INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

IJRCM

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THE EDITOR
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Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

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Please find my submission of manuscript entitled '____' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

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3. **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

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7. **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

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9. **MAIN TEXT:** The main text should follow the following sequence:

   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

   It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

10. **FIGURES &TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11. **EQUATIONS:**These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

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- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

ANALYSIS OF INNOVATIVE TRADING TECHNIQUES IN FOREIGN EXCHANGE TRADING

VIRUPAKSHA GOUD G
ASST. PROFESSOR
DEPARTMENT OF MBA
B.V.V.SANGHA'S AIEMS
BIDADI

ASHWINI S N
MBA STUDENT
B.V.V.SANGHA'S AIEMS
BIDADI

ABSTRACT
This research paper is intended to study the innovative trading techniques in foreign exchange market. This study covers various trading technical tools and analysing methods in the foreign exchange trading. Study also covers the various fundamental factors with FOREIGN EXCHANGE. Primary & Secondary data collected from a trading company called Wing World Finconsult Pvt Ltd. EURO vs. US $ Currency Pair considered for the analysis of trading techniques. Discussed Trading techniques are Relative Strength Index, Stochastic oscillator, Fibonacci Retracement, Bollinger Bands, Moving Average Convergence and Divergence technique. We have a strong opinion that Currency Trading in India is having an immense scope if Awareness increases along with liberal policies. Industry is potential to grow leaps and bounds subjected to support of regulatory bodies.

KEYWORDS
Foreign Exchange Trading, FOREX, Trading Techniques.

INRODUCATION

Foreign Exchange market in India is under studied as research data is less found especially with respect to trading techniques hence an attempt made to understand the Foreign Exchange Market and trading techniques. As Indian Fore market is growing year by year, there is more scope for trading business.

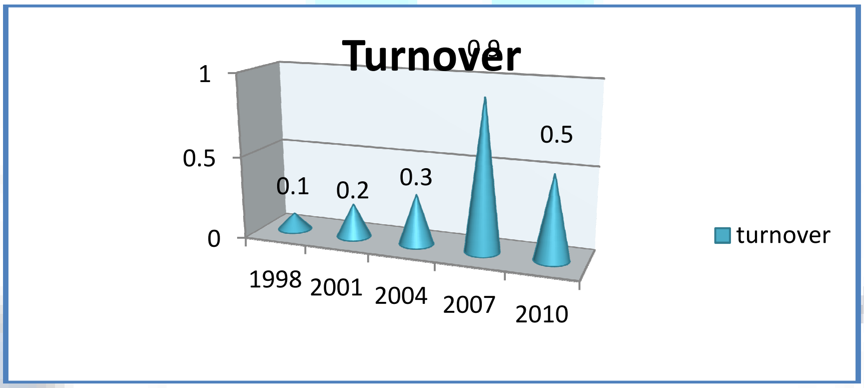
OBJECTIVES OF STUDY

- To study the foreign exchange market and various methods of analysing the market
- To study the different types of technical tools used for analysing the FOREX market
- To study the comparison of different currencies using different technical tools

SCOPE OF THE STUDY

- New liberal policies are attracting more participants into foreign currency exchange and trading
- Unlimited opportunities for an individual to invest in FOREX trading.
- As the system is decentralized and open for worldwide buyers and sellers, there is a lot of potential seen in FOREX trading in India.
- involvement of Reserve Bank of India (RBI)

PERCENTAGE OF INDIA'S TURNOVER IN WORLD FOREX



RESEARCH DESIGN AND METHODOLOGY

Daily currency data collected for May 2014 and analysed day – day currency movement using Candle stick chart, Relative Strength Index, Stochastic oscillator, Fibonacci Retracement, Bollinger Bands & MACD techniques

DATA COLLECTION

Primary data was collected from observation and discussion with the help of company executive & Official closing and opening records are collected by Investment.com. Secondary data was collected from the past records of the company, academic journals, academic Text books and official government websites.

LITERATURE REVIEW

Kaushik Basu (JAN 2009), Examine the 'mechanics' of central bank interventions and, using techniques of industrial organization theory, proposes new kinds of interventions which have the same desired effect on the exchange rate, without causing a build-up of reserves.

Christopher J. Neely, Paul A. Weller (July 24, 2011), introduces the subject of technical analysis in the foreign exchange market, with emphasis on its importance for questions of market efficiency. "Technicians" view their craft, the study of price patterns, as exploiting traders' psychological regularities.

