



USD

04/05/2015



DUKASCOPY
RESEARCH PRODUCTS



Market Research



Monday, May 04, 2015
14:30 GMT

Dominant Events of the Period

Yellow Area

April 27

06:30 - 18:30

- US Preliminary Markit Services PMI

Turquoise Area

April 28

07:00 - 16:30

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

Blue Area

April 29

07:00 - 21:30

- Riksbank Rate Decision
- US Flash GDP, Pending Home Sales
- Fed Interest rate Decision
- RBNZ Interest Rate Decision, Monetary Policy Statement

Purple Area

April 30

06:30 - 21:00

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

Orange Area

May 1

06:30 - 17:30

- UK Markit Manufacturing PMI
- ISM Manufacturing PMI, Michigan Consumer Sentiment Index

USD Currency Index Change

-0.4%

-0.67%

-0.43%

-0.11%

0.67%

Max USD Volatility Index

1.35

1.63

2.37

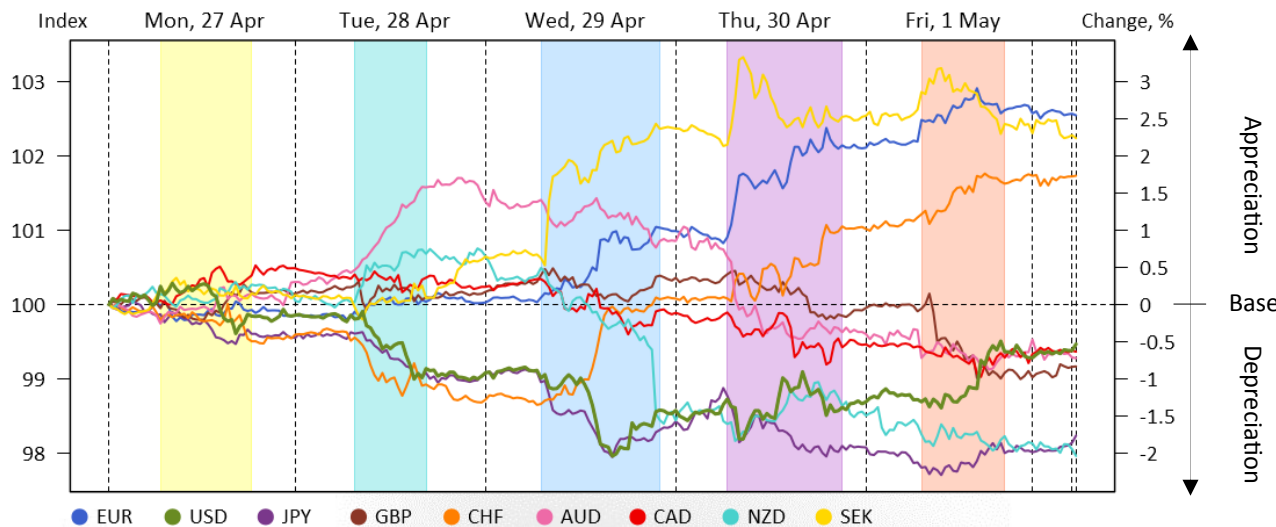
1.96

2.1



Relative Currency Strength

Currency Indexes

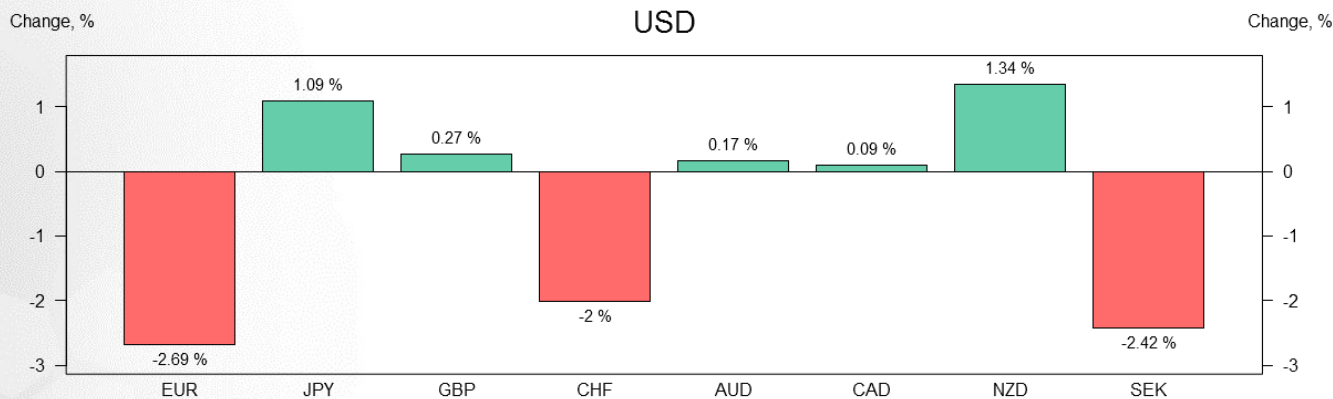


with 1% drop of the Kiwi's index, which was provoked by the RBNZ's monetary policy statement.

The US dollar was stably depreciating during the first half of the trading week as both Monday's preliminary services PMI and Tuesday's consumer confidence data turned out to be significantly lower-than-expected. Disappointing 2% lower than previous preliminary GDP release sent the currency index even lower. Thus, the