



EUR

27/11/2015



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RESEARCH PRODUCTS



Market Research



Dominant Events of the Period

Yellow Area

November 20

07:30 - 16:30

- *ECB President speech*
- *UK Public Sector Net Borrowing*
- *Bank of Canada Consumer Price Index*

Turquoise Area

November 23

11:30 - 16:00

- *US Chicago Fed National Activity Index*
- *US Markit Manufacturing PMI*

Blue Area

November 24

08:00 - 20:00

- *IFO German Business Climate*
- *RBA Governor Glenn Stevens Speech*
- *BOE Governor Carney Speech, Inflation reports*
- *US GDP, Consumer Confidence*

Purple Area

November 25

07:30 - 17:00

- *US Personal Spending, Personal Income, Initial Jobless Claims, Durable Goods Orders, Markit Composite PMI*

EUR Currency Index Change

-0.24%

-0.24%

-0.06%

-0.31%

Max EUR Volatility Index

1.21

1.56

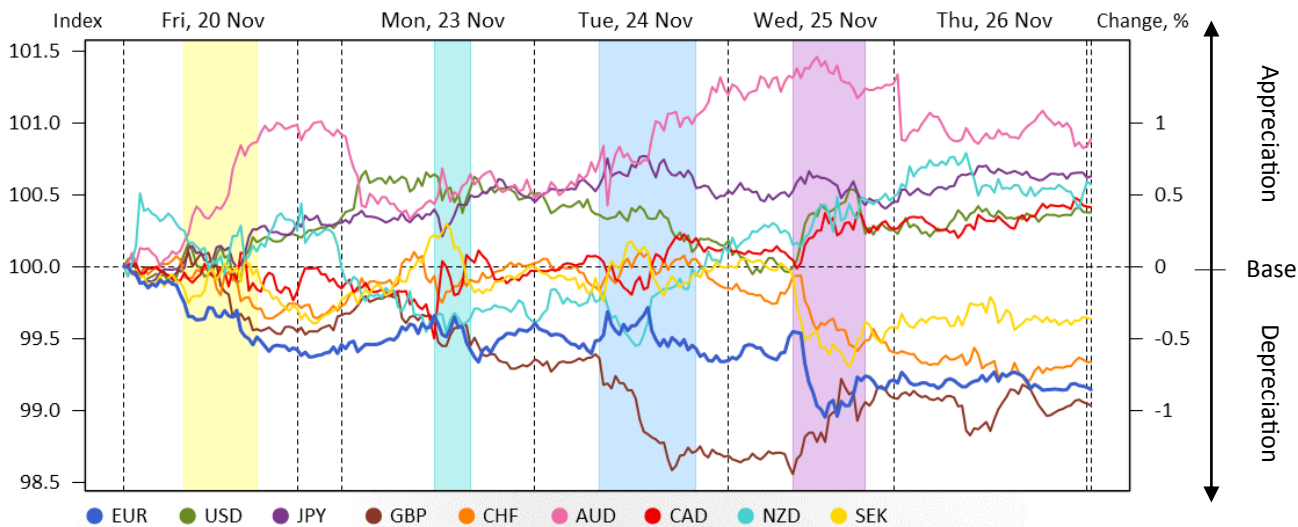
1.28

1.53



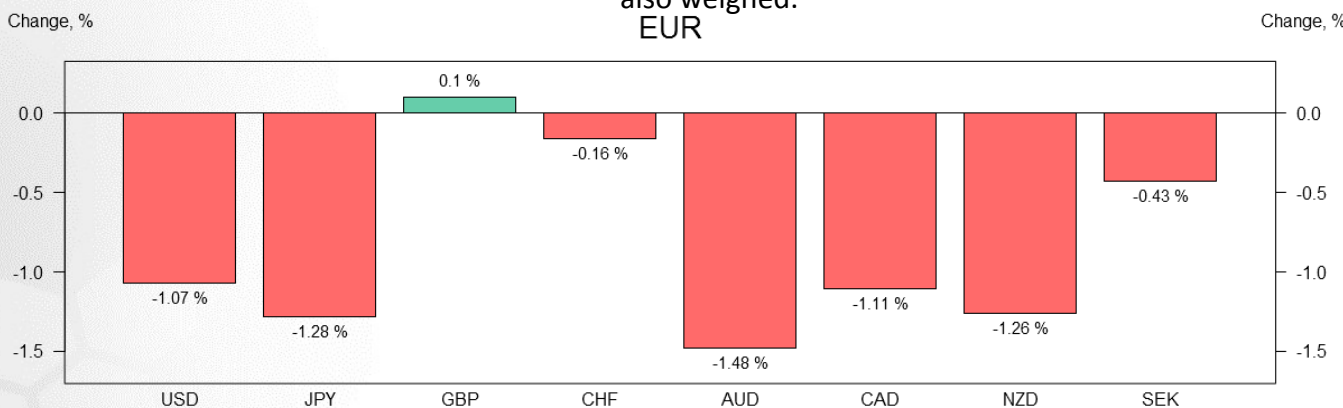
Relative Currency Strength

Currency Indexes



The period, which put most of the observed indexes either on or above the baseline, resulted in a 0.8% loss for the EUR Index, making it the week's second worst performer. The only peer to fall behind the Euro's measure was the Pound gauge, which was weighted down by the decent data in the US and dovish sentiment coming from the Bank of England at Parliament's Treasury Select Committee hearing set the dollar off on a tear on Tuesday. On the other side of the baseline, the Aussie remained the leader and posted a 0.84% weekly gain, greatly supported by the strong prices on the country's export commodities while RBA Governor Stevens' speech also weighed.

