



USD

03/08/2015



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Dominant Events of the Period

Yellow Area	Turquoise Area	Blue Area	Purple Area	Orange Area
July 27	July 28	July 29	July 30	July 31
06:00 - 16:00	13:30 - 22:00	14:00 - 21:00	06:00 - 17:00	12:00 - 19:00
<ul style="list-style-type: none"> <u>German IFO Business Climate, Current Assessment, Expectations</u> <u>Euro zone M3 Money Supply</u> <u>US Durable Goods Orders</u> 	<ul style="list-style-type: none"> <u>US Consumer Confidence</u> <u>RBNZ governor Wheeler speech</u> 	<ul style="list-style-type: none"> <u>US Pending Home Sales</u> <u>Fed Monetary Policy Statement, Interest Rate Decision</u> 	<ul style="list-style-type: none"> <u>Swedish GDP</u> <u>Swiss KOF Leading Indicator</u> <u>German Unemployment Rate, CPI</u> <u>US GDP Price Index, GDP Annualized, Goods Trade Balance</u> 	<ul style="list-style-type: none"> <u>Canadian GDP</u> <u>US Employment Cost Index, Chicago PMI</u>

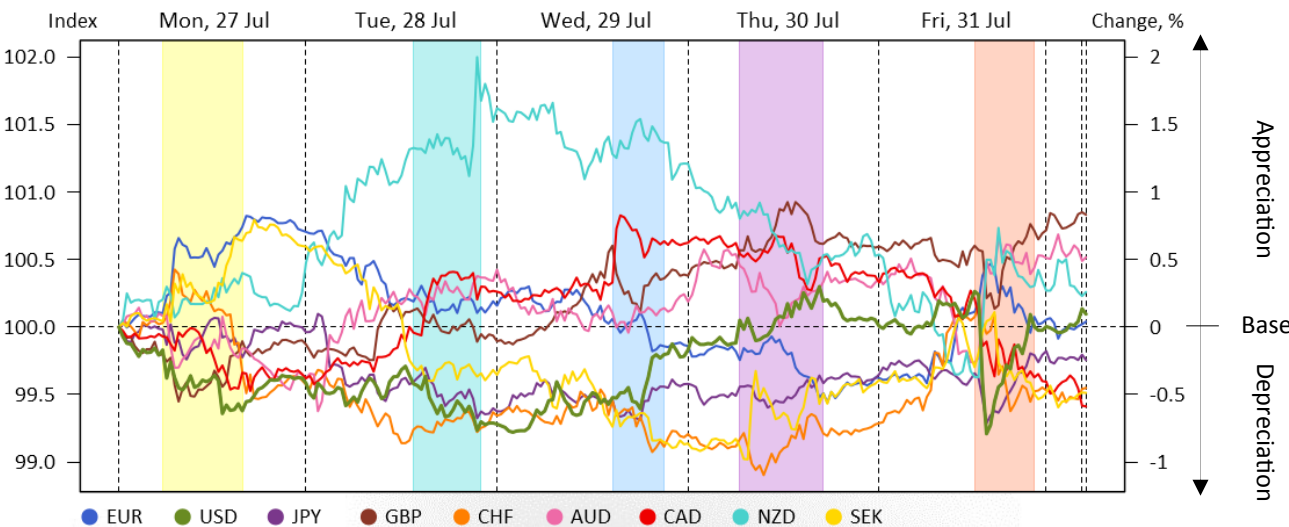
USD Currency Index Change	-0.45%	-0.28%	0.32%	0.14%	-0.26%
Max USD Volatility Index	1.49	1.24	2.18	1.28	4.57



