

A Traders Academy International Publication

All Eyes On Possible RBA Rate Cut

The Euro remains subdued in Asia on Wednesday, having lost ground after Spain warned it was losing access to credit markets and finance ministers from major economies took no immediate steps to assuage fears about Europe's debt crisis.

News that Moody's had downgraded a swathe of German and Austrian banks hardly helped the market's fragile mood.

EUR-USD retreated from overnight high of 1.25410 to last trade at 1.24600. Keeping markets wary, the latest business surveys indicated that all of the Euro zone major economies are now in various states of decline. EUR-USD has slumped more than 6 percent in May alone.

Markets were not prepared to get too bearish for now just ahead of the outcome of the European Central Bank's policy meeting due later in the day. While headlines on Spain will continue to be the key catalyst for sentiment, the ECB meeting today will be critical.

Economists expect a 25-basis-point-cut given the marked deterioration in the economic outlook and slumping credit growth. June provides the ECB with the opportunity to cut rates in line with the release of the next round of economic projections. Analysts anticipate both GDP and inflation to be tweaked lower.

Also, European Union leaders appeared to be actively working towards a plan for deeper political integration, long pressed by the United States and financial markets as a way to underpin the future of the euro currency.

Other currencies benefiting from a lightening of very bearish positions included the embattled Australian Dollar, which also suffered a drop of over 6 percent last month.

Part of the Aussie's resilience reflected the Reserve Bank of Australia's (RBA) decision on Tuesday to trim interest rates by 25 basis points, instead of a more aggressive half-a-percentage-point move.

USD-JPY climbed to 78.954 after Japan signalled it was prepared to intervene to curb its currency, a threat that saw the Japanese currency ease broadly.

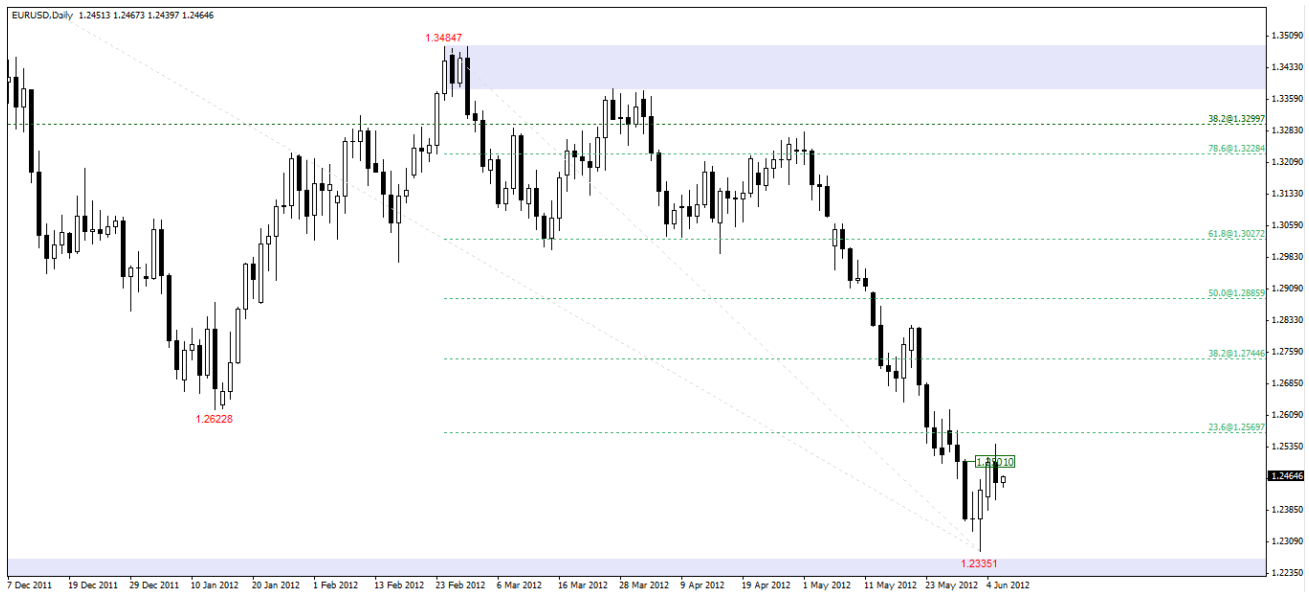
There is not a lot of major economic data out of Asia on Wednesday, but Australia has first quarter gross domestic product due at 0130 GMT (Singapore 0930).

Forecasts centred on a rise of 0.5 percent in the quarter, taking the year-on-year reading to 3.2 percent. Traders said a surprisingly strong outcome could prompt a further squeeze in short Aussie Dollar positions.

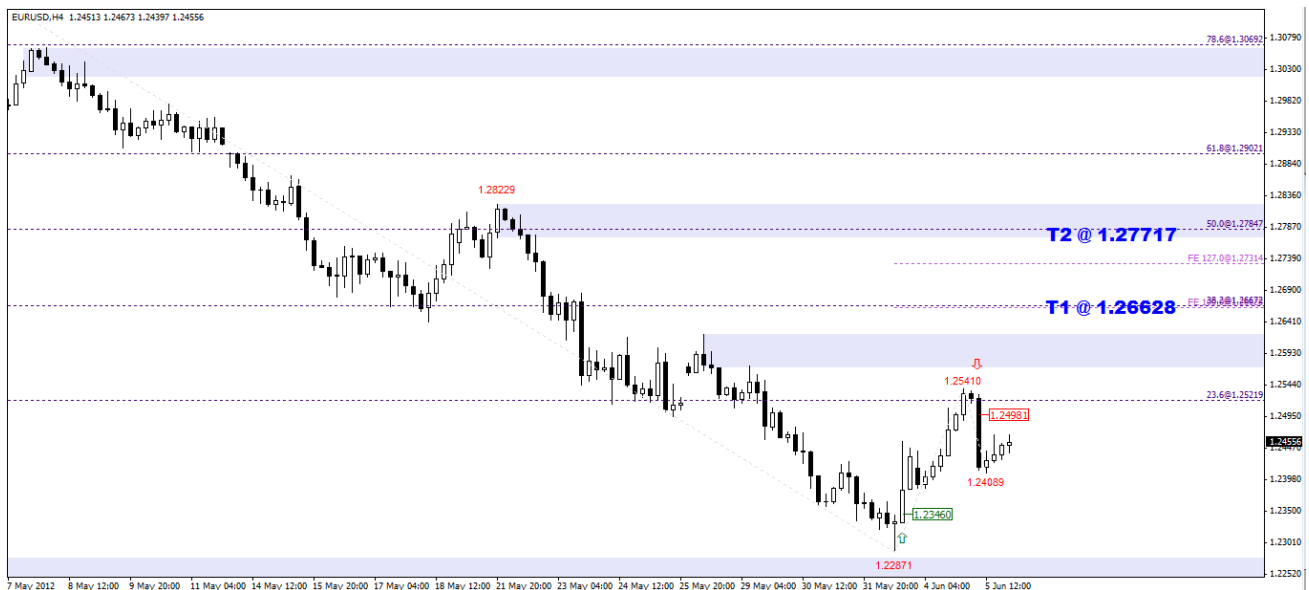
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EUR-USD DAILY



