



**EUR**

15/04/2016



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# Dominant Events of the Period

## Yellow Area

April 8

04:00 - 19:30

- *Swiss Unemployment Rate*
- *German Imports, Exports, Trade Balance*
- *UK Manufacturing Production, Industrial Production, Manufacturing Production, Industrial Production*

## Turquoise Area

April 11

04:30 - 19:30

- *US FED Announcement*
- *UK Retail Sales*

## Blue Area

April 12

03:30 - 19:00

- *German Consumer Price, Wholesale Price Index*
- *UK Producer Price Index, Consumer Price Index, Consumer Price Index*
- *US Import price Index, Export Price Index*

## Purple Area

April 13

05:30 - 18:30

- *EU Industrial Production*
- *US Retail Sales*
- *BoC Rate Statement, Interest Rate Decision*

## Orange Area

April 14

03:30 - 18:00

- *EU Consumer Price Index*
- *UK BoE Interest rate Decision*
- *US Initial Jobless Claims, Consumer Price Index*

EUR Currency Index Change

-0.04%	-0.43%	-0.42%	-0.32%	-0.27%
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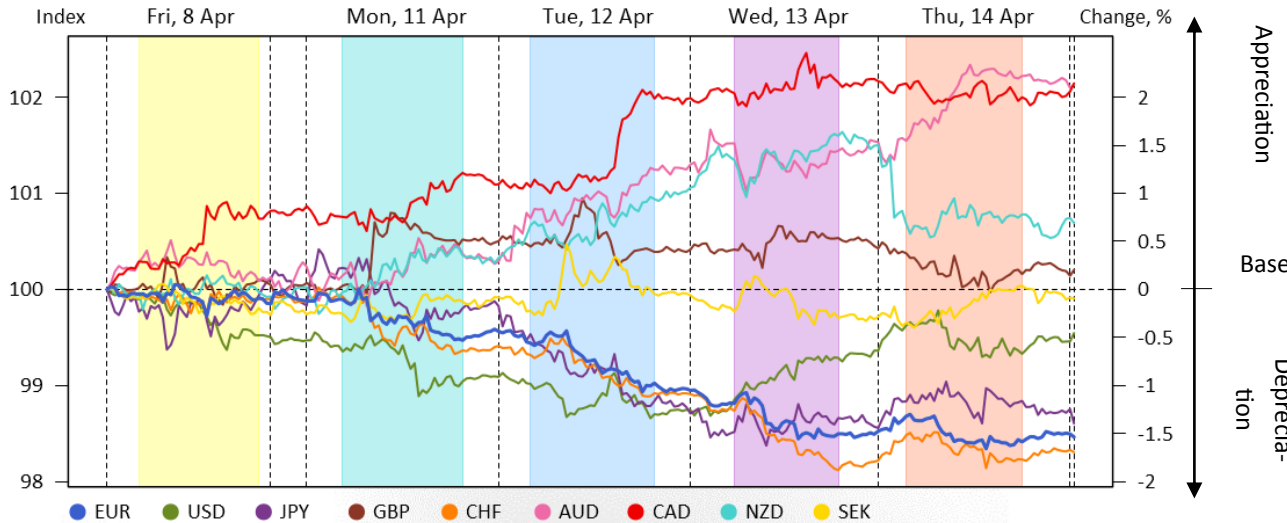
Max EUR Volatility Index

