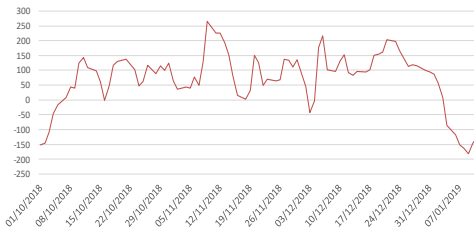


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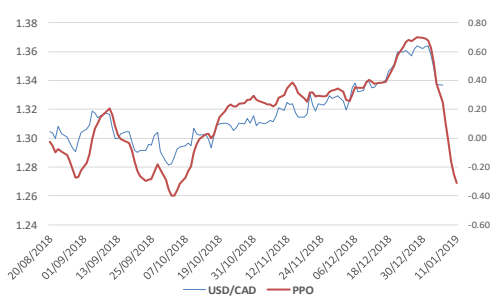
Graph 2: CCI (October 2018 – January 11, 2019)



Graph 3: Candle Chart (November 2018 – January 11, 2019)



Graph 4: Price Oscillator (August 2018 – January 11, 2019)



**Important Note:**

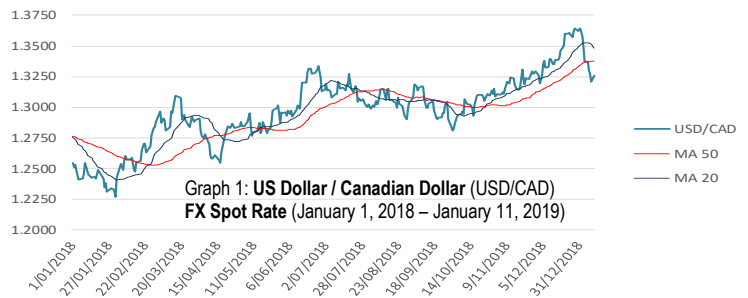
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## USD/CAD: 1.3255

[Bloomberg Ticker: USDCAD:CUR] Canadian Dollar per 1 US dollar

### Graph Analysis

According to graph 1, it seems that there is a clear sign of a bullish market. During the examined period, there were four secondary movements. More specifically, the exchange rate followed an upward trend from early February to mid-March 2018. The second movement was a downward trend which lasted from late March to mid-April, followed by the third movement which was an upward trend from mid-April to late June. The period between late June and late September was followed by many month-to-month fluctuations with a slight downward movement for the currency. Regarding the resistance levels, they seemed to be formed at 1.36 while support levels were formed at 1.22. The fourth movement, from early October until first week of January, can be described as an uptrend, reaching the highest point of the examined period. The price oscillator's positive prices above the centerline from mid-October, the mainly formed positive candle bars and the majority of CCI index's close prices above +100 till mid-December indicate a buy signal. Despite the above, during the last 10 days the market formed a reverse signal.



### Fundamental Analysis

At the beginning of year 2018, the observed downward trend could be attributed to Trump's statements for NAFTA reformation and in combination with the rising oil prices and the increase of overnight interest rate from BOC the ongoing trend continued unabated until the mid-February. | After the US posted sharp housing and consumer confidence reports, dollar followed an upward trend until mid-May, a movement further supported by the announcement for Canada of possible tariffs on steel and aluminum. | On March 21, US dropped a demand in the NAFTA talks and forced the dollar to weaken against the loonie (i.e. the Canadian one-dollar coin). The fact that Canada generated jobs better than had been expected, pushed the dollar even further at the beginning of April. | In mid-April, the conversations about Nafta in combination with the US GDP positive expectations and the "disappointing" Canadian interest rate led USD to rise. | For an over ten-days-period the pair fluctuated due to Poloz's (Governor of Bank of Canada) speech while the inflation data for the US led investors to finally support the CAD until mid-May. | The headway of US treasury yields and FOMC's announcement that would raise the cost of borrowing four times within 2018, led to an upward movement of the currency until the end of June, when the prevailing strong bullish sentiment around crude oil prices, strengthened CAD. | Powell's upbeat outlook for the US-economy and the weaker tone around crude oil prices provided a boost to the pair, only until mid-July, when the US Greenback's weakness and the strong retail sales reports from Canada, helped CAD regain some of the previous losses. | During August, first the pair moved higher as the Turkish crisis increased demand for US Greenback, but in the end, the loonie gained the upper hand as the USD lost strength on news of Sino-US trade related talks. | On September 4th an upward movement of the currency pair was observed due to Donald Trump's statement that there was no political necessity to keep Canada in the new NAFTA deal and due to an increase in the yields of US Treasury bonds. | Afterwards, the two downward movements on September 11th and 28th could be attributed to the rising oil prices and to Canada's GDP data report that was larger than the forecast. The upward trajectory of the USD/CAD pair at the beginning of October could be attributed to the agreement over the new NAFTA deal and to the falling WTI's oil prices. Also, the seven-year high of US Treasury yields further enhanced the price of USD against the loonie. | On November 20th the USD/CAD pair achieved a four-month high. The crude oil price followed a deep downward movement due to the oversupply in the oil market and the Canadian trades were at the lowest point in the year so far directly affecting the price of the loonie. | On December 5th the currency pair rose to its highest level since June 2017. The loonie came under heavy selling pressure because of the BoC's decision to hold its key interest rate unchanged and because of its statement that the declining oil prices will have a direct impact on the Canadian economy and the inflation rate. | Later on the 21st of December, the USD/CAD pair continued its bullish behavior because of the third quarter US GDP report which showed GDP growth by 3.5% and due to the overall uncertainty in the stock market that prevented the investors to invest in the risky Canadian dollar. | Towards the beginning of the year 2019, the currency pair presented continuous losses. The price of the crude oil rose since the market was worried that Saudi Arabia would cut its crude output following the concerns of an economic slowdown in 2019 that would reduce fuel demand. | Moreover, the falling US T-Bond yields, Canada's optimistic employment report and Jerome Powell's dovish comments further boosted the declining behavior of the greenback against the loonie.