

A Traders Academy International Publication

Juncker's Comment Caused Euro To Slide

The Japanese Yen on Tuesday posted its best 1-day gain against the Euro in seven months and rose against the US Dollar after falling four straight days, as a warning from a Japanese minister about excessive Yen weakness prompted traders to pare bearish bets.

EUR-USD, meanwhile, fell after three straight days of gains, pressured by weak German data and comments from Eurogroup head Jean-Claude Juncker that the Euro exchange rate was "dangerously high." Traders were a bit surprised at Juncker's comments, coming as they did a few days after European Central Bank President Mario Draghi said in a press briefing that the Euro's rate is currently at its long-term average versus the US Dollar.

EUR-USD has risen 0.9 percent so far this year. In the fourth quarter last year, it rose 2.7 percent while EUR-JPY surged more than 14 percent.

Meanwhile, expectations of aggressive action from the Bank of Japan to weaken the Japanese Yen have driven the US Dollar and Euro sharply higher in recent months. USD-JPY notched a nearly 11.3 percent gain in the fourth quarter of 2012 and has risen more than 2 percent so far this year.

However, remarks by Japanese Economics Minister Akira Amari on Tuesday made traders nervous about the Japanese Yen's fall. He said excessive Yen weakness could hurt people by raising import prices. Amari's comments countered remarks made by Japanese officials over the past month that have strongly encouraged Yen weakness.

With bets against the Japanese Yen at lofty levels, many analysts contend it is poised for a short-covering rally, although it should prove temporary given widespread forecasts of forceful action from the BoJ to heal Japan's weak economy.

USD-JPY settled down 0.77 percent at 88.775, its worst showing in about a week. Earlier it hit a trough of 88.271, but losses were pared in North America following the release of a mixed batch of U.S. economic data.

U.S. retail sales rose solidly in December while manufacturing in New York state contracted for a sixth month in January. Other data showed inflation pressures remained muted, with U.S. producer prices falling in December for a third straight month.

The US Dollar, however, may fare well over the next month as traders embrace its safety during a looming battle in Washington over raising the government's borrowing limit, the so-called debt ceiling.

The US Dollar's setback on Tuesday came a day after USD-JPY hit 89.659, its highest since June 2010.

Bets on aggressive easing from the Bank of Japan have weighed heavily on the Japanese Yen in recent months. The BoJ has been under pressure from newly elected Prime Minister Shinzo Abe to adopt a 2 percent inflation target to beat deflation. The BoJ holds its next policy meeting on January 21-22.

EUR-USD slid on concerns about the U.S. debt ceiling debate and weak data from Germany, Europe's largest economy. The German economy was hit hard by the Euro zone crisis in the final quarter of 2012, shrinking more than at any point in nearly three years as traditionally strong exports and investment slowed, the Statistics Office said on Tuesday.

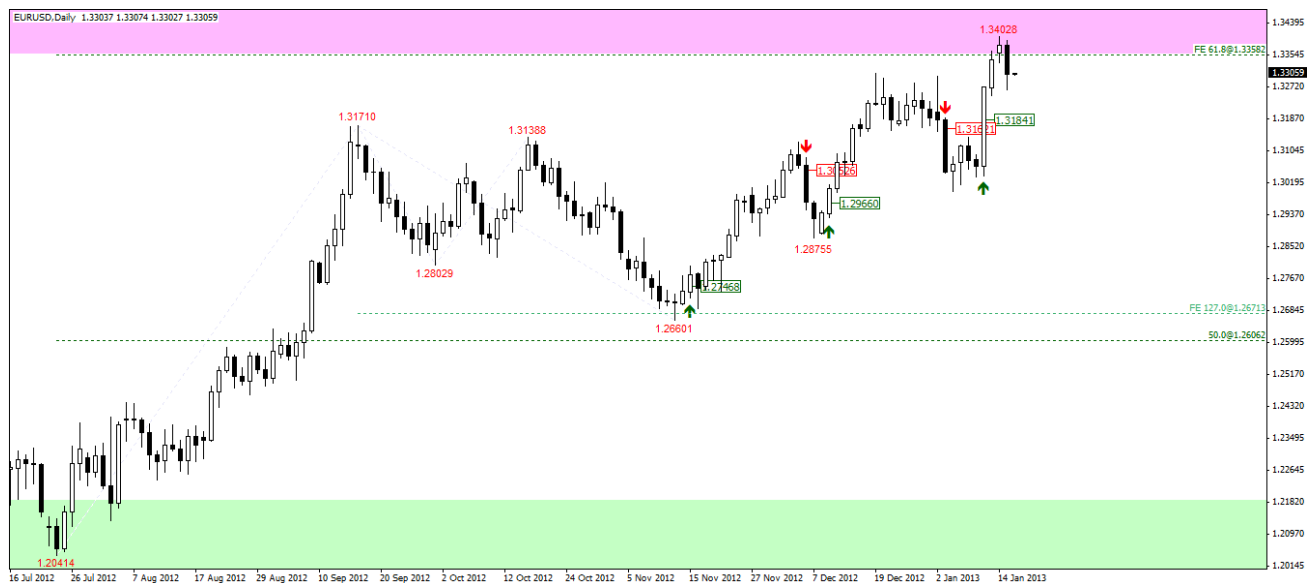
After reaching an 11-month high on Monday, EUR-USD settled at 1.33042, down 0.57 percent on the day. It fell as low as 1.32627 on Juncker's comments in early afternoon trading.

