

27 Links of the Euro Chain

WEEKLY MAGAZINE V25 | 2024 March 10

Training To Trade With **Fibonacci Types**

GBP
GDP m/m

USD
Empire State
Manufacturing
Index

2024 Contests with **Twenty Prizes of \$24 Each Month**

EURODOO





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Editorial

If the European Union were viewed as a network of alliances, its member nations would be the links and the rings. Even while each ring by itself can be brittle and vulnerable, together the Eurozone network has given them exceptional strength in the political and economic spheres.

As everyone is aware, one of the most widely used and liquid market pairs is the EUR/USD currency pair. Thus, in order to facilitate traders' search for lucrative trading chances, we will analyze the Euro Union in this edition of Delta College's Economic Bulletin.

The declarations made by Germany regarding the potential election of Trump and the impact that would have on the German economy are a useful addition in assessing the potential future of the European Union. These assertions can be followed in "News Digest". Next, ascertain the entry and exit locations as well as the levels of support and resistance for EUR/USD using the "Fibonacci" training article.

Remember that "Weekly Exploration of Market Psychology" is a useful resource for preventing sentiments and emotions from influencing your trading.

To keep up with the tradition, the Crossword Table is at your disposal. Test your knowledge and win prizes in The Entertainment section.

We wish you a profitable week.

*Rahmati
Arezzo*



DELTA COLLEGE



History and Foundations of the European Union

FUNDAMENTAL ARTICLE

History and Foundations of the European Union

In 1957, the European Union came into being as a political and economic union. The main objectives of this union, which has 27 members, are to promote peace, economic growth, and employment, raise living standards, and safeguard the environment.

The European Union was founded in the years following World War II with the intention of fostering international peace and economic cooperation. Prior to becoming the European Union, it was founded as the European Economic Union. Since then, the European Union has progressively grown and accomplished a number of goals, including establishing a common market, the Euro monetary system, a unified foreign policy, and modifications to European citizenship and human rights. The European Union seeks to resolve shared issues, uphold regional peace and prosperity, and foster constructive international relations in an effort to positively influence world politics and the economy. It accomplishes these goals through collaboration and agreements amongst its member nations.



The challenge of Brexit and the European Union

Brexit is the term used to describe the United Kingdom's exit from the European Union. Following years of talks and tensions between the UK and the EU, this occurred on January 31, 2020. Britain left the European Union for a number of reasons. Among these explanations are:

- **Concerns about immigration**
- **Reluctance to become a citizen of the European Union**
- **Willingness to trade freely with other countries**

There was a referendum in 2016 to start the process of Britain leaving the European Union. 52% of British voters supported leaving the European Union in this referendum, while 48% supported staying in it. The British government began talks to quit the union following this referendum. In 2019, a final deal was made. On January 31, 2020, the United Kingdom formally exited the European Union.

Consequences of Brexit on the European Union

Among the most significant things that transpired during Brexit for the European Union were:

- **Loss of a crucial member**
- **Creating political challenges**
- **Doubts about the future of the European Union**
- **Increasing tension between member states**
- **Creating economic challenges**
- **Creating uncertainty for transactions**
- **Rising tensions between the UK and the EU**

Brexit was a complex and multifaceted event that had many effects on the United Kingdom and the European Union.



Factors affecting the gold index

- With the creation of the common market and the growth of the Euro monetary system, the European Union has had a major economic impact. Increased commerce, cooperative investment, and economic progress in the area have resulted from the creation of the European Common Market, which has strengthened both the local and global economies. Additionally, through trade, investment, and economic cooperation with other nations, the European Union has had a significant impact on the global economy. It has also been a major factor in the development of international trade accords and regulations. The European Union has a significant political impact on global affairs. As a rising power in international politics, this union influences agreements made at the international level, decides on matters of security, and forges diplomatic ties with other nations.
- Additionally, the European Union's members have collaborated when it comes to foreign policy, enabling them to work as a single unit to accomplish shared objectives. As a political organization, the European Union has attempted to meet worldwide political challenges in order to accomplish shared objectives and has had a considerable influence on global political views and policies.

Challenges facing the European Union

Throughout its existence, the European Union has encountered numerous difficulties. Among these difficulties are:

Economic challenges

- Economic crisis
- The Economic difference between the member countries
- Economic competition with other economic powers

Political challenges

- The refugee crisis
- The emergence of right-wing and populist parties
- Terrorism

Social challenges

- Unemployment
- Poverty and inequality
- Aging population

External challenges

- Ukraine crisis
- Relations with Russia
- Competition with China

The European Union has taken a number of actions to address these issues. To address the economic crisis, for instance, this union provides financial assistance packages. It has also taken action to fortify its borders and boost collaboration with African nations in response to the refugee issue. Nonetheless, the European Union still faces some obstacles, and it must keep working to overcome these obstacles if it hopes to preserve stability and unity.



The concluding remarks

The European Union is a significant global force with enormous influence. This organization has the authority to get involved in international politics and economic issues in order to further shared objectives. Economic and political ties are strengthened by the European Union's actions and choices in a number of areas, including trade, human rights, the environment, and international security.





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Last Week

NEWS DIGEST

Indices

Increase in spending by american consumers:

- The US consumer price index, which examines the change in the prices of goods and services purchased by consumers, was published on the 4th of March with the price of 0.6%. The previous price of this index was 0.2% and it was forecasted for the price to be published at 0.5%.



Increase of employment in Canada:

- On the 8th of March, changes in the employment of Canada's index was published with a significant increase at the level of 40.7k. The level was forecasted to be 21.1K and the previous level was 37.3k.

A dramatic increase in the US's changes of employment in the non-agricultural sector index:

- This index was published on the 8th of March at the rate of 275K, with an increase compared to the last period's rate of 229K and the forecast of 198K.



Increase in the US unemployment rate:

- This was published on the 8th of March at the rate of 3.9%. The previous period and the forecasted rates were 3.7%.

Stances

Summary of Mr.Powell's recent speech; Chairman of the Federal Reserve Mr.Powell chairman of the Federal Reserve, mentioned certain points and issues in the monetary policy report to the congress on 7th of March, which we will briefly summarize:

- The Federal Reserve remains focused on our dual mandate of promoting maximum employment and price stability.
- While inflation is above the FOMC's 2 percent target, it has decreased significantly. However, the committee remains highly attentive to inflation risks and is strongly committed to returning inflation to the 2 percent target.
- The outlook for economic activity in the past year has seen rapid expansion, with a 3.1 percent increase in gross domestic product.
- Job vacancies and nominal wage growth have decreased.
- The overall price of personal consumption expenditures over the 12 months ending in January increased by 2.4 percent. Additionally, personal consumption expenditures rose by 2.8 percent, which had a significant decrease compared to 2022.
- We believe that our policy rate is likely at its peak in this tightening cycle. If the economy undergoes significant changes, a gradual reduction in rates at some point this year may be appropriate. However, the economic outlook is uncertain, and a reduction too early or too late will have consequences.

The monetary policy statement of Canada was released on the 6th of March. Mr.Tiff Macklem (Governor of the Bank of Canada) highlighted several key points in this statement:

- Economic growth remains weak, with higher interest rates and reduced price pressures leading to further declines in inflation.
- Given the presence of 3 percent inflation and ongoing inflationary pressures, the Governing Council's assessment is that rates should be kept at their current level for a longer period (maintained for a longer duration). Considering this, the Council has decided to keep the interest rate at 5 percent.
- It is still too early to lower interest rates. The Governing Council needs to see further and sustained reductions in inflation.
- The Council remains concerned about ongoing inflation and in the coming months, seeks further reduction in inflation.



Christine Lagarde, President of the European Central Bank, made recent statements regarding inflation and the Eurozone economy in the European Union's monetary policy statement released on the 7th of March. Here's a summary of her remarks:

- The Governing Council decided to keep the three key interest rates unchanged.
- Members predicted the core inflation rate to be 2.3% in 2024, 2.0% in 2025, and 1.9% in 2026.
- Members anticipate a 0.6% decrease in the economy in 2024, followed by a growth of 1.5% in 2025 and 1.6% in 2026.
- The European Central Bank's key interest rates are at a level that, if maintained for a sufficient period, would provide significant support in achieving the 2% inflation target.
- Risks to economic growth and weakness persist. If the effects of monetary policies are stronger than expected, growth could be lower. Global economic weakness, further declines in global economic growth, and geopolitical developments will impact Eurozone growth.



The last week's most significant brief news

Germany faces a potential loss of 120 billion euros if Trump comes to power.

The IW Institute, a reputable institution in Germany, announced in its recent research on Tuesday that if Trump returns to power, Germany's economy could suffer losses of approximately 120 to 150 billion euros over a four-year period.

Previously, Trump had stated in his recent election speeches in Greensboro, Northern California, that upon returning to power, he would enact reciprocal trade laws, imposing not only a 10% tariff on imported goods but also levying tariffs of 60% or more on Chinese goods. He also added that if China or any other country forces the United States to pay tariffs of 100 or 200 percent, the United States would reciprocate with tariffs of the same amount on that country.



OPEC Plus has agreed to extend oil output restrictions.

