

A Traders Academy International Publication

Dollar Rose On Safe Haven Buying

EUR-USD tumbled on Tuesday as risk appetite faded due to concerns about a global economic slowdown and a spike in Spain's borrowing costs after a ratings downgrade of the country's five regions. While EUR-USD has gained about 1 percent so far in October, it has closed above the key psychological level of 1.30000 in only seven sessions during the month; the upside is widely seen as limited, given the unresolved three-year-old debt crisis and mounting evidence that global growth is sputtering.

EUR-USD fell as low as 1.29507, its lowest since Oct. 16. It settled at 1.29846, down 0.6 percent on the day.

The pair, however, remains within the 1.28000 to 1.31700 range it has traded in since mid-September.

The Euro has strengthened recently on speculation that Spain will request aid, enabling the European Central Bank to buy its bonds. The gains, however, have been limited due to uncertainty over when Spain will act.

The borrowing costs of Spain, which is under pressure to seek a sovereign bailout, rose after credit rating agency Moody's downgraded five Spanish regions.

Meanwhile, data showed business morale in France's manufacturing sector slumped to the lowest in over two years, fuelling concerns about the Euro zone's second-largest economy.

Looking ahead, initial readings of Euro zone PMI data and a German Ifo business sentiment survey later in the day will be closely watched for signs of how the currency bloc is holding up.

A sharp fall in U.S. stocks added to the gloom. Poor earnings from major multinational U.S. companies confirmed fears about global growth.

Also on Tuesday, the Federal Reserve started a two-day monetary policy meeting. While officials are not expected to make any policy changes, their statement on Wednesday could have an impact on market activity.

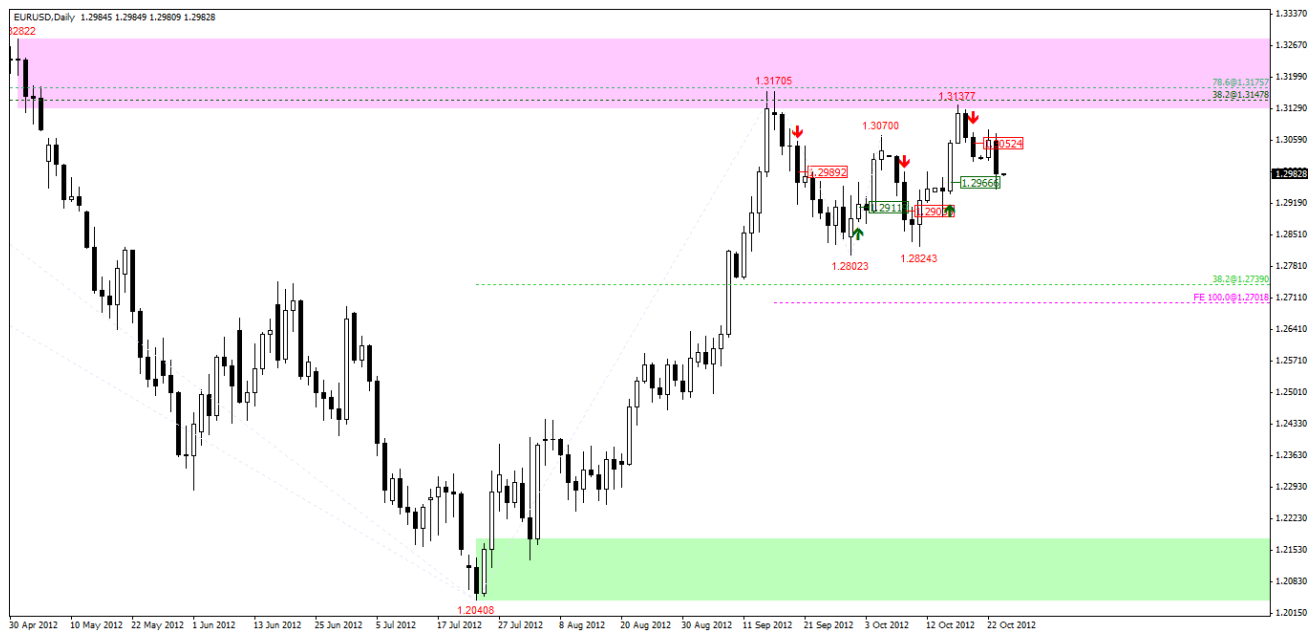
USD-JPY remained vulnerable on expectations that the Bank of Japan will ease monetary policy at its Oct. 30 meeting. USD-JPY hit a 3-month high and a 5-month high in EUR-JPY on expectations the Bank of Japan will further loosen policy later this month. USD-JPY, however, later erased gains and fell for the first time in nine sessions to settle at 79.837, down 0.1 percent on the day.

USD-JPY fell, coming off its high after Finance Minister Koriki Jojima denied a report that the government is asking the central bank to raise asset purchases by ¥20 trillion (\$251 billion) to boost economic growth. EUR-JPY settled at 103.677, down 0.7 percent on the day.

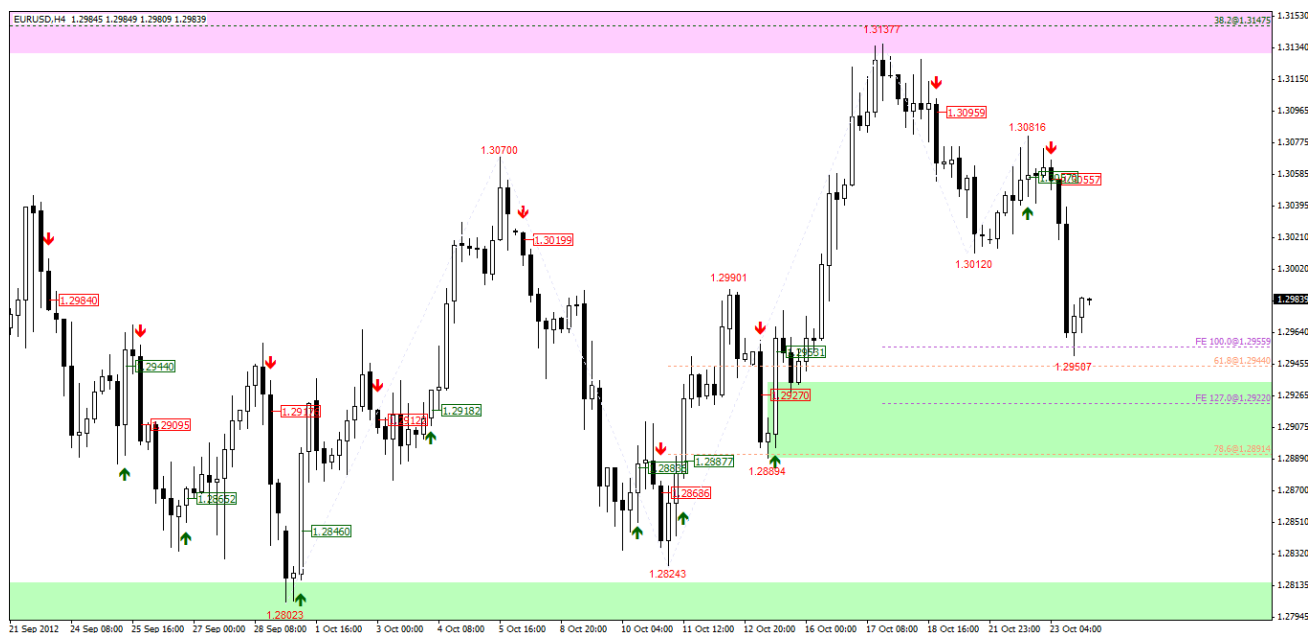
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EUR-USD DAILY



