



USD

28/09/2015



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Market Research





Dominant Events of the Period

Yellow Area

September 23

01:30 - 19:00

- *Caixin China Services PMI*
- *French, German, Euro Zone Flash PMI*
- *ECB President Draghi's Speech*
- *SNB Quarterly Bulletin*
- *US Flash Manufacturing PMI*

Turquoise Area

September 24

07:00 - 22:30

- *German Ifo Survey*
- *ECB targeted LTRO*
- *US Durable Goods Orders, New Home Sales*
- *Fed's Yellen Speech*

Blue Area

September 25

07:00 - 16:00

- *US GDP, Flash Markit Services PMI, PMI Composite, UoM Consumer Sentiment Index*

USD Currency Index Change

0.42%

0.01%

-0.03%

Max USD Volatility Index

1.83

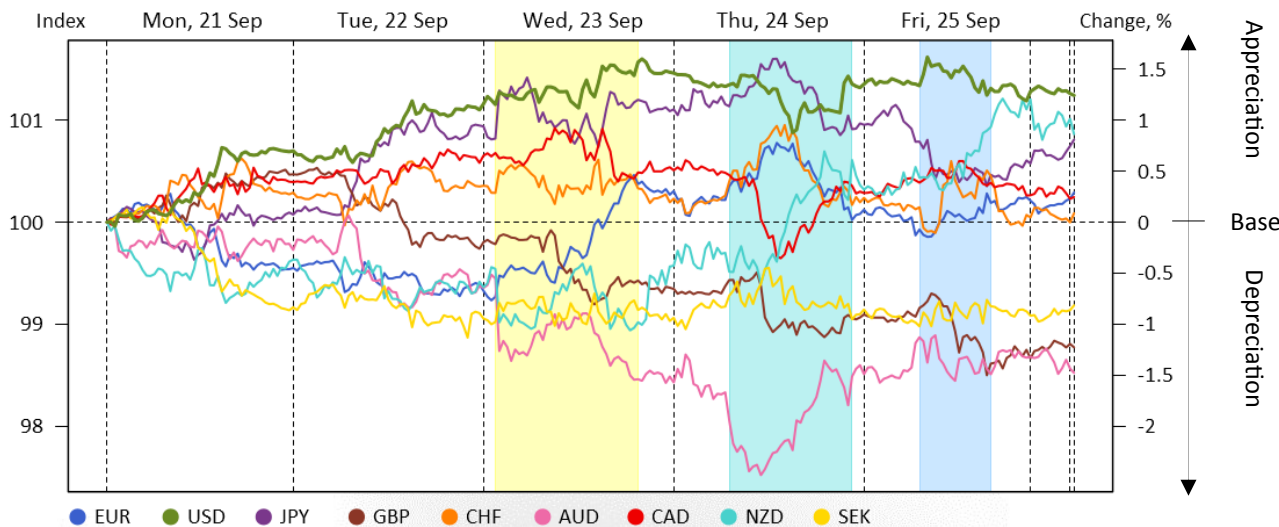
1.89

1.6



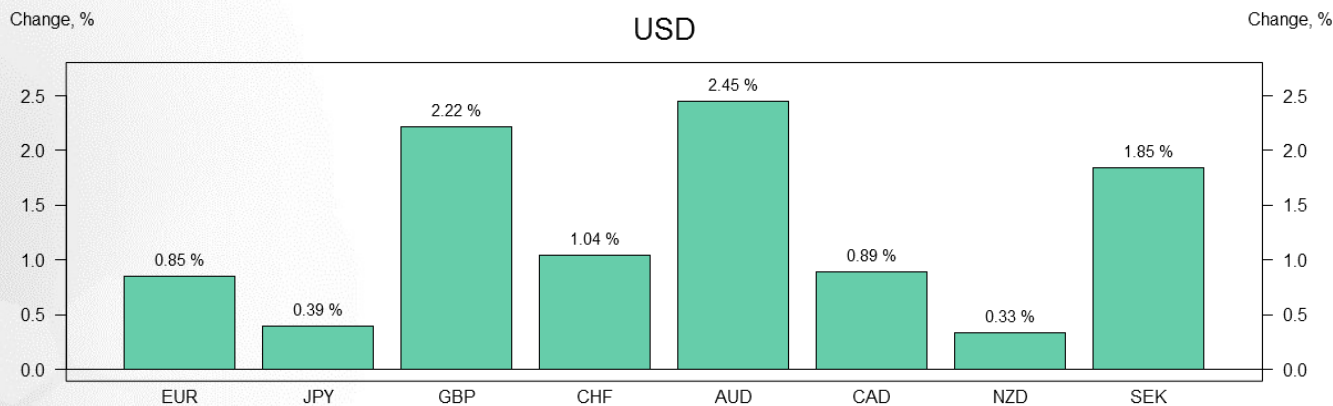
Relative Currency Strength

Currency Indexes



The week was very successful for the Greenback as its index steadily rose during the whole period and finished it in the best performer's role, gaining from 0.33% to 2.45% against its counterparts. The Aussie, in turn, negatively reacted to another disappointing economic release of Chinese manufacturing PMI and it was the most conspicuous reaction to the economic release this week. By Thursday