



06/06/2016



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

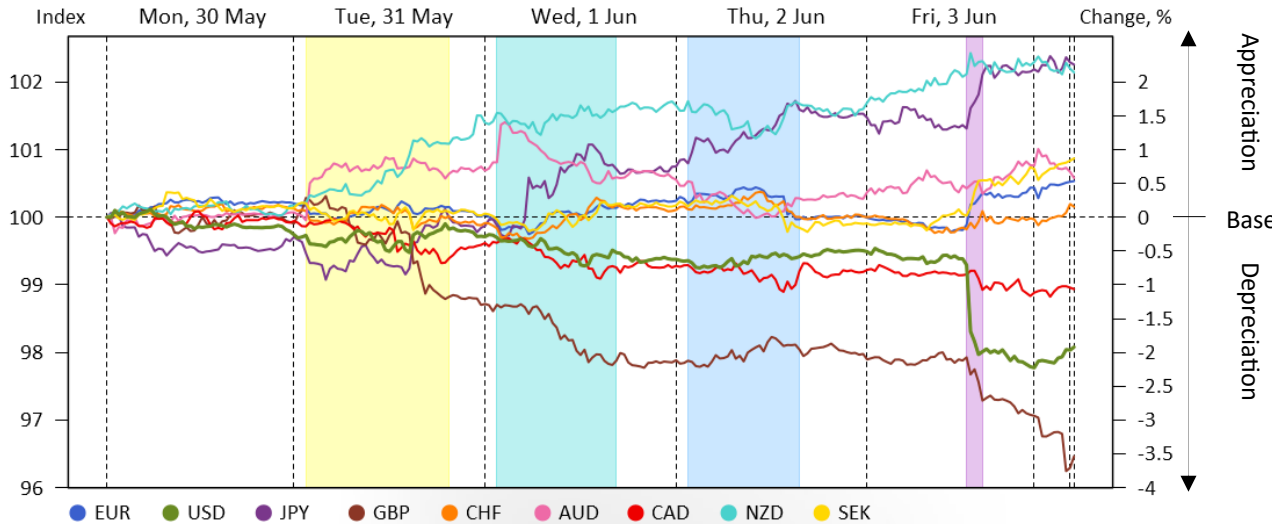
Yellow Area	Turquoise Area	Blue Area	Purple Area
<p><i>May 31</i></p> <p><i>01:00 - 19:30</i></p> <ul style="list-style-type: none"> ANZ Business Confidence Australian Current Account Balance, Building Permits German Unemployment Rate EMU Prelim. CPI US Personal Consumption Canadian GDP 	<p><i>June 1</i></p> <p><i>01:00 - 16:30</i></p> <ul style="list-style-type: none"> Chinese Non-Manufacturing, Manufacturing PMI Australian GDP UK Markit Manufacturing PMI, Consumer Credit, Mortgage Approvals US Markit, ISM Manufacturing PMI, ISM Prices Paid 	<p><i>June 2</i></p> <p><i>01:00 - 15:00</i></p> <ul style="list-style-type: none"> OPEC Meeting Australian Retail Sales, Trade Balance UK PMI Construction EMU PPI, ECB Rate Decision, Monetary Policy Statement US ADP Employment Change, Jobless Claims BoE Carney's Speech 	<p><i>June 3</i></p> <p><i>12:00 - 14:30</i></p> <ul style="list-style-type: none"> US Unemployment Rate, Labor Force Participation Rate, Nonfarm Payrolls, Trade Balance, Markit Services PMI, ISM Non-Manufacturing PMI, Factory Orders

USD Currency Index Change	0.09%	-0.22%	0.06%	-1.28%
Max USD Volatility Index	1.88	1.7	1.6	5.37



