

AUSTRALIA FUNDAMENTAL REPORT

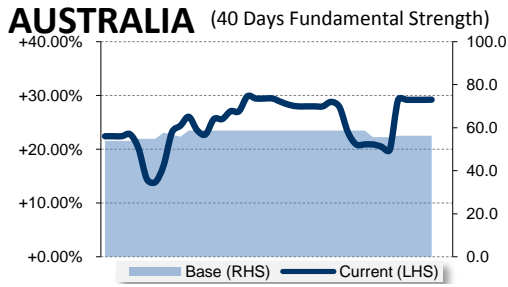
AUSTRALIAN ECONOMY

 In a glance.

16-Apr-2014 (Wednesday)

Last Updated: 07:51AM (GMT +0800)

Figure 1: Fundamental Strength Index for last 40 days.

**BASE SUMMARY:**

INFLATION INDICATORS :	16.2	/ 20.6
GROWTH INDICATORS :	16.2	/ 33.8
EMPLOYMENT INDICATORS :	0.7	/ 11.8
HOUSING INDICATORS :	14.0	/ 16.2
BUSINESS SURVEY :	8.5	/ 11.8
CONSUMER SURVEY :	0.7	/ 5.9

(automated comments)

3 Months Outlook (Base)	Moderate	56.25	/ 100
Current Momentum	Slightly Bullish	29.22%	

RELATED NEWS (previous 3 days):

Refer to risk sentiments (Market Watch) for more information.

16/04/2014 -

15/04/2014 (Bloomberg): fell from near a five-month high before the Reserve Bank releases minutes of this month's meeting. Momentum indicators signal the AUDUSD may extend declines following a 5.6% surge this year.

14/04/2014 -

	Base Fundamental (Data of last 3 months)			Current Fundamental (Current data set)		
1.	NZD	83.82	+0.00 *	CAD	+39.89%	-0.01% *
2.	JPY	78.26	+0.00 *	NZD	+38.37%	-3.63% *
3.	GBP	68.67	+0.00 *	USD	+35.26%	-0.04% *
4.	USD	57.55	+0.00 *	AUD	+29.22%	+0.02% *
5.	AUD	56.25	+0.00 *	JPY	+26.06%	-0.04% *
6.	EUR	50.90	+0.00 *	EUR	+23.54%	+0.04% *
7.	CAD	45.74	+0.00 *	GBP	+22.47%	-0.03% *

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

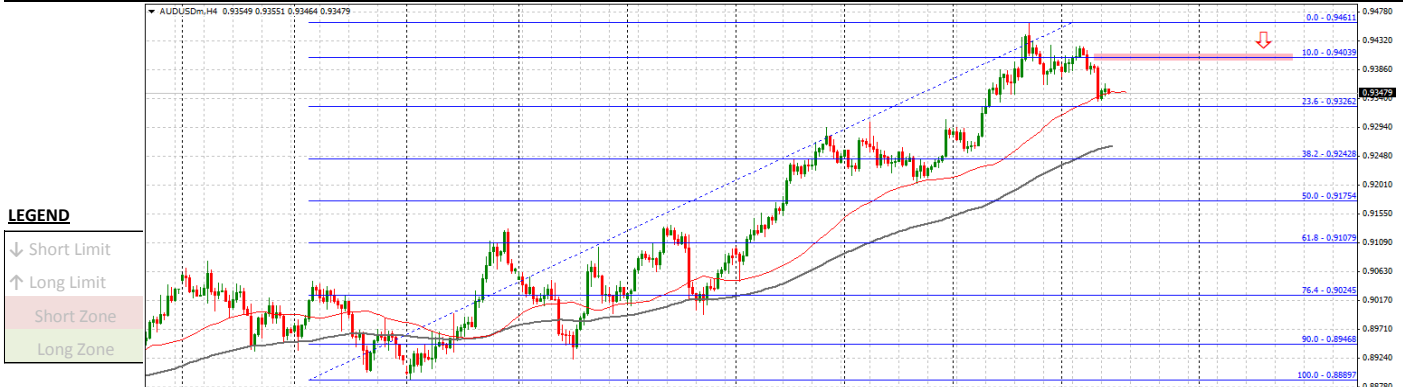
HA Research:**MARKET:** Bears in control over RBA's min, pending CNY (15th - 16th), Overbought; Bulls exhausted over Strong Jobs, Carry;**TECHNICAL:** Overbought (D1): AUDUSD, AUDJPY**CONCLUSION:** Bearish on AUD, Fundamentally Neutral. Technically overbought though. Pending CNY data.

