

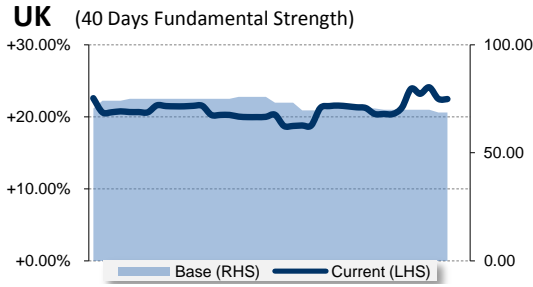
United Kingdom Currency Report

UK ECONOMY

 In a glance.

16-Apr-2014 (Wednesday)

Last Updated: 07:51AM (GMT +0800)

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

INFLATION INDICATORS :	1.9	/ 16.5
GROWTH INDICATORS :	32.0	/ 41.8
EMPLOYMENT INDICATORS :	4.7	/ 7.6
HOUSING INDICATORS :	12.7	/ 13.9
BUSINESS SURVEY :	14.6	/ 16.5
CONSUMER SURVEY :	2.8	/ 3.8
<i>(automated comments)</i>		
3 Months Outlook (Base)	Strong	68.67 / 100
Current Momentum	Slightly Bullish	22.47%

RELATED NEWS (previous 3 days): Refer to risk sentiments (Market Watch) for more information.

- 16/04/2014 ~
- 15/04/2014 ~
- 14/04/2014 (Bloomberg): Currency traders are more bullish on the pound that at any time in the past three years as the U.K.'s booming property market fuels speculation the Bank of England is getting closer to raising interest rates.

Base Fundamental (Data of last 3 months)			Current Fundamental (Current data set)		
1.	NZD	83.82 +0.00 *	CAD	+39.89%	-0.01% *
2.	JPY	78.26 +0.00 *	NZD	+38.37%	-3.63% *
3.	GBP	68.67 +0.00 *	USD	+35.26%	-0.04% *
4.	USD	57.55 +0.00 *	AUD	+29.22%	+0.02% *
5.	AUD	56.25 +0.00 *	JPY	+26.06%	-0.04% *
6.	EUR	50.90 +0.00 *	EUR	+23.54%	+0.04% *
7.	CAD	45.74 +0.00 *	GBP	+22.47%	-0.03% *

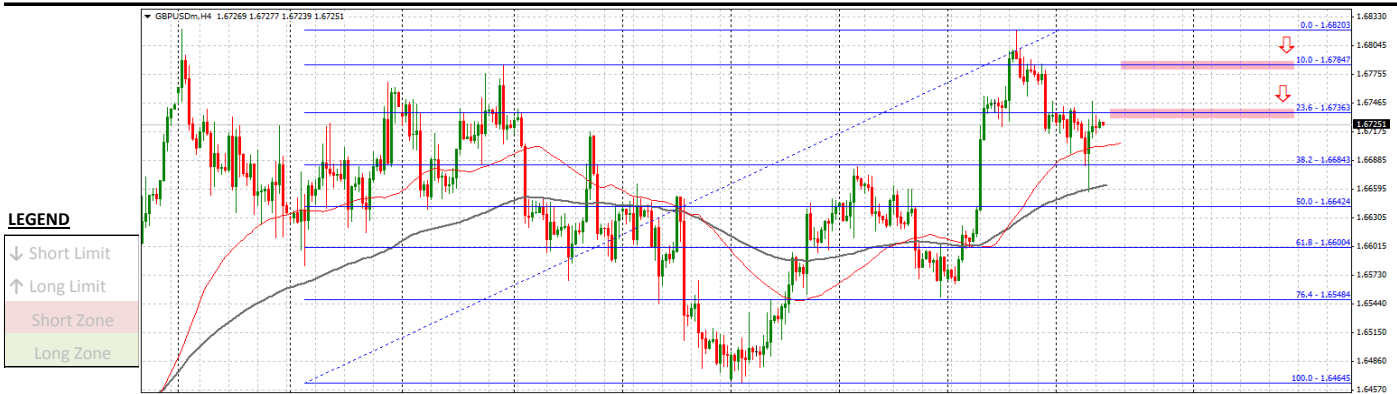
* Day/day change - % range from +/- 10% (dependent on data availability)

HA Research Comments:

