



## Short Term Currency Views

### Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.0850	1.0450
Spot Ref:	1.0635	
Tenor:	2 weeks	
Date:	15 Apr 2015	
Time:	11:30 hrs	
Resistance / Support:	1.0981	1.0456
Commentary:		



- German factory orders slip again in February (Wed 08-Apr).
- FOMC minutes show Fed officials split over interest rate rise (Wed 08-Apr).
- Greece denies default accusations (Tue 14-Apr).

- Eurozone February retail sales up as expected from year earlier (Wed 08-Apr).
- Eurozone February industrial production stronger than expected (Tue 14-Apr).
- ECB expected to keep rates unchanged (due on Wed 15-Apr, 19:45 hrs SGT).

German February factory orders unexpectedly declined 0.9%/m (-1.3%/y) following an already bad -2.6%/m (-0.3%/y) contraction in January. Analysts had expected growth of 1.5% for February. However the weak euro and brimming order books should provide a boost in the coming months.

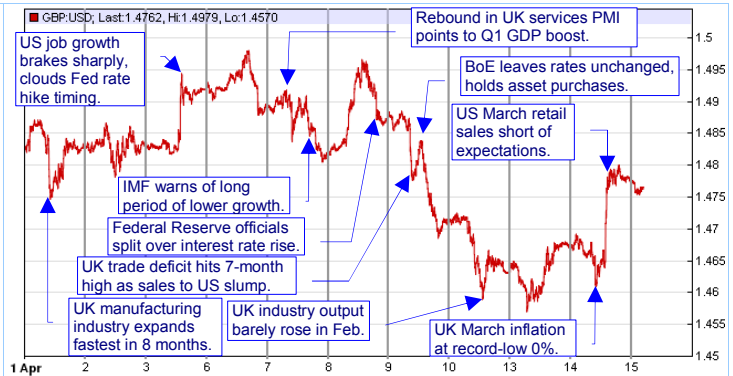
Eurozone February retail sales contracted 0.2%/m (+3%/y) after a 0.9%/m (+3.2%/y) increase in January. However, compared to a year ago, eurozone retail sales rose as expected in February, thanks to higher demand for non-food products and automotive fuel. Eurostat said sales of non-food products rose 4.3% year-on-year in February, from 4.2% in January while sales of fuel for cars rose 4.2% in annual terms, from a 3.1% increase in January.

FOMC minutes revealed that Fed officials were split about when to raise interest rates. The Fed must balance two competing priorities: the desire to maximise employment in the US economy, while also keeping prices in check. Some Fed officials worry that if rates are kept too low for too long, it could lead to difficult-to-control inflation. Recent data has shown that prices in the US economy are not rising significantly, and Janet Yellen has said she is still concerned about sluggish wage growth in the jobs sector.

Eurozone industrial production jumped much more than expected in February, rebounding from a brief slump in January and adding to signs that economic recovery was gathering pace. Eurostat said industrial production in the EU19 countries rose 1.1% month-on-month, the strongest monthly increase in 10 months, for a 1.6% year-on-year gain. Economists had on average expected a 0.4% monthly increase and a 0.7% annual rise.

Greece has denied reports it is preparing to default on its loans if it cannot reach agreement on its bailout terms with international creditors. The Greek government is due to pay the IMF €203 million on 1 May and €770 million on 12 May. It needs to find €2.4 billion to pay civil service salaries and pensions this month. The Greek government has also dismissed media reports that it was considering calling early elections if it failed to negotiate a settlement with its international creditors.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.4950	1.4600
Spot Ref:	1.4762	
Tenor:	2 weeks	
Date:	15 Apr 2015	
Time:	11:30 hrs	
Resistance / Support:	1.4927	1.4531
Commentary:		



- UK trade deficit hits 7-month high as sales to US slump (Thu 09-Apr).
- UK industry output barely rises in February, suggests slower Q1 growth (Fri 10-Apr).
- UK inflation steady at record-low 0% in March (Tue 14-Apr).

