

# The-Isms of the Economy

WEEKLY MAGAZINE V30 | 2024 April 14

Training to Trade with Various Harmonic Patterns:  
**The Crab Pattern**

**USA**

Core Retail Sales  
m/m

**NZD**

CPI q/q

Weekly Crossword Contest with **20 Prizes of \$24**







# TABLE OF CONTENTS

<b>02</b> Editorial	<b>03</b> A Critical Study of the Economic Schools of Thought	<b>08</b> News Digest	<b>13</b> Economic Calendar for the Upcoming Week
	<b>24</b> Fundamental Outlook	<b>26</b> Market Psychology	<b>28</b> The Crab Harmonic Pattern
<b>32</b> The Fundamental Analyzation of USD/CAD Currency Pair	<b>36</b> Technical Analysis	<b>42</b> Harmonic Patterns	<b>47</b> Frequent Indicators
	<b>50</b> Correlation of Currency Pairs	<b>51</b> Pivot Point Table	<b>53</b> Bulletin Disclaimer



# Editorial

Today's economic schools demonstrate how governments manage the economy. Knowing enough about each of these schools will provide you with a wonderful perspective. Studying the global economy allows you to better grasp economic indicators and indices in many fields. In the Educational Fundamental article from Delta College Bulletin No. 30, we delved deep into the -isms of the Economy to achieve this goal. We wish that our Fundamental tutorials pave the way for you toward better and more effective trading.

The onset of military confrontations between Israel and Iran, coupled with the potential for further hostilities on both fronts, highlights the need of risk management. Gold and oil prices will fluctuate as a result of these conflicts. Don't forget to check out the technical analysis and News Digest to stay informed about the latest analyses.

The tutorials in Economic Bulletin No. 30 cover the Crab Harmonic Pattern and the Fundamental Analyzation of the USD/CAD currency pair. In the field of Market Psychology, we have another fascinating story for you.

Recall that you can enter the 2024 Crossword contest to receive weekly bonuses totaling \$24!

We wish you a profitable week.

*Rahmati  
Arezzo*







**DELTA COLLEGE**



**A Critical Study of the Economic Schools of Thought**

**FUNDAMENTAL ARTICLE**



## What is an economic school of thought?

Economic schools refer to a collection of intellectuals' shared understanding of the nature of the economy. It is popular, especially in the modern era, to classify economists in economic schools of thought, even though not all economists are included in them. Stated differently, economic schools are a collection of theories and concepts concerning the operation of the economy and the distribution of resources. Views on social justice, the free market, private property, and the role of the government in the economy vary throughout economic schools.

Economic ideas can be divided into three stages:

- **Premodern:** Economic theories emerged in the Greco-Roman, Indian, Persian, Islamic, and Chinese empire societies during this time. Various theories and methods were covered in this course.
- **Early Modern:** In this period, Mercantilist and Physiocratic schools expressed the scientific rules of economics.
- **Modern:** The late 18th century saw the development of Adam Smith and classical economics, and the mid-19th century saw the development of Karl Marx and Friedrich Engels' Marxian economics. The development of systematic economic theory began at the start of the modern era.

## Some of the most important economic schools include the following:

1. **Capitalism**
2. **Socialism**
3. **Keynesian**
4. **Neoclassical**
5. **Communism**

Analyzing and comparing various economic theories and points of view is what it means to examine economic schools. These educational institutions study a variety of theories and methods pertaining to the creation, exchange, and use of products and services.

## Communism

The goal of communism is to establish a classless society in which the people own and control the primary means of production, such as factories and mines. There is no private property, government, or money, and wealth is dispersed among citizens based on need or equally. Karl Marx, the revolutionary German author of *The Communist Manifesto* (1848) coauthored with Friedrich Engels, is largely responsible for many of the ideas behind communism. It should be mentioned that while the early communist system had modifications throughout time, Vladimir Lenin, a previous Soviet leader who openly favored dictatorship, suggested the most significant alterations.



Approximately one-third of the world's population, primarily in the Soviet Union, once resided under communist governments. Only five nations still have formal communist systems of governance today: China, North Korea, Laos, Cuba, and Vietnam. None of these, though, really fit the description of communism. Rather, it is possible to argue that they are currently in the process of transferring power from the capitalist system to the emerging communist regime. Karl Marx already sketched this stage, which includes the foundation of the proletariat's rule. China, which presently has the second-biggest economy in the world, has overcome economic communism to rise in many areas, such as technology and production. However, the low value of the yuan relative to other major currencies is evidence of the system's inefficiency.



## Free Economy

Encouraging and respectable results can be achieved by the free-market nation of the United States by utilizing a hybrid economic system that combines elements of socialism and capitalism. The US dollar is the dominant currency in the financial markets, with its strength growing daily.

A mixed economy safeguards private property and permits certain economic freedom in the use of capital, but it also permits government intervention in the economy to further social objectives and the general good. Both government economic intervention and the free market are components of a mixed economy. Many private transactions are permitted in a free market economy, but only if they support governmental objectives.

Within a mixed economy, there are multiple avenues for market manipulation. Restrictions, such as license or regulatory requirements, can be imposed by governments on voluntary transactions. In addition, the government has the authority to control market price signals through taxation, subsidies, and the ownership of public goods and services.



## What is the economic school of European countries?

Various economic schools are followed by European nations according to their unique histories, cultures, and policies. Neoliberalism and Keynesian economic theories have generally impacted numerous European nations. According to Keynesian economics, governments should become involved in the economy in order to preserve stability and avert recession. In contrast, neoliberalism places a strong emphasis on the value of free markets and a lesser role for government in the economy.

Furthermore, the European Economic Area (EEA) permits unrestricted movement of capital, people, products, and services between member states of the European Free Trade Association and expands the EU's single market.

The following points might be made in reference to economic schools in European nations:

- **The social economy of the market:** The social market economy model is adopted by many European nations, including Germany and the Scandinavian nations. It combines welfare with free market principles. This model aims to strike a balance between social fairness and market efficiency.
- **Mixed Economy:** A mixed economy is practiced by France and a few other nations, where the government is heavily involved in both market regulation and the provision of public services.
- **Social democracy:** Sweden and Denmark, for example, promote a market economy while upholding a social democratic paradigm that prioritizes social protection and more equitable wealth distribution.

The social, cultural, and political distinctions across Europe are reflected in the diversity of economic schools, with each nation selecting the most appropriate course of action according to its unique circumstances.

## Economic schools in Asian countries

Countries in Asia and the former Eastern Bloc have a variety of economic schools. Asia's economy is built on the production of plentiful resources and raw commodities. In terms of GDP, nations such as China, India, Japan, Indonesia, and South Korea are superior. We are seeing economic growth and a strengthening of the value of the currency in developing nations like Qatar, the United Arab Emirates, etc. as a result of government efforts to break away from established economic systems and transition to a free economy. On the other hand, given the Middle East's substantial oil reserves and the region's reliance on oil for economic growth, it remains to be seen if the spread of the free market and economic capitalism would lead to the formation of new global economic powers.





## The concluding remarks

To put it briefly, several economic theories are presented by economic schools. These viewpoints examine a range of topics, including economic growth, financial and monetary policies, unemployment, inflation, distribution, and production and consumption. Every school has a unique perspective. Every school in the history of economics, from the classical to the neoclassical, has been significant. We looked at the major economies' economic schools in this article, but it is important to note that it is impossible to declare with certainty which economic model is better or which is less effective than the other.







**DELTA COLLEGE**



**The Previous Week**

**NEWS DIGEST**



## Indices

## (April 10) Annual US Consumer Price Index

- Previous: %3.2
- Forecast: %3.4
- Actual: %3.5

## (April 10) CAD overnight interest rate

- Previous: %5.00
- Forecast: %5.00
- Actual: %5.00

## (April 10) NZD interest rates

- Previous: %5.50
- Forecast: %5.50
- Actual: %5.50

## (April 11) US Monthly Producer Price Index

- Previous: %0.6
- Forecast: %0.3
- Actual: %0.2

## (April 11) European Central Bank's main repo rate

- Previous: %4.50
- Forecast: %4.50
- Actual: %4.50



## (April 11) US Unemployment Insurance Claimant Index

- Previous: 222K
- Forecast: 216K
- Actual: 211K



## Stances

## Minutes of the March 20 meeting of the Federal Reserve FOMC



The Federal Reserve's Free Market Committee meeting minutes from March 19–20 were released on April 10. The following are some of the meeting's most crucial points:

- The majority of participants were in favor of slowing down the balance sheet shrinking.
- Concerns about the growing inflationary pressures and the inadequate deterrence of economic conditions were voiced by a few delegates.
- The majority of participants believed that recent data did not provide more confidence about the path of deflation toward the 2% target.
- Some participants mentioned geopolitical risks and serious disruption in the energy supply chain.
- The participants pointed out that the path to reducing inflation will not be smooth.
- Almost all the participants in the meeting agreed with the reduction of monetary policy restraint during this year.

## Statement from the European Central Bank on April 11

The European Central Bank issued a statement on April 11 that included the following details after keeping interest rates unchanged:

- If we make sure that inflation reaches 2%, the interest rate may decrease. Currently, most measures of core inflation are declining.
- The current level of interest rate will help us significantly to reach 2% inflation.
- Wage growth is gradually balancing.
- Domestic price pressure keeps service inflation high.
- We are not locked into a particular course of action for interest rate reduction. Data makes decisions.





