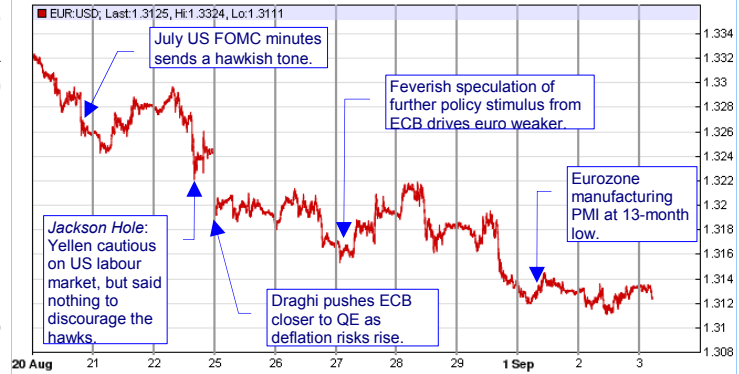




## Short Term Currency Views

### Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.3300	1.3050
Spot Ref:	1.3125	
Tenor:	2 weeks	
Date:	03 Sep 2014	
Time:	12:00 hrs	
Resistance / Support:	1.3370	1.2995
Commentary:		



- German unemployment unexpectedly rises as risks to economy build (Thu 28-Aug).
- All eyes on ECB rates decision (due on Thu 04-Sep, 19:45hrs SGT).
- Eurozone manufacturing PMI at 13-month low (Mon 01-Sep).
- Eurozone Q2 GDP, second reading (due on Fri 05-Sep, 17:00hrs SGT)

German unemployment unexpectedly rose in August as a stagnating eurozone recovery and tension with Russia darkened the outlook for Europe's largest economy. The number of people out of work climbed a seasonally adjusted 2,000 to 2,901 million in August, the Federal Labour Agency said. Economists forecast a decline of 5,000, according to a Bloomberg News survey. The adjusted jobless rate was unchanged at 6.7%, the lowest level in more than two decades.

The final Markit's eurozone manufacturing PMI dipped to 50.7 in August, down from 51.8 in July. New orders dwindled and factories suffered amid rising tensions between the EU and Russia over Ukraine. The factory PMI for Germany, Russia's biggest trade partner in the EU, fell to an 11-month low of 51.4. Meanwhile, in the bloc's second-largest economy, France, the PMI fell to 46.9. One positive note was from the Republic of Ireland, which saw its PMI grow to 57.3, its highest level since the end of 1999.

ECB's September monetary policy meeting decision takes on added significance this Thursday (4 September) on the backdrop of Draghi's Jackson Hole speech raising expectations that the ECB could be on the verge of dishing out QE.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.6700	1.6350
Spot Ref:	1.6454	
Tenor:	2 weeks	
Date:	03 Sep 2014	
Time:	12:00 hrs	
Resistance / Support:	1.6665	1.6371
Commentary:		



- UK GfK consumer confidence gains strongly in August (Fri 29-Aug).
- UK manufacturing growth at 14-month low, Markit PMI survey finds (Mon 01-Sep).
- Support for Scottish independence jumps to 47% (Tue 02-Sep).
- UK manufacturing growth cools as export orders slip: EEF (Mon 01-Sep).
- UK construction growth strongest in seven months (Tue 02-Sep).
- Eyes on BoE rates decision (due on Thu 04-Sep, 19:00hrs SGT).

GfK said its UK consumer confidence index increased to +1 in August from -2 in July, matching June's reading, which was the highest since March 2005. Respondents expressed positive views about the economy and their personal financial situation over the coming year. Confidence from consumers is yet another sign that the British economy is set to have a strong Q3, after higher expectations for household consumption led the BCC to upgrade its GDP growth forecast for the year to 3.2% from 3.1%.

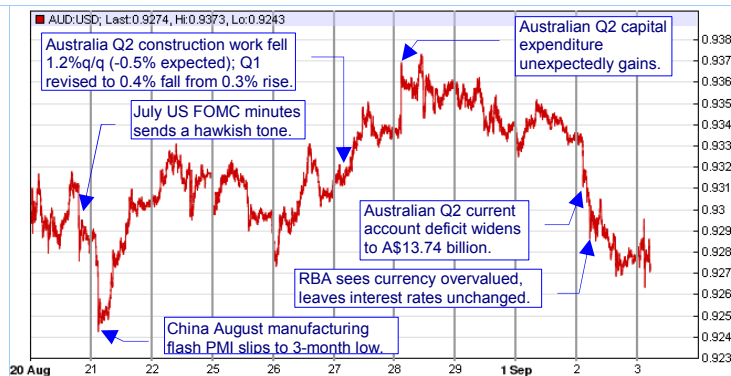
Britain's main manufacturing trade association trimmed its growth forecast for 2014 on Monday after its members reported the first fall in export orders since early 2013. The EEF association said its quarterly survey of members showed slowing growth in output and new business over the last three months, and cut its forecast for factory output growth in 2014 to 3.3% from 3.5%. The EEF said that with the eurozone economy stagnating, sterling strong and political risks on the rise, the picture for demand was now more uncertain than for some time, though the overall picture remained positive.

The Markit/CIPS UK manufacturing PMI edged down in August to 52.5 from 54.8 in July, its lowest reading for 14 months. Markit said the slowdown was broad based with new jobs, export orders and new business all weakening. Despite the slowdown, Markit said that the pace of expansion in UK manufacturing still remained slightly above its long-term average. Markit said that the slowdown meant the manufacturing sector would provide a smaller boost to the UK's overall rate of growth this year.

