



EUR

19/06/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

June 12

06:30 - 15:00

- Euro Zone Industrial Production
- US PPI, UoM Consumer Sentiment Index

Turquoise Area

June 16

06:00 - 10:00

- German CPI, ZEW Survey
- UK CPI

Blue Area

June 17

06:30 - 23:00

- UK Claimant Count, Average Earnings, ILO Unemployment Rate, BoE MPC Vote, BoE Minutes
- Euro Zone CPI
- FOMC Statement
- New Zealand GDP

Purple Area

June 18

07:30 - 17:00

- SNB Interest Rate Decision
- Euro Zone Economic Bulletin, Labour Cost, Targeted LTRO
- UK Retail Sales
- US CPI, Jobless Claims, CB Leading Indicator

EUR Currency Index Change

0.15%	-0.04%	0.43%	0.12%
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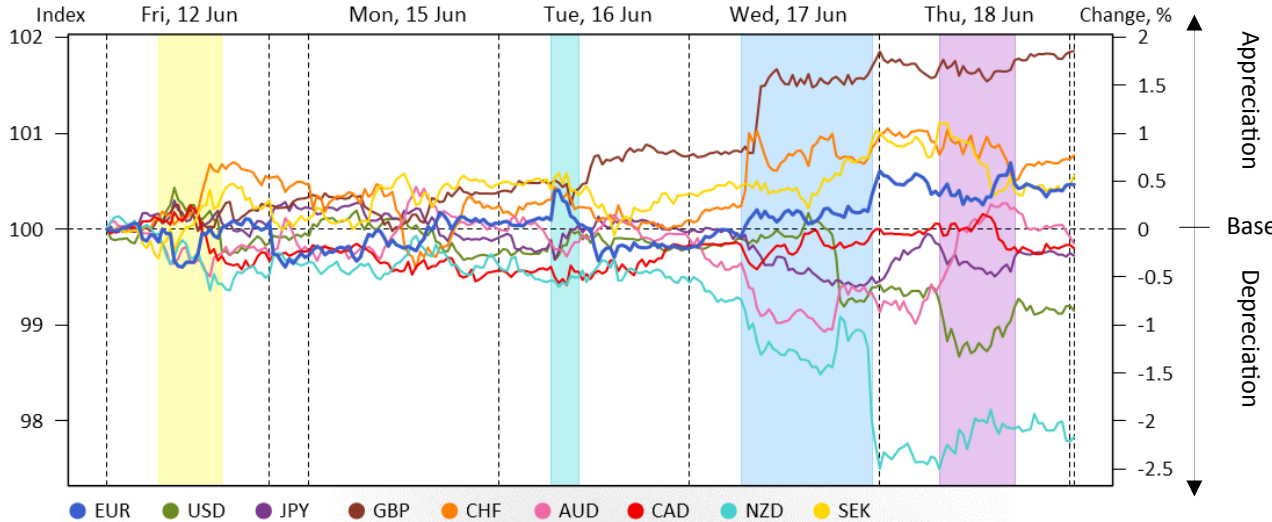
Max EUR Volatility Index

1.69	1.32	1.14	1.35
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Relative Currency Strength

