



USD

05/01/2015



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Market Research





Dominant Events of the Period

Yellow Area

December 29

09:00 - 11:00

- Greek Presidential Elections

Turquoise Area

December 30

07:30 - 16:00

- US Consumer Confidence

Blue Area

December 31

13:30 - 16:00

- US Jobless Claims, Chicago PMI, Pending Home Sales

Purple Area

January 2

08:00 - 15:00

- German, Euro Zone Markit Manufacturing PMI
- UK Markit Manufacturing PMI, Mortgage Approvals
- RBC Manufacturing PMI
- US Markit, ISM Manufacturing PMI

USD Currency Index Range

0.23%

0.59%

0.25%

0.54%

Max USD Volatility Index

1.01

1.44

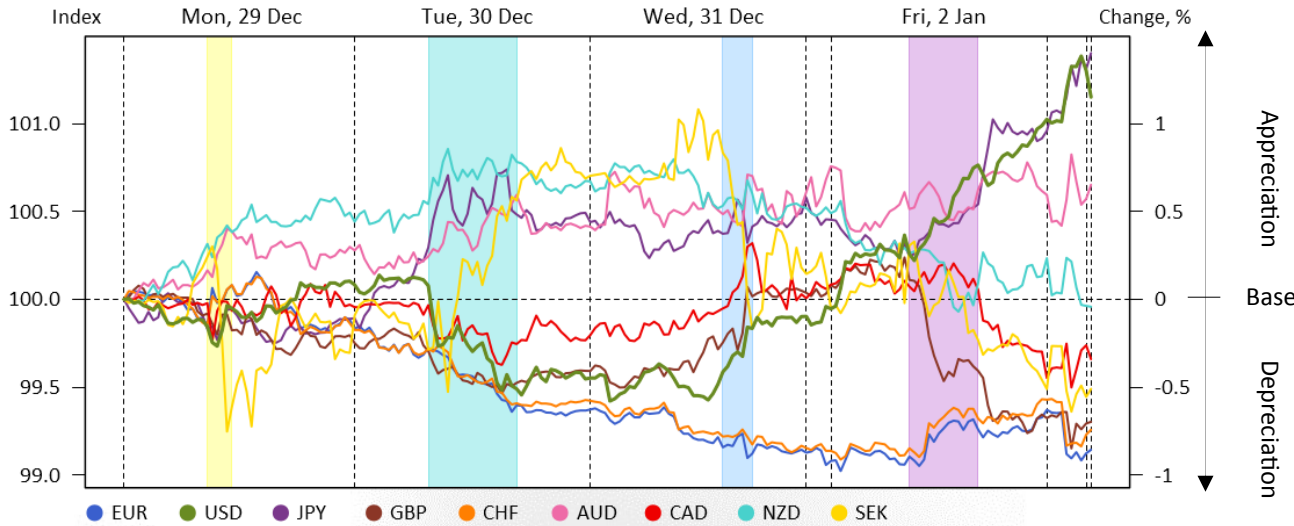
1.37

0.93



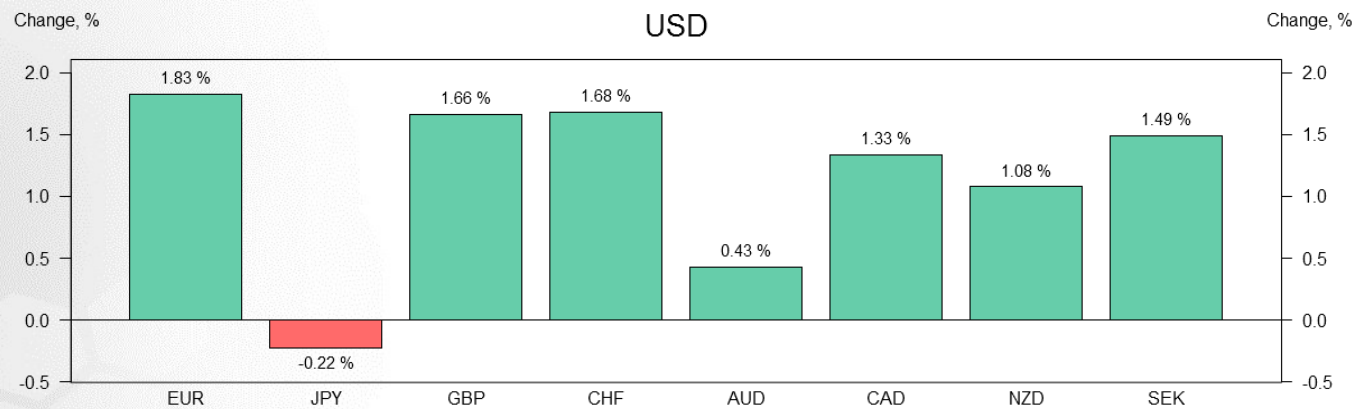
Relative Currency Strength

Currency Indexes



After the sluggish end of 2014, the dollar skyrocketed into the new year, with its index posting the second best weekly growth and extending its long-term gains further above 10%. The yen was the only currency to join the Greenback in its Friday rush, and the JPY Index finished the period as the best performer with its first positive weekly change since the end of November. The Euro's gauge, in turn, stood at the head of the losing indexes, giving up on whatever strength it struggled to gain during the Christmas week. The Swedish krona remained the most volatile currency, with the numerous jumps and falls ultimately putting its index below the baseline for the fourth consecutive week.