Bearish Factors: (1) 3rd weakest Base (2) Weakening Chinese Data, (3) impending Risk aversion.

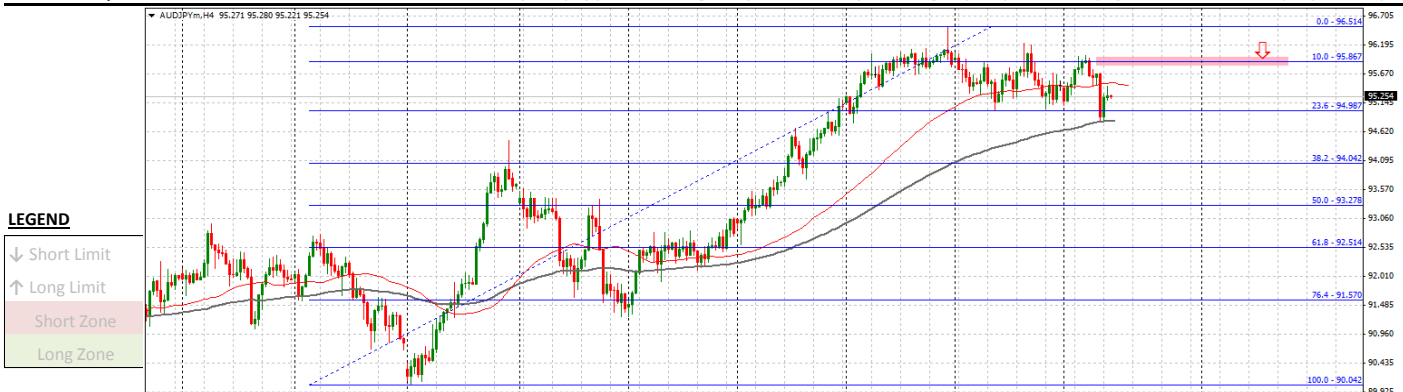
Bullish Factors: (1) Carry interest, (2) Shock recovery in Jobs, (3) China's mini stimulus plan. (4) Stale RBA mins.

AUDUSD

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

**AUDJPY**

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

**DISCLAIMER:**

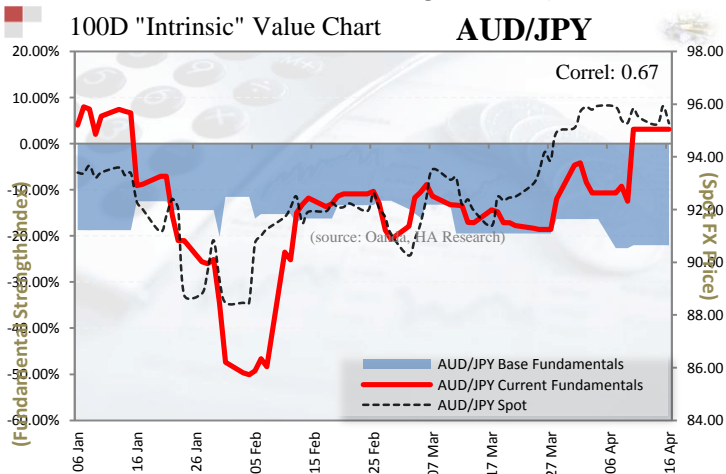
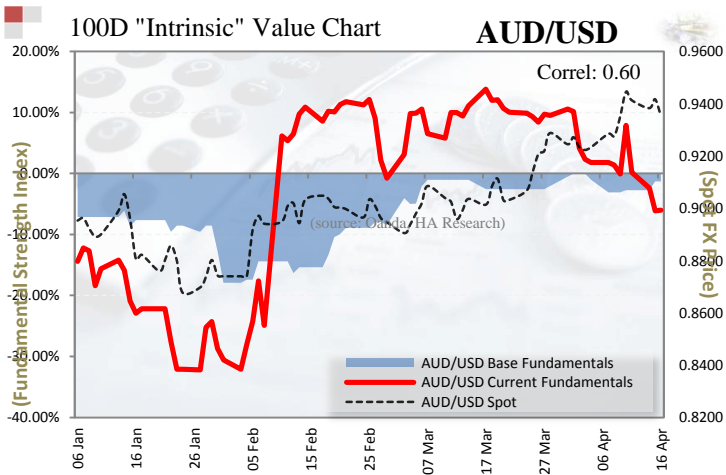
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AUSTRALIA FUNDAMENTAL REPORT**Table 1: Fundamental Calendar.**