The Euro had been rallying in the aftermath of an ECB meeting last week. Comments by the ECB's Draghi were largely seen as supportive and served to downplay expectations of a near-term rate cut.

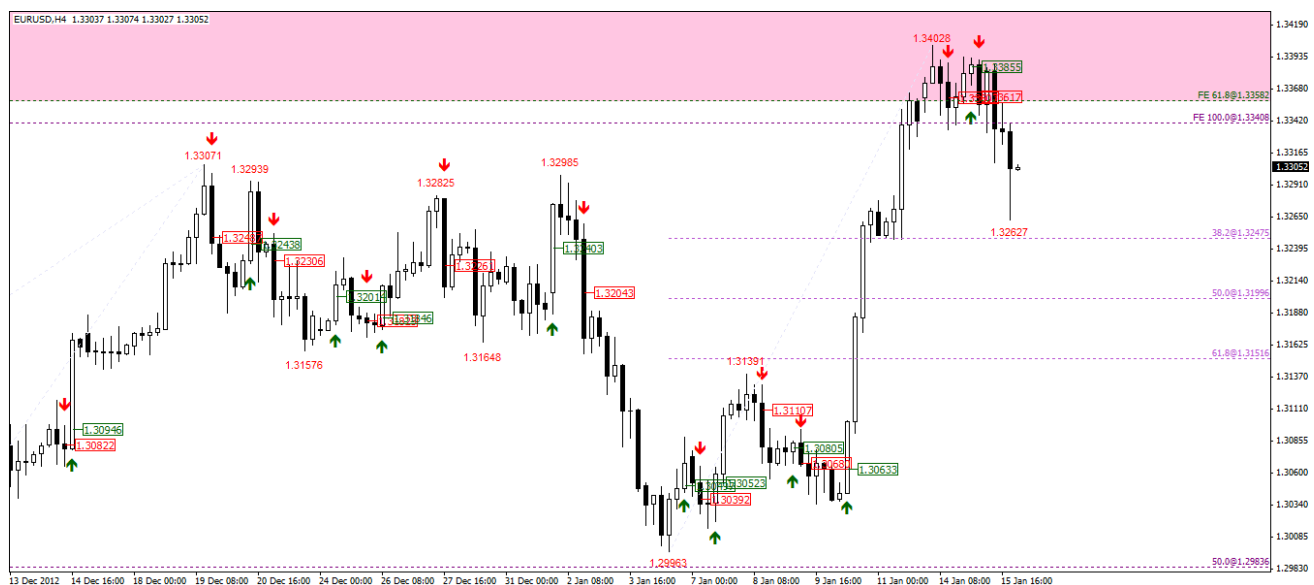
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EUR-USD DAILY



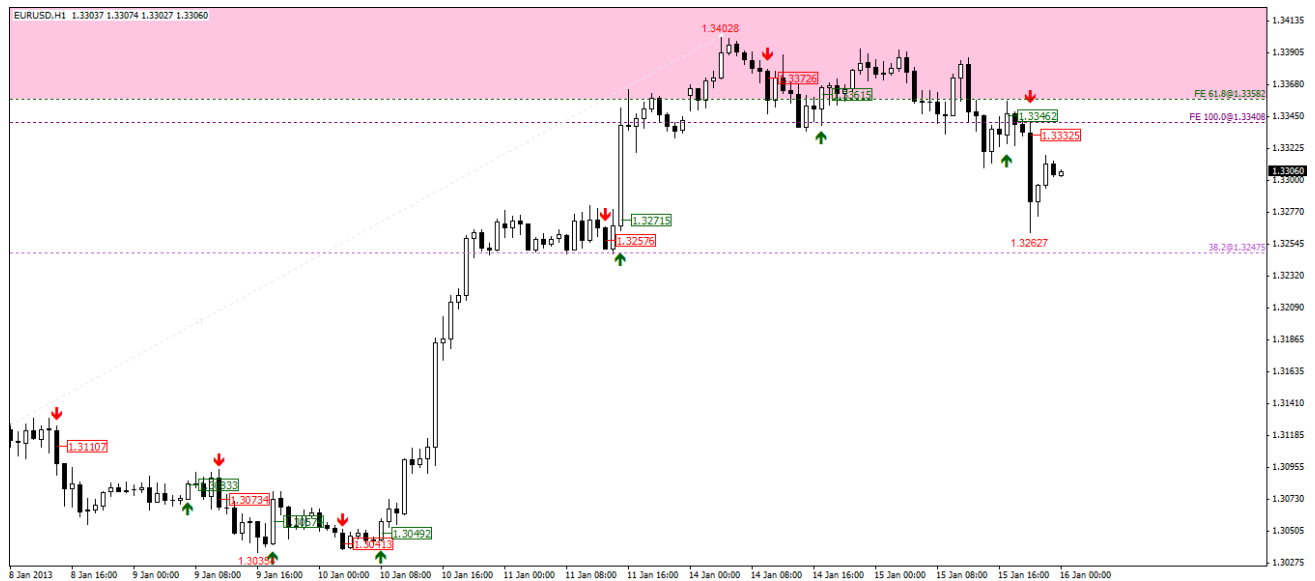
EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