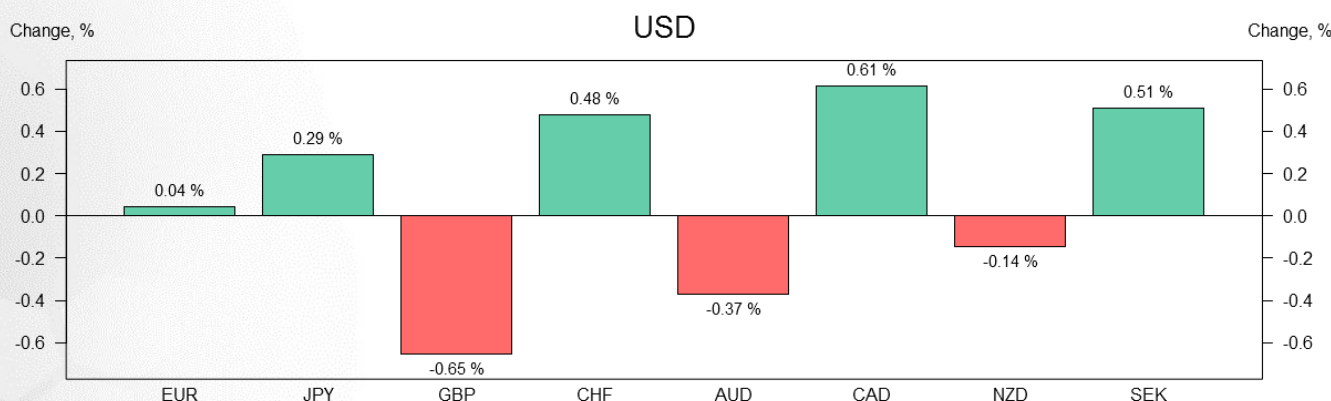
Relative Currency Strength

Currency Indexes

Continuing the tendency of the previous period, the most of the time the Greenback has spent below the baseline. However the USD index managed to overcome the historical level and ended the week with the 0.1% gain. Thus the US dollar has overtaken most of the peer currencies, losing only the Kiwi (+0.26%), the Aussie (+0.52%) and the pound (+0.83%). On Tuesday after the UK GDP data showed the economy growth, GBP started to rise and became the best performer of the period. Nonetheless the most spectacular increase was made by the Kiwi, which started to climb ahead of the RBNZ governor Wheeler speech and on Tuesday evening reached the 102 level.



The movements of the Greenback index was calmer—it was fluctuating in a range of 99.21 to 100.3. The first half of the observed week USD has showed the downward trend. Despite the unexpectedly high US durable goods orders, the index reduced up to 99.35 on Monday. The decline occurred against the background of the growth of the Euro and ahead of the FOMC monetary policy decision and the GDP numbers. On Tuesday the US consumer confidence came out notably below the forecast, and USD was dropping again. However, the Fed’s interest rate decision on Wednesday was in line with forecast, and the index started to rise. The US GDP data report on Thursday became a new impetus for USD, and index reached the maximum value. Disappointing wage data managed the index to lose 1.06 point. Nevertheless USD recovered quickly and ended the week with positive gain.



