



EUR

01/04/2016



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

March 28

07:00 - 20:00

- *US Core Personal Consumption, Personal Income, Personal Spending, Pending Home*

Turquoise Area

March 29

06:30 - 23:30

- *US Consumer Confidence*
- *Japanese Industrial Production*

Blue Area

March 30

06:30 - 21:30

- *German Consumer Price Index*
- *US Employment Change*

Purple Area

March 31

09:00 - 20:00

- *EU Consumer Price Index*
- *US Initial Jobless Claims*

EUR Currency Index Change

0.04%

-0.1%

-0.01%

0.31%

Max EUR Volatility Index

0.86

1.24

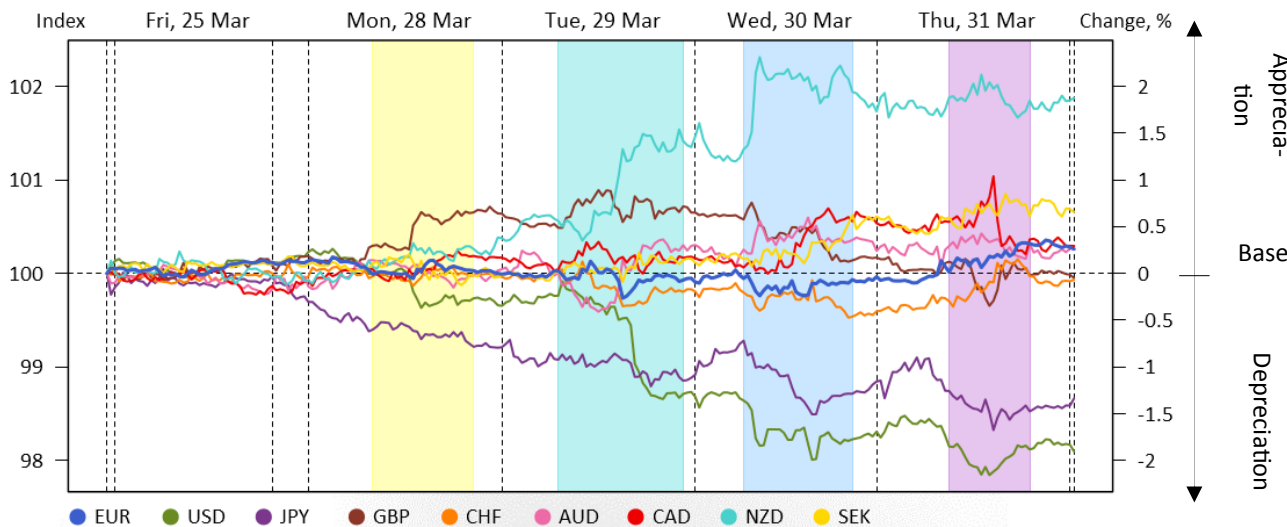
1.14

1.32



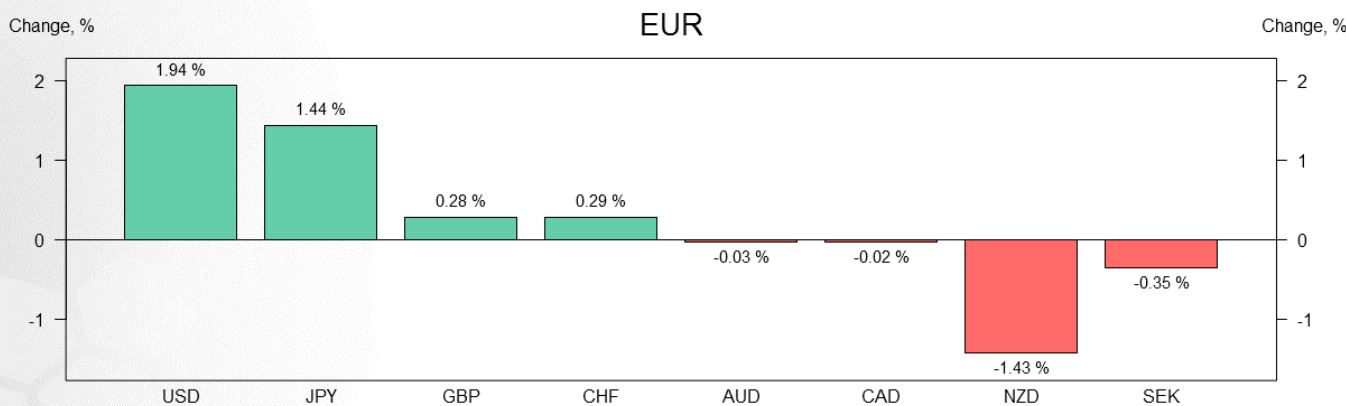
Relative Currency Strength

Currency Indexes



The period, which put most of the observed indexes either on or above the baseline, resulted in a 0.3% gain for the EUR Index while the major gainer was New Zealand Dollar which rose 1.88%, while Australian and Canadian dollar posted the same results, 0.29%, respectively. On the other side of the baseline, the Dollar remained the major leader in its losses and posted a 1.9% weekly drop. Meanwhile, the Yen continued to be second worst performer on the long-term basis, whereas the Pound's gauge as well as Frank's gauge stood among the weakest four.

