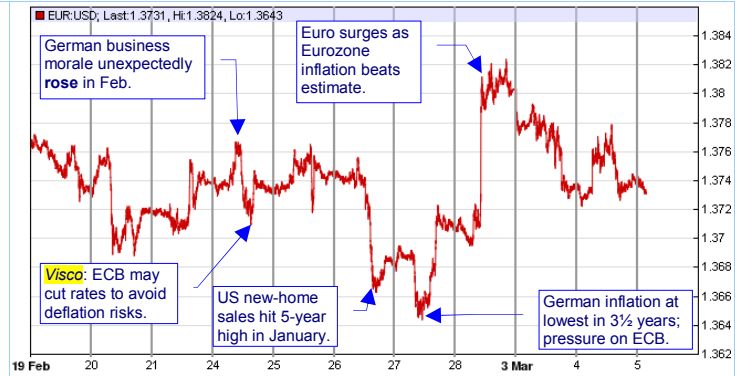




Short Term Currency Views

Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.3850	1.3650
Spot Ref:	1.3731	
Tenor:	2 weeks	
Date:	05 Mar 2014	
Time:	11:25 hrs	
Resistance / Support:	1.3881	1.3679
Commentary:		



- German inflation at lowest in 3½ years, raising pressure on ECB (Thu 27-Feb).
- Eurozone January unemployment rate unchanged at 12.0% (Fri 28-Feb).
- Eurozone PMI services for February (due on 05-Mar, 17:00hrs, SGT).
- Euro surges to year-high as Eurozone inflation beats estimate (Fri 28-Feb).
- Eurozone factory recovery falters (Mon 03-Mar).
- Eurozone Q4 GDP second reading (due on Wed 05-Mar, 18:00hrs, SGT).

German annual inflation eased to its lowest level in 3½ years in February, data showed on Thursday, underlining deflation fears and raising pressure on the ECB to act. The harmonized index of consumer prices (HICP) - the measure of inflation used by the ECB - slowed to 1.0% year-on-year from 1.2% in January, preliminary data from the Federal Statistics Office showed. The reading was last at 1.0% in August 2010.

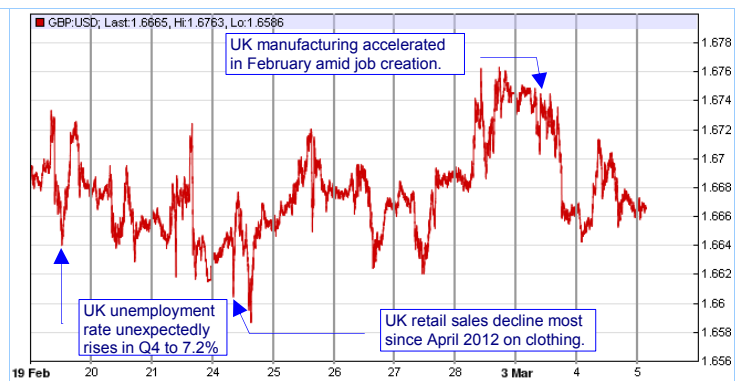
The euro on Friday firmed to its strongest level this year against the dollar after the latest inflation readings for the eurozone came in higher than expected, easing pressure on the ECB to take action when it meets this week. Data showed consumer prices grew 0.8% in February from a year earlier in the eurozone, well below the ECB's target of just below 2%. But that was higher than expected, with the consensus forecast for a reading of 0.7%.

Unemployment in the Eurozone remained at a record high in January, with 19 million people, or 12% of the economically active population, looking for work. The figure in the entire European Union (EU28) was 10.8%, according to figures from Eurostat. Among the member states, the lowest unemployment rates were recorded in Austria (4.9%), Germany (5.0%) and Luxembourg (6.1%), and the highest in Greece (28.0% in November 2013) and Spain (25.8%).

Growth in Eurozone factory activity eased last month from January's 2½-year high, but for the first time in almost three years output **rose** in all of the bloc's four biggest economies. The broad-based expansion was again led by Germany, while France eked out growth in output. Spain and Italy both bounced back strongly. Markit's final Eurozone Manufacturing PMI came in at 53.2 last month, up from a flash reading of 53 but below January's 54 - which was the highest since May 2011.

In Europe, the service sector PMIs will be the main point of interest today, together with the second reading on Eurozone GDP for Q4. The scale back in tensions in Russia and Ukraine helped risk appetite recover as Russian president Putin recalled troops from the border. A defiant Putin said there is "no necessity for now" to invade Ukraine. US Secretary of State John Kerry also arrived in Kiev for talks and said that Obama will work with Congress to approve US\$1 billion of loan guarantees to Ukrainians.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.6850	1.6550
Spot Ref:	1.6665	
Tenor:	2 weeks	
Date:	05 Mar 2014	
Time:	11:25 hrs	
Resistance / Support:	1.6909	1.6581
Commentary:		



- UK Q4 GDP was confirmed at 0.7%, in line with estimates (Wed 26-Feb).
- UK mortgages soar with house prices as economy recovers (Mon 03-Mar).
- UK manufacturing accelerated in February amid job creation (Mon 03-Mar).

Britain's economic recovery broadened with GDP rising 0.7% in Q4, unrevised from an earlier estimate and in line with forecasts. It was driven by a pick-up in business investment and trade. Consumer spending and a housing market recovery have been the main drivers behind Britain's surprisingly rapid upturn which started last year.

