

# Tensions within the World Trade Organization

WEEKLY MAGAZINE V34 | 2024 May 12

Training to Trade with Supply and Demand: **Part 4**

**NZD**

Inflation  
Expectations q/q

**AUD**

Core PPI m/m

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







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## Editorial

The World Trade Organization is an agency tasked with, among other things, minimizing economic conflicts. It is unclear what obstacles the latest global tensions provide to this institution. However, how to convert global trade issues and decisions into trading possibilities is a larger matter. As a result, in Delta College Bulletin No. 34, we look at the World Trade Organization and the commercial prospects it opens up.

The following sections contain key indicators and events for the coming week. We will move on to the final stage of the supply and demand trading style, as well as technical analysis and other educational materials. As always, the Crossword Contest serves as an excuse to reward our esteemed clients with trading bonuses.

We wish you a profitable week.

*Rahmati  
Arzoo*







# DELTA COLLEGE



**A Critical Study of the World Trade Organization and its Impacts on the Forex Currency Pairs**

# FUNDAMENTAL ARTICLE



## A Critical Study of the World Trade Organization and its Impacts on the Forex Currency Pairs

The World Trade Organization (WTO) is regarded as a vital entity in the global trading system. The World Trade Organization (WTO) exists to facilitate and supervise worldwide free commerce. Since its inception in 1995, it has taken on a number of responsibilities aimed at increasing international trade and lowering barriers. Knowing the World Trade Organization and the news around it will provide you with a good understanding of how countries conduct international trade.

The amount and mode of import and export are the most important factors influencing the trade balance index. What better predicts the value of a currency pair than the economic health of both countries? What is more significant in controlling exports and imports than tariffs? As a result, knowledge of the World Trade Organization will come in handy when doing a proper fundamental analysis of a currency pair.

## The WTO's impact and involvement at the international level

The WTO has a significant impact on the global economy because of its power to monitor and enforce international agreements. This organization has been able to facilitate commerce and contribute to economic growth by lowering tariffs and other trade barriers. However, its capacity to balance trade interests and member countries' development goals remains a contentious subject.

Finally, as a fundamental player in the international trading system, the World Trade Organization has a significant influence on global economic and trade policies.

Despite the hurdles and obstacles, the WTO's activities and efforts to promote free and fair trade will have long-lasting effects on the global economy.

Undoubtedly, adhering to this organization's judgments is required for a thorough comprehension of the members' economic conditions. Combining this organization's meetings with the member countries' economic statistical indicators allows you to readily capitalize on currency pair trading possibilities. In this regard, we explore the organization's goals and obstacles, as well as their implications for forex currency pairings.

## The goals of the World Trade Organization

The main goals of the WTO can be analyzed in the framework of three dimensions:

- Facilitating international trade
- Creating a platform for negotiation and commercial agreements
- Creating a platform for resolving disputes between member countries

This organization aims to lower tariffs and other trade obstacles by offering extensive and precise rules, contributing to global efficiency and economic development.





## Trade agreements and negotiations and their impact on Forex

The WTO regulates and monitors trade agreements, which is one of its most essential activities. This problem covers proposals and negotiations to reduce global customs tariffs and other trade barriers. The agreements address problems like agriculture, services, and intellectual property rights, with the goal of ensuring fair and transparent commerce.

Assume an agreement to decrease customs taxes and obstacles is being formed. Such an agreement will undoubtedly have an impact on the member countries' economies. Examining it can reveal fascinating currency chances that many traders may have ignored.

## Dispute settlement system and its effects on Forex

The WTO's dispute settlement system is regarded as one of the most advanced and effective international legal mechanisms. The settlement system enables member countries to resolve trade disputes in a structured and independent judicial process. This promotes stability and consolidation in international trade ties.

Assume that a trade dispute between two countries is resolved in this organization. It is critical to consider how the conflict is settled and how it will affect future economic cooperation. Will this have no effect on both countries' economies? It absolutely works! It is simple to trade by evaluating news about solving the problem and how to solve it.

## Challenges and obstacles of WTO and their effects on Forex

Despite its good impacts, the WTO confronts significant hurdles. One of the most significant problems is the opposition of some member countries to the essential modifications and reforms to global trade laws. Furthermore, geopolitical conflicts and economic incompatibilities among member states can result in problems that the organization is currently unable to settle.

The issues of global trade are becoming more complex than ever as a result of escalating global tensions. Russia's war with Ukraine, Israel's disputes with Hamas, Lebanon, and Iran, the Houthis' missiles in the Red Sea, and the struggle between the United States and China over Taiwan all complicate this organization's work. Follow global trade decisions in the face of geopolitical tensions to receive unexpected feedback on currency pairs.

## Political and economic challenges and their effects on Forex

The World Trade Organization faces tremendous political and economic concerns. Protectionism and economic nationalism are on the rise in some of the world's major countries. Challenging free trade principles and multilateral accords reduce the WTO's function and effectiveness. These tensions have a negative impact not only on the trade agreement process but also on macroeconomic stability.

Its detrimental repercussions can be seen in member economies. Following the boundaries of these issues is also required for a thorough foundational understanding of currency pairs. The monetary value of the countries directly involved in these difficulties is impacted. As a result, it is vital to follow these guidelines while analyzing currency pairs.



## The concluding remarks

The World Trade Organization (WTO), founded in 1995, is an international body that regulates and supports global trade. This body oversees the execution of international trade agreements and serves as a forum for trade dispute negotiation and resolution. The WTO aims to boost global economic growth by lowering trade obstacles and encouraging free commerce. Protectionism and geopolitical tensions are among the issues it faces. Despite these obstacles, this institution contributes significantly to global trade and development assistance. Examining the news concerning the World Trade Organization leads to good trading chances in currency pairs. Tracking this organization's decisions can be a piece of the essential puzzle.







**DELTA COLLEGE**



**The Previous Week**

**NEWS DIGEST**



Indices

## May 9th - US Unemployment Insurance Claimant Index

- Previous: 209K
- Forecast: 212k
- Actual: 231k

## May 10th - UK monthly GDP index

- Previous: %0.2
- Forecast: %0.1
- Actual: %0.4



## May 10th - Canada's Employment Rate Change Index

- Previous: 2.2k-
- Forecast: 20.9k
- Actual: 90.4k

## May 10th - Canada's Unemployment Rate Index



- Previous: %6.1
- Forecast: %6.2
- Actual: %6.1

## May 10th - University of Michigan Consumer Sentiment Index

- Previous: 77.2
- Forecast: 76.3
- Actual: 67.4



## Stances

## Statement by the Reserve Bank of Australia after keeping interest rates steady

- Inflation is still moderating but falling more slowly than expected. Inflation is expected to return to the target range of 2-3% in the second half of 2025.
- If service sector inflation remains stubborn, we must act. (an increase in interest rates)
- There is no clear path for future decisions.
- Household consumption is growing slowly. Real income is likely to rise toward the end of the year, which will boost household consumption. (resulting in cost reductions and increased purchasing power for households)
- If household consumption (demand) does not increase, there is a risk that production growth will remain low and the labor market will suffer.



## Collins from the Federal Reserve

Collins, a member of the Federal Reserve, stated in a May 9 address about economic circumstances and inflation: "In my opinion, reaching the 2% inflation target requires a reduction in demand." The current stickiness of inflation is not unusual. The economy is solid, and the labor market has achieved a better equilibrium. "A strong labor market has increased household consumption."

