/m	March		0.4%	0.5%
FRIDAY							
08:30 am		GBP	Prelim GDP q/q	Q1 2017		0.4%	0.6%
12:30 pm		CAD	GDP m/m	February			0.6%
12:30 pm		USD	Advance GDP q/q	Q1 2017		1.3%	2.1%

Key highlights of the week ended April 21

Euro zone

Eurostat reported that its Final Consumer Price Index came in at 1.5%, compared to the preceding month's gain of 2.0%. However, the March figure came in line with forecasts. Back in February, the headline inflation rate hit the European Central Bank's target, raising expectations of a major change in the Bank's monetary policy. Services and manufacturing activity in the Euro zone rose more than expected in April, suggesting that the region's economy started the Q2 of 2017 with solid growth.

United Kingdom

Friday's data on British retail sales surprised many experts who did not expect such a notable change in March. According to the ONS, sales in the retail sector dropped 1.8% on a seasonally-adjusted basis, while analysts anticipated only a 0.3% decrease.

United States

US consumer prices fell unexpectedly last month, marking the first decline in more than a year, official figures revealed on Friday. The Labour Department reported its CPI dropped 0.3% in March, following the preceding month's gain of 0.1%, while the so-called core CPI, which excludes volatile items, fell 0.1% in the reported month, following February's 0.2% increase. The New York Federal Reserve reported that its Empire State Manufacturing Index came in at 5.2 for April, following the preceding month's reading of 16.4. Meanwhile, market analysts anticipated a slight drop to 15.2 points during the reported month. The US Department of Commerce reported that housing starts fell 6.8% to a seasonally adjusted rate of 1.22M, as construction of single-family homes in the Midwest posted the largest decline since 2014. Meanwhile, market analysts anticipated a slighter drop to a 1.25M unit rate in March, following the preceding month's upwardly revised 1.30M unit rate. US manufacturing activity in the Mid-Atlantic region slowed markedly in April, official figures revealed on Thursday. The Philadelphia Federal Reserve reported its Manufacturing Index dropped to 22.0 in the reported month, following March's reading of 32.8 and falling behind analysts' expectations for a decrease to 25.6 points.

Canada

Statistics Canada reported on Friday that the annual inflation rate declined to 1.6%, down from April's 2.0%. Meanwhile, market analysts anticipated a gain of 1.8%. On a monthly basis, consumer prices rose 0.2% in March, unchanged from the preceding month, whereas analysts expected a climb of 0.4% during the reported period.

New Zealand

The GDT Price Index advanced 3.1%, with an average selling price of \$3,139 per tonne, after rising 1.6% at the prior auction. Statistics New Zealand reported on Thursday that inflation rose at an annualised 2.2% rate in the Q1 of 2017, the highest level in five years. Thus, the inflation rate hit the mid-point of the Reserve Bank of New Zealand's inflationary target range of 1-3% for the first time in more than a year.



“January's strong sales, as well as other recent positive data, still put the first quarter on track for growth of around 3%.”

- Andrew Kelvin, TD Securities

CAD



	Impact
Canadian retail sales fall 0.6% in February	High

A monthly report released by Statistics Canada showed that retail sales slipped more than experts estimated. In February, the amount of sales in the retail sector plunged 0.6% to C\$47.8B (\$35.1B) after a 2.3% spike in January. Negative growth was recorded in five out of 11 key sectors that represented 67% of the total retail sales. The largest contribution to the February drop was made by the gasoline stations sector, where sales tumbled 3.6% and marked the first decline in three months. The other key contributor was the motor vehicle and parts dealers sector, which posted a 1.8% sales fall for the first time in seven months. In the food and beverage shops sector the weakest sales were registered among liquor stores, which receipts plunged 1.7%. Meanwhile, the largest fall in February occurred in the jewellery, luggage and leather goods stores sub-sector, where sales declined 6.2% in the reported month. In contrast, sales at ordinary clothing and shoe stores soared 3.4% and 2.0%, respectively, and that was enough to offset the overall slip in the clothing sector. In addition, the health and personal care stores sector posted a sales increase of 2.0%. Furthermore, book and music stores also posted a 2.1% gain. Finally, e-commerce sales advanced 27.4% an annual basis, accounting for 2.4% of the total retail sector.



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

	26.04 open price	26.04 close price	% change
AUD/CAD	1.0227	1.0178	-0.48%
CAD/CHF	0.7327	0.7296	-0.42%
EUR/CAD	1.4828	1.4847	0.13%
USD/CAD	1.3570	1.3618	0.35%



“Demand for refined products remains weak for this time of the year, which will be a cause for concern over the coming weeks if demand fails to recover.”

