






DUKASCOPY
RESEARCH PRODUCTS

16/01/2017



Fundamental Analysis

Major events this week (January 16 - 20)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
10:00 am		EUR	Trade Balance	November		23.2B	19.7B
TUESDAY							
09:30 am		GBP	CPI y/y	December		1.4%	1.2%
10:00 am		EUR	German ZEW Economic Sentiment	January		18.9	13.8
01:30 pm		USD	Empire State Manufacturing Index	December		8.1	9.0
WEDNESDAY							
09:30 am		GBP	Claimant Count Change	December		4.6K	2.4K
10:00 am		EUR	Final CPI y/y	December		1.1%	1.1%
01:30 pm		USD	CPI m/m	December		0.3%	0.2%
03:00 pm		CAD	BOC Overnight Rate			0.50%	0.50%
THURSDAY							
01:30 pm		EUR	ECB Press Conference				
01:30 pm		USD	Building Permits	December		1.22M	1.20M
01:30 pm		CAD	Manufacturing Sales m/m	November		0.2%	-0.8%
FRIDAY							
09:30 am		GBP	Retail Sales m/m	December		-0.1%	0.2%
01:30 pm		CAD	CPI m/m	December			-0.4%

Key highlights of the week ended January 13

US

The US economy created less jobs than expected in the last month of 2016, disappointing markets. The US unemployment rate rose in line with analysts' expectations from 4.6% to 4.7%, while the participation rate climbed from 62.6% to 62.7%. The report also showed US nonfarm payrolls advanced 156,000, while markets anticipated a gain of 177,000, following the previous month's increase of 178,000. The number of job openings in the United States was little changed in November, according to the latest data released on Tuesday. The Bureau of Labor Statistics reported monthly job openings dropped to 5.52 million during the reported month, missing analysts expectations' of 5.59 million. The Labor Department reported that import prices climbed 0.4% in December, following the previous month's 0.2% decline. The increase was mainly driven by rising petroleum prices that jumped 7.9% during the reported period.

UK

British house prices climbed for the second consecutive month in December, driven by a shortage of affordable homes. According to the UK's biggest lender, Halifax, the House Price Index grew 1.7% to £222,484 month-over-month in December, surpassing the 0.3% rise forecast, up from November's upwardly revised gain of 0.6%. This was the fourth straight monthly increase and the largest gain since March 2016. British industrial production posted the biggest monthly gain since March 2016, while manufacturing production rebounded from the preceding month's fall. According to the Office for National Statistics, UK manufacturing output rose 2.1% in November, following October's upwardly revised fall of 1.3%, the largest since 2012. This jump significantly exceeded analysts' expectations for a 0.8% rise in the reported month.

Canada


Canadian economy created 53,700 new jobs in December, following the prior months' gain of 10,700 and surpassing the 5,000 decline forecast, official figures revealed on Friday. The data also showed the unemployment rate rose from 6.8% to 6.9% last month, in line with analysts' expectations as more people entered the labor market. Strong US economic growth is likely to boost Canadian business activity in the upcoming months, according to the Bank of Canada's Business Outlook Survey released on Monday. The indicator of current sales growth remained nearly unchanged, while the indicator of expected sales growth climbed from 13% to 26% in the last quarter, the strongest rate since the end of 2014. Canadian building permits dropped unexpectedly in November, official figures revealed on Tuesday. According to Statistics Canada, the value of building permits issued in the reported month fell 0.1%, following the preceding month's upwardly revised gain of 10.5%, revised from the originally reported increase of 8.7%, while market analysts anticipated a rise of 2.4% in November. Lower construction intentions for both single- and multi-family dwellings were mostly responsible for the reported decrease.



“Significant reductions in capital investment and commercial real estate were reported to be the main factors contributing to changes in corporate lending demand in Q4, while merger and acquisitions activity has pushed up on demand”.
-Bank of England

GBP




	Impact
Demand for bank credit by SMEs declines in Q4	High

In the United Kingdom, demand for bank lending among small and medium-sized enterprises dropped in the last quarter of 2016 in the wake of the country’s decision to leave the European Union, according to the Bank of England’s quarterly Credit Conditions Survey released on Friday. Furthermore, British banks suggested that the demand for bank credit by SMEs will remain low in the upcoming months. In the meantime, the demand for credit among large businesses remained unchanged in the reported quarter, following a large slip posted in the preceding quarter. In addition, the Bank said the availability of secured credit for households held steady in the last three months of 2016 and is likely to rise moderately in the first quarter of 2017. Despite an increase in the availability of unsecured credit in the past quarter, it is expected to fall during the first quarter of 2017 due to stricter terms and conditions of credit card offers introduced in the three month period to December.