Relative Currency Strength

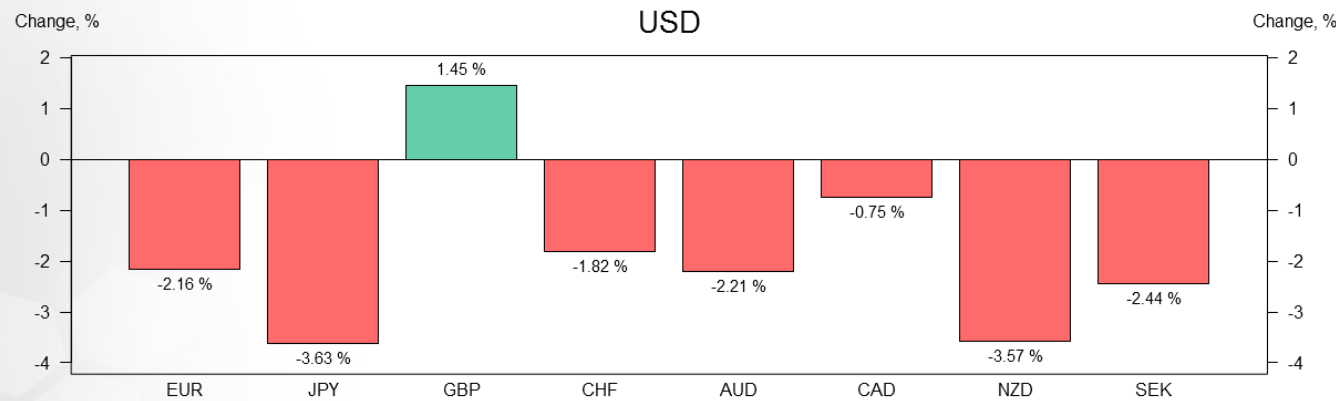
Currency Indexes



The examined indexes notably widened their range of values compared to several previous weeks, adding some persistency to their movements. The main players above the baseline were the Kiwi's and the yen's gauges, both recovering from previous losses. The former was moving north during most of the week, picking up on late Monday and gaining momentum on Tuesday, fueled by a recovery in building permits and a rise in business confidence. The JPY Index, in turn, had a sluggish start, but shot over the baseline on Wednesday, when risk aversion pushed the yen up across the board, and continued strengthening till the end of the week. In the depreciation area, the most

dramatic change was suffered by the GBP Index, which posted a 3.5% weekly loss. The measure was hit by growing "Brexit" support on Tuesday, and dove even further on Friday, against the background of the dollar's drop and the rise in the safe haven currencies.

The USD Index posted the second worst result, losing 2% and breaking its four-week appreciation streak. The measure was generally feeble throughout the period, moving shoulder to shoulder with the Loonie's index, which slipped on disappointing GDP, but the decisive moment proved to be the NFP data release on Friday. As the numbers came in on a shockingly low level, surprising the market and dampening rate-hike expectations, the dollar's index lost over 1.3 points, putting all its long-term readings at or below zero.



Currency Index Change

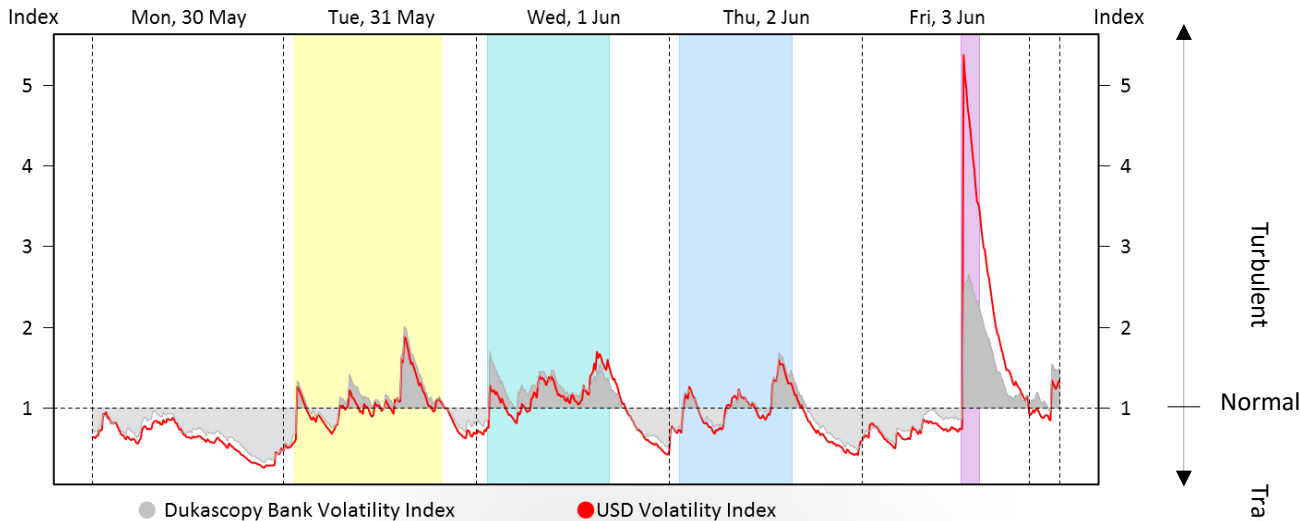
Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.53%	-1.92%	2.26%	-3.54%	0.15%	0.58%	-1.06%	2.14%	0.87%
20	-0.5%	0.03%	0.53%	-0.18%	-0.54%	-0.54%	-0.28%	1.56%	-0.16%
130	1.58%	-3.28%	12.17%	-8.52%	-0.92%	-3.34%	0.26%	0.35%	1.24%
250	2.16%	-0.24%	17.99%	-6.82%	-4.55%	-4.65%	-4.75%	-2.2%	3.05%



