



EUR

11/12/2015



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

December 4

07:00 - 18:30

- US unemployment rate, Nonfarm Payrolls, Trade Balance
- Canadian Unemployment rate, Ivey Purchasing Managers Index

Turquoise Area

December 7

08:00 - 17:30

- US Labor Market Conditions Index
- BOE Governor Carney Speech

Blue Area

December 8

07:00 - 18:00

- EU Gross Domestic Product
- Canadian Housing Starts
- UK NIESR GDP Estimate

Purple Area

December 9-10

08:00 - 3:30

- RBNZ Interest Rate Decision, Monetary Policy Statement
- Foreign Investment in Japanese stocks
- RBA Governor Glenn Stevens Speech, Unemployment rate, Participation rate, Employment change

Orange Area

December 10

08:00 - 17:30

- SNB Interest Rate Decision
- UK Trade Balance, BOE Interest Rate Decision
- US Initial Jobless

EUR Currency Index Change

-0.15%	0.12%	0.13%	-0.15%	-0.24%
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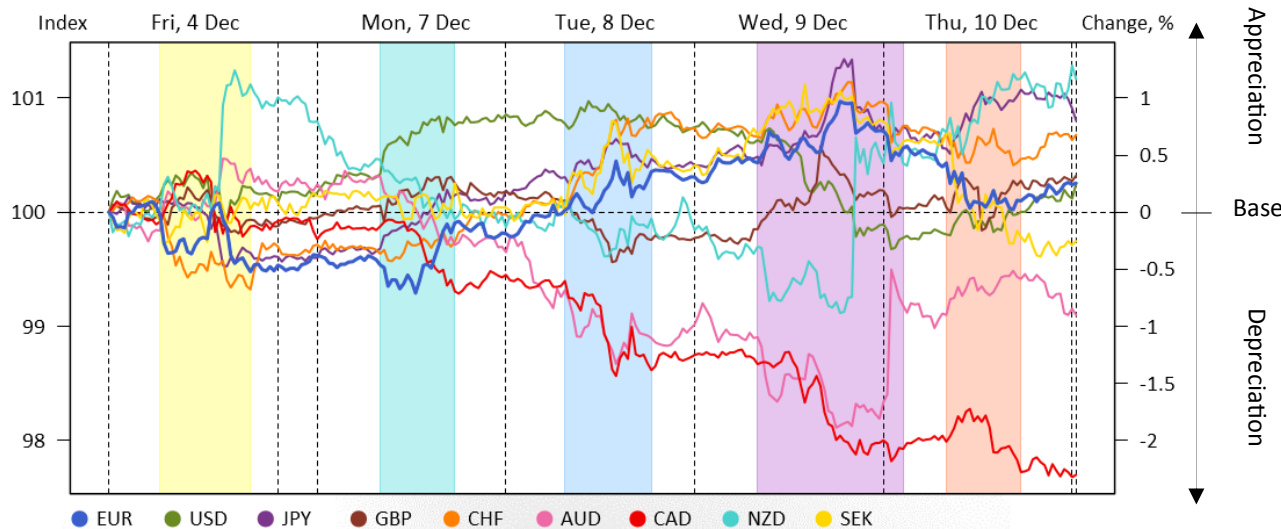
Max EUR Volatility Index

2.07	1.56	1.28	1.66	1.65
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Relative Currency Strength

