USD

20/06/2016

DUKASCOPY
RESEARCH PRODUCTS

Market Research

Dominant Events of the Period

Monday, June 20, 2016
15:30 GMT

Yellow Area

June 13

06:30 - 21:30

- *German Buba Weidmann's Speech*
- *UK CB Leading Economic Index*

Turquoise Area

June 14

06:00 - 16:00

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

Blue Area

June 15

12:00 - 23:00

- *US PPI, Industrial Production, Capacity Utilization*
- *German Buba Weidmann's Speech*
- *Fed Interest Rate Decision, Monetary Policy Statement*
- *New Zealand GDP*

Purple Area

June 16

01:30 - 18:30

- *Australian Unemployment Rate, Employment Change*
- *BoJ Interest Rate Decision, Monetary Policy Statement*
- *EMU CPI*
- *BoE Interest Rate Decision, Minutes*
- *US Jobless Claims, CPI*

Orange Area

June 17

06:30 - 16:30

- *EcoFin Meeting*
- *EMU Current Account, Labor Cost*
- *US Housing Starts, Building Permits*
- *Canadian CPI*
- *ECB Draghi's Speech*

USD Currency Index Change	-0.09%	0.34%	-0.22%	0.06%	-0.27%
Max USD Volatility Index	1.56	1.45	2.09	2.63	1.44

Relative Currency Strength

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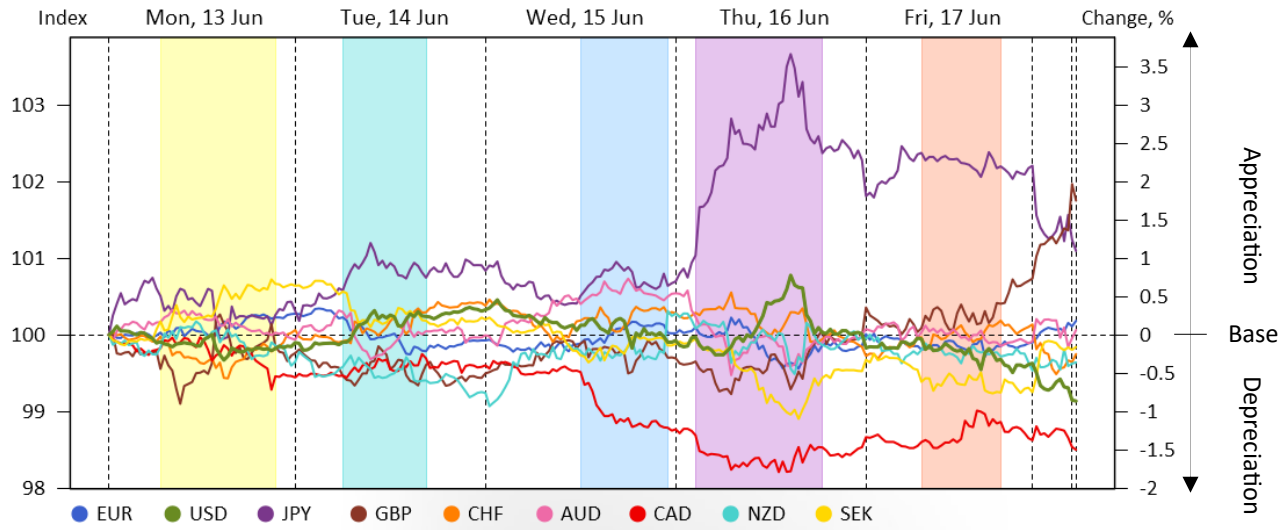
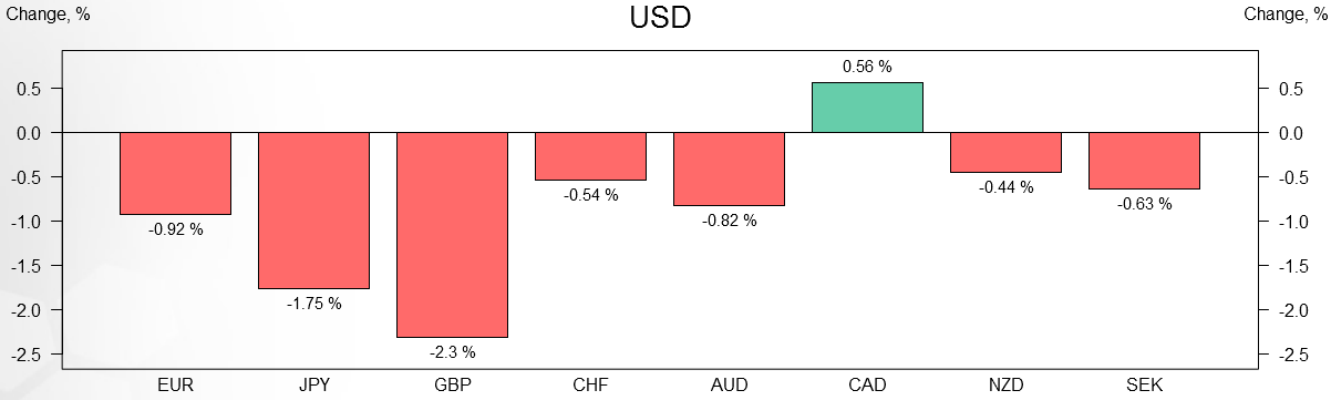
Currency Indexes



