

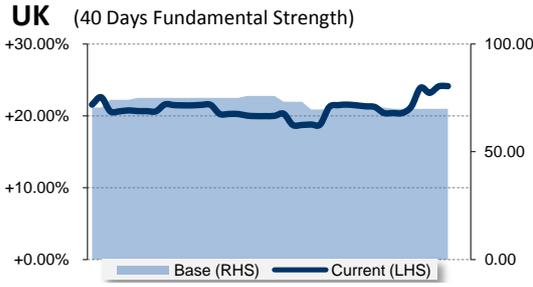
United Kingdom Currency Report

UK ECONOMY In a glance.

15-Apr-2014 (Tuesday)

Last Updated: 07:27AM (GMT+0800)

Figure 1: Fundamental Strength Index for last 40 days.



BASE SUMMARY:

INFLATION INDICATORS :	1.9	/ 16.5
GROWTH INDICATORS :	33.2	/ 41.8
EMPLOYMENT INDICATORS :	4.7	/ 7.6
HOUSING INDICATORS :	12.7	/ 13.9
BUSINESS SURVEY :	14.6	/ 16.5
CONSUMER SURVEY :	2.8	/ 3.8
<i>(automated comments)</i>		
3 Months Outlook (Base)	Strong	69.94 / 100
Current Momentum	Slightly Bullish	24.13%

RELATED NEWS (previous 3 days):

Refer to risk sentiments for more information.

- 15/04/2014 ~
- 14/04/2014 (Bloomberg): Currency traders are more bullish on the pound that at any time in the past three years as the U.K.'s booming property market fuels speculation the Bank of England is getting closer to raising interest rates.
- 13/04/2014 ~

	Base Fundamental (Data of last 3 months)		Current Fundamental (Current data set)	
1. NZD	83.82	+0.00 *	CAD	+43.88% -0.02% *
2. JPY	78.26	+0.00 *	NZD	+42.04% +0.04% *
3. GBP	69.94	-0.00 *	USD	+31.65% +0.05% *
4. USD	58.99	+0.00 *	AUD	+29.22% +0.02% *
5. AUD	56.25	+0.00 *	JPY	+26.06% -0.04% *
6. EUR	50.90	+0.00 *	GBP	+24.13% +0.03% *
7. CAD	45.74	+0.00 *	EUR	+22.41% +0.01% *

* Day/day change - % range from +/- 10% (dependent on data availability)

HA Research Comments:

MARKET: Bears exhausted; Bulls in control over strong data, IMF bullish comments.
TECHNICAL: GBPUSD (H4) Overbought, GBPJPY (H4, D1) Neutral
CONCLUSION: SKIP - Pending CPI data. To resume trade decision after data release.
 Bearish Factors: (1) BOE comments avoiding interest rate hike, sees slack in jobs.
 Bullish Factors: (1) 3rd Strong Base (2) IMF bullish comments on UK (3) Mkt Speculation of faster rate hike.

GBPUSD

NOTE: Chart frame varies from H4 - W1, dependent on price action conformity relative to fundamental reports on trading period.



GBPJPY

NOTE: Confirmity of price action against fundamental often changes quickly on volatility of market. Chart validity expires daily.



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Table 1: Fundamental Calendar.

UPCOMING FUNDAMENTAL EVENTS					
DATE	TIME	DETAILS	FORECAST	PREV.	IMPACT
15-Apr (Tue)	7:01am	BRC Retail Sales Monitor y/y		-1.00%	!!
15-Apr (Tue)	4:30pm	CPI y/y	1.60%	1.70%	!!!
15-Apr (Tue)	4:30pm	PPI Input m/m	-0.10%	-0.40%	!!
15-Apr (Tue)	4:30pm	RPI y/y	0.03	2.70%	!!
16-Apr (Wed)	4:30pm	Claimant Count Change	-30.2K	-34.6K	!!!

