



EUR

10/04/2015



DUKASCOPY
RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

April 3

11:00-16:30

- US Unemployment Rate and Nonfarm Payrolls

Blue Area

April 7

03:30 - 12:30

- Australia Retail Sales
- RBA Interest Rate Decisions
- Euro zone Markit Services PMI

Purple Area

April 8

13:30 - 19:30

- US 10-Year Note Auction and FOMC Minutes

Orange Area

April 9

11:00 - 16:00

- UK Interest Rate Decision
- Canada Building Permits

EUR Currency Index Change

0.24%

-0.55%

-0.21%

-0.33%

Max EUR Volatility Index

1.8

1.67

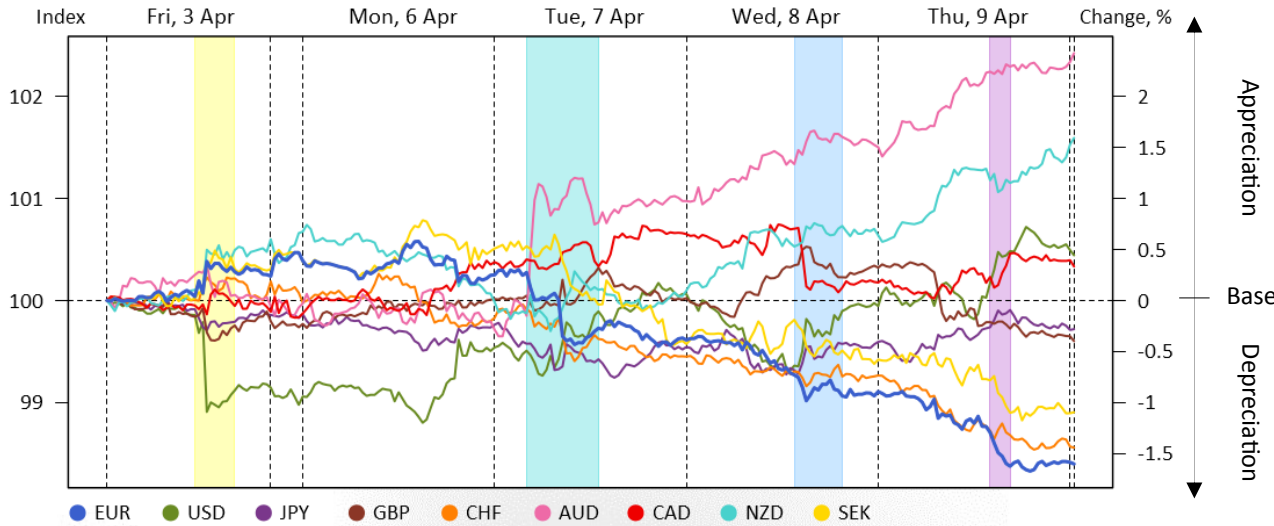
1.23

1.06



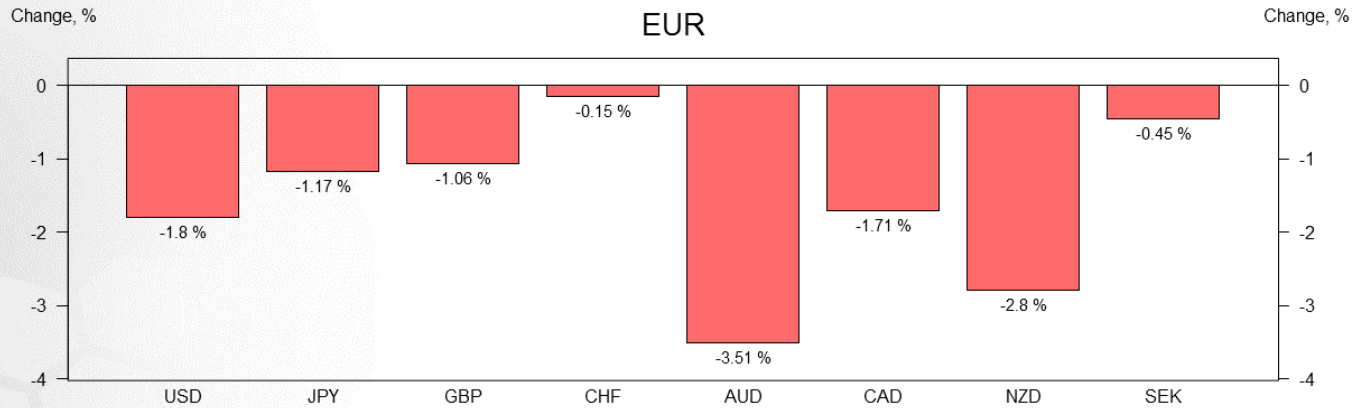
Relative Currency Strength

Currency Indexes



After a quite successful month the single currency and the Swiss franc again have become the worst performers of the week. Losing against all other observed currencies, the Euro has depreciated by 1.6%. The decrease of the franc was a little less — 1.44%. For the other observed European currencies, GBP and SEK, as well as for the yen the past week also was failed. At the same time, the most notable growth was observed in the Pacific currencies, which managed to recover from drop of the previous period. During five trading days the Kiwi and the Aussie have gained 1.59% and 2.42%, respectively.

