



**USD**

02/11/2015



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RESEARCH PRODUCTS



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## Dominant Events of the Period

### Yellow Area

October 27

12:00 - 16:00

- *US Durable Goods Orders, Flash Markit Services PMI and PMI Composite, Consumer Confidence*

### Turquoise Area

October 28

00:00 - 18:30

- *Australian CPI*
- *German Gfk Consumer Confidence Survey*
- *Riksbank Interest Rate Decision*
- *Fed's Interest rate Decision, Monetary Policy Statement*

### Blue Area

October 29

10:00 - 16:00

- *US Jobless Claims, GDP Estimate, Pending Home Sales*
- *German Flash CPI*

### Purple Area

October 30

06:30 - 16:00

- *Swiss KOF Leading Indicator*
- *EMU Unemployment Rate, Flash CPI*
- *US Personal Income, Personal Spending, Chicago PMI, UoM Consumer Sentiment Index*
- *Canadian GDP*

USD Currency Index Change

0.27%

0.8%

0.08%

-0.44%

Max USD Volatility Index

1.3

5.21

1.59

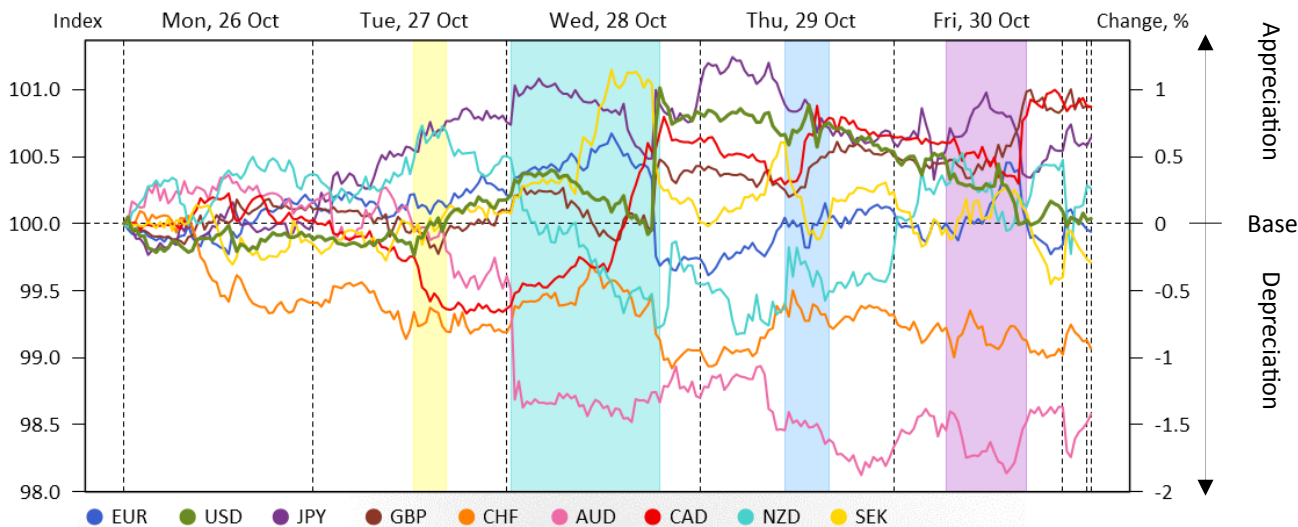
1.61





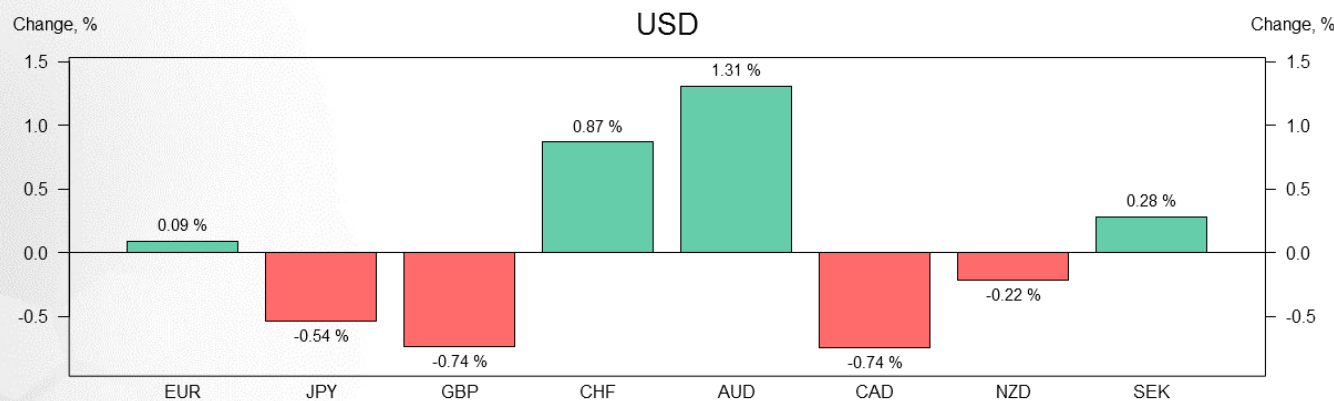
# Relative Currency Strength

## Currency Indexes



After finishing the previous period in the best performer's position, the dollar's index spent most of the week struggling to hold the level and ultimately