



EUR

17/04/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

April 10

06:30 - 15:00

- UK Manufacturing Production
- Canadian Housing Starts, Unemployment Rate, Net Change in Employment
- UK NIESR GDP Estimate

Turquoise Area

April 13

01:30 - 15:00

- Chinese Trade Balance

Blue Area

April 14

06:30 - 15:30

- UK CPI, PPI
- Euro Zone Industrial Production
- US Retail Sales, PPI

Purple Area

April 15

06:00 - 18:00

- German CPI
- ECB Interest Rate Decision, Press Conference
- US Capacity Utilization, Industrial Production
- BoC Interest Rate Decision, Press Conference

Orange Area

April 16

00:00 - 19:30

- Australian Unemployment Rate, Employment Change
- US Housing Starts, Building Permits, Jobless Claims

EUR Currency Index Change

-0.32%	0.01%	0.49%	-0.44%	0.04%
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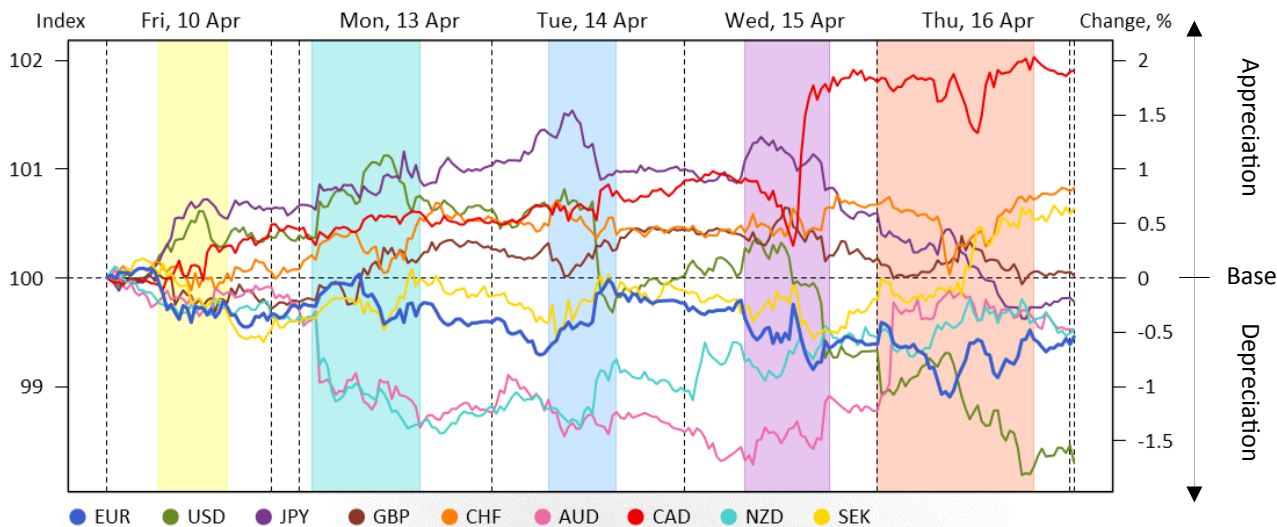
Max EUR Volatility Index