Members of OPEC Plus have agreed to extend current oil output restrictions until the second quarter of this year. According to this agreement, oil production cuts will reach 2 million barrels per day. OPEC Plus consists of 22 oil-producing countries, with Saudi Arabia and Russia leading the organization.



The performance of the United States' economy is better than any other economy worldwide.

Yellen, the Secretary of the Treasury of the United States, said in her interview with MSNBC on the 8th of March: "We are witnessing very strong job growth. There is no evidence of inflationary pressure stemming from the labor force, and the increase in labor supply has contributed to the growth of the US economy." She added further: "The performance of the United States economy is better than any other economy worldwide, and this performance strengthens the local economy."

ECONOMIC



Future Prospects

CALENDAR FOR THE UPCOMING WEEK

GBP Claimant Count Change

Tue Mar 12 06:00 AM

The UK Office for National Statistics will compute and release this index, which will show variations in the number of people applying for unemployment benefits throughout the course of the preceding month. Traders and analysts view unemployment claims as a monthly signal and hold them in high respect. This index's rising trend suggests that the labor market is weakening, which has an impact on consumer spending and economic expansion.

The British Pound and associated stocks may suffer if more jobless claims than anticipated are reported. Conversely, should this index's figure be shown to be lower than anticipated, this will support the value of the Pound and point to a vibrant labour market.



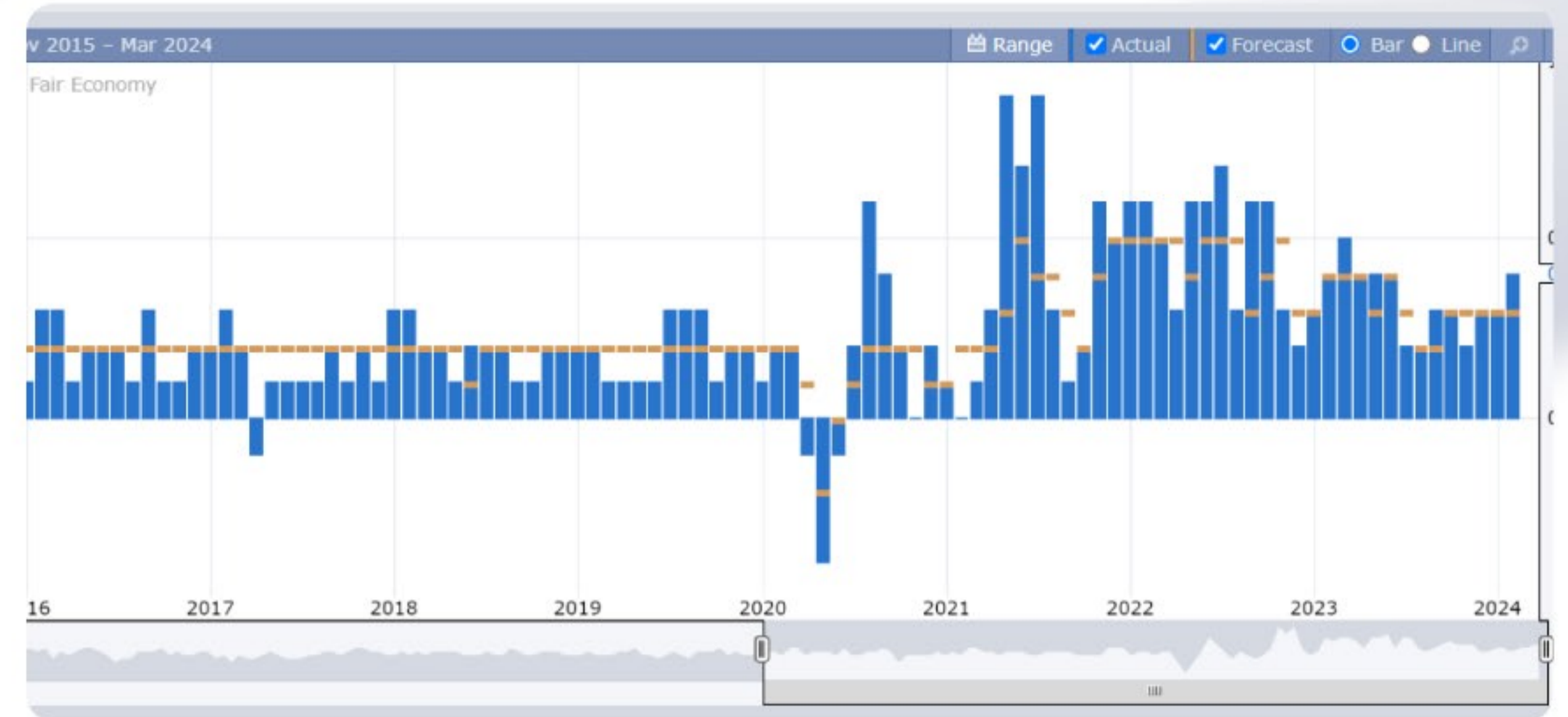
Actual: ? Forecast: 20.3K Previous: 14.1K

USD Core CPI m/m

● Tue Mar 12 ● 12:30 PM

One important economic indicator used in the US is the net consumer price index (CPI), which tracks changes in the costs of a variety of products and services, with the exception of food and energy. This indicator is regarded as a reliable way to gauge inflation. Prices for food and energy can fluctuate significantly in the near term and have been abandoned. By removing these erratic components, economists hope to concentrate on the core inflation mechanism. Significant increases in the net consumer price index could point to heightened inflationary pressures. Conversely, a lower-than-expected CPI can point to a slowing in inflation and prompt policy changes.

Inflation will rise if this index's value is released higher than anticipated. Because of this, the US Dollar is depreciated when the country's net consumer price index rises on a monthly basis. However, for the previously stated reasons, the Dollar will benefit if this index is reported to be lower than anticipated.



Actual: ?

Forecast: 0.3%

Previous: 0.4%

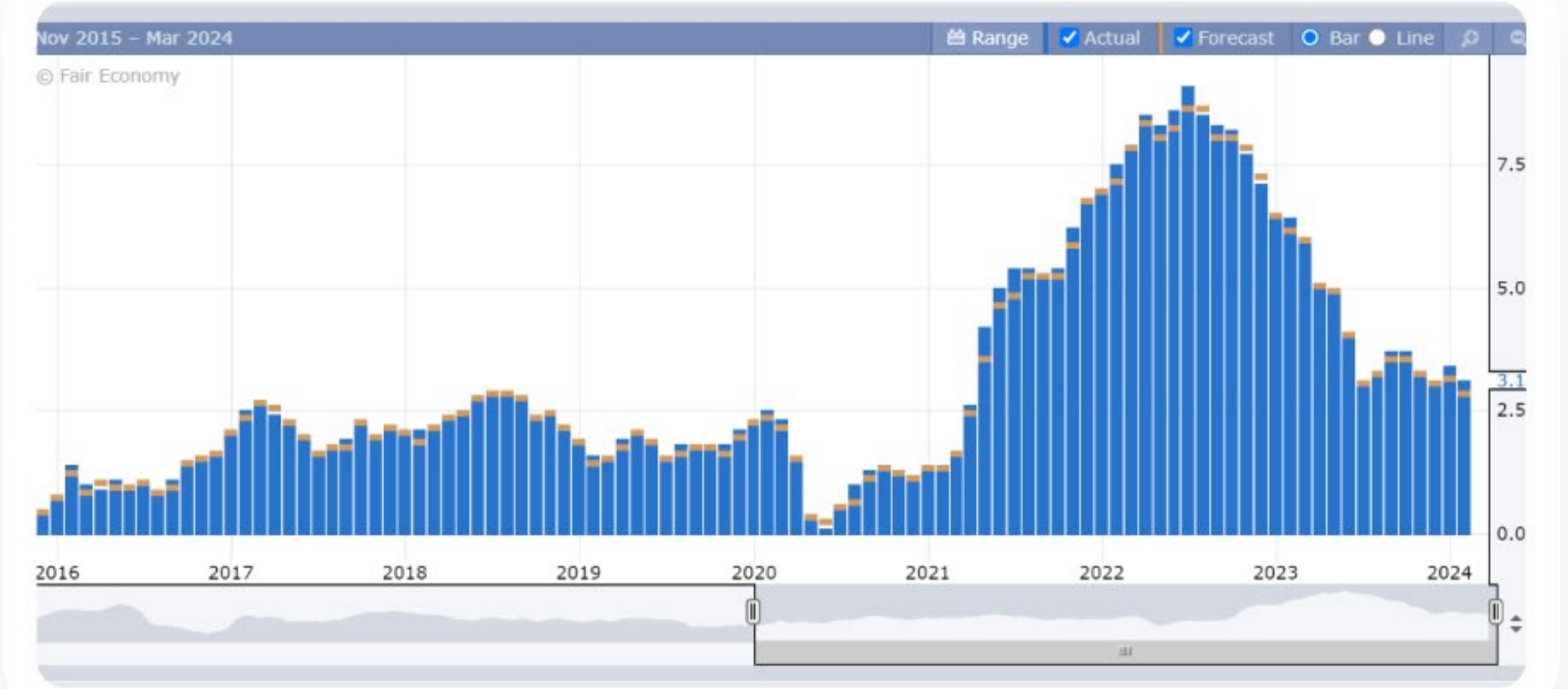
USD CPI y/y

● Tue Mar 12 ● 12:30 PM

An economic indicator used to track changes in consumer prices for a selection of products and services is the US Consumer Price Index (CPI). The US Bureau of Labor and Statistics releases this indicator once a year. The "consumer basket" and the "inflation rate" are the two most crucial aspects of the consumer price index.

