



EUR

10/07/2015



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Market Research





Dominant Events of the Period

Yellow Area

July 3-6

16:30 - 01:00

- Greek Bailout Referendum

Turquoise Area

July 6

05:30 - 16:00

- Japanese Flash Coincident Index
- US Markit PMI, Labor Market Conditions Index
- Canadian Ivey PMI, BoC Business Outlook Survey

Blue Area

July 7

07:30 - 20:00

- Eurogroup Meeting, EU Leaders Special Summit
- US Trade Balance
- UK NIESR GDP Estimate

Purple Area

July 8

00:30 - 16:30

- Japanese Eco Watchers Survey
- UK Budget Report
- Canadian Building Permits

Orange Area

July 9

01:30 - 23:00

- Chinese CPI, PPI
- Australian Participation Rate, Unemployment Rate
- German Trade Balance
- BoE Asset Purchase Facility, Interest Rate Decision
- US Jobless Claims

EUR Currency Index Change

-0.46%	0.16%	0.14%	0.37%	-0.07%
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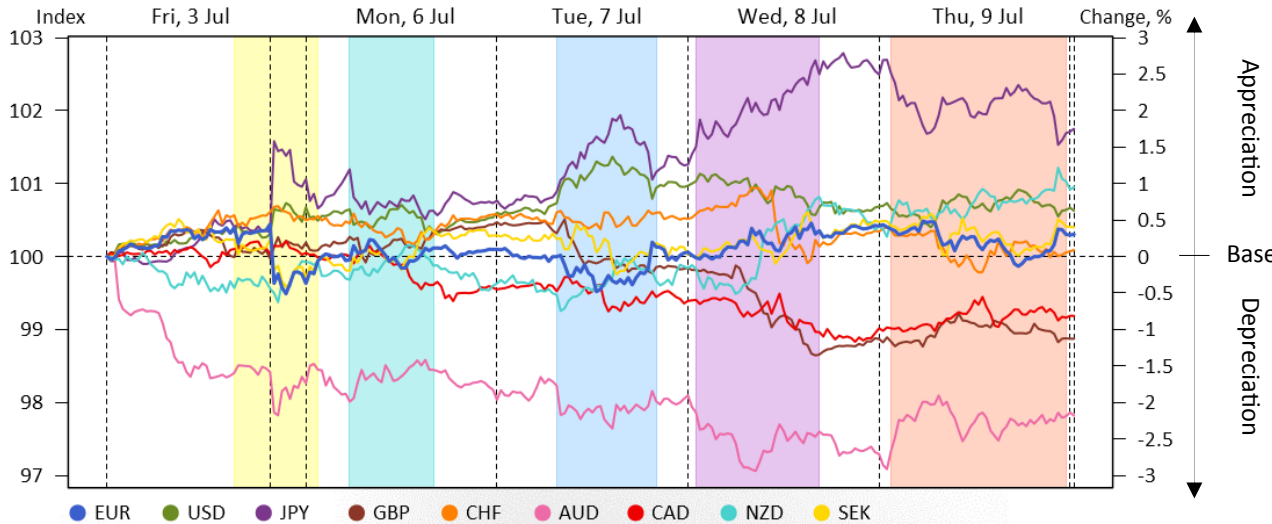
Max EUR Volatility Index

1.75	1.34	1.62	1.63	1.41
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Relative Currency Strength

