



EUR

01/05/2015



DUKASCOPY
RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

April 24

06:00 - 16:00

- German Ifo Survey
- SNB Chairman Jordan's Speech
- US Durable Goods Orders
- Eurogroup Meeting

Turquoise Area

April 28

08:30 - 15:00

- UK Preliminary GDP
- BoC Governor Poloz's Speech
- US Consumer Confidence

Blue Area

April 29

07:00 - 21:30

- Euro Zone M3 Money Supply, Economic Confidence
- German Flash CPI
- US Flash GDP, Pending Home Sales
- Fed Interest rate Decision
- RBNZ Interest Rate Decision, Monetary Policy Statement

Purple Area

April 30

06:00 - 21:00

- German Retail Sales, Unemployment Rate
- Euro Zone Flash CPI, Unemployment Rate
- US Jobless Claims, Chicago PMI
- Canadian GDP

EUR Currency Index Change

0.24%

0.26%

0.89%

1.21%

Max EUR Volatility Index

1.66

1.59

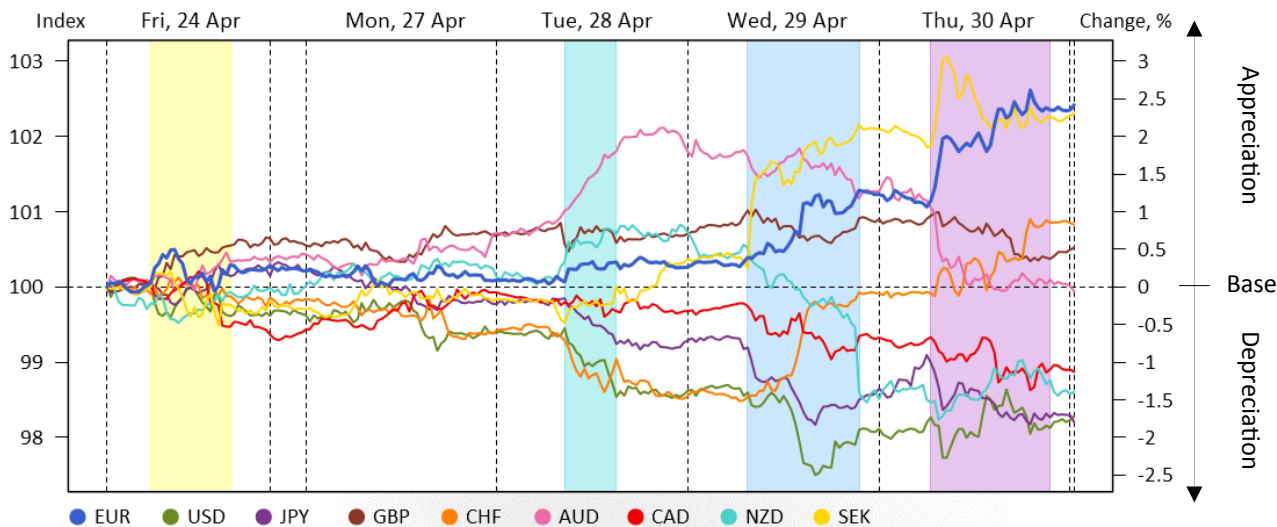
2.28

2.46



Relative Currency Strength

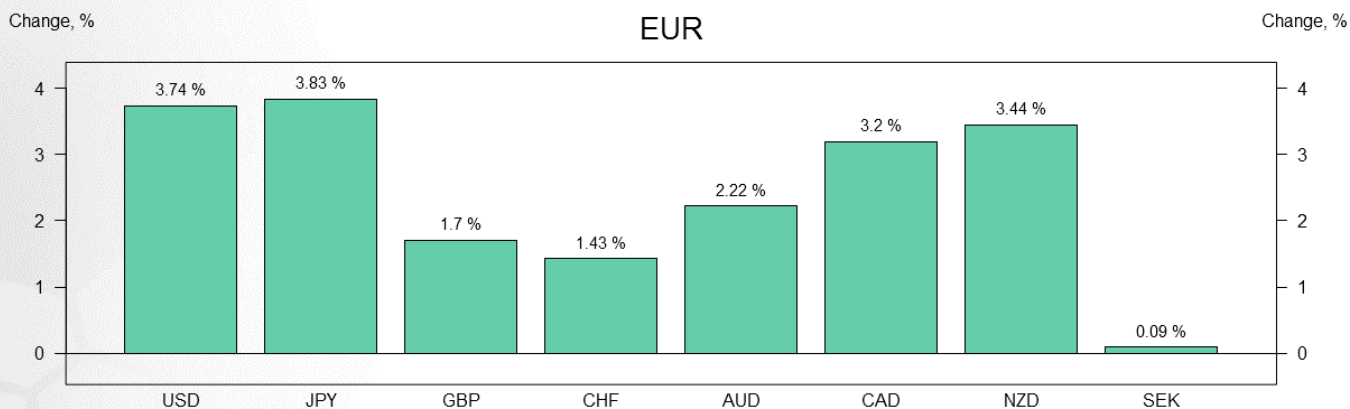
Currency Indexes



April 28 proved to be a defining day of the period, as the indexes that until then held compactly around the baseline suddenly diverged, putting themselves well into depreciation and appreciation areas. The EUR Index was among those that started to rise, and eventually managed to outpace all of its counterparts. The single currency posted weekly gains of over 1% against