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# HA Research

CURRENCY FUNDAMENTAL QUANTIFIED.



## CURRENCY REPORT.

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# UNITED STATES ECONOMY

In a glance.

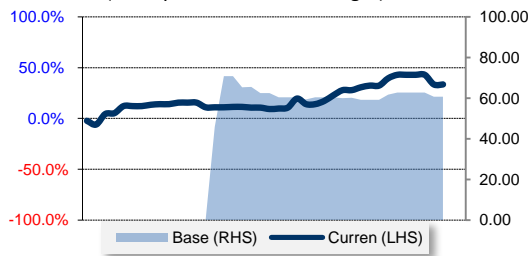
15-Nov-2013 (Friday)

Last Updated: 08:20AM (GMT+0800)



Figure 1: Fundamental Strength Index for last 40 days.

U.S.A (40 Days Fundamental Strength)

**BASE SUMMARY:**

INFLATION INDICATORS :	10.7	/ 26.5
GROWTH INDICATORS :	14.8	/ 28.6
EMPLOYMENT INDICATORS :	7.1	/ 8.2
HOUSING INDICATORS :	13.3	/ 16.3
BUSINESS SURVEY :	9.7	/ 12.2
CONSUMER SURVEY :	4.1	/ 6.1

BASE STRENGTH :	BULLISH	60.71	/ 100
SHORT-TERM STRENGTH :	BULLISH	33.63%	

## US DOLLAR\$: FUNDAMENTAL IN STRONG RECOVERY, LABOUR MKT STILL STALE.

U.S. Fundamentals Very Strong (60.71/100); Recent momentum MODERATELY BULLISH at 33.63%.

(Fig2.2) Core inflation approaching Fed's target of 2%, at 1.80% currently.(Fig2.4) PPI inflationary pressure low, if not weak.(Fig3.6) Import price increasing, might spur inflation or demand domestically.(Fig4.1) GDP seemed to bottomed, at 2.50% now.(Fig4.5) Core Durable goods remained in strong growth(Fig4.6) Factory orders however, weakening.(Fig5.1) Domestic retail sales weakening.(Fig5.3) Industrial production posting strong recovery.(Fig6.1) Job market strong, notable decline in jobless rate since 2010.(Fig6.2) Jobs gains remains healthy averaging >100K for 2013.(Fig6.5) S&P House Price posting robust recovery from 2007 crisis.(Fig7.2) Existing home sales maintains strong trend.(Fig7.6) Mortgage delinquencies held the healthy decline to 6.41%.(Fig8.1) Manufacturing PMI optimistic about expansion, at 56.5.(Fig8.2) Services industry in expansion sentiments too, at 55.4.(Fig9.2) US households optimistic on economy.

**Conclusion:** Generally, US is in a strong recovery. Inflationary pressure is low, but notable, growth remains strong, housing market have recovered and in a strong trend, business and consumers are optimistic on the US economy.

Table 1: Pending Fundamental Events for United States &amp; Past 15 economic data release.

		UPCOMING FUNDAMENTAL EVENTS			
DATE	TIME	DETAILS	FORECAST	PREVIOUS	IMPACT
15-Nov Friday	9:30pm	Empire State Manufacturing Index	5.20	1.50	!!
15-Nov Friday	9:30pm	Import Prices m/m	-0.40%	0.20%	!!
15-Nov Friday	10:15pm	Capacity Utilization Rate	78.30%	78.30%	!!
15-Nov Friday	10:15pm	Industrial Production m/m	0.10%	0.60%	!!
PAST ECONOMIC EVENTS:					
DATE	TIME	DETAILS	ACTUAL	FORECAST	PREVIOUS
14-Nov Thursday	2:00am	Federal Budget Balance	-91.60	-104.30	75.10
14-Nov Thursday	8:30pm	Trade Balance	-41.80	-38.70	-38.70
14-Nov Thursday	8:30pm	Prelim Nonfarm Productivity q/q	1.90%	1.30%	2.30%
14-Nov Thursday	8:30pm	Prelim Unit Labor Costs q/q	-0.60%	1.10%	0.00%
12-Nov Tuesday	7:30pm	NFIB Small Business Index	91.60	93.50	93.90
08-Nov Friday	3:00am	Consumer Credit m/m	13.70	13.00	14.20
08-Nov Friday	8:30pm	Non-Farm Employment Change	204.00	121.00	163.00
08-Nov Friday	8:30pm	Unemployment Rate	7.30%	7.30%	7.20%
08-Nov Friday	8:30pm	Average Hourly Earnings m/m	0.10%	0.20%	0.10%
08-Nov Friday	8:30pm	Core PCE Price Index m/m	0.10%	0.10%	0.10%
08-Nov Friday	8:30pm	Personal Spending m/m	0.20%	0.30%	0.30%
08-Nov Friday	8:30pm	Personal Income m/m	0.50%	0.30%	0.50%
08-Nov Friday	9:55pm	Prelim UoM Consumer Sentiment	72.00	74.60	73.20
08-Nov Friday	9:55pm	Prelim UoM Inflation Expectations	3.10%	-	3.00%
07-Nov Thursday	8:30pm	Advance GDP q/q	2.80%	2.00%	2.50%

Reports are distributed on Bi-Daily basis (Tuesdays, Thursdays and Saturdays.)