As expected, heavy concentration of selling interests was present within the overhead SZ at **1.33575-1.34857**. After rallying into this price pocket last Friday, this market has stalled under 1.34028 with some 48 hours before profit-takings set in last night in NY. Incidentally, the fall halted just above the 38.2% retracement of 1.29963 to 1.34028 at **1.32475** and rebounded. This was also largely anticipated. Previous updates have allured to the possibility of a correction that may contain any pullbacks before resuming its earlier rally from 1.29963. In the event of a deeper fall, the January 4 low of 1.29963 is expected to hold. However, only a sustained rally above the overhead SZ at **1.33575-1.34857** would pave the way towards the 1.50000 psychological level.

EUR-USD 1-HOURLY



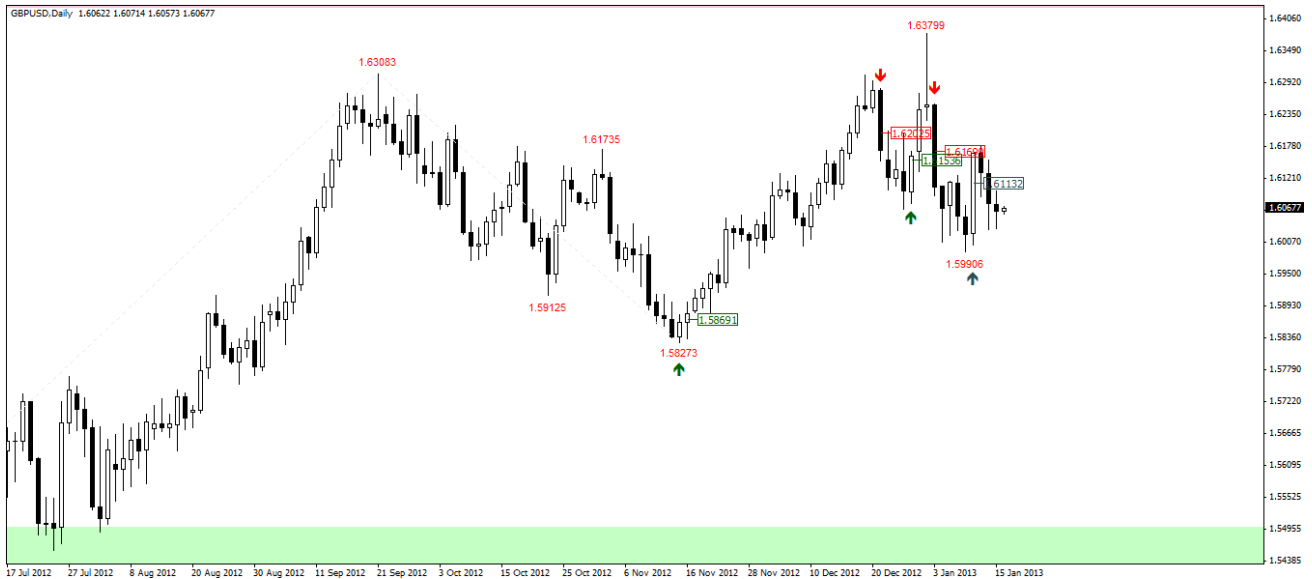
TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03m

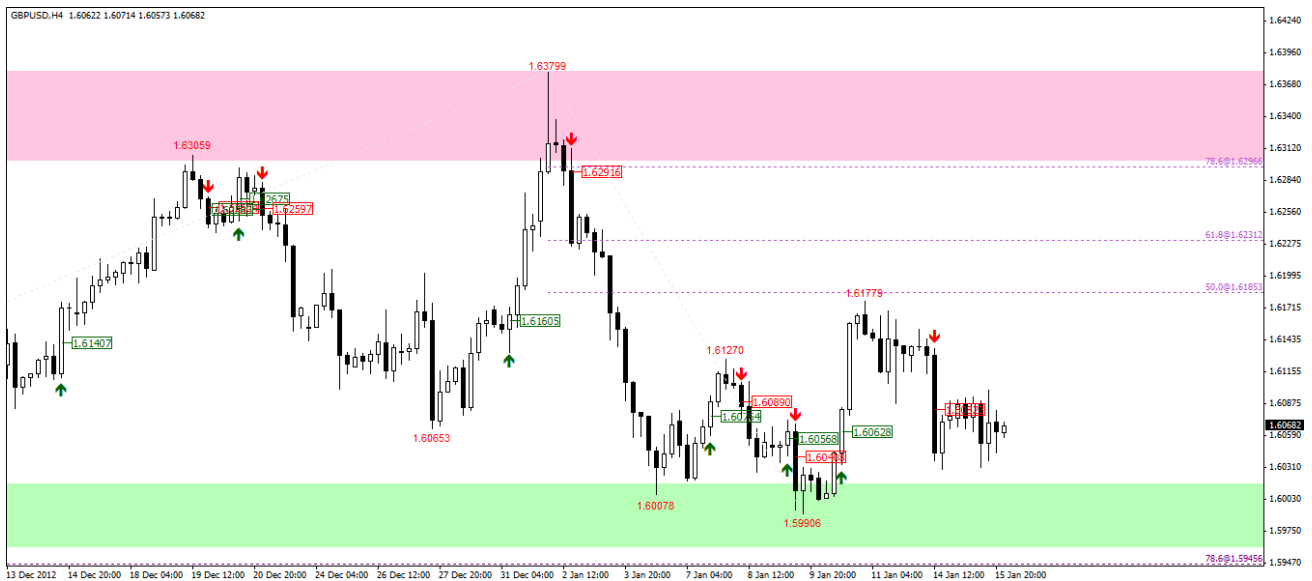
TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											9,698.50
2013.01.14 09:48	0.03m	1.33726	2013.01.15 20:53	0.01m	1.33069			65.7	65.70	0.68	9,764.20
2013.01.14 09:48	0.03m	1.33726	2013.01.15 20:57	0.02m	1.32716			202.0	202.00	2.07	9,966.20

