



**EUR**

24/04/2015



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# Dominant Events of the Period

## Yellow Area

April 17

05:30 - 15:00

- UK Claimant Count, ILO Unemployment Rate, Average Earnings
- Euro Zone CPI
- US CPI, Flash UoM Consumer Sentiment Index, CB Leading Indicator
- Canadian CPI, Retail Sales

## Turquoise Area

April 20

06:00 - 15:00

- German PPI
- BoC Governor Poloz's Speech

## Blue Area

April 21

06:30 - 16:30

- German, Euro Zone ZEW Survey

## Purple Area

April 22

06:30 - 15:30

- BoE Minutes, MPC Vote
- US Housing Price Index, Existing Home Sales
- Euro Zone Flash Consumer Confidence

## Orange Area

April 23

06:30 - 15:30

- German, French, Euro Zone Flash Markit PMI
- US Jobless Claims, Flash Markit Manufacturing PMI, New Home Sales

EUR Currency Index Change

0.14%	0.09%	0.12%	-0.1%	0.46%
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Max EUR Volatility Index

2.12	1.55	1.41	1.6	1.62
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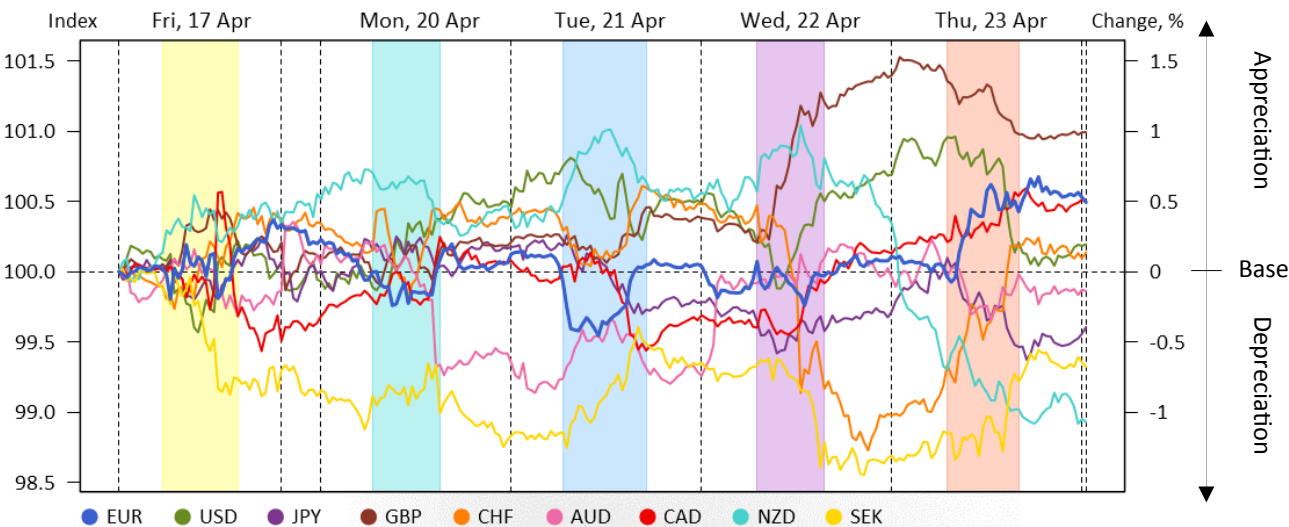




