

A Traders Academy International Publication

All Geared Up For The Unthinkable

The news from Europe this week has not been good. Spanish yields rose toward 7% after investors found last weekend's \$125 billion bailout lacking. Moody's downgraded Spain's credit rating as a result of the bailout, which pushed up Spain's debt-to-GDP ratio. Italian debt yields rose in sympathy.

Meanwhile, Greek unemployment hit a record 22.6% ahead of Sunday's critical election that could determine whether Greece will stay in the Euro zone. Yet in the perverse logic of the market, bad news is good news because it ups the odds of the thing bulls love best: Bailouts.

Reports of G-20 central banks are standing ready to act if Greek voters opt for the radical SYRIZA part during this Sunday election.

European Central Bank President Mario Draghi said the ECB "will continue to supply liquidity to solvent banks where needed" and central bankers in the U.K., Japan and Canada made similarly themed comments. And, of course, traders feel pretty confident Ben Bernanke will add the Fed's firepower to any liquidity push.

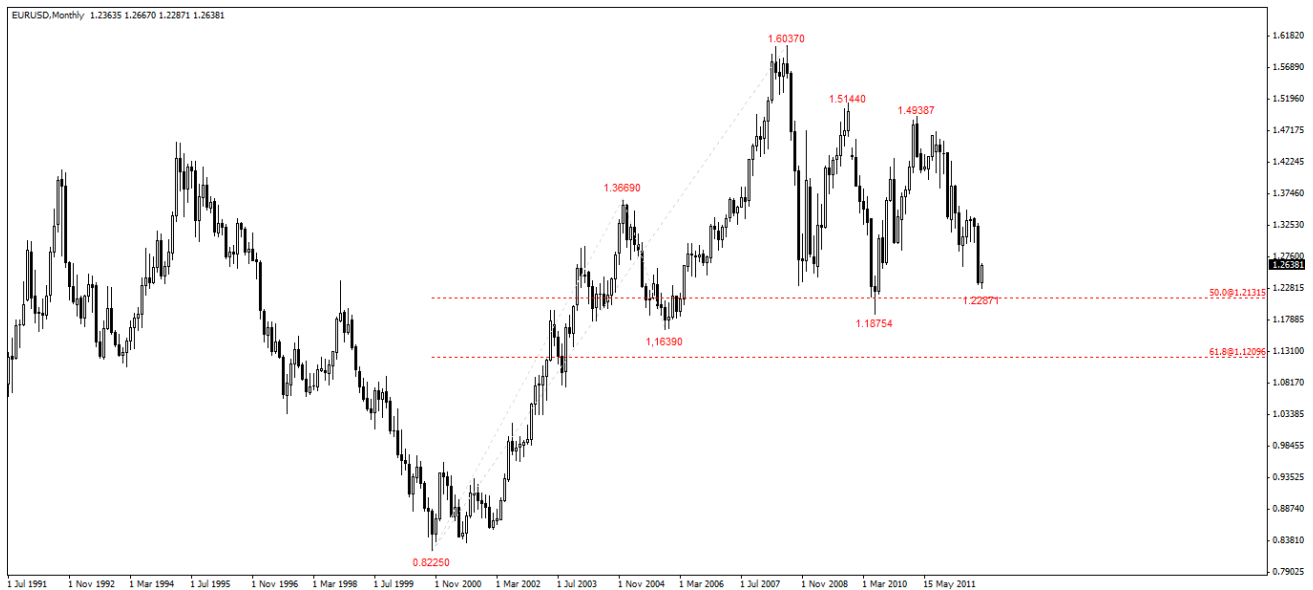
It is easy, and tempting, to be cynical about all this. Each successive bailout in Europe has had a smaller impact than the last -- less than 24 hours for Spain's bank rescue!

But the positive spin is that global policymakers are finally waking up to the acute nature of the crisis and may take more dramatic steps. For Europe, most agree this means some sort of Eurobonds and full-scale banking union. This would require major sacrifices by all parties involved -- and a huge shift for Germany -- but beats the alternative: a disorderly unwinding of the Euro zone and the potential for a financial crisis that will make Lehman Brothers' bankruptcy look tame by comparison.

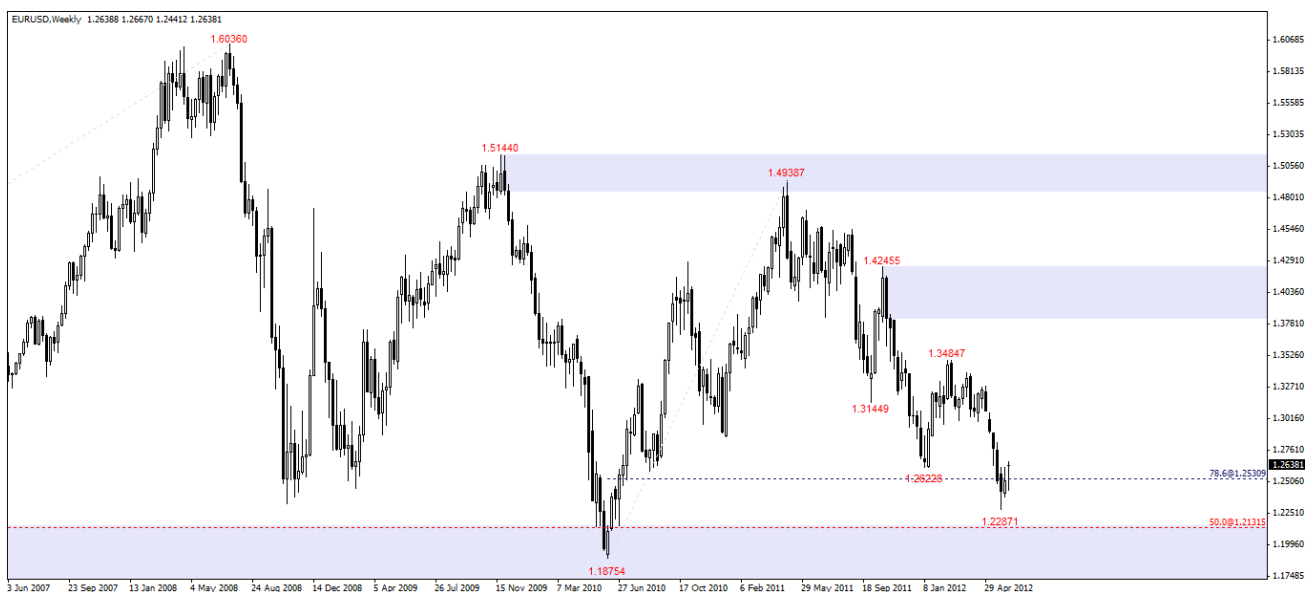
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EUR-USD MONTHLY



