THE FOREXTRA FORECAST MODEL

BASED ON SMART INTELLIGENCE

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Introduction

Global view

The global view provides a summary so that you can read in one line what the short-term forecast is per currency. This expectation is based on Forextra's Smart Intelligence Algorithm. This means that the algorithm continues to develop and in this way knows how to share expectations more accurately. From the global view you are not distracted by various conflicting indicators where each of which says something different.

Individual currency dashboard

The currency forecast report provides a total overview of important parameters per currency that help to anticipate future movements in a timely manner. In addition, Forextra uses a Smart Intelligence based algorithm. This algorithm gives an indication of what movement can be expected in the short term and to what level this movement can go.

The short-term forecast is displayed at the top of the dashboard. This is to keep it extra easy and to avoid confusion. In principle, this expectation therefore provides sufficient information.

The different parameters provide additional information that can be used additionally. This is therefore independent of the short-term forecast.

"People must know the past to understand the present and face the future." A quote from Nellie McClung. When we apply this quote to the financial markets, it indicates that it is important to understand the past well in order to be able to know current situation and to be able to anticipate the future in good time. This is what is accomplished with the currency dashboard.

Global energy, trend and sentiment

The global euro energy, trend and sentiment visually represents the development of the value per currency from a global perspective. With the help of colors it becomes immediately visible how the values develop. If the color is orange, it means that the value of the financial product expressed in this currency is diminishing, if the color is blue, it means that the value of the financial product expressed in this currency is becoming more valuable. The colors can be displayed in different shades, which indicates how strong the movement is. A light color indicates that the movement is weak. A dark color indicates that the movement is strong.

Energy

The energy indicates how strong a movement is from a global perspective. If the movement is strong and a certain extreme is sought, support or resistance may be found. When a movement is weaker, there is a greater chance that the price will break through support and resistance levels and continue to move in the current direction.

In addition to showing the strength of the movement, it also indicates the direction of the market from a global perspective. If the energy is below 0 point, the value development of the financial product will weaken from a global perspective. If the energy is above 0 point, the value development of the financial product from a global perspective will increase.

Adam Smith's "Invisible hand" (Wealth of Nations)

Everyone in the world acts in their own interest. Adam Smith called this "the invisible hand". The "invisible hand" shows in a worldwide way how everyone (the Japanese, Europeans, British, Chinese, Russians, etc.) act and look at the world with their own perspective. In this way, capital flows become visible.

Everyone's profit or loss will be reflected based on the value of their own currency. If you give a European US Dollar 1,440,000, the European will recalculate this US Dollar 1,440,000 back to Euros to see how much this is worth. When you give US Dollar 1.440.000, - to a British person, he will calculate this back to Pounds. We do this to get a sense of value.

In order to determine whether a financial product is in a positive or negative trend, it will be necessary to look from a global perspective. By only analyzing this from one currency, the perspective is limited. What appears to be a positive trend or negative trend in such a case can be very different from an international perspective. Global trends are the result of the trends that become visible from every perspective and are thus not limited to one currency.

Extreme currency fluctuations

The value of a currency can change all other economic considerations. Capital has an independent reason for moving through the financial system. Internationally, the currency markets reflect confidence in a currency, and thus in a country.

It is about the collective behavior that takes place, which is the cause of the initiation of new trends. The currency is an instrument that represents the total value of a country. It is nothing more and nothing less than an individual common stock that rises or falls in value depending on the trust and belief that the world has in the management of that country. Because we use a floating rate exchange system, capital can move freely from country to country. This allows us to observe all flows of capital which is reflected in the value of the currency against the value of all other currencies.

This can lead to significant fluctuations in currencies, such as in Argentina in early 2014, where it became internationally clear that there is no longer any confidence in the Argentinian Pesos. This trend had already started for 2014. These kinds of movements and trends will become more common in the near future. Not long ago in 2018/2020, similar movements like this could be seen in the Brazilian Real and the Turkish Lira. Extreme currency fluctuations are therefore becoming more and more obvious to see.