PAST (20) ECONOMIC EVENTS:						
DATE	Score	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
14-Apr (Mon)	7:01am	Rightmove HPI m/m	2.60%	-	1.60%	➔ +1.27%
11-Apr (Fri)	5:00pm	CB Leading Index m/m	0.40%	0.40%	0.60%	➔ +0.55%
10-Apr (Thu)	7:01am	RICS House Price Balance	57.00%	44.00%	47.00%	➔ +1.27%
09-Apr (Wed)	7:01am	BRC Shop Price Index y/y	-1.70%	-	-1.40%	⬇ -1.27%
09-Apr (Wed)	4:30pm	Trade Balance	-9.10	-9.30	-9.50	⬇ -1.11%
08-Apr (Tue)	4:30pm	Manufacturing Production m/m	1.00%	0.30%	0.30%	⬆ +3.80%
08-Apr (Tue)	4:30pm	Industrial Production m/m	0.90%	0.30%	0.00%	➔ +0.87%
08-Apr (Tue)	10:00pm	NIESR GDP Estimate	0.90%	-	0.90%	⬆ +1.90%
04-Apr (Fri)	3:00pm	Halifax HPI m/m	-1.10%	0.70%	2.50%	⬇ -1.58%
03-Apr (Thu)	4:30pm	Services PMI	57.60	58.20	58.20	⬇ -0.95%
03-Apr (Thu)	4:30pm	Housing Equity Withdrawal q/q	-10.60	-9.40	-10.60	⬇ -1.11%
02-Apr (Wed)	2:00pm	Nationwide HPI m/m	0.40%	0.70%	0.70%	➔ +0.95%
02-Apr (Wed)	4:30pm	Construction PMI	62.50	63.10	62.60	➔ +1.42%
01-Apr (Tue)	4:30pm	Manufacturing PMI	55.30	56.70	56.20	➔ +0.24%
31-Mar (Mon)	4:30pm	Net Lending to Individuals m/m	2.30	2.30	2.10	⬆ +2.22%

The HA Research 100 days "Intrinsic" Value Charts depicts the calculated index differential between 2 currencies. Based on the movements of the differentials, they are plotted against actual market spot movement to "track" the "intrinsic" value of the currency pair.

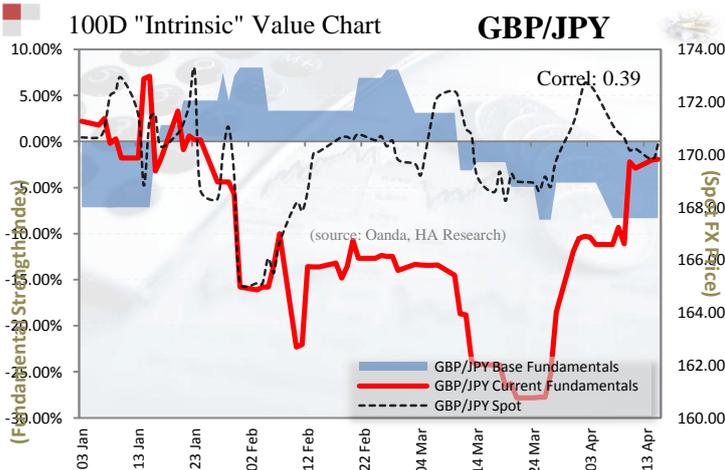
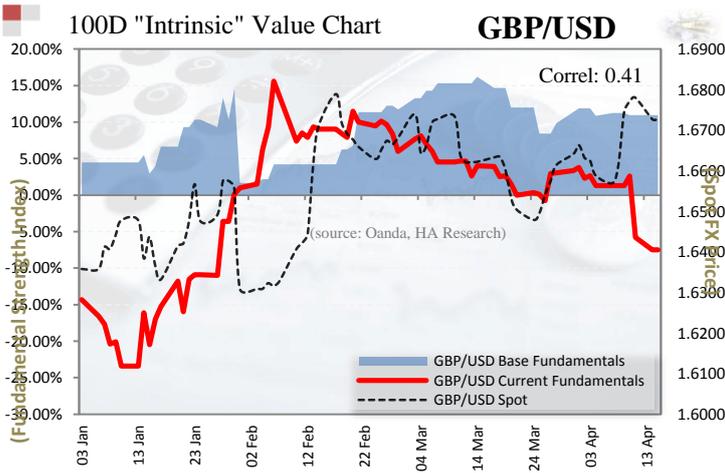


Table 2: Fundamental Score List.

