

**\*\*This is all from maverick currencies ytb channel World currencies playlist\*\***

CHF:

07:18 61%


## Correlations

### CHF – Swiss Franc

CHF has an 80-90% positive correlation with the EUR

USDCHF pair is most negatively correlated with the price of gold

SNB pegged the CHF to EUR from 2011-2015



07:18 61%

## Most Traded Pairs

USDCHF

EURCHF

CHFJPY

GBPCHF

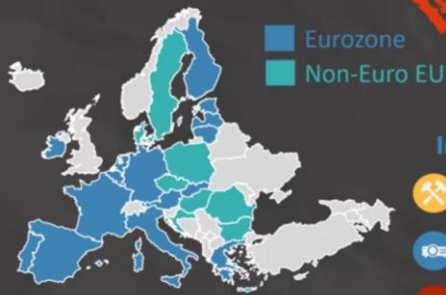


## How to Trade CHF

Times to be long (buy)	Times to be short (sell)
<ul style="list-style-type: none"><li>Falling S&amp;P 500 – Against Risk-on currencies (NZD, AUD, CAD)</li></ul>	<ul style="list-style-type: none"><li>Rising S&amp;P 500 - Against risk on currencies (AUD, NZD, CAD)</li></ul>
<ul style="list-style-type: none"><li>Rising Gold Prices and Demand</li></ul>	<ul style="list-style-type: none"><li>Falling Gold Prices and Demand</li></ul>
<ul style="list-style-type: none"><li>World disaster, pandemic, political unrest, etc</li></ul>	<ul style="list-style-type: none"><li>When currency swap differentials are high</li></ul>
<ul style="list-style-type: none"><li>When EUR is weak (only against EUR)</li></ul>	<ul style="list-style-type: none"><li>When EUR is weak (against other currencies)</li></ul>

EUR:

# EURO Economy



The eurozone consists of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain. Combined, the Eurozone population is twice as big as the USA.

## Imports



Minerals, Fuels & Oil  
\$450.8 Billion USD



Electronic Equipment  
\$337.5 Billion USD



Machinery  
\$284 Billion USD

## Exports



Machinery & Equip  
\$280.8 Billion USD



Pharmaceuticals  
\$233.9 Billion USD

## Central Bank – European Central Bank



# ECB

## European Central Bank

- The Executive Board is responsible for monetary policy
- Executive Board – President and 5 other members
- Appointed for a term of 8 years
- Single Mandate: Price Stability

## Economic Reports

### Quarterly GDP Reports

Germany & France contribute 42.3% of Eurozone GDP

Eurozone & German PMI Manufacturing

Eurozone & German Retail Sales



07:20

Correlations

EUR – EURO

The Euro is highly positively correlated to British Pound - GBP

The Euro is highly positively correlated to the Swiss Franc - CHF

The EUR is negatively correlated to the USD

07:20

Most Traded Pairs

EURUSD – 37% of ALL volume

EURCHF

EURGBP

EURJPY

EURAUD

EURNZD

07:20

How to Trade EUR

Times to be long (buy)

- Rising S&P 500 (against some safety currencies)
- When the USD is out of favor
- Strong (stronger than others) economic numbers

Times to be short (sell)

- When global equities are falling (against safety currencies)
- When USD is in favor
- Whenever other countries have superior economic numbers

GBP:

UK Economy

Northern Ireland. Until 2021, the UK was part of the EU and shared rules, laws and travel with the bloc. In 2016, the UK popular vote to leave the EU was won and it took 5 years to enact the separation from the EU. The UK economy is the 6<sup>th</sup> largest economy in the world, constituting 3.3% of the world's GDP. London is considered the precious metals centre of the world

Imports

- Gems, Precious Metals \$2.6 Billion USD
- Machinery/Computer \$79.2 Billion USD
- Fuel, Minerals \$69.9 Billion USD

Exports

- Precious Metals \$28.7 Billion USD
- Aircraft/Engine Parts \$21.7 Billion USD
- Motor Vehicles \$18.4B Billion USD

# Currency Facts

## GBP – British Pound



Oldest Currency in Existence. First Pound coin in 1489 under Henry VII

2.28 Trillion Money Supply. 5% in notes

Pound was the reserve currency of world until World War 1 when the UK almost went bankrupt

