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How Would the Global Economy Be Affected Along with the U.S. Dollar's Dominance at Risk?

For the past 75 years, the U.S. dollar has enjoyed a unique status as the preeminent global currency. Used broadly in international commerce and widely held by sovereign governments, the Greenback remains by far the most important currency and as such conveys special benefits to the American economy.

Preface

2020/11

Leaves raked high in great big piles
November sights bring thankful smiles

Now it is November, trees are nearly bare; the mornings are cold and frosty; and the damp and misty evenings chill us through and through. Nonetheless, in this late autumn month, we'll also see a bright picture: red and gold and brown leaves scatter everywhere; orange pumpkins full and round; cornstalks gathered on the ground...As is always the case, the environment is mixed. In 2020, the COVID-19 has scarred the global economy, and its impact has extended to almost all industries including the forex industry. Naturally, our platforms, the WikiFX App, the magazine WikiFX, and the website cngold.com.cn, are faced with challenges. Yet we firmly believe that out of crisis can emerge new and incredible opportunities. What we should do is to take a positive attitude, be determined and innovative, and make every effort to create a bright future.

The world's major economies have experienced a rather difficult year in 2020; the global economy is weak and market volatility has increased; and economists believe that the recession will last for a long time. According to a research report released by Germany's IFO Institute and the EconPol Europe research network on Oct. 7, over one third of the experts (950 economists across 110 countries and regions) believed that the global economic recovery could continue until at least 2022 before pre-crisis levels are reached.

Among the world's major economies, only China is expected to achieve a positive growth of 2.3 percent this year, while the economies of the US and EU are expected to shrink by 6.5 percent and 8.4 percent. As long as the virus persists, the K-shaped divergence will continue, said Rob Subbaraman, global head of macro research at Nomura Holdings Inc. in Singapore. "In the EM world with rapidly growing debt and deep recessions, debt servicing costs are becoming more burdensome and we cannot rule out some financial crises or major debt restructuring."

As part of our efforts to respond to the serious challenges, WikiFX APP is updated with more services available, the magazine WikiFX is filled with more articles oriented to retail investors, and our website cngold.com.cn has provided access to more blockchain related articles.

Since establishment, WikiFX APP was determined to create a forex information channel providing the accurate survey results. Nowadays, it has successfully gained a foothold in the industry both at home and abroad. In the future, it will continue to provide users with more reliable investment reference, including more professional financial information and investment strategies.

In this session, the "Exclusive" brings you "How Would the Global Economy Be Affected along with the U.S. Dollar's Dominance at Risk?" The global financial market hasn't recovered from the COVID-19 yet. The raising tensions still exist among major economies. Worse of all, the U.S. Dollar declined nearly 11% since March 2020 in one of its most dramatic slides in years, which exacerbated investors' nervousness. Furthermore, some analysts even predicted that the U.S. Dollar may be entering a new long-term cycle of depreciation.

Recent declines in the dollar have once again raised questions about its status as the de facto global reserve currency. Along with the weakening of the U.S. Dollar, the G-10 currencies are more likely to appreciate. But it is still relatively strong, having appreciated 17 percent against the Euro between 2010 and 2020. As such, it is reasonable to expect it to continue its slide intermittently in the immediate future, particularly as the presidential race intensifies and emotions across both the political and social spectrum peak. Inflation, while not guaranteed, will also place some downward pressure.

As time goes by, it comes to November ushering in the annual Thanksgiving Day. We'd like to take this opportunity to thank you for your support and companionship. Wind, it is my hands, for you to blow away the heat of summer; cloud, it is my arms, for you to smooth the autumn fidgety; rain, it is my advice, for me to tell you to pay attention to your health in the beginning of winter. We will always be with you!

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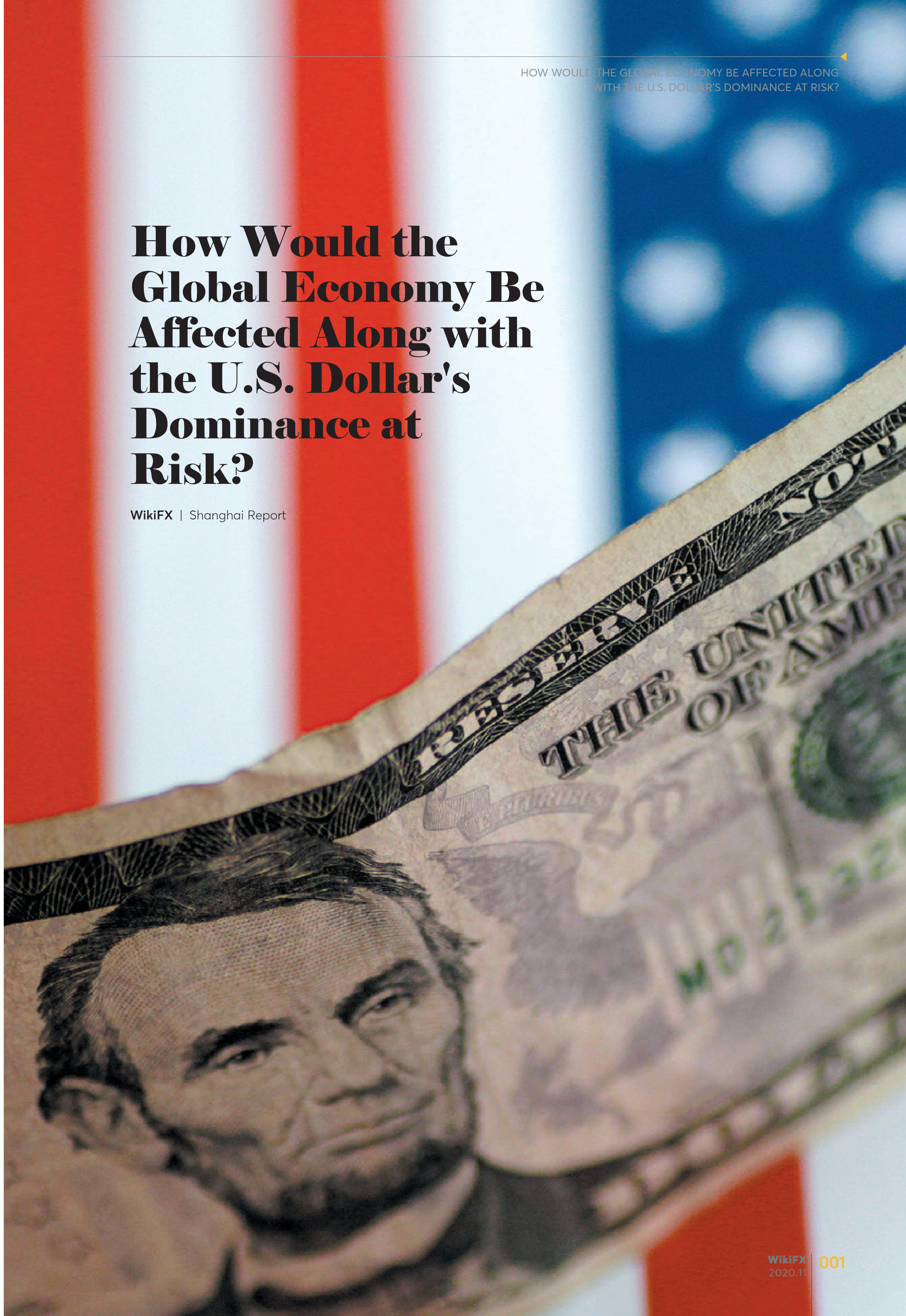


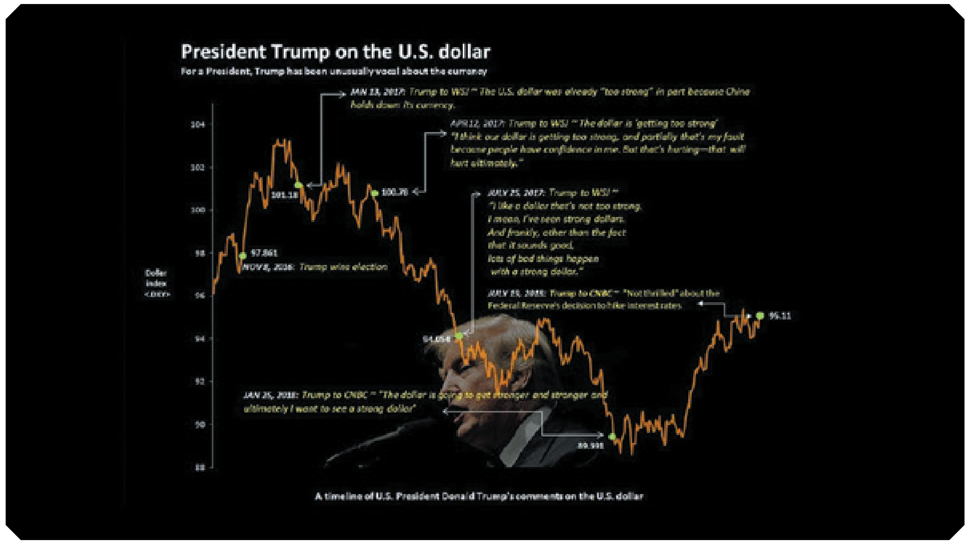
How Would the Global Economy Be Affected Along with the U.S. Dollar's Dominance at Risk?

WikiFX | Shanghai Report

For the past 75 years, the U.S. dollar has enjoyed a unique status as the preeminent global currency. Used broadly in international commerce and widely held by sovereign governments, the Greenback remains by far the most important currency and as such conveys special benefits to the American economy. But nothing is constant, and a confluence of structural changes internationally and U.S. policy errors is calling into question the sustainability of the dollar's dominance, with potentially profound implications.

SOURCE: TRADINGECONOMICS.COM

After hitting a 3-year high on 20th March, the Dollar Index--a measure of the U.S. Dollar's strength against a basket of six international currencies—has declined nearly 11% in one of its most dramatic slides in years. The greenback has fallen so much that hedge funds have turned bearish against the currency for the first time in years.



Source: Reuters, via The Guardian

In the past, President Trump has never hidden his disdain for the Fed and its hawkish policies, repeatedly drumming up the fact that the central bank's interest hike regime was contributing to an overly brawny dollar and a sluggish economy. Trump had even gone as far as asking the White House to explore ways to weaken the currency in a bid to boost exports and spur economic growth.

The dollar has strengthened for much of the past decade, something that has been blamed for the U.S.' ballooning deficit.

Source: Investing.com

But now Trump is finally getting what he has always wished for: A weaker dollar, albeit not exactly on his terms.

According to Bloomberg, as of middle August, 2020, net futures and forward positions held by leveraged funds against eight currencies (not including the dollar), tumbled to -7,881 contracts, essentially meaning that there are more investors betting against the dollar than on it. Indeed, Bloomberg says the shorting spree is partly being driven by bullish bets on the euro, with the european currency having outperformed the dollar by 6% since the beginning of the year.

The euro is currently changing hands at USD 1.194 compared to USD 1.109 on January 1.

USD to EUR Chart

20 Aug 2019 00:00 UTC-19 Aug 2020 20:56 UTC

USD/EUR close:**0.84458** low:**0.83607** high:**0.93835**

An Anatomy of Long-term US Dollar Cycles

Over the last 45 years, a typical US dollar trend cycle has lasted around 6 to 7 years — with the Broad Real Dollar index posting an average change of 34% per cycle. Assuming that we're in the midst of a dollar bull run that started in August 2011 — the current upswing to date has posted a 36% rally and is almost 9 years in duration. So, is the dollar about to peak and embark on a multi-year bear trend?

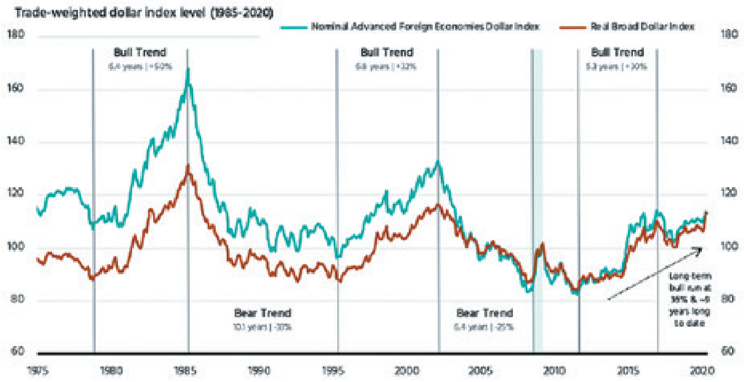
In short, no — at least not yet. When we look at the cyclical and structural macro conditions that have underpinned major downswings in the dollar since 1975, none of these are currently being met. Instead, the backdrop that is set to prevail in the initial stages of the COVID-19 global economic depression is likely to remain supportive for dollar haven flows.

Characteristics of a Dollar Bear Trend

Taking a deeper look into the factors that have underpinned major cyclical moves in the dollar — it seems that bear trends typically show the following 6 common characteristics:

- A substantial decline in the USD's relative interest rate advantage — with the dollar always exhibiting negative carry
- Stronger GDP growth in the Rest of the World (RoW) relative to the US — thus declining US-RoW growth differentials
- Rising US twin deficits driven by a joint widening of fiscal and current account deficits (bear cycles start 2–3 years after initial widening)
- High global trade and manufacturing activity (periods of above-trend world trade growth)
- Money being put to work in RoW assets — driven by relative underperformance of US equities and low market volatility
- Official US Treasury FX intervention (prior to 2000) — coordinated across major countries with the aim of achieving a weaker dollar

A History of Long-Term Dollar Cycles: Typical trend cycles over the past 45 years have lasted around 6 to 7 years- during which the Real Broad Dollar has posted an average change of 34% per cycle



Source: Federal Reserve, Macrobond as of 11 May 2020 | Twitter: @VPatelFX
Note: AFE index based on 7 Developed FX (EUR,JPY,GBP,CAD,AUD,SEK,CHF); Broedinex based on 26 major trading partners; Trend period returns for Real $ Index

Weakened Dollar Support Mechanisms

The US dollar has been supported for many years by two key factors. First thanks to preferential interest rates – the dollar has benefited for years from higher interest rates in the United States compared to other countries, such as Japan, the euro area and Switzerland, where the rates of interest were negative. Second, the US economy has outperformed other major economies, such as the euro area.

These two factors have changed dramatically in 2020, if not they have even evaporated. Indeed, the Fed drastically reduced interest rates to near zero and the US economy suffered collateral damage from the fallout from the pandemic.

The severe impact of containment measures, especially in the service sector in the United States, combined with the challenge of controlling the virus, has meant that the American economic recovery has so far been slower than that in most other countries. This has put pressure on the US dollar which has weakened against all other G-10 currencies since April.

The Fed Puts the Brakes on the Dollar's Rise

A key reason why the greenback has been losing momentum can be chalked up to the Fed's expansionary monetary and fiscal policy as well as its massive Covid-19 relief program. The central bank has undertaken a series of interest rate cuts, with the last one coming in March when it lowered the benchmark rate to 0%-0.25%, marking only the second time that rates were effectively lowered to zero (the first time was during the 2008 financial crisis).

The Fed also launched a $700B bond-buying program as well as a generous stimulus to shelter the U.S. economy from the ravages of the pandemic. This includes up to $2.3 trillion in lending to support state and local governments, employers, households and financial markets. The combined effect of these measures has been an increasing supply of U.S. dollars hence the gradual devaluation.

To make matters worse, the dollar-buying spree that had propelled the early-March dollar rally shortly after WHO declared Covid-19 a global pandemic has cooled off considerably. With a successful Covid-19 vaccine looking increasingly likely, calm has slowly been returning to the global economy and the equity markets. Consequently, the S&P 500 has managed to pare back all its losses and is now sitting on a 4.5% gain in the year-to-date.

Source: CNN Money

A key reason why the greenback has been losing momentum can be chalked up to the Fed's expansionary monetary and fiscal policy as well as its massive Covid-19 relief program.

The Gold Trade

It's not all doom and gloom though.

A weaker dollar is likely to improve the United States' trade balance by making its exports more competitive. Last year, the IMF said the dollar was overvalued by 6-12% and could have been overvalued by as much as 20% before the slide, so the reset is likely to bring it closer to its true value.

Finally, a weakening dollar has historically been good news to a cross-section of asset classes notably gold, foreign stocks and emerging markets.

The Dollar's Impact on Asset Classes
Average Annual Returns, 1974-2019

Asset Class	Years When the Dollar is Up	Years When the Dollar is Down
GOLD	-0.8%	17.6%
S&P 500	10.8%	12.9%
FOREIGN STOCKS	2.0%	18.6%
EMERGING MARKETS	2.7%	22.5%

Source: Fortune.com

Source: TradingView

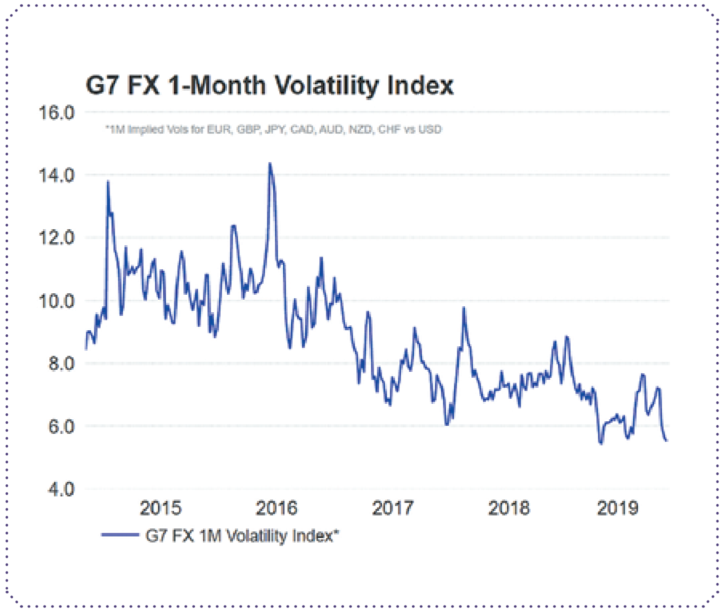
Gold in particular has been on a tear, climbing nearly 30% over the past 12 months to an all-time high of $2,060/oz.

With the dollar weakness expected to extend into the next year, this could be a rare opportunity for gold investors to double down especially on gold stocks which tend to act as a leveraged play on gold by amplifying its moves.

How Would a US Dollar Devaluation Affect Assets?

A US dollar devaluation would have an impact on movements in other asset classes. As of late 2019, currency volatility is among the lowest it's ever been with central banks currently supportive of markets, helping to dampen volatility.

Here's the G-7 FX 1-month volatility index:



However, when interest rates become low to the point where they can't be lowered anymore and relative interest rates between countries can't be changed, currency volatility must necessarily pick up.

The inability to lower interest rates much is true in all developed markets.

Japan's rates are at zero or negative along almost the entire curve. The same is true in Germany, Switzerland, France, and other developed European markets. The US isn't far behind.

In other words, when interest rates become tapped out, currencies will undergo pressure to depreciate. Otherwise these moves will translate into economic volatility, which is less desirable.

Japan's rates are at zero or negative along almost the entire curve. The same is true in Germany, Switzerland, France, and other developed European markets. The US isn't far behind.

For example, Greece was pegged to the euro during its debt crisis in 2012. Accordingly, it wasn't able to pursue an independent monetary policy, so had to take the devaluation internally through lower output and incomes. If it had been on the drachma, which was officially phased out in 2002 (and had been pegged to the euro during the transition period starting in June 2000), it could have better handled its debt issues by lowering the interest rates, extending out the maturities, and devaluing its currency.

Due to the US's balance of payments deficits (i.e., current account deficit, fiscal deficit) and bloated net external debt to GDP ratio (about 45 percent), the dollar will eventually need to depreciate.

A weaker currency helps create debt relief – foreign borrowers get paid back in money that's less valuable – and helps make exported goods more competitive internationally. A cheaper currency (lower relative exchange rates) is effectively the same as giving a discount to buyers.

In the US, currency policy is within the purview of the Treasury Department. The Trump administration hasn't explicitly stated a desire over where it wants the currency to go, though Trump has railed against a stronger dollar multiple times, and has even considered direct intervention. However, the Treasury likely lacks the resources to exert much of an effect on the greenback and has not acted on intervening.

But more generally, when the rates and fixed-income channel for conducting monetary policy is exhausted – i.e., rates are zero or negative and yields further out along the curve are zero or negative – then "currency wars" are likely to become more prominent. There is increased pressure on governments to depreciate their currencies.

Pegged exchange rate systems are at increased pressure of folding or being altered when they are inconsistent with the underlying macroeconomic fundamentals. There is increased currency risk for traders, who currently perceive currency risk to be around all-time lows.

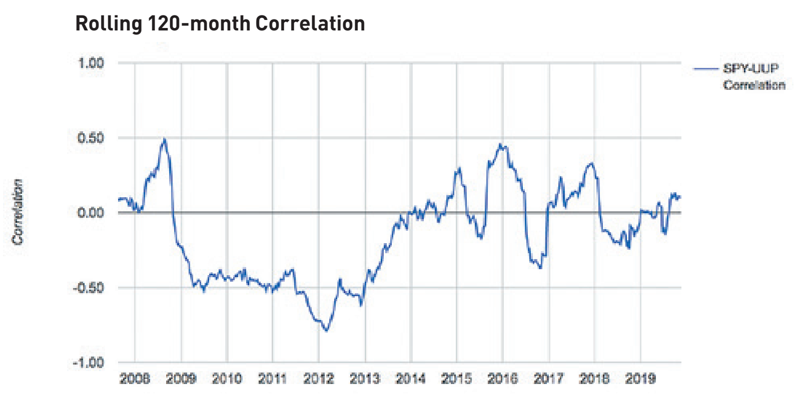
Moreover, since exchange rate depreciations provide no real net value-add, exchange rate shifts will not bring about the global easing that will help improve asset prices and living standards on a global (though can on a country-specific level if they can reduce exchange rates in relative terms, notably with respect to key trading partners).

When exchange rates move, that benefits one country at the expense of another. There are also distributional effects. If you are a net borrower, a weaker currency is typically helpful, as you pay back in depreciated currency. If you are a net creditor, a weaker currency is a disadvantage, as the asset you held (somebody else's debt) is now worth less.

Let's go through a rundown of how a US dollar devaluation would impact various asset classes.

Equities

Equities generally negatively correlate with the USD. Over the past 12-13 years, the S&P 500 and the dollar index have held a slight negative correlation (minus-0.21).



However, correlations are not stable over time and it's more important to understand the cause-effect relationships.

A few as it pertains to the dollar / US equities relationship.

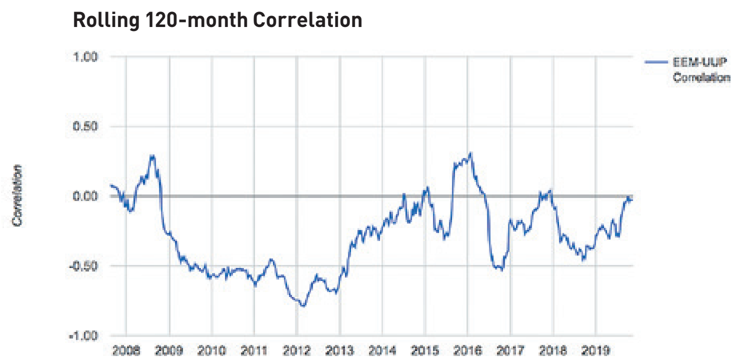
- A lower exchange rate relative to US trade partners helps firms that rely on selling their goods abroad. Because most of the largest US companies sell goods and services internationally, a lower dollar is generally beneficial to earnings. US small cap stocks tend to do more of their business domestically and have less foreign sales exposure. Accordingly, they generally don't benefit as much from a weaker dollar to the same extent as multinational corporations do.
- USD strength can be a sign of broader strength of the US economy. This can also support the outperformance of US equities relative to foreign-facing companies.
- A US intervention to weaken the USD could cause an increase in geopolitical risk and market volatility. Markets typically react to volatility by pricing equities lower.

Impact on Chinese and Emerging Market Equities

A weaker US dollar relative to other currencies would bring about a global easing. Emerging market equities would be expected to benefit as a whole.

Most foreign external debt (roughly 65 percent) is priced in USD. A cheaper dollar would make this debt easier to pay back. Many commodities are also priced in USD. These would become cheaper to many commodity importers.

Most of the world imports commodities from a smaller number of exporters. So, in terms of the distributional effects, this would be net positive for most countries purely from a commodities pricing standpoint.



This would also place less pressure on Chinese capital outflows, which would also be a plus for Chinese equities.

