



USD

09/02/2015



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Market Research





Dominant Events of the Period

Yellow Area

February 2

08:00 - 16:30

- German, Euro Zone Markit Manufacturing PMI
- UK Markit Manufacturing PMI
- US Personal Income, Personal Spending, Markit, ISM Manufacturing PMI
- Canadian RBC Manufacturing PMI

Turquoise Area

February 3

03:00 - 19:00

- RBA Interest Rate Decision
- Swiss Trade Balance
- UK PMI Construction
- US Factory Orders

Blue Area

February 4

08:30 - 16:30

- Euro Zone Markit Services PMI, Retail Sales
- Greek Debt Meetings
- UK Markit Services PMI
- US Markit Services PMI, ISM Non-Manufacturing PMI, ADP Employment Change

Purple Area

February 5

13:00 - 18:30

- Australian Retail Sales
- Euro Zone Economic Growth Forecasts
- BoE Interest Rate Decision
- US Jobless Claims, Trade Balance

Orange Area

February 6

12:00 - 17:00

- Canadian Net Change in Employment, Unemployment Rate
- US Nonfarm Payrolls, Average Hourly Earnings, Unemployment Rate

USD Currency Index Range

0.47%

1.55%

0.44%

0.4%

1.03%

Max USD Volatility Index

1.22

1.92

1.32

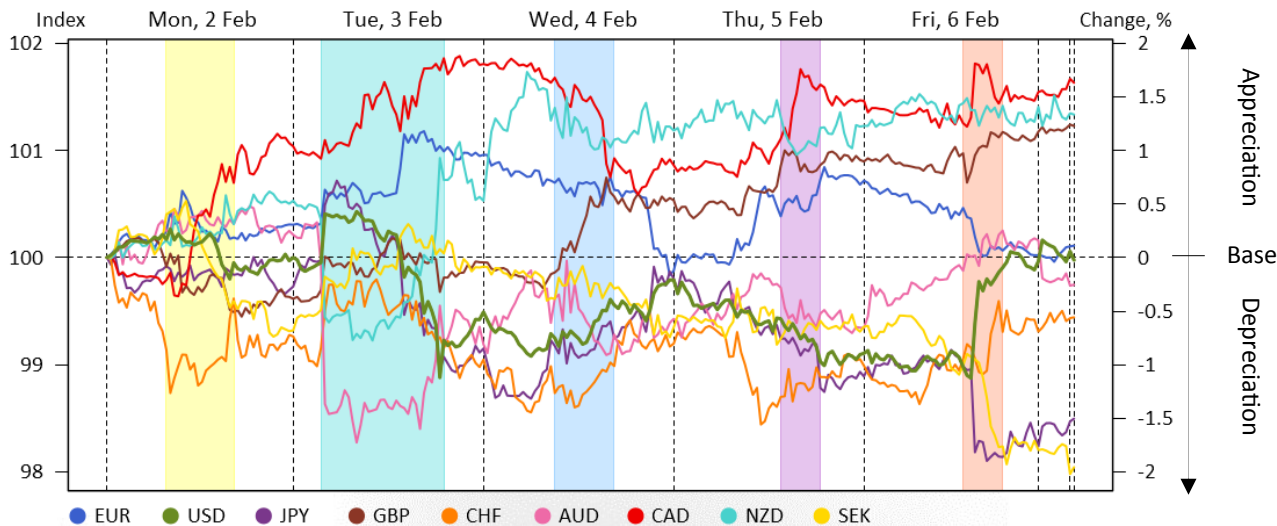
1.23

3.64



Relative Currency Strength

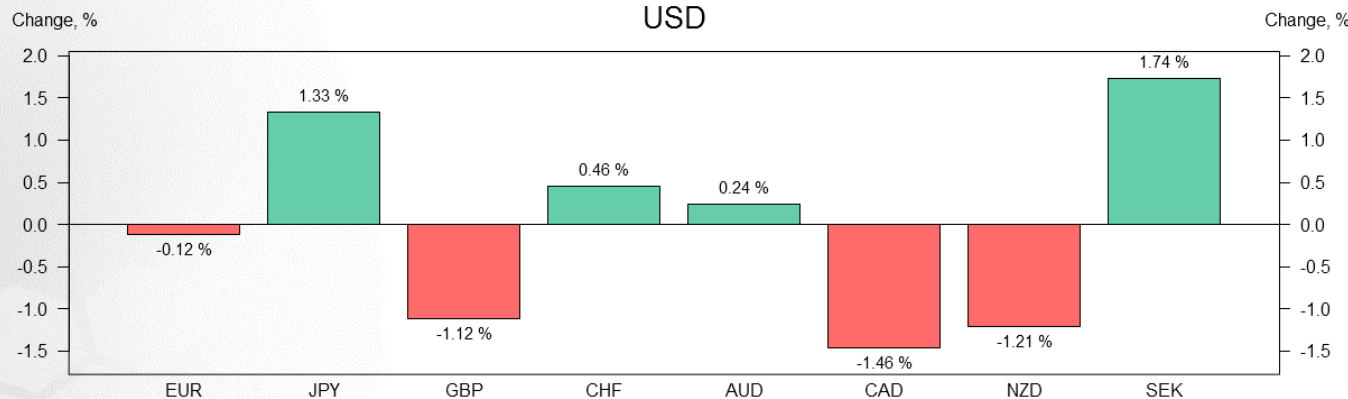
Currency Indexes



The Loonie became the top performer of the period, its index fully recovering from previous week's losses by Tuesday morning, and positive data on international trade and employment strengthening its position further in the end of the