

A Traders Academy International Publication

BOJ Acted But Markets Disppointed

USD-JPY drifted off a 1-week low on Wednesday thanks to a general improvement in risk appetite, paring losses made after the Bank of Japan balked at delivering bolder action to kick start growth.

USD-JPY settled at 79.585, recovering from a fall to 79.331 when the market unwound long USD-JY positions after the BOJ expanded its asset-buying programme by ¥11 trillion (\$138 billion) in a broadly expected move.

Traders noted there was a small improvement in risk appetite on Tuesday after solid demand at an Italian bond sale saw the Italy's 5 and 10-year borrowing costs fall sharply.

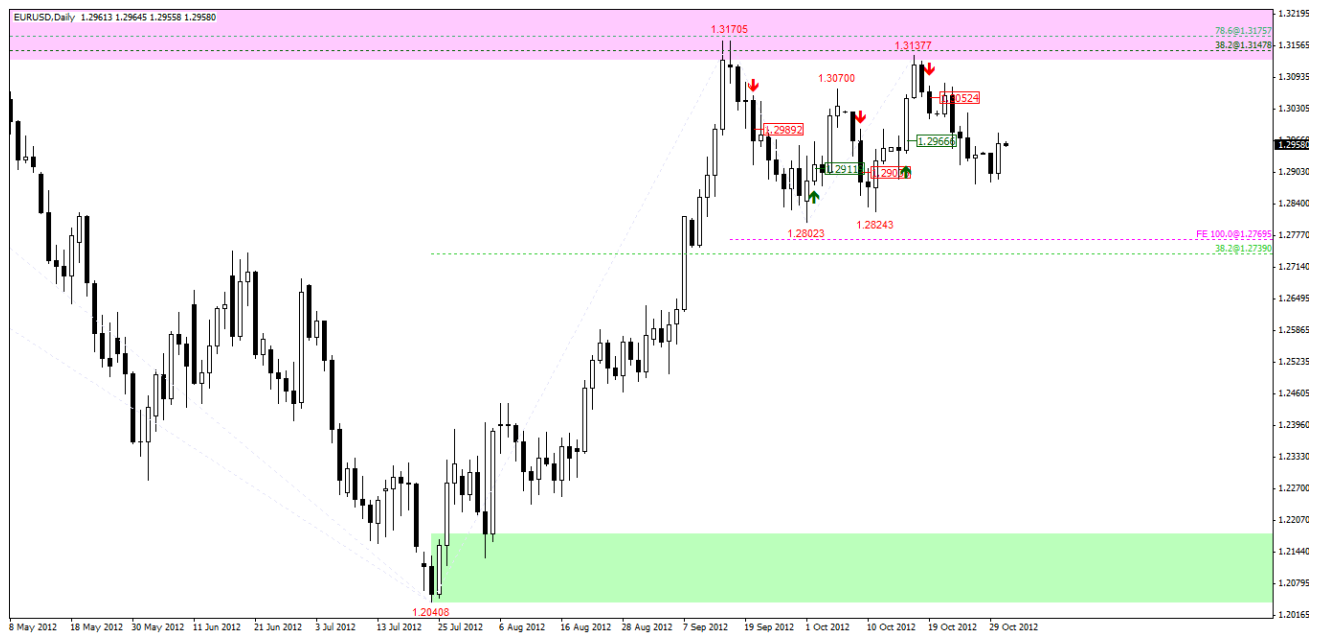
There was also some relief Hurricane Sandy had passed New York and the damage caused was less than worst-case scenarios.

Traders again favoured AUD-USD, driving it back towards the top-end of its 1.02000/1.04000 range. It settled at 1.0366. Late on Tuesday, Australia's central bank deputy governor said the Aussie dollar was not fundamentally overvalued and set a very high bar for intervening to weaken it. This attitude of allowing the currency to freely float is in stark contrast to countries in Asia where there is increasing vigilance over the pace of currency appreciation. Ultimately, should several EM countries intervene against inflows to slow the pace of currency appreciation, the freely floating high-yield currencies like AUD-USD, NZD-USD, and CAD-USD could receive another boost.

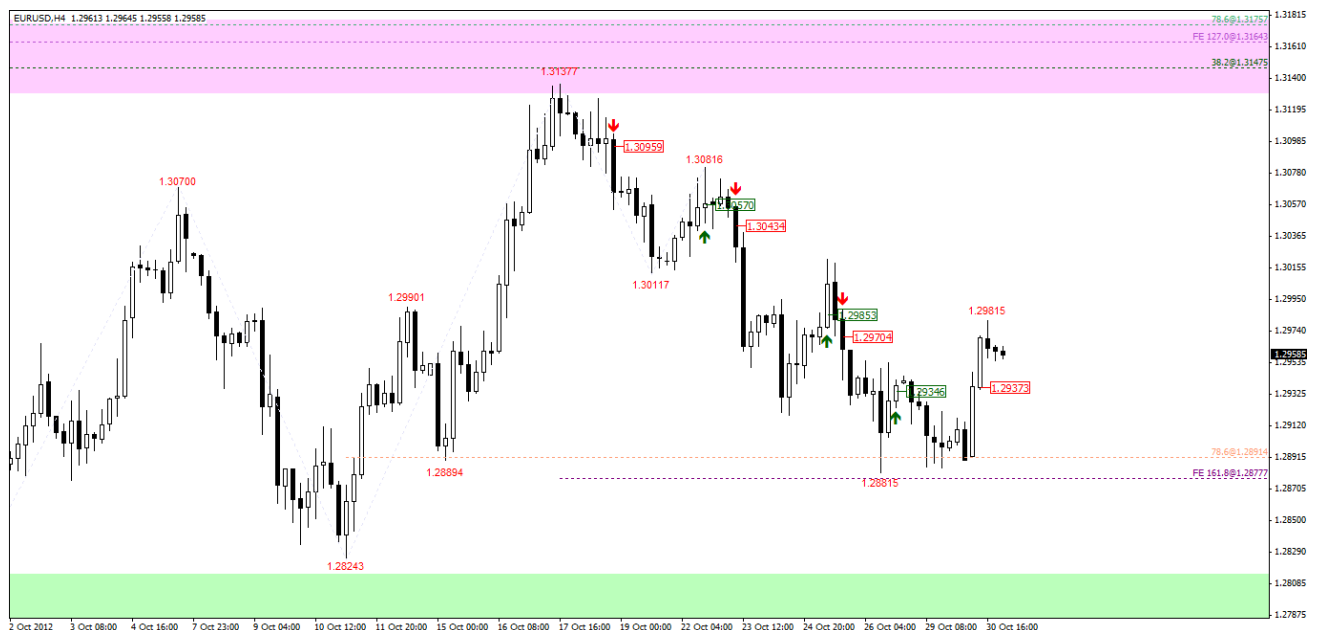
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EUR-USD DAILY



