



USD

15/06/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

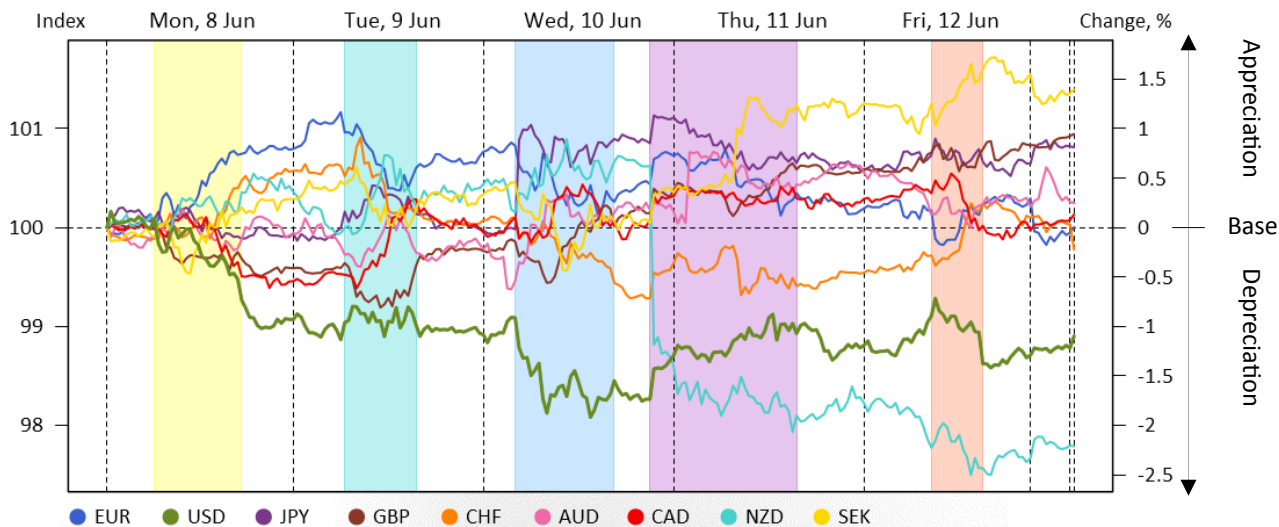
Yellow Area	Turquoise Area	Blue Area	Purple Area	Orange Area
June 8	June 9	June 10	June 10 - 11	June 12
06:30 - 17:30	06:00 - 15:00	03:30 - 16:30	20:30 - 15:30	08:30 - 15:00
<ul style="list-style-type: none"> <u>German Trade Balance, Industrial Production</u> <u>Canadian Housing Starts</u> <u>US Labor Market Conditions Index</u> 	<ul style="list-style-type: none"> <u>Swiss Unemployment Rate, CPI</u> <u>Euro Zone GDP</u> <u>US JOLTS Job Openings</u> 	<ul style="list-style-type: none"> <u>Swedish Industrial Production</u> <u>UK Manufacturing, Industrial Production, NIESR GDP Estimate</u> <u>US Monthly Budget Statement</u> 	<ul style="list-style-type: none"> <u>RBNZ Interest Rate Decision, Monetary Policy Statement</u> <u>Australian Unemployment Rate</u> <u>Swedish CPI</u> <u>US Retail Sales, Jobless Claims</u> 	<ul style="list-style-type: none"> <u>Euro Zone Industrial Production</u> <u>US PPI, UoM Consumer Sentiment Index</u>

USD Currency Index Change	-0.83%	-0.02%	-0.64%	0.67%	-0.48%
Max USD Volatility Index	1.8	1.6	1.88	1.95	1.5



