



USD

10/08/2015



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Market Research





Dominant Events of the Period

Yellow Area

August 3

06:30 - 16:00

- German, Euro Zone Manufacturing PMI
- UK Manufacturing PMI
- US Markit, ISM Manufacturing PMI

Turquoise Area

August 4

04:00 - 19:30

- RBA Rate Statement
- UK PMI Construction
- RBC Manufacturing PMI
- US Factory Orders

Blue Area

August 5

12:00 - 16:30

- US ADP Employment Change, Trade Balance, Markit Services PMI, ISM Non-Manufacturing PMI

Purple Area

August 7

11:00 - 19:00

- US Unemployment Rate, Nonfarm Payrolls, Average Weekly Hours, Average Hourly Earnings, Consumer Credit Change
- Canadian Unemployment Rate, Building Permits, Ivey PMI

USD Currency Index Change

0.08%	0.18%	0.29%	-0.22%
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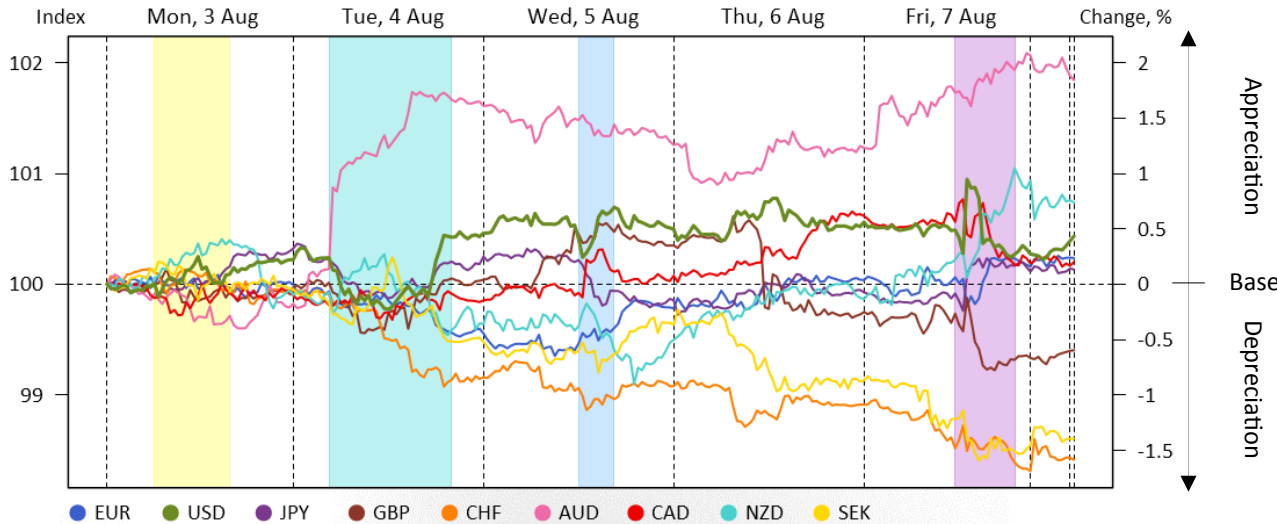
Max USD Volatility Index