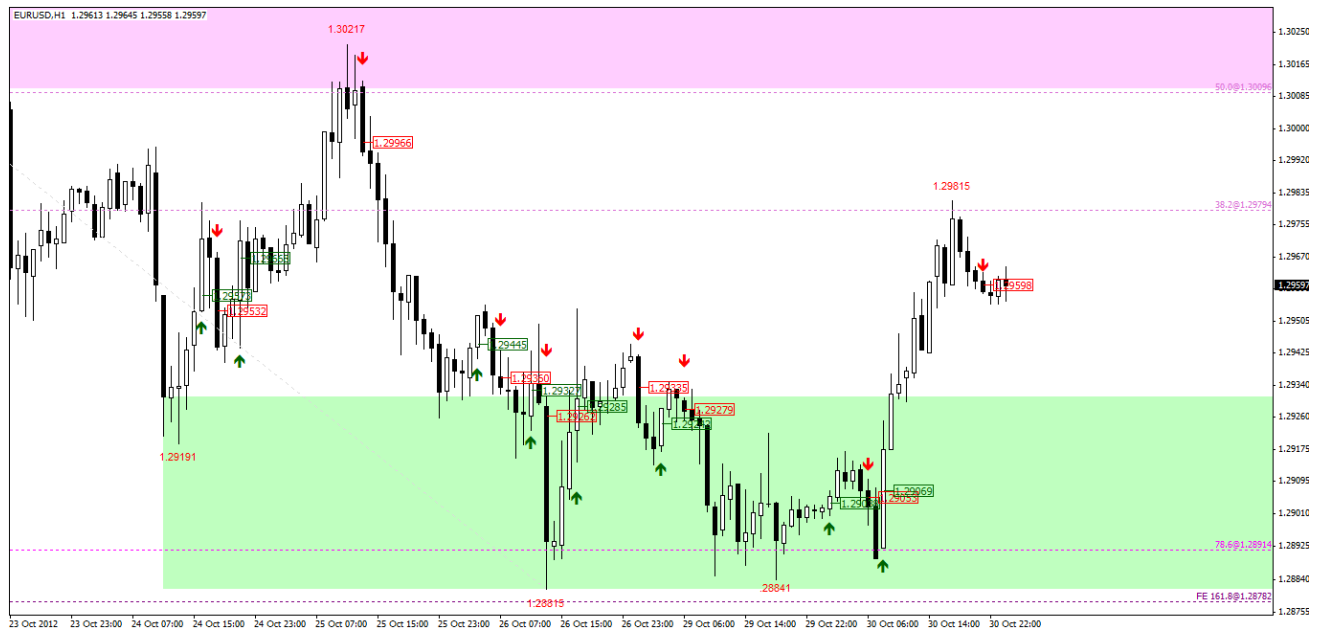
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Price action finally reacted by rising from within the immediate demand pocket at **1.28815-1.29311** after flirting numerous times with last Friday's low of 1.28815 some 48 hours ago. As noted, this market was vulnerable to profit-takings from there. After all, it was this very same window in which price action rebounded from last Friday. Last night's rally took this market to the 38.2% retracement of 1.31377 to 1.28815 at 1.29794 with a print at **1.29815** and eased. Is there all there is to this correction? It may be but it would be ideal if price action rallies and eased from near the 50.0% retracement level of 1.31377 to 1.28815 at **1.30096** which is just below the overhead supply pocket at **1.30103-1.30816**. This would be a more comfortable level to re-establish short positions for another attempt on the demand pocket at **1.27533-1.28159**; located just above the 38.2% retracement of 1.20408 to 1.31705 at **1.27390** which in turn is just below the 100.0% projection of 1.31705 to 1.28023 from 1.31377 at **1.27695** (see D1 chart). The idea is to trade the medium term consolidation pattern seen in the H4 chart by going long at this demand pocket. If one look at the D1 chart, price action since the September 17 high of 1.31705 is clearly a 4th wave, clearly setting up a base for a surge above 1.31705 high in due course.

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.30261	1.29347 Realized	1.28159	Exit on D1 close above 1.29719
Sold @ 1.29966	1.29347 Realized	1.27390	Exit on D1 close above 1.29719

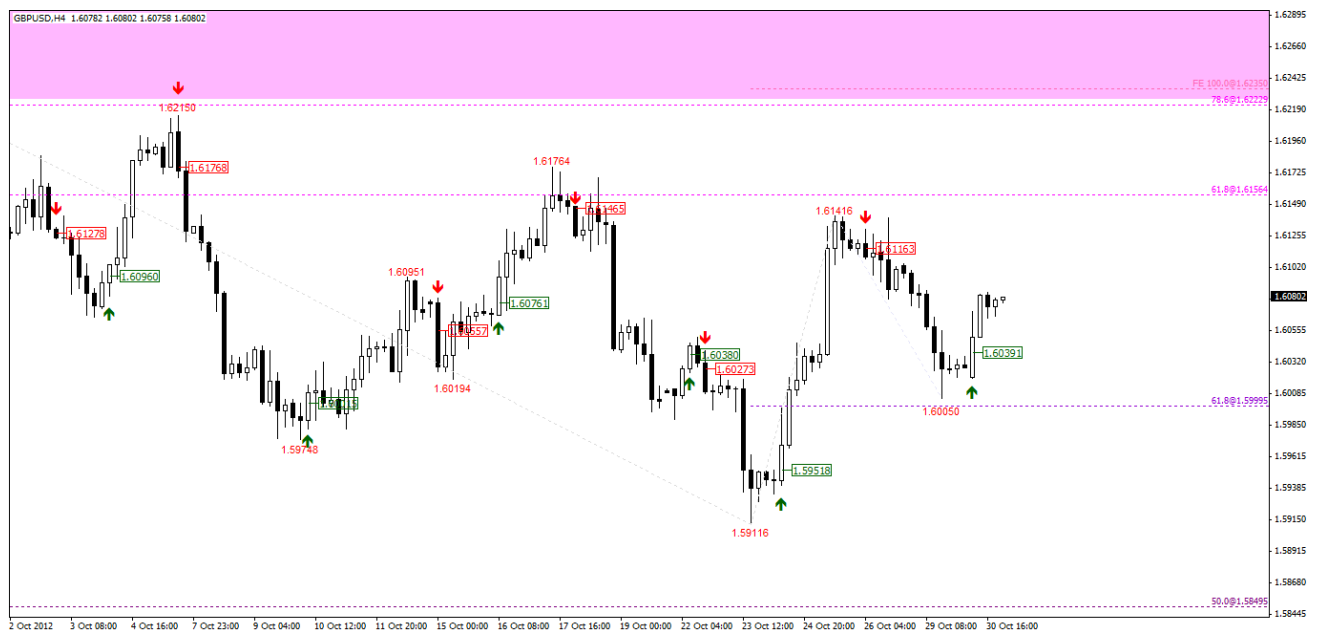
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 26-10-2012								\$70,956.00
EUR-USD	30-10-2012	1.0	1.29611	23-10-2012	1.0	1.30261	+\$650.00		
EUR-USD	30-10-2012	1.0	1.29611	25-10-2012	1.0	1.29966	+\$355.00		
						Unrealized	+\$1,005.00		

