



T Economics

Week 1 – Planning

Week 2 – Mindset

Week 3 – Education

Week 4 – Systems

Week 5 – Execution

Week 6 – Documentation



Course Map

Day 1 – Entelechy

Day 2 – Economics

Day 3 – Participants

Day 4 – Financials

Day 5 – Statistics



Course Map

Here's what we're going to cover

Types of Markets

- Forex
- Commodities
- Indexes, ETF's, Mutual Funds, Stocks / Equities

Supply and Demand in Markets

Equity Supply and Demand (Stock Shares)

What this can do for you

Learn about different tradeable markets

Understand supply and demand in any market

Understand equity supply and demand in the stock market

Types of Markets

- **Forex**
- **Commodities**
- **Indexes, ETF's, Mutual Funds, Stocks / Equities**

Supply and Demand in Markets

Equity Supply and Demand (Stock Shares)

Types of Markets

- **Forex; Currency Trading**
- Commodities
- Indexes, ETF's, Mutual Funds, Stocks or Equities

Forex is short for foreign exchange, and it means the trading of foreign currencies

This is nothing new,

There's conflicting information on the start of
this type of trading,

However, the one I like best is that it started in
Amsterdam about 500 years ago,

And it was a major step toward stabilizing exchange rates among countries.

One of the most famous examples of a Forex trader making money is George Soros,

Soros was betting heavily against the British Pound, back one day in 1992...

The British Pound, or Sterling, fell -4.2% in
that one day,

And it's rumored Soros made \$1 Billion dollars
that day, which is referred to as...

Black Wednesday

Currencies trading is Pairs trades, meaning that you need at least two currencies to make a trade.

There is the main currency (or base currency),
and then there is the currency which you wish to trade

There are Eight main currencies considered liquid
(nine if you count Bitcoin), 'liquid' meaning there is
ultra-low *slippage* getting into and out of positions

USD – US Dollar

EUR – Euro

CHF – Swiss Franc

GBP – British Pound

AUD – Australian Dollar

NZD – New Zealand Dollar

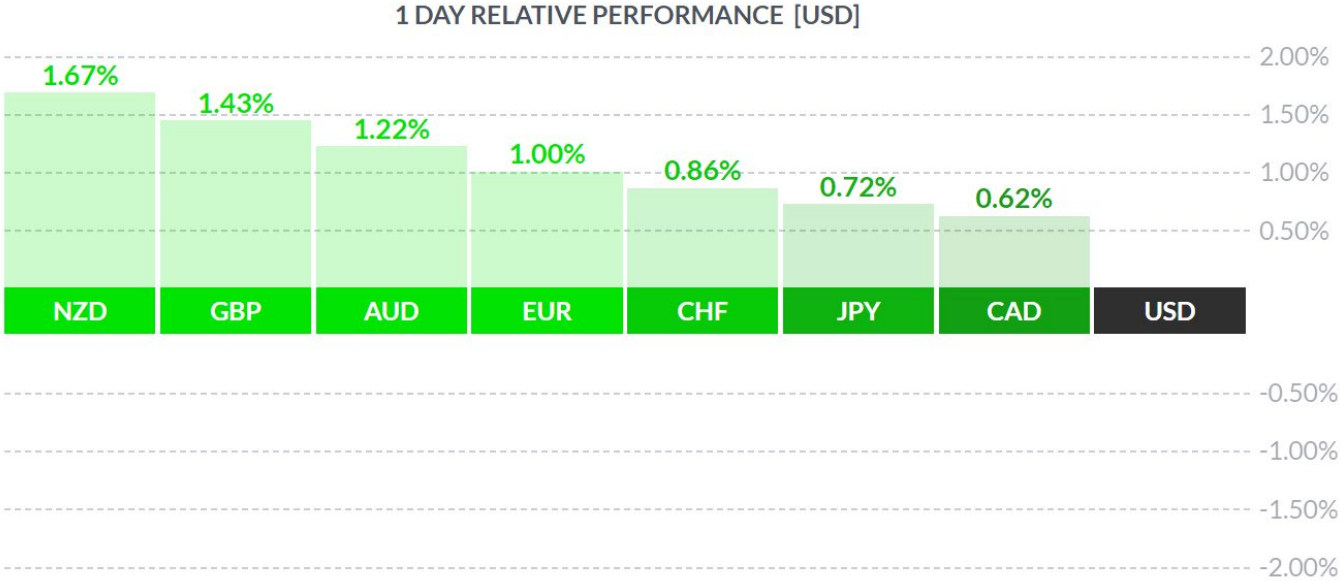
JPY – Japanese Yen

CAD – Canadian Dollar

BTC - Bitcoin

Abbreviation	Country	Nickname
USD	United States	US Dollar (Greenback)
EUR	Europe	Euro
JPY	Japan	Yen
CHF	Switzerland	Franc (aka Swissy)
NZD	New Zealand	NZ Dollar (aka Kiwi)
AUD	Australia	Australian Dollar (aka Aussie)
CAD	Canada	Canadian Dollar (Loosie)
GBP	England	Pound (Sterling)

