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RESEARCH PRODUCTS

Market Research

Dominant Events of the Period

Yellow Area

March 31

06:30 - 15:30

- *UK GDP*
- *Euro zone Unemployment Rate*
- *Canadian GDP*
- *US Consumer Confidence*, *Chicago PMI*

Turquoise Area

April 1

08:00 - 15:30

- *UK Manufacturing PMI*
- *Euro zone Manufacturing PMI*
- *US Manufacturing PMI*, *ADP Employment Change*

Blue Area

April 2

06:00 - 15:30

- *UK PMI Construction*
- *ECB Monetary Policy Meeting*
- *Fed's Yellen Speech*, *US Trade Balance*, *Factory Orders*

Purple Area

April 3

11:30 - 17:00

- *US Unemployment Rate*, *Nonfarm Payrolls*

|	Yellow	Turquoise	Blue	Purple
USD Currency Index Change	-0.04%	-0.34%	-0.15%	-0.51%
Max USD Volatility Index	1.21	1.28	1.38	3

Relative Currency Strength

Currency Indexes

The period was unsuccessful for the Aussie – steadily depreciating during the week its index finished the period with almost 2% loss. A rest of the currency indexes in the end of the trading week were ranked between the 99.4 and 100.7 points levels. The Loonie shared the best performer's position with the Euro, both indexes demonstrated 0.7% growth. The former notably surged on Tuesday, in reaction to more optimistic than expected GDP release. The Canadian dollar strengthened further against the background of manufacturing PMI and trade data releases. The Euro index, in turn, significantly grew on Thursday, when the ECB report on monetary policy meeting was published.
