



USD

19/10/2015



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RESEARCH PRODUCTS



Market Research



Dominant Events of the Period

Yellow 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

Turquoise Area

October 14

07:00 - 19:30

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

Blue Area

October 15

00:00 - 16:30

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

Purple Area

October 15

12:00 - 16:00

- US Industrial Production, Capacity Utilization, Flash UoM Consumer Sentiment Index

USD Currency Index Change

-0.1%

-0.75%

0.07%

0.02%

Max USD Volatility Index

1.46

1.46

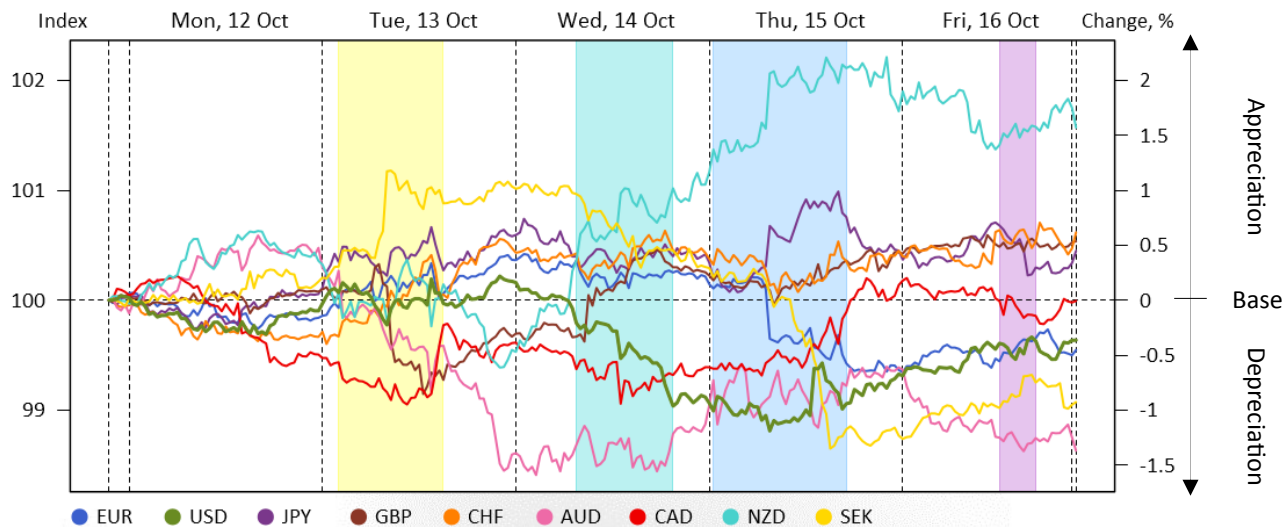
2.38

1.52



Relative Currency Strength

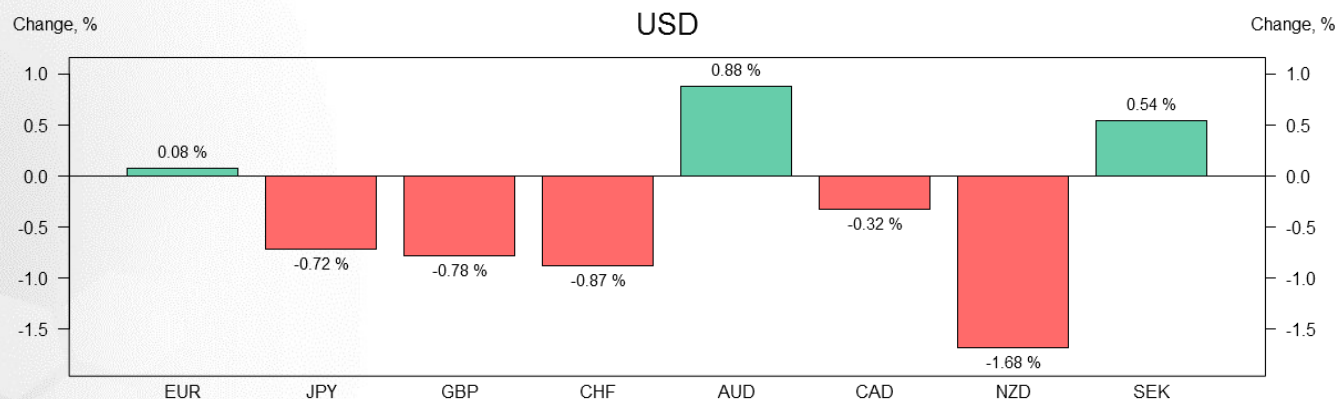
Currency Indexes



The past week was rich with market-moving news, and the observed currencies reacted to them with a few rather wide moves. The broadest downslide was suffered by the Aussie's gauge, which was hit by the greater-than-expected decline in Chinese imports and lost almost 2 points within the day. Another impressive plunge happened to the SEK Index, as it slipped on unemployment numbers on Thursday morning and lost 1.5 points by late afternoon. Meanwhile, the Kiwi's gauge enjoyed the longest rally, as it 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.

