

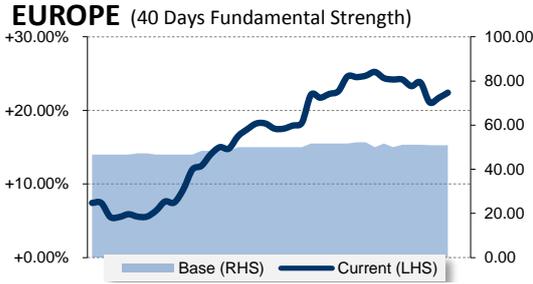
**Eurozone Currency Report**

# EUROPE ECONOMY In a glance.

14-Apr-2014 (Monday)

Last Updated: 10:47PM (GMT +0800)

**Figure 1: Fundamental Strength Index for last 40 days.**



### BASE SUMMARY:

<b>INFLATION INDICATORS :</b>	<b>1.1</b>	<b>/ 17.1</b>
<b>GROWTH INDICATORS :</b>	<b>14.9</b>	<b>/ 34.2</b>
<b>EMPLOYMENT INDICATORS :</b>	<b>3.6</b>	<b>/ 12.6</b>
<b>HOUSING INDICATORS :</b>	<b>0.5</b>	<b>/ 1.8</b>
<b>BUSINESS SURVEY :</b>	<b>23.4</b>	<b>/ 26.1</b>
<b>CONSUMER SURVEY :</b>	<b>7.4</b>	<b>/ 8.1</b>
<i>(automated comments)</i>		
<b>3 Months Outlook (Base)</b>	Moderate	<b>50.90 / 100</b>
<b>Current Momentum</b>	Slightly Bullish	<b>22.41%</b>

### RELATED NEWS (previous 3 days):

*Refer to risk sentiments for more information.*

- 14/04/2014 (Bloomberg): EUR weakened after ECB Draghi said its strength "requires further monetary stimulus." BoF Governor Noyer said strong euro is "a serious preoccupation," while Bundesbank said the exchange rate is one of the factors in the ECB's inflation assessment and officials "are considering" its
- 11/04/2014 (Reuters 12/04): ECB says further euro strengthening would trigger looser monetary policy. (Bloomberg 12/04): Germany Warns European Markets Not to Celebrate Prematurely
- 10/04/2014

Base Fundamental (Data of last 3 months)			Current Fundamental (Current data set)		
1. NZD	83.82	+0.00 *	CAD	+43.88%	-0.02% *
2. JPY	78.26	+0.00 *	NZD	+42.04%	+0.04% *
3. GBP	69.94	-0.00 *	USD	+31.65%	+2.65% *
4. USD	58.99	+0.00 *	AUD	+29.22%	+0.02% *
5. AUD	56.25	+0.00 *	JPY	+26.06%	-0.04% *
6. <b>EUR</b>	<b>50.90</b>	<b>+0.00 *</b>	GBP	+24.13%	+0.93% *
7. CAD	45.74	+0.00 *	<b>EUR</b>	<b>+22.41%</b>	<b>+0.71% *</b>

\* Day/day change - % range from +/- 10% (dependent on data availability)

### HA Research Comments:

- MARKET:** Bears in control over further QE speculation, dovish ECB; Bulls exhausted;
- TECHNICAL:** EURUSD Neutral; EURJPY Overbought
- CONCLUSION:** Bearish on EUR. Find short.
- Bearish Factors: (1) Base Index 2nd weakest, (2) Current Index weakest, (3) ECB shows QE interests. (4) Germany dovish on EURUSD rate.
- Bullish Factors: -

### EURUSD

*NOTE: Chart frame varies from H4 - W1, dependent on price action conformity relative to fundamental reports on trading period.*



### EURJPY

*NOTE: Confirmity of price action against fundamental often changes quickly on volatility of market. Chart validity expires daily.*



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## Eurozone Currency Report

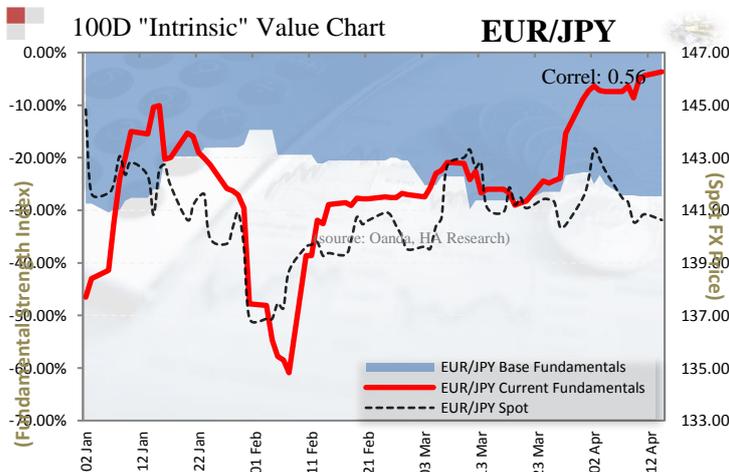
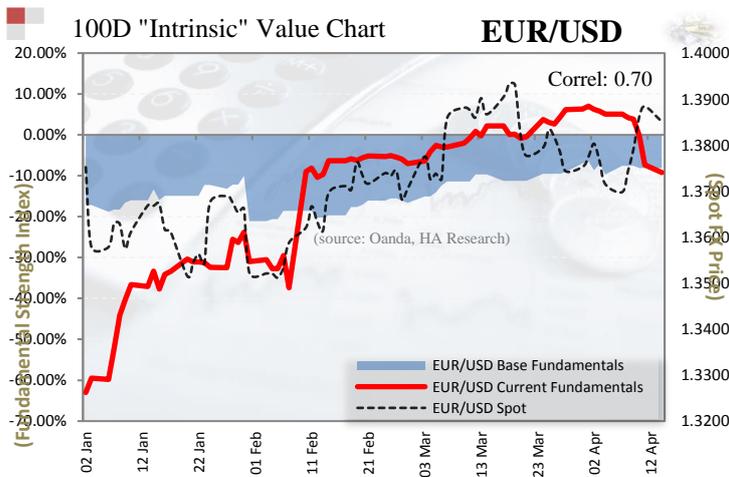
**Table 1: Fundamental Calendar.**

