



## Short Term Currency Views

### Suggested MaxiYield Pairings

Base Currency:	EUR	USD
Alternate Currency:	USD	EUR
Strike Price:	1.3150	1.2950
Spot Ref:	1.3076	
Tenor:	2 weeks	
Date:	09 Jan 2013	
Time:	10:30 hrs	
Resistance / Support:	1.3150	1.2980
Commentary:		



- France to reallocate €2 billion for job creation (Sun 06-Dec).
- German exports down 3.4% in November (Tue 08-Jan).
- European retail sales edge up: EU (Tue 08-Jan).

- Germany: economy grew by 0.75% last year (Mon 07-Jan).
- Eurozone unemployment rate rises to record 11.8% (Tue 08-Jan).

France will reallocate €2 billion from its 2013 budget to state-aided job creation as part of efforts to stem unemployment, budget minister Jerome Cahuzac said on Sunday. With joblessness at a 13-year high 10.3%, president Francois Hollande has promised to turn things around this year and hopes that plans to create thousands of subsidised jobs and incentives for companies to hire young workers kick in quickly. The funds would not come by increasing deficits or taxes but from existing budgets.

Germany's vice chancellor says the country's economy, Europe's biggest, grew by 0.75% last year and recent data send upbeat signals for growth in 2013. The figure for last year compares with much stronger growth in 2010 and 2011 of 4.2% and 3% respectively. But Vice Chancellor Philipp Roesler described it as "robust," while several other countries in the 17-nation eurozone experienced recessions. Mr Roesler said the final quarter of last year was "somewhat weaker than we expected," without elaborating. He noted, however, that recent industrial orders figures and other indicators suggest the weak phase was temporary.

Exports from Germany were sharply lower in November compared with October amid economic weakness elsewhere on the continent. The Federal Statistical Office said Tuesday that exports dropped 3.4%. Adjusted for seasonal and calendar factors, they totalled €89.6 billion. Imports were down 3.7% at €75.1 billion. Compared with a year earlier, exports were unchanged in November. A 5.7% decline in exports to other countries in the 17-nation EU contrasted with a 5.6% increase to nations outside the EU.

Unemployment in the 17-country eurozone reached a record 11.8% in November, as the number of jobless in the 27-country EU topped 26 million for the first time since the financial crisis began three years ago. The biggest rise was in Greece, where the number of unemployed soared to 26% in September, up 7% from November 2011. The 17-country eurozone unemployment rate rose 0.1% on October, up from 10.6% a year ago. The rate for the 27-country EU was unchanged on October at 10.7%.

Eurozone and EU retail sales edged up in November after a sharp fall in October as consumer confidence firmed slightly ahead of the Christmas holiday season, official data showed on Tuesday. Retail sales by volume in the 17-state eurozone rose 0.1% in November and 0.2% in the wider 27-state EU after tumbling 0.7% in both areas in October, the Eurostat statistics agency said. Compared with the levels a year earlier, however, retail sales were down 2.6% in the eurozone and down 1.3% in the EU.

Base Currency:	GBP	USD
Alternate Currency:	USD	GBP
Strike Price:	1.6250	1.5950
Spot Ref:	1.6048	
Tenor:	2 weeks	
Date:	09 Jan 2013	
Time:	10:30 hrs	
Resistance / Support:	1.6180	1.5950
Commentary:		



- UK house prices fall 0.1% in December as property market ends fragile year (Thu 03-Jan).
- British house prices advance 1.3% in December: Halifax (Mon 07-Jan).
- British firms' confidence increased in Q4: British Chambers of Commerce survey (Tue 08-Jan).

British house prices climbed in December from the previous month, but fell on an annual basis, a key survey by Halifax showed on Monday. Prices increased by 1.3% in December from the level in November. Halifax, which is part of state-rescued Lloyds Banking Group, added that the average house price in Britain stood at £163,845 in December, which was 0.3% lower than one year ago. This was in contrast to a Nationwide report last week that UK house prices slipped 0.1% to £162,262 in December.

British firms grew more confident in the last three months of 2012, suggesting the economy avoided contraction and is set for modest growth in the early part of this year, Britain's largest business survey showed on Tuesday. The survey of more than 7,000 firms by the British Chambers of Commerce contrasts sharply with the downbeat message last week from a set of closely watched polls of purchasing managers. They suggested Britain is slipping back into recession. The association, which predicts that the economy will grow by 1% in 2013, found that firms from both the manufacturing and services sector saw an improvement across most indicators in last three months of 2012 compared with the period before. "Fears that the economy has returned to negative growth in Q4 2012 are not supported by our survey," the association said.

Base Currency: AUD USD  
Alternate Currency: USD AUD  
Strike Price: 1.0600 1.0400  
Spot Ref: 1.0498  
Tenor: 2 weeks

Date: 09 Jan 2013  
Time: 10:30 hrs

Resistance / Support: 1.0600 1.0380

Commentary:



- Geologists dig deeper for jobs as Australia's mining boom ends (Mon 07-Jan).
- Australia trade deficit widens in November driven by record imports (Tue 08-Jan).
- Retail sales unexpectedly fall on weak household goods (Wed 09-Jan).

