



## Short Term Currency Views

### Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.0850	1.0550
Spot Ref:	1.0728	
Tenor:	2 weeks	
Date:	22 Apr 2015	
Time:	11:00 hrs	
Resistance / Support:	1.0847	1.0484
Commentary:		



- ECB keeps rates on hold, Draghi says QE is on track and effective (Wed 15-Apr).
- US industrial production falters as oil sector weighs (Wed 15-Apr).
- Tsipras to seize public-sector funds to keep Greece afloat (Mon 20-Apr).
- ECB said to be studying curbs on Greek bank aid (Tue 21-Apr).
- German investor sentiment slips unexpectedly in April: ZEW (Tue 21-Apr).

The ECB kept interest rates unchanged at record lows as it focuses on a bond-buying programme to bolster the improving eurozone economy. The 25-member Governing Council left the main refinancing rate at 0.05%. The ECB is claiming some early successes as the economy picks up. ECB President Mario Draghi said monetary policy is helping the region's economic recovery and will succeed in boosting inflation. "The implementation of the asset purchase programme is proceeding smoothly", Draghi said at a press conference. "There's clear evidence that the monetary policy measures we've put in place are effective."

US industrial output fell in March and posted the first quarterly decline since the recession ended, signs that a retrenching domestic oil industry and stronger dollar are limiting production. Industrial production, which measures the output of manufacturers, utilities and mines, decreased a seasonally adjusted 0.6% from February. For the Q1 of 2015, industrial production declined at an annual rate of 1%. That marks the first quarterly decrease since Q2 of 2009.

Running out of options to keep his country afloat, Greek Prime Minister Alexis Tsipras ordered local governments to move their funds to the central bank. With negotiations over bailout aid deadlocked, Tsipras needs the cash for salaries, pensions and a repayment to the IMF. A default on the country's €313 billion of obligations and a euro exit would be traumatic for the currency area and plunge Greece into a major crisis, ECB governing council member Christian Noyer said in an interview published Monday. Municipalities' reserves are estimated at about €1.5 billion and could buy Greece 6 weeks of breathing space.

The ECB is studying measures to rein in emergency funding for Greek banks as resistance to further aiding the country's stricken lenders grows among policy makers. ECB staff have proposed increasing the discounts imposed on the securities banks post as collateral when borrowing from the Bank of Greece. While adjusting these so-called haircuts hasn't been formally discussed by the Governing Council, it may be considered if Greece's leaders fail to quickly convince eurozone finance ministers they can reform their economy and secure bailout funds. Greek lenders are mostly locked out of regular ECB cash tenders and currently have access to about €74 billion of Emergency Liquidity Assistance from their own central bank -- an amount that has been rising and which will be reviewed this week.

Investor sentiment in Germany fell for the first time in six months in April as weak global growth weighed on confidence. The widely watched ZEW investor confidence index slipped by 1.5 points to 53.3 points in April, disappointing analysts' expectations for a further increase this month, ZEW said in a statement. The sub-index measuring financial market players' view of the current economic situation in Germany jumped by 15.1 points to 70.2 points in April, its highest level since July 2011.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.5050	1.4700
Spot Ref:	1.4932	
Tenor:	2 weeks	
Date:	22 Apr 2015	
Time:	11:00 hrs	
Resistance / Support:	1.5035	1.4687
Commentary:		

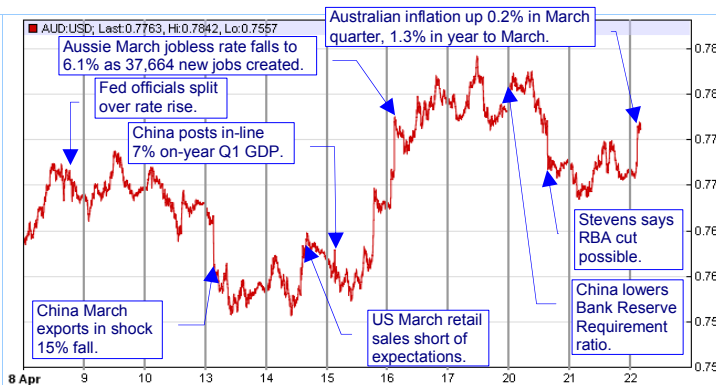


- UK February ILO unemployment plummets to 5.6%, a 6½-year low (Fri 17-Apr).
- EY Item Club predicts UK economic growth of 2.8% this year (Mon 20-Apr).

UK unemployment rate falls to lowest since 2008 as number of people in work hit 31.1 million in final data before Britons vote in the general election on May 7. The pound climbed above \$1.50 against the dollar for the first time in a month after official data showed UK unemployment fell to 5.6% in the three months to February, from 5.8% in the quarter to November. This is the lowest rate since June 2008, according to the ONS, and was in line with expectations. The number of people in work reached another record high. This took Britain's employment rate to 73.4%, which was also the highest since records began in 1971.

Low inflation and stronger eurozone growth should help the UK economy expand 2.8% this year despite political uncertainty ahead of the election. EY Item Club said low inflation was adding to the benefits of higher employment and the positive effects of lower oil prices. The forecast growth is slightly down on the 2.9% expansion previously predicted, due to official Q4 GDP figures coming in weaker than expected. The Item Club forecasts growth in 2016 of 3%, up from 2.9% estimated previously.

