

A Traders Academy International Publication

Cautious Trading On US Earning Season

The U.S. Dollar and Japanese Yen rose against the Euro on Tuesday in a safe-haven bid ahead of upcoming U.S. third-quarter corporate earnings results and on uncertainty about Greece and Spain.

Gains in the safe-haven U.S. and Japanese currencies accelerated after Wall Street stocks fell further, with technology shares hit by several brokerage downgrades of companies including Intel. Repeated warnings about the global economy - the latest coming from the International Monetary Fund - have left traders cautious ahead of what could be a disappointing U.S. earnings season. Weak earnings results could weigh on equity prices and the Euro and bolster the appeal of safe-haven currencies. Stocks and the Euro move together 90 percent of the time, with the Euro rising when stocks gain.

EUR-USD fell 0.7 percent to 1.28838, well below a two-week high of 1.30705 hit last Friday. Dealers cited bids below 1.29090 and offers around 1.30000, suggesting a narrow range for EUR-USD.

Concern about Greece also resurfaced after European Central Bank chief Mario Draghi told a European Parliament committee that Greece has made progress on reforming its economy, but has more work to do.

In Greece, German Chancellor Angela Merkel's visit was marred by clashes between police and protesters.

Uncertainty about whether and when Spain will request aid also weighed. A request would activate the European Central Bank's bond-buying program to help troubled Euro zone economies and is widely seen as the next step forward for Europe.

Adding to the negative sentiment, the IMF cut its global growth forecasts for the second time since April and warned U.S. and European policymakers that failure to fix their economic ills would prolong the slump.

EUR-CHF hit a 3-week high against the Swiss franc as traders cited a report that U.S. custodial banks were set to impose a penalty on Swiss and Danish crown deposits. Bank of New York Mellon confirmed a charge for Danish crown deposits, while State Street said negative rates would apply for both Swiss francs and Danish crown deposits.

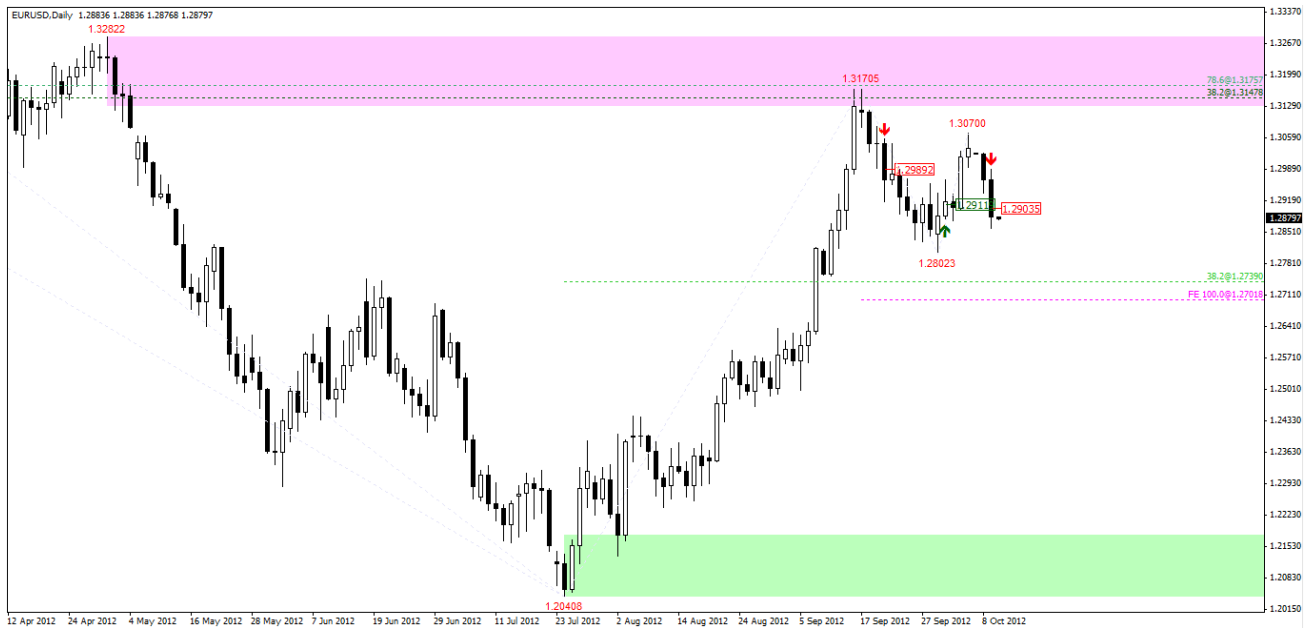
Both currencies have been safe havens for investors fleeing the Euro zone debt crisis. While the Swiss National Bank imposed a floor on the EUR-CHF at 1.20000 to curb inflows, Denmark's central bank has cut official rates.

USD-JPY slid 0.1 percent to 78.240, moving further away from a 2-week high of 78.857 set last Friday.

