



**EUR**

16/10/2015



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# Dominant Events of the Period

## Yellow Area

October 9

07:30 - 15:30

- UK Trade Balance
- IMF Meeting
- US Import, Export Price Index
- Canadian Unemployment Rate, Net Change in Employment

## Turquoise Area

October 13

01:30 - 15:00

- Chinese Trade Balance
- Swedish CPI
- UK CPI, PPI
- German Wholesale Price Index, ZEW Survey
- Euro Zone ZEW Survey

## Blue Area

October 14

07:00 - 15:00

- UK ILO Unemployment Rate, Claimant Count, Average Earnings
- EMU Industrial Production
- Swiss ZEW Survey
- US PPI, Retail Sales

## Purple Area

October 15

00:00 - 16:30

- Australian Consumer Inflation Expectation, Employment Change, Unemployment Rate
- Swedish Unemployment Rate
- US CPI, Jobless Claims

EUR Currency Index Change

0.38%

0.13%

-0.12%

-0.6%

Max EUR Volatility Index

1.58

1.35

1.22

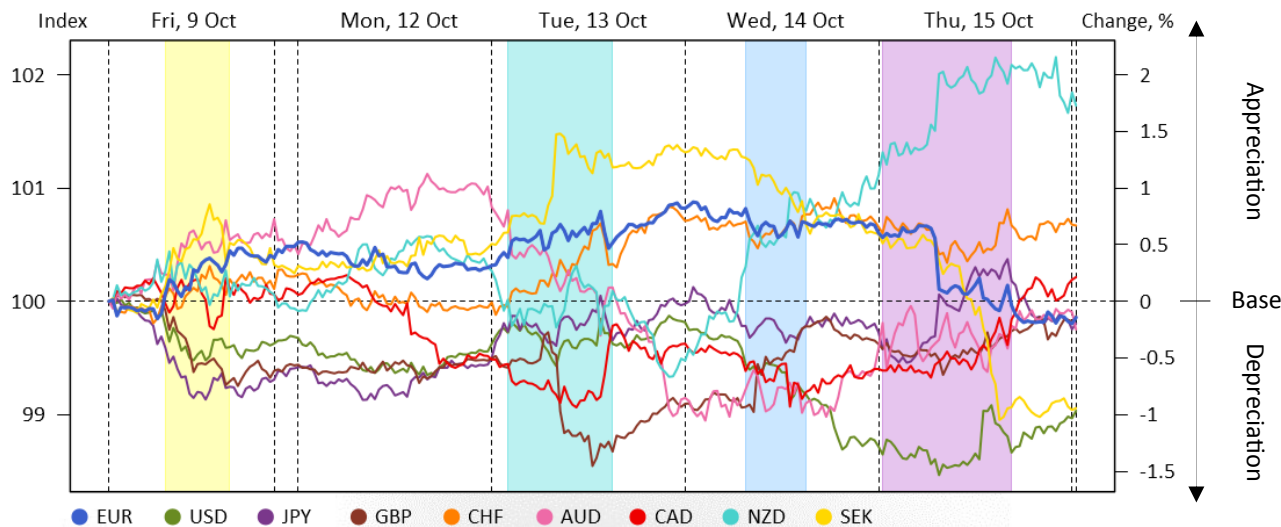
1.74





# Relative Currency Strength

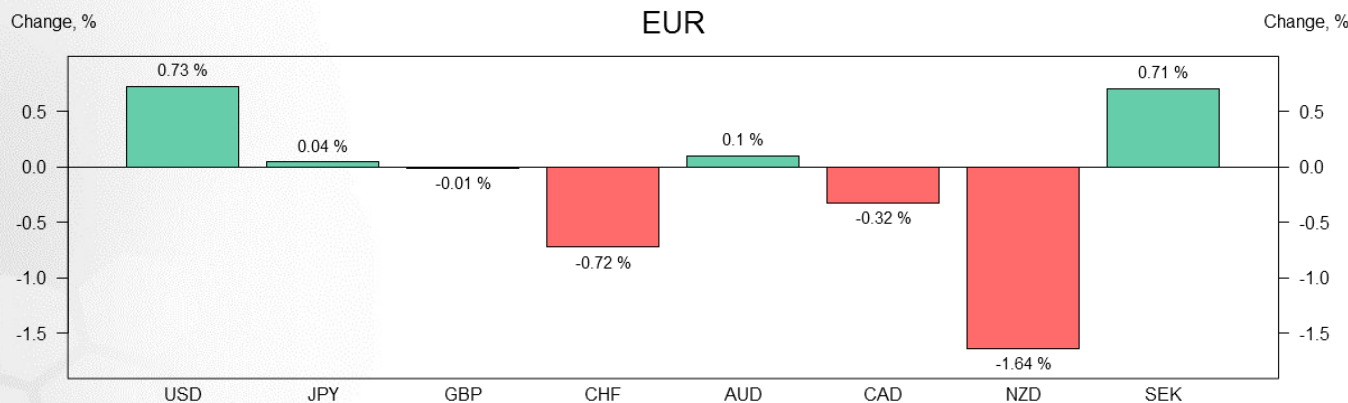
## Currency Indexes



The past period was a dynamic one for the observed currencies, packed with wide moves and direction changes. The broadest downside was suffered by the Aussie's gauge on Tuesday. Set off by the greater-than-expected decline in Chinese imports, it ate away almost 2 points of the index's value within the day. Another impressive plunge happened to the SEK Index, which slipped on unemployment numbers on Thursday morning and lost 1.5 points by late afternoon. The GBP Index was one more gauge to go through a sharp fall, as it lost 0.2 points in half an hour on the UK CPI data released on Tuesday. Meanwhile, the longest rally was produced by the Kiwi's gauge, which reached its low of 99.3 points on

late Tuesday and then raced to peak above the 102 mark at the end of the period.

Unlike its busy counterparts, the EUR Index spent most of the period on the same level and made only one major move. At the end of the previous week, the gauge climbed to the 100.5 mark against the background of the dollar's weakness, and remained close to that level until Thursday morning. There it was hit by the remarks of a member of the ECB governing council, stressing that the regulator continues to miss its inflation target. The comment rose anxiety about additional easing measure, undermining the Euro and sending its index to the baseline.

