



EUR

08/05/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

May 1

06:30 - 15:00

- UK Consumer Credit, Markit Manufacturing PMI
- RBC Manufacturing PMI
- US ISM Manufacturing PMI, Consumer Spending, UoM Consumer Sentiment Index

Turquoise Area

May 5

06:00 - 15:30

- UK PMI Construction
- EC Economic Growth Forecasts
- US Trade Balance, ISM Non-Manufacturing PMI

Blue Area

May 5-6

22:30 - 14:30

- New Zealand Unemployment Rate
- Euro Zone Markit PMI, Retail Sales
- UK Markit Services PMI
- US ADP Employment Change
- Fed Yellen's Speech
- Canadian Ivey PMI

Purple Area

May 7

06:30 - 23:00

- UK Parliamentary Election
- German Factory Orders
- US Jobless Claims
- Canadian Building Permits

EUR Currency Index Change

0.51%	0.11%	0.79%	-0.61%
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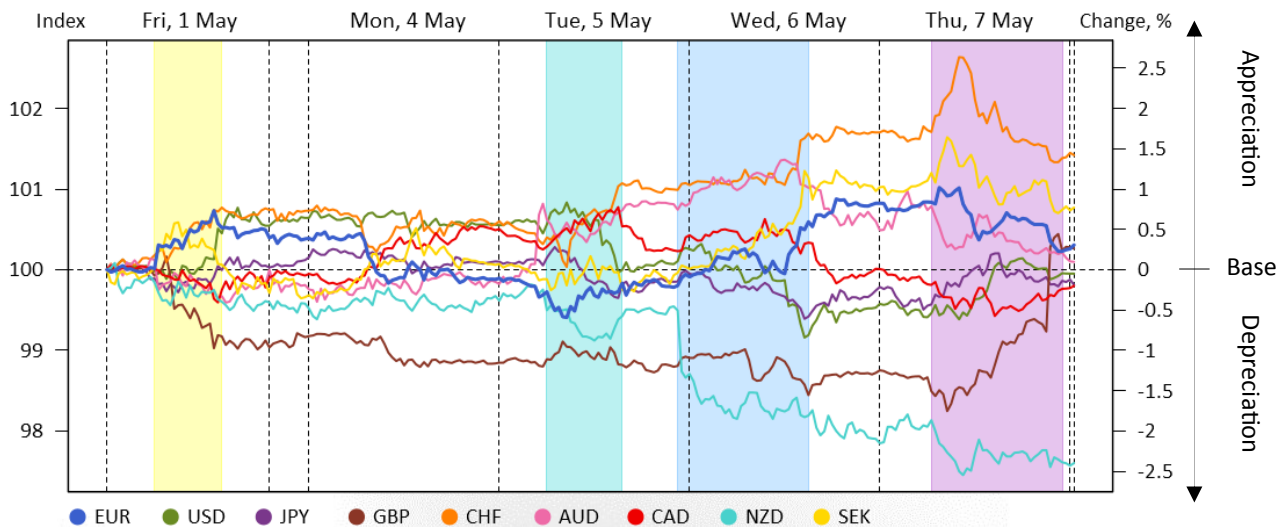
Max EUR Volatility Index

1.7	1.79	1.51	1.73
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Relative Currency Strength