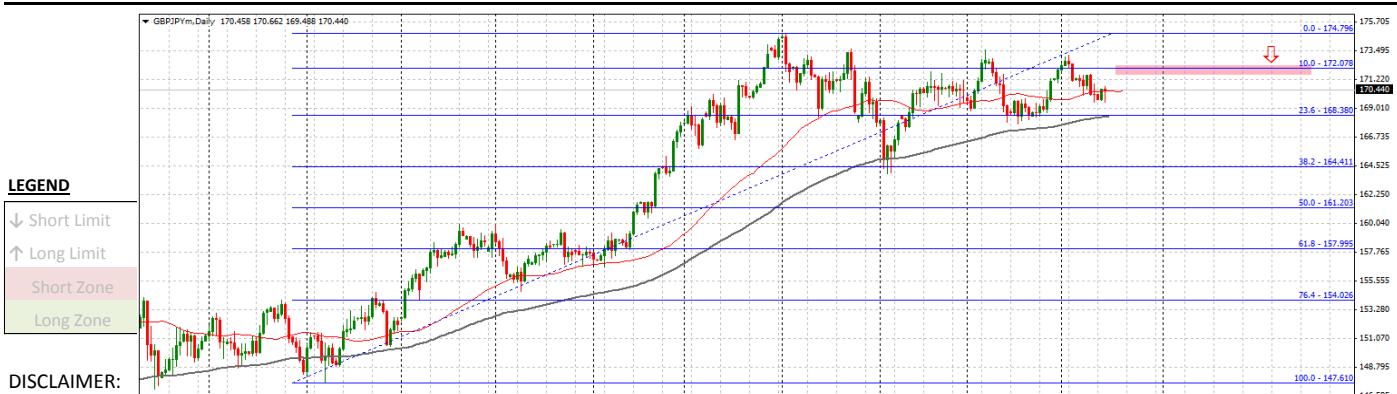
- MARKET:** Bears could return on recent slowing of fundamentals; Bulls have strong base, IMF bullish comments.
- TECHNICAL:** GBPUSD (H4) Overbought, GBPJPY (H4, D1) Neutral
- CONCLUSION:** SKIP - Pending Jobs data. To resume trade decision after data release. Starting to be slight bearish.
- Bearish Factors: (1) BOE comments avoiding interest rate hike, sees slack in jobs. (2) Recent Index weak.
- Bullish Factors: (1) 3rd Strong Base (2) IMF bullish comments on UK (3) Mkt Speculation of faster rate hike.

GBPUSD

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

**GBPJPY**

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

**DISCLAIMER:**

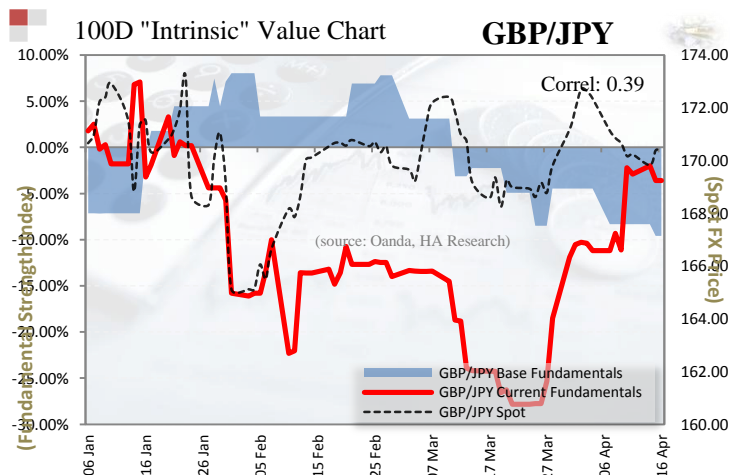
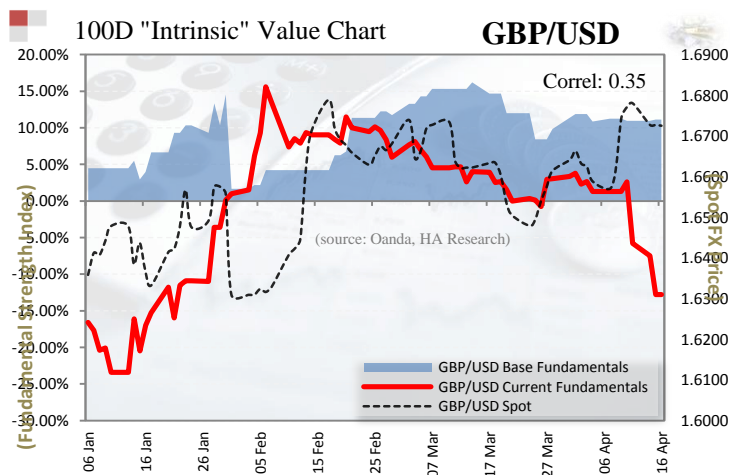
THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER NOR SHALL IT FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT, TRADE OR COMMITMENT WHATSOEVER. REFERENCE TO DATA IN THIS DOCUMENT ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED. MANAGER(S) ADD(S) DISCRETIONARY OVERLAY FACTORS FOR TRADE DECISION.

