



USD

29/06/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

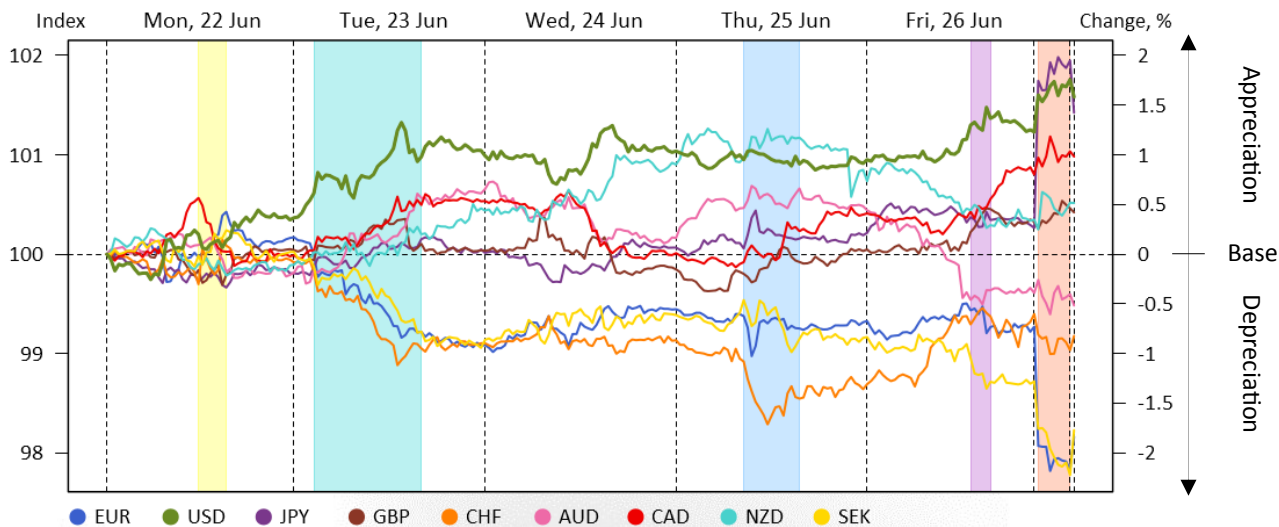
Yellow Area	Turquoise Area	Blue Area	Purple Area	Orange Area
June 22	June 23	June 25	June 26	June 28-29
12:00 - 15:30	02:00 - 15:30	08:30 - 15:30	12:30 - 15:00	19:30 - 00:00
<ul style="list-style-type: none"> <u>Eurogroup Meeting</u> 	<ul style="list-style-type: none"> <u>German, Euro Zone Flash Markit PMI</u> <u>US Durable Goods Orders, New Home Sales</u> 	<ul style="list-style-type: none"> <u>Eurogroup Meeting, EU Extraordinary Economic Summit</u> <u>US Jobless Claims, Personal Income, Flash Markit PMI</u> 	<ul style="list-style-type: none"> <u>EU Extraordinary Economic Summit</u> <u>BoE Governor Carney's Speech</u> 	<ul style="list-style-type: none"> <u>The Greek Crisis Developments</u>

USD Currency Index Change	-0.06%	0.37%	-0.04%	0.07%	0.15%
Max USD Volatility Index	1.29	1.12	1.02	1.43	1.69



