

A Traders Academy International Publication

Euro At 11-Month High

EUR-USD climbed to an 11-month high on Monday as traders pared expectations of monetary easing from the European Central Bank and the outlook improved for Spain, the region's fourth largest economy.

However, after hitting the 11-month high just above 1.34000, it pared gains, weighed down by data showing output at Euro zone factories fell for a third straight month in November. Nevertheless, the Euro posted sharp gains against the Swiss

Also helping the Euro's cause was a report showing reduced dependence of Spanish banks on ECB funding. Data from the Bank of Spain showed net borrowing from the ECB dropped to €357.3 billion in December, down 2.1 percent from November's level. Spanish borrowings hit a high of €411 billion in August.

EUR-USD settled up 0.28 percent at 1.33803, retreating from a high of 1.34028, its strongest since late February 2012.

EUR-JPY also extended gains, touching its highest level since May 2011, as Japan's government applied more pressure on its central bank to ease monetary policy, contrasting sharply with the ECB's stance.

ECB President Mario Draghi's upbeat tone since its policy-setting meeting last Thursday has pushed the Euro 2.4 percent higher against the greenback. The recent gains account for most of the Euro's 1.3 percent appreciation so far in 2013. Draghi suggested an interest rate cut was off the agenda for now and pointed to signs of improvements in the Euro zone economy as well as in financial markets, which set a supportive tone for the Euro.

Some strategists, however, believe the Euro's impressive gains have been too swift, leaving the unit vulnerable to a pullback.

Declining borrowing costs for highly indebted Spain and Italy have allayed fears about the Euro zone's debt crisis, but the region's economic backdrop remains unimpressive with weaker-than-expected industrial production data. This data is a reminder that the region's economy remains fragile and weak. Draghi managed to push back expectations of easing, but if we continue to see soft data like this, the possibility of an ECB rate cut becomes more probable.

Draghi's comments in Europe contrast with Japan, where Prime Minister Shinzo Abe said on Sunday the central bank must set a 2-percent inflation target as a medium-term, not long-term, objective. This indicates the central bank would have to print more Japanese Yen to boost the economy.

EUR-JPY was up 0.61 percent at 119.714, having earlier hit 120.12, its highest since May 2011. This came on top of a more than 3 percent rise last week.

USD-JPY rose 0.33 percent at 89.459. It earlier hit 89.67, its highest since June 2010, after breaching an options barrier at 89.500. Traders said, however, it could struggle ahead of another reported options barrier at 90.000.

Japan last week approved a \$117 billion stimulus package, the biggest spending boost since the financial crisis, in an effort to support the economy.

Also on Monday, Federal Reserve Chairman Ben Bernanke gave no indication on how long the Fed's asset-buying program will last. Instead, he focused on the need to raise the U.S. debt ceiling.

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EURUSD, Daily 1.33804 1.33859 1.33763 1.33828

