

FOREX OUTLOOK

A Traders Academy International Publication

Dollar Broadly High On Central Banks

The US Dollar strengthened sharply Thursday after ECB, BoE and PBoC added additional stimulus. The Aussie Dollar tried to jump after China's rate cut but failed to sustain gain. Instead, the US Dollar managed to extend gain after release of better than expected job market data. The ADP employment report showed 176k growth in June, comparing to expectation of 103k. Challenger report showed planned job cuts dropped -9.4% year-on-year in June. Meanwhile, initial jobless claims also improved to 374k in the week ended June 30.

EUR-USD dropped broadly after ECB cut interest rates for the first time since last November. The main refinancing rate was lowered by 25bps to 0.75%, a historical low. Deposit rate was lowered from 0.25% to 0.00% while marginal lending rate was lowered from 1.75% to 1.50%. While the headline was 0.75% in refinancing rate, some analysts noted that the 0.00% deposit carries more meaning as it will encourage banks to lend more money to the markets instead of parking at ECB. Meanwhile, Spain managed to sell €3 billion in bonds Thursday, meeting the maximum target. €0.75 billion in 10 year bonds was sold with yield at 6.43%. Meanwhile, yield of the 3 year bonds dropped to 5.1% and yield on the 4 year bonds rose slightly to 5.54%. Ireland successfully returned to markets and sold €0.5 billion of bills at yield of 1.8%. France sold €7.83 billion of bonds maturing in 2019, 2022 and 2023 today with yield on the 10 year rose slightly to 2.53%.

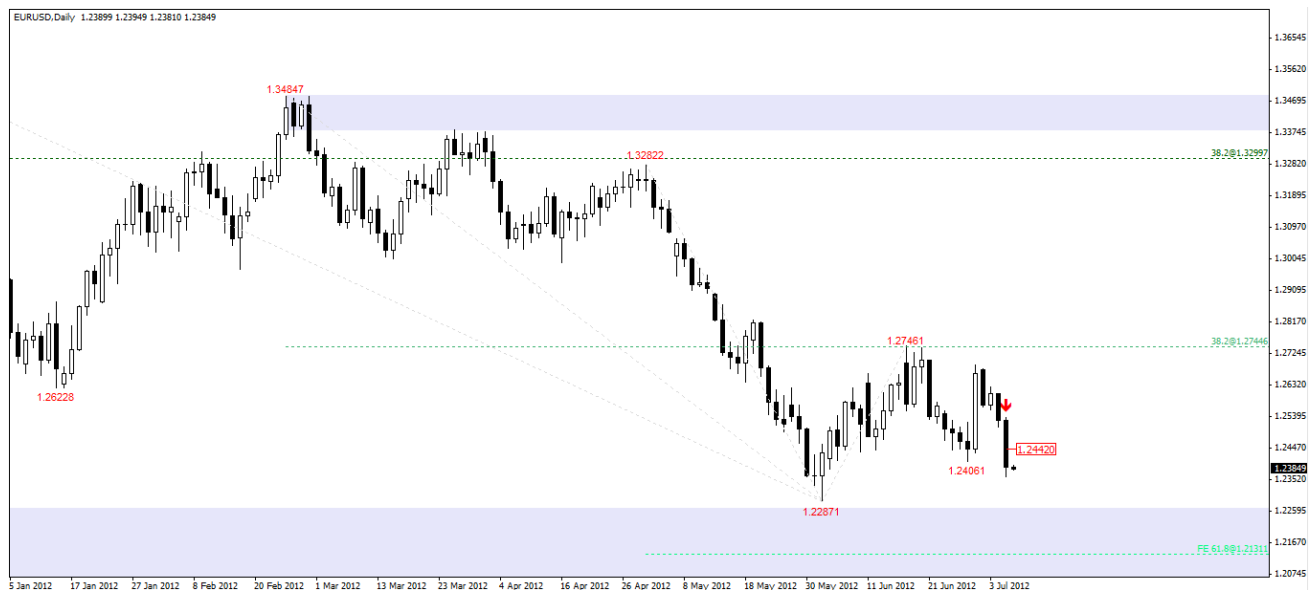
BoE left the benchmark interest rates unchanged at 0.5% Thursday but expanded the asset purchase program by another £50 billion to £573 billion. BoE noted that business indicators showed "continuation of weakness" in the UK economy in near term, "both at home and abroad". Also, the central bank remained concerned with the "indebtedness and competitiveness of several Euro-area economies" which weighed down on confidence. Falling commodity prices should moderate external price pressure further from 2.8% year-on-year in May.

In China, PBoC cut the benchmark interest rates for the second time in a month. The one year Yuan lending rate will be lowered by 31 bps to 6.00%, while one year deposit rate will be lowered by 25bps to 3.00%. Also, the PBoC said that banks are now allowed to offer 30% discount to borrowers, up from prior 20%. PBoC, nonetheless, urged banks to continue to "strictly implement the differentiated housing loans policy and continue to curb speculative home purchases".

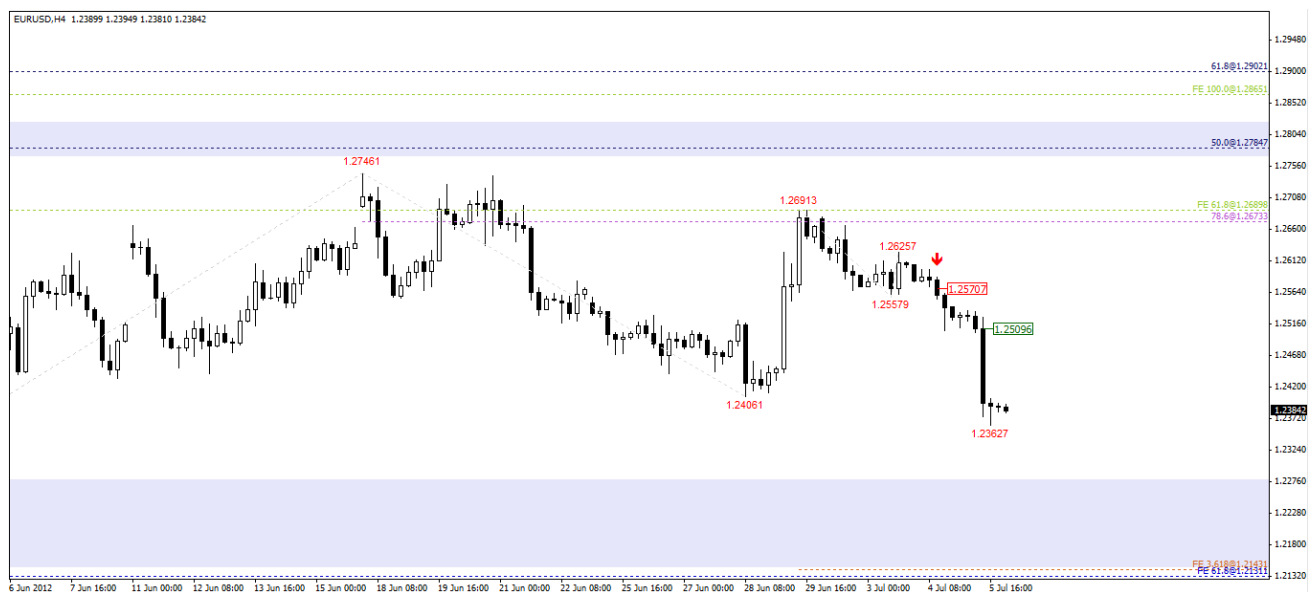
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EUR-USD DAILY



