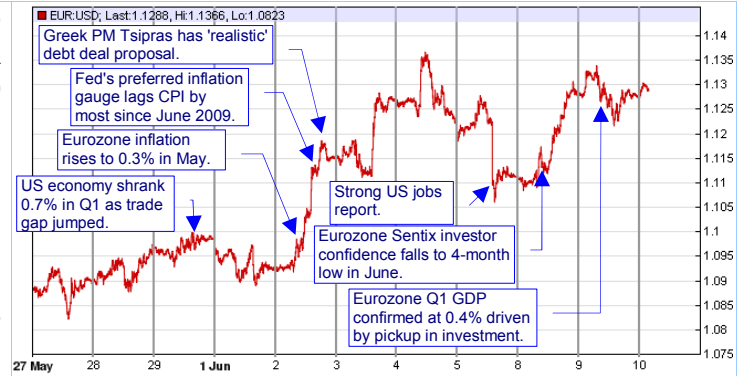




Short Term Currency Views

Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.1400	1.1000
Spot Ref:	1.1288	
Tenor:	2 weeks	
Date:	10 Jun 2015	
Time:	10:30 hrs	
Resistance / Support:	1.1413	1.1017
Commentary:		



- German trade surplus widens in April as exports rise (Mon 08-Jun).
- Eurozone Q1 GDP confirmed at 0.4% driven by pickup in investment (Tue 09-Jun).
- Eurozone Sentix investor confidence falls to 4-month low in June (Mon 08-Jun).
- Greece submits new reform plan but creditors unimpressed (Tue 09-Jun).

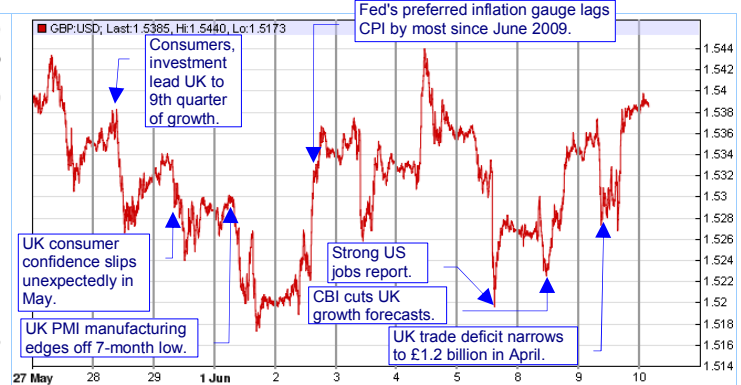
Germany's trade surplus widened in April from the previous month as exports grew by 1.9%, while imports fell by 1.3%, pushing the trade surplus up by €2.9 billion to €22.3 billion in April, according to seasonally adjusted figures published by the federal statistics office, Destatis. On a year-to-year comparison, exports from Germany to non-European countries increased by nearly 12% in April, while imports grew just over 5%. Its export and import flows with other European nations were also up, by 4.5% and 1.7% respectively. Separately, industrial production rebounded sharply in April, climbing 0.9%. Compared to April 2014, industrial production was up 1.4%.

Investor confidence in the eurozone for June declined to the lowest level in four months, dampening optimism over the outlook for the region's economy, data showed on Monday. Market research group, Sentix said its index of investor confidence fell 2.5 points to 17.1 in June from 19.6 in May. Analysts had expected a decline to 18.7.

A revival in government spending, and a pickup in investment, was offset by a rise in imports to leave the eurozone's growth rate unchanged in Q1, according to revised figures released Tuesday. Eurostat confirmed that GDP in the EU19 countries rose 0.4% q/q for a 1.0% y/y gain, in line with market expectations. It also raised its estimate of growth in Q4 of 2014 to 0.4% from 0.3%. While export growth slowed to 0.6% from 0.8%, import growth picked up to 1.2% from 0.8%. As a result, trade reduced GDP by 0.2%. That drag on growth was partly offset by a jump in government spending, which rose 0.6% during the quarter, having edged up by just 0.1% in the previous period.