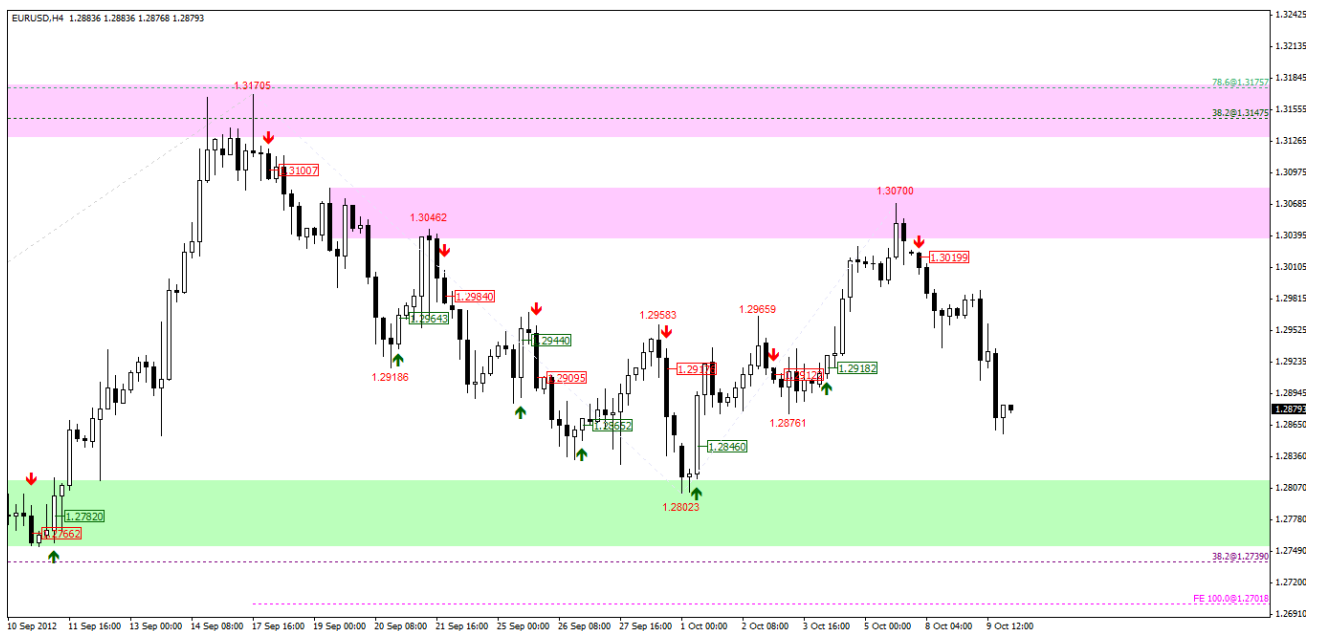
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EUR-USD DAILY



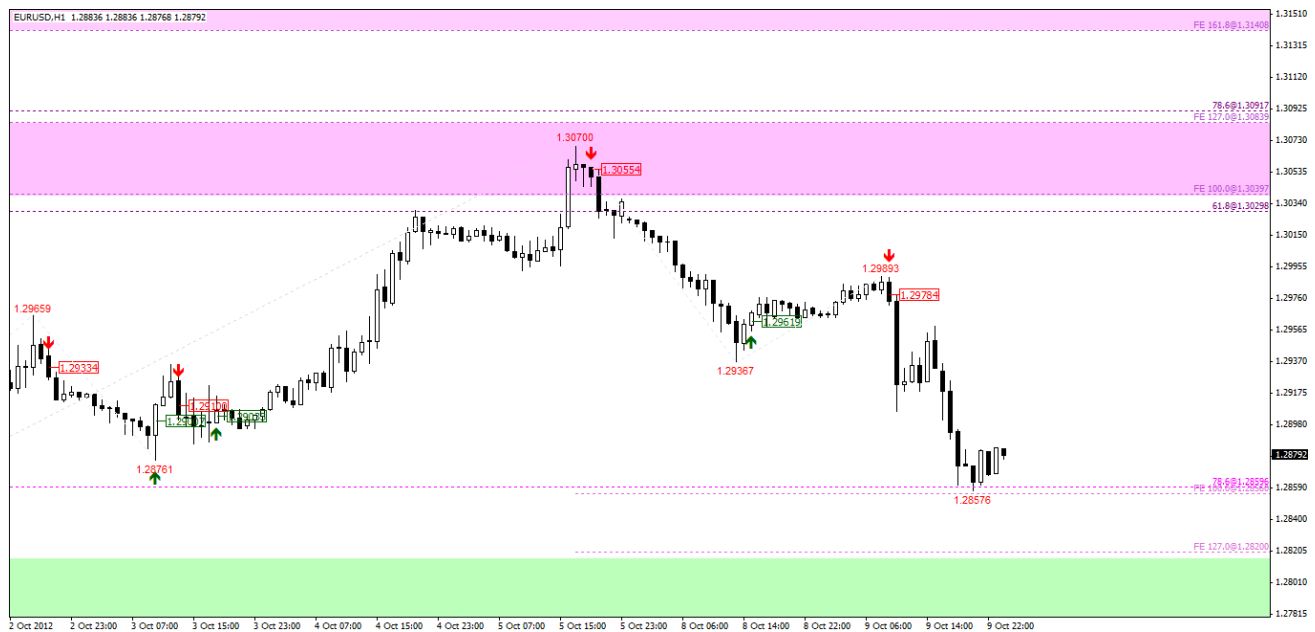
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The weakness seen on Monday carried forward into the overnight session as price action races towards the demand pocket at **1.27535-1.28148**; which lies just above the 38.2% retracement of 1.20408 to 1.31705 at **1.27390** (see H4 chart). The alternate scenario that the correction is not over is now gaining preference. This scenario calls for price action to make a larger degree 3-wave down from 1.31705 to 1.28023 from 1.30700. In overnight trading, price action hit the tiny window between the 78.6% retracement of 1.28023 to 1.30700 at **1.28596** and the 100.0% projection of 1.30700 to 1.29367 from 1.29893 at **1.28560** where some demand emerged. However, this is most likely an intermediate stop before price action heads lower for 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**. Either that or the fall 'overshoots' to 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** (see D1 chart). For those who have not sold, any rebound followed by sell signals in the shorter time frames represents opportunities to re-join the shorts.

