



Short Term Currency Views

Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.3300	1.3000
Spot Ref:	1.3122	
Tenor:	2 weeks	
Date:	18 Apr 2012	
Time:	11:20 hrs	
Resistance / Support:	1.3200	1.3000
Commentary:		



- Spanish debt worries resurface; ECB lending to Spanish banks doubled to record € 316.3 billion (Fri 13-Apr).
- Eurozone posts February trade surplus (Mon 16-Apr). ■ Eurozone official inflation inched up to 2.7% in March (Tue 17-Apr).
- German ZEW index rises unexpectedly in April (Tue 17-Apr); hopes for April IFO Business Climate survey (Fri 20-Apr).
- IMF raises 2012 global growth forecast to 3.5%; 17-nation eurozone contraction reduced to 0.3% (Tue 17-Apr).

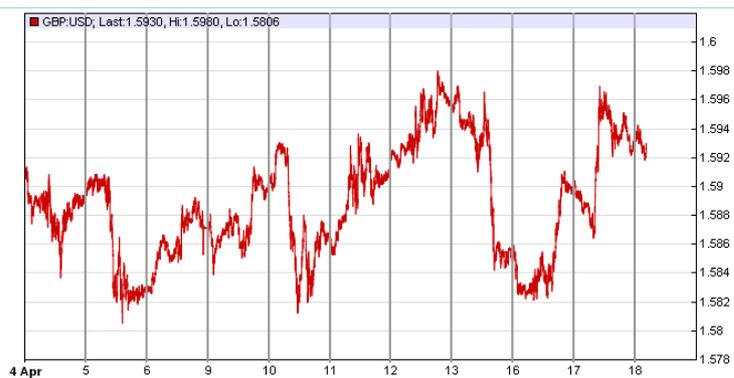
The euro fell to a one-month low against the dollar early Monday when worries about the eurozone's debt crisis saw Spanish bonds come under renewed pressure. Investors reacted to news that Spain's banks are virtually locked out of credit markets and relied heavily on cheap loans from the ECB in March. Spain is expected to enter its second recession in 3 years this quarter, with the country's central bank forecasting its economy will contract 1.7% this year.

The eurozone logged a trade surplus with the rest of the world of €2.8 billion in February, after a deficit of €7.9 billion in January. Seasonally-adjusted exports from the eurozone in February rose by 2.4% and imports by 3.5% compared to the previous month. A year ago, the eurozone had registered a deficit of €2.8 billion. The German April ZEW Economic sentiment survey unexpectedly rose to 23.4 from 22.3 in March, beating a consensus forecast for a fall to 20.0. The euro recovered on the good news.

Eurozone inflation reached 2.7% in March, the same as February after a slight upward revision of 0.1% from an initial estimate, marked the 16th month running during which inflation exceeded the ECB's target of just below 2.0%, having peaked at 3.0% in September. German inflation was 2.3%, and Italy climbed sharply from 3.4% to 3.8%.

European officials travel to Washington this week for the IMF's spring meeting from April 20-22, seeking a bigger global war chest to combat the debt crisis as Spain's government battles to quell renewed market turmoil over its finances. Crisis-fighting resources will dominate talks. The IMF on Tuesday hiked its global growth forecasts to 3.5% this year, accelerating to 4.1% in 2013. It raised estimates for the advanced economies to 1.4% for 2012, including a contraction of 0.3% in the 17-nation eurozone.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.6100	1.5800
Spot Ref:	1.5930	
Tenor:	2 weeks	
Date:	18 Apr 2012	
Time:	11:20 hrs	
Resistance / Support:	1.6020	1.5820
Commentary:		



- S&P affirms UK's AAA rating, says outlook stable (Fri 13-Apr).
- Office for National Statistics (ONS) - UK Producer Price inflation eases in March (Fri 13-Apr).
- UK CPI inflation rate rises to 3.5% in March (Tue 17-Apr).
- UK DCLG House Price increases less than expected (Tue 17-Apr).

Credit rating agency S&P on Friday affirmed Britain's its top-notch AAA rating, adding that it regards the country's economic outlook as stable. The agency said it anticipated Britain would see "relatively modest real GDP growth of about 1.6% between 2012 and 2015", with the government's debt burden peaking in 2014. It said the UK benefited from a "wealthy, open, and diversified economy, supported by effective political institutions that can react quickly to economic challenges".

The UK producer price index for home sales of manufactured products rose 3.6% in the year to March 2012, compared to a growth of 4.1% in February, according to the latest data released from the ONS. Between February and March the output price index increased 0.6% with no change from the previous period. The growth in price index was driven by petroleum products, tobacco, alcohol and other manufactured products.

Inflation in the UK rose unexpectedly on the Consumer Prices Index (CPI) measure in March, driven by higher food prices and the cost of clothing. CPI inflation rose to 3.5% in March from 3.4% in February, according to the Office for National Statistics (ONS). Retail Prices Index (RPI) inflation fell slightly to 3.6% from 3.7%.

The annual UK DCLG House Price Index edged up 0.3% in February, after growing 0.2% in January, according to data released by the Department for Communities and Local Government. Analysts expected a slightly higher increase of 0.4%.