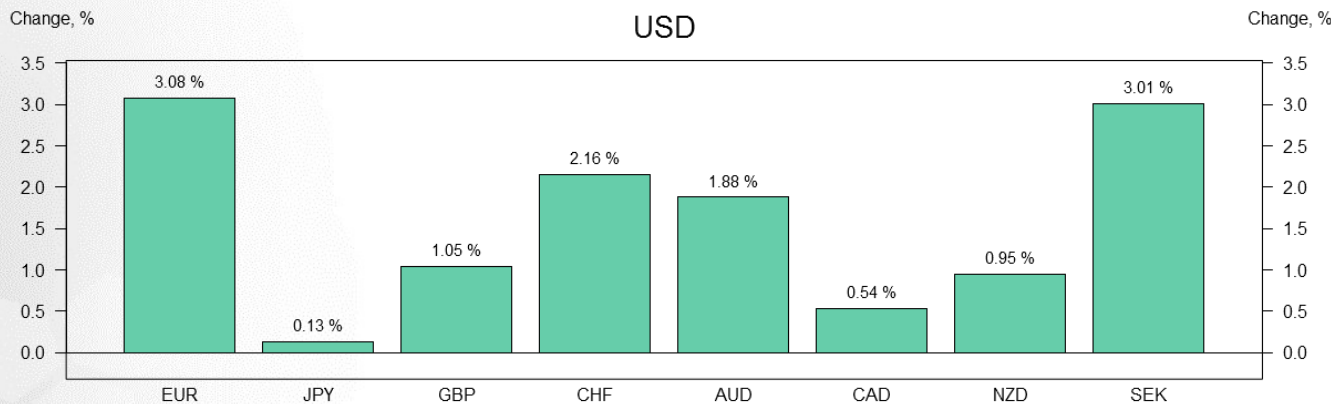
Relative Currency Strength

Currency Indexes



The Greenback managed to overcome a series of setbacks, and its index spent the past week above the baseline, becoming the best performer of the period with a 1.58% gain. The USD Index held the leadership during almost the whole period, however, it lost the completion to the yen over the weekend. The Greek issue, which was the main driver for the Euro for the past few weeks and pushed the single currency below all its peers, has affected the market as a whole, too. Thus fears of weakening of the Euro zone and neighbouring economies led to the strengthening of the yen, and the JPY index jumped to 101.98 mark, gaining 1.72 points.

The Greenback's index started to rise against the background of the Eurogroup meeting on Greece's debt deal, and further strengthening of the currency was also mostly caused by the Greek crisis. However, on Tuesday the USD index increased to the 101.33 ahead of the US economic news, but after the unexpectedly low durable goods orders release the index has lost 0.4 points. The US GDP and GDP price index reports on Wednesday pushed the currency index up, but the data came out in line with forecasts and the increase was slight. Spending the next day at the same level, the Greenback started to increase on Friday and during the weekend reached the maximum value of the period (101.76).



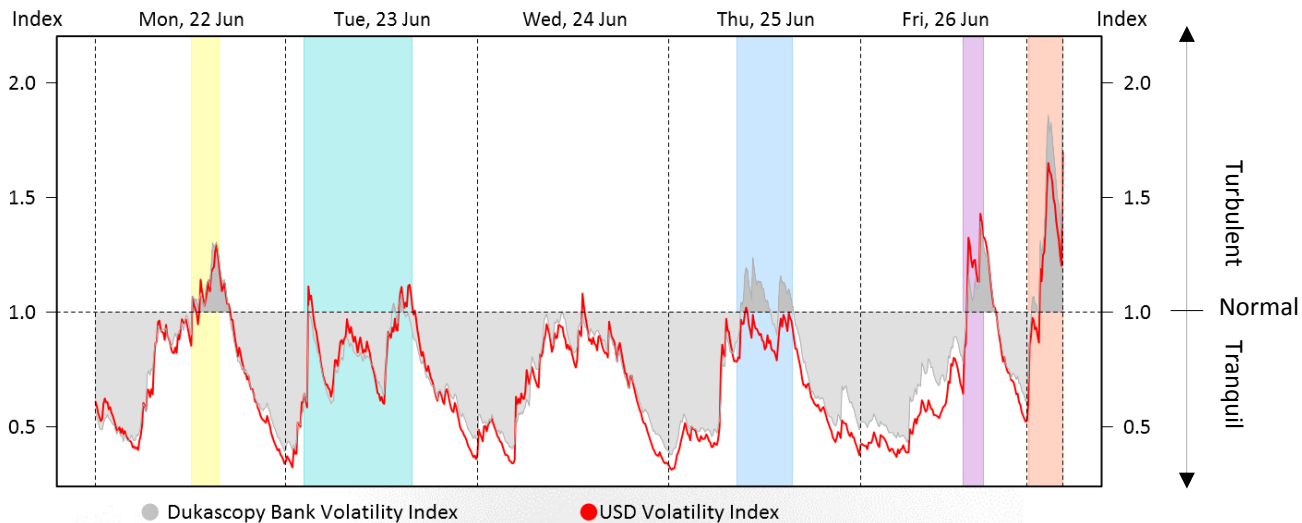
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-1.84%	1.58%	1.42%	0.42%	-0.82%	-0.52%	0.98%	0.51%	-1.77%
20	0.51%	-0.51%	0.46%	2.48%	0.35%	-1.09%	0.68%	-5.51%	2.46%
130	-6.26%	4.07%	2.27%	5.91%	10.75%	-2.76%	-1.83%	-10.23%	-2.8%
250	-6.97%	17.01%	-4.66%	7.9%	11.27%	-6.78%	0.61%	-11.12%	-7.27%



