



MONARCH
RESEARCH

**TECHNICAL ANALYSIS
WORKSHOP (Pt1)**

Trading & Technical Analytics Department



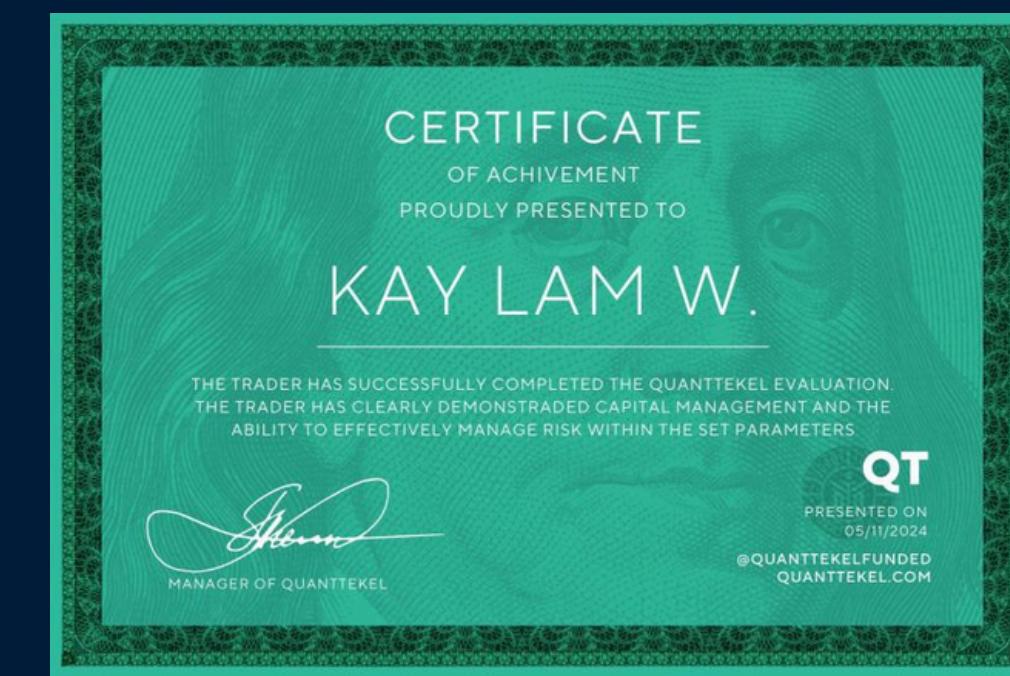
MONARCH RESEARCH

Introduction

Meet Your Trainer



Wong Kay Lam
Managing Director
Head of Technical Analysis



Background:

- Graduate from Higher Nitec ITE
- Y1 Diploma in Business in Temasek Polytechnic
- Only have N level cert

Experience:

- Founder of Ayres Studios
- Funded Trader of 100k with FTMO
- Funded Trader of 25k with Quant Tekel
- Survived Q1 2025 Market Conditions

What is Monarch Research



Student-Led Equity Research Firm

Fully independent, student-led equity research where students may network and work on unique projects and publish their work through existing Monarch Channels



Enabling Student Investors & Making Equity Research More Accessible

Open to everyone with basic financial knowledge looking to expand into equity research and go into deeper dive into how financial research works



Development & Mentorship of Outstanding Financial Talents

Meet up like-minded individuals who are trained in financial modelling, technical analysis, and financial reporting to move to the next level of financial literacy



MONARCH RESEARCH

Module 1: Fundamentals

Fundamentals



- **Forex** is the exchange of one currency for another at an agreed-upon price. (Currencies)
- **Commodities** trading involves buying and selling raw materials or primary goods, such as agricultural products (wheat, corn), energy resources (oil, natural gas), metals (gold, silver)
- **Indices** trading involves buying and selling financial instruments that represent a group of stocks or other assets. It allows investors to speculate on the overall performance of a specific market or sector rather than trading individual stocks.
- **Cryptocurrency**. Crypto trading is like buying and selling digital currencies online to make money. Traders predict if prices will go up or down and act accordingly. They use crypto exchanges to do this, where they can swap different cryptocurrencies.
- **Stock** trading involves buying and selling shares of publicly traded companies on stock exchanges. Traders aim to profit from the price movements of these shares by buying low and selling high or by short-selling (selling borrowed shares with the intention of buying them back at a lower price).
- **Understanding forex fundamentals is crucial for successful trading.**