morning its index slid to 97.5 level, however, the commodity market recovery gave the associated currencies positive impulse and the AUD measure finished the week 1.5 points below the baseline.

There was not a lot of influential economic releases which notably affected observed currencies during the week. Moreover, the most prosper in news reaction was the Greenback. Starting from Tuesday, USD index growth was accompanied by surprisingly optimistic housing market data, but on Thursday evening the Fed's Yellen dovish comments on US economic prospects positively impacted the domestic currency. The index initially rose by 0.35 points and reached the week's high of 101.6 in early European session on Friday. However, despite the greater-than-expected US quarterly GDP announced few hours later, the gauge slightly depreciated by the end of the trading week and finished the period on 101.24 mark.



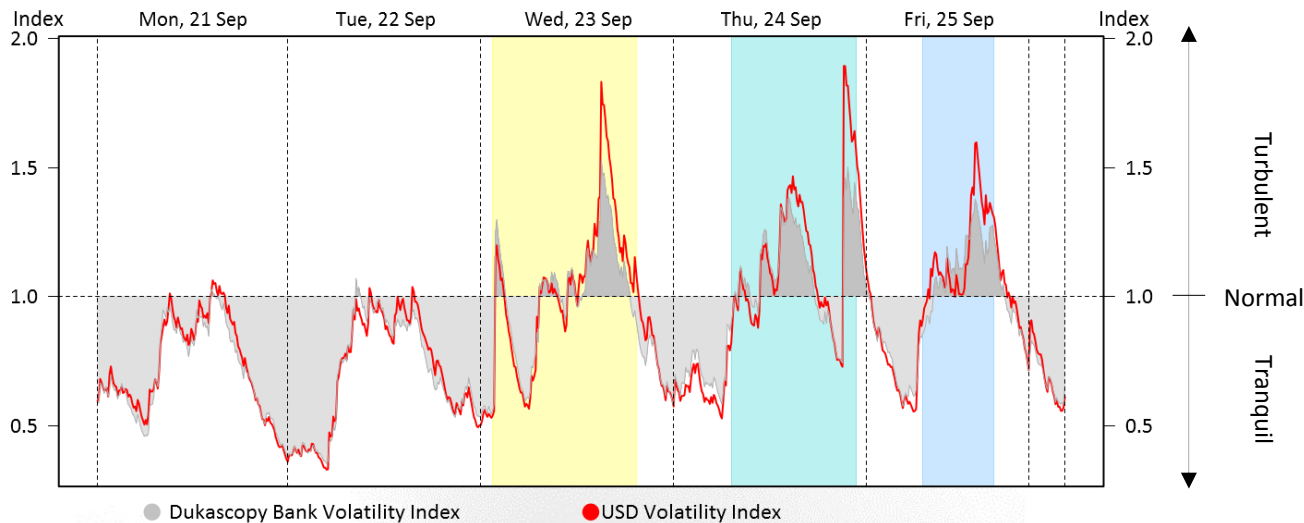
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.29%	1.24%	0.81%	-1.23%	0.09%	-1.48%	0.25%	0.86%	-0.82%
20	0.52%	0.51%	1.4%	-0.91%	-1.14%	-1.36%	-0.05%	-0.37%	1.41%
130	8%	2.3%	2.33%	5.31%	1.67%	-7%	-3.19%	-14.5%	6.04%
250	-0.52%	13.37%	2.64%	5.92%	10.24%	-11.54%	-6.69%	-10.44%	-2.96%



