

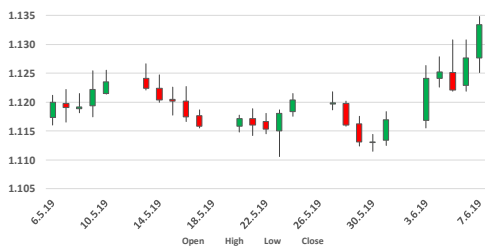
**VRS (Valuation & Research Specialists)**

VRS Research Team

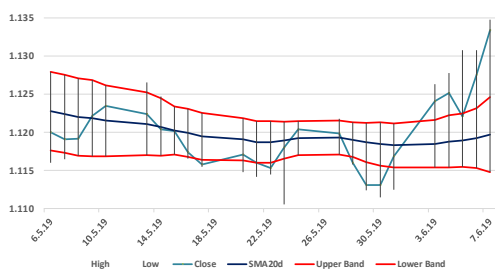
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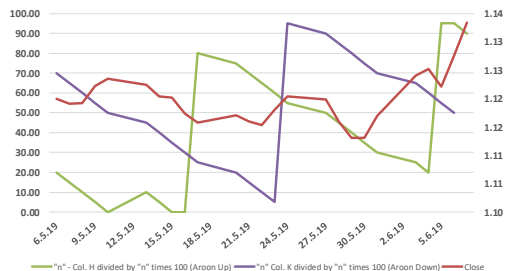
Graph 2: Candle Chart (May – June 7, 2019)



Graph 3: Bollinger Bands (May – June 7, 2019)



Graph 4: Aroon Indicator (May – June 7, 2019)



**Important Note:**

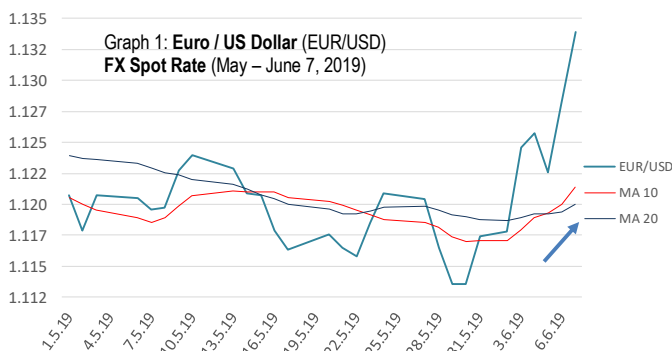
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**EUR/USD: 1.1334**

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

**Graph Analysis**

According to Graph 1, it seems that there has been an overall bullish trend for the EUR/USD exchange rate. During the examined period, there were 3 secondary movements. At the beginning of May, there was a bullish trend which lasted for more than 10 days. Then, a bearish trend emerged followed by a sideways trend up until the 30<sup>th</sup> of May, hitting the lowest price of the examined period, close to 1.11. After trading along the lowest levels of the period, the exchange rate followed a bullish trend leading at the period's highest price of 1.1334 on the last trading day. A strong support level seems to have been formed at around 1.113, since the exchange rate bounced back up after hitting that point twice, whereas a resistance level could be seen at around 1.126, which is currently being pierced. Looking at the candlesticks in graph 2, there were many day-to-day fluctuations, with mainly positive candle bars being formed. During the last week of May, a buy signal emerged as the price hit the support levels for the second time while additionally closed below the lower band of the Bollinger Bands indicating an oversold market. The exchange rate then pierced both the 10-day and the 20-day moving average, providing, even more, buy signals. At the last week, the pair crossed above the upper band whereas Aroon up crossed below Aroon down.