Collins also commented on the central bank's present policy and the timing of interest rate reductions: "Premature reduction of interest rates has risks." Given the current outlook, monetary policy is tight and well-positioned. It is too early to determine how restrictive present policies are.

Continuing his address, Collins warned of an economic slowdown if current monetary policies are continued in the long run, stating that holding interest rates steady for an extended period of time will weaken the economy.

## Ueda, the head of the Bank of Japan

In his news conference on Japan's economic position and the conditions of the central bank's intervention in the currency market, Ueda, the head of the Bank of Japan, highlighted the following key points:

- The purpose of the Central Bank's monetary policies is not to control the exchange rate. The main goal of policies is to control inflation.
- The movements and volatility of the FX market have a significant impact on the economy and prices. A weak yen raises import costs and has an impact on the economy by increasing demand. If yen swings affect inflation, the central bank may need to respond with monetary policy.
- We expect inflation to progressively approach the 2% target. If inflation moves in accordance with projections, we will change our monetary policy accordingly.



- The Japanese economy is improving on average. There are still numerous dangers to the price forecast. If inflation surpasses expectations, it is preferable to begin rate adjustments earlier.
- If there are significant downward shocks to the economy and prices, we will utilize all methods, including unorthodox measures, as needed. In addition, we will adjust the bond purchase amount to reflect market movements.

## The most noteworthy topics from the minutes of the European Central Bank's monetary policy determination meeting

- Members trust the predictions. The decision to keep the rates constant was unanimous.
- Inflationary expectations are well established. Inflation data is in line with the medium-term forecast path.
- The weakness of the Euro against the Dollar can lead to a slowdown in Eurozone inflation.
- It is possible that we will be in a position to begin reducing monetary policy restrictions at the June meeting.
- Current data is the main criterion for determining the appropriate level of reduction of paid sites. Dependence on one data does not mean too much focus on data.
- The path of most economic indicators is uneven. Inflation may fluctuate at the current level for some time.

## Bank of England monetary policy statement

- The Bank of England published its monetary policy statement on Thursday last week after declaring the interest rate at 5.25%, unchanged from the previous period's rate. This statement mentioned several important points, including the following:
  - The inflation rate will decrease in line with the forecasts. Inflation will reach 1.9% in the second half of 2026 and 1.6% in the second half of 2027. We are optimistic about the direction of the economy.
  - We predict that GDP will increase by 0.4% in the first half of 2024 and by 0.2% in the second half of 2024.
  - We predict that the GDP will increase by 0.5% in 2024, by 1% in 2025, and by 1.25% in 2026.
  - The forecast rates for wage growth are 5.25% in 2024, 2.25% in 2025, and 1.5% in 2026.





The last week's most significant brief news

## The possibility of increasing the income tax of American companies

- "The current corporate tax rates are too low for the fiscal health of the country," Brainard, president of the US National Economic Council and White House economic adviser, said on Friday. Let's put an end to it because it only affects the very wealthy." According to these discussions, there is a potential that the tax rate on huge economic corporations will rise in the future.



## The concern of Japanese businessmen about the sharp fall in the value of the Yen

- Due to the large decrease in the value of the yen in recent days, the sentiment of Japanese businessmen reached 47.4 in April, the lowest level since August 2022. The study found that mood and optimism about the status of the economy among store managers, taxi drivers, and others who interact directly with Japanese consumers declined 2.4 points to 47.4. This is the lowest rate reported in the past 20 months.

## German industrial production fell for the first time this year



- According to the German industrial output index, it fell by 0.4% for the first time this year. On the other hand, the decline in industrial production has resulted in a fall in consumer products, intermediate goods, and energy, raising worries. Prior to this decline, the chairman of the European Central Bank stated in April that an increase in German industrial production was a sign that the country's issues were over. Among the reasons for the index's decline are a drop in global demand, rising interest rates, and a rise in energy prices following the Russia-Ukraine war.

## The visit of China's President to the European Union to prevent economic problems.

- Last Monday (May 6), Chinese President Xi Ping visited the European Union. The goal of this debate was to avoid economic conflicts like those between China and America. During this encounter, Mr. Macron stressed the significance of dialogue between China and the EU. Xi also mentioned that Europe is China's top goal for establishing foreign relations.
- Another topic of discussion was China's complaint over excess production activities and the desire to limit the number of production activities. Previously, the US and Germany expressed alarm about the issue and warned of the risks that China's excess production could pose to the world economy.





# ECONOMIC



Future Prospects

# CALENDAR FOR THE UPCOMING WEEK



## NZD Inflation Expectations q/q

● Mon May 13 ● 03:00 AM

The New Zealand Inflation Expectations Index is a quarterly statistic released by the Federal Reserve Bank of New Zealand that reflects people’s expectations for inflation over the next two years. This indicator, which will be released next week, was collected through a poll of families and companies.

The Reserve Bank of New Zealand is conducting a survey of individuals and companies to gauge their inflation predictions for the next two years. The inflation expectations index is then calculated based on the average responses. This index is used by New Zealand’s Central Bank to forecast inflation and determine monetary policy.

If the result of this index is released lower than expected, inflation will rise in the first phase. As a result, the expansion of New Zealand’s inflation expectations index will depreciate the New Zealand Dollar. However, for the reasons stated above, if this index is released lower than expected, the New Zealand Dollar will benefit.



Actual: ?

Forecast: ?

Previous: 2.50%



# GBP Claimant Count Change

● Tue May 14 ● 06:00 AM

The UK Office for National Statistics has announced an index that will compute and report changes in the number of applicants for unemployment benefits during the preceding month. This index, which will be published next week, is a monthly index that traders and experts hold in high respect. This index's increasing trend implies labor market deterioration, which has an impact on consumer spending and economic growth.

If this index comes in higher than projected, it will have a negative impact on the British Pound and linked stocks. On the other hand, if the value of this index is lower than expected, the Pound and its connected stocks would appreciate.