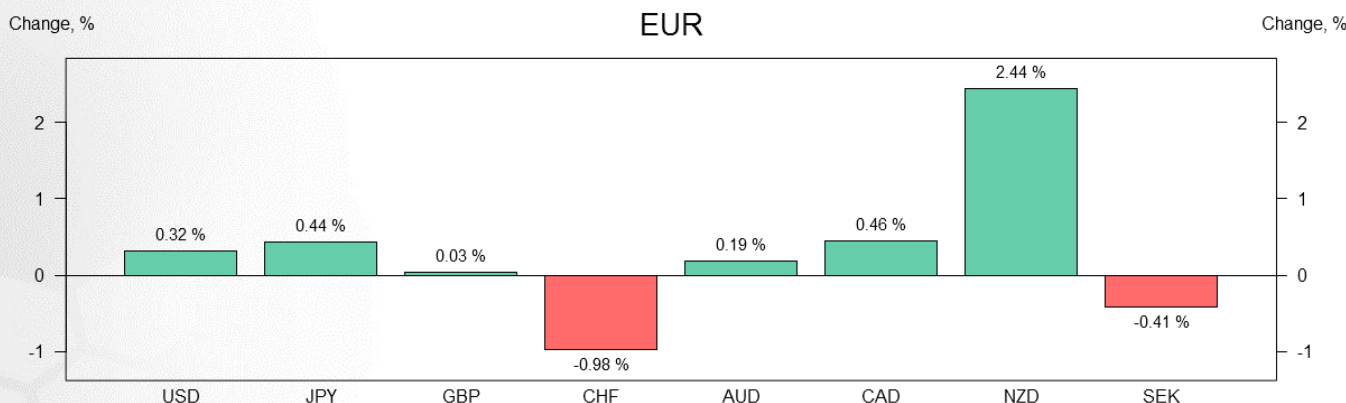
Currency Indexes



The EUR Index lost the momentum it accumulated during the last days of the previous period, making its movement less directed and thus less successful. Among more determined indexes, the franc's measure retained the uptrend it took up on April 29 and strengthened it at the end of the period, supported by the dollar's weakness and the global bond sell-off. The krona's gauge also managed to pick up in the past two days, outpacing its peers despite some disappointing Swedish releases. Together with the Euro's gauge, these indexes formed the top three performers' list for the period. The Kiwi's measure posted the most notable result on the depreciation

side, falling sharply as the national unemployment failed to post the expected drop. The GBP Index could have been the second worst, but it surged late on Thursday, when the election's exit polls showed the Conservatives might get a greater-than-expected majority in the parliament.

Meanwhile, the Euro zone offered little to no fundamentals to affect the single currency during the period, so the EUR Index was mostly influenced by the negotiations between Greece and the Brussels Group, the global bonds sell-off, and the movements of its peers. In the end, the Euro managed to appreciate against most of its counterparts, and the index posted a weak, but positive weekly change.



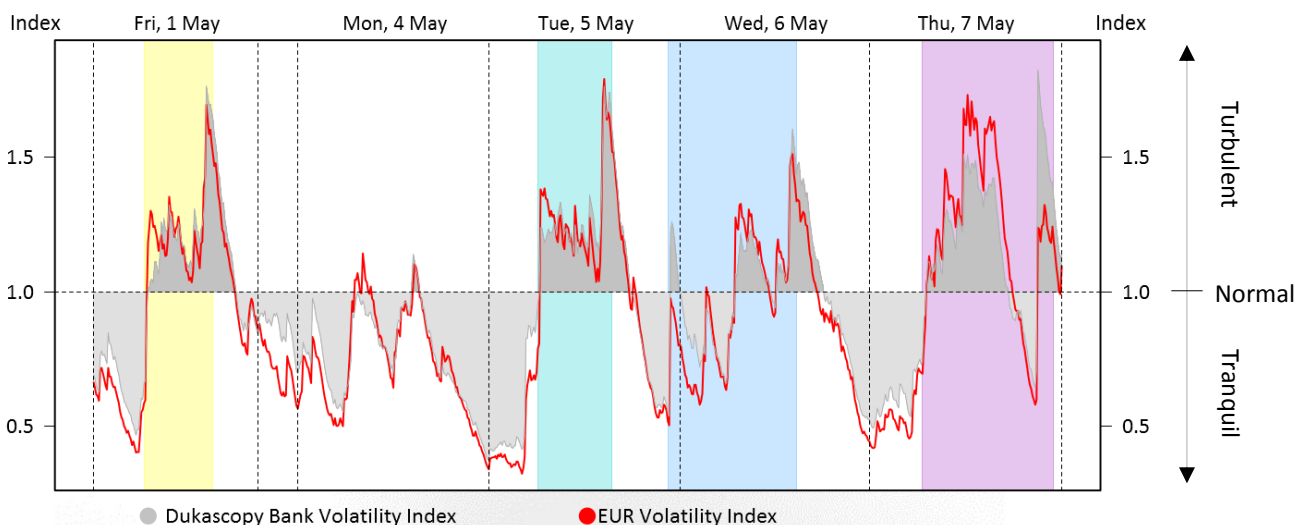
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.31%	-0.05%	-0.19%	0.26%	1.42%	0.1%	-0.2%	-2.4%	0.77%
20	3.1%	-2.94%	-2.77%	1.73%	2.89%	-0.38%	1.12%	-4.96%	3.56%
130	-6.16%	4.53%	0.63%	1.81%	11.01%	-4.54%	-1.43%	1.24%	-7.77%
250	-9.05%	14.81%	-3.4%	3.96%	9.11%	-3.92%	3.01%	-2.14%	-12.35%