week. The Kiwi, too, shook off its preceding losses, while the pound continued to appreciate and ended the period with more than a 1% gain, closing the top three and leaving the peers far behind. The Swedish krona, in turn, lost 1.15% of its base value during Friday, thus finishing the period below all its counterparts. Despite the fact that the Greenback's index changed notably during the period, the measure finished it virtually on the baseline.

The first day of the period was relatively calm for the US dollar, as only a slight depreciation of the index was observed after a series of economic releases turned out to be less optimistic than expected. Later the index grew by 0.5% against the background of Aussie measure's 1.4% drop in reaction to RBA interest rate cut. However, it still turned out to be an unsuccessful day for the Greenback, as towards the end of the day the index fell to the 99 points level amid growth of its peers and significantly decreasing factory orders. The currency strengthened and returned to the base line on Friday, after the announcement of the US nonfarm payrolls that turned out to be 23K greater than expected.

USD



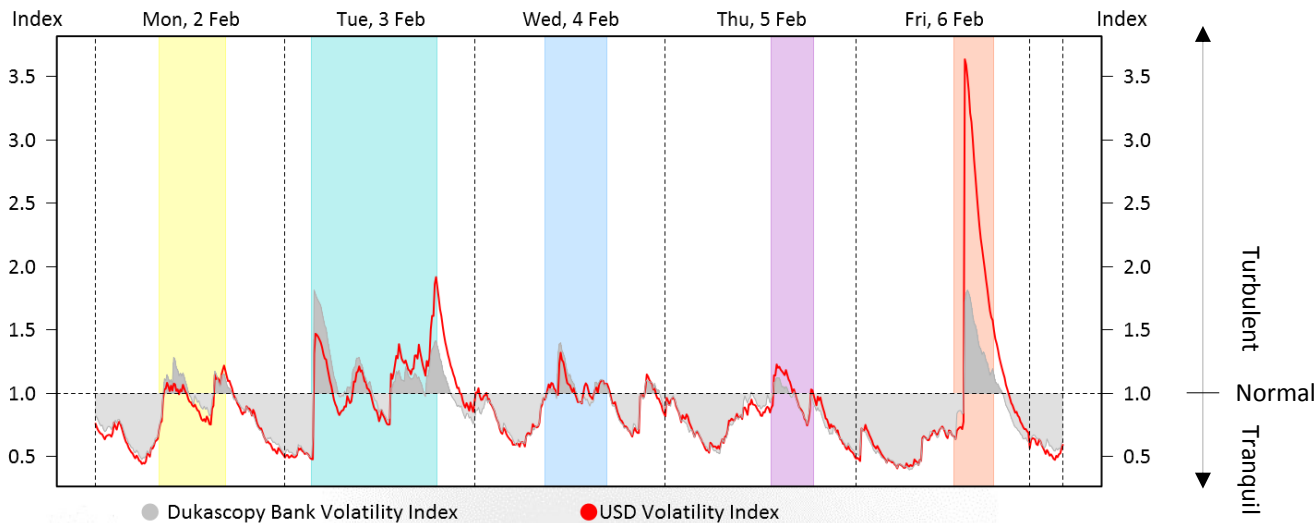
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.11%	-0.02%	-1.5%	1.23%	-0.56%	-0.25%	1.63%	1.33%	-1.96%
20	-3.23%	1.5%	2.03%	2.55%	12.51%	-3.84%	-4.02%	-4.25%	-3.33%
130	-5.24%	13.47%	-3.96%	2.45%	11.47%	-5.87%	-1.64%	-1.99%	-9.08%
250	-7.27%	13.5%	-3.2%	5.25%	10.18%	-2.5%	-0.61%	0.2%	-15.54%



