



## Short Term Currency Views

### Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.2900	1.2650
Spot Ref:	1.2788	
Tenor:	2 weeks	
Date:	07 Nov 2012	
Time:	10:30 hrs	
Resistance / Support:	1.2853	1.2712
Commentary:		



- Euro hit 2-month low on concern Greece won't secure bailout aid (Mon 05-Nov).
- German factory orders slump the most in a year (Tue 06-Nov).
- ECB monetary policy decision followed by news conference (due on Thu 08-Nov, 20:30 SGT).

The euro touched a 2-month low amid concern that Greece will struggle to secure bailout funds, risking its future in the European currency bloc. Greece's government introduced a new austerity bill Monday needed to get a creditor lifeline to secure bailout funds, while public transport and media workers went on strike to protest the new cuts. Lawmakers will hold an emergency vote Wednesday on the 1,500-page bill, which proposes €18.5 billion in new cuts and other reforms by 2016, said officials.

German factory orders fell the most in a year in September as Europe's sovereign debt crisis and slowing economic growth prompted companies to reduce investment. Orders, adjusted for seasonal swings and inflation, slumped 3.3% from August, when they dropped a revised 0.8%, the Economy Ministry in Berlin said. That's the second straight drop and the biggest since September 2011. Economists had forecast a 0.4% decline. From a year earlier, orders sank 4.7% when adjusted for work days.

On Thursday, ECB will announce its monetary policy decision at 7:45pm, followed by President Draghi's news conference at 8:30pm, Singapore time, which is more important for his latest update on the progress on the ECB's Outright Monetary Transactions (OMT) in the ongoing Eurozone sovereign debt crisis.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.6150	1.5850
Spot Ref:	1.5971	
Tenor:	2 weeks	
Date:	07 Nov 2012	
Time:	10:30 hrs	
Resistance / Support:	1.6124	1.5887
Commentary:		



- UK house prices up 0.6% in October, outlook tough: Nationwide (Thu 01-Nov).
- September industrial output slumps 1.7% denting recovery hopes; manufacturing output up 0.1% (Tue 06-Nov).
- NIESR's estimate of GDP in the 3 months to October lowered to 0.5% growth (Tue 06-Nov).
- BoE MPC decisions on interest rates, likely to vote against more stimulus (due on Thu 08-Nov, 12:00 GMT, 20:00 SGT).
- House prices fall at faster rate in October – Halifax (Tue 06-Nov).

British house prices rose faster than expected in October, data from mortgage lender Nationwide showed last Thursday, though a sustained recovery of the housing market still looks far from certain. House prices in Britain were 0.6% higher than in September, Nationwide said, though they were still 0.9% lower than in October 2011. Mortgage lender Halifax reported Tuesday that house prices in Britain fell at a faster rate in October as the overall economy stayed weak. House prices were 0.7% lower than in September, Halifax said, in contrast to Nationwide's report of a small rise last Thursday. Prices in the three months to October were 1.7% lower than in the same period a year earlier. The BoE's scheme to provide banks with cheap funds if they keep up lending to households and businesses should help to improve mortgage lending.

British industrial output fell more sharply than expected in September, data showed on Tuesday, reinforcing fears an incipient recovery will struggle to gather pace. Excluding a decline in June, due partly to an extra public holiday, the 1.7% monthly fall was the biggest since August 2009 and much bigger than the 0.6% decline analysts had forecast. The main driver of the industrial data weakness was a slump in oil and gas production, which was due to maintenance work on North Sea platforms. However, manufacturing output rose by a smaller than expected 0.1% in September on the month after a downwardly revised drop of 1.2% in August, the ONS said.

The GDP estimate for the last 3 months moved from 1.0% (revised from 0.8%) to 0.5% growth in the UK, according to NIESR. The forecast predicts growth of 1.1% in 2013 and 1.7% in 2014, with a sustainable recovery only from 2015 onwards and that long-run growth rate will be only 2% each year, lower than the long-run average of 2.5%.

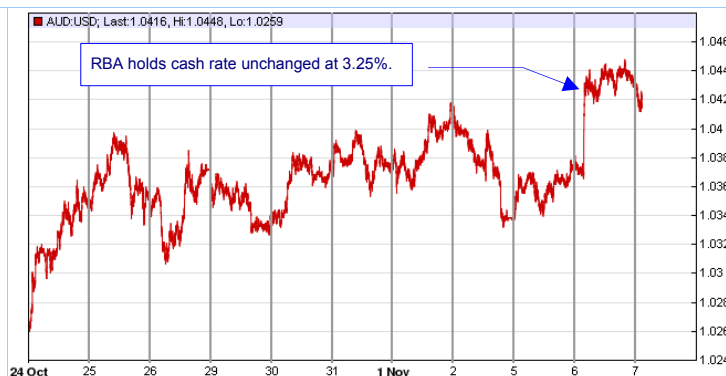
Bank of England policymakers are expected to vote against pumping more money into the economy this Thursday as a think tank predicted growth in Britain will outpace that of any other major European economy in 2013 and 2014. The Bank's Monetary Policy Committee is expected to leave quantitative easing unchanged at £375 billion and interest rates on hold at 0.5% on Thursday after the economy bounced back with 1% growth in the third quarter. Predicting that recession would continue in the eurozone in 2013, with only marginal growth in 2014, CEPR said Britain would grow by 0.8% and 1.4% respectively - faster than Germany, France, Italy and Spain.