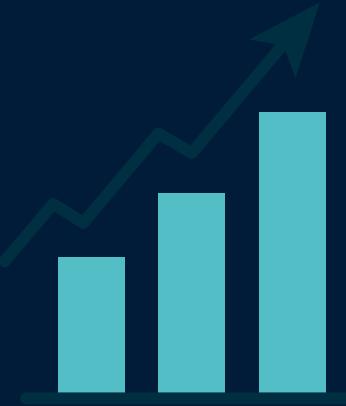
Commodities (Gold, Silver, Platinum, Oil)



UNDERSTANDING GOLD TRADING

- Gold trading is buying and selling gold to make money.
- Traders speculate on whether the price of gold will go up or down.
- They can buy physical gold like coins or trade gold contracts representing its value.
- Gold prices are influenced by supply and demand.
- Economic factors like inflation or geopolitical events can affect gold prices.
- Traders can go "long" (buy) or "short" (sell) gold based on their price predictions.
- Leverage allows traders to control a larger gold position with less money.
- Market orders are used to buy or sell gold at the current market price.
- Limit orders set a specific price for buying or selling gold.
- Risk management tools like stop-loss orders help limit potential losses.
- Gold trading happens in global markets during different trading sessions.

Index #1 US30/DOWJONES

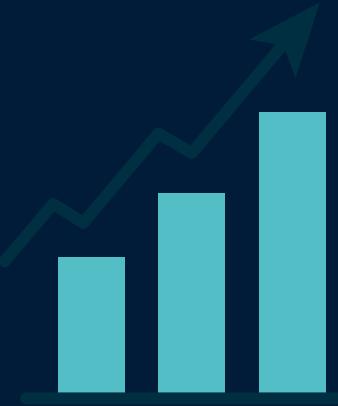


UNDERSTANDING INDEXES

US30, also known as the Dow Jones Industrial Average (DJIA), is an index that represents the performance of 30 large, publicly traded companies in the United States.

- US30 is a group of 30 important companies in the United States.
- These companies come from different industries and are big players in the economy.
- Examples of US30 companies include Apple, Microsoft, Boeing, Coca-Cola, and Walmart.
- The US30 index shows how these companies are doing collectively.
- People can buy or sell shares of these companies to make money.
- Changes in the US30 index can affect the overall stock market.
- Traders watch US30 stocks to make smart decisions about buying or selling.
- Investing in individual stocks carries risks and requires research and caution.

Index #2 NAS100/NASDAQ



UNDERSTANDING INDEXES

The Nasdaq-100, often referred to as the NDX or simply Nasdaq, is an index that represents the performance of 100 of the largest non-financial companies listed on the Nasdaq Stock Market.

Here's a simplified explanation of the Nasdaq-100. These companies come from different industries and are big players in the economy.

- The Nasdaq-100 is a group of 100 big companies listed on the Nasdaq Stock Market.
- It includes well-known companies like Apple, Amazon, Microsoft, Google, and Facebook.
- The Nasdaq-100 shows how these companies are doing together.
- It focuses on technology and growth-oriented companies.
- Investors use the Nasdaq-100 to understand the technology sector and the overall market.
- Changes in the Nasdaq-100 value depend on how these companies perform.
- People can buy or sell shares of these companies to potentially make money.

The Nasdaq-100 is important to watch for market trends.



MONARCH RESEARCH

Fundamentals/Market Movers

Fundamentals

INTEREST RATES

Higher interest rates attract foreign investment, which strengthens the currency.
Lower interest rates can lead to a weaker currency.