Volatility

Volatility



The past week was one of the calmest since the beginning of the year, with the portions of elevated volatility falling closer to the customary 30%. The market's gauge lost almost half of the previous period's value, largely due to its Swiss component, which backed away from its recent levels and only managed to climb above the baseline in 3% of time. The dollar's turbulence was around average among its peers, though the USD Volatility Index reached the period's second highest peak of 3.6 points, one point below the Aussie measure's rate cut prompted maximum.

The two main volatility-driving events of the past week were the Australian interest rate cut on Tuesday and forecast-beating release of US nonfarm payrolls on Friday. As the RBA stated that the Aussie remained overvalued, and took 25 basis points off the cash rate, the currency took a major dip, pushing its volatility index to 4.6 points and AUD/USD component to 4.9. The US Department of Labor, in turn, offered good news for the national currency, and as the dollar spiked against its peers, its volatility gauge surged to the week's maximum, exceeding the market's measure by almost 2 points. Among other influential events, the standoff between Greece and the ECB shook the market on several occasions, with the dollar taking a triple drop on Tuesday and pushing its volatility index 0.3-0.5 points above that of the market.

Elevated Volatility (% of the observed period)

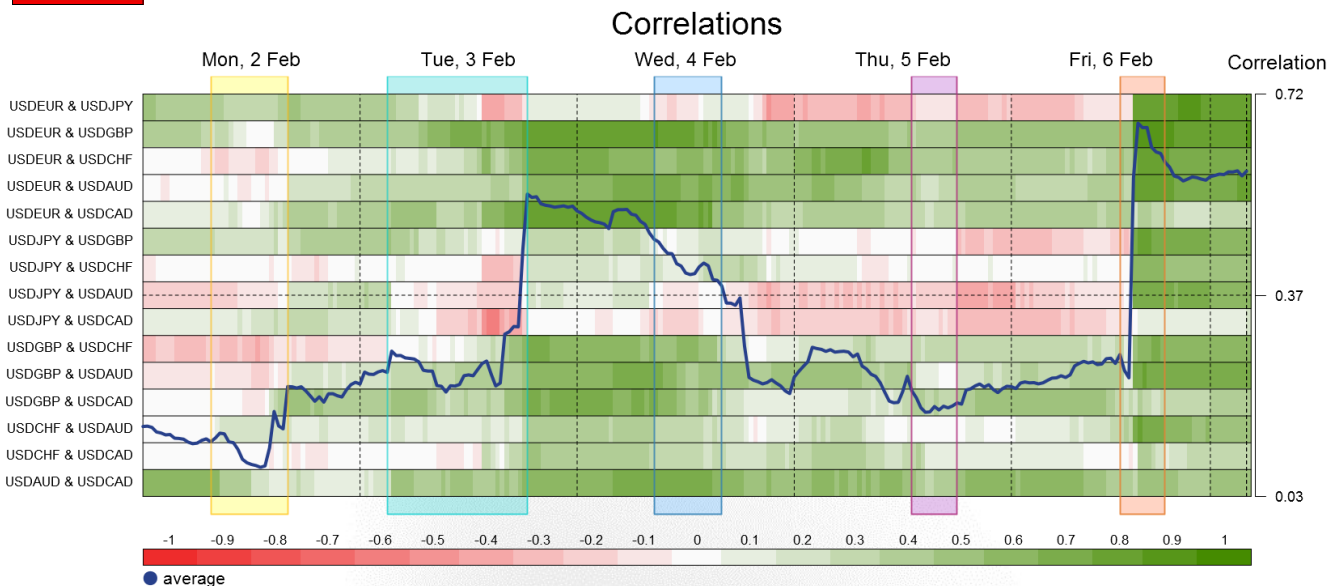
Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
27	28	24	12	44	6	47	41	49	23