## Ms. Lagarde, President of the European Central Bank

During her April 11 press conference, Ms. Lagarde highlighted the key aspects.

- The data indicates a gradual improvement in service sector spending.
- Over time, as inflation declines, the actual rate of wage growth will accelerate. Additionally, the impact of earlier interest rate hikes will progressively diminish and the GDP will shift in favor of increased output.
- Both price pressure and labor market pressure are progressively lessening. In the upcoming months, inflation will vacillate around the current levels.
- Inflation and economic growth risks will decrease next year.
- There is no connection between us and the Federal Reserve. It goes without saying that the United States is a significant market and financial hub.
- Service inflation is still at high levels.



## Mr. Williams of the Federal Reserve



Speaking on April 11, Mr. Williams stated following the publication of unexpectedly high inflation data.

- The economic outlook is uncertain. The Fed must rely on data.
- Slowing down the balance sheet reduction does not mean stopping the process.
- The housing sector is very strong, but I don't see any signs of a housing bubble. The commercial real estate situation is worrying and will take time to resolve.
- I expect inflation to fall to 2% next year, unemployment to rise to 4% this year, and GDP to fall to 2% this year.
- Inflation this year will be 2.25 to 2.5 percent. The Federal Reserve has made significant progress in reducing inflation.
- I don't know exactly what lies ahead for monetary policy. The trend of deflation has been bumpy and recent inflation data has been disappointing.



The last week's most significant brief news

## The US Treasury Secretary threatened Chinese banks

- During her visit to China on April 8, Janet Yellen issued a warning to Chinese banks, stating that they would suffer serious repercussions, including restricted access to dollars, should Russia increase its military might. China is reportedly providing Russia with more military and industrial assistance, according to a number of sources.
- Janet Yellen additionally stated: "I am concerned that weak Chinese household consumption and overinvestment in manufacturing will put workers in the United States and other countries at risk."
- The Chinese authorities declared that they are acting decisively in this area in response to these discussions.

## Dissatisfaction of German companies with slow economic growth

- The Weil Index indicates that the stress level in German businesses is at its highest point since 2020. Compared to other European nations, Germany's real estate market is in the worst shape, per this indicator. German economic growth has slowed down due to a number of factors, including the suspension of Russia's energy supply, the sluggish demand for German goods in the Asian market, and high-interest rates.

## The International Energy Agency predicts that the global demand for oil will decrease.

- In its monthly report, the International Energy Agency (IEA) declared that the OECD countries' heating fuel use has decreased due to the exceptionally warm weather towards the end of winter. This organization's statement predicts that by 2025, the world's oil output will have increased to a record 104.5 million barrels per day, while the daily demand for oil will fall by 1.1 million barrels. China's portion of the world's oil demand is expected to drop to 79% in 2023, 45% in 2024, and 27% in 2025, according to the IEA.

## The Japanese Yen continues to depreciate.

- The Japanese Yen posted lower floors than in previous weeks as it maintained its bearish trend last week. This is in spite of the fact that the head of the Japanese Central Bank stated in a speech a few days ago that, despite the country's economy appearing relatively weak, it is improving and that the central bank will not alter its policies in response to changes in the foreign exchange market. If the Yen keeps declining, it is unclear if the Japanese central bank will enter the market.

## An increase in hostilities in the Middle East

- Most western countries have called their citizens from the Middle East to return to their countries. The majority of Western nations have made calls to their Middle Eastern people. Following the assertions made by the United States and Israel in the preceding days, several missiles and drones were launched from Iran in the direction of Israel last night. The Tehran Stock Exchange implemented a three-day period of one percent fluctuation range limitation to prevent a severe loss in the overall stock market index, when the cryptocurrency market was experiencing significant declines.





# ECONOMIC



**Future Prospects**

# CALENDAR FOR THE UPCOMING WEEK



## USD Core Retail Sales m/m

Mon Apr 15 12:30 PM

Changes in the quantity of net retail sales that do not include sales of cars and auto components are displayed by the US Net Retail Sales Index. A measure of changes in retail sales revenue is provided by this index. The macroeconomic health and consumer activity are shown by retail sales results. Auto and parts sales are excluded because they can fluctuate in response to seasonal changes and other circumstances, which could negatively impact the net retail sales index. One of the most significant measures of economic consumption is the retail index. Interest rates, financial markets, and monetary policy can all be significantly impacted by changes in this index. The US Census Bureau is set to release the index on a monthly basis starting next week. It is a significant measure of consumer spending and is seen as a barometer of the US economy's growth rate.

The US Dollar and related stocks will increase if this index publishes higher than anticipated because it reflects the dynamism and activity of the US economy as well as the economic conditions of the populace. 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: 0.3%



## USD Empire State Manufacturing Index

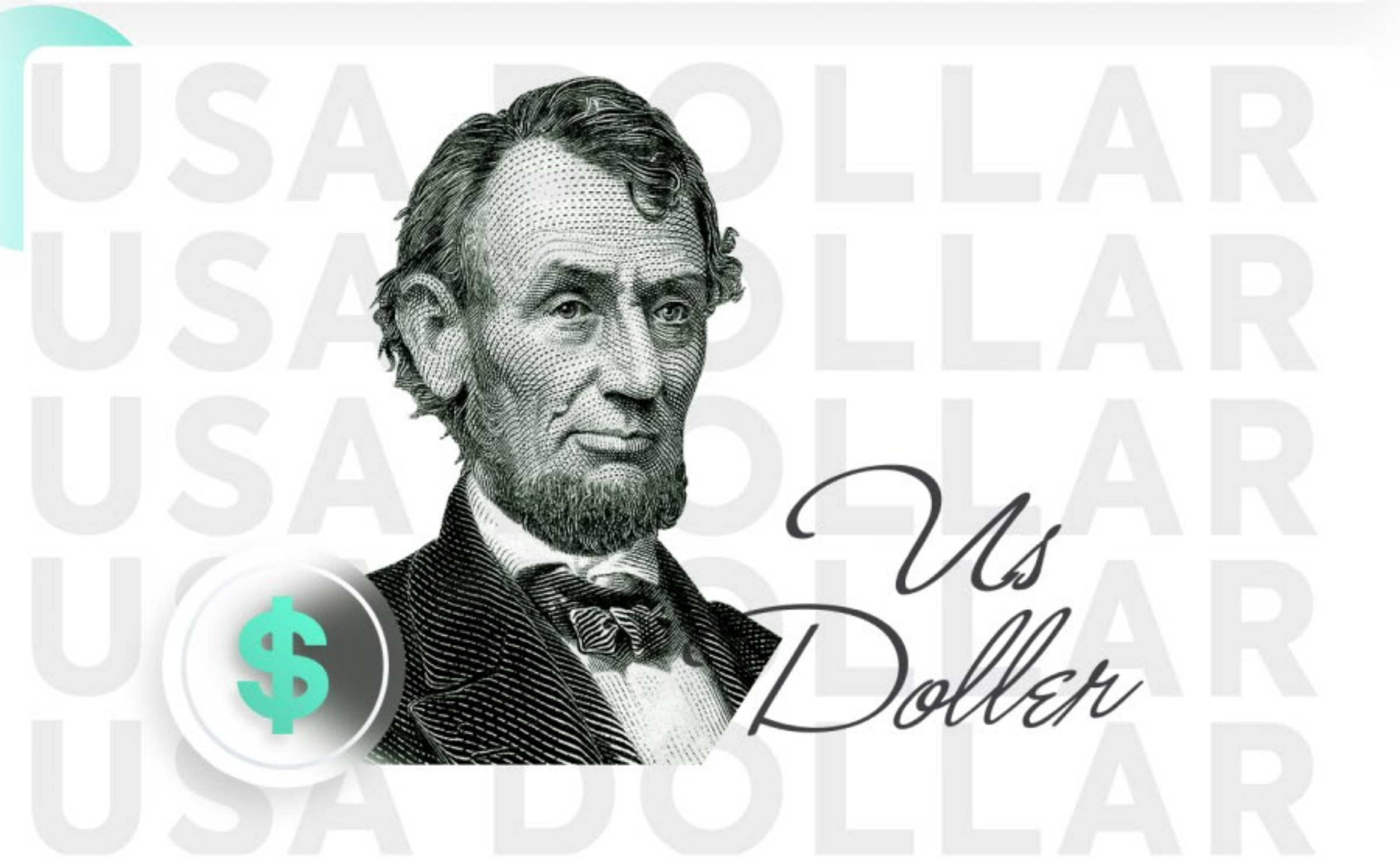
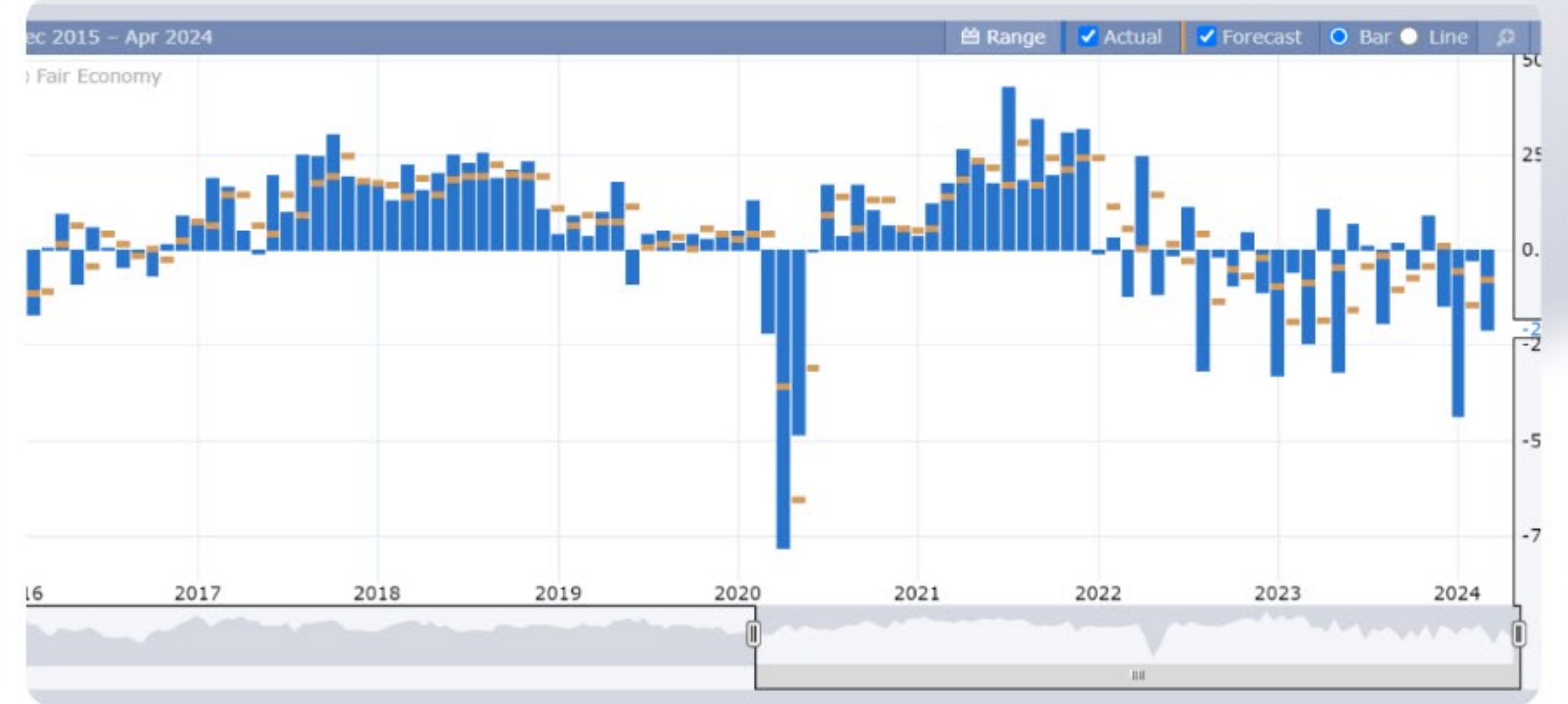
● Mon Apr 15 ● 12:30 PM