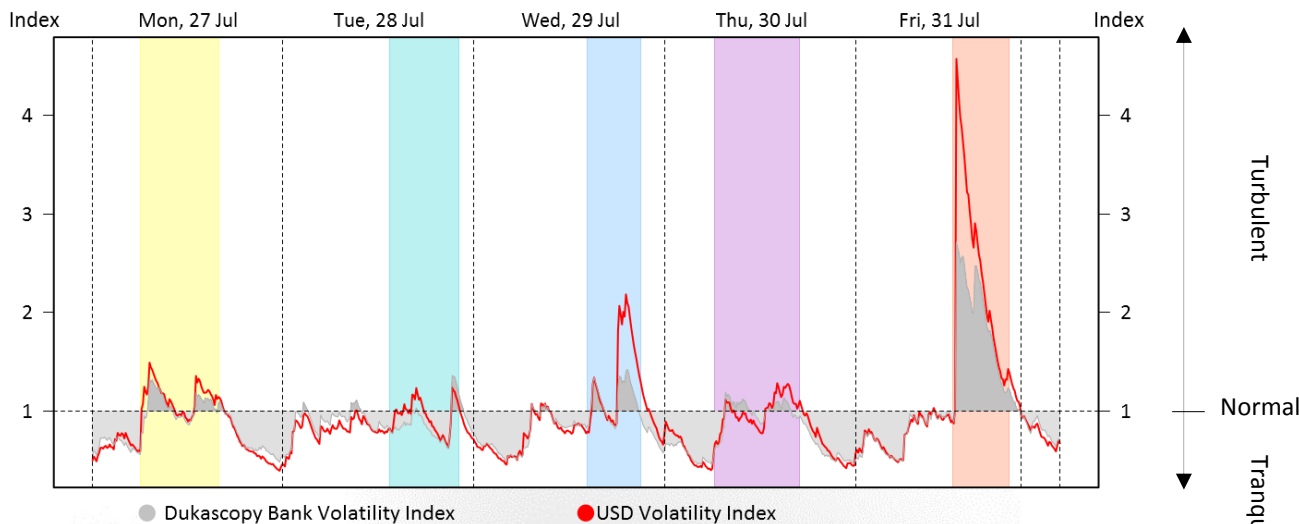
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.04%	0.1%	-0.24%	0.83%	-0.45%	0.52%	-0.59%	0.26%	-0.49%
20	0.81%	1.59%	0.5%	2.13%	-0.83%	-1.49%	-2.87%	-0.04%	-0.24%
130	0.03%	4.38%	-0.8%	8.27%	0.07%	-2.75%	-1.31%	-8.51%	-0.57%
250	-4.64%	18.07%	-3.35%	9.72%	10.72%	-9.3%	-2.62%	-10.86%	-7.76%



Volatility

Volatility



During the trading week all the volatility indexes without exceptions spent most of time below the average historical level. The Greenback with 28% portion of elevated volatility and higher than 4.5 spike was among the most turbulent currencies. The yen, in turn, became the most tranquil one, as the peaks of its index did not exceed the 2.0 level and, moreover, the elevated volatility was observed in only 16% of time.

The week started with the release of the IFO's surprisingly optimistic assessment of German economic conditions, which was reflected in the market volatility growth. Tuesday turned out to be

calm against the turbulent historical background, however, the NZD index reached its maximum of 3.13 points in the evening ahead of a speech by RBNZ governor Wheeler. Fed monetary policy statement on Wednesday gave the US dollar first notable impulse so the index reached the 2.0 level. Thursday was much like Tuesday with a feeble market volatility level and a significant surge of the krona's volatility, which followed the release of higher-than-expected Swedish GDP in the second quarter. In spite of such relatively tranquil period, the end of the week turned out to be striking, with the disappointing US unemployment cost index managing the dollar's volatility measure to reach the peak of 4.57.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
25	28	26	22	32	40	36	28	37	30

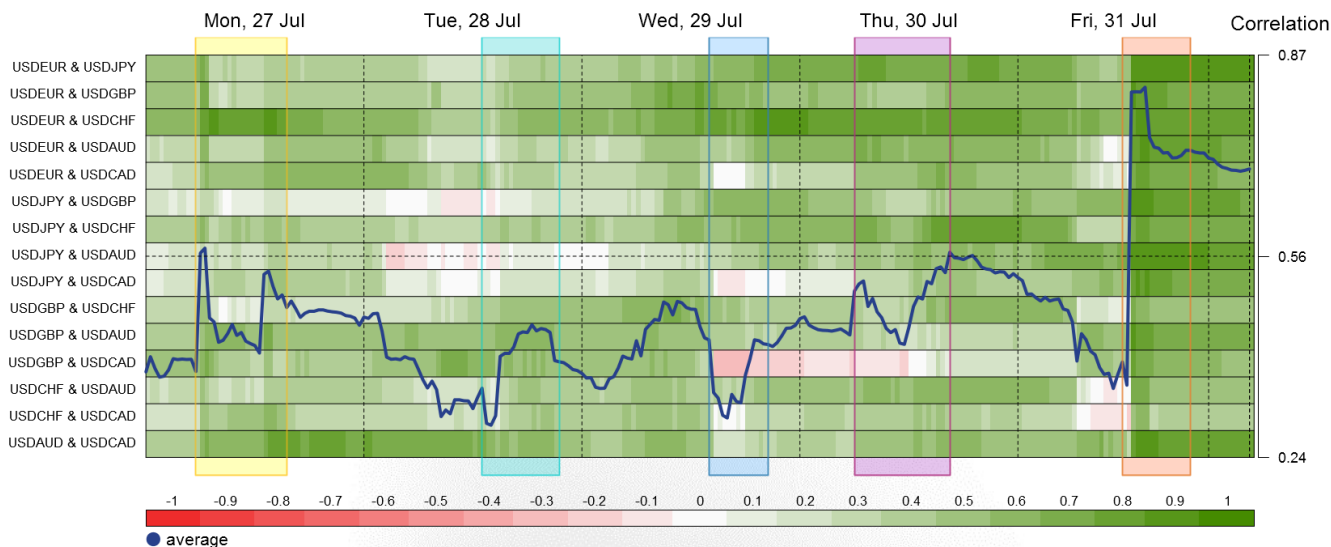
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.71	4.57	4.74	4.47	4.26	3.21	5.62	4.79	5.26	4.01
Min	0.46	0.4	0.24	0.33	0.22	0.2	0.28	0.24	0.35	0.23
Average	0.9	0.94	0.88	0.87	0.86	0.95	1.02	0.89	1.06	0.92