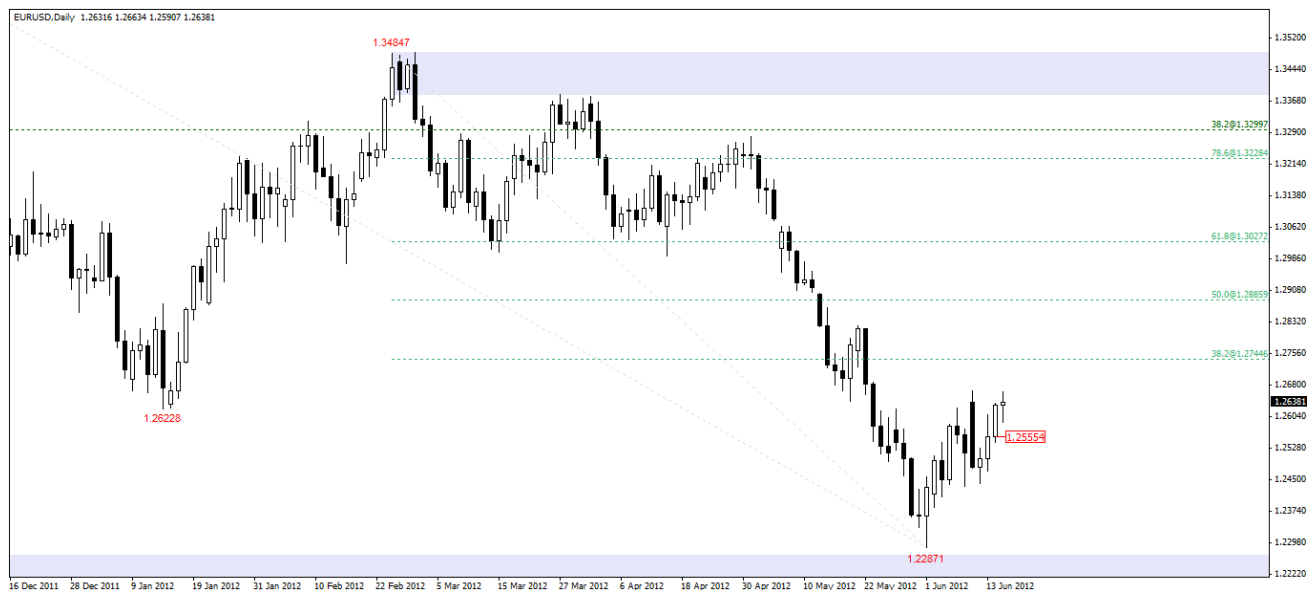
EUR-USD WEEKLY



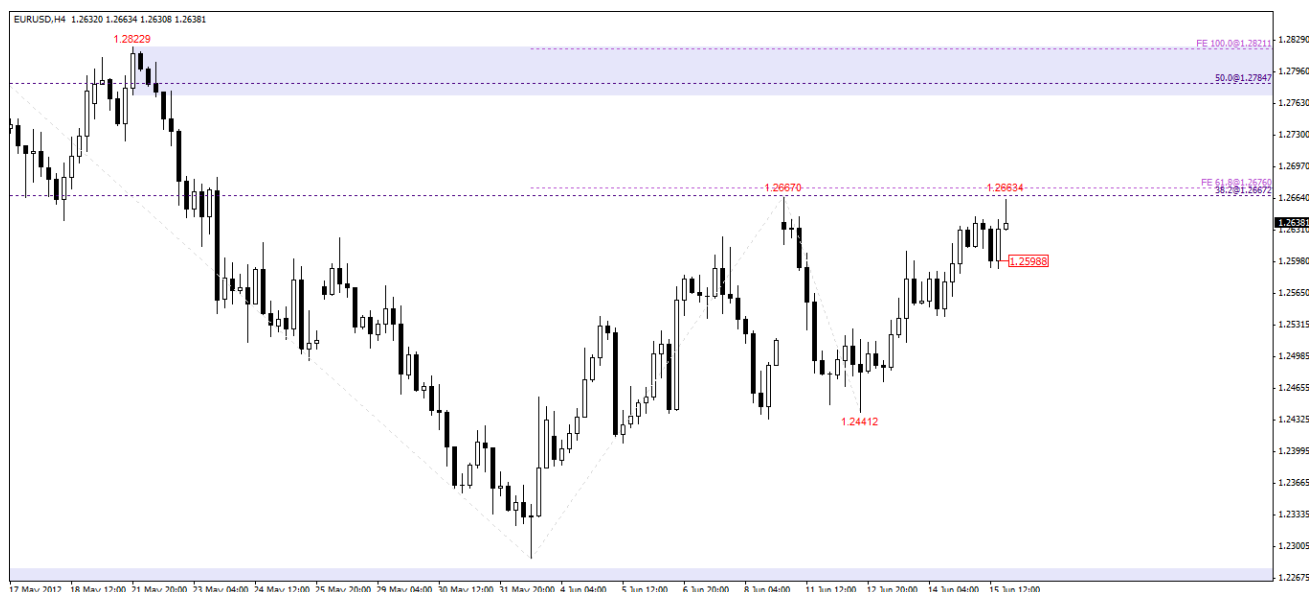
EUR-USD The Big Picture

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. As noted, the 100.0% projection of 1.49387 to 1.31449 from 1.42445 at **1.24507** represents perhaps the last line of defense before an all-out assault on the 2001 low of **1.18754** begins in earnest. The market lost some 900 pips in May only to see a turn on fortune in June. The first week of June saw price action registering a low at 1.22871 before profit-taking continued into the second week. Over the longer-term, this fall from 1.49387 is merely an extension of the longer-term flag formation which may ultimately stretch to the 61.8% retracement of 0.82250 to 1.60370 at **1.12092**.

EUR-USD DAILY



EUR-USD 4-HOURLY

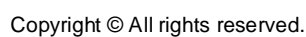


EUR-USD Short to Medium-Term Views

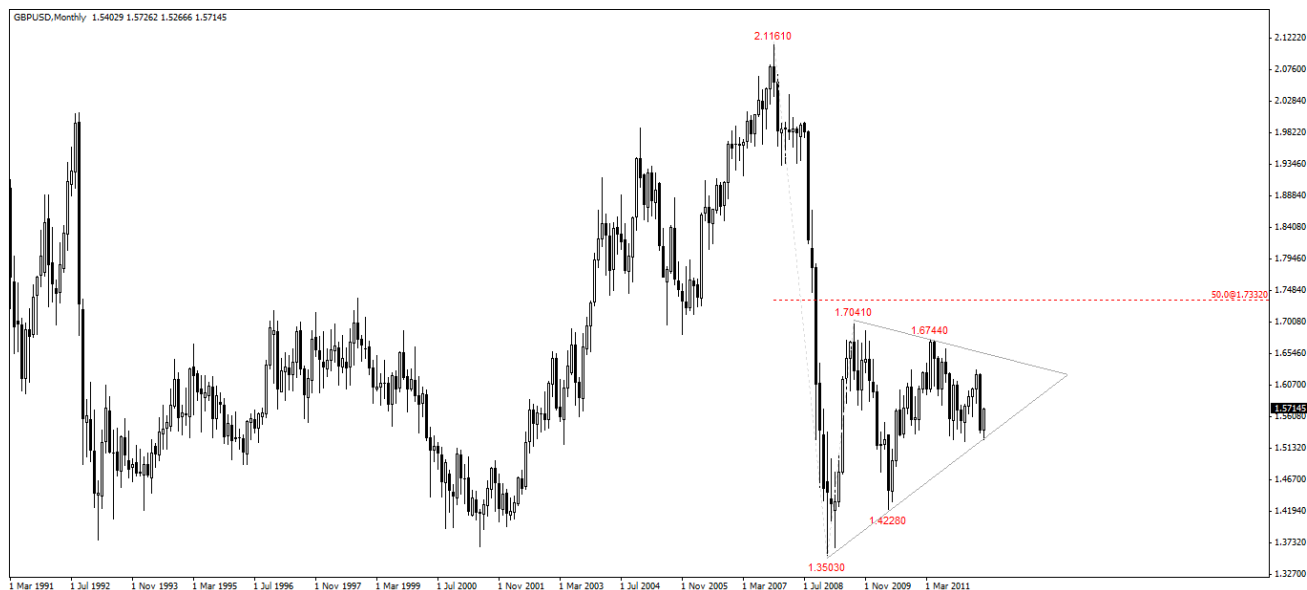
Price action has probably completed an initial 3-wave up from 1.22871 and is possibly staging another 3-wave up to above Thursday's high of 1.26670. This corrective wave up (if it does not accelerate) is probably heading for the 100.0% projection of 1.22871 to 1.26239 from 1.24341 at **1.27709**. This level is incidentally just a touch below a SZ at **1.27717-1.28229** within which lies the 50.0% retracement of 1.32822 to 1.22871 at **1.27847** (see daily and H4 charts). A sell signal from those levels is worth keeping for the medium-term as the low at **1.22871** is expected to be taken out next. This is most ideal outcome. However, Friday's closing suggests uncertainty among traders going into the weekend. In the D1 chart, a doji has appeared. Likewise, a shooting star too has appeared in H4, not to mention the bearish harami in the H1 chart. Taken together, they suggest a possible reversal in price action in the coming sessions. This is after price action came very close to taking out Monday's high of 1.26670 in the final hour of trading of the week - and failed. A close below **1.26361** and **1.25988** in both the H1 and H4 respectively would invariably trigger sell signals. A close below **1.25554** in D1 would add confidence to this bearish tendency. Should price action falls below **1.22871** first, it would suggest that the fall from 1.34847 has resumed with a possible target at the 50.0% retracement of 0.82250 to 1.60370 at **1.21315** - before attempting the longer-term target at the 61.8% retracement of 0.82250 to 1.60370 at **1.12092**. In between these two targets, lies a major DZ at **1.18846-1.19770**.

The chart displays the EURUSD pair on an H1 timeframe. A green dashed trend line connects the start of the session on June 8 (at approximately 1.26567) to a low point on June 12 (at 1.24412). Following this, the price trends upwards, reaching a peak of 1.26870 on June 15. A red dashed horizontal line is drawn at the 1.26870 level. Various price points are labeled: 1.26567, 1.26634, 1.26368, 1.26381, 1.26870, 1.26634, 1.26359, 1.26142, 1.25772, and 1.24412. The chart also shows a green upward arrow and a red 'X' mark on June 15.