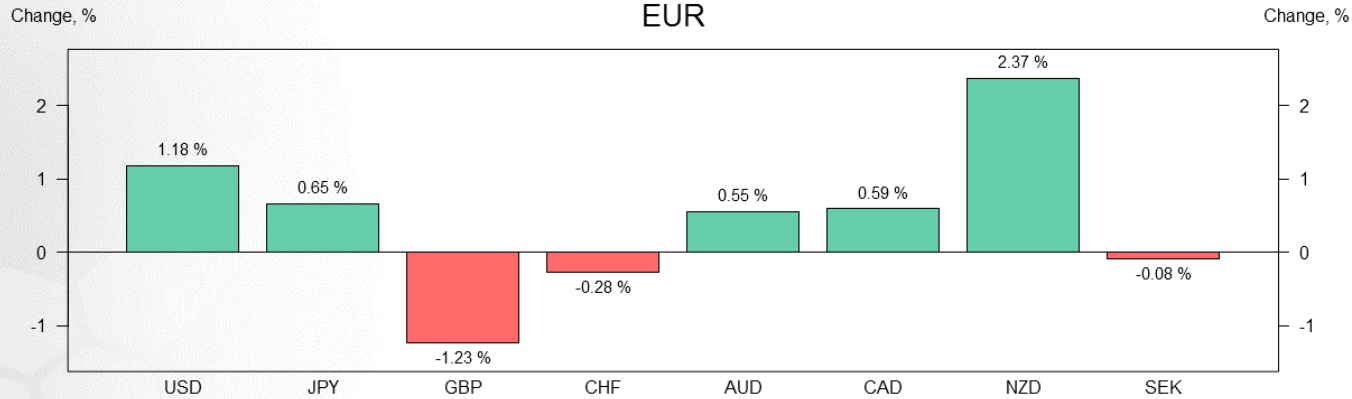
Currency Indexes



The EUR Index reported another soft period, wavering near the baseline for most of the week. Meanwhile, the pound was most determined in its growth, as its index started on an uptrend on Monday, and by Thursday stood more than one point higher than its closest peer, the franc's measure. Both gauges went to their sharpest surges on Wednesday, when the pound was pushed up by strong wage growth, but the franc soured as the investors looked for safe haven amid discouraging Greek negotiations. On the other side of the baseline, the NZD Index was leading the tumble. It started to go south on early Wednesday, weakening in anticipation of the GDP data, and then lost 1.5 points

when the numbers came in well below expectations. The second-worst was the dollar's gauge that lost its footing on dovish FOMC statement.

The Euro had a jerky end of the week as it dipped and rebounded on Friday, undermined by the IMF pulling out of the talks with Greece, and Merkel's comments on the weight a strong single currency has on the bloc's countries. In the new week, the sharpest EUR Index's move took place on Tuesday, when the strong opening of the session was undercut by weak ZEW survey results for both Germany and the Euro zone, causing the index to lose around one point by noon. Finally, the Kiwi's tumble on Wednesday helped the Euro's gauge to tear away from the baseline, and it managed to hold the new level throughout Thursday.



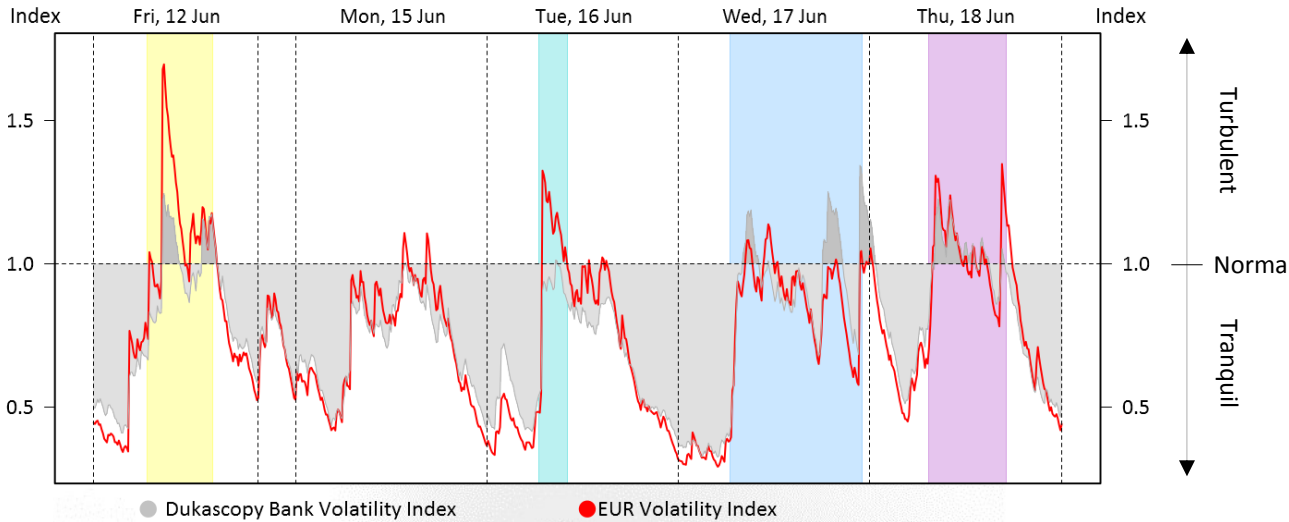
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.46%	-0.85%	-0.28%	1.86%	0.77%	-0.15%	-0.2%	-2.17%	0.56%
20	2.7%	0.31%	-1.69%	1.88%	1.69%	-1.31%	0.09%	-6.91%	2.99%
130	-4.81%	3.03%	0.23%	5.27%	10.62%	-1.51%	-2.17%	-9.39%	-2.16%
250	-5.02%	15%	-6.1%	7.4%	11.96%	-6.2%	1.4%	-10.91%	-7.53%