Deepti Gulati & Monika Kakhani (November 2012), examined whether any causal relationship exists between foreign exchange rates and stock market. By applying the techniques of Granger Causality test and correlation test, relationships between INR/$ exchange rate and Indian stock market indices (SENSEX and NIFTY 50) were determined for data between 2004 and 2012.

LIMITATIONS OF THE STUDY

- Study is limited to only 1 month
- Non availability of complete information
- FOREX market is large and vast it is very difficult to satisfy all the areas. Therefore an attempt is made to cover as much as possible

FOREX MARKET IN INDIA

Traditionally Indian FOREX market has been a highly regulated one. Till about 1992-93, government exercised absolute control on the exchange rate, export-import policy, FDI (Foreign Direct Investment) policy. The **Foreign Exchange Regulation Act (FERA)** enacted in 1973, strictly controlled any activities in any remote way related to foreign exchange.

Post liberalization, the Government of India, felt the necessity to liberalize the foreign exchange policy. Hence, **Foreign Exchange Management Act (FEMA) 2000** was introduced. FEMA expanded the list of activities in which a person/company can undertake FOREX transactions. Through FEMA, government liberalized the export-import policy, limits of FDI (Foreign Direct Investment) & FII (Foreign Institutional Investors) investments and repatriations, cross-border M&A and fund raising activities.

Foreign Exchange Dealers association of India (FEDAI), set up in 1958, helped the government of India in framing rules and regulation to conduct FOREX exchange trading and developing FOREX market In India. A major step in development of Indian FOREX market happened in 2008, when currency futures (Indian Rupee and US Dollar) started trading at National Stock Exchange (NSE). Since the introduction, the turnover in futures has increased leaps and bound.

FEMA FEATURES

Activities such as payments made to any person outside India or receipts from them, along with the deals in foreign exchange and foreign security is restricted. It is FEMA that gives the central government the power to impose the restrictions.

- Restrictions are imposed on people living in India who carry out transactions in foreign exchange, foreign security or who own or hold immovable property abroad.
- Without general or specific permission of the MA restricts the transactions involving foreign exchange or foreign security and payments from outside the country to India – the transactions should be made only through an authorised person.
- Deals in foreign exchange under the current account by an authorised person can be restricted by the Central Government, based on public interest.
- People living in India will be permitted to carry out transactions in foreign exchange, foreign security or to own or hold immovable property abroad if the currency, security or property was owned or acquired when he/she was living outside India, or when it was inherited by him/her from someone living outside India.
- Exporters are needed to furnish their export details to RBI. To ensure that the transactions are carried out properly, RBI may ask the exporters to comply with its necessary requirements.

AUTHORISED PERSONS

1. Authorised Dealers-authorised dealer include Commercial Banks, State Co-operative banks and Urban Co-op Banks.
   Activities: all permissible capital account transaction
2. Financial institutions – it includes financial institution and Factoring agencies
   Activities related to financing of international trade undertaken by these institutions
3. Fully Fledged Money Changers- it includes Department of Post, UCB,FFMC
   Activities: sales/purchases of foreign exchange for private and business visits abroad.
4. Others
   Activities: specified non trade related current account transaction

FEDAI

- Foreign Exchange Dealers Association of India (FEDAI) was set up in 1958 as an Association of banks dealing in foreign exchange in India (typically called Authorized Dealers - ADs) as a self-regulatory body and is incorporated under Section 25 of The Companies Act, 1956.
- It's major activities include framing of rules governing the conduct of inter-bank foreign exchange business among banks vis-à-vis public and liaison with RBI for reforms and development of FOREX market

CURRENCIES ARE TRADED IN PAIRS

FOREX trading is the simultaneous buying of one currency and selling another. Currencies are traded through a broker or dealer, and are traded in pairs. Major Traded Currency Pairs are as per following:

Pairs	Countries	FX Geek Speak
EUR/USD	Euro zone / United States	"euro dollar"
USD/JPY	United States / Japan	"dollar yen"
GBP/USD	United Kingdom / United States	"pound dollar"
USD/CHF	United States/ Switzerland	"dollar swissy"