EUR-USD 4-HOURLY

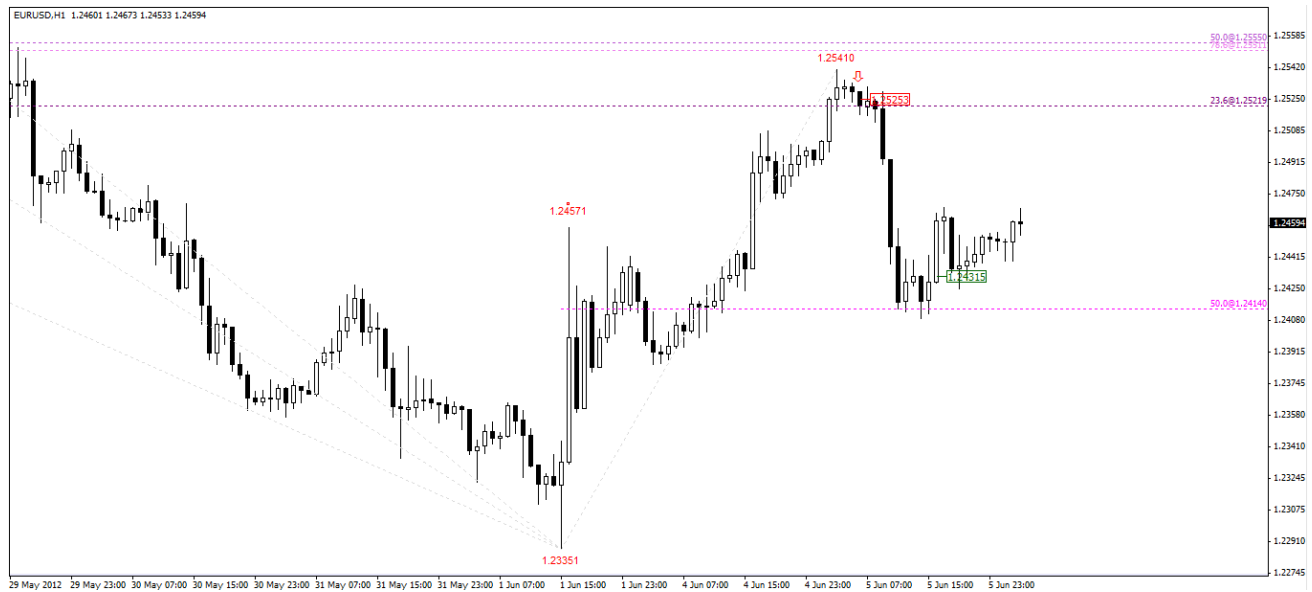


EUR-USD Short to Medium-Term Views

The recovery from last Friday's low of **1.22871** (which was just a touch above the DZ at **1.21466-1.22740**) topped out at the 23.6% retracement of 1.32822 to 1.22871 at **1.25219** with a high registered at **1.25410** in early Asian trading some 20 hours ago. This was followed by the appearance of an inside bar in the H1 chart with a corresponding bearish hamari in the H4 chart. Both triggered sell signals with closes below **1.25253** in the H1 and **1.24981** in the H4 charts respectively. Two possible scenarios may happen next.

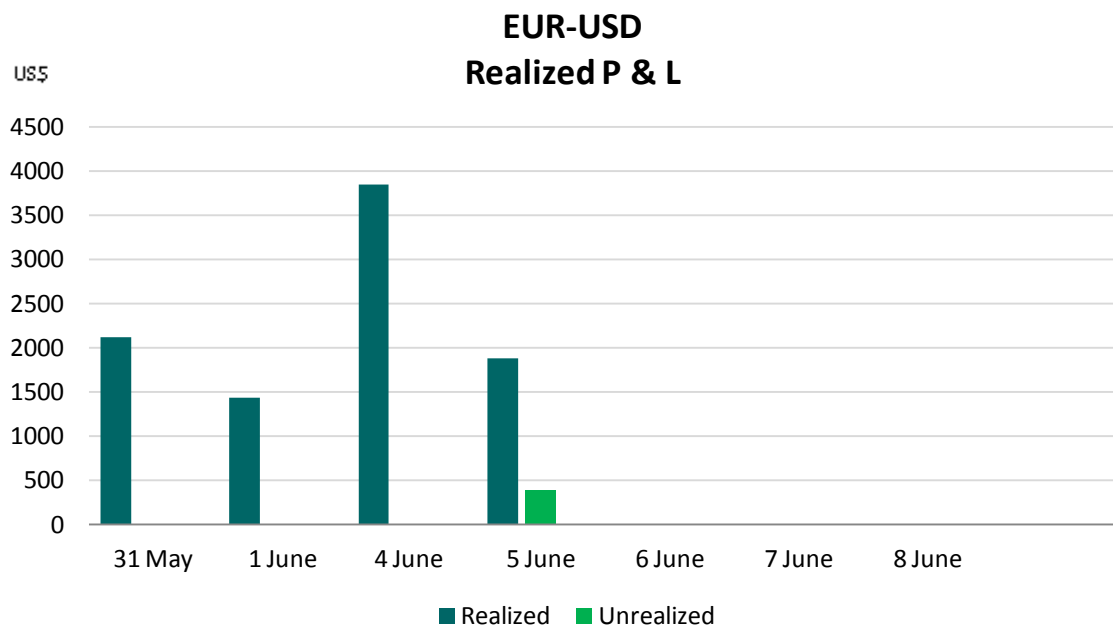
- (1) Price action resumes its fall below last Friday's low of **1.22871**. Should the DZ at **1.21466-1.22740** fail to hold, price action will head for the next at **1.18754-1.19770**.
- (2) The overnight fall is just part of a smaller degree A-B-C pullback with Tuesday's high at 1.25410 as A. This means price action will take out this overnight high with a larger degree 3-wave counter-trend rally from 1.22871 to as high as the 100.0% projection of 1.22871 to 1.25410 from 1.24089 at **1.26628**; which is incidentally near the 38.2% retracement of 1.32822 to 1.22871 at **1.26672**.

