

A Traders Academy International Publication

Euro Fell Despite Good Spain's Bond Sales

EUR-USD dropped on Thursday as uncertainty about whether Spain will request a government bailout that would help quell debt crisis fears outweighed favourable demand at a Spanish bond sale.

EUR-JPY rose to a 5-month high after Spain sold more debt than it planned and its funding costs fell, causing its bond yields to fall as views on the country, which hung on to its investment-grade credit rating earlier this week, improved. But as the U.S. session opened, data showed the number of Americans filing new claims for unemployment benefits rose last week, reversing a sharp decline seen in the prior week but still pointing to a labour market that is only slowly healing.

EUR-JPY rose to 104.129, its strongest since early May, but pared gains later in the day. It settled at 103.555 in New York, up 0.1 percent.

EUR-USD fell 0.4 percent on the day to 1.30653, below Wednesday's 1-month peak of 1.31380. Large option expiries were reported at 1.31000 which may influence trade, keeping EUR-USD close to that level.

The easing of Spanish yields should provide a double boost to the Iberian economy as it decreases funding costs while at the same time allowing the government to make smaller cuts in fiscal spending.

Still, traders continue to anticipate Spain will request a bailout in the coming weeks, prompting the European Central Bank to step in and buy its bonds, which would also lift the Euro.

At the same time, bids from sovereign investors reportedly at 1.3080 were expected to limit any falls in the currency.

A raft of data from China was either in line with or better than expectations, helping the Euro and riskier assets. Growth in the third quarter was 7.4 percent from a year earlier, in line with expectations.

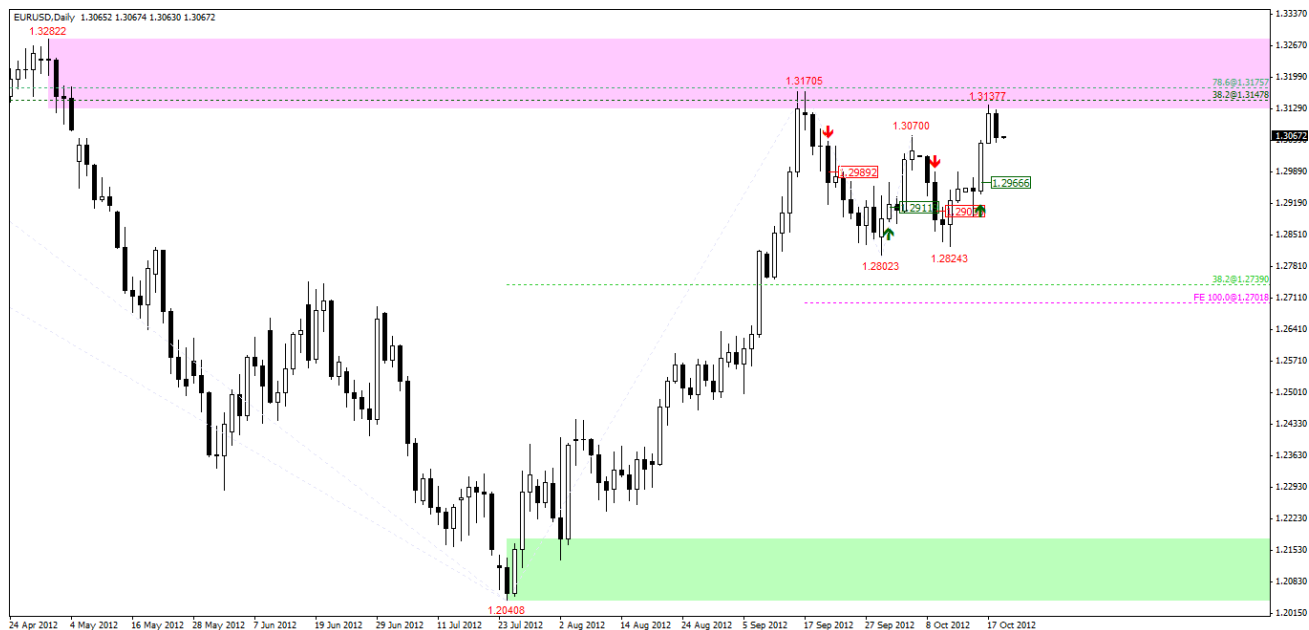
USD-JPY rose to a 2-month peak at 79.450 after a survey released on Thursday showed factory activity in the U.S. mid-Atlantic region grew in October, snapping five months of contraction.

The Japanese Yen has also been under pressure on expectations the Bank of Japan will announce fresh stimulus. USD-JPY settled at 79.251, up 0.4 percent on the day.

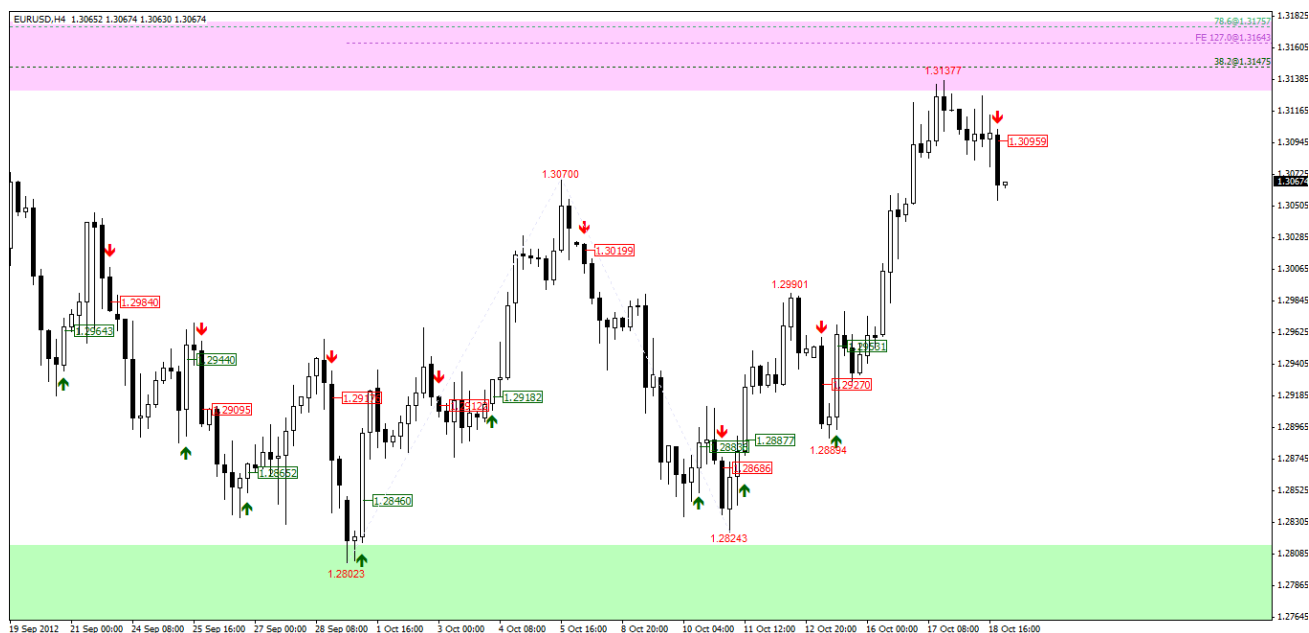
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EUR-USD DAILY