Currency Significance

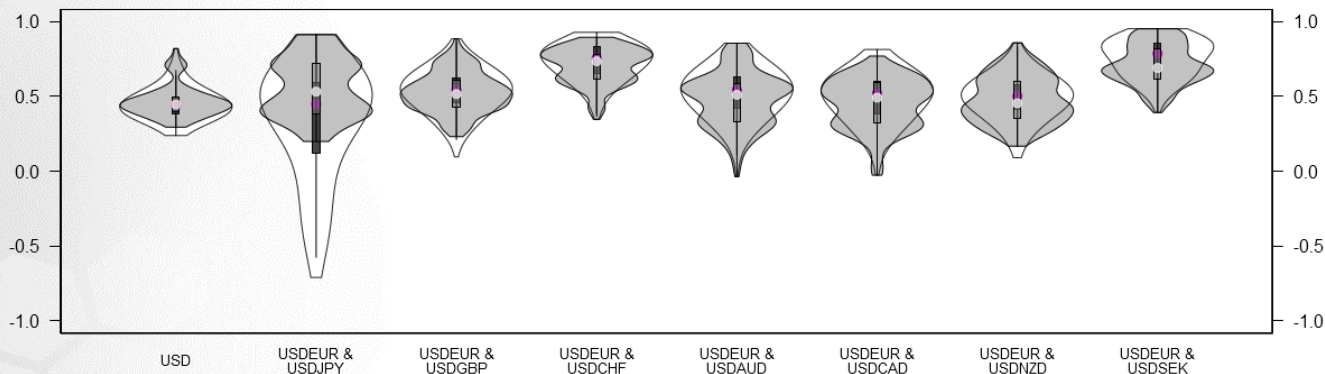
Correlations



Although the US dollar significance measure has risen by 0.32 points during the past period, the average values of the aggregate and the most of the components have slightly decreased. Thus compared with the previous week's values the USD composite has lost 0.05 points, while the USD/EUR components has shed 0.02-0.12 points. Comparing the averages with the long-term values, the changes of the composite and observed components did not exceeded the 0.06 points. The only exception was the bond between USD/EUR and USD/JPY, which has strengthened by 0.23 points in comparison with monthly value.

The most of the past period the USD measure has spent quite calm, ranging between 0.29 and 0.57. The first rise of the composite took place on Monday and mostly was caused by the Euro increase and the anticipation of the US interest rate decision. Then the measure has gradually reduced up to the minimum value of the week. The US Markit PMI and consumer confidence reports on Tuesday managed the measure to rise to 0.44. The next increase of the composite was on Wednesday after the Fed's rate decision was released. Further growth of the measure was underpinned by the US GDP data, and the composite reached the 0.55 mark. However the most notable surge of the USD occurred on Friday. The sharp lowering of the US employment cost index pushed the composite up to 0.82. The measure ended the week at the 0.69 mark.

