



EUR

22/04/2016



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

April 15

03:30 - 17:00

- Japanese Industrial Production
- European Trade Balance
- USA Industrial Production, Capacity Utilization

Turquoise Area

April 18

06:30 - 17:30

- US NAHB Housing Market Index

Blue Area

April 19

07:30 - 15:30

- German ZEW Survey Current Situation, Economic Sentiment
- European ZEW Survey Economic Sentiment
- US Housing Permits, Building Permits
- RBA Governor speech
- BOE Governor Speech

Purple Area

April 20

13:30 - 18:00

- ECB President Draghi Speech

Orange Area

April 21

12:00 - 18:30

- US Continuing Jobless Claims, Initial Jobless Claims, Philadelphia Fed Manufacturing Survey
- ECB Monetary policy statement

EUR Currency Index Change

0.38%

-0.26%

0.09%

-0.23%

0.11%

Max EUR Volatility Index

1.28

1.49

1.29

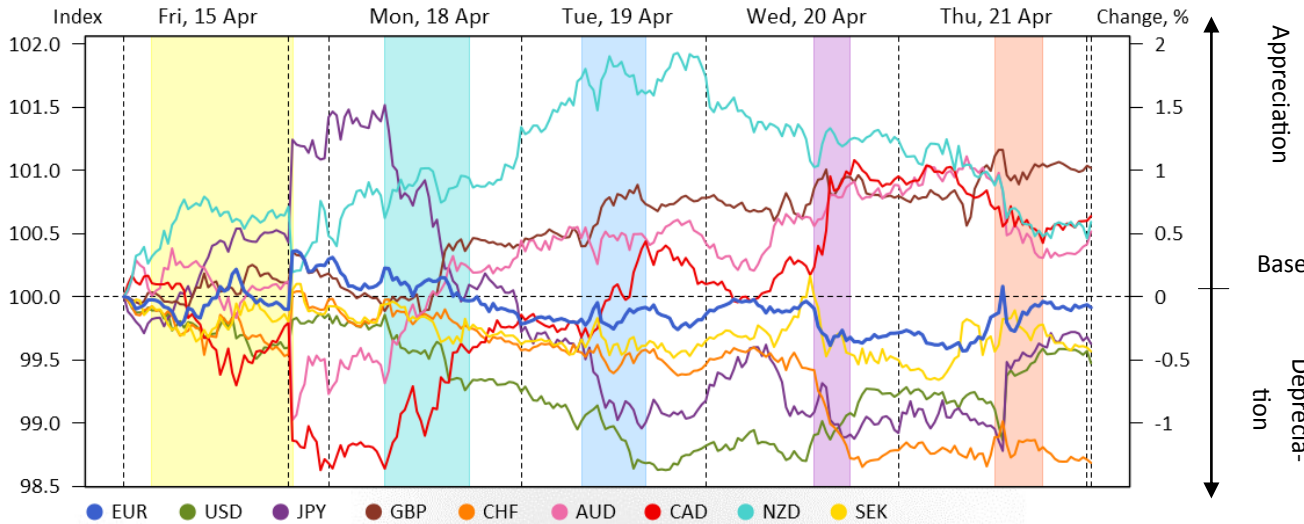
1.57

2.53



Relative Currency Strength

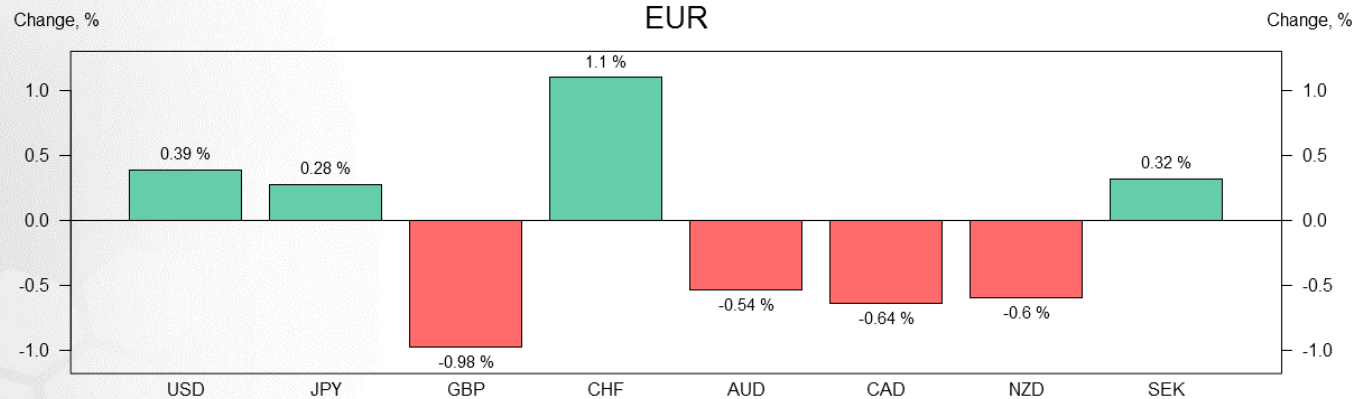
Currency Indexes



The past period was a dynamic one for the observed currencies, packed with wide moves and direction changes. The broadest downside was suffered by the Frank gauge on Wednesday. Another impressive plunge happened to the USD Index. The dollar remained broadly lower since major oil producers failed to reach an agreement on an output freeze. Meanwhile, a meeting of the world's major oil producers in Doha, Qatar on Sunday ended without an agreement on curbing production intended to prop up prices. The JPY Index was one more gauge to go through a sharp fall, as it lost -0.37% points in half an hour on the UK CPI data released on Tuesday. Meanwhile, the longest rally was produced by the

late Tuesday as Japanese Finance Minister Taro Aso said on Tuesday that he would take "various measures" against excessive currency moves and added that rapid currency moves are unwelcome.

