

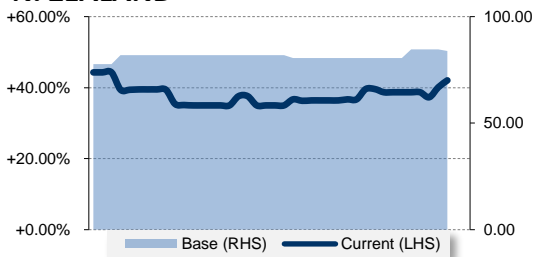
## New Zealand Currency Report

**NEW ZEALAND ECONOMY**

In a glance.

13-Apr-2014 (Sunday)

Last Updated: 03:30PM (GMT+0800)

**Figure 1: Fundamental Strength Index for last 40 days.****N. ZEALAND** (40 Days Fundamental Strength)**BASE SUMMARY:**

<b>INFLATION INDICATORS :</b>	15.2	/ 25.5
<b>GROWTH INDICATORS :</b>	30.4	/ 33.3
<b>EMPLOYMENT INDICATORS :</b>	11.8	/ 11.8
<b>HOUSING INDICATORS :</b>	5.9	/ 5.9
<b>BUSINESS SURVEY :</b>	16.7	/ 19.6
<b>CONSUMER SURVEY :</b>	3.9	/ 3.9

**3 Months Outlook (Base)**  
**Current Momentum**

(automated comments)

Ultra Strong **83.82** / 100  
BULLISH **42.03%**

**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 AUD & NZD this year's best-performing developed-nation currencies.
- 10/04/2014 (Bloomberg): NZD touched the strongest since August 2011 after a gauge of manufacturing increased to the highest since July.
- 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	<b>+42.04%</b>	<b>+1.94% *</b>
3. GBP	69.94	-0.00 *	AUD	+29.22%	+0.02% *
4. USD	58.99	+0.00 *	USD	+29.01%	+7.71% *
5. AUD	56.25	+0.00 *	JPY	+26.06%	-0.04% *
6. EUR	50.90	+0.00 *	GBP	+23.18%	-0.72% *
7. CAD	45.74	+0.00 *	EUR	+21.73%	+0.63% *

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

**HA Research Comments:**

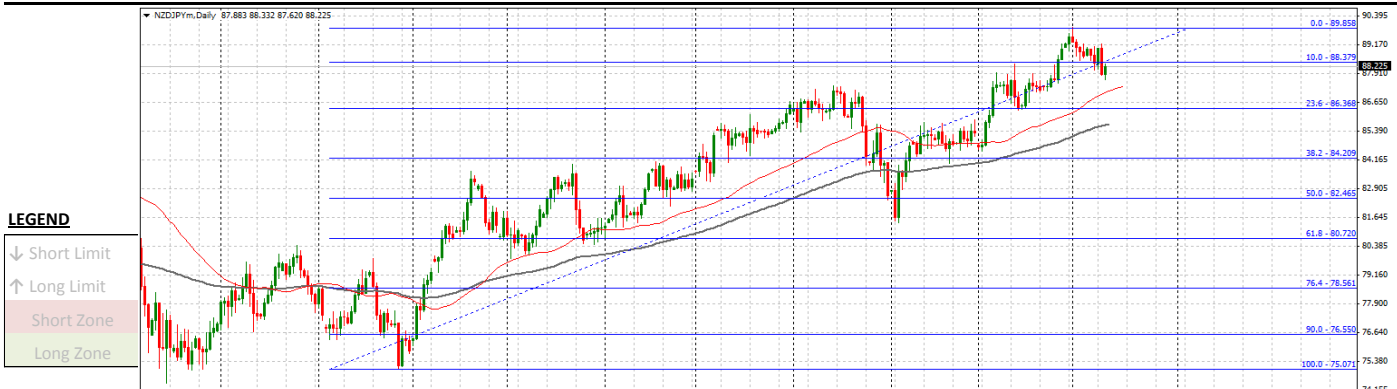
- MARKET:** Bears exhausted; Bulls in control supported by China stimulus, Dovish FOMC, strong NZD data.
- TECHNICAL:** OVERBOUGHT: NZDUSD, NZDJPY
- CONCLUSION:** SKIP. Pending better Long levels. Recent fundamental healthy, though technically overbought.
- Bearish Factors: (1) Technically Overbought, (2) Weak Chinese Trade Data, (3) Risk aversion in tech stocks.
- Bullish Factors: (1) Current and Base Index BULLISH, (2) High Carry interest, (3) China's demand for food.