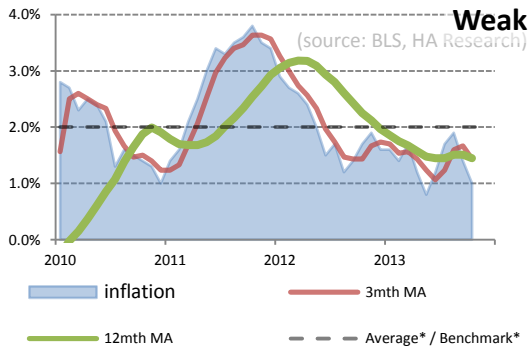
For disclaimer &amp; more information on the calculation methodology, please refer to the back cover of this document.



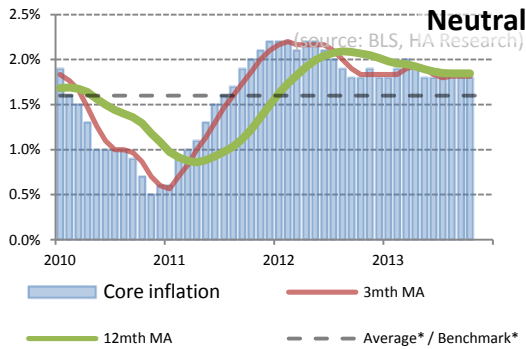
## INFLATION INDICATORS



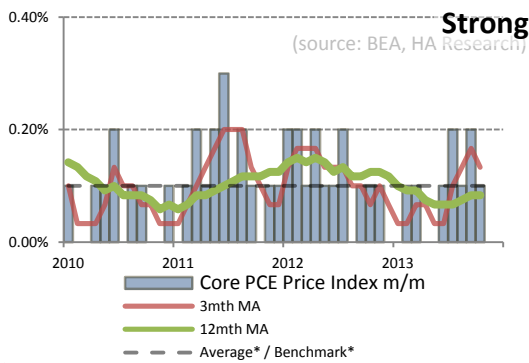
(Fig2.1) US Inflationary pressure low.

November: **Pending** Previous 1.00%**Consumer Price Index** Change in the price of goods and services purchased by consumers;

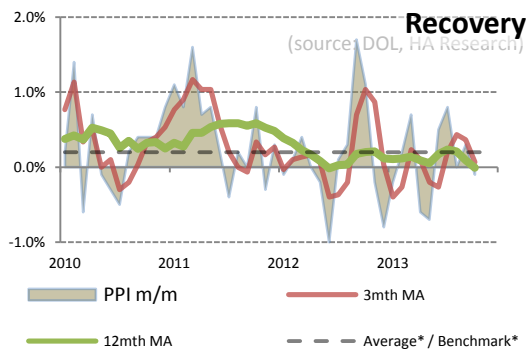
(Fig2.2) Core inflation approaching Fed's target of 2%, at 1.80% currently.

November: **Pending** Previous 1.80%**Core CPI** Change in the price of goods and services purchased by consumers, excluding food and energy;

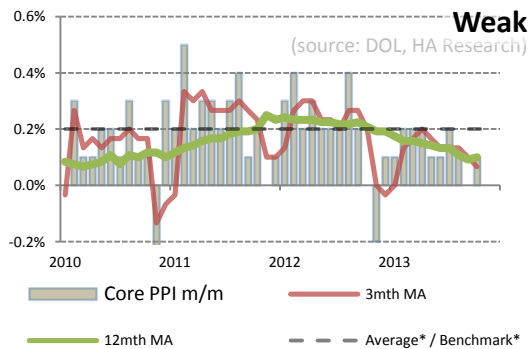
(Fig2.3) Personal consumption on good trend.

November: **Pending** Previous 0.10%**Personal Consumption Expenditures** Differs from Core CPI in that it measures goods and services consumed by individuals; spending behaviour.

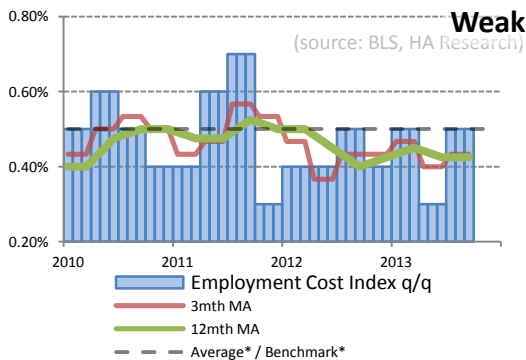
(Fig2.4) PPI inflationary pressure low, if not weak.

