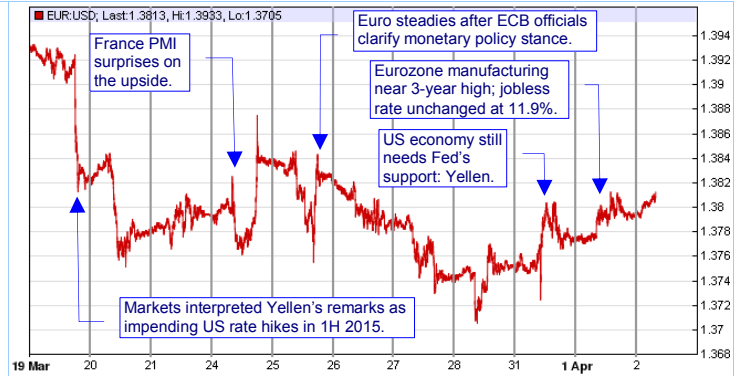




## Short Term Currency Views

### Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.3950	1.3650
Spot Ref:	1.3813	
Tenor:	2 weeks	
Date:	02 Apr 2014	
Time:	14:30 hrs	
Resistance / Support:	1.3955	1.3650
Commentary:		



- Eurozone inflation at lowest in over 4 years, misses estimates (Mon 31-Mar).
- US economy still needs Fed's support: Yellen (Mon 31-Mar).
- Eurozone manufacturing near 3-year high as recovery persists (Tue 01-Apr).
- Eurozone jobless rate stays at 11.9% as Italy jobless at record (Tue 01-Apr).

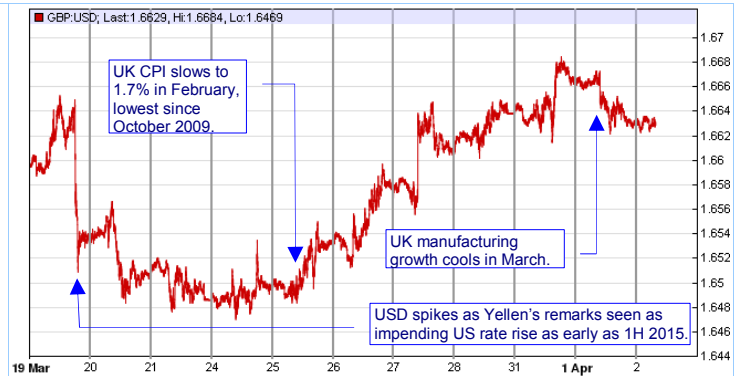
Eurozone inflation slowed in March by more than economists forecast to the lowest level in over four years, keeping pressure on the ECB to take action to foster the currency bloc's recovery. Consumer prices grew 0.5% in the year, after a 0.7% gain in February, the EU's statistics office in Luxembourg said. That missed the 0.6% median forecast in a Bloomberg News survey. The inflation rate has been below 1% for six months, while the ECB seeks to keep it at just under 2%.

Federal Reserve Chair Janet Yellen's Monday comments that the Fed will continue to support the US economy, easing concerns of any impending rate hikes continued to resonate well with markets and pushed the euro stronger. Yellen said that the US economy still needs the Fed's extraordinary support measures, noting that the falling jobless rate masks weaknesses in the jobs market. In a speech highlighting slack in the labour market, Yellen said the economy remains "still considerably short" of the Fed's goals of maximum sustainable employment and stable inflation. While the official unemployment rate has fallen quickly over the past two years to 6.7%, she said that level remains deceptive. She especially pointed to the high level of people unemployed for a long term, despite the economy's rebound from the "Great Recession".

Growth in the Eurozone manufacturing stayed close to the highest level in almost three years in March, adding to signs the region's recovery is gathering pace. Markit Economics index based on a survey of purchasing managers slipped to 53.0 from 53.2 February, matching an initial estimate released last week. While the report is further evidence that the recovery is gaining traction, the euro has appreciated more than 7% against the dollar in the past 12 months and inflation slowed to the lowest level in four years in March, highlighting the risks to the outlook. ECB policy makers meet on April 3, and economists predict they will refrain from adding stimulus.