1.42	1.49	1.94	2.14	2.05
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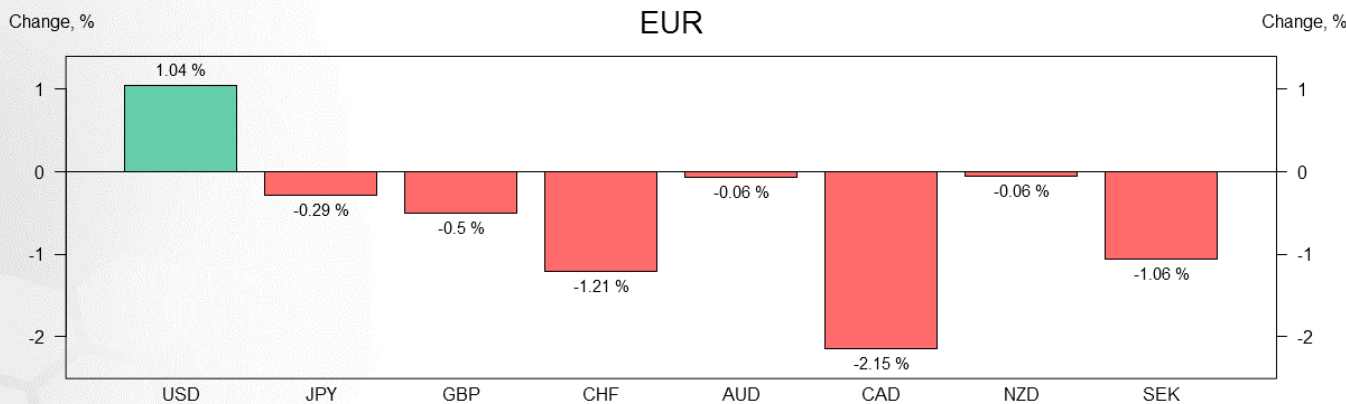
Relative Currency Strength

Currency Indexes



The EUR Index slowed down in the descent that took off on April 6, but continued to move in a downward direction, finishing the period below most of its peers. The only currency to lose to the Euro was the Greenback, whose weakening began with disappointing retail sales on Tuesday and was further supported by negative manufacturing index and worse-than-expected industrial production reported on Wednesday. On the other side of the baseline, the Canadian dollar took the lead after Governor Poloz's optimistic comments at the BoC press conference. The index gained 1.8 points in two and a half hours and ended up more than 1 point above its closest peer.

The EUR Index spent the period on an uneven downside, with the initial drop to 99.6 points setting up the average level the measure wavered around for the most of the week. A promising upsurge sprang on Tuesday, fueled by the pound's and the dollar's falls, but was cut short just as the measure reached the baseline. In the last two days of the period the EUR Index's movements were closely linked to the dollar's measure, as their rises and falls appeared almost perfectly inversely symmetrical. As far as important Euro zone economic events went, German CPI was released in line with expectations and had close to no impact on the single currency's index, while the ECB press conference offered the gauge a short-lived support.



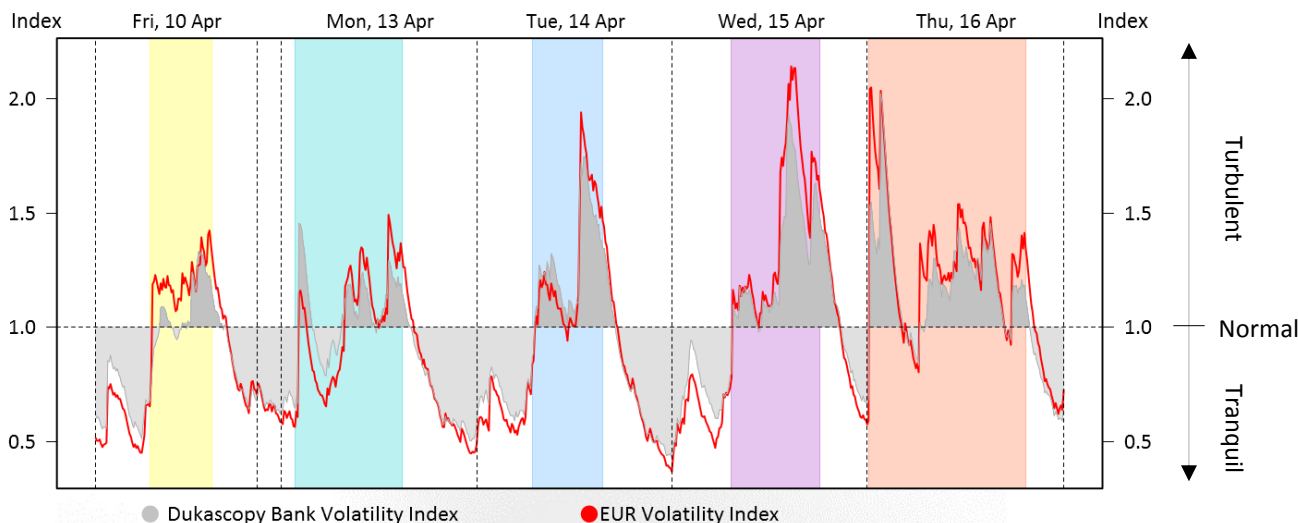
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.54%	-1.7%	-0.22%	0.02%	0.83%	-0.47%	1.91%	-0.47%	0.64%
20	-1.1%	-1.81%	-0.36%	-0.68%	1.76%	-0.48%	2.36%	1.17%	-0.97%
130	-9.85%	9.21%	-2.9%	1.51%	8.45%	-3.2%	0.83%	5.98%	-10.94%
250	-12.12%	15.91%	-1.26%	2.53%	6.81%	-4.99%	4.45%	2.37%	-13.7%



