

G10 Currencies - the traders' views (10-June-2016)

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	It is really interesting to see how the market suddenly shifted sides from going with the hawkish Fed speakers to being hit with the reality of poor NFP numbers and Yellen's comments. The aftermath post the NFP took a toll on the dollar as the already very low Fed rate hike expectation for June disappeared completely, but EUR could not hold on to the gains and started showing early signs of defensive positioning ahead of Brexit. So, as we head into the FOMC next week, it is hard to see a long lasting USD bounce and expect the Brexit nerves to be in the driver seat.	Neutral – the external backdrop seems to have EUR range bound.	1.1000 3m; 1.0600 12m
GBP	The proud pound benefited from the dollar weakness early this week, but the move did not persist throughout the week as the currency remains savaged by caution and uncertainty. Furthermore, poll news seen to have a heightened impact on GBP as we head closer to the 23rd of June, while the market net positions are reduced in both directions amid the lack of fair risk reward outcomes. The Brexit concerns are even looming over central banks as June hike is unlikely to happen due to uncertainties surrounding potential Brexit at the end of the month.	Neutral – with a preference to fade rallies of the highs of the recent 1.4050-1.4770 range.	1.4500 3m; 1.5000 12m
AUD	Central bank paralysis strikes the RBA and they left rates on hold which gave the currency a further boost amid the renewed dollar weakness. But with the recent soft Chinese data, fading the rallies still shows preference, especially as AUDNZD plumbs to the depths of 13 month lows, the latest set of firm domestic data and the prediction that Australian home prices are expected to rise 6% in 2016 means that coupled with a general demise in the USD, recent lows below 0.7200 look unlikely to be visited anytime soon.	Neutral – Any move back to 0.7600 continues to be seen as value for bears.	0.7200 3m; 0.7500 12m
CHF	EURCHF looking like it fell off a cliff, dropping from 1.1100 without any signs of decent corrections and currently trading at 1.0880s. It is without a doubt that the SNB will be vocal again, especially as the safe haven flows are making CHF overvalued. Leading to the Brexit referendum, expect EURCHF to continue to trade below 1.1000.	Neutral – EURCHF firm within recent ranges, USD moves still dictate.	USD CHF 1.0000 3m; 1.0500 12m
JPY	BOJ remains hostage to the current negative external environment which leaves the CB in a tough position to add additional stimulus ahead of the FOMC and the Brexit vote this month. These conditions have been the lead cause of the strengthening JPY upping its safe haven status, while this on its own is adding pressure on the BOJ to add additional stimulus, the CB is likely to postpone it to the next meeting. So, looking at the current levels, it is hard to see USDJPY rallying under these conditions, especially as the Fed are unlikely to hike next week.	Bearish USDJPY while below 110.00, with chance of revisiting the year's lows.	110.00 3m; 115.00 12m
NZD	Central bank paralysis strikes again, the latest 'on hold' call came from the RBNZ while economists had predicted a cut. NZD jumped against almost every currency, shorts have been all but squeezed and desire to reposition as such has been crushed, making Kiwi the star currency of the week. With that said, future cuts are priced as the latest strength in kiwi might dampen the inflation outlook which would prompt lower forecasts and even justify further rate cuts. This is evident by the RBNZ Gov. Wheeler who said "further policy easing may be required."	Bullish – with a preference to buy the dips below 0.7000.	0.6600 3m; 0.6900 12m

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