November: **Pending** Previous -0.10%**Producer Price Index** Change in the price of finished goods and services sold by producers; Finished Goods PPI. Wholesale Prices;

(Fig2.5) Core PPI weakened.

November: **Pending** Previous 0.10%**Core PPI** Change in the price of finished goods and services sold by producers, excluding food and energy (-40% of PPI);

(Fig2.6) Labour cost remains low and non-event.

November: **Pending** Previous 0.00%**Employment Cost Index** Change in the price businesses and the government pay for civilian labor;

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.

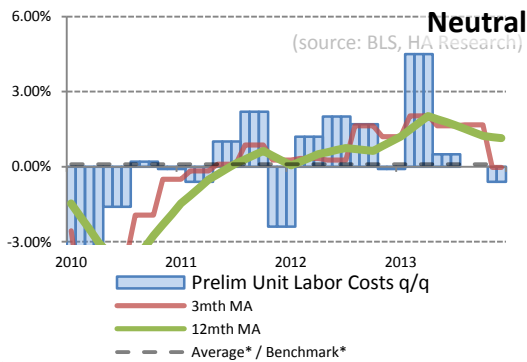
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## United States Currency Report

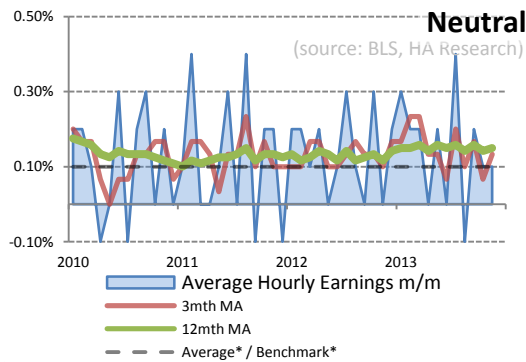
# INFLATION INDICATORS (continued)



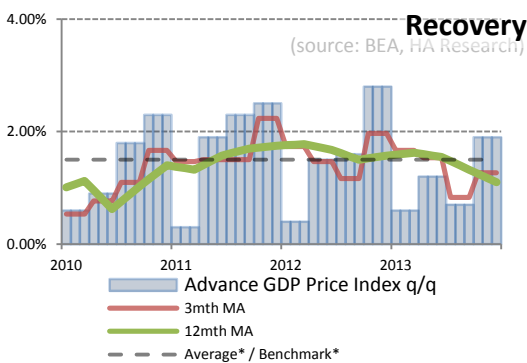
(Fig3.1) Unit Labour Cost decreased, going stale.



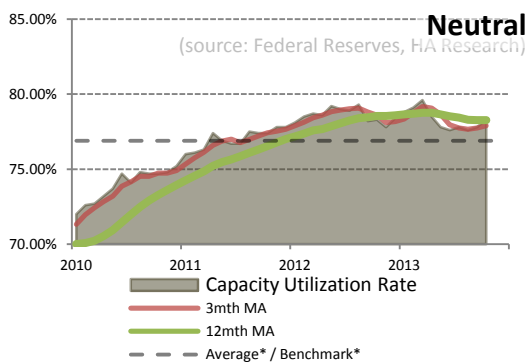
(Fig3.2) Average hourly earning stable growth. Non-event.



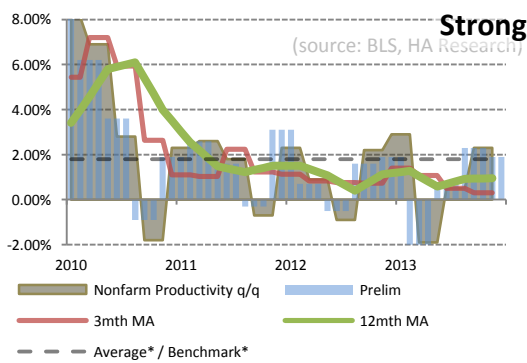
(Fig3.3) GDP Deflator spelling inflation could be improving.



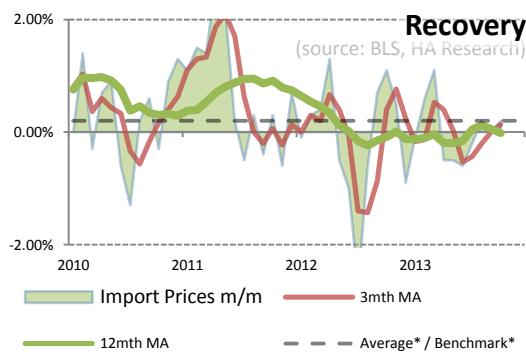
(Fig3.4) Producers are operation near peak capacity, could spell inflation.



(Fig3.5) US worker's productivity stable, non-event.



(Fig3.6) Import price increasing, might spur inflation or demand domestically.