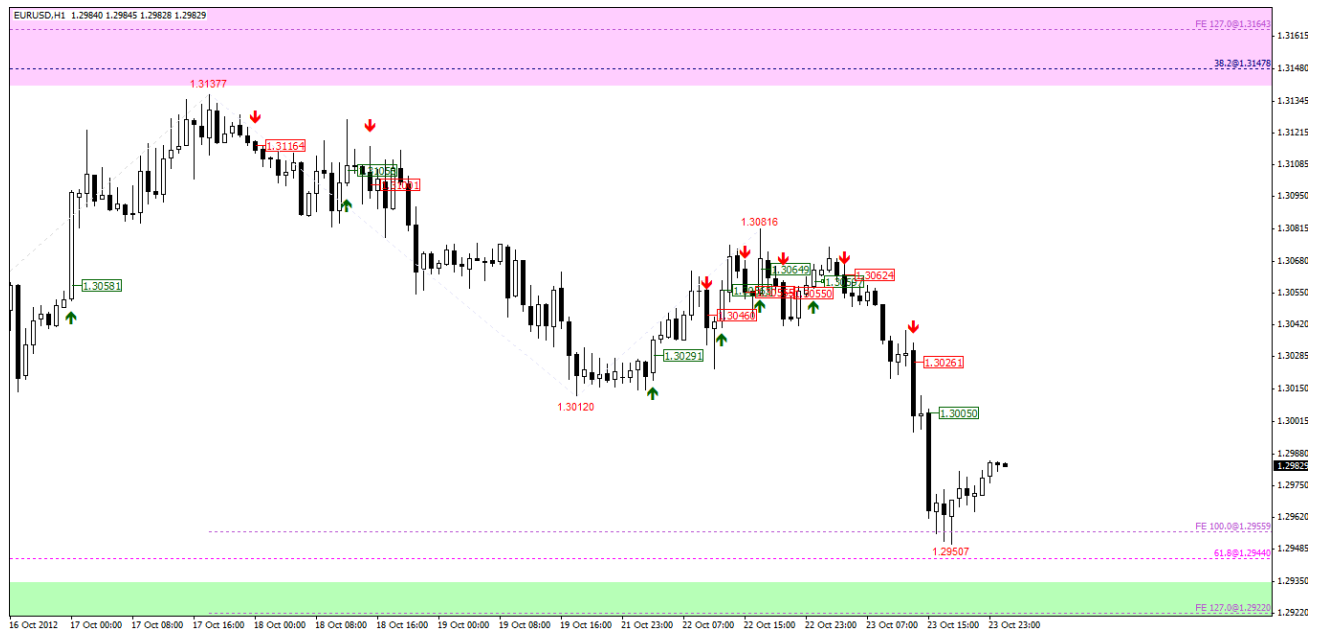
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The sharp fall seen overnight, though still a 3-wave pattern from the peak at 1.31705 has seriously compromised the bullish case. At any rate, weakness was foreseen as the D1 chart has turned negative having triggered a sell signal with a close below **1.30524** on the back of bearish harami last Friday. However, up to Europe's opening, there was still a chance the bullish case can remain intact; provided price action can close above **1.30652**. But alas, it was not to be. Instead price action fell through the demand pocket at **1.30140-1.30477** on the second attempt, negating the earlier buy signals in both the H1 and H4 charts. By Europe opening, it was obvious the bullish case was in serious trouble as persistent selling interests took this market lower. By London midday, after a brief rebound (and a chance to exit longs and turned shorts), the remaining bulls were put to the sword (see H1 chart). The bullish case was further compromised with the 'overlap' of what was previously deemed to be the top of the 1st wave from 1.28243 at 1.29901. This essential debunked the 5-wave up scenario. Interestingly, last night fall bottomed out at **1.29507**; which is in between the 100.0% projection of 1.31377 to 1.30120 from 1.30816 at **1.29559** and the 61.8% retracement of 1.28243 and 1.31377 at **1.29440**. Barring a sharp recovery, a fall to recent lows above 1.28000 is most probable.

EUR-USD 1-HOURLY



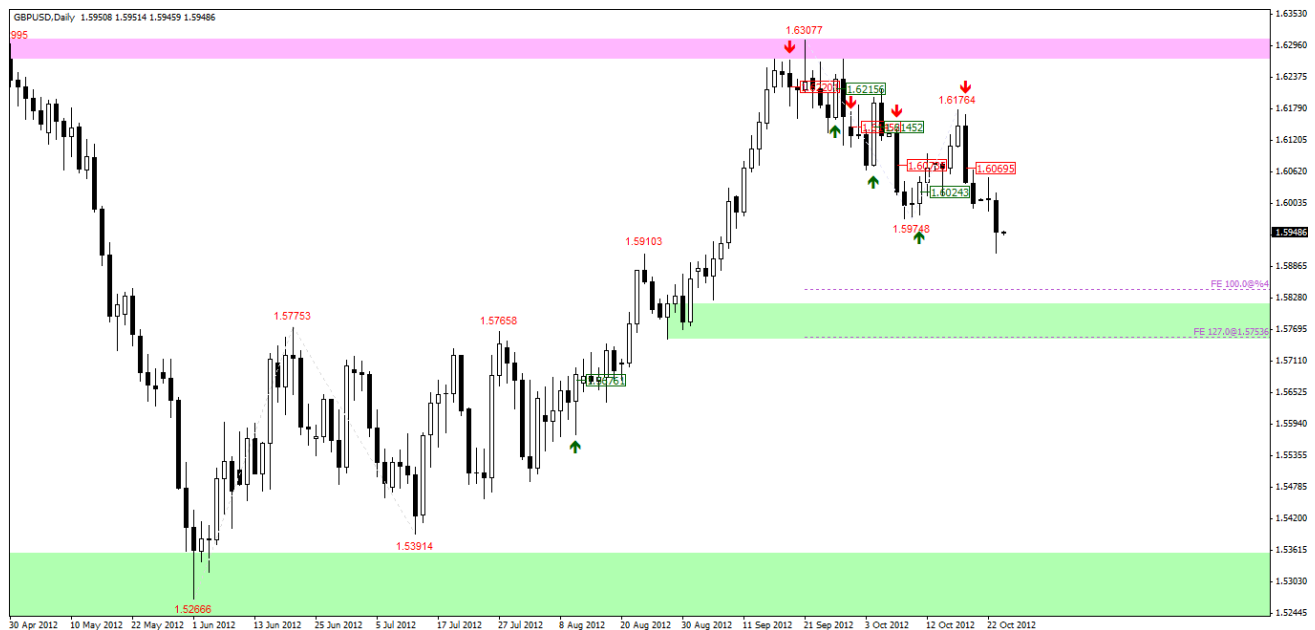
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.30261	1.29347	1.28148	Break-even