measure reached its minimum of 97.95 points on Wednesday afternoon. Minor recovery was observed during the rest of the period. Optimistic jobless claims and surprisingly high Chicago PMI gave the currency positive impulse on Thursday. Lastly, unchanged manufacturing PMI and consumer sentiment values strengthened the Greenback's position.

The week was rather unsuccessful for the Greenback as throughout the week its currency index remained in the negative area and finished the period at the level of 0.5 points below the baseline. However, there were several currencies, which significantly appreciated during the week. The Euro and the krona were evident leaders in this term. They both started to grow on Wednesday and, besides, the day was full of "surprises" for different currencies. The krona's 1% surge in the morning followed the Riksbank's decision to keep the repo rate unchanged and to extend bond-buying programme, the franc experienced the same change few hours later, but the evening was marked

USD



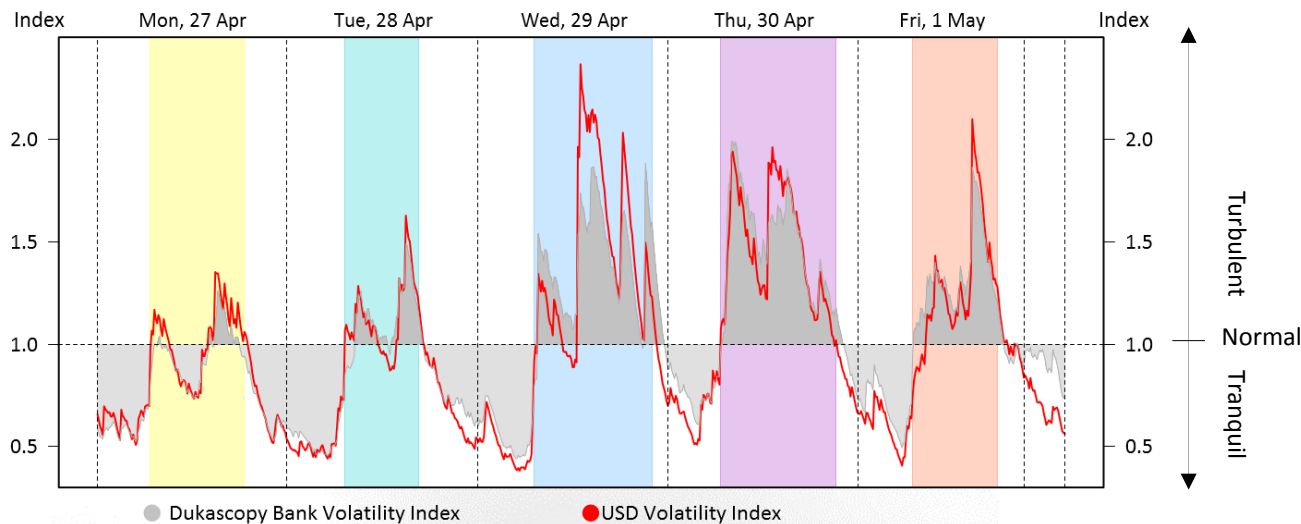
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	2.55%	-0.53%	-1.76%	-0.83%	1.74%	-0.72%	-0.63%	-2.04%	2.24%
20	1.03%	-1.03%	-2.26%	0.45%	0.99%	1.61%	1.44%	-2.53%	0.7%
130	-5.85%	6.36%	-0.22%	0.58%	10.75%	-5.59%	-1.69%	3.08%	-8.19%
250	-9.02%	15.29%	-2.85%	3.09%	8.25%	-4%	3.68%	-0.76%	-13.67%



