

**USD**

**Fundamental Data**

CCY	USD	
Fundie Bias	Bullish	
Current Sentiment	Bearish	
Interest Rate	0.50%	0.50%
Last Change	16-Dec-15	
Next Decision (dd/mm/yyyy)	Daily	
CPI	1.00%	1.00%
Core CPI	2.30%	2.20%
Inflation Target	2.00%	
Next Release (dd/mm/yyyy)	Sep-16	
Unemployment Rate	4.90%	4.80%
Next Release (dd/mm/yyyy)	Aug-16	
GDP	1.20%	2.60%
Next Release (dd/mm/yyyy)	Sep-16	
Analysis	Long	
CB Gabenor	Janet Yellen (F)	
Monetary Policy Committee	<a href="https://www.federalreserve.gov/monetarypolicy/fomc.htm">https://www.federalreserve.gov/monetarypolicy/fomc.htm</a>	
Meeting Frequency	Eight times a year	
CB Obj	Long-term price stability and sustainable growth	
Data CB Looks At To Hike/Cut Rate	Hike	
Forward Guidance	Gold	
Additional	Import/Export, WTI	
QE		
Last Change		
Monetary Policy Websites	<a href="http://www.federalreserve.gov/monetarypolicy/default.htm">http://www.federalreserve.gov/monetarypolicy/default.htm</a>	
Import	1. Crude Petroleum (\$230B)	
	2. Cars (\$155B)	
	Computers (\$92B)	
Export	1. Refine Petroleum: (\$103B)	
	2. Cars: (\$60.8B)	
	3. Aircraft, Helicopters, Spacecraft: (\$53.2B)	

## Event

Next Week: Aug 7 - Aug 13							Up Next	
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous	Graph
Sun Aug 7								
Mon Aug 8	8th-12th	USD	🔴	Mortgage Delinquencies			4.77%	
	10:00am	USD	🟡	Labor Market Conditions Index m/m			-1.9	
Tue Aug 9	6:00am	USD	🟡	NFIB Small Business Index		94.5	94.5	
	8:30am	USD	🔴	Prelim Nonfarm Productivity q/q		0.5%	-0.6% ↓	
		USD	🔴	Prelim Unit Labor Costs q/q		1.8%	4.5% ↓	
	10:00am	USD	🟡	IBD/TIPP Economic Optimism		46.2	45.5	
	10:00am	USD	🟡	Wholesale Inventories m/m		0.0%	0.1%	
Wed Aug 10	10:00am	USD	🔴	JOLTS Job Openings		5.52M	5.50M	
	10:30am	USD	🔴	Crude Oil Inventories			1.4M	
	1:01pm	USD	🟡	10-y Bond Auction			1.52 2.3	
	2:00pm	USD	🟡	Federal Budget Balance		-129.9B	6.3B	
Thu Aug 11	8:30am	USD	🔴	Unemployment Claims		272K	269K	
		USD	🔴	Import Prices m/m		-0.2%	0.2%	
	10:30am	USD	🟡	Natural Gas Storage			-6B	
	1:01pm	USD	🟡	30-y Bond Auction			2.17 2.5	
Fri Aug 12	8:30am	USD	🔴	Core Retail Sales m/m		0.2%	0.7%	
		USD	🔴	PPI m/m		0.1%	0.5%	
		USD	🔴	Retail Sales m/m		0.4%	0.6%	
		USD	🔴	Core PPI m/m		0.2%	0.4%	
	10:00am	USD	🔴	Prelim UoM Consumer Sentiment		91.5	90.0 ↓	
		USD	🟡	Business Inventories m/m		0.1%	0.2%	
10:00am	USD	🟡	Prelim UoM Inflation Expectations			2.7% ↓		
Sat Aug 13								

## COT



## Sentiment Outlook

July's FOMC saw the Fed leave rates unchanged as was expected with the markets focus firmly fixed on any insight into the likelihood of a September hike. The accompanying statement stated that "near term risks to the economic outlook have diminished" essentially highlighting that a September hike was on the table and initially resulted in USD strength. The comments that followed however highlighted concerns over "persistent low inflation" and consequently the FOMC statement was interpreted as overall dovish and USD weakened across the board. Advanced GDP for Q2 printed far below consensus at 1.2% versus expectations of 2.6%. One of the main factors behind the lack of growth was the first decline in Inventories since 2011. Although a decline in Inventories is currently weighing on Q2 growth, it is widely believed that this should result in greater levels of output later in the year. July's employment report saw Non-Farm Payrolls print significantly above expectations at 255K versus 180K expected. Average Hourly Earnings also beat market expectations at 0.3% versus 0.2% expected and a significant improvement on last month's disappointing 0.1%. The Unemployment Rate slightly missed estimates as it remained unchanged from prior at 4.9% versus expectations of declining to 4.8%. Inflation for June saw CPI m/m and Core CPI m/m print in line with expectations and unchanged from May at 0.2%. CPI y/y slightly missed estimates printing unchanged from prior at 1.0%, however Core CPI y/y slightly beat estimates at 2.3% versus expectations of 2.2%. PCE Price Index, the Fed's preferred measure of inflation printed in-line with expectations for PCE y/y and Core PCE y/y at 0.9% and 1.6% respectively. Core PCE m/m missed estimates at 0.1% versus expectations of remaining unchanged at 0.2%. As the Fed remain the only major central bank currently looking to hike rates, USD remains fundamentally the strongest currency of all the majors and therefore should ultimately strengthen against its counterparts. USD sentiment and short term price action however will largely be determined by economic data and its influence on rate hike expectations.