However, at the same time, it depends on the nature of the depreciation. If the fall in the USD causes growth headwinds to other countries because their currencies become too strong, this could ultimately become a more important driver of the returns of EM equities.

While the USD is somewhat overvalued relative to long-run expectations – evidenced by its high net external debt and bloated fiscal and current account deficits – the size of the depreciation has to be balanced in a way that's not too large or small to give the desired effect.

Over time we can see that EM equities have had a noticeable negative correlation with the dollar, primarily through the channel of cheaper USD debt and cheaper commodity imports.

Emerging Market Credit

EM credit has typically traded inversely with the US dollar. Namely, its price has increased during periods of USD depreciation.

Some of it is chicken-egg in nature. When the world is in a synchronized global upswing, there is less demand for the safety and liquidity of safe haven currencies, such as the USD, JPY, CHF, and/or gold. More gets pushed into EM financial assets where higher returns are likely to be had and less into the traditional safe markets.

So, while there is some causation involved in a weaker dollar and stronger EM assets, some of the relationship is a matter of basic flows and the reality that all assets compete with each other.

Developed market FX

A US dollar devaluation is likely to be met with devaluations by other countries mired in their own low-growth, low-inflation environments.

In developed markets, the US has more monetary policy room than other countries to boost the economy. The Fed still has 155bps at the front end of the curve and 230bps at the back end. In Japan and most of developed Europe, they are at the point at which they're more or less tapped out on the rates and fixed-income front to stimulate their economies.

Given the zero-sum nature of FX devaluations, a US depreciation likely wouldn't simply slide by other countries to avoid a tightening in their own financial conditions. So, USD intervention would very likely be met by intervention by the BOJ, ECB, and Swiss National Bank at a minimum, all of whom don't want stronger currencies.

Interest Rates—US Rates

A currency depreciation is inflationary holding all else equal. Your currency doesn't go as far, so the relative prices for imports increases. And if imports are more expensive, then the demand for local goods will be higher, increasing their prices.

If inflation increases, then you would normally think that bond yields would increase because bond yields are simply a function of:

the real risk-free rate,

credit premium (i.e., to reflect credit risk), and

inflation and inflation expectations

However, currency depreciations are often motivated by disinflationary or deflationary forces, such as having too much debt, which puts more capital into debt servicing and away from consumption and investment.

So, when currency devaluations happen, you often don't see bond yields increase (i.e., bond prices fall). That comes later, because since you're counteracting deflation, not much in the way of inflation is produced.

In the US during the Great Depression, they added money into the system (because there was too much debt and not enough money to service it). This devalued the dollar because of an increased supply. Gold went up because gold typically tracks the quantity of currency and reserves in the system globally. Long-term bond yields continued to fall because investors still wanted safety and liquidity and could get this through Treasury bonds.

In other words, just because the dollar loses its value doesn't mean that the bonds will be bad. Even though the typical reaction to a currency depreciation is for bonds to sell off at first – i.e., stimulative to economy and inherently inflationary, so more inflows into risk assets – in a scenario where currency devaluations are used to counteract deflation and the depreciation doesn't get them very far in negating it, bonds often continue to increase in price.

Interest Rates—European Rates

Major European bond markets are already more tapped out than US bond markets. We've seen some European yields get down to minus-100bps, but there's a limit to how negative yields can get. At some point, you're going to force creditors out of safe assets and into riskier assets if they're simply losing money.

A US dollar devaluation would make US exports cheaper in relative terms and euro zone exports more expensive. This could dampen euro area growth expectations and cause some level of inflows into safe European bonds.

Conclusion

Recent declines in the dollar have once again raised questions about its status as the de facto global reserve currency. Along with the weakening of the U.S. Dollar, the G-10 currencies are more likely to appreciate.

The depreciation of the US dollar has so far affected mainly developed market currencies. The euro, for example, has benefited greatly from the weak dollar thanks to significant fiscal stimulus programs and better handling of the COVID-19 situation. The euro still has some leeway to strengthen against the US dollar before the European Central Bank steps in.

Emerging market (EM) currencies were less able to benefit from the weak dollar compared to developed market currencies as the fiscal situation deteriorated in many EM countries and central banks cut interest rates to support their economies during the pandemic. Some emerging countries have chosen to put aside budgetary discipline, which has had the effect of putting pressure on their currencies. The Brazilian real and the Turkish lira, both of which are down sharply against the US dollar this year, are a good example.

Weak EM currencies have resulted in very attractive valuations, but given the heightened risks and uncertain environment, a selective approach is in necessary. Currencies that have a reasonably attractive profile coupled with a lower volatility structure, such as the Indian rupee, the Peruvian sol, and the Chilean peso are particularly attractive.

Other EM currencies are at risk of the consequences of political upheavals. The Chinese renminbi could in particular be affected by a possible resurgence of tensions in the run-up to the US presidential election. President Donald Trump has adopted an “anti-China” strategy as a central part of his re-election campaign. A further deterioration in relations between the United States and China could pose a risk.

Generally, the dollar’s value has declined in recent months. But it is still relatively strong, having appreciated 17 percent against the Euro between 2010 and 2020. As such, it is reasonable to expect it to continue its slide intermittently in the immediate future, particularly as the presidential race intensifies and emotions across both the political and social spectrum peak. Inflation, while not guaranteed, will also place some downward pressure.

Citadel Securities (Europe) Posts 30% Decline in 2019 Revenue

WikiFX Astro | Shanghai Report

INDUSTRY NEWS

The company is expanding its services that increased administrative costs.

Citadel Securities (Europe), a market-making firm, September 30th published its annual financials for 2019, reporting a significant fall in its revenue and profits.

From January 1, 2019, until December 31, 2019, the company earned net revenue of $175,123, down from $251,144 in the previous year. This means the year-on-year revenue of the company declined by more than 30.2 percent.

With this, the annual pre-tax profits of the company took a more severe dent as it slumped to $25,021 from $98,559 in 2018.

The Companies House filing further detailed that it paid $110,000 as dividends in 2019. However, the directors did not recommend any final ordinary dividend payment.

The UK-registered company offers liquidity provisions and market making services in equities, futures, options, interest rates, swaps, and government securities. Additionally, it provides trade agency services and support, trade execution, portfolio management, trading algorithm, and software development to other Citadel Securities group affiliates.

Bracing for Post-Brexit

The Group is also preparing itself for the post-Brexit implications and has already established a Dublin-based subsidiary to smoothly continue operations in Europe.

"Trading in EU markets was scaled up in the Irish regulated entity to ensure the maintenance of EU market access by the CS Group in case of any Brexit scenarios," the filing noted.

Furthermore, the company invested in technology in 2019 and expanded its offerings in the non-European markets and the US government securities. All these resulted in a 6.4 percent increase in the company's administrative expenses.

Meanwhile, Citadel Securities Finance, another company under the Group incorporated in April 2019, also published its first financial report until the end of last year. The company handles treasury and cash management provisions for the Group and posted an income of $3,620 generated from outstanding loans.

Match-Trade Technologies Expands in Asia, Opens New Office in Seoul

WikiFX Astro | Shanghai Report

Match-Trade joins forces with its long-term business partner Steve Kwon who will run local representation in South Korea.

California-based FX technology provider Match-Trade Technologies LLC is expanding its network of sales representatives in Asia with the opening of a new office in South Korea.

Match-Trade joins forces with its long-term business partner Steve Kwon who will run local representation in Seoul. This is another regional agency after the USA, Abu Dhabi, India, Poland and Malaysia offices.

The new location gives Match-Trade an operational hub within a key city in the Asia Pacific region which further improves client service to its existing customers with a strong local presence. Further, it allows the company to introduce its solutions and services to Korean forex brokers.

Match-Trade's flat competitive fee structure enables forex brokers to manage and predict their technology costs. The company's offering caters to various brokers' needs ranging from hosting services and MT white label solutions, data feed, to bridge and aggregation technology and risk management system for A Book and B Book brokers.

Match-Trade Plans to Open New Offices

"Thanks to our cooperation with Steve, our solutions have been available in the South Korean market for over two years. We highly appreciate his expertise and experience, so we are glad that he decided to run a regional office in Seoul under Match-Trade's brand," said Michael Karczewski, COO at Match-Trade Technologies.

Match-Trade's portfolio also includes a cryptocurrency solution for FX brokers and crypto exchanges, and the company says it has become one of its most sought-after solutions. The platform provides flexible reporting tools in real-time and ad-hoc reports creation that can be easily viewed from an interactive web interface.

In addition, the company offers a matching engine technology and completed several new integrations with external systems, including OneZero, PrimeXM, Fortex and Fair Trading Technology (FTT).

Furthermore, the FX trading technology company offers a free trial version of the application which allows forex providers (brokers, prime brokers, and other LPs) to test and evaluate all functionalities.

"Thanks to the fact that most of Match-Trade's products are developed in-house, I can provide clients with scaled solutions tailored to their needs. Onboarding of clients runs very smoothly, and I can always count on the support of the team. Match-Trade is a recognizable brand in Asia with an excellent reputation; therefore, I'm glad to become a part of the team," said Steve Kwon, head of South Korea at Match-Trade Technologies.

Goldman Sachs to Launch FX Pricing Engine in Singapore in Q1 2020

WikiFX Astro | Shanghai Report

The currency pricing engine in Singapore marks the fourth for the bank globally.

Singapore's mission to become the foreign exchange (forex) hub in Asia has just gotten one step closer, with Goldman Sachs Group Inc. announcing that it will be setting up an FX trading and pricing platform in the city-state.

According to a statement from Goldman Sachs on September 28th, the multinational investment bank's platform will go live in the first quarter of 2021. The platform aims to deliver improved low latency execution for its clients.

Furthermore, Goldman will bring its execution algo for non-deliverable forwards (NDFs) to Singapore, to enhance the depth and sophistication of the Asian forex market, according to Gillian Tan, executive director of financial markets development at Singapore's central bank.

Goldman Sachs is building its pricing engine with the support of Singapore's local regulator, the Monetary Authority of Singapore(MAS). Though, the currency pricing engine in Singapore marks the fourth for the bank, as it already has engines in London, Tokyo and New York.

Commenting on the new engine, E.G. Morse, Chief Executive of Goldman Sachs Singapore Pte said in the statement: "We continue to actively develop our presence in Singapore and have seen consistent growth of our franchise here over a number of years in both FX and broader global markets."

Goldman Sachs Joins the Growing List of Engines in Singapore

With Tuesday's announcement, Goldman Sachs joins a number of Tier-1 banks to launch FX pricing and trading engines in Singapore. As Finance Magnates reported, UK bank Barclays announced earlier this month that it will be launching its own engine in mid-2021.

"It makes perfect sense for us to be part of this initiative and to further develop the FX market ecosystem in Singapore, and Asia as a whole," added David Wilkins, Goldman Sachs global head of electronic FX distribution, in the statement.

Other banks that have set up engines in the country include JPMorgan, Citigroup Inc., Standard Chartered, BNY Mellon and UBS Group AG, among others. The move comes as Singapore's local regulator, the MAS, aims to make the island state the Asian hub for FX.

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Goldman Sachs is building its pricing engine with the support of Singapore's local regulator, the Monetary Authority of Singapore(MAS).

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INDUSTRY NEWS

Saxo Posts over 8% MoM Uptick in FX Volume, Equities Leaped

WikiFX Astro | Shanghai Report

The total trading volume is still struggling due to a slump in commodities demand.

The demand for the Saxo Bank Group's offerings is slowly recovering as the company reported a healthy uptick in the trading volumes for September across some key segments, including foreign exchange (forex).

In its latest monthly metrics, the Danish investment bank reported a total forex trading volume of $133.6 billion from the previous month's $123.4 billion. This translates to month-on-month growth of 8.2 percent.

Saxo's forex volumes hit a record in March with $248.6 billion, but that windfall faded the next month with a significant dip. The demand took a further hit in July and August. Despite the upward rebound last month, the FX volume is still only above the numbers posted in January and August this year.

The daily FX average increased to $6.1 billion last month from the previous month's $5.9 billion.

Comparing year-on-year, last month's figure also jumped by 12.6 percent as, in September 2019, the platform handled $118.6 billion in FX volume.

Commodities Demand Slumped Significantly

Despite the growth in FX, the equities products of the brokerage contributed the most to the total monthly volume as the segment saw a month-on-month uptick of 48.2 percent to $124.1 billion. This is only behind the reported volumes in March and June.

However, the volumes of commodities and fixed income went down. Commodities demand went down to $40.4 billion from the previous month's $66.5 billion.

With all this, the total trading volumes for the month of September stood at $303.8 billion compared to $279.4 billion, a month-on-month rise of 8.7 percent.

Meanwhile, the Japanese business of Saxo is facing controversies as it recently confirmed that 750 clients' data were leaked after a hit by hackers in July.

INDUSTRY NEWS

Central banks are considering their own digital currencies – this is what they could look like

WikiFX Lexie | Shanghai Report

KEY POINTS

- ***The Bank for International Settlements and seven central banks published a report laying out some key requirements for central bank digital currencies, or CBDCs.***
- ***They recommended that CBDCs compliment — but not replace — cash and other forms of legal tender, and that they don't harm monetary and financial stability.***
- ***The report on CBDCs comes as various central banks around the world consider their own respective digital currencies.***

After Facebook shocked policymakers with its plan to launch a digital currency last year, central banks have been forging ahead with discussions on how they could create their own virtual money.

Now, they've come up with a rough framework for how such a system could work. On Oct. 9, the Bank for International Settlements and seven central banks including the Federal Reserve, European Central Bank and the Bank of England published a report laying out some key requirements for central bank digital currencies, or CBDCs.

Among the recommendations the central banks made were that CBDCs compliment — but not replace — cash and other forms of legal tender, and that they support rather than harm monetary and financial stability. They said digital currencies should also be secure, as cheap as possible — if not free — to use and "have an appropriate role for the private sector."

The report on CBDCs comes as various central banks around the world consider their own respective digital currencies. Blockchain, the technology that underpins cryptocurrencies such as bitcoin, has been touted as a potential solution. However, cryptocurrencies have drawn a lot of scrutiny from central bankers, with many concerned they open the door to illicit activities like money laundering.

In China, a country where digital wallets like Alipay and WeChat Pay have seen widespread adoption, the central bank is already partnering with a handful of private sector companies to trial an electronic currency it's been working on for years. Meanwhile, Sweden's central bank is working with consulting firm Accenture to pilot its proposed "e-krona" currency.

"A design that delivers these features can promote more resilient, efficient, inclusive and innovative payments," said Benoit Coeure, the former European Central Bank official who now leads BIS' innovation efforts.

"Although there will be no 'one size fits all' CBDC due to national priorities and circumstances, our report provides a springboard for further development of workable CBDCs."

It's worth emphasizing that these central banks aren't taking a stance yet on whether they and other institutions should issue digital currencies; they're still looking into whether such virtual currencies are feasible. Advocates for digital currencies say they could enhance financial inclusion by onboarding people without access to a bank account. But there are concerns this could leave out commercial banks.

Central bank work around digital currencies appeared to gather steam last year after Facebook introduced its own version — libra — which is backed by a coalition of companies including Uber and Spotify. The troubled project was met with an intense regulatory backlash as well the departure of high-profile backers like Mastercard and Visa.

The group overseeing the initiative, called the Libra Association, has since scaled back its approach, opting for multiple currency-pegged cryptocurrencies instead of the previously proposed single digital coin backed by multiple currencies.

FMA Imposes Additional Conditions on CLSA Premium's NZ Licence

WikiFX Lexie | Shanghai Report

CLSA Premium Limited, a foreign exchange (forex) broker, recently announced that the Financial Markets Authority (FMA) of New Zealand has imposed additional conditions on its derivatives issuer licence.

After the company's auditor couldn't complete the audit work for its subsidiary, CLSA Premium New Zealand Limited (CLSAP NZ), for the year ended on the 31st of December 2019, the FMA added specific conditions to prevent CLSAP NZ from making an offer to or receiving further funds from retail investors in relation to derivatives, except in limited circumstances.

The New Zealand operations of CLSA Premium was formerly known as KVB Kunlun New Zealand Limited and is the country's local subsidiary of the Hong Kong parent, CLSA Premium Limited. The company provides a range of financial services, such as brokering, derivatives and financial advice.

According to the announcement from CLSA Premium Limited's Board of Directors, the auditor was denied access to the evidence relating to the Group's Legacy Systems and data contained on the databases and servers maintained by Banclogix System Co., Limited.

The conditions imposed on the company by the New Zealand regulator allow CLSAP NZ to close out open positions with retail investors. The company can receive funds from retail investors to meet obligations, such as margin or collateral requirements.

"The above conditions will take effect from 22 September 2020 and will remain until such time as the relevant compliant audit and assurance reports for 2019 are lodged, and the FMA is satisfied that the criteria for issuing a licence under the Act are met," CLSA Premium said in its statement on Monday.

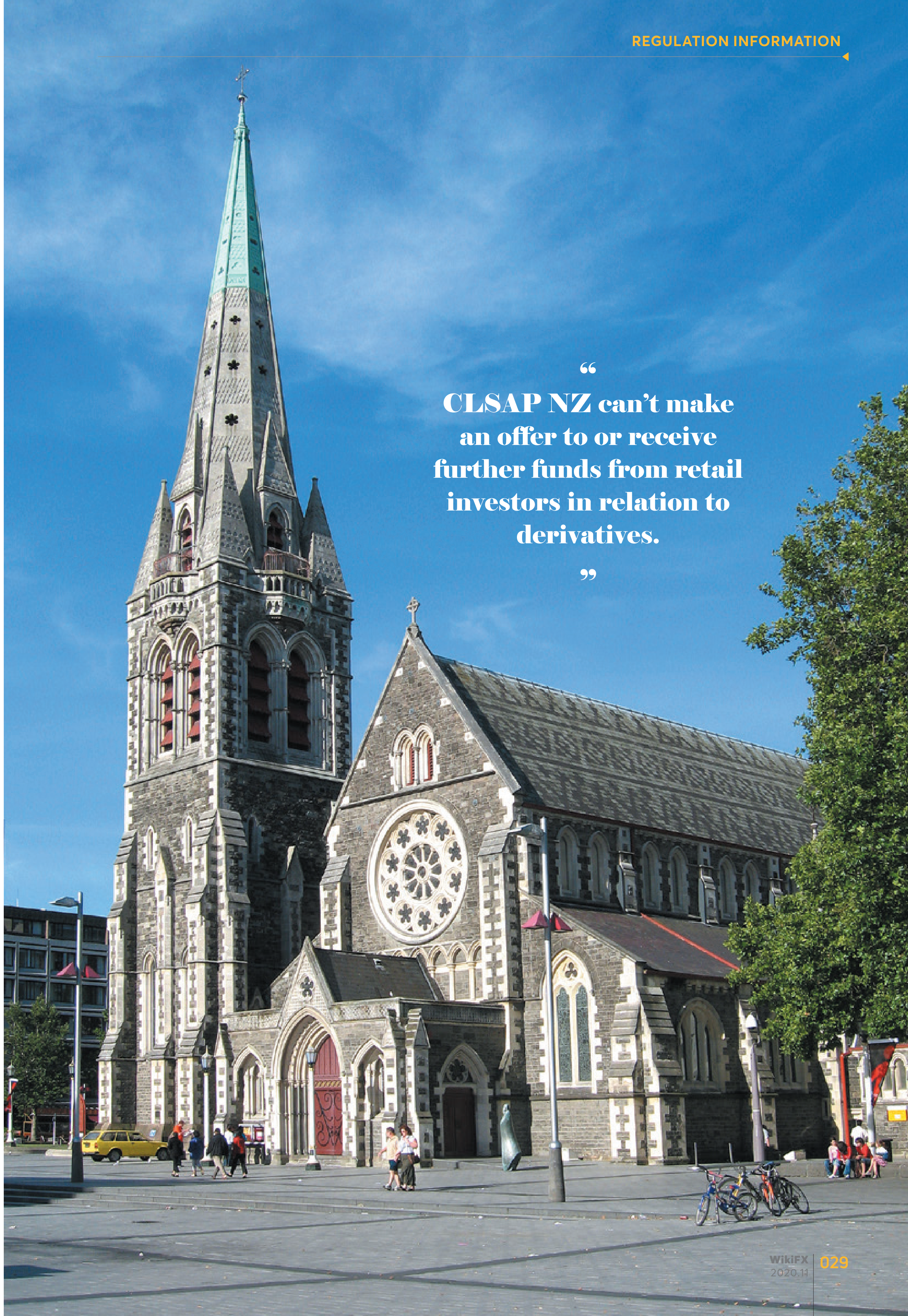
Issues in New Zealand for CLSA Premium continue

Following on from the additional licence conditions, CLSA Premium expects its operations in New Zealand to be temporarily affected. However, it will make the "best effort" to fulfill the audit assurance requirement and lift the conditions.

CLSA Premium has been having issues with its subsidiary in New Zealand for some time. As Finance Magnates reported, the FMA is suing CLSAP NZ for alleged breaches of the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act.

For the three months before the date of its announcement on Monday, the New Zealand operations of the Group contributed approximately 24.8 per cent of its average turnover. Its Australian operations, however, made up 75.2 per cent of average turnover.

In order to reduce the negative impact of its operations in New Zealand, the Group plans to continue the development of its business in Australia.



"CLSAP NZ can't make an offer to or receive further funds from retail investors in relation to derivatives."

REGULATION INFORMATION

FCA Seeks Consultation on EEA Firms' Post-Brexit Authorization

WikiFX Lexie | Shanghai Report

The MiFID passporting rights for the EEA companies will expire on December 31, 2020.

> "According to the FCA, over 1,500 firms are currently registered in the Temporary Permissions Regime and many will be seeking authorization at the end of the Brexit transition period."

As the Brexit deadline is knocking, the United Kingdom's Financial Conduct Authority (FCA) has launched a consultation process to decide on the authorization and supervision of international companies operating in the country.

The regulator highlighted that these provisions are primarily for the EEA firms that intend to seek authorization in the UK.

The divorce between the UK and the European Union was already finalized and the two are now in a transition period, which will end on December 31, 2020. The EU licensed companies are still operating in the UK under the passporting rights of the Markets in Financial Instruments Directive (MiFID), but that will expire with the deadline.

Companies Preparing for Post-Brexit

Though many companies are trying to circumvent the upcoming uncertainties by forming new subsidiaries, many are still looking at the regulators for a proper framework for business.

Finance Magnates recently reported on Revolut's migration of its business accounts to Lithuania ahead of Brexit to ensure seamless services.

According to the FCA, over 1,500 firms are currently registered in the Temporary Permissions Regime and many will be seeking authorization at the end of the Brexit transition period.

"With the Brexit transition period due to end on 31 December 2020, firms that have registered for temporary permission will need to consider plans for full authorization," FCA's international executive director, Nausicaa Delfas said in a statement. "Today we are setting out our expectations for the future authorization and supervision of international firms, to ensure appropriate protection for users of financial services."

Additionally, the UK regulator stressed that the EEA or non-EEA companies seeking authorization in the UK need to demonstrate readiness with minimum relevant standards. It will receive the outside views on these provisions until November 27, 2020.

"International firms are a key contributor to the success of the UK financial services market. This consultation will give EEA and non-EEA firms a chance to feedback on our future approach to the regulation of international firms," Delfas added.

REGULATION INFORMATION

Former Amazon manager made $1.4 million from insider trading, SEC alleges

WikiFX Lexie | Shanghai Report

KEY POINTS

- ***The Securities and Exchange Commission charged a former Amazon finance manager and two family members with insider trading.***
- ***The commission alleges that Laksha Bohra, who worked as a senior manager in Amazon's tax department, had access to confidential information from Amazon ahead of the company's quarterly and annual earnings reports.***
- ***The family allegedly profited approximately $1.4 million from unlawful trading.***

The Securities and Exchange Commission charged a former Amazon finance manager and two family members with insider trading, alleging that they made approximately $1.4 million from unlawful trading.

The agency alleges that Laksha Bohra, who worked as a senior manager in Amazon's tax department, had access to confidential information from Amazon ahead of the company's quarterly and annual earnings reports.

From January 2016 through July 2018, Bohra allegedly tipped her husband Viky Bohra off on the company's financial performance. Bohra's husband would then trade the stock with his father, Gotham Bohra, on the confidential information, the SEC said. The group allegedly traded on the confidential information in 11 separate accounts maintained by the family.

The SEC filed its complaint in federal court in Seattle, charging the family members with violating anti-fraud provisions of the federal securities laws.

Amazon declined to comment on the charges. An attorney for Laksha Bohra did not immediately respond to a request for comment.