A regional economic index used to gauge manufacturing activity in New York State is called the Empire State Manufacturing Index. The index offers insights into the state of the economy right now, especially as it relates to the manufacturing sector. It is based on a survey of manufacturers in New York State.

The Federal Reserve Bank of New York surveys manufacturers each month on a range of business-related topics, such as employment, shipments, new orders, and other variables that may be indicative of the manufacturing sector's health. This information is used to calculate the Empire State Manufacturing Index. Despite being limited to manufacturing activity in the state of New York, this index is frequently used as a leading indicator for the larger US manufacturing industry.

Policymakers, economists, and investors frequently use the Empire State Manufacturing Index to gauge the state of the economy. The present status of manufacturing activity is usefully revealed by this data, and this can have an impact on employment, output, and total economic growth.

Should the index publish higher than anticipated, this would increase the US Dollar and the equities that go along with it. It also shows that the production sector is doing well as a result of the economy. Conversely, the Dollar and related stocks will suffer if this index is reported to be lower than anticipated.



Actual: ?      Forecast: -5.2      Previous: -20.9



## USD Retail Sales m/m

● Mon Apr 15 ● 12:30 PM

One of the key economic indicators that illustrates the retail sales activity in the US economy is the US retail sales index. The U.S. Department of Commerce publishes this index, which offers monthly data on retail sales activity nationwide. This index, which is meant to be released during the current trading week, serves as a gauge for retail-level economic activity. The US retail sales index, which can be a proxy for the nation's overall economic growth rate and shows changes in society's purchase patterns, can also have a significant impact on the financial markets.

In the event that this index publishes higher than anticipated, it will increase the US Dollar and the equities that go along with it. It indicates the energy 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 its associated stocks will suffer if this index is reported lower than anticipated.



Actual: ?      Forecast: 0.4%      Previous: 0.6%



## GBP Claimant Count Change

● Tue Apr 16 ● 06:00 AM

The British Office for National Statistics released the jobless claimant index, which will compute and report variations in the number of people who applied for unemployment benefits and salaries over the previous month. An important monthly indication for traders and researchers is the number of unemployment claimants. This index's rising trend suggests that the labor market is weakening, which has an impact on consumer spending and economic expansion. Data on unemployment is very important to establish interest rates, especially in light of the recent increase in inflation.

If this index's figure is released lower than anticipated, it will support the value of the British Pound and show that the labor market is active. Conversely, the Pound will suffer if this index is revealed to be greater than anticipated.



**Actual:** ?      **Forecast:** 17.2K      **Previous:** 16.8K

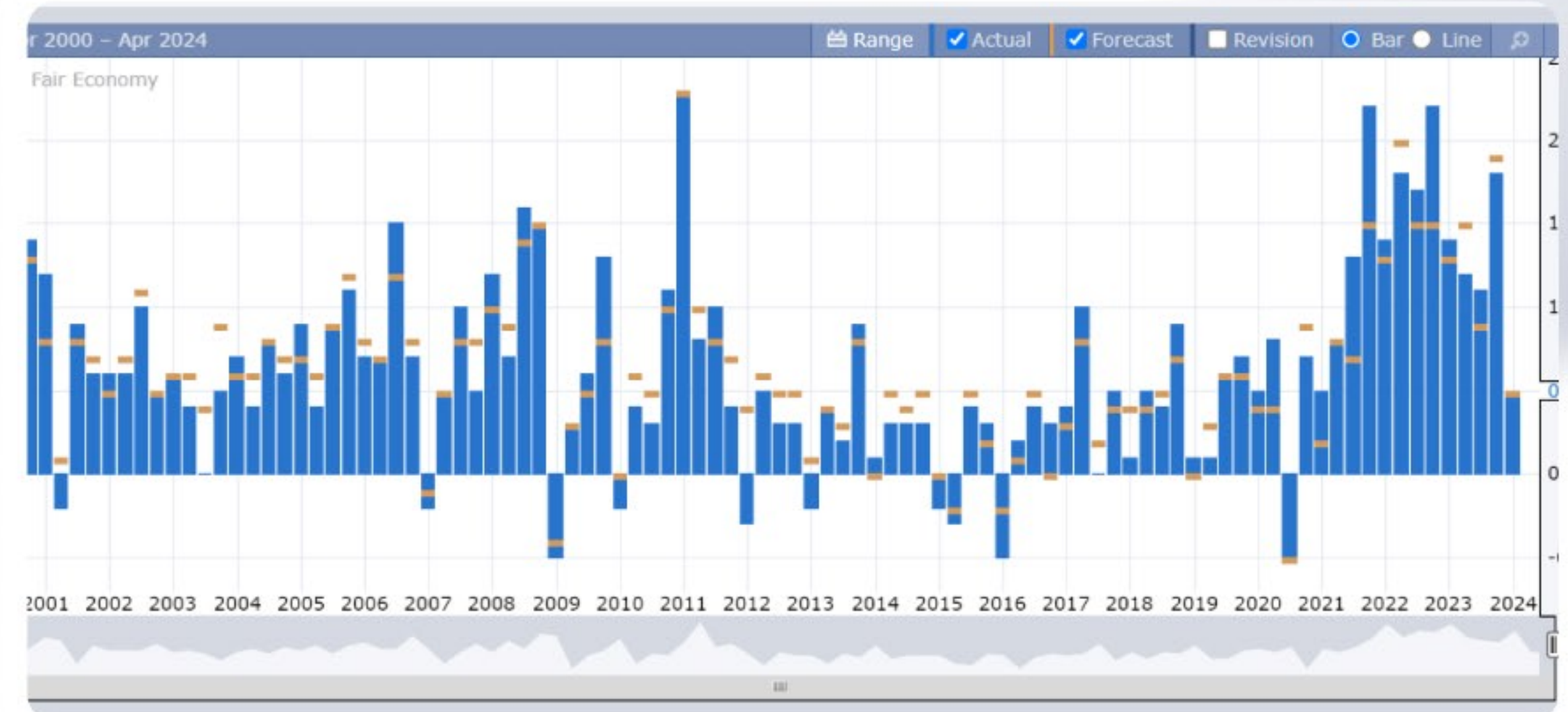


## NZD CPI q/q

● Tue Apr 16 ● 10:45 PM

In New Zealand, the Consumer Price Index (CPI) is referred to as the CPI. This index tracks changes in the average cost of products and services that a typical New Zealand household uses. To put it more simply, the method used to measure the consumer price index involves averaging the price fluctuations of every good and service included in the predetermined livelihood basket. This crucial statistic is used to examine price fluctuations and inflation in the economy.