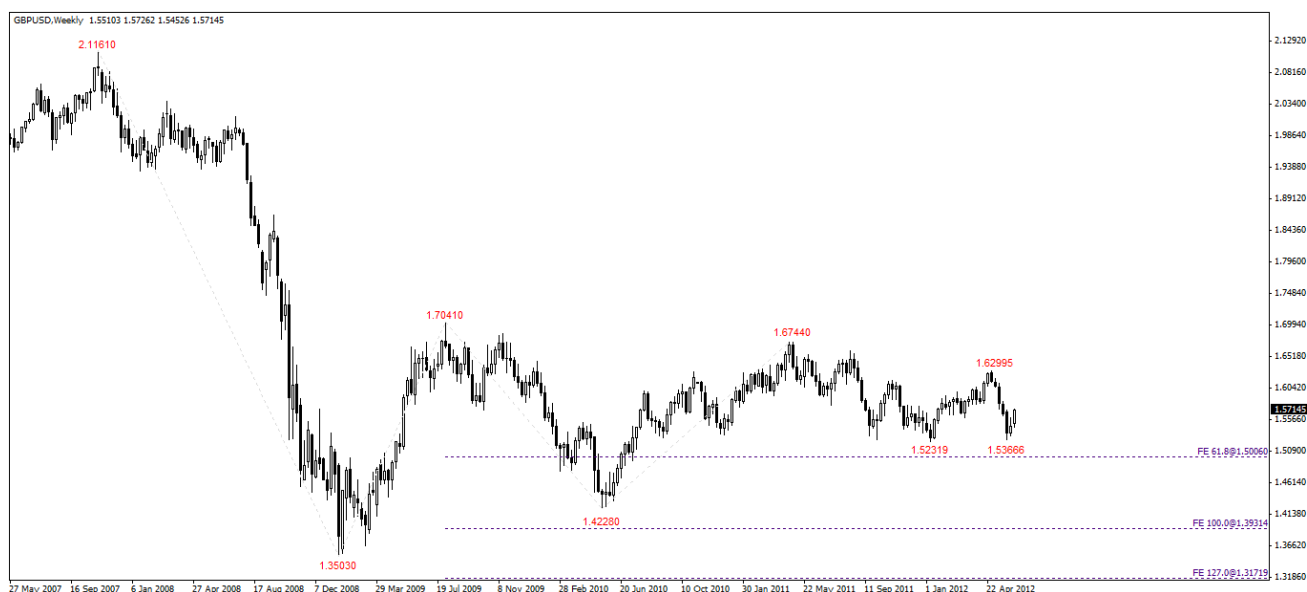
ACTION	Target 1	Target 2	EXIT
Bought @ 1.25772	1.26760	1.27709	Sell on 1-hour close below 1.6361
Bought @ 1.26142			



GBP-USD MONTHLY



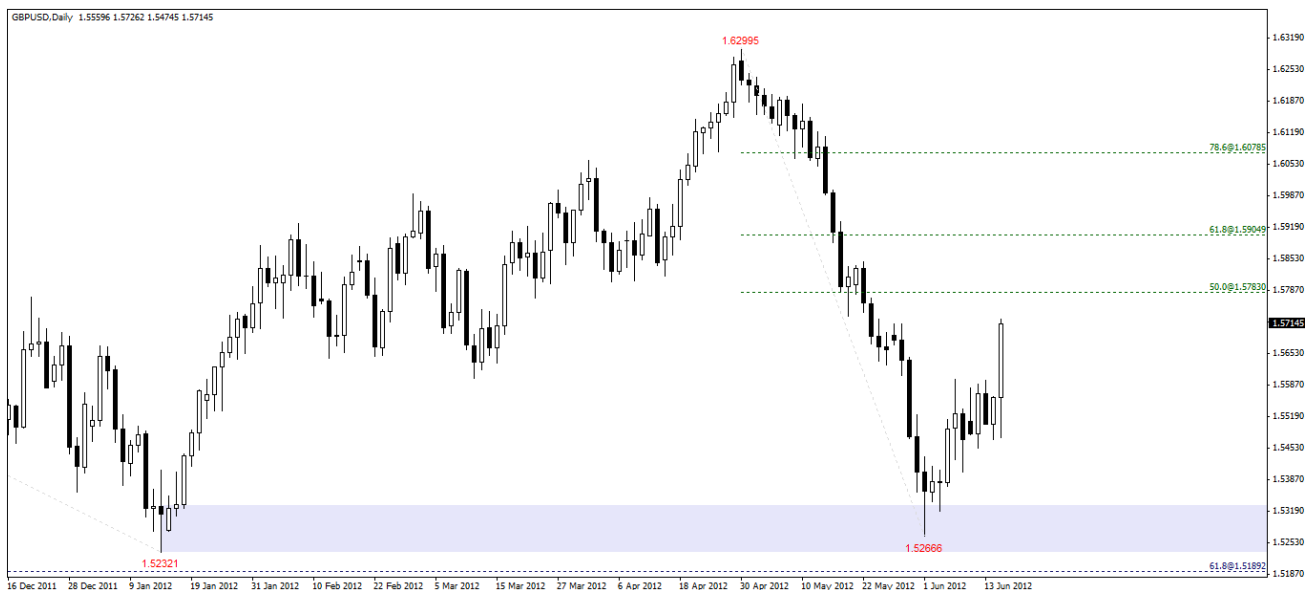
GBP-USD WEEKLY



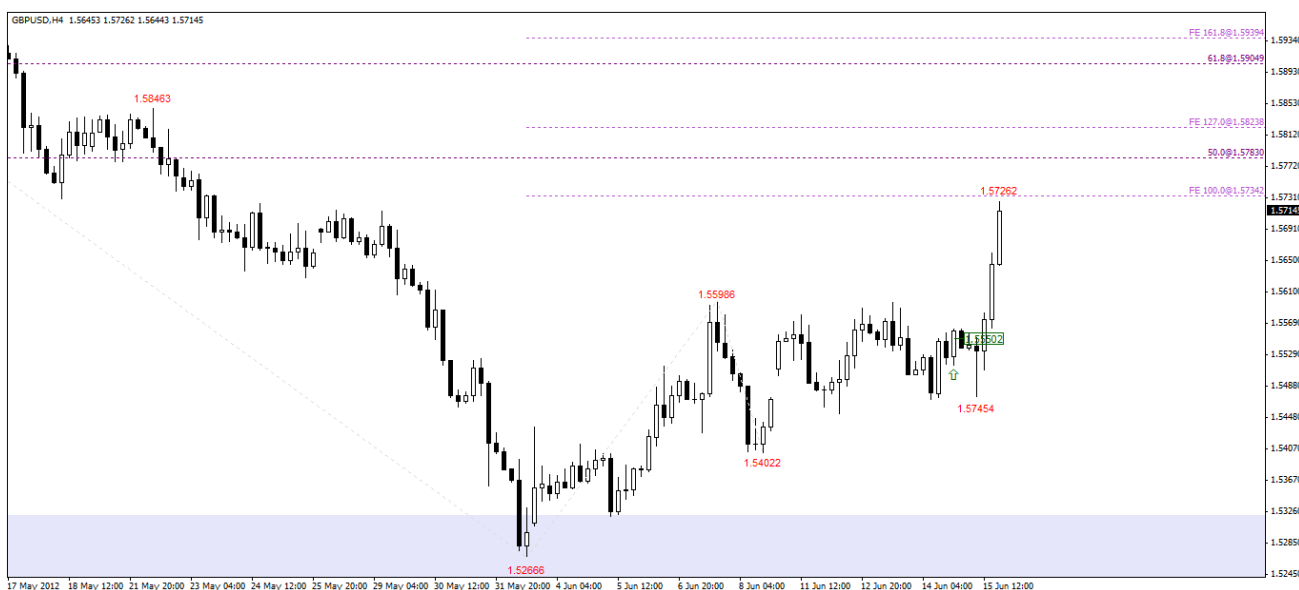
GBP-USD The Big Picture

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. Since the beginning of 2012, price action had rebounded from just above the baseline of the triangle formation near the 61.8% retracement of 1.42280 to 1.67440 at 1.51891 with a low of **1.52319**. The rally from there terminated at 1.62995 - on the last day of the April. May threatened to break out of the triangle formation only to hold at the baseline once again and rebounded. June saw some relief as the rebound stretched into the second week. As noted, it is paramount that the baseline of this triangle formation holds. Sustained trading below this line would invariably see this market extending its losses towards the longer-term target at the 61.8% projection of 2.11610 to 1.35030 from 1.70410 at **1.23084**.

