



AUSTRALIA FUNDAMENTAL REPORT

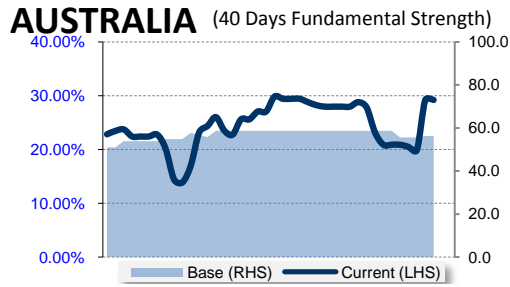
AUSTRALIAN ECONOMY

In a glance.

11-Apr-2014 (Friday)

Last Updated: 04:22PM (GMT +0800)

Figure 1: Fundamental Strength Index for last 40 days.

**BASE SUMMARY:**

INFLATION INDICATORS :	16.2	/ 20.6
GROWTH INDICATORS :	16.2	/ 33.8
EMPLOYMENT INDICATORS :	0.7	/ 11.8
HOUSING INDICATORS :	14.0	/ 16.2
BUSINESS SURVEY :	8.5	/ 11.8
CONSUMER SURVEY :	0.7	/ 5.9
(automated comments)		
3 Months Outlook (Base)	Moderate	56.25 / 100
Current Momentum	Slightly Bullish	29.22%

RELATED NEWS (previous 3 days):

Refer to risk sentiments for more information.

- 11/04/2014 (Bloomberg): China's hunger for commodities including iron ore and milk is helping make the Australian and New Zealand dollars this year's best-performing developed-nation currencies. AUD rose as jobless rate fell to 4.8%, lowest since November and first decline in 6 months.
- 10/04/2014 (Bloomberg): AUDUSD reached a more than 4-month high after reported Jobless \$ unexpectedly fell for the first time since September, however it pared gains after data showed China's exports and imports unexpectedly fell.
- 09/04/2014 (Bloomberg): AUD strengthened along with the currencies of NZD & ZAR. A Bloomberg index of emerging-market currencies reached an almost four-month high.

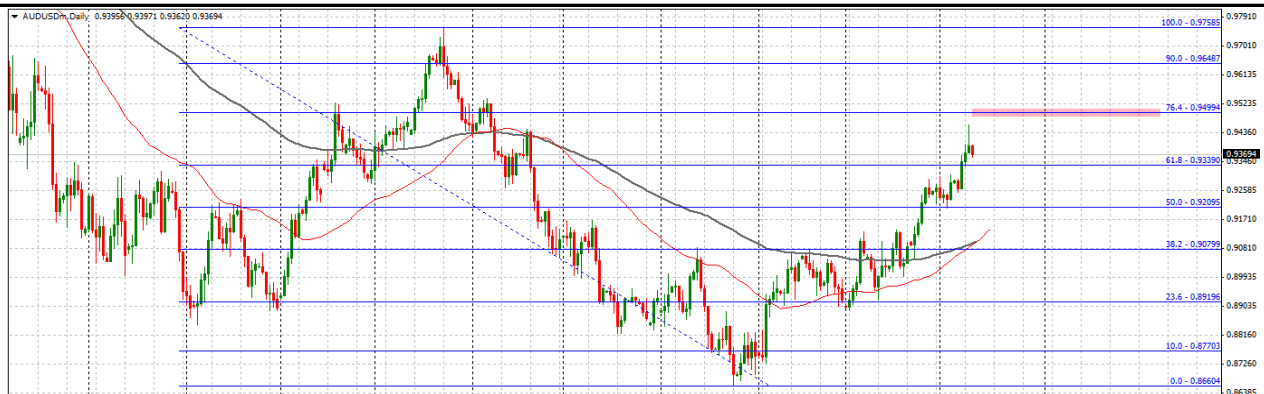
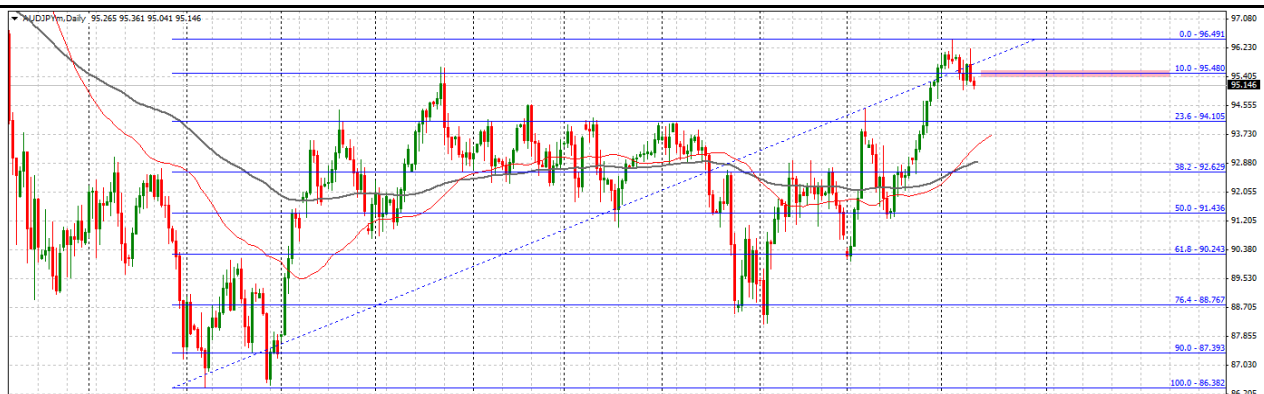
Base Fundamental (Data of last 3 months)				Current Fundamental (Current data set)	
1.	NZD	83.82	-0.80 *	CAD	+43.88% -0.02% *
2.	JPY	78.26	+0.00 *	NZD	+42.04% +1.94% *
3.	GBP	69.94	-0.00 *	AUD	+29.22% +0.02% *
4.	USD	58.99	+0.00 *	JPY	+26.06% -0.04% *
5.	AUD	56.25	+0.00 *	GBP	+23.89% -0.01% *
6.	EUR	50.90	+0.00 *	EUR	+21.73% +0.63% *
7.	CAD	45.74	+0.00 *	USD	+21.52% +0.22% *