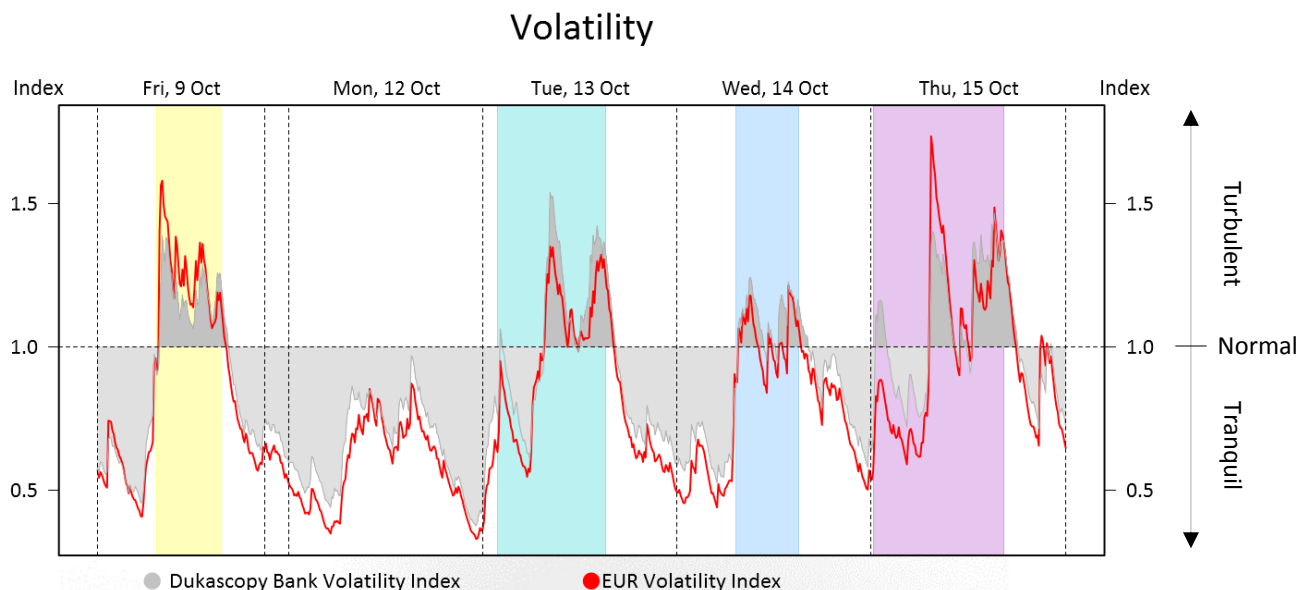


## Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.14%	-0.97%	-0.2%	-0.13%	0.67%	-0.25%	0.21%	1.73%	-0.94%
20	-1.65%	-1.12%	-0.63%	-2.01%	-0.13%	0.23%	1.36%	7.27%	-2.07%
130	8.01%	0.78%	1.01%	4.89%	1.21%	-5.56%	-4.78%	-11.45%	7.68%
250	-2.39%	11.27%	-2%	7.47%	9.93%	-9.69%	-3.78%	-6.31%	-4.51%



# Volatility



Despite great activity observed in the currency indexes, the past period was not particularly remarkable volatility-wise. Thus, the overturbulence portions stood close to 30% and most of the average indexes' values were below 0.85 points. Nevertheless, there were four currencies that drove their volatility measures above the 2 points line. The first such spikes happened on Tuesday, when the pound and the krona reacted sharply to unexpected numbers in national CPI releases, pushing their indexes to 2.5 and 2.4 points, respectively. The other two peaks were reached on Thursday by the Aussie's and the dollar's gauges. The former rose to 2.2 points as the Australian dollar zigzagged on a mix

