



17/06/2016



DUKASCOPY
RESEARCH PRODUCTS



Market Research





Dominant Events of the Period

Friday, June 17, 2016

15:30 GMT

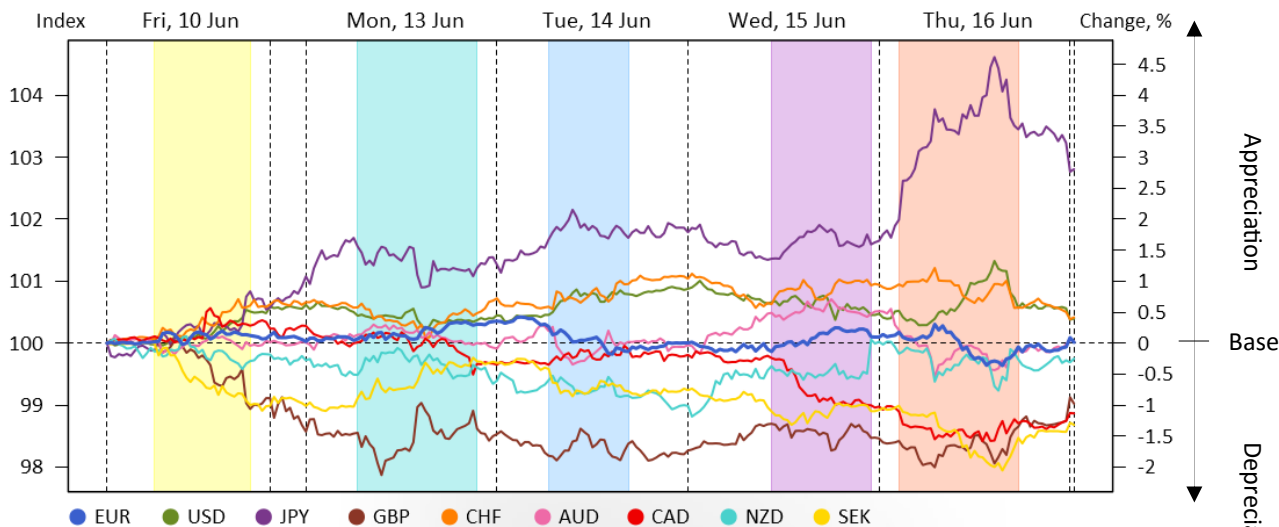
Yellow Area	Turquoise Area	Blue Area	Purple Area	Orange Area
<i>June 10</i>	<i>June 13</i>	<i>June 14</i>	<i>June 15</i>	<i>June 16</i>
<i>06:00 - 18:30</i>	<i>06:30 - 21:30</i>	<i>06:00 - 16:00</i>	<i>10:30 - 23:00</i>	<i>01:30 - 17:30</i>
<ul style="list-style-type: none"> German CPI, HICP German Buba Weidmann's Speech UK Consumer Inflation Expectations Canadian Unemployment Rate US Monthly Budget Statement 	<ul style="list-style-type: none"> German Buba Weidmann's Speech UK CB Leading Economic Index 	<ul style="list-style-type: none"> Swiss Producer & Import Prices Swedish CPI UK CPI, PPI EMU Industrial Production US Retail Sales, Import & Export Price Indexes 	<ul style="list-style-type: none"> US PPI, Industrial Production, Capacity Utilization German Buba Weidmann's Speech Fed Interest Rate Decision, Monetary Policy Statement New Zealand GDP 	<ul style="list-style-type: none"> Australian Unemployment Rate, Employment Change BoJ Interest Rate Decision, Monetary Policy Statement EMU CPI BoE Interest Rate Decision, Minutes US Jobless Claims, CPI

cy Index Change	0.1%	0.24%	-0.4%	0.24%	-0.24%
R Volatility Index	1.45	1.5	1.6	1.41	2.74