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.81	3.64	3.92	5.12	3.25	2.42	4.92	2.89	4.62	3.3
Min	0.4	0.41	0.25	0.26	0.34	0.22	0.29	0.24	0.39	0.32
Average	0.86	0.89	0.83	0.77	1.01	0.63	1.19	0.97	1.16	0.82



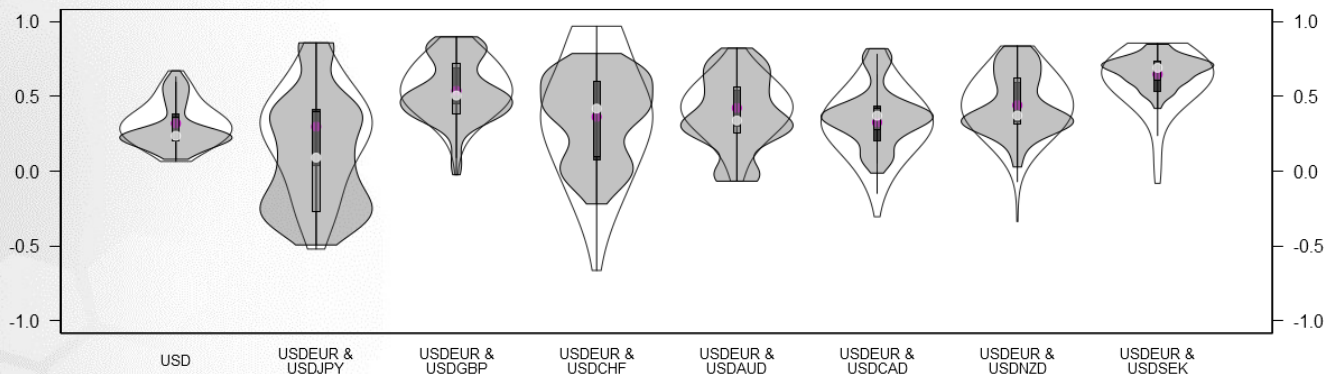
Currency Significance



The dollar's significance measure has perceptibly increased during the period. Starting the week at a feeble level of 0.15, the composite eventually gained 0.44 points to end the period on the mark of 0.59. Nevertheless, there was little development in average correlations, with the gauge for most components shifting only 0.03-0.06 points lower, and not changing at all for the composite itself. The only strengthening occurred in the bond between USD/EUR and USD/CHF. In the five-day period the component has gained about 0.2 points, thereby drawing closer to the monthly average. Despite this rise, however, it stayed much weaker than its long-term values.

The measure held on the level of 0.21 for the most of the week, with only two major surges to push it from the equilibrium. The first jump occurred on Tuesday, right after unexpectedly low US factory orders data release. The composite gained 0.33 points and reached 0.55 points, the second highest value of the week. However, the level was soon lost as the measure began to steadily decrease, dropping back to the 0.21 points mark by Wednesday evening. The second and the main increase of the period took place on Friday, when a set of US employment data was released. The measure surged to 0.67 and stayed near this level till the end of the period.

