

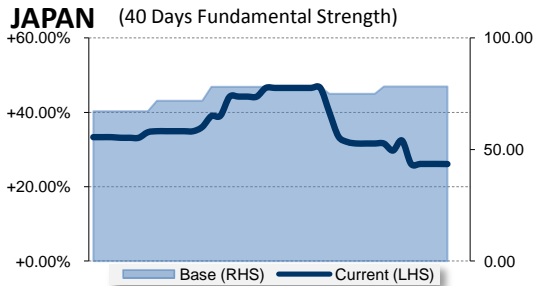
Japanese Currency Report

JAPAN ECONOMY

 In a glance.

16-Apr-2014 (Wednesday)

Last Updated: 07:51AM (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.

- 16/04/2014 ~
- 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

	Base Fundamental (Data of last 3 months)			Current Fundamental (Current data set)		
1. NZD	83.82	+0.00 *		CAD	+39.89%	-0.01% *
2. JPY	78.26	+0.00 *		NZD	+38.37%	-3.63% *
3. GBP	68.67	+0.00 *		USD	+35.26%	-0.04% *
4. USD	57.55	+0.00 *		AUD	+29.22%	+0.02% *
5. AUD	56.25	+0.00 *		JPY	+26.06%	-0.04% *
6. EUR	50.90	+0.00 *		EUR	+23.54%	+0.04% *
7. CAD	45.74	+0.00 *		GBP	+22.47%	-0.03% *

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

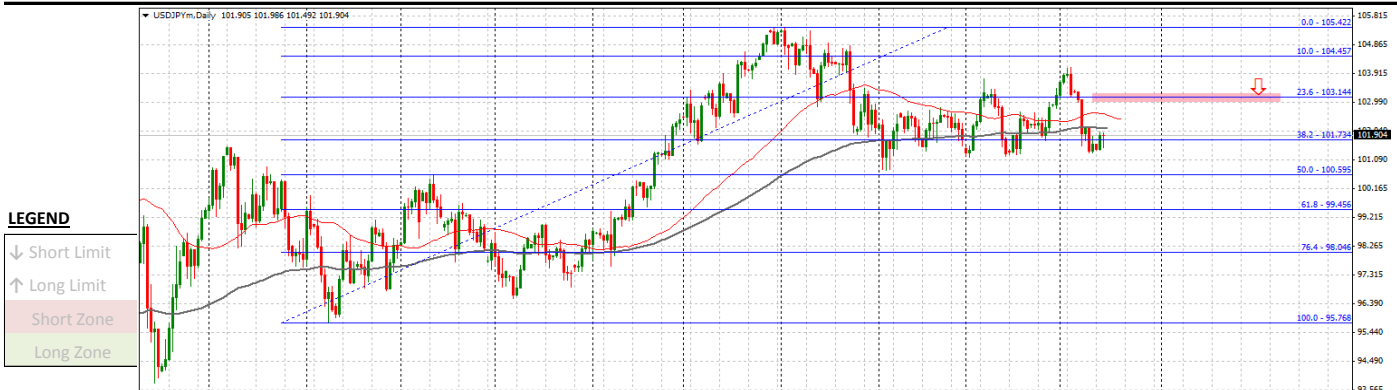
HA Research Comments:**MARKET:** Bears exhausted; Bulls pending, reiteration of no further QE, risk-aversion.**TECHNICAL:** USDJPY (H4) Oversold, D1 Neutral**CONCLUSION:** JPY strong. Risk-aversion in stocks.

Bearish Factors: (1) Risk-taking market mood. (2) Mkt Speculation for another round of stimulus.

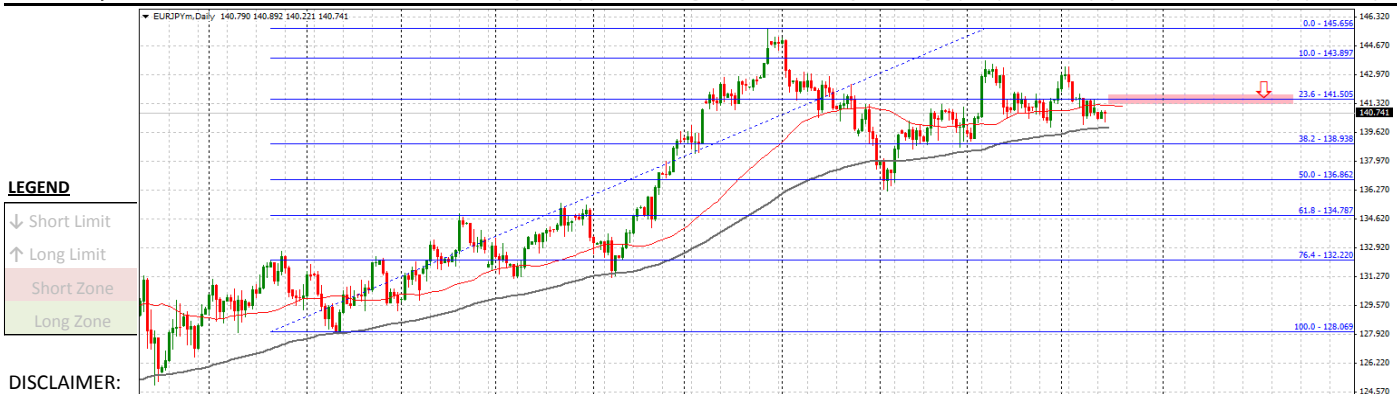
Bullish Factors: (1) BOJ refrained from adding stimulus. (2) Ukraine tension escalating. (3) Risk-aversion.