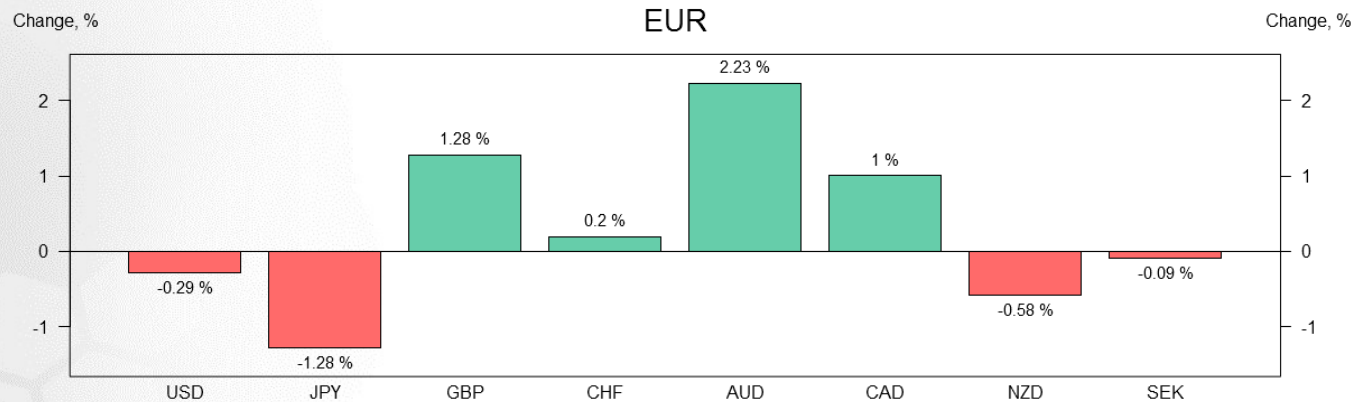
Currency Indexes



The yen was the star of yet another period, now harboring both European and Asian investors as the Greek crisis and Chinese stock tumble prompted them to seek safe haven in the Japanese currency. Meanwhile, the Chinese turmoil had quite the opposite effect on the Aussie. Hit by underperforming retail sales and receiving a lot of pressure from the developments in Australia's biggest trading partner, the AUD Index crashed into a downtrend and finished the period with a 2% weekly loss.

During the previous period, the EUR Index held close to the baseline after rapidly recovering from the over-

the-weekend fall, and this week its behavior was virtually the same. The index slipped to the period's low as Greece voted "no" in bailout referendum, but Monday opened with the gauge already back on the 100-mark. Later on the index was holding either on or below the baseline till late Tuesday, when Greece was given a deadline for a new proposal, and word spread that a deal might be made on Sunday. The Euro picked up, paring its previous losses, and its index made the period's sharpest jump. Pressure built up again on Thursday as the clock was ticking for the Greek government to offer a new plan, but the Euro's weakening reversed into a small rally when the proposal was finally submitted. The index finished the period with a weekly gain, outperforming four of its major peers.



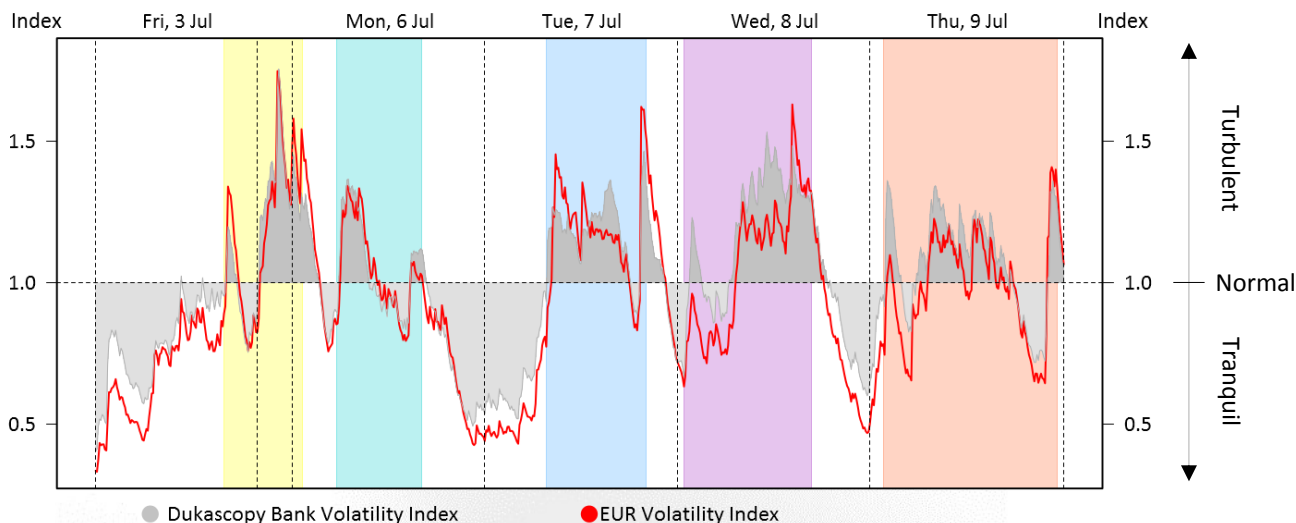
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.3%	0.63%	1.75%	-1.13%	0.09%	-2.18%	-0.81%	0.95%	0.4%
20	0.25%	1.55%	3.96%	0.83%	0.23%	-2.06%	-1.77%	-2.15%	-1.31%
130	-3.2%	4.08%	1.21%	6.02%	12.28%	-6.06%	-2.3%	-11.62%	-1.1%
250	-5.33%	18.27%	-2.05%	5.9%	11.3%	-8.03%	-1.61%	-11.91%	-6.54%