## How to Trade

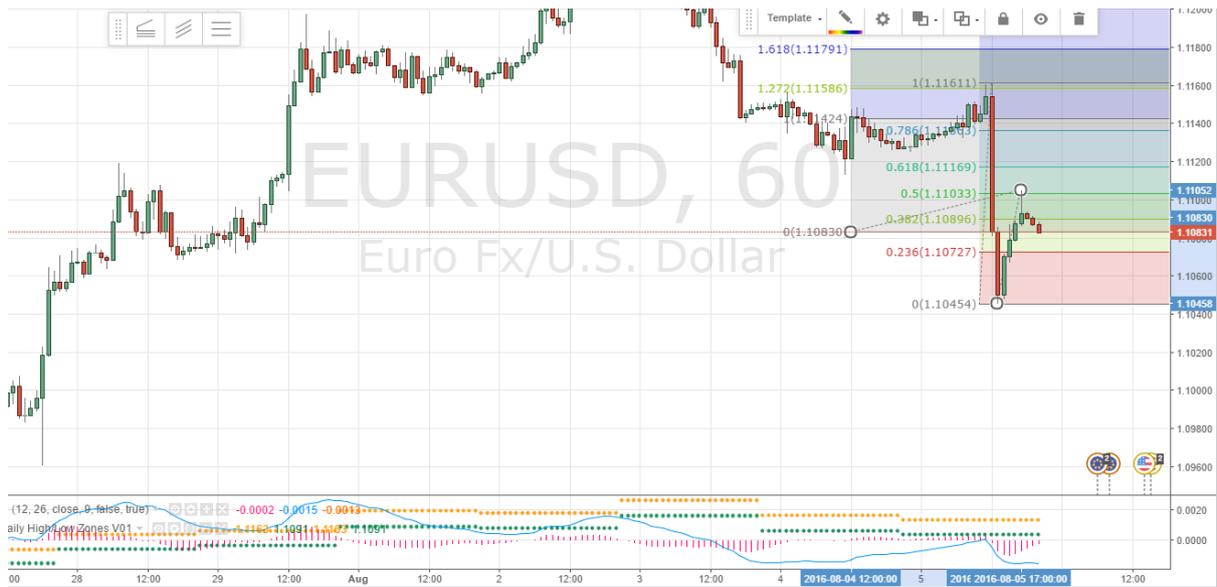
Position: Waiting for further retracement around 1.11169 – 1.11200 level for short Cable.

Intraday: Bias is to the downside.

## Trade Conviction

7/10 – Despite USD currently weakening due to negative sentiment after a series of negative data points, USD remains fundamentally the strongest currency with the Fed the only major central bank currently in a hiking cycle. As such we expect USD to ultimately strength against its counterparts however may weaken further in the short term should data continue to disappoint.

**Short EURUSD@1.11169 Stop @1.11611 Target @1.10149**



**GBR**

**Fundamental Data**

CCY	GBP	
Fundie Bias	Bearish	
Current Sentiment	Bearish	
Interest Rate	0.50%	0.50%
Last Change	5-Mar-05	
Next Decision (dd/mm/yyyy)	Daily	
CPI	0.50%	0.30%
Core CPI	1.40%	1.20%
Inflation Target	2.00%	
Next Release (dd/mm/yyyy)	Sep-16	
Unemployment Rate	4.90%	5.00%
Next Release (dd/mm/yyyy)	Aug-16	
GDP	0.40%	0.40%
Next Release (dd/mm/yyyy)	Sep-16	
Analysis	Short	
CB Gabenor	Mark Carney	
Monetary Policy Committee	<a href="http://www.bankofengland.co.uk/about/Pages/people/mpc.aspx">http://www.bankofengland.co.uk/about/Pages/people/mpc.aspx</a>	
Meeting Frequency	Monthly	
CB Obj	To maintain monetary and financial stability. The BoE's monetary policy mandate is to keep prices stable and to maintain confidence in the currency. To accomplish this, the central bank has an inflation target of 2%. If prices breach that level, the central bank will look to curb inflation, while a level far below 2% will prompt the central bank to take measures to boost inflation	
Data CB Looks At To Hike/Cut Rate	Remain	
Forward Guidance	Brexit	
Additional	Import/Export EU	
QE		
Last Change		
Monetary Policy Websites	<a href="http://www.bankofengland.co.uk/monetarypolicy/Pages/default.aspx">http://www.bankofengland.co.uk/monetarypolicy/Pages/default.aspx</a>	
Import	1. Cars (\$47.3B)	
	2. Crude Petroleum (\$34.1B)	
	3. Refined Petroleum (\$27.7B)	
Export	1. Cars (\$46B)	
	2. Gold (\$37.4B)	
	3. Crude Petroleum (\$23.1B)	

## Event

Next Week: Aug 7 - Aug 13				Up Next			
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous
Sun Aug 7							
Mon Aug 8	7:01pm	GBP	🟡	BRC Retail Sales Monitor y/y			-0.5%
Tue Aug 9	4:30am	GBP	🔴	Manufacturing Production m/m		0.0%	-0.5%
		GBP	🟠	Goods Trade Balance		-9.6B	-9.9B
		GBP	🟡	Industrial Production m/m		-0.1%	-0.5%
		10:00am	GBP	🟡	NIESR GDP Estimate		
Wed Aug 10	7:01pm	GBP	🟡	RICS House Price Balance		19%	16%
Thu Aug 11							
Fri Aug 12	4:30am	GBP	🟡	Construction Output m/m		0.9%	-2.1%
	9:30am	GBP	🟡	CB Leading Index m/m			-0.2%
Sat Aug 13							