1.82	1.67	1.58	1.63	1.61
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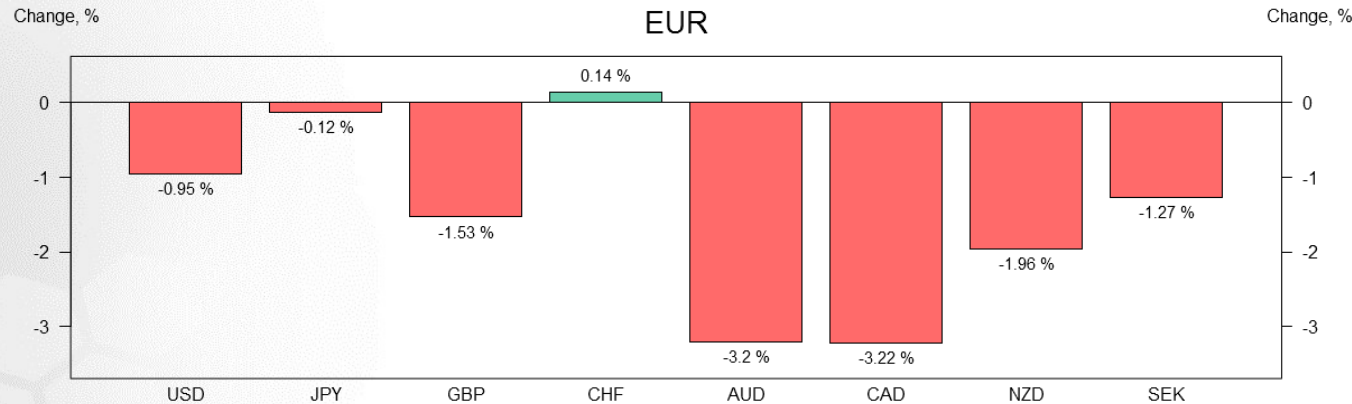
# Relative Currency Strength

Currency Indexes



The observed indexes had another dynamic week, packing the second half of the period with wide moves. One of the most hectic currencies was the Loonie, whose index surged to a one year high due to skyrocketed oil prices which managed to grow by 4%. The Aussie Index was another active measure, as it suffered downside on Monday, fueled by the reemerged risk-off sentiment from the plummeting USD/JPY pair, which dropped to 108.00 mark. However, then it went into a rapid recovery to finish the period with the second-greatest weekly gain. The Index was affected by great figures from China-Australia's biggest trade partner, namely export advance.

The Euro proved to be the main market-mover of the period, as its Thursday's tumble spread across its peers and caused sharp changes in most of the currency indexes. According to the Bureau of Labor Statistics figures, inflation in the US went up to 0.1% from -0.2% month-on-month, while the yearly figures eased to 0.9% from 1.0%. Moreover, the single European currency even failed to react to the positive EU figures. The Euro zone CPI accelerated notably in March on a monthly basis from 0.2% to 1.2%. The yearly reading also advanced from -0.2% to 0.0%. Overall, Euro's gauge, the Yen's and the Franc's measures came to be the period's three worst performers.



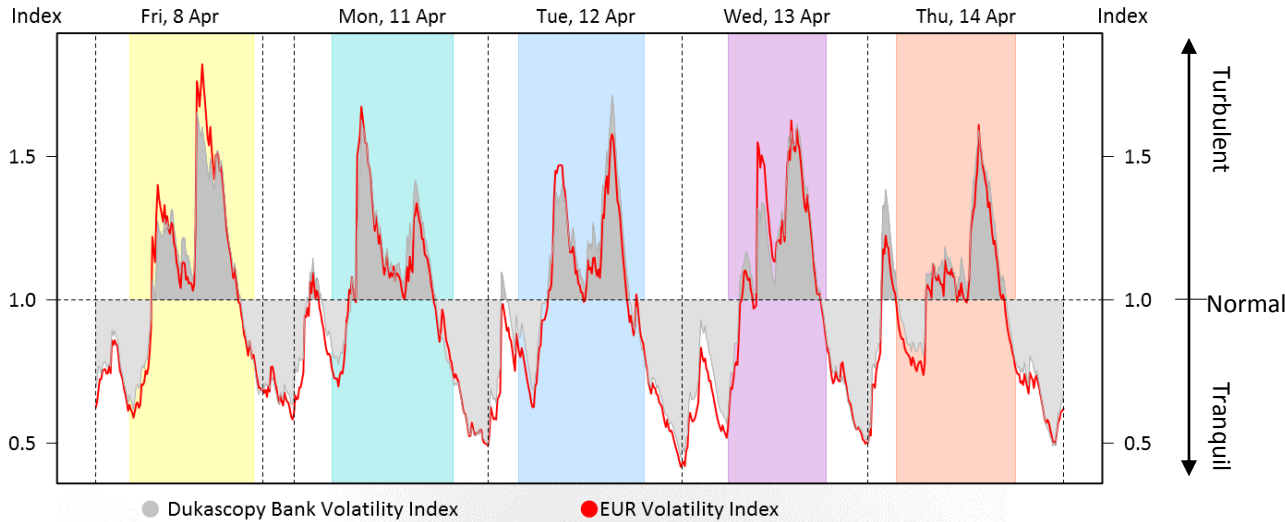
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-1.53%	-0.45%	-1.39%	0.2%	-1.69%	2.13%	2.14%	0.69%	-0.09%
20	-0.69%	-0.07%	1.53%	-2.76%	-0.21%	0.41%	1.25%	0.07%	0.35%
130	-1.49%	-0.67%	8.66%	-10.08%	-2.42%	5.98%	-0.07%	0.39%	0.64%
250	5.48%	-0.93%	8.9%	-5.76%	-0.18%	0.19%	-4.02%	-11.16%	7.47%