Example of how currencies move against each other in one day



Example of how currencies move against each other in different timeframes

No.	Ticker	Price	Perf Week	Perf Month	Perf Half	Perf Year
1	NZDUSD	0.5997	3.33%	1.49%	-3.71%	3.93%
2	GBPUSD	1.2377	2.15%	2.49%	-1.48%	10.94%
3	AUDUSD	0.6512	2.83%	3.34%	-2.37%	3.57%
4	EURUSD	1.0728	1.60%	2.50%	-3.00%	10.08%
5	GBPJPY	184.78	1.93%	2.69%	9.23%	11.73%
6	EURGBP	0.8660	-0.52%	-0.08%	-1.63%	-0.87%
7	BTCUSD	35094.0000	-0.59%	26.87%	20.16%	63.65%
8	USDCAD	1.3653	-1.55%	-0.37%	0.28%	-0.67%
9	USDJPY	149.33	-0.18%	0.23%	10.88%	0.72%
10	USDCHF	0.8981	-0.48%	-2.47%	1.63%	-11.30%

Currency Terms

- Pip – One hundredth of one percent, 0.0001

I.e. A 100 pip move is 0.01% change

(this is a big enough move to measure in currencies trading)

Currency Terms

- Leverage, use of borrowed capital

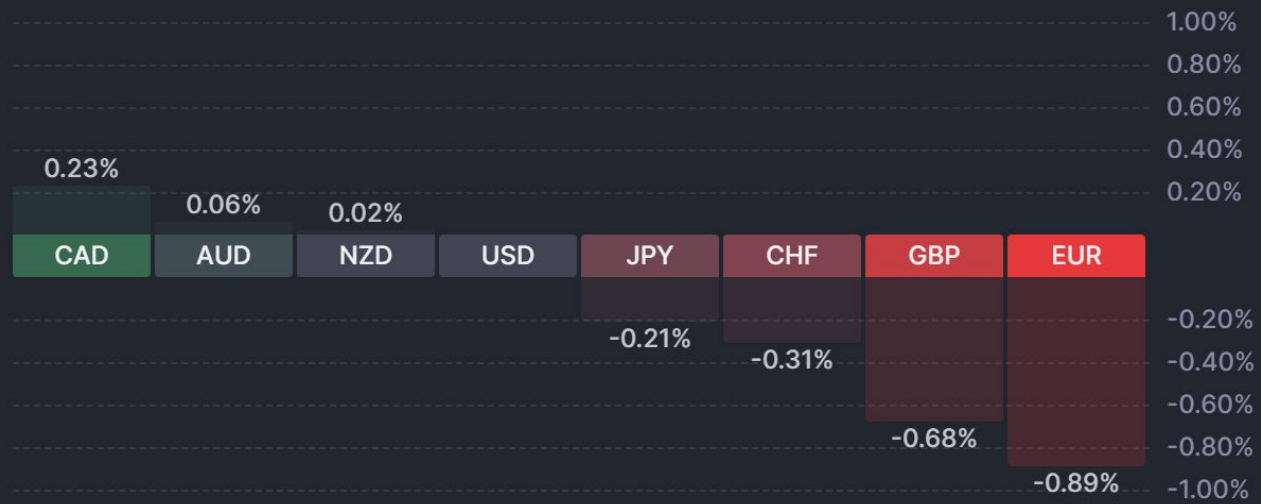
Because the underlying assets don't move much,
you easily borrow capital to risk

