



USD

09/03/2015



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Market Research





Dominant Events of the Period

Yellow Area

March 2

14:30 - 16:30

- US Markit Manufacturing PMI, ISM Manufacturing PMI, Construction Spending

Turquoise Area

March 4

13:00 - 17:00

- US ADP Employment Change, Markit Services PMI, ISM Non-Manufacturing PMI
- BoC Rate Statement

Blue Area

March 5

12:30 - 16:30

- ECB Monetary Policy Press Conference
- US Jobless Claims, Factory Orders
- Canadian Ivey PMI

Purple Area

March 6

10:00 - 15:30

- Euro Zone GDP
- US Non-farm Payrolls, Unemployment Rate, Average Hourly Earnings, Average Weekly Hours, Trade Balance

USD Currency Index Change

-0.07%

-0.2%

-0.29%

-0.84%

Max USD Volatility Index

1.09

1.63

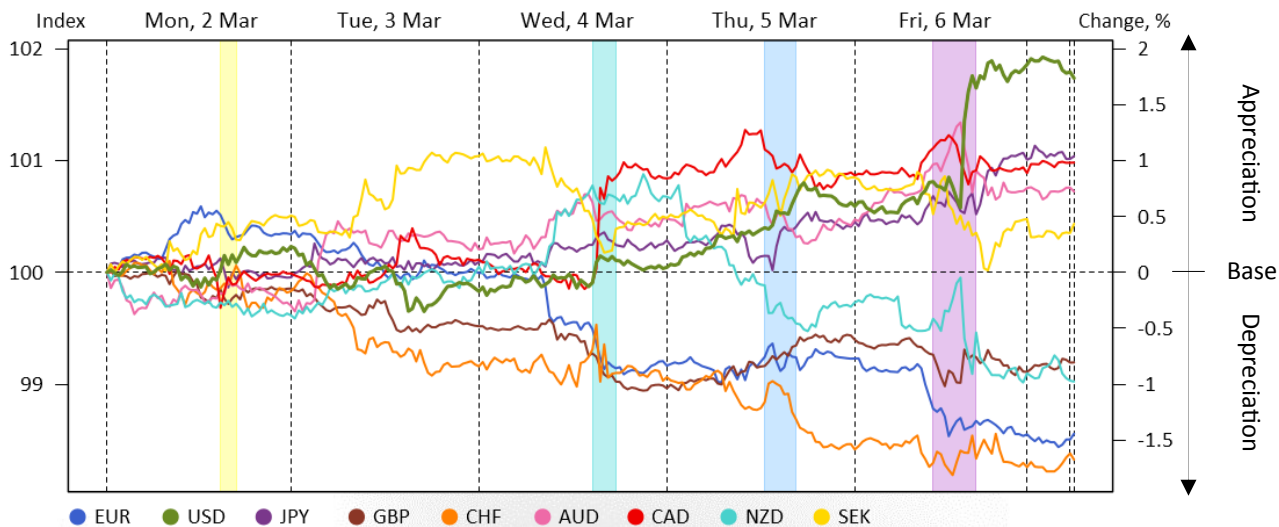
1.69

4.31



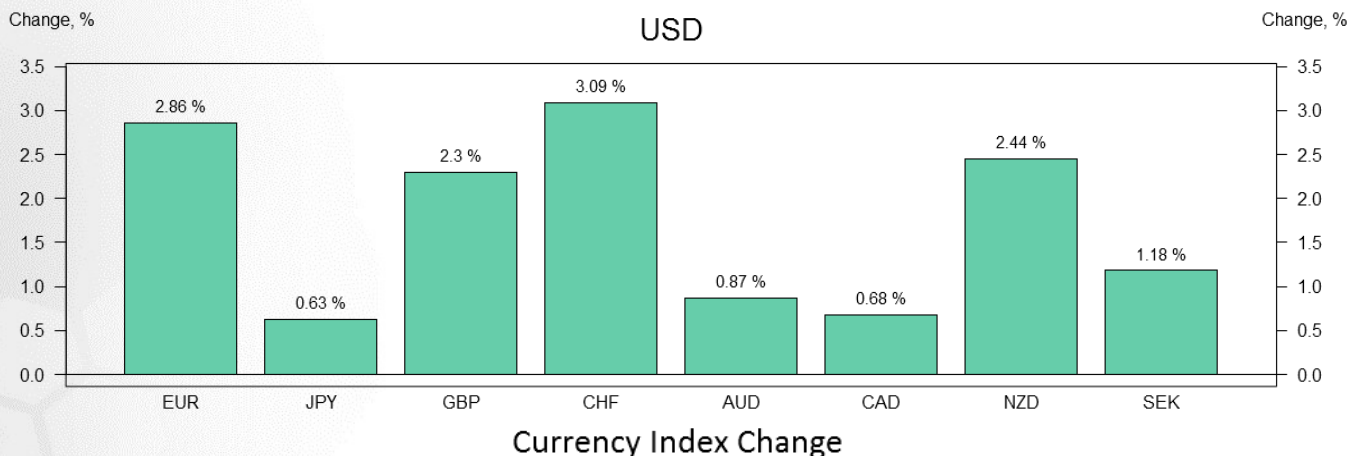
Relative Currency Strength

Currency Indexes



The US dollar was the undisputed leader of the past week, as its index finished the period with a 1.74% gain to tower over its counterparts. Thus, the yen index, the second best performer, was 0.7% behind the Greenback's gauge. The period was also rather successful for the Loonie. The BoC interest rate decision has led to the sharp surge of the CAD, and the index has gained more than 0.7 points. For the second week in a row, the Euro continued to maintain its position as one of the main losers. The decrease of EUR has started on Wednesday and was mostly caused by the expectations of the ECB policy conference and growth of the US payrolls.

The USD Index stayed on the baseline for the first half of the period, with the turning point taking place on Wednesday, when, against the background of US PMI data releases, the index started to show an upward trend. After the ECB monetary policy statement on Thursday, EUR/USD fell to an 11-year low, and despite disappointing US employment data, the dollar index started to climb more steeply and reached the 100.8 level. However, the main jump of the USD Index occurred on Friday. The growth of the US payrolls has exceeded all expectations, and the index surged to 101.9, the maximum level of the week, and came to the end of the period without losing any ground.

