



EUR

29/04/2016



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Market Research





Dominant Events of the Period

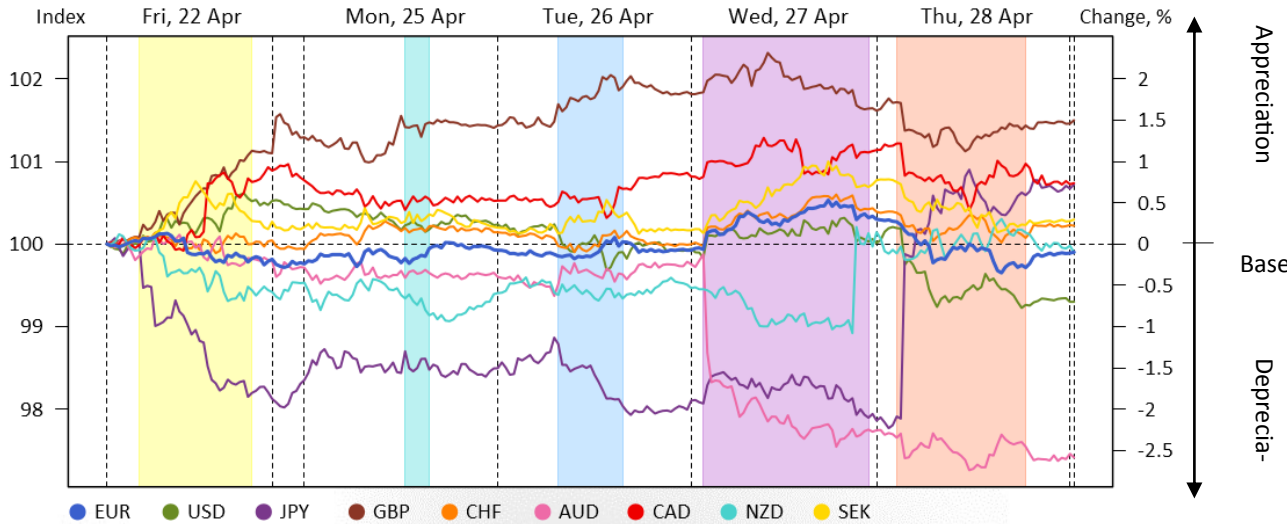
Yellow Area	Turquoise Area	Blue Area	Purple Area	Orange Area
April 22	April 25	April 26	April 27	April 28
04:00 - 18:00	08:00 - 15:30	07:00 - 15:30	09:00 - 18:00	02:30 - 18:00
<ul style="list-style-type: none"> German Markit Manufacturing PMI, Markit Services PMI European Markit Services PMI, Markit Manufacturing PMI BoC Consumer Price Index Core Canadian Consumer Price Index 	<ul style="list-style-type: none"> IFO Business Climate, Expectations, Current Assessment US New Home Sales 	<ul style="list-style-type: none"> US Durable Goods Orders US Markit PMI Composite, Markit Services PMI 	<ul style="list-style-type: none"> US Pending Home Sales, Fed's Monetary Policy Statement, Fed Interest Rate Decision RBNZ Interest Rate Decision 	<ul style="list-style-type: none"> German Unemployment Change, Rate EU Consumer Confidence, Services Sentiment, Industrial Confidence, Business Climate German Consumer Price Index US Jobless Claims, GDP

EUR Currency Index Change	-0.2%	0.12%	0.17%	0.38%	-0.55%
Max EUR Volatility Index	1.46	1.07	1.21	1.68	3.12