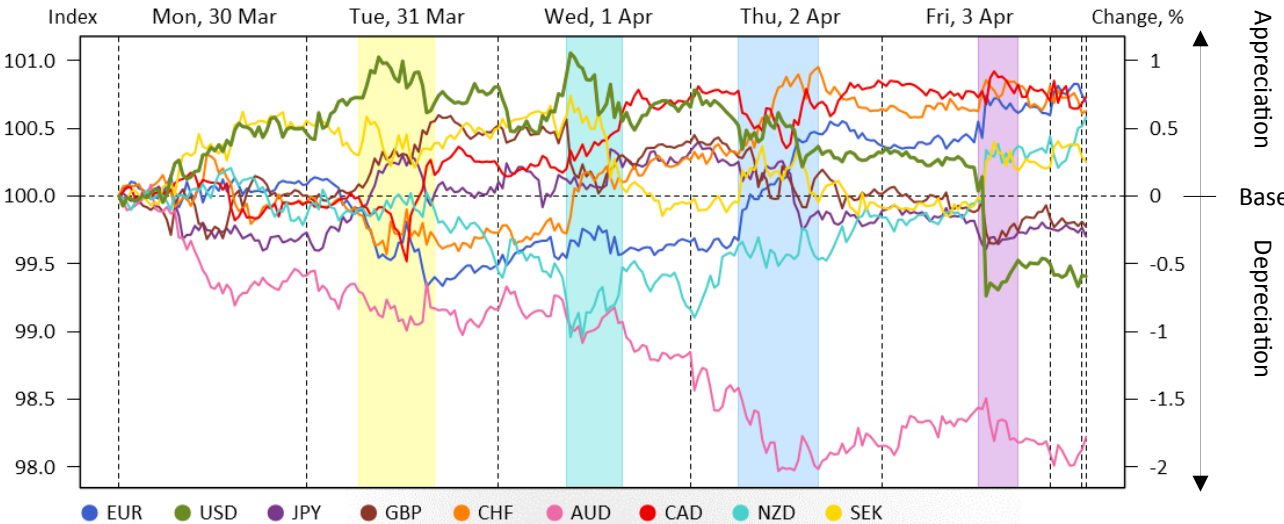
The Greenback index's result was the second worst. It ended the period with 0.6% loss. However, the measure was stably above the base line till Friday noon. The currency was strengthening during Monday and Tuesday morning, against the background of the Euro weakening. Slight depreciation was observed on Tuesday noon, after the announcement of lower-than-expected Chicago PMI. Wednesday's releases of reducing US employment change and decreasing manufacturing PMI also drove down the index. Minor depreciation was observed on the day of Fed's Yellen speech and ECB accounts. The last day of the week was marked with the most conspicuous index's movement. The change in nonfarm payrolls, which turned out to be two times less than expected, was followed by 0.9% drop of the index.
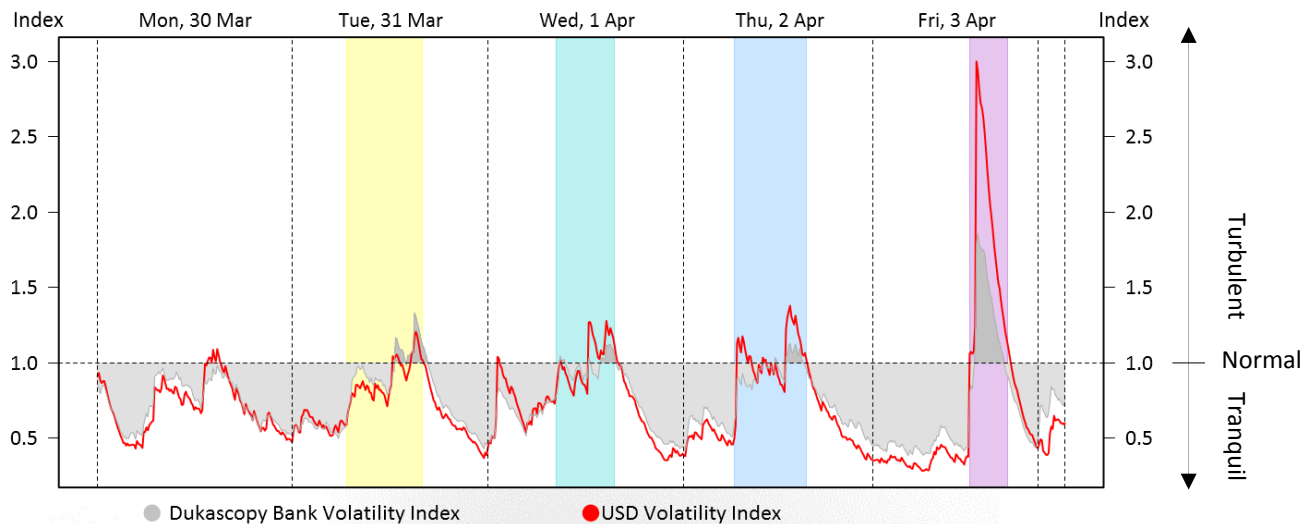
USD
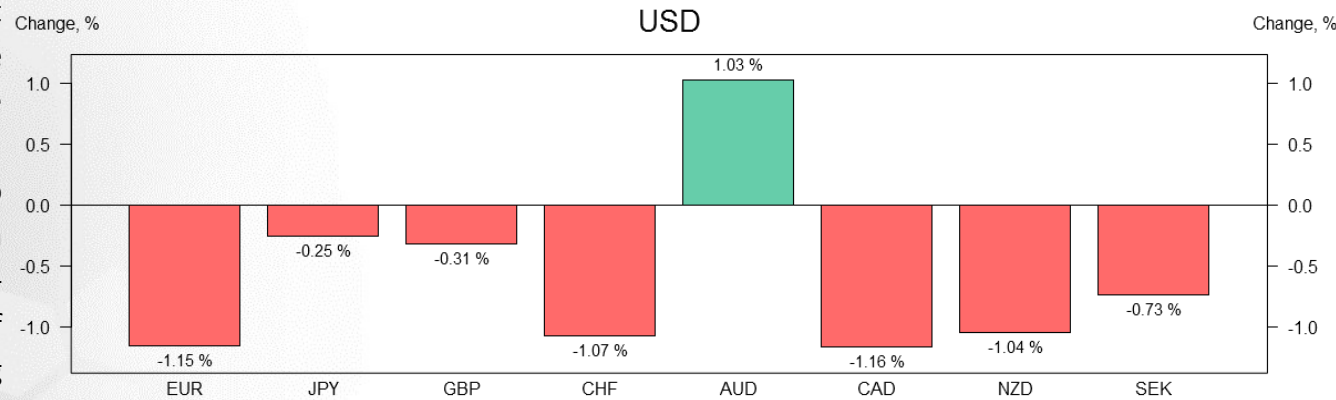
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.7%	-0.59%	-0.3%	-0.23%	0.63%	-1.78%	0.73%	0.58%	0.25%
20	0.26%	-0.66%	0.94%	-2.06%	2.72%	-2.12%	0.18%	2.71%	-2.16%
130	-6.35%	7.94%	-0.76%	0.68%	10.44%	-5.96%	-3.08%	6.54%	-10.08%
250	-9.32%	15.46%	-0.36%	3.59%	8.11%	-6.37%	1.14%	2.05%	-14.28%

