

A Traders Academy International Publication

EUR-USD Higher On Spain Expectation

EUR-USD rose on Friday, but remained within its recent trading range as traders awaited clarity on when and whether heavily indebted Spain would formally request a bailout to shore up its battered finances. Buying by sovereign investors lifted EUR-USD but the Euro looked likely to struggle for traction until answers emerged over a potential Spanish aid request.

A potential bailout request is widely seen as a positive for the Euro as it would remove another layer of uncertainty in financial markets and activate the European Central Bank's bond-buying program aimed at lowering borrowing costs for troubled Euro zone economies.

The Spanish economy minister said on Friday a European bond-buying plan was fully ready for use and that there was no political resistance to a bailout request from within the Euro zone. The latest developments do suggest that the Spanish authorities continue contemplating the possibility. And while the timing remains highly uncertain, traders still believe an aid request is more likely than not.

EUR-USD recovered after the International Monetary Fund said Europe's heavily indebted countries should be given more time to narrow their deficits.

Data showing output at Euro zone factories grew much more than expected in August added to Euro's gains.

EUR-USD ended the week at 1.29515, up 0.2 percent on the day, but down 0.6 percent on the week. It has traded in a relatively tight range since mid-September, between 1.28243 and 1.30245.

USD-JPY hit a high of 78.521, recovering from Thursday's 10-day low. It ended up 0.1 percent at 78.418 for the day though down 0.3 percent for the week.

News that Japan wireless service provider Softbank Corp may buy a majority stake in Sprint Nextel, in a deal potentially worth at least ¥1 trillion (\$12.74 billion), helped lift USD-JPY. The potential Softbank deal was so large that currency markets could be tapped for part of the financing.

The U.S. Dollar showed little reaction to U.S. data showing consumer sentiment unexpectedly rose in October to its highest in five years, while producer prices climbed more than expected in September.

AUD-USD dipped 0.3 percent to 1.02313, retreating from the previous session's 1-week high at 1.02918.

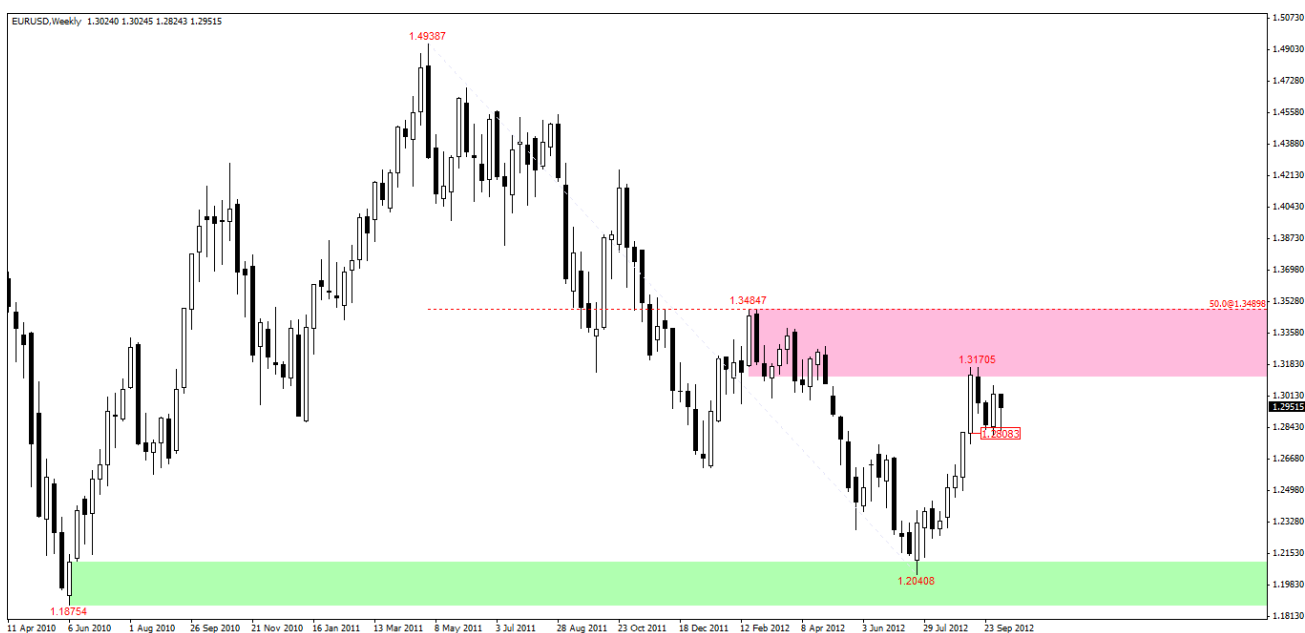
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EUR-USD MONTHLY