**Fundamental Analysis**

At the beginning of May, Fed's decision to keep its rates steady and the fact that the European markets were closed due to the Labor Day, guided the euro to drop despite the US ISM Manufacturing PMI being released below expectations. | On May 2<sup>nd</sup>, the pair continued its downward trend after Fed's Chairman, Jerome Powell, claimed that the deceleration of the U.S. inflation was temporary while Germany's Manufacturing PMI and retail sales declined. | On May 3<sup>rd</sup>, the euro rebounded as U.S. Services PMI hit the lowest level since March 2017, putting a bearish sentiment on the greenback, even though the fall of the US unemployment rate and the above expectations Non-Farm employment numbers. | In the following two days, a slightly bullish trend manifested in response to the above mentioned news. | On May 8<sup>th</sup>, even though the German industrial production m-o-m increased by 0.5%, the exchange rate remained stable. | On May 9<sup>th</sup>, the US-China trade war conflict led the dollar to lose some ground against the euro. | On May 10<sup>th</sup>, the U.S. CPI was formed below expectations, supporting further the favorable trend of the euro. | On May 13<sup>th</sup>, as there were no major events, the pair remained flat, being traded at the same levels as in previous trading days. | On May 14<sup>th</sup>, the German ZEW Economic Sentiment was formed below expectations, halting the bullish trend of previous days for the euro. | From May 15<sup>th</sup> to May 17<sup>th</sup>, the exchange rate lost ground because of Trump's plan concerning the enforcement of auto tariffs, the combination of better than anticipated U.S. data and higher U.S. yields, and the political turmoil in Italy before the EU parliamentary elections. | On May 20<sup>th</sup>, the euro rebounded as German PPI improved by 0.5%. | On May 21<sup>st</sup>, the dollar reached a three-week peak due to the indirect Federal Reserve Chairman's support of cutting interest rates and the menace of a "Hard Brexit". | On May 22<sup>nd</sup>, investors' distrust about EU elections, as well the provisional obviating of restrictions on Huawei, that boosted higher U.S. Treasury yields, affected the pair. | The following two days, although German manufacturing PMI declined, the increase of German Final GDP and the discouraging data from the US housing sector enhanced the euro. | From May 27<sup>th</sup> to May 28<sup>th</sup>, the greenback gained some losses back after Trump's announcement that he was not prepared for a deal between U.S.-China regarding the tariffs in Chinese goods, and the lower than expected German GfK Consumer Climate. | On May 29<sup>th</sup>, the fact that data from Germany labor market were depressing and the augmentation of the Unemployment Change forced EUR/USD to a downward movement. | On May 30<sup>th</sup>, the exchange rate remained steady as the U.S.-China trade war situation remained unchanged. | On May 31<sup>st</sup>, a drop of the dollar occurred as the benchmark 10-year treasury yield of the US was formed at its lowest levels. | On June 3<sup>rd</sup> and 4<sup>th</sup>, the euro gained ground against the dollar after the statement of St. Louis Federal Reserve President that referred to a possible future rate cut. | On June 5<sup>th</sup>, the pair experienced slight losses, due to potential miss of inflation goal in euro zone and the worldwide concerns due to the U.S.-China conflicts. | On June 6<sup>th</sup>, the euro traded at higher levels as the ECB released that its key interest rate would be going to remain flat. | On June 7<sup>th</sup>, the pair continued its upward trend after the release of disappointing U.S. job data which signaled a potential weakness of the labor market.

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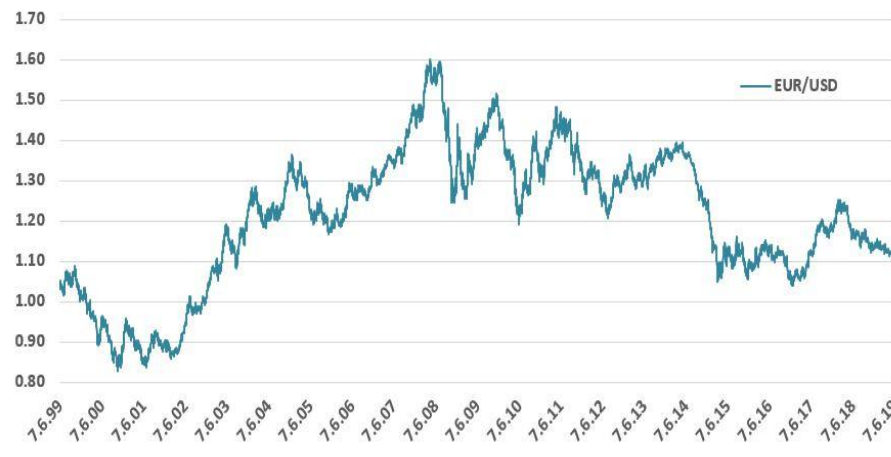
[Bloomberg Ticker: EURUSD:CUR] **US Dollars per 1 Euro**

**Graph Analysis**

Graph 5: Euro / US Dollar (EUR/USD)  
FX Spot Rate (May 2004 – June 2019)



Graph 6: Euro / US Dollar (EUR/USD)  
FX Spot Rate (June 1999 – June 2019)



Examined Period	May 2004 – June 2019
Standard Deviation	0.1209
Average	1.2748
Range	-0.0598
Range (%)	-5.012%
Max	1.5988
Min	1.0387
Max Daily Range	0.0380
Min Daily Range	-0.0274

Examined Period	June 1999 – June 2019
Standard Deviation	0.1680
Average	1.2069
Range	0.0701
Range (%)	6.593%
Max	1.5988
Min	0.8273
Max Daily Range	0.0380
Min Daily Range	-0.0274

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