The USD Index was among the gauges that battled downslides and held on a downtrend from late Tuesday to Thursday afternoon. The movement south started around the time when the Kiwi's measure set off its rally, and was fueled by worse-than-expected releases of US retail sales and PPI on Wednesday. The direction change came on Thursday, when the dollar was supported by jobless claims and CPI data, and after a brief jump the USD Index started on an uptrend. Nevertheless, the pace of the recovery was not swift enough to pare earlier losses, and the gauge ended the week below the baseline.



Currency Index Change

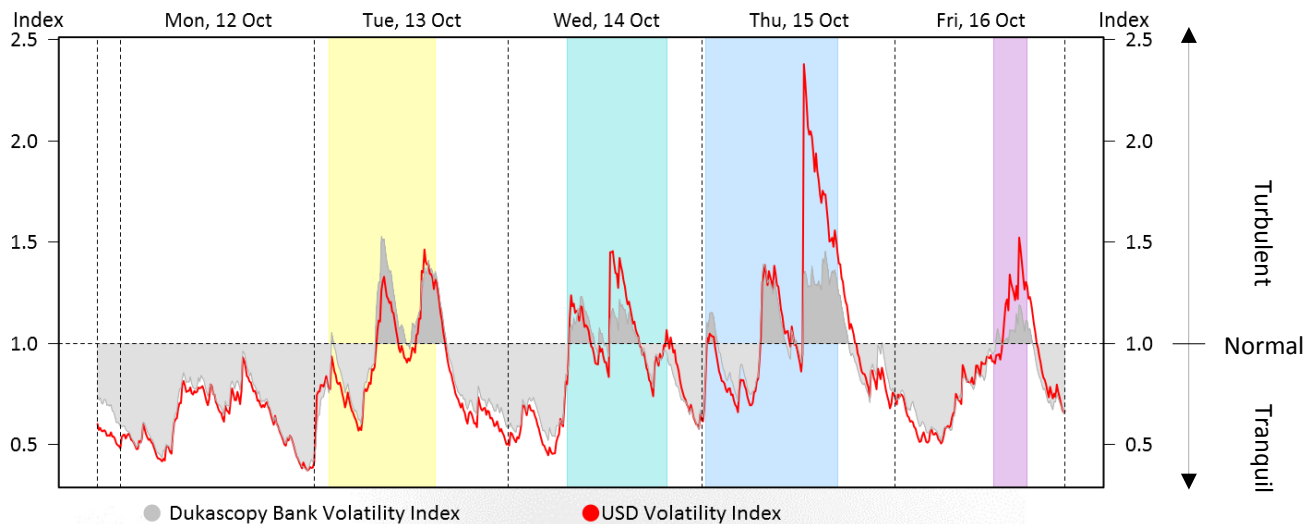
Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.45%	-0.36%	0.45%	0.54%	0.62%	-1.37%	-0.01%	1.57%	-0.93%
20	-0.99%	-1.23%	-0.95%	-1.97%	0.37%	-0.38%	1.23%	6.39%	-1.41%
130	8.13%	1.01%	1.48%	4.81%	1.23%	-6.03%	-4.44%	-11.79%	7.4%
250	-2.12%	11.46%	-0.99%	6.22%	10.2%	-10.23%	-3.75%	-6.56%	-4.2%



Monday, October 19, 2015
14:30 GMT

Volatility

Volatility



Despite all the shifts in the currency indexes, volatility on the market was borderline subdued, with most overturbulence portions below 30% and average index values around 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, where the former rose to 2.2 points as the Australian dollar zigzagged

on a mix of growing consumer inflation expectation and downbeat labor data.