1.25	1.55	1.61	2.68
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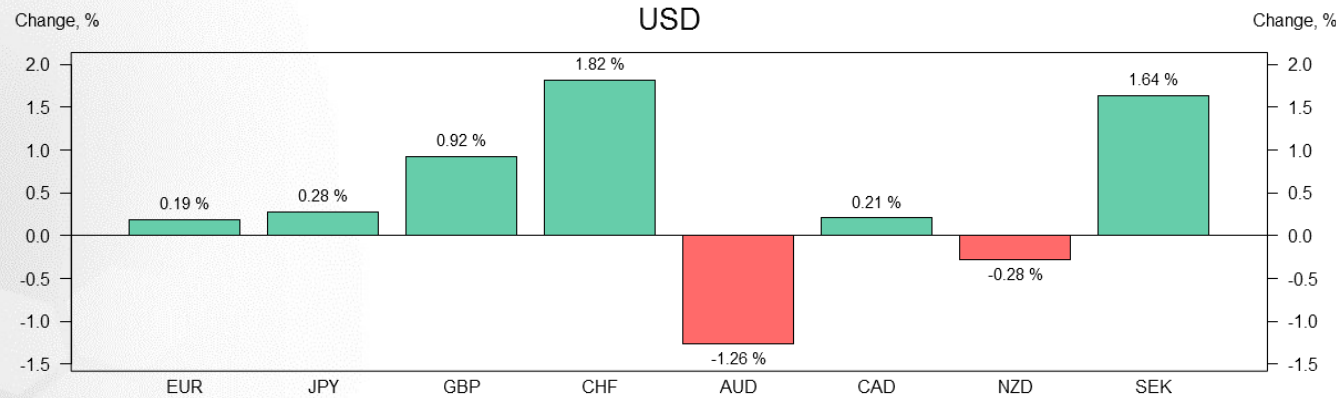
Relative Currency Strength

Currency Indexes



The sharp spike of the Aussie, caused by the positive RBA statement, allowed the AUD index to significantly draw away from its peers and become the best performer of the past week. The period was also successful for the Greenback, and after a few weeks spent mostly in the depreciation area, the USD Index finally managed to cross above the baseline and finished the period with a 0.43% gain. The pound, in turn, was less fortunate, and after the BoE's Super Thursday the GBP Index dropped below the 100-point line. Thus the previous week's leader was among the main losers of the observed period.

The Greenback's index was growing since the very beginning of the week, though it stumbled on Tuesday, reducing to 99.8 points after the Aussie's surge. The delay, however, was not long, and the index pared its losses by the end of the day. For the next two days the index held at the level of 100.5. On Wednesday, unexpectedly low US ADP employment change and trade balance momentarily pushed the index 0.4 points down, but managed to recover quickly and stayed at the former level till Friday noon. Then the most notable surge of the index took place, as the dollar was guided by the strong labour data. The gauge jumped to 100.95 before correcting back to the pre-release level.



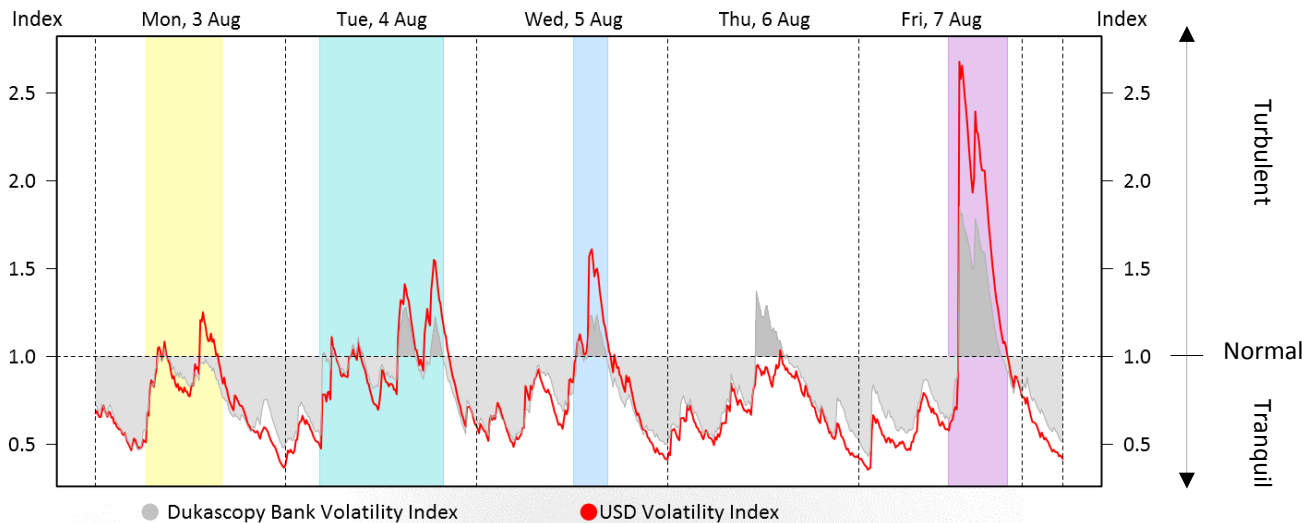
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.24%	0.43%	0.13%	-0.6%	-1.58%	1.84%	0.2%	0.74%	-1.39%
20	0.65%	1.63%	1.08%	1.45%	-2.27%	1.57%	-1.76%	0.11%	-2.5%
130	1.13%	4.19%	0.34%	6.3%	-1.84%	-0.88%	-0.18%	-8.55%	-1.26%
250	-4.49%	18.25%	-3.95%	9.22%	8.86%	-7.29%	-2.12%	-9.69%	-8.83%