Inflation will rise if this index's value is released higher than anticipated. Because of this, the monthly increase in New Zealand's net consumer price index will cause the New Zealand Dollar to depreciate. However, for the previously stated reasons, the New Zealand Dollar will benefit if this index is reported to be lower than anticipated.



Actual: ?      Forecast: 0.6%      Previous: 0.5%

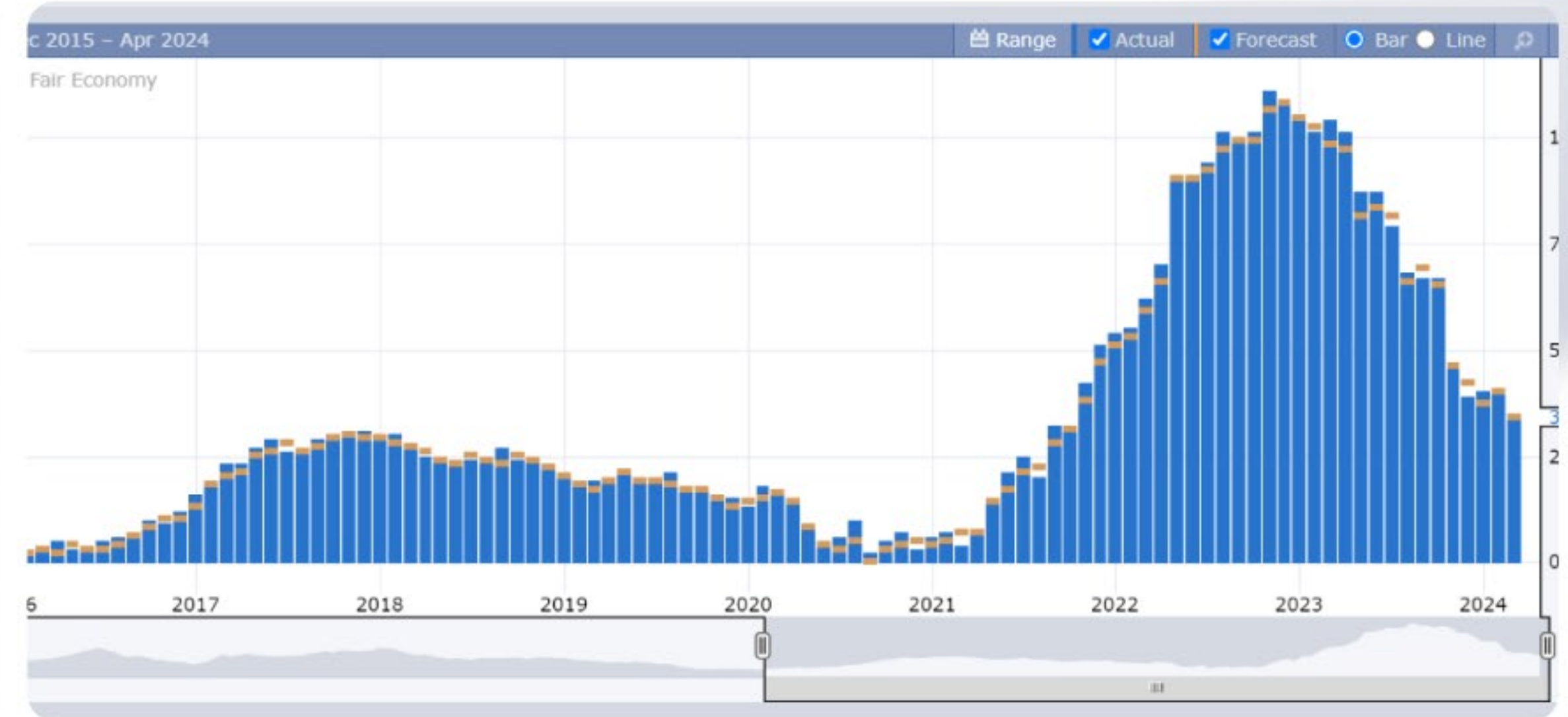


## GBP CPI y/y

● **Wed Apr 17** ● **06:00 AM**

A measure of price variations for a basket of products and services that customers usually buy is provided by the CPI. Food, clothes, rent, energy, and other necessities for daily living are all included in this basket. The National Statistics Organization of this nation publishes data on the British CPI index every month, and it has a big influence on the monetary policies, financial decisions, and economic choices made by the nation's central bank. CPI is a significant inflation indicator, and shifts in the index can have a significant effect on a number of economic sectors as well as the day-to-day lives of individuals. Actually, from the perspective of the consumer, this index tracks changes in the cost of goods and services. It should be mentioned that this index is a crucial instrument for calculating variations in inflation rates and buying power.

Inflation will rise if this index's value is released higher than anticipated. The British Pound will therefore depreciate when the British consumer price index rises. However, for the previously stated reasons, the Pound will benefit if this index is reported to be lower than anticipated.



**Actual:** ?      **Forecast:** 3.1%      **Previous:** 3.4%



## AUD Employment Change

● Thu Apr 18 ● 01:30 AM

The Australian Bureau of Statistics releases the Australian Employment Change Index, or AEC, on a monthly basis. It displays changes in the total number of employed individuals in Australia from the preceding month. The Australian labor market's overall health is gauged using this index. The AEC is used by the Reserve Bank of Australia to project economic growth and determine monetary policy. Because it captures labor market conditions, the employment changes index is regarded as a significant inflation indicator.

The number of jobs and job owners will increase if the index's announced amount is greater than anticipated. The dynamics of the economy and the purchasing power of the populace both benefit from this issue. The Australian Dollar will therefore get stronger as the index of changes in employment in Australia rises. However, the Australian Dollar will suffer for the previously stated reasons if this index is reported to be lower than anticipated.



