

Financial Uncertainty within the Shanghai Cooperation Organization (SCO)

WEEKLY MAGAZINE V33 | 2024 May 05

Training to Trade with Supply and Demand: **Part 3**

GBP

Official Bank Rate

AUD

Cash Rate

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





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Editorial

The first section of Delta College Economic Bulletin No. 33 focuses on the Shanghai Cooperation Organization and the establishment of its mechanisms. How does their economy function in the context of the tariff war between the United States and China, as well as Western sanctions on Russia and Iran? By reading this article, you can stay up to date on the Shanghai Cooperation Organization's implications on member economies and, as a result, the Forex market.

Following this article, we shall travel to the Western world. Prior to last week, three steps of interest rate decreases were expected for the United States until the end of 2024. On the other hand, with the announcement of the Federal Reserve's statement last week, the projections were cut in one step.

In addition, the publication of the NFP data resulted in the slowest employment increase since October 2023. A drop indicates a more stable increase in NFP statistics and is more beneficial to the soft landing plan. With the release of the NFP report, the estimates grew to more than two levels of interest rate cuts. To have a better understanding of these statistics, examine the News Digest and Economic Calendar sections.

We wish you a profitable week.

*Rahmati
Arezzo*





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Economics within the Shanghai Cooperation Organization

FUNDAMENTAL ARTICLE

Economics within the Shanghai Cooperation Organization

The Shanghai Cooperation Organization (SCO), commonly known as the Shanghai Treaty, is an international organization founded in 2001. The Shanghai Treaty was established to improve security and economic cooperation among its members. Shanghai cooperation aims to promote regional peace, security, and stability through efforts in the domains of business, transportation, science and technology, and culture. The SCO has a significant role in regional affairs, particularly in Central and South Asia. This group seeks to operate as a strategic ally for its member countries and to resist the West's influence in these regions. However, strategic and economic disparities among member countries might impede effective cooperation. The Shanghai Cooperation Organization aims to improve collaboration and address existing difficulties through yearly meetings of member country presidents and specialized committees.



History of the Shanghai Treaty



The Shanghai Pact, subsequently known as the Shanghai Cooperation Organization (SCO), dates back to the mid-1990s. This group was founded as a diplomatic effort to improve security and economic cooperation between Central Asian countries and Russia. The formation of the Shanghai Treaty began in 1996 with the signature of the "Five Shanghai Treaty" by China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. The primary purpose of this agreement was to reduce military forces along these countries' borders in order to improve border security and lessen tensions.

The "Shanghai Pact" was renamed the Shanghai Cooperation Organization (SCO) after Uzbekistan joined the group in 2001. Cooperation issues evolved beyond border and security challenges to include economic, cultural, and humanitarian concerns. In the years that followed, the SCO experienced an increase in membership demand. Iran, India, and Pakistan also joined this group in 2017. The new members expanded the SCO's geographical and geopolitical prominence on a global scale.

The economic power of the Shanghai Treaty Organization

- The SCO attempts to establish collaborative economic initiatives, including transportation, energy, and technology infrastructure. This can boost member countries' commerce and investment, as well as their worldwide economic impact. Furthermore, SCO member countries are attempting to develop a unified voice in dealing with international difficulties through this group. As a result, it has an impact on global economic challenges, both directly and indirectly. However, the amount to which the SCO has an impact on global economic issues is determined by the level of collaboration and coordination among its members, as well as their connections with other major economic forces across the world.

The impact of the Shanghai Cooperation Organization on regional conflicts

- The Shanghai Cooperation Organization (SCO), which includes powerful nations such as China, Russia, and a number of Central Asian countries, has a substantial impact on regional and global conflicts. This organization exercises its influence in various distinct ways:
 - **Dispute resolution:** The SCO provides a forum for member countries to communicate and negotiate, which can aid in the resolution of regional conflicts. For example, a body can act as a go-between in regulating interactions between countries with different borders or political systems.

- **Regional security:** One of the primary purposes of the SCO is to improve security cooperation among member countries. The united struggle against terrorism, extremism, and crime is moving in the same direction. Joint initiatives in these domains can contribute to regional stability and prevent discontent from spreading.
- **Economic impact:** Joint economic operations under the aegis of the Shanghai Cooperation Organization, such as infrastructure projects and commerce, can help to drive regional economic growth.
- **Cultural and social cooperation:** The SCO works to improve understanding and mutual understanding among member countries through collaborative cultural and social projects. This can assist in minimizing misunderstandings and cultural clashes.
- **International influence:** Given China's and Russia's growing global presence, the SCO is being used as a mechanism to expand these countries' worldwide influence.

