



**EUR**

23/10/2015



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# Dominant Events of the Period

## Yellow Area

October 16

11:00 - 16:30

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

## Turquoise Area

October 20

07:30 - 16:00

- *BoE Governor Carney's Speech*
- *US Building Permits, Housing Starts*
- *GDT Price Index*
- *Fed Yellen's Speech*

## Blue Area

October 21

07:00 - 15:30

- *UK Public Sector Net Borrowing*
- *BoC Interest Rate Decision, Rate Statement, Press Conference*

## Purple Area

October 22

07:00 - 13:30

- *UK Retail Sales*
- *ECB Interest Rate Decision, Monetary Policy Statement and Press Conference*
- *Canadian Retail Sales*
- *US Chicago Fed National Activity Index, Jobless Claims, Housing Price Index*

EUR Currency Index Change

0.32%

0.3%

-0.08%

-1.33%

Max EUR Volatility Index

1.14

1.23

1.02

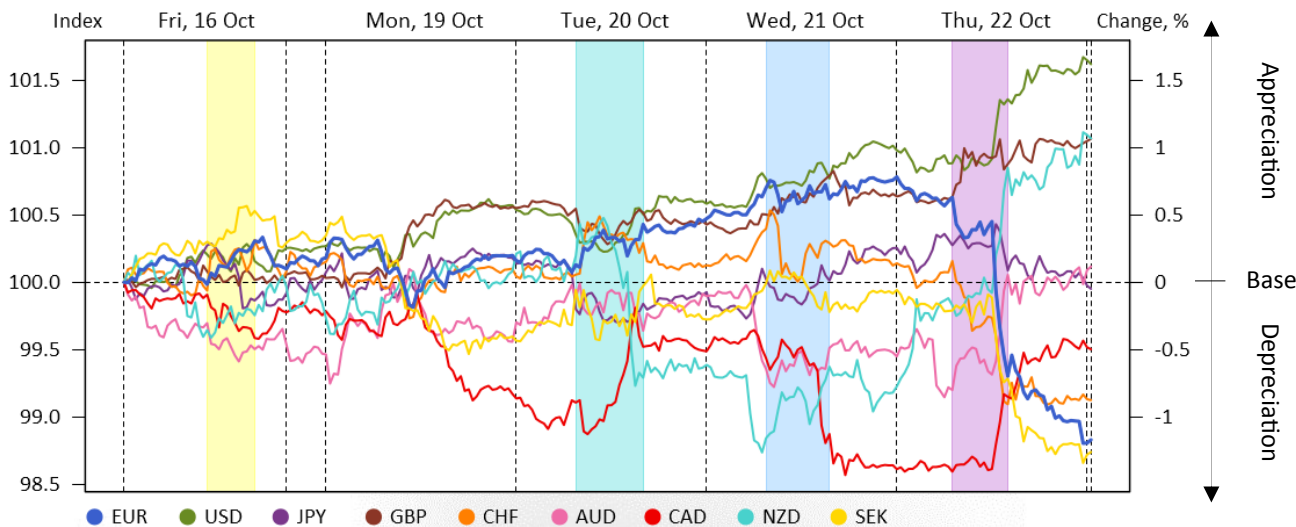
2.85





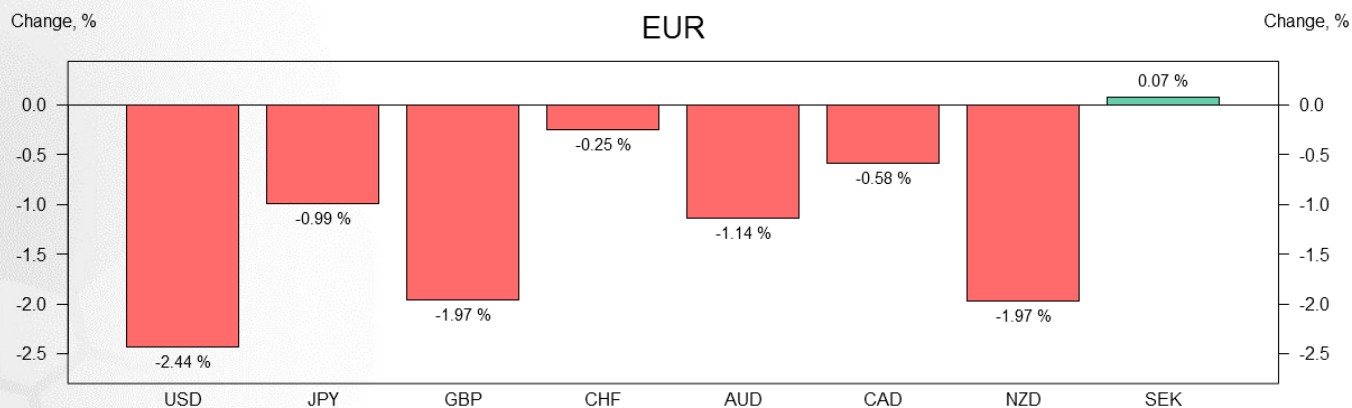
# Relative Currency Strength

## Currency Indexes



The observed indexes had another dynamic week, packing the second half of the period with wide moves. One of the most hectic currencies was the Loonie, whose index was governed by the federal elections on Monday and Tuesday, and hit on Wednesday by the BoC statement and its downward revision of the GDP forecast, thus swaying between 98.5 and 