GBP-USD DAILY



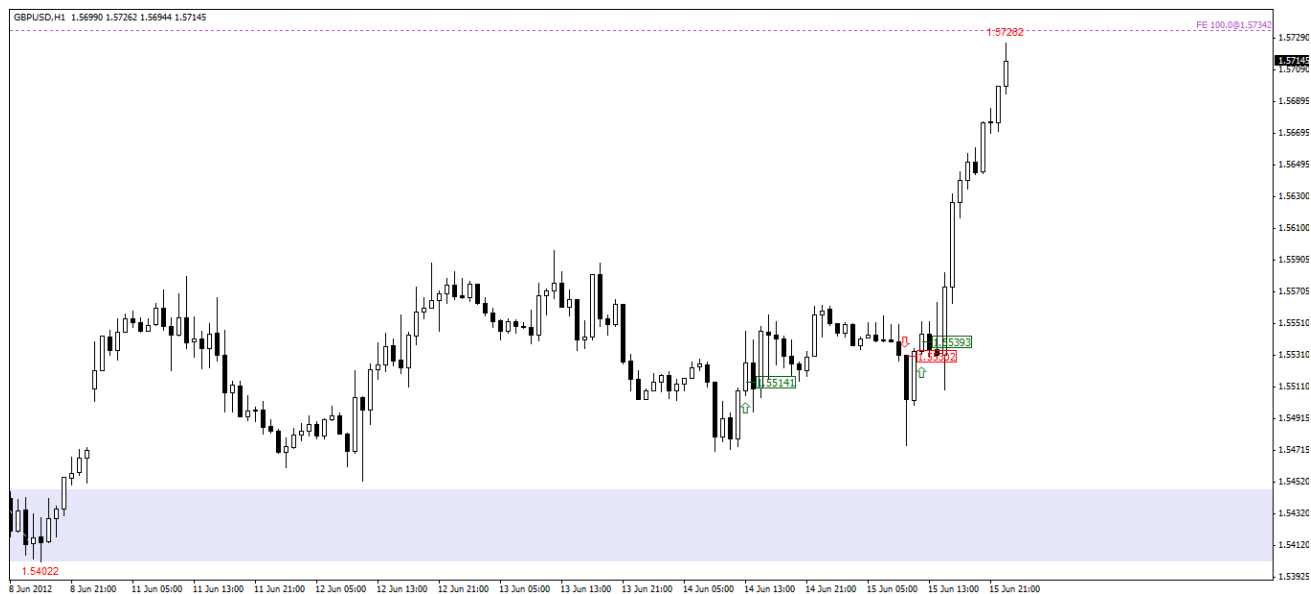
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

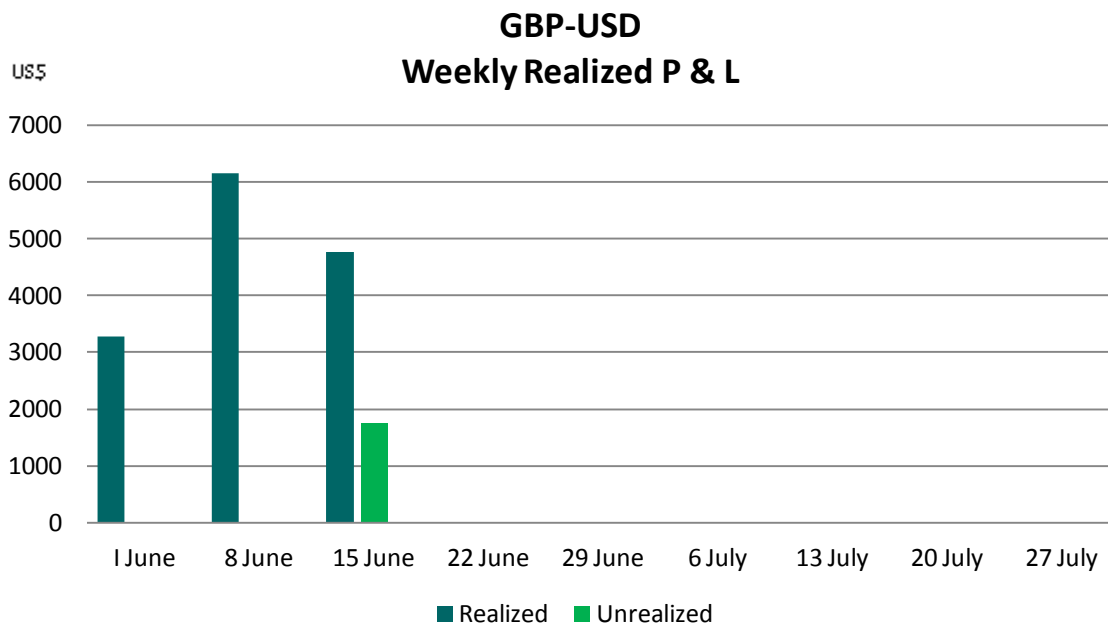
Last Friday's low of 1.54022 was indeed the launch pad for an assault at the SZ at **1.58087-1.58463**; where the 100.0% and 127.0% projection of 1.52666 to 1.55986 from 1.54022 at **1.57342** and **1.58238** lies. These levels, in turn, lay just above the 50.0% retracement of 1.62995 to 1.52666 at **1.57830**. From there, a resumption of the fall from 1.62995 is anticipated. Of course, this is assuming there is no acceleration to the upside beyond this SZ. However, if this rally does accelerate, it would suggest the unfolding of a 3rd wave with a potential to reach as high as the 2.618% projection of 1.52666 to 1.55986 from 1.54022 at **1.62714**.

GBP-USD 1-HOURLY



Trade Ideas

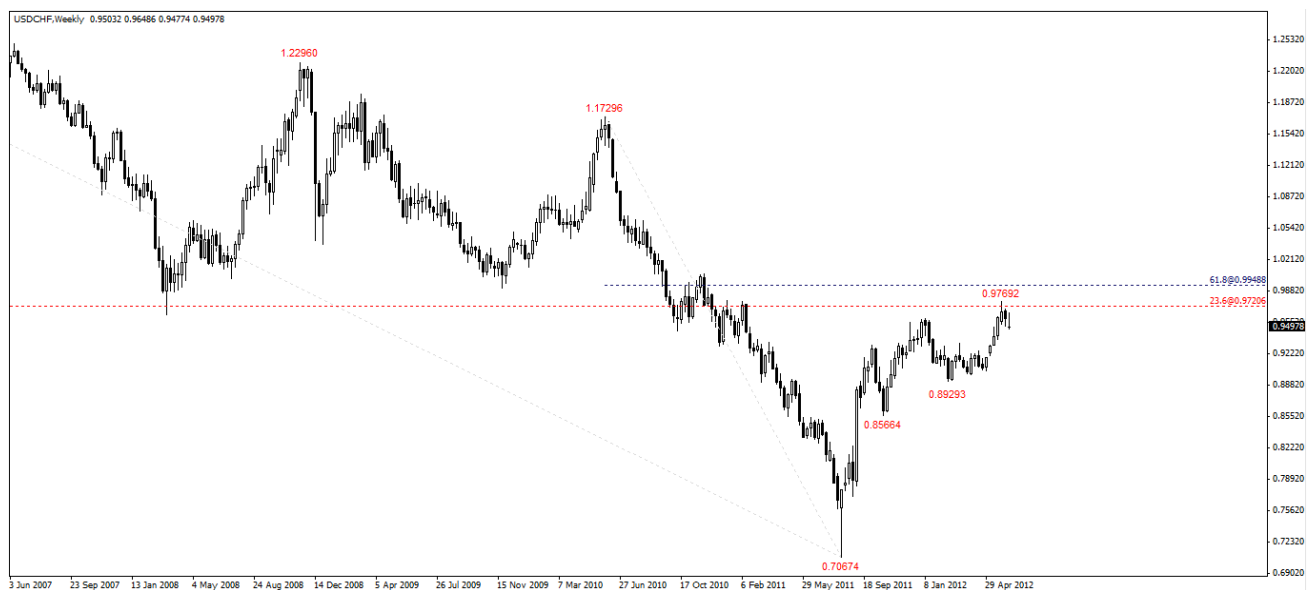
ACTION	Target 1	Target 2	EXIT
Bought @ 1.55393	1.56074 Realized	1.58087	Break-even



USD-CHF MONTHLY



USD-CHF WEEKLY



USD-CHF The Big Picture

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**. However, this rebound met headwinds just under the 23.6% retracement of 1.83090 to 0.70674 at 0.97204 with a high of 0.95935 on January 9. May saw a rally above the year's high - culminating with a 16-month high at 0.97692 by the first trading day of June. As noted, resistance is likely to emerge from 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**.