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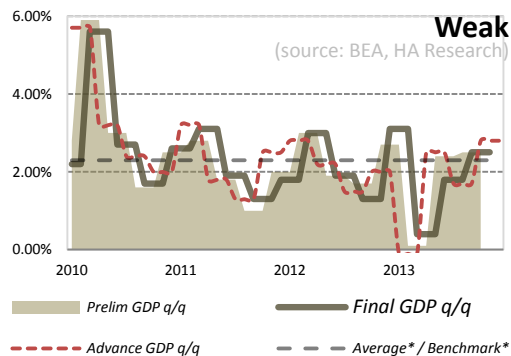
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# GROWTH INDICATORS

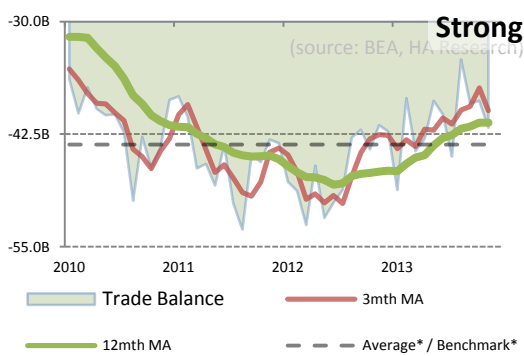


(Fig4.1) GDP seemed to bottomed, at 2.50% now.



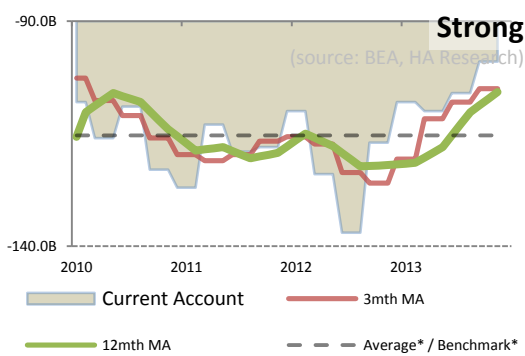
**Gross Dom. Product** Change in the inflation-adjusted value of all goods and services produced by the economy;

(Fig4.2) International demand on strong trend.



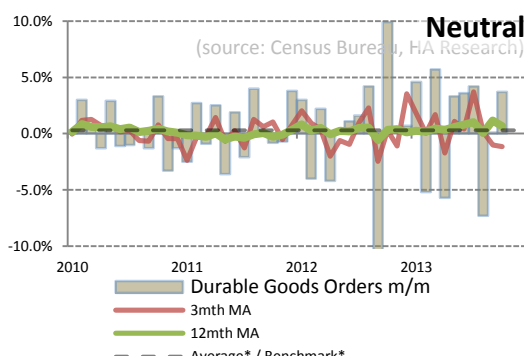
**Trade Balance** Difference in value between imported and exported goods and services during the reported month;

(Fig4.3) National account also in strong recovery.



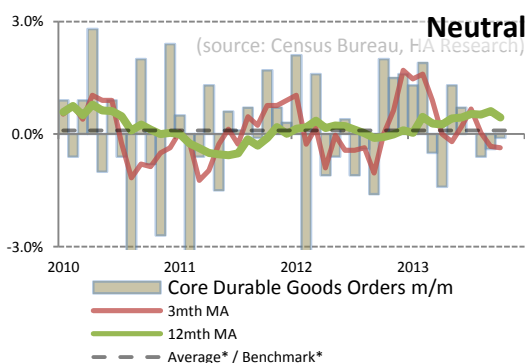
**Current Account** Difference in imported/exported goods, services, income, and unilateral transfers for previous quarter;

(Fig4.4) Durable goods order remained stable.



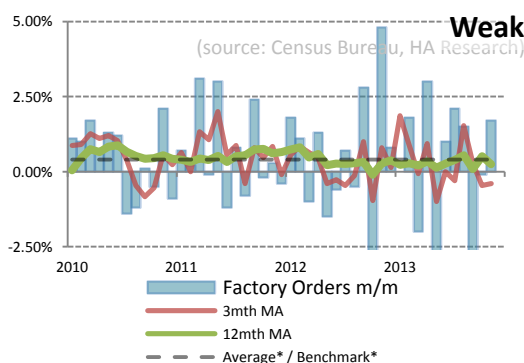
**Durable Goods Order** Change in the total value of new purchase orders placed with manufacturers for durable goods;

(Fig4.5) Core Durable goods remained in strong growth



**C. Durable Goods Order** Change in Durable Goods order, excluding transportation items;

(Fig4.6) Factory orders however, weakening.



**Durable Goods Order** Change in the total value of new purchase orders placed with manufacturers; both durable and non-durable goods.

