

*A Traders Academy International Publication*

## Euro Snapped 3-Day Decline

EUR-USD rose, snapping a 3-day decline, on Thursday after the head of the International Monetary Fund said indebted Euro zone economies should have more time to cut budget deficits. Remarks by IMF Managing Director Christine Lagarde overshadowed a downgrade of Spain's credit rating.

EUR-USD rose 0.4 percent to 1.29262. It had fallen to 1.28243 earlier in Asian trade, the lowest since Oct. 1, after Standard & Poor's cut Spain's sovereign credit rating to BBB-minus, just above junk status, with a negative outlook.

Lagarde said she favored giving debt-burdened Greece and Spain more time to reduce their budget deficits because cutting too deeply, too fast would do more harm than good. Lagarde's comments were seen supporting stability in the Euro zone and reducing the risk of Greece exiting the 17-member bloc. Germany, however, responded by saying backtracking on debt-reduction goals would hurt confidence.

The IMF this week released research showing that fiscal consolidation has a much sharper negative effect on growth than previously thought. Some analysts said the Euro reversed losses made after the downgrade of Spain on hopes that the ratings move may prompt Madrid to ask for aid sooner.

Traders were initially spooked by the bad news from the Euro zone but soon realized that bad news is actually good news overall due to the fact that this now speeds up the timeline for Spain to request a bailout.

Uncertainty over when Spain would seek a bailout and fresh concerns over Greece could limit gains in the Euro. A request for aid by Spain is widely seen as positive for the Euro because it would remove a layer of uncertainty and activate the European Central Bank's bond-buying program aimed at easing pressure on troubled economies.

The U.S. Dollar slipped against higher-yielding currencies, while the Japanese Yen weakened broadly after an unexpectedly sharp fall in claims for U.S. jobless benefits spurred traders to sell perceived safe havens and buy currencies with better returns.

The number of Americans filing new claims for unemployment benefits fell to 339,000 last week, the lowest since February 2008. That suggests improvement in the labor market.

The Japanese Yen also weakened as speculation grew that the Bank of Japan may take action to curb Yen strength. Japan's newly appointed finance minister, Koriki Jojima, said further Yen gains would pose major downside risks to the Japanese economy.

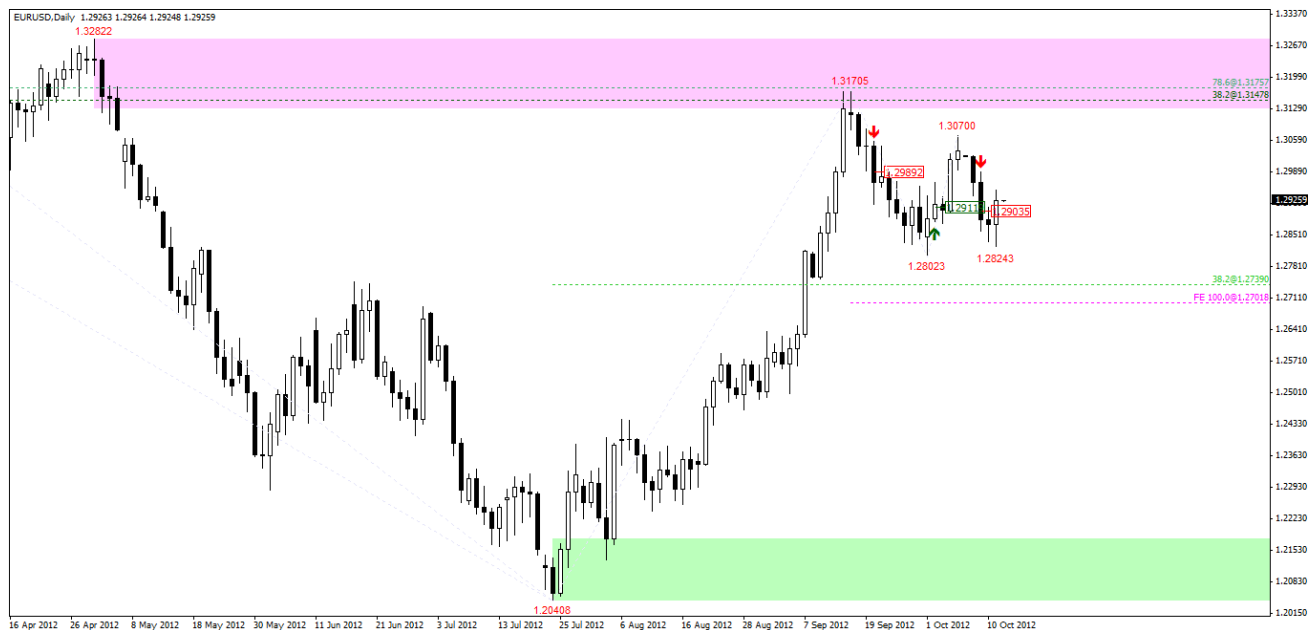
USD-JPY gained 0.2 percent to 78.322.

Higher-yielding currencies gained. AUD-USD reversed earlier losses and climbed to its highest since Oct. 2 after employment rose more than expected. It was last up 0.3 percent at 1.02625.

