

Ю.М. Зудин

АНГЛИЙСКИЙ ДЛЯ ДИЛЕРОВ СИСТЕМЫ РЕЙТЕР

English for Reuters Dealers

Учебник английского языка



Москва ИНФРА-М
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Учебник «Английский для дилеров системы Рейтер» написан на информационном материале, распространяемом агентством Рейтер для проведения технического анализа при валютно-обменных операциях. Пособие рассчитано на банковских работников, владеющих английским языком в объеме программы средней школы.

Цель пособия — выработать навыки понимания и перевода письменных материалов по специальности с последующим развитием разговорных навыков для делового общения.

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Понять информацию — это значит принять правильное решение

Никто лучше валютных дилеров не знает, что самым ценным продуктом в наше компьютерное время является информация, информация точная и своевременная.

Именно такую информацию поставляет агентство Рейтер для 20 000 своих дилеров, находящихся в 80 различных странах. Полторы тысячи репортеров собирают данные о финансовых операциях на всех биржах планеты и передают свои сообщения на экраны четверти миллиона компьютеров.

Собрать и передать информацию — это только одна проблема. Понять информацию, чтобы использовать ее — это другая проблема, не менее сложная. Решению этой задачи и служит предлагаемый учебник.

Агенство Рейтер распространяет информацию в виде таблиц, графиков и текстов. Текстовые материалы представляют значительные трудности для понимания тем, кто не говорит по-английски. Устранить этот языковой барьер и предлагает автор данного учебного пособия.

Удачно подобранные тексты, раскрывающие суть и правила использования технического анализа для валютно-обменных операций, позволяют автору решать сразу две задачи: обучать английскому языку, пониманию и переводу сложных текстов по специальности и одновременно систематизировать профессиональные знания дилеров. Следует признать продуктивной попытку автора проанализировать семантические связи словосочетаний-терминов и их тематическую классификацию.

Уверен, что русский валютный дилер сможет по достоинству оценить учебное пособие, которое даст ему знание английского для делового общения с коллегами-иностранцами.

Князь П.А. ОБОЛЕНСКИЙ

Представитель агентства Рейтер в СНГ по рекламе и связям с общественностью

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ПРЕДИСЛОВИЕ

Курс английского для дилинга предполагает два типа уроков: первый — введение и первичное закрепление грамматического минимума для переводчика; второй — работу с

текстом. Последний тип урока является основным. Преподаватель предварительно проводит в классе разбор грамматических и лексических трудностей текста, который задает студентам для чтения и перевода дома. Особое внимание уделяется первичному закреплению репродуктивной лексики, анализу трудных грамматических конструкций и выработке навыка чтения. Самостоятельная работа студента включает: заучивание слов и словосочетаний, тренировку в беглом чтении текста, перевод, ответы на вопросы и пересказ текста по частям с последующим обсуждением содержания.

Тексты могут быть неоднородны (по объему, по трудности, количеству лексики) и потребуют различного времени для усвоения. Выработка умения понимать текст, содержащий незнакомые слова, в значительной мере зависит от хорошего усвоения репродуктивного словаря-минимума. Работа над его усвоением (активизация слов и словосочетаний, перевод, ответы на вопросы, списки синонимов, антонимов, парафраз и т.д.) должна проводиться постоянно и включать периодический контроль (устный опрос, диктант).

Рекомендуется завершать прохождение каждой темы учебного пособия чтением заголовков новостей, обзоров финансовой информации, реклам, оригинальных статей из журналов, проспектов. От студентов требуется общее понимание содержания и скорость чтения 500—600 знаков в минуту. Целью такого ознакомительного чтения является поиск информации и понимание не менее 75% содержания. Для более углубленного понимания текста и его перевода необходима работа с терминологическими словарями по специальности.

FOREX DEALING

UNIT 1

FOREIGN EXCHANGE RATES

Foreign exchange rates are never stable. They move, and sometimes with dramatic rapidity.

A nominal exchange rate move is the total observed movement in the exchange rate. A real exchange rate move is the

nominal rate movement adjusted for the differential in inflation.

FOREX OPERATIONS

To conduct international payments banks maintain sufficient working balances in all major currencies.

Dealers are the people who are directly involved with day-to-day dealing in foreign exchange, the buying and selling of one currency for another at an agreed rate for delivery on specific dates into specific accounts in specified centres. They close out short and long positions through purchases and sales and deal with profits and risks of foreign currency trading.

FOREX FORECASTING

Forecasting of foreign exchange rates movements is not a science but an art. But there are some approaches that yield good results. The dealer must always be in the picture of bond, commodity and equity market developments. Changes in interest rates and pending deals bring about forex movements.

Market sentiment may change the situation very quickly. Economic and financial indicators must be constantly watched to take timely decisions.

In the former days domestic considerations were of paramount importance now markets are driven by both domestic and international events. Market rumours usually precede upcoming political and economic events. If a rumour is credible the market acts accordingly and the event itself may not produce any changes in the market situation. This process is reflected in the saying «Buy the rumour, sell the fact».

Economic growth is facilitated by stable prices. The latter is the concern of central banks, which possess considerable financial resources and can reduce volatility if markets get carried away.

Limited central bank intervention at the right time may turn the market.

Vocabulary*

ei		
stable -		постоянный
i		
rapidity —		быстрота
л		
to adjust —		приспосабливать
л		
adjustment -		регулирование
е		
differential -		разница
i: to 'yield results		давать результаты
-		
ou		
approach -		- подход
working balance —		«рабочие» остатки средств
		счетах, средства для
		обеспечения повседневной
		деятельности
to close out		- закрыть позицию
short position		- «короткая» позиция
long position		- «длинная» позиция
0:		
to forecast		- предсказывать,
		прогнозировать
to be in the		
picture		- быть в курсе событий
е equity (market)		- капитал, акции, фондовый
-		рынок
bond		- облигация
commodity		- товар
е sentiment		- настроение
as		
paramount		- высший, первостепенный
i:		
to precede		— предшествовать

*Здесь и далее значения слов взяты из контекста.

The customer takes up positions in foreign exchange by his expectations as to future rate trends. These expectations are influenced by the extremely large number

'credible	— стоящий
Э:	
volatility	- колебание

of factors. The latter can be divided up systematically into fundamental and technical factors.

ae

To carry away — отклоняться

Comprehension Questions

1. What is the difference between a nominal and real exchange rate?
2. Why is the forecasting of forex rates moves so difficult?
3. What approaches in forex forecasting yield good results?
4. What events drive financial markets nowadays?
5. What market rumours should be taken into account?
6. Why do stable prices facilitate economic growth?
7. How can central banks influence financial markets?
8. What is the customer guided by in taking forex decisions?

Exercises

Ex. 1. Put questions to the underlined words.

Ex. 2. Point out verbal constructions and state their syntactical function in the sentence.

Ex. 3. Read and translate the text.

Ex. 4. Translate this dialogue from English into Russian in writing and from Russian into English orally.

Dialogue

Client: What is the meaning of real exchange rate?

Broker: Inflation changes nominal exchange rate. If British inflation has been 10 percent over the past year, while German inflation has been 0 percent, the pound sterling devalues against the mark by 10 percent.

Client: But the nominal rate does not reflect this change. Does it?

Broker: No it doesn't. We do not sell it. But it takes 10 percent more pounds to buy a mark, 10 percent more pounds to buy a coat in England because of 10 percent inflation there.

TECHNICAL ANALYSIS

UNIT 2

ASSUMPTIONS OF TECHNICAL ANALYSIS

Terms

Technical Analysis	— технический анализ рыночной конъюнктуры. Система методов анализа тенденций движения цен, их разброса и устойчивости, объема операций и других характеристик
Technical analyst, technician	— специалист по техническому анализу
technical conditions (of a market)	— специфические рыночные факторы спроса и предложения, влияющие на конъюнктуру
technical decline (rally)	— ухудшение конъюнктуры под влиянием внутренних факторов (превышение предложения над спросом), а не внешних
technical analysis tool	— инструмент (метод) технического анализа
financial instrument	- финансовый актив или обязательство, являющееся объектом торговли на рынке (ценные бумаги, депозиты, контракты и т.д.)
instrument of loan	— залоговый инструмент
instrument of payment	— средство платежа
instrument of transfer	— трансфертный документ
chart	— график
chartist	- специалист по прогнозированию биржевой конъюнктуры
chart pattern	— фигура технического анализа
price pattern	— график колебания цен
bull market	- рынок «быков», период повышения фондовой конъюнктуры, от которого выигрывают «быки»
bull	— покупатель, играющий на повышение
bull position	- позиция «быка», когда покупка ценных бумаг превышает их продажу
bullish pattern	— график с повышением фондовой конъюнктуры
bear market	— рынок «медведей», период понижения фондовой конъюнктуры
bear	- торговец, играющий на понижение («медведь»)
bear closing	— обратная покупка «медведями» акций, которые они продали до этого в надежде на снижение цен
market stages	— циклы конъюнктуры рынка
sideways market	- цикл с горизонтальным движением цен, которые изменяются в узких пределах
trend	— тренд, тенденция развития рынка или движения цены (курса)
to trend up	— двигаться вверх
to trend down	- двигаться вниз
Trendline	1) прямая линия на графике движения цены, отражающая основную тенденцию 2) линия, соединяющая высшие или низшие точки движения цены (за некоторый период)
up trend	— тренд повышения (цен)

down trend

- тренд понижения (цен)

ranging market

- узкий разброс цен

no trend (congestion)

- перегрузка, «пробка»

to congest (to range)

- вызывать горизонтальное движение цен

low (point)

— низкое значение(цены)

high (point)

— высокое значение (цены)

pivot point

- центр, опорная точка

climax (peak)	— наивысшая точка
test	— приближение цены к точке сопротивления или поддержки
retest	— повторное приближение цены к точке сопротивления (поддержки)
close price	— курс (цена) при закрытии торгов
price limits	— ценовые лимиты (уровни цен в течении рабочего дня на бирже)
price pattern	- фигура движения цены на графике
reversal patterns	- фигуры движения цен, указывающие на смену тенденции (восходящий/ нисходящий треугольник)
price range	- амплитуда колебаний цен (низкая/ высокая) за период
resistance (level)	— уровень сопротивления (приостановка подъема конъюнктуры)
support (level)	- уровень поддержки (приостановка падений конъюнктуры)
break out (level)	— «побег», нарушение устоявшегося движения цен
correction	- коррекция, обратное движение цены или индекса (обычно снижение), выправление (исправление отклонения) тенденции
target price	— плановая, ожидаемая цена
upside	— повышательное (движение цены)
downside	— понижательное (движение цены)
accumulation	- накопление, аккумуляция
to accumulate	— накапливать
accumulation area	— зона аккумуляции, движение цены в определенном коридоре в период накопления, за которым следует резкий подъем
pullback	— «откат»

Market participants never individually agree about the price of a currency, but the overall consensus of the market produces the fair value for the currency. Market price movements are never in one direction for long. A currency may strengthen, then weaken and strengthen again. The technician's challenge is to determine the levels to which a currency will zig up running into selling pressure (resistance level) and the levels to which a currency will zag down running into buying interest (support level). The use of Technical Analysis (TA) in forecasting time series data continues to grow in popularity, with much of the growth resulting from the increasing need for accurate and timely forecasts of diverse instruments in a global market place. The basic tenets of traditional Technical Analysis, measuring direction and speed of price movement remain little changed, however.

Vocabulary

i: tenet -принцип

e

to estimate — оценивать, намечать

o: to grasp - понимать

i to predict — предсказывать

to pinpoint - определять точно

л assumption -предположение, допущение

The first concept to grasp is that technicians believe that all available information (historical data, forecasts and market expectations) is being acted on and is reflected in the price. Given market generated data (price, volume, open interest etc), technicians measure direction using a variety of methods. First, there is the trend, which shows the direction

Э:

reverse - поворот назад to ride trends - использовать тренды

au to discount — обесценивать

in which prices are moving, within different time frames-long term to intra-day. Second, there are chart patterns, which can pinpoint forecasts in both direction and magnitude. The patterns can be in the form of continuation or reversal and show clearly the breakout level and extension targets. Third, momentum studies can be used to gauge changes in trend and probable direction, as well as the timing of moves.

- History repeats

Technical analysis is based on human psychology which tends not to change. The assumption made is that the key to understanding the future lies in the past. Patterns exist. Patterns can estimate future direction. The theory here is that a trend in place is more likely to continue than reverse. People use TA to identify patterns so as to ride the rising trends, until indicators show signs of a reversal.

- Price information is complete or markets discount everything

Anything that can affect the market price of a commodity — political rumours, changing economic conditions or even psychological perceptions, is already reflected in the market price. Price action according to Technical Analysts should reflect actual shifts in Supply and Demand. Example: Assume the price of gold is increasing. Economists may say that there is a plenty of gold supply and that prices should not be increasing. The market would say that we know there is plenty of gold supply, the price reflects this but demand for gold has increased and therefore prices should be increasing. The weaknesses of fundamental analysis as a rule are complemented by technical forecasting. The latter captures market sentiment, mood and expectations. But on the other hand history does not repeat itself exactly and patterns do not occur in exactly the same way. Circumstances may change and what has worked in the past will not always work in the future. Therefore any trading plan needs to be correctly implemented by using both approaches: fundamental and technical. If both results are in agreement, the confidence in a forecast is greatly enhanced. Newcomers to the forecasting should observe some guidelines that may be of help. Basic framework of forecasting implies establishing outside markets contacts. Through dialogues the newcomer gains the market participants' rationale behind the forecast. Reading market documents helps to broaden perspective and makes it easier to single out key bullish and bearish fundamental factors. When new to the markets one should devote time to writing forecasts focusing his attention on the most important factors, identifying key points and patterns as they form. Step by step the newcomer realises that markets sometimes behave irrationally. It is not easy to beat the markets because there are too many variables at work. But making market decisions and assuming responsibility the individual acquires experience in trading the market.

e to affect — влиять

e perception — ощущение, восприятие

ai supply — предложение

cu demand - спрос

Э:

to occur - происходить, случаться

i to implement — претворять в жизнь, осуществлять

ae

э to complement -дополнять

э 'confidence —уверенность

o: to enhance - усиливать

ei

framework — каркас, структура

i: to beat smth. - обставить, побить

Э variable - переменная

Comprehension Questions

1. Who produces the fair value of the currency?
2. Why do currency prices fluctuate?
3. What is the technician's challenge?
4. What are the basic principles of traditional Technical Analysis?
5. How does history repeat itself?

6. Why do markets discount everything?
7. What approaches in forecasting yield good results?
8. By what events are markets driven now?
9. What precede upcoming political and economic events?
10. What saying reflects this process?
11. In what way do central banks influence financial markets?
12. How are the weaknesses of fundamental analysis complemented?
13. What are the guidelines that newcomers to forecasting should observe?

Exercises

Ex.1. Learn the terms and verb collocations and make up 20 sentences with them.

VERB

to agree about the price to produce a fair value to strengthen (to weaken) to run into selling pressure (buying interest) to grow in popularity to be reflected in the price to reflect shifts in Supply, and Demand to gauge changes in trend to be based on psychology to work in the past to lie in the past to estimate future direction to identify patterns to ride the rising trends to show signs of a reversal to discount everything to capture market sentiment to implement a trading plan to use technical approaches to be in agreement with

Ex. 2. Put questions to the underlined words in the text and let your partner answer them.

Ex. 3. Select the subordinate clauses and state of what kind they are (object clause, attributive clause adverbial modifier clause of time, place, cause, etc.)

Ex. 4. Read and translate the text.

Ex. 5. Draw up a plan of the text and render it.

Comprehension Questions

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UNIT 3

MARKET STAGES

Vocabulary

Traditionally markets move from Bull markets to Sideways markets to Bear markets. They move from Bear to Sideways to

Bull. People however tend to forget the sideways market stage

and assume that markets move from Bear to Bull, to Bear. The

only markets that do in fact move from Bull to Bear are the exceptions and not the rule — they are parabolic markets and are

usually characterised by thin trading volumes.

Traditionally speaking, the market stages can be summarized as follows:

➤ Markets accumulate — go sideways at the end of a down

trend

➤ Markets then trend up, trending up they have a correction

0:

accordingly - соответственно

au

to'counter — выдвигать контраргумент

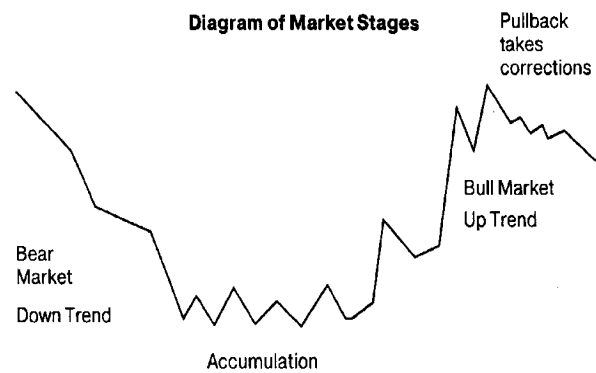
time frames — временные рамки

i

to anticipate — предвосхищать

e

exception - исключение



A trader does not sell just because the market has been in an up trend for a long time and a change is due. Before you sell, you at least need to see a sideways move in the market. Technical Analysis is applied to markets because:

1. Markets have stages.
2. Within the stages, there are behavioural characteristics.
3. Within the behavioural characteristics, you have specific patterns. There exist three types of market trends: 1. Up Trend 2. Down Trend 3. No Trend—Congestion

behavioural — поведенческий

i sophisticated — сложный —

э 'option ОПЦИОН

Comprehension Questions

1. What market stages do you know?
2. What is the most important factor of a price chart?
3. What factors determine the importance and strength of the trend line?
4. How does the trend line act in bear and bull markets?
5. How can up and down trends be identified?

Trendlines

The cornerstone of technical analysis theory is that prices discount all known information, and forecasts, and that these prices move in trends. Therefore, the most important factor to determine when looking at a price chart is the direction of the prevailing trend. Trends are evident in all degrees, from intra-day trends in 5-minute bar charts to trends of a few weeks on daily charts, to multi-year trends on weekly and monthly charts. Regardless of magnitude, an uptrend is defined as a series of prices with higher highs and higher lows. A downtrend is most simply a series of lower highs and lower lows. sideways trends

also develop and occur when neither an uptrend nor downtrend is evident. In an uptrend, a trendline can be drawn by connecting increasingly higher lows. while in a down trend a trendline is usually drawn from increasingly lower highs. The importance and strength of the trendline is determined by the length of time the line exists and the number of times that the trendline halts price movement. Thus. the longer the trendline has existed and the more prices bounce off the trendline, the stronger the trend. In a bull market, the trendline will tend to act as price support, in a bear market the trendline will tend to offer price resistance. Supply pressures

during a bull market will come into play at support levels. pushing prices up off support as supply diminishes. In a bear market supply will increase on upticks, keeping prices under pressure. Demand acts in the reverse order, increasing on price dips in a bull market, decreasing on price upticks in a bear market. Thus. some technicians (particularly those with an economic bent) will refer to a bull trendline as a supply line. Conversely, during a bear market, resistance will be found along the trendline pushing prices lower and lower. This trendline may be viewed as the demand line. indicating where demand will be insufficient to push prices to higher levels. The preferred method of looking at trends is to know the long term trend, multi-year, and then work to daily of intra-day trends.

CHANNELS

Once a trendline is established, technicians attempt to identify a price channel which will contain prices. These are most commonly drawn as parallel lines from a significant high (in a downtrend) or a significant low (in an uptrend). Identifying a change in trend can be a simple matter using technical analysis. Any violation of the current trend confirms a change in trend. For instance, a series of consecutive lower lows and lower highs, following a run-up in price, could indicate a change in the price trend from up to down. Early identification

of a change in trend may be signalled by a price breakout through the trendline and out of the price channel. Trendline and channel drawing is a subjective art, so there are several things to look for to validate the channel penetration.

i technique	— метод
e to 'penetrate	— проникать
ei to maintain	— утверждать
e consecutive	— последовательный
as 'magnitude	— величина
as 'valid	— имеющий силу
i to 'signify	— указывать

First, it is important that the close penetrates the channel. Penetrations of the high or the low are more often indications of temporary overbought or oversold conditions in the market, rather than a change in trend. Second, the extent of penetration of the close is important. There is a general technical rule of thumb, that 3% of current market price is the minimum amount of penetration through the trendline required to validate the breakout. This should be adjusted to market and trader requirements though. Third, increased volume on the day of penetration is considered the final confirmation of a legitimate breakout.

MOVING AVERAGES

Moving averages are the most versatile and widely used of all technical indicators. Basically, the averages are a smoothing, or trend following device with a time lag. It is important to note that the averages are a lagging indicator and should be used for confirmation of trend.

Moving averages are simply the averages of a set amount of closing price data. For example, if a 9-day average is desired, the closing prices for the last 9 days are added and the total is divided by 9. The most common way to calculate the moving average is to work from the total of the last 9 days' closing prices. Each day the new close is added to the total and the close 10 days back is subtracted. The new total is then divided by the number of days (9). Shorter moving averages e.g. 4-day are more sensitive and hug the price action more closely than the longer averages (30-day, 100-day).

One method used to generate trading signals is to look for price action to cross over the moving average. Another way is to use a double crossover method. This means that a buy signal is produced when the shorter (9-day) average crosses above the longer (18-day) and a sell signal occurs when the 9-day crosses below the 18-day moving average. Although this technique of using two averages together lags the market a bit more than the use of a single average, it will produce fewer whipsaws.

Moving averages lag price movements, but this is acceptable as the average will smooth out "noisy" data.

Moving averages can be constructed for any period of time one chooses, but the higher number of days averaged, the more sluggish the average becomes. Many commodity traders find that shorter averages, such as the 3-day, tends to be too volatile. They use instead, a combination of averages. A popular combination is the 4, 9 and 18-day averages. For a longer-term indicator, a 30-day average may also be used, along with 50-day averages or longer. As the moving averages are a lagging technical indicator, they will almost never position one in the market at precisely the right time. Instead, they help to take profits from the middle of a trend and hold losses to a minimum.

Vocabulary

ае

to validate — устанавливать

to penetrate — проникать

rule of thumb — здравый смысл, опыт

'moving' averages — скользящие средние

э:

'versatile — многосторонний гибкий

lag — отставание

to hug — держаться, следовать

э:

to occur — случаться

и

'whipsaw — мошенничество, двойная выгода

л 'sluggish — медленный, инертный

еи

to weight — взвешивание компонентов степени значимости

е

exponential — экспонентный

TYPES OF MOVING AVERAGES

Although technicians use moving averages as a trend following system, there are various methods used to calculate a moving average. The differences occur due to the weights each day's price is given.

A simple moving average gives each price equal weight, and the average is a simple summation of N number of days divided by N.

A weighted moving average gives each price a different weight relative to its position in time. The most common form of weighted average is to give the first price (most historical) a weight of 1, the second a weight of 2, the third a weight of 3, etc. up to the number of days in the average. In this type of average the most recent price has the largest effect on the calculated value.

An exponentially smoothed moving average is calculated by taking the previously calculated value and adding a certain percent of the difference between today's price and the previous calculated value. This type of average gives greater weight to the most recent prices.

Studies have shown that there is no single "ideal type" of moving average or moving average period. Choosing a moving average and testing its profitability, via optimisation studies, continues to be the most popular method.

EXERCISES

Ex 1. Match the nouns in the left-hand column to the verbs in right-hand column and make up sentences.

Noun	Verb
Pattern	to determine
reversal p.	to identify
continuation p.	to move out of
large p.	to move into
small p.	to be (in) complete
trend (line)	to reverse
upt.	to end
down t.	to establish
not.	to be in tact
sideways t.	to be reversed
prevailing t.	to be in place
intra-day t.	to be evident
multi-year t.	to turn into
strong t.	
weak t.	
full t.	
bear t.	
long-term t.	
short-term t.	

Price	to push/fall
open p.	to move up (down)

high	to go
low p.	to trend up (down)
close p.	rally to
watched p.	to climax
subsequent p.	to peak
lower p.	go sideways
higher p.	to retrace 50%
price target	to shift from down trend to up trend
	to gain control
	to regain
	to rise on strong volume
	to bounce off the support line
	to turn down
	to climb back but fail
	to close to...
	to close below...
	to settle below...
Volume	to increase
lowv.	to decrease
high v.	to fall
strong v.	to rise
weak v.	to decline
declining v.	

Ex. 2 Translate the dialogue from English into Russian in writing and from Russian into English orally.

DIALOGUE

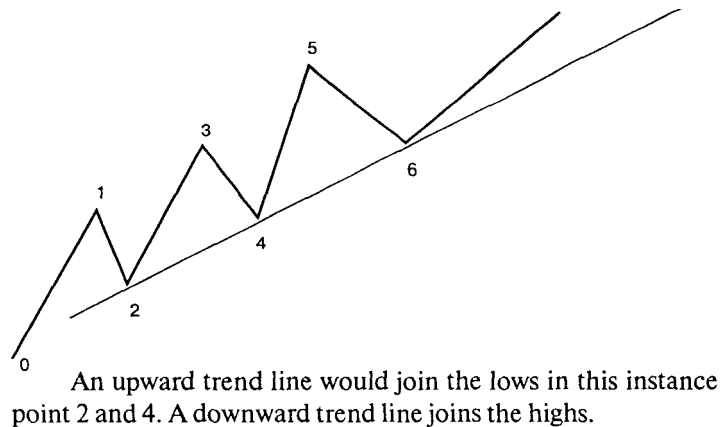
1. What do trend lines indicate? Trend lines indicate trend direction

2. What does a trend line join?

To draw a trend line you must join two extremes that are consecutive (and of similar magnitude).

3. In what case is a trend line not valid?

A trend line must not cut across any other price data — else it is not a valid trend line. A trend line should not be drawn just anywhere.



4. How is an upward trend line drawn?

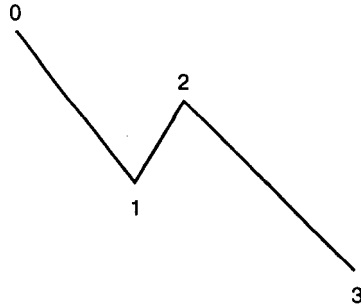
Graphically, an upward trend line is drawn up toward the top right hand side of the Y-scale.

5. How can you identify up trends?

There are two ways to identify up trends: look for higher highs and higher lows. Look for extreme pivot points. When joining points to produce a trend line in an upward trending market, you join the low points.