Referred to as "Cable" sometimes

## Central Bank – Bank of England



### BOE

#### MPC - Monetary Policy Committee

- Established in 1694 after defeat by France to borrow
- 14 Members – All appointed by the Crown
- MPC Committee has 9 voting members
- Dual Mandate: Full Employment & Price Stability

## Correlations

### GBP – British Pound

The GBP has around a 70% Positive Correlation with the Euro

The GBP is around 90% positively correlated with the Singapore Dollar - SGD

The GBP is 60-70% correlated with the SPX and only 40-50% correlated with the Euro Stoxx 50

## Correlations

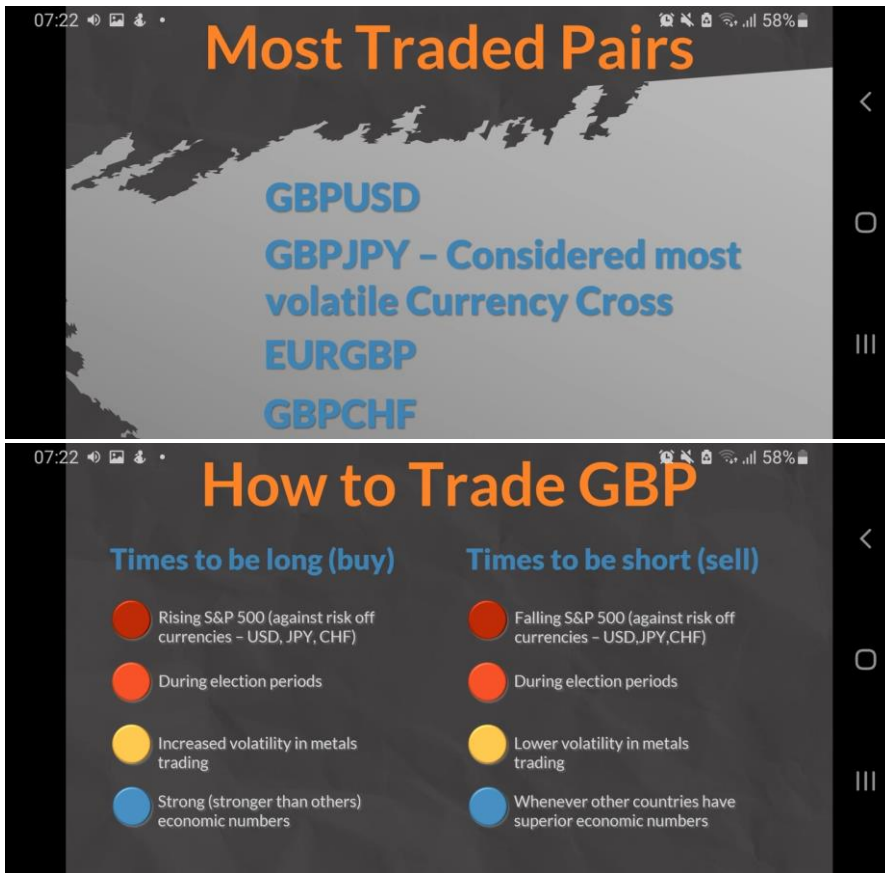
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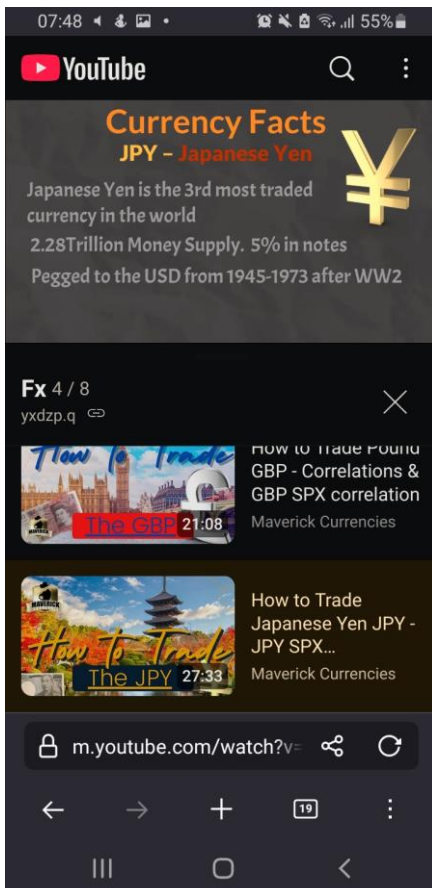
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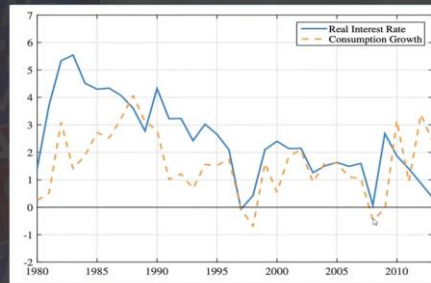