Volatility

Volatility



Volatility fell back from the previous week's values, losing around 10% of overturbulence and 0.1 point from the average levels. The most volatile currencies were the Swedish krona and the pound, as they both suffered multiple spikes and falls throughout the week. These currencies were also the most volatile ones in the dollar's pairs, with USD/SEK and GBP/USD posting close to 30% overturbulence. Meanwhile, the highest peaks of volatility among the major pairs were reached by USD/CHF, USD/CAD, and EUR/USD, as they seemed to have the strongest reaction to the Greenback's initial upward movement on Friday.

The sharpest surge of the dollar's volatility, much like in the previous week, took place on Friday and was caused by weak labor data. This time, however, the reaction was mixed, and the Greenback zigzagged against its peers, causing a two-headed peak of its volatility index. Another two noteworthy surges happened on Tuesday and on Wednesday, and while being moderate in their absolute values, they took the dollar's index well above the market's aggregate. News wise, the first spike marked the Greenback's upsurge in response to a hawkish comment from the voting member of the Fed's monetary-policy committee, while the second was the result of the dollar's strengthening with the upbeat data from ISM on the pace of growth in the US service sector.

Elevated Volatility (% of the observed period)

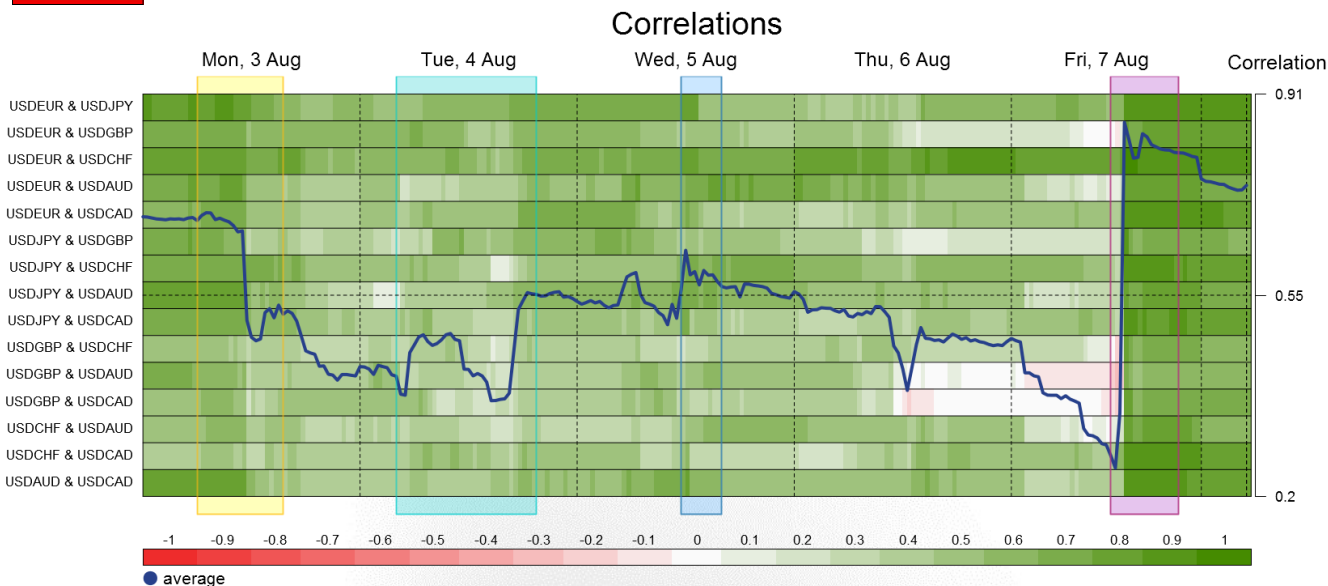
Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK	
	16	18	21	22	27	22	18	22	16	29