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

Nothing changed materially overnight as this market sidelined. The idea that Thursday's rally suggested that a low is in place 1.59906 and that the correction from 1.63799 is over is still valid. That being the case, focus has shifted towards the supply zone at **1.63012-1.63799** which sits just above the 78.6% retracement of 1.63799 to 1.59906 at **1.62966**. However, the rally stalled at 1.61779 and pulled back sharply on Monday night to the maximum 78.6% retracement of the rise from 1.59906 to 1.61779 at 1.60307 with a print at 1.63298 and rebounded. At being the case, the idea is still to remain on the long side of this market with focus on the overhead supply zone at **1.63012-1.63799**. It remains to be seen if this market can fall back into the demand pocket at **1.59875-1.60105**. Sustained rally above the immediate supply zone at **1.63012-1.63799** would further suggest a challenge of the upper trend-line of the triangle formation seen in the W1 chart. On the downside, a break below **1.59906** would bring further weakness to the November low of **1.58273**.

GBPUSD:H1 1.60591 1.60692 1.60573 1.60685

1.61779

1.60452

1.61155

1.60874

1.61092

1.60444

1.60274

1.60165

1.60066

1.60312

1.60298

1.60718

1.60716

1.60831

1.60750

1.60710

1.60535

78.69160301

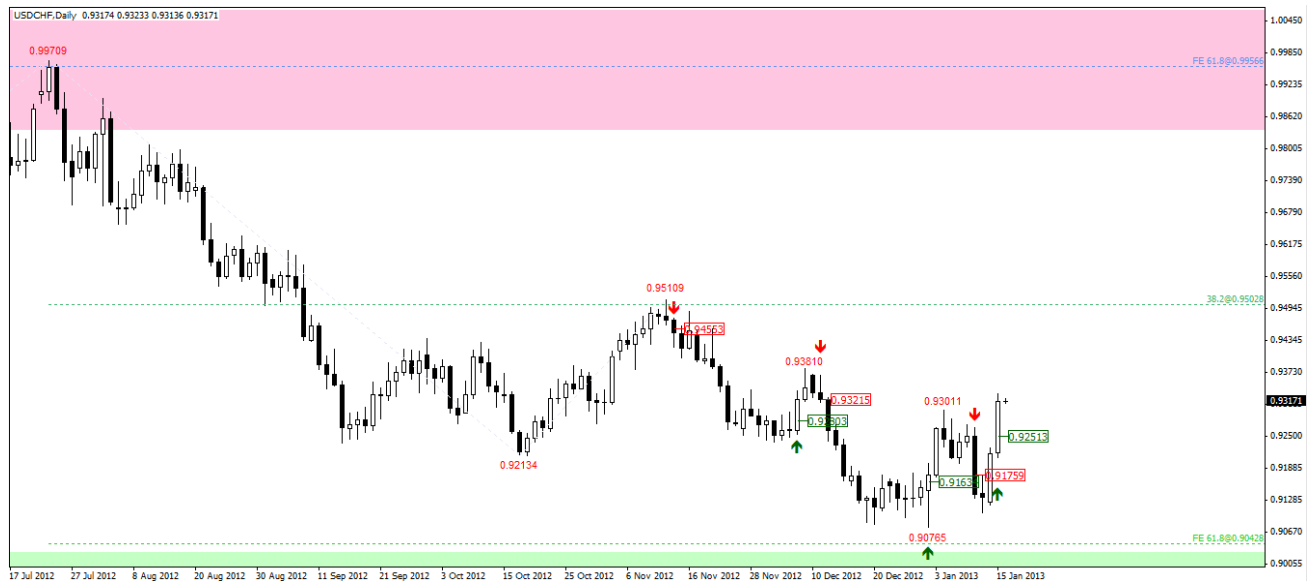
1.59906

9 Jan 2013 9 Jan 00:00 9 Jan 08:00 9 Jan 16:00 10 Jan 00:00 10 Jan 08:00 10 Jan 16:00 11 Jan 00:00 11 Jan 08:00 11 Jan 16:00 14 Jan 00:00 14 Jan 08:00 14 Jan 16:00 15 Jan 00:00 15 Jan 08:00 15 Jan 16:00 16 Jan 00:00