UPCOMING FUNDAMENTAL EVENTS					
DATE	TIME	DETAILS	FORECAST	PREV.	IMPACT
15-Apr (Tue)	Tentative	Trade Balance	13.9B	13.7B	!
15-Apr (Tue)	5:00pm	German ZEW Economic Sentiment	46.30	46.60	!!!
15-Apr (Tue)	5:00pm	ZEW Economic Sentiment	60.70	61.50	!!
15-Apr (Tue)	5:00pm	Trade Balance			!

PAST (20) ECONOMIC EVENTS:						
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
14-Apr (Mon)	5:00pm	Industrial Production m/m	0.20%	0.30%	0.00%	➔ +0.68%
11-Apr (Fri)	2:00pm	German Final CPI m/m	0.30%	0.30%	0.30%	➔ +0.11%
11-Apr (Fri)	2:00pm	German WPI m/m	0.00%	0.10%	-0.10%	➔ -0.11%
10-Apr (Thu)	2:45pm	French Industrial Production m/m	0.10%	0.20%	-0.30%	➔ -0.56%
10-Apr (Thu)	2:45pm	French CPI m/m	0.40%	0.60%	0.60%	➔ -0.23%
10-Apr (Thu)	4:00pm	Italian Industrial Production m/m	-0.50%	-0.20%	1.10%	➔ -0.56%
09-Apr (Wed)	2:00pm	German Trade Balance	15.70	18.00	17.20	➔ -0.45%
08-Apr (Tue)	2:45pm	French Gov Budget Balance	-25.70	-25.70	-12.70	➔ -0.45%
08-Apr (Tue)	2:45pm	French Trade Balance	-3.40	-4.90	-5.60	➔ -0.23%
07-Apr (Mon)	6:00pm	German Industrial Production m/m	0.40%	0.30%	0.70%	➔ +0.68%
07-Apr (Mon)	4:30pm	Sentix Investor Confidence	14.10	14.10	13.90	➔ +0.79%
04-Apr (Fri)	6:00pm	German Factory Orders m/m	0.60%	0.50%	0.10%	➔ +0.68%
04-Apr (Fri)	4:10pm	Retail PMI	49.20	48.50	48.50	➔ -0.23%
03-Apr (Thu)	3:15pm	Spanish Services PMI	54.00	54.10	53.70	➔ +0.68%
03-Apr (Thu)	3:45pm	Italian Services PMI	49.50	52.30	52.90	➔ +0.00%

The HA Research 100 days "Intrinsic" Value Charts depicts the calculated index differential between 2 currencies. Base on the movements of the differentials, they are plotted against actual market spot movement to "track" the "intrinsic" value of the currency pair.