GBP-USD DAILY



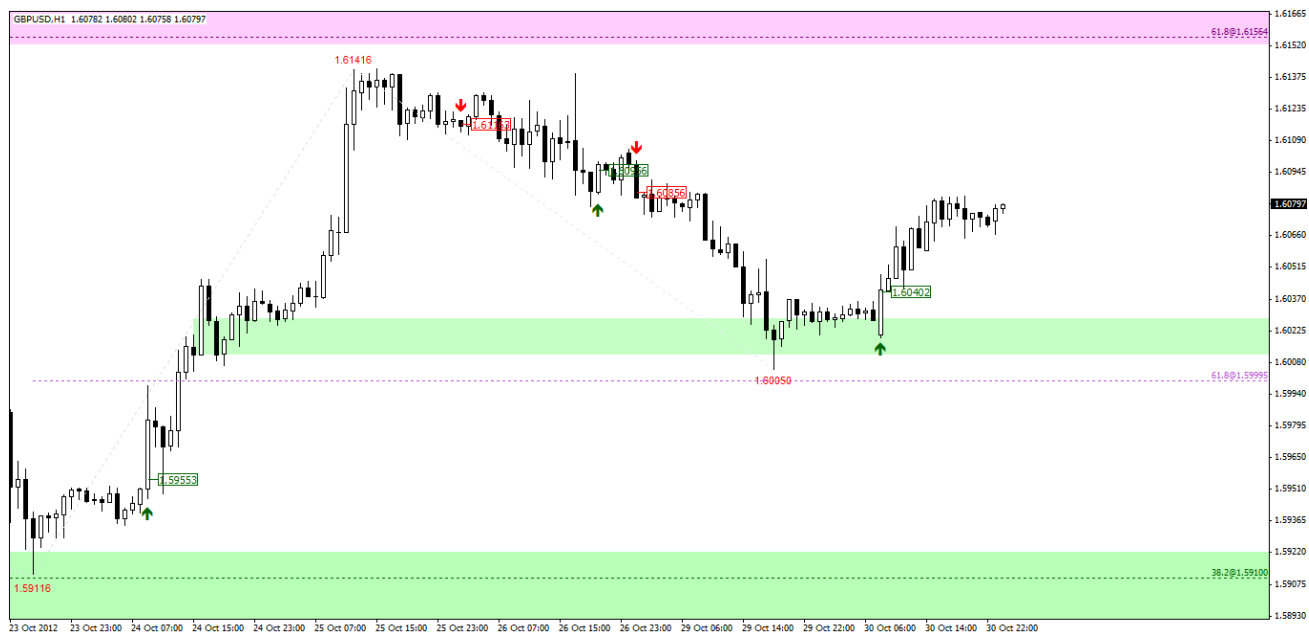
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

As expected, this market worked towards the minor demand pocket at **1.60116-1.60280** on Monday and buying interests emerged from there and took price action higher in overnight trading. In the H1 chart, a close above **1.60402** signaled the potential resumption of the rally from 1.59116. As noted, last week's rally from the demand pocket at **1.58800-1.59223** was strong and price actions since then were viewed as a 4th wave correction and if this analysis is correct, we should witness an extension of this rally beyond the September 21 high of **1.63077** in this latest installment. In the meantime, a sustained rally above **1.61764**, above the supply pocket at **1.62272-1.60377**, would suggest that the correction phase is over. On the flipside, though unlikely, continued weakness below Monday low of 1.60050 may see price action easing back to the demand pocket at **1.58800-1.59223**, where the 38.2% retracement of 1.52666 to 1.63077 at **1.59100** is located.

GBP-USD 1-HOURLY



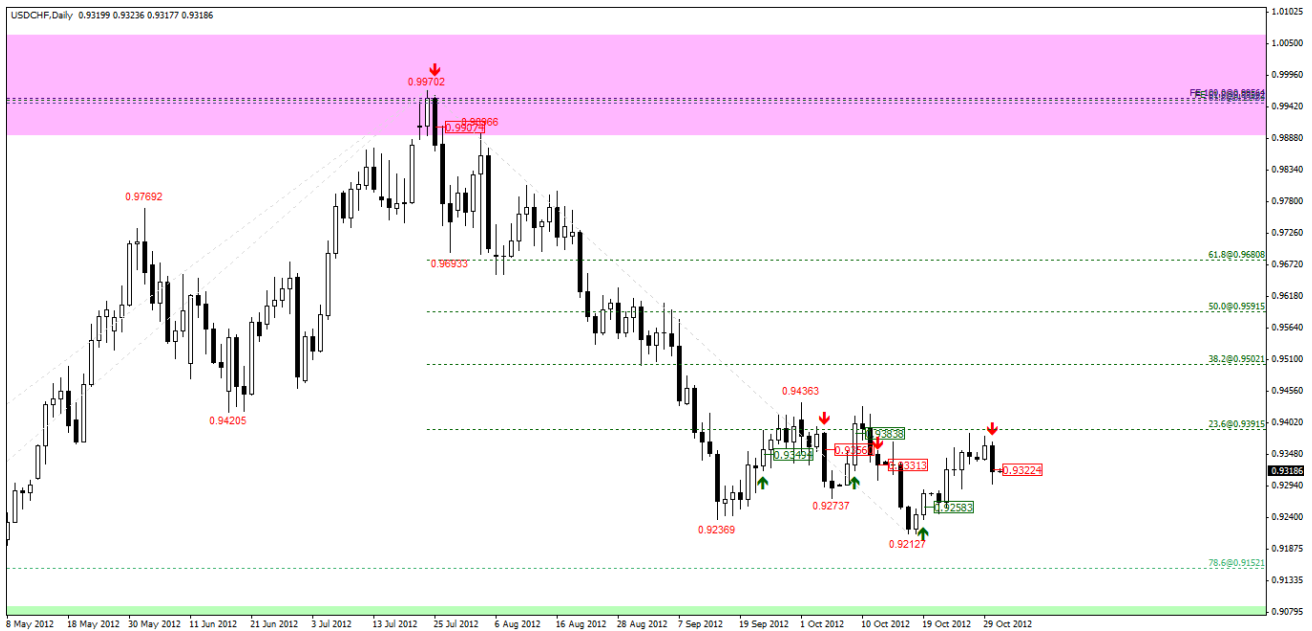
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.60402	1.62272	1.64208	Break-even