**NZDUSD**

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

**NZDJPY**

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

**DISCLAIMER:**

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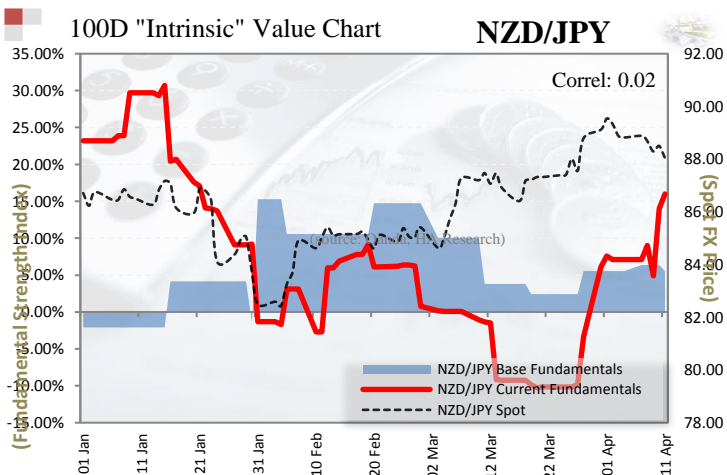
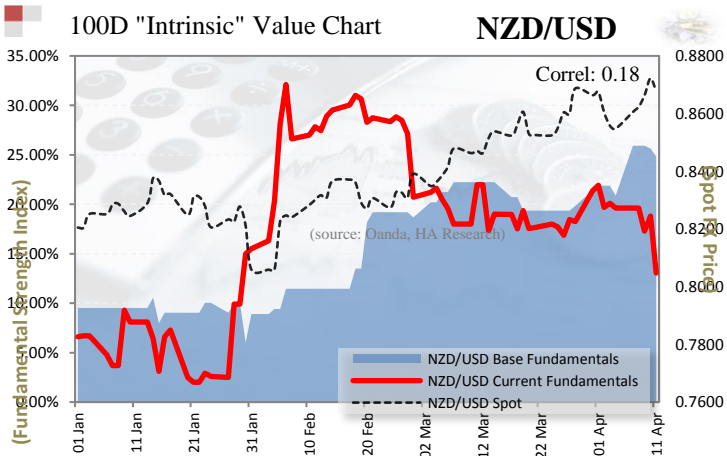
**New Zealand Currency Report****Table 1: Fundamental Calendar.**

UPCOMING FUNDAMENTAL EVENTS						
DATE	TIME	DETAILS	FORECAST	PREVIOUS	IMPACT	
16-Apr (Wed)	6:45am	CPI q/q	0.50%	0.10%	!!!	
PAST (20) ECONOMIC EVENTS:						
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
11-Apr (Fri)	5:45am	REINZ HPI m/m	3.40%	2.10%	2.10%	➡ +1.96%
11-Apr (Fri)	6:45am	FPI m/m	-0.30%	-0.30%	-1.00%	➡ +0.61%
10-Apr (Thu)	6:30am	Business NZ Manufacturing Index	58.40	56.50	56.50	➡ +3.92%
08-Apr (Tue)	6:00am	NZIER Business Confidence	52.00	52.00	52.00	➡ +4.41%
02-Apr (Wed)	9:00am	ANZ Commodity Prices m/m	-0.10%	-	0.90%	➡ -1.23%
31-Mar (Mon)	6:45am	Building Consents m/m	-1.70%	-	-8.60%	➡ -0.98%
31-Mar (Mon)	9:00am	ANZ Business Confidence	67.30	-	70.80	➡ +2.21%
27-Mar (Thu)	6:45am	Trade Balance	818.00	595.00	286.00	➡ +5.88%
21-Mar (Fri)	6:45am	Visitor Arrivals m/m	2.20%	-	2.80%	➡ +0.49%
21-Mar (Fri)	11:00am	Credit Card Spending y/y	5.90%	-	9.40%	➡ +0.49%
20-Mar (Thu)	6:45am	GDP q/q	0.90%	1.00%	1.20%	➡ +0.37%
19-Mar (Wed)	6:45am	Current Account	-1.43	-1.44	-4.88	➡ -2.45%
17-Mar (Mon)	6:00am	Westpac Consumer Sentiment	121.70	-	120.10	➡ +3.43%
10-Mar (Mon)	6:45am	Manufacturing Sales q/q	6.30%	-	6.20%	➡ +1.96%
03-Mar (Mon)	6:45am	Overseas Trade Index q/q	2.30%	1.90%	7.50%	➡ +1.47%