Eurozone unemployment stayed at 11.9% in February, highlighting the region's uneven recovery as Germany's labour market kept strengthening and Italy's jobless rate reached a record. The jobless rate was revised lower in January and in the prior two months from 12%, the EU's statistics office in Luxembourg said. Economists had forecast 12% for February. In Italy, the unemployment rate reached a record 13%, while the number of Germans out of work fell in March. The German March unemployment rate was unchanged at 6.7%, while the February rate was revised lower to 6.7%.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.6750	1.6450
Spot Ref:	1.6629	
Tenor:	2 weeks	
Date:	02 Apr 2014	
Time:	14:30 hrs	
Resistance / Support:	1.6790	1.6464
Commentary:		



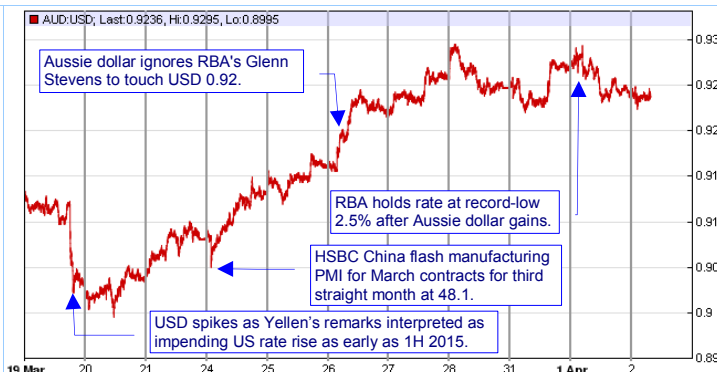
- George Osborne commits to 'fight for full employment' (Tue 01-Apr).
- BoE sees potential stability risks from sharp rate increase (Tue 01-Apr).
- UK manufacturing growth cools in March - PMI (Tue 01-Apr).

Chancellor George Osborne has committed the Conservatives to targeting "full employment", saying that tax and welfare changes would help achieve it and that "unemployment is never a price worth paying, but artificial jobs paid for with borrowed money doesn't work either". The Conservatives broke with the post-war consensus on seeking full employment during the Thatcher years. Labour has its own "jobs guarantee" and targets full employment as a goal. The chancellor said governments which tried to guarantee people a job were "doomed to fail" - as they ended up increasing spending to unsustainable levels, resulting in taxes going up and jobs being lost.

BoE officials said any sharp increase in interest rates poses financial stability risks and it is difficult to assess the impact of such developments. While "market participants expected a shift in monetary stance at some point in the future", the eventual transition "could pose challenges in some sectors of the financial markets, particularly if global monetary policy stances were to adjust more abruptly than expected", the BOE's Financial Policy Committee said.

Growth in British manufacturing unexpectedly eased to its slowest pace in eight months in March and prices paid by factories tumbled. The Markit/CIPS PMI fell in March to 55.3, its lowest since July last year and below all forecasts of economists. February's reading was sharply cut to 56.2 from an originally reported 56.9. It was the fourth month in a row that the index fell although it remained comfortably above the 50 mark that denotes growth.

Base Currency: AUD USD  
 Alternate Currency: USD AUD  
 Strike Price: 0.9350 0.9100  
 Spot Ref: 0.9236  
 Tenor: 2 weeks  
 Date: 02 Apr 2014  
 Time: 14:30 hrs  
 Resistance / Support: 0.9313 0.9134  
 Commentary:



- China official PMI edges up to 50.3 in March (Tue 01-Apr).
- RBA holds rate at record-low 2.5% after Aussie dollar gains (Tue 01-Apr).
- China HSBC manufacturing PMI hits eight-month low in March (Tue 01-Apr).
- Australian building approvals drop 5% in February (Wed 02-Apr).

