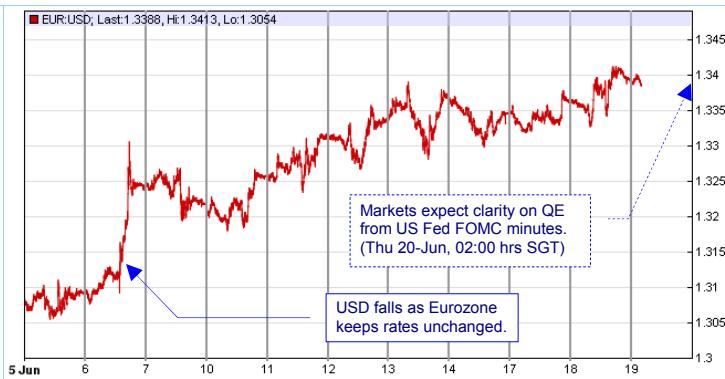




Short Term Currency Views

Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.3500	1.3200
Spot Ref:	1.3388	
Tenor:	2 weeks	
Date:	19 Jun 2013	
Time:	10:50 hrs	
Resistance / Support:	1.3483	1.3243
Commentary:		



- Spain affirmed at "BBB-" by S&P on structural reform commitment (Fri 14-Jun).
- Eurozone trade surplus unexpectedly narrows to €16.1 billion in May (Mon 17-Jun).
- G-8 leaders see worst over for world economy (Mon 17-Jun).
- German investor confidence rises as recovery strengthens (Tue 18-Jun).

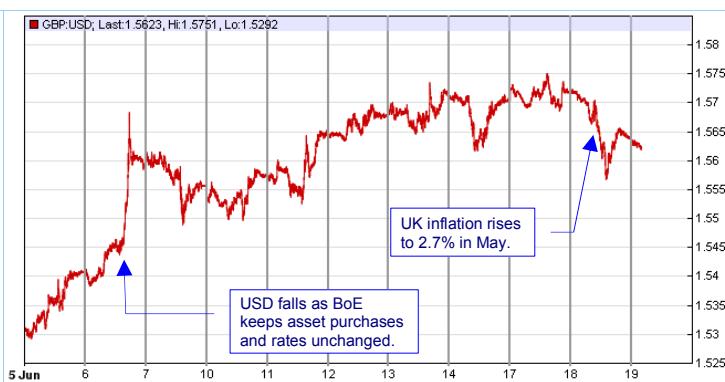
Spain's credit rating was affirmed at BBB- by S&P, which said that the country's commitment to the implementation of a comprehensive fiscal, structural reform agenda remains strong. The outlook on the long-term rating remains negative, which shows the potential for a downgrade if political support on the current reform agenda dwindles, the budget "significantly" worsens or policies in the euro area falter in stabilizing the country's funding costs. Spain's real GDP will contract by about 1.5% this year before slowly recovering, while next year's real GDP growth will be about 0.6% due to factors such as weak consumption. Unemployment will remain "very high, at above 26%.

Leaders of the Group of Eight nations say that the worst has passed for the global economy, an aide to UK Prime Minister David Cameron said after summit talks on promoting employment and growth. While economic prospects remain weak, downside risks have abated thanks to actions taken by policy makers in the US, euro area and Japan, and due to the resilience of emerging-market economies, the aide said, following the first of a two-day meeting in Enniskillen, Northern Ireland.

The eurozone's trade surplus narrowed unexpectedly in May. Eurostat said the trade surplus narrowed to €16.1 billion in May from a downwardly revised €18.1 billion in April. Analysts had expected the trade surplus to widen to €21.2 billion in May. The data showed exports totalled €160.1 billion in May, while imports were €144.0 billion.