Volatility

Volatility



During the period, the market volatility was on its average historical level. While the Euro volatility index's values were very close to those of the market, the Kiwi became the most turbulent currency. Its index spent 46% of time in the area of elevated volatility and reached the 3.84 mark on Tuesday evening, after the disappointing unemployment rate announcement. The peak became the second most notable after the Thursday's 5.88 spike of pound's volatility against the background of the UK parliamentary election exit poll release. Moreover, the event became the most resonant for the market, as on Thursday evening the DB Volatility Index surged to the 1.82 points level.

The period started with a morning of the Euro's overturbulence, as the single currency was rapidly strengthening against the pound and other peers. Afterwards, the index stayed mostly in line with the market, evolving in an ordinary pattern of moderate turbulence during the European trading session and decreasing overnight. Overall, there was a lack of influential fundamentals from the Euro zone during the period, and majority of the single currency's volatility increases were associated with the releases on peer economies. Thus, the most conspicuous spike of the Euro volatility index took place on Tuesday, when the US non-manufacturing PMI and TIPP economic optimism came out.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	40	34	34	41	38	39	32	43	48

Volatility Index (for the observed period)

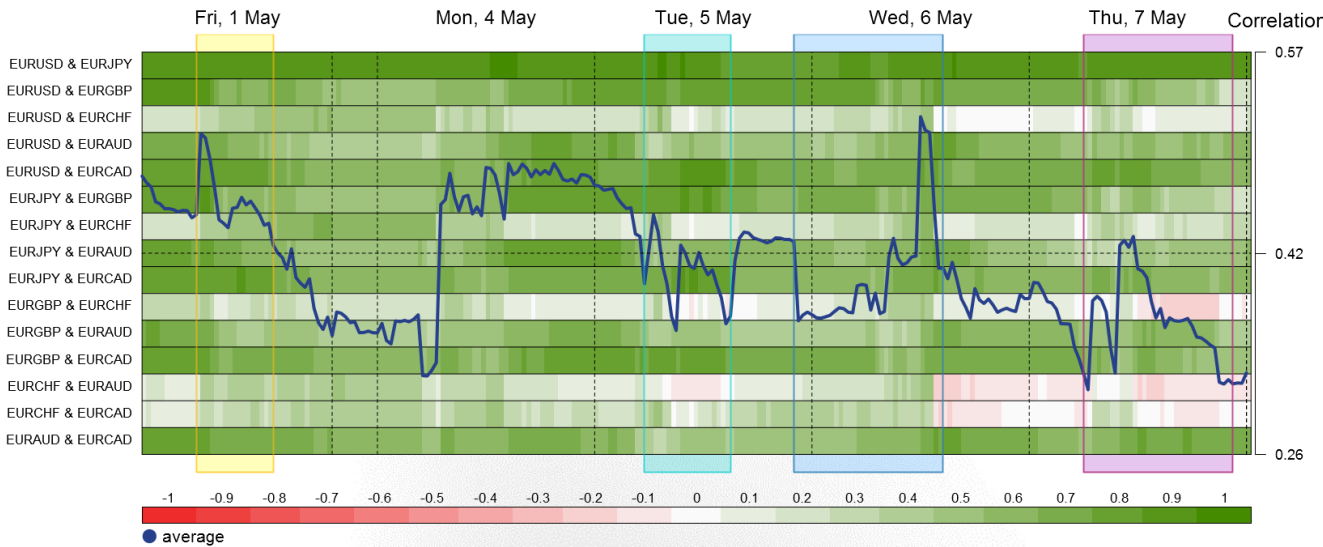
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.82	1.79	2.39	1.95	6.36	1.93	2.19	2.14	3.89	2.19
Min	0.38	0.32	0.19	0.23	0.22	0.27	0.37	0.23	0.44	0.06
Average	0.95	0.91	0.81	0.85	0.98	0.87	1	0.82	1.03	0.96