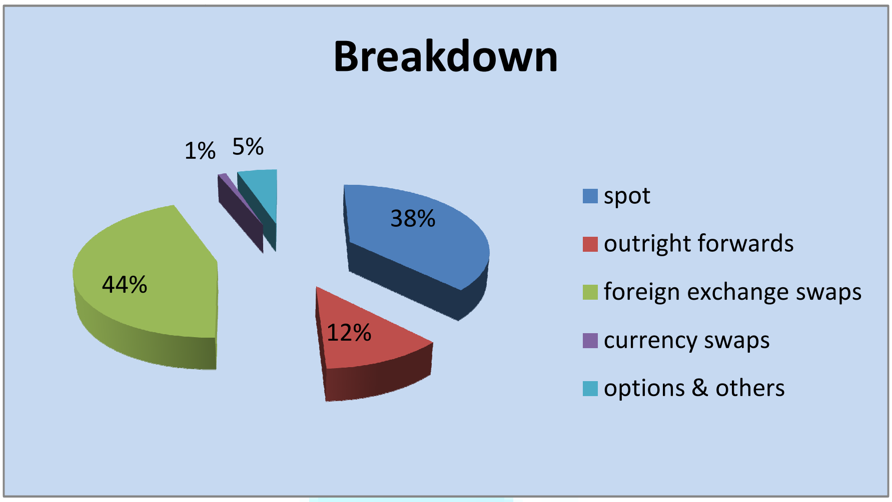
TYPES OF TRANSACTIONS

Spot Transactions	As the name suggests, a spot transaction literally means spot delivery of the exchanged currency, but practically speaking, spot transactions need to be settled within two days by directly exchanging one currency for another
Outright Forwards	The delivery of the exchanged currency takes place on an agreed future date at an agreed exchanged rate at the time of the contract. The market rate at the time of the exchange dates can be anything and does not matter.
FOREX Swaps	A contract that simultaneously agrees to sell an amount of currency at an agreed rate and to repurchase the same amount of currency for a later value at a later date from the same party, also at an agreed rate. In both cases, the interest is inclusive.
Currency Swaps	A swap of currencies where interest and principal in one currency are exchanged for interest and principal in another.
FOREX Options	An option contract gives the buyer the right (but not the obligation) to exchange one currency for another at a predetermined exchange rate on or before the maturity date.

TRADING

BREAKDOWN BY FINANCIAL INSTRUMENT

The daily foreign exchange turnover according to April 2010 surveys is estimated to be US$4 trillion. The approximate (estimated) breakdown of this per financial instrument is as follows:



Average daily turnover in the global foreign exchange market has reached $5.3 trillion in 2013, up from $4 trillion in 2010, according to the latest triennial survey from the Bank for International Settlements (BIS), with the UK continuing to comprise the largest slice of the business.

TABLE -2: GEOGRAPHICAL DISTRIBUTION OF GLOBAL FOREIGN EXCHANGE MARKET TURNOVER (%)

Country	1995	1998	2001	2004	2007	2010
united kingdom	29.3	32.6	32	32	34.6	36.7
united states	16.3	18.3	16.1	19.1	17.4	17.9
Japan	10.3	7	9	8	5.8	6.2
Singapore	6.6	6.9	6.1	5.1	5.6	5.3
Switzerland	5.4	4.4	4.5	3.3	5.9	5.2
Hongkong	5.6	3.8	4	4.1	4.2	4.7
Australia	2.5	2.3	3.2	4.1	4.1	3.8
France	3.8	3.7	2.9	2.6	3	3
Denmark	1.9	1.3	1.4	1.6	2.1	2.4
Germany	4.8	4.7	5.4	4.6	2.4	2.1
Canada	1.9	1.8	2.6	2.3	1.5	1.2
Sweden	1.2	0.8	1.5	1.2	1	0.9
Korea		0.2	0.6	0.8	0.8	0.9
Russia		0.3	0.6	1.1	1.2	0.8
Luxembourg	1.2	1.1	0.8	0.6	1	0.7
Belgium	1.7	1.3	0.6	0.8	1.2	0.6
Finland	0.3	0.2	0.1	0.1	0.2	0.6
Spain	1.1	1	0.5	0.5	0.4	0.6
Italy	1.5	1.4	1	0.9	0.9	0.6
India		0.1	0.2	0.3	0.9	0.5

THEORITICAL BACKGROUND OF FOREIGN EXCHANGE TRADING

Foreign exchange market is essentially the trading of the currency from two countries against each other. The pairs are predetermined by brokers, who may or may not offer a match for the currency pair that you want to trade.

For example, a popular pair that is widely traded is the EUR/USD. The EUR/USD is the European Dollar, also known as the EURO, and the USD, which is the US Dollar. When the Euro becomes worth more money in dollars, the pair goes up, when it becomes worth less money in dollars, the pair drops in value.