# Relative Currency Strength

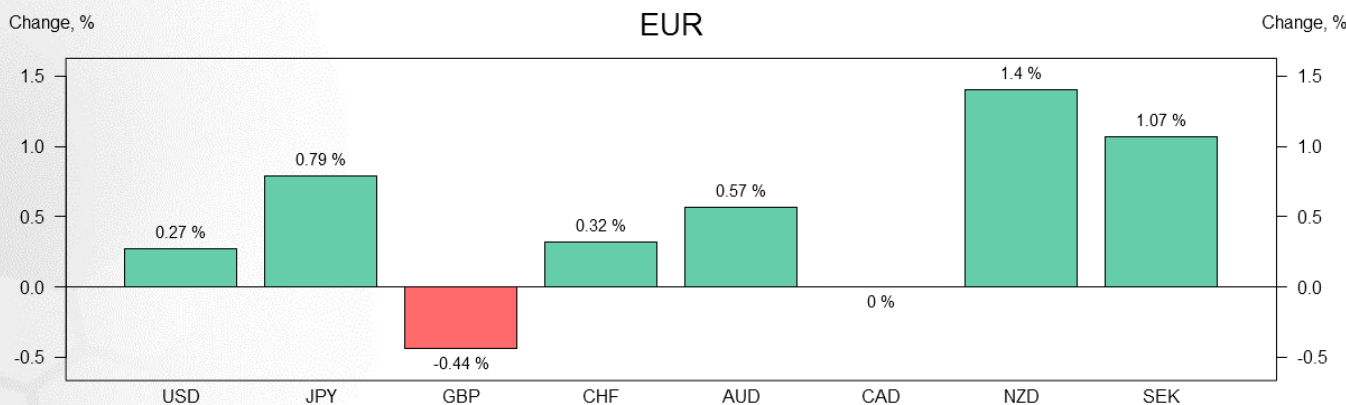
Currency Indexes

The past period was hugely successful for the British pound. Spending the first three days at the base level, the GBP Index surged to 101.5 right after the UK BoE minutes were published. From there on, the Index held well above the baseline and maintained the leading position. The week was much less fortunate for the Asia-Pacific currencies and the Swedish krona. Thus, during the April 22-23 Asian session, the Kiwi's measure has lost more than 2 points and became the main loser of the period. The krona, in turn, held below its peer currencies for the whole period. Among other currencies, the franc suffered the sharpest downside when the SNB announced a cut in



exemptions from its negative rate policy. The CHF index reached the week's minimum of 98.7, but pared the losses almost as swiftly as it incurred them, and ended the period with a 0.14% gain.

Compared with the previous period, the Euro showed rather positive development during the past week. Fluctuating around the baseline during most of the period, the EUR Index suffered a small decline on Tuesday, but managed to return to the 100-point level by the end of the European session. The turning point took place on Thursday, when the index started to rise despite unexpectedly low Euro zone PMIs estimates, ultimately reaching the 100.6 level and ending the period among the top three performers.



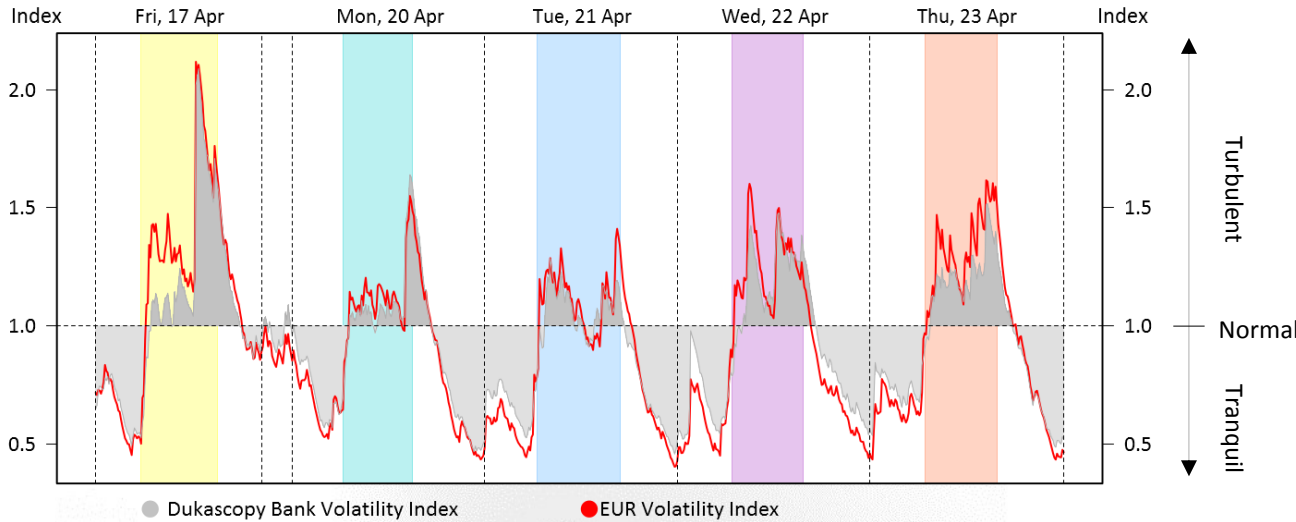
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.49%	0.19%	-0.4%	0.99%	0.14%	-0.14%	0.5%	-1.07%	-0.68%
20	-1.05%	-0.5%	-0.82%	1.07%	0.7%	-0.8%	2.64%	-0.42%	-1.14%
130	-8.79%	8.6%	-2.11%	2.05%	9.12%	-4.52%	0.14%	5.53%	-10.98%
250	-11.8%	15.8%	-1.47%	3.53%	6.99%	-4.28%	4.92%	1.32%	-14.99%