of growing consumer inflation expectation and downbeat labor data, while the latter surged to 2.4 when the Greenback jumped with the CPI release.

The single currency's volatility index held below the market's aggregate for most of the period, only outpacing its counterparts on Friday and Thursday. Both occasions corresponded with the Euro's currency index's principal moves — the strengthening in the beginning of the period and the tumble in the end. The latter produced the measure's greatest peak of 1.7 points, which was averagely high compared to other splashes of turbulence during the period.

**Elevated Volatility (% of the observed period)**

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
30	27	17	24	27	18	29	26	35	35

**Volatility Index (for the observed period)**

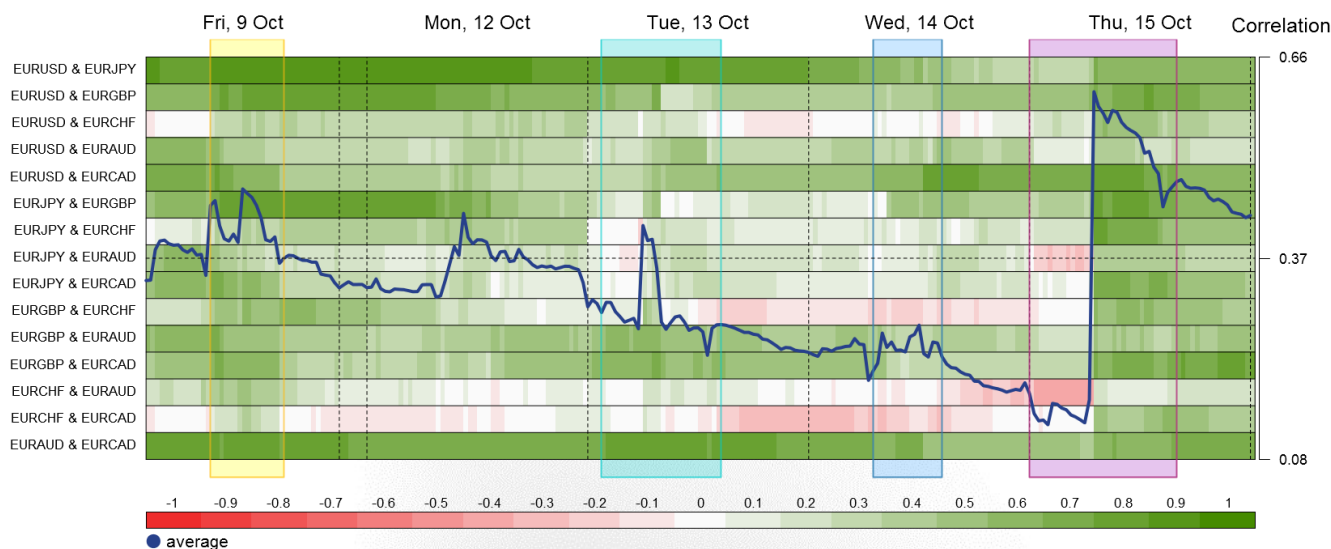
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.54	1.74	2.29	2.82	2.28	2.13	1.79	1.84	2.15	2.98
Min	0.37	0.33	0.21	0.31	0.23	0.25	0.28	0.2	0.37	0.14
Average	0.87	0.81	0.69	0.84	0.78	0.71	0.85	0.78	0.89	0.86





