

ALL NEW
ANALYSIS

A Traders Academy International Publication

US Dollar Fell From 7-Month High

The US Dollar slipped from a 7-month high against a basket of currencies on Thursday as traders opted to take a pause after its recent sharp and swift rally even as U.S. economic data continued to show signs of strength. While the US Dollar fell from a 3-month peak against the Euro, analysts say the outlook for the U.S. Dollar remains bright on expectations the U.S. economy is outperforming its major counterparts.

Indeed, the number of Americans filing new claims for unemployment benefits dropped for a third straight week last week, the latest indication the labor market recovery was gaining traction. Other reports over the past week highlighted improvement in the U.S. labor market and consumer spending.

The state of the jobs market is key to U.S. Federal Reserve policy. Should this sector continue to show marked strength the Fed may reconsider its bond buying program, called quantitative easing. The Fed's bond buying is tantamount to printing money and therefore dilutes the US Dollar's value.

Dismal data out of the Euro zone, meanwhile, should sustain the European Central Bank's dovish stance. As such, the ECB is likely to keep monetary policy accommodative or perhaps lower interest rates in the months ahead.

Contrasting with a positive U.S. growth outlook, Euro zone employment fell 0.3 percent in the last three months of 2012, data showed on Thursday, intensifying concerns about the region's economic outlook. Data on Wednesday showed a bigger-than-expected drop in euro zone factory output in January.

EUR-USD settled at 1.30022, up 0.33 percent on the day, rebounding from a session low of 1.29106, the weakest since December 10.

The foreign exchange markets are now under the influence of a trilogy of themes: the American economic revival, diverging monetary policy expectations and the unfinished Euro area crisis. These themes all point in the same direction: a stronger US Dollar.

The US Dollar strength is now far less dependent on risk conditions; the U.S. economic outperformance and the fears of a not-too-distant Fed exit imply that the dollar is no longer a funding currency of choice in the carry trade. The exit debate will heat up in the second half. For now, the fear is another Euro area shockwave which will hit the Euro, as dysfunctional politics and procrastination over reform resurface. Political uncertainty in Italy and a likely bailout for Cyprus should keep the Euro under pressure.

Traders also focused on a EU summit that will discuss budget policies, with signs that France, Spain and Portugal could be given more time to meet their deficit goals as long as they maintain a debt-cutting trend. The two-day summit will give EU leaders a chance to discuss budget policies, with signs that France, Spain and Portugal could be given more time to meet their deficit goals as long as they maintain a debt-cutting trend.

USD-JPY settled at 96.103, flat on the day, but expectations of aggressive policy easing from the Bank of Japan are expected to underpin the US Dollar, with many traders looking for a retest of the 3-1/2-year high of 96.699 hit on Tuesday.

Meanwhile, USD-CHF rose to a 6-month peak after central bank policy decisions and accompanying comments in Switzerland pushed those currencies lower.

DAYLIGHT SAVINGS TIME

Starting Monday, 11 March, the U.S. session has reverted at 8:00pm Singapore time; marking the start of Daylight Savings in the U.S. U.K. and Switzerland will only revert to DST on 31 March 2013; followed by Australia will on 7 April 2013.