Correlations (5 vs 20 days)

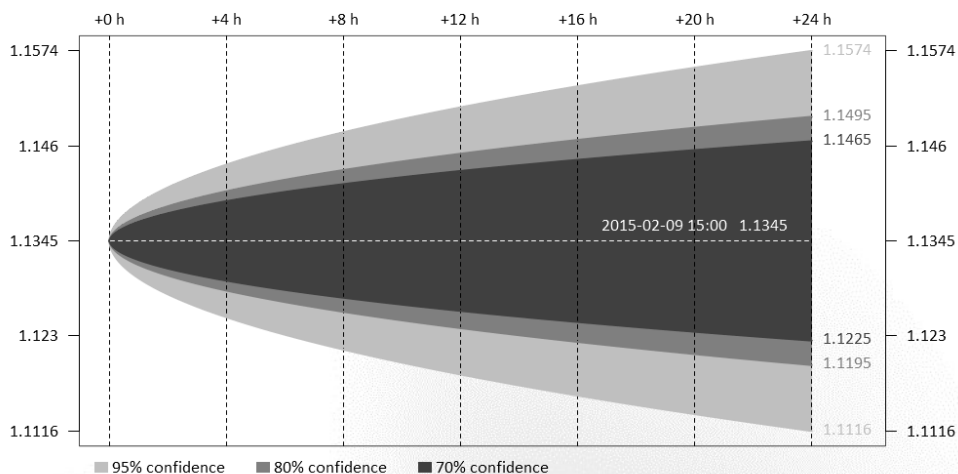


Mean Correlation Coefficient (with USDEUR)

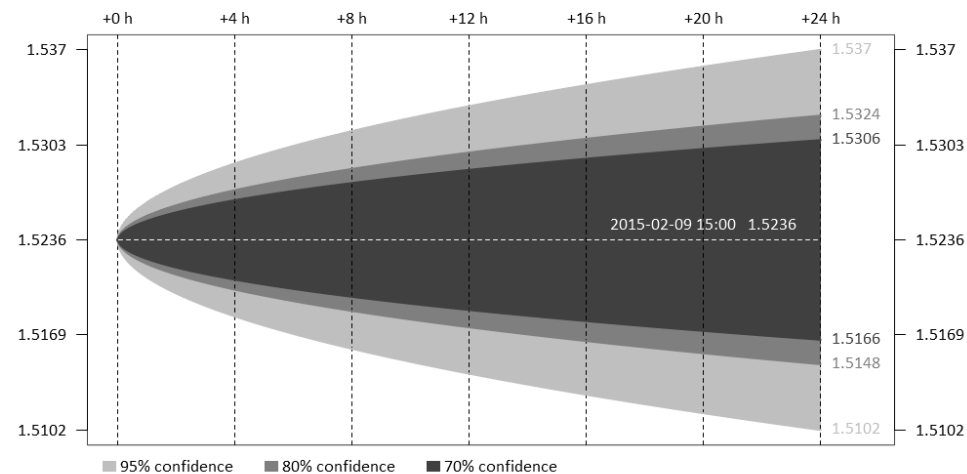
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.29	0.11	0.54	0.36	0.38	0.38	0.45	0.67
20	0.32	0.23	0.56	0.35	0.41	0.32	0.45	0.61
130	0.47	0.45	0.56	0.8	0.49	0.4	0.52	0.64
250	0.39	0.32	0.48	0.83	0.38	0.29	0.42	0.61