posted a near-zero change. Meanwhile, the last week's losers, the yen's and the Loonie's gauges, were showing upward trends during the period and together with the GBP Index became the top three performers. The Aussie, in turn, was lowering throughout the whole period and finished the week with a 1.42% loss, brought down by the Australian CPI numbers.

The USD Index dropped below the baseline at the very start of the period and held at the level of 99.9% till Tuesday. The increase in the US durable goods orders managed the index to rise slightly. The main driver for the Greenback as well as for most of its peer currencies was the release of the Fed's statement. The policymaker's hawkish stance fueled the expectations of a December rate hike, and the index jumped above the 101.0 level. However, the spike did not turn into an uptrend, and the Greenback's index spent the rest of the period gradually declining.



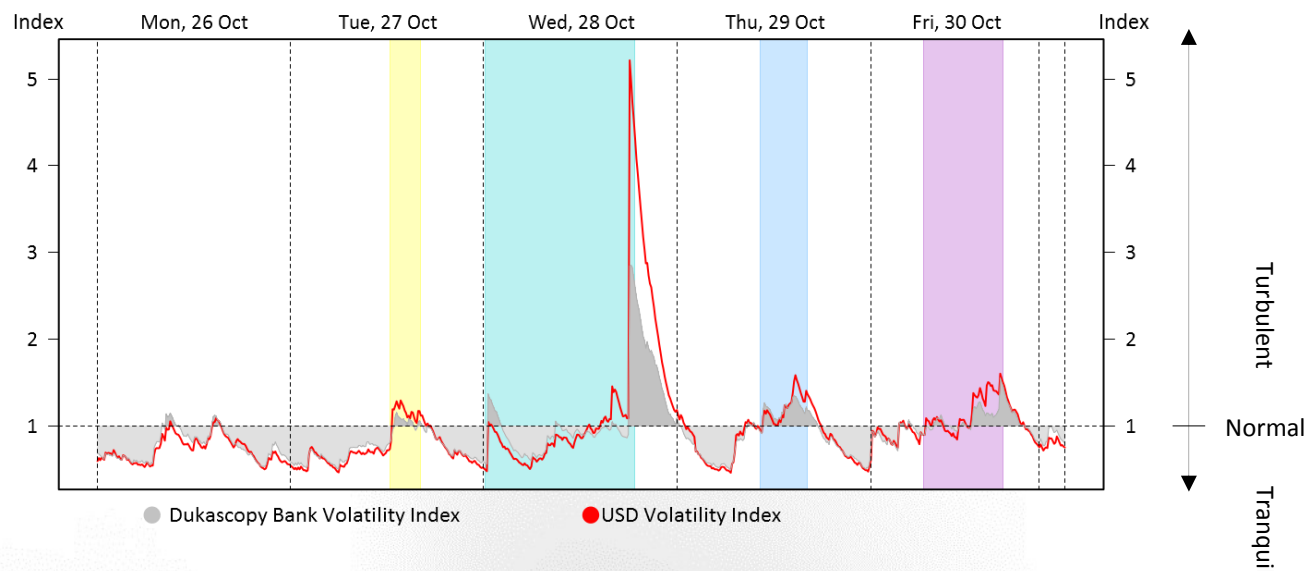
## Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.06%	0.04%	0.64%	0.87%	-0.93%	-1.42%	0.87%	0.26%	-0.29%
20	-2.32%	-0.18%	-0.51%	1.4%	-1.86%	1.01%	0.33%	5.4%	-2.54%
130	3.35%	4.53%	4.29%	6.66%	-2.08%	-7.56%	-4.27%	-7.47%	2.78%
250	-3.27%	11.05%	3.48%	7.15%	8.38%	-11.84%	-5.54%	-4.49%	-4.94%