JPY:



## 1990 – Present – Lost Decades

Asset Bubble  
Deflation  
Aging Demographic  
High Savings Rates  
Low Domestic  
Consumption



## Central Bank – Bank of Japan



BOJ

### Lessons to learn

- Many historians say low rates in the 70's then high rates in the late 80's made lost decades
- Use of public funds to restructure bank balance sheets caused stagnation
- Has kept rates low to spur inflation and economic growth

07:48

54%

## Economic Reports

Quarterly GDP Reports

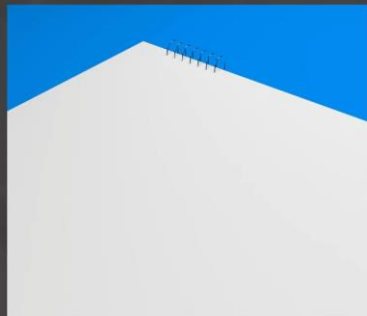
Monthly Employment Report

• Not typically important as Japan always has low unemployment

Producer & Consumer Price Index

Retail Sales

Manufacturing – Tankan Survey



# Correlations

## JPY – Japanese Yen

The JPY has a 70-80% negative correlation with the S&P 500  
The JPY is most negatively correlated with the AUD and NZD



# Most Traded Pairs

**USDJPY**

**GBPJPY – Considered most volatile Currency Cross**

**EURJPY**

**CADJPY**

**CHFJPY**

**AUDJPY**

# How to Trade JPY

## Times to be long (buy)

-  Falling S&P 500 – This is when we see the biggest trends
-  During credit crisis
-  World disaster, pandemic, political unrest, etc
-  Basically, anytime there is fear

## Times to be short (sell)

-  Rising S&P 500 (against risk on currencies – AUD, NZD, CAD)
-  When interest rate differentials are high (aka “the carry trade”)
-  Investor and trader complacency
-  In good times (aka bubbles)

CAD:

# CANADA

## Economy



The Canadian economy is the 9<sup>th</sup> largest economy in the world. International trade, both exports and imports, is a large component of Canada's economy, each making up about 1/3 of GDP. The largest industries in Canada are Real Estate, Mining and Manufacturing

### Imports



Automobiles  
\$115 Billion USD



Electronics  
\$72 Billion USD



Machinery  
\$69 Billion USD

### Exports



Oil & Natural Gas  
\$114 Billion USD



Motor Vehicle Parts  
\$93 Billion USD

07:50

## Currency Facts

### Canadian Dollar - CAD

First introduced in 1858, it wasn't until 1944 that the Federal government printed money

\$1 coin called a Loonie after the Loon on the coin

\$2 coin called a Toonie, play on the Loonie

Sixth most traded currency in circulation



## Correlations

### CAD - Canadian Dollar

The USDCAD used to have an 96% negative correlation with Crude Oil (2016-2020). This correlation has fallen to 35%

The CAD has between a 50-65% Positive Correlation with the USD

The CAD is most negatively correlated against the JPY





## Most Traded Pairs

**USDCAD**  
**EURCAD**  
**GBPCAD**  
**CADCHF**

**CADJPY**  
**AUDCAD**  
**NZDCAD**

# How to Trade CAD

### Times to be long (buy)

- Rising Crude Oil
- With rising USD and rising equity markets
- Strong Emerging Markets
- Strong (stronger than others) economic numbers