seven out of its eight major peers, with the greatest strengthening falling at EUR/JPY and EUR/USD. The only currency to post virtually no losses against the Euro was the krona, whose index got a kick-start from Riksbank's decision to keep interest rates unchanged, and dominated over the single currency's

measure until Thursday afternoon.

With the past three trading days, the EUR Index went through another period of growth that was unsupported by the Euro zone fundamentals. The single currency's measure continued to derive its strength from the Greenback's weakness, as the US currency remained under pressure of feeble releases and speculations around the time of the rate hike. Moreover, additional support came from the rally of the Bund yields and the growing spread between the yields of the German and the US bonds. The momentum was great enough to not only put the EUR Index at the top performer's position, but also push its monthly change out of the negative area.



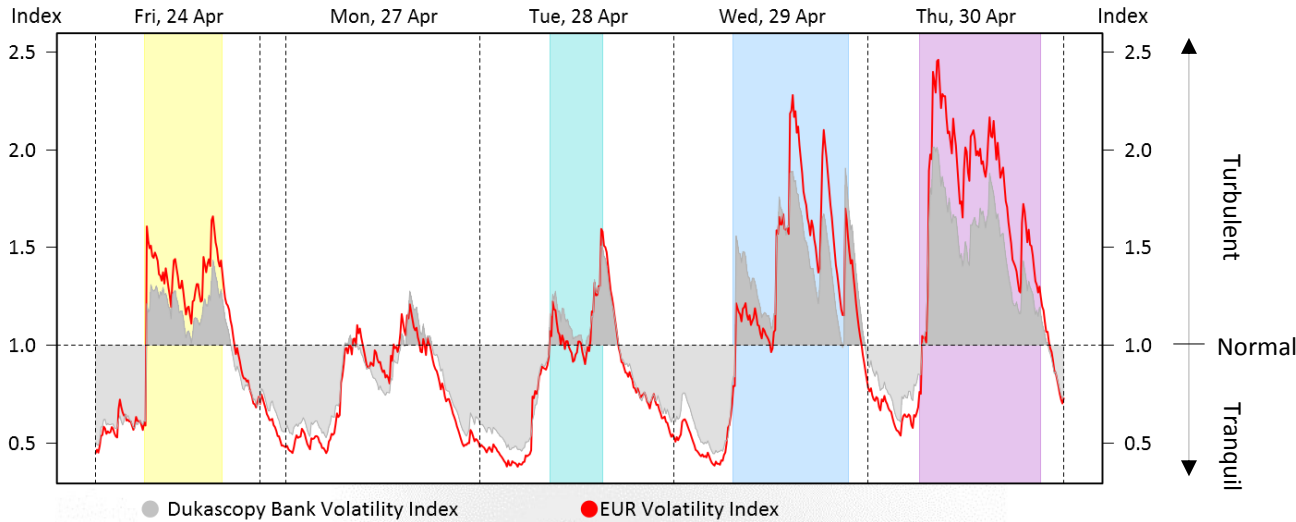
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	2.42%	-1.72%	-1.8%	0.52%	0.83%	-0.06%	-1.13%	-1.39%	2.32%
20	0.82%	-2.27%	-2.61%	1.14%	0.29%	1.66%	1.6%	-1.3%	1.36%
130	-6.25%	6.31%	-1.04%	2.17%	10.01%	-5.59%	-1.72%	3.1%	-7.75%
250	-9.41%	14.47%	-3.15%	3.85%	7.79%	-3.89%	3.49%	0.44%	-13.59%