USDCHF, H4 0.95046 0.95054 0.94787 0.94978

0.97692

0.96496

0.955975

0.95290

0.94773

0.94787

0.94978

0.93659

38.290,94484

50.090,94051

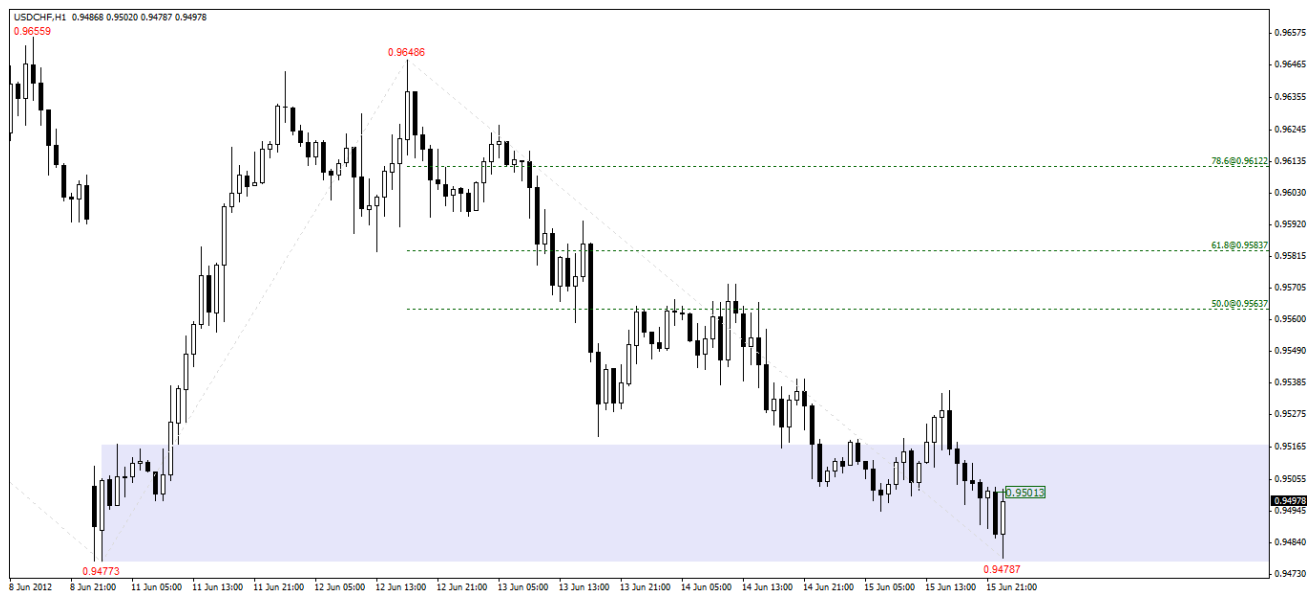
FE 100,080,93367

50.090,93367

17. May 2012 18. May 12:00 31. May 20:00 3. Jun 04:00 5. Jun 12:00 6. Jun 20:00 8. Jun 04:00 11. Jun 12:00 12. Jun 20:00 14. Jun 04:00 15. Jun 12:00

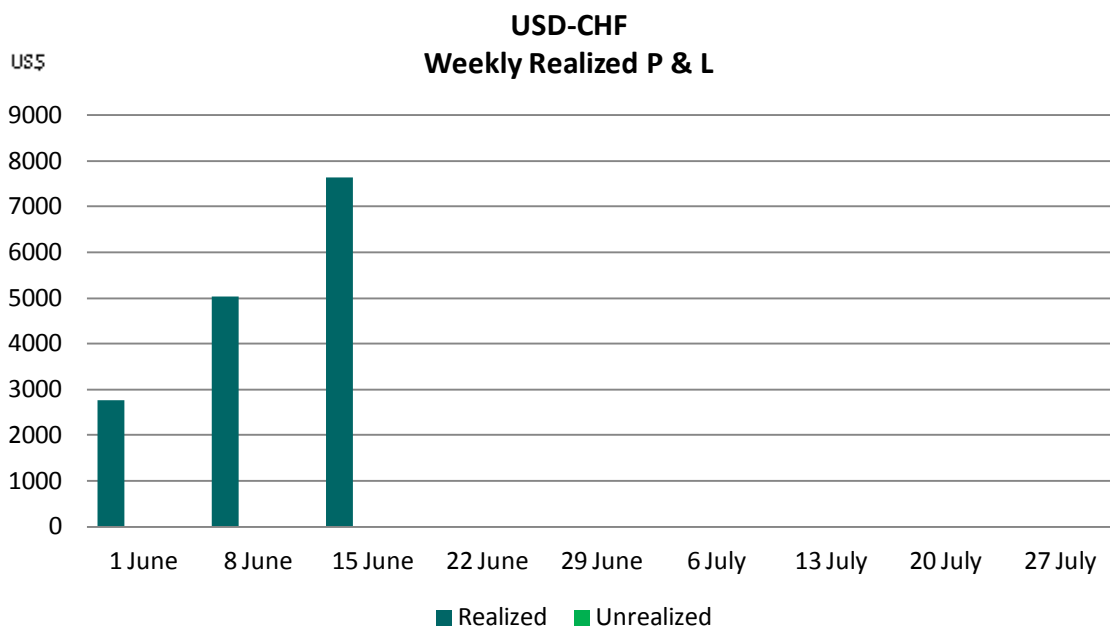
The week ended where it started. The strong recovery from Monday's low at 0.94773 steamrolled to a weekly high at 0.96486; reversing the decidedly weak opening at the beginning of the week before price action unraveled progressively over the course of the week culminating in a re-test of the week's low at 0.96486 with a print at 0.94787 in the last hour of trading on Friday. With this move, the idea that this pullback is a retracement is discarded in favor of a continuation of this fall towards the 38.2% and 50.0% retracement of 0.97692 to 0.94773 from 0.96486 at **0.95371** and **0.95009** respectively. As noted, price actions from the June 1 high of 0.97692 to Monday's low at 0.94773 were corrective in nature and may stretch towards the DZ at **0.93656-0.93952**. This scenario, of course, assumes that the immediate DZ at **0.94773-0.95172** fails to hold the line. As it is, there is still a possibility that price action may yet rebound from current level to either the 50.0% or 78.6% retracement of 0.96486 to 0.94787 at **0.95637** or **0.96122** before heading south. This is especially so now that a hammer has appeared in the H4 chart at the closing on Friday. A close above **0.95290** would invariably trigger a buy signal in the H4 chart.

USD-CHF 1-HOURLY

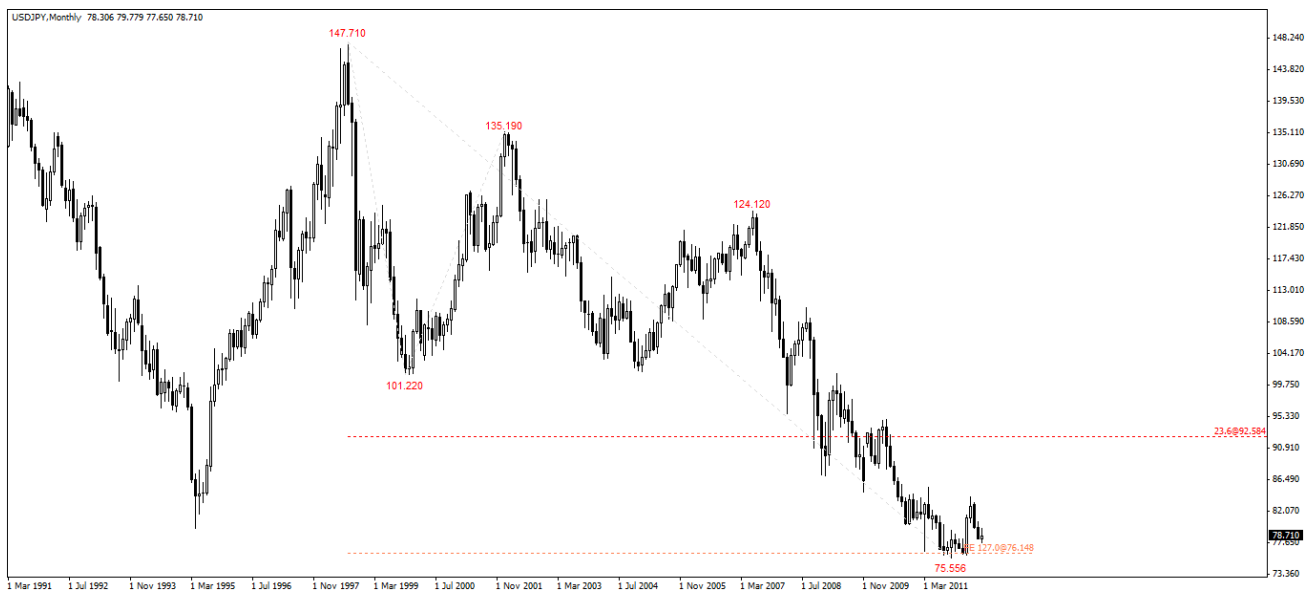


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on 1-hour close above 0.95013	0.95637	0.96122	0.94673 STOP