Leverage can be up to 100:1 in currencies trading

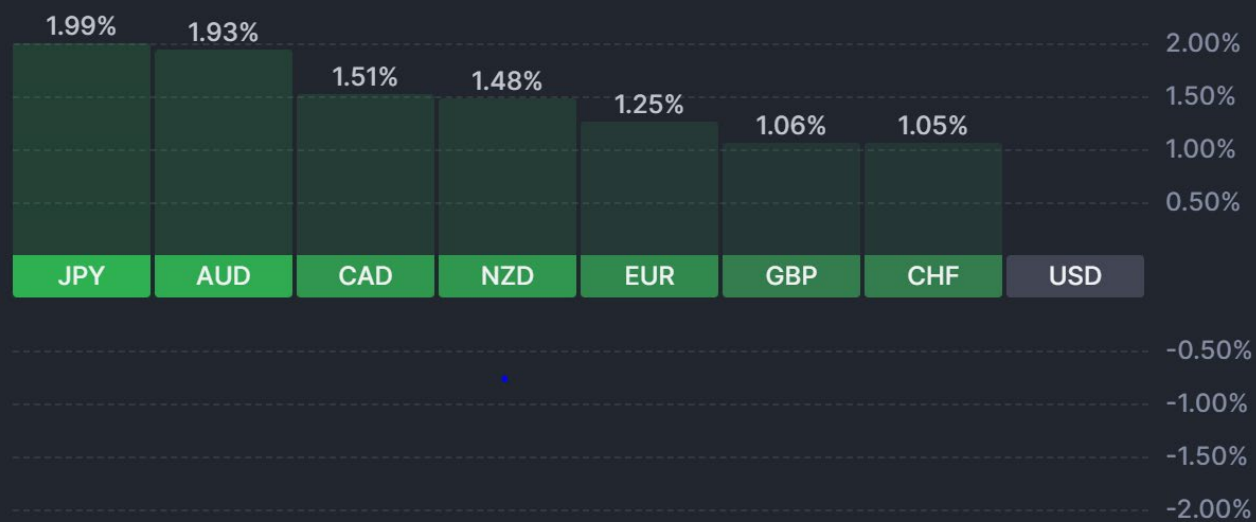
Currency Terms

Risk-off currency – The safest currency,
depreciating least among any in markets

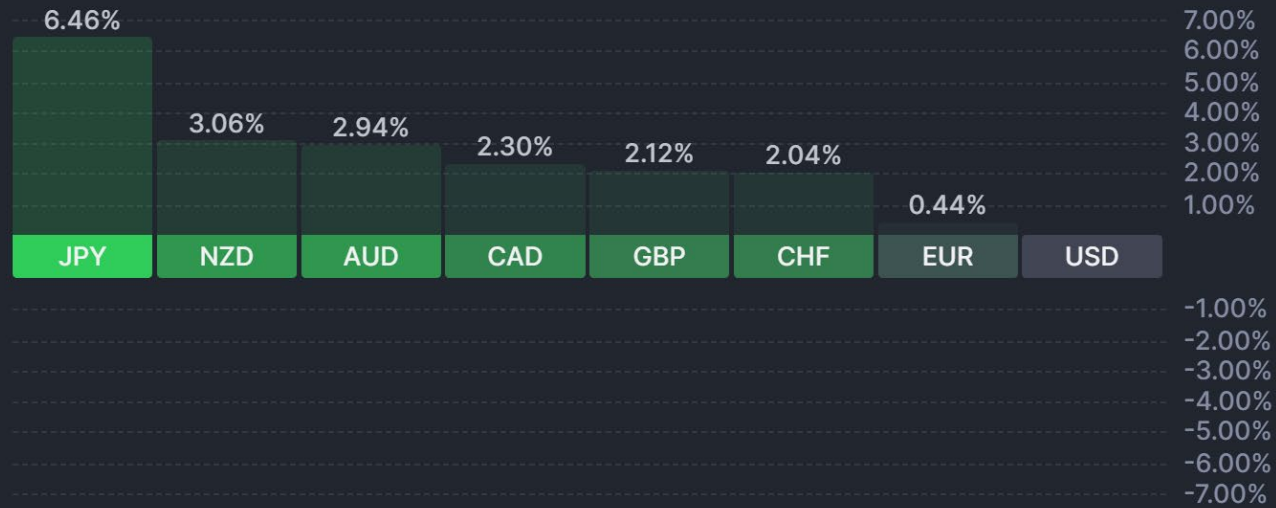
1 DAY RELATIVE PERFORMANCE [USD]



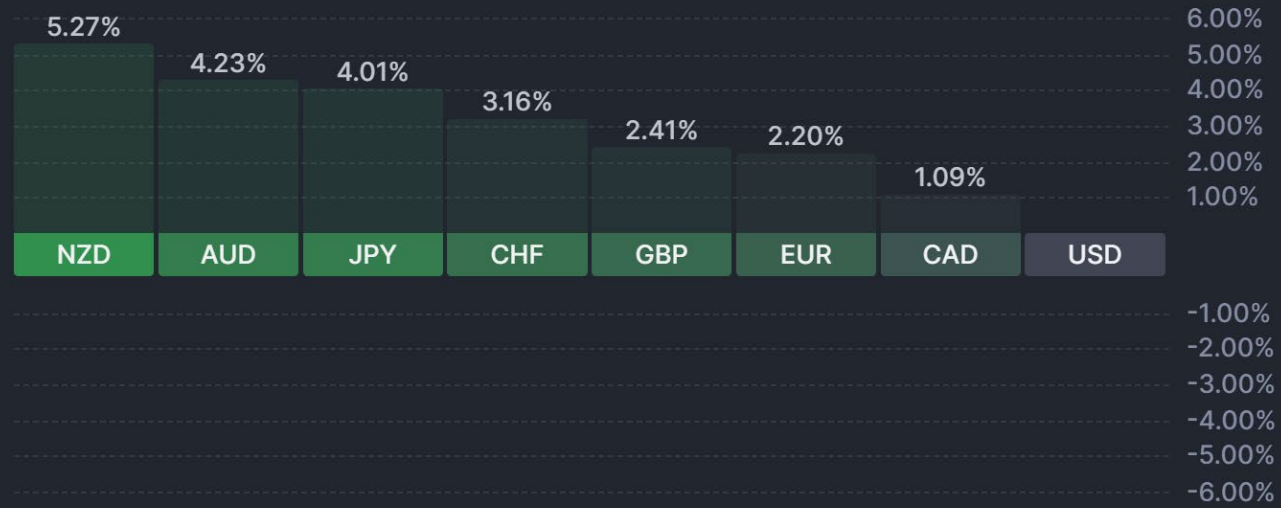
1 WEEK RELATIVE PERFORMANCE [USD]