Base Currency:	AUD	USD
Alternate Currency:	USD	AUD
Strike Price:	0.7850	0.7550
Spot Ref:	0.7763	
Tenor:	2 weeks	
Date:	22 Apr 2015	
Time:	11:00 hrs	
Resistance / Support:	0.7858	0.7574
Commentary:		



- Aussie March jobless rate falls to 6.1% as 37,664 new jobs created (Thu 16-Apr).
- Minutes reveal RBA awaits more data before rate cut (Tue 21-Apr).
- RBA's Stevens says too much focus on Sydney property (Mon 20-Apr).
- Australian inflation 0.2% in March quarter, 1.3% in year to March (Wed 22-Apr).

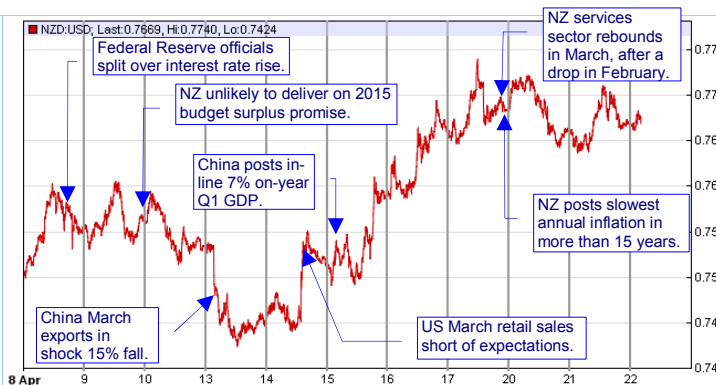
Australia's unemployment rate dipped to 6.1% in March, a better-than-expected reading that could ease pressure on the RBA to further cut interest rates. The figure is down from a revised 6.2% in February, as 37,664 positions were created, according to ABS. Analysts had forecast a reading of 6.3% with 15,000 jobs added to the economy. Full-time roles increased by 31,516 while part-time jobs rose 6,148. The participation rate, which measures the proportion of adults in work or looking for work, strengthened from a seasonally adjusted 64.7% to 64.8%. The Australian dollar jumped on the news, rising half a US cent to 77.77 US cents.

RBA Governor Glenn Stevens said at a function in New York that "Popular commentary is, in my opinion, too focused on Sydney prices and pays too little attention to the more disparate trends among the other 80% of Australia". Rates are only one factor driving house price rises, and they need to be balanced against other financial considerations, he said. That has been behind the RBA's decision to maintain the cash rate at record lows since August 2013, and its willingness to cut again if necessary, Mr Stevens said. The RBA boss also said he expects the Australian dollar to fall further, despite its recent hold roughly between 78 US cents and 76 US cents.

In the minutes of its April board meeting, the RBA flagged it wanted to examine more economic data, including inflation figures due on Wednesday, before deciding to cut the cash rate again. Board members "remained alert to the possibility that low levels of interest rates could foster imbalances in the housing market". The April minutes said that economic data available at the meeting suggest the Australian economy was still growing at a below average pace but growth in spending and housing investment had picked up. It also said that large falls in commodity prices could marginally lead to a larger fall in mining investment. The next RBA meeting is scheduled for 5 May.

The price of Australian consumer goods and services rose 0.2% in the March quarter, fuelling expectations of an interest rate cut in May. The CPI, the key measure of inflation, rose 1.3% in the year to March, which met market expectations but was below the RBA's 2% to 3% target band. Underlying inflation, which strips out the effects of volatile price movements, rose 0.6% in the March quarter for an annual rate of 2.35%, the ABS said on Wednesday.

Base Currency:	NZD	USD
Alternate Currency:	USD	NZD
Strike Price:	0.7650	0.7400
Spot Ref:	0.7669	
Tenor:	2 weeks	
Date:	22 Apr 2015	
Time:	11:00 hrs	
Resistance / Support:	0.7829	0.7595
Commentary:		



- New Zealand posts slowest annual inflation in more than 15 years (Mon 20-Apr).
- Auckland housing well out of line with rest of NZ: Massey (Wed 22-Apr).
- NZ services sector rebounds in March, after a drop in February (Mon 20-Apr).

NZ posted the slowest inflation in more than 15 years in Q1, supporting some traders' expectations that the RBNZ will cut interest rates later this year. The CPI rose 0.1% from a year earlier, the smallest increase since Q3 of 1999, StatsNZ said Monday. Economists were expecting a 0.2% increase. Prices declined 0.3% from Q4. Benign inflation adds to signs RBNZ Governor Graeme Wheeler can keep the OCR unchanged at 3.5%, while some traders bet he'll cut borrowing costs before the end of the year. Last month, the RBNZ signalled it didn't expect to raise rates until early 2017 as it faces an extended period of inflation below the bottom of its 1%-3% target range.

The New Zealand services sector, which makes up about two thirds of the economy, expanded in March, following a drop off in February, led by gains in new orders and stocks/inventories. The BNZ-BusinessNZ performance of services index increased 1.6 points to 57.6, with all five sub-indices remaining above the 50 level that separates contraction from expansion. Last month's reading is slightly below the March 2014 reading of 57.7.

The gap between housing affordability in Auckland and the rest of the country is now the widest in at least 25 years. Figures from latest Massey University Home Affordability Report show Auckland housing is now 49% more unaffordable than national average, with soaring property prices eroding affordability there by 22% in the last year. Nationally, housing became more than 10% less affordable over the year, although it improved 6% in Q1 due to falling house prices in a number of regions.



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