USD-JPY MONTHLY



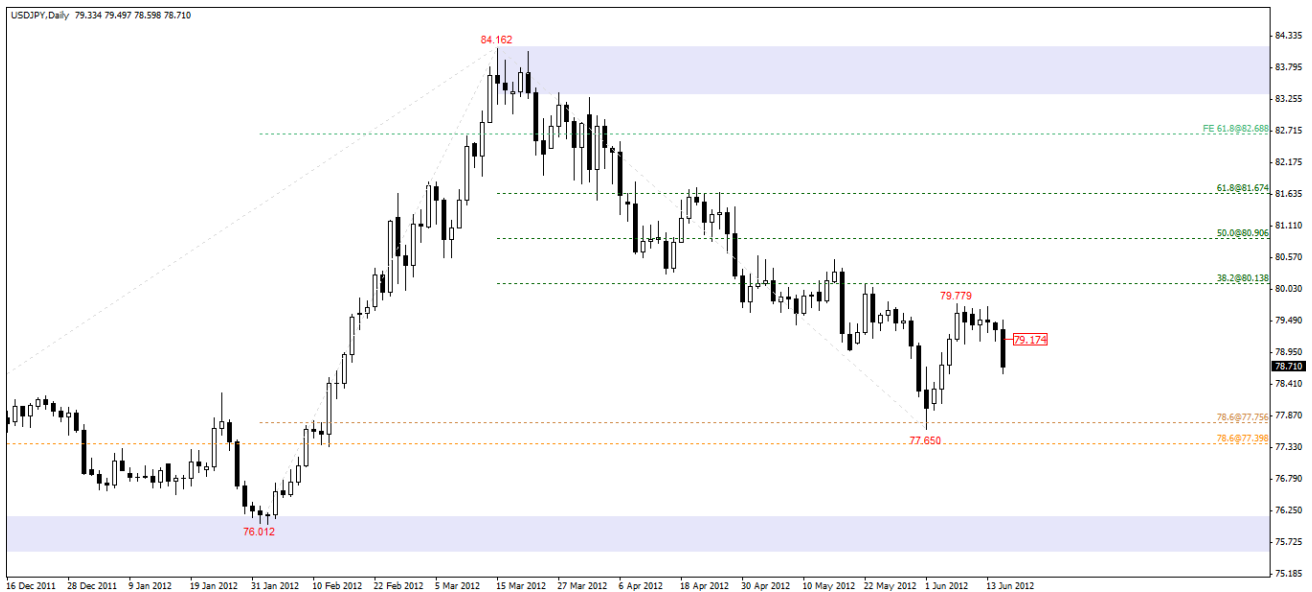
USD-JPY WEEKLY



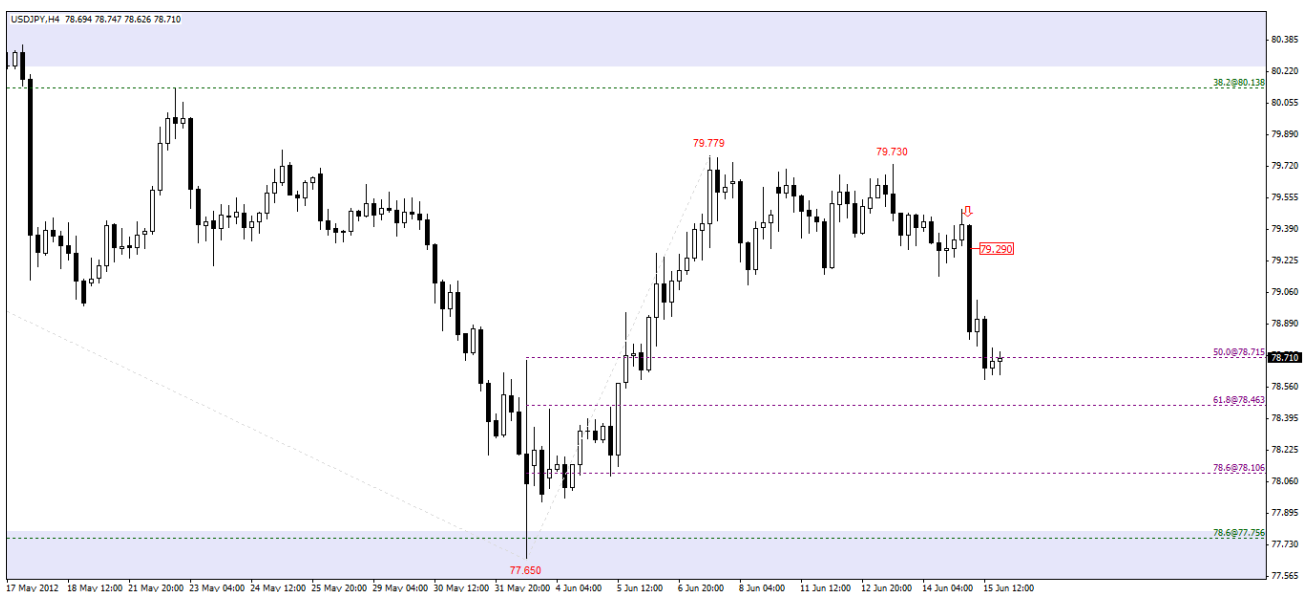
USD-JPY The Big Picture

The fall from 124.120 which started on June 2007 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. After spiking 4-yen to 79.517 initially, the market drifted for a good 13 weeks before rallying strongly to 84.162 in mid-March. The pullback from this high is now into its 13th week. So far, the pocket between the 78.6% retracement of 75.556 to 84.162 at 77.398 and the 78.6% of 76.012 to 84.162 at 77.756 has held the line. Last week saw a brief rebound. At this point, it is a little premature to speculate on its significance especially after price action failed to build on its momentum. Losses below this lower Fibonacci cluster would seriously damage the view that the current fall is a correction. In fact, sustained trading below this area endangers the rebound from 76.012 and threatens to turn this pullback into a full-blown resumption of the longer-term downtrend.

USD-JPY DAILY



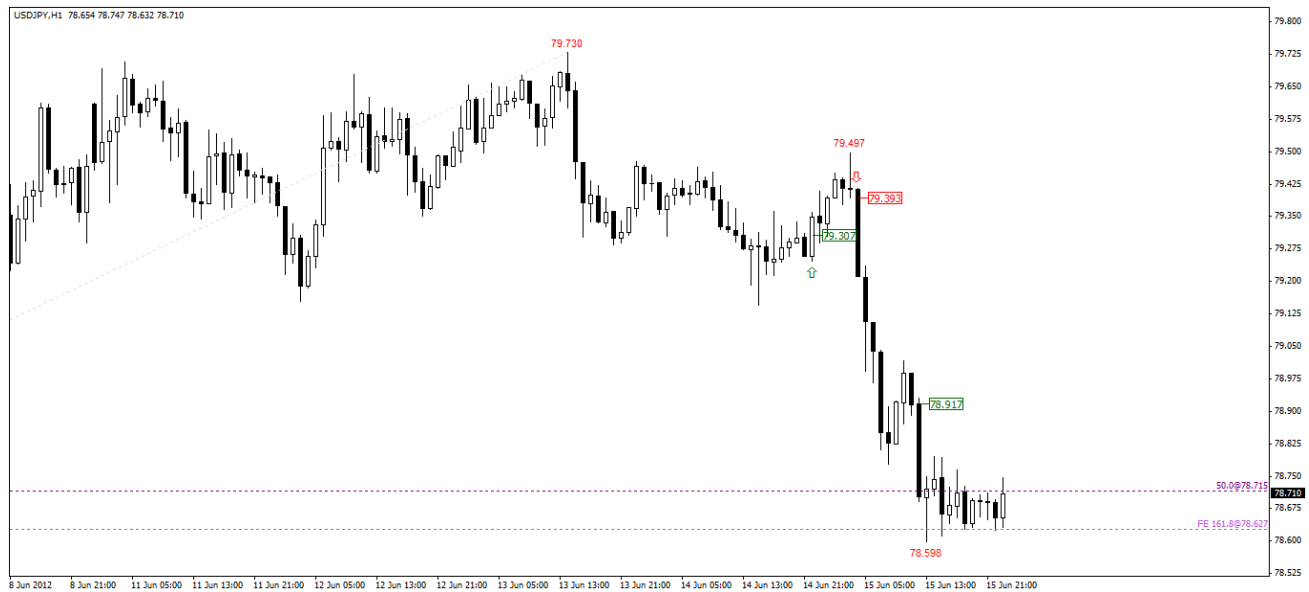
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