UPCOMING FUNDAMENTAL EVENTS					
DATE	TIME	DETAILS	FORECAST	PREVIOUS	IMPACT
16-Apr (Wed)	8:30am	MI Leading Index m/m		-0.10%	!
17-Apr (Thu)	9:30am	NAB Quarterly Business Confidence		8.00	!!
17-Apr (Thu)	9:30am	New Motor Vehicle Sales m/m		0.10%	!!

PAST (20) ECONOMIC EVENTS:						
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREV.	SCORE
10-Apr (Thu)	9:00am	MI Inflation Expectations	2.40%	-	2.10%	↑ +2.57%
10-Apr (Thu)	9:30am	Employment Change	18.10	7.30	48.20	↑ +3.04%
10-Apr (Thu)	9:30am	Unemployment Rate	5.80%	6.10%	6.00%	↓ -2.21%
09-Apr (Wed)	8:30am	Westpac Consumer Sentiment	0.30%	0.30%	-0.70%	→ +0.18%
09-Apr (Wed)	9:30am	Home Loans m/m	2.30%	1.70%	0.00%	↑ +2.94%
08-Apr (Tue)	9:30am	NAB Business Confidence	4.00	-	7.00	→ +1.10%
07-Apr (Mon)	6:26am	AIG Construction Index	46.20	-	44.20	→ +1.00%
07-Apr (Mon)	9:30am	ANZ Job Advertisements m/m	1.40%	-	4.70%	→ -0.18%
03-Apr (Thu)	7:30am	AIG Services Index	48.90	-	55.20	→ +0.55%
03-Apr (Thu)	9:30am	Trade Balance	1.20	82.00%	1.39	↑ +3.03%
02-Apr (Wed)	9:30am	Building Approvals m/m	-5.00%	-1.70%	6.90%	↑ +3.68%
01-Apr (Tue)	7:30am	AIG Manufacturing Index	47.90	-	48.60	→ -0.74%
01-Apr (Tue)	2:30pm	Commodity Prices y/y	-12.80%	-	-11.40%	→ -1.47%
31-Mar (Mon)	8:30am	MI Inflation Gauge m/m	0.20%	-	0.20%	→ +0.92%
31-Mar (Mon)	9:00am	HIA New Home Sales m/m	4.60%	-	0.50%	↑ +2.94%