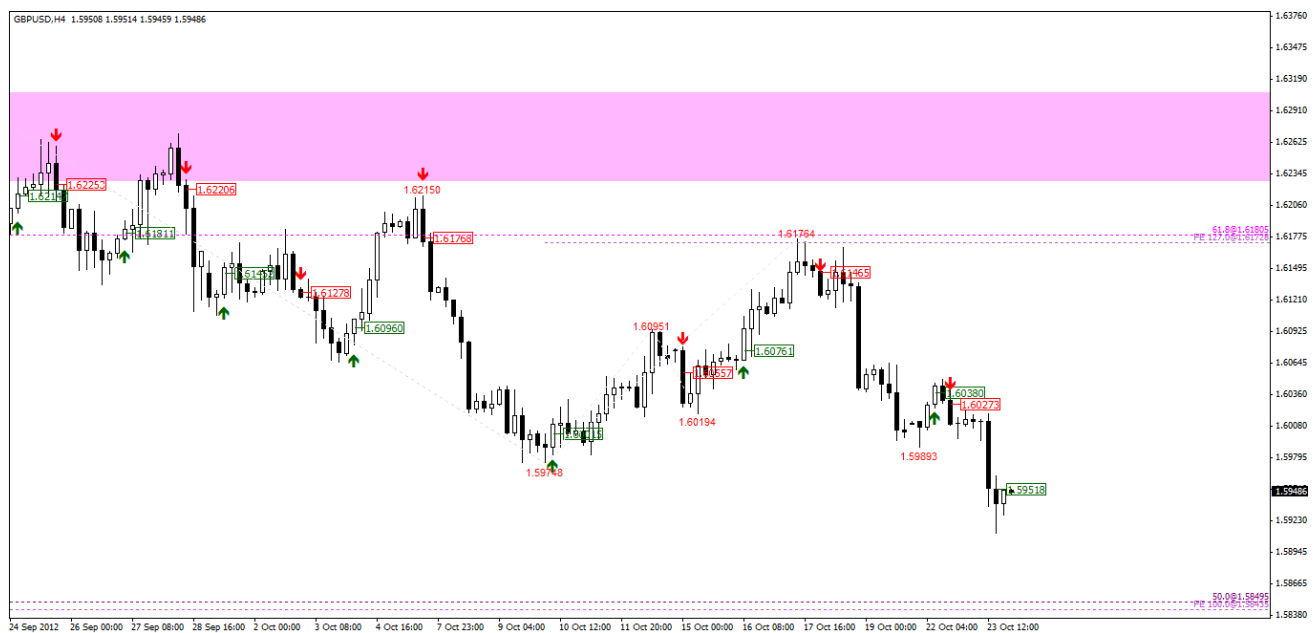
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$69,464.00
EUR-USD	22-10-2012	1.0	1.30291	23-10-2012	1.0	1.30261	+\$30.00		\$69,494.00
EUR-USD	22-10-2012	1.0	1.30291	23-10-2012	1.0	1.30261	+\$30.00	+\$60.00	\$69,464.00
EUR-USD	23-10-2012	1.0	1.29846	23-10-2012	1.0	1.30261	+\$415.00		
EUR-USD	23-10-2012	1.0	1.29846	23-10-2012	1.0	1.30261	+\$415.00		
Unrealized							+\$830.00		

GBP-USD DAILY



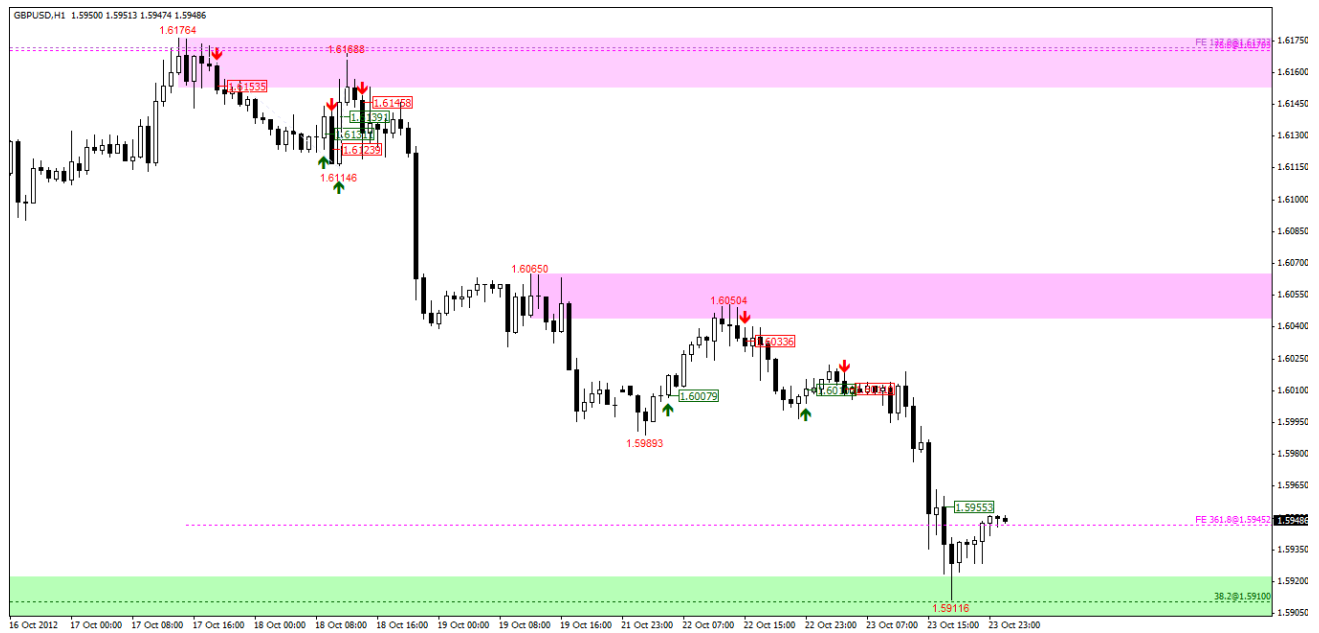
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