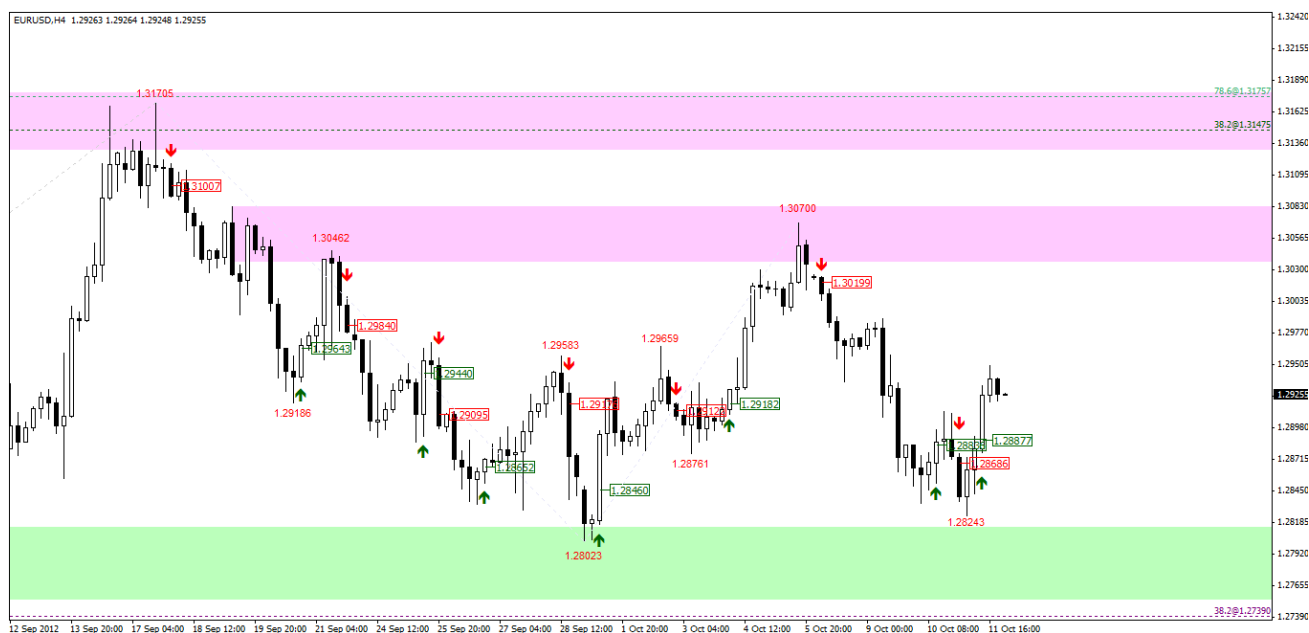
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## EUR-USD DAILY



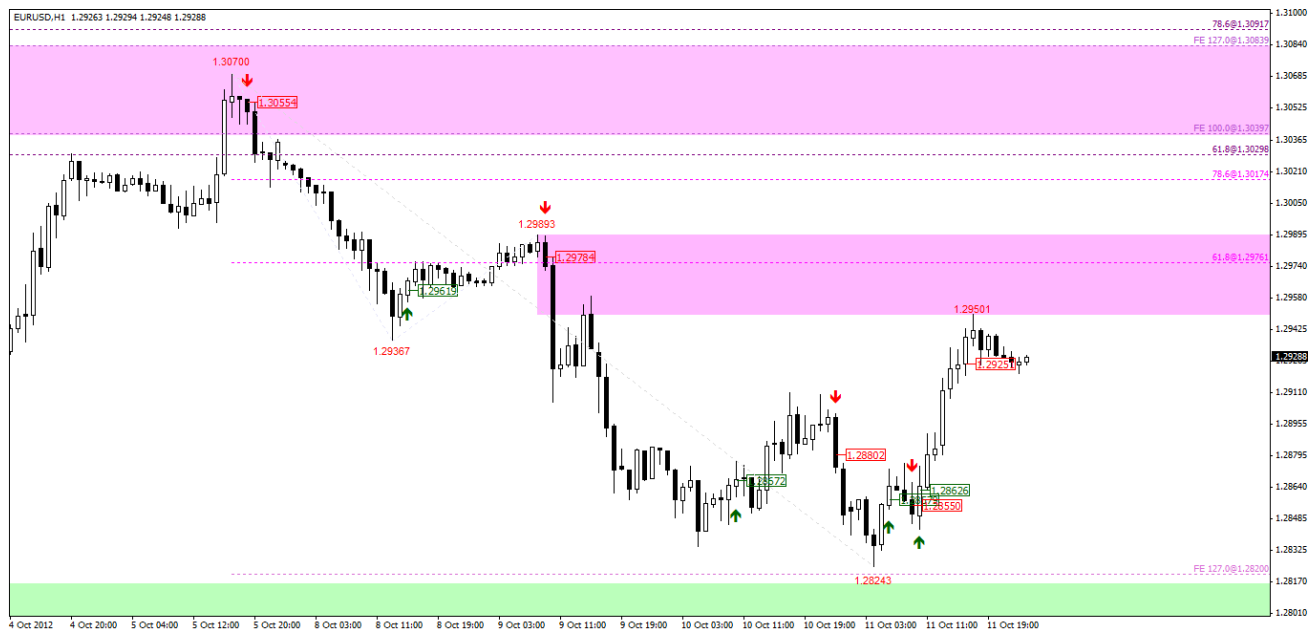
## EUR-USD 4-HOURLY



## EUR-USD Short to Medium-Term Views

Just when it appears this market is heading lower, strong buying emerged just above the demand pocket at **1.27533-1.28159** to take the market higher in overnight trading. At this point, signals are mixed with D chart under a sell signal and H4 chart having triggered a buy signal and H1 chart on the verge of triggering a potential sell trigger (if it closes below 1.29251). In such a case, it's best to step aside to let the market resolve this dilemma. Until then, the alternate scenario that calls 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** cannot be dismissed just yet. Aggressive traders, on the other hand, may take any sell signal generated in the H1 chart; especially from within the minor supply pocket at **1.29497-1.29893** (with stop just above 1.29893).