United Kingdom Currency Report**Table 1: Fundamental Calendar.**

UPCOMING FUNDAMENTAL EVENTS					
DATE	TIME	DETAILS	FORECAST	PREV.	IMPACT
16-Apr (Wed)	4:30pm	Claimant Count Change	-30.2K	-34.6K	!!!
16-Apr (Wed)	4:30pm	Unemployment Rate	7.20%	7.20%	!!!
16-Apr (Wed)	4:30pm	Average Earnings Index 3m/y	1.80%	1.40%	!!

PAST (20) ECONOMIC EVENTS:						
DATE	Score	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
15-Apr (Tue)	7:01am	BRC Retail Sales Monitor y/y	-1.70%	-	-1.00%	↓ -1.27%
15-Apr (Tue)	4:30pm	CPI y/y	1.60%	1.60%	1.70%	→ -0.24%
15-Apr (Tue)	4:30pm	PPI Input m/m	-0.60%	-0.10%	-0.50%	↓ -2.53%
15-Apr (Tue)	4:30pm	RPI y/y	2.50%	2.50%	2.70%	→ -0.16%
15-Apr (Tue)	4:30pm	Core CPI y/y	1.60%	1.60%	1.70%	→ -0.08%
15-Apr (Tue)	4:30pm	HPI y/y	9.10%	7.20%	6.80%	→ +1.27%
15-Apr (Tue)	4:30pm	PPI Output m/m	0.20%	0.10%	0.10%	→ +0.71%
14-Apr (Mon)	7:01am	Rightmove HPI m/m	2.60%	-	1.60%	→ +1.27%
11-Apr (Fri)	5:00pm	CB Leading Index m/m	0.40%	0.40%	0.60%	→ +0.55%
10-Apr (Thu)	7:01am	RICS House Price Balance	57.00%	44.00%	47.00%	→ +1.27%
09-Apr (Wed)	7:01am	BRC Shop Price Index y/y	-1.70%	-	-1.40%	↓ -1.27%
09-Apr (Wed)	4:30pm	Trade Balance	-9.10	-9.30	-9.50	↓ -1.11%
08-Apr (Tue)	4:30pm	Manufacturing Production m/m	1.00%	0.30%	0.30%	↑ +3.80%
08-Apr (Tue)	4:30pm	Industrial Production m/m	0.90%	0.30%	0.00%	→ +0.87%
08-Apr (Tue)	10:00pm	NIESR GDP Estimate	0.90%	-	0.90%	↑ +1.90%

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.