Volatility

Monday, June 06, 2016
15:30 GMT

Volatility



The overturbulence portions of all examined currencies reached above the one-third mark, making the previous week the most volatile one since mid-April. Most of commotion took place on Wednesday and Tuesday and originated from the Aussie's and the pound's moves. The former went as far as reaching above the 4.0 points line as the Australian currency shot up with better-than-expected first quarter GDP. That surge was the week's second highest peak, while the pound's volatility index closed the top-3 with a 3.2 points jump at the open of the latest Asian session. As the new polls came out pro-"Brexit", the pound took another hit, pushing its turbulence measure up amid

otherwise calm weekend.

The dollar's gauge, in turn, reached the week's absolute high. As Friday's NFP release shocked the market and caused the Greenback to tumble, the USD Volatility Index spiked to 5.4 points and held above the one-point line for the rest of the trading day. The move triggered waves of volatility in the dollar's peers, and the Euro, the yen, the Kiwi, and the krona, all of whom jumped against the background of the Greenback's fall, also pushed their turbulence measures to their high. Thus the release proved to be the week's most explosive event, putting the aggregate volatility gauge to its high of 2.7 points.

Elevated Volatility (% of the observed period)

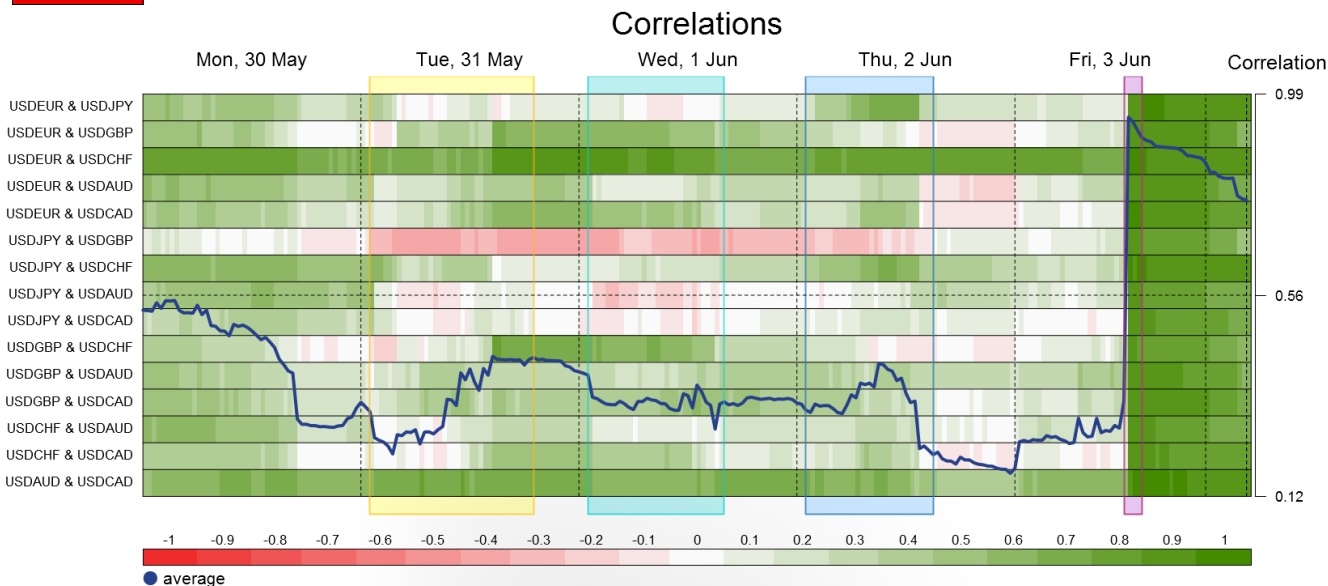
Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
43	37	36	51	37	39	27	22	22	35