## EUR-USD 1-HOURLY



## Trade Ideas

ACTION	Target 1	Target 2	EXIT
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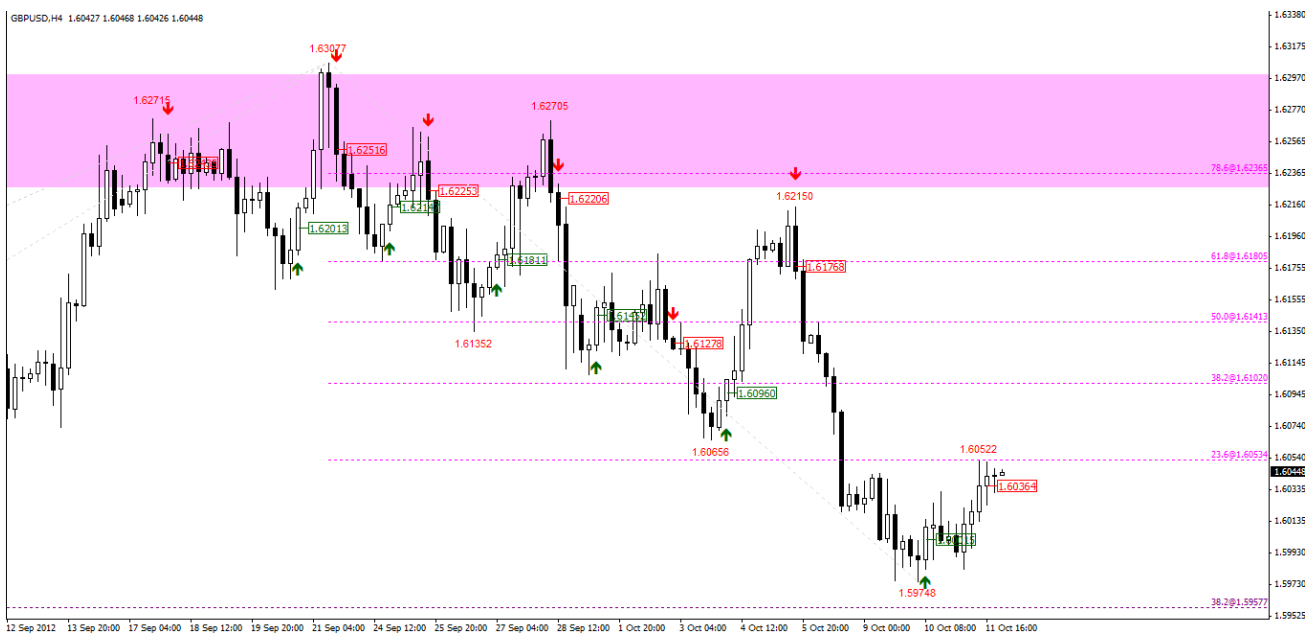
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 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
Unrealized							\$0.00		