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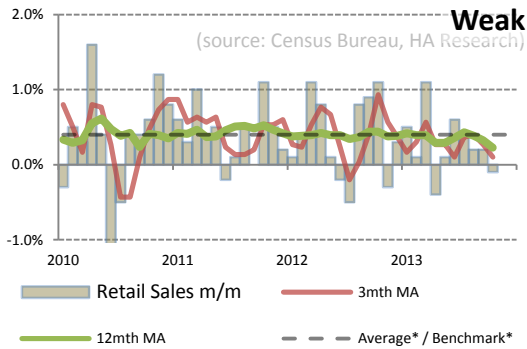
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## United States Currency Report

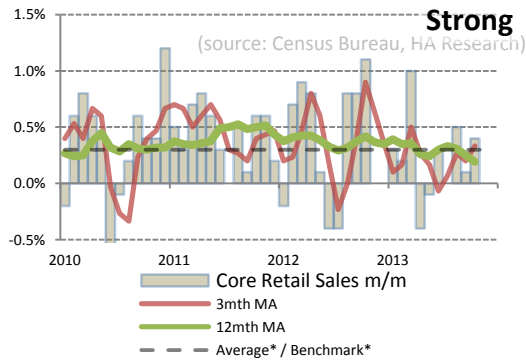
# GROWTH INDICATORS (continued)



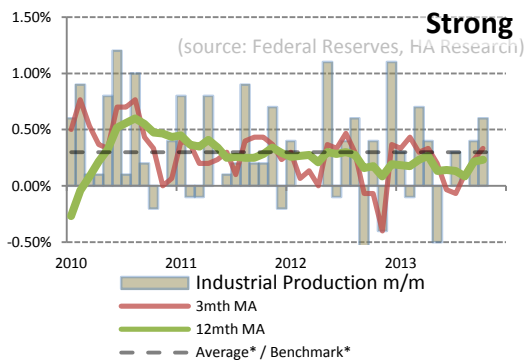
(Fig5.1) Domestic retail sales weakening.



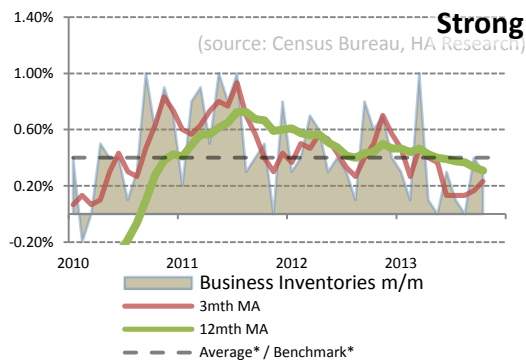
(Fig5.2) Core Retail sales pickup recently, but still in weak trend.



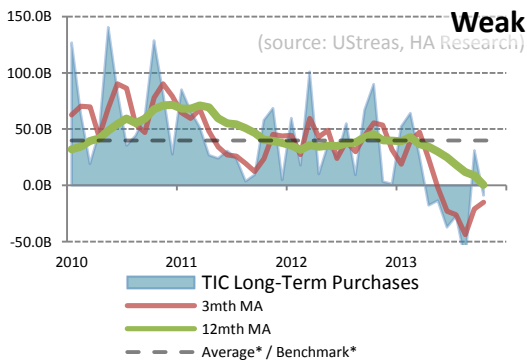
(Fig5.3) Industrial production posting strong recovery.



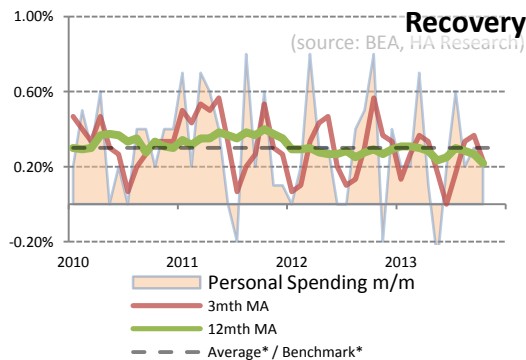
(Fig5.4) Business inventories low.



(Fig5.5) Demand for US financial Long term assets weakened.



(Fig5.6) US Personal spending weakening.



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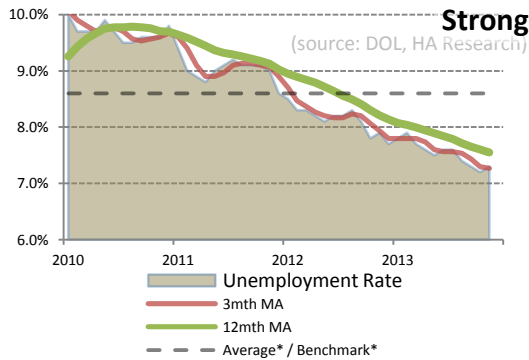
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# EMPLOYMENT INDICATORS

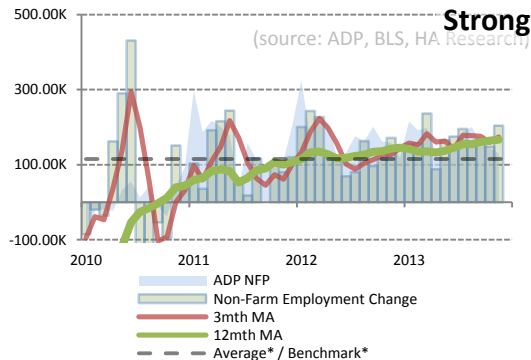


(Fig6.1) Job market strong, notable decline in jobless rate since 2010.