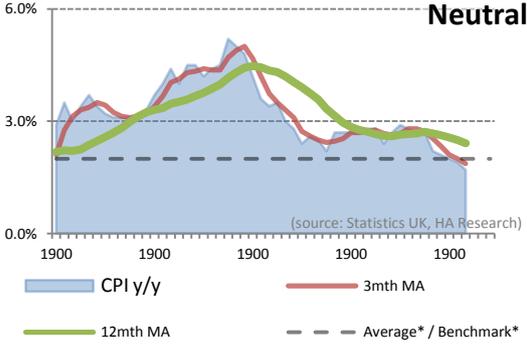
BASE FUNDAMENTAL DATA RESULTS				
Type	GBP Fundamental Data	Strength	Total	
Business Survey	CBI Industrial Order Expectations	Recovery	0.633	
	CBI Realized Sales	Strong	2.532	
	Construction PMI	Strong	3.797	
	Manufacturing PMI	Strong	3.797 (Strong)	
	Services PMI	Strong	3.797 14.6 / 16.5	
Consumer Survey	GfK Consumer Confidence	Recovery	0.316 (Strong)	
	Consumer Inflation Expectations	Strong	2.532 2.8 / 3.8	
Employment	Claimant Count Change	Strong	3.797 (Strong)	
	Unemployment Rate	Recovery	0.949 4.7 / 7.6	
Growth	BRC Retail Sales Monitor y/y	Strong	2.532	
	Current Account	Recovery	0.949	
	CB Leading Index m/m	Strong	1.266	
	Revised Business Investment q/q	Neutral	0.633	
	Index of Services 3m/3m	Strong	1.266	
	Industrial Production m/m	Strong	1.266	
	Final GDP q/q	Strong	2.532	
	Manufacturing Production m/m	Strong	3.797	
	Net Lending to Individuals m/m	Strong	2.532	
	NIESR GDP Estimate	Strong	2.532	
	Prelim Business Investment q/q	Weak	0	
	Prelim GDP q/q	Strong	3.797	
	Public Sector Net Borrowing	Strong	2.532	
	Retail Sales m/m	Strong	3.797	
	Second Estimate GDP q/q	Strong	3.797 (Strong)	
	Trade Balance	Weak	0 33.2 / 41.8	
	Housing	BBA Mortgage Approvals	Strong	2.532
		RICS House Price Balance	Strong	1.266
		Rightmove HPI m/m	Strong	1.266
HPI y/y		Strong	1.266	
Mortgage Approvals		Strong	1.266	
Housing Equity Withdrawal q/q		Weak	0	
Halifax HPI m/m		Strong	2.532 (Very Strong)	
Nationwide HPI m/m	Strong	2.532 12.7 / 13.9		
Inflation	Average Earnings Index 3m/y	Weak	0	
	PPI Output m/m	Weak	0	
	M4 Money Supply m/m	Weak	0	
	BRC Shop Price Index y/y	Weak	0	
	Core CPI y/y	Weak	0	
	CPI y/y	Neutral	1.899	
	PPI Input m/m	Weak	0 (Very Weak)	
RPI y/y	Weak	0 1.9 / 16.5		
			69.94 100.00	



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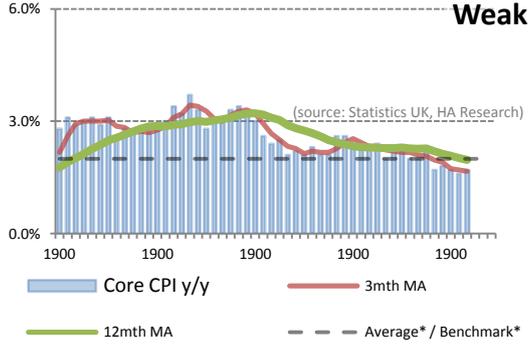
INFLATION INDICATORS

