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TECHNICAL ANALYSIS OF THE MARKET. FORECASTING PRICE FLUCTUATIONS OF THE FOREIGN EXCHANGE MARKET

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The article examines the influence of economic technologies on the stock market in the world. Attention is focused on the transformation of the securities market in the conditions of the digital economy as an integral component of modern business. The analysis of professional publications of the rapid development of the digital securities market in the world, as well as additional global investors to master the art of automation and robotization of trade, to achieve the skills of mastering statistical technologies, is given. The purpose of the research is to analyze the trends of the securities market in the conditions of the digital economy and outline the strategic directions of the development of the digital securities market in the world in the conditions of the existing internal threats and opportunities of the external business environment. The research was carried out within the framework of a monographic method of cognition and a systematic approach, using the methods of analysis and synthesis, systematization and generalization; the conclusions of the study were formulated using a logical-consequential relationship. The dynamic development of digitization is emphasized and the trends of the securities market in the conditions of the digital economy are highlighted. A SWOT analysis was used to analyze the threats and opportunities of digitalization of the market, to identify its weak and strong sides. The practical value of the study consists in the systematization of development trends, the identification of threats and opportunities of the digital securities market for the formation of an economically efficient and socially responsible business development strategy. The perspective of further research is determined by the statistical analysis of the dynamics of changes in the securities market in the conditions of the digital economy.

Keywords: securities market; digital economy; automation and robotization of securities; trends in the development of the securities market; securities market development strategy; social responsibility of business.

INTRODUCTION

The securities market acts as a certain economic platform for communication of traders and potential investors with the corresponding demand and supply. Investors have certain requests, conditioned by the current conditions of business, traders demonstrate the presence of modern skills and abilities. The digital economy makes certain adjustments to the transformation and development of the securities market. The transformation of the labor market in the digital economy has both positive and negative consequences, however, the development of digital employment is an integral part of modern business, which involves the formation of a sound development strategy. The strategy for the development of the securities market should be balanced, taking into account the

current conditions of digital business, the risks of employers' disappearance of offers for certain categories of specialists, the transformation of the education system for the training of highly qualified traders, etc.

LITERATURE REVIEW

Issues related to the formation of the labor market in the digital economy are the subject of attention of many scientists. For example, Blyny, M. And D. Greenaway, investigate the impact of terms of trade and real exchange rate volatility on investment and economic growth in sub-Saharan Africa. Canales-Krylenko, J. And K. Habermeier investigate nominal effective exchange rate volatility and foreign exchange market microstructure. Frankel, J. And A. Rose investigate an empirical study of nominal exchange rates. McDonald, R. Developed the behavior of the exchange rate as an important fundamental indicator. Sauer, C. And A. Bohara, develop exchange rate volatility and exports: regional differences between developing and industrialized countries.

PURPOSE AND OBJECTIVES

The purpose of the study is to analyze the trends of the securities market in the digital economy and outline the strategic directions for the development of the digital securities market in the world in the context of existing internal threats and opportunities in the external business environment.

RESEARCH METHODS

Technical analysis uses a larger number of participants in the stock and over-the-counter markets. Technical analysis is based on systematic statistical assessments of stock trading:

1. Market history and price history for the entire period.

2. Trading volumes.

3. Number of open positions or open interest.

4. Price.

From the point of view of a psychiatrist, technical analysis reflects as a graphic image of the socio-psychological processes of market specialists. From mathematical models, technical analysis is a graphic display of the result of statistical processes. The creator of this direction of analysis is considered to be Charles Dow - the editor-in-chief of the newspaper "The Wall Street Journal", who was the first to use statistical methods of time series analysis in the stock market.

Popular magazines are "Barron's", "Business Week", "Time", etc.

A special place is occupied by publications of rating corporations "Moody's", "Fitch", "Standard & Poor's Reserve Bank of New York".

The most powerful financial information services in the world are ticker systems owned by the corporation "Dow Jones & Company". The investment environment of foreign financial markets provides unlimited opportunities for investment.

A fundamental approach that involves a complete market analysis at the macro and micro levels. Market history is full of examples of how a transparent and predictable market has inadequately responded to adverse changes.

Fundamental analysis studies the market trend in order to take into account and, accordingly, respond to well-known factors and align market forecasts with them. Market investors react differently to news and analyze specific factors to make a decision to buy or sell.

Supporters of technical analysis (technicians) study the stock market as a single entity or a market that is influenced by both external and internal factors. Technicians are convinced that since markets consist of people who, as a rule, are not inclined to change their views quickly, their actions in the market under the same circumstances will be repeated.