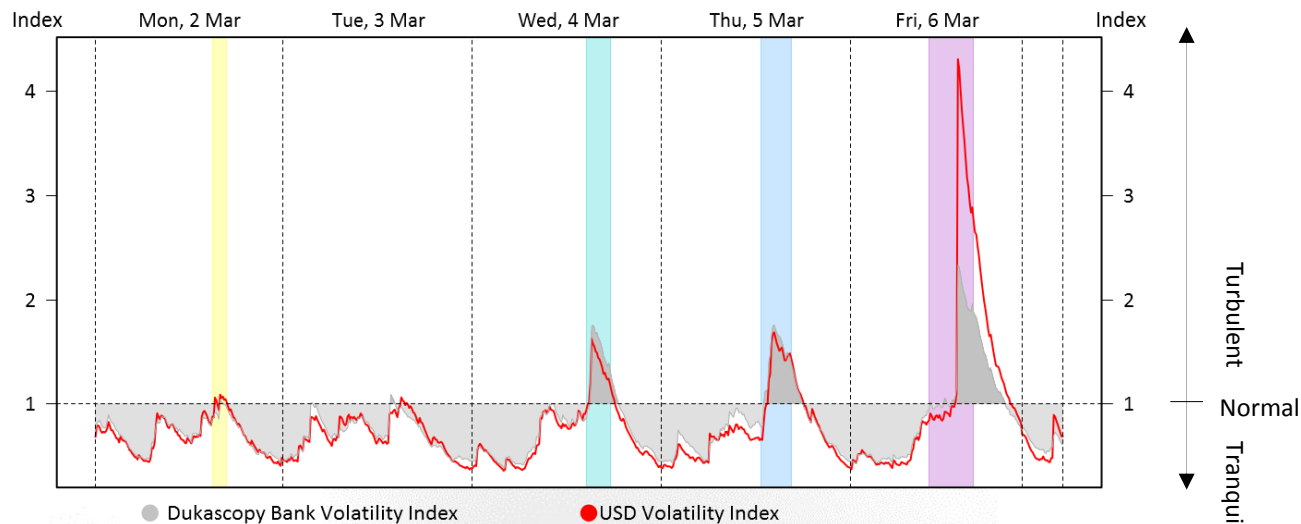


Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-1.44%	1.74%	1.04%	-0.81%	-1.67%	0.72%	0.98%	-0.98%	0.43%
20	-2.83%	1.77%	0.02%	0.85%	-4.44%	0.75%	1.22%	1.43%	1.31%
130	-6.55%	13.23%	-1.91%	4.58%	7.61%	-7.68%	-2.73%	-0.17%	-6.71%
250	-11%	16.6%	-1.11%	4.82%	3.63%	-1.2%	2.28%	0.93%	-14.98%



Volatility

Volatility



The past week, much like several ones before, was associated with relatively small portion of elevated volatility. The pacific currencies and the Swiss franc were the most turbulent during the week, with their volatility climbing above the average historical level in 20% of time. The most conspicuous spike of volatility was observed on Friday, when the Greenback's index reached the 4.31 mark, and the market's gauge surged to the week's highest level. Thus, unexpectedly high US non-farm payrolls and decreasing unemployment rate became the most turbulent events of the period. Slightly behind were the BoC and ECB monetary policy statements,