## COT



## Sentiment Outlook

At their August 4 meeting the BoE voted unanimously to cut rates by 25 basis points to a new historical low of 0.25%. In addition to a reduction in rates the BoE also surprised markets with the announcement of a 60 billion increase to its asset purchase facility to 435 billion and a 100 billion increase to its Funding for Lending Scheme. In regards to growth forecasts the BoE left 2016 GDP unchanged at 2% however lowered 2017 from 2.3% to 0.8% and forecasts inflation at 2.4% at two and three year horizons. In addition, the BoE also stated that "the majority of the MPC expect rates to be near 0% by the end of the year" suggesting that additional rate cuts this year can be expected. Following the surprise measures and overall dovish statement and forecasts, GBP declined across the board with cable once again testing key support at 1.3100. Further downside can be expected with the BoE actions confirming our bearish fundamental outlook on GBP. The Preliminary estimate for Q2 GDP printed slightly above expectations at 0.6% q/q versus 0.5% expected and Q1's 0.4%, and at 2.2% y/y versus 2.1% expected and Q1's 2.0%. Overall the data had little if any impact on GBP as given the data relates to before the UK voting to leave the EU its relevance is largely outdated. The Unemployment Rate for the month of May beat estimates as it declined to 4.9% versus expectations of remaining unchanged at 5.0%. Average Weekly earnings also beat estimates at 2.3% versus expectations of 2.2%, whilst Claimant Count Change for June saw an increase of 400 people claiming benefits compared to expectations for an increase of 3,900 people. Inflation for June was overall positive with CPI y/y printing at 0.5%, above expectations of remaining unchanged at 0.3%. Core CPI y/y printed at 1.4% versus expectations of 1.3% with CPI m/m printing in line with expectations and unchanged from prior at 0.2%. Pound is likely to remain fundamentally weak for the foreseeable future especially considering the BoE cutting rates to new historic lows, increasing its QE programme by an additional 60 billion, and suggesting that they expect to cut again during 2016. In regards to sentiment, economic data will be key as most collected data will now be post 'Brexit' and will therefore continue to provide a greater insight into the impact of the UK leaving the EU on the UK economy.

## How to Trade

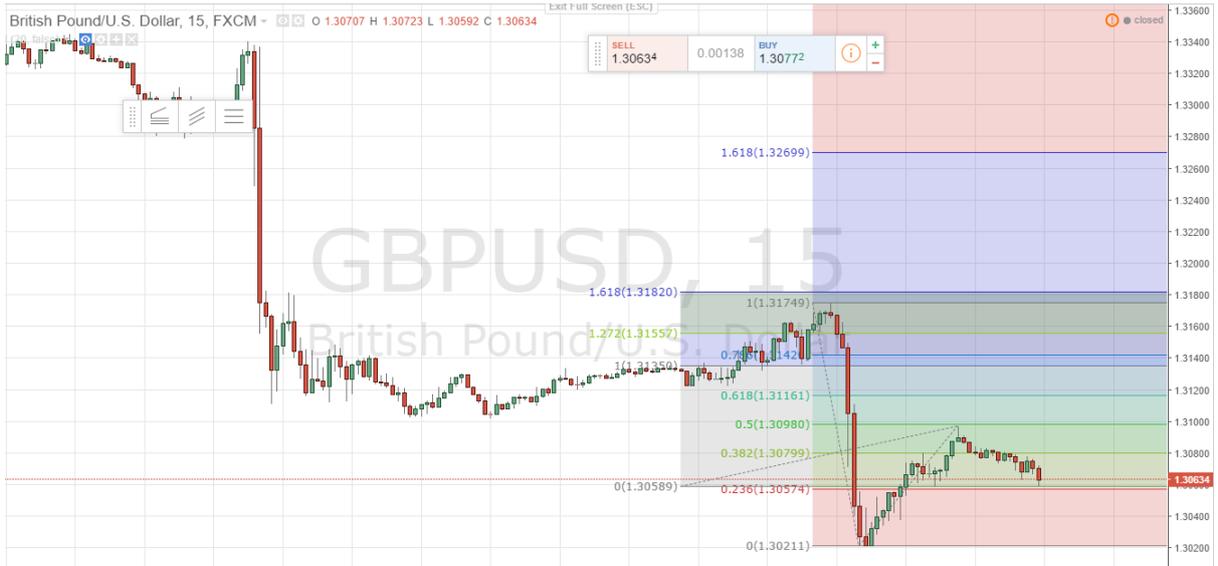
Position: Pound is likely to remain pressured for the foreseeable future given the uncertainty surrounding the full extent of implications following the UK voting to leave the EU and the BoE's shift to a dovish bias and potential for easing monetary policy. Direction in GBP will largely be the result of future monetary policy expectations and economic data as this will give the market a greater insight into how the 'Brexit' is impacting the UK economy. Waiting for further retracement around 1.31161 – 1.31171 level for short Cable.

Intraday: Bias is to the downside.

## Trade conviction

7/10 – If economic data continues to disappoint expectations for further easing will continue to increase alongside weakness in GBP.

**Short GBPUSD@1.31161 Stop @1.31749 Target @1.30011**



**CAD**

**Fundamental Data**

CCY	CAD	
Fundie Bias	Neutral	
Current Sentiment	Bearish	
Interest Rate	0.50%	0.50%
Last Change	15-Jul-15	
Next Decision (dd/mm/yyyy)	Daily	
CPI	1.50%	1.50%
Core CPI	2.10%	2.10%
Inflation Target	2.00% +/-1.0%	
Next Release (dd/mm/yyyy)	Sep-16	
Unemployment Rate	6.80%	7.00%
Next Release (dd/mm/yyyy)	Aug-16	
GDP	2.40%	2.90%
Next Release (dd/mm/yyyy)	8/16/2016	(Monthly)
Analysis	Long	
CB Gabor	Stephen Poloz	
Monetary Policy Committee	<a href="http://www.bankofcanada.ca/about/governing-council/">http://www.bankofcanada.ca/about/governing-council/</a>	
Meeting Frequency	Eight times a year	
CB Obj	Maintaining the integrity and value of the currency. The central bank has an inflation target of 1-3%, and it has done a good job of keeping inflation within that band since 1998	
Data CB Looks At To Hike/Cut Rate	Remain	
Forward Guidance	WTI	
Additional	Gold	
QE		
Last Change		
Monetary Policy Websites	<a href="http://www.bankofcanada.ca/core-functions/monetary-policy/">http://www.bankofcanada.ca/core-functions/monetary-policy/</a>	
Import	1. Cars (\$26.9B)	
	2. Crude Petroleum (\$21B)	
	3. Vehicle Parts (\$20.4B)	
Export	1. Crude Petroleum (\$87B)	
	2. Cars (\$45.2B)	
	3. Petroleum Gas (\$15.8B)	

