



EUR

26/06/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

June 19

06:00 - 14:00

- EcoFin Meeting
- German PPI
- UK Public Sector Net Borrowing
- Canadian CPI, Retail Sales

Turquoise Area

June 22

07:00 - 16:30

- Eurogroup Meeting

Blue Area

June 23

02:30 - 15:30

- German, Euro Zone Flash Markit PMI
- US Durable Goods Orders, New Home Sales

Purple Area

June 25

08:30 - 15:00

- Eurogroup Meeting, EU Extraordinary Economic Summit
- US Jobless Claims, Personal Income, Flash Markit PMI

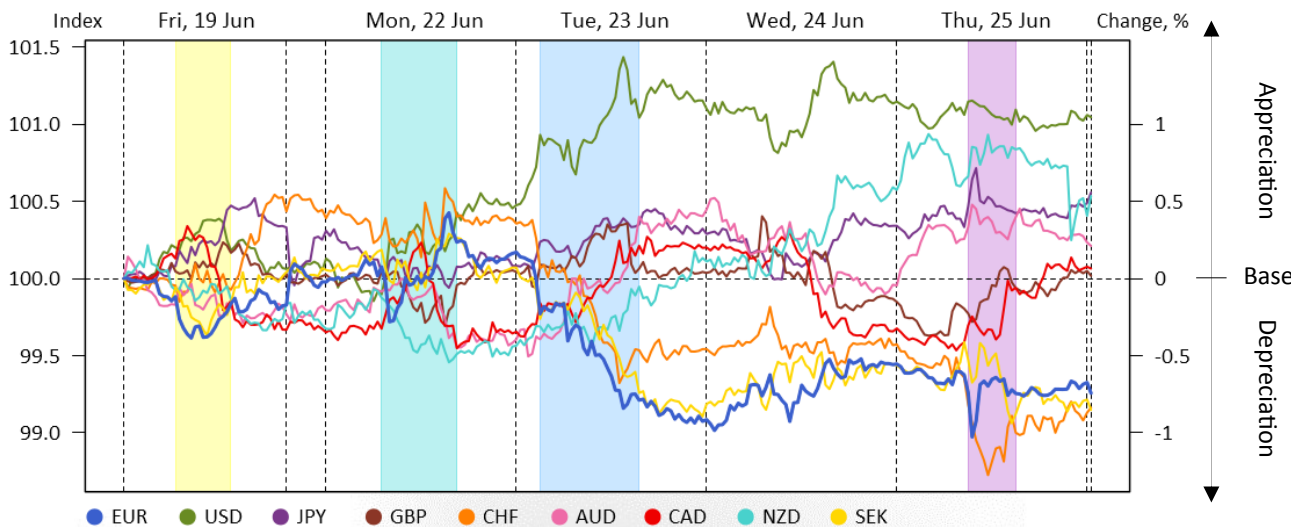
EUR Currency Index Change	-0.05%	0.16%	-0.56%	0%
Max EUR Volatility Index	1.32	1.3	1.07	1.55