(Fig2.1) **Neutral**



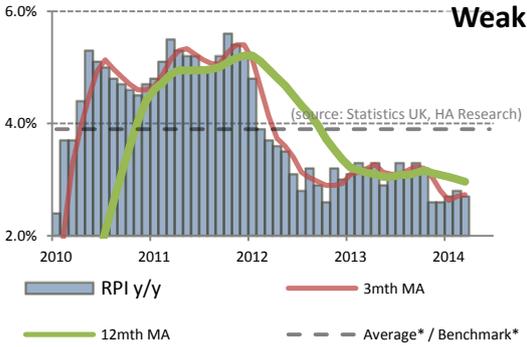
April:	Pending	Previous	1.70%
Consumer Price Index	Change in the price of goods and services purchased by consumers; BOE mandated inflation target		

(Fig2.2) **Weak**



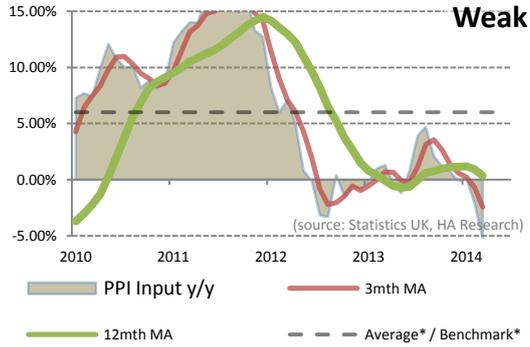
April:	Pending	Previous	1.70%
Core CPI	Change in the price of goods and services purchased, excluding food, energy, alcohol, and tobacco items		

(Fig2.3) **Weak**



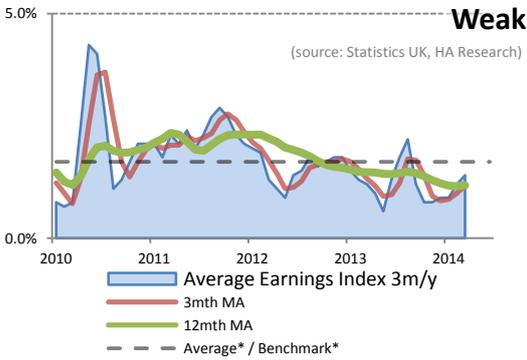
April:	Pending	Previous	2.70%
Retail Price Index	Change in the price of goods and services purchased by consumers for the purpose of consumption;		

(Fig2.4) **Weak**



April:	Pending	Previous	-5.30%
Producer Price Index	Change in the price of goods and raw materials purchased by manufacturers;		

(Fig2.5) **Weak**



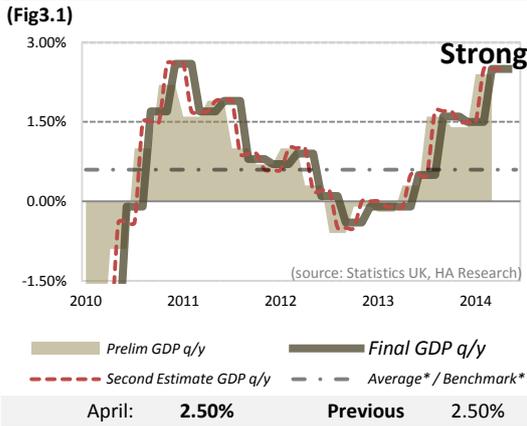
April:	Pending	Previous	1.40%
Avg Earnings Index	Change in the price businesses and the government pay for labor, including bonuses;		

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.