Volatility

Volatility



Volatility all but flatlined again in the past period, with Monday to Friday readings virtually unchanged from the previous week's low values. The high of the period's volatility fell on the weekend, when the Greek crisis escalated after the breakup of negotiations on Friday. With the announcement of a bailout referendum by the Greek minister and the subsequent rejection of aid extension by the creditors, the country entered the new week a bank holiday and introduction of capital controls, causing the Euro to tumble and volatility to spike. The market's average turbulence reached 1.8 points on late Sunday and 2.1 at Monday midnight, while the sharpest reaction came from the yen that posted the greatest gains against the single currency, sending its

volatility index to 3.3 and 3.6 points.

The Greenback's response to the Euro's fall per se was below average, as the EUR/USD volatility index barely reached above 2.0 in its highest point. However, USD/JPY gauge, after being notably more subdued during the working week, jumped to 3.0 points and above during the Sunday spikes, posting the highest volatility values among the dollar's pairs. Aside from the Greek drama, the dollar's volatility picked up the movements of USD/CAD as the Loonie was heavily influenced by the oil prices, and USD/CHF where the franc remained under pressure of the SNB's concerns about the currency being overvalued.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
	16	16	9	26	30	9	27	5	16

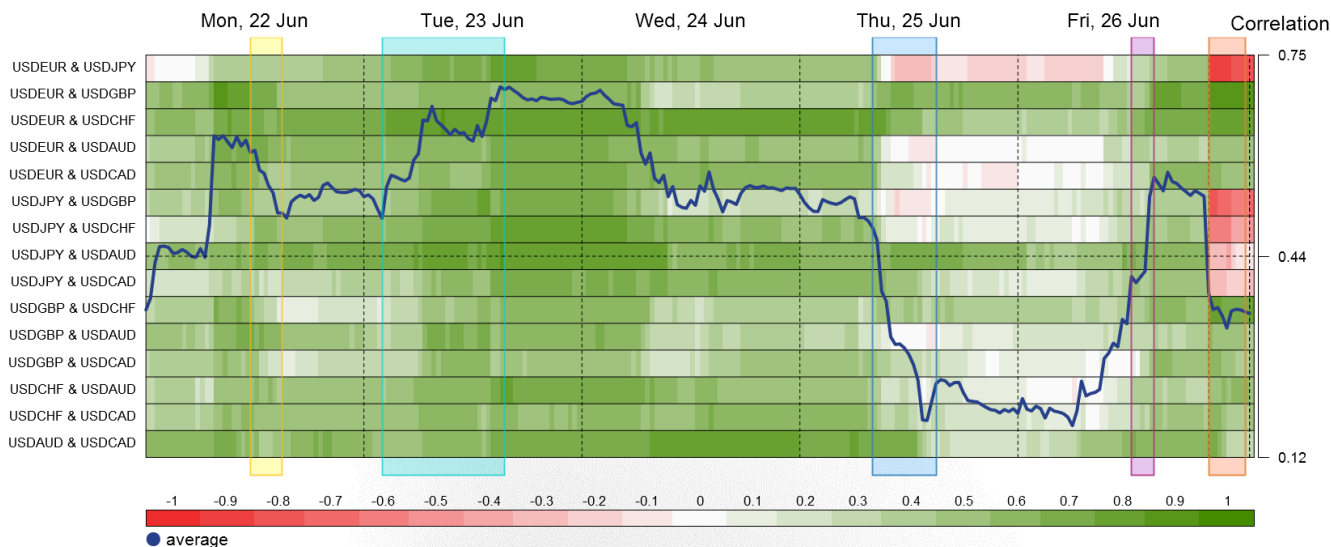
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.08	1.69	2.05	3.21	1.63	1.97	1.75	2.17	1.84	2.26
Min	0.38	0.31	0.23	0.15	0.3	0.22	0.25	0.28	0.27	0.23
Average	0.76	0.72	0.7	0.68	0.78	0.79	0.7	0.8	0.63	0.73