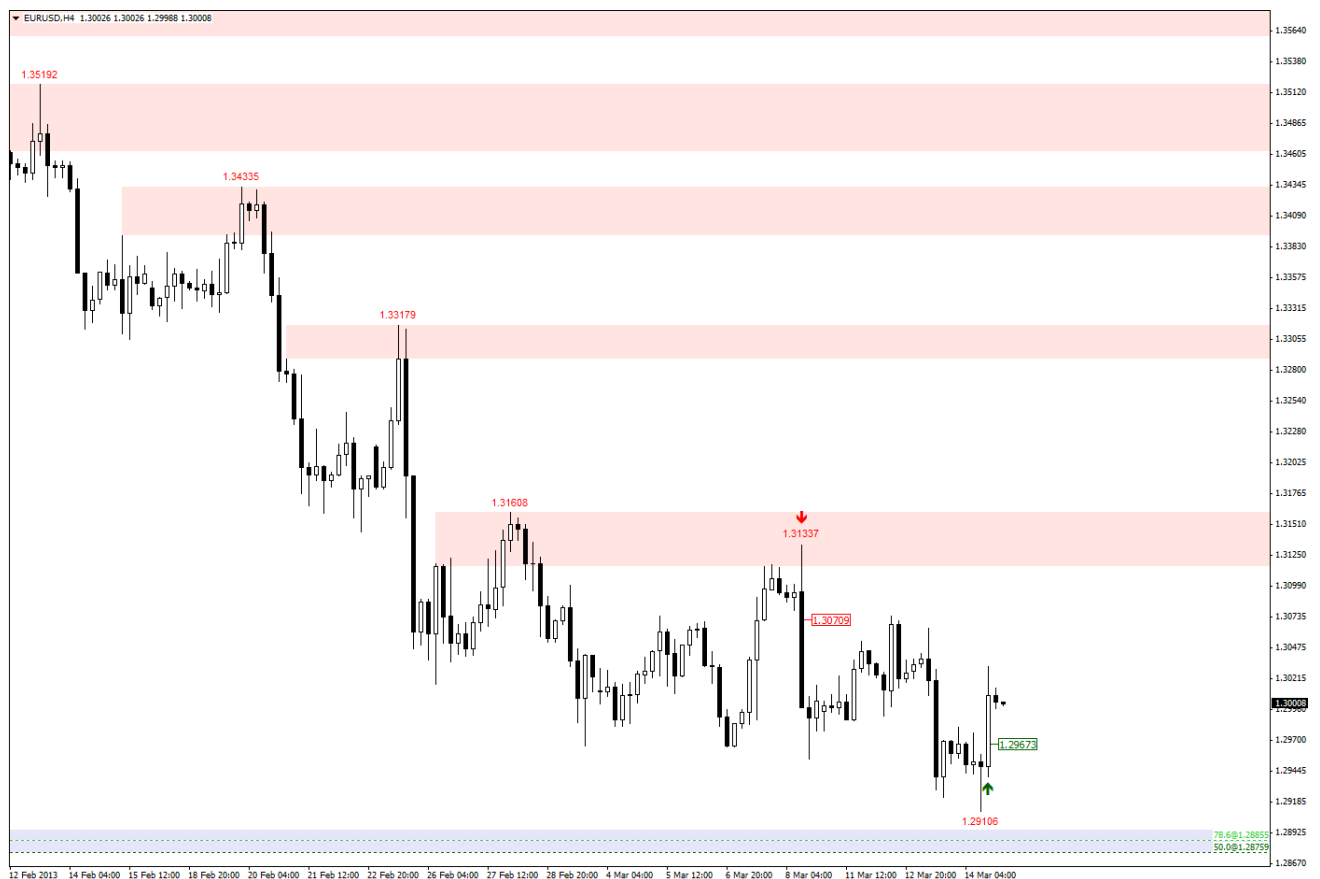
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EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD 1-HOURLY



EUR-USD Short Term Outlook

Barely 24 hours after resolving to the downside with a marginal low at 1.29106 overnight - missing the Fibonacci cluster of the 50.0% retracement of 1.20416 to 1.37101 at **1.28759** and the 78.6% retracement of 1.26610 to 1.37101 at **1.28855** – this market rebounded. So much for attaching so much significance on having to close below 1.30000 handle. Anyway, Wednesday's close below **1.29653** has caused the D1 chart to turn to negative. It remains to be seen if this more to this overnight rebound. Immediately overhead lies a minor supply zone of **1.31156-1.31608** located just above the 23.6% retracement of 1.37101 to 1.29106 at **1.30993**. However, should this market close above **1.30282** by tonight, the D1 chart would once again turn positive. If so, bias would shift to the upside.

TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold	Exit on D1 close above 1.30282	1.31120		1.28922	1.27090	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	+ / - (\$)	%	\$
2013.03.01										3.02	10,302.10
2013.03.08 13:57	0.03m	1.31120	2013.03.14 23:59	0.03m	1.30022	329.4	329.40				

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD 1-HOURLY



GBP-USD Short Term Outlook

The fact that this market was unable to close decisively below the 100.0% extension of 1.67462 to 1.52674 from 1.63801 at **1.49013** on a daily basis coupled with the appearance of a *Hammer* in the D1 chart on Tuesday suggested a potential reversal may be in the works. This was confirmed by a close above **1.50121** in the D1 chart last night. The rebound from 1.48305 extended beyond the 127.2% extension of 1.48305 to 1.49806 from 1.49064 at **1.50973** – effectively taking out the supply pocket at **1.50400-1.50820** – without triggering any sell signal as was the original plan. This rather robust correction may next attempt the 23.6% retracement of 1.63801 to 1.48305 at **1.51962** where a minor supply pocket at **1.51795-1.52210** resides. Provided this market does not close above **1.50761** by tonight, aggressive traders may attempt to position shorts within this price bracket for a resumption of the fall from 1.63801. Should this market close above **1.50761** by tonight, even the W1 chart would have turn positive. If so, we'll wait and see.

GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 1.51795-1.52210		1.52310	1.50820	1.48516	3	0.03m

GBP-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	+ / - (\$)	%	\$
2013.03.01										11.54	11,544.60
2013.02.22 06:23	0.02m	1.52999	2013.03.14 16:08	0.02m	1.50121			575.6	575.60	12.12	12,120.20

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF 1-HOURLY



USD-CHF Short Term Outlook

This market rallied to a fresh 6-month high in London with a print at 0.95658 and promptly lost it all in a massive unwinding of long positions by NY closing overnight. That said, last night's fall has not broken the back of the rally as the D1 chart is still positive – barely. Overall, this market (still) appears poised to extend towards last July's high of **0.99709** as the idea that the longer-term correction from the all-time low of 0.70614 is still on-going. Barring a complete collapse, immediate resistance may emerge from the overhead supply pocket at **0.96086-0.96346** where the 61.8% retracement of 0.99709 to 0.90212 at **0.96081** is sited. This followed by another at **0.97867-0.98085**. However, the barrier to beat is the supply zone at **0.99178-1.00659**. This is because the previous rally stalled at this very price bracket where a Fibonacci cluster made up of the 61.8% extension of 0.70614 to 0.93150 from 0.85676 at **0.99603** and the 61.8% extension of 0.85676 to 0.99709 from 0.90212 at **0.98884** reside. The nearest support is the demand pocket at **0.93925-0.94165** (see H1 chart).

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 0.93925-0.94165		0.93825	0.96086	0.99178	3	0.03m

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 + / - (\$)	% \$
2013.03.01								4.93 10,493.17

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY 1-HOURLY



USD-JPY Short Term Outlook

While volatility has picked up across the other majors, this market has flat-lined. Since hitting a fresh 3 1/2 years high of 96.699 on Tuesday, this market has been in consolidation mode which may extend towards either the 100.0% or 127.2% extension of 96.699 to 95.439 from 96.584 at **95.324** and **94.981** respectively (see H1 chart). However, should this pullback accelerates below these levels; the possibility of a change in trend has to be factored in. Throughout this week, the minor demand pocket at **95.487-95.722** has held up pretty well and may continue to do so – thus keeping the bullish bias alive. Based on its 6-month upward trajectory, the Fibonacci cluster at the 261.8% extension of 75.565 to 84.170 from 77.126 at **99.654** and the 50.0% retracement of 124.130 to 75.565 at **99.848** where the supply zone at **99.227-101.437** is located is an obvious long-term target. For those still looking to chase this rally, a word of caution is timely. Bear in mind that this almost 6-month long rally, impressive as it is, has yet to have any meaningful correction to date; notwithstanding the 370 pips fall on 25 February three Mondays ago. Continued chasing of this rally offers poor odds at this elevated level. On the contrary, traders may consider scaling in speculative short positions within the supply zone at **99.227-101.437** beginning from the Fibonacci cluster of the 261.8% extension of 75.565 to 84.170 from 77.126 at **99.654** and the 50.0% retracement of 124.130 to 75.565 at **99.848** if this rally powers on.