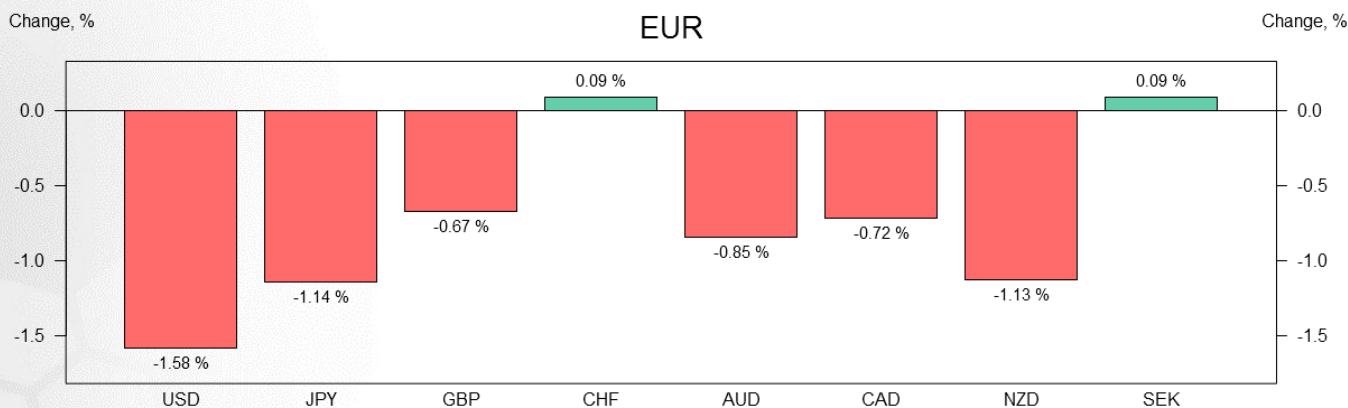
Relative Currency Strength

Currency Indexes

The past week was unfavourable for the observed European currencies. The EUR Index lost 0.74% over the period, with the single currency posting losses against all its peers but the Swiss franc and the Swedish krona. The pound was the only European currency with a positive change (0.02%). Meanwhile, the Greenback became the leader of the week. The rise of its index started on Monday, against the background of the Euro's fall caused by the Greek issue. Despite the disappointing US durable goods orders data, the next day was even much more successful for the Greenback, and the USD Index reached its maximum value of the week (101.43).



The week's movements of the Euro, as well as those of the krona and the franc, were mostly driven by the Greek debt negotiations. For the single currency the observed period could be divided into two parts. During the first trading days the EUR Index held close to the baseline, ranging from 99.61 to 100.43. On Tuesday morning, the EUR index started to decline in anticipation of the next day's Eurogroup meeting. Then an optimistic comment of the European Commission president Juncker saying that a deal with Greece could be reached by the end of the week has stopped the sheer fall in Euro for a while. However, the solution has not yet been found and the index continued to hold at the level of 99.3.