100.0 points. The NZD Index was another active measure, as it suffered downslide on Tuesday, fueled by the DRT auction, plunged further with the Aussie's gauge on Wednesday morning, and then went into a rapid recovery to finish the period with the second-greatest weekly gain.

The Euro proved to be the main market-mover of the period, as its Thursday's tumble spread across its peers and caused sharp changes in most of the currency indexes. As Mario Draghi delivered his comments at the ECB press conference, raising concerns that the policy maker might introduce additional easing measures in December, the EUR Index lost almost a whole point, and continued to depreciate till the end of the day. The momentum was also passed to its continental counterparts, and, together with the Euro's gauge, the franc's and the krona's measures came to be the period's three worst performers. Meanwhile, the commodity currencies surged up, additionally backed by the oil prices, and the USD Index made a moderate jump.



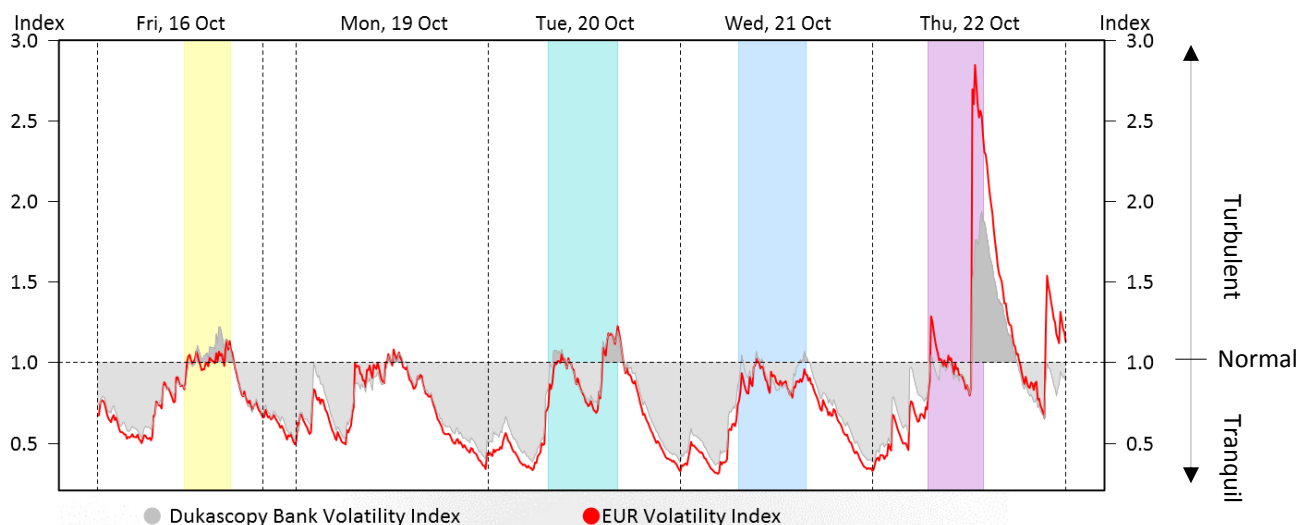
## Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-1.17%	1.62%	-0.05%	1.06%	-0.87%	0.12%	-0.5%	1.07%	-1.26%
20	-2.12%	-1.26%	-1.82%	-0.2%	-0.7%	1.71%	0.48%	7.07%	-1.98%
130	5.95%	3.1%	1.76%	4.43%	1.17%	-6.36%	-5.67%	-9.29%	5.86%
250	-2.82%	11.97%	-1.56%	7.24%	9.68%	-9.98%	-5.16%	-4.37%	-5%



