



USD

09/11/2015



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Market Research





Dominant Events of the Period

Yellow Area

November 4

13:00 - 16:00

- US ADP Employment Change, Trade Balance, Markit PMI Composite, Services PMI, ISM Non-Manufacturing PMI
- Fed Chair Yellen's Testimony

Turquoise Area

November 5

08:00 - 15:00

- ECB President Draghi's Speech
- BoE Asset Purchase Facility, Interest Rate Decision, Minutes, MCP Vote, Governor Carney's Speech
- US Jobless Claims
- Canadian Ivey PMI

Blue Area

November 6

13:00 - 17:00

- US Nonfarm Payrolls, Average Hourly Earnings, Weekly Hours, Unemployment Rate, Labour Force Participation Rate
- Canadian Unemployment Rate
- UK NIESR GDP Estimate

USD Currency Index Change

0.53%

-0.08%

1.1%

Max USD Volatility Index

1.47

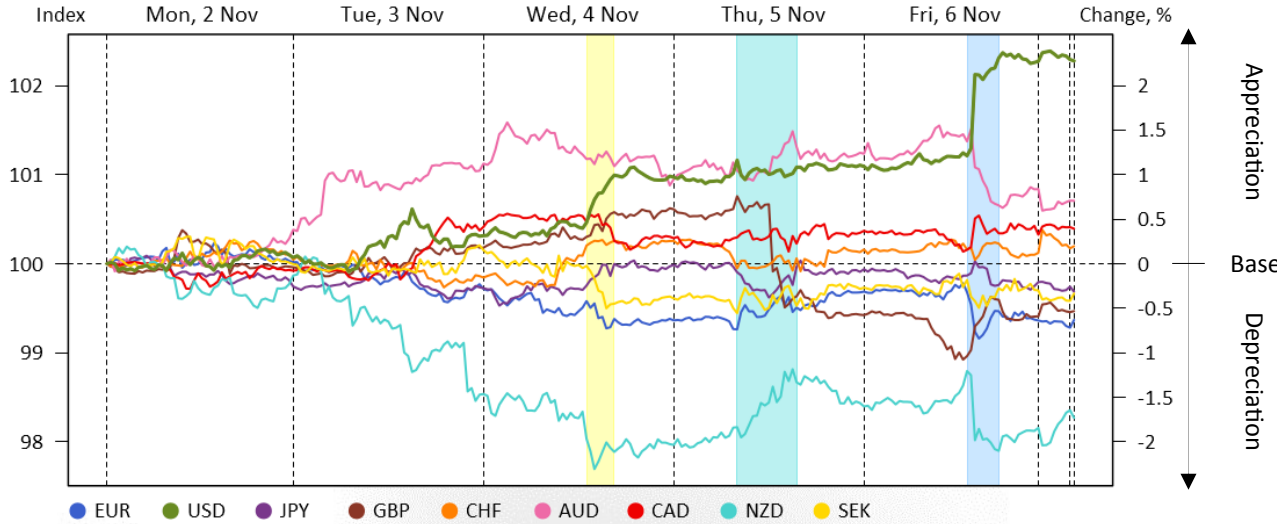
1.38

4.6



Relative Currency Strength

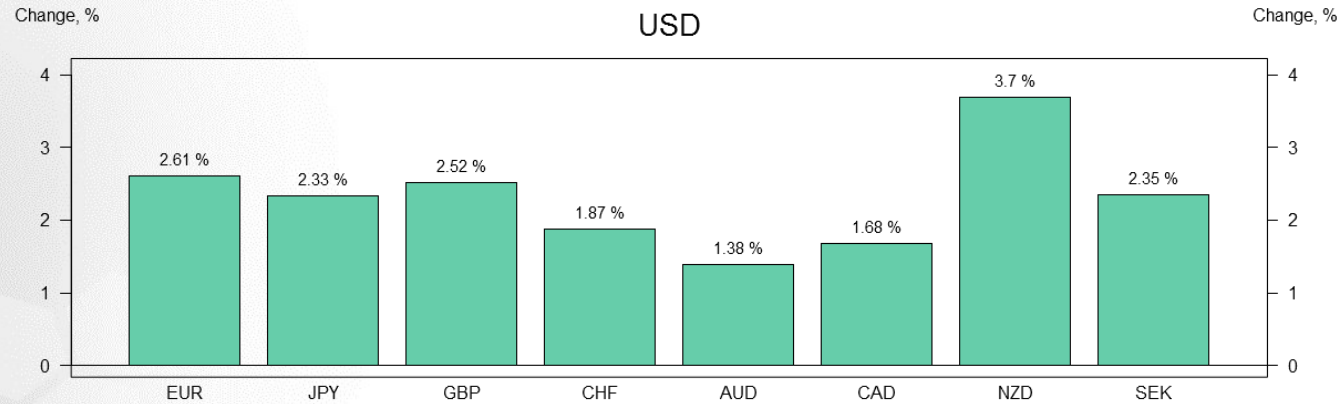
Currency Indexes



The past week was slow for the observed indexes, as most of them held parallel to the baseline in the narrow range between -1% and +1%. Notable exceptions were the dollar's and the Pacific gauges. In the appreciation area, the Aussie's index entered Tuesday on an upsurge, finding support in RBA's rate statement, and then made another break with