



## Short Term Currency Views

### Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.2850	1.2450
Spot Ref:	1.2641	
Tenor:	2 weeks	
Date:	15 Oct 2014	
Time:	11:25 hrs	
Resistance / Support:	1.2817	1.2433
Commentary:		



- Dovish US FOMC minutes reveal global slowdown worries (Wed 08-Oct).
- German investor confidence drops on possible recession (Tue 14-Oct).
- German, French trade data hit by falling exports (Thu 09-Oct).
- Eurozone industrial output falls sharply in August (Tue 14-Oct).

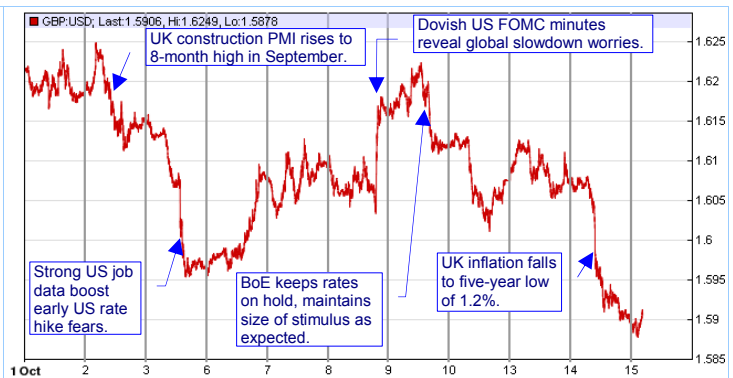
Federal Reserve officials stressed "patience" in waiting to raise interest rates, worrying about weaker foreign economic growth and the stronger dollar, minutes of their September policy meeting showed last Wednesday. In particular, the unexpected comments in the minutes by "a couple of participants" on USD strength and "some participants" on global growth concerns as downside risks were latched on by markets, especially when there was no mention at all of the USD's exchange rate value in the policy statement following the 16-17 September meeting. The USD sold off sharply against the other major currencies and making new lows against the major G10 peers.

German exports shrank by a massive 5.8% in August, the steepest drop since January 2009, causing its trade surplus to shrink to €17.5 billion. In neighbouring France, exports dropped by 1.3%, pushing the trade deficit up to €5.8 billion, the highest figure since January. France's big trade deficit is worsening with the US and Asia, mainly because of a decline in Airbus deliveries. The German statistics office said the late timing of the summer holidays in August instead of in July had weighed on economic activity. Evidence of a German slowdown is more prevalent in imports, which fell for a second month and are heading for a 0.6% decline in Q3.

Germany cut its growth outlook and investor confidence fell to the weakest level in two years as recession concerns mount in Germany. The Economy Ministry reduced its 2014 economic-growth forecast to 1.2% from 1.8%, and its 2015 prediction to 1.3% from 2%. The ZEW Centre for European Economic Research said its index of investor and analyst expectations slid to minus 3.6 in October from 6.9 in September, the 10th monthly decline and the first negative reading since November 2012.

Industrial output in the eurozone fell by 1.8% in August, a steep drop and another sign that recession in the 18-nation currency bloc could return. The fall in factory output data was a reverse from the previous month, when an unexpected 0.9% rise in industrial activity brought hope that a fragile recovery in the eurozone could be taking hold.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.6200	1.5800
Spot Ref:	1.5906	
Tenor:	2 weeks	
Date:	15 Oct 2014	
Time:	11:25 hrs	
Resistance / Support:	1.6167	1.5835
Commentary:		



- London house prices fall in September for first time since 2011 - RICS (Thu 09-Oct).
- Biggest fall in UK shopping since 2008, warm weather to blame (Tue 14-Oct).
- UK ILO unemployment rate 3-months (due on Wed 15-Oct, 16:30hrs SGT).
- BoE keeps rates on hold, maintains size of stimulus as expected (Thu 09-Oct).
- UK inflation falls to five-year low of 1.2% (Tue 14-Oct).

