



AETOS Market Commentary

04/04/2019

AUDUSD

The Australian dollar rallied on Wednesday, closing at 0.7114(+58 pips). The Australian dollar continues its swing on Wednesday, rallying hard on stronger domestic data from both home and abroad more positive chatter that trade negotiations between US and China are inching towards a trade agreement. The bullish run for the Aussie was aided by good data as Australian retail sales showed robust strength during the month of February, along with news that Australia's trade surplus jumped to the highest level on record on the back of soaring iron ore prices. Along with strength in local data, sentiment was also helped by stronger services PMI reports from China and Europe, helping to improve investor sentiment towards the outlook for the global economy. Reports of further progress in trade negotiations between the US and China, as talks between the two sides resumed in Washington, also worked in the Aussie's favour during the session. Along with an improvement in risk appetite, helping to lift stocks around the world, news that US service sector activity improved at the slowest pace since the middle of 2017 in March, along with a sharp slowdown in private-sector hiring over the same period, saw the greenback lose ground against most major crosses, allowing the AUD/USD to lift back towards .7130 before giving back ground towards the close. For today, it is going to be a relatively quiet day for the commodity pair.



AUDUSD 4 Hour Chart

Based on the chart above, a similar pattern can be seen being formed for an opportunity to go short. 0.7150 is the key level to beat for Aussie bull traders. A break above it can see an extension to 0.7180. Supports are set to 0.7105 and 0.7090.

EURUSD

The Euro rose on Wednesday, closing at 1.1241(+38 pips) against the greenback. The EUR/USD pair gained ground this Wednesday, rising to 1.1254, its highest for this week, as better-than-expected growth-related news coming from China and the EU, lend support to the shared currency, while a poor US ISM Non-Manufacturing PMI played against the greenback. The positive mood was reflected by worldwide indexes which managed to advance and rising US Treasury yields, denting demand for the greenback. Data coming from Europe surprised on the upside, as the final Markit Services PMI for the different countries and for the whole EU resulted above the previous estimates. The EU Composite PMI printed 51.6, better than the 51.3 expected, as manufacturing readings weighed. European Retail Sales were upbeat, up in February 0.4% MoM and 2.8% YoY, surpassing the market's forecasts. In the US, the ADP survey showed that the private sector added 129,000 new jobs in March, well below the 170K expected. Also, the USM Non-Manufacturing PMI missed the market's forecast, down to 56.1 in March from 59.7 in February. The Markit indexes were better-than-expected, but couldn't overshadow the result of the official report. Thursday will be the lightest day of the week in terms of macroeconomic releases, as Germany will release February Factory Orders while the US will unveil March Challenger Jobs' Cuts and weekly unemployment claims. The ECB will publish the Minutes of its latest meeting, not expected to surprise. Markets could consolidate ahead of Friday's US NFP release



EURUSD 4 Hour Chart

Technical readings in the 4 hours chart offer a neutral picture, as the pair is now above a directionless 20 SMA(Magenta Line) while still well below the 100(Red Line) and 200 SMA(Blue Line), and technical indicators hover around their midlines, with the Momentum heading nowhere, and the RSI aiming marginally higher at around 55. The key is still the 1.1280 region, where the pair has now the 38.2% retracement of the mentioned slide, as only above it bulls will take their chances

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