












**DUKASCOPY**  
RESEARCH PRODUCTS

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# Fundamental Analysis

## Major events this week (February 20 - 24)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
<b>MONDAY</b>							
01:30 pm		CAD	Wholesale Sales m/m	December	0.7%	0.4%	0.2%
<b>TUESDAY</b>							
09:00 am		EUR	Flash Services PMI	February		53.7	53.7
09:30 am		GBP	Public Sector Net Borrowing			-14.4B	6.4B
<b>WEDNESDAY</b>							
09:30 am		GBP	Second Estimate GDP q/q	Q4 2016		0.6%	0.6%
01:30 pm		CAD	Core Retail Sales m/m	December		0.8%	0.1%
<b>THURSDAY</b>							
01:30 pm		USD	Unemployment Claims	Last week		242K	239K
04:00 pm		USD	Crude Oil Inventories	Last week			9.5M
<b>FRIDAY</b>							
01:30 pm		CAD	CPI m/m	January		0.3%	-0.2%
03:00 pm		USD	New Home Sales	January		575K	536K

## Key highlights of the week ended February 17

### US

The US Commerce Department reported its headline CPI climbed 0.6% month-over-month in January, while analysts expected the Index to remain unchanged from the prior month at 0.3%. Excluding volatile items, core consumer prices rose 0.3% last month, after growing 0.2% in December. The January inflation jump was mainly driven by higher gasoline, apparel and motor vehicles prices. In the meantime, the US Labour Department revealed the Producer Price Index advanced 0.6% in January, while market analysts expected the Index to remain unchanged from the previous month at 0.3%. That marked the largest gain since September 2012. Separately, the Philadelphia Federal Reserve said its Manufacturing Index jumped to 43.3 points in February, the highest level in 33 years, driven by a jump in new orders, which climbed to 38.0 from 26.00.

### Australia

The Australian labour market continued its uptrend for the fourth consecutive month, with employers adding more workers than expected over the month of January. The official figures released by the Australian Bureau of Statistics showed that the number of employees topped analysts' expectations for a 9.7K rise, inching up 13.5K compared to an upwardly revised 16.3K surge registered in the preceding month. In the meantime, the jobless rate came in at 5.7%, down from 5.8% in December, as the seasonally adjusted labour force participation rate fell to 64.6% from 64.7%, which resulted in total number of unemployed diving to 720.02K.

### Canada

Canadian manufacturing sales rose for the second consecutive month in December. According to Statistics Canada, sales advanced 2.3% on a monthly basis in December, the largest increase since 2015, following the preceding month's upwardly revised gain of 2.3% and surpassing analysts' expectations for an increase of 1.4%. In volume terms, manufacturing sales climbed 2.3% in the reported month, suggesting the Canadian economy performed well in the final quarter of 2016.

### United Kingdom


The number of Britons filing for unemployment benefits dropped markedly last month, while wage growth slowed in the Q4. The Office for National Statistics reported the number of claimants declined 42,400 to 787,400 in January, following the preceding month's upwardly revised fall of 20,500. In the meantime, including bonuses, average hourly earnings climbed 2.6% on an annual basis in the Q4 of 2016, while analysts expected an unchanged reading from the prior month, when the Average Earnings Index rose 2.8%.



*“Ontario recorded the largest increase of wholesale sales in dollar terms among the provinces and territories, and the largest portion of the increase came from the motor vehicle and parts subsector.”*

**CAD** - Statistics Canada




	<b>Impact</b>
Canadian wholesale sales rise 0.7% in December	High

The value of Canadian wholesale trade advanced more than expected in December, official figures revealed on Monday. According to Statistics Canada, the country's wholesale trade rose 0.7% in the reported month, continuing its uptrend for the third consecutive month, whereas market analysts anticipated an increase of 0.4%. In the meantime, the November gain of 0.2% was revised down to 0.1%. In volume terms, sales gained 0.9% in December, which is expected to prop up economic growth for the month. In the report, Statistics Canada said sales had appreciated in six out of seven sectors. Comparing with 2015 levels, there was a 3.1% gain in sales in 2016, the seventh consecutive yearly surge. The largest annual gain of 4.6% came in the machinery sector, suggesting a solid investment trend. The report also showed both household goods and food sectors rose 0.9% on a monthly basis, while building suppliers posted a 1.4% increase for the month. Nevertheless, there was a 2.1% decline registered in the motor vehicle sector, which is set to threaten growth in manufacturing sector's output. In addition, wholesale inventories rose 1.1% for the fifth straight month in December.



**FORECASTS**












Q1 17	Q2 17	Q3 17
		1.4
	1.38	
1.37	1.36	1.36
1.35		
1.32	1.32	
		1.31

 Trends*	Q1 17	Q2 17	Q3 17
MAX	1.42	1.45	1.45
75% percentile	1.37	1.38	1.40
Median	1.35	1.36	1.36
25% percentile	1.32	1.32	1.31
MIN	0.84	1.22	1.20

\* the data is based on international banks' forecasts

	20.02 open price	20.02 close price	% change
AUD/CAD	1.0047	1.0067	0.20%
CAD/CHF	0.7661	0.7652	-0.12%
EUR/CAD	1.3892	1.3908	0.12%
USD/CAD	1.3094	1.3102	0.06%

## Major events previous week (February 13 - 17)

Day/Time (GMT)	Flag	Currency	Event	Period	Actual	Forecast	Previous
<b>MONDAY</b>							
00:00 am		JPY	Preliminary GDP q/q	Q4 2016	0.2%	0.3%	0.3%
<b>TUESDAY</b>							
07:00 am		EUR	German Preliminary GDP q/q	Q4 2016	0.4%	0.5%	0.2%
09:30 am		GBP	CPI y/y	January	1.8%	1.9%	1.6%
01:30 pm		USD	PPI m/m	January	0.6%	0.3%	0.3%
<b>WEDNESDAY</b>							
09:30 am		GBP	Claimant Count Change	January	-42.4K	1.1K	-20.5K
01:30 pm		CAD	Manufacturing Sales m/m	December	2.3%	1.4%	2.3%
01:30 pm		USD	CPI m/m	January	0.6%	0.3%	0.3%
<b>THURSDAY</b>							
00:30 am		AUD	Employment Change	January	13.5K	9.7K	16.3K
01:30 pm		USD	Building Permits	January	1.29M	1.23M	1.23M
<b>FRIDAY</b>							
09:30 am		GBP	Retail Sales m/m	January	-0.3%	1.0%	-1.9%
01:30 pm		CAD	Foreign Securities Purchases	December	10.23B	11.59B	7.24B

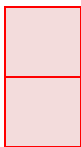
## EXPLANATIONS

### 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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