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# HA Research

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## CURRENCY REPORT.

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# EUROPE ECONOMY

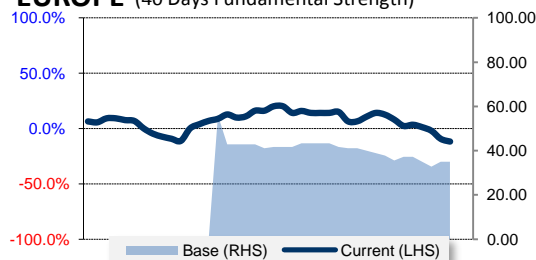
In a glance.

16-Nov-2013 (Saturday)

Last Updated: 02:45PM (GMT +0800)



Figure 1: Fundamental Strength Index for last 40 days.

**EUROPE** (40 Days Fundamental Strength)**BASE SUMMARY:**

INFLATION INDICATORS :	1.1	/ 13.3
GROWTH INDICATORS :	10.6	/ 37.8
EMPLOYMENT INDICATORS :	1.7	/ 13.3
HOUSING INDICATORS :	0.0	/ 2.2
BUSINESS SURVEY :	15.0	/ 26.7
CONSUMER SURVEY :	6.7	/ 6.7

BASE STRENGTH :	BEARISH	35.00	/ 100
SHORT-TERM STRENGTH :	BEARISH	-11.90%	

## EURO(€): FUNDAMENTALLY STILL WEAK, BEARISH.

Eurozone Fundamentals Weak (35.00/100); Recent momentum WEAK at -11.90%.

(Fig2.1) EU inflation low at 1.1% (ECB's preference 2%).(Fig2.3) Eurostat estimated EU inflation weak at 0.70%.(Fig3.1) EU GDP overall posting recovery.(Fig3.6) EU National account strong.(Fig4.1) German Trade strong at 18.8B.(Fig4.2) EU Industrial Production weak, but could have bottomed.(Fig4.6) EU Retail Sales showing stabilization.(Fig5.3) EU Jobless rate weak, rose to 12.20%.(Fig5.4) German Job loss increases, weak.(Fig5.6) Spanish Jobless claims weak, with recent claims increased to 87K.(Fig7.1) Overall EU Manufacturing PMI bullish at 51.3.(Fig7.2) Overall EU Services PMI bullish at 50.9.(Fig7.5) German investors rated 6months EU outlook to be good.(Fig8.1) Consumers optimism about economic conditions continues to improve.

**Conclusion:** Eurozone inflationary pressure low, growth largely mixed and moderately weak, labour market very weak across EU despite optimistic confidence, which are showing pickup in sentiments and outlook for the Eurozone. Germany recently weakened and ECB cut interest rate. EUR is bearish.

Table 1: Pending economic fundamental events for Eurozone &amp; Past 15 economic data release.

		UPCOMING FUNDAMENTAL EVENTS				
DATE	TIME	DETAILS	FORECAST	PREVIOUS	IMPACT	
18-Nov Monday	5:00pm	Current Account	18.3B	17.4B	!!	
19-Nov Tuesday	6:00pm	German ZEW Economic Sentiment	54.60	52.80	!!!	
20-Nov Wednesday	3:00pm	German PPI m/m	0.10%	0.30%	!!	
21-Nov Thursday	4:00pm	French Flash Manufacturing PMI	49.60	49.10	!!!	
21-Nov Thursday	4:30pm	German Flash Manufacturing PMI	52.30	51.70	!!!	
PAST ECONOMIC EVENTS:						
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREVIOUS	
15-Nov Friday	4:00pm	Italian Trade Balance	79.00%	1.63	1.07	↓
15-Nov Friday	5:00pm	CPI y/y	0.70%	0.70%	0.70%	→
15-Nov Friday	5:00pm	Core CPI y/y	0.80%	0.80%	1.00%	→
14-Nov Thursday	1:30pm	French Prelim GDP q/q	-0.10%	0.10%	0.50%	→
14-Nov Thursday	2:00pm	German Prelim GDP q/q	0.30%	0.30%	0.70%	→
14-Nov Thursday	2:45pm	French Prelim Non-Farm Payrolls q/q	-0.10%	-0.10%	-0.20%	→
14-Nov Thursday	2:45pm	French CPI m/m	-0.10%	0.00%	-0.20%	→
14-Nov Thursday	4:00pm	Italian Prelim GDP q/q	-0.10%	-0.20%	-0.30%	→
14-Nov Thursday	5:00pm	Flash GDP q/q	0.10%	0.20%	0.30%	→
13-Nov Wednesday	5:00pm	Industrial Production m/m	-0.50%	-0.20%	1.00%	→
12-Nov Tuesday	2:00pm	German Final CPI m/m	-0.20%	-0.20%	-0.20%	→
12-Nov Tuesday	2:00pm	German WPI m/m	-1.00%	0.30%	0.70%	→
11-Nov Monday	4:00pm	Italian Industrial Production m/m	0.20%	0.20%	-0.20%	→
08-Nov Friday	2:00pm	German Trade Balance	18.80	17.20	15.80	↑
08-Nov Friday	2:45pm	French Industrial Production m/m	-0.50%	0.40%	0.70%	↓