Volatility

Volatility



The market was notably calmer this period than it was in the two previous weeks, with its elevated volatility portion falling from over 40% to 15% and the peaks of the index not reaching the 2-point mark. The Euro's turbulence was in line with the overall mood, while the only index to notably stand out was the Kiwi's gauge. Weaker-than-expected GDP growth released on Wednesday caused the Kiwi to plunge and managed its volatility index to spike to 3.1 points. The move had a strong effect on the overall volatility as well, lifting it to the period's maximum of 1.3.

The Euro started the period with the most volatile day of the week. The Eurogroup meeting devoted to the Greek crisis and the possible withdrawal from the Euro zone caused the drop of the Euro and pushed its volatility index to the 1.7 mark and the highest value of the period. The impact to the market was less palpable, but still noteworthy compared to other period's peaks, as the composite index rose to 1.2 points. The rest of the period was mostly tranquil for the Euro. There was a 1.3 points spike of the EUR volatility index on Tuesday, and Thursday was marked by several surges of the measure against the background of the release of the ECB economic bulletin and the Eurogroup meeting on Greece.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	15	18	15	24	23	45	21	16	11	23

Volatility Index (for the observed period)

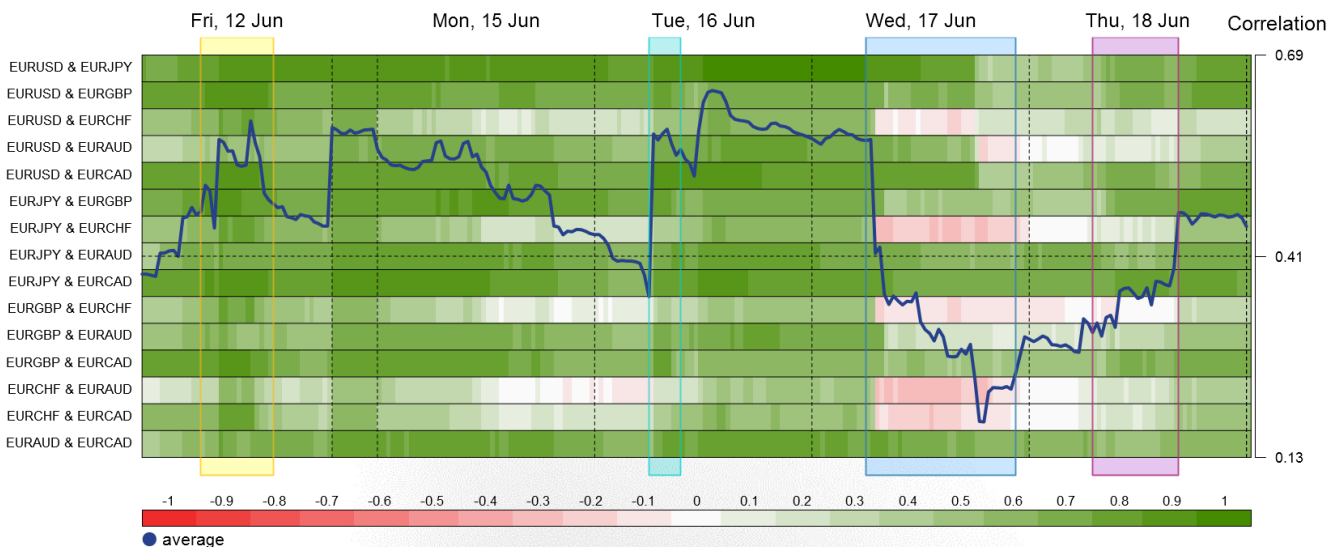
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.34	1.69	1.74	2.62	2	2.6	1.7	1.99	3.08	2.06
Min	0.33	0.29	0.18	0.24	0.2	0.21	0.33	0.21	0.3	0.1
Average	0.76	0.76	0.69	0.81	0.76	0.95	0.8	0.7	0.72	0.72