### Times to be short (sell)

- When Crude Oil is in decline
- When global equities are weak
- Weak Commodity prices
- Whenever other countries have superior economic numbers

# New Zealand Economy



New Zealand is a highly developed free-market economy. It is the 50<sup>th</sup> largest economy in the world despite being the 83<sup>rd</sup> largest by population. New Zealand has a large GDP for its population and exhibits one of the highest per-capita GDP rates in the world. The economy is mainly based on agriculture and exports to Asia. New Zealand has a sizable service sector accounting for 63% of all GDP activity

- |   |  |
|---|--|
|  | Automobiles<br>\$2.37 Billion USD        |
|  | Petroleum<br>\$1.40 Billion USD          |
|  | Computer Equipment<br>\$1.19 Billion USD |

-  Milk & Dairy  
\$5.84 Billion USD
-  Sheep & Goat Meat  
\$2.53 Billion USD
-  Beef  
\$2.1B Billion USD

08:04

# Currency Facts

## NZD – New Zealand Dollar

51%

New Zealand Dollar is the 10<sup>th</sup> most traded currency in the world

\$24.45 Billion Money Supply. Around 2.1% of global currency daily volume

New Zealand Dollar commonly called the “Kiwi”

NZD was pegged to USD and GBP and didn't trade freely until the 1980's

# NZ\$



08:04

51%



# RBNZ



Wholly owned by the government of New Zealand



Governor is the 'single decision-maker'



Meets eight times per year to determine monetary policy

08:05

51%

# Economic Reports

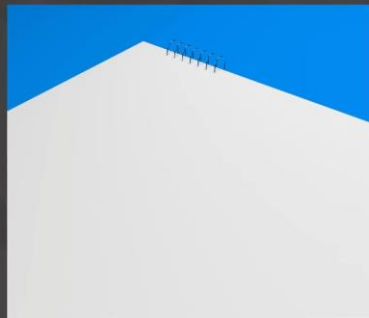
Quarterly GDP Reports

Monthly Employment Report

Producer & Consumer Price Index

Retail Sales

ANZ Commodity Prices



08:05

51%

# Correlations

## NZD – New Zealand Dollar

The NZD has an 80-90% positive Correlation with the AUD

Which means it has a high correlation to SPX, Iron Ore, Gold and China

AUDNZD will be a great trade when the correlations break



# Most Traded Pairs

NZDUSD  
NZDJPY  
EURNZD  
AUDNZD



# How to Trade NZD

## Times to be long (buy)

- Rising S&P 500 - Against Risk-off currencies (USD, JPY, CHF)
- Rising Iron Ore & Gold Prices and Demand
- Strong Chinese economic growth
- When the AUD & Australian growth are significantly less than New Zealand

## Times to be short (sell)

- Falling S&P 500 - Against risk off currencies (USD, JPY, CHF)
- Falling Iron Ore & Gold Prices and Demand
- During any times of global economic or geo-political stress
- When the AUD & Australian growth are significantly higher than New Zealand

AUD:

# Australia Economy



Australia is a highly developed country with a mixed-market economy. The economy is mainly based on commodities and sells much of the basic materials to all of Asia for their manufacturing accounting for 64% of all exports. Mining is the largest industry in Australia and produces a large amount of Iron ore, Coal and precious metals. Australia's per-capita GDP is higher than the UK, Canada, Germany and France.

## Imports

- Automobiles \$13.7 Billion USD
- Petroleum \$10.8 Billion USD
- Gold \$6.49 Billion USD

## Exports

- Iron Ore \$79.6 Billion USD
- Coal \$36.4 Billion USD
- Gold \$17.7B Billion USD

# Currency Facts AUD – Australian Dollar

Australian Dollar is the 6<sup>th</sup> most traded currency in the world

\$71.12 Billion Money Supply. Around 6.9% of global currency daily volume

Australia was the first country to produce polymer banknotes

Upgraded polymer banknotes contain braille dots and counterfeit security features