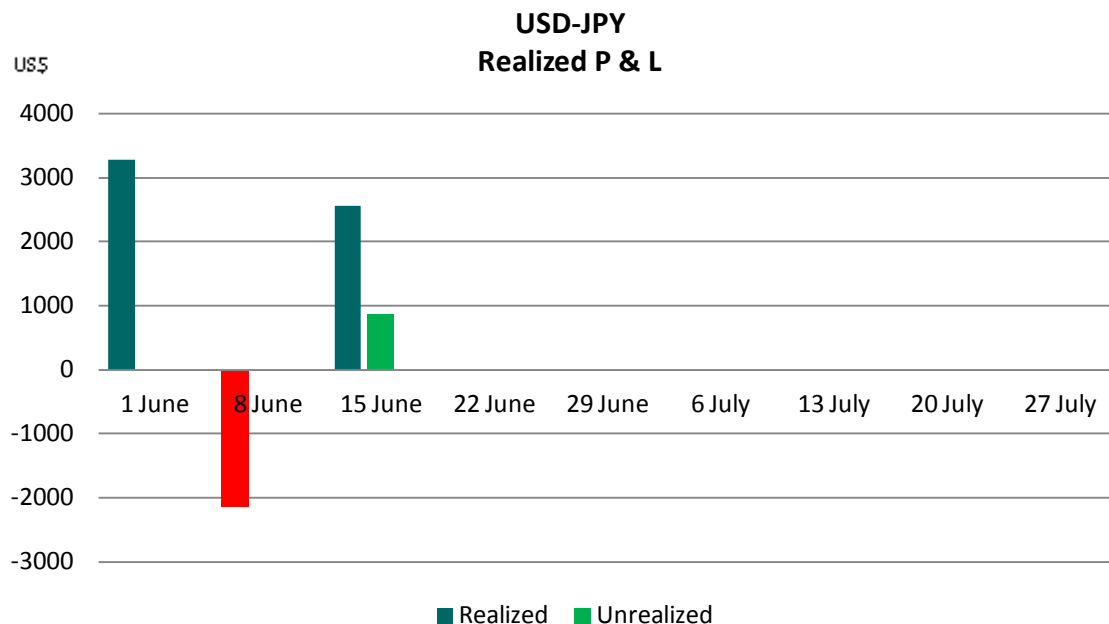
The bullish bias in which price action may climb towards the 38.2% retracement of 84.162 to 77.650 at 80.138 or the SZ at 80.244-80.598 before extending towards the 61.8% retracement of 84.162 to 77.650 at 81.674 was debunked with the breakdown in prices on Friday. Instead, price action fell to the 161.8% projection of 79.779 to 79.097 from 79.730 at **78.627** with a low at 78.598 on the last day of trading for the week. This leaves open the possibility that this fall may extend to the 261.8% projection at **77.945** to re-test the June 1 low of **77.650** – back to the 78.6% retracement of 75.556 to 84.162 at **77.398** and the 78.6% of 76.012 to 84.162 at **77.756**. These latter levels, as mentioned in earlier reports, are the last line of defense before the fall from 84.162 degenerates into a resumption of the longer-term fall from the 1998 peak of 147.710. Until proven otherwise, the belief that last year's low at 75.556 is an important long-term low holds.

USD-JPY 1-HOURLY

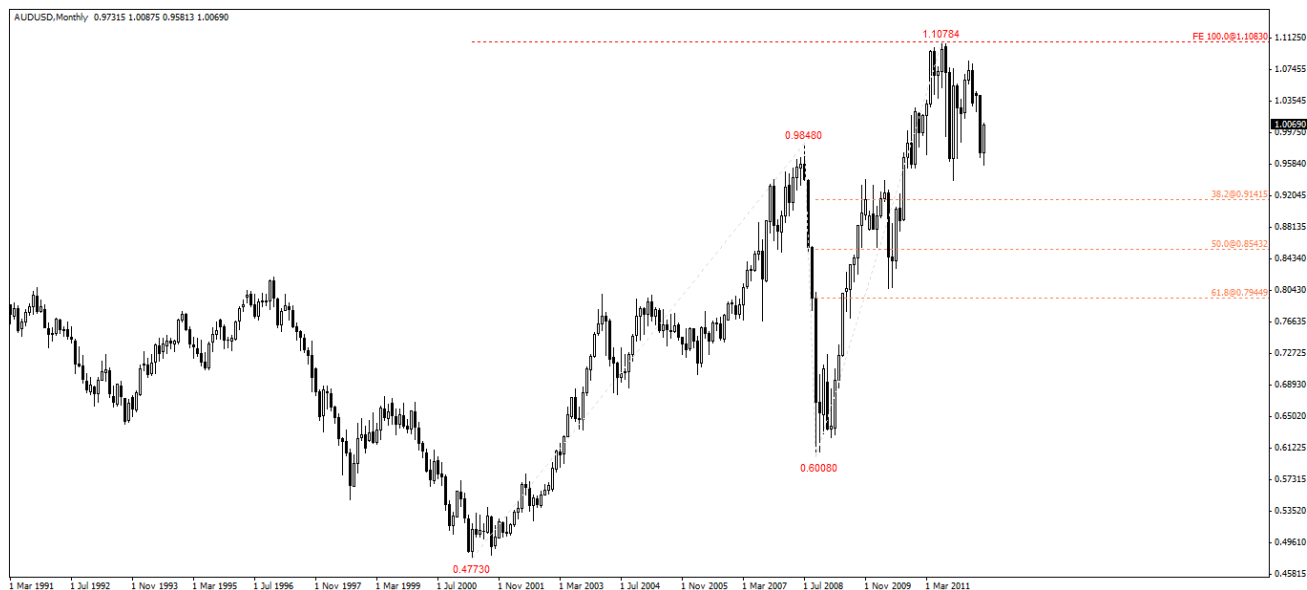


Trade Ideas

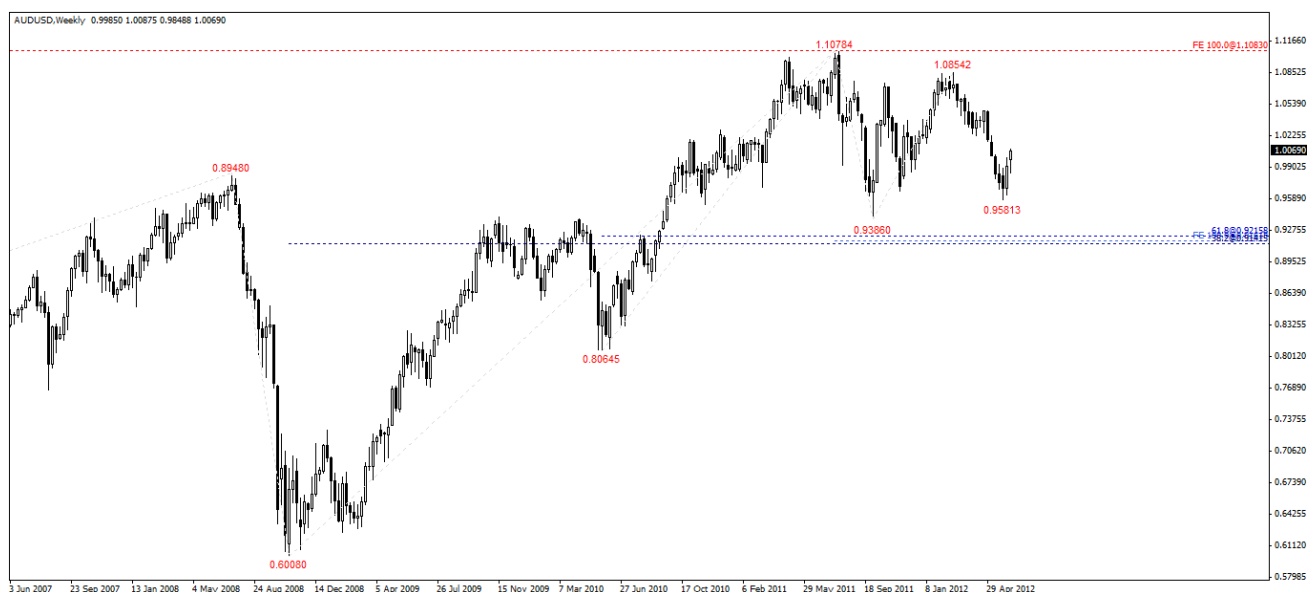
ACTION	Target 1	Target 2	EXIT
Sold @ 79.393	78.715 Realized	78.106	Exit on 4-hour close above 78.917