Relative Currency Strength

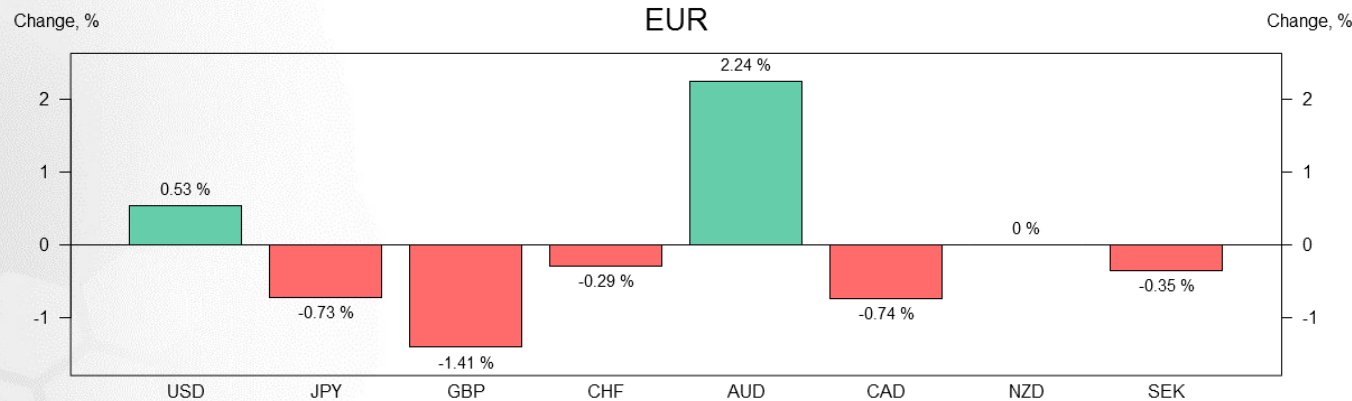
Currency Indexes



The past period was hugely successful for the British pound. Spending the whole period above 101 level, the GBP Index surged to 102 on Wednesday ahead of the UK's first quarter GDP announcement, however than, started to decline gradually. Meanwhile, UK GDP is 0.4% quarter-on-quarter compared to the 0.6% readings in the last quarter of 2015, while the yearly change stayed at 2.1%. Even the eased Brexit risks did not manage to support the currency. From there on, the Index held well above the baseline and maintained the leading position. The week was much less fortunate for the Asia-Pacific currencies and the European currency.

Thus, during the April 21-28 Asian session, the Aussis and yen's measure have lost more than 2 points making them main losers of the period. The pound, in turn, held above its peer currencies for the whole period.

Compared with the previous period, the Euro showed rather similar development during the past period. Fluctuating around the baseline during most of the period, the EUR Index experienced a small advance on Wednesday, but managed to return above the 100-point level by the end of the European session, ultimately reaching the 100.5 level and ending the period among the top five performers.



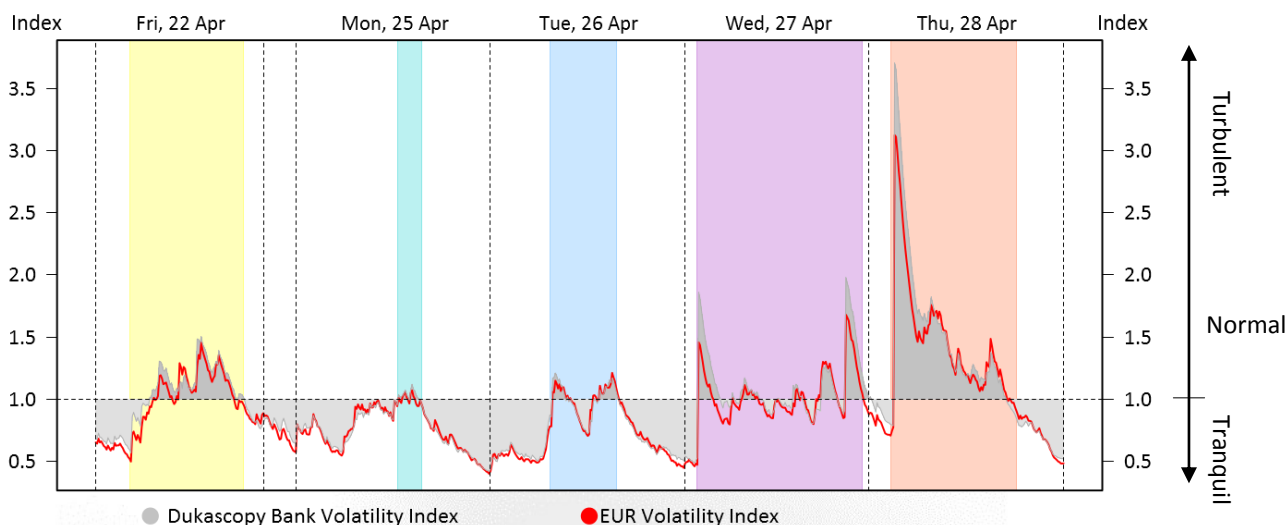
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.1%	-0.7%	0.72%	1.5%	0.22%	-2.59%	0.74%	-0.1%	0.3%
20	-1.27%	-1.19%	2.81%	0.97%	-1.82%	-1.82%	3.19%	-0.42%	-0.37%
130	-0.39%	-3.77%	8.23%	-8.9%	-1.5%	4.51%	1.36%	-0.82%	1.95%
250	4.75%	0.83%	11.53%	-4.55%	-0.41%	-4.38%	-3.84%	-10.8%	6.89%