Base Currency:	AUD	USD
Alternate Currency:	USD	AUD
Strike Price:	1.0500	1.0250
Spot Ref:	1.0405	
Tenor:	2 weeks	
Date:	18 Apr 2012	
Time:	11:20 hrs	
Resistance / Support:	1.0460	1.0230
Commentary:		



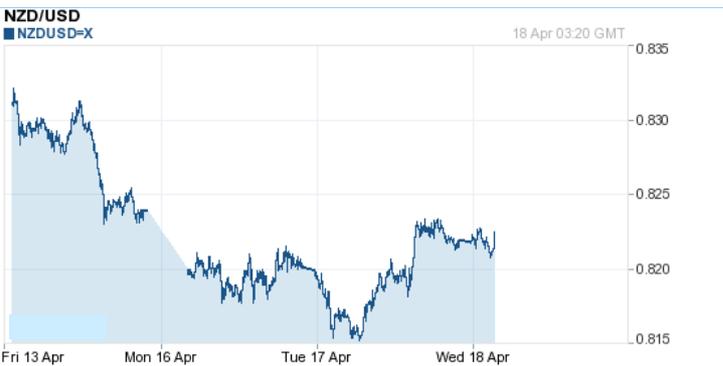
- Aussie dollar weakens as risk appetite diminished sharply on disappointing Chinese growth and a rise in Eurozone peripheral debt yields (Fri 13-Apr).
- Tax revenue A\$2 billion behind estimates, says Swan (Sun 15-Apr).
- IMF raises global growth forecast to 3.5%; Australian economic growth projected at 3% (Tue 17-Apr).

China's GDP expanded 8.1% y/y, the least in almost three years, after an 8.9% y/y gain in Q4, the National Bureau of Statistics said Friday. China's growth slowed more than forecast as exports and domestic demand cooled, adding pressure for Premier Wen Jiabao to loosen policy further. Market forecast was for a 8.4% y/y growth.

The Australian government's bid to deliver the nation's first budget surplus since the global financial crisis is being undermined by lower-than-expected tax revenue, Treasurer Wayne Swan said. Tax collections were running a further A\$2 billion behind estimates at the end of February, indicating the full-year shortfall is likely to be much larger. Prime Minister Julia Gillard, whose government faces an election next year, has pledged to end four years of deficits in the fiscal year that begins on July 1. Her strategy has been threatened by global pressures including China's economic growth slowdown, Europe's debt crisis and elevated unemployment in the US.

The IMF expects the Australian economy to expand by 3% this year as tensions emanating from Europe and the US continue to ease. While the 2012 forecast for Australia is unchanged from an IMF briefing note issued in January, it comes as the threat of a sharp global economic slowdown recedes and activity in the US rises. The forecast is down from the 3.3% growth forecast in the previous half-yearly world economic outlook report published in September last year. Even so, the IMF's 2012 forecast does reflect a solid rebound from actual growth in 2011.

Base Currency:	NZD	USD
Alternate Currency:	USD	NZD
Strike Price:	0.8350	0.8100
Spot Ref:	0.8223	
Tenor:	2 weeks	
Date:	18 Apr 2012	
Time:	11:20 hrs	
Resistance / Support:	0.8330	0.8100
Commentary:		



- Real Estate Institute of New Zealand (REINZ) - March house sales soar 25% from year earlier (Mon 16-Apr).
- House prices gained 4.2% y/y, 1.9% m/m in March (Mon 16-Apr).
- ANZ Consumer Confidence survey shows Kiwi consumers feeling more positive (Wed 18-Apr).
- Aussies export jobs to NZ (Wed 18-Apr).

NZ house sales in March recorded the best monthly result since November 2007, adding to signs of a real-estate-market recovery that may boost consumer confidence and spending later this year. Sales rose 25.3% from a year earlier, REINZ said in a report Monday. Sales reached 7,330 in March from 6,168 in February, according to the figures, which don't adjust for seasonal variations. House prices rose 1.9% from February, according to the REINZ price index. From a year earlier, the gauge gained 4.2%.

Q1 sales rose 11% from Q4 / 2011, according to ANZ's seasonally adjusted figures. Buyers are competing for a low number of available properties, pushing prices higher. In Auckland, home to a quarter of New Zealand's 4.4 million people, sales rose 17% from March last year. The Auckland region has also recorded a new record median price, reflecting the rising demand for housing in the city and the continuing shortages of available stock.

Consumer confidence is improving according to the latest survey, but ANZ Bank said it would need to see successive monthly gains to make a "sweeping statement" about the economy. The ANZ-Roy Morgan Consumer Confidence measure lifted from 110.2 to 114.0 in April. The rise in consumer sentiment followed strongly improving business confidence which had risen to a seven-month high in March, while a second gauge of sales and profits also advanced, according to a report published 29-March.

Hundreds of Australian jobs have been shifted to New Zealand as producers there try to avoid the impact of high wages, a soaring dollar and restrictive labour laws. Australian manufacturing workers earned more than US\$35/hr in 2008. In NZ, the rate is under US\$20/hr. Supermarket giant Woolworths is the latest to transfer jobs across the Tasman, shifting 40 contact centre jobs to Auckland this week. Heinz Australia cut more than 300 jobs across three states in favour of its large plant in Hastings.



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