

Trades in the greenback were weaker following Friday's disappointing jobs report as speculation that the Federal Reserve would raise near-zero interest rates sooner than anticipated were dampened. Numbers showed us that the recovery process would be slow and uneven; and that unemployment is clearly one of the major issues to deal with in the medium-term. Whilst the dollar has in recent months gained, markets should now turn their focus on the implications for interest rates, confirming Fed Chairman Ben Bernanke's belief that rates needs to be kept low for an extended period. Hence, we feel that the December employment report will temper any tightening concerns for the time being, which in turn should weigh on the dollar in the near term.

The fourth-quarter earnings season kicks off this week, with Alcoa after the bell on Monday. Between the earnings announcements which should take centre stage this week, US data releases and Fed speakers would also be taking much of the attention. The big number in the coming week will be December retail sales, due for release on Thursday. The behavior of US consumers has been watched closely and December is the major month for that spending. International trade data for November will be released on Tuesday. On Wednesday, the Fed will be releasing its beige book on the economy. In addition to retail sales, weekly jobless claims, import prices and business inventories are reported on Thursday. Friday's data includes CPI, the Empire State survey, industrial production and consumer sentiment.

Week Ahead at a Glance		
	Direction	View
EUR/USD	↑	The ECB's statement on Thursday would be something to look forward to, and Trichet's press conference will be the key to the EUR's direction. Nevertheless, we are looking for broad dollar weakness to prevail and that should provide some upward bias to the EUR/USD, though trades are expected to hover around familiar levels. Lift above the 1.4580 will see the pair heading higher towards the major 1.4680-resistance. Strong support sits at 1.4250.
GBP/USD	↑	The BoE's policy meeting last week wasn't too much of an event. GBP did not react much to the Bank's decision to hold rates at 0.5% and to continue with the 200 billion pounds Quantitative Easing programme of asset purchases. Good to watch for data releases as well as comments from policymakers that could set tone for the GBP. Generally though, we expect the GBP/USD to hold up for the week. Some support at 1.5950 before major support at 1.5800.
AUD/USD	↑	Sentiment in the AUD/USD continues to be optimistic; and the pair will continue to track equities and commodities, which we believe will hold onto a positive tone. December's unemployment rate will be released on Thursday and that will be further scrutinized for more signs of economic strength in Aussie-land. We look for the major hurdle at the 0.9500-level once 0.9400-resistance is breached.
NZD/USD	↑	It is going to be a quiet week for New Zealand. We look for trades in the NZD/USD to move in tandem to the AUD/USD. A sustained move above the 0.7450-level will revive the bigger upmove and set extension to stronger resistance at 0.7530. That said, domestic concerns on the NZD's strength may capped excessive gains in the currency pair. Support seen at 0.7280.
USD/SGD	↔	The SGD NEER started off the day at nearly 2% above the midpoint level. We might see rather range-bound movement of about 1.385-1.397 for most of the week. Other than last Fri, data for the rest of the week will probably not shift markets. Some sensitive data, which could provide some cues, will come later in the week on Thur, when the US releases its retail sales and initial jobless claims data.

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