narrowing trade deficit reported on Wednesday. The Kiwi's measure, on the other hand, went North, undermined by falling dairy prices and weak labour data, and ultimately ended the period with the greatest weekly loss. Among other gauges, the pound's index distinguished itself by tumbling

1.2 points on Thursday, when the dovish mix of the BoE announcements and Carney's speech pushed the national currency down.

The USD Index was another exception above the baseline, though took longer than its Australian peer to breach the 101.0 points mark. The ascent started rapidly on Tuesday, but was cut short by disappointing factory orders and economic optimism data. The second wave of strengthening came on Wednesday, with strong trade balance, services PMI and employment numbers. That surge allowed the index to catch up with the Aussie's gauge, but Friday's better-than-expected labour data pushed it well above, making the dollar's measure the week's best performer.



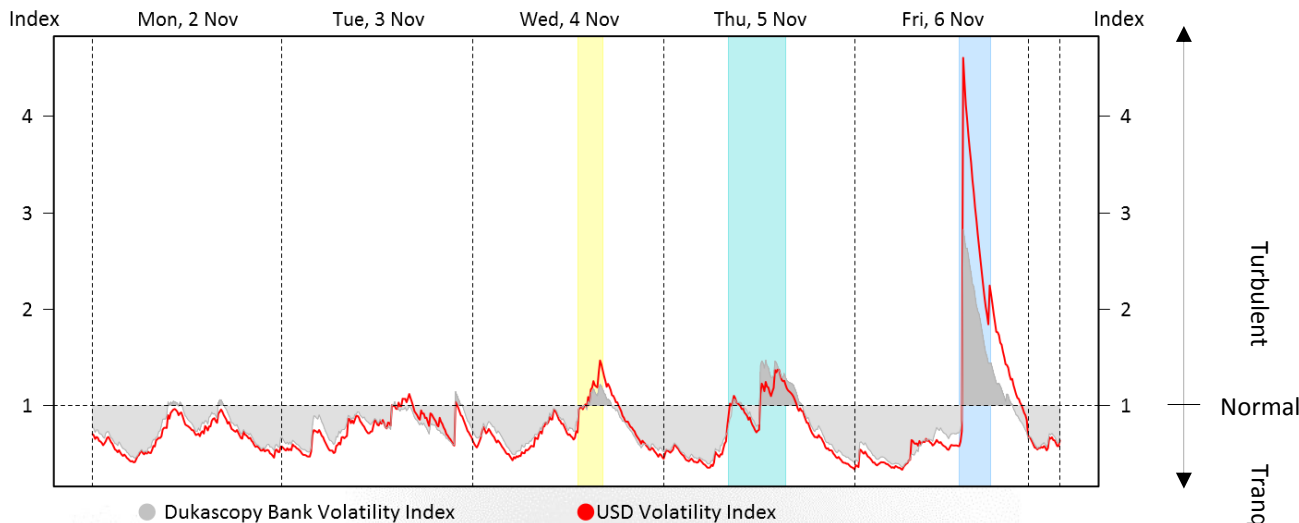
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.63%	2.28%	-0.31%	-0.53%	0.2%	0.71%	0.39%	-1.73%	-0.33%
20	-2.58%	3.55%	0.95%	1.65%	-1%	-1.06%	0.6%	0.81%	-3.37%
130	2.6%	6.95%	4.16%	2.68%	-1.45%	-7.04%	-4.18%	-6.33%	2.3%
250	-4%	12.75%	4.43%	6.8%	8.23%	-10.35%	-5.3%	-6.78%	-5.82%



