

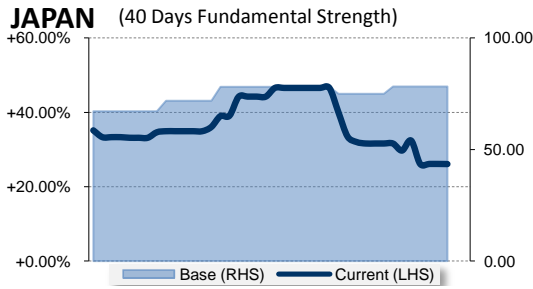
Japanese Currency Report

JAPAN ECONOMY

 In a glance.

15-Apr-2014 (Tuesday)

Last Updated: 10:00AM (GMT+0800)

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

INFLATION INDICATORS :	15.8	/ 23.9
GROWTH INDICATORS :	41.8	/ 54.3
EMPLOYMENT INDICATORS :	-	-
HOUSING INDICATORS :	-	-
BUSINESS SURVEY :	15.2	/ 15.2
CONSUMER SURVEY :	-	-
<i>(automated comments)</i>		
3 Months Outlook (Base)	Very Strong	78.26 / 100
Current Momentum	Slightly Bullish	26.06%

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

- 15/04/2014 (Bloomberg): Mounting tensions in Ukraine's east, where at least one serviceman was killed at the weekend, are overshadowing crisis talks with Russia, the U.S. and the EU planned for April 17.
- 14/04/2014 (Reuters) - Yen started the week on a firm footing and Asian shares braced for more losses on Monday after a dismal week on Wall Street. Ongoing tensions in Ukraine also sapped investors' appetite for risk. Ukraine gave pro-Russian separatists a Monday morning deadline to disarm or face a "full-scale
- 11/04/2014 (Bloomberg): The yen gained to the strongest in three weeks against the greenback as an unexpected decline in Chinese exports revived demand for safer assets. U.S. threatened Russia with more sanctions for its incursion into Ukraine as global finance chiefs

	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	68.67	-1.27 *		USD	+31.65%	+0.05% *
4. USD	58.99	+0.00 *		AUD	+29.22%	+0.02% *
5. AUD	56.25	+0.00 *		JPY	+26.06%	-0.04% *
6. EUR	50.90	+0.00 *		GBP	+23.58%	-0.52% *
7. CAD	45.74	+0.00 *		EUR	+22.41%	+0.01% *

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

HA Research Comments:

MARKET: Bears exhausted; Bulls in control over no further QE, risk-aversion.

TECHNICAL: USDJPY (H4) Oversold, D1 Neutral

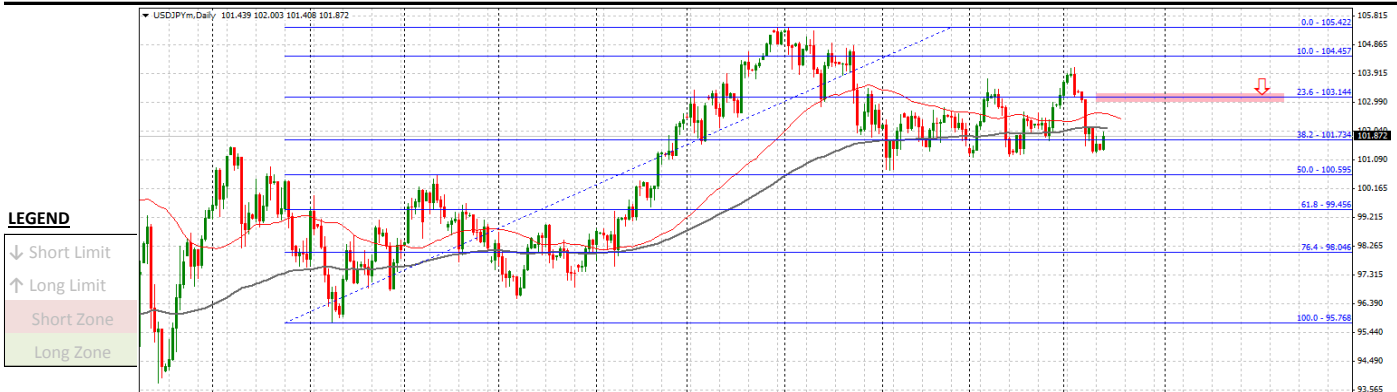
CONCLUSION: JPY strong. Risk-aversion in stocks.