USDJPY

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

**EURJPY**

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

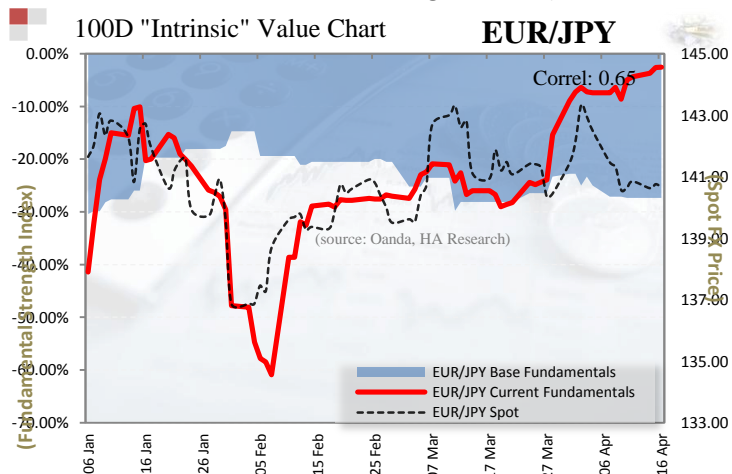
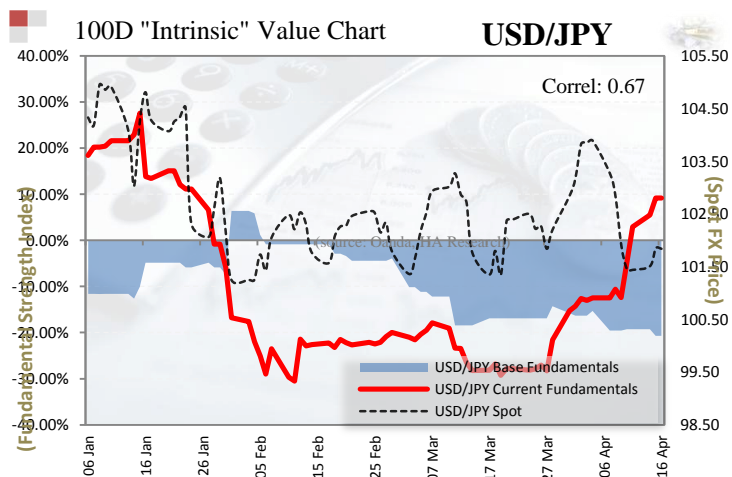
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Japanese Currency Report**Table 1: Fundamental Calendar.**

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.

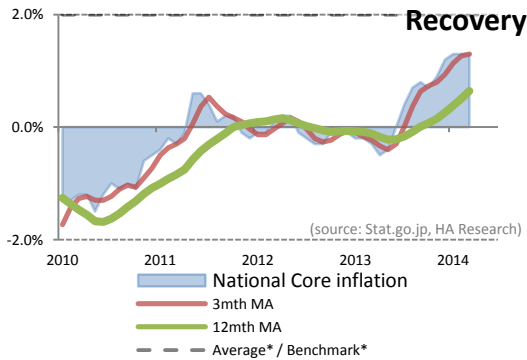
**Table 2: Fundamental Score List.**

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
	Housing Starts y/y	Strong	2.174 2.2 / 2.2
Consumer Survey	Consumer Confidence	Neutral	1.087 (Strong)
	Economy Watchers Sentiment	Strong	2.174 3.3 / 4.3
			78.26 100.00

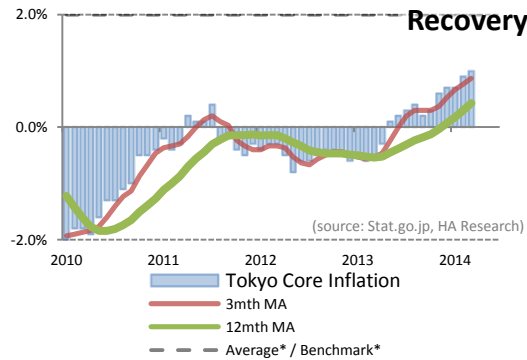
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INFLATION INDICATORS