1.34395
1.33808
1.33545
FE 61.8@1.3358

1.32720
1.31870
1.31045
1.30195
1.29370
1.28520
1.27670
FE 127.0@1.26713
50.0@1.26602

1.31710
1.31388
1.28029
1.28755
1.2601
1.27463
1.29550
1.31841
1.34028

1.20414

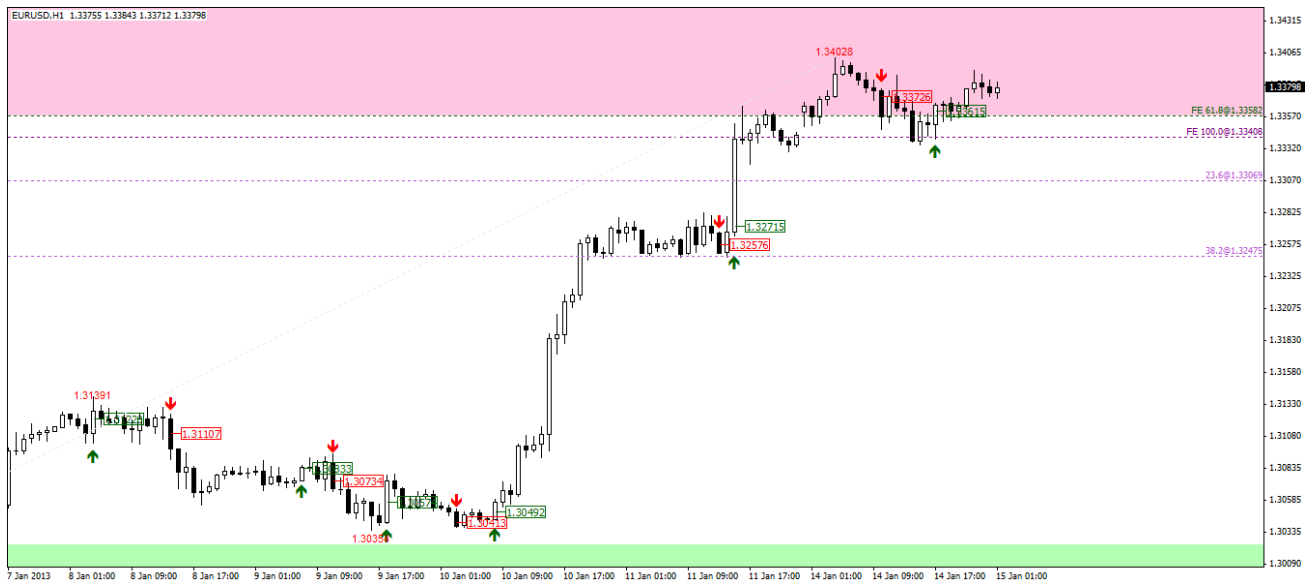
16 Jul 2012 26 Jul 2012 7 Aug 2012 17 Aug 2012 29 Aug 2012 10 Sep 2012 30 Sep 2012 9 Oct 2012 12 Oct 2012 34 Oct 2012 5 Nov 2012 15 Nov 2012 27 Nov 2012 7 Dec 2012 19 Dec 2012 31 Dec 2012 14 Jan 2013

1.26845
1.25995
1.25170
1.24320
1.23495
1.22645
1.21820
1.20970
1.20145

[illegible]

This market continued its upward rally having probably ended its corrective phase from 1.33071 at 1.29963 last Friday. Last night's saw this market remaining within into the overhead SZ at **1.33575-1.34857** after having traded into this price pocket on Friday. The 61.8% projection of 1.20414 to 1.31710 from 1.26601 at **1.33582** incidentally lies within this zone. As noted, even though price action appears set to re-test last year's high of **1.34857**, which sits just below the 50.0% retracement of 1.49393 to 1.20414 at **1.34904**, heavy resistance is expected within the current price pocket. As such, risk of profit-taking remains. If so, the 38.2% retracement of 1.29963 to 1.34028 at **1.32475** looks like a convenient resting point before the rally resumes. That said, regardless of whether a retracement takes place first, only a sustained rally above this price pocket would pave the way towards the 1.50000 psychological level.

EUR-USD 1-HOURLY



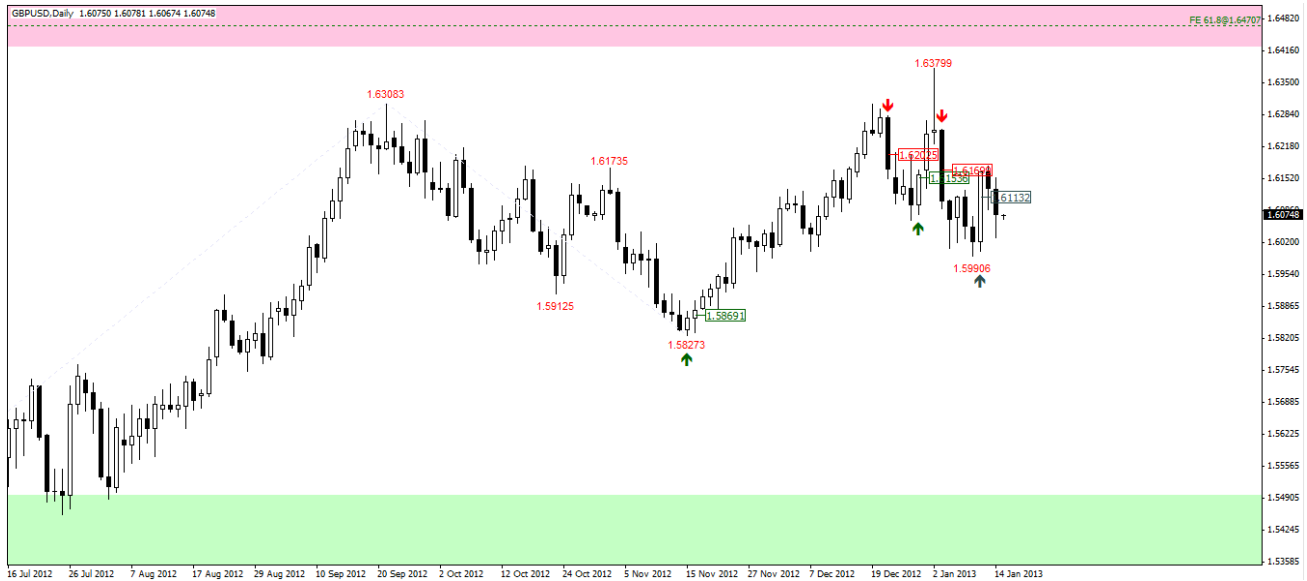
TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.33726	1.34128	1.33069	132716	3	0.03m