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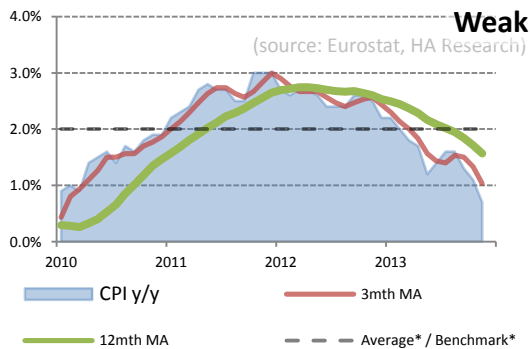
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# INFLATION INDICATORS

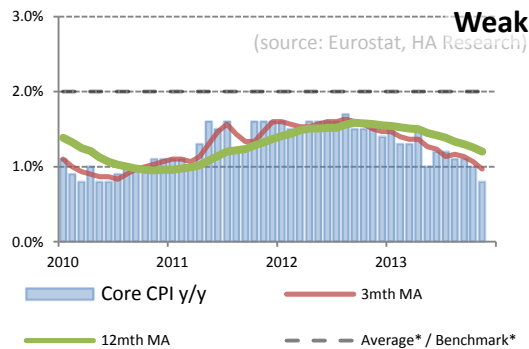


(Fig2.1) EU inflation low at 0.7% (ECB's preference 2%). Remained Weak.



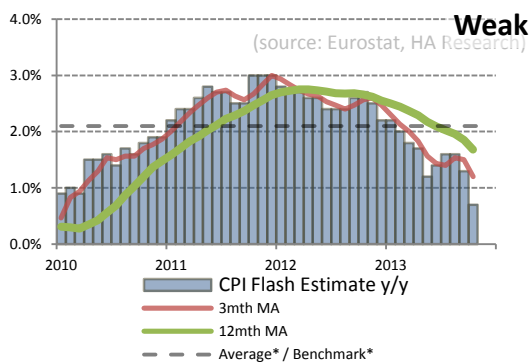
**Consumer Price Index** Change in the price of goods and services purchased by consumers;

(Fig2.1) Eurozone Core Inflation, became weaker.



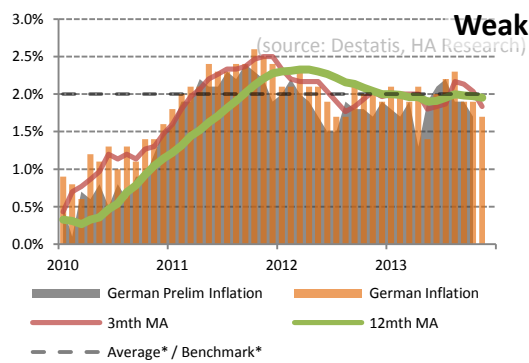
**Core CPI** Change in the price of goods and services purchased by consumers, excluding food, energy, alcohol, and tobacco;

(Fig2.3) Eurostat estimated EU inflation weak at 0.70%.



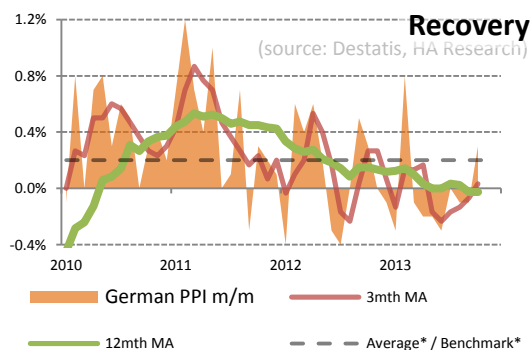
**Eurostat CPI Estimate** Eurostat bases this estimate on energy prices and EU member states that report early CPI data.