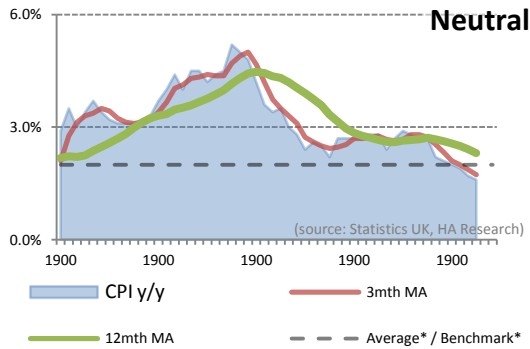
**Table 2: Fundamental Score List.**

BASE FUNDAMENTAL DATA RESULTS				
Type	GBP Fundamental Data	Strength	Total	
Business Survey	CBI Industrial Order Expectations	Recovery	0.633	
	CBI Realized Sales	Strong	2.532	
	Construction PMI	Strong	3.797	
	Manufacturing PMI	Strong	3.797	(Strong)
	Services PMI	Strong	3.797	14.6 / 16.5
Consumer Survey	GfK Consumer Confidence	Recovery	0.316	(Strong)
	Consumer Inflation Expectations	Strong	2.532	2.8 / 3.8
Employment	Claimant Count Change	Strong	3.797	(Strong)
	Unemployment Rate	Recovery	0.949	4.7 / 7.6
Growth	BRC Retail Sales Monitor y/y	Neutral	1.266	
	Current Account	Recovery	0.949	
	CB Leading Index m/m	Strong	1.266	
	Revised Business Investment q/q	Neutral	0.633	
	Index of Services 3m/3m	Strong	1.266	
	Industrial Production m/m	Strong	1.266	
	Final GDP q/q	Strong	2.532	
	Manufacturing Production m/m	Strong	3.797	
	Net Lending to Individuals m/m	Strong	2.532	
	NIESR GDP Estimate	Strong	2.532	
	Prelim Business Investment q/q	Weak	0	
	Prelim GDP q/q	Strong	3.797	
	Public Sector Net Borrowing	Strong	2.532	
	Retail Sales m/m	Strong	3.797	
	Second Estimate GDP q/q	Strong	3.797	(Strong)
	Trade Balance	Weak	0	32.0 / 41.8
Housing	BBA Mortgage Approvals	Strong	2.532	
	RICS House Price Balance	Strong	1.266	
	Rightmove HPI m/m	Strong	1.266	
	HPI y/y	Strong	1.266	
	Mortgage Approvals	Strong	1.266	
	Housing Equity Withdrawal q/q	Weak	0	
	Halifax HPI m/m	Strong	2.532	(Very Strong)
Inflation	Nationwide HPI m/m	Strong	2.532	12.7 / 13.9
	Average Earnings Index 3m/y	Weak	0	
	PPI Output m/m	Weak	0	
	M4 Money Supply m/m	Weak	0	
	BRC Shop Price Index y/y	Weak	0	
	Core CPI y/y	Weak	0	
	CPI y/y	Neutral	1.899	
	PPI Input m/m	Weak	0	(Very Weak)
	RPI y/y	Weak	0	1.9 / 16.5
			68.67	100.00

United Kingdom Currency Report

INFLATION INDICATORS

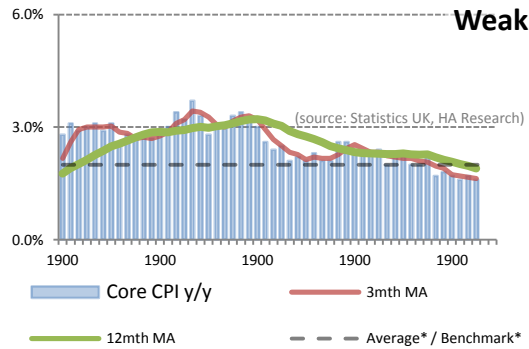
(Fig2.1)



April: **1.60%** Previous **1.70%**

Consumer Price Index Change in the price of goods and services purchased by consumers; BOE mandated inflation target

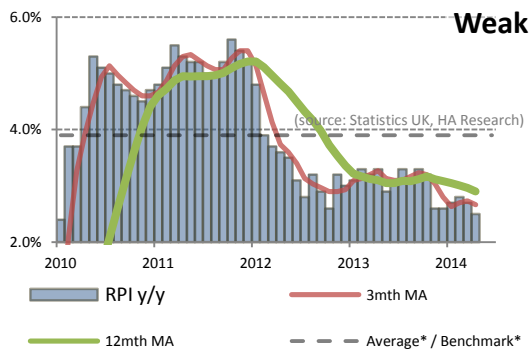
(Fig2.2)



April: **1.60%** Previous **1.70%**

Core CPI Change in the price of goods and services purchased, excluding food, energy, alcohol, and tobacco items

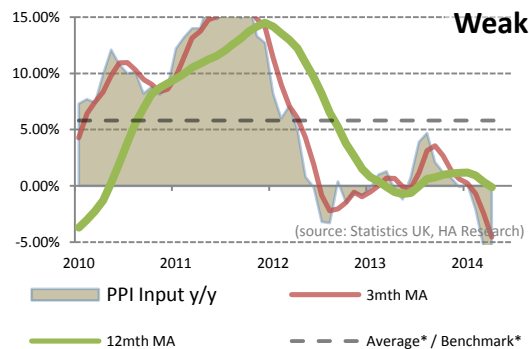
(Fig2.3)