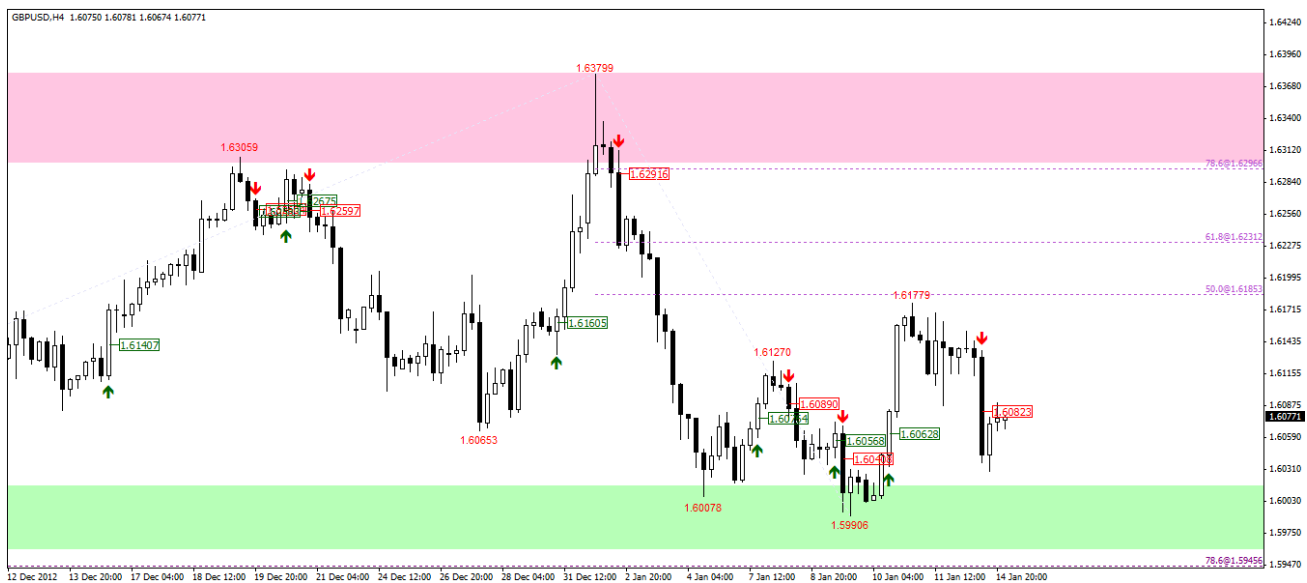
TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											9,698.50
2013.01.14 09:48	0.03m	1.33726	2013.01.14 23:59	0.03m	1.33803	-23.1	-23.10				

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

The idea that Thursday's rally suggested that a low is in place 1.59906 and that the correction from 1.63799 is over is still valid. That being the case, focus has shifted towards the supply zone at **1.63012-1.63799** which sits just above the 78.6% retracement of 1.63799 to 1.59906 at **1.62966**. However, the rally stalled at 1.61779 and pulled back sharply last night in NY morning session to the maximum 78.6% retracement of the rise from 1.59906 to 1.61779 at 1.60307 with a print at 1.63298 and rebounded. At being the case, the idea is still to remain on the long side of this market with focus on the overhead supply zone at **1.63012-1.63799**. Thus we'll see if this market can fall back into the demand pocket at **1.59875-1.60105**. Sustained rally above the immediate supply zone at **1.63012-1.63799** would further suggest a challenge of the upper trend-line of the triangle formation seen in the W1 chart. On the downside, a break below **1.59906** would bring further weakness to the November low of **1.58273**.

