



10/06/2016



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Dominant Events of the Period

Yellow Area	Turquoise Area	Blue Area	Purple Area	Orange Area
June 3	June 5 - 6	June 7	June 8	June 9
12:00 - 14:30	22:30 - 18:30	03:30 - 15:30	07:30 - 21:30	00:30 - 15:30
<ul style="list-style-type: none"> US Unemployment Rate, NFP, Trade Balance, Services PMI, PMI Composite, Factory Orders 	<ul style="list-style-type: none"> Australian TD Securities Inflation US Labor Market Conditions Index Fed Yellen's Speech 	<ul style="list-style-type: none"> RBA Interest Rate Decision, Rate Statement Japanese Leading Economic Index, Coincident Index EMU GDP US Nonfarm Productivity, Unit Labor Costs Canadian Ivey PMI 	<ul style="list-style-type: none"> UK Industrial & Manufacturing Production, NIESR GDP Estimate Canadian Housing Starts RBNZ Interest rate Decision, Monetary Policy Statement 	<ul style="list-style-type: none"> Chinese CPI, PPI German Trade Balance, Current Account ECB Draghi's Speech US Jobless Claims BoC Review, Poloz's Speech

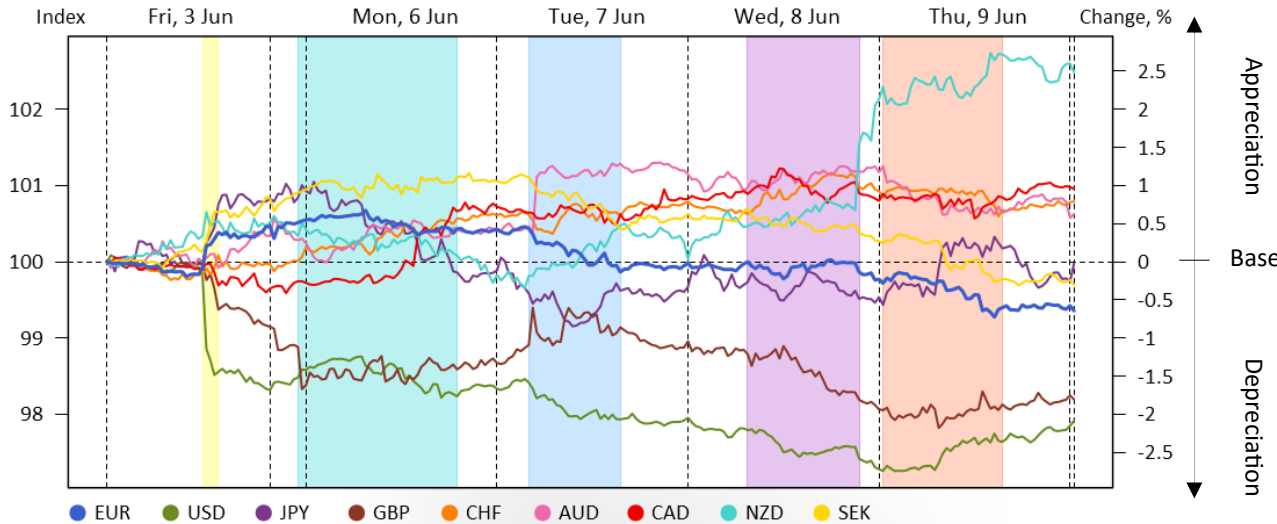
ncy Index Change	0.47%	-0.08%	-0.57%	-0.14%	-0.32%
JR Volatility Index	2.89	1.39	1.82	1.9	1.81