* day/day change

HA Research:**MARKET:** Bears have weak Chinese Trade Data; Bulls in control over Strong Jobs, Dovish FOMC.**TECHNICAL:** Overbought: AUDUSD (H4,D1); AUDJPY (D1)**CONCLUSION:** Skip. Fundamental healthy & Neutral. Though overbought, not the best short option.

Bearish Factors: (1) Base Index 3rd weakest bias, (2) Weak Chinese Trade Data, (3) Sell off in Nasdaq

Bullish Factors: (1) Carry interest, (2) Shock recovery in Jobs, (3) China's mini stimulus plan.

AUDUSD**AUDJPY****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.

AUSTRALIA FUNDAMENTAL REPORT

Table 1: Fundamental Calendar.

UPCOMING FUNDAMENTAL EVENTS					
DATE	TIME	DETAILS	FORECAST	PREVIOUS	IMPACT
PAST (20) ECONOMIC EVENTS:					
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREV.
10-Apr (Thu)	9:00am	MI Inflation Expectations	2.40%	-	2.10%
10-Apr (Thu)	9:30am	Employment Change	18.10	7.30	48.20
10-Apr (Thu)	9:30am	Unemployment Rate	5.80%	6.10%	6.00%
09-Apr (Wed)	8:30am	Westpac Consumer Sentiment	0.30%	0.30%	-0.70%
09-Apr (Wed)	9:30am	Home Loans m/m	2.30%	1.70%	0.00%
08-Apr (Tue)	9:30am	NAB Business Confidence	4.00	-	7.00
07-Apr (Mon)	6:26am	AIG Construction Index	46.20	-	44.20
07-Apr (Mon)	9:30am	ANZ Job Advertisements m/m	1.40%	-	4.70%
03-Apr (Thu)	7:30am	AIG Services Index	48.90	-	55.20
03-Apr (Thu)	9:30am	Trade Balance	1.20	82.00%	1.39
02-Apr (Wed)	9:30am	Building Approvals m/m	-5.00%	-1.70%	6.90%
01-Apr (Tue)	7:30am	AIG Manufacturing Index	47.90	-	48.60
01-Apr (Tue)	2:30pm	Commodity Prices y/y	-12.80%	-	-11.40%
31-Mar (Mon)	8:30am	MI Inflation Gauge m/m	0.20%	-	0.20%
31-Mar (Mon)	9:00am	HIA New Home Sales m/m	4.60%	-	0.50%

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.