Do not let this surprise you and make sure you are well informed. With the help of the Forextra Forecast Report you gain insight from a total perspective so that you can anticipate this in time.

Global view

Currency	Volatility	Trend last days	Timeframe	Possible Price Reversal	Level	Possible Reversal Chance
EUR/AUD	🟢	↗	On the shorter term	expecting moving up towards level	1,6559	
EUR/BRL	🟢	⬆	On the shorter term	expecting moving up towards level	6,5802	
EUR/CAD	🟢	↘	On the shorter term	expecting moving down towards level	1,5591	
EUR/CHF	🔴	↗	On the shorter term	expecting moving up towards level	1,0849	
EUR/CNH	🔴	↘	On the shorter term	expecting possible top at level	8,3255	❗
EUR/GBP	🟢	↘	On the shorter term	expecting moving down towards level	0,8970	
EUR/JPY	🟢	↘	On the shorter term	expecting moving down towards level	123,3400	
EUR/NOK	🟢	↗	On the shorter term	expecting possible bottom at level	10,4853	❗
EUR/PLN	🟡	↘	On the shorter term	expecting moving down towards level	4,3745	
EUR/RUB	🔴	↘	On the shorter term	expecting possible top at level	88,0134	❗
EUR/SEK	🔴	⬆	On the shorter term	expecting moving up towards level	10,3510	
EUR/TRY	🔴	↘	On the shorter term	expecting possible top at level	8,8239	❗
EUR/USD	🟡	↘	On the shorter term	expecting possible top at level	1,1966	❗
EUR/ZAR	🟡	↘	On the shorter term	expecting moving down towards level	19,4764	

The Global view provides a summary of the most important parts of the report. You can see at a glance the trend of the last few days, the forecast for the short term and which currencies make a possible top or bottom.

1. Volatility

The degree of volatility is indicated by means of a traffic light principle. Green indicates that the volatility in the currency is acceptable, orange indicates that volatility is increasing and red indicates that the volatility is above average.

2. Trend last days

The trend of the last few days indicates the direction the market has moved in the last few days. The arrows indicate whether a movement is slightly downward or upward, or whether it is a strong movement downward or upward.

3. Possible Price Reversal

This field shows in one sentence what the short-term expectation of the currency is. This expectation has been determined on the basis of various algorithms. These algorithms continue to develop and in this way know how to fine-tune expectations with increasing accuracy. This saves a lot of time of analysis, and you know right away what is expected for the short term without being further confused by conflicting signals from different parameters.

4. Level

The level indicates where the currency exchange rate is expected to move in the short term.

5. Possible Reversal Chance

The possible reversal chance uses an exclamation mark to indicate when a possible top or bottom is expected for a currency in the short term. This gives you a timely warning when the direction of the market may change in the short term.

Individual currency dashboard

In the report, a dashboard has been created for each currency on an individual level that shows information from different perspectives that add value in predicting future price movements. To predict future price movements, it is important to be aware of the current trend of the market, the speed at which the market is moving, the historical and cyclical movements and important price levels. In the dashboard, these parameters are individually displayed in addition to the short-term forecast (which is based on an algorithm that looks from a larger perspective).

1. Rate information & short term expectation

The current rate is indicated first.

In addition, a short sentence describes what the short-term expectation is and the level to which the financial product (expressed in that currency) can move in the short term. The short-term expectation is determined on the basis of a Smart Intelligence-based Algorithm. This algorithm is constantly evolving, making the short-term forecast increasingly accurate.

2. Trend – Direction of the market

On the far left of the dashboard you see a representation of the current trend. This is divided into the total trend, the trend on a day basis and the trend on a week basis. In addition to the different timeframes, the trend over different periods such as the short, medium and long term per time frame is also examined. From this view it is clear to see what the larger trend is and when a financial product moves into a correction.

3. Volatility, Energy, Momentum and Ranges – Speed

Certain indicators that are also included in some algorithms are listed separately in the dashboard such as the volatility, the trend of the last few days, the energy and the momentum. It also visually indicates when there is an expectation that the price will place a possible top or bottom.

