

A Traders Academy International Publication

Euro At 2-Years Low

China, the world's second-largest economy, curtailed overall imports in June in further evidence that Europe's three-year-long debt crisis is dragging down economic activity around the world. Annual import growth was 6.3 percent in June, far short of the 12.7 percent forecast by economists, and the 12.7 percent achieved in May.

The flight to safety was bolstered as Chinese trade data from June signalled a continued weakening of the Chinese consumer. Indeed, this is a problem for the global economy because the rising middle class of Asia – expected to be one-third of the globe's population within the next decade – hasn't actually risen yet. Significantly weaker domestic demand out of China stokes new concerns for the Asian growth picture, and it's safe to say that the wider Trade Balance surplus in June is less impressive when considered wholly.

Despite the poor trade data, or rather perhaps in reaction to it, rumours have floated that the People's Bank of China is readying to cut its reserve requirement ratio (RRR). While this stoked risk-appetite in the early hours of the trading day, the key developments in the markets Tuesday were rooted in Europe.

EUR-USD fell to a two-year low on Tuesday on concern that a German court could delay Europe's new bailout fund. This is after Euro zone finance ministers agreed to release the first €30 billion (\$37 billion) of bailout funds for Spain's troubled lenders by the end of July.

Germany's top court began a hearing into whether the Euro zone's fund, known as the European Stability Mechanism, and planned changes to the region's budget rules are compatible with German law. German Finance Minister Wolfgang Schaeuble told the court that any significant delay in approving the measures could fuel financial market turbulence.

Approval would pave the way for funds to be used more flexibly to ease the European debt crisis, but a delay of more than a few weeks would slow an already protracted process of implementation of the key bailout fund, and possibly pressure the Euro and equities.

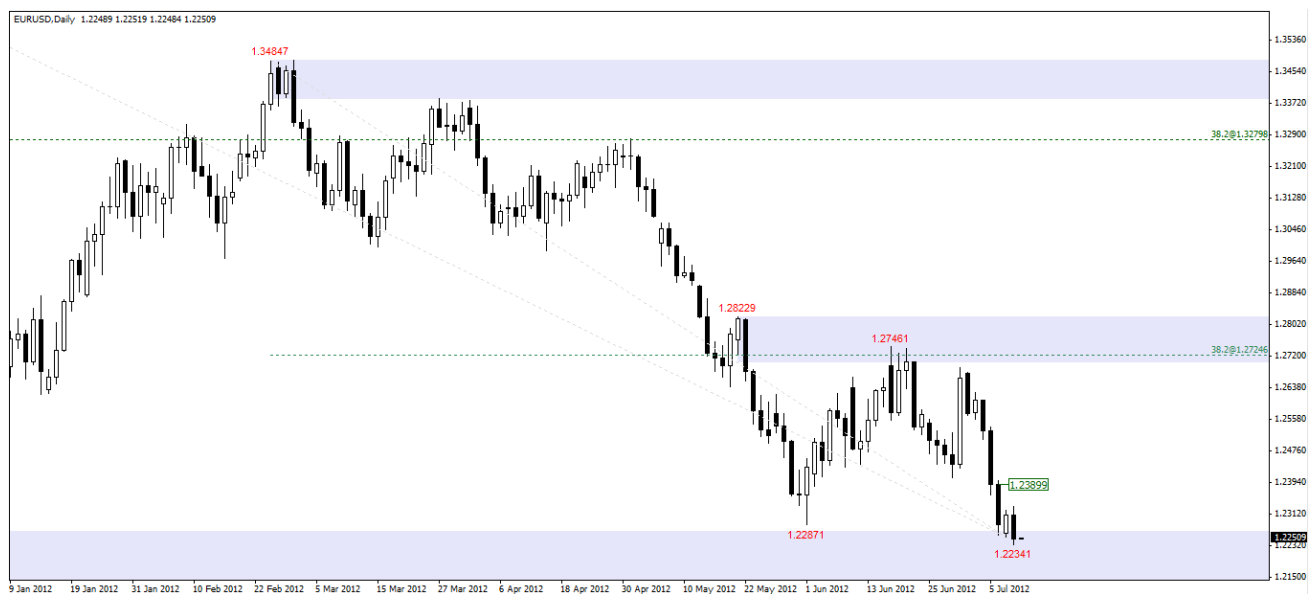
Euro weakness is partly a reflection of the unresolved issues in the Euro zone and there is also a limit to how much the European Central Bank can ease. EUR-USD fell as low as 1.22341, its lowest since July 1, 2010, down 0.5 percent.

Euro zone ministers decided to grant Spain an extra year, until 2014, to reach its deficit-reduction target, but made no apparent progress on how the bloc's new rescue fund, the ESM, will be used to help lower Spain's elevated borrowing costs.

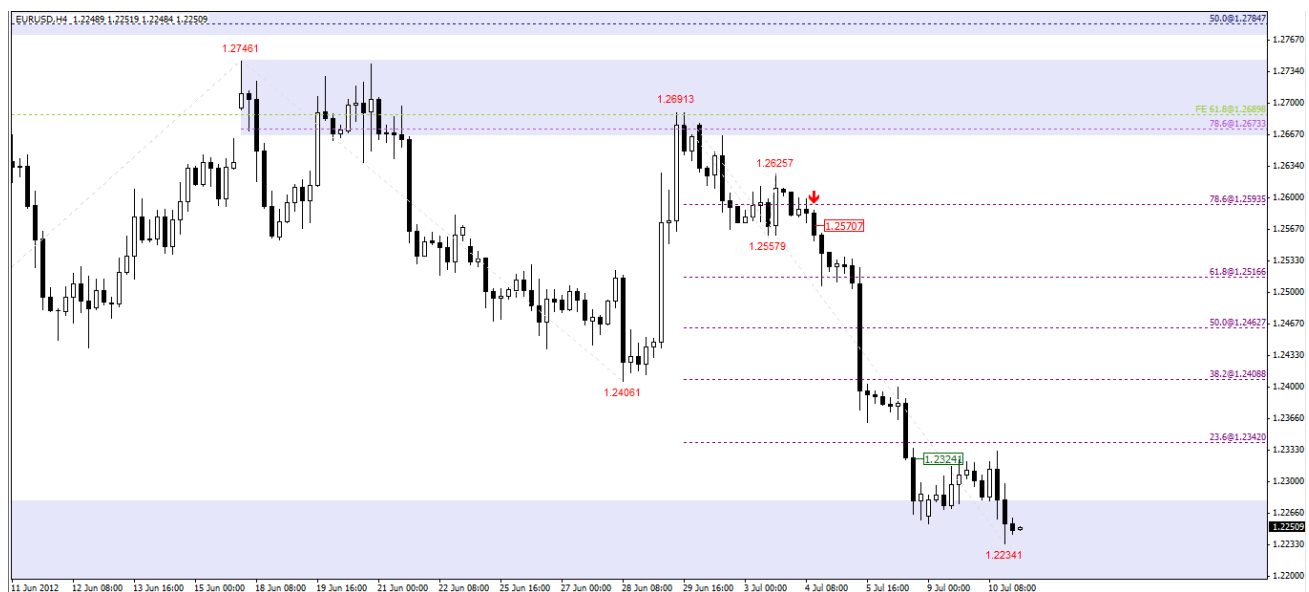
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EUR-USD DAILY