## Event

Next Week: Aug 7 - Aug 13				Up Next			
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous
Sun Aug 7							
Mon Aug 8	8:30am	CAD	📌	Building Permits m/m		2.7%	-1.9%
Tue Aug 9	8:15am	CAD	📌	Housing Starts		196K	218K
Wed Aug 10							
Thu Aug 11	8:30am	CAD	📌	NHPI m/m		0.2%	0.7%
Fri Aug 12							
Sat Aug 13							

## COT



## **Sentiment Outlook**

The BoC are expected to remain on hold for the foreseeable future as inflation remains within the BoC's target range and the economy remains supported by Canada's accommodative fiscal policy measures. As such, price action in CAD is likely to be largely dictated by developments in WTI as oil remains a primary source of income and economic growth for Canada. Employment for July missed estimates with Unemployment Change seeing 31,200 jobs lost versus expectations for 9,000 jobs to be added. By taking a deeper look into the report, Full Time Employment actually saw 71,400 jobs lost with Part Time Employment seeing 40,200 jobs gained, indicating a bleaker outlook than the headline figure would suggest. The Unemployment Rate ticked up to 6.9% from last month's 6.8% as expected. Inflation for June printed positive across the board with headline CPI y/y printing at 1.5% versus expectations of 1.4% and at 0.2% m/m versus expectations of 0.0%. Core CPI printed at 2.1% y/y versus expectations of decreasing to 2.0% with Core CPI m/m printing at 0.0% versus expectations of decreasing to -0.1%. At their July meeting the BoC left rates unchanged as expected at 0.5% however downgraded their growth forecasts for both 2016 and 2017. Growth expectations for 2016 were cut to 1.3% from 1.7% and expectations for 2017 were cut to 2.2% from 2.3%. The BoC however also stated that inflation for Q2 was now expected at 1.6% from 1.3% prior and Q3 inflation was expected at 1.5% from 1.2% prior. Looking ahead we see the CAD driven mainly by moves in commodities and risk-sentiment, with riskappetite supporting the currency and risk-aversion pressuring it.

## **How to Trade**

Position: Awaiting a better level to execute long position at 1.30838 and might be higher.

Intraday: CAD bias is to the downside. Keep an eye on WTi price for a Long Loonie Bias.

## **Trade Conviction**

7/10 – The Canadian economy is struggling, as underscored by weak job data last week. The US is moving in the opposite direction, as the superb payrolls report will likely raise the odds of a rate hike by the Fed before the end of the year.

**[Long USDCAD@1.31575 Stop @1.31196 Target @1.32379](#)**



**AUD**

**Fundamental Data**

CCY	AUD	
Fundie Bias	Bearish	
Current Sentiment	Bearish	
Interest Rate	1.75%	2.00%
Last Change	3-May-16	
Next Decision (dd/mm/yyyy)	Daily	
CPI	1.00%	1.30%
Core CPI	1.70%	1.70%
Inflation Target	2.00% - 3.00%	
Next Release (dd/mm/yyyy)	8/16/2016	(Monthly)
Unemployment Rate	5.80%	5.80%
Next Release (dd/mm/yyyy)	Aug-16	
GDP	1.10%	0.60%
Next Release (dd/mm/yyyy)	Sep-16	
Analysis	Long	
CB Gabenor	Glenn Stevens	
Monetary Policy Committee	<a href="http://www.rba.gov.au/about-rba/boards/rba-board.html">http://www.rba.gov.au/about-rba/boards/rba-board.html</a>	
Meeting Frequency	Eleven times a year, usually on the first Tuesday of each month (with the exception of January)	
CB Obj	To ensure stability of currency, maintenance of full employment and economic prosperity and welfare of the people of Australia. The central bank has an inflation target of 2-3% per year	
Data CB Looks At To Hike/Cut Rate	Cut	
Forward Guidance	Gold	
Additional	Import from China	
QE		
Last Change		
Monetary Policy Websites	<a href="http://www.rba.gov.au/monetary-policy/">http://www.rba.gov.au/monetary-policy/</a>	
Import	1. Cars Refined Petroleum (\$16.6B)	
	2. Crude Petroleum (\$16.2B)	
	3. Cars (\$15.7B)	
Export	1. Iron Ore (\$60B)	
	2. Coal Briquettes(\$37.2B)	
	3. Petroleum Gas (\$16.3B)	

## Event

Next Week: Aug 7 - Aug 13							Up Next	
Date	11:21am	Currency	Impact	Detail	Actual	Forecast	Previous	Graph
Sun Aug 7	9:30pm	AUD	📈	ANZ Job Advertisements m/m			0.5%	
Mon Aug 8	9:30pm	AUD	📈	NAB Business Confidence			6	
Tue Aug 9	8:30pm	AUD	📈	Westpac Consumer Sentiment			-3.0%	
	9:30pm	AUD	📈	Home Loans m/m		2.4%	-1.0%	
	11:05pm	AUD	📉	RBA Gov Stevens Speaks				
Wed Aug 10	9:00pm	AUD	📈	MI Inflation Expectations			3.7%	
Thu Aug 11								
Fri Aug 12								
Sat Aug 13								

[More](#)

## COT



## Sentiment Outlook

On August 2 the RBA cut rates by 25 basis points to new record lows of 1.5% citing inflation as a key factor in their decision to reduce rates. As such, many economist believe the door remains open to further easing and furthermore highlighting the importance of Q3 inflation data. Given Q3 inflation data will not be released until October, the likelihood is that the RBA will leave rates unchanged at their September meeting. Nevertheless there is a strong possibility of the RBA easing rates once again in 2016 and therefore we continue to see AUD as a fundamentally bearish currency. Employment figures for June saw the Unemployment Rate print in line with expectations at 5.8% and a slight miss on the headline Employment Change at 7.9K versus expectations of 10.0K. Nevertheless the report was considered overall positive given the strong rise in Full Time Employment Change which saw an increase of 38.4K. Inflation data for Q2 saw headline CPI q/q print in line with expectations at 0.4% from Q1's -0.2% and Trimmed Mean CPI q/q beat expectations at 0.5% versus expectations of 0.4% and Q1's 0.2%. Headline CPI y/y missed on expectations at 1.0% versus 1.1% expected and a significant drop from Q1's 1.3%. Trimmed Mean CPI y/y remained unchanged from prior at 1.7% versus expectations of declining to 1.5%. Ultimately Q2 inflation remained below the RBA's target of 2-3% and was cited as one of the main reasons for the RBA deciding to reduce rates on August 2. The AUD is highly correlated to risk sentiment and the commodities complex, as such AUD tends to remain well supported during times of risk on sentiment or times when commodities see strength, however remain pressured during times of risk off sentiment or downside seen in commodities.