# Currency Significance

## Correlations

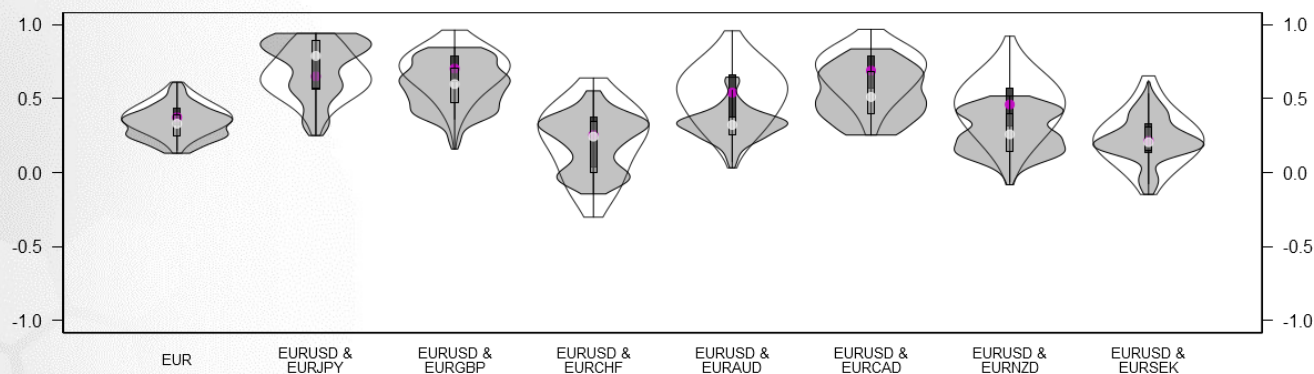


During the first four days of the observed period the significance measure of the Euro followed a descending pattern, as there were no economic releases from the Euro zone that could notably influence the bonds between the single currency's pairs. Thus, the distributions of the correlations between the most traded pair and its EUR counterparts were significantly skewed towards the zero level. However, the period was associated with several notable spikes of other currencies' significance, which followed the news from different regions. Tuesday was one of the most conspicuous days in this regard. Greater-than-

expected rise of Swedish CPI and unexpectedly negative UK inflation numbers pushed the significance of the domestic currencies up, and their composites exceeded the 0.7 points level.

The Euro's composite spent most of the period gradually declining from an already not strong level of 0.40 points, and by Thursday morning reached the low of 0.13. However, then the measure surged to the period's high, peaking just above the 0.6 mark. The move followed the ECB's Nowotny speech, in which he pointed out insufficiency of the central bank's policy instruments aimed at the region's economic growth. Afterwards, though, the gauge quickly lost its position as the USD became the new market driver with the releases of the US CPI and jobless claims.