# Volatility

## Volatility



In the past trading week the Greenback's volatility picked up, with overturbulence portions for all index's components climbing above 25%. Among the dollar's peers, the most turbulent currency was the krona, whose gauge spent 38% of time above the two-week average and posted the mean value of 0.98. Close behind were the Euro and the franc, both with readings of 35% and 0.95. Meanwhile, the dollar stood among moderately turbulent currencies, but its index reached the period's highest peak of 5.21 with the currency's sharp reaction to the Fed's statement on Wednesday. The move was also passed to the Greenback's peers,

making all other indexes jump to their week's highs.

The past week would have been another period of moderate volatility if it wasn't for Wednesday's Fed's even, which pushed the aggregate turbulence measure up to 2.86 points and kept it above the 1-point mark for the rest of the day. As the investors found hints for a December hike in the policymaker's statement, the dollar soared against its counterparts, taking its volatility index above the 5.0 line from 1.1 points before the release. It is worth noting that the last two days of the week also were relatively turbulent, as the currency was returning to its pre-statement position.

### Elevated Volatility (% of the observed period)

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
29	31	31	41	26	28	27	29	31	36

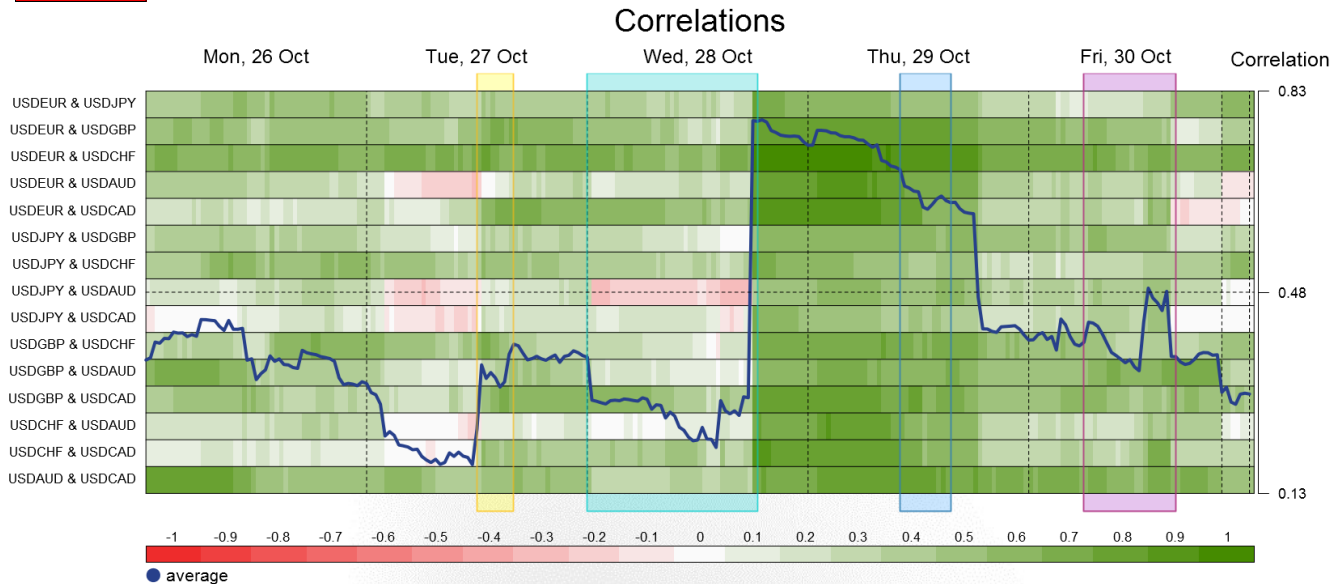
### Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	2.86	5.21	6.88	4.83	2.97	4.96	4.99	5.03	4.63	7.05
Min	0.49	0.46	0.34	0.46	0.28	0.26	0.42	0.23	0.37	0.34
Average	0.9	0.94	0.95	1.11	0.81	0.89	0.96	0.85	0.95	1.01





