

*A Traders Academy International Publication*

## Spain Squashes Aid Talk

EUR-USD gained for a second straight session on Tuesday, pulling further away from recent 3-week lows on growing expectations that Spain is ready to seek a bailout.

European officials reported on Monday Spain, the Euro zone's fourth-largest economy, was ready to request a bailout for its public finances as early as next weekend, but Germany had signalled that it should hold off. This was denied, however, by Spain's Prime Minister Mariano Rajoy, who said on Tuesday a request for European aid was not imminent. He also said Spain's central government had agreed with regional leaders on a fiscal consolidation path.

Spain said a bailout demand was not imminent and the market keeps it calm. The open question is whether the market will take profit when they do. For now, the market continues to run ahead of this development.

A request for a bailout is viewed as positive for Spain and the Euro because it would trigger purchases of Spanish debt by the European Central Bank that could lower the country's borrowing costs. It also removes another layer of uncertainty in the region's three-year old debt crisis. Spain's recent budget proposal seemed intentionally designed with a bailout request in mind and the market is assuming it's just a question of when. But uncertainty over the timing of the request kept traders on edge with many selling the Euro at higher levels.

Another risk factor is rating agency Moody's soon-to-be announced review of Spain's rating, which could see it cut to junk status. Worries about Euro zone growth would keep the ECB in easing mode, capping any Euro upside.

Analysts said safe-haven currencies like the U.S. Dollar and the Japanese Yen would be in demand until Madrid asked for aid.

EUR-USD slipped from its highs as general risk sentiment eased, although it still held ground. It settled up 0.23 percent at 1.29183, rising from Monday's low at 1.28023, its lowest in three weeks. It has eased from a 4-month peak of 1.31705 hit in mid-September after the ECB announced its bond-buying plan to lower yields on peripheral euro zone debt and the U.S. Federal Reserve teed up another round of monetary easing.

Still, some traders are wary of the Euro in the medium to long term, given gloomy economic prospects, tough austerity measures and rising unemployment in the Euro zone. From a macro perspective, they would look to short EUR-USD into any move higher as there is no growth in the Euro zone.

USD-JPY gained 0.17 percent to 78.142, having hit a more than 1-week high of 78.200 after Japan's new finance chief warned of possible action to cap the Yen's rise.

AUD-USD dollar fell to a 4-week trough after the Reserve Bank of Australia cut interest rates by a quarter point and left the door open for more easing. While the cut to 3.25 percent was not a complete surprise, some analysts had thought Australia's central bank would wait until November to lower interest rates.

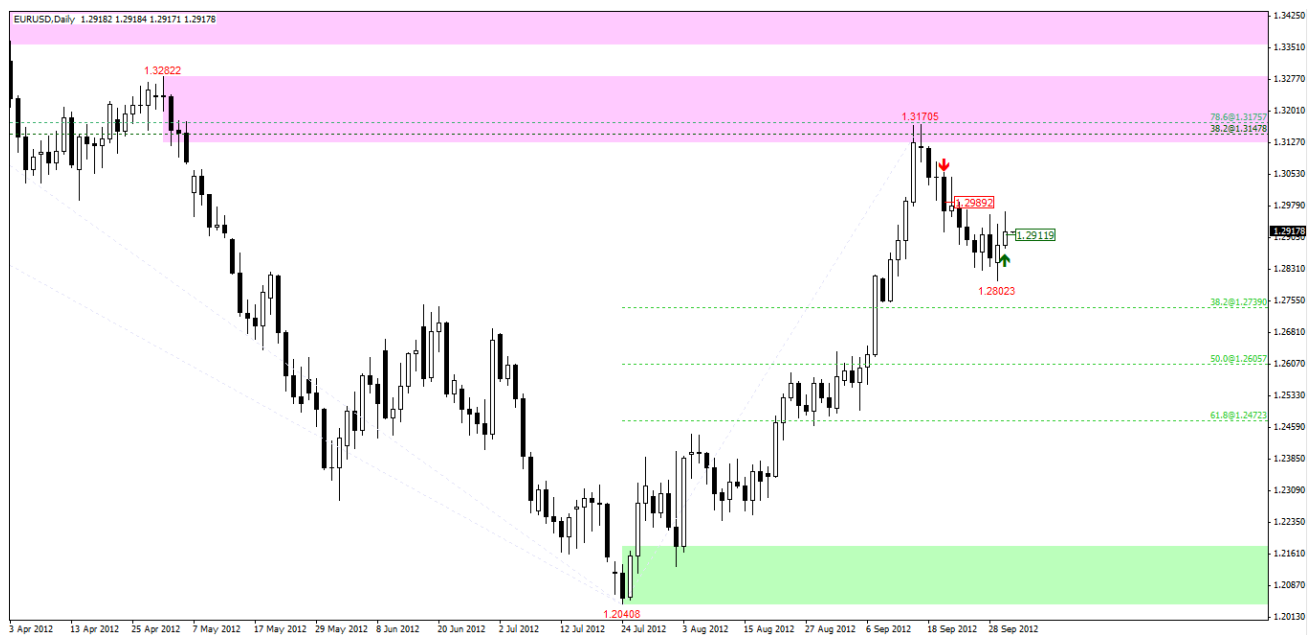
The key to the outlook for RBA policy is the economic situation in China, Australia's No. 1 export market. Further signs of weakness in China would keep pressure on the RBA to cut rates further.

AUD-USD fell to 1.02500, its lowest level since early September. It settled last down 1 percent at 1.02633 in New York session. Some traders are reportedly selling on any rally above the 1.03000 level, targeting 1.02200.