Currency Significance

Correlations

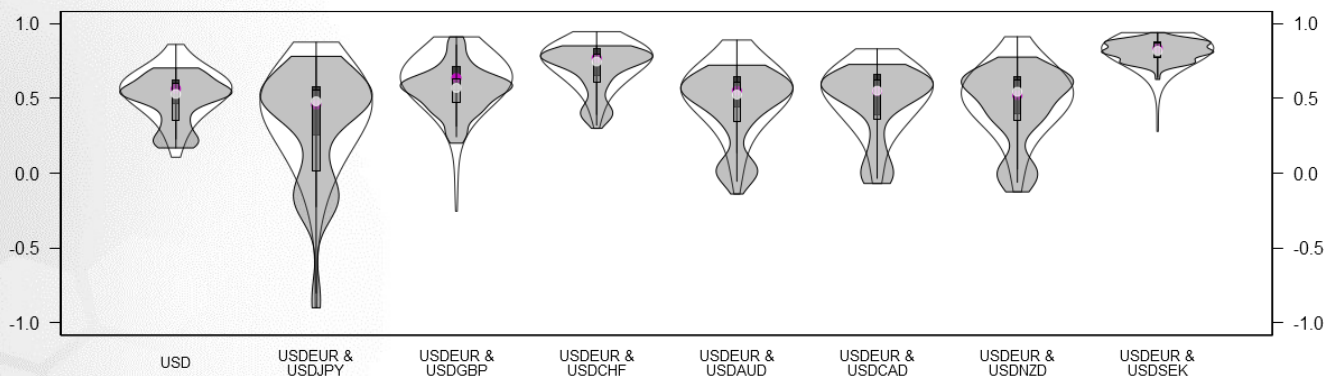


In its average readings, the dollar's significance was little changed from the previous week, with the measures continuing to post values below monthly readings, but in line with longer-term means. However, the dynamic situation edged south as the composite showed no spikes and the USD/EUR components' distributions shifted some more values into their lower tails. The most notable deviation was reported by the USD/EUR-USD/JPY component, which usually kept all its values above zero, but in the past week dropped a heavy tail into the negative side.

period with a strengthening, responding to the confident uptrend of the Greenback's movements, and even after losing some ground when the rally cooled down, managed to hold on a solid level. A blow came on Thursday, when the Euro's dip coupled with virtual stillness of the dollar was enough to knock the Greenback's composite well below significance threshold. As the Euro's effect wore off, the Kiwi's gauge spiked with the currency's zigzagging move in response to the mix of the RBNZ's damping comments and uplifting trade balance surplus, and the USD composite remained subdued. Afterwards, Friday's recovery was retracted as the USD/JPY components turned strongly negative over the weekend, knocking the composite down.

