

EUROPE / US / UK / CANADA / JAPAN / CHINA / AUSTRALIA / NEW ZEALAND

17/01/2018

FUNDAMENTAL

ANALYSIS



Major Events of the Week 15 - 19 January

Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY, 15 JANUARY							
10:00 AM		EUR	Trade Balance	December	€22.5B	€22.4B	€19.0B
10:00 PM		NZD	NZIER Business Confidence	Q4	-12	-	5
TUESDAY, 16 JANUARY							
9:30 AM		GBP	CPI y/y	November	3.0%	3.0%	3.1%
WEDNESDAY, 17 JANUARY							
9:30 AM		EUR	Final CPI y/y	December			1.5%
1:30 PM		CAD	Overnight Rate	Jan-17		1.3%	1.0%
THURSDAY, 11 JANUARY							
12:30 AM		AUD	Unemployment Rate	December			5.4%
12:30 AM		USD	Building Permits	December			1.30M
1:30 PM		NZD	Business NZ Manufacturing Index	December			57.7
FRIDAY, 12 JANUARY							
9:30 AM		GBP	Retail Sales m/m	December		0.3%	1.1%
1:30 PM		CAD	Manufacturing Sales m/m	November			-0.4%

GBP/USD: UK Consumer Price Index



Historical Data Table: UK CPI y/y

Date	12.09.2017	17.10.2017	14.11.2017	12.12.2017	16.01.2018
Actual	2.9%	3.0%	3.0%	3.1%	3.0%
Forecast	2.8%	3.0%	3.1%	3.1%	3.0%

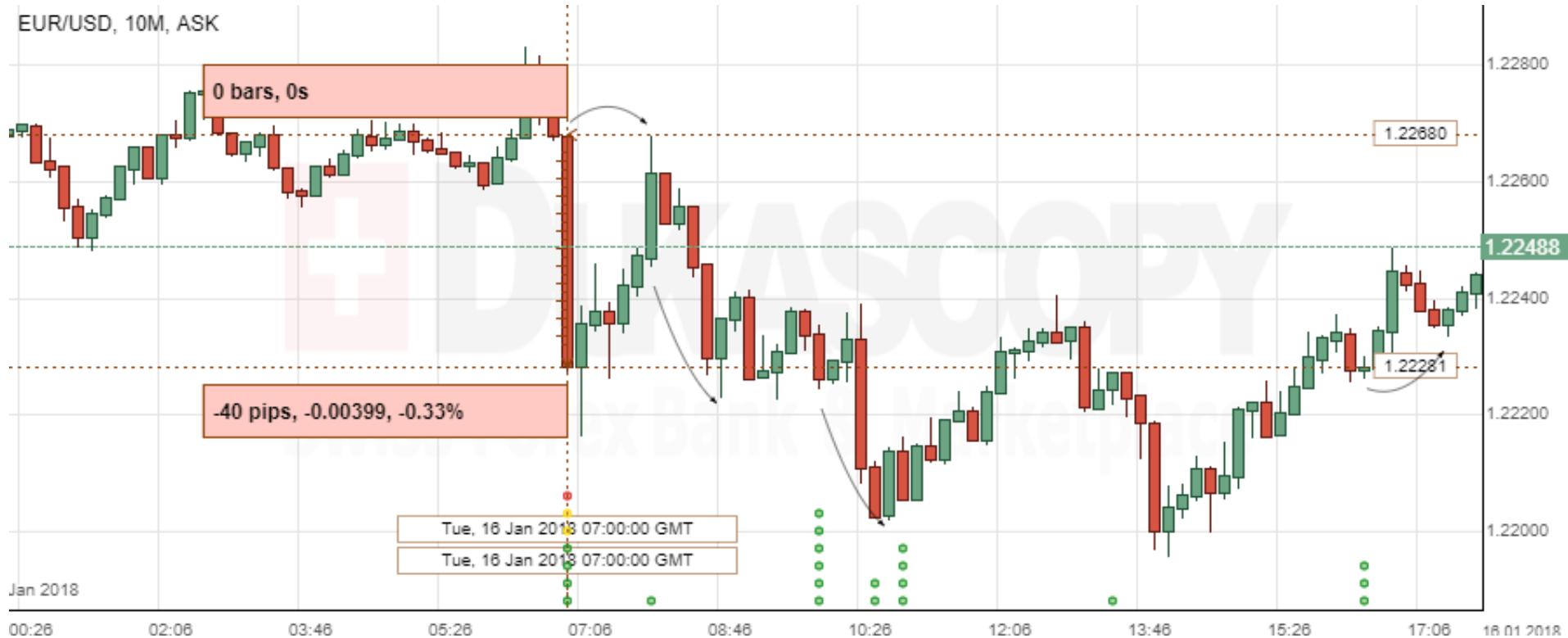
Initial Reaction on Main Pairs

	Open Price	Close Price	% Change
GBP/USD	1.37838	1.37617	-0.16%
EUR/GBP	0.88728	0.88846	0.13%
GBP/CAD	1.71377	1.71123	-0.15%
GBP/JPY	152.619	152.37	-0.16%

The Sterling weakened against the US Dollar on the row of mixed economic data releases for Britain on Tuesday. The GBP/USD currency pair lost 22 base points or 0.16% to fall slightly ahead of entering the resistance zone near the 1.3825 level.

The UK inflation eased slightly from its post-Brexit record high in December, official report revealed, indicating that the financial squeeze on households is likely to weaken. Britain's consumer price inflation declined to a yearly rate of 3.0% in December from almost six-year high registered in the previous month. The BoE anticipated inflation to fall gradually over the next two to three years to the 2% target, while many economists revealed expectations for a faster decline in a year.

EUR/USD: German Final Consumer Price Index



Historical Data Table: German Final CPI y/y

Date	28.09.2017	13.10.2017	14.11.2017	13.12.2017	16.01.2018
Actual	1.8%	1.8%	1.6%	1.8%	1.7%
Forecast	1.8%	1.8%	1.6%	1.8%	1.7%

Initial Reaction on Main Pairs

	Open Price	Close Price	% Change
EUR/USD	1.22674	1.22281	-0.32%
EUR/GBP	0.88946	0.88711	-0.26%
EUR/CHF	1.18242	1.17976	-0.22%
EUR/JPY	135.963	135.475	-0.36%

The European single currency fell sharply against the US Dollar, following German inflation final report on Tuesday. The EUR/USD currency pair depreciated 40 base points or 0.33% to the 1.2228 mark.

German consumer price inflation growth accelerated to the strongest level in five years, final report showed on Tuesday. Destatis stated that the country's CPI increased 1.8% on a yearly average in 2017, compared with the prior year's 0.5%. Meanwhile, a yearly increase in the inflation rate was confirmed at 1.7% in December, supported by higher energy prices. Despite a monthly 0.3% drop in wholesale prices, the report showed their 1.8% rise year-over-year in December, while the average WPI index was 3.5% higher, compared with a 2016 average.



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