



USD

16/11/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

November 9

11:00 - 17:00

- Canadian Housing Starts
- US Labor Market Conditions Index

Turquoise Area

November 10

11:00 - 16:00

- Euro zone EcoFin Meeting

Blue Area

November 12

00:00 - 17:30

- Australian Employment Change, Unemployment Rate, Participation Rate
- ECB Draghi's Speech, Euro zone industrial Production
- US Initial Jobless Claims, Yellen's Speech, Fischer's Speech

Purple Area

November 13

12:30 - 17:00

- US Retail Sales, Producer Price Index

USD Currency Index Change

-0.03%

0.21%

-0.09%

0.39%

Max USD Volatility Index

1.15

1.21

1.44

1.01



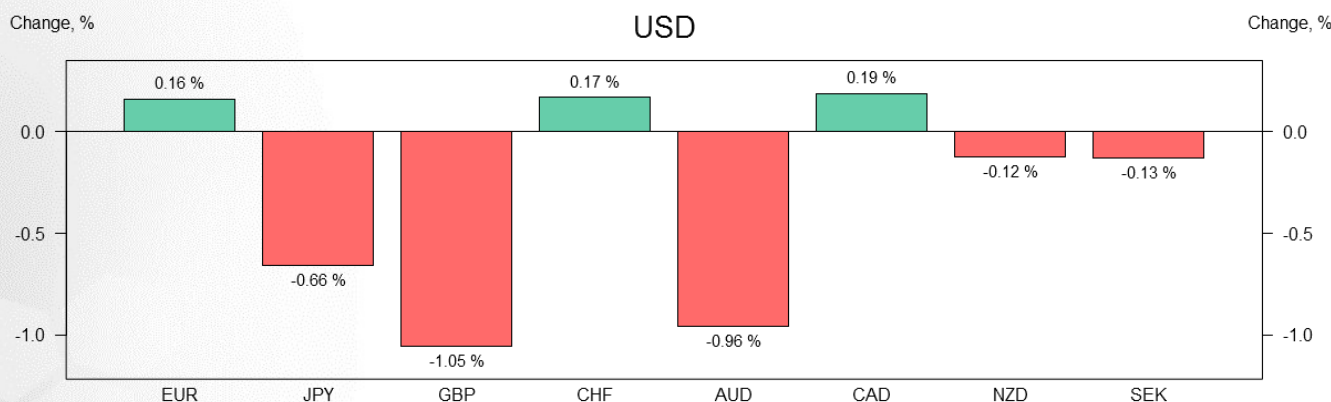
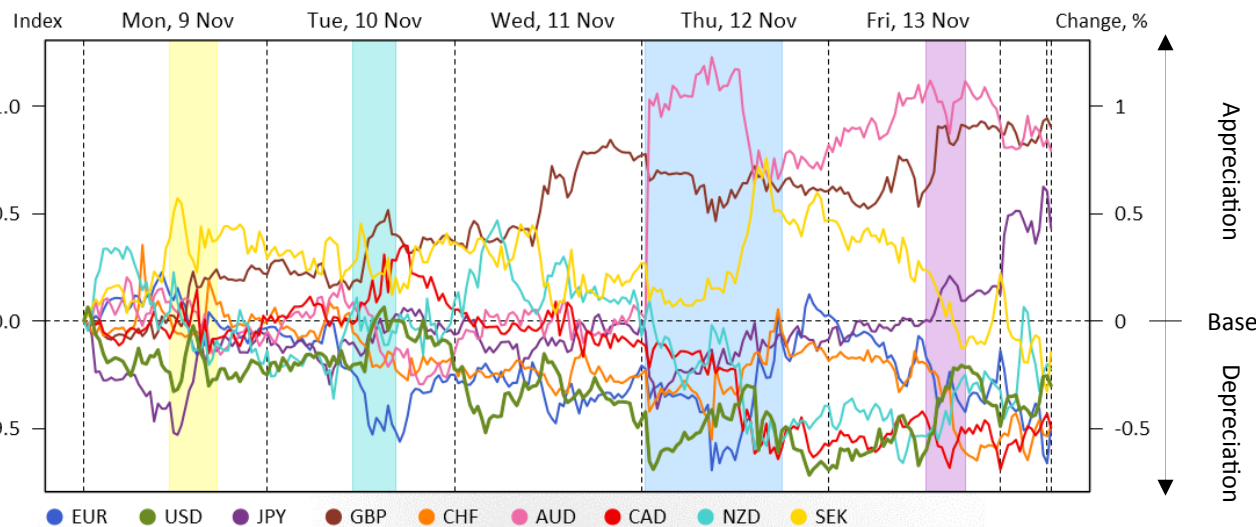
Relative Currency Strength