Relative Currency Strength

Friday, June 10, 2016
15:30 GMT

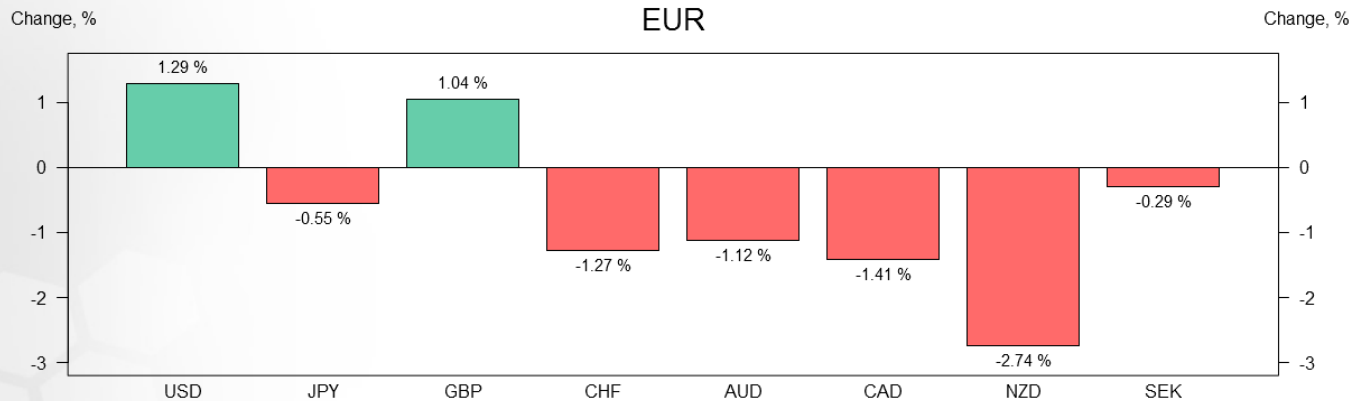
Currency Indexes



The period was marked by a strong divergence between the gainers and the losers. The week was hugely successful for the Kiwi, whose index spent the first three days at the base level, but surged to 102.5 as the RBNZ left interest rates unchanged. Meanwhile, the Greenback and the pound became the period's worst performers. The GBP Index retained its negative tendency from the previous week and continued to fall throughout the whole period. The currency was weighted by the "Brexit" poll results released over the weekend, the gauge reduced to the 98.2 mark by the end of the period. However, the Greenback managed to show

an even worse result. The dramatic fall of the US nonfarm payrolls, which came out more than four times lower than expected, pushed the dollar down sharply, and it failed to recover till the end of the week, ending the period with the 2.1% loss.

The single currency's gauge was rather calm in the past week, fluctuating in a range of 99.3 to 100.7 points and showing moderate reactions to its peers' movements. Thus, the increase of the Euro on Friday occurred against the background of the dollar's fall. Other important events of the period included New Zealand rates decision, which provided a negative impetus to the European currency, and it ended the period with 0.64% loss.



Currency Index Change

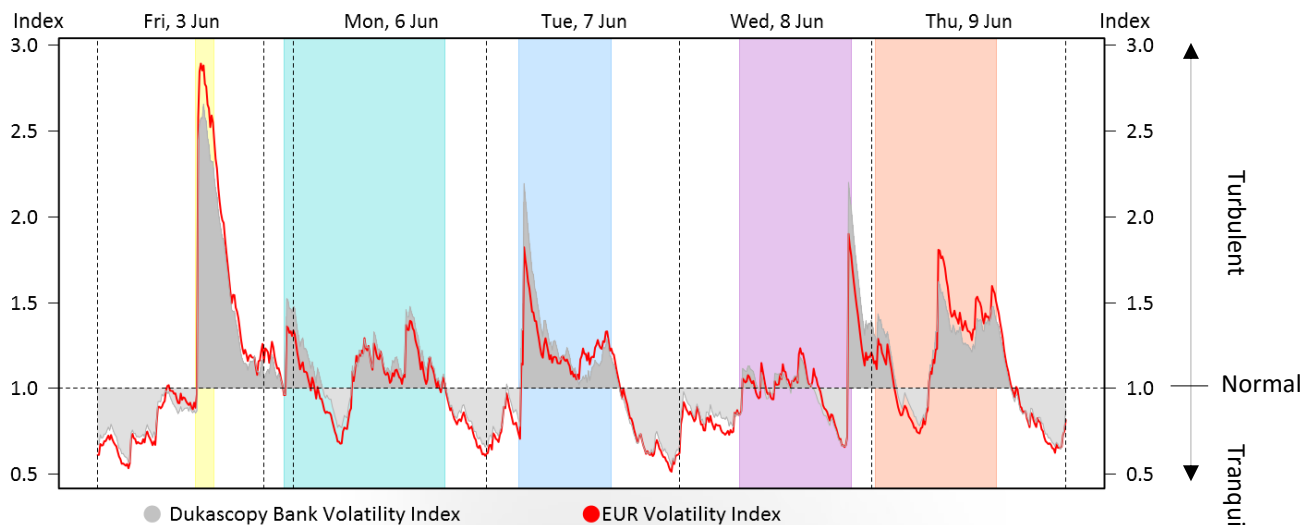
Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.64%	-2.08%	-0.02%	-1.8%	0.79%	0.63%	0.96%	2.49%	-0.3%
20	-1.75%	-1.02%	0.74%	-1%	-0.33%	0.58%	-0.06%	3.98%	-1.05%
130	-0.36%	-3.89%	10.15%	-9.08%	-1.38%	-1.67%	4.01%	1.85%	0.37%
250	0.18%	0.22%	17.13%	-6.92%	-3.98%	-4.02%	-3.4%	-0.57%	1.4%