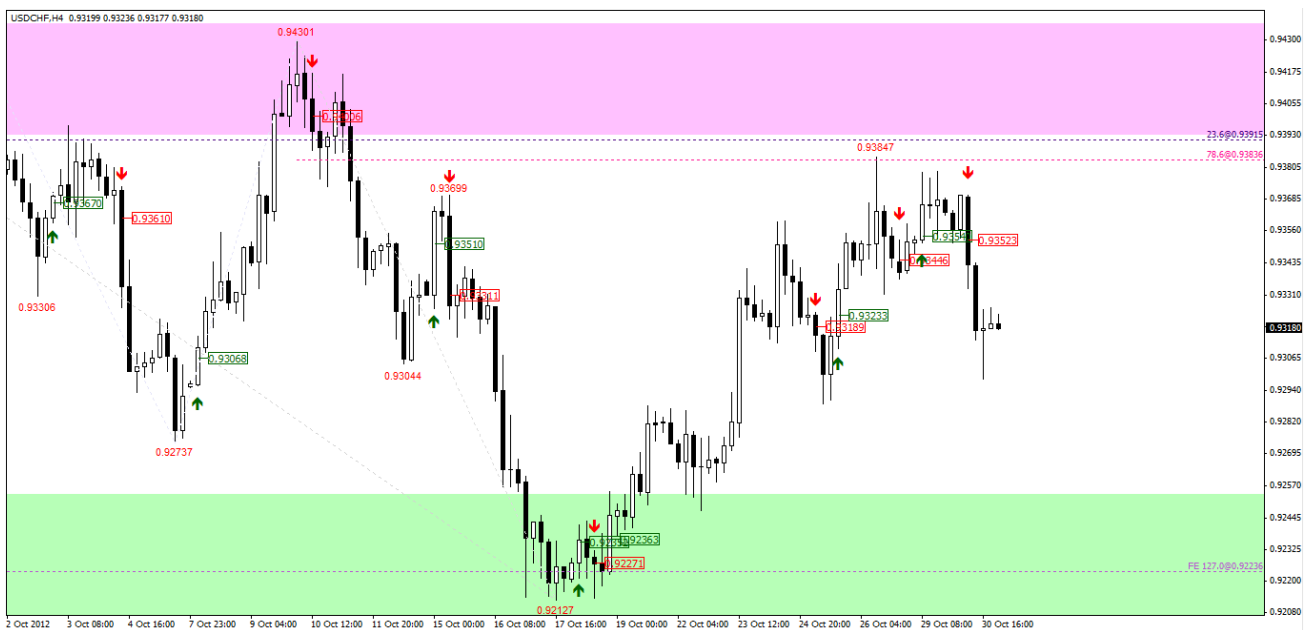
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from								\$48,810.00
	26-10-2012								
GBP-USD	30-10-2012	1.0	1.60402	30-10-2012	1.0	1.60781	+\$379.00		
GBP-USD	30-10-2012	1.0	1.60402	30-10-2012	1.0	1.60781	+\$379.00		
						Unrealized	+\$758.00		

USD-CHF DAILY



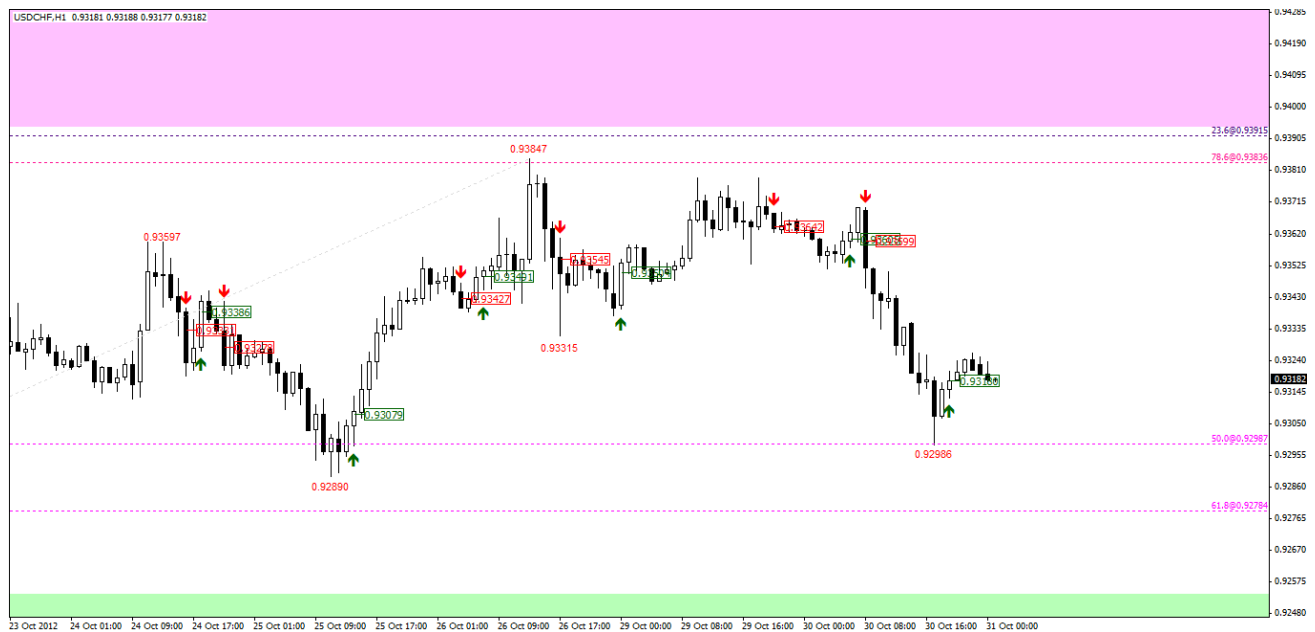
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Price action, though well bid, failed to break above the overhead supply pocket at **0.93941-0.94363** and came tumbling down in overnight actions, demolishing the short-term bullish case along the way – at least for now. Though not totally unexpected, as the upside potential was deemed to be limited without an impulsive rally, it would still be nice to see a 3-wave corrective rally to the 38.2% retracement of 0.99702 to 0.92127 at **0.95021**. From there, re-establishing short positions would have been a lot more comfortable. But last night's fall suggested that a resumption of the fall from the July 24 high of 0.99702 may have started. Though unlikely, a spike into the overhead supply pocket at **0.93941-0.94363** can still happen and if so, it may present perhaps the last chance to sell into such a rally for an attempt on the October 17 low of **0.92127**. This, however, must be qualified that a rally, if any, must not be impulsive. Structurally, the fall from the July 24 high of 0.99702 is deemed to have 'completed' with a clear 5-wave down. As such, traders must be careful in chasing this fall as any decline from here going forward may not yield much. Alternatively, traders may wish to stand aside and observe.