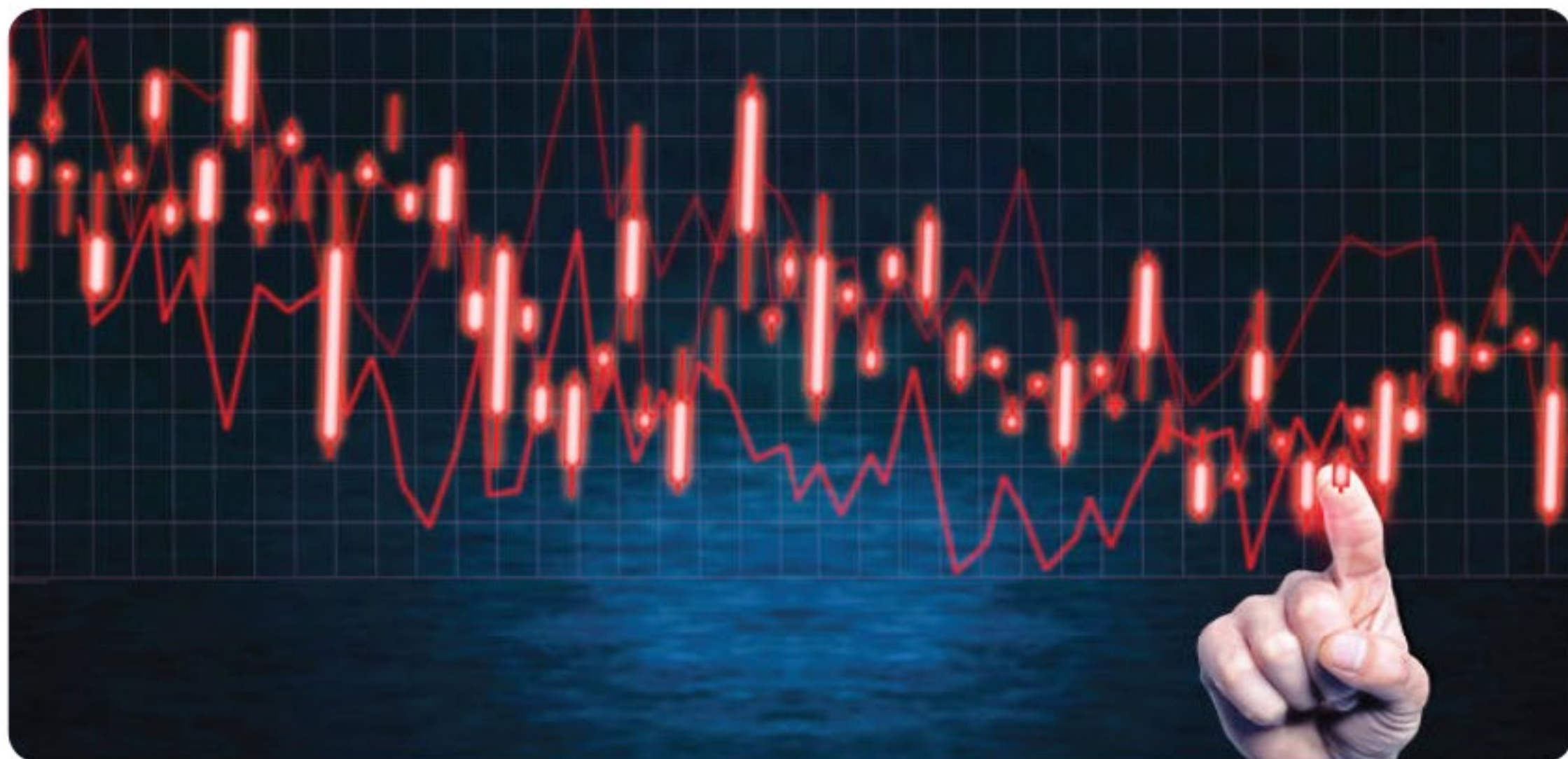
Economic Cooperation of the Shanghai Cooperation Organization

- Economic cooperation in the Shanghai Cooperation Organization (SCO) is especially important and is concentrated in four major areas:

1. Infrastructure development
2. Energy
3. Trade and investment
4. Agriculture
5. Banking and financial development

Economic cooperation within the SCO aims to develop ties among member states and increase their regional and global influence. These collaborations also aim to improve the economic conditions of member countries and create new chances for growth and development.

Economic instability in the Shanghai Cooperation Organization



The pecuniary sanction imposed on some members is one of the organization's most significant issues. In recent years, more sanctions have been imposed on key members such as Russia and Iran. Despite the sanctions, these two nations continue to have positive economic interactions with some members. However, in the absence of other global purchasers, Russia and Iran are forced to provide discounts to buyers such as China. Discounts on major purchases are considered a considerable loss. It has also significantly lowered the value of these two countries' currencies against the US dollar.

The next challenge is for China. In recent years, the United States has increased customs taxes on Chinese exports, which have reduced the resulting profits. If Trump is re-elected in the next US election, we should expect additional tariff rises. This topic was one of Trump's presidential campaign slogans.

Such difficulties have resulted in some economic volatility for the Shanghai Cooperation Organization.

Effects of Shanghai Cooperation Organization on Financial Markets

These impacts manifest in two ways:

On the one hand, organization members have some control over security issues in this area. Disputes and tensions in any corner of the world have always had an impact on financial markets. This organization may have a direct impact on regional security and conflict.

On the other side, we have seen economic and political cooperation that has overshadowed financial markets, both internally and through the combined actions of members in international forums.



The concluding remarks

The Shanghai Cooperation Organization (SCO) was founded in 2001 by China, Russia, and four Central Asian countries. This organization was founded with the goal of enhancing security, economic, and cultural cooperation among member countries. The organization's key pillars include the Council of State Leaders, the Council of Foreign Ministers, and the Permanent Secretariat in Beijing. The Shanghai Cooperation Organization conducts coordinated operations in a variety of domains, including infrastructure development, energy, trade, and agriculture. This group also aims to increase security collaboration in the fight against terrorism and organized crime. The SCO is acknowledged as a vital force in the balance of power, as well as regional and global plans, and has gradually increased its worldwide impact.





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The Previous Week

NEWS DIGEST

Indices**April 29th – German monthly Consumer Price Index (CPI)**

- Previous: %0.4
- Forecast: %0.6
- Actual: %0.5

April 30th – Canada’s monthly Gross Domestic Product (GDP) index

- Previous: %0.5
- Forecast: %0.3
- Actual: %0.2

April 30th – US CB Consumer Confidence

- Previous: 103.1
- Forecast: 104.0
- Actual: 97.0

April 30th – New Zealand quarterly Employment Change Index

- Previous: %0.4
- Forecast: %0.3
- Actual: %0.2-

May 1st – US Job Openings Index (JOLTS Job Openings)

- Previous: 8.81M
- Forecast: 8.68
- Actual: 8.49M

May 2nd – Swiss monthly Consumer Price Index (CPI)

- Previous: %0.0
- Forecast: %0.1
- Actual: %0.3

May 3rd – US Non-Farm Employment Change Index (NFP)

- Previous: 315K
- Forecast: 238K
- Actual: 175K

Stances

May 1 Statement by the Federal Open Market Committee (FOMC)

- The Federal Reserve Open Market Committee (FOMC) delivered its statement on May 1. This declaration contains essential points, including the following:
 - The interest rate is unchanged at 5.5%.
 - We keep the repurchase of mortgage-backed bonds at 35 billion dollars per month. Repurchase of treasury bonds will decrease from 60 billion dollars to 25 billion dollars per month. This reduction will start from the first of June.
 - Inflation has decreased in the past year but is still high. Economic activities are growing at a steady pace. The unemployment rate remains low and employment remains strong.
 - The risks of achieving the inflation and employment targets last year have moved towards a better balance.
 - The Federal Reserve will not consider a rate cut until it is more confident in reaching the 2% inflation target.