Volatility

Volatility



During the trading week all the volatility indexes without exceptions spent most of time below the average historical level. The Greenback with 16% portion of elevated volatility turned out to be among the most tranquil currencies, however, its higher than 4.5 spike was the most conspicuous past week. Meanwhile, the Kiwi became the most volatile currency, but its Pacific peer, the Australian dollar, was the calmest against the turbulent historical background with only 11% portion of elevated volatility.

There were no significant spikes of the market activity during the first two days of the week until

the Tuesday's disappointingly negative New Zealand's employment change, which managed the NZD volatility index to surge to the 2.84 mark, but could not push the market volatility measure even above the 1.15 level. The first notable spike of the USD gauge took place on Wednesday, which turned out to be very successful for the currency as the Trade balance and PMIs came out higher-than-expected. Thursday was all about the pound, which dramatically reacted to the series of the BoE's releases so its volatility index reached the week's high of 3.93 points. The higher was only the Greenback's measure's surge on Friday, which skyrocketed just after the release of unexpectedly optimistic labour data.

Elevated Volatility (% of the observed period)

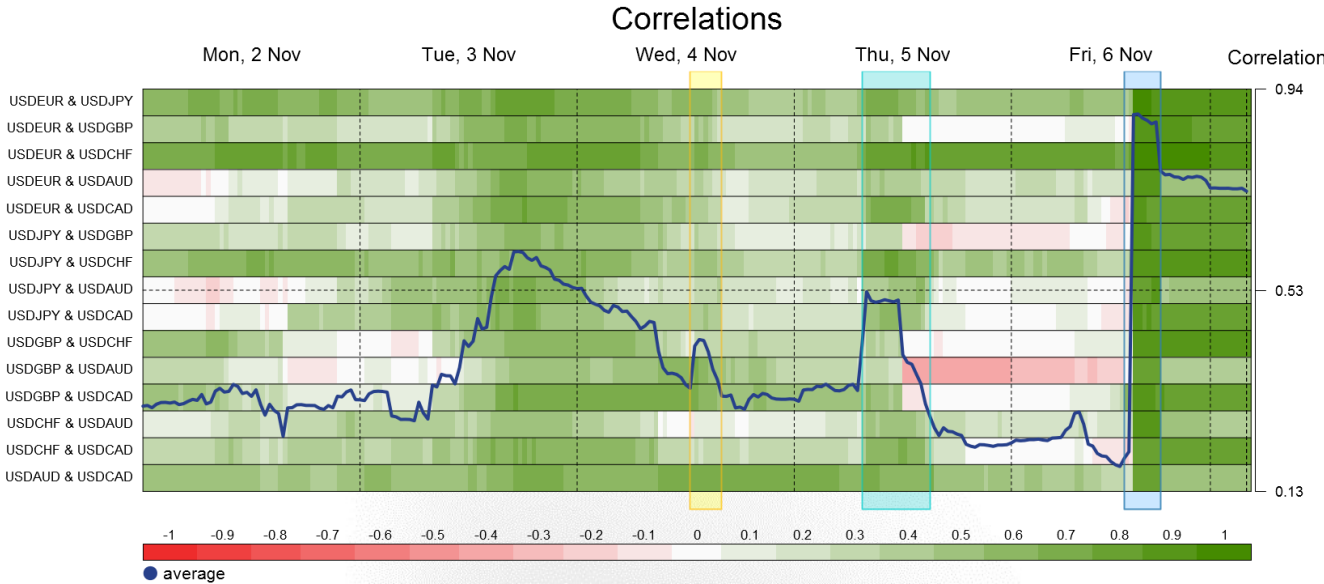
Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
	16	17	16	28	18	11	18	27	17