The EUR Index started the period with a strong downside movement, amid heightened expectations that the European Central Bank will scale up its monetary easing programme next month, while the strong US data added to expectations that the Federal Reserve will raise interest rates next month, boosting demand for the greenback. The gauge stayed low over the weekend and for most of Wednesday, before entering its sharpest decline after the US Commerce Department reported that new home sales rose by 10.7%. It tumbled from 99.9 points in the beginning of the meeting to 98.7.



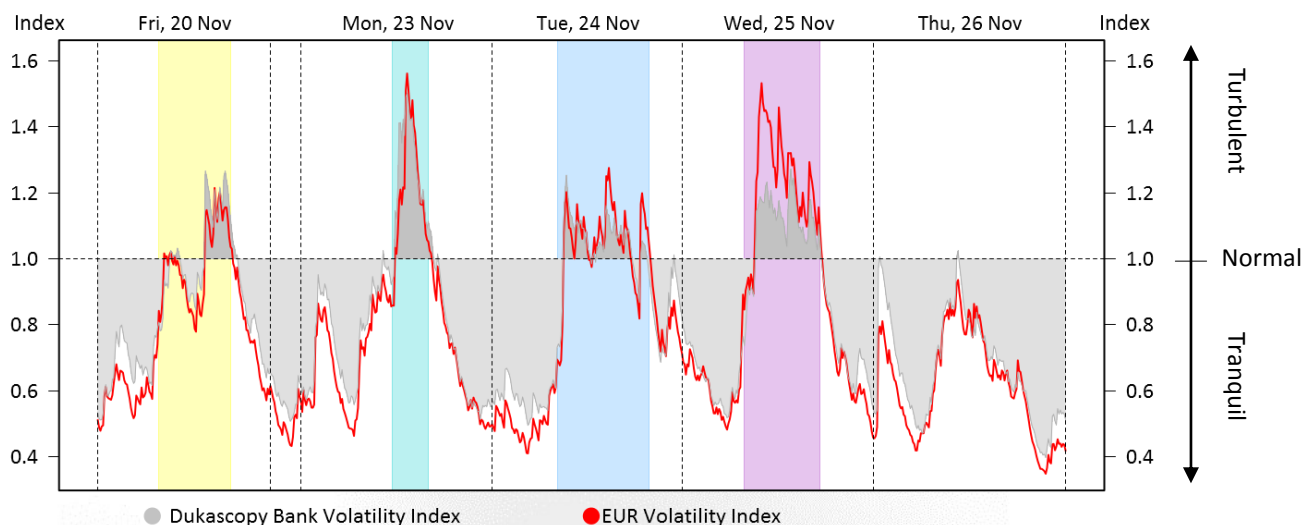
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.84%	0.38%	0.62%	-0.95%	-0.66%	0.84%	0.42%	0.59%	-0.36%
20	-2.29%	1.57%	0.22%	0.11%	-1.94%	3.94%	0.63%	-1.2%	-0.87%
130	0.46%	3.52%	5.67%	2.93%	-4.63%	-2.21%	-3%	-4.86%	1.91%
250	-6.1%	12.42%	7.74%	7.42%	5.35%	-6.39%	-6.31%	-7.92%	-6.2%



Volatility

Volatility



In a terms of the elevated volatility, the market and the Euro continued the previous week tendency. Thus the portions of elevated volatility of the aggregate and EUR were 24% and 22%, respectively. For the most of the components the past week quite turbulent. The major gainers were EUR/CHF, EUR/CAD and EUR/SEK, the components showed relatively high results, having held above the 1-point level 28% and 31% of the observed week. The highest peaks of the market and EUR volatility indexes even manage to reach 2 points. Among the components, EUR/CHF, EUR/AUD and EUR/CAD managed to overcome the 2-point level.

