

New Zealand Currency Report

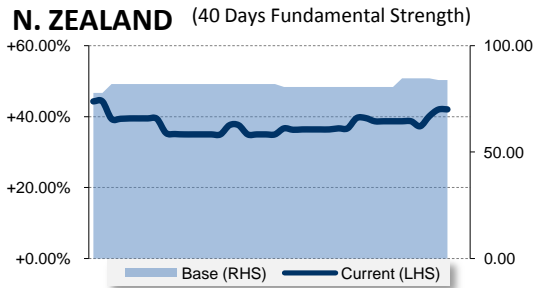
NEW ZEALAND ECONOMY

 In a glance.

14-Apr-2014 (Monday)

Last Updated: 08:23AM (GMT+0800)

Figure 1: Fundamental Strength Index for last 40 days.

**BASE SUMMARY:**

INFLATION INDICATORS :	15.2	/ 25.5
GROWTH INDICATORS :	30.4	/ 33.3
EMPLOYMENT INDICATORS :	11.8	/ 11.8
HOUSING INDICATORS :	5.9	/ 5.9
BUSINESS SURVEY :	16.7	/ 19.6
CONSUMER SURVEY :	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.

14/04/2014

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.

	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 *	AUD +29.22% +0.02% *
4. USD	58.99 +0.00 *	USD +29.01% +0.01% *
5. AUD	56.25 +0.00 *	JPY +26.06% -0.04% *
6. EUR	50.90 +0.00 *	GBP +24.13% +0.93% *
7. CAD	45.74 +0.00 *	EUR +21.73% +0.03% *

* 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

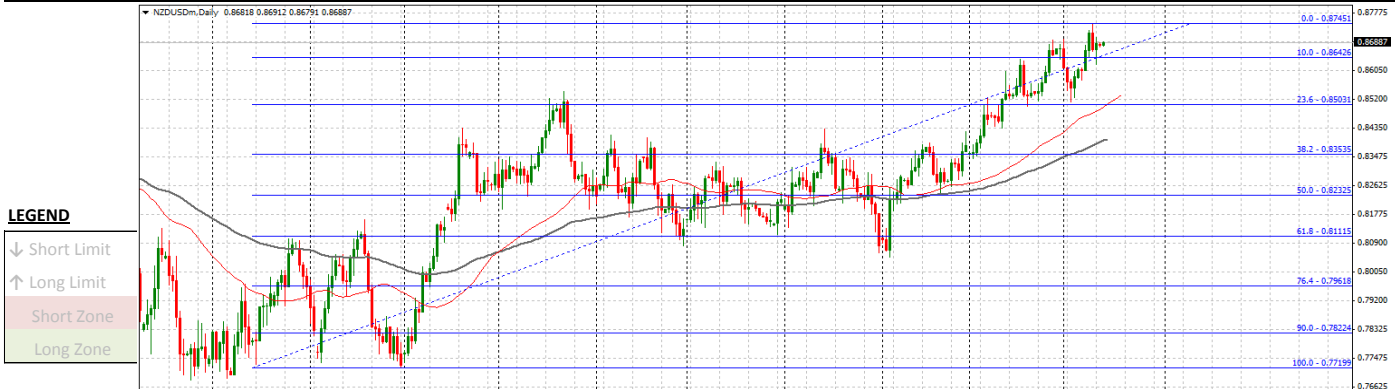
CONCLUSION: SKIP. Pending better Long levels. Recent fundamental healthy, though technically overbought.

Bearish Factors: (1) Technically Overbought, (2) Weak Chinese Trade Data, (3) Risk aversion in tech stocks.

