

25 April 2018

## THE BIG PICTURE

### US Dollar strengthens as 10 year treasury yield surpasses 3%

- The greenback strengthened against a number of major currencies, as the US 10 year bond yield broke the psychological 3% level. The level is considered as one of the highest since 2014 and boosted demand for the US Dollar. Analysts suggest that expectations for the US economy are now stronger thanks to the recent tax cuts and a possible increased fiscal spending. Should the 10 year treasury yield continue to rise we could see the US Dollar strengthening further and vice versa.
- EUR/USD rose yesterday during the American session breaking the 1.2220 (S1) resistance level (now turned to support), however corrected lower later testing it again. We see the case for the pair to continue to drop today as fundamentals seem to favor the greenback. Should the bears take the driver's seat we could see the pair breaking the 1.2220 (S1) support line and aim if not reaching the 1.2175 (S2) support barrier. On the other hand, should the bulls take the reins, we could see the pair breaking the 1.2260 (R1) resistance line.

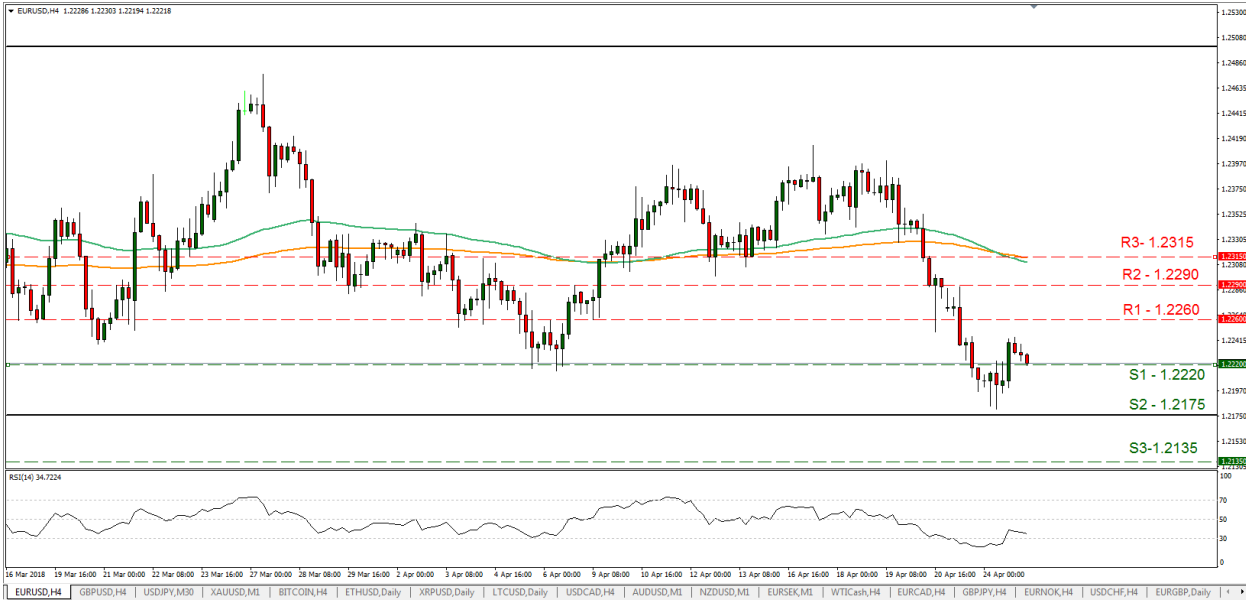
### Cryptocurrencies on the rise

- Cryptocurrencies are on the rise for the past week, with bitcoin breaching clearly the 9000 psychological threshold yesterday. Bitcoin seems to be the pacesetter, while Cryptos like Ethereum, Ripple and Litecoin seem to follow the same direction with similar patterns. Headlines like Sweden's Riksbank considering to issue an e-Krona, seem to be perceived by traders as an indication of crypto's going