



USD

22/06/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow 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

Turquoise Area

June 18

07:30 - 16:30

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

Blue Area

June 19

06:00 - 14:00

- EcoFin Meeting
- German PPI
- Canadian CPI, Retail Sales

USD Currency Index Change

-0.51%

-0.05%

0.01%

Max USD Volatility Index

1.84

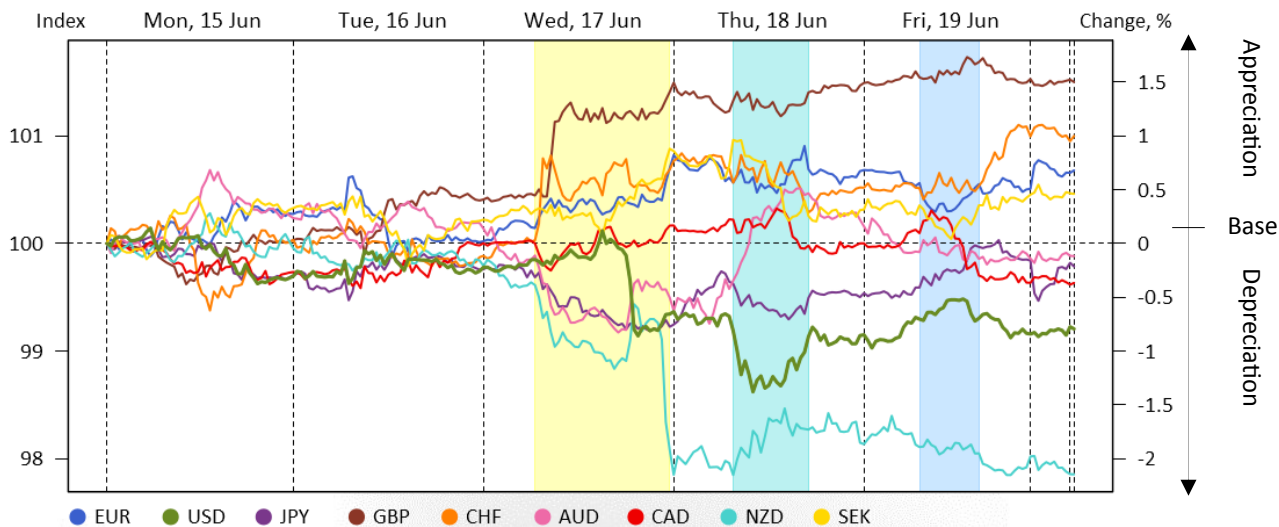
1.27

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Relative Currency Strength

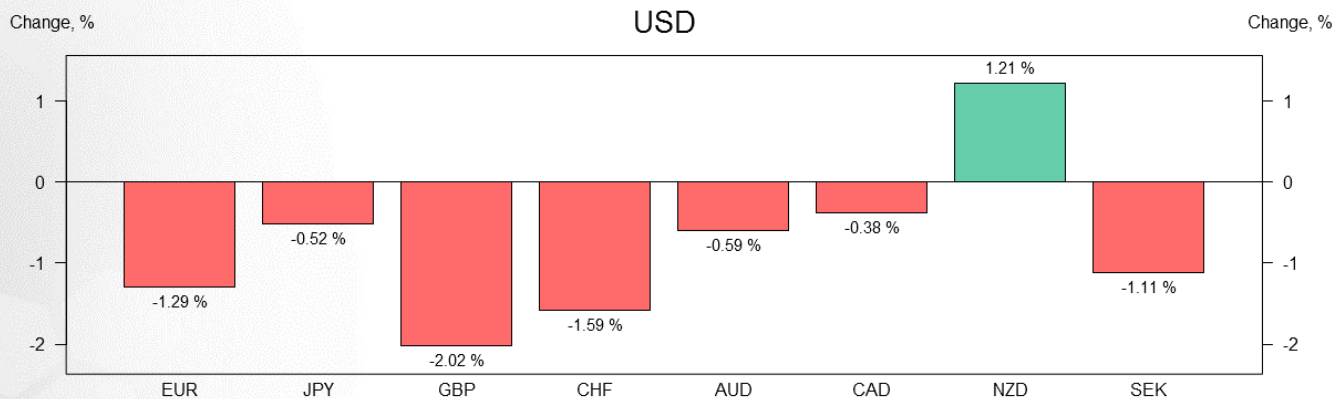
Currency Indexes



The USD Index remained below the baseline for the third week in a row, putting its month-on-month change into the negative territory. The dollar itself posted weekly losses against seven of its eight major peers and recorded positive change only against the Kiwi, which tumbled after the release of weaker-than-expected GDP. Meanwhile, the pound's gauge was the first among the period's leaders, as it pulled well ahead of its peers on strong wage growth and kept edging upwards till the end of the week. The week's strongest upsurge, however, was recorded by the AUD Index

as it rallied on Thursday against the background of the dollar's weakness.