The USD Index seemed to be little affected by the scarce fundamentals of the past period. In the last days of the year, it lost less than one tenth of a point on weaker-than-forecasted consumer confidence data, a movement barely noticeable amid the jagged dive in the turquoise area, and completely shrugged off the unexpected jump of jobless claims released on Wednesday. Slowing growth of manufacturing, reported on the first trading day of 2015, ate away a little over 0.1 points and was hardly an obstacle to the dollar's rapid upsurge. Meanwhile, its peers proved to be more sensitive, as the GBP Index cut its advances and turned back into depreciation after declines were announced in factory activity and mortgages, while the Loonie suffered from its own manufacturing PMI numbers and falling oil prices.



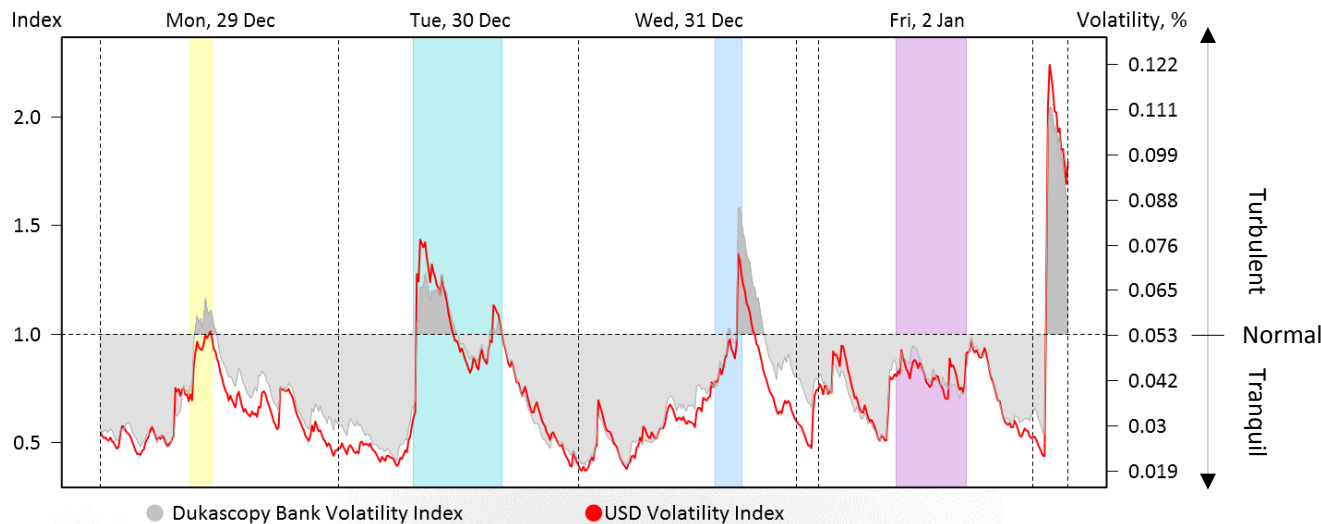
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.86%	1.15%	1.4%	-0.7%	-0.74%	0.65%	-0.34%	-0.04%	-0.51%
20	-0.98%	2.74%	2.84%	0.16%	-0.84%	-1.13%	-1.15%	1.7%	-3.74%
130	-1.3%	13.43%	-4.96%	0.38%	0.05%	-3.17%	1.56%	-1.62%	-4.14%
250	-2.91%	11.45%	-3.89%	3.64%	-0.29%	-0.12%	-0.13%	2.99%	-10.71%