The key elements of the May 1 FOMC press conference with the attendance of Jerome Powell (Chairman of the Federal Reserve)

- We are still committed to the 2% inflation target.
- Inflation reduced last year but remains high. We pay special attention to inflationary threats.
- Domestic demand and final purchases are as strong as in the second half of last year.
- It has taken longer to get the confidence to cut interest rates than we thought.
- Wage growth has slowed over the past year, but labor demand continues to outstrip supply.
- Quits and hiring rates have returned to normal levels.
- The Fed's next move is unlikely to be a hike. In order to increase the interest rate, we need to see evidence that shows that the level of the interest rate is not a deterrent.
- If inflation proves to be more sustainable and the labor market remains strong, it may be appropriate to delay the rate cut. There are other ways that can lead to lower interest rates; such as gaining more confidence from reducing inflation and weakening the labor market.
- I don't know how long it will take before we start lowering interest rates.
- (In response to the question about the three stages of interest rate cuts this year, we had this program only when we were certain about the course of inflation, which did not occur in the first quarter.
- More time is needed to reach a sustainable path to 2% inflation. My expectation is that we will see a decrease in inflation this year.
- It will not take much time, but we will bring inflation to 2%. We have seen relatively steady progress in slowing wage growth, although the path has been bumpy.

Luis de Guindos, Vice President of the European Central Bank

- There is still work to be done to reduce inflation, but we are on the right track.
- It is likely that inflation will fluctuate around the current level in the coming months. There are signs that wage growth has stalled.
- We will reach our inflation targets in 2025.
- The economy is growing slowly. Consumer spending should be strengthened (improvement and cost reduction).
- I'm not committed to a predetermined path for interest rates. There are still risks and dangers to the economic outlook.

Review of the United States' NFP report and its key components

- The NFP report, released on May 3, contains some critical information about the status of the US labor market. In short, these points include the following:
 - The unemployment rate rose to 3.9%, a modest increase. In April, there were 6.5 million unemployed persons, and among labor categories, the adult male unemployment rate increased 3.6%.
 - The number of long-term unemployed remained stable in April. This group accounts for 19.6% of the overall unemployed.
 - The total number of employment in non-agricultural sectors increased by 175,000 people, which was lower than the average of the last 12 months. The biggest increase was in the health care, social assistance, transportation, and warehousing sectors.
 - In April, employment in the public sector increased by 8,000, which was much lower than the 12-month average of 55,000.



German inflation report

- The status of the German economy, as Europe's largest economy, has a substantial impact on the European economy and the European Central Bank's policies. As a result, this country's inflation report is one of the most crucial data points on the euro's value and the regional economy. The German inflation data, issued on April 29, shows changes from previous months. The changes include the following:
 - Food and energy inflation fell from 3.3% in March to 3.0%, according to the latest figures. The figure for February and January was 3.4%.
 - Inflation in the service sector, as in February and January, was reported at 3.4%, down from 3.7% in March.
 - Inflation in the goods sector was declared at 1.2 percent, up from 1.0 percent in March but down from 1.8 percent in February and 2.3 percent in January.



ECONOMIC



Future Prospects

CALENDAR FOR THE UPCOMING WEEK

AUD Cash Rate

Tue May 7 ● 04:30 AM ●

The Australian interest rate (RBA Cash Rate) is the Federal Reserve Bank of Australia's official interest rate. This rate is determined by the Federal Reserve Bank of Australia's Board of Governors and serves as a benchmark for other interest rates in Australia, including mortgage and deposit interest rates. Australia's interest rate increases are done to keep inflation under control. Australia's interest rate index is an important economic indicator for the country. The index, which will be announced next week, will have an impact on mortgage and investment costs, as well as other home and corporate expenses. If the value of this index is greater than predicted, it will boost the Australian Dollar. On the other side, if this index is reported lower than expected, it will weaken the Australian Dollar in the markets.



Actual: ? Forecast: 4.35% Previous: 4.35%

GBP Official Bank Rate

● Thu May 9 ● 11:00 AM

The UK bank rate is the average daily interest rate imposed by London’s largest banks. Banks borrow money from one another at lower-than-normal interest rates. In the interbank lending system, a bank experiencing a temporary liquidity deficit accepts a short-term loan from a bank with excess liquidity to safeguard its financial flow.

To determine the interest rate, each of London’s major banks is required to report on a daily basis the rate that other banks are requesting to lend and the rate that the same bank is ready to lend to others. The average of these rates determines the interbank interest rate.

If this index comes in higher than projected, it will boost the British Pound and its connected stocks. However, if this index is declared lower than expected, the Pound and related stocks would suffer.



Actual: ?

Forecast: 5.25%

Previous: 5.25%

GBP GDP m/m

● Fri May 10 ● 06:00 AM

The Gross Domestic Product (GDP) index of the United Kingdom is a major indicator of the country's economic status. This index estimates the total market value of all final goods and services produced inside the United Kingdom's borders over a specified time period.

In other words, GDP measures a country's economic size and conditions, as well as its growth or decrease. A decline in GDP can signify a recession, while an increase can suggest an improvement in the economy. The Office for National Statistics measures and reports the UK GDP index on a monthly basis.

If this index is released higher than predicted, it signals a dynamic economy with increased export volume, which will enhance the British Pound. However, for the reasons stated above, if this index is reported lower than predicted, the Pound will suffer.



Actual: ? Forecast: 0.1% Previous: 0.1%

CAD Unemployment Rate

● Fri May 10 ● 12:30 PM

The unemployment rate in Canada is defined as the percentage of people aged 15 and up who are unemployed.