The dollar's significance measure started the

Correlations (5 vs 20 days)

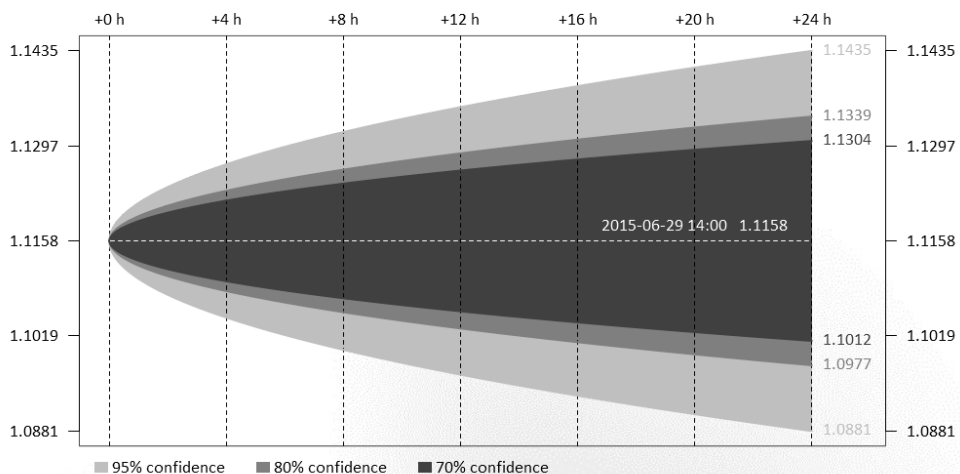


Mean Correlation Coefficient (with USDEUR)

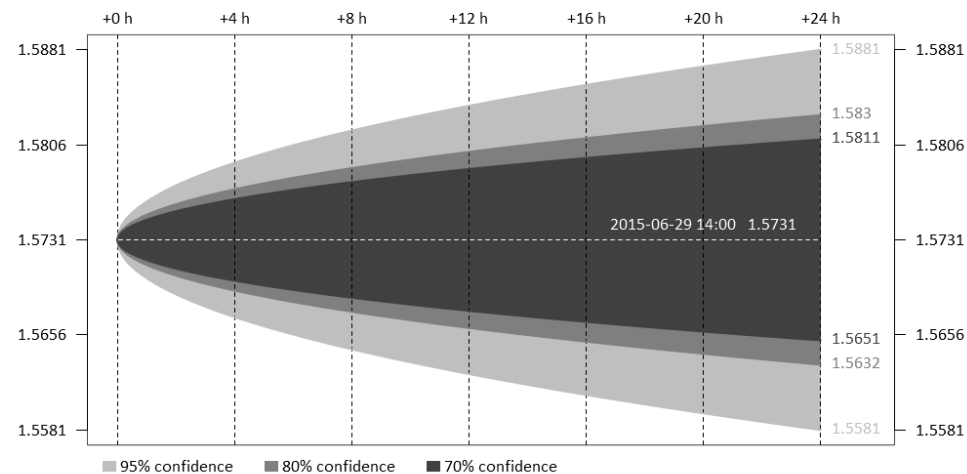
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.48	0.3	0.56	0.68	0.44	0.45	0.43	0.81
20	0.54	0.4	0.61	0.74	0.52	0.52	0.5	0.82
130	0.49	0.42	0.61	0.66	0.54	0.48	0.55	0.74
250	0.48	0.43	0.56	0.77	0.5	0.42	0.52	0.67

