

Forex Symbol «EURO vs Japanese Yen» or «EURJPY»

EURJPY is the cross rate against the U.S. dollar. Although the U.S. Dollar obviously is not present at this currency pair, it still has a significant influence on it. This can be seen, if you combine two charts: EURUSD, USDJPY. By combining these two charts in the same price chart, you can get an approximate EURJPY chart.

The U.S. dollar has a significant influence on both currencies. For this reason it is necessary to take into account the major U.S. economic indicators for the correct prediction of a future course of this financial instrument. These indicators include: the discount rate, GDP, unemployment, new created workplaces indicator and many others. It is necessary to note that discussed currencies could respond with different speed on changes in the U.S. economy, therefore, EURJPY currency pair may be a specific indicator of change at these currencies.

When you forecast the future course of the EURJPY trading instrument, you must take into account all the major economic changes of both Japan and the EU. In addition, you must follow the declarations of officials of Japan and the European Union, since these declarations may greatly affect the rate for this currency pair.

Among the most influential economic indicators in Japan we can check the discount rate, which is set by the Bank of Japan to manage the economic situation of the country. In addition to the discount rate, it is necessary to pay great attention to the state government bonds of the country. Buying and selling government bonds, Bank of Japan, regulates many of the economic processes in the country, which in turn affects the value of national currency of Japan.

Currency pair EURJPY is very susceptible to a variety of major political and economic developments taking place in the world. For this reason, the price chart for this currency pair is poorly predictable, and often goes in the opposite direction relative to any analysis.

It is not recommended for beginning traders to starting their trading activity at the currency market with a given currency pair. For successful trading with this financial instrument you need to know a lot of nuances of price chart behavior that can greatly affect the future course rate.

If you trade cross rates, it is necessary to remember that brokers are usually set a higher spread than much popular currency pairs, so before you start working with the cross-rates, it should be carefully acquainted with the conditions offered by the broker to trade with specified trade instrument.