Volatility

Volatility



The past two trading days added plenty of disturbance to the market, lifting the elevated volatility portions from around 20% for the period ending on April 14 to over 45% in the latest readings. The Euro was one of the most volatile observed currencies, though mostly due to the separate pairs' sharp reactions to developments in the peer economies. Among other currencies, the Canadian and the Australian dollars reached the highest volatility peaks, both on an upsurge, as the Loonie spiked against the background of the BoC conference, and the Aussie was pushed up by remarkable employment numbers. Additionally, the Loonie, coupled with the Euro, produced the two greatest elevated volatility portions.

The period started with the morning of the Euro's overturbulence, as the single currency was rapidly losing its positions against the Greenback and other peers. Afterwards, the index stayed mostly in line with the market until Tuesday afternoon, when the dollar slipped on US retail sales, kicking off the Euro's recovery. Consequently, the peaks of the next two days were largely attributable to the Greenback's tumbling, as well as the already mentioned developments of the Loonie and the Aussie, which evoked a greater-than-average reaction from the Euro's crosses. Thus, while the CAD and AUD composite volatility indexes surged to 3.9 and 4.0 points, respectively, the EUR/CAD and EUR/AUD measures reached over the 4.1 points mark.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	47	49	44	50	45	42	49	43	44

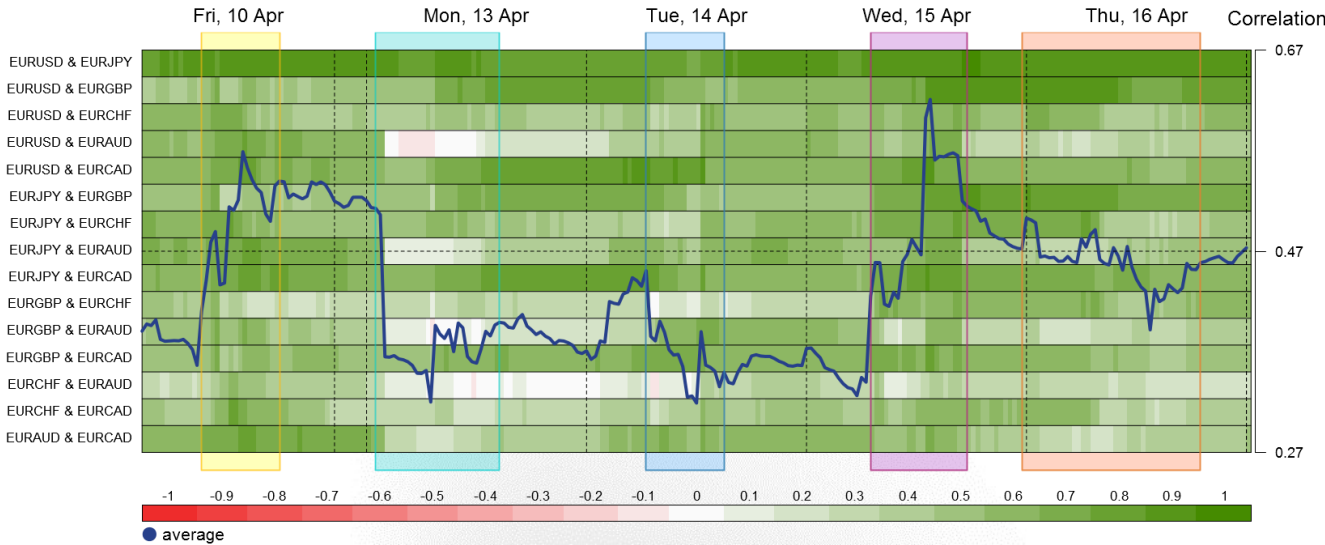
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.02	2.14	2.75	2.92	3.19	2.53	4.16	4.11	2.25	2.75
Min	0.43	0.37	0.25	0.27	0.29	0.3	0.42	0.28	0.39	0.13
Average	0.97	0.99	0.95	1.04	0.96	0.93	1.07	1.01	0.98	0.94



