



15/06/2016



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RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Yellow Area

June 8

07:30 - 15:30

- UK Industrial & Manufacturing Production, NIESR GDP Estimate
- Canadian Housing Starts

Turquoise Area

June 9

07:00 - 16:00

- ECB Draghi's Speech
- US Jobless Claims
- BoC Review, Poloz's Speech

Blue Area

June 10

07:00 - 20:00

- German Buba Weidmann's Speech
- UK Consumer Inflation Expectations
- Canadian Participation Rate, Unemployment Rate, Net Change in Employment
- US Monthly Budget Statement

Purple Area

June 13

06:00 - 23:00

- German Buba Weidmann's Speech
- UK CB Leading Economic Index
- New Zealand Food Price Index

Orange Area

June 14

06:00 - 17:00

- Swiss Producer & Import Prices
- Swedish CPI
- UK CPI, PPI
- EMU Industrial Production
- US Retail Sales, Import & Export Price Indexes

GBP Currency Index Change

-0.21%	0.02%	-0.88%	-0.04%	0.24%
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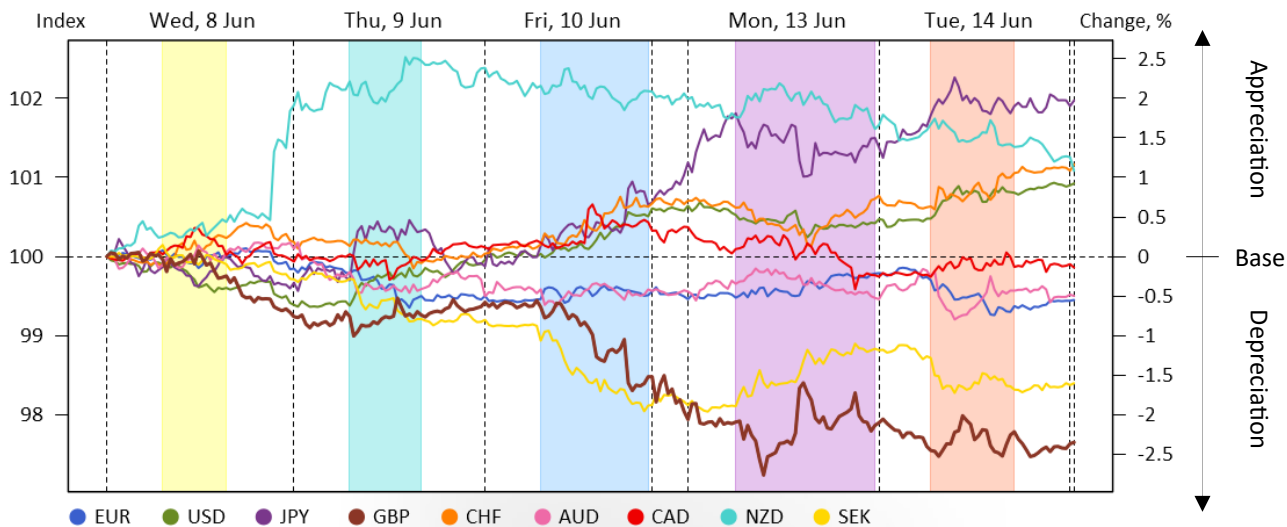
Max GBP Volatility Index

1.58	1.42	2.55	2.08	1.75
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Relative Currency Strength