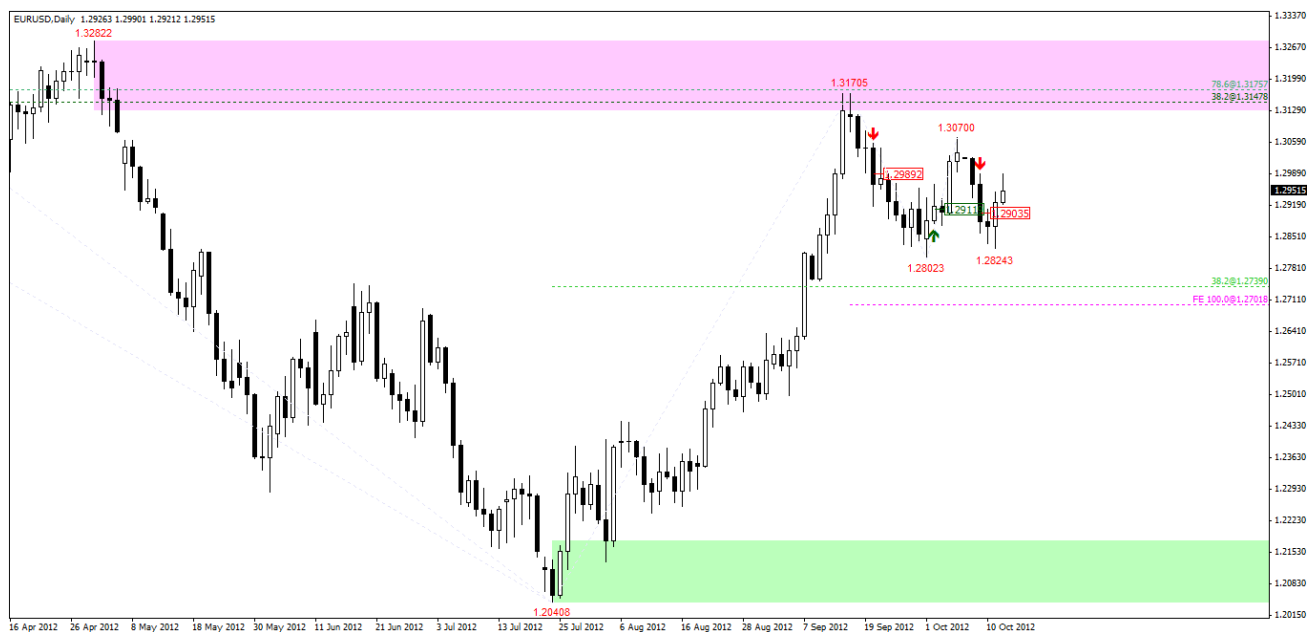
EUR-USD WEEKLY



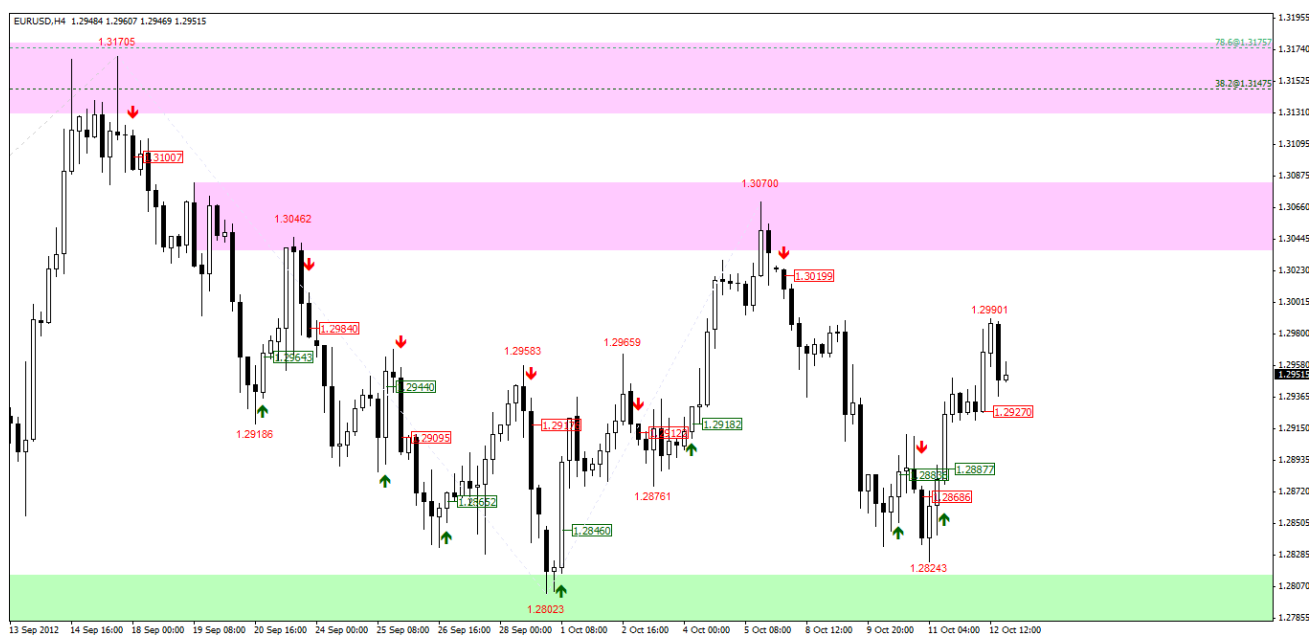
EUR-USD The Big Picture

In the bigger picture, the rise from 0.82250 to 1.60370 is part of a longer-term rally. Likewise, the fall from the July 15, 2008 high of 1.60370 marked the start of a long-term consolidation/continuation pattern which may ultimately stretch to the 61.8% retracement of 0.82250 to 1.60370 at **1.12092**; from which price action is likely to rise beyond its all-time high in a multi-year rally (see MN chart). On 24 July 2012, price action pulled back from a 29-month low at **1.20408** after failing to take out the 2010 low of 1.18754 and ended the week as a bullish engulfing bar. The resulting rally lasted a good 7 weeks and hit a 20-week high of 1.31705, just above the 38.2% retracement of 1.49380 to 1.20408 at **1.31475**; in an area in which price action was vulnerable to profit-taking. For three weeks, price action came close to triggering a sell signal but pulled back. This week ended as a bearish harami. A close below **1.28083** would invariably trigger a sell signal in the W1 week. If so, it would also suggest that the longer-term fall from 1.49387 have resumed. Focus would thus shift towards the longer-term demand pocket at **1.18754-1.20408**.

EUR-USD DAILY



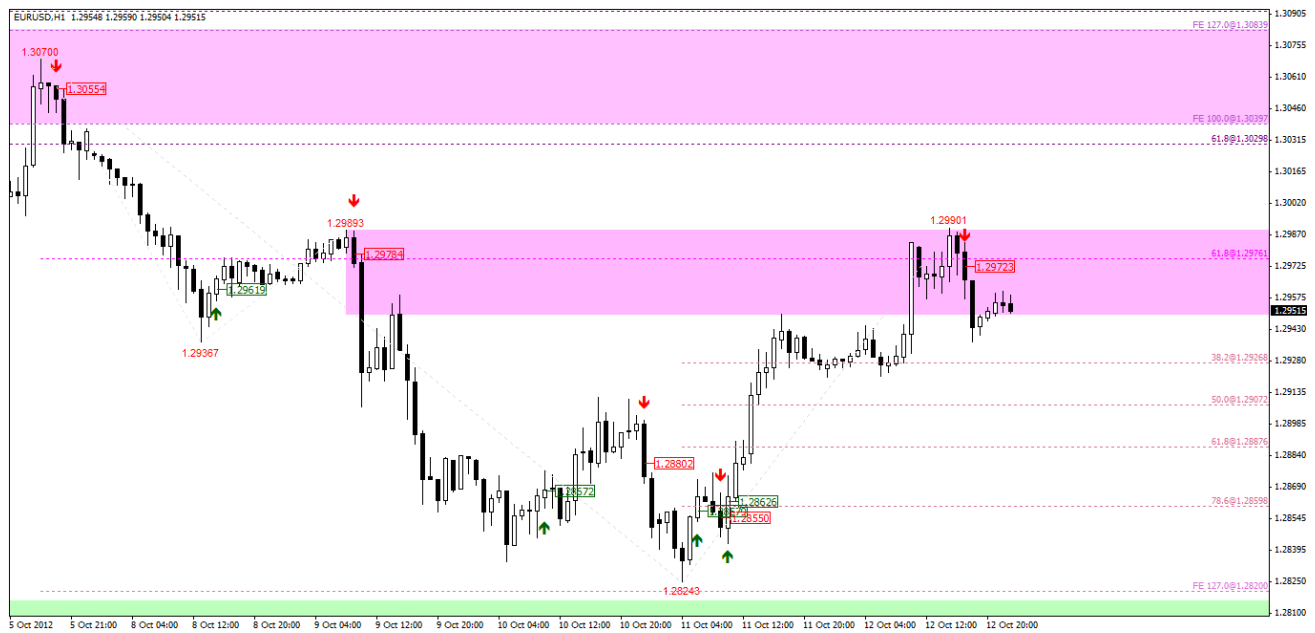
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Signals remained mixed but at least D1 and H1 charts are in line with both under sell signals. The latter triggered a sell signal within the supply pocket at **1.29497-1.29893** although price action did overshoot with a high at 1.29901. Yesterday's update, did suggest selling on signal in the H1 chart within the minor supply pocket at **1.29497-1.29893** and as we have it one was triggered with a close below 1.29723 shortly after the day's high was registered. The scenario calling for price action to make a larger degree 3-wave down from 1.31705 to 1.28023 from 1.30700 with focus on either the window between 38.2% retracement of 1.20408 to 1.31705 at **1.27390** and the 100.0% projection of 1.31705 to 1.28023 from 1.30700 **1.27018** or the 50.0% retracement of 1.20408 to 1.31705 at **1.26057** and the 127.0% projection of 1.31705 to 1.28023 from 1.30700 **1.26024** remains in effect. The alternate scenario is a rally above the immediate supply pocket at **1.29497-1.29893** towards a more durable one at **1.30390-1.30835** (see H4 chart).

EUR-USD 1-HOURLY



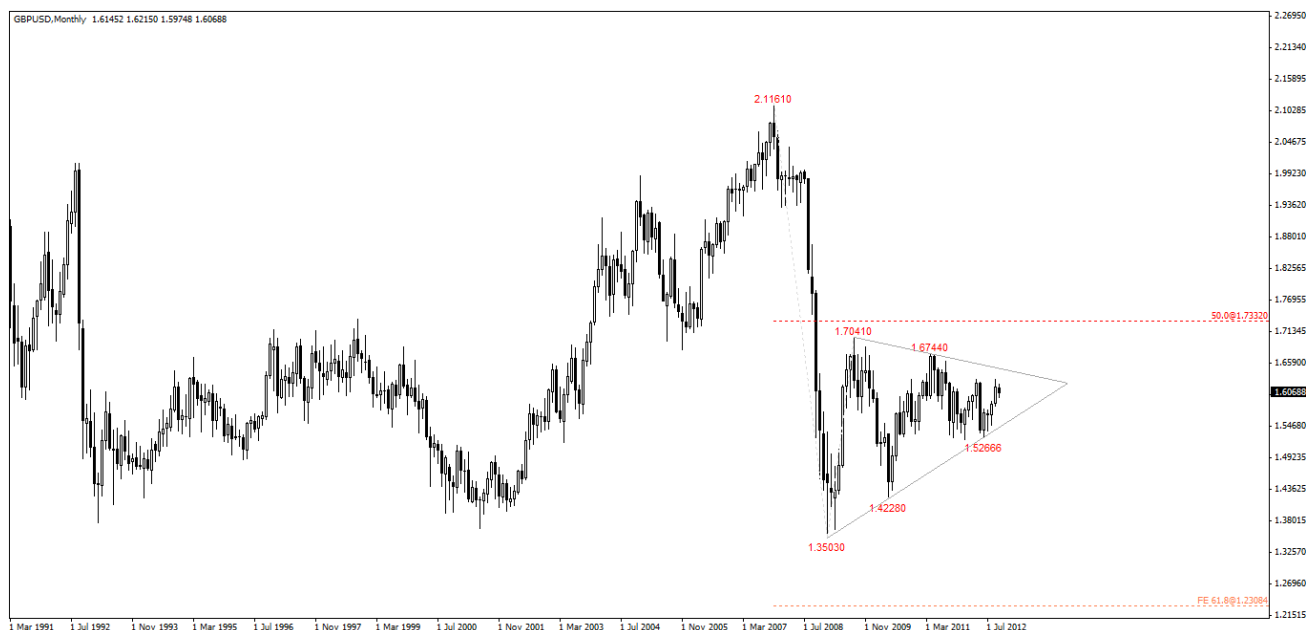
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.29723	1.29268	1.28159	1.30001 STOP