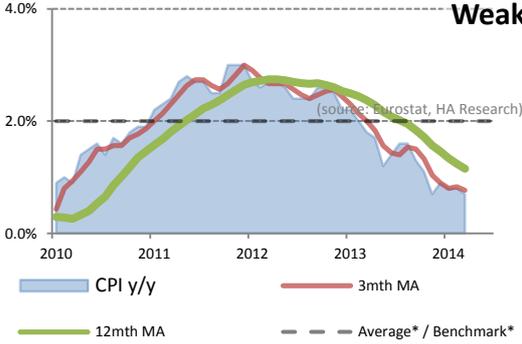
**Table 2: Fundamental Score List.**

BASE FUNDAMENTAL DATA RESULTS				
Type	EUR Fundamental Data	Strength	Total	
<b>Business Survey</b>	Belgian NBB Business Climate	Recovery	0.225	
	Flash Manufacturing PMI	Strong	1.802	
	Flash Services PMI	Strong	1.802	
	Final Manufacturing PMI	Strong	0.901	
	Final Services PMI	Strong	0.901	
	Retail PMI	Recovery	0.225	
	French Flash Manufacturing PMI	Strong	2.703	
	French Flash Services PMI	Recovery	0.45	
	German Flash Manufacturing PMI	Strong	2.703	
	German Flash Services PMI	Strong	1.802	
	German Ifo Business Climate	Strong	2.703	
	Italian Manufacturing PMI	Strong	1.802	
Italian Services PMI	Strong	1.802		
Spanish Manufacturing PMI	Strong	1.802	(Strong)	
Spanish Services PMI	Strong	1.802	<b>23.4 / 26.1</b>	
<b>Consumer Survey</b>	German ZEW Economic Sentiment	Strong	2.703	
	Sentix Investor Confidence	Strong	0.901	
	Consumer Confidence	Recovery	0.225	
	GfK German Consumer Climate	Strong	1.802	(Very Strong)
	ZEW Economic Sentiment	Strong	1.802	<b>7.4 / 8.1</b>
<b>Employment</b>	French Prelim Non-Farm Payrolls q/q	Recovery	0.45	
	French Final Non-Farm Payrolls q/q	Weak	0	
	German Unemployment Change	Recovery	0.45	
	Italian Monthly Unemployment Rate	Weak	0	
	Italian Quarterly Unemployment Rate	Weak	0	
	Spanish Unemployment Change	Strong	1.802	
	Spanish Unemployment Rate	Recovery	0.45	
	Employment Change q/q	Weak	0	(Weak)
	Unemployment Rate	Recovery	0.45	<b>3.6 / 12.6</b>
	<b>Growth</b>	Current Account	Strong	1.802
Trade Balance		Strong	0.901	
Final GDP q/q		Recovery	0.225	
Flash GDP q/q		Recovery	0.45	
French Consumer Spending m/m		Recovery	0.45	
French Trade Balance		Weak	0	
French Industrial Production m/m		Recovery	0.45	
French Gov Budget Balance		Recovery	0.225	
French Prelim GDP q/q		Recovery	0.45	
German Factory Orders m/m		Recovery	0.45	
German Final GDP q/q		Recovery	0.225	
German Industrial Production m/m		Strong	1.802	
German Prelim GDP q/q		Recovery	0.45	
German Retail Sales m/m		Recovery	0.45	
German Trade Balance		Strong	1.802	
Italian Industrial Production m/m		Recovery	0.225	
Italian Prelim GDP q/q		Recovery	0.45	
Italian Retail Sales m/m		Recovery	0.225	
Italian Trade Balance	Strong	0.901		
Industrial Production m/m	Strong	1.802		
Private Loans y/y	Weak	0		
Retail Sales m/m	Recovery	0.45		
Revised GDP q/q	Recovery	0.225	(Weak)	
Spanish Flash GDP q/q	Recovery	0.45	<b>14.9 / 34.2</b>	
<b>Housing</b>	Spanish HPI q/q	Recovery	0.45	<b>0.5 / 1.8</b>
	<b>Inflation</b>			
	Core CPI y/y	Weak	0	
	CPI Flash Estimate y/y	Weak	0	
	CPI y/y	Weak	0	
	M3 Money Supply y/y	Neutral	0.901	
	PPI m/m	Weak	0	
	Italian Prelim CPI m/m	Weak	0	
	French CPI m/m	Weak	0	
	German Import Prices m/m	Recovery	0.225	
	German WPI m/m	Weak	0	
	German Final CPI m/m	Weak	0	
	German PPI m/m	Weak	0	(Very Weak)
	German Prelim CPI m/m	Weak	0	<b>1.1 / 17.1</b>
			<b>50.90</b>	<b>100.00</b>

Eurozone Currency Report

# INFLATION INDICATORS

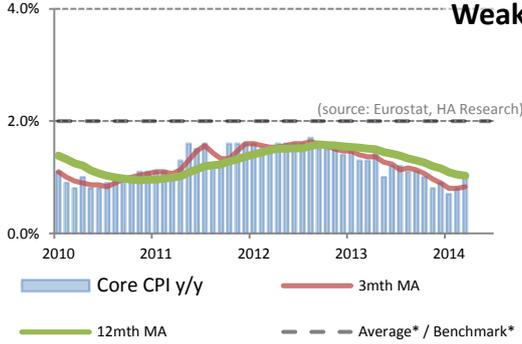
**(Fig2.1)** **Weak**



April: **Pending** Previous: **0.70%**

**Consumer Price Index** Change in the price of goods and services purchased by consumers;

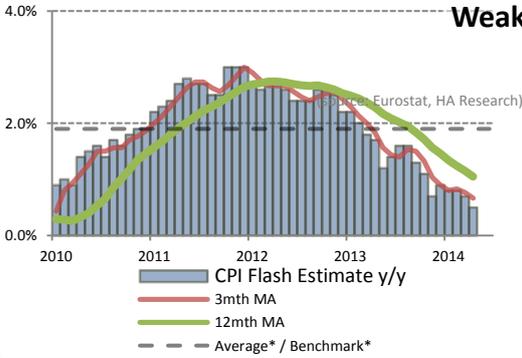
**(Fig2.2)** **Weak**



April: **Pending** Previous: **1.00%**

**Core CPI** Change in the price of goods and services purchased by consumers, excluding food, energy, alcohol, and tobacco;