April: **2.50%** Previous **2.70%**

Retail Price Index Change in the price of goods and services purchased by consumers for the purpose of consumption;

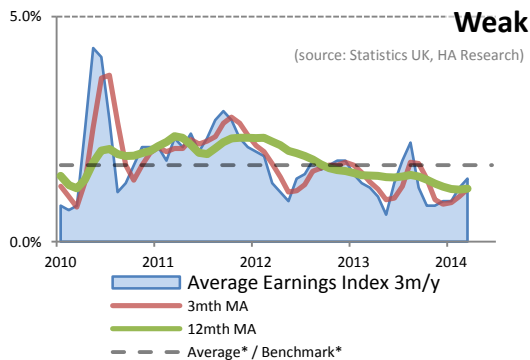
(Fig2.4)



April: **-6.10%** Previous **-5.40%**

Producer Price Index Change in the price of goods and raw materials purchased by manufacturers;

(Fig2.5)



April: **Pending** Previous **1.40%**

Avg Earnings Index Change in the price businesses and the government pay for labor, including bonuses;

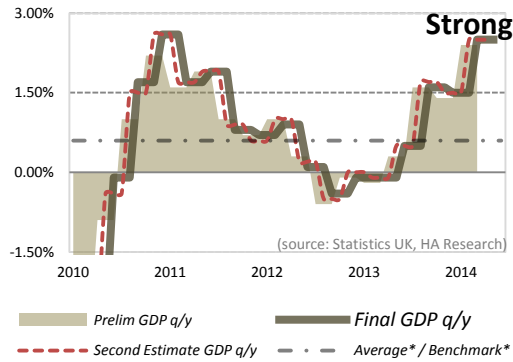
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

United Kingdom Currency Report

GROWTH INDICATORS

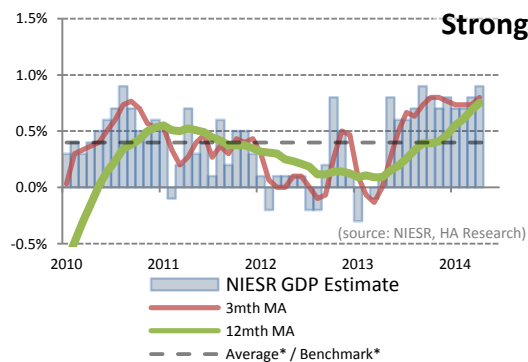
(Fig3.1)



April: **2.50%** Previous: **2.50%**

GDP q/q Change in the inflation-adjusted value of all goods and services produced by the economy;

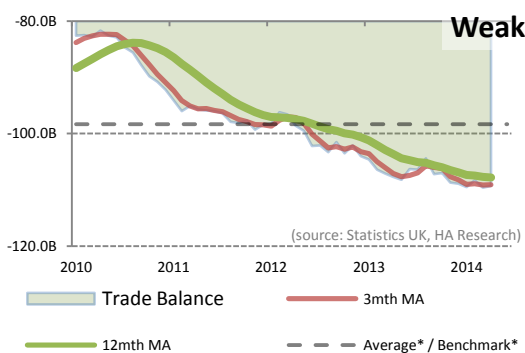
(Fig3.2)



April: **0.90%** Previous: **0.80%**

NIESR GDP Estimate Change in the estimated value of all goods and services produced by the economy during the previous 3 months;

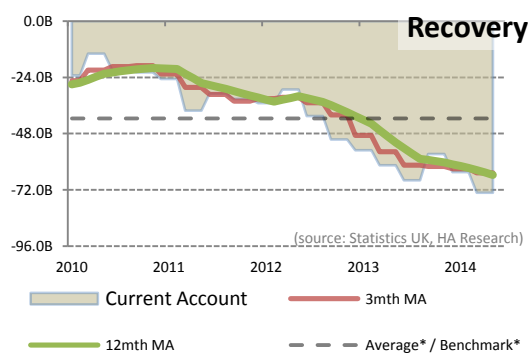
(Fig3.3)



April: **-109.3B** Previous: **-109.6B**

Trade Balance Difference in value between imported and exported goods during the reported month;