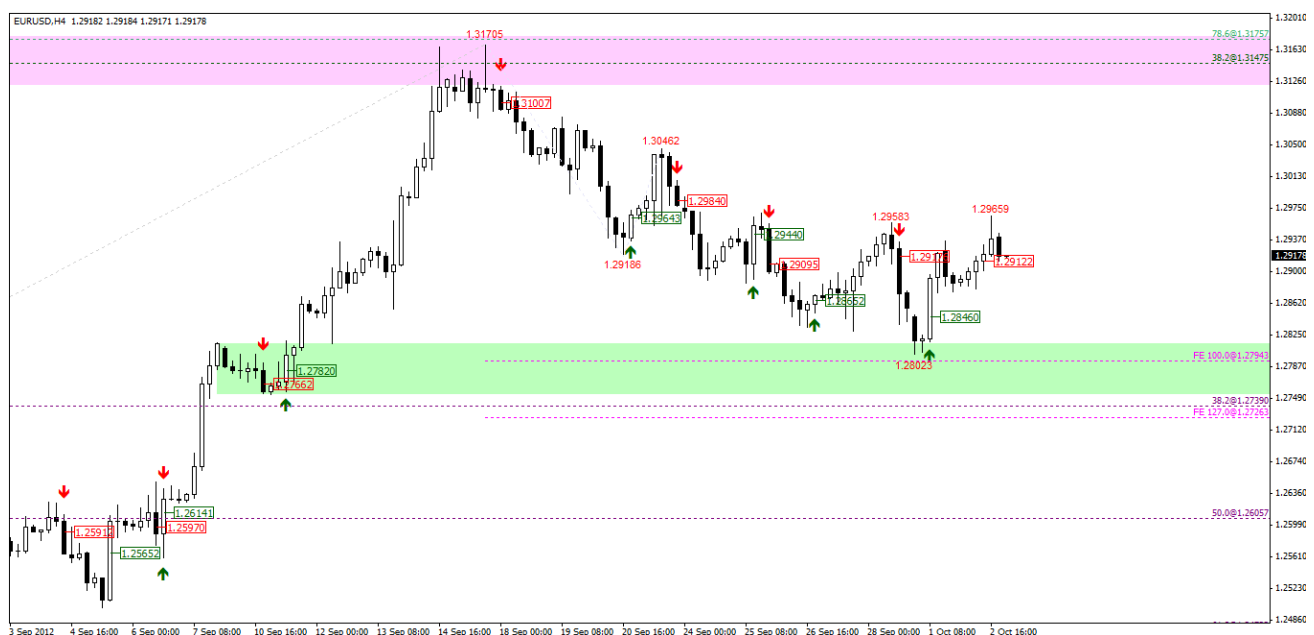
### Content:

EUR-USD	2
GBP-USD	4
USD-CHF	6
USD-JPY	8
AUD-USD	10
Performance	11

## EUR-USD DAILY



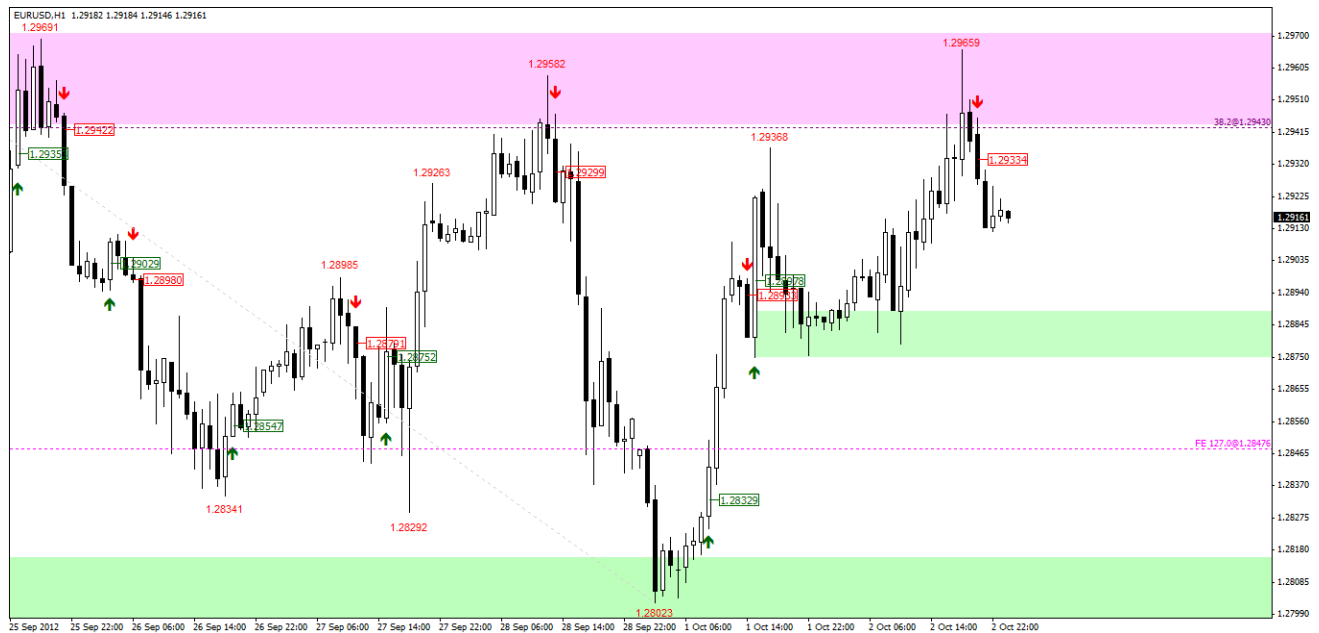
## EUR-USD 4-HOURLY



## EUR-USD Short to Medium-Term Views

Price action spiked into a minor SZ at **1.29436-1.29708** in overnight trading before easing. It was instructive that the fall from 1.31705 reversed direction just above the 100.0% projection of 1.31705 to 1.29186 from 1.30462 at **1.27943** from within the DZ at **1.27535-1.28159** on Monday (see H4 chart). Throughout the fall, this pullback was viewed as a correction of the rally from 1.20408 and an eventual challenge of the 17 September high of **1.31705** is expected after this correction is over. That being the case, any buy opportunity should not be missed. Those who, for whatever reason did not buy on the buy signal on Monday, another buying opportunity may well present itself in the coming sessions. This is because the rally to the day's high at 1.29659 was accompanied by a sell signal with a close below **1.29334** in the H1 chart. This short-term weakness may in turn stabilize within the minor DZ at **1.28749-1.28886** (H1 chart). If so, look out for buy signal at/near this demand pocket. Over the medium to long-term, focus is on the major supply pocket at **1.33550-1.34847**.