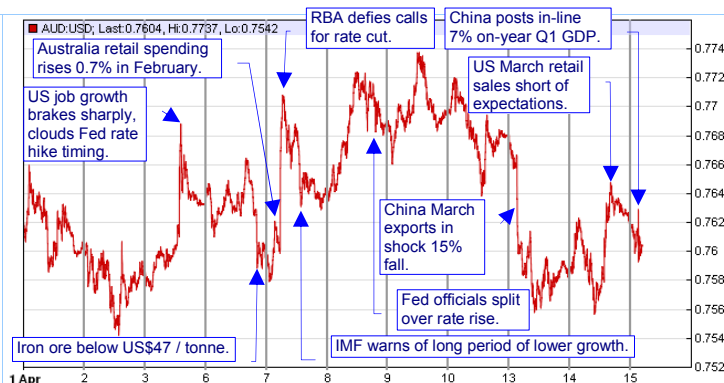
- BoE leaves rates unchanged, holds asset purchases (Thu 09-Apr).
- UK Labour party takes 6 point lead in pre-election polls (Fri 10-Apr).
- UK unemployment data (due on Fri 17-Apr, 16:30 hrs SGT).

Britain posted its widest trade deficit in seven months in February as sales to the US and other countries outside the EU declined sharply. The goods shortfall of £10.3 billion compared with an upwardly revised deficit of £9.2 billion in January, the ONS said on Thursday. Economists predicted a gap of £9 billion for February. Goods exports fell 3.7% in February to £23.2 billion, the lowest since 2010, while imports climbed 0.8%. Shipments to the EU declined 0.3%. There was a 6.6% drop in exports to non-EU countries, with sales to the US falling more than £700 million to £3.6 billion. Manufactured goods were behind the decline, the ONS said.

British industrial output barely grew in February and the construction sector shrank, suggesting overall economic growth slowed in Q1. Industrial output rose by 0.1% m/m, hurt by a sharp fall in oil and gas output, and below a forecast for a 0.3% rise. Construction output fell by 0.9% m/m in February, compared with forecasts for a rise of 2.0%.

British consumer price inflation held steady at a record-low 0% in March, boosting households' disposable income before May 7's election. The ONS said consumer prices rose 0.2% between February and March but compared with a year earlier, prices were unchanged, in line with economists' forecasts. The ONS added that if the price change was calculated to 2 decimal places, however, prices were 0.01% lower than a year before, which would be first fall on record in CPI on that measure.

Base Currency:	AUD	USD
Alternate Currency:	USD	AUD
Strike Price:	0.7800	0.7500
Spot Ref:	0.7604	
Tenor:	2 weeks	
Date:	15 Apr 2015	
Time:	11:30 hrs	
Resistance / Support:	0.7798	0.7516
Commentary:		



- Iron ore price means A\$25 billion budget hit (Mon 13-Apr).
- China's March industrial output up 5.6% on-year (Wed 15-Apr).

- China slowdown 'will hit Australia': World Bank (Mon 13-Apr).
- China's Q1 growth slows to 7% y/y, six-year low (Wed 15-Apr).

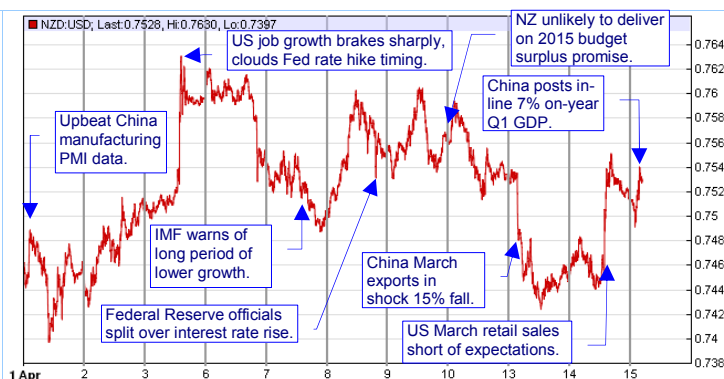
Treasurer Joe Hockey has admitted he could have been even more prudent in writing down the falling iron ore price as he warns of a ballooning budget deficit. Mr Hockey is contemplating a price as low as US\$35 a tonne, meaning he'd have to write off up to A\$25 billion more in revenue over the next four years. The government would not be chasing down the revenue loss, opting to pursue growing export opportunities in Asia, he told ABC TV on Monday.