As mentioned, the 'failure' scenario mentioned in previous updates is the preferred count in GBP-USD. This does not, however, rule out another attempt at some later stage especially if the current pullback is viewed as part of the 4th wave of the rally from 1.52666. It is thus paramount that price action must not trade lower than **1.57753** as this level is deemed to be the peak of the 1st wave of the potential 5-wave rally from 1.52666. An overlap below this level would debunk what little hope left of the 5-wave rally scenario. The fall from 1.63077 is so far taking the shape of a simple 3-wave pullback, which should theoretically see price action settling somewhere between the 100.0% and the 127.0% projections of 1.63077 to 1.59748 from 1.61764 at **1.58435** and **1.55520** respectively (see D1 chart). As noted, traders should stay on the short side of this market going forward. Last night's low hit a minor demand pocket at **1.58800-1.59223** where the 38.2% retracement of 1.52666 to 1.63077 at **1.59100**. Unless we have a close above **1.59553** in the H1 chart and a rally ensues, the path of less resistance is to the downside. The next sensitive area to watch out is the confluence of the 100.0% projection of 1.63077 to 1.59748 from 1.61764 at **1.58435** and the 50.0% retracement of 1.53914 to 1.63077 at **1.58496**. This is followed by another at the 127.0% projection of 1.63077 to 1.59748 from 1.61764 at **1.57536**; where the demand pocket at **1.57523-1.57876** is.

GBP-USD 1-HOURLY



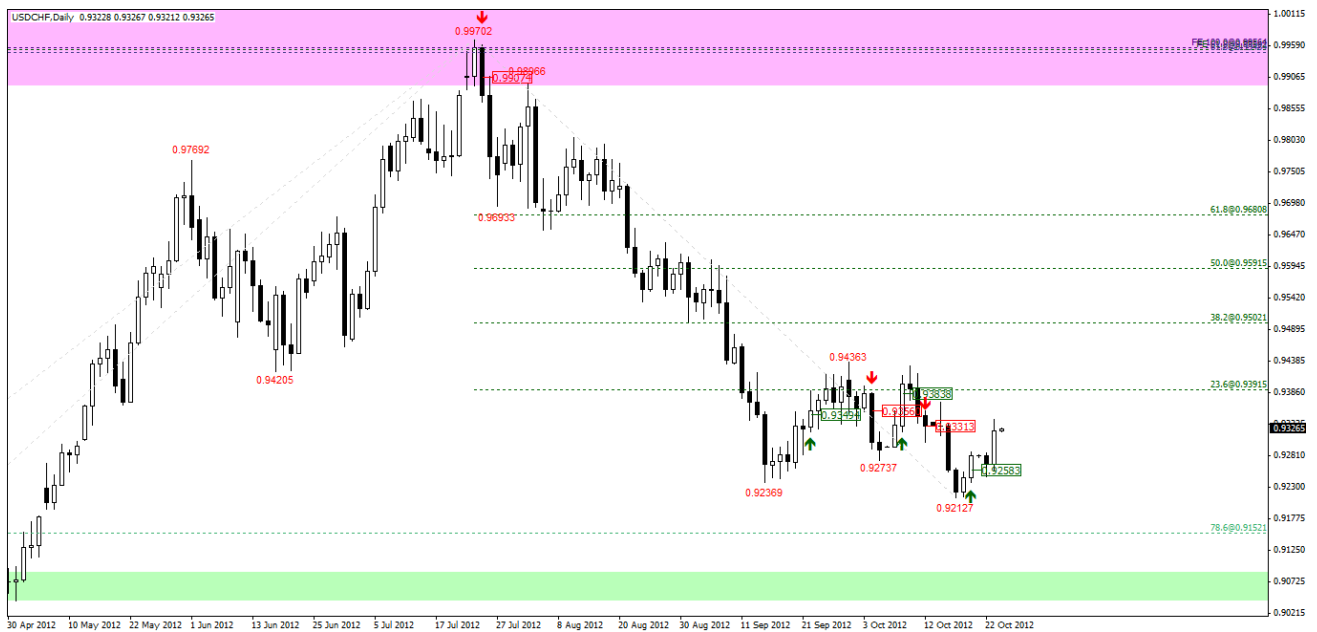
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.60336	1.59748 Realized	1.57876	Break-even

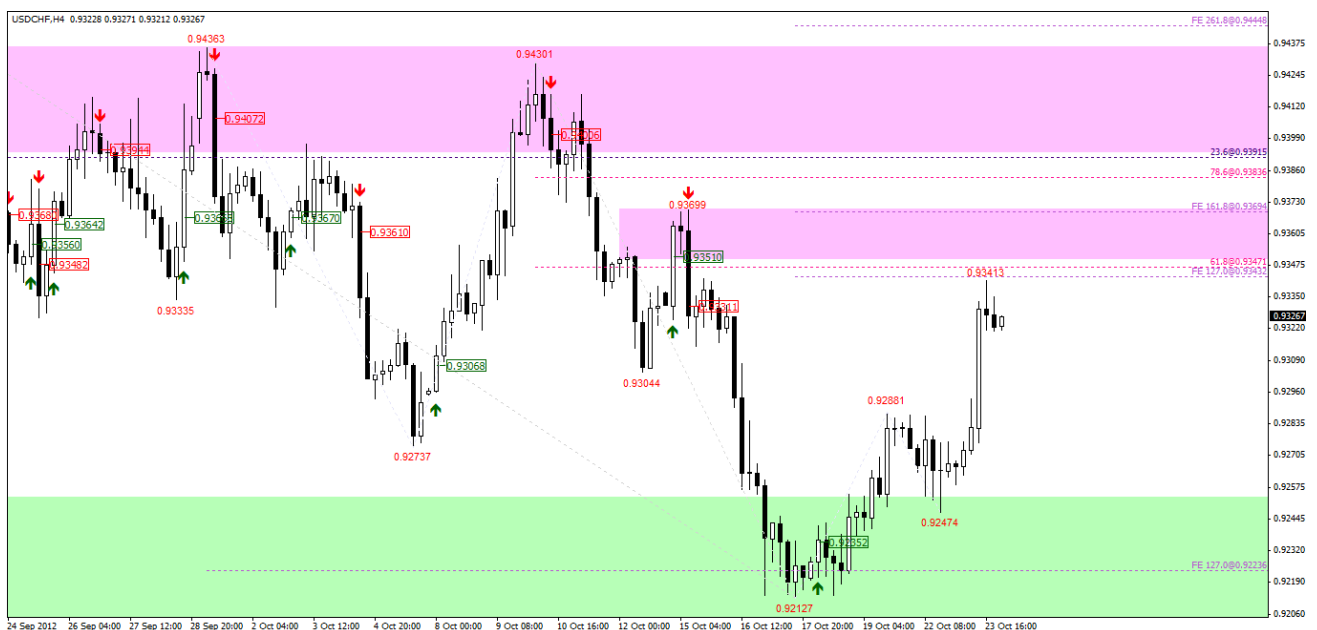
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$48,222.00
GBP-USD	23-10-2012	1.0	1.59748	22-10-2012	1.0	1.60336	+\$588.00	\$588.00	\$48,810.00
GBP-USD	23-10-2012	1.0	1.59596	22-10-2012	1.0	1.60336	+\$740.00		
						Unrealized	+\$740.00		