Construction output in Britain grew at its fastest pace in seven months in August, boosting job creation but also putting strain on suppliers. The monthly Markit/CIPS PMI for construction climbed to 64.0 in August from 62.4 in July. Output grew in each of the housing, commercial and civil engineering markets. But construction of new homes remains below levels needed to meet demand; the BoE has said that risks from the housing market pose the biggest domestic threat to the country's economic recovery.

Little more than two weeks before the September 18 ballot on independence from the UK, the "No" vote dropped to 48% from 51% in the last YouGov poll conducted on August 12-15. That compared with 42% who said they will vote "Yes", up 2%. 10% said they have yet to make up their mind. Stripping out undecided voters, the poll found 53% of respondents would vote against independence and 47% in favour. Sterling plunged as a "Yes" vote would create both economic and political uncertainty.

Base Currency: AUD USD  
 Alternate Currency: USD AUD  
 Strike Price: 0.9400 0.9200  
 Spot Ref: 0.9274  
 Tenor: 2 weeks  
 Date: 03 Sep 2014  
 Time: 12:00 hrs  
 Resistance / Support: 0.9431 0.9183  
 Commentary:



- Australian Q2 capital expenditure 1.1% versus -0.3% forecast (Thu 28-Aug).
- Australia inflation gauge at 7-month low in August: TDMI (Mon 01-Sep).
- RBA sees currency overvalued, leaves interest rates unchanged (Tue 02-Sep).
- Australia home prices rise 10.9% in year to Aug (Mon 01-Sep).
- Australia's Q2 current account deficit widens to A\$13.74 billion (Tue 02-Sep).
- Australia's economy slows in Q2, still beats peers (Wed 03-Sep).

The Aussie jumped last Thursday after ABS said capital spending by private companies unexpectedly rose. Australian private new capital expenditure rose to a seasonally adjusted 1.1% in Q2, from -2.5% in Q1 whose figure was revised up from -4.2%. Analysts had expected Australian private new capital expenditure to fall -0.3% in Q2.

Australian home prices rose solidly in August for a third straight month bringing total gains for the winter quarter to the highest since 2007. Dwelling prices in Australia's major cities rose 1.1% in August, from July when they climbed 1.6%. Prices were up 10.9% on August last year, accelerating from a 10.2% annual pace in July. For the quarter to August, prices rose a brisk 4.2% led by gains of 5% in Sydney and 6.4% in Melbourne. Annual price growth was 16.2% in Sydney and 11.7% in Melbourne.

The TD Securities-Melbourne Institute's monthly measure of consumer prices was unchanged in August, following a 0.2% rise in July. The annual pace of inflation slowed to 2.5%, compared to 2.6% in July and a top of 3.0% in June. That was the weakest rate since January and right in the middle of the RBA long term target band of 2%-3%.

Australia's current account deficit widened to A\$13.74 billion in the June quarter, seasonally adjusted. This followed a deficit of A\$7.8 billion in Q1, the ABS said on Tuesday. The median market forecast was for a deficit of A\$14 billion in Q2. The surplus on goods and services fell A\$3.6 billion in real terms, which would detract 0.9% from growth in Q2 GDP. Its terms of trade on goods and services fell 4.1% in Q2. Australia's net foreign debt rose to A\$865.46 billion in Q2 from A\$848.3 billion in Q1.

The RBA has left the cash rate unchanged at a record low of 2.5% for September and experts say a rate hike looks unlikely before the middle of 2015. Australia's expansion will be "a little below trend" in the year ahead, Governor Glenn Stevens said. The local exchange rate "remains above most estimates of its fundamental value, particularly given the declines in key commodity prices. It is offering less assistance than would normally be expected in achieving balanced growth in the economy."

Australia's economy slowed in Q2 as cautious consumers curbed spending and the country imported more, though the result was better than many had feared - and still ahead of most of its rich-world peers. Today's data showed GDP rose 0.5% in Q2, from Q1 when it expanded by a surprisingly strong 1.1%. ABS said Q2 GDP was 3.1% higher than the year before. That was down from Q1's 3.4%, but still brisk by developed nation standards.

Base Currency: NZD USD  
 Alternate Currency: USD NZD  
 Strike Price: 0.8400 0.8200  
 Spot Ref: 0.8291  
 Tenor: 2 weeks  
 Date: 03 Sep 2014  
 Time: 12:00 hrs  
 Resistance / Support: 0.8432 0.8234  
 Commentary:



- NZ business confidence declines for 6th consecutive month in August (Fri 29-Aug).
- NZ terms of trade in Q2 rises 0.3%; sets new 40-year high (Mon 01-Sep).
- Kiwi hits 7-month low as Global Dairy Trade prices drop 6% (Tue 02-Sep).

New Zealand firms' confidence declined for the sixth successive month in August, as the country's economic growth comes off the boil amid declining terms of trade, a strong currency and rising interest rates, according to ANZ Bank's latest Business Outlook survey. A net 24.4% of respondents were optimistic business conditions would improve in the coming year, down from a net of 39.7% in July, and 46 points below the 20-year confidence high in February.

NZ's terms of trade held at a 40-year high in Q2, as a high kiwi dollar pushed down the price of imports, offsetting a decline in exports. Terms of trade edged up 0.3% in Q2, from a quarterly gain of 1.8% in Q1, according to StatsNZ. Analysts were forecasting a 2.3% drop. The measure is at its highest level since September 1973.

The kiwi dollar dropped below US83¢ for the first time in seven months after another dairy price slump. The Global Dairy Trade auction announced a 6% price drop.



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