# Volatility

## Volatility



The past week was rather calm, as volatility of both the market and the single currency did not notably exceed the average historical level. The only exception was Thursday, when the ECB president Draghi's speech undermined the domestic currency and strongly influenced its counterparts. As a result, the market volatility measure nearly reached the 2.0 level, and the EUR Volatility Index surged to the week's high of 2.85 points, the highest peak among all observed currencies. Meanwhile, the Loonie, the krona and the franc became the most turbulent currencies with 23%- 26% portions of elevated volatility.

The first four trading days were extremely tranquil for the Euro and the market as a whole, and the indexes barely overcame the historical level. The single currency's activity surges were mostly associated with its counterparts' movements. Thus the rises on Friday and Tuesday were provoked by the increase of the US consumer sentiment index and the Fed's Yellen speech. However, the index barely exceeded the 1.2 level. The greatest peak of the Euro volatility took place on Thursday, when Mario Draghi's speech led to the sharp fall of the single currency, and its turbulence measure surged to 2.85 mark.

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

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
17	18	14	35	15	33	17	23	20	22

### Volatility Index (for the observed period)

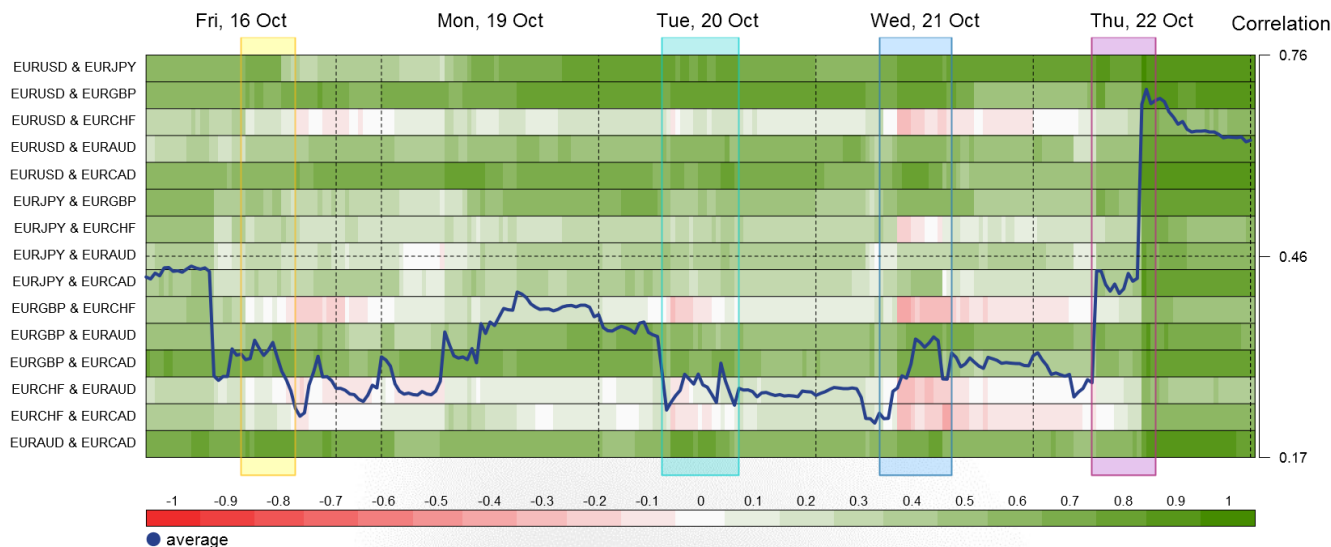
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.94	2.85	4.22	5.03	2.8	3.28	2.04	2.86	2.52	2.32
Min	0.37	0.31	0.19	0.28	0.18	0.23	0.28	0.23	0.29	0.13
Average	0.79	0.78	0.71	0.94	0.68	0.89	0.78	0.78	0.83	0.69





