Fri, Mar 8, 2013 Weekday Edition

FOREX OUTLOOK



A Traders Academy International Publication

Central Banks Held Rates Steady

EUR-USD rallied on Thursday, posting its largest 1-day gain in two months as European Central Bank President Mario Draghi gave no indication that the bank would cut interest rates further in the Euro zone.

The ECB, which kept interest rates steady, had been expected to lower its inflation and growth forecasts, giving Draghi room to cut rates and support recession-hit economies in the coming months. The bank did lower its growth forecast for the currency bloc for 2013, but Draghi said he expects economic activity to gradually recover, given firming global demand.

EUR-USD shot up 1.1 percent for the day to 1.31051 with a session peak of 1.31173 marked a 5-day high.

Healthy demand at a Spanish debt auction also eased some traders' concerns about the Euro zone. Spain sold €5 billion of bonds, hitting the top end of its targeted amount at reduced borrowing costs despite political uncertainty in Italy.

Most analysts say that even if borrowing costs for highly indebted Euro-zone countries like Spain and Italy do not rise, on a more fundamental basis, the struggling Euro-zone economy will need a more accommodative monetary policy stance along with a weaker currency to boost growth.

EUR-JPY surged nearly 2.1 percent to 124.557, its highest in more than a week. It settled at 124.249, up 1.87 percent, its best 1-day performance since Feb. 11.

GBP-USD rebounded from a 2-1/2-year low and settled at 1.50121, little changed, after the Bank of England decided not to resume its quantitative easing program.

Many traders had sold the GBP-USD in recent weeks on expectations that a grim UK economic outlook would prompt the central bank to pump in more liquidity. The BoE's bank rate is at a record low of 0.5 percent.

USD-JPY was up 0.80 percent at 94.808, after touching a session peak of 95.077, the highest since August 2009.

Earlier on Thursday, the Bank of Japan kept monetary policy unchanged, but USD-JPY strengthened on expectations of aggressive easing in the future. The incoming governor at the Bank of Japan won't wait long to infuse bolder monetary support into the weak Japanese economy. Some have revised their forecasts to show sustained USD-JPY strength. UBS, for instance, raised its year-end forecast to 100.000 from 85.000.

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DAYLIGHT SAVINGS TIME

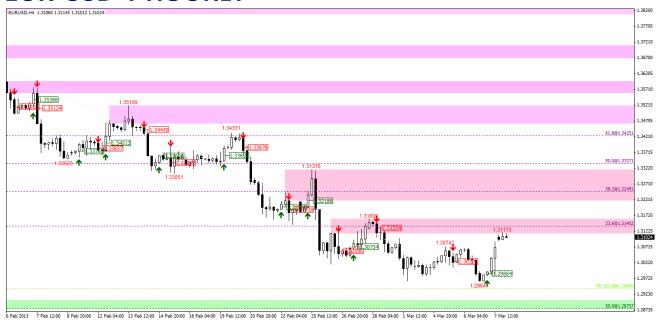
Sunday, 12 March marks the start of Daylight Savings in the U.S. till 3 November 2013.

U.K. and Switzerland will only revert to DST on Sunday, 31 March 2013; followed by Australia will on Sunday, 7 April 2013.

EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

After spending almost two weeks flirting with the demand zone at **1.2877-1.30475** from last week's fall from 1.37101, this market did an about-turn. This disrupted the downward trajectory suggesting an imminent challenge of the price bracket between the 161.8% projection of 1.37101 to 1.35189 at **1.32095** and the 50.0% retracement of 1.20414 to 1.37101 at **1.28758**. The fact that each time this market dipped below the 1.30000 handle, it got bought back above this psychological level. Yesterday was the fourth time this market had done that; suggesting the smart money is determined to defend the 1.30000 handle at all cost. Going forward, the medium-term bias has turned positive with a close above 1.30558 in the D1 chart. That said, short-term topside potential is probably limited to the 23.6% retracement of 1.37101 to 1.29641 at **1.31402** where a minor supply pocket at **1.31146-1.31608** is located (see H1 chart). So far, the overnight rebound has flirted with this price bracket but appears to have trouble trading into this minor pocket. As noted, the 23.6% retracement of 1.37101 to 1.29641 at **1.31402** where a minor supply pocket at **1.31146-1.31608** is sited is also a low risk selling opportunity – at least in the short-term.