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buy	Buy on reversal signal within 1.59875-1.60105		1.59806	1.62378	1.63003	3	0.03m

[illegible]

USD-CHF DAILY



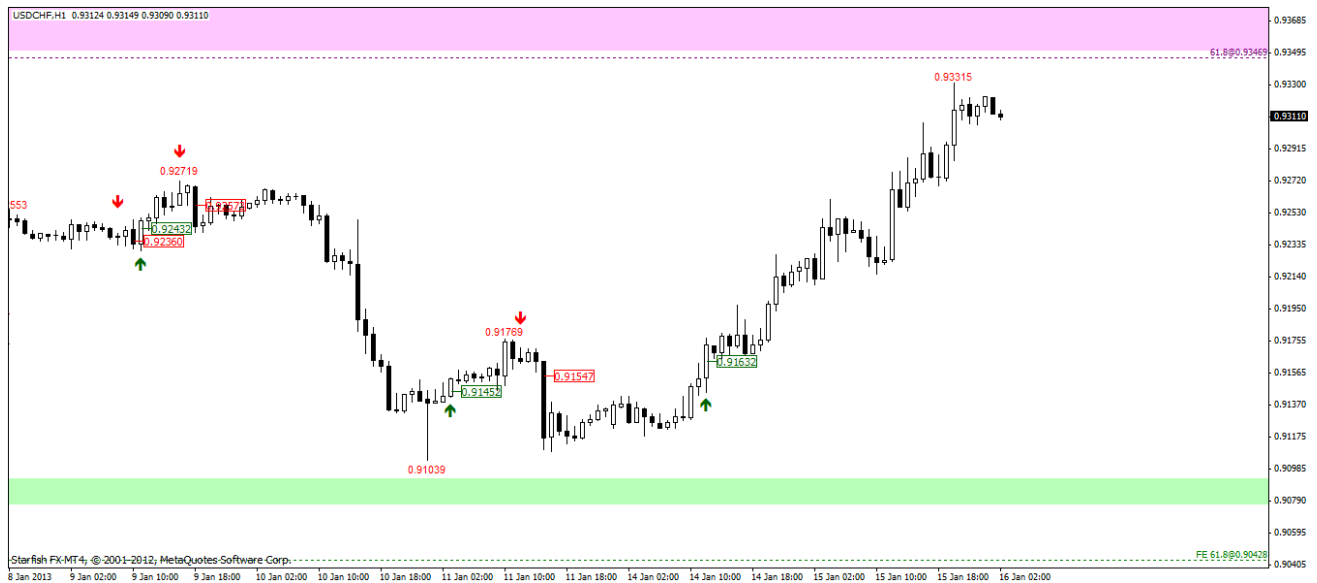
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

The rebound from Monday continued unabated into Tuesday as the rally gathers momentum. Last night's high at 0.93315 hit the 100.0% projection of 0.90765 to 0.93011 from 0.91039 at **0.93285** which in turn is just below the supply pocket at **0.93407-0.93810** where the 61.8% retracement of 0.95109 to 0.90765 at **0.93450** is located. Barring acceleration, this area is expected to cap this nascent counter-trend rally. Only sustained trading above the 127.0% projection of 0.90765 to 0.93011 from 0.91039 at **0.93891** would cast doubt on this bearish scenario. Preliminary downside target is the demand pocket at **0.90010-0.90587** followed by another at **0.89211-0.89847**.