Unlike its busy counterparts, the EUR Index spent most of the period on the same level and made only one visible move at the end of the week. At the end of the previous week, the gauge advanced to the 100.5 mark against the background of the dollar's weakness, and remained close to that level until Wednesday morning. There it was hit ahead of the ECB Press Conference and ECB President Draghi Speech.



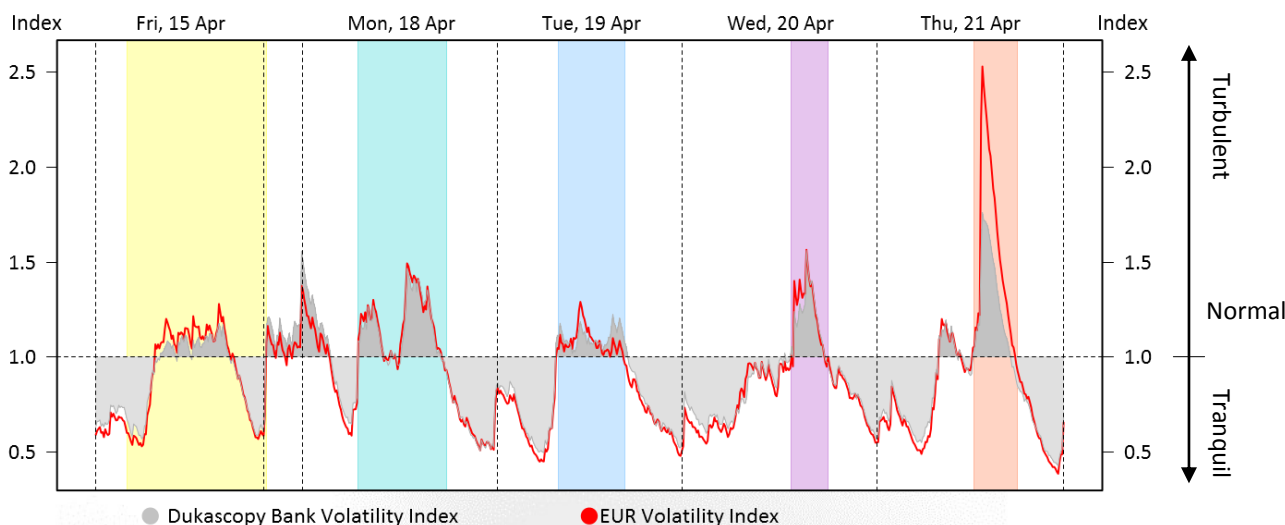
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.09%	-0.53%	-0.37%	1.02%	-1.31%	0.52%	0.64%	0.59%	-0.43%
20	-0.94%	-2.34%	1.19%	-0.72%	-2.02%	1.17%	2.54%	1.63%	-0.08%
130	-0.53%	-2.35%	8.26%	-9.87%	-2.45%	5.19%	0.86%	-0.48%	2.03%
250	5.65%	-0.2%	9.95%	-4.7%	-2.37%	0.48%	-4.06%	-11.68%	6.94%



Volatility

Volatility



Despite great activity observed in the currency indexes, the past period was not particularly remarkable volatility-wise. Thus, the over turbulence portions stood close to 38% and most of the average indexes' values were below 0.85 points. Nevertheless, there were four currencies that drove their volatility measures above the 2 points line. The major spike happened on Thursday, when the pound, euro and the kiwi reacted spiked sharply on different news. The New Zealand's dollar dipped to a ten-month high due to major commodity prices decline. Meanwhile, Sterling, in turn, managed to book significant gains, as negative sentiment affected by unsatisfying UK retail sales was cancelled

due to improved support for the campaign to stay within the EU. The single European currency surged on announcement that the ECB left the main refinancing rate at 0.0%, while the deposit rate was preserved at -0.4% and the marginal lending facility, in turn, remained at 0.25%.