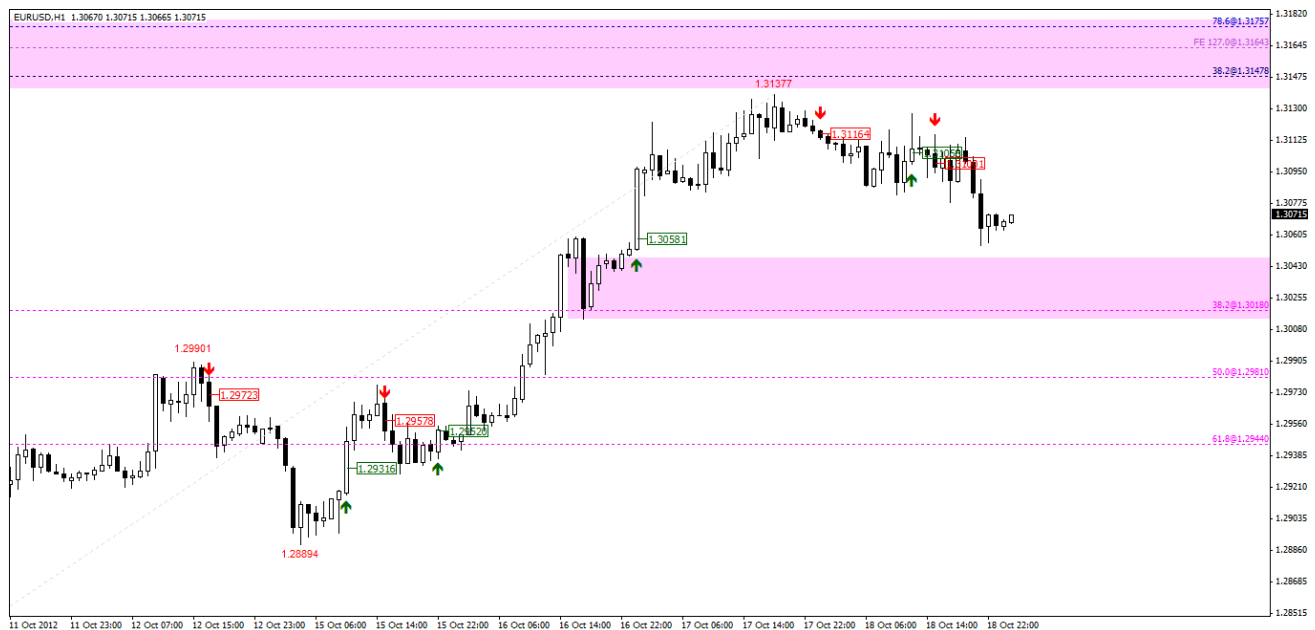
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

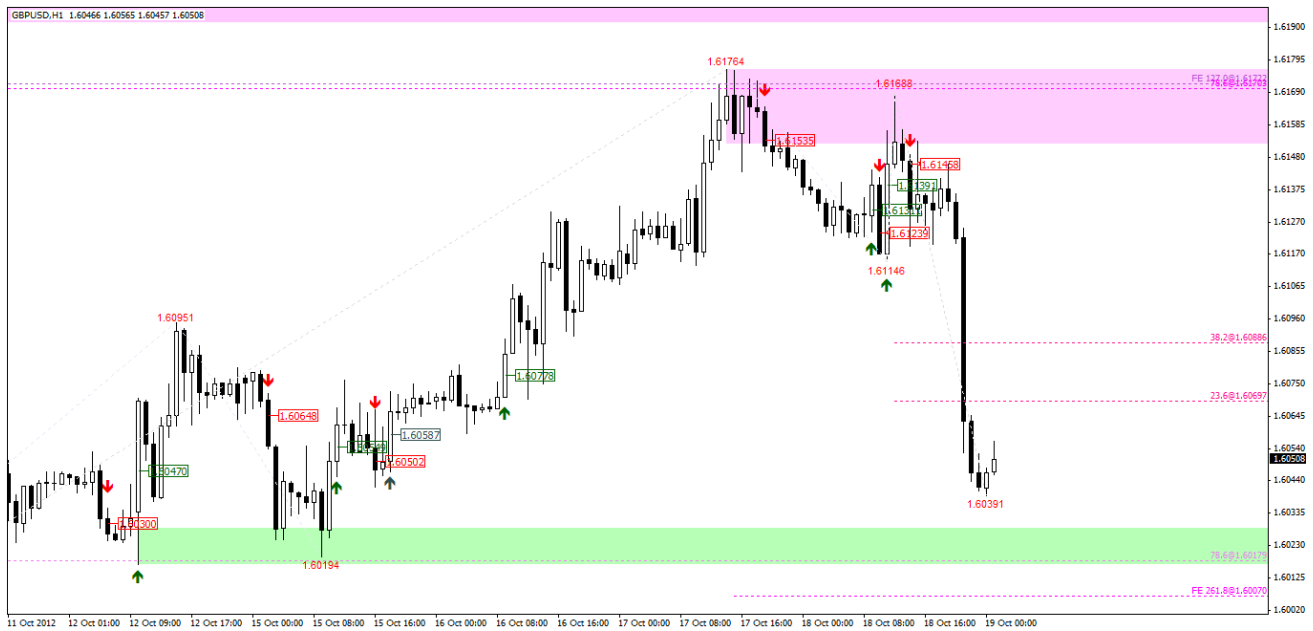
The rally from 1.28242 stalled just under the supply pocket at **1.31408-1.31788** on Wednesday. Profit-takings were light until after midday in New York in overnight session. The aggressive nature of the rally confirms the resumption of rally from 1.20408 (see D1 chart). As noted, this rally should take out the September 17 high of **1.31705** at the minimum; with the potential to extend all the way to the major supply zone at **1.33550-1.34847**. Because this is the 5th wave of the entire rally from 1.20408, caution should be exercised in chasing this rally. As mentioned, a pullback to recent lows above 1.28000 is probable after this rally exhausts (see D1 chart). Yesterday's update mentioned about possible profit-takings which may take price action to near the 38.2% retracement of 1.28243 to 1.31377 at **1.30180** where a minor demand pocket resides at **1.30140-1.30477**. The overnight low was at 1.30544. Stay alert for short-term reversal signals within this zone to re-position long positions with a tight stop just below **1.30140**.