## GBP-USD DAILY



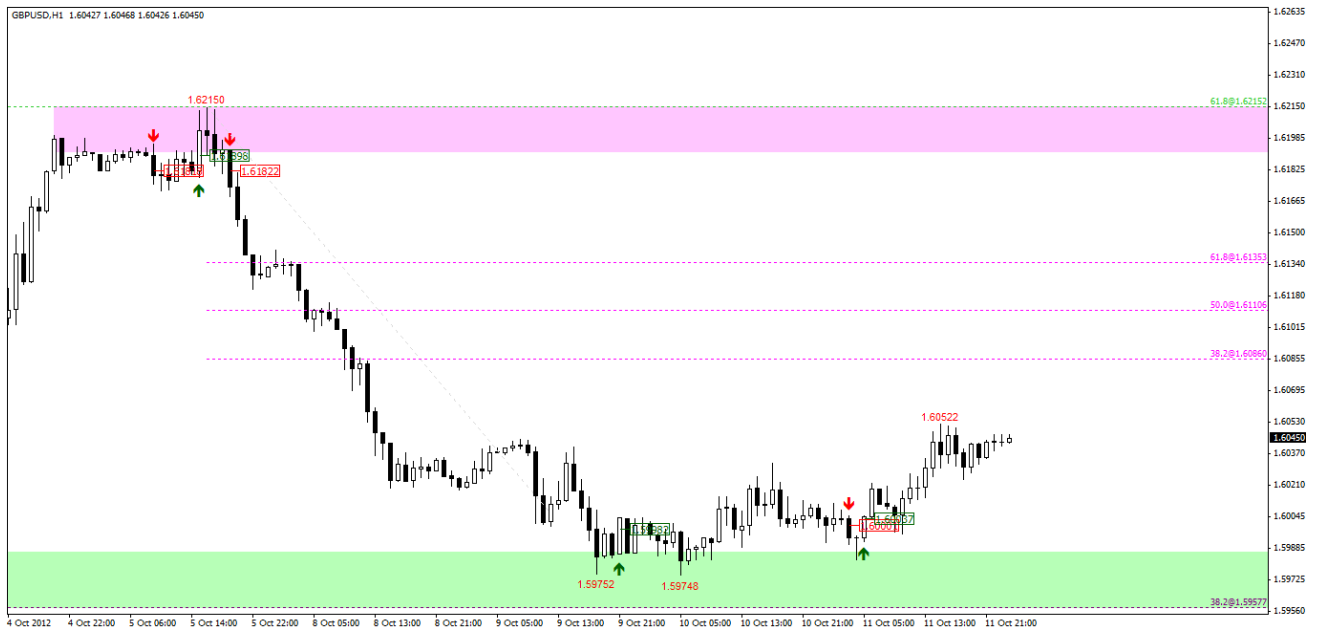
## GBP-USD 4-HOURLY



## GBP-USD Short to Medium Term Views

The rebound from the demand pocket at **1.59577-1.59868** where the 38.2% retracement of 1.53914 to 1.63077 at **1.59577** is located is not appears to be gathering strength. At a minimum, price action came real close to the 23.6% retracement of 1.63077 to 1.59748 at **1.60534** with a print at 1.60522 in overnight action. As noted, besides the demand pocket at **1.59577-1.59868**, another area in which this market might find buying interests is the demand pocket at **1.58800-1.59223** where the 38.2% retracement of 1.52666 to 1.63077 at **1.59100** is sited. This nascent rebound has the potential to retrace all the way back to the SZ at **1.61915-1.62500** (see H1 chart). With all time frames in alignment (favoring the upside), more is expected of this rebound.

## GBP-USD 1-HOURLY



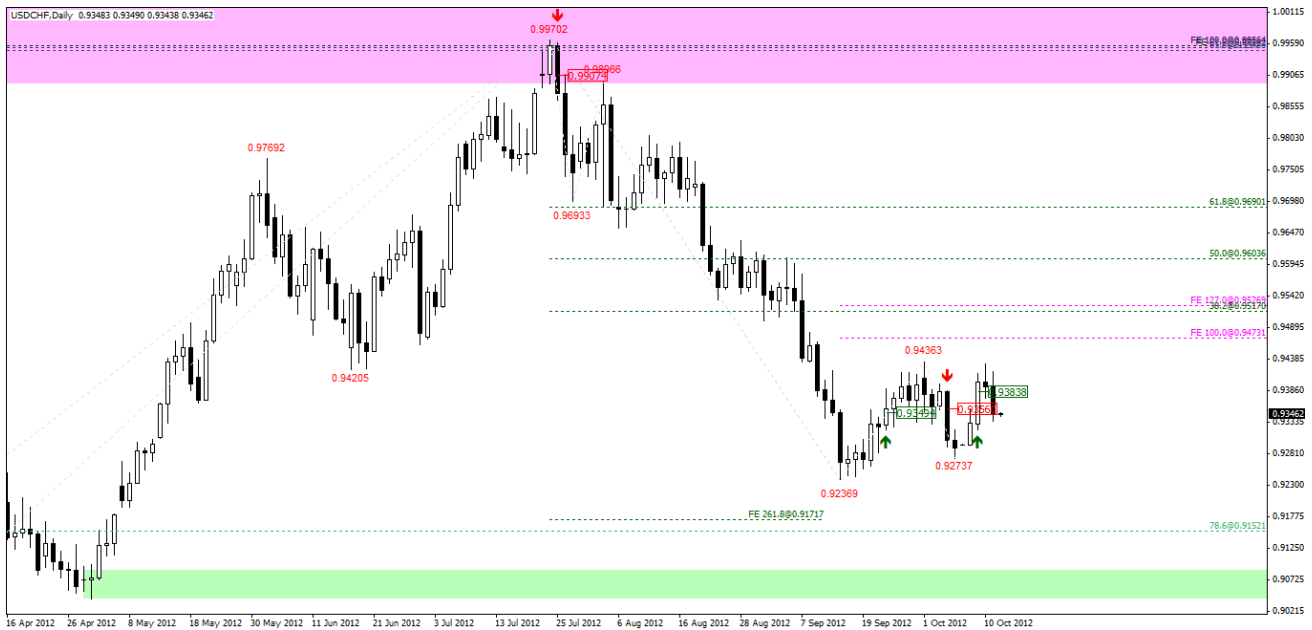
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59982	1.60318 Realized	1.61915	Exit on H4 close below 1.60364

