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**A competitive influence of the USD and the EUR
on the patterns of currency co-movement**

The analysis of co-movement of two currencies requires the consideration of exchange rates which are always calculated against a third currency. The choice of this third currency certainly influences the results of comparison. Many experts claim that the patterns of currency co-movement are significantly driven by the relative influence of the two global currencies: the US dollar and the euro. In the paper, we examine the dynamics, strength, and areas of this influence in the global currency market during the period 1995-2013. One of our goals is to assess how the patterns of currency co-movement are changing depending on relations between the US dollar and the euro. We also try to evaluate the impact of recent financial crises on these patterns. Our analysis is based on the return data of exchange rates of 22 selected currencies against the USD and the euro. To model dependencies between changes of exchange rates and compare their strength, we apply dynamic copulas and copula-based dependence measures.