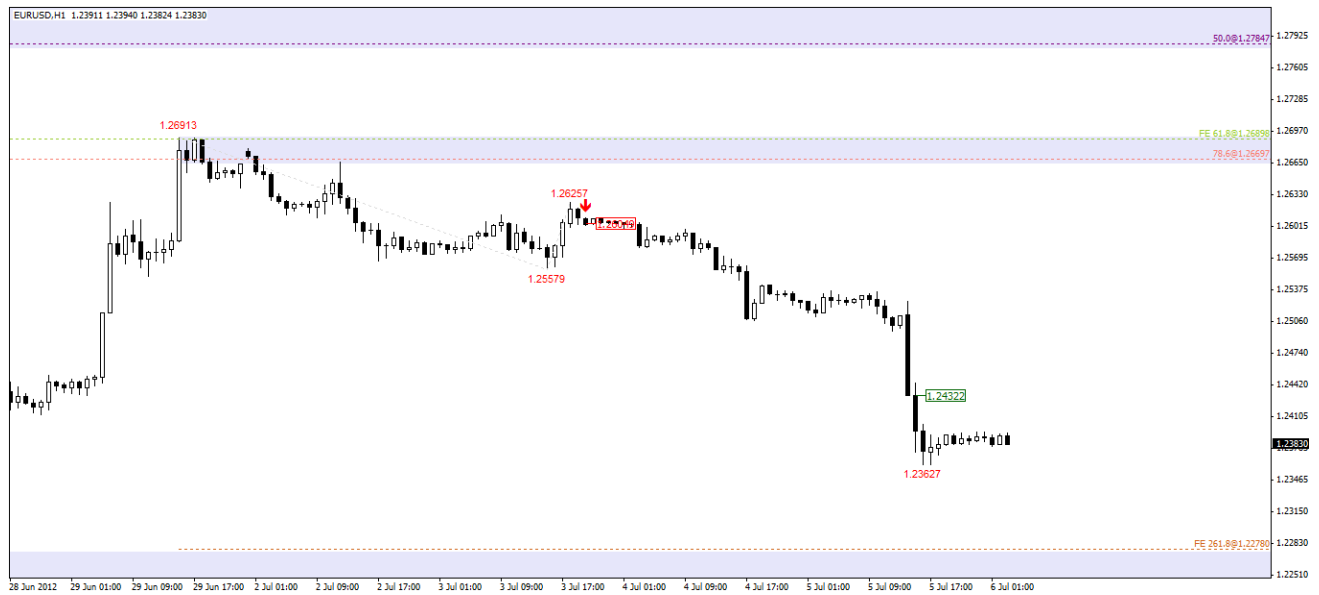
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Price action fell through two albeit minor DZs at **1.25512-1.25970** and **1.24061-1.24525** in two consecutive days; confirming that the anticipated move towards last Friday's low of **1.24061** has materialized. Indeed, price action broke below **1.24061** to register a low at **1.23627** in overnight trading. In one swoop, the market cleared the uncertainty if last Friday rally was part of a 3-wave corrective move towards the 100.0% projection from 1.22871 to 1.27461 from 1.24061 at **1.28651** or the SZ at **1.27717-1.28229**. As noted, a fall below the latter SZ at **1.24061-1.24525** would put the bullish case to rest in favor of the bearish case calling for a resumption of the fall from 1.34847 - first targeting the 2.618% projection of 1.26913 to 1.25579 from 1.26257 at **1.22765** before tackling the 61.8% projection of 1.32822 to 1.22871 from 1.27461 at **1.21311** - just below the DZ at **1.21453-1.22794**. Incidentally, the 3.618% projection 1.26913 to 1.25579 from 1.26257 at **1.21430** terminates just above the 61.8% projection of a larger degree Fibonacci extension of 1.32822 to 1.22871 from 1.27461 at **1.21311**. This implies that there is a very good chance serious buying interests would only emerge from near these latter levels.

