Hi traders!

In this video, I'll share with you on Forex Market

Cycles.

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subscription button below… so you'll get

notifications of our upcoming videos. Traders approach the market analysis of

currency pairs from several points of view.

What is your approach?

One key point of view in the approach is to

establish what market cycle a forex currency

pair is in at any moment. I will expound on four market cycles. And the

the approach of each class derives from moving

averages as indicators.We'll review each market cycle and share

potential opportunities to help you link your

analysis and strategies to highly probable

setups. And beforehand, what's the importance of

Knowing a Market Cycle?

The knowledge of a market cycle helps a trader

to anticipate certain movements in price

action. According to Rayner Teo, in his Book: Price

Action Trading Secrets, probing for the market

the cycle is "..like taking an X-ray vision of what the

the market is really doing."Each market cycle is synonymous with distinct

price directions.

Therefore, it helps build insight for a trader to the spot where it's best for them to ride a trend and

exit towards its end. Of course, the analysis here builds into the

confidence of a trader. And at no point should

one trade without taking on the risk measures

to protect trading accounts.

Please note that some traders and analysts

refer to a market cycle as a market stage. For your information, our Market Cycle

Technical Analysis will rely on Moving

Averages

Moving averages are a helpful way for traders to

analyze the markets.

The good thing is that MA indicators are easy to

customize on most trading software.

And it extends across all timeframes. Next, we'll cover the Four Market Cycles or

stages for a Currency Pair

A Forex currency pair follows four distinct cycles

or stages.

In the next part of the video, we'll go over each

cycle. More specifically, we'll highlight the key

characteristics of each. Market Stage 1. Accumulation Stage

A market hits the accumulation stage after a

heavy downtrend. The prices are too low in

support zones or demand zones.

The forces colliding here in a state of

equilibrium are:

Sellers take profits and exit the market at low

prices.

Buyers step in to buy at low prices. Logically, with time, sellers reduce, and the

state of equilibrium breaks as buyers increase.

And with increased buying, the demand begins

to pick up again. Logically, with time, sellers reduce, and the

state of equilibrium breaks as buyers increase.

And with increased buying, the demand begins

to pick up again.The main reason it’s called the accumulation

stage derives from what happens therein.

Buyers buy low, with the anticipation that prices

will rise in the future.

Here are the Key Characteristics of the market

accumulation stage

This stage arises after prices drop consistently

for several months on a daily timeframe.

The market takes a ranging or sideways trading

fashion – with clear areas of support and

resistance.

The SMA 200 flattens out, and the price swings

around it – back and forth.The fact that prices are low does not rule out

further breaks into lower support zones.

While looking for opportunities, traders should

allow the prices to break the resistance before

joining into uptrend opportunities.2. Advancing Stage

At some point, prices break resistance from the

accumulation stage and get into the Advancing

stage.

The reality is prices cannot range forever. And in

this case, the buying pressure is able to

overcome that of sellers. The market now forms

a consistent uptrend.Here are the

Key Characteristics of the market advancing

stage

Prices must break past the resistance from the

accumulating stage

Consistent uptrend comprising higher highs

and higher lows

Prices are in a range above the SMA 200

SMA 200 changes angles and points higher3. Distribution Stage

Markets get into the distribution stages after

buyers are in control consistently. It comes after

prices maintain higher highs through the

advancing stages. By appearance, at the distribution stages, prices

maintain a choppy or raging fashion.

The ranging arises due to the market

equilibriums – sellers shorting at high prices

while buyers exit the markets. The name distribution stage arises from the fact that smart buyer's exit with anticipation that

prices will fall lower with time.

Of course, sellers garner interest within the zones of market supplyKey Characteristics of the market Distribution

stage

Markets hit the distribution stage after rising

consistently on a daily basis for several months

Prices range within a distinct zone within an

uptrend channel with support and resistance

regionThe SMA 200 starts to fall flat from its steep

angles and the prices loop back and forth

around it

There’s no sure guarantee that the markets will

break down to zones with lower prices. Traders

must hold on patiently.4. Declining Stage

Markets come into a declining stage after

breaking the support from the former –

distribution stage.Since the ranging fashion cannot sustain

forever, sellers take control of the markets into

a clear downtrend. They overcome the buyers

to set the prices, getting lower lows and highs. Key Characteristics of the market Declining

stage

Declining stages occur after prices break away

past the support within the distribution stages.

Sustained downtrend with lower lows

Priceline fall below the SMA 200

SMA200 takes angles point lower on a daily

time frame. Next is the Trading Inference with respect to market cycles analysis

Once a trader is able to know the specific stage

a currency pair is in – from the above four

stages, you know where to join.

The best way to approach the stages is to work

with the main approach – buy low and sell high. While the approach here can help scalpers and

day traders, it definitely fits long-term traders.

And it’s a cool way to analyze markets for

trading longer timeframes.

Imagine riding an upswing once it breaks from

accumulation all the way to distribution. It’s a fashion that calls for confidence and

patience at the same time.

Of course, the four cycles or stages here are

from the point of theory. Markets display

random fashion, in reality, every now and then. So, it’s important to stay out of the market if

the indicators are not clear- you must protect

and not risk your capital.

The beauty is that there are many

opportunities with the arrays of assets and

currency pairs trading across markets. In fact,

cryptocurrency markets run all through

weekdays and weekends.Other Market Cycles

It’s helpful to mention that markets must not

follow the four stages we pointed out above.

And in light of that, here are two more cycles that traders can explore.Black Swans

Black Swans are a collective term for unforeseen stuff that drives prices in unimaginable ways.

They include wars, calamities, and anything that affects the demand and supply of goods and services. One good example here is the COVID-19 pandemic. And the next is the war between Russia and Ukraine.

It's upon traders to figure out survival measures – mostly, it falls back to good risk managementBlack swans can victimize large institutions – banks and brokers included. However, the focal point is for traders to figure out the disruptions and how they can benefit from the massive movements in prices – safely. The Presidential Cycle

The presidential cycle plays a clear role in the world's largest economy – the United States of America.

.According to the four-year cycle, two first years are met with laxity of promises to the electorate. But the last two years find administrators pushing hard to satisfy the promises of a sitting president.

Of course, the president seeks to deliver and seeks re-election for a second term—by showing promised results. One observable cycle appears within the

prevailing interest rates. Most presidents in the

USA always lower interest rates every election

year.

And by extension, interest rates have a huge

bearing on the overall performance of other

currency pairs.

On a specific note, low-interest rates trigger

higher expenditures and better performance in

stock markets. Parting Note

Market stages or cycles are one insightful way

to analyze markets. Much more goes into

converting the cycles into winning trades or

investments.

Past the analysis, next is the requirement to

work with proven strategies and correct risk and

money management techniques. Towards the end, we'll cover – FAQS in the

Market Cycles

One, What are the 4 market cycles?

The four market cycles are:

Accumulation

Markup or Ascent or Advance

Distribution

Markdown or Descent or DecliningTwo, What is a market cycle in forex?

A market cycle in forex is a phase of

theoretically predictable price movements with respect to the prices and specific moving averages.

Three, How do you analyze a market cycle?

Analyzing a market cycle starts with identifying a specific cycle. Next, traders work with probable high setups with proven strategies. And Lastly, How do you trade the market cycle?

Trading a market cycle narrows down to working with proven strategies. It works best by confirming signals with various indicators before joining in and exiting. There you go guys!

We’ve gone through the four market cycles.

We’ve also covered a few notes on black swans and the presidential cycles.

And a few FAQs on the Market Cycles.

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