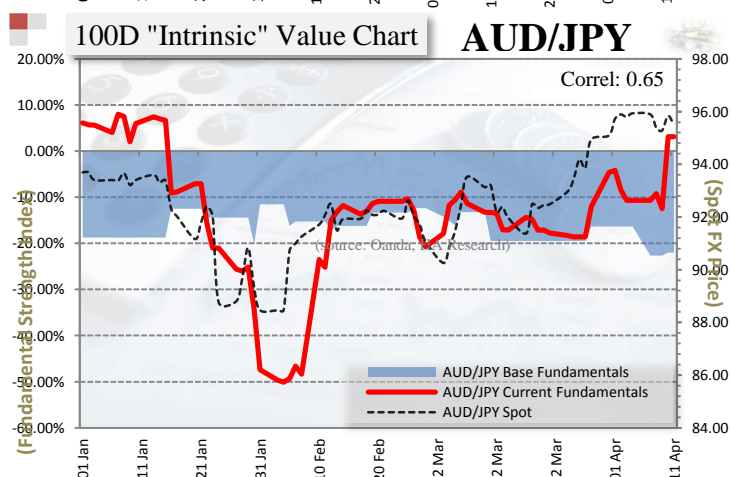
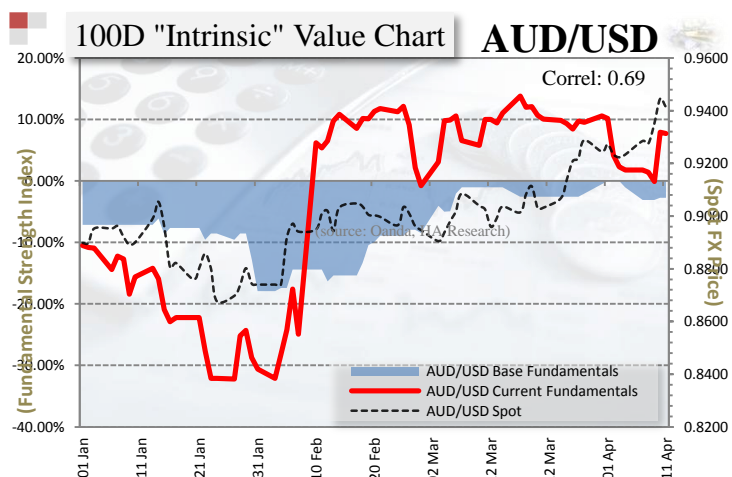


Table 2: Fundamental Score List.

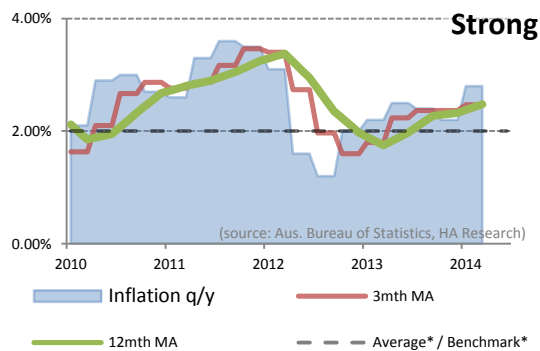
BASE FUNDAMENTAL DATA RESULTS			
Type	AUD Fundamental Data	Strength	Total
Business Survey	NAB Business Confidence	Strong	
	AIG Manufacturing Index	Recovery	
	AIG Services Index	Strong	
	AIG Construction Index	Strong	(Strong)
	NAB Quarterly Business Confidence	Recovery	8.5 / 11.8
Consumer Survey	MI Inflation Expectations	Recovery	(Very Weak)
	Westpac Consumer Sentiment	Weak	0.7 / 5.9
Employment	Employment Change	Weak	
	Unemployment Rate	Weak	(Very Weak)
	ANZ Job Advertisements m/m	Recovery	0.7 / 11.8
Growth	GDP q/q	Recovery	
	Retail Sales m/m	Strong	
	Trade Balance	Recovery	
	Current Account	Recovery	
	Private Capital Expenditure q/q	Weak	
	CB Leading Index m/m	Strong	
	Company Operating Profits q/q	Strong	
	MI Leading Index m/m	Weak	
	New Motor Vehicle Sales m/m	Weak	(Weak)
	Private Sector Credit m/m	Strong	16.2 / 33.8
Housing	HPI q/q	Strong	
	Building Approvals m/m	Strong	
	Construction Work Done q/q	Recovery	
	HIA New Home Sales m/m	Strong	(Strong)
	Home Loans m/m	Strong	14.0 / 16.2
Inflation	CPI q/q	Strong	
	PPI q/q	Strong	
	MI Inflation Gauge m/m	Strong	
	Commodity Prices y/y	Weak	
	Wage Price Index q/q	Weak	
	Import Prices q/q	Strong	(Strong)
	Trimmed Mean CPI q/q	Strong	16.2 / 20.6
			56.25 100.00