Currency Significance

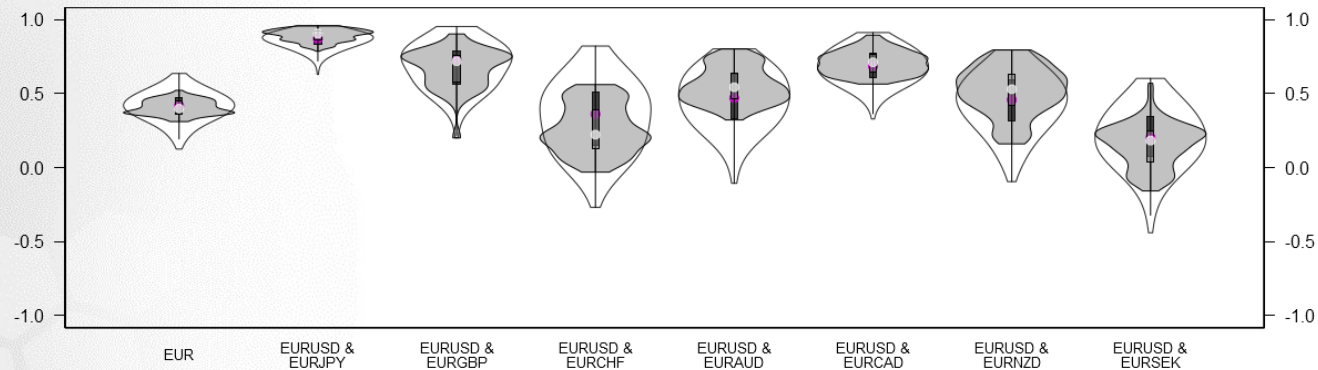
Correlations

The Euro's significance measure held at its usual level throughout the past period. Thus compared with the short-term values, averages of the aggregate and its components changed for 0.01-0.08 points. Most of the components started the period at a rather high level, but declined by the end of the week. The drop was most notable in the components containing EUR/CHF, especially in correlations with EUR/AUD and EUR/GBP, which fell into the negative area on Thursday. Most correlation distributions, in turn, shortened their lower tails and concentrated around the averages.



The Euro's composite showed a general downward trend during the observed period. Starting the period at the level of 0.48, the composite reduced to the 0.32 by Monday morning. However, ahead of the German and Euro zone manufacturing PMI data releases, the measure gained 0.16 points and returned to the 0.48 level. On Tuesday, against the background of the US trade balance and PMI, as well as the disappointing New Zealand employment data, the measure dropped to 0.36. The last composite's attempt to recover took place on Wednesday, when at the time of the US economic news report the aggregate surged to its maximum value of the period (0.52). However, the increase did not last long, and the composite returned to the previous level and continued to decrease, ending the week at the 0.32 mark.