Currency Indexes

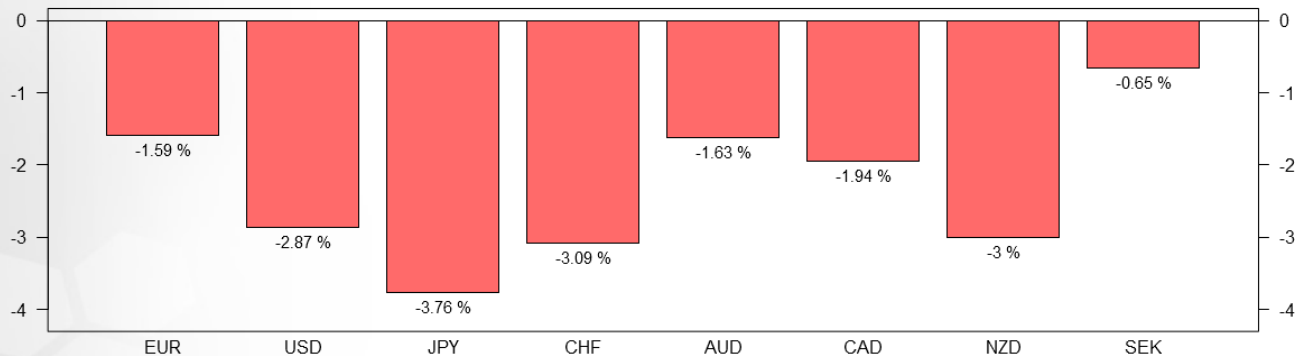


Worries over the 'Brexit' referendum continued to weigh on the British pound, and its index finished the period below the baseline for the third week in a row. Meanwhile, the observed five trading days were hugely successful for the yen, whose measure posted an almost 2% gain. The JPY Index started to grow on Friday, after the positive Japanese Tertiary Industry Index report and against the background of the oil prices decrease. On Tuesday it even managed to overtake the Kiwi, which held the leading position since Wednesday. The sharp increase of the New Zealand dollar took place right after the RBNZ interest rate decision came out, the index surged to

the 102.2 level and held it for the next three days.

The pound showed a downward tendency from the very beginning of period. The British NIESR GDP pushed the index down, and the measure dropped to the 99.0 points mark. Friday was marked by the British consumer inflation expectations report, which caused the gradual decrease of the index. Thus on Monday it reduced to the minimum value of the period, and spent the rest of the week at the level of 97.4. Moreover, the nearing of the 'Brexit' referendum has pressured the investors and has contributed to the pound's slump.

Change, %



Currency Index Change

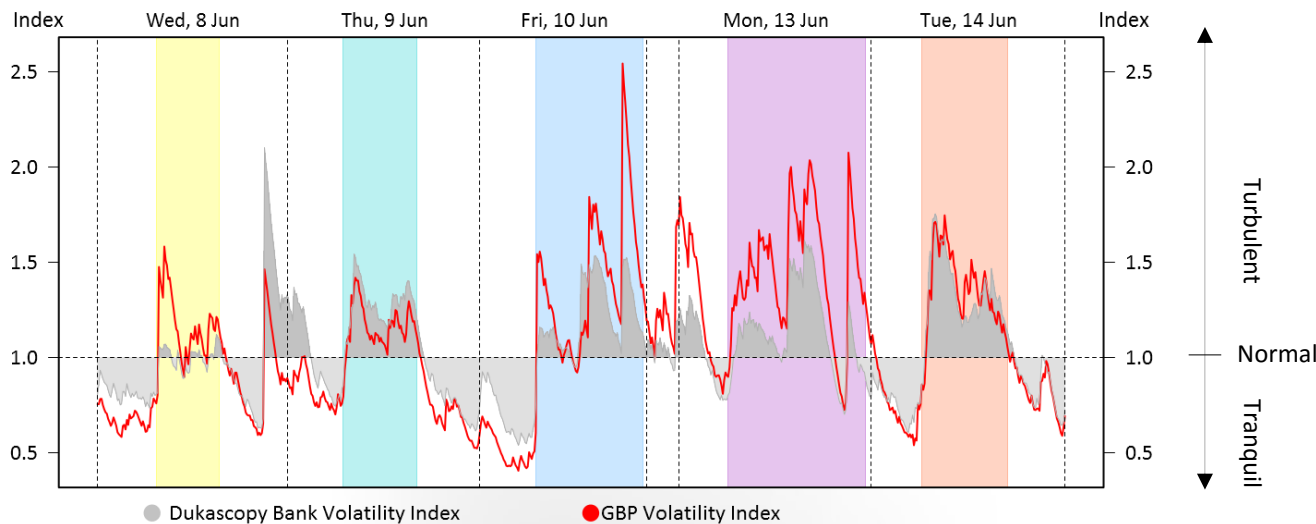
Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.55%	0.92%	1.97%	-2.35%	1.16%	-0.5%	-0.14%	1.08%	-1.6%
20	-1.46%	-0.67%	2.3%	-3.44%	1.59%	0.3%	-0.12%	2.37%	-1.28%
130	-0.52%	-3.24%	11.56%	-10.44%	-0.12%	-1.06%	4.3%	0.16%	-0.79%
250	0.97%	1.05%	18.12%	-9.84%	-2.56%	-4.48%	-3.86%	0.95%	-0.36%