USD-CHF DAILY



USD-CHF 4-HOURLY



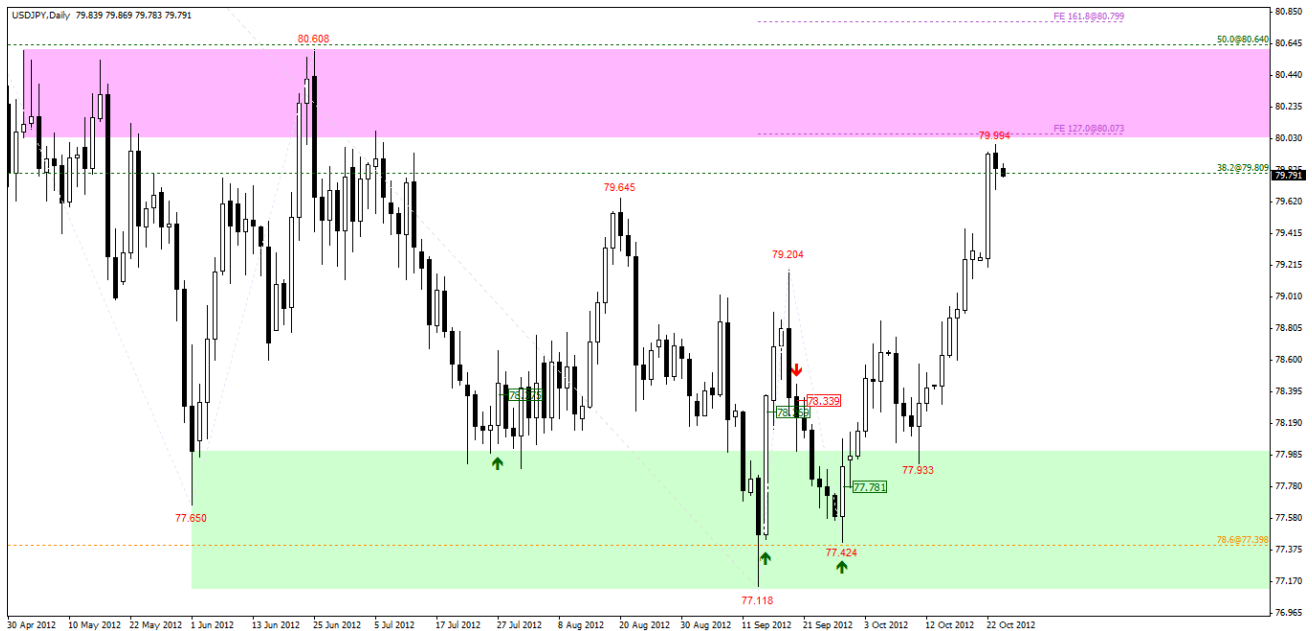
USD-CHF Short to Medium Term View

The correction of the fall from 0.99702 is taking shape nicely. Last night's peak at 0.93413 was just a little short of the window between 127.0% projection of 0.92127 to 0.92881 from 0.92474 at **0.93432** and the 61.8% retracement of 0.94301 to 0.92127 at **0.93471**; which is in turn just below the supply pocket of **0.93500-0.93699**. This area is obviously a sensitive area in which selling may emerge. That said, a more likely area in which this correction will be capped is where the supply pocket at **0.93941-0.94363** is. However, if this correction extends in an impulsive rally beyond this supply pocket, then the correction scenario has to be re-examined. This is especially so if the ensuing rally extends to and beyond the 261.8% projection of 0.92127 to 0.92881 from 0.92474 at **0.94448**. Until and unless this happens, we'll stay with the correction scenario.

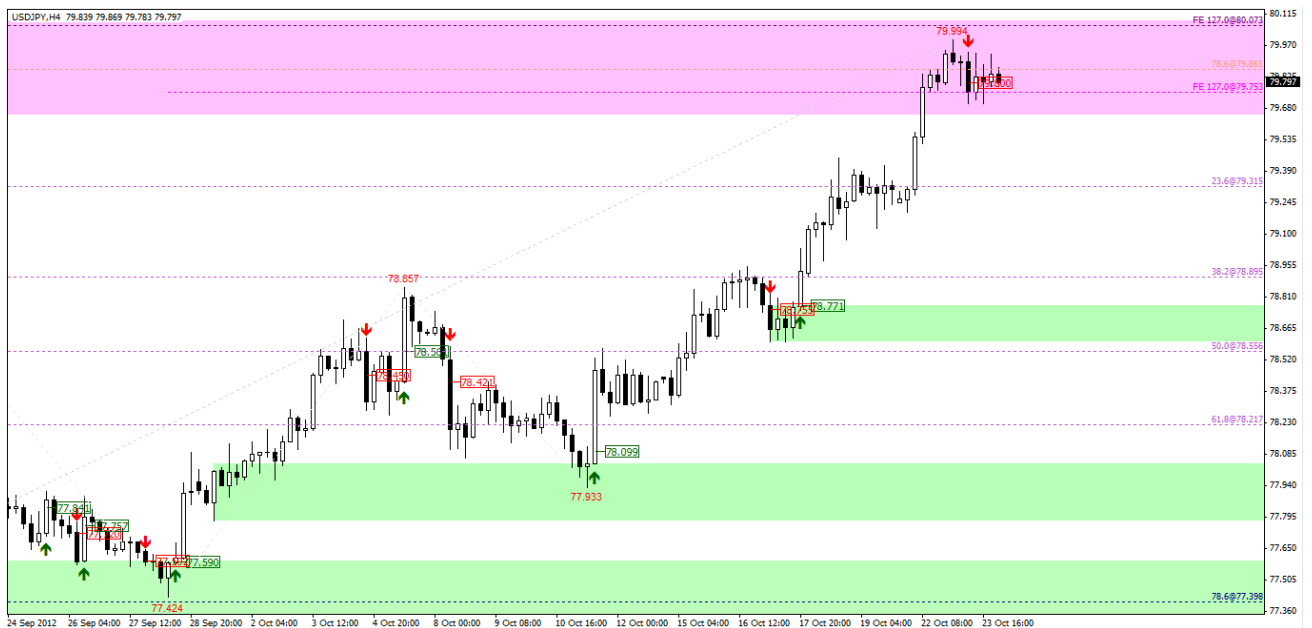
ACTION	Target 1	Target 2	EXIT
Bought @ 0.92352	0.93214	0.93941	Exit on D1 close below 0.92454
	Realized		