Confidence Intervals for Next 24 Hours

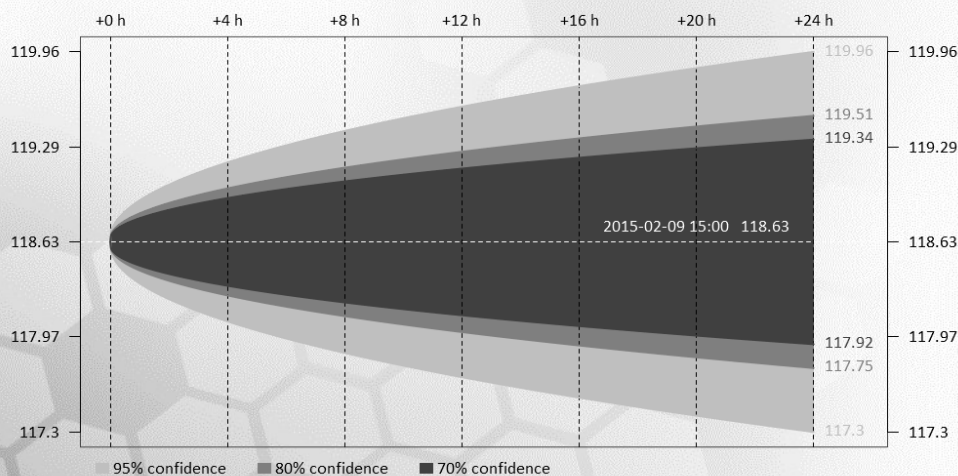
EURUSD Potential Rates



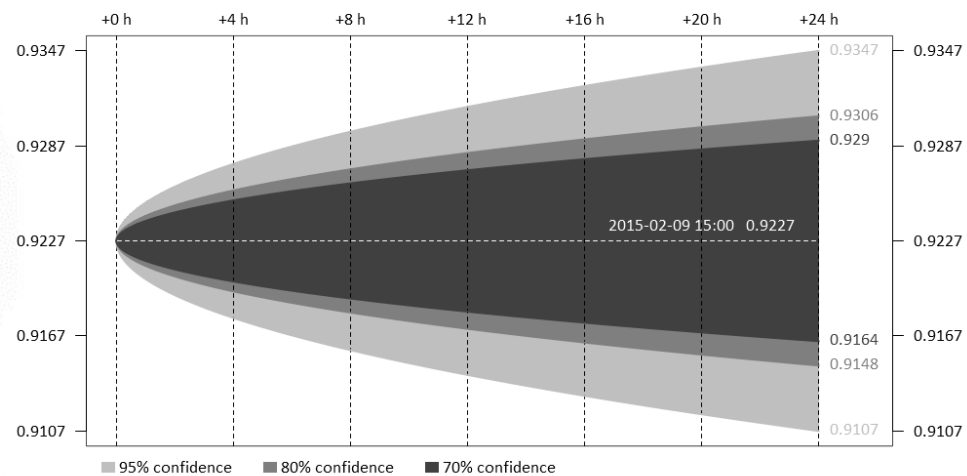
GBPUSD Potential Rates



USDJPY Potential Rates



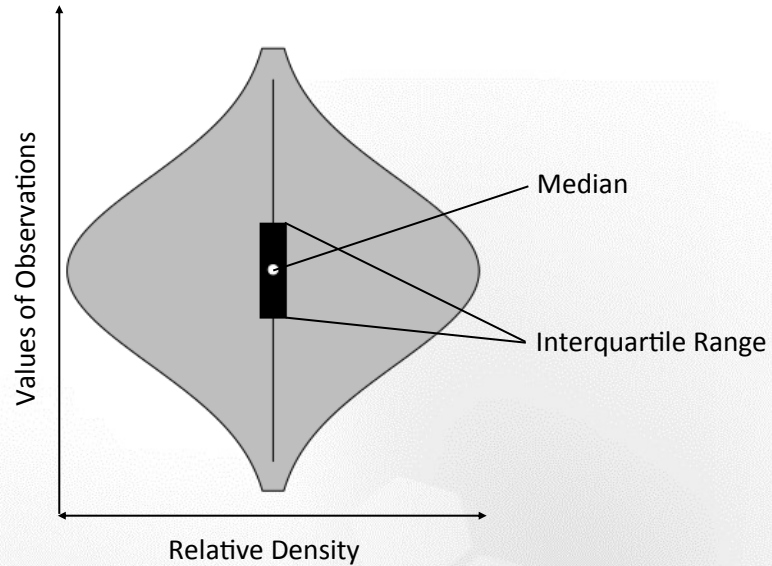
USDCHF Potential Rates



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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