<b>Actual:</b> ?	<b>Forecast:</b> 13.9K	<b>Previous:</b> 10.9K
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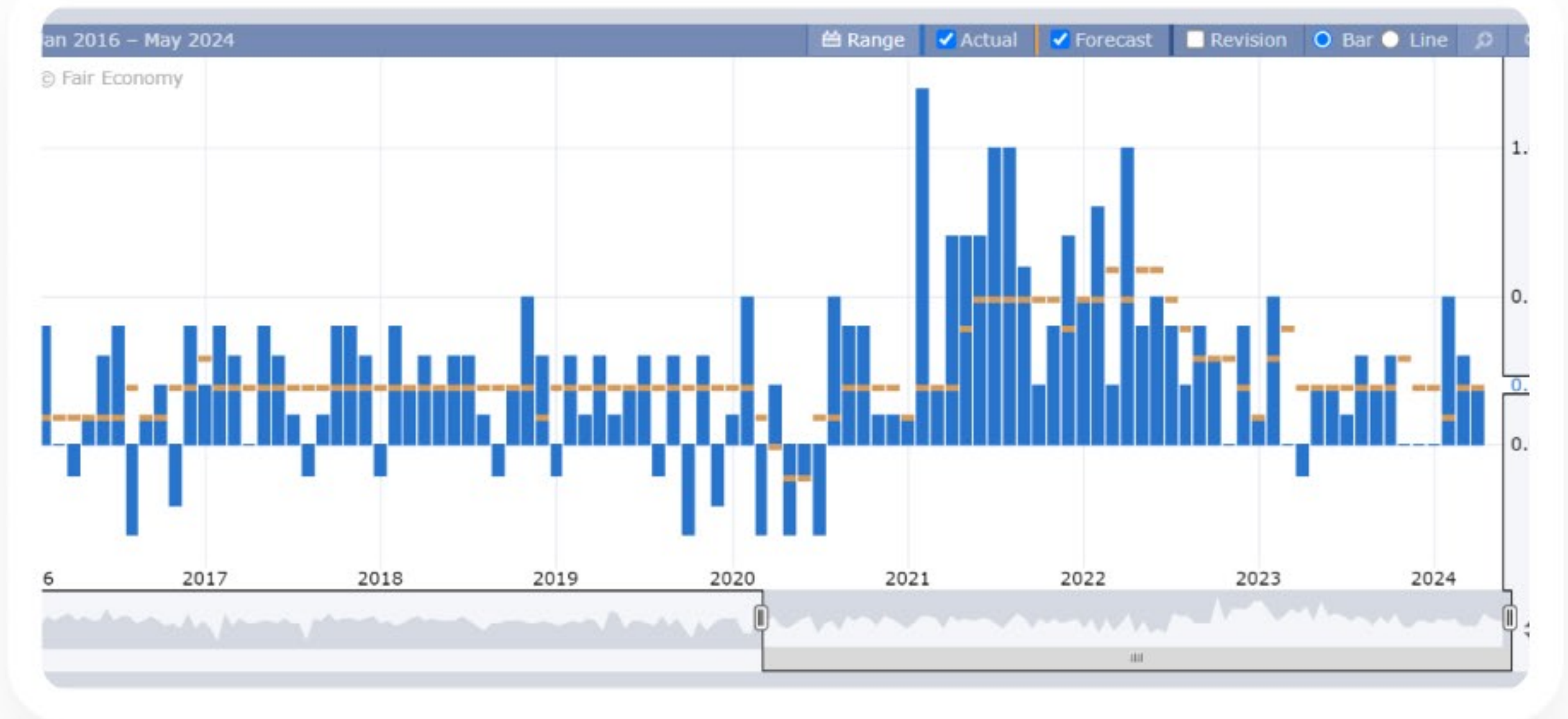


## USD Core PPI m/m

● Tue May 14 ● 12:30 PM

Next Monday, the US Bureau of Labor Statistics will report its monthly net producer price index. The producer price index tracks the change in the selling prices of products and services sold by producers, excluding food and energy. Price changes are measured from the standpoint of the seller. When producers pay more for goods and services, they pass the increased costs on to customers. As a result, we can argue that PPI is a measure of consumer inflation.

If the value of this index is higher than projected, inflation will rise in the first phase. To keep inflation under control, central banks raise interest rates to retain the strength of their own currencies. As a result, the expansion of the net producer price index will strengthen the US Dollar. However, for the reasons stated above, if this index is announced as lower than expected, the dollar will suffer.



Actual: ? Forecast: 0.2% Previous: 0.2%

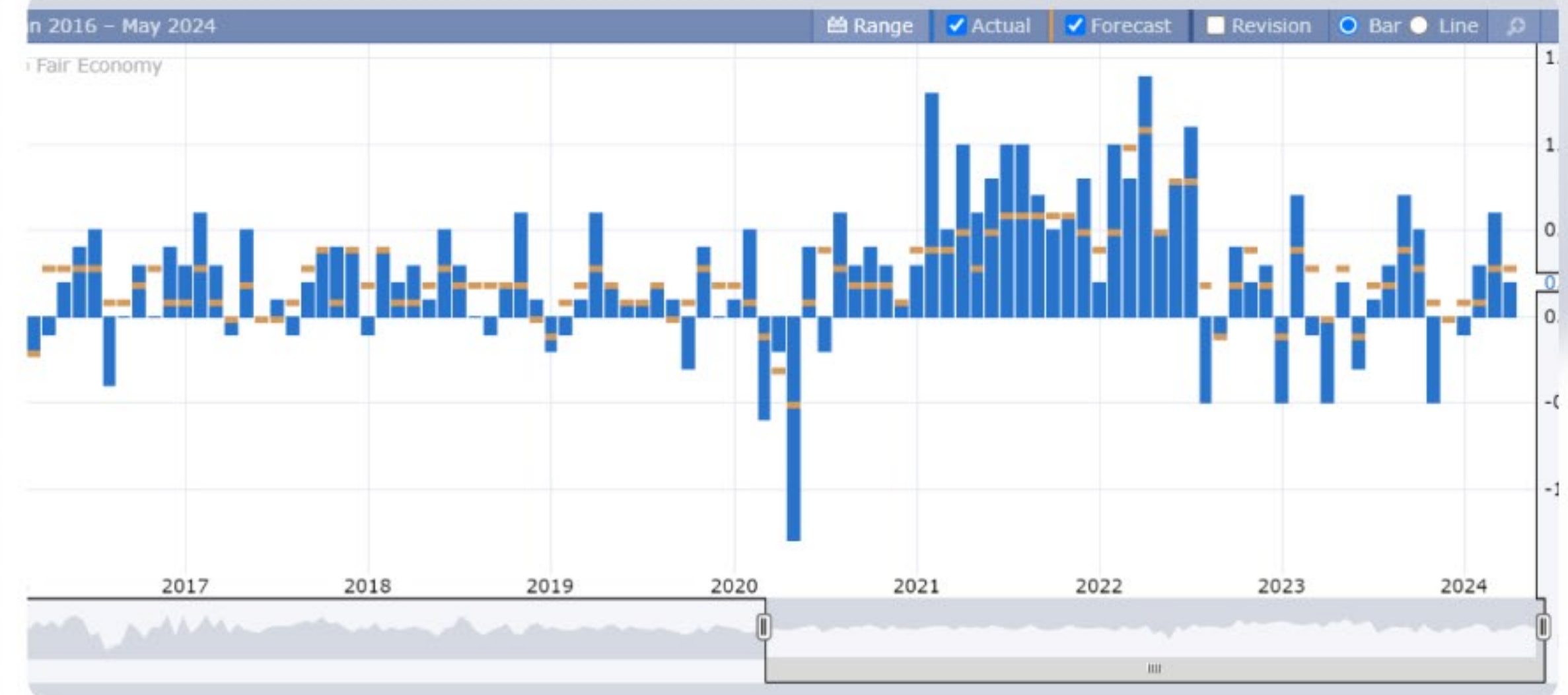


## USD PPI m/m

● Tue May 14 ● 12:30 PM

The producer price index (PPI) tracks the average price change that domestic producers get for their products over time. In other terms, the producer price index (PPI) measures wholesale inflation. The producer price index tracks changes in the price of goods and services before they are sold to consumers. The US Bureau of Labor Statistics (BLS) publishes the PPI monthly. This index, which is set to be published next week, is seen as a predictor of consumer inflation and has the potential to influence interest rate decisions by monetary officials.

If the value of this index is reported higher than predicted, inflation will rise, weakening the US Dollar. On the other hand, for the reasons stated above, if this index is reported lower than expected, it will boost the Dollar.



Actual: ?