The CPI index is a key tool for tracking changes in the cost of living and inflation, and it has a significant influence on fiscal, monetary, and economic policies. The information contained in this index, which is scheduled for publication the following week, is crucial for merchants, politicians, and consumers alike since it enables them to make the most informed judgments.

Inflation will rise if this index's value is released higher than anticipated. Because of this, the US Dollar is depreciated when the US consumer price index rises annually. However, for the previously stated reasons, the Dollar will benefit if this index is reported to be lower than anticipated.



Actual: ?	Forecast: 3.1%	Previous: 3.1%
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GBP GDP m/m

● **Wed Mar 13** ● **06:00 AM**

One important metric that illustrates the state of the British economy is the GDP (gross domestic product) index. The entire market value of all finished goods and services produced inside the boundaries of the United Kingdom during a specific time period is represented by this index. Put differently, GDP serves as a gauge of a nation's economic health and size as well as its rate of growth or contraction. A decline in GDP may suggest a recession, while an increase may suggest an improvement in the state of the economy. This nation's National Statistics Office measures and publishes this indicator once a month. Investors and analysts are better able to anticipate future trends and comprehend the current status of the economy thanks to the ONS's provided data.

Should this index publish higher than anticipated, it will strengthen the British Pound and signal a robust economy and rise in export volumes. However, the Pound will suffer for the previously stated reasons if this index is reported to be lower than anticipated.



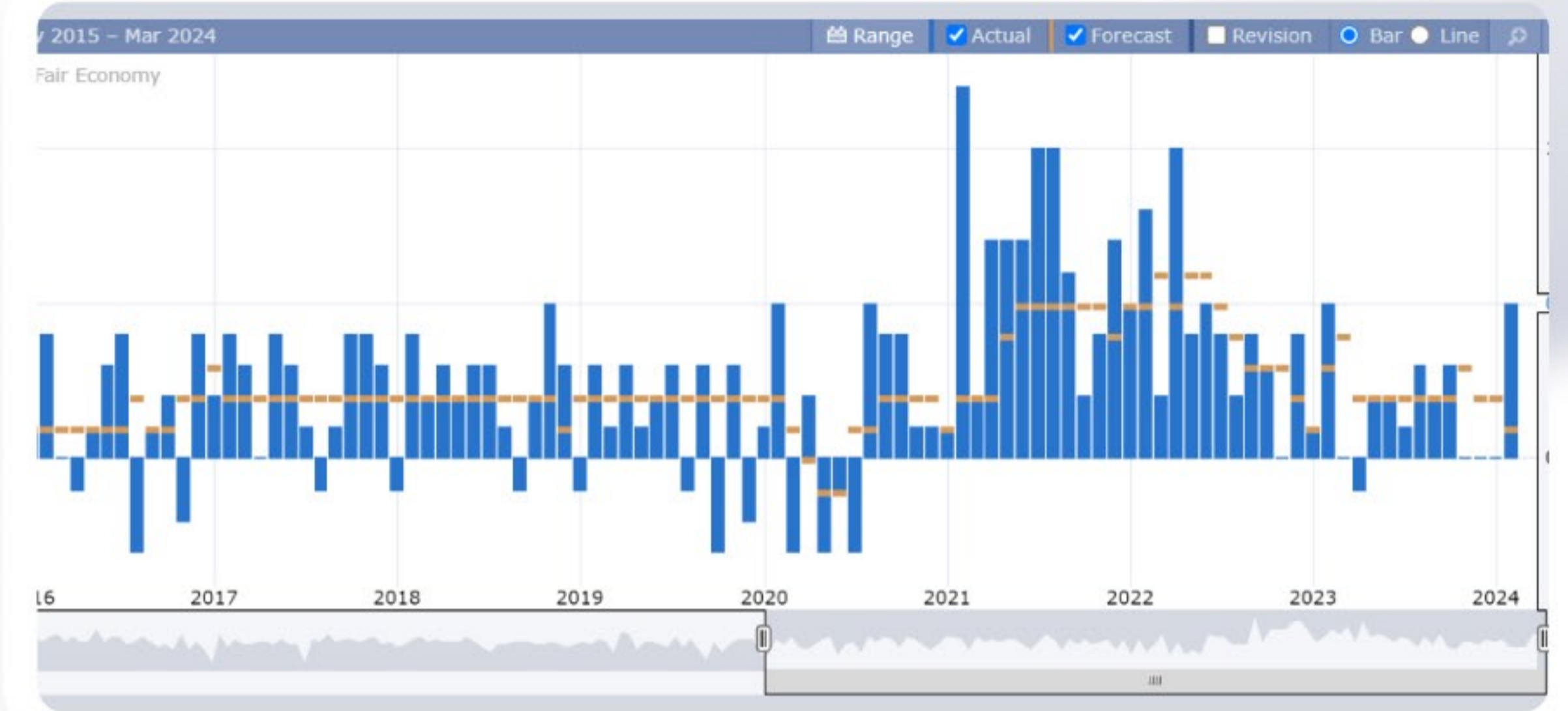
Actual: ? **Forecast:** 0.2% **Previous:** _0.1%

USD Core PPI m/m

● Thu Mar 14 ● 12:30 PM

The United States Bureau of Labor Statistics will release the net producer price index on a monthly basis. This index tracks changes in the selling prices of goods and services that producers sell. Food and energy are not taken into account while calculating PPI, which gauges price fluctuations from the sellers' viewpoint. We can say that PPI is a measure of consumer inflation since manufacturers pass on greater costs to consumers when they pay more for products and services.

The US Dollar will fall if the net producer price index rises if the index's result is reported higher than anticipated because this will lead to increased inflation. However, for the previously stated reasons, the Dollar will benefit if this index is reported to be lower than anticipated.



Actual: ? Forecast: 0.2% Previous: 0.5%

USD Core Retail Sales m/m

● Thu Mar 14 ● 12:30 PM

Changes in net retail sales—which do not include purchases of cars and auto parts—are displayed by the US Net Retail Sales Index. A measure of changes in retail income is provided by this index. The macroeconomic status and consumer behavior are reflected in retail sales. Auto and parts sales are excluded because they could have unexpected effects on the net retail sales index due to seasonal changes and other causes. The US Census Bureau will release the index on a monthly basis starting next week. It is a key measure of consumer spending and a good proxy for the US economy’s growth rate.

The US Dollar and linked stocks will increase if this index releases higher than anticipated. It will demonstrate the dynamics and activity of the US economy as well as the economic conditions of the people. However, for the previously stated reasons, the US Dollar and associated stocks will suffer if this index is reported lower than anticipated.



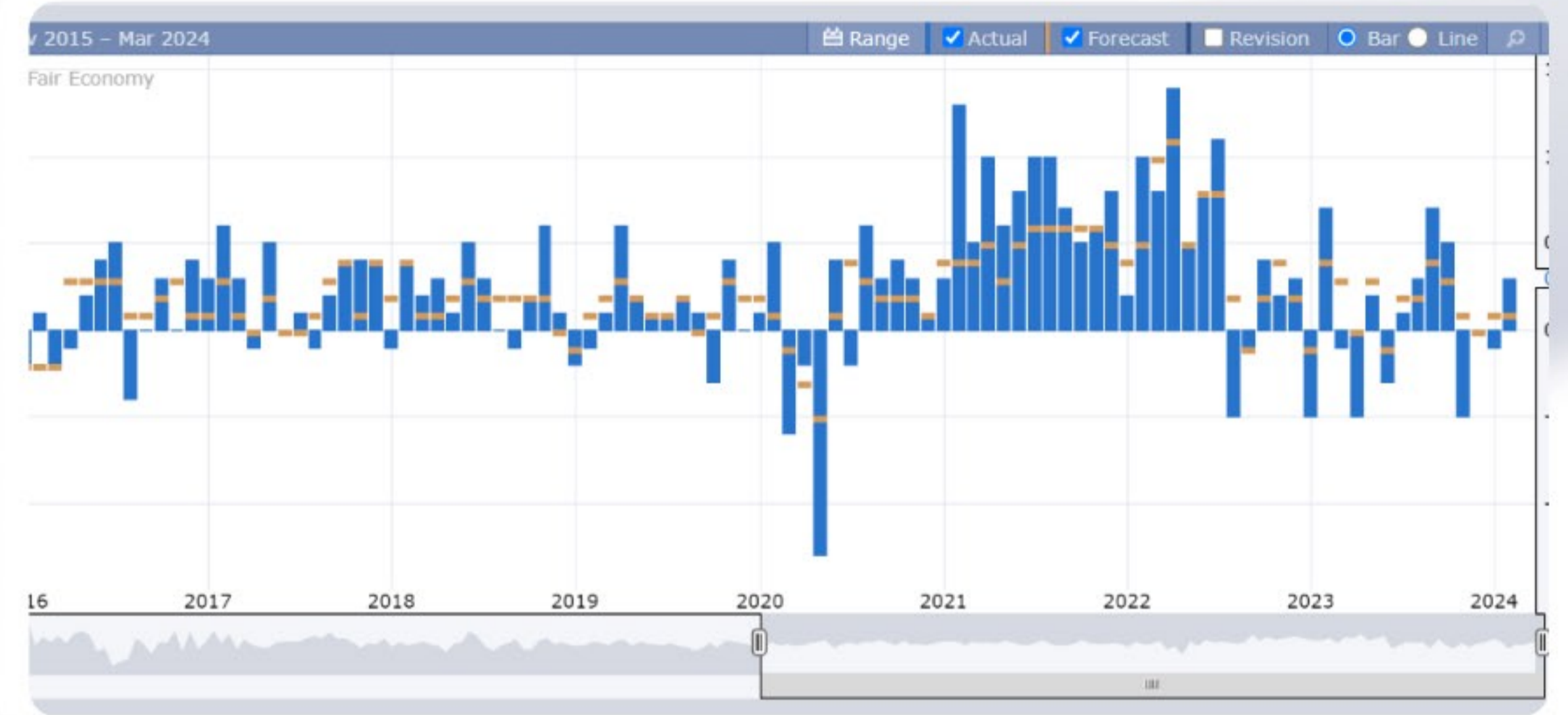
Actual: ? Forecast: 0.5% Previous: -0.6%