Volatility

Volatility



The period could be divided in two parts according to the market turbulence. If the portion of elevated market volatility during the first two days of the week was only 25%, then during the rest of the period the market volatility measure was above the 1-level (which indicates the average historical level) in 58% of time. The franc was the most turbulent at the beginning of the week, however, full of influential news Wednesday managed readjustments and some conspicuous spikes were observed in other currencies' volatility. The immediate krona's reaction to the Riksbank's monetary policy decisions was reflected in the 3.71 points spike of the SEK Volatility Index as well as the RBNZ's monetary policy statement induced the

5.23 peak of the Kiwi's turbulence measure. It is worth noting that NZD was the most volatile currency that week.

The Greenback was relatively volatile, especially during the second part of the week. US preliminary services PMI on Monday and Consumer confidence on Tuesday were followed by moderate volatility increases. Much stronger reaction was observed on Wednesday noon, when disappointing preliminary GDP was released. The index surged to the 2.37 mark – the highest value of the period – and few hours later crossed the 2.0 points level one more time against the background of the Fed's decision to keep the rate unchanged. Jobless claims on Thursday and manufacturing PMI on Friday also made the gauge to increase significantly.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
45	44	39	33	45	44	28	35	43	49

Volatility Index (for the observed period)

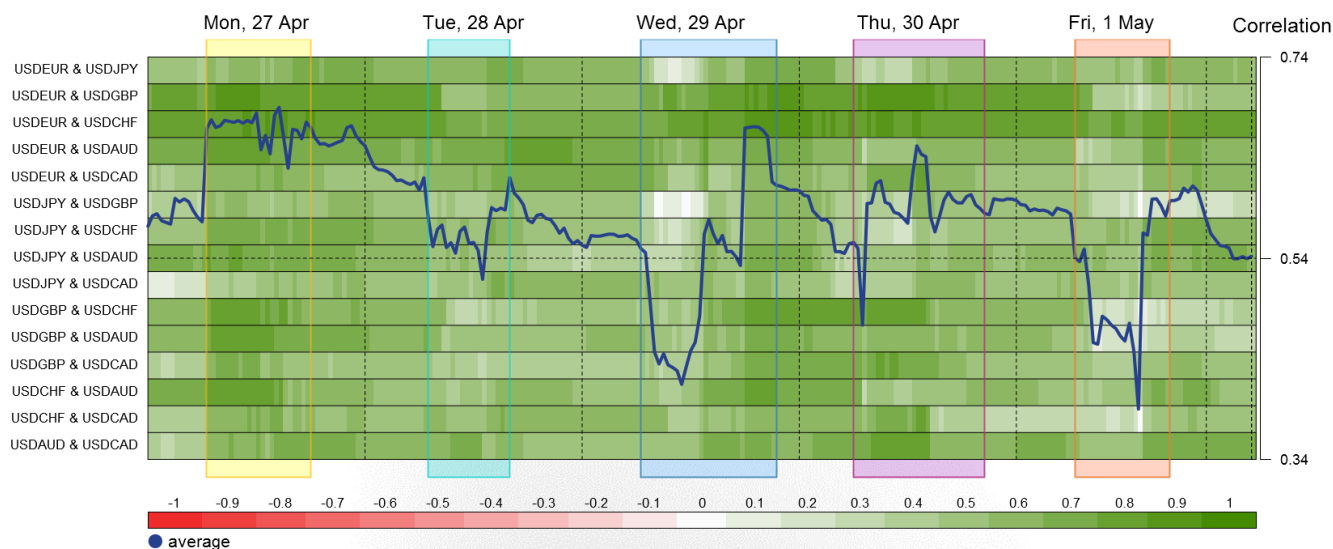
	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.99	2.37	2.65	2.83	2.09	3.62	2.02	2.54	4.19	3.53
Min	0.44	0.38	0.24	0.29	0.28	0.22	0.42	0.3	0.49	0.24
Average	1.01	0.98	0.95	0.97	0.96	1.07	0.89	0.89	1.02	1.09