# Currency Significance

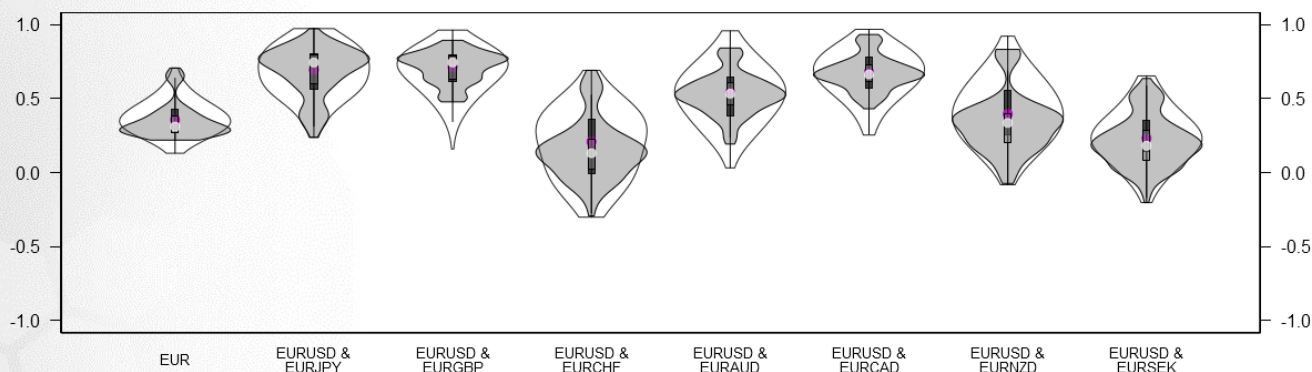
Correlations



The first four trading days of the observed period were calm for the Euro's significance measure, as it was hovering around the level of 0.3 with no economic releases from the Euro zone to notably influence the bonds between the single currency's pairs. Thus, the distributions of the EUR/USD components shifted down slightly, though most of their average increased compared to the previous readings. The most notable strengthening was observed in the component containing EUR/AUD, which showed the upward trend throughout the period and added 0.2 points to its average.

After a sharp surge in the previous week, the composite started the period above its average, on the level of 0.44 points. However, the BoJ governor's speech pushed the measure down, causing it to lose more than 0.15 points. The subsequent movements of the composite were mostly caused by the foreign news. Thus lowering on Friday and Tuesday occurred after the US economic reports, while the BoC interest rate decision led to the measure rise on Wednesday. The most notable spike of the measure took place on Thursday. The dovish tone of the ECB president's speech has stirred up the marked, and the composite has surged to 0.71 level.