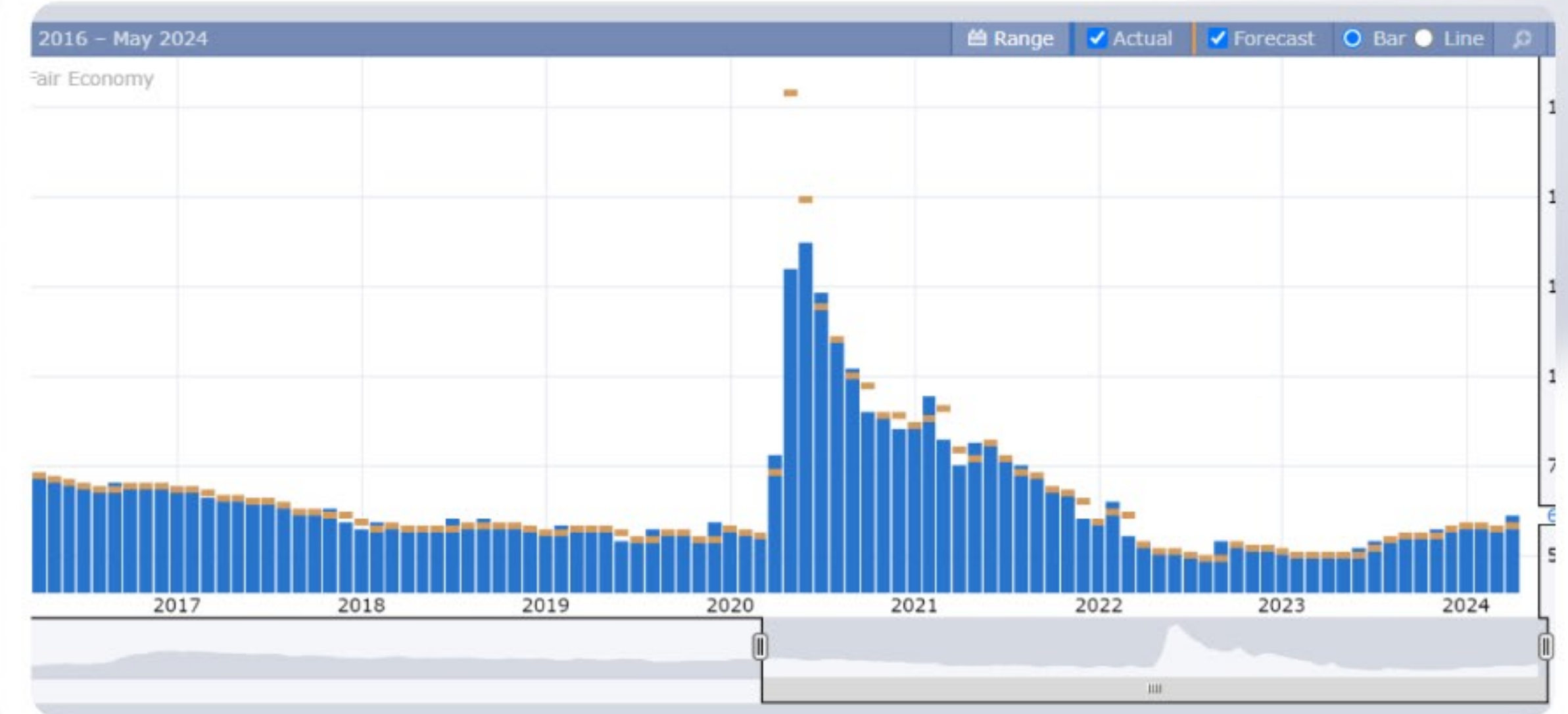
Applications of the Unemployment Rate Index are as follows:

- **Measuring Economic Health:** The unemployment rate is considered a key indicator of Canada's economic health.
- **Economic policy-making:** The Canadian government uses the unemployment rate to determine its economic policies, such as those related to education and economic development.

Important points about the unemployment rate index are as follows:

- The unemployment rate is published monthly by Statistics Canada.
- The unemployment rate is published for the entire country as well as for the various Canadian provinces and territories.
- The unemployment rate is considered a lagging indicator for the Canadian economy.

If the unemployment rate index is released lower than predicted, it will boost the Canadian Dollar and linked stocks. If the result for this index is released higher than expected, the Canadian Dollar and linked companies will decrease.



Actual: ?