EUR-USD 1-HOURLY



The idea that a 'failure' of sort may occur in GBP-USD was unfortunately prescient. For 48 hours prior to the overnight collapse, the rise from 1.59748 was notably 'sluggish'. This was compounded by the emergence of profit-takings in both the H1 and H4 charts late on Wednesday. Unlike a simple correction, which would see price action easing to the 38.2% retracement of 1.59748 to 1.61764 at **1.60994**, the overnight fall was persistent and impulsive. On hindsight, price action peaked between a pair of Fibonacci ratios being the 61.8% retracement of 1.63077 to 1.59748 at **1.61805** and the 127.0% projection of 1.59748 to 1.60951 from 1.60194 at **1.61722**. Overall, the rise from 1.59748 has a 3-wave structure, which is corrective in nature (see H4 chart). Even so, a total failure is by no means conclusive. Remarkable as it may seem, unless 1.59748 is taken out first, another attempt to challenge at the high at 1.63077 can still happen. Focus is still at the supply pocket at **1.62272-1.63077**. With or without a failure, the idea that price action is likely to fall back to test last week's low at 1.59748 is still valid.

GBP-USD 1-HOURLY



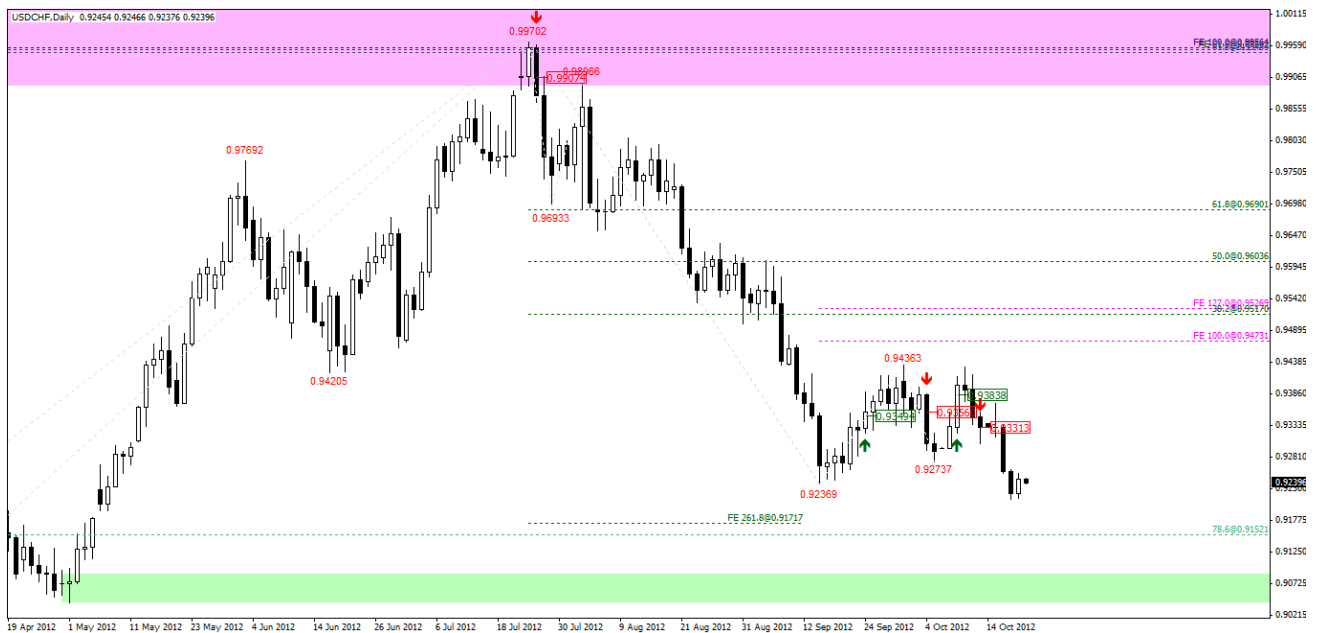
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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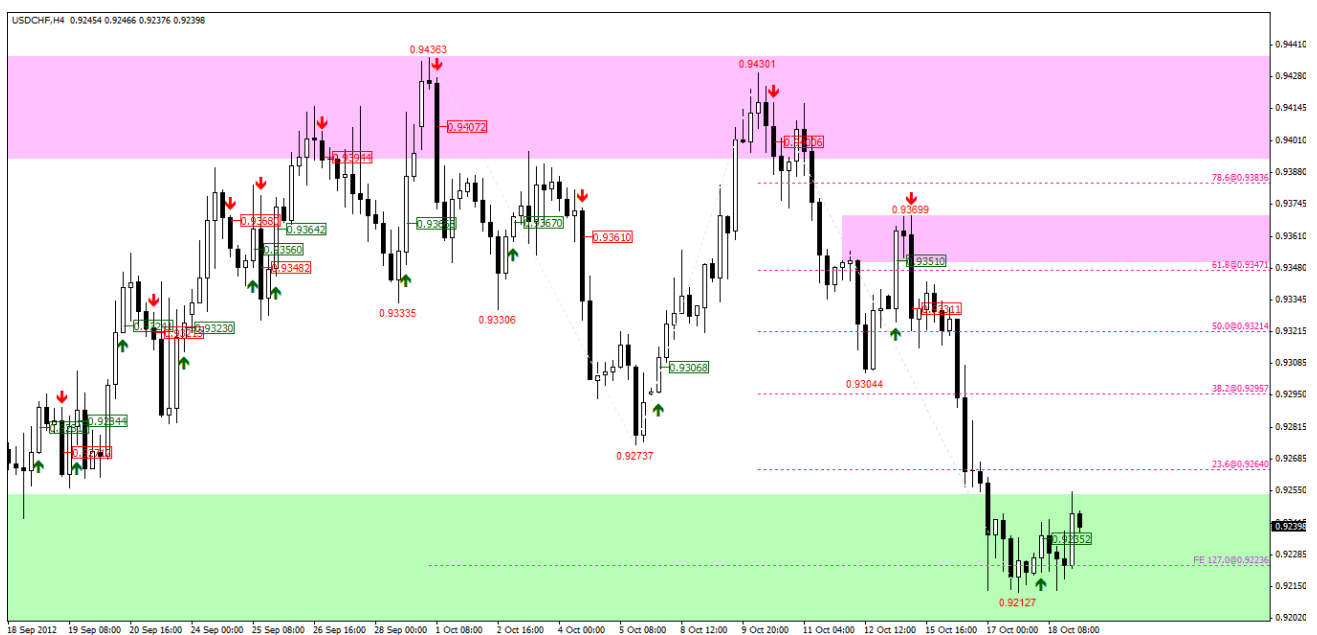
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 12-10-2012								\$47,072.00
GBP-USD	09-10-2012	1.0	1.59982	15-10-2012	1.0	1.60557	+\$575.00	+\$575.00	\$47,647.00
GBP-USD	16-10-2012	1.0	1.60778	17-10-2012	1.0	1.61353	+\$575.00	+\$575.00	\$48,222.00
GBP-USD	16-10-2012	1.0	1.60778	18-10-2012	1.0	1.60778			
						Unrealized	\$0.00		