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.30199	1.29619 Realized	1.27390	Exit of H4 closing above 1.29312

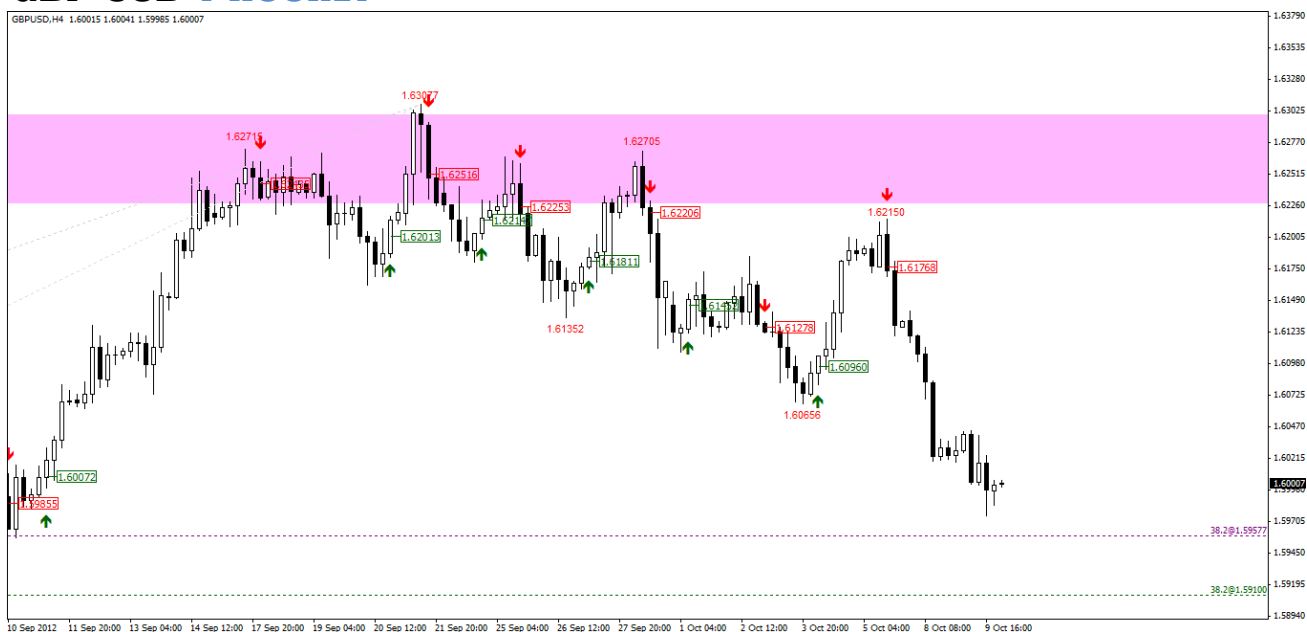
Weekly Performance

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	09-10-2012	1.0	1.28838	08-10-2012	1.0	1.30199	+\$1,361.00		
EUR-USD	09-10-2012	1.0	1.28838	08-10-2012	1.0	1.30199	+\$1,361.00		
Unrealized							+\$2,722.00		

GBP-USD DAILY



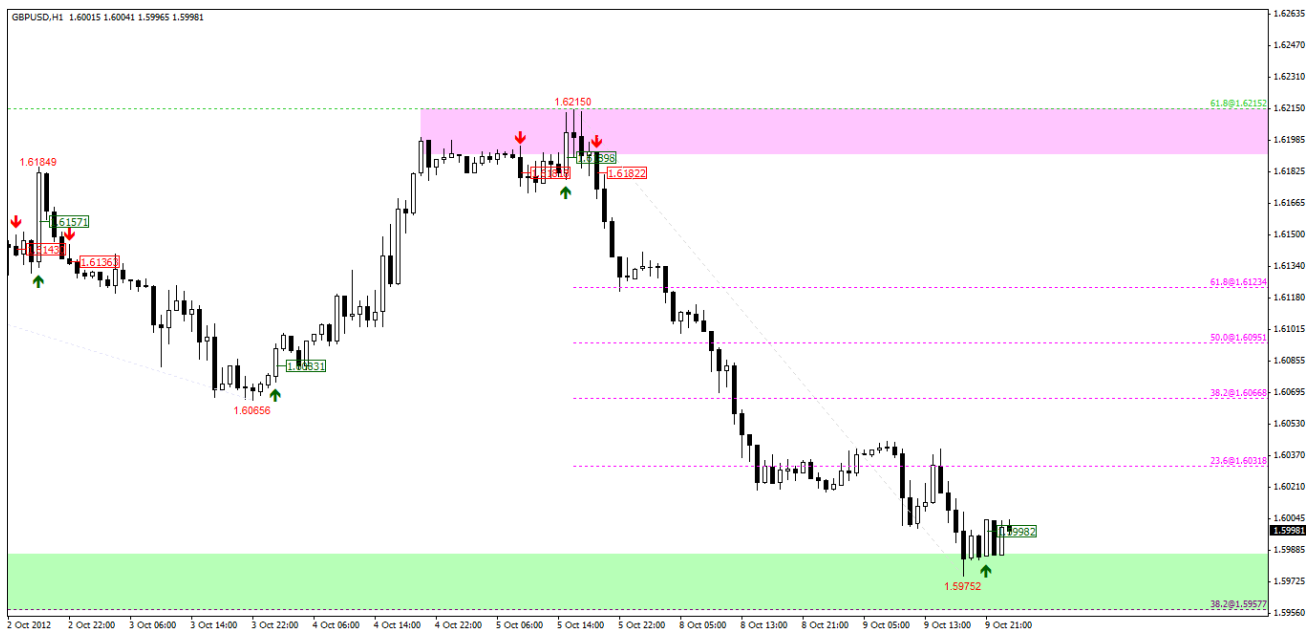
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Price action after falling precipitously on Monday eventually dipped into the demand pocket at **1.59577-1.59868** where the 38.2% retracement of 1.53914 to 1.63077 at **1.59577** is located; followed by another at **1.58800-1.59223** where the 38.2% retracement of 1.52666 to 1.63077 at **1.59100** is sited. As noted, this is one of the two areas in which price action must absolutely hold to maintain the bullish bias. The alternative is another massive fall to **1.52321-1.53554** (see D1 chart). Short-term traders may attempt to fish for a rebound near current levels. As we have it, a buy signal was triggered in the H1 chart with a close above **1.59882** after hitting the overnight low of 1.59752. At a minimum, a rebound should yield a 23.6% retracement of 1.62150 to 1.59752 at **1.60318** with the potential to retrace all the way back to the SZ at **1.61915-1.62500** (see H1 chart).

