

**Valuation & Research Specialists (VRS)**

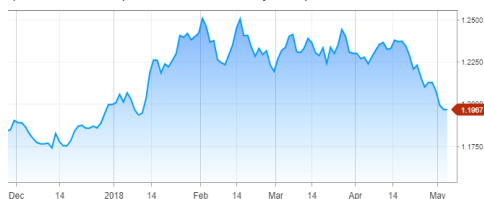
VRS Research Team

Analysts: Kledjona Mollaj

Charilaos Petrakogiannis

info@vrs.gr ; info@valueinvest.gr

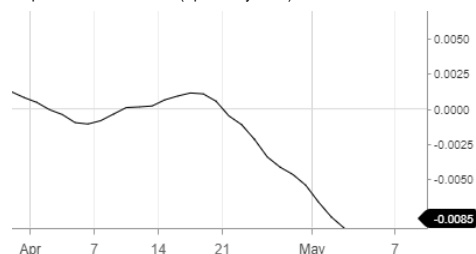
Graph 1: EUR/USD (December 2017 – May 2018)



Graph 3: EUR/USD (April - May 2018, Candle Chart)



Graph 4: Price Oscillator (April - May 2018)



Important Note:

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by VRS, and VRS does not make any representation as to its accuracy and completeness. Opinions, estimates, and statements nonfactual in nature expressed in its research represent VRS's judgment as of the date of its reports, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates, and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of "covered companies" by no means.

Valuation & Research Specialists (VRS) are the sole creators and distributors of this report.

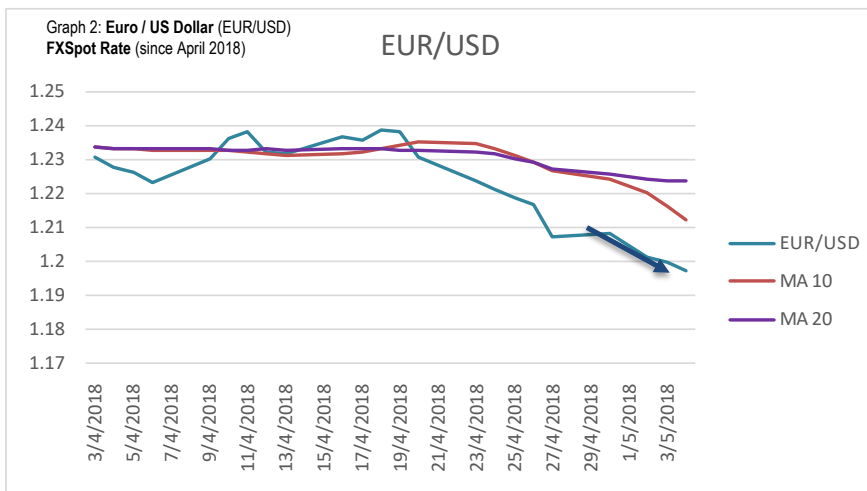
**EUR/USD: 1.1958**

[Bloomberg Ticker: EURUSD: CUR] US Dollars per 1 Euro

**Graph Analysis and Technical View**

According to graph 1, a bull market took place for the EUR/USD until February 2018, which was followed by day-to-day movements between 1.20-1.25. On the second half of April a bear market on the exchange rate was observed. During the first 3 weeks of April, no clear trend could be noticed as the pair fluctuated between 1.22 and 1.24 (graph 2). However, on 19<sup>th</sup> of April, a significant fall took place which continued through the rest of the month and led the currency at the lowest level of the month. Concerning the resistance levels, they have been formed at 1.24 twice during the examined period. The resistance line was not penetrated by the price line, providing sell signals for the Euro. The support levels remained considerably stable at first but a notable change occurred during the last week of April. With regard to graph 3, two signals can be noticed. Those two different signals can be detected on the initial positive and following negative prices of the price oscillator (graph 4) which provide buy and sell signals respectively. Finally, according to graph 3, April started with daily negative rate movements and after fluctuations the negative rate movements followed until the end of the month.

Graph 2: Euro / US Dollar (EUR/USD)  
FXSpot Rate (since April 2018)



**Fundamental Analysis**

The first week of April was a slow trading one. The US dollar came across a strengthening, after President's Trump shipping threats on Amazon. | On April 6<sup>th</sup> this positive reinforcement of the US dollar faced a reversal due to White House's newest threats on tripling the tariffs on China's goods. | On April 10<sup>th</sup>, policy maker Ewald Nowotny, mentioned on his interview at Reuters that deposit rates should rise gradually and then move to main interest rates. This gave a boost to Euro, moving the currency to the highest point of April. This can be also attributed to the risk of a trade war between US and China that many traders may fear of. | During the third week of the month, the pair had a stable hike between April 16<sup>th</sup> and April 19<sup>th</sup>. | On Friday, April 20<sup>th</sup>, Mario Draghi's announcements about the postponement of the exit from ECB's QE program, coupled with the contrast between FED's optimistic perspective about the tariff war and ECB's pessimistic one, led the currency pair to a lower level. | On Tuesday, April 24<sup>th</sup> the 10-year US Treasury yield managed to overcome the barrier of 3% leading the dollar to an upward movement. The strengthening of dollar continued during the last week. Despite the FED's comments that indicated unchanged interest rates, investors' expectations of an upcoming rise, supported the dollar increase. | Finally, on May 2<sup>nd</sup> the release of PMI data showed that the final IHS Market Eurozone Manufacturing PMI fell to a 13-month low of 56.2 in April, leading the pair to even lower levels.