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Currency Significance

Correlations

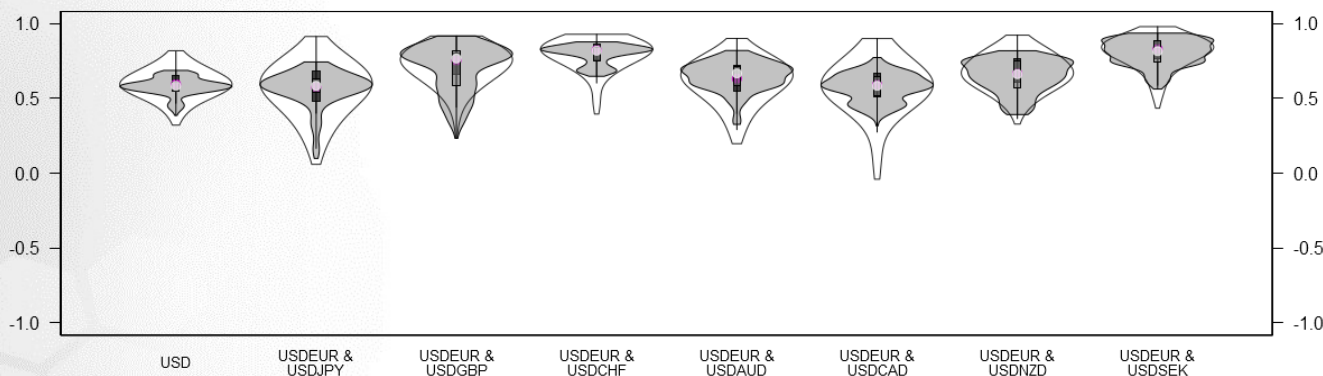


During the week the correlations of the USD pairs were very close to the average monthly levels. Moreover, the composite was varying in narrow range around the monthly average with several drops and surges of the gauge pointing out the relative significance of the news releases and thus the currencies, which reacted to the news.

The composite started the week at the 0.65 level, which was the highest among its counterparts, however, it lost leading position on Tuesday after the UK preliminary GDP release, which drove the pound's significance measure up. The next day

started with even greatest drop of the USD pairs' correlations. Correlations of the pairs with krona strengthened and the krona's composite soared to the 0.9 mark after the Riksbank's decision announcement and remained above its counterparts during the rest of the week. Nevertheless, the Greenback's composite recovered shortly in the afternoon against the background of US preliminary GDP and rate decision releases. One more notable dip of the gauge took place on Friday when the unexpectedly decreasing UK manufacturing PMI was issued, but, just like in Wednesday's case, the measure returned to the 0.6 level few hours later after the US data releases – manufacturing PMI and consumer confidence.