The yen became the leader of the previous week, posting the second highest index growth, but holding above its peers throughout the period. The measure surged to the week's absolute high of 3.7 points after the BoJ interest rate decision, but fell back the following day, yielding the first place to the GBP Index. The latter rocketed to 101.75 points against the background of the BoE's governor's speech, thus entering the new period with the highest gain. Meanwhile, the past week's worst performer was the CAD Index, which, despite the rise of the oil prices, spent the period in the depreciation area, falling to the 98.2 mark.

The USD Index was rather calm during the past week, fluctuating in a range of 99.1 to 100.8 points. On Tuesday, the index climbed above the baseline as its Swedish peer slipped on worse-than-expected CPI. The momentum only held until early Wednesday, when the measure started to slide down, and the USD Index found itself back in the negative area later the same day. Thursday, however, came with a surge, as the dollar's gauge mirrored the JPY Index's move and reached its peak, pushing away from their bottom-hitting peers. Nevertheless, the movement was promptly reversed as the 'Brexit' talks retook the spotlight, this time lifting the pound and weighting on its major counterparts.



Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.18%	-0.86%	1.09%	1.75%	-0.25%	0.06%	-1.5%	-0.36%	-0.16%
20	-1.1%	-2.22%	2.55%	-2.15%	1.26%	0.54%	-0.12%	2.33%	-1.54%
130	-0.16%	-4.77%	10.69%	-7.84%	-1.32%	-1.03%	4.47%	0.7%	-1.05%
250	0.53%	0.63%	18.52%	-9.1%	-4.27%	-4.28%	-4.55%	3.67%	-1.2%

Volatility

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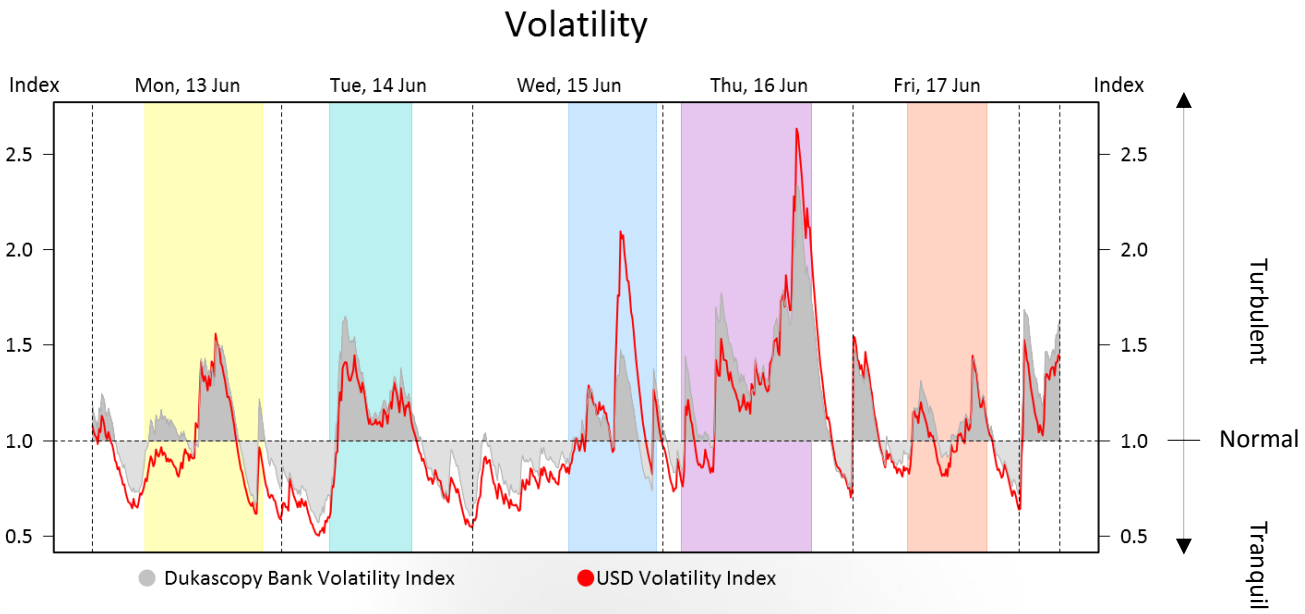