Bearish Factors: (1) Risk-taking market mood.

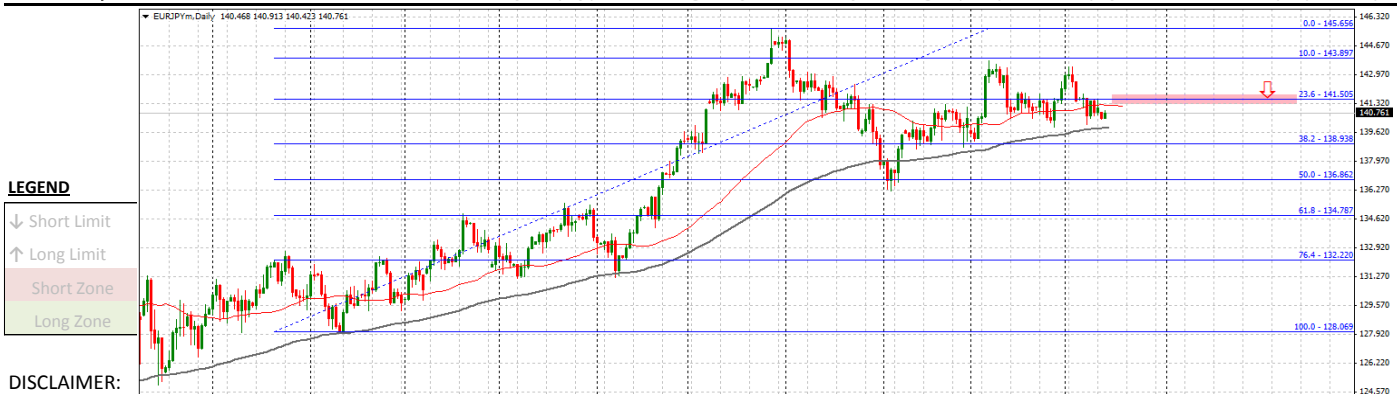
Bullish Factors: (1) BOJ refrained from adding stimulus. (2) Ukraine tension escalating. (3) Risk-aversion.

USDJPY

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

**EURJPY**

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

**DISCLAIMER:**

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Table 1: Fundamental Calendar.

UPCOMING FUNDAMENTAL EVENTS						
DATE	TIME	DETAILS	FORECAST	PREV.	IMPACT	
16-Apr (Wed)	12:30pm	Revised Industrial Production m/m	-2.30%	-2.30%	!	
16-Apr (Wed)	2:15pm	BOJ Gov Kuroda Speaks			!!!	
17-Apr (Thu)	8:30am	BOJ Gov Kuroda Speaks			!!!	
17-Apr (Thu)	1:00pm	Consumer Confidence	40.20	38.30	!	
18-Apr (Fri)	7:50am	Tertiary Industry Activity m/m	0.20%	0.90%	!!	
PAST (20) ECONOMIC EVENTS:						
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
11-Apr (Fri)	7:50am	CGPI y/y	1.70%	1.80%	1.80%	➡ +0.13%
11-Apr (Fri)	7:50am	M2 Money Stock y/y	3.50%	3.90%	4.00%	➡ +0.13%
10-Apr (Thu)	7:50am	Core Machinery Orders m/m	-8.80%	-3.20%	13.40%	⬇ -2.66%
10-Apr (Thu)	7:50am	Bank Lending y/y	2.10%	2.10%	2.20%	➡ +0.53%
10-Apr (Thu)	2:00pm	Prelim Machine Tool Orders y/y	41.80%	-	26.10%	➡ +2.13%
08-Apr (Tue)	7:50am	Current Account	-4.00%	-4.00%	-59.00%	⬇ -1.33%
08-Apr (Tue)	1:00pm	Economy Watchers Sentiment	57.90	54.10	53.00	➡ +2.13%
07-Apr (Mon)	1:00pm	Leading Indicators	1.09	1.14	1.13	➡ +0.13%
02-Apr (Wed)	7:50am	Monetary Base y/y	54.80%	60.20%	55.70%	➡ +0.80%
01-Apr (Tue)	7:50am	Tankan Manufacturing Index	17.00	19.00	16.00	⬆ +2.93%
01-Apr (Tue)	7:50am	Tankan Non-Manufacturing Index	24.00	24.00	20.00	⬆ +3.72%
01-Apr (Tue)	9:30am	Average Cash Earnings y/y	0.00%	-0.10%	-0.20%	⬆ +2.93%
31-Mar (Mon)	7:50am	Prelim Industrial Production m/m	-2.30%	3.60%	3.80%	⬇ -2.66%
31-Mar (Mon)	1:00pm	Housing Starts y/y	1.00%	5.20%	12.30%	➡ -0.53%
28-Mar (Fri)	7:30am	Household Spending y/y	-2.50%	0.20%	1.10%	⬇ -4.26%