The EUR Index started the period with a narrow period affected by Easter holidays and temporal absence of economic announcements, staying flat over the weekend. Moreover, over the whole week the common European currency lacked broader stimulus while traders eyed the US session which offered a speech from Fed Chair Janet Yellen as well as eventful data. It went up from 100 points in the beginning of the meeting to 100.25 by Thursday. The new trading offered a recovery, and some more points were gained as the Greenback dipped against its peers after the announcement of statements by Fed's representatives, which caused a fear of the rate hike postponement.



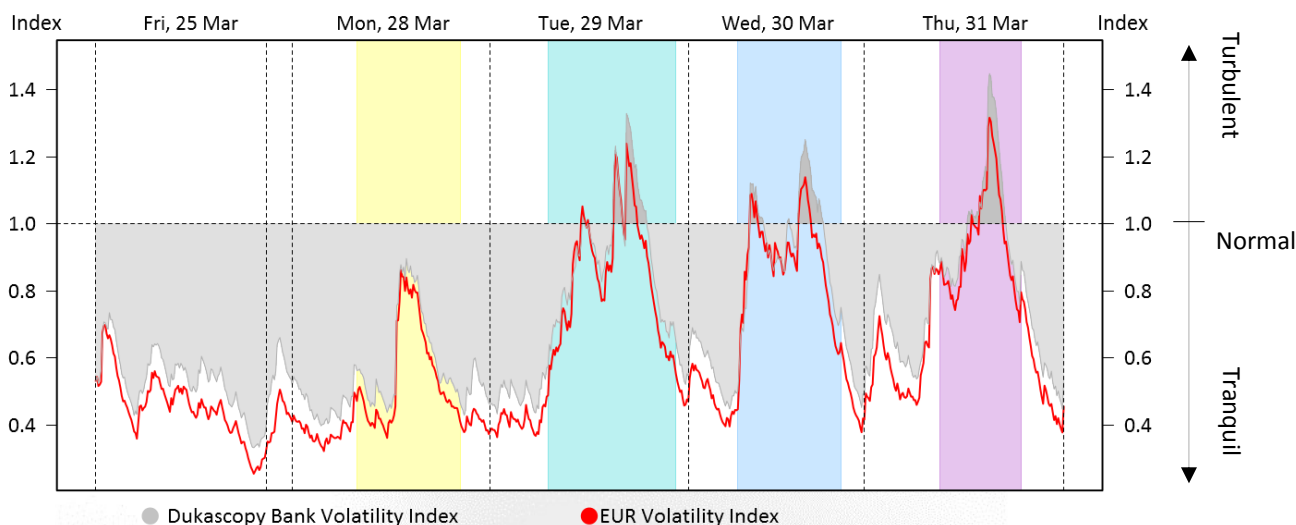
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.26%	-1.9%	-1.34%	-0.05%	-0.07%	0.29%	0.29%	1.88%	0.66%
20	1.21%	-3.04%	-1.48%	-1.42%	0.57%	1.51%	0.67%	-0.32%	2.35%
130	-1.06%	-3.29%	4.15%	-8.96%	-1.22%	6.98%	-1.17%	6.23%	0.17%
250	5.52%	-0.88%	6.47%	-4.49%	0.33%	-0.17%	-3.5%	-9.12%	5.82%



Volatility

Volatility



The week was extremely calm for the market in terms of both portion of elevated volatility (only 12%) and values of the Volatility index (with maximum of 1.45 points). It is worth noting that relative tranquility of the period was pointed out by the volatility indexes of all observed currencies. The most volatile was GBP with 20% portion of elevated volatility and 1.79 being the highest peak of the index, which was reached on Wednesday morning, right after the Fed Yellen's dovish statement that central bank will move cautiously with further rate hikes. The Yen, in turn, was the calmest, as its index never reached the average historical level.