EUR-USD 1-HOURLY

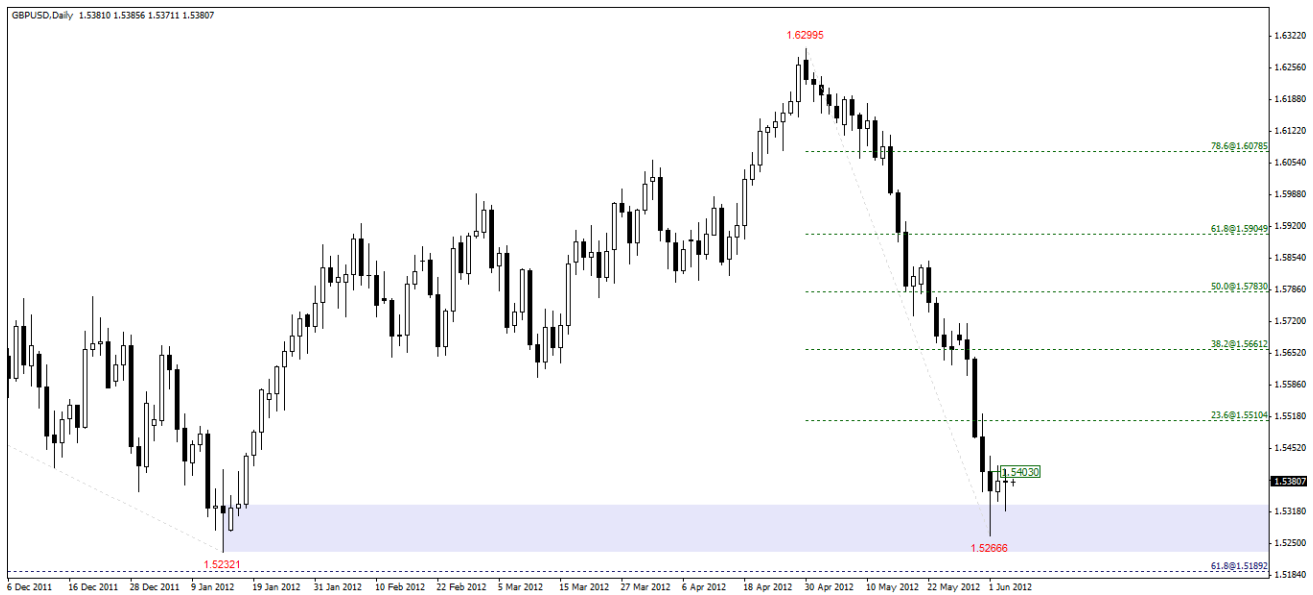


Trade Ideas

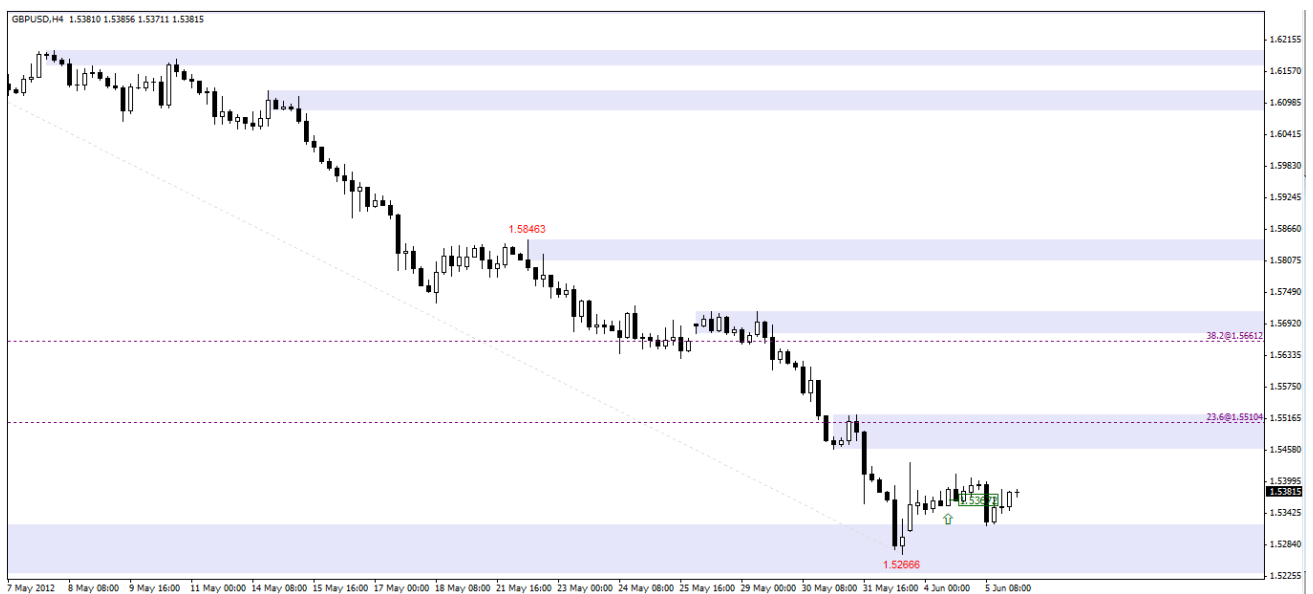
ACTION	Target 1	Target 2	EXIT
Bought @ 1.24315	1.26628	1.27717	1.23989 STOP