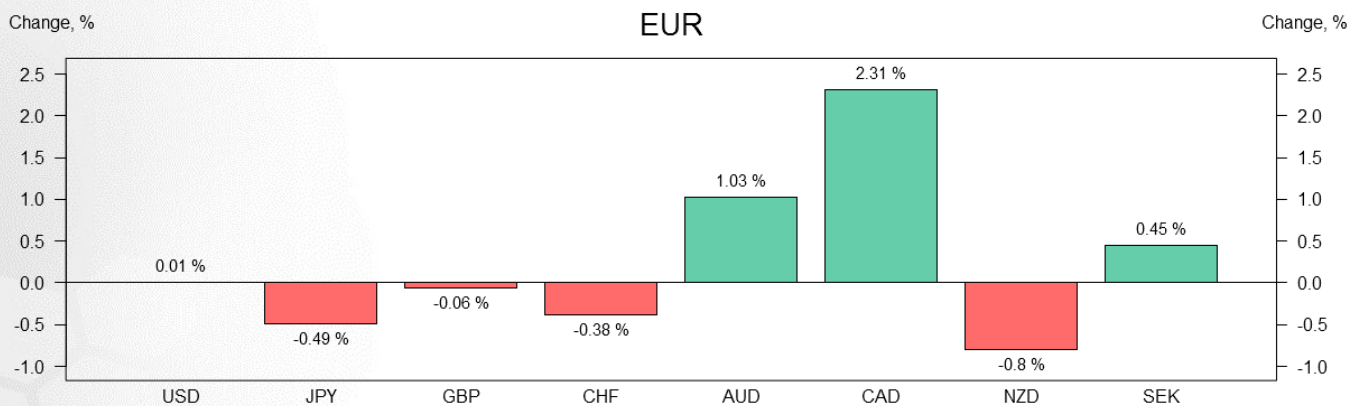
Currency Indexes



The releases of significant economic news, which notably influenced the currencies, were concentrated in the first and the last days of the observed period. Only a few releases took place on Monday-Tuesday, which, in fact, significantly affected the market. However, the EUR index was quite changeable during these days. For example, on Tuesday it started to increase, continuing to retrace its ECB-surge and extending the previous gains, while German trade figures had a minor effect on the currency. Germany's trade surplus shrank in October, but was still higher than expected. Both exports and imports declined more than expected.

Meanwhile, the Canadian dollar reached a new decade-low, as traders geared up for a speech from BoC Governor Stephen Poloz and digested US JOLTS figures. Lower oil prices also weighed on the commodity based Loonie. The Australian dollar followed the CAD as Chinese trade figures for November showed further signs of weakness in Australia's biggest export market. The Chinese trade figures revealed exports plunging 6.8% year-on-year last month and imports sliding 8.7%.

During the whole period the Euro index was varying both below and above the baseline, but managed to finish the period in the appreciation area.



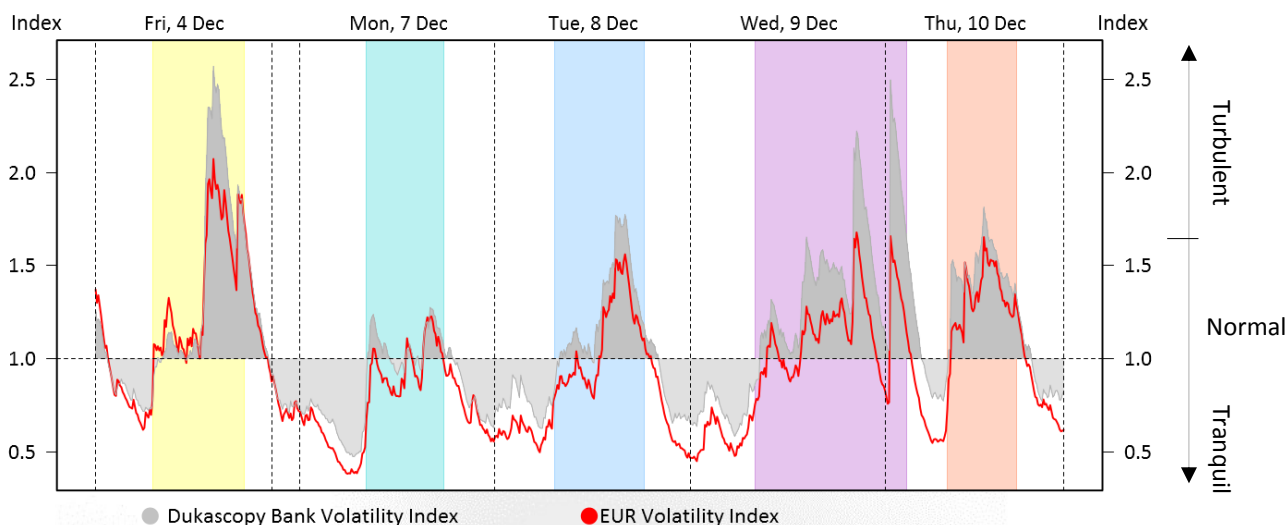
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.25%	0.24%	0.8%	0.32%	0.68%	-0.9%	-2.3%	1.17%	-0.25%
20	0.76%	-0.7%	-0.2%	-1.22%	0.59%	1.13%	-4.13%	3.09%	1.07%
130	1.11%	4.25%	5.82%	1.15%	-2.22%	-3.12%	-7.22%	0.27%	-0.32%
250	-4.61%	10.31%	6.21%	5.94%	7.37%	-5.28%	-9.27%	-6.58%	-3.99%