The Bank of England was looking for signs of damage to British companies, business investment and overall economic growth after the vote to leave the European Union. The survey was carried out between November 21 and December 9.



FORECASTS		
1 MONTH	3 MONTHS	12 MONTH
		1.28
1.25	1.26	
		1.24
1.22	1.22	
		1.18
1.2	1.2	

 Trends*	Q1 17	Q2 17	Q3 17
MAX	1.84	1.32	1.62
75% percentile	1.25	1.26	1.28
Median	1.22	1.22	1.24
25% percentile	1.20	1.20	1.18
MIN	1.07	1.03	1.02

* the data is based on international banks’ forecasts

	16.01 open price	16.01 close price	% change
GBP/USD	1.19925	1.19977	+0.04%
EUR/GBP	1.06036	1.06067	+0.03%
GBP/CAD	1.57505	1.57586	+0.05%
GBP/JPY	137.112	136.795	-0.23%



"The big thing we're focusing on is what should our stores look like going forward?"

-Karen Hoguet, Macy's

USD



	Impact
Automobile sales boost retail sales last month ; PPI rises 0.3%; Consumer sentiment misses forecasts in January	High

US retail sales rose more than expected last month amid higher demand for furniture and automobiles, figures showed on Friday. According to the Department of Commerce, retail sales advanced 0.6% in December, following the preceding month's upwardly revised 0.2% gain and surpassing analysts expectations for an increase of 0.5%. The following increase provided further evidence that the US economy gained momentum in the last three months of 2016. In addition, retail sales grew 4.1% on annual basis and 3.3% over the past year. Sales of automobiles contributed most to this increase, jumping 2.4%. Excluding volatile items, sales climbed 0.2% last month, compared to November's upwardly revised rise of 0.3%, while analysts anticipated an increase of 0.5% during the reported period. Separately, the Department of Labor reported its Producer Price Index surged 0.3% in December, after rising 0.4% in the prior month. However, the reading topped economists' forecasts for a 1.1% increase. The PPI grew 1.3% compared to the same period one year ago and 1.6% for all of 2016. The rise was mainly driven by stronger oil prices that rose above \$50 per barrel over the past months. In the meantime, the University of Michigan said its flash Consumer Confidence Index fell to 98.1 in January, following December's final reading of 98.2 and missing expectations for 98.6.













Trends*	Q1 17	Q2 17	Q3 17
MAX	122	122	125
75% percentile	116	118	118
Median	114	114	115
25% percentile	110	109	110
MIN	98	100	100

* the data is based on international banks' forecasts

	16.01 open price	16.01 close price	% change
AUD/USD	0.74783	0.74713	-0.09%
USD/CHF	1.00979	1.01038	+0.06%
USD/JPY	114.329	113.961	-0.32%
NZD/USD	0.71012	0.70963	-0.07%

Major events previous week (January 2 - 6)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
MONDAY							
08:30 am		GBP	Halifax HPI m/m	December	1.7%	0.3%	0.6%
03:30 pm		CAD	BOC Business Outlook Survey				
TUESDAY							
01:30 pm		CAD	Building Permits m/m	November	-0.1%	2.4%	8.7%
03:00 pm		USD	JOLTS Job Openings	December	5.52M	5.59M	5.45M
WEDNESDAY							
09:30 am		GBP	Manufacturing Production m/m	December	1.3%	0.6%	-1.0%
03:30 pm		USD	Crude Oil Inventories	Last week	4.1M	0.9M	-7.1M
THURSDAY							
01:30 pm		CAD	NHPI m/m	November	0.2%	0.3%	0.4%
01:30 pm		USD	Unemployment Claims	Last week	247K	265K	237K
FRIDAY							
09:30 am		GBP	BOE Credit Conditions Survey				
01:30 pm		USD	Retail Sales m/m	December	0.6%	0.5%	0.2%

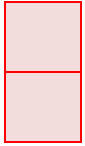
EXPLANATIONS

Chart

- **SMA (55)** – Simple Moving Average of 55 periods
- **SMA (200)** – Simple Moving Average of 200 periods

Forecasts

Third Quartile – separates 25% of the highest forecasts



Second Quartile – the median price based on the projections of the industry

First Quartile – separates 25% of the lowest forecasts



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