Forecast: 0.3%

Previous: 0.2%



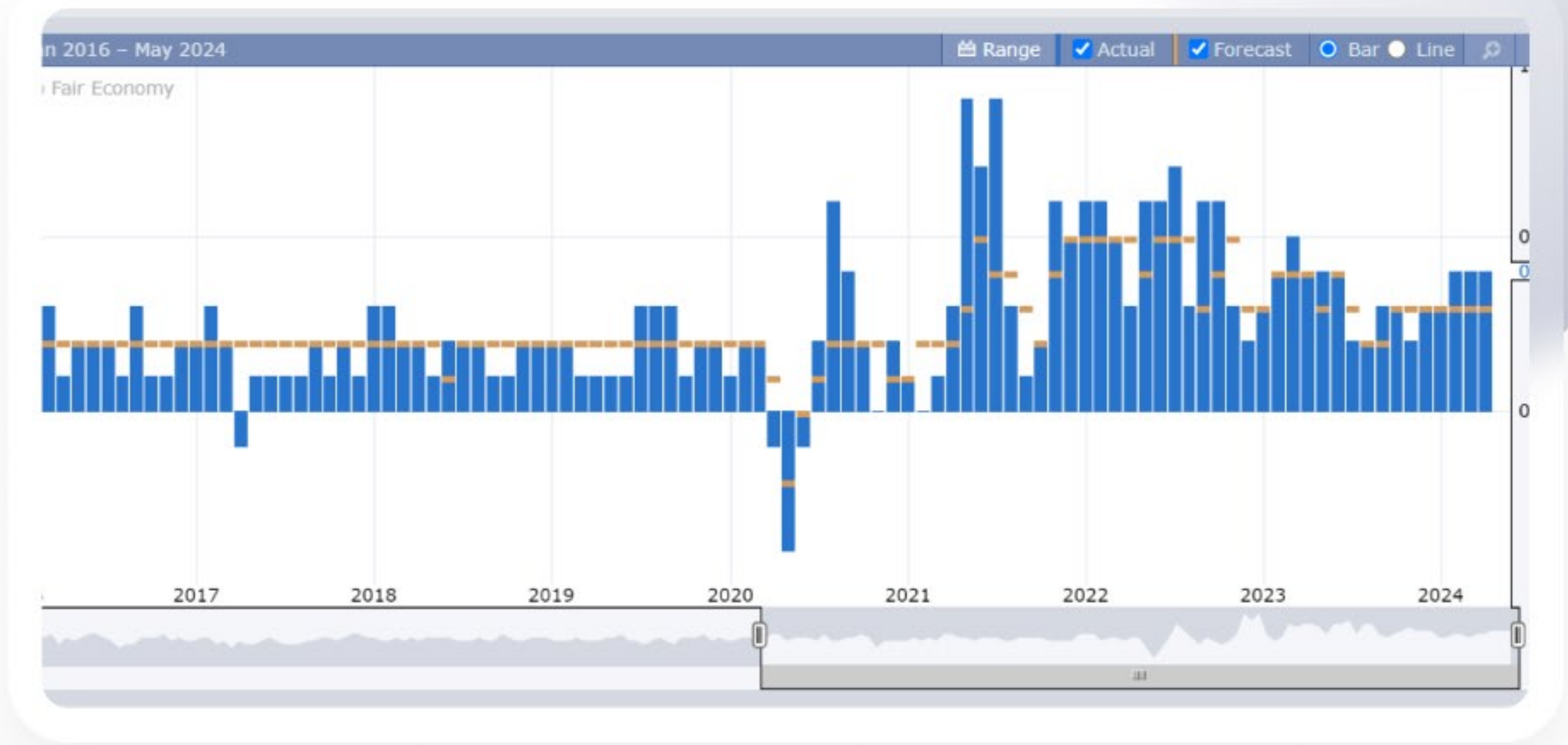
## USD Core CPI m/m

● **Wed May 15** ● **12:30 PM**

The net consumer price index (CPI) is a major economic indicator in the United States that tracks price movements for a basket of goods and services that excludes food and energy. This index is seen as a more stable method of assessing inflation. Food and energy prices are removed since they are prone to short-term swings caused by weather, geopolitical events, or oil price changes. By removing these volatile components, economists hope to focus on the underlying inflation mechanism. Consumer prices are closely monitored by economists, policymakers, and investors as a key indicator of inflationary pressures. The US Federal Reserve regards inflation data as a critical instrument for ensuring price stability.

If the net consumer price index rises significantly, it could suggest greater inflationary pressures, which influence central bank choices. A lower-than-expected CPI may signal a slowing in inflation, prompting debates about future economic stimulus measures.

If the value of this index is released higher than predicted, inflation will rise. As a result, monthly increases in the United States net consumer price index will weaken the US Dollar. On the other hand, for the reasons stated above, if this index is reported lower than expected, it will boost the Dollar.



**Actual:** ?      **Forecast:** 0.3%      **Previous:** 0.4%



# USD Core Retail Sales m/m

● **Wed May 15** ● **12:30 PM**

Core retail sales are key economic statistics that measure retail activity in the United States, excluding car sales. The US Department of Labor publishes this indicator monthly. This indicator is regarded as a key determinant for the American economy, as retail operations are one of the most important components of consumption in the economy.

The US net retail sales index encompasses all retail sales, including consumer products such as furniture, clothing, and food. Cars are not included in retail sales. Economists and economic traders can gain insight into altering spending habits by analyzing changes in the retail sales index excluding autos.

If this index is published higher than expected, it reflects the dynamics and activity of the US economy as well as people's economic conditions, strengthening the US Dollar and its connected equities. However, for the reasons stated above, if this index is announced lower than expected, it will have a negative impact on the US Dollar and linked stocks.



**Actual:** ?      **Forecast:** 0.2%      **Previous:** 1.1%



# USD CPI y/y

● Wed May 15 ● 12:30 PM

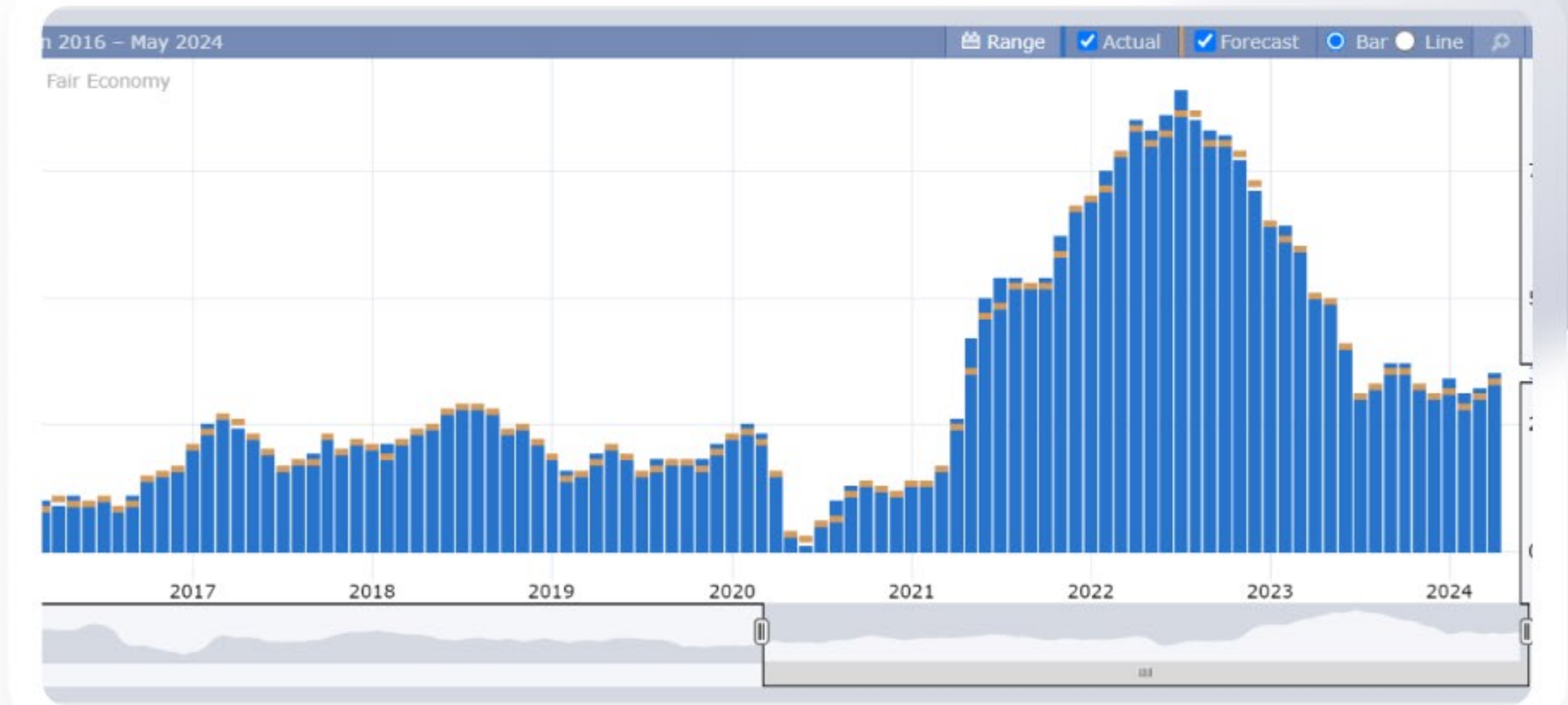
The US Consumer Price Index (CPI) is an economic metric that tracks changes in the prices of a basket of goods and services bought by consumers. The United States Bureau of Labor and Statistics publishes this index annually.