GBP-USD 1-HOURLY



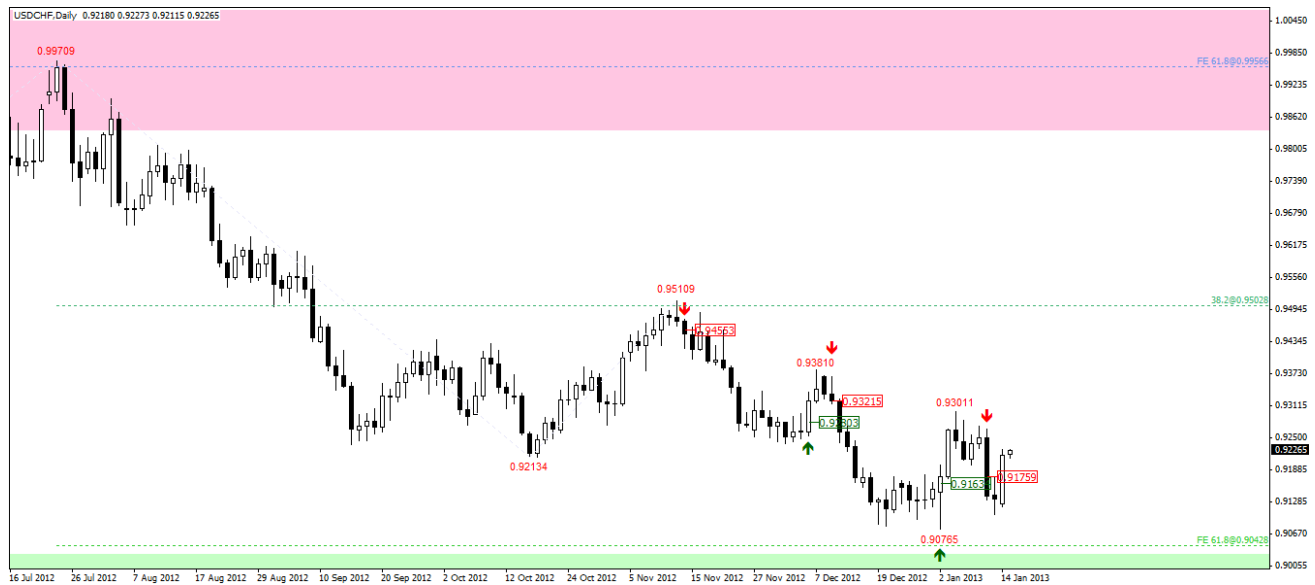
GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buy	Buy on reversal signal within 1.59875-1.60105		1.59806	1.62378	1.63003	3	0.03m

GBP-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04										-0.80	9,919.90
2013.01.11 12:52	0.03m	1.61155	2013.01.14 13:54	0.03m	1.60754			-120.3	-120.30	-0.12	9,799.60

