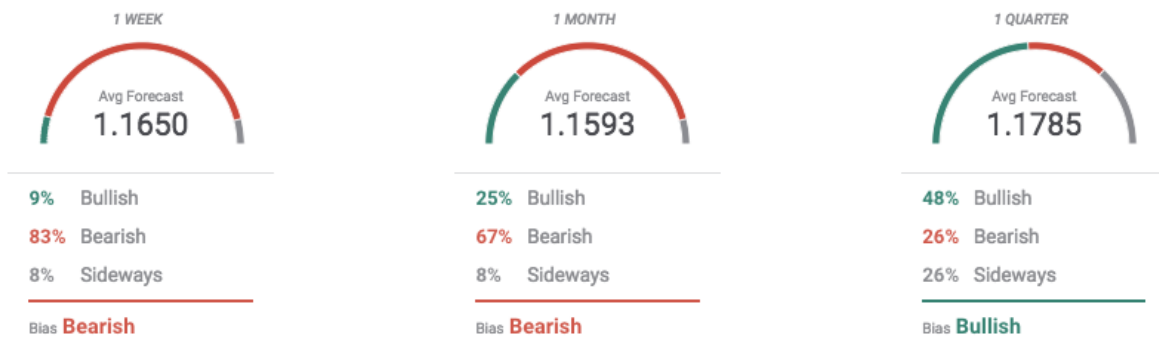# Forecast Poll Studies

Introduction

The Forecast Poll is a sentiment tool that highlights near- and medium-term price expectations from leading market experts. A survey is conducted each Friday and published at 15:00 GMT when the individual participant's forecasted prices can be seen together with an average price for each time horizon.

The Forecast Poll is an unique sentiment indicator created in 2010. It is followed by traders, market commentators as well as academics.

The FXStreet Forecast Poll about EUR/USD (Euro US Dollar) is a sentiment tool that highlights our selected experts' near and medium term mood and calculates trends according to Friday's 15:00 GMT price.

	1 WEEK	1 MONTH	1 QUARTER
Avg Forecast	1.1650	1.1593	1.1785
Bullish	9%	25%	48%
Bearish	83%	67%	26%
Sideways	8%	8%	26%
Bias	**Bearish**	**Bearish**	**Bullish**

Updated Oct 6, 15:00 GMT

Overview | Bias | Averages | Shifted Price | Price Change | Smooth Average | Minim/Max

■ Close Price ■ 1 Week ■ 1 Month ■ 3 Months

📖 **Learn more about the Forecast Poll charts**

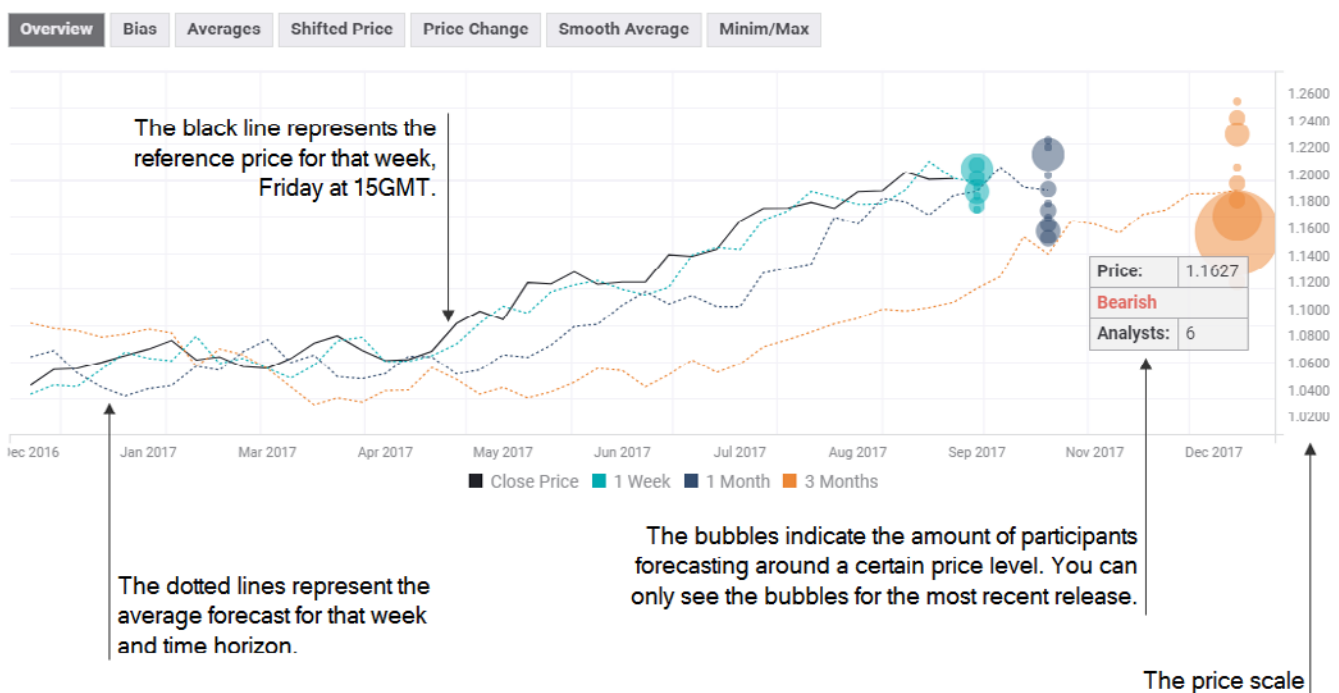|		1 WEEK	1 MONTH	1 QUARTER
	Adam Narczewski	1.1600 **Bearish**	1.1400 **Bearish**	1.1200 **Bearish**