Volatility

Wednesday, June 15, 2016
15:30 GMT

Volatility



The volatility of the market was rather high, and the aggregate turbulence measure spent more than 50% of the period above the historical level. The absolute leader among the examined currencies was the yen, which posted a 63% high portion of elevated volatility. The GBP Volatility Index, in turn, spent 55% of the period above the 1-point level, thus showing an above-the-average overturbulence. Meanwhile, the Kiwi produced the period's highest volatility peak, reacting sharply to the New Zealand rates decision.

The first half of the period was relatively tranquil. On Monday, after the British NIESR GDP report,

the pound's index surged to the 1.58 mark. The next two spikes were caused mostly by its peers' movements. Thus the RBNZ interest rate decision on Wednesday and the ECB President Draghi's speech on Thursday prompted the pound's volatility index up, though it failed to exceed the 1.5 level. In the second part of the period, the pound's overturbulence was caused by the oncoming referendum on the 'Brexit'. The latest independent poll on Friday showed that momentum has swung towards the 'Leave' camp, and this fact pushed the GBP Volatility Index up to 2.55 points. The next two days also were quite active. The rises of the index were caused, among other news, by the British CB leading economic index report, CPI and PPI releases.

Elevated Volatility (% of the observed period)

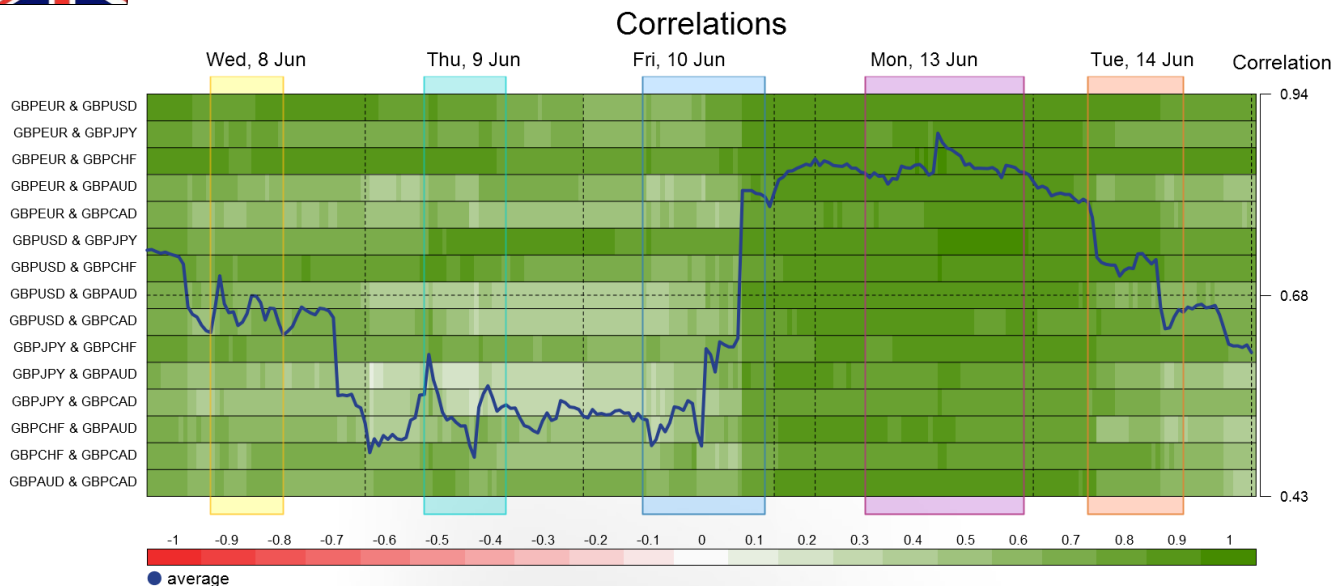
Market	GBP	EURGBP	GBPUSD	GBPJPY	GBPCHF	GBPAUD	GBPCAD	GBPNZD	GBPSEK
53	55	51	50	61	51	45	57	55	52