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.83	4.6	6.51	5.48	5.41	4.84	4.05	2.56	5.59	4.2
Min	0.37	0.34	0.23	0.27	0.25	0.22	0.3	0.22	0.32	0.24
Average	0.79	0.8	0.8	0.75	0.92	0.76	0.75	0.69	0.92	0.76



Currency Significance

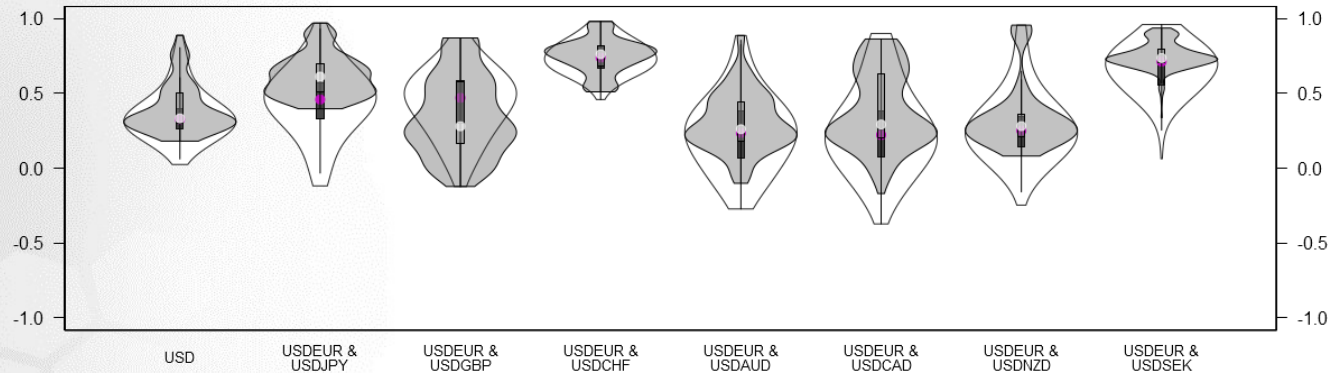


The past week was a period of rather weak correlations between the USD pairs, with the US dollar significance measure making only a few jumps above the 0.4 level. But the Friday's surge was exceptionally strong, and thus the measure fluctuated from 0.18 to 0.89 points. Averages of the composite and most of the USD/EUR components have risen, gaining 0.01-0.17 points over the monthly values. The only exception was the bond between USD/EUR and USD/GBP. A slight weakening was observed through the whole period, and the dovish tone of the BoE on its "Super Thursday" pushed the component into

the negative area.

The Greenback's significance measure spent the first four trading days ranging from 0.22 to 0.61. The first increase of the composite was observed on Tuesday. It reached the second highest peak of the period, and started to decline gradually. Afterward, encouraging US employment and trade balance data pushed the measure up for a short while. On Thursday, after the Swiss consumer climate report, the USD composite has reached 0.52 level. However, after the UK economic data release the composite decreased and on Friday reduced to the minimum value of the week. On Friday, positive US nonfarm payrolls and employment data managed the measure to surge to the 0.89 mark, gaining more than 0.7 points.