USD PPI m/m

● Thu Mar 14 ● 12:30 PM

“Producer Price Index” refers to the United States Producer Price Index (PPI). The entire prices of goods and services that producers sell are tracked over time by this index. The primary characteristic of PPI is its focus on the impact of product and service prices throughout the production phase, which is significant from an economic perspective. The PPI is concerned with the costs of manufacturing processes as opposed to the Consumer Price Index (CPI), which is focused on consumer pricing. The producer price index tracks changes in the costs of products and services that are used as inputs to make other products. The US Bureau of Statistics releases the US PPI each month, and it will be available for trading this coming week.

If this index’s figure is released higher than anticipated, inflation will rise, which will cause the US Dollar to depreciate as the US producer price index grows. However, for the previously stated reasons, the US Dollar will benefit if the index’s figure is revealed to be lower than anticipated.



Actual: ?

Forecast: 0.3%

Previous: 0.3%

USD Empire State Manufacturing Index

● Fri Mar 15 ● 12:30 PM

The Empire State Manufacturing Index is a monthly survey conducted by the Federal Reserve Bank of New York and serves as a regional economic indicator of manufacturing activity in New York State. Manufacturers are questioned about a range of business-related topics in the survey, including as employment, shipments, new orders, and other variables that may be used to gauge the state of the manufacturing industry. Despite being limited to manufacturing activity in New York State, this index is sometimes seen as a leading indicator for the whole US manufacturing industry. This data is useful for understanding how the manufacturing sector is doing right now and has the potential to affect employment, output, and overall economic growth.

If this index publishes higher than anticipated, it will raise the US Dollar and the equities that go along with it since it indicates the strong status of the production sector, which accelerates the economy. Conversely, the Dollar and related stocks will suffer if this index is reported to be lower than anticipated.



Actual: ? **Forecast:** **-7.6%** **Previous:** **-2.4%**

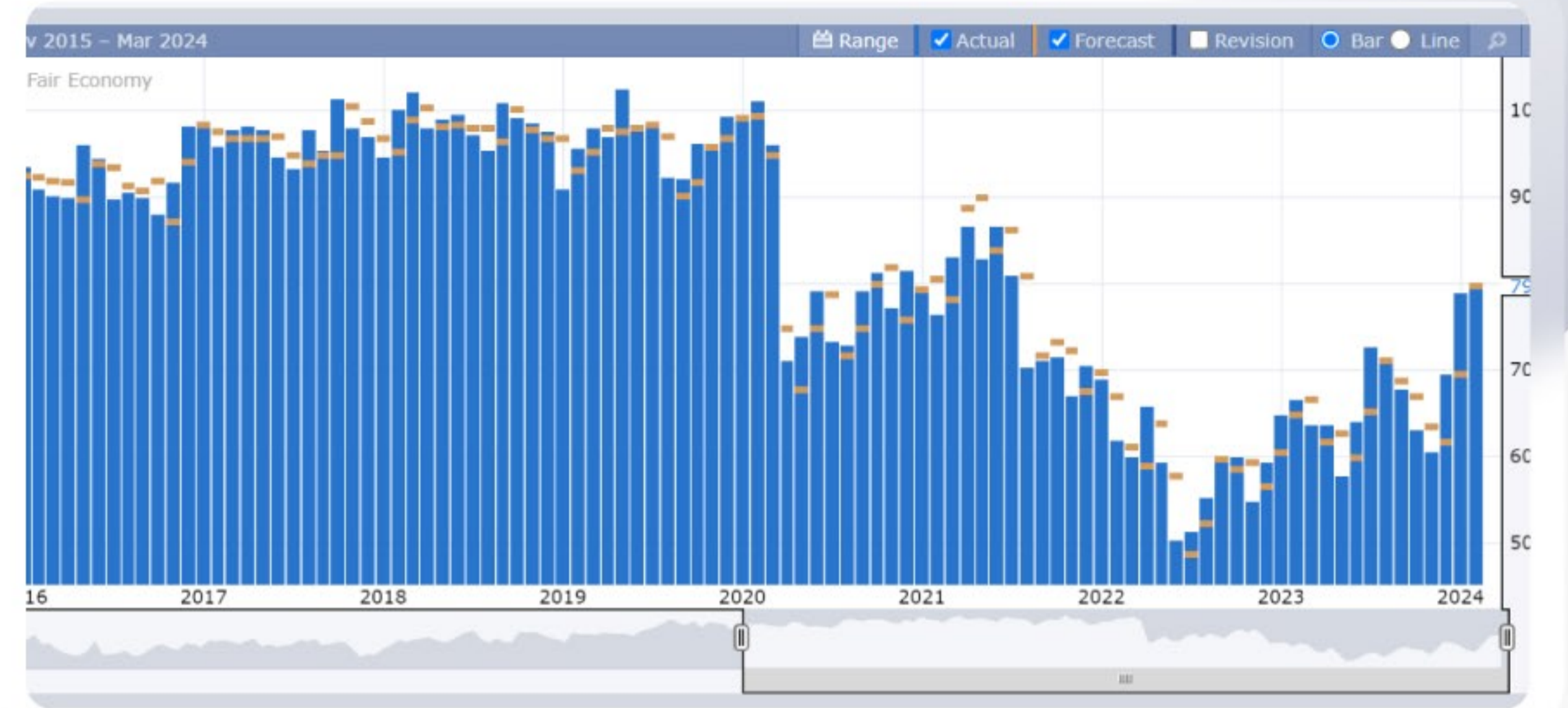
USD Prelim UoM Consumer Sentiment

Fri Mar 15 02:00 PM

Every month, the University of Michigan Consumer Sentiment Index looks at the opinions and attitudes of American consumers. The study includes a wide range of variables, including how consumers perceive their financial status, the state of business both now and in the future, and the circumstances behind their purchase of durable items.

After more information is gathered later in the month, the updated index will be made public. Changes in statistical methodologies or the receipt of fresh data may necessitate adjustments. Because it incorporates more gathered data, the updated version is typically more accurate.

If this index's value is released higher than anticipated, it will strengthen the US Dollar and indicate a strong economic environment. However, for the previously stated reasons, the US Dollar will suffer if this index is reported to be lower than anticipated.



Actual: ? Forecast: 77.3% Previous: 76.9



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Future Prospects

FUNDAMENTAL OUTLOOK

Fundamental Outlook

In the economic calendar of the following week we will witness some important events for the global economy. Furthermore, some of the senior members of central banks will have speeches and will take a stance on monetary policies and interest rates. Knowing about the time of these events will give you a clear viewpoint for trading in the upcoming trading week.

Monday 11th March

- Mann's speech from the Central Bank of England.
- Euro Group's meeting

Tuesday 12th March

- Mann's speech from the Central Bank of England.
- ECOFIN meeting

Unlike the speeches in the past week which led to vibrant moments in the market, in terms of events and meetings of the central banks, we will experience a less turbulent week. Although from the fundamental world, we will be expecting important indexes and statistics from the superior economies of the world.

Any changes in the times of the speeches and meetings of the central banks and other economic institutions will be announced through their direct websites. Keep in mind that trading during the time of the economic news will follow a greater risk.





Market Psychology

19,580 +25.11 +0.78% 29,140.36 +604.26 +2.14% 124,825 +147.74 +0.31%

3,690.47 +0.19

 Weekly Exploration of Market Psychology

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Different Kinds of Fear

Following his trading setbacks over the previous few weeks, Charlie developed a dread that kept him from ever again trying his hand at the market. Even after going over his analysis multiple times, he was still apprehensive and nervous about filling the role. He feared that, in light of the past unpleasant experience, he would lose the entire amount of his capital in the deal and face criticism from those who thought he was foolish to enter the financial markets.