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

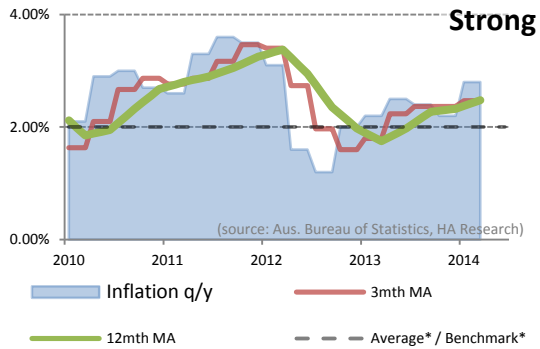
**Table 2: Fundamental Score List.**

BASE FUNDAMENTAL DATA RESULTS				
Type	AUD Fundamental Data	Strength	Score	Total
Business Survey	NAB Business Confidence	Strong	4.412	
	AIG Manufacturing Index	Recovery	0.368	
	AIG Services Index	Strong	1.471	
	AIG Construction Index	Strong	1.471	(Strong)
	NAB Quarterly Business Confidence	Recovery	0.735	8.5 / 11.8
Consumer Survey	MI Inflation Expectations	Recovery	0.735	(Very Weak)
	Westpac Consumer Sentiment	Weak	0	0.7 / 5.9
Employment	Employment Change	Weak	0	
	Unemployment Rate	Weak	0	(Very Weak)
	ANZ Job Advertisements m/m	Recovery	0.735	0.7 / 11.8
Growth	GDP q/q	Recovery	1.103	
	Retail Sales m/m	Strong	4.412	
	Trade Balance	Recovery	1.103	
	Current Account	Recovery	0.735	
	Private Capital Expenditure q/q	Weak	0	
	CB Leading Index m/m	Strong	2.941	
	Company Operating Profits q/q	Strong	2.941	
	MI Leading Index m/m	Weak	0	
	New Motor Vehicle Sales m/m	Weak	0	(Weak)
	Private Sector Credit m/m	Strong	2.941	16.2 / 33.8
Housing	HPI q/q	Strong	2.941	
	Building Approvals m/m	Strong	4.412	
	Construction Work Done q/q	Recovery	0.735	
	HIA New Home Sales m/m	Strong	2.941	(Strong)
	Home Loans m/m	Strong	2.941	14.0 / 16.2
Inflation	CPI q/q	Strong	4.412	
	PPI q/q	Strong	4.412	
	MI Inflation Gauge m/m	Strong	1.471	
	Commodity Prices y/y	Weak	0	
	Wage Price Index q/q	Weak	0	
	Import Prices q/q	Strong	2.941	(Strong)
	Trimmed Mean CPI q/q	Strong	2.941	16.2 / 20.6
			56.25	100.00

AUSTRALIA FUNDAMENTAL REPORT

INFLATION INDICATORS

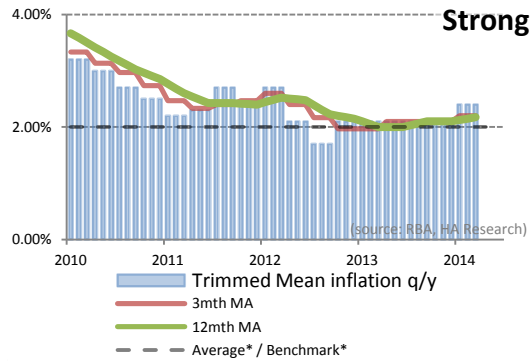
(Fig2.1)



April:	Pending	Previous	2.80%
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Consumer Price Index Change in the price of goods and services purchased by consumers.

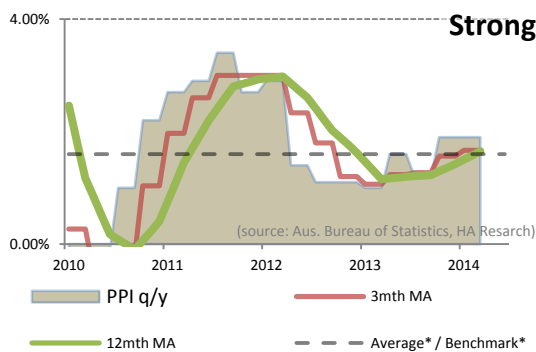
(Fig2.2)



April:	Pending	Previous	2.40%
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Trimmed Mean CPI Change in the price of goods and services purchased by consumers, excluding the most volatile 30% of items;

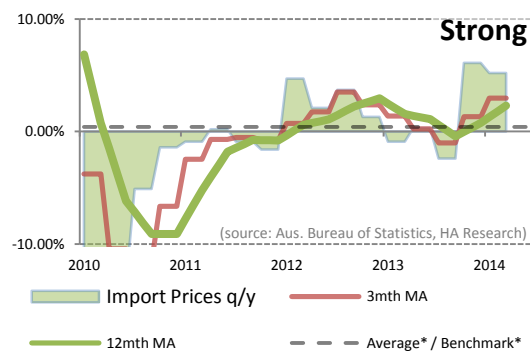
(Fig2.3)



April:	Pending	Previous	1.90%
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Producer Price Index Change in the price of finished goods and services sold by producers;

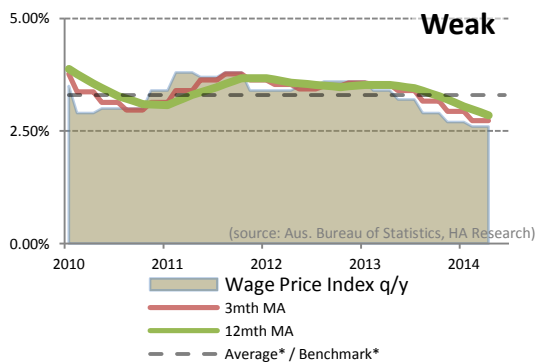
(Fig2.4)



April:	Pending	Previous	5.20%
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Import Price Change in the price of goods purchased by importers; contributes to inflation as costs passed on to consumer.