(Fig2.4) German inflation edged down to 1.70%.



**German CPI** Change in the price of goods and services purchased by German consumers;

(Fig2.5) German PPI generally weak.



**German PPI** Change in the price of goods sold by German manufacturers;

Average\* / Benchmark\* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

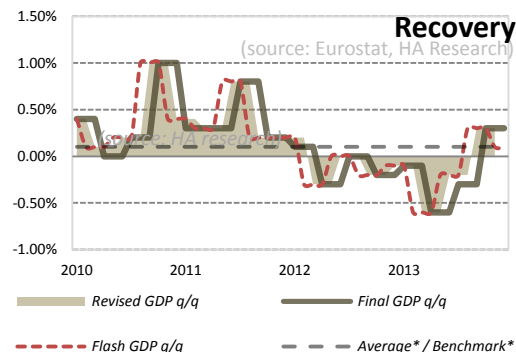
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## Eurozone Currency Report

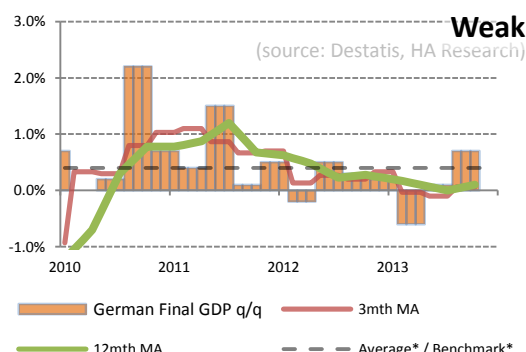
## GROWTH INDICATORS



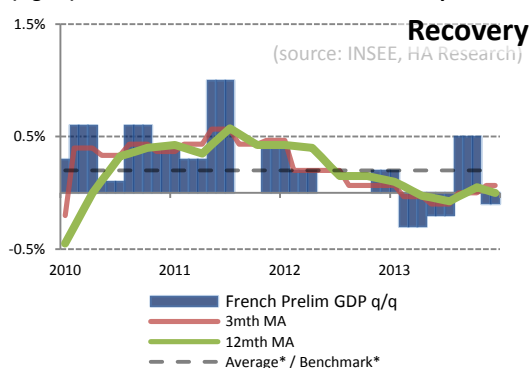
(Fig3.1) EU GDP overall posting recovery.

November: **0.30%** Previous **0.30%****Final GDP** Change in the inflation-adjusted value of all goods and services produced by the economy;

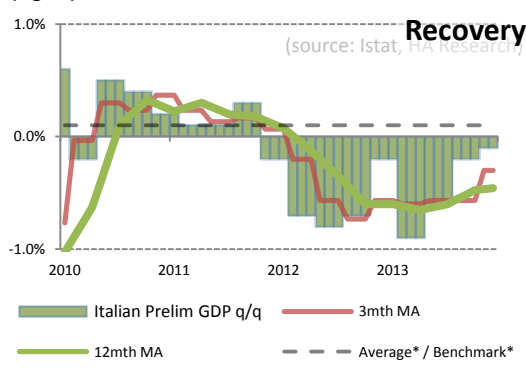
(Fig3.2) German GDP still weak.

November: **Pending** Previous **0.70%****German GDP** Change in the inflation-adjusted value of all goods and services produced by the economy;

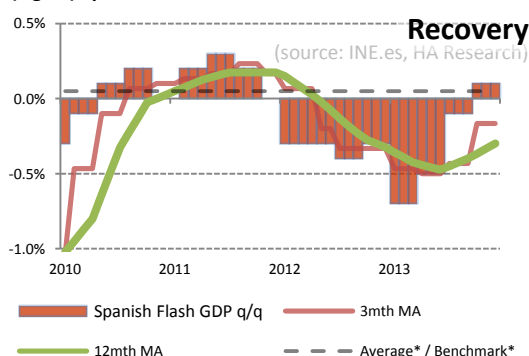
(Fig3.3) French GDP continues to weaken broadly.

