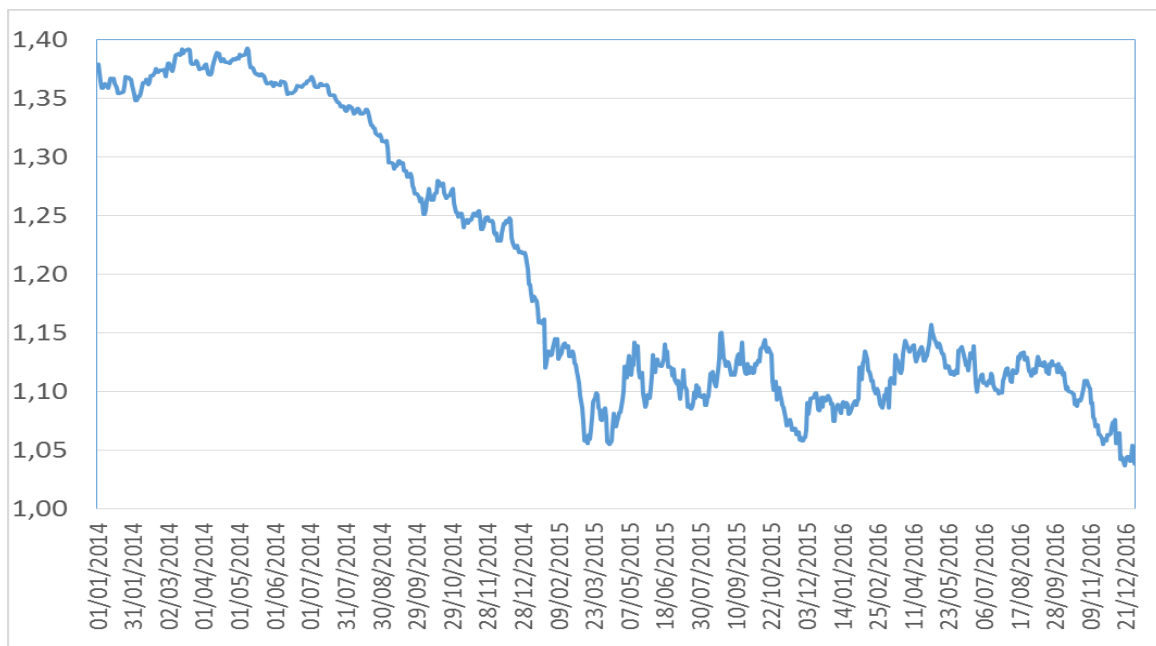


### TRENDS AND FORECASTS MAIN INTERNATIONAL CURRENCIES

After the continuous drops in recent months, the **exchange rate of the euro against the US dollar** has approached in these early days of 2017 at historic lows of 2002, before returning to 1.04 per euro.

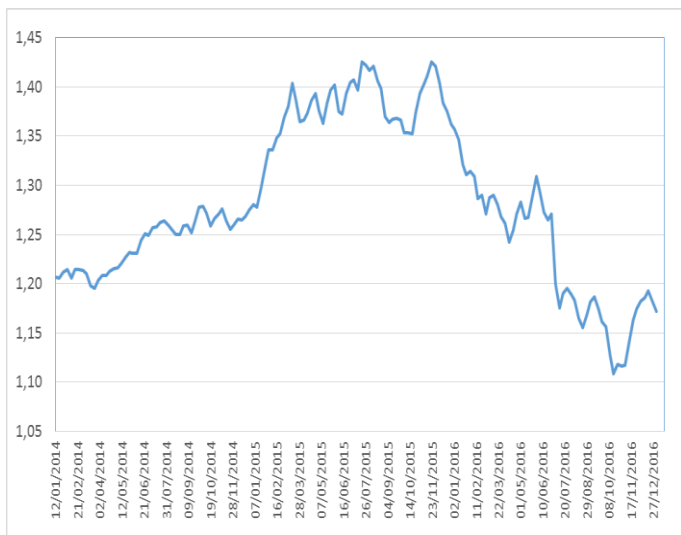
The ECB and the extension of its expansive policy will continue to influence the comparison with the dollar, the strengthening of which is supported by positive macroeconomic data and by the perspective of three increases in US interest rates later this year. In this scenario, parity between euro and dollar seems an achievable horizon, and considered by many analysts as certain, by the end of 2017, although the average of expectations in three and twelve months is similar to the current values.

**USD/EUR exchange rate January 2014 – January 2017**



In the uncertain context determined by the negotiations for Brexit, the **British pound** has suffered a **sharp depreciation**: he reached the minimum **against the US dollar** (1.22 pounds per dollar) **and** decreased by 14%, compared to the beginning 2016, **against the euro** (1.17 pounds per euro), despite the sluggish phase that it is going through. The outlook of analysts for the current year sees a weakness of the British currency directly proportional to the hardness of the Brexit conditions, still undefined. We may witness a further depreciation against the greenback, while the comparison with the euro will be characterized by higher volatility, related to macroeconomic difficulties of the old continent.