For the third week in a row the market spent more than 50% of the period above the average historical level. The Greenback was a little calmer than the aggregate, and its overturbulence portion stood at 46%. The peer currencies were also quite changeable, all showing elevated volatility of 40% or more. From the beginning of June the most turbulent currency was the yen with the portion of elevated volatility exceeding 60%. Meanwhile, the most turbulent dollar's pairs were the ones with its European peers – GBP/USD, USD/SEK, and EUR/USD, - which spent 48% - 63% of the period above the one -point level.

In the first two trading days the dollar's volatility mostly followed the market, showing some moderate spikes. Thus on Tuesday the Greenback's index exceeded the baseline against the background of the Swedish CPI data release. Wednesday was marked by the US interest rate decision. Even though the Fed unsurprisingly decided to keep the rate unchanged in June, the index surged to the 2.09 mark. On Thursday, following the yen, the dollar's index climbed above the historical level from the very beginning of the day. During the day the turbulence of USD was maintained by the BoE rate decision and 'Brexit' poll results as well as the US CPI and employment data. Thus the index reached the 2.63 mark.

Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
56	46	48	45	63	43	38	41	29	53

Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.34	2.63	3.95	3.59	2.95	2.77	2.08	2.62	3.15	4.25
Min	0.57	0.5	0.32	0.3	0.34	0.39	0.31	0.36	0.38	0.29
Average	1.09	1.04	1.08	1.05	1.18	1.02	0.97	0.98	0.93	1.14