Actual: ?      Forecast: 7.2K      Previous: 116.5K



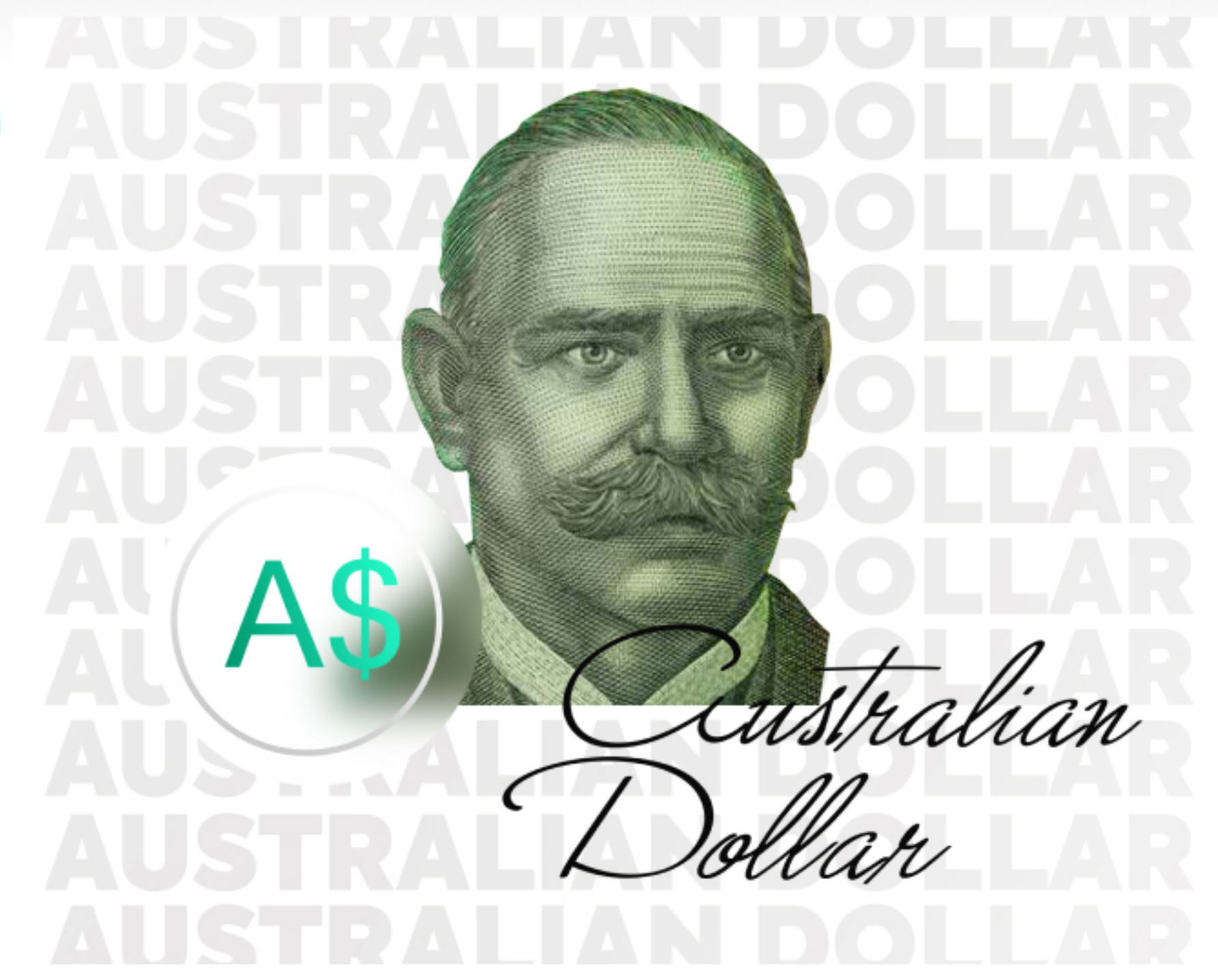
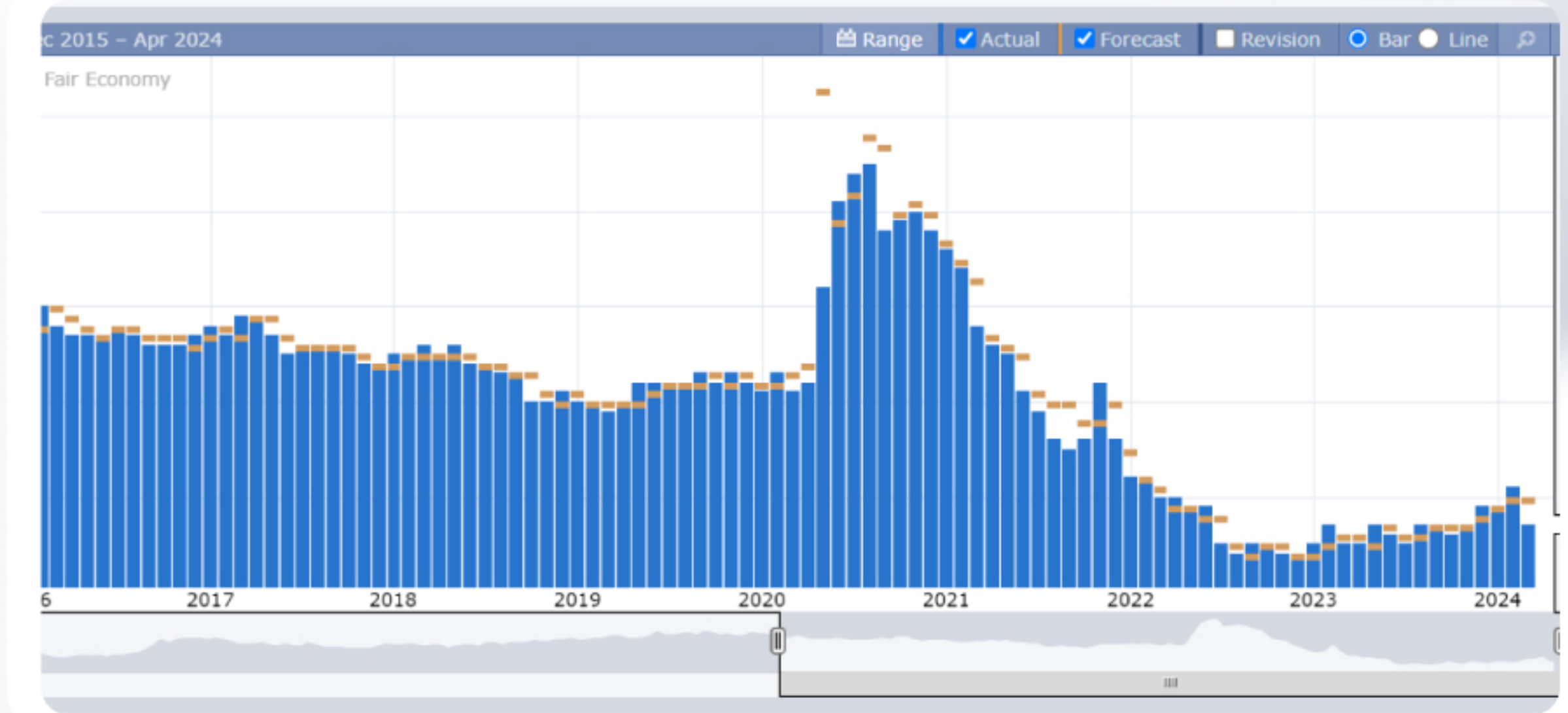
## AUD Unemployment Rate

● Thu Apr 18 ● 01:30 AM

Every month, US consumers' opinions and attitudes regarding the present and future status of the economy are analyzed by the University of Michigan Consumer Sentiment Index. 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. This adjustment may result from updated statistical methods or newly obtained data. Because it incorporates more gathered data, this version is typically more accurate. Given that about two-thirds of the GDP of the United States comes from consumer behavior, this index is regarded as one of the main economic indicators.

If this index's value is released higher than anticipated, it will demonstrate consumer confidence and support the US Dollar. However, for the previously stated reasons, the US Dollar will suffer if this index is reported to be lower than anticipated.



Actual: ? Forecast: 3.9% Previous: 3.7%



## GBP Retail Sales m/m

● Fri Apr 19 ● 06:00 AM

The monthly percentage change in the amount of retail sales in the UK is known as the retail sales index. This economic indicator tracks variations in the total amount of merchandise that shops sell each month. Food, apparel, electronics, and other consumer products are only a few of the categories that make up retail sales, which are the overall sales at the retail level.

Because it offers insights into consumer purchasing habits, which are crucial to overall economic activity, the retail sales index is a significant economic indicator. While low sales may be an indication of financial difficulties, strong retail sales numbers are frequently linked to economic expansion. A strong economy might be indicated by positive retail sales data, which could strengthen the British pound. On the other hand, underwhelming retail sales data can have the opposite impact. One measure of inflation that is directly correlated with both consumer expenditure and inflation is retail sales.

The British Pound and linked stocks will gain if the data from the British retail sales index is released higher than anticipated. This will have a direct impact on the dynamics and strength of the economy. However, the Pound and the stocks that are linked to it will suffer if the index's numbers are shown to be lower than anticipated.



Actual: ?

Forecast: 0.3%

Previous: 0.0%





# DELTA COLLEGE



Future Prospects

# FUNDAMENTAL OUTLOOK



## Fundamental Outlook

A few senior central bank officials are scheduled to speak and offer their opinions on interest rates and monetary policies in the coming week's economic schedule. We can list the release of the US Federal Reserve's Beige Book report and the Australian Central Bank's economic bulletin as two of the most significant of these occasions. Additionally, the following are the names of a few of the world's most influential central bank members who will be speaking:

### Monday, April 15th

- MPC Member Breeden Speaks
- IFM meeting on global economic challenges

### Tuesday, April 16th

- FOMC Member Daly Speaks
- NBS Press Conference
- FOMC Member Jefferson Speaks
- IFM meeting on global economic challenges
- German Buba President Nagel Speaks
- BOE Gov Bailey Speaks
- FOMC Member Barkin Speaks
- BOC Gov Macklem Speaks
- Fed Chair Powell Speaks
- Publication of Canada's annual budget report by the Ministry of Finance

### Wednesday, April 17th

- MPC Member Greene Speaks
- IFM meeting on global economic challenges
- BOE Gov Bailey Speaks
- MPC Member Haskel Speaks
- Release of Beige Book by the US Federal Reserve
- FOMC Member Mester Speaks
- FOMC Member Bowman Speaks

### Thursday, April 18th

- Publication of RBA Bulletin
- German Buba Monthly Report
- German Buba President Nagel Speaks
- FOMC Member Bowman Speaks
- FOMC Member Williams Speaks
- FOMC Member Bostic Speaks
- IFM meeting on global economic challenges

### Friday, April 19th

- MPC Member Breeden Speaks
- MPC Member Ramsden Speaks
- IFM meeting on global economic challenges
- MPC Member Mann Speaks
- German Buba President Nagel Speaks





# MARKET PSYCHOLOGY



Weekly Exploration of Market Psychology

**DELTA COLLEGE**



## Self-serving Bias

Charlie had seen a substantial drop in his trading performance. Among the trades he has completed, Charlie has lost a lot of money on a number of failed ventures.

Upon inquiring about his profitable trades, he responded, "I did a thorough analysis of the market." Using my analysis, I was able to select the appropriate currency. I entered and left the trade at the appropriate times. I believe I have generally developed a solid comprehension of and aptitude for market trading." I'm sure I could succeed in other trades if I had a little more luck."

I was astonished by Charlie's last sentence. I wanted to know what misfortune resulted in this level of harm.

Charlie gave the following justification for his unsuccessful trades: "I did everything I was supposed to do, from technical and fundamental analysis to market research, but it was the market's fault and it didn't go the way it should have."

Charlie pointed the finger at everything, including the market, news outlets, and published analyses—except for himself!

I pointed out to him his self-serving bias. The self-serving mentality is the propensity to place the blame for our accomplishments on our own skills and hard work while attributing the blame for our failures to other forces like misfortune, poor luck, or other people's errors.

Stated differently, we have a tendency to credit our intelligence, talent, and effort for favorable accomplishments, while external forces or the shortcomings of others are often blamed for negative outcomes. This prejudice stops us from moving forward because it keeps us from trying to strengthen our areas of weakness.

Charlie chose to evaluate his trading performance again without letting emotions get in the way after our talk.

Constantly attempt to recognize your shortcomings and work to strengthen them.







# DELTA COLLEGE



## The Crab Harmonic Pattern

# TECHNICAL ANALYSIS TRAINING





Technical Analysis Article

## The Crab Harmonic Pattern

The crab harmonic pattern is a technical analysis return pattern that uses the Fibonacci sequence's numbers and ratios to anticipate adequate price returns. The crab pattern is separated into two types: bullish and bearish crab patterns. The ascending crab pattern resembles the letter M, while the descending crab pattern resembles the letter W.