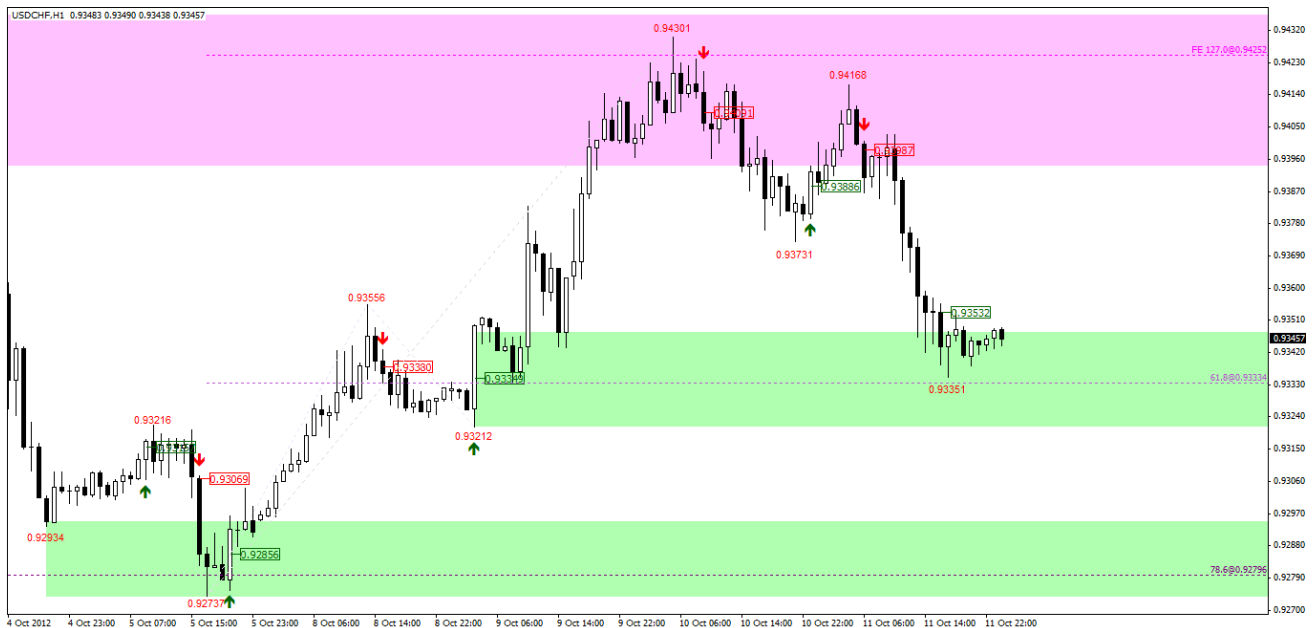
## Weekly Performance

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	11-10-2012	1.0	1.60431	+449.00		
						Unrealized	+\$449.00		

## USD-CHF DAILY



## USD-CHF 1-HOURLY



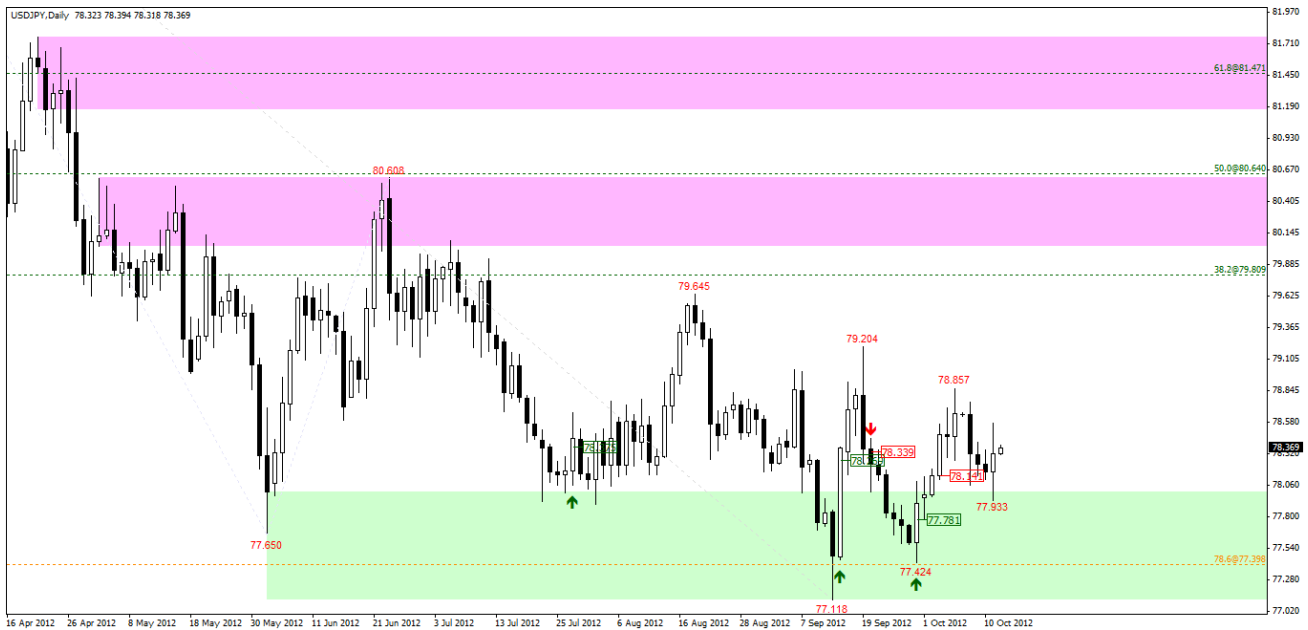
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal between <b>0.93212-0.93476</b> OR on H1 close above <b>0.93532</b>	0.93941	0.95170	0.93112 STOP

