



USD

26/10/2015



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RESEARCH PRODUCTS



Market Research



Dominant Events of the Period

Yellow Area

October 20

08:00 - 17:30

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

Turquoise Area

October 21

08:00 - 16:30

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

Blue Area

October 22

08:00 - 15:00

- *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, CB Leading Indicator*

Purple Area

October 23

08:00 - 14:30

- *EMU Flash Markit PMI*
- *PBoC Interest Rate Decision*
- *BoC CPI*
- *US Flash Markit Manufacturing PMI*

USD Currency Index Change

0.25%

0.15%

0.48%

0.64%

Max USD Volatility Index

1.11

1.05

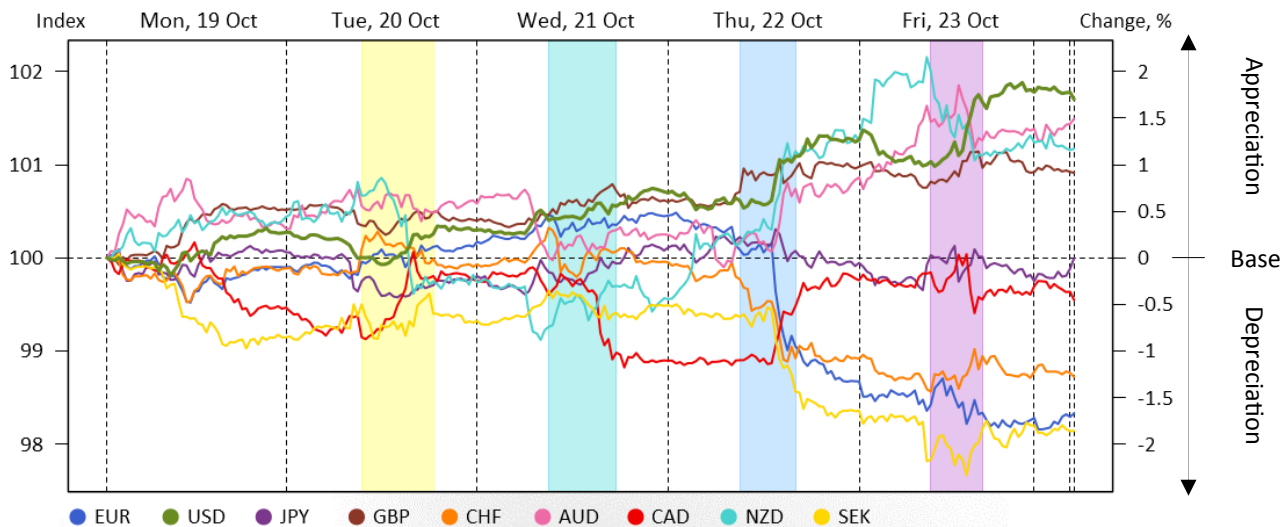
2.2

1.77



Relative Currency Strength

Currency Indexes



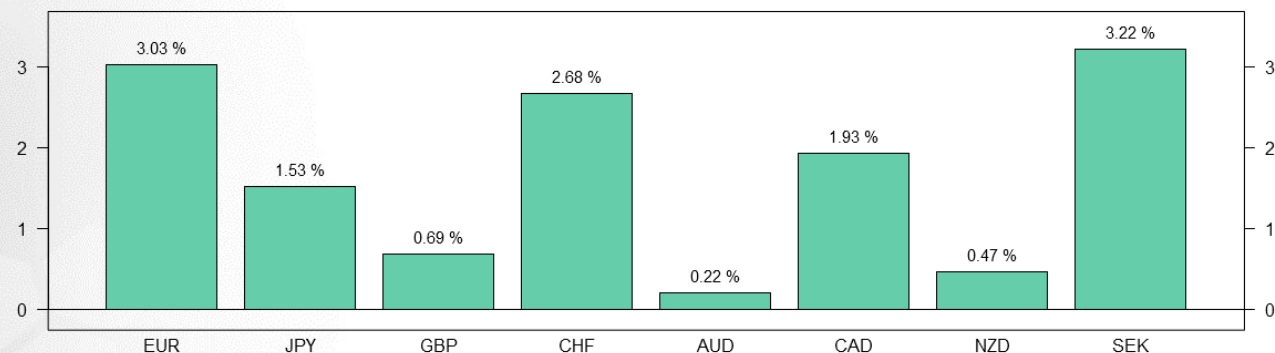
The observed period was successful for the Greenback, as its index was rising steadily during the whole week and finished it in the best performer's position, gaining from 0.22% to 3.22% against its counterparts. Meanwhile, the single currency's negative reaction to Mario Draghi's speech on Thursday made it the second-worst performer of the period. The Swiss franc and the Swedish krona followed the Euro, showing 2.68% and 3.22% loss. The reaction of the Aussie and the Kiwi, in turn, was the opposite, and they finished the week with 1.49% and 1.17% gains, respectively.

