



Short Term Currency Views

Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.1100	1.0700
Spot Ref:	1.0855	
Tenor:	2 weeks	
Date:	05 Aug 2015	
Time:	14:20 hrs	
Resistance / Support:	1.1134	1.0698
Commentary:		



- US FOMC: unchanged policy in July with no fresh leads (Wed 29-Jul).
- Eurozone June unemployment rate stable at 11.1% for third month (Fri 31-Jul).
- Eurozone PMI manufacturing revised up to 52.4 in July (Mon 03-Aug).
- Eurozone inflation stable at 0.2%, still far off ECB target (Fri 31-Jul).
- S&P lowers outlook on European Union to negative (Mon 03-Aug).
- US factory orders rebound 1.8% on strong demand for aircraft (Tue 04-Aug).

The US Fed unanimously voted to keep interest rates unchanged at its July meeting as expected, but offered no hints at the timing of the lift-off in its statement. However, they pledged for a move when they see "some further improvement in the labour market", suggesting a rate hike in September is still on the table.

Eurozone inflation was unchanged in July as a further decline of energy prices negated the impact of more expensive industrial goods and services. Consumer prices in the EU19 countries rose by 0.2% year-on-year in July, same as in June. Core inflation, which excludes energy and unprocessed food, were up 0.9% in July from 0.8% in June.

Eurostat also reported on Friday that eurozone unemployment was 11.1% for the third consecutive month in June, with the lowest rate of 4.7% in Germany. The highest, of 25.6%, was in Greece according to the latest available April data. The overall number of people unemployed in the eurozone increased by 31,000 compared with May.

S&P lowered outlook on the EU to negative from stable, saying it reflects further downward pressure on the average weighted rating on budgetary contributors to the EU.

Eurozone PMI manufacturing was revised up to 52.4 in July from preliminary reading of 51.9, compared to June's reading of 51.8. German manufacturing PMI retreated to a seasonally adjusted 51.8 from the preliminary of 52.9, compared to 52.0 in June. In France, the final reading recorded 49.6 while in Spain and Italy it hit 53.6 and 55.3 respectively. But there were few signs of Greece's troubles in the survey (PMI plummeting to 30.2, the lowest ever level) coming in from other parts of the currency area.

US factory orders were up 1.8%/m, against a revised -1.1%/m reading in May, and within expectations for a +1.7%/m reading, alongside upward pressure seen from durable goods (+3.4%/m). Ex-transportation orders were up +0.5%/m (from -0.1%/m in May), while ex-defense orders increased +1.9%/m (-1.2%/m in May).

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.5700	1.5400
Spot Ref:	1.5536	
Tenor:	2 weeks	
Date:	05 Aug 2015	
Time:	14:20 hrs	
Resistance / Support:	1.5661	1.5433
Commentary:		



- UK mortgage approvals rose in June amid housing revival (Wed 29-Jul).
- UK manufacturing growth edges up, still dragging on economy (Mon 03-Aug).
- Global economic woes dent strong UK consumer sentiment - GfK (Thu 30-Jul).
- BoE rates decision, publication of reports (due Thu 06-Aug, 19:00hrs SGT).

Mortgage approvals climbed more than economists forecast in June, stoking speculation higher interest rates are on their way. BoE said approvals climbed to 66,582, from an upwardly revised 64,826 in May. Economists had forecast 66,000. The report showed that net mortgage lending -- gross loans less repayments -- was £2.6 billion in June, the most since July 2008. Net consumer credit totalled £1.2 billion. Cheap borrowing costs are stoking housing demand and helping put upward pressure on prices.

The GfK monthly sentiment index fell to +4 in July after jumping to +7 in June -- highest since January 2000. British consumer morale eased in July as Greece and the global economy weighed on Britons' outlook for the economic situation over the next year. Household spending, a key driver of the country's strong economic recovery, was weak at the beginning of 2015. But rising wages and zero inflation has increased disposable income, boosting morale to its highest in over 15 years in June.

British manufacturing growth picked up in July but new orders grew at the slowest pace in nearly a year. The Markit/CIPS manufacturing PMI rose more than forecast in July to 51.9 from 51.4 in June - its lowest level in over two years - but well below an average of 54.3 recorded since April 2013, when Britain's economy was starting its recovery. The pace of growth of new orders slowed to 52.2, underscoring the challenge for policymakers to achieve more balanced long-term economic growth.

Tomorrow will be an important day for the BoE, where for the first time, it will announce its decision and publish the minutes as well as the Inflation Report simultaneously.