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.85	2.68	3.76	2.52	3	4.01	2.39	3.86	2.23	2.61
Min	0.43	0.36	0.24	0.27	0.24	0.25	0.31	0.25	0.34	0.27
Average	0.81	0.8	0.81	0.81	0.82	0.81	0.77	0.83	0.77	0.84



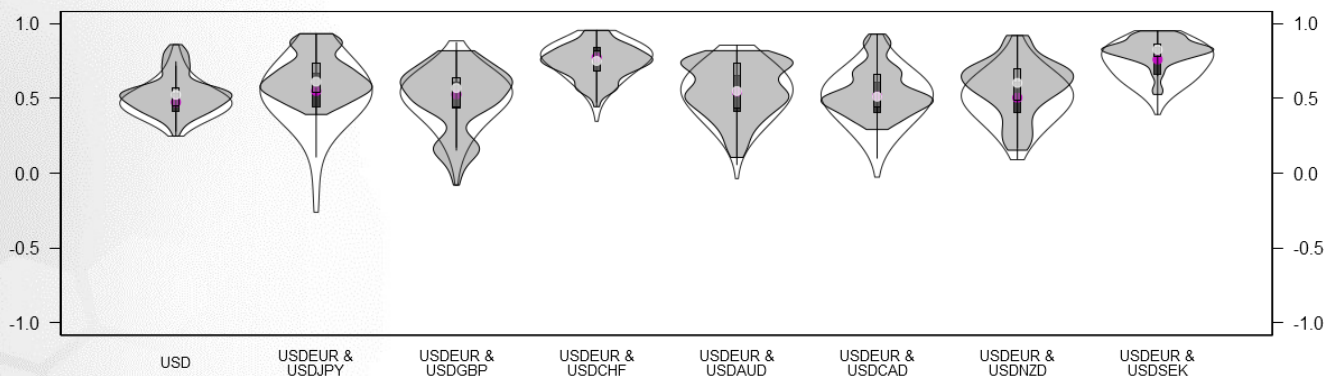
Currency Significance



The past week was marked by a slight strengthening of the Greenback's significance. The average values of the USD composite and most of the USD/EUR components have added 0.04-0.11 points compared with the previous period. However, a notable fall was observed in correlations containing USD/GBP. After the BoE's data release on Thursday all USD/GBP components have weakened, some even dropping below zero. Nevertheless, the most notable changes were observed in USD/EUR correlations with USD/JPY and USD/NZD, which gained 0.11 and 0.08 points on their long-term values.

After the sharp jump on July 31, the Greenback's significance measure started the period at the rather high level of 0.69. However, ahead of the ISM data releases on Monday the composite dropped to 0.47. The lowering continued till Tuesday, when the aggregate strengthened and reached the 0.56 level after the Atlanta Fed President's comments raised expectations for a rate hike in the coming months. Afterwards, the composite eased down, and by Friday gradually decreased to 0.25. The last day of the period, just like in the previous week, was marked by the sharp jump of the measure. The composite surged to 0.86 after the bunch of US labor data came out. The measure lost some points over the weekend, but still managed to enter the new week on the high level of 0.75.