November: **-0.10%** Previous **0.50%****French GDP** Change in the inflation-adjusted value of all goods and services produced by the economy;

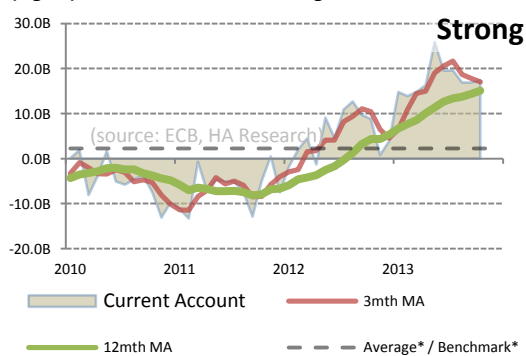
(Fig3.4) Italian GDP weak, could have bottomed.

November: **-0.10%** Previous **-0.20%****Italian GDP** Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig3.5) Spanish GDP weak, could have bottomed.

November: **0.10%** Previous **0.10%****Spanish GDP** Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig3.6) EU National account strong.

November: **Pending** Previous **17.4B****Current Account** Difference in trade balance, services, income flows, and unilateral transfers during the previous month;

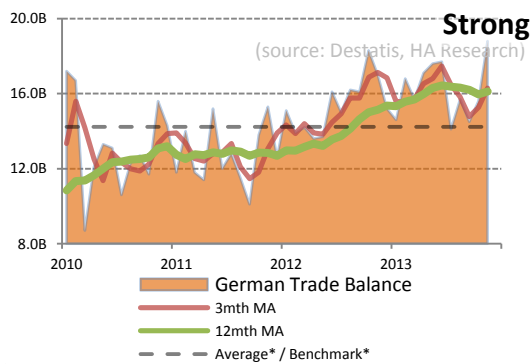
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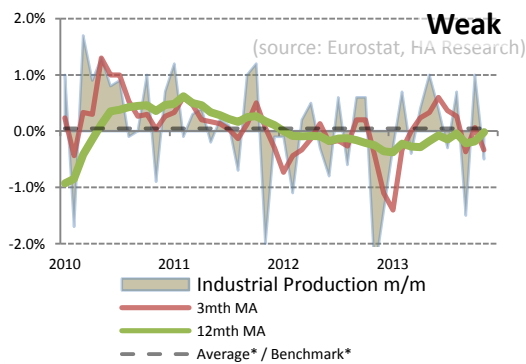




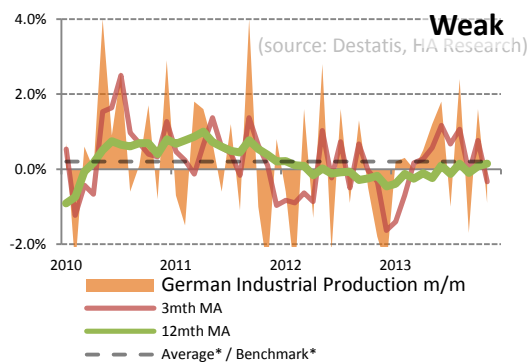
# GROWTH INDICATORS (continued)

**(Fig4.1) German Trade strong at 18.8B.**

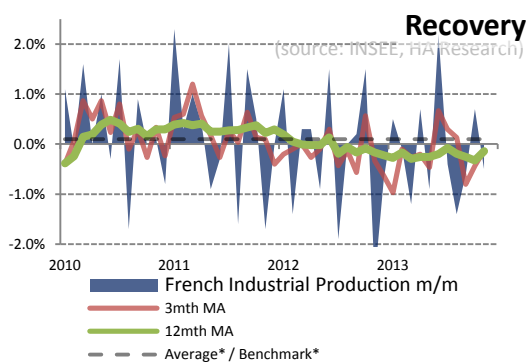
**German Trade Bal.** Difference in value between imported and exported goods during the reported month;

**(Fig4.2) EU Industrial Production weak, but could have bottomed.**

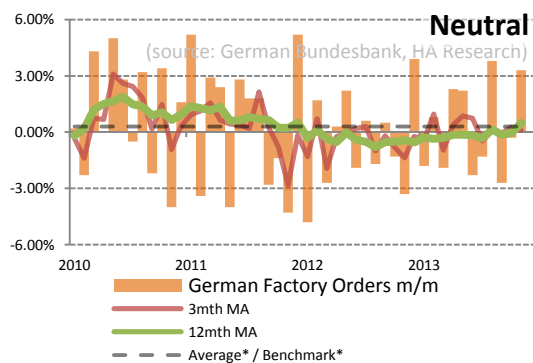
**Industrial Production** Change in the total inflation-adjusted value of output produced by manufacturers, mines, and utilities;