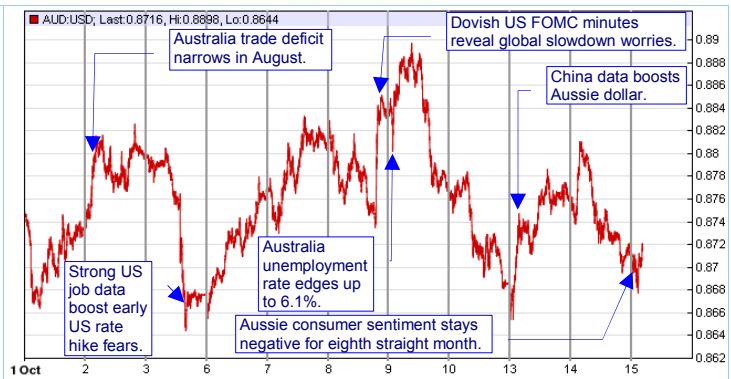
The Royal Institution of Chartered Surveyors said prices in London fell for the first time since January 2011, ending the longest unbroken run of increases in more than 20 years. The signs of a cooling in Britain's housing market are likely to be welcomed by the BoE, which earlier this year warned that Britain's economic recovery would be at risk if house prices continued to rise far faster than wages. The RICS housing survey, which fell 5 times the forecast decline, upstaging the rise in London job vacancies.

The BoE voted to keep its main interest rate at a record-low level of 0.50%, with Britain experiencing low inflation and steady economic recovery. The Committee also voted to maintain its cash stimulus or quantitative easing at £375 billion. Minutes of the meeting, containing reasons behind the decisions, will be published on October 22.

High street shops had their worst month in September for more than five years as they struggled to sell woolly jumpers and sturdy boots in the unseasonably warm weather. Industry data from the BRC show retail sales fell 0.8% last month compared with September 2013. That was the biggest annual fall since December 2008, apart from occasional distortions caused by the timing of Easter. The BRC took comfort from the fact that spending on big-ticket items such as furniture continued to be strong.

The weak CPI data for UK sent the pound plunging to levels not seen in more than a year. Inflation has slumped to its lowest rate for five years, hitting 1.2% in September and taking pressure off the BoE to raise interest rates in coming months. Economists had been expecting inflation on the CPI measure to ease back only slightly in September to 1.4% from 1.5% in August. Excluding volatile items such as food and fuel, core inflation dropped to 1.5% in September, down from 1.9% in August.

Base Currency:	AUD	USD
Alternate Currency:	USD	AUD
Strike Price:	0.8850	0.8550
Spot Ref:	0.8716	
Tenor:	2 weeks	
Date:	15 Oct 2014	
Time:	11:25 hrs	
Resistance / Support:	0.8858	0.8504
Commentary:		



- Australia unemployment rate edges up to 6.1% (Thu 09-Oct).
- Aussie consumer sentiment stays negative for eighth straight month (Wed 15-Oct).
- China's exports rise to support economy amid property downturn (Mon 13-Oct).
- China inflation slows to 1.6% in September (Wed 15-Oct).