**EUR/GBP exchange rate 2014-2017**

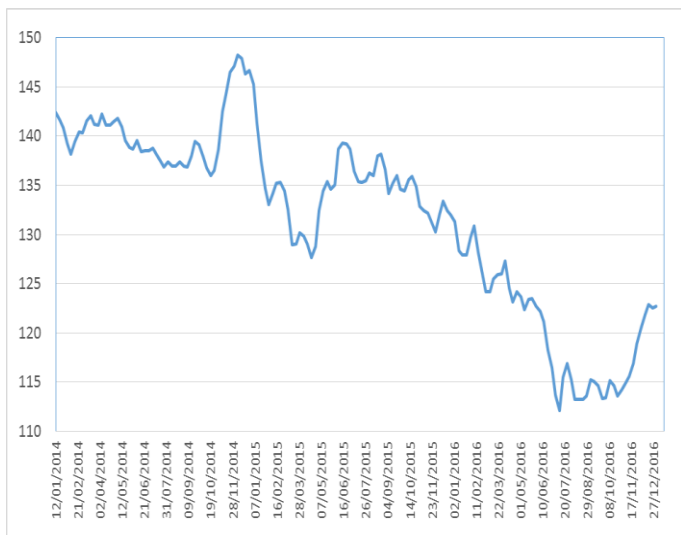


**USD/GBP exchange rate 2014-2017**

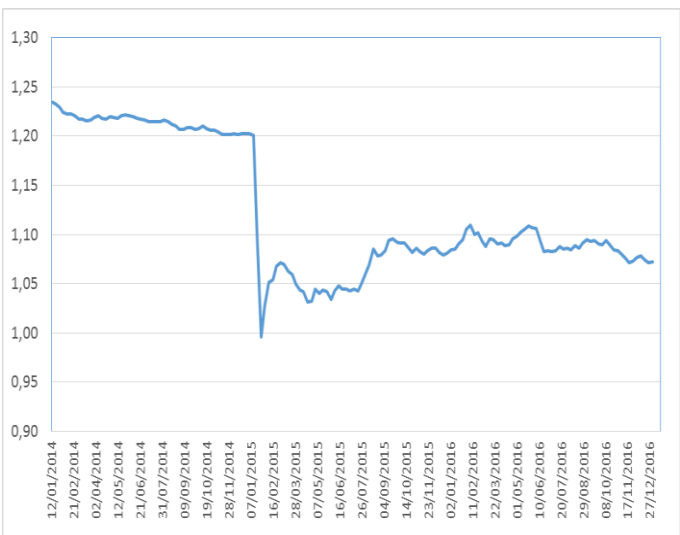


In this scenario, the **yen**, stronger by 7% against the euro since the beginning of 2016 (currently at 123 yen to the euro), and the **Swiss franc** (exchange rate of 1.07 francs per euro) have consolidated their role as safe havens, enough to alert their national monetary authorities to control any excessive appreciation. For 2017, the expectations of the main financial institutions show a substantial stability of the yen and a slight recovery of the euro on the Swiss franc, the latter still significantly overvalued compared with the values prior to the 2015 start of free fluctuations against the European currency.

**YEN/EUR exchange rate 2014-2017**



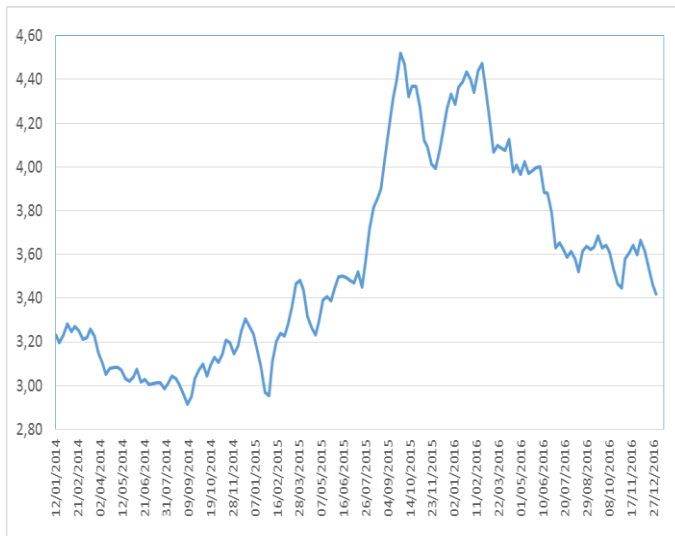
**CHF/EUR exchange rate 2014-2017**



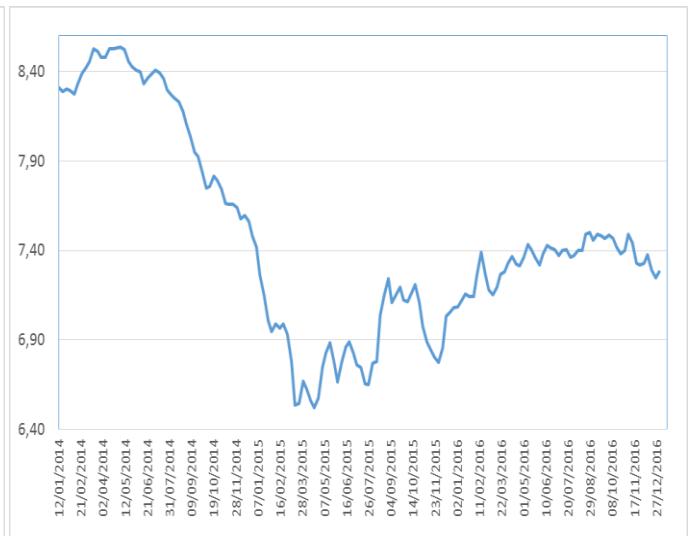
The exchange rate of the **real** against the Euro (EUR 3.38) continues to reflect the internal problems of the Brazilian economy: after the strong depreciation of 2015 up to values of 4.5 real for euro, 2016 saw a partial recovery, but mainly due to the weakness of the EU currency.

The **yuan**, which is continuing its liberalization, last year suffered a marginal devaluation against the Eurozone currency (2% since the beginning of 2016), reaching a 7.3 yuan per euro, and depreciated by 6% against the US dollar (exchange rate of 6.9 yuan per dollar), with forecast of a similar trend this year.

### REAL/EUR exchange rate 2014-2017



### YUAN/EUR exchange rate 2014-2017



Source: UNIC – Italian Tanners’ Association elaboration on Bank of Italy, Oanda, Fx Week data