



USD

18/04/2016



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

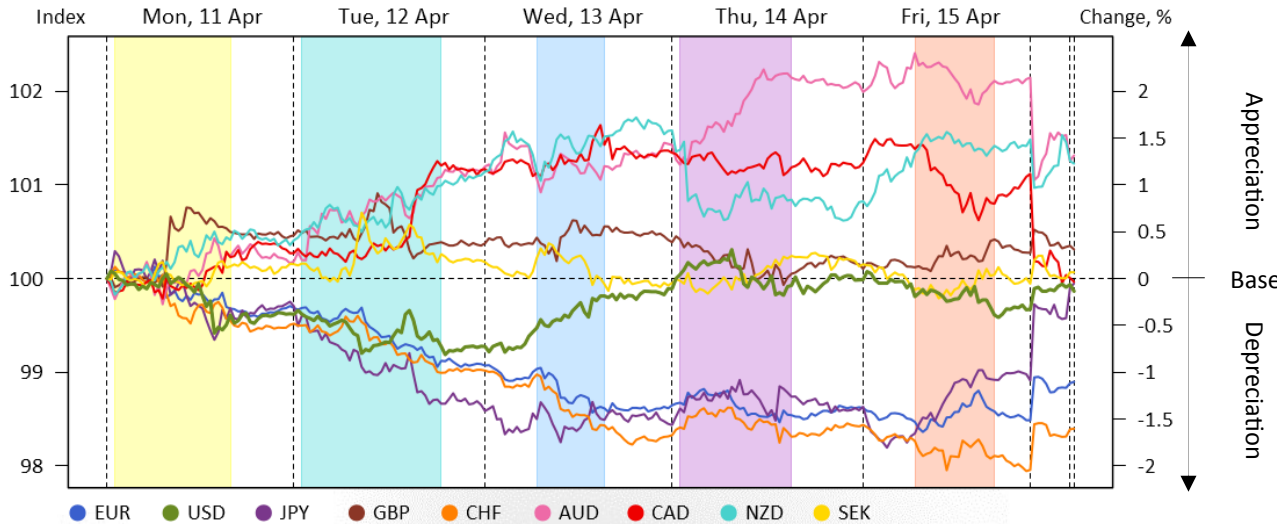
Yellow Area	Turquoise Area	Blue Area	Purple Area	Orange Area
April 11	April 12	April 13	April 14	April 15
01:30 - 16:00	01:00 - 18:30	06:30 - 15:30	01:00 - 15:00	06:30 - 16:00
<ul style="list-style-type: none"> Chinese CPI, PPI Australian Home Loans, Investment Lending for Homes Fed Announcement 	<ul style="list-style-type: none"> National Australia Bank's Business Conditions and Confidence German CPI, HICP Swedish CPI UK CPI, PPI US Export and Import Price Index, Monthly Budget Statement 	<ul style="list-style-type: none"> EMU Industrial Production US Retail Sales, PPI BoC Interest Rate Decision, Monetary Policy Report, Press Conference 	<ul style="list-style-type: none"> Australian Consumer Inflation Expectation, Unemployment Rate, Employment Change EMU CPI BoE Interest Rate Decision, MPC Vote, Minutes US Jobless Claims, CPI 	<ul style="list-style-type: none"> IMF Meeting G20 Meeting EMU Trade Balance US Industrial Production, Capacity Utilization, UoM Consumer Sentiment Index

USD Currency Index Change	-0.44%	-0.35%	0.34%	-0.12%	-0.2%
Max USD Volatility Index	1.56	1.82	1.71	1.91	1.42