Currency Significance

Correlations

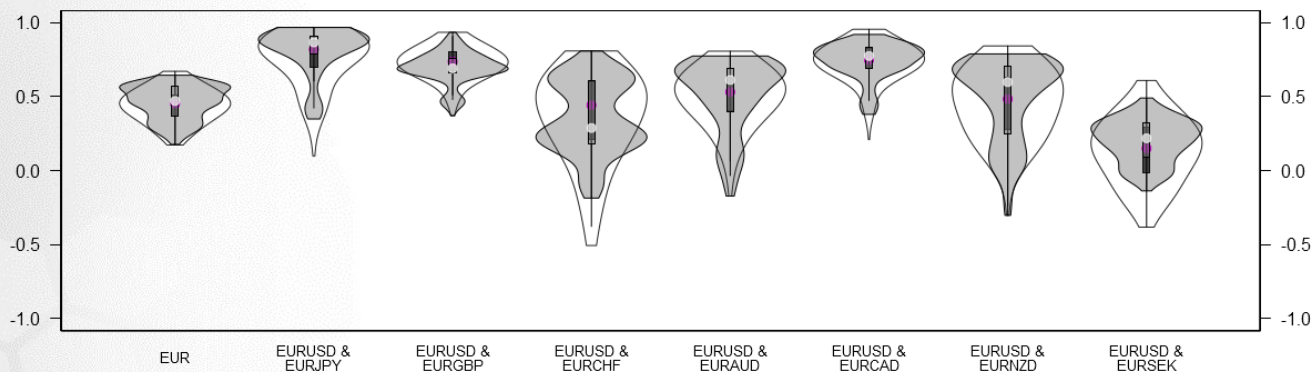
Despite largely directionless movements of the EUR Index, the currency's significance measure managed to hold on decent levels above the 0.4 mark for most of the period, suggesting the Euro's steadiness was well coordinated across the market. Long lower tails of the distributions were mostly attributable to the June 17-18 downshift, and the average correlation numbers, which edged up from the previous week's values for the composite and most of the EUR/USD components, point out that the beginning-of-the-period strength was solid enough to outweigh the latter



slip.

The Euro's back-and-forth moves on Friday caused the correlation composite to start the period with a rise to 0.60 points, and the weight of the Greece's situation prompted the measure to refresh the level as it entered the new week. Then a sharp spike came on Tuesday, when the Euro's uptick and downslide pushed the composite to the period's maximum of 0.64. The next day, however, the gains were erased by an even sharper fall, as the franc's and the pound's surges undermined their peers' significance. The franc's move's influence went as far as sending the EUR/CHF components into the negative territory for the rest of the day and holding them on feeble levels throughout Thursday.