EUR-USD 1-HOURLY

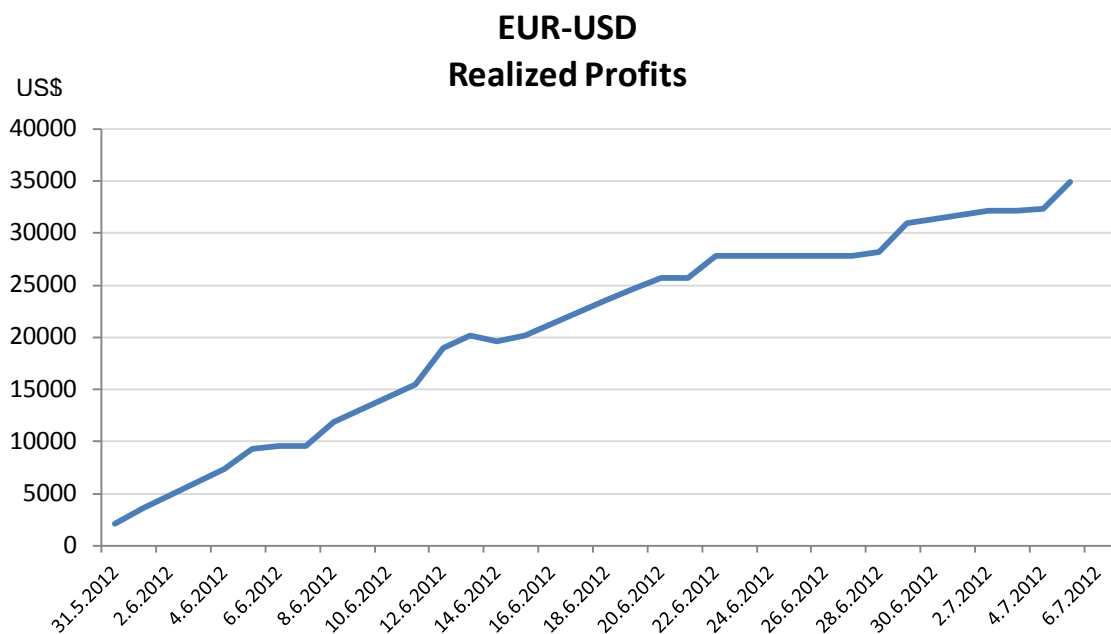


Trade Ideas

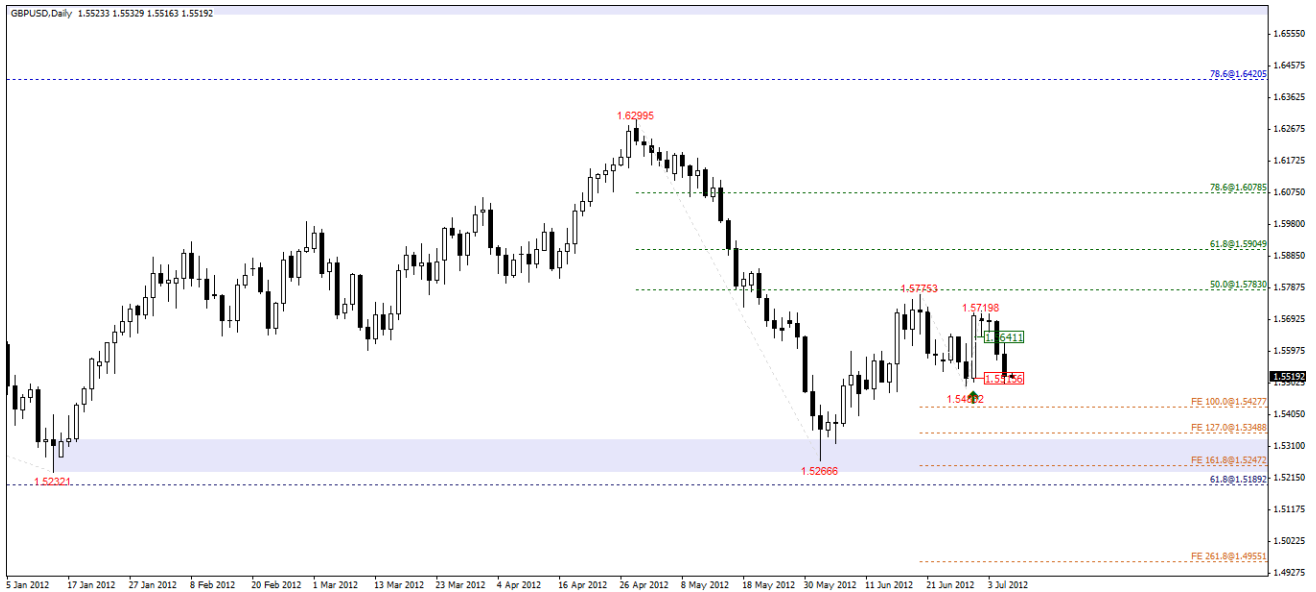
ACTION	Target 1	Target 2	EXIT
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Weekly Performance

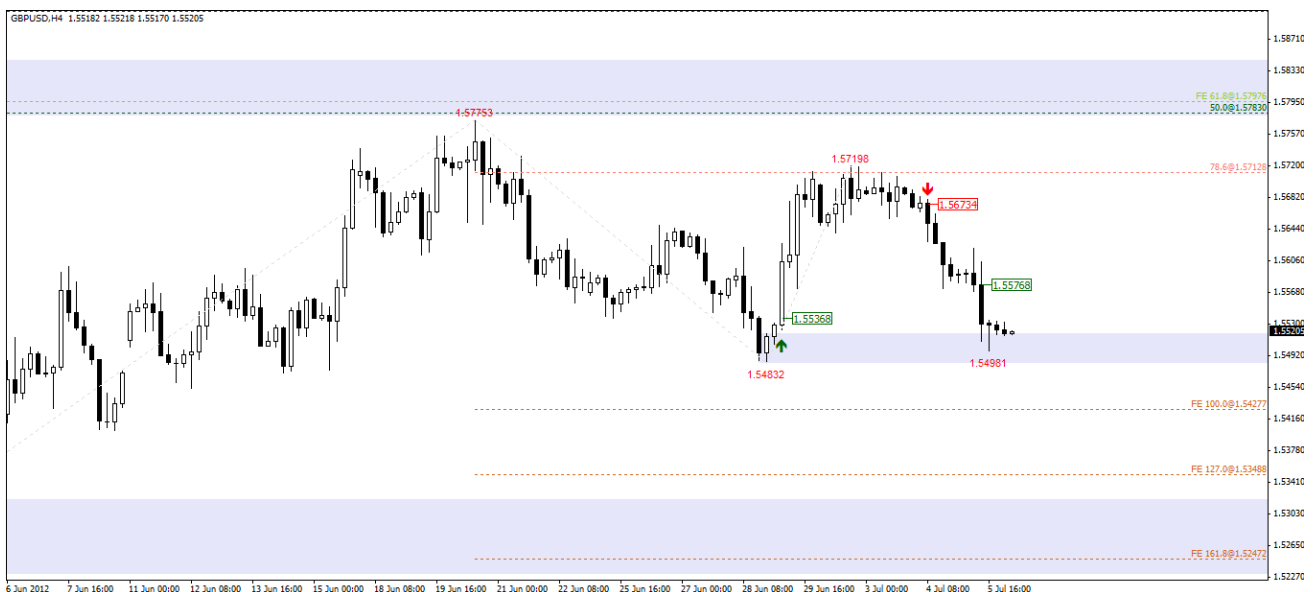
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 29-06-2012								+\$30,967.00
EUR-USD	29-06-2012	1.0	1.24574	02-07-2012	1.0	1.25758	+\$1,184.00	+\$1,184.00	+\$32,151.00
EUR-USD	03-07-2012	1.0	1.25974	04-07-2012	1.0	1.26049	+\$75.00		+\$32,226.00
EUR-USD	03-07-2012	1.0	1.25974	04-07-2012	1.0	1.26049	+\$75.00	+\$150.00	+\$32,301.00
EUR-USD	05-07-2012	1.0	1.24948	04-07-2012	1.0	1.26049	+\$1,101.00		+\$33,402.00
EUR-USD	05-07-2012	1.0	1.24525	04-07-2012	1.0	1.26049	+\$1,524.00	+\$2,625.00	+\$34,926.00
Unrealized							\$0.00		



GBP-USD DAILY



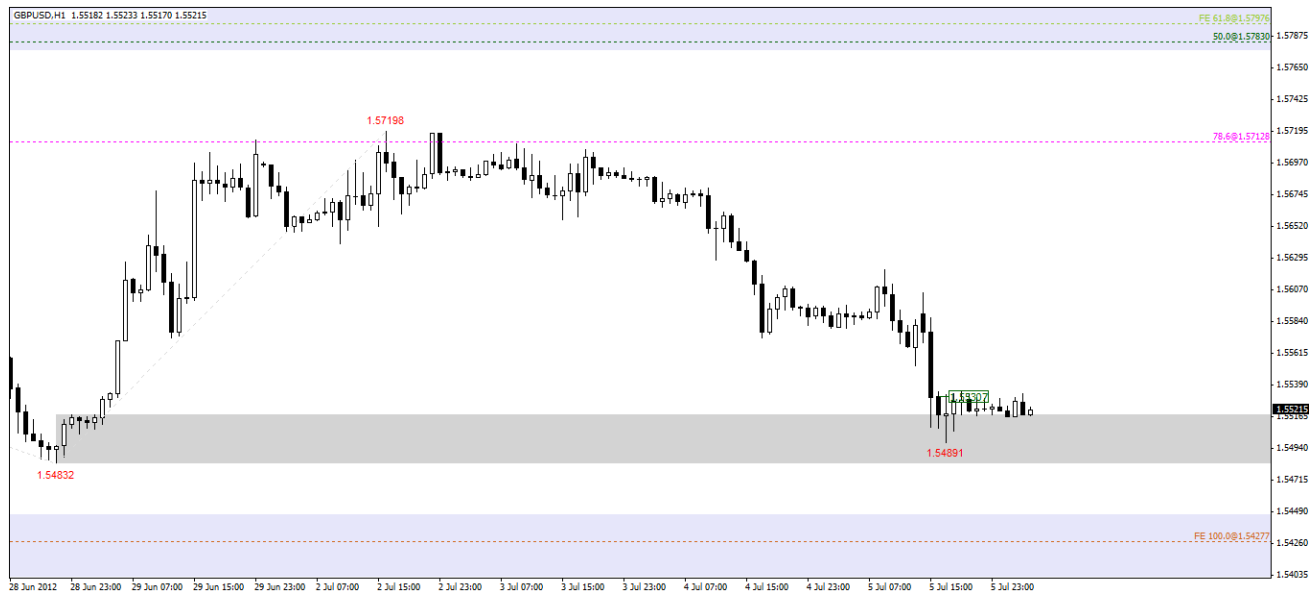
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Price action too fell through the minor DZ at **1.55720-1.56013**; debunking the short-term bullish bias. As noted, failure to hold the market there would suggest a fall towards the June low of **1.52666**. Price action indeed fell into the DZ at **1.52302-1.53195** (where we are right now) with a low of 1.54891 so far. As in the previous DZ, failure of this DZ to arrest this fall would open up the possibility of a fall to the medium target the 1.618% projection of 1.57753 to 1.54832 from 1.57198 at **1.52471**. At the point of writing, a close above **1.55768** in the H1 chart would suggest the onset of profit-taking. Sell signals (assuming a correction occurs) thereafter is worth taking as the immediate target is the DZ at **1.52302-1.53195**.