Volatility

Volatility



Volatility picked up somewhat from the previous period, prompted by the last days of 2014 and the first weekend of 2015. The dollar was one of the least turbulent currencies, with its portion of elevated volatility and average composite value below the market readings. The only major that proved to be more tranquil than the Greenback was the Kiwi, whose volatility index exceeded the norm in 8% of the time and posted an average of 0.65 points. Subsequently, NZD/USD was the most stable dollar's pair, followed closely by USD/JPY and AUD/USD. The most turbulent ones were USD/SEK, GBP/USD, and EUR/USD.

The releases of the past week were better marked by the volatility measure, which put a clearer accent on the collective disturbances in the Greenback's pairs. Although not illustrated by noteworthy turbulence levels, the events were distinguishable by the few moments when the USD Volatility Index stood above that of the market. Thus, consumer confidence data caused a 0.1 points difference, while jobless claims managed a more moderate 0.02 points gap.

The dollar's measure, along with the market's gauge and most of the USD components, reached its maxima over the weekend, with USD/JPY, AUD/USD, and USD/SEK being the only pairs to jump to their highest peaks on other occasions. Nevertheless, none of those were associated with any reasonable economic releases.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
13	9	23	7	20	17	8	17	5	33

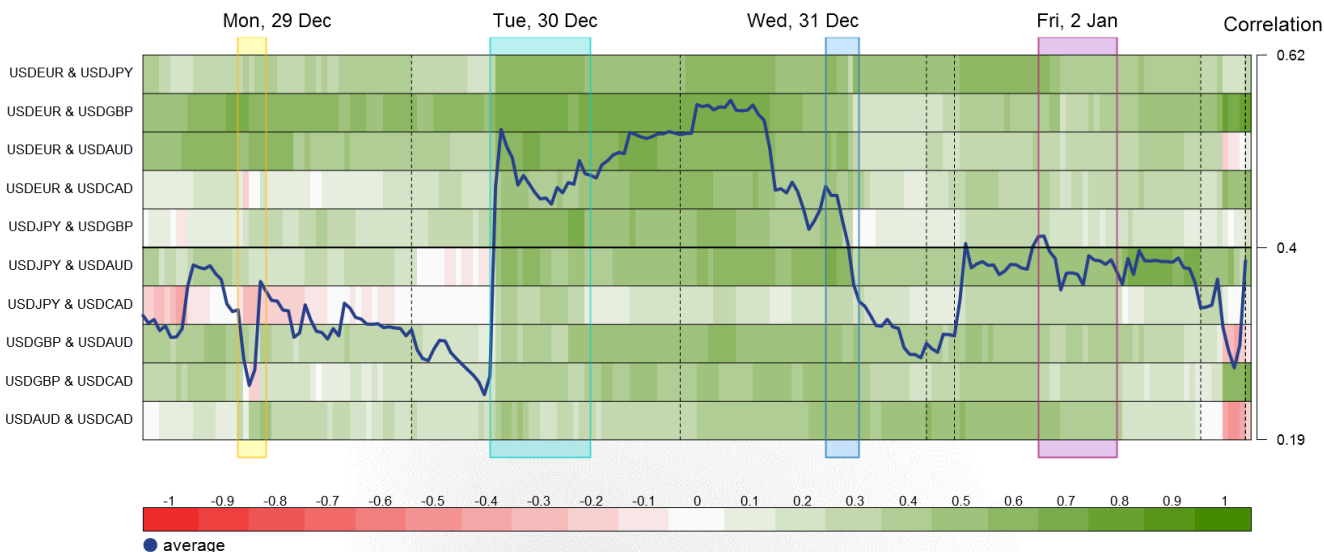
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.05	2.24	3.83	1.94	5.95	4.14	1.82	2.06	1.84	2.7
Min	0.39	0.37	0.27	0.2	0.33	0.25	0.28	0.24	0.26	0.2
Average	0.76	0.72	0.81	0.54	0.86	0.76	0.67	0.75	0.58	0.88