Correlations (5 vs 20 days)



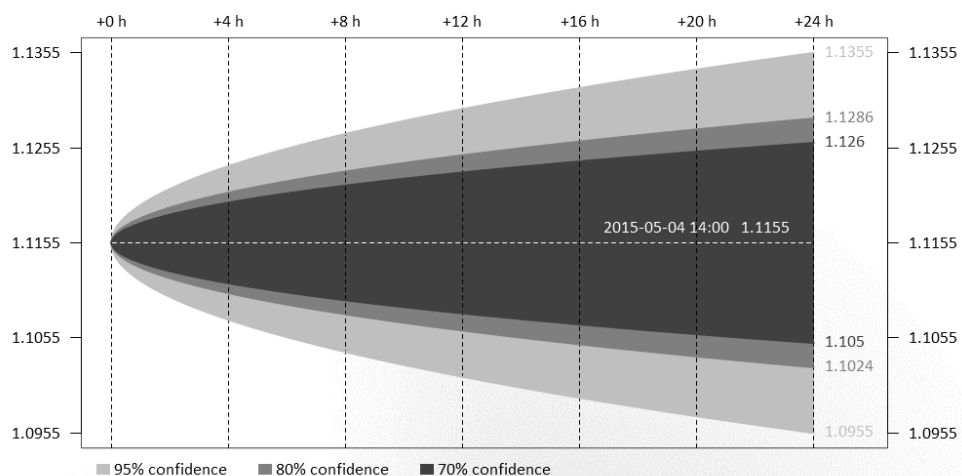
Mean Correlation Coefficient (with USDEUR)

Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.58	0.57	0.7	0.79	0.65	0.57	0.65	0.8
20	0.59	0.56	0.73	0.8	0.61	0.58	0.67	0.81
130	0.47	0.43	0.61	0.7	0.53	0.44	0.55	0.68
250	0.45	0.4	0.52	0.79	0.47	0.37	0.5	0.64

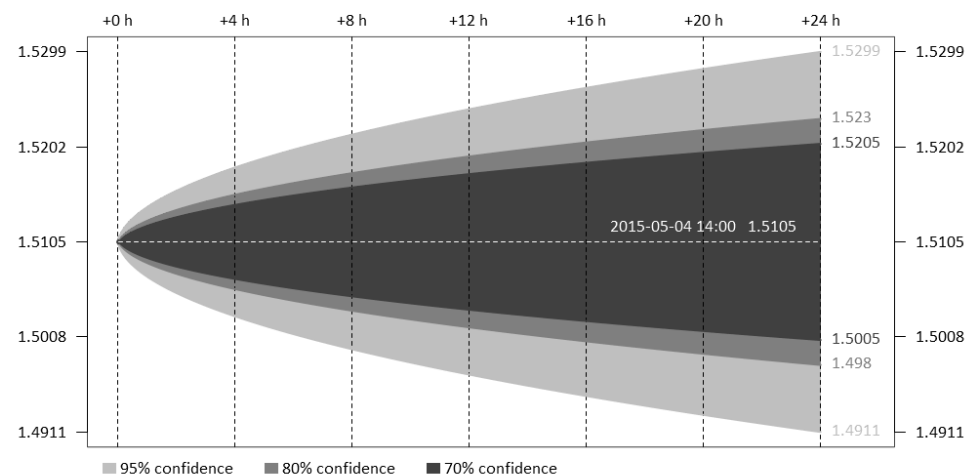
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Confidence Intervals for Next 24 Hours