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.66	5.37	8.59	6.51	4.07	6.61	3.81	4.32	4.58	6.92
Min	0.33	0.26	0.26	0.21	0.33	0.27	0.14	0.25	0.29	0.26
Average	1	0.98	1.09	1.18	1.05	1.05	0.91	0.84	0.84	1.03



Currency Significance

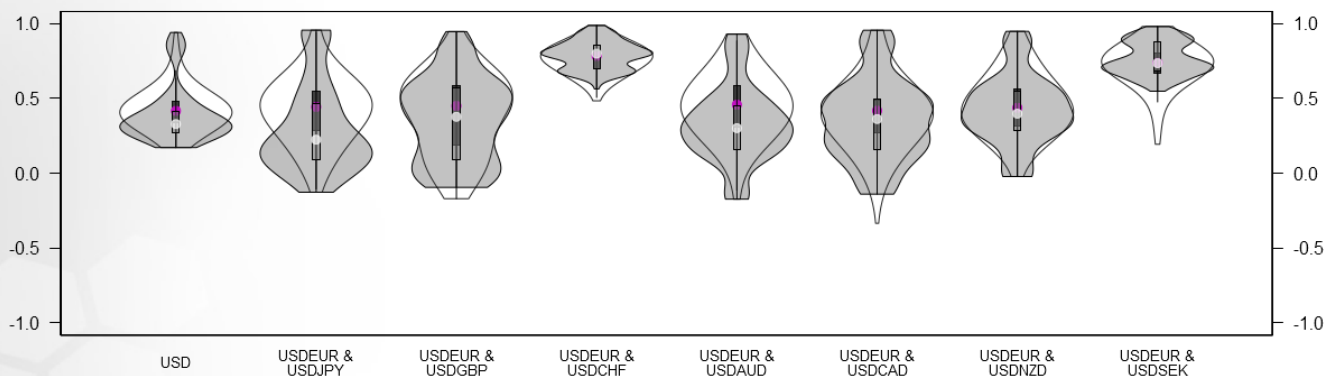


The dollar's correlation composite held its average in line with the previous readings of 0.4, but that was the result of the offsetting Friday's surge rather than firm performance during the week. In general, the composite's distribution slid down, weighted heavily by the yen's and the pound's persistent movements as the two currencies brought a palpable amount of negative values to the dollar's correlation. The effect was especially pronounced in the USD/GBP-USD/JPY component, which remained below zero from Tuesday to Thursday, when the dollar was flat but its peers moved in the opposite directions. Unsurprisingly,

the yen's and the pound's composites were the leaders of the period, forming the top-4 performers along with the Aussie's and the Kiwi's gauges.

The dollar's composite started the week by sliding from the moderate level it jumped to at the end of the previous period, and held in the feeble range between 0.2 and 0.4 till Friday afternoon, signaling the Greenback's relative insignificance. On Friday, however, the gauge jumped to the week's absolute high, leaving its closest peer, the yen's measure, 0.2 points below. The dollar's across-the-board tumble caused all its correlation components to surge to strongly positive levels, and the composite reached above the 0.9 points line.