USD-CHF DAILY



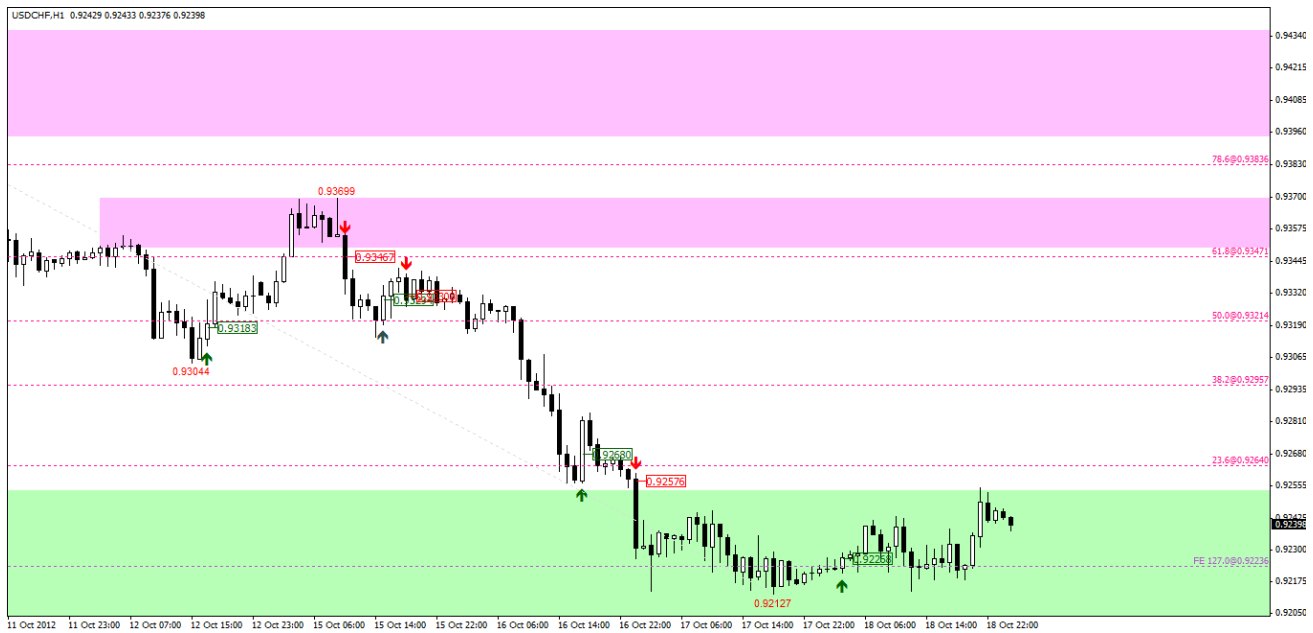
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

The warning that this market is susceptible to a correction may well pan out now that buy signals were triggered in both the H1 and H4 charts with closes above **0.92268** and **0.92353** respectively as noted in yesterday's update. Since the taking out of the September 14 low of **0.92369** on Wednesday, the fall from the July 24 high of 0.99702, this series is deemed 'completed' and is thus vulnerable to a correction. This vulnerability may see price action bouncing back to test recent highs at 0.94301 and 0.94363 respectively. Though tentative, any rebound from within the demand pocket at **0.91933-0.92537** (having hit and held at the 127.0% projection of 0.94363 to 0.92737 from 0.94301 at **0.92239**) should not be ignored. The odds of buying interests emerging from here have increased. This is especially so in view of the overnight collapse of prices in GBP-USD.