Relative Currency Strength

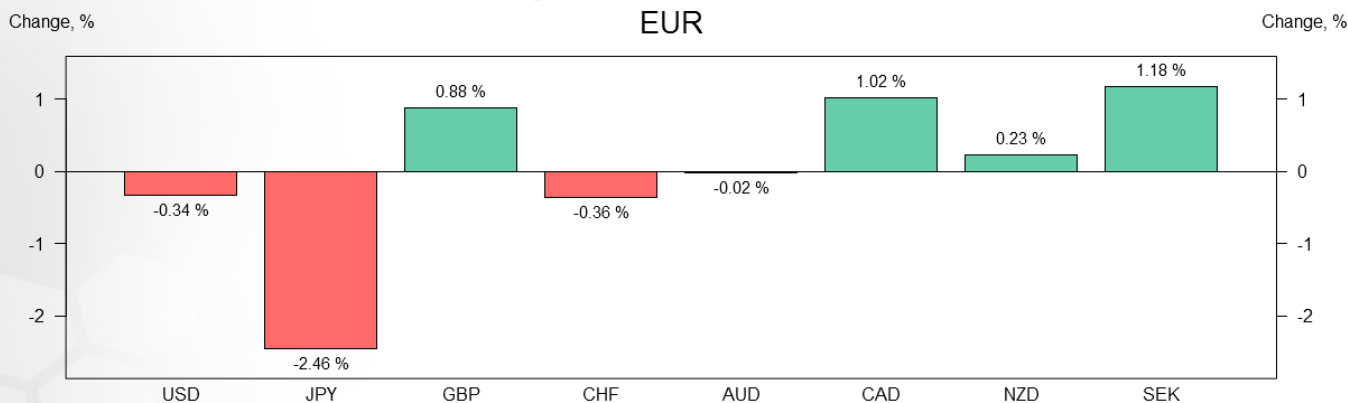
Currency Indexes



The week was full of influential economic releases from different regions, however, their effect was almost unnoticeable against the background of continuing “Brexit” concerns. The another polls data showed increasing number of votes to leave the EU, so the domestic currency was negatively driven by this news and finished the week among the “losers” joining the krona and the Kiwi, which depreciated amid sliding oil prices. Thus, it was another week of investors’ high interest to the safe-haven yen, the index of which gained 2% during the three first days of the period. Later, the currency extended its gain twice as the BoJ report revealed its decision to hold

off from expanding the monetary stimulus program.

During the observed period the Euro’s currency index was slightly varying in a narrow 99.5-100.5 range pointing to the currency’s relative insensibility to the news releases this week. Throughout the period the measure was holding very close to the baseline and its insignificant deviations from it were largely associated with its counterparts’ movements. Thus, despite the bunch of positive releases from the Euro zone, such as growing industrial production, trade balance and CPI, the index did not show positive dynamics as well as was not depreciating against the background “Brexit” worries and finished the period exactly on the starting value.



Currency Index Change

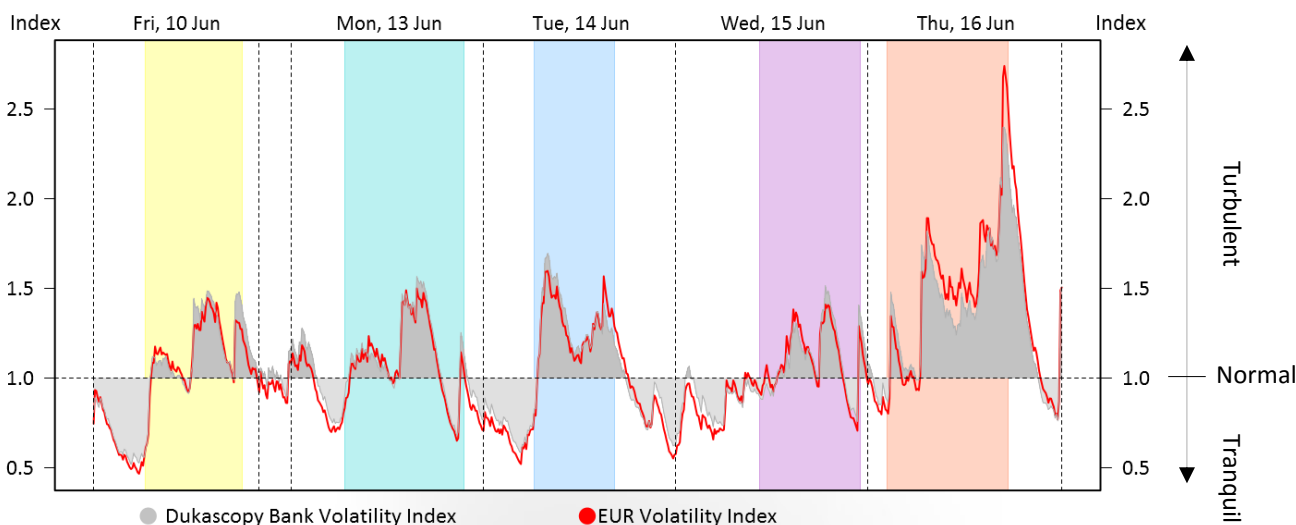
Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.01%	0.39%	2.81%	-0.98%	0.41%	0.03%	-1.14%	-0.25%	-1.32%
20	-1.18%	-1.71%	3.31%	-4.5%	1.31%	0.69%	-0.28%	3.16%	-1.37%
130	-0.44%	-4.5%	12.12%	-9.6%	-1.29%	-0.57%	4.31%	1.39%	-1.61%
250	0.93%	0.77%	19.29%	-9.52%	-3.13%	-4.47%	-4.74%	2.03%	-1.16%