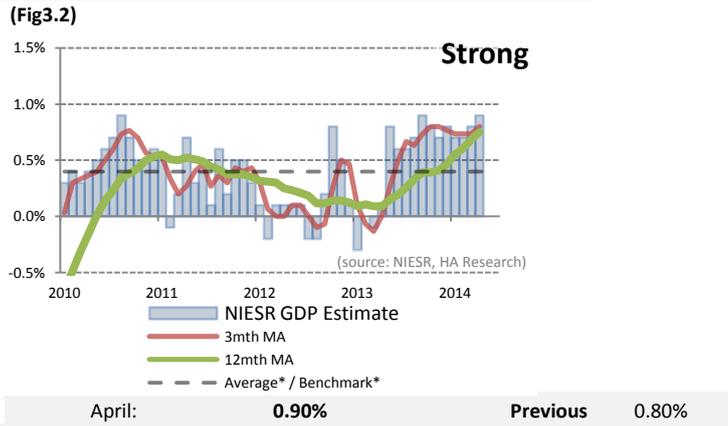
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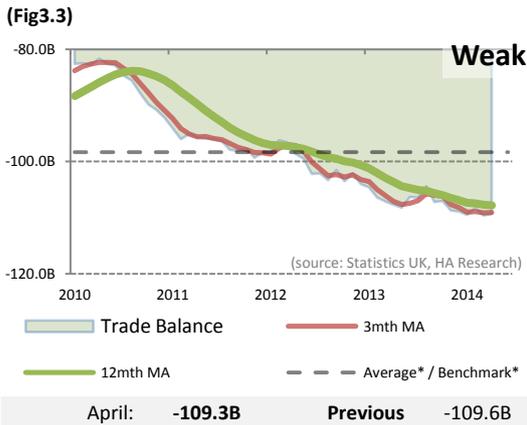
GROWTH INDICATORS



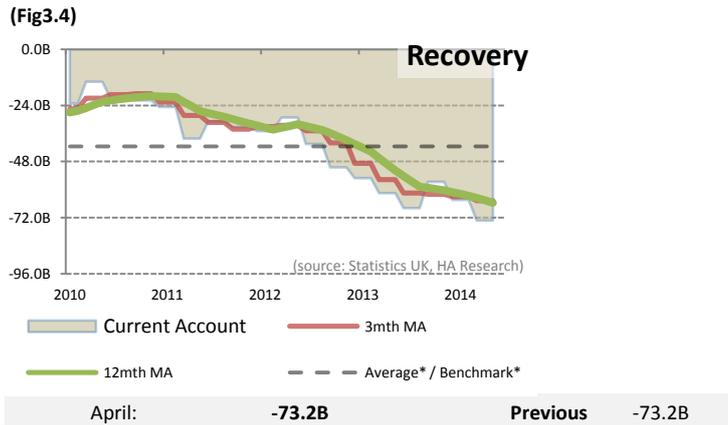
GDP q/q Change in the inflation-adjusted value of all goods and services produced by the economy;



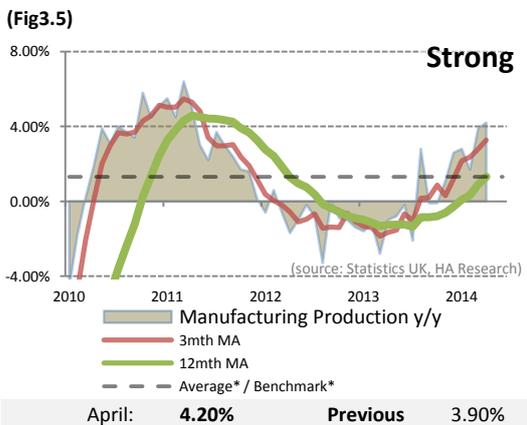
NIESR GDP Estimate Change in the estimated value of all goods and services produced by the economy during the previous 3 months;



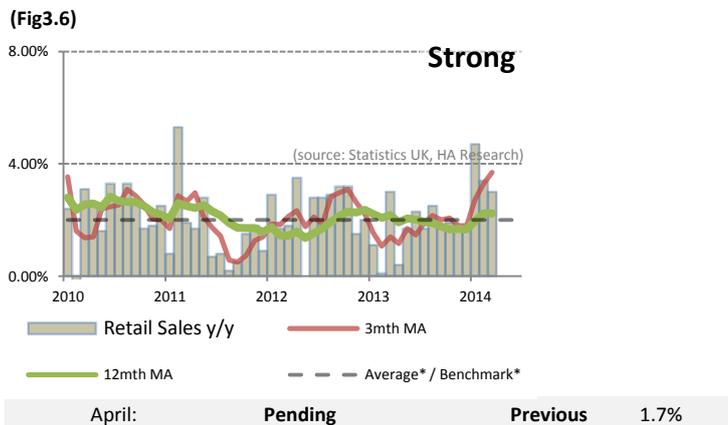
Trade Balance Difference in value between imported and exported goods during the reported month;