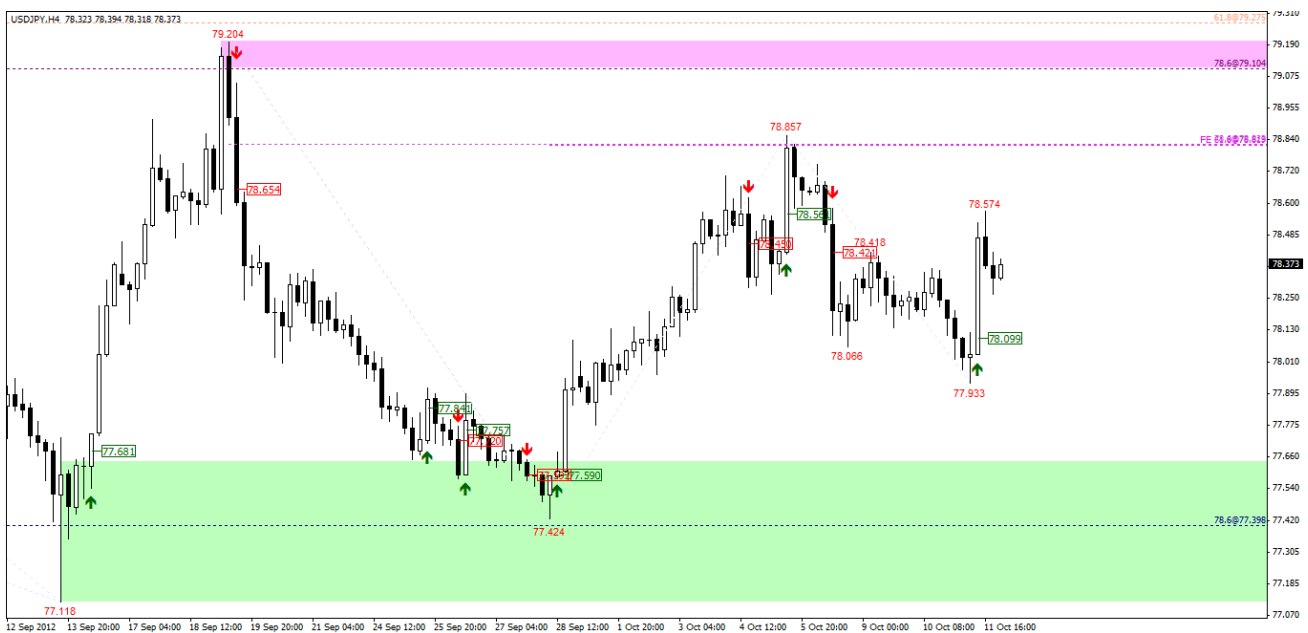
## Weekly Performance

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
						Unrealized	\$0.00		

## USD-JPY DAILY



## USD-JPY 4-HOURLY

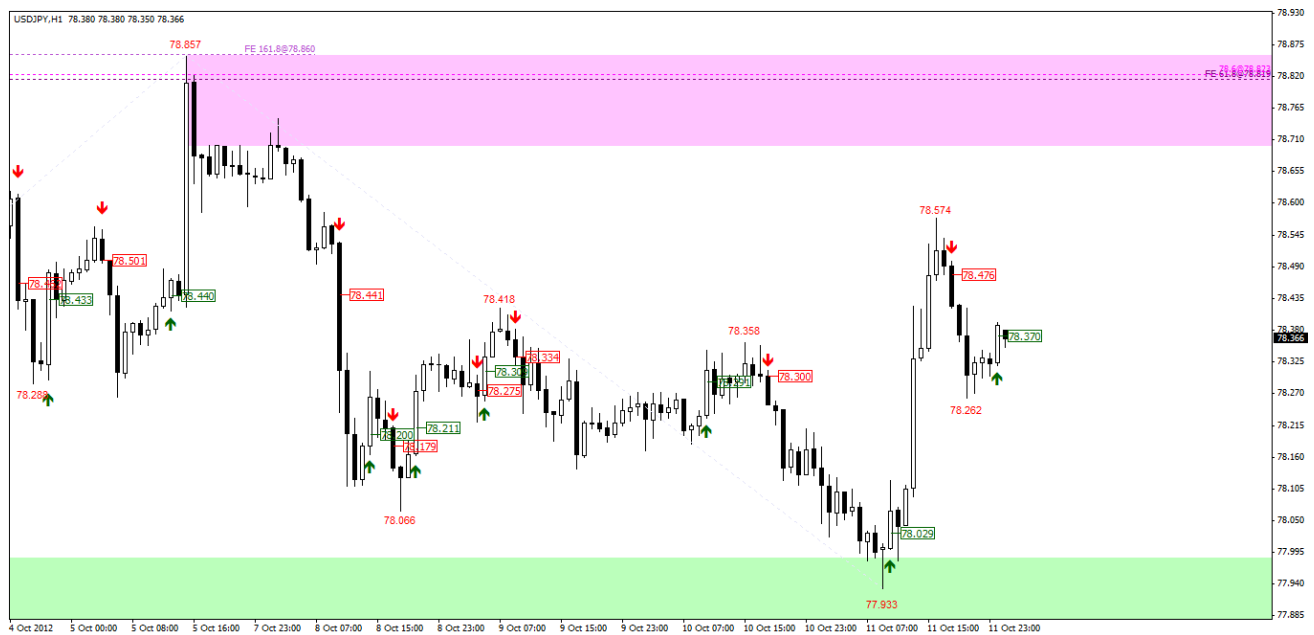


## USD-JPY Short to Medium Term Views

Weakness seen in the early hours of Sydney session yesterday morning was the prelude to price action trading into the demand pocket at 77.778-77.986 and that was where buy interests were expected to emerge as mentioned in previous update. As if on cue, a long-legged shadow doji appeared right after registering the day's low at 77.933 and promptly triggered buy signal in both the H1 and H4 charts. The ensuing rally was strong, adding confidence that a challenge of the next supply pocket at **79.106-79.204**; located just above the 78.6% retracement of 77.118 to 79.645 at **79.104** is probably in play. For those who somehow missed the earlier buy signal, another has just been triggered in the H1 chart with a close above **78.370** at the point of writing (see H1 chart). Interestingly, where the 78.6% retracement of 79.204 to 77.424 at **78.823** is located is also where 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.