The first days of the period was marked by the calm market performance, since trading volume was weak due to the Easter holidays settled in many countries worldwide which pushed down the single currency's volatility. Later, the EUR/USD index reached the 2.66 mark, after the US ADP employment report for March showed a 200,000 jobs gain, compared to expectations of 195,000 jobs, down from February's revised down 205,000 reading. Both the market and the EUR Volatility Indexes crossed the 1.4 level on Wednesday, reacting to news on oil's recovery as well as Dollar's weaknesses.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	12	8	10	2	20	14	9	12	6	15

Volatility Index (for the observed period)

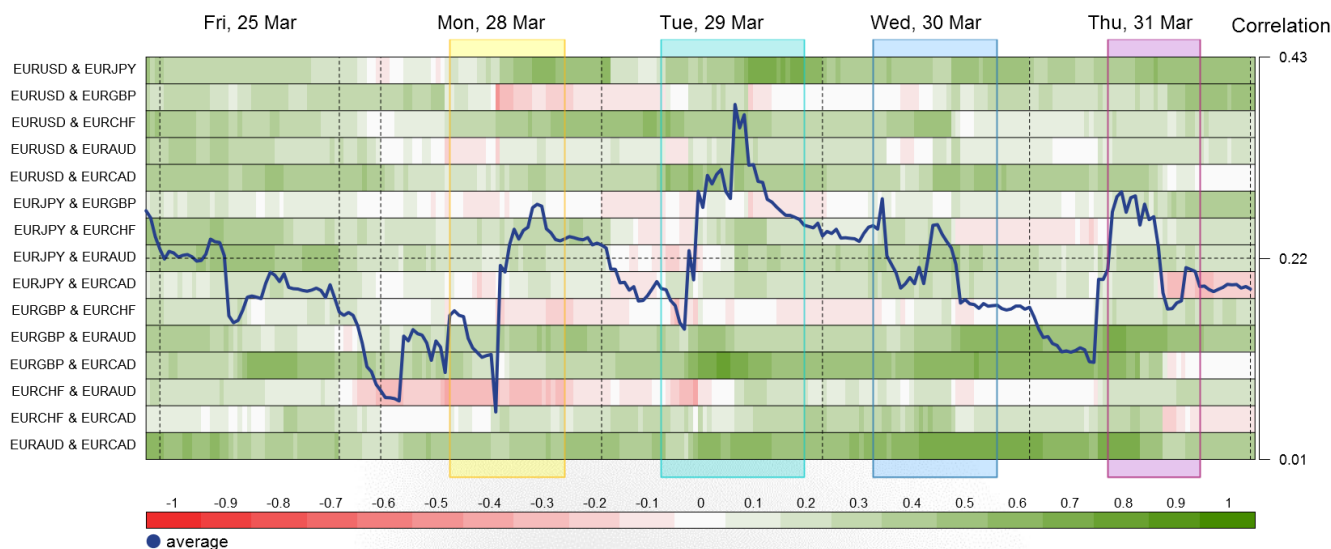
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.45	1.32	2.66	1.1	1.79	1.87	1.58	2.1	1.71	1.76
Min	0.33	0.25	0.13	0.16	0.22	0.2	0.19	0.24	0.23	0.12
Average	0.68	0.61	0.55	0.58	0.68	0.67	0.62	0.61	0.59	0.64