Volatility

Friday, June 10, 2016
15:30 GMT

Volatility



The past week was marked by the very high portion of elevated volatility of all observed currencies. Both the market and the single currency spent more than a half of the period above the historical level. The yen became the most turbulent currency of the week, with the 65% of portion of elevated volatility. Nevertheless, its volatility index did not exceed the 2.5 mark. The highest volatility spike, in turn, was made by the Kiwi, whose gauge surged to 6.7, reacting to the RBNZ interest rate decision on Wednesday. The second highest was the dollar's index's jump, which reached the 5.5 mark after the extremely low US nonfarm payrolls data came out on Friday.

As there was little to no influential news from the Euro zone during the week, the majority of the Euro volatility spikes were caused by the releases on the peer economies. Thus, the highest peak of the volatility took place on Friday, and was associated with the US labor data. The Australian interest rate decision on Tuesday forced the Euro's turbulence measure to rise to the 1.82 mark, while the aggregate market index surged to 2.19. On Wednesday, the New Zealand rates decision was followed by the 2.20 points peak of the market index and the 1.90 for the Euro. Thursday was marked by Mario Draghi's speech, though the Euro's measure reached only the 1.80 level.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
	52	34	61	50	47	27	38	52	37

Volatility Index (for the observed period)

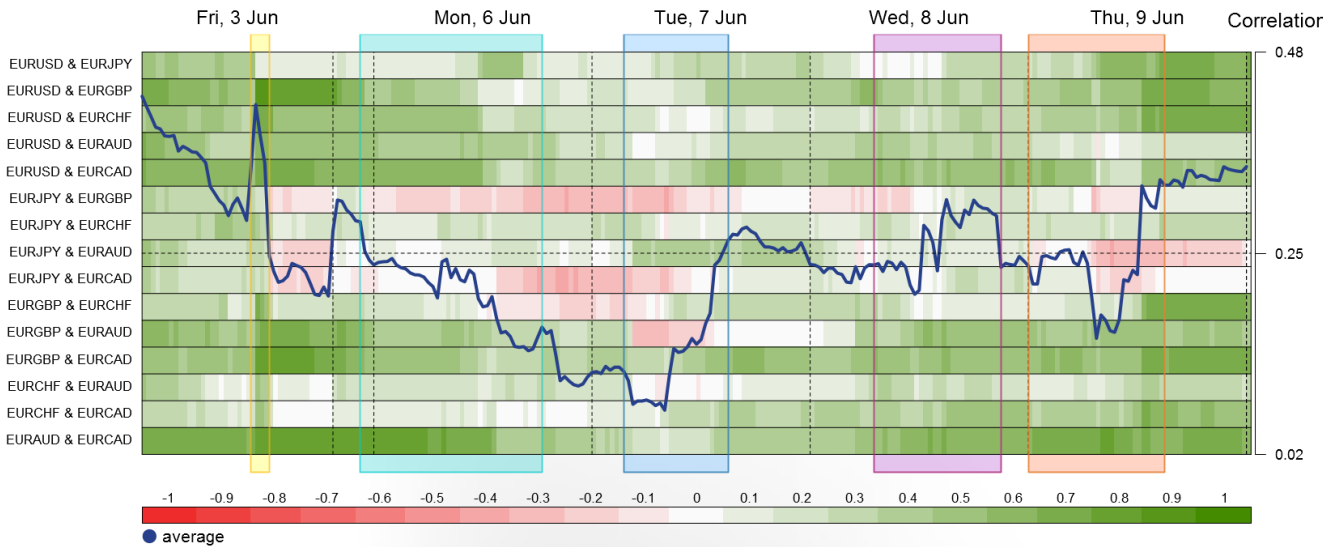
	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.66	2.89	8.99	2.57	3.54	3.87	4.22	3.04	7.53	3.03
Min	0.55	0.51	0.37	0.36	0.3	0.28	0.39	0.37	0.51	0.12
Average	1.07	1.05	1.06	1.12	1.11	1.1	0.91	0.95	1.22	0.9