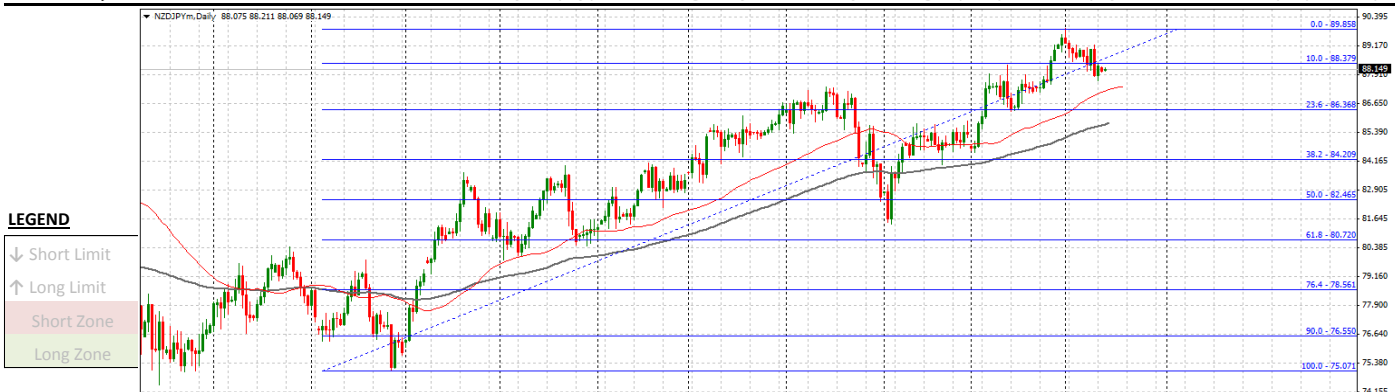
Bullish Factors: (1) Current and Base Index BULLISH, (2) High Carry interest, (3) China's demand for food.

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:**

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.

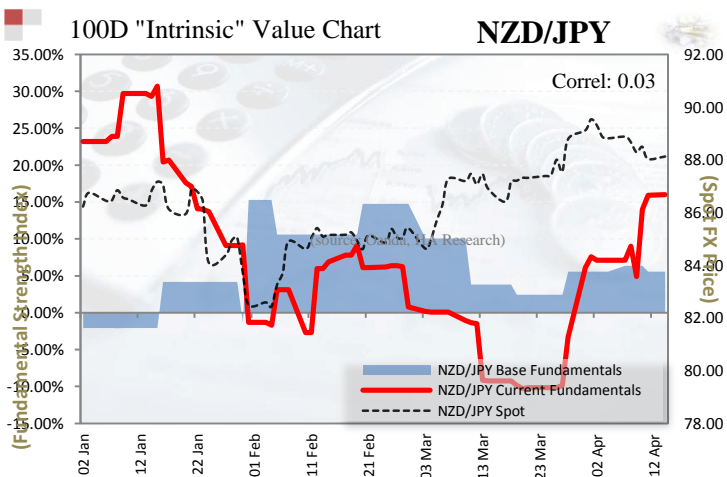
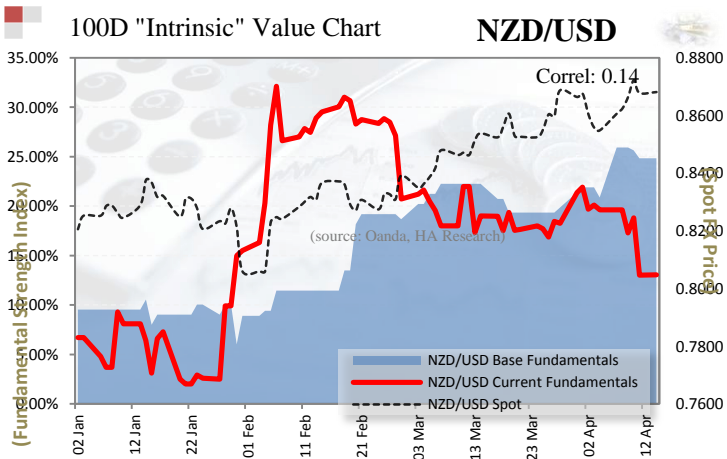
New Zealand Currency Report**Table 1: Fundamental Calendar.**

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.