Relative Currency Strength

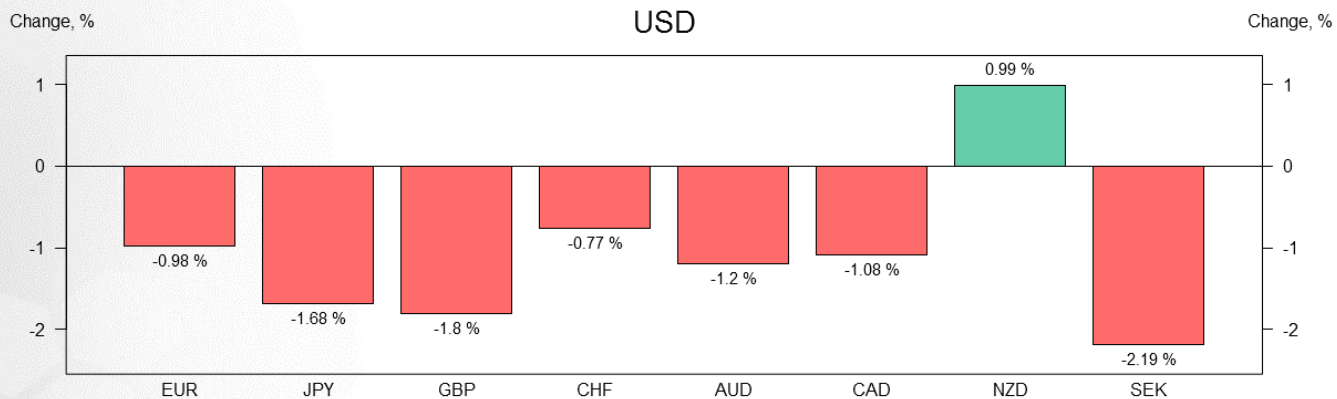
Currency Indexes



The USD Index spent another week below the baseline, continuing on a wave-like pattern it has employed since the beginning of the year. Interestingly, the Euro's index did not act as a counterweight this time, as its movements kept in line with the dollar's gauge's for most of the week and ultimately amounted to a zero change. Meanwhile, the greatest change and the sharpest fall were posted by the Kiwi's measure, which plunged 1.8% after the RBNZ cut its interest rate on Wednesday. The SEK Index finished the period as the leader on the other side of the baseline, making the decisive surge after a rise in Sweden's

inflation was reported on Thursday.

The dollar started the week by tumbling from the highs it surged to on Friday's employment data, and settled firmly below its peers by late Monday. The gap widened on Wednesday, when the dollar plunged against the yen that was talked up by the BoJ. The JPY Index soared 1% and ended up above its peers, but the Greenback's gauge went into a dive and reached the week's low by midday. Afterwards, the index jumped with the Kiwi's drop and started to edge up. The recovery peaked on Friday morning, fueled by the Euro's slip on Merkel's comments about negative effects of the strong single currency, but then died out, leaving the USD Index with a 1% weekly loss.



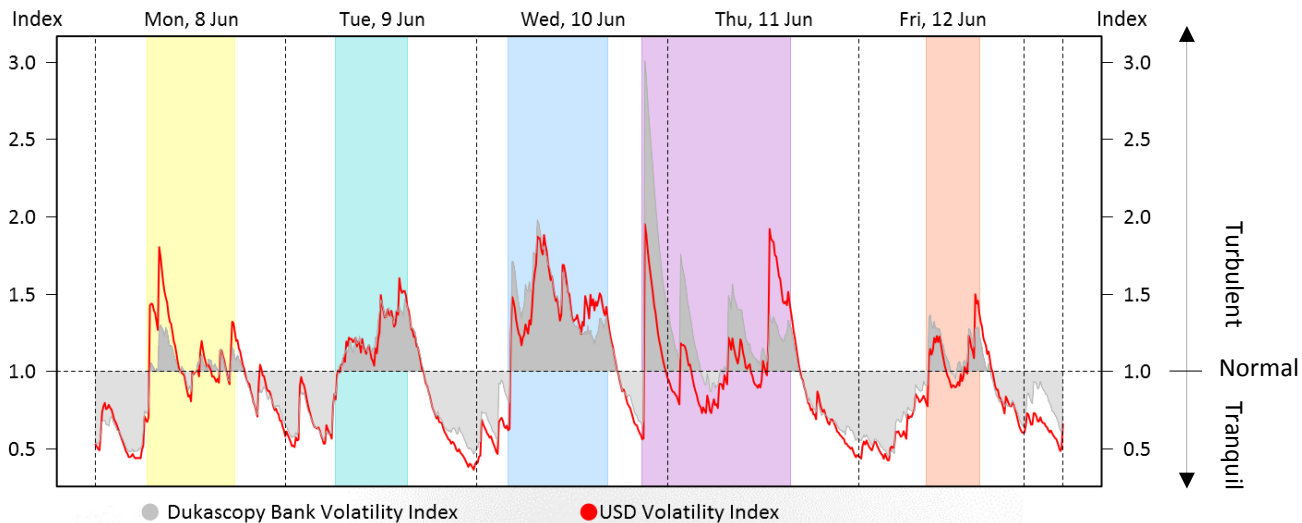
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0%	-1.1%	0.81%	0.95%	-0.22%	0.25%	0.13%	-2.21%	1.39%
20	0.7%	1.99%	-1.29%	1.38%	0.7%	-1.87%	-0.25%	-4.77%	3%
130	-6.16%	4.83%	1.09%	4.44%	9.1%	-1.92%	-1.53%	-6.61%	-4.21%
250	-5.49%	15.68%	-5.78%	5.83%	11.65%	-6.5%	1.45%	-8.71%	-8.12%