Currency Significance

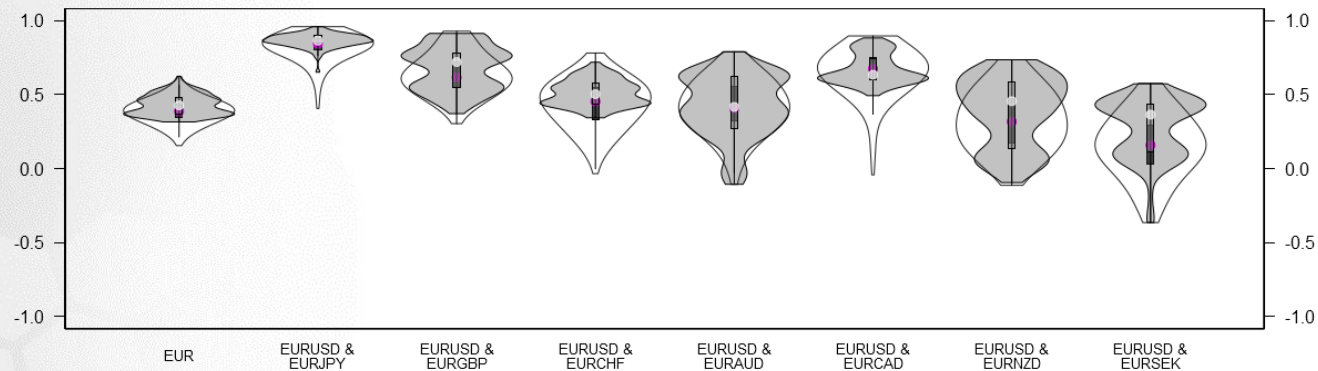
Correlations



The Euro significance measure remained around its usual level throughout the past week. Thus, compared with the previous period's values, averages of the composite and most its EUR/USD components have changed by only 0-0.07 points. The exception was the bond between EUR/USD and EUR/SEK, which has strengthened by notable 0.18 points. The same pattern was observed in relation to the long-term readings, with most of the latest averages staying close to their monthly values, and EUR/USD-EUR/SEK measure exceeding its by over 0.1 points.

Starting the period with 0.39 points, the Euro's measure rose sharply with the opening of the European session, and by Friday noon gained almost 0.2 points. However, the composite started the new week with a sharp fall caused by unexpectedly low Chinese trade balance. The measure lost some more ground on Tuesday, and eventually dropped to the period's minimum of 0.32 points. Wednesday, however, was marked by the rise of the composite. The measure started to increase early in the morning, but the main push of the composite came with the ECB press conference – the gauge surged to its maximum level of 0.62 points. Afterwards, the composite eased to hold above the 0.45 point level, and stayed that way till the end of the period.