Relative Currency Strength

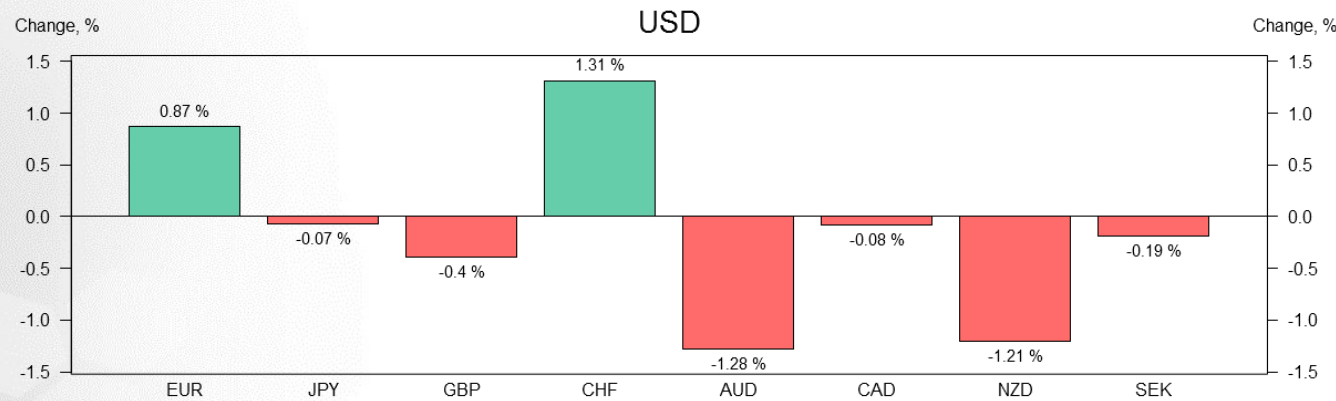
Currency Indexes



The past week was flooded by another wave of divergence between the commodity and safe-haven currencies, with many important fundamental releases drowning in persistent trends of the observed indexes. The Aussie's, the Kiwi's, and the Loonie's gauges formed the top three performers, ending the week with 1-2% growth, while the franc's, the Euro's, and the yen's indexes mirrored the results in the depreciation area. Still, the trends reversed on Friday and suffered an even sharper correction at the new week's Asian open, and the period's key event in this respect was the OPEK summit in Doha. At first the pre-summit caution forced the commodity currencies

to pull back, with the oil-driven CAD Index losing over 0.5%, while the yen's and the Euro's measures picked up. Later the movement was sharpened as no deal was reached on the oil production freeze, and the indexes opened the new week 0.5-1% away from their Friday's levels. Globally, the Loonie's gauge went as far as dropping below the baseline, while other indexes managed to keep their relative positions.

The USD Index remained in stagnation after Janet Yellen's March 29 speech. The gauge started off with a downslide against the background of the Fed's emergency meetings and Yellen's talk with President Obama, stopping only 0.1% away from the 99 points line in its low, but recovered on Wednesday, entering the new week with a near zero change.



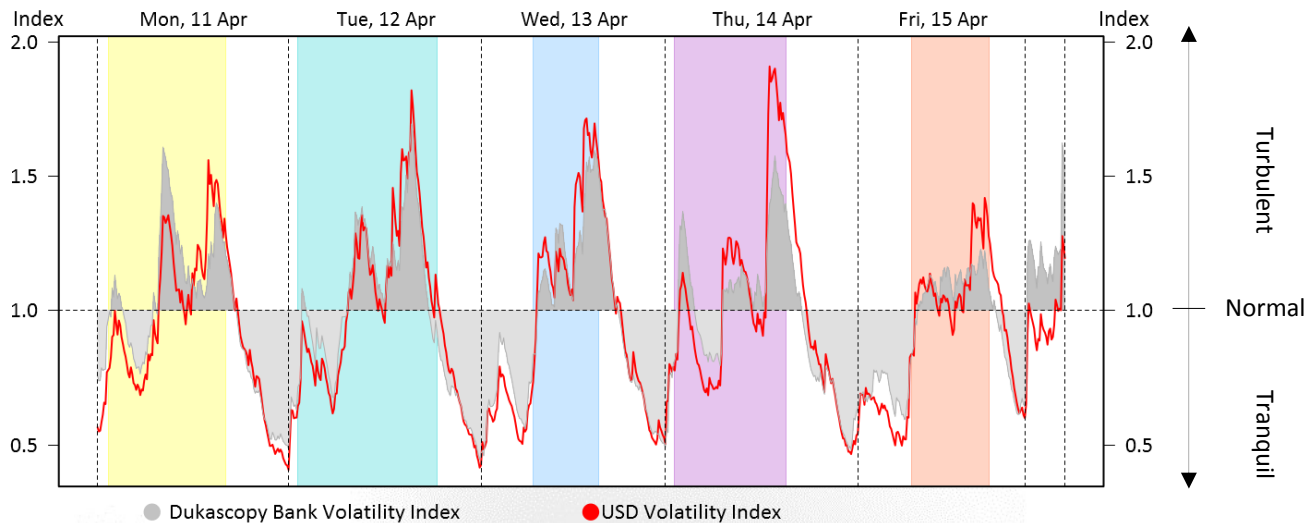
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-1.1%	-0.13%	-0.05%	0.31%	-1.6%	1.32%	-0.03%	1.23%	0.07%
20	-0.46%	-0.81%	2.46%	-2.96%	-0.39%	0.18%	-0.13%	1.51%	0.49%
130	-1.1%	-0.99%	10.23%	-10.28%	-2.11%	4.97%	-1.48%	0.47%	1.08%
250	5.84%	0.8%	11.62%	-5.3%	-0.88%	-1.61%	-6.1%	-11.87%	7.48%



