

Valuation & Research Specialists (VRS)

VRS Research Team

Analysts: Chrysi Stoumpou, Pavlos Baxevanis,

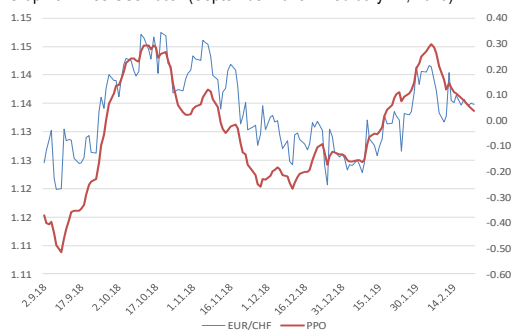
Stefanos Moschou

info@vrs.gr ; info@valueinvest.gr

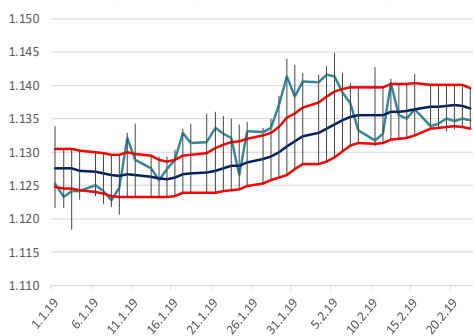
Graph 2: **Candle Chart** (January – February 22, 2019)



Graph 3: **Price Oscillator** (September 2018 – February 22, 2019)



Graph 4: **Bollinger Bands** (January– February 22, 2019)



Important Note:

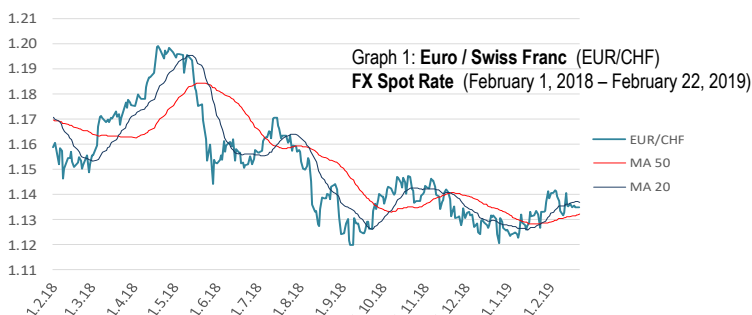
Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by VRS, and VRS does not make any representation as to its accuracy and completeness. 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/CHF: 1.1348

[Bloomberg Ticker: EURCHF:CUR] Swiss franc per 1 euro

Graph Analysis

According to graph 1, it seems that there is a clear sign of a bearish market for the EUR/CHF exchange rate. During the examined period (past ~52 weeks), there were 4 secondary movements. The exchange rate followed an upward trend until the middle of April 2018. The second movement was a downward trend which lasted from late April to May 2018, followed by many fluctuations until middle July 2018. Then, another downward trend followed in August until middle September hitting the lowest point of the examined period, followed by a reversal trend until early November 2018. Regarding the support levels, they seemed to be formed at 1.12 while resistance levels were formed at 1.2. The next movement was a slight downtrend until late December 2018, while in the last one-and-a-half month the EUR/CHF pair recovered and a buy signal can be observed as the price and the short-term moving average crossed above the mid-term moving average. The positive prices of price oscillator index (Graph 3) also boosted the buy signal, but the continuous movement mainly towards the upper band of Bollinger Bands during the last one-and-a-half month (Graph 4) indicated an overbought market. Lastly, Graph 2 provides information about the rate's daily fluctuations where it can be seen that there were many differences.



Fundamental Analysis

To begin with, the observed downward movement in early February 2019 can be attributed to the large sell-off in equities, encouraging some to seek the relative safety of the franc, but at the end of the month the EUR/CHF pair climbed as Swiss National Bank (SNB) was believed that would lag its eurozone counterpart in tightening monetary policy. Low inflation prevented SNB from rising the negative interests, so the exchange rate continued to climb during March, with the devaluation of the Swiss franc helping its export-based economy. In April 2018, apart from the policy divergence between ECB and SNB, Russian capital outflows from Switzerland because of the US sanctions against Russia, pushed back the EUR/CHF rate at the level which SNB had set as a floor for the franc. However, in early May, the exchange rate dropped after reaching a 3-year high due to a slowing German growth announcement and new labor data indicating a lower unemployment rate in Switzerland. During the month, the political risk in eurozone heated up because of the Italian crisis leading to risk-aversion strategies and support to the safe haven Swiss franc, thus weakening the EUR/CHF pair. As trade war fears bloomed and political turbulences in Italy remained, appreciation pressures over the Swiss franc continued and as a result, the exchange pair fluctuated at low levels during June. In the first half of July 2018, the franc was slightly weakened against the euro, but recovered and rose in uncomfortably high levels for SNB during August, in the wake of Turkish economic upheaval. The SNB's foreign-currency reserves fell the most in more than six years in August, dropping 2.5% as the franc appreciated against the euro and in the next month, the EUR/CHF pair reached the lowest level of the examined period hitting a 13-month low in the wake of the Italian crisis. In October, despite the ongoing turmoil within EU regarding Brexit and Rome's budget, the pair recovered because of the fail in Swiss-EU negotiations to put a framework in matters from agriculture and wages to trade and civil aviation. The following month, the euro started losing against the franc because of Germany's lower than anticipated GDP growth, inflation's effect on monetary normalization and ECB QE program's imminent end by December. Additionally, new data showing a drop in both manufacturing and services Purchasing Managers' Index (PMI) within the euro area further pushed EUR/CHF to a drop till the end of the month. In December 2018, despite the renewed U.S.-China trade tensions which could boost the safe-haven Swiss franc, SNB's decision to keep monetary policy loose as well as announcements regarding a contracted Swiss economic output in Q3 2018 resulted in a relatively stable franc. On January 4th, 2019, Eurostat estimated annual inflation at 1.6% in December 2018, down from 1.9% the previous month which weighed the EUR/CHF rate during the opening week of the new year. However, the exchange rate bounced back during the month after SNB's persistence to keep negative interest rates and the announcement of 15 billion Swiss francs loss in 2018 for the central bank, attributed to stock market rout and the franc rally during the year. In the first 10 days of February, worries about eurozone growth, global growth and equity markets were weighing on EUR/CHF, leading the pair in a two weeks-low in February 10th but it recovered most of its loss the following two days because of the optimism about the ongoing discussions in the tariff dispute between the US and China. In the remaining days of February, the exchange rate fluctuated at the same levels.