The most important aspects of the consumer price index are:

1. Consumer basket: The CPI index examines price changes in different groups of goods and services that are purchased by consumers on a daily basis. This basket includes items such as food, clothing, housing rent, medical expenses, and communication.

2. Inflation rate: An increase in the CPI index indicates an increase in inflation. Inflation can have a large impact on decisions related to the Federal Reserve's monetary policies and macroeconomics.

If the value of this index is released higher than predicted, inflation will rise. As a result, annual growth in the US Consumer Price Index will cause the US Dollar to decline. On the other hand, for the reasons stated above, if this index is reported lower than expected, it will boost the Dollar.



**Actual:** ?      **Forecast:** 3.4%      **Previous:** 3.5%



# USD Empire State Manufacturing Index

● Wed May 15 ● 12:30 PM

The Empire State Manufacturing Index is a regional economic index that tracks manufacturing activity in New York State. This index will be released by the Federal Reserve Bank of New York. The Empire State Manufacturing Index is based on a monthly survey conducted by the Federal Reserve Bank of New York. The study questions manufacturers about many areas of their businesses, such as new orders, shipments, employment, and other indicators of the manufacturing sector's health.

While this index focuses on industrial activity in New York State, it is sometimes regarded as a leading indicator for the whole US manufacturing sector. These data provide useful insights into the current level of manufacturing activity, which can affect employment, productivity, and overall economic growth.

If this index is reported higher than expected, it implies a healthy production sector and economy, and it will enhance the US Dollar and its connected companies. However, if this index is announced lower than expected, it will have a negative influence on the Dollar and linked stocks.



**Actual:** ?      **Forecast:** -10.3      **Previous:** -14.3



## USD Retail Sales m/m

● **Wed May 15** ● **12:30 PM**

The US retail sales index is an important economic indicator that reflects retail sales activity in the US economy. The US Department of Commerce publishes this index.

Usually, the US retail sales index is divided into two indices:

- **Total Retail Sales:** This index shows total retail sales in the US, including all categories of products and services offered to consumers.
- **Retail Sales Excluding Autos:** The same as the total retail sales index, but does not include the sale of cars. This index is used as a more accurate measure of consumer behavior in retail. Because car sales may be affected by factors such as changes in utilization rates and car market conditions, which are independent of the general behavior of consumers.

If this index is published higher than expected, it reflects the dynamics and activity of the US economy as well as people's economic conditions, strengthening the US Dollar and its connected equities. However, for the reasons stated above, if this index is announced lower than expected, it will have a negative impact on the US Dollar and linked stocks.



**Actual:** ?      **Forecast:** 0.4%      **Previous:** 0.7%



# AUD Employment Change

● Thu May 16 ● 01:30 AM

The Australian Employment Changes Index (AEC), released monthly by the Australian Bureau of Statistics, measures changes in the number of individuals employed in Australia during the preceding month. This index measures the health of Australia’s labor market. This index is used by the Reserve Bank of Australia to anticipate economic growth and make monetary policy decisions. The AEC, which will be issued next week, is considered a crucial inflation indicator since it reflects labor market circumstances.

If the value for this indicator is released higher than expected, it indicates the health of the labor market. As a result, the expansion of the index of Australian employment changes will increase the Australian Dollar. However, for the reasons stated above, if this index is announced as lower than expected, the Australian Dollar will suffer.



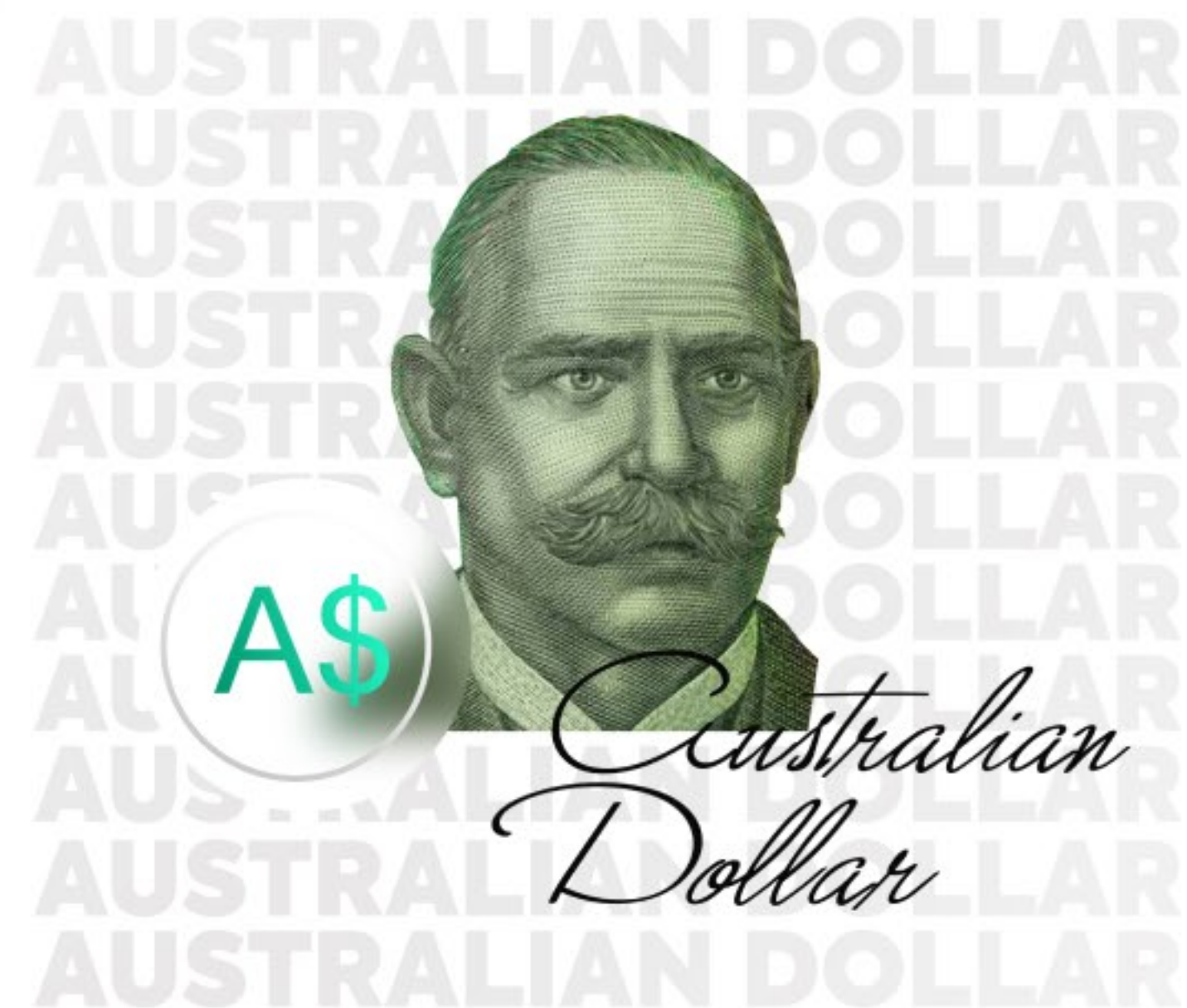
Actual: ?      Forecast: 25.3K      Previous: \_6.6K



