

The Coronavirus - what is happening in the Foreign Exchange markets?



01 | Introduction

Ebury at a glance

Ebury is one of Europe's fastest-growing fintech companies, providing FX liquidity, volatility risk management, international payments and trade finance to SME's.



Working with
45,000+
businesses &
organisations



**20 Countries, 24
Offices** and over 900
staff.



Traded \$23bn in
foreign exchange in
the last 12 months



**Over 30,000
transactions per month.**
Capability
in over **130 currencies.**



Backed by well-known
and respected
technology investors

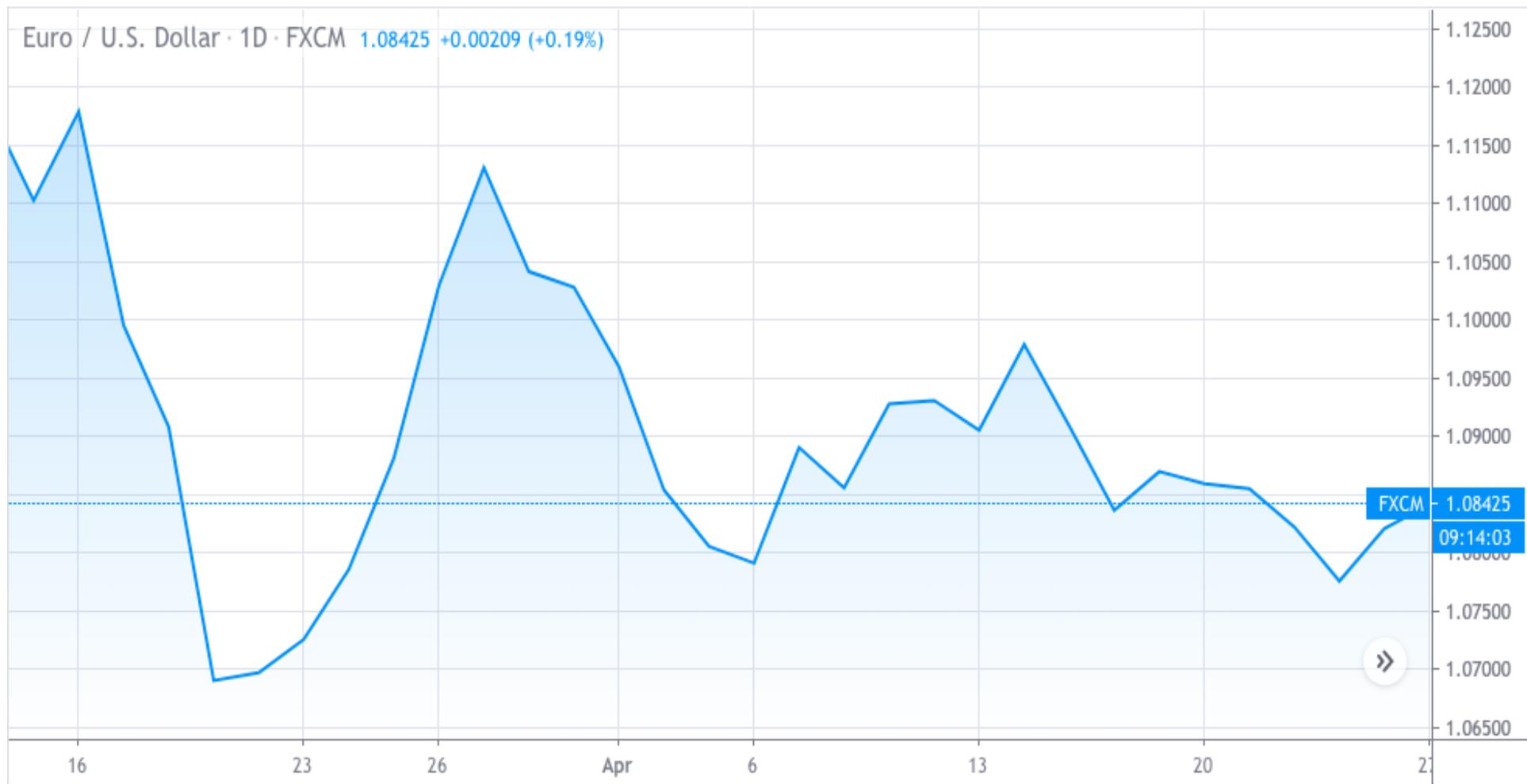


Direct "SUPE"
SWIFT member
and the first non-
bank to use SWIFT
gpi.



02 | EUR/USD

Euro / U.S. Dollar · 1D · FXCM 1.08425 +0.00209 (+0.19%)



How has Covid-19 affected EUR/USD?

Turbulence

Focus on the Fundamentals

Implied volatility EUR/USD over 7%

EUR/USD - Absolute low 1.0687. Absolute high 1.1134 (4%). Fell back down to 1.0790 (3%). Saw another 1.75% rise.

What has been the banks initial response?

Focus for investors firmly on fundamentals.

01

Unemployment Numbers

Increasing above expectation week on week in the US. 26 million have lost their jobs already (16% of labour force). This is a key driver of how well the economy is fearing.

02

Interest Rates

US - 0 - 0.25%
Eurozone - 0%
Further cuts?

03

PMI

US PMI fell to 36.9 in April of 2020 from 48.5 in March, below market expectations of 38. The reading pointed to the sharpest contraction in factory activity in 11 years.

Eurozone PMI fell to 33.6 in April of 2020 from 44.5 in March and below market expectations of 39.2.

05 | What is to come?

What to consider

Overview

What to keep an eye on.

Central banks remain sidelined for now. They have all played their trump card. Policymakers are now in a wait-and-see mode to see whether their actions will be enough.

Those hoping for a soon-to-come solution to this chaos may be disappointed. It won't be just a "couple" of tough weeks as US President Trump said. It will take much longer for the economies to get back in motion.

Is it all doom and gloom for SME's? (government loans, reduced competition, increased market share, larger recruiting pool, chance to adapt).

USD showing itself to be the 'real' safe haven currency

Trump wants low interest rates

FED balance sheet at highest level (6.5 Trillion)

Legard's fiscal policy likely to keep Europe afloat

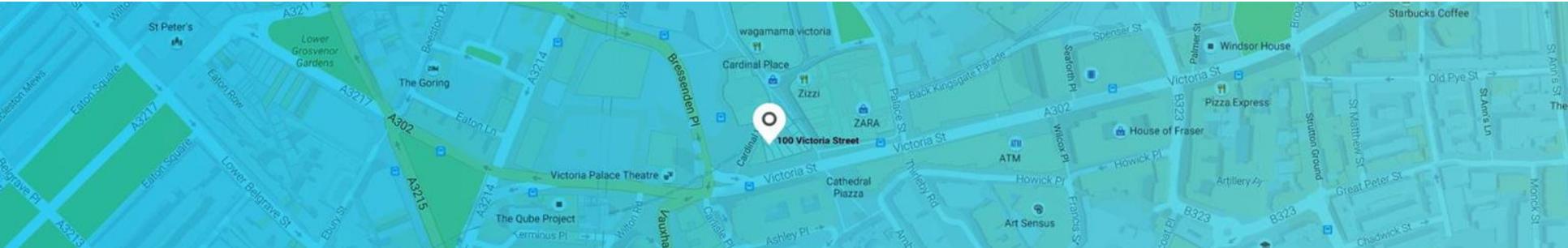
North South divide

Who are the banks backing in 9-12 months?

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