Volatility

Volatility



The market continued to be turbulent, with over 40% of volatility registered as elevated for all observed currencies. The dollar was among the calmest majors, both in terms of overturbulence portion and volatility swings, while the most impressive readings were posted by the yen and the New Zealand dollar. The former suffered 51% high portion of elevated volatility, while the latter pushed its index to the 10.8 mark in the highest spike of the week. The RBNZ's rate cut that provoked the Kiwi's across-the-board fall proved to be the most shocking event of the period, sending the aggregate turbulence measure to its high of 3.0 points.

The period started with a mix-up, when President Obama's misquote caused the dollar to dip and thus pushed its volatility up on the otherwise calm morning. Afterwards, however, most peaks of the Greenback's volatility were associated with the movements of its peers, resulting in the measure keeping below the market's gauge. A notable exception was a spike in Thursday afternoon, when the dollar slipped on mixed retail sales and jobless claims data, raising its volatility to the week's second-highest value. The measure then stood 0.6 points above the market aggregate — its greatest advantage of the period.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
	47	41	41	37	31	44	27	45	35

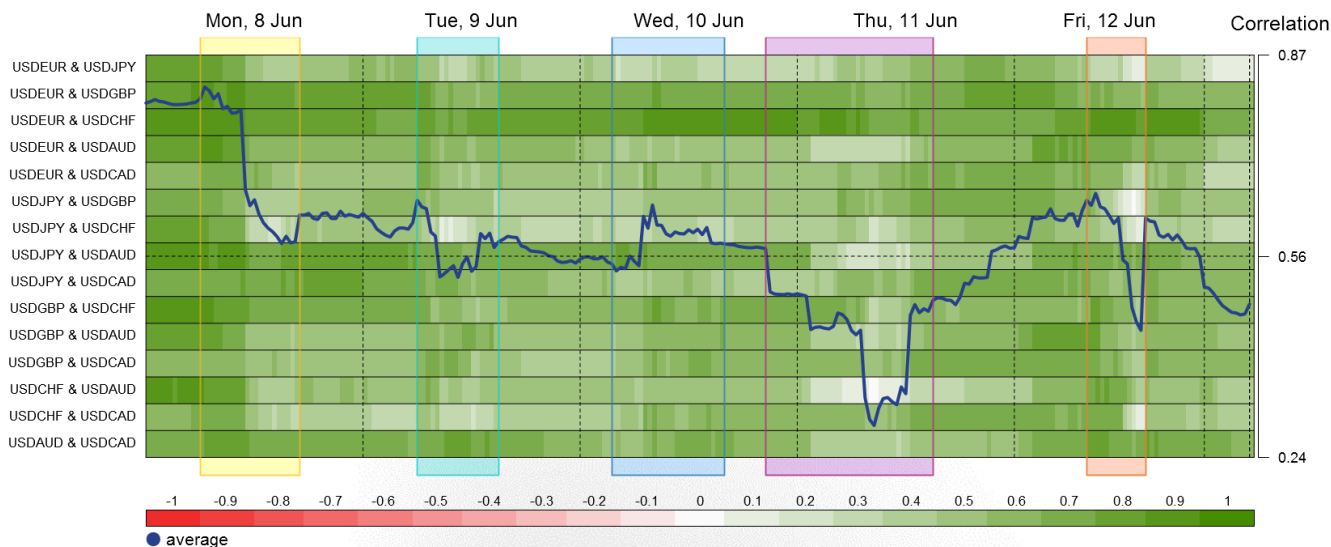
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	3.01	1.95	2.66	5.37	2.26	1.86	3.82	1.91	9.82	2.12
Min	0.46	0.36	0.28	0.38	0.25	0.18	0.3	0.33	0.4	0.25
Average	1	0.95	0.93	1.04	0.9	0.8	1.07	0.84	1.23	0.83