Correlations (5 vs 20 days)

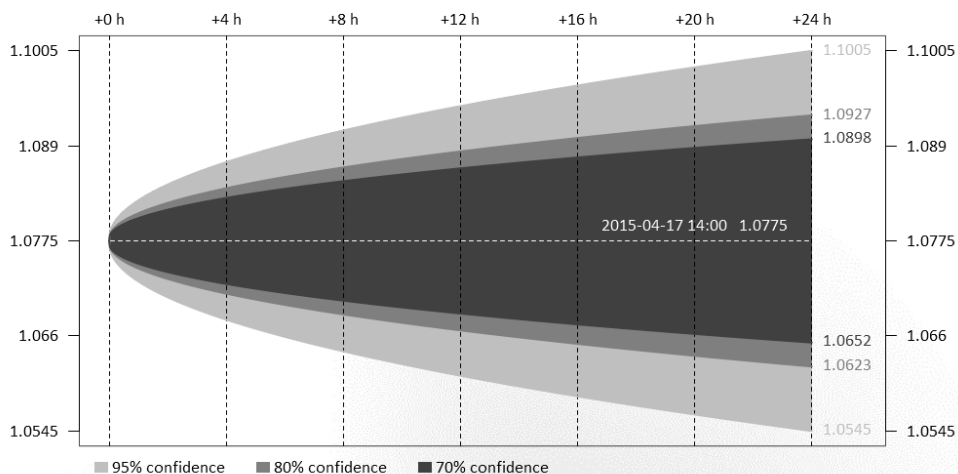


Mean Correlation Coefficient (with EURUSD)

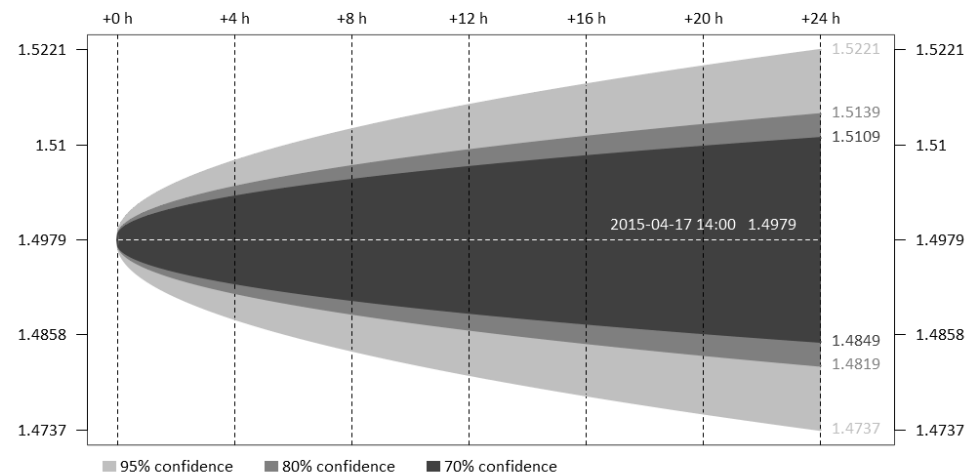
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.43	0.86	0.68	0.51	0.42	0.67	0.39	0.27
20	0.39	0.83	0.64	0.44	0.42	0.66	0.32	0.15
130	0.3	0.52	0.62	0.18	0.31	0.58	0.25	0.14
250	0.27	0.5	0.58	0.02	0.31	0.56	0.2	0.11