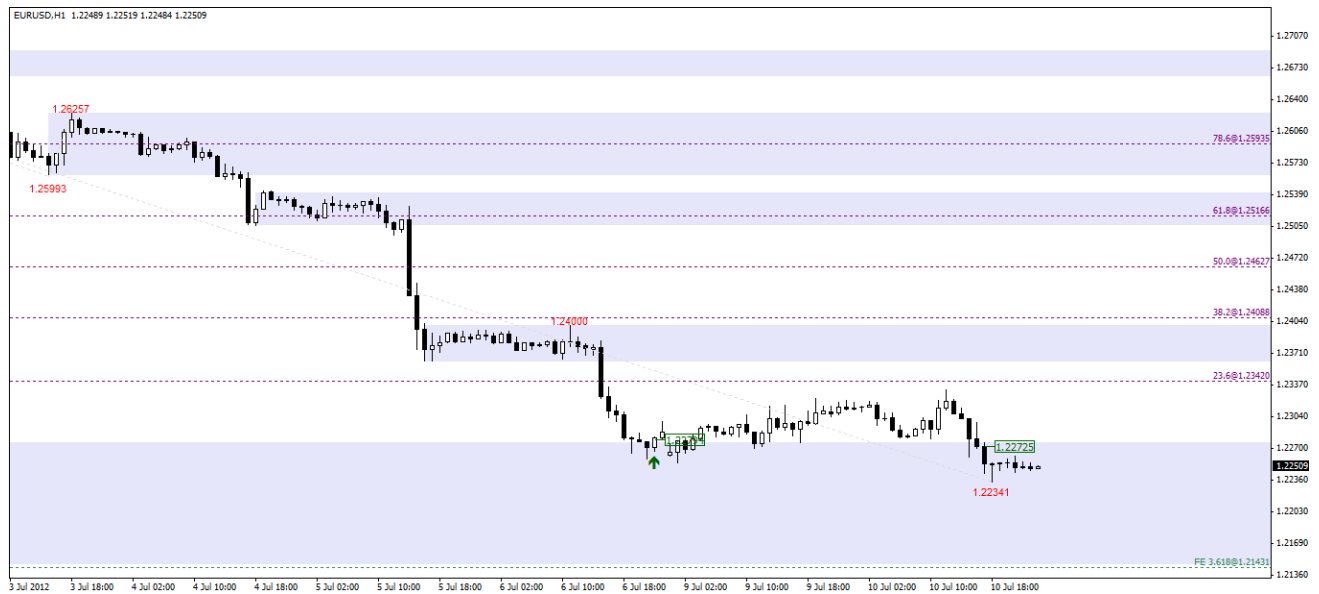
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Sentiment remains weak with the market easing into another marginal low at 1.22341 in overnight trade; within the key DZ at **1.21453-1.22794**, which is just above the 3.618% projection 1.26913 to 1.25579 from 1.26257 at **1.21430**. With key levels clustering between 1.21311 and 1.22794, there is still a very good chance serious buying interests would eventually emerge from within these levels even though the rebound seen so far has been very shallow and uninspired. Technically, last week's fall has fulfilled the minimum 5-wave down structure and should a more robust correction sets in, this rebound has the potential to rally back to the 4th wave of 1 lesser degree. This refers to the 38.2% retracement of 1.34847 to 1.22588 at **1.27271** or the SZ at **1.27047-1.28229** (see D1 chart). Therefore, selling at current levels is a not a very wise choice. All things considered, short-term counter-trend trades now have better odds. Despite being stopped out on an earlier buy signal, the idea is still to look for reversal signal and position on the long side of this market. Incidentally, a long-legged shadow doji has appeared in the H1 chart and a subsequent close above **1.22725** would trigger such a buy signal. If this trade pans out, the immediate overhead SZ at **1.23618-1.24000** is the first barrier. The ideal outcome is for a corrective run to the 38.2% retracement of 1.34847 to 1.22341 at **1.27118** located within the SZ at **1.27047-1.28229** (see H4 and D1 charts) and sell on a reversal signal for the next leg down.

EUR-USD 1-HOURLY

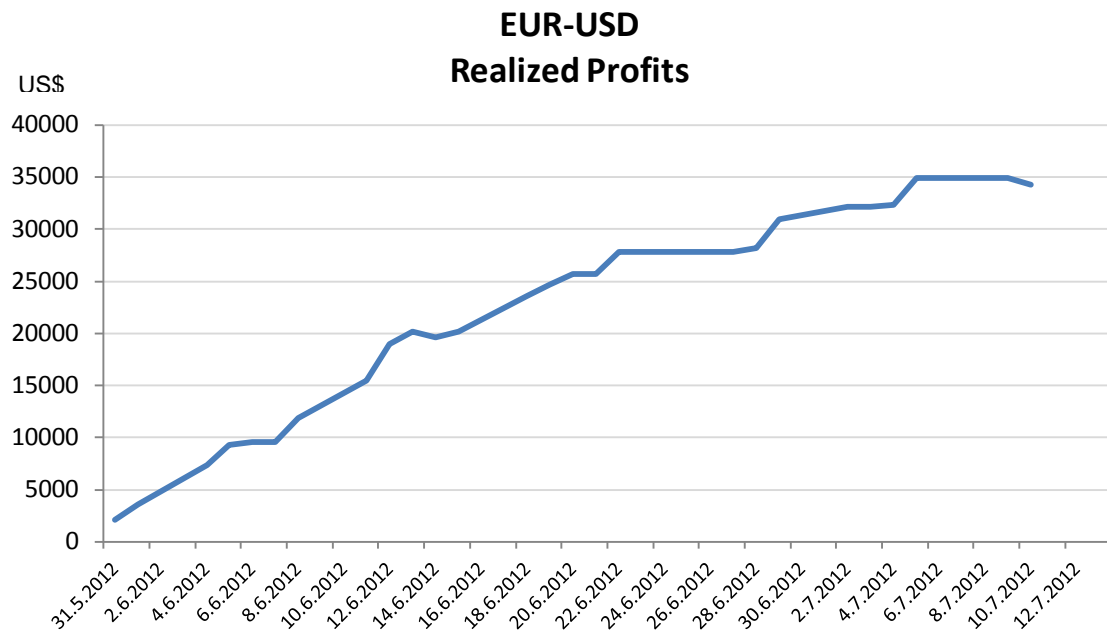


Trade Ideas

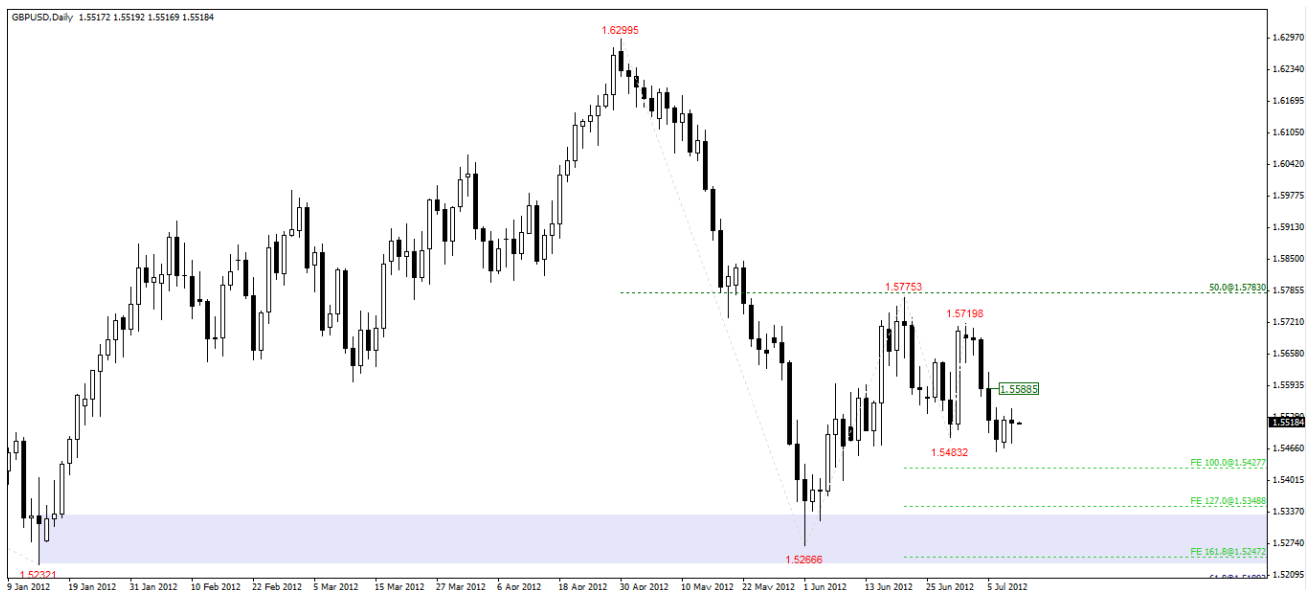
ACTION	Target 1	Target 2	EXIT
Buy on H1 close above 1.22725	1.23621	1.25993	1.22241 STOP