# AUD Unemployment Rate

● Thu May 16 ● 01:30 AM

Australia's unemployment rate index displays the percentage of people aged 15 and above who are actively looking for work but do not have one. This index is issued by the Australian Bureau of Statistics (ABS) and serves as a vital indication of the country's economic health. A low unemployment rate typically implies a strong economy, whereas a high unemployment rate suggests a bad economy. If the figure for this index is released lower than expected, it suggests an active labor market, implying that the economy is dynamic. As a result, the Australian Dollar will increase in value. However, if this index is reported higher than predicted, the Australian Dollar would suffer.



Actual: ? Forecast: 3.9% Previous: 3.8%





# DELTA COLLEGE



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 publishing of the European Central Bank's economic projection report and the Ministry of Treasury of Australia's yearly budget 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 13th

- EU Economic Forecasts
- Eurogroup Meetings
- FOMC Member Jefferson Speaks
- FOMC Member Mester Speaks
- SNB Chairman Jordan Speaks

### Tuesday, May 14th

- MPC Member Pill Speaks
- ECOFIN Meetings
- Australia's Annual Budget Release
- FOMC Member Cook Speaks
- Fed Chair Powell Speaks

### Wednesday, May 15th

- FOMC Member Bowman Speaks
- RBA Assist Gov Hunter Speaks

### Thursday, May 16th

- ECB Financial Stability Review
- MPC Member Greene Speaks
- German Buba President Nagel Speaks
- FOMC Member Barr Speaks
- FOMC Member Mester Speaks
- FOMC Member Bostic Speaks

### Friday, May 17th

- NBS Press Conference
- MPC Member Mann Speaks
- FOMC Member Waller Speaks







# MARKET PSYCHOLOGY



The FUD Phenomenon

# DELTA COLLEGE



## The FUD Phenomenon

Charlie was nearly certain to open a long trade on his chosen currency pair as the downturn came to an end. There were whispers on social media that the price of that currency pair was plummeting in a bearish trend. Many people discussed their decision to sell this currency pair. The pricing chart also terrified Charlie. The broadcast news had little credibility, yet he was concerned about the psychological impact of the news on traders' judgments.

Charlie reasoned that he couldn't make a correct or rational decision in this situation; therefore, he opted to wait until the news was confirmed or rejected by credible sources.

However, at the time, several people opened selling positions on this currency pair based on reports. This incident led the currency pair's price to plummet, encouraging more people to sell it.

Charlie, on the other hand, continued to wait for market sentiment to cool down, until the legitimacy of the news was disputed by trustworthy news sources and the currency pair's price resumed its bullish path. Others' sell positions lost money, but Charlie had started a purchase position nearby and was rewarded for his professional actions. FUD stands for "Fear, Uncertainty, and Doubt". In markets with ambiguous, insufficient, or contradictory information, FUD causes severe price volatility and emotional behavior among traders.

To control FUD, the market must be examined objectively. Always keep your emotions under control when reading untrustworthy news, and use multiple credible news sources to keep up with the latest developments. Additionally, utilizing risk management measures helps protect your capital from the volatility caused by these rumors.







# DELTA COLLEGE



Training to Trade with Supply and Demand: Multi-Time Frame - Part 4

# TECHNICAL ANALYSIS TRAINING





## Technical Analysis Article

## Training to Trade with Supply and Demand: Multi-Time Frame – Part 4

One of the issues that traders typically confront after drawing support and resistance regions is a lack of confidence in their veracity. The same uncertainty and caution when entering the transaction causes them to miss out on certain good trading possibilities. Multi-time frame analysis is one of the finest approaches to examine and confirm the veracity of support and resistance zones.

### What is a Multi-time Frame?

Multi-timeframe analysis involves identifying and analyzing support and resistance locations across many timeframes. For example, you evaluate the gold chart's trend over three-time frames of 5 minutes, 15 minutes, and 1 hour and locate a significant static support-resistance area. When the price trend reaches this level, you can enter a Buy or Sell position with greater confidence.

The most significant advantage of employing multi-timeframes is that it provides a more comprehensive perspective of the market and identifies regions where the present trend is likely to reverse or correct if the price trend approaches them. For example, in the 1-hour time frame, we identify a critical ceiling, and then in the 5-minute time frame, when the price trend collides with it, and the signal candle and confirmation appear, we enter the Sell transaction.

## The best time frames for compounding

Although the optimum combination of timeframes varies depending on the trading strategy, the following combinations may be good choices because they work well together.

If your trading strategy focuses on lower periods and volatility (Daily Trader), the first and second modes may be more appropriate for you. Also, if you trade in greater periods and have long-term assets (Holder), the third and fourth modes may be better options for you.

- The First mode: the combination of five-minute, 15-minute, and one-hour time frames.
- The Second mode: the combination of 15-minute, one-hour, and four-hour timeframes.
- The third mode: The combination of one-hour, four-hour, and daily timeframes.
- The fourth mode: The combination of four-hour, daily, and weekly timeframes.

### An Example

Assuming three time periods of five minutes, 15 minutes, and one hour, we will demonstrate how to define and measure a support-resistance area.

First, in the shortest time frame (five minutes), we determine the support and static resistance zones around which the price trend swings.