## EUR-USD 1-HOURLY



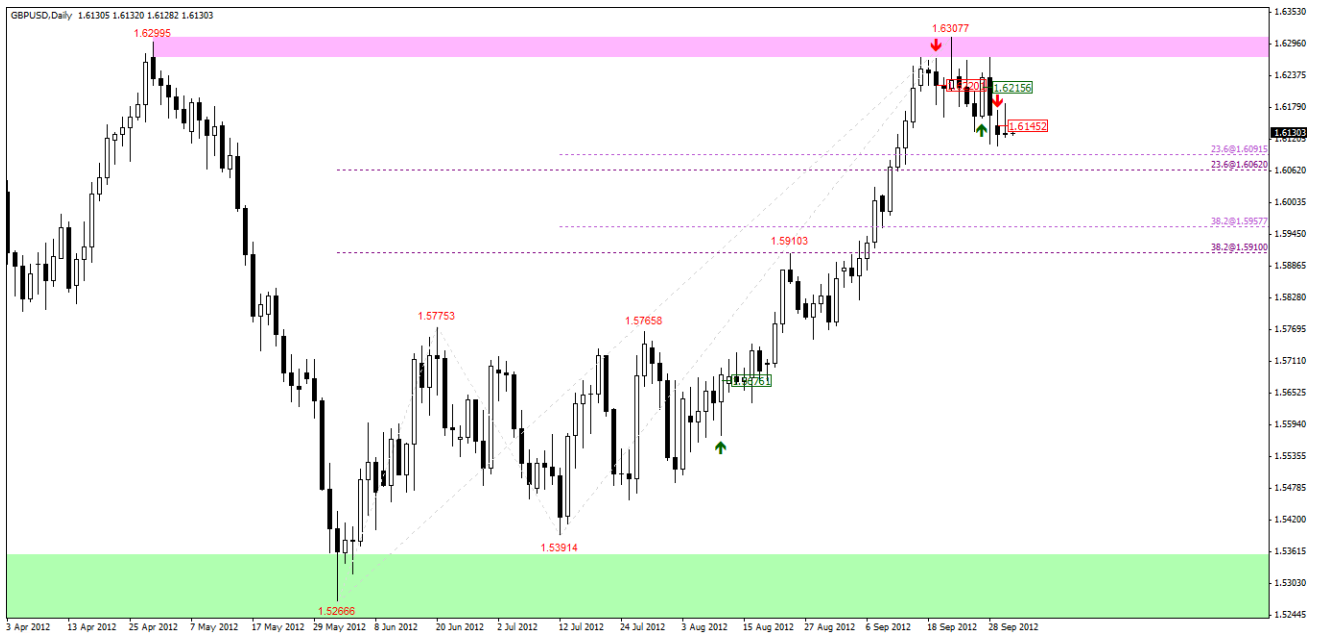
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.28329	1.29436 Realized	1.33550	Break-even
Buy on buy signal within 1.28749 -1.28886	1.30390	1.31408	1.28649 STOP

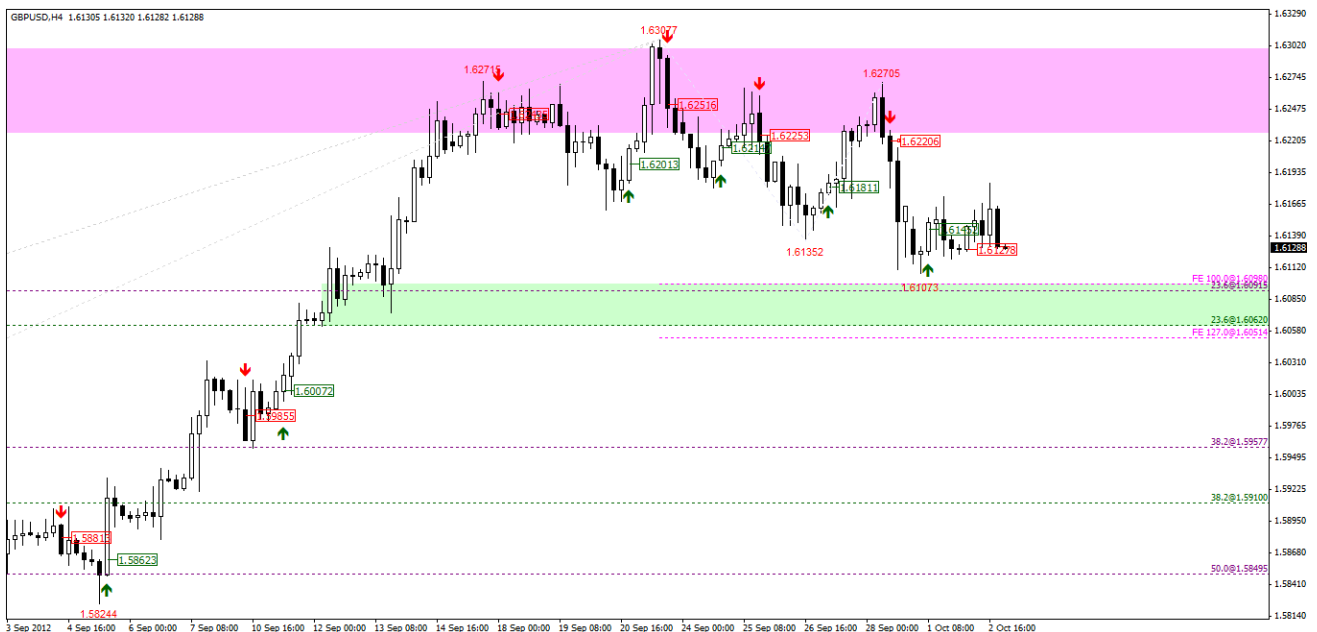
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 28-09-2012								\$61,075.00
EUR-USD	01-10-2012	1.0	1.28329	02-10-2012	1.0	1.29436	+\$1,107.00	+\$1,107.00	\$62,192.00
EUR-USD	01-10-2012	1.0	1.28329	02-10-2012	1.0	1.29183	+\$854.00		
						Unrealized	+\$854.00		