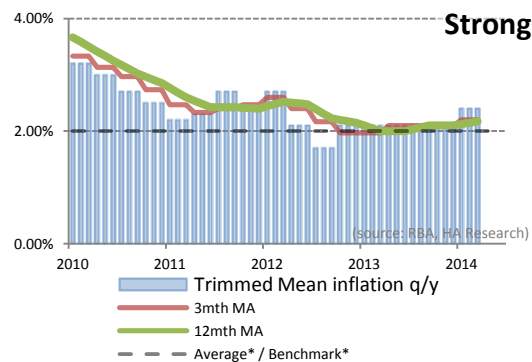
AUSTRALIA FUNDAMENTAL REPORT

INFLATION INDICATORS

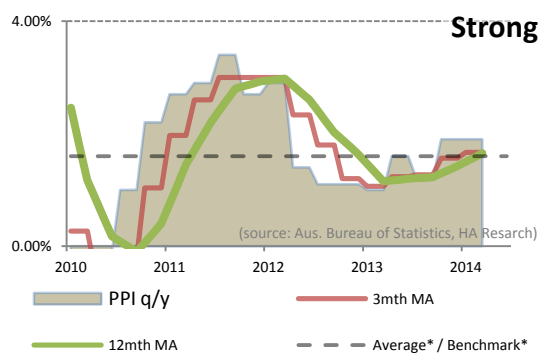
(Fig2.1)

April: **Pending** Previous 2.80%**Consumer Price Index** Change in the price of goods and services purchased by consumers.

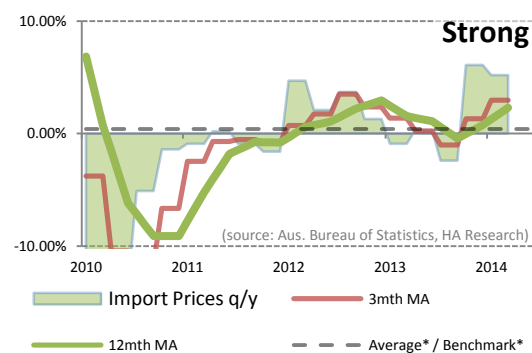
(Fig2.2)

April: **Pending** Previous 2.40%**Trimmed Mean CPI** Change in the price of goods and services purchased by consumers, excluding the most volatile 30% of items;

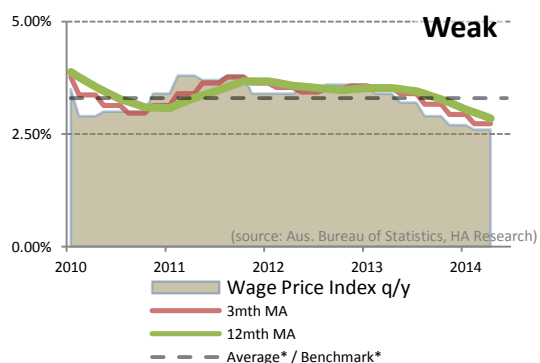
(Fig2.3)

April: **Pending** Previous 1.90%**Producer Price Index** Change in the price of finished goods and services sold by producers;

(Fig2.4)

April: **Pending** Previous 5.20%**Import Price** Change in the price of goods purchased by importers; contributes to inflation as costs passed on to consumer.