GBP-USD 1-HOURLY



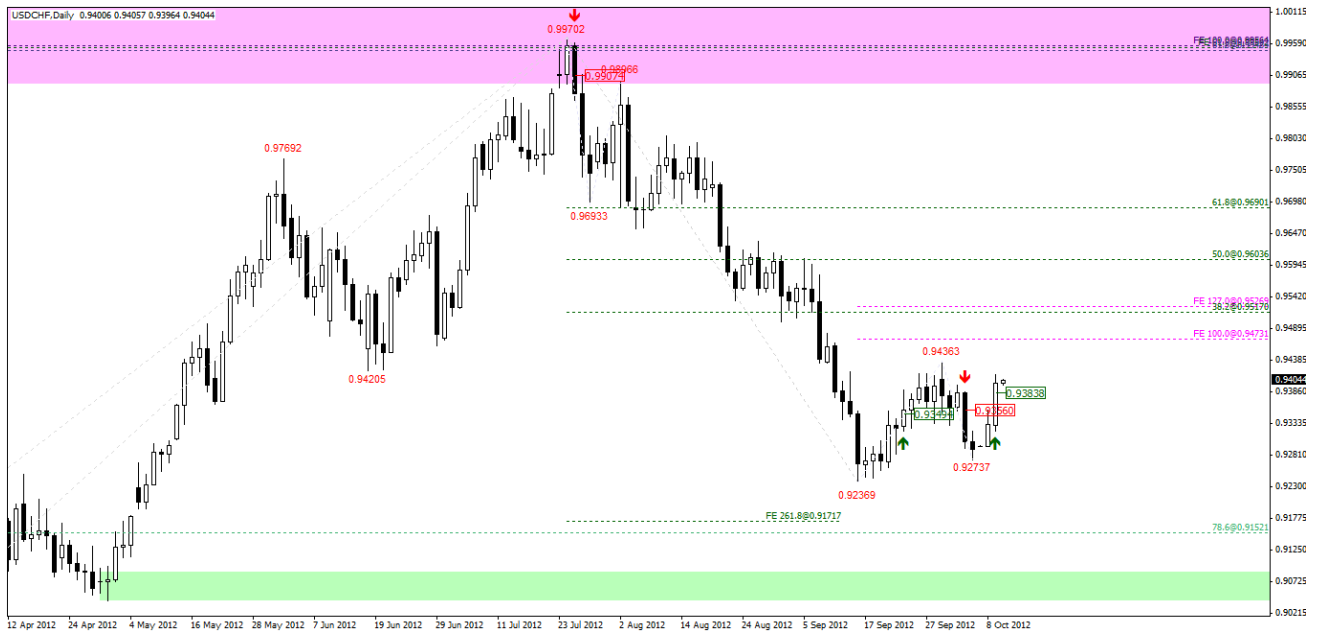
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59982	1.60318	1.61915	1.59477 STOP

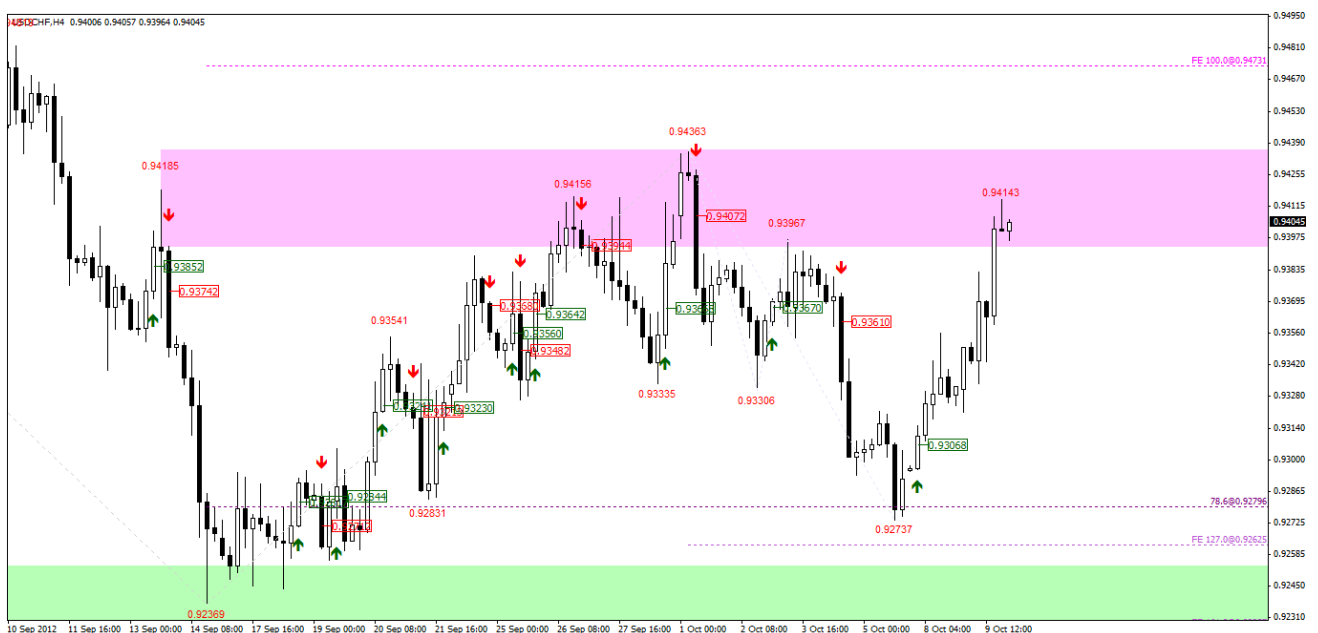
Weekly Performance

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	09-10-2012	1.0	1.60003	+\$21.00		
GBP-USD	09-10-2012	1.0	1.59982	09-10-2012	1.0	1.60003	+\$21.00		
						Unrealized	+\$42.00		