Volatility

Volatility



Market volatility evolved in an ordinary pattern during the week, showing moderate turbulence during the European trading session and decreasing overnight. The most changeable and thus the most volatile was the Pound, whose index spent 39% of time above the 1.5 point level. The Swedish Krona, in turn, was the most tranquil in terms of elevated volatility portion, though its index spiked notably several times. The most conspicuous surge of the market volatility was observed on Thursday – the dollar dropped against the other major currencies since the Federal Reserve left interest rates unchanged, in line with expectations.

As there was limited amount of influential fundamentals from the Euro zone during the period, the majority of the single currency's volatility spikes were associated with the releases on peer economies. Thursday was the most turbulent day for the Euro, as the big portion of data was released with better-than-expected activity figures but lower inflation. Meanwhile, the better activity data support the ECB's current patient stance however, the low inflation is a concern. The index remained on this level later against the background of the US releases.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	38	33	33	39	27	23	32	31	23

Volatility Index (for the observed period)

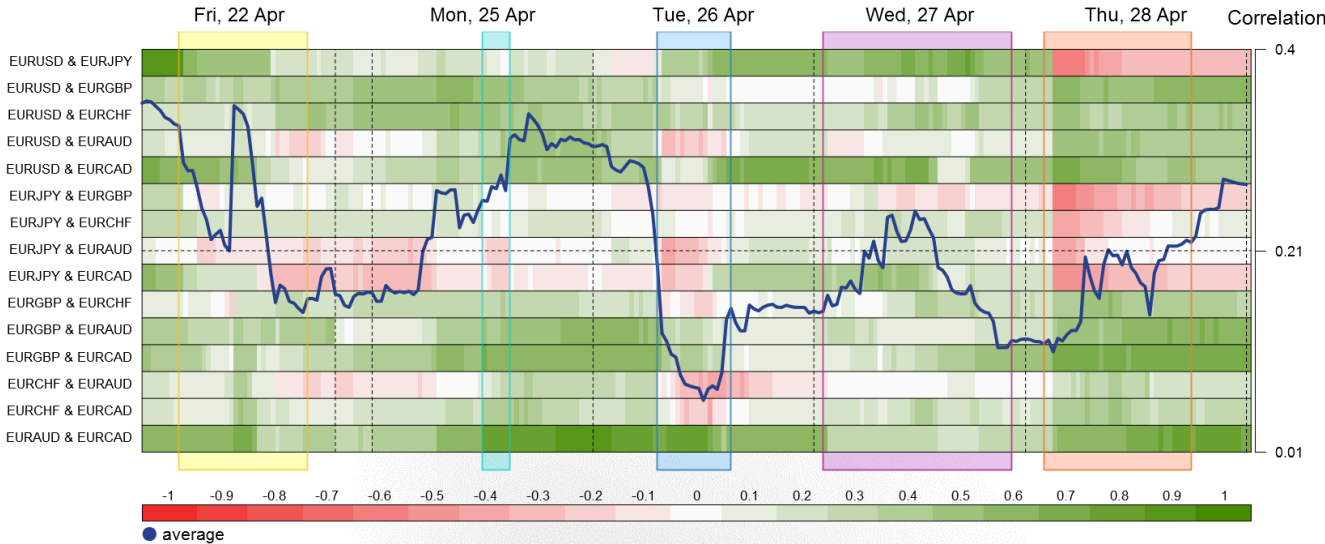
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	3.7	3.12	2.4	13.28	1.92	1.76	5.28	2.74	6.14	3.06
Min	0.42	0.4	0.31	0.33	0.28	0.29	0.3	0.33	0.43	0.1
Average	0.96	0.93	0.88	1.18	0.89	0.81	0.9	0.86	0.98	0.76