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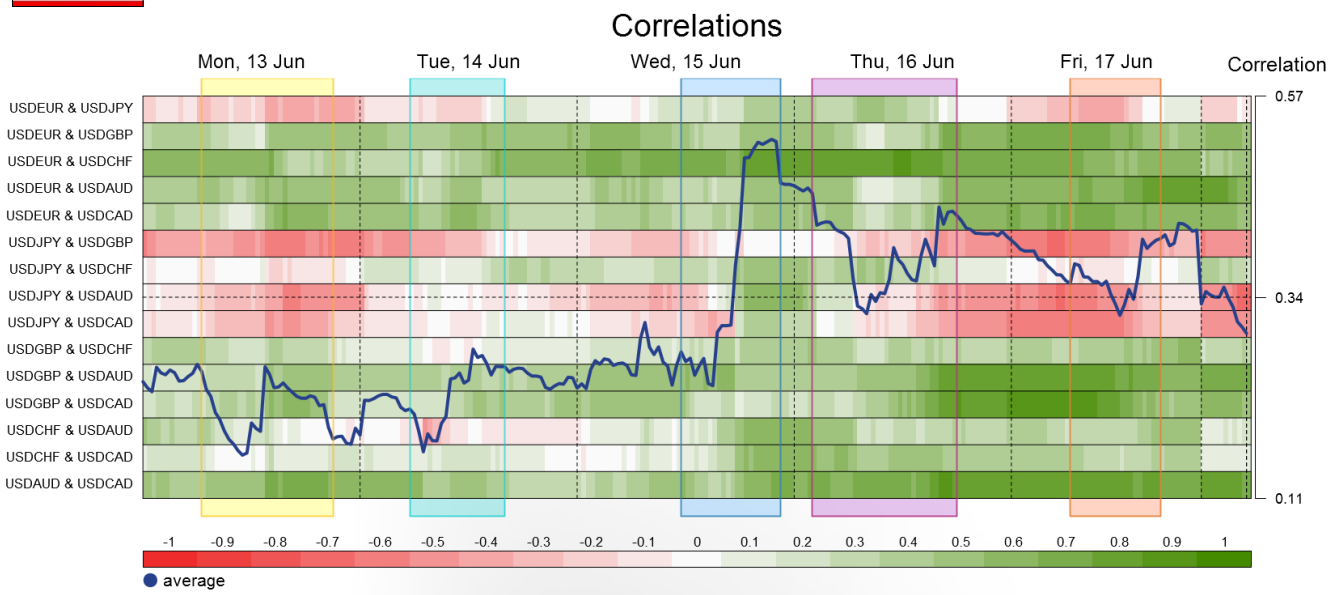
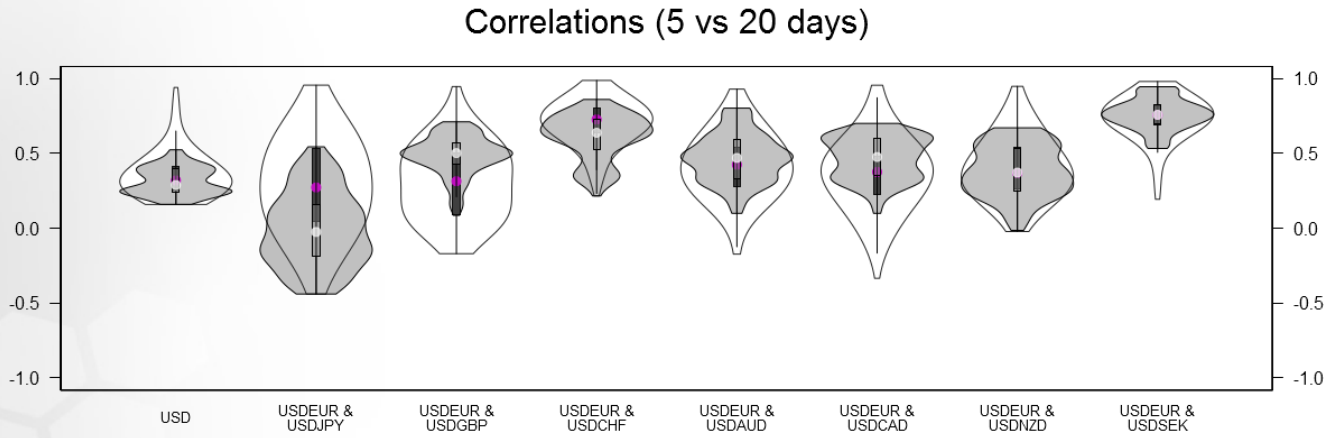
Currency Significance



The past period was marked by the USD/JPY components' notable fall to the negative area. Continuing the past week's trend, the components started the period below zero and after a brief mid-period recovery fell back with the BoJ interest rate decision. Thus the average correlations between USD/EUR and USD/JPY lost almost 0.3 points compared with the previous readings. Meanwhile, most of the other USD/EUR components strengthened. The USD/EUR correlations with USD/AUD and USD/CAD added 0.11 and 0.18 points, respectively. An even larger increase was observed in the bond between USD/EUR and USD/GBP, which has strengthened by 0.26 points compared with the previous week.

The dollar's significance measure stayed almost in line with the weekly and monthly readings. For the first half of the period the composite held at a rather low level, fluctuating in the range of 0.16 to 0.31. The sharp surge of the gauge took place on Wednesday, when the composite jumped to 0.52 right after the Fed interest rate announcement. The increase did not last long, and on Thursday the measure lost 0.2 points. The next growth of the composite took place after the unexpectedly low US CPI and jobless claims data, when the measure reached the 0.45 mark.



