

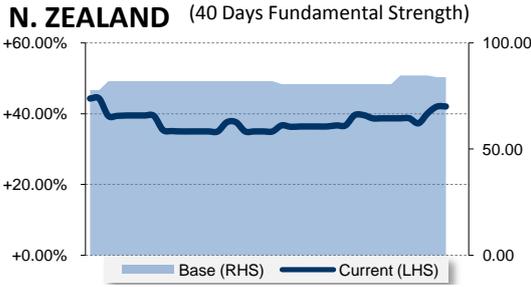
New Zealand Currency Report

# 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:

<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
<i>(automated comments)</i>		
<b>3 Months Outlook (Base)</b>	Ultra Strong	<b>83.82 / 100</b>
<b>Current Momentum</b>	BULLISH	<b>42.03%</b>

### 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	<b>+42.04%</b> <b>+0.04% *</b>
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: Conformity of price action against fundamental often changes quickly on volatility of market. Chart validity expires daily.



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## New Zealand Currency Report

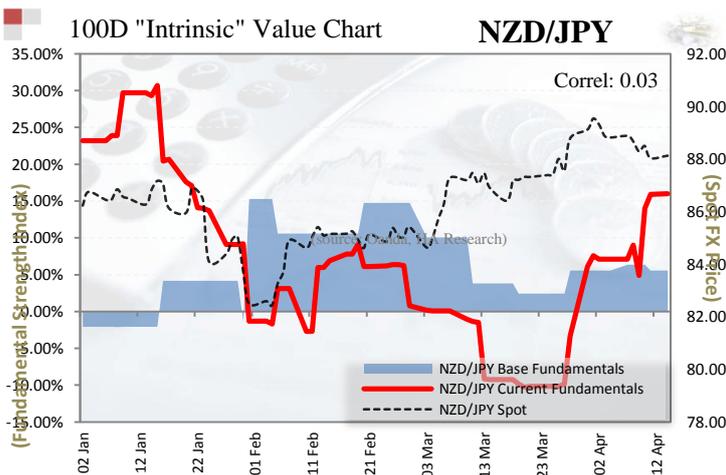
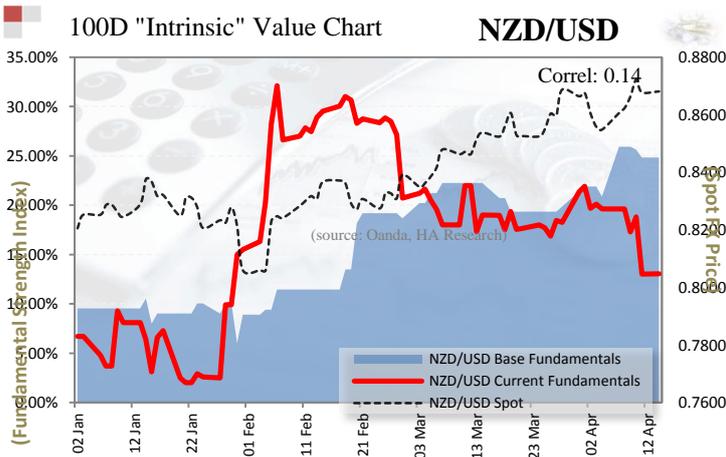
**Table 1: Fundamental Calendar.**

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%

**Table 2: Fundamental Score List.**

BASE FUNDAMENTAL DATA RESULTS			
Type	NZD Fundamental Data	Strength	Total
<b>Business Survey</b>	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 <b>16.7 / 19.6</b>
<b>Consumer Survey</b>	Westpac Consumer Sentiment	Strong	3.922 <b>3.9 / 3.9</b>
<b>Employment</b>	Employment Change q/q	Strong	5.882 (Very strong)
	Unemployment Rate	Strong	5.882 <b>11.8 / 11.8</b>
<b>Growth</b>	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 <b>30.4 / 33.3</b>
<b>Housing</b>	Building Consents m/m	Strong	3.922 (Very strong)
	REINZ HPI m/m	Strong	1.961 <b>5.9 / 5.9</b>
<b>Inflation</b>	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 <b>15.2 / 25.5</b>
			<b>83.82 100.00</b>

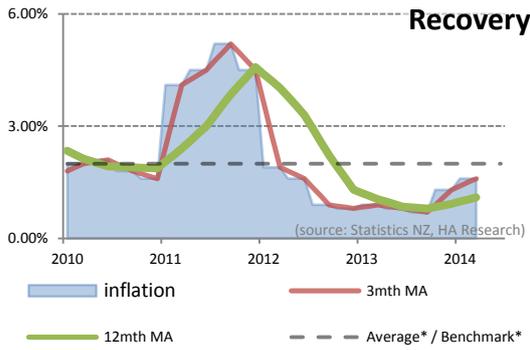
The HA Research 100 days "Intrinsic" Value Charts depicts the calculated index differential between 2 currencies. Base on the movements of the differentials, they are plotted against actual market spot movement to "track" the "intrinsic" value of the currency pair.