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.**

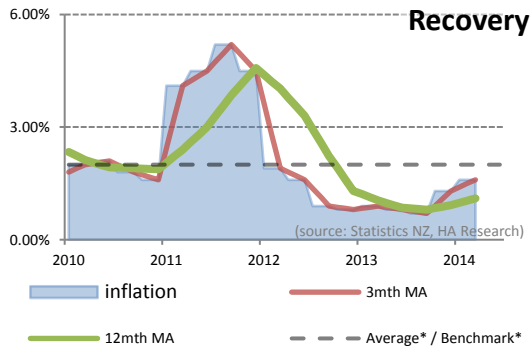
BASE FUNDAMENTAL DATA RESULTS			
Type	NZD Fundamental Data	Strength	Total
Business Survey	Business NZ Manufacturing Index	Strong	3.922
	NZIER Business Confidence	Strong	5.882
	Inflation Expectations q/q	Recovery	0.98 (Strong)
	ANZ Business Confidence	Strong	5.882 16.7 / 19.6
Consumer Survey	Westpac Consumer Sentiment	Strong	3.922 3.9 / 3.9
Employment	Employment Change q/q	Strong	5.882 (Very strong)
	Unemployment Rate	Strong	5.882 11.8 / 11.8
Growth	GDP q/q	Strong	5.882
	Current Account	Recovery	0.98
	Trade Balance	Strong	5.882
	Manufacturing Sales q/q	Strong	1.961
	Credit Card Spending y/y	Strong	1.961
	Visitor Arrivals m/m	Strong	1.961
	Retail Sales q/q	Strong	5.882 (Very Strong)
	Core Retail Sales q/q	Strong	5.882 30.4 / 33.3
Housing	Building Consents m/m	Strong	3.922 (Very strong)
	REINZ HPI m/m	Strong	1.961 5.9 / 5.9
Inflation	CPI q/q	Recovery	1.471
	Labor Cost Index q/q	Weak	0
	PPI Output q/q	Strong	1.961
	FPI m/m	Weak	0
	ANZ Commodity Prices m/m	Strong	1.961
	PPI Input q/q	Strong	5.882 (Neutral)
	Overseas Trade Index q/q	Strong	3.922 15.2 / 25.5
			83.82 100.00



## New Zealand Currency Report

## INFLATION INDICATORS

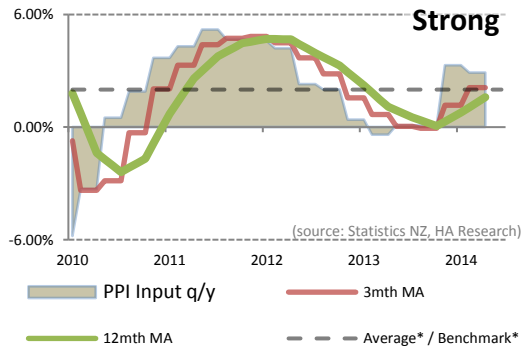
(Fig2.1)



