Thur, Apr 4, 2013 Weekday Edition

FOREX OUTLOOK



A Traders Academy International Publication

BoJ, BoE & ECB Meetings Eyed

USD-JPY held near 1-month lows early in Asia on Thursday, with traders adopting a cautious stance as they waited to see just how aggressive the Bank of Japan will be in tackling deflation. Having talked up expectations for bold measures, including an immediate start to its open-ended bond buying programme, the BOJ will be hard pressed to surprise markets.

Given the BOJ's track record for under delivering, the market has already trimmed back short Yen positions just in case. That is one reason USD-JPY has moved little in the past three weeks, coming off multi-year highs.

USD-JPY was last at 92.764, having drifted down from a session high of 93.679 on Wednesday. It has lost nearly 4 percent from a 3-1/2 year peak of 96.699 set a few weeks ago.

Even should the BOJ disappoint at this meeting, Governor Haruhiko Kuroda is very likely to try to keep expectations high for the next meeting in three weeks. The outcome of the meeting will be announced between 0330-0530 GMT (11:30AM – 1:30PM Singapore time), followed by Kuroda's media briefing at around 0630 GMT (2:30PM Singapore time).

Also in focus are policy meetings of the European Central Bank and Bank of England. Both central banks are not expected to deliver any new stimulus for now, although the ECB is likely to try and calm markets by pledging to keep the banking system lubricated after Cyprus's brush with financial meltdown.

Still the risk of any surprises, such as an interest rate cut from the ECB or a restart of the BOE's bond-buying programme, is keeping traders wary of the Euro and Sterling.

EUR-USD was at 1.28494, not far from a 4-month trough of 1.27505 plumbed on March 27. GBP-USD was at 1.51390, having dipped to a 2-week low of 1.50745.

With the major event risks looming, high-flying commodity currencies took a backseat. AUD-USD was at 1.04800 after a second attempt to break above the 1.05000 handle failed.

AUD-USD was higher this morning as stronger-than-expected economic data lowered the chances of more interest rate cuts from the Reserve Bank. Retail sales climbed 1.3 per cent in February while building approvals rose 3.1 per cent. Both figures came in well above market expectations and pushed AUD-USD to 1.04909 shortly after the data was released from 1.04492.

These data had reduced chances of more RBA rate cuts. The higher AUD-USD goes, the more pressure there is on the Reserve Bank to lower the cash rate to offset that. But that's very unlikely now with the data this strong.

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DAYLIGHT SAVINGS TIME

Monday, 31 March, marks the start of DST in U.K. and Switzerland. As such, Zurich will open at 2:00pm and London at 3:00pm Singapore time.

Australia will revert to DST on 7 April 2013.

EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD 1-HOURLY



EUR-USD Short Term Outlook

This market remains range-bounded from last week's low of 1.27505 to just shy of the minor overhead supply pocket at 1.28689-1.28890 (where the 100.0% extension of 1.27505 to 1.28438 from 1.27927 at 1.28860 is located) overnight and frizzled out. Overnight, this range was further tightened to between the minor overhead supply pocket at 1.28689-1.28890 to the demand pocket at 1.27890-1.28013. From the day's low of 1.27890, prices rose purposefully towards the upper trading band and stalled just shy of this sensitive price bracket once again. Should, this market somehow spikes into this area, the original idea to re-establish short positions within this price bracket for a shot at the demand pocket at 1.27359-1.27661 and 1.26610-1.26901 where the 61.8% retracement of 1.20416 to 1.37101 at 1.26790 is located is still valid. Focus is on the secondary target at 1.26610-1.26901 which should hold – at least on initial attempts.

TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 1.28689-1.28890		1.29045	1.27661	1.26901	3	0.03m

TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	_	Unrealized P/L						Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$			
2013.03.29										9.94	10,993.60			

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD 1-HOURLY



GBP-USD Short Term Outlook

Yesterday's update allured to the possibility of buying interests emerging from within the demand pocket at **1.50258-1.50766** was right on. After registering a day's low at 1.50745, prices rallied almost a cent to 1.51573 and eased. Structurally, it does not appear the rebound from March 12 low of 1.48305 is over yet. Only a close below **1.51190** by the end of this week would once again, suggests the return of serious selling interests. In the meantime, prices are likely to mark time between the demand pocket at **1.50258-1.50963** and the revised supply pocket at **0.52570-1.53193**. Short-term bias is slightly in favor of further rise from the overnight low of 1.50745 to perhaps the 100.0% extension of 1.50745 to 1.5173 from 1.51141 at **1.51969**. As noted, in order to keep the medium-term bearish bias alive, it is imperative that any rise must be contained at **0.52570-1.53193**. With a daily close below **1.51273** on Tuesday, the bearish bias is very much intact.

GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.52397	1.52692	1.50766	1.48516	3	0.03m
				Realized			

GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy Close Unrealized Realized (units) Price P/L P/L			mulative alance				
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										19.25	11,924.90
2013.03.25 01:40	0.03	1.52570	2013.04.02 06:46	0.03	1.52570						
2013.03.28 09:11	0.01	1.51624	2013.04.02 03:37	0.01	1.52314			-69.0	-69.00	18.56	11,855.90
2013.03.29 03:09	0.02	1.52109	2013.04.02 03:37	0.02	1.52314			-41.0	-41.00	18.14	11,814.90
2013.04.02 07:24	0.03	1.52397	2013.04.03 04:15	0.02	1.50766			163.1	163.10	19.98	11,978.00
2013.04.02 07:24	0.03	1.52397	2013.04.03 23:59	0.02	1.51261	277.2	277.20				

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF 1-HOURLY



USD-CHF Short Term Outlook

This market remains in a non-directional mode as prices sold off sharply after rising neatly from between the 50.0% retracement of 0.93515 to 0.94522 and the 100.0% extension of 0.95528 to 0.94650 from 0.95260 at 0.94382. Though it looked encouraging for the bullish case, it was as noted, a little premature to make this call. Only a sustained rally above 0.95658 would add considerable confidence to this bullish call. If so, a resumption of the larger degree corrective rally from 0.70614 to beyond the March 14 high of 0.95658 is called for. The alternative scenario is for the attempted rallies to frizzle out and re-tests last week's low at 0.93515. As noted, this level lies within a demand pocket at 0.93504-0.93925. A fall to this price bracket would lay a firmer foundation for the rebound from 0.93515 to surge towards the 61.8% retracement of 0.99709 to 0.90212 at 0.96081. This level incidentally lies just below a supply zone at 0.96086--0.96346. This outcome ties in neatly with the long-term assessment that this market is poised to resume its larger degree rebound from 0.70614 from way back in August 2011 (see W1 chart). At any rate, only a sustained clearance above the supply pockets at 0.95372-0.95658 (revised) and 0.96086-0.96346 would clear the path for a robust recovery in the long-term. Failure to clear the latter barrier may see an unraveling of this rally from 0.90212.

USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buy	Buy on buy signal between 0.93504-0.93925		0.93404	0.95372	0.96086	3	0.03m

USD-CHF TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price				umulative Balance		
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										8.88	10,888.26
2013.03.28 07:32	0.02	0.94759	2013.04.02 03:35	0.02	0.94550			41.8	44.21	9.32	10,932.47

USD-JPY DAILY



USD-JPY 4-HOURLY





USD-JPY Short Term Outlook

With this market drifting, the original idea of re-positioning longs at the Fibonacci cluster comprising the 61.8% retracement of 90.852 to 96.699 at 93.086 and the 127.2% extension of 96.699 to 94.304 from 96.126 at 93.080 may yet have a chance of been executed. As noted, these levels are situated just above the demand pocket at 92.908-93.047. A rebound from there could potentially open up the possibility of another assault at the year's high and beyond. Alternatively, Tuesday's fall and subsequent rebound may have set the stage for the resumption of the rally from 77.126. At any rate, a daily close above 94.254 is the confirmation that the corrective phase is over and this market is poised to rally towards the long-term target at the Fibonacci cluster around the 261.8% extension of 75.565 to 84.170 from 77.126 at 99.654 as well as the 50.0% retracement of 124.130 to 75.565 at 99.847 (see W1 chart).

USD-JPY TRADE IDEAS

4	Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
E	Bought		93.186	92.433	94.292		1	0.01m
	Buy	Buy on buy signal between 92.908-93.086					2	0.02m

USD-JPY TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	-	ealized P/L		alized P/L		mulative alance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										22.97	12,297.38
2013.03.21 06:15	0.01	95.907	2013.04.02 03:05	0.01	93.086			282.1	303.05	26.00	12,600.43
Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	-	ealized P/L		alized P/L		mulative alance
Open Date 2013.04.02 03:11	,		Close Date 2013.04.02 06:24			-					

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD 1-HOURLY



AUD-USD Short Term Outlook

The odds of the RBA lowering rates has diminished with the latest set of data cvoming out of Australia. Just a while ago, this market spiked up almost 0.42 cents on the back of better-than-expected retail sales and building approvals numbers. At any rate, this market flirted with the 9-week high of 1.04957 traded a week ago with a marginal new high at 1.04961 and eased. As noted, this level is sited just above the 78.6% retracement of 1.05972 to 1.01143 at 1.04939 and the 161.8% extension of 1.01143 to 1.03001 from 1.02027 at 1.05033 (see H4 chart). Price actions are now range-bound between the the overhead supply pocket at 1.04740-1.04961 (revised) and the demand pocket at 1.04398-1.04472. Unless the BoJ surprises later in the day, this market is likely to remain in this trading range until the US NFP release tomorrow night. Should prices surges, the allowance is the rebound from 1.01143 to test the support-turned-resistance line of the triangle. Should price actions fail to take out this closely watched support-turned-resistance line, the bearish scenario is still alive. However, should prices rally strongly above 1.06240; this would effectively debunked the triangle pattern scenario and opens up the possibility of an imminent challenge of the all-time high at 1.10796 and beyond. Either way, both counts are bullish in the short-term.

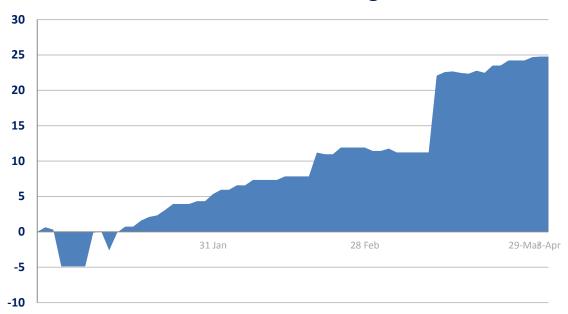
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buy	Buy on buy signal between 1.04398-1.04472		1.04298			1	0.01m

AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	·				mulative alance		
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										16.01	16,005.30
2013.03.21 16:40	0.03m	1.04479	2013.04.02 03:33	0.03m	1.04667			-56.4	-56.40	15.95	15,948.90

Accumulative Percentage P/L



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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.

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 substance. 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.