

## Seminar 7

1. Please, go to the website: <https://www.forexfactory.com/calendar> and determine the impact of GDP, CPI index, Trade Balance, Money Supply, Central Bank Meeting (Interest Rates), Industrial Production announcements on FX price.
2. Please go to the trading web site <https://www.tradingview.com/> and practice technical analysis on EUR/USD. Identify the basic chart patterns such as support, resistance, head and shoulders, trading channel and MAs crossing.
3. Please, read the macroeconomic outlook for the Czech Republic and Czech koruna and identify fundamental factors affecting the CZK value in the coming future.
4. You were recently hired by the Doolittle Corporation corporate treasury to help oversee its expansion into Europe. Blake Francis, the CFO, wants to hire a foreign exchange forecasting company. Blake has asked you to evaluate three different companies, and he has obtained information on their past performances. Out of a total of 50 forecasts for the \$/€ rate, the companies reported the number of times they correctly forecast appreciations and depreciations:

|                                     | <b>Correct Down<br/>Forecasts</b> | <b>Correct Up<br/>Forecasts</b> |
|-------------------------------------|-----------------------------------|---------------------------------|
| <b>Morrissey Forex<br/>Advisors</b> | <b>20</b>                         | <b>5</b>                        |
| <b>Pixie Exchange Land</b>          | <b>20</b>                         | <b>4</b>                        |
| <b>FOREX Cures</b>                  | <b>12</b>                         | <b>12</b>                       |

**There is a total of 35 dollar appreciations (down periods) and 15 dollar depreciations (up periods) in the sample. Blake wants to know two things:**

- a. **Can anything be said about the companies' forecasting ability with the available data?**
- b. **What additional information should Blake try to obtain in order to form a better judgment?**