



EUR

09/10/2015



DUKASCOPY
RESEARCH PRODUCTS



Market Research



Dominant Events of the Period

Yellow Area

October 2

12:00 - 14:00

- US Nonfarm Payrolls, Unemployment Rate, Average Hourly Earnings, Weekly Hours, Labor Force Participation Rate, Factory Orders

Turquoise Area

October 5

07:00 - 18:00

- Swedish Industrial Production
- German, EMU Markit Services PMI, PMI Composite
- EMU Retail Sales
- US Markit Services PMI, PMI Composite, ISM Non-Manuf. PMI, Labor Market Conditions Index

Blue Area

October 6

03:00 - 15:30

- Australian Trade Balance, RBA Rate Statement
- German Factory Orders
- Swiss CPI
- Canadian Ivey PMI

Purple Area

October 7

07:30 - 18:30

- UK Manufacturing, Industrial Production, NIESR GDP Estimate

Orange Area

October 8

06:30 - 19:00

- BOE Minutes, MPC Vote
- ECB Monetary Policy Meeting Minutes
- Canadian Housing Starts
- US Jobless Claims
- FOMC Minutes

EUR Currency Index Change

0.71%

-0.45%

0.22%

0.22%

-0.29%

Max EUR Volatility Index

3.89

1.38

1.19

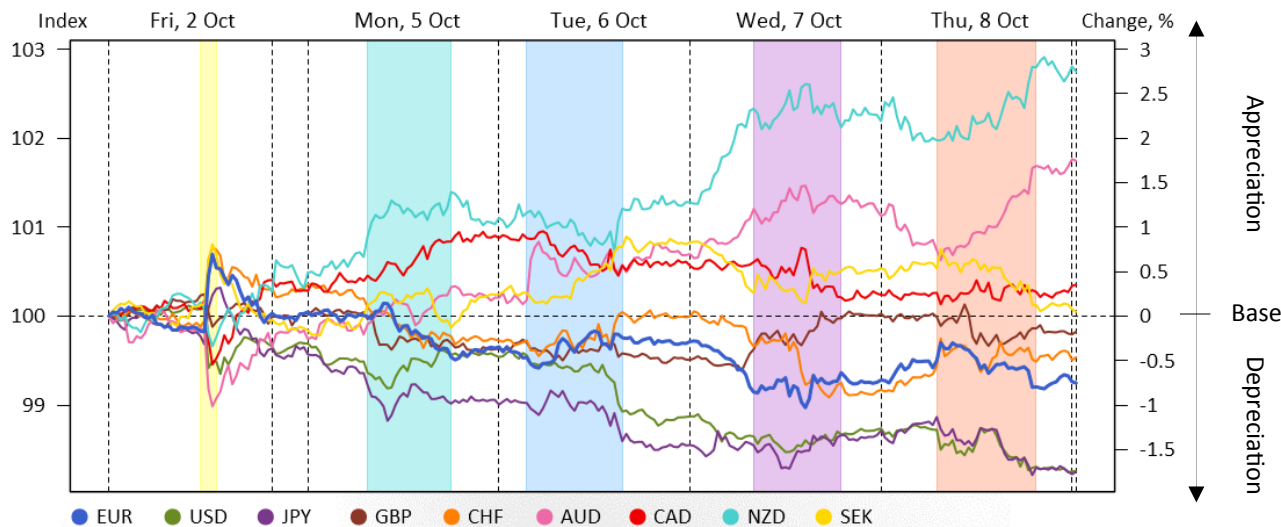
1.49

1.41



Relative Currency Strength

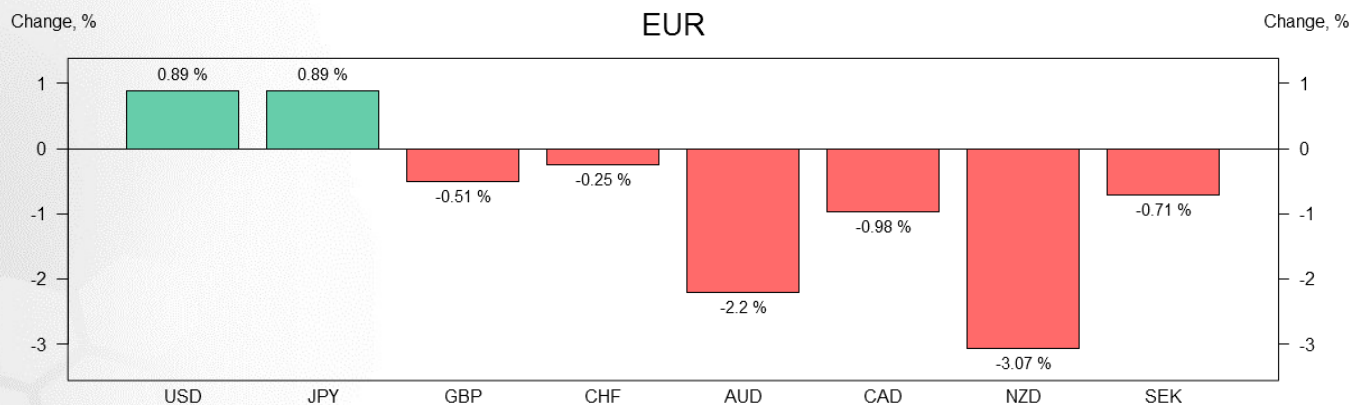
Currency Indexes



As Friday's US data hit the market, the wavering of the currency indexes was replaced by moderate trends, clearly dividing the gauges into losers and winners. The latter group was comprised of the commodity currencies' indexes, which tumbled amid post-release risk-aversion, but jumped into recovery almost immediately. The most successful ones were the Pacific indexes, as the Kiwi's gauge was boosted by the GDT auction, and the Aussie's measure spurted away from the baseline with the confident RBA statement. Meanwhile, the depreciation area accommodated most of the indexes that peaked on the US weak release, as they erased their gains by late Friday and remained below the baseline till the

end of the period. The greatest weekly loss was posted by the JPY Index, which moved side by side with the dollar's gauge.

The EUR Index, which reached the third-highest level on Friday's news, ultimately posted the third-greatest loss. The gauge slid below the baseline on Monday, after the data from Markit came in below expectations for both Germany and the EMU, and did not manage to climb back up in the next three trading days. On Thursday, the ECB's meeting minutes started up the final downslide of the index, and the gauge crossed below its Swiss counterpart that was its main competitor throughout the period.