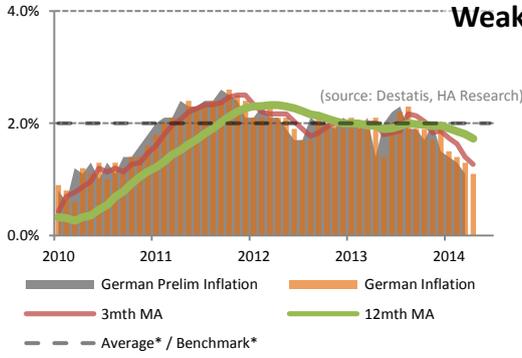
**(Fig2.3)** **Weak**



April: **0.50%** Previous: **0.70%**

**Eurostat CPI Estimate** Eurostat bases this estimate on energy prices and EU member states that report early CPI data.

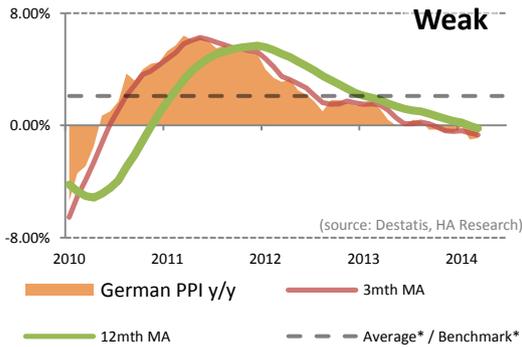
**(Fig2.4)** **Weak**



April: **1.10%** Previous: **1.30%**

**German CPI** Change in the price of goods and services purchased by German consumers;

**(Fig2.5)** **Weak**



April: **Pending** Previous: **-0.90%**

**German PPI** Change in the price of goods sold by German manufacturers;

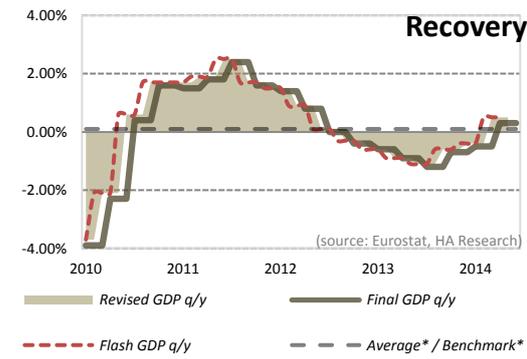
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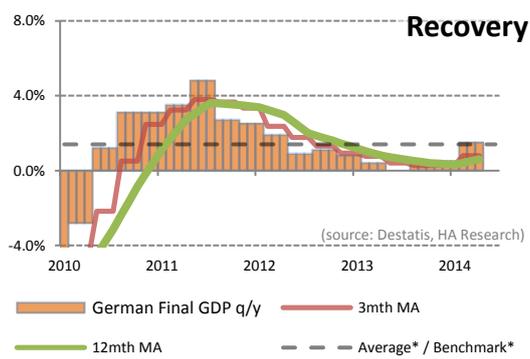
# GROWTH INDICATORS

**(Fig3.1)** Recovery



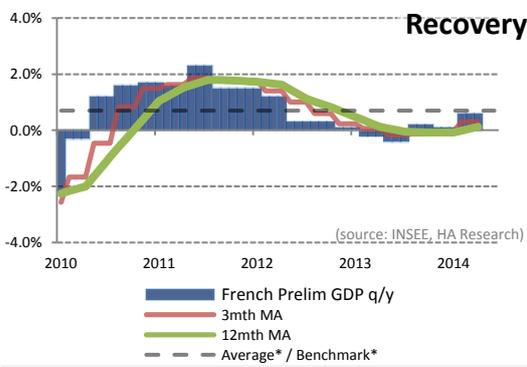
April:	<b>0.30%</b>	Previous	-0.50%
<b>Final GDP</b>	Change in the inflation-adjusted value of all goods and services produced by the economy;		

**(Fig3.2)** Recovery



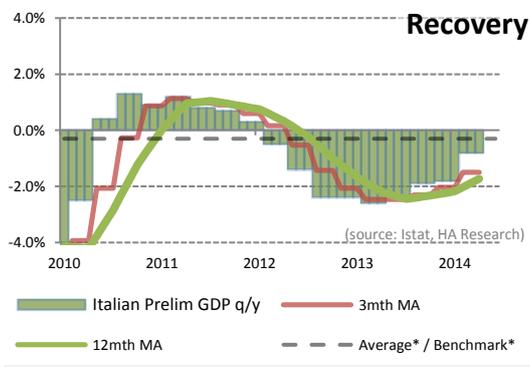
April:	<b>1.50%</b>	Previous	1.50%
<b>German GDP</b>	Change in the inflation-adjusted value of all goods and services produced by the economy;		

**(Fig3.3)** French GDP continues to weaken broadly.



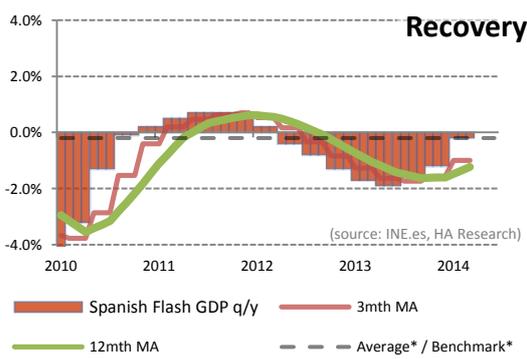
April:	<b>0.60%</b>	Previous	0.30%
<b>French GDP</b>	Change in the inflation-adjusted value of all goods and services produced by the economy;		