## GBP-USD DAILY



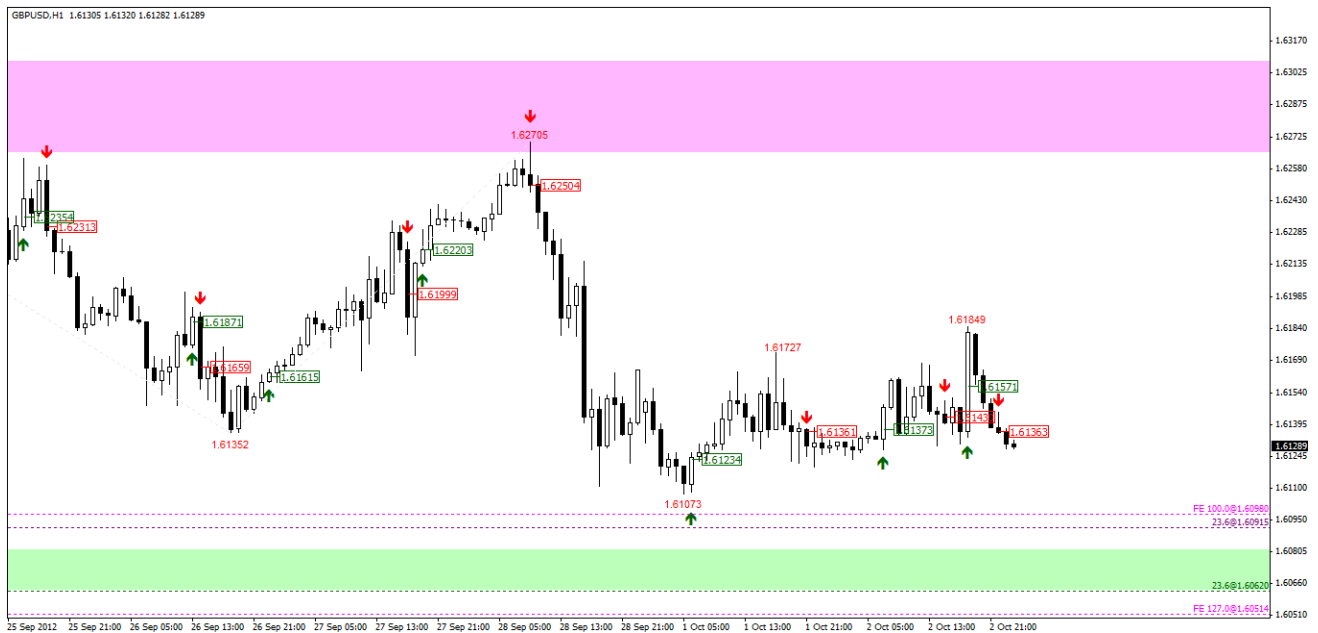
## GBP-USD 4-HOURLY



## GBP-USD Short to Medium Term Views

GBP-USD started the week decidedly weaker and triggered a sell signal in the D1 chart on Monday. Although it missed hitting the first target between the 23.6% retracement of 1.52666 to 1.63077 at **1.60620** and the 23.6% retracement of 1.53914 to 1.63077 at **1.60915** initially, another jab at these levels may be attempted in the coming hours. Based on the structure so far, the pullback from the September 21 high of 1.63077 consists of a series of 3-waves corrective falls. As such, price action is likely to hit the minor demand pocket at **1.60629-1.60978** (see H4 chart) in the next installment of this correction. That said, allowance is for this correction to stretch to the secondary target between the 38.2% retracement of 1.53914 to 1.63077 at **1.59577** and the 38.2% retracement of 1.52666 to 1.63077 at **1.59100**. As mentioned, these levels represent the most ideal bottom for the current correction (see H4 chart). Whatever the case, a strong rally emanating from either of these zones could signal the resumption of the rally from 1.52666 beyond last Friday's high of **1.63077**. That said, the first barrier to higher prices is the overhead SZ at **1.62272-1.62995**.

## GBP-USD 1-HOURLY



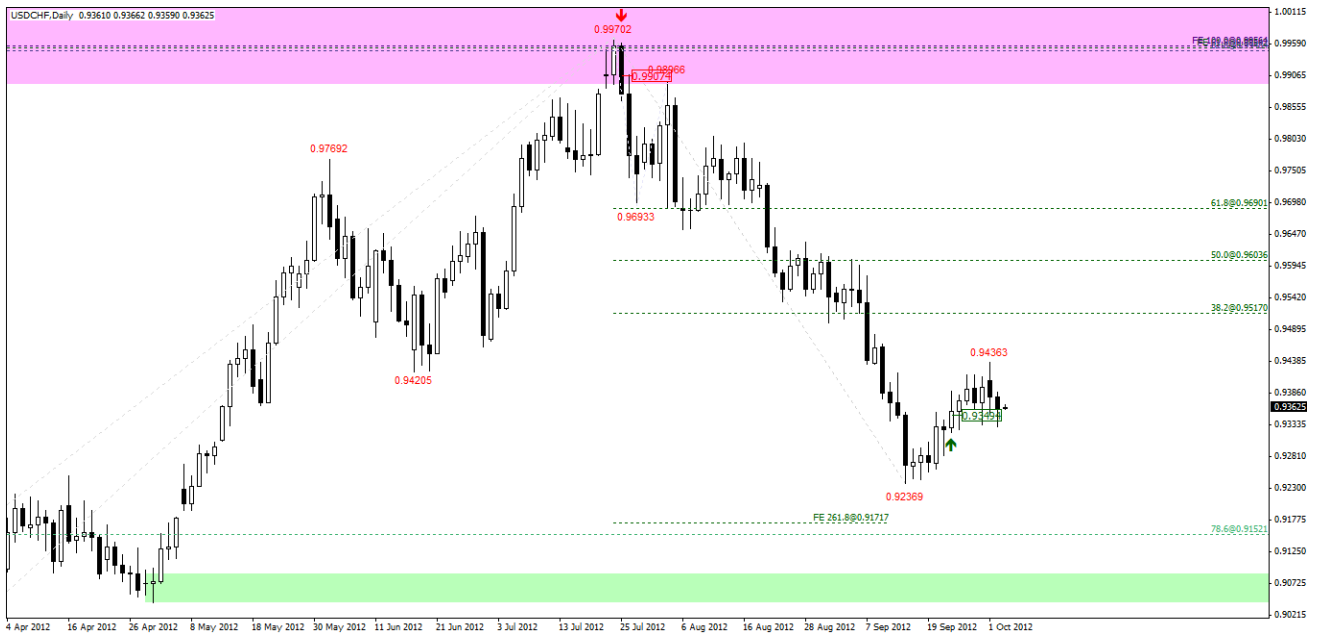
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.62504	1.60915	-	Exit on H4 close above 1.61537
Buy on buy signal at/near 1.60629-1.60978	1.62653	1.63771	1.60520 STOP