Currency Significance

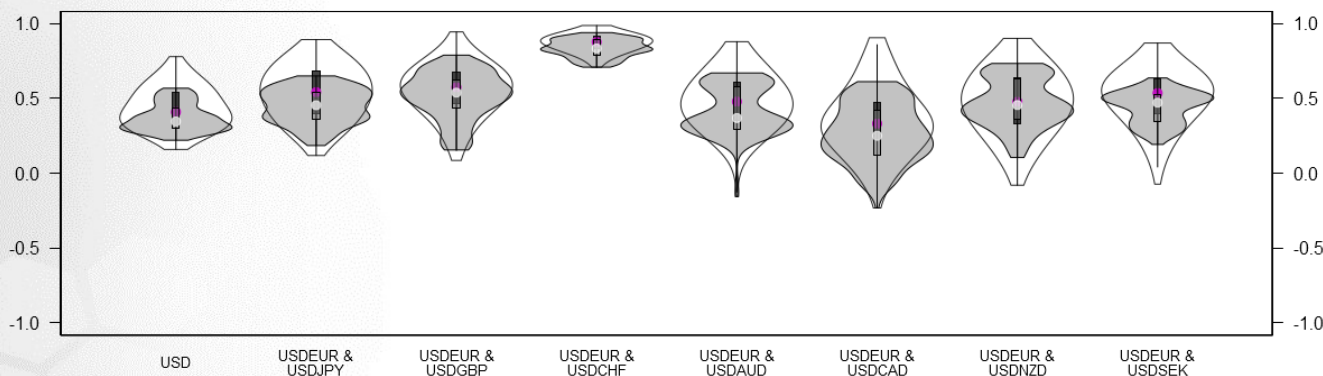
Correlations



The USD significance measure continued the pattern of the previous periods, as it mostly held on a very moderate level and showed one interval of stronger readings. On the overall, the values did edge up, with the week's average correlations higher for the composite and most components, and component distributions a little closer to the middles of the long-term violins. However, this did not change the composite's standings among peer gauges, keeping the dollar among the least market-moving currencies. Notably, the Swedish krona, along with being the most volatile currency, remained the one with the greatest significance measure.

The USD composite went through its greatest surge on Tuesday, when the Greenback started on its brief decline. The composite jumped from 0.24 to 0.54 points and remained around this level while the dollar held steady in its lowered position, but as the recovery kicked off, the significance measure eased back to its starting values. The sure uptrend of the period's last day led the composite up to the 0.40 points mark, and the measure was left bouncing between that and the 0.37 points line. Thus the dollar ended the period with a significance level that was firm in general, but low compared to its counterparts.