**(Fig3.4)** Italian GDP weak, could have bottomed.



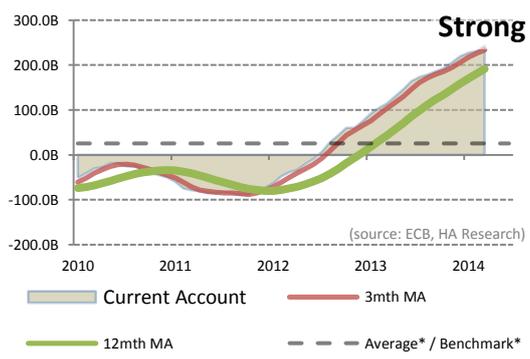
April:	<b>-0.80%</b>	Previous	-0.80%
<b>Italian GDP</b>	Change in the inflation-adjusted value of all goods and services produced by the economy;		

**(Fig3.5)** Recovery



April:	<b>Pending</b>	Previous	-0.20%
<b>Spanish GDP</b>	Change in the inflation-adjusted value of all goods and services produced by the economy;		

**(Fig3.6)** Strong



April:	<b>Pending</b>	Previous	242.5B
<b>Current Account</b>	Difference in trade balance, services, income flows, and unilateral transfers during the previous month;		

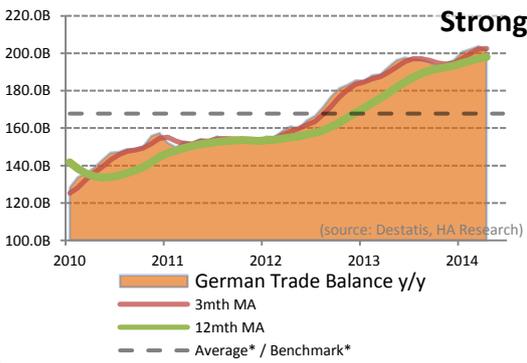
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**GROWTH INDICATORS** (continued)

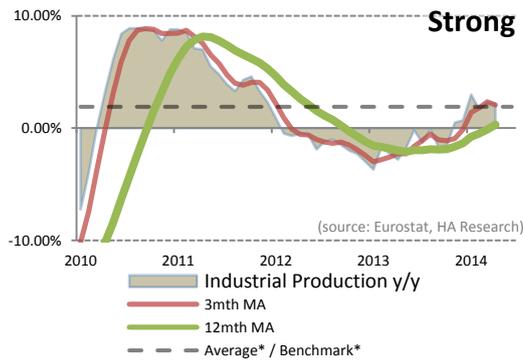
**(Fig4.1)**



April: **201.8B** Previous 203.8B

**German Trade Bal.** Difference in value between imported and exported goods during the reported month;

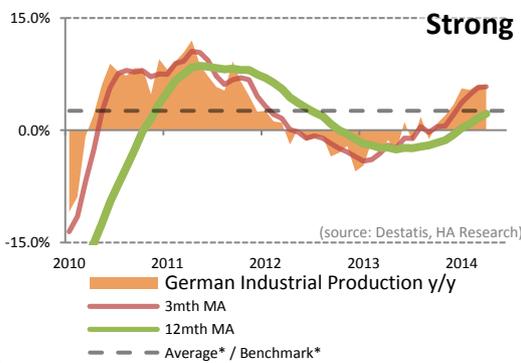
**(Fig4.2)**



April: **2.20%** Previous 2.30%

**Industrial Production** Change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities;

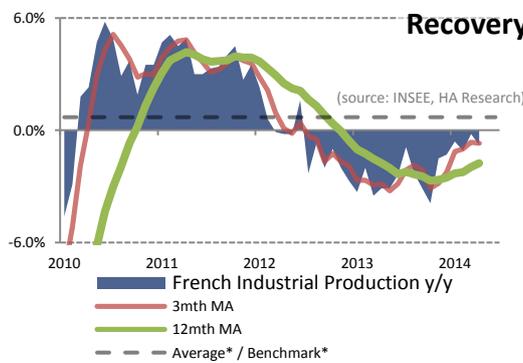
**(Fig4.3)**



April: **6.00%** Previous 6.10%

**German Ind. Production** Change in the total value of output produced by manufacturers, mines, and utilities;

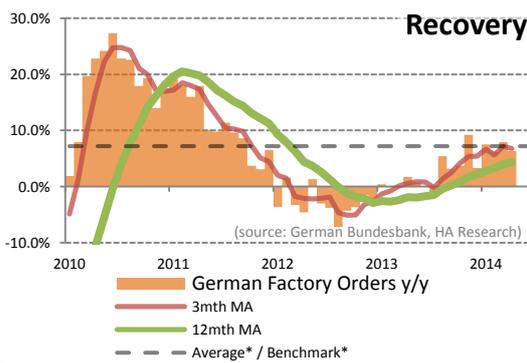
**(Fig4.4)**



April: **-0.80%** Previous -0.20%

**French Ind. Production** Change in the total value of output produced by manufacturers, mines, and utilities;

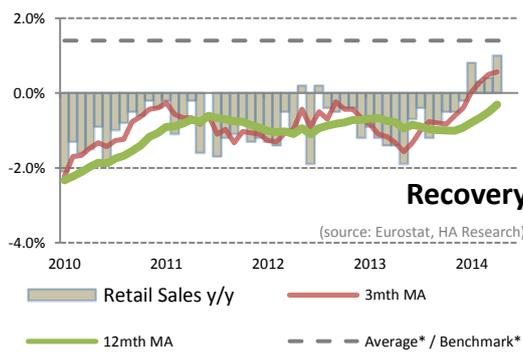
**(Fig4.5)**



April: **6.30%** Previous 7.90%

**German Factory Orders** Change in the total value of new purchase orders placed with manufacturers; (Industrial / Manufacturing)

