

# FX MID-DAY REPORT



Yesterday, Christine Lagarde threw away a good opportunity to stall further rises in the EUR.

Investors would therefore test the pain threshold of the ECB above 1.2000 probably by next week

However, there are other factors in play for EUR and other risky assets to rise.

The dollar has been extremely sensitive to equity markets of late and the correlation will go on for a while.

It's our opinion that the recent sell off in equity markets derives from a correction in bullish positioning and there is still room for risky assets to go higher.

However today is Friday and investors will consider taking off some risks from their portfolio.

We are therefore of the view of a dollar bullish sentiment this afternoon.

We favour the dxy at 93.65 - 94.00

On the options board there are EUR 1.1850 1.1 billion and @.1800 - 1.1805

Trade responsibly

*Risk Warning*

*Investors should consider this report as a single factor in making investment decisions*

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11 SEPTEMBER 2020*