There were not a lot of influential economic releases to notably affect the Greenback during the first three trading days. The first rise of the USD Index took place on Monday, after the US NAHB housing market index came out above the forecast. Starting from Tuesday, after the surprisingly optimistic housing market data report, the dollar's index steadily showed an upward trend. Against the background of the dovish speech of the ECB president the Greenback's index has gained almost 0.5 points and continued to grow more rapidly. The next rather sharp surge of the gauge was on Friday, when after the positive US Markit manufacturing PMI release the index jumped to 101.75 mark.

Change, %

USD

Change, %



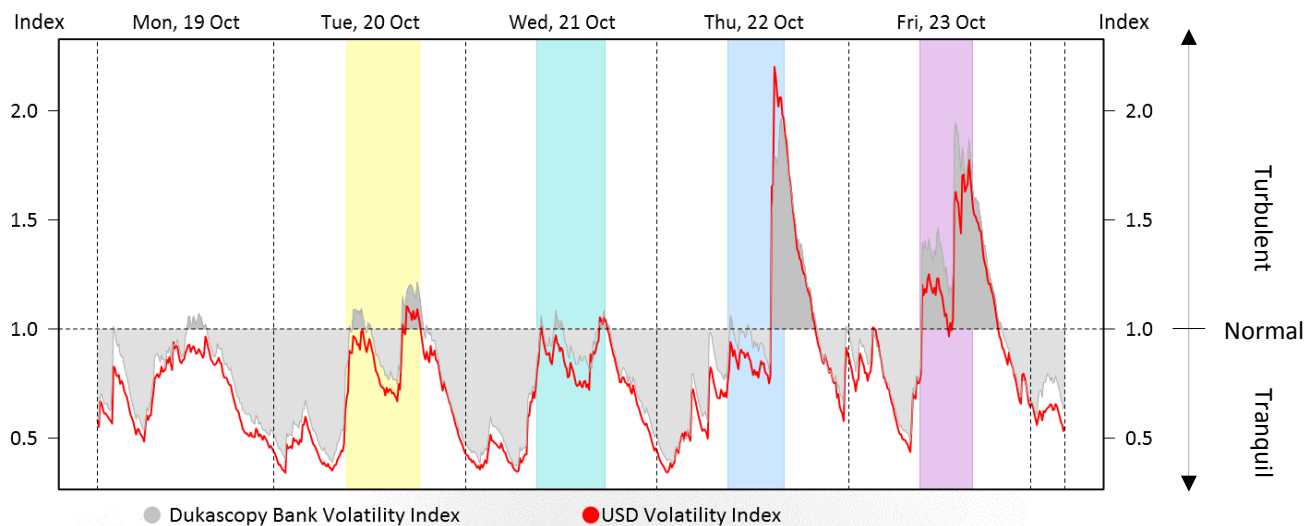
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-1.67%	1.7%	0%	0.91%	-1.28%	1.49%	-0.45%	1.17%	-1.86%
20	-2.52%	-0.84%	-1.68%	-0.02%	-0.71%	2.7%	0.38%	5.89%	-2.13%
130	5.62%	4.23%	2.47%	4.37%	1.81%	-7.12%	-5.63%	-10.01%	5.2%
250	-3.23%	12.41%	-0.17%	6.96%	9.28%	-9.74%	-5.5%	-4.48%	-5.51%