Volatility

Volatility



Turbulent
Normal
Tranquil

The market's and the US dollar's volatility continued to grow in the past week. Thus the portion of elevated volatility for the Greenback stood at 42%, while the market's index spent almost a half of the period above the two-week average. Level-wise, the dollar was largely underturbulent compared to the market, holding its volatility measure below the composite index for a notable part of the week. The dollar's peer currencies were also rather turbulent. The Aussie became the least stable currency, spending 54% of the period above the 1-point level, while the most tranquil Loonie posted the reading of over 35%.

Despite numerous spikes, the Greenback's index did not climb particularly high throughout the week, not even reaching the 2-point level. On Monday the index started to rise against the background of the pound's jump, and after Willian Dudley's speech it reached the 1.55 mark. Later the release of the US import and export price indexes pushed the volatility index to 1.82. The low US retail sales data on Wednesday managed the index to surge to 1.71 points. The most notable peak took place on Thursday, when after the US CPI and jobless claims reports the index jumped to the 1.91 mark. Notable turbulence in all currencies was observed at the beginning of the new week, after the Doha oil meeting. The market's and the dollar's indexes surged to 1.62 and 1.27, respectively.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
49	42	35	35	42	36	54	34	39	43

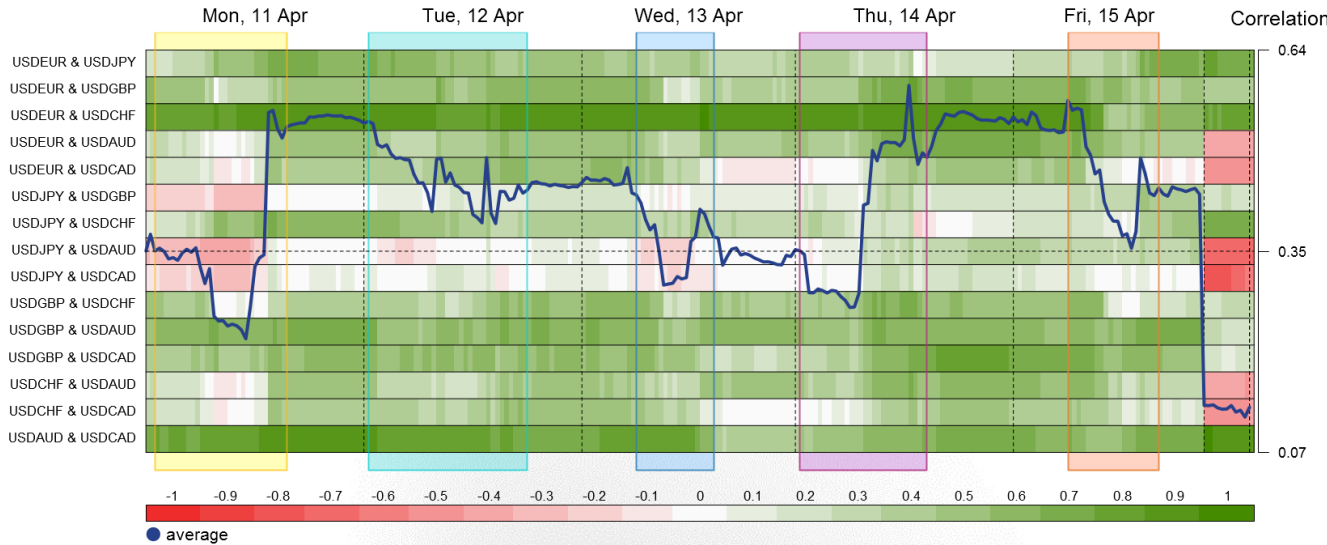
Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	1.69	1.91	2.16	1.86	2.58	2.19	2.34	2.69	2.33	2.68
Min	0.44	0.41	0.31	0.35	0.24	0.3	0.37	0.29	0.36	0.34
Average	0.96	0.95	0.89	0.92	0.95	0.91	1.05	0.92	0.95	0.98