**(Fig4.6)**



April: **1.00%** Previous 0.40%

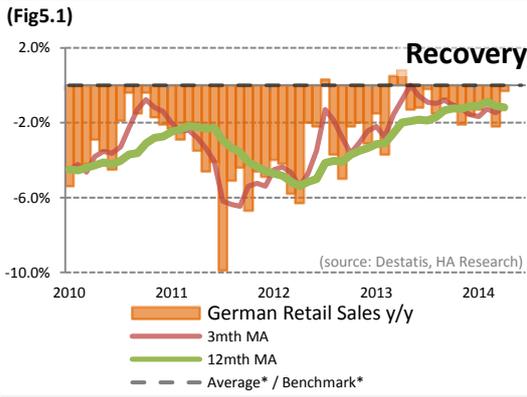
**Retail Sales** Change in the total value of inflation-adjusted sales at the retail level;

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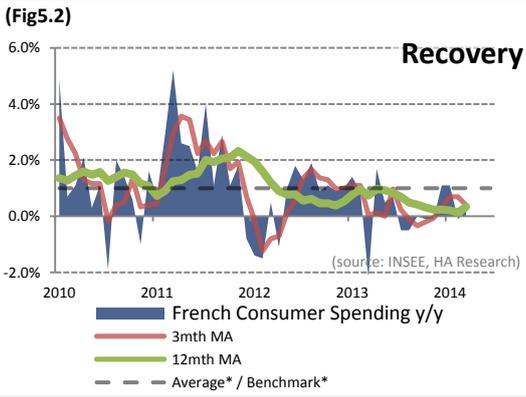
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# GROWTH INDICATORS (continued)

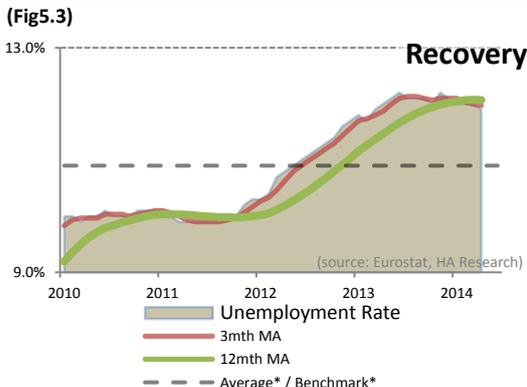


**German Retail Sales** Change in the total value of sales at the retail level, excluding automobiles and gas stations;

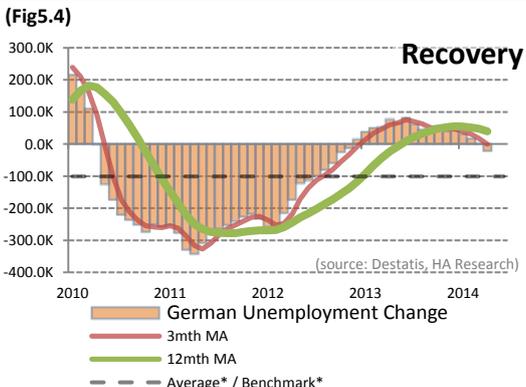


**French Con. Spending** Change in the inflation-adjusted value of all goods expenditures by consumers; INSEE

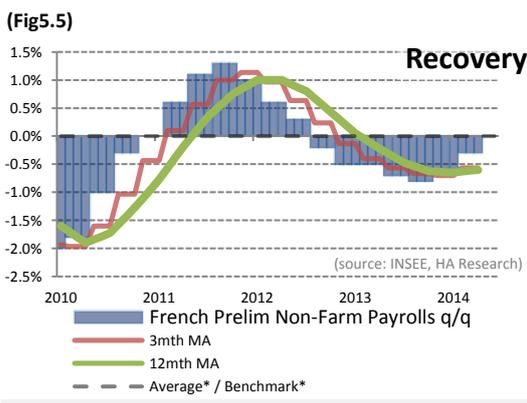
# EMPLOYMENT INDICATORS



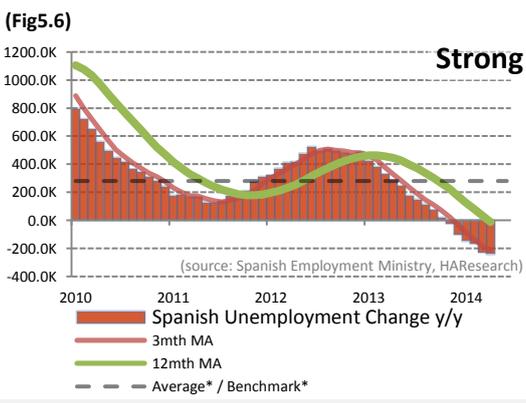
**Jobless Rate** % of total work force that is unemployed and actively seeking employment during the previous month;