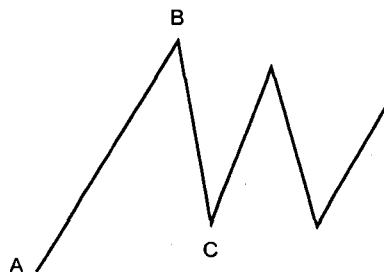
6. What does a climax followed by a retest signified? The end of a trend is usually signified by a climax (peak) followed by a retest of one of the extremes (either the high or the low) whilst it is in the ranging stage. Usually the test is of the low if the trend is moving towards a down trend and on the high if the trend is moving upward.

7. How many points does a down trend require?



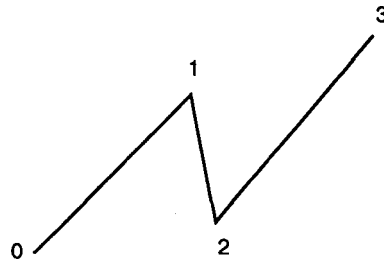
- A down trend requires a minimum of four points.
- It needs a lower low (from 1 to 3) and a lower high (from 0 to 2).

8. How is a market sideways trend drawn?



- A sideways market requires two extreme points — in this instance A and B.
- To confirm a sideways market there must be a retest of one of these extreme points (in this instance the retest is of the low point C).

9. How many highs does an up trend require?



- An up trend requires a minimum of four points.
- It needs a higher low (from 0 to 2) and a higher high (from 1 to 3).

10. What trend indicators do you know?

Tools that can be used to indicate a trend include:

Trend lines, Moving Averages

11. What trend characteristics are identified by price patterns?

Patterns are used to identify the following characteristics about trends:

1. Trend Identification
2. Trend Reversals
3. Trend Continuation

Trend lines are used to determine what type of trend is in force. General theory is, once a trend line is penetrated, it is a signal for consolidating market — in other words it is time for a sideways movement and not an immediate buy or sell signal as often thought.

Ex. 3. Put questions to the underlined words.

Ex. 4. Read and translate the text.

TRANSLATION PRACTICE

THE SIGNIFICANCE OF TRENDLINE ANALYSIS

THE MISUSED

Trendlines are one of the simplest and most useful indicators in Technical Analysis. They also happen to be one of the most misused.

"One of the biggest mistakes made by beginners and professionals alike, is inconsistently defining and drawing the trendline. To be useful, the trendline must accurately reflect the definition of the trend."

(Victor Sperandeo)

The Classic Trendline

Like many other Technical Analyses, trendline analysis is considered an "art" rather than an exact science. This does not mean, however, that a trendline can be drawn "just anywhere". Certain conditions must be followed in order to enforce the usefulness of this tool. We will discuss some of the standards maintained by trendline users in the market place today and look at the means of determining where and how trendlines should be drawn. A trendline requires you to join three price extremes. This means you need to join three low points when the market is in an up-trend or three high points when it is in a down-trend. Joining less than three points — for instance, joining two, indicates a tentative trendline that may become valid but still requires confirmation from future price action. When joining the three price extremes, the trendline must not cut across any other price data — otherwise it is not a valid trendline.

TRENDLINE SIGNALS

Having drawn the trendline, you are then able to derive three essential clues. If prices breach the trendline this indicates a change in the rate at which the market is changing direction. It also indicates that the market may not continue in the same direction it had in the past. However, it does not indicate an immediate change from an up-trend to a down-trend, as many tend to think. It points instead to a change from the existing up or down trend to a sideways trend or a congested market. If any part of the trendline is breached, that trendline should be redrawn or else considered invalid. (See Diagram 1) The steeper the trendline, the less likely it is that the trend will hold. Many traders use the principle that the steepness of

VOCABULARY

i significance — значение

i misused — используемый
неправильно

inconsistent — непоследовательный,
противоречивый

э: enforce — реализовать

i: extreme — крайняя точка

e tentative - условный, требующий
подтверждения

ai to derive — получать, извещать

и: clue - ключ (информация) к решению
проблем

the trendline should be 45 degrees — but this is a subjective view derived primarily from the work of Gann. Trend channels are often drawn by traders to identify areas that are overbought (up-trends) or oversold (down-

as 'magnitude — величина

THE WYCKOFF TRENDLINE

The principles and conditions that make up the "classical trendline" are in many respects a variation of Wyckoff's original findings on this subject. Wyckoff included the following conditions:

Firstly, he argued that a trendline requires you to join only two price extremes as opposed to three. He qualified this by specifying that the two price extremes had to be consecutive and of similar magnitude. {See *Diagram 2*} This condition of similar magnitude to validate a trendline is now disregarded by most traders using the Classic Trendline conditions. It is however, an important measure of the change in trend. For instance, if a Wyckoff trendline is breached, the concept of similar magnitude indicates the degree of the change in trend of that particular time frame.

IO:

to disregard — не принимать во внимание

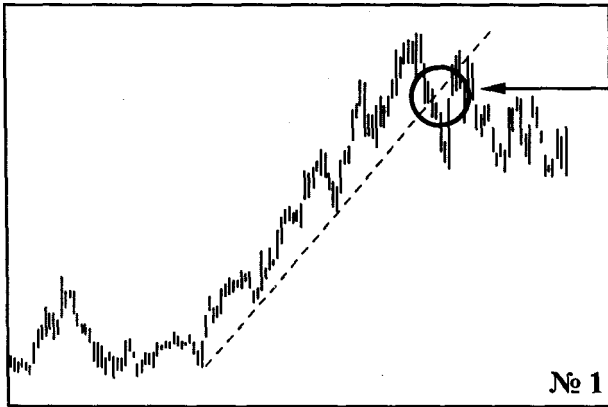
л to recover - восстанавливать

A second concept included by Wyckoff in his analysis of trendlines, was the idea of a trendline that is "recovered". In other words, the concept that a breach of a trendline does not always automatically render that trendline invalid. Diagram 4 provides us with a great example of this. Market prices break this trendline but then continue to close consecutively higher and closer toward the trendline. Eventually prices break back above the trendline, retest the trendline and then continue up in the direction of the original trend. (See *Diagram 3*)

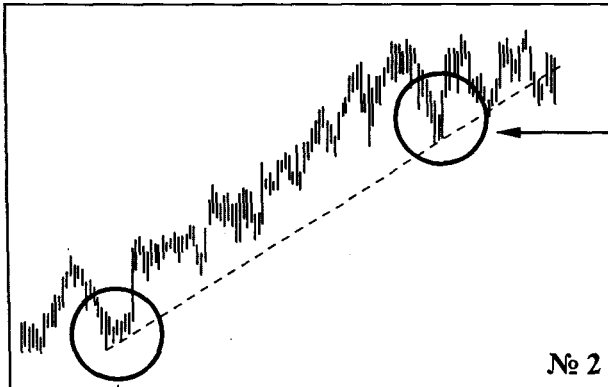
e eventually — в конце концов

Trendlines are one of the most popular tools used to analyse price action in trending markets. They alert you to changes in market direction and provide you with the valuable signals to buy and sell. The information they give you can be interpreted in an infinite number of ways, but armed with the basis principles, you can work effectively with this analysis and eventually add your own personal touch.

л touch — свое отношение

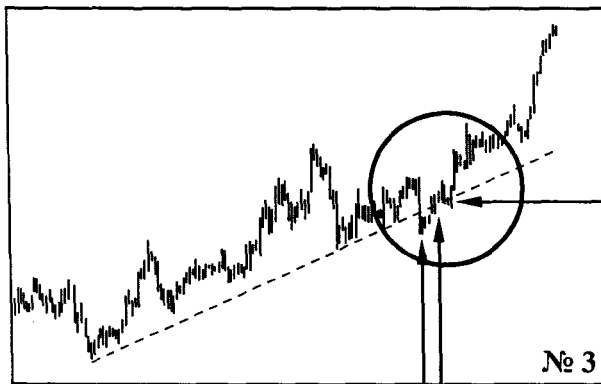


Breach in Trendline indicates a change in market direction



Wyckoff Trendline requires only two lows to be joined in an up-trend that are of similar magnitude

Similar magnitude



Price action closes higher, remains close to the Trendline

Trendline is broken Reset

EXERCISES

Ex. 1. Put questions to the underlined words.

Ex. 2. Select sentences which present difficulties for translation and make a syntactical analysis of them.

Ex. 3. Read and translate the text.

Ex. 4. Enact an imaginary dialogue between the author and a dealer. Make the most of the text.

UNIT 4

TECHNICAL ANALYSIS CHARTS

TYPES OF CHARTS

The interpretation of price action and forecasting in Technical Analysis can be done by using, a number of different charts, separately or in conjunction with one another as each has its own characteristics and advantages.

THE LINE CHART

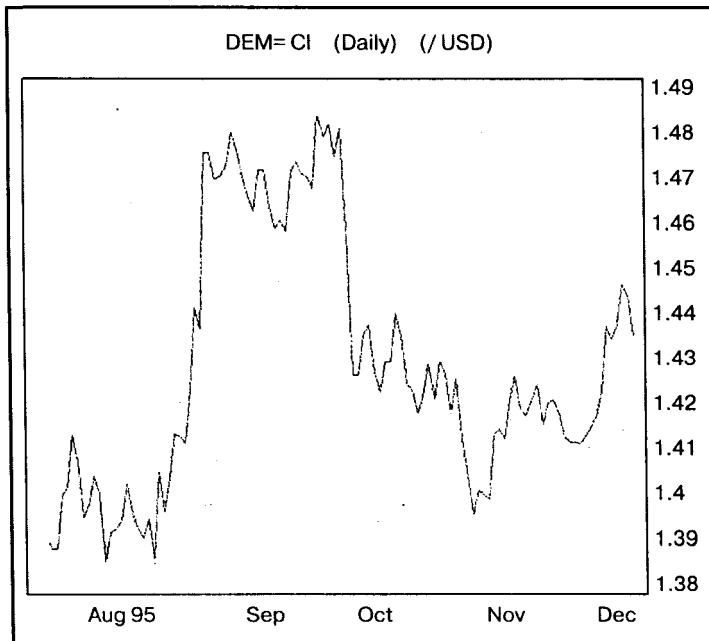
The closing prices are joined to form a line chart. The latter is useful as closing prices are seen as a very important indicator of the trend. The line chart is also a clear diagram as the direction can be identified at first glance. Traditional technical techniques such as trendlines, moving averages and momentum

Vocabulary

line chart - линейный график

э: ei interpretation — толкование

э: to forecast - прогнозировать



can be used with the line chart.

Bar Chart

Bar Charts collect and represent price information on a vertical bar. The top of the bar is the highest price and the bottom of the bar the lowest. A tick on the left-hand side of the bar denotes the open price and a tick on the right-hand side is the close price. A HiLo Bar Chart is a vertical line that represent the High and Low prices for an interval. These charts are particularly

tick

— метка

e 'Elliottwave

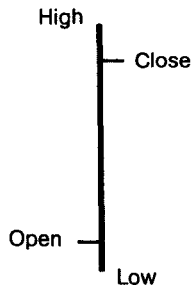
— волна Эллиота

popular with Elliott wave analysts, where the only necessary information are the highs and lows. The type of chart used by analysts, always comes down to individual preference. The popularity of the bar chart is due to:

- Clear representation of data.
- Clear understanding of the relationship between the Open and Close (tells you the result of the war between the buyers and the sellers).
- Can be used with all other types of analysis.

ae	—	график	японская
'Candlestick	—	свечка	
Chart	—		
to assign	—	- называть	

The following is an example of a bar chart

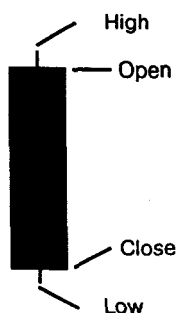


е		
'flexible	—	динамичный, гибкий
ia		
'real body	—	цилиндр

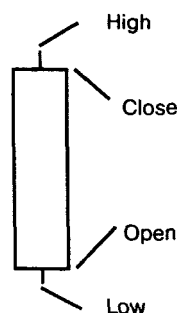
CANDLESTICK CHARTS

As with Bar charts, Candlestick Charts use Open, High, Low and Close price data. The major difference is, that if the close is below the open, that is, if the value of the security has fallen, then the bar is coloured in black. If the Close is higher than the Open, the Bar is left clear or white. These charts are very popular among the Japanese who have assigned various names to the different coloured patterns such as hanging man, hammer and morning star. They are flexible (used on their own or combined with analysis tools). Rises and falls in the market are easy to indentify because of the colour scheme. Small candle reflects that buyers and sellers are almost equally placed. The real body represents the range between the intervals open and close. The thin lines at the top and bottom of the real body are called shadows. They represent the interval's high and low.

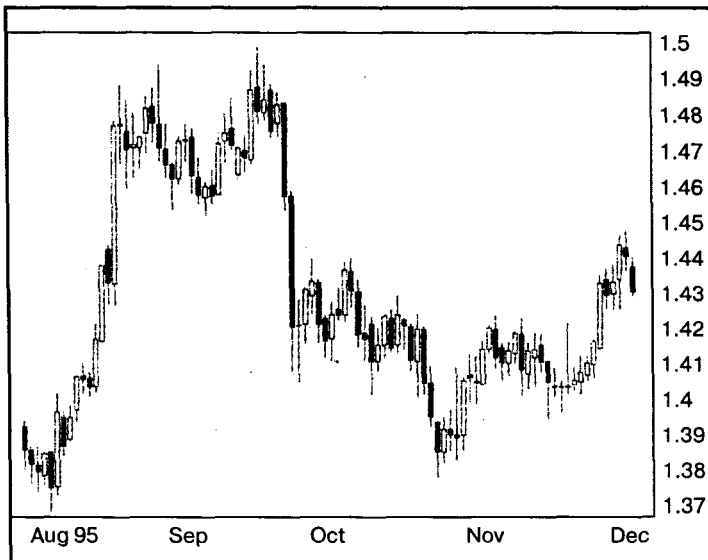
(black) coloured body	—	закрашенный цилиндр
high (low) shadow	—	с верхней (нижней) тенью
ai 'white body	-	полый цилиндр



Black Real Body shows that the close is lower than the open for the interval.



White Real Body shows that the market closed higher than it opened for the interval.



Point and Figure Charts

Point and Figure charts are a study of pure price movement with no indication of time or volume trading. This chart filters out insignificant price movements and plots only the rises and falls in market values. A column of "X" denotes rising prices and a column of "O" denotes falling prices.

Later columns are displayed to the right of previous columns. X's are only added to a column of X's if the high is at least one unit higher than the previous X displayed, O's similarly are only added when the low is at least one unit below the previous O displayed. If the current column is a column of X's, a reversal or a new column of O's will take place only if no new Xs are added to the current interval (that is only if the high price is not higher than the previous high) and the low is at least the reversal number of box sizes below the value represented by the last X displayed.

Point and Figure charts provide very strict rules on how to buy and sell:

>• Buy at the Break of a triple top. >• Sell at the Break of a triple bottom. These charts are particularly useful in a trending market because they keep you in the market. However, in a ranging market, these charts chop you around. A Horizontal Count of the Xs or Os is used for showing a direct link between the width of congestion and the size of the break out from that congestion. For estimating the next high or

01

'Point and Figure Chart — график крестиков и роликов

to plot - отмечать

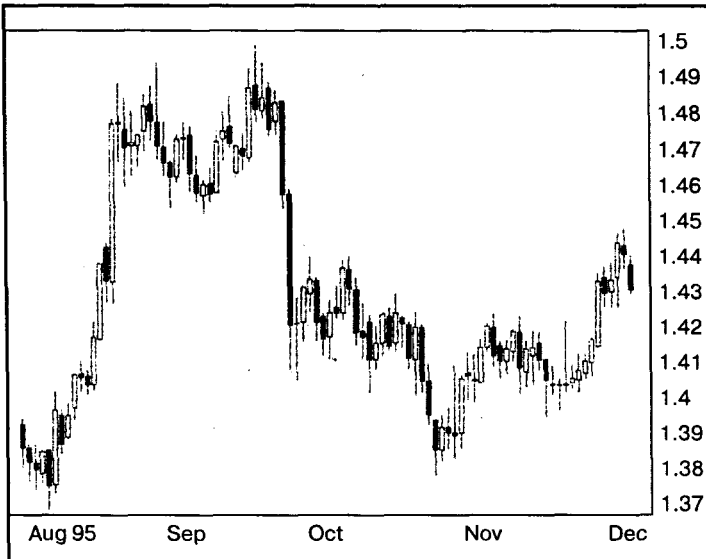
later columns — (последующие по времени колонки

э: reversal — перемена направления

to chop around — путать

e to 'estimate — рассчитывать, оценивать

24



POINT AND FIGURE CHARTS

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'Point and Figure Chart — график крестиков и ноликов

to plot - отмечать

later columns — (последующие по времени колонки

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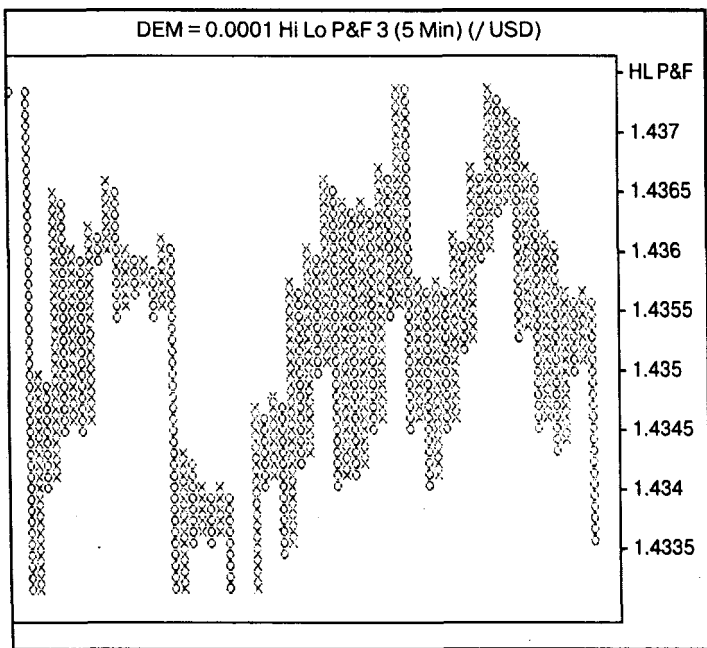
to chop around — путать

e to 'estimate — рассчитывать, оценивать

low target, after a consolidation phase you must take the largest (the most) Xs or Os in one horizontal line (usually near the middle). Multiply the number of boxes in this line by the size of the reversal, then add this number to the point where the break out occurs. The Vertical Count, the count from top to bottom, is a measure of volatility. One must measure the beginning of the break out to when congestion begins then. > multiply the number of boxes in this line by the reversal size and. >• add this to the point where the next break out occurs.

target
break out
to occur

— контрольная плановая цифра
предполагаемая цена
— точка прорыва — случаться



Exercises

- Ex. 1. Put questions to the underlined words.
Ex. 2. Read the text and translate it.
Ex. 3. Discuss the pros and cons of the bar types of charts.

UNIT 5

TECHNICAL ANALYSIS PATTERNS

Price Information: Open-High-Low-Close-OHLC

To accurately read the market, you only need four pieces of information: the Open, the High, the Low and the Close Price.

The Open Price

This is the price at which the first trade for the day takes place. Both buyers and sellers have had time to reflect upon the markets close on the previous day. Their perceptions will affect whether the stock opens higher or lower the next day. The subsequent price holds the clue as to which side of the market is the more dominant force — the buyers or the sellers.

The High Price

This refers to the highest price at which the security has traded that day. It is at this point that buyers decide not to push the price up any higher or alternatively, when sellers have gained control. If the high is at or near the opening of the day, that is a sign that the sellers have been the dominant force. If the high occurs near the end of the trading session and the open was near the low of the day, the buyers have had control.

The Low Price

This refers to the lowest price at which the security has traded that day. At this point the sellers have decided not to accept a lower price or alternatively, when buyers have gained or regained control of the market.

If the low is near the opening of that day, that is a sign that the buyers have been the dominant force. If the low is near the close of the day, that is a sign that the sellers are keen to sell and that therefore they have been in control.

The Close Price

The close is also sometimes called the sentiment. It is the price at which the security is trading at the end of the day. This is the most watched price in analysis as it is seen as the final judgement on who won the day between the buyers and the sellers.

If the close is at or near the high of the day and the opening was near the low, it points toward a day of buying. An intra day chart would also reveal that prices were probably in an upward trending mode all day.

If the close is halfway between the high and low irrespective of the open, that is interpreted as the market being evenly divided. That is, that the buying power was balanced by the selling pressure.

Vocabulary

to reflect — рассматривать

clue — ответ

to occur to gain control — случаться — устанавливать контроль

to be keen — быть

sentiment — настроение

to win the day — добиться победы

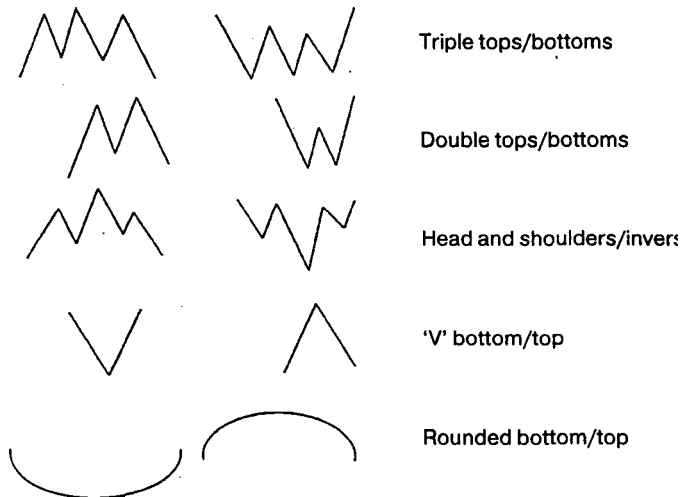
irrespective of — независимо от

Price Patterns

Whether the market is ranging or trending, price movements are not always smooth. As a result price pattern identification is used to determine whether a market trend is intact or whether there exists the possibility of a reversal.

On the basis of chart formations significance to the current trend of the currency they fall into two categories: reversal patterns and continuation patterns.

Reversal patterns

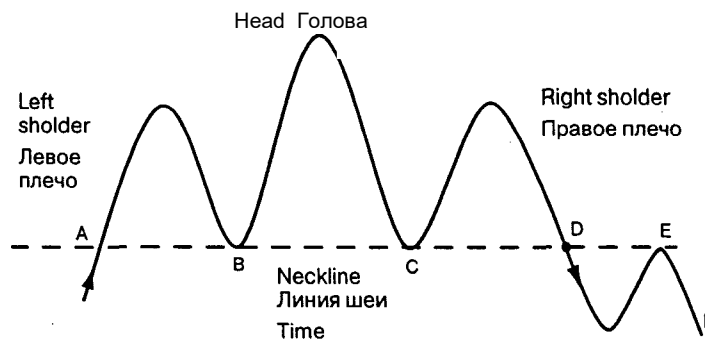


A prerequisite for any reversal pattern is the presence of a trend.

Reversal patterns are often accompanied by a break in the trend line or pivot point. (The larger the pattern, the greater the significance.)

Head and Shoulders Reversal Pattern

The Head and Shoulders pattern is one of the most popular patterns but also one of the most difficult to identify. This pattern derives its name from its formation — which resembles a person. A true head and shoulders pattern will have the left and right shoulders roughly at the same height and distance from the head. The neckline should be almost level.



Before A the neckline was a resistance line. Once it was broken the resistance line turned into a support line. At points B and C the price bounced off it twice. The neckline was broken in point D and the trend reversed. A retest took place at point E.

The neckline was a resistance line again. The resistance point held, and the price declined to the level of F, the price target of the head and shoulders formation.

In an uptrend Left Shoulder represents a correction. If it takes place — traders may take profits. Trend is still intact. The Head indicates: that prices move up and surpass the high of the left shoulder (Climax), but then move down again.

This places the upward trend in question.

Right Shoulder represents a retest. Buyers re-emerge and price starts to go up again. If price moves up to the same level of the left shoulder or if it retraces 50% from the Head to the potential neckline — the right shoulder is complete. It is an indication that a down trend is in place.

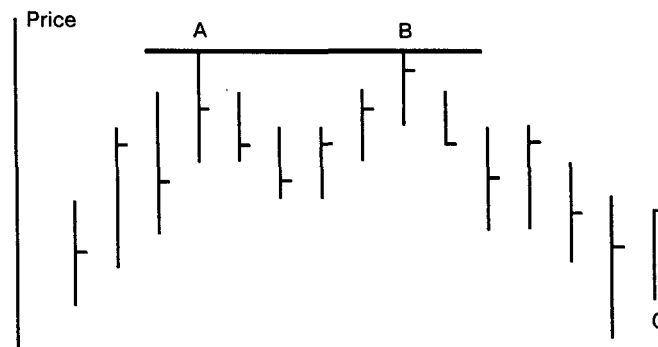
There are various analysis regarding the role volume plays with Head and Shoulder patterns. In an uptrend some maintain that the left shoulder carries the highest volume, that volume, decreases at the Head and then falls substantially by the right shoulder. Others maintain that the volume is highest at the Head and has a greater decline in the right shoulder.

When the market moves out of a Head and Shoulders

au
to 'bounce off - - отскакивать

a.
'target - - цель, точка движения

Double Top and Bottom Patterns



TIME

Double tops and bottoms are more common than (but not as significant as) triple tops and bottoms. A double top is referred to as an M, while a double bottom is termed a W. Double top and double bottom patterns are fairly common on price charts, but are often overused. In a double top, a new high is set on strong volume, then volume subsides as prices decline. On the ensuing rally, prices climb back to the first high, but fail to close above this level, and prices begin to fall again. (C) At this point, there is only a potential double top. It is not confirmed until prices close below the first low, usually on strong volume.

sj: ensuing — следующий

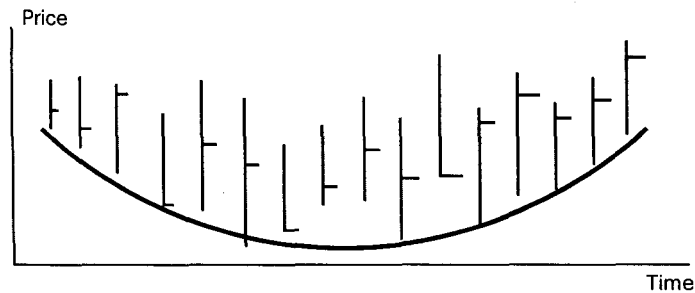
i: to exceed — превышать

u: 'crucial — решающий, важный

ei prevailing — господствующий

After a settlement under this low has been recorded, prices should continue to move a distance equal to the height from the original high to the first low. The same is true for double bottoms, but in the opposite direction. A variation of this pattern is the triple top (and triple bottom). This begins like the double top, but instead of the second correction breaking the first low, prices rally from this point back to the original high. Then, on the third correction, if prices close below the two previous lows, the pattern is complete. The measuring objective is identical to the double top. These patterns often occur at major tops and bottoms, and often exceed the original target by a substantial amount. It is crucial, though, to wait until prices settle below the first low. Clearly, a breach of the highs in a potential top, or the lows in a potential bottom will leave this looking like a breakout in the direction of the prevailing trend, and rectangle/ consolidation area breakout would be in action, potentially a flag as well.