Greece has submitted a revised reform plan after earlier rejecting reforms put forward by EU Commission President Jean Claude Juncker. The EU and IMF want further economic reforms before they release €7.2 billion of bailout funds. It is believed Athens has conceded ground on VAT reforms, pensions and the country's primary surplus target. The focus today will remain on Greece, with Greek PM Tsipras due to meet Germany's Merkel and France's Hollande on the sidelines of a summit in Brussels.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.5600	1.5200
Spot Ref:	1.5385	
Tenor:	2 weeks	
Date:	10 Jun 2015	
Time:	10:30 hrs	
Resistance / Support:	1.5606	1.5213
Commentary:		



- CBI cuts UK growth forecasts while warning of EU uncertainty (Mon 08-Jun).
- UK trade deficit narrows to £1.2 billion in April, lowest in over a year (Tue 09-Jun).
- BDO manufacturing optimism index falls most since March 2013 (Mon 08-Jun).
- UK April industrial output expected at 0.6%/y/y (due Wed 10-Jun, 16:30hrs SGT).

The CBI has cut its UK growth forecasts and warned of further risks to the economy posed by a possible "messy" end to the Greek crisis and uncertainty over the EU referendum. The business lobby group now expects 2.4% growth this year and 2.5% next year, down from February's forecast of 2.7% and 2.6% respectively. It blamed weaker-than-expected growth in Q1 for the downgrade. The 0.3% expansion marked the UK's weakest growth since the end of 2012. The CBI described this as a "temporary blip" and said it now believed the UK economy was on a "firm footing".

BDO said UK manufacturing firms' confidence had seen its sharpest drop in two years. It said its monthly manufacturing optimism index, based on the UK's main business surveys, had dropped 4 points to 103.4 in May from 107.4 in April, its biggest drop since March 2013. BDO said a combination of the strong pound and a weak eurozone economy had hit exports, while low oil and gas prices had curbed investment in the sector and slowed orders for manufacturing firms.

Britain's trade deficit with the rest of the world narrowed more than expected in April, suggesting that it might act as less of a brake on growth during Q2. Britain's total trade deficit narrowed to £1.202 billion in April from an upwardly revised £3.093 billion in March, its lowest since March 2014. Britain's total trade deficit lopped 0.9% off quarterly economic growth in Q1, contributing to a disappointing overall expansion in GDP of just 0.3%. Tuesday's data revised down the Q1 trade deficit by £219 million.

Investors will also pay attention to BoE Governor Mark Carney's Mansion House speech on June 10 (today), though it is unlikely to be as market-moving as last year when Carney warned of the possibility of an earlier-than expected rise in interest rates.

Base Currency: AUD USD
 Alternate Currency: USD AUD
 Strike Price: 0.7800 0.7600
 Spot Ref: 0.7680
 Tenor: 2 weeks
 Date: 10 Jun 2015
 Time: 10:30 hrs
 Resistance / Support: 0.7841 0.7610
 Commentary:



- China May exports fall less than expected, but imports tumble (Mon 08-Jun).
- Australia May ANZ job ads unchanged versus 2.5% in April (Tue 09-Jun).
- Australian business confidence rises to 9-month high (Tue 09-Jun).
- China May inflation cools to 1.2% y-o-y, weaker than forecast (Tue 09-Jun).
- Australia's June consumer sentiment drops to lowest since January (Wed 10-Jun).

China's exports in May fell less than expected but a double-digit drop in imports will likely keep the pressure on Beijing for more stimulus to avert a sharper economic slowdown. Exports in May fell 2.5% from a year earlier and imports slid 17.6%. That left the country with a near record trade surplus of US\$59.49 billion for the month. For the prior month of April, exports fell 6.4%, while imports slid 16.2%. Analysts polled by Bloomberg had expected May exports to fall 4.4% and imports to fall 10.0%.