> "The SEC filed its complaint in federal court in Seattle, charging the family members with violating anti-fraud provisions of the federal securities laws."

Belgium's FSMA Warns against Selling Trading Products

WikiFX Olivia | Shanghai Report

These products are advertised on social media, and mostly young people fall for them.

Belgium's Financial Services and Markets Authority (FSMA) issued a warning on Monday against the companies selling, trading and training products related to forex, contract for differences (CFDs), and cryptocurrencies.

The market regulator highlighted that most of these products are sold using the so-called multi-level marketing (MLM) structure, meaning the customers get incentives for onboarding more users on the platforms.

"…offers of CFDs and forex via the internet are very risky and vulnerable to fraud," FSMA noted. "The possibility of loss is much higher than the possibility of gain."

The market watchdog additionally cited a survey by other European supervisors that shows that 75 percent to 89 percent of the investments in derivative products result in losses.

Most of these products are marketed through social media and advertised as some get rich quick schemes by influencers showing off their luxury lifestyles. The FSMA pointed out that most young people fall for these schemes.

"The message is that everyone can afford this kind of lifestyle if they bring in enough new members and make the right investment in the software being promoted," the regulator noted.

Regulators Getting Cautious

Indeed, regulators across Europe are actively flagging influencer accounts bragging about profits from the forex and other tradings.

Though the Belgian watchdog did not call all these schemes as fraudulent, it stressed that "a great many cases of fraud have also been found to use these instruments".

Meanwhile, the FSMA is maintaining a list of flagged platforms that it considers suspicious. In June, the regulator warned against three boiler room scams that are illegally offering services in Belgium, Finance Magnates reported.

Furthermore, the watchdog is considering to develop regulations for "the sale, purchase, and use of virtual currencies and all related financial products" as these are becoming the center of cybercrimes.

REGULATION INFORMATION

"Indeed, regulators across Europe are actively flagging influencer accounts bragging about profits from the forex and other tradings."

REGULATION INFORMATION

ASIC tells fund managers to be 'true to label'

WikiFX Astro | Shanghai Report

Being "true to label" is also fundamental for a competitive marketplace. If consumers cannot rely on product labels, then it is difficult for funds to compete on a fair basis – disadvantaging both compliant fund managers and end-consumers.

ASIC recognizes that during times of market volatility, consumers may be looking for alternate investment options offering regular or higher returns, and financial product labels are used as a guide for consumers about what they are investing in.

ASIC examined the appropriateness of the product labels used by the 37 managed funds and assessed whether the funds were described and promoted in a manner that reflects the underlying assets in terms of risk and liquidity.

ASIC Deputy Chair Karen Chester said, "Our surveillance identified two significant concerns. First, confusing and inappropriate product labels across 14 'cash' funds with under $7 billion in assets. And second, redemption features not matching the liquidity of underlying assets, with a significant mismatch in three funds with under $1 billion in assets."

Confusing or inappropriate 'cash' product labels:

- While most of the funds reviewed in the fixed-income, mortgage and property sectors were appropriately labelled, ASIC identified concerns with the labelling of some cash funds.
- Out of the 22 managed funds, with over $15 billion in funds under management, that used the term 'cash' in their labelling, 14 funds had confusing or inappropriate labels.
- Some funds that were labelled as 'cash funds' had asset holdings more akin to a bond or diversified fund, which have significantly higher risk and less liquidity compared to a traditional cash fund. This was especially prominent in funds that use words such as 'cash enhanced' and 'cash plus' in their labelling.
- On average, funds labelled as 'cash plus' and 'cash enhanced' had more than 50% and 70% of their respective assets invested in assets other than cash or cash equivalents such as fixed-income securities and mortgages.

Mismatch between redemption features offered and the liquidity of underlying assets:

- Generally, the redemption features offered by the funds reviewed in the fixed-income and property sectors were satisfactorily matched to the liquidity of the underlying assets.
- In a small number of funds, there was a significant mismatch between redemption features and asset liquidity, i.e. the liquidity of the underlying assets did not support the short redemption terms offered to consumers.

ASIC's expectations – 'cash' labelling

Ms Chester said, "Managed investment products are not prudentially regulated or government-guaranteed, so it is paramount that consumers are not misled about the level of risk associated with a particular product."

Responsible entities must ensure their products are "true to label" and the redemp-

tion terms offered to investors are supported by and consistent with the underlying liquidity of the fund's assets.

Funds should be "true to label". This is not a nice-to-have. It's a must-have for responsible entities in meeting their legal obligations to their investors, especially in times of market volatility. Inappropriate labelling of a fund can mislead investors into believing that the fund is much safer or more liquid than it actually is. Put simply, a fund should not use terms such as "cash" or "cash enhanced" unless its assets are predominantly in cash and cash equivalents.

"Being 'true to label' is also fundamental for a competitive marketplace. If consumers cannot rely on product labels, then it is difficult for funds to compete on a fair basis – disadvantaging both compliant fund managers and end-consumers," Ms Chester said.

If the underlying liquidity of a fund is inconsistent with its redemption promises, investors may not be able to redeem their investments when they anticipated they would be able to do so. In periods of market volatility, especially during COVID-19, this exacerbates the liquidity risks faced by the funds and ultimately investors.

Where there is a mismatch between a fund's redemption terms and the underlying assets, responsible entities need to take proactive steps to revise the redemption terms or move to less frequent redemptions if appropriate.

ASIC's corrective action

Following the review, ASIC sought corrective action from 13 responsible entities where significant concerns were identified. As a result, to date:

- seven responsible entities have voluntarily changed or proposed to change the names of their funds (nine in total) to reflect the product composition;
- one responsible entity is proposing to change the asset allocation of the fund to reflect its name;
- three responsible entities have undertaken or committed to undertaking a review of their funds;
- one responsible entity withdrew misleading promotional materials on their website and subsequently wound up its fund.

ASIC's engagement with some responsible entities is continuing. ASIC will continue to monitor the outcomes and consider appropriate regulatory action, including enforcement action where necessary.

Responsible entities should consult ASIC's Regulatory Guide 168 Product Disclosure Statements (and other disclosure obligations) for guidance on labelling and disclosure requirements.

Investors who have exited a managed fund but believe they have suffered financial loss as result of inappropriate or confusing labelling, should contact their fund's responsible entity in the first instance. They can also seek recourse by making a complaint to Australian Financial Complaints Authority (AFCA), which offers fair, free and independent dispute resolution.

AMERICAN REVIEW

Jim Cramer recommends buying Big Tech, dividend stocks into further weakness

WikiFX Lexie | Shanghai Report

KEY POINTS

- ***Investors should expect there to be more selling ahead, CNBC's Jim Cramer warned on Sep. 23.***
- ***But the "Mad Money" host said there are pockets of the equity market that are worth buying.***
- ***He said stocks like Apple, Microsoft and Amazon are buys if they face more weakness, while dividend-paying stocks like PepsiCo and General Mills can be bought now.***

Despite the persistent selling in September, CNBC's Jim Cramer said on Sep. 23 there continue to be areas of the stock market where investors should look to put cash to work.

In particular, the "Mad Money" host said large-cap tech names such as Amazon, Apple, Alphabet and Microsoft are close to levels that represent buying opportunities, while stocks with solid dividend payments such as General Mills and Johnson & Johnson are worth adding to portfolios.

"But when it comes to anything else, you have to be patient," Cramer said on Sep. 23, which was another down day for Wall Street.

The Dow Jones Industrial Average gave up 525 points, or 1.9%, while the benchmark S&P 500 retreated by 2.4%. In a session filled with technology declines, the Nasdaq Composite fell by 3%. The pullback added to what has been a tough month. The 30-stock Dow has fallen 5.9% in September, the least of the major U.S. equity indexes. The Nasdaq has given up 9.7% while the S&P 500 is down 7.5%.

Cramer said he expects the market to remain volatile "until more of those overly bullish new investors throw in any towel that they may be holding," referring to the new cadre

of people who began buying stocks during the coronavirus pandemic and took part in Wall Street's massive rally. From its late March virus-era bottom to its Sept. 2 record high, the S&P 500 rose more than 60%.

"When the market's roaring, a lot of investors seem to forget the most fundamental rule in the book: buy low, sell high. Instead, they want to buy high and sell higher," Cramer said. "The problem with that strategy is that when stocks go down, they go down hard—you tend to lose money a lot faster than you make it."

But Cramer said he sees opportunities to make money in those technology stocks since they have fallen back significantly from their levels earlier this month.

Apple, for example, now sits at $107 as of Sep. 23's close after it fell more than 4% during the trading session. At that price, it is about 22% below its Sept. 2 high, according to Cramer. It had sank to 25% below on Sep. 21, at around $103 per share.

Likewise, e-commerce giant Amazon hit a peak of around $3,500 earlier this month and ended Sep. 23's session at roughly $3,000 per share. For it to be 25% from its high, the stock would need to fall to around $2,600, he said.

"Given that Amazon's still up 62% for the year, while Apple's only up 46%, that seems like a reasonable level to start buying," Cramer said.

"The same back of the envelope analysis tells me that Microsoft, currently at $200, becomes attractive at around $180, $175, but considering the stock's only up 27% for the year, it might bottom sooner," Cramer said.

The host added that Google-parent Alphabet is tougher to evaluate, given the stock has lagged its other large-cap tech peers and is only up 5.23% this year. It also is facing an antitrust inquiry from the Department of Justice, a potential headwind, he said.

"But it's got a ton of cash and .. terrific growth. If it keeps falling, I think you should buy it," he said.

"

But Cramer said he sees opportunities to make money in those technology stocks since they have fallen back significantly from their levels earlier this month.

"

On the other end of the spectrum, Cramer said investors should consider adding income-paying stocks to their portfolio, especially given the low-yield environment for U.S. Treasury bonds is likely to persist for years.

"If you want income, well here you go. These are like bonds that also have the ability to grow," he said. In addition to General Mills and Johnson & Johnson, Cramer recommended looking at PepsiCo and its chief rival, Coca-Cola. The stocks are off their highs and boast dividend yields of 3.12% and 3.34%, respectively.

"These stocks represent real value. I think you can buy some of them tomorrow and then buy more if they go lower," he said. "Plus, they have the added advantage of not having any hot money in them, whatsoever, so your fellow shareholders aren't going to panic and dump the stocks as they go lower."

Cramer stressed to investors that he was not "trying to lull you into a false sense of security" by recommending stocks to buy. After all, he said, "the market is getting pulverized" and it's impossible to predict when the selling were subside.

"But we do know when it makes sense to start buying into weakness: the high-fliers work down 25% from the top, and the defensives work when they yield north of 3%," he said.

US Economy Showing Improvement but Path Ahead 'Uncertain', Says Fed Chair

WikiFX Lexie | Shanghai Report

America's economy has shown "marked improvement" since the coronavirus pandemic drove it into recession, but the path ahead remains "highly uncertain", the Federal Reserve chair, Jerome Powell, told a congressional panel on Sept. 22.

Noting the rebound in jobs and household spending since the economy cratered in the spring and early summer, Powell said it still remains far from where it was "and the path ahead continues to be highly uncertain … A full recovery is likely to come only when people are confident it is safe to re-engage in a broad range of activities" with the coronavirus under control.

Until then, Fed officials "remain committed to using our tools to do what we can, for as long as it takes, to ensure that the recovery will be as strong as possible, and to limit lasting damage to the economy", Powell said in prepared testimony to the House financial services committee.

The hearing, which will include testimony from the treasury secretary, Steven Mnuchin, is the first of three this week at which the Fed chief will field questions on the central bank's response to the pandemic and its implementation of the Coronavirus Aid, Relief and Economic Security Act.

That $2.3tn aid package, approved by Congress in late March, was the foundation of the federal government's economic response to the pandemic, and in particular authorized the treasury to fund an array of Fed lending and credit programs.

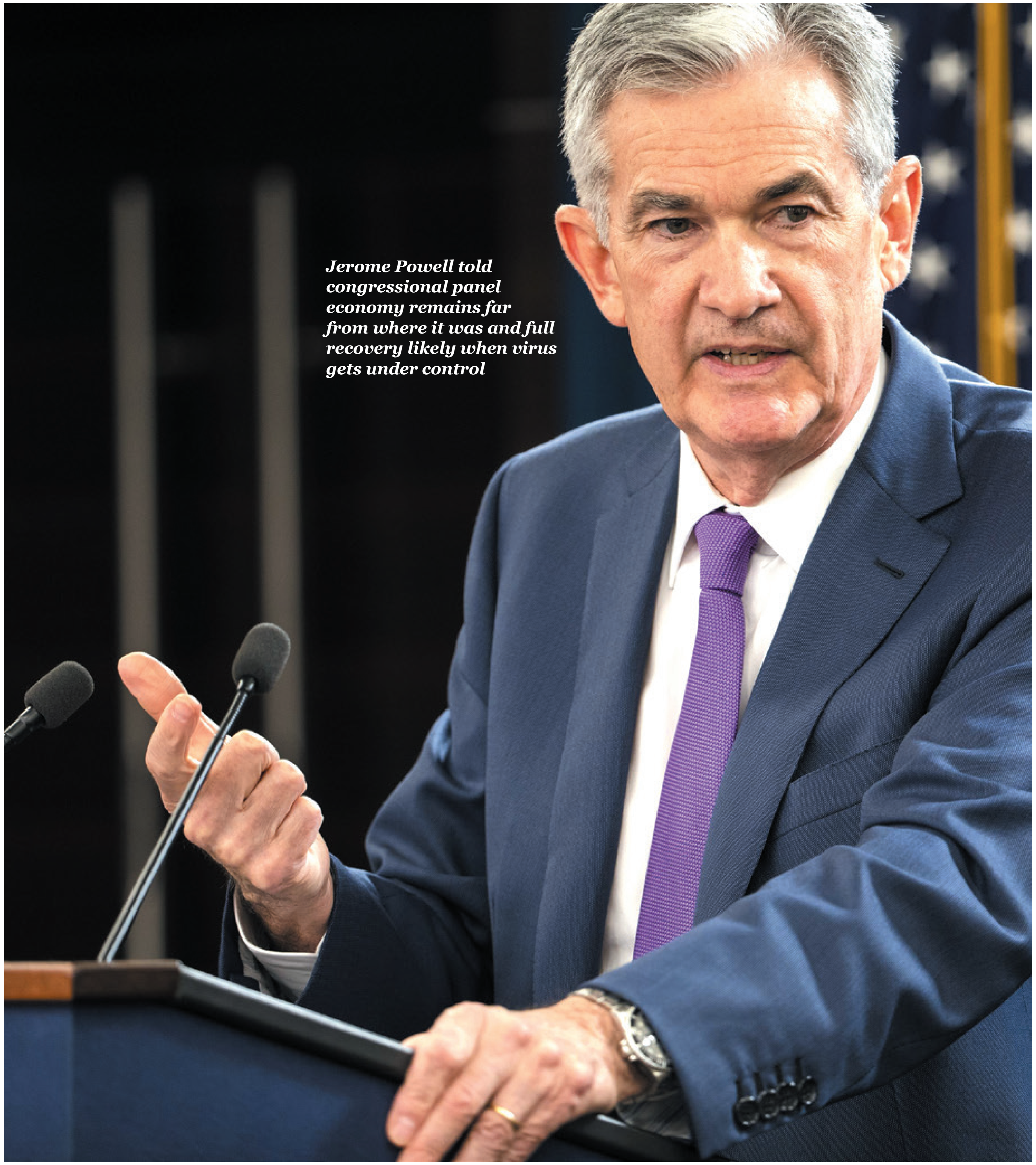
The pandemic dealt a death blow to the longest-ever US economic expansion when widespread business shutdowns and stay-at-home orders triggered the largest drop in activity since at least the second world war. The Fed responded by cutting interest rates to near zero, ramping up bond purchases and launching nearly a dozen emergency credit facilities, several with treasury's backing.

In all, Powell said, the Fed has "helped unlock" $1tn of funding to keep businesses from shutting so that they can more easily rehire workers when the economy picks up. But not that much has actually been lent to firms. Far from it.

The Fed's $600bn Main Street Lending Program has so far lent or is in the process of lending $2bn to businesses that cannot otherwise obtain credit, Powell said. Critics say the Fed and treasury should make it easier to borrow.

Congress is at an impasse on negotiations over additional support for out-of-work Americans after a $600-a-week federal supplement to jobless aid expired over the summer.

Powell has said that additional federal stimulus is likely to be needed, though top White House economic adviser Larry Kudlow says the recovery is "self-sustaining" without it.



Jerome Powell told congressional panel economy remains far from where it was and full recovery likely when virus gets under control

Google to enforce 30% take from in-app purchases next year

WikiFX Lexie | Shanghai Report

KEY POINTS

- ***Google said on Sept. 28 it will enforce rules that require app developers distributing Android software on the Google Play Store to use its in-app payment system.***
- ***The move means that developers who have had customers pay them directly with a credit card for digital content will soon have to use Google's billing system, which takes a 30% fee from payments.***
- ***Google's existing policy said that developers needed to use Google's billing system on in-app purchases made within the Google Play store, but it had not been enforced.***

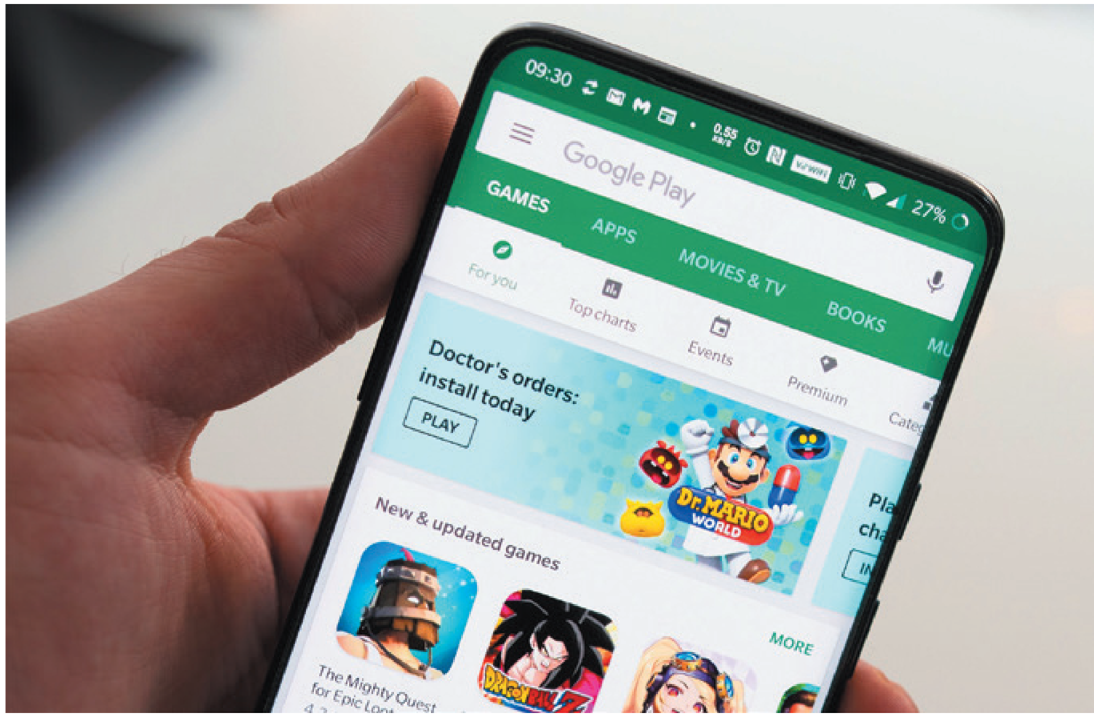
Google said on Sept. 28 that it will enforce rules that require app developers distributing Android software on the Google Play Store to use its in-app payment system.

The move means developers have until Sept. 30, 2021 to use Google's billing system, which takes a 30% fee from payments, instead of independent payment systems. The announcement brings Google Play's policies in line with Apple's App Store policies, which have come under fire from developers and regulators over several issues, including its own 30% cut.

Apple has argued against scrutiny of its App Store by pointing out that other app stores, like Google Play, also take a 30% fee from in-app purchases.

Google's existing policy said developers have to use Google's billing system on in-app purchases made

AMERICAN REVIEW



within the Google Play Store, but it had not been enforced, Google said on Monday in a blog post.

Google didn't name apps that had been skirting the rule. It said 97% of developers selling digital goods already comply with its policies. Netflix and Spotify prompt users inside their Android apps to use a credit card to pay them directly.

"We want to be sure our policies are clear and up to date so they can be applied consistently and fairly to all developers, and so we have clarified the language in our Payments Policy to be more explicit that all developers selling digital goods in their apps are required to use Google Play's billing system," Google said in the announcement, signed by Sameer Samat, a VP of product management.

Epic Games, the maker of Fortnite, updated its Android software in August to allow gamers to directly pay Epic for in-app purchases of digital goods like colorful outfits, which circumvented Google Play billing.

Google responded by removing Fortnite from the Play Store. "While Fortnite remains available on Android, we can no longer make it available on Play because it violates our policies," Google said at the time. Epic Games sued Google.

Apple also removed Fortnite from its App Store and is embroiled in its own legal battle with Epic Games.

Google's Play Store doesn't attract as much attention as Apple's App Store

Google has received significantly less attention than Apple over its 30% cut, even though its policies are similar to Apple's.

One core complaint from Apple developers is that Apple takes 30% from digital purchases made within the app, which can hamper services like Spotify, which have significant costs associated with their services like rights to music.

Android allows users to install apps without using the Play Store, including apps that distribute other apps, such as Samsung's Galaxy App Store, the company pointed out in its Monday blog post. But, the Google Play Store is the way most users download applications on an Android phone.

Google hasn't taken as much heat on its cut of in-app purchases, however.

Developers including Epic Games, Spotify, and Tinder parent company Match have created a nonprofit group to challenge Apple's App Store practices, for example.

And, when Apple CEO Tim Cook testified in front of the House Judiciary subcommittee on antitrust this summer, he answered specific questions about which apps Apple allows on its platform and how it uses its power to hamper smaller developers.

When Google CEO Sundar Pichai testified at the same hearing, he faced questions about Google's role in advertising, search, and data collection, instead of how much Google charges app-makers to use the Google Play store.

Google said next year's Android release will "make it even easier for people to use other app stores" without compromising user security.

AMERICAN REVIEW

Uber Weighs Purchase of BMW-Daimler Ride-Hailing Venture

WikiFX Olivia | Shanghai Report

- ***German carmakers have held early-stage talks about deal.***
- ***Daimler valued its half of Free Now at $720 million as of June.***

Uber Technologies Inc. is considering a purchase of Daimler AG and BMW AG's ride-hailing joint venture Free Now, a deal that could boost its market share in Europe and Latin America, people with knowledge of the matter said.

Uber expressed interest in a potential acquisition of Free Now after the venture's efforts to attract additional investors struggled to gain traction amid the coronavirus pandemic, according to the people, who asked not to be identified because the information is private. Any deal could be complicated by the challenging market ride-hailing companies face, which could make it more difficult to agree on a price, one of the people said.

There's no certainty the deliberations will lead to a transaction, and other bidders could emerge, the people said. Representatives for Uber and BMW declined to comment, and a Daimler spokeswoman said the company doesn't comment on speculation.

Daimler shares slid 1% to 45.44 euros by 9:05 a.m. on Sep.29, while BMW fell 1.3% to 60.90 euros. Uber shares rose 3.2% to close at $35.56 on Sep.28 in New York. The stock has risen 20% this year.

Daimler and BMW merged their mobility operations last year and folded them into a joint venture called Your Now, which comprises five business including the Free Now ride-hailing service. Free Now used to operate as MyTaxi and has integrated ride-hailing apps including France's Kapten, Greece's Beat and Romania's Clever Taxi.

Daimler valued the equity investment in its half of the Your Now venture at 618 million euros ($720 million) at the end of June. Its activities also include much smaller operations dubbed Park Now and the car-sharing platform Share Now.

Uber has been looking to shed minority holdings in several ride-hailing operations recently, including portions of its stakes in China's Didi Chuxing and the Southeast Asian ride-share company Grab. It has also agreed to sellits European freight business and some of its stock in Russia's Yandex.

While San Francisco-based Uber has dialed back its once-sprawling global ambitions, it's still in more than 10,000 cities across roughly 70 countries. A London judge granted the ride-hailing service an 18-month license extension Monday, allowing the company to continue operating in its biggest European market.