Correlations (5 vs 20 days)

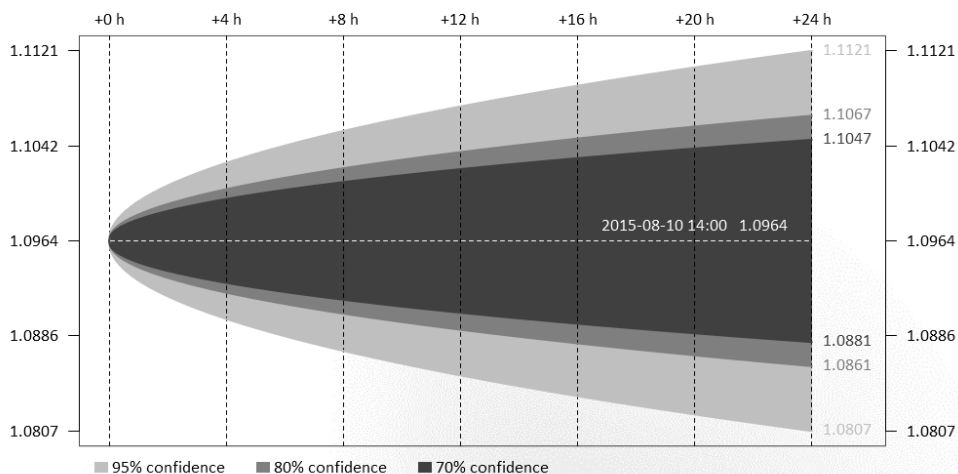


Mean Correlation Coefficient (with USDEUR)

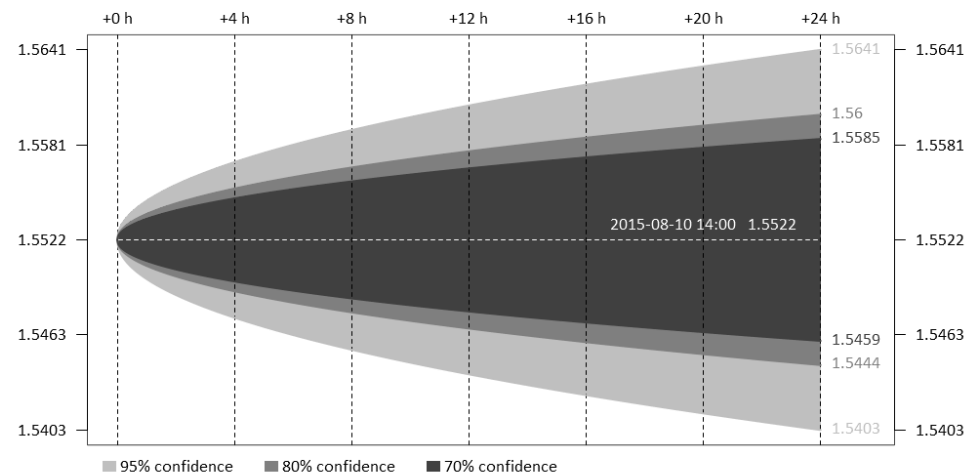
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.53	0.65	0.5	0.74	0.56	0.55	0.58	0.82
20	0.49	0.54	0.51	0.75	0.53	0.5	0.5	0.75
130	0.51	0.43	0.6	0.71	0.56	0.51	0.55	0.78
250	0.49	0.44	0.58	0.75	0.53	0.46	0.54	0.71