Currency Significance

Correlations

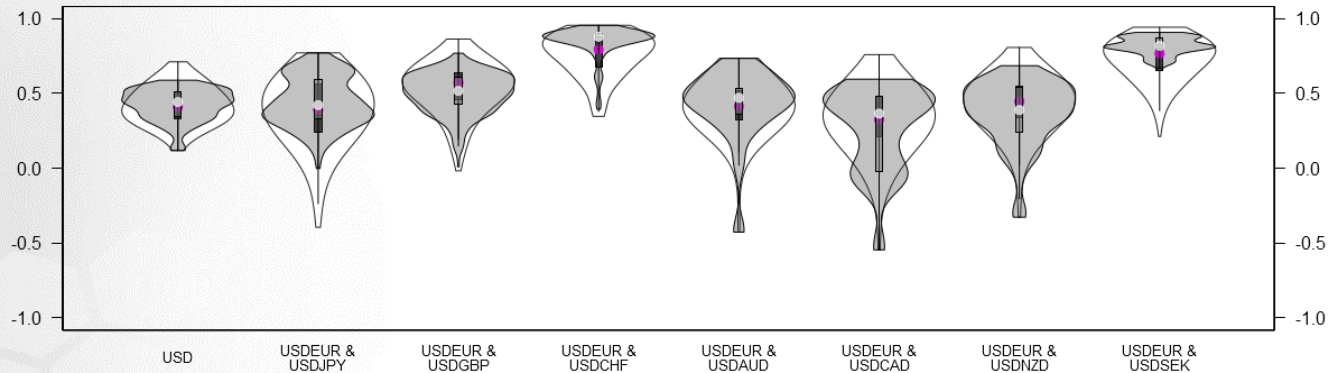


During the week the correlations of the USD pairs were on or even above their average historical levels, though the post-OPEC start of the new trading week brought new losses for the oil and the associated currencies, bringing the components with the commodity currencies and the safe-haven yen to significantly negative values, and resulting in a low 0.1 level for the USD composite. Thus the Asia-Pacific currencies remained the main market drivers, while the dollar and the European currencies stayed on the weakest positions in terms of their significance. The pound was the only exception, as several notable releases such as

surprisingly high CPI and rate decision pushed its composite above the 0.5 level.

The period was rather volatile for the USD significance measure. It started the week with a palpable 0.25 points surge, which took place against the background of the Fed's increasing activity. The correlations of the USD pairs were decreasing during the next two days and only on Thursday, when the mixed labor and inflation data were released, the composite returned to the Monday's level and reached its high of 0.59 points. Later the disappointing US releases on Friday let the measure hold on relatively high 0.45 level till the post-OPEC events.