USD-CHF DAILY



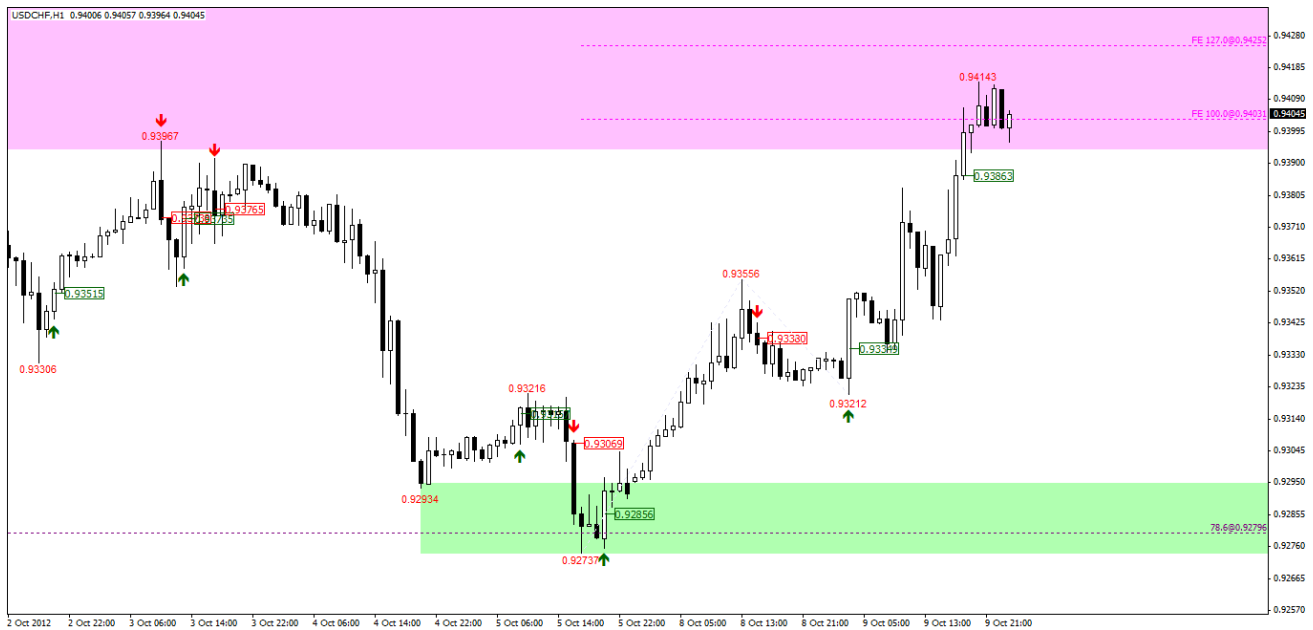
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Just like in the other majors, the correction from 0.92369 appears to be incomplete and a larger 3-wave move up is probably taking place right now. This is confirmed by the sustained rally into the supply pocket at **0.93941-0.94363** in overnight trading. Even this area may not necessarily cap this rally. A more likely area where sellers may emerge is the window between the 38.2% retracement of 0.99702 to 0.92369 at **0.95170** and the 127.0% projection of 0.92369 to 0.94363 from 0.92737 at **0.95269** (see D1 chart). From there, a resumption of the fall from 0.99702 is expected to eventually take out the September 14 low of **0.92369**, to be followed by a larger degree rebound.

USD-CHF 1-HOURLY



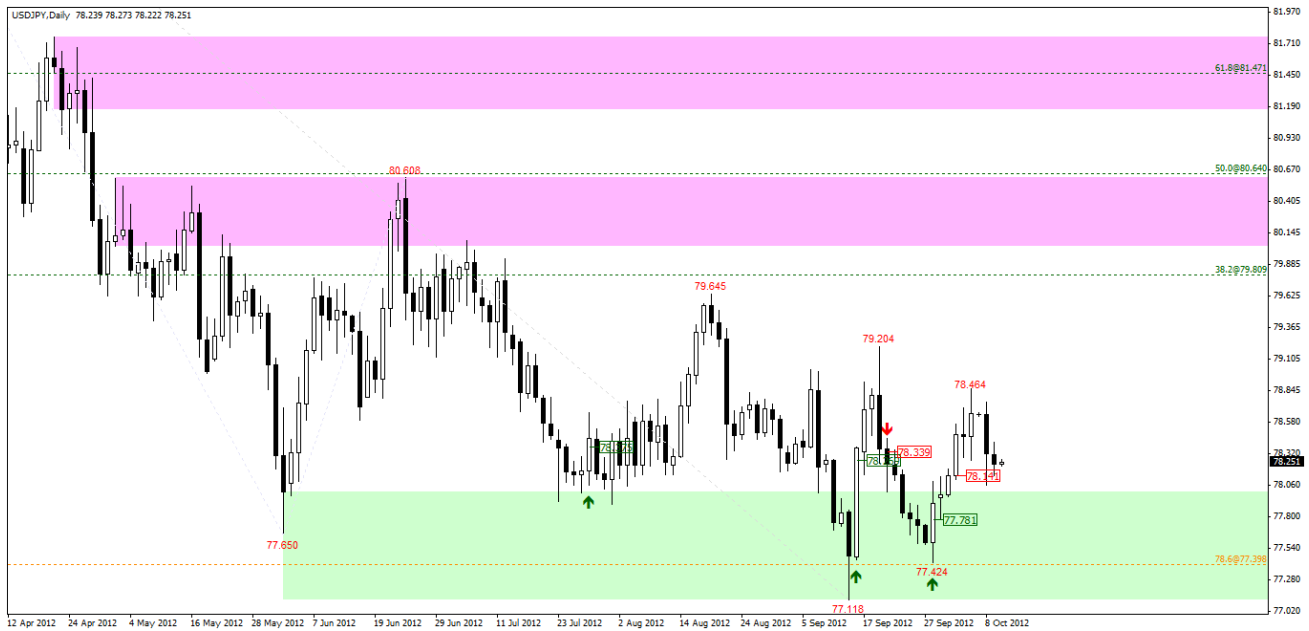
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal between 0.95170- 0.95269	0.93476	0.92737	10 pips above pivot high of reversal signal in H1