**(Fig4.3) German Industrial Production weak, but recovering.**

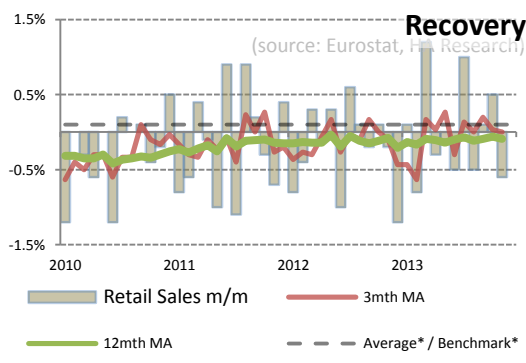
**German Ind. Production** Change in the total value of output produced by manufacturers, mines, and utilities;

**(Fig4.4) French Industrial Production weak, but recovering.**

**French Ind. Production** Change in the total value of output produced by manufacturers, mines, and utilities;

**(Fig4.5) German Factory Orders neutral, still generally weak.**

**German Factory Orders** Change in the total value of new purchase orders placed with manufacturers; (Industrial / Manufacturing)

**(Fig4.6) EU Retail Sales showing stabilization.**

**Retail Sales** Change in the total value of inflation-adjusted sales at the retail level;

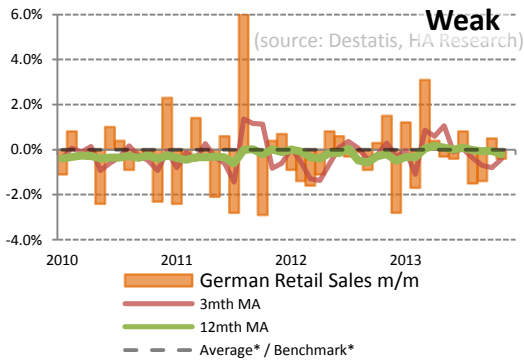
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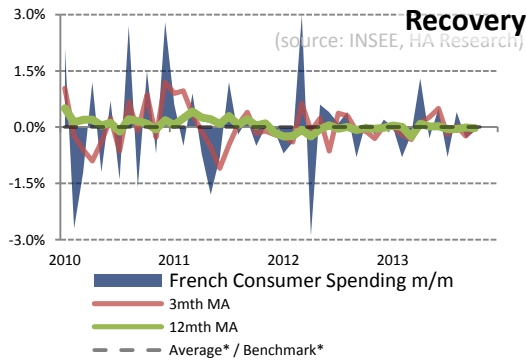
# GROWTH INDICATORS (continued)

(Fig5.1) German Real Retail Sales weakened.



**German Retail Sales** Change in the total value of sales at the retail level, excluding automobiles and gas stations;

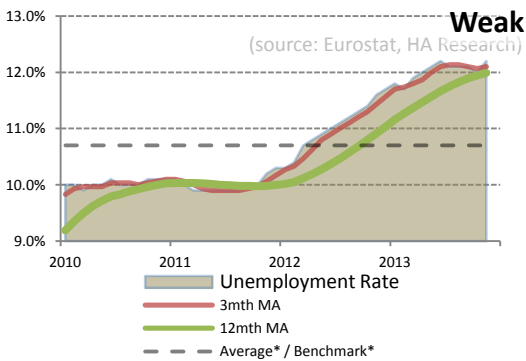
(Fig5.2) French Consumer Spending in recovery, but weak.



**French Con. Spending** Change in the inflation-adjusted value of all goods expenditures by consumers; INSEE

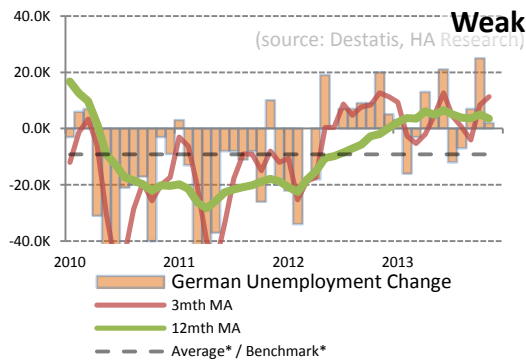
## EMPLOYMENT INDICATORS

(Fig5.3) EU Jobless rate weak, rose to 12.20%.