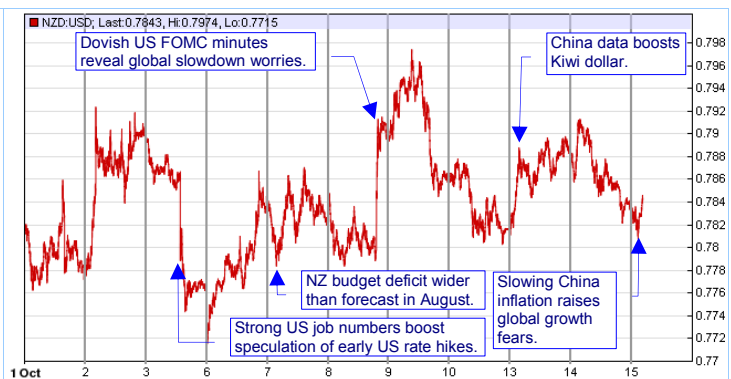
Australia's unemployment rate rose to 6.1% in September, government figures showed Thursday, in line with economist forecasts. Data from the ABS showed the jobless rate climbed from 6% in both August and July. The bureau revised the unemployment rate for those two months from 6.1% and 6.4%, respectively, after making changes to its methodology around seasonal adjustments. The ABS said that 29,700 net jobs were lost in September, compared with an expected 15,500 gain. Without the changes to its methodology, the number of jobs lost would have been about 172,000, the agency reported. The number of people in full-time work rose by 21,600 in September, while those in part-time work fell by 51,300, it added. The workforce participation rate, or the proportion of working-age people in employment or actively seeking it, fell to 64.5% in September from 64.7% in August. Economists had expected a rise in the participation rate to 64.8%.

China's exports rose more than estimated in September and imports rebounded as global demand helps underpin growth in the world's second-largest economy. Exports increased 15.3% from a year earlier, the Beijing-based customs administration said, compared with the 12% median estimate in a Bloomberg survey. Imports rose 7%, against projections for a 2% decline, leaving a trade surplus of US\$31 billion. For the prior month August, exports jumped 9.4% while imports declined 2.4%.

The Westpac-Melbourne Institute Index of Consumer Sentiment rose 0.9% this month, but remains pegged well below the 100-point level that indicates when optimists equal pessimists. At 94.8 in October, the reading is close to the average negative reading over the last eight months, but well off the optimism seen before that, when the index only had one negative reading in 16 months. An area of improvement was in job prospects, with unemployment expectations falling by 3.9% despite recent volatility in official labour force statistics. Westpac said this is the lowest reading since November 2013, with the index now 10% below the peak of unemployment fears in March.

Inflation in China fell to 1.6% in September, the government said today, below analysts' forecasts and the lowest in almost five years. The CPI figures released by the National Bureau of Statistics represented a slowdown in inflation from 2.0% in August. It was the lowest since January 2010. Analysts had expected 1.7%. The producer price index (PPI), a leading indicator of the trend for CPI, fell 1.8% year-on-year in September, NBS said. The last PPI increase was in January 2012, when it rose 0.7%.

Base Currency:	NZD	USD
Alternate Currency:	USD	NZD
Strike Price:	0.8000	0.7650
Spot Ref:	0.7843	
Tenor:	2 weeks	
Date:	15 Oct 2014	
Time:	11:25 hrs	
Resistance / Support:	0.7956	0.7668
Commentary:		



- NZ food prices fall in September on cheaper fruit, veg and cheese (Mon 13-Oct).
- NZ house sales fall for 11th month in September (Mon 13-Oct).

NZ food prices fell in September, as cheaper cheese and seasonal fruit and vegetables offset rising meat prices. The food price index fell 0.8% last month, after rising 0.3% in August, according to StatsNZ. The index was 0.1% lower than it was in September 2013, as supermarket discounting of bread led to cheaper groceries. The cost of food makes up about 19% of the broader CPI, a measure of inflation in the economy, compiled by the national statistician. Figures for the September quarter are due this month, and will be watched closely for any sign of inflationary pressure, after softer than expected readings earlier this year. Slower than expected inflation figures saw RBA governor Graeme Wheeler keep the official cash rate on hold at 3.5% in September, after hiking them 100 basis points since March.

New Zealand house sales fell for the 11th month in September as fewer properties were put up for sale in the lead-up to the general election and mortgage loan restrictions reduced activity at the lower end of the market. The number of houses sold fell 12% to 5,911 in September from the year earlier month, while sales of houses below NZ\$400,000 declined 18%, according to REINZ figures. The median price gained 5% in September to NZ\$420,000 from the year earlier month, down from a 7.7% annual pace in August, the institute said. Compared with August, September sales volumes increased 7.8% while the median price was unchanged, the institute said.



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