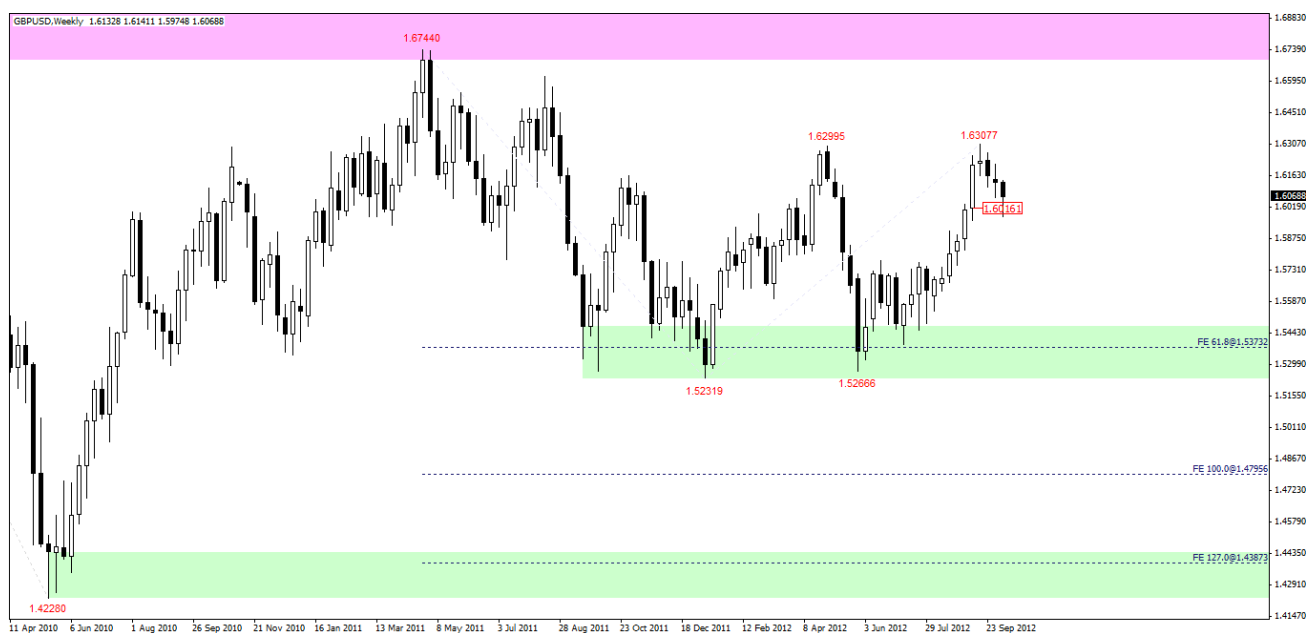
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 05-10-2012								\$65,557.00
EUR-USD	01-10-2012	1.0	1.28329	08-10-2012	1.0	1.30199	+\$1,870.00		\$65,557.00
EUR-USD	03-10-2012	1.0	1.28895	08-10-2012	1.0	1.30199	+\$1,304.00	+\$3,174.00	\$66,861.00
EUR-USD	11-10-2012	1.0	1.28986	08-10-2012	1.0	1.30199	+\$1,213.00		\$68,074.00
EUR-USD	11-10-2012	1.0	1.28986	08-10-2012	1.0	1.30199	+\$1,213.00	+\$2,426.00	\$69,287.00
EUR-USD	12-10-2012	1.0	1.29515	12-10-2012	1.0	1.29723	+\$208.00		
EUR-USD	12-10-2012	1.0	1.29515	12-10-2012	1.0	1.29723	+\$208.00		
Unrealized							+\$416.00		

GBP-USD MONTHLY



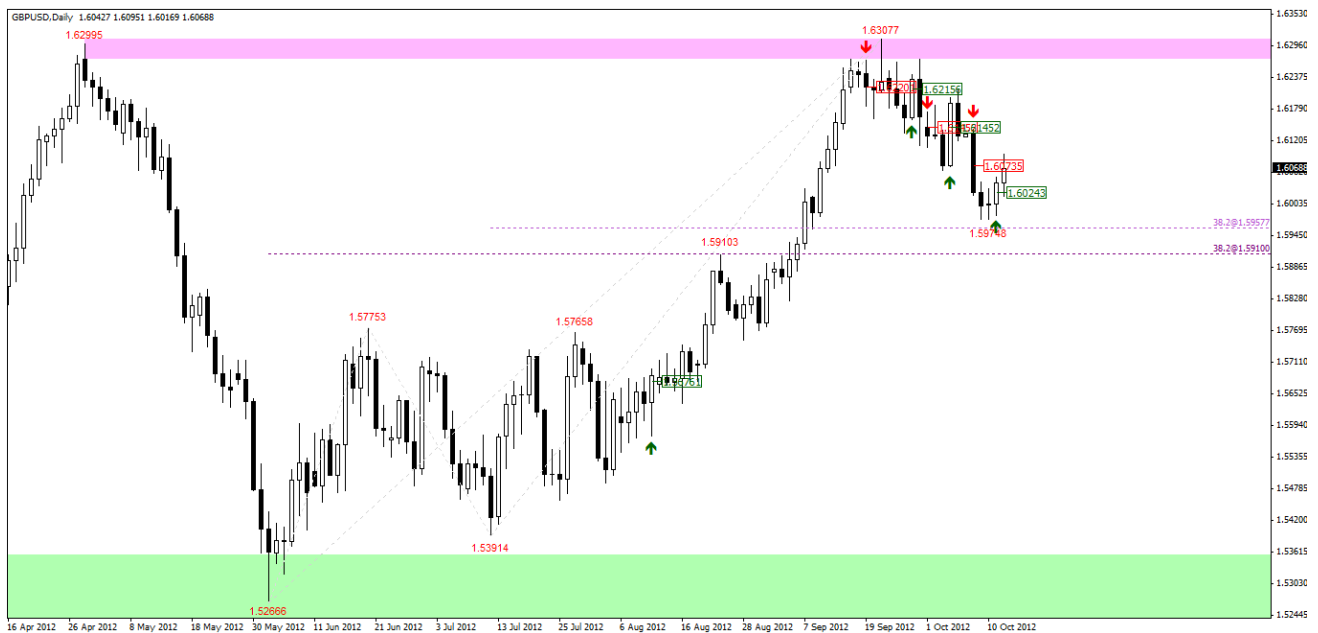
GBP-USD WEEKLY



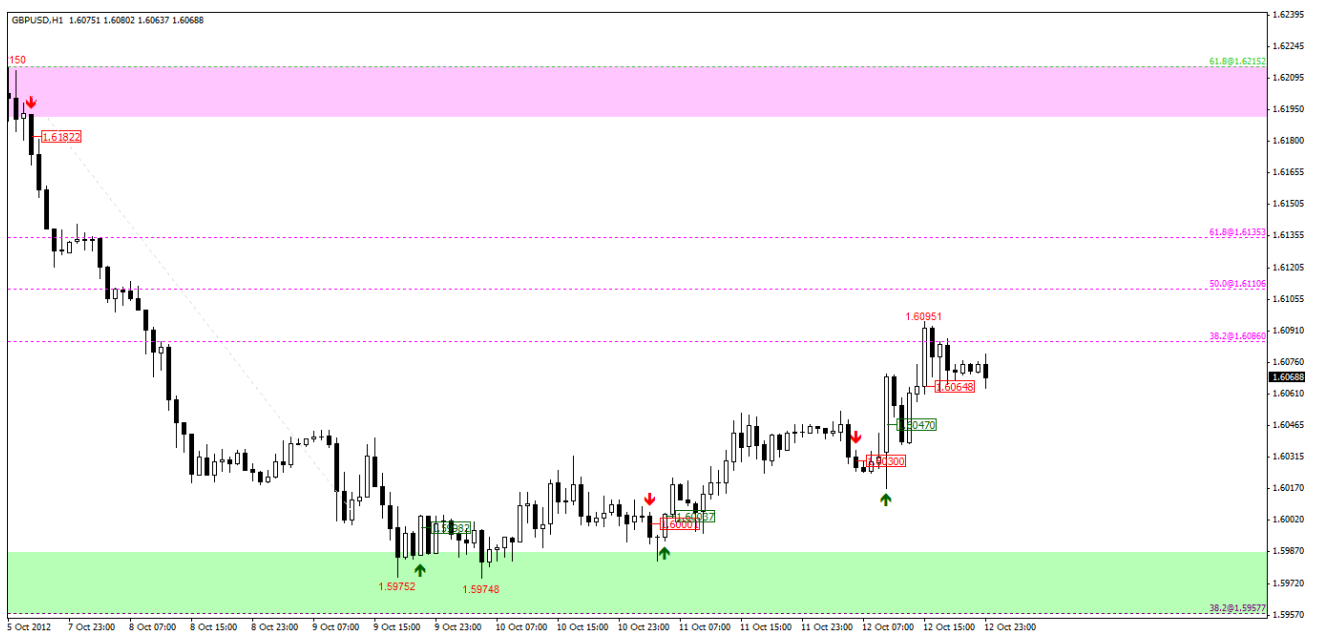
GBP-USD The Big Picture

In the bigger picture, price action from the 2009 low of 1.35030 is treated as a correction to the longer-term downtrend from the 2007 high of 2.11610. This multi-year correction beginning at the start of 2008 is developing into a triangle - which is a continuation pattern. Four weeks ago, this market ended with tantalizing clues of a classic reversal - a long-legged shadow doji in W1 chart. Sure enough, for the third week running, profit-takings were featured; with price action coming close, at one stage, to triggering a sell signal in the W1 chart. Overall, the rebound from 1.52666 is not deemed to be over until and unless we have a close below **1.60161** in the W1 chart. Whatever the case, this market may be near the last leg of a triangle formation that may result in a dramatic multi-months fall. This is likely to be followed by an equally dramatic rally back to the base of this triangle before declining towards parity with the once mighty U.S. Dollar.