New Zealand Currency Report

# INFLATION INDICATORS

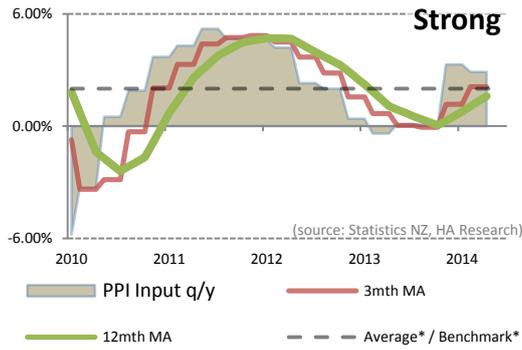
(Fig2.1)



April: **Pending** Previous 1.60%

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

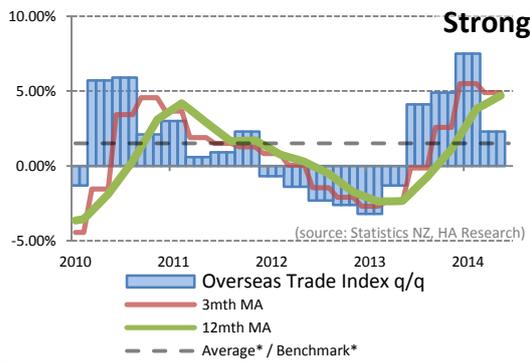
(Fig2.2)



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);

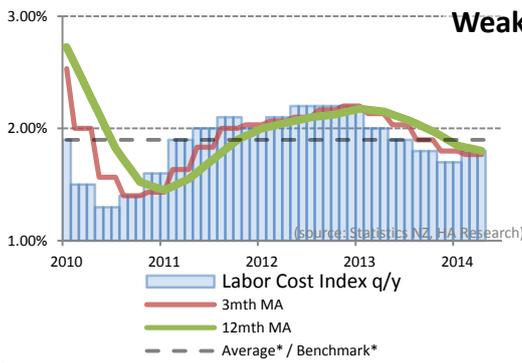
(Fig2.3)



April: **2.30%** Previous 2.30%

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

(Fig2.4)

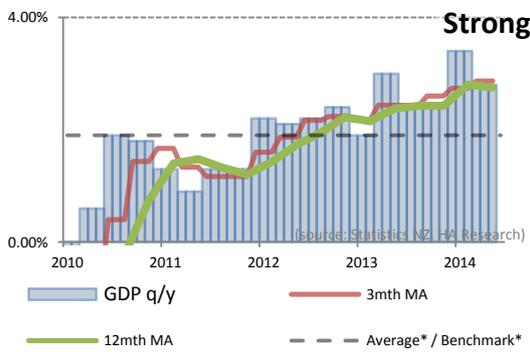


April: **1.80%** Previous 1.80%

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

# GROWTH INDICATORS

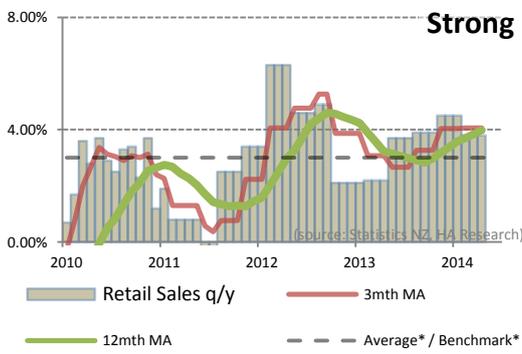
(Fig2.5)



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;

