



FX DAILY

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- **Praet (ECB): Economic risks less pronounced, but still predominate.**
- **Nowotny (ECB): Benchmark rates could also be raised before the QE programme ends. Sequence remains open.**

FX	Supports	Resistances	Comments
EUR-USD	1.0658 – 1.0620 – 1.0600	1.0740 – 1.0770 – 1.0829	Technicals supporting
EUR-JPY	120.00 – 118.70 – 117.50	123.10 – 123.40 – 124.10	Technicals supporting
EUR-GBP	0.8403 – 0.8333 – 0.8300	0.8818 – 0.8855 – 0.8938	Technicals supporting
EUR-CHF	1.0623 – 1.0610 – 1.0580	1.0798 – 1.0850 – 1.0895	Technicals supporting

US data publications dominate the calendar again at the end of the week. Industrial production will be the focus of attention initially. The outlook is mixed. While sentiment indicators for the manufacturing sector (such as the purchasing managers' index) rose sharply in February, the index of hours worked increased only slightly according to the labour market report. Like January, February was also unusually warm based on heating degree day values. This should lead to a significant fall in utility output, which accounts for some 11% of total industrial production. On balance, only a modest month-on-month rise seems possible despite very solid business sentiment and should be supported by activity in the manufacturing sector. The weak start to the quarter (-0.3% m/m) is unlikely to be offset as a result. Accordingly, there is no reason for interest rate speculation in the US to be fuelled. The indications for the Michigan sentiment index (preliminary data for this month) are also mixed. The weekly Bloomberg survey has shown another significant improvement, while IPSOS consumer confidence and the TIPP index have declined at a high level. As a result, an increase in Michigan sentiment is not guaranteed after the moderate decline a month earlier. However, the Conference Board index of leading indicators has shown a favourable trend on balance. All in all, there is no reason to doubt the growth scenario and the prospect of continued gradual tightening in monetary policy by the Fed should not be undermined for the time being.

EUR-USD: The euro climbed to a high of 1.0774. MACD, DMI and stochastic are signalling buy. However, the technical picture is constructive, not only on a daily basis, but also in the weekly chart. Admittedly, the ADX is at a low level in both cases, indicating the fragile nature of the latest positive development. Overall, however, the advantages support the euro. Fundamentally, one should also mention that the Fed will presumably not decide to hike rates more times than have already largely been discounted. The fed funds futures is already pricing in two further increases this year with a high degree of probability. From that perspective, the dollar should receive no new support at the present time. The next key resistance levels can be found at 1.0829 and 1.0872.

Trading range: 1.0680 – 1.0870. ■

Time	Country	Period	Indicator/event	Consensus	Prior	Impact
11:00	EZ	Jan	Trade balance	EUR 22.0bn	24bn	low
14:15	US	Feb	Industrial production	+0.2% m/m	-0.3%	medium
			Capacity utilisation	75.5%	75.3%	
15:00	US	March	Michigan sentiment	97.0	96.3	high
15:00	US	Feb	Index of leading indicators	+0.5% m/m	+0.6%	medium

Sources: Bloomberg, Helaba Volkswirtschaft/Research

	Aktuell	Vortag
EUR-USD	1,0769	1,0715
EUR-JPY	122,12	121,43
USD-JPY	113,41	113,32
EUR-GBP	0,8718	0,8674
GBP-USD	1,2351	1,2352
EUR-CHF	1,0735	1,0687
	ggü. VT	
DAX	12083,13	73,31
Bund-Future	159,72	-0,37
Gold	1226,85	0,12
ÖI US-LCF	48,86	0,11

Source: Bloomberg