German investor confidence rose in June amid signs the recovery in Europe's largest economy is gathering pace. The ZEW Center for European Economic Research in Mannheim said its index of investor and analyst expectations, which aims to predict economic developments six months in advance, increased to 38.5 from 36.4 in May. Economists forecast a gain to 38.1, according to a Bloomberg News survey. German industrial production rose the most in more than a year and exports increased more than forecast in April, government reports released this month showed. The data signal that growth in the German economy has accelerated since expanding just 0.1% in the quarter ended March. The Bundesbank said that GDP should improve "markedly" this quarter, while warning of a potential slowdown in coming months.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.5800	1.5500
Spot Ref:	1.5623	
Tenor:	2 weeks	
Date:	19 Jun 2013	
Time:	10:50 hrs	
Resistance / Support:	1.5752	1.5600
Commentary:		



- UK unemployment falls from a year ago (Wed 12-Jun).
- UK Official at G-8: Leaders see worst over for world economy (Mon 17-Jun).
- UK house prices rise to record as mortgage market loosens (Fri 14-Jun).
- UK inflation rebounds more than expected to 2.7% in May (Tue 18-Jun).

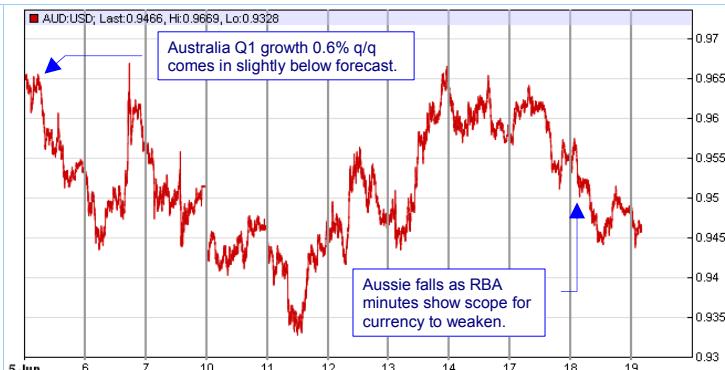
The ONS said the UK's jobless rate remained unchanged between the latest quarters at 7.8% but that it was down 0.4% on a year earlier. Jobless total in the three months to April dipped to 2.51 million, while number of people in work rose 24,000 in the same period, beating City expectations of a small fall in the number of people in work. There were now 29.76 million people in employment, up 432,000 on a year ago. The number of people claiming jobseeker's allowance fell by 8,600 to 1.51 million in May.

House prices in England and Wales rose to a record in May as government measures to ease credit strains improved the availability of mortgages. The average cost of a home rose 0.4% from April to £233,061. Prices were up 2.7% from a year earlier. 7 of the 10 regions tracked by Acadametrics showed an average annual increase over the last three months, led by a 10.1% pickup in London. Data so far show that net lending still hasn't turned positive, though some mortgage rates have dropped.

G-8 leaders are under pressure to spur growth and reduce unemployment as the unexpected slowing of the Chinese economy in Q1 sparked concerns of a weakening global expansion. The UK is emerging from a double-dip recession amid investor concern that the Fed is preparing to unwind stimulus at the FOMC meeting 18-19 June.

British consumer price inflation rebounded by more than expected in May due to a record rise in air fares and higher fuel prices, raising questions about whether April's seven-month low was simply a blip. The ONS said annual CPI rose to 2.7% in May from April's 2.4%, above economists' forecasts of 2.6%. The BoE had forecast that inflation would fall faster than it previously thought, but Tuesday's data raises the prospect that it may take longer to return to its 2% target if it marks the start of a trend.

Base Currency:	AUD	USD
Alternate Currency:	USD	AUD
Strike Price:	0.9650	0.9350
Spot Ref:	0.9466	
Tenor:	2 weeks	
Date:	19 Jun 2013	
Time:	10:50 hrs	
Resistance / Support:	0.9666	0.9388
Commentary:		



■ New car sales flat in May (Mon 17-Jun).

■ Aussie falls as RBA minutes show scope for currency to weaken (Tue 18-Jun).

■ Labour productivity growth slows to 2% due to mining sector (Mon 17-Jun).