Volatility

Friday, June 17, 2016
15:30 GMT

Volatility



For the second week in a row the market's elevated volatility portion exceeded the 50% level, thus pointing to the great activity on the market which is mainly attributed to the upcoming "Brexit" referendum worries. Thus, the GBP volatility index as well as the EUR/GBP component was overturbulent in 58% of time, however, the greatest activity was observed in the yen, which as the safe-haven currency was sensitive not only to domestic news but the overall market sentiment. As a result, the yen's overturbulence was reflected in the 68% portion of elevated volatility as well as the index's 3.0 spike (4.17 for the EUR/JPY), which followed the BoJ monetary policy report.

The Euro was overturbulent in 54% of time and its activity spikes were evenly allocated along the whole observed period. However, the most of time (70%) the EUR volatility measure spent below the market's gauge, which means that the turbulence splashes should be attributed to the activity of the Euro's counterparts. Thus, the volatility on Friday was a consequence of the surprisingly low Canadian unemployment rate release while the New Zealand's GDP brought some activity on Wednesday. The period ended with the most turbulent day, when the BoJ report coupled with new data from UK polls sent both the DC Volatility Index and the EUR Volatility Index to the week's highs of 2.4 and 2.74, respectively.

Elevated Volatility (% of the observed period)

Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK	
	57	54	40	64	58	63	33	44	31	57

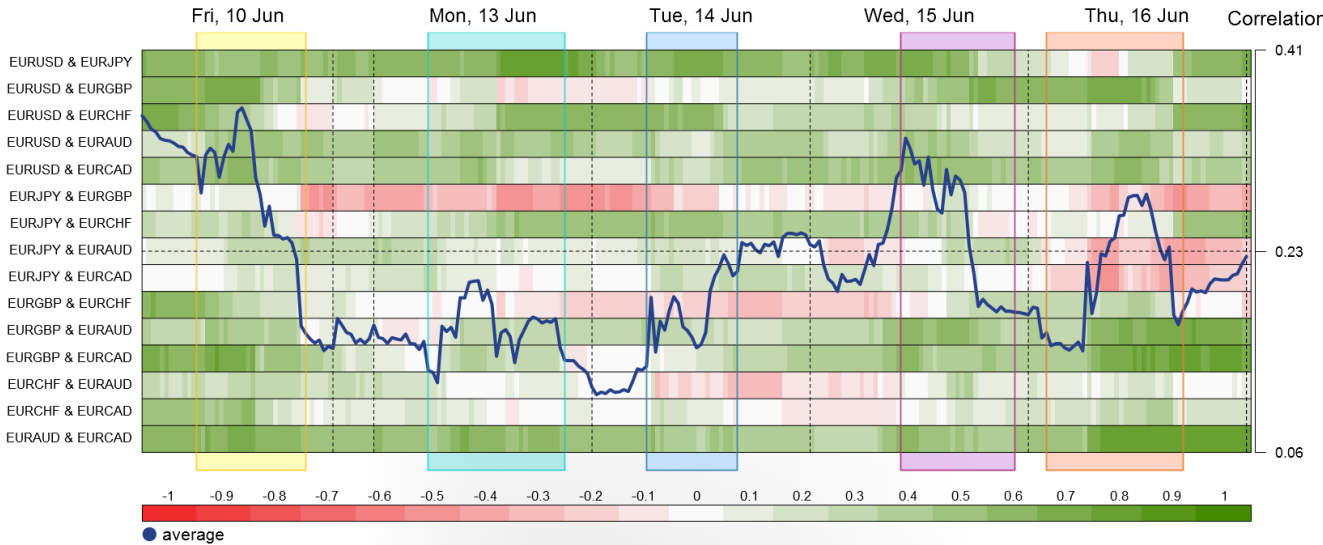
Volatility Index (for the observed period)