Forecast: 6.2%

Previous: 6.1%

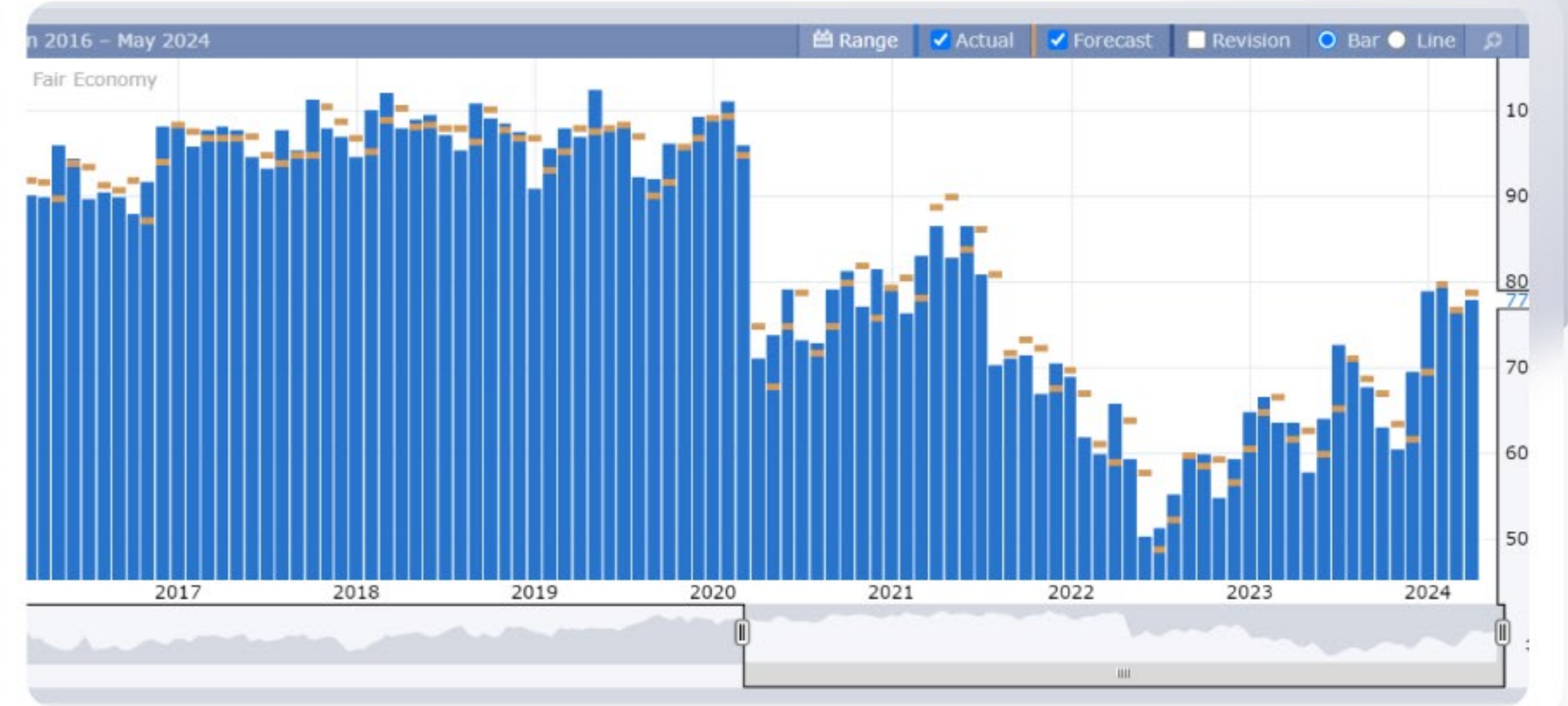
USD Prelim UoM Consumer Sentiment

● Fri May 10 ● 02:00 PM

The University of Michigan Consumer Sentiment Index is a monthly study that measures US consumers' attitudes and perceptions about the current and future state of the economy. The poll examines a variety of factors, including consumers' views of their financial state, current and projected business circumstances, and durable goods purchasing trends.

The new index will be revealed later this month after more data is collected. This correction could be due to fresh data being received or a change in statistical methodologies. The revised version is usually more accurate because it contains more collected data. The University of Michigan will assemble the benchmark data and distribute it next week.

If the value of this index is released higher than predicted, the US Dollar will rise. However, for the reasons stated above, if this index is announced as lower than expected, the US Dollar will suffer.



Actual: ? Forecast: 76.3 Previous: 77.2



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Future Prospects

FUNDAMENTAL OUTLOOK

Fundamental Outlook

Some key central bank officials will deliver speeches and take positions on monetary policies and interest rates in the coming week, according to the economic calendar. Among the most significant of these events are the Federal Bank of Australia's interest rate announcement and the Bank of England's monetary policy report. The following are the names of some of the most notable members of the world's central banks who will give speeches:

Monday, May 6th

- German Buba President Nagel Speaks
- SNB Chairman Jordan Speaks
- FOMC Member Barkin Speaks
- FOMC Member Williams Speaks

Tuesday, May 7th

- RBA Monetary Policy Statement
- RBA Rate Statement
- RBA Press Conference
- German Buba President Nagel Speaks
- Gov Council Member Rogers Speaks
- FOMC Member Kashkari Speaks

Wednesday, May 8th

- FOMC Member Jefferson Speaks
- FOMC Member Cook Speaks
- BOJ Summary of Opinions

Thursday, May 9th

- BOE Monetary Policy Report
- BOE Monetary Policy Summary
- BOE Gov Bailey Speaks
- BOC Financial System Review
- MPC Member Pill Speaks

Friday, May 10th

- MPC Member Pill Speaks
- ECB Monetary Policy Meeting Accounts
- MPC Member Dhingra Speaks
- FOMC Member Bowman Speaks
- FOMC Member Barr Speaks
- FOMC Member Goolsbee Speaks





MARKET PSYCHOLOGY



The FOMO Phenomenon

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The FOMO Phenomenon

Charlie has been going through a successful procedure in the financial markets for some time. Charlie found a suitable currency pair to open a long position. After some time, the price began to rise. Nearing Charlie's profit limit, Charlie's friend Michael thought to himself that he didn't want to miss this opportunity. In the graph, he noticed uninterrupted growth that yielded significant gains.

So he decided to open a similar position. This position was successful. The price hit Charlie's profit limit, and the deal was terminated profitably. Michael's stake had not yet generated significant profit. After Charlie's trade was closed, the market started to fall in the same price range. Michael, who had entered the trade without analysis and only with the fear of losing the opportunity, suffered a loss.

Missing out on opportunities or being left behind by others is one of the biggest fears we experience in life. This type of fear is referred to as FOMO. FOMO is quite common in financial markets. This worry makes traders unable to make proper and assessed decisions.

To avoid FOMO, you need to focus only on your path. Instead of striving to be in the same position as others, try to be better than yourself. Have a long-term goal for progress and manage your emotions and jealousy, especially on social media, when you observe others' achievements.





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Training to Trade with Supply and Demand: Identifying and Trading with Dynamic Support-Resistance Areas – Part 3

TECHNICAL ANALYSIS TRAINING



Technical Analysis Article

Training to Trade with Supply and Demand: Identifying and Trading with Dynamic Support-Resistance Areas - Part 3

In the previous bulletin, we discussed how to trade static support-resistance regions based on supply and demand. In this issue, we look at dynamic support-resistance zones. Before learning how to trade in these markets, we must first understand the features of a valid trend line (dynamic support-resistance level) and the successful failure criteria.

Characteristics of a valid trend line

The first distinguishing quality of a genuine trend line is that it is drawn at important pivot points. The more major corrections and pivot points used to build a trend line, the more valid it is. In other words, the slope of the trend line should be neither too low nor too high. The more balanced the slope of a trend line, the more reliable it is.