# Volatility

## Volatility



Market volatility evolved in an ordinary pattern during the week, showing moderate turbulence during the European trading session and decreasing overnight. The most changeable and thus the most volatile was the Swiss franc, whose index spent 50% of time above the 1.0 point level. The Aussie, in turn, was the most tranquil in terms of elevated volatility portion, though its index spiked notably several times in reaction to RBA Stevens' speech and meeting minutes, as well as the CPI announcement. The most conspicuous surge of the market volatility was observed on Friday – the Canadian CPI managed both the DB and the EUR Volatility Indexes to cross the 2.0 points level, while the Loonie's volatility measure almost met the 5.0 points mark.

As there was a lack of influential fundamentals from the Euro zone during the period, the majority of the single currency's volatility spikes were associated with the releases on peer economies. Friday was the most turbulent day for the Euro, as the Euro zone's CPI was released in the morning, and the US and Canadian CPIs shocked the market in the afternoon. As usual, Monday was relatively tranquil, till the Aussie's sharp fall ahead of the RBA Stevens' speech. The BoE minutes on Wednesday were followed by the 2.0 points peak of EUR/GBP index, and 1.56 - for the Euro's measure. On Thursday morning, the measure notably reacted to disappointing Euro zone's services PMI and reached the 1.5 level once again. The index remained on this level later against the background of the US releases.

### Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	41	43	38	47	43	50	26	46	40

### Volatility Index (for the observed period)

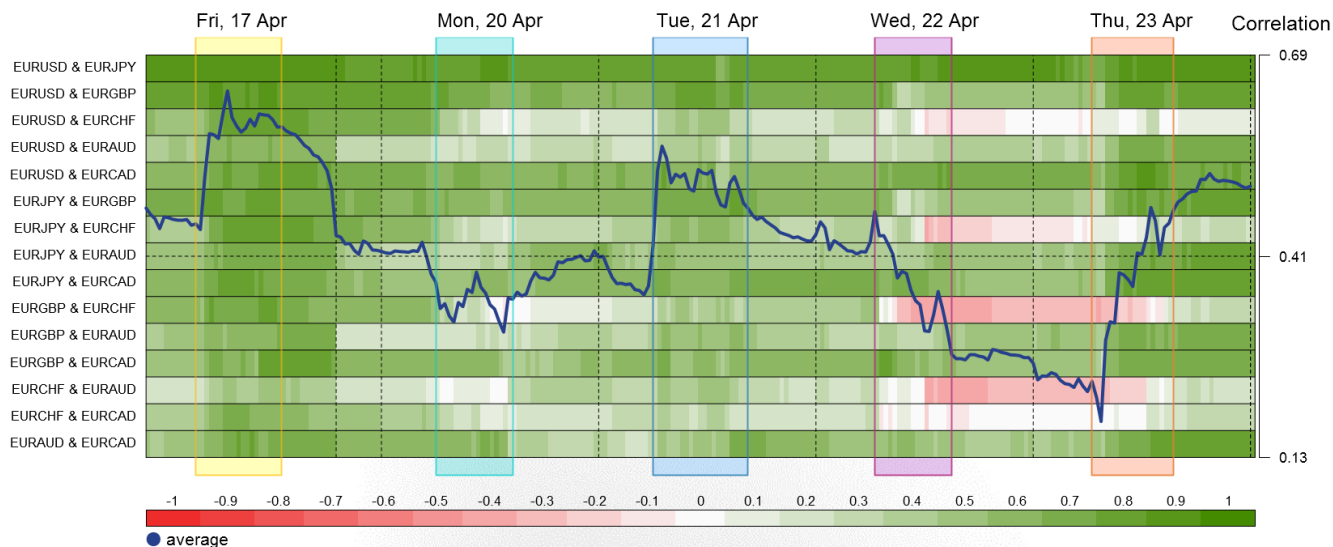
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.09	2.12	2.18	2.23	2.26	3.69	2.52	5.84	1.73	2.56
Min	0.46	0.4	0.23	0.32	0.24	0.3	0.34	0.26	0.41	0.18
Average	0.93	0.93	0.86	0.96	0.89	1.01	0.86	1.01	0.95	0.94