**German Job Loss Count** Change in the number of unemployed people during the previous month; data showing y/y.



**French NFP** Change in the no. of employed people, excluding farming industry and government;



**Spanish Job Loss Claims** Change in the no. of unemployed people during the previous month; Jobless Claims,

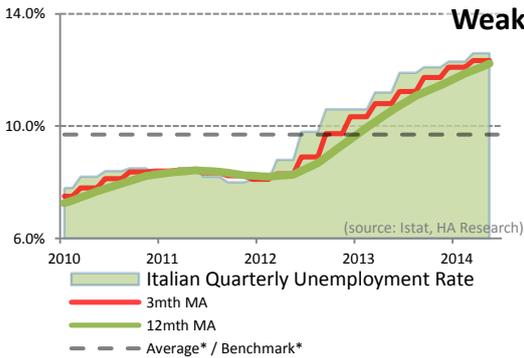
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# EMPLOYMENT INDICATORS (continued)

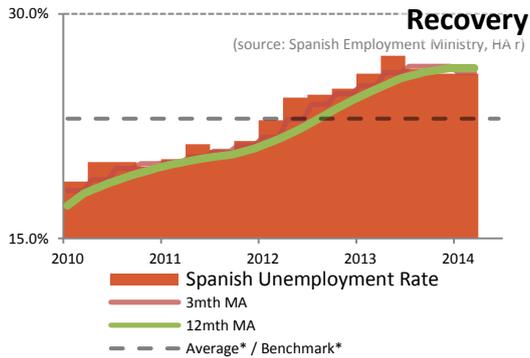
**(Fig6.1)** **Weak**



April:	<b>12.60%</b>	Previous	12.60%
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**Italian Qtrly Jobless Rate** % of work force that is unemployed and actively seeking employment during the previous quarter; Istat

**(Fig6.2)** **Recovery**

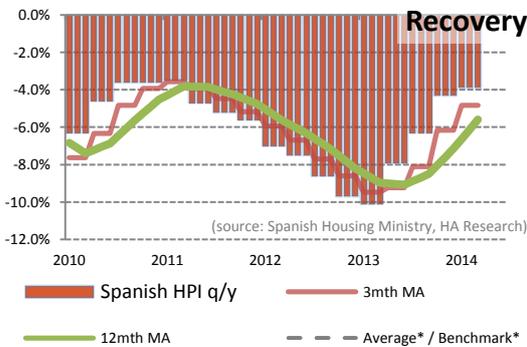


April:	<b>Pending</b>	Previous	26.0%
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**Spanish Jobless Rate** % of work force that is unemployed and actively seeking employment during the previous quarter;

# HOUSING INDICATORS

**(Fig6.3)** **Recovery**

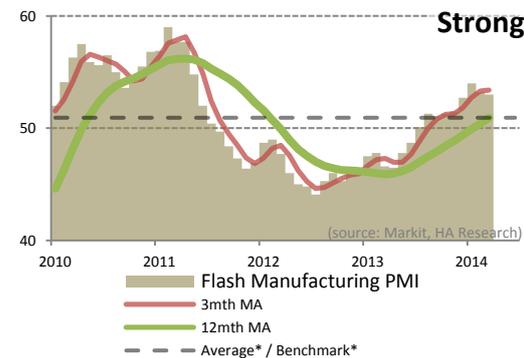


April:	<b>Pending</b>	Previous	-3.90%
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**Spanish HPI** Change in the appraisal price of homes;

# BUSINESS SURVEY

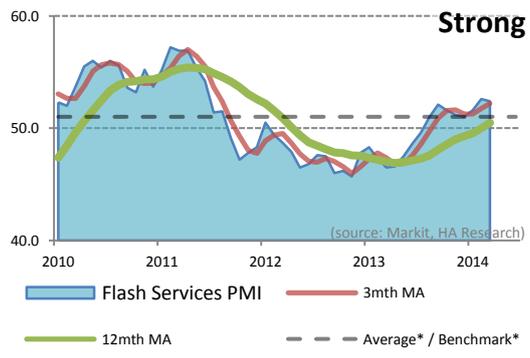
**(Fig6.4)** **Strong**



April:	<b>Pending</b>	Previous	53.0
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**Manufacturing PMI** Survey of 3000 purchasing managers to rate business conditions, job, production, orders, prices, stocks.

**(Fig6.5)** **Strong**



April:	<b>Pending</b>	Previous	52.4
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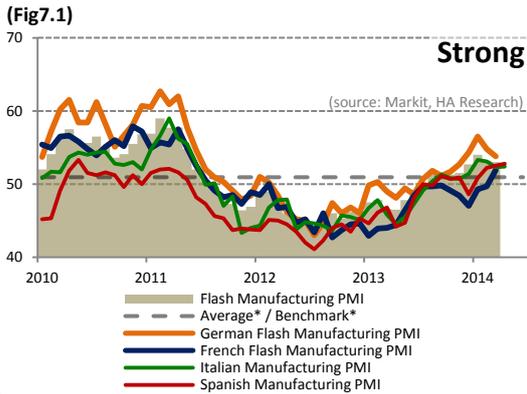
**Services PMI** Survey of 600 purchasing managers to rate business conditions, job, production, orders, prices, stocks.