Weekly Performance

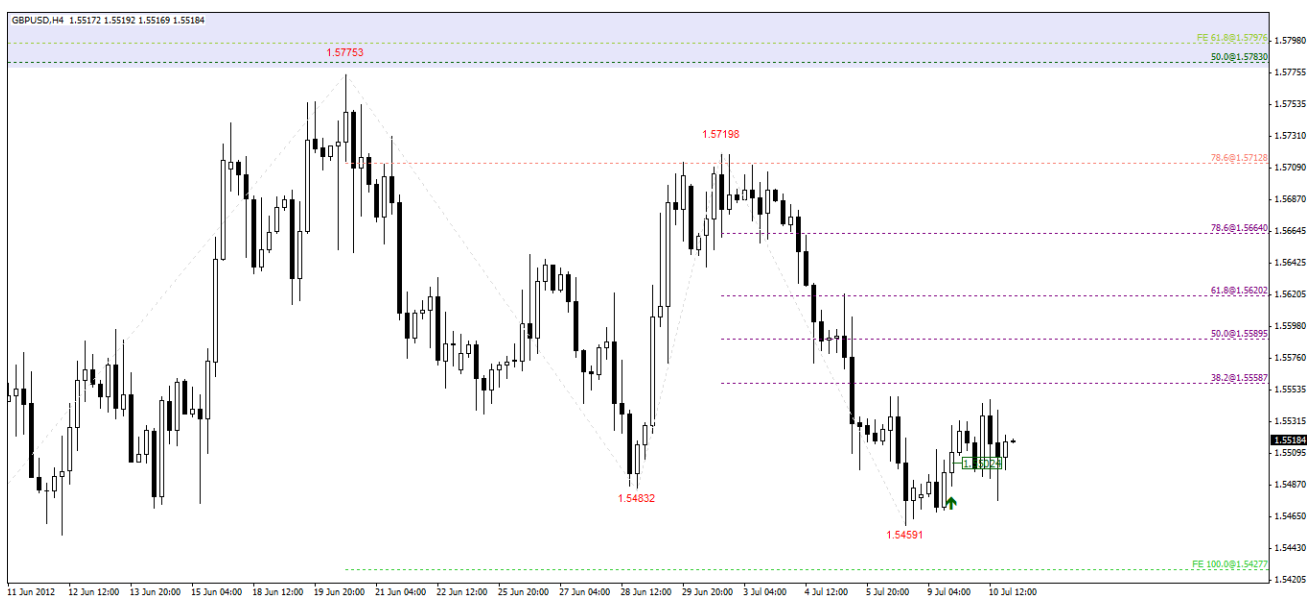
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from								+\$34,926.00
	06-07-2012								
EUR-USD	06-07-2012	1.0	1.22794	10-06-2012	1.0	1.22448	-\$346.00		+\$34,580.00
EUR-USD	06-07-2012	1.0	1.22794	10-06-2012	1.0	1.22448	-\$346.00	-\$692.00	+\$34,234.00
Unrealized							\$0.00		



GBP-USD DAILY



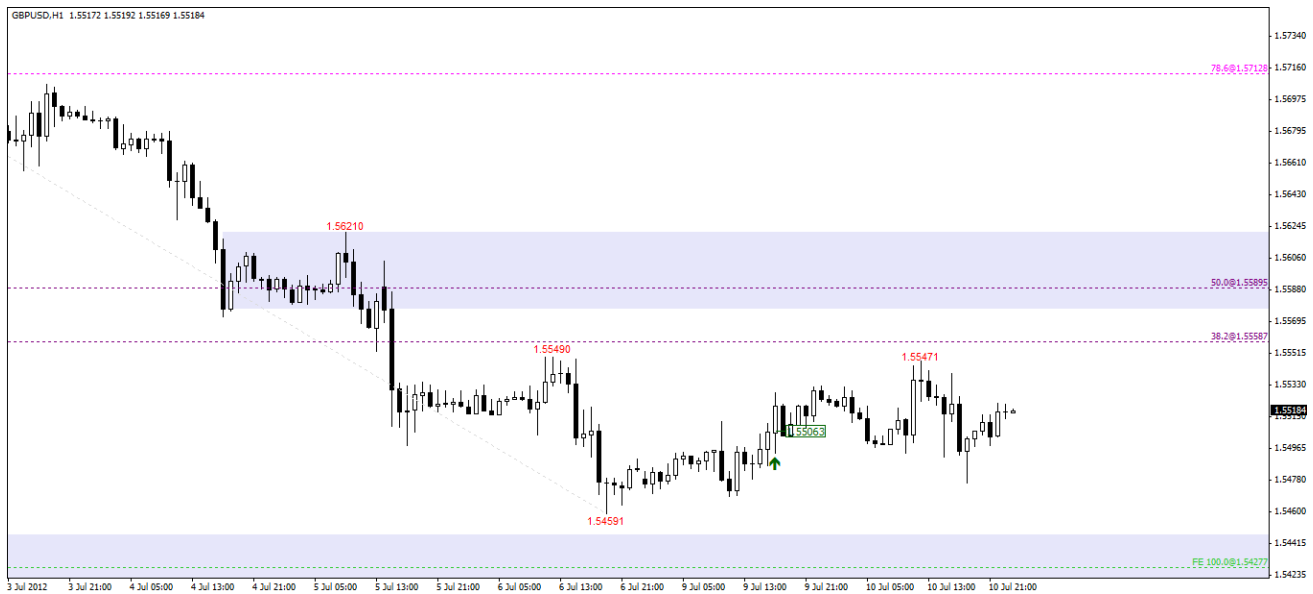
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Trading in GBP-USD was labored with no real conviction in either direction. This market edged to a marginal high at 1.555471 before coming under selling pressure in early London session. At its highest, price action has recovered close to 38.2% of the fall from last Monday's high of 1.57198. There is a good chance that the current correction may eventually trade into the overhead SZ at **1.55766-1.56210** where the 50.0% retracement of 1.57198 to 1.54591 at **1.55895** is sited. If so, any sell signal from there may be worth taking for another assault on last week's low and below. As noted, last week's fall has shifted medium-term focus to the June low of **1.52666**. Last Friday saw price action turning around above a minor DZ at **1.54023-1.54469** where the 100.0% projection of 1.57753 to 1.54832 from 1.57198 at **1.54277** is located. Failure to arrest this fall within this DZ would target the 1.618% projection of 1.57753 to 1.54832 from 1.57198 at **1.52471**, which in turn lies within a major DZ at **1.52302-1.53195**. A weekly close below **1.52666** could potentially open a floodgate of sell orders as a ton of sell-stops must have accumulated below this key level.