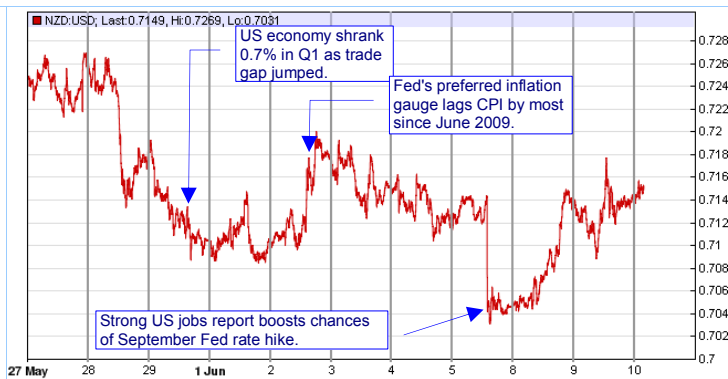
Australian business confidence rebounded to a nine-month high in May as sales and profits improved, likely reflecting the impact of record-low interest rates and a better received government budget. NAB's measure of business confidence climbed four points to +7 in May, after remaining steady at +3 points in March and April, the highest reading since August last year. Its index of business conditions rose 3 points to +7 in May, highest since October last year, from April when it dipped 2 points. Confidence was significantly higher in retail and wholesale, along with finance, business and property services. Mining confidence, on the other hand, fell sharply.

Job advertisements were unchanged in May after a seasonally-adjusted 2.5% rise in April. In trend terms, job ads rose 0.4% in the month for the 19th consecutive month of growth. However growth has been slowing since late last year. Growth in internet job ads rose 0.1% in May, offset by newspaper ads which fell 4.3% in May.

China's consumer inflation eased to 1.2% year-on-year in May, weaker than market expectations, raising concerns about growing deflationary pressures as the economy cools. Analysts had expected the index would come in at 1.3% compared with 1.5% the prior month. The producer price index was unchanged at minus 4.6% in May, the 38th straight month of decline. The market had expected producer prices to fall 4.5% on an annual basis after a decline of 4.6% the prior month.

The Westpac-Melbourne Institute Consumer Sentiment index tumbled 6.9% in June from 102.4 to 95.3, the lowest reading since January. The large drop in confidence surprise markets, even though markets expected a minor retreat from the 6.4% leap in May when the RBA cut the cash rate to 2% in efforts to support demand.

Base Currency: NZD USD
 Alternate Currency: USD NZD
 Strike Price: 0.7300 0.7050
 Spot Ref: 0.7149
 Tenor: 2 weeks
 Date: 10 Jun 2015
 Time: 10:30 hrs
 Resistance / Support: 0.7319 0.7040
 Commentary:



- Auckland house prices still rocketing up, fastest pace in 11 years (Tue 09-Jun).
- RBNZ's Wheeler in policy bind over house price gains and rate cuts (Tue 09-Jun).
- RBNZ may surprise with more policy easing (due Thu 11-Jun, 05:00 hrs SGT).

NZ residential property values have increased at their fastest annual pace in over a year, as Auckland housing prices clock the biggest gain in over a decade, fuelled by record migration and low interest rates. National property values rose 9% in the year to May, the fastest pace in 15 months and accelerating from 8.3% in April according to Quotable Value. Meanwhile values in Auckland, the country's most populous city, rose 16.1% in May, the fastest pace in 11 years and speeding up from April's 14.6% gain.

RBNZ Governor Graeme Wheeler is under pressure to lower borrowing costs as slumping dairy prices damp economic growth and inflation sits below his 2% target for a fourth straight year. The governor brings historical perspective as he monitors the Auckland housing market, where average prices now outstrip London's. He watched the US sub-prime crisis unfold as a senior World Bank official in Washington. Traders are pricing in a 56% chance that Wheeler will lower the OCR by 0.25% on June 11.

The key central bank to watch for this week will be the RBNZ OCR Review. Whilst the timing might surprise some, it is clear that a policy easing this Thursday would not be a huge surprise, as the switch to an easing bias by the RBNZ has been clear. If so, we expect the RBNZ will characterize this policy easing as a measured response to persistent downside surprises in inflation coupled with the absence of a material weakening of the exchange rate.



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