(Fig2.5)



April:	2.60%	Previous	2.60%
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Wage Price Index Change in the price businesses and the government pay for labor, excluding bonuses;

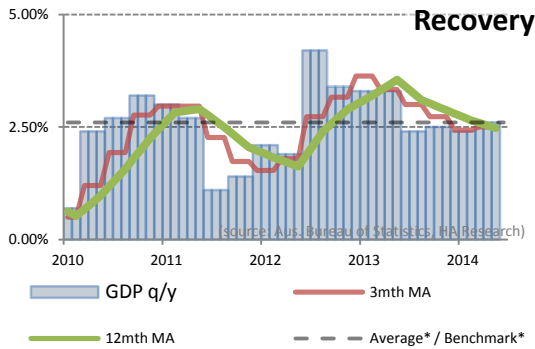
Average* / Benchmark* is a derivation of the following considerations: (1) moving averages across data used in the chart period; (2) Mandated target of Central Bank; (3) Market consensus benchmark; (4) Combination of either.

Figure/Chart annotations All figures/charts provided in this report are annotated in Figure(Page).(Chart #) format. Example Figure2.1 represents: Figure in (Page 2).(Chart 1 in page 2).

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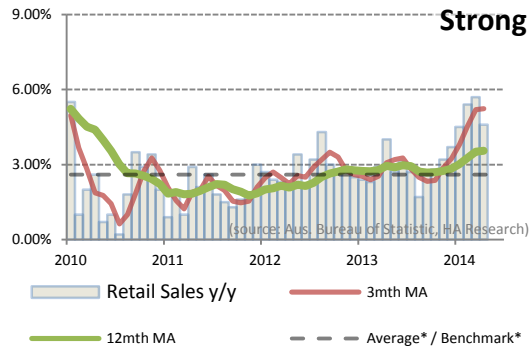
GROWTH INDICATORS

(Fig3.1)



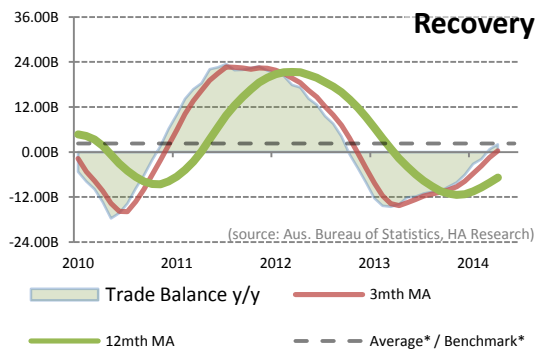
Gross Dom. Product Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig3.2)



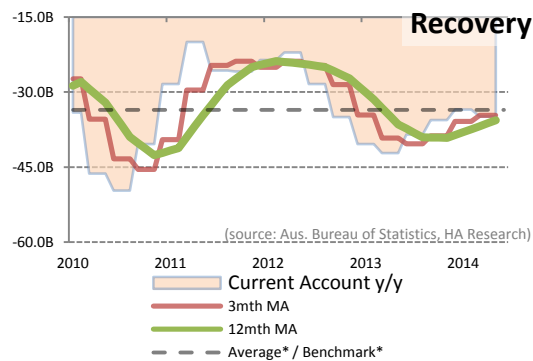
Retail Sales Change in the total value of sales at the retail level;

(Fig3.3)



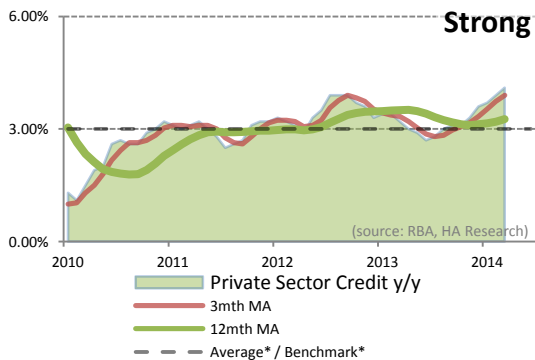
Trade Balance Difference in value between imported and exported goods and services during the reported month;

(Fig3.4)