Currency Significance

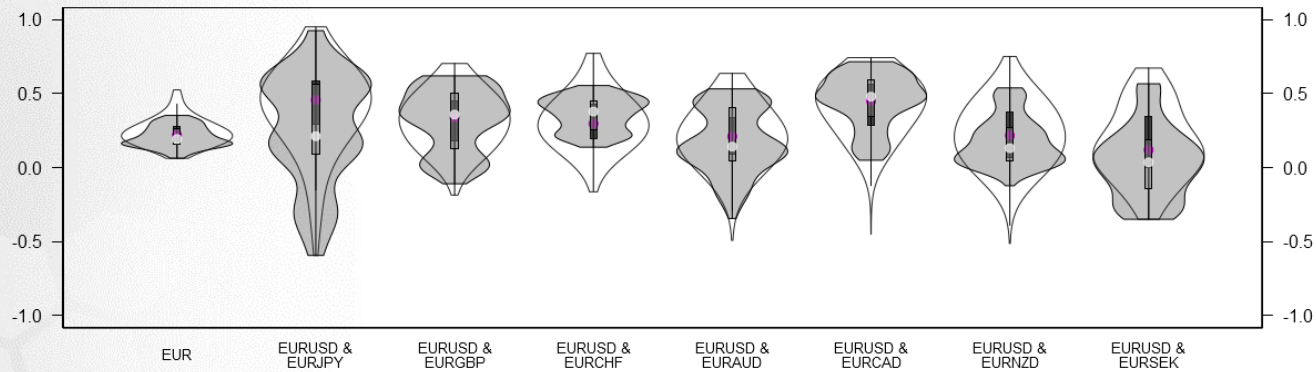
Correlations

The Euro's significance measure covered the whole spectrum of its historical values in the past period, with the higher readings affected greatly by the Fed as well as BoJ decisions. On Thursday, the Federal Reserve left interest rates unchanged, as expected, giving little indications on future policy moves. On the other hand, the yen strengthened significantly, after the Bank of Japan kept the deposit rate at minus 0.1% while asset purchases, in turn, at 80 trillion per year. also pushing back the expected data for reaching its 2% inflation target.



During the past period, the Euro's correlation composite was mostly governed by the single currency's morning movements, pushing the measure up on Friday, Monday and Thursday. The rise in the beginning of the period— on Monday, was the most substantial one, taking the composite from its minimum of 0.18 points to a solid level of 0.34. Nevertheless, the EUR composite crossed the significance threshold of 0.21 points in the first hours of the European session on Tuesday, and stopped its ascent only late in the afternoon, stabilizing above the 0.30 points mark.