(Fig2.5)

April: **2.60%** Previous 2.60%**Wage Price Index** Change in the price businesses and the government pay for labor, excluding 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.

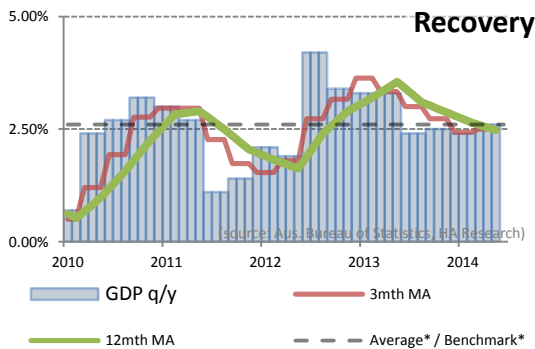
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure 2.1 represents: Figure in (Page 2).(Chart 1 in page 2).



AUSTRALIA FUNDAMENTAL REPORT

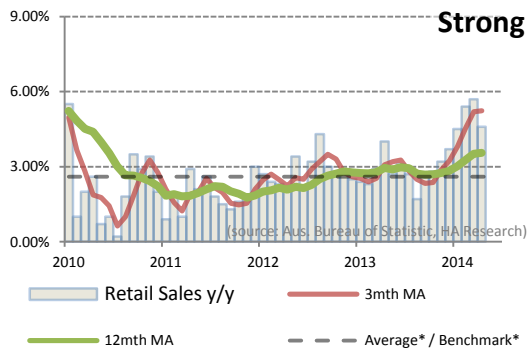
GROWTH INDICATORS

(Fig3.1)

April: **2.60%** Previous: **2.60%**

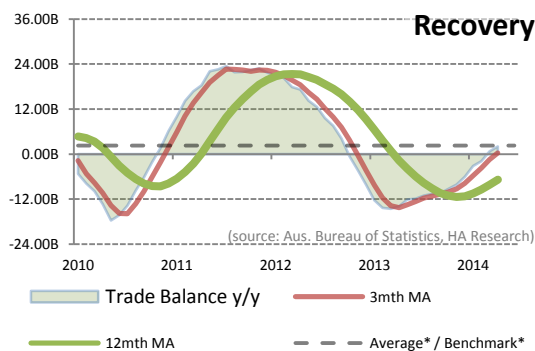
Gross Dom. Product Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig3.2)

April: **4.60%** Previous: **5.70%**

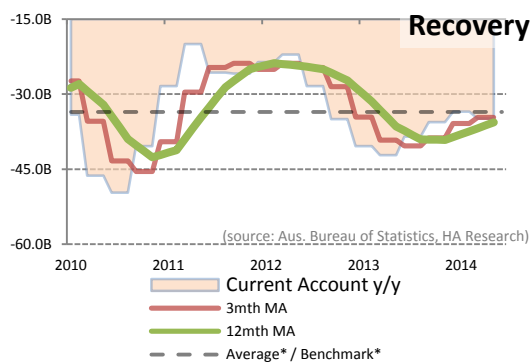
Retail Sales Change in the total value of sales at the retail level;

(Fig3.3)

April: **1.20B** Previous: **1.39B**

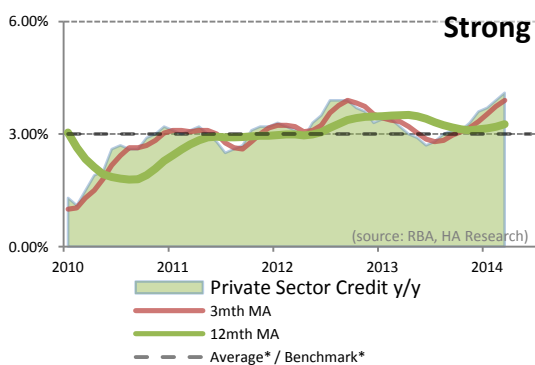
Trade Balance Difference in value between imported and exported goods and services during the reported month;

(Fig3.4)