Correlations (5 vs 20 days)

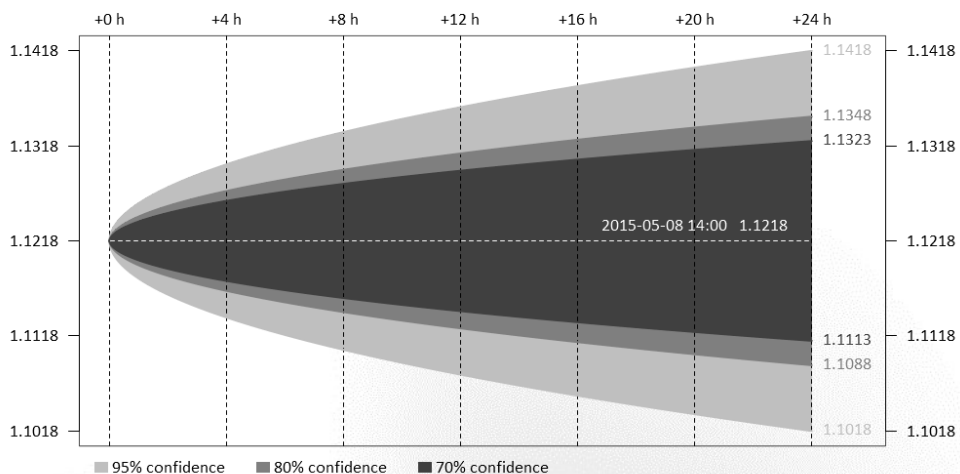


Mean Correlation Coefficient (with EURUSD)

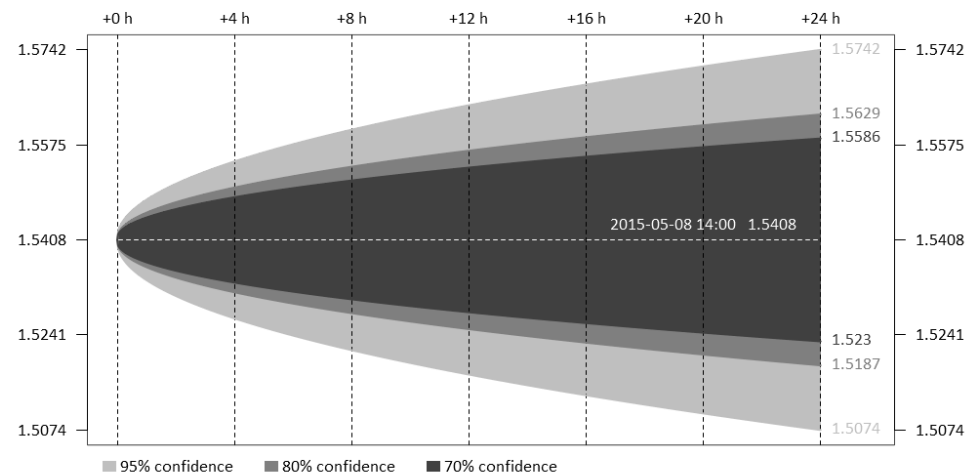
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.41	0.89	0.67	0.26	0.55	0.71	0.52	0.15
20	0.41	0.86	0.69	0.33	0.47	0.69	0.44	0.2
130	0.32	0.57	0.64	0.21	0.35	0.61	0.29	0.15
250	0.28	0.53	0.58	0.05	0.31	0.56	0.22	0.12