GBP-USD 1-HOURLY



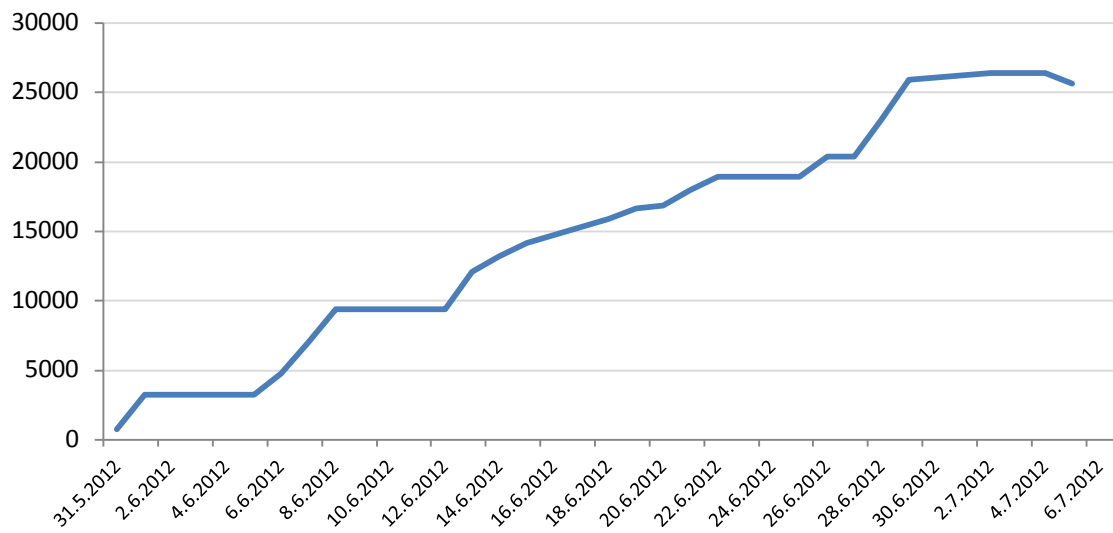
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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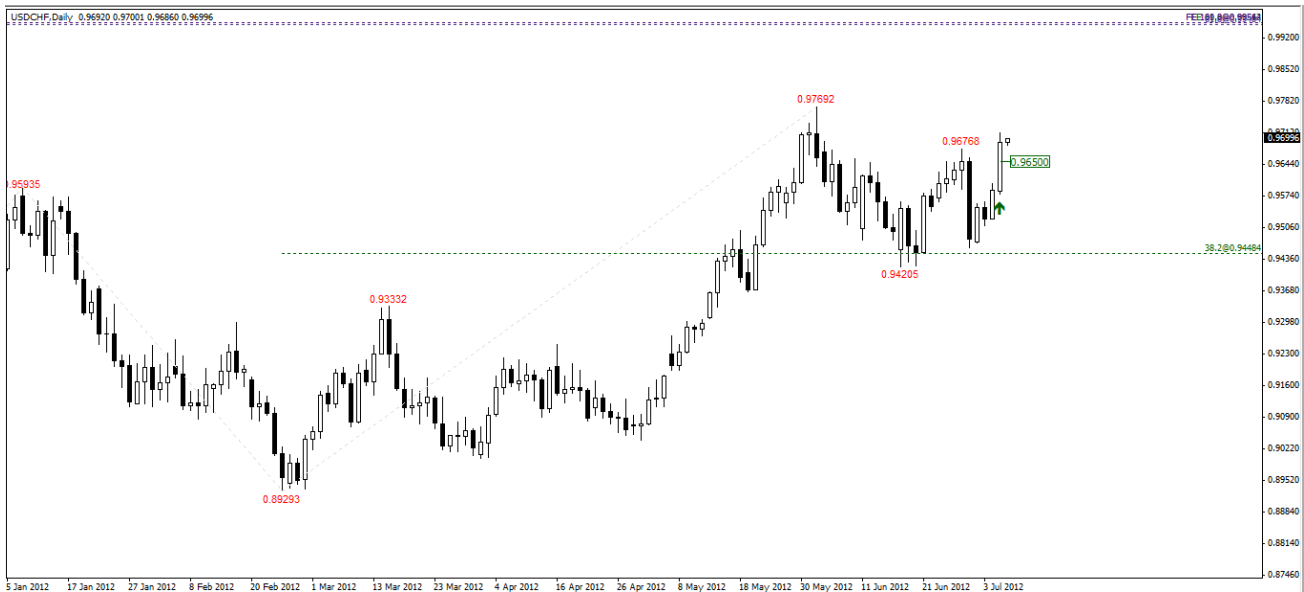
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from								+\$25,925.00
	29-06-2012								
GBP-USD	29-06-2012	1.0	1.56124	02-062012	1.0	1.56594	+\$470.00	+\$470.00	+\$26,395.00
GBP-USD	04-07-2012	1.0	1.56013	05-07-2012	1.0	1.55626	-\$387.00		+\$26,008.00
GBP-USD	04-07-2012	1.0	1.56013	05-07-2012	1.0	1.55626	-\$387.00	-\$774.00	+\$25,621.00
Unrealized							\$0.00		