We anticipate that the current trend will reverse or return once the bearish and bullish crab patterns have formed. A bullish crab pattern is formed at the end of a downtrend, while a bearish crab pattern is generated at the end of an upward trend.



## The components of the Crab harmonic pattern

The pattern consists of five points: C, B, A, X, and D. This design is made up of four sides: X and A, A and B, B and C, and C and D.

## The conditions of Crab pattern formation

For the formation of the crab pattern, like other harmonic patterns, certain ratios must be observed to confirm the pattern. These ratios include the following:

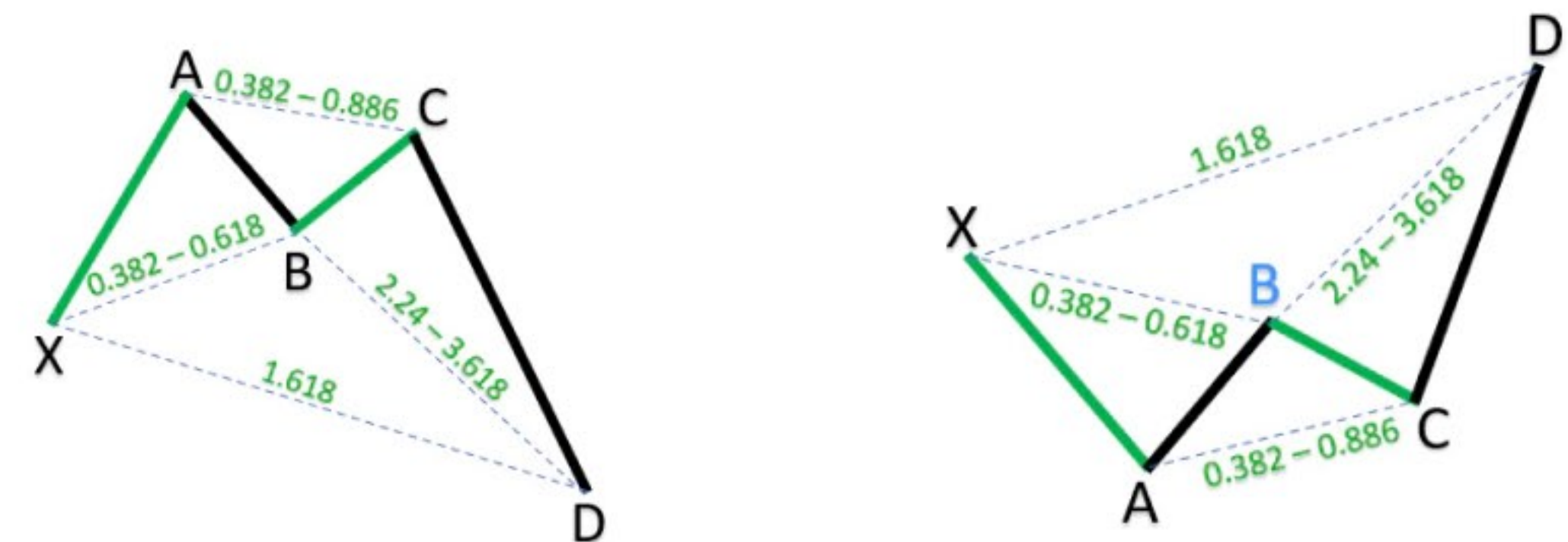
The length of the XA side can be any size.

The length of the AB side should be equal to 38.2 to 61.8% of the correction Fibonacci of the XA side.

The length of the BC side should be equal to 38.2 to 88.6% of the Fibonacci extension of the AB side.

The length of the CD side should be 224 to 361.8% of the Fibonacci extension of the BC side.

Point D should be placed in the 161.8 Fibonacci ratio of the XA side expansion.





## How To Draw

To design this pattern on the TradingView website, click Patterns in the side toolbar and then XABCD Patterns. The first point should be placed at the beginning of the first wave, followed by the second, third, fourth, and fifth points at the ends of the first, second, third, and fourth waves, respectively.

## Entry Point

After constructing the pattern and verifying its conditions and ratios, if the momentum of the CD wave is modest, you can enter the trade at point D against the current trend by looking for the signal candle and confirmation

## Stop-Loss

- **Stop Loss in Bearish Crab Pattern:** After entry, place your stop loss slightly above your signal and confirmation candle.
- **Stop Loss in Bullish Crab Pattern:** After entry, place your stop loss a little below your signal and confirmation candle.

You may also use BC wave expansion Fibonacci ratios to calculate the loss limit. In this situation, you can set your stop loss at the Fibonacci levels above your entry position.

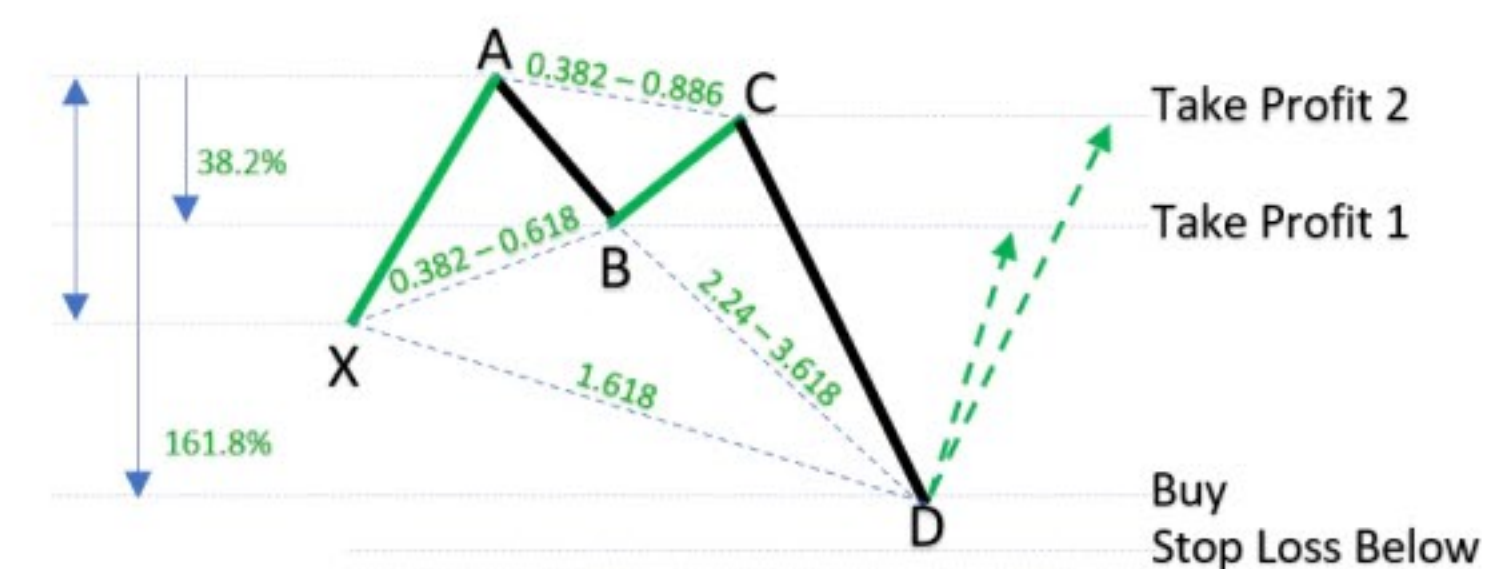
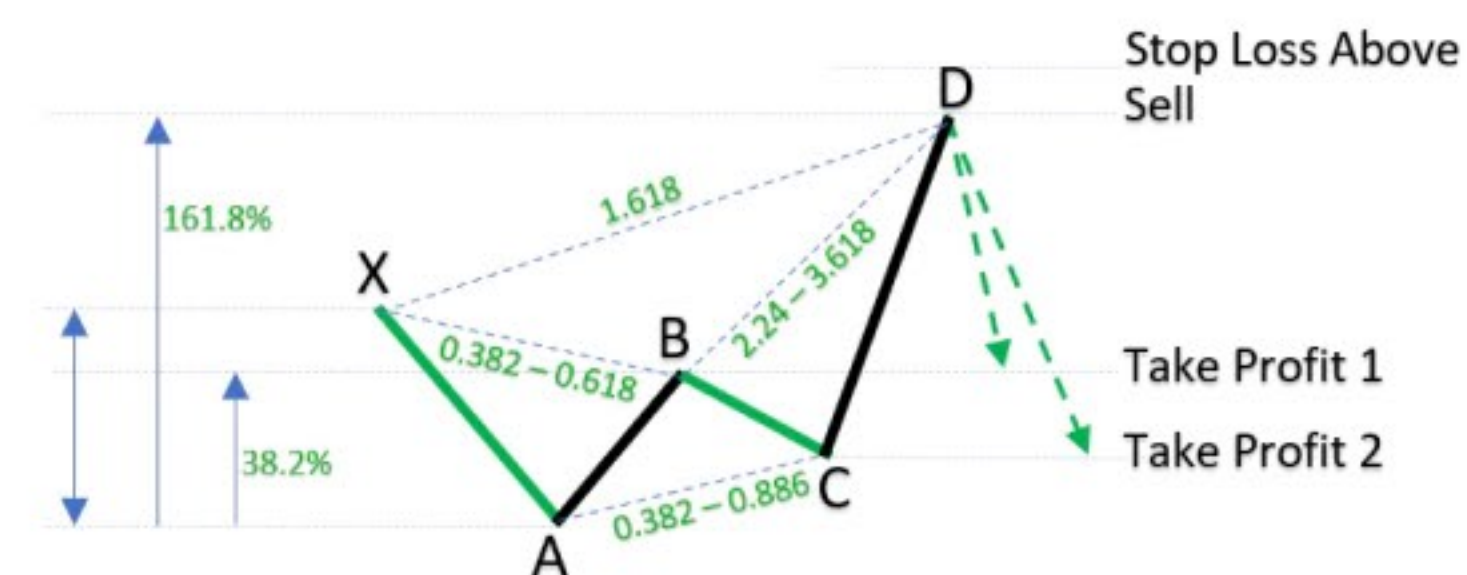
## Take Profit

**The first profit limit:** the price trend reaches point B.

**The second profit limit:** the price trend reaches point C.

**The third profit limit:** the price trend reaches point A.

If point A is exceeded, set your profit limit at the following support and resistance levels.