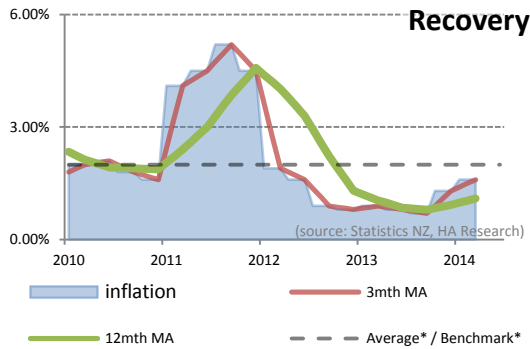
BASE FUNDAMENTAL DATA RESULTS			
Type	NZD Fundamental Data	Strength	Total
Business Survey	Business NZ Manufacturing Index	Strong	3.922
	NZIER Business Confidence	Strong	5.882
	Inflation Expectations q/q	Recovery	0.98 (Strong)
	ANZ Business Confidence	Strong	5.882
Consumer Survey	Westpac Consumer Sentiment	Strong	3.922
Employment	Employment Change q/q	Strong	5.882 (Very strong)
	Unemployment Rate	Strong	5.882
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
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

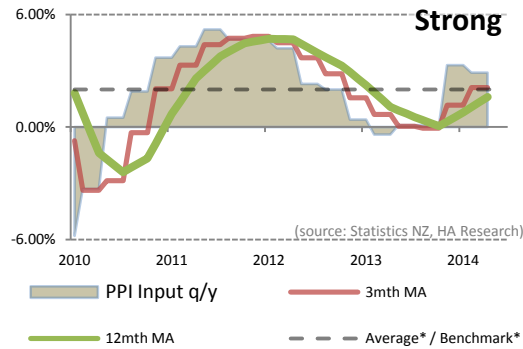
(Fig2.1)



April: **Pending** Previous 1.60%

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

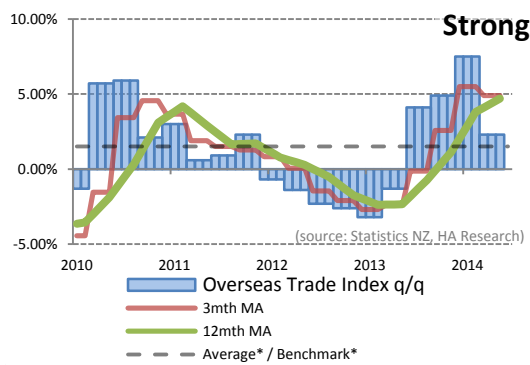
(Fig2.2)



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);

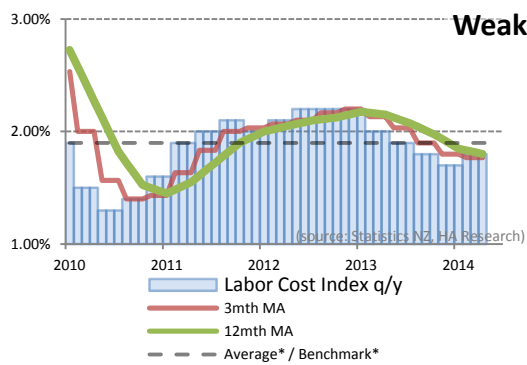
(Fig2.3)



April: **2.30%** Previous 2.30%

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

(Fig2.4)

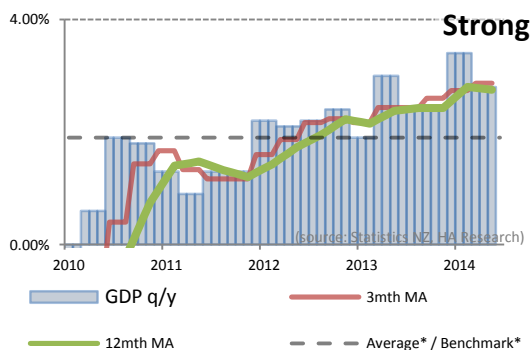


April: **1.80%** Previous 1.80%

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

GROWTH INDICATORS

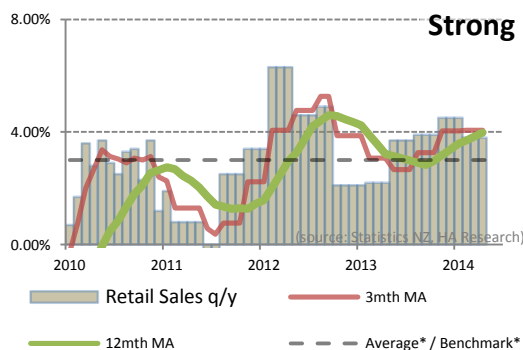
(Fig2.5)