The period has started with the less volatile day for the both the market and the single currency. On Monday, the Euro volatility followed the dollar which picked up pace, despite relatively disappointing data from the American side. The next day increased geopolitical tensions, after Turkey shot down a Russian jet supported the euro, which managed to bounce off April lows. Wednesday's peak of the EUR volatility also was caused by the US economic news following a raft of US macro data that kept the door open for an interest rate hike. Therefore, volatility peaks mostly were associated with the Greenback movements, and expectations of the December's rate hike.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
24	22	22	21	21	28	21	28	9	31

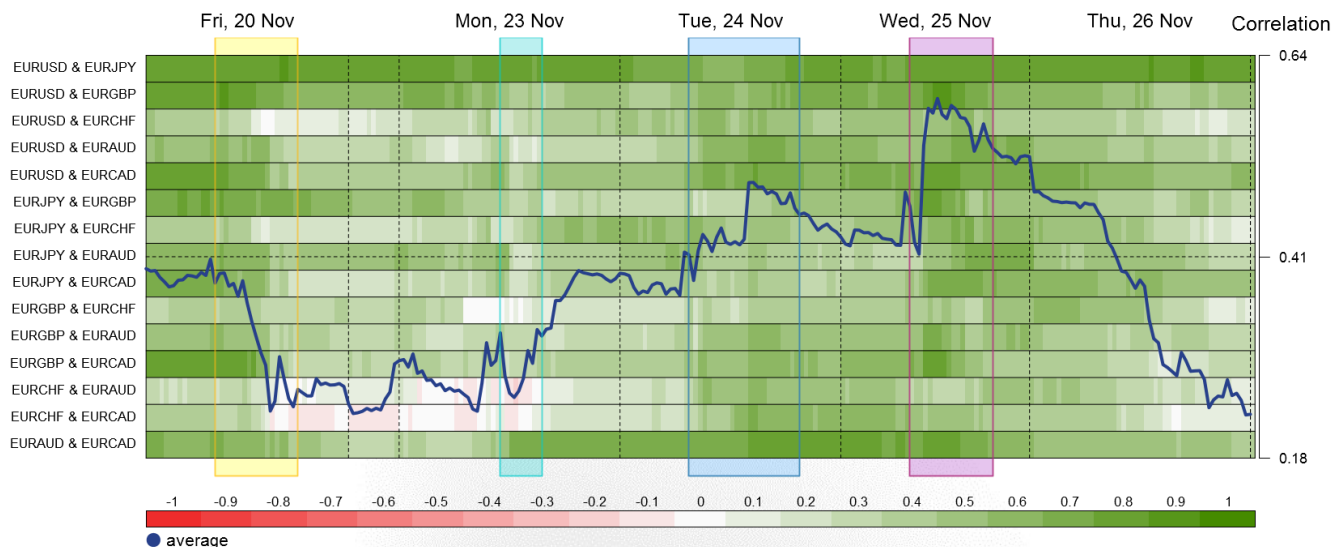
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.5	1.56	1.56	1.65	1.86	2.28	2.49	2.73	1.47	2.17
Min	0.4	0.35	0.21	0.27	0.23	0.31	0.4	0.27	0.3	0.11
Average	0.8	0.77	0.74	0.78	0.73	0.83	0.83	0.82	0.72	0.78