EUR-USD 1-HOURLY



TRADE IDEAS

Action	Exit Condition	Entry	Stop-Loss	Profit	Profit	Exposure	Exposure
		Price		Target 1	Target 2	%	Units
Sell	Sell on sell signals between 1.31146-1.31608		1.31708	1.29004	1.27214	3	0.03m

TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price		ealized P/L		Realized P/L		umulative Balance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.01										3.02	10,302.10

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

This market stabilized around the 127.0% projection of 1.63799 to 1.56731 from 1.58768 at **1.49792** and rebounded sharply after NY midday trade overnight. That said, the overall bias is still to the downside and momentum favors another challenge of the demand pocket at **1.48730-1.49830** especially if the 127.0% projection of 1.63799 to 1.56731 from 1.58768 at **1.49792** fails to hold the line. If so, focus would shift to the lower demand pocket at **1.42300-1.43422**. To put things in perspective, this market has fallen from a 3-year high in January to a 32-month low in just two months. Such was the ferocity of this fall. Other than the Japanese Yen, the Sterling Pound is now the second weakest major currency. For those who managed to sell on the brief rebound last Friday at the minor supply pocket at **1.52955-1.53161**, a close above **1.51262** in the D1 chart may signal the onset of a more robust recovery. If so, the minor supply pocket at **1.52955-1.53161** is an immediate barrier to higher prices. This is followed by another at **1.54526-1.55481**.

GBP-USD 1-HOURLY



GBP-USD TRADE IDEAS

Act	tion	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
So	old	Exit on D1 close above 1.51262	1.52999		1.50954 Realized	1.43422	3	0.03m

GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		ealized P/L		Realized P/L		umulative Balance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.01										15.4	11,544.60
2013.02.22 06:23	0.02m	1.52999	2013.03.07 23:59	0.02m	1.50121	575.6	575.60				

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

The rally from 0.90204 after trading into the supply zone at **0.94058-0.95109** has stalled just below the 50.0% retracement of 0.99709 to 0.90204 at **0.94956**. Wednesday saw this market surged a 16-week high with a print at 0.94879 – just below last November's high of **0.91509**. Yesterday high at 0.94871 was just a touch below the previous day's high. The idea to sell into the supply zone at **0.94058-0.95109** was right on. The rally frizzled out and unraveled early on Thursday morning and continued to sell off throughout the London and NY sessions. As noted, this market remains bounded by the demand zone at **0.90010-0.90587** and the supply zone at **0.94058-0.95109** (see D1 chart). Unless and until this rally from 0.90204 accelerates beyond the supply zone at **0.94058-0.95109**, positioning speculative short positions there made sense; especially near the 50.0% retracement of 0.99709 to 0.90204 at **0.94957** (see D1 chart). Now that this market has came off the week high, it is by no means a done deal. Only a sustained fall below the primary target at the demand pocket at **0.93914-0.94035** as well as a close below **0.94063** in the D1 chart would add confidence that this overnight fall will gain enough momentum to ease further. If so, a secondary target at the **0.93499-0.93578** awaits.

USD-CHF 1-HOURLY



USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units	
Sold	Exit on D1 close above 0.94063	0.94491		0.93572	0.92928	2	0.02m	l

USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.01										4.93	10,493.17
2013.03.01	0.02m	0.94491	2013.03.07	0.02m	0.94247	48.8	51.78				
17:27			23:59								

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

This market certainly is stronger than most give it credit for. From the massive selloff two Mondays ago, this market has not only recovered steadily over the two weeks since, it has just taken out the 33-month high of 94.550 with a fresh 43-month high! With this surge, the D1 chart has now turned positive with a successful close above 94.525. However, only a sustained rally above the SZ at 94.640-95.077 (revised) would suggest the resumption of the long-term rally. Despite the strong rally, this market remains within this price bracket and remains vulnerable to selling pressure. Today, being the last trading day of the week plus the fact that the NFP will be released in early NY session will definitely see some interesting fireworks. One way or another, this stalemate will be resolved by the end of trading tonight. Should this market fail to clear above the SZ at 94.640-95.077; another round of selling may be in store. Should this market close below 93.278 in the D1 chart tonight; it would considerable confidence that a meaningful is in progress. On the flipside, should this market rallies strongly above the SZ at 94.640-95.077 and closes above this price bracket on a daily basis, it would mean that the rally from 77.119 has resumed and focus would shift towards the longer-term target at the 261.8% projection of 75.563 to 84.172 from 77.119 at 99.657; which is roughly near the stated goal of the new Japanese government of 100 yen per dollar. This level is not far from the longer-term target of the 38.2% retracement of the 1998 peak of 147.680 to 75.563 at 103.112.