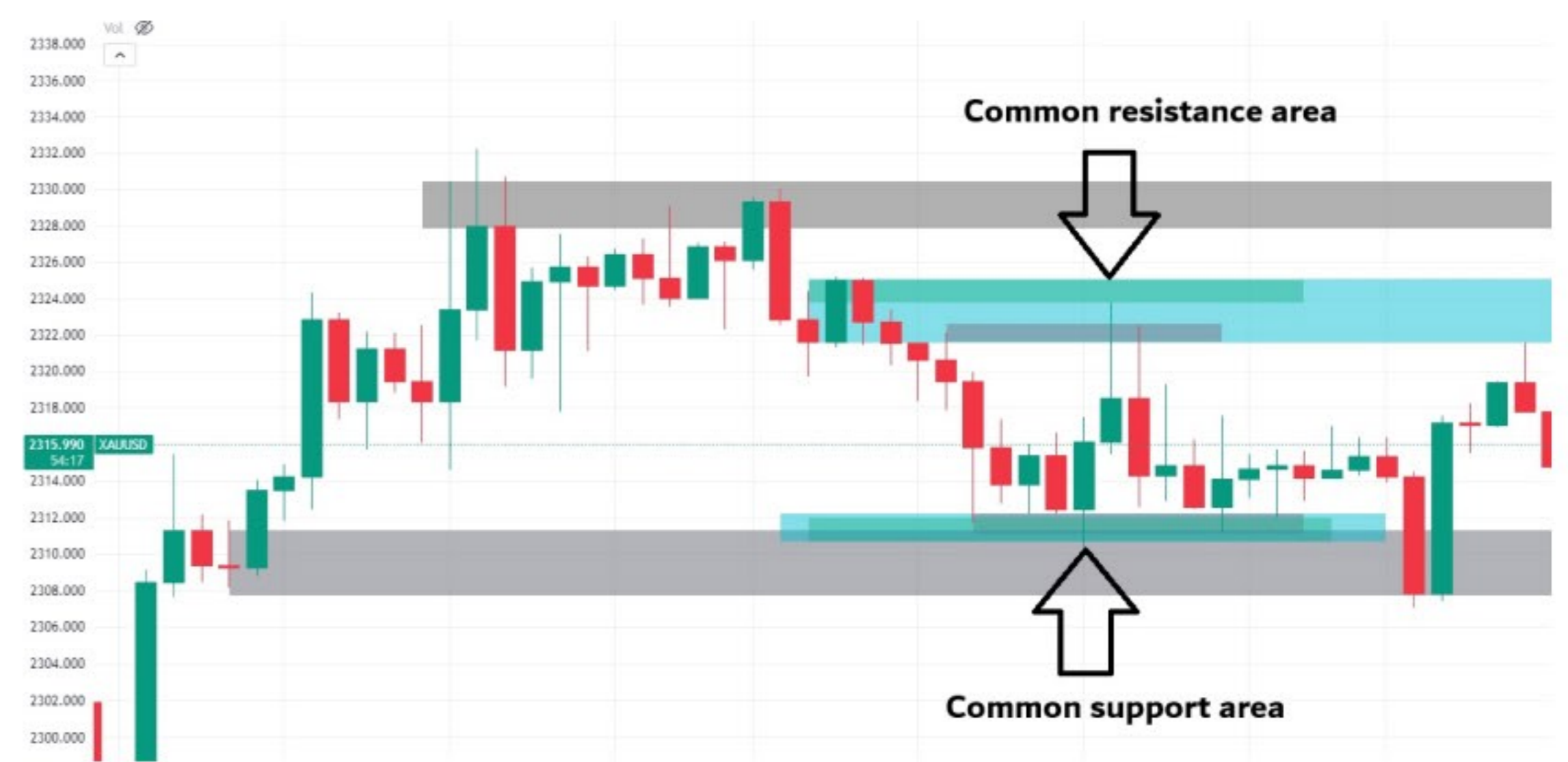




- Then, in the medium- and long-term time frames, we define and specify the static support and resistance zones where the price trend fluctuates. It is preferable to alter the color of the surfaces in each timeframe to distinguish which timeframe each section belongs to.



After establishing the zones, and we currently have three support zones and three resistance zones. Identify support and resistance zones that overlap across timeframes, then remove non-overlapping areas.





After identifying overlapping zones, if the price trend intersects them, you can enter a Buy or Sell position by examining the signal candle and confirming. If the price trend in your trading time frame reaches the support zone, you can purchase; if it reaches the resistance zone, you can sell.

Also, if these regions fail, and the failure is confirmed, you can enter the trade in the direction of failure in a pullback to the affected area.



## Analysis in a higher time frame and entrance in a lesser timeframe

Another application of multi-timeframes is to conduct analysis in higher time frames and locate entry points in lower time frames. Assuming the first scenario, you evaluate an asset's price chart in a longer time frame, such as one hour, and then enter the position in a shorter time frame, such as five minutes, based on the signal candle and confirmation. To trade in this mode, keep in mind that the main price trend must be consistent throughout all analysis and entry time periods. For example, be in an upswing throughout both time horizons.

## Some significant points concerning using several timeframes

1. If the trend in the upper timeframes is a strong uptrend or decline, avoid trading against it in your trading timeframe. In this instance, if you trade against the trend of a longer timeframe, your loss limit will be activated, which may result in a margin call in the future. For example, if we are in a strong uptrend in the 1-hour time frame, avoid entering a Sell position in the 5-minute time period and instead focus on Buy trading chances.
2. In multi-timeframe models, the support or resistance area may be the same over two or more time frames. It is better to set your loss limit slightly higher than usual. It is recommended that you set your loss limit somewhat lower than the support zone and slightly higher than the resistance zone.
3. Higher periods should not be too different from your trading timeframe. For example, if your trade timeframe is 5 minutes, the highest timeframe allowed is 1 hour. In this scenario, you evaluate the chart for one hour and choose your entry point based on five minutes.



## What we learned

- Multi-timeframe analysis involves identifying and analyzing support and resistance locations across many timeframes.
- The most significant advantage of employing multi-timeframes is that it provides a more comprehensive perspective of the market and identifies regions where the present trend is likely to reverse or correct if the price trend approaches them.
- Other applications of multi-timeframes include analysis in higher timeframes and locating entry points in lower timeframes.
- When employing multiple timeframes, keep in mind that you should not trade against the strong trend of higher time frames. Furthermore, your trading timeframe should be compatible with larger timeframes.







# DELTA COLLEGE



The Fundamental Analyzation of EUR/GBP Cross Currency Pair

**FUNDAMENTAL ANALYSIS TRAINING**





## The Fundamental Analyzation of EUR/GBP Cross Currency Pair

The EUR/GBP currency pair is one of the most common in the forex market, representing the Euro's (EUR) conversion rate to the British Pound (GBP). This currency pair holds a unique position because of the tight economic and geographical ties between the Eurozone and the United Kingdom, as well as the enormous volume of trade and investment between the two regions.

### How to analyze EUR/GBP fundamentally

A fundamental study of the EUR/GBP currency pair entails a thorough examination of economic, political, and financial data from the Eurozone and the United Kingdom. In this research, traders look for factors that can influence the euro's relative value against the pound. Here are some of the most crucial aspects to examine in the fundamental analysis of this currency pair.

- **Monetary policies:** The European Central Bank (ECB) and the Bank of England (BoE) can both make substantial decisions on interest rates and other monetary policies that affect this currency pair.
- **Economic calendar:** Economic statistics from both economies, such as the GDP, unemployment rate, and business indices, can all have an impact on the conversion rate.
- **Political events:** Elections, Brexit, and other political occurrences in both regions have the potential to create price changes in this currency pair.
- **Geopolitical events:** Violence and conflicts in certain places or in areas with whom they trade generate fluctuations in the exchange rate.

## The impact of monetary policies on the EUR/GBP Currency Pair

The European Central Bank (ECB) and the Bank of England (BoE)'s interest rate decisions have a direct impact on the value of their respective currencies. An increase in the interest rate typically increases the value of the currency, while a reduction in the interest rate may reduce its value. Additionally, quantitative easing programs play a significant role. Central banks' asset purchase programs can potentially have an impact on currency values.

## The impact of economic indicators on the EUR/GBP Currency Pair

The inflation rate is one of the most important indicators, overshadowing interest rate policies. In contrast, measures such as trade balance, GDP, unemployment rate, and so on define the economic position. A robust economy generates more exports than imports. As a result, the demand for that country's currency will rise, increasing its monetary worth.