## Correlations (5 vs 20 days)



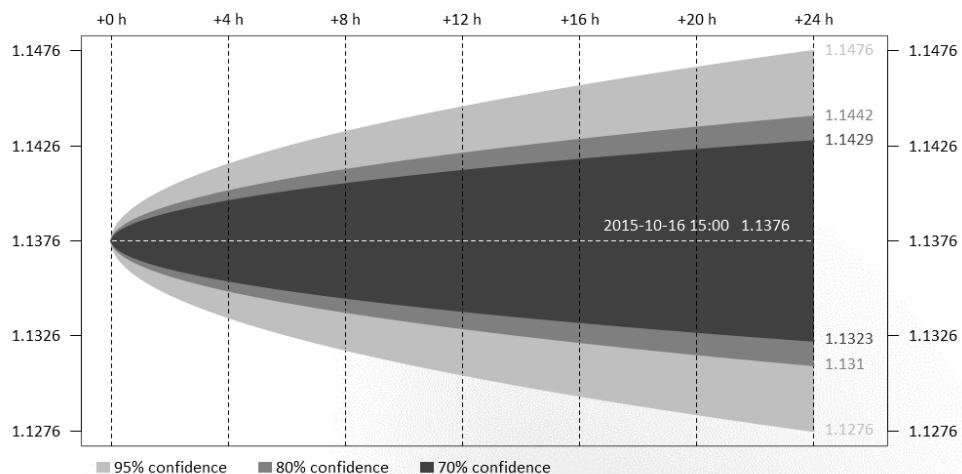
## Mean Correlation Coefficient (with EURUSD)

Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.33	0.72	0.58	0.2	0.33	0.54	0.27	0.22
20	0.38	0.66	0.68	0.22	0.53	0.67	0.44	0.23
130	0.4	0.74	0.71	0.34	0.49	0.68	0.43	0.19
250	0.35	0.63	0.67	0.26	0.4	0.63	0.34	0.17