ECONOMIC INDICATORS

Strong economic data can lead to a stronger currency.
Weak data can lead to a weaker currency.

POLITICAL STABILITY

Political uncertainty can cause fluctuations in the currency.

TRADE BALANCE

Positive trade balance can lead to a stronger currency.
Negative trade balance can lead to a weaker currency.

Fundamentals

MARKET SENTIMENT

Positive market sentiment can lead to a stronger currency.
Negative market sentiment can lead to a weaker currency.

TRADING FOREX FUNDAMENTALS

Traders use fundamental analysis to predict the direction of a currency.
Fundamental analysis involves analyzing economic data, news events, and other factors that affect currency prices.

CONCLUSION

Forex fundamentals are crucial for understanding the forex market and making informed trading decisions. Traders must keep up-to-date with economic data, news events, and other factors that affect currency prices.

By doing so, they can make informed trading decisions and increase their chances of success in the forex market.

Market Movers & Who Are They?



- **Institutional Investors:** Large investment firms, such as mutual funds, pension funds, and hedge funds, have substantial capital and can move markets through their buying or selling activities.
- **Central Banks:** Central banks, such as the Federal Reserve (U.S.), European Central Bank (EU), or Bank of Japan (Japan), can influence markets by setting interest rates, implementing monetary policies, or engaging in quantitative easing (buying or selling bonds).
- **Government Actions:** Government policies, regulations, fiscal stimulus, or geopolitical events can impact markets. Announcements related to taxes, trade agreements, or infrastructure spending can influence investor sentiment and market direction.
- **Corporate Earnings:** The financial performance and earnings reports of publicly traded companies can significantly impact stock prices. Positive or negative earnings surprises can cause substantial movements in individual stocks and overall market indices.

Market Movers & Who Are They?



- Economic Indicators: Key economic indicators, such as GDP growth, employment data, inflation rates, and consumer confidence, provide insights into the health of an economy. Positive or negative economic data can move markets.
- News and Media: News events, such as major mergers and acquisitions, product launches, or significant legal rulings, can impact specific companies and industries, causing fluctuations in their stock prices.
- Market Analysts and Influencers: Opinions and recommendations from market analysts, financial experts, and influential figures can influence investor sentiment and potentially move markets.
- Technological Advances: Technological advancements or disruptions, such as breakthrough innovations or industry-specific developments, can impact the valuation and direction of companies within specific sectors.

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Market Movers & Who Are They?



Economic Data Releases

- GDP, inflation, and employment figures can have a significant impact on the financial markets.
- Positive data can lead to an increase in market sentiment and cause stock prices to rise. Conversely, negative data can lead to a decrease in market sentiment and cause stock prices to fall.
- Corporate Earnings Reports
Positive earnings reports can lead to a rise in stock prices, while negative earnings reports can lead to a fall in stock prices

Date	6:34pm	Currency	Impact	Detail	Actual	Forecast	Previous	Graph
Fri Dec 6	9:30pm	CAD	Employment Change		50.5K	24.7K	14.5K	
	9:30pm	CAD	Unemployment Rate		6.8%	6.6%	6.5%	
	9:30pm	USD	Average Hourly Earnings m/m		0.4%	0.3%	0.4%	
	9:30pm	USD	Non-Farm Employment Change		227K	218K	36K	
	9:30pm	USD	Unemployment Rate		4.2%	4.1%	4.1%	

Market Movers & Who Are They?



Central Bank Announcements

- Interest rate decisions can have a significant impact on the financial markets.
- Higher interest rates can lead to a stronger currency and cause bond prices to fall. Conversely, lower interest rates can lead to a weaker currency and cause bond prices to rise



Geopolitical Events

- Wars, conflicts, and political crises can also affect the financial markets.
- Such events can cause market volatility and lead to a decrease in market sentiment.