Volatility

Volatility



The market faced another turbulent period, with most volatility brought in by the growing yen and the falling Aussie. The Euro, while being in the heart of the market-moving events, stood among the least volatile currencies and rarely acted as a primary cause for across-the-board moves. At the top of the stability list was the Swedish krona, which broke out of the roller coaster of the two previous weeks and whose currency index froze on the baseline after losing 1.5% on the Riksbank's July 2 decision to cut rates.

The greatest spike of the Euro's volatility took place at the beginning of Monday's Asian session, and thought it was provoked by the events in the Euro zone, the peak stood below the values reached by the Asia-Pacific gauges. In fact, it was the case with all but one major spikes of the Euro's volatility, as the period's main trigger for the single currency's moves—the Greek crisis,—had a sharper effect on the safe haven yen. The only exception was Wednesday's peak, thought not because it was Euro-centered, but because it was caused by changes in the franc, the pound, and the Loonie that had little influence on the trending currencies.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	49	42	38	51	41	45	58	37	48	17

Volatility Index (for the observed period)

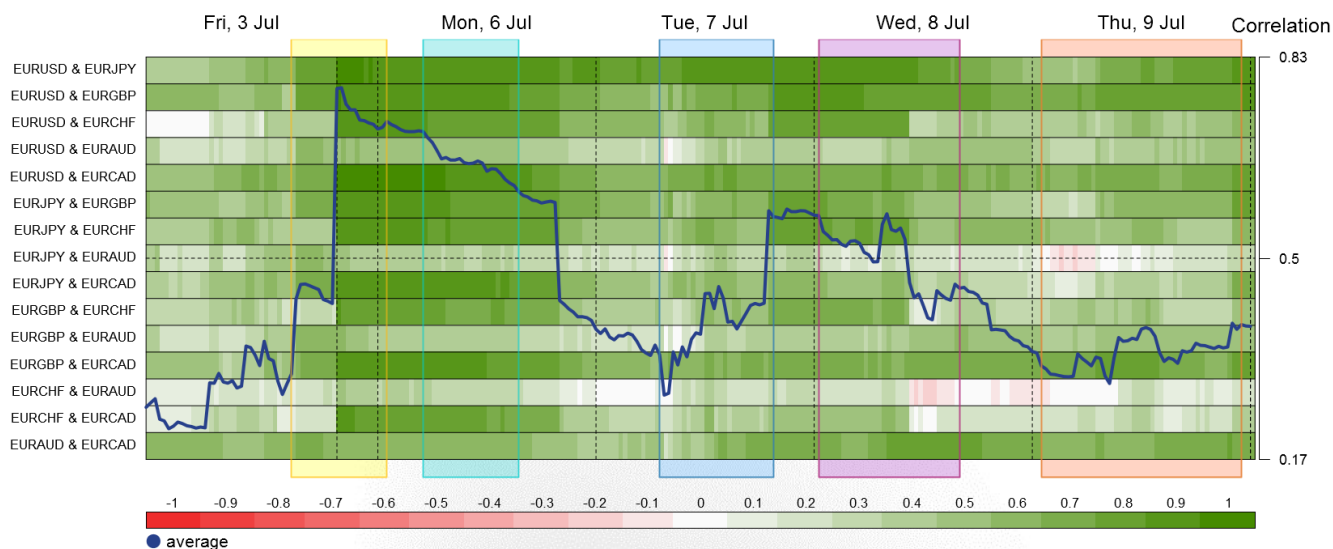
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.75	1.75	2.2	2.67	2.15	2.51	2.24	1.98	2.16	1.68
Min	0.4	0.33	0.27	0.25	0.22	0.38	0.37	0.27	0.41	0.14
Average	1	0.94	0.87	1.03	0.9	0.98	1.1	0.86	1.02	0.66