GBP-USD DAILY



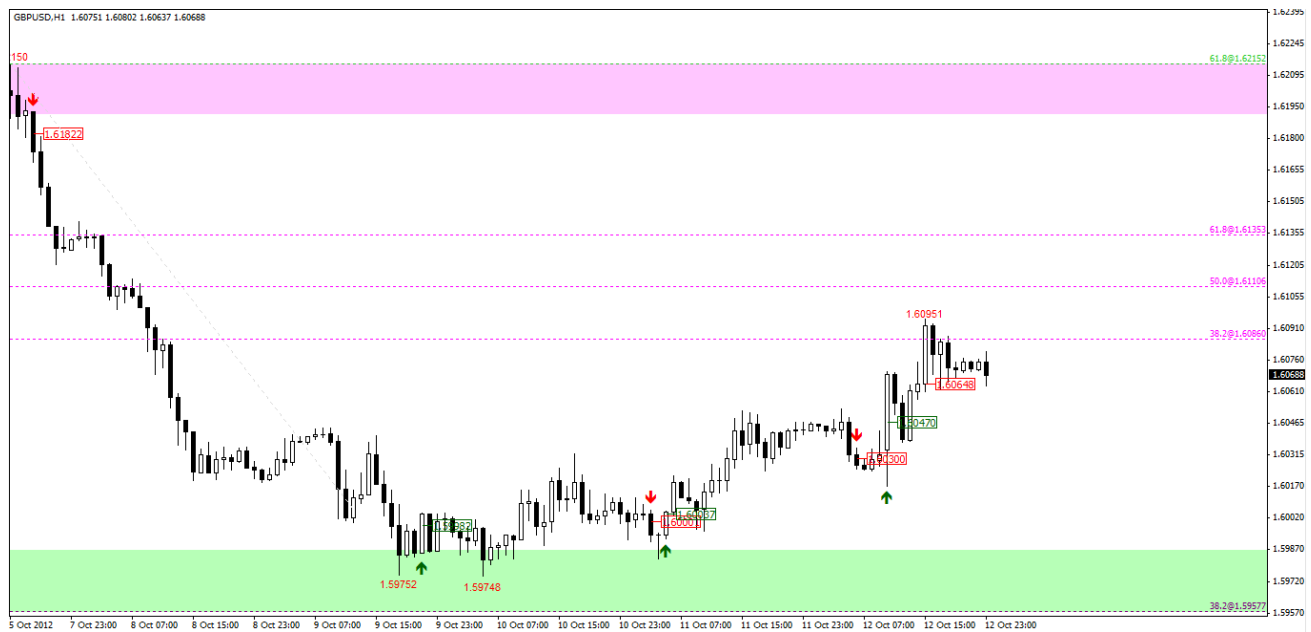
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

The rebound from the demand pocket at **1.59577-1.59868** appeared to be gathering strength, having come close to hitting the 38.2% retracement of 1.63077 to 1.59748 at **1.61020** with a print at 1.60951 in overnight action (see H4 chart). On a lesser degree, the overnight high hit the 38.2% retracement of 1.62150 to 1.59748 at **1.60628** and remained well bid till the closing (see H1 chart). As noted, this nascent rebound has the potential to retrace all the way back to the SZ at **1.61915-1.62500**. Though without impulsiveness, with D1, H4 and H1 charts all in alignment and favoring the upside, more can be expected of this rebound.

GBP-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59982	1.60318 Realized	1.61915	Exit on H4 close below 1.60557

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 05-10-2012								\$46,736.00
GBP-USD	09-10-2012	1.0	1.59982	11-10-2012	1.0	1.60318	+\$336.00	+\$336.00	\$47,072.00
GBP-USD	09-10-2012	1.0	1.59982	12-10-2012	1.0	1.60688	+706.00		
						Unrealized	+\$706.00		

USDCHF, Monthly 0.94072 0.94363 0.92737 0.93310

1.83090

0.70674

61.88% 1.40147

50.08% 1.26882

38.28% 1.13617

23.68% 0.97204

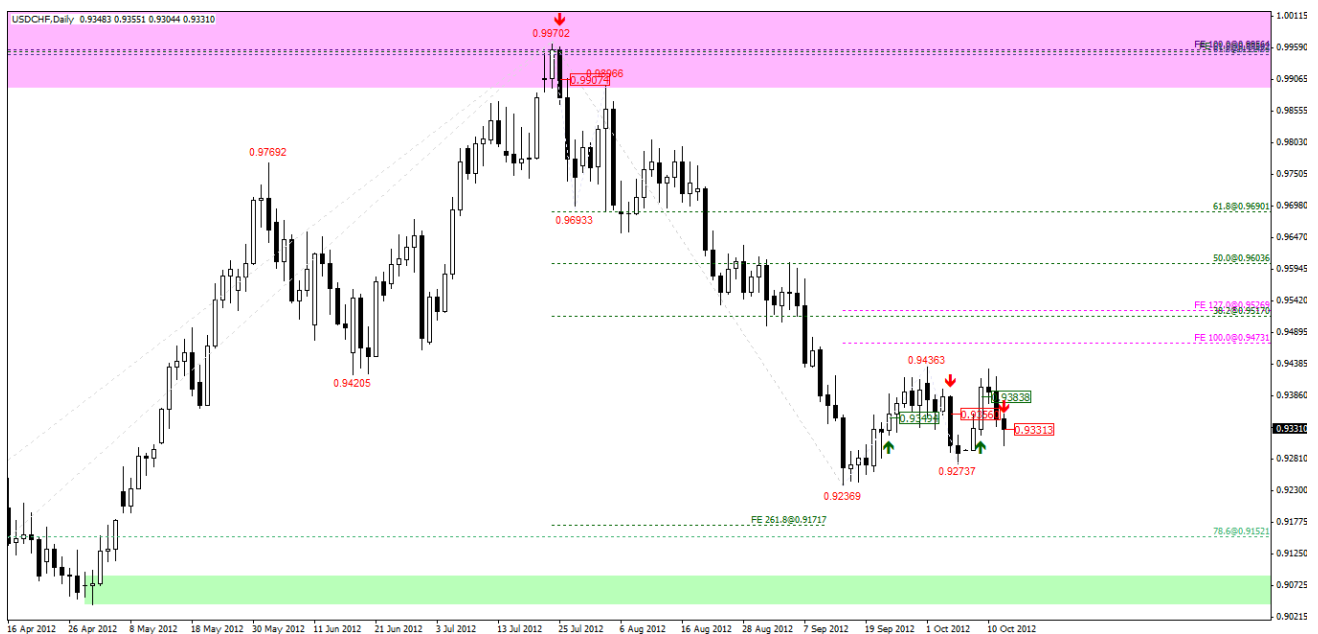
0.93310

USDCHF Weekly 0.92964 0.94301 0.92960 0.93310
1.17299

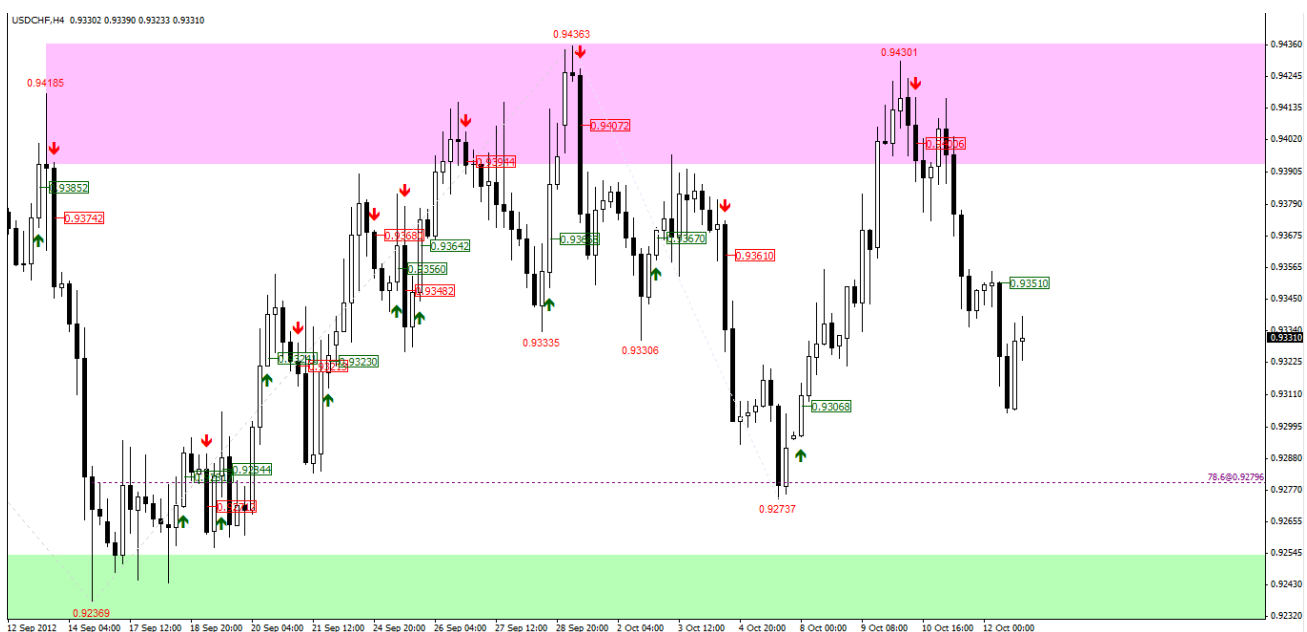
0.99702
61.890.99498
23.690.92709
0.93310
23.680.92857
0.9349
38.280.88614
0.89293
0.85664
50.080.85190
0.70677

In the bigger picture, the downtrend from 1.83090 has made an important long-term low at **0.70674**; having fallen short of a longer-term target at the 100.0% projection of 1.83090 to 1.12870 from 1.32830 at **0.62610**. The rebound from 0.70674 is presently treated as a correction to this multi-year fall with strong resistance expected at the 38.2% retracement of 1.83090 to 0.70674 at **1.13617**. Since hitting the price window between the 61.8% retracement of 1.17296 to 0.70677 at **0.99488** and the 61.8% projection of 0.70677 to 0.93132 from 0.85669 at **0.99546**, selling interests have emerged; having taken price action to a 18-week low of **0.92369** a month ago. This is just below the 23.6% retracement of 0.70677 to 0.99702 at **0.92852**. Since then, price action has stabilized and consolidated along this level. Assuming there is no acceleration to the upside, price action may head towards the window between the 38.2% and 50.0% retracement of 0.70674 to 0.99702 at **0.88613** and **0.85188** next (see W1 chart).