The ranges indicate the range within which the price has moved in the past week and the past 52 weeks. In addition, it is clearly visible in orange where the price is currently located within the range.

4. Historical results & Cycli – Time

The historical results show how the currency exchange rate has developed on this day, week and month in the past. Cyclical and seasonal patterns become visible. This can then be taken into account when decisions have to be made.

5. Support and resistance levels – Price

The support and resistance levels indicate important levels that require extra attention. These are levels where support or resistance may be encountered or where the price may change direction.

6. Forex Price Chart - Price

The currency rate chart provides a visual representation of the currency's price development. This makes it clear which movements the exchange rate has made up to the point where the exchange rate is currently located.

Now that all parts have been briefly named, each part is discussed in more detail in the chapters below. This provides a more complete picture of the information shown on the currency dashboard, and how this can possibly be used to gain additional insight into what is happening in the financial markets.

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Rate information & short term expectation

EUR/USD   1,1858   On the shorter term expecting moving down towards level **1,1696**

Currency and rate information

Displays the current rate at the time the report was created.

Short term expectation

In one sentence it is stated what the short-term expectation is of the financial product expressed in that currency. In addition, it also indicates the level to which it is likely to move. The short-term expectation is determined on the basis of an algorithm based on Smart Intelligence. This means that the algorithm continues to develop and in this way is able to determine the short-term expectation more accurately.

Trend – Direction of the market

Total Trend

The total trend indicates the direction the market has moved in the past period. This looks at the trend of the last few days, the trend on a day basis and the trend on a weekly basis. Based on the trend from different perspectives, it is determined whether the trend is positive or negative.

Trend on a daily basis

The trend on a daily basis looks at the price development on a daily basis. This looks at the development in the short term, medium term and long term. This way you have one overview of how the trend develops on a daily basis over different periods.

Trend on a weekly basis

The trend on a weekly basis looks at the price development on a weekly basis. This looks at the development in the short term, medium term and long term. This way you have one overview of how the trend develops on a weekly basis over different periods.
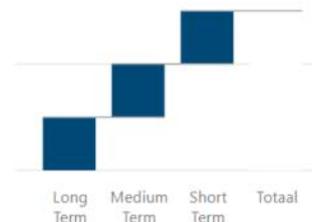
When both the short, medium and long term trend move in the same direction, the market moves in the direction of the larger trend.

When the trend in the short / medium term moves in the opposite direction to the long term, then there is a correction.
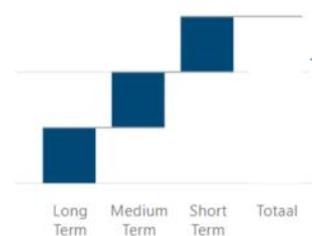
Total Trend

Daily Trend

Long Term   Medium Term   Short Term   Totaal

Weekly Trend

Long Term   Medium Term   Short Term   Totaal

Volatility, Energy, Momentum and Ranges – Speed

Currency	Volatility	Trend last days	Energy	Momentum	Possible Price Reversal	Short Term Reversal Level
EUR/USD	🟢	↘	↘	↗		1,1905

Currency

Displays the currency to which the indicators relate.

Volatility

The degree of volatility is indicated by means of a traffic light principle. Green indicates that the volatility in the currency is acceptable, orange indicates that volatility is increasing and red indicates that the volatility is above average.

Trend last days

The trend of the last few days indicates the direction the market has moved in the last few days. Light down or up or a strong movement down or up.

Energy

The value of the energy parameter indicates from a global perspective whether the value development of the financial product is positive or negative. If the value development is positive, the value of the financial product will increase from a global perspective. If the value development is negative, the value of the financial product will weaken from a global perspective.

In addition, the energy indicates how strong a movement is. When a movement moves towards extremes, there is an above-average chance for a possible turn in the value development of the financial product. The direction of the price may then change around support and resistance levels.

Momentum

The momentum is comparable to the energy indicator, it shows the strength of the trend. When a greater movement takes place, the momentum increases and when the movement decreases, the momentum decreases.

Although the Energy indicator and the Momentum indicator are very similar in description, both indicators form their conclusions from a different perspective.