which induced two more 1.75 points spikes of the Market Volatility Index.

The first two days of the week were tranquil. Nevertheless, it is worth noting that there were two events on Tuesday – the RBA decision to keep rate unchanged and higher-than-expected Canadian GDP, – which significantly raised the volatility of the domestic currencies, whose indexes exceeded the 2.0 level. In turn, the first notable rise of the USD index took place on Wednesday, after the announcement of growing non-manufacturing PMI. There was no clear reaction to the US news on Thursday, but Friday was all about the positively surprising US economic releases.

Elevated Volatility (% of the observed period)

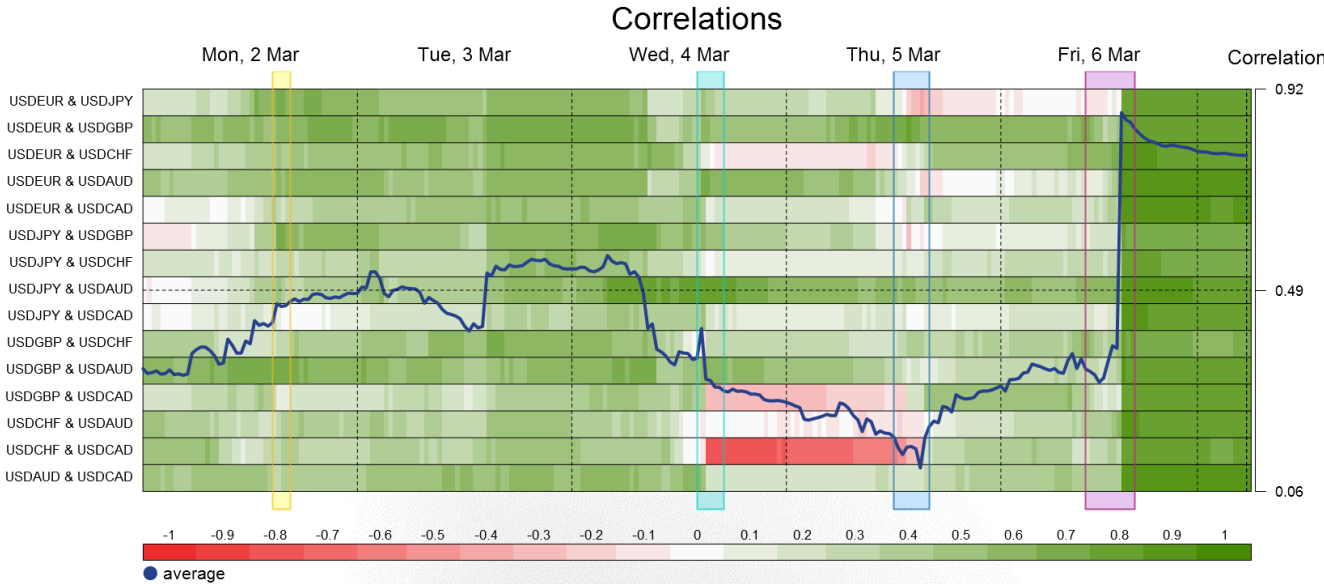
Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
15	14	24	9	19	20	23	21	24	18