Current Account Difference in trade balance, income flows, and unilateral transfers during the previous quarter;



Manu. Production Change in the total inflation-adjusted value of output produced by manufacturers; Factory production



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

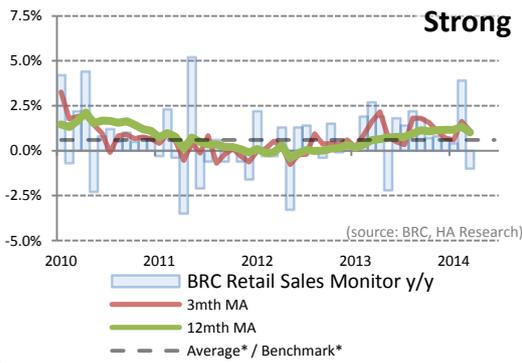
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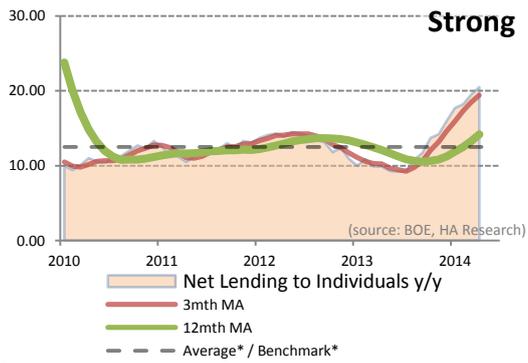
GROWTH INDICATORS (continued)

(Fig4.1)



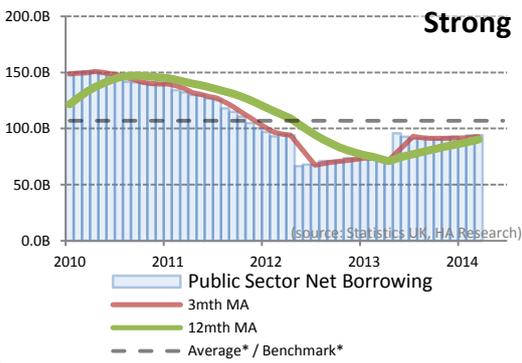
April:	Pending	Previous	-1.00%
BRC Retail Sales	Change in the value of same-store sales at the retail level; British Retail Consortium (BRC);		

(Fig4.2)



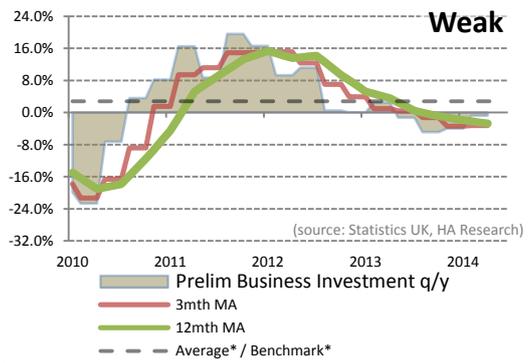
April:	20.5B	Previous	19.5B
Net Lending to Individual	Change in the total value of new credit issued to consumers;		

(Fig4.3)



April:	Pending	Previous	94.1B
Gov. Budget Balance	Difference in spending and income for public corporations, governments during the previous month;		

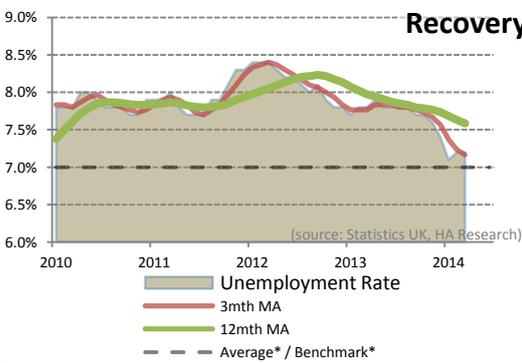
(Fig4.4)