Correlations (5 vs 20 days)

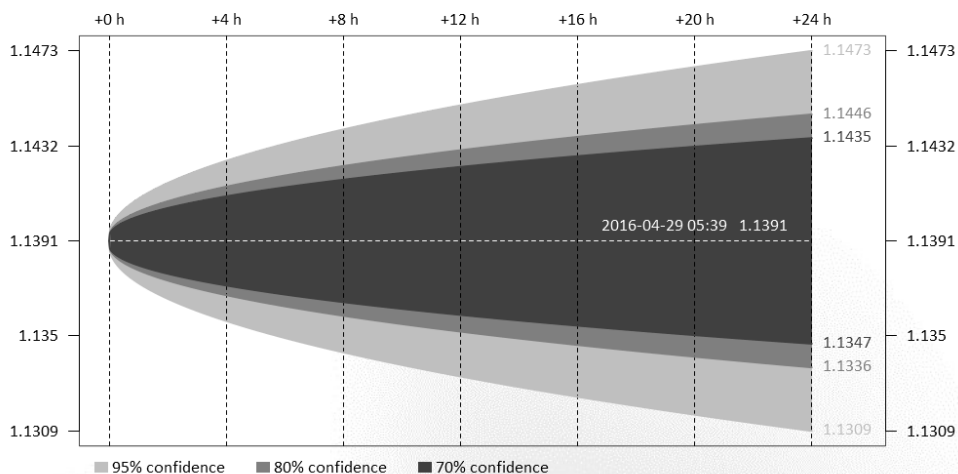


Mean Correlation Coefficient (with EURUSD)

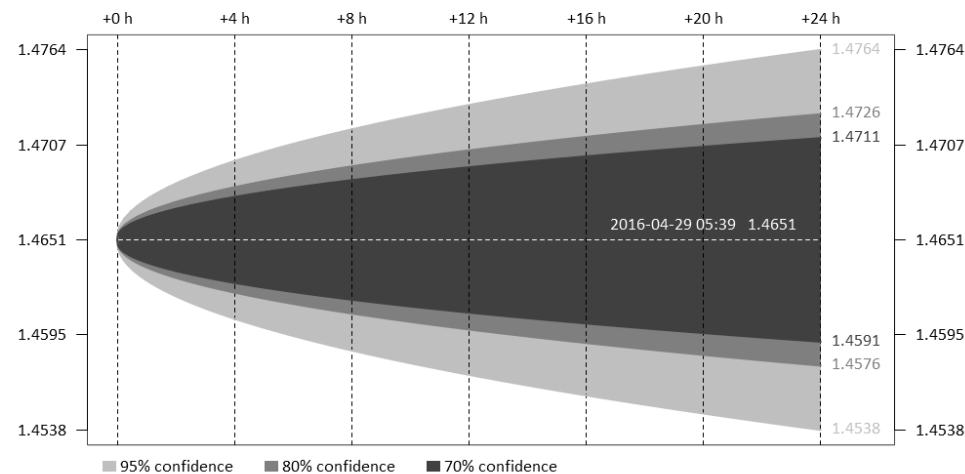
Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.21	0.25	0.32	0.36	0.17	0.45	0.18	0.03
20	0.24	0.4	0.32	0.31	0.21	0.42	0.22	0.16
130	0.34	0.5	0.53	0.32	0.46	0.6	0.39	0.25
250	0.37	0.62	0.62	0.33	0.47	0.64	0.41	0.22