## The concluding remarks

This article covered the fundamental examination of the EUR/GBP currency pair. As previously said, fundamental analysis of the EUR/GBP currency pair considers the economic, political, and financial aspects that influence the relative prices of the Euro and the British Pound. These factors include disparities in interest rates set by the European Central Bank and the Bank of England, as well as economic metrics like GDP, unemployment rates, and inflation in both economies.

Political and social upheavals, such as Brexit, have had a significant impact on this currency pair. Furthermore, government debt levels and tax policies might influence the movement of this currency pair. Finally, geopolitical events and regional or worldwide economic crises can produce considerable changes in the EUR/GBP.







**DELTA COLLEGE**



**GOLD, EURUSD, USDJPY**

**TECHNICAL ANALYSIS**



## Technical Analysis

## Technical Analysis of Gold

Last week, the price halted its bearish but corrective trend and, after breaking the level of \$2331, rose to \$2378 in a bullish trend.

Next week, we expect the price to fall with the start of the market, but it will continue to rise and reach 2399 Dollars. Breaking this level could result in new records for this precious metal. On the other hand, if the price fails to breach the level of 2378.66, we predict it to fall below \$2330.





## Technical Analysis

## Technical Analysis of EURUSD Currency Pair

This currency pair declined last week, as expected, and reached the announced objective of 1.06488. After breaking this level, the Euro/Dollar Currency Pair fell to the price range of 1.06057, but after reaching the bottom of its declining channel, it rose again to the top of the bullish channel in the price range of 1.07957.





## Technical Analysis

## Technical Analysis of USDJPY Currency Pair

Last week, according to projections, the price was on a bullish trend, reaching 155.964 and exceeding the previous week's targets.

In the coming week, the price ranges of 157.037 and 153.947 will be critical levels for this currency pair, and we predict the price will vary between the two levels in a range. The failure of any of these levels can influence the future price trend of this currency pair.







**DELTA COLLEGE**



**XAUUSD**

**HARMONIC PATTERNS**



Harmonic Patterns

# XAUUSD, Daily Chart , Anti Butterfly Pattern

SL 2383.842

Entry 2368.99

Sell

Target A 2352.42

Target B 2291.465







# DELTA COLLEGE



ESSENTIAL FOREX INDICATORS

FREQUENT INDICATORS



# INDICATORS

Indicator	MACD (12; 26; 9)	RSI (14)	Stochastic (5; 3)	ADX (14)	CCI (14)	AROON (14)	Alligator (13; 8; 5)	SAR (0.02; 0.2)
EUR/USD	Buy	Neutral	Neutral	Neutral	Neutral	Buy	Buy	Buy
GBP/USD	Sell	Neutral	Neutral	Neutral	Neutral	Sell	Neutral	Sell
USD/CAD	Buy	Neutral	Neutral	Neutral	Neutral	Sell	Neutral	Sell
USD/CHF	Buy	Neutral	Neutral	Neutral	Neutral	Sell	Neutral	Sell
USD/JPY	Buy	Neutral	Sell	Neutral	Neutral	Sell	Buy	Sell
AUD/USD	Buy	Neutral	Neutral	Neutral	Neutral	Buy	Buy	Buy
NZD/USD	Buy	Neutral	Neutral	Neutral	Neutral	Buy	Buy	Buy
XAU/USD	Buy	Neutral	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%	74.30%	69.80%	78.50%	-61.10%	-53.90%	-42.70%	-49.50%	-49.20%	-41.00%
EURUSD	74.30%	100.00%	95.50%	92.00%	-91.60%	-88.80%	-82.80%	-86.70%	-86.50%	-80.20%
GBPUSD	69.80%	95.50%	100.00%	92.00%	-91.40%	-90.00%	-84.30%	-86.00%	-87.50%	-80.50%
NZDUSD	78.50%	92.00%	92.00%	100.00%	-83.70%	-91.50%	-81.90%	-76.80%	-77.30%	-69.90%
USDCAD	-61.10%	-91.60%	-91.40%	-83.70%	100.00%	83.60%	81.00%	84.70%	84.90%	79.60%
USDCHF	-53.90%	-88.80%	-90.00%	-91.50%	83.60%	100.00%	89.40%	84.50%	85.20%	80.60%
USDJPY	-42.70%	-82.80%	-84.30%	-81.90%	81.00%	89.40%	100.00%	78.40%	79.10%	74.30%
XAUEUR	-49.50%	-86.70%	-86.00%	-76.80%	84.70%	84.50%	78.40%	100.00%	99.80%	99.20%
XAUGBP	-49.20%	-86.50%	-87.50%	-77.30%	84.90%	85.20%	79.10%	99.80%	100.00%	99.00%
XAUJPY	-44.10%	-85.90%	-86.60%	-78.30%	84.50%	88.70%	88.00%	97.90%	98.10%	97.00%



# 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	1.0681	1.0703	1.0742	1.0764	1.0803	1.0825	1.0864
USDJPY	154.33	154.75	155.12	155.54	155.91	156.33	156.7
GBPUSD	1.239	1.2418	1.2471	1.2499	1.2552	1.258	1.2633
USDCHF	0.8997	0.9026	0.9042	0.9071	0.9087	0.9116	0.9132
AUDUSD	0.6527	0.6547	0.6583	0.6603	0.6639	0.6659	0.6695
NZDUSD	0.5963	0.5978	0.6006	0.6021	0.6049	0.6064	0.6092
USDCAD	1.3579	1.3627	1.3651	1.3699	1.3723	1.3771	1.3795
EURJPY	165.99	166.37	167	167.38	168.01	168.39	169.02
EURGBP	0.8563	0.8577	0.8593	0.8607	0.8623	0.8637	0.8653
EURCHF	0.973	0.974	0.9754	0.9764	0.9778	0.9788	0.9802
EURAUD	1.6185	1.6232	1.626	1.6307	1.6335	1.6382	1.641
EURNZD	1.7784	1.7825	1.7846	1.7887	1.7908	1.7949	1.797
EURCAD	1.4673	1.4697	1.4721	1.4745	1.4769	1.4793	1.4817
GBPJPY	193.05	193.45	194.08	194.48	195.11	195.51	196.14
CHFJPY	170.37	170.65	171.13	171.41	171.89	172.17	172.65
AUDJPY	101.45	101.76	102.34	102.65	103.23	103.54	104.12
NZDJPY	92.68	92.92	93.37	93.61	94.06	94.3	94.75
CADJPY	112.51	112.77	113.24	113.5	113.97	114.23	114.7
GBPCHF	1.1275	1.1297	1.1322	1.1344	1.1369	1.1391	1.1416
GBPAUD	1.879	1.8852	1.8886	1.8948	1.8982	1.9044	1.9078
GBPNZD	2.0631	2.069	2.0722	2.0781	2.0813	2.0872	2.0904
GBPCAD	1.7015	1.705	1.7089	1.7124	1.7163	1.7198	1.7237
AUDCHF	0.5942	0.5954	0.5975	0.5987	0.6008	0.602	0.6041
NZDCHF	0.5426	0.5435	0.545	0.5459	0.5474	0.5483	0.5498
CADCHF	0.6593	0.6601	0.6613	0.6621	0.6633	0.6641	0.6653
AUDCAD	0.8991	0.9005	0.9029	0.9043	0.9067	0.9081	0.9105
NZDCAD	0.8207	0.8216	0.8235	0.8244	0.8263	0.8272	0.8291
AUDNZD	1.0926	1.0939	1.0954	1.0967	1.0982	1.0995	1.101



## Disclaimer Note

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