November: **7.30%** Previous 7.20%**Jobless Rate**

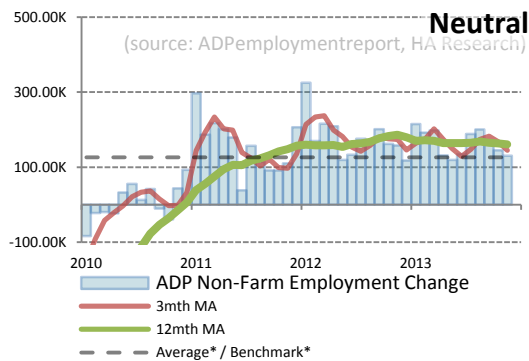
% of total work force that is unemployed and actively seeking employment during the previous quarter;

(Fig6.2) Jobs gains remains healthy averaging &gt;100K for 2013.

November: **204.00B** Previous 148.00B**Non-farm Payroll (NFP)**

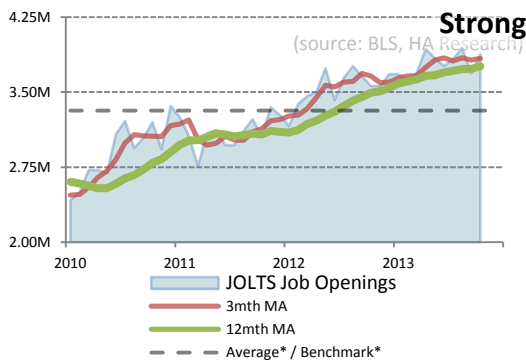
Change in the number of employed people during the previous month, excluding the farming industry;

(Fig6.3) ADP Inc Job gains estimates neutral. Non-event.

November: **130.0K** Previous 145.0K**ADP NFP**

ADP provides payroll services to US corporations, and they analyze data from around 400K customers to derive

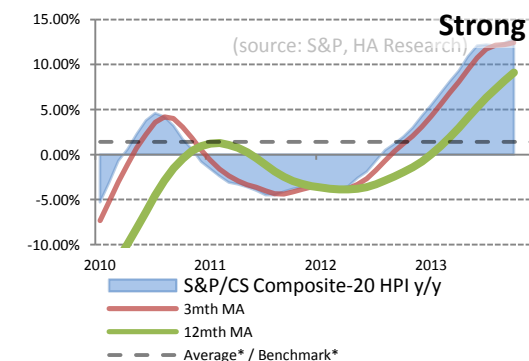
(Fig6.4) US Jobs opening remained strong.

November: **3.9M** Previous 3.9M**JOLTS Job Openings**

# of job openings during reported month, excluding farming industry; Job Openings and Labor Turnover Summary

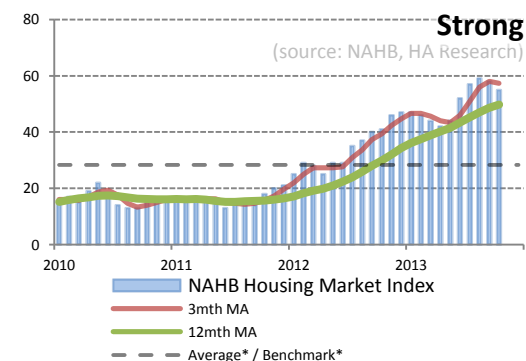
# HOUSING INDICATORS

(Fig6.5) S&amp;P House Price posting robust recovery from 2007 crisis.

November: **Pending** Previous 12.80%**S&P House Price Index**

Change in the selling price of single-family homes in 20 metropolitan areas; Case-Shiller (CS)

(Fig6.6) Current expectation of future home sales strong.

November: **55.0** Previous 55.0**NAHB Housing Market Index**

Survey of 900 builders to rate level of current and future single-family home sales; Nat'l Assoc of Home Builders

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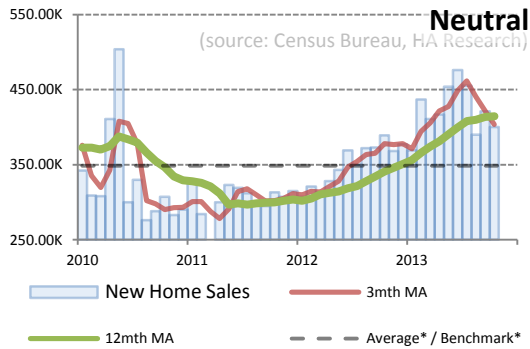
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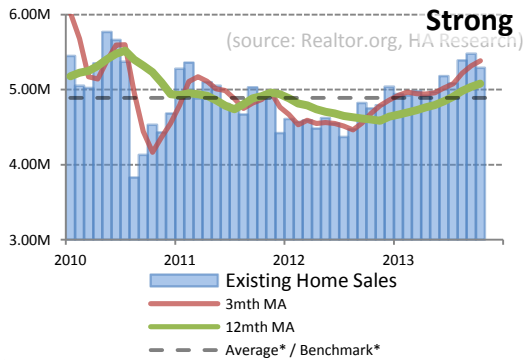
# HOUSING INDICATORS (continued)