Volatility

Volatility



Market volatility was evolving on an ordinary pattern during the week, showing moderate turbulence during the US and Asian trading session. The most changeable and thus the most volatile was the Swedish Krona, whose index spent 57% of time above the 1.0 point level. The Yen, in turn, was the most tranquil in terms of elevated volatility portion, as the world's third-largest economy avoided technical recession and added to speculation that the BoJ will refrain from more stimulus in January. The most conspicuous surge of the market volatility was observed on Friday, when the market was awaiting Canadian employment reports, and early on Thursday morning, after the publication of

extremely strong Australian employment data that wiped out the New Zealand dollar's post-RBNZ meeting gains.

As there was a lack of influential fundamentals from the Euro zone during the period, the majority of the single currency's volatility spikes were associated with the releases on peer economies. Wednesday was the most turbulent day for the single currency after the European Central Bank's Governing Council member Ewald Nowotny said financial markets formed an absurd expectations for increased stimulus. Nevertheless, the index lost the positions later on Thursday.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	54	41	21	20	33	22	53	38	45	57

Volatility Index (for the observed period)

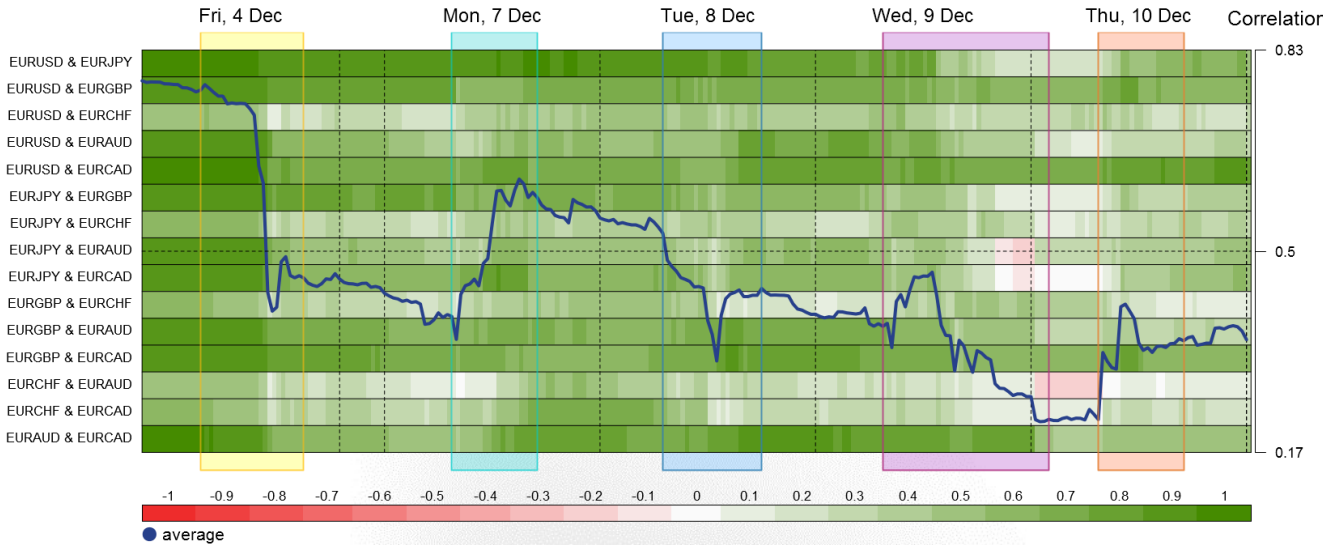
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.57	2.07	2.9	2.06	2.14	2.12	5.86	2.91	4.3	3.51
Min	0.47	0.38	0.22	0.26	0.28	0.29	0.34	0.27	0.42	0.18
Average	1.1	0.95	0.77	0.77	0.87	0.79	1.12	0.97	1.1	1.14