Currency Significance

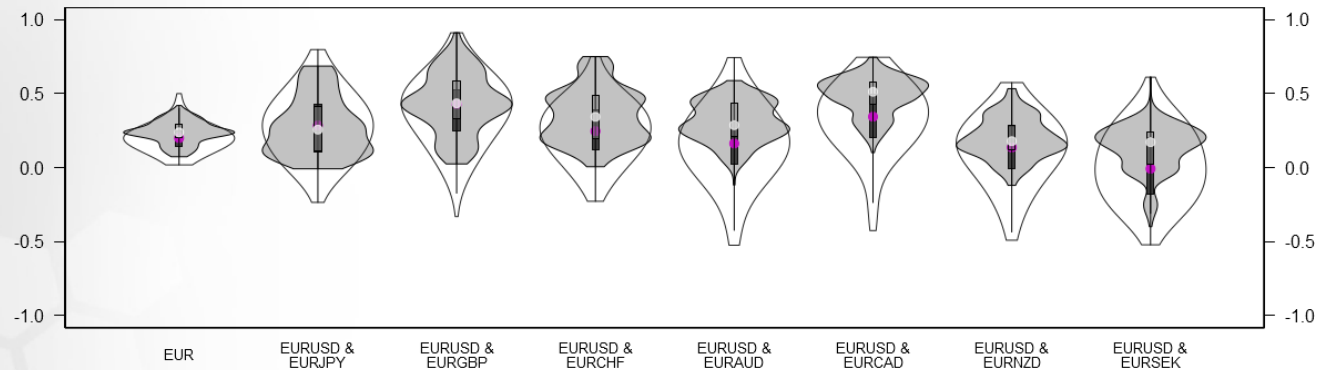
Correlations

After more than a month of low values of the single currency's significance measure, the composite managed to recover slightly. Thus the mean of the Euro's composite added 0.06 points on the previous week's results and 0.04 on its monthly value. The growth of the average values of the EUR/USD components was more notable, rising by 0.08-0.21 points from the previous readings. The most notable change was observed in the EUR/USD – EUR/SEK component, which posted a negative average value in the previous week. The only exception was the bond between EUR/USD and EUR/JPY, which has weakened by the 0.03 points.



In the first two trading days the Euro's measure showed a strong downward trend. Starting the period at the level of 0.43, the composite gradually reduced to 0.07. On Friday, against the background of the US economic news, the composite made an attempt to recover and surged sharply to 0.42 mark. However, the strengthening did not last long, and the measure continued to weaken. The turning point took place on Tuesday. Ahead of the Euro zone GDP data release the aggregate started to grow rapidly, and spent the next day at the level of 0.28. The new impetus for the composite was the ECB president's speech and the composite jumped to the 0.33 mark. Thus, index ended the period at 0.35 points.