He called me in the middle of the week to tell me how afraid he was to return to the market. I told him that he had fallen victim to yet another psychological trap set by the market. One of the most frequent feelings that traders go through is fear. Fear doesn't necessarily mean terrible things; when it's in check and in balance, it can save a lot of losses.



In the financial markets, fear can take many forms, including:

- **Fear of the loss of the entire capital**
- **Fear of being left out of the market**
- **Fear of ending the process**
- **Fear of reduced profits**
- **Fear of facing negative news**
- **Fear of judgment from others**
- **Fear of starting a new trade after experiencing a big loss**
- **etc**

We need both technical skills, emotional self-control, and psychological efficacy to succeed in the financial markets. Charlie was able to get over his nervousness and resume his trade thanks to the talk we had with him that evening.

Observe what transpired. Charlie took a while before he could ultimately pull off his first profitable trade.



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Trading with Fibonacci Types:

A Formula For Predicting The Future Of The Market

TECHNICAL ANALYSIS



124,825 ... +0.31%

+604.26

Technical Analysis Article

Trading with Fibonacci Types: A Formula For Predicting The Future Of The Market

Is it possible to calculate the amount that an asset will correct or move following a correction using a formula? Yes and no are the answers. The Fibonacci sequence and its ratios allow one to accurately forecast an asset's future direction.

What is Fibonacci?

Through his research, the 13th-century mathematician Leonardo Fibonacci discovered a sequence of numbers that began with the integers 0 and 1. Fibonacci discovered this sequence and the golden ratio that results in a variety of natural phenomena, such as pine cones, bee colonies, flower petals, and human bodies. Eventually, the Fibonacci sequence was named after this numerical sequence.

Following these tests, a few traders and market analysts looked at specific Fibonacci sequence ratios in the context of financial markets like forex to see whether or not price patterns and financial markets adhere to this sequence. Following up on their investigation, these experts came to some intriguing conclusions, which indicated that the price movement does, in part, follow this sequence. In an attempt to increase their profits, they so began to write indicators based on the ratios of this sequence.



Fibonacci ratios and significant numbers

Different ratios can be obtained from the Fibonacci sequence, the most important of which are 1.618 (golden ratio), 0.236, 0.382, 0.618, 1.0 and 1.27.

The use of ratios and Fibonacci numbers in technical analysis

All forms of Fibonacci ratios are primarily used to determine entry points into transactions by identifying levels of support and resistance. Fibonacci patterns indicate significant levels of support and resistance, which give traders entry and exit points.

Which Fibonacci kinds exist, and how should one trade with each type?

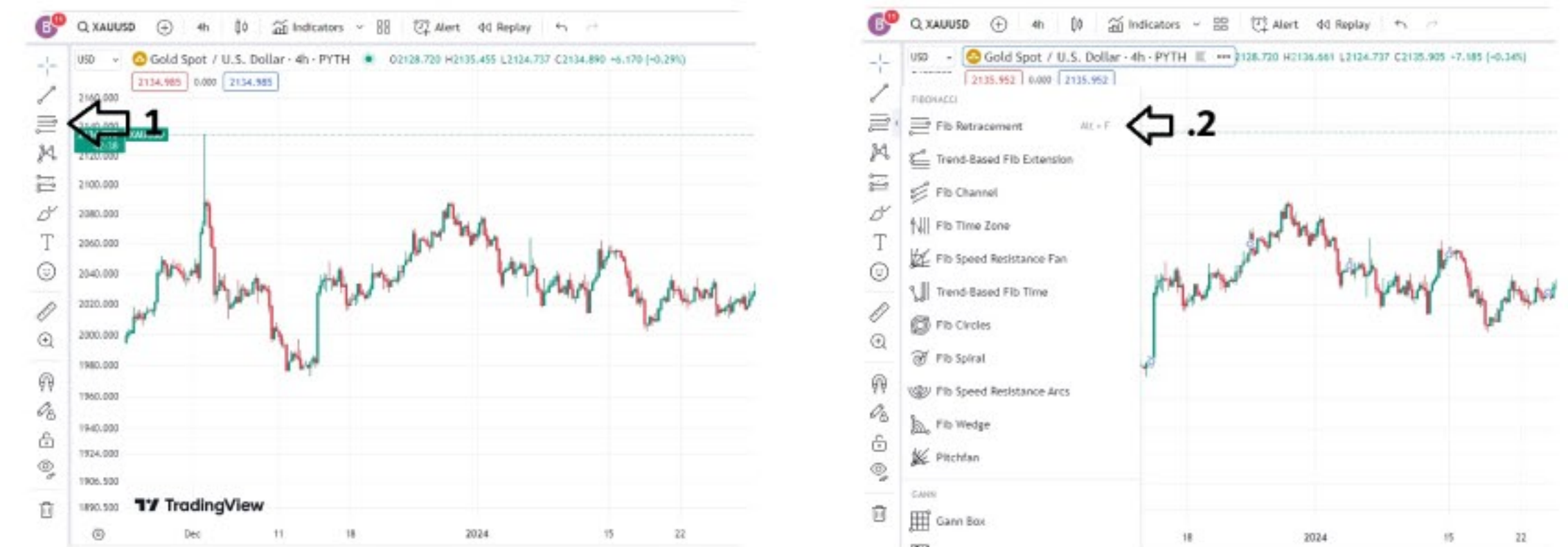
Different ratios can be achieved by carrying out particular computations; examples of these were provided in the text above. Different kinds of Fibonacci are made with these ratios. We shall cover and introduce some of the most popular and accurate ones in the sections that follow.

Fibonacci Retracement

The degree to which an asset's trend will be corrected in the future is indicated by the Fibonacci retracement based on price. We can determine how far a positive or negative trend is likely to correct by utilizing the Fibonacci retracement. There are six levels in the Fibonacci basic settings: 0.786, 0.618, 0.5, 0.272, and 0.0. You can add more levels by going to the options area.

How to draw a retracement Fibonacci

On the TradingView platform, select Fibo Retracement from the side toolbar in the FIBONACCI section to retrace this Fibonacci. Points one and two should be placed at the start and finish of the respective rising and falling waves, respectively.



Entry

Following the drawing of this Fibonacci retracement, levels that the trend might correct to are shown. Levels 0.272, 0.5, 0.618, and 0.786 correspond to the first, second, third, and fourth positions. Upon achieving every one of these stages:

- By looking at the signal candle and confirmation, enter the trade in the direction of the main trend if the momentum of the corrective movement is weak.

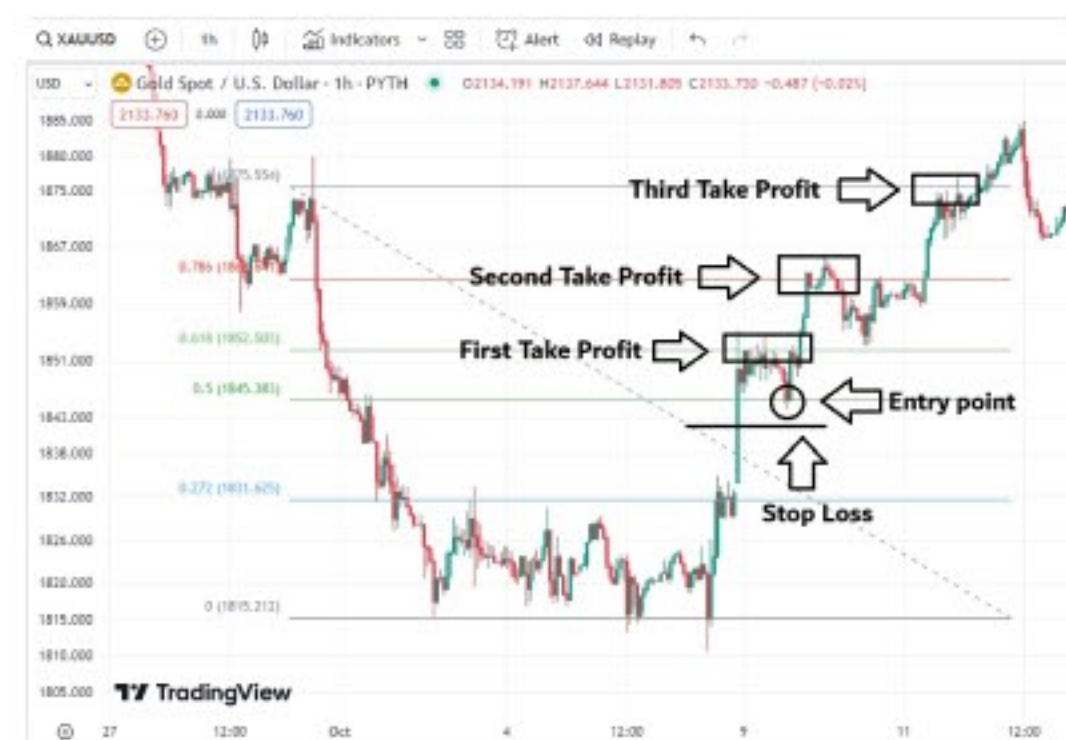
If the corrective movement had significant momentum, trade in the breakout direction after breaking the level and observing the signal candlestick and confirmation.