Volatility

Volatility



The aggregate volatility on the market edged down from the previous week's moderate readings, and only the last two days of the period were at least somewhat dynamic. Intensity-wise, thought, volatility remained on the same levels it occupied in the previous periods, and the highest peaks were capped by the 3 points line. The highest value of 2.9 points was reached by the Euro's gauge against the background of Mario Draghi's press conference on Thursday and the associated plunge of the single currency. The same event pushed the krona's measure to 2.3, the period's second-highest peak. Other splashes above the 2 points line took place on

Friday. At noon, the Aussie's and the Kiwi's gauges jumped as the PBoC announced a rate cut, and later the Loonie's measure followed as Canadian inflation numbers came out worse than expected.

The Greenback was the least volatile of the observed currencies, with its overturbulence portion at 15% - 8% below the market aggregate and 5% the closest peer reading. The dollar's volatility index showed the sharpest reaction on Thursday, when the mix of good jobless claims release and the Euro's tumble pushed the US currency up. Aside from that, there were no other spikes above the market average, and the dollar's gauge mostly followed its counterparts' lead.

Elevated Volatility (% of the observed period)

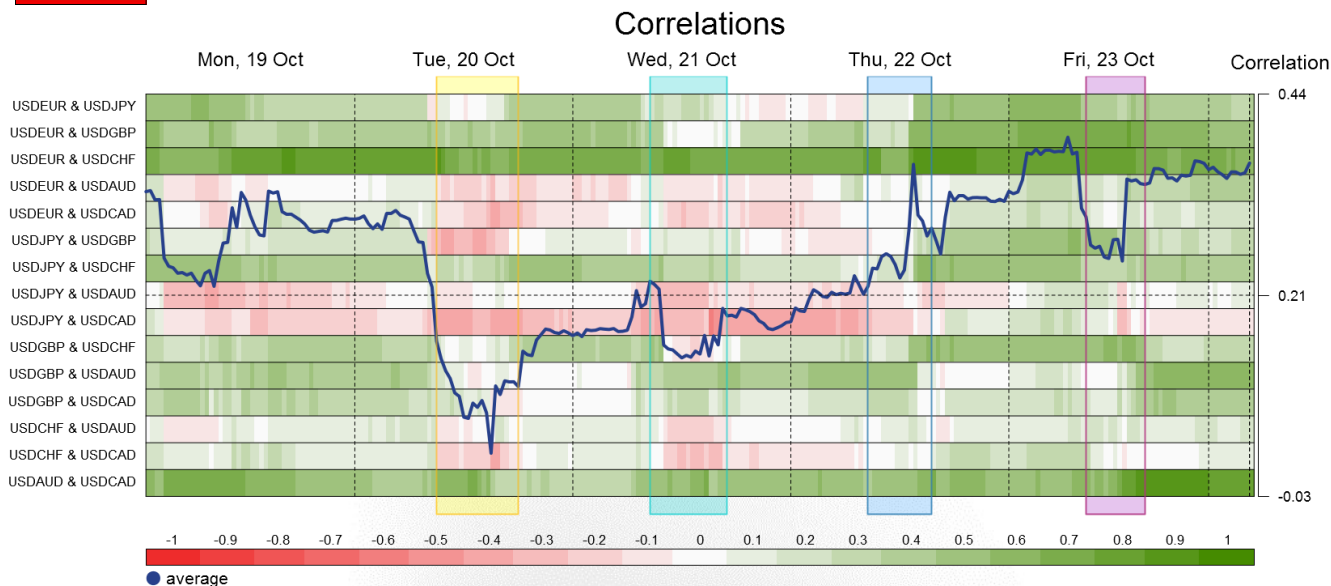
Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
23	15	20	10	15	20	17	33	24	28