Data Analysing



UNDERSTANDING NEWS NIGHTS

Economic News: Reports on how the economy is doing, like jobs numbers or how much people are spending. (FOMC, NFP)

Central Bank Announcements: When the big banks say what they're going to do with interest rates or money supply. (CPI)

Company Earnings: When companies tell everyone how much money they made or lost. (PMI)

Mergers and Takeovers: When companies join together or one buys another.

Geopolitical Events: News about big global stuff, like wars, elections, or trade deals.

Market Mood: How people are feeling about the market, like if they're nervous or confident.

Industry News: News about specific types of businesses, like tech or healthcare.

Natural Events: Stuff like hurricanes or earthquakes that can affect things like food or fuel prices.

Data Analysing

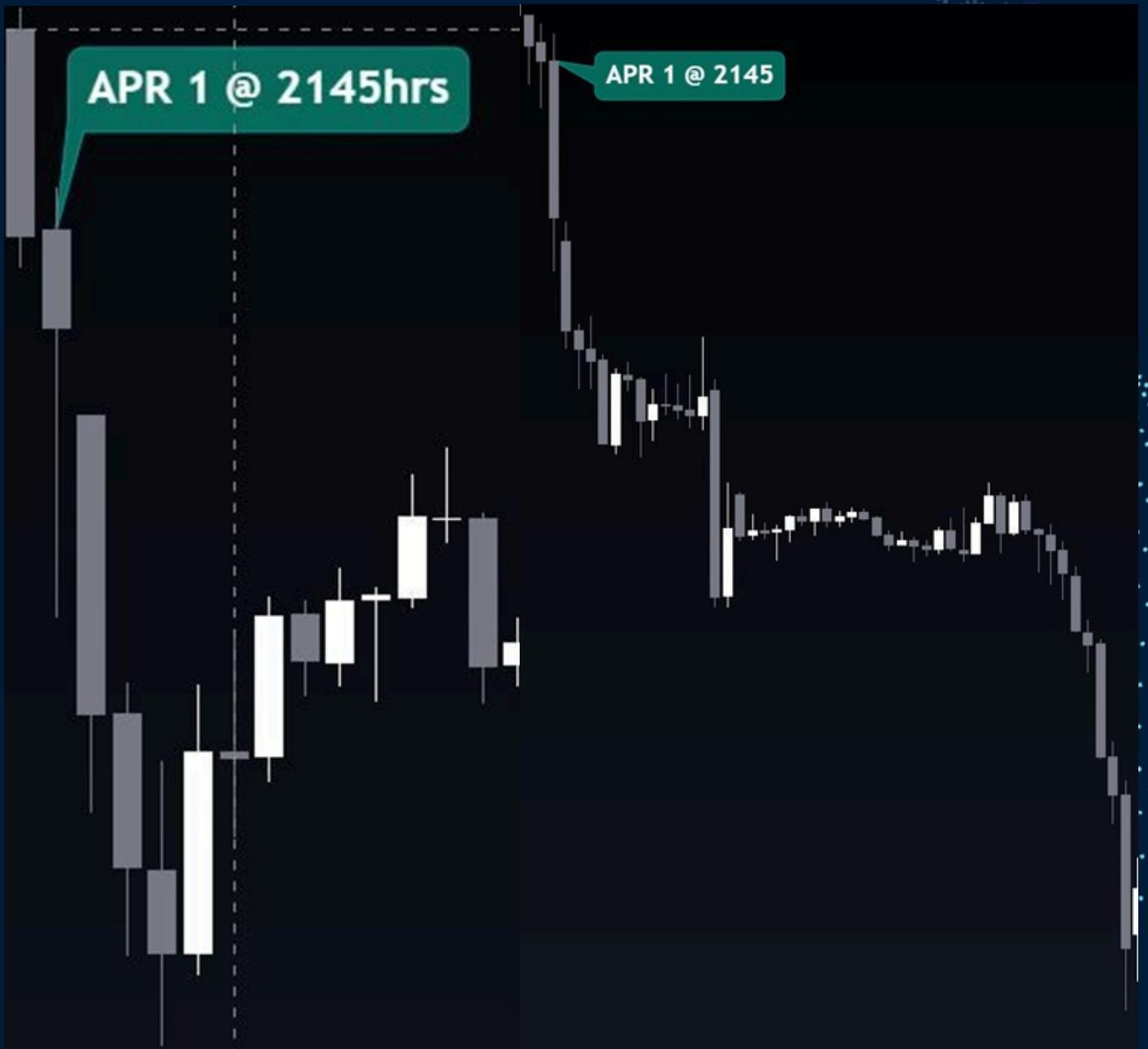
9:45pm USD Final Manufacturing PMI © Fair Economy