# Volatility

## Volatility



After a two-week lull the level of the Euro's and the market's volatility notably rose. Thus, the Euro has spent 47% of time above the historical level. The portion of the market's elevated volatility was slightly smaller at 47%. The most volatile currencies were the Yen and the Australian Dollar, which both held above the 1-point level in 48% of time. Furthermore, the most notable peak was reached by the CAD Volatility Index and was associated with the boost in crude prices. Pound volatility index also was among gainers, since the sterling managed to erase some of the daily losses after the Bank of England decision announcement.

Both the Euro and the DC Volatility Indexes have reached their highs on Friday night, despite lack of sets of EU macro data. Market participants was mainly focused on US data, as well as Federal Reserve (Fed) announcements. Also, volatility was added by US retail sales for March. From the Euro perspective, industrial production for February plunged to -0.8% month-on-month, down from January's 2.1%. In addition, the yearly change declined to 0.8%, from 2.8% booked previously. Both measures missed analysts' estimates. These data also affected the euro a bit.

### Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	47	43	36	47	40	27	49	30	38

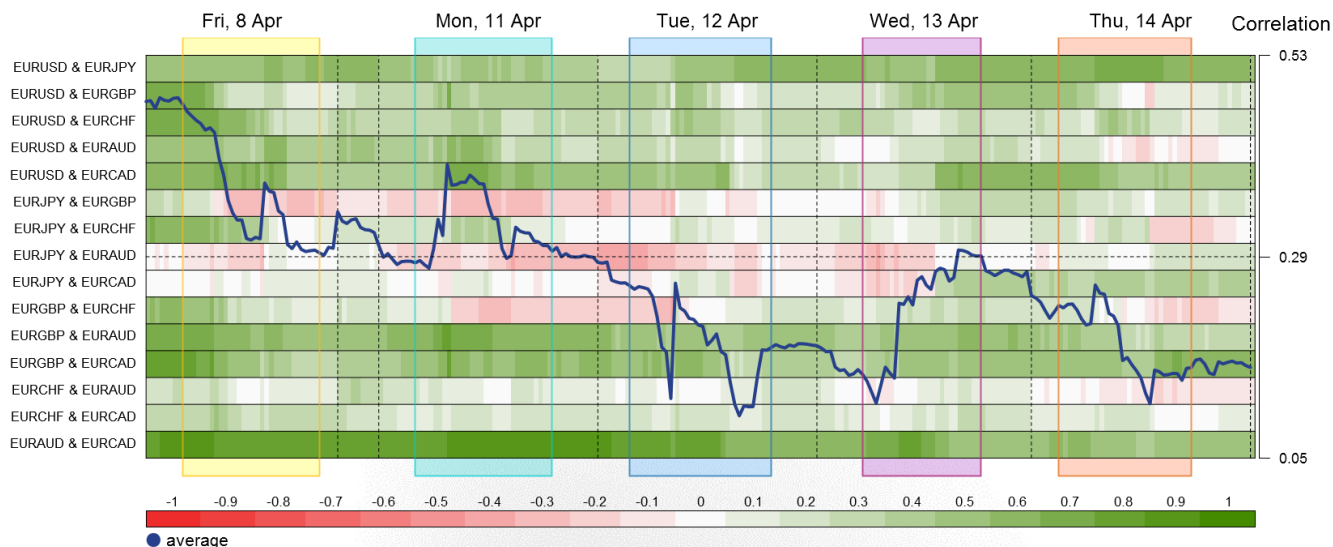
### Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.71	1.82	2.25	2.35	3.14	1.56	2.14	3.31	2.64	3.08
Min	0.45	0.42	0.33	0.39	0.32	0.29	0.4	0.38	0.38	0.22
Average	0.98	0.95	0.9	1.02	0.97	0.79	1.01	0.97	0.93	0.88