USD-CHF DAILY



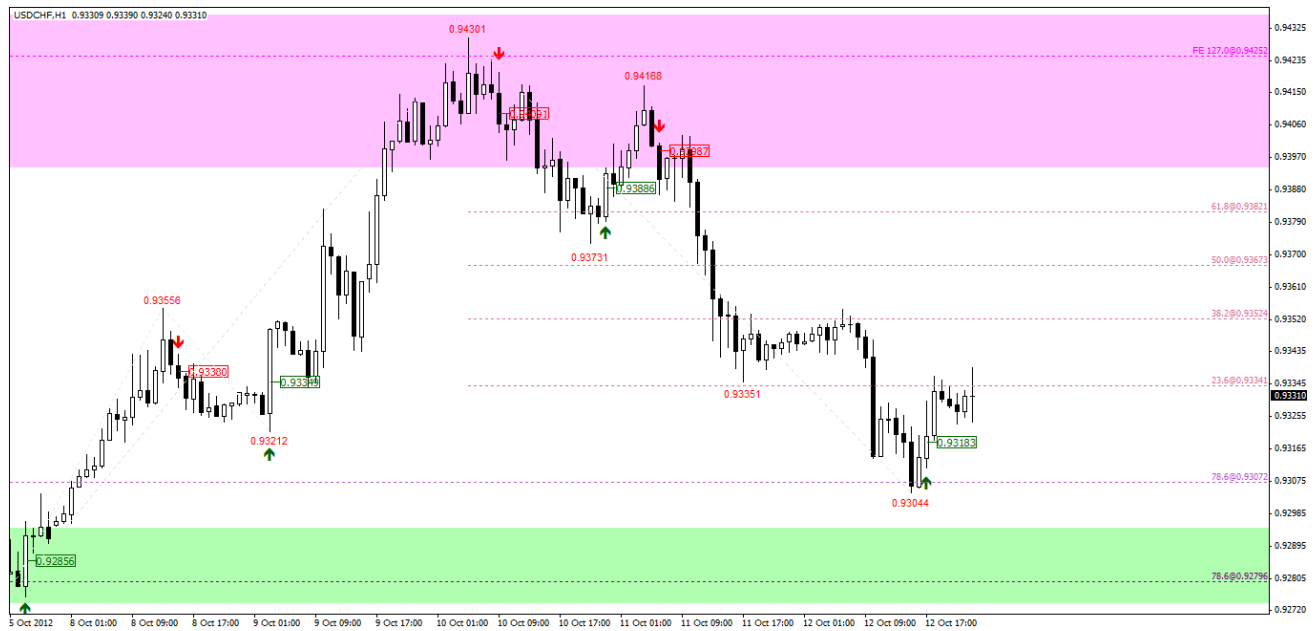
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

The idea that the correction from 0.92369 is incomplete and that a larger 3-wave move up is taking place may be in doubt with the weakness seen overnight. At any rate, only a sustained rally beyond the supply pocket at **0.93941-0.94363** is needed confirm the earlier bullish assessment. If so, a more likely area where sellers may emerge is the window between the 38.2% retracement of 0.99702 to 0.92369 at **0.95170** and the 127.0% projection of 0.92369 to 0.94363 from 0.92737 at **0.95269** (see D1 chart). Whatever the case, a resumption of the fall from 0.99702 is expected to eventually take out the September 14 low of **0.92369**, to be followed by a larger degree rebound. Buying opportunities mentioned in the previous update did not materialize as none was triggered until after price action has hit the 78.6% retracement of 0.92737 to 0.94301 at **0.93072** and rebounded. The ensuing rebound subsequently triggered a buy signal with a close above **0.93183** in the H1 chart. However, topside may be limited to the 38.2% retracement of 0.94301 to 0.93044 at **0.93524**.

USD-CHF 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.93183	0.93941	0.95170	Break-even

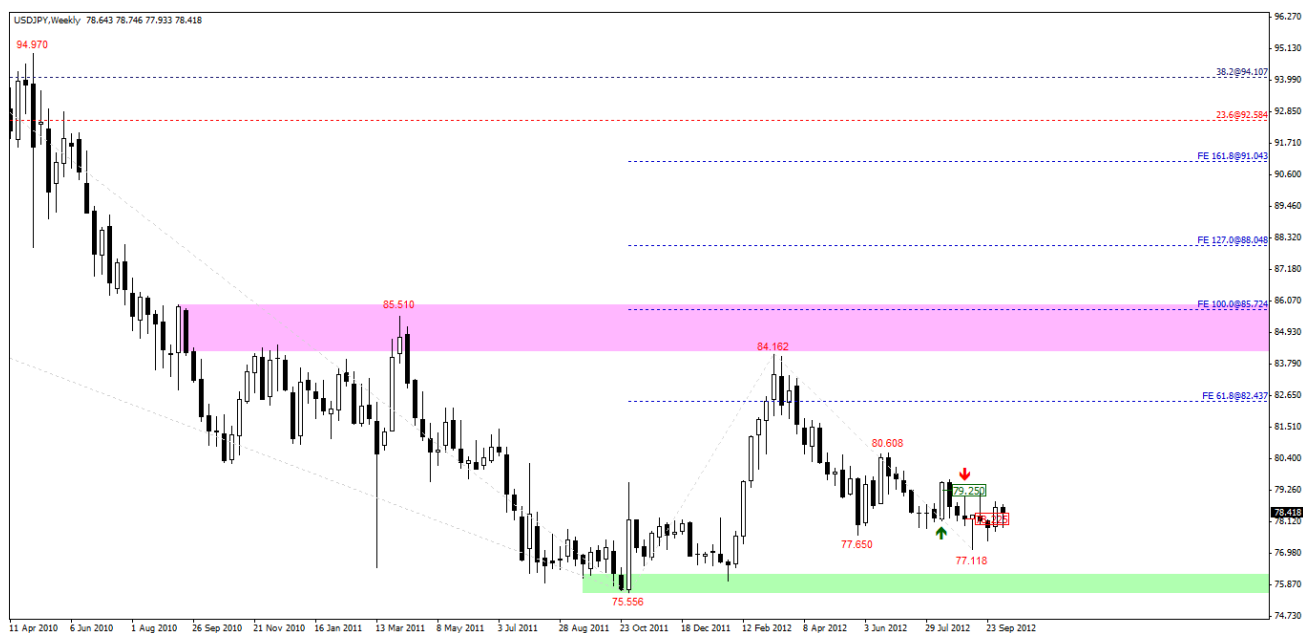
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 05-10-2012								\$31,307.15
USD-CHF	09-10-2012	1.0	0.93656	08-10-2012	1.0	0.93380	-\$294.70		\$31,012.45
USD-CHF	09-10-2012	1.0	0.93656	08-10-2012	1.0	0.93380	-\$294.70	-\$589.40	\$30,717.75
USD-CHF	12-10-2012	1.0	0.93183	12-10-2012	1.0	0.93319	+\$145.37		
USD-CHF	12-10-2012	1.0	0.93183	12-10-2012	1.0	0.93319	+\$145.37		
						Unrealized	+\$290.74		