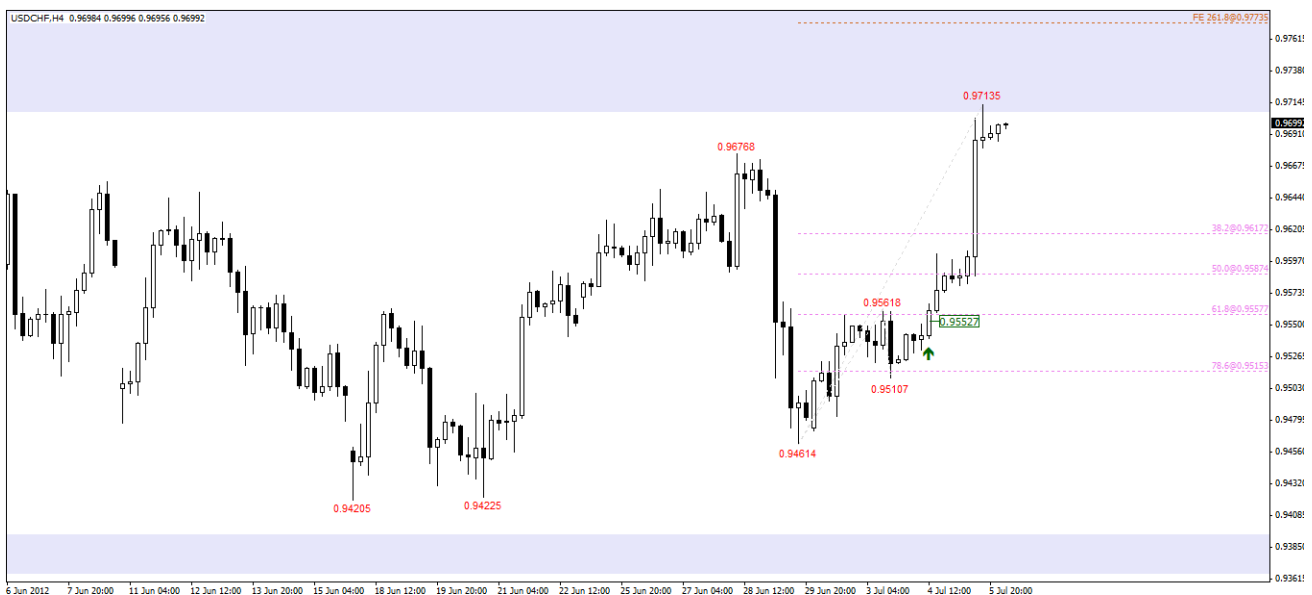
GBP-USD Realized Profits



USD-CHF DAILY



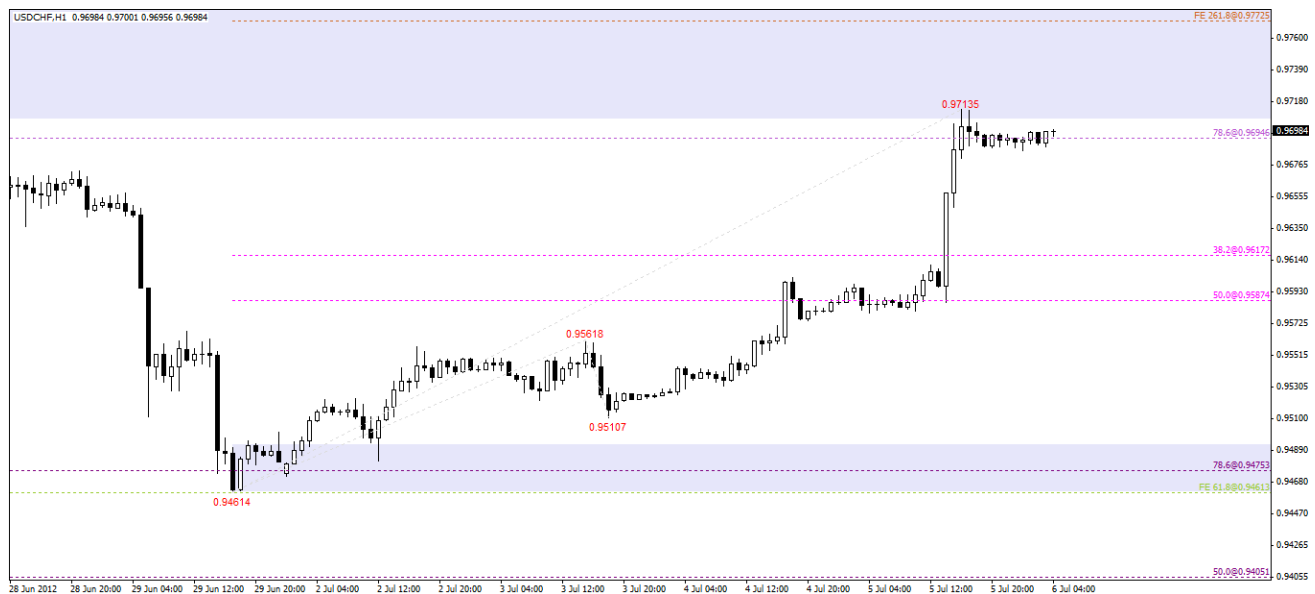
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Last night's rally has the look and feel of a 3rd wave move. Clue to this bullish scenario was in Wednesday's price action. The turn-around from 0.95107 sustained and hit the 61.8% retracement of 0.96768 to 0.94614 at **0.95945** with a print at 0.96027 the day before. Though there was no acceleration in that move, it was noted that should one occurs, this rally could potentially carries towards last week's high at **0.96768**; near the 161.8% projection of 0.94614 to 0.95618 from 0.95107 at **0.96731**. Last night's rally did better than that. It registered a high of **0.97135** and into the SZ at **0.97070-0.97820**. Clearance above this zone would sharpen the case for a challenge of the long-term target remains between the 23.6% retracement of 1.83090 to 0.70677 at **0.97206** and 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 meantime, profit-taking is anticipated from within the current SZ.