## USD-JPY 1-HOURLY

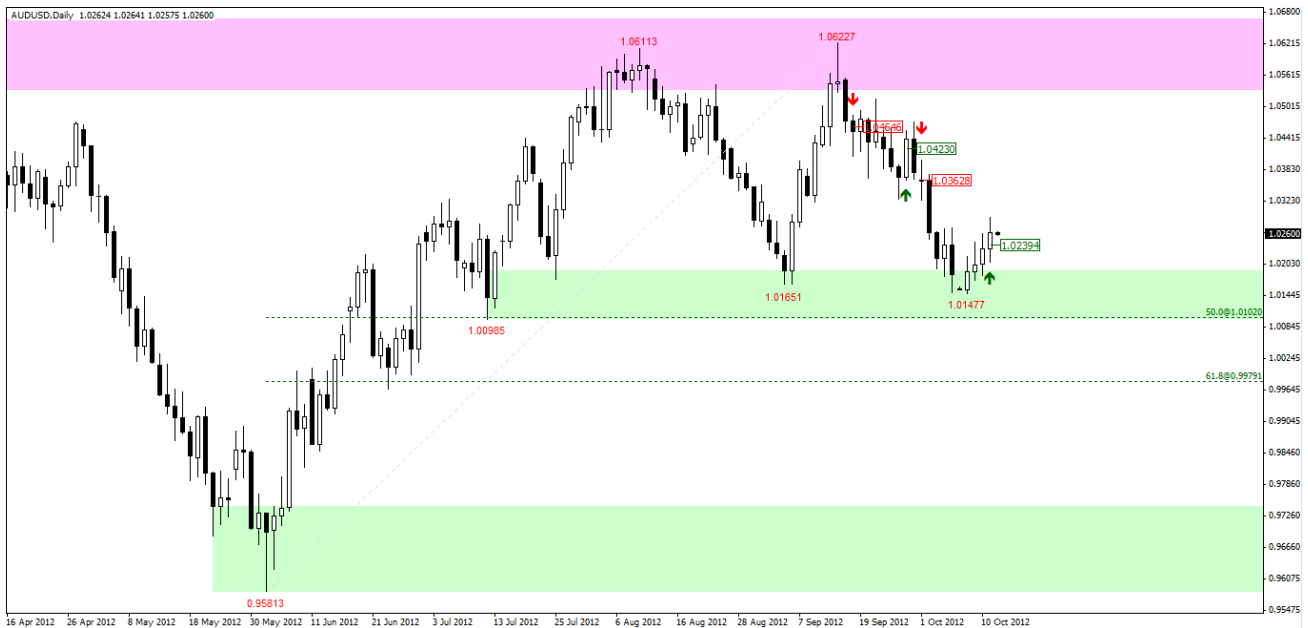


## Trade Ideas

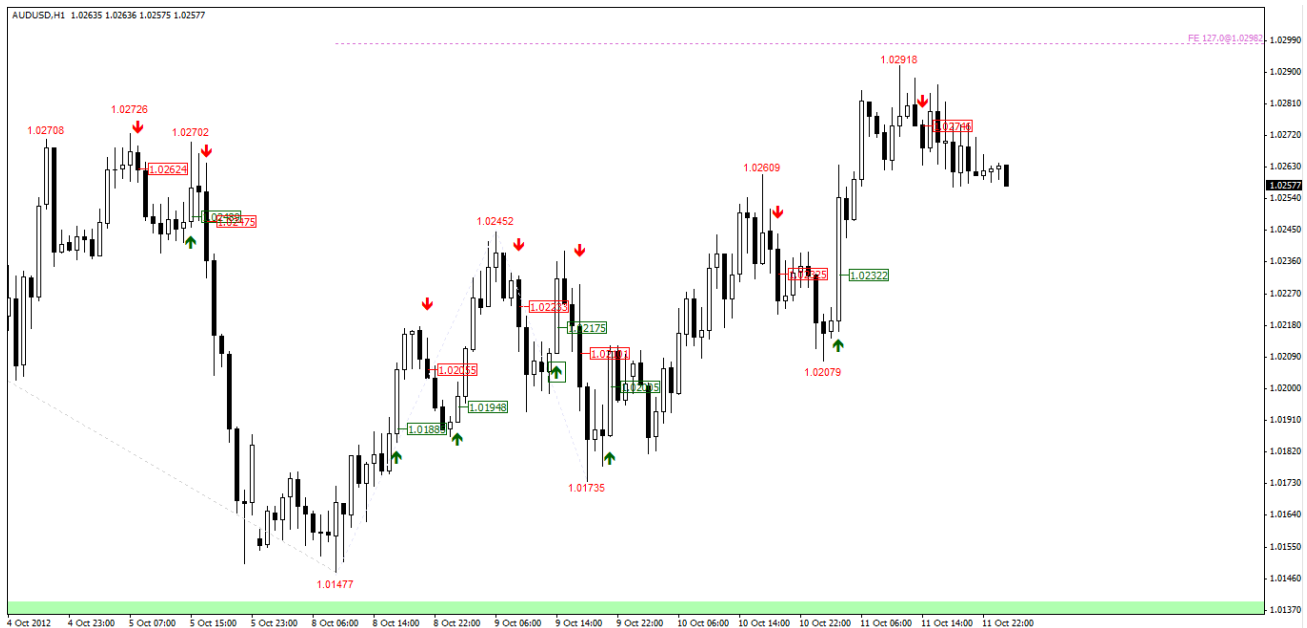
ACTION	Target 1	Target 2	EXIT
Bought @ 78.029	78.819	79.104	Break-even

## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 05-10-2012								\$23,667.09
USD-JPY	05-10-2012	1.0	78.440	08-10-2012	1.0	78.440			
USD-JPY	11-10-2012	1.0	78.029	11-10-2012	1.0	78.322	+\$374.10		
USD-JPY	11-10-2012	1.0	78.029	11-10-2012	1.0	78.322	+\$374.10		
						Unrealized	+\$748.20		