Volatility

Volatility



The portion of elevated volatility across the observed currencies held around 40% for the third week in a row, signaling continuous acceleration of activity on the market. The most turbulent currency was the Kiwi, whose index held above its historical level for 50% of time. It also reached the highest volatility peak as the discouraging statement from the RBNZ on Wednesday pushed the currency down, raising its volatility index to the 5.3 mark. The Swiss franc, in turn, was one of the most tranquil currencies of the past week. However, on Wednesday, the SEK index jumped to 3.74 points with the Riksbank's interest rate decision, thus posting the second highest result of the period.

The single currency index started the period with a slight uptick in volatility, which occurred on the threshold of the German IFO data release and the SNB chairman's speech. Later the same day, another jump was caused by the US durable goods orders report and the BoC governor's speech. On Wednesday, the Euro's volatility rose above the 1-point level right after the Riksbank's interest rate decision, and stayed elevated till the end of the day, fueled by the US economic news. It reached the day's maximum at the time of the US pending home sales release. Thursday was the most volatile day for the Euro. The index surged to 1.97 points right after the German retail sales came out, and got to the highest level of the week after the German unemployment report.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	46	44	41	45	41	47	32	37	50

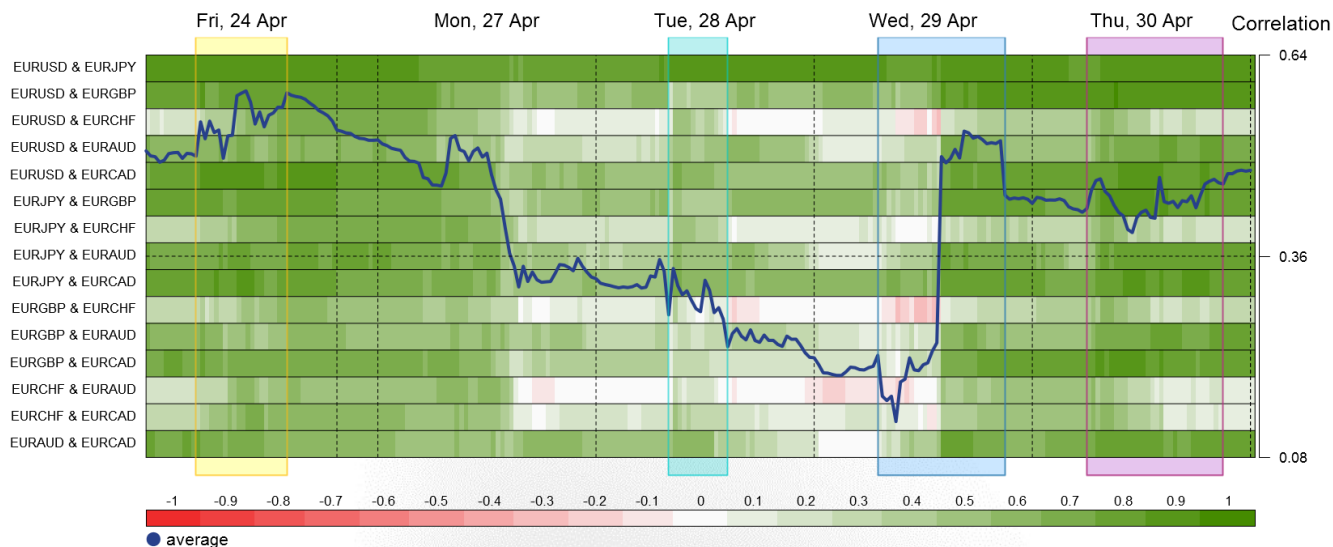
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.01	2.46	2.68	2.84	2.66	3.2	2.86	2.62	5.63	4.94
Min	0.45	0.38	0.28	0.31	0.28	0.26	0.33	0.19	0.46	0.13
Average	0.99	1.02	1.02	1.04	1.01	1.02	0.94	0.95	1.21	0.94



