

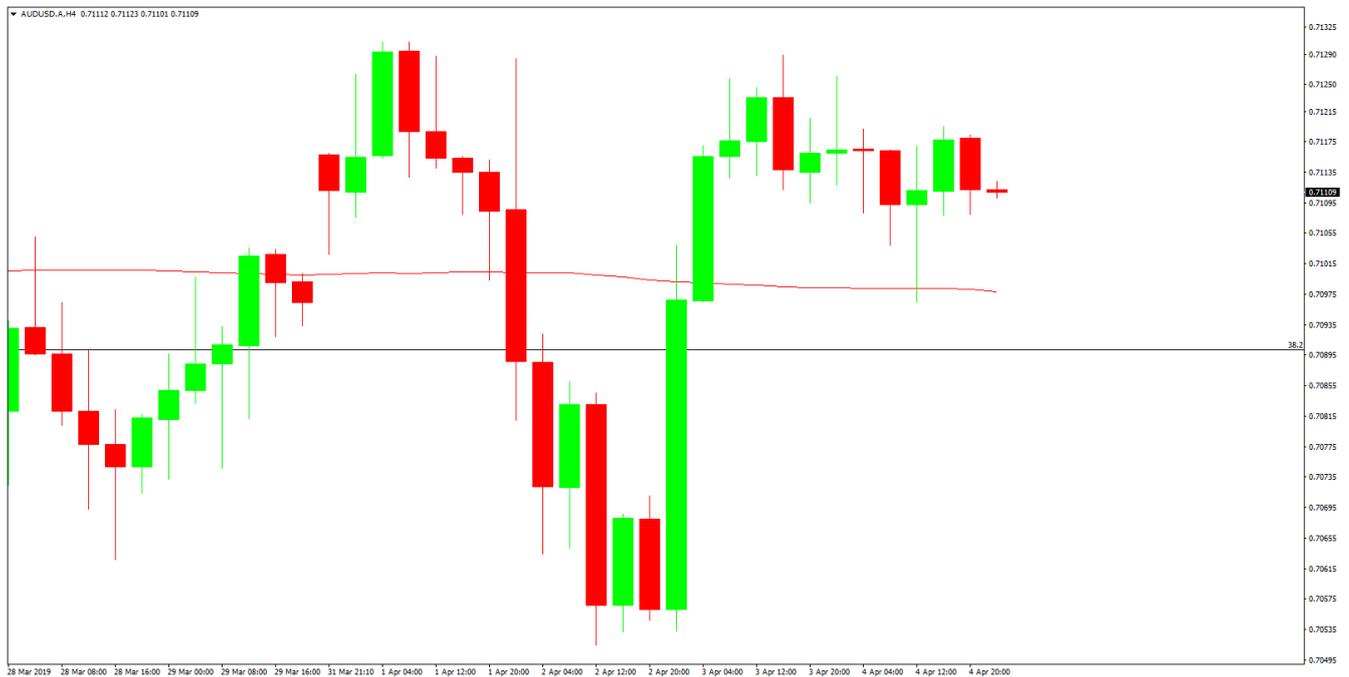
## AETOS Market Commentary

05/04/2019

### AUDUSD

The Australian dollar fell by a margin, closed at 0.7112(-4 pips) against the greenback. With little economic data to focus on, the AUD/USD traded between .7098 and .7127, consolidating upon the strong gains achieved on Wednesday. However, Reports that US President Donald Trump and China's Vice President Liu He will meet late on Thursday was one factor that helped to support the Aussie during the session. "Beijing has acknowledged the issues the US has regarding intellectual property theft, forced technology transfer and cyber hacking. This acknowledgement was welcomed by the markets," said strategists at ANZ Bank. "Also supportive was Trump's assertion that 'China will be buying a lot of product from the US'." While trade optimism continued to underpin the Aussie, along with recent gains in commodity prices, especially iron ore, the lack of movement during the session was likely impacted by caution ahead of the release of US non-farm payrolls on Friday. Although the Aussie moved little against the greenback, it recorded larger gains against the British pound and New Zealand dollar during the session. Turning to the day ahead, the US payrolls report for March will dominate proceedings in the second half of the session. Markets are looking for payrolls to lift by 180,000, accelerating from the 20,000 increase reported in February. The unemployment rate is expected to remain steady at 3.8% with average hourly earning tipped to rise by 0.3%, leaving the annual increase unchanged at 3.4%.