Volatility Index (for the observed period)

	Market	GBP	EURGBP	GBPUSD	GBPJPY	GBPCHF	GBPAUD	GBPCAD	GBPNZD	GBPSEK
Max	2.1	2.55	2.62	3.09	2.84	2.61	2.36	2.71	5.99	2.17
Min	0.54	0.4	0.33	0.24	0.4	0.28	0.39	0.31	0.48	0.29
Average	1.04	1.08	1.05	1.07	1.18	1.09	0.97	1.07	1.16	1.04



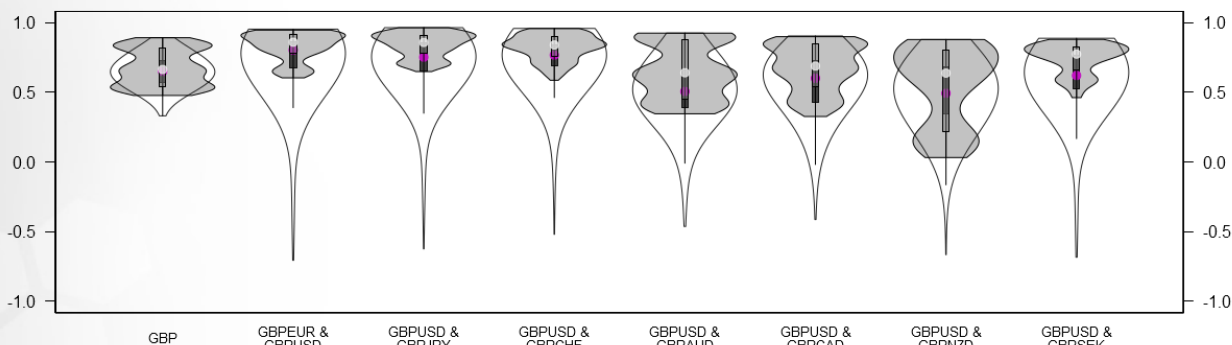
Currency Significance



With another period of the pound's across-the-board lowering its significance measure continued to hold at a rather high level. Thus the average readings of the correlation composite and the GBP/USD components have increased compared with the monthly values. The rise is well shown in the violin plot – all distributions have cut their lower tails short and concentrated around the mean value. The most notable growth was observed in GBP/USD correlations with the GBP/AUD and GBP/SEK, which have added 0.14 and 0.12 points to the monthly values.

The composite started the period with a decline. Spending Wednesday at the level of 0.68, the measure fell sharply to the 0.48 mark against the background of the New Zealand interest rate decision. In the next two trading days the gauge held at a moderate level of 0.5. The turning point took place on Friday. The drop of the pound's index caused the strengthening of the significance measure, and the composite surged to the 0.82 mark. The composite held at this level till Tuesday. Moreover, on Monday at the time of the British CB leading economic index release the aggregate rose to the 0.89 mark.