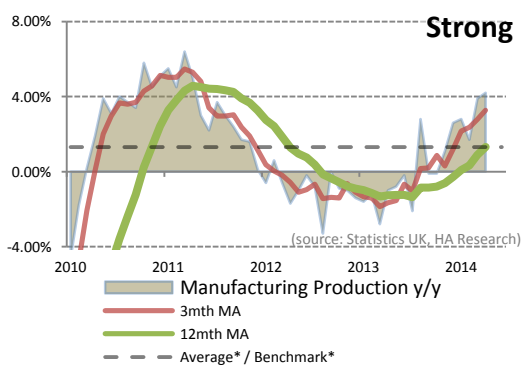
(Fig3.4)



April: **-73.2B** Previous: **-73.2B**

Current Account Difference in trade balance, income flows, and unilateral transfers during the previous quarter;

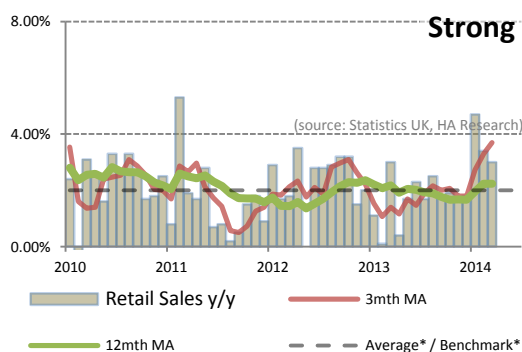
(Fig3.5)



April: **4.20%** Previous: **3.90%**

Manu. Production Change in the total inflation-adjusted value of output produced by manufacturers; Factory production

(Fig3.6)



April: **Pending** Previous: **1.7%**

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

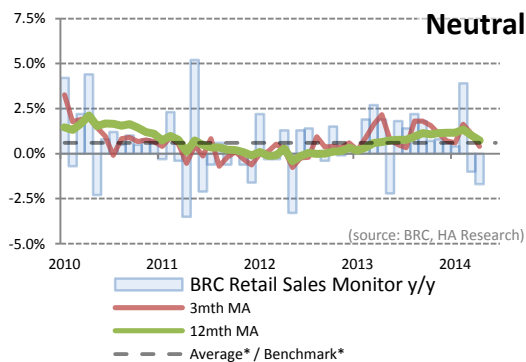
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

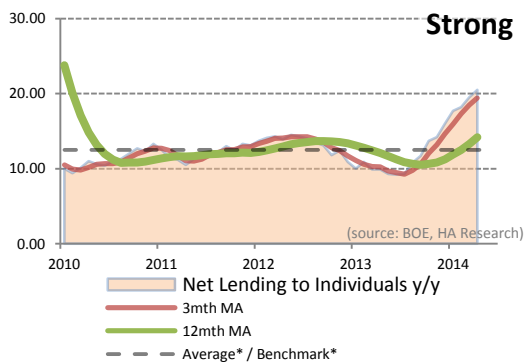
United Kingdom Currency Report

GROWTH INDICATORS (continued)

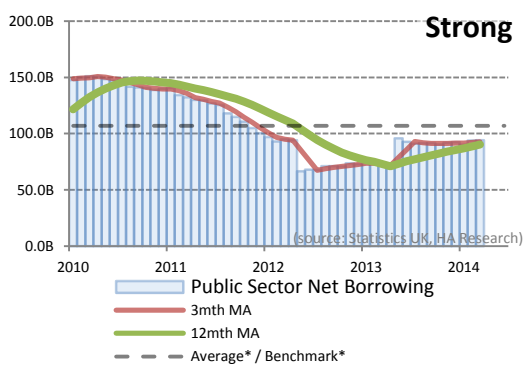
(Fig4.1)

April: **-1.70%** Previous: **-1.00%****BRC Retail Sales** Change in the value of same-store sales at the retail level; British Retail Consortium (BRC);

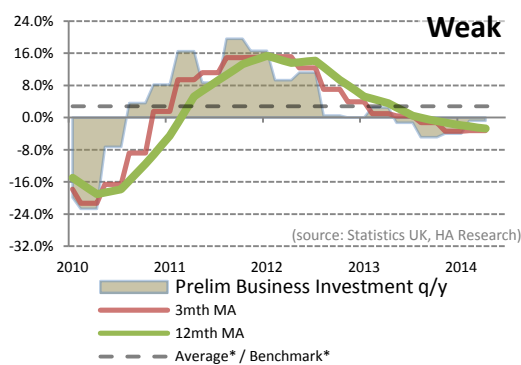
(Fig4.2)

April: **20.5B** Previous: **19.5B****Net Lending to Individual** Change in the total value of new credit issued to consumers;