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.97	2.2	3.96	1.81	2.26	2.65	2.25	2.82	2.18	3.23
Min	0.37	0.34	0.19	0.26	0.2	0.2	0.26	0.32	0.28	0.22
Average	0.85	0.78	0.77	0.63	0.72	0.69	0.81	0.9	0.84	0.83



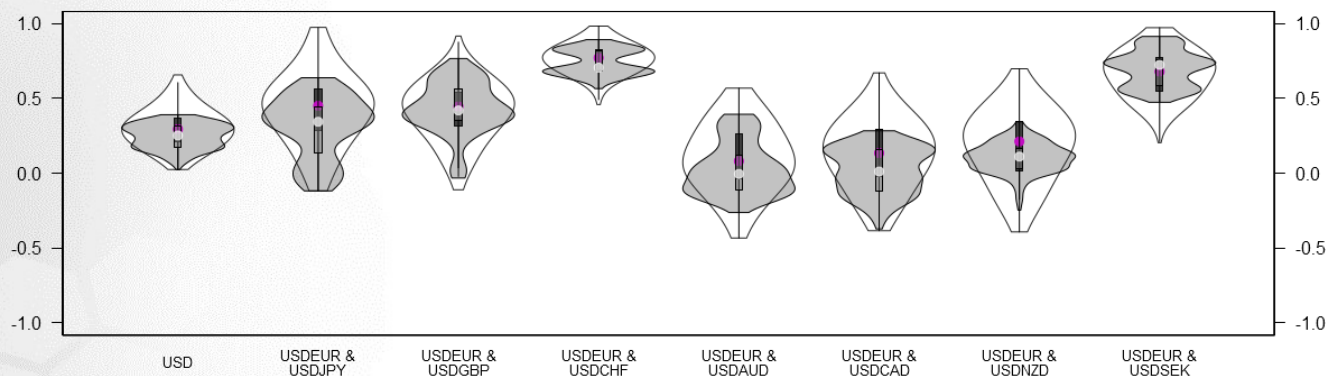
Currency Significance



The past week was another one for the USD composite to spend below its counterparts as there were very few releases which notably influenced it. Moreover, the bonds between the USD pairs weakened compared to the monthly figures, and the distributions of the USD/EUR correlations were skewed towards the zero. The Kiwi, in turn, remained the most significant currency, with its gauge varying around the 0.7 level. It reached the week's high on Tuesday, just after the GDT auction ended with a drop in the milk prices. The moment was also associated with the deepest drop of the US dollar's gauge.

From Tuesday afternoon the Greenback's composite followed an uptrend. One of the most conspicuous surges of the measure took place on Thursday, when the US dollar rose, fueled by the release of lower-than-expected jobless claims as well as the Euro's drop in reaction to ECB's Draghi's press conference, positively impacting the correlations between the USD instruments. Nevertheless, the composite could not retain the position for long and on Friday morning returned to the 0.25 mark. A few hours later the measure grew slightly as the US dollar appreciated against the background of the falling Loonie. Thus, the USD composite finished the week on 0.35 level.