Correlations (5 vs 20 days)

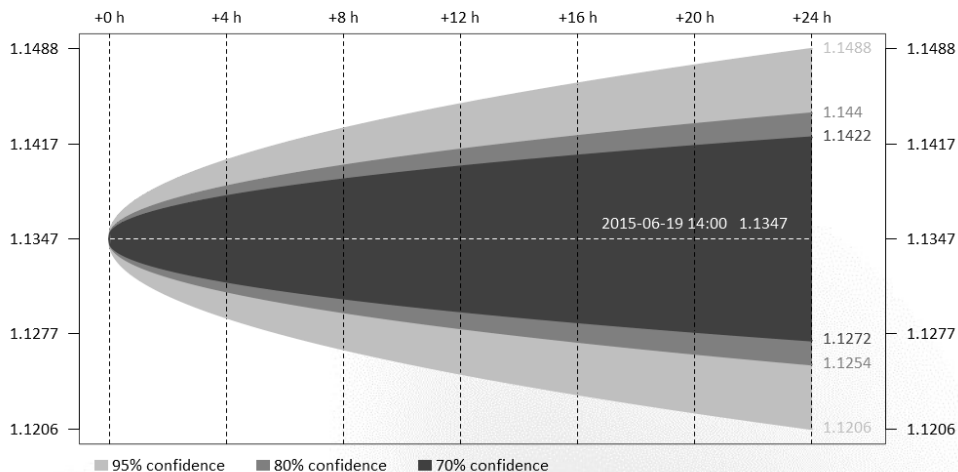


Mean Correlation Coefficient (with EURUSD)

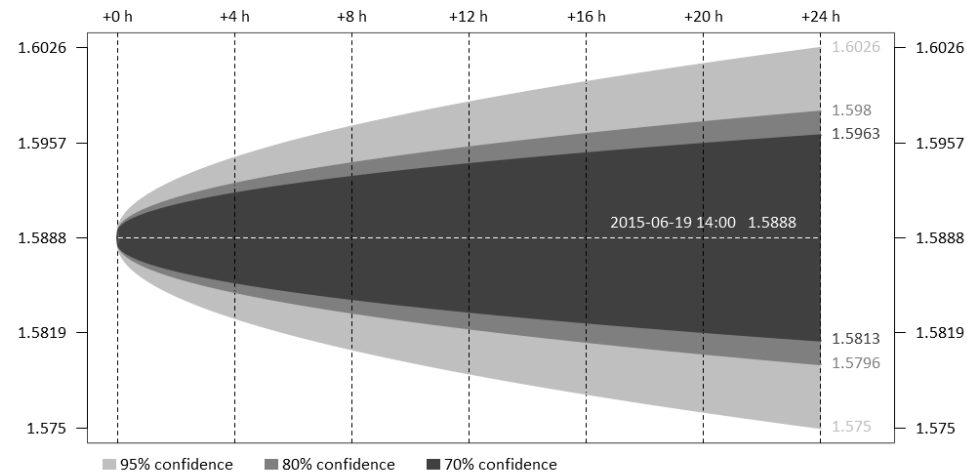
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.46	0.81	0.69	0.36	0.51	0.74	0.48	0.2
20	0.44	0.76	0.73	0.36	0.5	0.74	0.45	0.14
130	0.37	0.71	0.68	0.32	0.42	0.64	0.37	0.14
250	0.3	0.55	0.6	0.1	0.32	0.57	0.23	0.12