Currency Significance

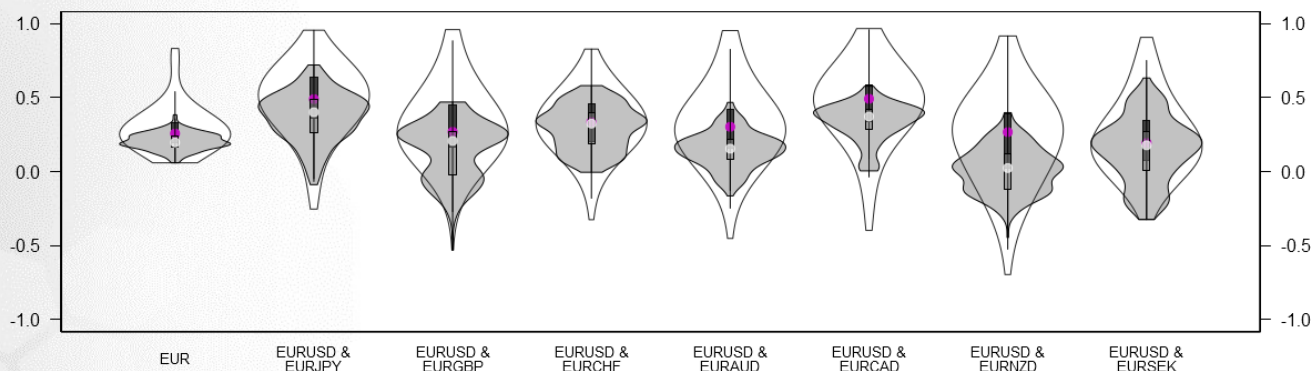
Correlations

The past period was quite mixed for the Euro significance measure, as the composite has opened the week on 0.25 mark and finished the observed period slightly lower 0.22 level. Moreover, the strengthening was observed in almost all correlation components. Thus, EUR/USD correlations with EUR/CAD gained about 2.1 points past week. A notable raise also took place in combinations containing EUR/CHF, which gained around 1.87 points on average. The lowest performance was observed in bond between EUR/USD and EUR/CHF. The development was also observed in average values of correlations. Averages of observed components have gained in terms of both short- and long-term values.



The significance of the single currency started to decrease from the very beginning of the observed period ahead of the Easter holidays. However, on Tuesday, Federal Reserve Chair Janet Yellen delivered a speech titled "Economic Outlook and Monetary Policy" which brought a lot of volatility to currency markets. Moreover, dovish statement from Fed Chair Janet Yellen weakened the US dollar across the board, helping the euro to emerge above the 1.13 mark. Eventually, on Friday, the greenback headed for its biggest quarterly loss in five years as Yellen's dovish speech killed any chance for an April rate-hike.

Correlations (5 vs 20 days)

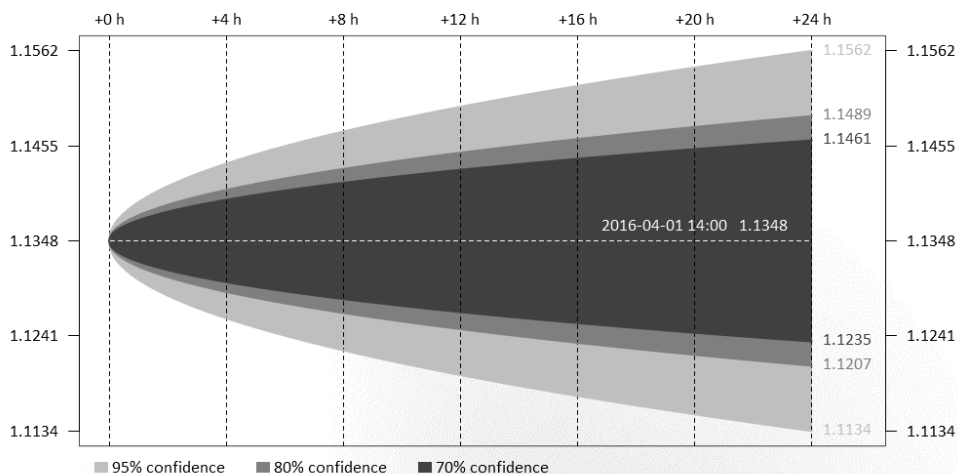


Mean Correlation Coefficient (with EURUSD)

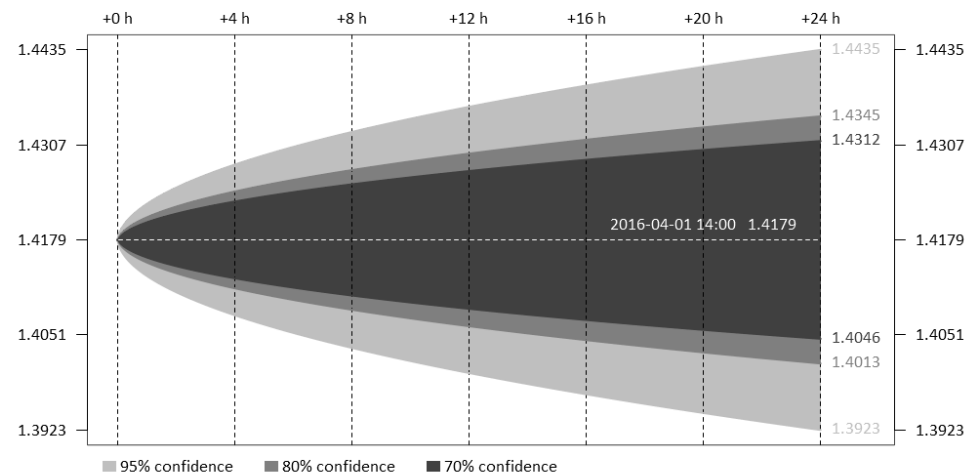
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.2	0.37	0.14	0.29	0.15	0.33	0.01	0.14
20	0.29	0.48	0.31	0.33	0.31	0.46	0.23	0.23
130	0.36	0.55	0.58	0.3	0.5	0.64	0.42	0.26
250	0.38	0.65	0.65	0.34	0.49	0.66	0.42	0.22