mainstream, reawakening interest in the crypto-market. Further headlines, like crypto currency projects being backed by big investors and Goldman Sacks hiring former Crypto trader to lead digital assets, could be feeding the crypto market to growth. Should there be further positive headlines we could see the cryptos strengthening further.
- Yesterday Bitcoin clearly broke the 8895 (S1) resistance level (now turned to support). We see the case for the cryptocurrency to continue to rise in the short-term. For our opinion to change, we would require Bitcoin to break the upward trend-line incepted since the 12<sup>th</sup> of April and tested on the 20<sup>th</sup> of April. Should the crypto-currency continue to find fresh buying orders we could see it reaching if not breaching the 9775 (R1) resistance line. Should it come under selling interest we could see it breaking the 8895 (S1) support level and aiming for the 7425 (S2) support barrier.

### In today's other economic highlights:

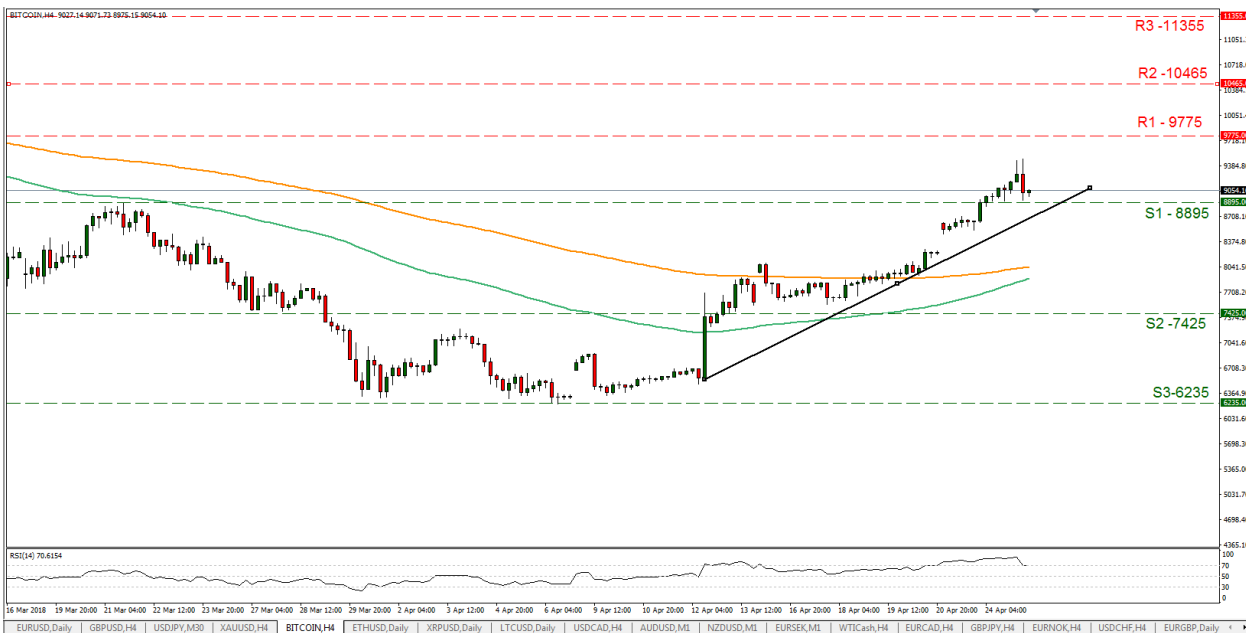
- During today's European session we get France's Consumer Confidence for April while in the American session we get the US Crude Oil inventories which could support oil prices. As for speakers please be advised that BoC Governor Poloz speaks at the senate's Banking, Trade and Commerce Committee for finance.

**EUR/USD**



- Support: 1.2220 (S1), 1.2175 (S2), 1.2135 (S3)
- Resistance: 1.2260 (R1), 1.2290 (R2), 1.2315 (R3)

**BTC**



- Support: 8895(S1), 7425(S2), 6235(S3)
- Resistance: 9775(R1), 10465(R2), 11355(R3)

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