USD-CHF 1-HOURLY

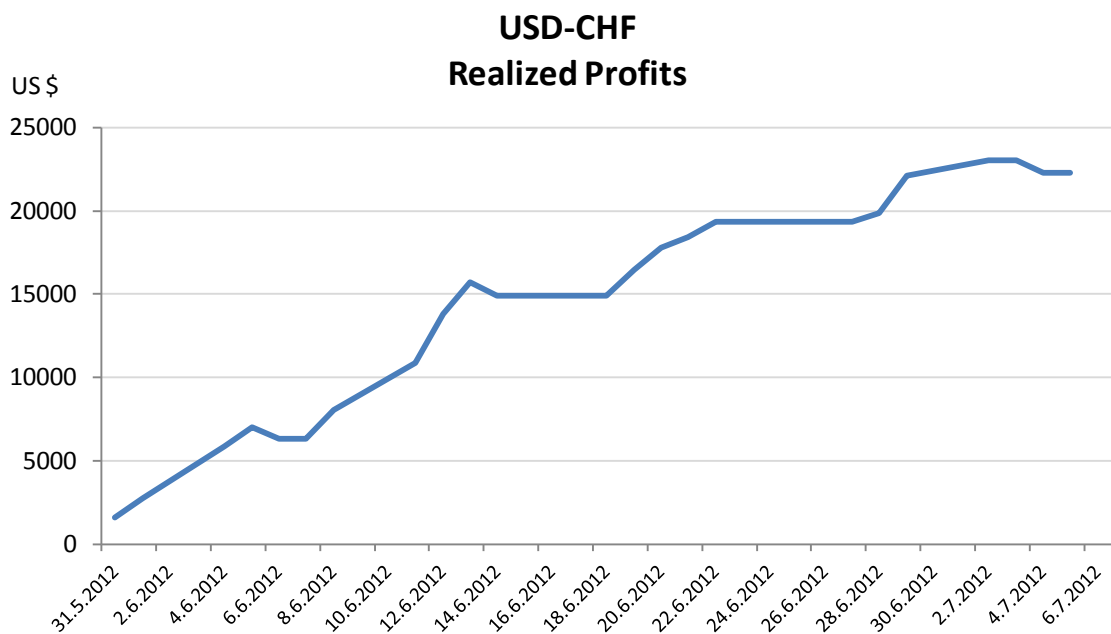


Trade Ideas

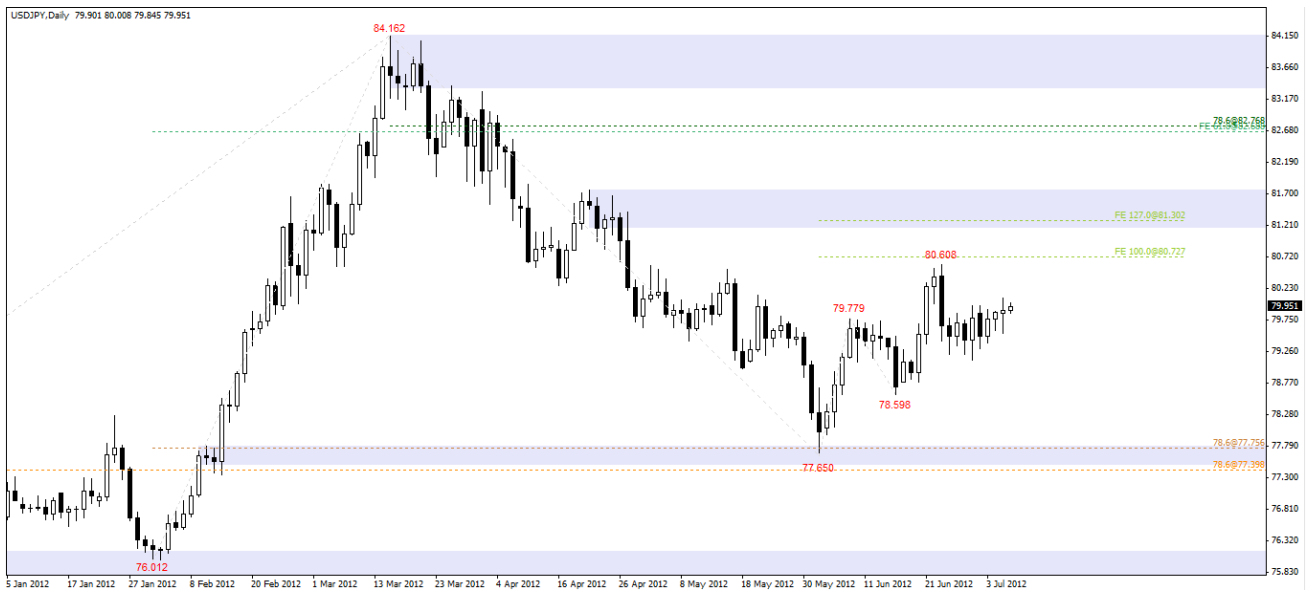
ACTION	Target 1	Target 2	EXIT
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Weekly Performance

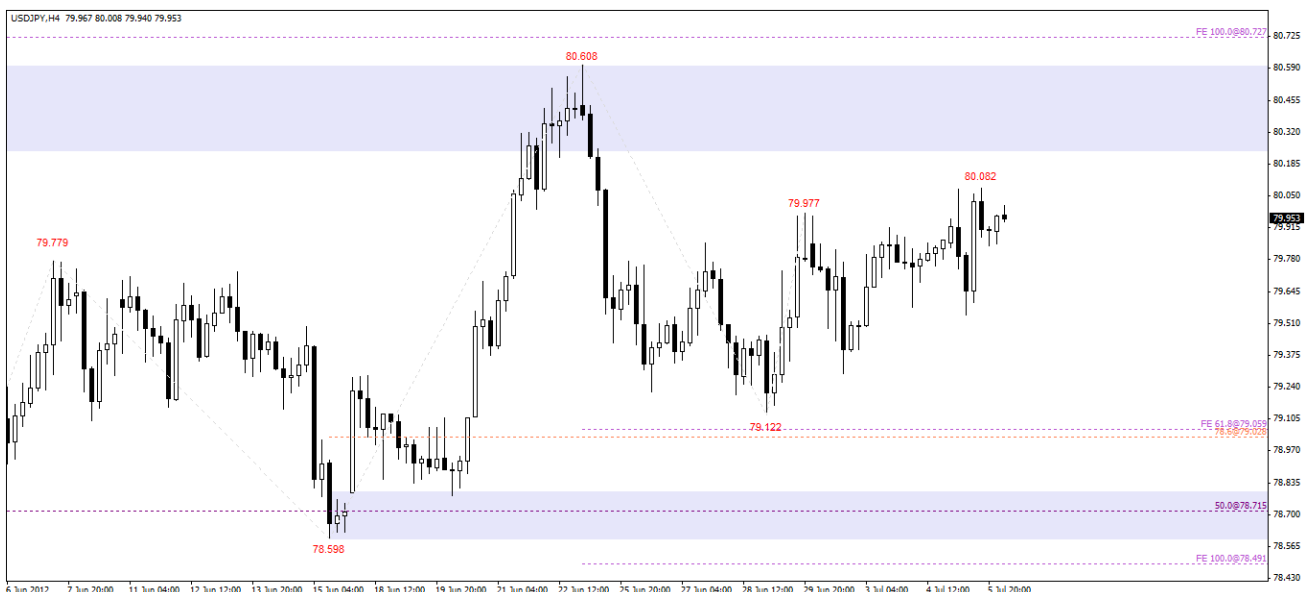
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 29-06-2012								+\$22,082.24
USD-CHF	02-07-2012	1.0	0.95484	29-06-2012	1.0	0.96375	+\$933.14	+\$933.14	+\$23,015.38
USD-CHF	04-07-2012	1.0	0.95774	03-07-2012	1.0	0.95426	-\$363.36		+\$22,652.02
USD-CHF	04-07-2012	1.0	0.95774	03-07-2012	1.0	0.95426	-\$363.36	-\$726.72	+\$22,288.66
						Unrealized	\$0.00		



USD-JPY DAILY



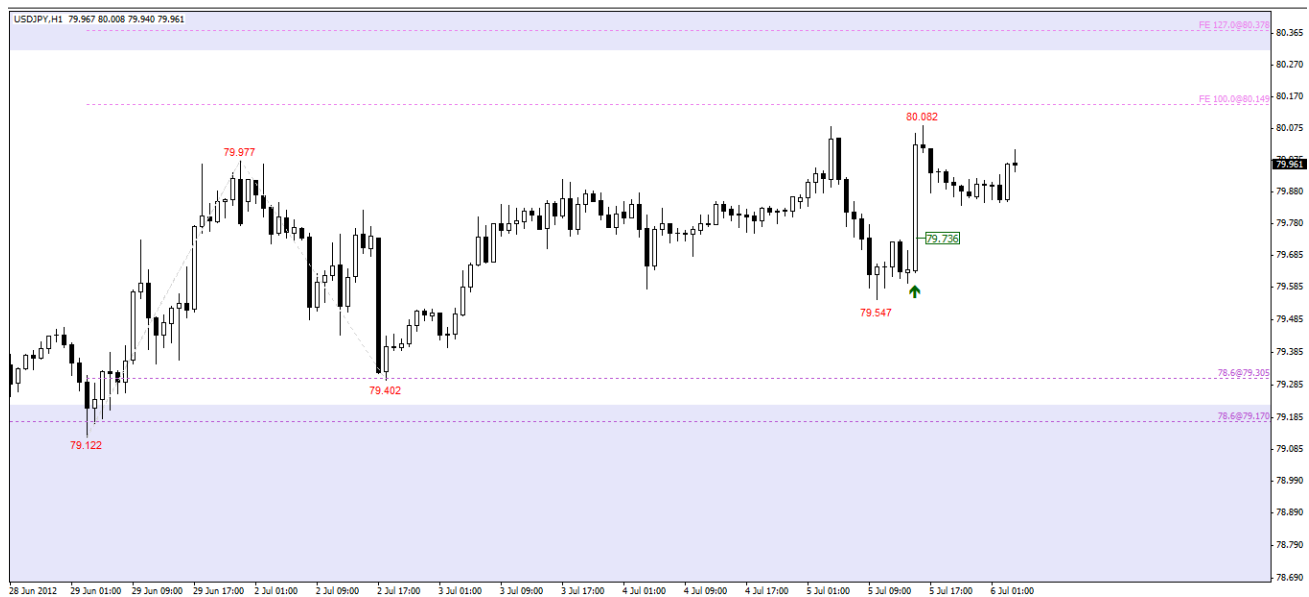
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