## How to Trade

Position: Waiting for a better setup to long AUD.

Intraday: Keep an eye on RBA Gov (Stevens) speaks on Monday at 1105H GMT.

## Trade Conviction

7/10 - From a fundamental perspective the Aussie is likely to remain pressured as although only just cutting rates there is a strong possibility of further cuts if inflation continues to show little sign of eventually reaching the RBA's target of 2-3%.

**[Long AUDNZD@1.06302 @1.05997 Target @1.06991](#)**



**NZD**

**Fundamental Data**

CCY	NZD	
Fundie Bias	Bearish	
Current Sentiment	Neutral	
Interest Rate	2.25%	2.25%
Last Change	10-Mar-16	
Next Decision (dd/mm/yyyy)	Daily	
CPI	0.40%	0.20%
Core CPI	0.40%	0.40%
Inflation Target	2.00% +/-1.0%	
Next Release (dd/mm/yyyy)	8/16/2016	(Monthly)
Unemployment Rate	5.50%	5.70%
Next Release (dd/mm/yyyy)	9/16/2016	(Quarterly)
GDP	0.70%	0.50%
Next Release (dd/mm/yyyy)	Sep-16	
Analysis	Short	
CB Gabenor	Graeme Wheeler	
Monetary Policy Committee	<a href="http://www.rbnz.govt.nz/about-us/board-of-directors">http://www.rbnz.govt.nz/about-us/board-of-directors</a>	
Meeting Frequency	Eight times a year	
CB Obj	To maintain price stability and to avoid instability in output, interest rates and exchange rates. The RBNZ has an inflation target of 1.5%. It focuses hard on this target, because failure to meet it could result in the dismissal of the governor of the RBNZ	
Data CB Looks At To Hike/Cut Rate	Cut	
Forward Guidance	Export	
Additional	Housing Price	
QE		
Last Change		
Monetary Policy Websites	<a href="http://www.rbnz.govt.nz/monetary-policy">http://www.rbnz.govt.nz/monetary-policy</a>	
Import	1. Crude Petroleum(\$3.67B)	
	2. Cars (\$3.32B)	
	3. Refined Petroleum (\$2.14B)	
Export	1. Concentrated Milk (\$7.79B)	
	2. Sheep and Goat Meat (\$2.57B)	
	3. Butter (\$2.22B)	

## Event

Next Week: Aug 7 - Aug 13				Up Next				
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous	Graph
Sun								
Aug 7								
Mon								
Aug 8								
Tue								
Aug 9								
Wed	5:00pm	NZD	Official Cash Rate			2.00%	2.25%	
			RBNZ Rate Statement					
			RBNZ Monetary Policy Statement					
			RBNZ Press Conference					
			FPI m/m				0.4%	
Thu	6:45pm	NZD	Business NZ Manufacturing Index				57.7	
			Retail Sales q/q			1.0%	0.8%	
			Core Retail Sales q/q			1.1%	1.0%	
Fri								
Aug 12								
Sat								
Aug 13								

## COT



## **Sentiment Outlook**

With inflation in New Zealand failing to show little progress in reaching the RBNZ's target of between 13% for 7 consecutive quarters there is a strong possibility of the RBNZ cutting rates by 25 basis points at their next meeting on August 11. The main obstacle for the RBNZ to reduce rates has been the continued increase in New Zealand's housing market, however with new restrictions on investors from purchasing property soon to be implemented, the ability for the RBNZ to cut rates further is greatly increased. The results of Fonterra's latest GDT auction saw GDT price index rise by 6.6% and Whole Milk Powder price index rise by 9.9%, a significant improvement from the prior auction which saw GDT price index remain flat at 0.0% and WMP rise by only 1.9%. Following the miss on Q2 CPI and the announcement of possible new restrictions on investors from purchasing property, there are strong expectations for the RBNZ to cut rates on August 11. Despite expectations for cuts this month, NZD has remained fairly well supported over recent sessions with NZDUSD rallying almost 300 pips off of its most recent lows. Nevertheless providing expectations for easing this month remain high we expect NZD to ultimately weaken against its fundamentally stronger counterparts and therefore maintain our overall bearish bias.