# Currency Significance

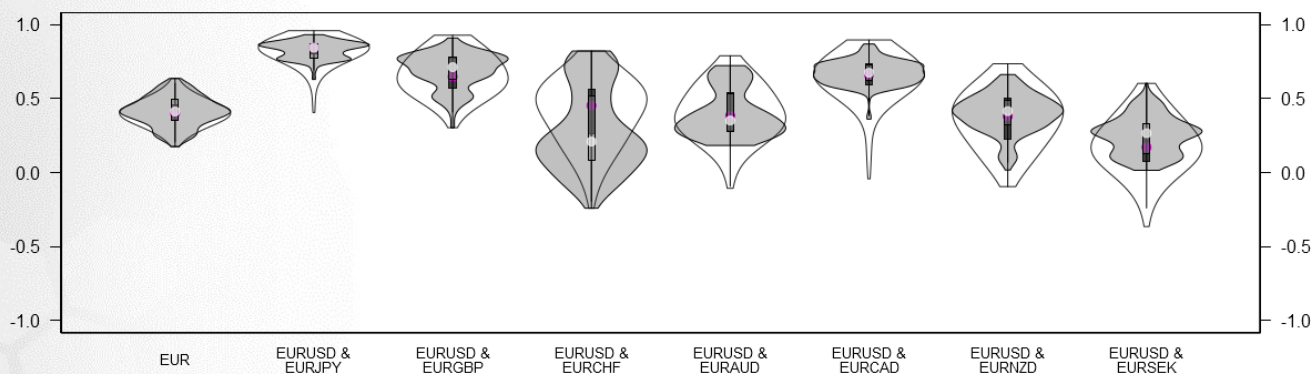
## Correlations



The Euro's significance measure covered the whole spectrum of its historical values in the past period, with the lower readings affected greatly by the franc's tumble after the SNB announced the expansion of its negative rate policy. The reaction was well seen in the EUR/USD-EUR/CHF correlation distribution, which slid down to its lowest long-term values, cutting its average to 0.29 points from the previous period's 0.51. Among other EUR/USD components, there was virtually no shifts neither from the previous readings nor from the long-term records.

During the past period, the Euro's correlation composite was mostly governed by the single currency's morning movements, pushing the measure up on Friday, Tuesday, and Thursday. The rise in the last day of the period was the most substantial one, taking the composite from its minimum of 0.18 points to a solid level of 0.50. Despite disappointing PMI releases, the Euro was climbing up against its major peers throughout the Orange Area on Thursday, prompting its significance measure to pare losses it suffered when the franc took the spotlight a day earlier. The EUR composite crossed the significance threshold of 0.30 points in the first hours of the European session, and stopped its ascent only late in the afternoon, stabilizing above the 0.50 points mark.