USD-CHF 1-HOURLY



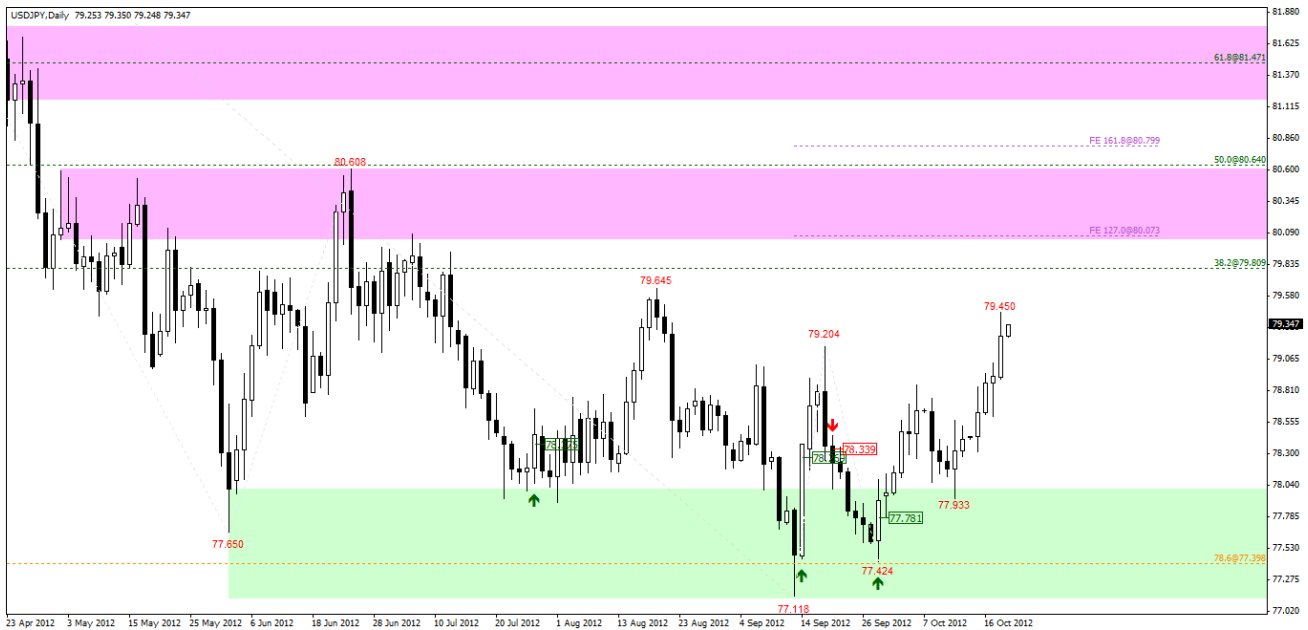
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.92352	0.93214	0.93501	0.91833 STOP

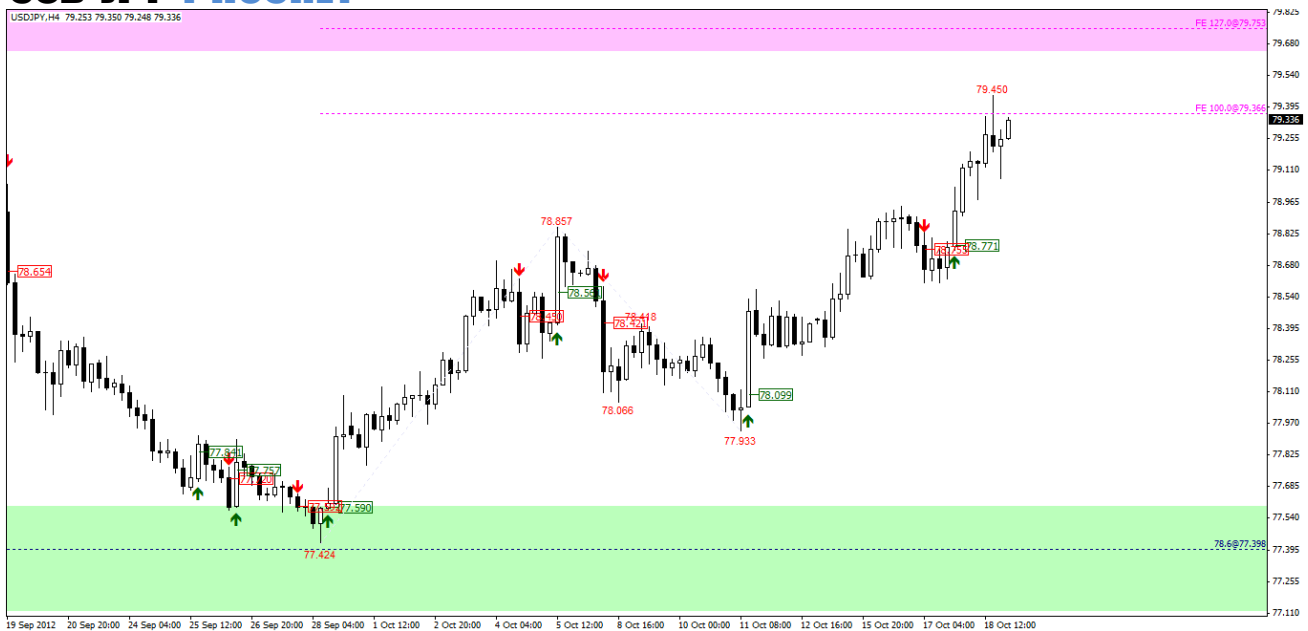
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 12-10-2012								\$30,717.75
USD-CHF	12-10-2012	1.0	0.93183	15-10-2012	1.0	0.93183			
USD-CHF	12-10-2012	1.0	0.93183	15-10-2012	1.0	0.93183			
USD-CHF	16-10-2012	1.0	0.92947	16-10-2012	1.0	0.93308	+\$388.39	+\$388.39	\$31,106.14
USD-CHF	18-10-2012	1.0	0.92352	16-10-2012	1.0	0.93308	+\$1,035.17	+\$1,035.17	\$32,141.31
USD-CHF	18-10-2012	1.0	0.92352	18-10-2012	1.0	0.92455	+\$111.41		
USD-CHF	18-10-2012	1.0	0.92352	18-10-2012	1.0	0.92455	+\$111.41		
						Unrealized	+\$222.82		