USD-CHF DAILY



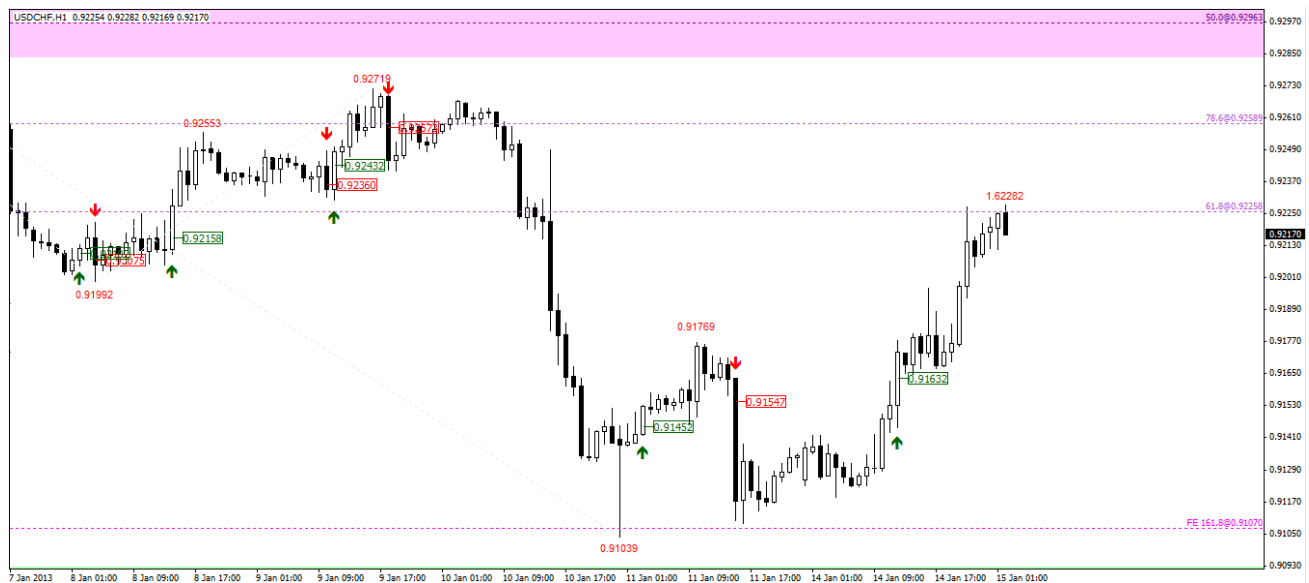
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

Just when it appears that the upward correction of the fall from the November 13 high of 0.95109 is over with the sharp fall seen last Thursday, the expected follow-through fall fell short of its target and rebounded sharply. Initially, a re-test of last week's low at **0.90765** was expected but it was not to be. Now that this market is attempting to rally, topside is, as noted, expected to be capped at the supply pocket at **0.93407-0.93810** where the 61.8% retracement of 0.95109 to 0.90765 at **0.93450** is located.

USD-CHF 1-HOURLY



USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal within 0.93407-0.93810.		0.93910	0.90587	0.89847	3	0.03

USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04										0.74	10,073.91
2013.01.11 15:12	0.03m	0.91547	2013.01.14 16:32	0.03m	0.91869			-96.6	-105.15	-1.04	9,968.76