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.

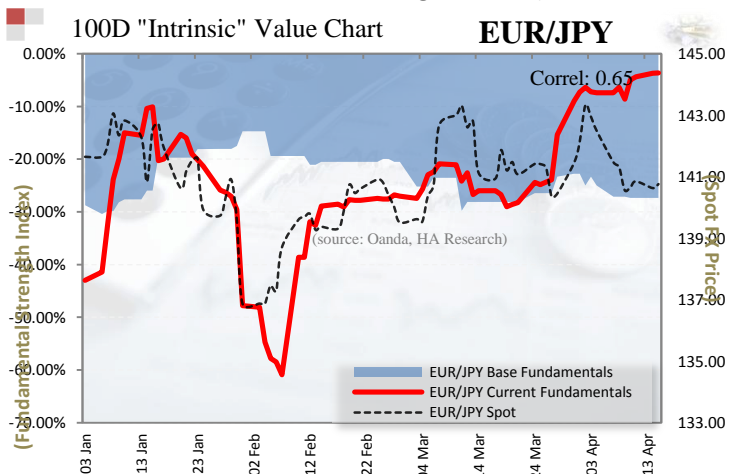
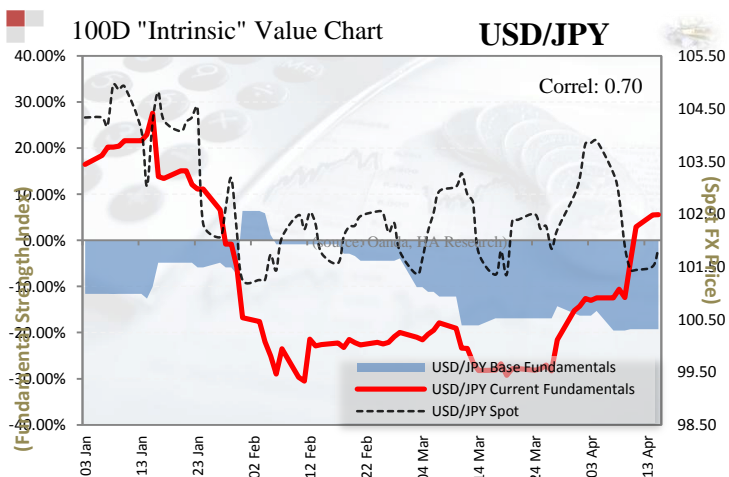


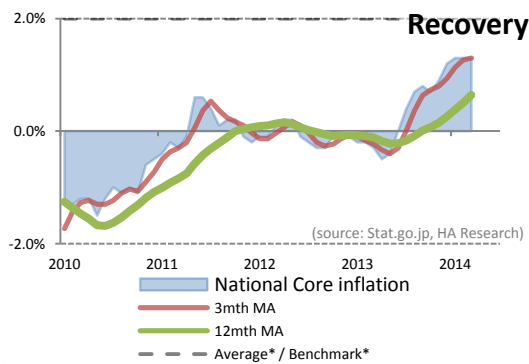
Table 2: Fundamental Score List.

