

## ***The Bankers Way of looking at the Forex markets.***

### **How is currency strength determined?**

To use a simple example, let's take the EURUSD pair since everyone is already familiar with it. Imagine the EURUSD chart as a line. (No candles or bars.) When the line/Price goes up, it indicates that one of three conditions exists.



- 1.. The Euro dollar is Strengthening
- 2.. The US dollar is weakening
- 3.. Both conditions above are happening at the same time. (EUR getting stronger, USD weakening)

**Which is it?** The answer is crucial to knowing whether the price is most likely to continue in the direction of your trade or not. What if this was a little blip and triggered your system falsely? The trend is actually down but your system tells you to buy. I can't possibly know trend using one chart. One comparison. Without opening more charts that contain the EUR and the USD against other currencies, how do I know which of the three states it's in?

Opening a few more charts let me see what's happening with the EUR and the USD against the Swiss and Yen lets me come to a better understanding of whether the EUR is strengthening or just staying neutral.

*Analyzing the individual currencies behaviour in all the pairs and against all its peers requires observing several dozen charts and doing a lot of math. That's where a good currency meter comes in.*

By knowing the actual strength of the EUR or the USD as they are measured in their performance with the others, and knowing the trend, it can pay off handsomely for a sharp trader. The strength calculations are quite easy for a program to do. However, the most important thing is to see the result of the calculations over a period of time. Finding the real strength of an individual currency, then plotting it on a graph measured over time, shows us the trend. (The trend is the inclination or declination of the line representing the individual we are observing.)

Once you know the trending patterns of the individual currencies involved the pair you are looking at, you know the Bankers Way. Currencies trend, not pairs.

## **Banks and brokers buy individual currencies.**

A bank trader buys 20 million francs or Canadian dollars, or they sell 20 million Euros. Ask your banker. They buy individual currencies. Not Forex pairs. It may turn out that they will sell a certain currency at the same time as they buy another resulting in what could be called a pair trade, but the bottom line is that they buy and sell individual currencies. Always have and always will.

A bank buys individual currencies for many different reasons than speculators. They buy to make a payroll or large foreign purchase or they may have clients changing money for trips or sending home, whatever.

One thing you will never hear a banker or broker say is that they are buying because the doji is sitting at high noon or that a certain support line was hit. That's for speculators.

## **The foreign exchange prices you see do not represent what leveraged speculative traders think or feel. Those prices represent how real money and real bankers feel.**

The prices for currencies represent the valuation of people who place billions and trillions on the line all the time and for a wide variety of reasons. Real money not leveraged derivatives. These people think in terms of trend based on solid underlying economic fundamentals of supply and demand. They have qualified, educated, and experienced talent. In fact, the best money can buy..literally.

## **The currency strength meter can be your edge.**

*Using the AccuStrength to determine real trends will propel your trading to new levels.*

The AccuStrength 3 represents a huge leap forward for prior owners of a currency strength meter. Along with obvious changes to the interface, we have also been busy refining the infrastructure. We use several machines to compare the differences or similarities between actual bank prices (Not Forex broker prices) and arrive at accurate strengths that are fed directly into your program using the latest in high speed data transfer technology.

## **New AccuStrength Currency Meter 3.0 Just Released.**

I am excited and proud to present the new **AccuStrength Currency Meter version 3.0**. With an entirely new infrastructure, interface, and formula, we have catapulted currency strength measurement from a fledgling cottage industry into the professional leagues with self contained strength analysis and a whole new interface. The AccuStrength 3 has taken currency strength measurement to new heights.

***There is no other currency strength meter like this in the world.***

The AccuStrength 3.0 has a multitude of features like back scrolling and fully customizable theme selections along with system time lines and adjustable chart scrolling. And that's only part of the story. The time settings on the AccuStrength chart are set to your system so it will be compatible with your charts and your time zone. Historical scrolling allows you to look back

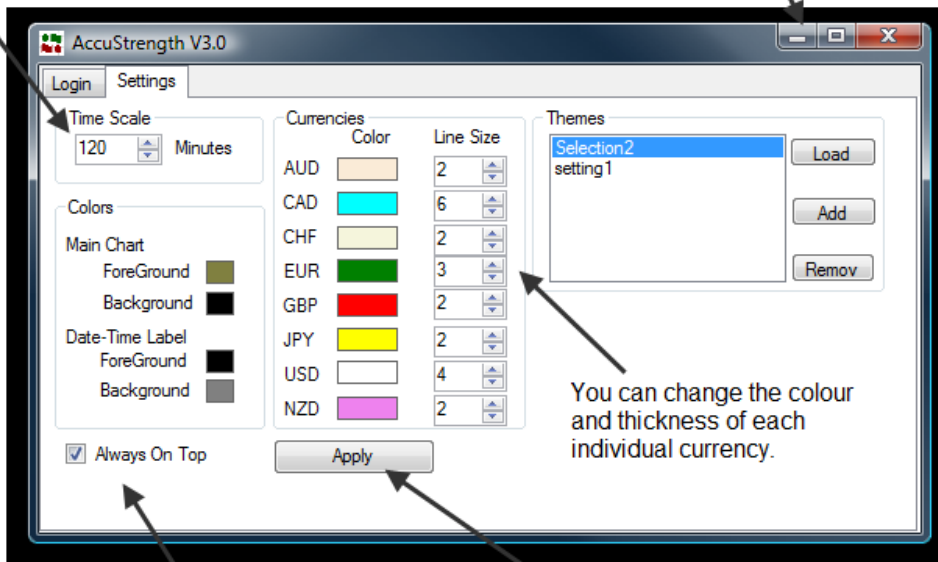
several days to see beginning trends and match them with whatever charts you use for back testing. Correlating the signals given by AccuStrength with the system you are back testing adds further confirmation.

<http://www.accustrength.com>

I hope you enjoy this leap in currency strength measurement and I invite you to ask questions or submit comments to me at [tom@tradetime.ca](mailto:tom@tradetime.ca)

The time scale allows you to select the amount of time displayed on the chart at one time.

Minimizing button places it on your system tray. Double click to bring it back up.



You can change the colour and thickness of each individual currency.

Always on top lets the meter always stay on top of other running displayed program. Turn on or off.

After making changes, make sure to click the Apply Button to keep them before clicking on the tab button to return to the screen.

User selectable theme storage.

Always on top selector.

Complete color control.

Login Button

Strength Number

Currency time period and details



Currency Selector

System Time. Run mouse over the time period you want to check.

Scrollback slide button

Feel free to let me know what you think once you get it up and running.

Tom-

[tom@tradetime.ca](mailto:tom@tradetime.ca)

<http://www.accustrength.com>