The single currency's volatility index held below the market's aggregate for most of the period, only outpacing its counterparts on Wednesday and Thursday when measure's greatest peak of 2.5 points was reached, being averagely high compared to other splashes of turbulence during the period.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	38	39	15	34	32	23	33	34	41	52

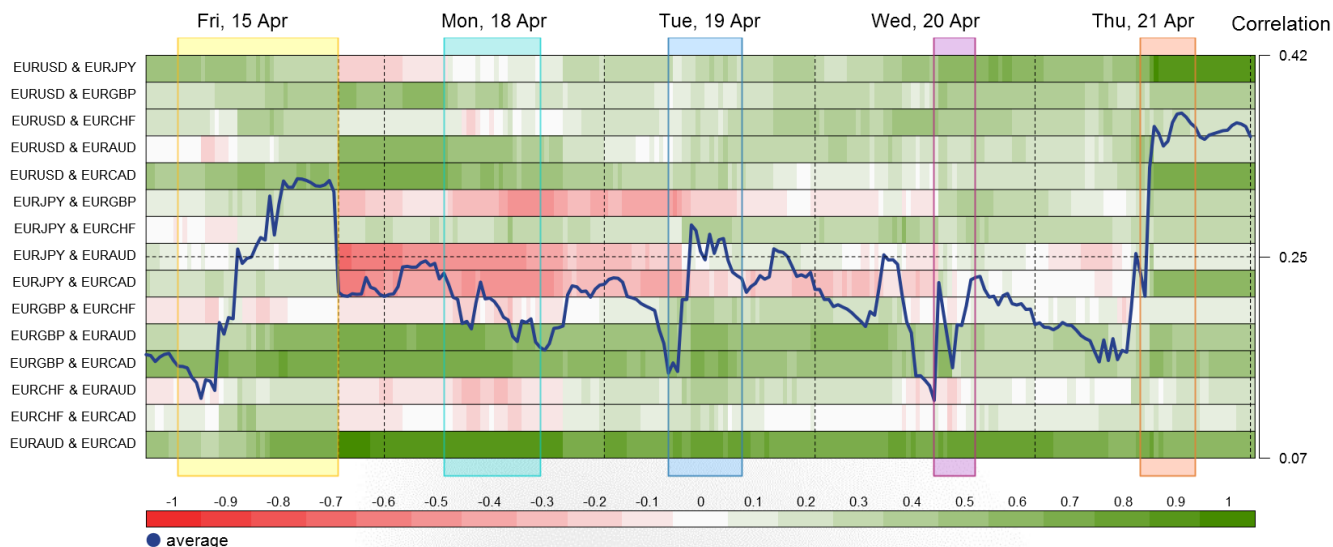
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	1.76	2.53	3.19	3.5	2.49	2.62	2.2	2.47	2.61	3.9
Min	0.43	0.39	0.27	0.35	0.28	0.28	0.38	0.35	0.38	0.2
Average	0.9	0.9	0.74	0.95	0.81	0.82	0.91	0.88	0.99	1.08