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$32,141.31
USD-CHF	18-10-2012	1.0	0.92352	23-10-2012	1.0	0.93214	+\$924.75	+\$924.75	\$33,066.06
USD-CHF	18-10-2012	1.0	0.92352	23-10-2012	1.0	0.93226	+\$937.51		
						Unrealized	+\$937.51		

USD-JPY DAILY



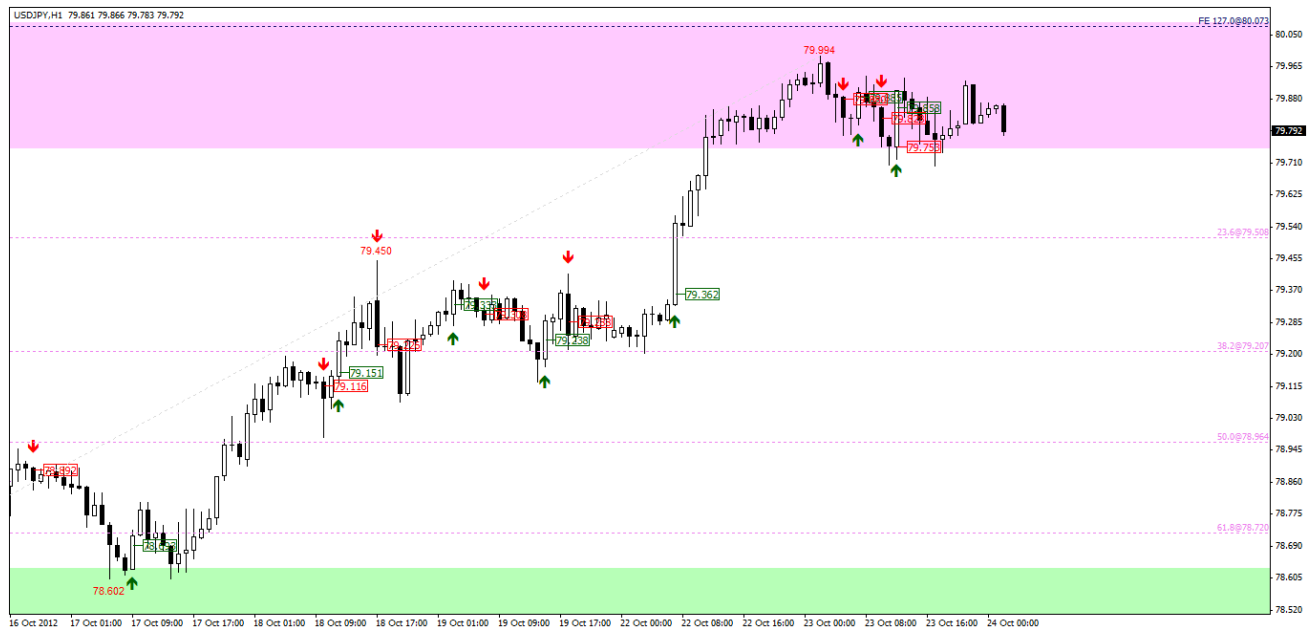
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The rather robust rally seen on Monday extended to a 5-month high at 79.994 in overnight trading. After 8 consecutive sessions of gains, this bull-run appears to be catching its breath. This did not come as a surprise as price action traded into a major supply pocket at **79.747-80.082**. As mentioned, this zone has not one but three Fibonacci ratios residing within it. (1) the 127.0% projection of 77.424 to 78.857 from 77.933 at **79.753** is located. (2) the 78.6% retracement of 80.608 to 77.118 at 79.861 and lastly (3) the 127.0% projection of 77.118 to 79.204 from 77.424 at **80.073** (see H4 chart). As such, profit-takings were expected to emerge from here. As we have it, a sell signal was triggered with a close below **79.800** in the H4 chart. Should price action close below **79.753** (after numerous false starts) in the H1 chart next, more may jump on the selling band wagon in the hours that follows. In the big picture, this market is consolidating between the June 25 high of **80.608** and September 13 low of **77.118**. This band can be further refined as between the supply pocket at **80.357-80.608** and demand pocket at **77.118-77.592**. Right now, price action is near the upper band of this consolidative pattern. It remains to be seen if price action is strong enough to break out of this holding pattern. With W1 chart too having triggered a buy signal, the odds are better than good.

USD-JPY 1-HOURLY



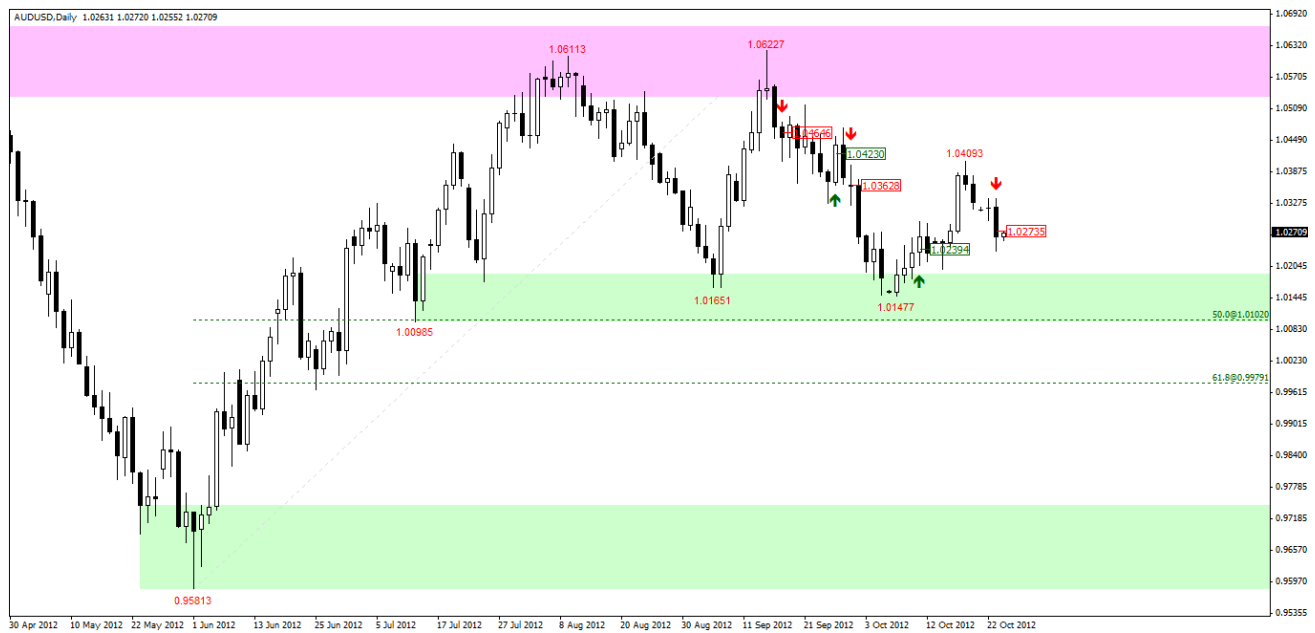
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 79.880	78.771	78.041	80.182 STOP