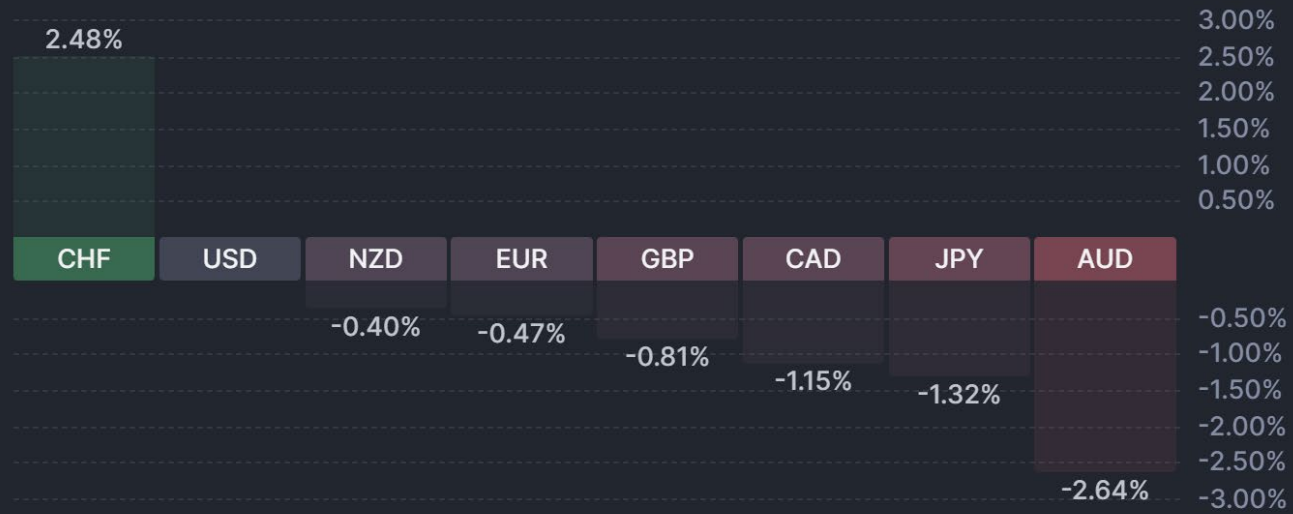
1 MONTH RELATIVE PERFORMANCE [USD]



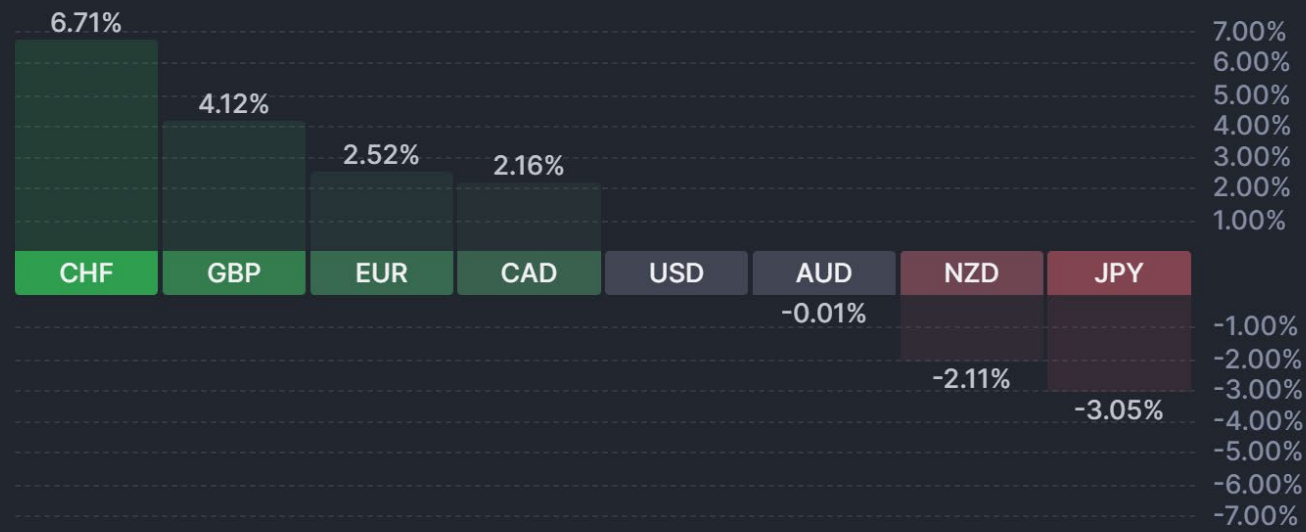
3 MONTH RELATIVE PERFORMANCE [USD]



HALF YEAR RELATIVE PERFORMANCE [USD]



1 YEAR RELATIVE PERFORMANCE [USD]



Currency Terms

Slippage refers to the 'spread' between the Bid price, what you can sell it for, and the Ask price, what you can buy it for

Let's look at an example, and if this looks completely foreign to you, don't sweat it

Just watch it all the way through and use it as a
reference in the future

Here's an example of foreign currencies spreads

Bid

Ask



MARKET	SELL	BUY
▼ Popular Markets		
⊙ AUD/USD ▼	0.65109	0.65141
⊙ EUR/JPY ▼	160.307	160.363
⊙ EUR/USD ▼	1.07305	1.07329
⊙ GBP/JPY ▼	184.869	184.989
⊙ GBP/USD ▼	1.23796	1.23836
⊙ NZD/USD ▼	0.59825	0.59873

Here's an example of a foreign currencies trade,

Example Forex Trade

Remember, trading currencies always involves

two currencies

I.e. EUR/USD pair

Let's say, you have a hypothesis that the Euro will appreciate more than the US Dollar next year

I.e. EUR/USD pair

You would then buy the EUR/USD pair

MARKET	SELL	BUY
∨ Popular Markets		
⊗ AUD/USD ▼	0.65109	0.65141
⊗ EUR/JPY ▼	160.307	160.363
⊗ EUR/USD ▼	1.07305	1.07329
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⊗ GBP/USD ▼	1.23796	1.23836
⊗ NZD/USD ▼	0.59825	0.59873

If your base account is in USD, you're – in essence -
exchanging US Dollars for Euro's