GBP-USD 1-HOURLY



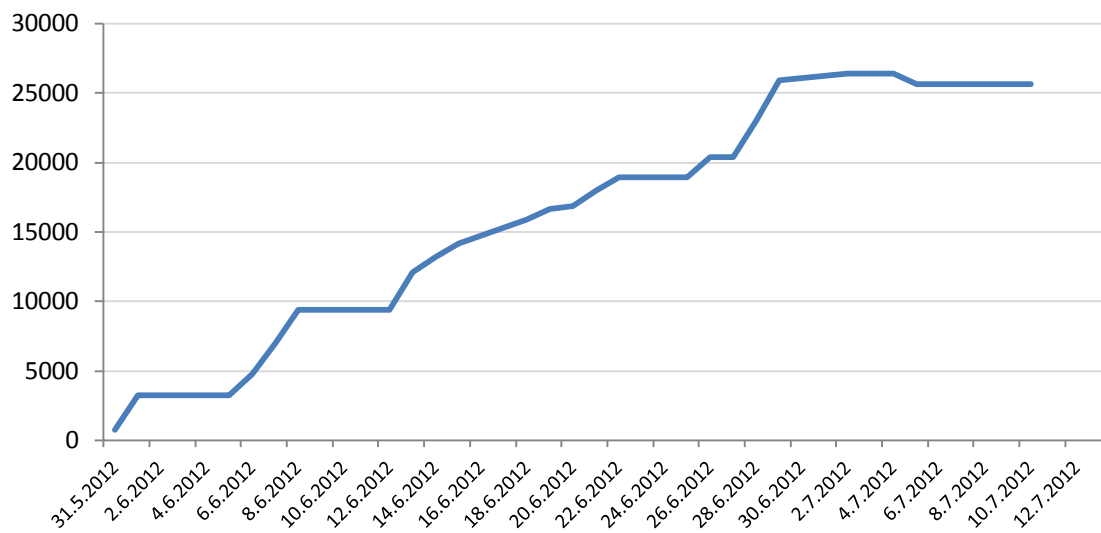
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Lookout for sell signal within 1.55766-1.56212	1.54469	1.53195	1.56310 STOP

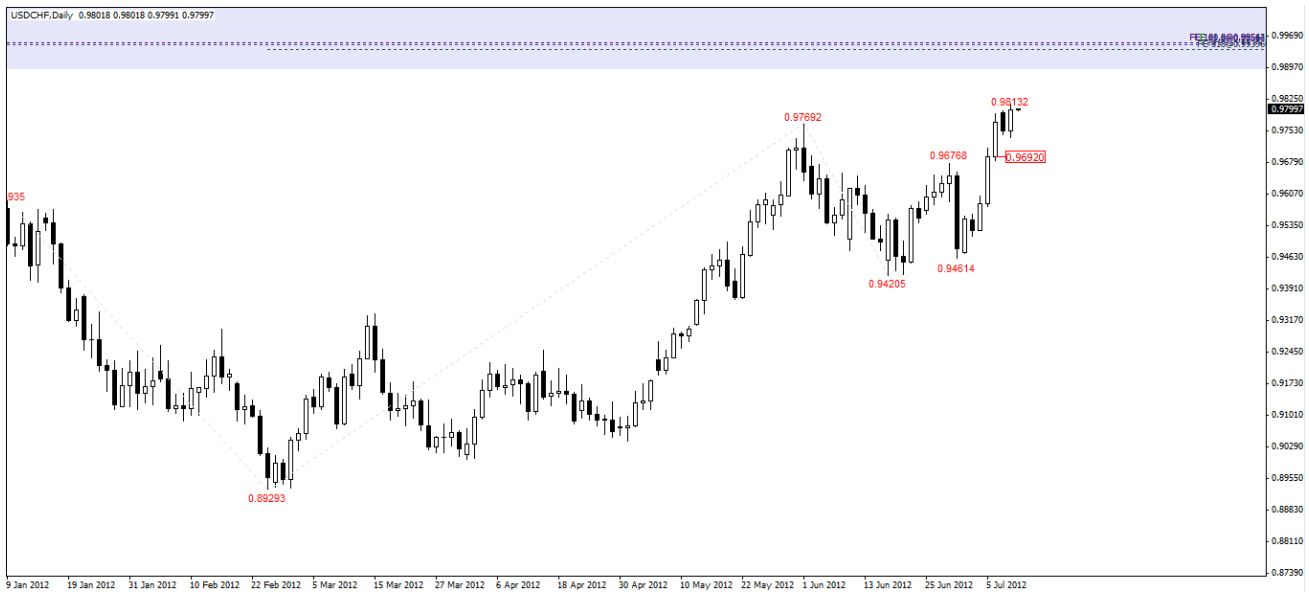
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 06-07-2012								+ \$25,621.00
Unrealized							\$0.00		