# Currency Significance

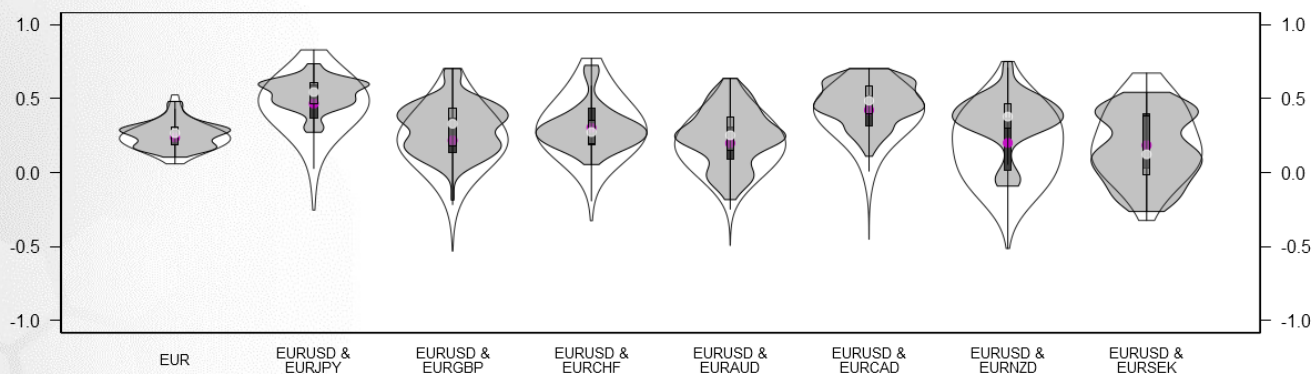
## Correlations



The Euro's significance measure was showing a clear downtrend, losing 0.4 points by the end of the period. On Tuesday morning the euro faced biggest decline, being affected by strong dollar. Moreover, the averages of the composite and its EUR/USD components also decreased. Thus, the composite's average has lost 0.07 points compared with the previous value. The maximal change took place in correlations between EUR/USD and EUR/SEK. The second big change took place in correlations between EUR/USD and EUR/AUD.

The composite started the period at a rather high level of 0.51, re-approaching a six-month peak as sentiment on the greenback remained vulnerable due to the minutes of the Federal Reserve's latest policy meeting which confirmed the central bank's cautious stance on rate hikes. Meanwhile, any rate hikes by the Fed this year are viewed as bullish for the dollar. Eventually, at the end of the week, one of the most traded currency in the world was trading flattish hovering around 1.1260 mark as there has been no major impetus for direction.