Currency Significance

Correlations

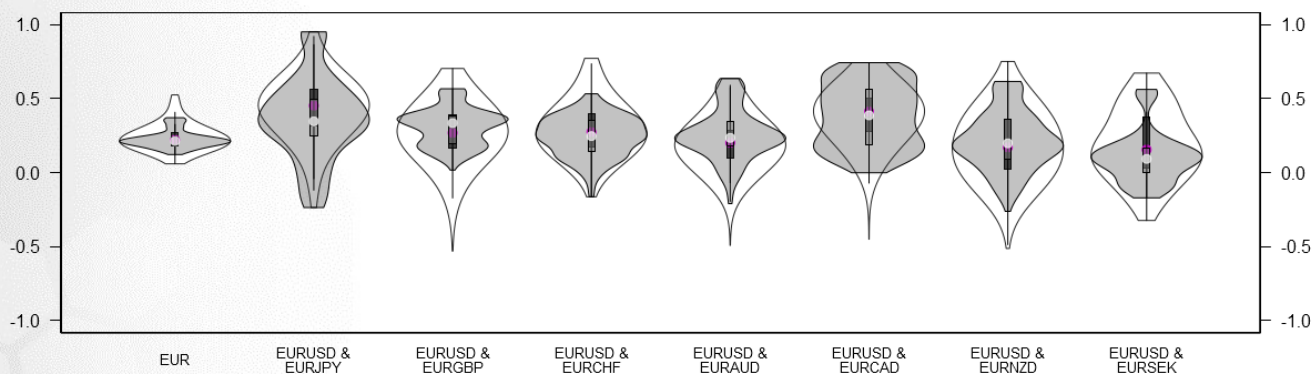


During the first four days of the observed period the significance measure of the Euro followed a descending pattern, as there were no economic releases from the Euro zone that could notably influence the bonds between the single currency's pairs. Thus, the distributions of the correlations between the most traded pair and its EUR counterparts were significantly skewed towards the zero level. However, the period was associated with several notable spikes of other currencies' significance, which followed the news from different regions.

The Euro's composite spent most of the period gradually declining from an already not strong level of 0.34 points, and by Wednesday morning reached the low of 0.12. However, then the measure surged to the period's high, peaking just above the 0.39 mark.

The move followed the ECB's President Mario Draghi speech, in which he pointed out that the door is open to further interest rate cuts in order to ensure inflation returns to target.

Correlations (5 vs 20 days)

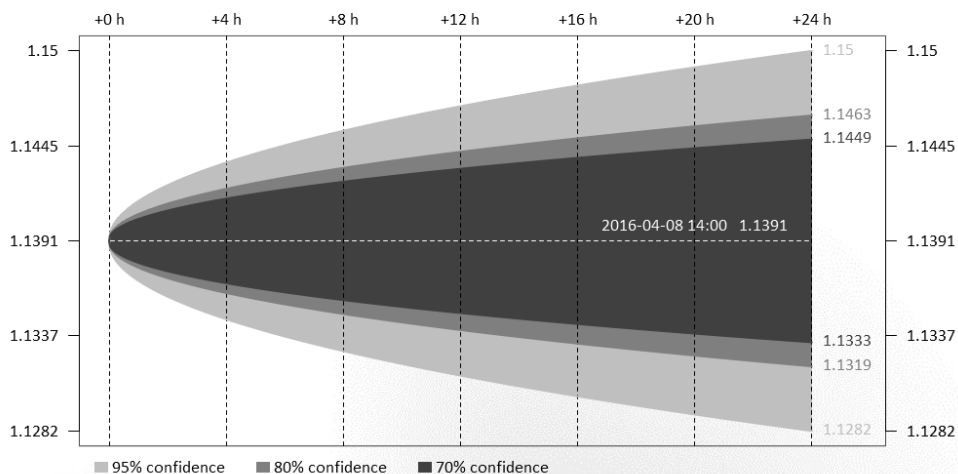


Mean Correlation Coefficient (with EURUSD)

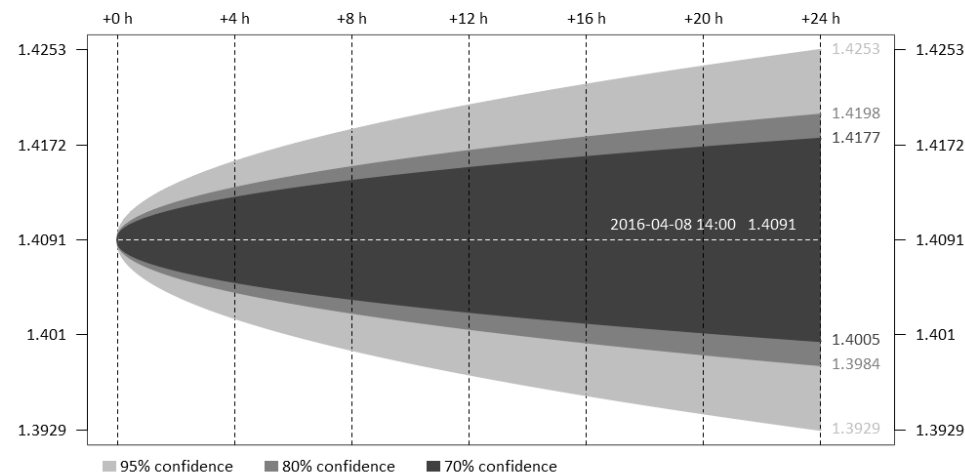
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.22	0.36	0.31	0.24	0.26	0.39	0.21	0.11
20	0.24	0.43	0.27	0.3	0.2	0.39	0.18	0.18
130	0.34	0.52	0.54	0.32	0.47	0.61	0.4	0.25
250	0.37	0.63	0.63	0.33	0.48	0.65	0.42	0.22