AUD-USD MONTHLY

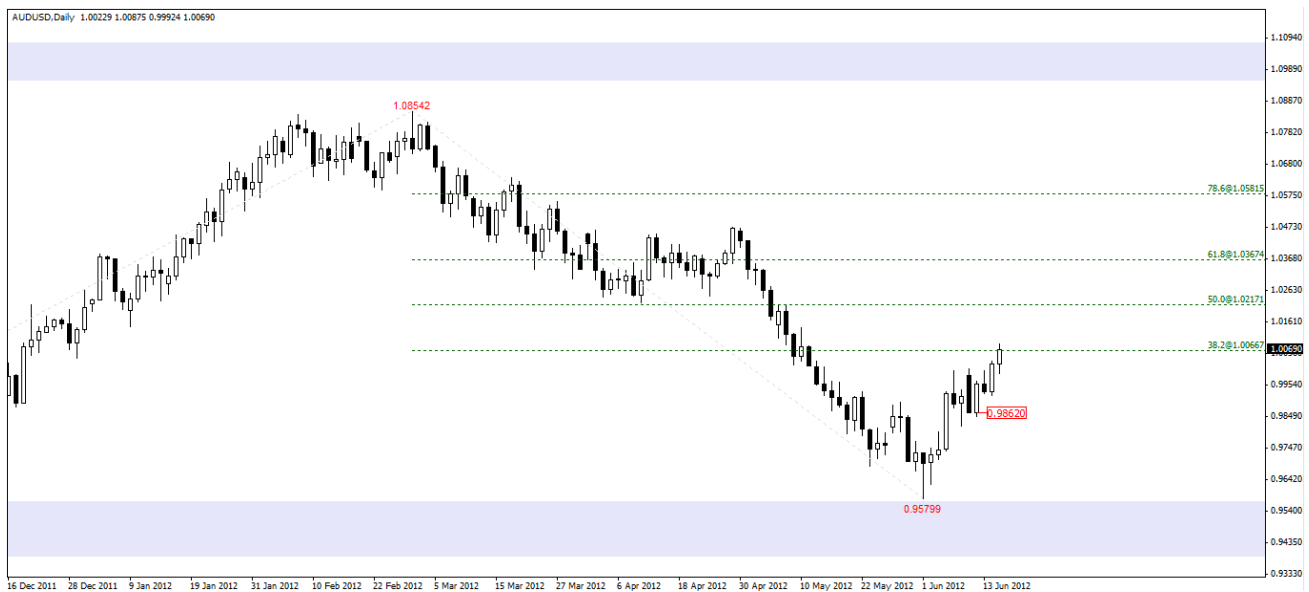
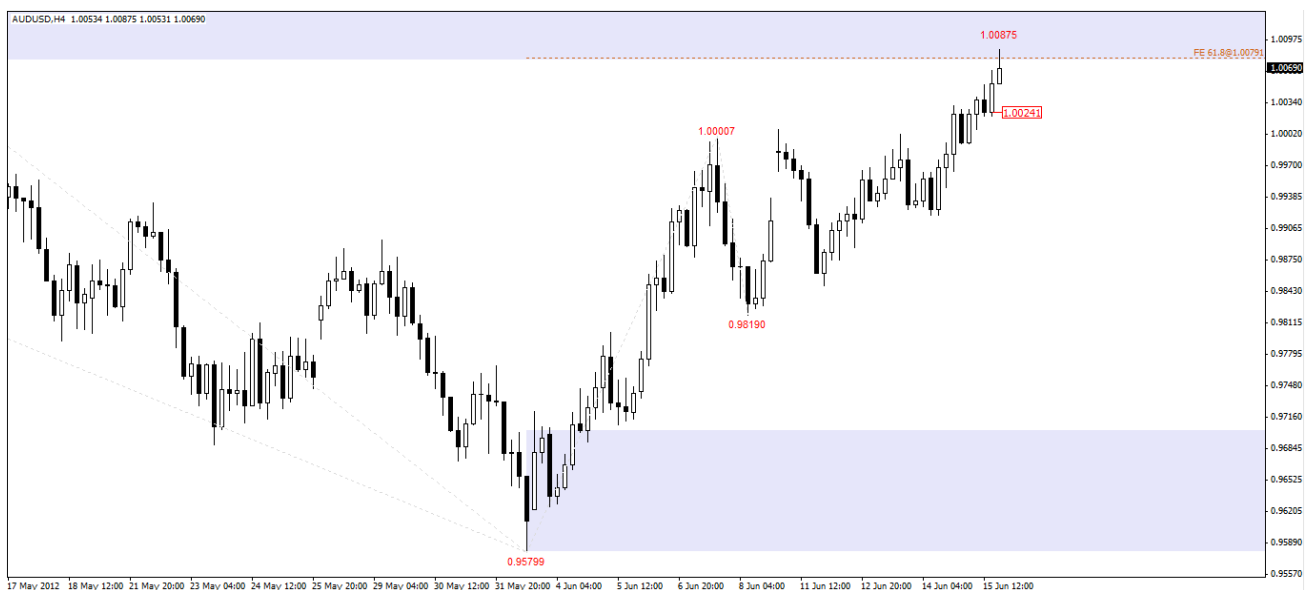


AUD-USD WEEKLY



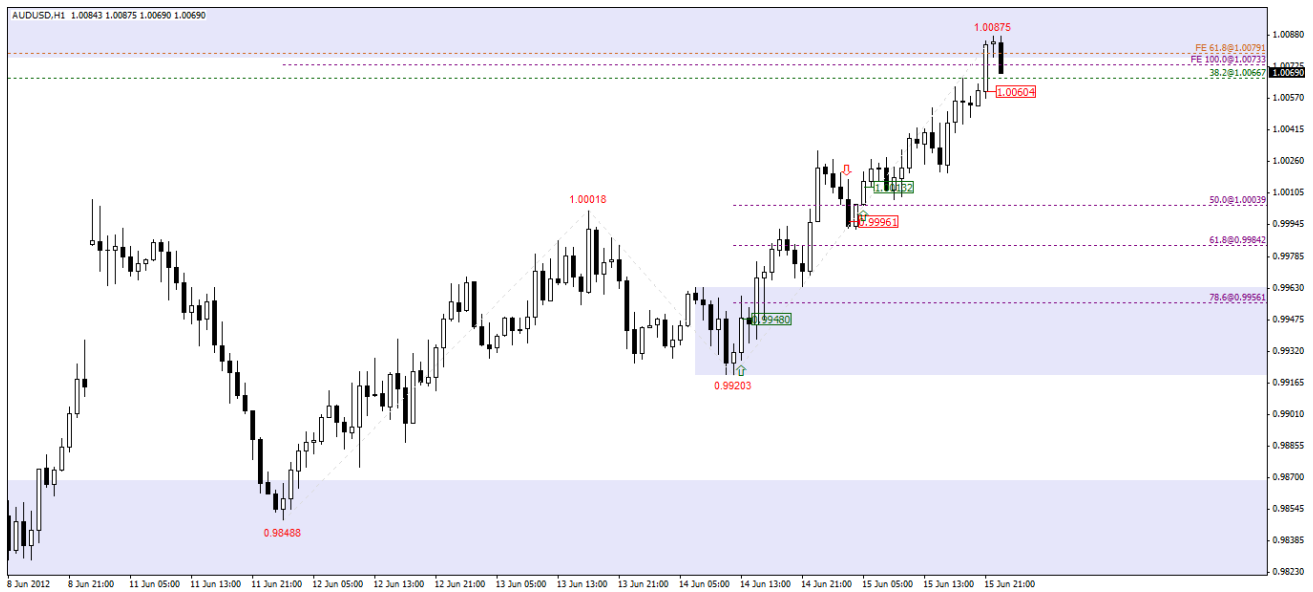
AUD-USD The Big Picture

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 the 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 fall from 1.08542 probably terminated at 0.95813 in May. By the end of the second week of June, price action is at a 5-month high, having rebounded strongly above parity this week.

AUD-USD DAILY**AUD-USD 4-HOURLY****AUD-USD** Short to Medium Term Views

As noted in previous updates, the correction phase of the fall from 1.08542 is probably over and price action is now poised to surge towards the April high of **1.04723** with an intermediate target at the 61.8% retracement of 1.08542 to 0.95799 at **1.03674**. Also noted was that a weekly close above **1.00120** to seal the fate of remaining bears. The strong closing on Friday validated this bullish assessment with a close at 1.00690. In the short-term, a pullback may occur on the back of a evening doji star n the 1-hour chart. A close below **1.00604** would invariably trigger a sell signal in the H1 chart. Even if price action should pull back, known demand will most likely re-emerge from within the DZ at **0.98190-0.986862** and **0.95799-0.97030** respectively.

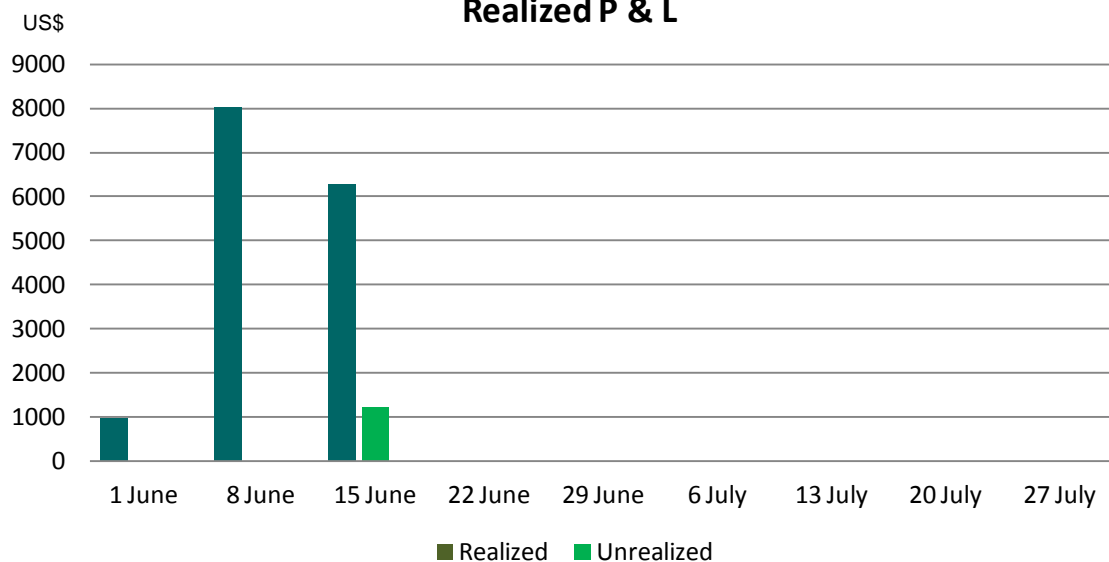
AUD-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.99480	1.00667	1.02171	Exit on 4-hour close below 1.00241
	Realized		

AUD-USD
Realized P & L



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.

Website under
development