Volatility

Volatility

The past week was relatively tranquil for the market and all observed currencies. The Greenback and the market volatility indexes climbed above the historical level only in 15% and 11% of time, respectively. In terms of the portion of elevated volatility, the Aussie and the pound were the most turbulent currencies, both posting a reading above 20%. However, the values were not very high, pointing out that the economic events did not critically influence the currencies. Completely different situation was observed in Loonie's and Greenback's cases. The former notably reacted to the Canadian GDP release on Tuesday and its volatility index spiked to the 1.86 points level. The 3.0 peak of the USD Volatility Index was the highest

among its peers. Nevertheless, their volatilities were above the average historical level for only 15% of time.

As usual, the beginning of the trading week was tranquil, and the first considerable uptick in the dollar's Volatility Index took place only on Tuesday. The reasons for the spike were disappointing Chicago PMI and surprisingly high consumer confidence. Some turbulence was observed against the background of Wednesday's and Thursday's economic releases. At last, the announcement of unexpectedly small change in nonfarm payrolls on Friday became the most resonant event of the week.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
11	15	14	29	16	23	27	21	16	10

Volatility Index (for the observed period)

|	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.86	3	3	6.27	1.98	3.72	2.62	2.8	2.9	2.63
Min	0.39	0.28	0.2	0.28	0.18	0.28	0.26	0.21	0.26	0.17
Average	0.74	0.73	0.64	0.95	0.66	0.77	0.83	0.78	0.76	0.63

Currency Significance

Correlations
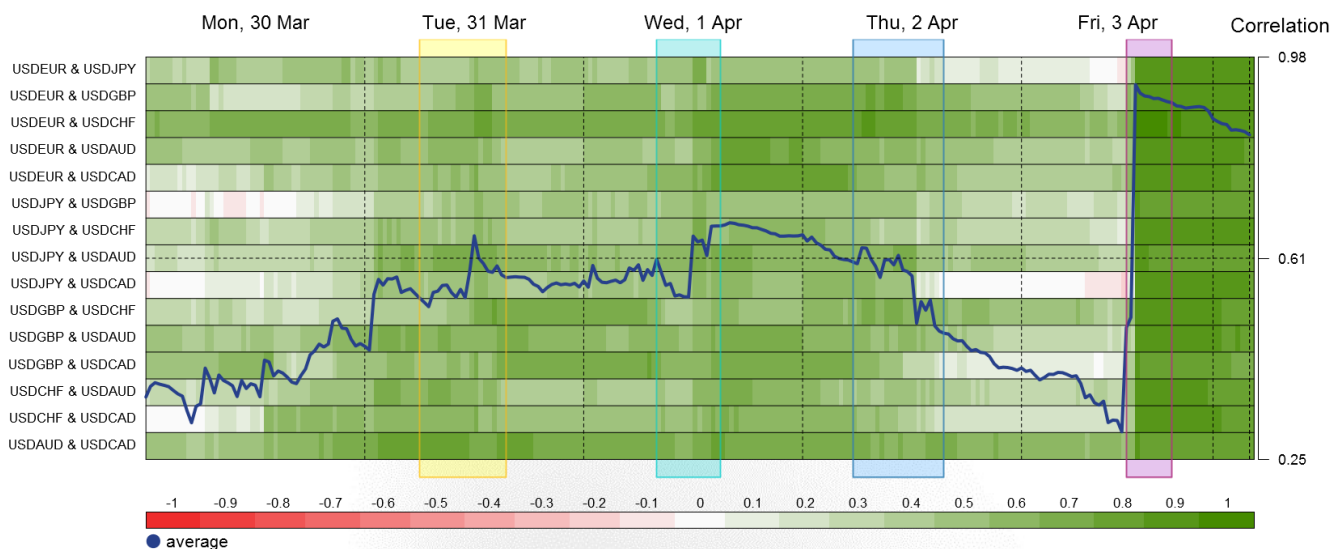
The dollar's significance measure remained moderate, but stable, with only a few news-driven deviations from its mid-term average level of 0.5 points. The composite held above the majority of its peers throughout most of the period, highlighting relative dependence of the Greenback's movements across the observed pairs. However, there were several times when other composites took the leading position. For example, the Aussie's significance measure was richly supported by the currency's prolonged weakening, while other top and bottom performers were changing too frequently to mark out any specific gauges.