Correlations (5 vs 20 days)



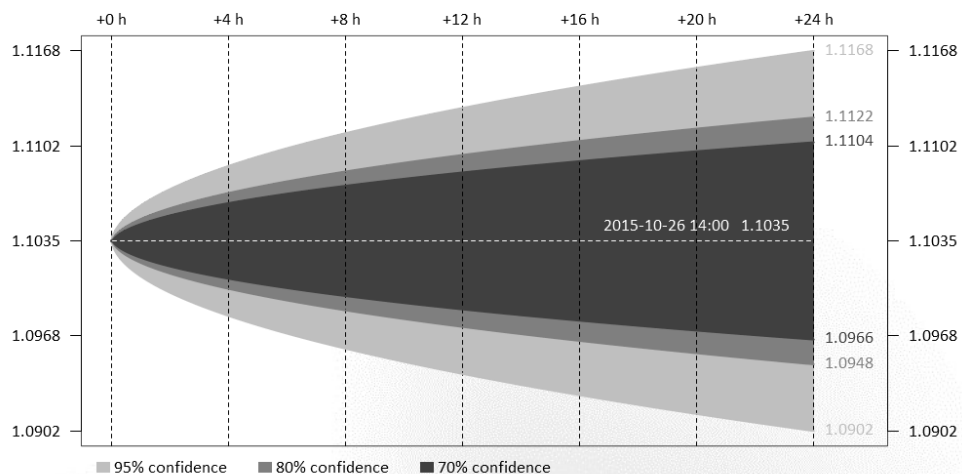
Mean Correlation Coefficient (with USDEUR)

Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.25	0.31	0.43	0.74	0.03	0.02	0.1	0.7
20	0.3	0.43	0.41	0.77	0.1	0.12	0.18	0.67
130	0.42	0.46	0.5	0.74	0.37	0.35	0.37	0.76
250	0.45	0.44	0.55	0.72	0.45	0.4	0.46	0.71