USDJPY Daily 89.460 89.570 89.425 89.47%

FE 161.8091048

89.659

88.221

87.221

81.672

79.983

79.061

77.119

91.290

90.365

89.470

88.515

87.590

86.665

85.715

84.790

83.865

82.940

82.015

81.090

80.140

79.215

78.290

77.365

76.440

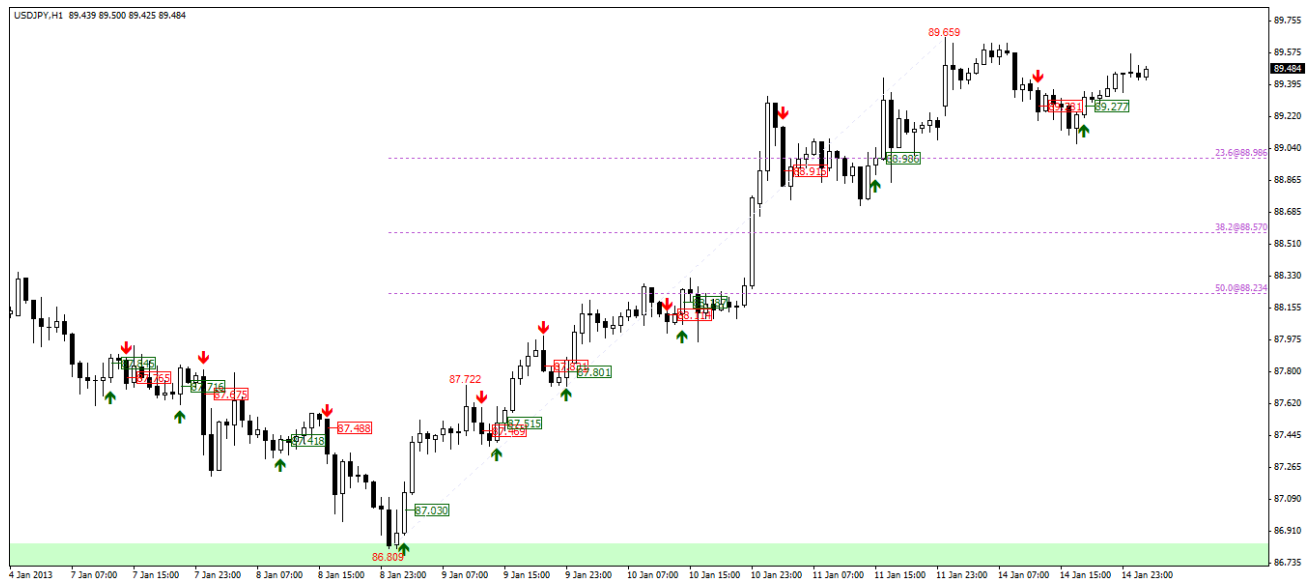
75.515

16 Jul 2012 26 Jul 2012 7 Aug 2012 17 Aug 2012 29 Aug 2012 10 Sep 2012 20 Sep 2012 2 Oct 2012 12 Oct 2012 24 Oct 2012 5 Nov 2012 15 Nov 2012 27 Nov 2012 7 Dec 2012 19 Dec 2012 2 Jan 2013 14 Jan 2013

[illegible]

This market registered yet another marginal high at 89.659 in overnight trading – the highest since June 2010. This is within striking distance from the psychological level of **90.000**. However, a more likely target is the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048** (see D1 chart). Beyond this level focus would shift to the 38.2% retracement of 147.680 to 75.563 at **103.11** next. On the downside, only sustained trading below the minor demand pocket at **86.754-87.023** would compromise the immediate bullish bias. The first clue of an impending correction would be a close below **88.738** in the D1 chart.

USD-JPY 1-HOURLY



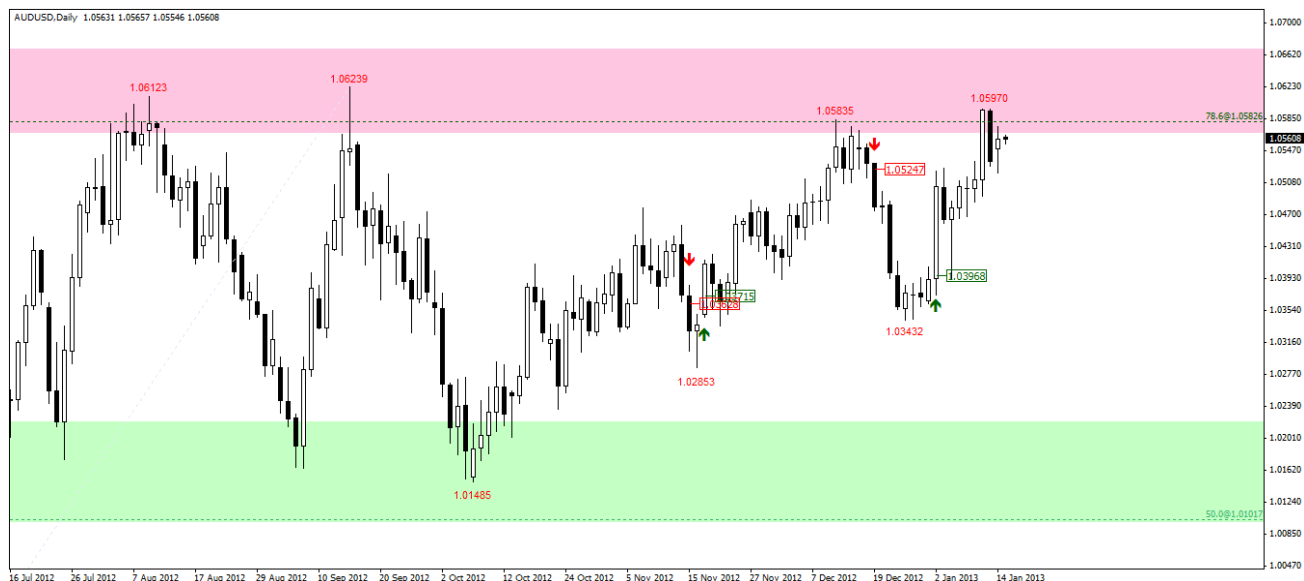
USD-JPY TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Bought on buy signal above 86.882 in H1	86.882	D1 close below 88.738	88.052 Realized	91.048	3	0.03