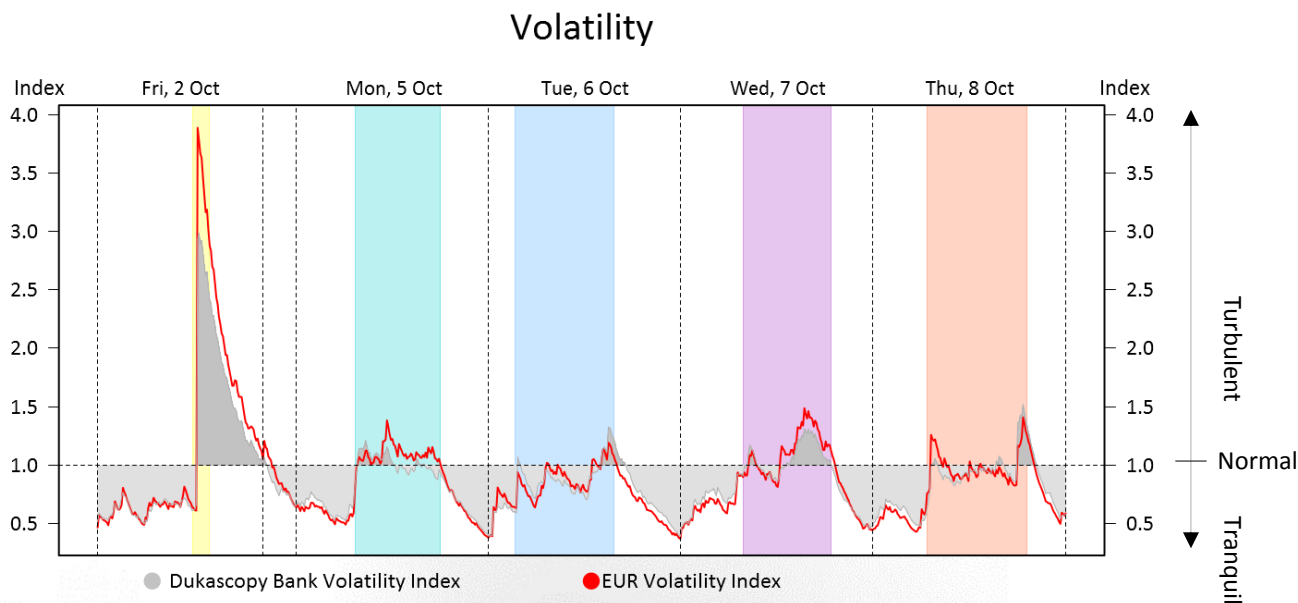


Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.75%	-1.74%	-1.75%	-0.18%	-0.46%	1.75%	0.35%	2.75%	0.05%
20	-1.67%	-1.37%	-0.93%	-2.02%	-0.66%	2.26%	0.79%	5.65%	-0.57%
130	7.99%	-0.02%	0.11%	5.01%	1.15%	-5.17%	-3.65%	-12.04%	8.45%
250	-1.67%	11.85%	0.39%	6.14%	10.32%	-10.06%	-5.79%	-7.27%	-3.91%



Volatility



The period was relatively calm, as volatility of both the market and the single currency did not notably exceed the average historical level. The only exception was Friday, when the US nonfarm payrolls undermined the domestic currency and strongly influenced its counterparts. As a result, the market volatility measure nearly reached the 3.0 level, and the EUR Volatility Index surged to the week's high of 3.89 points. The Loonie, the krona, and the Euro became the most turbulent currencies with 29%-30% portions of elevated volatility. The former was one of the most news-driven currencies, as its activity spikes matched the moments of Canadian PMI and housing data releases.