April: **Pending** **Previous** 1.60%

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

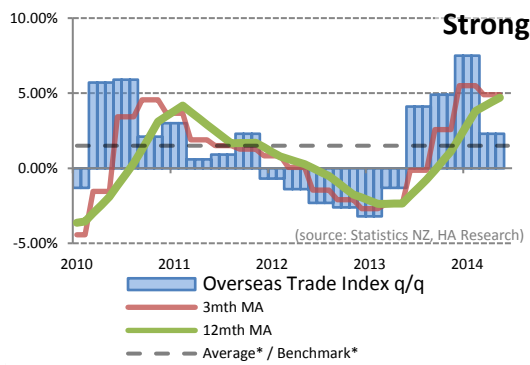
(Fig2.2)



April: **2.90%** **Previous** 2.90%

**PPI Input q/y** Change in the price of goods and raw materials purchased by manufacturers; Producer Price Index (PPI);

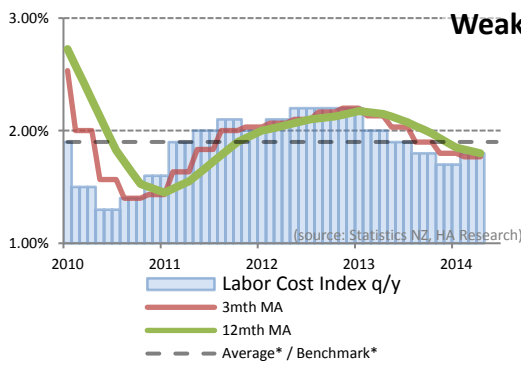
(Fig2.3)



April: **2.30%** **Previous** 2.30%

**Overseas Trade Index q/q** Change in the price of internationally traded goods and services;

(Fig2.4)

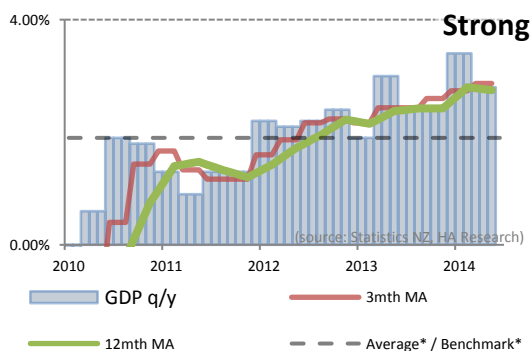


April: **1.80%** **Previous** 1.80%

**Labor Cost Index q/y** Change in the price businesses pay for labor, excluding overtime;

## GROWTH INDICATORS

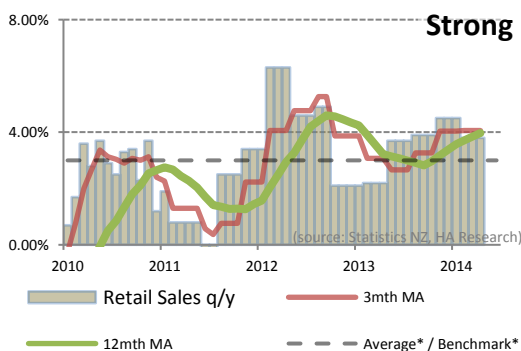
(Fig2.5)



April: **2.80%** **Previous** 2.80%

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

(Fig2.6)



April: **3.80%** **Previous** 3.80%

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

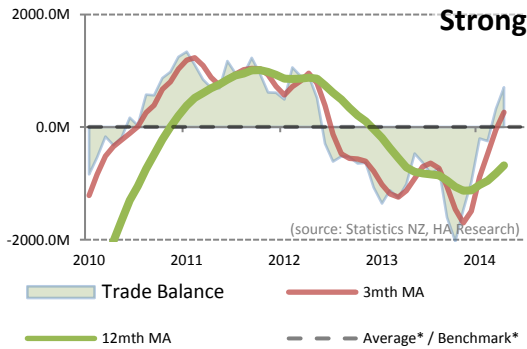
Average\* / Benchmark\* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