Rounding Tops and Bottoms



A less frequent, but no less useful technical formation is the rounding bottom and rounding top. They are sometimes referred to as saucers and inverted saucers, respectively. As the name implies, a rounding bottom occurs when prices gradually shift from a downtrend to an uptrend to form a short of shallow "U" shape on the charts. To validate this formation, it is important that the volume also form a saucer formation: that is, volume should gradually decline as the downtrend ends, then slowly increase as prices begin to rise again. In a bottom formation, this type of price action represents accumulation — the "smart money" slowly adding to long positions. At tops, this formation represents distribution, or the "smart money" getting out of long positions and adding to short ones. A common variation of saucers is for prices to rise sharply and suddenly on strong volume near the mid-point of the formation. This activity only lasts a few sessions, after which prices fall back within the rounding pattern. It is difficult to determine exactly when the pattern is complete, but a good indication occurs when volume begins to increase sharply or prices break an important area.

0:	— блюдо, соусник —
'saucer	мелкий
ae 'shallow	— узаконить, сделать
ae to validate	действительной
smart money	— вложение денег без риска, используя секретную информацию

COMPREHENSION QUESTIONS

1. How many prices does the dealer need to know to read the market?
2. What affects the open price?
3. What does the high near the end of the trading session show?
4. Why is the close called sentiment?
5. What do price patterns indicate?
6. Which is the most popular reversal patterns?
7. What role does volume play with Head and Shoulders patterns?
8. Compare Double Top and Rounding Top patterns.

EXERCISES

Ex. 1. Put questions to the underlined words.

Ex. 2. Compare the reversal patterns and state their difference.

Ex. 3. Translate the dialogue from English into Russian in writing and from Russian into English orally.

DIALOGUE:

Client: What are the prerequisites of reversal patterns?

Broker: A prerequisite for any reversal pattern is the presence of a trend. A break in the trend line usually accompanies a reversal pattern. The larger the pattern, the greater the significance. CI: When does a retest in the Right Shoudler take place? Br: A retest is always a retest of the climax whether it be a top or a bottom.

CI: What are the conditions for a retest of a climax?

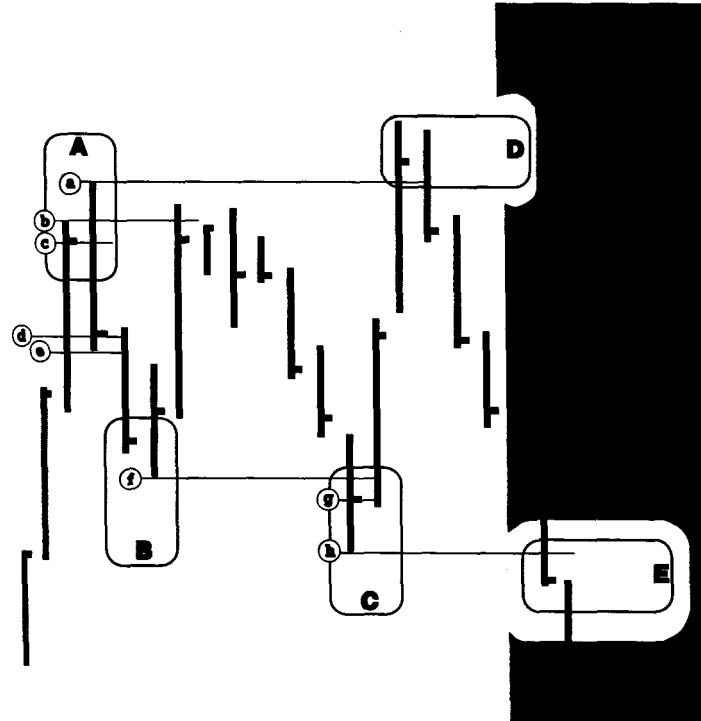
Br: In a trending market there must be a rally. Market has a sharp turn down. New buyers start buying. CI: And the new buyers are not enthusiastic. Br: No, they are not. Declining volume and trading range confirm that. CI: When is the retest complete?

Br: The retest is complete if the buyers falter within the 50% region of the climax retest and price turns sharply down. A retest does not require the trader to wait for a break of the previous low pivot point.

TRANSLATION PRACTICE

New Concepts in Support and Resistance

Fig. 1



There is an understandable tendency to look to see key horizontal support and resistance levels tested when they are reapproached. Many traders tend to set profit targets referenced to such levels, and stops also tend to be positioned relative to breaches of these levels. This is all very well but disappointment often results as the key support and resistance levels in a structure aren't necessarily the isolated highs and lows. Thus very often the market will reverse just short of these levels, much to the fury of many traders who'd been counting the pennies before they were securely in the till! Consider the stylised bar chart in figure 1, areas (A) and (B) represent a two period reversal structure that is commonly seen in the markets. Taking the highlighted (A) area first, the bulls would have been well contented at the close of the period (close "C"). However, they were due for a shock, as whilst the market did push higher to begin with in the next period (sucking more weakly committed bulls in), by the close (close "D") there were a lot of unhappy and damaged traders around. The high of the first period "b" constitutes a much more potent resistance level when retested, than the actual isolated high of the structure marked "a". This is not to say that "a" won't be attacked, but time and again you'll find it's "b" where the real battle is fought, and where the subsequent reversal or

Vocabulary

to set targets — ставить цели

ja fury — бешенство

till — касса

л to suck in — всасывать

ou 'potent - сильный

consolidation will be initiated. In the practical sense one could say "b" is more significant than "a" due to a greater degree of market confidence at "b", and it is almost certainly associated with higher volume. There is however another way of looking at it, which I call the "Concept of Maximum Bearishness/Bullishness".

MAXIMUM BEARISHNESS/BULLISHNESS

If in the first highlighted period of (A) the bulls had been totally in control, with the bears utterly routed, then the close of

the period would have been at "b", the period high. One can look at this pullback from the high — the difference between "b"

and "c" — as representing the ability of the bears to fight back.

Similarly in the second period of (A) the price difference between "d" and "e" represents the ability of the bulls to fight back after being mauled. The way to evaluate which is the period of maximum bullish strength in any structure (which is where the bulls had maximum control) is to sweep back these differences (the pullback from the high) through the respective closes and compare the levels obtained. This is the concept of SWEEP and it is the period with the highest sweep level that constitutes maximum bullishness.

The high of this maximum bullish period is a key resistance. I think it can be easily seen that reflecting "b"—"c"

back through "c" gives a much higher level than reflecting "a"—"d" back through "d". Thus it's the first period of (A) and its high "b" that qualifies as the maximum bull point not point "a", despite it being higher. Note the maximum bull period may indeed be the one that includes the actual isolated high (area (D))

is such an example).

RESISTANCE LEVEL STRENGTH

Price action as depicted in (A), being a two period bull reversal structure, needs to be viewed in light of the above if, or when, the market returns to the same level. There are a couple of tests that can be applied to make a judgement on how potent the resistance level "b" is likely to prove:

1. Reflect the "sweep" movement of the price curve points "b"—"c" down through "c" and "d"—"t" up through "d". Do the two levels cross or are they able to "hold hands" as I term it?

If they do not, it's a measure of how many people have been caught and how badly they've been caught. It is the pain and distress that materialises from a reversal level that directly and strongly influences how potent it will prove at a later time. If the reversal was violent, closing on or near the low of the period and thereby giving the majority in a bad position little or no time to get out, then "b" will return to "haunt" the market if the level is re—attained — pain is remembered even if only subconsciously!

2. Look at the price action following the reversal period, did it make a fair job of re-tracing before going down again, or did the market just plummet? If it's the former then "b" won't be nearly so key a level than if we get a nose dive. Again it comes back to giving traders an opportunity to get out when wrong without a serious loss. Remember a violent one-way market means somebody somewhere is in distress!

au
to rout — разгромить

o:
to maul — калечить, бить

to hold hands — занимать выжидательную политику

e distress — rope

rain — боль

O'.
'to haunt - преследовать

л
to 'plummet — резко упасть

Exercises

Ex. 1. Put questions to the underlined words.

Ex. 2. Find verbal constructions and state their syntactical function in the sentence.

Ex. 3. Select sentences which present difficulties for translation and make a syntactical analysis of them.

Ex. 4. Draw up a plan of the article.

Ex. 5. Enact an imaginary dialogue between the author and a dealer on support and resistance.

UNIT 6

TECHNICAL ANALYSIS PATTERNS (CONTINUED)

Continuation Patterns

(TRIANGLES, PENNANTS, FLAGS,
WEDGES, RECTANGLES)

continuation patterns

- фигуры продолжения
- Vocabulary



Bull flag



**Classic bull flag
(rectangle)**



Pennant

e
'pennant

— ВЫМПЕЛ

e
rectangle

— ПРЯМОУГОЛЬНИК

e
wedge

— КЛИН

|Э:

'pause e

- пауза, отдых

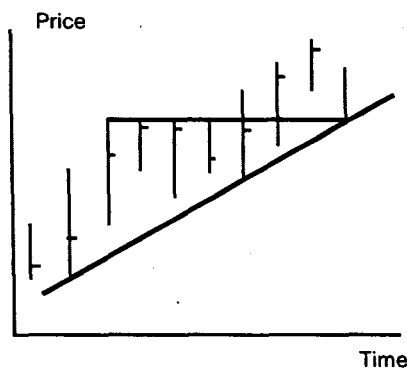
ascending

- восходящий

Continuation patterns confirm the continuation of an existing trend. They indicate that a sideways price movement is only a pause in the prevailing conditions.

Triangles

An ascending triangle



e
descènding

— НИСХОДЯЩИЙ

e
symmètrical

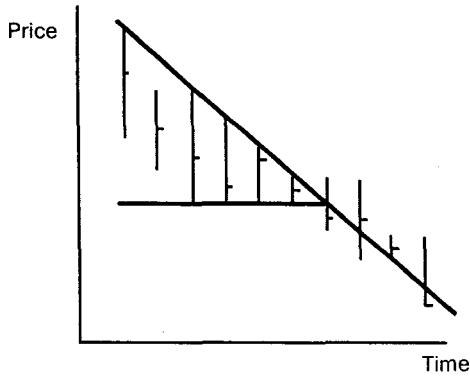
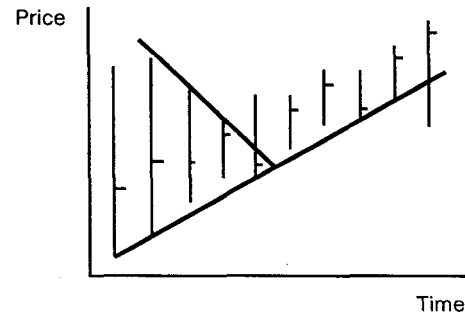
— СИММЕТРИЧНЫЙ

æ
expànding

— РАСШИРЯЮЩИЙСЯ

breakout,
thrust

— ПРОРЫВ

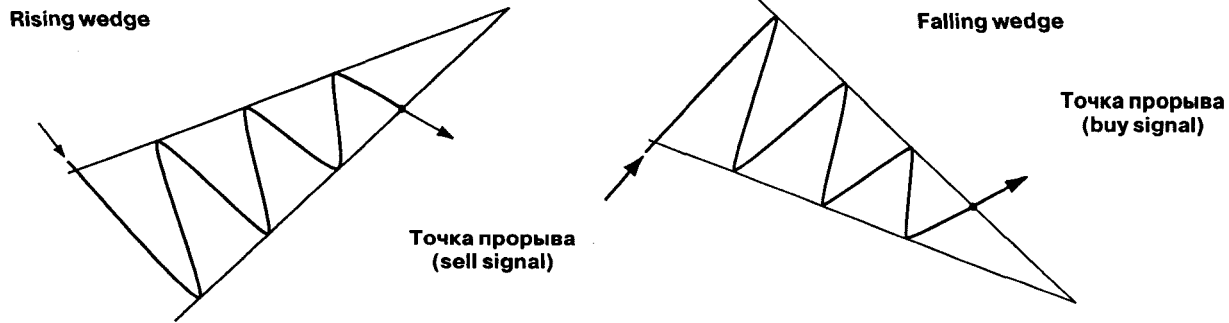
A descending triangle**A symmetrical triangle**

The ascending and descending triangles are price patterns that occur on bar charts and are similar in many respects to the more familiar symmetrical triangle. An ascending triangle is formed by a high, a low, a second high approximately equal to the first high, and a second low which is higher than the first low. For a descending triangle the situation is reversed. This pattern forecasts future price movement because prices are expected to break in the direction of the two equal price levels (to the high side on ascending triangles, and to the low side on descending triangles). In order for the pattern to be valid, two important conditions must be met:

1. Volume and open interest should decline as the triangle forms.
2. The breakout should occur between 1/2 to 3/4 of the distance from the start of the pattern to the apex.

When a breakout occurs, prices should continue in the same direction by an amount equal to the distance from the highest high in the triangle to the lowest low. The symmetrical triangle is seen when highs become lower and lower, and lows become higher and higher, with the resistance and support lines converging. This must be done in nearly a horizontal trend to avoid forming a wedge. Keep in mind that triangles are quite often continuation patterns, see Flags.

Wedge



A wedge pattern on bar charts is similar in certain respects to a symmetrical triangle formation (in fact triangles are some times referred to as wedges). However, wedges have distinct features from triangles: A rising wedge is characterized by a high, a low, a higher high and a higher low. This will give the appearance of an uptrend, but in a wedge the line connecting the highs and the line connecting the lows converge, whereas in a channel they will remain more or less parallel. In a triangle, either the highs or the lows are roughly equal, or else the convergence takes place with no trend implications, as in a symmetrical triangle. It is rising, or falling, nature of the wedge that separates it from the triangle formation.

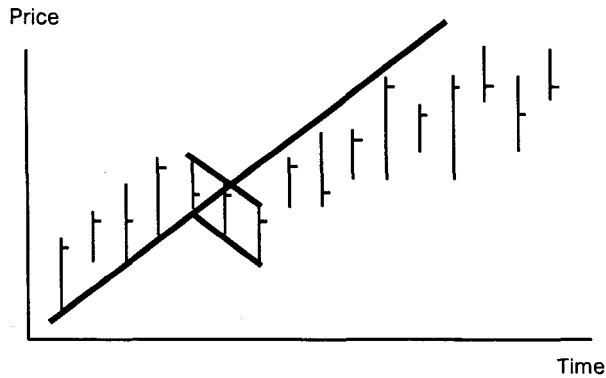
Wedges form most often as a counter-trend consolidation area. This means that during a strong downtrend, a rising wedge will sometimes form as a corrective pattern before the down trend resumes. Thus, a rising wedge has bearish implications, and a falling wedge has bullish implications. After the wedge forms, a breakout is confirmed when prices break the corresponding trendline the lower one in a rising wedge and the upper line in a falling wedge. After the breakout, prices should travel at least as far as the starting point of the formation.

RECTANGLE

Э:	
converge	— сходятся
ei	
implication	— то, что подразумевается
е	
rectangle	— прямоугольник
о	
to resolve	— разрешаться, формироваться
u:	
clue	— указание, наметка
ae	
to validate	-узаконить

A common consolidation pattern that occurs on price charts is the rectangle. This technical formation usually occurs at the end of a strong market move, either an uptrend or downtrend, and typically represents a pause in the action. A rectangle is also known as a trading range or a consolidation and is easy to observe because price movements are clearly confined by two parallel lines. A rectangle normally is resolved as a continuation pattern, see Flags. This means that prices should continue in the direction they were moving before the consolidation began. Another clue to the direction of the breakout is the volume pattern within the rectangle. If volume is stronger during the rallies than on the declines, the upside breakout is more probable. The measuring objective after a breakout is determined by the height of the trading range. This distance is added to the level of the breakout point to reach a minimum objective. Similar to a triangle pattern, strong volume is necessary on an upside move to validate the breakout. It is not necessary for a downside breakout.

Flags



One of the most reliable of all technical formations is the flag or pennant pattern. These patterns are very similar. Both are formed after a sharp, straight-line move that occurs on heavy volume (either up or down). After the move, a flag is formed by a short, choppy consolidation period. This consolidation is bounded by two parallel lines (rectangle). A pennant is formed after a strong move during a short consolidation period that resembles a small triangle or wedge. Flags and pennants are almost always continuation patterns, and are confirmed when volume declines during the consolidation, then prices break the respective consolidation trendlines on strong volume (i.e., the upper boundary line after an up move, and the lower boundary line after a down move). After the breakout, prices should continue moving by an amount equal to the move that preceded the brief consolidation. In this respect, flags and pennants are said to "fly at half mast". The beginning of the move is usually the point where prices broke out of another chart pattern, or breached important trendline support or resistance.

PENNANTS

A pennant is a fairly common formation, sharing most of its characteristics with flags. Both are formed in dynamic markets, with a "flagpole" formed by an impulsive almost straight line move. A brief period of consolidation results to form the pennant's "mast", which is shaped like a small symmetrical triangle. Thereafter, prices move in the direction of the initial impulsive move and for a similar distance, i.e. the mast evolves halfway through the move. Thus to measure the distance of the total move, the length of the flagpole up to the mast is measured and projected from the breakout point of the pennant.

э
'choppy — часто меняющийся

i:
precede — предшествовать

to fly at half
mast — приспущенный флаг

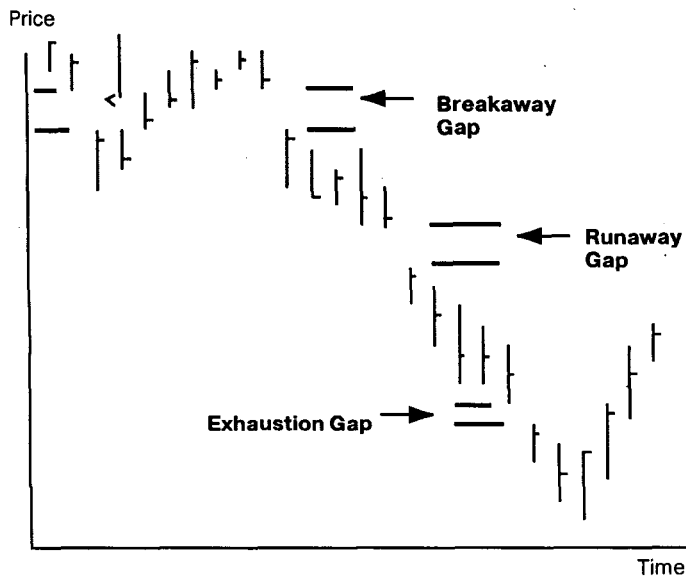
э
evolve — развертываться ,
эволюционировать

е
project — проектировать

GAPS

Consecutive transactions can be dealt at significantly different prices. Price gaps that occur within a day's trading do not show up on a bar graph because the graph will show the range for the day. However, if the closing high on one day is below the low of the next day (or one day's low is above the next day's high), a gap actually shows on the bar graph. There are four basic kinds of gap. One, the runaway gap, reflects a continuation of the move. A runaway gap appears after a significant move has already occurred. It indicates that the move has received a second wind and is ready to go higher with relative ease. The runaway gap frequently occurs approximately halfway along a major move. Common Gap

e consecutive	последующий
l runaway	— убежание
as 'gap	— скачок
a second wind	усиление



о	'common gap	— обычный скачок
	breakaway gap	— скачок прорыва
з:	exhaustion gap	— скачок ослабления
і:	to lean	— склоняться

Two of the other three kinds of gap, the common gap and the breakaway gap, are important in terms of market reversals.

The common gap materializes on one day but subsequently gets filled in. It often is nothing more than the result of thin markets.

It is viewed by most practitioners as a false signal, although it can be an indication that the market is leaning to break out in the direction of the gap.

The breakaway gap frequently occurs at the end of a consolidation phase, at the end of a key price pattern, or after a major support, or resistance line has been broken. It usually represents the beginning of a fairly major move. A breakaway gap is often sharp because those with wrong positions not only will get out of the bad position they are in, but will also establish positions in line with the market move. A breakaway gap may get partially filled in, but not totally.

The fourth kind of gap, an exhaustion gap, occurs near the end of the market move. The market tries to jump forward, but there is little support for the move, and the market quickly retraces. When prices come back through the gap, it is a fairly reliable barometer that the move is over. The exhaustion gap often correlates to the period when small players enter the market.

When that happens, it is another signal to be a contrarian and to expect the market to reverse.

in line with	— в соответствии с
ei retrace	— возвращаться по пути
Э: correlate	— соответствовать
еэ contrarian	— идущий от противного
to fill	- наполнять

ISLANDS

Islands are an even more extreme example of a change in market sentiment giving a sharp reversal. An island is formed by at least two gaps. In an uptrend reversal, the first gap is a "break away" as the market opens higher than the previous time periods high, and maintains that gap. The gap is never "filled" in that at least one entire time period is traded above the gap. The reversal occurs when prices fall sharply in a subsequent period, whether it be the next period or many later. The drop has to gap through, leaving an island of price activity clearly defined by at least two gaps, one up, one down. The reverse is true in a turn of a bear market. Futures markets sometimes have gaps, while 24-hour foreign exchange markets tend to see them less frequently. When seen though, they can be powerful indications of a trend change.

Comprehension Questions

1. What do continuation patterns show?
2. How are ascending and descending triangles formed?
3. How do wedges differ from triangles?
4. When do wedges form a counter trend consolidation area?
5. Why is a rectangle called a trading range?
6. Why is the flag, or pennant pattern one of the most reliable of all technical formations?
7. When does a gap usually show on the bar graph?
8. What kinds of gap do you know?

EXERCISES

- Ex. 1. Put questions to the underlined words and let your partner answer them.
- Ex. 2. Describe the market situation using the gaps chart.
- Ex. 3. Read and translate the text.
- Ex. 4. Select sentences which are difficult to translate and make a syntactical analysis of them.

TRANSLATION PRACTICE

New Concepts in Support and Resistance

In the spot Yen chart (figure 2) the reversal at a.) was violent, once the maximum bullish point was lost it was not seen again. This level later serves to top out a strong rally leaving high order isolated high (an isolated high that has several lower isolated highs in each side of it). Level b.) is nothing like so decisive. Look at the pullback from the high during the second period of the reversal. Level b.) acts as support and rebuffs a subsequent

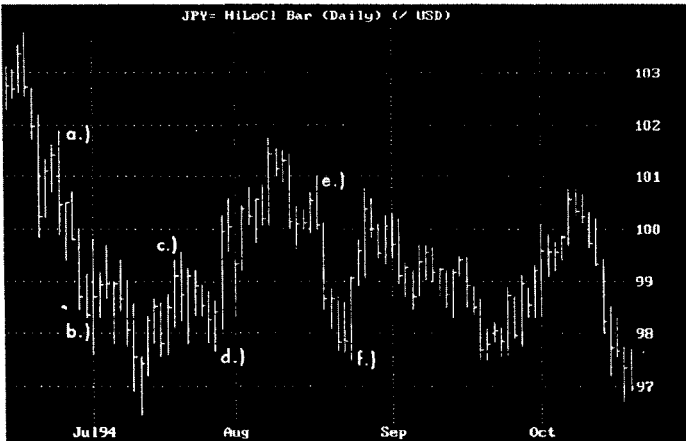
downward thrust, but it is not really potent — accordingly it gives up without much of a fight a little later.

c.) is similarly weak, and on eventual attack it gives way easily. d.) and e.), however, constitute strong support (d.) and resistance (e.) when retested, as here the potential for getting un-

Vocabulary

ou 'potent — мощный

Fig. 2



to give up — отказаться

e
'eventual — возможный, конечный

pleasantly caught was high.

Finally we have the classic case of f.) where the reversal sweeps "don't hold hands" and price rallies rapidly and decisively. Accordingly the max bear point level f.) serves to halt a subsequent strong downthrust.

The hourly Spot Stg chart (figure 2) shows four reversal Levels that have one property in common, namely they each represent the period of maximum bullishness [b.) and c.)] and bearishness [a.) and d.)] of their structures. (Note the period of maximum bullishness/bearishness should always be looked for in any reversal or consolidation structure.) Whilst in the great majority of cases it is constituted by an isolated high or a two period reversal of the type discussed (high and low of the first period depending on direction of reversal), this is not always the case. Sometimes this point can be "cunningly" hidden amongst the oscillating price action (eg. "c" in the Stg Hourly chart) yet it will still represent a key level if the area containing it is re-challenged.

How long do these horizontal support/resistance levels maintain their influence?

When price action reaches key levels it is more common to find price stalling than rushing straight through like a runaway train. This stall may precipitate a reversal or a consolidation. where the market gathers itself for a decisive push through the price obstacle(s) that has temporarily balked it. When price breaches support/resistance it weakens it, even if by the close we have returned back through the level.