# Economic Reports

Quarterly GDP Reports

Monthly Employment Report

Producer & Consumer Price Index

Retail Sales

China Manufacturing – PMI



## Correlations

### AUD – Australian Dollar

The AUD has an 60-90% positive Correlation with the S&P 500

The AUD has pair has a 75% positive Correlation with the price of Iron Ore

Chinese economic activity has the largest effect on the Australian Dollar



## Most Traded Pairs

AUDUSD

AUDJPY

EURAUD

AUDNZD





08:07 49%

## Times to be long (buy)

- Rising S&P 500 – Against Risk-off currencies (USD, JPY, CHF)
- Rising Iron Ore & Gold Prices and Demand
- Strong Chinese economic growth
- When the RBA's interest rates are higher than other Central Banks

08:07 49%

## Times to be long (buy)

- Rising S&P 500 – Against Risk-off currencies (USD, JPY, CHF)
- Rising Iron Ore & Gold Prices and Demand
- Strong Chinese economic growth
- When the RBA's interest rates are higher than other Central Banks

## Times to be short (sell)

- Falling S&P 500 - Against risk off currencies (USD, JPY, CHF)
- Falling Iron Ore & Gold Prices and Demand
- When Chinese Economic growth is slowing or expected to slow
- During any times of global economic or geo-political stress

USD:

# USA Economy

The United States of America's economy is the largest economy in the world. Not only is it the largest, but also the most diverse with agriculture, energy, technology, financial services, healthcare, industrials and Consumer Goods. While America produces lots of GDP, it also consumes lots of resources and imports significantly more than it exports, creating the largest trade deficit in the world.

### Imports

- Minerals, Fuels & Oil \$241.4 Billion USD
- Pharmaceuticals \$116.3 Billion USD
- Medical Equipment \$93.4 Billion USD

### Exports

- Food, Drink & Feed \$133 Billion USD
- Crude Oil & Gas \$109 Billion USD



# Currency Facts

## US Dollar - USD

USD is the reserve currency of the world  
All commodities traded in USD

\$40 Trillion Money Supply. 8% in notes

Estimated 50-65% of all USD in circulation is not in America



# Central Bank - US Treasury



## FOMC

### Federal Open Market Committee

- 7 Members & 12 Regional Bank Members (5 voting members)
- Control Interest Rates & Money Supply
- Meets every 6 weeks to discuss monetary policy
- Dual Mandate: Full Employment & Price Stability

# Economic Reports

Quarterly GDP Reports

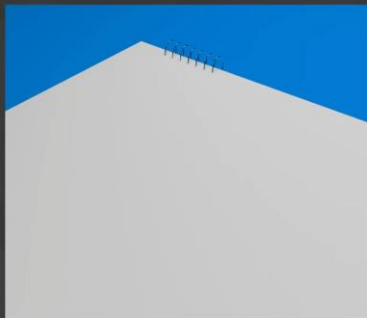
Monthly Employment Report

- Called Non-Farm Payrolls (NFP)
- 1<sup>st</sup> Friday of every month

Producer & Consumer Price Index

Retail Sales

Manufacturing - ISM Report



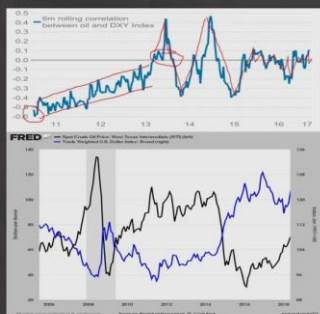
# Correlations

## USD - US Dollar

The USD has an 80% Negative (inverse) Correlation with Gold

The USD has an 40% Positive Correlation with the S&P 500

The USD has been negatively correlated to Oil but is changing  
Higher USD prices will negatively affect most commodity prices and emerging markets



# Most Traded Pairs

EURUSD – 37% of ALL volume  
USDJPY – 10% of ALL volume  
GBPUSD  
USDCHF  
USDCAD

# How to Trade USD

## Times to be long (buy)

- Rising S&P 500 (against some currencies)
- In times of economic stress or panic
- Weak Emerging Markets
- Strong (stronger than others) economic numbers

## Times to be short (sell)

- When global equities are rising
- When "risk on" sentiment is high
- Strong Commodity prices
- Whenever other countries have superior economic numbers