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Scale in selling between 99.227-101.437 at 100 pips interval		101.637	93.047	91.296	3	0.03m

USD-JPY TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.08										22.59	12,258.68

[illegible]

AUDUSD, H4 1.03841 1.03841 1.03657 1.03728

1.04755

1.03738

1.03001

1.02414

1.02027

1.01143

FE 161.8@1.05033

78.6@1.04939

FE 127.2@1.04390

61.8@1.04127

FE 100.0@1.03885

AUD-USD 1-HOURLY



AUD-USD Short Term Outlook

Yesterday Sydney session run up hit the 100.0% extension of 1.01143 to 1.03001 from 1.02027 at 1.03885 and then some before easing by NY closing. The surprisingly strong job data which showed the strongest domestic job growth in Australia since 2000 was the catalyst behind yesterday strong showing. As it is, most time frames except for m=the monthly chart have turned positive. Unless this market closes below **1.03016** by tonight's NY closing session, focus is now on the medium-term focus on the resistance line of the triangle pattern – at roughly the **1.05500** level (see W1 chart). Sustained trading above **1.06240** would, for all intents and purposes, debunk the triangle pattern scenario and open up the possibility of an imminent challenge of the all-time high of 1.10796.

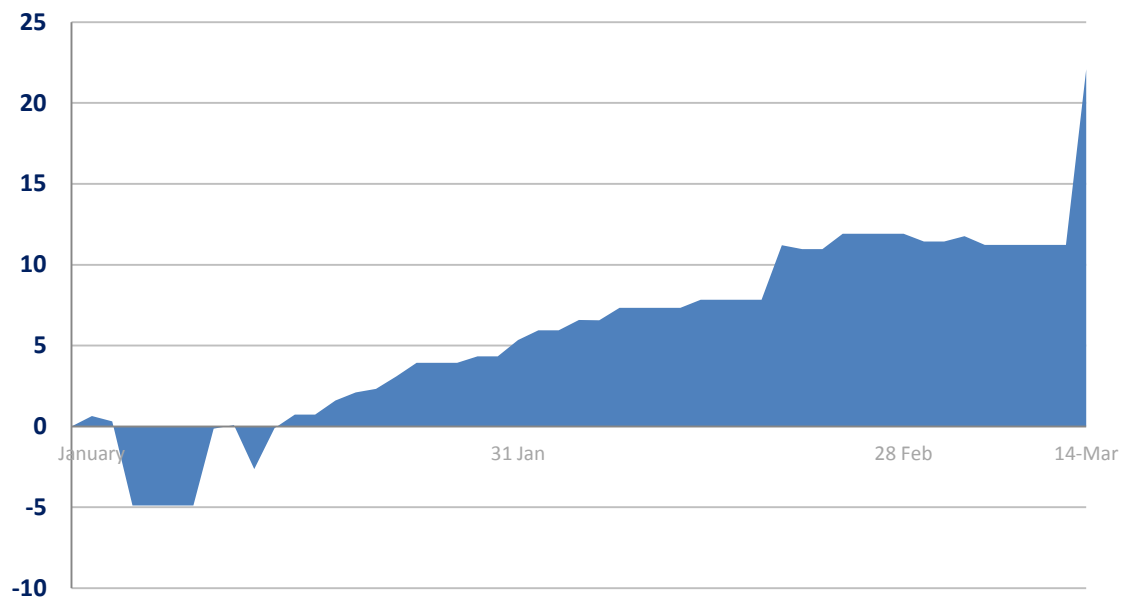
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03m

AUD-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	+ / - (\$)	%	\$
2013.03.08										11.01	11,011.60
2013.03.01 09:33	0.02m	1.01205	2013.03.14 02:31	0.02m	1.03628			484.6	484.60	15.86	15,862.00
Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
2013.03.14 03:10	0.03m	1.03738	2013.03.14 16:26	0.03m	1.03838			-3.0	-3.00	15.86	15,859.00

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.