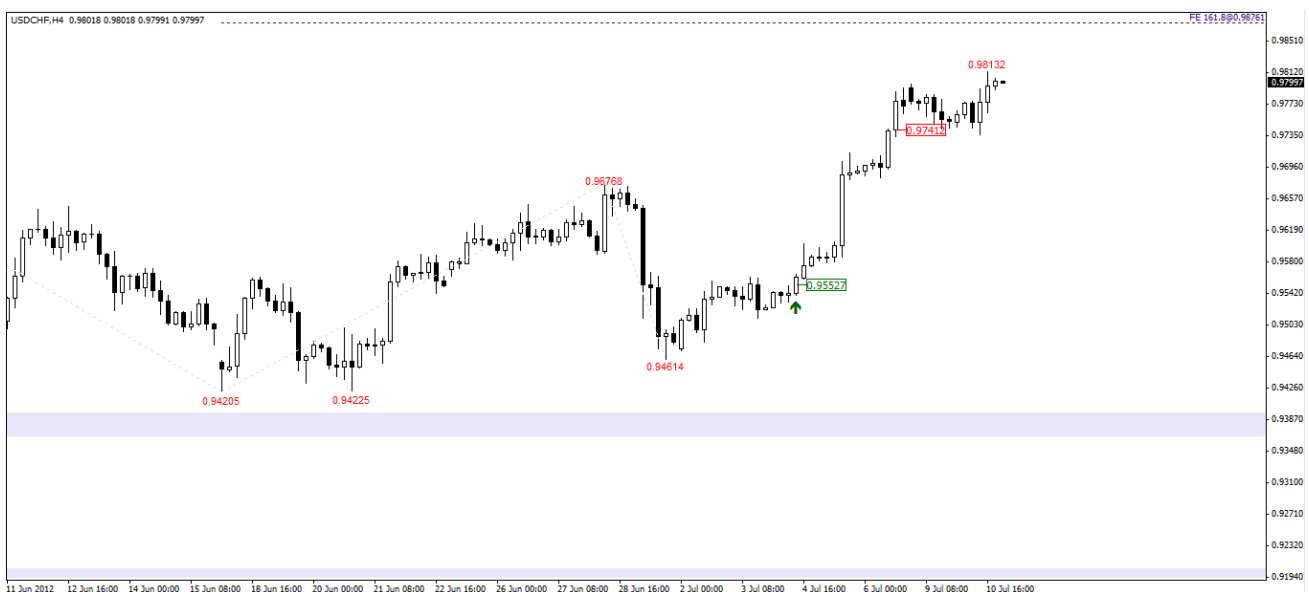
GBP-USD Realized Profits



USD-CHF DAILY



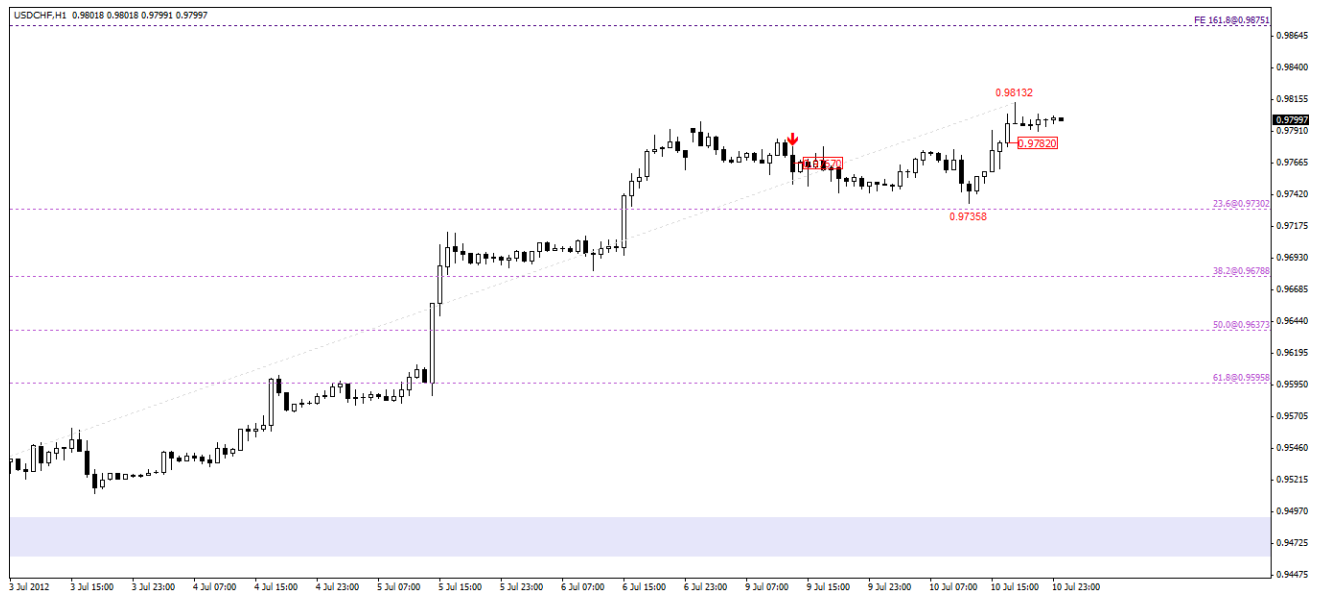
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

After basing for some 40 odd hours since the week's opening, this market resumed its upward climb towards the 161.8% projection of 0.94205 to 0.96768 from 0.94614 at **0.98761**; en-route to the long-term target between the 61.8% retracement of 1.17296 to 0.70677 at **0.99488**; which is incidentally near the 61.8% projection of 0.70677 to 0.93132 from 0.85669 at **0.99546**. In the bigger picture, the rally from 0.89293 has, strictly speaking, completed the entire 5-wave move from the February 24 low. It is now technically vulnerable to a more robust correction which may ultimately take price action back to the 4th wave of a lesser degree; meaning the window between the June 18 low of **0.94205** and the June 29 low of **0.94614**. Though this bearish scenario is a little premature now, it is something traders should be aware of. That said, a gravestone doji has appeared at the overnight's high and a close below **0.97712** in the H1 chart would trigger a sell signal.

USD-CHF 1-HOURLY

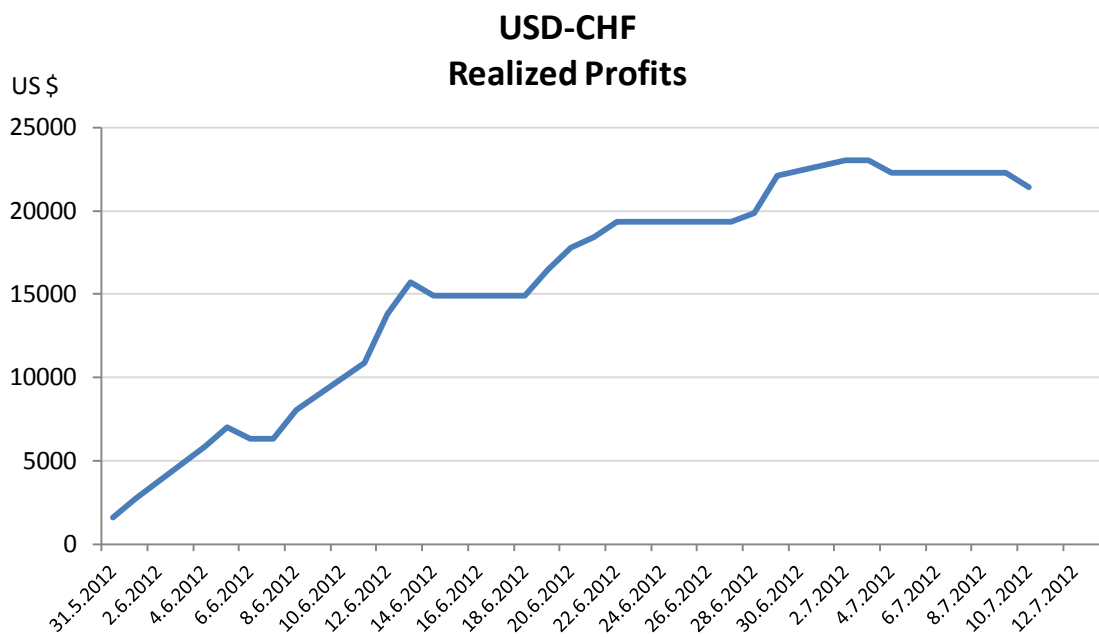


Trade Ideas

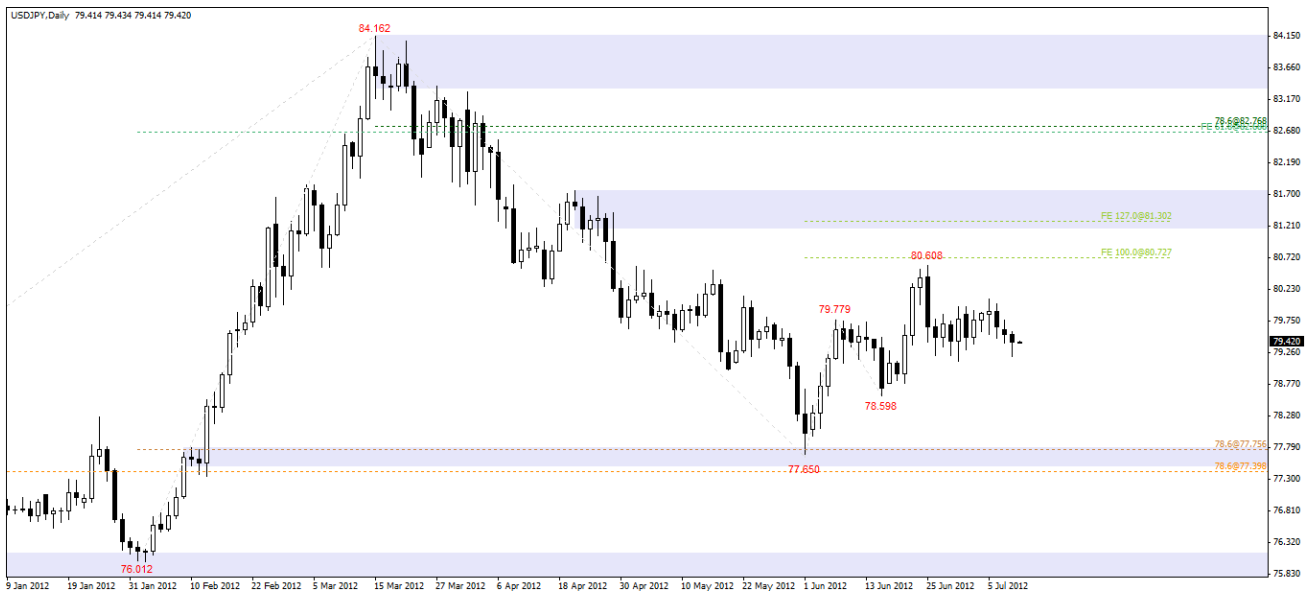
ACTION	Target 1	Target 2	EXIT
Sell on H1 close below 0.97820	0.97135	0.96110	0.98083 STOP