USD-CHF 1-HOURLY



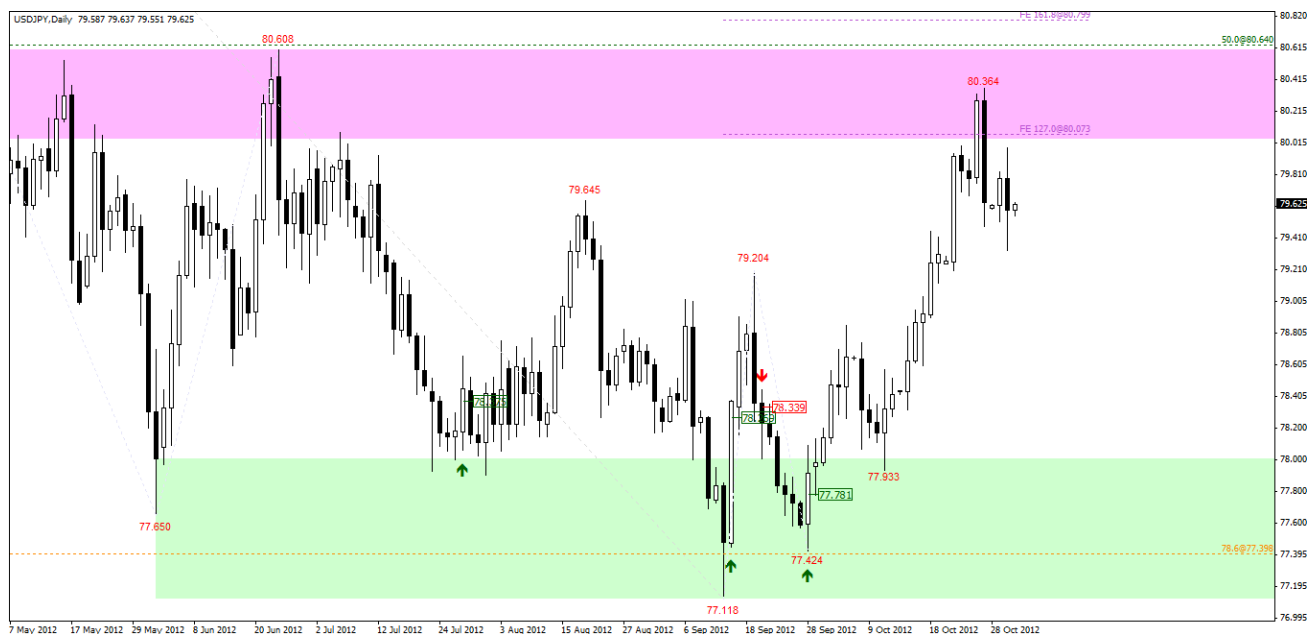
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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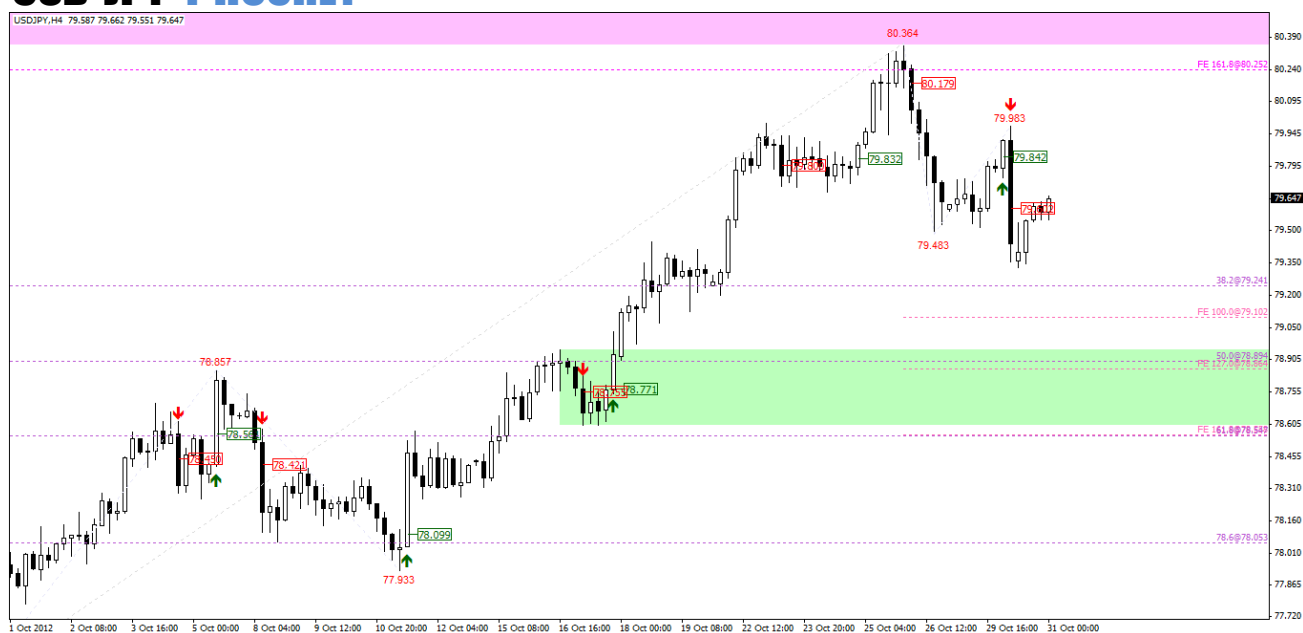
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 26-10-2012								\$33,516.33
USD-CHF	18-10-2012	1.0	0.92352	30-10-2012	1.0	0.93224	+\$935.38	+\$935.38	34,451.71
USD-CHF	25-10-2012	1.0	0.93079	30-10-2012	1.0	0.93079			
Unrealized							\$0.00		