In spite of the fact that the Euro was among the most turbulent currencies of the period, its activity surges were mostly associated with its counterparts' movements. Thus, the greatest peak was provoked by nonfarm payrolls, while the second greatest coincided with the Loonie's and the frank's volatility spikes on Wednesday. In turn, the second most notable peak of the market volatility took place on Thursday, and was again associated with news from the US. The Fed's worries about low inflation and decision to wait before raising rates stated in FOMC minutes was reflected in the increase of the dollar's volatility, and the market's turbulence on the whole.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
23	29	33	25	31	19	23	29	28	39

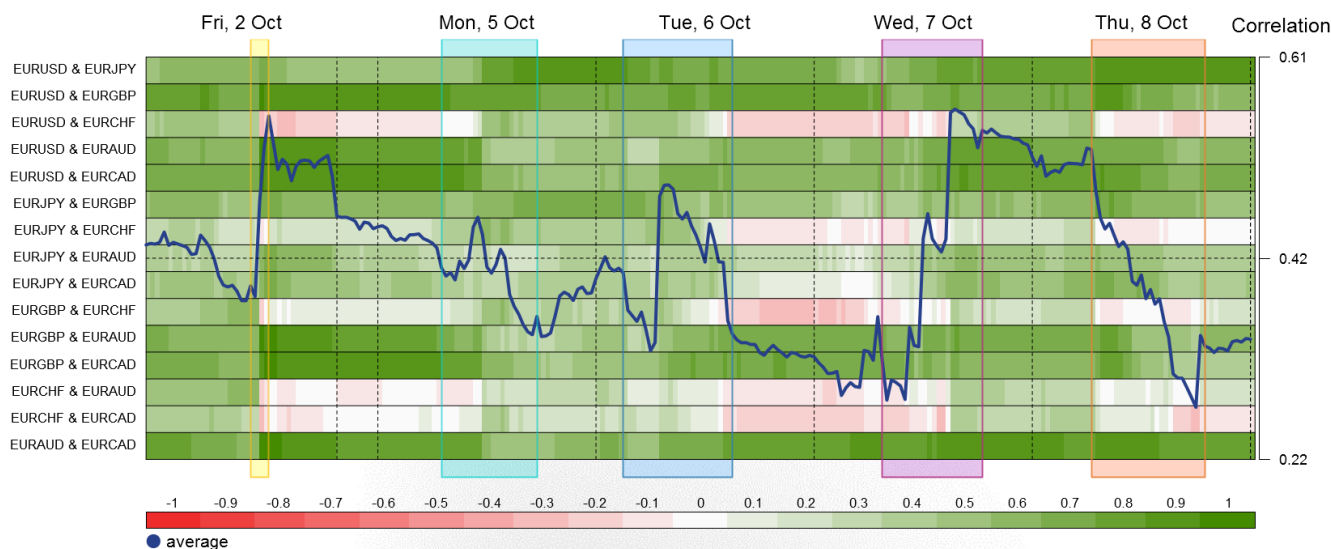
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.99	3.89	8.4	2.22	5.56	1.91	3.91	5.14	2.55	2.35
Min	0.39	0.37	0.3	0.32	0.3	0.26	0.36	0.33	0.35	0.18
Average	0.87	0.89	0.97	0.82	0.89	0.75	0.89	0.93	0.9	0.9



