



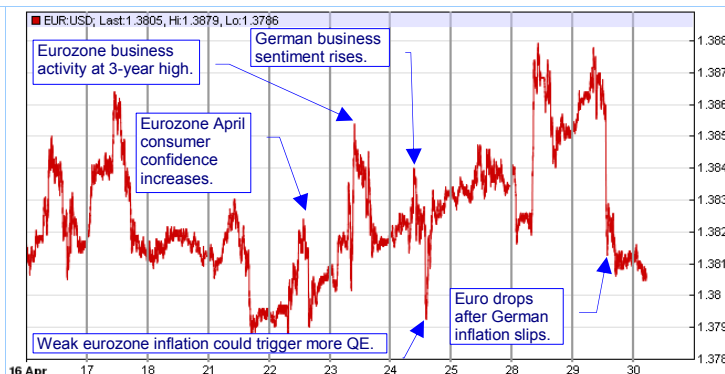
Short Term Currency Views

Suggested MaxiYield Pairings

Base Currency: EUR USD
 Alternate Currency: USD EUR
 Strike Price: 1.3900 1.3700
 Spot Ref: 1.3805
 Tenor: 2 weeks

Date: 30 Apr 2014
 Time: 12:00 hrs

Resistance / Support: 1.3879 1.3719
 Commentary:



- Eurozone business activity at 3-year high, recovery gains strength (Wed 23-Apr).
- Draghi: weaker Eurozone inflation could trigger asset purchases (Thu 24-Apr).
- Weak German inflation spurs fears that ECB may ease policy (Tue 29-Apr).
- German IFO business sentiment unexpectedly rises in April. (Thu 24-Apr).
- Euro strengthens as ECB seen unlikely to loosen monetary policy (Mon 28-Apr).

A closely-watched survey has found business activity across the 18-country eurozone running at a three-year high, in perhaps the clearest sign yet that the economic recovery is gaining momentum. The Markit gauge of business activity climbed to 54.0 in April from 53.1 in March. That's the highest reading since May, 2011. The strong rise for the services part of the survey, to 53.1 from 52.2 in March, gave a better reading for demand from businesses and consumers at home. That's as opposed to exporters whose business depends more on the global economy. Still, unemployment remains painfully high at 11.9% for the eurozone as a whole.

The euro briefly spiked on better-than-expected April German IFO headline business sentiment indicator which rebounded to 111.2, from 110.7 in March. It retreated after ECB President Draghi said the Governing Council unanimously committed to deal with periods of too-low inflation. He said that available policy measures include a broad based asset purchase program, lowering the interest rate corridor (including a negative deposit rate) and targeted liquidity injections via an LTRO.

The euro rose to a two-week high against the greenback on Monday, aided by higher money market rates and expectations that inflation in the eurozone will tick up and ease pressure on the ECB to loosen monetary policy. The euro was supported by a spike in overnight eurozone rates as surplus cash in the banking system decreased, with banks repaying cheaper loans taken earlier from the central bank. But most are unlikely to take aggressive positions before major events in the US and the eurozone.

The euro dropped on Tuesday after prices in Germany declined month-over-month, renewing concerns about low inflation in the Eurozone. Prices in Germany fell 0.2% in April from March. Germany's annual estimated harmonised CPI was at 1.1%, missing the 1.3% rate expected and raising fears that the ECB may be forced to ease policy.

Base Currency: GBP USD
 Alternate Currency: USD GBP
 Strike Price: 1.6950 1.6700
 Spot Ref: 1.6826
 Tenor: 2 weeks

Date: 30 Apr 2014
 Time: 12:00 hrs

Resistance / Support: 1.6893 1.6733
 Commentary:



- BoE MPC minutes show UK economy picking up speed (Wed 23-Apr).
- Sterling hits 4½-year high on robust data and expected M&A inflows (Mon 28-Apr).
- MPC show "range of views" on economic slack, inflation outlook (Wed 23-Apr).
- UK preliminary Q1 GDP +0.8% q/q versus 0.9% expected (Tue 29-Apr).

Britain's economic recovery is gaining momentum but BoE policymakers held different views about the amount of slack in the economy and the medium-term inflation outlook, minutes from their April 9 meeting showed. The Bank expects the economy grew by 1% in Q1 of this year from Q4 of 2013, up slightly from a previous growth forecast of 0.9%, the minutes showed. Economists at the Bank expected a slight slowdown in the Q2 period.

The minutes also showed members of the MPC thought it was "possible" that a sustainable rise in real wages, consistent with a durable recovery, was on the way. But they again showed the MPC were unsure on how much scope Britain's economy had to grow without generating inflation. "There was considerable uncertainty about the amount of slack remaining within the economy and committee members had a range of opinions on this and the outlook for inflation in the medium-term". UK inflation dropped to 1.6% in March from February's 1.7% - the lowest level since October 2009. Financial markets have pointed to spring 2015 as a potential time for the first rate hike.

Sterling soared to a 4½-year high against the US dollar on Monday, boosted by robust data and expectations of merger and acquisition inflows, after Pfizer confirmed that it had made a bid approach to Britain's number two drugmaker, AstraZeneca.

