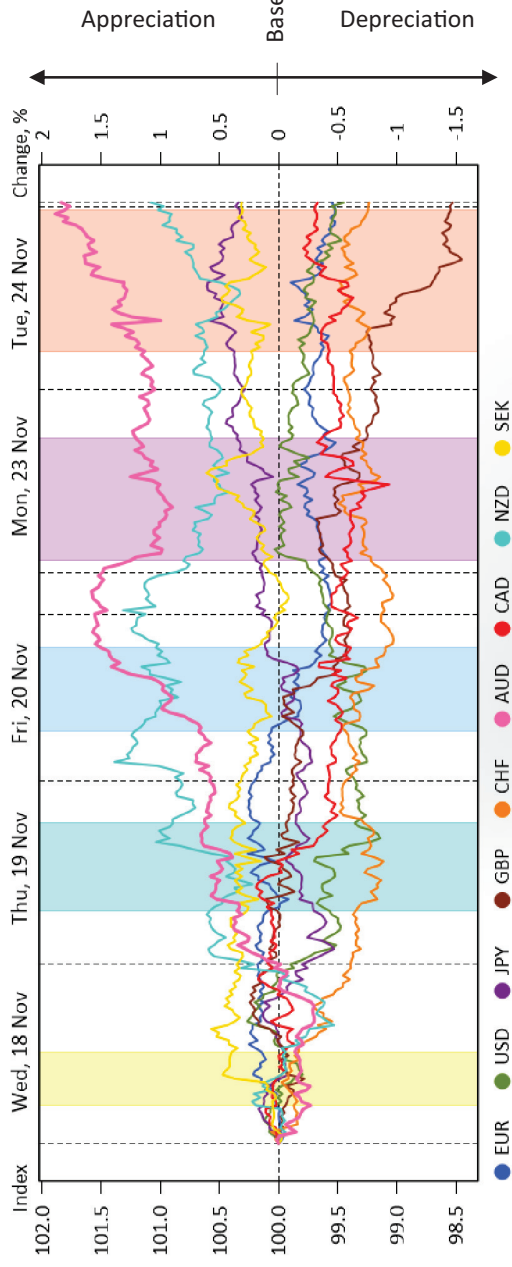




Relative Currency Strength

Currency Indexes



Last week was extremely busy, with different types of fundamental data releases. Apparently, almost all of them were published outside Australia, which is the main currency of discussion this time. Despite the mentioned fact on the lack of news, the Aussie used to be the most bullish currency of the period ended November 24. During the first part of the week it shared leadership with the New Zealand Dollar, which eventually gained 1.08% in five trading days, while AUD rallied by 1.84%. A clear loser was the British Pound, which was actively depreciating on Tuesday after comments from BOE Governor Carney who said that interest rates will rise very slowly.



