



USD

28/03/2016



DUKASCOPY
RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

March 21

05:30 - 15:00

- EMU Current Account, Flash Consumer Confidence
- US Chicago Fed National Activity Index, Existing Home Sales
- Australian CB Leading Indicator

Turquoise Area

March 22

05:30 - 12:30

- RBA Governor Stevens' Speech
- Swiss Trade Balance
- German, EMU Flash Markit PMI
- German IFO, ZEW Survey
- UK CPI, PPI, Public Sector Net Borrowing

Blue Area

March 23

05:30 - 16:00

- Swedish Consumer Confidence
- Swiss ZEW Survey
- US New Home Sales
- SNB Quarterly Bulletin

Purple Area

March 24

06:00 - 15:30

- German Gfk Survey
- Swedish PPI
- EMU Economic Bulletin, Targeted LTRO
- UK Retail Sales
- US Jobless Claims, Durable Goods Orders, Flash Markit Services PMI, PMI Composite

USD Currency Index Change

0.03%

0.21%

0.47%

-0.02%

Max USD Volatility Index

0.97

1.17

1

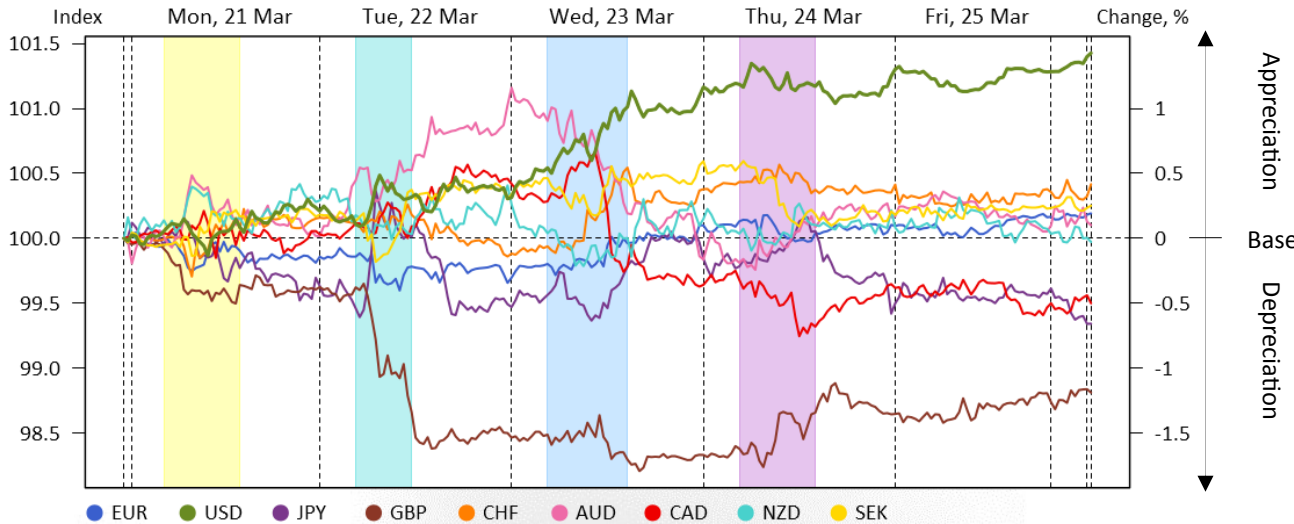
1.01



Relative Currency Strength

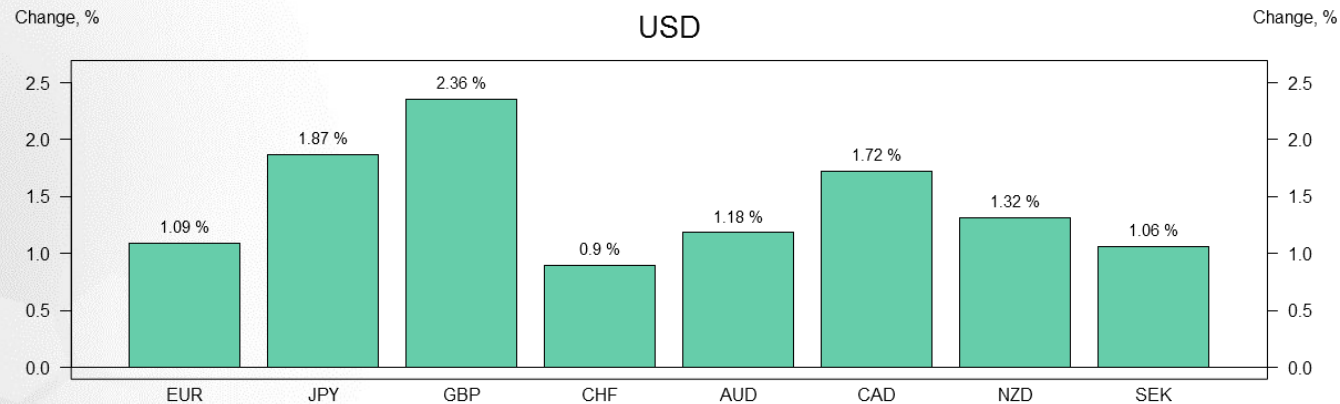
Currency Indexes

The past week was largely tranquil for the observed currencies, as most of the indexes stagnated on the levels between -0.5% and +0.5%. A notable exception in the negative area was the pound's gauge, which failed to derive long-term benefit from the post-Fed surge and plummeted on Tuesday, when tragic