What does this indicator tell me?

This chart informs about the average forecast prices and also how close (or far apart) the numbers sit from all participants surveyed that week.

Why is this study important?

This distribution also tells if there is unanimity (or disparity) among participants. A lot of unanimity is prone to be accompanied by a more extreme reading or lead to a tilted print the week after.

How to interpret the chart?

The bigger a bubble on the chart, the larger the number of participants targeting a certain price level in that particular time horizon.

The black line represents the reference price for that week, Friday at 15GMT.

The dotted lines represent the average forecast for that week and time horizon.

The bubbles indicate the amount of participants forecasting around a certain price level. You can only see the bubbles for the most recent release.

The price scale
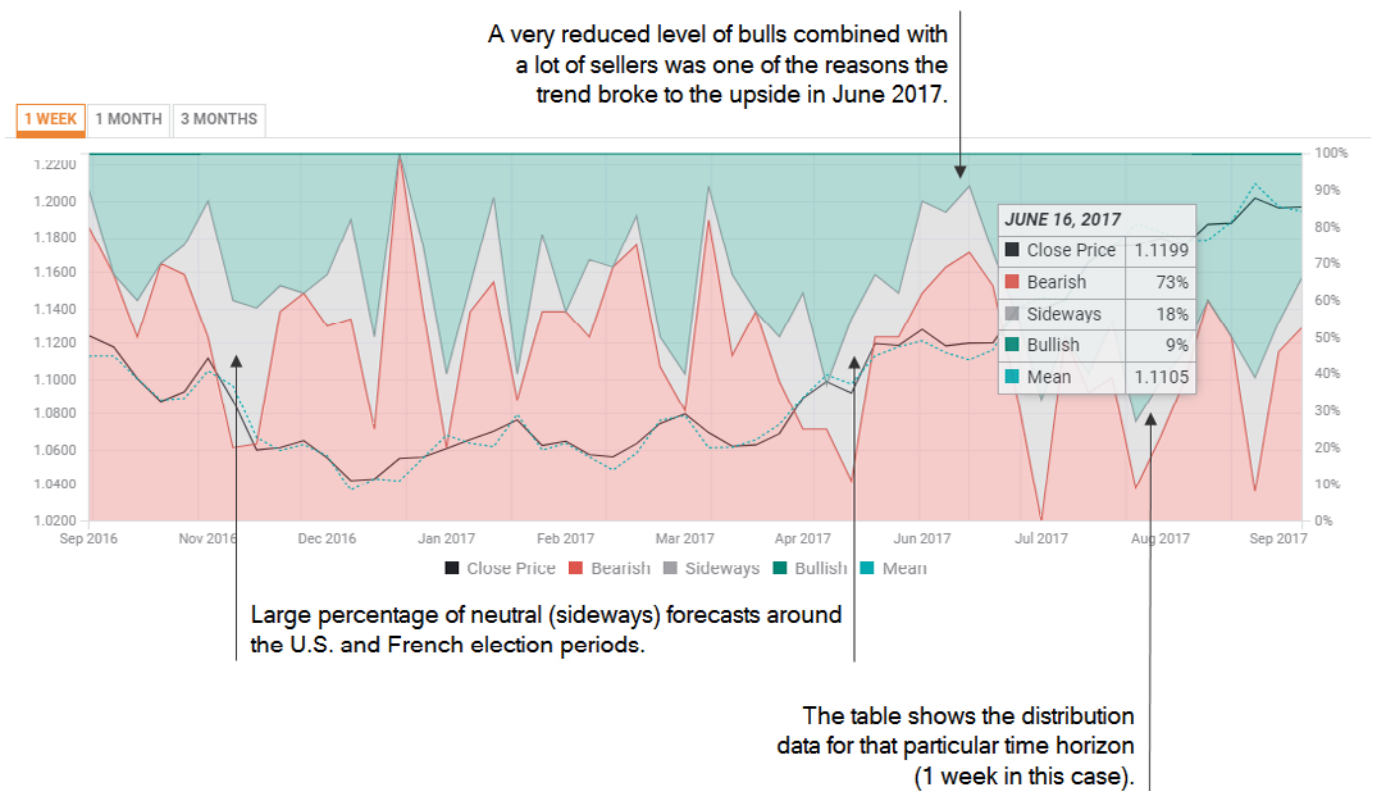
Study 2: Bias

What does this indicator tell me?