From the very beginning of the week the EUR Currency Index started to grow. The unexpectedly low US nonfarm payrolls data pushed the USD index down to the 98.9 mark, while the Euro has gained 0.31 points. EUR index continued to rise and on Monday reached the maximum level of the week (100.58). The turning point took place on Tuesday. The index started to decrease after the RBA interest rate decision report, however the main drop occurred later — the disappointing Euro areas PMIs releases managed the Euro to fall by 0.42%, and the index was decreasing till the end of the period. The UK economic news on Thursday were another factor contributing to the decrease of the Euro. The index lost 0.15 points and ended the week at the level of 98.4.



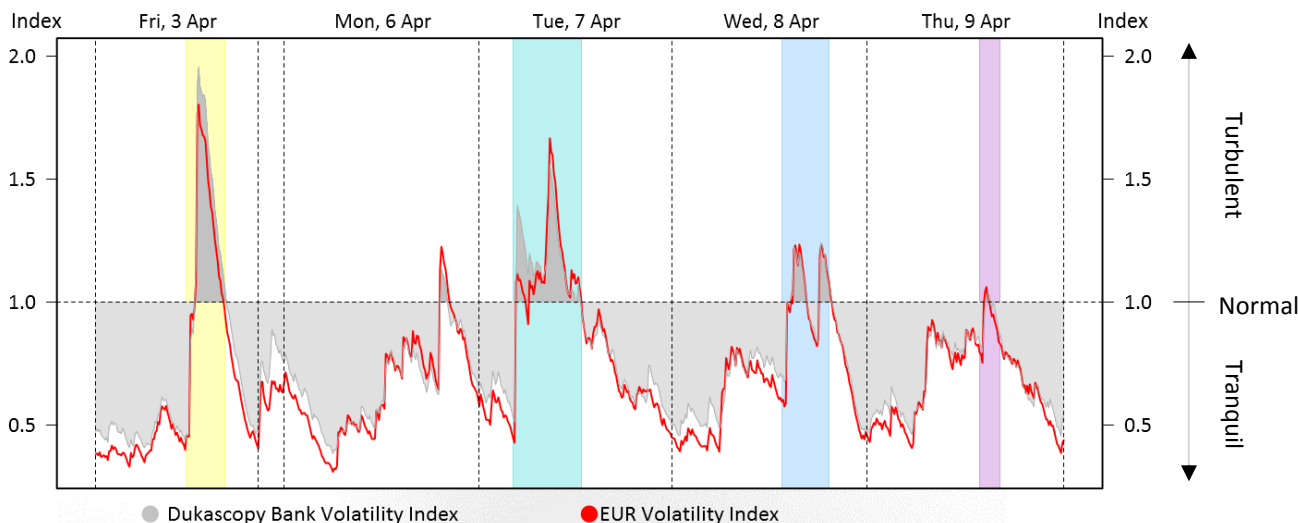
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-1.6%	0.44%	-0.28%	-0.4%	-1.44%	2.42%	0.33%	1.59%	-1.09%
20	-0.16%	-0.58%	0.16%	-1.84%	2.37%	-0.37%	0.48%	2.62%	-2.95%
130	-8.87%	10.26%	-1.61%	0.69%	8.42%	-3.55%	-2.12%	7.15%	-11.35%
250	-11.29%	18.12%	-0.56%	3.17%	6.33%	-3.92%	1.74%	2.16%	-15.73%