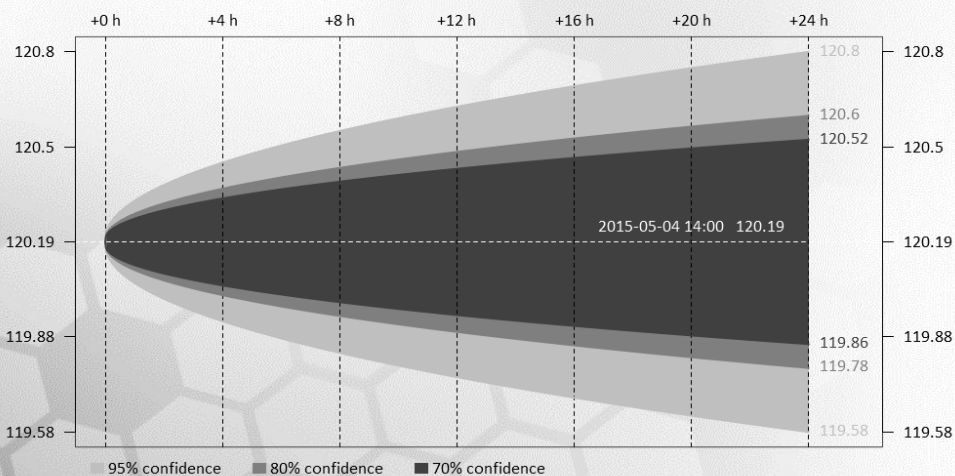
EURUSD Potential Rates



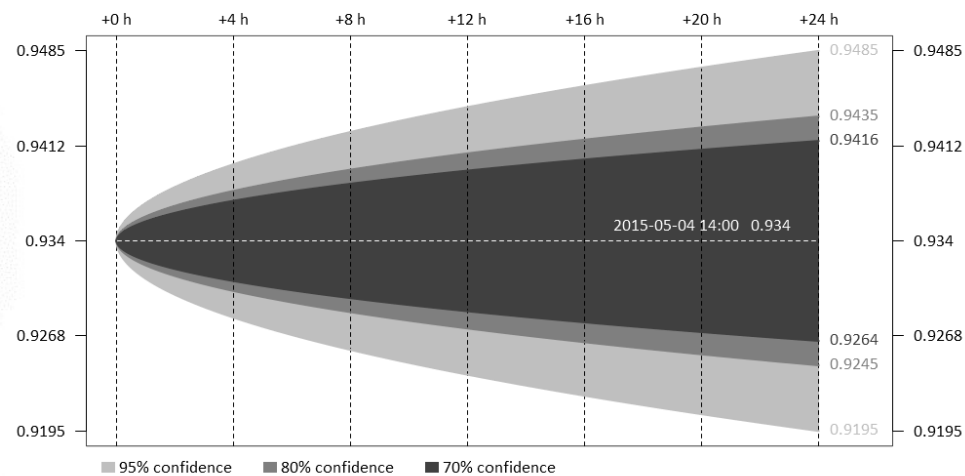
GBPUSD Potential Rates



USDJPY Potential Rates



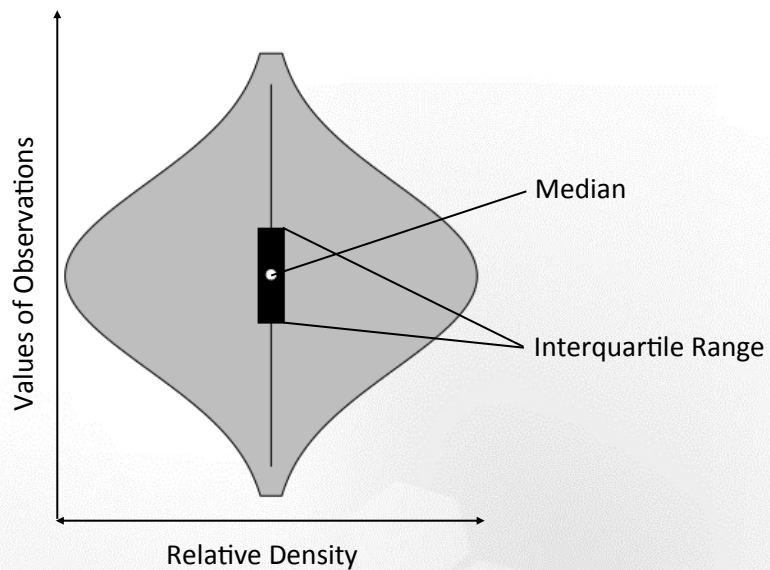
USDCHF Potential Rates



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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