

AETOS Market Commentary

25/03/2019

AUD/USD

AUD/USD is staying relatively resilient, but we will see most of the selling in AUD/JPY. Weakening global growth will translate to lower commodity demand and add pressure to the Aussie as well.

On Friday, the dollar fell against the safe-haven Japanese yen as dull U.S. manufacturing data fueled worries about the wider economy, and Treasury bond yields signaled growing fears of a recession.

Speculators have raised their net long bets on the U.S. dollar to a new 2019 high (Week ending March 19) in the latest week, according to calculations by Reuters and Commodity Futures Trading Commission data released on Friday.



AUD/USD Daily Chart

The pair closed below support at 0.7091 where the 10 & 21-day MAs converge. Next support at March 20 low at 0.7057, where a break of this support will target 0.7000/05. With minimal economic data being released in the Asian session, the key will be AUD/JPY flows and moves in Asian equity markets.

EUR/USD

Policymakers had cut growth forecasts for the euro zone economy earlier this month and launched a new round of cheap loans to banks (Reuters). Consequently, this put major pressure on the EUR which fell 116 points from its high on Friday and may add further downside to EUR/USD. To compound the situation, weak factory data out of Germany on Friday confirms that Europe's powerhouse is also slowing and risk off is becoming more apparent.



EUR/USD Daily Chart

The Charts are offering little at the moment, with current levels below 21 & 55-DMAs while the

RSI is fairly flat. The pair is going back into the range as seen in the Daily Chart, Deal/No Deal Brexit news should be released this week and we will keep monitoring trade talks which is appearing to take a turn for the negative as the upbeat momentum is fading.

Major Economic Events happening this week (AEDT Time Zone)

Economic event (Date)	Previous	Forecasted	Actual
GER- IFO Business Climate (25 March)	-	98.5	-
US – National Activity Index (25 March)	-0.43	-	-
GER- GFK Consumer Sentiment (26 March)	10.8	10.8	-
US – Housing Starts Number MM (26 March)	1.23M	1.22M	-
US – Building Permits Number (26 March)	1.32M	1.3M	-
US – Consumer Confidence (27 March)	131.4	132	-
NZ – Central Bank Interest Rate (27 March)	1.75%	1.75%	-
US – Initial Jobless Claims (28 March)	221K	225K	-
GER – CPI Prelim YY (29 March)	1.50%	1.50%	-
JP – Unemployment Rate (29 March)	2.50%	2.50%	-
JP – Retail Sales YY (29 March)	0.6%	1.2%	-
GER – Unemployment Rate (29 March)	5%	4.9%	-
UK – Current Account	-£26.52B	-£23B	-
UK – GDP Final YY	1.3%	1.3%	-



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