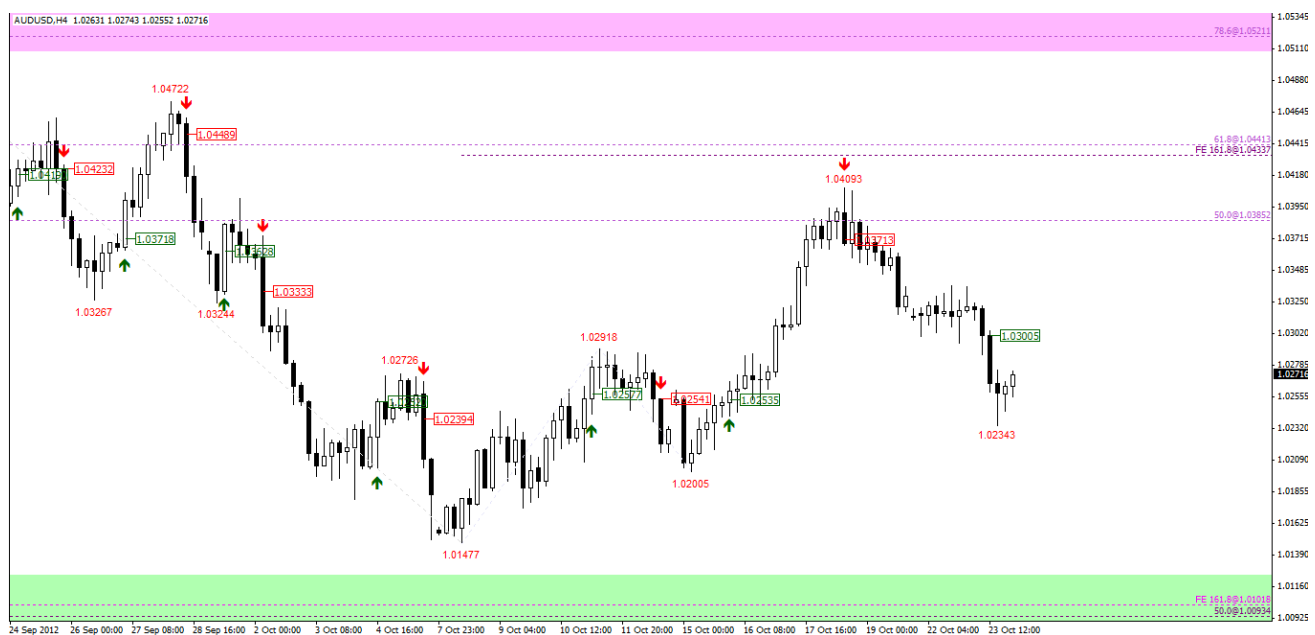
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 19-10-2012								\$25,556.69
USD-JPY	23-10-2-12	1.0	79.837	23-10-2012	1.0	79.880	+\$53.86		
USD-JPY	23-10-2-12	1.0	79.837	23-10-2012	1.0	79.880	+\$53.86		
						Unrealized	+\$107.72		

AUD-USD DAILY



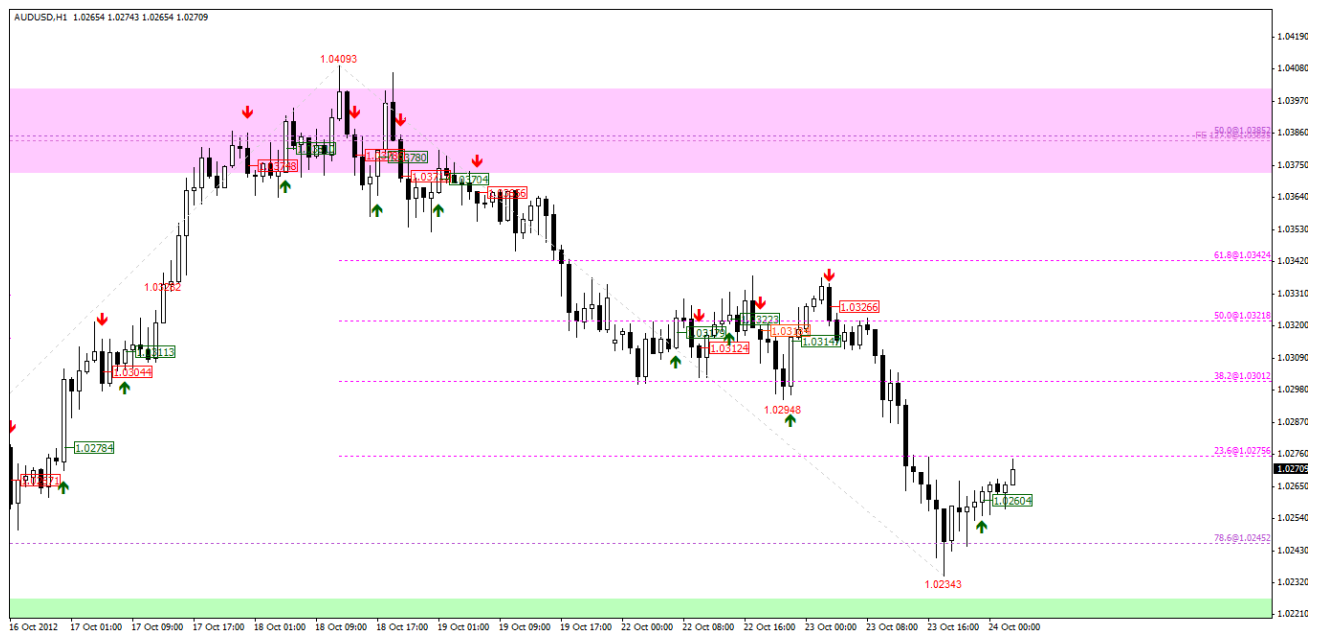
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

With this market resolving to the downside after a contest of will between bulls and bears seen last Friday centered around the 50.0% retracement of 1.06227 to 1.01477 at **1.03852** and the 127.0% projection of 1.01477 to 1.02005 at **1.03835**, last night saw price action hitting the 78.6% retracement of 1.02005 to 1.04093 at 1.02452 with a print of 1.02343, signs of profit-takings have emerged. Having taken out the minor demand pocket at **1.02500-1.26547** earlier, it appeared price action was heading towards the other at **1.02005-1.02265**. Last night's low of 1.02343 fell short of the latter target zone by some 20 pips. At any rate, the downside potential is getting increasingly limited as price action has held very well at the demand pocket at **0.99671-1.01244** since late June. Anyhow, if this nascent correction can sustain, it may carry prices back to between the window between the 38.2% and 61.8% retracement of 1.04093 to 1.02343 at **1.03012** and **1.03425** respectively. The medium to long-term upside potential is the supply pocket at **1.06010-1.06677** followed by the other **1.07334-1.08542** respectively.