## Correlations (5 vs 20 days)

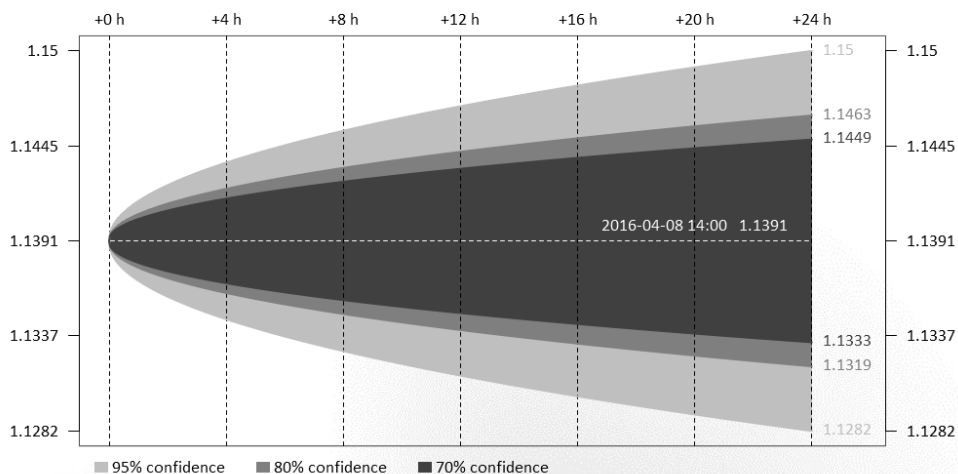


## Mean Correlation Coefficient (with EURUSD)

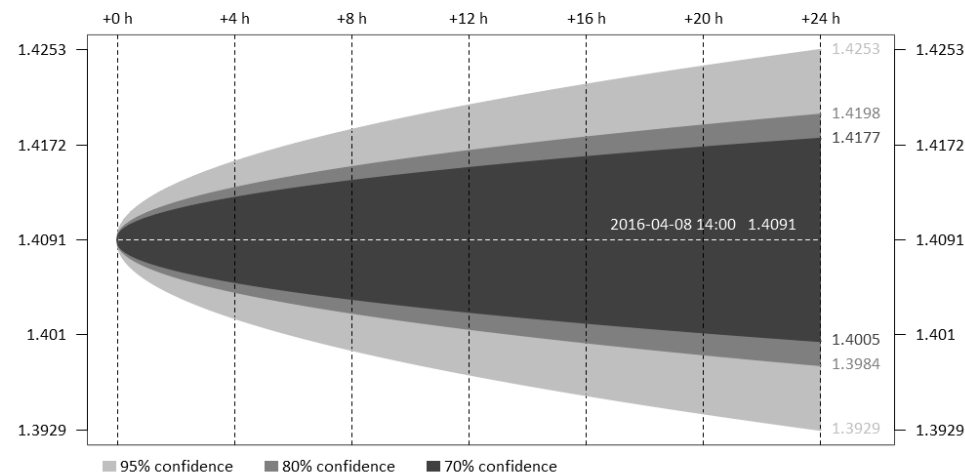
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.26	0.53	0.3	0.3	0.24	0.47	0.36	0.15
20	0.24	0.46	0.24	0.32	0.2	0.41	0.18	0.2
130	0.35	0.53	0.56	0.32	0.48	0.62	0.41	0.26
250	0.38	0.64	0.64	0.33	0.48	0.65	0.42	0.23