Currency Significance

Correlations

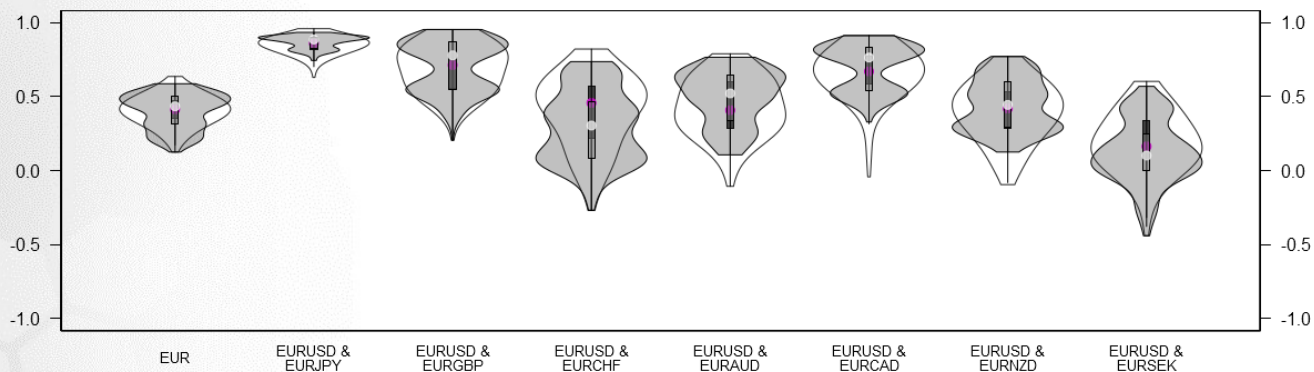


The Euro's significance measure spent a notable part of the period on subdued levels, with most downward pressure coming from the Swiss franc's components. The effect was most pronounced in the EUR/CHF correlation with EUR/AUD, EUR/GBP, and EUR/USD, which went as far as to cross into the negative area. Distribution plots also showed some weakening in the EUR/USD bond with the EUR/SEK, EUR/GBP, EUR/AUD, and EUR/NZD. Meanwhile, the most traded pair's correlation with the EUR/JPY cross was notably elevated, with the period's

average more than 0.3 points above the long-term values.

The rally that took over the single currency on April 29-30 was the main power source for its significance measure, pushing it from the period's low of 0.1 points to a solid level above 0.5. Some of the gains were eaten away by the surge of the Kiwi's gauge on Wednesday evening, but afterwards the Euro's composite kept firmly above the 0.4 mark, signaling moderate significance. The period's part before the rise, however, saw the single currency have the least impact on the market, with its correlation composite dominated most notably by the Swiss franc's and the US dollar's measures.