Currency Index Change

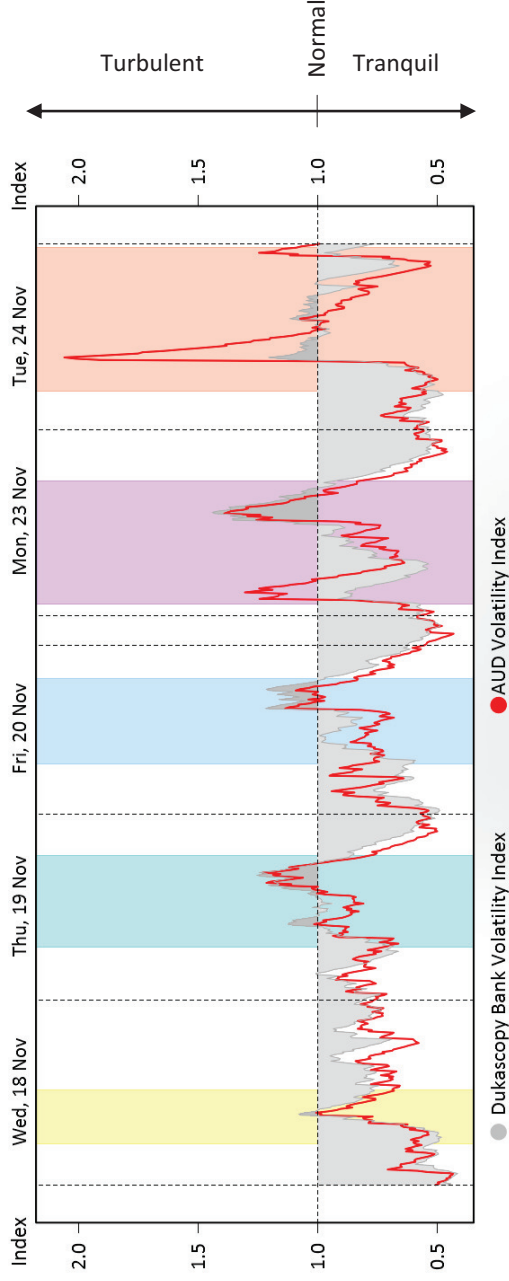
Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	-0.45%	-0.55%	0.34%	-1.47%	-0.77%	1.84%	-0.33%	1.08%	0.31%
20	-2.63%	1.55%	-0.21%	0.15%	-1.9%	4.28%	1.3%	-1%	-1.14%
130	1.2%	3.94%	5.35%	2.44%	-3.79%	-1.71%	-3.51%	-5.66%	1.48%
250	-5.55%	11.78%	7.91%	7.36%	6.24%	-7.32%	-6.59%	-8.41%	-5.4%

The Bank of England has recently changed bullish stance it had preserved earlier this year, and this fact is dampening the Sterling's perspectives. The spread between AUD and GBP Index reached 3% in course of the observed period. The Australian Dollar was supported by a rebound in commodity prices, which started to recover after significant losses one week before. On top of that, the Governor of the Reserve Bank of Australia argued Tuesday that he believes additional rate cuts may not help the economy. Market considered his speech as a rather hawkish one, which provided AUD with another up-leg on Nov 24. RBA intends to watch closely Capex expenditures and other investment decisions of firms. Meantime, the AUD Index traded at 101.84 points by Tuesday evening.



Volatility

Volatility



The Aussie's volatility was broadly following other countries' events, which made it quite dependent on other regions to see somewhat more active trading throughout the weekly period ended on November 24. Considering lack of local statistics, the AUD elevated volatility of 15% can be logically justified. Moreover, it lingered behind the all-market uplifted volatility indicator of 19%. Only the AUD/USD cross was shaken up slightly more than other components, mainly due to large presence of US fundamentals last period, including second-revision GDP and FOMC meeting minutes. Here the elevated volatility reached 23%.

Average turbulence of the Aussie was 0.79 points in the five previous days, which lagged behind the market mean by only one basis point. However, it is worth underlying the period-end events caused the biggest portions of volatility, while first days of the week were light and calm. AUD Volatility Index saw its first weekly gain on Thursday when the ECB published its minutes from the latest meeting. More pronounced turbulence was observed on Monday when several Euro area countries were able to brag about better-than-estimated activity in production and services industries. Period's highest measure of turbulence at 2.06 points was reached in time of Glenn Stevens' speech on Tuesday where he called into question another RBA rate cut in the near term.

Elevated Volatility (% of the observed period)

Market	AUD	EURAUD	AUDUSD	AUDJPY	GBP AUD	AUDCHF	AUDCAD	AUDNZD	AUDSEK
19	15	13	23	16	18	22	20	14	17

Volatility Index (for the observed period)

Market	AUD	EURAUD	AUDUSD	AUDJPY	GBP AUD	AUDCHF	AUDCAD	AUDNZD	AUDSEK
Max	1.44	2.06	1.75	2.44	2.1	2.1	1.69	2.04	2.13
Min	0.42	0.43	0.32	0.36	0.35	0.43	0.44	0.37	0.37
Average	0.8	0.79	0.82	0.77	0.79	0.85	0.81	0.79	0.76