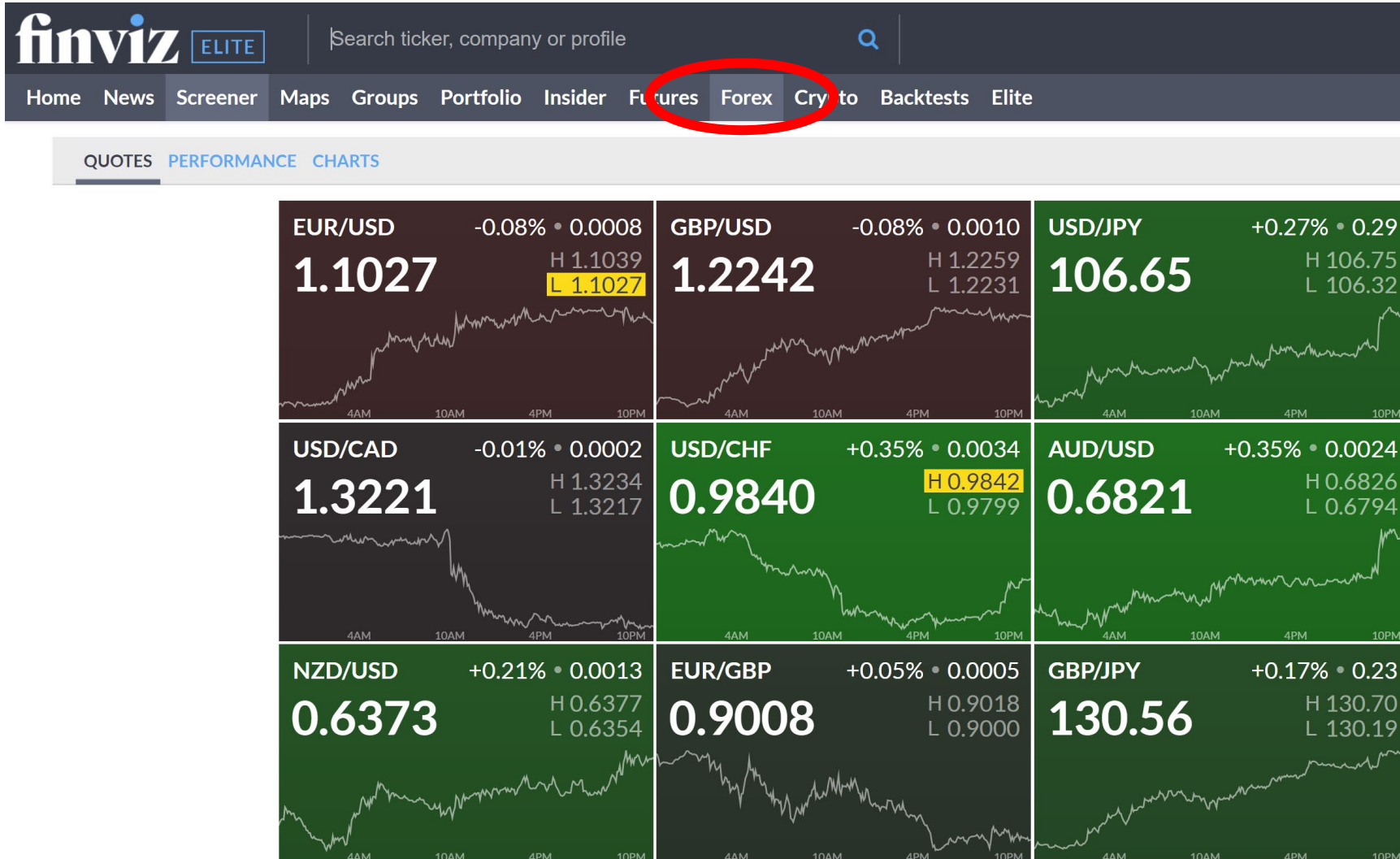
If your base account is in Aussies or something else,
you're basically converting your money to USD then
selling Euro's with it

As soon as the trade goes through,

You will instantly be down roughly 0.022% or whatever the *slippage* is, plus any commissions or trade fees.

The slippage is the difference between the Bid and Ask,
aka what you can buy and sell it for NOW

Where to find the info



Changes in prices may be attributed to (but not limited to) the following:

- Inflation Rates
- National Interest Rate Announcements
- Government Debt
- Political Elections
- Trade Agreements

Types of Markets

- Forex
- **Commodities**
- Indexes, ETF's, Mutual Funds, Stocks / Equities

Commodities

- Underlying physical assets
- Common commodities
- Where to find the info
- Price Influencers

There is a physical asset backing the price

Fairly liquid, highly tradeable goods

Common commodities

Energy (Oil, Gas, Natural Gas, etc.)


Softs (Cocoa, Cotton, Coffee, etc.)

Metals (Gold, Silver, etc.)

Grains (Soybean, Corn, Wheat, etc.)

Meats (Live cattle, lean hogs, etc.)