Each participant's bias is calculated automatically based on the week's close price and recent volatility. Drawing from those results, this chart calculates the distribution of bullish, bearish, and sideways forecast prices from all participants.

Why is this study important?

It informs about sentiment extremes, as well as levels of indecision reflected in number of "sideways". Many trend changes in the exchange rate happen when sentiment is tilted towards one of the extremes.

How to interpret the chart?

A very reduced level of bulls combined with a lot of sellers was one of the reasons the trend broke to the upside in June 2017.

JUNE 16, 2017	
■ Close Price	1.1199
■ Bearish	73%
■ Sideways	18%
■ Bullish	9%
■ Mean	1.1105

Large percentage of neutral (sideways) forecasts around the U.S. and French election periods.

The table shows the distribution data for that particular time horizon (1 week in this case).
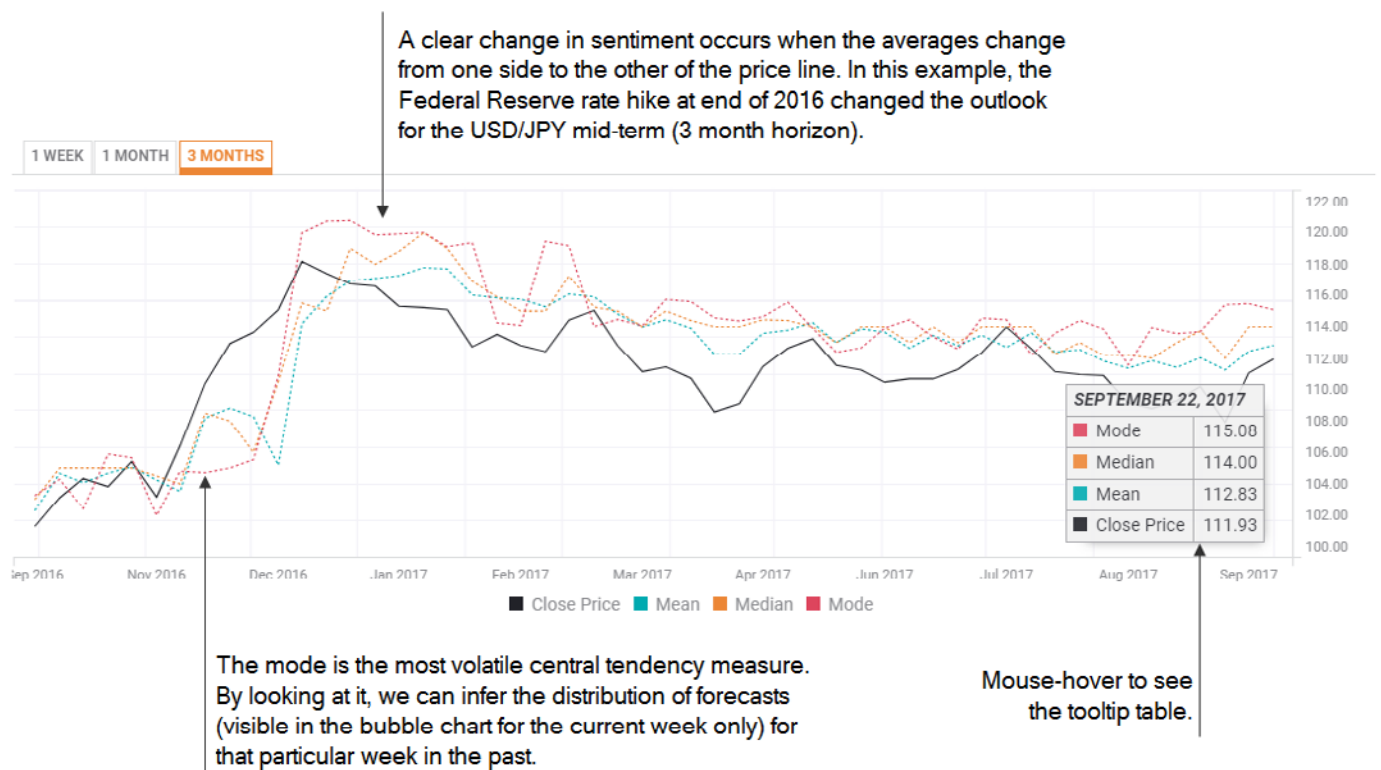
Study 3: Averages