Take Profit

- Set your profit limit higher than the point at which you began the trade if you are trading in the direction of the major trend.
- Set your profit restrictions at levels below the level you entered if you fail any level and move towards failure.

Stop Loss

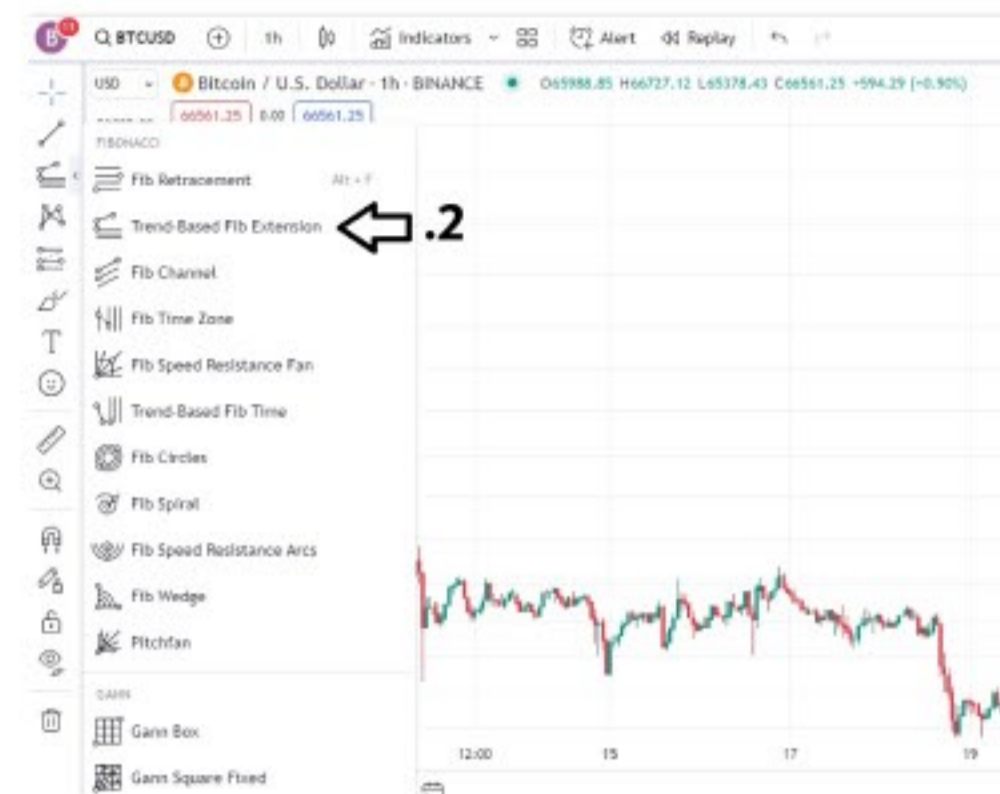
- If you decide to enter the trade following the main trend, position your stop loss just below the confirmation candle and your signal.
- Your stop loss should be placed a little above your signal and confirmation candle if you are trading to overcome any level.



- Keep in mind that a trend reversal rather than a correction occurs if we surpass the 0.786 mark. We don't think the primary trend will continue in this instance.
- Be aware that the corrective trend has little momentum and that you can enter at any point.
- It is preferable to employ several technical analysis styles and tactics to enter at any level in order to maximize your error percentage and start the trade at a better moment.

Fibonacci Extension

- Unlike Fibonacci Retracement, Fibonacci Extension indicates the potential levels to which a trend may advance following a retracement.
- **How to draw Fibonacci Extension**
- There are three points in this Fibonacci series. We take into account the first point at the start of the trend, whether it be upward or downward, and the second point at its conclusion. Next, we finalize the alteration by adding the third point. The support and resistance levels that the trend is anticipated to reach in the future are shown once the three points have been identified.



Entry

- Upon hitting each level, use the candle signal and confirmation to enter the trade in the trend direction if the momentum points toward failure. Additionally, if after reaching each level I felt like going back, I could have entered the trade by looking at the signal candle and going against the trend.

Stop Loss

Set your profit limits in each of the ensuing levels.

Take Profit

At every level, position your stop loss right in front of the signal and confirmation candle.

- It is preferable to employ several technical analysis styles and tactics to enter at any level in order to maximize your error percentage and start the trade at a better moment.
- Using the CD=ALT approach, BC is one technique to more precisely determine the potential levels to which the trend may advance. With this approach, we can increase to a given quantity (CD) in order to reach a particular Fibonacci level (BC). The table below provides these ratios.



- It is preferable to employ several technical analysis styles and tactics to enter at any level in order to maximize your error percentage and start the trade at a better moment.
- Using the CD=ALT approach, BC is one technique to more precisely determine the potential levels to which the trend may advance. With this approach, we can increase to a given quantity (CD) in order to reach a particular Fibonacci level (BC). The table below provides these ratios.

BC	CD
0.382	224-261.8 % BC
0.500	200% BC
0.618	161.8% BC
0.707	141.4% BC
0.786	127.2% BC
0.886	113% BC

What we learned

- Leonardo Fibonacci discovered a series of numbers beginning with the numerals 0 and 1 through his research. Eventually, the Fibonacci sequence was named after this numerical sequence. The Fibonacci sequence yields several ratios, the most significant of which are the golden ratio (1.618), as well as 0.236, 0.382, 0.618, 1.0, and 1.27. Technical analysts employ these ratios to create indicators and tools that give traders crucial levels of market support and resistance as well as suitable times to enter and exit the market.



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FUNDAMENTAL ANALYSIS TRAINING

Personal Income Index: an Explanatory Essay

The Personal Income Index (PI) is a metric used to quantify the total amount of money earned by individuals within a nation or area. Because it has a strong correlation with both inflation and consumer spending, the personal income index is regarded as one of the key economic indicators. The degree of purchasing power and well-being, the volume of consumption, the state of the economy, and policymaking can all be reflected in this index. Known alternatively as gross income, the personal income index is computed prior to the deduction of taxes.

Components of personal income index

Every source of income for an individual is included in this index, including the following:

- **Salary:** including salary and benefits received from work
- **Dividends:** Profits received from investments in companies
- **Interest on bank deposits:** interest received from deposits in banks
- **Rent:** Income from renting out real estate
- **Government transfers:** including grants, subsidies, and pensions
- **Other incomes:** such as income from self-employment, agriculture, etc.

The Calculation Method of the Personal Income Index

To calculate the personal income index, the following steps are performed:

- **Collecting data**
- **Calculation of total income**
- **Adjustment of total income**
- **Divide total income by population**

The formula for calculating this index is as follows:

Personal income index = $\text{population} / (\text{total income} - \text{direct taxes} + \text{indirect taxes})$

The monthly and annual calculations of the personal income index are made. Typically, this index is released in both nominal and real (deflated) formats. Computing the personal income index for other geographic areas, including cities and provinces, is also possible.

The effect of changes in Personal Income Index on financial markets

Variations in the personal income index can impact the financial markets in a variety of ways. An increase in the personal income index often indicates that people's spending power and the demand for products and services are growing, which can raise the price of stocks and other assets in the financial markets. Conversely, a decline in the personal income index may result in a decline in people's purchasing power and a decline in the demand for products and services, both of which may cause a decline in the price of stocks and other financial market assets.

The stock market

Since more people have more money to invest in stocks, an increase in the personal income index typically results in higher stock prices. Stock prices often fall when the personal income index declines because fewer people have money to invest in stocks.

The Bond Market

The interest rate on bonds often decreases when the personal income index rises because there is a greater demand for bonds. Bond interest rates typically rise in response to a decline in the personal income index because fewer bonds are being demanded.

The Currency Market

The national currency typically strengthens in response to increases in the personal income index because there is a greater demand for it. The national currency typically weakens in response to a decline in the personal income index because there is less demand for it.

It should be mentioned that a variety of other factors, including governmental regulations, world economic conditions, and market expectations, affect how changes in the personal income index affect financial markets. It should be mentioned that there may be a short- or long-term effect of changes in the personal income index on financial markets.

Factors Affecting the Personal Income Index

Several factors can affect the personal income index. Some of these factors are:

- Economic Growth
- The unemployment rate
- Inflation
- Government policies
- Global economic developments
- Seasonal changes
- Economic crisis

These factors can have short-term and long-term effects on PI.