Volatility

Volatility



After several tranquil weeks, the Greenback's volatility picked up, and the index spent 30% of the period above its two-week average. However, the increase was mostly fueled by the dollar's pairs with the European currencies. Thus, the portions of the elevated volatility of GBP/USD and EUR/USD were close to 50%, while the measures of USD/CHF and USD/SEK stood at around 40%. Some of the other components, in turn, were calmer compared with values of the previous period. As for the height of the volatility peaks, both the Greenback's and the market's gauges failed to reach the 2-point level, and the values of the components were notably lower than the previous readings.

The beginning of the period was quite tranquil, and the dollar's index barely exceeded the historical level in first two trading days. The first somewhat notable spike of volatility took place on Wednesday, when the index jumped to 1.2 after the China's Caixin PMI came out. A few hours later, against the background of Mario Draghi's speech, the index surged to 1.83. On Thursday, the gauge reached above the baseline in the morning, when the German Gfk survey was released, and in the time of the US home sales and employment data reports jumped to 1.47. However, the highest level of was reached later, after Janet Yellen's speech. On Friday, the movements of the Greenback were mostly driven by the increase of the US GDP, and the index surged to 1.6.

Elevated Volatility (% of the observed period)

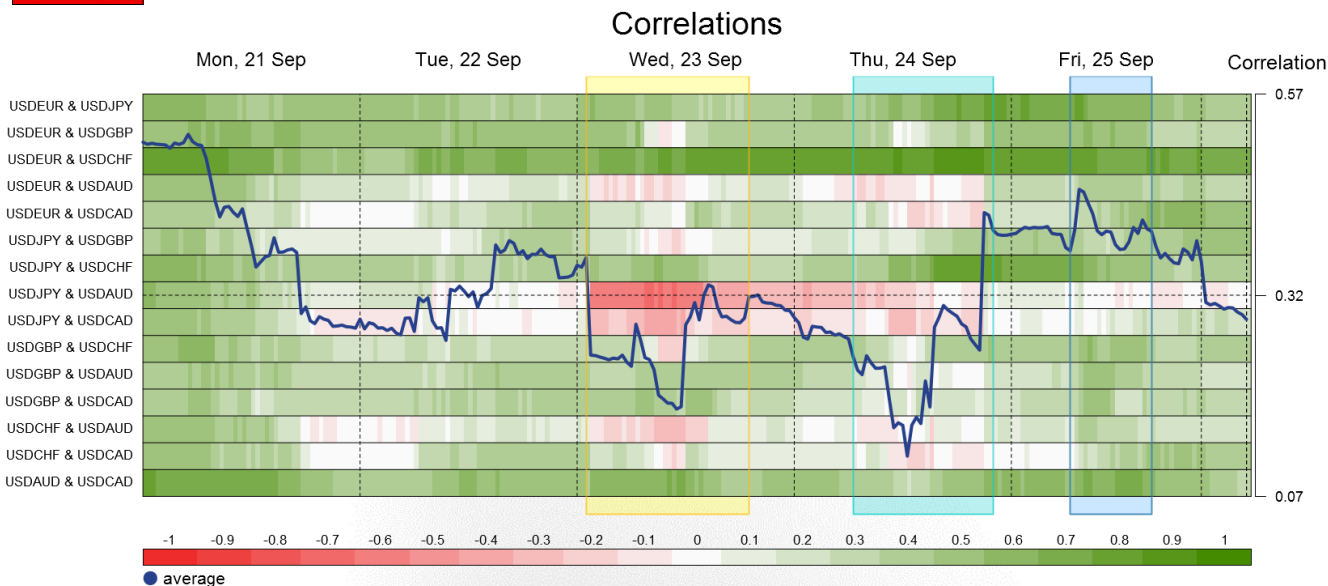
Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
27	30	46	26	49	42	23	19	16	37