Correlations (5 vs 20 days)



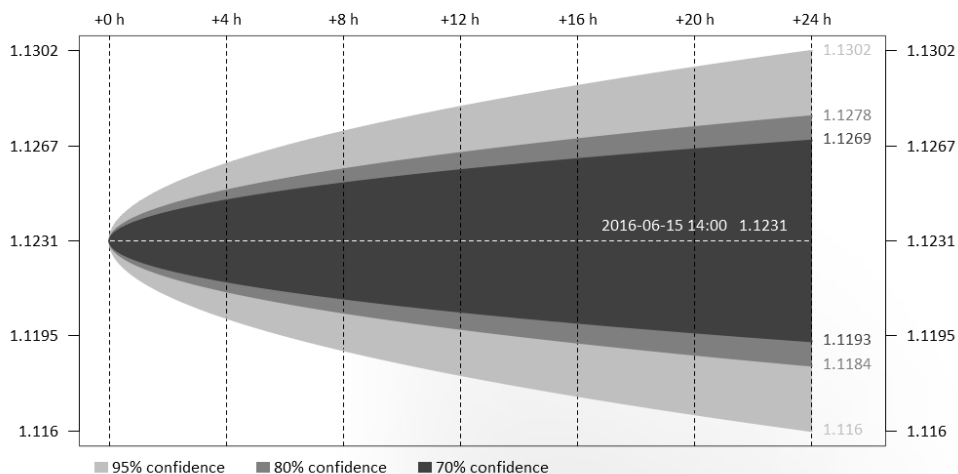
Mean Correlation Coefficient (with GBPUSD)

Days	GBP	GBPEUR	GBPJPY	GBPCHF	GBPAUD	GBPCAD	GBPNZD	GBPSEK
5	0.68	0.83	0.84	0.82	0.65	0.68	0.54	0.74
20	0.65	0.75	0.73	0.75	0.51	0.57	0.48	0.62
130	0.47	0.6	0.65	0.61	0.36	0.48	0.36	0.54
250	0.42	0.41	0.62	0.46	0.3	0.47	0.28	0.38

