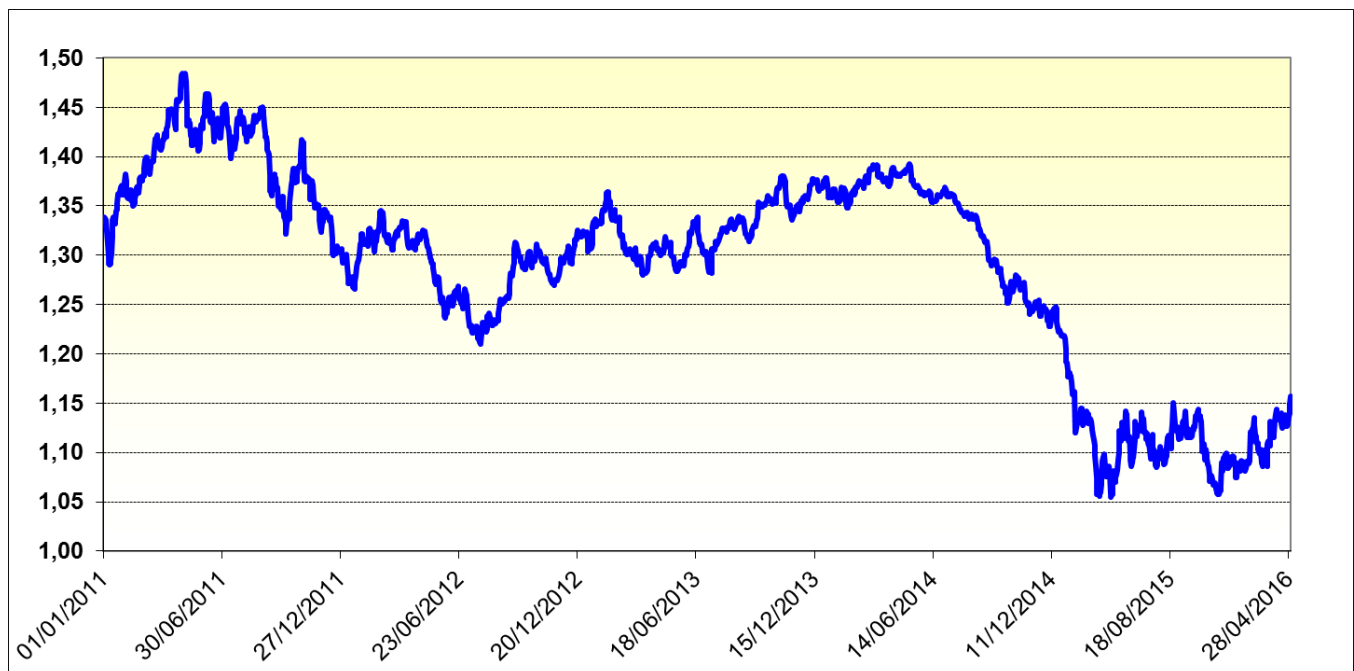




EURO-DOLLAR EXCHANGE RATE

The **USD/EUR exchange rate** has followed in the last two months a bullish trend that brought it back to the 1.15 dollars per euro, maximum value from August 2015. It is an appreciation of 6% against the dollar since the start of the year, despite the average recorded by the rate in the first part of 2016 is in line with the average values of last year.

Exchange rate USD/EUR 2011-2016



Source: Oanda – Banca d'Italia

A similar trend appears mainly related to an inherent weakness of the US currency, also versus other currencies, due to disappointing macroeconomic data (GDP and ISM index on the state of health of manufacturing industry below the expectations) and the FED's wait-and-see attitude about possible restrictive maneuvers.

The ECB's monetary policy is still expansionary in the long term, with low interest rates to tackle the economic stagnation and meet inflation targets. Together with the Eurozone economic conditions, also some political factors will be relevant, such as the referendum on Brexit and elections in some states, which in the coming months will affect the currency markets.

In this context, the main financial institutions **predict** that the USD/EUR remains in the coming months in the range of 1.05/1.17, with an average of 1.11 and 1.10 respectively in 1 month and 3 months.