## What we learned

- The harmonic crab pattern is a technical analysis return pattern that, once formed, indicates a trend reversal. This design is made up of two types of crab patterns: ascending and descending, which appear at the ends of descending and ascending trends, respectively. This pattern is made up of the points X and A from the first wave, A and B from the second wave, B and C from the third wave, and C and D from the fourth. To establish the construction of this pattern, the lengths of each wave must correspond to specific Fibonacci sequence proportions.







# DELTA COLLEGE



**The Fundamental Analyzation of USD/CAD Currency Pair**

## FUNDAMENTAL ANALYSIS TRAINING



## The Fundamental Analyzation of USD/CAD Currency Pair

One of the most well-known main currency pairs in the forex market is the US dollar to Canadian dollar (USD/CAD) exchange rate. In other words, if we assume that the exchange rate is equal to 1.30, then one US Dollar is worth 1.30 Canadian Dollars. This currency pair shows the value of one unit of the US Dollar against the Canadian Dollar. The loonie, a Canadian one-dollar coin, is another name for the USDCAD currency pair.

The Canadian Dollar's value is based on oil, and fluctuations in oil prices have the potential to affect it. Moreover, there is a negative link between this currency pair and oil prices, which means that a rise in oil prices will result in a fall in the USD/CAD parity rate and vice versa. It is preferable to act on this currency pair's transactions during trading session overlap.

### What is the concept of "fundamental analysis of the USD/CAD currency pair"?

"Fundamental analysis" of the US dollar to Canadian dollar exchange rate refers to looking at the social, political, and economic aspects that directly affect this pair's exchange rate.

Among the essential elements taken into account in USDCAD analysis are:

- 1. Interest Rate:** The conversion rate may be significantly impacted by the disparity in interest rates between these two nations. A nation's currency can gain strength and draw in investors with a high-interest rate.

- 2. Economic conditions:** The value of this currency pair is also influenced by other factors like industrial production, foreign trade, unemployment, inflation, and economic growth. For this reason, a thorough analysis of both nations' whole economic calendars is necessary.
- 3. Monetary Policies:** Among the most significant influencing variables are the decisions made by the central banks of the United States and Canada regarding financial policies, interest rates, and economic stability.
- 4. Political conditions and social movements:** Changes in currency rates can also be impacted by variables including social movements, political stability, and tensions in the area.
- 5. Foreign business relations:** The USD/CAD exchange rate is also influenced by the amount of trade that occurs between the two nations. A rise in international trade may cause the currency to appreciate.
- 6. Inflation rate:** Each nation's inflation rate has an impact on the value of its currency. A high pace of inflation may weaken the currency.
- 7. Sanctions and regional tensions:** Sanctions and regional tensions can also affect changes in exchange rates.

Fundamental analysis is typically performed using economic sources, financial reporting, political news, and economic analysis. Economic analysts' experience and skills are also extremely valuable in this profession.





## The impact of the US-Canada trade balance on the USD/CAD currency pair

The trade balance is a key indicator in the currency market. This index measures the monetary difference between a country's exports and imports of products and services over a given time period. If the trade balance is positive, it is referred to as a "trade surplus," which means that exports exceed imports. A trade deficit occurs when a country's trade balance is negative, indicating that it imports more than it exports.

The trade balance has an impact on the exchange rate since it influences the supply and demand for that currency. When a country's trade balance is not zero (when exports do not equal imports), the country's currency has a higher relative supply or demand. This influences the price of the relevant currency in global financial markets.

## What is the relationship between oil and the US Dollar?

Oil and the US currency have an adverse connection. This inverse relationship can be explained by two key points:

- Oil price and Dollar:** Oil prices worldwide are computed in US dollars. If the US dollar strengthens, each barrel of oil will cost fewer dollars. But if the US dollar declines, the price of oil in dollars will rise.
- Oil exports and balance of trade deficit:** America is a big importer of crude oil. The country's trade balance deficit increases as oil prices rise because it must spend more dollars to buy oil.

Due to the impressive growth of the US in drilling and oil extraction technology, this inverse relationship has decreased a bit.

## The relationship between oil exports and the Canadian Dollar

The relationship between oil exports and the Canadian currency (CAD) is an essential one. Because Canada is one of the world's top oil exporters, oil can be considered the country's primary source of income. When oil prices rise, so do Canada's export profits, which boosts the Canadian Dollar's market value. Furthermore, as oil prices have risen, so has investment in the Canadian oil industry, potentially increasing market demand for the Canadian Dollar. The impact of oil exports on the Canadian dollar is determined not just by oil prices, but also by global supply and demand, economic changes, political stability, monetary and economic policies, and other variables.





## The concluding remarks

The USD/CAD currency combination is regarded as a prominent currency pair and is appealing to many forex traders. Regardless of the technical analysis used to predict the trend of this currency pair, as a successful trader, you must examine this important pair from a fundamental standpoint. For a fundamental study of this currency pair, consider aspects such as interest rates, economic circumstances, relevant economic news and statistics, monetary policies, and inflation rates in both nations. Also, given that Canada is one of the world's top oil exporters, oil price fluctuations have a significant impact on the Canadian dollar and should not be overlooked.







**DELTA COLLEGE**



**GOLD, EURUSD, AUDUSD, BITCOIN, CRYPTO**

**TECHNICAL ANALYSIS**



## Technical Analysis

# Technical Analysis of Gold

Gold set new records last week as a result of the Middle East's tensions and the US and European economies' economic reports. After reaching the \$2431.590 per ounce price level, the asset was in a bearish trend.

As you can see in the image, gold's 4-hour chart has formed an bullish channel. It has just dropped to the \$2335, or lower, level at the bottom of this channel. It appears that a corrective trend is starting with this bearish trend. The final goals of the corrective trend in this instance will be the 38.2% Fibonacci level in the price range of \$2324, the 50% Fibonacci level in the price range of \$2293, and the 61.8% Fibonacci level in the price range of \$2260. However, the news from the Middle East has not only increased tensions there, but it has also had a significant effect on international markets, particularly those for gold and oil. We can only hope that gold will return to its previous level of 2431 Dollars and perhaps set new records in the future, following the commencement of hostilities between Iran and Israel last night.





## Technical Analysis

# Technical Analysis of EURUSD Currency Pair

As last week's prediction indicated, the price dropped to 1.06224. Seventy pip was the goal that was announced last week, and it was accomplished. If this hypothesis is valid, we anticipate entering a corrective phase in the upcoming week. The next targets, in that order, would be the 38.2% Fibonacci level, or 1.07255, and the 61.8% Fibonacci range, or the range of prices around 1.07861.





## Technical Analysis

# Technical Analysis of AUDUSD Currency Pair

The price entered a bearish phase and dropped sharply to the bottom of its bearish channel, or the level of 0.64552, as was anticipated last week. Trading professionals that seized this chance were able to make profits exceeding 117 pip.

If the AUDUSD is unable to break out of its declining channel in the next week, we anticipate a corrective phase in the currency's price range of 0.64590. In the event that this theory is correct, the 38.2% Fibonacci level in the 0.65240 price range will be the next objective. If not, the 0.64489 level will be the next objective.