Where to find the info



Home News Screener Maps Groups Portfolio Insider **Futures** Fore Crypto Backtests Elite
Thu SEP

QUOTES PERFORMANCE CHARTS
 All
Indices
Energy
Bonds
Softs
Metals
Meats
Grains
Currencies
5M H D

INDICES							
DJIA 26762.00 H 26844.00 +390.00 (+1.48%) L 26355.00	S&P 500 2975.00 H 2986.50 +36.50 (+1.24%) L 2936.50	NASDAQ 100 7847.50 H 7886.75 +124.75 (+1.62%) L 7717.25	RUSSELL 2000 1508.60 H 1525.50 +25.20 (+1.70%) L 1482.60	NIKKEI 225 21170.00 H 21265.00 +360.00 (+1.73%) L 20785.00	EURO STOXX 50 3477.00 H 3488.00 +28.00 (+0.81%) L 3456.00	DAX 12115.00 H 12163.50 +95.00 (+0.79%) L 12048.00	VIX 17.35 H 18.25 -0.72 (-4.01%) L 17.10
ENERGY				BONDS			
CRUDE OIL WTI 56.86 H 57.76 +0.60 (+1.07%) L 55.75	CRUDE OIL BRENT 61.42 H 62.40 +0.72 (+1.19%) L 60.25	GASOLINE RBOB 1.5562 H 1.5776 +0.0233 (+1.52%) L 1.5214	HEATING OIL 1.8996 H 1.9206 +0.0194 (+1.03%) L 1.8754	NATURAL GAS 2.4330 H 2.4680 -0.0120 (-0.49%) L 2.3880	ETHANOL 1.2870 H 1.2910 -0.0370 (-2.79%) L 1.2870	30 YEAR BOND 163.81 H 165.78 -2.12 (-1.28%) L 163.22	10 YEAR NOTE 131.30 H 132.23 -0.98 (-0.74%) L 131.08
SOFTS				BONDS			
COCOA 2233.00 H 2282.00 -36.00 (-1.59%) L 2229.00	COTTON 58.95 H 59.17 +0.74 (+1.27%) L 58.14	ORANGE JUICE 103.90 H 104.95 +1.15 (+1.12%) L 102.50	COFFEE 95.10 H 97.45 -1.50 (-1.55%) L 95.05	LUMBER 358.00 H 364.80 -4.30 (-1.19%) L 357.90	SUGAR 10.99 H 11.14 -0.02 (-0.18%) L 10.86	5 YEAR NOTE 119.77 H 120.35 -0.62 (-0.51%) L 119.61	2 YEAR NOTE 107.97 H 108.21 -0.24 (-0.22%) L 107.89
METALS				MEATS			
GOLD 1525.70 H 1561.90 -34.70 (-2.22%) L 1514.30	SILVER 18.83 H 19.68 -0.72 (-3.69%) L 18.57	PLATINUM 966.20 H 1000.80 -18.00 (-1.83%) L 946.60	COPPER 2.6360 H 2.6490 +0.0410 (+1.58%) L 2.5875	PALLADIUM 1557.10 H 1564.00 +5.00 (+0.32%) L 1536.00	LIVE CATTLE 97.85 H 99.33 -1.18 (-1.19%) L 97.18	FEEDER CATTLE 131.88 H 133.35 -1.55 (-1.16%) L 130.98	LEAN HOGS 66.05 H 68.00 -1.08 (-1.60%) L 65.93
GRAINS							
SOYBEANS 859.50 H 878.75 -16.00 (-1.83%) L 858.25	SOYBEAN MEAL 290.30 H 296.40 -4.30 (-1.46%) L 290.10	SOYBEAN OIL 28.39 H 28.89 -0.45 (-1.56%) L 28.28	CORN 360.75 H 362.75 +2.25 (+0.63%) L 358.25	WHEAT 466.50 H 469.50 +5.75 (+1.25%) L 460.25	ROUGH RICE 11.96 H 12.00 -0.03 (-0.25%) L 11.84	OATS 266.25 H 268.00 +1.00 (+0.38%) L 264.50	CANOLA 444.70 H 447.30 -1.80 (-0.40%) L 444.00
CURRENCIES							
USD 98.37 H 98.52 -0.02 (-0.02%) L 98.04	EUR 1.1045 H 1.1093 +0.0002 (+0.02%) L 1.1024	JPY 0.9355 H 0.9411 -0.0051 (-0.55%) L 0.9331	GBP 1.2324 H 1.2359 +0.0104 (+0.85%) L 1.2216	CAD 0.7553 H 0.7582 -0.0013 (-0.17%) L 0.7551	CHF 1.0140 H 1.0208 -0.0073 (-0.71%) L 1.0136	AUD 0.6819 H 0.6833 +0.0017 (+0.25%) L 0.6797	NZD 0.6379 H 0.6398 +0.0014 (+0.22%) L 0.6357

Price influencers

Determined primarily by Supply and Demand

Trade Tariffs

Currencies (Having their own set of influencers)

Inflation

Types of Markets

- Forex
- Commodities
- **Indexes, ETF's, Mutual Funds,
Stocks / Equities**

Indexes, ETF's, Mutual Funds, Stocks & Equities

- Indexes
- ETF's
- Mutual Funds
- Stocks / Equities

- **Indexes**
- ETF's
- Mutual Funds
- Stock / Equities

Indexes... what you need to know

- Three main indexes (or Indices)
- Where to find the info
- Price Influencers

Three main indexes

DJIA – Dow Jones Industrial Average – 30 BIG companies

Nasdaq 100 – 100 large companies (Tech heavy)

S&P 500 – 500 Large US companies

Where to find the info...

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QUOTES PERFORMANCE CHARTS

A **Indices** Energy Bonds Softs Metals Meats Grains Currencies



Price influencers

EVERYTHING!

Currencies

Commodities

Market cycles

Sector rotation

Market Arbitrage

Sentiment

Global News

etc.