events in Brussels drove investors away from the European currency. Already weakened by the growing "Brexit" concerns, the GBP Index lost around 1.3 points by afternoon and remained close to 98.5 points mark till the end of the week. Meanwhile, the US dollar's, the Loonie's, the Aussie's, and the krona's indexes



were the ones to take off on Tuesday, but the Greenback's gauge was the only measure to retain the uptrend. The AUD Index experienced the strongest upsurge, but gradually eased to the baseline the next day, while its Canadian peer slumped with another drop in the oil prices. The SEK Index managed to hold on the achieved level a day longer, but lost its ground with a decline in PPI reported on Thursday.

The USD Index spent the week recovering from the March 16 tumble, and managed to outperform all of its counterparts with some hawkish comments from the Fed officials. Ultimately, the Greenback posted over 1% gains against its major peers, and its index grew 1.4% over the week.



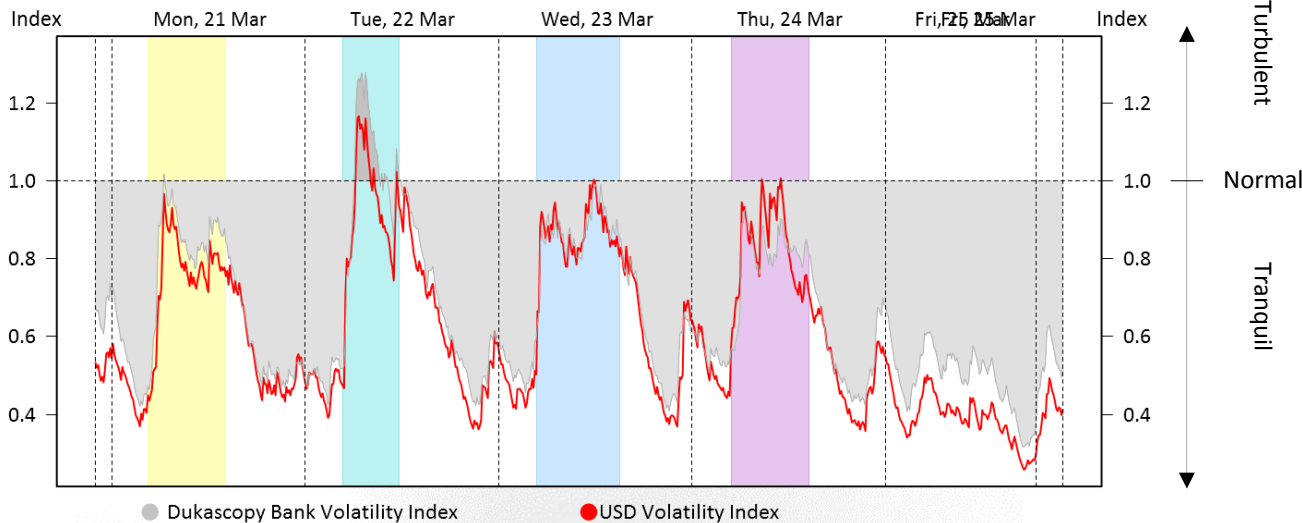
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.19%	1.43%	-0.66%	-1.19%	0.42%	0.1%	-0.5%	-0.03%	0.25%
20	0.38%	-1.98%	-2.42%	-0.08%	0.34%	3.7%	0.27%	-0.87%	1.05%
130	-1.6%	-1.67%	4.62%	-9.15%	-1.47%	6.68%	-1.16%	5.02%	0.58%
250	4.97%	2%	7.56%	-3.79%	0.24%	-1.38%	-3.76%	-11.71%	5.85%