Correlations (5 vs 20 days)

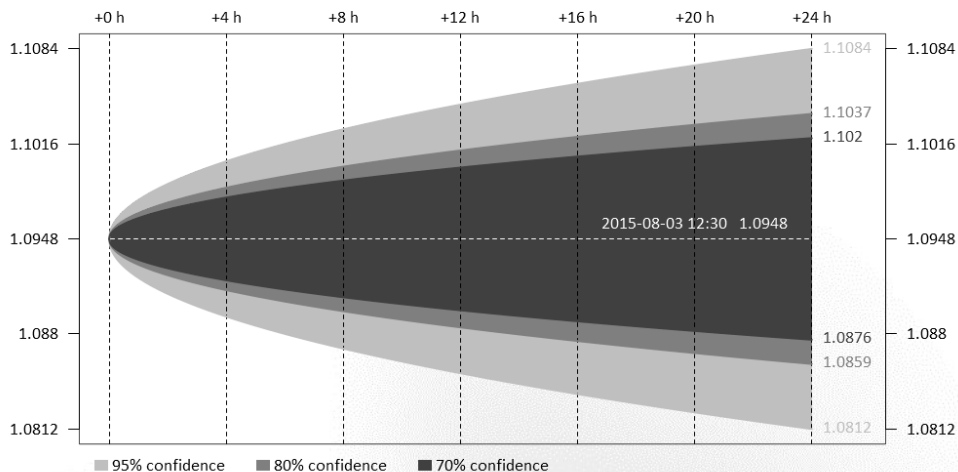


Mean Correlation Coefficient (with USDEUR)

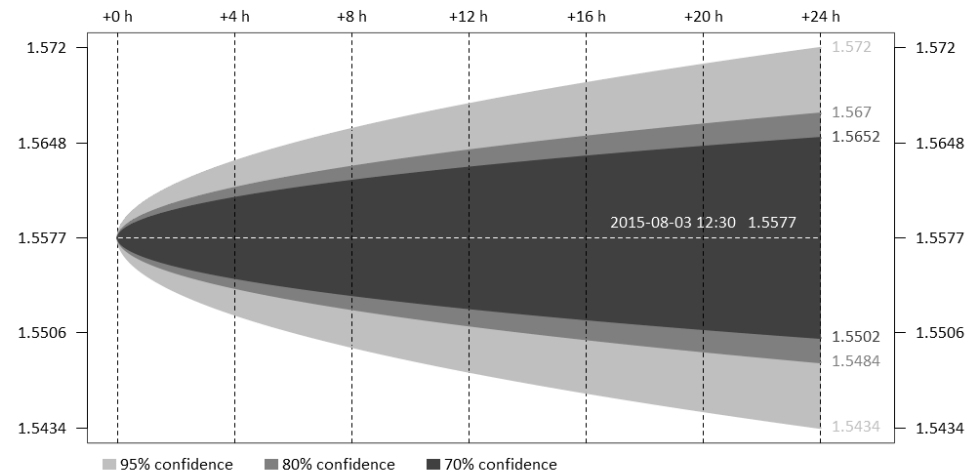
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.47	0.56	0.53	0.7	0.47	0.45	0.48	0.71
20	0.45	0.33	0.53	0.73	0.53	0.49	0.49	0.76
130	0.5	0.41	0.6	0.7	0.55	0.51	0.55	0.77
250	0.49	0.43	0.58	0.76	0.52	0.45	0.54	0.71