What does this indicator tell me?

This chart displays three central tendency measures (mean, median and mode). In statistics, central tendency measures answer the question "what is the typical outcome?". In other words, "what was the most typical forecast price?"

Why is this study important?

It lets you know if the average forecast is being skewed by any outlier among the poll participants. In particular, the mean is very sensible to outliers or small numbers of data. In those cases, the other averages provide a different look to the same concept.

How to interpret the chart?

A clear change in sentiment occurs when the averages change from one side to the other of the price line. In this example, the Federal Reserve rate hike at end of 2016 changed the outlook for the USD/JPY mid-term (3 month horizon).

SEPTEMBER 22, 2017	
Mode	115.00
Median	114.00
Mean	112.83
Close Price	111.93

The mode is the most volatile central tendency measure. By looking at it, we can infer the distribution of forecasts (visible in the bubble chart for the current week only) for that particular week in the past.

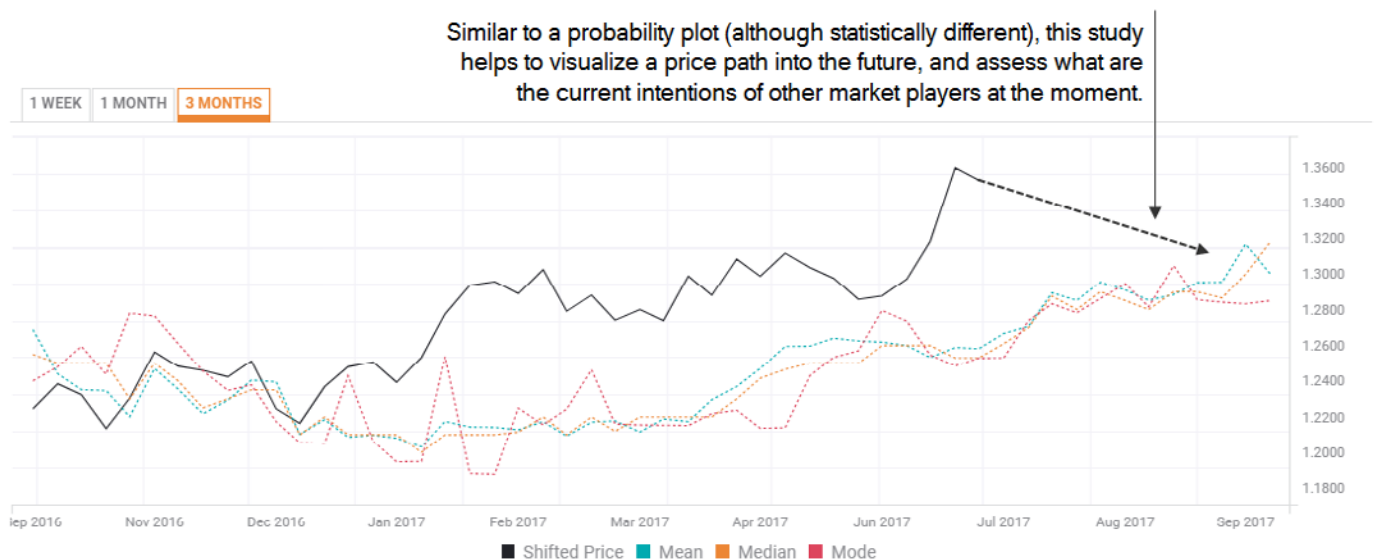Mouse-hover to see the tooltip table.

