

Fundamental Analysis Report

07 May '2021

EUR/USD: Fundamental Analysis Report 07 May 2021

EUR shows ambiguous trading dynamics against USD during today's Asian session, consolidating after a rather strong growth the day before, which allowed EUR to regain some of its losses in the middle of the week.

Strong support for the instrument on Thursday was provided by strong macroeconomic statistics from Europe, while market participants positively assess the prospects for further lifting of quarantine restrictions in the region. The volume of retail sales in the eurozone in March increased by 2.7% MoM after rising by 4.2% MoM in February against the expected +1.5% MoM. On an annualized basis, sales volumes rose by 12% YoY after declining 1.5% YoY in February. Forecasts suggested an increase of 9.6% YoY.

Today, investors are focused on data from Germany on the volume of imports and exports, as well as the growth rate of industrial production in March.

Support and Resistance

In the D1 chart, Bollinger Bands are reversing horizontally. The price range is almost unchanged, but it remains rather spacious for the current level of activity in the market. MACD indicator reverses to growth while trying to form a new buy signal (the histogram is about to consolidate above the signal line). Stochastic is showing similar dynamics being located in the middle of its area.

-) Resistance levels: 1.2087, 1.2115, 1.2148, 1.2200.
-) Support levels: 1.2037, 1.2000, 1.1945, 1.1900.

Trading Tips

To open long positions, one can rely on the breakout of 1.2087. Take-profit – 1.2200. Stop-loss – 1.2037. Implementation time: 2-3 days.

A rebound from 1.2087 as from resistance followed by a breakdown of 1.2037 may become a signal for new sales with the target at 1.1945. Stop-loss – 1.2087.

Scenario

Timeframe: Intraday

Recommendation: Buy Stop

Entry Point: 1.2090

Take Profit: 1.2200

STOP LOSS: 1.2037

Key Levels: 1.1900, 1.1945, 1.2000, 1.2037, 1.2087, 1.2115, 1.2148, 1.2200

Alternative Scenario

Timeframe: Intraday

Recommendation: Sell Stop

Entry Point: 1.2035

Take Profit: 1.1945

Stop Loss: 1.2087

Key Levels: 1.1900, 1.1945, 1.2000, 1.2037, 1.2087, 1.2115, 1.2148, 1.2200



Thank You!

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