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.34	4.31	6.2	3.94	4.48	3.46	4.16	4.15	5.17	3.82
Min	0.39	0.36	0.23	0.25	0.28	0.21	0.34	0.24	0.38	0.18
Average	0.79	0.79	0.87	0.66	0.81	0.8	0.84	0.79	0.88	0.7



Currency Significance

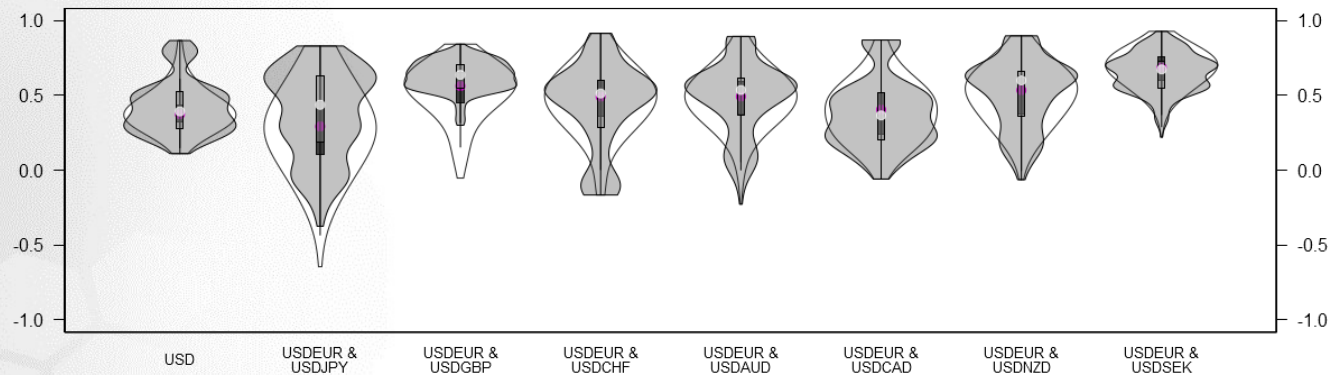


The average level of the dollar's significance measure remained firmly near 0.4 points, though the composite showed higher than usual variation throughout the past period. Similar tendency was observed among its components, with USD/CHF correlations especially notable for their shift into the negative area. The bond between USD/EUR and USD/GBP, in turn, exceeded with its strengthening, as most of the gauge's values stood above 0.5 points.

The composite started the week with gradual strengthening, going from the opening value of 0.3 points to 0.5 by Wednesday morning. There the

growth was replaced by a rapid decline, as the movements of the dollar's peers overpowered the Greenback's stance. Early in the day, the Euro was weighted by speculations ahead of the ECB's press conference on its QE programme, then the franc went into a dive as the word spread out about the Swiss Finance Minister's urge to consider a new floor for the EUR/CHF rate. Finally, the Loonie was pushed up by the BoC leaving its rate unchanged, and the joined effort sent the USD composite to its minimum of 0.1 points. Friday, however, was the dollar's day, and as the Greenback was boosted by stronger-than-expected US Department of Labor data, and its significance measure surged to 0.9 points — the period's highest value among all observed composites.