Study 4: Shifted Price

What does this indicator tell me?

In this chart, the close price is shifted behind so it corresponds to the date when the price for that week was forecasted. This enables the comparison between the average forecast price and the effective close price.

Why is this study important?

This chart display allows to draw a price path in the future, especially if we take the large 3-month horizon. This time span is the one which better reflects the current sentiment and the one which informs about how those traders might be positioned in the market.

How to interpret the chart?

Similar to a probability plot (although statistically different), this study helps to visualize a price path into the future, and assess what are the current intentions of other market players at the moment.

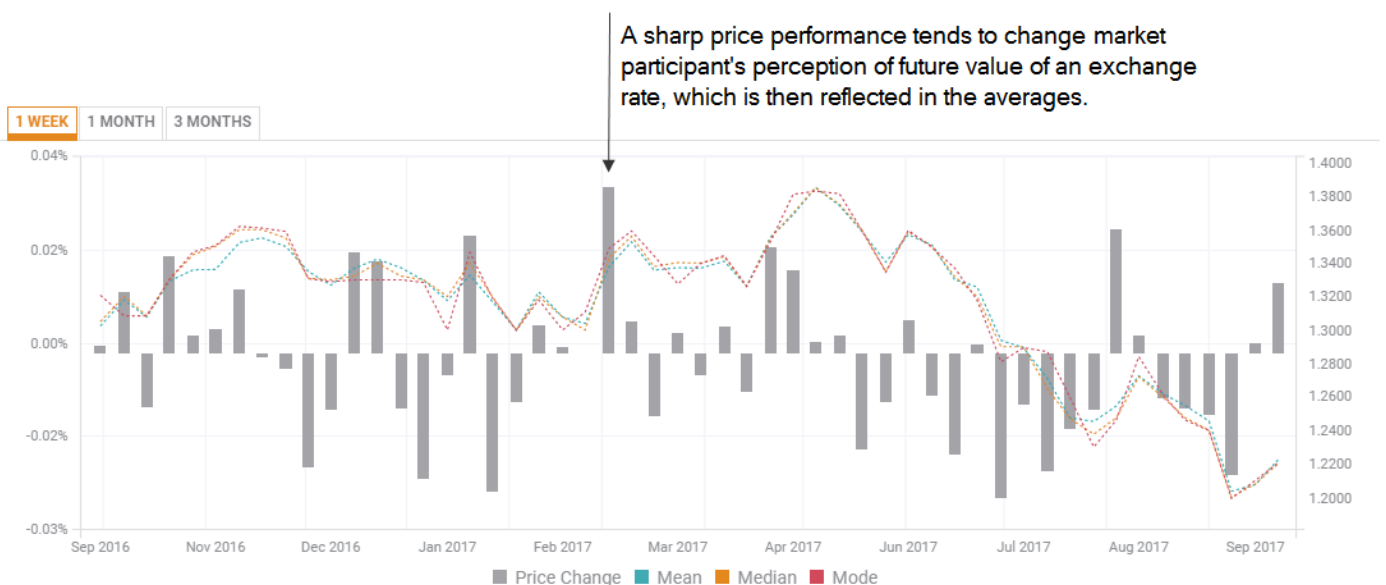# Study 5: Price Change

What does this indicator tell me?

This chart tracks the percentage change between the weekly close prices.