Daimler and BMW's shopping of Free Now reflects their focus on generating cash and improving efficiency within their core automotive operations. Carmakers also have been scaling back their mobility-service ambitions, with General Motors Co. shutting down its Maven car-sharing business earlier this year and Ford Motor Co. ceasing its Chariot shuttle service in 2019.

Making money with mobility services has proven a challenge for tech firms and automakers alike. Transport regulations vary significantly across regions and have made it difficult to scale up operations before the Covid-19 pandemic hit the sector hard.

Before Covid-19, Free Now's so-called gross merchandise volume, which is similar to revenue, was forecast to reach 8 billion euros ($9.3 billion) in 2022 from about 2.5 billion euros last year, according to one person. Those growth projections were upended by the pandemic, and Free Now cut jobs in April.

“Daimler shares slid 1% to 45.44 euros by 9:05 a.m. on Sep.29, while BMW fell 1.3% to 60.90 euros. Uber shares rose 3.2% to close at $35.56 on Sep.28 in New York. The stock has risen 20% this year.”

Europe is facing a double-dip recession as the coronavirus returns

WikiFX Lexie | Shanghai Report

EUROPEAN REVIEW

KEY POINTS

- ***Economists predicted a rebound in the second half of 2020 but they are now questioning those forecasts.***
- ***Many governments are announcing new lockdown restrictions, or a slowing of reopenings, as they deal with a significant uptick in cases.***
- ***The warnings are similar for the U.K., where the government announced on Sep. 22 that pubs and restaurants needed to close early and workers needed to stay at home, if possible, rather than commuting to the office.***

Europe is now grappling with a second wave of coronavirus infections that could once again wreak significant damage on the region's economy.

The euro zone, the area that shares the single currency, saw its economy tank by 11.8% in the second quarter of 2020, hit by strict lockdown measures used to contain the spread of the virus.

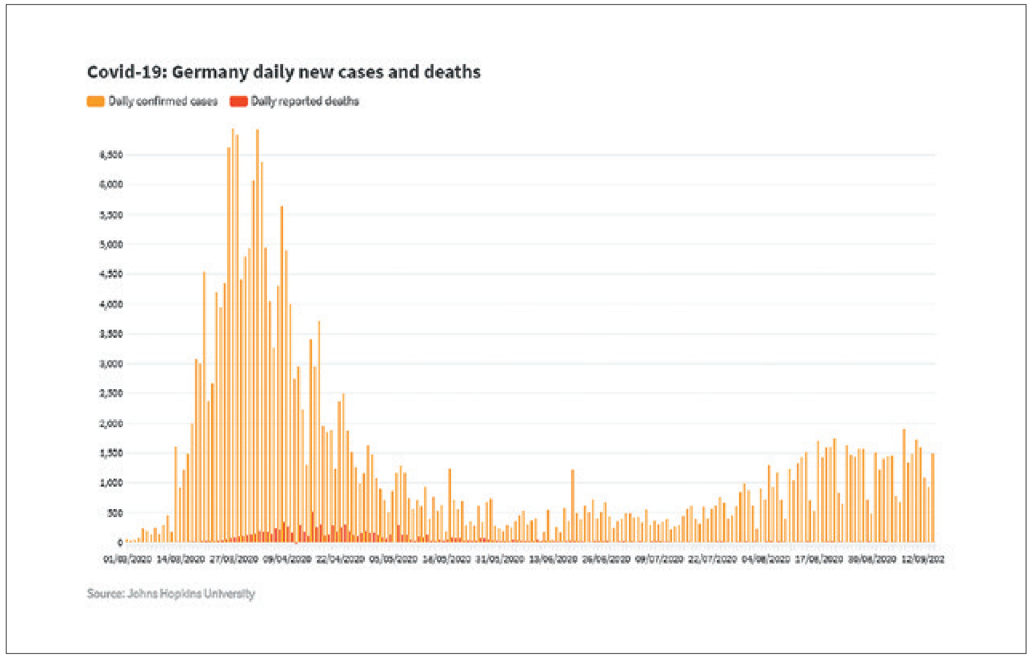
Economists predicted a rebound in the second half of 2020 but are now questioning those forecasts. Many governments are announcing new lockdown restrictions, or a slowing of reopenings, as they deal with a significant uptick in cases.

"The likelihood of a double dip, i.e. another contraction in the fourth quarter, has increased significantly," Carsten Brzeski, a chief economist at ING, told CNBC on Sep. 23.

He expects more regional lockdowns in the coming weeks such as those already seen in Madrid, Spain, and Lyon, France.

The European Centre for Disease Prevention and Control said that as of Sep. 22, there had been 2.9 million confirmed infections in Europe with Spain and France now seeing daily cases rise above the 10,000 mark.

EUROPEAN REVIEW



There is a "big risk of a double dip" in the fourth quarter, Chris Williamson, the chief business economist at IHS Markit, told CNBC's "Street Signs" on Sep. 23.

Data showed that the recovery has stalled in the euro zone in September. The flash euro zone PMI (purchasing managers' index) composite index — which measures both manufacturing and services — stood at 50.1, just marginally pushing into expansion territory. This latest preliminary number points to a three-month low in economic activity for the region.

"As we head through to (the) fourth quarter, there's obviously a lot more restrictions in place and that's really going to curb growth," Williamson added.

Concerns on the economic shock of further restrictions sent European equities into sell-off mode. "The pandemic poses the key risk to our call for a tick-shaped recovery from the March/April plunge in economic activity," Holger Schmieding, chief economist at Berenberg said in a note on Sep. 22. "The risk is rising."

The warnings are similar for the U.K., where the government announced on Sep. 22 that pubs and restaurants needed to close early and people should work from home if possible, rather than commuting to the office.

Cathal Kennedy, RBC's European economist, said that the new measures "will again primarily affect the services sector" and that will lead to slower business activity in the coming months.

The flash composite index for the U.K. came in at 55.7 in September, new data showed. This was a three-month low and highlighted that the economic recovery has also started to lose momentum on the other side of the English Channel.

British scientific advisors have said there could be 50,000 new infections a day by mid-October and Sep. 22 announcements by Prime Minister Boris Johnson were seen as a direct response to those stark warnings.

"It seems apparent once more that higher infections will impede the recovery of the services sector and suggests a difficult road ahead for the U.K.," Ambrose Crofton, global market strategist at JPMorgan Asset Management, said in an email on Sep. 23.

> **"The flash composite index for the U.K. came in at 55.7 in September, new data showed. This was a three-month low and highlighted that the economic recovery has also started to lose momentum on the other side of the English Channel."**

EUROPEAN REVIEW

TICKER	COMPANY	NAME	PRICE	CHANGE	%CHANGE
.FTSE	FTSE 100	FTSE	5883.78	-44.15	-0.74
.GDAXI	DAX	DAX	12766.09	-104.78	-0.81
.FCHI	CAC 40 Index	CAC	4818.13	-25.14	-0.52

European markets pull back with Brexit, U.S. politics on the agenda

WikiFX Lexie | Shanghai Report

KEY POINTS

- ***The U.K. and the European Union have indicated that a Brexit deal is still some way off after negotiations recommenced on Sept. 28 over implementing their Withdrawal Agreement.***
- ***House Speaker Nancy Pelosi announced on Sept. 28 that the Democrats were unveiling a new $2.2 trillion stimulus package.***

European markets retreated on the end of September, pulling back from the previous day's rally with Brexit talks and the first U.S. presidential debate on investors' radar.

The pan-European Stoxx 600 fell 0.6% in early trade, with travel and leisure stocks shedding 1.8% to lead losses as all sectors and major bourses slid into negative territory.

The cautious open follows mixed trading in Asia-Pacific overnight, where mainland Chinese and South Korean shares advanced while stocks in Hong Kong and Australia retreated slightly.

Stateside, stock futures are slightly lower following a rally on Sept. 28, as investors prepare for the first presidential debate between President Donald Trump and Democratic challenger Joe Biden, with a clear victory for either party likely to cause some market movement.

Markets are still cognizant of the continuing spread of the coronavirus worldwide, with the global death toll now exceeding 1 million with more than 33 million confirmed cases, according to data compiled by Johns Hopkins University.

Investors will also have an eye on progress toward a fresh fiscal stimulus package in the U.S., with House Speaker Nancy Pelosi announcing on Sept. 28 night that the Democrats were unveiling a new $2.2 trillion stimulus package, smaller than initially proposed but still well above what Republican leaders have offered.

Back in Europe, the U.K. and the European Union have indicated that a Brexit deal is still some way off after negotiations recommenced on Sept. 28 over implementing their Withdrawal Agreement, which British Prime Minister Boris Johnson's government has sought to renege on.

In corporate news, the bitter fallout from LVMH's soured $16 billion acquisition of Tiffany continues, with the Louis Vuitton owner countersuing the U.S. jeweler on Sept. 28 and arguing that Tiffany's financial management during the coronavirus crisis nullifies the purchase agreement.

On the data front, final euro zone economic sentiment and consumer confidence readings are due at 10 a.m. BST on Sept. 29.

In terms of individual share price action, British plumbing and heating distributor Ferguson climbed more than 5% in early trade after restoring its dividend as cost cuts helped the company boost full-year profits.

At the bottom of the European blue-chip index, British Airways parent IAG continued their recent poor run of form to fall 3.2%, along with French mall operator Klepierre.

U.K. Set for Tax Hikes as Bigger State Seen Outlasting Covid

WikiFX Olivia | Shanghai Report

- *IFS think tank warns on difficult choices facing Chancellor.*
- *Outlook highlights major political shifts wrought by virus.*

The U.K. could be facing a long-term increase in the size of the state as well as a substantial tax increase as a result of the coronavirus pandemic, according to the Institute for Fiscal Studies.

The influential research group said Tuesday it is "highly plausible" that government spending is around 45% of gross domestic product by the middle of the decade, a level not sustained since the 1970s.

The prospect of a significant enlargement of the state underscores the major political shifts brought about by the pandemic.

Once the party that prided itself on keeping tax and spending low, the ruling Conservatives are now presiding over unprecedented levels of debt in a bid to support the economy.

Spending equivalent to 45% of GDP would put Britain on a par with pre-pandemic levels in Germany, but well below France and Finland where the ratio was above 50%.

Government departments have already received an extra 70 billion pounds ($90 billion) as part of the virus response, and costs relating to procuring personal protective equipment and running the test and trace program can be expected to persist, the IFS said.

That would eat up a "huge chunk" of the additional government spending planned before the pandemic, leaving Chancellor of the Exchequer Rishi Sunak to choose between imposing austerity on some departments or finding an additional 20 billion pounds by 2023-24.

Tax Increases

IFS Director Paul Johnson said Britain is facing "really substantial" tax increases in the medium term, though Sunak is likely to refrain from doing this until 2022 in order to avoid damaging the recovery.

Prime Minister Boris Johnson swept to power in December on a promise to "level up" poorer regions in northern England and the midlands. Many of them backed the Conservatives for the first time but have since been hit hard by the pandemic, increasing pressure on the government to deliver on its pledge to reverse much of the painful austerity pursued following the financial crisis.

The demands for extra spending come at a time when the economy is facing an outlook that is difficult to predict, made worse by the prospect of Brexit chaos as Britain and the European Union remain deadlocked in negotiations over a trade deal, the IFS said.

Given the uncertainties, Sunak should limit his spending review due in the coming months to just one year -- 2021-22 -- rather than set multi-year departmental totals, it said.

EUROPEAN REVIEW

LVMH files countersuit against Tiffany in feud over $16 billion deal

WikiFX Lexie | Shanghai Report

KEY POINTS

- *The suit, filed in Delaware, says that LVMH "continues to have full confidence in its position that the conditions necessary to close the acquisition of Tiffany have not been met."*
- *It adds that the "spurious arguments put forward by Tiffany are completely unfounded."*

LVMH said on Sept. 29 it had filed a countersuit against Tiffany in a bid to walk away from the $16.2 billion takeover that would have been the biggest ever in the luxury industry.

The suit, filed on Sept. 28 in Delaware, says that LVMH "continues to have full confidence in its position that the conditions necessary to close the acquisition of Tiffany have not been met." It adds that the "spurious arguments put forward by Tiffany are completely unfounded."

The announcement is the latest in a saga that saw the Louis Vuitton owner scrap the acquisition in early September. In a statement at the time, France's LVMH said that it would not be able to complete the acquisition of Tiffany "as it stands."

The firm cited the threat of U.S. tariffs on French goods and Tiffany's request to extend the deal deadline to the end of the year.

Jewelry chain Tiffany immediately filed a lawsuit in Delaware to enforce the agreement, saying the request from the French government had no basis in law.

In the suit, LVMH mentioned the coronavirus crisis, saying that a "material adverse effect" has now occurred. In a strong rebuke, it also slammed Tiffany's "mismanagement of its business" which, it said, constitutes a blatant breach of its obligation to operate in the ordinary course.

"For instance, Tiffany paid the highest possible dividends while the company was burning cash and reporting losses. No other luxury company in the world did so during this crisis. There are many examples of mismanagement detailed in the filing, including slashing capital and marketing investments and taking on additional debt," LVMH's statement Tuesday said.

Wirecard Woes Mount for Ernst & Young as Clients Cut Auditor

WikiFX **Olivia** | Shanghai Report

Because of EY's role as Wirecard's auditor, there's a possible conflict of interest, since many of its German clients were investors in the online payments company and will try to recoup their investments.

EUROPEAN REVIEW

KfW, Germany's third-largest bank by assets, may drop Ernst & Young as auditor as EY continues to be plagued by its role in the country's Wirecardaccounting scandal.

The German government is taking a close look at the auditing of state-run KfW, and is considering dropping EY, according to two people familiar with the discussions. No decision has been made, and the tender remains open, the people said.

Commerzbank and DWS Group have already moved away from EY, one of the Big Four auditors. The firms, which also include PricewaterhouseCoopers, KPMG, and Deloitte, have been criticized for poor work and conflicts of interest in recent years. The industry is getting the most attention from critics since the collapse of Enron Corp. two decades ago.

Atul Shah, a professor of accounting and finance at City University in London, said he would expect more companies to change auditors as management teams look to show they are taking the allegations at EY seriously.

"I have a feeling this is more of a German board reaction, and if they change their auditor they can at least say they did their bit to protect the company and the shareholders," Shah said.

Because of EY's role as Wirecard's auditor, there's a possible conflict of interest, since many of its German clients were investors in the online payments company and will try to recoup their investments. Once Germany's stock market darling, shares of Wirecard have lost 99% of their value since the company's alleged accounting fraud made global headlines in June.

'Elaborate' Fraud

A spokeswoman for KfW said the bank is currently reviewing bids in a tender for a four-year deal that will start in 2022, and wouldn't comment on the ongoing process. An EY spokesman declined to comment.

EY called the 1.9 billion euros ($2.2 billion) missing from Wirecard's balance sheet an "elaborate" fraud that even a very rigorous probe might not have discovered. But EY has been added to a class-action style lawsuit against Wirecard and stands accused of failing in its most fundamental duty.

DWS, Deutsche Bank's asset management arm, said on Sept. 1 that it wouldn't propose renewing EY as its auditor because of "possible future conflicts of interest." DWS had built a Wirecard position that reached about 1 billion euros across several funds last year and has since said it plans to sue Wirecard.

On Sept. 2, Commerzbank said it had agreed to propose a change of auditors at its next annual meeting in 2021. It did so to avoid conflicts of interest that would arise because Commerzbank is still among Wirecard creditors, a bank spokeswoman said.

About 90% of Germany's biggest 160 companies are audited by the Big Four, according to research firm Audit Analytics. KPMG leads the pack with 51 of those companies followed by PWC with 46, EY with 31 firms and Deloitte with 17. Audit Analytics' data is from Aug. 31.

In a Sept. 14 letter to clients, EY chief Carmine di Sibio hinted at the problems the scandal and additional scrutiny was having on its German business, pledging assistance to the unit in any way it could.

"External reviews by local regulators of EY Germany's audit work are likely to go on for several months," he wrote in the letter seen by Bloomberg. "We will provide EY Germany whatever they need to continue meeting the deservedly high-quality expectations of our clients and other stakeholders."

More Defections?

"This letter tells you that something more serious is going on and they are worried about a whole spate of defections," Shah said.

Not all of the recent defections are related to Wirecard. Heidelberg Cement in June decided to switch to PwC after having had EY as its auditor for decades, in order to comply with European Union rules on regulator auditor rotation. Bilfinger, a German engineering firm, chose to change its auditor last year for similar reasons.

The global accounting firms are facing criticism from regulators and politicians after their development of lucrative consulting divisions to provide the opportunity for revenue growth and brand building that plain vanilla auditing can't.

Last week (Sept. 14-Sept. 20) in the U.K., Deloitte was fined a record 15 million pounds ($19 million) over the audit of Autonomy Corp., which was ensnared in an accounting scandal 10 years ago.

The Financial Reporting Council, the U.K. audit regulator, also fined two former Deloitte partners, after a tribunal found they failed to act with "competence and due care." Deloitte also has to pay costs of 5.6 million pounds.

The FRC has ordered firms to separate their auditing and consulting departments by mid-2024.

"That EY missed something so glaringly sketchy, despite all the media attention on Wirecard, suggests to me that there's something wrong with the culture of challenge at the firm," said Karthik Ramanna, a professor at the University of Oxford's Blavatnik School of Government. "But, to be frank, this is not just an EY issue—it's an industrywide issue for auditing."

WIKIFX EXPOSURE

WIKIFX EXPOSURE

Watch Out! Your Expected Forex Trade May Be a Trap!

WikiFX Carol | Shanghai Report

The forex market has become the preference for many international investors for its high efficiency and large liquidity. Although the forex sector in emerging markets, including India, to be booming in recent years, the corresponding regulation is in a lack. Illegal platforms thus take advantage of the opportunity to get unsuspecting investors into their clutches in the name of authorized brokers.

The following are the experiences of forex traders from their dictation.

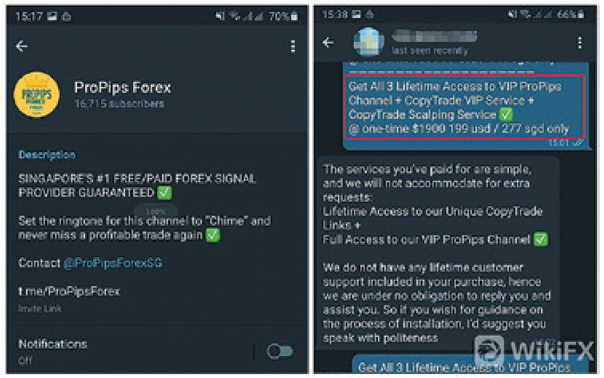
Don't be fooled by a forex signal provider.

"I just want to warn you, my friends, do not join the ProPips Forex channel. It seems to provide forex trading signals but proves to be a scam! It claimed that once you pay $277, you can get "lifetime access to all 3 VIP signal groups + copy trade vip service + copy trade scalping service". I did so, but what I got were only three links. An additional $200 per month is required for accessing the trading signals from its group. This is clearly a scam!"

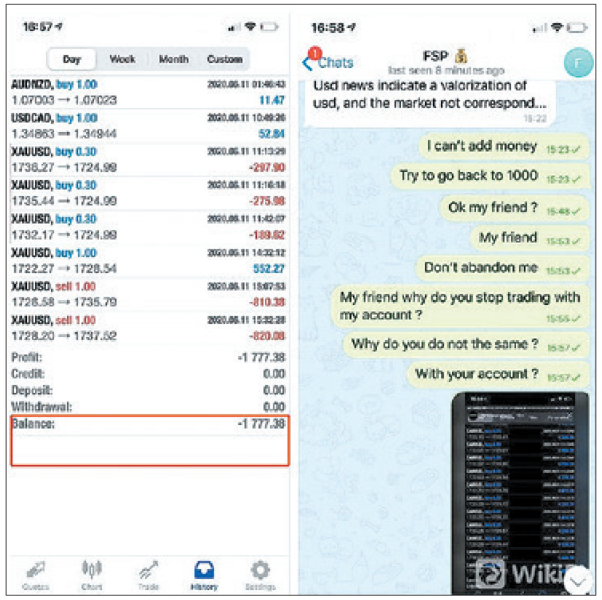
The so-called fund manager can be a big scammer.

"A few months ago, I was accosted by a user named Forex signal pro, who claimed to be a fund manager of the platform with more than 10 years of experience in forex trading, and that he could help me make a profit in the short term by charging a commission. However, as soon as I handed over my account to him, I lost everything in a day and even owed the platform over $1,700!"

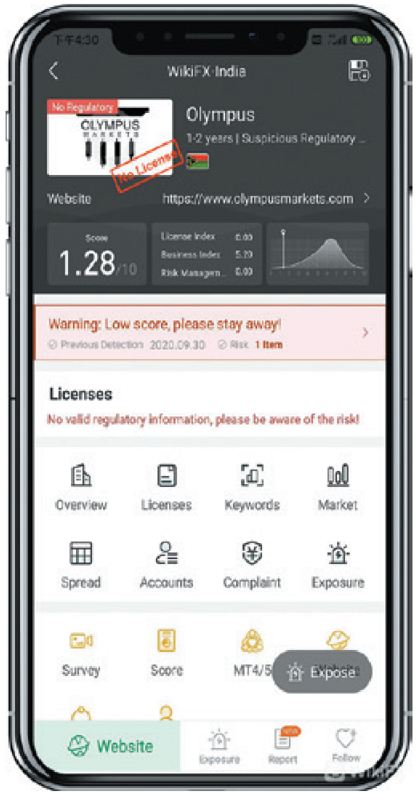
Some investors still suffer malicious losses on the platform even if they have resisted the temptation of the signal channel and turned down the fund manager.



ProPips Forex channel



A huge loss within one day



Olympus Markets only scores 1.28 on the WikiFX APP

Olympus Markets defrauded me of $6,000.

"Olympus Markets is a scam broker, and they don't care what the rules are! Olympus Markets should be shut down and their agents should be sent to jail!"

We advise investors to verify brokers through the WikiFX APP ahead of the deposit so as to avoid being deceived. Stay calm once find yourself swindled, and then you can save the chat and transaction records involved in the platform and contact us to defend your rights.

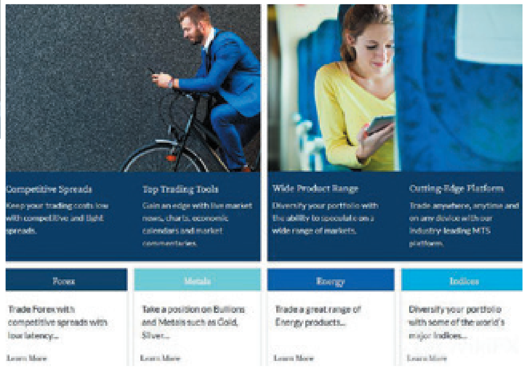
WikiFX-Conclusion

So far, WikiFX App has included profiles of more than 21,000 forex brokers around the world, while integrating broker information query, exposure, news feed and other functions, and protecting investors' fund safety in forex trading. Stay tuned for more exposure!

A Visit to Forex Broker NAG Markets in Australia

WikiFX Carol | Australia Report

Broker name	NAG Markets (Pacific) Limited (aka NAG Markets)
Address	Suite 1501A, 275 Alfred Street North Sydney, NSW 2060 Australia
Visited by	Inspection Team



Main products of NAG Markets

Visit background

Lately, some investors inquired the authenticity and business conditions of the forex broker NAG Markets. In response to them, the inspection team decided to visit the broker in Australia.

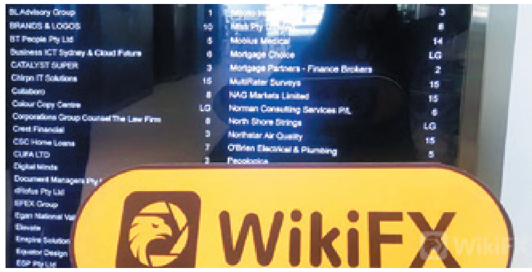
Broker introduction

NAG Markets is a CFD broker, which plays a leading role in the international financial markets, providing clients with trading services covering forex, precious metals, energy and global indices. The broker has established a competitive advantage in the industry by its low spreads and stable and fast trading services.

On-site investigation

The inspection team reached a large commercial office building at 275 Alfred Street, where NAG Markets was situated. After entering the building, the team found a floor directory in the wide lobby, from

The exterior of NAG Markets' building



The floor directory

which it can be learned that NAG Markets was located on the 15th floor.

The inspection team saw the logo of NAG markets from one of the office doors within a few steps out of the lift, and then was soon answered by a staffer after knocking on the glass door.