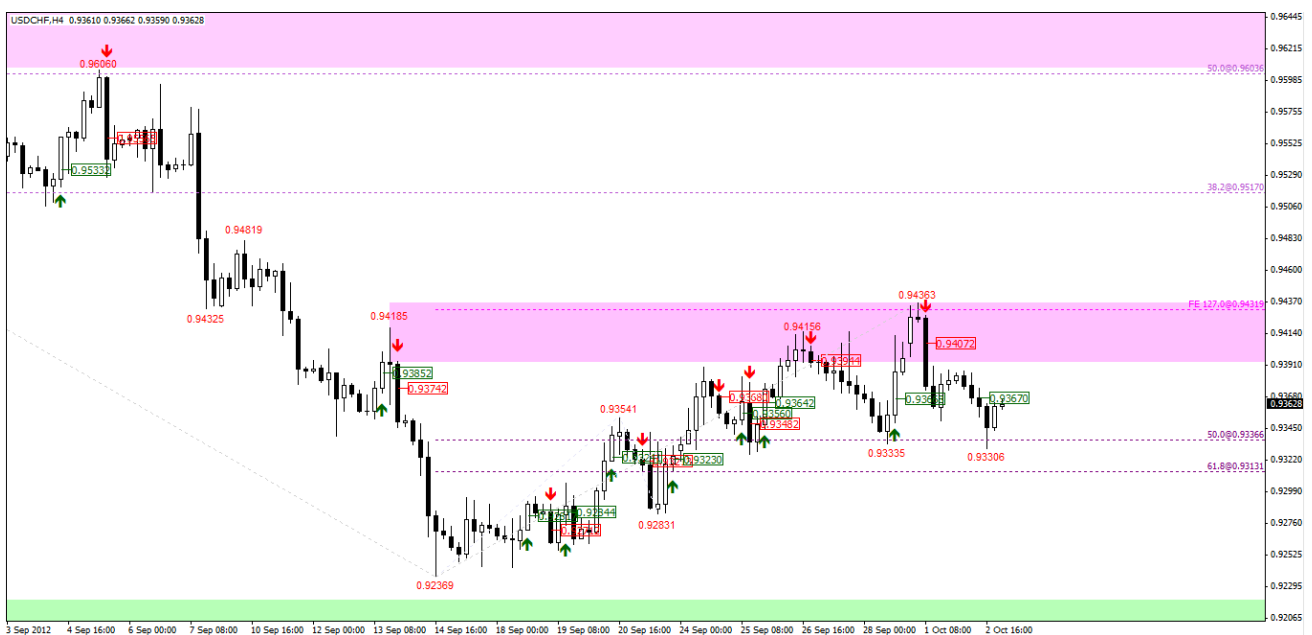
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 28-09-2012								+\$41,916.00
GBP-USD	01-10-2012	1.0	1.61452	28-09-2012	1.0	1.62504	+\$1,049.00	+\$1,049.00	+\$42,965.00
GBP-USD	02-10-2012	1.0	1.61304	28-09-2012	1.0	1.62504	+\$1,200.00		
						Unrealized	+\$1,200.00		

# USD-CHF DAILY



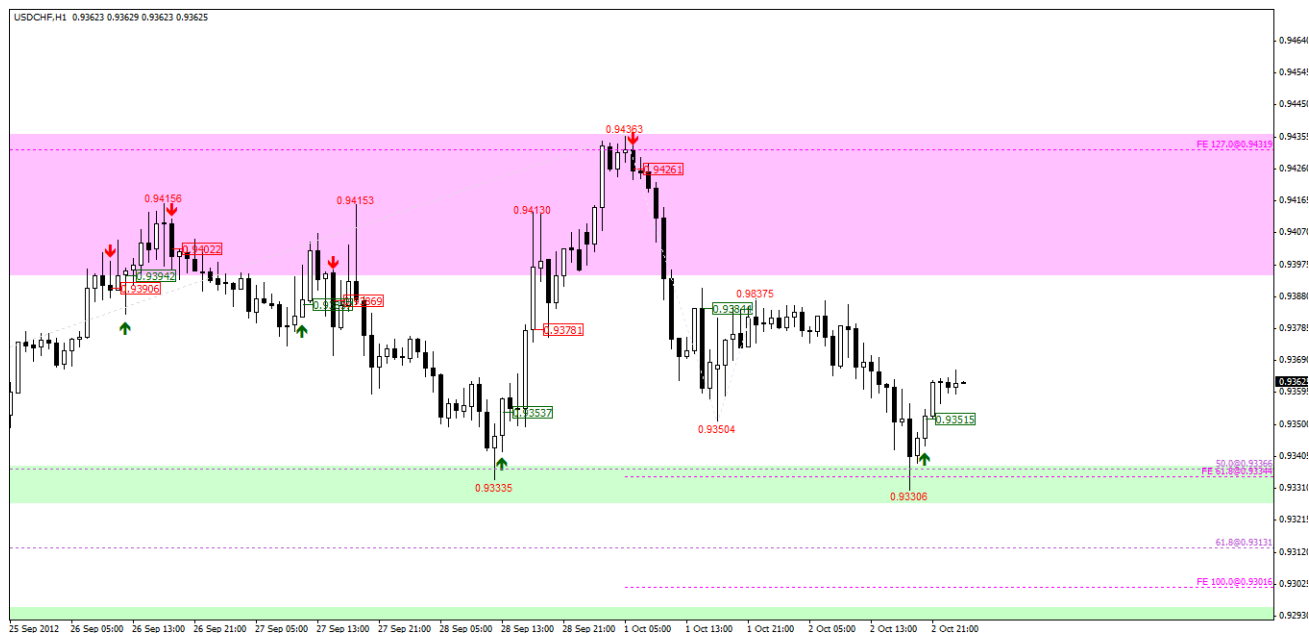
## USD-CHF 4-HOURLY



## USD-CHF Short to Medium Term View

Since the fall from 0.94363 on Monday, price action has hit its initial target in overnight trading. This target was the immediate DZ at **0.93264-0.93376** where the 50.0% retracement of 0.92369 to 0.94363 at **0.93366** and the 61.8% projection of 0.94363 to 0.93504 from 0.93875 at **0.93344** were. Though price action has rebounded somewhat, another fall is anticipated. It is also likely to fall through the immediate DZ at **0.93264-0.93376** towards the next DZ at **0.92831-0.92955**. A close below **0.93560** in the D1 chart would, in turn, increase confidence that this bearish count is in progress. Somewhere between the 261.8% projection of 0.99702 to 0.96933 from 0.98966 at **0.91717** and the 78.6% retracement of 0.89293 to 0.99702 at **0.91521** is the area in which real demand may re-emerge. From there, a larger degree rebound is likely to unfold; ideally taking price action back to the revised SZ at **0.93941-0.94363** (see D1 chart).