Technical analysis is based on the assumption that prices change according to stable time patterns. Those who adhere to this theory are called chartists (chart - diagram), because

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they analyze price and rate fluctuations and identify recurring patterns. Fundamental analysts study the patterns that will operate in the future, while technical analysts look to the past. The main principle of technical analysis: everything on the market leads to an increase or decrease in prices.

Technical analysis involves studying internal information on exchanges. Technical investors predict short-term changes in prices and rates and, based on this forecast, give recommendations on the time of conclusion of a transaction, a specific contract or the market as a whole.

Technical analysis is based on the existence of historical patterns. Sources of information are futures quotes that reflect all the information necessary for technical analysis:

The price at the time of opening the exchange; the highest and lowest prices of the day; the closing price; the contract term; the contract size; the highest and lowest prices for the period of the contract; number of open and unliquidated contracts; volume of options sales and purchases.

RESULTS

Today's models of technical market analysis:

First of all, most of the earning models are reduced to automatic trading using algorithms and computers. I believe that it is better to evaluate the market from psychology and choose your shares based on mathematical models and static market data.

1) The first model:

Mal. 1. finviz.com

As we can see from the graph of this model. The price creates trends within the corresponding limits. In which we can predict where the trend will turn to open our position. Or if it goes beyond the limits to also open our position.

If within the channel the price bounces off the channel walls by 10-15%, we can open our position and hold it until it reaches another channel limit. If the channel breaks through, we open a position and build a new channel.

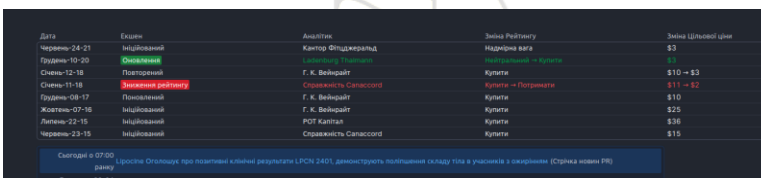
2) The second model:

Mal. 2. finviz.com

As we can see, the stock price moved within the corresponding channel until it broke the upper limit. Because the news came out on fundamental analysis regarding: 04/11/2024 "Lipocine Announces Positive Clinical Results of LPCN 2401, Demonstrates Improvement in Body Composition in Obese Participants".

News trading is a very interesting system because we can observe the market volatility at a certain specified time. And when we know the time and the news. It is possible to predict and statistically calculate what the result will be and how the market will react to this news. Which allows for a predicted profit during the trading day.

3) The third model:



mal. 3. finviz.com

As we see, this is the trading statistics of sighted analysts-investors. Who publish their positions. From which we can conclude where the trend may turn in order to open our position based on their trade.

This method allows us to see the trading volumes and goals that large institutional funds want to achieve. For example, as we see in the figure for January 11-18 Canaccord Reduces the company's rating from $ 11 per share to $ 2 per share. And it wants to make money on this. Or for example, for July-22-15 ROT Capital starts buying and wants to raise the price from $ 10 per share to $ 36 per share. In these examples, we can also take our share from the market. In the first case, when the price fell, we can buy at 10 and sell at 5. Or in the second case, when the price rises, buy at 12 and sell at 20. We choose which share to take. This method is also predictable in terms of time and the amount we can earn.

DISCUSSION

Investors and traders need to appreciate the benefits of introducing digitalization of the economy into the securities market in difficult conditions in the world. However, along with the benefits, the social component of business should not be neglected. The economic responsibility of business should be manifested in supporting investors' desire to maintain profitability with the ability to improve their technical and fundamental forecasts in the context of automation of trading processes, establishing communication and social ties in remote work, etc.

CONCLUSIONS

The digital economy makes certain adjustments to the transformation and development of the stock market and the interbank foreign exchange market. New challenges associated with the automation of trade in the world have become a catalyst for changes in the trading system itself. The introduction of IT technologies into each system of its trade and in general with the development of the crypto currency market in the context of the creation of new crypto assets, new requirements and trading methods.

In the digital economy, this transformation is natural and quite effective, since individual automated operations make it impossible for traders to make mistakes, and the robotization of trade helps to speed it up and increase the quality and accuracy of forecasts as a result of good results. There is a need to restructure the statistical system, which will take into account investor requests, digital economy trends and the realization of profitability in certain market segments. The prospect of further research is determined by the statistical analysis of the dynamics of market changes in the digital economy.

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