Possible Price Reversal

This field shows the short-term expectation of the currency. This expectation has been determined on the basis of various algorithms. These algorithms continue to develop and in this way know how to fine-tune expectations with increasing accuracy.

Short Term Reversal Level

The Reversal Level indicates an important price level.

Should the price move downwards, the Reversal Level indicates the level to which a price can rise before there is an above-average chance that the direction of the market can change upwards in the short term.

If the price moves upwards, the Reversal Level indicates the level to which a price can fall before there is an above-average chance that the direction of the market can change downwards in the short term.

Historical results & Cycli – Time

The historical results look at how the price has moved in the past. This can provide additional information from a cyclical / seasonal pattern. In some months, weeks or days, the chance of a positive / negative result is statistically above average. This can then be taken into account. Watch out! Results achieved in the past are no guarantee for the future.

Historical results on a day, week and month basis

The historical results on a day, week and month basis indicate the relationships between the positive and negative results.

Support & Resistance levels indicate where the rate may change direction. These are important levels that are looked at more often in the financial markets. The levels provide a guideline to which prices can move so that timely action can be taken. If the price moves below certain support levels, the space is open for the price to move to the next level. If the price moves above certain resistance levels, the space is open for the price to move to the next level.

5, 10, 20, 50, 100 and 200 Day Highest Rate

This looks at the highest price that has been reached in the past 5, 10, 20, 50, 100 and 200 days.

These rates indicate resistance levels based on different time intervals.

5, 10, 20, 50, 100 and 200 Day Lowest Rate

This looks at the lowest price that has been reached in the past 5, 10, 20, 50, 100 and 200 days.

These rates indicate support levels based on different time intervals.

Description	Support	Description	Resistance
Pivot Point Day	1,1843	Pivot Month Resistance 3	1,2787
Previous Day Low	1,1831	Pivot Month Resistance 2	1,2348
Pivot Day Support 1	1,1817	Pivot Month Resistance 1	1,2063
Pivot Point Week	1,1806	Pivot Week Resistance 3	1,2053
20 Day average	1,1802	10 Day High	1,1966
5 Day Low	1,1782	100 Day High	1,1966
Pivot Day Support 2	1,1776	20 Day High	1,1966
Pivot Day Support 3	1,1750	200 Day High	1,1966
Pivot Week Support 1	1,1747	5 Day High	1,1966
10 Day Low	1,1711	50 Day High	1,1966
Previous Week Low	1,1711	Pivot Week Resistance 2	1,1959
Pivot Week Support 2	1,1653	Previous Day High	1,1953
Pivot Point Month	1,1624	Pivot Day Resistance 3	1,1951
Pivot Week Support 3	1,1594	Pivot Day Resistance 2	1,1910
20 Day Low	1,1581	Previous Month High	1,1909
50 Day average	1,1512	Pivot Week Resistance 1	1,1900
Pivot Month Support 1	1,1339	Pivot Day Resistance 1	1,1884
100 Day average	1,1234	Previous Week High	1,1864
Previous Month Low	1,1185		
50 Day Low	1,1168		
200 Day average	1,1140		
Pivot Month Support 2	1,0900		
100 Day Low	1,0727		
200 Day Low	1,0636		
Pivot Month Support 3	1,0615		