Correlations (5 vs 20 days)

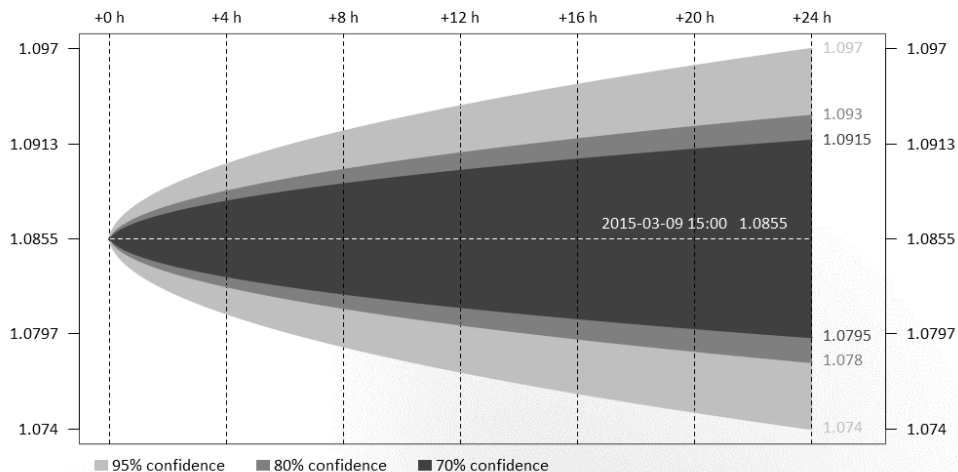


Mean Correlation Coefficient (with USDEUR)

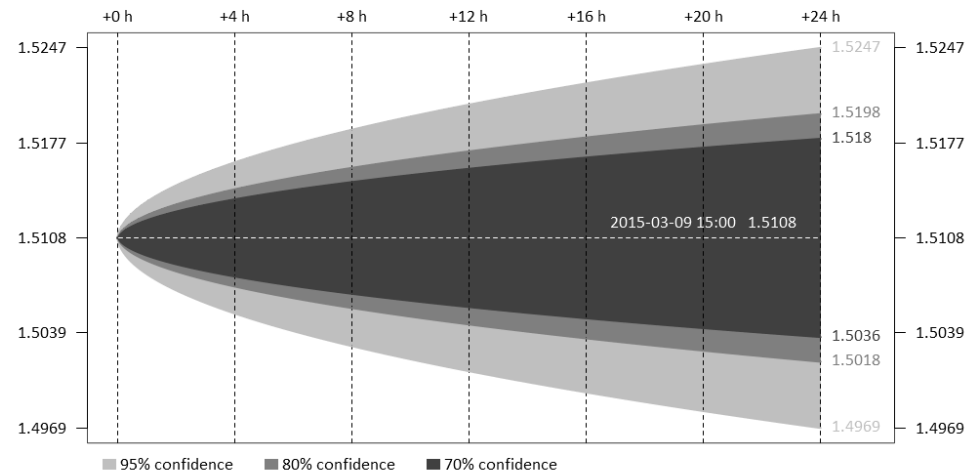
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.42	0.38	0.63	0.43	0.48	0.38	0.52	0.65
20	0.4	0.27	0.53	0.46	0.48	0.39	0.5	0.68
130	0.46	0.43	0.57	0.74	0.5	0.41	0.52	0.65
250	0.4	0.34	0.49	0.8	0.4	0.31	0.44	0.61