Price action continues its sideways consolidation into another day though it did momentarily breached above the 80.00 handle. 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 the rally seen last Friday 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



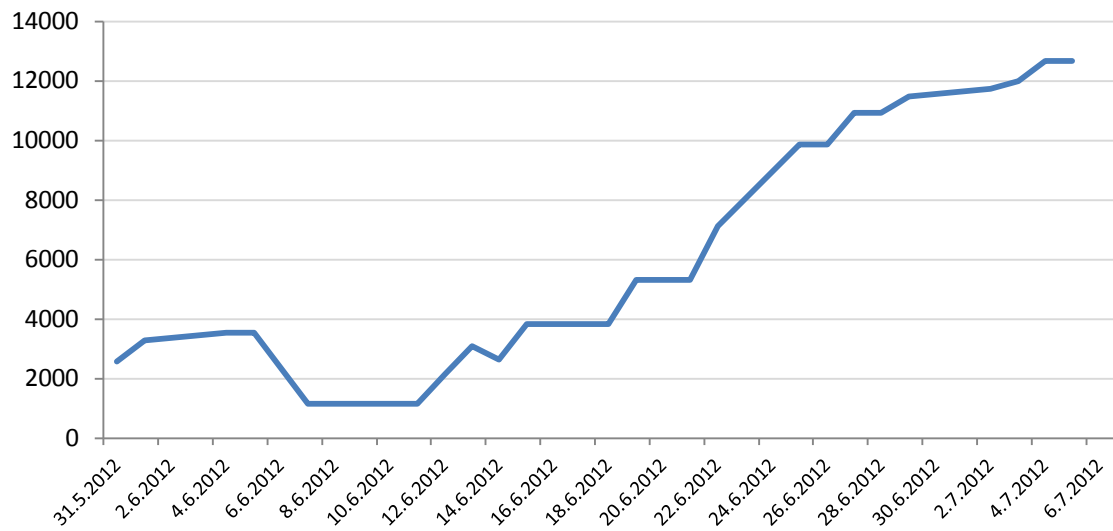
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 79.736	80.238	81.440	79.537 STOP

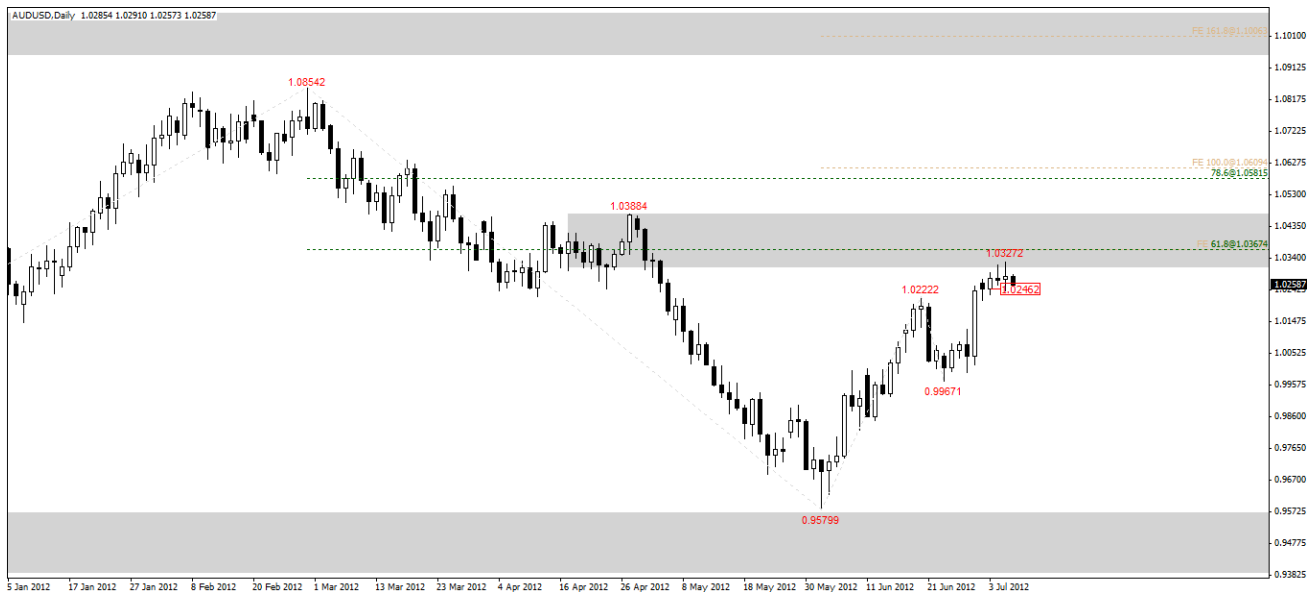
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from								+\$11,491.82
	29-06-2012								
USD-JPY	29-06-2012	1.0	79.293	02-07-2012	1.0	79.536	+\$305.52	+\$305.22	+\$11,725.04
USD-JPY	03-07-2012	1.0	79.505	02-07-2012	1.0	79.618	+\$142.29		+\$11,867.33
USD-JPY	03-07-2012	1.0	79.505	02-07-2012	1.0	79.618	+\$142.29	+\$284.58	+\$12,009.62
USD-JPY	03-07-2012	1.0	79.505	04-07-2012	1.0	79.770	+\$332.21		+\$12,341.83
USD-JPY	03-07-2012	1.0	79.505	04-07-2012	1.0	79.770	+\$332.21	+\$664.42	+\$12,674.04
USD-JPY	05-07-2012	1.0	79.736	05-07-2012	1.0	79.902	+\$207.75		
USD-JPY	05-07-2012	1.0	79.736	05-07-2012	1.0	79.902	+\$207.75		
Unrealized							+\$415.50		