Correlations (5 vs 20 days)

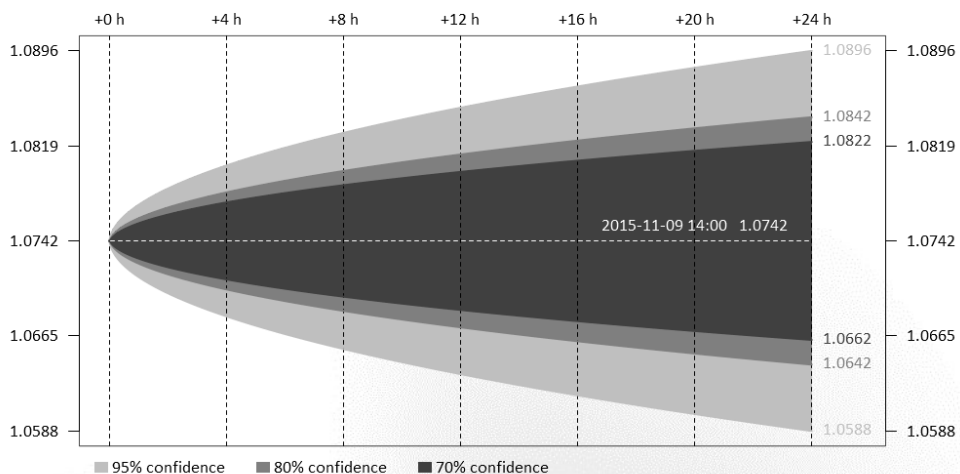


Mean Correlation Coefficient (with USDEUR)

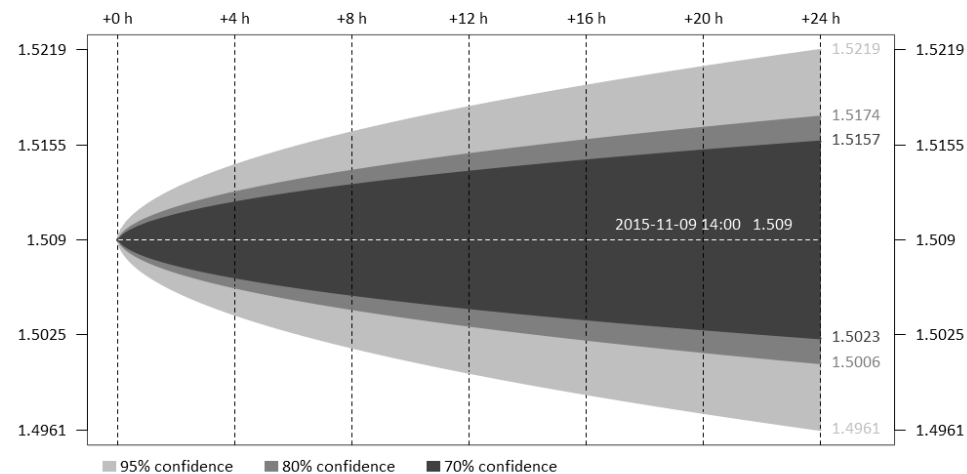
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.4	0.62	0.35	0.75	0.31	0.39	0.34	0.75
20	0.36	0.45	0.44	0.74	0.23	0.25	0.28	0.68
130	0.41	0.46	0.49	0.74	0.35	0.34	0.36	0.76
250	0.44	0.44	0.55	0.72	0.44	0.39	0.45	0.72