The inspection team received a very warm welcome by the staffer. Walking into the office, the team noticed the broker's logo again at the reception desk. The eye-catching logo was blue and white with a unique shape of a square hole inside a circle. The staffer, who noticed the team's interest in the logo, smiled and gave an introduction of it in details: the square in the center represents the importance that NAG Markets attaches to the country, as it always provides customers from many countries with excellent localization services; while the outer circle represents NAG Markets' worldwide coverage and professional leadership.

Subsequently, the inspection team also visited the office area and other functional areas. Through close observation, the team found that the office enjoyed a clean and spacious interior, with many staff working hard.

The office of NAG Markets

The reception desk of NAG Markets

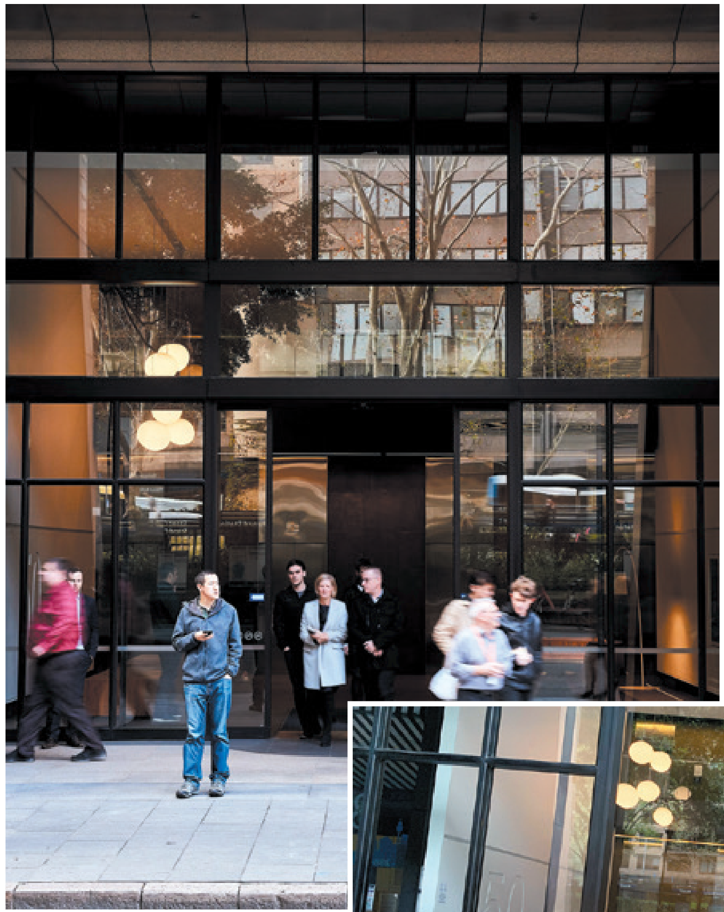
WikiFX-Conclusion

Based on the on-site investigation, the authenticity of the forex broker NAG Markets is verified. Its business address is in line with that recorded by the regulator. NAG Markets is currently under valid supervision with the Retail Forex License issued by the Vanuatu Financial Services Commission (VFSC).

A Visit to Forex Broker Elite Capitals in Australia

WikiFX Carol | Australia Report

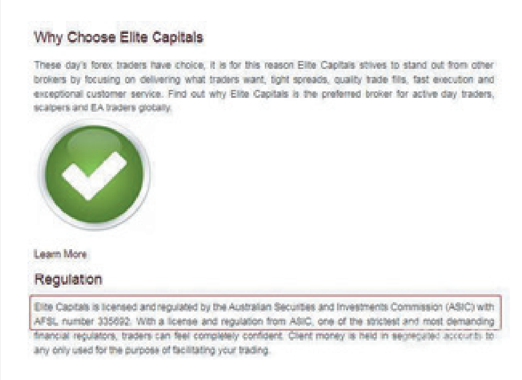
Broker Name	Elite Capitals
Address	INTERNATIONAL CAPITAL MARKETS PTY, Level 4, 50 Carrington Street SYDNEY NSW 2000
Visited by	Inspection Team



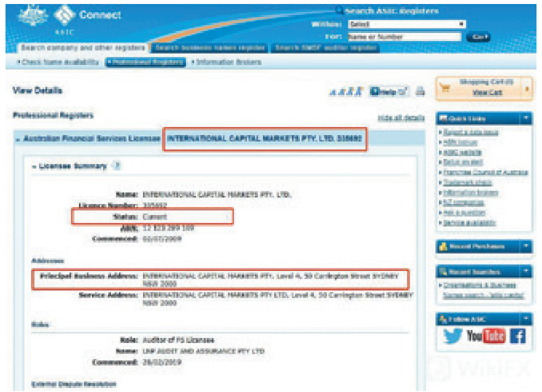
50 Carrington Street

A forex investor lately gave a call to the inspection team in the hope of learning more about the broker Elite Capitals' regulatory information and business conditions.

Through a knock-out search, it is found that that although Elite Capitals claimed to be regulated by the Australian Securities and Investments Commission (ASIC) with AFSL number 335692, it is just a clone of the company INTERNATIONAL CAPITAL MARKETS PTY. LTD (IC Markets for short) which actually owns the reference number with valid operation. According to its



Elite Capitals claimed to be regulated by the ASIC



The finding result from the ASIC website

regulatory information, the company's address shows INTERNATIONAL CAPITAL MARKETS PTY, Level 4, 50 Carrington Street SYDNEY NSW 2000.

What exactly is the relationship between IC Markets and Elite Capitals? Is Elite Capitals a real broker? In order to protect investors' funds and prevent potential forex scams, the inspection team visited the broker Elite Capitals in Australia.

The inspection team arrived at 50 Carrington Street with the guidance of navigation.

Entering the building, the inspection team saw IC Markets (4th floor) from the floor directory. To make the survey results accurate, the team went to the 4th floor for more information about Elite Capitals.

Unfortunately, there was no company here other than IC Markets. With no one at the front desk of the office, the inspection team asked the building staff downstairs, who said they had never heard of Elite Capitals.

The floor directory

The office of IC Markets

WikiFX-Conclusion

Through the on-spot investigation, the team confirmed that the broker Elite Capitals does not really exist. The ASIC license information showed by the broker is actually a clone of IC Markets. Please pay attention to the potential risks!

An Essential Lesson for Investors: Forex Broker's Business Model

WikiFX Lancy | Shanghai Report

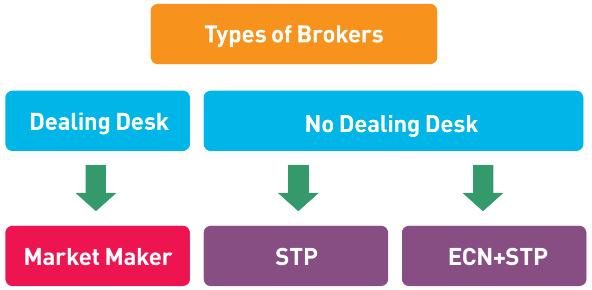
The first lesson for successful forex trading is to select a good broker. Such a choice may be more complex than it seems to be. Many investors learned forex brokers through their advertisements especially telesales, and their partners the so-called introducing brokers. However, is your broker really the right one?

This article analyzes the business model of forex brokers specifically, that is, brokers' strategies to make profits.

Business models vary from broker to broker. How they charge customers is actually the way they make profits. Generally speaking, online forex brokers are divided into two types: Dealing Desk (DD) and No Dealing Desk (NDD), while the latter can be further subdivided into: Straight Through Processing (STP) and Electronic Communication Network + Straight Through Processing (ECN+STP).

DDs are also called Market Makers (MM). With a Dealing Desk for order processing, these brokers make money through spreads and will take the opposite side of clients' trade if necessary. Conversely, NDDs work as a direct linkage between clients and the inter-bank market with no Dealing Desk. These brokers can make profits by either charging a commission for trading or putting a markup by increasing the spread.

While the above-mentioned brokers are all legal, the business model for illegal brokers is to make profits from traders' losses via illicit means. Such brokers usually hoodwink investors into opening accounts and making deposits on illegal platforms under the guise of "high return on investment", and then abscond with investors' money suddenly.



WikiFX-Conclusion

With that said, choosing a legal forex broker is essential. The regulatory information is another key for verifying whether a platform is legal. Although most illegal platforms are filtered out for no regulation, there are still others cloning the license of other regulated companies. But investors can identify them by comparing their sites with the registered ones on the official website of the regulatory authority. Investors can also learn their information through the WikiFX Web or App, by which all the details about brokers are available to access after searching their name.

WIKIFX TRENDS

FED's Hawkish Monetary Policy Under Dovish Disguise

WikiFX Lancy | Shanghai Report

Although the Fed remained the monetary policy unchanged as expected and reiterated in its post-meeting statement that it would pin the rate for the long term, which seems to be dovish, it takes hawkish actions instead. First of all, the Fed sharply raised its economic forecasts with the median of projections for GDP growth up to -3.7% for the end 2020 (-6% for June projection), the median PCE (personal consumption expenditure) inflation rate ending 2020 at +1% and the median core PCE inflation ending 2020 at +1.5%, which are both higher than PCEs of June projection.

The bitmap shows that the interest rate will remain at current levels until 2023, that is, the rate is likely to increase in 2024. The DXY staged a rally despite the Fed's reiteration of long-term low-interest rate both because of the sharp increases in economy and inflation projected by the Fed and the chance for the

interest rate to rise in 2024. However, most analyses lose sight of the implication that the Fed will scale back quantitative easing (QE) prior to the rate increase. Taking the last rate-hiking cycle for reference, the U.S. embraced the cycle at the end of 2015, before when the Fed successively ended QE, lifted interest rates, and shrank the balance sheet.

In 2013, as the U.S. gained strength in the broader economy, the rumors that the Fed was going to cut back QE seized the financial market in Q1. The DXY thus was gearing up for a soar. At the end of 2013, the former Fed Chair Bernanke eventually announced to begin Fed's tapering of QE, resulting in the dollar price jumping from $80 to $100. After the statement, the financial market predicted that a rate-raising cycle was just around the corner, which at last triggered at the end of 2015. Considering that the period from the tapering of QE to the occurrence of the cycle is just two years, the Fed may start the tapering early in 2022 if it sets to inspire the rate in 2024.

https://www.wikifx.com GO

WikiFX-Conclusion

Notably, the financial market will hype the tapering in advance before it happens, which lasted for nine to ten months in 2013 according to the process mentioned above. In other words, next year is expected to see rumors of the U.S. tapering of QE in Q1 & Q2. With that said, investors should never be under the misapprehension that the greenback won't rise until the rate gets higher in 2024. The rate just increased at the end of 2015 even though the dollar had been poised for aggressive growth since early 2013.

Profit from This Rare and Powerful Chart Pattern

WikiFX Grace | Shanghai Report

Have you ever found or received something rare? A typewriter or an old dollar note? What were your emotions? Delighted, honored, lucky, treasured?

Those emotions are elicited whenever I see this chart pattern. This chart pattern is rare and explosive in nature, often bringing in the money in a short period of time. What is this chart pattern? Why is it explosive?

This is no other than the Cup and Handle chart pattern.

Cause

This chart pattern is caused by profit taking in a bull market, followed by renewed bullishness.

Here's a quick recap: Prices are in an uptrend in a bull market. On the other hand, prices are in a downtrend in a bear market.

Identifying the Cup and Handle Pattern

As the cup and handle pattern is caused by profit taking in a bull market, the prior trend must be up.

In other words, this is a continuation chart pattern. Therefore, this chart pattern is usually found in the middle of an uptrend.

The cup and handle pattern looks like 2 "rounding bottoms" stuck to each other. The 1st "rounding bottom" is larger (width and depth) while the 2nd is smaller.

What happens in the Cup and Handle?

Price has been climbing prior to this chart pattern. The traders who had bought early into the uptrend are sitting on profits. They decide to take their profits off the table (either partially or fully), resulting in a decline in prices.

Those who have missed out the initial uptrend spot the decline in prices and feel that it is a worthwhile opportunity to go long now. Price starts climbing and it hits a resistance level at the top of the cup (shown in grey in the diagrams).

The price retreats as traders sell, forming a shallow bottom (left part of the handle). Buying increases and the right side of the handle is formed. Traders spot this chart pattern and continue buying, resulting in a breakout in price, keeping the uptrend intact.

Spot It Right

Things to look out for:

- Uptrend
- Volume drops as price decreases at the start of the cup
- Volume increases as price increases towards the end of the cup
- High volume on the breakout of the handle (as shown by the circle)

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Show Me the Money

Let's see how this Cup and Handle chart pattern in EURUSD can be traded profitably.

#1 Breakout

- Watch for price to break the resistance zone (shown in grey)
- Enter your position at the breakout
- Set your stop loss
- Set a profit target

#2 Pullback

- Watch for price to break the resistance zone (shown in grey)
- Wait for the price to pull back to the area near the zone and enter your position the next session
- Set your stop loss
- Set a profit target

Sit back, sip some tea, and let it dash towards your profit target.

WikiFX-Conclusion

Volume is extremely important. A breakout with low volume is a negative signal. Watch for this pattern and you will be rewarded handsomely.

WIKIFX TRENDS

How to Manage Stress & Anxiety

WikiFX Lancy | Shanghai Report

As traders and investors, we often face bouts of anxiety and stress. Well, even if you're not actively trading and investing yet, I suppose you still face with anxiety and stress from time to time. Managing your stress and anxiety is a key part of becoming a successful trader and investor.

Here are some ways I have utilized to help greatly in managing stress & anxiety:

Acknowledge the situation and context

More often than not, what's stopping us from getting out of our stress and anxiety state is the reluctance to accept that we're vulnerable. If we are denying that we need to get out of our current situation, we're likely gonna stay in that state, and it's just gonna keep spiralling down and getting worse.

List down all the possible solutions and scenarios

Often we procrastinate due to the fear of uncertainty, especially when we are in a stressful and anxious state already. We do not know if the next decision we're gonna make is the right one, or it is gonna just make things worse.

One of the ways that I find useful is to list down all the possible solutions or decisions that I can choose, and what are the likely scenarios and outcomes they lead to. Listing all of them down allows me to assess with more clarity compared to having these thoughts all stuck in my head.

Seek help

Our ego often steps in and we tell ourselves that it's a weak sign to reach out for help. Honestly, I am truly grateful that I've met many great mentors and friends that helped me a lot throughout my years; and without them, I wouldn't be who I am today.

Don't underestimate a simple help that you can get from your friends, family, or even colleagues. Sometimes, all we need is a simple word of encouragement, a vote of confidence, and who knows, they might even drop some nuggets of wisdom that will inspire you to move forward.

And that's why we focus so much on community building here at eSmart Academy.

We are all humans, and we are creatures with emotions.

I'm not perfect, and definitely not gonna be perfect, but mastering our emotions is a muscle that we need to constantly train and develop.

If you want to be a competent and successful trader and investor, mastering your emotions is a must!

> "One of the ways that I find useful is to list down all the possible solutions or decisions that I can choose, and what are the likely scenarios and outcomes they lead to."

Three Mistakes Investors Make During Election Years

WikiFX Lancy | Shanghai Report

The US Presidential Election 2020 is near and often this causes anxiety for many retail investors. And we all know when our emotions are in play, we tend to make many stupid and unnecessary mistakes.

Let's touch on the Three Mistakes Investors Make During Election Years in the hope that you will be aware of them, and more importantly do not fall for them.

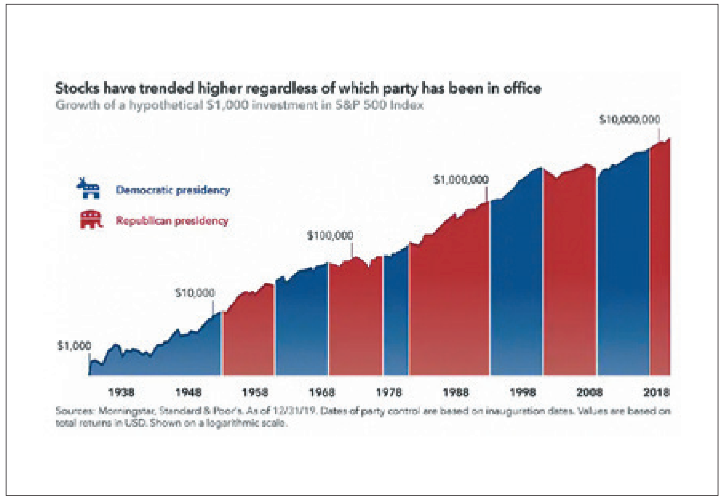
Overanalyzing which party will win

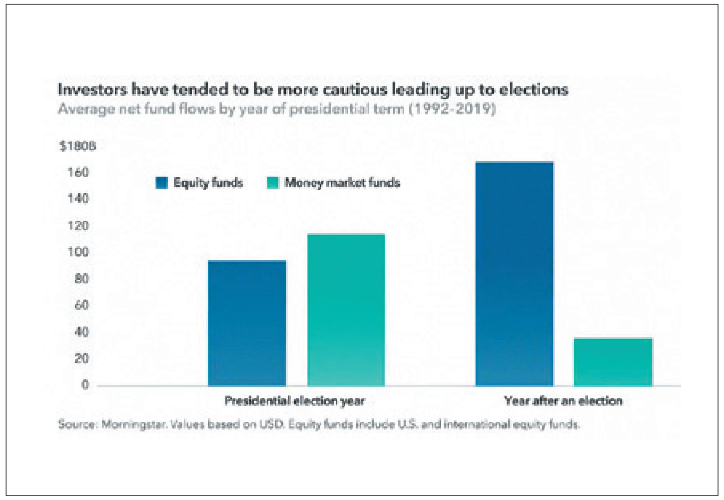
It's interesting to follow and dip our toes into forecasting who's gonna win this coming election - Biden or Trump. And you might even have your personal preference on who you favour as the upcoming US President.

But while we can do all the analysis and prediction, as traders and investors, we always follow the mantra that "the market is always right".

If we were to look all the way back to 1933 when Franklin D. Roosevelt took the presidential office to date, the stock market (S&P 500) has trended higher regardless of which party has been in office.

So while some of us gonna have our own side bet on who's gonna win this election, don't forget to also keep your bet on the stock market.





Too worried about volatility

Markets hate uncertainty, and that causes volatility. There will certainly be higher volatility in the market this coming election, and it's definitely very important that as traders and investors, we are aware of such volatile seasons and take precautionary measures.

But at the same time, opportunities arise in the market because of such volatility.

"When everyone is worried that new government policy is going to come along and destroy a sector, that concern is usually overblown," Lovelace says. "Companies with good drugs that are really helping people will be able to get into the market, and they will get paid for it."

The key here is to seek out these opportunities and manage our risk accordingly.

Trying to time the market

According to Morningstar, since 1992, investors have poured assets into money market funds much more often leading up to elections. By contrast, equity funds have seen the highest net inflows in the year immediately after an election.

This suggests that investors may prefer to minimize risk during election years and wait until after uncertainty has subsided to revisit riskier assets like stocks.

However, the results haven't been favourable to them. According to historical statistics, these investors tend to underperform when they try to time their investment around the elections.

To capitalize on this, look to position yourself ahead of the herd. And when these retail investors re-invest back into the equities market, they will be providing the demand force that pushes price higher.

Three Lessons I Have Had to Learn About Trading

WikiFX Kar Yong | Singapore Report

- *I would like to talk about three lessons I have had to learn about trading over the years.*
- *Some of them may come as a complete surprise to you.*
- *Some of them may completely change the way you view trading.*
- *Some of them may give you an "aha" moment that will completely change your life.*

1. I learned that to profit from trading, you do not need to be smart or have a very complex strategy.

I once thought that trading is very complex and only meant for smart people.

One day, I came across this book titled Market Wizards, and this book changed my entire perspective on trading. In this book, the author Jack D. Schwager interviewed the world's successful and top traders, sharing what contributed to their success in trading.

While each trader has a slightly different view, they all boiled down to solid methodology + proper mental attitude = trading success.

In fact, I'm not the smartest student in the class. I even failed one of my subjects during my university too.

But that didn't stop me from trading. And because of trading, I'm able to enjoy my financial independence today.

I believe that anyone, including you, can be a successful trader. The question is how much you want it.

> "Here's the story of how I came to realize the truth - trading is more on quality, less on quantity."

2. I learned that more trades do not mean more profits.

A hard lesson I learned that completely prevented me from being a successful trader was to think that trading requires a lot of time being in front of computer, and I need to be taking a lot of trades to make money.

Here's the story of how I came to realize the truth - trading is more on quality, less on quantity.

Again, I came to realize this after reading the book titled One Good Trade by Mike Bellafiore. We are accustomed to having the impression that the more time we spent on something, the higher the return's gonna be. But it's actually not the case in trading.

The truth is the more time you spend staring at your charts and trades, the more difficult trading is gonna be, and thus the more mistakes you're gonna make.

Nowadays, I spend only an average of 30 minutes a day trading. Some days, only 5 minutes!

We trade so that we can have our financial independence and spend the time doing the things we enjoy. Don't fall into the trap, thinking you need to spend a lot of time trading to profit from the market.

We focus on quality, not quantity.

3. I learned that trading is very safe if you know how to manage your risk.

Alright, one last hard lesson before we wrap up this article! This is a lesson that changed the trajectory of many of our students' lives.

And that is you need to master your risk!

Many traders, especially when they just started out, did not understand what risk management is, and as a result, blew their capital too easily and quickly.

However, if you can master risk management, in every single trade that you take, you have the full control over how much money you are willing and prepared to take.

These are the three lessons that I have had to learn. But after getting through each of these, I've learned the hard way and now I'm able to enjoy my financial independence as a trader!

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Europe Sees a Black Swan on the Cards

WikiFX Lancy | Shanghai Report

When financial markets have been eyeing on issues such as China-U.S. relations, the U.S. presidential election and the second wave of the pandemic, Europe seems to be gearing up for a black swan, an event in which a deterioration will make the recently weak euro even lower.

A barrage of large-scale demonstrations broke out after Belarus's presidential election because local people suspected Lukashenka conducted ballot rigging and called for his resignation. With an 80% approval rating and the strong support from Russian President Vladimir Putin, Lukashenka won the re-election and refused to step down, which worsened the situation on the ground.

The European Union officially refused to recognize Lukashenka as the new president of Belarus, saying the announced results were fraudulent and did not convey legitimacy. At the same time, the UK declared it would impose sanctions against Belarus while French President Emmanuel Macron also called on Lukashenko to step down. Nevertheless, the Belarusian government still took a hard line and accused outside meddling in the internal affairs. It seems Belarus is seeing further deterioration rather than embracing a peaceful settlement.

While the ostensible opponent of the EU is Belarus, the actual one is Russia. The battle between the two sides over the Belarus dispute will upgrade the tension in Europe. Once the situation in Belarus gets out of hand, the euro may swallow a bitter pill.

In the financial market, several events have staged their performance: the UK-EU trade talks, the first US presidential debate and the release of US GDP, the EU summit, and the release of US jobs data. The EU summit was expected to see the sanction against Belarus unanimously passed, thus Russia's response would be thrust into the spotlight. These events would spoil the fun in the financial market.

> “The European Union officially refused to recognize Lukashenka as the new president of Belarus, saying the announced results were fraudulent and did not convey legitimacy.”

ASIA-PACIFIC REVIEW

Japan upgrades view on exports and output but flags economic weakness

WikiFX Nelson | Shanghai Report

Japan's government upgraded its view on exports, factory output and employment in its September economic report but said its overall assessment was unchanged from last month, as the country continues to struggle with the coronavirus pandemic.

The world's third-largest economy suffered its worst contraction in the postwar era in the second quarter, but has shown some signs of life since the government lifted a nationwide lockdown in late May.

With consumers and businesses still cautious as the country battles the virus, the government downgraded its view on consumer spending and business expenditure in the monthly report released on September 24.

"The economy remains in a severe condition due to the coronavirus impact but it is showing signs of picking up recently," the government said in the report.

Japan's economy shrank an annualised 28.1% in the April-June period, contracting for a third consecutive quarter.

The government has sought to soften the blow of the pandemic by unveiling a $2 trillion package of stimulus measures this year, while the Bank of Japan has also eased monetary policy further in 2020.

In the report, the government said it upgraded its views on exports and factory output for a third straight month and raised its assessment on the employment situation for the first time since January 2018.

The government said exports were "picking up", bettering the August assessment that they showed signs of recovery. A rebound in the economies of major trading partners was underpinning Japan's exports and factory output, the report said.

The number of people in employment was gradually recovering, the government said in the report, an improvement from its August view that the job situation was weak.