USD-JPY DAILY



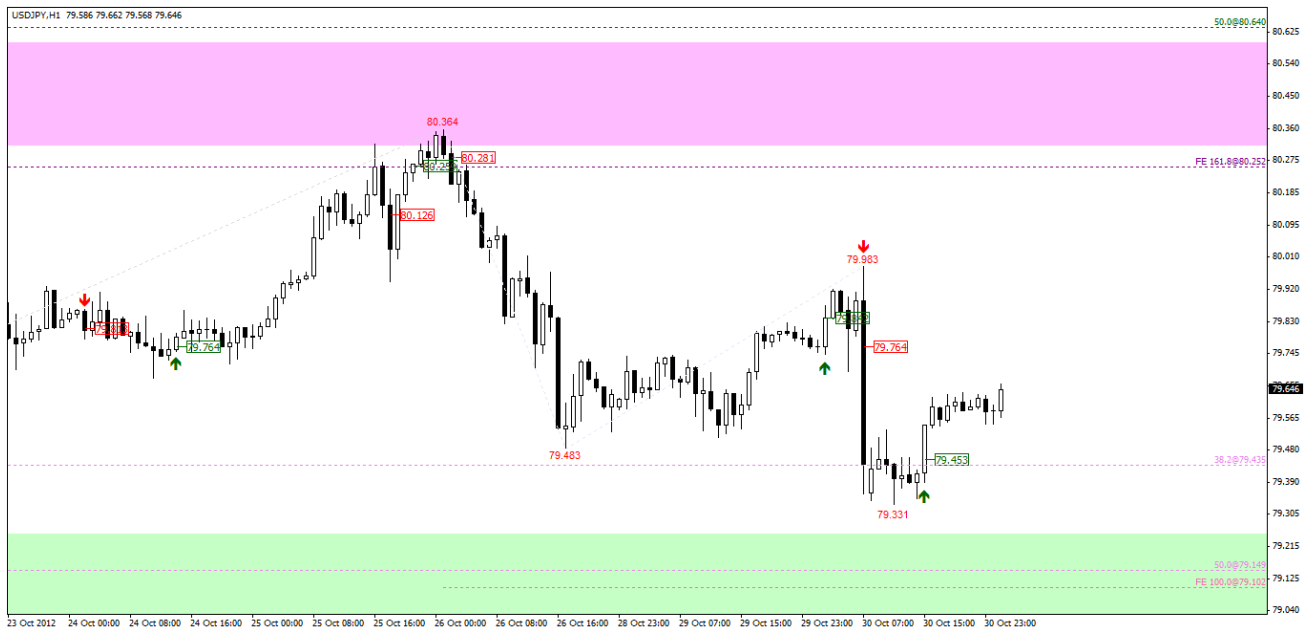
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

Moments just before BOJ announced the highly anticipated easing measure in another effort to jumpstart the moribund Japanese economy, price action kicked higher before slumping to a 7-day low at 79.331 on reaction to the announcement. Traders had expected the BOJ to expand its asset-buying program by at least ¥10 trillion (\$125 billion), although talk is that it could be as high as ¥20 trillion. At ¥11 trillion, this latest installment of the QE was disappointing nonetheless. With this uncertainty out of the way, we are beginning to see the return of some buying interests. As such, trading the long side of this market now offers better odds. Though price action did not quite make it to the demand pocket at **78.979-79.250**, where the 50.0% retracement of 77.933 to 80.364 at **79.149** is, a buy signal was triggered with a close above **79.453** in the H1 chart. This may well be signal the start of the resumption of the rally from 77.118.

USD-JPY 1-HOURLY



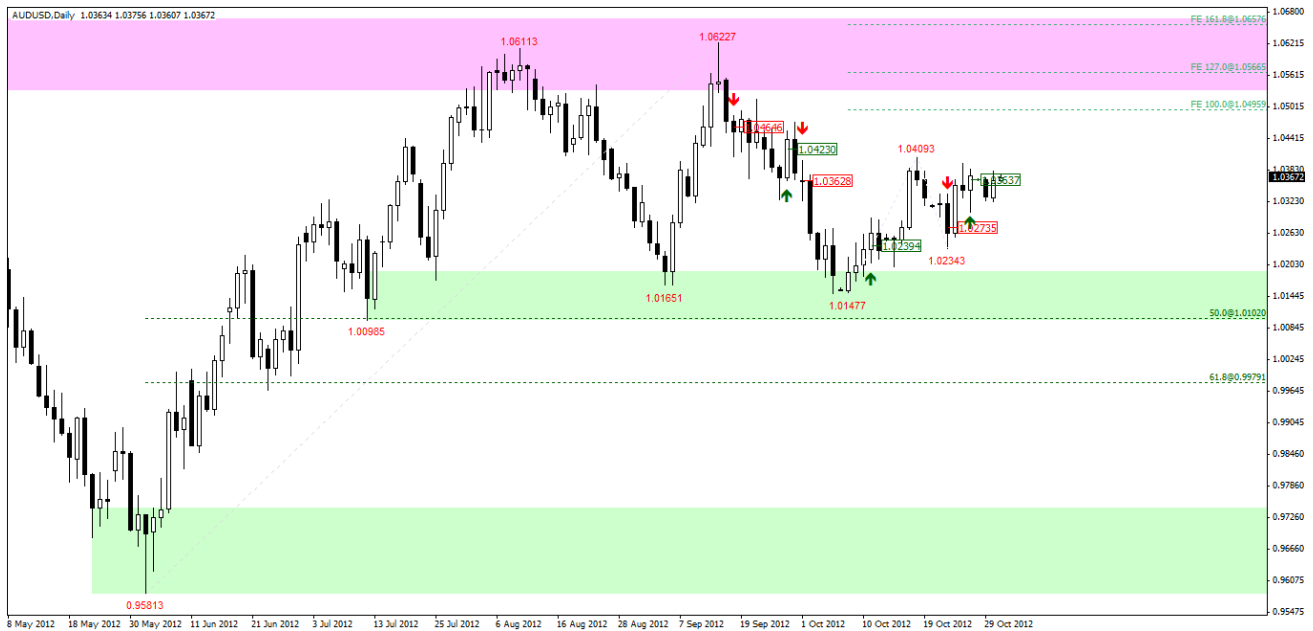
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 79.453	80.313	81.512	Break-even

