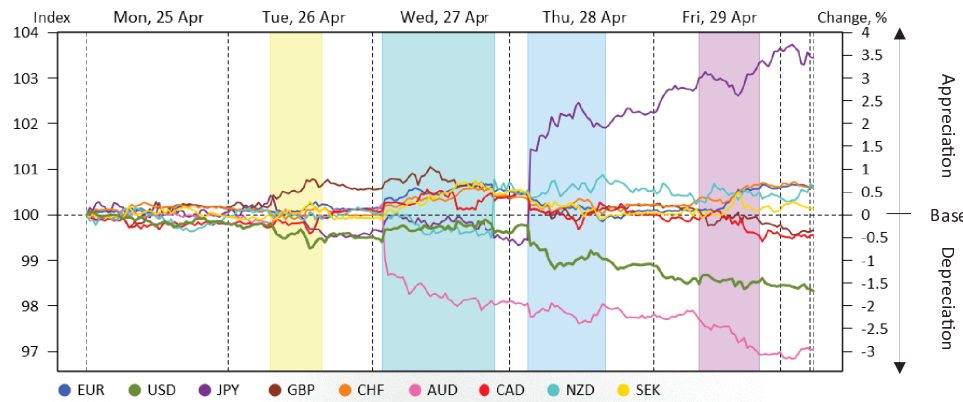




## Relative Currency Strength

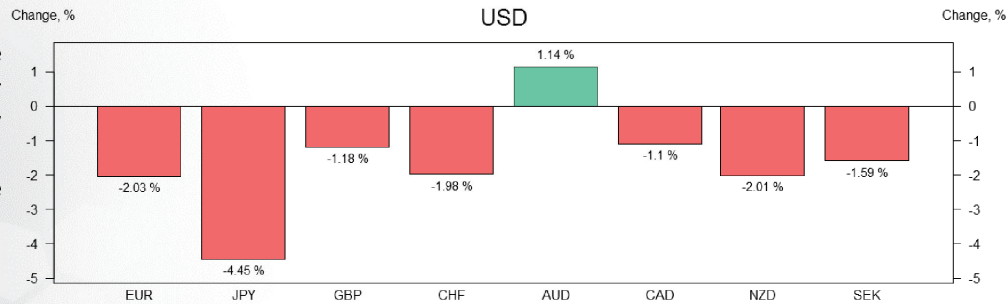
Currency Indexes



The main market drivers of the past week were the central banks, with their decisions or expectations of thereof causing a number of sharp reactions from the observed indexes. The first such response came on early Wednesday, when weak CPI numbers increased the odds of a rate cut from the RBA and pushed the Aussie's gauge to tumble below 99.0 points. The blow proved to have a long-lasting effect, as the index continued to weaken till the end of the period, ultimately posting the week's greatest loss of 3%. The next Asian session brought next major moves, this time seeing the concerned indexes shoot up. First, as the RBNZ restated its readiness to introduce further easing, but left rates unchanged and voiced expectations of

strengthening in inflation, the Kiwi's measure jumped above its peers to 100.8 points and held around the +0.5% line for the rest of the week. A few hours later the BoJ surprised the market by refusing to add new easing measures to its policy, and the JPY Index surged 2 points, setting off a sharp uptrend and finishing the week with a 3.4% gain.

The USD Index spent most of the period among the steady gauges, but took a hit at the yen's surge on Thursday. The measure pared some losses soon after the drop, with the advance peaking after strong personal consumption data release, but failed to hold the momentum. Ultimately, the dollar posted weekly losses against most of its major peers, and its index ended the week with the second greatest decline.



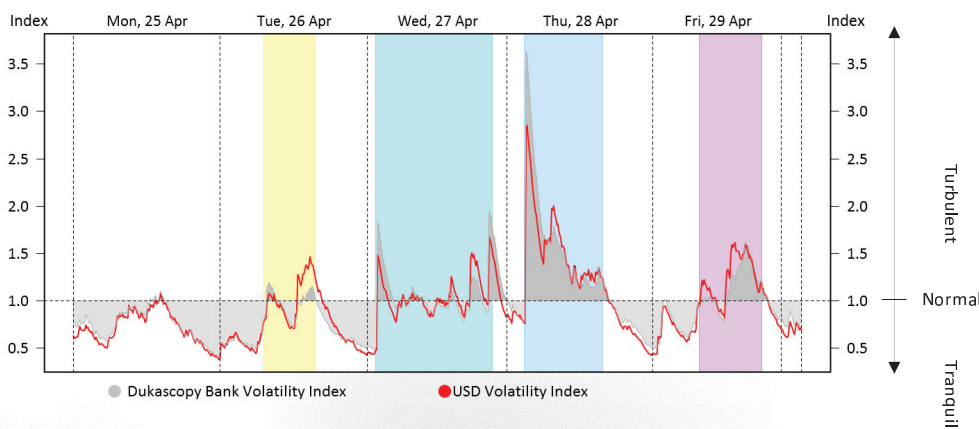
Currency Index Change

Days	EUR	USD	JPY	GBP	CHF	AUD	CAD	NZD	SEK
5	0.64%	-1.68%	3.44%	-0.33%	0.58%	-2.96%	-0.44%	0.6%	0.13%
20	-1.06%	-1.89%	3.03%	1.21%	-1.9%	-2.06%	2.78%	0.16%	-0.3%
130	0.18%	-4.07%	9.45%	-10%	-1.12%	3.26%	0.81%	-0.14%	2.22%
250	2.79%	-0.09%	13.55%	-4.09%	-3.01%	-3.06%	-3.4%	-8.05%	5.35%



# Volatility

## Volatility



Volatility on the market remained largely subdued, as the overturbulence measure barely rose to one third, even with the big moves on Wednesday and Thursday. The week's most active currency was the pound, which posted 38% of elevated volatility, with the Greenback's 34% reading as the second highest. Meanwhile, the highest peaks were reached by the yen's, the Kiwi's, and the Aussie's turbulence gauges, which spiked to 10.6, 5.9 and 5.2 points at the respective interest rate announcements for the two former indexes and disappointing CPI release for the latter. The rest of the currencies stayed relatively insensitive to the domestic economic releases and reached their

highest activity peaks against the background of the previously mentioned events.

The week was relatively calm for the dollar as the most resonant news came from the Asia-Pacific region. Nevertheless, there were several rather notable volatility spikes when the dollar's gauge surged above the market's measure. Firstly, the dollar's gauge almost reached 1.5 points after lower-than-expected consumer confidence release on Tuesday and reacted with the same activity spike to the Fed's interest rate decision on Wednesday. Lastly, a batch of US economic releases, including personal income and spending and Chicago PMI, managed the dollar's turbulence measure to surge to the 1.6 level on Friday.

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

Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
33	34	35	39	37	38	26	23	31	37

### Volatility Index (for the observed period)

	Market	USD	EURUSD	USDJPY	GBPUSD	USDCHF	AUDUSD	USDCAD	NZDUSD	USDSEK
Max	3.64	2.85	2.26	15.07	1.94	2.12	5.34	1.71	5.91	2.52
Min	0.41	0.38	0.3	0.38	0.26	0.3	0.25	0.3	0.33	0.31
Average	0.95	0.93	0.9	1.27	0.86	0.9	0.87	0.76	0.97	0.95