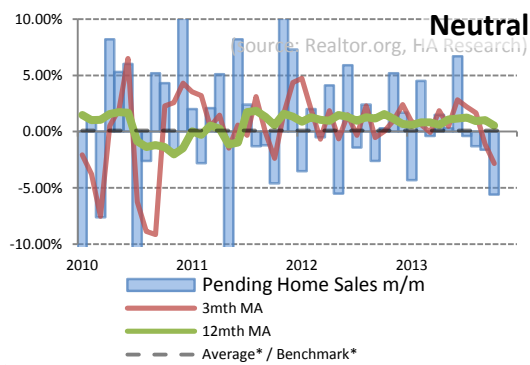
(Fig7.1) New homes sales recent drop, recovery trend intact.



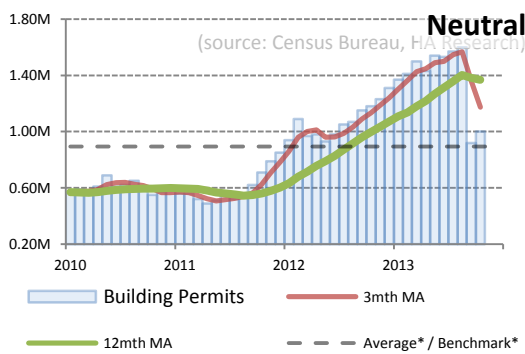
(Fig7.2) Existing home sales maintains strong trend.



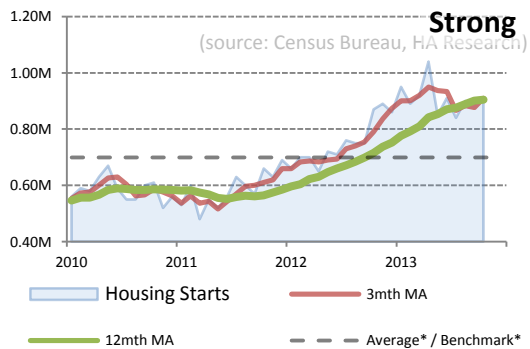
(Fig7.3) Pending homes sales fallout rate increased.



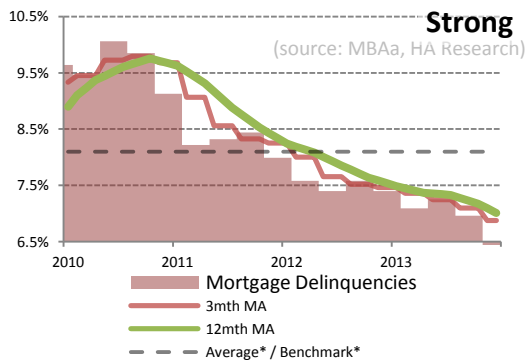
(Fig7.4) US Building permits for new residential building.



(Fig7.5) New residential buildings remains in strong trend.



(Fig7.6) Mortgage delinquencies held the healthy decline to 6.41%.

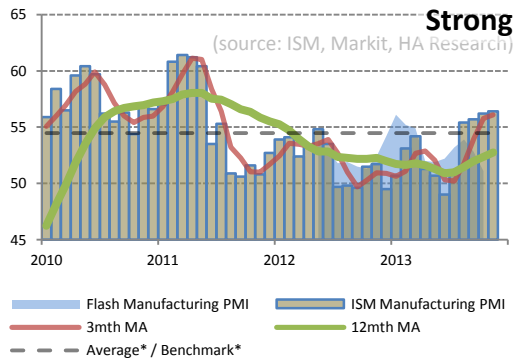


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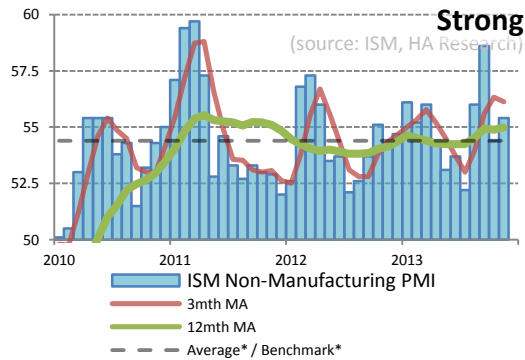


# BUSINESS SURVEY

**(Fig8.1) Manufacturing PMI optimistic about expansion, at 56.5.**

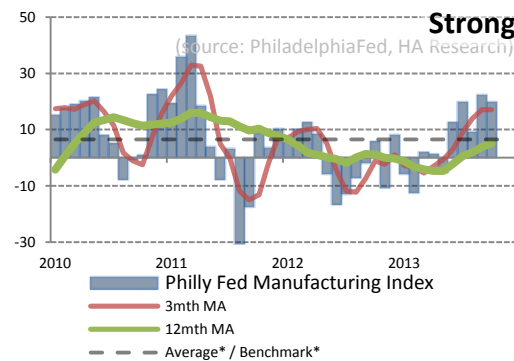
November:	56.4	Previous	56.2
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**ISM Manu. PMI** Survey of 400 purchasing managers on biz conditions - jobs, production, orders, prices, and inventories;