Indexes... what you need to know

- Three main indexes (or Indices)
- Where to find the info
- Price Influencers

- Indexes
- **ETF's**
- Mutual Funds
- Stocks / Equities

ETF's... What you need to know

- Ten sector ETF's
- Where to find the info
- Price Influencers

Ten liquid sector ETF's

Utilities sector (XLU)

Telecom (IYZ)

Real estate (IYR)

Industrials (XLI)

Healthcare (XLV)

Financials (XLF)

Consumer (IYC)

Technology (XLK)

Materials (XLB)

Energy (XLE)

Where to find the info

Must type in sector tickers!

I do not advise tracking ANY OTHER ETF's

Price influencers

EVERYTHING!

Currencies

Commodities

Market cycles

Sector rotation

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Sentiment

Global News

etc.

- Indexes
- ETF's
- **Mutual Funds**
- Stocks / Equities

Mutual Funds

What you need to know

Where to search for them

Price Influencers

A mutual fund is a pot of money that is a mixture of stocks and bonds,

96% of managed money underperforms
the markets.

Price influencers

EVERYTHING!

Currencies

Commodities

Market cycles

Sector rotation

Market Arbitrage

Sentiment

Global News

etc.

Where to search for them

You don't!

For that, I use seeking alpha

- Indexes
- ETF's
- Mutual Funds
- **Stocks / Equities**

Stocks

Nearly 10,000 public stocks; even more pink sheets

Where to find the info

Price Influencers

Where to find the info

The screenshot shows the Finviz Elite stock screener interface. The 'Screener' tab is highlighted with a red circle. The interface includes a search bar, navigation menu, filter settings, and a table of stock results.

Navigation Menu: Home, News, Screener, Maps, Groups, Portfolio, Insider, Futures, Forex, Crypto, Backtests, Elite

Search and Filter Settings:

- My Presets: [Dropdown]
- Order: Ticker [Dropdown]
- Asc [Dropdown]
- Signal: None (all stocks) [Dropdown]

Filters: 0

Filters:				Descriptive	Fundamental	Technical	All
Exchange	Any [Dropdown]	Index	Any [Dropdown]	Sector	Any [Dropdown]	Indu	
Market Cap.	Any [Dropdown]	Dividend Yield	Any [Dropdown]	Float Short	Any [Dropdown]	Analyst	
Earnings Date	Any [Dropdown]	Average Volume	Any [Dropdown]	Relative Volume	Any [Dropdown]	Current	
Target Price	Any [Dropdown]	IPO Date	Any [Dropdown]				

Overview | Valuation | Financial | Ownership | Performance | Technical | Custom | Charts | Tickers

Total: 7728 #1 [save as portfolio](#) | [create alert](#) **Auto Refresh:** 10s | 1min | off

No.	▲ Ticker	Company	Sector	Industry
1	A	Agilent Technologies, Inc.	Healthcare	Medical Laboratories & Research
2	AA	Alcoa Corporation	Basic Materials	Aluminum
3	AAAU	Perth Mint Physical Gold ETF	Financial	Exchange Traded Fund
4	AABA	Altaba Inc.	Financial	Asset Management

Price influencers

EVERYTHING!

Currencies

Commodities

Market cycles

Sector rotation

Market Arbitrage

Sentiment

Global News

etc.

Types of Markets

- Forex
- Commodities
- Indexes, ETF's, Mutual Funds, Stocks or Equities

Supply and Demand in Markets

Equity Supply and Demand (Stock Shares)

Supply and Demand in Markets

The supply varies depending on the market,

In terms of currencies, it's the amount of outstanding
currency in circulation

However, for commodities, it's how much inventory is available at the current moment

Let's look at an example of a common commodity through a recent market anomaly...



Monday, April 21, 2020, the price of U.S. crude oil turned negative for the first time in history!

This meant producers had to pay buyers to take the barrels they could not store due to the oversupply,

So, no one that could help it, was pumping Oil
from the ground unless they had storage paid

Supply varies daily and even minute to minute in most cases for most things

To explain this unprecedented Oil move,

We need to look at the other side of the
balance beam,

The Demand...

Because no one was moving during the Pandemic,

Demand for Oil dried up completely

No one was going anywhere,

And, briefly, there was not enough Demand from Oil derived products to warrant a positive price

The Demand is the current total buying volume

Demand also varies daily and even minute to minute in most cases

Types of Markets

- Forex
- Commodities
- Indexes, ETF's, Funds, Stocks or Equities

Supply and Demand in Markets

Equity Supply and Demand (Stock Shares)

Equity Supply and Demand (Stock Shares)

The supply varies depending on the stock,

This is the number of outstanding shares,

The outstanding shares is an arbitrary number
set by the company at inception

It's easily searchable

AAPL Apple Inc

Technology · Consumer Electronics · USA · NASD

Dec 08 · 04:00PM ET

195.71 +1.44 ↑
0.74%

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Correlation: AAPU AAPB ROM TECL IXN XLK IWY FTEC XLG IYW | Inverse correlation: AAPD TECS REW FNGD BERZ SQQQ QID

[Scroll to Statements ↓](#)

Index	DJIA, NDX, S&P 500	P/E	31.93	EPS (ttm)	6.13	Insider Own	0.09%	Shs Outstand	15.55B	Perf Week	2.34%
Market Cap	3043.84B	Forward P/E	27.48	EPS next Y	7.12	Insider Trans	-4.47%	Shs Held	13.94B	Perf Month	7.01%
Income	97.00B	PEG	5.20	EPS next Q	2.09	Inst Own	60.82%	Short Float / Ratio	0.68% / 1.90	Perf Quarter	9.12%