USD-JPY DAILY



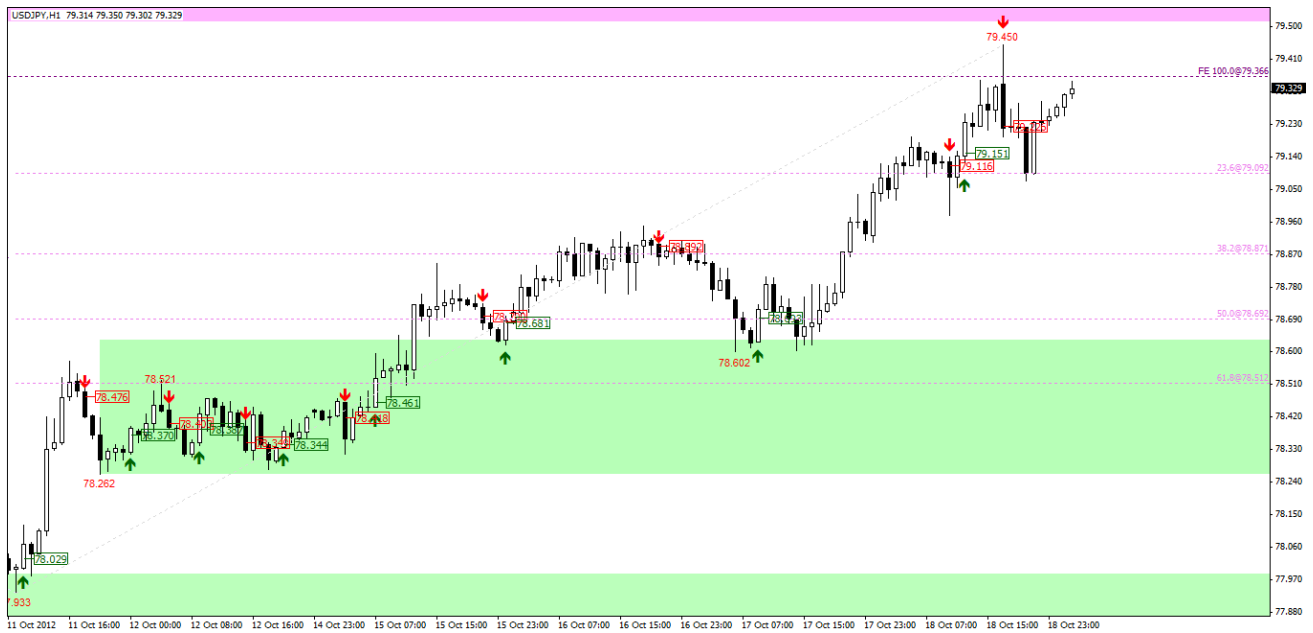
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The anticipated correction mentioned in yesterday's update did not pan out as expected. Price action rallied higher to a 5-month high at 79.450 before easing. This brings into focus the next supply pocket at **79.747-80.082**. 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**. It thus made for some very sensitive area to go short. In the larger 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**. In the absence of external factors (like for example a BOJ intervention), price action will most likely to be confined to this band, at least in the foreseeable future.

USD-JPY 1-HOURLY

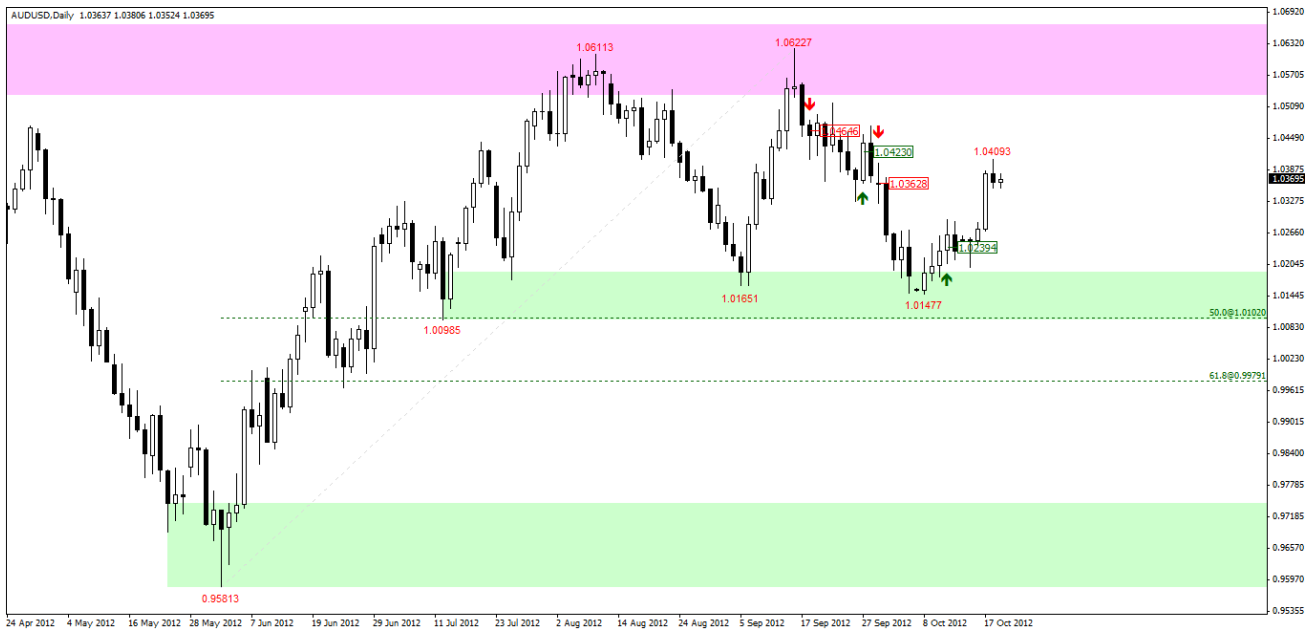
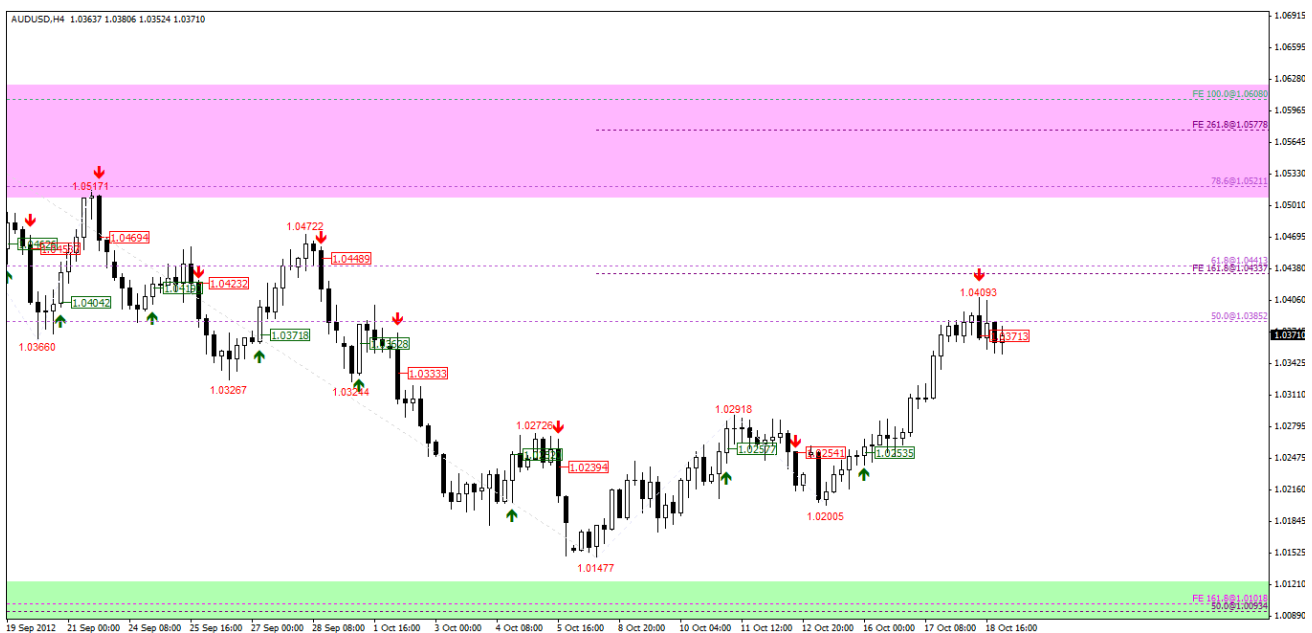