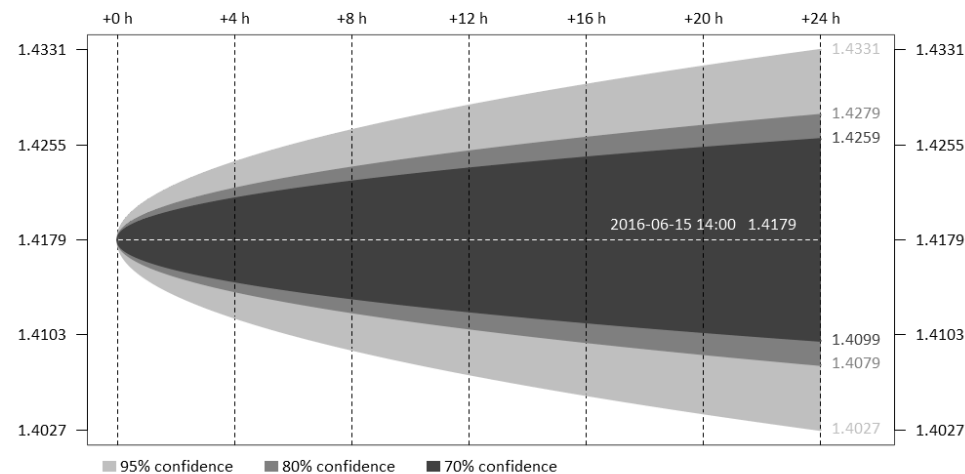
Confidence Intervals for Next 24 Hours

Wednesday, June 15, 2016
15:30 GMT

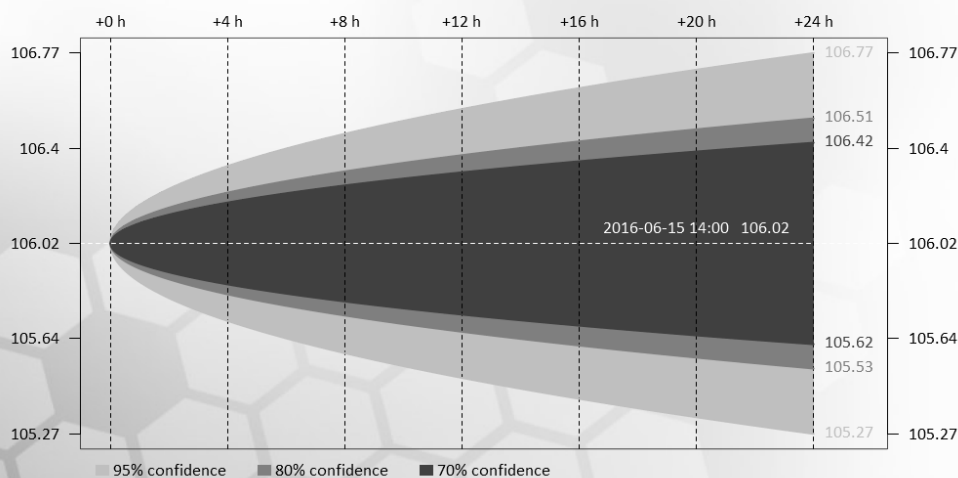
EURUSD Potential Rates



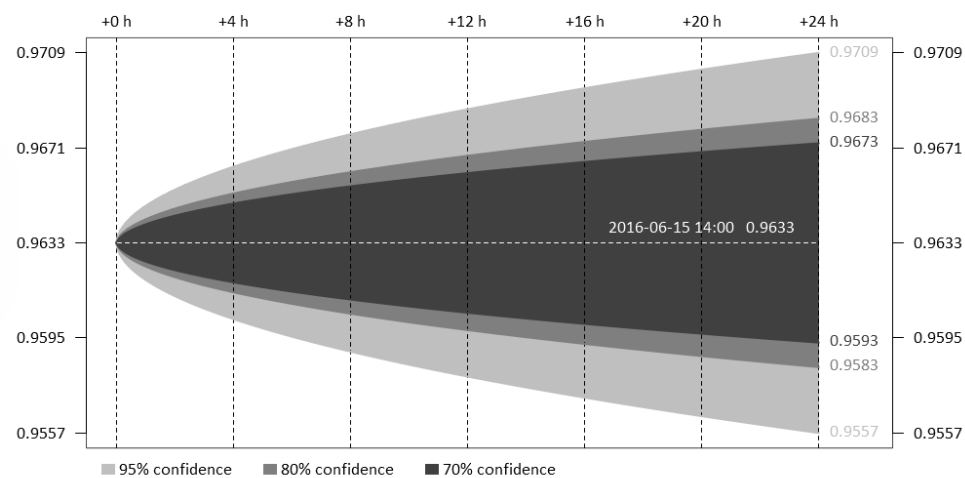
GBPUSD Potential Rates



USDJPY Potential Rates



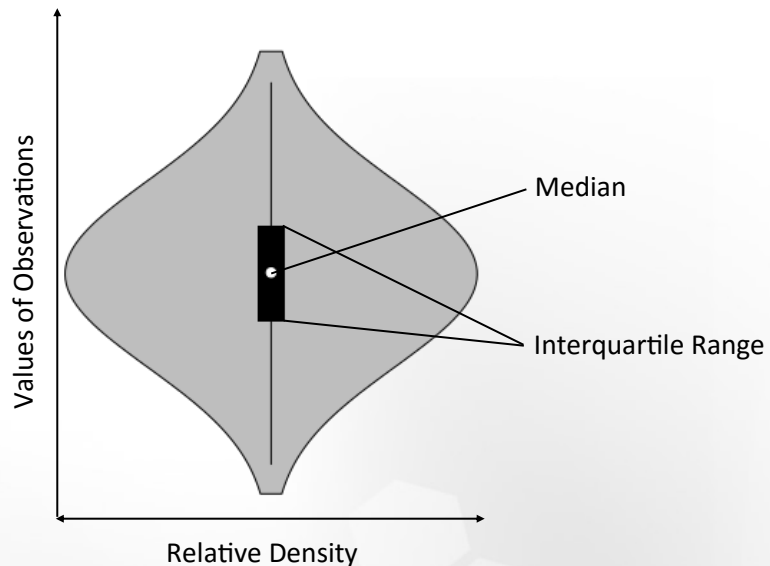
USDCHF Potential Rates



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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