BASE FUNDAMENTAL DATA RESULTS			
Type	JPY Fundamental Data	Strength	Total
Business Survey	BSI Manufacturing Index	Strong	4.348
	Manufacturing PMI	Strong	2.174
	Tankan Manufacturing Index	Strong	4.348 (Very Strong)
	Tankan Non-Manufacturing Index	Strong	4.348 15.2 / 15.2
Growth	Prelim GDP q/q	Strong	4.348
	Final GDP q/q	Strong	4.348
	Core Machinery Orders m/m	Strong	4.348
	Prelim Industrial Production m/m	Strong	4.348
	Household Spending y/y	Neutral	2.174
	Bank Lending y/y	Strong	2.174
	Prelim Machine Tool Orders y/y	Recovery	0.543
	Revised Industrial Production m/m	Strong	2.174
	All Industries Activity m/m	Strong	2.174
	Leading Indicators	Strong	2.174
Inflation	Retail Sales y/y	Strong	4.348
	Trade Balance	Weak	0
	Capital Spending q/y	Strong	4.348
	Current Account	Weak	0 (Strong)
	Tertiary Industry Activity m/m	Strong	4.348 41.8 / 54.3
	Tokyo Core CPI y/y	Recovery	1.087
	Prelim GDP Price Index y/y	Recovery	0.543
	Final GDP Price Index y/y	Recovery	0.543
	M2 Money Stock y/y	Strong	2.174
	Monetary Base y/y	Strong	2.174
Housing	CGPI y/y	Strong	2.174
	CSPI y/y	Strong	2.174
	National Core CPI y/y	Recovery	0.543 (Strong)
	Average Cash Earnings y/y	Strong	4.348 15.8 / 23.9
Consumer Survey	Housing Starts y/y	Strong	2.174 2.2 / 2.2
	Consumer Confidence	Neutral	1.087 (Strong)
	Economy Watchers Sentiment	Strong	2.174 3.3 / 4.3
			78.26 100.00

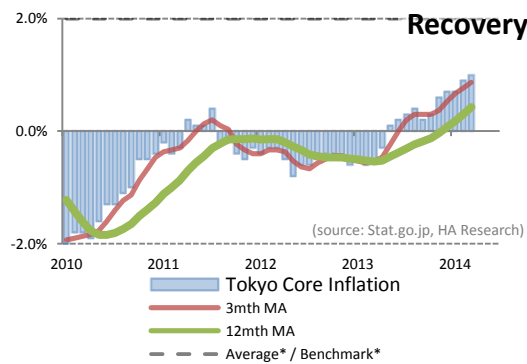
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INFLATION INDICATORS

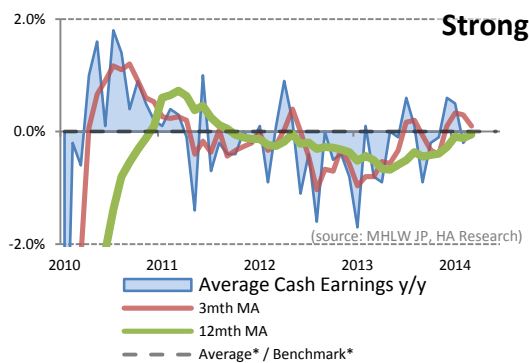
(Fig2.1)



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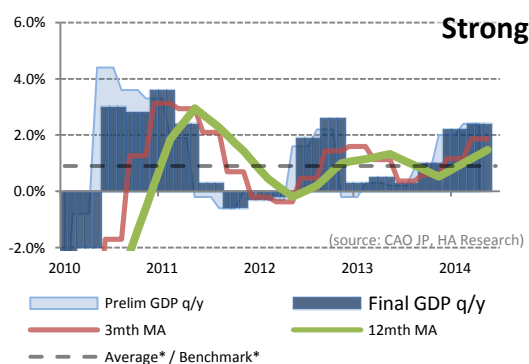


(Fig2.3)