Correlations (5 vs 20 days)

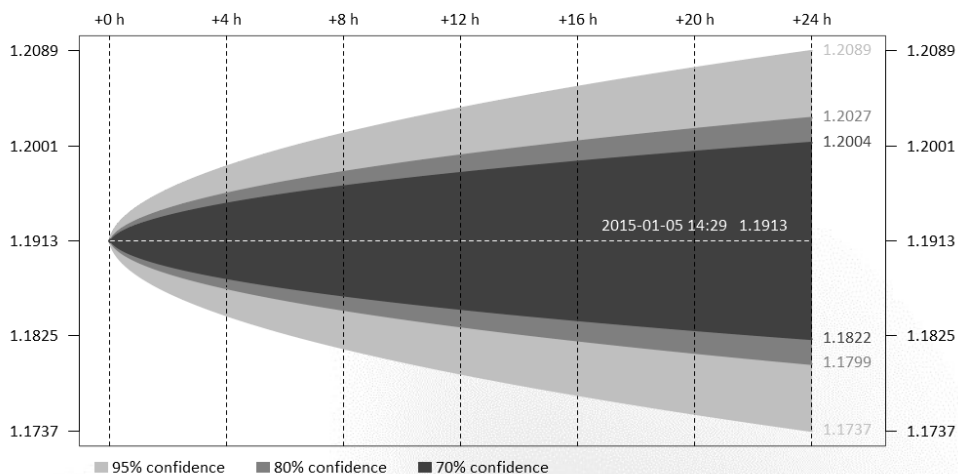


Mean Correlation Coefficient (with USDEUR)

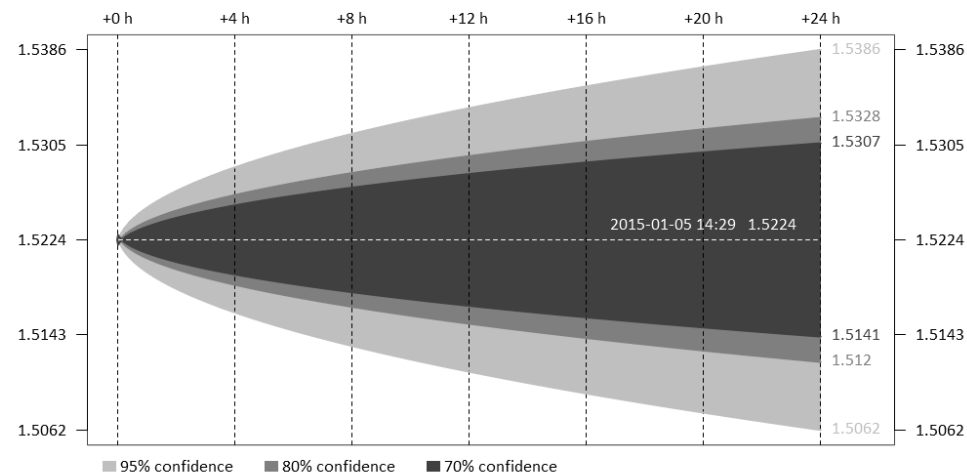
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.37	0.45	0.51	0.83	0.41	0.26	0.47	0.44
20	0.44	0.53	0.55	0.87	0.48	0.35	0.47	0.51
130	0.47	0.45	0.5	0.88	0.47	0.37	0.5	0.6
250	0.38	0.32	0.47	0.87	0.36	0.27	0.4	0.6