Correlations (5 vs 20 days)



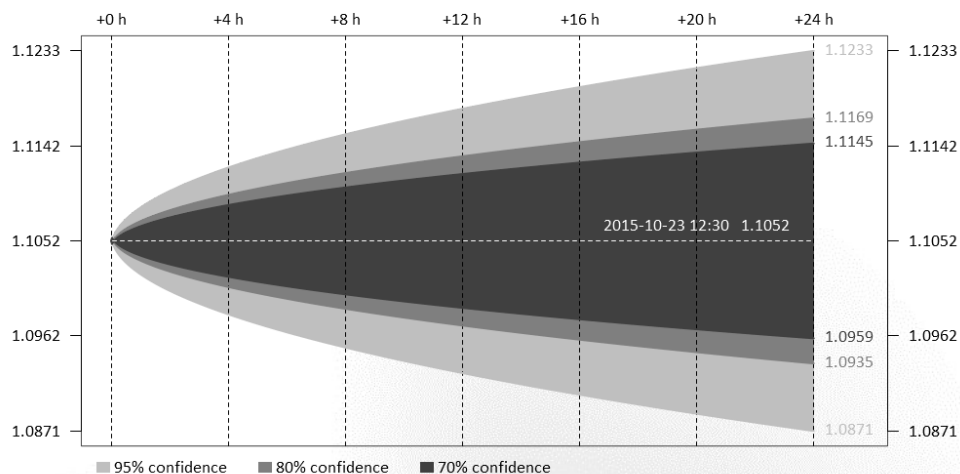
Mean Correlation Coefficient (with EURUSD)

Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.35	0.68	0.71	0.15	0.53	0.67	0.34	0.21
20	0.37	0.68	0.69	0.19	0.53	0.67	0.41	0.24
130	0.4	0.73	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