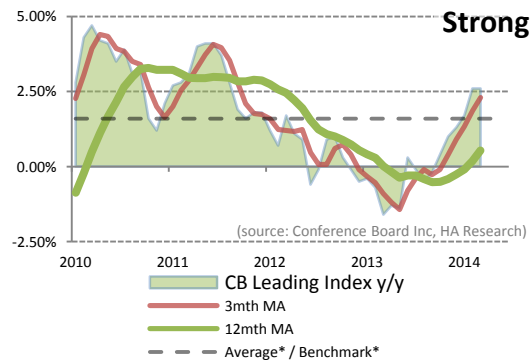
Current Account Difference in trade balance, income flows, and unilateral transfers during the previous quarter;

(Fig3.5)



Pte Sector Credit Change in the total value of new credit issued to consumers and businesses;

(Fig3.6)



CB Leading Index Combination of 7 indicators: \$ supply, building approvals, profits, exports, inventories, interest rate spreads;

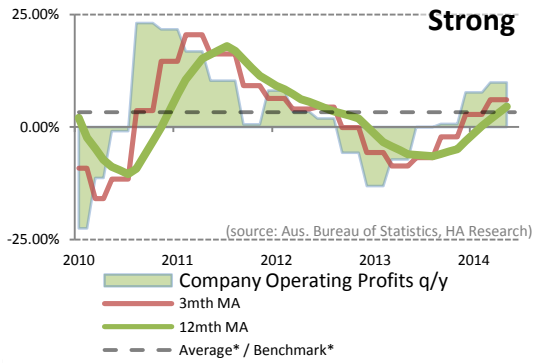
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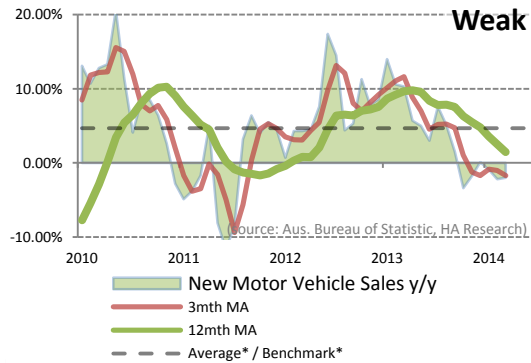
GROWTH INDICATORS (continued)

(Fig4.1)

**Company Op. Profits**

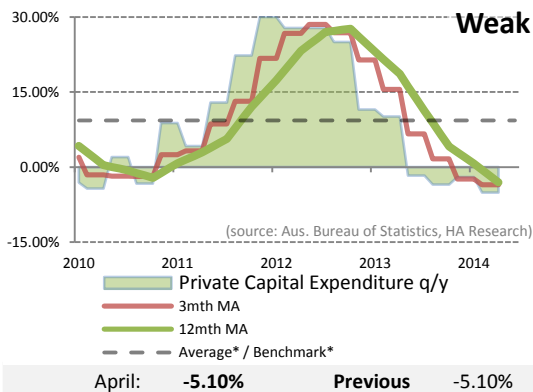
Change in the total value of profits earned by corporations;

(Fig4.2)

**N. Motor Veh. Sales**

Change in the number of new cars and trucks sold domestically; leading sign of consumer confidence;

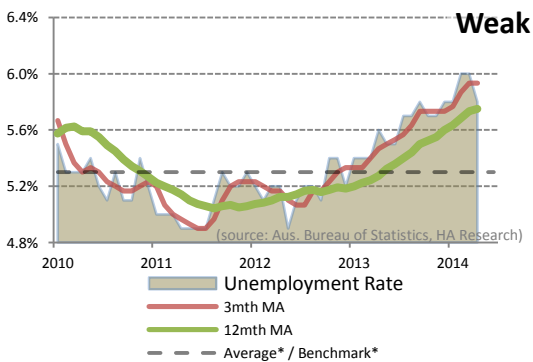
(Fig4.3)

**Private Capital Expd**

Change in the total inflation-adjusted value of new capital expenditures made by private businesses;

