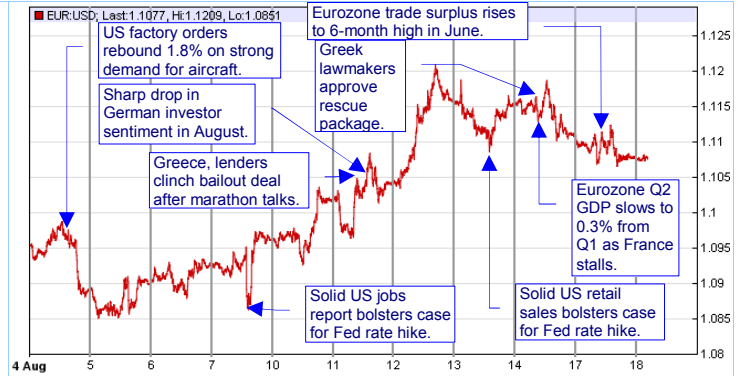




Short Term Currency Views

Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.1200	1.0950
Spot Ref:	1.1077	
Tenor:	2 weeks	
Date:	18 Aug 2015	
Time:	11:30 hrs	
Resistance / Support:	1.1219	1.0955
Commentary:		



- Greek lawmakers approve rescue package after all-night session (Fri 14-Aug).
- IMF says Greece needs debt relief as further bailout agreed (Fri 14-Aug).
- Eurozone trade surplus rises to 6-month high in June (Mon 17-Aug).
- Eurozone Q2 GDP slows to 0.3% from Q1 as France stalls (Fri 14-Aug).
- German lawmakers recalled to back Greece bailout (Mon 17-Aug).

Greek legislators approved a bailout package that may unlock as much as €86 billion and help the nation avoid a default next week when it has to make a payment to the ECB. After an all-night debate, Prime Minister Alexis Tsipras secured the backing of more than 151 lawmakers in the 300-seat parliament in a vote last Friday morning.

Growth in the 19-country eurozone slowed to 0.3% in Q2, missing expectations for a 0.4% quarterly expansion that would have matched Q1, as France stagnated and Italy lost momentum. Germany's growth accelerated slightly to 0.4% in Q2 from 0.3% in Q1, but was below expectations for a 0.5% expansion as weak investment acted as a drag. In France, a jump in exports was not strong enough to offset the impact of weak consumer spending and changes in inventories and growth came to a standstill (0%) after a strong 0.7% in Q1. Italy's economy grew by 0.2% in Q2 after 0.3% in Q1 as a weak recovery from three years of recession lost momentum.

The IMF has renewed its call for Greece to be granted debt relief. "I remain firmly of the view that Greece's debt has become unsustainable ... and that Greece's European partners make concrete commitments ... to provide significant debt relief, well beyond what has been considered so far", Lagarde said. The eurogroup had opposed any "haircut" or trimming of the debt but was open to other options including extending the repayment timeline, which would have a similar effect.

The German parliament has been summoned for a special Wednesday session to vote on a new bailout deal for Greece. Chancellor Angela Merkel is likely to face more resistance from within her party. The 631 elected representatives of the Bundestag have been asked to approve a third aid package for Greece. While there is little chance that the Bundestag will reject the new bailout deal, the vote is being seen as a leadership test for Merkel, especially as there is no guarantee that the IMF will participate.

Eurozone trade surplus rose to a seasonally adjusted €21.9bn in June, up 2.8% month-on-month and the highest level since December last year. However, the figure fell short of analysts' expectations of a €23.1bn reading. The report showed exports rose 1.4% month-on-month in June, while imports climbed 1.2% from the previous month.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.5700	1.5450
Spot Ref:	1.5587	
Tenor:	2 weeks	
Date:	18 Aug 2015	
Time:	11:30 hrs	
Resistance / Support:	1.5727	1.5509
Commentary:		



- UK unemployment rises as wage growth suffers shock slowdown (Wed 12-Aug).
- UK jobless total edges up by 25,000; unemployment rate at 5.6% (Wed 12-Aug).
- UK surveyors report biggest house price rise in a year (Thu 13-Aug).
- UK CPI unlikely to boost BoE rate hike bets (due Tue 18-Aug, 16:30hrs SGT).

A slowdown in UK pay growth weighed on sterling as concerns about the labour market and slower growth in China pushed back expectations of an interest rate rise well into next year. ONS data showed average weekly earnings, including bonus payments, grew by 2.4% in the three months to the end of June compared with the same period a year ago. This was a marked slowdown from the 3.2% growth seen in the three months to May and was well below economists' forecasts for growth of 2.8%.

Britain's unemployment rate rose to 5.6% in Q2, up from 5.5% in Q1, according to the ONS. This was the first quarterly rise since the beginning of 2013. The data showed the number of people in work fell by 63,000 to 31.03 million in Q2 compared with Q1. There were 1.85 million unemployed people at the end of June, 25,000 more than in Q1. The ONS said Wednesday's data suggested that Britain's jobs-rich recovery could be "levelling off".

British house prices rose at their fastest rate in a year last month, and a shortage of homes is likely to push prices even higher over the next year. The RICS said its monthly house price balance rose to +44 in July from +40 in June, the highest since July 2014 and a bigger rise than most economists polled by Reuters had expected.

During the European session, the UK's CPI and PPI reports will most likely shed some light on how soon the BoE might begin to normalise monetary policy settings.