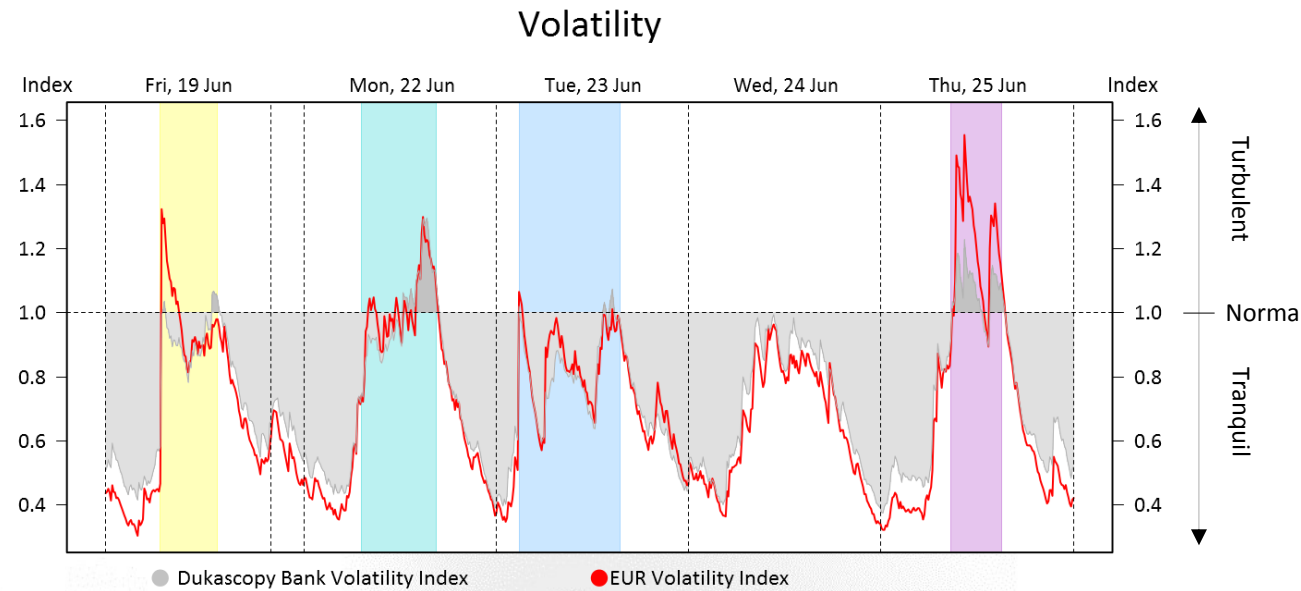


Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.74%	1.04%	0.56%	0.02%	-0.84%	0.21%	0.06%	0.53%	-0.85%
20	1.56%	-0.82%	-0.73%	2.13%	-0.01%	0.27%	0.1%	-4.83%	2.39%
130	-5.47%	3.73%	1.27%	5.2%	9.96%	-1.67%	-2.43%	-9.52%	-1.88%
250	-5.97%	16.13%	-5.62%	7.59%	10.8%	-5.92%	0.42%	-10.7%	-6.72%



Volatility



In spite of the fact that the period was rich with influential economic events, the market volatility during the period was mostly below the historical level and slightly exceeded it only in 11% of time. In absence of notable economic releases from the Pacific region, the Kiwi and the Aussie became the most tranquil against the turbulent historical background, and their indexes spent only 2% of time above the 1-level line. Steady depreciation of the single currency in reaction to the Greek issue discussion did not raise the Euro's volatility significantly above the historical level and left the currency among the calmest ones.

Monday started with disappointing German PPI

and continued with EcoFin meeting discussing banking structural reform, which provoked the spike of the Euro's volatility index. A few hours later, unexpectedly negative Canadian retail sales managed the CAD index to rise, prompting the market turbulence measure to pass the average historical level. The consequent days were all about the Greek debt discussed on the Eurogroup meeting. However, the Euro volatility measure did not even exceed the 1.3 mark till Wednesday. The last day of the observed period, in turn, was marked with the most notable peak of the single currency's activity, as the SNB chairman's Jordan commentary on Swiss economy turned out to be bearish, and Eurogroup meeting ended with no deal.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	11	11	17	21	36	10	21	4	21

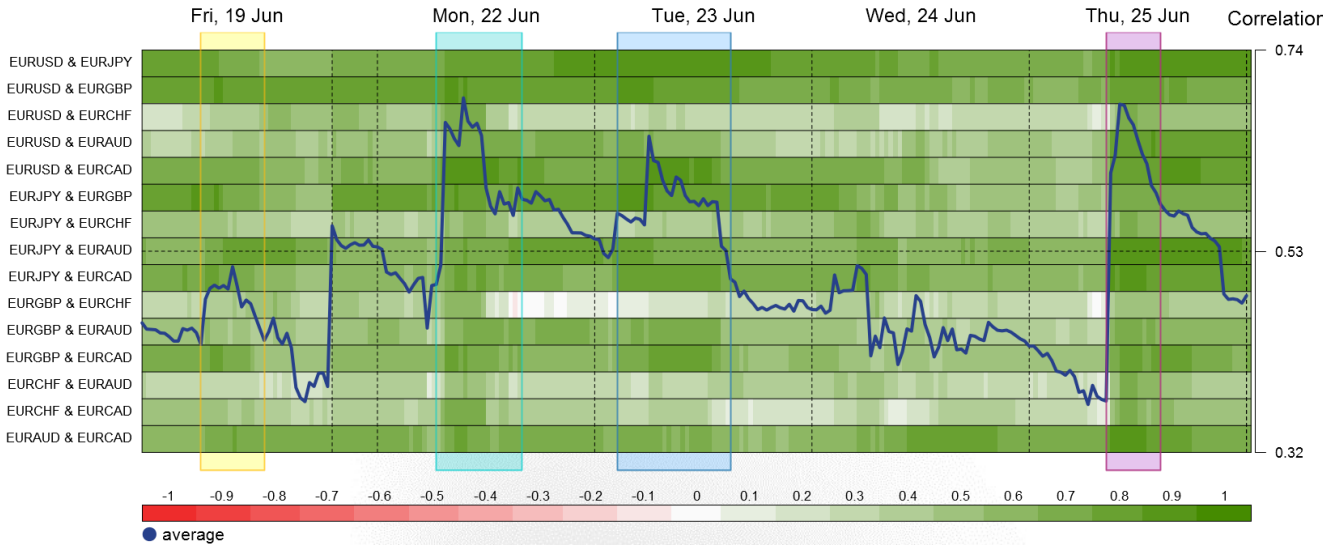
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.3	1.55	1.37	2.12	1.68	2.54	1.71	1.53	1.55	1.97
Min	0.38	0.3	0.2	0.19	0.21	0.25	0.21	0.23	0.3	0.1
Average	0.72	0.7	0.64	0.71	0.73	0.92	0.7	0.7	0.61	0.71