Currency Indexes

The Greenback's increase caused by the better-than-expected US labour data on November 6 was replaced by the downward trend, and the dollar spent the whole period in the negative area. The UK economic data report on Wednesday made the pound the best performer of the week. The Aussie nearly matched the Sterling's strength. On Thursday, the encouraging Australian employment data pushed the AUD index to 101.23. However, afterward the Aussie has slightly declined and ended the period with 0.79% gain. Thursday also was marked by the several speeches of the ECB and Fed leaders. Thus the Euro index has lost 0.31 points after Mario Draghi said that the ECB is planning re-examine monetary

easing at the December meeting. However, a few hours later the Euro started to grow and reached the 101.12 mark against the background of the Fed's Yellen's speech.

The US dollar dropped to the negative area from the very beginning of the past week and continued to decrease till the end of the period. However, on Tuesday the Greenback has attempted to recover and even exceeded the baseline, gaining 0.06%. On Thursday, the dollar's index fell to 99.31 right after the Australian labor data and depreciated even more as Yellen in her speech gave no signs of a December lift-off, so the index reduced to the minimum value of the period (99.28). Lastly, the US index gained 0.47 points and finished the period on 99.79 mark.



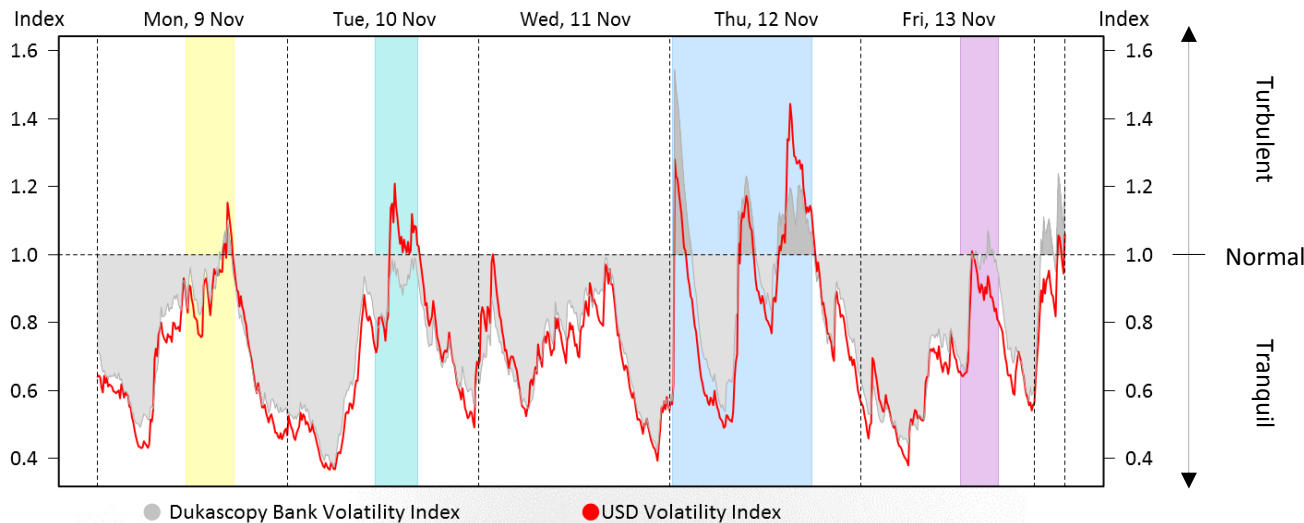
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.49%	-0.3%	0.43%	0.9%	-0.49%	0.79%	-0.5%	-0.22%	-0.14%
20	-2.71%	3.59%	0.94%	1.91%	-2.13%	0.94%	0.39%	-0.89%	-2.42%
130	2.01%	5.87%	4.47%	3.88%	-1.7%	-6.23%	-3.45%	-7.18%	1.49%
250	-4.85%	12.73%	7.12%	9.32%	7.21%	-10.86%	-5.95%	-8.79%	-5.92%