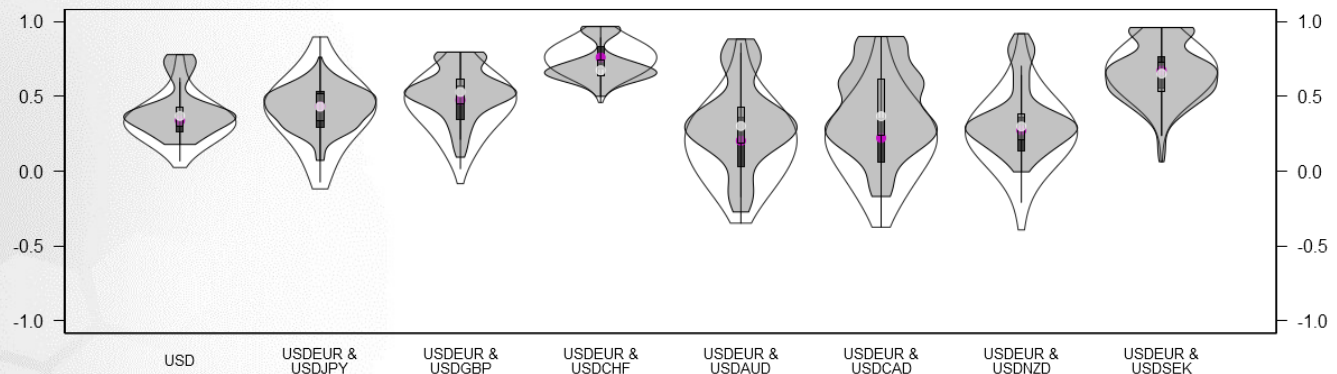
# Currency Significance



The dollar's correlation composite retained its subdued stance, even though the boost from the Greenback's reaction to the Fed's statement pushed the measure's weekly average up to the long-term readings. The post-Fed strength also shifted up the USD/EUR components' distributions, most notably for the bonds with USD/CAD, USD/GBP and USD/AUD. The pair's correlations with USD/CHF, on the other hand, slid down, putting most of its values below the long-term median. Meanwhile, the Pacific currencies' composites posted the strongest results, with the yen's and the krona's measures close behind.

Much like for all other characteristics, the period's key event for the dollar's correlation composite and many of its peers was the release of the Fed's statement on Wednesday. The Greenback's sharp reaction caused its composite to jump from 0.30 to 0.78 points, while the Euro's countermove sent its gauge from 0.31 to 0.55. Most of the other measures suffered a fall, with the Aussie's measure sliding from 0.80 to 0.54, and the Loonie's composite tumbling from 0.42 to 0.14, well below the significance threshold. For the dollar's gauge, the effect held for over an hour, but then started to gradually wear off. A sharp fall on Thursday brought the composite to the 0.40 points mark, and from there it slid back to the pre-Fed levels by the end of the period.