April:	-0.8%	Previous	-0.8%
Total Biz. Investments	Change in the total inflation-adjusted value of capital investments made by businesses and the government;		

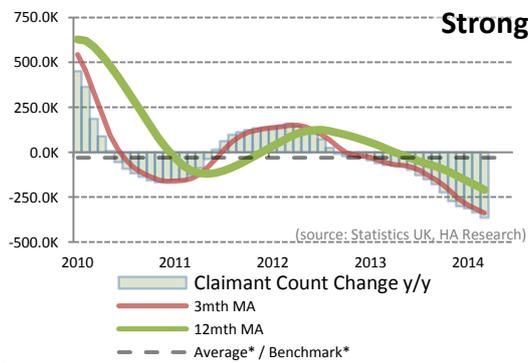
EMPLOYMENT INDICATORS

(Fig4.5)



April:	Pending	Previous	7.2%
Jobless Rate	% of total work force that is unemployed and actively seeking employment during the past 3 months;		

(Fig4.6)



April:	Pending	Previous	-365.6K
Jobless Claims	Change in the number of people claiming unemployment-related benefits during the previous month;		

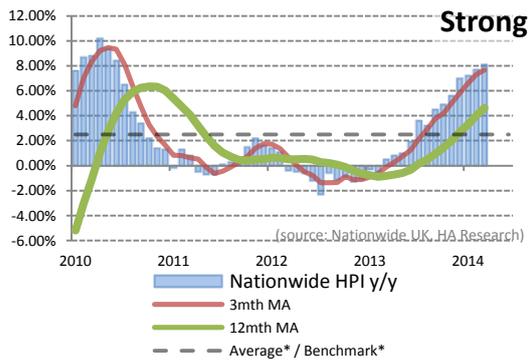
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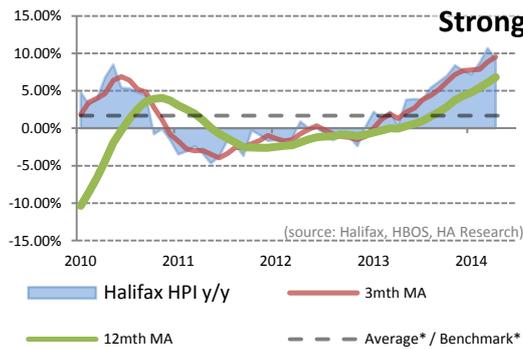
HOUSING INDICATORS

(Fig5.1)



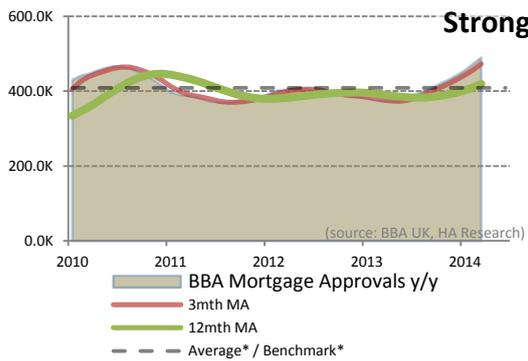
April:	Pending	Previous	8.1%
Nationwide HPI	Change in the selling price of homes with mortgages backed by Nationwide; House Price Index (HPI);		

(Fig5.2)



April:	9.2%	Previous	10.7%
Halifax HPI	Change in the price of homes financed by HBOS; Halifax Bank of Scotland (HBOS);		

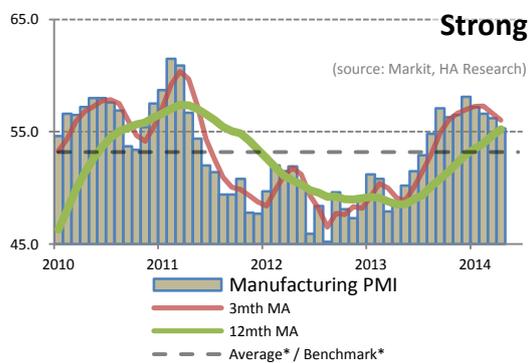
(Fig5.3)