Volatility

Volatility



Turbulent
Normal
Tranquil

Despite all the shifts in the currency indexes, volatility on the market was borderline subdued, with most overturbulence portions below 20% and maximum index values around 1.5 points. The Aussie and the krona were the only exceptions. Volatility of the former skyrocketed on early Thursday just after the announcement of 0.3% decreasing unemployment. As a result, the AUD Volatility index reached the 4.36 mark, but the AUD /USD measure spiked to 4.59 level. In addition, the market's index reached the week's high at 1.54. The krona, in turn, was zigzagging throughout the week against the background of inflation and other less notable Swedish economic releases and, thus, having 27% elevated volatility portion became the

most turbulent in terms of it.

The Greenback spent the first three days of the period almost entirely in a tranquil state, its index hardly reaching the 1.2 points mark with its greatest splash. Thursday became the most conspicuous day as it started with Australian unemployment and had two more notable volatility spikes later. One of them took place at the beginning of the European trading session amid the President's Draghi speech. A few hours later, when the FOMC members came out with their speeches, the Greenback's gauge surged to the week's high of 1.44 points. The week ended with slight turbulence increase, which followed disappointing US retail sales, however, the USD volatility index did not exceed the average historical level.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
12	11	22	12	21	19	10	15	7	23

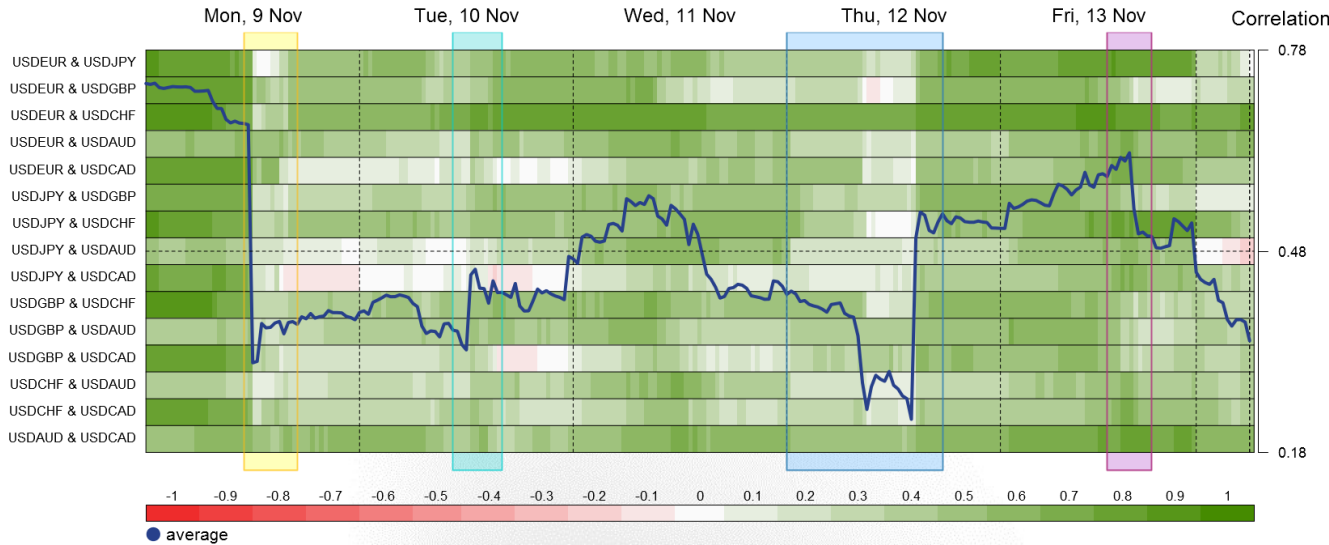
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.54	1.44	1.82	1.53	2.04	1.8	4.59	1.85	1.67	1.53
Min	0.37	0.37	0.31	0.33	0.27	0.27	0.32	0.28	0.21	0.28
Average	0.76	0.73	0.78	0.74	0.76	0.75	0.74	0.71	0.63	0.79



