**Global Macro: Top Down Approach**

**NB**: To rewrite my Fundal analysis notes to focus on tglobal macro only.

The best is not to trade news events. Rather wait for professional Economists/Analystss to provice their opinions after the news have happened. This where you get the best sentiments about the bigger picture. From the Analysts perspective that is where you harvest your macro directional bias.

We trade economies matching stronger vs weaker economies. Then we use technical abalysis to find entries, money management and exists.

**9 factors affecting exchange rates**

Inflation

Interest rates

Speculation

change in competitiveness

relative strength oc durrencies

balane of payments

government debt

government intervention

economic growth/recession

**News Webistes**

calendar forexfactory

CNBC

CNN

Reuters

zerohedge talking forex

Boomberg

dailyfx.com

tradingeconomics

credit suise reports – hard to find (investment banks research reports)

investing.com

seekingalpha.com/

<http://www.imf.org/external/datamapper/datasets> foward estimates of GDP for countries

forbes

thetelegraph

Comparing developed ecomonies with similar data.

1. Use interest rates differential based on 10Y bond going up/down in the future.

2. Speculation about what will happen in the future.

3. Inflation.

**HomeWork:**

Form the websites what is the catalyst/Factor. Where is the focus, what is the speculation.

Find the top 2/3 most prominet currencies at the moment to make it easier.

### Monetary and fiscal policy

Monetary and fiscal policy are tools central banks and governments use to help control the economy.

Monetary policy controls the supply of money in the economy, primarily using interest rates. Lower interest rates and increasing money supply generally mean higher asset prices. Higher interest rates and decreasing money supply mean less buying and lower asset prices, generally.

Fiscal policy is how governments spend and tax. Higher spending and lower taxes tend to stimulate the economy. Lower government spending and higher taxes on businesses and individuals tend to result in slower economic growth.

### Geopolitics

Macro traders look at how stable countries are and consider how that may change in the future. Stability allows for growth, while instability could create fear and push asset prices lower.

**Books**

The Alchemy of Finance by George Soros

Global Macro Trading: Profiting in a New World Economy by Greg Gilner

Fed Up! Success, Excess and Crisis Through the Eyes of a Hedge Fund Macro Trader by Colin Lancaster

Mastering the Market Cycle: Getting the Odds on Your Side by Howard Marks

Geopolitical Alpha: An Investment Framework for Predicting the Future by Marko Papic

**Macro optimisation:**

COT Reports

Technical Analysis

**Trading Plan:**

1. Research and get the current macro theme. Determine the macro bias (Weekly)

2. Find Technical Signals in line with the Macro Trend.

3. Apply Money/Risk Management to maximise opportunity.

Do main analysis on the weekend. Read Articles and scan for the 9 factors for better sentiment analysis. This is the Macro Outlook, the current environment.

Have a checklist in your trading plan that you go through before you take the trade.