Why is this study important?

This study illustrates the fact that an increase in volatility has the potential to increase the volatility among the forecast prices, i.e. to create a bigger range between the minimum and maximum forecast price.

How to interpret the chart?

Bouts of volatility (or extreme flat volatility) can be compared to the typical outcome expressed through the averages.

A sharp price performance tends to change market participant's perception of future value of an exchange rate, which is then reflected in the averages.

| 1 WEEK | 1 MONTH | 3 MONTHS |

Price Change ■ Mean ■ Median ■ Mode

## Study 6: Smooth Average

What does this indicator tell me?

This measure is basically an arithmetical average of the three central tendency measures (mean, median and mode). It smooths the typical outcome eliminating any possible noise caused by outliers.

Why is this study important?

A lack of participation or the presence of an outlier value may result in different central tendency values. In order to answer the question "what is the typical outcome?", an additional average is used to smooth the lines.
Similar to a moving average used in technical analysis, the smoothed average shows the trend in the forecast with less noise.

How to interpret the chart?

Differences between the averages are smoothed in one sole line.

Close Price   Smooth Average
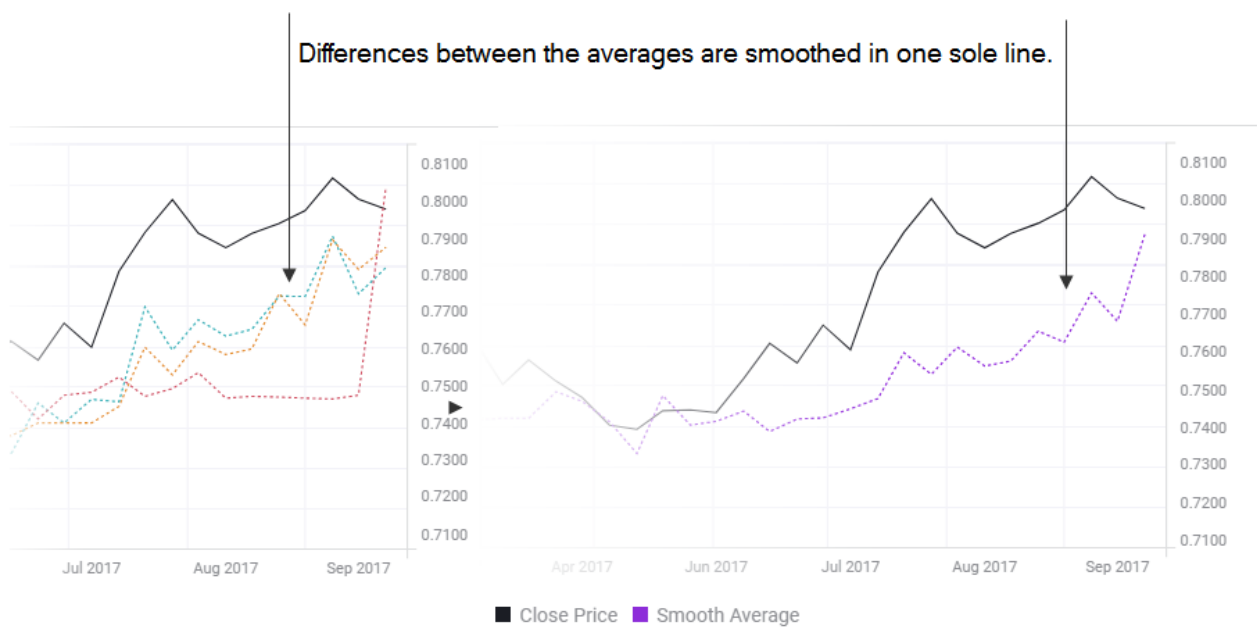
What does this indicator tell me?

Together with the close price, this chart displays the minimum and maximum surveyed rates among all participants. The result is a price corridor, usually enveloping the weekly close price from above and below, and serves as a measure of volatility.

Why is this study important?

A change in the direction of the trend often surprises market participants. This reaction is reflected in the chart with a cross between the close price and one of the envelope lines.

How to interpret the chart?

Look for those moments when market participants do not react to changes in the trend.

MAY 05, 2017	
Max	1.3890
Minim	1.3830
Close Price	1.3691