The dollar's volatility index reached its high on Thursday, when the CPI and jobless claims releases raised the Greenback and pushed its turbulence measure to the 2.4 mark. Two more occasions when the dollar's gauge exceeded the market's aggregate took place on Wednesday and Friday, but both produced moderate spikes of 1.5 points. The first splash was associated with the dollar's move in reaction to retail sales and PPI data, while the second happened against the background of the release of the UoM consumer sentiment index.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
26	24	15	18	37	21	39	32	39	23

Volatility Index (for the observed period)

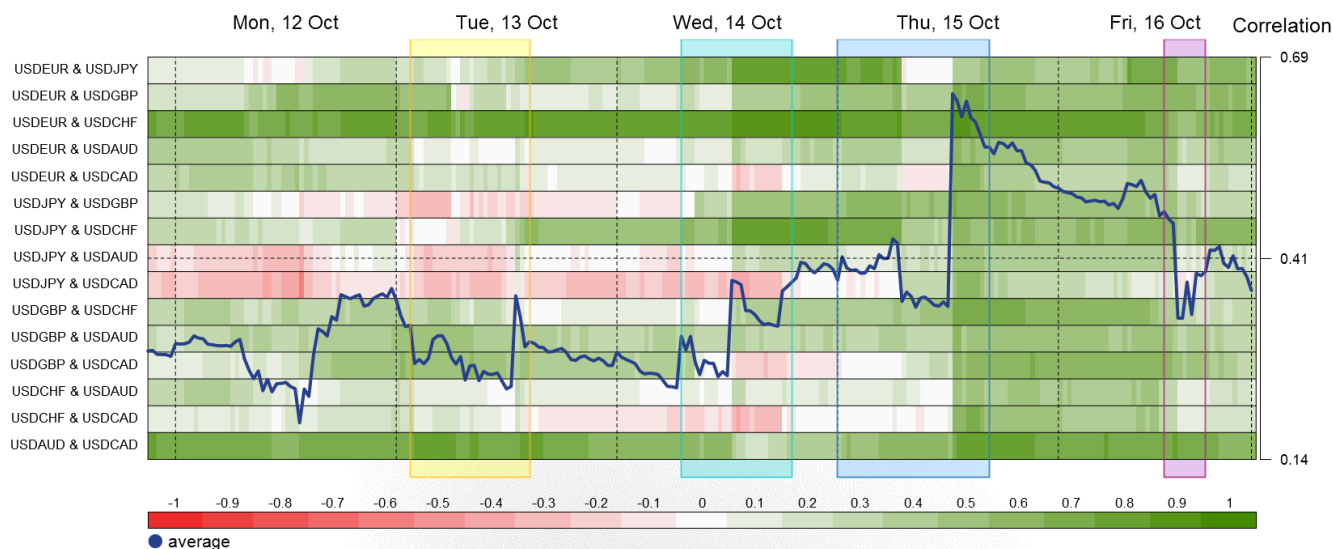
	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.53	2.38	2.23	2.6	3.37	2.06	2.82	2.76	2.19	2.51
Min	0.37	0.37	0.22	0.19	0.36	0.22	0.37	0.36	0.33	0.23
Average	0.85	0.85	0.69	0.69	0.98	0.74	1.03	0.93	0.97	0.77



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Currency Significance

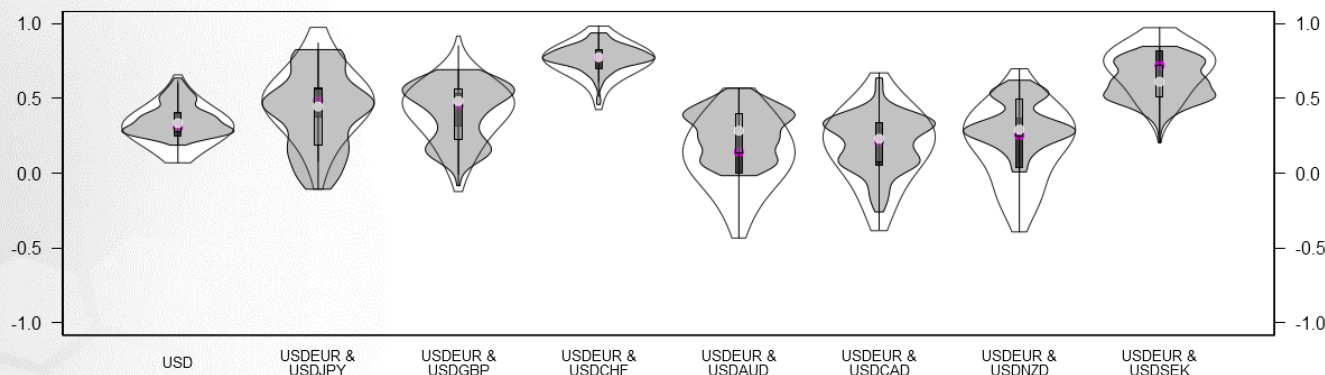
Correlations



During the first half of past trading week the Greenback's significance measure was slightly varying around the significance threshold of 0.3 points, as there were no US economic releases on Monday and Tuesday, and started to appreciate only on Wednesday noon. However, Tuesday stood out for the conspicuous movements of the krona's and the pound's composites, which reached the week's highs. CPIs of both economies significantly impacted the domestic currencies, and, as a result, the correlations among the SEK and the GBP instruments grew notably.