■ ABS: Australia's international merchandise imports up 8% in May (Wed 19-Jun).

Official figures show the number of new cars sold in Australia was flat in May. The Australian Bureau of Statistics figures reveal 93,209 new cars were sold during the month, in seasonally adjusted terms. The figure is 0.2% higher than during the same month last year.

Labour productivity growth slowed in the year to March, with the mining sector suffering a fall of almost 6%. As economic growth eased and the resources sector showed signs of peaking, overall labour productivity for the 12 months to March was 1.9%, Price Waterhouse Coopers' labour productivity report shows. The result was affected by a fall in productivity for the quarter, bringing the total growth rate below the average rate of 3% achieved between 1997 and 2003. Annual productivity in the construction sector grew by almost 4%. However, the gains were partially offset by negative labour productivity growth in the mining sector and the information, media and telecommunications sector. A deterioration of labour productivity in the mining sector continued as productivity in the sector fell by 5.7%.

The RBA released the minutes of its June 4 meeting on Tuesday morning, when the central bank left its benchmark interest rate unchanged at a record-low 2.75%. The Minutes state that "it is possible that the exchange rate [will] depreciate further over time as the terms of trade have declined, which will help to foster a rebalancing of growth in the economy". The AUD/USD steadily declined about 90 pips in the eight hours following the Minutes, until consolidating just below \$0.9450.

The ABS reported today that in original terms, May 2013 imports on an international merchandise trade basis were A\$20,106 million, an increase of A\$1,483 million (8%) on the revised April 2013 merchandise imports of A\$18,623 million. Preliminary analysis shows that goods debits (imports) on a balance of payments basis in original terms rose A\$1,120m (6%) between April and May 2013. In seasonally adjusted terms, goods debits rose A\$403 million (2%) between April and May 2013 to A\$20,437 million.

Base Currency:	NZD	USD
Alternate Currency:	USD	NZD
Strike Price:	0.8150	0.7750
Spot Ref:	0.7973	
Tenor:	2 weeks	
Date:	19 Jun 2013	
Time:	10:50 hrs	
Resistance / Support:	0.8137	0.7649
Commentary:		



■ RBNZ leaves rates unchanged as expected (Thu 13-Jun).
 ■ NZ posts smaller current account deficit (Wed 19-Jun).

■ Prices rise at Fonterra dairy auction (Wed 19-Jun).

The RBNZ left its cash rate unchanged at 2.50%, as expected. The statement noted the recent pick-up in domestic activity, and concern over the pace of house price inflation. However, CPI inflation remains low for now and the elevated NZD is holding back the tradables sector. RBNZ Governor Graeme Wheeler reiterated that he is prepared to intervene in currency markets to limit gains. The central bank expects to keep the OCR unchanged at 2.5% through the end of the year..

Dairy prices at Fonterra's latest international online auction improved last night, snapping a three-auction run of falls. The GlobalDairyTrade's trade-weighted price index overnight rose 1.1% compared with the last sale two weeks ago. Before the declines began in May, the index steadily gained for nine consecutive auctions on the back of increasing demand and concerns about how NZ's drought would tighten supply. The average winning price was US\$4598 per tonne, up from US\$4443 two weeks ago.

Rising exports and tourists spending more in NZ have seen its current account deficit improve in the March quarter. The current account deficit is 4.8% of GDP for the March year, compared with 5% for the December year, according to StatsNZ. Earlier this year, there had been concerns that the deficit could worsen further towards the key level of 6% of GDP. Figures out this morning show the seasonally adjusted current account deficit was NZ\$2.2 billion in the March quarter. The deficit was about NZ\$300 million smaller than the December quarter, when the shortfall was NZ\$2.5 billion. The annual current account deficit was equal to NZ\$10.1 billion in the March year, compared with NZ\$10.5 billion in the December year. Declines in the kiwi dollar were limited by the narrowing in NZ's current-account deficit and the first gain in whole milk powder prices in two months.



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