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;

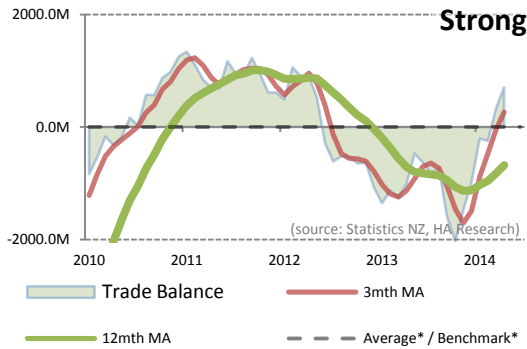
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

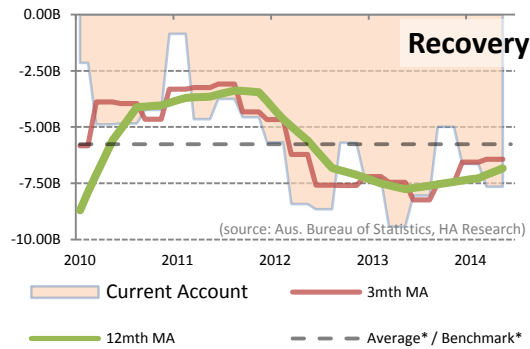
New Zealand Currency Report

GROWTH INDICATORS (continued)

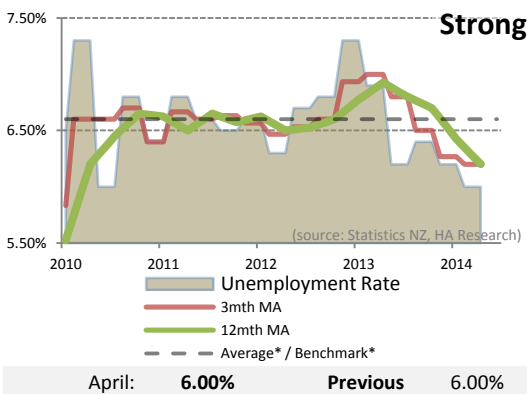
(Fig3.1)



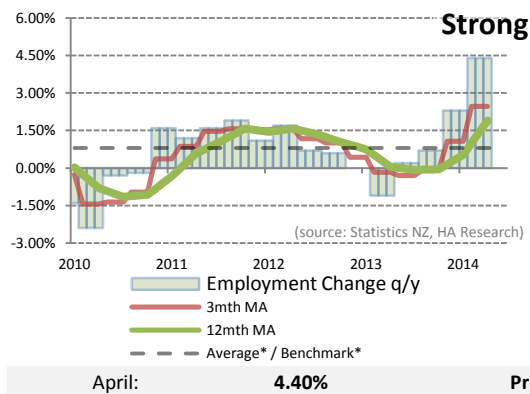
(Fig3.2)

**EMPLOYMENT INDICATORS**

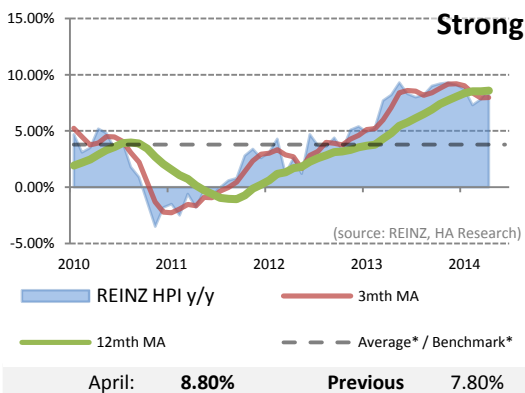
(Fig3.3) Jobless rate low at 6.20%



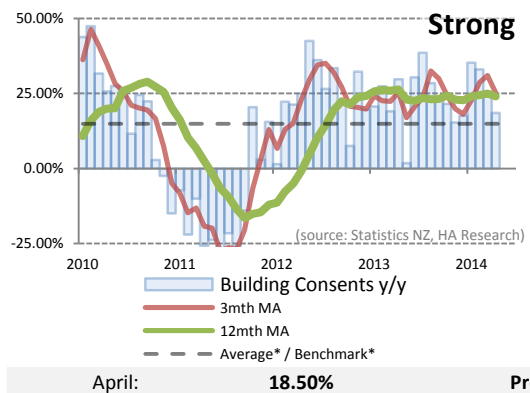
(Fig3.4) NZ Job showed strong gains through 2013.