As far as the Greenback's concerned, the week's most awaited event was the Fed's monetary policy conference, and it proved to be quite a blow for the currency. Until Wednesday afternoon, the USD Index was moving calmly between 99.5 and 100 points, but as Janet Yellen's dovish comments cast a shadow on the probability of September rate hike, the dollar's measure lost almost 1%, falling below its peers. The effect carried over into Thursday, when the index started the European session with another dip, securing the position of the week's second-worst performer.



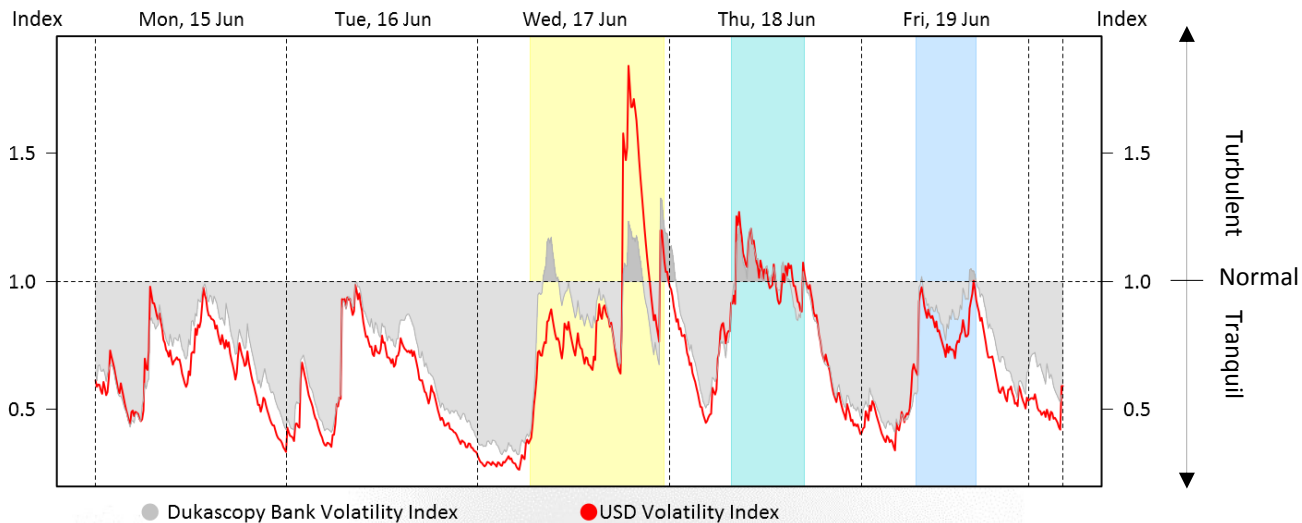
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.68%	-0.79%	-0.21%	1.5%	1%	-0.12%	-0.37%	-2.15%	0.46%
20	3.7%	-0.56%	-1.78%	2%	2.23%	-1.56%	-0.42%	-7.42%	3.81%
130	-5.05%	3.08%	0.81%	5.09%	10.8%	-1.95%	-2.44%	-9.66%	-1.4%
250	-5.13%	15%	-5.79%	7.15%	12.23%	-6.19%	0.15%	-11.19%	-6.21%



Volatility

Volatility



After two rather turbulent weeks, the market's volatility subsided during the past period, driving the portions of elevated indexes' readings down from just below 50% to barely above 10%. The most actively changing currency was the Swiss franc, as it was largely affected by growing concerns over the situation in Greece and the inflow of investors seeking safe haven. The dollar, in turn, was the calmest among the observed currencies, followed closely by its Canadian, Australian, and New Zealand counterparts. The latter, however, stood out by pushing its index to the week's highest peak of 3.1 points, reached when the currency plunged with

Wednesday's weak GDP data.