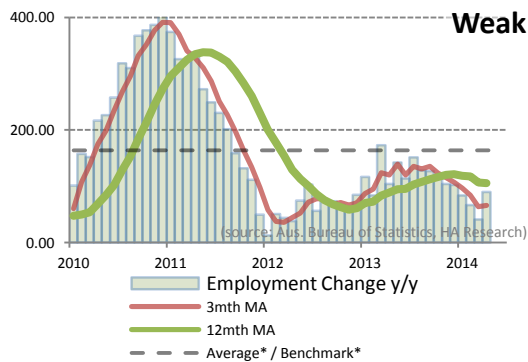
EMPLOYMENT INDICATORS

(Fig4.4)

**Jobless Rate**

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

(Fig4.5)

**Employment Change**

Change in the number of employed people during the previous month; annualized basis (y/y);

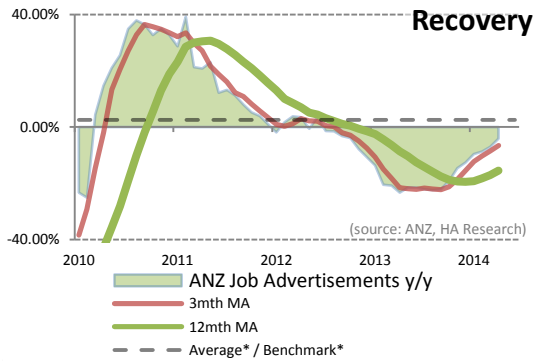
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EMPLOYMENT INDICATORS (continued)

(Fig5.1)

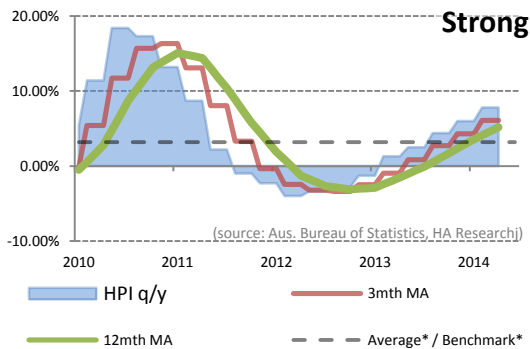


April: **-4.10%** Previous: **-7.00%**

ANZ Job Ads. Change in the no. of jobs advertised in the major daily newspapers and websites covering the capital cities;

HOUSING INDICATORS

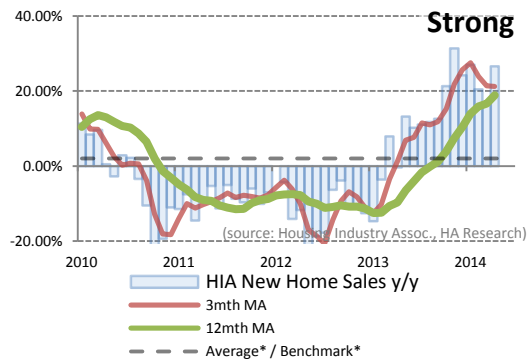
(Fig5.2)



April: **7.80%** Previous: **7.80%**

House Price Index Change in the selling price of homes in the nation's 8 state capitals;

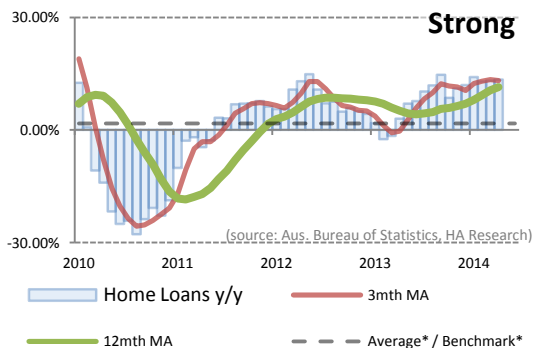
(Fig5.3)



April: **26.60%** Previous: **16.70%**

HIA New Home Sales Change in the number of newly constructed homes sold; Housing Industry Association (HIA)

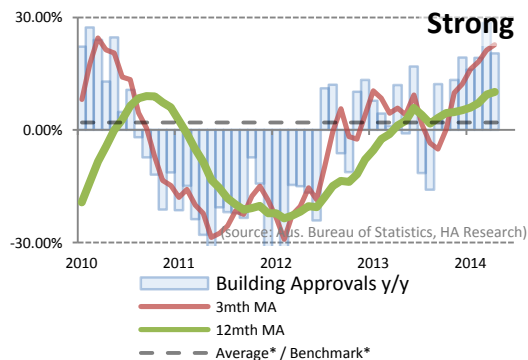
(Fig5.4)