## Correlations (5 vs 20 days)

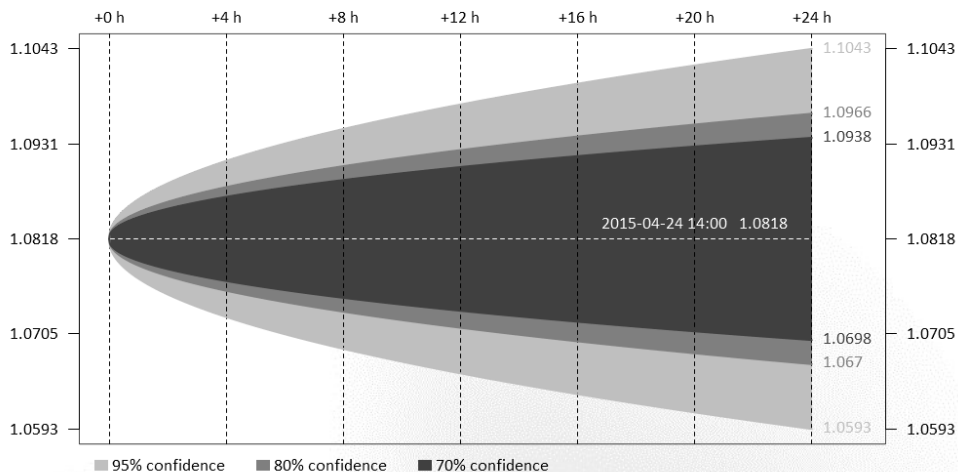


## Mean Correlation Coefficient (with EURUSD)

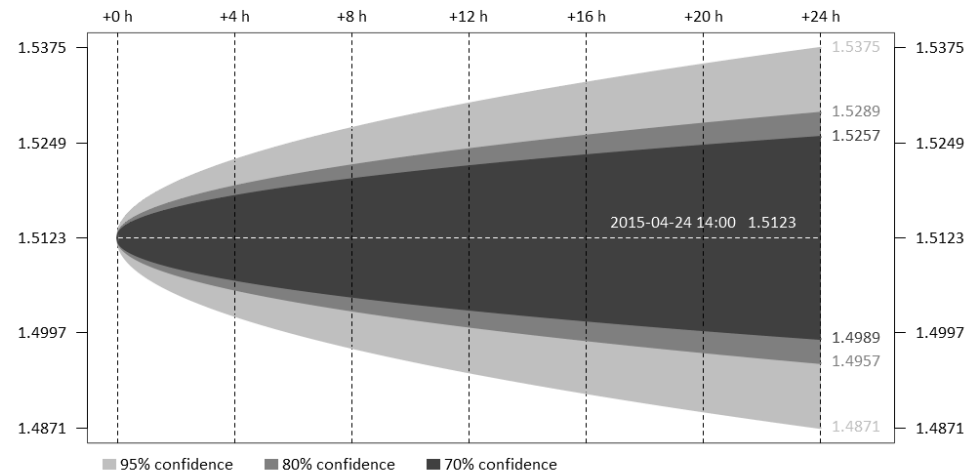
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.41	0.83	0.69	0.29	0.4	0.67	0.4	0.25
20	0.4	0.83	0.66	0.41	0.4	0.65	0.36	0.18
130	0.31	0.53	0.63	0.18	0.31	0.59	0.25	0.14
250	0.28	0.51	0.58	0.03	0.31	0.56	0.21	0.11