Currency Significance

Correlations

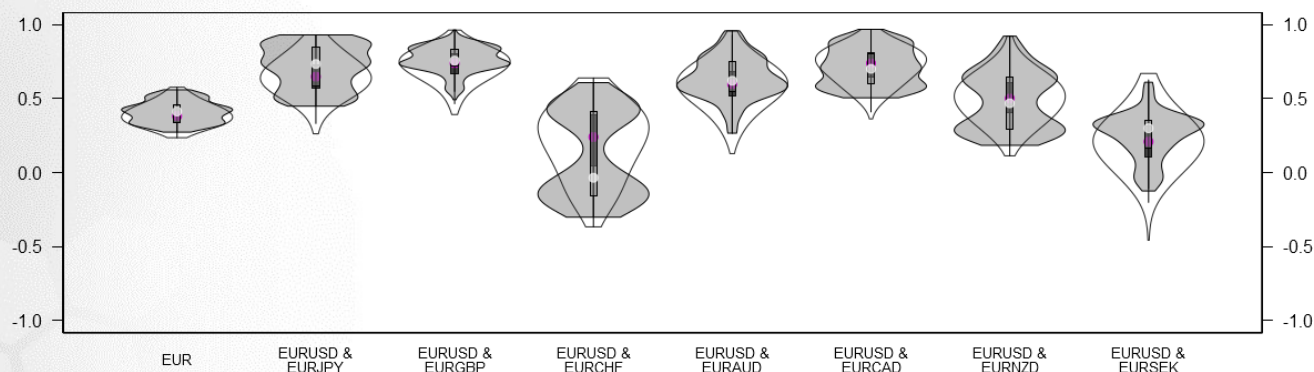


The Euro's correlation levels remained mostly unchanged from the last few weeks. Nevertheless, the aggregate and the EUR/USD components continued the tendency of the previous period, and tails of most of the distributions became even heavier. The most notable changes took place in the EUR/CHF component. Compared with the previous week, the bond between EUR/USD and EUR/CHF weakened by 0.18 point. Thus the component has dropped almost by half compared with the monthly value. The strengthening, in turn, was observed in components containing EUR/JPY, EUR/GBP and EUR/AUD. The components gained

only 0.03-0.09, but their averages exceeded the long-term values.

Despite a few rises, the Euro's measure showed a downward trend. On Friday, the composite gained 0.17 points with the unexpectedly low US payrolls data. The Monday's decline of the measure was caused by the lowering of the US PMI. The European stocks erasing losses on Tuesday led to a sharp surge of the aggregate, and the composite gained 0.16 points. After the German industrial production report and ECB non-monetary policy meeting, the measure began to reduce and by the midday of Wednesday was down at the 0.28 mark. However, later the composite surged to 0.56. On Thursday, with the release of the ECB's minutes, the measure fell to 0.27.