GBP-USD DAILY



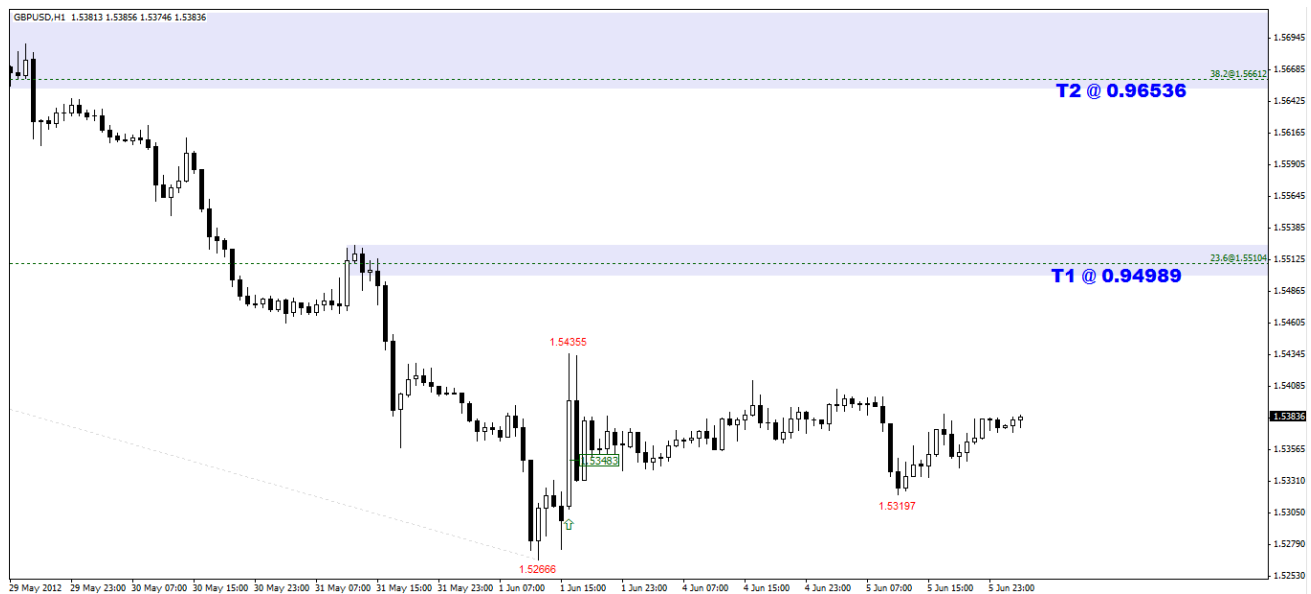
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Despite the early fall in Asia trading on Tuesday, price action recovered to settled practically unchanged from Monday's closing. So far, the rebound from last Friday's low of 1.52666 is rather shallow. This suggests that that topside potential is likely to be capped at the overhead SZ at **1.54982-1.55242**; where the 23.6% retracement of 1.62995 to 1.52666 at **1.55104** is. After all, the massive fall of some 1032.9 pips in May from a height of 1.62995 is no longer treated as a correction but a resumption of the long-term downtrend having extended its losses below the 78.6% retracement of 1.52321 to 1.62995 at **1.54605**. Friday's low at **1.52666** bounced off an ancient DZ at **1.53231-1.53277** and if this fails to hold, the next DZ is at **1.42300-1.45260** – a precipitous 800 pips drop! Unless and until we seen a more robust rebound from 1.52666 (which is incidentally near the baseline of the longer-term triangle formation), a breakout of the triangle formation next is a real possibility.

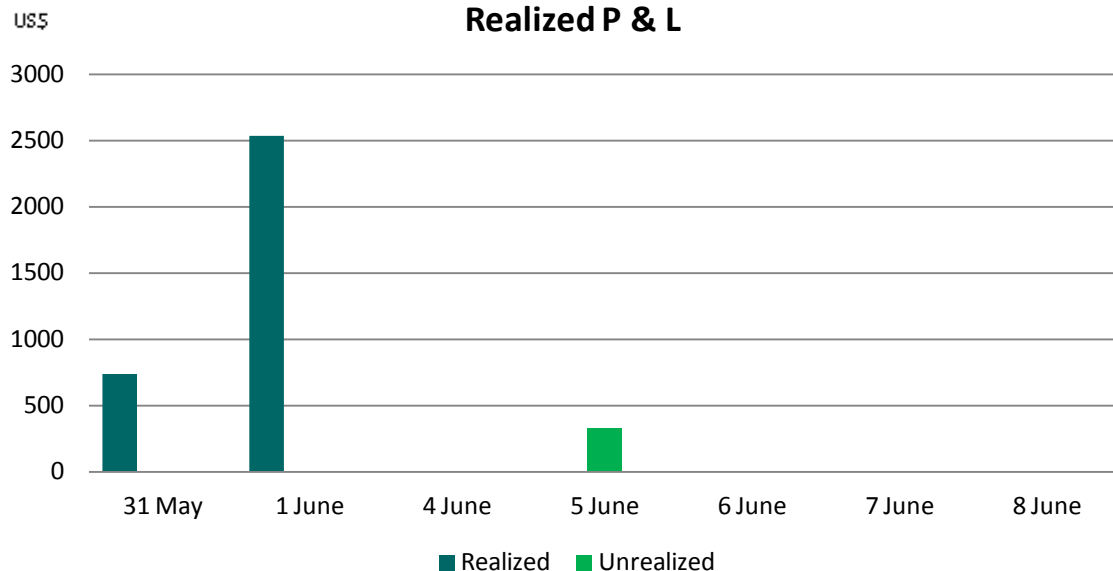
GBP-USD 1-HOURLY



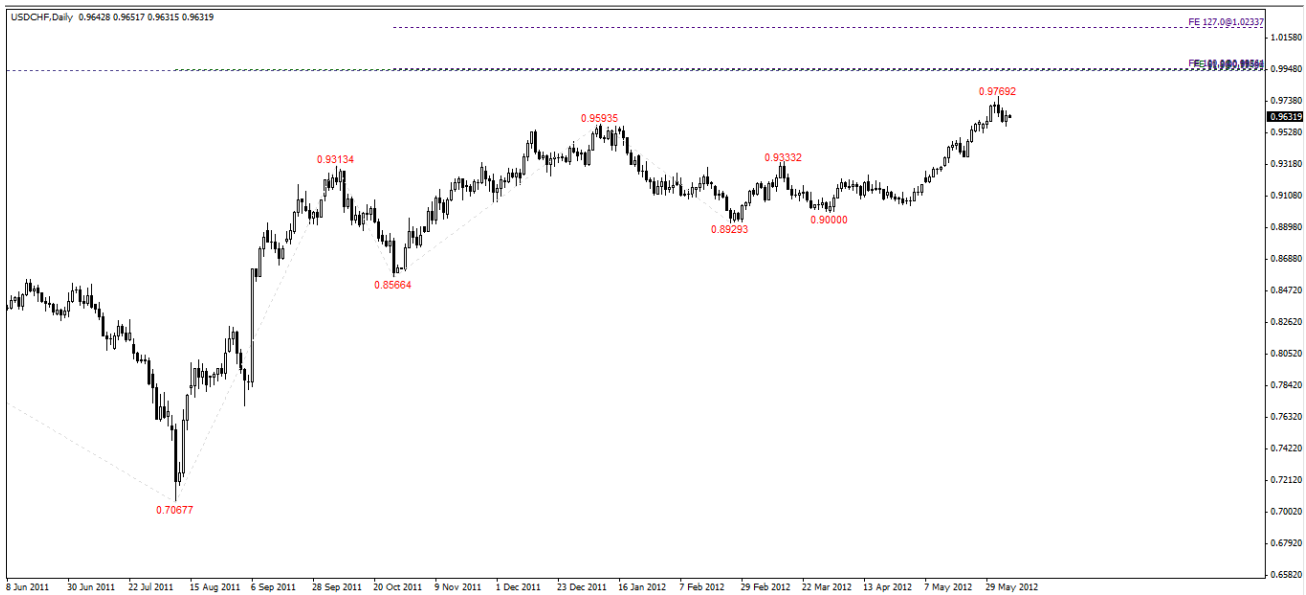
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.53483	1.54958	1.56536	1.52566 STOP