# Confidence Intervals for Next 24 Hours

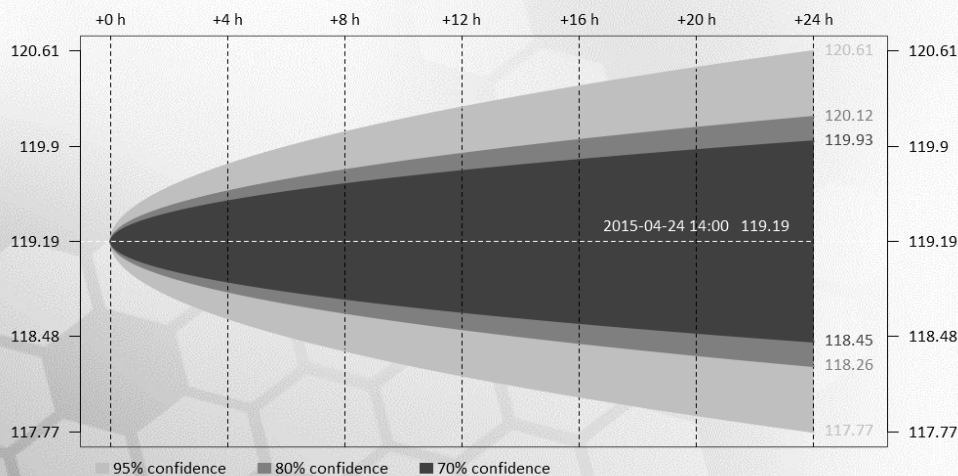
EURUSD Potential Rates



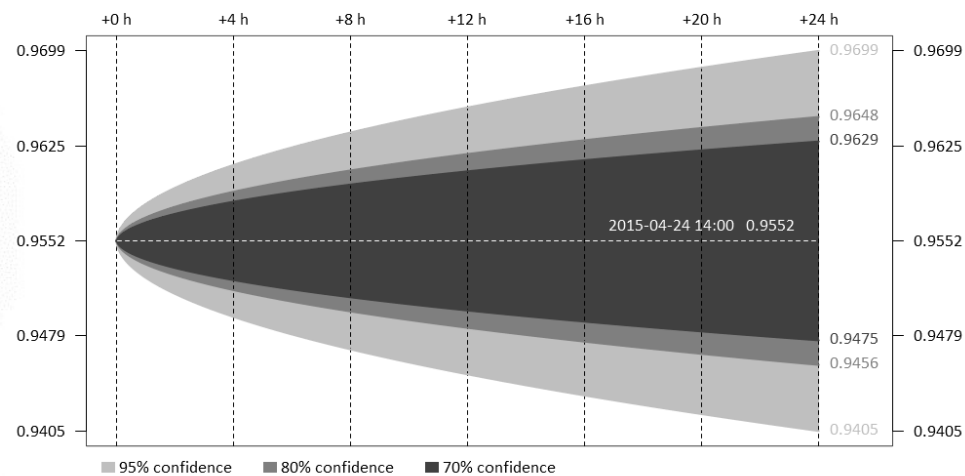
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates





# EXPLANATIONS

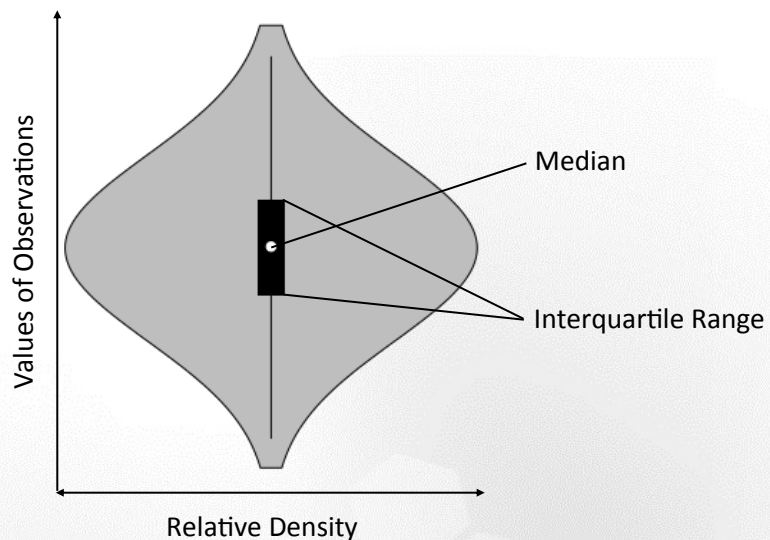
## Violin Plot

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

## Methodologies

Volatility Index

Confidence Interval





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