Currency Significance

Correlations

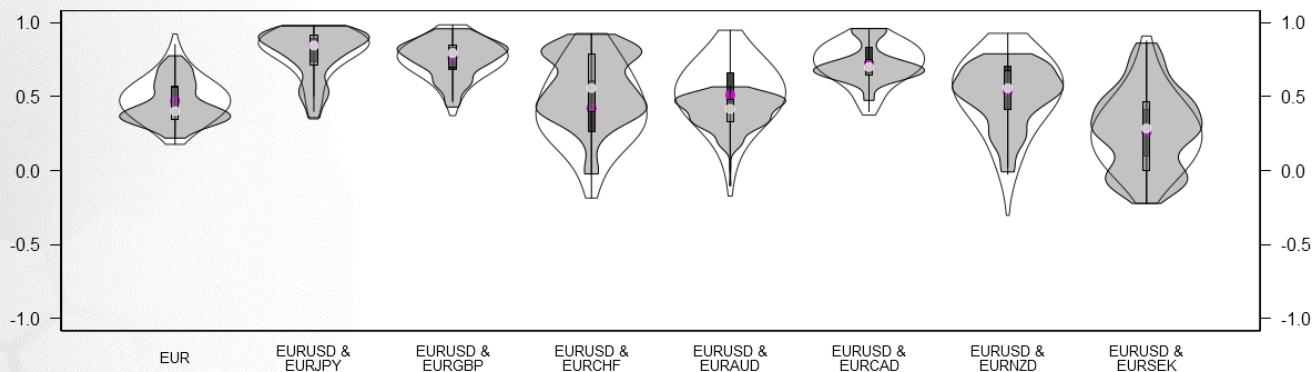
The correlations of the Euro pairs were mostly below the previous weeks' readings, as the single currency was relatively unmoving in anticipation of further developments in the Greek debt crisis and hardly reacted to any other news, limiting its significance on the market. The Aussie and the yen turned out to be the ones with the most notable market drivers during the period. The former strikingly reacted to the plenty of domestic economic events, including retail sales, interest rate decision and employment data release, all fueled by the pressure of Chinese developments. The yen, in turn, was down by trade balance and



securities investment data releases as well as the fact that in current conditions it is considered a safe haven for investors.

The Euro's significance composite started the period on the feeble 0.25 level and spent the day in absence of any influential economic releases. However, the recent trading week started with the most conspicuous surge of the measure, when it reached the 0.78 mark. The currency dropped, and bonds between its pairs strengthened after the Greek referendum was over. During the rest of the period the gauge kept on moderate levels between 0.3 and 0.6 points and clearly reacted only to Tuesday's EU leaders' summit devoted to the same Greek issue.

