

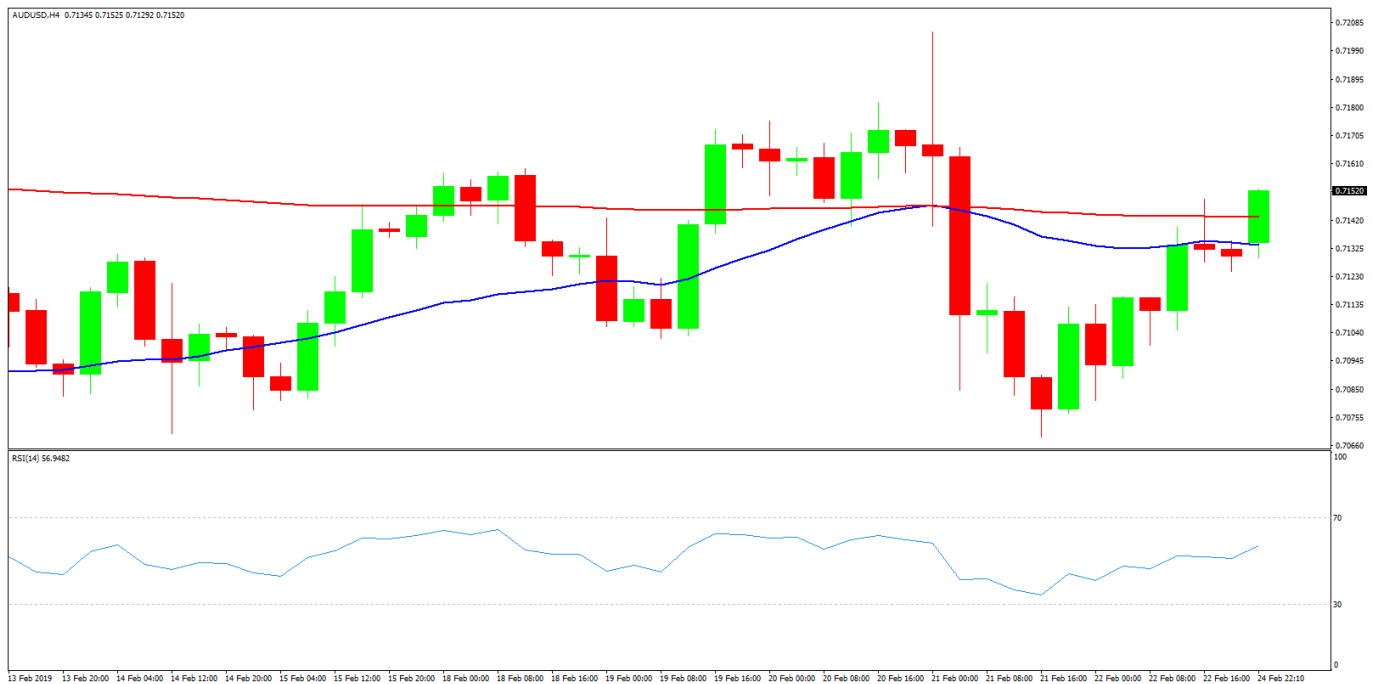
AETOS Market Commentary

25/02/2019

AUDUSD

The Aussie made gains on Friday, closing at 0.7130(+23 pips) against the greenback. The gains were aided by rise in commodity prices and gains in global stocks. Moreover, trade optimism and a denial from China that it was deliberately targeting Australian coal imports were also behind the gains for the commodity natured pair. “US President Trump mentioned on Friday there was ‘a very good chance’ the US would strike a deal with China to end their trade dispute and that he was inclined to extend his March 1 tariff deadline and meet soon with Chinese president Xi Jinping,” said Ray Attrill, Head of FX Strategy at the National Australia bank. “Chinese Vice premier Lui He in Washington for the talks and attending Trump’s press conference agreed that there has been ‘great progress’ and that from China’s perspective it is ‘very likely that it will happen and we hope that ultimately we’ll have a deal’.” Trump expressed to reporters that he is likely to meet with Xi in March in Florida to decide on the most important terms of a trade deal. The positive remarks helped to drive commodity prices and stock prices higher, the latter helped by a reduction in expected US stock market volatility in the month ahead. The economic calendar for the Australians are quiet today, which means traders could expect the price action of the Aussie dollar to follow suit with the performances of the Chinese markets.