	Market	EUR	EURUSD	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
Max	2.4	2.74	4.03	4.17	2.59	5.98	2.75	2.78	3.35	2.75
Min	0.52	0.47	0.33	0.48	0.31	0.42	0.35	0.35	0.44	0.17
Average	1.09	1.08	1.01	1.34	1.13	1.28	0.95	1.03	0.95	1.08



Currency Significance

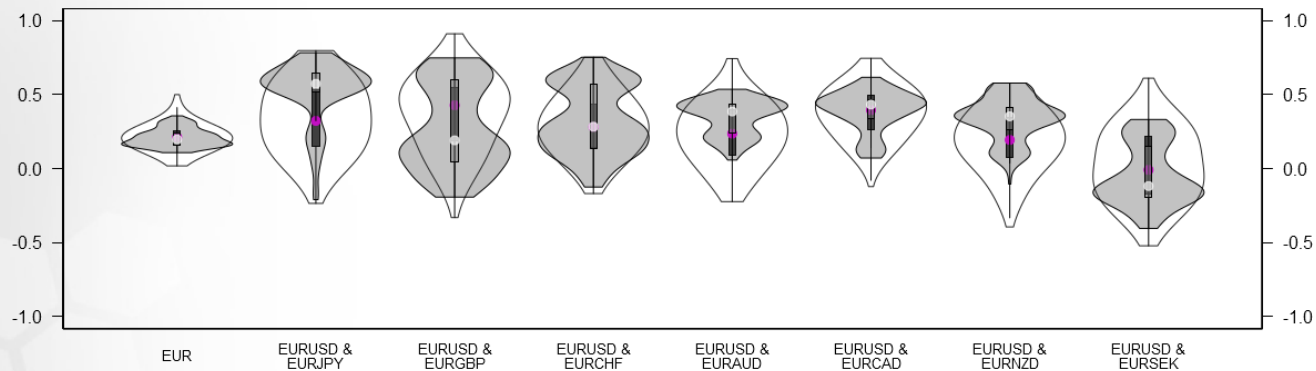
Correlations



During the week the Euro did not drive its pairs, which was reflected in negative values for different components. In this terms the pound and the yen should be considered the main driving power on the market as their currency pairs were strongly correlated throughout the week and the composites reached 0.8-0.9 level. However, correlation between some EUR pairs improved, for example, the EUR/USD - EUR/JPY had relatively strong positive correlation, which in this case can not be attributed to the Euro but apparently to the dollar's and the yen's reaction to the situation with respect to "Brexit".

During the week the Euro's composite was slightly fluctuating around the insignificant 0.2 level. The measure started the week at relatively high 0.35 level but decreased shortly, as the correlations between the positively moving EUR/GBP and several its counterparts, which did not share the pound's downtrend, became weak and even negative. Some recovery in the composite was observed later on Wednesday, however, the increase was weak and provoked by movements in the Euro's counterparts' rates not by the notable changes in the Euro.

Correlations (5 vs 20 days)



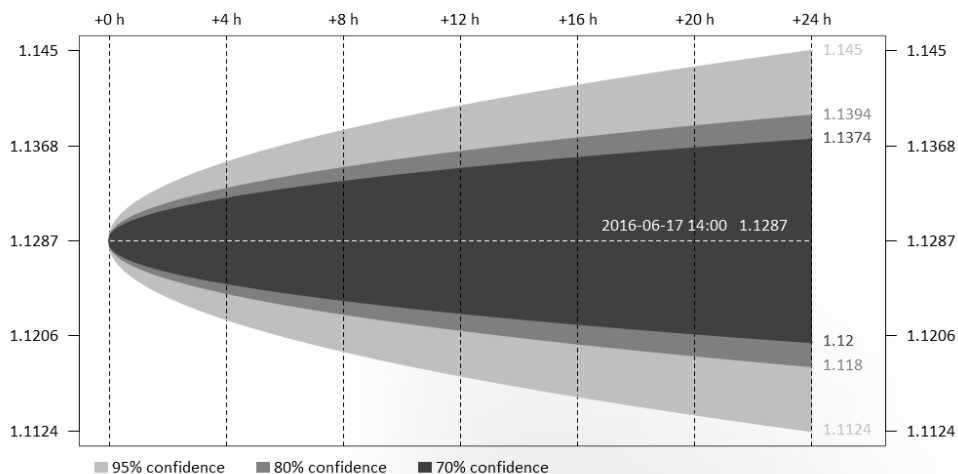
Mean Correlation Coefficient (with EURUSD)