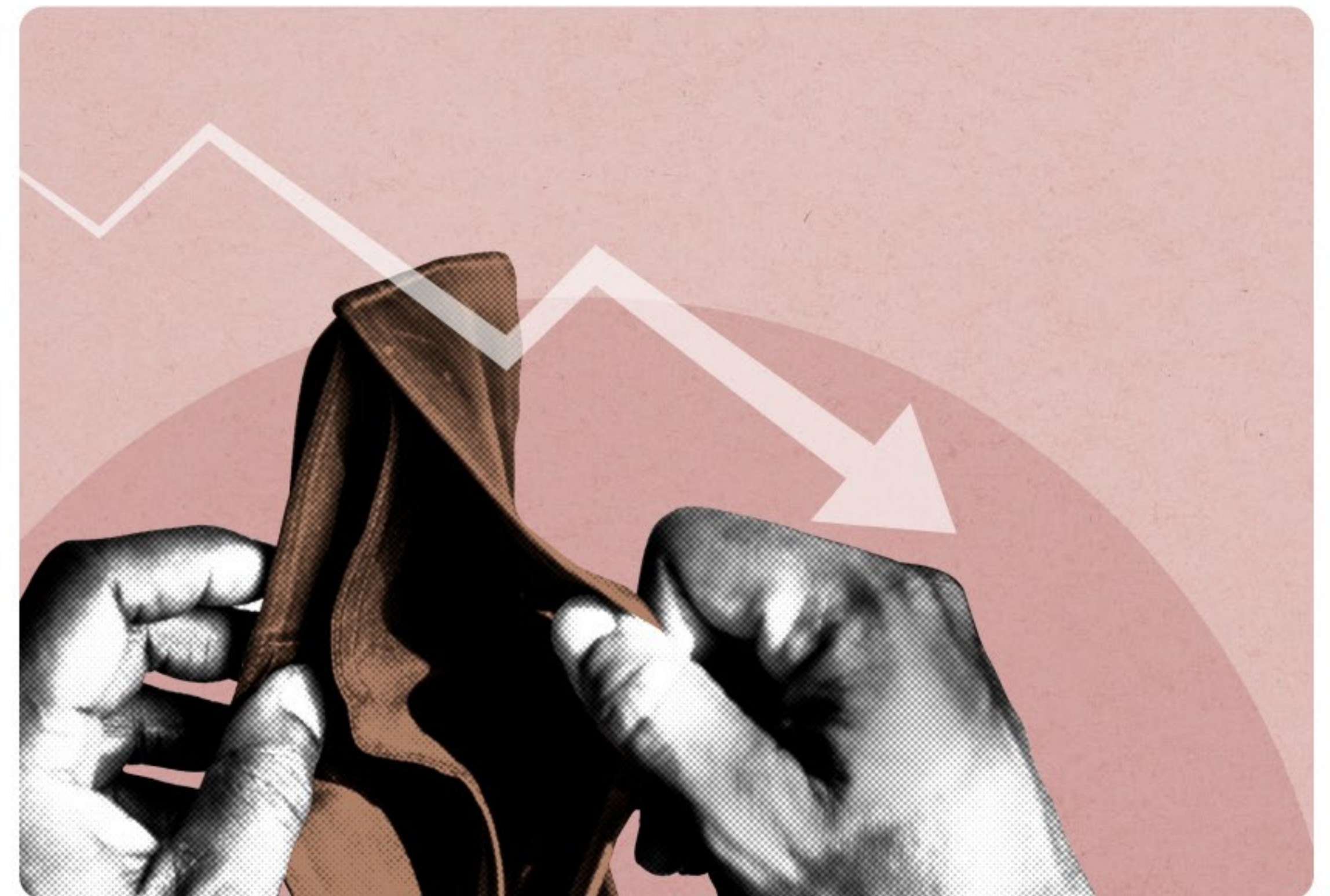
Changes in the Personal Income Index during the recession and economic boom

When there is inflation and a recession, the income index (PI) typically falls. This is brought on by a decline in the demand for products and services, an increase in unemployment, and a decline in people's purchasing capacity. The following are some of the most significant ways that the economic recession has affected the personal income index:

- **Decrease in demand:** People and businesses are less inclined to purchase goods and services during recessions. This creates a decline in sales and profitability for businesses, which in turn results in salary reductions and staff layoffs.
- **Increase in Unemployment:** Businesses require fewer workers as demand declines. People's incomes decline as a result, and the unemployment rate rises.
- **Decrease in purchasing power:** Price rises for products and services are caused by inflation. People's purchasing power declines when their income either rises or falls.

Conversely, in periods of economic expansion and prosperity, the income index (PI) typically rises. This is brought on by a rise in the demand for products and services, a decline in unemployment, and an increase in people's purchasing power. The primary causes are:

- **Increase in Demand:** People and businesses are more inclined to purchase goods and services during prosperous times. Companies benefit from more sales and profitability, which in turn raises wages and attracts new staff.
- **Decrease in Unemployment:** Businesses need more workers as demand rises. As a result, both the unemployment rate and the average person's income decline.
- **Increase in purchasing power:** Prices for products and services either barely change during a boom or somewhat rise. People's purchasing power rises in tandem with their income.



The concluding remarks

The Personal Income Index (PI), which is often computed monthly and annually, is an index used to quantify an individual's total cash income over a given time period. This index takes into account a number of variables, including government payments, rent, interest on bank accounts, salaries, and dividends. This indicator is crucial since it shows the purchasing power and general well-being of the populace. Financial markets including the stock and bond markets are also impacted by the personal income index. During an economic recession, the personal income index typically declines as a result of declining demand and rising unemployment rates, which lower people's spending power.





DELTA COLLEGE



GOLD, EURUSD, USDJPY

TECHNICAL ANALYSIS

Technical Analysis

Technical Analysis of Gold

Last week, the price was able to break its downward trend and go up to \$2194. Price target is estimated to be around \$2279, but according to the major fluctuations of this currency pair in the past week, we expect the price to initially be placed in a reformative phase in the following week in order to hit its target. If this hypothesis happens to be correct, levels of \$2104 and 2048 target will be the reformative trend.



Technical Analysis

Technical analysis of the EURUSD currency pair

In the past week, price was placed in a reformative trend after hitting the price level of 1.09828. We expect that in the following week the price would continue its reformative trend up to 1.08422 level. However, from a long term upward trend viewpoint it is likely for this to occur.



Technical Analysis

Technical analysis of the AUDUSD currency pair

In the week that has passed, the price broke its downward trend line, and started a new upward trend. As you know, the fluctuations of this currency pair is highly dependent on gold. Therefore, it can be expected that the value of AUD to USD would decrease. This decrease is only a necessary modification to gain momentum in order to continue its upward trend.



Technical Analysis

Technical analysis of the GBPJPY currency pair

Last week, price continued its channel upward trend, and by reaching the top of the channel, once again with a serious fall could regain its 188.37 level. That being said, GBPJPY currency pair price preserved its place at the bottom of the upward channel. With regards to its protective level as mentioned above, if the price can't break this level, we expect with the start of the following trading week for the price to be placed in another upward trend and move towards the top of the channel.





DELTA COLLEGE



XAUUSD, EUROUSD, GBPJPY

HARMONIC PATTERNS

Harmonic Patterns

XAUUSD, Daily Chart ,Navarro200 pattern

SL 2202.713

Entry 2146.504

SELL

Target A 2088.54

Target B 198.305



Harmonic Patterns

AUDUSD, 1H Chart ,Cyper pattern

SL 0.66717

Entry 0.6604

SELL

Target A 0.65352

Target B 0.64868

Target C 0.63904



Harmonic Patterns

GBPUSD, 4H Chart ,Butterfly pattern

SL 1.29402

Entry 1.28404

SELL

Target A 1.27772

Target B 1.27093

Target C 1.25996





DELTA COLLEGE



ESSENTIAL FOREX INDICATORS

FREQUENT INDICATORS

INDICATORS

Indicator	MACD (12; 26; 9)	RSI (14)	Stochastic (5; 3)	ADX (14)	CCI (14)	AROON (14)	Alligator (13; 8; 5)	SAR (0.02; 0.2)
EUR/USD	Buy	Sell	Sell	Buy	Sell	Buy	Buy	Buy
GBP/USD	Buy	Sell	Sell	Buy	Sell	Buy	Buy	Buy
USD/CAD	Buy	Neutral	Neutral	Neutral	Buy	Sell	Neutral	Sell
USD/CHF	Buy	Neutral	Buy	Neutral	Buy	Sell	Neutral	Sell
USD/JPY	Sell	Neutral	Buy	Neutral	Buy	Sell	Sell	Sell
AUD/USD	Buy	Neutral	Sell	Neutral	Sell	Buy	Buy	Buy
NZD/USD	Buy	Neutral	Neutral	Neutral	Neutral	Sell	Buy	Buy
XAU/USD	Buy	Sell	Sell	Buy	Sell	Buy	Buy	Buy

Correlation of Currency Pairs

The degree of correlation between the price movements of two distinct currency pairings is indicated by the correlation between the two pairs. Currency pair correlations can be either positive, negative, or neutral. When two currency pairings have a positive correlation, they often move in the same direction, whereas when they have a negative correlation, they typically change in the other direction. As a result, there is no discernible relationship between two currency pairs when there is a neutral correlation. It should be highlighted that the stronger the association, irrespective of its type, the larger its percentage.

The degree to which currency pairs are correlated varies throughout time and in response to macroeconomic factors. This section's table provides you with an update on the correlations' status at the conclusion of the trading week. So that you can utilize it to decide on your approach for the upcoming week. You may, for instance, examine the currency pair that has the strongest connection with the first one after studying the first one. If the fluctuations in both projections were comparable, it would be a double indication that your research was accurate. Correlations can also help you manage risk more effectively.