Confidence Intervals for Next 24 Hours

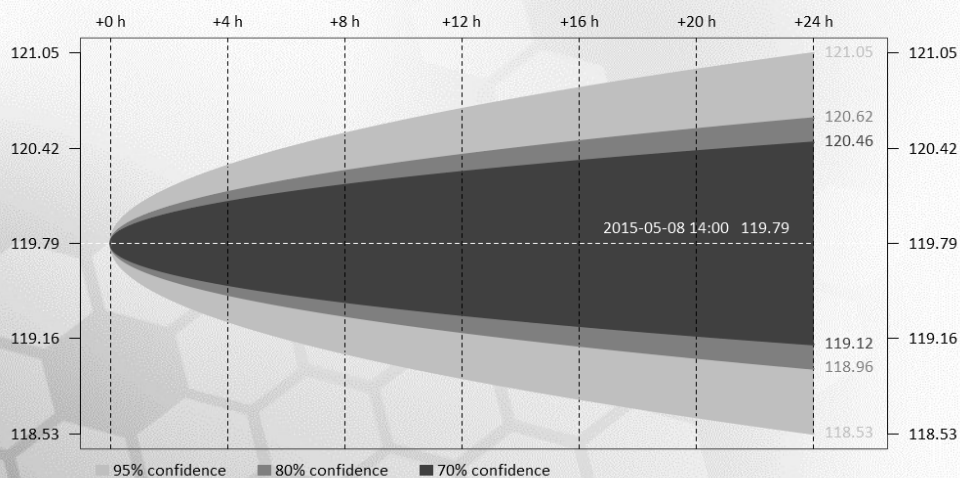
EURUSD Potential Rates



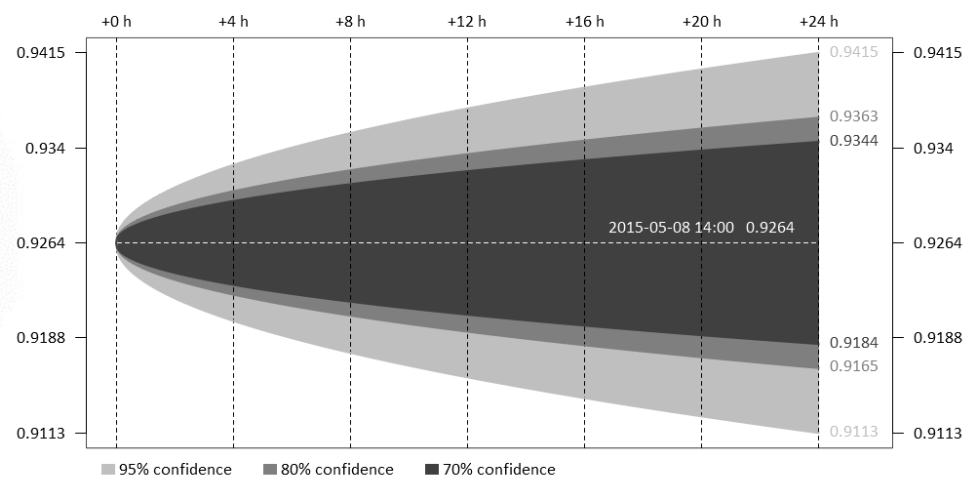
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

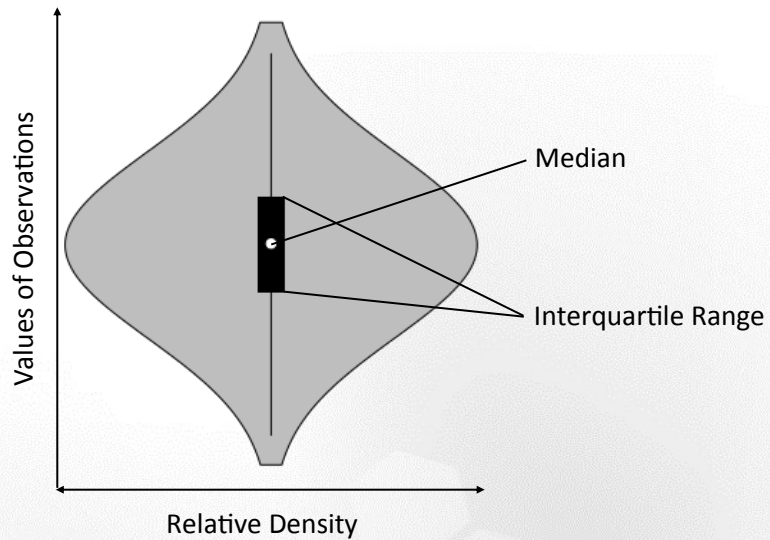
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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