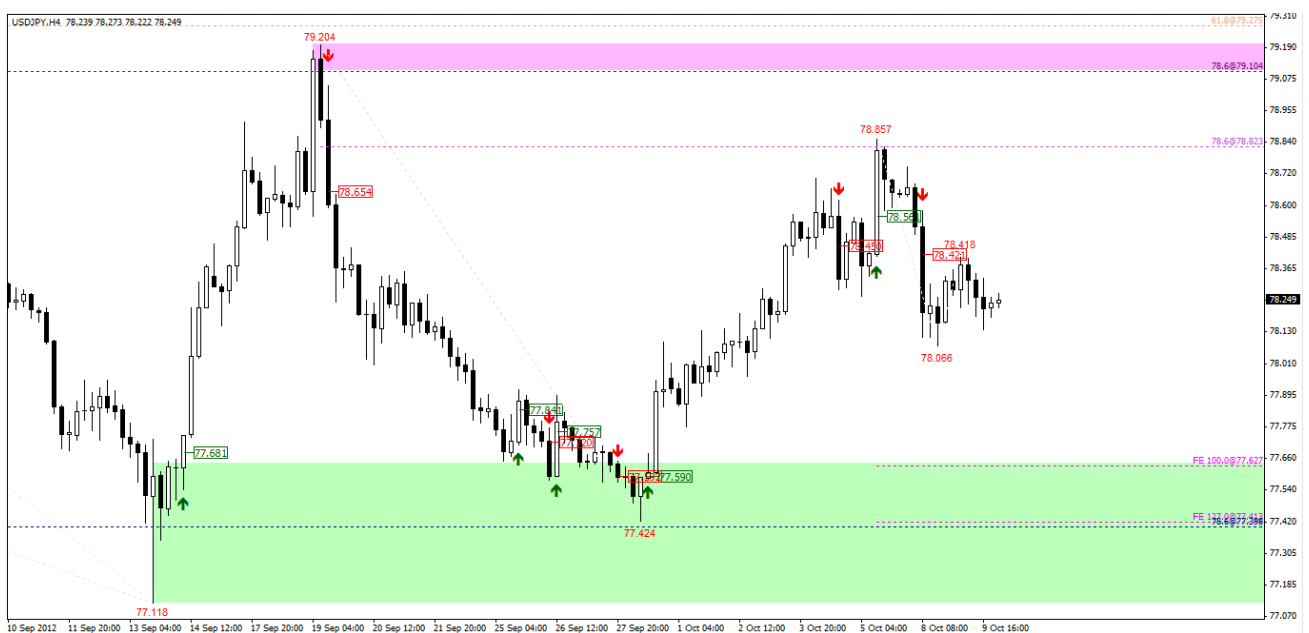
Weekly Performance

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



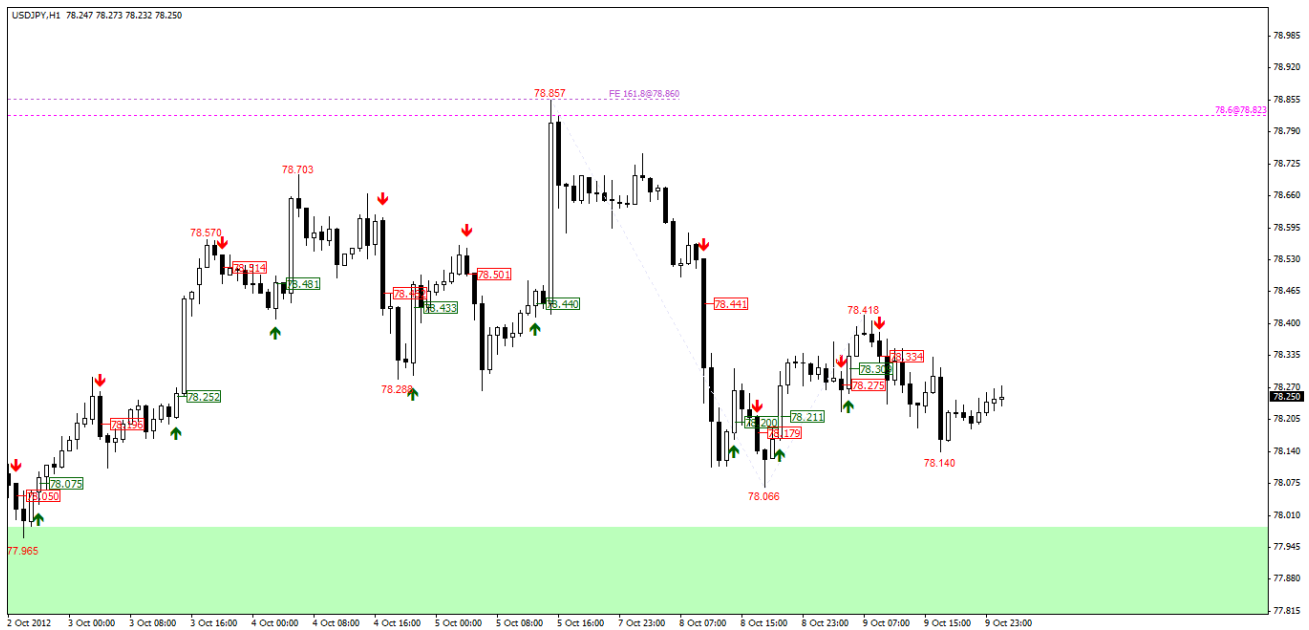
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The rally from the demand pocket at **77.118-77.640** hit the 78.6% retracement of 79.204 to 77.424 at **78.823** as well as the 161.8% projection of 77.424 to 78.093 from 77.778 at **78.860** with a print at 78.857 last Friday and eased. Monday saw more profit-takings erasing almost half of its last week's gains to just above the 78.00 handle. Overnight action was relatively tame with price action trading between tight ranges. As noted, the medium-term outlook still favors 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**. Buying opportunities may present themselves, especially if price action falls back into the demand pocket at **77.118-77.640**.