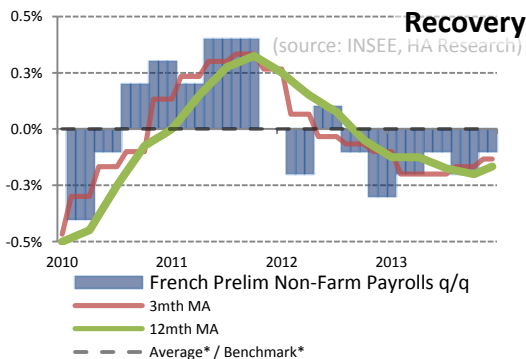
**Jobless Rate** % of total work force that is unemployed and actively seeking employment during the previous month;

(Fig5.4) German Job loss increases, weak.



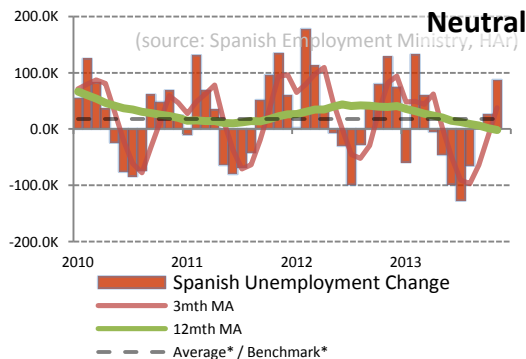
**German Job Loss Count** Change in the number of unemployed people during the previous month;

(Fig5.5) French NFP weak, though recent trend reversing.



**French NFP** Change in the no. of employed people, excluding farming industry and government;

(Fig5.6) Spanish Jobless claims weak, with recent claims increased to 87K.



**Spanish Job Loss Claims** Change in the no. of unemployed people during the previous month; Jobless Claims,

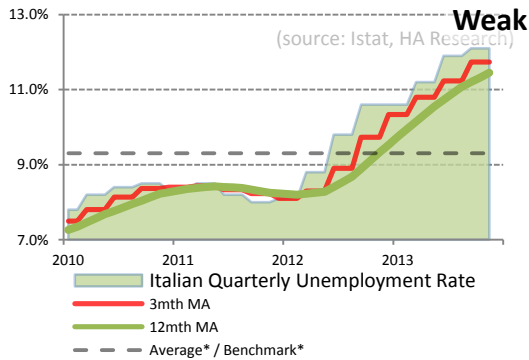
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# EMPLOYMENT INDICATORS (continued)

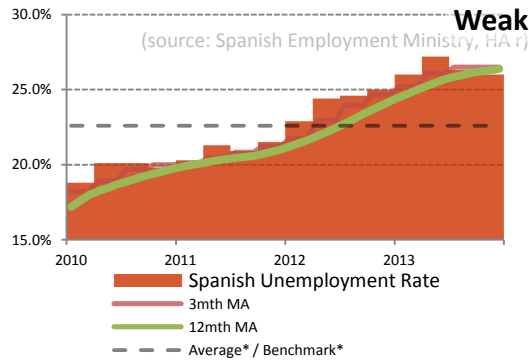
(Fig6.1) Italian Jobless Rate still very weak at 12.10%.



November: **12.10%** Previous 12.10%

**Italian Qtrly Jobless Rate** % of work force that is unemployed and actively seeking employment during the previous quarter; Istat

(Fig6.2) Spanish Jobless rate still weak at 26%.

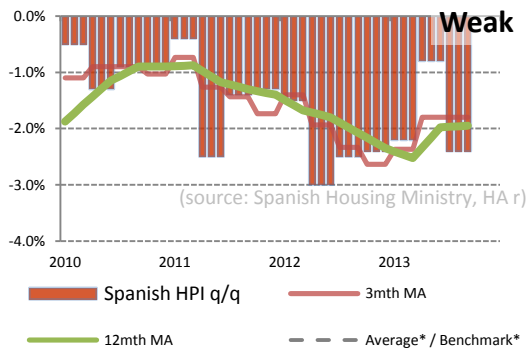


November: **26.0%** Previous 26.0%

**Spanish Jobless Rate** % of work force that is unemployed and actively seeking employment during the previous quarter;

## HOUSING INDICATORS

(Fig6.3) Spanish House Price Index weak.