USD-CHF 1-HOURLY



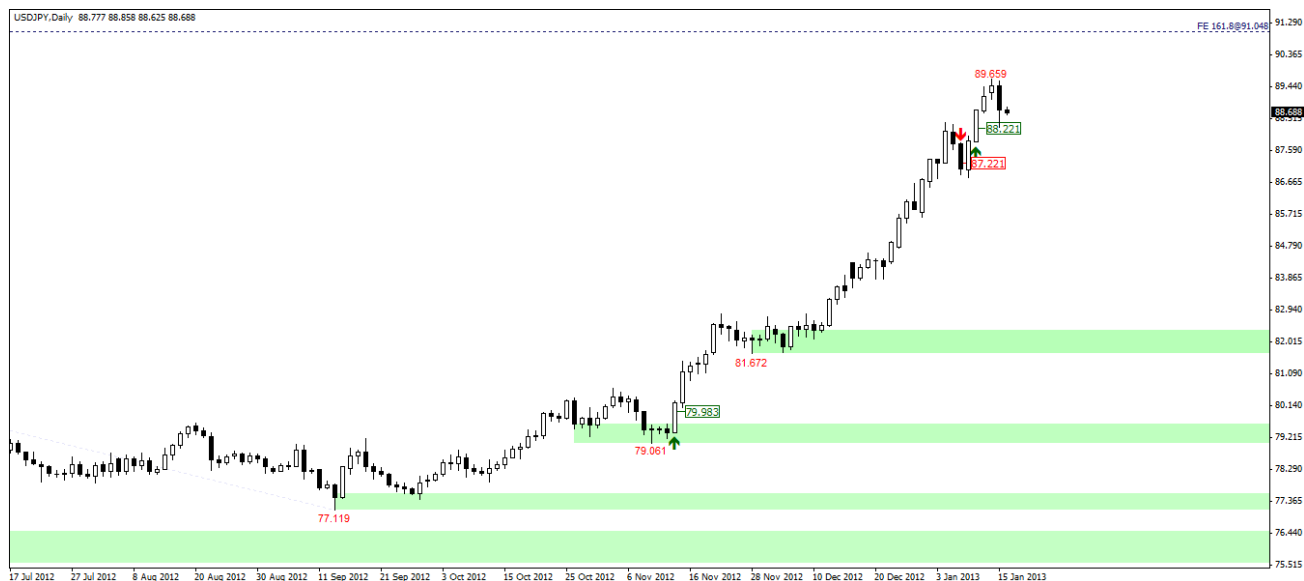
USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal within 0.93407-0.93810.		0.93910	0.90587	0.89847	3	0.03

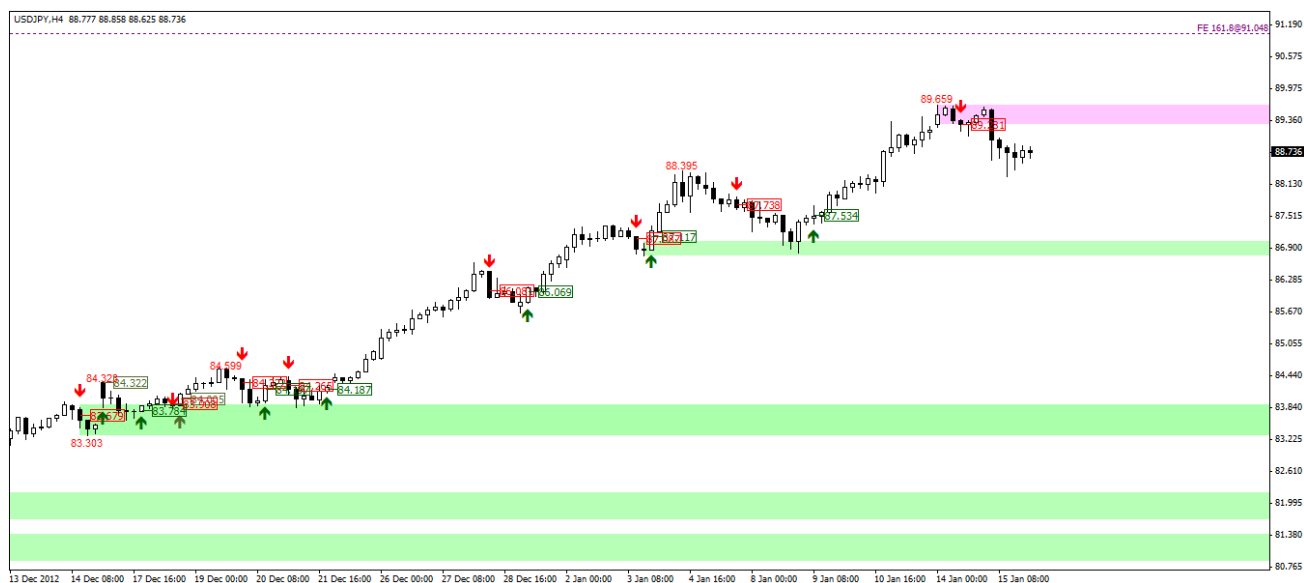
USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04										0.74	10,073.91
2013.01.11 15:12	0.03m	0.91547	2013.01.14 16:32	0.03m	0.91869			-96.6	-105.15	-1.04	9,968.76

