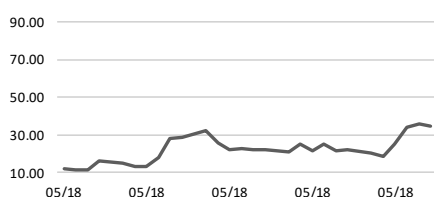


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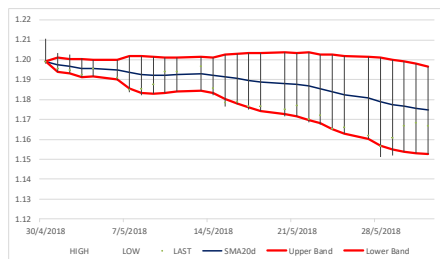
Graph 1: EUR/USD (April – May 2018, Relative Strength Index)



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



Graph 4: Bollinger Bands (May 2018)



**Important Note:**

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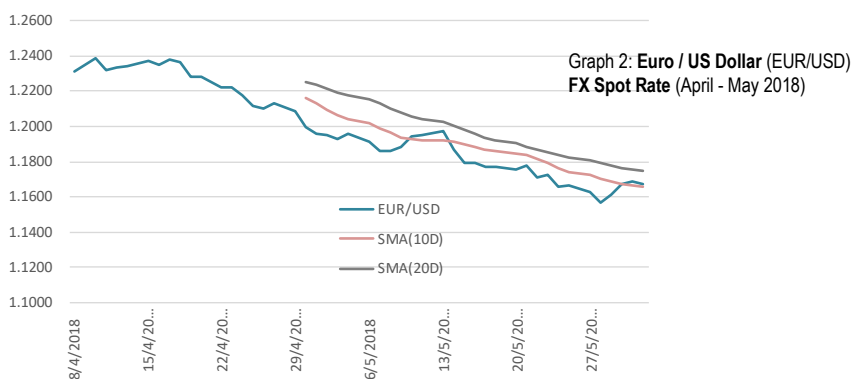
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**EUR/USD: 1.1670**

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

**Graph Analysis and Technical View**

According to graph 2, it seems that there has been a bearish market for the EUR/USD exchange rate. The pair had a clear downward trend, fluctuating between 1.15 and 1.20 during the examined period, which can be confirmed, according to graph 1, by the continuing lower than 30- closing prices of the RSI. There was also an attempt for a reverse movement between 10th and 13th of May, as the RSI broke the resistance level of 30 and the pair moved above the 10-day moving average however the pair continued its downward movement. The downtrend continued until 1.1564 at the end of May, making Euro even weaker. According to Bollinger Band (graph 4), the currency's price remained under the 21-day SMA for the whole examined period, verifying the downward trend. Finally, the rate notched higher levels on 30th of May and crossed over the short-term average making though still difficult to specify the upcoming trend.



**Fundamental Analysis**

On 30th of April, with the German retail sales not being at the expected level the pair continued its downtrend. | On May 2nd, the US dollar lowered from its high levels, as the FED stated that it may "allow" inflation prices to rise above the 2 percent target without taking action. | On May 4th, US employment data were released, but even though the expected hiring and wage growth levels were not reached, US dollar kept on its rally. | Four days later, Trump's announcement regarding the U.S.A. pull out from the 2015 nuclear deal with Iran, made the US Dollar to slow down. | On May 10th, as the U.S. Bureau of Labor Statistics (BLS) released CPI, the disappointment that occurred as the results did not meet the expectations of the market, led to a slight reversal through which the Euro gained about 0.6% during the day. | On May 14th even though no major news were released, the CPI's announcements during the previous days restrained the hope for an aggressive interest hike, leading dollar to a temporary downtrend, something that looked as it would have been balanced by the upcoming political developments in Italy. | On May 15th, the Euro fell to a new low of \$1.1821 as both the economic growth of Germany did not meet expectations and the 10-year Treasury bond yield reached up to 3.095%, leading the US dollar to continue its previous strength-rally. | On May 16th, the Euro kept getting weaker and reached new lows as news from Italy came to surface. Specifically, reports that the new political movement in Italy was willing to ask the ECB to forgive 250 billion Euro of debt, led the US dollar to rise even higher. Such economic proposals could even threaten Italy's credit rating, according to DBRS rating agency. | On May 21th, US dollar's uptrend reversed a bit, as Treasury yields moved slightly lower, but still above 3%, with investors being focused on the upcoming Fed's minutes. | On May 23th, FED's minutes were released revealing discussions between policymakers, who expected more rate hikes during the year, maintaining inflation targets of 2% in the mid-term. | On May 28th, Italy's President, Sergio Mattarella, revealed the prospect to set the country in a path of early elections, which could eventually affect Italy's role in the EU and the Euro zone. In that way the Euro, despite some previous small gains, moved back to a loss-rally once again. | On May 29th, US dollar reached its highest at 1.1558 during Tuesday, as the political crisis in Italy led investors to drop the single currency. | On May 30th, Italy's political parties seemed to compromise regarding the choice over the next Minister of Finance, which altered the movement of the pair. | At the next day, the US dollar clawed back some of its losses following the announcement of Donald Trump concerning tariffs on EU steel and aluminum trading goods, leading investors to the safety of US dollar assets. | On June 1st, US Labor Department announced its employment data for May, beating the expectation levels, showing significant domestic job growth, decreased unemployment rates, indicating an increased possibility for another rate hike during the year which caused a slight rise for the US dollar.