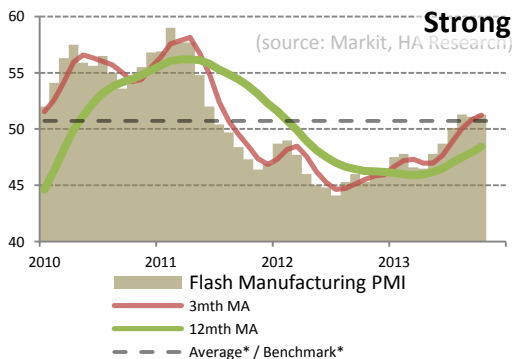


November: **Pending** Previous 0.00%

**Spanish HPI** Change in the appraisal price of homes;

## BUSINESS SURVEY

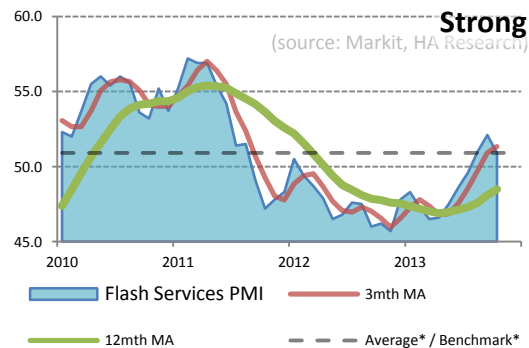
(Fig6.4) EU Manufacturing PMI showing expansion optimism.



November: **Pending** Previous 51.3

**Manufacturing PMI** Survey of 3000 purchasing managers to rate business conditions, job, production, orders, prices, stocks.

(Fig6.5) EU Services PMI also optimistic at 50.9.



November: **Pending** Previous 50.9

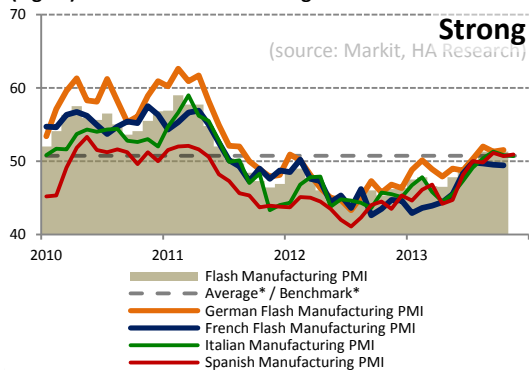
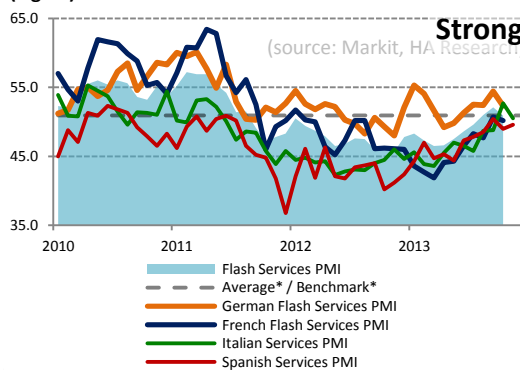
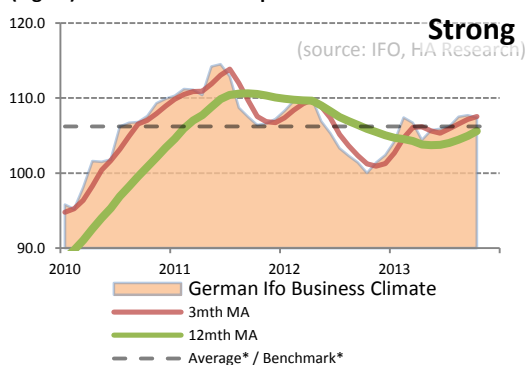
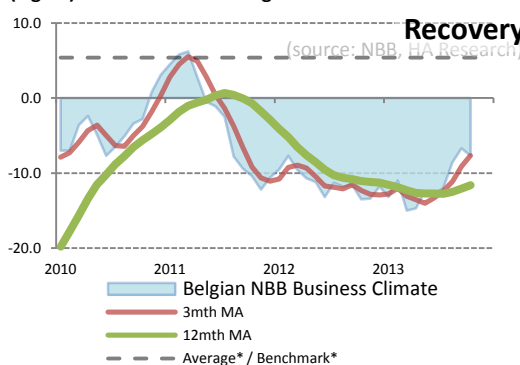
**Services PMI** Survey of 600 purchasing managers to rate business conditions, job, production, orders, prices, stocks.