April: **-10.10B** Previous: **-10.10B**

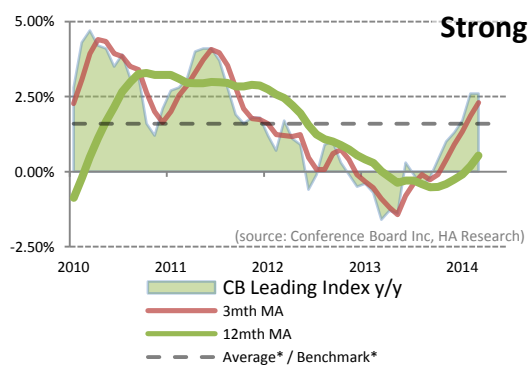
Current Account Difference in trade balance, income flows, and unilateral transfers during the previous quarter;

(Fig3.5)

April: **Pending** Previous: **4.10%**

Pte Sector Credit Change in the total value of new credit issued to consumers and businesses;

(Fig3.6)

April: **Pending** Previous: **2.60%**

CB Leading Index Combination of 7 indicators: \$ supply, building approvals, profits, exports, inventories, interest rate spreads;

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.

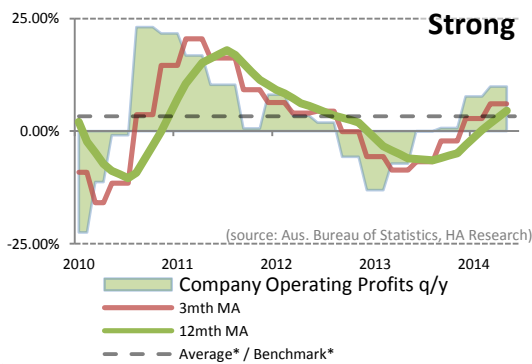
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).



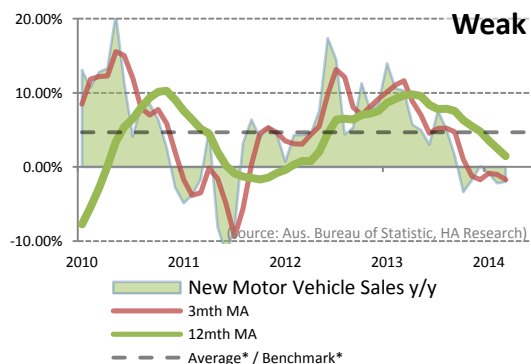
AUSTRALIA FUNDAMENTAL REPORT

GROWTH INDICATORS (continued)

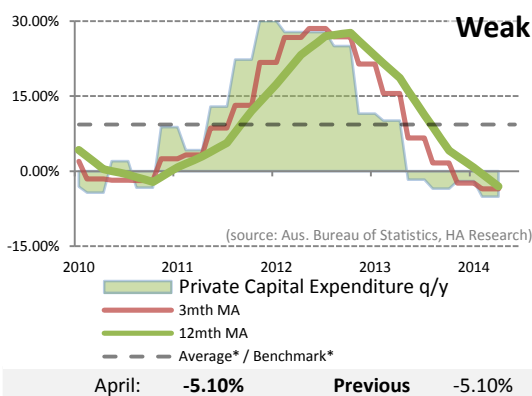
(Fig4.1)



(Fig4.2)

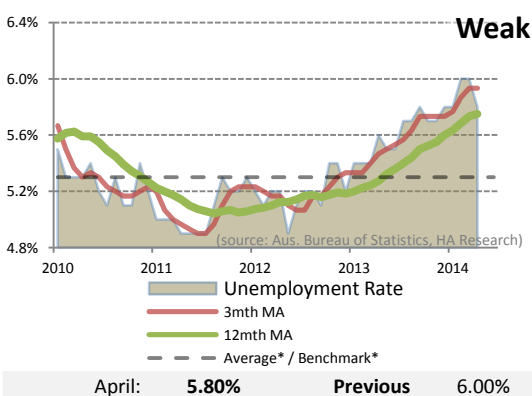


(Fig4.3)

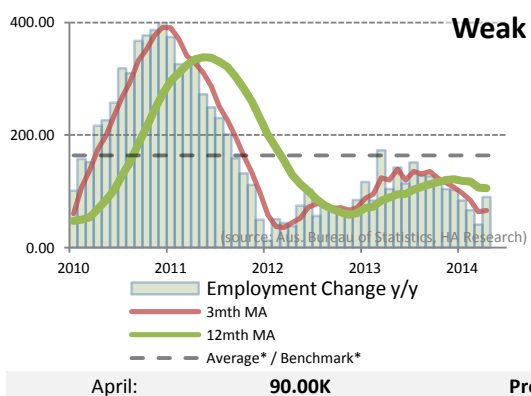


EMPLOYMENT INDICATORS

(Fig4.4)



(Fig4.5)



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.