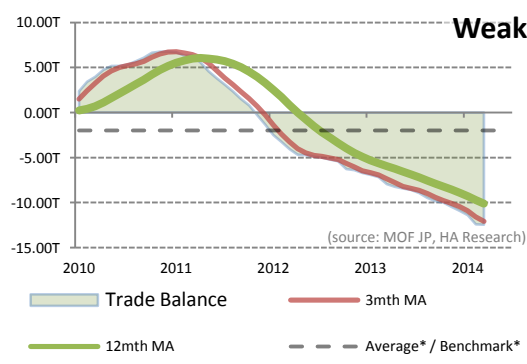


GROWTH INDICATORS

(Fig2.4)



(Fig2.5)



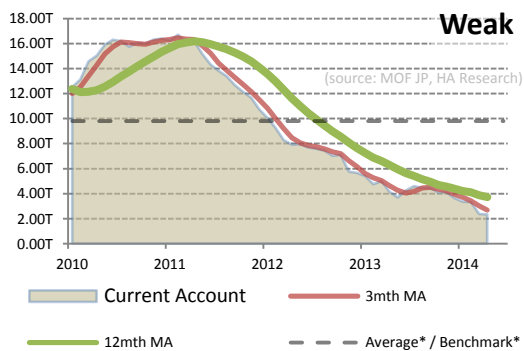
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

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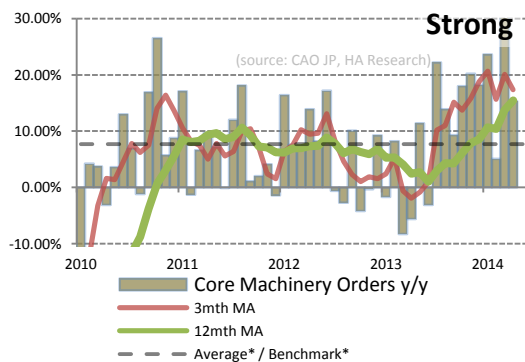
GROWTH INDICATORS (continued)

(Fig3.1)



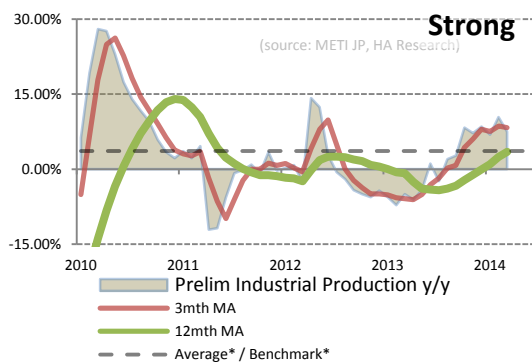
April:	2.3T	Previous	2.4T
Current Account	Difference in trade balance, services, income flows, and unilateral transfers during the reported month;		

(Fig3.2)



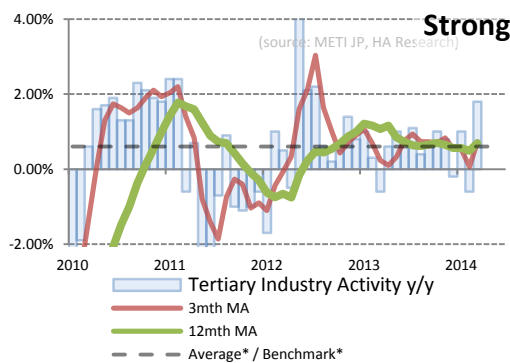
April:	15.30%	Previous	31.60%
C. Machinery Orders	Change in new pte-sector purchase orders placed with manufacturers for machines, excluding ships and utilities;		

(Fig3.3)



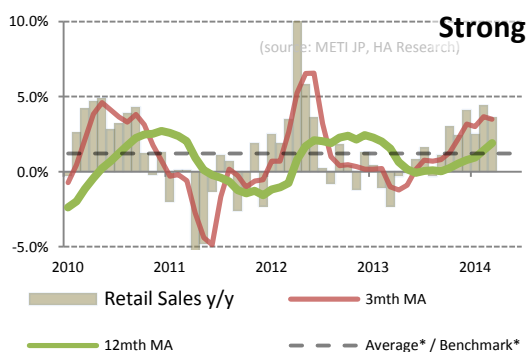
April:	Pending	Previous	7.50%
Industrial Production	Change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities;		

(Fig3.4)



