



FUNDAMENTAL ANALYSIS

REPORT METHODOLOGY

The guides aims to answer the below 2 general queries regarding the report(s):

HOW TO **READ** THE FUNDAMENTAL ANALYSIS REPORT?
HOW TO **USE** THE FUNDAMENTAL ANALYSIS REPORT?



How to READ the report?

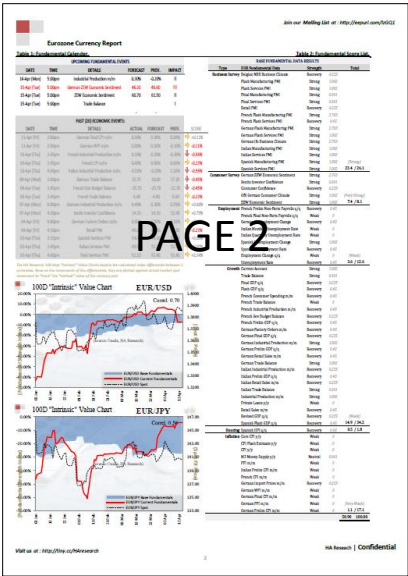
- 1. The essential details of the report is structured to be the **first two (2) pages** of the report.
- 2. Remainders of the report are charts of the individual data and indicator.

What is Fundamental Analysis (FA)?:

Accordingly to Investopedia, Fundamental Analysis (FA) is generally considered to be the opposite of Technical Analysis (TA).

FA is an evaluation method that entails **attempting to measure intrinsic value of an asset** by examining it's related *economics, financial and other qualitative and quantitative factors*. The goal of performing FA is to produce a value that an investor can compare with current price, with the aim of figuring out the value of the price.

(Underpriced = buy/long, Overpriced = sell/short)





How to USE the report?



QUICKEST USAGE OF THE REPORT:

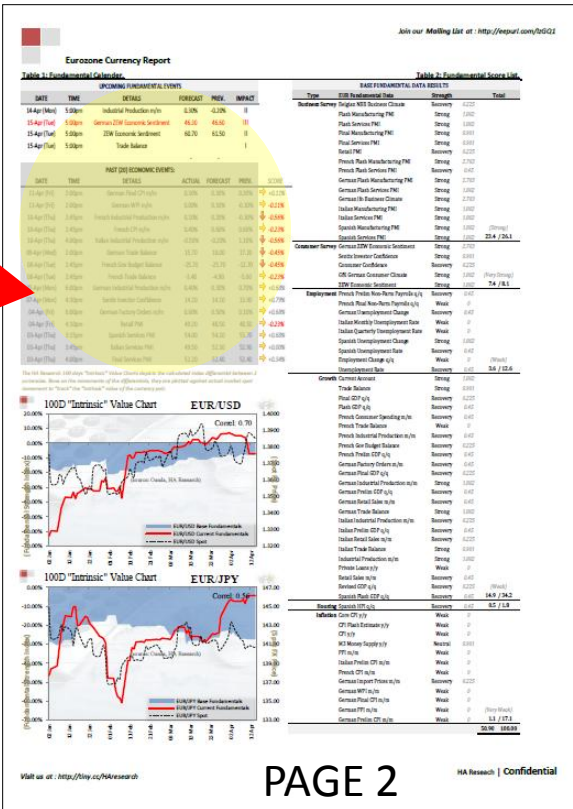
Current Fundamental Index is the momentum & strength of the current fundamental data.

It is a measure of the **LATEST DATA SET** for the currency.

Watch out for the “Ranking” as usually, the last ranked currency in the Current Fundamental Index is usually the most “bearish” one due to its weak recent data release.

In simple sense *, you don’t really want to short the last ranked currency against the first ranked currency.

** (Of course, there are always other factors to consider.)*





How to READ the report?

All % score is a derivation on the below factors(s) & determinant (s):

Determinant (Weight) A:

Pre-allocated weights of Indicator (eg: MI Inflation Expectations)

Determinant (Weight) B:

Total allocated data weights for currency.

Determinant (Weight) C:

Moving average of data.

FACTOR 1:

Actual Result vs. Market Forecast (consensus)

Actual Result vs. Previous Result

FACTOR 2:

Indicator (m/m or y/y) data vs. Previous Indicator (m/m or y/y) data (if applicable)

Factor 3:

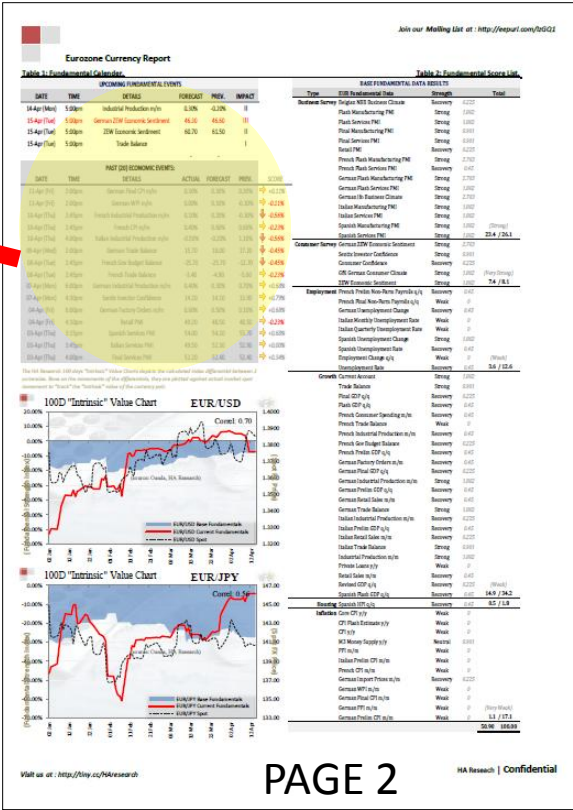
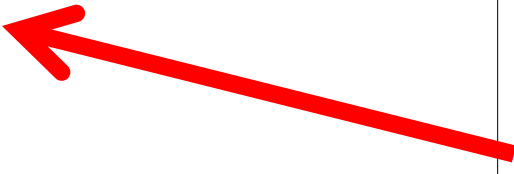
Indicator (m/m or y/y) data vs. 3-months moving average score of data.