To precipitate - ускорять

to hold one's
hand — воздерживаться от действий,
занимать выжидательную позицию

to stall — задерживать

ei
failure — точка неудачи

correlation — оказаться в соотношении

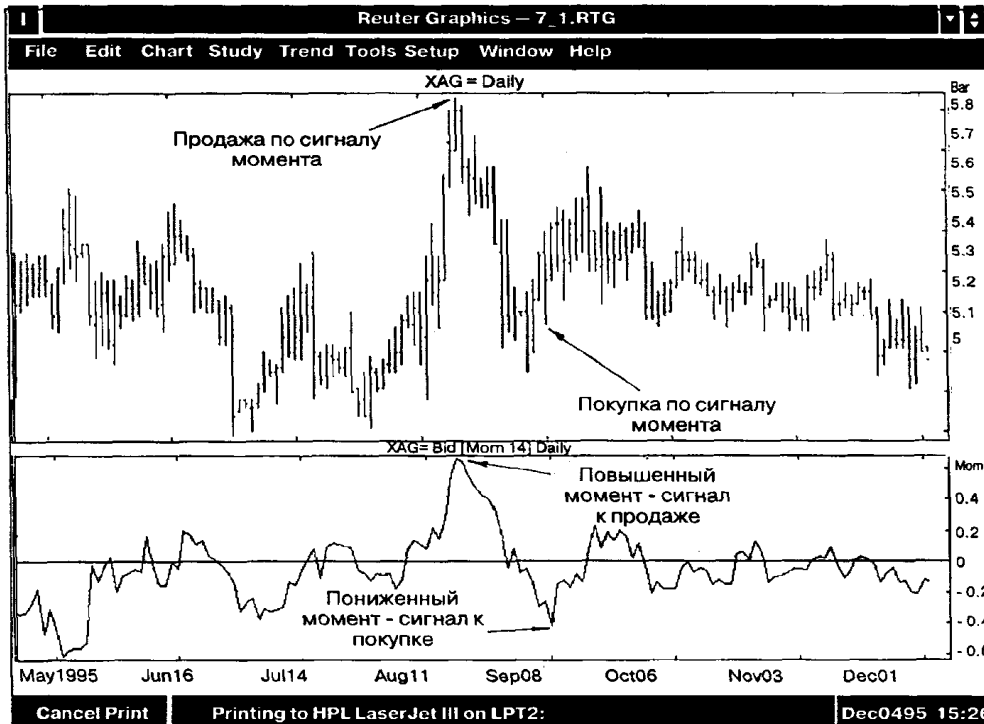
UNIT 7

OSCILLATORS

Key terms

- 1. oscillator** — осциллятор — индикатор, который колеблется между верхней и нижней границами коридора, обозначает сигналы «купи», «продай», указывая разницу между показателями среднего движения курса за короткий и длинный периоды времени.
- 2. Momentum** — осциллятор, указывающий на скорость изменения цены в сравнении с уровнем самой цены. Разница между ценой инструмента сегодня и ценой в предшествующие периоды. Положительное или отрицательное значение разницы отмечается относительно нулевой линии.
- 3. Relative Strength Index (RSI)** — осциллятор — индекс, обозначающий силу цены настоящей относительно цены в прошлом.
- 4. Stochastics** — индикатор скорости изменения цен. На растущем рынке цены при закрытии биржи устремляются вверх, и наоборот, при понижительной рыночной конъюнктуре они падают вниз.
- Slow stochastics** — дает менее чувствительные показатели движения цен и более предпочтителен для торговцев. Его показатель % K соответствует % D быстрых стохастических линий.
- Fast stochastics** — индикатор более чувствительный, чем медленные стохастические линии, линия % показывает близость цен закрытия биржи к верхней границе за определенный период. Масштаб измерения — от 0 до 100. Наивысшая цена — 100, самая низкая — 0. % D — вторая линия, специальная линия показателей среднего движения курса % K по различным периодам. Сигнал покупки образует комбинация низкого значения % D и еще более низкого значения % K (менее 20). Сигнал продажи — высокое значение % D и еще более высокое % K (более 80).
- 5. Moving Average Convergence Divergence (MACD)** — две линии показателей среднего движения курса, колеблющиеся выше и ниже нуля. Первая линия (Conv.) отмечает разницу между показателями среднего курса (MACD W), а вторая является экспонентным показателем среднего курса первой линии (MACD), т.е. сигнальной линией. Если MACD W пересечет сигнальную линию сверху, то возникает сигнал покупки. Если пересечение произойдет с противоположной стороны — то возникает сигнал продажи. Чем пересечение дальше от нуля, тем прогноз надежнее.
- 6. Moving Average Crossover** — пересечение скользящих средних с коротким и длинным периодом образует две линии показателей среднего движения курса. Если курс с коротким периодом падает ниже курса с длинным периодом и оба курса снижаются, то образуется сигнал продажи. Если курс короткого периода пересекает курс длинного периода снизу и оба курса поднимаются вверх, то образуется сигнал покупки.
- 7. Bollinger Bands** — линии, наносимые на график выше и ниже скользящей средней цен закрытия. Верхняя и нижняя линии сближаются при спокойной конъюнктуре рынка и расходятся с ростом колебания цен.
- 8. Directional Movement Index** — индекс, образуемый четырьмя индексами и указывающий на силу тренда.

Momentum Oscillators



Momentum oscillators are technical indicators which measure the change in prices over a given time period. These indicators are very useful in trendless or sideways trending markets, as well as in trading band conditions. They can also help in pinpointing the turn in trends, whether they be intra-day, weekly, or very long term in nature. During a trending period though, the trend will tend to dominate any signals given by the momentum oscillator. There are three important indications to look for in all momentum oscillators: direction, extreme values and divergence from prices.

Direction

Momentum oscillators track prices very well, and can actually lead price direction by one to two periods. The

Vocabulary

ae 'value - ценность, цена, сумма

э: divergence - отклонение

i: to lead - упреждать

crossover — пересечение

that momentum oscillators are moving in thus corresponds to the direction in which prices will potentially move. Longer term versus shorter term momentum oscillator analysis provides indication of price direction as well. This is similar to the use of long and short term moving averages for determining price direction, in that cross overs are very important. A longer term momentum oscillator is one that uses a larger time period relative to a medium term momentum oscillator. For example, a 21-day Stochastic would be considered a long term momentum oscillator, compared to a 9-day stochastic, and a 10-bar hourly stochastic would be considered a longer term stochastic in comparison to a 5-bar hourly stochastic. As a rule: "The longer term momentum oscillators have less volatility and thus they will not be subject to the number of false

signals that the shorter term momentum oscillators are, making a case for using them in conjunction with each other.

The same effect can be generated by smoothing a same time period oscillator, in effect slowing it down. In this case, a moving average of a momentum oscillator can be compared to the underlying momentum oscillator, and give similar cross over signals as using the longer term/shorter term indicators.

EXTREME VALUES

An extreme value in the momentum oscillator occurs, when peaks and troughs are evident in the momentum oscillator chart. When the momentum oscillator reaches an extreme value, the trend in prices will generally flatten, and there is potential for a reversal of the prior trend. However, the prevailing trend of price direction is still the major trading factor, and momentum oscillators reaching extreme values is usually a pause in the trend. Areas of extreme value are called overbought levels at momentum oscillator peaks, and oversold levels at momentum oscillator troughs. Both the Relative Strength Index and the Stochastic indicator have predetermined levels where the underlying instrument is considered to be overbought or oversold, but as peaks tend to occur at higher levels in bull markets, troughs at lower levels in bear markets, the use of predetermined levels for overbought/oversold signals is not encouraged. Other momentum oscillators such as the Net Change Oscillator (NCO) or Rate of Change Indicator (ROC) display peaks and troughs as well, but there are no predetermined valuation levels which give overbought/oversold indications.

DIVERGENCE

As prices and momentum oscillators usually trend in the same direction, and momentum oscillators can be used for the timing of price turns, divergence in direction is an important signal. Divergence occurs when prices continue to trend higher (or lower) and momentum oscillators turn in the opposite direction. This is most significant at new price

л		
'underlying	- основной	
of		
'trough	— нижняя точка (поддержка)	
i:		
'peak	— высшая точка (сопротивления)	
QT dl		
'prior	— предшествующий	
e		
spread	— разница, разрыв	
pre-set	— заранее установленный	

highs or lows, but keep in mind that chart patterns such as double tops, head and shoulders, etc. can occur when divergence is seen, and one should wait for penetration of key support or resistance, in order to confirm this turn in the trend. Divergence can be used to tighten stops, or as a strong warning signal that the prevailing trend could be reversing.

These three indications are very important in using momentum oscillators, as used in conjunction with each other they can help in determining trends and turning points.

MOVING AVERAGE SPREADS (MAS)

The formula of the moving average spread is:

MAS = shorter moving average - longer moving average

Example: (4-day MA) — (18-day MA), or
(5-week MA) - (20-week MA).

Moving average spreads are derived by taking the difference between two moving averages. Usually one of the moving averages is a short term moving average, while the other can be intermediate, or long term. This difference, or spread, is plotted and used as a momentum oscillator.

are
'magnitude — величина, значение

to overlay — наложить

Moving average spreads are plotted as any momentum oscillator. Direction, extreme values and divergence are looked for in the chart. If the spread is uptrending, the shorter term moving average must be greater than (above) the longer term moving average. The reverse is true for a downtrending spread. Trading signals are generated when the zero line is crossed, showing a moving average cross over. Thus, moving average spreads are good trend indicators.

Extreme values are a little harder to measure in the moving average spreads as there are no pre-set boundaries. The Relative Strength Indicator and Stochastic Oscillator have maximum and minimum values (100 and 0) and levels at which the market is considered overbought/oversold (70% - 30% and 80%-20%, respectively). The MAS, much like the NCO, does not have either of these pre-determined parameters. It can take on any value, positive or negative, of any magnitude. Analysing historical data of past extreme values is necessary, and then these areas can be used for future reference. Divergence between MAS direction and security price direction gives early indication of trend change. One measure of trend change that is often used in technical analysis is the crossing of moving averages. Crossing of the moving averages which make up the spread necessarily makes the MAS reach zero. Thus, early warning or confirmation of a change in trend is possible using MAS.

COMPREHENSION QUESTIONS

1. What do momentum oscillators measure?
2. What are the three important indications in all momentum oscillators?
3. How do momentum oscillators show direction of price moves?
4. Which M. O's produce false signals?
5. How can M. O's indicate a reversal of the prior trend?
6. What are the areas of extreme value called?
7. When does divergence occur?
8. What is the formula of Moving Average Spreads?

EXERCISES

- Ex. 1. Put questions to the underlined words.
- Ex. 2. Find verbals and state their syntactical function in the sentence.
- Ex. 3. Select sentences which are difficult to translate and make a syntactical analysis of them.
- Ex. 4. Analyse noun collocations according to the models given in the Reference Grammar.
- Ex. 5. Read and translate the text.

TRANSLATION PRACTICE

MOMENTUM CROSSOVER ANALYSIS

The Momentum Crossover analysis, which can be created in the User defined analysis modules of Reuters Technical Analysis and Reuters Technical Analysis for Unix, combines the trend direction characteristics of the simple moving average and the trend strength capabilities of the momentum analysis. Two of these analyses used together can produce effective buy and sell signals.

Vocabulary

ou crossover	пересечение (трендов) -
trend direction -	направление тренда -
trend strength -	сила тренда



The formula parameters are as follows and need to be filled in at the time of charting: *vl* — timeseries (instrument), *nl* — observation period for momentum (lag period), *n2* — averaging period for moving average. The diagram shows a short and long momentum crossover analysis giving clear buy and sell signals. The momentum crossover analysis is simply a smoothed version of the standard momentum analysis. Two of these analysis on the same chart, one with a long, the other with a short averaging period can be used in the same way as two standard simple moving averages, (i.e. crossover indicates buy and sell signals) except that the lines will oscillate around zero. Uptrends are indicated by price action below the momentum crossover lines. The momentum crossover line cutting through price after a trend has been established (up or down) indicates trend reversal. The analysis should not be used in a sideways market as it tends to be choppy in the same manner as ordinary moving averages. To create the Momentum crossover analysis, simply add the following formula into the UDA editor of either RTA or RTAu. Then graph the momentum crossover twice with differing length averaging and observation periods overlaid with a price chart. The momentum and moving average period parameters

should be the same as those used for short and long moving average crossovers for the instrument you are trading.

Exercises

Ex. 1. Put questions to the underlined words. Ex. 2. Find verbals and state their syntactical function in the Ex. 3. Analyse noun collocations.

e momentum — скорость изменения цены
moving average — скользящая средняя
lag - отставание во времени
и: 'smoothed - сглаженный
o to 'oscillate - колебаться
ou ei to overlay — наложить
e sentence.

UNIT 8

OSCILLATORS (continued)

Relative Strength Index (RSI)

The formula for the RSI is:

$$RSI = 100 - 100 / [(Up\ Average / Down\ Average) + 1].$$

Where:

Up Average = The average of closes in a given amount of time that are higher than the previous close.

Down = The average of closes in a given amount of time that are lower than the previous close.

The RSI is a momentum indicator based upon price movement over a specified period of time created by Welles Wilder. Some of the problems that are apparent in other momentum oscillators are eliminated in the RSI. Namely, by taking the up average and down average instead of the difference of prices, a smoother oscillator is created. For example, in a 14-day RSI the up average of the last 14 days is derived, as is the down average of the last 14 days. A constant band is created as well (from 0 to 100) which facilitates analysis of different securities.

The RSI is used as any momentum oscillator. Directional movement, peaks, troughs. Divergence and crossing between short term and long term RSI's are looked for in the chart.

Vocabulary

e
momentum - скорость движения

i
to eliminate — уничтожать, снимать

u:
smooth — гладкий, ровный

Overbought/oversold signals are given by crossing the 70 and 30 lines according to Welles Wilder. Instead of focusing only on the crossing of the overbought/oversold line, peaks and troughs of the oscillator should be examined for signals, with peaks expected to be at higher levels in a bull market than in a bear market, troughs occurring at lower levels in a bear market than a bull market. A peak in the RSI would suggest a price turn around to lower levels could be ahead, while a trough in the RSI suggests the opposite. Longer term RSI's will have less vitality than shorter term RSI's, if many overbought/oversold signals are desired, use of a shorter term RSI would generate them, but these will not have the same weight as the less sensitive RSI in terms of medium to long term trends.

ai
to derive - получать

э:
raw — грубый

Stochastic Oscillator

The formula of the stochastic oscillator as defined by George Lane, is:

$$\% K = 100[(C - Lx) / (Hx - Lx)].$$

Where:

%K = Raw stochastic,

Lx = Lowest low of the last x periods,

Hx = Highest high of the last x periods,

% D = Moving average of %K.

The stochastic recognizes that in an uptrending market the close tends to be near high, while in a downtrending market, the

close is near the lows of the time period. Using the above formula, a "raw" stochastic is found.

A three—day moving average of the "raw" stochastic is used by MMS, as the "raw" stochastic is very volatile, giving false signals. The three—day moving average is called the %K stochastic. A three—day moving average of the %K stochastic is called the %D, which gives a smoother momentum oscillator. This indicator will range between 100 (when the close is equal to the highest high of the last "x" periods) and 0 (when the close is equal to the lowest low of the last "x" periods).

The stochastic is used as any momentum oscillator, with directional movement, peaks, troughs, divergence, crossing between short term and long term stochastics, and crossing between %K and %D stochastics looked for in the chart.

Bollinger Bands—BB

Bollinger Bands are lines charted above and below the moving average of the closing prices. This analysis varies from other percentage band analysis because the distance of each band from the moving average is not fixed. Instead, the price channel these bands form around the moving average is flexible and determined by the user specifying a number of standard deviations.

The standard deviation is the method used to set the band width about the moving average. Bollinger used a 2% standard deviation to capture 95% of prices within the band. However a 1.5 standard deviation is commonly used for futures.

Bollinger Bands automatically narrow and widen in response to volatility — narrow in calm markets, and widen in volatile markets, making them an effective trend indicator.

Bollinger Bands are used with a simple price graph:

Prices near the lower band may signal an overbought market.

Prices near the upper band may signal an oversold market.

The bands often narrow before a sharp move in price. A narrowing of the bands indicates the start of a new trend, which is confirmed when prices break and close out of the band.

A price that breaks above the top band, followed by another that closes within, may signal a reversal and a good time to sell.

A price that breaks below the bottom band, followed by another that closes within, may signal a reversal and a good time to buy.

Example

If prices are moving in a downtrend and hit the bottom of the band, but close back in the bands, indicates that the trend will not continue to go down but sideways and then probably back up.

Bollinger Bands form an area of Support and Resistance and are used to take profits. If prices break above or below the Bands, it results in a changed Support and Resistance. Bollinger Bands do not indicate trading stops.

Directional Movement Index — DMI

The Directional Movement Index (DMI) determines the strength of any upward or downward trends present in the market. It consists of the following four lines:

+DM measures upward movement in price over time. — DM measures downward movement in price over time. DX measures the overall direction of movement (whether up/down) in price over time. ADX measures the average direction of movement (up/down) in price over time. In effect it is the average of the DX.

ADX measures the strength of the trend in the market. The higher the ADX, the stronger the trend present. This index does not measure the direction of the trend. In other words, it is quite common for the ADX to be rising while prices are falling — this indicates an increasing strength in the down trend.

All four lines are plotted on a scale from 0 to 100.

COMPREHENSION QUESTIONS

1. Where are Bollinger Bands charted?
2. What does the band width show?
3. What do Bollinger Bands signal?
4. What does the Directional Movement Index show?

EXERCISES

Ex. 1. Translate from English into Russian and vice versa

1. What are the momentum oscillators?
Momentum oscillators are technical indicators which measure the change in price over a given time period.
2. Where are M.O's used?
They are useful in trendless or sideways trending market, and significant when they reach extreme value: overbought + 70/80%, oversold - 30/20%.
3. What signals do they give?
M.O's give market signals. Turn divergence between prices and momentum.
4. What is a Relative Strength Index?

Relative Strength Index (RSI) is a smoother oscillator created by taking the up average and down average instead of the difference in prices.

5. What is the formula for RSI?

Formula for RSI =

$$= 100 - \frac{100}{1 + (\text{Up Average} / \text{Down Average})}$$

6. What does a stochastic oscillator measure? A stochastic oscillator measures where closing price is in relation to total price range.

7. Where are closing prices in uptrend?

Uptrend closing prices are in the upper end of the range.

8. What lines does a stochastic oscillator use? Two lines are used: %K line, more solid and sensitive and %D line, smoothed version of the %K line.

9. What is the formula for a stochastic oscillator?

The Formula is $\%K = 100 \cdot C - Lx / Hx - Lx$,

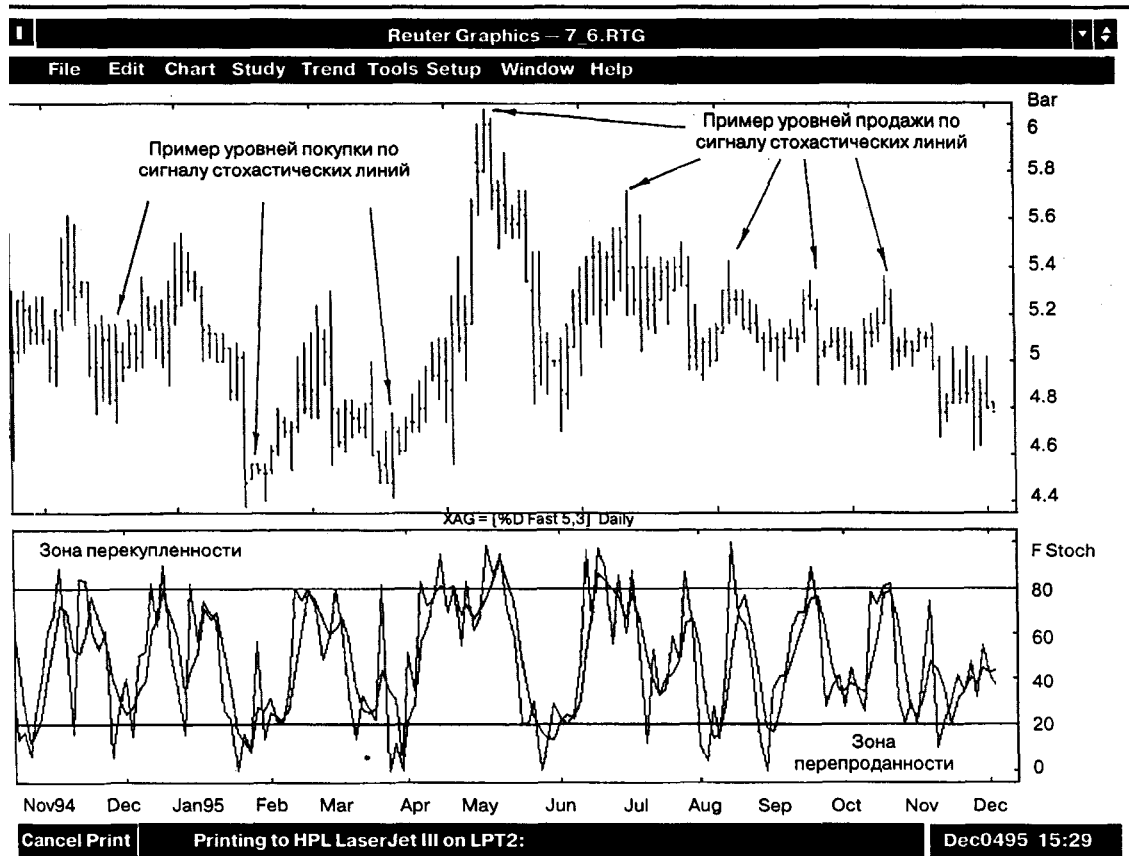
Lx — Lowest low of last x period,

Hx — Highest high of last x period,

%D = Moving average of %K 3 day smoothed is used

with 5 day. An example of the stochastic oscillator is shown below:

CHART — \$—DEM AND STOCHASTICS



Ex. 2. Put questions to the underlined words.

Ex. 3. Find verbals and state their syntactical function in the sentence.

Ex. 4. Make a syntactical analysis of the sentences difficult for translation.

Ex. 5. Read and translate the text.

TRASLATION PRACTICE

A QUICK LOOK AT BOLLINGER BANDS

Bollinger bands is a popular band analysis similar to the Alpha Beta trend. It can be used as a system in itself or with Oscillators such as the Relative Strength Index (RSI). The analysis is standard in both Reuters Technical Analysis (RTA) and Reuters Technical Analysis for Unix (RTAu).

VOCABULARY

i: ei
deviation — отклонение

ae

Bollinger Bands consist of 3 lines. 2 charted ones above and the other below the moving average of closing prices, which makes up the third line. The moving average of close data needs to be created separately to complete the Bollinger Bands analysis.

This analysis varies from other percentage band analyses because the distance of each band from the moving average is not fixed. Instead, the price channel these bands form around the moving average is flexible, being determined by specifying a number of standard deviations from it.

John Bollinger, who created Bollinger Bands and used them in stock trading. Used a standard deviation of 2 which captures about 95% of price action within the bands. A different number of standard deviations can be selected depending on the market traded for example, 1.8 standard deviations would be more appropriate for futures trading.

The length of the moving average which is used to calculate the bands is usually 20 days or less. Care should be taken here as these sample sizes are small and statistical error quite possible. The only statistical inference that should be drawn from this analysis is that most (approx. 95%) of the price action will be contained.

A useful feature of Bollinger Bands is automatic narrowing and widening in response to volatility — narrow in calm markets and wide in volatile markets. This makes them an effective trend indicator, especially when used in conjunction with another trend following tool.

TRADING RULES

Use Bollinger Bands with a price chart and simple moving average (the same length as the Bollinger Bands) then keep a look out for the following signals:

Fig 1 Bollinger Bands(top) used with an RSI(bottom).

Trendlines show divergence between the RSI and Price which confirms the Bollinger Bands.

Prices near the lower band may signal an oversold market.

Prices near the upper band may signal an overbought market.

The bands often narrow before a sharp move in price, either up or down. A narrowing of the bands often indicates the start of a new trend, which is confirmed when prices break and close out of the band.

An interval that closes above the top band, followed by another that closes within, may signal a reversal and a

to capture — охватывать

э
appropriate — подходящий

to take care — позаботиться

а:
sample — образец

и
'inference — вывод

ei
to contain — содержать

to keep a
lockout — следить

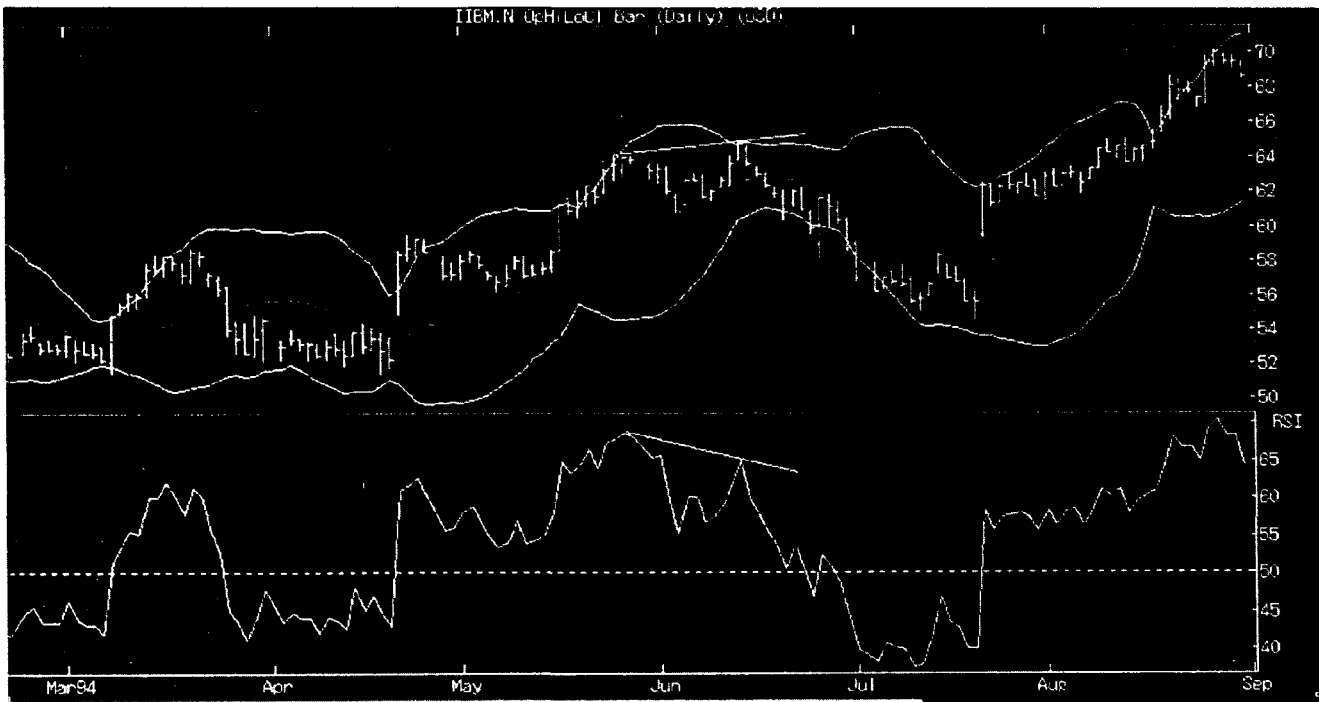
trend reversal — смена тренда

э:
to confirm — подтверждать

э:
divergence — отклонение

А
to comfort — успокаивать

Fig. 1



An interval that closes below the bottom band, followed by another that closes within, may signal a reversal and a good time to buy.

If prices are in a downtrend and back in the bands, this is interpreted as a signal the existing down trend will not continue and that the market will move sideways and then probably back up.

Bollinger Bands form an area of Support and Resistance. Use them to take profits. If prices break above or below the Bands, it results in a changed Support and Resistance.

Trend reversals can be confirmed when used with an Oscillator, such as the Relative Strength Index (RSI). Signals such as:

Price being close to the lower band with the RSI confirming a trend reversal should be a safe buy signal.

Price divergence with an RSI can confirm the bottom or top of a band (see Fig. 1).