April: **13.40%** Previous: **13.20%**

Home Loans Change in the number of new loans granted for owner-occupied homes;

(Fig5.5)



April: **20.40%** Previous: **28.50%**

Building Approvals Change in the number of new building approvals issued;

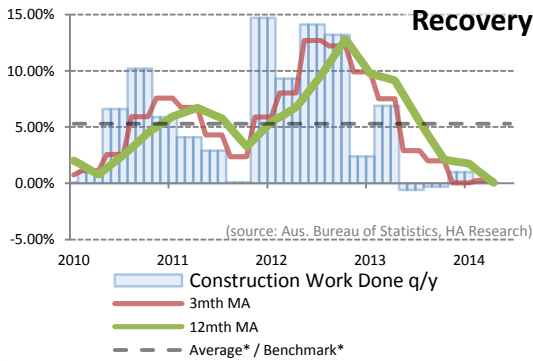
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HOUSING INDICATORS (continued)

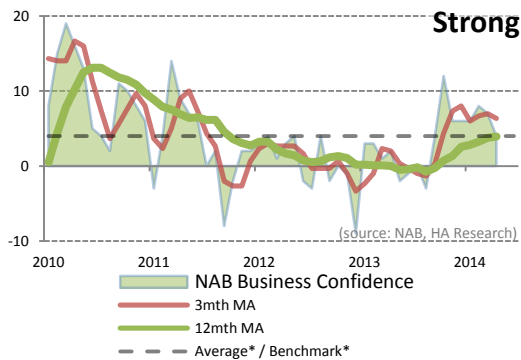
(Fig6.1)



Construct'n Work Done Change in the total inflation-adjusted value of construction projects completed;

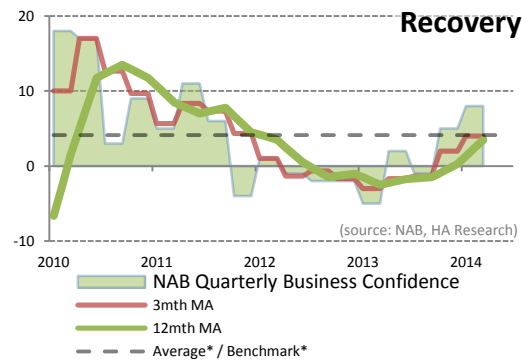
BUSINESS SURVEY

(Fig6.2)



NAB Biz Confidence Survey of about 350 businesses which asks respondents to rate the relative level of current business conditions;

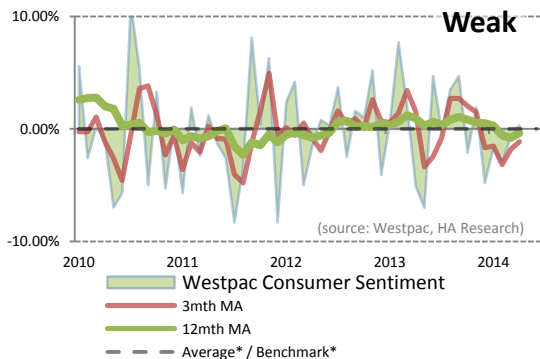
(Fig6.3)



NAB Qtr Biz Confidence Survey of 1,000 businesses, asked to rate current business conditions and expectations for near-mid term future;

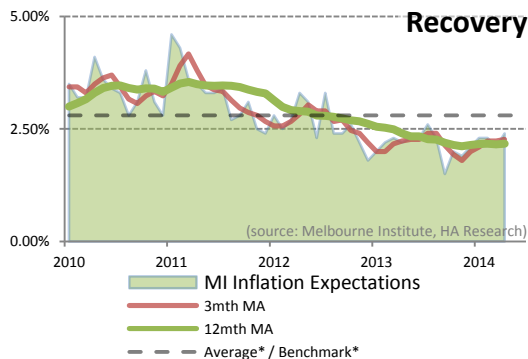
CONSUMER SURVEY

(Fig6.4)



WP Con. Sentiment Index based on 1,200 surveyed consumers; economic conditions, employment, climate for major purchases;

(Fig6.5)



MI Inflation Expectations % that consumers expect the price of goods and services to change during the next 12mths; Melbourne Institute (MI);

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