Currency Significance

Correlations

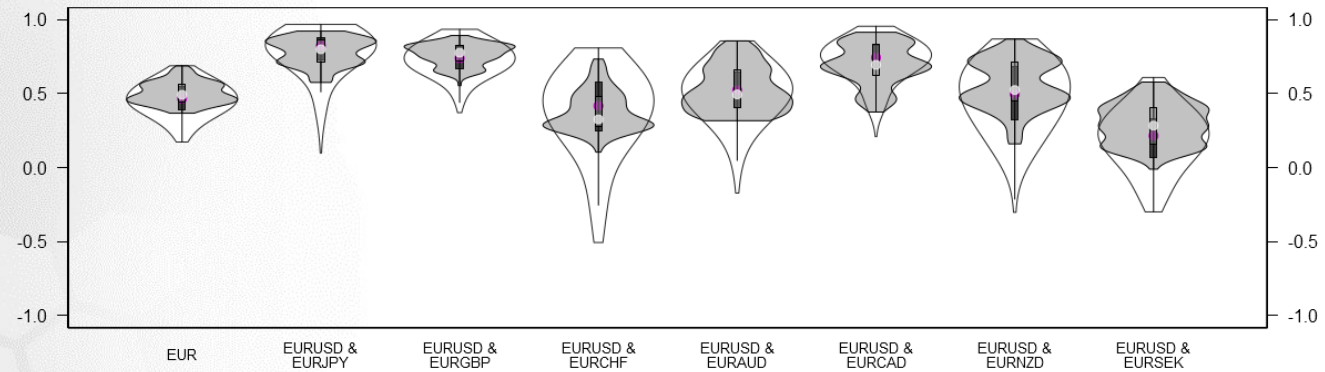


The Euro's significance measure was very unstable during the past week. The gauge had several ups-and-downs and was fluctuating between 0.36 and 0.69. However, the average of the measure, as well as those of the EUR/USD components, remained practically unchanged compared with the previous values. Thus the average of the aggregate has gained only 0.04 points.

The composite started the period with a slight increase to 0.51, caused by the German PPI data release and the EcoFin meeting. Then a sharp peak came on Monday, when the Eurogroup

meeting on the Greece debt deal pushed the Euro's index down, and the composite strengthened, reaching the highest value of the period. However, in midday the measure started to weaken. After an attempt to recover on Tuesday, caused by the German and the Euro zone Markit PMI releases, the significance measure continued to decrease and on Thursday reduced to the minimum level of the week. Afterwards, on Thursday, the aggregate sharply jumped to 0.68, gaining more than 0.3 points. The spike took place at the time of the meeting on the Greece's issue and did not last long. Thus the composite ended the period at the level of 0.48.