Factor 4:

If indicator is below or above Central-Bank's / Market's "norm" consensus / mean average (1 to 3 years time frame) *

* Data with extreme deviation shortened to 1 year timeframe as mean.

(i.e.: If data is -ve inflation expectation, this would result is separate set of calculation algorithm.)





How to USE the report?



**FUNDAMENTAL BREAKDOWN
(BASE SUMMARY):**

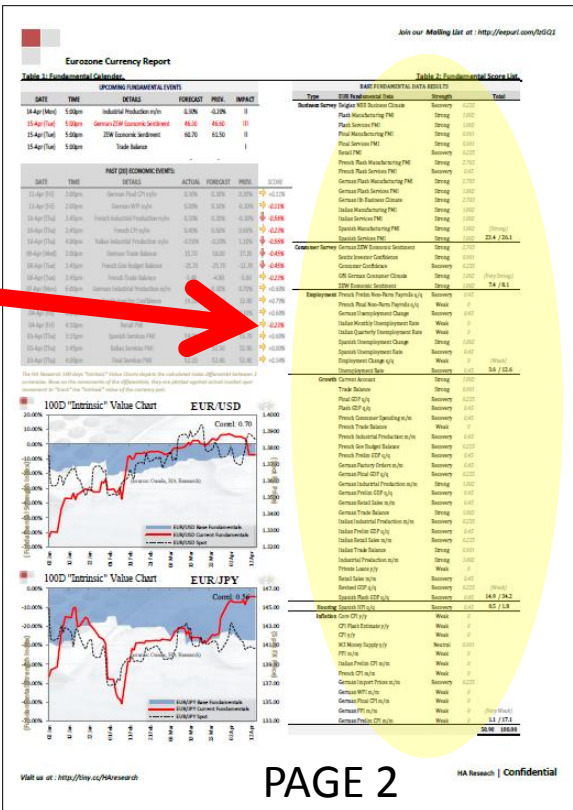
BASE FUNDAMENTAL INDEX

It measures **weight of 3months historical data** compared against 12months data and lastly, 36months data as mean.

Also Watch out for the “**Base Ranking**” as usually, the last ranked currency in the Base Fundamental Index has been weak for awhile and is not healthy.

In simple sense *, you don’t really want to short the last ranked based currency against the first ranked currency.

**(Of course, there are always other factors to consider.)*





How to READ the report?

All score is a derivation on the below factors(s) & determinant (s):

Determinant (Weight) A:

Pre-allocated weights of Indicator (eg: MI Inflation Expectations)

Determinant (Weight) B:

Total allocated data weights for currency.

Determinant (Weight) C:

Moving average of data.

FACTOR 1:

Cumulative 3 months result vs. Previous cumulative 3 months result
Current moving average of data vs. Previous moving average of data

FACTOR 2:

3 months moving average of data vs. 12 months moving average of data
(if applicable)

Factor 3:

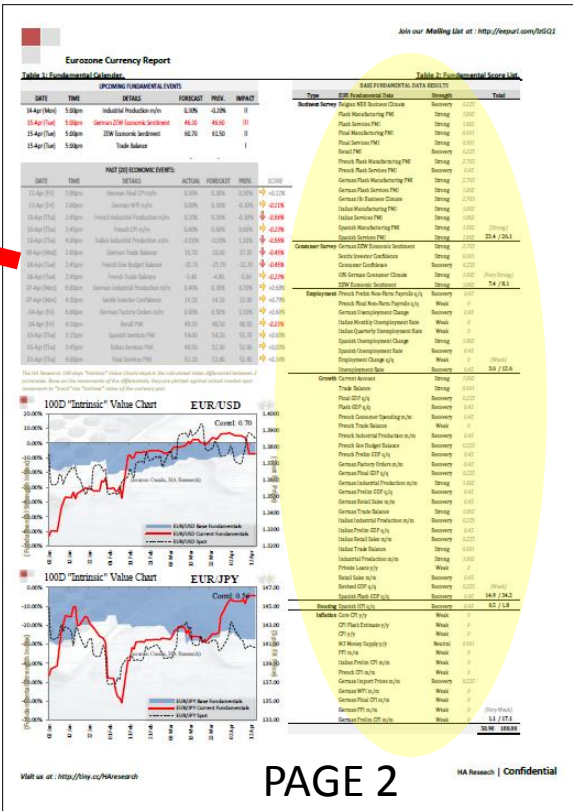
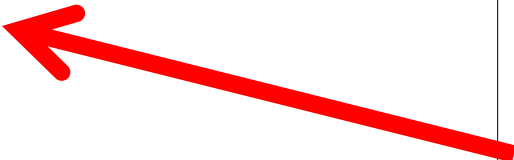
3months moving average of data vs. mean

Factor 4:

If indicator is below or above Central-Bank's / Market's "norm" consensus / mean average (1 to 3 years time frame) *

* Data with extreme deviation shortened to 1 year timeframe as mean.

(i.e.: If data is -ve inflation expectation, this would result is separate set of calculation algorithm.)





Contact us if you have more queries.

Email:

HAresearch@outlook.com

Facebook:

www.facebook.com/HAresearch