The second characteristic is the abrupt divergence from the trend line following the impact. After the price trend crosses a genuine trend line, it immediately swings away from it. The shorter the time interval between meeting and departing from the trend line, the more valid the trend line, and vice versa.

- It should be noted that while the time to hit and break in a trend line may be slow, the trend line remains valid owing to the presence of important pivot points and the strength of the trend.

The third feature is a lack of phony breaks and a high level of trend power. In the previous issue, we discussed the circumstances and characteristics of a powerful trend. You may refer to it after reading this issue.



Conditions for the successful failure of a trendline

One of the most crucial factors to consider when breaking a trendline is the prerequisites for a successful breakout. A successful failure has a few key characteristics:

- It consists of candles with a reasonably large body and no (or very short) shadow. (Trend Candles)
- Close at least 2-3 candles below (in an uptrend) or above (in a downtrend) the support-resistance level.

- The trading volume following the failure should increase and exceed the volume before the failure.
- There should be no single or double candlesticks between breakout candles or pullbacks (candles that contradict the breakout trend).



Trading in dynamic support-resistance areas before the breakouts

- Assuming a trend line is real, and the price trend intersects it, you can enter a trade in two ways.

The first mode

Entry: Simply follow the price trend with the line and enter the position when you see the signal candle and confirmation.

Stop-loss: In an uptrend, place your stop loss slightly lower than the last pivot point, while in a downtrend, place it somewhat higher.

- The loss limit can be set slightly lower (in a bullish trend) or higher (in a bearish trend) than the signal and confirmation candle. But the risk is greater than in the first situation.

Take profit: In a bullish trend, place your first profit limit on the final ceiling, whereas in a bearish trend, place it on the last floor. To decide the second profit limit, measure the height of the ascending or declining trend before the channel's start, then calculate the same height from the channel's start point and set your profit limit there.



The second mode

The second mode's profit and loss limits are identical to those of the first mode, with the exception that instead of entering by simply meeting the trend line, you create a trend line from the body or shadow of the candlesticks and join the position when this line breaks.

This mode is less dangerous than the first, but it has a smaller profit due to its late introduction.

In general, when the trend is strong, you can trade in the first mode, whereas when you are unsure about the trend's strength, you can trade in the second.



Trading in dynamic support-resistance areas after the breakouts

Another strategy is to trade after breaking through a dynamic support-resistance zone. In this situation, after confirming the failure under the circumstances listed above, you can enter the trade on a pullback to the trendline. In this situation, place your loss limit somewhat higher than the previous ceiling in the uptrend and lower than the last bottom in the decline. Set your profit limits at the locations where the price trend meets the trend line, followed by the following support and resistance zones.



What we learned

- The first criterion of a valid trend line is that it is drawn at significant pivot points.
- The second criterion of a legitimate trend line is a rapid departure from it after it is reached.
- The third characteristic of a valid trend line is not having many fake breaks and the strength of its trend.
- A successful breakout consists of strong trend candles with increased trading volume, at least 2-3 of which close below or above the support-resistance level.
- Before breaking a trend line, when the price trend crosses it, and after breaking a trend line, you might enter a trade in its pullback.





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The Fundamental Analyzation of AUD/USD Currency Pair

FUNDAMENTAL ANALYSIS TRAINING



The Fundamental Analyzation of AUD/USD Currency Pair

The AUD/USD currency pair represents the exchange rate between the Australian dollar (AUD) and the US dollar. This currency pair is one of the most important trading pairs in the global currency market, and its fluctuations are closely watched by currency traders and investors. In the following sections, we will look at some key aspects and factors influencing the fundamentals of the AUD/USD currency pair.

Fundamental factors affecting AUD/USD

When counting the effective fundamental factors, the following are the most important:

1. The economic situation of Australia and the United States:

Imports, exports, economic growth, and inflation in both nations can all have an impact on the AUD/USD exchange rate.

2. The price of the main products of Australia: Because Australia exports agricultural and mineral products, the prices of key commodities such as gold, silver, iron, and agricultural items can have an impact on the currency exchange rate.

3. Labor market conditions: Labor market characteristics in both nations can influence central bank decisions and currency pricing.

4. Monetary and financial policy: The central banks of Australia and the United States make critical decisions on interest rates, as well as monetary and fiscal policies.

5. World events: Changes in trade policies, global economic conditions, geopolitical conflicts, and natural disasters can all have an impact on the AUD/USD currency pair's fluctuations.

The impact of economic calendar data on the AUD/USD currency pair

Economic calendar data can have a direct and considerable impact on the AUD/USD exchange rate. These data often contain vital economic indicators such as the unemployment rate, economic growth, inflation, production activity, and so on, which are released by the government or relevant organizations. Some of the most important of these data are as follows:

- Interest rate
- GDP
- Employment and unemployment rates
- Purchase managers of the production and service department
- Retail index
- Consumer Sentiment Index

In general, economic calendar data is seen as a measure of a country's economic status and performance, and it influences the movement of the AUD/USD exchange rate.



The impact of export and import and trade balance on the AUD/USD currency pair

Exports and imports, as well as the trade balance, have a direct impact on the AUD/USD exchange rate. Looking at them independently yields intriguing results.

Export and Import

An increase in Australian exports typically results in an increase in demand for the Australian Dollar. This demand may increase the value of the AUD/USD. An increase in imports typically indicates increasing demand for the US dollar. This increase in demand could force the AUD/USD to decrease.

Trade balance

A positive trade balance for Australia (more exports than imports) signals increased demand for the Australian currency, perhaps strengthening AUD/USD. A negative trade balance for Australia (more imports than exports) suggests the need to sell Australian dollars to pay off import debts, perhaps causing the AUD/USD to fall.

In general, the performance of exports, imports, and the trade balance between Australia and the United States can have a significant impact on the movements of the AUD/USD currency pair.