AUDUSD 4 Hour Chart

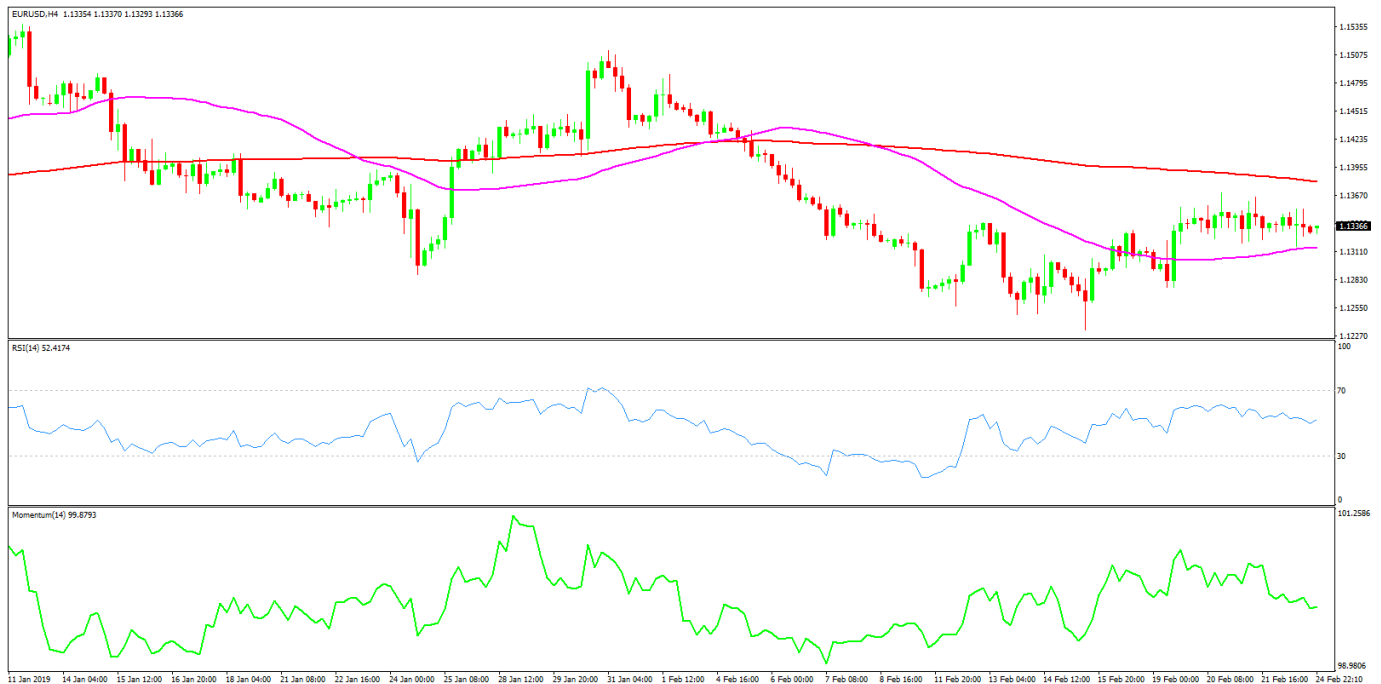


Based on the chart above, the AUD/USD is trading above its 20 SMA(Blue Line) and 200 SMA(Red Line), suggesting bullish momentum in the short term. Bulls will need to overcome 0.7160 level to reach 0.7190 and 0.7220 to the upside. Support and resistance are set to 0.7100 and 0.7200.

EURUSD

The Euro weakened by a margin to 1.1331(-8 pips) against the greenback on Friday. Optimism on trade talks between the US and China keeps the pair supported. China has offered to buy more US goods in order to balance the broad trade surplus it has with the US. US President Donald Trump will meet Chinese PM Liu He late in the day, and the announcement of the encounter sparked hopes. There have been no reports on progress on structural changes such as intellectual property. The eurozone is looking up after a slump early February, as the Euro-zone purchasing managers' indices for February, published on Thursday, came out mostly above expectations. However the German manufacturing sector still seems to struggle. German Q4 GDP was confirmed at 0%. Nevertheless, things may be as bad as previously seen. The German IFO Business Climate is projected to remain stable in the fresh report for February. European Central Bank President Mario Draghi will be speaking later in Bulgaria and may shed some more light on recent developments. Several of his colleagues spoke out on Thursday and expressed concerns about the slowdown.

EURUSD 4 Hour Chart



In the 4 hours chart above, Momentum remains to the upside and the price holds up above the 50 Simple Moving Average(Magenta Line). Price level 1.1350 remains a battle line, capping euro/dollar early in the day. 1.1372 was the high point this week and serves as a considerable resistance line. 1.1390 and 1.1405 worked as support lines in January and now await the pair as resistance. EUR/USD may find initial support at 1.1330, the low of the day, followed by 1.1320, which was a bottom earlier this week. 1.1295 worked in both directions earlier in February and 1.1275 was the trough this week. 1.1250 and 1.1235 are next down the line.

Major Economic Events happening this week (AEST Time Zone)

Economic event (Date)	Previous	Forecasted	Actual
DE- GFK Consumer Confidence for March(26 February)	10.8	10.8	TBA
US- Fed Chair Powell Testimony (27 February)	N/A	N/A	N/A
EA- EA Business Confidence (27 February)	0.69	0.63	TBA
CA- Inflation Rate YoY for Jan (28 February)	2%	1.4%	TBA
GB- GFK Consumer Confidence for Feb (28 February)	-14	-15	TBA
CN- NBS Manufacturing PMI for Feb (28 February)	49.5	49.5	TBA
DE- Inflation Rate YoY Prel for Feb (1 March)	1.4%	1.5%	TBA
US- GDP Growth rate QoQ Q4(1 March)	3.4%	2.4%	TBA
CN- Caixin Manufaccturing PMI for Feb (1 March)	48.3	48.7	TBA
JP- Consumer Confidence for Feb (1 March)	41.9	41.6	TBA
US-Personal Income MoM (2 March)	0.2%	0.4%	TBA

*Pulled from Trading Economics website



Risk Disclaimer

The information above is of general nature only and does not take into consideration your objectives, financial situation or investment needs. The products and services provided are issued by AETOS Capital Group Pty. Ltd. (AFSL: 313016, ACN: 125113117). Trading Forex margin and CFDs carries a high level of risk, and losses can exceed your deposits. You are strongly recommended to seek independent financial advice before you make an investment decision. Please refer to our Product Disclosure Statement which you can obtain from our website for more details. AETOS has the ownership of the contents of this FX commentary. Copying, reprinting or publishing to a third party is not permitted.