Weekly Performance

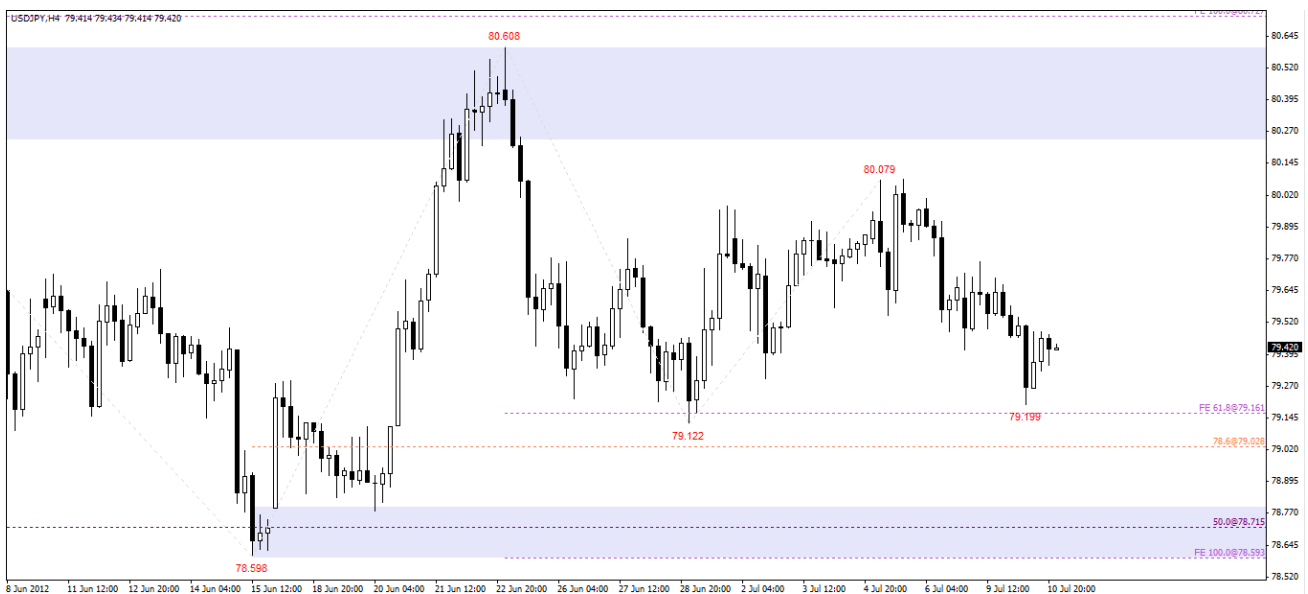
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from								+\$22,288.66
	06-07-2012								
USD-CHF	10-07-2012	1.0	0.98083	09-07-2012	1.0	0.97670	-\$421.07		+\$21,867.59
USD-CHF	10-07-2012	1.0	0.98083	09-07-2012	1.0	0.97670	-\$421.07	-\$842.14	+\$21,446.52
						Unrealized	\$0.00		



USD-JPY DAILY



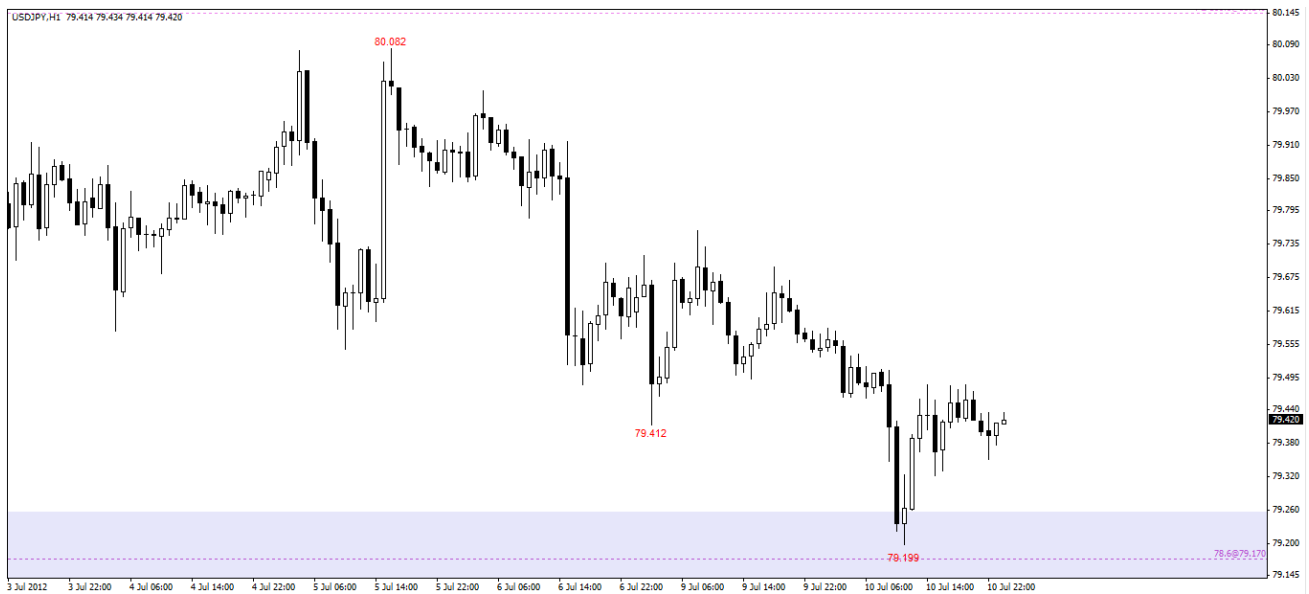
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

Price action continued in its directionless sideways consolidation for the third week running, largely hemmed in by the DZ at **78.595-78.795** and the SZ at **80.238-80.598**. Overnight action has seen price action falling back into the immediate DZ at **78.608-79.257**; within a hair breath of the 78.6% retracement of 78.779 to 80.608 at **79.170** with a print at 79.199 (see H1 chart) and rebounded. As mentioned, until this market breaks out of its recent tight range, nothing meaningful will happen. Overall, the fall from 84.162 is making a series of 3-wave corrective rebound to perhaps the 127.0% retracement of 77.650 to 79.779 from 78.598 at **81.302** (see D1 chart). Two possible medium-term scenarios may unfold from there. (1) Price action accelerates to the upside in a powerful rally to test the March high of **84.162** or (2) price action stalls at either the SZ at **80.238-80.598** or **81.440-81.850** and resumes its fall towards the June low of **77.650**. It is, therefore, imperative that rally seen a fortnight ago accelerates beyond the immediate SZ at **80.238-80.598** to keep the medium-term bullish case in scenario (1) alive. In so long as price action holds at the DZ at **78.595-78.795**, the bullish case is still alive. However, sustained trading below the 78.6% retracement of 78.779 to 80.608 at **79.170** would compromise the bullish case and a breach below **78.779** would shift attention to the June's low at **77.650**.

