

AETOS Market Commentary

08/04/2019

AUDUSD

The Australian dollar fell on Friday, closing at 0.7105(-3 pips) against the greenback. The Aussie was relatively flat towards the end of the week, trading has been stuck in a narrow range between 0.7000 and 0.7200 over the course of two months. Despite the release of the US non farm payroll for March on Friday, the Aussie made minimal movements. Payrolls increased by 196,000, above the 177,000 level expected, leaving the unemployment rate steady at 3.8%. However, hourly wages growth undershot forecasts for an increase of 0.3%, lifting by just 0.1% from a month earlier. Despite the wages undershoot, the US dollar regained its poise late in the session, seeing the AUD/USD fall back to close at .7105. Even with investor risk appetite now far stronger than earlier in the year, and despite firmer commodity prices, the Aussie dollar remains stuck in a thin trading range, largely due to widespread expectations that the Reserve Bank of Australia will cut interest rates later in the year. Pointing to another quiet session to begin the week, there's little on the economic or events calendar on Monday that appears likely to shake the Aussie dollar from its slumber. Locally, ANZ Bank will release its monthly job ads survey at 11.30am AEST. Although not a noted market-mover, with the RBA's interest in local labour market data now elevated, a surprise result in either direction could result in some modest volatility in the Aussie.



AUDUSD 4 Hour Chart

Based on the chart above, the pair is resuming the swing pattern, and with the 20SMA (Red Line) providing resistance for the pair. Outlook for the pair remains bearish as there is a downside risk that extends to the lower low that was formed on the 2nd of April at 0.7052.

EURUSD

The Euro closed lower on Friday, closing at 1.1216(- 6 pips) against the greenback. The EUR/USD pair closed the week marginally lower at 1.1215 after another failed to attempt to advance beyond 1.1245, the 23.6% retracement of the 1.1447/1.1383 decline. According to the official release, the US added 193,000 new jobs in March, surpassing market's expectations, while February reading was upwardly revised to 33K from 20K. The unemployment rate remained steady at 3.8%, despite the participation rate decreased to 63.0%, anyway beating expectations. Wages' growth disappointed, up by 0.1% MoM, while average hourly earnings rose 3.2% from a year earlier, accelerating at a slightly slower pace than in February.



EURUSD Daily Chart

The EUR/USD pair heads into the week with a bearish tone and poised to break below the yearly low of 1.1175 unless it manages to recover past 1.1285, in which, the bullish correction movement could extend up to the 1.1330/50 price zone. Nevertheless, the daily chart shows that

the pair is below all of its moving averages, with the 20 SMA converging with the mentioned 38.2% retracement, and technical indicators maintaining their bearish slopes well into negative ground.

Major Economic Events happening this week (AEDT Time Zone)

Economic event (Date)	Previous	Forecasted	Actual
JP-Consumer Confidence for March (8 April)	41.5	42.3	TBA
DE- Balance of Trade for Feb (8 April)	€14.5B	€16.5B	TBA
AU- Westpac Consumer Confidence Index (10 April)	98.8	97	TBA
GB- Balance of Trade Feb (10 April)	£-3.825B	£-1.2B	TBA
EA- ECB Press Conference (10 April)	N/A	N/A	N/A
US- Core Inflation Rate YoY March (10 April)	2.1%	2.1%	TBA
US- Inflation Rate YoY for March (10 April)	1.5%	1.8%	TBA
US- FOMC Minutes (11 April)	N/A	N/A	N/A
CN- Inflation Rate YoY for March (11 April)	1.5%	2.3%	TBA
DE- Inflation Rate YoY Final for March (11 April)	1.5%	1.3%	TBA
AU- RBA Financial Stability Review (12 April)	N/A	N/A	N/A
CN- Balance of Trade for March (12 April)	\$4.08B	\$8.8B	TBA
US- Michigan Consumer Confidence Sentiment Prel (13 April)	98.4	98.0	TBA

*Pulled from Trading Economics website

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