USD-JPY 1-HOURLY



USD-JPY TRADE IDEAS

Action	Exit Condition	Entry	Stop-Loss	Profit	Profit	Exposure	Exposure
		Price		Target 1	Target 2	%	Units
Sell	Sell on sell signal 94.640-95.077		95.170	93.916	91.309	3	0.03m

USD-JPY TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		ealized P/L	zed Realized P/L			mulative alance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.01										25.28	12,528.38
2013.03.04	0.01	93.560	2013.03.07 18:42	0.01	95.070			-151.0	-158.83	23.70	12,369.55
2013.03.07 15:46	0.02	94.543	2013.03.07 18:42	0.02	95.070			-105.4	-110.87	22.59	12,258.68

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

The recovery from the demand pocket at **1.00995-1.01917** where the 100.0% projection of 1.06239 to 1.01485 from 1.05970 at **1.01216** is located stalled at the 38.2% retracement of 1.05970 to 1.01135 at 1.02982 with a print at 1.02992 on Wednesday (see H4 chart). The fall from there hit a minor demand pocket overnight at **1.02125-1.02184** which just just abive the 50.0% retracement of 1.01135 to 1.02992 at **1.02063** and recovered overnight (see H1 chart). At this point in time, short-term bias is to the downside although the medium-term outlook is positive. However, the resumption of the fall from 1.05970 is not a given. Only a close below **1.01938** in the D1 chart and sustained trading below the demand pocket at **1.00995-1.01917** would add confidence that the fall from 1.05970 has indeed resumed. In the mentime, the supply pocket at **1.03372-1.03727** where the 50.0% retracement of 1.05970 to 1.01135 at **1.03553** is sited remains a stubborn barrier to higher prices (see H4 chart). Yesterday's update suggested taking profits at the minor demand pocket at **1.02125-1.02184**. The rebound from this minor price bracket proved this call correct. That said, another test of this zone is anticipated including the next at **1.019130-1.01995**.

AUD-USD 1-HOURLY



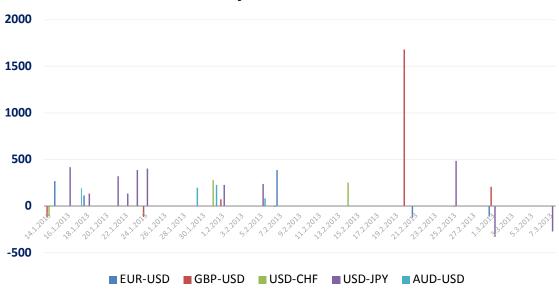
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.01205	Breakeven	1.02831 Realized	1.03372	3	0.03m
Sell	Sell on sell signals between 1.03372-1.03727		1.03827	1.02184	1.01917	3	0.03m

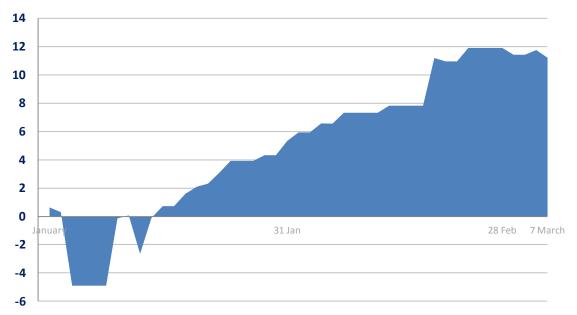
AUD-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price		ealized P/L	Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.01										8.49	10,849.00
2013.03.01 09:33	0.01m	1.01205	2013.03.06 03:-6	0.01m	1.02831			162.6	162.6	11.01	11,011.60
2013.03.01 09:33	0.02m	1.01205	2013.03.07 23:59	0.02m	1.02657	290.4	290.40				

Daily Realized P/L



Accumulative Percentage P/L



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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.

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 substance. 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.