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Risk aversion and risk appetite. Adapted from Boko Maru's post on FPA forum.

Currencies like USD, JPY, and CHF (somewhat) are considered "safe haven" currencies. Meaning if the world economy is going "down the drain", investors run to these currencies as they are considered "safe havens". Currencies like GBP, AUD, NZD, EUR, are typically not considered safe havens, and they are dumped when all looks bad economically (risk aversion). Then the same happens but in reverse, when all looks rosy from a global economic perspective; meaning USD gets sold, and the other "non safe-haven" currencies get bought (risk appetite). So in other words: Risk appetite=USD weakness, Risk aversion=USD strength.

Viewing what's happening with global stock markets can give you an indication of whether markets are in risk appetite or risk aversion mode. If they are up (green), it's appetite; if down (red), aversion.

Check the stock market situation before trading. Never take a trade against strong risk sentiment!