But the government downgraded its view on consumer spending for the first time in five months, saying it was "picking up" - as in the August report - but adding that it remained weak, along with business spending.

Despite the downgrade, Economy Minister Yasutoshi Nishimura said he felt the government's subsidised domestic tourism campaign was supporting consumers' appetite for spending.

"I feel consumers' willingness to spend is solid," he told reporters.

Japan began offering subsidies for national travel discounts in late July to revive tourism, excluding people living or vacationing in Tokyo, which had become a coronavirus hotspot.

The government plans to include Tokyo from next month unless there is a spike in infections there.

Thailand adds fresh tax breaks to stimulus to spur growth

WikiFX Nelson | Shanghai Report

Thailand will extend tax incentives to millions of its middle and upper income groups to fire up consumption and counter the nation's worst economic slump triggered by the coronavirus pandemic.

The concession will allow about 3.7 million taxpayers to deduct 30,000 baht (US$960) each from their total taxable income and will cost the government 11 billion baht, Deputy Prime Minister Supattanapong Punmeechaow told reporters in Bangkok on Oct. 7.

The proposal, approved by the Centre for Economic Situation Administration headed by Prime Minister Prayut Chan-o-cha, will now be put up for Cabinet approval on Monday, he said.

Thailand, like most of the emerging market economies, is betting on an expansive fiscal policy to cushion the blow from the virus outbreak that's devastated its tourism and exports.

The tax breaks will come on top of the 51 billion baht cash handouts approved by the Cabinet last week that's targeted at 24 million of the low-income groups and welfare cardholders.

Prayut is now accelerating government spending to turn around the economy that the central bank estimates will take two years to return to the pre-pandemic level.

South-east Asia's second-largest economy is on track this year for its worst contraction on record, with the Finance Ministry predicting gross domestic product will shrink 8.5 per cent.

The government has announced an economic stimulus programme worth US$60 billion and the central bank has cut interest rates to a record low to prop up growth.

The Monetary Policy Committee of the Bank of Thailand wants fiscal policy to play a greater role going forward to support economic recovery with government measures continuously implemented in a targeted and timely manner.

The benchmark SET index of stocks rose as much as 1 per cent to its highest level in more than two weeks on Thursday with the SET Commerce Index jumping as much as 1.9 per cent, the most since Sept. 15.

The latest tax breaks and co-payment programmes can together deliver a 200 billion baht boost to the Thai economy in the final quarter, Supattanapong said.

The tax relief will exclude spending on alcohol, cigarettes, lottery, hotel and airlines costs and will be valid between Oct. 23 and Dec. 31, according to a government statement.

The national economic panel also recommended extension of a co-pay programme subsidising hotel and airfare costs for local tourists by three months to Jan. 31.

The government will continue talks on relaxing its border curbs on skilled foreign workers and investors in the coming months, Supattanapong said, adding that the guidelines for entry of foreign investors will be discussed by the national Covid-19 task force.

Thailand has already announced plans to gradually allow the return of foreign tourists to minimise job losses and prevent shuttering of more hotels and travel-related businesses.

More than 2,000 tourists have shown interest under a special visa programme that would allow them to stay in the country for as long as 270 days, the government said.

Former prime minister of RBA urges to provide 'mountainous sums' of money to finance government stimulus

WikiFX Nelson | Shanghai Report

Paul Keating has slammed the Reserve Bank for "indolence", accusing it of failing to do enough to support employment in Australia and calling on it to provide "mountainous sums" of money needed to finance government economic stimulus.

The former prime minister, who was in government during Australia's last recession in the early 1990s, suggested the RBA could break with economic orthodoxy by directly buying government bonds from Treasury to fund spending needed to dig the country out of the current coronavirus-induced recession.

Directly financing government spending in this way has been ruled out by the RBA governor, Philip Lowe, who said in July it was "not an option under consideration in Australia".

Keating mocked the RBA's refusal to countenance the idea, saying RBA staff were too concerned about what other central bankers would say about them at an annual meeting in Switzerland.

He said the bank's governing legislation gave it two objectives, price stability and full employment, and the first had been achieved because "one would need a microscope to find any serious impetus to inflation".

Inflation has been in decline since the global financial crisis in 2008. As a result of the economic shock caused by the pandemic, Australia is currently experiencing falling prices, or deflation, of 0.3%.

"In other words, the bank should be explicitly supporting the government so the country does not experience a massive fall in employment – impacting particularly on younger workers – those who have already been obliged to wipe out their superannuation savings to support themselves," Keating said.

He attacked the RBA deputy governor Guy Debelle, saying he "strolled out with debating points about what further RBA action might be contemplated" when giving a speech to employer body AI Group on Tuesday.

Keating said the RBA should be "funding a level of government outlays by buying appropriate levels of government debt and locking it away on its balance sheet, thereby making the government's funding task much easier and support for the country better".

Instead, "the deputy governor conducts a guessing competition on what incremental step the bank might take to help", he said.

"It has to be remembered, these are the high priests of the incremental. Making absolutely certain that not a bank toe will be put across the line of central bank orthodoxy."

He said the RBA had shown some "unlikely form" by pursuing a low target of 0.25% for government bonds and by setting up a low-interest facility to help banks fund businesses, but was now reverting to its usual way of thinking.

"As history has shown, when a real crisis is upon us the RBA is invariably late to the party," he said. "And so it is again."

He said the RBA crushed inflation by jacking up interest rates in the mid-1990s, when he was prime minister, "at great political cost to me".

With that goal achieved, the RBA's "job is to help the government meet the task of full employment", he said.

"So, the Reserve Bank might do as it was set up to do – help the government. Be a utility. Shoulder the load. And in a super-low inflationary world, that load is funding fiscal policy. Mountainous sums of it.

"In an economic emergency of the current dimension that means putting the orthodoxy into perspective and doing what is sensibly required."

He said the RBA had become "a sort of deity, where lesser mortals might inquire, however respectfully, what the exalted priests might be thinking or have in mind for their prosperity or the country at large".

The only difference between RBA staff and the priesthood was that the "governor and his deputies do not wear clerical collars and black suits", he said.

"The 'Reverse Bank' has to quickly rediscover the gear stick and make the shift back to forward," he said.

Keating has become increasingly active in recent months, especially on the future of the superannuation system, which he was instrumental in setting up.

Last week, he slammed Lowe for arguing that increasing employer contributions to super would cut wages growth, saying the RBA governor failed to understand there had been no wages growth since 2012.

He has also described a group of government backbenchers who have been agitating against the increase, which is currently the law, as "little bitchy Liberals" intent on undermining the entire super system.

NZ economy officially in recession after record shrinking

WikiFX Nelson | Shanghai Report

The New Zealand economy shrank by a record 12.2 per cent in the second quarter of 2020 due to a strict coronavirus lockdown.

Statistics New Zealand released figures on Thursday showing GDP had fallen far more than ever previously recorded and signalling the nation of 5 million people is officially in recession for the first time in 11 years. On an annual basis, GDP fell by 2 per cent.

But forecasts indicate activity is bouncing back: economists said the decline would likely be followed by a record increase in economic activity during the third quarter as many businesses get back to work. And forecasts released by the Treasury this week predict unemployment would peak at 7.8 per cent, lower than earlier predictions of nearly 10 per cent.

Many countries have seen large drops in economic activity due to the virus.

When the second quarter began in April, NZ was in a full lockdown, which was gradually eased until all restrictions were lifted in June. Auckland temporarily reentered a lockdown last month due to a new outbreak of the virus, with the impact of that to be reflected in the third-quarter numbers.

The second-quarter figures showed construction activity declined by 26 per cent, manufacturing fell by 13 per cent, and household spending was down 12 per cent when compared with the previous quarter.

Kiwibank chief economist Jarrod Kerr said there were few surprises in the numbers.

"You lock up the economy, activity falls," he said in a statement. "The focus must now turn to the recovery. And the current quarter looks pretty good. It's the path we take over the next three years that needs attention."

Kerr predicted GDP would jump by 10 per cent in the third quarter, but said more needed to be done over the medium term to return the nation to full employment.

Finance Minister Grant Robertson said the lockdown was necessary to save thousands of lives and get on top of the virus so the economy could bounce back faster. He said the fall in GDP was better than initial Treasury contraction forecasts of 16 per cent.

The government of Prime Minister Jacinda Ardern has pumped billions of dollars into the economy to sustain activity and minimise unemployment. As a result, net government debt was expected to shoot up from just over 20 per cent of GDP before the pandemic to 54 per cent by 2023.

The country continues to pursue a bold strategy of trying to eliminate the virus altogether rather than just contain its spread. It has reported around 1800 cases and 25 deaths since the start of the pandemic.

Is Forex Made for a Long Term?

WikiFX Sylvain March | France Report

A large part of the experienced traders started trading on the forex spot first. But when their time horizon grew longer, they preferred to invest in stocks. Is it incompatible with the medium/long term investment in the currencies? This is what we see in this article.

Sylvain March
Trader, Founder & Holder of the Website en-bourse.fr

Some disadvantages of a long-term forex strategy

Amateur traders (not to be confused with beginners) who just start to make profits from the forex are sometimes afraid of going into stocks later.

Instead, they think that in order to make more profits, they can change the time horizon and switch to a long-term investment in the currencies.

Then they will find themselves confronted with several problems.

A long-term strategy surely requires much more capital and it makes sense: the stop will be very far then, and if they want to keep a satisfactory position size, they will need much more money.

Also, once they start to have a little experience, they may not have the patience to wait for an appearing signal and have the risk of entering at the wrong time.

But that's not all: beyond a certain period of time, the trend is irreparably reversed, making it impossible to hold the positions for more than one or two years at most.

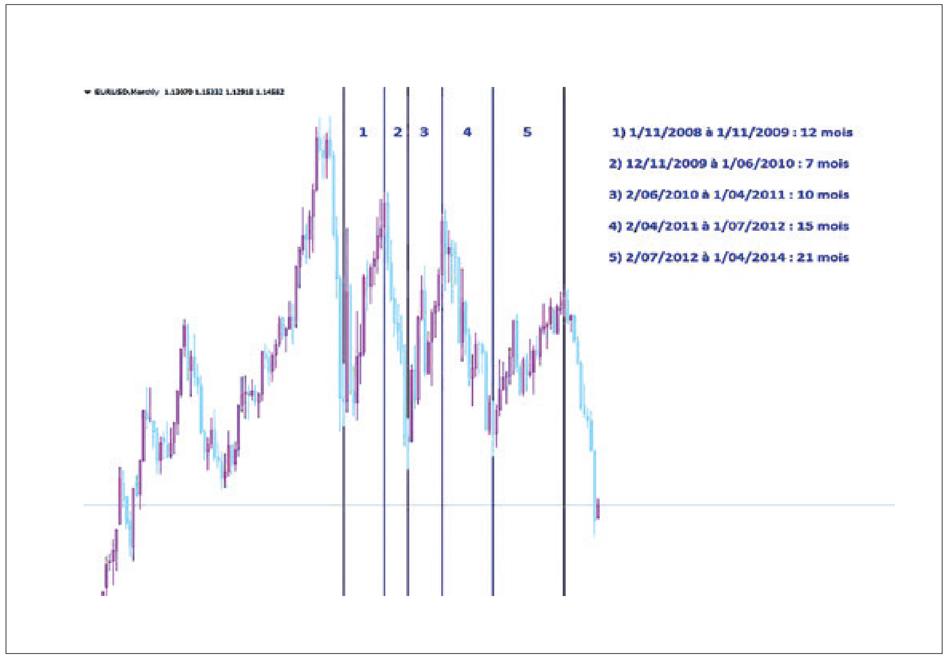
To convince yourself of this, just take a closer look at the chart of the EUR/USD pair since 2008 (chart 1).

We have a long way from investing in equities, which allows us to hold well the stocks after 5 years and which, in addition, allows us to benefit from dividends.

How about the medium term?

If the long term is not a possible option, on the other hand, the medium term is quite possible, for its part.

Nevertheless, forex is a market that has many qualities.



(chart 1)

The volume of trade remains very high, which allows it to offer good liquidity to traders.

We also see in the example chart that the price movement remains very clean (at least for EUR/USD, but this also concerns most of the major pairs).

All of this makes it easier to take positions at the right time for those who look for medium-term investing, a way to get a higher return.

Not to mention that at such a level, stress becomes almost nonexistent, unlike short-term trading, since there is no need to follow the price movement hour by hour (or worse: minute by minute).

It will still be necessary to pay more attention to the economic situations of the countries (or economic zones) to which the currencies that make up the pairs traded on the market belong.

Last tips

Changing the time horizon should not be done lightly.

Wanting to hold onto forex for a longer time is commendable, but don't just do it anyhow.

Before taking a position, you can, for example, observe where the historical levels were as they have constituted psychological benchmarks on which other investors may react more or less violently.

However, if you really want to get a good return in the medium/long term, I would like to advise you to give priority to stocks.

Advantages and the Best Way to Invest in Gold Market

WikiFX Amir Issa | Egypt Report

Amir Issa
Technical Analyst & Forex Expert

There are advantages of investing in gold, especially when periods of crisis push investor sentiment to the extremes of risk aversion, making safe-haven assets the focus. Gold is an excellent asset with a value that is better than the dollar as a reserve currency.

The year 2019 saw gold's rise as the trade war between the United States and China weakened the global economy. This forced central banks to improve liquidity, which was a major support of gold prices.

Take India for example, it has also been experiencing an economic slowdown, and gold outperformed the risky asset class for stocks in 2019. 2020 started on a much weaker basis as the COVID-19 pandemic resulted in recession risks equal to or even greater than the Great Depression. This has increased the attractiveness of gold as many investors now consider it the "currency of last resort".

Advantages of investing in gold:

- Gold is an investment asset and a reserve asset.
- The largest precious metal used in decorations.
- Gold is used as a technological element.
- Possession of gold does not carry any credit risk to anyone.
- Being distinguished by rarity, it maintains its value over time.

Quantitative stimulus concerns

The promise of endless quantitative easing from the US Federal Reserve and other global central banks will ensure the flow of soft (money) liquidity continues until the economy regains its strong footing.

- The decline in the dollar index.
- Very low interest rates.
- Huge fiscal stimulus from governments could lead to inflation.

These unique characteristics make it a real candidate for increased long-term diversification in investment portfolios. It is what makes gold more attractive because the opportunity cost of holding gold is negligible. Holding gold is the best way to hedge against inflation, and the demand for gold may continue for that long period.

The separation of gold prices from oil

This was observed during the global financial crisis of 2009 when gold was in demand and prices were rising until 2013-2014. Prices for crude oil and gold tend to move in tandem. But even with the recent decline in crude oil prices caused by the oil price war and the COVID-19 pandemic, gold prices recorded new highs, and there was some disconnections between yellow and black gold prices mainly because of the increased demand for yellow gold.

The most prominent motives to invest in gold

Although gold retreated slightly from its highs recently, with risk sentiment increasing, now it faces temporary setbacks for a number of factors:

- Flexible central bank policies.
- Demand to hedge against volatility.
- Inflation concerns stemming from a possible second wave of COVID-19.
- The influence of the American elections.
- India-China clash.

And other geopolitical turmoil that looks like it will last for a long time. Make this a good time to tactically increase the allocation towards gold in a staggered manner and at dips.

How to invest in gold

Perceptions of gold as an investment asset class have changed dramatically over the past two decades, therefore investors can choose from a variety of gold investment products including:

- Possession of physical gold.
- Investing digital gold.
- Dealing with gold ETFs.

Gold ETFs

Gold ETFs are the ideal investment vehicle driven by high liquidity, and they are readily available, exchange-traded and have no exit loads (unlike some gold funds). They are publicly traded on exchanges, completely transparent in their holdings, combining the flexibility of stock investments and the simplicity of gold investments in one product.

With the unique structure and creation mechanism, ETFs have significantly lower expenses (0.5-1% p.a. management fee with secondary brokerage) compared to physical gold investments because of a lack of manufacture, waste and logistics/storage fees.

Currency Correlation in Forex

WikiFX Le Sy Tuan | Vietnam Report

Le Sy Tuan
CEO & Co-founder of F2Plus Group

In the process of dealing with different currencies, it is important to take the correlation among them into account as it is the main driver of global capital flow and constitutes price fluctuations.

Market correlation and currency correlation

In finance, correlation is a statistical measure of how two different assets move in relation to each other. A positive correlation exists between assets that tend to move in the same direction. For example, a positive correlation is found between the value of Canadian Dollar against US Dollar and the price of crude oil expressed in US Dollar. In contrast, a negative correlation generally exists between assets moving in the opposite direction. Such a negative correlation usually exists between the rate of some currency pairs like EUR/USD and USD/CHF rate, etc. Currency correlation strongly affects the overall volatility of foreign currency pairs. Therefore, it is important to learn how to use currency correlation for every forex trader to manage currency risk in his or her trading account.

There are two main reasons why currency correlation is important for a trader:

- To avoid entering a position with several related currency pairs at the same time, because this will increase the risk. In addition, trading positions on currency pairs that often move in opposite directions can be avoided at the same time.
- To predict the direction of movement of a certain currency pair, through the signals seen on the currencies correlated with it.

Pair	Last	Open	High	Low	Chg.	Chg. %	Time
EUR/USD	1.1639	1.1659	1.1682	1.1633	-0.0020	-0.17%	07:52:48
GBP/USD	1.2733	1.2721	1.2783	1.2691	+0.0011	+0.09%	07:52:47
USD/JPY	105.44	105.39	105.53	105.20	+0.07	+0.07%	07:52:44
USD/CHF	0.9260	0.9237	0.9270	0.9215	+0.0022	+0.24%	07:52:42
AUD/USD	0.7033	0.7071	0.7083	0.7028	-0.0041	-0.57%	07:52:43
EUR/GBP	0.9141	0.9162	0.9181	0.9113	-0.0021	-0.23%	07:52:47
USD/CAD	1.3395	1.3385	1.3415	1.3370	+0.0010	+0.07%	07:52:43
NZD/USD	0.6517	0.6551	0.6558	0.6516	-0.0029	-0.44%	07:52:43
EUR/JPY	122.73	122.85	123.14	122.58	-0.11	-0.09%	07:52:47
GBP/JPY	134.26	134.04	134.66	133.62	+0.21	+0.16%	07:52:47

Performance Table

Percent Change PIP Change

Pair	15 Minutes	Hourly	Daily	1 Week	1 Month	YTD	3 Years
EUR/USD	0.03%	-0.03%	-0.17%	-1.75%	-1.63%	3.82%	-1.76%
GBP/USD	0.01%	-0.21%	0.04%	-1.88%	-3.21%	-4.02%	-5.49%
USD/JPY	0.01%	-0.01%	0.09%	0.71%	-0.84%	-2.90%	-5.60%
USD/CHF	-0.00%	0.09%	0.24%	1.96%	2.05%	-4.33%	-4.18%
AUD/USD	0.01%	-0.21%	-0.56%	-3.79%	-2.21%	0.19%	-11.35%
EUR/GBP	0.00%	0.18%	-0.19%	0.15%	1.65%	8.21%	3.93%
USD/CAD	0.02%	0.07%	0.07%	1.75%	1.72%	3.13%	8.28%
NZD/USD	0.04%	-0.12%	-0.42%	-3.48%	-0.41%	-3.25%	-10.26%
EUR/JPY	0.03%	-0.04%	-0.08%	-1.06%	-2.49%	0.79%	-7.27%
GBP/JPY	0.02%	-0.21%	0.14%	-1.19%	-4.04%	-6.86%	-10.79%

The author will explain how that correlation can help, starting with 4 major currency pairs: EUR-USD; GBP-USD; USD-JPY and USD-CHF.

In the first two pairs (EUR-USD and GBP-USD), USD acts as the currency. Again, the first currency plays the role of goods and the second currency is the currency used to trade. That means when you buy EUR-USD, you pay USD to get EUR. In EUR-USD and GBP-USD, the currency that plays the role of currency is USD. Commodities of these two currency pairs are related to the two largest economies in Europe. These two currency pairs are so strongly correlated and almost all the time 99% they move in the same trend and form the same buy/sell indicators. Just recently, during the economic crisis, they have moved a little differently, but in terms of trends, they are still similar.

This means that when the EUR-USD pair shows a buy signal, the GBP-USD is also showing a buy signal with little difference in direction of strength and pattern. When analyzing the market, if you come to the conclusion that you should enter a short position with EUR-USD but at the same time decide to “go long” with GBP-USD, it means your analysis has a problem with at least one in two judgments. Therefore, it is said to enter a position only when you see both of these pairs showing signals in the same direction. Of course, when the signals show they are actually going in reverse (which rarely happens), it is a sign of buying and selling EUR-GBP.

Also, USD-CHF and USD-JPY behave similarly but not exactly in the same way as like EUR-USD and GBP-USD, because with USD-CHF and USD-JPY, the currency is different. The Swiss Franc and the Japanese Yen have many similarities as both belong to the group of oil consuming countries, but the volume of industrial business in Japan will make JPY different.

Normally, when you analyze 4 major currency pairs, if you see buy signals at EUR-USD and GBP-USD, you should see a sell signal at USD-JPY. If you also see a sell signal with USD-CHF, then your analysis is much more reliable. Otherwise, you must calculate and review your analysis.

EUR-JPY, GBP-JPY, AUD-JPY and NZD-JPY usually run in the same direction. It is just that their patterns differ from time to time.

The importance of currency correlation calculation in forex trading

The fact is that all forex trading involves currency pairs, so there can be a significant risk factor in a forex portfolio if the trader does not have an effective correlation management strategy. Essentially, any forex trader who holds positions in multiple currency pairs is actively involved in correlation trading.

The following is an example of how currency correlation can increase the risk of trading two currency pairs. Suppose an investor puts a risk parameter in their trading plan as 2% of their total account balance per trade. If a trader opens an EUR/USD long position and a different GBP/USD long position with the same US Dollar amount, it appears they have opened two buy positions with two percent risk per position. However, the two currency pairs have a positive correlation in practice, so if the Euro is weaker against US Dollar, British Pound also tends to decline against US Dollar. Therefore, the overall risk that the trader may incur would be equivalent to a four percent risk against either GBP/USD or EUR/USD.

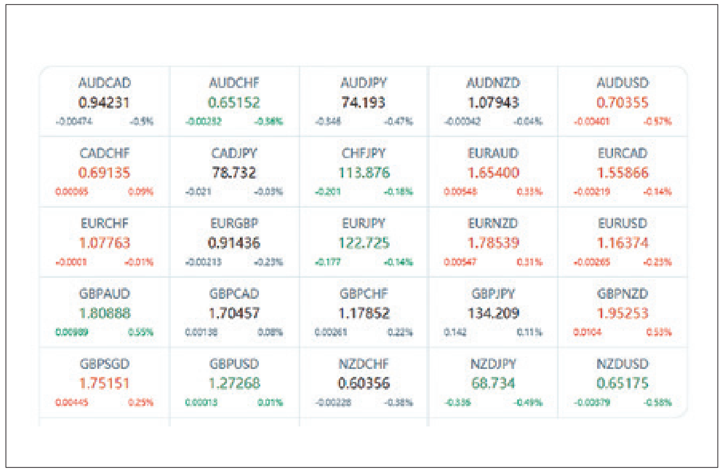
Conversely, if a trader opens a short EUR/USD position and a long GBP/USD position, the inherent risk in each trade will tend to decrease to a certain extent due to the positive correlation of the two currency pairs. Entering an opposing position in currency pairs with a strong positive correlation can in general help improve the risk of each trade.

Calculate correlation in forex currency pairs

Correlation between currency pairs is not immutable that it can change depending on the fundamentals that are constantly changing in each country's economy, the central bank's monetary policy and other political and social elements.

In the world of finance, correlations are usually quantified and displayed in the forex correlation value using a scale from +1 to -1 where:

- 0: no correlation. Zero correlation of two currency pairs does not mean that they are independent of each other.
- +1: Two currency pairs have a positive correlation and will usually move in the same direction most of the time.
- -1: Two currency pairs have a negative correlation, meaning that the two currency pairs will usually move in opposite directions most of the time.