A final point — like any other technical analysis technique, the trader must incorporate their own personality and comfort levels to the trading rules of Bollinger Bands. Good luck!

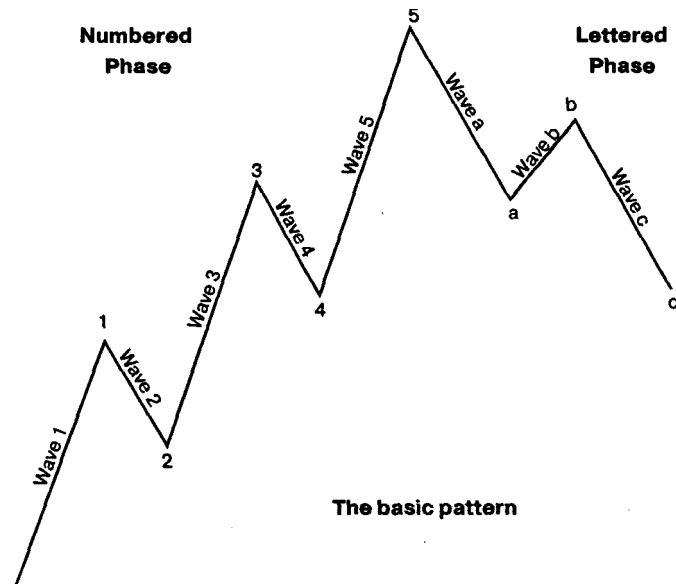
EXERCISES

Ex. 1. Put questions to the underlined words.

Ex. 2. Analyse noun collocations.

Ex. 3. Translate the article.

THE ELLIOTT WAVE

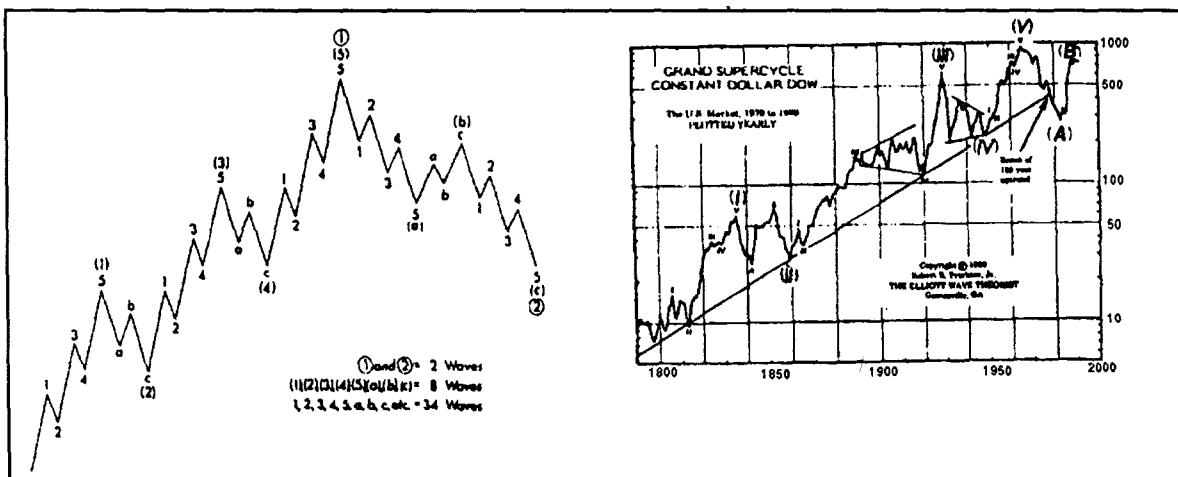


According to Elliott a rising stock market unfolds in five-wave/three-wave pattern and forms one complete bull market /bear market cycle of eight waves (1-3-5-B). The five-wave upward movement is called an impulse wave and the counter trend movement — a corrective wave. Waves 1, 3, 5 can subdivide into five waves of smaller scale. Corrective waves 2 and 4 can form three smaller waves each too. Impulse subwaves are numbered (1-2-3-4-5). Corrective subwaves are lettered (A,B,C). Thus waves in any series can be subdivided and resubdivided into waves of smaller degree or expanded into waves of larger degree.

THE LARGER SCALE PATTERN

Vocabulary

to unfold — разворачиваться
 impulse — импульс, побуждение
 scale — масштаб
 to expand — расширять



The analyst should take into consideration that in an uptrend market, the low of the second wave never goes below the beginning of the first wave. The third wave is never the shortest. The fourth wave does not penetrate the price range of a first wave. Market movements are essentially the same but they may differ in the size or duration. Large scale movements incorporate smaller scale subdivisions which are similar to them in their «fractal» geometry. One of the three impulse subwaves (W-1, W-3, W-5) can have extensions i.e. elongated movements. These subdivisions increase the number of waves to nine for the main sequence. The increased number of movements does not change the technical significance of price pattern.

e to penetrate — проникать
э:

to incorporate — объединять
ае fractal "geometry" — «геометрия частей» фрактальная геометрия

TRANSLATION PRACTICE

ELLIOTT WAVE THEORY

According to Elliott, markets move in cyclical waves, with a kind of self-similarity within the waves. The big waves consist of smaller waves which themselves contain smaller waves and so on. The names of the waves according to their size are as follows, with increasing length in time and amount:

sub-minuette

minuette [mmjuet]

minute [minit]

minor

intermediate

primary

cycle

super cycle

grand supercycle

The time frame starts with minutes and even single trades and ends in movements lasting for several hundred years from beginning to end. A complete cycle on one stage of observation consists of several movements, of which some are in the direction of the wave and some are in the opposite.

Now let us listen to Elliott himself:

"The rules to be derived... are:

1) Waves in the direction of the main movement, or the odd numbered waves, are made up of five lesser waves.

2) Corrective waves, or waves against the main movement (even numbered waves) are made up of three lesser waves."

The basic concept states that this structure is repeated at the next level of waves again, like the movement of (2) to (3), while consisting of five waves itself, is part of the next-state movement towards (1). The system is thus valid on all possible levels of observation and the only problem the analyst has to solve is correct wave counting.

odd numbered - нечетные (числа)

even numbered — четные (числа)

to stretch — растягивать

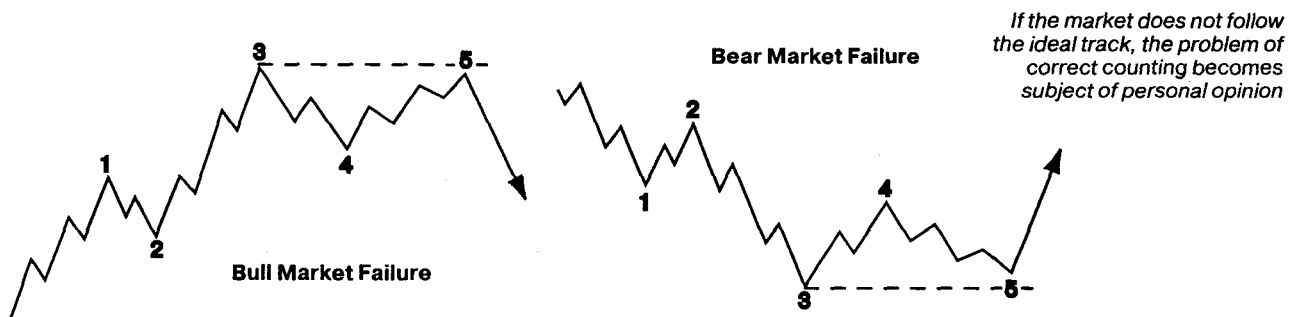
i:
to proceed - проходить

э:
distortion — искажение

e
irregular — неправильный,
нерегулярный

Since markets do not move in the ideal way, some correction might fail to close above the previous correction's low, (in an upward trend like above), some of the odd moves might fail in closing above the previous odd-waves top and so on. These distortions make wave-detecting and wave-counting quite difficult and subject to personal opinion, which is the main problem when one tries to computerize the system. The main interest of the investor is always the fifth wave since it indicates a turnaround of the trend. "Sometimes the fifth wave will 'stretch', that is, deploy or spread out. The fifth wave, instead of proceeding in the normal one-wave pattern of the same degree as the movement as a whole, simply stretches or sub-divides into five waves of lower degree... Such spreading out is a characteristic of markets that are unusually strong (or weak, if a down movement.)"

invalidity	неправомерность
long run	— большой срок
bet	- пари



For distortions of the ideal structure. Elliott formed a consistent system of triangles, diagonals, irregular corrections and wave extensions. Since distorted waves can follow each other, their detection becomes extremely difficult. This is the reason why Elliott could make surprising and extremely accurate predictions on the one hand at times, whereas he failed at others. Distorted waves are known ex post, but not in advance. But correct detection of distorted waves as such helps to predict the next waves ending. If this wave is distorted again, reasoned by whatsoever, prediction failed again to some extent. This offers opportunity to critics to claim invalidity of results, which is to some extent true, but which does not necessarily mark the whole system as nonsense, since the next forecast might be extremely correct. Thus the system can be right in the long-run, but the investor might suffer from distortions in the short run. Actually, only computer-testing could prove if it is possible to make money with the system. (Hence that today's knowledge about pattern recognition often refers to similar ideas, yet named differently and more modern). Moreover the critics should be aware, that even the best traders are right three to four out of ten bets, and never know why they were wrong. Elliott Waves can make you know why you failed, which includes a kind of element of self learning. Now after having introduced the basic structure it might be interesting to conclude similarities to modern theories.

13

to inhire	— подразумевать
ae self-similarity	— самоподобие
э: ei interpretation	- интерпретация
i: to delete	— стирать, удалять

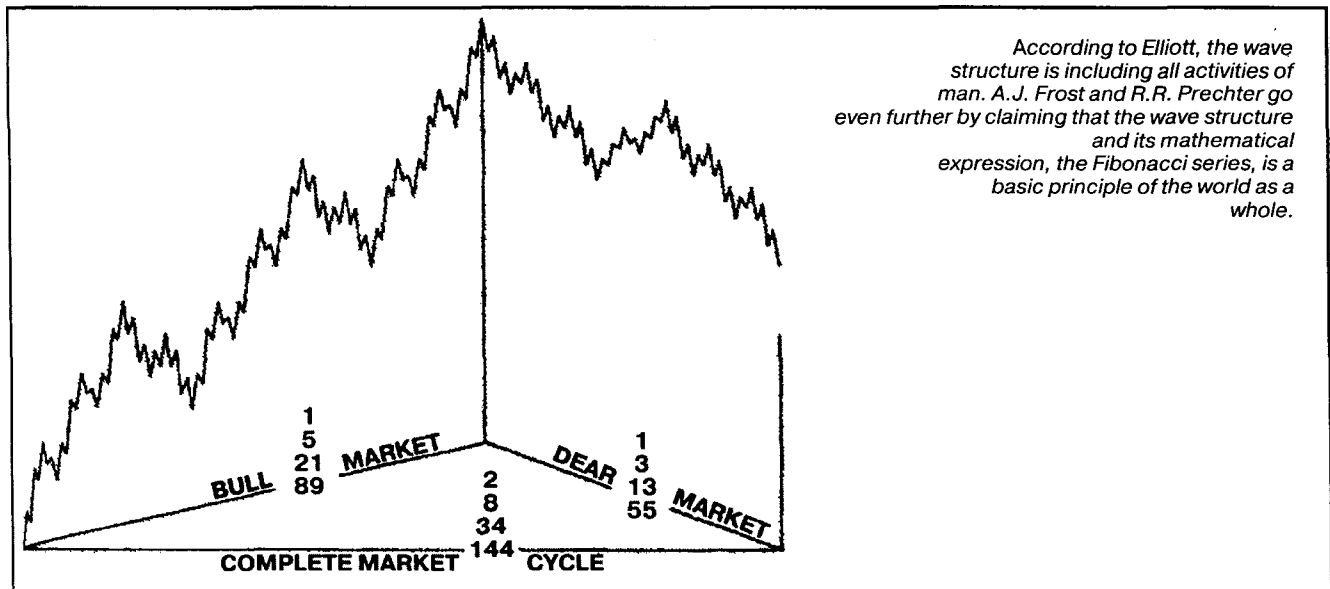
First of

all, the system inheres self-similarity, which is in the meanwhile well-introduced by chaos-theory approaches to financial markets.

Secondly there are similarities to modern pattern recognition, since a five wave structure simply is—a pattern.

Thirdly, Fibonacci time series are quite modern as well and Elliott himself found the similarities astonishing:

"From my experience I have learned that 144 is the highest number of practical value. In a complete cycle of the stock market, the number of Minor waves is 144, as shown in the following table.



All are Fibonacci numbers and the entire series is employed. The length of waves may vary but not the number".

According to Elliott, the wave structure is including all activities of man. A.J. Frost and R.R. Prechter go even further by claiming that the wave structure and its mathematical expression, the Fibonacci series, is a basic principle of the world as a whole.

The great variety of different interpretations of one wave and its meaning for the overall structure makes it rather impossible to computerize Elliott Wave without deleting some essential parts. Glenn Neely tried to form a system which follows Elliott and works with full computer support, but he is often criticized for oversimplifying in order to computerize.

COMPREHENSION QUESTIONS

1. How does a rising stock market unfold?
2. What is an impulse wave?
3. What can corrective waves form?
4. Does the increased number of movements change the technical significance of price pattern?
5. How do markets move according to Elliott?

6. What is the main problem which the analyst has to solve?
7. What makes wave — counting difficult?
8. Which wave is the most important for the investor and why?
9. Why is distorted wave detection extremely difficult?

EXERCISES

- Ex. 1. Put questions to the underlined words.
- Ex. 2. Draw up a plan of the article.
- Ex. 3. Discuss the pros and cons of the Elliott wave theory.
- Ex. 4. Read and translate the text and the article.

FOREX FORECASTING

UNIT 10

KEY INTEREST RATES

U.S. — Key Interest Rates. The rates to watch are: Federal (Fed) funds rate — sets the tone for money market rates.

Discount rate — usually sets the floor for the Fed funds rate.

The Fed funds and discount rates are the two key interest rates. Depository institutions hold non-interest bearing reserve accounts at the Fed to meet reserve requirements and handle interbank transactions. Deposits above the minimum required are traded overnight and the Fed funds rate is what banks charge each other for these overnight loans. The Fed has an objective for the funds rate which is never formally published. However,

so-called Fed watchers can usually tell what the target is by observing where the funds rate trades in conjunction with the Fed's money market operations.

The first time the Fed announced a rise in interest rates at the time it took place was on February 4, 1994 when it issued a statement saying that the Federal Open Market Committee had decided to increase slightly the degree of pressure on reserve positions. However, a series of rate rises in early 1994 were accompanied by formal Fed statements which the markets believe were designed to make its intentions clear. What is not clear is whether this will become the standard method by which rate changes are signalled. Traditionally, Fed watchers had to wait

until the release of the minutes of the regular Federal Open Market Committee meetings, which are published six weeks afterwards, for confirmation of any perceived change in monetary policy.

All institutions with reservable deposits can borrow at the Discount rate from the Fed's discount window for short term adjustment purposes and limited other uses. The Fed funds rate is usually above the discount rate. When the funds rate is at, or below, the discount rate there is little use of the discount window by healthy banks which have access to the funds market.

(There is no U.S. equivalent of the lombard rate which other central banks use to penalise institutions requiring emergency funds. However, there are circumstances when the Fed may charge a market rate above the basic discount rate. For example, borrowing under the seasonal programme is at a market rate average of Fed funds and certificates of deposit (CDs). Extended credit borrowing by banks in difficulty can also be at an above market rate.)

Open market operations are conducted with a group of primary dealers in government securities (about 40) which are mainly subsidiaries of bank holding companies and securities houses. Eligible paper includes Treasury bills, notes, bonds and, for repos, government agency securities.

VOCABULARY

to set the tone — задавать тон

i
non-interest
bearing - беспроцентный

o: target — планируемая цифра,
установленный курс

л
in conjunction - в связи с, связанный с...

ai to be designed — предполагаться

i
minutes — протоколы

i:
perceived — предполагаемый

л
for adjustment purposes — для целей
урегулирования

ae
to have ' access - иметь доступ к...

i:
to 'penalise - наказывать

to change a rate - менять курс

e
'eligible papers - ценные бумаги, отвечающие
требованиям

Basically, the Fed controls U.S. monetary policy. It is often described as independent and in a narrow sense this is true: the Fed is self-financed and does not require presidential approval to change interest rates. However, the Fed can be abolished or have its terms of reference changed by Congress. The chairman is appointed by the President for a four year term only and is conventionally a political appointee. In practical terms therefore, it is virtually impossible for the Fed to follow an interest rate policy significantly at odds with that desired by the U.S. Administration.

Japan — Key Interest Rates. The rates to watch are: Uncollateralised (unsecured) overnight call rate — sets the tone for money market rates. Official discount rate (ODR) — lagging rate of psychological significance. Japan is nearing the end of a decade long period in which most interest rates have been deregulated. These changes mean the Bank of Japan (BOJ) now sets only its official discount rate, at which it lends to commercial banks, and the liquidity deposit rate. Other interest rates are set in the open market and the BOJ aims to influence them, indirectly, through its market operations. The most important short term interbank money market rate is the uncollateralised overnight call rate. The BOJ closely monitors call rate movements and puts most emphasis on them when managing the market. The BOJ appears to have an unpublished target zone for the call rate but the market usually gets an idea of the BOJ's target range and credit stance by interpreting the signals in its daily operations. For the past several years, the market has focused more on the amount and timing of BOJ operations. Rates set by the BOJ have rarely ruffled any market feathers, as they have been largely in line with prevailing market rates. The weekly average call rate, and its level at intervention time, can provide signals on the BOJ's policy stance. Since the BOJ prefers to signal monetary policy changes through the uncollateralised overnight call rate, the official discount rate (ODR) is now typically a lagging indicator of monetary policy. Nevertheless, the ODR still has an impact. The ODR applies to the rediscounting of commercial bills and official loans secured with Japanese government bonds (JOBs), specially designed securities and bills corresponding to commercial bills as collateral. If the ODR is increased, financial institutions find that the cost of raising funds is affected directly, via the higher cost of acquiring discount window loans from the BOJ and, indirectly, through the increased money market rates that usually precede, and often trigger an ODR change. The opposite is true for a reduction in the ODR. Under the Bank of Japan Law (1942) the Bank's policy board has the authority to formulate, direct and carry out monetary policy. While ultimate control of monetary policy rests with the Ministry of Finance, the Bank of Japan Law gives the central bank sole responsibility for changing the official discount rate. There is no hard and fast rule.

terms of reference — круг ведения, мандат, компетенция

to be at odds - противоречить

ee lagging rate - запаздывающий курс

e deregulated — разрегулированный

call rate - онкольная ставка, процентная ставка по ссудам до востребования

o to monitor - отслеживать

ae stance — поза, позиция

л to rume - взъерошить, беспокоить, волновать

to be in line - соответствовать

ei prevailing — господствующий

to have impact — влиять

e to affect — влиять

i to trigger — вызывать sole - полный CL

hard and fast — строго обозначенные

There are seven members of the policy board, four of whom are appointed by the cabinet and approved by both houses of the Diet (Japanese Parliament). There are four representatives from private industry, one from the Bank of Japan and two from the government. The government members, taken from the Ministry of Finance and the Economic Planning Agency, do not have voting rights.

Germany — Key Interest Rates. The rates to watch are:

Repo rate — sets the tone for money market rates.

Discount rate — sets the floor for money market rates.

Lombard rate — sets the ceiling for money market rates.

The repo rate is now the main tool for guiding the overnight money market rate. Repos enable the Bundesbank to adjust monetary policy without changing its headline rates. A change from a fixed to a variable rate repo (or vice versa) may indicate a policy change. But while higher rates at a variable rate repo reflect higher bids for funds by banks, they do not necessarily point to tighter policy in the short term (and vice versa).

The discount rate normally sets the floor for money market rates while the lombard rate usually sets the ceiling. Thus, the discount rate is more important when interest rates are falling while the lombard rate is the key rate when interest rates are rising.

The Bundesbank's main instruments are either designed for long-term major policy changes or to fine tune the money market.

The Bundesbank sets monetary policy and is the most independent of the Group of Seven central banks. It has a legal obligation to protect the external value of the mark. Without prejudice to the performance of its functions, the Bundesbank is required to support the general economic policy of the federal government. In using its powers under the Bundesbank Act, the central bank is independent of instructions from the federal government.

и

Bundesbank — Центральный банк Германии

о

Lombard rate — официальная ставка
центрального банка по

кредитам коммерческим банкам,
обеспеченным ценными бумагами (ФРГ)

её

variable — меняющийся

to fine tune — осуществить «тонкую»
настройку

е

prejudice — предвзубод

COMPREHENSION QUESTIONS

1. What are the key interest rates in the USA, Japan and Germany?
2. Which of them is a better instrument for guiding the money market rate?
3. Why didn't the Fed publish the fund rates?
4. How does BOJ influence interest rates?
5. What do Discount and Lombard rates set in Germany?
6. Which of the two rates is more important when interest rates are falling?
7. Which central bank of the Group of Seven is more independent?
8. When did the Fed announce a rise in interest rates for the first time?
9. When do financial institutions borrow from the Fed's discount window?
10. Does the Fed require presidential approval to change interest rates?

Exercises

Ex. 1. Learn the vocabulary.

Ex. 2. Put questions to the underlined words.

Ex. 3. Make a syntactical analysis of the subordinate clauses (state what kind they are).

Ex. 4. Choose verbals and state their syntactical function in the sentence.

Ex. 5. Translate the texts.

UNIT 11

LONG TERM TECHNICAL ANALYSIS THE CHARTIST'S TRADING PLAN AND FOREX FORECASTING

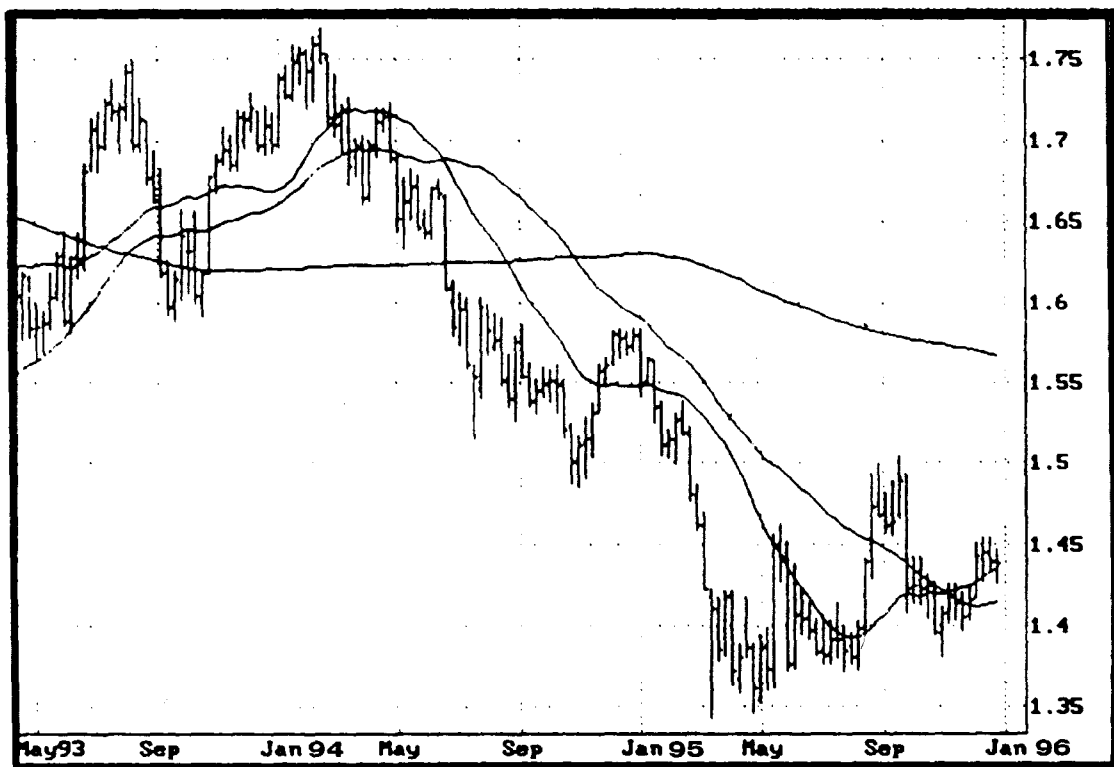
Before drawing up the chartist's trading plan the dealer studies historical data for forecasting and selects a traditional or modern chart for study or a combination of both.

He must choose chart patterns of note to identify a potential continuation/reversal or neutral trend with trigger level and extension target, pay special attention to moving averages and oscillators signals for an indication and confirmation of the trend, and anticipate its turns.

For in-depth analysis dealers usually use the Elliott wave count. Generally most forex dealings are based on the dollar. And it is the movement of the dollar which is moving the financial market. The basic idea of making a profit is to buy dollars low and sell high.

US-DOLLAR/ DEM

May 93 — Jan 96



The dealer can never be certain of what may occur. Unfortunately forecasting is not a science but an art and anything can happen.

By January 1994 hardly anybody thought that the dollar could fail to cross 1.80 to the Deutsch Mark. The greenback did and made forecasters shy for 1995. In fact most studies see the dollar rising but, burned by experience in 1994, predict only modest rates. Right now (02/95), as levels of about 1.50 can be seen, predictions range from 1.65 to 1.75 for the end of 1995.

Long Term Technical Analysis

Dollar/DM Forex Rate Moves in 1995.

In December, 1994 the greenback started an upward correction which was followed by a retracement in March. Mid of May 1995 the dollar remained in the 1.36 / 1.39 consolidation range. In August the US dollar drifted around between 1.35 and 1.42 of the German Mark. By the end of the year dollar/DM broke above 1.44. The continual downward trend since the start of 1994 seemed to be finally over. All the moves of the USD/ GEM are plotted on the Chart (Jan. 1996) and analysed in the articles below.