Valuation & Research Specialists (VRS)
VRS Research Team
Analysts: Chrysi Stoupou, Pavlos Baxevanis,
Stefanos Moschou
info@vrs.gr ; info@valueinvest.gr

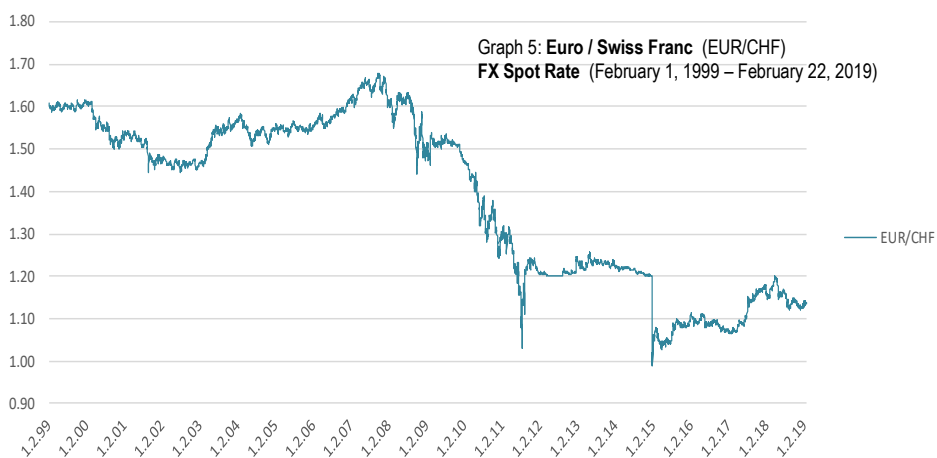
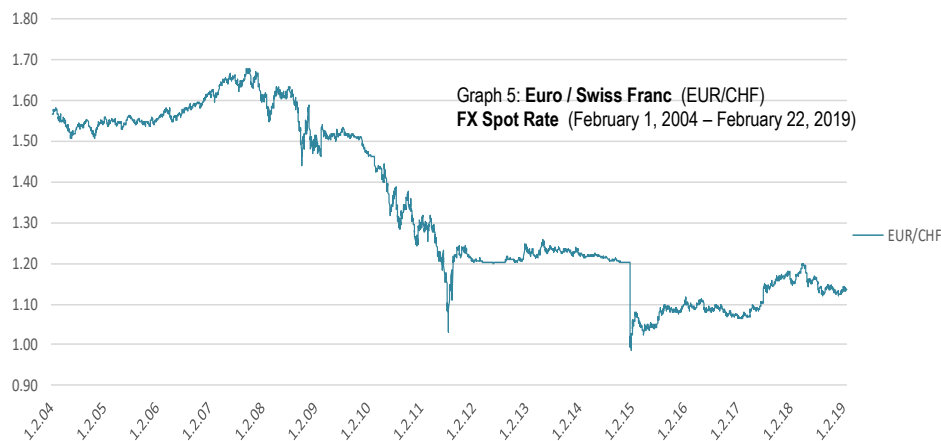
EUR/CHF: 1.1348

[Bloomberg Ticker: EURCHF:CUR] **Swiss franc per 1 euro**

Graph Analysis

Examined Period	February 2004 – 22 February 2019
Standard Deviation	0.2025
Average	1.3345
Range	-0.4332
Range (%)	-27.628%
Max	1.6797
Min	0.9872
Max Daily Range	0.3323
Min Daily Range	0.0006

Examined Period	February 1999 – 22 February 2019
Standard Deviation	0.1967
Average	1.3830
Range	-0.4723
Range (%)	-29.388%
Max	1.6797
Min	0.9872
Max Daily Range	0.3323
Min Daily Range	0.0006



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.