AUD-USD 1-HOURLY

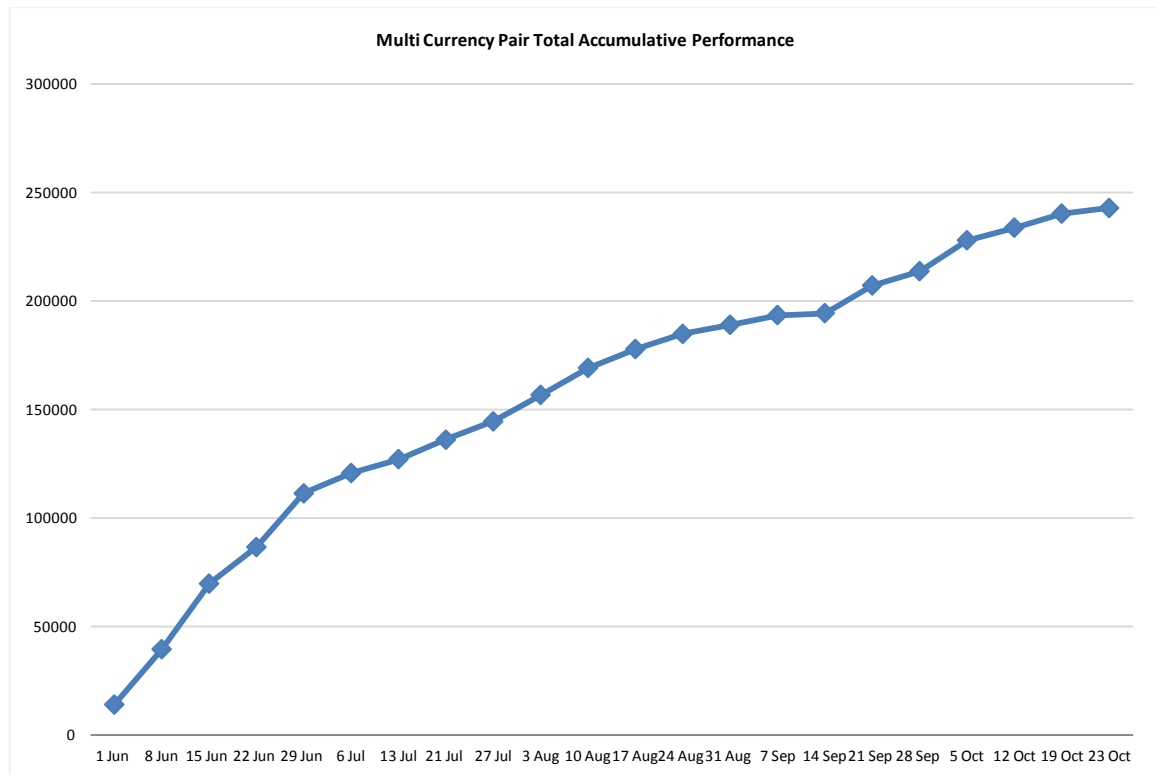
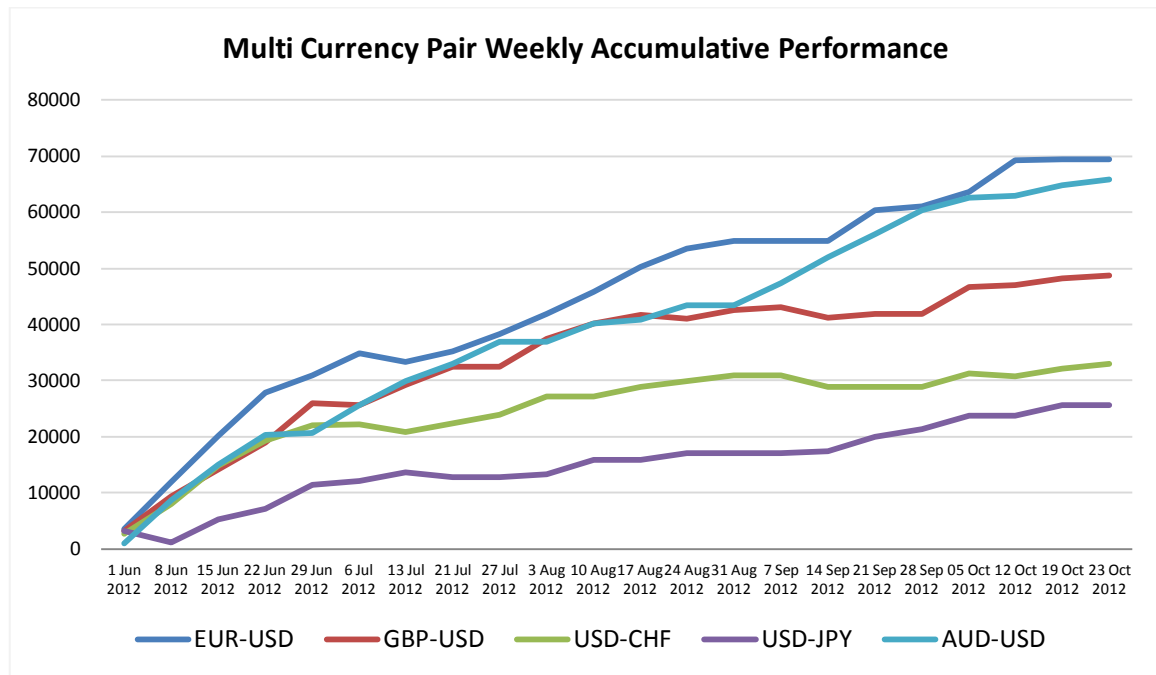


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.03713	1.02647 Realized	1.02265	Exit on H4 close above 1.03226

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 19-10-2012								\$64,824.00
AUD-USD	23-10-2012	1.0	1.02647	19-10-2012	1.0	1.03713	+\$1,066.00	+\$1,066.00	\$65,890.00
AUD-USD	23-10-2012	1.0	1.02633	19-10-2012	1.0	1.03713	+\$1,080.00		
						Unrealized	+\$1,080.00		



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.