USD-JPY 1-HOURLY



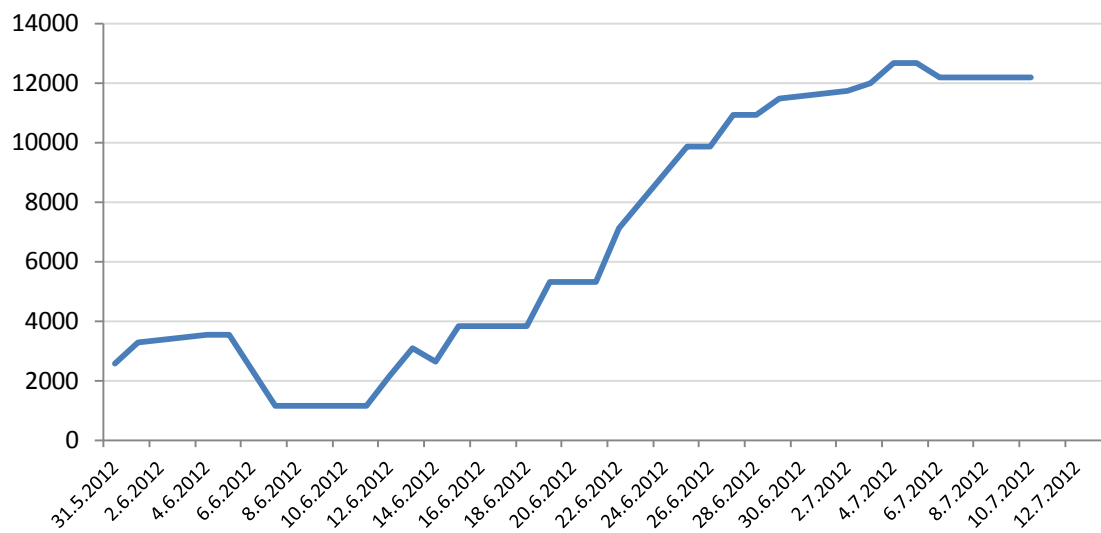
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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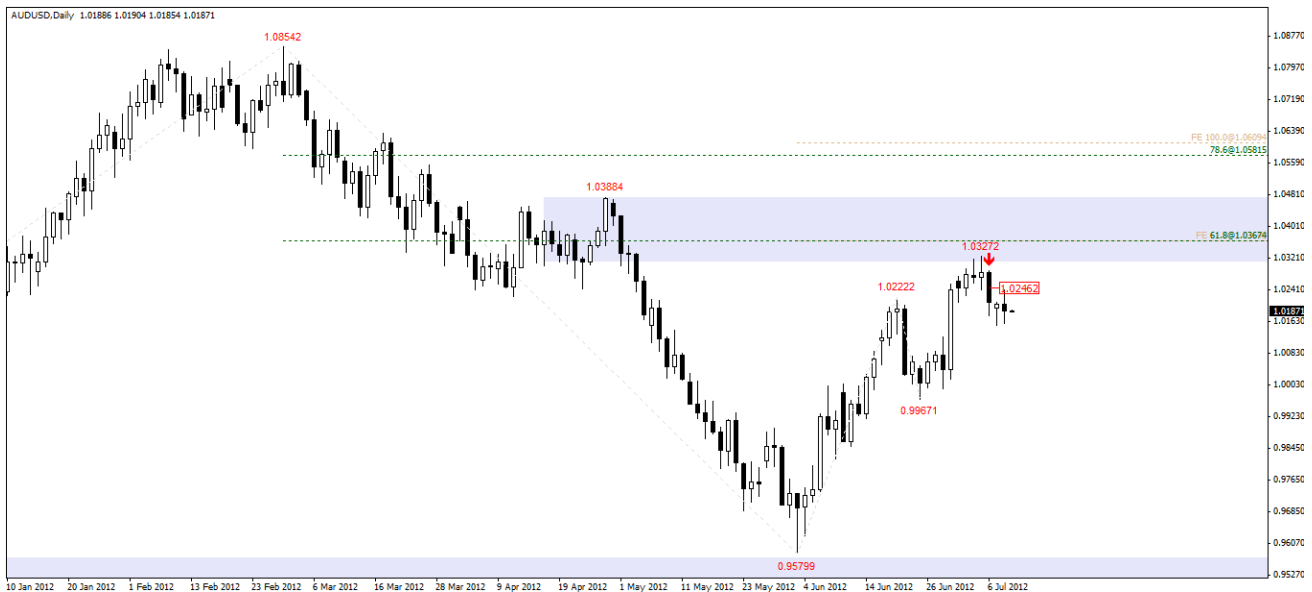
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 06-07-2012								+\$12,674.04
Unrealized							\$0.00		