Pivot point Day, Week and Month

A pivot point is a technical indicator. This technical indicator is calculated on the basis of the average of the highest, lowest and closing price of the previous trading day / week / month.
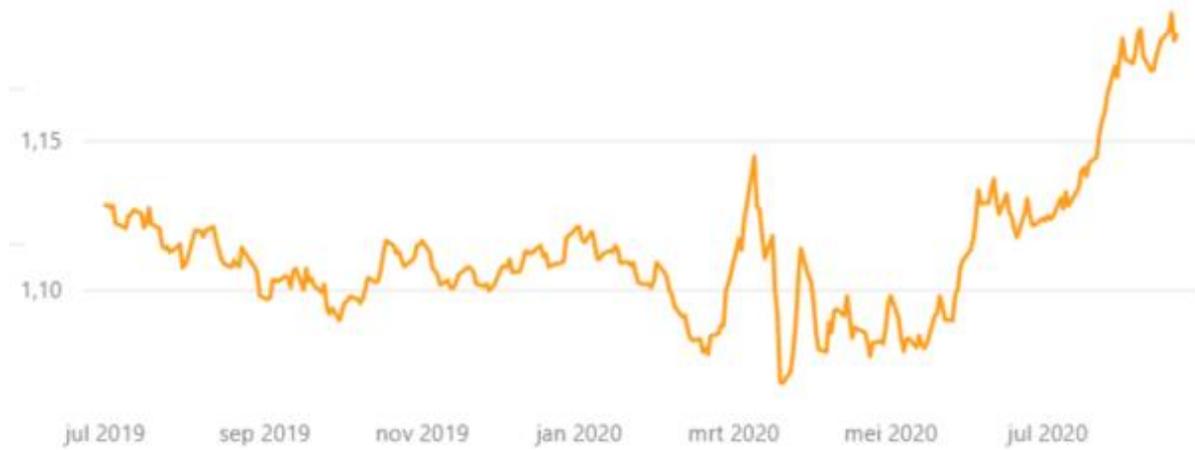
The Pivot indicator can be used in different ways. For example, a pivot point can be used as a trend indicator. When the price moves above the pivot point, this indicates a positive trend. If the price moves below the pivot point, it indicates a negative trend. The pivot point forms the basis of the indicator, with the help of the pivot point support and resistance levels can then also be calculated. These levels help to estimate where the price can move.

20, 50 and 200 Day Average

It looks at the average price of the past 20, 50 and 200 days. These levels are closely monitored by the financial world for a variety of reasons; on the one hand, the prices can be used to indicate a certain trend. If the price is above the average, the trend is positive, if the price is below the average, the trend is negative. On the other hand support or resistance often takes place around these average rates.

Forex Price Chart - Price

To have a clear picture of how the price development has been over the past period, a graphic representation has been made. This makes it easier to visually estimate where the price now stands compared to the previous period and how the price development of the financial product expressed in that currency has been.

Global Euro Energy, Trend and Sentiment - Correlation

Global Euro Trend and Sentiment

The global euro energy, trend and sentiment is a visual representation of one of the algorithms. This algorithm looks at the trend, the energy and the sentiment so that an expectation can be displayed based on this. If a country is given the color orange, it is expected that the value of the financial product will be worth less in that country, if a country is given the color blue, it is expected that the value of the financial product will be worth more in that country. The brighter the color, the stronger the movement. A softer color, so indicates a weak movement.

| jan 2020 | feb 2020 | mrt 2020 | apr 2020 | mei 2020 | jun 2020 | jul 2020 | aug 2020 |
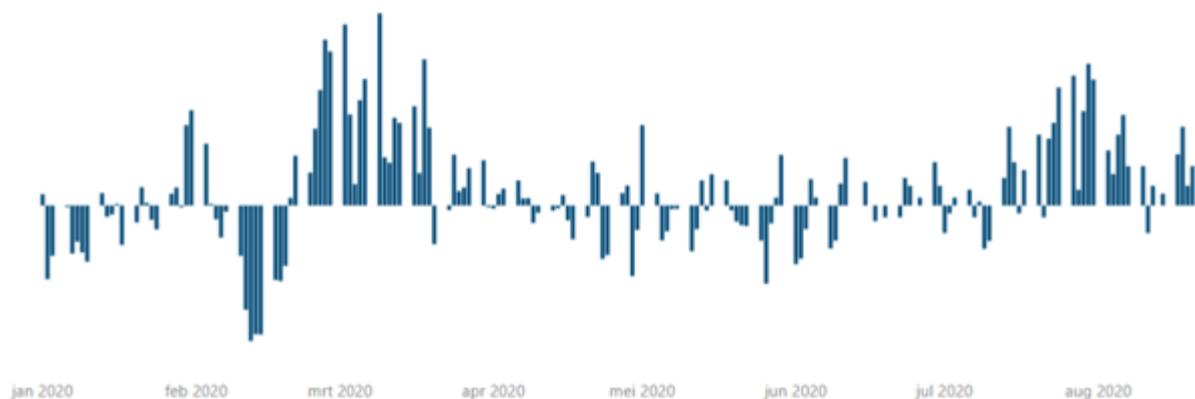
Global Euro Energy

As discussed previously; The energy indicates how strong a movement is. When the energy decreases, there is a greater chance that support & resistance levels can easily be broken. When the energy increases and move into extremes, the price has a higher probability of being able to change direction at support & resistance levels.