Correlations (5 vs 20 days)



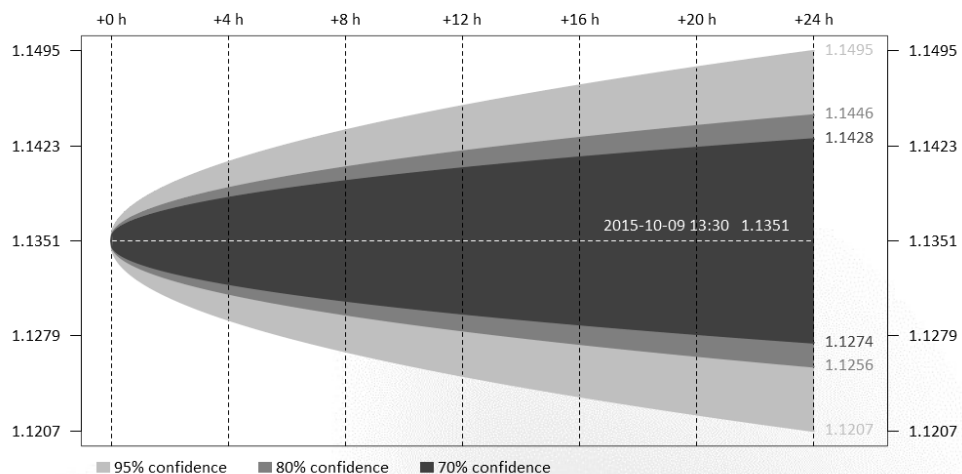
Mean Correlation Coefficient (with EURUSD)

Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.41	0.71	0.76	0.11	0.64	0.71	0.48	0.25
20	0.39	0.65	0.72	0.2	0.59	0.72	0.5	0.22
130	0.41	0.75	0.72	0.35	0.49	0.69	0.43	0.2
250	0.35	0.63	0.67	0.26	0.39	0.63	0.33	0.16