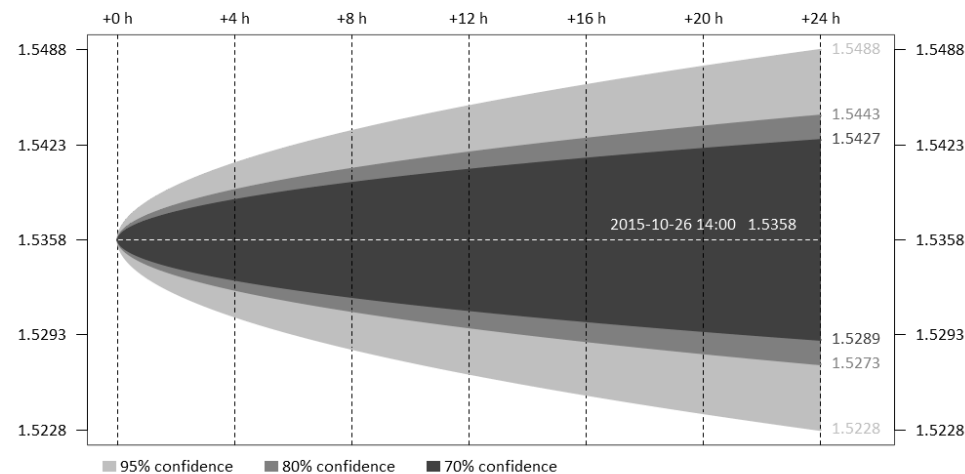
Monday, October 26, 2015
14:30 GMT

Confidence Intervals for Next 24 Hours

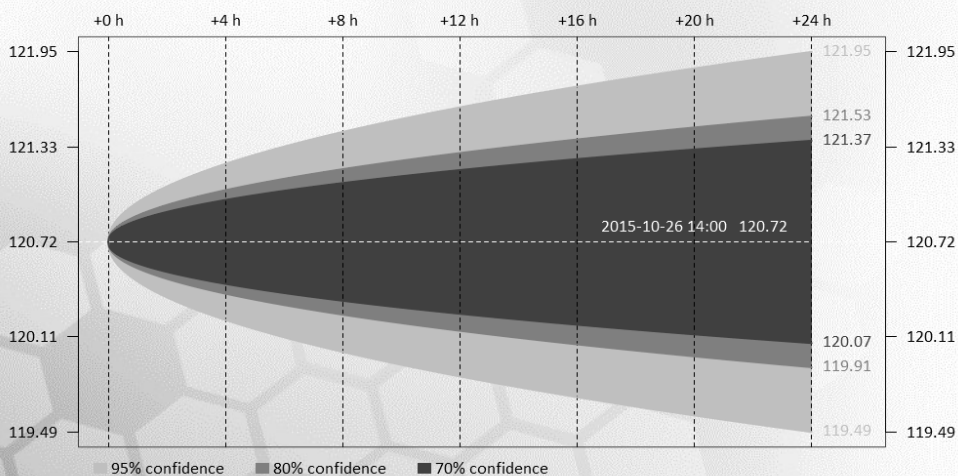
EURUSD Potential Rates



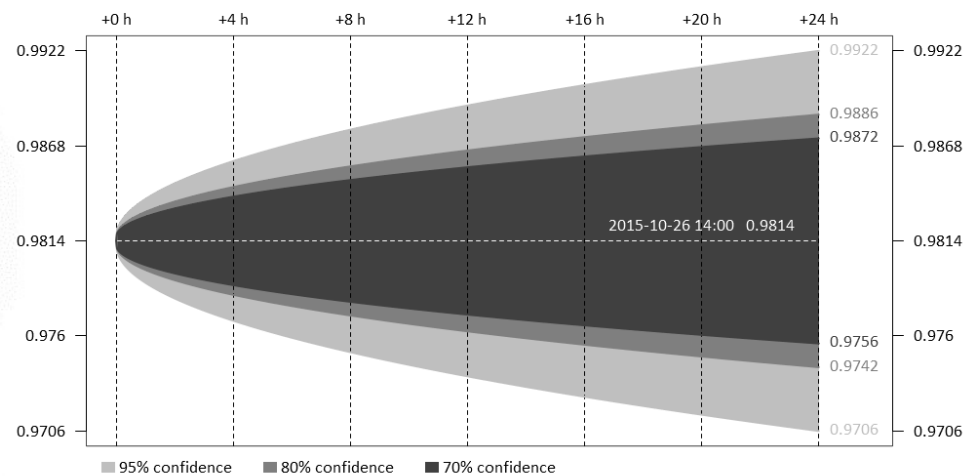
GBPUSD Potential Rates



USDJPY Potential Rates



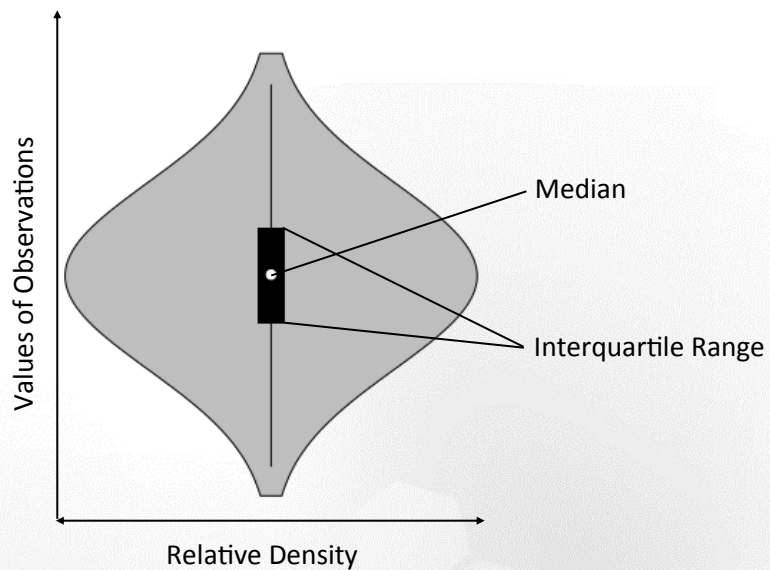
USDCHF Potential Rates



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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