**AUD-USD DAILY**

## AUD-USD 1-HOURLY

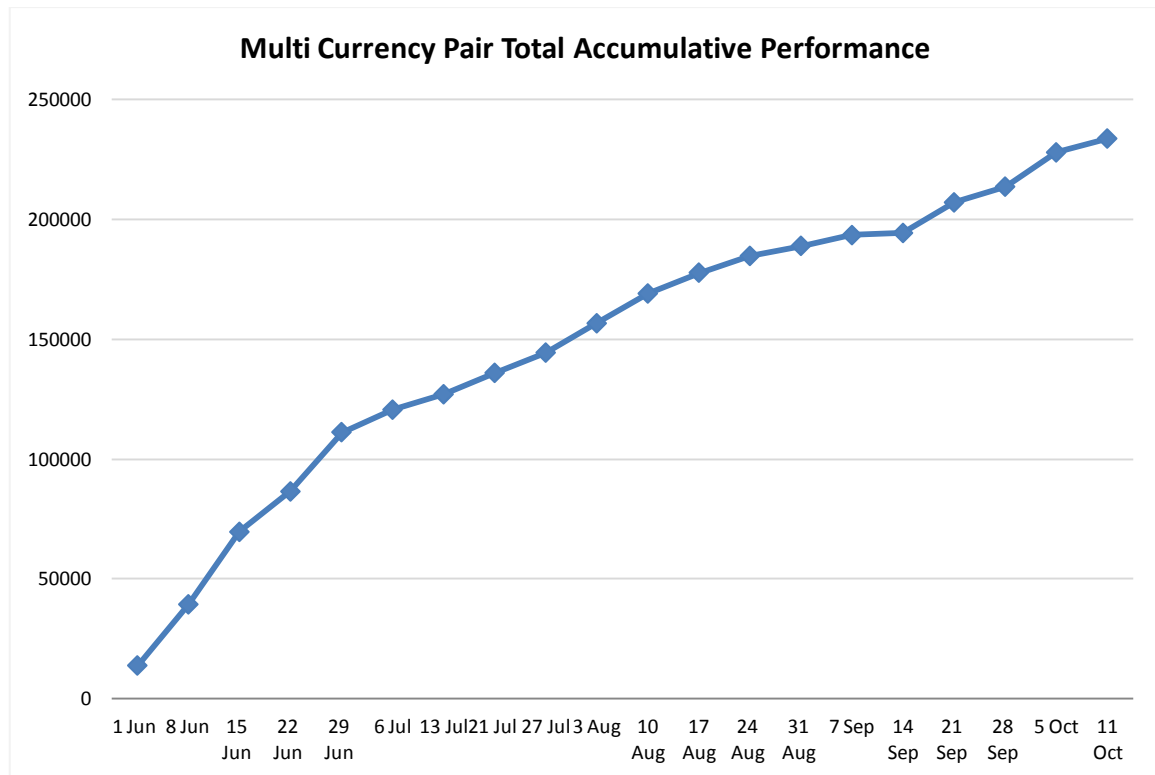
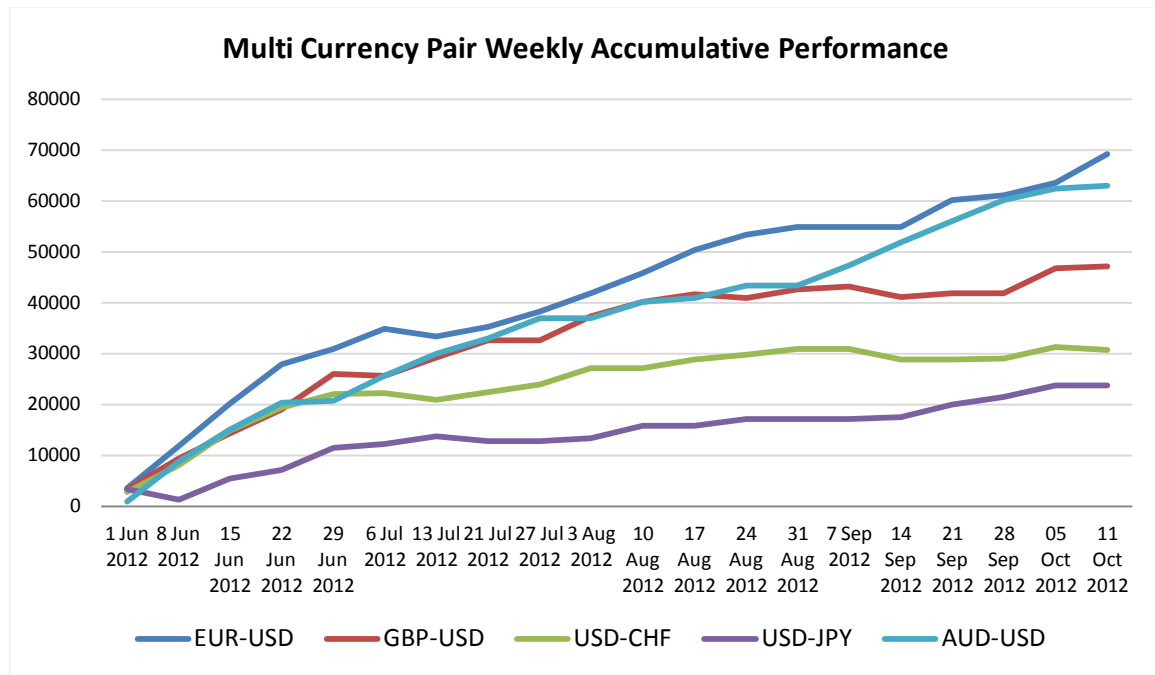


## Trade Ideas

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	11-10-2012	1.0	1.02625	+\$740.00		
						Unrealized	+\$740.00		



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.