The composite started the week among the bottom performers, as the Loonie's significance measure finished the previous trading week on the top position after the Canadian currency was stricken by tumbling crude oil prices. In the middle of the week some US economic news, such as consumer confidence and employment change drove the USD measure up to the 0.68 points level. The composite's sharpest change of the week took place on Friday, when unexpectedly low nonfarm payrolls caused the Greenback to slump against its peers, and thus pushed the aggregate correlation up from 0.3 to 0.93 points. Thus, the composite ended the period at this extremely high level.
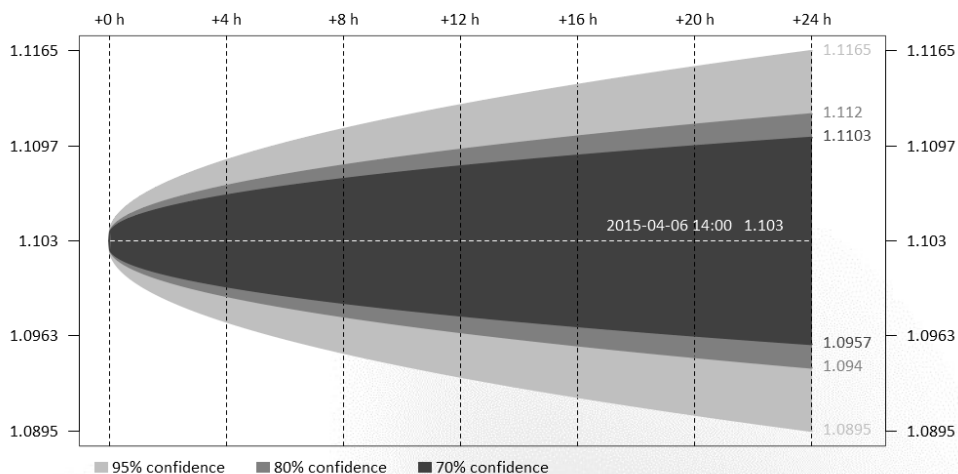
Correlations (5 vs 20 days)
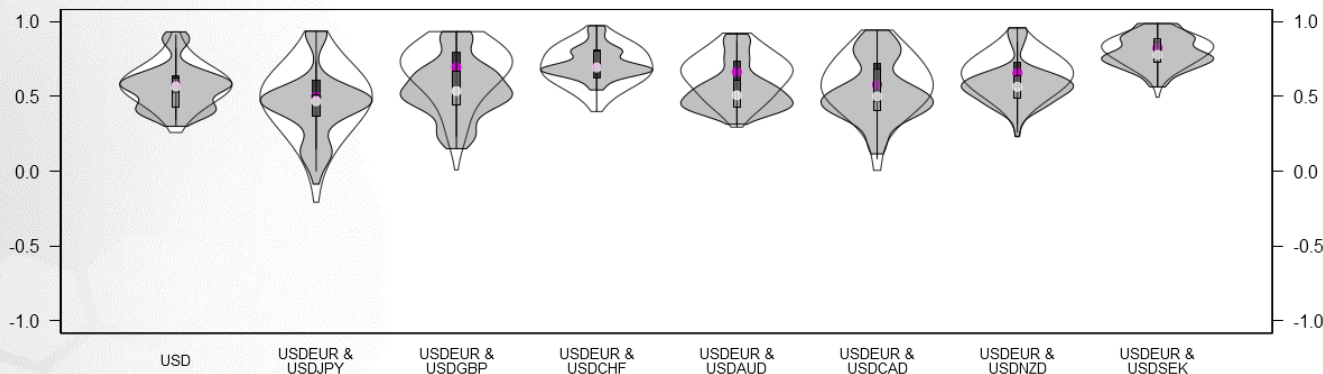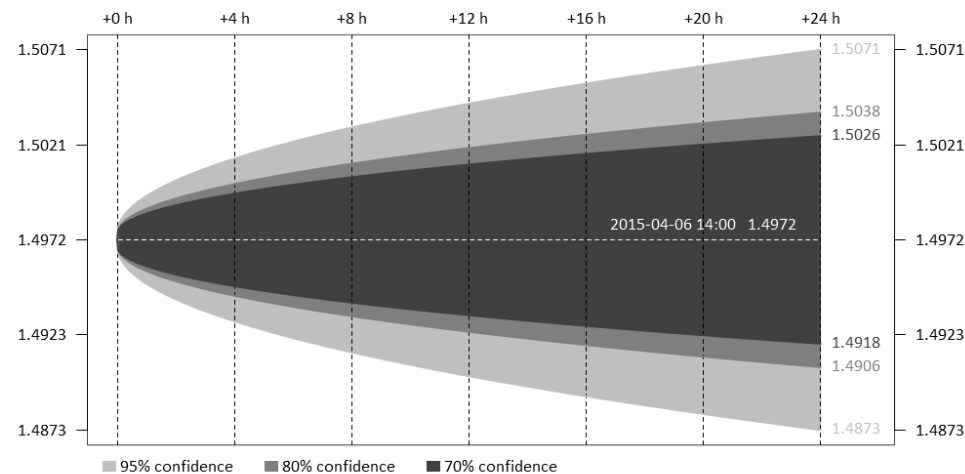