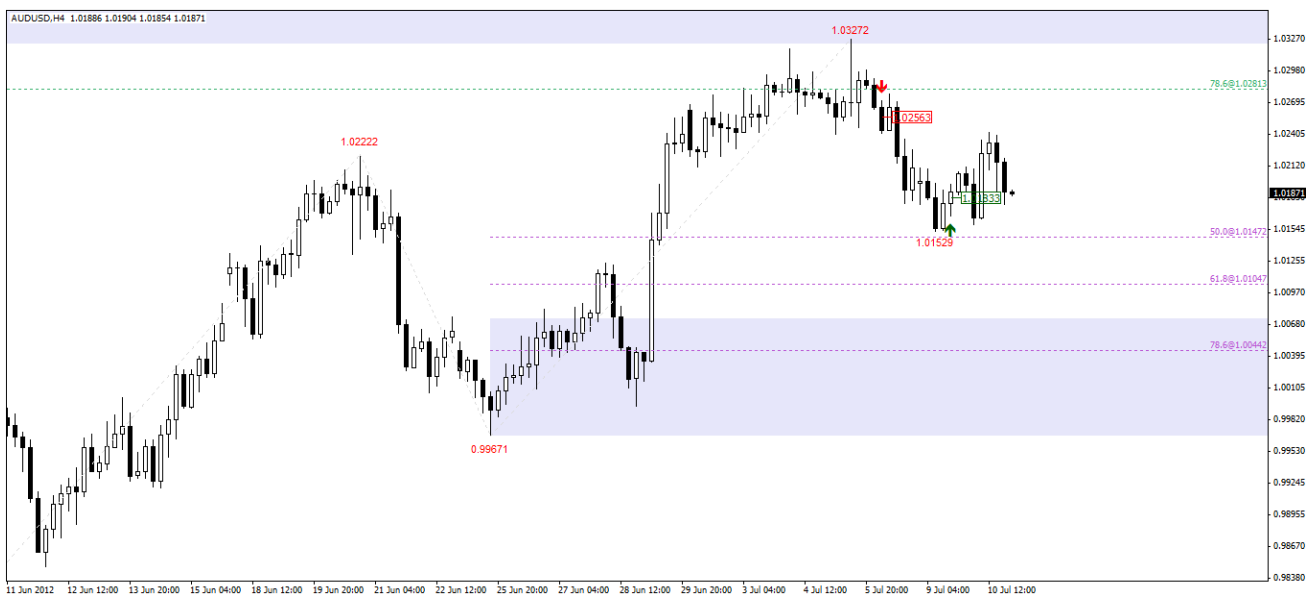
USD-JPY Realized Profits



AUD-USD DAILY



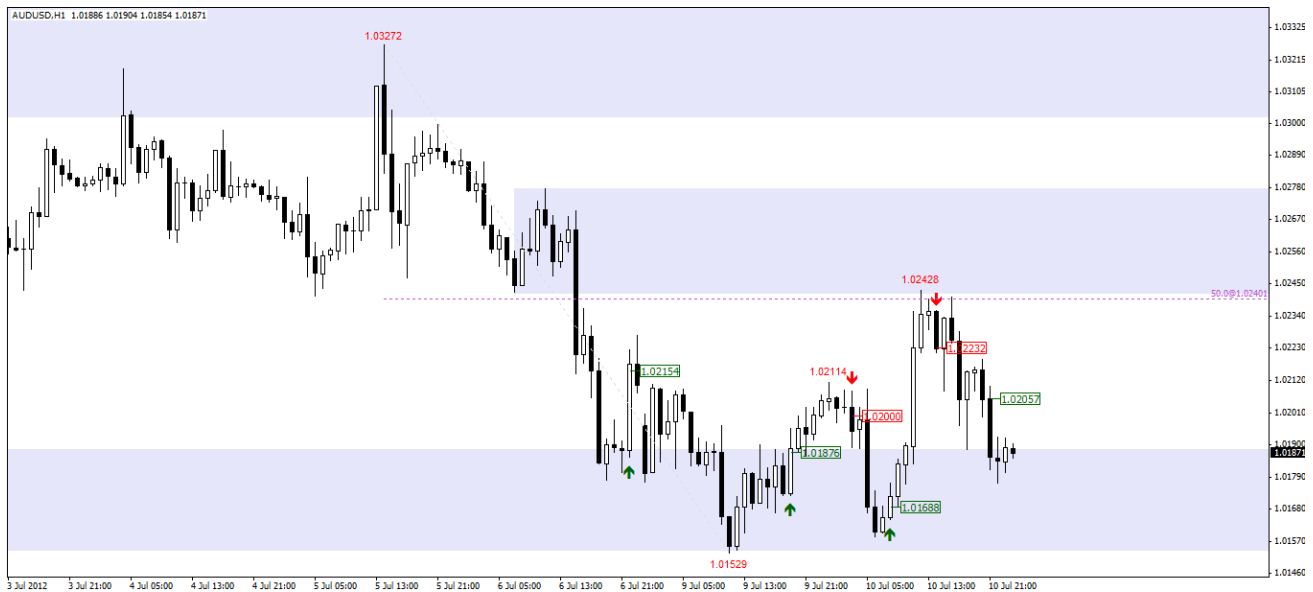
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

This market has probably completed a 3-wave zig-zag correction upwards from the Monday's low of 1.01529 to just above the 50.0% retracement of 1.03272 to **1.01529** which lies within the immediate minor SZ at **1.02415-1.02777**. From there, price action came under selling pressure in late London morning trade and is now back within the DZ at **1.01532-1.01814**. This zone largely held out during last Friday's selloff and buyers may yet re-emerge from there. Last week saw the extension of the rally from the June 1 low of 0.95799 into the SZ at **1.02984-1.03531** which lies just above the 78.6% projection of 1.04723 to 0.96799 at **1.03027**. I so long as price action do not close below 1.00445 in the W1 chart, the bullish bias is intact. In the medium-long term, this rally has the potential to correct to possibly the 78.6% projection of 1.08542 to 0.95813 at **1.05818** or the 100.0% projection of 0.95799 to 1.02222 from 0.99671 at **1.06094** or extend in a powerful surge to possibly the 161.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.10063**.

AUD-USD 1-HOURLY



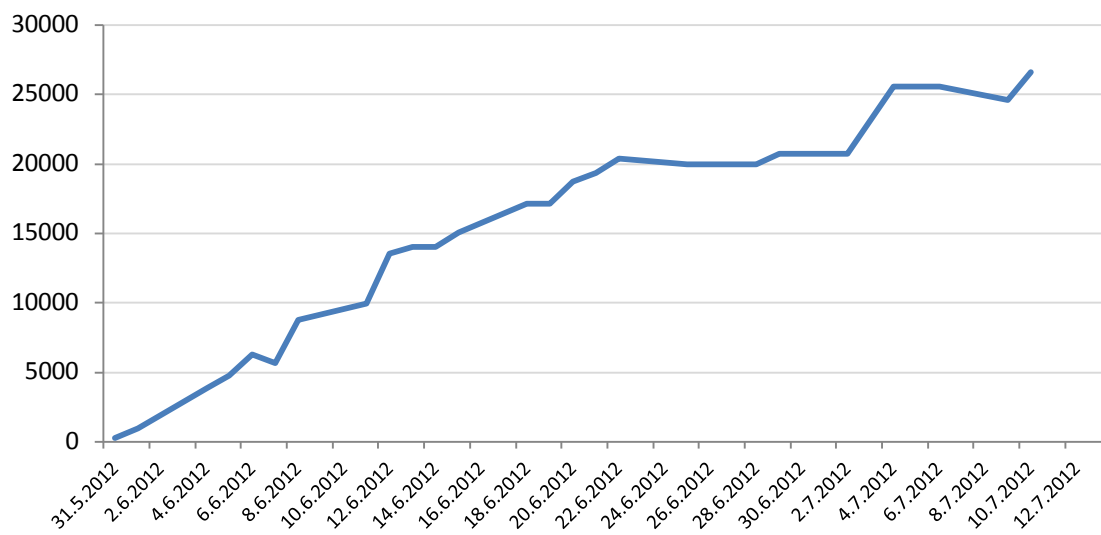
Trade Ideas

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 06-07-2012									+\$25,563.00
AUD-USD	06-07-2012	1.0	1.02154	09-07-2012	1.0	1.01679	-\$475.00		+\$25,088.00
AUD-USD	06-07-2012	1.0	1.02154	09-07-2012	1.0	1.01679	-\$475.00	-\$950.00	+\$24,613.00
AUD-USD	09-07-2012	1.0	1.01876	10-07-2012	1.0	1.02000	+\$124.00		+\$24,737.00
AUD-USD	09-07-2012	1.0	1.01876	10-07-2012	1.0	1.02000	+\$124.00		+\$24,861.00
AUD-USD	10-07-2012	1.0	1.01688	10-07-2012	1.0	1.02000	+\$312.00		+\$25,173.00
AUD-USD	10-07-2012	1.0	1.01688	10-07-2012	1.0	1.02000	+\$312.00		+\$25,485.00
AUD-USD	10-07-2012	1.0	1.01688	10-07-2012	1.0	1.02232	+\$544.00		+\$26,029.00
AUD-USD	10-07-2012	1.0	1.01688	10-07-2012	1.0	1.02232	+\$544.00	+\$1,960.00	+\$26,573.00
AUD-USD	10-07-2012	1.0	1.01890	10-07-2012	1.0	1.02232	+\$342.00		
Unrealized							+\$342.00		

Weekly Performance

ACTION	Target 1	Target 2	EXIT
Sold @ 1.02232	1.00738	-	Exit in H1 close above 1.02057

AUD-USD Realized Profits



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.