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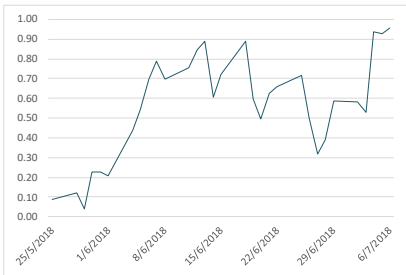
EUR/USD: 1.1745

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

Graph Analysis and Technical View

According to graph 1, there is no clear sign of a bullish or bearish market for the EUS/USD exchange rate. During the examined period, there were three secondary movements. More specifically, the exchange rate followed an upward trend until June 13rd. The second movement was a downward trend, with many day-to-day fluctuations, which lasted from June 14th to June 27th, followed by an upward trend until 6th of July. Regarding the resistance levels, they seemed to be formed at 1.18 while support levels were formed at 1.15. Graph 3 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 formed positive candle bars during the last week of the examined period. In the last week, a buy signal can be observed as the price penetrated both the short-term and the mid-term moving average from downside left to upside right. The increase of Stochastic RSI (Graph 2) over 0.8 in the last 3 days also boosted the buy signal. Lastly, according to graph 4, currencies' price increased over the 20-day SMA and on 6th of July penetrated the upper band from downside left to upside right indicating a buy signal.

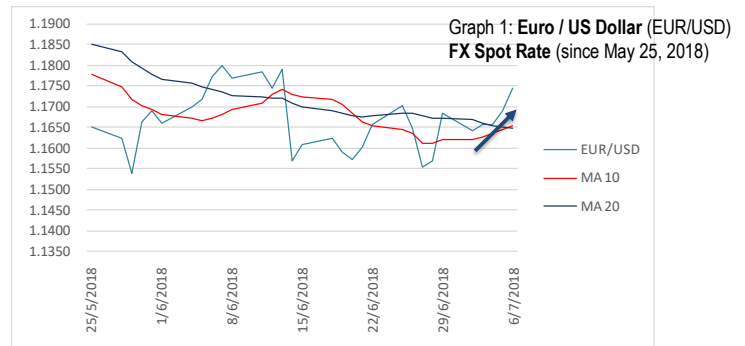
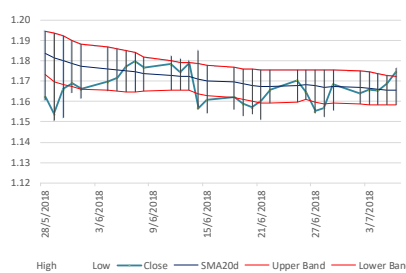
Graph 2: Stochastic RSI (25 May – 6 July, 2018)



Graph 3: Candle Chart (25 May – 6 July, 2018)



Graph 4: Price Oscillator (25 May – 6 July, 2018)



Fundamental Analysis

To begin with, the observed downward movement on June 1st can be attributed to FED president's declaration that the US interest rates would start rising gradually. | On June 5th, Italian PM Giuseppe Conte reassured that his country would stay Europe-oriented alleviating some uncertainty of the euro. | On June 7th, before the G7 Summit, Macron's suggestion for a confrontational attitude towards Trump's protective stance surged Euro to its June peak. | On June 8th, FED Governor, Lael Brainard, confirmed US interest rates hike and the EURUSD declined by 0.26%. | In the second week, industrial production declined far more than expected in Italy. Eurozone's debt crisis could be seen on Italian yields curve. Furthermore, on June 8th, Trump met North Korea's leader Kim Jong Un and strengthened USA's leading role. To add up, the ZEW Research Institute's sentiment index fell to 16.1 in June, verifying German investors are not active and a slight drop of euro occurred. | On June 12th, OECD Secretary General, Angel Gurría justified USA protectionism against Germany by accusing them of won productivity and competitiveness compared to others in Europe. | On June 13th, FED raised interest rates as expected to strengthen the dollar. "The economy is doing very well", Fed Chairman Jerome Powell said, which triggered a short period of investors' trust on the greenback. On June 14th, ECB expanded QE through the summer of 2019 instead of terminating the program. Considering the above, the euro took a significant hit. | Mario Draghi announced that macroeconomic output would not be affected stabilizing the euro in short-term. | On June 15th, Trump announced 25% tariffs on Chinese technology goods. China replied by accusing the USA for "extreme pressure and blackmailing". On June 19th with the prospect of a trade war in focus, dollar struck an 11-month high and a slight drop in the exchange rate occurred. | From 21st until 25th of June an upward movement occurred and can be attributed to EU economic growth and to the fact that the Italian politicians reassured that their country will stay euro-oriented. | US President threatened EU with new tariffs, as an answer to EU's ones, defended his stance on immigrants and arranged a new meeting with Kim Jong Un. Lastly, he wanted to create a new restriction plan on Chinese investments in technology that would block at least 25% of Chinese ownership by buying technological firms. | After June 25th, a decline on EURUSD occurred, mostly because leaks before EU summit revealed that "no plan existed, only proposals on immigration", provoking not only a new EU distortion but also an internal pressure from Merkel's Bavarian allies to find a solution. | Although Trump backed away from restriction plans, US Treasury Secretary announced that Trump was thinking to withdraw from WTO. In combination with the EU summit's positive outcome, euro won a 2-day strengthening. | At the beginning of the new month, the EURUSD rose again. Over 40 WTO members, including the European Union, China, and Japan warned that the U.S. action could seriously disrupt the world market. | On July 4th, the euro rose again because of anxiety ahead of Washington's deadline to impose tariffs on Chinese imports. | On July 6th, an upward movement followed after the implementation of tariffs to China as dollar investors recognized the potential risk.

Important Note:

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