During the past week, the Greenback's volatility index notably exceeded the market's average only once — on Wednesday, when the Fed's monetary policy statement failed to provide any new insight and the dovish tone of the subsequent press conference disappointed investors. The dollar plunged, pushing its volatility measure to the week's high and 0.61 points above the market's gauge. The only other splash of the Greenback's volatility came on Thursday, when the currency first deepened its post-FOMC losses and then set to recover, but that coincided with some sharp moves of the peer currencies, and dollar's turbulence ended up in line with the market's average.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
11	9	17	7	23	19	10	13	10	12

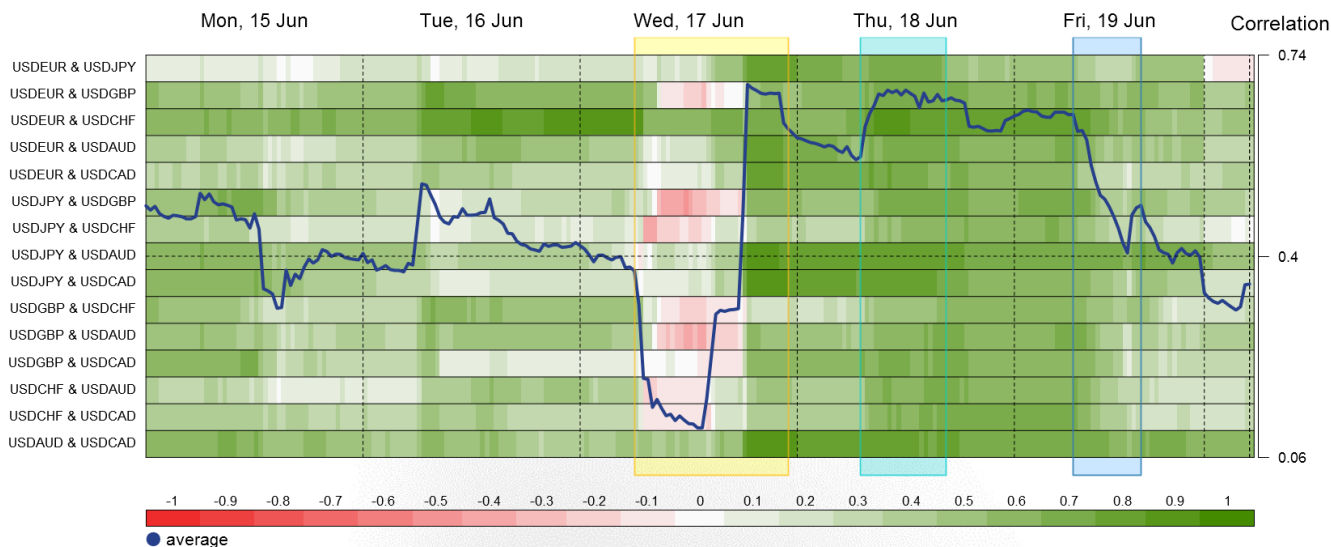
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.33	1.84	1.76	2.69	2.15	1.45	1.95	2.17	3.11	1.66
Min	0.32	0.26	0.2	0.17	0.21	0.19	0.26	0.21	0.26	0.18
Average	0.73	0.68	0.7	0.64	0.78	0.72	0.68	0.7	0.65	0.65



Currency Significance

Correlations

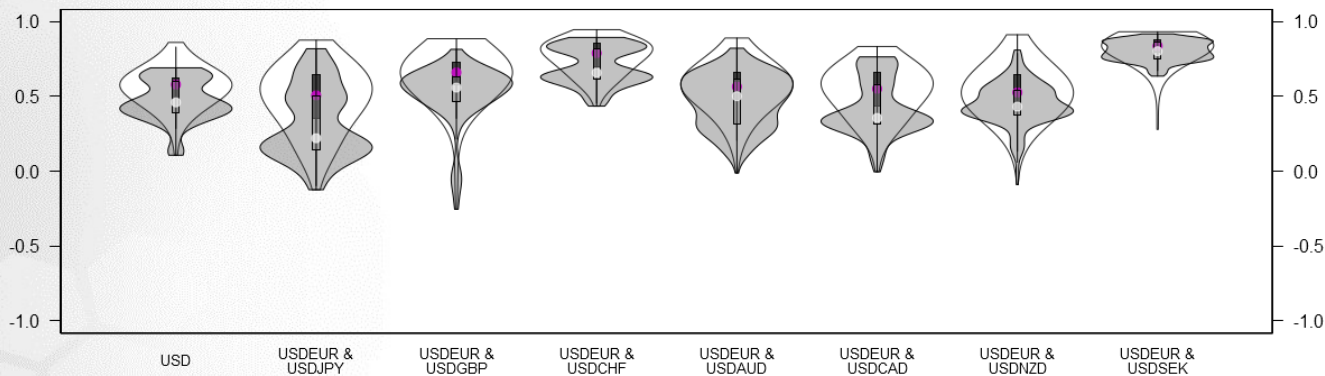


The past period was quite erratic for the Greenback's significance measure. The gauge had a few ups-and-downs and was fluctuating in the range between 0.11 and 0.69. The bonds between USD/EUR and other dollar's pairs have somewhat weakened compared with the previous readings. Thus, average values of the observed USD/EUR components have lost 0.05-0.2 points. The most notable lowering occurred in USD/EUR correlations with USD/GBP. The only exception was the USD/SEK component, whose average was in row with the previous

value. The aggregate, in turn, has declined by 0.1 points.