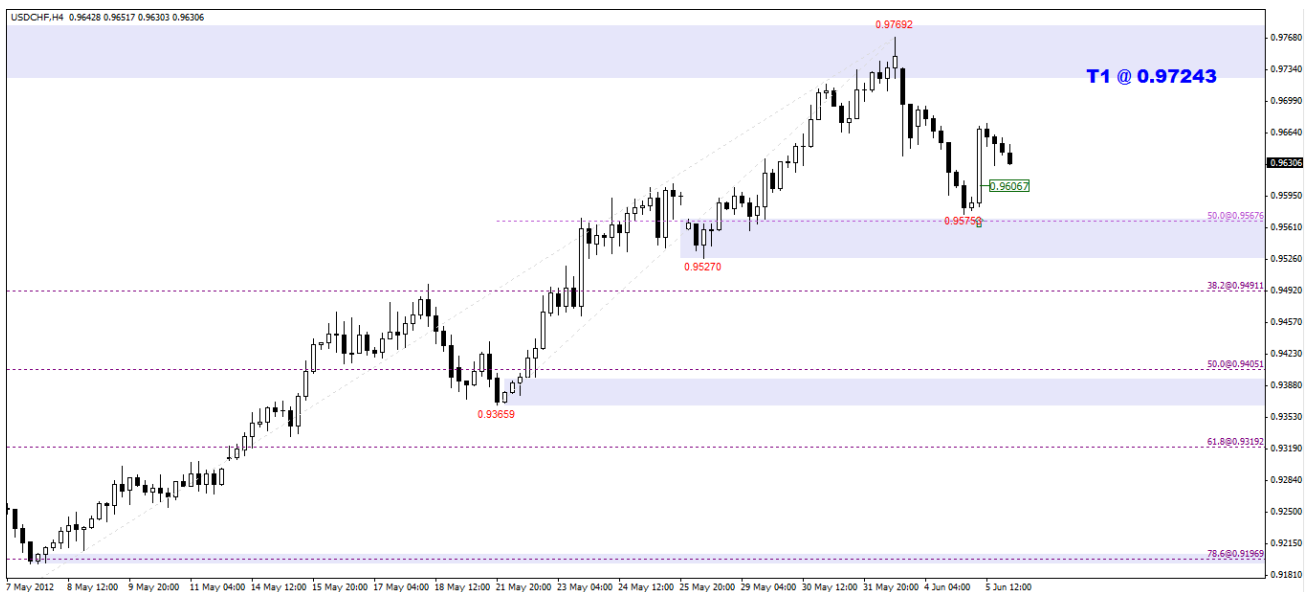
GBP-USD Realized P & L



USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Last week's rally culminated with a high at **0.97692** (a level not seen since 16 February 2011) and into an ancient SZ at **0.96631-0.97820** from way back in January 11, 2011. Long liquidations continued into Tuesday's trading with a low at **0.95753**. This level is just a touch above the 50.0% retracement of 0.93659 to 0.97692 at **0.95676** within the immediate DZ at **0.95270-0.95704**. As suspected, buying interests is likely to emerge which may next propel price action to test last week's high. Though it failed to hit the DZ, this overnight rebound may next take price action back into the overhead SZ at **0.96631-0.97820** with tentative targets at the 100.0% and 127.0% projections of 0.95753 to 0.96748 from 0.96293 at **0.97288** and **0.97557** respectively. As noted, failure to contain this rally at Friday's high would shift focus to the 61.8% retracement of 1.17296 to 0.70674 at **0.99486**.

USDCHF, M1 0.96362 0.96378 0.96303 0.96378

0.97692

0.96748

0.96624

0.96293

0.96055

0.95899

0.95753

0.95678

FE 127.000.97351

FE 100.000.97284

FE 100.000.96178

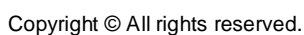
FE 127.000.96055

FE 161.800.95899

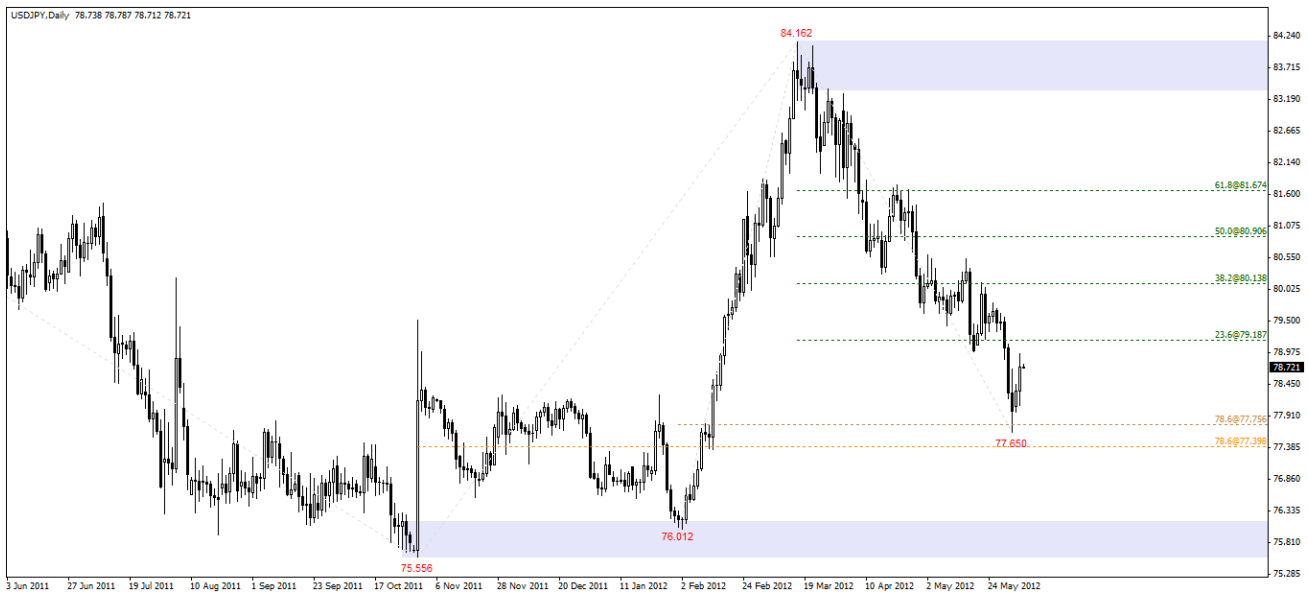
50.000.95678

29 May 00:00 30 May 08:00 31 May 16:00 1 Jun 00:00 1 Jun 08:00 2 Jun 16:00 3 Jun 00:00 3 Jun 08:00 4 Jun 16:00 5 Jun 00:00 5 Jun 08:00 5 Jun 16:00 6 Jun 00:00