Confidence Intervals for Next 24 Hours

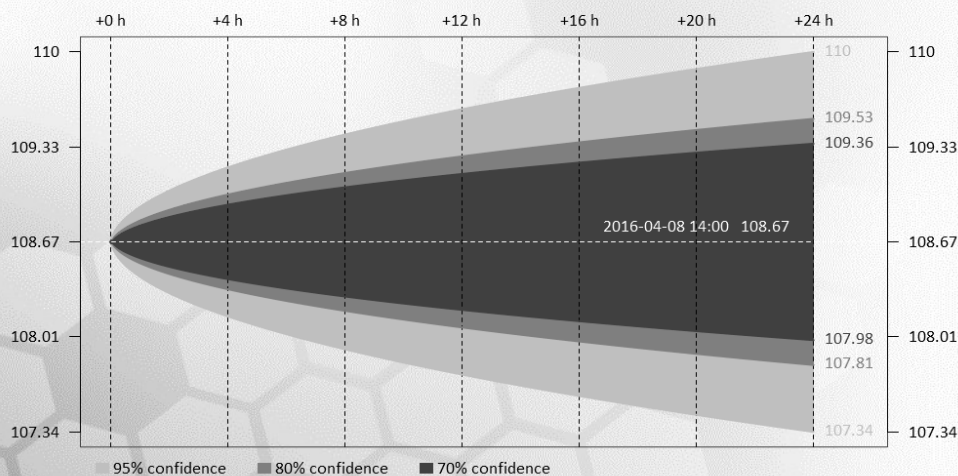
EURUSD Potential Rates



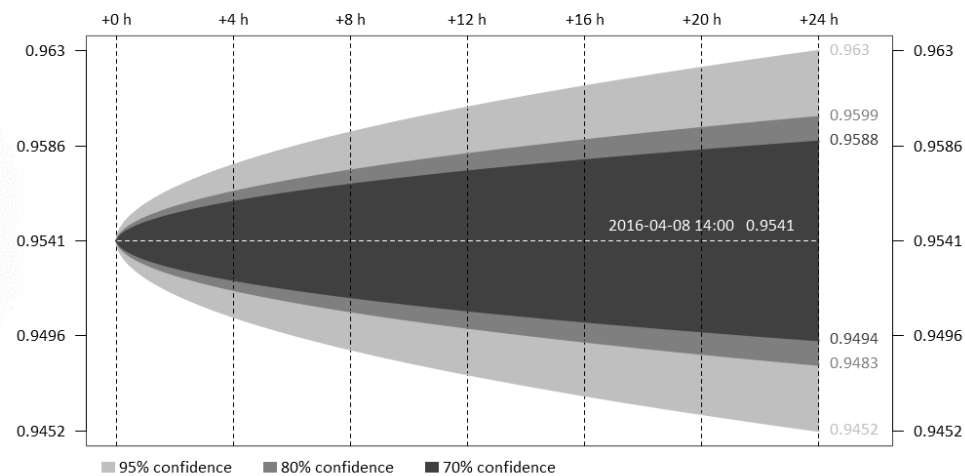
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

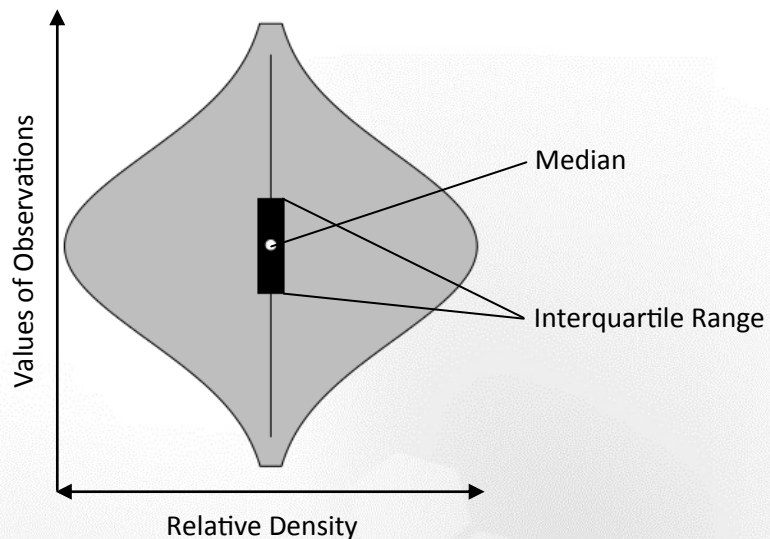
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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