Confidence Intervals for Next 24 Hours

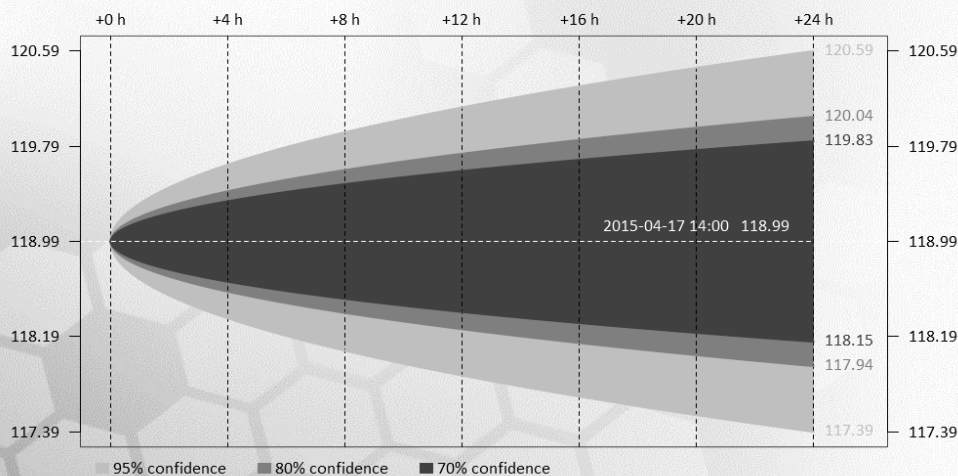
EURUSD Potential Rates



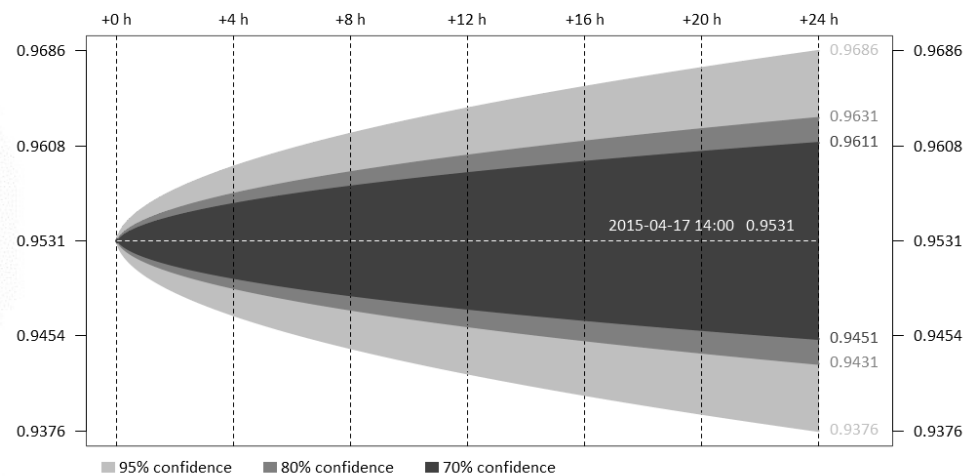
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

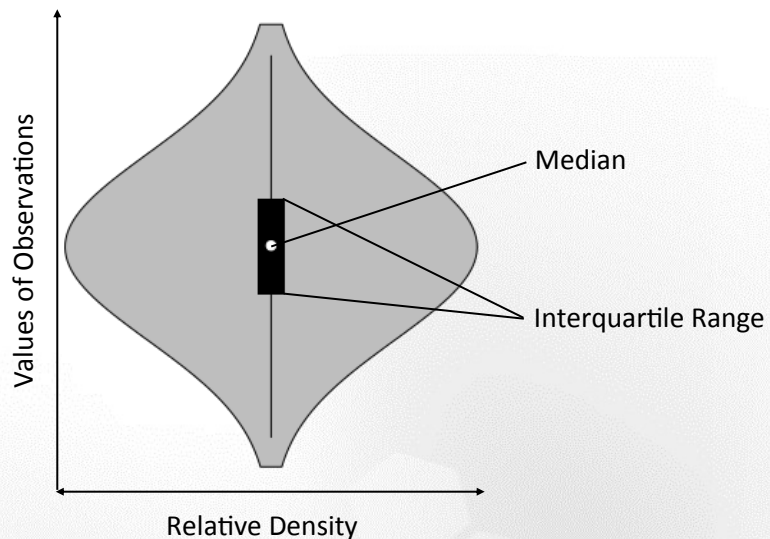
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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