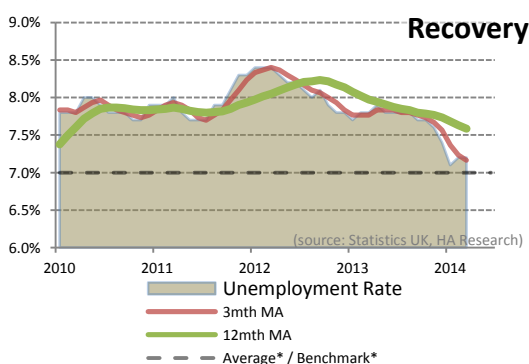
(Fig4.3)

April: **Pending** Previous: **94.1B****Gov. Budget Balance** Difference in spending and income for public corporations, governments during the previous month;

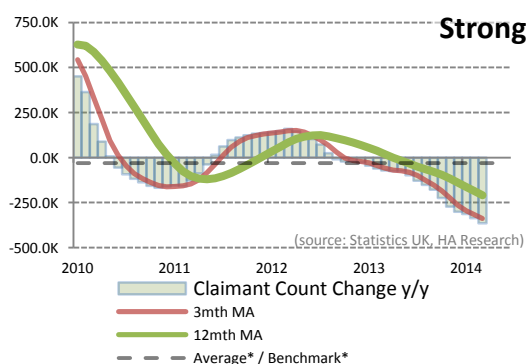
(Fig4.4)

April: **-0.8%** Previous: **-0.8%****Total Biz. Investments** Change in the total inflation-adjusted value of capital investments made by businesses and the government;**EMPLOYMENT INDICATORS**

(Fig4.5)

April: **Pending** Previous: **7.2%****Jobless Rate** % of total work force that is unemployed and actively seeking employment during the past 3 months;

(Fig4.6)

April: **Pending** Previous: **-365.6K****Jobless Claims** Change in the number of people claiming unemployment-related benefits during the previous month;

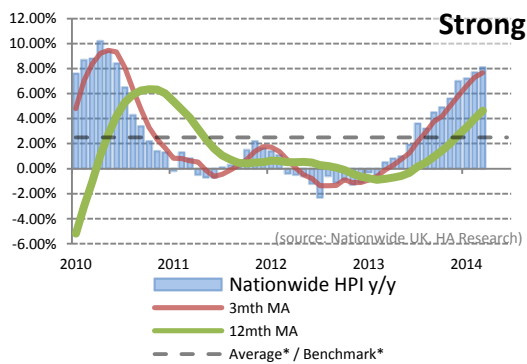
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

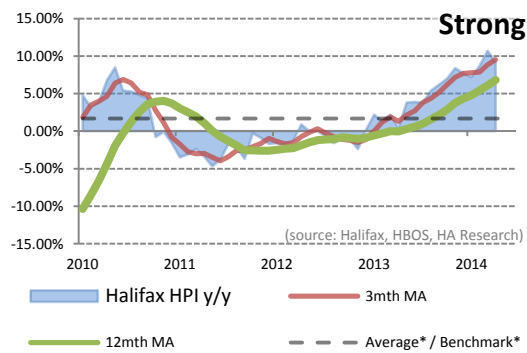
United Kingdom Currency Report

HOUSING INDICATORS

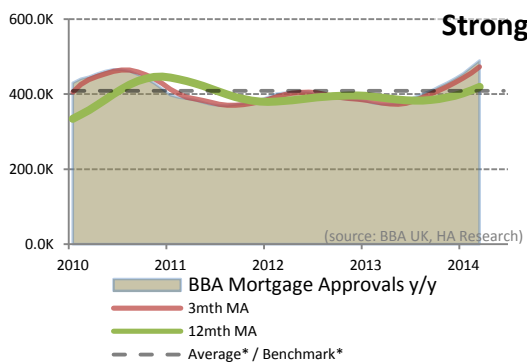
(Fig5.1)



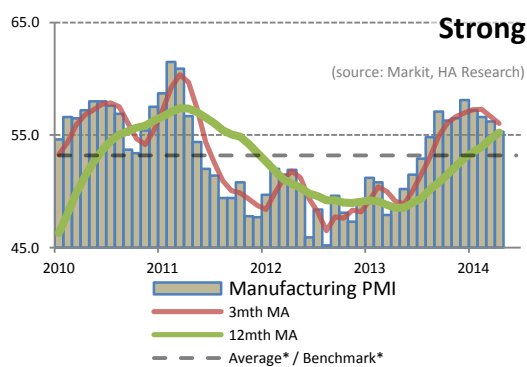
(Fig5.2)