Base Currency: AUD USD
 Alternate Currency: USD AUD
 Strike Price: 0.7450 0.7250
 Spot Ref: 0.7375
 Tenor: 2 weeks
 Date: 18 Aug 2015
 Time: 11:30 hrs
 Resistance / Support: 0.7458 0.7278
 Commentary:



- US dollar falls as China move seen delaying Fed rate hike (Thu 13-Aug).
- RBA says weaker currency aiding economy's transition from mining (Tue 18-Aug).
- Australian housing prices continue to head higher (Mon 17-Aug).

The USD fell to its lowest in about a month against a basket of major currencies, on doubts over whether the Fed will raise interest rates in September given China's devaluation of the CNY. The devaluation in China last Tuesday had taken the market by surprise, with further devaluation on the next 2 days.

Housing prices continue to rise, with mainland state capital prices ticking up another 0.4% on average in a week. Annual growth came in at 11.3% in the week ending on Sunday, according to the data released by housing market analytical firm CoreLogic RP Data. Sydney is winning the annual price-rise race, with an increase of 17.7%, while Melbourne is a distant second at 12.3%. Brisbane and Adelaide follow, with both rising between 3%-4%, while Perth's prices were marginally lower than a year ago.

The RBA said a weakening currency is assisting a transition away from mining investment, while adding that accommodative policy remains appropriate to support growth. "Economic activity had generally been more positive over recent months", it said Tuesday in minutes of its August 4 meeting when interest rates were left at a record-low 2%. "The further depreciation of the Australian dollar was expected to impart stimulus to the economy through stronger net exports."

The RBA was a little more positive on key trading partner China, saying risks to growth in the world's second-largest economy had "receded somewhat". Still, the central bank said the government in Beijing's "policy response to the recent volatility in Chinese equity markets had clouded the medium-term economic outlook."

Base Currency: NZD USD
 Alternate Currency: USD NZD
 Strike Price: 0.6700 0.6400
 Spot Ref: 0.6599
 Tenor: 2 weeks
 Date: 18 Aug 2015
 Time: 11:30 hrs
 Resistance / Support: 0.6674 0.6450
 Commentary:



- NZ business confidence plummets (Mon 17-Aug).
- Kiwi may advance on better dairy prices (due Tue 18-Aug, ~23:00hrs SGT).
- No meltdown for NZ economy: ASB bank (Tue 18-Aug).

More than 40% of Auckland businesses surveyed by Auckland Chamber of Commerce in August believe business conditions will deteriorate in the next 6 months. Only 15% of respondents believe business confidence will improve. This is a sharp reversal from just 3 months ago when only 13% believed business conditions would deteriorate and 37% believed business confidence would improve. Business owners were more positive about their own businesses, where 47% were positive about business conditions for the next 6 months. Skilled employees were still hard to find, with 30% of employers indicating that finding the right skills was a constraint to their business. The quarterly Business Confidence Survey also showed a jump in those seeing demand as a constraint to growth, indicating caution was already being exercised. Business expectation of interest rates was for a further decline.

ASB bank says the NZ economy, despite battling slumping dairy prices and a levelling off in post-quake construction activity, will grow by around two per cent this year before accelerating at a faster pace next year. The bank's Quarterly Economic Forecasts predict GDP will grow by 2.9% in 2016 as a declining NZ dollar aids non-dairy exports and lower interest rates stimulate household spending. It anticipates a small slowdown in Canterbury construction in the aftermath of the 2010 and 2011 earthquakes will largely be offset by an increase in Auckland building activity. Demand for non-dairy key commodity exports, including beef and kiwifruit, was robust.

The kiwi dollar may gain this week on speculation dairy prices could rise from their lows, while traders see little data on the horizon likely to drive the currency lower. Currency traders will be eyeing Tuesday night's GlobalDairyTrade auction as a gain in NZX whole milk powder futures contracts suggests prices may rise from their lowest levels in six years, boosting optimism about the outlook for New Zealand's largest export commodity. Since the start of the year, the price for whole milk powder on the GlobalDairyTrade platform has fallen by almost a third to US\$1,590 a tonne. That's prompted Fonterra Cooperative Group to cut its forecast payout to dairy farmers to below the cost of production and prompted some economists to revise down their expectations for economic growth in the coming year.



For more reports, use your smartphone to scan the QR code

Disclaimers

The information herein is given on a general basis without obligation and is strictly for information purposes only. It is not intended as an offer or solicitation with respect to the purchase or sale of any investment or insurance product mentioned herein. Nothing herein should be construed as a recommendation or advice to transact in any investment or insurance product mentioned herein.

Although every reasonable care has been taken to ensure the accuracy and objectivity of the information contained in this publication, United Overseas Bank Limited ("the Company") and its employees cannot be held liable for any errors, inaccuracies or omissions, howsoever caused, or for any decision or action taken based on the information or views expressed in this publication. The Company does not warrant the accuracy, adequacy, timeliness or completeness of the information herein for any particular purpose, and expressly disclaims liability for any errors, inaccuracies or omissions. Any opinions, projections and other forward-looking statements regarding future events or performance of, including but not limited to, countries, markets or companies are not necessarily indicative of, and may differ from actual events or results.

The information herein has no regard to the specific objectives, financial situation and particular needs of any specific person. Investors may wish to seek advice from an independent financial advisor before investing in any investment or insurance product. Should you choose not to seek such advice, you should consider whether the investment or insurance product in question is suitable for you.