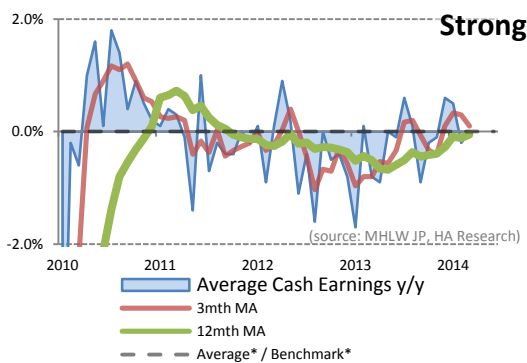
(Fig2.1)



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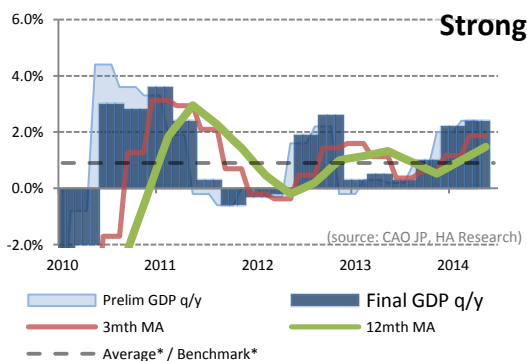


(Fig2.3)

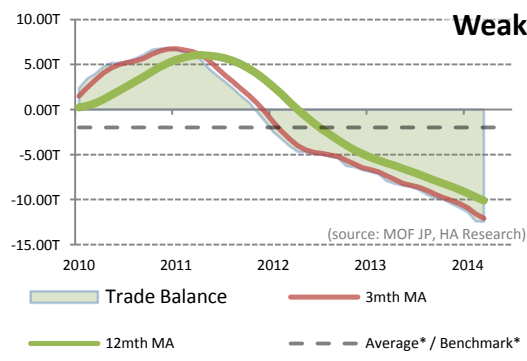


GROWTH INDICATORS

(Fig2.4)



(Fig2.5)



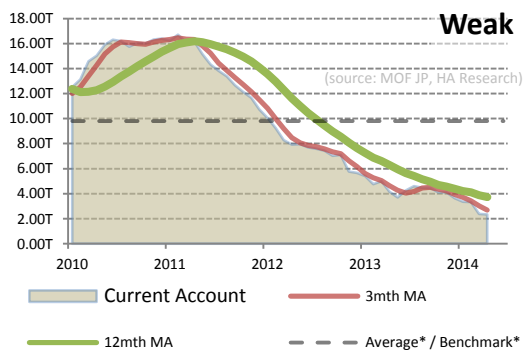
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

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).

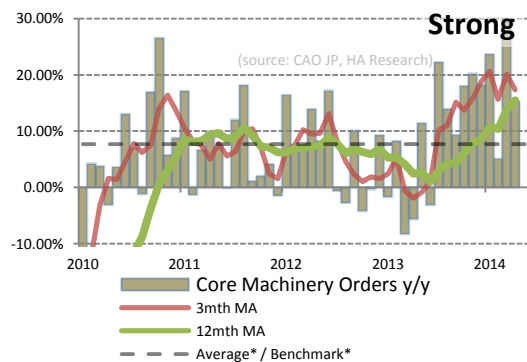
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GROWTH INDICATORS (continued)

(Fig3.1)



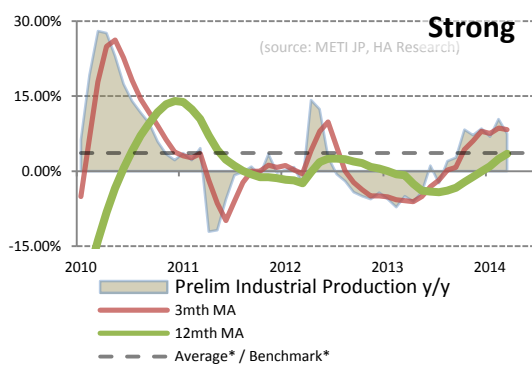
(Fig3.2)



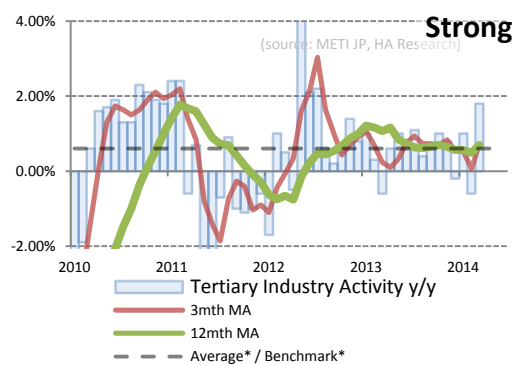
April:	2.3T	Previous	2.4T
Current Account	Difference in trade balance, services, income flows, and unilateral transfers during the reported month;		