Volatility

Volatility



Turbulent
Normal
Tranquil

As suggested by the currency indexes, the past week was extremely undervolatile for the market. Even against the background of the previous period's tranquility, the observed indexes hardly managed to reach above the reference line, with the aggregate measure posting the elevated volatility portion of 4% and the krona's gauge offering the highest reading of 17%. Two highest peaks of the indexes themselves stood just below 1.6 points and were both reached on Tuesday, when the pound tumbled and the safe-haven yen jumped. The only index to not reach its high on

Tuesday was the Loonie's gauge, which instead spiked to 1.3 points with the Canadian dollar's drop on Wednesday.

The Greenback's was overturbulent in 2% of the time, and most of it was associated with the currencies' rapid changes on March 22. Aside from that jump, the dollar's climb up was steady throughout the period, and its volatility index remained in the tranquil territory. The dollar's most volatile pairs were USD/CAD, AUD/USD, and GBP/USD, with the former two lifting their overturbulence portions with the Loonie's and the Aussie's downsides on Wednesday.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK	
	4	2	1	6	16	3	16	17	1	9

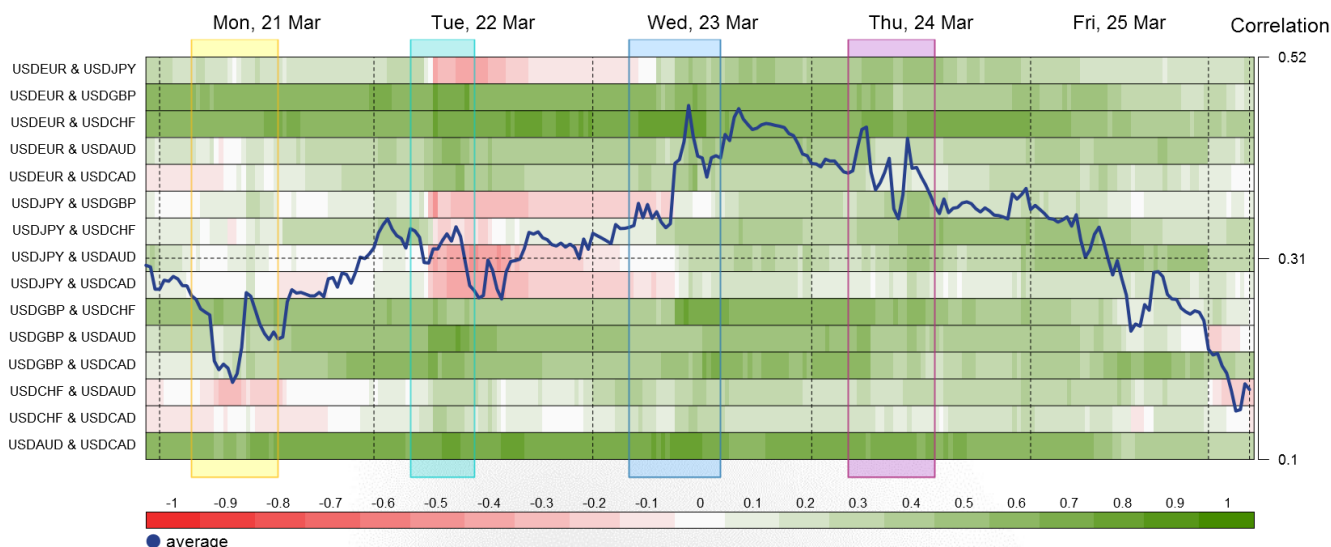
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.28	1.17	1.15	1.36	1.71	1.26	1.47	1.55	1.19	1.52
Min	0.32	0.26	0.12	0.13	0.24	0.19	0.19	0.22	0.26	0.16
Average	0.66	0.6	0.48	0.63	0.67	0.54	0.72	0.67	0.57	0.56