USD-JPY DAILY



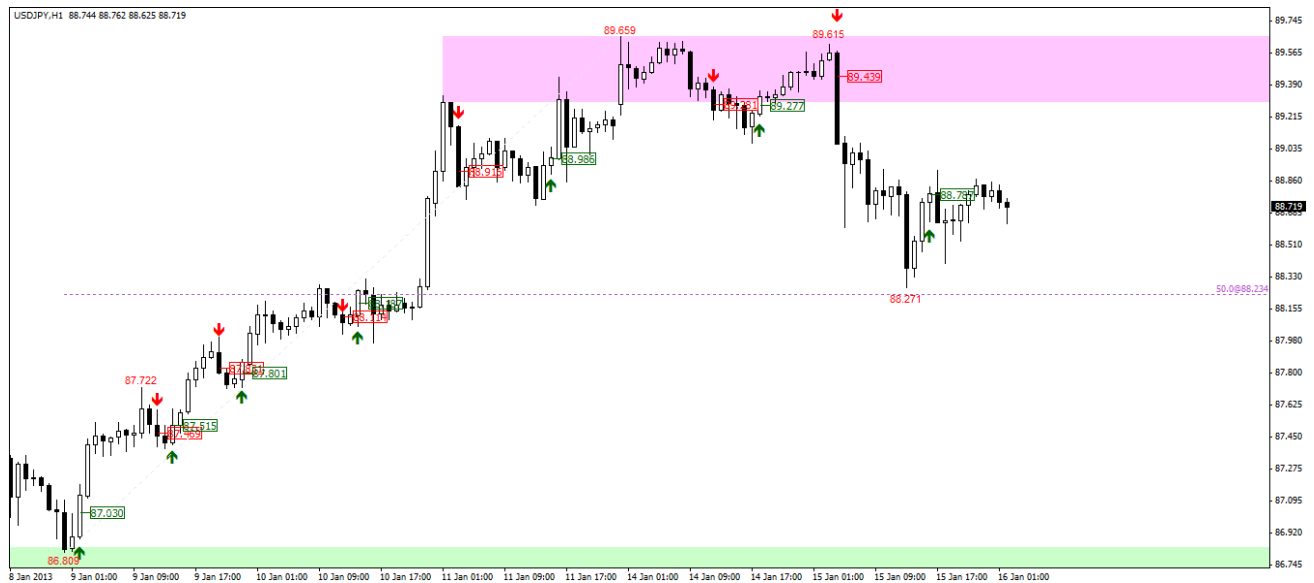
USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

After registering the highest level since June 2010 with a print at 89.659 and poised to strike the psychological level of **90.000**, this market came under profit-takings. Price action corrected to just above the 50.0% retracement of 86.809 to 89.659 at **88.234** with an overnight low at 88.271 overnight before finding its footing. At any rate, this correction was expected to go no deeper than the minor demand pocket at **86.754-87.023**. As noted, only sustained trading below this price pocket at **86.754-87.023** would compromise the immediate bullish bias and the first clue of a deeper correction would be a close below **88.738** in the D1 chart. Once this correction is over, the rally is expected to resume with the likely target at the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048** (see D1 chart). Beyond this level focus would shift to the 38.2% retracement of 147.680 to 75.563 at **103.11** next.

USD-JPY 1-HOURLY



USD-JPY TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Bought on buy signal above 86.882 in H1	86.882	D1 close below 88.738	88.052 Realized	91.048	3	0.03

USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											10,045.48
2013.01.02 15:06	0.02m	86.882	2013.01.15 23:59	0.02m	88.775	378.6	426.47				

AUDUSD, Daily 1.05626 1.05785 1.05546 1.05718

1.07000
1.06620
1.06230
1.05850
1.05470
1.05080
1.04700
1.04310
1.03930
1.03540
1.03160
1.02770
1.02390
1.02010
1.01620
1.01240
1.00850
1.00470

1.06123
1.06239
1.05835
1.05970
1.05247
1.03432
1.03958
1.02853
1.01485

78.6@1.0546
50.0@1.01485

16 Jul 2012 26 Jul 2012 7 Aug 2012 17 Aug 2012 29 Aug 2012 10 Sep 2012 20 Sep 2012 2 Oct 2012 12 Oct 2012 24 Oct 2012 5 Nov 2012 15 Nov 2012 27 Nov 2012 7 Dec 2012 19 Dec 2012 2 Jan 2013 14 Jan 2013

AUDUSD:H4 1.05626 1.05785 1.05546 1.05711

FE 127.001.06241
78.691.05826
FE 180.001.05711

1.05753
1.05538
1.05252
1.05056
1.05041
1.04952
1.04957
1.05157
1.05200
1.05749
1.05695
1.05631
1.05111