Mean Correlation Coefficient (with USDEUR)

Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.31	-0.01	0.48	0.61	0.47	0.47	0.38	0.76
20	0.36	0.28	0.31	0.71	0.42	0.36	0.4	0.74
130	0.33	0.42	0.39	0.76	0.22	0.18	0.27	0.72
250	0.36	0.45	0.42	0.75	0.26	0.23	0.3	0.73

Confidence Intervals for Next 24 Hours

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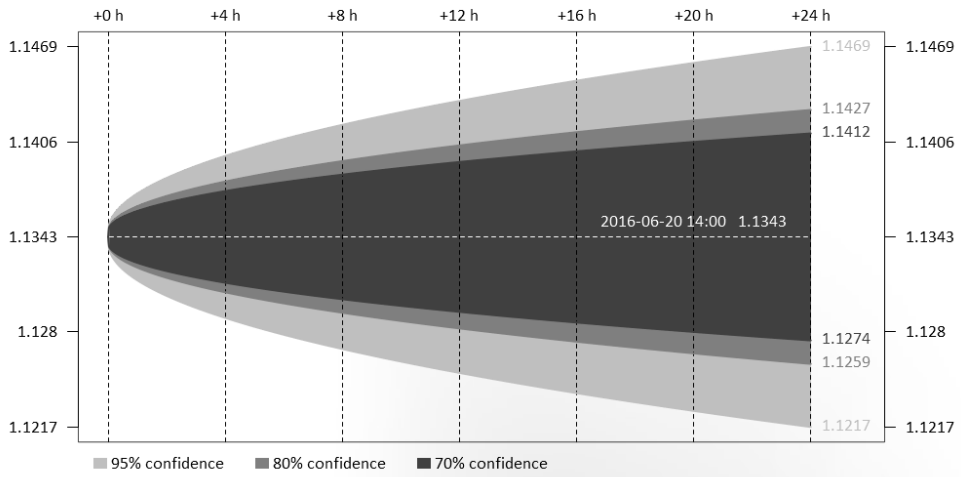
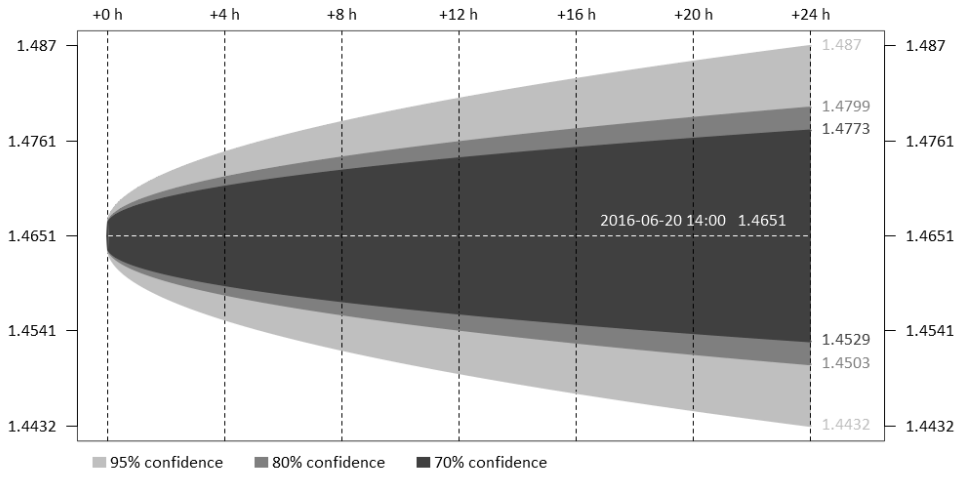
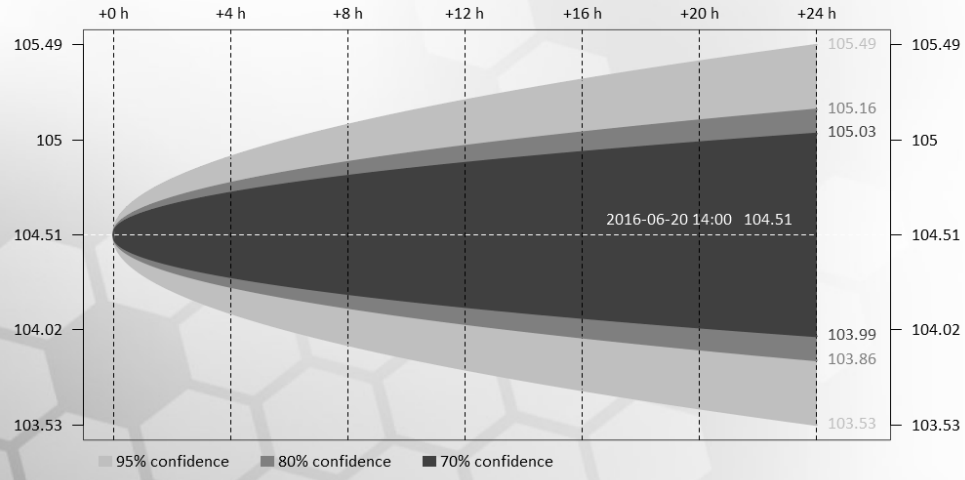
EURUSD Potential Rates