AUDCAD 0.94231 -0.00474 -0.5%	AUDCHF 0.65152 -0.00232 -0.36%	AUDJPY 74.193 -0.348 -0.47%	AUDNZD 1.07943 -0.00042 -0.04%	AUDUSD 0.70355 -0.00401 -0.57%
CADCHF 0.69135 0.00065 0.09%	CADJPY 78.732 -0.021 -0.03%	CHFJPY 113.876 -0.201 -0.18%	EURAUD 1.65400 0.00548 0.33%	EURCAD 1.55866 -0.00219 -0.14%
EURCHF 1.07763 -0.0001 -0.01%	EURGBP 0.91436 -0.00213 -0.23%	EURJPY 122.725 -0.177 -0.14%	EURNZD 1.78539 0.00547 0.31%	EURUSD 1.16374 -0.00265 -0.23%
GBPAUD 1.80888 0.00989 0.55%	GBPCAD 1.70457 0.00138 0.08%	GBPCHF 1.17852 0.00261 0.22%	GBPJPY 134.209 0.142 0.11%	GBPNZD 1.95253 0.0104 0.53%
GBPSGD 1.75151 0.00445 0.25%	GBPUSD 1.27268 0.00013 0.01%	NZDCHF 0.60356 -0.00228 -0.38%	NZDJPY 68.734 -0.336 -0.49%	NZDUSD 0.65175 -0.00379 -0.58%

The forex affiliate trading strategy uses currency correlation

Forex traders use a number of correlation strategies, often in trading strongly correlated currency pairs such as GBP/USD and EUR/USD. The strategy is used in timeframes of 15 minutes or more. Forex traders wait for the correlation pairs to exit from correlation near major support or resistance levels.

Once two pairs have broken out of the correlation, one will tend to follow the other after a significant reversal. Accordingly, a trading strategy will be executed with a buy signal if either pair fails to make a lower low or a sell signal if either pair makes a higher high.

Traders in the forex market can also use correlation to diversify their portfolios. For example, instead of opening 2 buy positions on GBP/USD, a trader can open 1 buy GBP/USD and one buy AUD/USD order, since these pairs have a positive, albeit imperfect correlation. Imperfect correlation allows for lower risk exposure and diversification of a trader's portfolio due to the Australian Dollar being substituted for British Pounds in one trade.

How to choose the best currency pair to trade?

The best currency pair to trade is one with a small spread with strong and clear signals, which makes EUR-USD the best choice. GBP-USD is also similar to EUR-USD but it has a higher cost gap and also stronger momentum. USD-JPY and USD-CAD are completely different from EUR-USD and GBP-USD because they depend on two different countries. Japan and Canada have different positions and economies from Europe, GB and the USA.

Canada is an oil supplier, so the price of oil has a direct impact on the value of the Canadian dollar. That is why the oil price can be used as an indicator for the

USD-CAD currency pair. When the price of oil increases, the USD-CAD will fall because then, the value of the Canadian dollar increases.

On the other hand, Japan is an oil consumer, so when the price of oil goes up, it has to pay more and therefore its products will be more expensive. As a result, the demand for their products will decrease, causing the value of the Japanese Yen to decrease. When the value of the Japanese Yen falls, in this case the USD-JPY increases, if the value of the USD falls again, it will be difficult to use the oil price to predict the direction of the USD-JPY.

CAD-JPY is a currency pair that is closely related to oil prices because Canada is the oil supplier while Japan is the oil consumer. So when the price of oil goes up, the CAD-JPY pair will plummet, and so on and so forth. Of course, countries can completely control their own currency by various means such as by changing the exchange rate. It means that a country like Japan will not be able to let its currency devalue too deeply for one reason because oil prices rise.

The AUD-USD pair has a close relationship with the price of gold. When the price of gold rises, so does the AUD-USD pair. So if we follow the situation of the gold price and the economy of the United States, we can predict the direction of the AUD-USD pair.

Another important example: if the EUR-USD rises and the GBP-USD falls at the same time, then the EUR-GBP rises very strongly. This is probably the most important case we can trade, given this basic logic.

It also happens that EUR-USD and GBP-USD run in opposite directions, then is the best time to buy and sell EUR-GBP. At this point, you understand why EUR-GBP does not usually have strong waves. This is because the EUR-USD and GBP-USD pairs are often moving in the same direction. For example, they rise at the same time and as such, EUR-GBP will not show any significant movement, because when the currencies of two currency pairs go up or down at the same time, the third relevant currency pair will not be able to get any clear movement or direction. I hope you already know why a currency pair goes up or down. It increases because the value of the first currency goes up, or the value of the second goes down. For example, EUR-USD would increases, if the value of EUR increases or the value of USD falls. If this happens at the same time, the EUR-USD will rise very strongly.

Using currency correlation helps forex traders to better understand portfolio management techniques, diversify, hedge risks, reduce risks and duplicate profitable trades. The above article provides essential knowledge about currency correlation as well as what it means in forex trading.

Opportunities for Profit in Foreign Exchange Trading

WikiFX Lewis Huang | Taiwan Report

Lewis Huang
Trader, Strategist & Analyst

In the financial trading market, how should we have the correct understanding and expectations of trading and make the right trading choices?

Based on Lewis' six-year trading experience in the market, I found that most investors have a large cognition gap on investment transactions. To profit in the market, Lewis believes that what you need to have is professional technology with a good trading mentality. This is also the trading concept and mentality that LewisForex mainly imparts when educating students.

In the content of this article, LewisForex will share with you the key opportunities for profit in the market.

① The logic behind investment

When trading in the market, investors must first have a correct understanding: all financial transactions are a process of obtaining potential rewards through a certain risk. For example, if we enter the market at XAUUSD 1,850 USD/oz, the stop loss point is set at 1,840, and the stop profit point is set at 1,870, which represents my Risk and Reward Ratio is 2. Each unit of risk can be expected to obtain 2 units of potential rewards, so this list will be a very good trading opportunitity and planning, and this is an example of potential rewards in exchange for fixed risks.

The core concept of LewisForex is "control your own risk, and get the rational money". When you cannot clearly tell the position of the stop loss on a trading order, it means that you have not done a complete trading plan, so the existence of the nature of gambling is a big problem for transactions, and it also means that performance and profit cannot be stable, and large losses are prone to occur.

Calculate

	Pair	Pips	%
○	AUD/CAD	73.13	0.77
○	AUD/CHF	55.99	0.85
○	AUD/JPY	70.60	0.94
○	AUD/NZD	66.20	0.62
○	AUD/USD	69.59	0.99
○	BTC/USD	2,184.04	2.37
○	CAD/CHF	52.43	0.75
○	CAD/JPY	65.88	0.83
○	CHF/JPY	91.66	0.81
○	EUR/AUD	111.29	0.68
○	EUR/CAD	111.70	0.72
○	EUR/CHF	56.80	0.53
○	EUR/GBP	66.51	0.73
○	EUR/JPY	94.19	0.77
○	EUR/NZD	142.39	0.82
◉	EUR/USD	92.03	0.81
○	GBP/AUD	153.50	0.85
○	GBP/CAD	144.34	0.85
○	GBP/CHF	101.49	0.85
○	GBP/JPY	123.16	0.92
○	GBP/NZD	180.53	0.94

	Pair	Pips	%
○	GBP/USD	121.60	0.97
○	NZD/JPY	67.00	0.95
○	NZD/USD	65.94	1.00
○	USD/BRL	959.77	1.79
○	USD/CAD	85.12	0.63
○	USD/CHF	69.11	0.73
○	USD/CNY	216.01	0.31
○	USD/DKK	492.86	0.76
○	USD/HKD	10.79	0.01
○	USD/ILS	194.10	0.57
○	USD/INR	348.76	0.46
○	USD/JPY	67.71	0.63
○	USD/MXN	2,911.85	1.30
○	USD/RUB	8,271.92	1.17
○	USD/SEK	940.75	1.04
○	USD/SGD	56.60	0.41
○	USD/TRY	898.93	1.31
○	USD/ZAR	2,850.36	1.72
○	XAG/USD	1,263.48	6.50
○	XAU/USD	3,658.86	2.02

② Are technical indicators useful?

In the financial trading market, many people use technical indicators to help them trade. Whether it is judging trends or finding trading positions, they can help us through indicators. However, Lewis believes that technical indicators will have certain blind spots and problems. For example, when we use the KD indicator (Stochastic Indicator), when the Golden Crossover appears, we will usually tell us in the textbooks that it is a good buying signal, but from the long-term quantitative back-testing of financial observations, the KD indicator, the winning rate of transactions reached by trading signals, is only 38%, which is not a good trading indicator. From another point of view, when the KD indicator appears trading signals, global investors also simultaneously appear trading signals. In the world of financial trading, when someone buys, others sell it. Therefore, when investors all over the world are buying, who is selling it? This question is worth thinking about by investors!

Therefore, all technical indicators have this blind spot. LewisForex found through quantitative back-testing that there is only one more reliable technical indicator, namely MACD, which is among all technical indicators. After twenty years of quantitative back-testing, MACD is considered as the only one profitable technical indicator. So if investors have a soft spot for technical indicators, they can pay more attention to the use and content of MACD.

③ Carefully choose products that suit you

In the foreign exchange margin market, usually brokerages provide index CFDs, commodity CFDs, and foreign exchange currency pairs for investors to trade. Each commodity has its own characteristics and the value of the corresponding economic data and market band. For example: XAUUSD is more inclined to display market sentiment, XAGUSD reflects the global industrial boom and other signals, and different commodities must observe different economic data to react.

In addition, each commodity also has its own volatility range. We can select commodities suitable for trading and investment through Average Daily Range (Average Daily Range, ADR). If you are a penetrating trader, then you should choose operating commodities with high volatility, such as: XAU/USD, GBP/USD, GBP/JPY, etc. This type of commodity has high volatility, and it is easier for investors to capture a certain spread space from it to achieve the goal of profit.

For investors who like to operate Martingale Strategy, then commodities with smaller ADR will be your first choice, such as cross currency pairs: EUR/CHF, AUD/NZD, etc. This type of currency pair has low volatility and is easy to fluctuate up and down. The range is very suitable for Martingale which likes to oscillate.

Finally, I hope that investors have a correct understanding of the foreign exchange market. The highly leveraged foreign exchange margin provides investors with the opportunity to use funds properly. They can operate and earn rewards without too much capital, but they must not hold onto it. With the illusion of getting rich overnight, it will easily lead to an imbalance in the control of one's own funds, soaring performance and falling, unable to get stable rewards.

Lewisforex said: "control your own risk, and get the rational money." Hope anybody can get the rational profit in the forex market.

The Best Performing Currency of Asia in 2020

WikiFX **Amir Issa** | Egypt Report

The Philippine peso is the best currency of Asia during 2020.

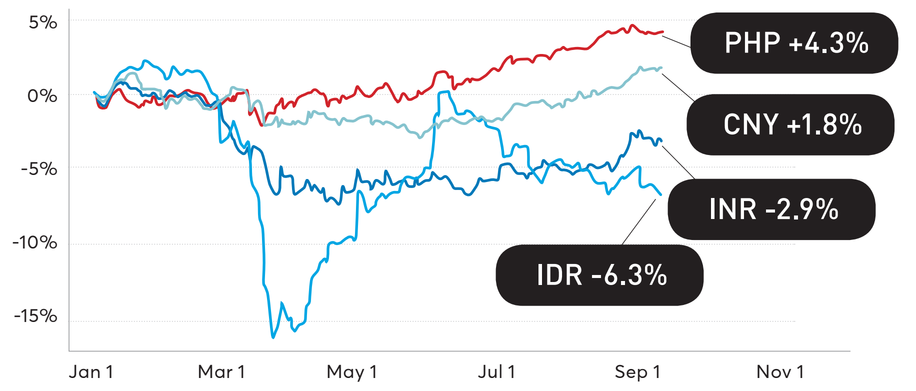
Amir Issa
Technical Analyst & Forex Expert

The Philippine economy has been hit hard by the strict lockdown measures used to curb the spread of the coronavirus disease. It has recorded the worst deflation in Asia in the second quarter after shrinking 16.5% year-on-year since its first recession in nearly three decades.

Data compiled by Johns Hopkins University shows the Philippines has a total of more than 248,900 reported cases of COVID-19, the highest in Southeast Asia. Among those, at least 4,066 died, according to the data.

The Philippine peso has appreciated about 4% against the US dollar this year, outperforming its regional counterparts. It is also one of the few Asian currencies recording gains against the dollar, along with the Chinese yuan and the Taiwan dollar.

On the other hand, annual inflation rates fell to a level of 0.9% in September, down from 6.7% last year, supported by the decline in rice prices.



SOURCE: Refinitiv. Data as of Sep. 10. 2020

A high trade surplus

The collapse in import demand came after the Philippines had one of the longest and toughest lockdown measures in the world to defeat the coronavirus.

Economists said the drop in imports was steeper than exports, which proved to be a boon for the currency as the Philippine currency account turned into a surplus.

The current account measures a country's total transactions with the rest of the world, including:

- Imports and exports of goods.
- Cross-border investments.
- Cash flows such as workers abroad and foreign aid.

A graph of the percentage change of the Philippine peso in value against the US dollar since the beginning of the year, compared to other emerging Asian currencies.

Nicholas Maba, chief economist of the Philippines at ING, said, referring to the Philippine peso's gains, "The continued decline in imports translates into weak foreign exchange demand and is likely to lead to short-term support." He added, "The Philippine peso continues to outperform its regional counterparts, as the country records a current account surplus year-to-date in 2020, mainly due to the significant drop in imports, and we can expect this trend to continue in the fourth quarter of 2020."

Increase the country's foreign exchange reserves

This surplus, in addition to the Philippine Central Bank's decision to cut interest rates three times this year, has contributed to stimulating growth in making its bond yields the highest in Asia and thus succeeding in attracting foreign investors. And with continued foreign buying of Philippine bonds, the country's foreign exchange reserves increase, helping to protect the economy from external shocks - another development that supports the strength of the Philippine peso, according to economists.

Thanks to the increase in the real value of bond yields, the value of the Philippine peso has rebounded by 3.6% this year to reach 50.715 against the dollar last week, the highest level recorded since January 2018.

Currency strength may diminish

Analysts from Fitch Solutions said in a report that the disputed US presidential election result could put pressure on the Philippine peso in the near term. This is because foreign investors will reduce their exposure to emerging market assets in favor of safer investment options, they said.

In the long term, analysts said, reopening the Philippine economy and resuming imports could cause the currency to weaken.

HSBC: Indonesia and the Philippines both have room for fiscal stimulus

"With the easing of domestic restrictions, we expect a gradual reversal in the current account improvement, with the current account turning into a deficit of 0.9% of GDP in 2021," the report said.

However, analysts did not rule out the possibility of an increase in the value of the Philippine peso. Particularly if imports remain weak, with the demand for exports rising, this will further boost the current account.

"This, combined with the continued weakness of the US dollar and positive investor sentiment around (emerging market) assets, could see the peso's rise during 2021 as well."

What Forex Traders Need to Know About the Yen

WikiFX Stephen D. Simpson | The US Report

Stephen D. Simpson
Trader & Financial Agent

Key Takeaways

The yen is one of the world's most-traded currencies on the foreign exchange market, commonly referred to as "forex". Currency rates are notoriously difficult to predict, and most models seldom work for more than brief periods of time.

Although Japanese domestic debt can be high, the yen is often seen as a safe-haven investment. Trading the yen is notoriously difficult, and should only be attempted by seasoned traders.

Introduction to the Yen

Just seven currencies account for 83% of the forex market, and the Japanese yen is one of the largest currencies, in terms of international trade and forex trading. Japan is one of the largest economies in the world, being one of the nations with the highest GDP; it is also one of the largest exporters, in dollar terms.

All of the major currencies in the forex market have central banks behind them. In the case of the Japanese yen, it is the Bank of Japan (BoJ). Like most developed-country central banks, the BoJ has a mandate to act in a fashion that encourages growth and minimizes inflation.

In the case of Japan, however, deflation has been a persistent threat for many years, and the BOJ has pursued a policy of very low rates in the hope of stimulating demand and economic growth; at various points in the 2010s, real rates in Japan were actually slightly negative.

The Economy Behind the Yen

The Japanese economy has some particular and peculiar attributes that yen traders need to understand. Firstly, despite its size, Japan has been notably lacking in growth since the collapse of its equity and real estate bubbles in 1990. Writers often refer to the ensuing years as a "lost decade" in Japan because of this reason. Since then, growth rarely exceeded 2% in Japan between 2001 and 2011, and went down 29% from 2012 to 2015. Japan is also notable for inflation, or rather its almost near-absence of it; Japan has actually experienced deflation for much of the last 20 years.

Secondly, Japan is also among the oldest major economies in the world and has one of the lowest fertility rates. That suggests an increasingly aging workforce with fewer and fewer younger workers to support the economy through taxation and consumption. Because of this Japan, once quite closed to immigration, recently began opening its borders to foreign workers to address labor shortages.

Lastly, Japan is also an advanced economy with a well-educated workforce. Although industries like shipbuilding have somewhat migrated to countries like South Korea and China, Japan is still a leading manufacturer of consumer electronics, autos, and technological components. This has left Japan with significant exposure to the global economy.

Drivers of the Yen

There are several theories that attempt to explain foreign exchange rates. Purchasing power parity, interest rate parity, the Fisher effect and balance of payments models all offer explanations of the "right" exchange rate, based on factors like relative interest rates, price levels and so forth. In practice, these models do not work especially well in the real market—real market exchange rates are determined by supply and demand, which includes a variety of market psychology factors.

Major economic data includes the release of GDP, retail sales, industrial production, inflation, and trade balances. Investors should also take note of the information on employment, interest rates (including scheduled meetings of the central bank) and the daily news flow; natural disasters, elections, and new government policies can all have significant impacts on exchange rates.

In the case of Japan and yen traders, the Tankan survey is particularly noteworthy. Many countries report information on business confidence, and the Tankan is a quarterly report published by the Bank of Japan. The Tankan is seen as a very important report, and often moves trading in Japanese stock and currency.

In many respects, BoJ policy drives carry trades across the world. Carry trading refers to borrowing money in a low-interest-rate environment and then investing that money in higher-yielding assets from other countries. With a stated policy of near-zero interest rates, Japan has long been a major source of capital for that trade. That also means, though, that talk of higher rates in Japan can send ripples throughout the currency markets.

The Rules of Successful Traders

WikiFX Tim Bourquin | The US Report

Tim Bourquin
Co-founder of
TraderInterviews.com

Through the interviews with hundreds of profitable traders over the past few years, we have noticed a pattern. Listening to them talking about their technique for surviving in markets, we have concluded a lot of similarities about how to grasp each trade. When we hear some traders who have made over $200,000 a year say the same thing, we will listen to them. We've established a list of 20 rules that are common for almost every rich trader to whom we've spoken.

Some of these rules have already been familiar to you, while others might make you surprised. We hope you will find at least one or two rules that you can add into your own trading strategy in order to earn more money, in a more consistent way.

①

Successful traders are patient with their winning positions and very impatient with their losing positions.

This first rule directly comes from Dennis Gartman (thegartmanletter.com). A lot of traders are very anxious about their winning positions because they don't want them to turn into a loss. This is a good thing, unless this impatience forces them to exit too early from their winning positions and leave money in the market.

On the other hand, how many times have we said to ourselves: "I'm going to let this loss run a little longer to see if it ever turns around". In this case, you have been patient with a losing position and impatient with the winning position.

Profitable traders reverse this thinking and do exactly the opposite. When they have an investment that is going well and positive, they stay patient to see how far it can go. When they have an investment going in the wrong direction, they exit immediately to limit the loss and start looking for new opportunities.

If you have set a stop loss, you should never move it in the hope that the situation would change and the position could become profitable because this is rarely the case and it will only make your loss of the day worse. To start by becoming patient with your wins and impatient with your losses is the first step in joining the circle of winning traders.

②

Profitable traders know that making money is more important than being right.

It's human nature to hope market assumptions and forecasts correct. We want to believe that we are interpreting well the market data and that we have made the right decision to go long or short. However, good traders rarely have a bias before opening a position in the market.

When deciding to make an investment, if the position turns into a loss, indicating that they were wrong from the start, they won't have any worry to take immediately a position in the opposite direction. We

"

All this happened under the background that coronavirus infections are increasing worldwide and the total lockdown seems to occur again.

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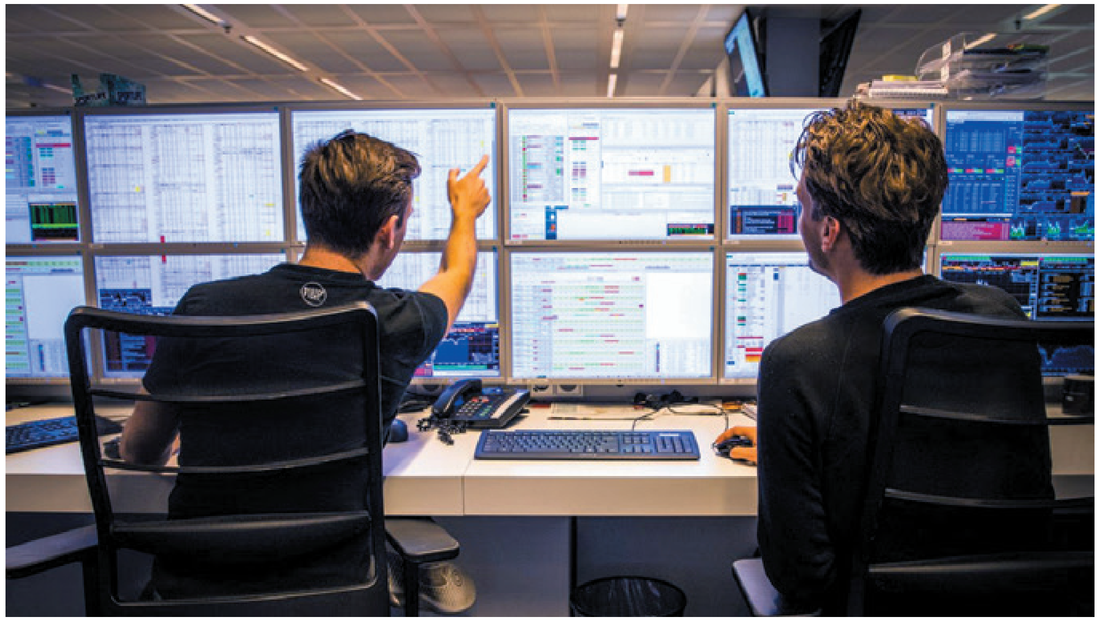


have interviewed some successful traders who establish a bias in the morning and will only place orders in that direction during the daytime, but they are rare. Rather than trying to force their opinion on markets and being determined to prove themselves right, good traders will change their direction at the time when the market tells them that they should do so, even if they were convinced that the market would go in an opposite direction on this day.

Instead of being right, the most important thing is to earn money and the value of one's capital.

③

Profitable traders see, in the technical analysis, the indicator of where traders line up to buy or sell.

Many traders regard the moving averages, the Fibonacci ratios, and the trend lines as exact places where the price is supposed to turn and go in the opposite direction. Good traders don't see technical analysis in this way. They see the charts as the snapshots of when traders will line up to buy and sell.

SPECIALIST VIEWPOINT

Instead of seeing candlesticks, lines, or clouds, successful traders see prices where traders placed their entry and exit order in the market, along with their stop loss and entry point. Neither stocks, options, nor futures have an idea where it is going to find support or resistance. It is the market players who determine this. Good traders know this and place their own orders around these levels to take advantage of the other 95% of traders who will lose money.

④

Before initiating a position, they know where they will exit and whether it is for a loss or a profit.

We have all heard that we need to place stops every time we enter the market in order to avoid too much loss. However, very few traders really know where they should place their stop and what their profit target is before entering a position. Good traders won't trade by chance but plan each order in its totality before entering a position.

Your written trading plan should have objective measurements for knowing where the stop loss should be placed and where we should take our profits. Not knowing or simply trying to guess where prices will be after entering a position can lead to indecision or price targets out of the safe average of their trading. Why set an arbitrary profit target of 3 points when the market average is only 2 points? In addition, good traders establish position sizes and stop losses which depend almost always on their risk tolerance for each order.

For example, if the maximum risk of each order is 2% of their trading capital, the number of shares they will trade (depended on the share price) and the reasonable stop loss will all be calculated before the order is initiated. It's rare to find a good trader with a position size of 1,000 stocks. They generally respond that it depends entirely on what they are going to do. They take their maximum acceptable loss and work upstream to find a stop loss and a position size that matches this objective measurement.

Europe's Second Virus Wave Triggers Sharp Forex and Equities Sell-off

WikiFX Kathy Lien | Italy Report

Kathy Lien
Forex Trader, Author, Analyst & Expert

Currencies and equities sold off sharply on 21 Sept. as virus cases in Europe hit new record highs. Everyone's greatest fear this summer was a second wave and, unfortunately, that fear has materialized. Spain reported 14,389 new cases on 18 Sept., while France reported nearly 13,498 on 19 Sept. These numbers, which are far beyond the peaks set back in March, triggered a series of tighter social restrictions in Europe's second and third largest economies.