USD-JPY MONTHLY



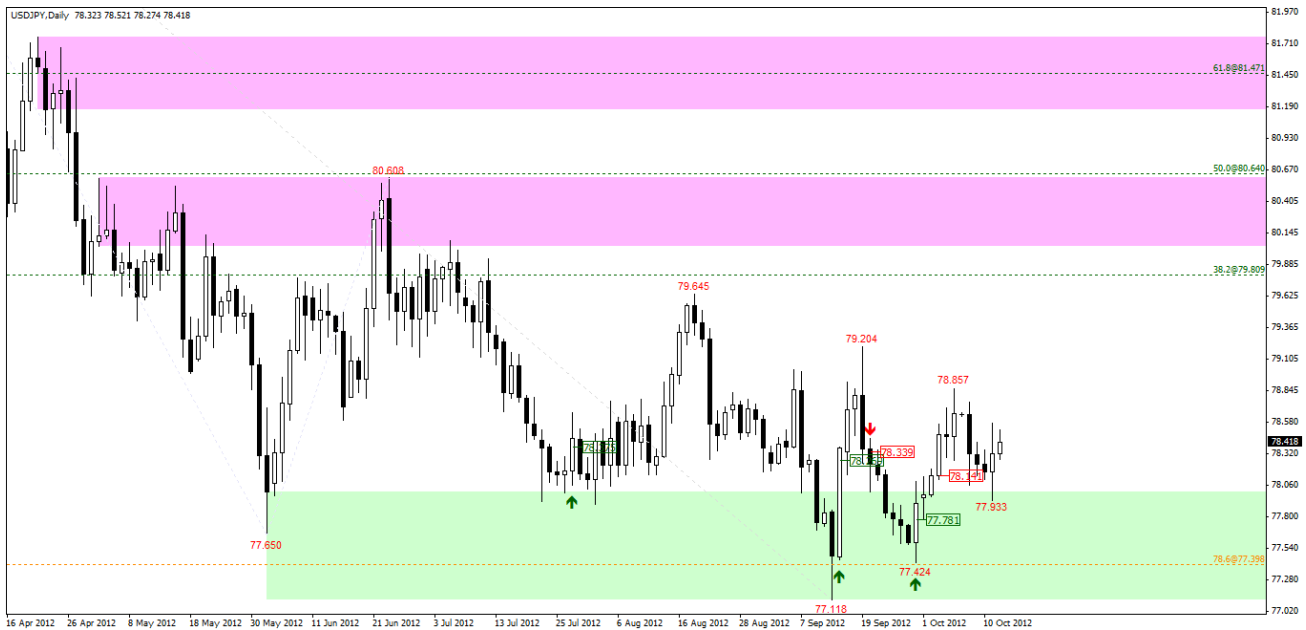
USD-JPY WEEKLY



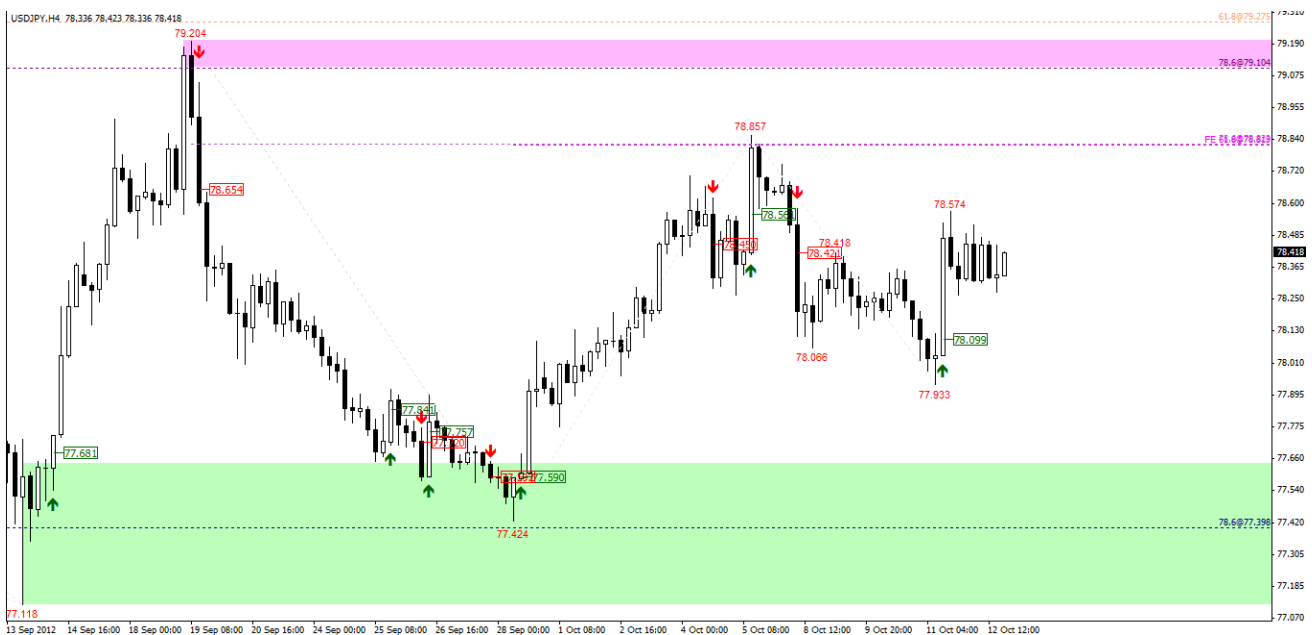
USD-JPY The Big Picture

The fall from 124.120 which started on June 2007 probably terminated on October 2011 at **75.556**, just below the 127.0% projection of 147.710 to 101.220 from 135.190 at **76.148**. In the bigger picture, the move from 75.556 to 84.162 is most likely the termination point of wave B at **84.162** with wave A at **75.556**. Wave C instead being the low at **77.650** (as originally thought) is probably at **77.118**. Four weeks ago, a classic reversal signal appeared in the W1 chart in the form of a hammer. Even though there is no follow-up buying since, it is still too early to bury the bulls. A close above 79.551 would suggest another rally may yet be attempted, perhaps in another set of 3-wave corrective wave from 77.118 to the 100.0% projection of 75.556 to 84.162 from 77.118 at **85.724**.

USD-JPY DAILY



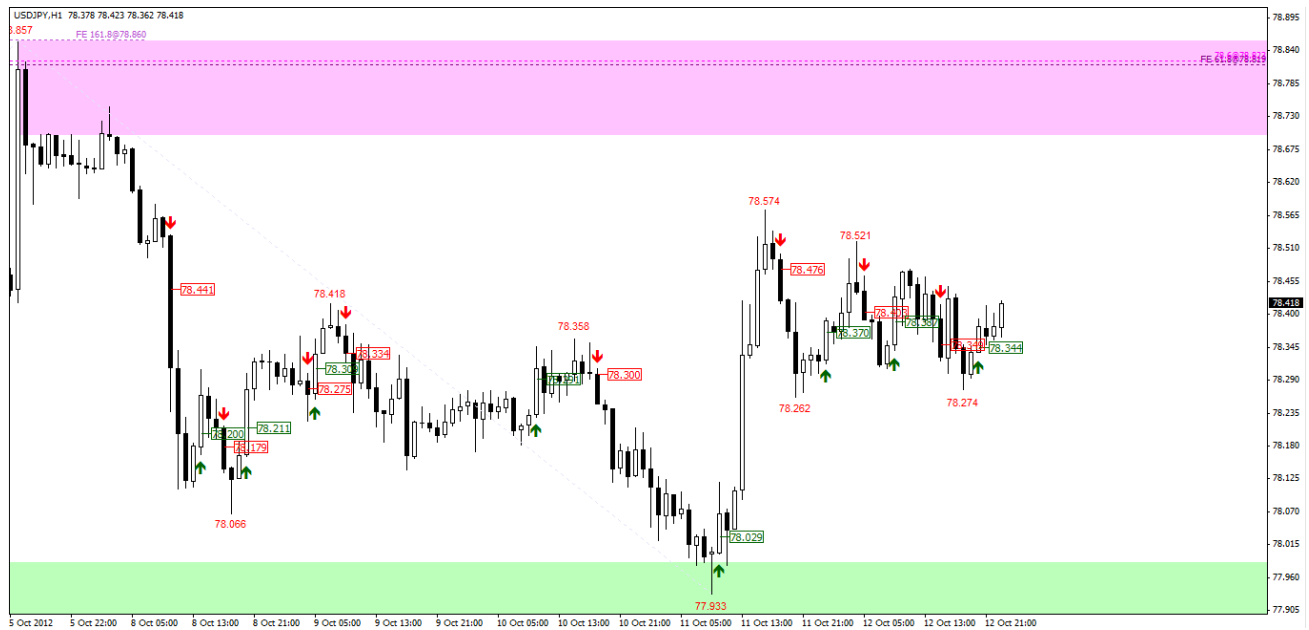
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The rally from within the demand pocket at **77.778-77.986** on the back of a long-legged shadow right after registering a low at 77.933 was very robust. This adds confidence that a challenge of the supply pocket at **79.106-79.204**; located just above the 78.6% retracement of 77.118 to 79.645 at **79.104** is in play. As noted, the 78.6% retracement of 79.204 to 77.424 at **78.823** is layered just above the 61.8% projection of 77.424 to 78.857 from 77.933 at **78.819** is sited (see H4 chart). This could be a viable intermediate target en-route to the supply pocket at **79.106-79.204**.

USD-JPY 1-HOURLY



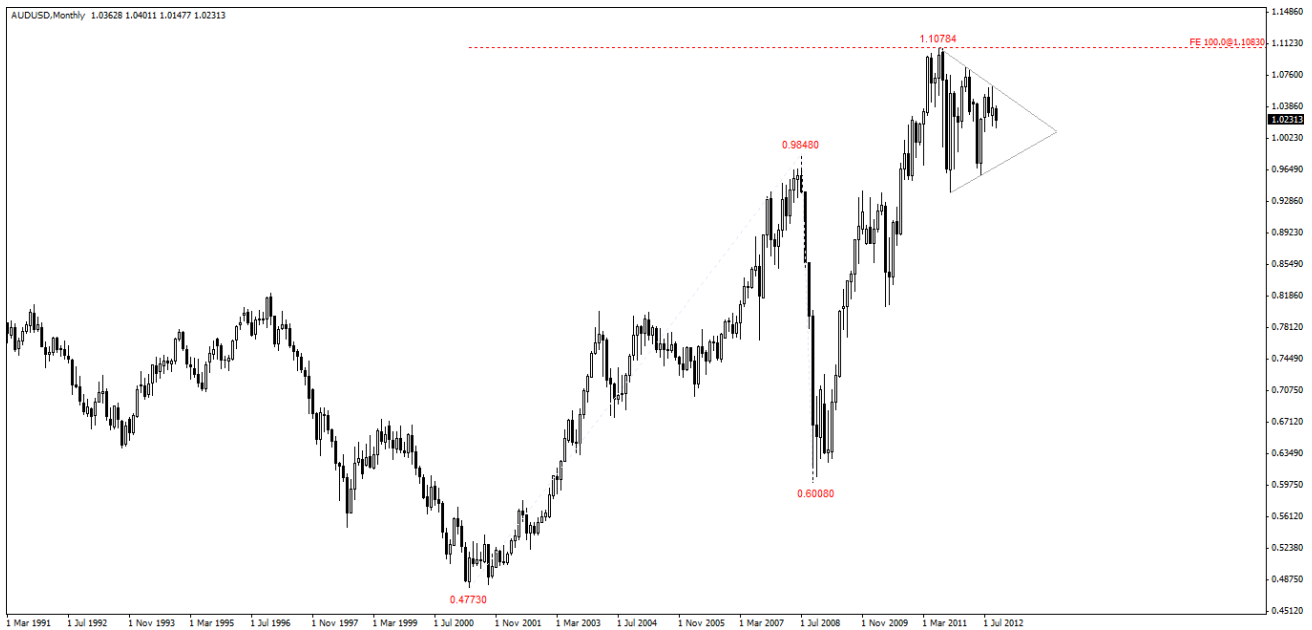
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 78.029	78.819	79.104	Break-even