In contrast to the beginning of the week, its second half turned out to be rather dynamic for the dollar's gauge. As lower-than-expected retail sales managed the dollar to depreciate against its counterparts on Wednesday, the correlations between its pairs rose. In addition, the Fed's beige book had a negative impact on the currency, and the Greenback's significance measure reached the 0.4 mark by evening. The next day brought a new surge of the composite, which became the greatest one. The gauge exceeded the 0.6 level just after the yearly CPI came out above expectations and the jobless claims positively surprised the market. Nevertheless, the measure dropped the next day and finished the week slightly below 0.4 points.

Correlations (5 vs 20 days)



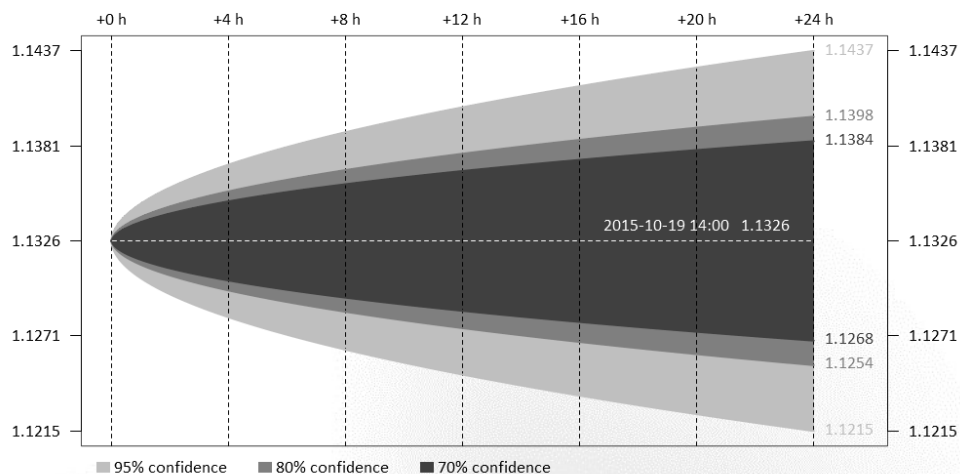
Mean Correlation Coefficient (with USDEUR)

Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.36	0.4	0.41	0.78	0.28	0.2	0.33	0.61
20	0.32	0.48	0.41	0.76	0.13	0.18	0.2	0.69
130	0.43	0.47	0.51	0.74	0.39	0.37	0.39	0.76
250	0.45	0.45	0.55	0.72	0.45	0.4	0.47	0.71

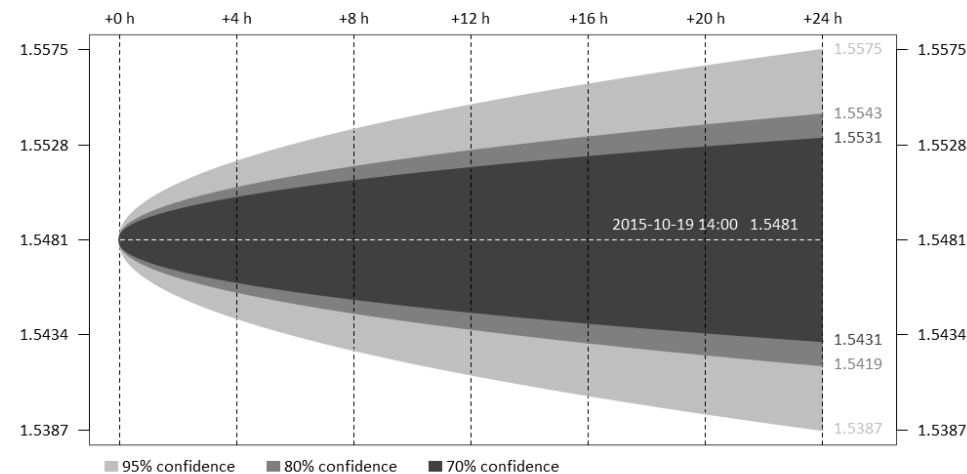
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Confidence Intervals for Next 24 Hours