Correlations (5 vs 20 days)



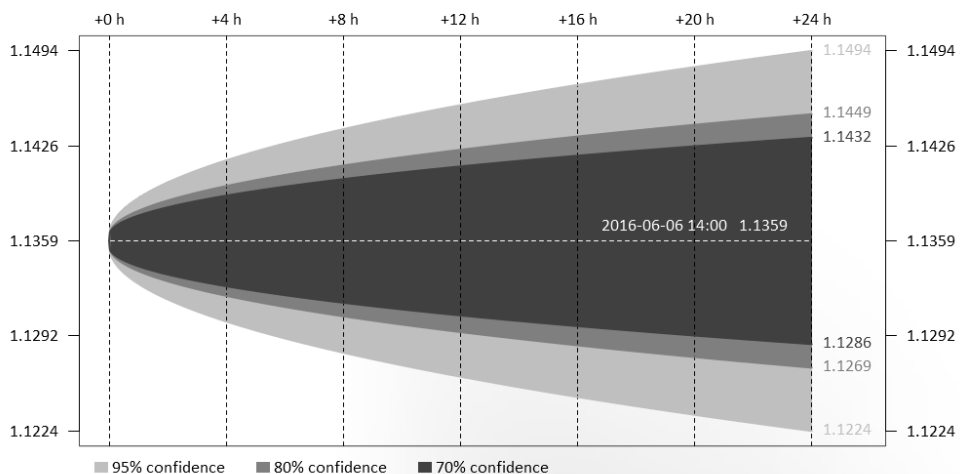
Mean Correlation Coefficient (with USDEUR)

Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.39	0.3	0.35	0.79	0.32	0.35	0.42	0.76
20	0.42	0.42	0.39	0.76	0.45	0.39	0.45	0.72
130	0.34	0.46	0.4	0.78	0.2	0.16	0.26	0.71
250	0.37	0.46	0.43	0.75	0.27	0.24	0.3	0.73