Currency Significance

Correlations

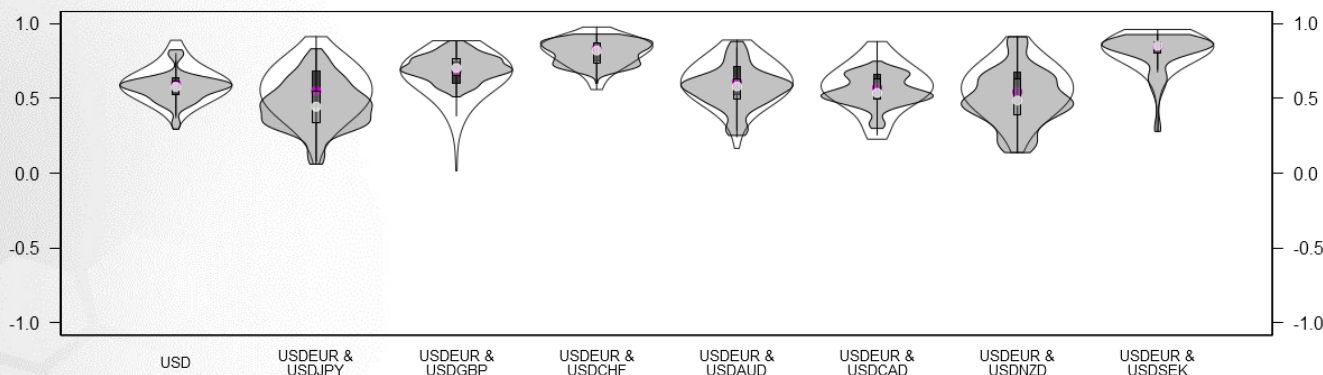


The period's correlation between the dollar's pairs was, on average, lower than the monthly levels. The distributions of the components with the yen and the Kiwi were significantly skewed towards zero, marking their strong reactions to related events and pointing out relative significance of the two currencies. The Greenback, in turn, showed little signs of any influence as it was mostly driven by the movements of its counterparts.

As the US dollar surged in the end of the first week of June, the correlations of the USD pairs notably strengthened, and the composite started the period

at an extremely high 0.8 level. Nevertheless, the measure dropped against the background of growing Euro's significance, which followed Germany's trade and production data releases. Tuesday started with the Swiss CPI release and, as a result, strengthening of the bonds between CHF pairs, which drove the Greenback's composite even lower. The great slide of the gauge began with Wednesday's RBNZ decision to cut interest rate, which sent the NZD composite to 0.94 mark, and continued on Thursday against the background of Australia's surprisingly decreasing unemployment and Sweden's greater-than-expected CPI releases. However, a few hours later, the USD significance measure started to recover, and the gauge ended the trading week on the 0.56 level.