April:	Pending	Previous	489.5K
BBA Mortgage	Number of new mortgages approved for home purchase by BBA-represented banks during the previous month;		

BUSINESS SURVEY

(Fig5.4)



April:	55.3	Previous	47.6
Manufacturing PMI	Survey of 600 purchasing managers to rate business conditions; jobs, production, orders, price & stock;		

(Fig5.5)



April:	57.6	Previous	58.2
Services PMI	Survey of purchasing managers to rate business conditions including job, production, orders, prices, & inventories;		

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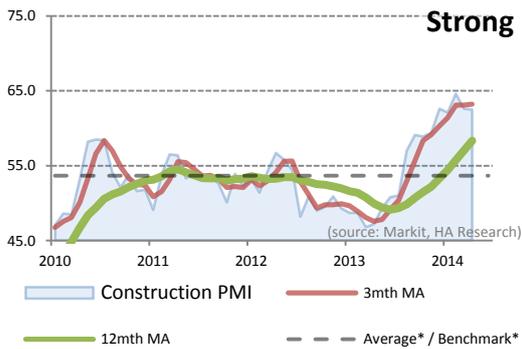
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BUSINESS SURVEY (continued)

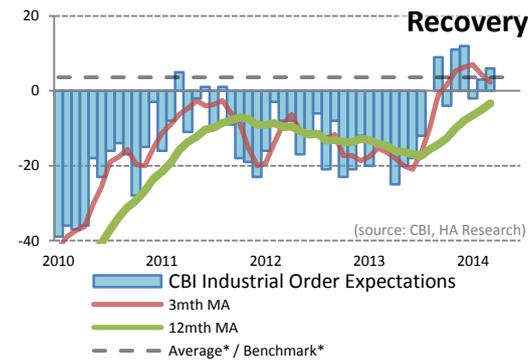
(Fig6.1)



April: **62.5** Previous **62.6**

Construction PMI Level of a diffusion index based on surveyed purchasing managers in the construction industry;

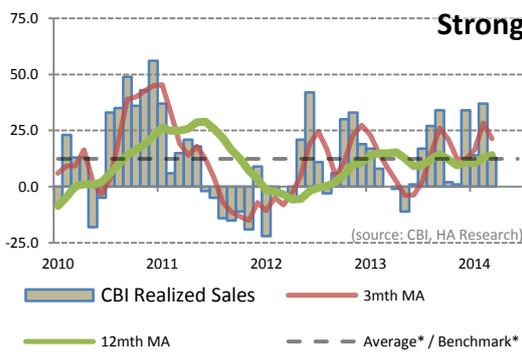
(Fig6.2)



April: **Pending** Previous **6.0**

CBI Industrial Order Exp. Survey of 550 manufacturers to rate order volume expected during next 3 months; Confederation of British Industry (CBI);

(Fig6.3)

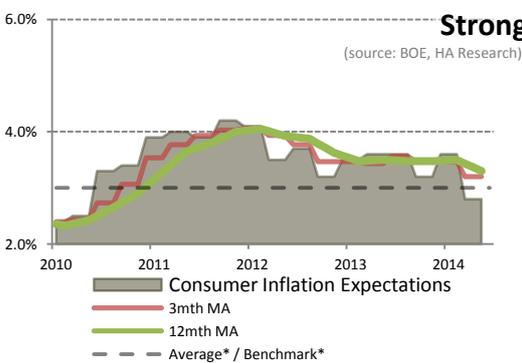


April: **Pending** Previous **13.0**

CBI Realized Sales Survey of 150 retail and wholesale companies to rate the relative level of current sales volume;

CONSUMER SURVEY

(Fig6.4)



April: **2.8%** Previous **2.8%**

Con. Inflatn Expectn Survey of 2,000 consumers, conducted by GfK, where they expect prices to be 12 months in the future;

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