Base Currency: AUD USD
 Alternate Currency: USD AUD
 Strike Price: 0.7450 0.7200
 Spot Ref: 0.7344
 Tenor: 2 weeks
 Date: 05 Aug 2015
 Time: 14:20 hrs
 Resistance / Support: 0.7452 0.7193
 Commentary:



- Australia building approvals slide in June (Thu 30-Jul).
- Australia city home prices jump 2.8% in July, up 11.1% on-year (Mon 03-Aug).
- Aussie jumps on strong June retail sales (Tue 04-Aug).
- China July factory activity at 47.8, shrinks most in 2 years : Caixin (Mon 03-Aug).
- Australian consumer confidence creeps higher again (Tue 04-Aug).
- RBA holds rates; seems more comfortable with level of Aussie (Tue 04-Aug).

Australia building approvals have suffered their largest setback since September 2014 as the huge surge in high density dwellings eases. Approvals for the construction of new homes fell 8.2% in June, way worse than market expectations of a 0.9% fall. Over the 12 months to June, building approvals were up 8.6%, the ABS said on Thursday. Approvals for private sector houses rose 4.3% in the month, and the 'other dwellings' category, which includes apartment blocks and townhouses, was down 20.4%.

The final Caixin/Markit China Manufacturing PMI dropped to 47.8 in July, the lowest since November 2011, from 49.4 in June. That was worse than a "flash" reading of 48.2 and marked the fifth month of contraction. New orders reversed into contraction in July after growing in June, while factory output shrank for the third month to hit a 3 1/2-year low of 47.1. Deteriorating business conditions forced companies to cut staffing levels for the 21st straight month. Factories reduced selling prices to a 6-month low due to increasing competition, squeezing profit margins. Stock market panic in early July chilled economic activity, which is what the manufacturing PMIs picked up.

Home prices across Australia's capital cities surged in July as demand in Sydney and Melbourne stayed red hot even as regulators tightened the screws on investment lending by banks. Data showed dwelling prices across all of Australia's major cities surged 2.8% in July, on top of a 2.1% jump in June. Annual growth in home values picked up to 11.1%, from 9.8% in June. For July alone, Sydney prices rose 3.3% and Melbourne leapt 4.9%. Annual gains in those cities were 18.4% and 11.5%.

Consumers' view of their financial position compared with a year ago has hit a record high, helping to push up their confidence. The ANZ-Roy Morgan consumer confidence index rose 0.4% to 112.9 points in the week to August 2, following a 0.6% lift the prior week. But levels remain muted and are down 1.8% year-on-year.

Retail sales grew 0.7% in June from a month earlier, beating economists' forecasts for 0.4% growth. That was up from 0.4% growth in May, which had been revised higher by a percentage point. It was also the equal-strongest rate of growth this year, in line with February. Household goods retail saw the best monthly growth in June, of 0.8%, followed by cafes, restaurants and takeaway food services (0.3%) and food retailing (0.2%), the ABS noted. Department stores performed worst, with sales down 0.2%.

The RBA kept rates on hold. However, the Aussie dollar rallied after the RBA surprised some by tempering its call for a lower currency, triggering a swift short squeeze. The RBA said the Aussie was adjusting to significant declines in key commodity prices, but dropped a reference to further falls as being both likely and necessary.

Base Currency: NZD USD
 Alternate Currency: USD NZD
 Strike Price: 0.6750 0.6450
 Spot Ref: 0.6525
 Tenor: 2 weeks
 Date: 05 Aug 2015
 Time: 14:20 hrs
 Resistance / Support: 0.6744 0.6468
 Commentary:



- US dollar sags after weak Q2 US wage data and consumer sentiment (Fri 31-Jul).
- NZ property prices surge to new peak (Tue 04-Aug).

The greenback was on the defensive against the majors following disappointing US wage growth data that dented prospects for an early interest rate hike by the Fed. The US Employment Cost index, the broadest measure of labour costs, edged up 0.2% in Q2 after rising 0.7% in Q1. That was the smallest gain since the series started 33 years ago. The weakness was concentrated in sales, information and wholesale trade, where workers are likely to receive incentive pay. Excluding commissions, wages rose 0.6% in both Q1 and Q2. Separately, the US Consumer Sentiment index slipped to 93.1 in July from 96.1 in June. Still, the index was up 13.8% from a year ago.

NZ residential property values have risen at the fastest pace in eight years, driven by the overheated Auckland housing market. They are now about 27% above the previous market peak in late 2007, according to state-owned agency Quotable Value. National property values accelerated 10.1% in the 12 months through July to an average NZ\$ 527,760. Values in the Auckland region surged 18.8% to NZ\$ 855,672, the fastest pace since 2004, QV said.



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