Currency Significance

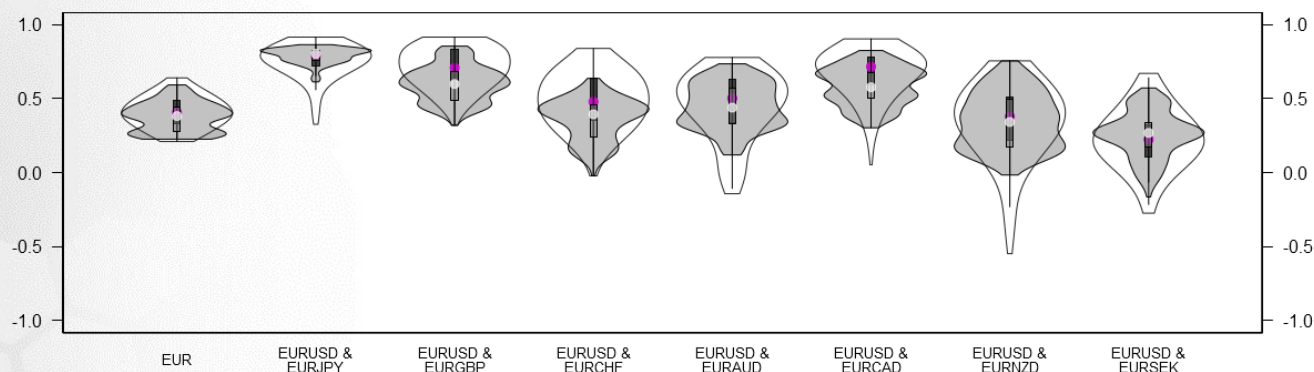
Correlations



For the second week in a row the single currency significance measure managed to rebound. Thus in a three trading days the composite has strengthened by 0.35 points. However, the distributions of the EUR/USD components shifted down slightly, though most of their average decreased compared to the previous readings. The most notable loss was observed in the component containing EUR/CHF, which showed the downward trend throughout the period and lost 0.11 points to its average.

The Euro composite had a weak start on Friday and reached fresh seven-month lows, after European Central Bank President Mario Draghi gave the clearest signal yet that the Bank may unveil fresh stimulus measures at its December meeting. However, the composite started to grow, reaching its maximum value on Wednesday, right before the steepest decline. The composite reached the 0.21 mark, and stayed on this level till the end of the period.

Correlations (5 vs 20 days)



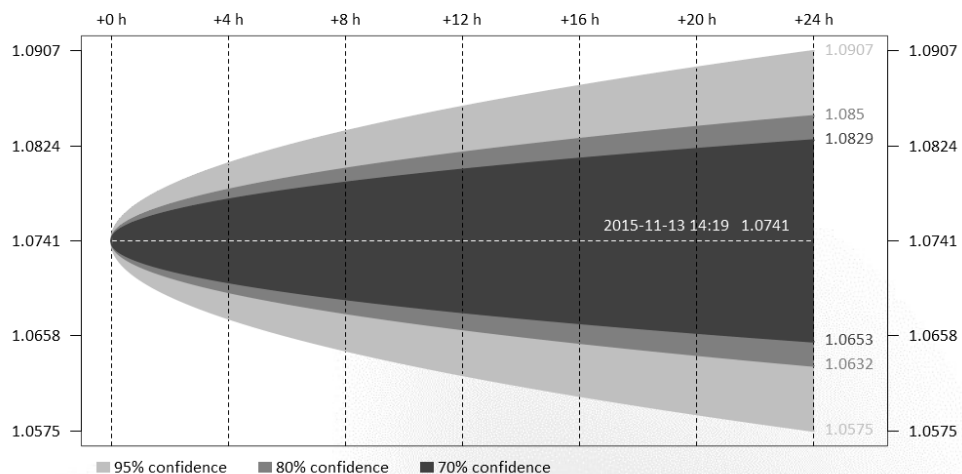
Mean Correlation Coefficient (with EURUSD)

Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.38	0.79	0.6	0.36	0.45	0.58	0.35	0.26
20	0.41	0.76	0.71	0.48	0.45	0.68	0.34	0.23
130	0.4	0.72	0.72	0.37	0.48	0.67	0.41	0.21
250	0.37	0.67	0.68	0.31	0.43	0.65	0.37	0.17