## USD-CHF 1-HOURLY



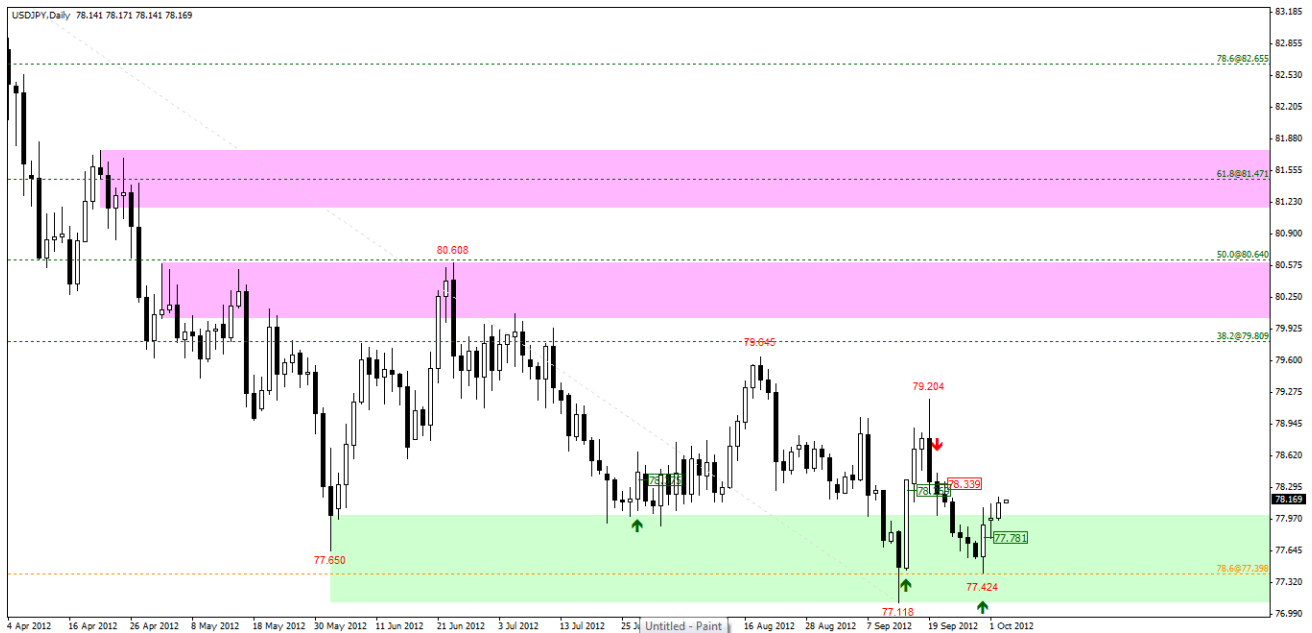
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.94261	0.93376 Realized	0.92955	Break-even

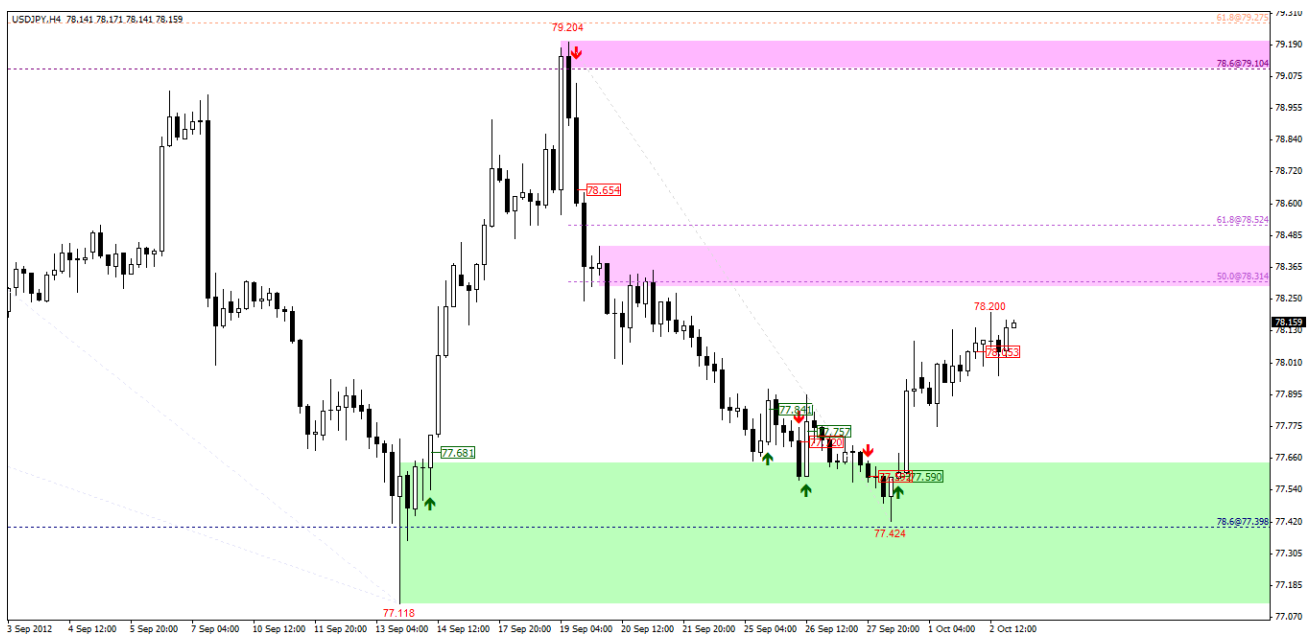
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 28-09-2012								\$28,954.39
USD-CHF	02-10-2012	1.0	0.93376	01-10-2012	1.0	0.94261	+\$947.78	+\$947.78	+\$29,902.17
USD-CHF	02-10-2012	1.0	0.93611	01-10-2012	1.0	0.94261	+\$694.36		
						Unrealized	+\$694.36		