Confidence Intervals for Next 24 Hours

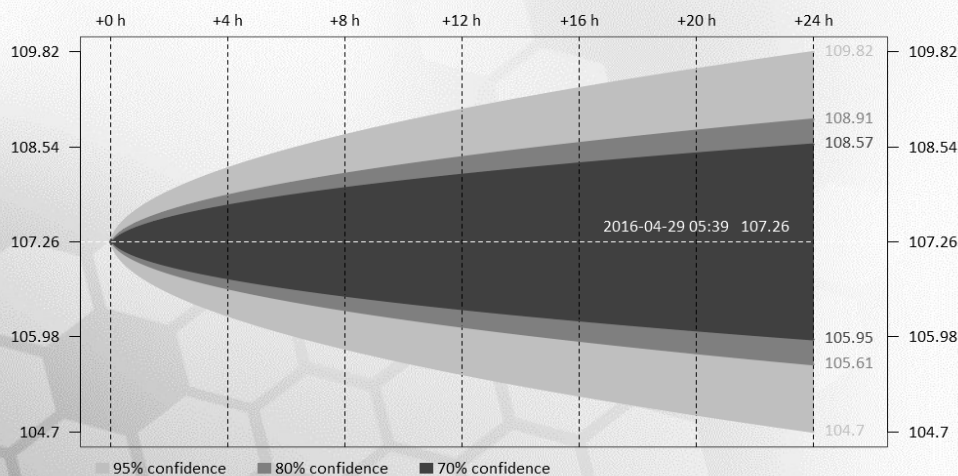
EURUSD Potential Rates



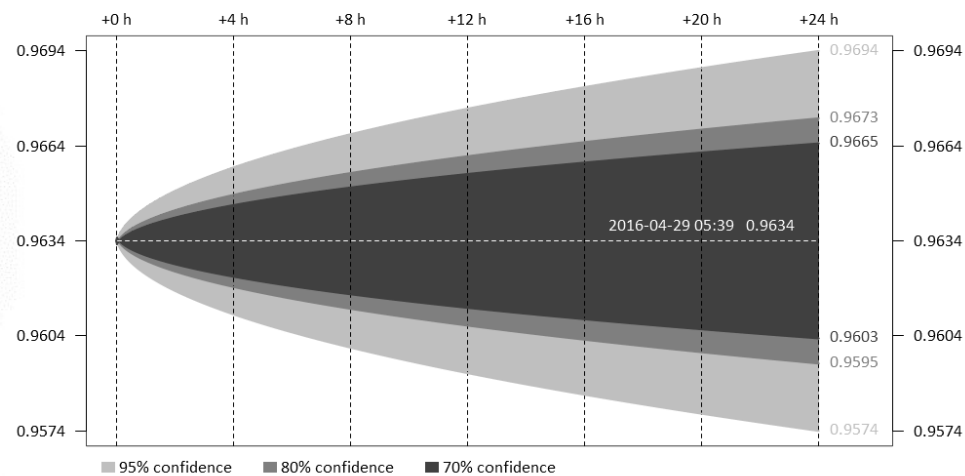
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

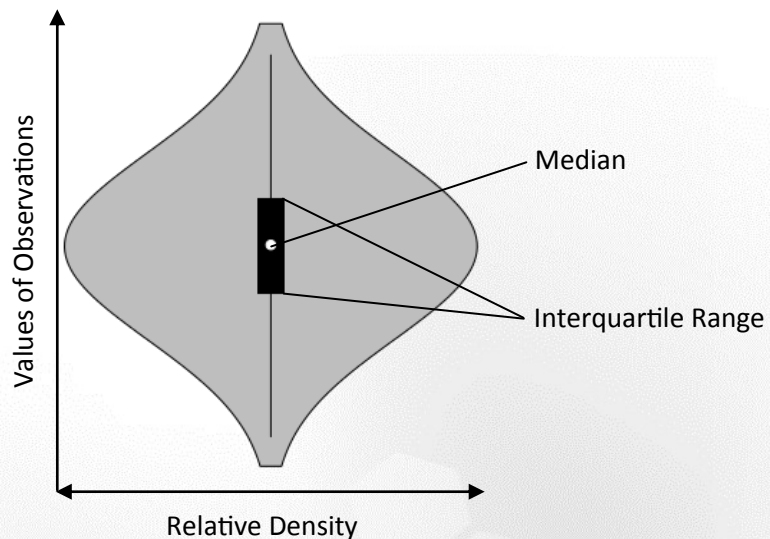
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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