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.53	1.89	2.14	1.86	2.17	2.37	2.65	2.17	2.86	2.17
Min	0.35	0.33	0.25	0.32	0.19	0.23	0.3	0.23	0.36	0.31
Average	0.85	0.87	0.97	0.83	0.97	0.94	0.86	0.73	0.8	0.9



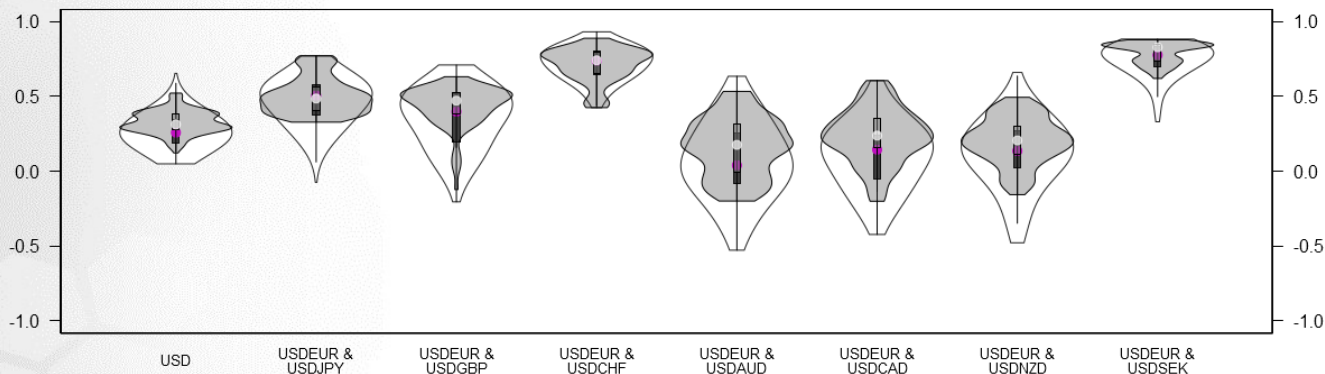
Currency Significance



The dollar's correlation composite seemed to have settled down around 0.3 points, sliding from the more substantial long-term levels and remaining subdued since late August. With that the dollar's gauge once again kept below its peers, signaling the weakest bonds between the associated currency pairs. Meanwhile, USD/EUR components that lost their ground with introduction of negative values also continued to hover below their past readings, with the tendency most pronounced in correlations with the commodity currencies' pairs – USD/AUD, USD/CAD, and USD/NZD.

The main moves of the Greenback's correlation composite took place on Wednesday and Thursday and, though the changes ultimately cancelled each other out, were noteworthy for their abruptness. On Wednesday, the composite plunged as the Aussie's and the yen's gauges surged above 0.7 after weak Chinese data pushed the Asian currency up and caused its Australian peer to tumble. Afterwards the dollar's measure recovered, but was hit by another wave of weakening on Thursday. The composite fell to the period's absolute low as the Loonie and the pound slipped against their peers, pushing their correlation measures up. The dollar's gauge, however, immediately shot up, reaching the 0.4 mark by evening and remaining on it till the weekend.