Confidence Intervals for Next 24 Hours

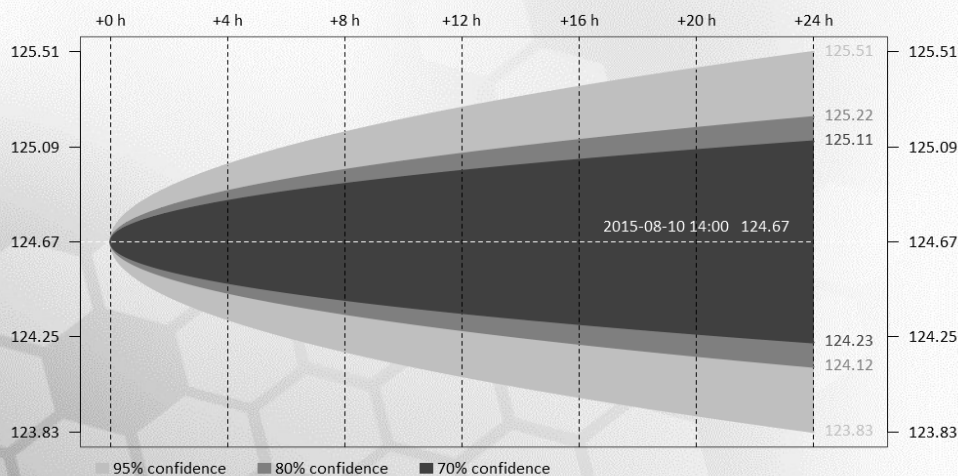
EURUSD Potential Rates



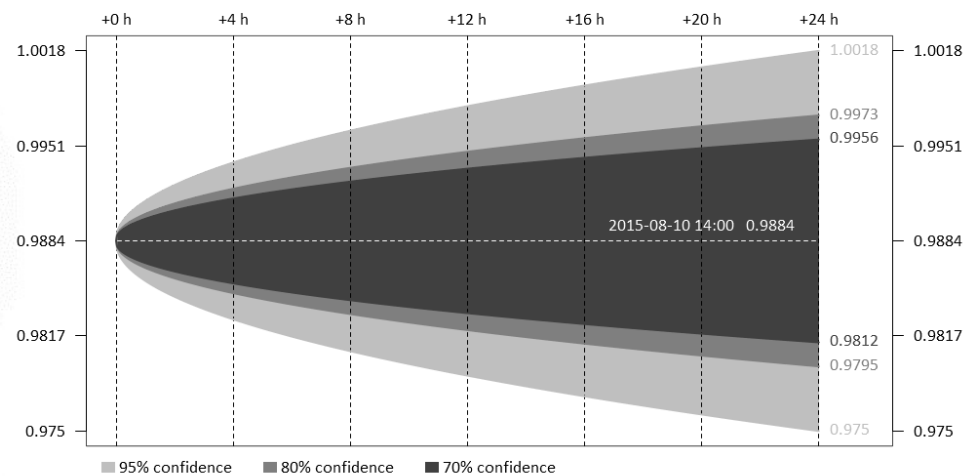
GBPUSD Potential Rates



USDJPY Potential Rates



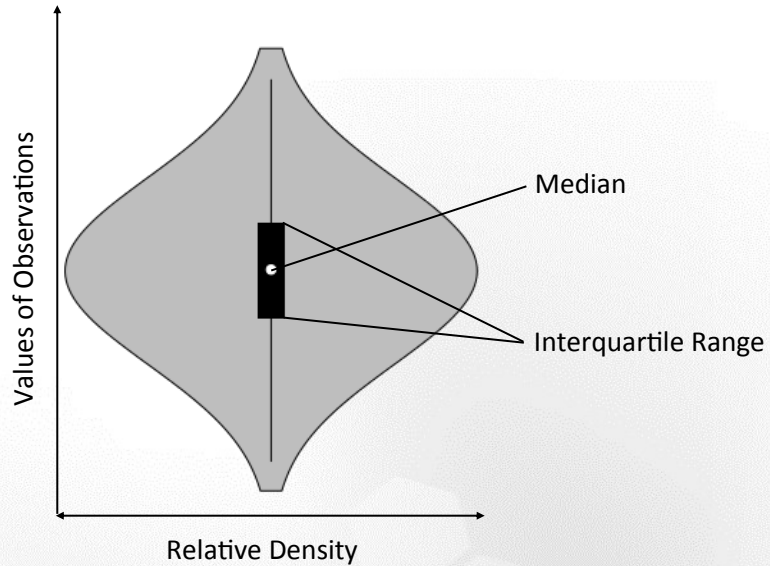
USDCHF Potential Rates



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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