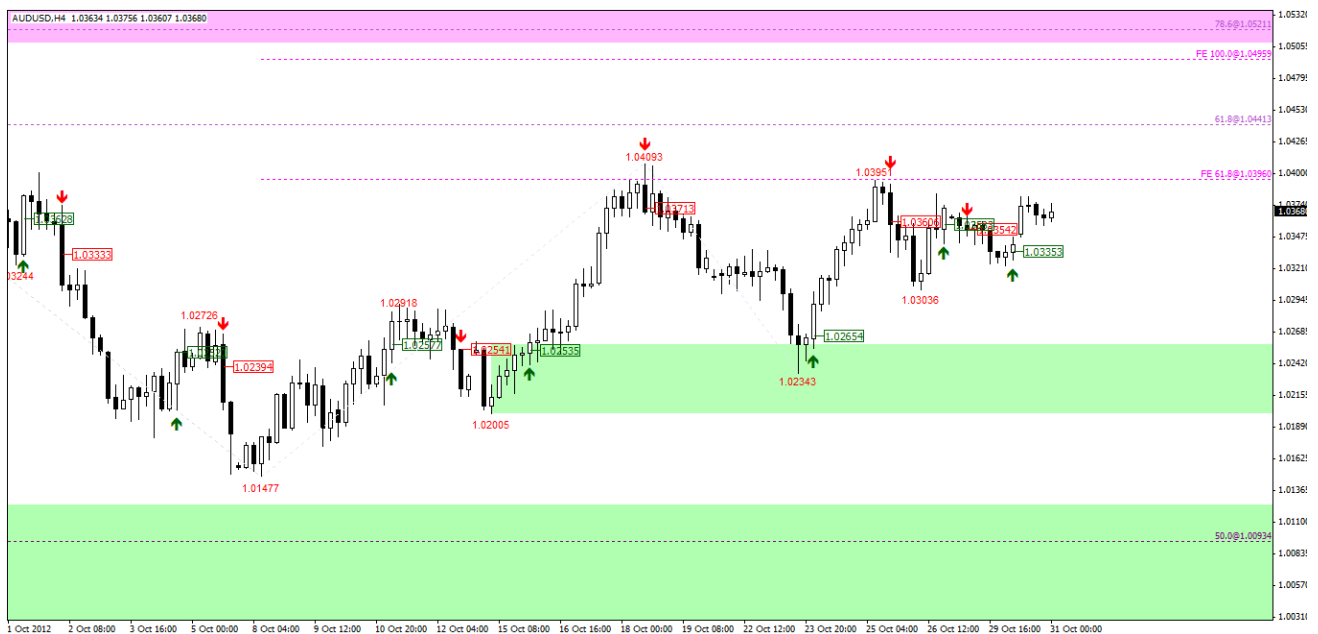
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 26-10-2012								\$25,464.19
USD-JPY	30-10-2-12	1.0	79.842	26-10-2012	1.0	80.281	+\$549.84	+\$549.84	\$26,014.03
USD-JPY	30-10-2-12	1.0	79.453	30-10-2012	1.0	79.585	+\$167.97		
USD-JPY	30-10-2-12	1.0	79.453	30-10-2012	1.0	79.585	+\$167.97		
Unrealized							+\$335.94		

AUD-USD DAILY



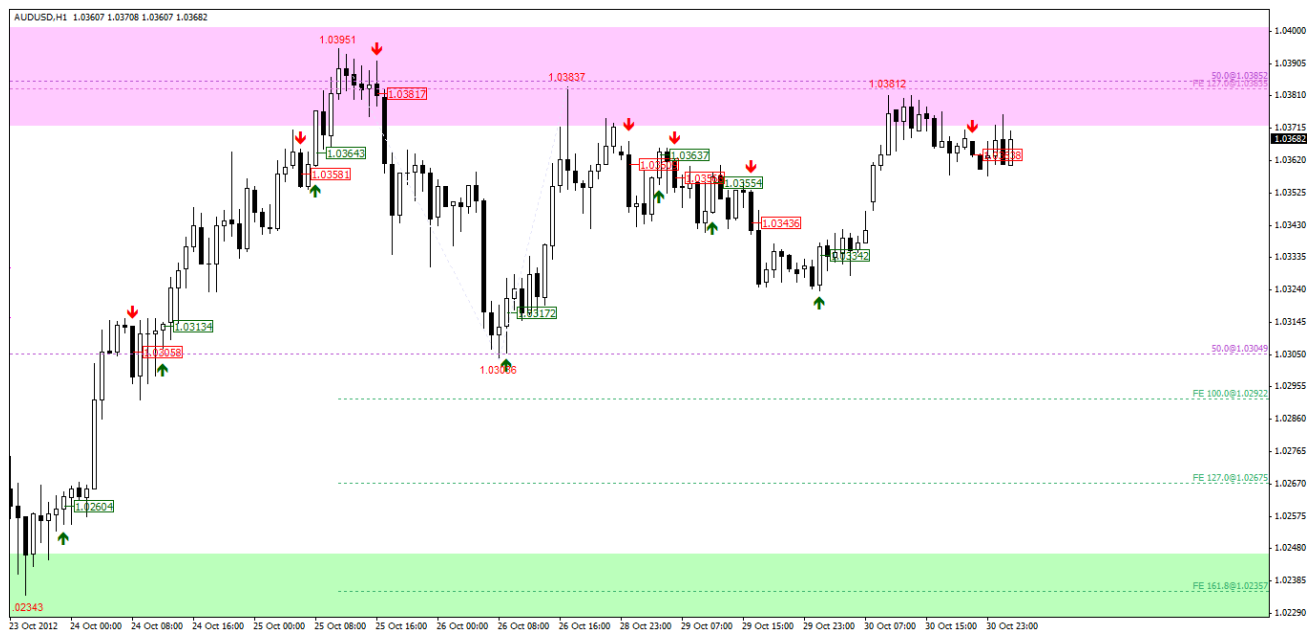
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

With this market trading in between two well defined boundaries marked by the demand pocket at **1.00985-1.01911** and the supply pocket at **1.05317-1.06677**, it is still a difficult call as to where this market may head in the short-term (see D1 chart). After hitting the 50.0% retracement of 1.02005 to 1.04093 at **1.03049** from within the minor supply pocket **1.03722-1.04011** with a print at 1.03036 last Friday, Monday saw some more profit-takings (see H1 chart). As noted, sustained trading above **1.04093** would see this market challenge the September 14 peak of **1.06227**. Bearing in mind the larger time frame and triangle pattern (in W1 chart), unless and until this market breaks out of either boundaries marked by the demand pocket at **1.00985-1.01911** and the supply pocket at **1.05317-1.06677**, trading this range is still the way to go.