Currency Significance

Correlations

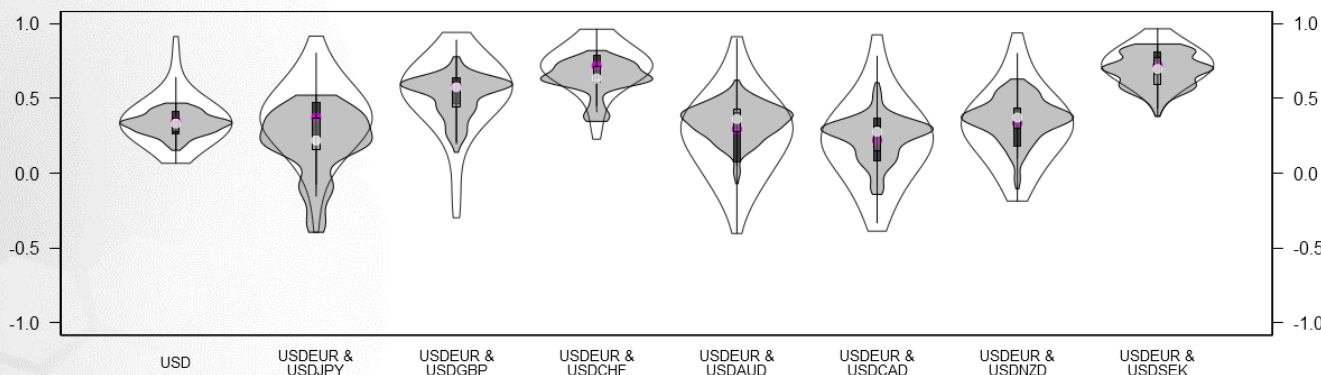


In the absence of any major moves from the dollar its correlation composite remained close to the significance threshold of 0.3 points during the week. Its average pulled back from the previous week's firmer reading, and the distribution shifted back towards the long-term average, cutting the positive tail short. Similar weakening was observed in the USD/EUR components, with the only the pair's bond with USD/JPY standing out with a palpable drop below zero. The change was, however, fully attributable to Tuesday's developments and did not spread further than

Wednesday morning. Nevertheless, strong negative values that were brought into the dollar's composite by USD/JPY correlation failed to cause a serious drop of the measure, outweighed by the strengthening of the bonds between other pairs.

Despite its feebleness, the Greenback's composite was not the period's worst performer, holding firmly above the Euro's gauge throughout the whole week and surpassing the franc's measure on Tuesday and Thursday. Notably, the Euro's and the dollar's composites stood more than 0.1 points below their counterparts on Monday, indicating that both main currencies were equally dominated by their peers.