Volatility

Volatility



The week was rather tranquil with only few events that notably influenced the market volatility. The most volatile in terms of both, the index's values and elevated volatility portion, was the Aussie. Its volatility measure has spent 19% of time above the 1.0 level, which indicates the average historical level. Moreover, on Tuesday morning, after the publication of RBA rate statement, the gauge reached the 4.52 points mark, which was the highest value among its counterparts during the period. Friday's release of disappointing US nonfarm payrolls was one more event, which significantly affected the domestic currency's volatility – the USD

Volatility index met the 3.14 points mark and the market volatility index surged to the 1.95 points. Thus, it became the most resonant event of the period.

These two releases were the most turbulent for the pairs with the Euro too. Thus, the EUR/USD volatility index spiked to the 3.59 points mark on Friday, but the EUR/AUD index – to the 5.42 on Tuesday. In spite of the fact that the majority of Euro volatility spikes was associated with the news on its counterparts' economies, there was one more notable peak of the volatility on Tuesday, which followed the release of lower-than-expected Euro zone services PMI.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	14	14	16	14	12	9	21	19	13	12

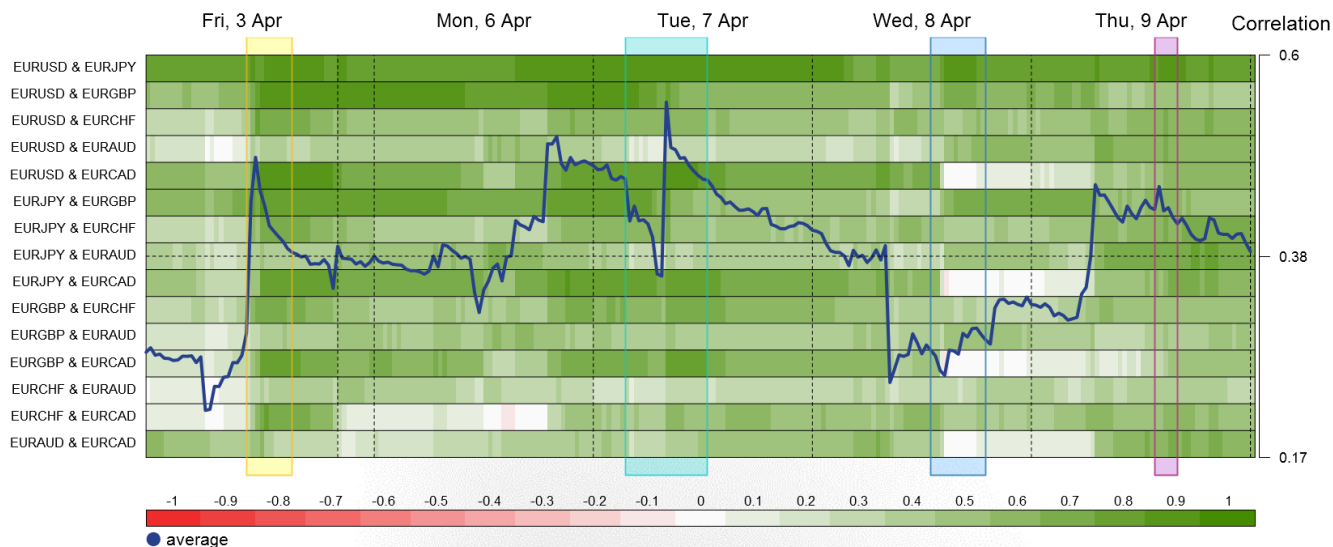
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.95	1.8	3.59	1.89	2.15	1.77	5.42	1.97	1.73	1.86
Min	0.38	0.31	0.21	0.23	0.2	0.25	0.3	0.23	0.34	0.09
Average	0.74	0.7	0.72	0.68	0.65	0.63	0.89	0.73	0.73	0.6