The impact of war and geopolitical conflicts on the AUD/USD currency pair

War and geopolitical conflicts can have a considerable impact on the AUD/USD exchange rate. This effect is being examined as one of the elements influencing currency market movements. The following section examines the primary effects of war and geopolitical disputes on the AUD/USD currency pair.

Fluctuations in regional security and stability

If Australia or the regions with which it trades experience geopolitical tensions, the AUD/USD currency market may become volatile. For example, tensions or even war in an area to which Australian exports can reduce demand for the Australian dollar (AUD) while increasing demand for the US dollar.

The effect of war on world markets and the global economy

Wars and geopolitical tensions can have a significant impact on global markets. Rising tensions may erode investor confidence and diminish demand for the Australian dollar, resulting in lower AUD/USD values.

The impact of unrest on interest rates and monetary policy

To mitigate the negative consequences of war and geopolitical tensions on the economy, the Federal Reserve Bank of Australia may change interest rates and implement monetary measures. These actions may have a direct impact on the value of the Australian dollar, hence affecting the AUD/USD currency pair.

The concluding remarks

The fundamental study of the AUD/USD currency pair considers economic, political, and geographic aspects in Australia and the United States. This topic necessitates an examination of both countries' economic situations, the implications of exports and imports on trade balances, central bank monetary policies, geopolitical tensions, and global events. A thorough examination of these elements can assist in determining the position and pricing trend of the AUD/USD currency pair.





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GOLD, EURUSD, USDJPY, BITCOIN CRYPTOCURRENCY

TECHNICAL ANALYSIS

Technical Analysis

Technical Analysis of Gold

As forecasted last week, the price entered a corrective and bearish phase; nevertheless, it has yet to reach its aim. If the \$2,275 price range is broken this week, the previous week's aim of \$2,219.24 remains valid.



Technical Analysis

Technical Analysis of EURUSD Currency Pair

Last week, the price rose to 1.08096 in a bullish phase but then stopped advancing after hitting its negative trend line.

If the price fails to break its bearish trend line in the following week, we anticipate that it will resume its bearish trend. If this theory holds true, the short-term price goal will be 1.06488.



Technical Analysis

Technical Analysis of USDJPY Currency Pair

USDJPY rose to the 160.00 price level at the beginning of the market last week before entering a bearish trend.

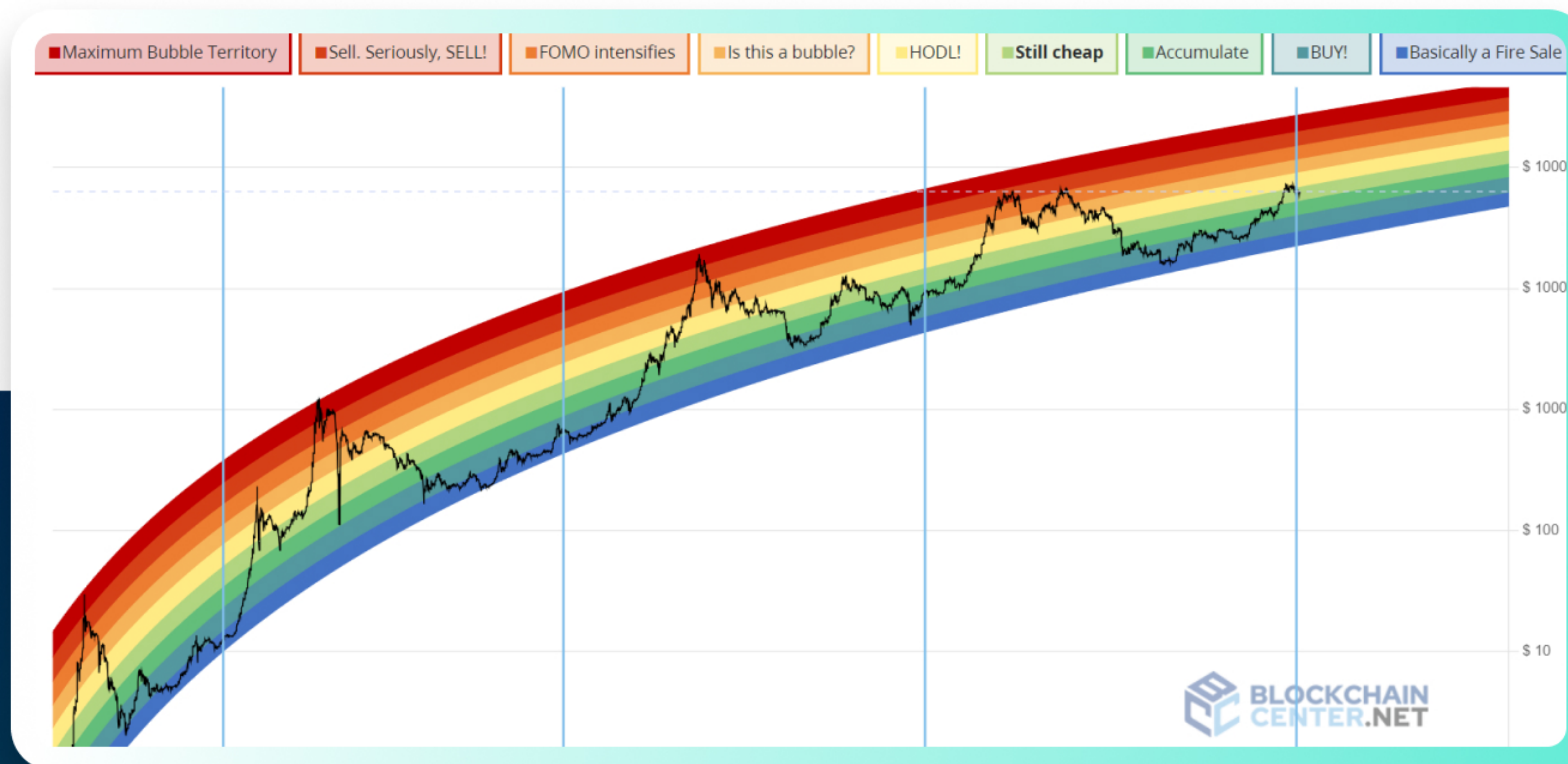
If the price fails to breach the level of 151.00 this week, the levels of 153.94, 155.337, and 157.037 will be critical in this currency pair's rising trend.