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal within 79.747-80.082	78.667	77.592	80.182 STOP

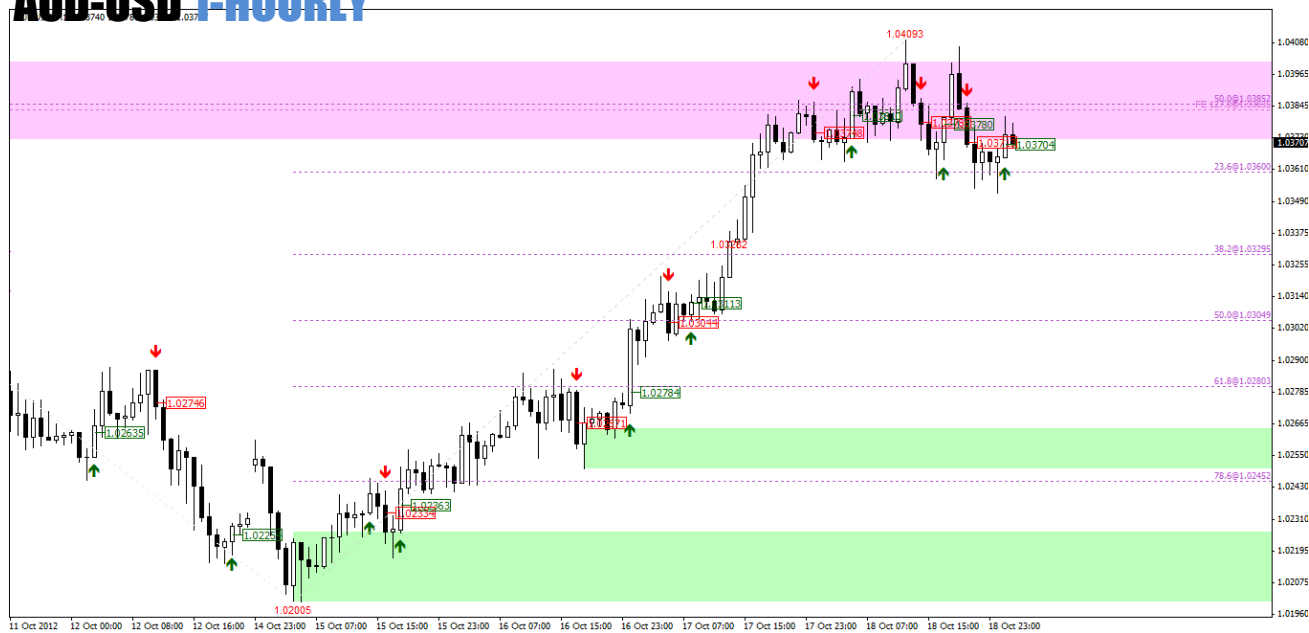
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 12-10-2012								\$23,667.09
USD-JPY	11-10-2012	1.0	78.029	15-10-2012	1.0	78.819	+\$1,002.30	+\$1,002.30	\$24,669.35
USD-JPY	11-10-2012	1.0	78.029	17-10-2012	1.0	79.106	+\$1,361.46	+\$1,361.46	\$26,030.81
USD-JPY	18-10-2012	1.0	79.304	18-10-2012	1.0	79.116	-\$237.06		\$25,793.75
USD-JPY	18-10-2012	1.0	79.304	18-10-2012	1.0	79.116	-\$237.06	-\$474.12	\$25,556.69
Unrealized							\$0.00		

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

The last 24 hours have witnessed a contest of will between bulls and bears centered around the supply pocket of **1.03722-1.04011**. This is best exemplified by the H1 chart. The numerous sell and buy signals there were triggered and cancelled out, making for some very difficult trading conditions. However, with the buy signal prevalent in the D1 chart, it's best to stay on the long side of this market - at least until price action hit the supply pockets at either **1.06010-1.06677** or **1.07334-1.08542** (see H4 chart). 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. Currently, price action is at a sensitive area where there is a confluence of two Fibonacci ratios at the 50.0% retracement of 1.06227 to 1.01477 at **1.03852** and the 127.0% projection of 1.01477 to 1.02918 from 1.02005 at **1.03835** (see H4 chart). Weakness, if any, should be viewed as an opportunity to re-establish buy positions for an assault on the SZ at **1.05317-1.06677** (H1 chart).