If you were to speculate that the USD was going to drop in value compared to the Euro, you would buy the EUR/USD and wait for it to start rising. This is called going long. If you thought the Dollar would gain in value compared to the Euro, you would go short on the EUR/USD pair.

All of this trading is done through FOREX brokers. A FOREX brokerage is an intermediary that takes on your trade and puts it on the open market. Foreign exchange trading is not done through any centralized market, so all FOREX broker rates may not be exactly the same at the same time. FOREX brokers deal with networks of banks and the trading is carried out electronically within fractions of a second when orders are placed. The whole purpose of trading FOREX online, for most people, is to make money. Corporations sometimes use it to offset a contract or future purchase that they plan to make. Retail traders trade in the FOREX markets to make money on changes in the values of currencies over time.

One thing that really adds to the fun is that FOREX brokers offer FOREX leverage to help you in your trading. Trading with leverage is basically the FOREX broker allowing you to trade more on the market than what you actually have in your account. This is an advantage for them because they collect fees based on the size of the trades that you make. The larger the trade, the larger the fee. Every time you make a trade with a FOREX broker they collect what they call the spread, **i.e.** in FOREX trading there are two prices on a currency pair at any given time. There is the ask price and the bid price. The spread is the difference between those two prices.

For example: if you made a long trade, you would pay the bid price on the pair. When you close or "sell" that trade, you would close at the asking price. The spread is the constant difference between the bid price and the ask price.

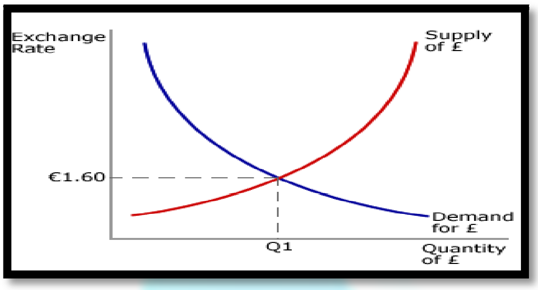
Using leverage allows traders to trade on the market with more money than what they actually have in their account. Trading with leverage sounds like a really good time, and it's true that it can increase how easily you can make money, but the thing that is less talked about is it also increases your risk for losses. If a trader with $1000 in their account is trading with 50:1 and trading $50,000 on the market, each pip is worth around $5.

For example, if you were trading 2:1, you could use a $1000 deposit, to control $2000 of currency on the market. Many FOREX brokers offer as much as 50:1 leverage. New traders tend to jump in and start trading with that 50:1 leverage immediately without being prepared for the consequences.

DETERMINATION OF EXCHANGE RATES - WHY DO THEY GO UP AND DOWN
All FOREX trading involves the exchange of one currency with another. At any one time, the actual exchange rate is determined by the supply and demand of the corresponding currencies. Keep in mind that the demand of a certain currency is directly linked to the supply of another. Likewise, when you supply a certain currency, it would mean that you have the demand for another currency.

So an exchange rate is the price of one currency in terms of another. In other words it is the price you will pay in one currency to get hold of another. The price can be set in various ways. It may be fixed by the government or it could perhaps be linked to something external - for example, gold.

However, the most likely alternative is that it will be fixed in a market. Since it is a price, it will be determined, like any other price, by demand and supply. This is the supply and demand of pounds traded on the foreign exchange market and is NOT the amount of sterling in circulation! A high level of demand for a currency will force up its price - the exchange rate. Where supply is equal to demand is the equilibrium exchange rate, as shown in the diagram below.1



The demand for £ comes from people who are investing in the UK from abroad and so need pounds, or from firms who are buying UK exports. They will need pounds to be able to pay for the goods. The supply comes from people in the UK who are selling pounds. This may be because they have bought goods from overseas (imports), or it may simply be that they are investing in another country and so need the local currency. To get this they have to sell pounds in exchange for the other currency.

THE FOLLOWING FACTORS AFFECT THE SUPPLY AND DEMAND OF CURRENCIES AND WOULD THEREFORE INFLUENCE THEIR EXCHANGE RATES.
1. Monetary Policy
2. Political Situation
3. Balance of Payments
4. Interest Rates
5. Inflation

FOREX FORECASTING
BASIC FOREX FORECAST METHODS: TECHNICAL ANALYSIS AND FUNDAMENTAL ANALYSIS
Technical analysis is a method of predicting price movements and future market trends by studying charts of past market action. Technical analysis is concerned with what has actually happened in the market, rather than what should happen and takes into account the price of instruments and the volume of trading, and creates charts from that data to use as the primary tool. One major advantage of technical analysis is that experienced analysts can follow many markets and market instruments simultaneously.