Correlations (5 vs 20 days)

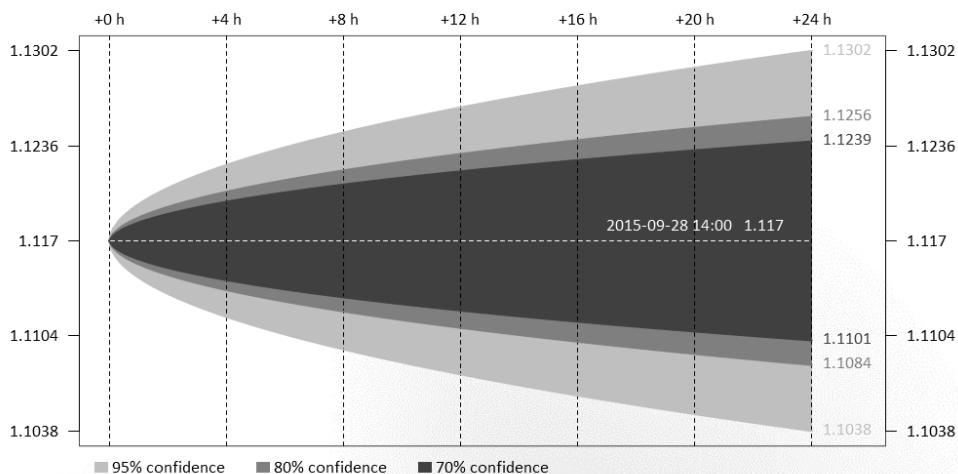


Mean Correlation Coefficient (with USDEUR)

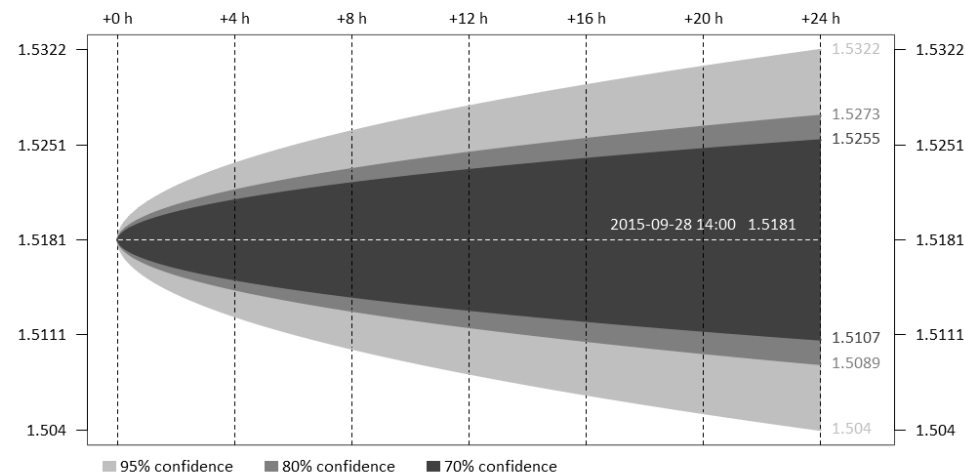
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZNZD	USDSEK
5	0.33	0.51	0.43	0.71	0.16	0.24	0.2	0.79
20	0.26	0.47	0.36	0.72	0.06	0.1	0.11	0.75
130	0.47	0.48	0.55	0.75	0.45	0.43	0.45	0.78
250	0.47	0.45	0.57	0.73	0.48	0.42	0.49	0.72