- Abhishek Kumar, Interfax Energy's Global Gas Analytics

USD



	Impact
US crude oil inventories post third straight weekly decline	High

Last week, US crude oil inventories dropped more than expected, while gasoline and distillate stocks rose markedly, owing to increased production at refineries. The EIA reported on Wednesday that US crude stockpiles fell 3.6M barrels in the week ending April 21, following the preceding week's decline of 1.0M barrels and surpassing expectations for a 1.1M barrel decrease. It marked the third consecutive weekly decline in crude oil inventories and provided support to oil prices. At this time of the year refineries start boosting production ahead of the summer driving season. Therefore, crude inventories are set to fall further, pushing the oil price higher. Refineries' production rose 347,000 barrels per day to 17.3M barrels per day, while the utilisation rate climbed 1.2% to 94.1%, the highest since November 2015. Crude imports rose to 7.8M barrels per day, whereas exports climbed to 1.2M barrels per day, the highest since February 17. Nevertheless, consumption remained subdued, as total production demand dropped 2.2% on an annual basis to 19.5M barrels per day. The EIA also said that gasoline stockpiles advanced 3.4M barrels, while analysts anticipated a 1.0M barrel decline. Moreover, distillate stocks climbed 2.7M barrels, topping expectations for a 1.0M barrel fall.



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

	26.04 open price	26.04 close price	% change
AUD/USD	0.7536	0.7474	-0.83%
USD/CHF	0.9938	0.9935	-0.03%
USD/JPY	111.10	111.05	-0.05%
NZD/USD	0.6951	0.6892	-0.86%



“Consumer price growth is around zero, which makes all of these price forecasts look overly optimistic. The BOJ upgraded its economic assessment, but this is due more to overseas demand. Japan’s labor market is tight, but retailers still want to cut prices.”

JPY

- Shuji Tonouchi, Mitsubishi UFJ Morgan Stanley Securities

	Impact
Bank of Japan leaves its monetary policy unchanged but cuts its inflation forecast	High

As markets expected, the Bank of Japan left its monetary policy unchanged at its meeting on Thursday; however, policymakers an optimistic and confident view on the economy in the future amid higher overseas demand. The Central bank voted to keep its short-term interest rate at -0.10% and asset purchases unchanged at about 80 trillion yen (\$700B) annually. At yesterday’s meeting, the Bank also cut its core inflation forecast for the year ending in March 2018 to 1.4% from 1.5%, due to low services and durable goods prices. Moreover, policymakers stated that their inflation projections remained weak and, therefore, the Bank’s monetary policy could be kept on hold for an indefinite period of time. Although, the BoJ expressed hopes that inflation would reach its 2% target in the year ending March 2019. Nevertheless, a majority of economists doubt that inflation will pick up as the BoJ forecasts with subdued pay growth putting pressure on consumer spending. Furthermore, back in February, consumer prices rose just 0.2% on an annual basis amid weak consumption. Overall, the Japanese economy is expected to continue expanding at a moderate pace, according to the Bank’s projections. However, the BoJ is unlikely to withdraw some of its stimulus in the near-term.
















FORECASTS		
Q1 17	Q2 17	Q3 17
	118	118
116		115
114	114	
110		110
	109	

Trends*	Q1 17	Q2 17	Q3 17
MAX	122	122	125
75% percentile	116	118	118
Median	114	114	115
25% percentile	110	109	110
MIN	98	100	100

* the data is based on international banks' forecasts

	26.04 open price	26.04 close price	% change
AUD/JPY	83.72	83.01	-0.86%
CAD/JPY	81.86	81.56	-0.37%
EUR/JPY	121.37	121.09	-0.23%
USD/JPY	111.10	111.05	-0.05%

Major events previous week (April 17 - 21)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
06:15 am		JPY	BOJ Gov Kuroda Speaks				
12:30 pm		USD	Empire State Manufacturing Index	April	5.2	15.2	16.4
TUESDAY							
01:30 am		AUD	Monetary Policy Meeting Minutes				
12:30 pm		USD	Building Permits	March	1.26M	1.25M	1.22M
Tentative		NZD	GDT Price Index		3.1%		1.6%
WEDNESDAY							
09:00 am		EUR	Final CPI y/y	March	1.5%	1.5%	1.5%
02:30 pm		USD	Crude Oil Inventories	Last week	-1.0M	-1.0M	-2.2M
THURSDAY							
10:45 am		NZD	CPI q/q	Q1 2017	1.0%	0.8%	0.4%
12:30 pm		USD	Philly Fed Manufacturing Index	March	22.0	25.6	32.8
04:30 pm		GBP	BOE Gov Carney Speaks				
FRIDAY							
08:00 am		EUR	Flash Services PMI	April	56.2	56.0	56.0
08:30 am		GBP	Retail Sales m/m	March	-1.8%	-0.3%	1.7%
12:30 pm		CAD	CPI m/m	March	0.2%	0.4%	0.2%

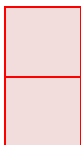
EXPLANATIONS

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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