Correlations (5 vs 20 days)

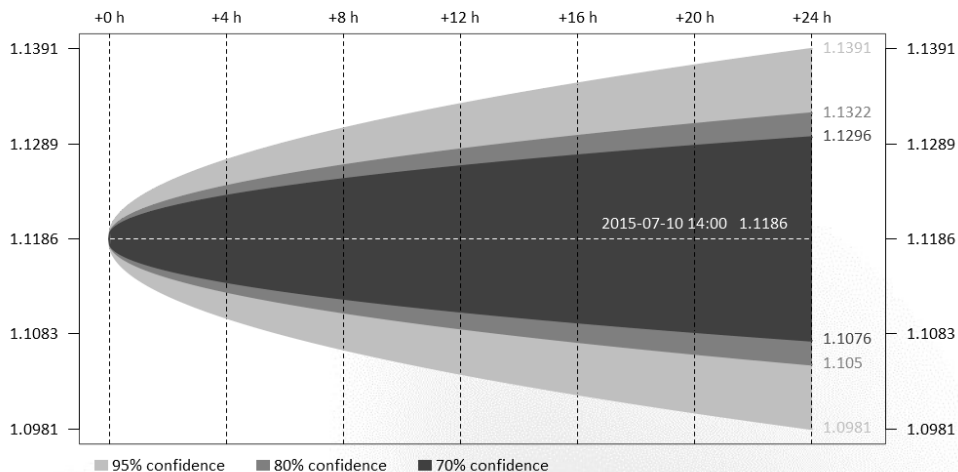


Mean Correlation Coefficient (with EURUSD)

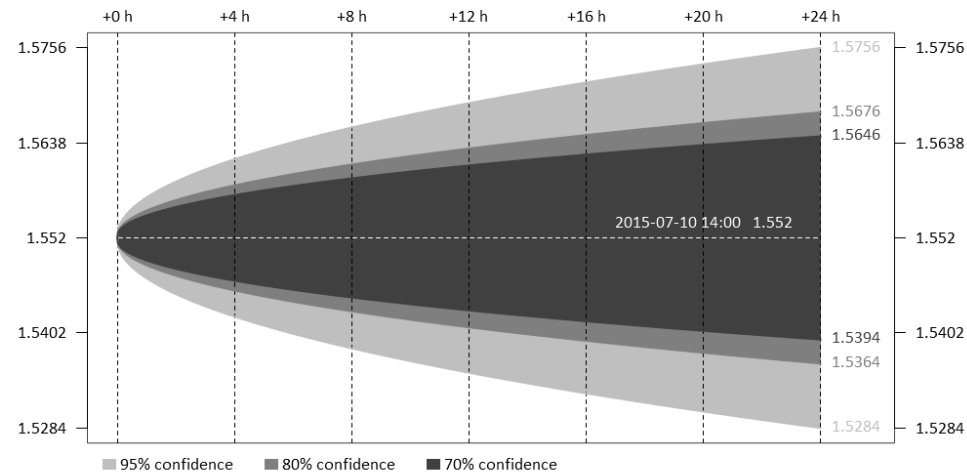
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.45	0.79	0.76	0.56	0.4	0.72	0.51	0.28
20	0.48	0.8	0.75	0.44	0.52	0.73	0.52	0.26
130	0.4	0.76	0.7	0.37	0.44	0.66	0.4	0.18
250	0.32	0.57	0.62	0.15	0.34	0.58	0.25	0.14