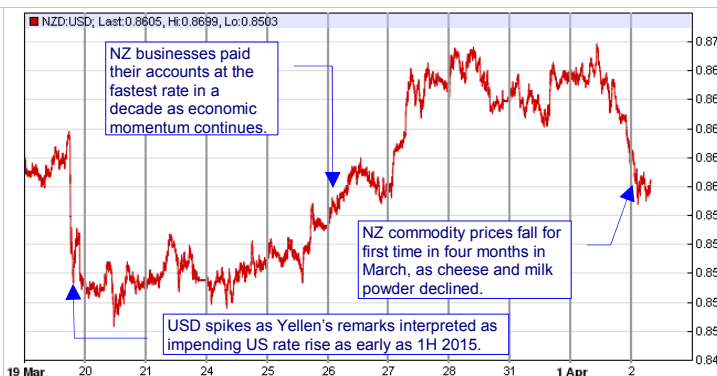
China's manufacturing activity edged higher in March, government data showed on Tuesday. The official PMI came in at 50.3, a touch higher than the 50.2 reading in February. The official data came in before the HSBC PMI data on the same morning.

A private survey by HSBC showed on Tuesday that China's manufacturing engine contracted in the first quarter of 2014, adding to market expectations of government stimulus to arrest a loss of momentum in the world's second-largest economy this year. The final Markit / HSBC PMI fell to an eight-month low of 48.0 in March from February's final reading of 48.5. The outcome was in line with last week's preliminary PMI reading of 48.1.

RBA left its key interest rate unchanged at a record low and said the currency's recent climb will reduce support for the economy. Governor Glenn Stevens kept the overnight cash-rate target at 2.5% and reiterated that borrowing costs were likely to remain steady for a period. "The decline in the exchange rate from its highs a year ago will assist in achieving balanced growth in the economy, but less so than previously as a result of the rise over the past few months", he said.

Approvals to build houses and apartments in Australia fell in February, a pause after strong gains over the past year fuelled by record low interest rates. Building approvals declined 5.0% from January, the Australian Bureau of Statistics said Wednesday. In January, approvals jumped 6.9% from December. Building approvals were up 23.2% in February from a year earlier, the data showed. Permits to build houses fell by 2.1% in February from a month earlier, while approvals for apartments, townhouses and other dwellings dropped by 8.7%.

Base Currency: NZD USD  
 Alternate Currency: USD NZD  
 Strike Price: 0.8750 0.8450  
 Spot Ref: 0.8605  
 Tenor: 2 weeks  
 Date: 02 Apr 2014  
 Time: 14:30 hrs  
 Resistance / Support: 0.8813 0.8495  
 Commentary:



- PM Key drops first budget announcement – more help for exporters (Wed 02-Apr).
- Vacancies data hint at better times ahead (Wed 02-Apr).
- NZ commodity prices fall for first time in four months in March (Wed 02-Apr).

Prime Minister John Key has opened this year's round of pre-budget new policy announcements, promising an average NZ\$13.75 million of new spending annually over the next four years to give intensive export market assistance to a further 200 New Zealand firms. That will take the number of exporters receiving intensive assistance from the government's trade arm, New Zealand Trade and Enterprise, to 700 and will be backed by seven new staff positions in China, three new positions in Latin America, and two additional in the Middle East. Key used the speech to a business audience in Auckland to reiterate the May 13 budget forecast a fiscal surplus, "albeit a small one", in the year to June 2015 and would add no more than NZ\$1 billion in new spending.

New Zealand commodity prices dropped for the first time in four months in March as cheese and milk powder declined. The ANZ Commodity Price Index fell 0.1% to 337 from February. The index is 14% above its level of March 2013. International prices for 10 of New Zealand's main commodities increased in the month and 3 fell. The price of whole milk powder led the decline, down 6%, while prices for skim milk powder and cheese dropped 2%. Dairy product prices fell 8.9% in Fonterra Cooperative Group's latest GlobalDairyTrade auction, the biggest drop in 20 months, as volumes increased.

The number of job vacancies rose in the three months to February. The rise was small, but it was the first in two years. There were 142,700 vacancies in February compared with 139,100 in November, the ABS said. The rise, just under 3%, went only a small way toward making up the ground lost during the previous three years which saw a total fall of 27%. And vacancies in February were still down by 4% from a year earlier. Even so, it is in line with other indicators, like the ANZ's monthly count of jobs ads, suggesting that at least the labour market is not weakening further and may even be picking up.



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