The UK economy grew by 0.8% in the first three months of 2014 - slightly below forecasts for 0.9%, but still showing solid growth. Over the last year, the UK economy has grown by 3.1%, the ONS says. That's the strongest year-on-year change in GDP since Q4 of 2007, after the near-collapse of Northern Rock. Britain's dominant service sector grew by 0.9% during the quarter. Industrial output rose by 0.8%, and construction output brought up the rear at +0.3% quarter-on-quarter.

Base Currency: AUD USD
Alternate Currency: USD AUD
Strike Price: 0.9450 0.9200
Spot Ref: 0.9284
Tenor: 2 weeks

Date: 30 Apr 2014
Time: 12:00 hrs

Resistance / Support: 0.9414 0.9198

Commentary:



- IMF says growth too low to reduce Australia's unemployment rate (Mon 28-Apr).
- Investments in Australia not yet widespread: Deloitte (Wed 30-Apr).

The IMF expects Australia's economy to struggle to grow fast enough to relieve pressure on the unemployment rate, which is close to a decade high of just under 6%. Since October last year, the IMF has downgraded its Australian growth forecast to 2.6% in 2014 and 2.7% in 2015. It had previously expected growth of 2.8% and 2.9%, respectively. "Australia's economy is likely to grow below trend as the investment phase of the mining boom passes its peak and begins to decline", the IMF said in its latest Regional Economic Outlook for Asia and the Pacific, released in HK on Monday. The economy needs to grow by more than 3% a year to keep unemployment in check.

Australians appear to be spending more at the shops and the economy is bracing for a housing construction boom. Deloitte Access Economics says a key component in the transition away from resources investment spending - "is yet to stir". Its latest quarterly Investment Monitor says the pipeline of proposed projects remains impressive, but the lack of new plans is becoming apparent - that is, the value of definite investment continues to outweigh planned work.

Base Currency: NZD USD
Alternate Currency: USD NZD
Strike Price: 0.8700 0.8500
Spot Ref: 0.8565
Tenor: 2 weeks

Date: 30 Apr 2014
Time: 12:00 hrs

Resistance / Support: 0.8677 0.8508

Commentary:



- RBNZ hikes OCR for 2nd month as economy gains momentum (Thu 24-Apr).
- NZ trade surplus widens as dairy drives exports into China (Tue 29-Apr).
- NZ residential building consents rise 1.3% in March to 6½-year high (Wed 30-Apr).
- RBNZ revises GDP growth forecast upwards to 3.5% (Thu 24-Apr).
- ASB Bank says NZ's rockstar economy still growing (Wed 30-Apr).
- ANZ business confidence for April drops to 64.8 from 67.3 (Wed 30-Apr).

RBNZ governor Graeme Wheeler lifted the official cash rate for the second time in as many months, saying non-tradable inflationary pressures were "becoming apparent" in an economy that's picking up pace and he's watching the impact of a strong kiwi dollar on import prices. "Spare capacity is being absorbed and inflationary pressures are becoming apparent, especially in construction and other non-tradable sectors", Wheeler said in a statement. He lifted the OCR 25 basis points to 3%, saying interest rates need to be at a level where they don't add to demand so as to keep inflation expectations contained.

Wheeler today lifted his expectation for GDP growth in the year ended March 31 by 0.2% to 3.5% compared to last month's monetary policy statement, saying "economic expansion has considerable momentum". Export commodity prices are still "very high" even after the recent slump in dairy prices, and the extended period of low interest rates, increased activity in construction, and rising inbound migration as supporting the economic recovery, he said.

NZ's trade surplus widened in March as Chinese demand for dairy products continued to soar, driving the monthly and annual export receipts to new records. The trade surplus was NZ\$920 million in March, from a revised NZ\$793 million in February, and NZ\$732 million a year earlier, according to StatsNZ. The annual trade balance was a surplus of NZ\$805 million, or 1.6% of exports. Economists had expected a monthly surplus of NZ\$937 million and an annual surplus of NZ\$920 million. Exports climbed 15% to NZ\$5.08 billion, for an annual increase of 8.5% to NZ\$50.07 billion. Imports rose 13% to NZ\$4.16 billion for an annual lift of 5.5% to NZ\$49.26 billion.

The rockstar economy's still growing - and that growth is starting to broaden, according to Auckland Savings Bank. ASB's latest economic forecasts are predicting growth will hit 3.5% over the next year. The bank's chief economist Nick Tuffley says so far growth has been driven by construction, but they're starting to see it diversify. He says they're seeing growth in employment, retail spending and investment, adding that a strong kiwi dollar will mean the RBNZ will be more cautious with any OCR rises.

NZ building consents for residential housing, excluding apartments, rose to a 6½-year high in March, snapping two months of decline. Excluding apartments and units, which are typically volatile from month to month, seasonally adjusted consents rose 1.3% to 1,813 units in March, the most since November 2007, according to StatsNZ. Including apartments, seasonally adjusted new dwelling consents rose 8.3% to 1,999. Annual residential issuance rose 30% to 22,366 from a year earlier. Stripping out apartments, annual permits for new building rose 25% to 19,768.



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