Correlations (5 vs 20 days)

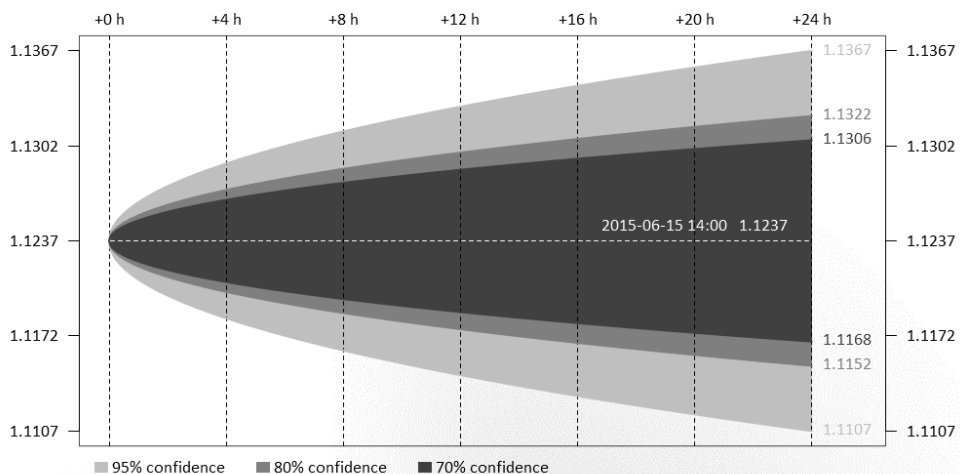


Mean Correlation Coefficient (with USDEUR)

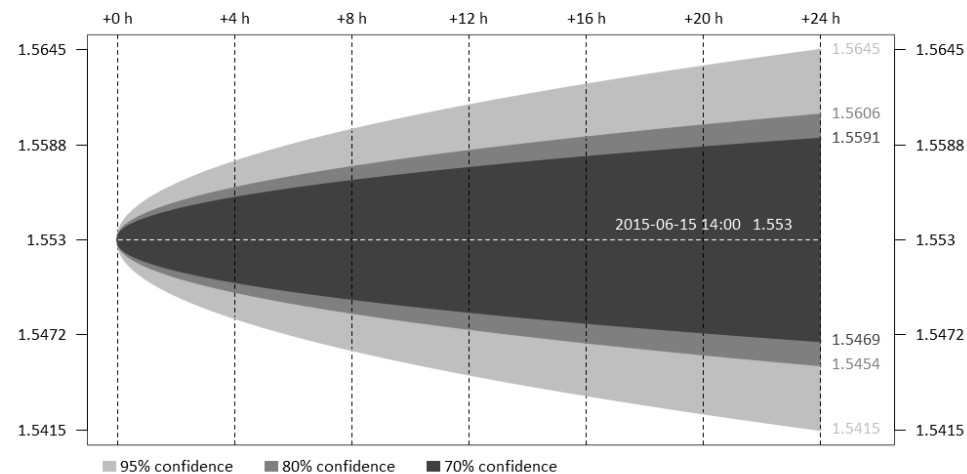
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.57	0.45	0.71	0.81	0.57	0.55	0.5	0.8
20	0.6	0.55	0.66	0.81	0.61	0.57	0.56	0.83
130	0.48	0.44	0.61	0.67	0.54	0.47	0.54	0.71
250	0.47	0.43	0.55	0.78	0.5	0.42	0.52	0.66