**(Fig8.2) Services industry in expansion sentiments too, at 55.4.**

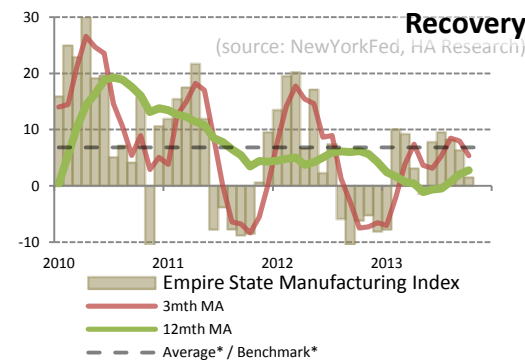
November:	55.4	Previous	54.4
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**ISM Service PMI** Level of a diffusion index based on surveyed purchasing managers, excluding the manufacturing industry;

**(Fig8.3) Philly Fed Manufacturing Index remains in strong trend.**

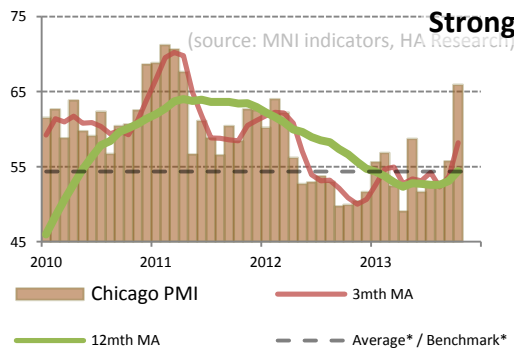
November:	Pending	Previous	19.8
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**Philly Fed Manu Index** Survey of 250 manufacturers in Philadelphia Federal Reserve district to rate general business conditions;

**(Fig8.4) New York manufacturers starting to post optimism.**

November:	0.0	Previous	1.5
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**Empire State Manu Index** Survey of 200 manufacturers in NY state to rate the relative level of general business conditions; NY Manu Index

**(Fig8.5) Chicago managers optimistic on economy.**

November:	Pending	Previous	19.8
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**Chicago PMI** Survey of 200 purchasing managers in Chicago to rate biz conditions - jobs, production, new orders, prices, and

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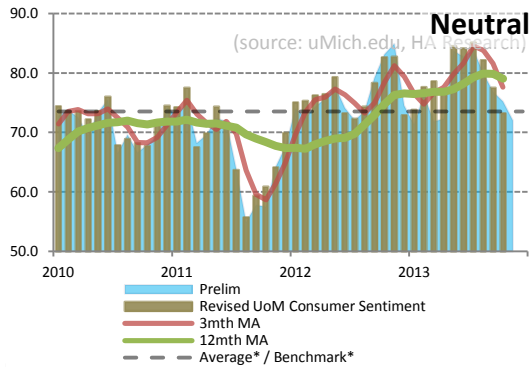


## United States Currency Report

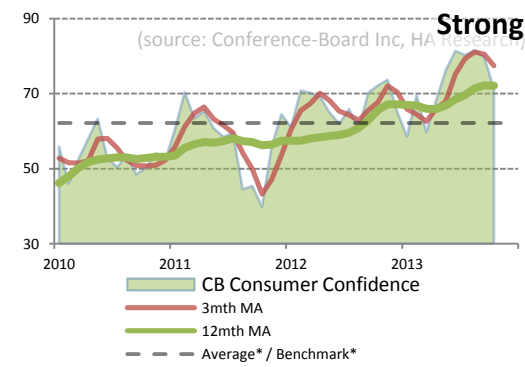
# CONSUMER SURVEY



(Fig9.1) Consumers optimism remains intact.

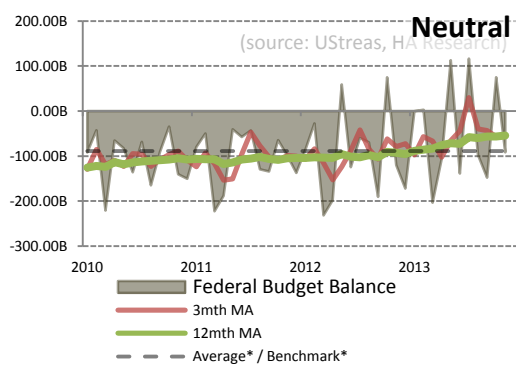


(Fig9.2) US households optimistic on economy.



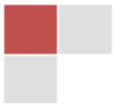
# CENTRAL BANK

(Fig9.3) Federal governments budget better.



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