Correlations (5 vs 20 days)

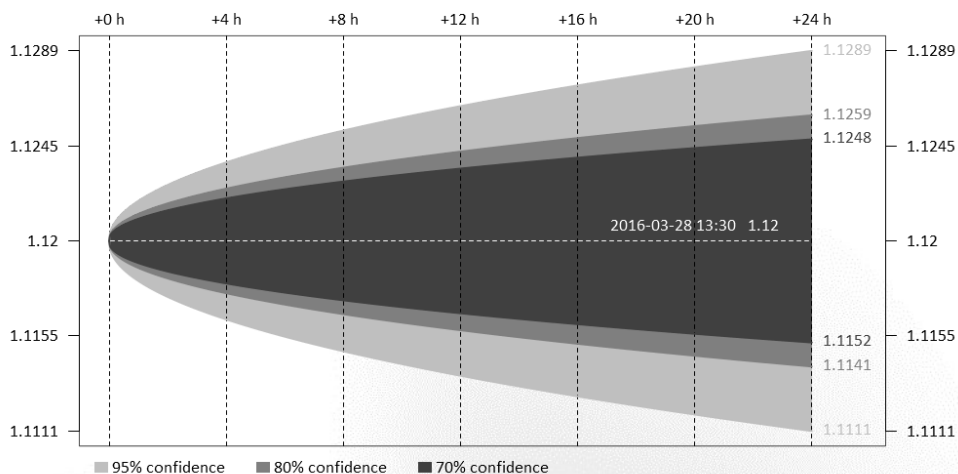


Mean Correlation Coefficient (with USDEUR)

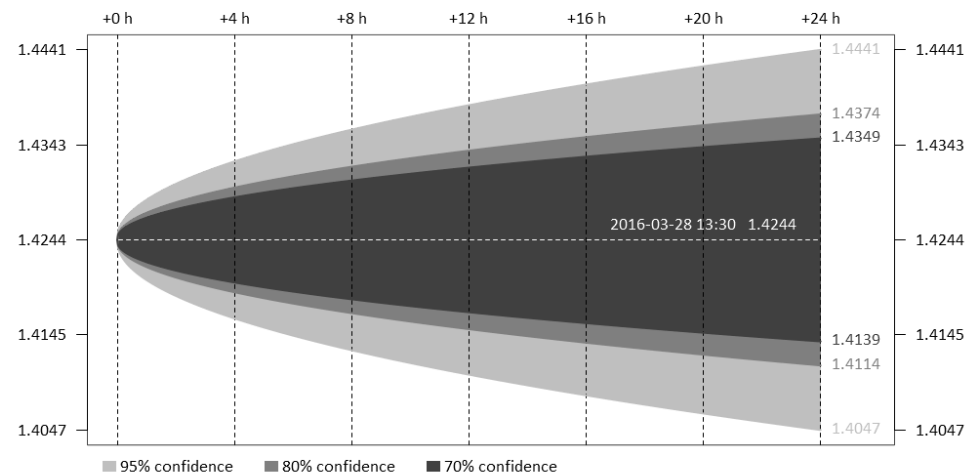
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.33	0.2	0.52	0.63	0.34	0.24	0.36	0.68
20	0.35	0.36	0.53	0.7	0.27	0.22	0.32	0.73
130	0.31	0.48	0.38	0.76	0.14	0.12	0.21	0.7
250	0.39	0.48	0.46	0.75	0.3	0.27	0.33	0.74