Currency Significance

Correlations

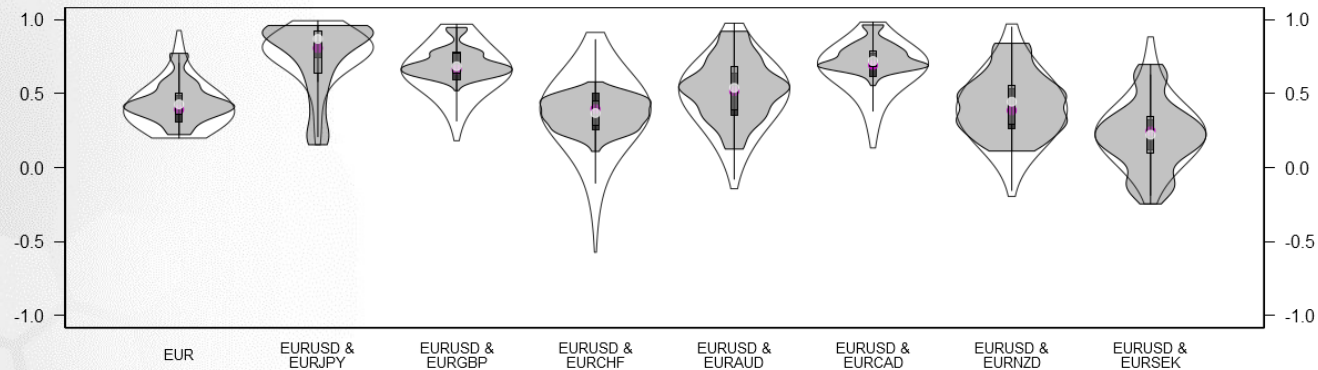
The Euro's correlation levels picked up from the previous period's readings, with the composite's values shifting away from the lower part of the monthly distribution. Among the EUR/USD components, the most notable overall strengthening occurred in the pair's bonds with EUR/GBP, EUR/CHF, and EUR/CAD. EUR/CAD and EUR/GBP, along with EUR/JPY, posted the greatest average correlations with EUR/USD, with all values at or above the 0.70 points level. Moreover, EUR/USD-EUR/CAD and EUR/USD-EUR/AUD components lifted their averages notably



higher than the long-term values, posting 0.10 points over the annual means.

The period started with the Euro composite's fall from the Thursday's one-month high, as a correction from the ECB decision on extending the length of QE and do not increase the amount. Moreover, the measure continued its negative development during the whole observed period. On Thursday, the composite reached its weakest point, with only a few minor swings in the middle of the day. Nevertheless, the Euro's correlation composite was not the weakest of the observed measures and stood above those of some of its counterparts.