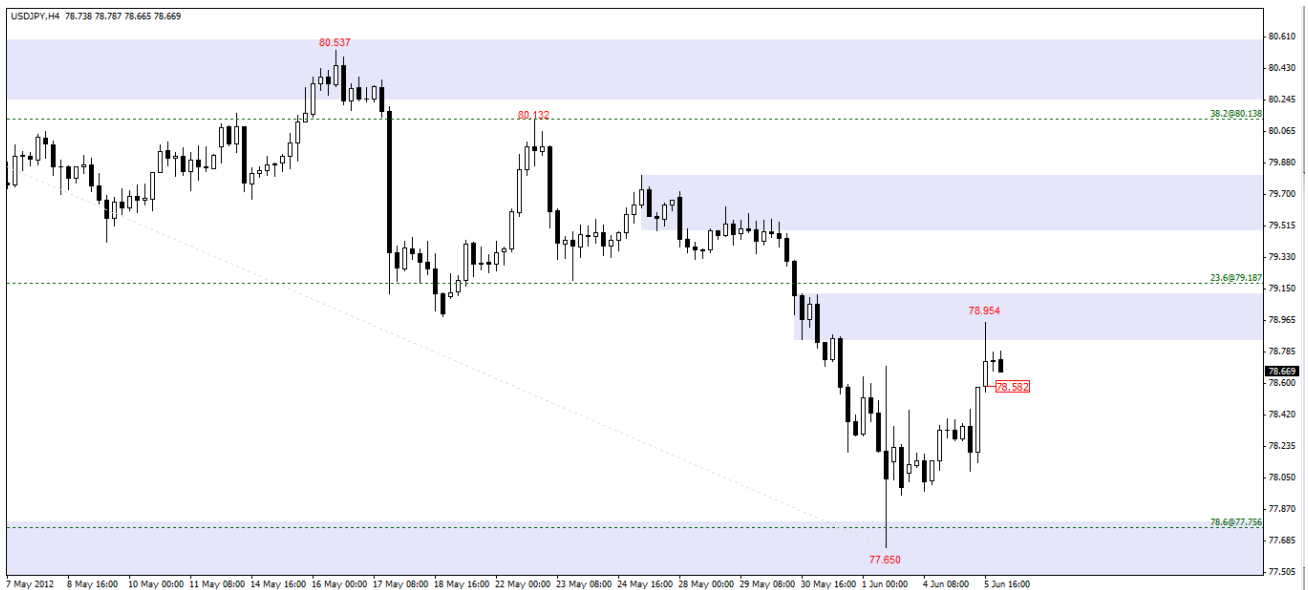
ACTION	Target 1	Target 2	EXIT
Buy on reversal signal between 0.95899-0.96176			



USD-JPY DAILY



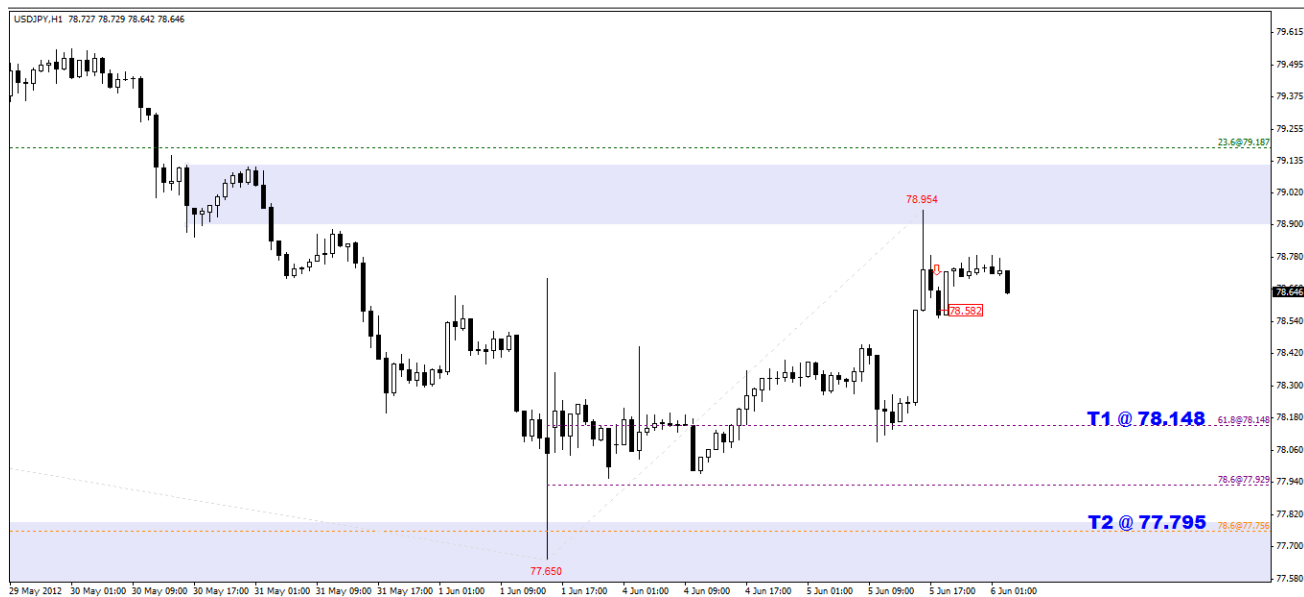
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

