

G10 Currencies - the traders' views (28-April-2017)

Please find below views on G10 FX directly from our traders. The views include short-term (2wk), intermediate (3mth) and long-term (12mth) outlook on G10 FX.

G-10	Macroeconomic/Fundamental Analysis	Views (Bearish/Bullish) 2 week Time Frame	Intermediate & Long-term Views (3mth & 12mth Time Frame)
EUR	The market was perhaps getting ahead of itself and misinterpreting easing political pressures combined with slightly improved growth signals, but central banks around the globe could dampen this enthusiasm, as indicated recently by the ECB. Last Thursday Draghi skilfully dodged questions about the French elections and emphasized the priority of maintaining forward guidance stating that risks are still around. This week is going to be a big one for the dollar, we will have the FOMC and the NFP. The Fed is not expected to hike but again it is all in the language used, if they highlight the recent weakness in the data, it could mean an end to the recent dollar rally.	Bearish – with preference to sell the rallies close to 1.1000	1.0800 3m , 1.0700 12m
GBP	Last week's call for a pop to 1.30 was accurate. We are currently sitting at 1.2942 at the time of writing and comes at a time when it <i>isn't</i> just a rally on the back of a weak USD. With no real data this week other than slightly weaker house prices and a lower GDP, (2.62% vs 3.3%) it's surprising to see just how strong GBP remains going into the long weekend. (Monday is a holiday in the UK and Europe). At these levels we prefer to fade the move higher as fundamentals in the UK remain reasonably weak and the optimism surrounding the French elections has possibly gone a little too far in discounting support for Le Pen.	Mildly Bearish – capped at 1.30 for now. Expect a slow pull back towards 1.27	1.2500 3m, 1.3000 12m
AUD	This week's RBA meeting will likely be a non-even as the market would rather focus on Trump vs Korea and the FOMC meeting. Even RBA Lowe's speech was rather focused on Chinese trade, which kind of disappointed the market, and the slide was extended on the back of weaker than expected inflation data. Expect AUD to remain driven by the dollar sentiment and commodity prices.	Bearish – above 0.7750 negates.	0.7600 3m, 0.7800 12m
CHF	EURCHF breathed a sigh of relief after the first round of the French elections, and continues to trade around 1.0850 for the time being. On the central bank front, SNB Jordan was evaluating whether further rate cuts were justified and would not exclude cutting further or intervening again in the FX market. Unsurprisingly he repeated the usual rhetoric that the Franc is overvalued especially vs EUR. Furthermore, with the political risks now subdued, EURCHF might be able to hang to its recent gains.	Neutral – Speculators appear to have given up on the cross's downside much to the relief of an appreciative SNB.	USD CHF 0.9900 3m, 1.0000 12m
JPY	The BOJ left its policy unchanged, but lowered its inflation forecast acknowledging risks to the growth and inflation outlooks. The central bank is unlikely to even start thinking about a creative exit from its extraordinary easing program, and in the FX world USDJPY will remain hostage to general dollar sentiment and safe haven demands, especially after Trump said that there is a chance of a "major major" conflict with North Korea.	Neutral – the recent selloff bound for a near-term correction possibly towards 110.00	115.00 3m, 120.00 12m

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NZD	Recent Trump comments about the Lumber exporting countries have not been kind to the Kiwi, despite the fact that its major importer is actually China. NZDUSD is testing the support around 0.6850, regardless of the fact that the recent inflation data has been promising to say the least, headline inflation rose to 2.2% the highest in 8 years, but as expected from central bankers, they want to see a solid proof of persistent growth and the RBNZ is no exception. From here we could see a correction higher if the pair does not close below 0.6830.	Bullish – with preference to buy the dips around 0.6850.	0.6900 3m, 0.7100 12m
CAD	Relief for the Loonie was short-lived, because while Trump decided that the NAFTA trade would stay intact for the time being, he still wants to renegotiate it. As a result USDCAD has broken above the recent key technical level of 1.3600. Today is the sixth day in a row of CAD weakness and we expect the pair to push higher to at least the 1.3740/50 area which represents the upper side of the trend channel. A break there opens up the 1.3840/50 zone (which is a 61.8% retracement level of the top to bottom from Jan-May 2016). If this happens, it would then present a good risk-reward to go long CAD vs USD.	Bullish - 1.3750 as an initial target followed by 1.3850	1.3400 3m, 1.3600 12m

NBAD Global Markets FX team

G10 FX Spot

Nourah Al Zahmi
Nourah.Alzahmi@nbad.com

Tel: 00971 2611 0111

EM FX Spot

Danay Sarypbekov
Danay.Sarypbekov@nbad.com

Pinrath Wongtrangan
Pinrath.Wongtrangan@nbad.com

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