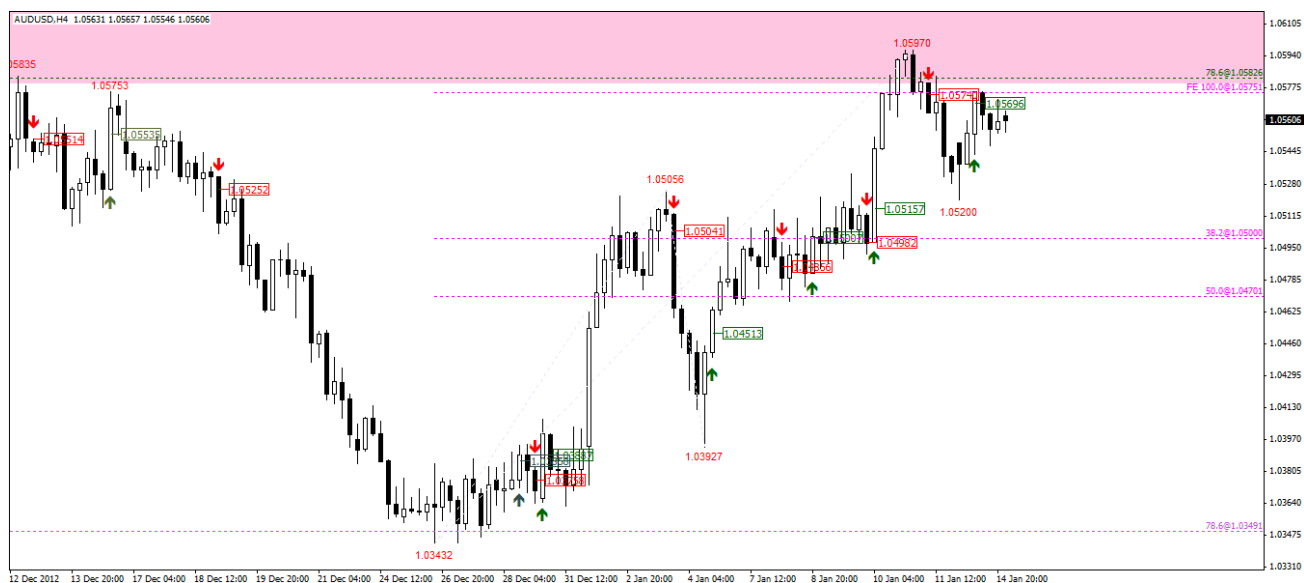
USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											10,045.48
2013.01.02 15:06	0.02m	86.882	2013.01.14 23:59	0.02m	89.459	515.4	576.13				

AUD-USD DAILY



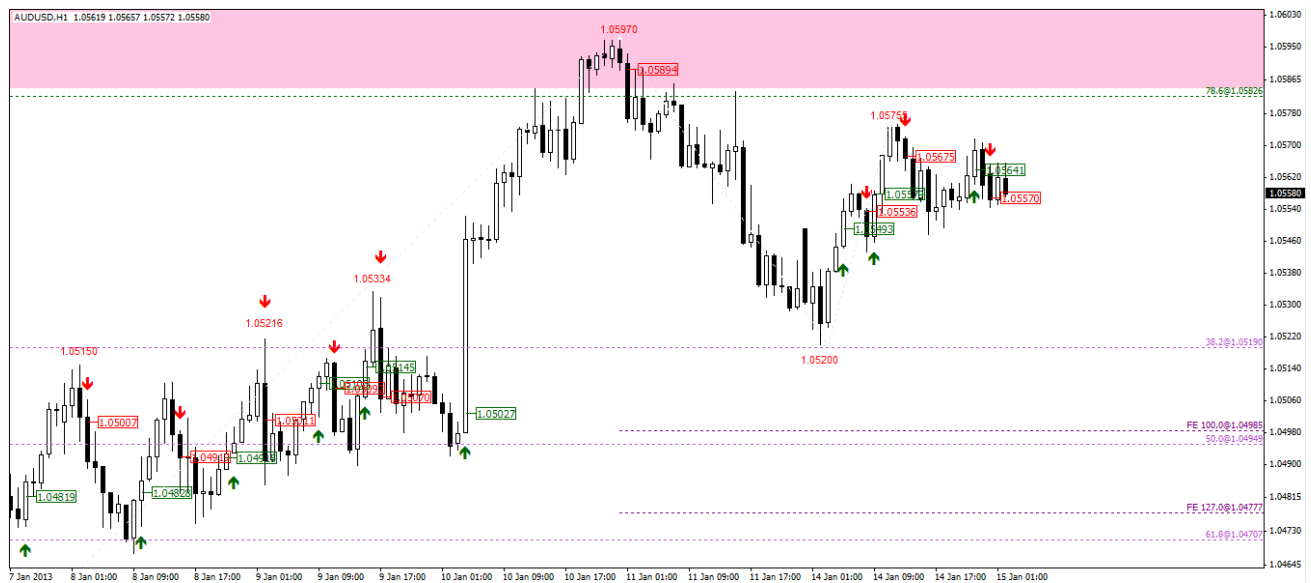
AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