Confidence Intervals for Next 24 Hours

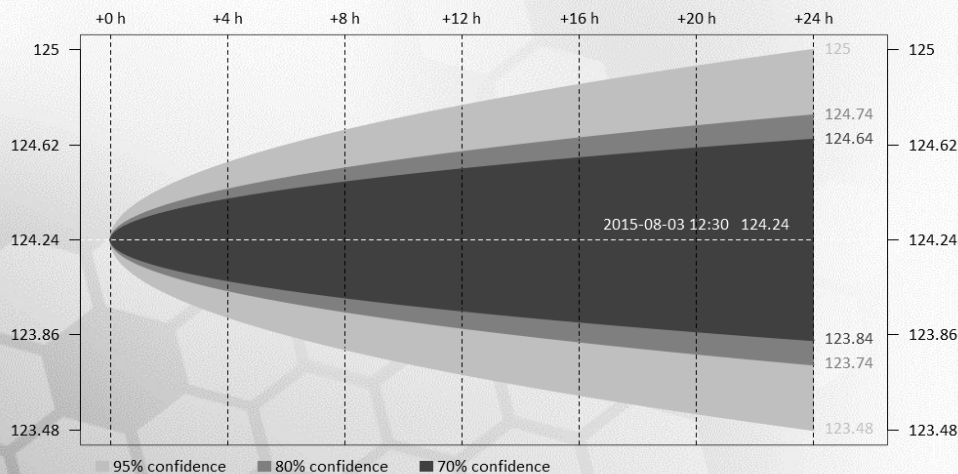
EURUSD Potential Rates



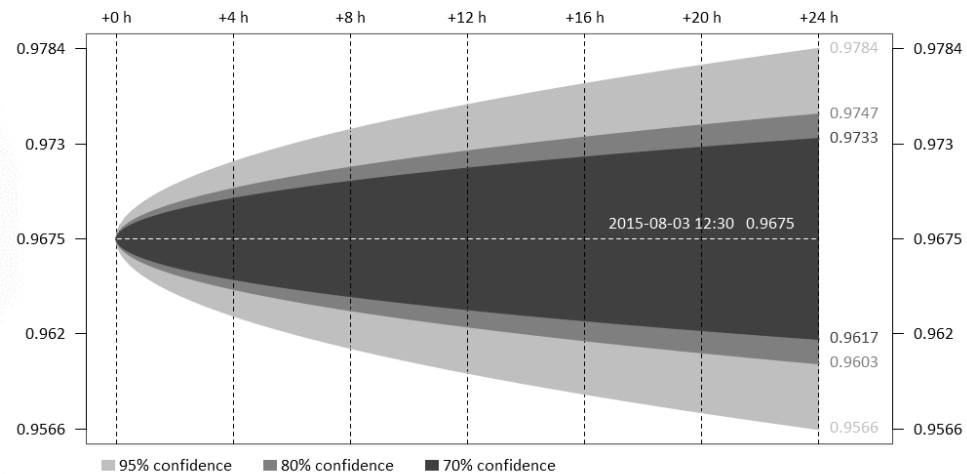
GBPUSD Potential Rates



USDJPY Potential Rates



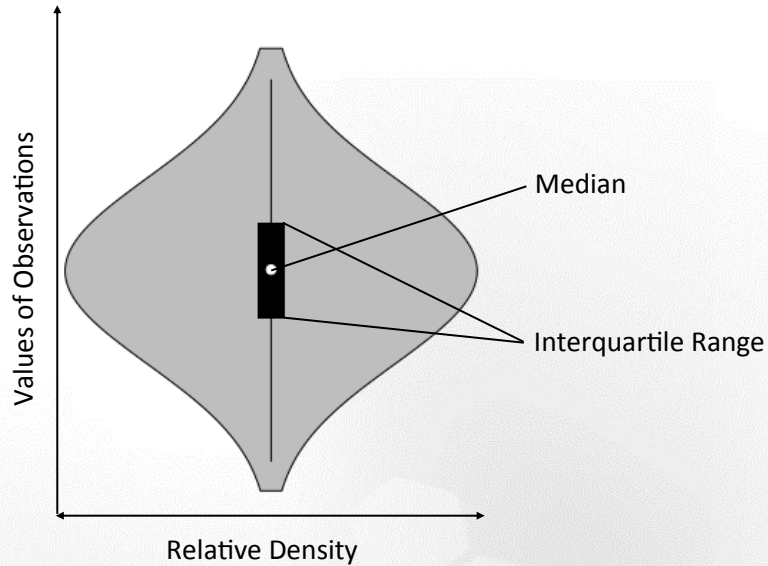
USDCHF Potential Rates



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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