38.291.05000
50.001.04701
78.691.03491

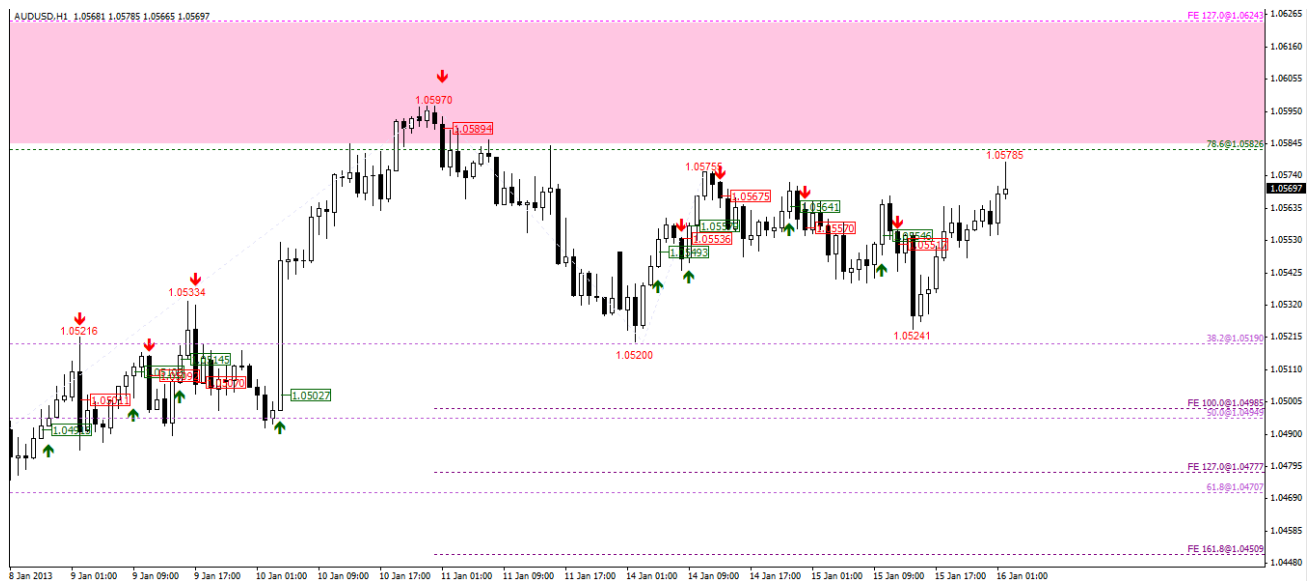
1.03927
1.03927
1.03432

13 Dec 2012 14 Dec 20:00 18 Dec 04:00 19 Dec 12:00 20 Dec 20:00 24 Dec 04:00 26 Dec 12:00 27 Dec 20:00 31 Dec 04:00 2 Jan 12:00 3 Jan 20:00 7 Jan 04:00 8 Jan 12:00 9 Jan 20:00 11 Jan 04:00 14 Jan 12:00 15 Jan 20:00

1.06260
1.06075
1.05895
1.05711
1.05525
1.05345
1.05160
1.04975
1.04795
1.04610
1.04425
1.04060
1.03875
1.03695
1.03510
1.03325
1.03145

This market flatlined and closed the day hardly changed. Last week saw the rise from 1.03432 extending its gains into the supply pocket at **1.05796-1.06239** and eased. The correction so far has been rather shallow having taken price action to a low of 1.05200 on Monday is poised to trade into the the supply pocket at **1.05796-1.06239** once again and may yet fall to complete the 3-wave corrective price movement at either the 100.0% or 127.0% projection of 1.05970 to 1.05200 from 1.05755 at **1.04985** or **1.04777**. These levels are near the 50.0% and 61.8% retracement level of 1.03927 to 1.05970 at **1.04949** and **1.04707** respectively. From there, this bull-run may resumes. However, should the fall accelerates and breaks below the Boxing Day low of **1.03432**, the DZ at **1.00995-1.02202** should contain further fallout (see D1 chart). On the other hand, should the rally accelerates above the supply pocket at **1.05796-1.06239**, the correction phase is deemed to be over and the rally has resumed.

AUD-USD 1-HOURLY



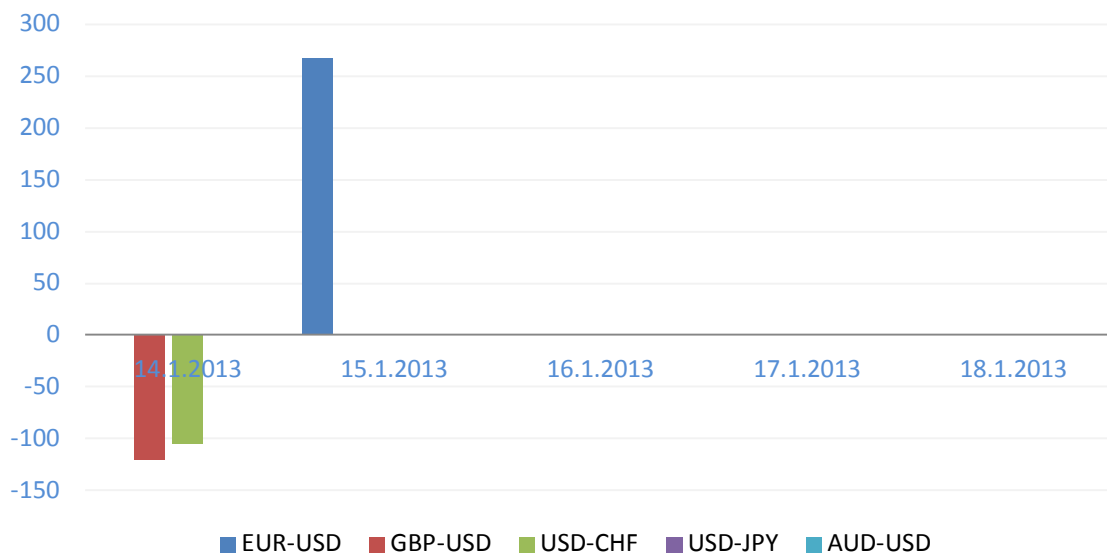
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.05894	1.06070	1.05488 Realized	1.04949	3	0.03
Sell	Sell on sell signal within 1.05796-1.06239						

AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.11											10,165.30
2013.01.11 01:20	0.02m	1.05894	2013.01.14 23:59	0.02m	1.05601	52.6	52.6				

Daily Realized P/L



Accumulative Realized % Gain



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Traders Academy International

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.