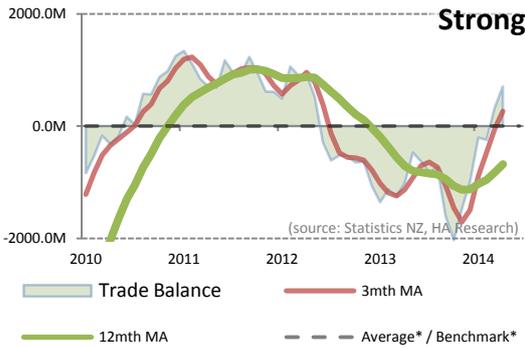
Average\* / Benchmark\* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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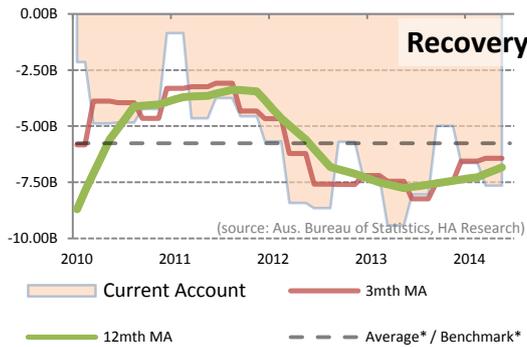
# GROWTH INDICATORS (continued)

(Fig3.1)



April:	<b>705M</b>	Previous	328M
<b>Trade Balance</b>	Difference in value between imported and exported goods and services during the reported month;		

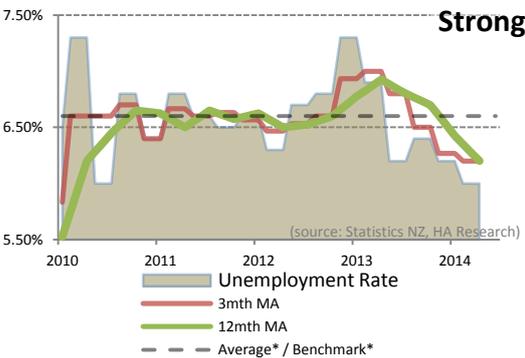
(Fig3.2)



April:	<b>-7.65B</b>	Previous	-7.65B
<b>Current Account</b>	Difference in trade balance, income flows, and unilateral transfers during the previous quarter;		

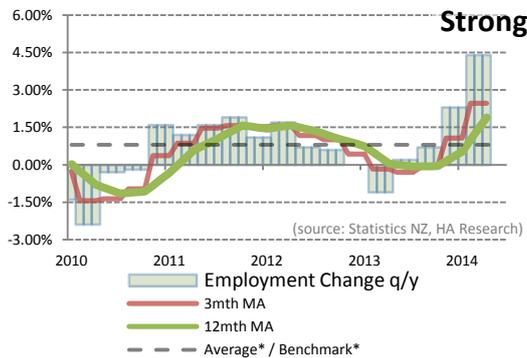
# EMPLOYMENT INDICATORS

(Fig3.3) Jobless rate low at 6.20%



April:	<b>6.00%</b>	Previous	6.00%
<b>Jobless Rate</b>	% of total work force that is unemployed and actively seeking employment during the previous quarter;		

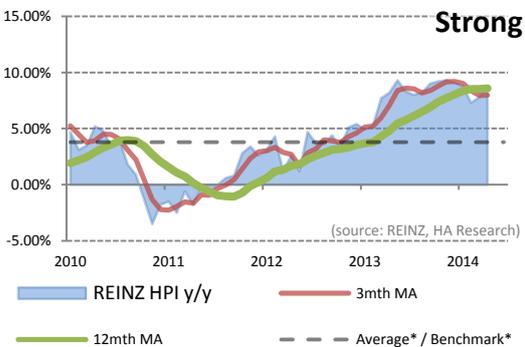
(Fig3.4) NZ Job showed strong gains through 2013.



April:	<b>4.40%</b>	Previous	1.10%
<b>Employment Change q/y</b>	Change in the number of employed people;		

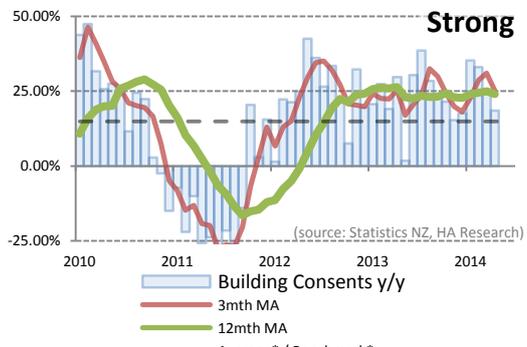
# HOUSING INDICATORS

(Fig3.5)