DOLLAR CONSOLIDATES (DEC. 94)

VOCABULARY

At the FOMC meeting of the FED on the 14th of November, the long expected interest rate hike became reality. The FED increased both the discount and the fund rates by 0.75 to 4.75% and 5.5% respectively. Even before the summit, greenback started an upward correction, which was by the interest rate hikes, which were slightly above dramatically over the last months. Contrary to the situation at the beginning of the year, where the dollar rates were around 2% below the DM rates, now the dollar rates for all maturities show a premium above the DM yields of 0.5% to 1%, this factor has to influence forex trade as well. As the bearish sentiment will not be forgotten for a while, we expect a Range trading between 1.53DM and 1.75DM till the end of the year. but at least the lows should be behind us.

hike — повышение

FED(FRS) — Федеральная резервная
Federal Reserve система США (ФРС)
System

FOMC — Комитет по операциям на
Federal открытом рынке (ФРС) США
Open Market
Committee

ju: maturity — ценные бумаги со сроком

погашения

IMPROVING CHARTS

After an extend test of the lows at 1.50 DM, the market re turned into the consolidation pattern between 1.53 and 1.58, which developed in the summer.

range trading — торговля в канале (коридоре)

Dollar breaks 1.42 DM on the upside Dollar crisis seems to be over June, 95)

Mid of May the dollar broke the heavy resistance around 1.42 DM and left the 1.36—1.39 consolidation range on the upside. As this break-out was followed by several tests on the downside, at least from the technical viewpoint the cyclical lows should be behind us. Another bullish item is that this scenario occurred without any intervention by any central bank. Obviously the market found a balance and finally heavy fund buying pushed the greenback higher. Fundamentally this action was backed by the announcement of stringent American trade sanctions against Japan. How important these punitive measures have already proved to be was shown by the last trade balance report. The US — Japanese trade deficit widened by 30%. despite the recent Yen surge and a lot of rancour between Mikey Kantor and his Japanese counterpart. Having tested the 80 Yen support twice, the dollar bounced back by 10% within two weeks.

The dollar finds a floor (Aug. 95)

The US dollar has been drifting around between 1.35 and 1.42 to the German mark for several months now, but at least the continual downward trend since the start of 1994 seems to be finally over. At the start of May a breakout to 1.45 was quickly brought to a halt. Many analysts believe though, that the dollar is between 10—20% undervalued, even if the recent data emerging from the US economy has altered that relationship slightly. The most recent interest rate cut by the FED was clearly seen as being their response to the negative economic data. It was the first cut in one and a half year, a period which has seen seven rises. Many experts predict that it will not be the last.

Buba lowers rates, but not to spur growth German interest rate cut (Jan. 96)

The Bundesbank (Buba) in Frankfurt cut the discount and Lombard rates by half a percent last month, taking them to 3 and 5% respectively. The long-awaited, but little hoped for, announcement took the markets by surprise, following a series of rather mixed signals coming out of the Buba. Hans Tietmeyer, president of the bank, denied that there had been any ambiguity about the bank's intentions when he made the decision public. This brings German interest rates to their lowest level since mid-1988. and is the third such reduction within a year. It appears that the Buba was persuaded to make the decision after reviewing the progress of M3. the broad

funds — деньги, ссужаемые банкам
федеральным резервным фондом

i stringent — строгий ^

Ju: | punitive — карательный

ae rancour — вражда

э: to emerge — появляться

e respectively — соответственно

to take by — удивить surprise

эе ju ambiguity — двусмысленность

to make public - обнародовать

агрегат М3 плюс банковские депозиты
частного сектора в инвалюте
(Великобритания)

to run out — выдохнуться of steam

62

money supply figure, which shows a sharp reduction over the previous year. M3 did put on speed in the middle of the year, but then ran out of steam, and it was this slowdown which prompted the Bundesbank to make its move. Predicted M3 growth targets of 4 — 6% were not met, mainly due to a slowdown in economic activity. The Bundesbank statement and low potential for steep price rises and the continuing strength of the mark, whose protection is one of the Bundesbank's main aims. The bank also painted a more optimistic picture of German economic potential than has been fashionable recently, and the president pointedly stated that he sees no grounds for the fear that Germany is drifting into recession. This rate cut served to underline his, and the bank's, view that economic growth would be

ju: 'due to	— из-за
to drift into	- скатываться к снижению
recession	деловой активности
a: to enhance	- стимулировать
л to underpin	подпирают

COMPREHENSION QUESTIONS

1. What does the dealer have to study and select for forecasting?
2. What are chart patterns for?
3. Why did the greenback make forecasters shy for 1995?
4. What were the predictions for the end of 1995?
5. Was the continual downward trend over in 1995?
6. What brought dollar yields well above DM rates in December 1994?
7. When did the dollar break 1.42 DM on the upside?
8. How much did the US-Japanese trade deficit widen in June 1995? i
9. Did the dollar find the floor in August 1995?

Has the starting rise in the Yen finally run its course?

Doubts rise over yen hausse in Feb. 96

In the space of 4 1/2 years the Yen has appreciated more than 60% against the US dollar. It is starting to look like this is coming to an end. This is mainly because the Japanese economy is having trouble keeping up with the international economic upswing and maintaining its competitiveness with the strong Yen.

Exports suffer

The rise in the Yen has dealt a blow to Japan's export orientated economy. Partial relief to exporters has come from rationalisation and moving production to cheaper countries. Even the famous trade surplus has shown signs that the tide is turning. Although the surplus reached 121 bn USD, this was just 0.8% higher than 1993. Motor vehicle production, the vanguard

of Japan's economic might, decreased by 6%. to 10.55 mio vehicles. Car production suffered most, falling by 8%.

Monetary policy

Rumours also surfaced that Japanese interest rates will fall. At 1.75% for the Discount rate and 3% for the Prime rate, they are by far the lowest in any of the industrialised nations. Altogether more positive is the consumer price inflation, which rose by 0.2%. and the producers index which dropped by 1.3% Unemployment. at 2.9%. is low in comparison to other countries, even if the figures tend to be massaged.

Dollar -Yen: Recovery or Correction Gul. 94)

The USD recovery is impressive on a short term basis. A major trendline support level at 97.00 last month is forging ahead through many levels of resistance. The dollar buyers were attracted by the rally effort through an old trendline off the 1993/94 lows at 100.40—100.50. The long term technical analysis still views USA strength as corrective to the long bear market. A large coiling down trend pattern since 1988 is still evident on the monthly chart. The dollar tested and bounced off the low end of the formation at 97.00. The upper boundary at 106.50—106.90 should be watched. A monthly close over here points to the end to the bear market and the start of a major USD base. An uptrend cannot be expected until the early 1994 high at 113.65 is removed. The weekly chart also reveals the large coiling pattern. Near the 103.90—104.40 area a falling 40 week moving average trend indicator can be seen. The market condition could be

Vocabulary

to deal a blow — нанести удар tide is turning — положение меняется bn (billion) — миллиард mio (million) — миллион

S3:

to surface — возникать by far — значительно

ju: consumer price — потребительская цена

ju: producers index — индекс промышленных цен

o: to massage — массировать, обрабатывать

л

upside — повышательное движение цены

o: target — плановая, ожидаемая цена

e exceptable — составляющий исключение

test — приближение цены к точке сопротивления (поддержки)

01

coil — спираль

au to bounce off — отскакивать

au boundary — граница

ou slope — наклон, скат

ai sideways — цикл с горизонтальным движением цен

л

recovery — подъем рыночной конъюнктуры

o: to forge — медленно двигаться вперед

ae rally — повышение

64

called a corrective situation within a bear market if price is rising toward a still falling trend indicator. The weekly oscillator is also rising from a bearish level.

The short-term picture for dollar-yen should stay mildly favorable for the USD as long as values hold over a support zone set by a rising 40-day moving average at 100.30 and the rising trendline off the July low at 98.80—98.70. Dips should be supported until that area is broken. Near-term upside targets are 102.10—20 and 103.20. These values represent 62 to 75% retracements to the June/July downleg in the dollar. If a larger bear phase is still in progress, those are acceptable retracement parameters for bear market corrections. Closing action under 98.70 should indicate the start of a new, and probably final, downleg for the dollar against the yen. The target for a new downleg will be 95.50-94.50. Secondary technical aspects are somewhat mixed. Market sentiment indicators are neutral.

There are no important cycles working for price right now. The seasonal tendency for the yen versus the dollar is to rally from August into October. If new topping signs show in the dollar as the seasonals, one more low later this fall is possible.

ou	close	— курс (цена) при торгов
ou	low	— низкое значение(цены)
ai	high	— высокое
э	bottom	— самый низкий уровень
	fisher	— ловец
е	correction	— движение цены в направлении, обратном тренду(коррекция)
ai	to 'highlight	— высвечивать

Compresension Questions

1. How much has the yen appreciated against the US dollar for 4 1/2 years?
2. Why is this appreciation coming to an end?
3. What was the result of the yen rise?
4. What was the trade surplus?
5. What do rumours say about Japanese interest rates?
6. Is unemployment in Japan high or low?

Exercises

Ex. 1. Put question to the underlined words.

Ex. 2. Read and translate the text.

Ex. 3. Using the chart and the various technical studies and trendlines describe USD/DEM price movements from May 93 to Jan 94 and USD/JPY from 85 to 93. Ex. 4. Translate the dialogue from English into Russian in writing and from Russian into English orally.

Dialogue

Client: What is your medium term outlook for dollar/DM in 1996?

Broker: Dollar/DM broke above 1.4435 in December 95 But the impetus was weak.

CL: Resistance at 1.4580 was too dense for it. Wasn't it?

Br: Yes, you are right. But the subsequent retracement from this area has allowed the market to build strength for another assault on the upside. Cl: What could be a possible target area of the assault?

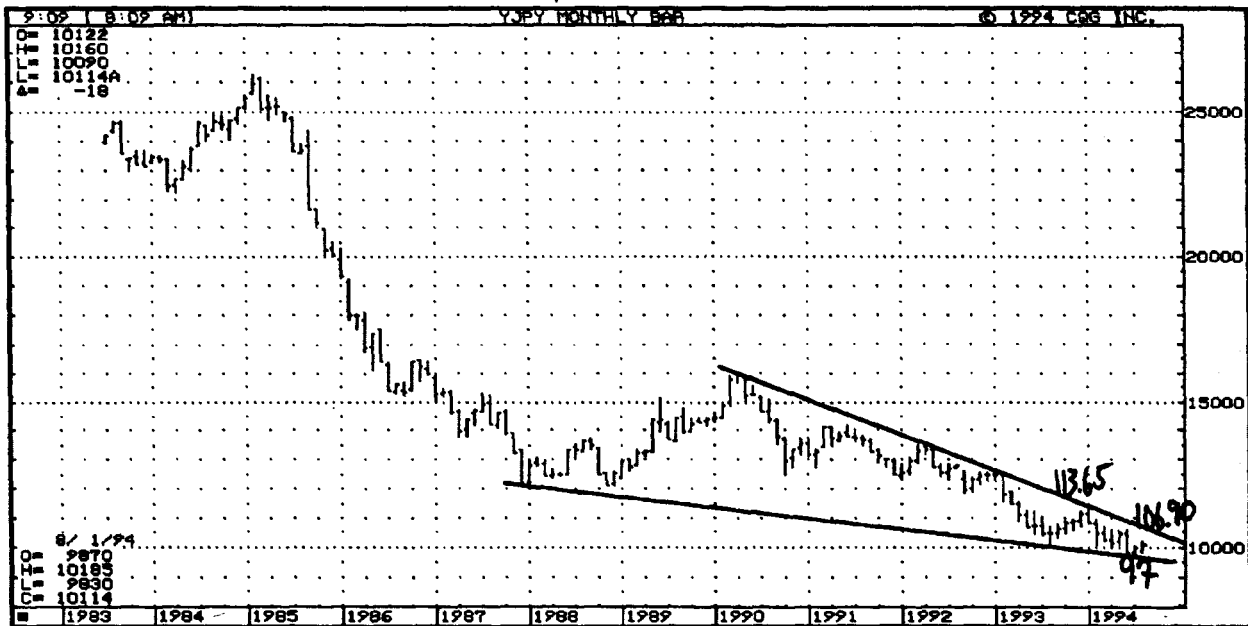
Br: A break above the 1.4545/80 zone is likely over the coming month, it may trigger a rally to 1.5045 initially. Cl.:

Thus the medium term objective remains 1.56/1.58. Br.: That's right. Dips should continue to find good support in the 1.4280/65 band. Cl.: What can you recommend?

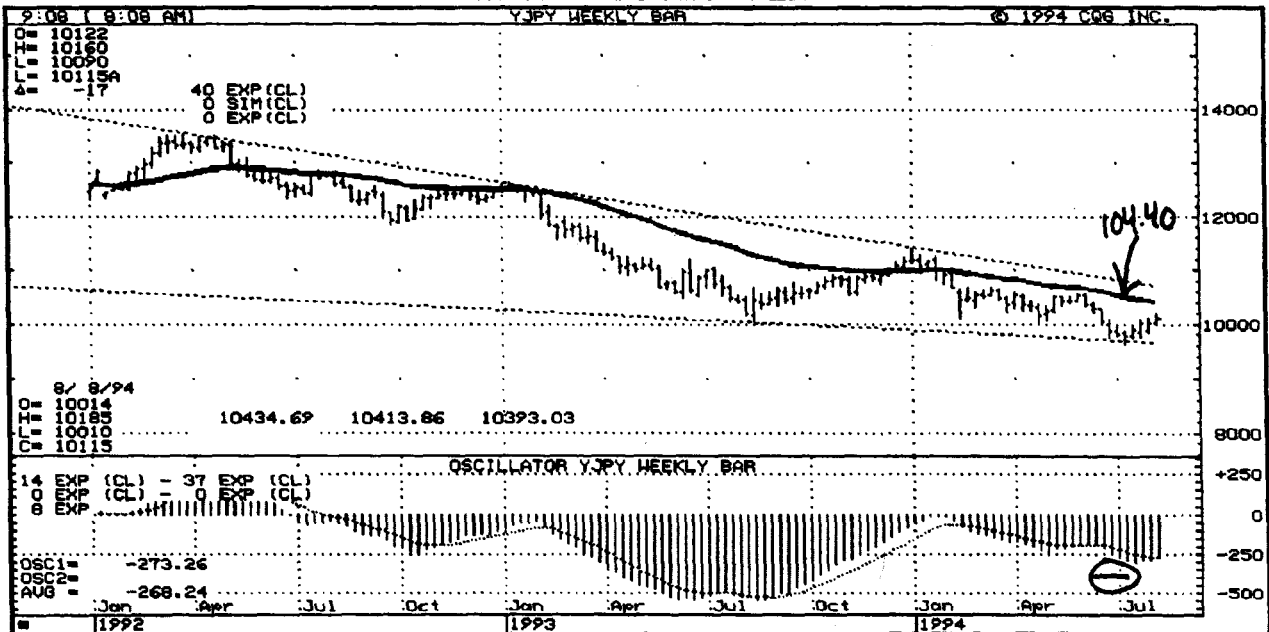
Br: I would advise you to hold longs, adding on dips to 1.4340/00, keeping the stop/reverse below 1.4265/60. CL: Shall I cover longs?

Br.: Cover longs on rallies to 1.4545/80, reinstating on a break. Cl.: Is there any danger of a correction? Br.: Loss of 1.4265 will signal a deeper correction towards the 1.40/1.38 area. My advice is: reinstate longs here, stop/reverse below 1.37.

MONTHLY DOLLAR-YEN



WEEKLY DOLLAR-YEN



UNIT 12

MEDIUM AND SHORT TERM TECHNICAL ANALYSIS

The Dynamic Trading Approach

Vocabulary

Economic Days

While common sense would lead us to use only empirical results, i.e. business day observations, can we assume that volatility is the same day in and day out? Obviously not. On some days markets move more than on other days. We will call these days «Economic Days», where a corporate buyout or natural disaster fundamentally impacts the price of an asset. On most days, market volatility will be low since substantial «Economic Days» do not occur that often. The overall price movement (volatility) that will occur in any market will simply be the summation of all price movements both subdued and extreme. When the analyst is forecasting volatility, he cannot do so blindly. He must adjust his projections based on the number of «Economic Days» that have already occurred over his sample period. After counting the «Economic Days» that have already occurred, he will have a better feel for the remaining number of expected «Economic Days». While we can never be certain of what may occur, applying simple principles of probability can provide insights.

common sense — здравый смысл,

day in day out — изо дня в день,

ai
buyout — выкуп, приобретение
контрольного пакета акций,

i
to impact — влиять,

IT'S ALL ABOUT PROFITS

Relying only on chart support and resistance is not very effective, as these levels can be penetrated easily in strong trending markets and often leave the analyst feeling 'lost' when the price enters uncharted territory. Most intra-day players do not care whether the greenback closes higher or lower in the US, as they only trade between 8:00am and 5:00pm during their own time

zone. Projected targets that are 150—300 points away from the current rate are therefore of no practical interest to them. While the direction of major trend is important, what an intra-day trader needs is an approach that will enable him to profit continuously on normal trading days. In an uptrend, for example, a 50 to 80 point rise may be followed by a 20—30 point pullback and then another rise of 60—80 points. The secret is to develop a method by which one can buy on such pullbacks, get the profit and exit in time. I sincerely believe that the Dynamic Trading Approach does just that by capturing the ups and downs of intra-day as well as day to day moves. It has worked for us in forecasting the market moves with 65—70 per cent accuracy (3 to 5 intra-day and 1 —2 daily forecasts every trading day over the last 8 years).

л to subdue — ослаблять,

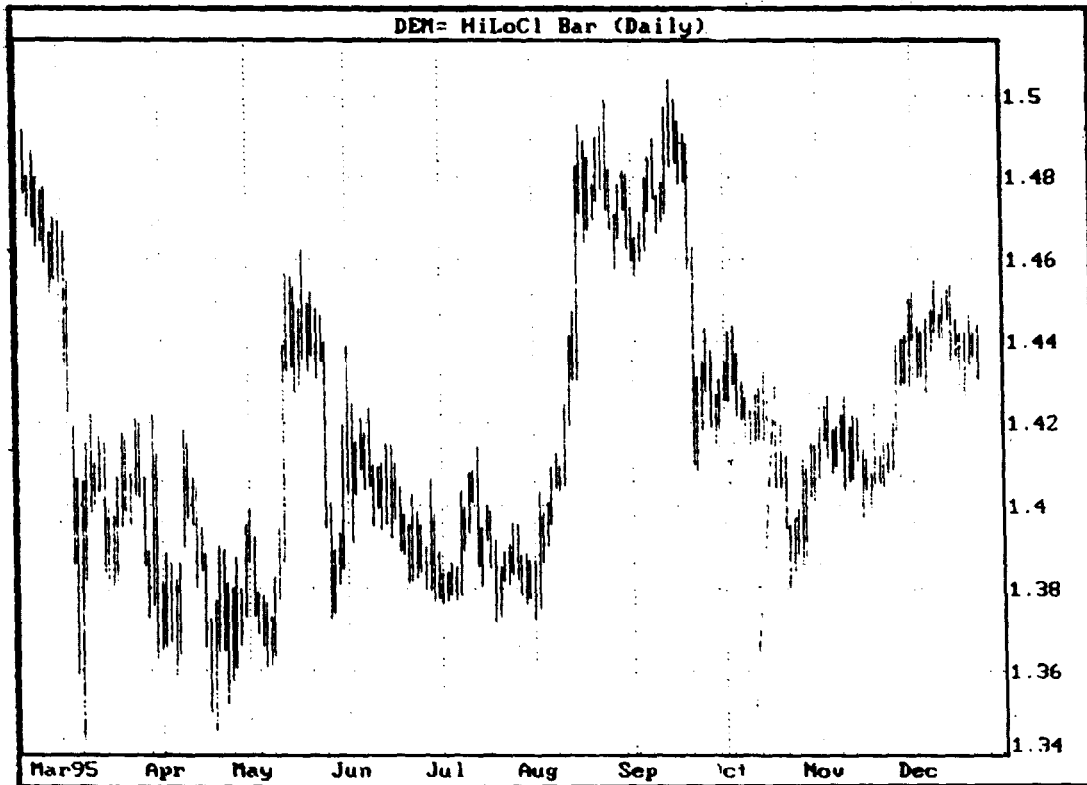
a: sample — образец,

i ' insight — проникновение во что-либо,
интуиция

e projected targets — проецируемые цели

USD/DEM technical commentary Dec. 95

Mar — Dec 95



At the beginning of December 1995 dollar/DM broke above 1.4435. But the resistance at 1.4580 proved to be too strong. The subsequent retracement from this area helped to build uptrend pressure. Another assault on the upside is possible.

In January a break above the 1.4545/80 zone is likely to trigger a rally to 1.5045 with the medium term objective of 1.56/1.58.

Dips will find support in the 1.428/65 band.

Recommendation

Hold longs and add on dips to 1.4340/00. Keep the stop/reverse below 1.4265/60. Cover longs on rallies to 1.4545/1.48.

Loss of 1.4265 will indicate a correction towards the 1.40/1.38

area. Reinstate longs here, stop/reverse below 1.37—for 1.3455.

USD/DEM TECHNICAL COMMENTARY

(31 JAN—01 MAR 96)

31 Jan 96 Dollar/DM keeps entrenched within the recent con

solidation range. Immediate upside pressure is intact. Further consolidation within the range is not out of the question. Near term support for dips is centered on the 1.4850 pivot. A test of the 1.4935/40 peak may be triggered by a break above 1.4915.

01 Feb. 96 Pressure is preserved on the upside. If good support

ei
to retrace — возвращаться

0:
assault — атака, штурм

i: ei
to reinstate —

e
to entrench — закрепиться

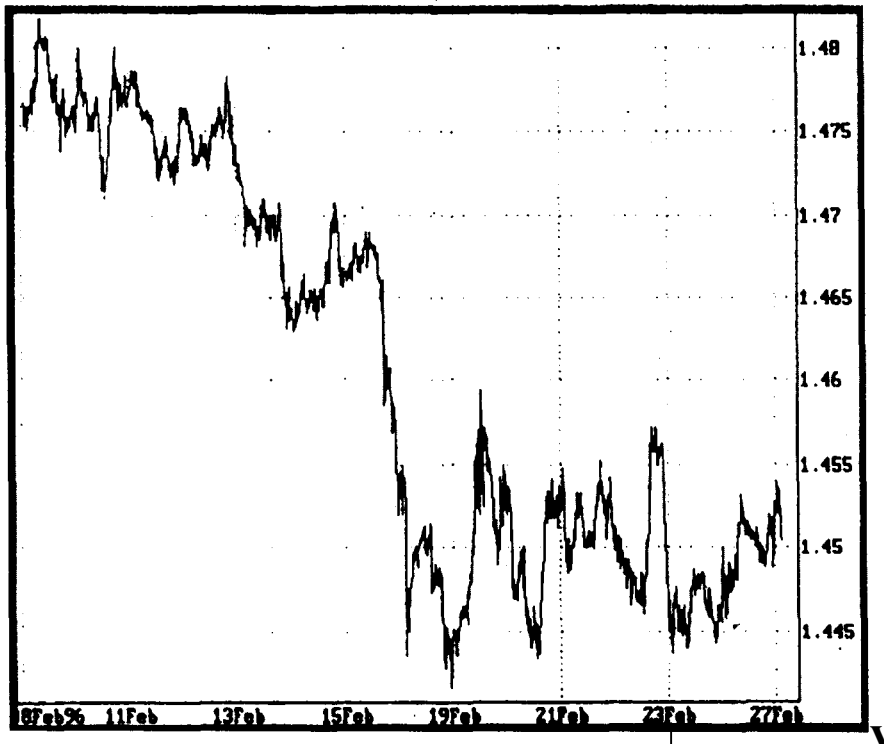
ou
to provoke — вызывать

ei
to sustain — поддерживать

л
vulnerable — уязвимый

US-DOLLAR/ DEM

8—27 Feb 96



in the 1.4785/65 zone is held, immediate upside potential will be intact. A break above 1.4915 will provoke a test of the 1.4935/40 peak and sustain acceleration to 1.4990, the 1.5045.

05 Feb. 96 A test of the 1.4735/15 support band is possible. It is a result of sharp reversal from the 1.4915 area. To ease corrective pressure, a break back above the 1.4835/50 band is needed. The market will be left vulnerable to a deeper correction if the 1.4835/15 band is not held.

06 Feb. 96 A deeper sell off may be prevented if the USD/DEM correction holds over 1.4580/1.4605 area. Immediate downward pressure will be alleviated by a break back above 1.4740/50. A rally through 1.4785 will confirm a resumption of the uptrend towards 1.4850, 1.4915.

07 Feb. 96 USD/DEM sustains the end of the corrective phase and the resumption of the uptrend towards 1.4850, 1.4915. 1.4605 has been held. There is a potential for failure at 1.4785.

08 Feb. 96 USD/DEM broke above the 1.4755/85 band and continues its steady advance. Near term support is now at 1.4745/35. The end of the corrective phase is confirmed with 1.4910/15 initial target.

i:
to alleviate —

i
'interim —

12 Feb. 96 There is a risk of another downside leg towards pivotal support in the 1.4605/1.4580 band. A break below 1.4710 may trigger such a drop. There will be light resistance for rallies at 1.4785. A recovery beyond 1.4825 will indicate a resumption of the uptrend to 1.4955. Now USD/DEM is still entrenched in its consolidation range.

19 Feb. 96 The market is vulnerable to a much deeper retracement towards 1.4280/65. Interim support is centred on the 1.4385/75 band.

22 Feb. 96 USD/DEM remains under short term downward pressure as long as the 1.4610/35 band caps. Some consolidation within a 1.4605-1.4405 range is possible ahead of a retest of the downside.

26 Feb. 96 USD/DEM is pinned within its consolidation range as long as the 1.4605/35 zone caps. Overall pressure is on the downside.

27 Feb. 96 USD/DEM has held well on the downside in the 1.4430/05 area over the last few days and continues to oscillate within its narrowing range with parameters to day of 1.4575 — 1.4430. With a break above 1.4575/85 there is now room for a test of upper resistance levels.

01 Mar. 96 USD/DEM has achieved the initial target area of 1.4745/75 and maintained upward pressure. A break of this zone will lead to some consolidation with 1.4825 the next objective. The pivotal 1.4650/95 band will give good support to dips.

o to oscillate — колебаться

0:
to balk —

US-DOLLAR/ YEN

Mar 95 — May 96

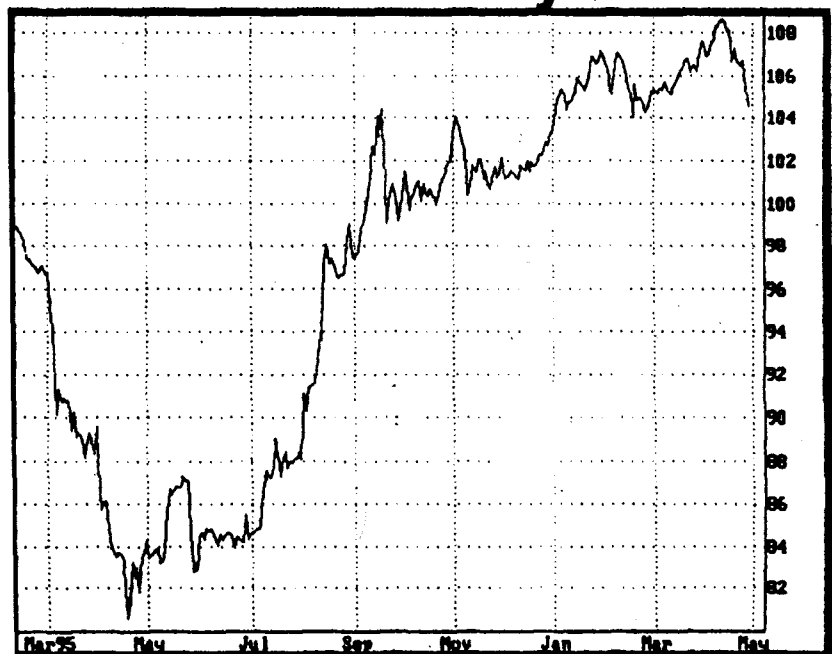
Dollar—yen Jan. 1996)

Medium Term Outlook.