# Confidence Intervals for Next 24 Hours

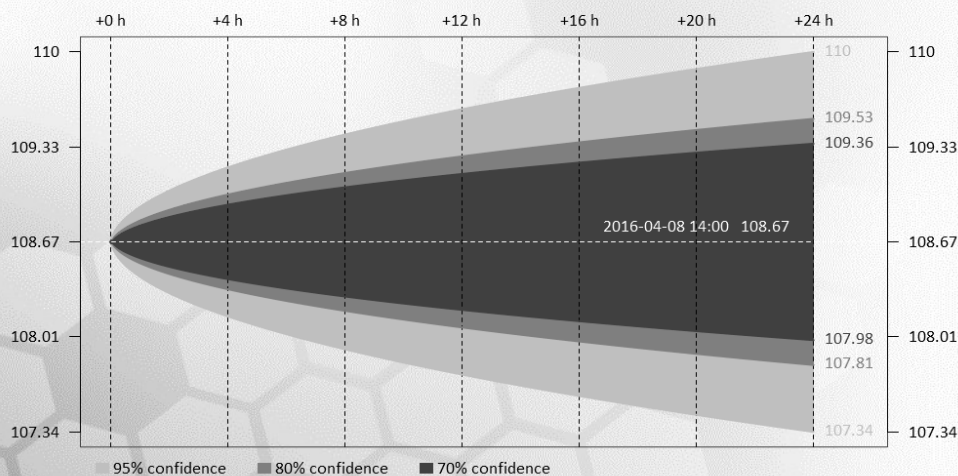
EURUSD Potential Rates



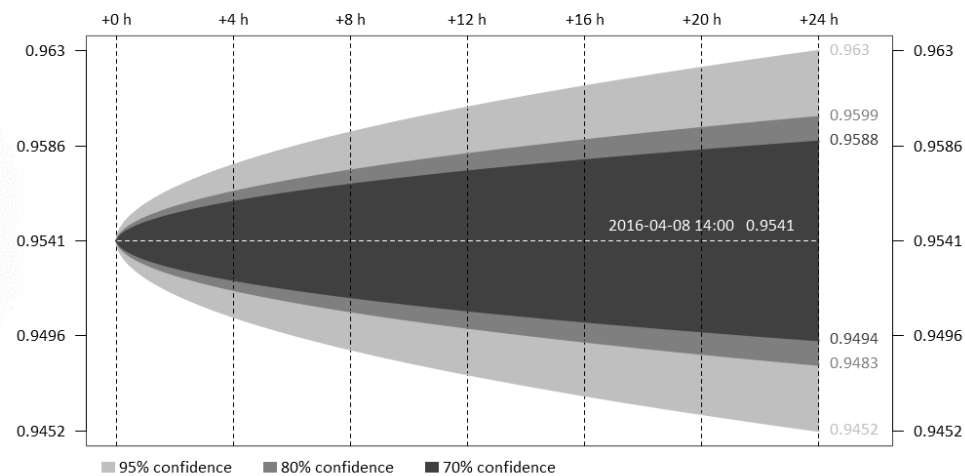
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



# EXPLANATIONS

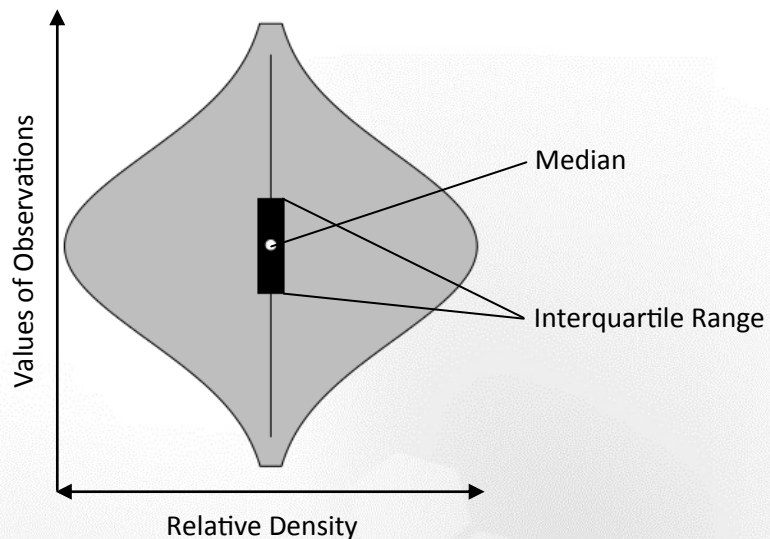
## Violin Plot

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

## Methodologies

Volatility Index

Confidence Interval





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