Confidence Intervals for Next 24 Hours

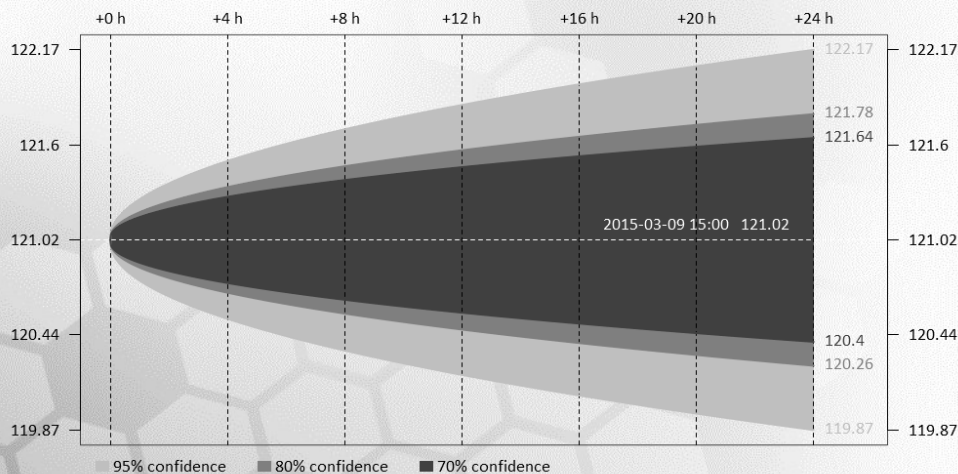
EURUSD Potential Rates



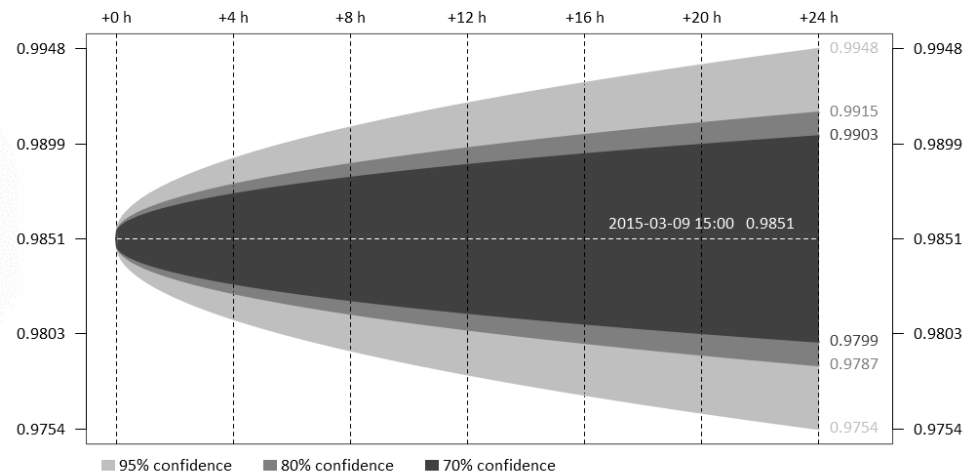
GBPUSD Potential Rates



USDJPY Potential Rates



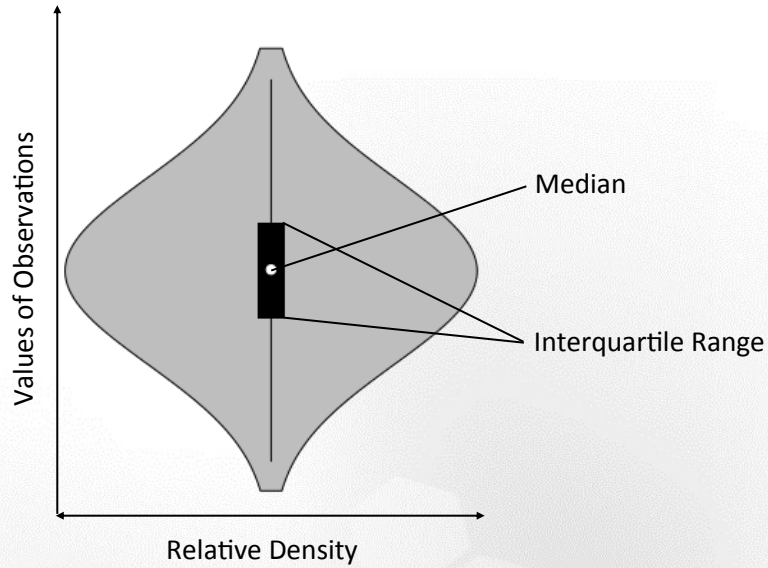
USDCHF Potential Rates



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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