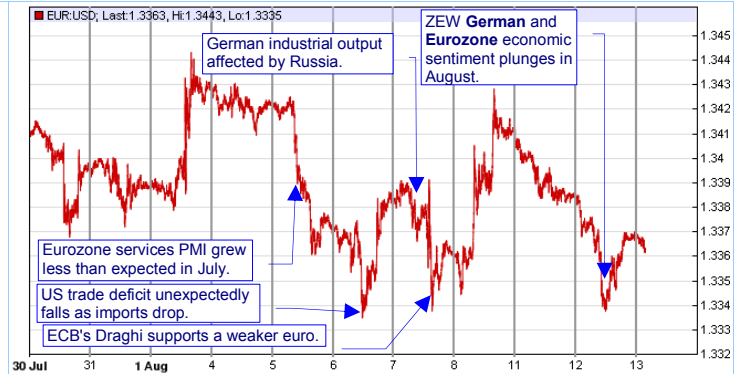




Short Term Currency Views

Suggested MaxiYield Pairings

| | | |
|-----------------------|-------------|--------|
| Base Currency: | EUR | USD |
| Alternate Currency: | USD | EUR |
| Strike Price: | 1.3450 | 1.3250 |
| Spot Ref: | 1.3363 | |
| Tenor: | 2 weeks | |
| Date: | 13 Aug 2014 | |
| Time: | 10:30 hrs | |
| Resistance / Support: | 1.3464 | 1.3264 |
| Commentary: | | |



- German industrial output grows less than expected on Russia (Thu 07-Aug).
- French June current account deficit widens on BNP fine (Tue 12-Aug).
- Eurozone economic sentiment plunges to 23.7 in August (Tue 12-Aug).

- ECB's Draghi prefers a weaker euro after keeping rates unchanged (Thu 07-Aug).
- German ZEW economic sentiment falls to 20-month low of 8.6 (Tue 12-Aug).
- Eurozone Q2 GDP (due on Thu 14-Aug, 17:00hrs SGT).

German industrial output grew less than forecast in June as Europe's largest economy came under pressure from political tensions with Russia. Production, adjusted for seasonal swings, rose 0.3% from May, when it declined a revised 1.7%, the Economy Ministry in Berlin said. While that's the first increase in four months, economists predicted a gain of 1.2%, according to a Bloomberg News survey. Production fell 0.5% in June from the previous year when adjusted for working days.

The ECB left all key rates unchanged, as widely expected. The interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility remain at 0.15%, 0.40% and -0.10% respectively. In all, the ECB policy meeting turned out uneventful. On one hand, Draghi was able to reassure by insisting on the positive developments in the Eurozone. Yet on the other hand, he made it clear that the ECB could still 'do more', although we get the sense that the ECB would rather not go further than ABS buying. The euro fell to lows of 1.3337 when Draghi said that the fundamentals for a weaker exchange rate are now better, and suggested that the current divergence in Fed and ECB policy and other fundamentals were likely supportive of a weaker Euro.

France's current account deficit widened in June to €7.4 billion due to bank BNP Paribas having to pay a large fine in a US sanctions busting affair, the Bank of France said on Tuesday. Without the fine, the current account deficit would have been €3.1 billion, narrowing slightly from a revised €3.3 billion in May.

German economic sentiment deteriorated sharply in August, hitting the lowest level since December 2012, industry data showed on Tuesday. The ZEW index of German economic sentiment tumbled by 18.5 points to 8.6 this month from July's reading of 27.1. Analysts had expected the index to decline by 8.9 points to 18.2 in August. The Current Conditions Index deteriorated to 44.3 this month from 61.8 in July, worse than expectations for a decline to 55.5. Meanwhile, the index of eurozone economic sentiment plunged to 23.7 in August from 48.1 in July, below expectations for a decline to 41.3.

| | | |
|-----------------------|-------------|--------|
| Base Currency: | GBP | USD |
| Alternate Currency: | USD | GBP |
| Strike Price: | 1.6950 | 1.6700 |
| Spot Ref: | 1.6803 | |
| Tenor: | 2 weeks | |
| Date: | 13 Aug 2014 | |
| Time: | 10:30 hrs | |
| Resistance / Support: | 1.6913 | 1.6736 |
| Commentary: | | |



- BoE keeps rates and QE programme on hold (Thu 07-Aug).
- UK retailers say sales rose in July, driven by furniture (Tue 12-Aug).