Confidence Intervals for Next 24 Hours

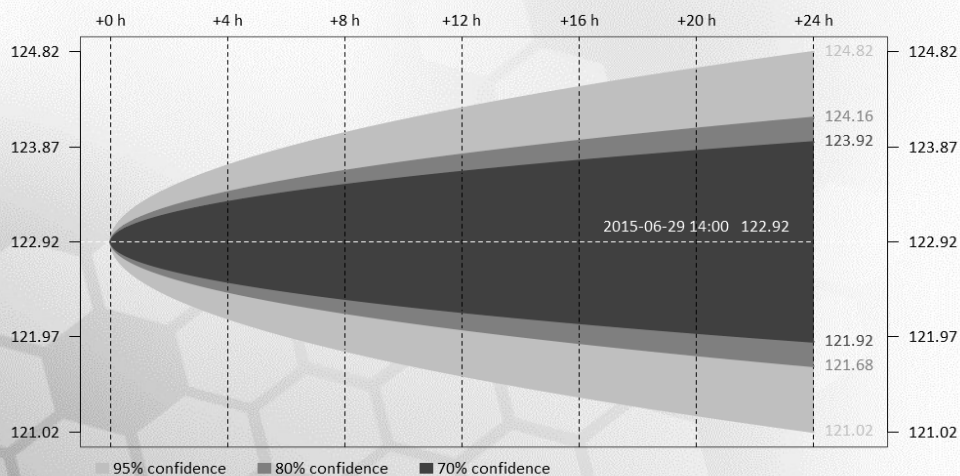
EURUSD Potential Rates



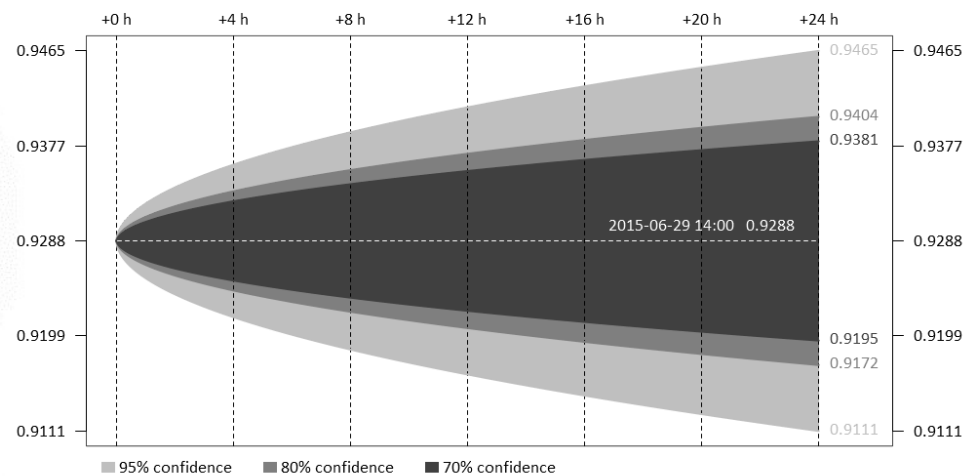
GBPUSD Potential Rates



USDJPY Potential Rates



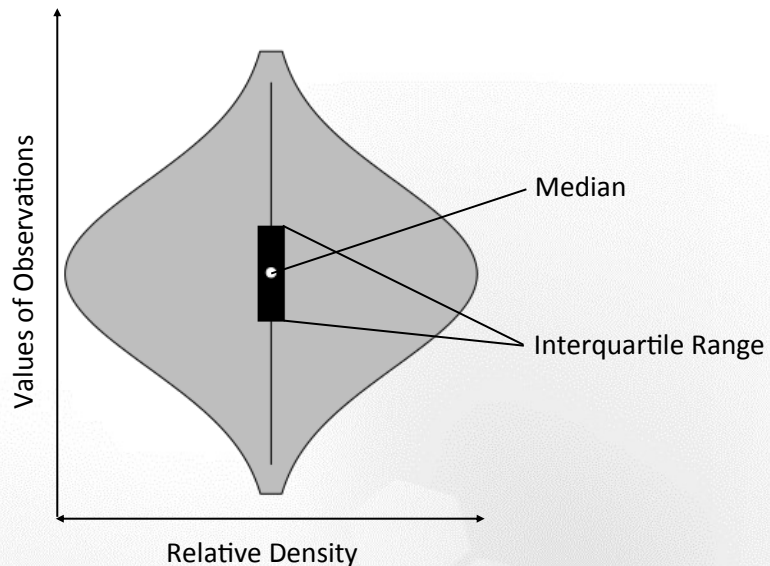
USDCHF Potential Rates



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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