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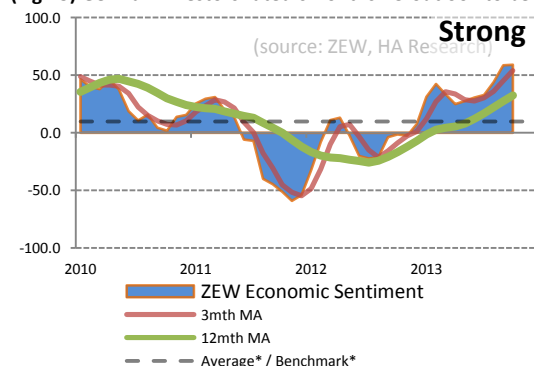
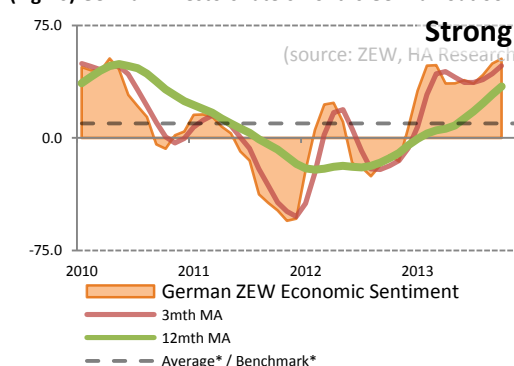
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# BUSINESS SURVEY (continued)

**(Fig7.1) Overall EU Manufacturing PMI bullish at 51.3.**November: **Pending** Previous 51.3**All Manu PMI** Combination of German, French, Italian and Spanish Manufacturing PMI against Euro's Manufacturing PMI**(Fig7.2) Overall EU Services PMI bullish at 50.9.**November: **Pending** Previous 50.9**All Services PMI** Combination of German, French, Italian and Spanish Services PMI against Euro's Services PMI**(Fig7.3) German business expects 6months outlook to be strong.**November: **Pending** Previous 107.4**German IFO Biz Climate** Survey of 7,000 businesses to rate current business conditions and expectations for the next 6 months;**(Fig7.4) National Bank of Belgium Business Confidence G.S. Curve**November: **Pending** Previous -7.7**Belgian NBB Bis Climate** Survey of 6,000 businesses to rate current business conditions and expectations for the next 6 months;

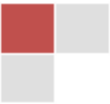
## CONSUMER SURVEY

**(Fig7.5) German investors rated 6months EU outlook to be good.**November: **Pending** Previous 59.1**Zew Econ. Sentiments** Survey of 275 German institutional investors and analysts to rate 6-month outlook for the Eurozone;**(Fig7.6) German investors rate 6months German outlook to be good.**November: **Pending** Previous 52.8**German Zew Econ Sent.** Survey of 275 German institutional investors and analysts to rate 6-month economic outlook for Germany;

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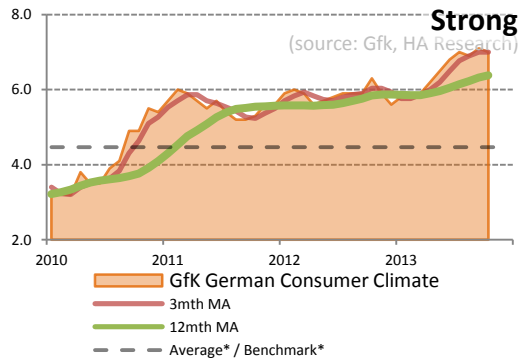
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# CONSUMER SURVEY (continued)

(Fig8.1) Consumers optimism about economic conditions continues to improve.



November:	Pending	Previous	7.0
GfK German Con. Climate	Survey of 2,000 consumers to rate past and future economic conditions, financials;		

Average\* / Benchmark\* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market concensus benchmark; (4) Combination of either.

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