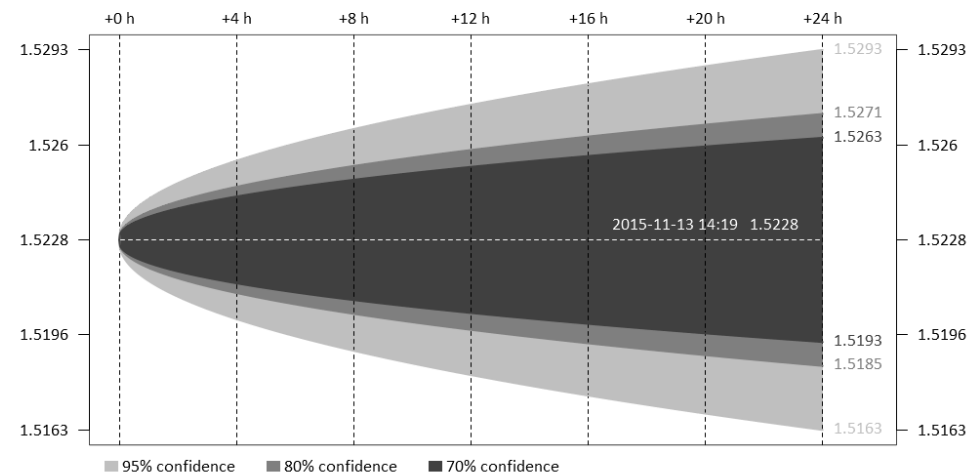
Friday, November 27, 2015
15:30 GMT

Confidence Intervals for Next 24 Hours

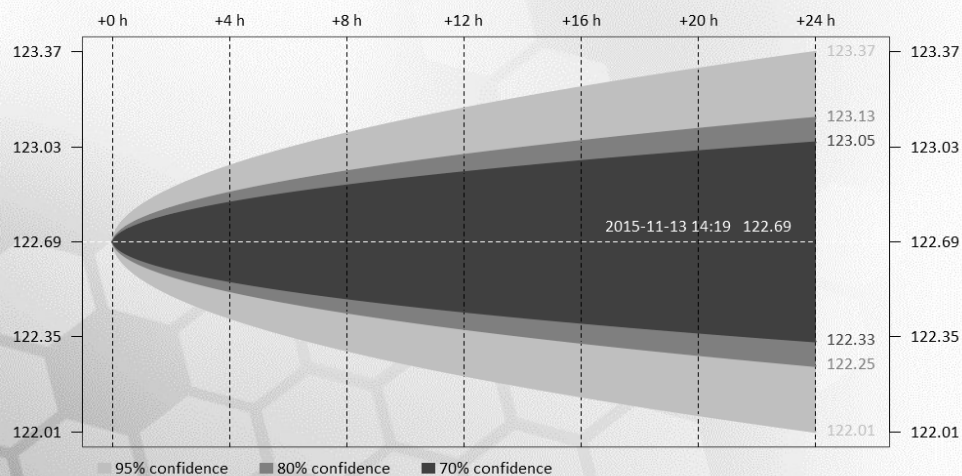
EURUSD Potential Rates



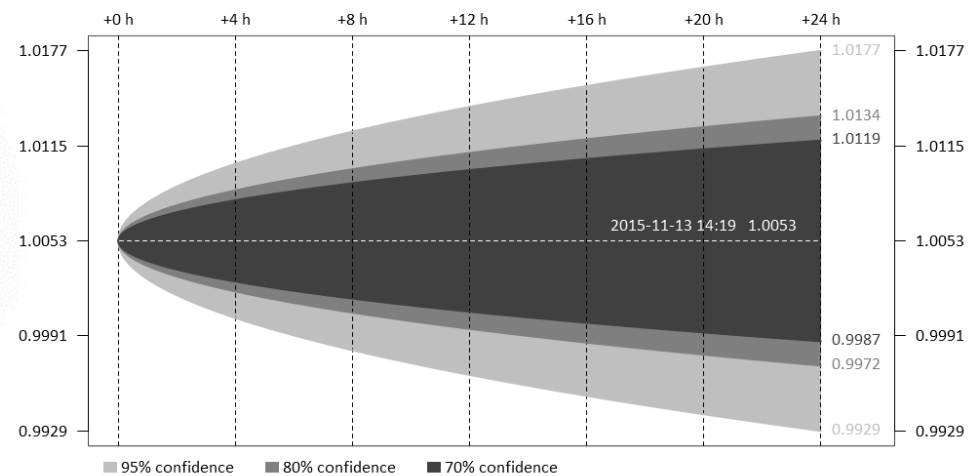
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

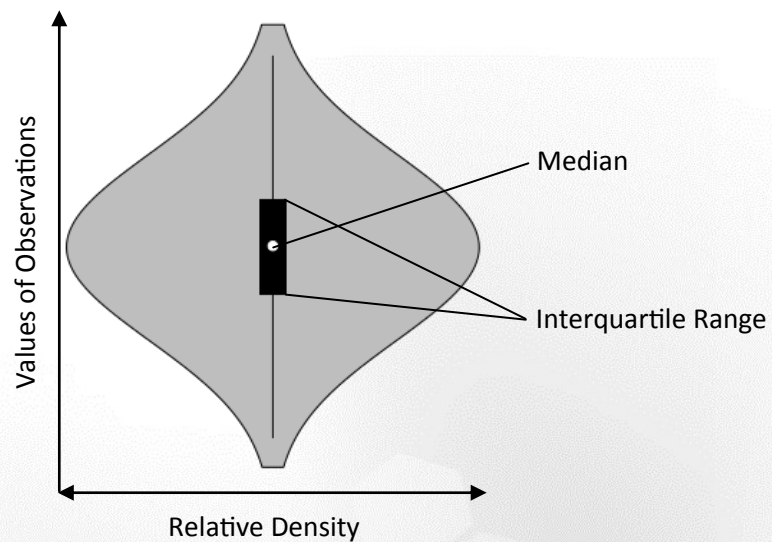
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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