The Demand is the current total volume

AAPL Apple Inc

Technology · Consumer Electronics · USA · NASD

Dec 08 · 04:00PM ET

195.71 +1.44 ↑
0.74%

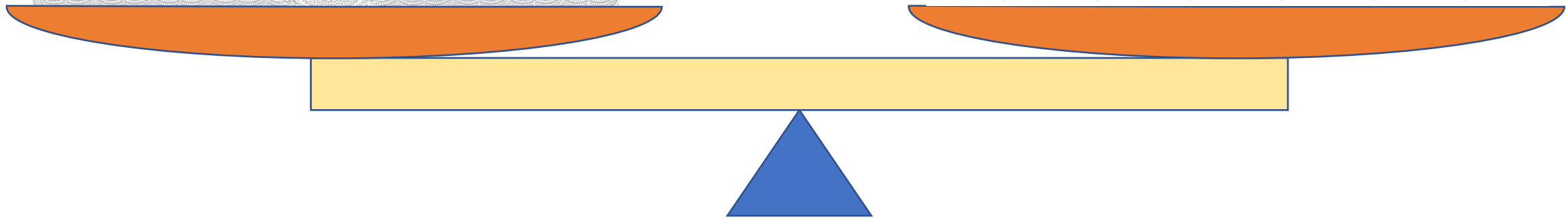
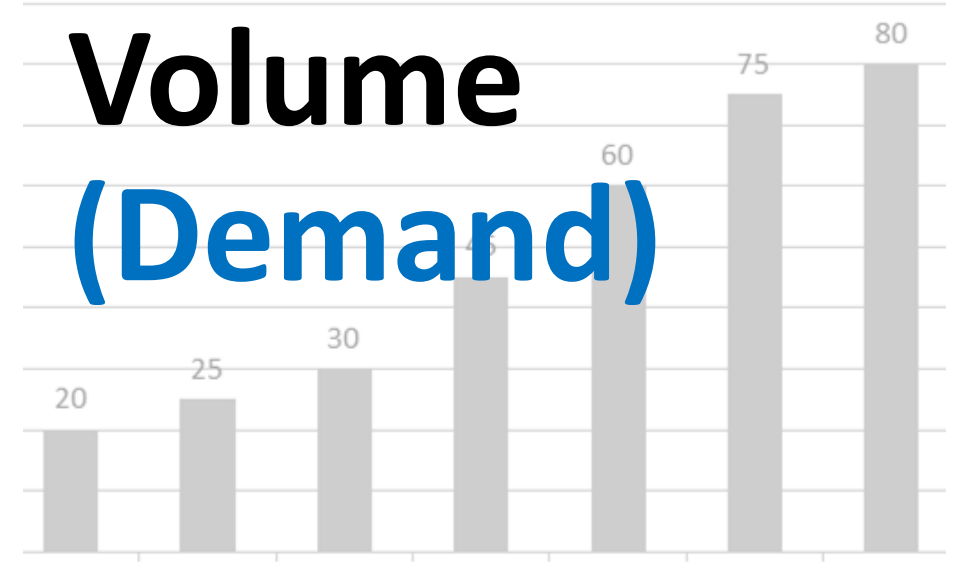
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Correlation: AAPU AAPB ROM TECL IXN XLK IWY FTEC XLG IYW | Inverse correlation: AAPD TECS REW FNGD BERZ SQQQ QID

[Scroll to Statements ↓](#)

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Market Cap	3043.84B	Forward P/E	27.48	EPS next Y	7.12	Insider Trans	-4.47%	Shs Float	15.54B	Perf Month	7.01%
Income	97.00B	PEG	5.20	EPS next Q	2.09	Inst Own	60.82%	Short Float / Ratio	0.68% / 1.90	Perf Quarter	9.12%
Sales	383.29B	P/S	7.94	EPS this Y	6.73%	Inst Trans	-0.48%	Short Interest	105.84M	Perf Half Y	8.15%
Book/sh	4.00	P/B	48.97	EPS next Y	8.83%	ROA	27.50%	Target Price	196.79	Perf Year	38.86%
Cash/sh	3.96	P/C	49.45	EPS next 5Y	6.14%	ROE	171.95%	52W Range	124.17 - 198.23	Perf YTD	50.63%
Dividend	1.01	P/FCF	30.57	EPS past 5Y	15.55%	ROI	57.50%	52W High	-1.27%	Beta	1.30
Dividend %	0.52%	Quick Ratio	0.94	Sales past 5Y	8.34%	Gross Margin	44.13%	52W Low	57.61%	ATR	2.79
Employees	161000	Current Ratio	0.99	Sales Q/Q	-0.72%	Oper. Margin	29.82%	RSI (14)	70.02	Volatility	1.38% 1.18%
Optionable	Yes	Debt/Eq	1.99	EPS Q/Q	13.94%	Profit Margin	25.31%	Rel Volume	0.96	Prev Close	194.27
Shortable	Yes	LT Debt/Eq	1.71	Earnings	Nov 02 AMC	Payout	15.32%	Avg Mkt Cap	15.55B	Price	195.71
Recom	2.00	SMA20	3.22%	SMA50	8.14%	SMA200	11.14%	Volume	53,382,205	Change	0.74%



Action Item #1

Find a stock market opportunity where the Demand (Daily Volume) is over 10% of the Supply (Outstanding Shares)

Attempt to find an example where the daily Demand exceeded the supply! (Doesn't happen everyday)

Action Item #2

Identify the current market trend (highs and lows) of the DJIA





T Economics