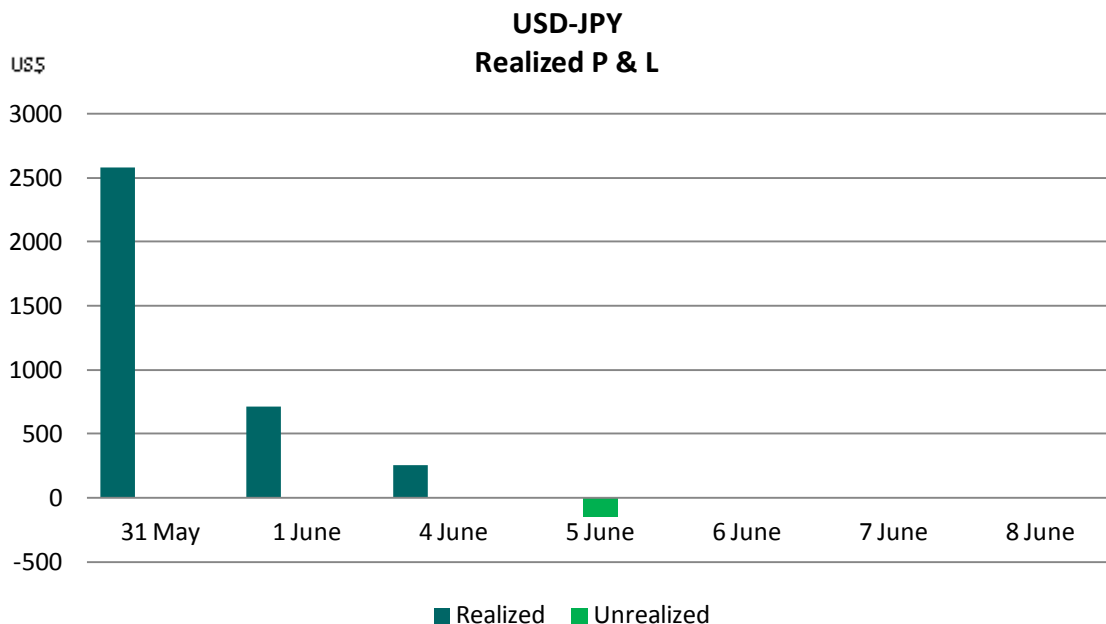
Last week's price action collapsed into the pocket between the 78.6% retracement of 75.556 to 84.162 at **77.398** and the 78.6% of 76.012 to 84.162 at **77.756** (within the demand zone at **77.350-77.795**) and rebounded. As noted, this area represents perhaps the last line of defense before this correction unravels into a full resumption of the long-term downtrend - below the all-time low of **75.556**. After a day of tentative rebound, price action extended into the overhead SZ at **78.902-79.122** (which sits just below the 23.6% retracement of 84.162 to 77.650 at **79.187**). In the medium-term, this correction may extend towards the SZ at **80.244-80.598** which is just below the 38.2% retracement of 84.162 to 77.650 at **80.138**.

USD-JPY 1-HOURLY

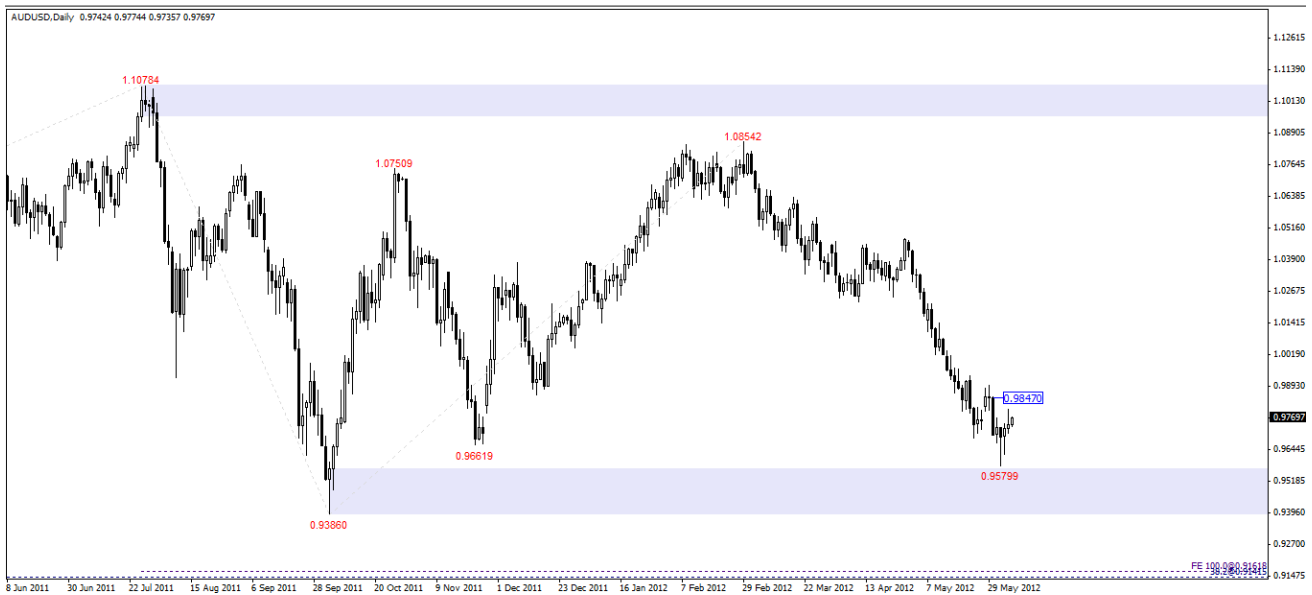


Trade Ideas

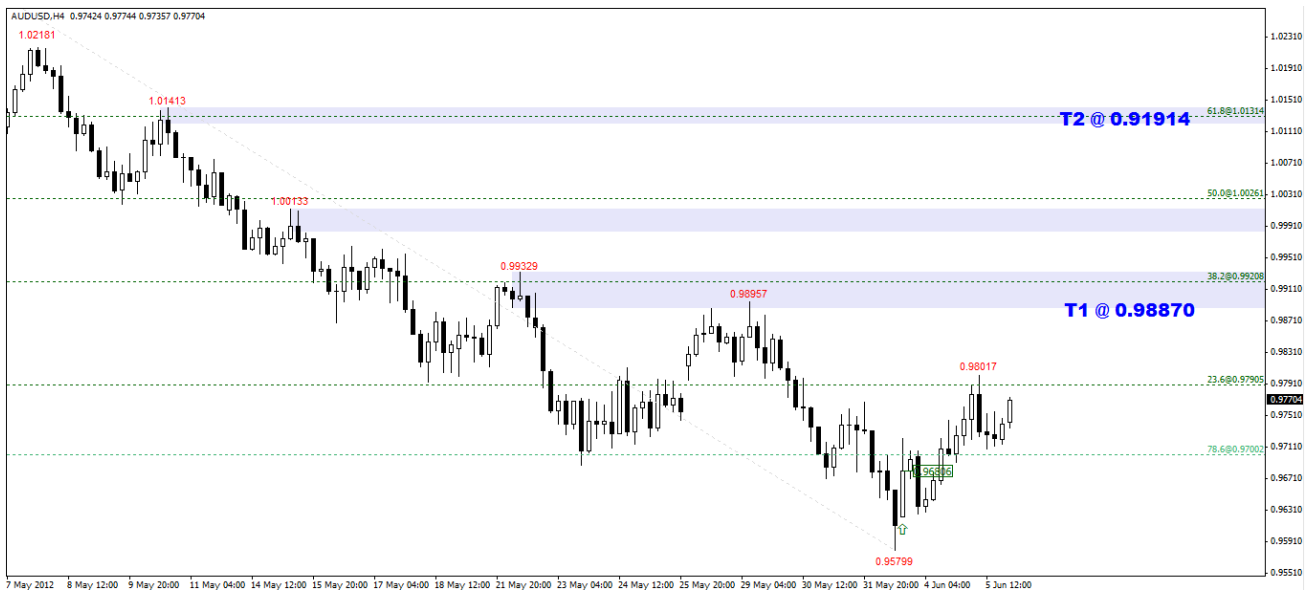
ACTION	Target 1	Target 2	EXIT
Sold @ 78.582	78.148	77.795	79.054