Specs	S&P Global (latest release)
Source	Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry;
Measures	'Actual' greater than 'Forecast' is good for currency;
Usual Effect	Released monthly, on the first business day after the month ends;
Frequency	Jun 3, 2024
Next Release	Above 50.0 indicates industry expansion, below indicates contraction. The 'Previous' listed is the 'Actual' from the Flash release and therefore the 'History' data will appear unconnected. There are 2 versions of this report released about a week apart - Flash and Final. The Flash release is the earliest and thus tends to have the most impact. Source first released in May 2012;
FF Notes	It's a leading indicator of economic health - businesses react quickly to market conditions, and their purchasing managers hold perhaps the most current and relevant insight into the company's view of the economy;
Why Traders Care	Survey of about 800 purchasing managers which asks respondents to rate the relative level of business conditions including employment, production, new orders, prices, supplier deliveries, and inventories;
Derived Via	Purchasing Managers' Index (PMI);
Acro Expand	

History

	Actual	Forecast	Previous
Apr 1, 2024	51.9	52.5	52.5
Mar 1, 2024	52.2	51.5	51.5
Feb 1, 2024	50.7	50.3	50.3
Jan 2, 2024	47.9	48.4	48.2
Dec 1, 2023	49.4	49.4	49.4

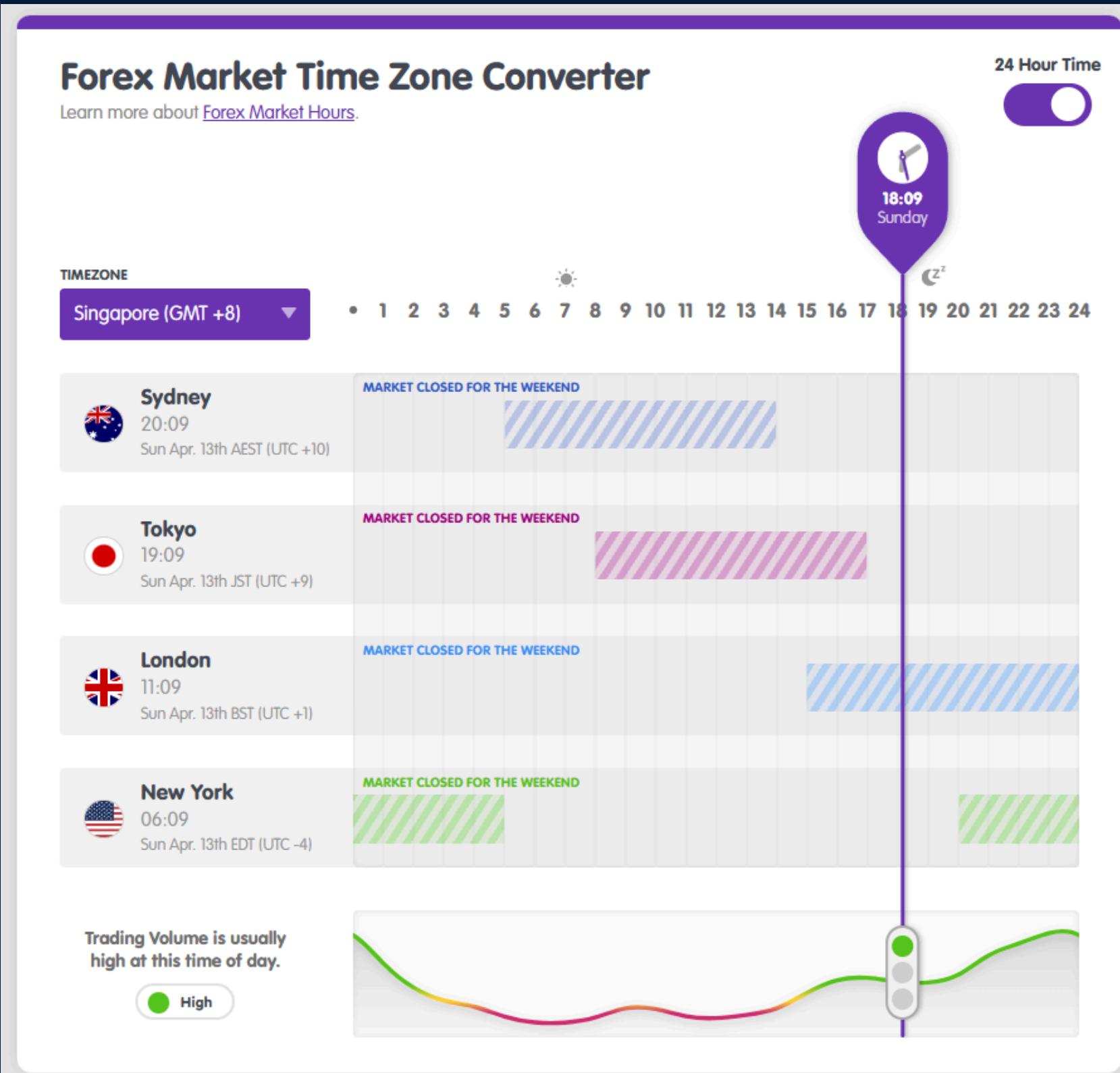
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INDEXES