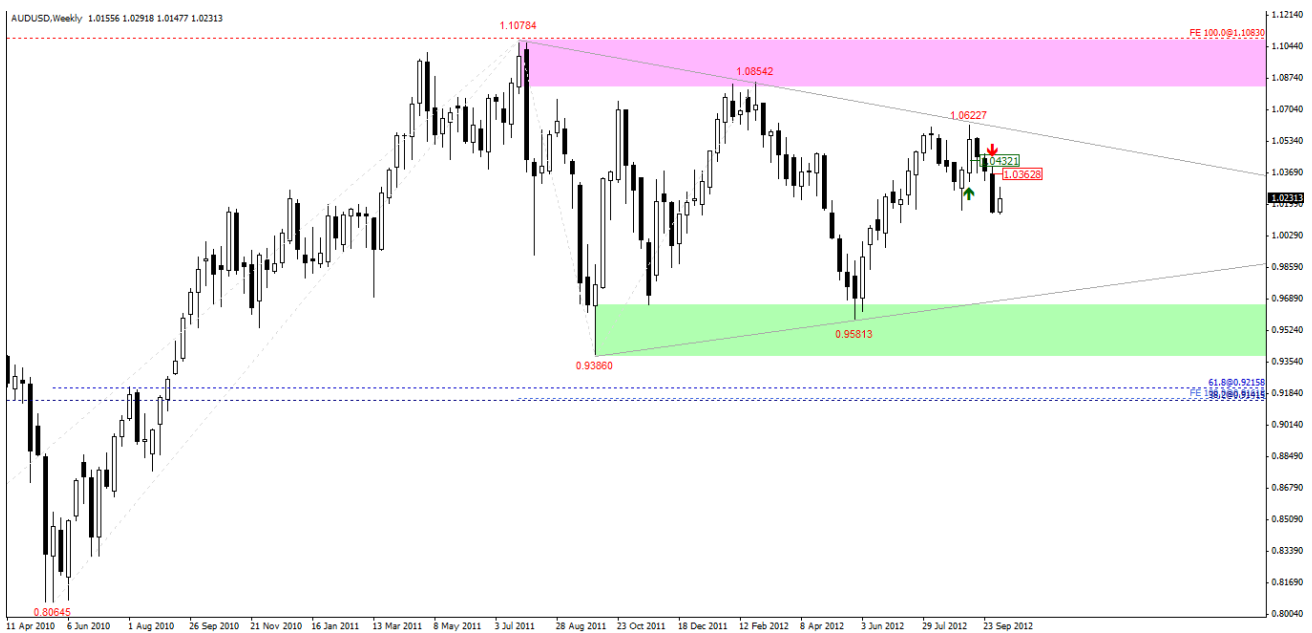
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 12-10-2012								\$23,667.09
USD-JPY	11-10-2012	1.0	78.029	12-10-2012	1.0	78.418	+\$496.06		
USD-JPY	11-10-2012	1.0	78.029	12-10-2012	1.0	78.418	+\$496.06		
						Unrealized	+\$992.12		

AUD-USD MONTHLY



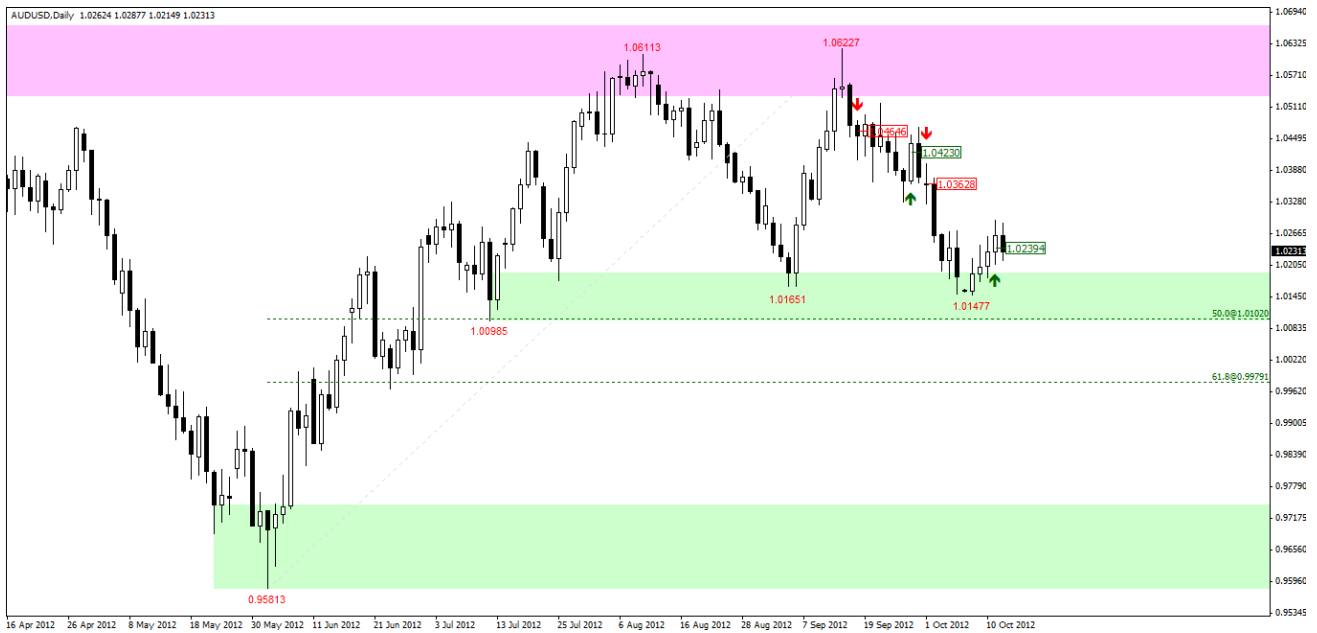
AUD-USD WEEKLY



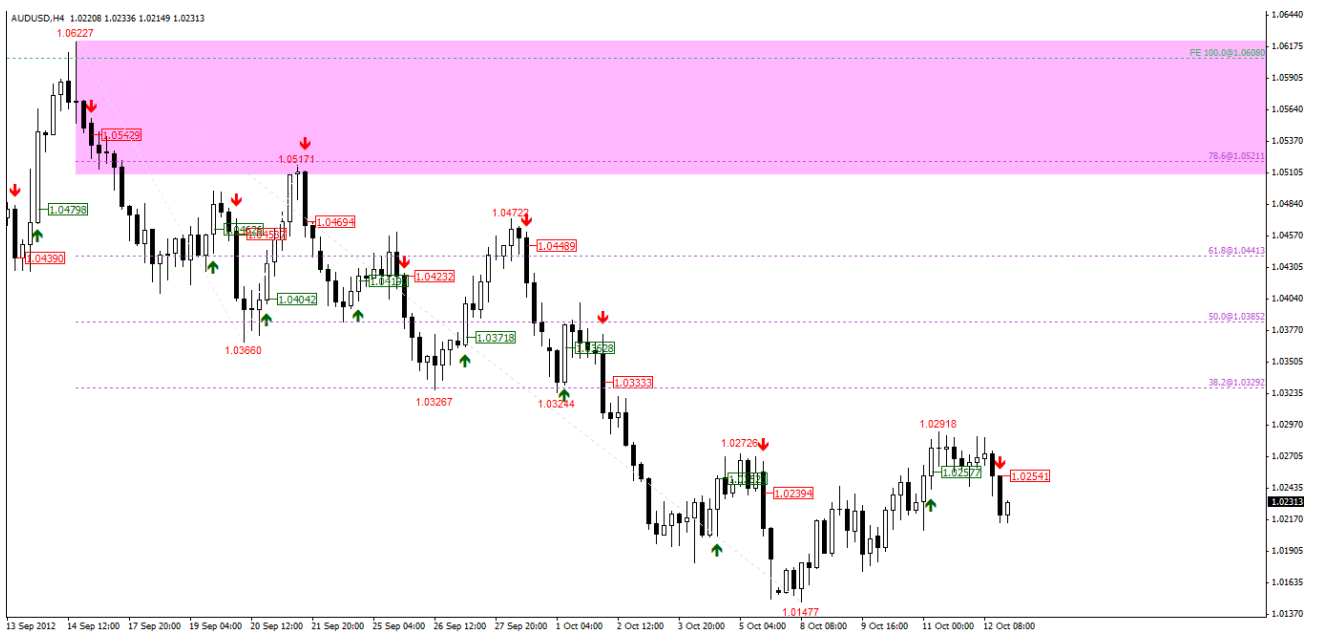
AUD-USD The Big Picture

In the bigger picture, the rise from 0.47730 missed the 100.0% projection of 0.47730 to 0.98480 from 0.60080 at **1.10830** on July 27 by a mere 4.6 pips with a high at 1.10784. Price action since has been very choppy as it gyrates within an almost 1700 pips range between the all-time high and last October 4 low of **0.93860**. Overall, the broad sideways market since has sets of 3-waves structures, implying a period of consolidation between these two extreme points. Alternatively, it can also be said that price action since has been locked between the 100.0% projection of 0.47730 to 0.98480 from 0.60080 at **1.10830** and the 61.8% retracement of 0.80645 to 1.10784 at **0.92158**. The long-held view that this market is consolidating within a triangle will continue to be severely tested in the aftermath of the spike up to a 25-week high at 1.06227 a month ago. Until the triangle scenario is invalidated, the idea that price action is likely to head towards the lower band of the triangle formation for perhaps the last time before an explosive breakout to the upside over the long-term. Last week close below **1.03698** in the W1 chart added confidence that an important top was in place at **1.06227**.