Currency Significance

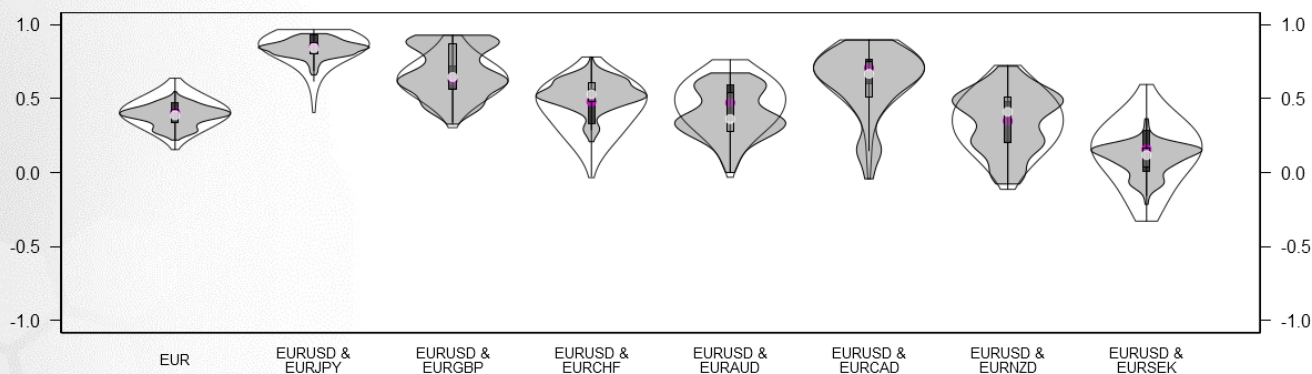
Correlations



The past week was marked by a several ups-and-downs of the Euro significance measure. The composite was fluctuating in a range of 0.22 to 0.55. Despite the generally upward trend, the average values of the composite and most of its EUR/USD components stayed almost unchanged, gaining or losing 0-0.08 points. The most notable development occurred in the bond between EUR/USD and EUR/CHF. Thus the average value has strengthened by 0.21 points. Compared with the long-term values, all observed averages were in line with the monthly values.

The period began with a sharp jump of the significance measure. Disappointing US labour market data on Friday sent the USD index up to the 0.9 level and the EUR composite also gained 0.23 points and almost reached the 0.5 level. On Tuesday, right after the Euro zone PMI data release the significance measure surged to the maximum value of the period, and then was gradually falling towards the average value. Afterwards, against the background of the Swiss CPI report, the measure slumped to the 0.25 mark. The recovering of the measure started after FOMC Minutes on Wednesday. However, the notable increase of the significance measure took place on Thursday, when the lower-than-expected German trade balance caused the surge of the composite, and the measure ended the period at the level of 0.39.