Correlations (5 vs 20 days)

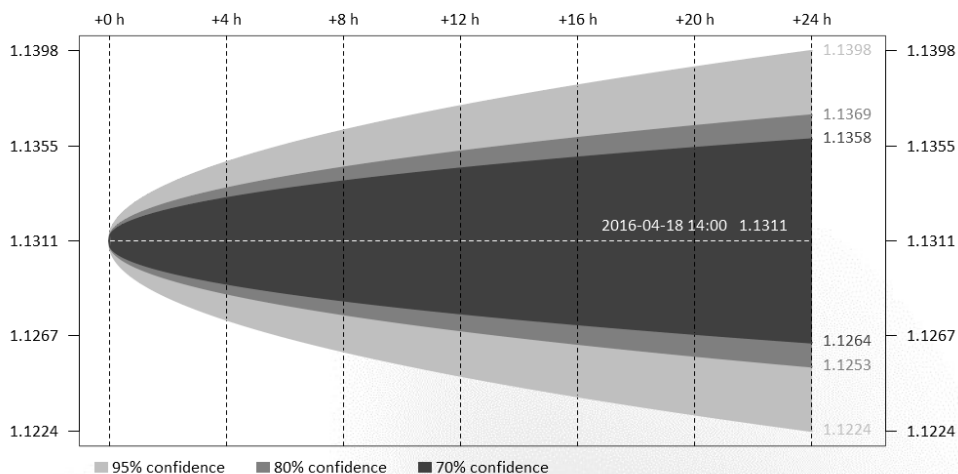


Mean Correlation Coefficient (with USDEUR)

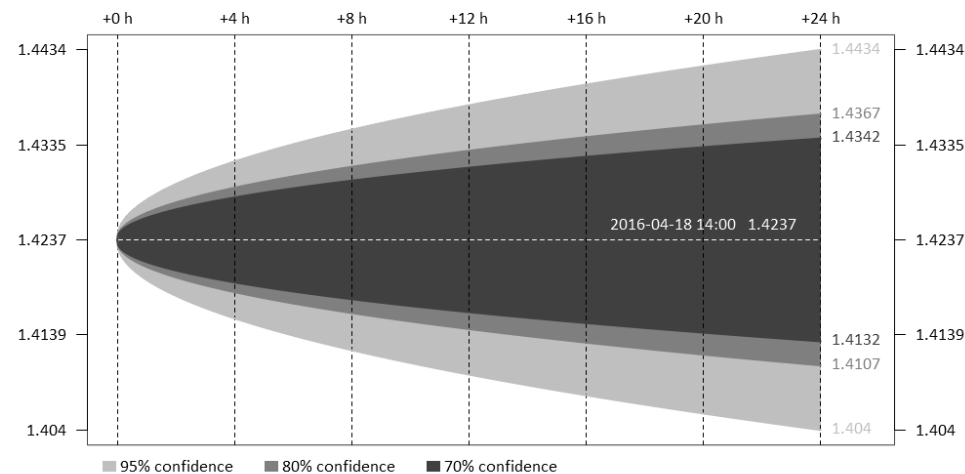
Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.42	0.44	0.5	0.84	0.42	0.25	0.36	0.82
20	0.42	0.38	0.54	0.76	0.41	0.33	0.43	0.73
130	0.33	0.48	0.39	0.76	0.18	0.14	0.24	0.72
250	0.38	0.47	0.45	0.75	0.29	0.26	0.32	0.74