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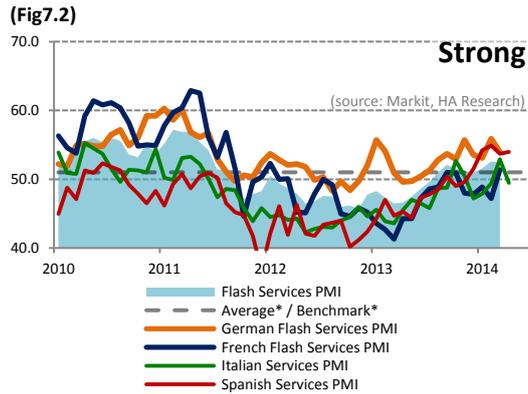
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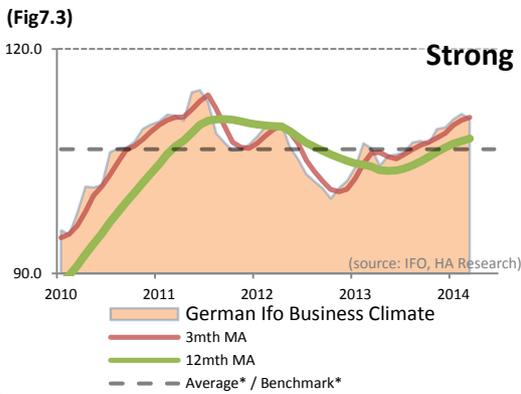
**BUSINESS SURVEY** (continued)



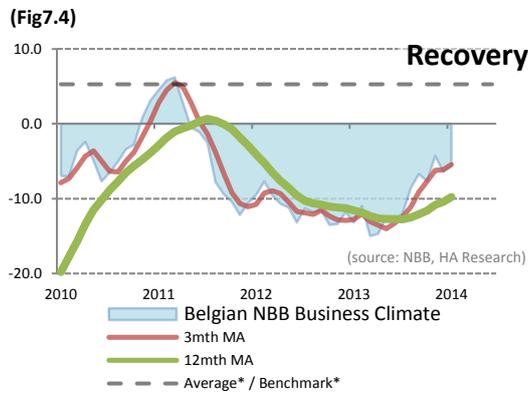
April: **Pending** Previous 53.0  
**All Manu PMI** Combination of German, French, Italian and Spanish Manufacturing PMI against Euro's Manufacturing PMI



April: **Pending** Previous 52.4  
**All Services PMI** Combination of German, French, Italian and Spanish Services PMI against Euro's Services PMI

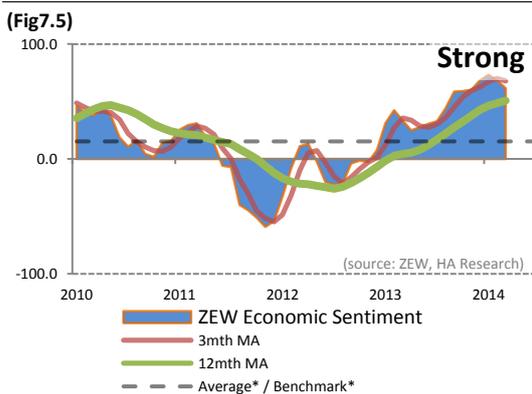


April: **Pending** Previous 110.7  
**German IFO Biz Climate** Survey of 7,000 businesses to rate current business conditions and expectations for the next 6 months;

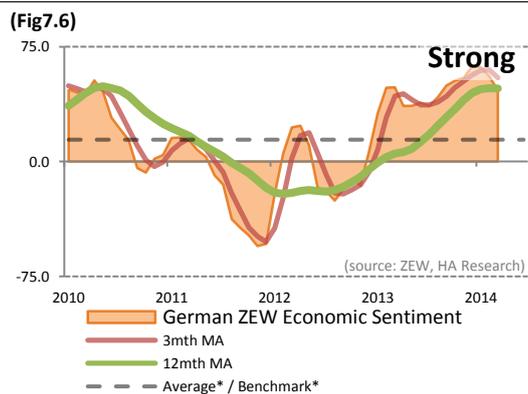


April: **Pending** Previous 0.0  
**Belgian NBB Bis Climate** Survey of 6,000 businesses to rate current business conditions and expectations for the next 6 months;

**CONSUMER SURVEY**



April: **Pending** Previous 61.5  
**Zew Econ. Sentiments** Survey of 275 German institutional investors and analysts to rate 6-month outlook for the Eurozone;



April: **Pending** Previous 46.6  
**German Zew Econ Sent.** Survey of 275 German institutional investors and analysts to rate 6-month economic outlook for Germany;

Average\* / Benchmark\* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

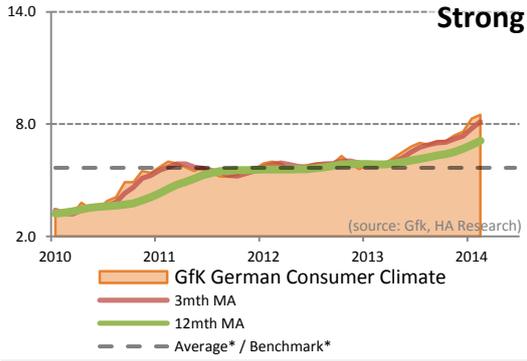
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).



Eurozone Currency Report

# CONSUMER SURVEY (continued)

(Fig8.1)



April:	<b>Pending</b>	<b>Previous</b>	0.0
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**GfK German Con. Climate** Survey of 2,000 consumers to rate past and future economic conditions, financials;

Average\* / Benchmark\* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).