Confidence Intervals for Next 24 Hours

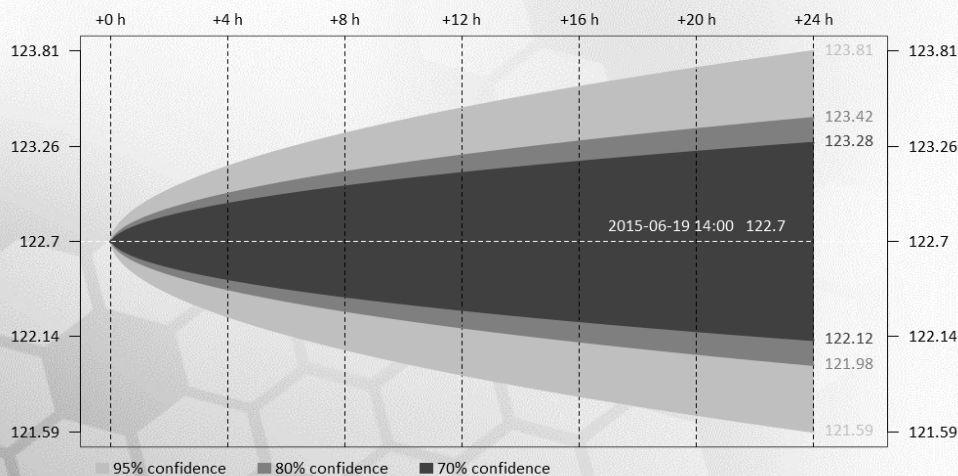
EURUSD Potential Rates



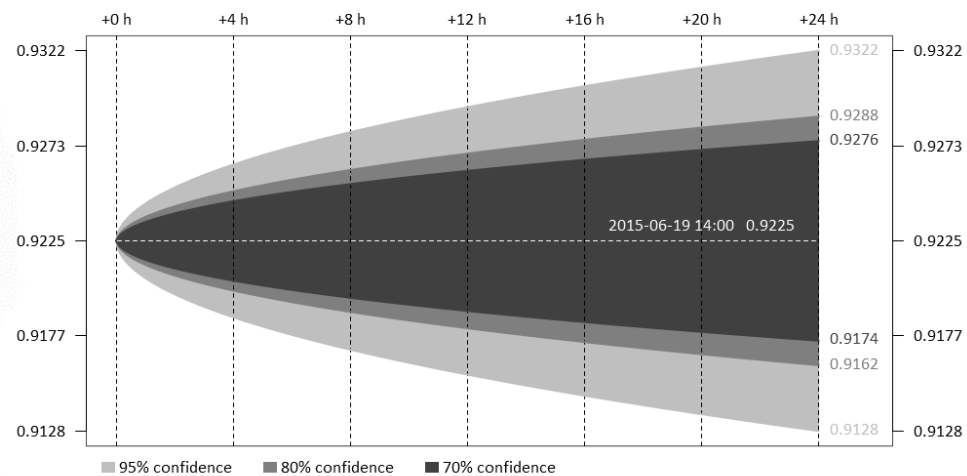
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

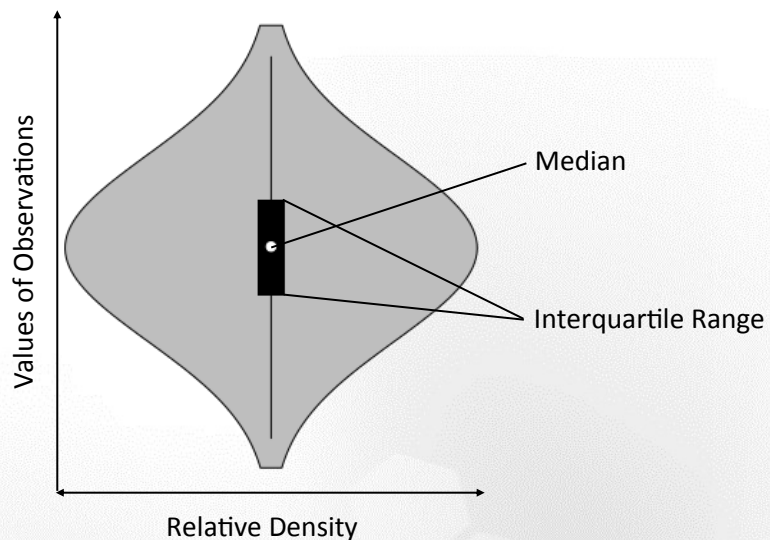
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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