UK manufacturing growth accelerated in February as output and new orders expanded and a gauge of job creation soared to a 33-month high. Markit's manufacturing PMI climbed to 56.9 from a revised 56.6 in January. Analysts were expecting 56.8. The survey data suggests robust economic growth in Q1. Maintaining this positive performance will be a key factor in achieving the long-awaited rebalancing of UK growth away from the consumer and financial sector and toward investment and exports.

UK mortgage approvals and house-price growth increased to the most since 2007, as the property market continued to accelerate at the start of the year. Lenders granted 76,947 loans for house purchase, the most since November 2007, compared with a revised 72,798 in December. House prices in England and Wales rose 0.7% in February from the previous month - the most since April 2007. House-prices grew in 51% of postcodes, the biggest share in almost a decade, Hometrack said, while values in London climbed 1.1%. Rising values prompted the BOE to end support for home loans under its Funding for Lending Scheme this year.

Base Currency: AUD USD
 Alternate Currency: USD AUD
 Strike Price: 0.9100 0.8850
 Spot Ref: 0.8953
 Tenor: 2 weeks
 Date: 05 Mar 2014
 Time: 11:25 hrs
 Resistance / Support: 0.9126 0.8893
 Commentary:



- Aussie dollar falls on worse than expected 5.2% decline in Q4 Capex (Thu 27-Feb).
- Possible war in Ukraine drags Aussie dollar down (Mon 03-Mar).
- China HSBC manufacturing PMI hits 7-month low in February at 48.5 (Mon 03-Mar).
- Australia job ads jump 5.1% in February – the most in 4 years (Mon 03-Mar).
- RBA reiterates period of rate stability; ABS said trade deficit shrinks (Tue 04-Mar).
- Aussie Q4 GDP rises 2.8%, beats expectations (Wed 05-Mar).

The capital expenditure figures released last Thursday showed a 5.2% decline in business investment during Q4, way above the 1% decline the market had expected. Capex is a complex number; the data is both the 5th estimate of Australian firms' Capex plans for 2013/14 and the 1st estimate for 2014/15.

The Australian dollar is weaker as escalating tension between the Ukraine and Russia dilutes appetite for riskier assets. Global markets are shying away from riskier assets after Russia threatened to invade Ukraine, leading to the interim government in Kiev to put its troops on high alert. Russia's parliament on Saturday voted to allow Putin to send troops into its western neighbour. The developments in the Ukraine has created a broader risk-aversion in markets.

The final Markit/HSBC manufacturing PMI for China fell to a seven-month low of 48.5 in February, the third straight monthly decline, from January's 49.5. The figure was in line with the 48.3 flash PMI released on February 20. The PMI, which measures sentiment, found that new orders and output both contracted for the first time in seven months, while new export orders contracted less than in January. The employment sub-index also fell for a fourth straight month to 47.2, its lowest point since March 2009.

Australian job advertisements in newspapers and on the Internet jumped by the most in over 4 years in February, a rare piece of good news on employment that presages a pick-up in hiring after months of weakness. A survey by ANZ showed job advertisements rose 5.1% in February, from January, with all the gains coming in internet ads.

RBA reiterated that it's likely to maintain a period of record-low interest rates and renewed a reference to the currency's strength. Governor Glenn Stevens and his board kept the overnight cash-rate target at 2.5%, saying in a statement that housing prices "have increased significantly" and the Aussie "remains high by historical standards". ABS said the trade deficit fell to A\$10.139 billion in Q4, seasonally adjusted, from A\$12.539 billion in Q3. Terms of trade added 0.6% on-quarter but dropped 1.2% on-year.

Australia's Q4 GDP climbed a seasonally adjusted 2.8% on-year, the ABS said today, beating forecasts for an increase of 2.5% following the 2.3% gain in Q3. On a quarterly basis, GDP added 0.8% - also topping expectations for an increase of 0.7% following the 0.6% gain in Q3. The ABS says GDP growth was driven by a 0.6% contribution from net exports and a 0.5% contribution from consumer spending, but private business investment subtracted 0.5% from GDP.

Base Currency: NZD USD
 Alternate Currency: USD NZD
 Strike Price: 0.8500 0.8250
 Spot Ref: 0.8389
 Tenor: 2 weeks
 Date: 05 Mar 2014
 Time: 11:25 hrs
 Resistance / Support: 0.8514 0.8283
 Commentary:



- NZ business confidence at 20-year high (Fri 28-Feb).
- NZ terms of trade at new 40-year high as export volumes surge (Mon 03-Mar).

Business confidence is at its strongest levels since 1994, according to an ANZ Bank survey. Confidence is high, despite the strong headwinds from a high New Zealand dollar and expectations that interest rates will rise this year. In 1994, the economy posted economic growth of 6%. ANZ's composite indicator, including both business and consumer confidence, suggests the potential for annual growth of about 6% by the middle of this year. Inflation expectations are trending up (2.6%, off a low of 2.2%), and pricing intentions in the construction sector are the highest since 1992.

NZ's terms of trade rose to a 40-year high for the second straight quarter in Q4 of 2013 as import prices fell more than export prices. On a volume measure, dairy products led exports higher while imports were unchanged. Terms of trade, which measures the quantity of imports the country can buy with a set amount of exports, gained 2.3% in Q4 to the highest level since December 1973, according to StatsNZ. It would need to climb another 3.5% to match the all-time high recorded in the June quarter of 1973. Export volumes rose 9.7%, led by a 23% gain in dairy products, helping lift the actual value of dairy exports by 27% even as prices fell.



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