

Fundamental Analysis Report

30 March '2021

Fundamental Report - Morning Market Review 30 March 2021

EUR/USD

EUR is showing ambiguous dynamics against USD today, consolidating after a strong decline the day before, which once again brought the instrument back to record lows since November 2020. Investors are selling EUR against the backdrop of yet another worsening of the epidemiological situation in the region, as well as due to the crisis of the vaccination campaign, as many European countries have decided to abandon the drug from AstraZeneca. Markets fear that the authorities will be forced to return some of the restrictions, which will negatively affect the pace of economic recovery in the eurozone. Today, investors are focused on the publication of statistics on business sentiment in the eurozone in March. Traders are also awaiting the publication of March data on the dynamics of consumer inflation in Germany.

GBP/USD

GBP showed a moderate decline against USD yesterday, but managed to renew its local highs since March 23. This morning's trading session is characterized by a slight increase, due to the continued optimism in the market regarding the pace of economic recovery in the UK. At the same time, investors expect new drivers to appear on the market, especially after Monday which was not rich in publications. At the beginning of the week the market received only the February statistics on the dynamics of consumer lending in the UK. Net Lending to Individuals rose by GBP 4.9B after rising GBP 2.6B in the previous month. At the same time, the number of Mortgage Approvals in February decreased from 97.35K to 87.7K, while analysts expected a decrease to 95K.

NZD/USD

NZD has shown strong gains against USD during today's Asian session, building on the corrective momentum that formed late last week when the instrument managed to retreat from its record lows. The pair adds about 0.41% and is actively testing the level of 0.7030 for a breakout. The active growth of the instrument proceeds against the background of the publication of weak macroeconomic statistics from New Zealand. The number of building permits issued in the country fell sharply in February by 18.2% MoM after rising by 1.5% MoM. At the same time, data from the US, which was published on Monday, still provide moderate support to USD. Dallas Fed Manufacturing Business Index in March increased from 17.2 to 28.9 points against the forecast of a decline to 12.1 points.

USD/JPY

USD strengthens against JPY during today's Asian trading, hitting record highs since March 26, 2020. Investors are again showing increased interest in USD, fearing a worsening epidemiological situation in Europe, where there is an increase in the incidence with extremely low dynamics of vaccination of the population. It should be noted that the positive macroeconomic statistics from Japan, published today, do not provide practically any support to JPY. Retail Sales in Japan increased by 3.1% MoM in February after falling by 1.7% MoM a month earlier. In annual terms, sales dynamics improved from -2.4% YoY to -1.5% YoY, which turned out to be significantly better than the projected -2.8% YoY. The Unemployment Rate in February remained unchanged at 2.9%, while investors expected it to rise to 3.0%.

XAU/USD

Gold prices show active downtrend during today's Asian session, developing a "bearish" momentum formed yesterday. On Monday, quotations of the asset fell by more than 1%, responding to the further strengthening of USD, as well as amid expectations of a further recovery in the global economy. The development of the downtrend for the instrument was also facilitated by technical factors of profit fixation at the end of the month. At the same time, investors are cautious against the backdrop of an extremely alarming epidemiological situation in Europe. The largest economies in the region (Germany and France) are close to another tightening of restrictive measures, as the incidence rate is growing rapidly. All this is taking place against the background of low rates of vaccination of the population, as many European countries have suspended the use of the drug from AstraZeneca due to reports that it can cause thrombosis.





Thank You!

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