

A. ASSIGNMENT RECAP

- Write a **2500-word group report** where your team is assigned roles as either a **bank or corporation**.
- Research **5 currencies**, analyze past performance and forecast future movements, devise trading strategies, participate in a live simulation, evaluate their performance, and submit a report covering their analysis, strategies, and simulation outcomes.

Suggested Structure:

- I. Executive summary (Suggested 100 words)**
- II. Introduction (Suggested 100 words)**
- III. Discussions about the 'market view'**
 - A. Past Performance Analysis (Suggested 500 words)**
 - B. Forecast Analysis (Suggested 500 words)**
- IV. Explanation of the trading strategy**
 - A. Pre-session preparation (Suggested 450 words)**
 - B. In-session strategy (Suggested 250 words)**
- V. Performance analysis (Suggested 350 words)**
- VI. Conclusion (Suggested 150 words)**
- VII. References**

B. KEYWORD EXPLANATIONS

- 1. Foreign exchange (FOREX) market** - The global decentralized market where currencies are traded and exchange rates are determined. It facilitates international trade and investments.
- 2. Currency pairs** - In the FOREX market, the relative value between two currencies is represented as a currency pair (e.g. EUR/USD). One is the base currency and the other is the quote currency.

3. **Exchange rate** - The price of one currency in terms of another currency. Exchange rates fluctuate based on supply and demand dynamics in the FOREX market.
4. **Macroeconomic factors** - Economy-wide phenomena like inflation, interest rates, GDP growth, and unemployment that influence currency valuations and exchange rate movements.
5. **Microeconomic factors** - Facts specific to a country, like trade balances, debt levels, and political climate that affect the supply and demand for its currency.
6. **Technical analysis** - Studying past price patterns and trends in currency pairs using charts and indicators to forecast future movements and identify trading opportunities.
7. **Fundamental analysis** - Assessing economic factors, data, and events to determine the intrinsic value of currencies and make informed FOREX trading decisions.
8. **Trading Strategy** - A structured plan for approaching trades in the FOREX market to achieve financial objectives based on analysis of factors expected to impact currency valuations.
9. **Currency-specific factors** - Microeconomic factors unique to a particular country or currency that influence its valuation and exchange rate, including economic growth, political climate, capital flows, current account position, and interest rates. Analyzing currency-specific factors provides insights into supply and demand dynamics for pricing models.
10. **Market behavior** - Historical patterns and trends in currency pairs and exchange rates driven by macroeconomic conditions, investor expectations, and events. Evaluating past market behavior through technical analysis of price charts provides context for forecasting potential future movements.
11. **Primary objectives** - The main goals a bank or corporation aims to achieve through FOREX market trading strategies, such as maximizing trading revenue for a bank or

minimizing transaction costs for an international investment project. The primary objectives shape the overall trading approach.

12. Secondary objectives - Additional, supplementary goals that also factor into a trading strategy but are subordinate to the primary objectives. For example, secondary goals could include managing risk exposure or diversifying currency exposure. These support the achievement of the central primary objectives.