The USD composite started the week slightly above the average level, but after zigzagging around it throughout Monday and Tuesday, it was knocked down to the week's low by the pound's surge on Wednesday. The movement reversed later the same day, when the dollar dropped after the Fed's conference, pushing its significance measure to jump almost 0.60 points to the 0.69 mark. The composite managed to hold the level during the next day, begun to decline on Friday. Ultimately reaching the level of 0.35.

Correlations (5 vs 20 days)

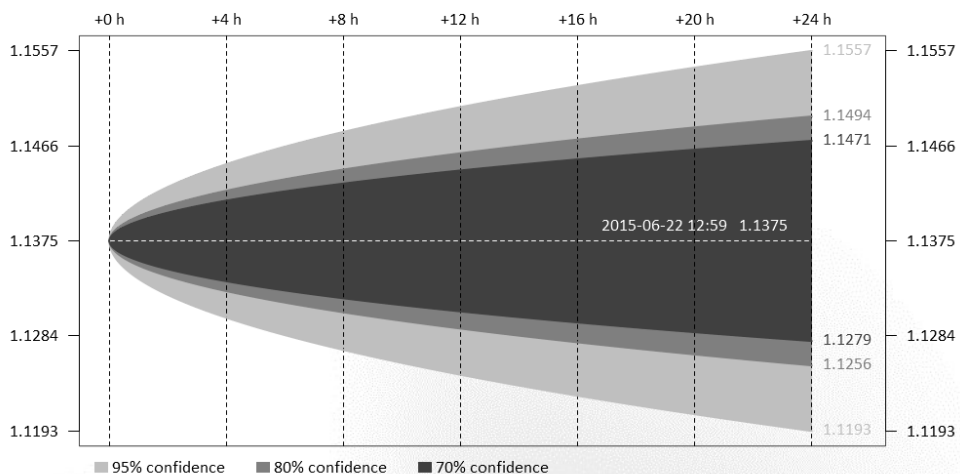


Mean Correlation Coefficient (with USDEUR)

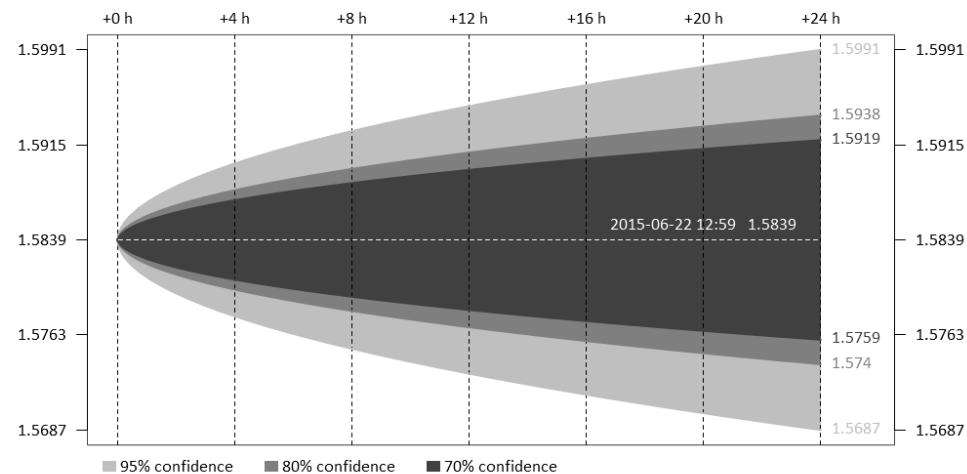
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.47	0.32	0.51	0.7	0.47	0.42	0.45	0.8
20	0.56	0.48	0.64	0.77	0.56	0.54	0.53	0.82
130	0.49	0.43	0.61	0.67	0.54	0.47	0.54	0.72
250	0.48	0.43	0.55	0.78	0.5	0.42	0.52	0.67