The end of the four-month old consolidation phase indicates the start of the uptrend towards the 120 long term objective. Overall pressure to the top side may trigger a break above the 1995 peak of 104.70 followed by an acceleration to 106.60/65 then to the medium term target area of 111/113.60 Dips will find now support at 103, 101,50.

Recommendation

Hold longs, add on dips to 103/101.50, stop/reverse below 100.50. Add to longs on a break above 104.70, looking for 105.50, then to 106.60/65 area. Cover all longs on rallies to this target.



USD/JPY technical commentary (06—11 Mar. 1996)

06 Mar. 96 USD/JPY is entrenched in a consolidation range above good support at 104.85. A break above 105.30 may trigger an upward move towards 105.85/106. A deeper retracement to 104.65/40 is a possibility with the loss of 104.85.

07 Mar. 96 Break above 105.30 has prompted upward move. A test of the 105.85/106 band is likely, triggering a rally to the significant pivotal area of 106.45/60. An eventual break will confirm a rally to 106.95, then to 107.55.

08 Mar. 96 USD/JPY remained pinned down within a tight consolidation range and failed to sustain upside move as far as the 105.85/106 area. Pivotal support is intact at 104.85. A break above 105.85 may confirm a resumption of the uptrend towards 106.45/60.

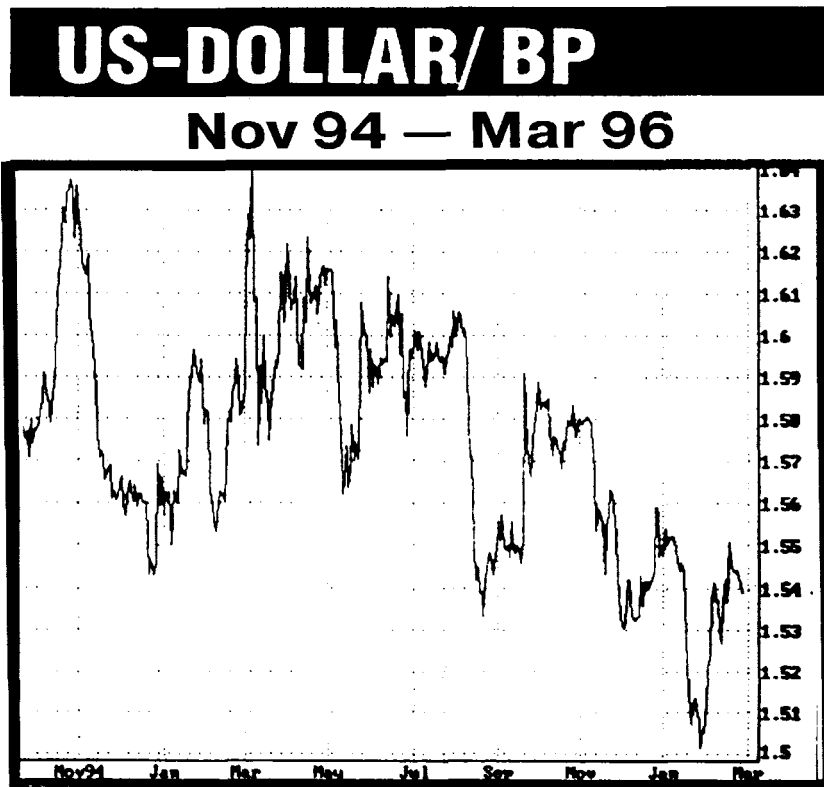
11 Mar. 96 USD/JPY has balked on initial test of the 106.40/80 band. A sharp pullback into the previous range was triggered by dense resistance. Pivotal short term support in the 105.05/104.85 band needs to hold to prevent a sell-off towards 103.65 pressure is building for a resumption of the up-trend towards 111/113 target.

Sterling-Dollar Jan 1996) Medium Term Outlook

Sterling long term uptrend is now complete, confirming the start of a consolidation phase. The market will be under overall pressure as long as the 1.5685/1.5715 area continues to cap. The medium term objective is 1.46/1.45. A downtrend may be triggered by a break back below 1.52.

Recommendation

Hold short, add on any rallies to 1.5610, 1.5685, stop/reverse over 1.5715. Cover shorts on dips to 1.52/1.5180, reinstating on a break, looking for 1.46/1.45 to cover. A break above 1.5685/1.5705 may provoke a resumption of neutral consolidation below 1.5855/80. Reinstate shorts in this zone, stop/reverse above for 1.6240/50.



Exercises

Ex. 1. Put questions to the underlined words.

Ex. 2. Read and translate the articles.

Ex. 3. Learn the noun and verb collocations of the technical commentary. Make your own commentary of the USD/DEM moves of the missing dates of the chart (08—27 FEB 96). **Ex. 4.** Translate from Russian into English in writing and then from English into Russian orally.

ПАДЕНИЕ ДОЛЛАРА (МАРТ 95)

Западные рынки на прошлой неделе перенесли самый большой шок — 8 марта были побиты все рекорды по слевоенного времени — доллар рухнул до уровня 1,3450 по отношению к немецкой марке и до 88,65 по отношению к японской иене. На фоне истерических продаж доллара единственными покупателями выступали центральные банки. Дилеры использовали эти возможности для дальнейших продаж.

Последовавшие за этим заявки на покупку долларов за иены сдвинули немецкую марку, которая перешла в коридор 1,3700-50.

Затем представитель Бундесбанка, заявил, что "им Есть куда опускать ставку немецкой марки". Это подтолкнуло доллар к 1,3850 и дальше к 1,4000. Это движение потянуло за собой и курс японской иены, которая отошла от опасного уровня 90,50.

В ближайшее время можно предложить два сценария развития событий. Первый предполагает, что, если доллару удастся удержаться выше отметки 1,3850, то давление марки будет исчерпано, и доллар может начать расти. Второй сценарий предусматривает резкий откат к уровням 1,4220-50 или даже к 1,4340, которые приведут к росту спекулятивных настроений. Курс может вновь рухнуть к 1,3660. А если рынку помогут какие-нибудь слухи, то и "дальше — к 1,3500 и 1,3250.

Другими словами, взлет доллара неминуем.

Естественно, что и наличные марка с иеной на прошлой неделе сильно подорожали в западных банках. Курсы покупки/продажи за неделю изменились по марке с 1,415/1,525 до 1,350/1,460, по иене с 93,60 до 87,45/93,45.

Vocabulary

Q11 dU.

падение — downfall

э:

побить рекорд — to surpass a record

л

рухнуть — to plummet

е

истерический — hysterical

і:

отходить — to retreat

о:

сценарий — scenario

NOUN

Support, resistance,
(price line, point)

minor S/R

major S/R

light ~

strong ~

key-

good-

pivotal -

initial ~

immediate ~

attempted -

term-

near term -

interim ~

watched price

S/R area

dollar (rate)

(dollar) prices

pressure

selling ~

VERB

to hold over the area

to challenge

to breach support

to break resistance

to trigger correction

to provoke acceleration

to signal consolidation

to balk at resistance

to center on

to remain under pressure

to keep intact (potential)

to confirm a test

to sustain the break

to reverse longs

to remain entrenched

to prevent a sell off

to reinstate shorts

to give room for recovery

to find support

to ease pressure

retained its strength

to sank to the day's low

opened at... down...

was quoted at... down... from...

gained back

closed at...

rose to...

finished... lower at...

steadied against the yen

drifted lower VS...

buying ~	
immediate ~	
downside ~	
upside ~	
eased-	
increased ~	
preserved ~	•
kept-	
uptrend / downtrend	to resume
bearish momentum	to renew
upward momentum	to foige ahead
upward pattern	
upmove	
upleg in the dollar	
upside potential	
upside target	
target (objective)	to target 1.55
next-	to maintain
down side -	to attain
up side ~	
initial ~	
projected ~	
overall ~	
major ~	
strength/weakness	to trigger
recent ~	
corrective ~	
short term ~	
zone/base	to maintain scope
area/scope	to hold area
range/band	to break area
trading	to keep the range intact
consolidation	
support zone	

market	
outlook	
bearish	
technical	
retracement	to represent retracement
rebound	to prompt r.
break	to sustain b.
-lower to	
- above	
~ through	
~ below	
~ beyond	
~ before	
-after	
initial ~	
clear ~	
rally, rise	to rally
recovery	to start
advance	to cause
overnight ~	to break to a new rally high
good ~	to attempt
~ back above	to reassert
-effort	
decline	to trigger declines
pullback	
stability	
correction	•
deep-	
low (point)	to match the peak
all time -	
Mgh (point)	to test
peak	to retest
	to attain
7 month high	

GLO S S A R Y

(TERMS, SET EXPRESSIONS, LINGO)

Валюта

- номинальный (реальный) валютный счет
- средства для обеспечения повседневной деятельности
- иностранная валюта
- мягкая валюта (неконвертируемая)
- твердая валюта (конвертируемая)
- валютно-обменные операции
- процентный пункт — 0,0001
- большая фигура -0,55 (базовое число)
- 1 фигура = 100 пунктов
- прямая котировка
- косвенная (обратная) котировка
- кросс-курс
- котировка
- котировочный бюллетень
- котировочный спред (маржа)
- покупка (курс покупки)
- продажа (курс продажи)
- технический анализ
- ухудшение (улучшение) технической, рыночной конъюнктуры
- инструмент (метод) Т.А.
- График, чарт
- линейный
- гистограмма (отрезков)
- крестиков и ноликов
- японские свечи
- тело свечи
- тень свечи
- профиль рынка
- столбиковая диаграмма
- График тиков
- поминутный
- почасовой
- дневной
- понедельный
- помесечный
- погодовой
- Ценовые тренды
- краткосрочный (1—2 мес)
- среднесрочный
- долгосрочный (более 1 года)
- базисный пункт (тик)
- разворот тренда
- экстрем
- ось абсцисс
- ось ординат

Currency

- nominal (real) exchange rate
- working balance
- foreign currency, foreign exchange
- soft currency
- hard currency
- foreign exchange
- a point (pip)
- big figure
- direct quotation
- indirect quotation
- cross-rate
- quotation (quot)
- quotation list
- quotation spread (margin)
- bid
- offer
- technical analysis
- technical decline (rally)
- technical analysis tool (instrument)
- Chart, graph
- line chart
- bar chart
- point and figure
- candle chart, Japanese candlesticks
- real body
- shadow
- market profile chart
- forest chart
- Tick by tick
- one minute
- hourly
- daily
- weekly
- monthly
- yearly
- Price trends
- short term trend
- medium term trend
- long term trend
- tick
- trend reversal
- extreme
- (the axis of) abscissa (x-axis).
- (the axis of) ordinates (y— axis)

— Цена открытия	Open price
— цена закрытия	close p.
— цена высшая	high p.
— цена низшая	low p.
— шкала цены	scale price
арифметическая	arithmetic scale p.
логарифмическая (процентная)	logarithmic scale p.
Принципы технического анализа	Assumptions of Technical Analysis
— объем торговли	trade volume
— открытый интерес	open interest
— движение рынка учитывает все	Market moves (movements) discount everyt
—Тренд	Trend
— бычий, увеличение цены	bullish, uptrend
— медвежий, спад цены	bearish, downtrend
— боковой, незначительные колебания цены	sideways, trading range
— трендовый рынок	trending market
— бестрендовый рынок	trendless market
— история повторяется	history repeats itself
— настроение	sentiment
— теория "случайных" сообщений	Random Walk Theory
— геометрия частей	Fractal Geometry
— самоисполняющееся пророчество	self-fulfilled prophecy
— классическая фигура Т.А.	traditional pattern
Фигуры технического анализа	Technical Analysis patterns
разворотные фигуры (смена тренда)	reversal patterns
— голова и плечи	head and shoulders
— обратная фигура голова и плечи	inverse head and shoulders
— двойной верх / дно	double tops/bottoms
— тройной верх/дно	triple tops/bottoms
— фигура V верх / дно	«V» top/bottoms
— блюдце, соусник дно/верх	
(круглая вершина/днище)	rounded top/bottom
— кастрюля	pot
— тарелка	plate
— соусник (блюдце)	saucer
Фигура продолжения	Continuation patterns (sideways pattern):
— треугольники	triangles
— вымпелы	pennants
— флаги	Hags
— клинья	wedges
— прямоугольники	rectangles
— ограничивающие линии	boundary lines
— толчок (удар) цены	thrust
— сигнал покупки	buy
— сигнал продажи	sell
Осциллятор относительного изменения	Momentum Oscillator
цены (момент)	
— направление движения	price direction
— кривая цены	price curve
— скользящая средняя	moving average
— краткосрочная скользящая средняя	short term moving average
— долгосрочная скользящая средняя	long term moving average
— порядок, отрезок времени (осциллятора)	oscillator time period

— сигнал к торговле	trading signal
— ложный сигнал	false signal
— нижняя точка цены, перепроданный рынок	trough
— высшая точка цены, перекупленный рынок	peak
— индекс относительной силы (цены)	relative strength index (R.S.I.)
— перекупленный рынок	overbought level (market)
— перепроданный рынок	oversold level (market)
— уровень с ранее установленной ценой	predetermined (pre-set) valuation level
— расхождение в направлении цены (от кривой осцилятора)	divergence in price direction
— спрэд	spread (difference)
Стохастические линии	Stochastic oscillator
— медленная стохастическая линия	slow st.
— быстрая стохастическая линия	fast st.
— правостороннее пересечение	right hand crossover
— полоса(конверт, канал)	band
— полосы Болинджера	Bollinger Bands
— процентный конверт	percentage band
— стандартное расхождение	standard deviation
— пересечь вверх (вниз)	to break above (below)
верхней (нижней) границы коридора	top (bottom) band
— сигнал остановки торговли	trading stop
— сила тренда	strength of the trend
— значение закрывшихся выше (ниже) предыдущих цен	up average (down average)
— более (менее) чувствительная кривая	more (less) volatility more (less) sensitive RSI
— Неудавшийся размах	Failure swing (RSI)
— вершина	top (RSI)
—дно	bottom (RSI)
— быстрые стохастические линии	fast stochastic
— медленные стохастические линии	slow s.
— конвергенция/дивергенция	Moving Average Convenience Divergence (MACD)
— накопление объема	Volume Accumulation
— балансовый объем	On Balance Volume
Циклы рынка	Market stages
— Волновая теория Эллиота	Elliott's wave theory
— числа Фибоначи	Fibonacci numbers
— коэффициент Фибоначи	Fibonacci ratio
— золотой коэффициент	golden ratio
— скоростные линии	speed lines
— средняя цена закрытий	the average of closes
— простая скользящая средняя	common moving average
— экспоненциальная скользящая средняя	exponential moving average
— взвешенная скользящая средняя	weighted moving average
— тройки	threes
— двойные тройки	double threes
— типы коррекции	correction types
—Зигзаги:	Zigzags:
— плоские з.	flats
— искривленно — плоские з.	irregular flats
— правило перекрытия	the rule of overlap
— правило чередования	the rule alteration
— зона цели	target zone

— выход из торговли прибыльной (стоп -прибыль)	stop profit
— выход из торговли неприбыльной (стоп — лос)	stop loss
— кластер	cluster
— ключ к разгадке	clue
Торговая позиция	Trading position
— развернуть позицию	to unwind position
— усреднить позицию	to average position
— открыть (закрыть) длинную (короткую) позицию	to open (close) longs (shorts)
— сократить потери	to cut loss, to stop loss
— покупать, когда цена колеблется (ныряет)	to buy dips, to stop/reverse below...
— закрыть длинные позиции при подъеме	to cover longs on rallies
— при прорыве операции возобновить	to reinstate on a break
— ожидать подъема	to look for a rally
— удерживать короткие позиции	to hold shorts
— прикупить «лонг» на подъемах	to add to longs on rallies

DEALER'S ЖАРГОН ДИЛЕРА (ВАЛЮТНО-ОБМЕННЫЕ ОПЕРАЦИИ)
(WHEN DEALING FOREIGN EXCHANGE)

Cable	Sterling/ dollar spot	фунт — стерлингов/доллар спот
Paris	French franc	франк (Франция)
Swissy	Swiss franc	франк (Швейцария)
Kiwi	New Zealand dollar	доллар (Новая Зеландия)
Aussie	Australian dollar	доллар (Австралия)
Stocky	Swedish crown	крона (Швеция)
Copey	Danish crown	крона(Дания)
Other technical terms used when dealing are:		
Yard	one billion (used for yen and lira)	миллиард (для иены и лиры)
Yours	to sell may be expressed in this way, qualified by an amount	продаю
Mine	to buy may be expressed in this way, qualified by an amount	покупаю
Given	mainly heard through a broker's box when the latter's bid has been hit	продан (взят)
Taken	mainly heard through a broker's box when the latter's offer has been lifted	снят
Figure	in a quotation of 1.6890/00 the dealer may quote «ninety the figure». Similarly, in a quotation of 1.6900/10 the dealer may quote «figure ten».	девятисто фигура
Choice	indicating a choice price, where the dealer quotes one price for both bid and ask, i.e. quoting with zero spread. Also called either way.	фигура десять нулевой спред
Your Risk	the quoted price is subject to change. Also called at your risk	цена может изменяться
Done	to verbally confirm the deal	сделка совершена
Off	the price quoted has changed	цена изменилась

APPENDIX

REFERENCE GRAMMAR

А. Порядок слов

Б. НЕЛИЧНЫЕ формы ГЛАГОЛА

В. СОСЛАГАТЕЛЬНОЕ НАКЛОНЕНИЕ

Г. СЛОВСОЧЕТАНИЯ

Д. АНАЛИЗ СЛОВ -
ЗАИМСТВОВАНИЙ

А. ПОРЯДОК СЛОВ В АНГЛИЙСКОМ ЯЗЫКЕ

В отличие от русского порядок слов в английском предложении фиксирован: на первом месте — подлежащее, на втором — сказуемое, на третьем — дополнение. Такой порядок слов называется **прямым**: *Hunters kill tigers**

В вопросах — порядок слов **обратный**, т.е. перед подлежащим ставится вспомогательный глагол (общий вопрос):

Do hunters kill tigers?

или вопросительное слово и вспомогательный глагол (специальный вопрос) к группе сказуемого *Where do hunters kill tigers?* В специальных вопросах к группе подлежащего сохраняется прямой порядок слов:

Who kills tigers?

Порядок слов в предложении

ПОРЯДОК СЛОВ		ОБРАТНЫЙ		ПРЯМОЙ				ОТВЕТ	
Член предложения Тип предложения	Вопросительное слово	Вспомогательный глагол (модальный)	Подлежащее	Сказуемое		Дополнение	Обстоятельство		
				Вспомогат. глагол (связка)	Смысловой глагол (предикатив)				
Повествовательное предложение			Hunters That man	(will/can) is	kill a hunter	tigers	in India		
Вопросительное предложение	Общий вопрос		Do (can) Is Has	hunters that man that man		kill smoking killed	tigers? a cigar? a tiger?		Yes, they do Yes, he is Yes, he has
		Специальный вопрос	Where When What Why	do do do do	hunters hunters hunters hunters		kill kill kill ? kill	tigers? tigers? tigers?	
			Who		kill(s)	tigers?			

* Если дополнение окажется на первом месте, то смысл английского предложения меняется: *Tigers kill hunters* Тигры убивают охотников. Но по-русски можно сказать: Тигров убивают охотники. Охотники убивают тигров.

Б. НЕЛИЧНЫЕ ФОРМЫ ГЛАГОЛА (VERBALS)

В отличие от личных форм неличные формы глагола выражают действие без указания лица, числа и наклонения и не могут выступать в предложении в роли сказуемого (но могут быть его частью).

1 THE INFINITIVE

1.1. Forms of infinitive

	Active	Passive	Выражает действие
INDEFINITE	to ask to write	to be asked to be written	1. Одновременное со сказуемым 2. Будущее 3. Безотносительно ко времени
CONTINUOUS	to be asking to be writing		Одновременное со сказуемым, длительное
PERFECT	to have asked to have written	to have been asked to have been written	Предшествующее сказуемому
PERFECT CONTINUOUS	to have been asking to have been writing		Предшествующее сказуемому, длительное

1.2. Functions of infinitive

	Active	Passive
Subject (подлежащее)	To solve the problem is very important. Решить эту проблему очень важно.	
Compound Predicate (Составное сказуемое)	His aim is to solve this problem. Его цель состоит в том, чтобы решить эту проблему.	
Complex Predicate (Сложное сказуемое)	He is to solve this problem. Он должен решить эту проблему.	The problem is to be solved. Проблема должна быть решена.
Direct Object (прямое дополнение)	He likes to solve difficult problems. Он любит решать трудные проблемы.	He doesn't like to be ejected. Он не любит, когда ему возражают.
Adverbial Modifier of Purpose (Обстоятельство цели)	They must make a number of experiments to solve this problem.	To be solved by them, the problem must not be too difficult.

	Они должны проделать ряд экспериментов (для того), чтобы решить эту проблему.	Для того, чтобы они смогли решить эту проблему, она не должна быть слишком сложной.
Attribute (Определение)	The scientists to solve this problem work in Russia. Ученые, которые должны решить эту проблему, работают в России. He was the first to solve the problem. Он первый решил проблему	The problem to be solved is very interesting. Проблема, которую надо решить, очень интересна. It was the first problem to be solved. Это была первая проблема, которую надо было решить.
Infinitive with "for"	New conditions are needed for him to solve the problem. Для того чтобы он решил (смог решить) эту проблему, нужны новые условия	For the problem to be solved by them, it must not be too difficult. Проблема не должна быть слишком трудной для того, чтобы они смогли решить ее.

Complex subject — Сложное подлежащее Passive

The man IS	known said supposed considered assumed believed, etc.	to work to have worked
Известно, что этот человек работает (работал)		
Active		
The man seems appears proves turns out The man IS	to work likely unlikely sure certain	 to have worked
Кажется, что этот человек работает (работал)		
Complex object — Сложное дополнение		
We (The students)	see hear watch feel make (заставлять)	Nick work.
Мы видим, что Коля работает		
We (The students)	know think suppose consider believe, etc.	Nick to work.
Мы знаем, что Коля работает		

1.3. Перевод словосочетаний с инфинитивом, выполняющих различные функции в предложении

1. Инфинитив — подлежащее

Переводится инфинитивом или существительным. То Передача коносамента без согласия
release the bill of lading without the agreement of the банка или агента невозможна.
bank or the agent is impossible.

2. Инфинитив-вводный член в начале предложения отделяется запятой.

To sum up... To summarize... To begin with... To Суммируя (подводя итоги), Следует
anticipate... To be sure... To begin with, let's discuss сказать, что... Прежде всего, начнем с
the most important clauses. того, что Забегая вперед, следует
сказать, что Несомненно Прежде всего,
давайте обсудим наиболее важные
статьи.

3. Инфинитив-обстоятельство цели. Переводится инфинитивом с союзом "чтобы" или существительным с предлогом "для".

To be ready for the talks, we must study the contract Для того, чтобы быть готовыми к переговорам,
very carefully. We must consult the lawyer in order (so мы должны хорошо изучить контракт. Мы должны
as) to know all the advantages of our future business. проконсультироваться с юристом, чтобы узнать
все положительные стороны нашего будущего
дела.

4. Инфинитив-обстоятельство следствия употребляется после слов:

Too enough, sufficiently The draft of the bill is too слишком достаточно Проект закона слишком
complex to be studied at once. сложен, чтобы быстро изучить его. Проект не
The draft is not complete enough to be accepted. достаточно полный, чтобы его принять.

5. Инфинитив-определение

После определяемого существительного инфинитив переводится:

а) Определительным придаточным предложением со сказуемым в будущем времени или с модальными глаголами — "должен", "может" "надо".

The first question to be considered is whether the Первый вопрос, который следует рассмотреть,
offer of the sellers should be accepted. нужно ли принять предложение продавцов.

б) После слов: the first, the last, the only (единственный), the next инфинитив переводится глаголом в личной форме и в том же времени, что и сказуемое (без модальности).

Elliott was the first to discover the cyclical movements Эллиот первым открыл движение цен по
of prices. циклам.

6. Инфинитив как часть сказуемого (после глагола "to be")

This firm was the first to make an offer. Эта фирма сделала предложение первой.

7. Инфинитив — дополнение

а) I expect to be invited. б) He forgot to Я полагаю, что меня пригласят. Он забыл
register the results. записать результаты.

8. Инфинитив — сложное дополнение, т.е. сочетание дополнения с инфинитивом. а) После глаголов, выражающих желание, требования: to want, to wish, to desire, to require

I should like I — я бы хотел
would like

They wanted us to discuss some new clauses of the draft. Они хотели, чтобы мы обсудили несколько новых статей проекта.

б) После глаголов, выражающих умственную деятельность

<i>to know</i>	— <i>знать</i>
<i>to believe</i>	— <i>полагать</i>
<i>to expect</i>	— <i>ожидать, полагать</i>
<i>to consider</i>	— <i>считать</i>
<i>to assume</i>	— <i>предполагать, полагать, считать</i>
<i>to think</i>	— <i>думать, полагать</i>
<i>to suppose</i>	— <i>полагать, предполагать</i>
<i>to prove</i>	— <i>доказывать</i>
<i>to find</i>	— <i>находить, считать</i>
<i>to show</i>	— <i>показывать</i>
<i>to choose</i>	— <i>выбирать</i>
<i>to take</i>	— <i>считать</i>
<i>to hold</i>	— <i>считать</i>
<i>He tries to prove this clause to be important.</i> Он пытается доказать, что эта статья очень	

в) После глаголов, выражающих восприятие посредством органов чувств.

<i>to hear</i>	— <i>слышать</i>
<i>to see</i>	— <i>видеть</i>
<i>to feel</i>	— <i>чувствовать</i>
<i>to watch</i>	— <i>наблюдать и др.</i>

Частица *to* перед инфинитивом не употребляется:

We watched the clerk count the money. Мы наблюдали, как служащий считал деньги.

