

**Valuation & Research Specialists (VRS)**  
VRS Research Team  
Papakanaki Sofia, Tsakpinis Nikolaos  
info@vrs.gr ; info@valueinvest.gr

**EUR/USD: 1.1471**

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

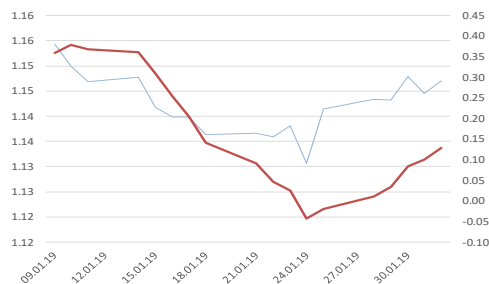
## Graph Analysis

According to graph 1, it seems that there is no clear sign of a bullish or bearish market for the EUR/USD exchange rate. During the examined period, there were three secondary movements. More specifically, the exchange rate followed an upward trend until January 9<sup>th</sup> reaching the highest price of the examined period. The second movement was a downward trend, which lasted from January 10<sup>th</sup> to January 24<sup>th</sup> hitting a 3-week low, followed by an upward trend until the 30<sup>th</sup> of January. Regarding the resistance levels, they seemed to be formed at 1.15 while support levels were formed at 1.13. Graph 2 provides information about the daily rate's fluctuation. It can be seen that there were many differences from day-to-day and that the EUR/USD rate mainly formed positive candle bars during the last week of the examined period. At the beginning of the week, a buy signal can be observed as the price penetrated the 20-day SMA and both the short-term and the mid-term moving averages from downside left to upside right. According to Graph 3, PPO moved further into positive territory boosting the buy signal. In contrast to the above indications, in the last days, the exchange rate reached the upper band (Graph 4) indicating a sell signal.

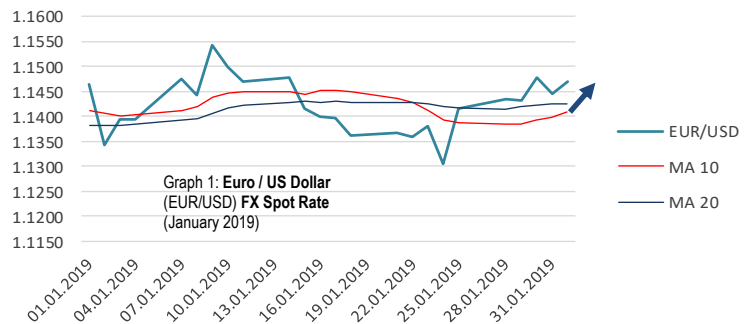
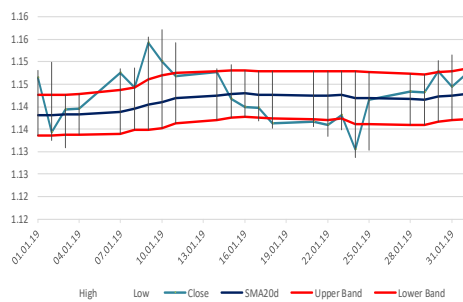
Graph 2: EUR/USD (January – February 1, 2019, Candle Bar)



Graph 3: EUR/USD (January – February 1, 2019, Price Oscillator)



Graph 4: EUR/USD (January – February 1, 2019, Bollinger Bands)



## Fundamental Analysis

On January 2nd, the U.S. dollar advanced as manufacturing data from a range of eurozone countries did not meet market expectations. | On January 3rd, the dollar weakened because of fears of global slowdown. | The following day, the exchange rate remained unchanged, after Powell's statement regarding the quick and flexible adjustment of policy, and the lower than expected growth of eurozone's consumer prices in December. | On January 7th, the new round of China-U.S trade talk and the expectations that Fed would stop or cease U.S. interest rate hike cycle caused the euro to move upwards. | On January 8th, Steven Weinberg confirmed that talks between US and China would continue over the next day, with the dollar posting some gains against the euro until the next day. It was the date that the exchange rate reached a monthly pick, as the eurozone unemployment rate and German's trade surplus were over the expectations. | On January 10th, FED's executives expressed their concerns on upcoming interest rate rises, revealing a positive stance on a more stable rate-rise policy and forcing the dollar to lose strength against the euro. | Dollar regained against euro on the 11th of January due to the verification of anticipated U.S. inflation data. | On January 14th, the increased prospects about the pause of U.S. interest rate hikes in 2019 contributed to the upward movement of the pair. | On January 15th, the euro dropped to a five-day low as the German government reported its rate of GDP growth in 2018, which was the slowest rate in 5 years. | The downward trend continued until the 18th of January because of eurozone slowdown fears. A movement further supported by the report of U.S. industrial production in December 2018 which showed that there was 1.1% gain from November and the Bank of Italy warning that Italy is possible to have slipped into recession with a second straight decline in GDP in the fourth quarter of 2018. | On January 22th, the euro made a small decline against the USD in the wake of reduction of IMF's global predictions for 2019 and 2020. | On January 23rd, the dollar was affected by the unresolved U.S-Sino trade conflict and the U.S. government shutdown. | On January 24th, Mario Draghi said that the slowing growth of the euro zone economy would be more intense than viewed a few weeks ago, causing the euro to move downward. | On January 25th, the euro rebounded some of its losses after Draghi's statement, because of the fact that Donald Trump announced a short-term deal for the reopening of the government. | On January 28th, Friday's reports concerning ECB's thoughts about stopping the reduction of the balance sheet, made the dollar slip. | On January 30th, the euro reached a 2-week high as Fed stated its intentions on being patient regarding the interest rate rising policy. | On January 31st, the single currency lost some ground after Bundesbank president, Jens Weidman, commented on the slow progress of the German economy, mentioning the possible prolongation of eurozone's slowdown. | On February 1st, euro regained losses due to positive CPI data release.

### 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.