Confidence Intervals for Next 24 Hours

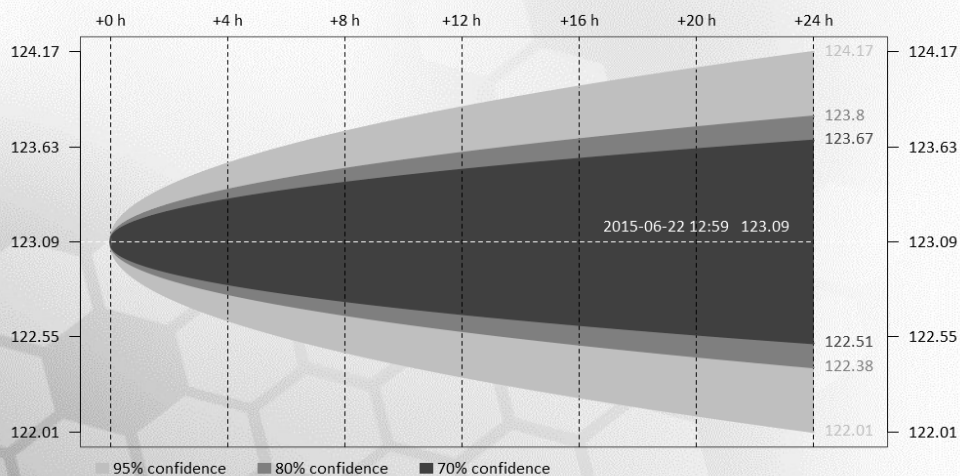
EURUSD Potential Rates



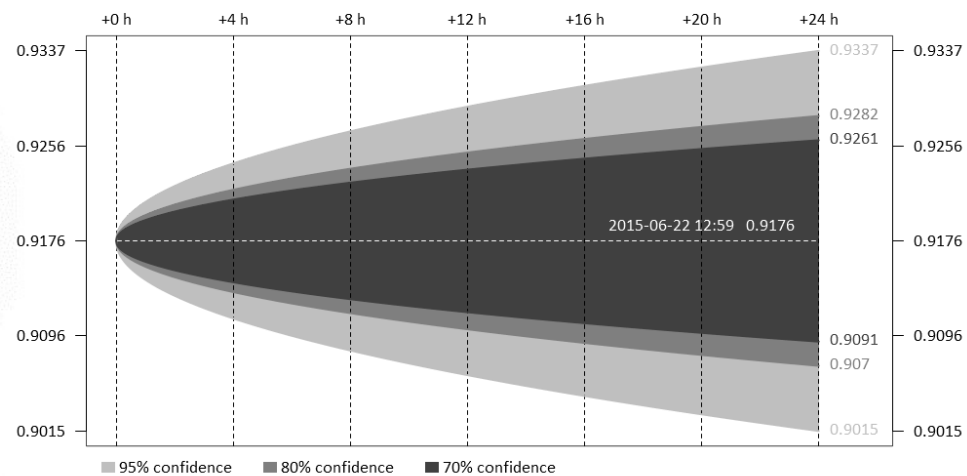
GBPUSD Potential Rates



USDJPY Potential Rates



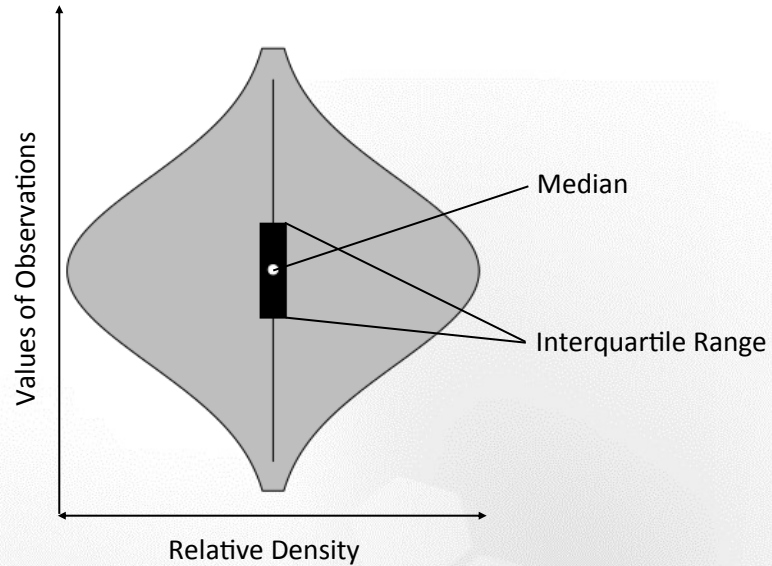
USDCHF Potential Rates



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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