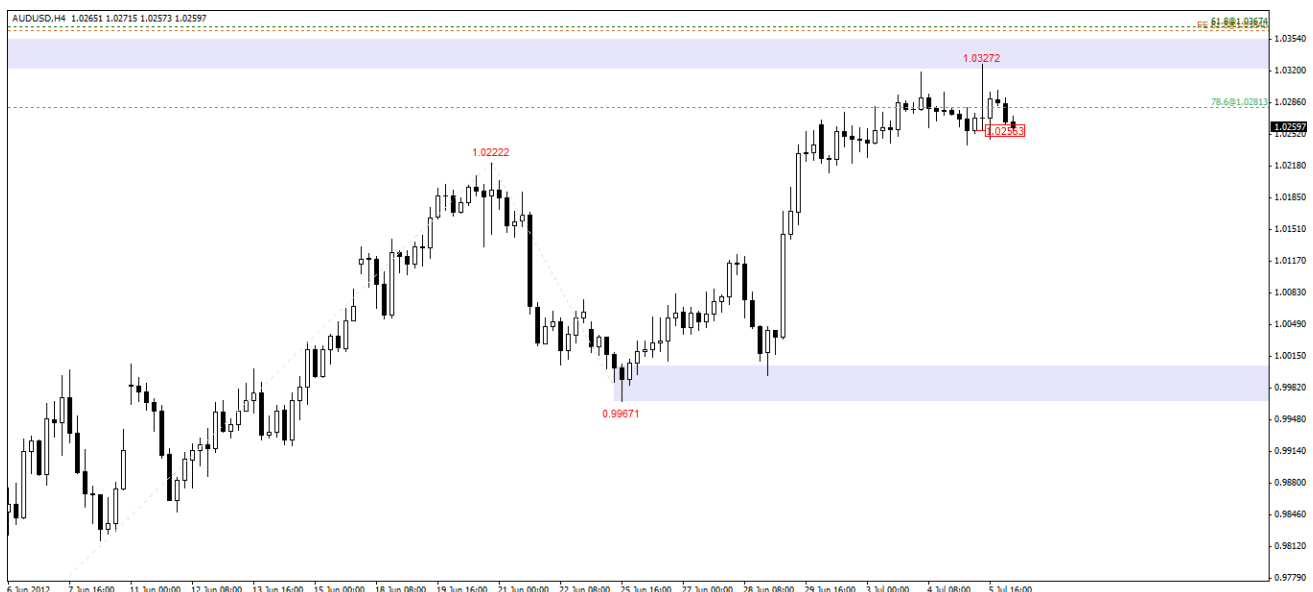
USD-JPY Realized Profits



AUD-USD DAILY



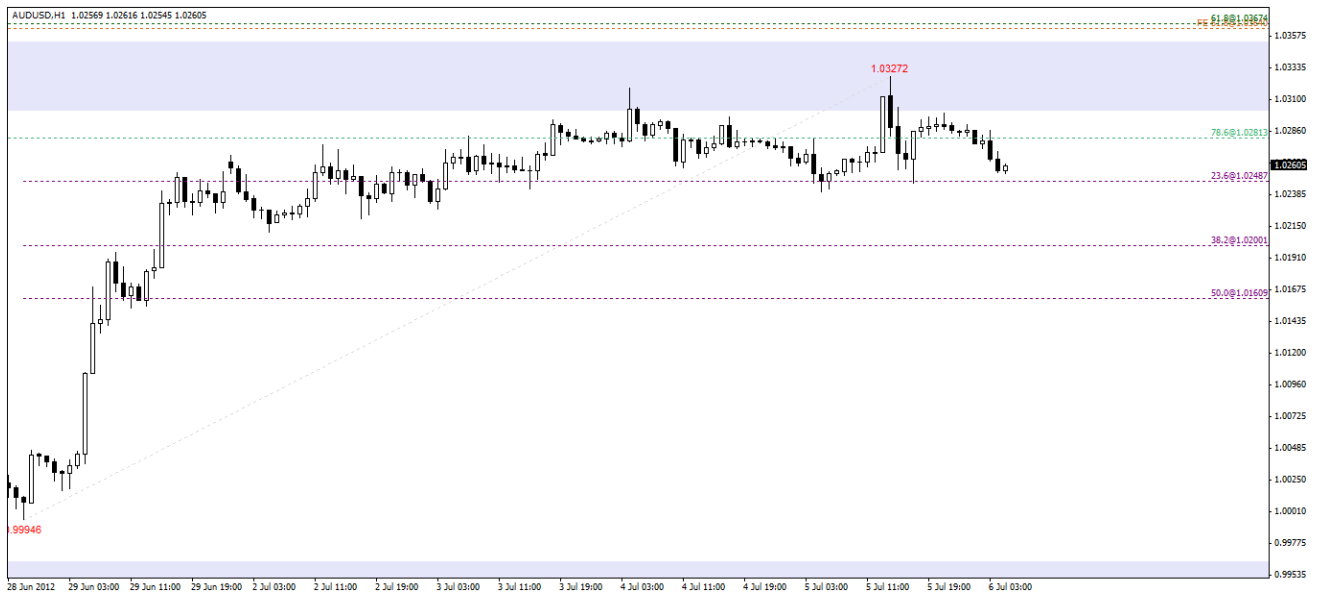
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

Price action registered yet another marginal high at 1.03272 and once again eased. Price action traded into the overhead SZ at **1.02984-0.03531** for the second time in 48 hours. This zone is just above the 78.6% projection of 1.04723 to 0.96799 at **1.03027**. As noted, two possible scenarios may emerge from last Friday's aggressive rally. (1) This rally is the second leg of a 3-wave corrective move 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 (2) a 3rd wave extension rally to possibly the 161.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.10063**. Should a pullback occurs now, the 50.0% retracement of 0.99946 to 1.03272 at **1.01609** where a DZ at **1.01532-1.01814** is should hold. If so, look out for buy signals at or near this level. On the other hand, should the market struggles higher, resistance may emerge from the Fibonacci cluster located just ahead at the 61.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.03640** which is layered just below the 61.8% retracement of 1.08542 to 0.95799 at **1.03674**.

AUD-USD 1-HOURLY



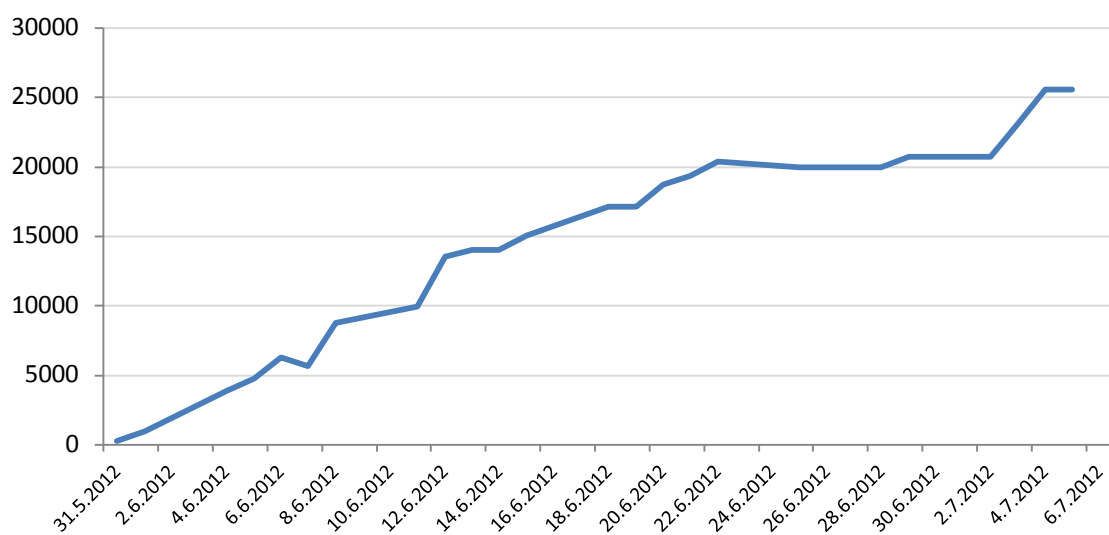
Trade Ideas

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 29-06-2012								+\$20,736.00
AUD-USD	29-06-2012	1.0	1.00389	03-07-2012	1.0	1.02813	+\$2,424.00	+\$2,424.00	+\$23,160.00
AUD-USD	29-06-2012	1.0	1.00389	04-07-2012	1.0	1.02792	+\$2,403.00	+\$2,403.00	+\$25,563.00
						Unrealized	+\$0.00		

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.