## New Zealand Currency Report

**GROWTH INDICATORS** (continued)

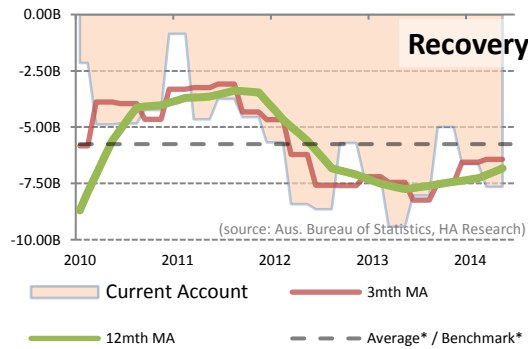
(Fig3.1)



April: **705M** Previous **328M**

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

(Fig3.2)

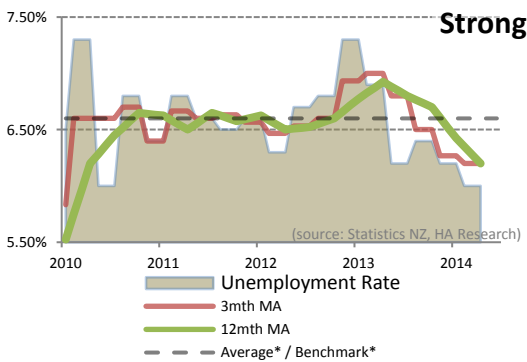


April: **-7.65B** Previous **-7.65B**

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

**EMPLOYMENT INDICATORS**

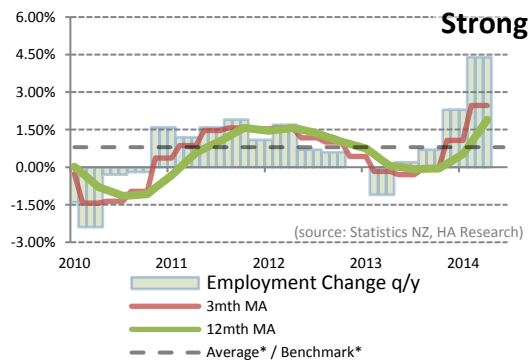
(Fig3.3) Jobless rate low at 6.20%



April: **6.00%** Previous **6.00%**

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

(Fig3.4) NZ Job showed strong gains through 2013.

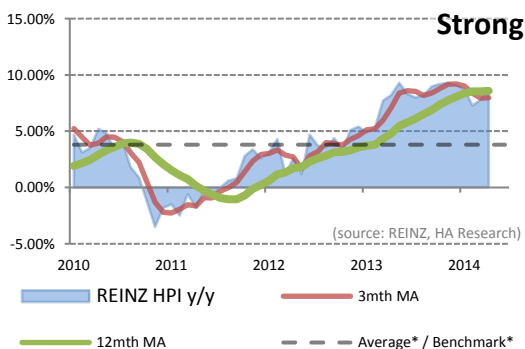


April: **4.40%** Previous **1.10%**

**Employment Change q/q** Change in the number of employed people;

**HOUSING INDICATORS**

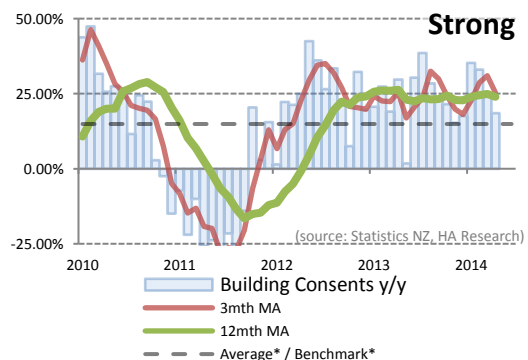
(Fig3.5)



April: **8.80%** Previous **7.80%**

**REINZ House Price Index** Change in the selling price of all homes; Real Estate Institute of New Zealand (REINZ), House Price Index (HPI);

(Fig3.6)