Correlations (5 vs 20 days)

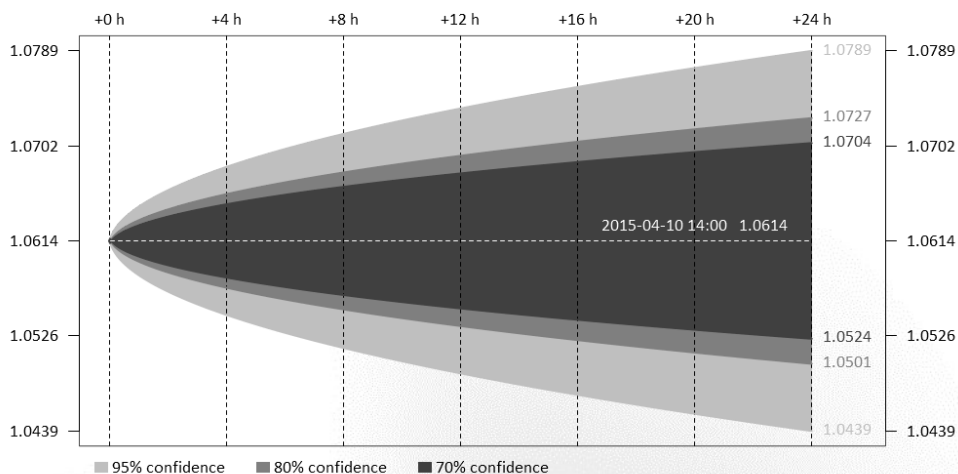


Mean Correlation Coefficient (with EURUSD)

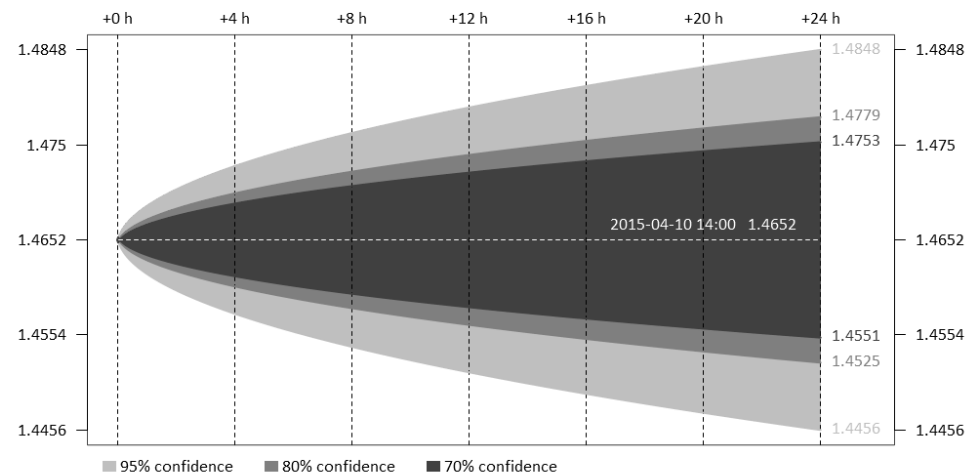
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.38	0.84	0.68	0.53	0.39	0.6	0.35	0.09
20	0.4	0.84	0.64	0.44	0.46	0.67	0.34	0.13
130	0.29	0.5	0.62	0.16	0.3	0.58	0.23	0.13
250	0.27	0.49	0.57	0.01	0.3	0.56	0.2	0.1