Geoscientists working in Australia have been hit hard by the demise of a decade-long mining boom, with the number of newly unemployed accelerating at a dramatic pace. Unemployment among geoscientists doubled in the second half of 2012, according to the Australian Institute of Geoscientists. The institute said unemployment and underemployment among Australia's geoscientists was rising in the aftermath of layoffs and belt-tightening by mining companies. The unemployment rate in the sector was 6.1% in the second half of 2012 versus 2.9% in the first-half of 2012. This compares with a national unemployment rate average of 5.3% between July 1 and November 30.

Australia's trade deficit in November widened to its largest since early 2008 as imports again outpaced exports, though a recent meteoric rise in the price of iron ore suggests the worst of the trade pain is over for the resource-rich nation. The deficit on goods and services grew to A\$2.64 billion in November from A\$2.4 billion in October. That was the 11th straight month of deficit and above forecasts of A\$2.3 billion. Tuesday's data showed Australia's imports climbed 1.8% to a record A\$27.3 billion, driven by purchases of cars and oil. Imports of capital goods plateaued for the moment after a very strong run, led mainly by heavy machinery for major mining and liquefied natural gas projects. Total exports of goods and services rose 1.2% in November to A\$24.7 billion, thanks largely to a 6% increase in earnings from metal ores and minerals. Total exports to China increased by 13.5% in November, from October, to a five-month high of A\$6.6 billion on increased demand from Chinese steel makers.

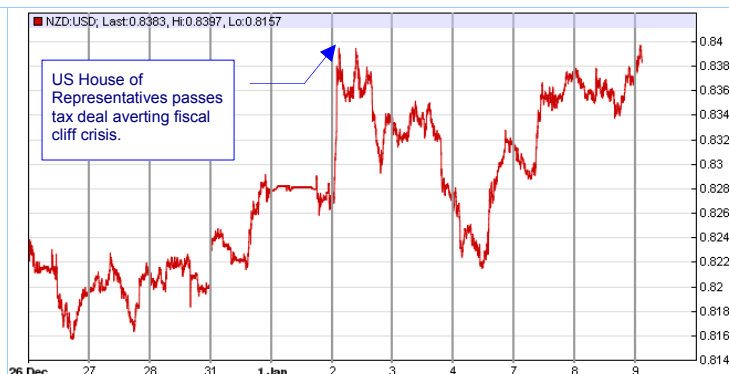
Australian retail sales unexpectedly declined for the first time in four months in November as consumers spent less on household goods and clothing in an economy with a weaker employment outlook. Sales dropped 0.1% to A\$21.5 billion from a month earlier, when they were unchanged, the Bureau of Statistics said today. Economists has forecasted an increase of 0.3%. Spending on household goods fell 0.9%, and consumers spent 0.6% less on clothing and footwear.

Base Currency: NZD USD  
Alternate Currency: USD NZD  
Strike Price: 0.8450 0.8250  
Spot Ref: 0.8383  
Tenor: 2 weeks

Date: 09 Jan 2013  
Time: 10:30 hrs

Resistance / Support: 0.8485 0.8266

Commentary:



- NZ Dollar Outlook: Kiwi may gain on positive risk sentiment (Mon 07-Jan).
- Consumer confidence, spending boosted by house price rises (Tue 08-Jan).
- Building consents fall 5.4% in November (Wed 09-Jan).

The Kiwi dollar may gain this week as rising equity markets and the power of Chinese demand to lift commodity prices help underpin positive risk sentiment. The price of iron ore has climbed about 70% in the past four months, driven by renewed demand from China, adding to positive sentiment for commodity linked currencies such as the Aussie and Kiwi dollars. China is Australia's biggest export market and New Zealand's second-largest. The Kiwi may test 84 US cents, with little on the domestic calendar.

NZ consumers increased spending for a third month in December, emboldened by rising house prices, adding to the case for a faster economic recovery and higher interest rates in 2013. Spending on credit and debt cards rose 0.5% from November, Paymark, which processes three-quarters of all card transactions, said Tuesday. House prices in Auckland, home to a third of the nation's 4.4 million people, rose at the fastest pace in five years. The average house price in Auckland rose 7.7% in 2012 from 2011 levels, according to Barfoot & Thompson, which sells about a third of residential properties in the city. In December, the average price fell from a record high in November and there were 920 sales, the most for a December in eight years. Consumer confidence rose in 7 of 11 regions in Q4, according to a Westpac survey.

NZ building consents fell 5.4% in November as the typically volatile demand to build new apartments shrank to its lowest level since April 2011. The number of new dwellings consented fell to a seasonally adjusted 1,423 in November from 1,505 a month earlier, according to StatsNZ. Stripping out permits to build new apartments, consents rose 4.6% to a seasonally adjusted 1,382. On an annual basis, apartment consents are up 52% to 1,665.



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