## AUDUSD 4 Hour Chart



Based on the chart above, outlook for the pair appears to be bearish in the short term as the pair has formed a higher low and a lower low during the week. Support and resistance currently set to 0.7097 and 0.7124.

## EURUSD

The Euro weakened on Thursday, closing at 1.1222(-22 pips) against the greenback. The pair edged lower Thursday, spending the day trading within a tight 50 pips range, amid a combination of scarce macroeconomic releases and the wait-and-see stance typical on the day previous to the US Nonfarm Payroll report this Friday. Bullish attempts were again rejected by sellers aligned around 1.1245, a level that the pair has been unable to clear ever since the week started. From the macroeconomic side, dismal German Factory Orders capped the advance, as in February, the decline was of 4.2% MoM and of 8.4% YoY, much worse than anticipated. The Minutes of the latest ECB meeting didn't offer something new but reminded speculative interest the sour economic perspectives for local growth. The US released minor employment figures, which were mostly positive, as the Challenger Job Cuts report showed that US-based employers announced plans to cut 60,587 jobs from their payrolls in March, down 21% from the 76,835 cuts announced in February. The number of quarterly cuts, however, reached the highest since Q3 2015. Additionally, Initial Jobless Claims for the week ended March 29 decreased to 202K, its lowest in near five decades. The US economy is expected to have added 180K new jobs in March, after the horrid 20 K from February. The unemployment rate is expected to remain steady at 3.8%, while wages' growth is seen up by 0.3% MoM and by 3.4% YoY. The expected numbers won't be discouraging, neither impressive and unless there's a strong deviation, the market's reaction should be limited.

## EURUSD 4 Hour Chart



The technical indicators retreated after repeatedly failing to overcome the 23.6% retracement of the 1.1447/1.1183 decline at 1.1245, and while the short-term technical readings offer a neutral stance, the risk of a steeper decline is still high, considering that the pair can post a relevant bounce after nearing its yearly low. In the 4 hours chart, the price broke below its 20 SMA, which turned modestly higher, while technical indicators retreated from their highs before losing directional strength, the Momentum now resting above its mid-line, but the RSI at 44. Large stops are suspected below 1.1175, and a better-than-expected US Nonfarm Payroll report could trigger a break below it.

## Major Economic Events happening this week (AEDT Time Zone)

Economic event (Date)	Previous	Forecasted	Actual
JP-Tankan Large Manufacturers Index Q1 (1 April)	19	13	12
AU- NAB Business Confidence for March (1 April)	2	4	0
CN- Caixin Manufacturing PMI for March (1 April)	49.9	50.1	50.8
DE- Markit Manufacturing PMI Final for March (1 April)	47.6	44.7	44.1
US- Retail Sales MoM for Feb (1 April)	0.2%	0.3%	-0.2%
US- ISM Manufacturing PMI for March (2 April)	54.2	54.5	55.3
US- Durable Goods Orders MoM (2 April)	0.4%	-1.1%	-1.6%
AU- Balance of Trade Feb (3 April)	A\$4.549B	A\$3.8B	A\$4.801B
US- ISM Non- Manufacturing PMI for March (4 April)	59.7	58.7	56.1
EU- ECB Monetary Policy Meeting Accounts (4 April)	N/A	N/A	N/A
CA- Ivey PMI s.a for March (5 April)	50.6	51.4	54.3
US- Non-Farm Payrolls for March (5 April)	20K	170K	TBA

\*Pulled from Trading Economics website



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