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Fundamental Analysis

April was a month of high volatility. The first week, the EUR/USD fluctuated between 1.12 and 1.125 as the possibility of a no deal Brexit lowered and the US/China trade talks showed positive signs of progress. Furthermore, US ISM Manufacturing PMI was 55.3, better than expected by 2%, while US ISM Non-Manufacturing PMI was 56.1, 3.5% worse than anticipated. The uptrend of EUR/USD started the second week, due to the extension beyond May 22nd the UK received in the emergency EU council meeting of April 10th, when the month's peak was reached at 1.1309, and the US yield curve being steepened, diminishing fears of a US recession in the near future. The following week, the EUR/USD began its downfall, as ECB Governing Council members expressed doubts regarding Eurozone's growth recovery, in contrast with ECB's latest growth projections indicating a rebound in GDP, thus arising market concerns. In addition, German government announced a downgraded estimation of 2019 GDP growth from 1.0% to 0.5% and Eurozone Composite PMI fell to 51.3, suggesting that economic activity remained weak. The last week, the depreciation continued, as US Retail Sales for March showed a positive print, US GDP of the first quarter announced to be 3.2%, beating markets estimations of 2%, and German business confidence index deteriorated to 99.2, leading the EUR/USD to 1.1216.

Technical Analysis

On April, EUR/USD started at 1.122 and was marked by a bearish movement. In the beginning of the month EUR/USD was oversold by market. At the ending of the third day, at 1.123, there was a signal of a bullish movement which is confirmed by the moment that Stochastic Oscillator rose above its signal line and a bullish fractal has made its appearance at the ending of the second day (a morning star pattern is being created by the ending of the third day). During the 9th of April, MACD crossed over its signal. The bullish movement started on April 2nd at 1.120 and had an eight days continuum till April 10th at 1.1309 which also was the highest of the month. During the next three days the price was resistant on SMA50 creating failing tries for the continuation of the bullish movement, so later the bear market has prevailed over the bull market, giving a start of a bearish movement. The confirmation came on April 18th when Stochastic Oscillator passed under its signal line, enhancing the confirmation by two bearish fractals, the

first one on April 12th and the second one on April 17th. On the 23rd, the bearish movement is also confirmed by the time MACD has passed below its signal line. Keep in mind that during the whole month MACD was below zero. On the 26th, the price reached the lowest value of the month at 1.1109 and EUR/USD was signaling an overbought market. On April 25th a bullish fractal appeared and on April 29th Stochastic Oscillator crossed over its signal line starting a bullish movement with the price reaching 1.1216 on the last day of the month.

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