Correlations (5 vs 20 days)



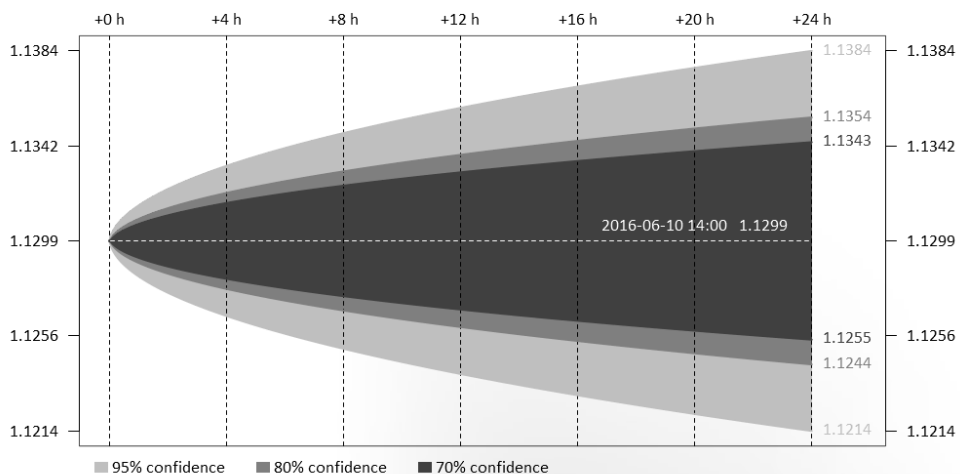
Mean Correlation Coefficient (with EURUSD)

Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.24	0.28	0.43	0.35	0.31	0.48	0.2	0.13
20	0.2	0.28	0.39	0.25	0.15	0.33	0.12	0.01
130	0.28	0.38	0.44	0.26	0.39	0.51	0.33	0.2
250	0.34	0.55	0.58	0.32	0.43	0.59	0.37	0.21

