ANATOLIA CAPITAL

Macro Strategy
CME/Over the Counter – Currency Pairs - EURUSD

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Forecast

Day	Up
Week	Up
Month	Flat
1 Year +	Up

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US Employment Data Align with Fed Policy

- The significant rise in non-farm payrolls announced from the US today did not trigger a rise in 2 and 10-year interest rates. This may be due to the fact that other employment data did not point to an acceleration in the US economy.
- Looking at other components of employment data, unemployment rose from 4.1% to 4.2%, while the employment participation rate fell from 62.7% to 62.5% (Chart 2, purple and green lines, respectively).
- On the other hand, the rise in underemployment from 7.7 percent to 7.8 percent suggests that the employment data as a whole are not that strong (Chart 2, orange line).
- In light of these data, the decline of the dollar is not only a normal thing but also in line with the Fed policy and the recent rise in stock market indices. Thus, the current process can be predicted as dollar negative - for now. It's "for now" because risk indicators such as Deutsche Bank Currency Volatility Index is on the rise.

Conclusion: Assuming that the decline in the dollar may not be sustained, the rises in the EURUSD parity can be considered as a short-term short-selling opportunity.

Chart #1

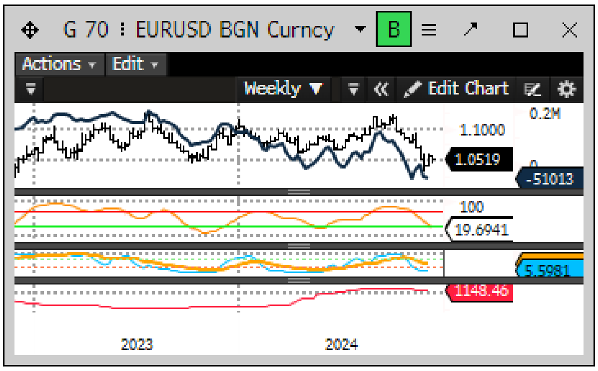

Chart #2