Confidence Intervals for Next 24 Hours

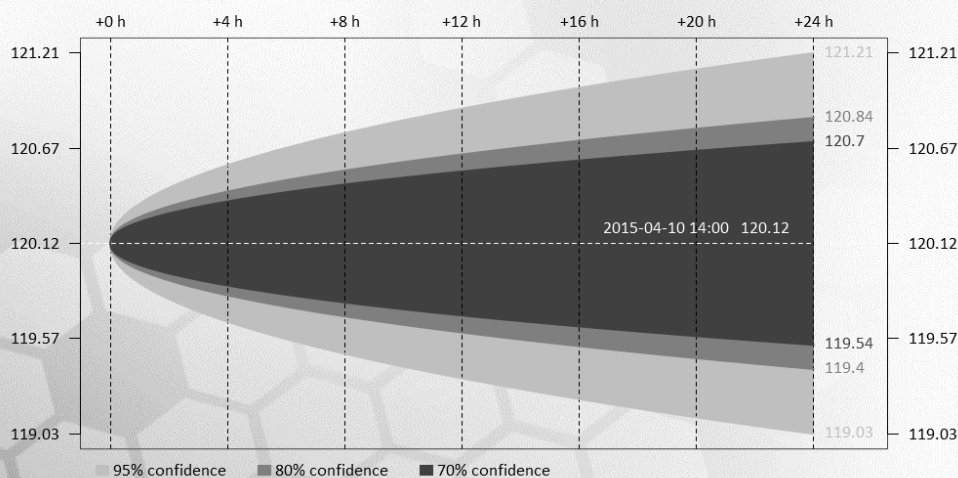
EURUSD Potential Rates



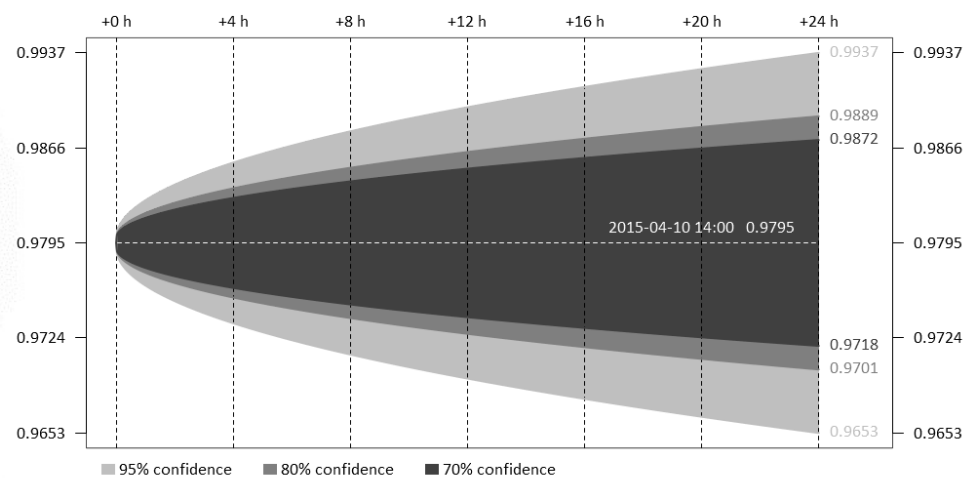
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

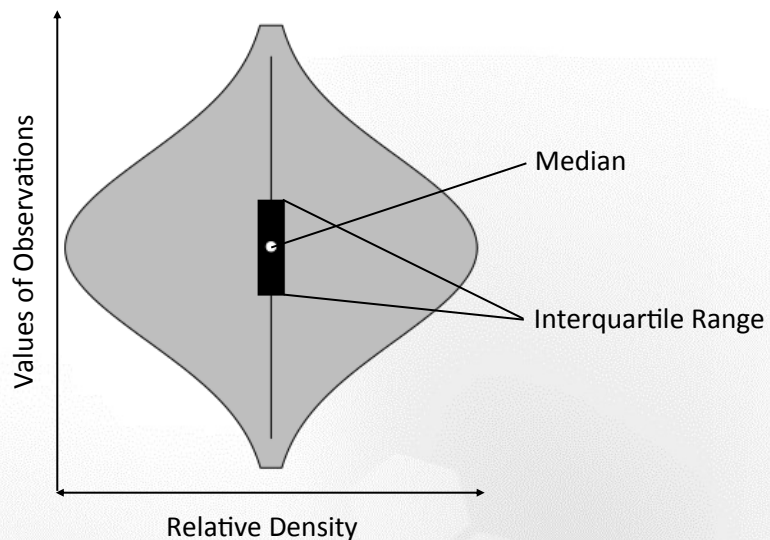
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.