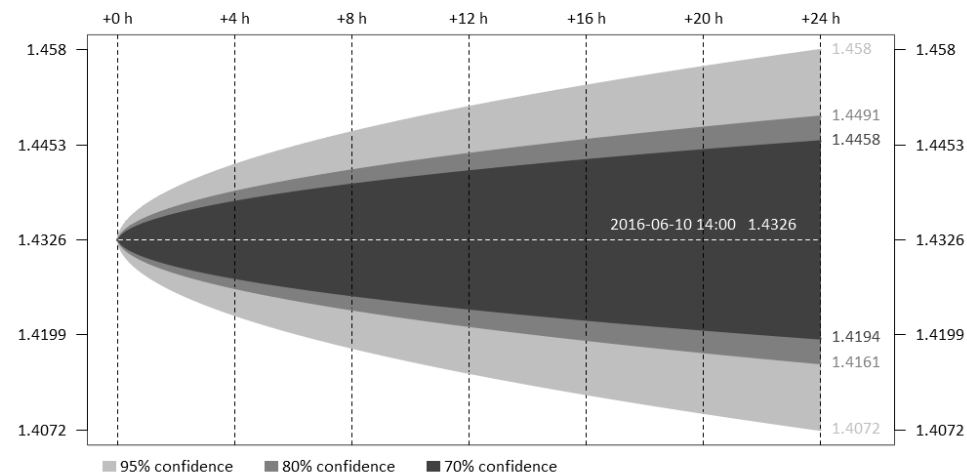
Confidence Intervals for Next 24 Hours

Friday, June 10, 2016
15:30 GMT

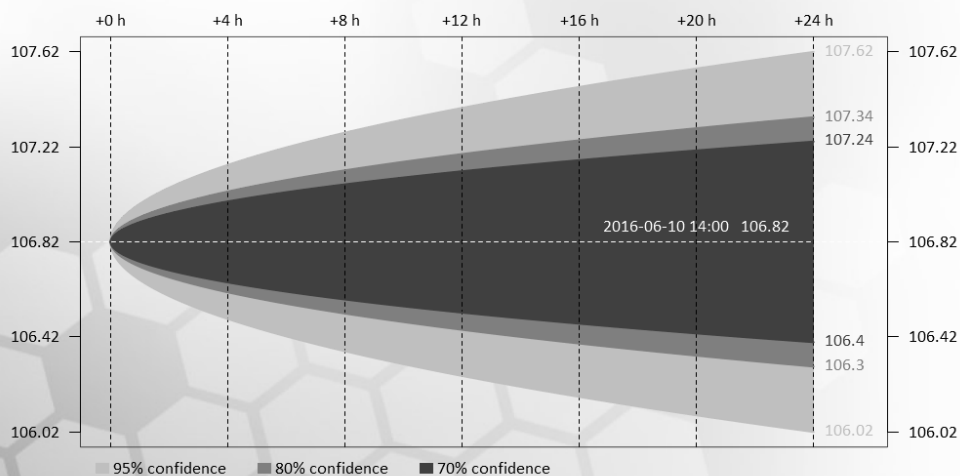
EURUSD Potential Rates



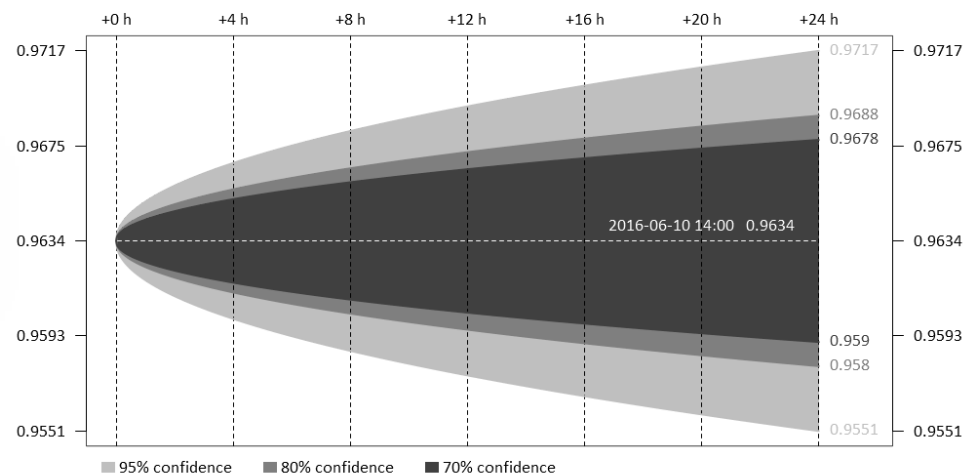
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

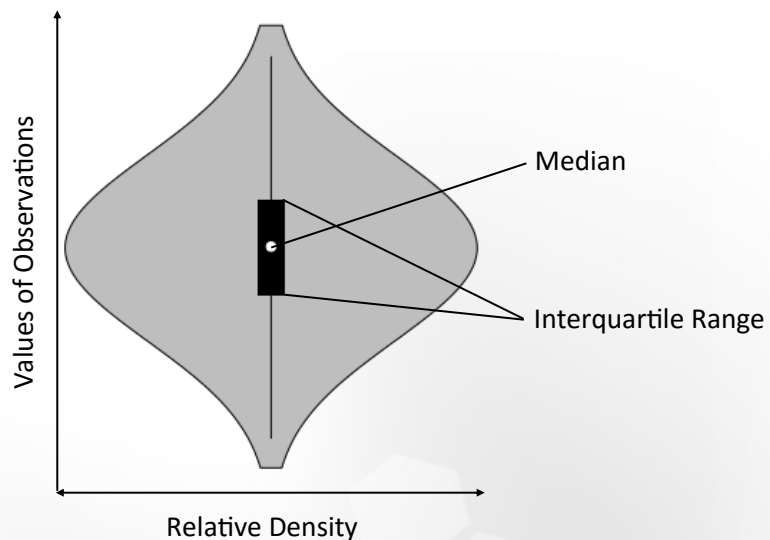
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





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