Correlations (5 vs 20 days)

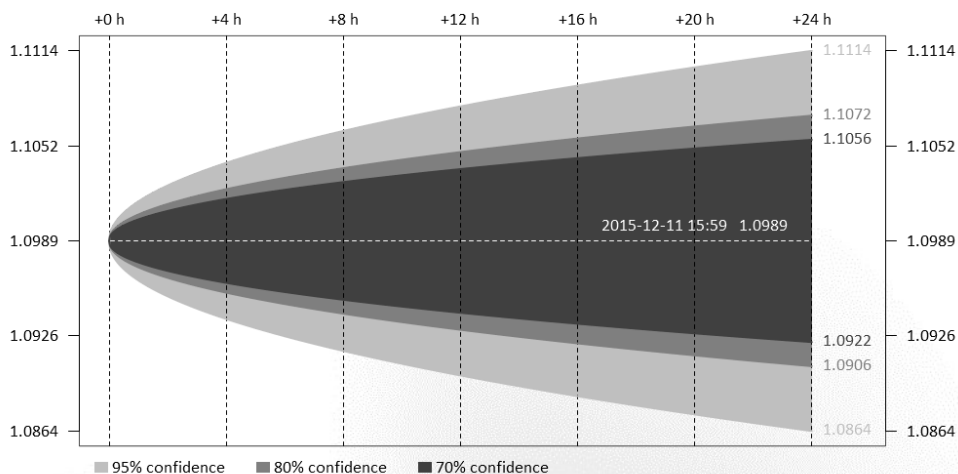


Mean Correlation Coefficient (with EURUSD)

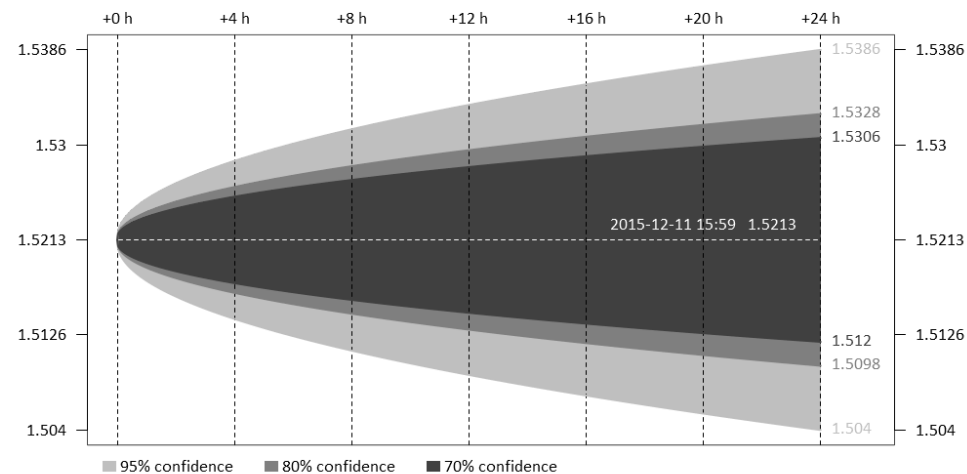
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.44	0.75	0.7	0.37	0.54	0.75	0.44	0.21
20	0.41	0.77	0.67	0.37	0.5	0.68	0.4	0.24
130	0.4	0.71	0.71	0.36	0.48	0.66	0.41	0.21
250	0.38	0.69	0.69	0.33	0.44	0.65	0.38	0.18