Currency	AUDUSD	EURUSD	GBPUSD	USDCAD	USDCHF	USDCNH	USDJPY	XAUUSD	XAUGBP	XAUUSD
AUDUSD	100.0%	85.2%	77.0%	-57.0%	-75.7%	-66.0%	-79.4%	-21.1%	-11.0%	10.4%
EURUSD	85.2%	100.0%	90.0%	-35.5%	-60.0%	-56.6%	-65.3%	6.4%	18.8%	40.7%
GBPUSD	77.0%	90.0%	100.0%	-39.8%	-53.0%	-64.2%	-59.0%	18.5%	24.6%	48.6%
USDCAD	-57.0%	-35.5%	-39.8%	100.0%	70.3%	55.6%	66.6%	34.5%	32.8%	19.1%
USDCHF	-75.7%	-60.0%	-53.0%	70.3%	100.0%	62.4%	95.0%	38.8%	32.0%	14.6%
USDCNH	-66.0%	-56.6%	-64.2%	55.6%	62.4%	100.0%	62.3%	18.5%	15.1%	-3.2%
USDJPY	-79.4%	-65.3%	-59.0%	66.6%	95.0%	62.3%	100.0%	20.6%	13.4%	-3.8%
XAUUSD	-21.1%	6.4%	18.5%	34.5%	38.8%	18.5%	20.6%	100.0%	98.5%	93.7%
XAUGBP	-11.0%	18.8%	24.6%	32.8%	32.0%	15.1%	13.4%	98.5%	100.0%	96.6%
XAUUSD	10.4%	40.7%	48.6%	19.1%	14.6%	-3.2%	-3.8%	93.7%	96.6%	100.0%

PIVOT POINTS

STANDARD PIVOT POINTS



D	S3	S2	S1	PP	R1	R2	R3
EURUSD	1.0813	1.0841	1.0894	1.0922	1.0975	1.1003	1.1056
USDJPY	145.48	146.54	147.28	148.34	149.08	150.14	150.88
GBPUSD	1.2661	1.2692	1.2750	1.2781	1.2839	1.2870	1.2928
USDCHF	0.8701	0.8737	0.8757	0.8793	0.8813	0.8849	0.8869
AUDUSD	0.6517	0.6539	0.6580	0.6602	0.6643	0.6665	0.6706
NZDUSD	0.6090	0.6107	0.6141	0.6158	0.6192	0.6209	0.6243
USDCAD	1.3361	1.3408	1.3433	1.3480	1.3505	1.3552	1.3577
EURJPY	158.57	159.57	160.82	161.82	163.07	164.07	165.32
EURGBP	0.8487	0.8505	0.8527	0.8545	0.8567	0.8585	0.8607
EURCHF	0.9512	0.9535	0.9573	0.9596	0.9634	0.9657	0.9695
EURAUD	1.6279	1.6360	1.6449	1.6530	1.6619	1.6700	1.6789
EURNZD	1.7478	1.7553	1.7643	1.7718	1.7808	1.7883	1.7973
EURCAD	1.4600	1.4629	1.4682	1.4711	1.4764	1.4793	1.4846
GBPJPY	186.47	187.35	188.48	189.36	190.49	191.37	192.50
CHFJPY	166.22	166.98	167.81	168.57	169.40	170.16	170.99
AUDJPY	96.96	97.20	97.60	97.84	98.24	98.48	98.88
NZDJPY	90.36	90.65	91.02	91.31	91.68	91.97	92.34
CADJPY	108.22	108.80	109.40	109.98	110.58	111.16	111.76
GBPCHE	1.1173	1.1191	1.1216	1.1234	1.1259	1.1277	1.1302
GBPAUD	1.9150	1.9214	1.9280	1.9344	1.9410	1.9474	1.9540
GBPNZD	2.0557	2.0612	2.0678	2.0733	2.0799	2.0854	2.0920
GBPCAD	1.7153	1.7173	1.7206	1.7226	1.7259	1.7279	1.7312
AUDCHF	0.5763	0.5776	0.5793	0.5806	0.5823	0.5836	0.5853
NZDCHF	0.5383	0.5393	0.5406	0.5416	0.5429	0.5439	0.5452
CADCHF	0.6491	0.6502	0.6512	0.6523	0.6533	0.6544	0.6554
AUDCAD	0.8818	0.8843	0.8876	0.8901	0.8934	0.8959	0.8992
NZDCAD	0.8236	0.8257	0.8283	0.8304	0.8330	0.8351	0.8377
AUDNZD	1.0677	1.0689	1.0706	1.0718	1.0735	1.0747	1.0764

Standard Pivot Points

In financial markets, a pivot point is a price level that is used by traders as a possible indicator of market movement. A pivot point is calculated as an average of significant prices (high, low, and close) from the performance of a market in the prior trading period.

If the market in the following period trades above the pivot point it is usually evaluated as a bullish sentiment, whereas trading below the pivot point is seen as bearish. It is customary to calculate additional levels of support and resistance, below and above the pivot point, respectively, by subtracting or adding price differentials calculated from previous trading ranges of the market.

A pivot point and the associated support and resistance levels are often turning points for the direction of price movement in a market. In an up-trending market, the pivot point and the resistance levels may represent a ceiling level in price above which the uptrend is no longer sustainable and a reversal may occur.

In a declining market, a pivot point and the support levels may represent a low-price level of stability or a resistance to further decline.

Calculations

Several methods exist for calculating the pivot point (P) of a market. Most commonly, it is the arithmetic average of the high (H), low (L), and closing (C) prices of the market in the prior trading period:

$$P = (H + L + C) / 3$$

Sometimes, the average also includes the previous period's opening price or the current period's opening price (O):

$$P = (O + H + L + C) / 4$$

In other cases, traders like to emphasize the closing price,

$$P = (H + L + C + C) / 4$$

or the current periods opening price,

$$P = (H + L + O + O) / 4$$

Some technical analysts use additional levels just above and below the pivot point (P) to define a range called "Central Pivot Range" or simply "CPR". Hence, instead of focusing on just one single level, they consider a range or a zone.

The lower boundary of this range is called BC (Bottom Central) and is calculated as:

$$BC = (H + L) / 2$$

The upper boundary of this range is called TC (Top Central) and is calculated as:

$$TC = (P - BC) + P$$

$$R1 = P + (P - L) = 2 \times P - L$$

$$S1 = P - (H - P) = 2 \times P - H$$

$$R2 = P + (H - L)$$

$$S2 = P - (H - L)$$

$$R3 = H + 2 \times (P - L) = R1 + (H - L)$$

$$S3 = L - 2 \times (H - P) = S1 - (H - L)$$

Disclaimer Note

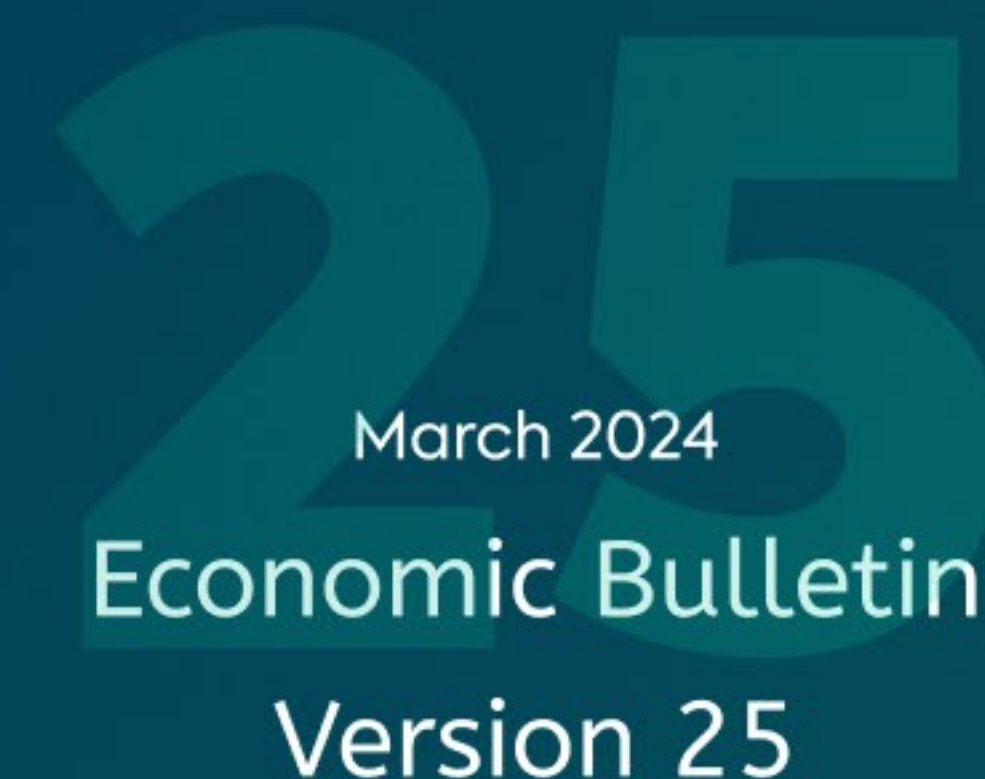
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