Confidence Intervals for Next 24 Hours

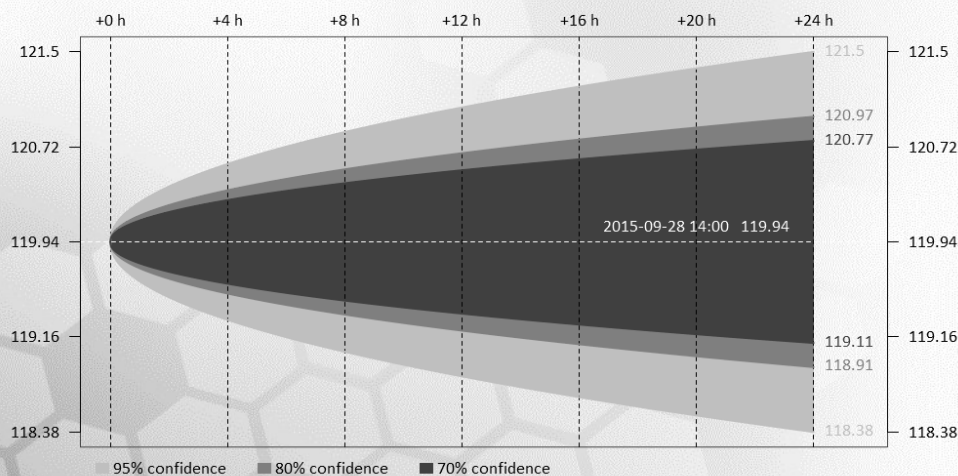
EURUSD Potential Rates



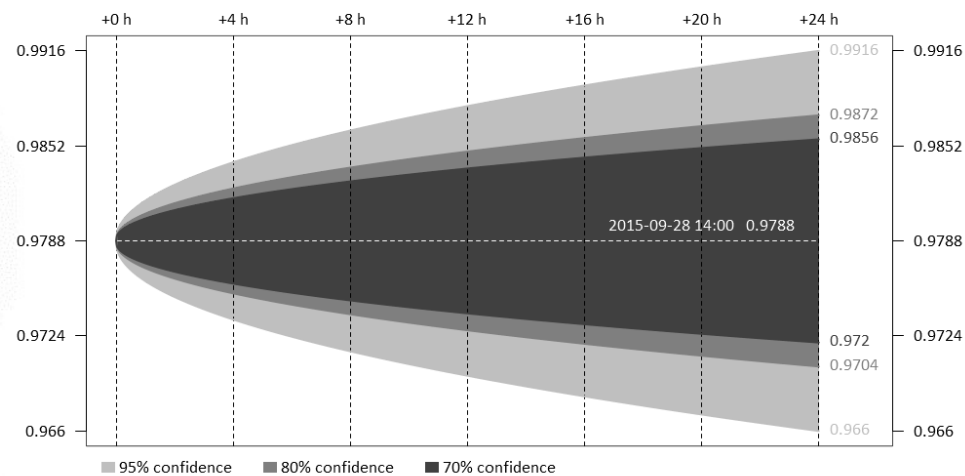
GBPUSD Potential Rates



USDJPY Potential Rates



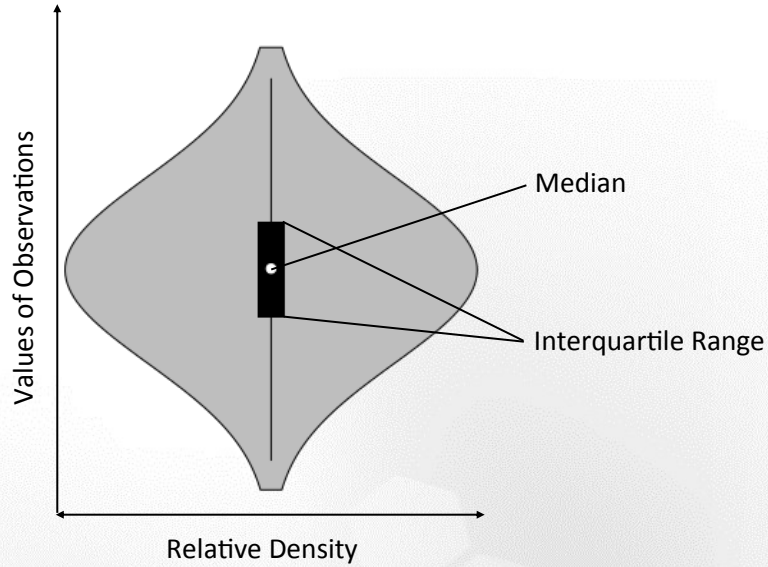
USDCHF Potential Rates



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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