AUD-USD DAILY



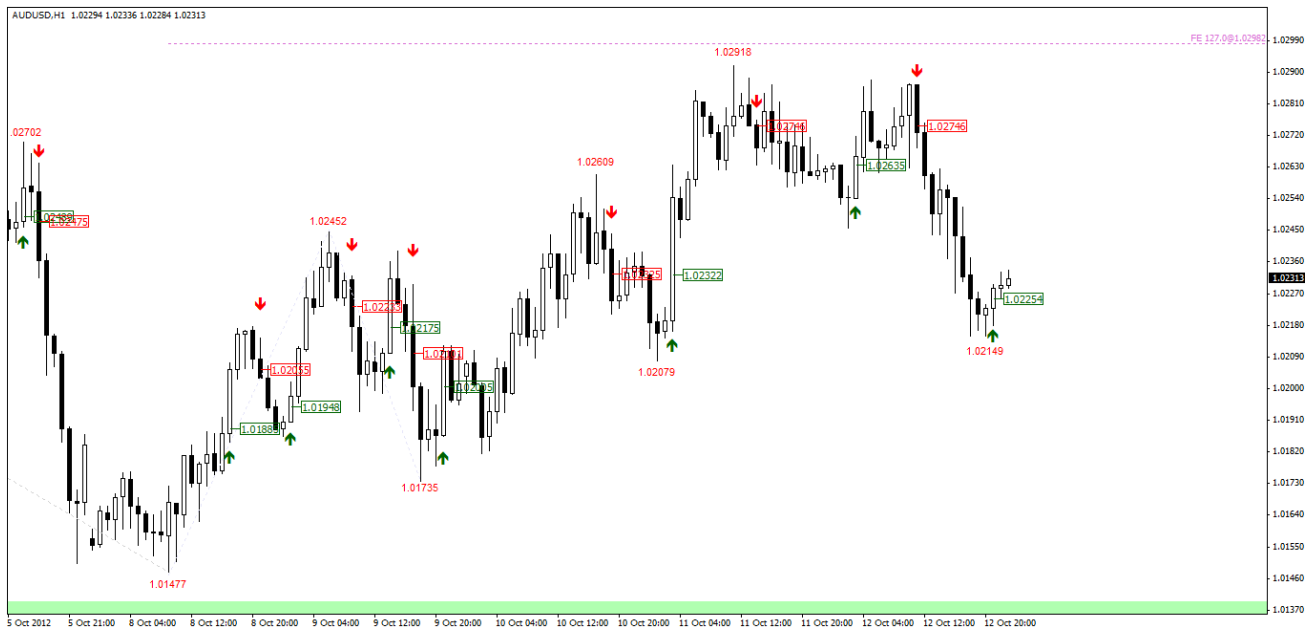
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

The rebound from just above the demand pocket at **1.00985-1.01911** is corrective in nature without the impulsiveness needed to propel price action higher. Signs of weakness in overnight trading may see price action falling back into the immediate demand pocket at **1.00985-1.01395** early next week. This area is also where the 161.8% projection of 1.06227 to 1.03660 from 1.05171 at **1.01018** and the 0.95799 to 1.06227 at **1.01013** is located (see D1 chart). If so, another buying opportunity may present itself. Overall, this market is in a large corrective pattern and is expected to trade between the long-term SZ at **1.05317-1.06677** and the DZ at **1.00985-1.01911** (see D1 chart) for awhile yet – assuming, of course, there is no wholesale collapse below the DZ at **1.00985-1.01911**.

AUD-USD 1-HOURLY

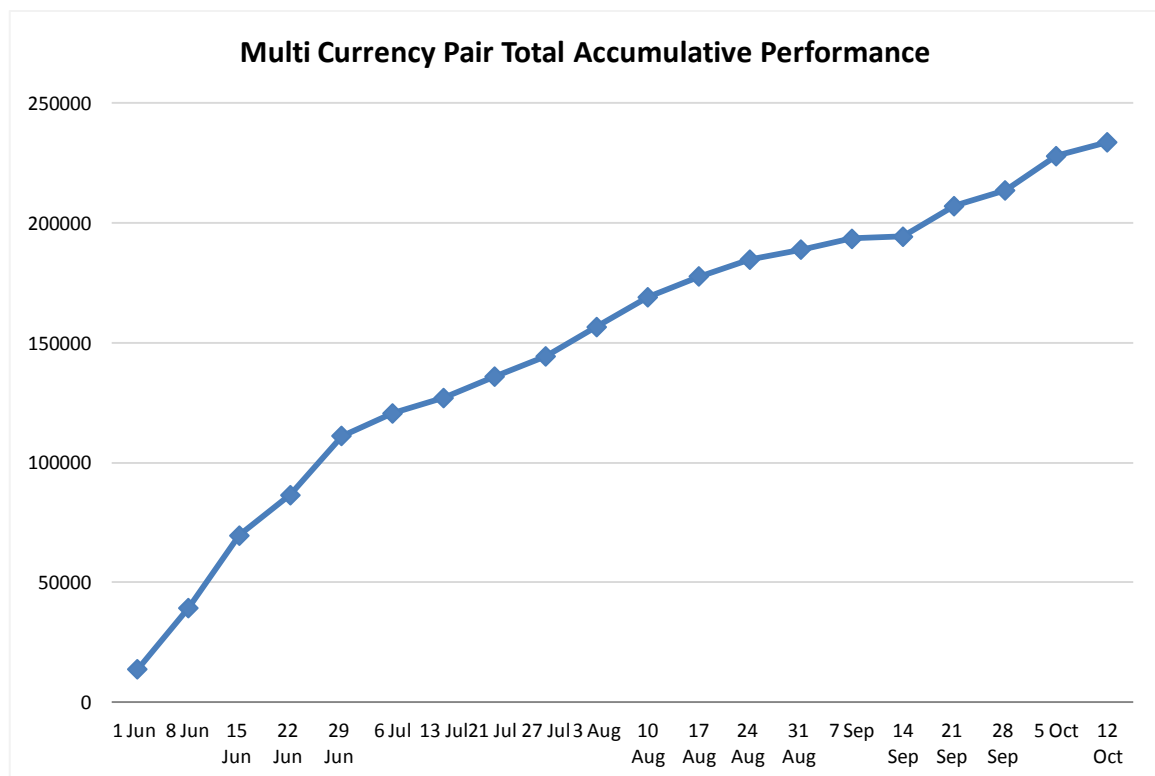
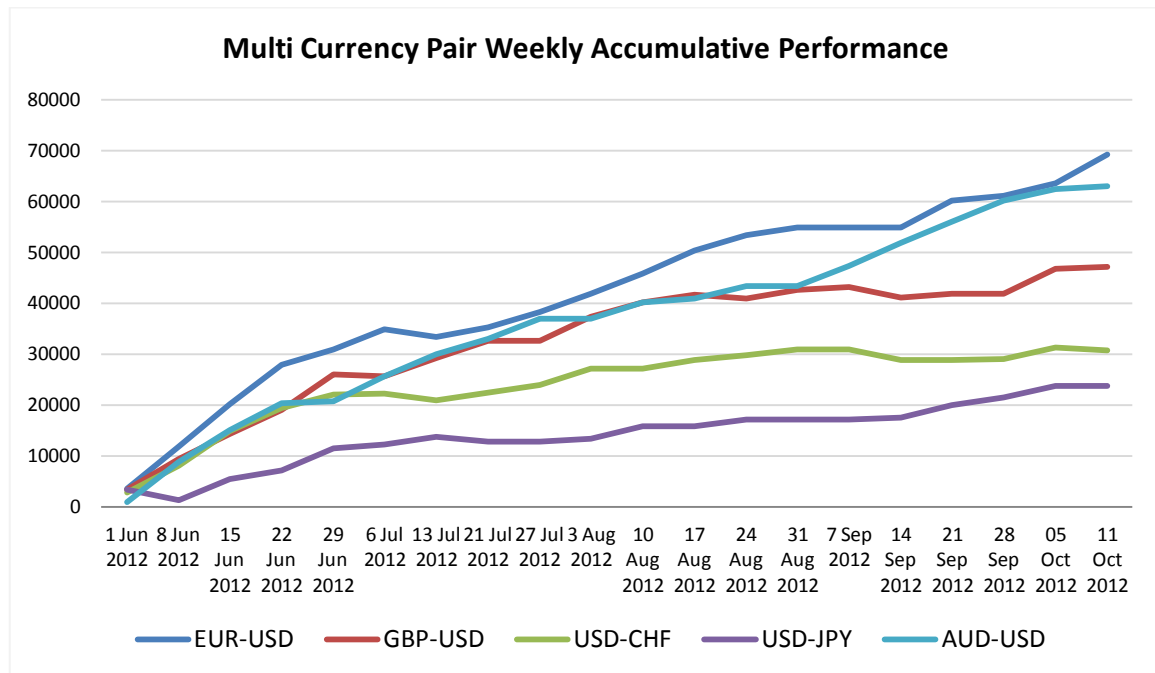


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.01885	1.02325	1.03722	Break-even
	Realized		

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 05-10-2012								\$62,547.00
AUD-USD	08-10-2012	1.0	1.01885	10-10-2012	1.0	1.02325	+\$440.00	+\$440.00	\$62,987.00
AUD-USD	08-10-2012	1.0	1.01885	12-10-2012	1.0	1.02313	+\$428.00		
						Unrealized	+\$428.00		



Website under
development

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.

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.

Non Affiliation Policy

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.