USD-JPY 1-HOURLY



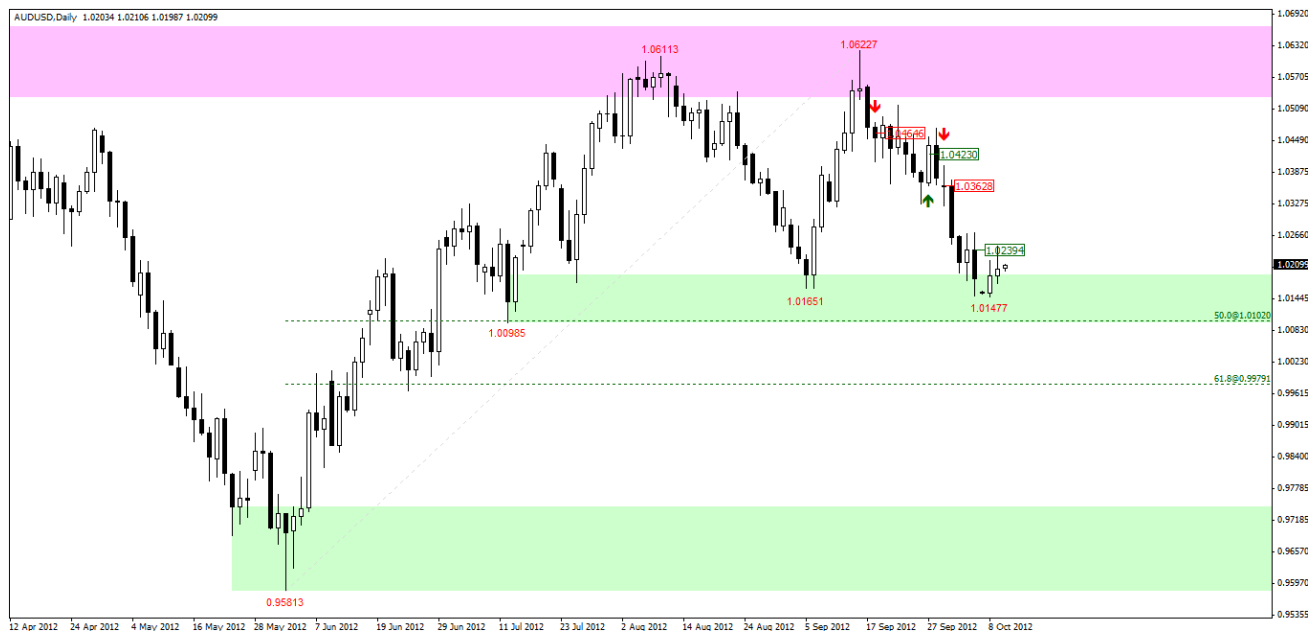
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal in H1 between 77.118-77.640	78.823	79.104	77.108 STOP

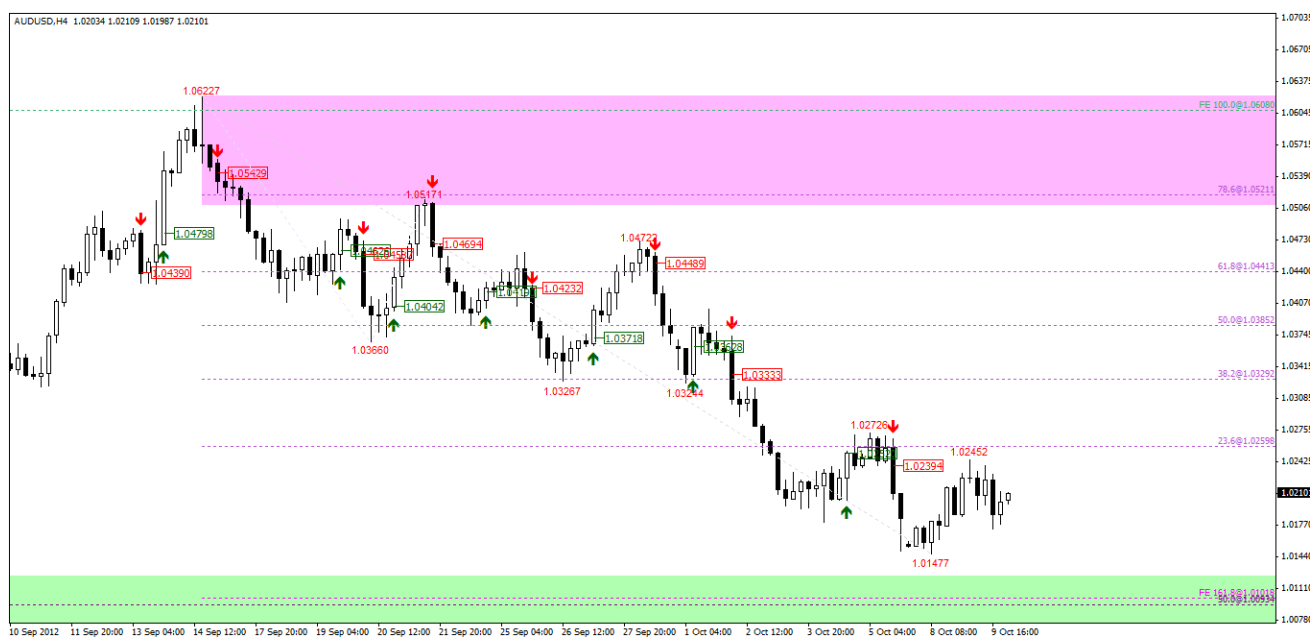
Weekly Performance

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			
						Unrealized	\$0.00		

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

The fall from 1.06227 fell short of the demand pocket at **1.00985-1.01911**. Monday opened the week decidedly on a weak note but managed to trade progressively higher throughout the session. As noted, price action was susceptible to buying pressure and odds favors the long rather than the short side of this market – at least in the short to medium-term outlook. As we have it, a close above **1.01885** in the H1 chart triggered a buy signal; suggesting the onset of buying interests though ideally, this reversal should originate from within the demand pocket at **1.00985-1.01911**. Overnight, trading was subdued and not much have changed. Overall, this market is in a large corrective pattern and is expected to trade between the long-term SZ at **1.05317-1.06677** and the DZ at **1.00985-1.01911** (see D1 chart) for awhile yet – assuming, of course, there is no wholesale collapse below the DZ at **1.00985-1.01911**.