April:	<b>8.80%</b>	Previous	7.80%
<b>REINZ House Price Index</b>	Change in the selling price of all homes; Real Estate Institute of New Zealand (REINZ), House Price Index (HPI);		

(Fig3.6)



April:	<b>18.50%</b>	Previous	24.60%
<b>Building Consents</b>	Change in the number of new building approvals issued;		

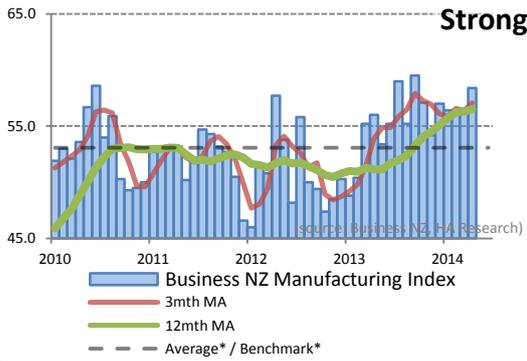
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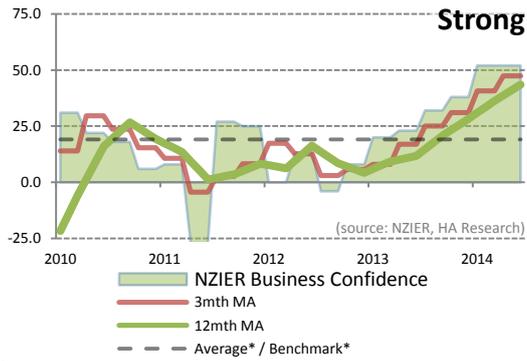
# BUSINESS SURVEY

(Fig4.1)



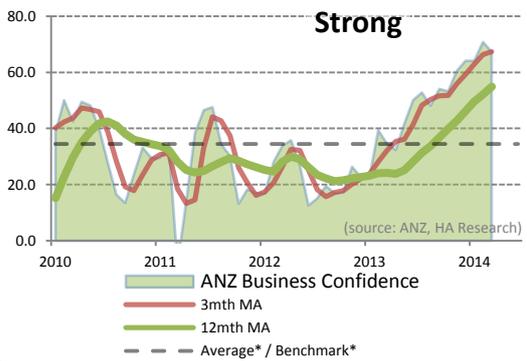
April: **58.40** Previous 56.50  
**Business NZ Manu. Index** Level of a diffusion index based on surveyed manufacturers; Performance of Manufacturing Index;

(Fig4.2)



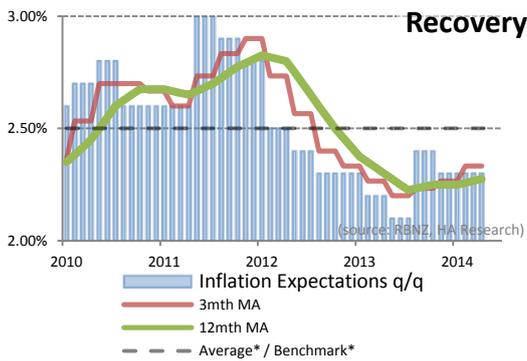
April: **52.00** Previous 52.00  
**NZIER Biz. Confidence** Survey of about 2500 businesses which asks respondents to rate the relative 6-month economic outlook;

(Fig4.3)



April: **Pending** Previous 67.30  
**ANZ Business Confidence** Survey of 1,500 businesses which asks respondents to rate the relative 12-month economic outlook;

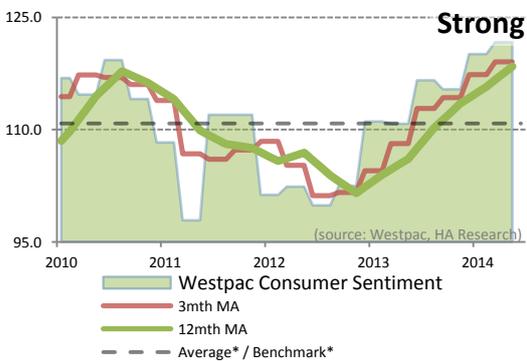
(Fig4.4)



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



April: **121.70** Previous 121.70  
**WP Con. Sentiment** Survey of 1,500 consumers asked to rate economic conditions; overall economic situation;

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