FOREX FACTORY APPLICATION

Market Sessions



4 SESSIONS (GMT +8)

Asian Market session (Japan, Hong-Kong, Singapore, China) 0830 - 1730

UK/EU Market session (London, Germany, France and etc) 1530 - 0030

NYC Market session (Wall Street, NYSE) 2030 - 0530

High Volatility Period

- Overlapping of sessions
- High volume on session 2 over 3
- Volatile on Pre NYC

Market Sessions



Conclusion



- Market movers are events or data that have a significant impact on the financial markets.
- Traders and investors must keep up-to-date with market movers to make informed trading decisions.
- By doing so, they can increase their chances of success in the financial markets.



CHARACTERISTICS OF RETAIL TRADERS

- Retail traders are individuals who trade financial instruments for their own accounts and not on behalf of a financial institution or organization
- Individual traders
- Smaller capita Short-term trades Leverage
- Online platforms

Advantages of Retail Trading

- Accessibility
- Control
- Flexibility

Avenues of Retail Trading

BROKERAGES

- Deposit cash into brokerage
- Access market via brokerage platforms
- Direct wire withdrawals to personal bank accounts
- Brokerage fees apply

PROP FIRM

- Funded trading
- Required to pass 2 tests
- Funded amount from 10k - 250k
- Cost ranges from \$150 - \$2,000
- 90/10 profit split

TIPS FOR RETAIL TRADERS

- Have a sound trading plan
- Implement risk management strategies
- Exercise discipline

Conclusion



- Retail traders use online platforms to execute trades and have full control over their trading decisions and strategies.
- Retail trading has advantages such as accessibility and flexibility but also has disadvantages such as high risk and lack of resources.
- Retail traders should have a sound trading plan, risk management strategies, and discipline to succeed in the financial markets

Useful Links



- Economic events, <https://www.forexfactory.com/>
- Market forecast and news events, <https://www.forexfactory.com/>
- Market Heat Maps, <https://finviz.com/map.ashx>
- Daily market news and updates, www.bloomberg.com
- Market watch, www.marketwatch.com



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