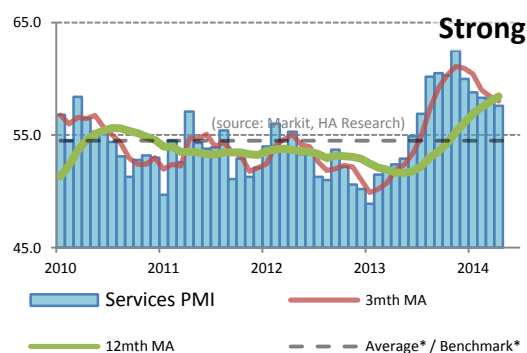
(Fig5.3)

**BUSINESS SURVEY**

(Fig5.4)



(Fig5.5)



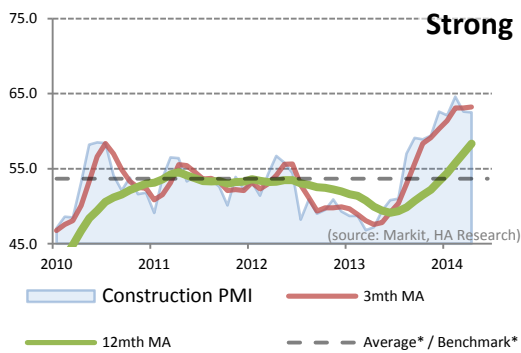
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

United Kingdom Currency Report

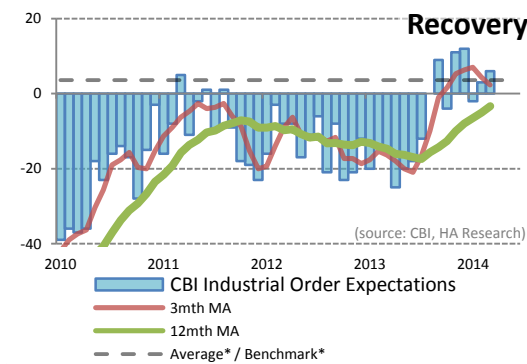
BUSINESS SURVEY (continued)

(Fig6.1)



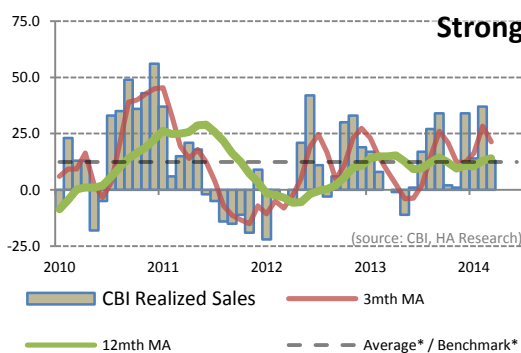
April:	62.5	Previous	62.6
Construction PMI	Level of a diffusion index based on surveyed purchasing managers in the construction industry;		

(Fig6.2)



April:	Pending	Previous	6.0
CBI Industrial Order Exp.	Survey of 550 manufacturers to rate order volume expected during next 3 months; Confederation of British Industry (CBI);		

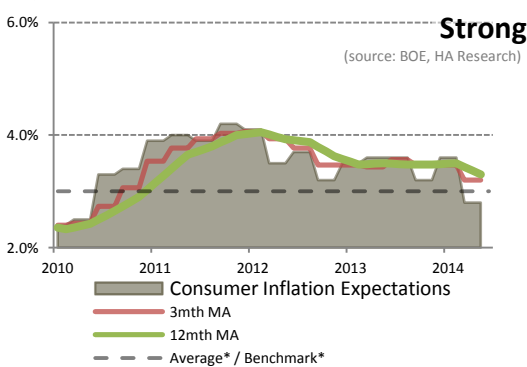
(Fig6.3)



April:	Pending	Previous	13.0
CBI Realized Sales	Survey of 150 retail and wholesale companies to rate the relative level of current sales volume;		

CONSUMER SURVEY

(Fig6.4)



April:	2.8%	Previous	2.8%
Con. Inflation Expectn	Survey of 2,000 consumers, conducted by GfK, where they expect prices to be 12 months in the future;		

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).