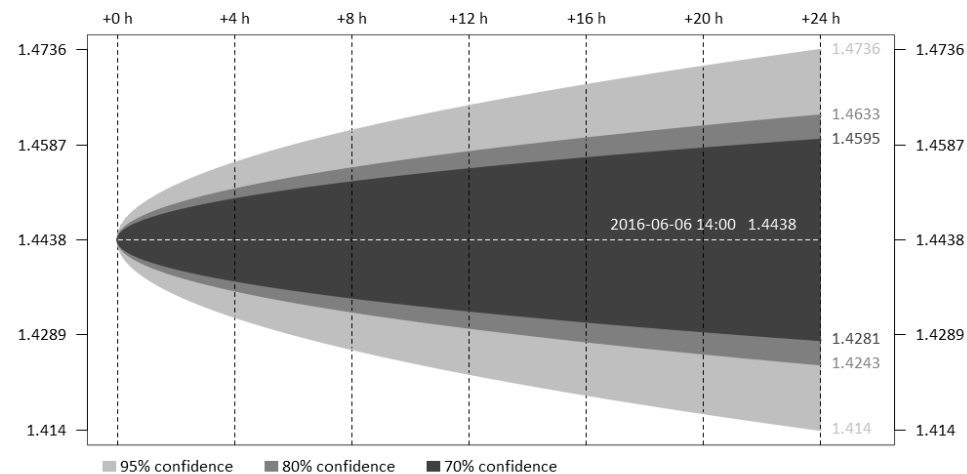
Confidence Intervals for Next 24 Hours

Monday, June 06, 2016
15:30 GMT

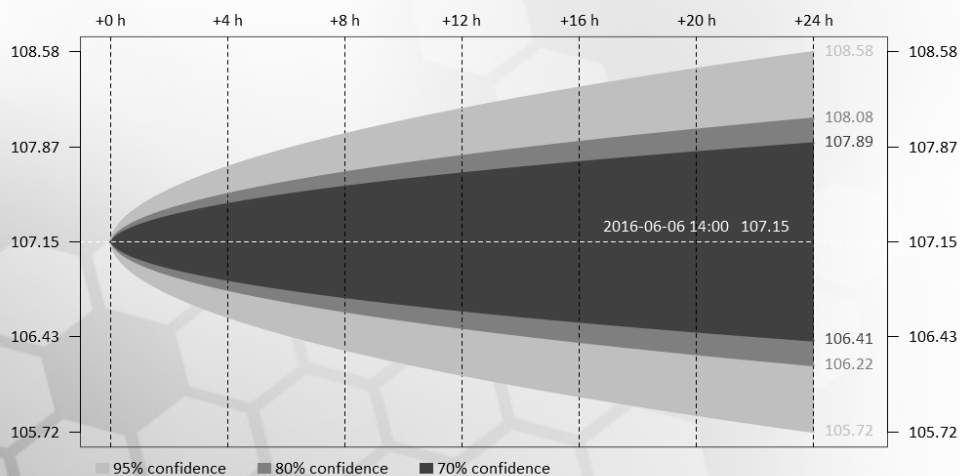
EURUSD Potential Rates



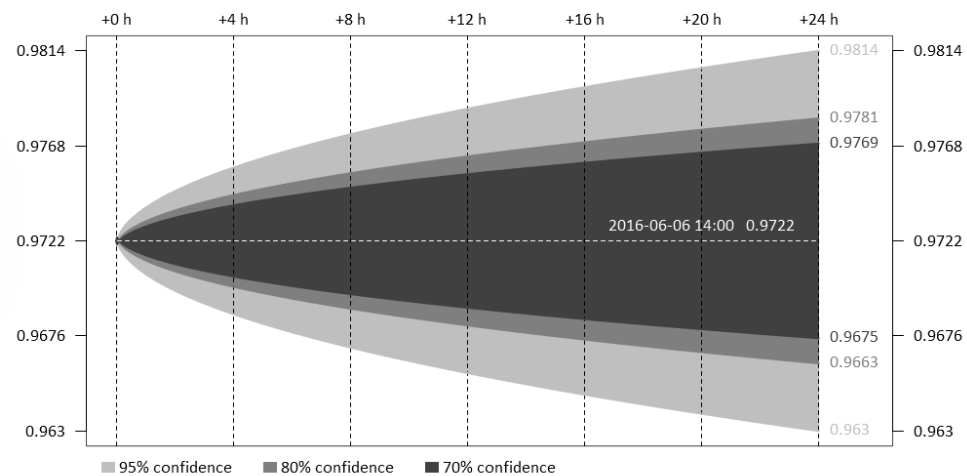
GBPUSD Potential Rates



USDJPY Potential Rates



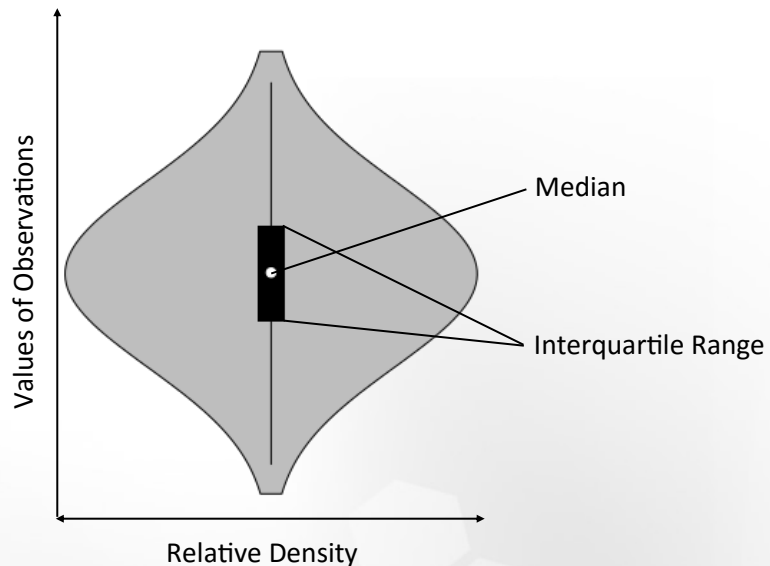
USDCHF Potential Rates



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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