TECHNICAL ANALYSIS IS BUILT ON THREE ESSENTIAL PRINCIPLES
1. **Market action discounts everything!** This means that the actual price is a reflection of everything that is known to the market that could affect it, for example, supply and demand, political factors and market sentiment. However, the pure technical analyst is only concerned with price movements, not with the reasons for any changes.
2. **Prices move in trends** Technical analysis is used to identify patterns of market behaviour that have long been recognized as significant. For many given patterns there is a high probability that they will produce the expected results. Also, there are recognized patterns that repeat themselves on a consistent basis.
3. **History repeats itself** FOREX chart patterns have been recognized and categorized for over 100 years and the manner in which many patterns are repeated leads to the conclusion that human psychology changes little over time.

FUNDAMENTAL ANALYSIS
Fundamental analysis is a method of forecasting the future price movements of a financial instrument based on economic, political, environmental and other relevant factors and statistics that will affect the basic supply and demand of whatever underlies the financial instrument. In practice, many market players use technical analysis in conjunction with fundamental analysis to determine their trading strategy. One major advantage of technical analysis is that experienced analysts can follow many markets and market instruments, whereas the fundamental analyst needs to know a particular market intimately. Fundamental analysis focuses on what ought to happen in a market. Factors involved in price analysis: Supply and demand, seasonal cycles, weather and government policy. The fundamentalist studies the cause of market movement, while the technician studies the effect. Fundamental analysis is a macro or strategic assessment of where a currency should be trading based on any criteria but the movement of the currencies price itself. These criteria often include the economic condition of the country that the currency represents, monetary policy, and other "fundamental" elements.

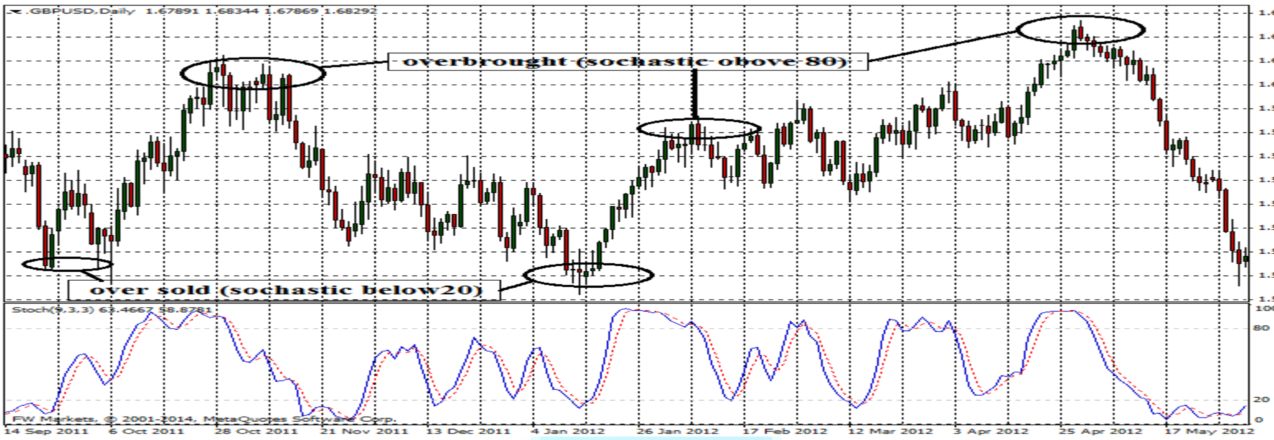
TECHNIQUES
FIBONACCI RETRACEMENT
Fibonacci retracements are one of the four most commonly-used Fibonacci studies for predicting levels of support and resistance for a given market. Fibonacci retracements are used immediately after a strong price movement either up or down. An imaginary vertical line is drawn across the chart between two extreme price values, one high and one low. Then a number of horizontal lines are drawn perpendicular to the imaginary vertical at significant Fibonacci values. The most common number of lines is five, drawn at 0%, 38.2%, 50%, 61.8%, and 100% of the length of the line (starting from either end), but some traders have been known to use even more retracement lines than this.