- г) После глаголов: *to cause to allow \ to permit /* — вызывать, заставлять — позволять, допускать
to enable These arguments enabled us to — позволять, давать возможность Эти доводы
 exclude the last clause from the draft. помогли нам исключить последнюю статью из
 проекта.

9. Инфинитив — сложное подлежащее, т.е. сочетание подлежащего с инфинитивом, между которыми стоит сказуемое в следующих трех видах:

а) В страдательном залоге:

The devaluation of the rouble is known to have led to a rise of the prices of all goods.

Известно, что девальвация рубля привела к росту цен на все товары.

б) В действительном залоге:

to seem

— *казаться, по-видимому*

to appear

— *по-видимому, казаться, оказываться (в редких случаях)*

*would seem *

would appear /

— *по-видимому*

*to prove *

— *оказываться*

Y

to turn out ;

— *случайно (оказаться)*

to chance t

to happen /

The delegation seems to leave for London.

По-видимому, делегация едет в Лондон.

в) В виде словосочетаний:

*to be certain *

— *несомненно, безусловно*

*to be sure *

— *вероятно*

to be likely /

— *вероятно не, маловероятно*

to be unlikely

This information is certain to be of interest for you.

Эта информация, несомненно, интересна для вас.

Примечание: Инфинитив с предшествующими словами "likely", "sure", "certain" и причастиями *being* "supposed", "reported", "known", *appearing* и др. переводится определительными придаточными предложениями.

The matter will be discussed at the negotiations likely to take place at the end of the month. Этот вопрос будет обсуждаться на переговорах, которые, вероятно, состоятся в конце месяца.

10. "For" Complex — инфинитивный комплекс с предлогом "for":

for + существительное, местоимение в объектном падеже + инфинитив Этот оборот переводится следующими способами, в зависимости от его функции в предложении.

Some changes of the system are important for the good results to be obtained at the talks.

Необходимы некоторые изменения в системе для получения хороших результатов на переговорах.

For us to change the terms of the payment now is very difficult.

Нам очень трудно изменить условия оплаты сейчас.

2. THE PARTICIPLE — ПРИЧАСТИЕ

2.1. Forms of participle

	ACTIVE	PASSIVE
Present Perfect Past	using having used	being used having been used used

2.2. Functions of participle

i	2	as an attribute как определение	as an adverbial modifier как обстоятельство
Present Participle.	Active	The device using the energy... использующий, использовавший	Using the energy the device... используя...
	Passive	The device being used is... используемый, который используется, использовавшийся	Being used the device... будучи использован, когда прибор используют, когда прибор использовали

Perfect Participle.	Active	—	Having used the device... использовав... когда прибор использовали...
	Passive		Having been used the device... Когда (после того, как) прибор использовали
Past Participle.		The device thus used is... используемый, использованный	When used the device... Когда прибор используют, использовали, будут использовать...

2.3. Перевод словосочетаний с причастием, выполняющих различные функции в предложении

2.3.1. В функциях определения и обстоятельства причастия переводятся: причастиями, деепричастиями, придаточными предложениями и существительными с предлогом "при".

a) ОПРЕДЕЛЕНИЕ The captain watching the discharge — Капитан, наблюдающий за разгрузкой, is an experienced one. 2. The captain watching the discharge was an experienced one. — Капитан, наблюдавший за разгрузкой, был опытным.

3. The ship being discharged is very big.	— Разгружаемое СУДНО — большое. — Разгружавшееся СУДНО было большое.
The ship being discharged was very big.	
The banker executing the contract is an experienced one.	— Банкир, выполняющий контракт, опытный.
The banker executing the contract was an experienced one.	— Банкир, выполнявший контракт. был опытным.
The contract being renewed is advantageous to both parties.	— Возобновляемый контракт выгоден для обеих сторон.
The contract being renewed was advantageous to both parties.	— Возобновлявшийся контракт был выгоден для обеих сторон.
The contract renewed by the parties is rather advantageous.	— Контракт, возобновляемый сторонами, довольно выгоден.
The contract renewed by the parties was rather advantageous.	— Контракт, возобновленный сторонами. был довольно выгоден.
The fulfilment of the contract affected by different circumstances is very complex.	— Выполнить контракт, на который влияют различные факторы, довольно сложно.
Suppose we consider the clause referred to by the buyer.	— Предположим, мы рассматриваем статью. на которую ссылается покупатель.
Let's consider the terms spoken about at the last talks.	— Давайте рассмотрим условия, которые обсуждались на последних переговорах. — Термин "транспортная накладная", используемый в торговле. — финансовый термин.
The term "bill of lading" as used in trade is a financial term.	

6) ОБСТОЯТЕЛЬСТВО

Signing the agreement we were sure to obtain good results.	— Подписывая соглашение, мы были уверены в получении хороших результатов.
Having signed the agreement they started to fulfil it.	— Подписав соглашение. они начали его выполнять.
Having been signed the agreement was put into effect.	— После подписания договор начали осуществлять.
Signed in such a way the agreement can't be put into effect.	— Если соглашение подписано подобным образом, то его нельзя выполнить.
Given the information required, the sellers send the buyers their offers.	— Если дана требуемая информация, то продавцы посылают свои предложения.

2.3.2. Эллиптические причастные обороты (Союз + причастие)

Unless cancelled, the contract remains binding to both parties.	— Если контракт не расторгнут, он является обязательным для выполнения обеими сторонами.
If signed the contract is put into effect immediately.	— Если контракт подписан, он вступает в силу немедленно.
The bank is open five days a week unless specifically stated.	— Банк открыт пять дней в неделю, если не оговорено иначе.
When asking the seller to send him a quotation the buyer gives a detailed description of the goods required.	— Прося продавца прислать расценки, покупатель дает подробное описание требуемых товаров.

2.3.3. Независимый (обособленный) причастный оборот

Он содержит отдельное подлежащее и причастие. Обычно отделяется запятой, иногда вводится предложениями "with" или "without" в начале или середине предложения. Обычно переводится придаточным предложением с союзами "когда", "если", "теперь, когда".

The preparations being completed, the talks began. — Когда все приготовления были закончены.

переговоры начались. В конце предложения независимый причастный оборот переводится обычно самостоятельным предложением с союзами "причем", "а", "и", "так как". There being no agreement accepted, — Так как не было принятого соглашения, we couldn't realize our plans, мы не могли осуществить свои планы. Retail prices are becoming more inflated than ever, — Розничные цены растут больше, чем когда-либо, the increase in the means of payment having — причем рост средств оплаты превысил exceeded the increase in the supply of goods, — рост количества товаров. The contract quantity was 5.000 tons, — Количество, оговоренное в контракте, the seller having an option to deliver — составило 5 тонн, причем продавец мог 2 percent more or less. — загрузить на 2 процента больше или меньше.

2.3.Сложное дополнение (дополнение и причастие).

We saw them signing the contract — Мы видели, как они подписывали контракт.
We saw the contract being signed. — Мы видели, как подписывали договор.
They had their papers signed. — Им подписали документы.

THE GERUND — ГЕРУНДИИ

1. FORMS OF GERUND

ACTIVE PASSIVE

INDEFINITE PERFECT

using being used having used having been used

2. FUNCTIONS OF GERUND

ПОДЛЕЖАЩЕЕ

Solving financial problems is a difficult job. Решение (решать)... His having solved the problem surprised me. То, что он решил...

СКАЗУЕМОЕ

Our aim is solving the problem. ... решить (решение)...

ПРЕДЛОЖНОЕ
ДОПОЛНЕНИЕ

I know of the problem having been solved... ... что задача решена (была решена)...

ПРЯМОЕ ДОПОЛНЕНИЕ

He likes solving difficult financial problems. ... решать (решение)

ОПРЕДЕЛЕНИЕ

The way of solving the problem is not clear. ...решения (решить)...

ОБСТОЯТЕЛЬСТВО

IN In solving the problem he made some mistakes. Решая (при решении)...

ON On solving the payment problem he proceeded to drawing the contract.
Решив (после решения)...

BY By solving the payment problem he got good returns Решая (решив)...

WITHOUT You can't do without solving the problem. Не решив (без решения)...

THROUGH Through solving the problem he was able to estimate the returns
Благодаря решению (из-за)...

3. Перевод словосочетаний с герундием, выполняющих различные функции в предложении

Герундий переводится на русский язык существительным, инфинитивом, деепричастием или придаточным предложением.

I. Подлежащее

Adopting several resolutions required — Принятие нескольких решений
many hours of discussion, потребовало многочасовой дискуссии.

II. Дополнение

а) ПРЯМОЕ ДОПОЛНЕНИЕ

He doesn't like asking questions. — Он не любит задавать вопросы.

He doesn't like being asked questions. — Он не любит, когда ему задают вопросы.

в) ПРЕДЛОЖНОЕ ДОПОЛНЕНИЕ (после глаголов с предлогами: *to succeed in, to aim at, to object to, to prevent from, to insist on, to result in (from)* и др.)

He succeeded in obtaining good returns from — Он сумел получить хорошую прибыль
new finance derivatives, от финансовых деривативов.

You must aim at paving debts in time. — Вы должны стремиться выплачивать долги вовремя.

He insisted on checking the financial documents — Он настаивал на проверке финансовых документов.

III. Определение

а) Левое определение:

We shall consider the debt clearing process. — Мы рассмотрим процесс выплаты долгов.

б) Определение после предлогов "of" и "or".

The way of solving this problem is very simple. — Способ решения этой проблемы прост.

IV. Часть сказуемого

Our aim is discussing all terms and conditions. — Наша цель обсудить все сроки и условия.

V. Обстоятельство

Обстоятельство цели

The SWIFT system is used for effecting international — Система Свифт используется для
banking transactions, осуществления международных банковских

сделок. Обстоятельство времени

In considering the terms of the contract they — При рассмотрении условий контракта
changed the conditions of payment, они изменили условия платежа.

Обстоятельство образа действия

Debt risks can be reduced by increasing — Кредитные риски могут быть уменьшены
margin of guarantee, путем увеличения маржи гарантии.

Обстоятельство причины после предлогов:

because of \ on account of \ due to \ owing — из-за, вследствие, благодаря

to \ through \ They got high returns due to good — Они получили высокую прибыль
advertising. благодаря хорошей рекламе.

Сопутствующие обстоятельства после предлогов:

instead of

in spite of

besides

apart from

aside from

except

in addition to

— вместо того, чтобы;

несмотря на то, что;

кроме;

Instead of paying high dividends the manager — Вместо того, чтобы выплатить высокие -
invested all the returns into business. дивиденды управляющий вложил весь доход в дело.

COMPLEX GERUND

Герундиальный комплекс

Функции в предложении:

I. Подлежащее

It isn't worth while using the old — Использовать старую программу для
computer programme. компьютера не имеет смысла.

II. Часть сказуемого

The trouble is his not having taken enough precautions. — Беда в том, что он не принял мер
предосторожности.

III. Дополнение

I know of his using this computer programme. — Я знаю, что он использует эту программу
для компьютера.

IV. Определение

The example of there being such suitable conditions — Поимер того, что существуют также
for getting high profits was mentioned in the paper. благоприятные условия для получения
больших доходов, упоминался в газете.

The possibility of good profits being — Возможность получения хорошей прибыли —
obtained is evident. очевидна.

V. обстоятельство

The agreement wasn't reached due to insufficient — Соглашение не было достигнуто из-за того,
information being obtained. что не было получено достаточно информации.

Некоторые слова и выражения, употребляющиеся с герундием:

I can't help agreeing with you. It is worth — Я не могу не согласиться с вами. — Стоит
(while) checking the results. проверить результаты.

It is no use t It is no good / repeating the — Не стоит (бесполезно) повторять испытания.
tests.

В. СОСЛАГАТЕЛЬНОЕ НАКЛОНЕНИЕ

Conditional sentences

SENTENCE PATTERN 1

Basic pattern:

The talks	could	start	next week
The treaty	might	be signed	today

New pattern:

Маловероятное условие, отнесенное к настоящему или будущему

1. The talks	could	start	next week	IF	everything	WERE ARRANGED.
	могли бы	начаться		если бы		было подготовлено
2. The treaty	might	be signed	to-day	IF	the sides	AGREED
	мог бы	быть подписан		если бы		договорились

SENTENCE PATTERN 2

Basic pattern:

1. The talks	would	have	started	yesterday
2. All issues	might	have	been settled	during recent talks

New pattern:

Нереальное, нереализованное условие, отнесенное к прошлому

1. All	issues	might	have	been settled	IF	the sides	HAD BEEN	more flexible.
	могли бы		быть разрешены		если бы		были уступчивы	
2. The	talks	would	have	started	IF	the agenda	HAD BEEN	WORKED OUT
			начались бы		если бы		была выработана	

Г. СЕМАНТИЧЕСКИЕ СВЯЗИ В СЛОВСОЧЕТАНИЯХ И СЛОЖНЫХ СЛОВАХ

1. Структурные типы слов

В зависимости от количества корней, наличия словообразовательных аффиксов простые слова делятся на:

1.1. Слова

простые корневые простые производные сложные производные (*black, head, to drink*)
(*hope-less, to under-go*) (*basket-ball-er, broad-should-ered*)

Сложные слова состоят из двух или более основ. Они распадаются на:

1.2. Сложные слова

сложные корневые сложно-производные сложные полноосновные (*air-tight, home-sick*)
(*gray-haired, holiday-make-er*) (*water-proof, to flight-test*)

Сложные слова следует отличать от словосочетаний, которые также являются сложными образованиями. Компонентами словосочетаний являются слова (*to remain calm, do it oneself*), а компонентами сложных слов — основы, морфемы (*a stay-slim diet, on the do-it yourself principle*).

1.3. Нейтральные образования

Для английского языка характерна омонимия основы и слова: *foreign, gray, black*, — внешне не отличаются от основ, e.g. *foreign-made, gray-haired, to black-list*. Следовательно сложные слова в английском языке могут внешне не отличаться от словосочетаний. Для дифференциации этих видов сложных образований требуется часто лингвистический анализ. Такие нейтральные образования могут состоять:

- А) из двух субстантивных компонентов (*joy-killer*) или
- Б) включать слово с компонентом на *-ing* (*sleeping dogs*).

1.3.1. Препозитивные определения, определяющие существительное

А) Если первый компонент такого сочетания имеет морфологическое оформление, то есть зависимые слова (*a second year student, a long distance runner*) или множественное число (*Civil Rights Movement*), или определяется наречием (*a strictly family affair*), то семантические связи компонентов прослеживаются легко. Трудности возникают при переводе многокомпонентных препозитивных определений (*preference equity redemption cumulative stock*), в которых семантические связи не всегда ясны и требуется анализ значений и синтаксических связей.

Препозитивные определения распадаются на:

- I. подчинительные словосочетания (*sea water <-> fish*)*,
- II. однородные определения (*a steep I marble <-> staircase*),
- III. сложные слова (*crystal clear ice*).

I. Подчинительные словосочетания

Между компонентами подчинительного словосочетания существует семантико-синтаксическая зависимость. Компоненты словосочетания образуют одно семантическое целое и определяют следующие за ним существительные (*a true life <-> picture, a good will <-> gesture*)

Само существительное может выступать препозитивным определением (*a good will <-> tour report*). В этом случае можно говорить о двойном подчинении.

II. Однородные определения

Однородные определения не зависят друг от друга, каждое из них отдельно подчинено непосредственно определяемому существительному, e.g.

a retired I company manager, _____ an old I family friend.

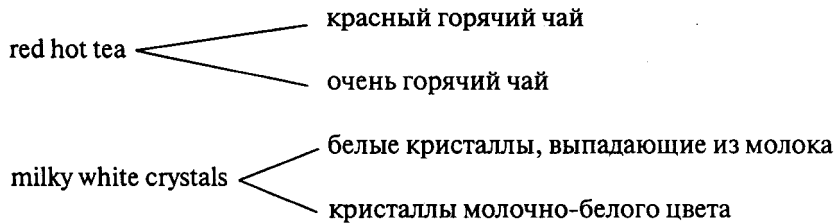
* Горизонтальные стрелки обозначают определение и определяемое, а вертикальная черта — однородные определения.

III. Сложные слова

Сложные слова, оформленные как две графические единицы, могут внешне не отличаться от однородных определений. Однако, если однородные определения независимы друг от друга, сложное слово определяет существительное, к которому оно относится как одна семантико-синтаксическая единица. the Russian built MIG <-> fighter
acid resistant <-> material

Подчинительные словосочетания и слова (сложные и простые) могут быть однородными членами. machine-woven I maize leaf I tile <-> carpets nuclear-powered I aircraft <-> carrier Иногда компонентный состав препозитивного определения допускает двойную интерпретацию. A light brown overcoat.

Это может значить и "светло-коричневая шинель" (light brown — сложное слово) и "легкая шинель коричневого цвета" (если считать, что слова light и brown — однородные определения). Для правильного перевода необходимо опираться на контекст и ситуацию.



Первые варианты перевода ошибочны. В предложении:

Cut resistant tyres guarantee safer mileage словосочетание cut resistant tyres означает не "прочные резные шины", а "шины повышенной прочности".

1.3.2. Б) Нейтральные образования на -ing

Нейтральные образования на -ing могут быть двух типов в зависимости от местонахождения суффикса -ing в первом компоненте (sleeping pills) или во втором компоненте (sound recording). **Первый тип** образований (sewing machine) допускают двойное толкование machine for sewing или machine that sews (компонент на -ing — прилагательное)

Второй тип в препозитивной функции a *pilot* instructing centre обозначает *объект* действия (a centre which instructs pilots). Свободные словосочетания того же типа a/?;7o? instructing mechanics указывает на *деятеля*.

Сравните:

a machine repairing *shop* (for machine repairing),

a machine repairing *shoes* (that repairs shoes).

ЗАДАНИЕ 1**Сделайте разбор семантико-синтаксических связей между компонентами подчинительных словосочетаний**

- | | |
|---|---|
| 1. high-quality investment banking services | банковские услуги по высококачественному |
| 2. new investment banking operations | инвестированию |
| 3. state zero coupon short bonds | операции по новым банковским инвестициям |
| 4. non-resident investment account rules | государственные краткосрочные облигации без купонов |
| 5. real time Forex advisory service | правила по инвестиционным счетам для нерезидентов |
| 6. 40-day moving average trend support | служба консультаций по курсу валют в реальном времени |
| 7. possible near term upside target | уровень поддержки тренда скользящей средней в 40 |
| 8. short term interbank money market rate | дней |
| | возможная цель при росте цен на ближайший период |
| | времени |
| | краткосрочный межбанковский курс денежного рынка |

ЗАДАНИЕ 2**Переведите подчинительные словосочетания на русский и проведите анализ семантико-синтаксических связей**

1. the spot trader's transaction cycle
2. option delivery forward contract
3. corporate cash-flow management
4. professional data protection maintenance
5. the risk-weighted equity ratio
6. The University Michigan's October consumer's index of business confidence
7. The Chicago purchasing manager's index
8. the new dollar low this year
9. near-term upside targets
10. Preference equity redemption cumulative stock (PERCS)
11. consistently low money market interest rates
12. position squaring sales spread on the market
13. the USD recovery off a major trendline support level at 97.00 last month
14. second — guessing someone else's market decision
15. the uncollateralised overnight call rate

Д. АНАЛИЗ АНГЛИЙСКИХ СЛОВ, КОМПОНЕНТЫ КОТОРЫХ ЗАИМСТВОВАНЫ ИЗ ЛАТИНСКОГО ИЛИ ГРЕЧЕСКОГО

КОРНИ СЛОВ

ROOT (Корень)	MEANING (ЗНАЧЕНИЕ)	ExAMpLE (ПРИМЕР)
annus	(L.) a year	annual, annuity
aqua	(L.) water	aquarium, aqueduct
arithmos	(G.) a number	arithmetic
astron	(G.) a star	astronomy
audio	(L.) I hear	audience, audible
capio	(L.) I take	captive, accept
caput	(L.) a head	captain, capital
centum	(L.) a hundred	century
curro	(L.) I run	course, excursion
decem	(L.) ten	decimal, decimate
demos	(G.) people	democracy
dens	(L.) a tooth	dentist, dental
dico	(L.) I say	edict, dictionary
dominus	(L.) a lord	dominion, dominate
duco	(L.) I lead	conduct, duke
duo	(L.) two	duel, duet
erro	(L.) I wander	error
facio	(L.) I do, make	factor, fact, effect
fortis	(L.) strong	fort, effort
frango	(L.) I break	fraction, fragile
ge	(G.) the earth	geography, geology
genus	(L.) kind	gender, general
gradus	(L.) a step	grade, gradual
grapho	(G.) I write	geography, graphic
gravis	(L.) heavy, serious	grave, aggravate
insula	(L.) an island	peninsula (= almost an island)
jaceo	(L.) I throw	eject, deject
jungo	(L.) I join	junction
juvenis	(L.) young	juvenile, junior
kuklos	(G.) a circle	cycle, cyclone
lego	(L.) I read I gather	lecture, lesson collect, select
liber	(L.) free	liberate
liber	(L.) a book	library
locus	(L.) a place	local, dislocate
logos	(G.) a word	prologue, catalogue
magnus	(L.) great	magnify
metron	(G.) a measure	metre, geometry
mitto	(L.) I send	mission, submit
navis	(L.) a ship	naval, navigate
novus	(L.) new	novel, renovate
pendo	(L.) I hang	suspend, pendant
pes	(L.) a foot	pedal, pedestrian
phone	(G.) a voice	telephone (= a voice from afar)
pono	(L.) I place	deposit, position
porto	(L.) I carry	porter, portable, export, report

primus	(L.) first	primitive, primer
quattuor	(L.) four	quadruped, quadrangle
rumpo	(L.) I break	interrupt
scribo	(L.) I write	describe, scripture
seco	(L.) I cut	section, dissect
senex	(L.) old	senior
skopos	(G.) a view	telescope (= a view from afar)
tendo	(L.) I stretch	extend, tent
traho	(L.) I drag, pull	tractor, attraction
unus	(L.) one	union, unite
video	(L.) I see	vision, revise
vinco	(L.) I conquer	victor, invincible
vivo	(L.) I live	vital, survive
volvo	(L.) I turn	revolve, revolver
zoon	(G.) an animal	zoology, zoo

ПРИСТАВКИ

Ррcfix (Пристдвки)	MEANJNq (ЗНАЧЕНИЕ)	EXAMPLE (ПРИМЕР)
A-	IN, ON	ABED,ACHORE
A-, AB-, ABS-	AWAY FROM	AVERT, ABMPT, ABSENT
A-, AD-, AL-, AN-, AT-,	TO, AT	ABASE, ADMIRE, ALLURE, ANNEX, ATTRACT, ETC.
ANTE-, ANTI-	BEFORE	ANTECHAMBER, ANTICIPATE
ANTI-	AGAINST	ANTIPODES, ANTAGONIST
ARCH-	CHIEF	ARCHBISHOP
AUTO-	SELF	AUTOBIOGRAPHY
CIRCUM-	ROUND ABOUT	CIRCUMFERENCE
COM-,CON-	TOGETHER, WITH	COMPLE, CONNECT
CONTRA-, COUNTER-	AGAINST	CONTRADICT, COUNTERATTACK
DE-	AWAY FROM	DEBAR, DETRACT
DIS-	APART,AWAY	DISSECT, DISPEL
E-,EX-	FROM, OUT OF	EMERGE, EXCEED, EXODUS
EN-, CM-,	IN, INTO	ENLIST, EMBARK
FORE-	BEFORE	FORETELL
HENII-	HALF	HEMISPHERE
IL-, IM-, IN-, IR,	NOT	ILLEGAL, IMPROPER, INFIRM, IRREGULAR
IN-, IL-, IM-, ETC.	IN, INTO	INCOME, INFUSE, ILLUMINE, IMMERSE
INTER-	BETWEEN	INTERVAL
INTRO-	INTO	INTRODUCE
MIS-	WRONG	MISBEHAVE, MISDEED
MONO-	ONE	MONOPLANE
MULTI-	MANY	MULTIPLY
NON-	NOT	NONSENSE
OB-, OP-	AGAINST, IN THE WAY OF	OBSTRUCT, OPPOSE
PENE-	ALMOST	PENINSULA

per-	through	pervade
post-	after	postpone
pre-	before	predict
pro-	before, in front of	propose
re-	again	rebuild
semi-	half	semicircle
sub-	under	submarine
super-	over, beyond	superhuman
tele-	at a distance	telephone
trans-	beyond, across	transport, transgress
un-	not	unhappy, untruth

СУФФИКСЫ

SuFFix (Суффикс)	MEANINg (ЗНАЧЕНИЕ)	EXAMPlE (ПРИМЕР)
-ABLE	FIT FOR, ABLE (TO BE —)	EATABLE
-ANCE	USED TO MAKE NOUNS	REPENTANCE
-DOM	STATE, POWER	FREEDOM, KINGDOM
-EE	ONE WHO IS —	EMPLOYEE
-ENCE	USED TO MAKE NOUNS	CONFERENCE
-ER	A DOER	BAKER, WRITER
-ER	TO A GREATER EXTENT	HIGHER, HARDER
-ESS	FEMININE FORM	COUNTESS, LIONESS
-EST	TO THE GREATEST EXTENT	HIGHEST, HARDEST
-FOLD	— TIMES OVER	TWOFOLD, MANIFOLD
-FILL	FULL OF	DELIGHTFUL
-HOOD	STATE OF	MANHOOD, CHILDHOOD
-IBIE	ABLE (TO BE —)	EDIBLE
-ISH	RATHER LIKE	BROWNISH, CHILDISH
-IST	A DOER	TYPIST
-LESS	FREE FROM, LACKING	HARMLESS, USELESS
-LY	USED TO MAKE ADVERBS AND ADJECTIVES	SWEETLY, QUIETLY MANLY, COMELY
-NESS	STATE OF BEING —	KINDNESS, REDNESS
-OR	A DOER	SAILOR, TAILOR
-OUS	USED TO MAKE ADJECTIVES	ANXIOUS, DANGEROUS
-RY	A PLACE OF WORK; ALSO USED TO MAKE MANY GENERAL NOUNS	LAUNDRY, BAKERY SLAVERY, POETRY
-SOME	FULL OF	GLADSOME, CUMBERSOME
-STRESS	FEMININE FORM	SONGSTRESS
-TY	A STATE OF BEING —	HONESTY
-WARD(S)	IN A CERTAIN DIRECTION	EASTWARD, HOMEWARDS
-WISE	IN A CERTAIN WAY	LENGTHWISE, ENDWISE
-Y	OF A CERTAIN NATURE	DIRTY, EASY