Last week saw the rise from 1.03432 extending its gains into the supply pocket at **1.05796-1.06239** and eased. The ensuing correction has so far taken price action to a low of 1.05200 overnight and may yet fall to complete the 3-wave corrective price movement at either the 100.0% or 127.0% projection of 1.05970 to 1.05200 from 1.05755 at **1.04985** or **1.04777**. These levels are near the 50.0% and 61.8% retracement level of 1.03927 to 1.05970 at **1.04949** and **1.04707** respectively. From there, this bull-run may resumes. However, should the fall accelerates and breaks below the Boxing Day low of **1.03432**, the DZ at **1.00995-1.02202** should contain further fallout (see D1 chart). On the other hand, should the rally accelerates above the supply pocket at **1.05796-1.06239**, the correction phase is deemed to be over.

AUD-USD 1-HOURLY



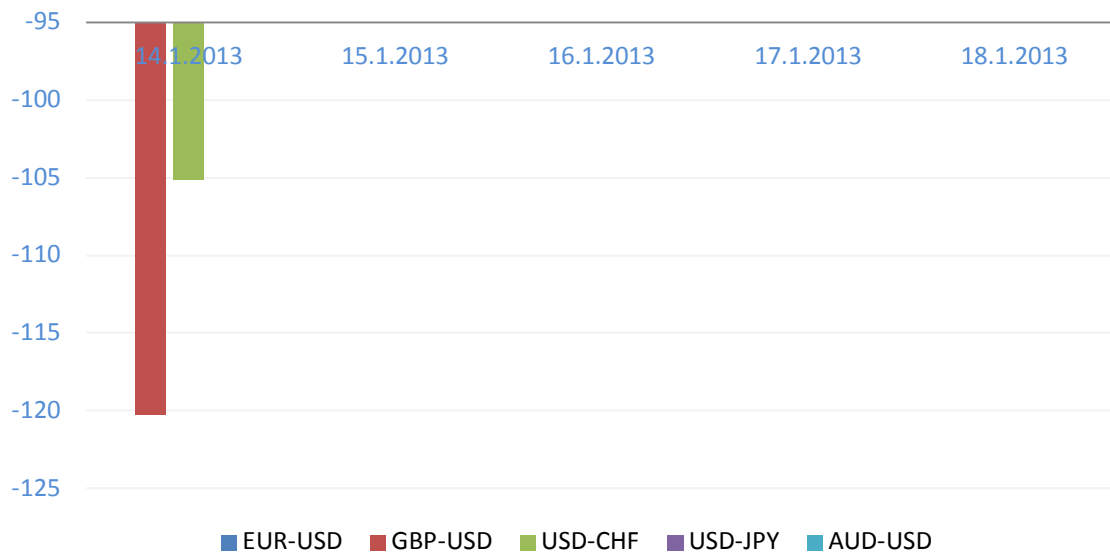
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.05894	1.06070	1.05488 Realized	1.04949	3	0.03

AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.11											10,165.30
2013.01.11 01:20	0.02m	1.05894	2013.01.14 23:59	0.02m	1.05601	52.6	52.6				

Daily Realized P/L



Accumulative Realized % Gain



Check out our website at

www.tradersacademyonline.com



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.