RELATIVE STRENGTH INDEX
The relative strength index was developed by J. Welles Wilder and published in a 1978 book. The RSI measures the ratio of up-moves to down-moves and normalizes the calculation so that the index is expressed in a range of 0-100. If the RSI is 70 or greater, then the instrument is assumed to be overbought (a

situation in which prices have risen more than market expectations). An RSI of 30 or less is taken as a signal that the instrument may be oversold (a situation in which prices have fallen more than the market expectations).
The standard calculation for RSI uses 14 trading days as basis, which can be adjusted to meet the needs of the user. If the trading period is adjusted to use fewer days, the RSI will be more volatile and will be used for shorter term traders.

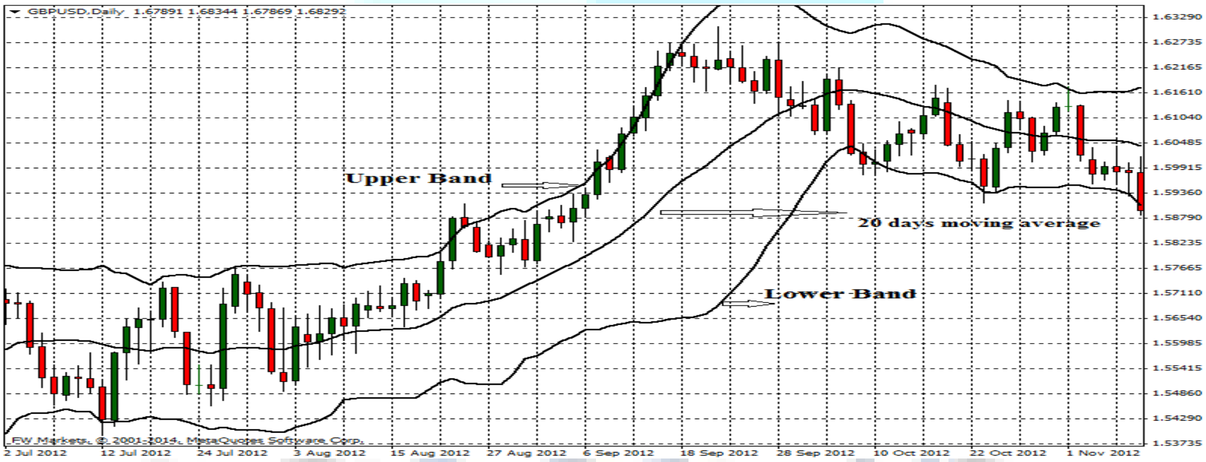
STOCHASTIC OSCILLATOR

This is used to indicate overbought/oversold conditions on a scale of 0-100%. The indicator is based on the observation that in a strong up trend, period closing prices tend to concentrate in the higher part of the period's range. Conversely, as prices fall in a strong down trend, closing prices tend to be near to the extreme low of the period range. Stochastic calculations produce two lines, %K and %D that are used to indicate overbought/oversold areas of a chart. Divergence between the stochastic lines and the price action of the underlying instrument gives a powerful trading signal.



BOLLINGER BAND

Bollinger Bands consist of three lines. The center line is calculated by taking a simple moving average of the price of an asset. Traders most commonly use a 20 or 21-day moving average when calculating the center line of a Bollinger Band. Once the center line is calculated, the upper and lower bands are drawn two standard deviations above or below the moving average. The standard deviation of a market price varies depending on the difference between high and low prices for a given trading day, which means that when an asset becomes more volatile, the Bollinger Band expands, whereas when an asset becomes less volatile, the Bollinger Band contracts. This gives traders an idea of an asset's volatility.
If prices fall outside of two standard deviations of the median price (meaning that, on a candlestick chart, they fall outside of the Bollinger Band), those prices have reached an extremely high or extremely low level for the asset at that time. This can be a signal that a breakout from the trend is imminent, or a warning that an asset is overbought or oversold. When such indicators occur during a period of low volatility, this can be a very strong indicator of a coming reversal in trend, giving traders a signal to take the appropriate action with respect to that asset.



This is one of the most popular techniques. The closer the prices move to the upper band, the more over brought the market, and the closer the price move to the lower band, the more oversold the market.

MOVING AVERAGE CONVERGENCE DIVERGENCE

This indicator involves plotting two momentum lines. The MACD line is the difference between two exponential moving averages and the signal or trigger line, which is an exponential moving average of the difference. If the MACD and trigger lines cross, then this is taken as a signal that a change in the trend is likely. This tool is used to identify moving averages that are indicating a new trend, whether it's bullish or bearish.

ANALYSIS & INTERPRETATION

The study was conducted using of past 4 weeks/month data and has been analyzed using 5 technical analysis indicators.