Days	EUR	EURJPY	EURGBP	EURCHF	EURAUD	EURCAD	EURNZD	EURSEK
5	0.21	0.52	0.26	0.32	0.35	0.39	0.33	-0.05
20	0.21	0.34	0.37	0.29	0.23	0.38	0.19	0.02
130	0.28	0.38	0.42	0.26	0.38	0.5	0.33	0.19
250	0.34	0.55	0.57	0.31	0.43	0.58	0.37	0.2

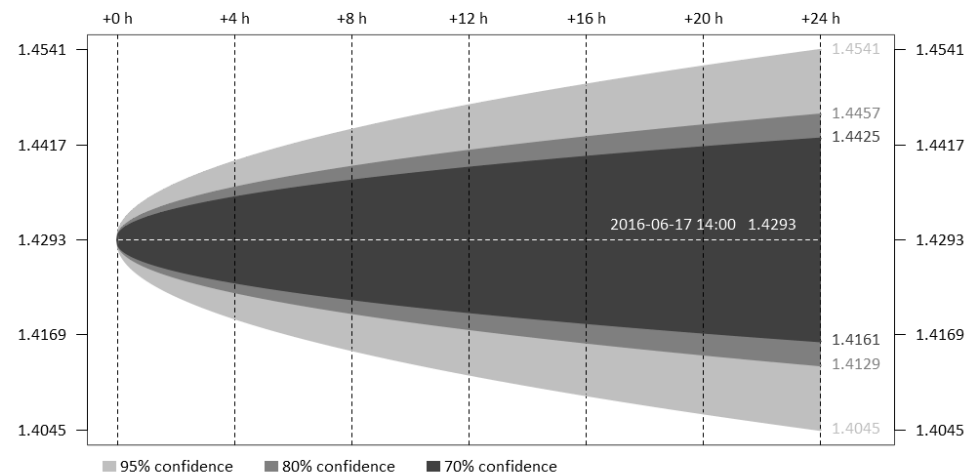
Confidence Intervals for Next 24 Hours

Friday, June 17, 2016
15:30 GMT

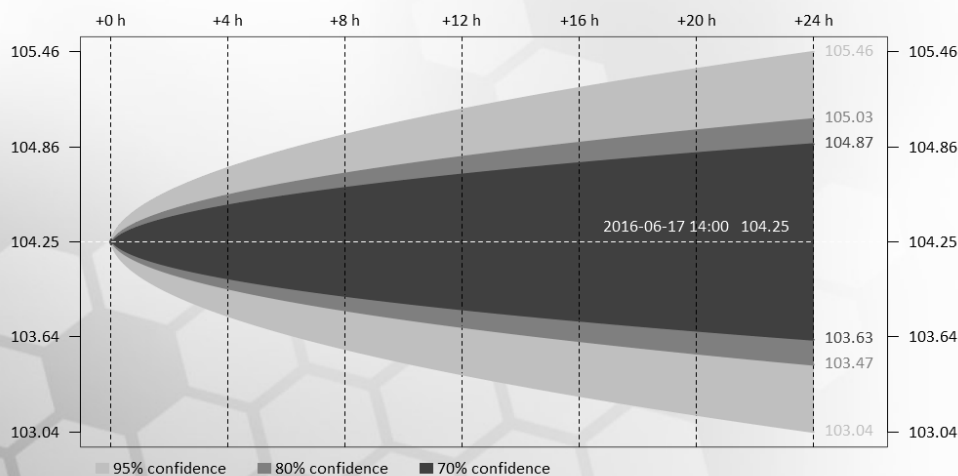
EURUSD Potential Rates



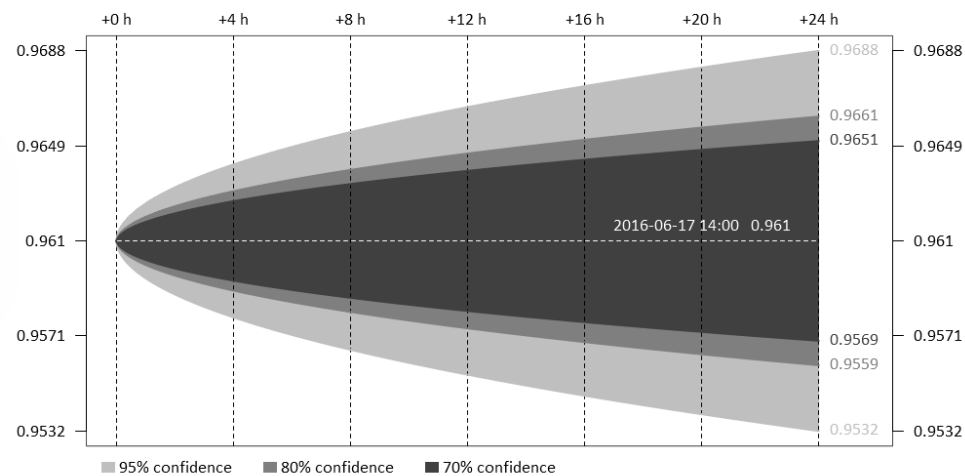
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates



EXPLANATIONS

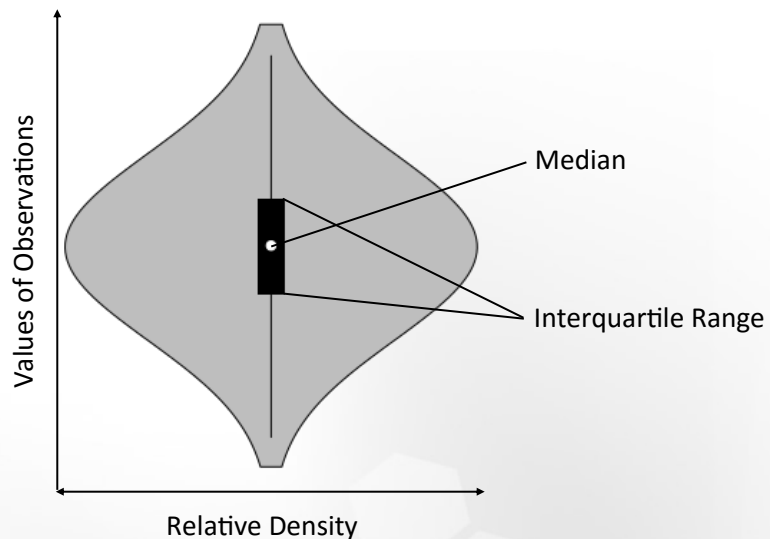
Violin Plot

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

Methodologies

Volatility Index

Confidence Interval





Newest releases and archive:

- Fundamental Analysis
- Technical Analysis
- Press Review
- Market Research
- Expert Commentary
- Dukascopy Sentiment Index
- Trade Pattern Ideas
- Global Stock Market Review
- Commodity Overview
- Economic Research
- Quarterly Report
- Aggregate Technical Indicator

Additional information:

- Dukascopy Group Home Page
- Market News & Research
- FXSpider
- Live Webinars
- Dukascopy TV
- Daily Pivot Point Levels
- Economic Calendar
- Daily Highs/Lows
- SWFX Sentiment Index
- Movers & Shakers FX
- Forex Calculators
- Currency Converter
- Currency Index
- CoT Charts

Social networks:



Disclaimer

Everything in this article, including opinions and figures, is provided for informational purposes only and may not be interpreted as financial advice or solicitation of products. Dukascopy group assume no responsibility for the completeness or the accuracy of any data contained in this article. Financial figures indicated in this article have not been verified by the Dukascopy group. Views, opinions and analyses are those of the author of the article, and are not endorsed by the Dukascopy group.

Dukascopy group waive any and all warranties, express or implied, regarding, but without limitation to, warranties of the merchantability or the fitness for a particular purpose, with respect to all information in this article. Dukascopy group shall under no circumstances be responsible for any direct, indirect, consequential, contingent or any other damages sustained in connection with the use of this article.