AUD-USD 1-HOURLY

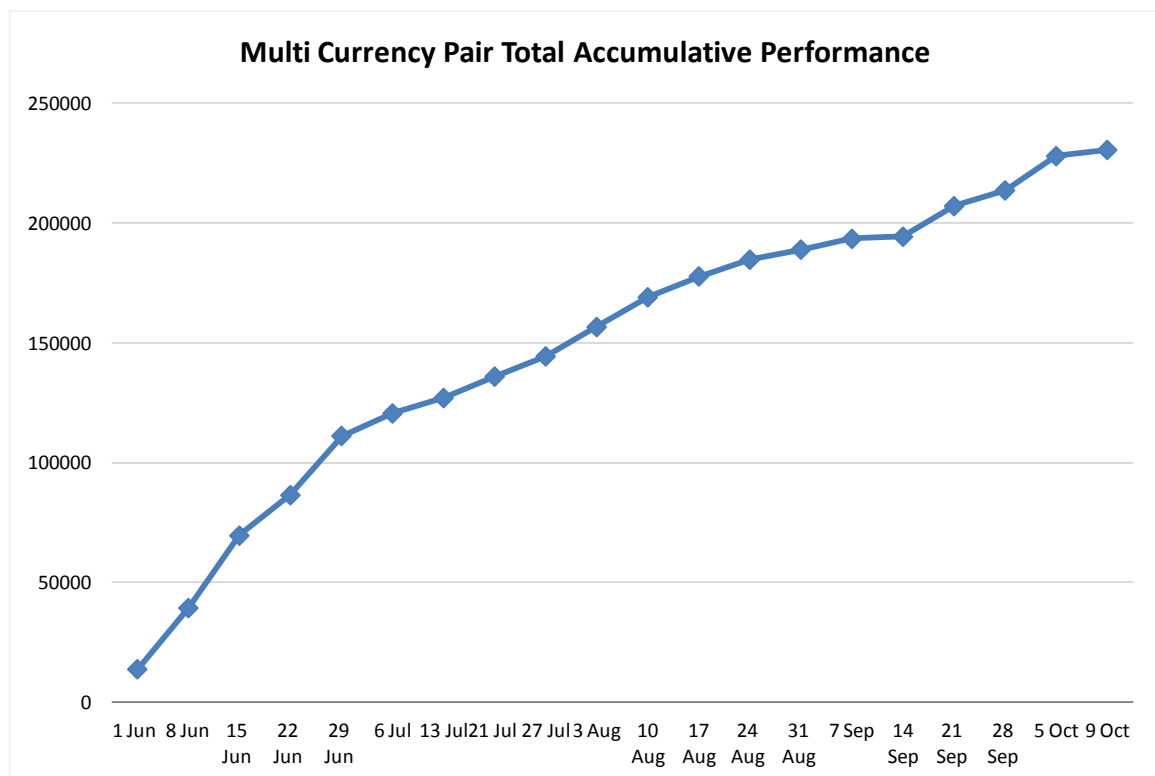
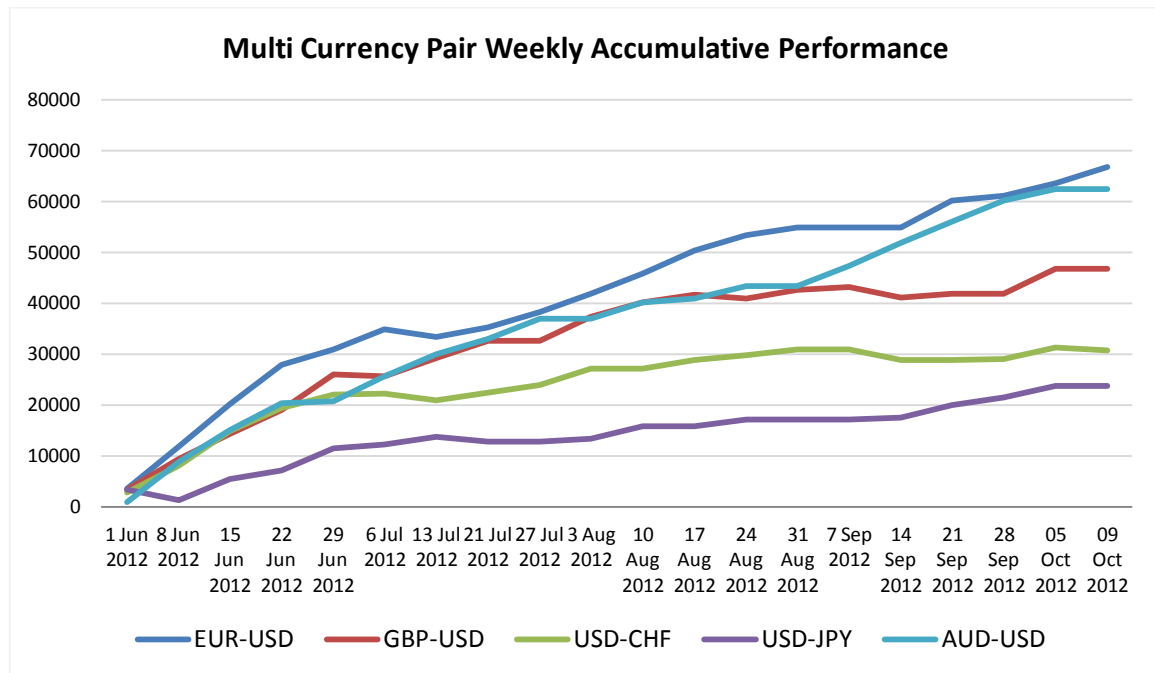


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.01885	1.02617	1.03722	1.01402 STOP

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	08-10-2012	1.0	1.01884	-\$1.00		
AUD-USD	08-10-2012	1.0	1.01885	08-10-2012	1.0	1.01884	-\$1.00		
						Unrealized	-\$2.00		



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.