Confidence Intervals for Next 24 Hours

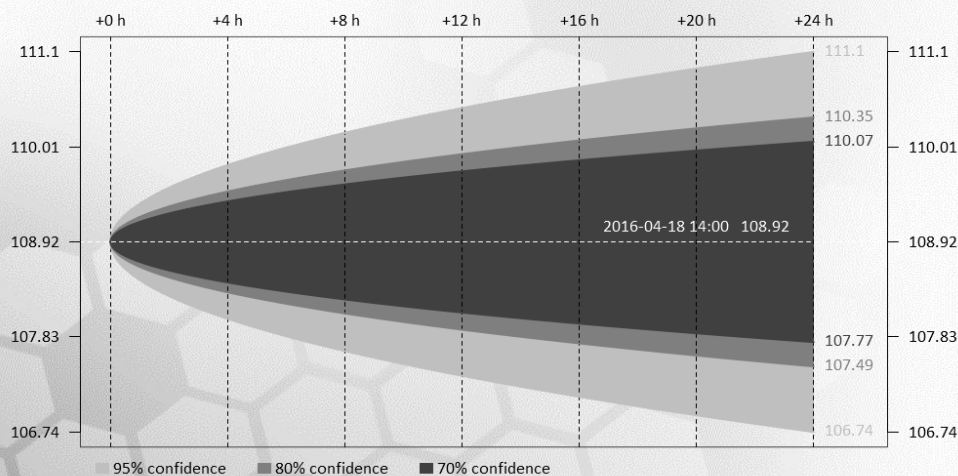
EURUSD Potential Rates



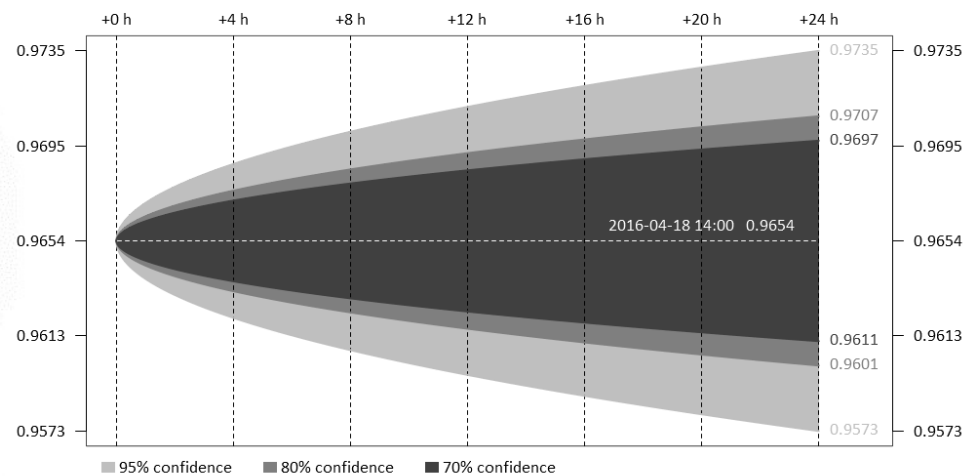
GBPUSD Potential Rates



USDJPY Potential Rates



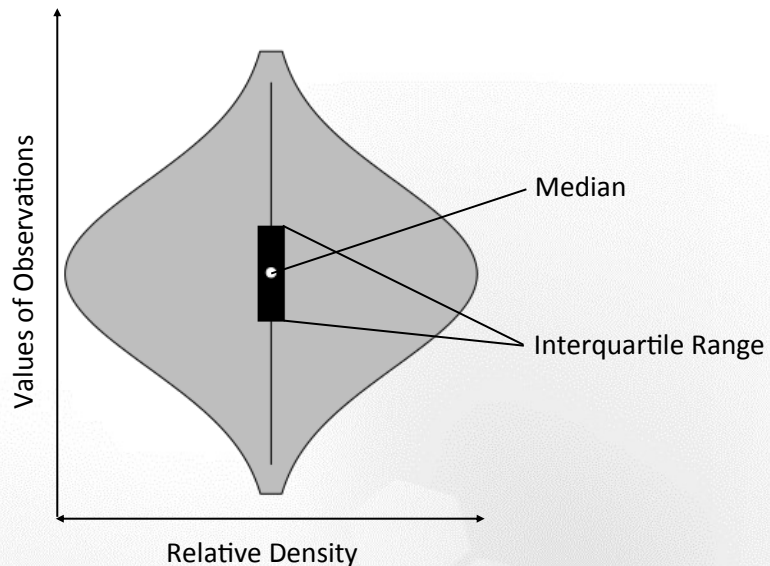
USDCHF Potential Rates



EXPLANATIONS

Violin Plot

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



Methodologies

Volatility Index

Confidence Interval



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