Mean Correlation Coefficient (with USDEUR)

Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.56	0.45	0.55	0.73	0.55	0.53	0.58	0.8
20	0.58	0.48	0.66	0.71	0.64	0.58	0.65	0.81
130	0.47	0.41	0.59	0.71	0.52	0.42	0.54	0.66
250	0.42	0.37	0.5	0.79	0.43	0.34	0.47	0.62
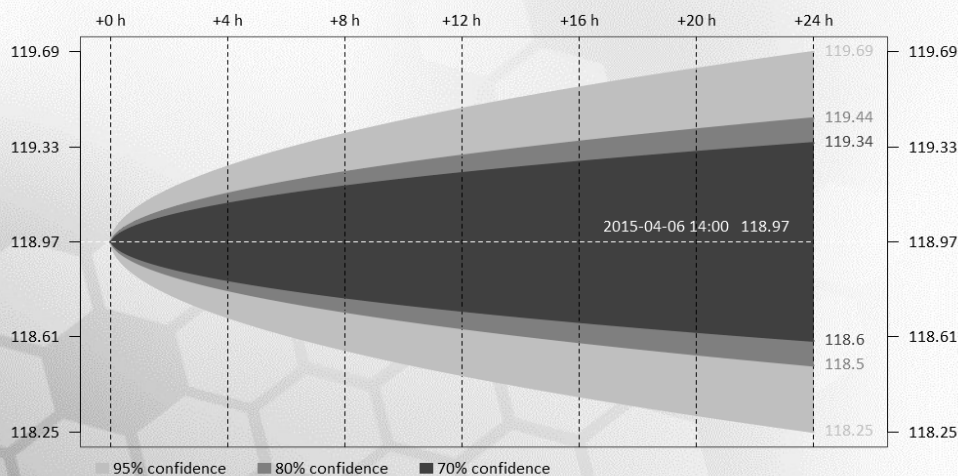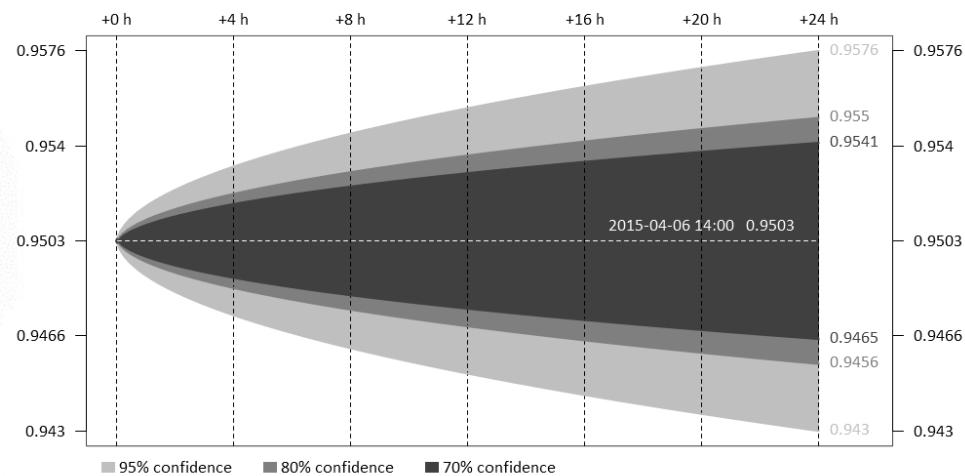
EXPLANATIONS

Violin Plot

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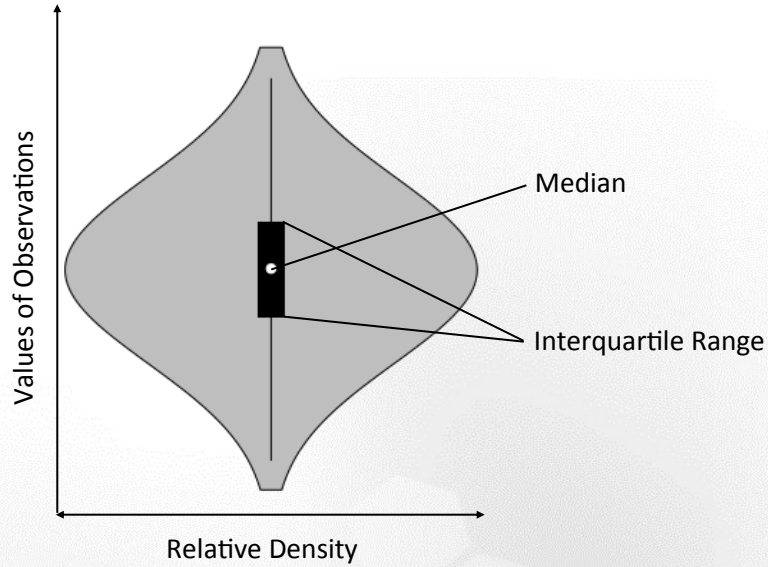and rotated Kernel Density Plot

Methodologies

Volatility Index

Confidence Interval

Median

Interquartile Range

Values of Observations

Relative Density

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Swiss Forex Bank & Marketplace

Fundamental Analysis

Technical Analysis

Press Review

Market Research

Expert Commentary

Dukascopy Bank Sentiment Index

Trade Pattern Ideas

Global Stock Market Review

Commodity Overview

Economic Research

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Daily Highs/Lows
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Movers & Shakers FX
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