AUD-USD DAILY



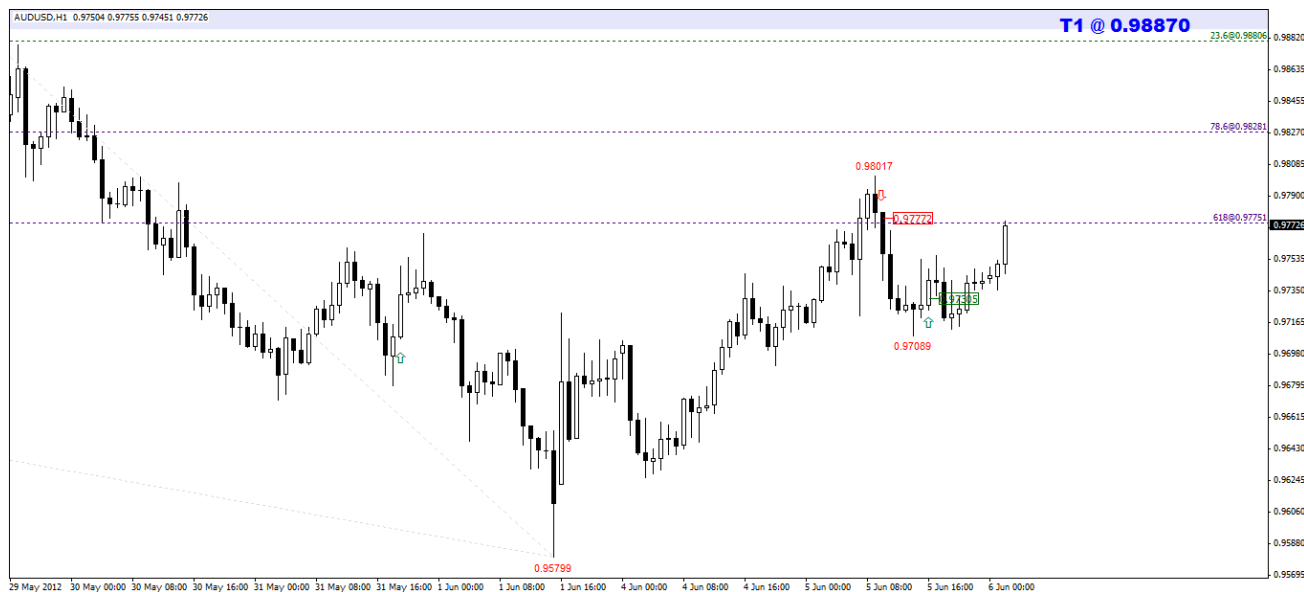
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

The fall from 1.08542 on the last day of February may have reached a climax last Friday with an accelerated fall to a 14-weeks low at **0.95799**. This is because by the end of last week's closing, a hammer has appeared in the daily chart. A daily close above **0.98470** next would add considerable confidence to this assessment. In overnight actions, price action hit the 23.6% retracement of 1.04723 to 0.95799 at **0.97905** with intraday high of **0.98017**. Another surge above this overnight high would complete a minor 5-wave up pattern. The pullback after that is likely to hold at the overnight low of **0.97089** before staging another rally. Focus remains on the 38.2% retracement of 1.04723 to 0.95799 at **0.99208** which lies within the overhead SZ at **0.98878-0.99329**. In the long-term, unless a concerted and sustained rally happens next, the fall from 1.08542 appears destined for the Fibonacci cluster of (1) the 61.8% retracement of 0.80645 to 1.10784 at **0.92158**, (2) 38.2% retracement of 0.60080 to 1.10784 at **0.91415** as well as (3) the 100.0% projection of 1.10784 to 0.93860 from 1.08542 at **0.91618**.

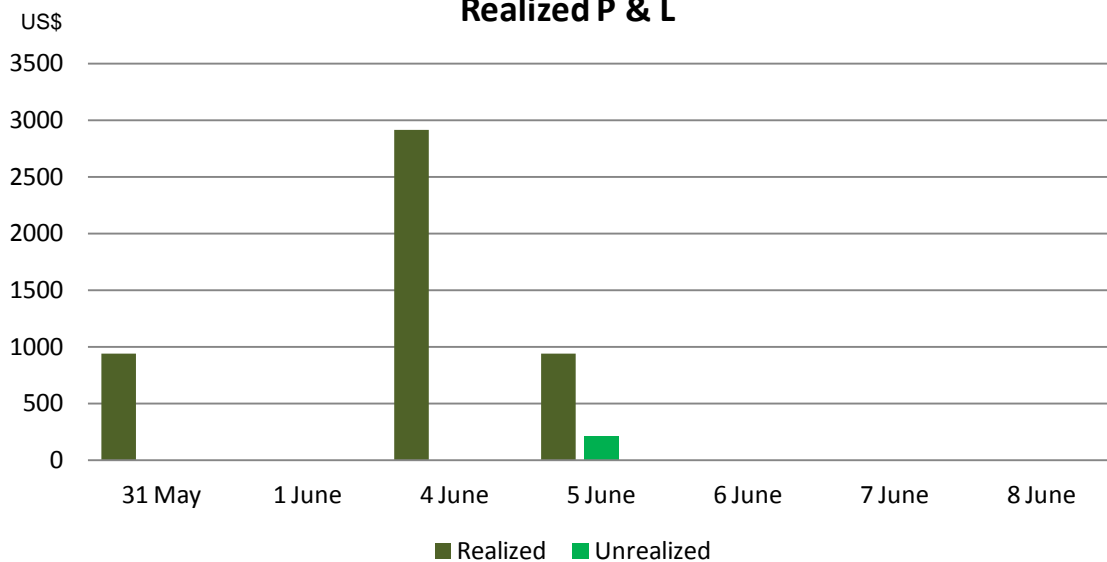
AUD-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.97305	0.98870	0.91914	Break-even

AUD-USD Realized P & L



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.