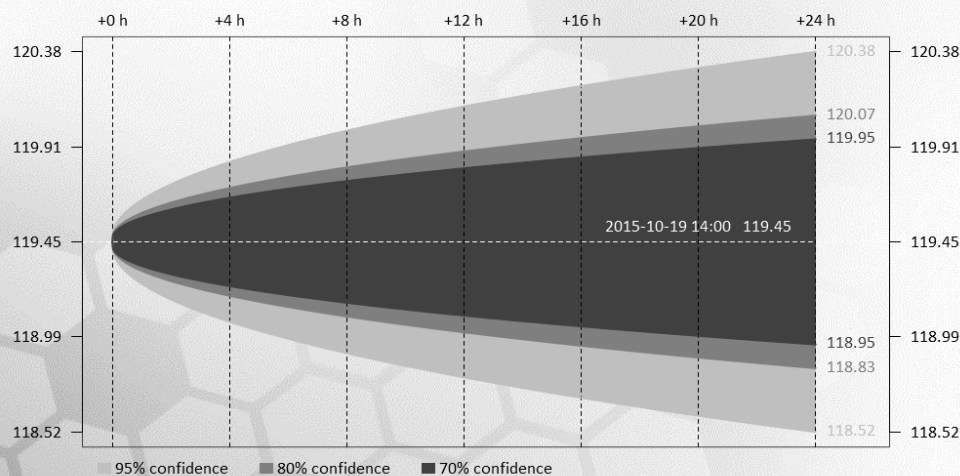
EURUSD Potential Rates



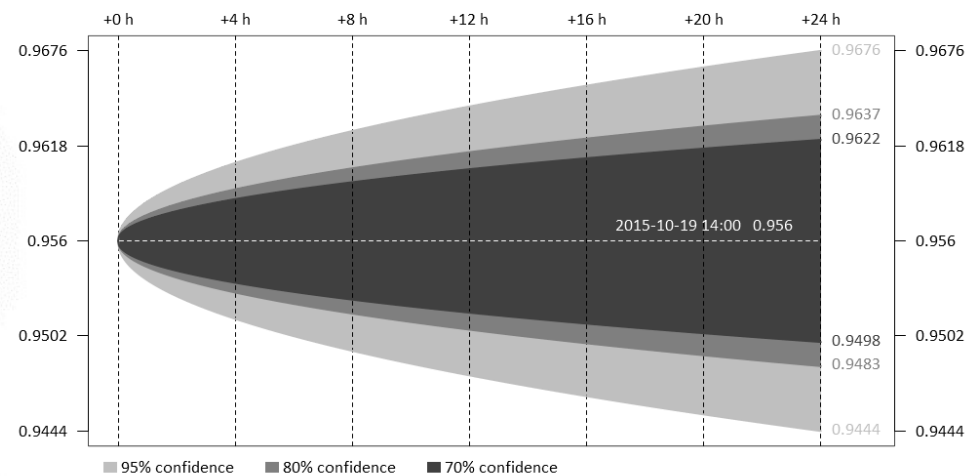
GBPUSD Potential Rates



USDJPY Potential Rates



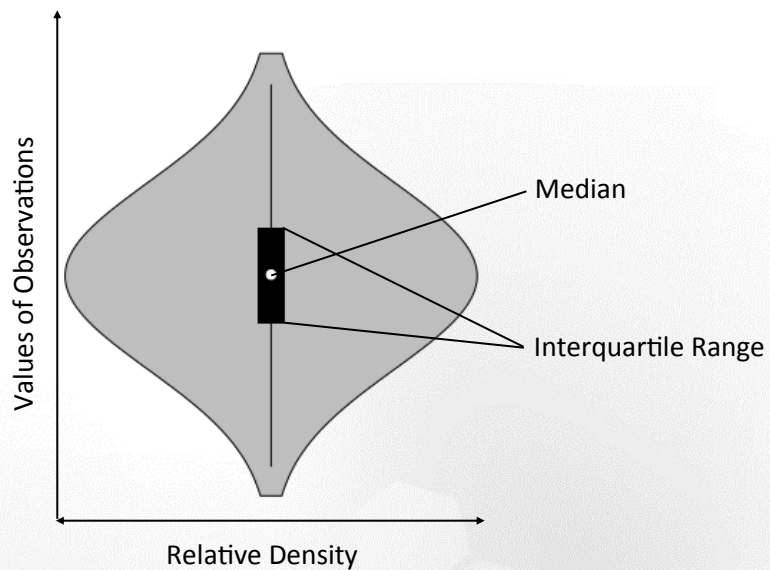
USDCHF Potential Rates



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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