## Correlations (5 vs 20 days)



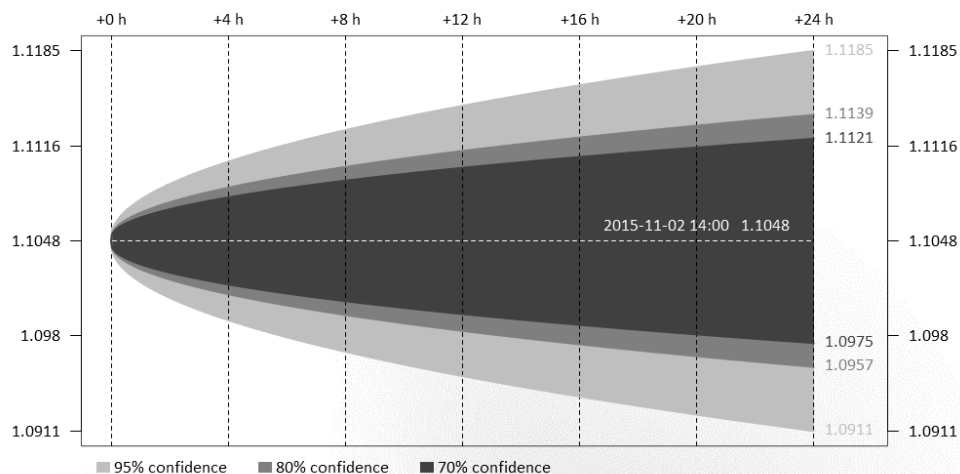
## Mean Correlation Coefficient (with USDEUR)

Days	USD	USDJPY	USDGBP	USDCHF	USDAUD	USDCAD	USDNZD	USDSEK
5	0.41	0.43	0.53	0.72	0.33	0.42	0.36	0.65
20	0.34	0.41	0.45	0.76	0.2	0.22	0.26	0.67
130	0.42	0.46	0.49	0.74	0.36	0.35	0.36	0.75
250	0.45	0.44	0.55	0.72	0.44	0.39	0.46	0.72