## USD-JPY DAILY



## USD-JPY 4-HOURLY

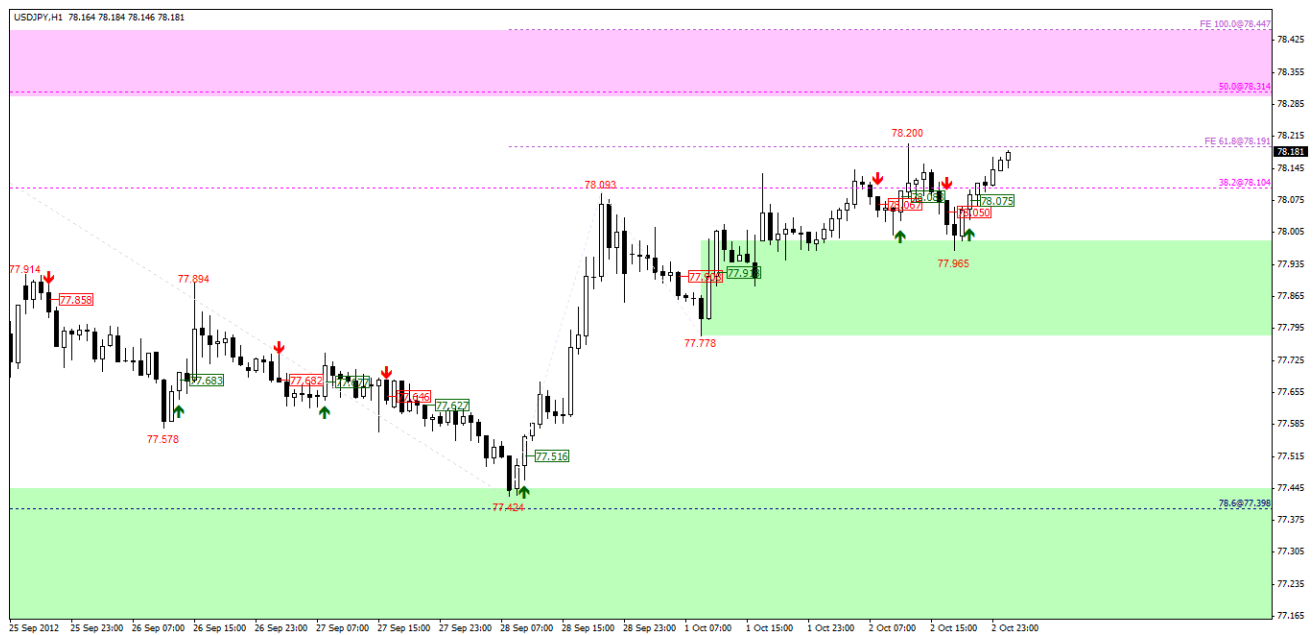


## USD-JPY Short to Medium Term Views

The recovery from within the sweet-spot between the 78.6% retracement of 77.118 to 79.204 at **77.564** and the 78.6% retracement of 75.556 to 84.162 at **77.398**; within a known demand pocket at **77.118-77.640** continues to edge higher. As mentioned, the immediate target is the minor supply pocket at **78.301-78.446**; followed by another at **79.106-79.204**; just above the 78.6% retracement of 77.118 to 79.645 at **79.104** is located. Since the initial burst last week, this rise have been sluggish in the last 48 hours; leading to suspicion the initial target area (**78.301-78.446**) is likely to see selling interests emerging. As such, very short-term traders may consider taking some profits on sell signals in the H1 chart at or near the minor supply pocket at **78.301-78.446**. Target is the minor demand pocket at **77.778-77.986** (see H1 chart).



## USD-JPY 1-HOURLY

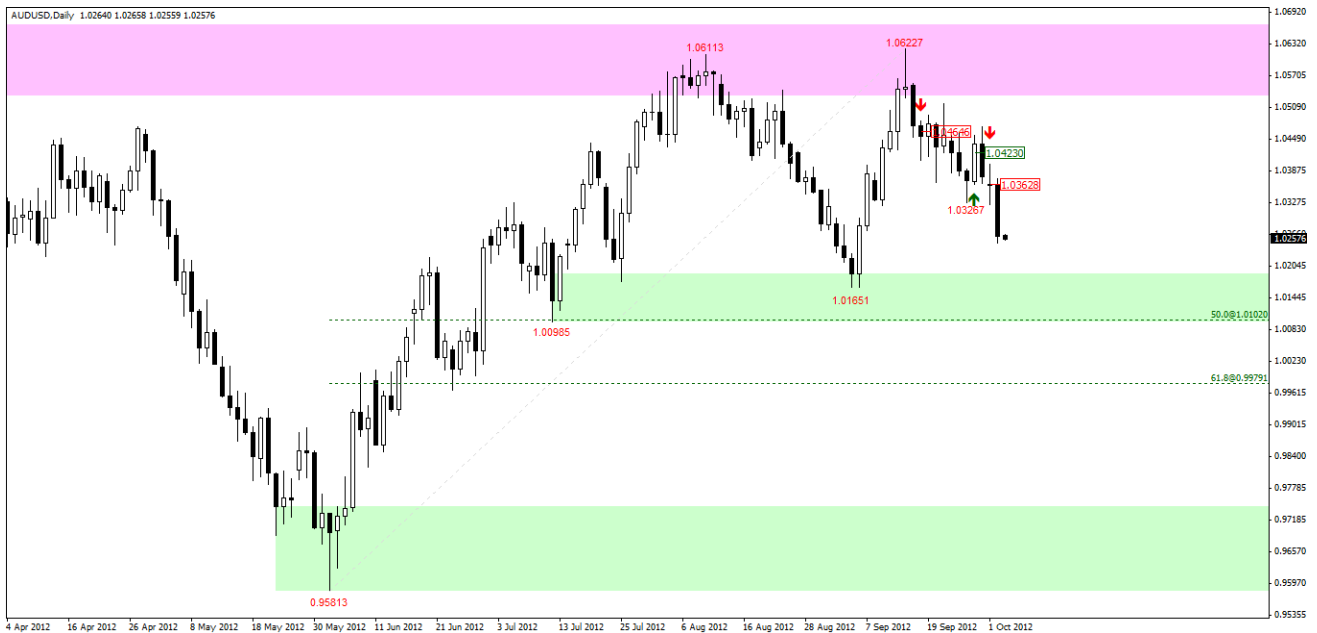


## Trade Ideas

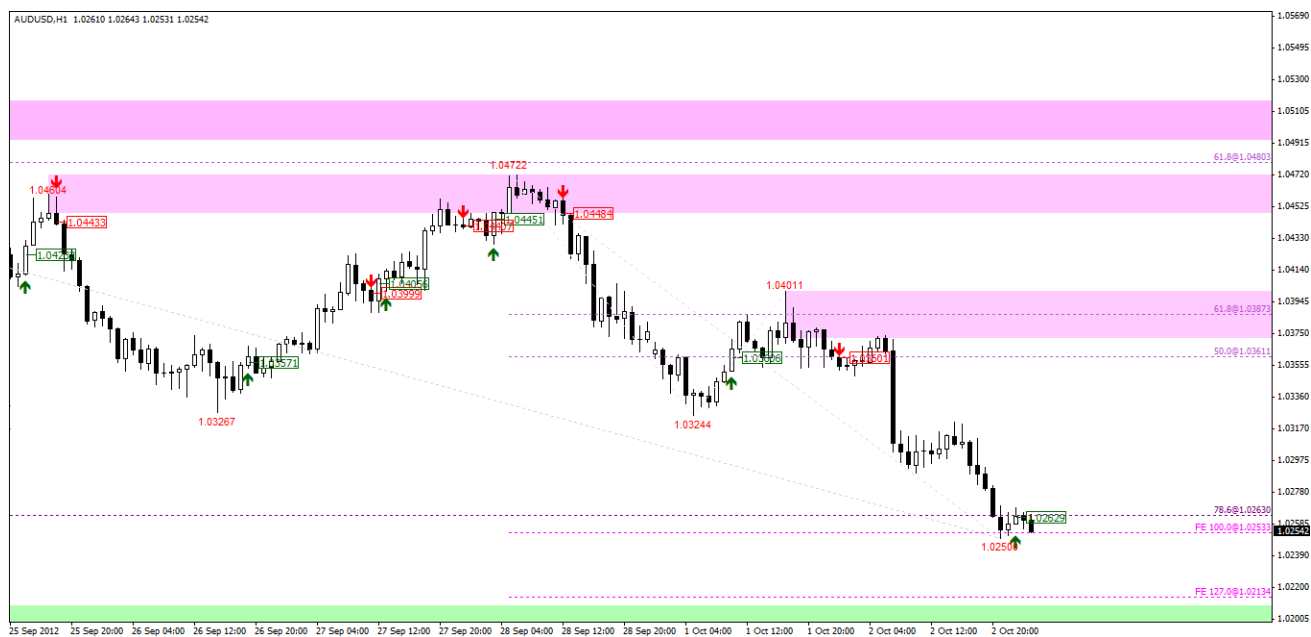
ACTION	Target 1	Target 2	EXIT
Bought @77.683	78.301	79.104	Break-even

## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 28-09-2012								+\$21,414.24
USD-JPY	26-09-2012	1.0	77.683	02-10-2012	1.0	78.142	+\$587.39		
USD-JPY	26-09-2012	1.0	77.683	02-10-2012	1.0	78.142	+\$587.39		
Unrealized							+\$1,174.78		

**AUD-USD DAILY**

## AUD-USD 1-HOURLY

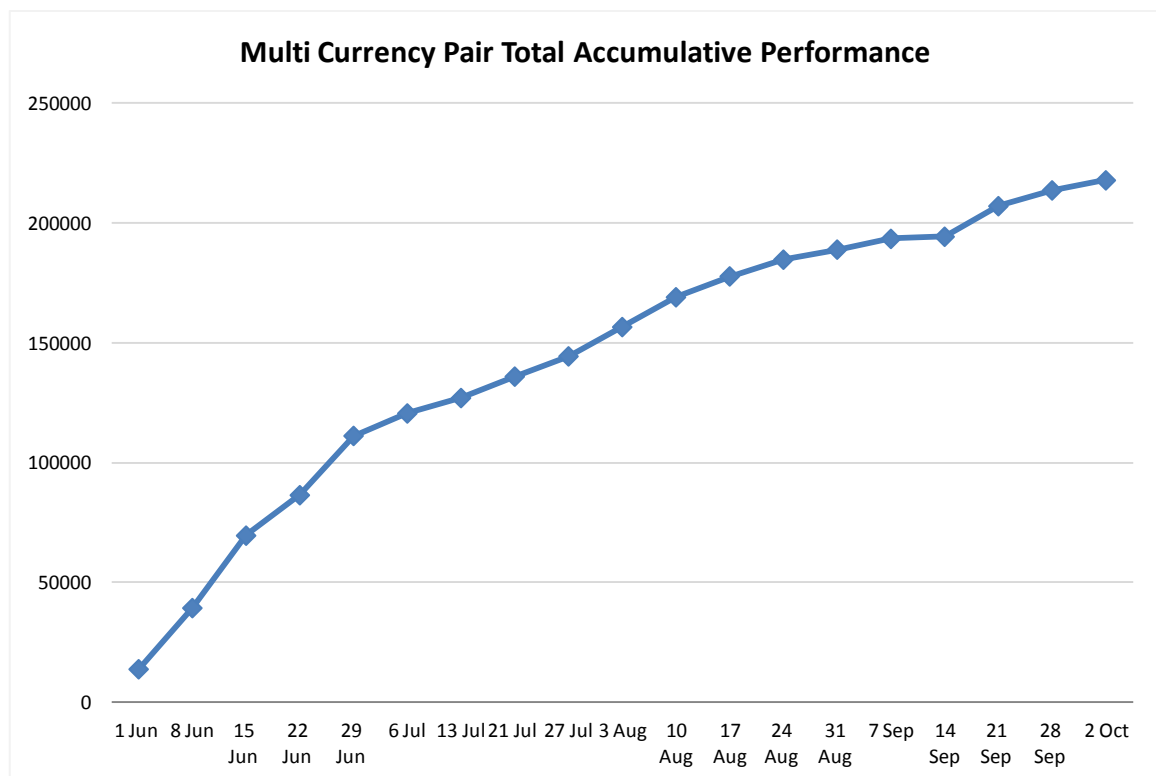
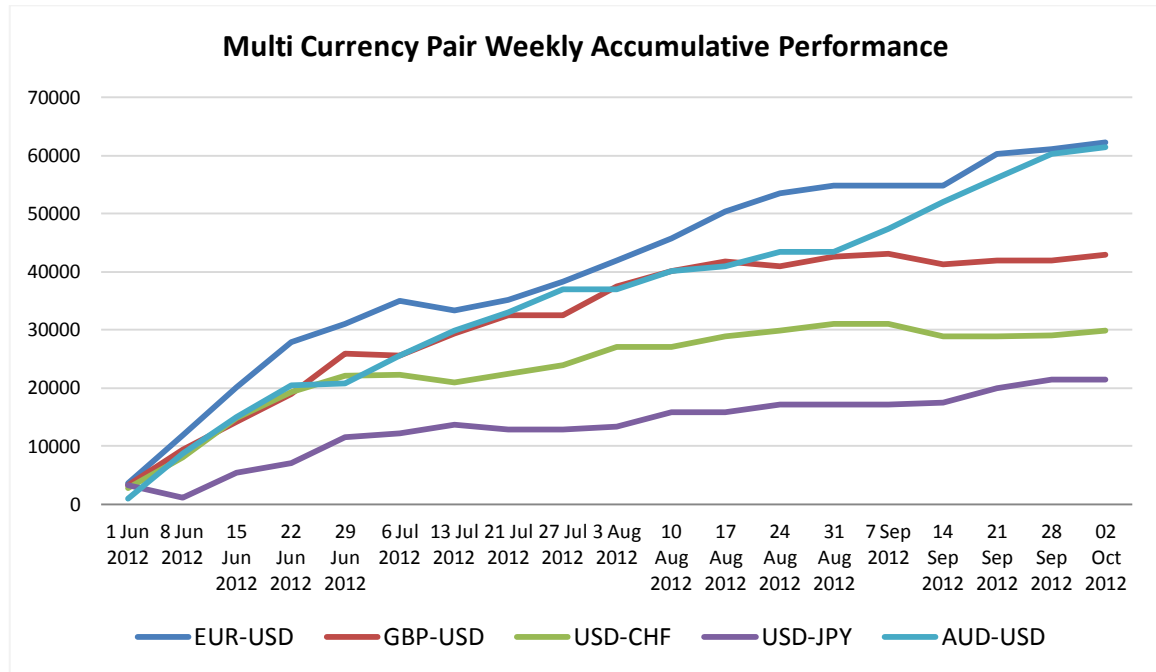


## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.04484	1.03407 Realized	1.01993	Exit on H4 close above 1.03074
Buy on buy signal within 1.01651-1.02087	1.03722	1.04486	1.01551 STOP

## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 28-09-2012								+\$60,295.00
AUD-USD	01-10-2012	1.0	1.03407	28-09-2012	1.0	1.04484	+\$1,077.00	+\$1,077.00	+\$61,372.00
AUD-USD	02-10-2012	1.0	1.02633	28-09-2012	1.0	1.04484	+\$1,851.00		
						Unrealized	+\$1,851.00		



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.