Technical Analysis

Analysis of Bitcoin cryptocurrency

As shown in the illustration, Bitcoin dropped sharply to \$56,784 on Friday following the release of US economic statistics. Although, according to the rainbow chart, this currency's trend will continue to grow. As a result, we recommend a step purchase for the cryptocurrency market leader. Keep in mind that purchasing at rainbow bitcoin prices appears less risky.







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EURUSD, GBPUSD

HARMONIC PATTERNS

Harmonic Patterns

EURUSD, H4 Chart , Butterfly Pattern

SL 1.08390

Entry 1.07528

Sell

Target A 1.07338

Target B 1.06741

Target C 1.06057



Harmonic Patterns

GBPUSD, H4 Chart , Butterfly Pattern

SL 1.26650 **Entry** 1.26172 **Sell**

Target A 1.24716 **Target B** 1.23623





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	Neutral	Neutral	Sell	Buy	Neutral	Buy
GBP/USD	Sell	Neutral	Neutral	Neutral	Sell	Buy	Neutral	Buy
USD/CAD	Buy	Neutral	Neutral	Neutral	Neutral	Sell	Neutral	Sell
USD/CHF	Buy	Neutral	Neutral	Neutral	Buy	Sell	Neutral	Sell
USD/JPY	Buy	Neutral	Neutral	Buy	Sell	Sell	Neutral	Sell
AUD/USD	Buy	Neutral	Sell	Neutral	Sell	Buy	Buy	Buy
NZD/USD	Sell	Neutral	Neutral	Neutral	Sell	Buy	Neutral	Buy
XAU/USD	Buy	Neutral	Neutral	Neutral	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%	81.40%	81.20%	75.10%	-77.80%	-55.70%	-56.50%	-47.50%	-48.60%	-38.20%
EURUSD	81.40%	100.00%	96.40%	92.40%	-93.30%	-87.80%	-85.90%	-82.30%	-82.50%	-75.20%
GBPUSD	81.20%	96.40%	100.00%	93.90%	-91.70%	-88.70%	-85.60%	-81.40%	-82.70%	-74.90%
NZDUSD	75.10%	92.40%	93.90%	100.00%	-87.30%	-94.30%	-88.10%	-81.70%	-82.60%	-76.40%
USDCAD	-77.80%	-93.30%	-91.70%	-87.30%	100.00%	82.40%	81.80%	79.50%	79.60%	73.10%
USDCHF	-55.70%	-87.80%	-88.70%	-94.30%	82.40%	100.00%	90.20%	87.60%	88.20%	84.40%
USDJPY	-56.50%	-85.90%	-85.60%	-88.10%	81.80%	90.20%	100.00%	77.90%	78.40%	73.00%
XAUEUR	-47.50%	-82.30%	-81.40%	-81.70%	79.50%	87.60%	77.90%	100.00%	99.90%	99.20%
XAUGBP	-48.60%	-82.50%	-82.70%	-82.60%	79.60%	88.20%	78.40%	99.90%	<u>100.00%</u>	99.10%
XAUJPY	-46.30%	-83.20%	-82.80%	-84.20%	80.00%	91.00%	85.80%	98.60%	98.70%	97.50%

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	1.0633	1.0654	1.0689	1.071	1.0745	1.0766	1.0801
USDJPY	149.14	151.1	152.37	154.33	155.6	157.56	158.83
GBPUSD	1.2417	1.2444	1.249	1.2517	1.2563	1.259	1.2636
USDCHF	0.9003	0.905	0.9079	0.9126	0.9155	0.9202	0.9231
AUDUSD	0.6472	0.6493	0.653	0.6551	0.6588	0.6609	0.6646
NZDUSD	0.5872	0.5893	0.5927	0.5948	0.5982	0.6003	0.6037
USDCAD	1.3572	1.3621	1.3648	1.3697	1.3724	1.3773	1.38
EURJPY	160.41	162.32	163.57	165.48	166.73	168.64	169.89
EURGBP	0.853	0.8538	0.8548	0.8556	0.8566	0.8574	0.8584
EURCHF	0.9648	0.9697	0.9732	0.9781	0.9816	0.9865	0.99
EURAUD	1.6155	1.6239	1.6287	1.6371	1.6419	1.6503	1.6551
EURNZD	1.7817	1.7898	1.7943	1.8024	1.8069	1.815	1.8195
EURCAD	1.4551	1.4597	1.4631	1.4677	1.4711	1.4757	1.4791
GBPJPY	187.19	189.53	191.09	193.43	194.99	197.33	198.89
CHFJPY	165.27	166.74	167.78	169.25	170.29	171.76	172.8
AUDJPY	98.66	99.56	100.24	101.14	101.82	102.72	103.4
NZDJPY	89.65	90.42	91.04	91.81	92.43	93.2	93.82
CADJPY	109.7	110.81	111.59	112.7	113.48	114.59	115.37
GBPCHF	1.1258	1.1321	1.1367	1.143	1.1476	1.1539	1.1585
GBPAUD	1.8879	1.8976	1.9034	1.9131	1.9189	1.9286	1.9344
GBPNZD	2.0802	2.0906	2.0963	2.1067	2.1124	2.1228	2.1285
GBPCAD	1.6972	1.7039	1.709	1.7157	1.7208	1.7275	1.7326
AUDCHF	0.5906	0.5926	0.5953	0.5973	0.6	0.602	0.6047
NZDCHF	0.5366	0.5383	0.5406	0.5423	0.5446	0.5463	0.5486
CADCHF	0.6589	0.6613	0.6636	0.666	0.6683	0.6707	0.673
AUDCAD	0.8915	0.8931	0.8954	0.897	0.8993	0.9009	0.9032
NZDCAD	0.8091	0.8106	0.8129	0.8144	0.8167	0.8182	0.8205
AUDNZD	1.0963	1.0978	1.0996	1.1011	1.1029	1.1044	1.1062

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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