Confidence Intervals for Next 24 Hours

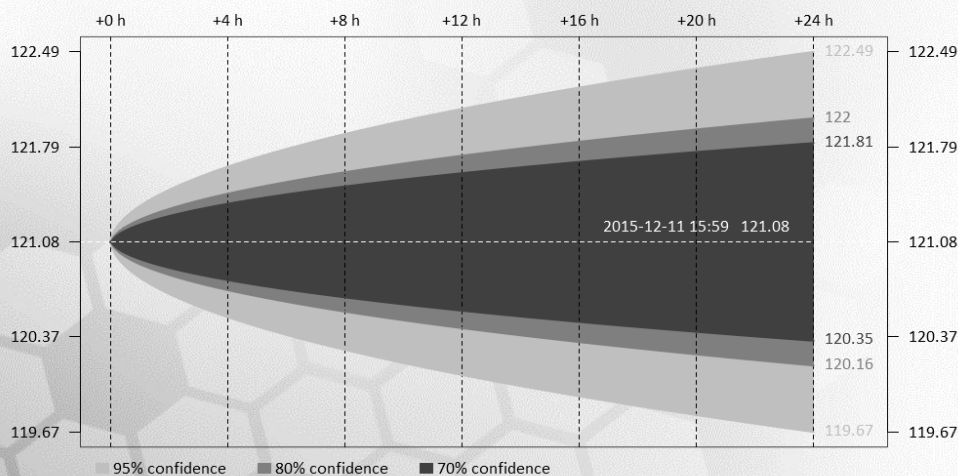
EURUSD Potential Rates



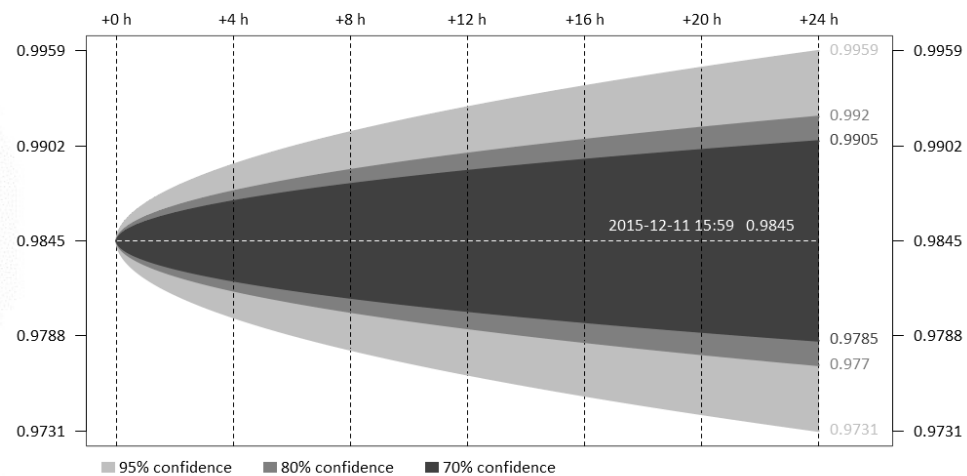
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

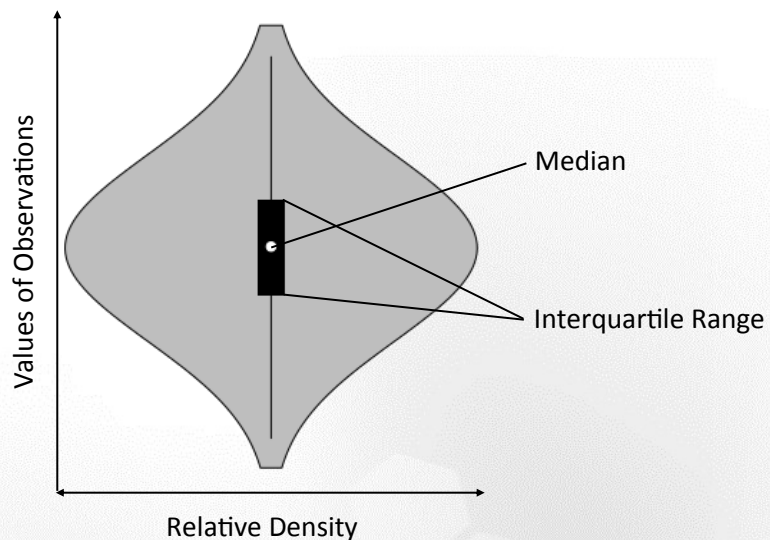
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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