Base Currency: AUD USD  
Alternate Currency: USD AUD  
Strike Price: 1.0550 1.0350  
Spot Ref: 1.0416  
Tenor: 2 weeks

Date: 07 Nov 2012  
Time: 10:30 hrs

Resistance / Support: 1.0550 1.0350

Commentary:



- Australia's trade deficit narrows in September as imports drop (Mon 05-Nov).
- Monthly inflation gauge shows slower growth in consumer prices (Mon 05-Nov).
- RBA holds key interest rate at 3.25% on signs of global economy stabilising (Tue 06-Nov).
- Retail sales in September climb more than forecast (Mon 05-Nov).
- House prices advance on strength in mining states (Tue 06-Nov).

Australia's trade deficit shrank A\$420 million in September, more than economists forecast. Imports outpaced exports by A\$1.46 billion, from a revised A\$1.88 billion deficit in August. Exports fell 1% to A\$24.2 billion, led by an 11% drop in metal ores and minerals. Imports declined 2% to A\$25.6 billion on an 11% decline in machinery and industrial equipment and a 34% drop in a category that includes civil aircraft. "The slowing of growth in China had resulted in weaker demand for steel", said the RBA.

Sales climbed 0.5% to A\$21.6 billion from August, when they rose a revised 0.3%, exceeding forecasts for a 0.4% gain. Retail sales, adjusted to remove inflation, declined 0.1% in Q3 from the previous quarter. Economists had forecast a 0.2% decline. The report showed spending on household goods gained 1.2%, while consumers spent 0.6% more on food and 0.8% more on "other retailing". They spent 0.6% less on clothing, footwear and personal accessories and cut department-store purchases by 0.5%.

A monthly inflation gauge showed that consumer prices rose by 0.1% in October after a rise of 0.2% in September and a 0.6% gain in August. In the year to October, the gauge rose 2.4%. Figures released by the ABS in October showed underlying inflation jumping to 2.5% over the year to the September quarter, from 2.1% previously.

Australian home prices rose for a second straight quarter, the first back-to-back increase since 2010, led by gains in the capitals of states at the centre of the nation's mining boom. An index measuring the weighted average of house prices in eight major cities advanced 0.3% in Q3 from Q2, when it rose a revised 0.6%, said ABS.

RBA Governor Glenn Stevens and his board unexpectedly kept its benchmark interest rate unchanged at 3.25%, at a developed-world high as a more stable global economy underpins commodity prices that help drive its growth. Prices of its key export, iron ore, have rebounded almost 40% since reaching a 3-year low on September after China announced spending on new subways and roads. A quarter of Australia's exports, or about 5% of GDP, goes to China, and 60% of those exports are iron ore.

Base Currency: NZD USD  
Alternate Currency: USD NZD  
Strike Price: 0.8350 0.8150  
Spot Ref: 0.8245  
Tenor: 2 weeks

Date: 07 Nov 2012  
Time: 10:30 hrs

Resistance / Support: 0.8400 0.8100

Commentary:



- Average Auckland house price rose above NZ\$600,000 for first time in October – Barfoot & Thompson (Mon 05-Nov).
- NZ labour costs rise 0.5% in Q3 (Tue 06-Nov).
- Small fall in unemployment to 6.7% expected (due on Thu 08-Nov).

In October the average price of a home in Auckland broke through the NZ\$600,000 ceiling for the first time, setting a record average price of NZ\$618,707. This is an increase of nearly NZ\$33,000 or 5.6% on September's average price, and is 4.4% higher than the previous record price of NZ\$592,396, recorded in August. It was a case of demand far outstripping the number of properties up for sale. Sales for October at 1,081 were up 11.6% on those for September and up 48.7% from a year ago.

New Zealand's wage inflation was paced by the construction sector in Canterbury as the rebuild of the country's second-biggest city continues to pick up pace. Private sector salary and ordinary time wages rose 0.5% in Q3, unchanged from Q2, according to StatsNZ's labour cost index. Public sector wage inflation was 0.4% in the quarter. The national pace was led by a 0.7% increase in labour costs for Canterbury's construction sector, which has started showing signs of gathering pace in recent months.

StatsNZ's quarterly employment survey showed total filled jobs rose 0.3% to a seasonally adjusted 1.715 million, exceeding a forecast for 0.2% growth. That was bolstered by a pick-up in part-time workers, with a 0.1% decline in full-time equivalents to 1.35 million, showing the labour market has been slow to recover from NZ's deepest recession in two decades. Thursday's household labour force survey is forecast to show a small fall in the unemployment rate to 6.7% and a 0.3% pick-up in jobs growth.



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