AUD-USD 1-HOURLY

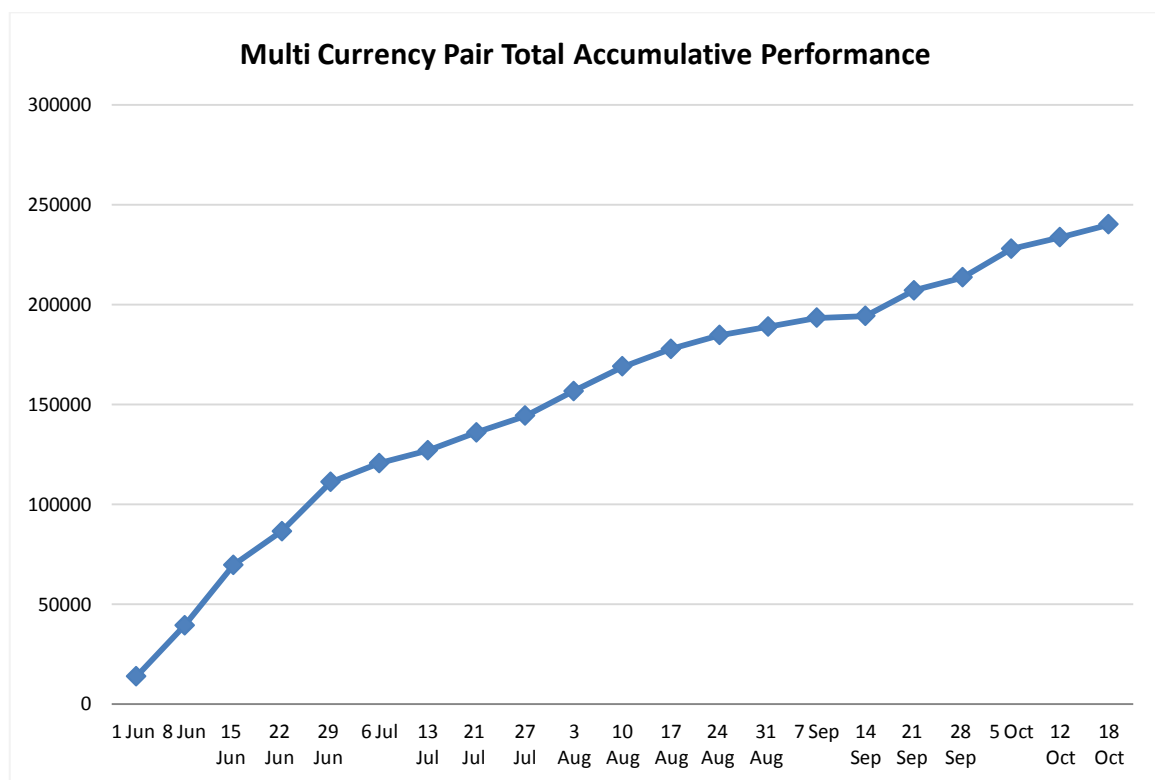
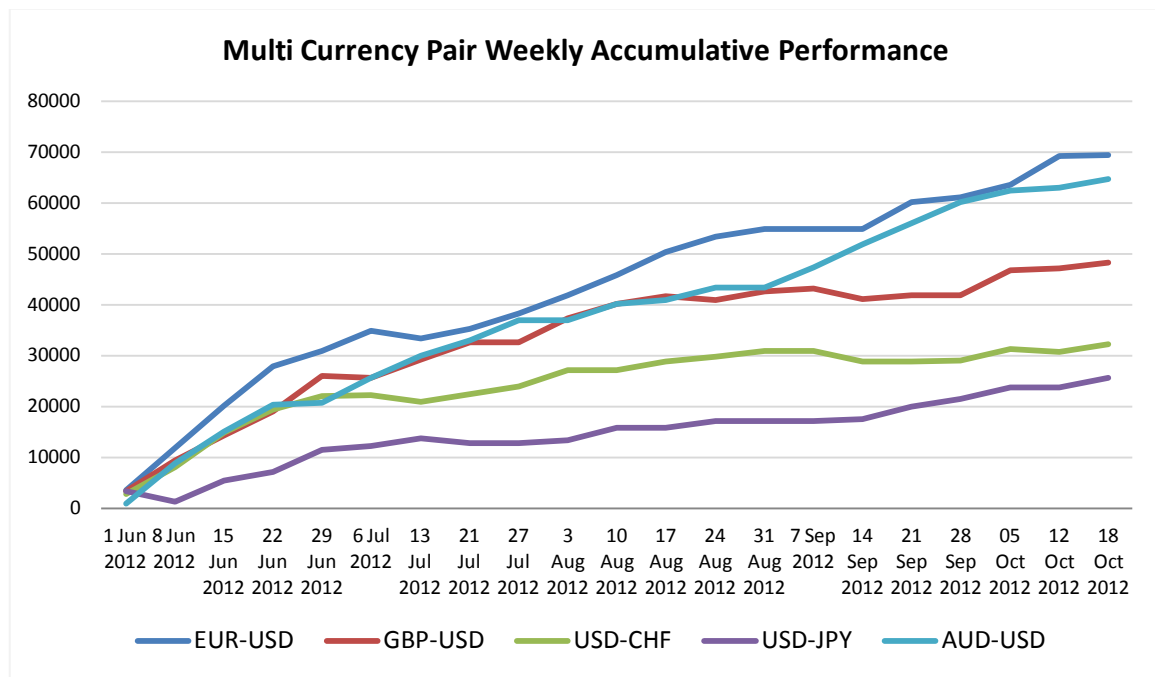


Trade Ideas

ACTION		Target 1	Target 2	EXIT
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Weekly Performance

Symbol	Pair	Lot	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 12-10-2012								\$62,987.00
AUD-USD	08-10-2012	1.0	1.01885	17-10-2012	1.0	1.03722 Unrealized	+\$1,837.00 \$0.00	+\$1,837.00	\$64,824.00



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.