Confidence Intervals for Next 24 Hours

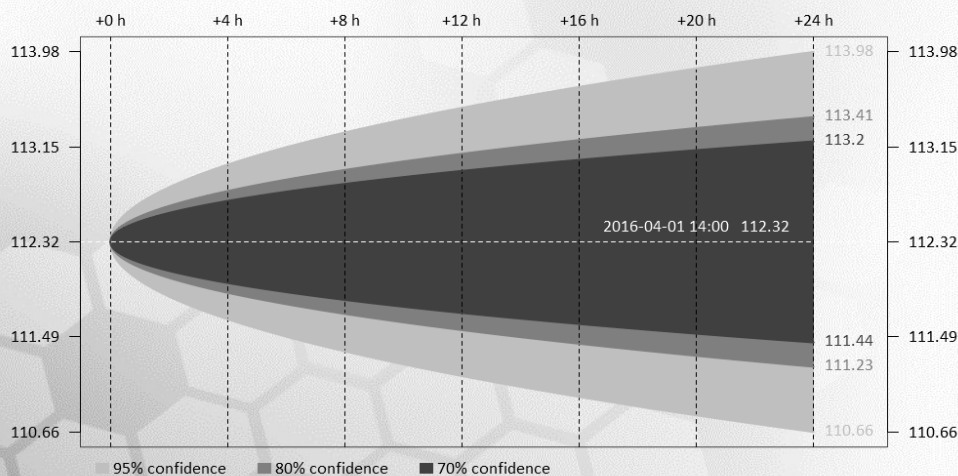
EURUSD Potential Rates



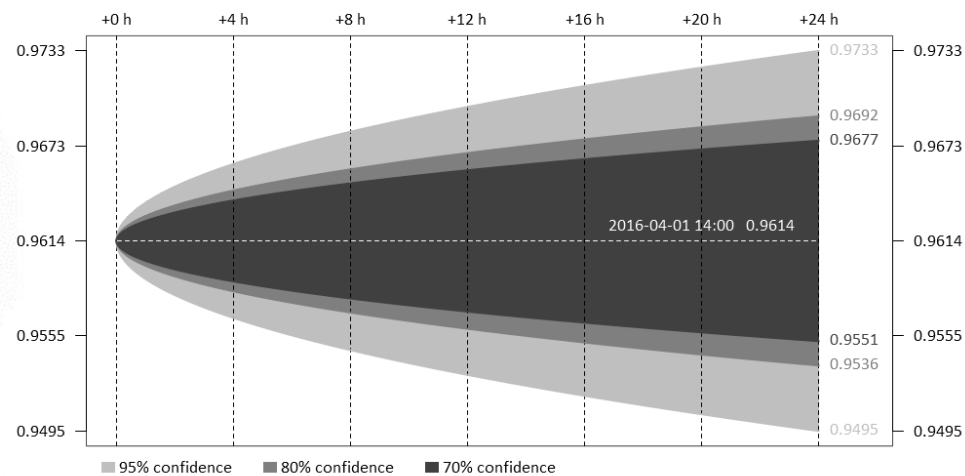
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

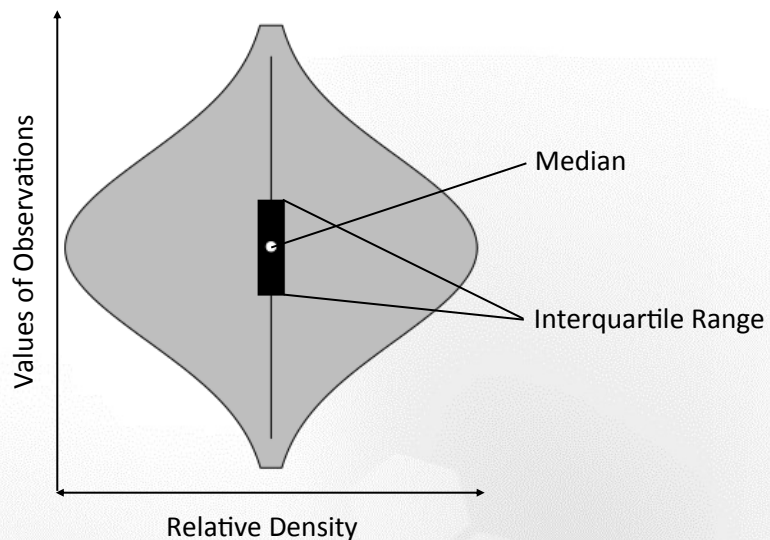
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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