In addition to showing the strength of the movement, it also indicates the direction of the market from a global perspective. If the energy is below 0 point, the value development of the financial product will weaken from a global perspective. If the energy is above 0 point, the value development of the financial product from a global perspective will increase.

Forward Rates

The Forward Rates indicate the rates at which the currencies can currently be exchanged in the future. The below Forward Rates are determined on the basis of the interest rate difference between the EURO and the foreign currency. If the interest rate of the foreign currency is higher than the interest rate of the EURO, a compensation is made here in favor of the EURO. The EURO exchange rate will then be higher than the current level in the future.

The same applies if the interest rate of the foreign currency is lower than the interest rate of the EURO. Then compensation will be made to the disadvantage of the EURO. The EURO exchange rate will then be lower than the current level in the future.

A forward is a financial product that is used to protect against currency fluctuations. By knowing in advance the exchange rate at which the conversion can take place, currency risk can be controlled.

DATE	EUR/AUD	EUR/BRL	EUR/CAD	EUR/CHF	EUR/CNH	EUR/GBP	EUR/JPY
2020-08	1,6490	6,6146	1,5617	1,0770	8,1905	0,8979	125,4500
2020-09	1,6498	6,6260	1,5626	1,0768	8,2123	0,8984	125,4926
2020-10	1,6508	6,6365	1,5635	1,0766	8,2363	0,8988	125,5255
2020-11	1,6517	6,6470	1,5644	1,0763	8,2561	0,8992	125,5557
2021-02	1,6551	6,6713	1,5674	1,0755	8,3219	0,9007	125,6047
2021-05	1,6582	6,7102	1,5704	1,0748	8,3806	0,9020	125,6725
2021-08	1,6617	6,7561	1,5737	1,0742	8,4410	0,9035	125,7400

DATE	EUR/NOK	EUR/PLN	EUR/RUB	EUR/SEK	EUR/TRY	EUR/USD	EUR/ZAR
2020-08	10,6067	4,3834	87,4473	10,3377	8,6842	1,1858	20,5165
2020-09	10,6112	4,3853	87,7804	10,3409	8,7841	1,1865	20,6024
2020-10	10,6174	4,3875	88,1088	10,3448	8,9012	1,1873	20,6821
2020-11	10,6229	4,3894	88,4760	10,3482	9,0237	1,1880	20,7528
2021-02	10,6427	4,3972	89,5520	10,3591	9,4422	1,1906	20,9898
2021-05	10,6623	4,4056	90,5770	10,3700	9,8743	1,1928	21,2197
2021-08	10,6833	4,4142	91,7081	10,3824	10,3160	1,1951	21,4581

Summery

The Forextra Forecast Report consists of 3 parts;

1. The Global View
2. Individual currency dashboard
3. Global energy, trend and sentiment

Global view

The global view gives the short-term expectation per currency in one sentence. This short-term expectation is based on an Smart Intelligence Algorithm, which means that the algorithm continues to develop and in this way can more accurately tune the expectations.

Individual currency dashboard

In addition to the short-term forecast, the individual currency dashboard also provides additional information about important parameters that provide additional insight from various perspectives such as the trend, historical results on a daily, weekly and monthly basis, ranges and support and resistance levels. This information provides additional insight and supplements the short-term expectation.

Global energy, trend and sentiment

The global energy, trend and sentiment provides the complete picture from a global perspective. Value developments and changes in trends per currency are therefore easy to observe.

The global energy also provides valuable information about the strength of the movement and the trend from a global perspective.

Summery