April: **18.50%** Previous **24.60%**

**Building Consents m/m** Change in the number of new building approvals issued;

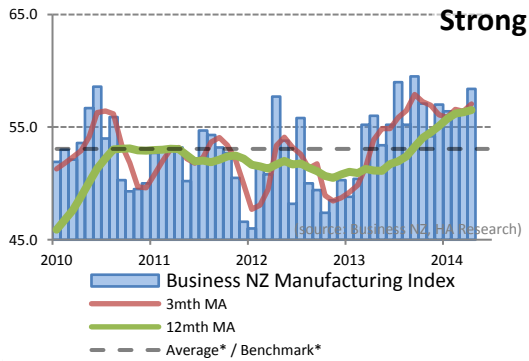
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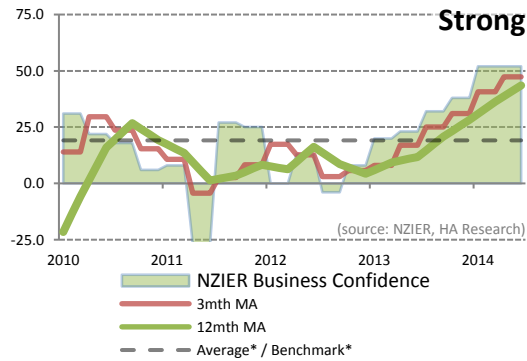
**BUSINESS SURVEY**

(Fig4.1)



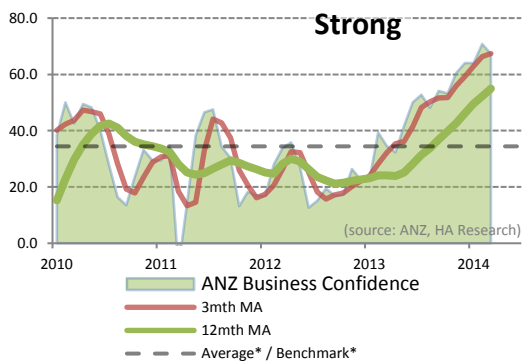
**Business NZ Manu. Index** Level of a diffusion index based on surveyed manufacturers; Performance of Manufacturing Index;

(Fig4.2)



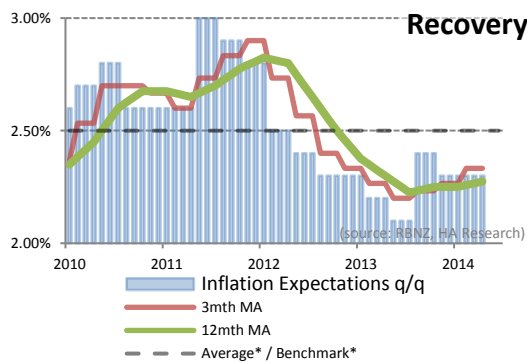
**NZIER Biz. Confidence** Survey of about 2500 businesses which asks respondents to rate the relative 6-month economic outlook;

(Fig4.3)



**ANZ Business Confidence** Survey of 1,500 businesses which asks respondents to rate the relative 12-month economic outlook;

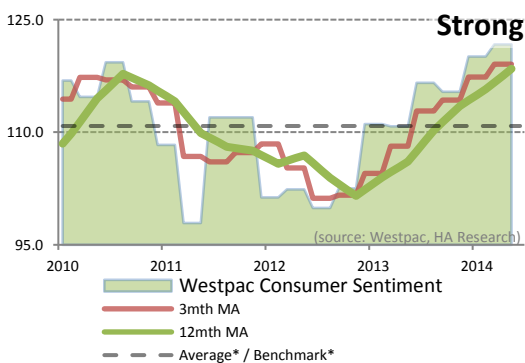
(Fig4.4)



**Inflation Expectations q/q** Survey of about 100 consumers which asks respondents where they expect prices to be 24 months in the future;

**CONSUMER SURVEY**

(Fig4.5)



**WP Con. Sentiment** Survey of 1,500 consumers asked to rate economic conditions; overall economic situation;

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