Confidence Intervals for Next 24 Hours

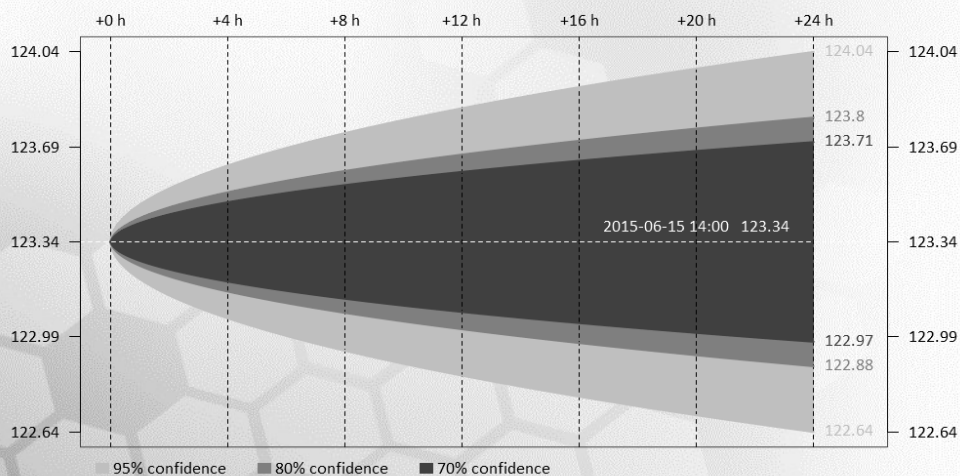
EURUSD Potential Rates



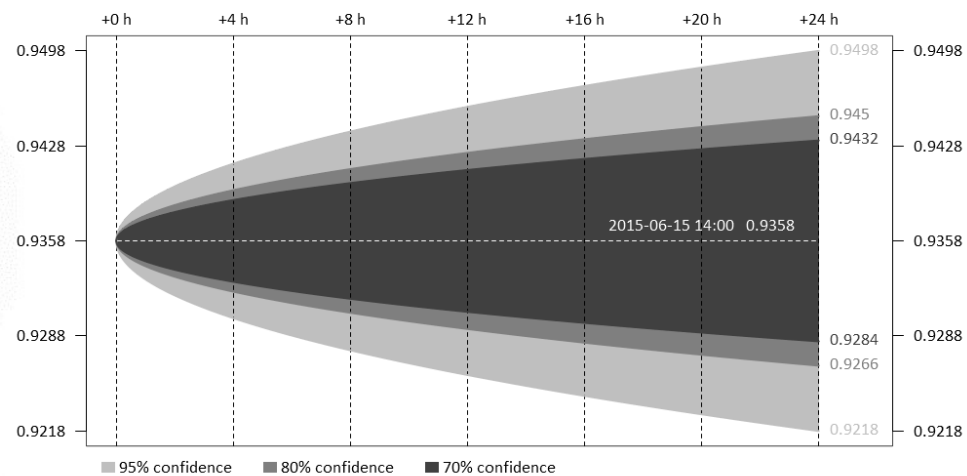
GBPUSD Potential Rates



USDJPY Potential Rates



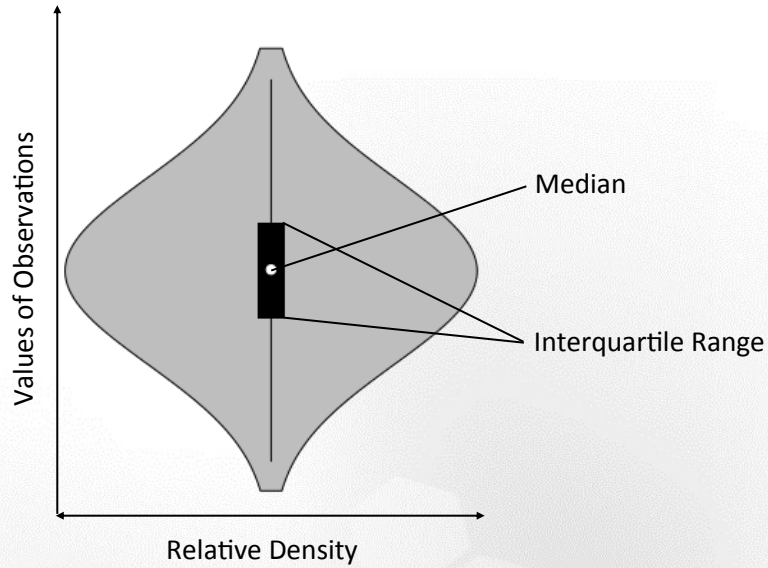
USDCHF Potential Rates



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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