Currency Significance

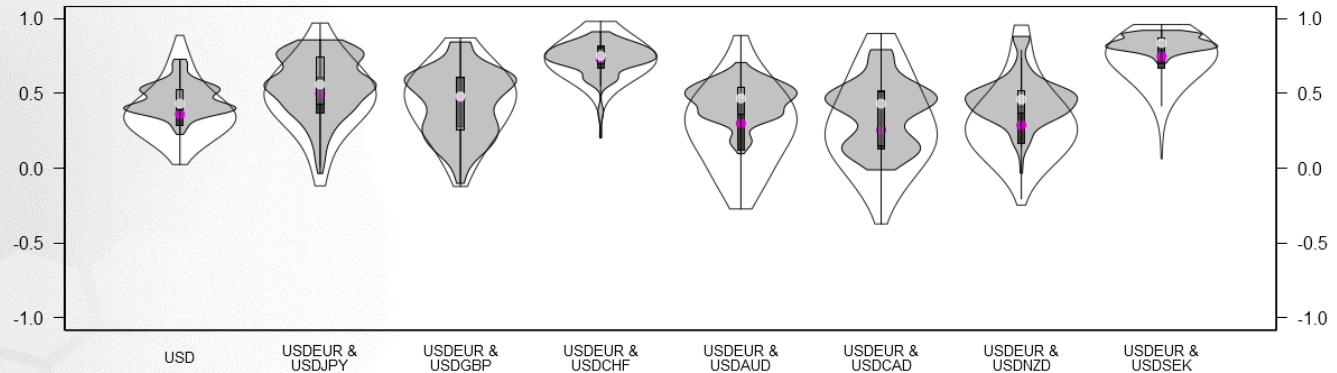
Correlations



Despite the fact that the dollar started the week with a sharp drop, the average values of the Greenback's significance measure and most of the USD/EUR components have increased comparing with the both the short-term and long-term values. The most notable strengthening was observed in bond with Pacific currencies. Thus USD/EUR correlations with USD/AUD and USD/NZD exceeded the previous averages by 0.22 and 0.18 points respectively. The USD composite, in turn, added 0.06 points comparing with the previous period. However, the aggregate ended the week with the 0.39 points lost.

The US labour data published past week pushed the dollar's composite to the level of 0.73. However the aggregate failed to stay on such high level and on Monday it has sharply fell to 0.31. Slight strengthening of the measure took place on Tuesday, and by the Wednesday's morning the composite increased to 0.56 mark. Thursday started with the Mario Draghi's statements, which led to the weakening of the measure, and it reduced up to the minimum value of the period (0.23). Afterwards, following the Yellen speech the composite jumped to the 0.54 level and continued to grow till Friday. On Friday the disappointing US retail sales and PPI data caused the weakening of the measure, and it began gradually decrease. Thus the composite lost 0.3 points and ended the week at the level of 0.34

Correlations (5 vs 20 days)