Confidence Intervals for Next 24 Hours

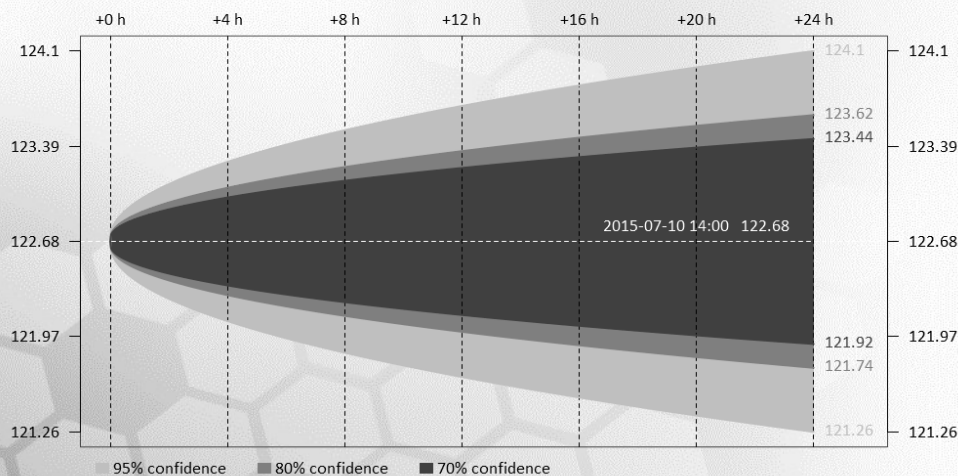
EURUSD Potential Rates



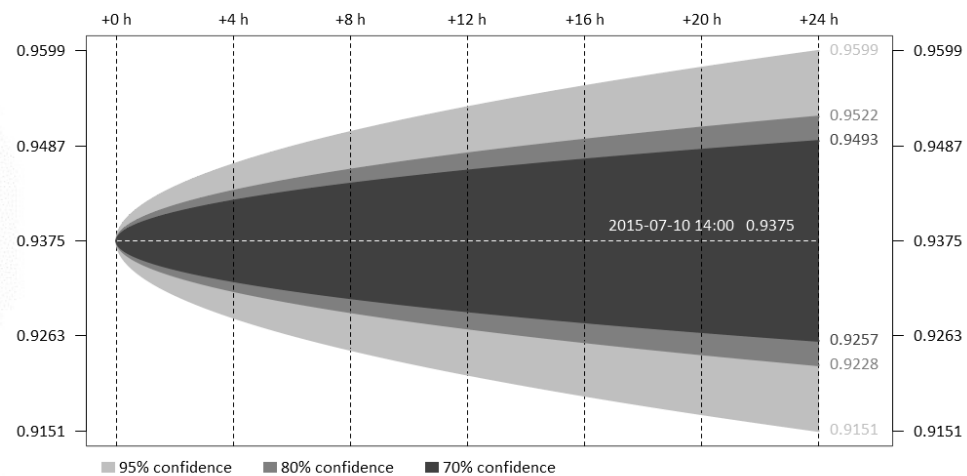
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

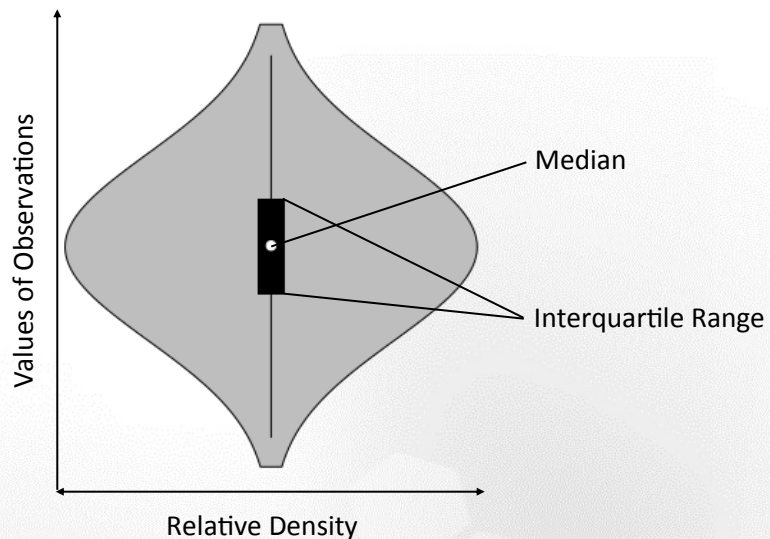
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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