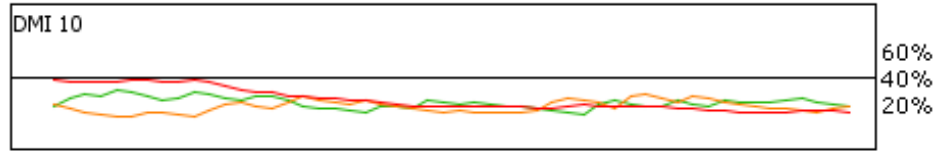


adopted a short EURUSD position in late Nov last year and has maintained a short bias since (Sharpe: 1.02, win ratio 55% on daily data since 2008).

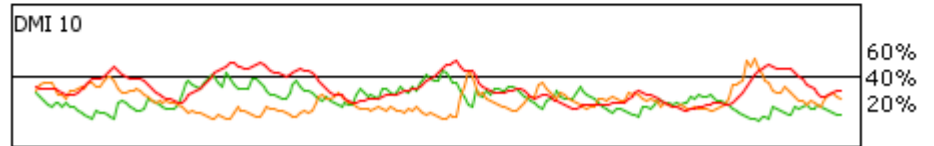
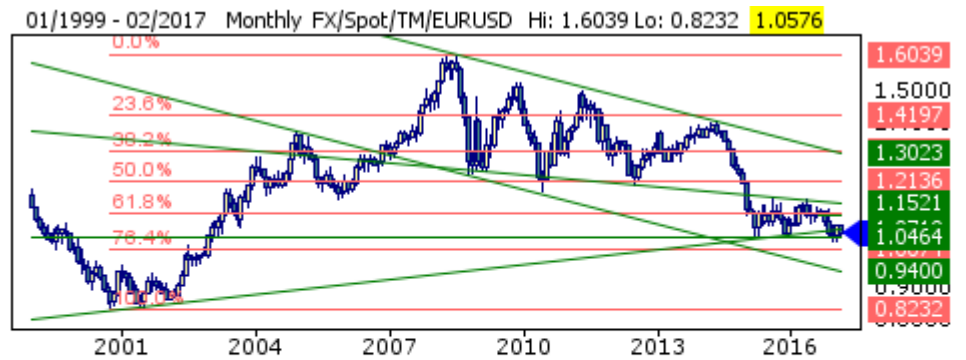
Weekly price action shows price turning lower from the 1.08 level in a fairly significant way at the start of February. The move down sustains the weekly bear channel in place since early 2016 and while the drop in the EUR did not deliver a definitive technical reversal on the chart in the classic sense, the low weekly close at the start of month (the lowest in four weeks) was the sort of signal that active trend-followers would jump on as sign of a change in the trend. Note the weekly trend (DMI) oscillator is flat currently.

The monthly chart reflects a broader chop around the 1.0720 trend support line off the EUR all-time low since late 2016. The spot market's recovery back above trend in Jan was short-lived and renewed weakness below the trend line in February supports the cautiously bearish longer run view we hold. Note that monthly trend intensity signals are bearish and strengthening.

Overall, we remain bearish on the EUR outlook. The correction we thought might play out in the EUR has stalled near where we expected and the EUR has moved more decisively lower again in the last couple of weeks. We think EURSD gains though the low 1.06s should be faded and we continue to feel that a EUR drop to 1.0074 long-term retracement support is still viable.



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* Studies optimized for the best buy/sell trade signal on Bloomberg Professional's back testing function using daily/weekly data from 2008.

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