Correlations (5 vs 20 days)

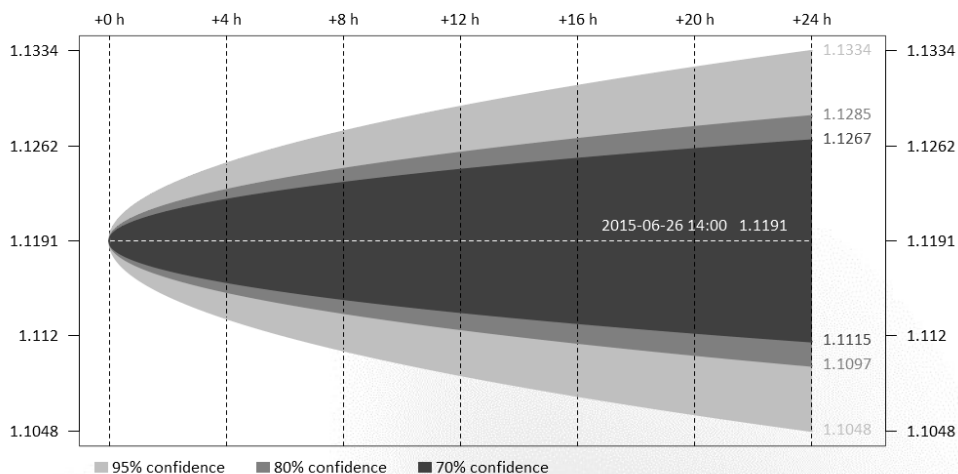


Mean Correlation Coefficient (with EURUSD)

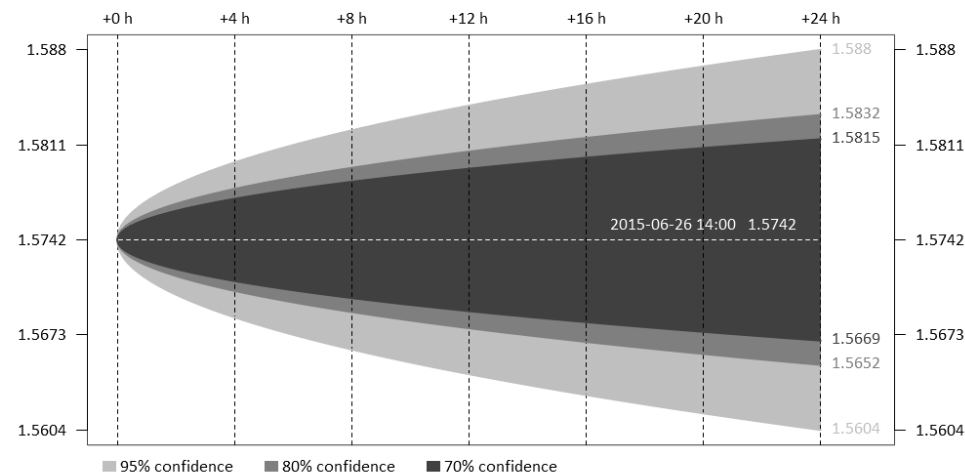
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.5	0.78	0.76	0.38	0.53	0.69	0.56	0.29
20	0.46	0.78	0.73	0.36	0.51	0.72	0.48	0.19
130	0.38	0.72	0.68	0.33	0.42	0.65	0.38	0.15
250	0.31	0.56	0.61	0.11	0.33	0.57	0.24	0.13