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)



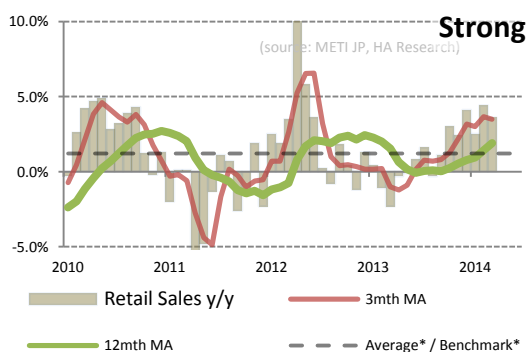
(Fig3.4)



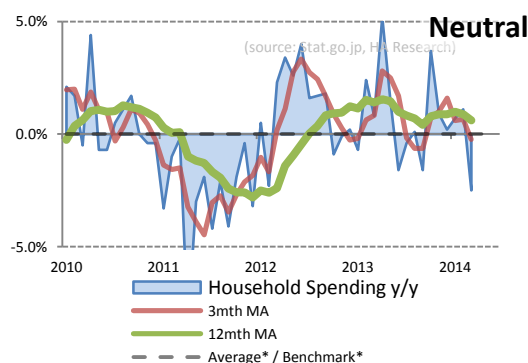
April:	Pending	Previous	7.50%
Industrial Production	Change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities;		

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

(Fig3.5)



(Fig3.6)



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

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

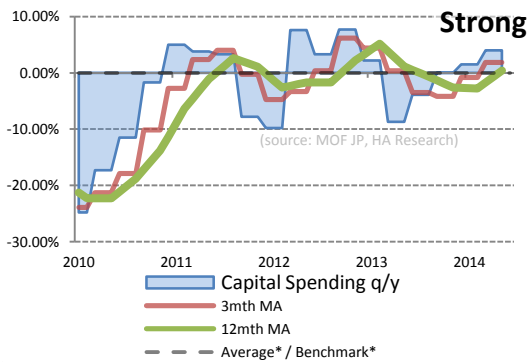
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GROWTH INDICATORS (continued)

(Fig4.1)

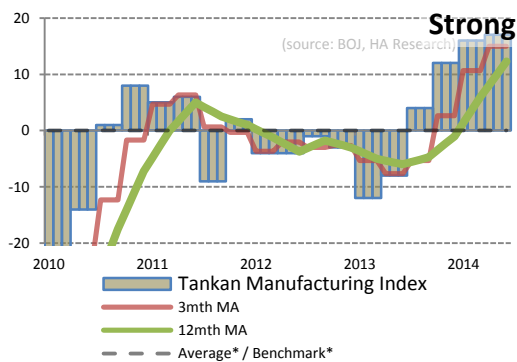


April:	4.00%	Previous	4.00%
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Capital Spending Change in the total value of new capital expenditures made by businesses;

BUSINESS SURVEY

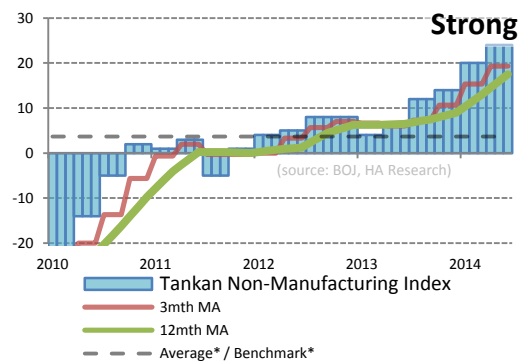
(Fig4.2)



April:	17.0	Previous	16.0
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Tankan Manu. Index Survey of 1,200 large manufacturers to rate the relative level of general business conditions;

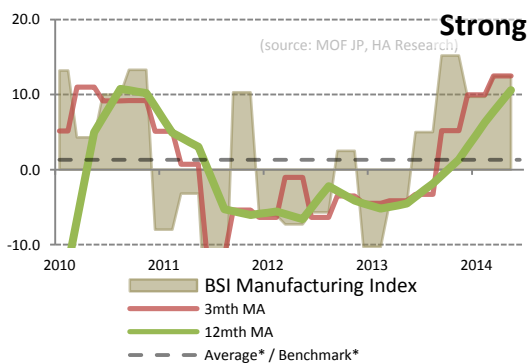
(Fig4.3)



April:	24.0	Previous	20.0
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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
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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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