## **How to Trade**

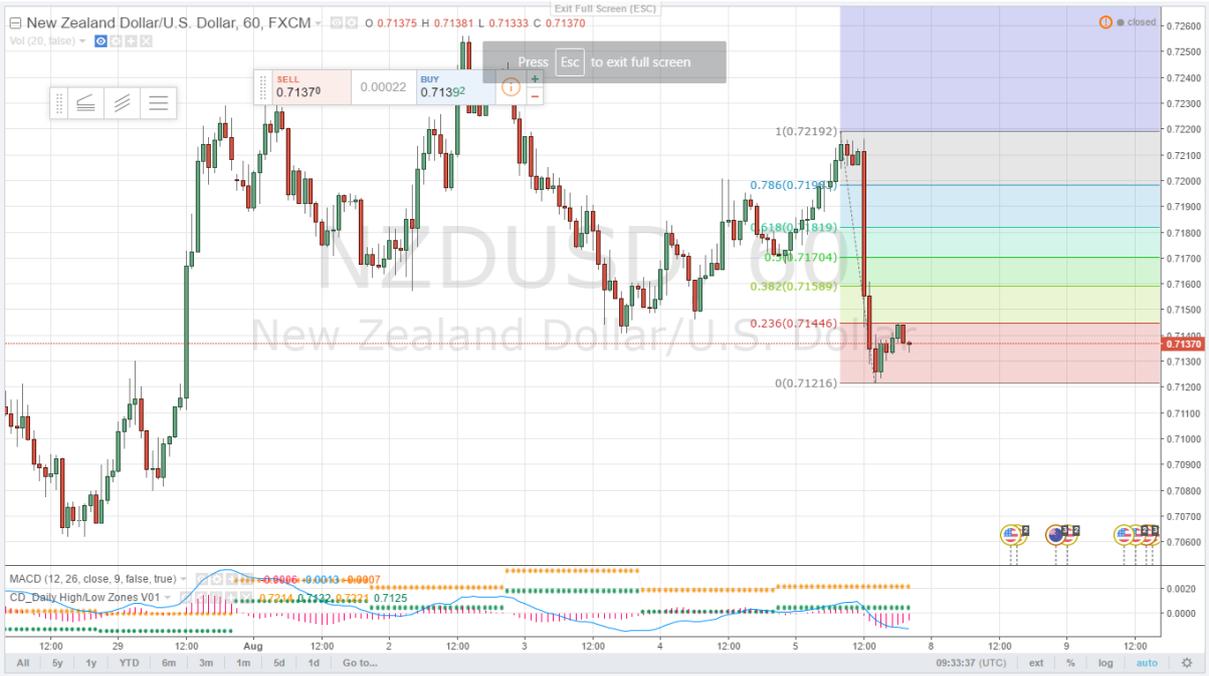
Position: Price is in the target zone.

Intraday: NZD bias is to the downside. The most weakest currency trough out previous week.

## **Trade conviction**

7/10. It seems that the RBNZ is determined to cut rates and the Fed is still on course for further rate hikes.

**Short NZDUSD@0.71819 Stop @0.72192 Target @0.71001**



**EUR**

**Fundamental Data**

CCY	EUR	
Fundie Bias	W/Bearish	
Current Sentiment	Neutral	
Interest Rate	0.00%	0.00%
Last Change	10-Mar-16	
Next Decision (dd/mm/yyyy)	Daily	
CPI	0.20%	0.10%
Core CPI	0.90%	0.90%
Inflation Target	<2.00%	
Next Release (dd/mm/yyyy)	Sep-16	
Unemployment Rate	10.10%	10.10%
Next Release (dd/mm/yyyy)	Aug-16	
GDP	0.30%	0.30%
Next Release (dd/mm/yyyy)	Sep-16	
Analysis	Short	
CB Gabenor	Mario Draghi	
Monetary Policy Committee	<a href="https://www.ecb.europa.eu/ecb/orga/decisions/govc/html/index.en.html">https://www.ecb.europa.eu/ecb/orga/decisions/govc/html/index.en.html</a>	
Meeting Frequency	Bi-weekly, but policy decisions are generally only made at meetings where there is an accompanying press conference, and those happen 11 times a year	
CB Obj	Price stability and sustainable growth. However, unlike the Fed, the ECB strives to maintain the annual growth in consumer prices below 2%. As an export dependent economy, the ECB also has a vested interest in preventing against excess strength in its currency because this poses a risk to its export market	
Data CB Looks At To Hike/Cut Rate	Remain	
Forward Guidance	Export	
Additional	Import/Export GB/US	
QE	0.00%	
Last Change	10-Mar-16	
Monetary Policy Websites	<a href="https://www.ecb.europa.eu/mopo/html/index.en.html">https://www.ecb.europa.eu/mopo/html/index.en.html</a>	
Import	1. Crude Petroleum (\$53.3B)	
	2. Cars (\$47.3B)	
	3. Vehicle Parts (\$38.2B)	
Export	1. Cars (\$163B)	
	2. Vehicle Parts (\$63.2B)	
	3. Packaged Medicaments (\$52B)	

## Event

Next Week: Aug 7 - Aug 13				Up Next				
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous	Graph
Sun Aug 7								
Mon Aug 8	2:00am	EUR	📅	German Industrial Production m/m		0.9%	-1.3%	
	4:30am	EUR	📅	Sentix Investor Confidence		3.6	1.7	
Tue Aug 9	2:00am	EUR	📅	German Trade Balance		23.2B	22.2B	
	2:45am	EUR	📅	French Gov Budget Balance			-65.7B	
Wed Aug 10	2:45am	EUR	📅	French Industrial Production m/m		0.3%	-0.5%	
	Tentative	EUR	📅	German 10-y Bond Auction			-0.05 1.2	
Thu Aug 11	2:45am	EUR	📅	French Final CPI m/m		-0.4%	-0.4%	
	4:00am	EUR	📅	Italian Trade Balance			5.03B	
Fri Aug 12	2:00am	EUR	📅	German Prelim GDP q/q		0.3%	0.7%	
		EUR	📅	German Final CPI m/m		0.3%	0.3%	
		EUR	📅	German WPI m/m		0.3%	0.6%	
	2:45am	EUR	📅	French Prelim Non-Farm Payrolls q/q		0.2%	0.3%	
	4:00am	EUR	📅	Italian Prelim GDP q/q		0.2%	0.3%	
	5:00am	EUR	📅	Flash GDP q/q		0.3%	0.3%	
Sat Aug 13		EUR	📅	Industrial Production m/m		0.6%	-1.2%	

## COT



## Sentiment Outlook

The Euro has remained relatively well supported over recent sessions as data has been relatively upbeat despite the risks resulting from the UK voting to leave the EU. Furthermore with multiple central banks looking at expanding their easing programs and the ECB expected to remain on hold for the foreseeable future, EUR is comparatively strong. Flash CPI for July continued to improve with CPI y/y increasing to 0.2% above expectations of remaining unchanged at 0.1%. Core CPI y/y printed in line with expectations at 0.9%. Providing inflation continues to improve, the likelihood of further easing by the ECB will continue to reduce. Flash GDP for Q2 suggests the Eurozone economy grew at a quarterly rate of 0.3%, in line with expectations however half of Q1's final reading of 0.6%. GDP y/y printed unchanged yet above expectations at 1.6% versus 1.5% expected. The euro remains a fundamentally bearish currency given the negative rates and bond-buying program. This should see the currency continue to decline against bullish currencies however with the ECB likely on hold, strengthen against those currencies with central banks which are likely to ease further. Continued improvements in inflation and economic data as a whole should continue to support EUR, however should inflation start to decline once again expectations for further easing may start to increase.