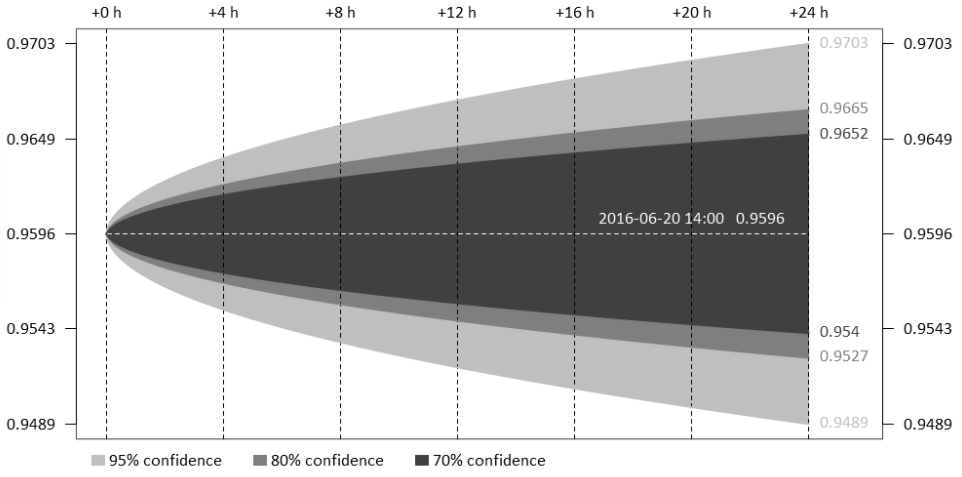
GBPUSD Potential Rates



USDJPY Potential Rates



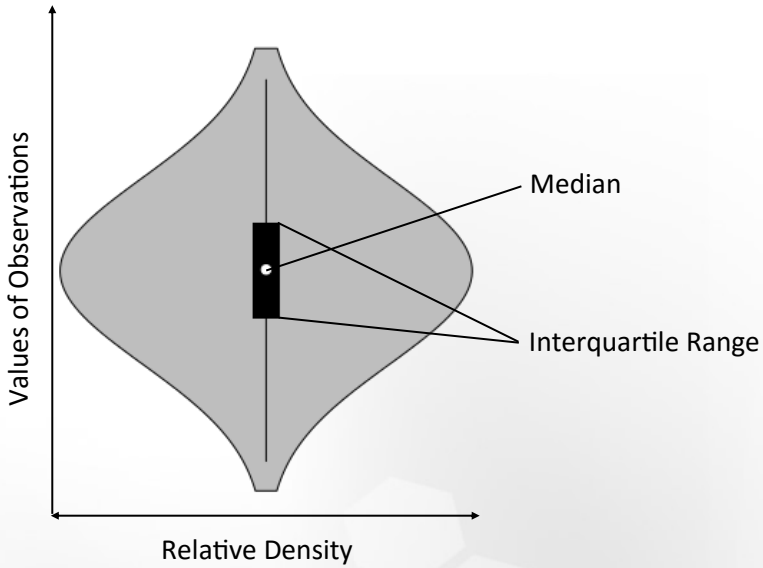
USDCHF Potential Rates



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:
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