**HOUSING INDICATORS**

(Fig3.5)



(Fig3.6)



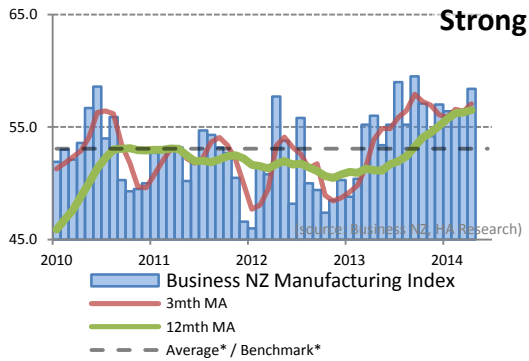
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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

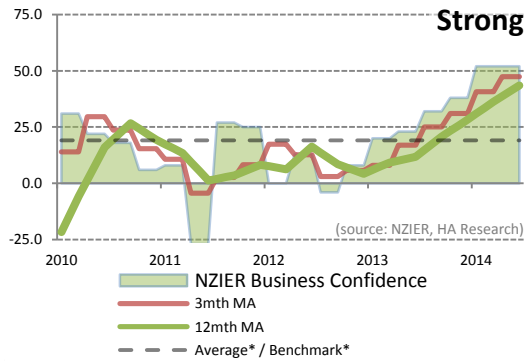
BUSINESS SURVEY

(Fig4.1)



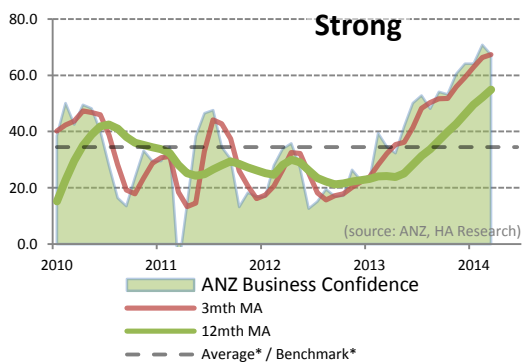
Business NZ Manu. Index Level of a diffusion index based on surveyed manufacturers; Performance of Manufacturing Index;

(Fig4.2)



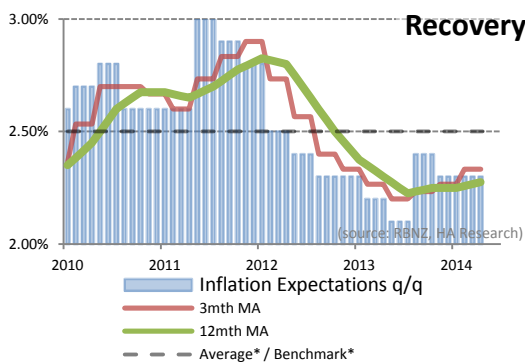
NZIER Biz. Confidence Survey of about 2500 businesses which asks respondents to rate the relative 6-month economic outlook;

(Fig4.3)



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

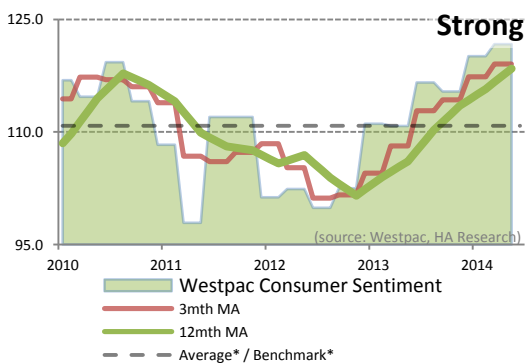
(Fig4.4)



Inflation Expectations 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;

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).