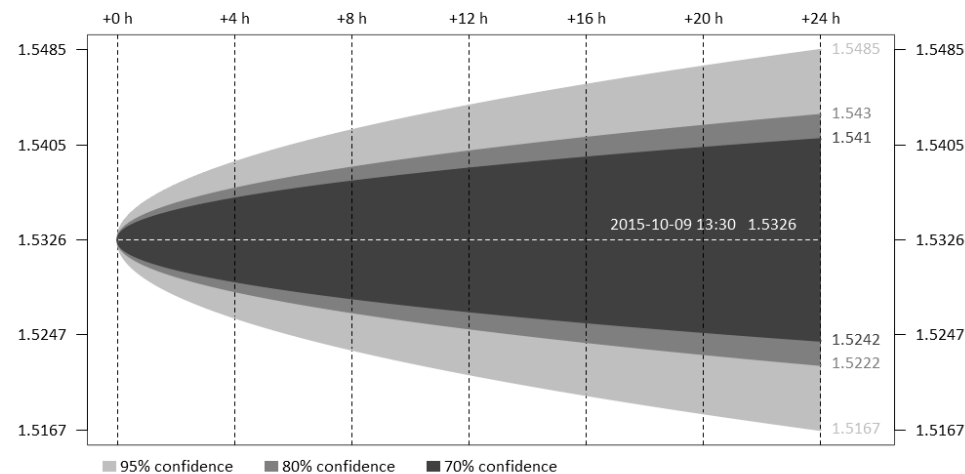
Friday, October 09, 2015
15:30 GMT

Confidence Intervals for Next 24 Hours

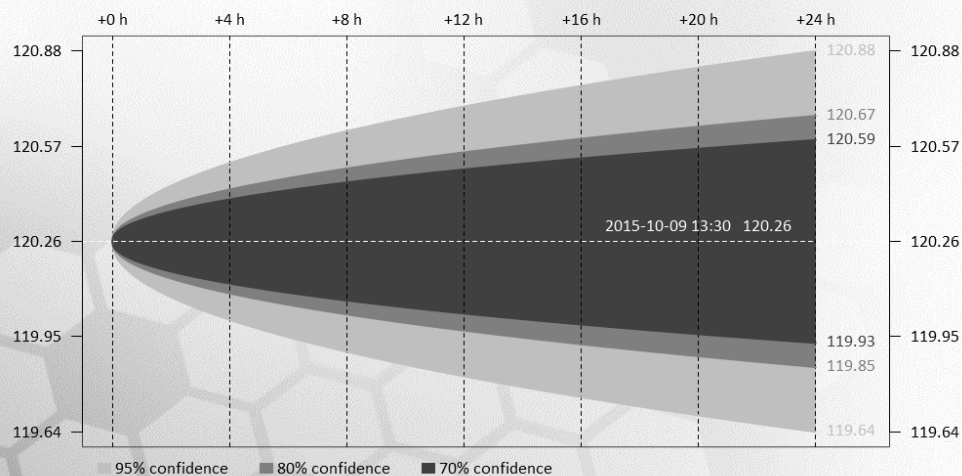
EURUSD Potential Rates



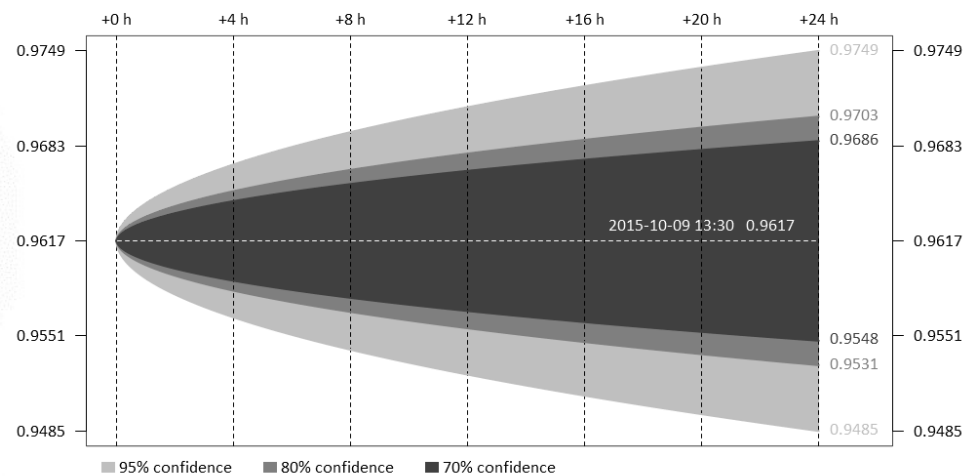
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

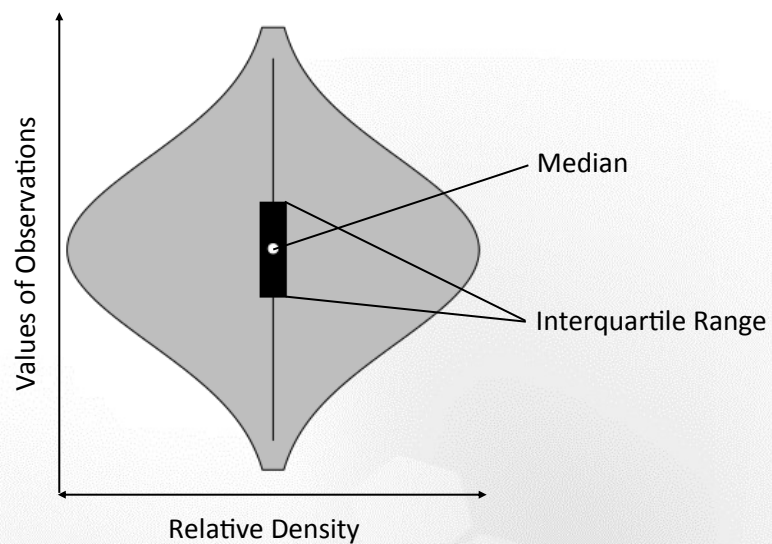
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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