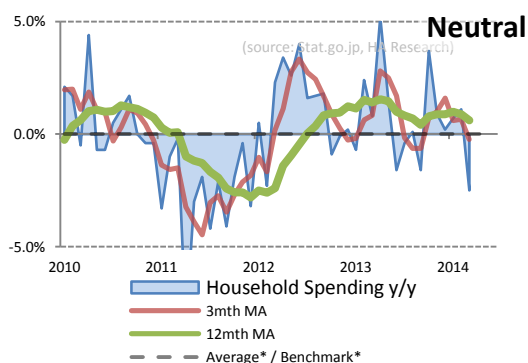
April:	Pending	Previous	1.80%
Tertiary Ind. Activity	Change in the total value of services purchased by businesses;		

(Fig3.5)



April:	Pending	Previous	3.60%
Retail Sales	Change in the total value of sales at the retail level;		

(Fig3.6)



April:	Pending	Previous	-2.50%
Household Spending	Change in the inflation-adjusted value of all expenditures by consumers;		

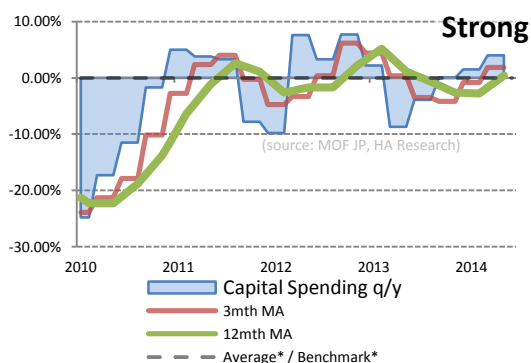
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GROWTH INDICATORS (continued)

(Fig4.1)

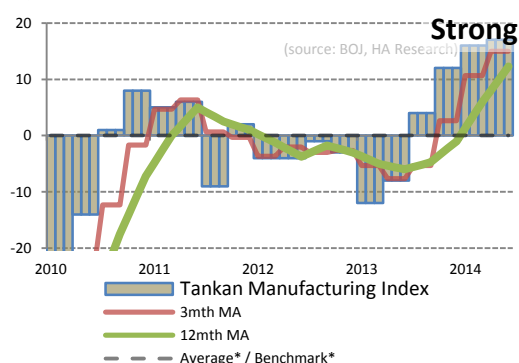


April: **4.00%** Previous: **4.00%**

Capital Spending Change in the total value of new capital expenditures made by businesses;

BUSINESS SURVEY

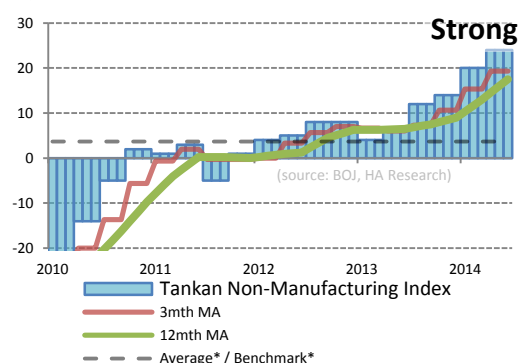
(Fig4.2)



April: **17.0** Previous: **16.0**

Tankan Manu. Index Survey of 1,200 large manufacturers to rate the relative level of general business conditions;

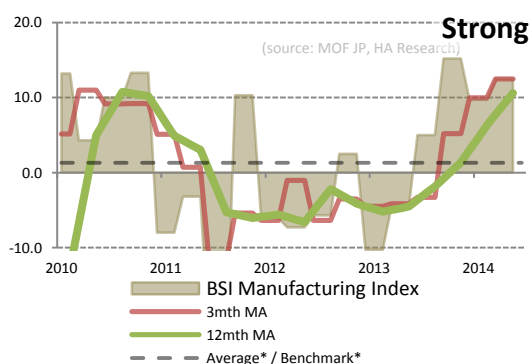
(Fig4.3)



April: **24.0** Previous: **20.0**

T. Non Manu. Index Survey of 1,200 large businesses to rate the relative level of general business conditions;

(Fig4.4)



April: **12.5** Previous: **12.5**

Business Survey Index Survey of large manufacturers to rate the relative level of general business conditions;

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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