- London house prices to slow to 3% next year, says Hamptons (Mon 11-Aug).
- UK unemployment rate; BoE inflation report (Wed 13-Aug, 16:30 / 17:30hrs SGT).

The BoE left its policy settings unchanged, as expected, keeping the official Bank Rate at 0.5% since March 2009 and the volume of asset purchases paused at £375 billion. It made no statement, so we will need to wait until the release of the MPC minutes on 20 August to see whether any MPC members have broken ranks and voted for tighter policy. But with the economy growing and unemployment falling, there is increasing speculation that members of the rate-setting MPC will start voting for a rise soon.

House price growth in London will slow to 3% next year as measures to cool the market begin to have an impact. Hamptons International, the residential estate agent, cut its 2015 forecast for London property prices by half on the basis of weakening house price sentiment, but said London prices would still rise 15.5% this year.

British retail sales growth rose in July, driven by an upturn in furniture spending and other non-food purchases, according to figures from the BRC on Tuesday. Total retail spending was 1.3% higher in July compared with the same month a year ago, the BRC said, as growth picked up from June's comparatively weak rate of 0.6%. Sales on a like-for-like basis - a measure which strips out changes in floor space and is favoured by equity analysts - fell 0.3% on the year, bucking expectations for a 0.6% rise.

Focus will be on BoE inflation report today, where new forecasts for growth and inflation will be published. It could offer fresh clues to the possible timing of the MPC's first move. The UK economy grew by 0.8%/q in Q2, same as in Q1. The BoE's key task is to keep inflation close to 2.0%, and that rate accelerated to 1.9% in June.

Base Currency: AUD USD
 Alternate Currency: USD AUD
 Strike Price: 0.9350 0.9200
 Spot Ref: 0.9281
 Tenor: 2 weeks
 Date: 13 Aug 2014
 Time: 10:30 hrs
 Resistance / Support: 0.9323 0.9207
 Commentary:



- Australia's jobless rate jumped to 12-year high in July (Thu 07-Aug).
- Sydney leads sustained house price surge (Tue 12-Aug).
- Australian business conditions best in four years: NAB survey (Tue 12-Aug).
- Australia consumer sentiment up strongly in August (Wed 13-Aug).

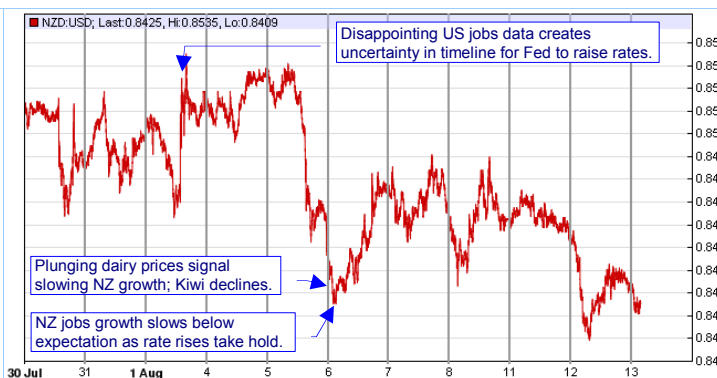
Australia's jobless rate jumped to a 12-year high in July, surpassing the US level for the first time since 2007 and sending the Aussie tumbling. The unemployment rate rose to 6.4% from 6%, the ABS said, versus the median estimate for unemployment to hold steady. The number of people employed fell by 300. The number of full-time jobs increased by 14,500 in July, and part-time employment fell 14,800. Australia's participation rate, a measure of the labour force in proportion to the population, climbed to 64.8% in July from 64.7% a month earlier. The data validates the RBA's desire for a period of stability that it's been talking about for the last few months.