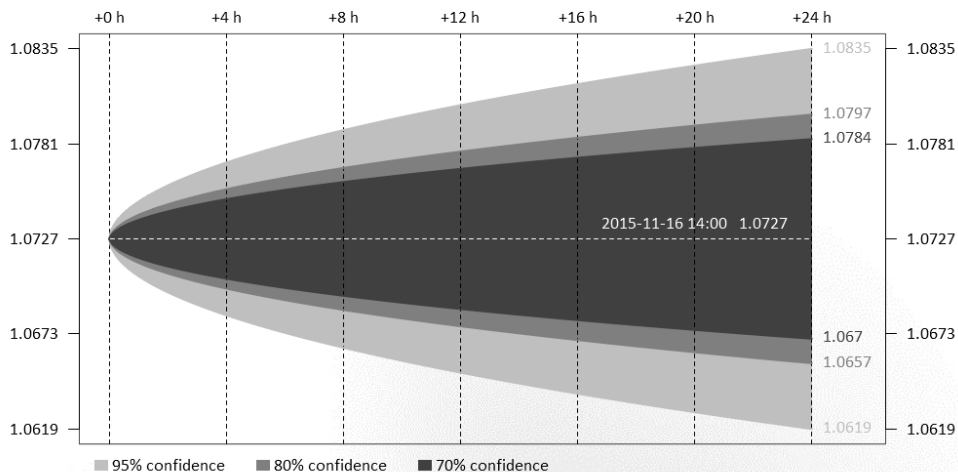


Mean Correlation Coefficient (with USDEUR)

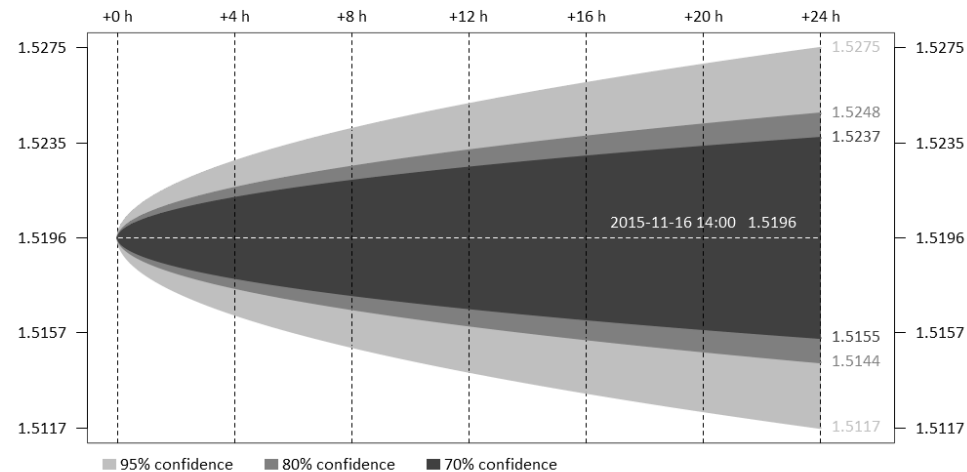
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.46	0.55	0.43	0.73	0.45	0.37	0.46	0.83
20	0.39	0.48	0.44	0.74	0.29	0.31	0.32	0.74
130	0.41	0.46	0.48	0.74	0.35	0.34	0.36	0.76
250	0.44	0.44	0.54	0.71	0.43	0.39	0.45	0.72