## How to Trade

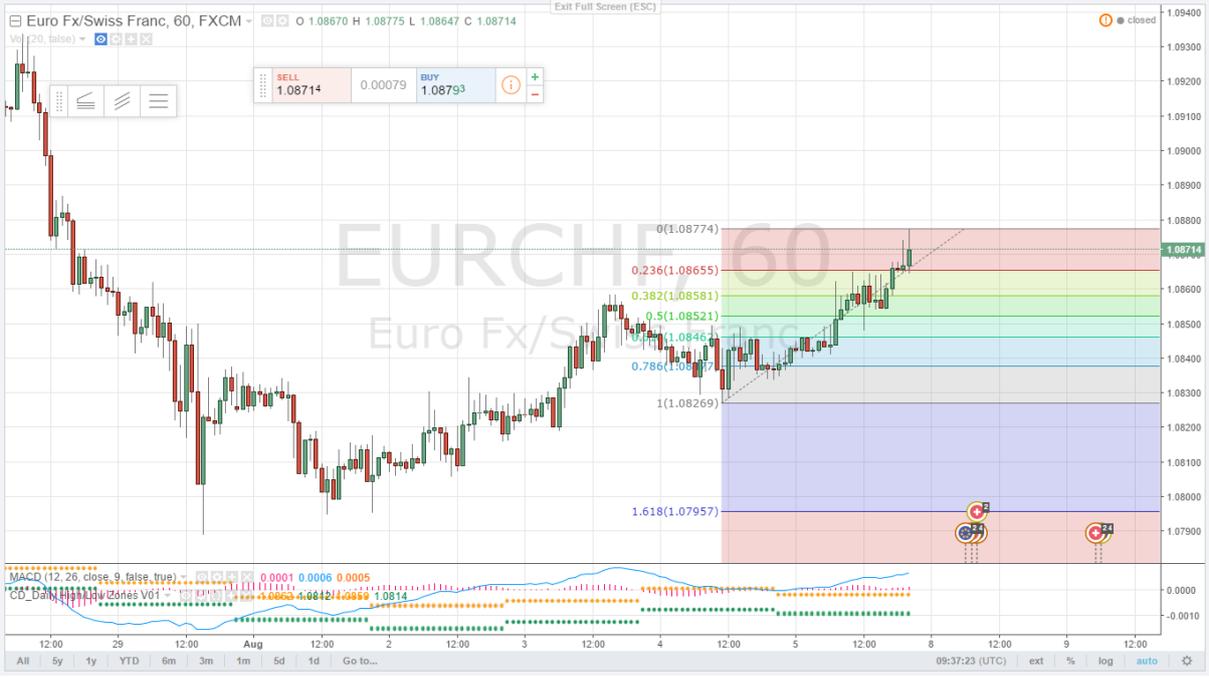
Position: Long EUR taking advantage of CHF current interest rate with close monitoring of any intervention.

Intraday: EUR is now to the downside.

## Trade Conviction

7/10. The Stress Tests and the data fail to convince markets in the old continent's strength, and the ECB may need to do more. However CHF remain their rates which lead the course to be in the bearish sentiment to date.

**Long EURCHF@1.08462 Stop @1.08269 Target @1.08991**



JPY

Fundamental Data

CCY	JPY	
Fundie Bias	Bearish	
Current Sentiment	Neutral	
Interest Rate	-0.10%	-0.10%
Last Change	29-Jan-16	
Next Decision (dd/mm/yyyy)	Daily	
CPI	-0.40%	-0.50%
Core CPI	0.30%	0.40%
Inflation Target	2.00%	
Next Release (dd/mm/yyyy)	Sep-16	
Unemployment Rate	Nil	Nil
Next Release (dd/mm/yyyy)	Aug-16	
GDP	0.50%	0.50%
Next Release (dd/mm/yyyy)	Sep-16	
Analysis	Short	
CB Gabenor	Haruhiko Kuroda	
Monetary Policy Committee	<a href="https://www.boj.or.jp/en/about/organization/policyboard/">https://www.boj.or.jp/en/about/organization/policyboard/</a>	
Meeting Frequency	Eight times a year, held over a period of two days.	
CB Obj	To maintain price stability and to ensure stability of the financial system, which makes inflation the central bank's top focus.	
Data CB Looks At To Hike/Cut Rate	Cut	
Forward Guidance	Export	
Additional	Intervention	
QE	-0.10%	
Last Change	29-Jan-16	
Monetary Policy Websites	<a href="https://www.boj.or.jp/en/mopo/index.htm/">https://www.boj.or.jp/en/mopo/index.htm/</a>	
Import	1. Crude Petroleum (\$116B)	
	2. Petroleum Gas (\$80.1B)	
	3. Refined Petroleum (\$23.9B)	
Export	1. Cars (\$93.3B)	
	2. Vehicle Parts (\$33.9B)	
	3. Integrated Circuits (\$31.1B)	

## Event

Next Week: Aug 7 - Aug 13				Up Next				
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous	Graph
Sun Aug 7	7:50pm	JPY	📢	Current Account		1.60T	1.41T	
		JPY	📢	BOJ Summary of Opinions				
		JPY	📢	Bank Lending y/y			2.0%	
Mon Aug 8	1:00am	JPY	📢	Economy Watchers Sentiment		42.6	41.2	
	7:50pm	JPY	📢	M2 Money Stock y/y		3.3%	3.4%	
	11:45pm	JPY	📢	30-y Bond Auction			0.12 2.6	
Tue Aug 9	2:00am	JPY	📢	Prelim Machine Tool Orders y/y			-19.9%	
	7:50pm	JPY	📢	Core Machinery Orders m/m		3.4%	-1.4%	
		JPY	📢	PPI y/y		-4.0%	-4.2%	
Wed Aug 10	12:30am	JPY	📢	Tertiary Industry Activity m/m		0.3%	-0.7%	
	All Day	JPY	🏠	Bank Holiday				
Thu Aug 11								
Fri Aug 12								
Sat Aug 13								