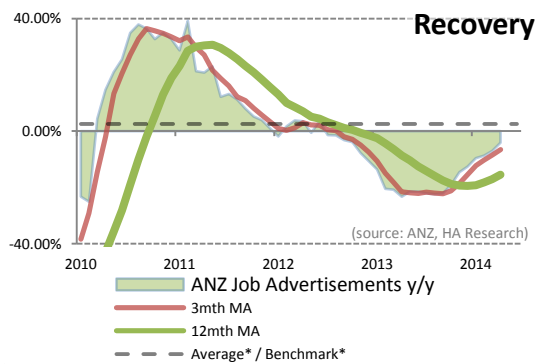
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).



AUSTRALIA FUNDAMENTAL REPORT

EMPLOYMENT INDICATORS (continued)

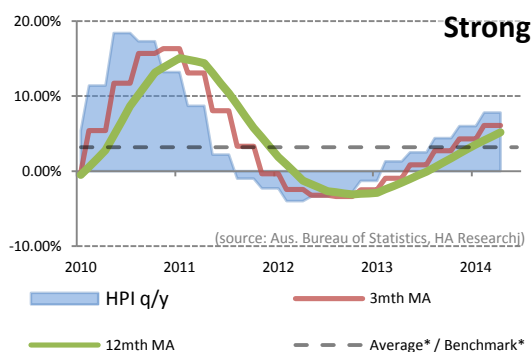
(Fig5.1)



ANZ Job Ads. Change in the no. of jobs advertised in the major daily newspapers and websites covering the capital cities;

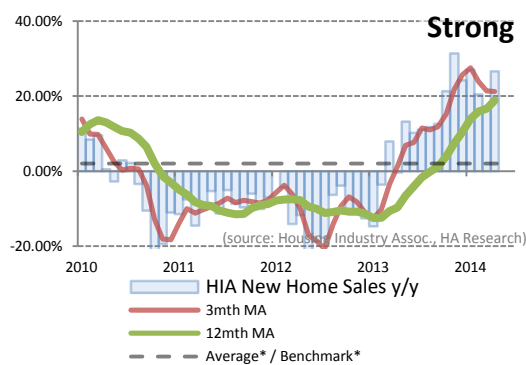
HOUSING INDICATORS

(Fig5.2)



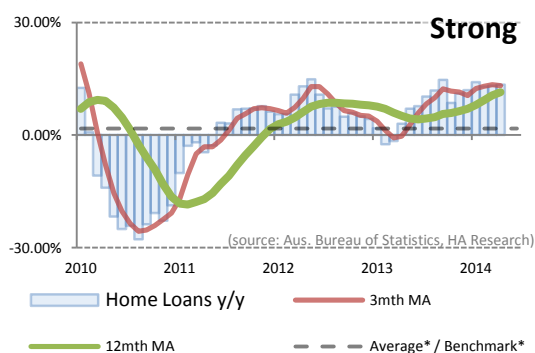
House Price Index Change in the selling price of homes in the nation's 8 state capitals;

(Fig5.3)



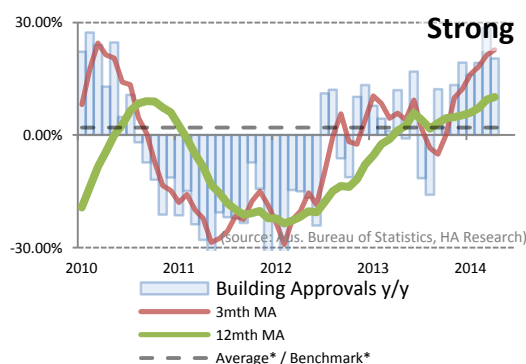
HIA New Home Sales Change in the number of newly constructed homes sold; Housing Industry Association (HIA)

(Fig5.4)



Home Loans Change in the number of new loans granted for owner-occupied homes;

(Fig5.5)



Building Approvals Change in the number of new building approvals issued;

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.