Confidence Intervals for Next 24 Hours

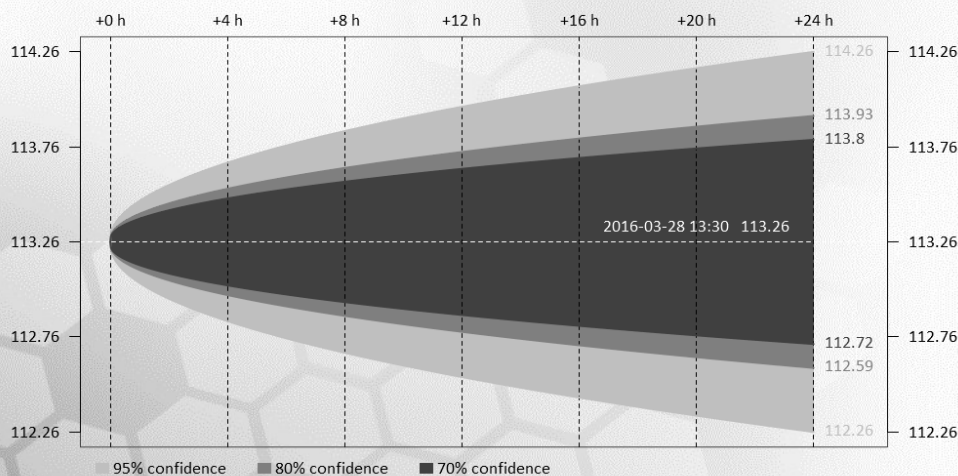
EURUSD Potential Rates



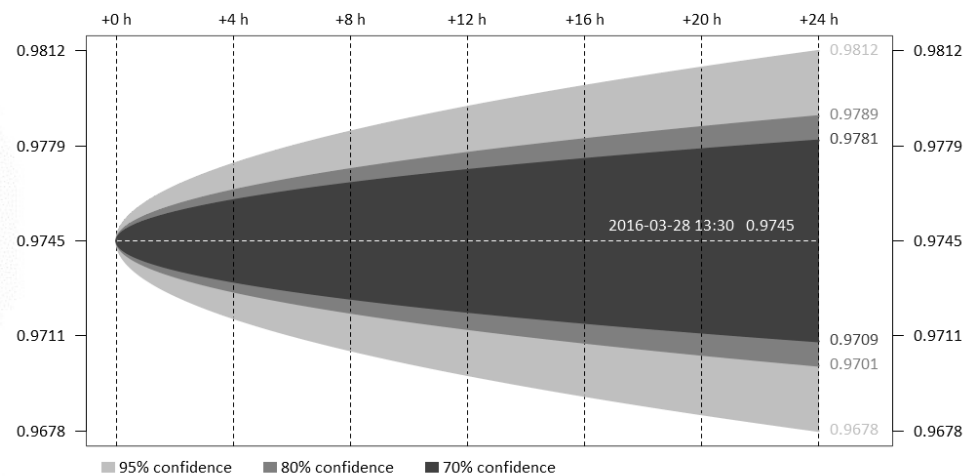
GBPUSD Potential Rates



USDJPY Potential Rates



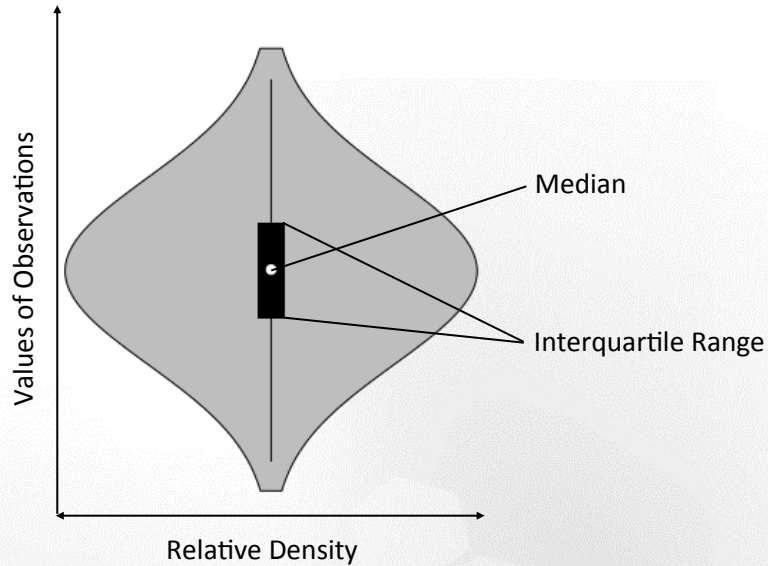
USDCHF Potential Rates



EXPLANATIONS

Violin Plot

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



Methodologies

Volatility Index

Confidence Interval



Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.