[More](#)

## COT



## Sentiment Outlook

Following the BoJ surprising markets by leaving its Monetary Base and interest rate on excess reserves unchanged, JPY has seen substantial strength with USDJPY declining back to test the 102.00 handle. With inflation continuing to remain far below the BoJ's target of 2% there is a strong possibility that eventually the BoJ will have little choice but to increase QQE and further reduce interest on excess reserves. Given Kuroda's pledge to "conduct a comprehensive assessment" of economic and price developments when the BoJ next meet, further highlights the likelihood of further easing despite the slight measures took on July 29 of increasing its ETF purchases and USD lending programs. The BoJ's own measure of core inflation remained unchanged for June at 0.8% along with Nationwide CPI at -0.4%. Nationwide and Tokyo CPI Ex Food & Energy both shown further declines with Nationwide declining to 0.4% from 0.5% and Tokyo declining to 0.3% to 0.4%. Tokyo CPI saw a slight improvement from -0.5% to -0.4%. Overall inflation in Japan shows little if any signs of improving towards the BoJ's target of 2%. Although fundamentally JPY is a bearish currency with inflation continuing to decrease and further easing by the BoJ likely at some point this year, the yen will likely continue to remain supported during times of risk off sentiment. Given the BoJ's disapproval to the strength seen in JPY throughout 2016, there is a risk of intervention from the BoJ if JPY does eventually continue to strengthen.

## How to Trade

Position: Short bias.

Intraday: Long bias.

## Trade Conviction

6/10 – The BoJ has shown yet again it has little monetary ammunition to bolster the struggling economy. At the same time, the Fed hasn't provided any clues about a rate hike, so September could come and go without a rate hike.

**Long USDJPY@1.31498 Stop @1.31145 Target @1.32198**



CHR

Fundamental Data

CCY	CHF	
Fundie Bias	Bearish	
Current Sentiment	Neutral	
Interest Rate	0.75%	0.75%
Last Change	15-Jan-15	
Next Decision (dd/mm/yyyy)	Daily	
CPI	0.40%	-0.40%
Core CPI	Nil	Nil
Inflation Target	<2.00%	
Next Release (dd/mm/yyyy)	Sep-16	
Unemployment Rate	3.30%	3.30%
Next Release (dd/mm/yyyy)	Aug-16	
GDP	0.10%	0.30%
Next Release (dd/mm/yyyy)	Sep-16	
Analysis	Short	
CB Gabenor	Thomas Jordan	
Monetary Policy Committee	<a href="https://www.snb.ch/en/ifor/media/photo/id/media_pic_dir_ektion">https://www.snb.ch/en/ifor/media/photo/id/media_pic_dir_ektion</a>	
Meeting Frequency	Quarterly	
CB Obj	To ensure price stability while taking the economic situation into account	
Data CB Looks At To Hike/Cut Rate	Remain	
Forward Guidance	Gold	
Additional	Intervention	
QE		
Last Change		
Monetary Policy Websites	<a href="http://www.snb.ch/en/iabout/monpol">http://www.snb.ch/en/iabout/monpol</a>	
Import	1. Gold (\$73.1B)	
	2. Packaged Medicaments (\$15.8B)	
	3. Cars (\$10.5B)	
Export	1. Gold (\$66.6B)	
	2. Packaged Medicaments (\$34.1B)	
	3. Human or Animal Blood (\$18.7B)	

## Event

Next Week: Aug 7 - Aug 13				Up Next				
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous	Graph
Sun								
Aug 7								
Mon	3:15am	CHF	🟡	CPI m/m		-0.5%	0.1%	
Tue	1:45am	CHF	🟡	Unemployment Rate		3.3%	3.3%	
Wed								
Aug 10								
Thu								
Aug 11								
Fri								
Aug 12								
Sat								
Aug 13								
<a href="#">More</a>								

## COT



## Sentiment Outlook

The Swiss franc is the least tradable currency of the eight majors given that monetary policy is already set at an extremely accommodative level and there are currently no expectations for changes of policy. Given the Swiss's status as a safe haven currency, the Swiss Franc does have the propensity to appreciate during times of risk-off sentiment. The most common trade in the franc under current conditions is enter a short-term buy on risk-aversion. Economic data from Switzerland generally has no effect on the FX rate. Switzerland enjoys one of the lowest unemployment rates in the world, which has further improved to just 3.3% from last month's 3.5%. Inflation has been improving, from lows of -1.4% y/y in Q3 2015 to recent levels of -0.4%. This however is headline CPI and thus reflects the changes in the price of oil. Overall, we generally are not looking for trades in the Swiss franc unless we either get a strong wave of risk sentiment in one direction or the other (risk-off = buy franc, risk-on = sell franc) or we hear of monetary policy changes from the SNB.

## How to Trade

Position

Not a good currency to carry trade or hold for a long period.

Intraday

The most common trade in the franc under current conditions is enter a short-term buy on risk-aversion. Economic data from Switzerland generally has no effect the FX rate. (Risk-off = buy franc, risk-on = sell franc)

## Trade Conviction

7/10 - Safe Heaven Flow. Waiting for appropriate data (Bond, STIR, LIBOR for SNB) to enter market.

**[Waiting for best setup to long USDCHF](#)**

**[Current Recommendation: Long USDCHF@0.97948 Stop @0.97721 Target @0.98449](#)**



## Disclaimers

All contents in this write up is meant for educational purposes only. Trading foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. Past performance is not indicative of future results. The high degree of leverage can work against you as well as for you. Before deciding to invest in foreign exchange you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor if you have any doubts.

You may want to find our advance products at [www.xfix.com/shop](http://www.xfix.com/shop)