NAB's index of business conditions jumped 6 points to stand at +8 in July, the highest since early 2010 and an upbeat sign for the economy in Q3 as firms reported a sharp pick-up in sales and profitability, though many remained reluctant to hire new workers. The index of business confidence also improved, rising 3 points to +11 led by strength in home construction and retailing. The survey's measure of sales climbed 7 points to +14, while that for profitability surged 7 points to +10. The employment index added 3 points but was still soft overall at 0. The pick-up in activity also looked to have legs with the index of forward orders rising 4 points to +5, well above its long-run average. The survey showed capacity utilization jumped notably in July to 81.0%, following a sharp fall in June, reaching its highest level since early 2012.

Capital city house prices continue to rise, boosted by the very strong Sydney housing market. Prices rose 1.8% in Q2, better than the 1% rise expected by economists. In the year to June, the ABS index of house prices rose 10.1%, the third month in a row the annual rate was above 10%. Leading the charge was Sydney, where prices rose 15.6% in the year to June. The next best performer was Melbourne with a 9.3% gain. It was too early to say if surging house prices might spark a rate rise by the RBA.

Australian consumer sentiment rose strongly in August as households fretted less about their finances and grew more optimistic on the near-term economic outlook. The Westpac / Melbourne Institute index of consumer sentiment rose a seasonally adjusted 3.8% in August to 98.5, from July when it had gained 1.9%, but was still down 6.8% from a year ago. The index for economic conditions over the next 12 months increased by 8.3%, with the index of conditions over the next five years dropping 3.9%.

Base Currency: NZD USD
 Alternate Currency: USD NZD
 Strike Price: 0.8550 0.8350
 Spot Ref: 0.8425
 Tenor: 2 weeks
 Date: 13 Aug 2014
 Time: 10:30 hrs
 Resistance / Support: 0.8544 0.8382
 Commentary:



- Retail spending flat, but core retail card spend up in July (Mon 11-Aug).
- NZ house sales down as winter cools market - REINZ (Tue 12-Aug).
- NZ guest nights slip from 3-year high in June, domestic stays drop (Tue 12-Aug).

The value of NZ core retail spending on electronic cards, which excludes fuel and auto-related purchases, rose a seasonally adjusted 0.5% in July, from a restated 0.3% decline in June and a 1% gain in May, Statistics New Zealand said. Including auto-related purchases, retail spending was unchanged following a static figure in June, and a 1.2% increase in May. Total spending, which includes non-retail industries and services, fell 0.1%, following a 0.5% gain in June.

New Zealand guest nights fell 4.4% in June from a three-year high in May, as domestic overnight stays recorded the biggest drop off in 14 months. Seasonally adjusted guest nights, which strip out seasonal and irregular movements, fell to 2.84 million, from 2.98 million in May and were up from 2.82 million in June last year, according to StatsNZ. Domestic guest nights fell 8.1% in the month to a seasonally adjusted 1.67 million, the lowest level since December last year, and the biggest decline since a 19.9% drop in April 2013. International guest nights slipped 2.3% to 1.13 million, the biggest monthly drop in nine-months.

New Zealand house sales fell in July as winter cooled the appetite of house hunters while a drop in properties selling for \$400,000 or below likely reflected the Reserve Bank's moves to cool the market. Sales fell 13% in July from the same month of 2013 to 5,893, but were up 2.3% from June, according to the REINZ. The national median price rose NZ\$31,000, or 8.1% from a year earlier, to NZ\$416,000 and was about 2.6% lower than in June.



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