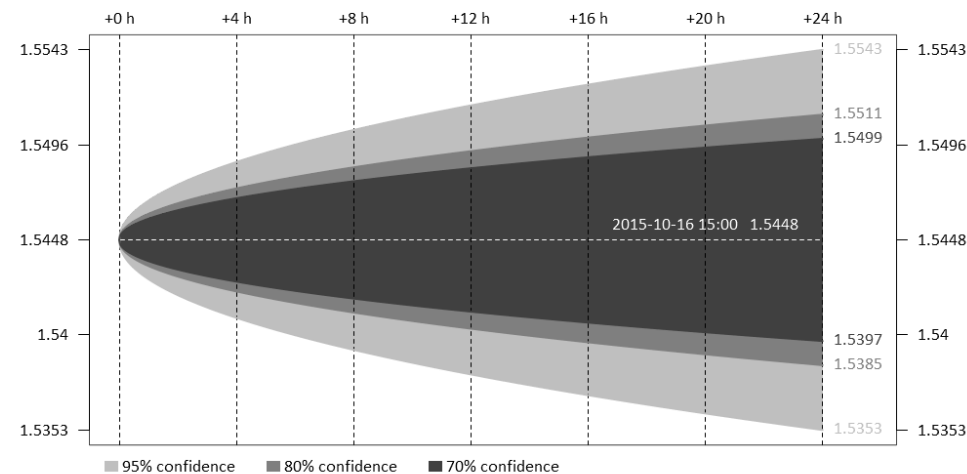
Friday, October 16, 2015  
15:30 GMT

# Confidence Intervals for Next 24 Hours

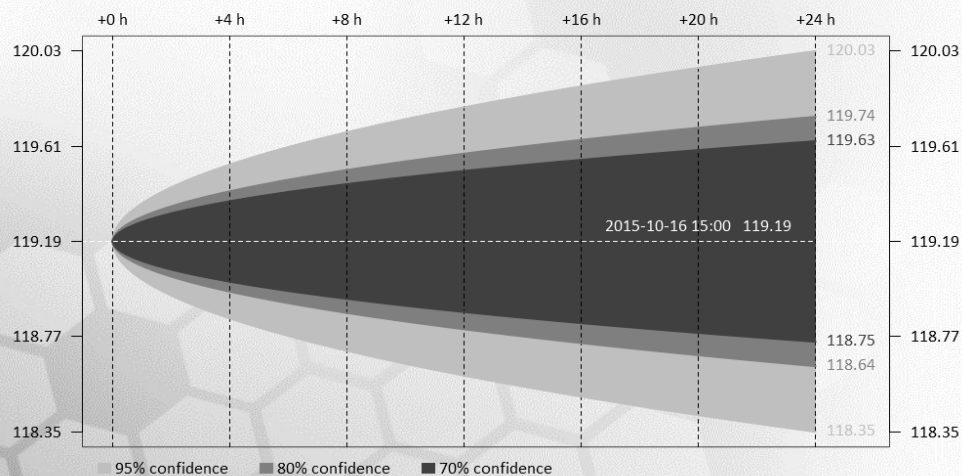
EURUSD Potential Rates



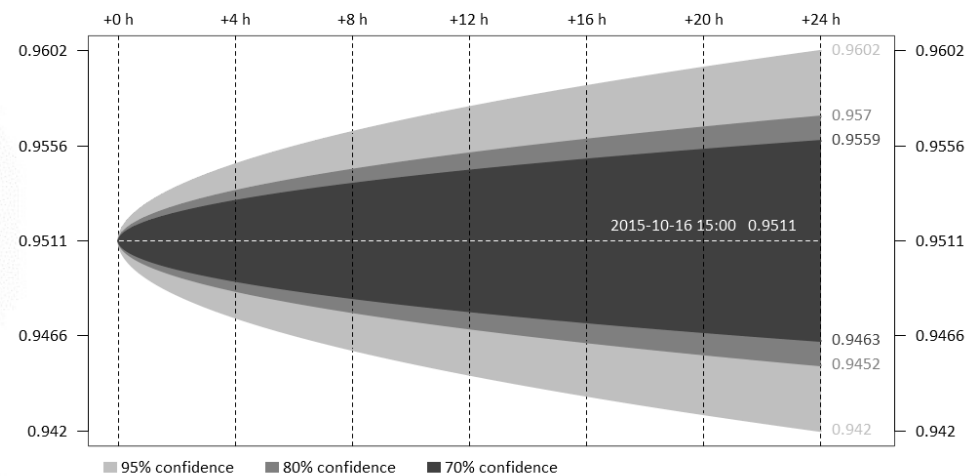
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates





## EXPLANATIONS

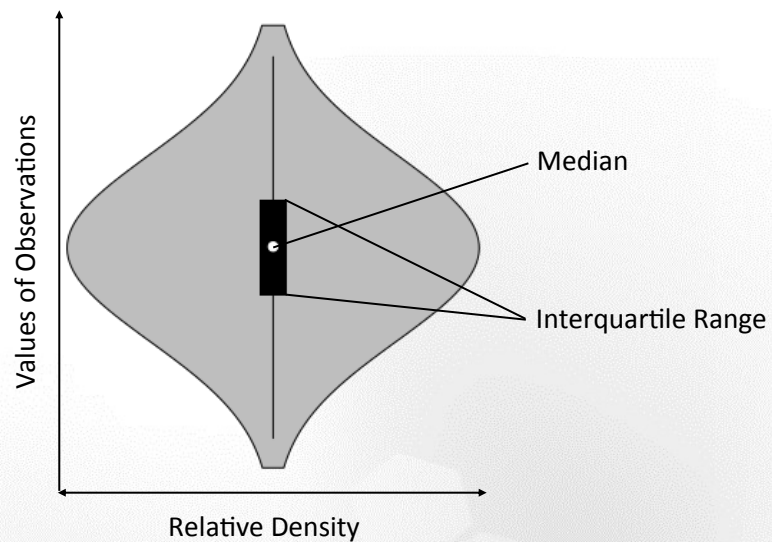
### Violin Plot

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

### Methodologies

Volatility Index

Confidence Interval





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