A Chinese economic slowdown will hit Australia as iron ore prices tumble, the World Bank says. The bank noted that Australia's growth pace had deteriorated sharply since the first quarter of 2014 as declining prices for key export commodities depressed mining investment and weakened the Australian dollar. It predicted that a further slowdown in China, Australia's biggest trading partner, would affect Australia and its neighbours. "The significant negative impact on Australia and New Zealand, among the world's largest commodity suppliers, would lead to indirect spillovers on the Pacific Island countries, given their tight links through trade, investment and aid".

China's Q1 economy expanded at the weakest pace since 2009, with output, investment and retail data pointing to a deepening slowdown. GDP rose 7% in Q1 from a year earlier, the statistics bureau said today, matching the estimate of economists and the leadership's full-year expansion target.

Industrial production rose 5.6% in March from a year earlier, compared with the 7% median estimate of analysts. Retail sales climbed 10.2%, compared with the 10.9% median projection. Fixed-asset investment excluding rural areas expanded 13.5% in the first quarter, compared with the 13.9% seen by economists.

Base Currency:	NZD	USD
Alternate Currency:	USD	NZD
Strike Price:	0.7650	0.7400
Spot Ref:	0.7528	
Tenor:	2 weeks	
Date:	15 Apr 2015	
Time:	11:30 hrs	
Resistance / Support:	0.7619	0.7391
Commentary:		



- NZ unlikely to deliver on 2015 budget surplus promise (Fri 10-Apr).
- NZ finance minister studying Australian economic situation (Tue 14-Apr).

- China March exports in shock 15% fall (Mon 13-Apr).
- NZ PM Key accused of budget 'arrogance' (Tue 14-Apr).

NZ's government is unlikely to return its budget to surplus this year as it promised ahead of an election in 2014, Finance Minister Bill English said. "Lower inflation, while good for consumers, is making it less likely that the final accounts in October will show a surplus for the whole year", English said on Friday. The budget showed a NZ\$269 million deficit in the eight months ended February 28. Prime Minister John Key won a third term last year, campaigning on his economic management and pledging to post the nation's first budget surplus in 7 years in the 12 months ending June 30, 2015. In May last year, English projected a surplus of NZ\$372 million for 2014-15.

China's export sales contracted 15% in March, a shock outcome that deepens concern about sputtering Chinese economic growth. The tumble in exports - the worst in about a year - compared with expectations for a 12% rise and could heighten worries about how a rising yuan has hurt demand for Chinese goods and services abroad, analysts said. The yuan's strength was one factor in March's 19.1% on-year decline in exports to the EU and 24.8% drop to Japan. In a sign that domestic demand was also tepid, imports shrank 12.7% last month from a year ago. This left China with a surplus of US\$3.1 billion, much smaller than the forecast for a US\$45.4 billion surplus.

Bill English says he wants to try and understand what's really going on with the end of the mining boom in Australia. Mr English says Australia looks to be handling the end of the mining boom reasonably well and that will sustain NZ's growth over the next two to three years. But if they lose confidence that will probably slow NZ down a bit.

NZ Prime Minister John Key is being criticised for not seeming to care whether the budget is in surplus. He's been playing it down, saying he doesn't think the public is fixated by a few hundred million dollars here or there and it's a tiny figure in the context of a NZ\$220 billion economy. The government has been promising a surplus in 2014/15 for five years, but Finance Minister Bill English on Friday admitted he'll struggle to deliver when he presents his seventh budget on May 21.



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