Even Germany, which has not seen a significant uptick in virus cases tightened mask and contact regulations in a bid to prevent a broader spread in Munich. In the UK, cases are below their spring peak but double every day, which brings a warn by the country's chief scientific adviser that there could be 50,000 new daily cases by mid-October if further action is not taken.

Fifty thousand cases a day is not just a risk for the UK, but all European countries are experiencing spikes. The problem is that while the cases are higher than that in spring, more localized measures are taken by the Spanish, French and UK governments, which raises concern about their effectiveness.

Given the severity of the coronavirus pandemic spread in Europe, more restrictions are on their way for these countries. Considering the economic toll caused by the lockdowns in April and May, the second wave poses a significant risk for the euro and sterling. Both currencies fell sharply on 21 Sept. and we think more losses are to follow with EUR/USD targeting 1.15 and GBP/USD 1.25. Even European Central Bank President Christine Lagarde seems to be concerned as she talked about an uncertain and uneven recovery along with the availability of options if more stimulus is needed.

Her most notable comment was on the euro - she previously urged investors not to overreact to its rise, but today she said they are "attentive to the euro's appreciation," which is a greenlight for euro's decline. For euro and sterling, aside from virus headlines, the main focus is the PMIs. If this month's reports show deterioration, we will see further losses in these currencies.

The U.S. dollar traded higher despite U.S. troubles. The election is nearing, and with the death of Justice Ruth Bader Ginsburg, politicians are gearing up for some tough battles in Washington. There's a lot at stake, and the political fall-out will be significant. Election uncertainty is a serious risk for equities and currencies. Even in 2016, when the polls showed Hillary Clinton in the lead, stocks trended lower in the weeks leading up to the election. At the same time, we saw a sell-off in EUR/USD and choppy trading in USD/JPY. The history of volatility will repeat itself in 2020 but in a more magnified way given the strong opinions around Trump's push for to replace her seat quickly. With no major U.S. economic reports scheduled for release this week, U.S. dollar traders should pay attention to three things – headlines out of Washington, Fed Chairman Jerome Powell's testimonies and equities as investors are likely to take their cue from risk appetite.

The commodity currencies was also sold off, with the New Zealand dollar declining. While Europe is desperate to prevent the second wave from worsening, New Zealand ended all pandemic restrictions in all parts of the country except for Auckland, the largest city. Yet, instead of rising, the currency is falling because of risk aversion and concerns about the Reserve Bank meeting this week.

When the RBNZ last met, it was open to the idea of negative rates, and traders worry that while the country has pushed out COVID-19 a second time, uncertainty abroad leaves that option on the table. For Australia, the biggest problem is the worsening relation with China. Apparently Australia is turning away investments from Chinese companies after China lost access to Australia's space-tracking station. The Canadian dollar also declined, with USD/CAD rising to its strongest level in more than a month.

How Do Currency Pairs Work in the Forex Market?

WikiFX Sylvain March | France Report

Sylvain March
Trader, Founder & Holder of the Website en-bourse.fr

EUR/USD, USD/JPY, EUR/CHF...If you want to trade currency pairs in the forex market, you are spoiled for choice.
But to trade properly, you have to understand how it works, especially when it comes to price charts. And that's what we're going to see today.

Currency pairs: the basics

There are two things to know about currency pairs.

The first one is that as their name tells, they always come in pairs. It makes sense: If you want to get a quotation, you will have to compare one currency to another.

One Euro will always be one Euro for you. But in itself, it has no real value. In the United States, your Euro is worth nothing (that means you cannot buy anything with it), unless you exchange it for some US Dollars: here is its true value. In fact, your Euro is not worth one Euro but X Dollars in the United States.

It's the same in the forex.

And depending on the quotation of the moment, with this Euro you can buy more or less US Dollars (Reminder: the quotations change constantly).

From this comparison was born the quotation of the EUR/USD pair (surely it works the same way for all pairs) that you've found:

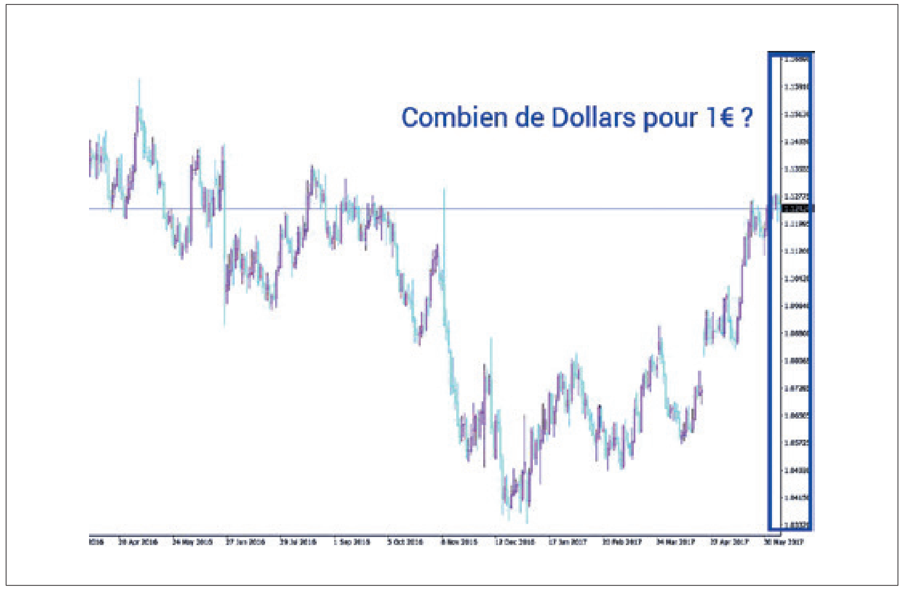
Investing.com

Nom	Achat	Vente	Ouverture	+ Haut	+ Bas	Var %
EUR/USD	1,1245	1,1245	1,1256	1,1269	1,1240	-0,10%
USD/JPY	110,07	110,07	109,82	110,15	109,39	+0,23%
GBP/USD	1,2951	1,2952	1,2959	1,2978	1,2946	-0,06%
USD/CHF	0,9666	0,9668	0,9655	0,9673	0,9637	+0,12%
USD/CAD	1,3504	1,3507	1,3508	1,3521	1,3501	-0,01%
AUD/USD	0,7551	0,7553	0,7550	0,7554	0,7525	+0,03%
NZD/USD	0,7207	0,7210	0,7196	0,7214	0,7188	+0,17%
EUR/GBP	0,8681	0,8683	0,8690	0,8693	0,8670	-0,09%

Cours des Devises fournis par Investing.com France.

The second thing to know is that on the forex spot, these pairs are always defined in the same order.

For example, the USD/JPY pair will always have the US Dollar firstly and the Yen secondly. Never in the opposite way (the JPY/USD pair does not exist).



It's a convention. And all forex investors in the world have access to the same currency pairs like you and of course, the same charts.

How do currency pair charts work?

1.The supply/demand mechanism:

Let's take the example of the EUR/USD pair again:

As I told you, the quotation will always be based on "how many US dollars are equal to one Euro ?".

On the chart, the figures on the right side correspond to the value of one Euro in Dollars:

In every market, there is a supply/demand mechanism which varies the price curve of the EUR/USD pair:

- If market operators are less interested in the Euro, there will be more supply than demand. And then, the price of the Euro against the Dollar drops (you will get fewer Dollars by one Euro).
- If market operators are very interested in the Euro, there will be more demand than supply. And then, the price of the Euro against the Dollar increases (you can get more Dollars by one Euro).

2.Common mistake: dissociate mentally the 2 currencies of the pair

You may think, "Okay, but I just want to buy some Dollars." For that, I have to position myself at the purchase side on the chart, right? " No. This is a very common take of misconception.

It has already been given that you can't "buy some Dollars only" and the price curve represents the Euro against the Dollar (in that case, the Euro is the main currency of the pair) but not the Dollar against the Euro.

Therefore, for "buying some Dollars", you have no other choice but to sell Euros.

And for selling Euros, you have no other choice but to position yourself at the selling side on the EUR/USD chart.

It works in the same way for the opposite direction.

Don't make the mistake of separating two currencies: by their nature, they go in pairs. Each pair is a "whole" and it is the quotation of the pair that is translated in the form of a chart.

You can take the opportunities which are available to you in the form of signals (buy or sell) based on the trend of the price curve rather than whether you want to buy or sell Dollars, Yen, Euros, etc.

Three Biggest Misconceptions of Trading

WikiFX **Kar Yong** | Singapore Report

Today, I would like to share some of the biggest misconceptions of trading that I have seen with many traders.

Kar Yong
Forex Trader & Trainer

These aren't tiny misalignments that don't matter in the grand scheme of things... I'm talking about seemingly benign misconceptions that will adversely affect the entire trajectory of your journey to becoming a consistently profitable trader.

Interested to hear about them? Read on!

① Trading can get you RICH QUICK

To be honest, it's not entirely your fault thinking and believing that trading can get you rich quick.

Today, you can easily see all the ads on various social media platforms telling you how much profits have been made, the crazy returns and profits that trading can give you, the nice and fancy cars, etc.

I'm pretty sure you know what I'm talking about.

But the truth is trading is not a GET-RICH-QUICK solution.

Yes, trading can empower you to be financially independent, and it can make you rich. But that's not gonna happen until you decided to commit to this journey.

Think of it as a profession. It takes 7 to 10 years to graduate and practice as a doctor, an average of 14 years to be a practising lawyer, and easily between 5 to 10 years to be an architect.

It took me 3 years to transit and make it into a full-time trader, of course with many trial and error and painful lessons.

But if you ask me today is it worth it?

It's definitely a YES!

Quoting Ray Barros from one of the conversations we had with him, "Where do you get 90% of the population putting money in your pocket? Only in trading."

② Trading is RISKY

This is another very common misconception.

Everything we do, especially for the very first time, it looks or even feels scary. Because we haven't fully understood it. Think about the very first time you decided to learn how to swim, or how to ride a bicycle, or how to drive, or even how to cook in the kitchen with a knife...

Aren't they all risky too? But as we get to understand the craft and skill better, and the more we practise, the better we get. And as a result, we learned how to manage our risk.

Trading is the same. What you need is the proper knowledge and skill set to manage your risk, and the reward can be very lucrative.

One of our slogans for our community is "I'm a master of risk".

③ A winning strategy is EVERYTHING

Ha! This one's a killer! More often than not, I get asked by the traders who are fairly new in trading that what's the winning rate of my strategy. And they thought that having a high win rate strategy is equal to being profitable.

This mentality then leads them to start seeking for the 90% winning strategy. And as a result, they will often fall into the trap of constantly searching, instead of becoming a successful trader.

The truth is that the strategy is just a small portion within the success formula towards your trading journey.

Trade Environment Evaluation Ranking List in November 2020

WikiFX
TRADE ENVIRONMENT EVALUATION RANKING
TOP 30
MONTHLY

Ranking	Broker Name	Regulatory Status	Score	Comparison	Rating
1	FXTM	Regulated	8.59	↑ 10	AAA
2	FOREX.com	Regulated	9.38	New	AAA
3	XM	Regulated	8.85	New	AAA
4	AUSFOREX	Regulated	8.49	↓ 2	AAA
5	One Financial Markets	Regulated	7.02	↑ 2	AAA
6	Exness	Regulated	7.77	↑ 13	AAA
7	ICM	Regulated	7.28	↓ 3	AAA
8	Doo Prime	Offshore Regulated	7.23	↑ 13	AAA
9	CWG Markets	Regulated	7.87	↑ 14	AAA
10	Valutrades	Regulated	8.01	New	AA
11	easyMarkets	Regulated	7.36	↑ 9	AA
12	BCR	Regulated	8.09	↓ 6	AA
13	FXDD	Regulated	7.87	↓ 3	AA
14	AmazingTick	Regulated	5.13	↓ 13	AA
15	CPTMarkets	Regulated	7.93	↑ 9	AA
16	GO MARKETS	Regulated	8.59	↓ 1	AA
17	EightCap	Regulated	8.23	↓ 12	AA
18	FIBO Group	Regulated	7.94	New	AA
19	IC Markets	Regulated	8.86	↑ 11	AA
20	ThinkMarkets	Regulated	7.30	↑ 2	AA
21	VT Markets	Regulated	7.90	↑ 5	AA
22	ADSS	Regulated	7.62	New	AA
23	HYCM	Regulated	8.31	New	AA
24	BlackBull	Regulated	7.20	New	AA
25	Admiral Markets	Regulated	7.80	New	AA
26	FXOpen	Regulated	7.24	↓ 23	A
27	Vantage FX	Regulated	8.58	New	A
28	Just2Trade	Regulated	7.16	↓ 10	A
29	GKFX Prime	Regulated	7.29	↓ 1	A
30	ETX	Regulated	8.23	New	A

Follow Ranking List in November 2020

WikiFX
FOLLOW RANKING
TOP 30
MONTHLY

Ranking	Broker Name	Regulatory Status	Score	Comparison
1	XM	Regulated	8.85	↑ 1
2	FOREX.com	Regulated	9.38	↓ 1
3	FXTM	Regulated	8.59	↑ 1
4	IC Markets	Regulated	8.86	↑ 7
5	huiyuan capital pty ltd	Regulated	5.72	New
6	TMGM	Regulated	8.07	New
7	FXCM	Regulated	9.29	—
8	AUSFOREX	Regulated	8.49	↑ 9
9	EightCap	Regulated	8.23	↓ 4
10	GIB Capital Group	Regulated	7.00	↓ 7
11	AvaTrade	Regulated	9.05	↑ 3
12	Exness	Regulated	7.77	↓ 2
13	Hantec	Regulated	9.08	↑ 2
14	OANDA	Regulated	9.41	↓ 8
15	ATFX	Regulated	8.15	↓ 7
16	CPTMarkets	Regulated	7.93	↓ 4
17	ZFX	Regulated	6.81	↑ 11
18	USGFX	Regulated	6.16	↓ 5
19	Vantage FX	Regulated	8.58	New
20	Tickmill	Regulated	7.84	↑ 9
21	hiifx	Fraud Platform	1.83	↑ 2
22	Alpari	Regulated	8.39	New
23	Acetop	Regulated	7.94	New
24	TR	Fraud Platform	1.27	↓ 4
25	BANK OF CHINA	Regulated	8.16	New
26	ACY Securities	Regulated	8.10	New
27	CWG Markets	Regulated	7.87	New
28	Doo Prime	Offshore Regulated	7.23	New
29	FXTRADING.com	Regulated	8.17	↑ 1
30	IDEAL	Normal Registration	4.89	New

Global Campaign Ranking List in November 2020

WikiFX
GLOBAL CAMPAIGN RANKING
TOP 30
MONTHLY

Ranking	Broker Name	Regulatory Status	Score	Comparison
1	XM	Regulated	8.85	—
2	windsorbrokers	Regulated	7.61	New
3	FXTM	Regulated	8.58	—
4	FBS	Regulated	6.43	↓ 2
5	Alpari	Regulated	8.38	↑ 1
6	HYCM	Regulated	8.30	↑ 16
7	AvaTrade	Regulated	9.02	↓ 2
8	IC Markets	Regulated	8.86	↓ 1
9	OctaFX	Suspicious Clone	2.19	↑ 12
10	easyMarkets	Regulated	7.34	↑ 4
11	FXPRO	Regulated	7.65	↓ 1
12	FXCM	Regulated	9.29	↓ 1
13	WeTrade	Regulated	5.00	↑ 5
14	FP Markets	Regulated	7.04	↓ 6
15	Exness	Regulated	7.77	↓ 6
16	BULLTRADERS.COM	No Regulatory	1.27	↓ 3
17	eToroe	Regulated	7.62	↑ 2
18	EightCap	Regulated	8.23	↓ 6
19	BTCC Global	Suspicious Clone	1.25	↓ 2
20	Acetop	Regulated	7.94	New
21	ACY Securities	Regulated	8.09	↑ 9
22	Tickmill	Regulated	7.77	↓ 7
23	MIEX	Normal Registration	6.78	New
24	HORIZONS SECURITIES	No Regulatory	1.02	↓ 4
25	ZFX	Regulated	6.81	New
26	GO MARKETS	Regulated	8.33	↓ 1
27	FXTRADING.com	Regulated	8.09	↓ 23
28	GIB Capital Group	Regulated	6.96	↓ 4
29	HotForex	Regulated	7.91	New
30	FOREX.com	Regulated	9.41	↓ 14

Fraud Platform Ranking List in November 2020

WikiFX
FRAUD PLATFORM
TOP 30
MONTHLY

Ranking	Broker Name	Regulatory Status	Score	Comparison
1	PTFX	Fraud Platform	1.84	—
2	hiifx	Fraud Platform	1.83	—
3	Engel FX	Absconded	1.64	—
4	TR	Fraud Platform	1.27	—
5	GCG ASIA	Fraud Platform	1.77	—
6	West Capital	Fraud Platform	1.28	—
7	MMC	No Regulatory	1.03	↑ 2
8	MC	Lots of Complaints	1.84	↑ 2
9	Honor Global	Lots of Complaints	1.65	↑ 2
10	TigerWit	Lots of Complaints	1.92	↑ 2
11	FXPRO	Lots of Complaints	2.53	New
12	EXcoin	Fraud Platform	1.26	↑ 1
13	antofx	No Regulatory	1.04	↑ 2
14	Solid Investments	Fraud Platform	1.24	↑ 2
15	GTS	Lots of Complaints	1.84	↑ 2
16	General Finance	No Regulatory	1.11	↑ 2
17	xinhui-fxx	No Regulatory	1.05	↑ 2
18	XINSHENG	Suspicious Clone	1.85	↑ 2
19	Hmarl	Suspicious Clone	1.29	↑ 2
20	EARN-ETORO	No Regulatory	1.08	↑ 2
21	OTM Trade	Fraud Platform	1.79	↑ 2
22	GRMFX	Fraud Platform	1.74	↑ 2
23	Dukascopy	Suspicious Clone	2.22	New
24	WCI	No Regulatory	1.69	↑ 1
25	Optionsi	No Regulatory	1.15	↑ 1
26	Zhixuan	No Regulatory	1.35	↑ 1
27	BTCC Global	Suspicious Clone	1.26	↑ 1
28	TriumphFX	Fraud Platform	1.93	↑ 1
29	Koderan	Offshore Regulated	2.90	↑ 1
30	IAL	No Regulatory	1.69	New

Popularity Ranking List in November 2020

WikiFX
POPULARITY RANKING
TOP 30
MONTHLY

Ranking	Broker Name	Regulatory Status	Score	Comparison
1	XM	Regulated	8.85	—
2	FXTM	Regulated	8.59	—
3	Alpari	Regulated	8.39	—
4	FOREX.com	Regulated	9.38	—
5	PTFX	Fraud Platform	1.84	—
6	EightCap	Regulated	8.23	—
7	hiifx	Fraud Platform	1.83	—
8	FXCM	Regulated	9.29	—
9	Engel FX	Absconded	1.64	—
10	USGFX	Regulated	6.16	—
11	TR	Fraud Platform	1.27	—
12	AvaTrade	Regulated	9.05	—
13	AUSFOREX	Regulated	8.49	—
14	IC Markets	Regulated	8.86	—
15	Exness	Regulated	7.77	—
16	OANDA	Regulated	9.41	—
17	TMGM	Regulated	8.07	New
18	ATFX	Regulated	8.15	—
19	GHC	Regulated	6.90	—
20	Hantec	Regulated	9.08	—
21	PLOTIO	Regulated	7.61	—
22	CPTMarkets	Regulated	7.93	—
23	GCG ASIA	Fraud Platform	1.77	—
24	Vantage FX	Regulated	8.58	—
25	BANK OF CHINA	Regulated	8.16	—
26	GIB Capital Group	Regulated	7.00	—
27	GKFX Prime	Regulated	7.29	—
28	Acetop	Regulated	7.94	—
29	West Capital	Fraud Platform	1.28	—
30	ZFX	Regulated	6.81	—

WikiFX Ranking List in November 2020

WikiFX RANKING TOP 30 MONTHLY

Ranking	Broker Name	Regulatory Status	Score	Comparison
1	OANDA	Regulated	9.41	——
2	FOREX.com	Regulated	9.38	——
3	FXCM	Regulated	9.29	——
4	Hantec	Regulated	9.08	——
5	AvaTrade	Regulated	9.05	↑ 1
6	IB	Regulated	9.03	↓ 1
7	Rakuten	Regulated	8.98	——
8	IC Markets	Regulated	8.86	↑ 1
9	XM	Regulated	8.85	↑ 1
10	Plus500	Regulated	8.75	↑ 1
11	Pepperstone	Regulated	8.68	New
12	GO MARKETS	Regulated	8.59	——
13	FXTM	Regulated	8.59	↑ 1
14	Vantage FX	Regulated	8.58	↓ 1
15	AUSFOREX	Regulated	8.49	——
16	Alpari	Regulated	8.39	——
17	DBS	Regulated	8.35	↑ 4
18	HYCM	Regulated	8.31	↑ 1
19	WF	Regulated	8.30	↓ 1
20	WorldFirst	Regulated	8.30	——
21	EightCap	Regulated	8.23	↑ 1
22	ETX	Regulated	8.23	↑ 1
23	Travelex	Regulated	8.20	↑ 2
24	IFS Markets	Regulated	8.19	↑ 2
25	ANZ	Regulated	8.19	New
26	FXTRADING.com	Regulated	8.17	↑ 3
27	BANK OF CHINA	Regulated	8.16	↑ 3
28	Royal	Regulated	8.15	New
29	ATFX	Regulated	8.15	New
30	MexGroup	Regulated	8.14	New

Complaints Ranking List in November 2020

WikiFX COMPLAINTS RANKING TOP 30 MONTHLY

Ranking	Broker Name	Regulatory Status	Score	Comparison
1	USGFX	Regulated	6.16	——
2	OLYMPTRADE	Lots of Complaints	1.73	New
3	JITAK	Suspicious Clone	1.59	New
4	HotForex	Regulated	7.91	New
5	XM	Regulated	8.85	↑ 21
6	Numisma	Regulated	5.90	New
7	Binomo	No Regulatory	1.29	New
8	IC Markets	Regulated	8.86	New
9	IQ Option	Regulated	5.84	New
10	DS investment Limited	No Regulatory	1.04	New
11	COZFX	Regulated	7.97	New
12	Exness	Regulated	7.77	↓ 7
13	BlackBull	Regulated	7.20	New
14	Sibfx	Regulated	5.41	New
15	Anzo Capital	Regulated	6.12	New
16	CF	Regulated	7.12	New
17	Liquid	Regulated	5.86	New
18	FXCN	No Regulatory	1.02	New
19	ROCKFORT	Regulated	6.93	New
20	VisionQuest	Regulated	6.93	New
21	IBH	Regulated	6.06	New
22	XTB	Regulated	6.84	New
23	OANDA	Regulated	9.41	New
24	FOREX.com	Regulated	9.38	↓ 18
25	Sacreda Ring 1 Limited	No Regulatory	1.06	New
26	PLOTIO	Regulated	7.61	New
27	GKFX Prime	Regulated	7.29	New
28	FXCM	Regulated	9.29	New
29	Plus500	Regulated	8.75	New
30	EightCap	Regulated	8.23	↓ 5

FINANCIAL CALENDAR PREVIEW

November 2020

Date	Time	Event
2020/11/02	23:30	RBA Interest Rate Decision
2020/11/04	9:15	US ADP Employment Change
2020/11/05	8:00	BoE Rate Decision
	15:00	The Fed Interest Rate Decision
2020/11/06	8:30	US Non Farm Payrolls
2020/11/09	5:30	Eurozone Investor Confidence
2020/11/10	5:30	UK Unemployment Rate
	22:00	RBNZ Rate Decision
2020/11/11	6:00	OPEC Monthly Report
2020/11/12	9:30	US Seasonally Adjusted CPI
2020/11/13	6:00	Eurozone Q3 GDP Revised
	9:30	US PPI Report
	11:00	US Consumer Confidence
2020/11/17	9:30	US Retail Sales
2020/11/18	5:30	UK CPI Report
	6:00	Eurozone CPI Report
2020/11/23	5:00	Eurozone Manufacturing PMI & Services PMI
	5:30	UK Manufacturing PMI & Services PMI
	10:45	US Manufacturing PMI & Services PMI
2020/11/25	9:30	US Durable Goods Orders
	9:30	US Q3 GDP Revised
	9:30	US Core PCE Price Index
2020/11/26	7:45	BoK Rate Decision
	8:30	Riksbank Rate Decision