1. Relative Strength Index (RSI)
2. Stochastic oscillator
3. Fibonacci Retracement
4. Bollinger Bands
5. Moving Average Convergence & Divergence (MACD)

EUR/USD: EURO Vs. US DOLLAR

EUR/USD - This is the most popular currency pair in the world, representing the world's two largest economies. The Euro was created to facilitate cross-border trade of European trading partners. Since its inception in 1999, the pair has faced considerable volatility as the world has faced multiple events of volatility such as the tech boom becoming the tech bust, the real estate bubble, and the European Debt Crisis which still has yet to find long-term resolution.

EUR/USD: Euro vs. US Dollar

TABLE-3

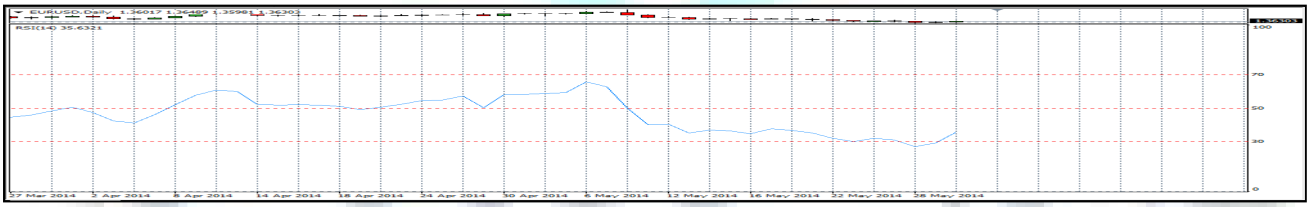
Date	Opening rate	Closing rate
1-may-2014	1.38660	1.38674
2-may-2014	1.38673	1.38716
5-may-2014	1.38725	1.38743
6-may-2014	1.38753	1.39248
7-may-2014	1.39259	1.39113
8-may-2014	1.39113	1.38389
9-may-2014	1.38392	1.37553
12-may-2014	1.37567	1.37577
13-may-2014	1.37577	1.37028
14-may-2014	1.37032	1.37136
15-may-2014	1.37134	1.37097
16-may-2014	1.37099	1.36922
19-may-2014	1.36973	1.37083
20-may-2014	1.37083	1.36986
21-may-2014	1.36991	1.36857
22-may-2014	1.36856	1.36556
23-may-2014	1.36555	1.36349
26-may-2014	1.36240	1.36438
27-may-2014	1.36442	1.36337
28-may-2014	1.36338	1.35919
29-may-2014	1.35920	1.36018
30-may-2014	1.36017	1.36303

EUR/USD may be set to extend its recent declines following a break below key support near 1.35914, and the absence of a bullish signal on the daily. Traders are likely to step in to support the common currency at 1.3560. **EUR/USD:** 1.3598

Previous Close:	1.3594
Open:	1.3594
Bid:	1.3597
Ask:	1.3598

RELATIVE STRENGTH INDEX (RSI)

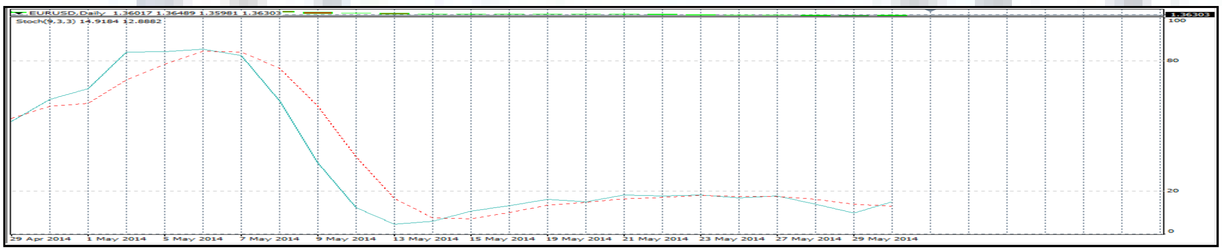
Relative Strength Index chart shows the performance of EUR/USD currency performance in the month of May-2014



EUR/USD as per RSI it's oversold and it indicates euro against dollar may further decline until it breaks 30 points.

STOCHASTIC OSCILLATOR

Stochastic oscillator chart shows the performance of EUR/USD in the month of May 2014.



One method of interpreting the Stochastic Oscillator is looking for overbought areas (above 80) and oversold areas (below 20). The Stochastic Oscillator is below 20 for above chart. This is an oversold reading. However, a signal in the market will change when the Oscillator crosses above 20. That signals reversal.