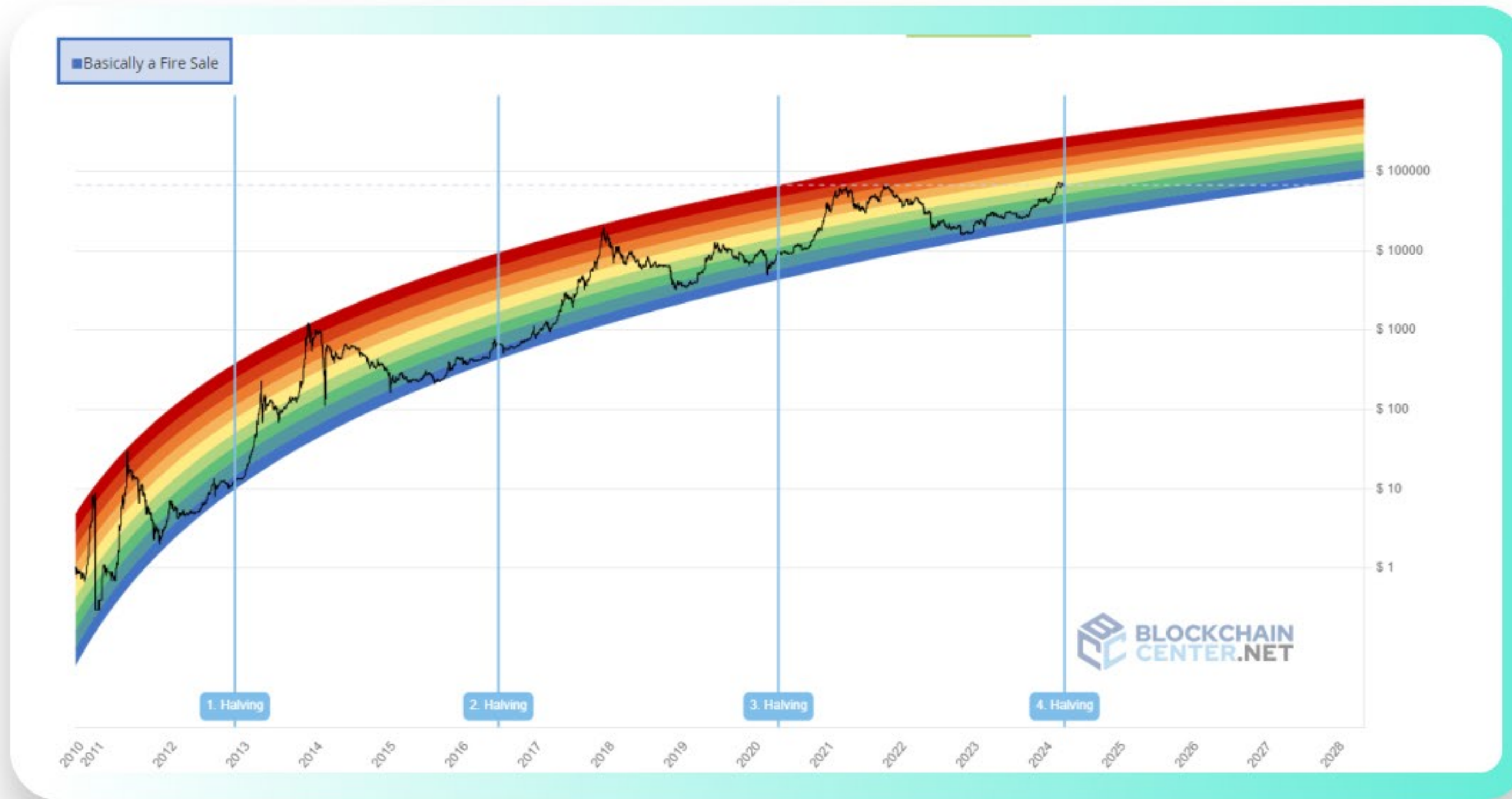
## Technical Analysis

# Bitcoin and Crypto market analysis

As previously reported, the price again approached \$151,840 but was unable to break over the range. The price may rise in the shape of a Sharpie trend if this range is broken. In the immediate run, 154.26 will be the price goal for this currency pair if this theory is correct.











**DELTA COLLEGE**



**EURUSD, GBPUSD, AUDUSD, USDCAD**

**HARMONIC PATTERNS**



Harmonic Patterns

# EURUSD, 4H Chart ,Crap Pattern

SL 1.05885

Entry 1.06567

Buy

Target A 1.07246

Target B 1.07783

Target C 1.08665





Harmonic Patterns

# GBPUSD, Daily Chart , Anti-Gartley Pattern

SL 1.241172

Entry 1.24733

Buy

Target A 1.25351

Target B 1.25996

Target C 1.27093





Harmonic Patterns

# AUDUSD, 4H Chart , Anti-Bat Pattern

SL 0.64100

Entry 0.64796

Buy

Target A 0.65492

Target B 0.6619





Harmonic Patterns

# USDCAD, 4H Chart , Bat Pattern

SL 1.39106

Entry 1.37280

Sell

Target A 1.35418

Target B 1.33585







# 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	Sell	Neutral	Buy	Neutral	Buy	Sell	Sell	Sell
GBP/USD	Sell	Neutral	Neutral	Neutral	Buy	Sell	Sell	Sell
USD/CAD	Buy	Sell	Sell	Neutral	Sell	Buy	Buy	Buy
USD/CHF	Buy	Sell	Neutral	Buy	Sell	Buy	Buy	Buy
USD/JPY	Buy	Sell	Sell	Buy	Sell	Buy	Buy	Buy
AUD/USD	Sell	Neutral	Neutral	Neutral	Buy	Sell	Sell	Sell
NZD/USD	Sell	Neutral	Neutral	Neutral	Buy	Sell	Sell	Sell
XAU/USD	Buy	Sell	Neutral	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	NZDUSD	USDCAD	USDCHF	USDJPY	XAUEUR	XAUGBP	XAUUSD
AUDUSD	100.00%	75.50%	67.60%	25.70%	-14.70%	6.30%	-23.90%	40.30%	39.80%	46.60%
EURUSD	75.50%	100.00%	92.60%	37.80%	-26.40%	-16.90%	-41.90%	10.10%	9.90%	19.60%
GBPUSD	67.60%	92.60%	100.00%	53.60%	-44.30%	-35.90%	-60.00%	-5.20%	-6.10%	4.00%
NZDUSD	25.70%	37.80%	53.60%	100.00%	-68.70%	-83.60%	-68.40%	-68.70%	-69.30%	-64.30%
USDCAD	-14.70%	-26.40%	-44.30%	-68.70%	100.00%	70.40%	68.70%	56.20%	56.90%	53.00%
USDCHF	6.30%	-16.90%	-35.90%	-83.60%	70.40%	100.00%	81.50%	84.50%	85.40%	81.70%
USDJPY	-23.90%	-41.90%	-60.00%	-68.40%	68.70%	81.50%	100.00%	51.50%	52.70%	46.30%
XAUEUR	40.30%	10.10%	-5.20%	-68.70%	56.20%	84.50%	51.50%	100.00%	99.90%	99.40%
XAUGBP	39.80%	9.90%	-6.10%	-69.30%	56.90%	85.40%	52.70%	99.90%	100.00%	99.30%
XAUJPY	39.50%	11.40%	-6.20%	-69.30%	59.00%	87.90%	58.20%	99.30%	99.40%	98.80%



# PIVOT POINTS

## STANDARD PIVOT POINTS



### 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:

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

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

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

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

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

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

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

D	S3	S2	S1	PP	R1	R2	R3
EURUSD	1.0639	1.0669	1.0697	1.0727	1.0755	1.0785	1.0813
USDJPY	152.36	152.56	152.92	153.12	153.48	153.68	154.04
GBPUSD	1.2448	1.248	1.2516	1.2548	1.2584	1.2616	1.2652
USDCHF	0.8996	0.9035	0.9068	0.9107	0.914	0.9179	0.9212
AUDUSD	0.6458	0.648	0.6509	0.6531	0.656	0.6582	0.6611
NZDUSD	0.5926	0.5947	0.5972	0.5993	0.6018	0.6039	0.6064
USDCAD	1.3593	1.3627	1.3658	1.3692	1.3723	1.3757	1.3788
EURJPY	163.25	163.6	164	164.35	164.75	165.1	165.5
EURGBP	0.8493	0.8517	0.8531	0.8555	0.8569	0.8593	0.8607
EURCHF	0.9659	0.9703	0.9732	0.9776	0.9805	0.9849	0.9878
EURAUD	1.6238	1.6317	1.6361	1.644	1.6484	1.6563	1.6607
EURNZD	1.7722	1.7794	1.7842	1.7914	1.7962	1.8034	1.8082
EURCAD	1.4611	1.4639	1.4661	1.4689	1.4711	1.4739	1.4761
GBPJPY	190.79	191.18	191.8	192.19	192.81	193.2	193.82
CHFJPY	166.51	166.91	167.68	168.08	168.85	169.25	170.02
AUDJPY	98.81	99.11	99.65	99.95	100.49	100.79	101.33
NZDJPY	90.77	91.02	91.46	91.71	92.15	92.4	92.84
CADJPY	111.16	111.39	111.69	111.92	112.22	112.45	112.75
GBPCHF	1.1307	1.1354	1.1389	1.1436	1.1471	1.1518	1.1553
GBPAUD	1.9078	1.9133	1.9167	1.9222	1.9256	1.9311	1.9345
GBPNZD	2.0782	2.0843	2.0889	2.095	2.0996	2.1057	2.1103
GBPCAD	1.7095	1.7116	1.715	1.7171	1.7205	1.7226	1.726
AUDCHF	0.5886	0.5905	0.5927	0.5946	0.5968	0.5987	0.6009
NZDCHF	0.5403	0.5421	0.5439	0.5457	0.5475	0.5493	0.5511
CADCHF	0.6588	0.6614	0.6631	0.6657	0.6674	0.67	0.6717
AUDCAD	0.8863	0.8883	0.8916	0.8936	0.8969	0.8989	0.9022
NZDCAD	0.8128	0.8149	0.8178	0.8199	0.8228	0.8249	0.8278
AUDNZD	1.0867	1.0876	1.089	1.0899	1.0913	1.0922	1.0936



## Disclaimer Note

Trading in financial markets, such as stocks, cryptocurrencies, and Forex, is extremely risky and necessitates a high level of knowledge in addition to a tried-and-true trading plan.

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# 30

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