Confidence Intervals for Next 24 Hours

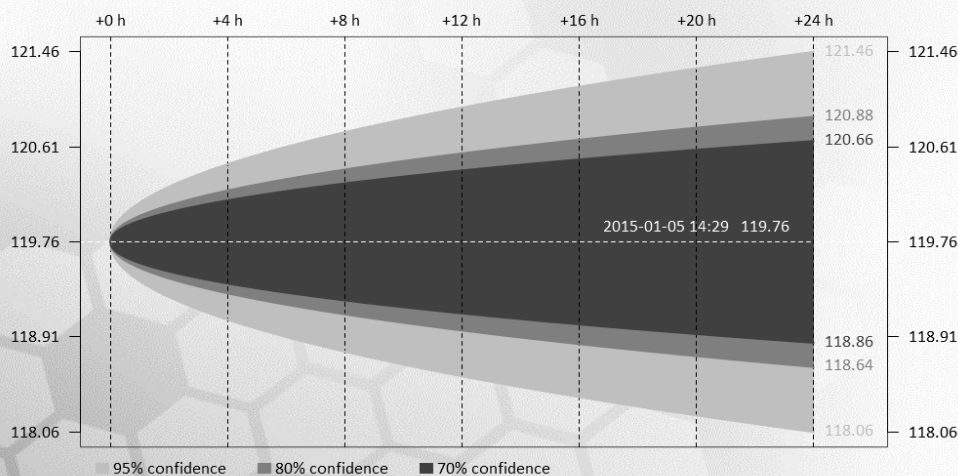
EURUSD Potential Rates



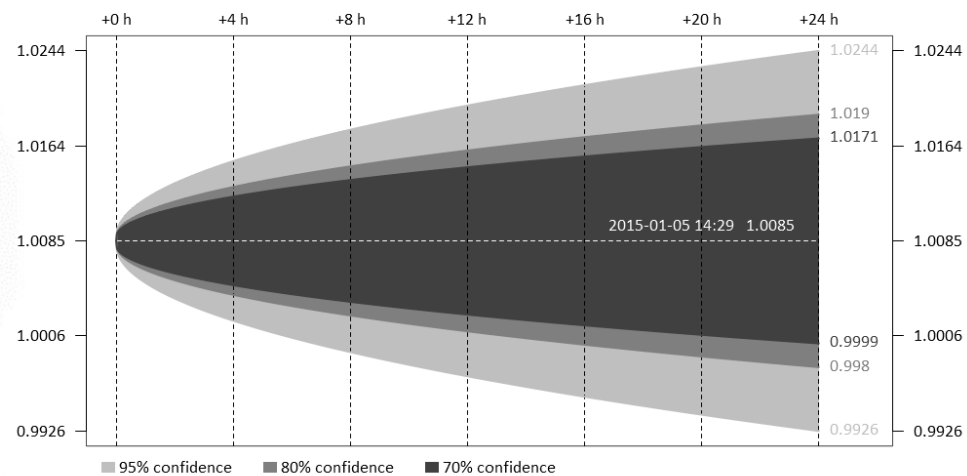
GBPUSD Potential Rates



USDJPY Potential Rates



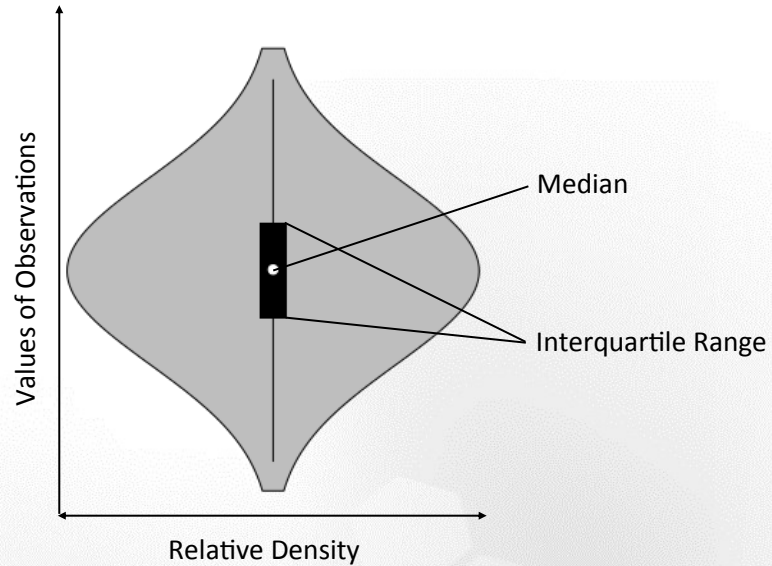
USDCHF Potential Rates



EXPLANATIONS

Violin Plot

Violin Plot is a combination of a Box Plot and rotated Kernel Density Plot



Methodologies

Volatility Index

Confidence Interval



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