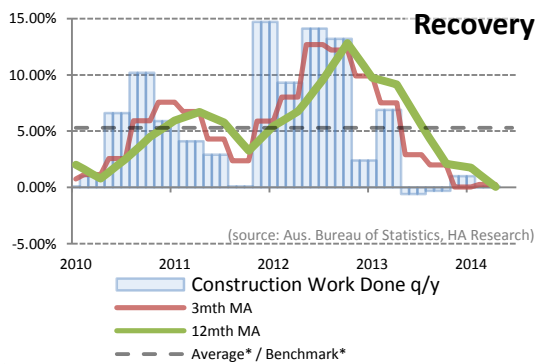
Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).



AUSTRALIA FUNDAMENTAL REPORT

HOUSING INDICATORS (continued)

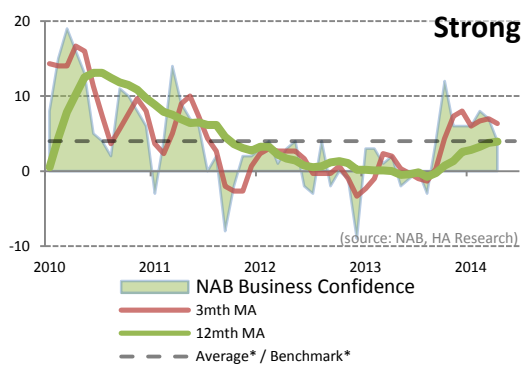
(Fig6.1)



Construct'n Work Done Change in the total inflation-adjusted value of construction projects completed;

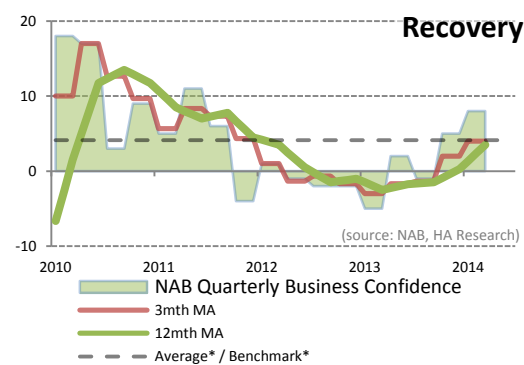
BUSINESS SURVEY

(Fig6.2)



NAB Biz Confidence Survey of about 350 businesses which asks respondents to rate the relative level of current business conditions;

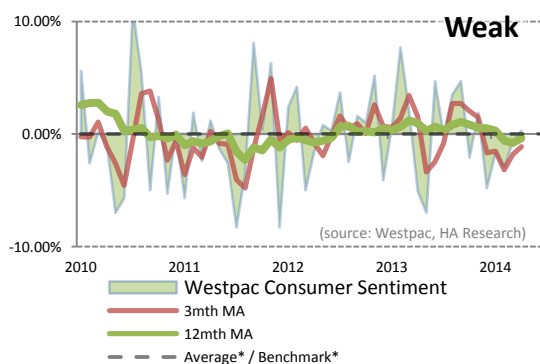
(Fig6.3)



NAB Qtr Biz Confidence Survey of 1,000 businesses, asked to rate current business conditions and expectations for near-mid term future;

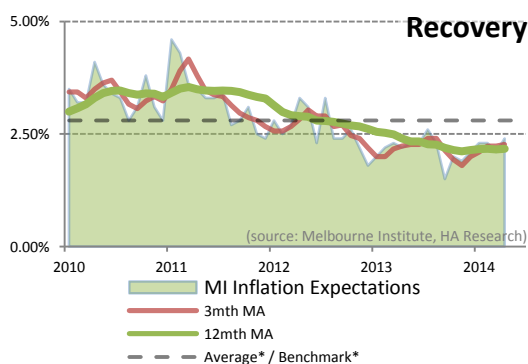
CONSUMER SURVEY

(Fig6.4)



WP Con. Sentiment Index based on 1,200 surveyed consumers; economic conditions, employment, climate for major purchases;

(Fig6.5)



MI Inflation Expectations % that consumers expect the price of goods and services to change during the next 12mths; Melbourne Institute (MI);

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 Figure 2.1 represents: Figure in (Page 2).(Chart 1 in page 2).