AUD-USD 1-HOURLY

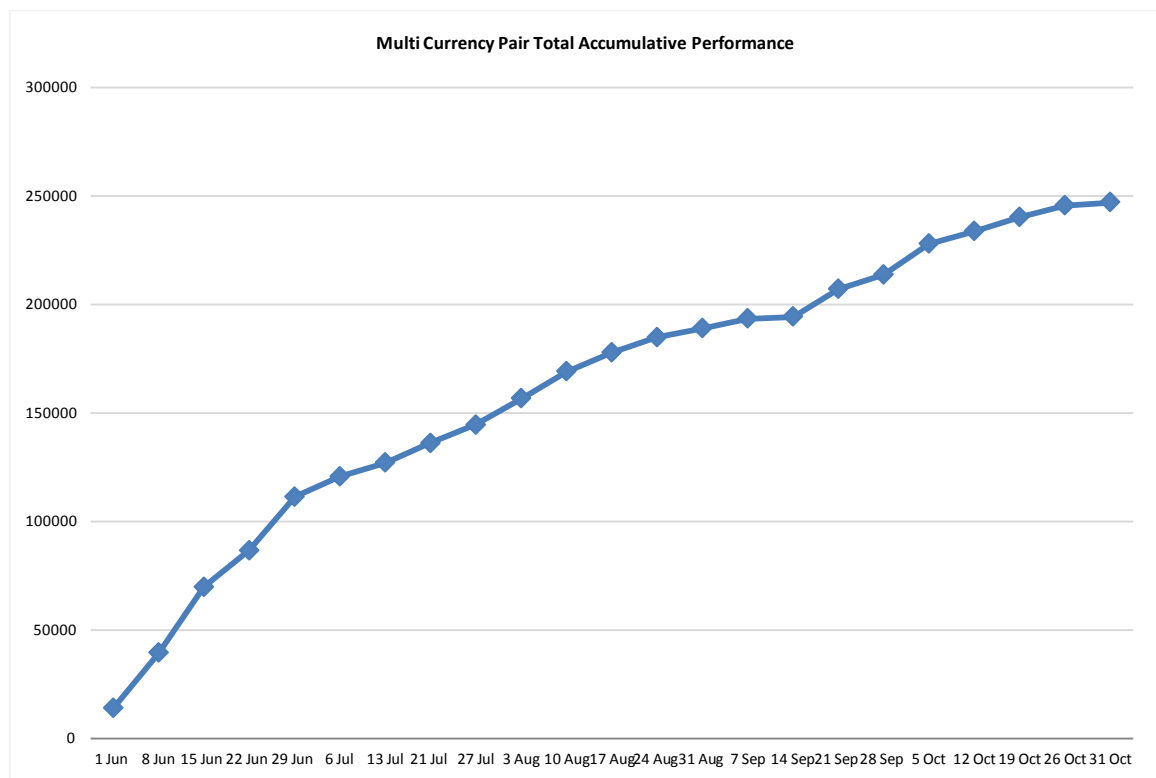
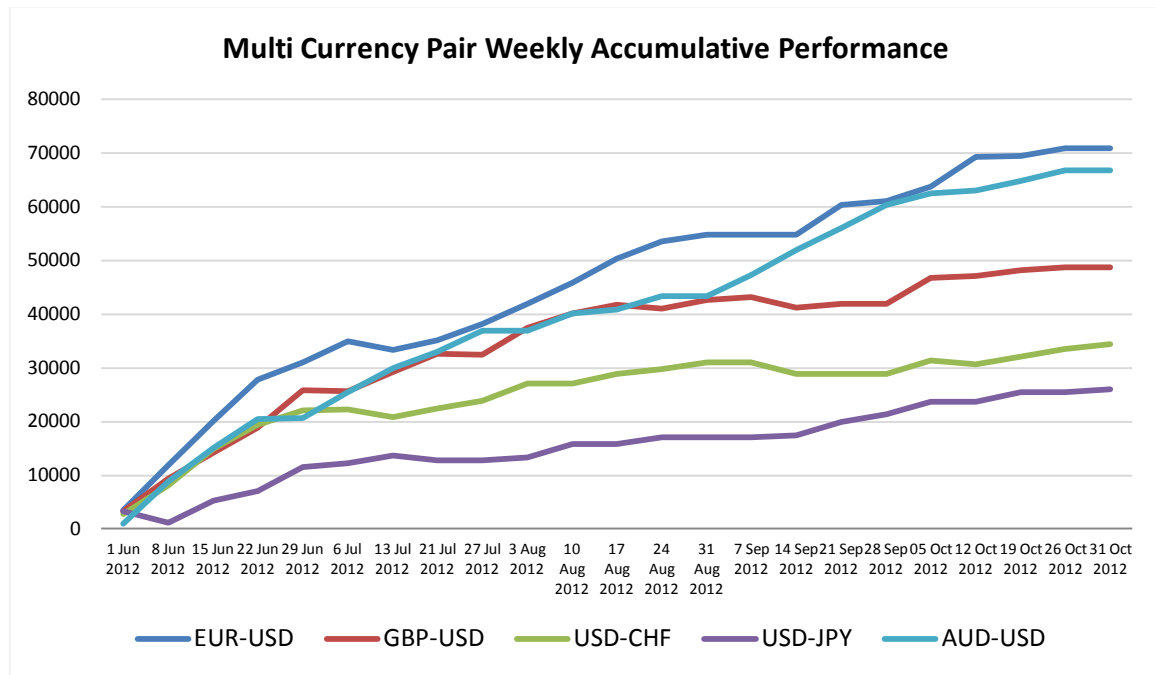


Trade Ideas

ACTION	Target 1	Target 2	EXIT
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Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 26-10-2012								\$66,845.00
Unrealized							\$0.00		



Website under development

Traders Academy International

Traders Academy International is an independent organization with no affiliation with any brokers or organizers of our events. From the onset, this policy of non-affiliation has served us well as we do not believe our students' interests will be served if we have a separate agenda. This is in contrast with industry practice. Our objective has been and will continue to be to educate the trading public our time-tested and highly effective methodologies to take on the markets in an easy-to-understand format.

We have never advertised our services but words of mouth have spread far and wide. Over the last three years or so, demands for our trading workshops are so high that we have to turn away some due to scheduling.

Non Affiliation Policy

The people behind Traders Academy International are seasoned veterans in the financial service industry. Our trainers have individually over 25 years in both exchange-traded and OTC derivative financial products including but not limited to the foreign exchange market.

They bring with them unique market insights from their years in the brokerage and hedge fund business and education is a natural progression for traders as their accumulated knowledge of the market should be shared and continue to benefit those who are keen to learn the secrets and techniques used by successful traders.

One of who is still active in the hedge fund business.

The rise of the retail traders has also given rise to the demand for professionally run coaching courses on the art of trading the financial markets. This is a healthy and natural development. However, most of these so-called coaching courses are doing more harm and good. This is because students enrolled in such courses have unrealistic expectations. This is made worse by the quality of such courses.

Most, if not all, teach some form of technical analysis. In our humble opinion, they are more hype than sustenance. Over the years, we realized the methodologies touted by most traders and coaches alike are inherently ineffective to the point the signals generated by technical indicators lag so badly behind price action that they cannot beat the markets on a consistent basis.

We believe, trading methodologies and strategies should be simple and easy to implement on a daily basis that laymen with basic numeric ability should be able to grasp.