Correlations (5 vs 20 days)

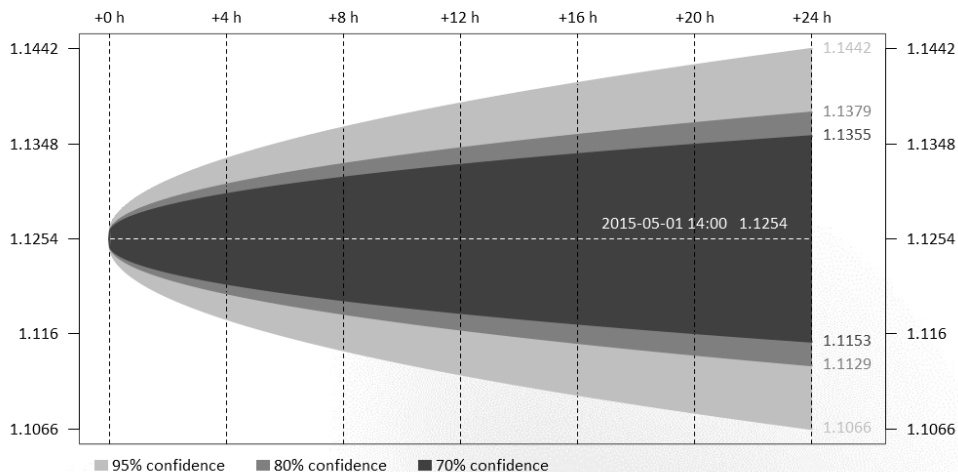


Mean Correlation Coefficient (with EURUSD)

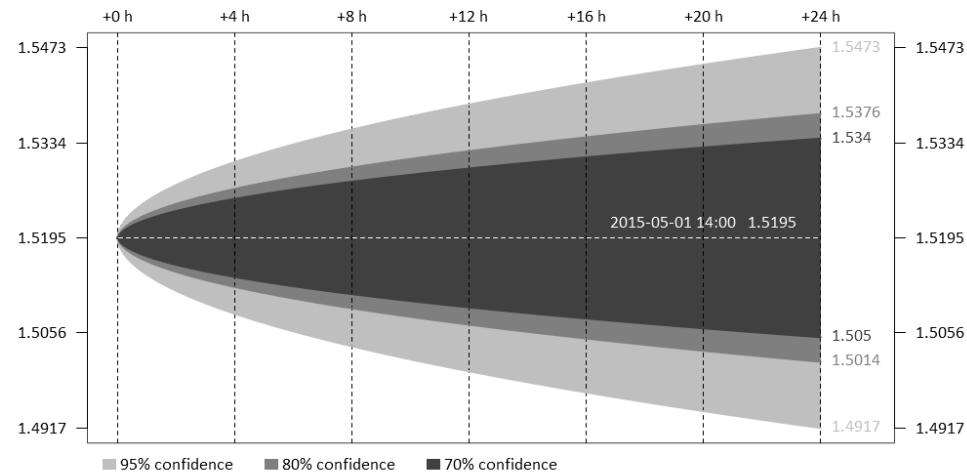
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.4	0.87	0.7	0.29	0.49	0.69	0.44	0.12
20	0.41	0.85	0.69	0.41	0.43	0.66	0.4	0.19
130	0.31	0.54	0.64	0.2	0.33	0.6	0.27	0.15
250	0.28	0.51	0.58	0.04	0.3	0.56	0.2	0.11