Confidence Intervals for Next 24 Hours

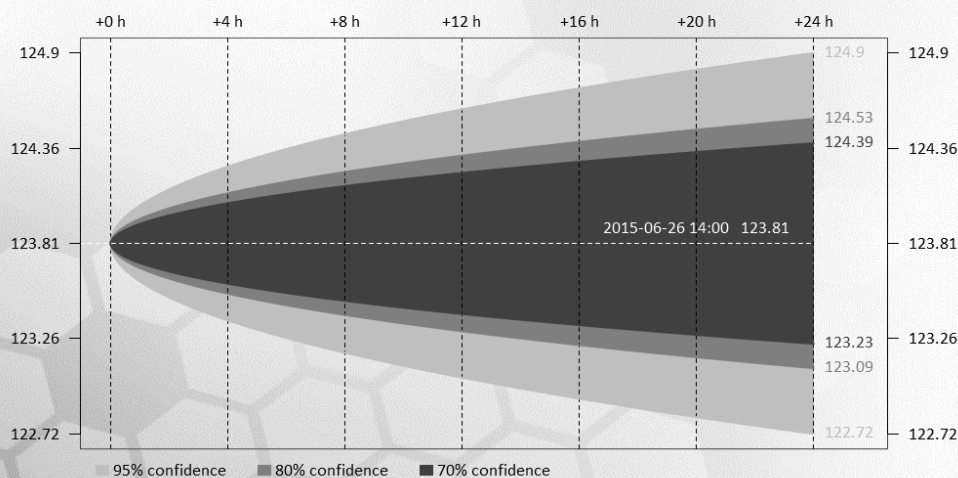
EURUSD Potential Rates



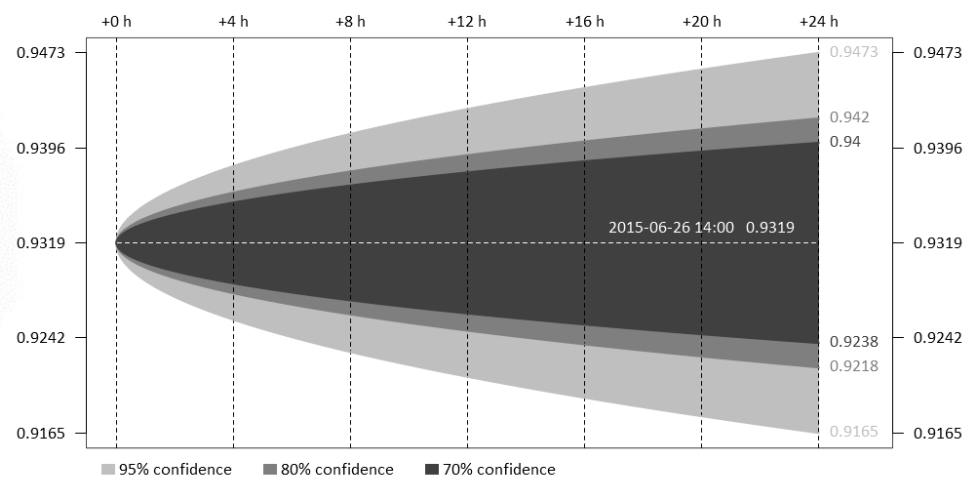
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

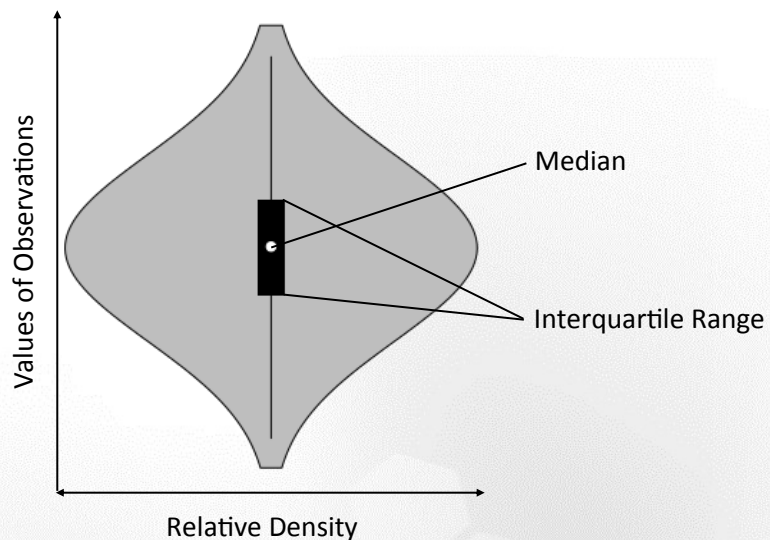
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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