Confidence Intervals for Next 24 Hours

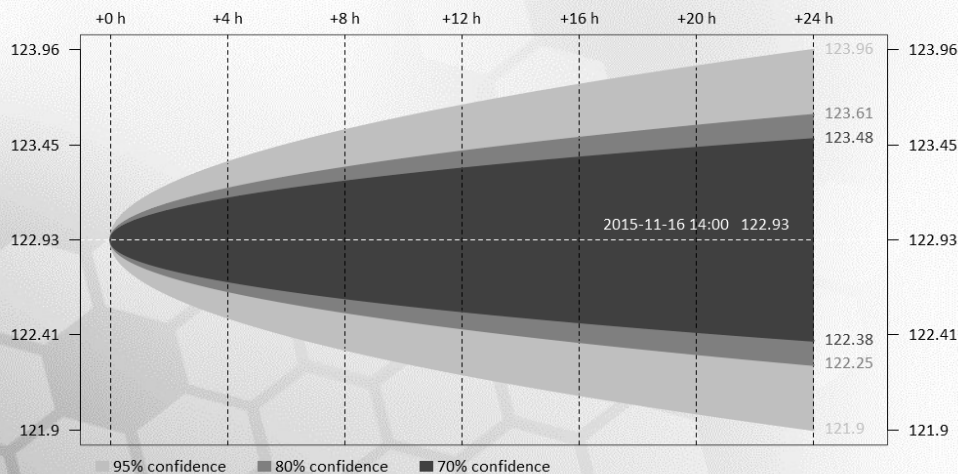
EURUSD Potential Rates



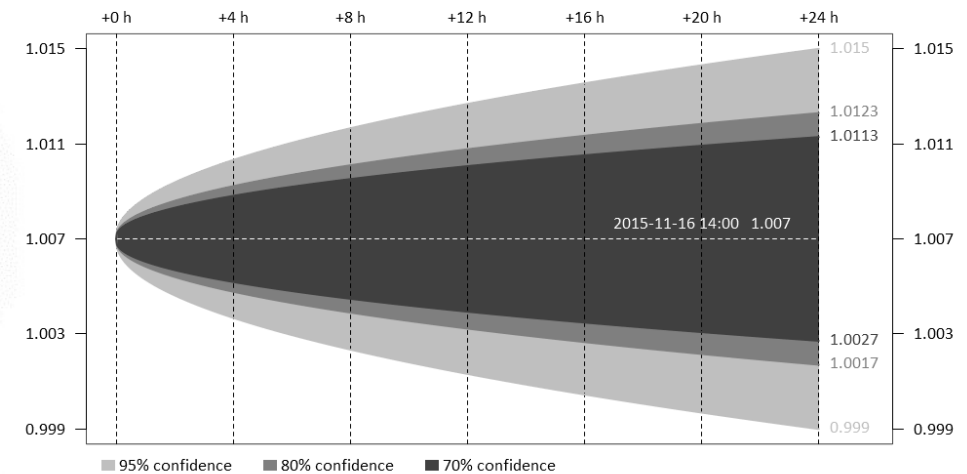
GBPUSD Potential Rates



USDJPY Potential Rates



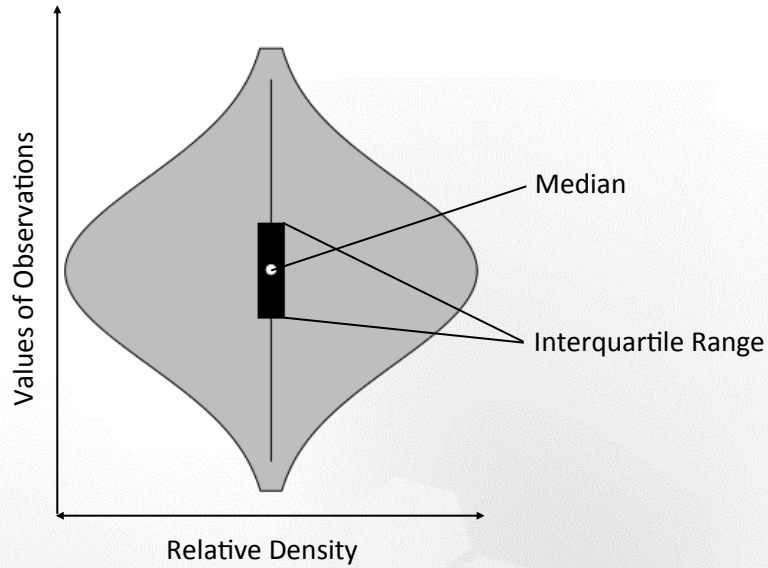
USDCHF Potential Rates



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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