Confidence Intervals for Next 24 Hours

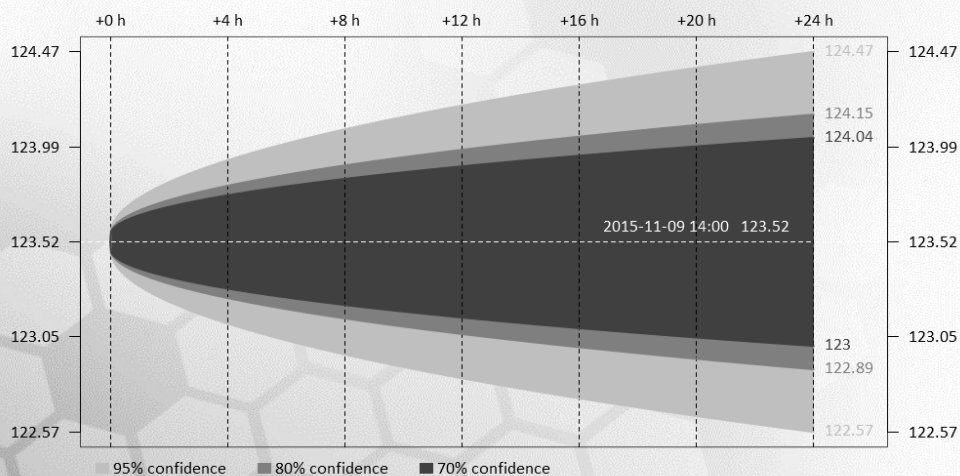
EURUSD Potential Rates



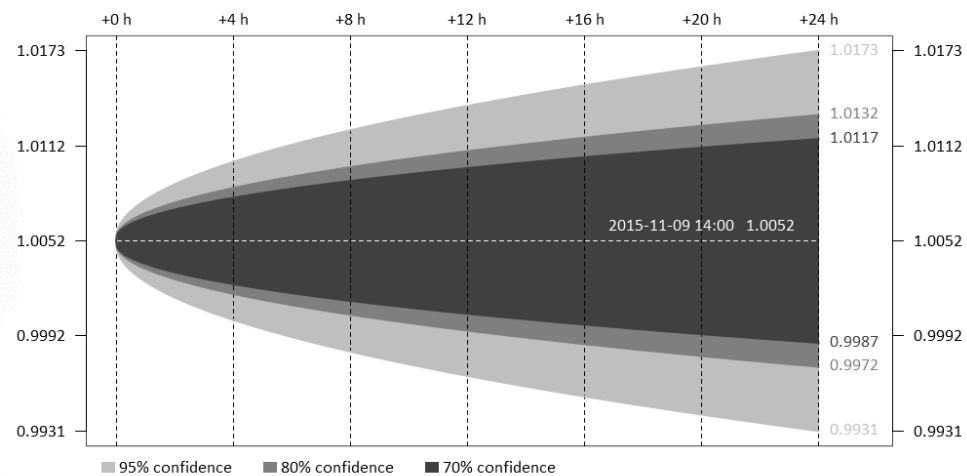
GBPUSD Potential Rates



USDJPY Potential Rates



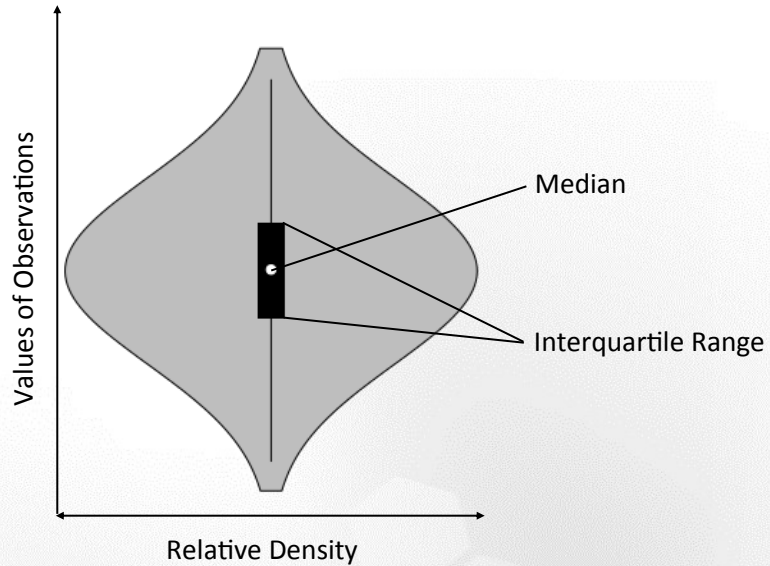
USDCHF Potential Rates



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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