Confidence Intervals for Next 24 Hours

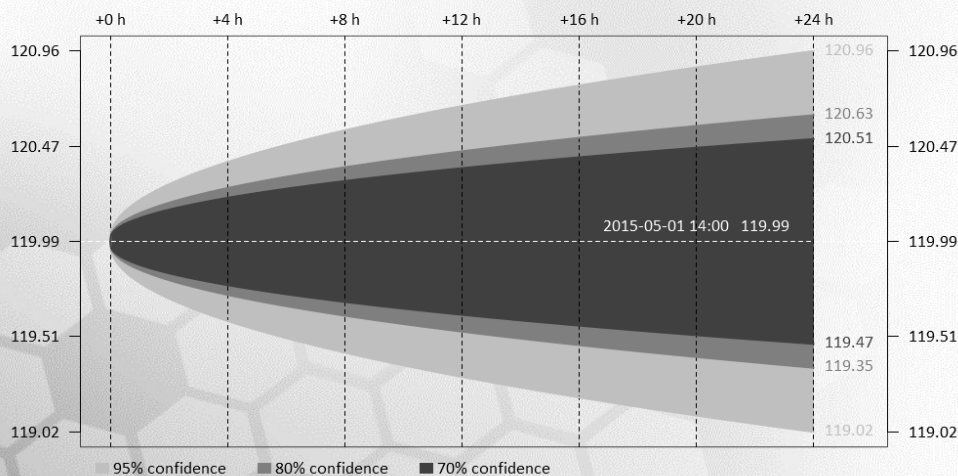
EURUSD Potential Rates



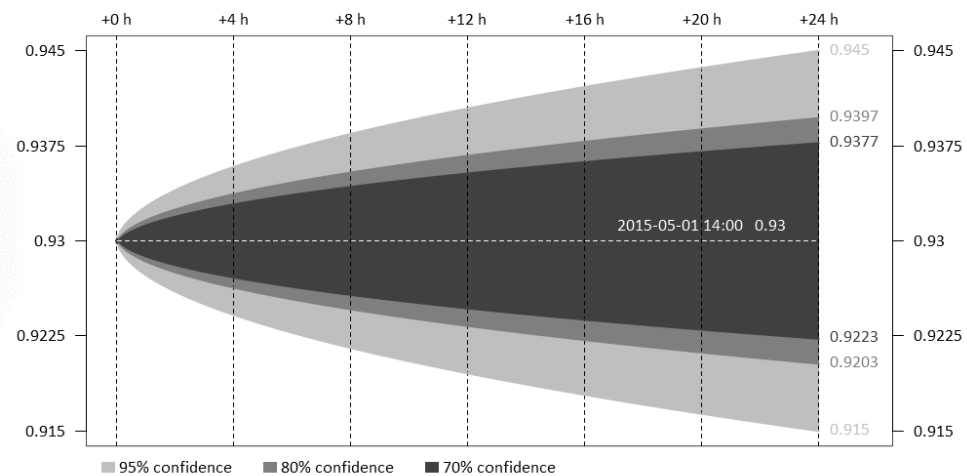
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

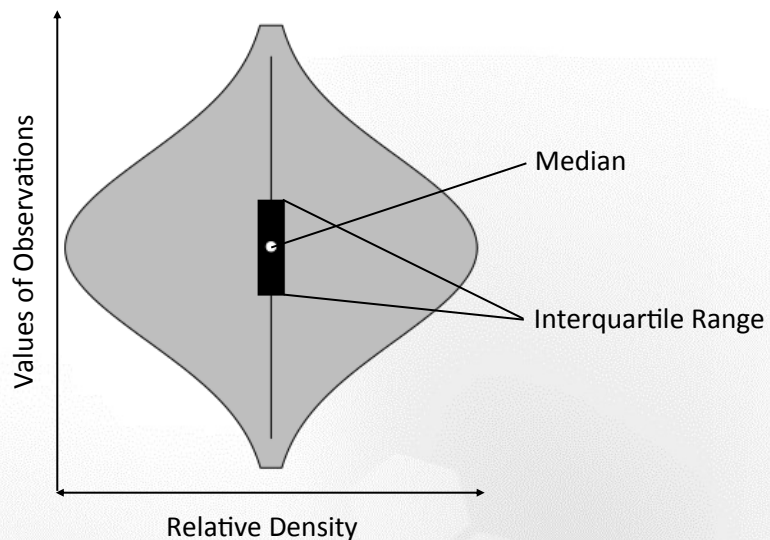
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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.