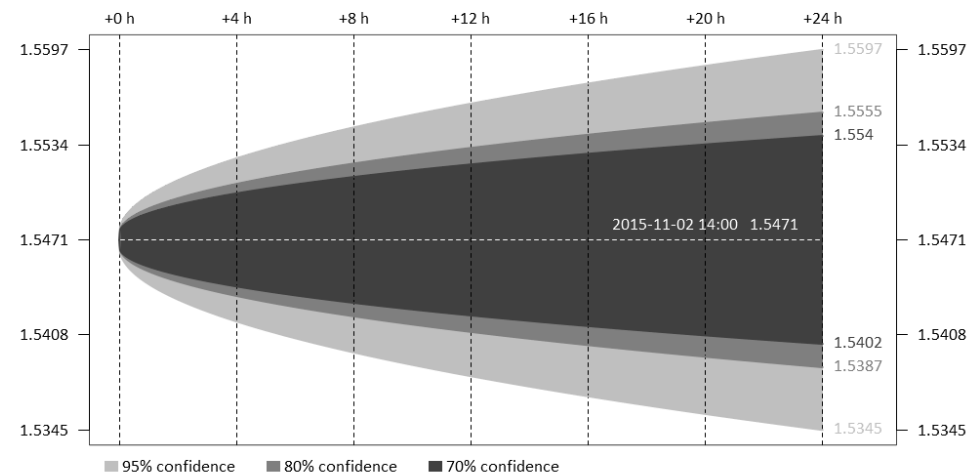
Monday, November 02, 2015  
14:30 GMT

# Confidence Intervals for Next 24 Hours

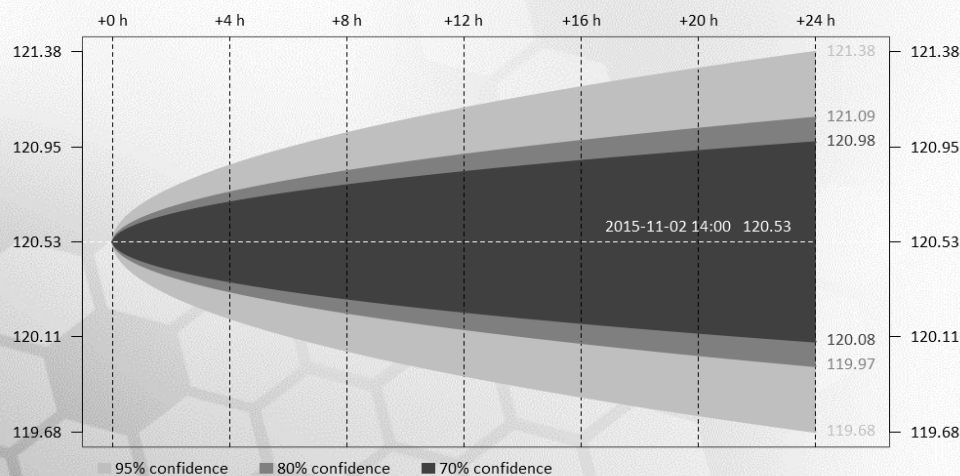
EURUSD Potential Rates



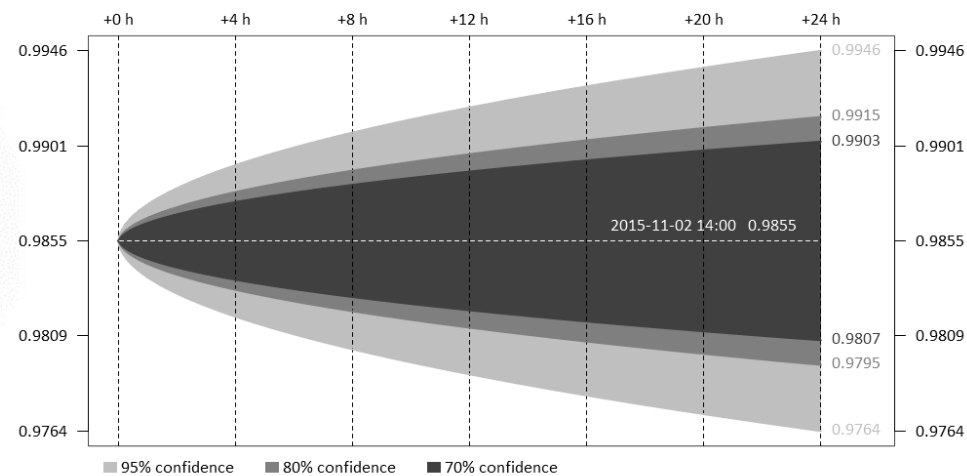
GBPUSD Potential Rates



USDJPY Potential Rates



USDCHF Potential Rates

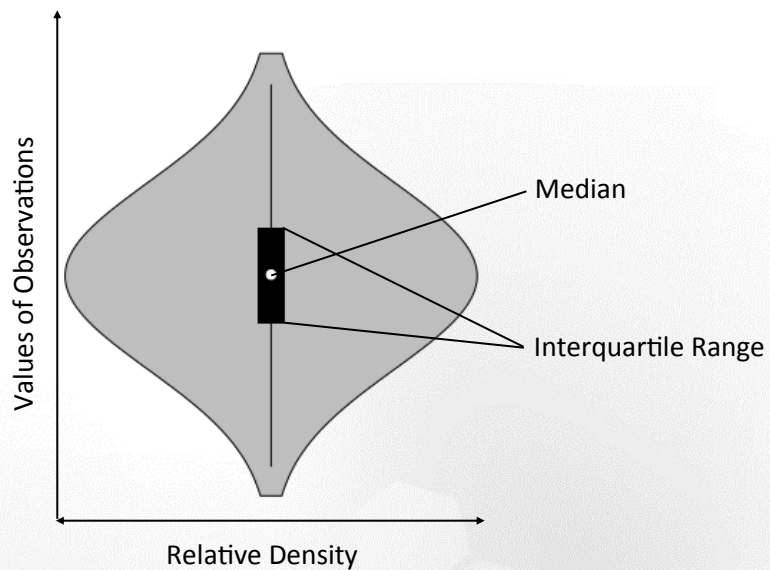




## EXPLANATIONS

### 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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