FIBONACCI RETRACEMENT

Fibonacci Retracement chart of EUR/USD in the month of May, 2014:

Fibonacci tools utilize special ratios that naturally occur in nature to **help predict points of support or resistance**. Fibonacci numbers are 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, etc.

For above EUR/USD chart market took a support at 0.0 levels and bounced back from the lowest point 1.35770 to 1.36303.

BOLLINGER BANDS

Bollinger Bands is a versatile tool combining moving averages and standard deviations and is one of the most popular technical analysis tools available for traders. There are three components to the Bollinger Band indicator:

- Moving Average: By default, a 20-period simple moving average is used.
- Upper Band: The upper band is usually 2 standard deviations (calculated from 20-periods of closing data) above the moving average.
- Lower Band: The lower band is usually 2 standard deviations below the moving average.

For above EUR/USD Bollinger band market range was 1.39030 to 1.35230 as on 30th may 2014. Where market took as support at 1.35850 and took reversal. Overall market was bearish for past 2 weeks after market took reversal in 1.35850 market is expected to turn in bullish trend.

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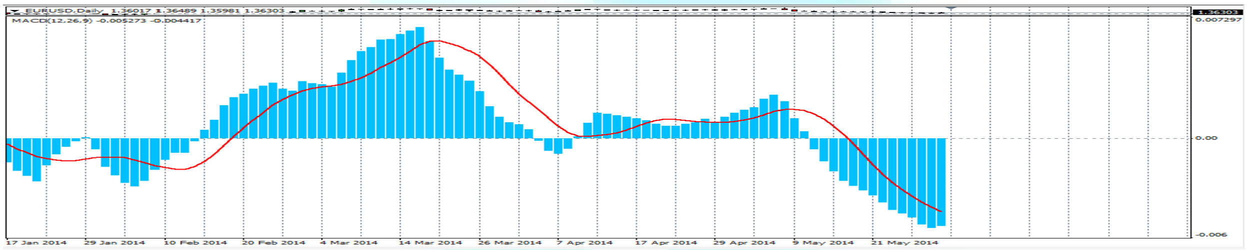
MOVING AVERAGE CONVERGENCE DIVERGENCE (MACD)



MACD is a momentum Oscillator and can be used to determine the momentum of the price action. MACD is comprised of two EMAs (Exponential Moving Averages) of two different time periods i.e. one for longer time period and another for shorter period. The most common EMA's used for MACD are of 12 periods and 26 periods.

SUMMARY OF EURO vs. USD TRADING

EUR/USD FORECAST: JUNE 2014

The EUR/USD pair has been falling slightly over the last several weeks, but we may observe some range bound activity. Clearly marked upon the weekly chart is the fact that the 1.35 level is supportive, and may not go down below that point. I think that sooner or later we will see support come back into this marketplace. Going forward, I would anticipate the 1.40 level to be the absolute "ceiling" in this pair, however depends on European Central Bank meeting decisions in coming month, which could determine the near-term direction of this market.

However, we see the 1.35 level is the excellent support price so one can start buying. On the other hand, we could get back above 1.370 levels, and may see more buyers. If Euro breaks 1.35 level then more downside possible.

FINDINGS

- Indian Stock market has the advantage of early starter in Asia and knowledge about Indian stock market is widely spread however trading of Forex is less understood among the investors as less participation is observed
- The industry is slowly evolving and lacking industry structure. Participants are fragmented.
- As per my observation industry needs large number of skilled man power for further expansion
- As per my observation foreign currencies are traded more frequently than Indian currencies.

SUGGESTION

- Study identifies that few limited techniques are used for FOREX trading and finds that high scope for innovative techniques in coming days
- Experts guide is important while using technical tools in analysing market
- FOREX Trading industry may become more competitive in coming days hence companies need to recruit skilled people to retain and expand market share.
- Our observation identifies lack of awareness among investors hence aggressive Awareness campaign required
- Training can be provided to Investors for self-trading and to reduce dependence on company experts for the routine trading activities
- To encourage Retail trading, Company may keep minimum required trading investment at lesser levels.

CONCLUSION

After in-depth study of Trading Techniques on Foreign currency, we found that Indian Investors are less aware about the foreign exchange market hence participation in currency trading is less than the stock market participation. Industry characterised with high restriction and licensing issues along with shortage of skilled man power. Since Industry is showing high growth in recent years it has potential to become one among top industry in the world. Presently limited Trading are used to trade in the currency market, innovative trading techniques may help to reduce risk and increase returns.

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