

“Euro climbs on dovish FED” *(EUR/USD rises as US economy pauses)*



---Releases support further rise of EUR/USD ---

We're back close to 1.5800; however the market is hesitating about the possibility of seeing 1.60 again. Well this week will surely give us an idea if this is possible, with releases looking positive for Euro Zone (specially Germany) and not so good for the US (specially with consumers) EUR/USD seems to have the opportunity to climb on our charts and test historical heights.. However don't forget there's been a very important change since we last saw 1.60; the US is no longer cutting rates. This could be strong enough support to maintain the pair from reaching higher.

Fundamentals are packed this week. Euro Zone will get boosted by the printing of numbers for Germany almost every day of the week. The US has fewer releases but towards the end of the week we will get an eye at what consumers are doing and this could trigger further appreciation of the Euro. Monday will be pretty quiet due to Memorial Day long weekend; however Tuesday will begin with German GDP and US Consumer Confidence and New Home Sales. We expect these readings to get the movement started on the Euro bulls side. Wednesday we get German CPI, this release will be very important because if Germany continues to have inflationary concerns and its growth continues they will continue to argue that a rate hike is needed and possible. Later on Wednesday we get Euro Zone Current Account and US Durable Goods. Thursday will show us US GDP and an appearance by FED Chairman Ben Bernanke, both of these releases are important on the recession outlook, we will get an insight of where the economy is going. Friday will be the most important day for US Releases as we get personal consumption and personal spending, on this consumer induced recession the best way to get out of trouble is by boosting spending and consumption so these numbers will show us if the trend is going on the greenbacks side or if it will continue to hit the economy as we enter the 6th month of the year.

EUR/USD continues to trade in our channel, lets focus on sideways trading to get profits. Be careful as a break to the north of our graphs is not out of the picture; however remember we're close to the roof so we need to have a plan before we jump into the action.

Have a nice week and please remember to focus and be patient.

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These are our Daily Predictions. For any question or suggestion don't
doubt and contact me at info@nexumcapital.com

| Important Releases | Day/Session | Europe | US | Asia |
|--|-------------|--------|--------|--------|
| GER GDP, US Consume Conf, New Home Sales | Monday | STABLE | STABLE | STABLE |
| EZ Current Account, US Durable Goods | Tuesday | UP | UP | STABLE |
| US GDP, Bernanke | Wednesday | UP | UP | STABLE |
| US Personal Spending | Thursday | UP | DOWN | STABLE |
| Personal Consumption | Friday | UP | UP | CLOSED |

HIGH: 1.6000

LOW: 1.5720

CLOSE: 1.5810

EUR/USD

EUR/USD remains on sideways trend, this gives us the opportunity to trade on a close range. However this week has the potential to break our channel and push the pair higher. Releases supporting the Euro and hitting the Greenback could remind us of the possibility of the pair breaking above 1.60. Let's focus on releases and get profits along the way.

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DAILY GRAPH



EUR/USD continues to trade within the channel. Lets wait and see where releases take us this week.

Our analysis indicates Long EUR/USD every time it reaches 1.5710

- *Take Profit 1: 1.5800*
- *Take Profit 2: 1.5890*

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