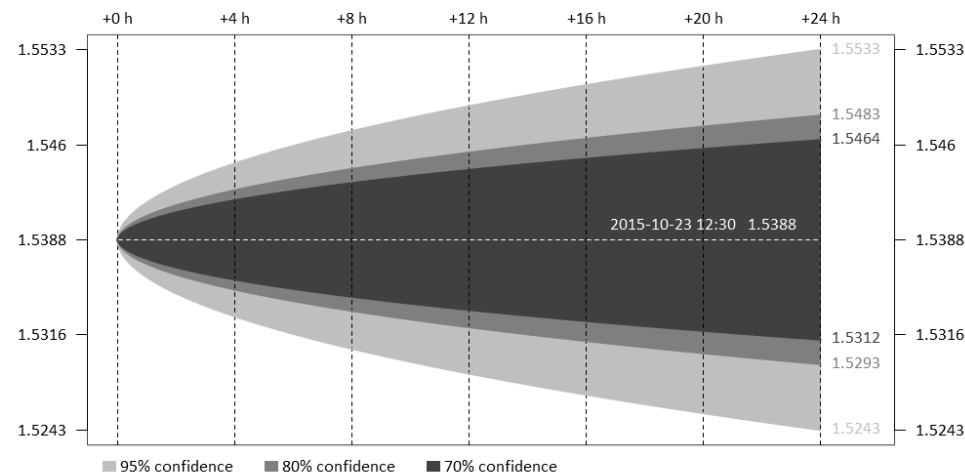
Friday, October 23, 2015  
15:30 GMT

# Confidence Intervals for Next 24 Hours

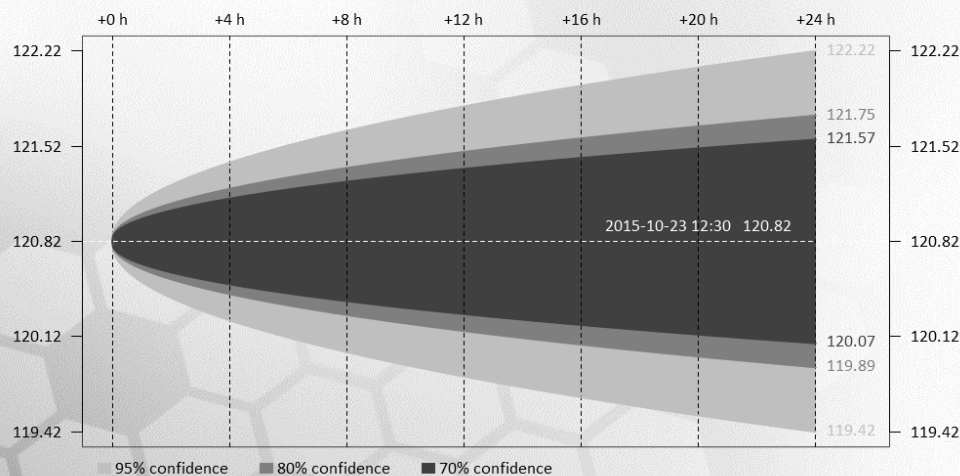
EURUSD Potential Rates



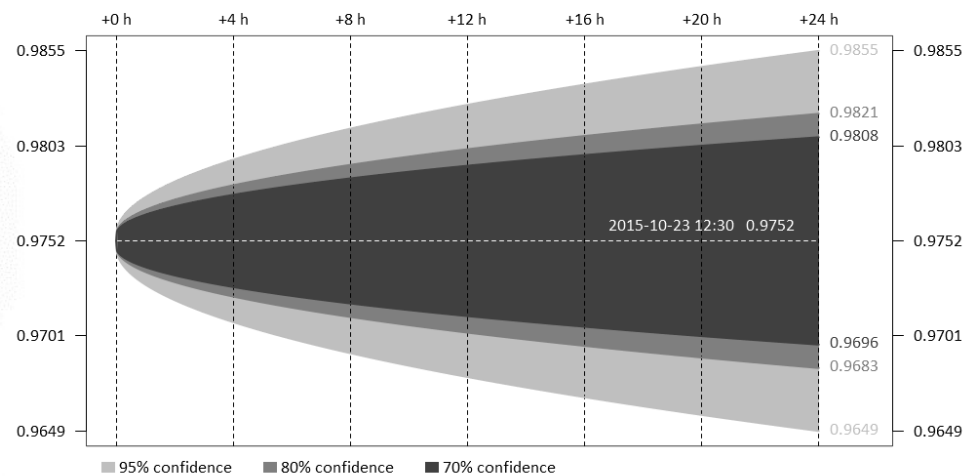
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates





## EXPLANATIONS

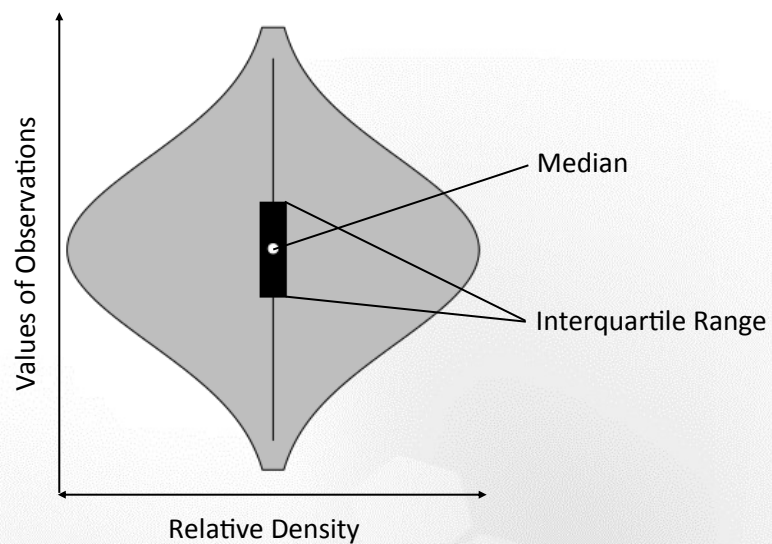
### Violin Plot

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

### Methodologies

Volatility Index

Confidence Interval





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