

A Traders Academy International Publication

Euro At 14-Month High Against Dollar

EUR-USD rose to a 14-month high on Thursday for its best month in over a year as signs of recovery in the Euro zone's economy set the Euro on a bullish trend.

USD-JPY rose to a 2-1/2-year high, extending its recent decline on expectations of further monetary easing in Japan.

It registered a monthly gain of 5.3 percent. EUR-JPY too rallied for a sixth consecutive month, rising 8.3 percent in January, which marked the best month since February 2012.

Trading grew choppy as the NY session came to a close as traders prepared their books for month-end positioning and for U.S. jobs data on Friday.

Some traders believe whatever the reaction payrolls number will cause, it will likely be knee-jerk because nobody yet really knows what the Fed's newest voting members are thinking for a few more weeks. They are referring to minutes of the latest U.S. Federal Reserve Board meeting due for release in about three weeks, in which new voting members' comments take on greater weight. If there is a perceived dovish sentiment, then it is more selling of the US Dollar.

Economists forecast a rise to 160,000 new non-farm jobs in January, up from 155,000 in December, with the unemployment rate steady at 7.8 percent.

On Wednesday the Fed left in place its monthly \$85 billion bond-buying stimulus plan. The Fed said the U.S. jobs market would continue to improve at a modest pace and pledged to keep purchasing securities until unemployment falls "substantially."

The jobs number probably isn't going to change the outlook in terms of Fed policy because even if we have a lot better than expected number. The market really needs to see sustained improvement in the labour market.

Weak German retail sales data released on Thursday slightly dented the bullish sentiment on the Euro, but it was offset by a strong reading on Germany's labour market and did little to change to the Euro rising trend.

EUR-USD rose as high as 1.35932, its strongest level since November 2011, and settled up 0.08 percent at 1.35769. It rose 3 percent rise this month, the biggest since October 2011.

Month-end flows could trap EUR-USD in a range and leave it below a reported option barrier at 1.36000.

EUR-JPY rose 0.76 percent to 124.498, having hit as high as 124.565, the strongest level in nearly 3 years.

USD-JPY climbed 0.69 percent to 91.691. It has rallied over 12 percent since mid-November.

European politicians have ramped up talk of a "currency war" as the Euro has been the biggest beneficiary of weakness in the Japanese Yen and the US Dollar. But European Central Bank policymakers have maintained a view that the Euro is well within its long-term averages, reflecting little desire to curb its recent strength.

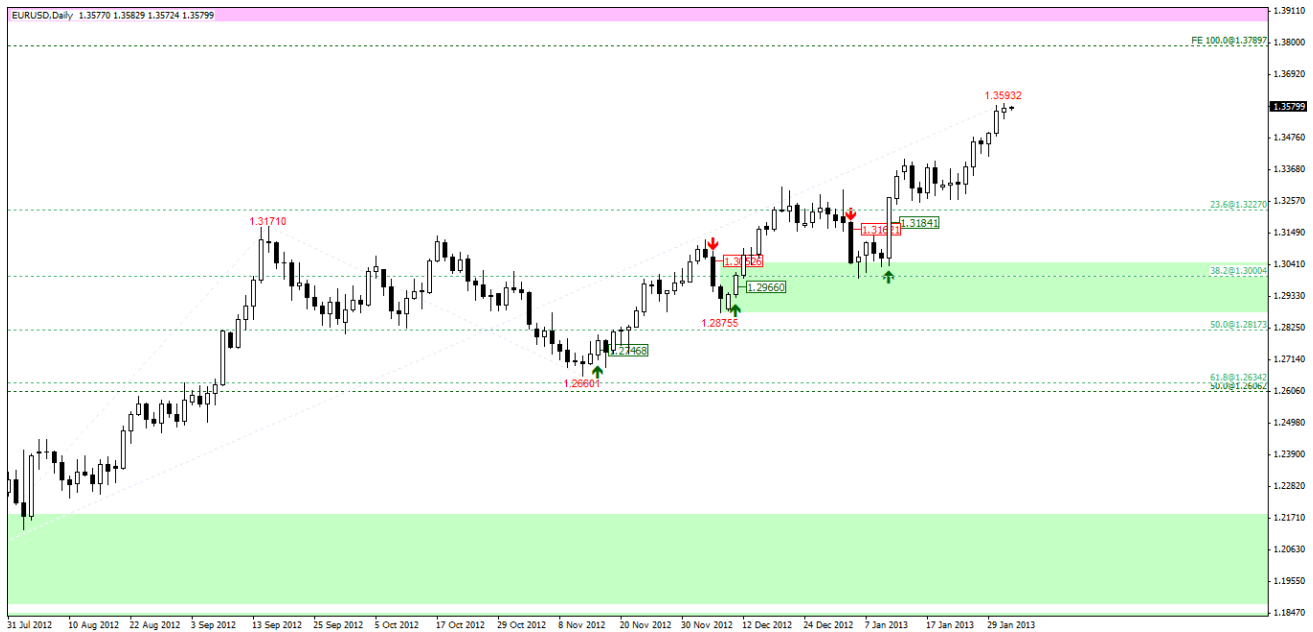
A Bank of Japan deputy governor shrugged off criticisms overseas, sending the strongest signal yet that the BOJ will boldly implement more stimulus if needed to achieve its new 2 percent inflation target. While the Fed and the Bank of Japan both signalled more stimulus, the ECB said last week that banks would pay back a greater-than-expected amount in loans. The ECB is the first major central bank to start unwinding some of its unconventional monetary policy measures.

Some analysts said the Euro also gained as fears of a Greek exit and a break-up of the Euro zone eased, prompting investors to reinvest in the region after shunning it much of last year.

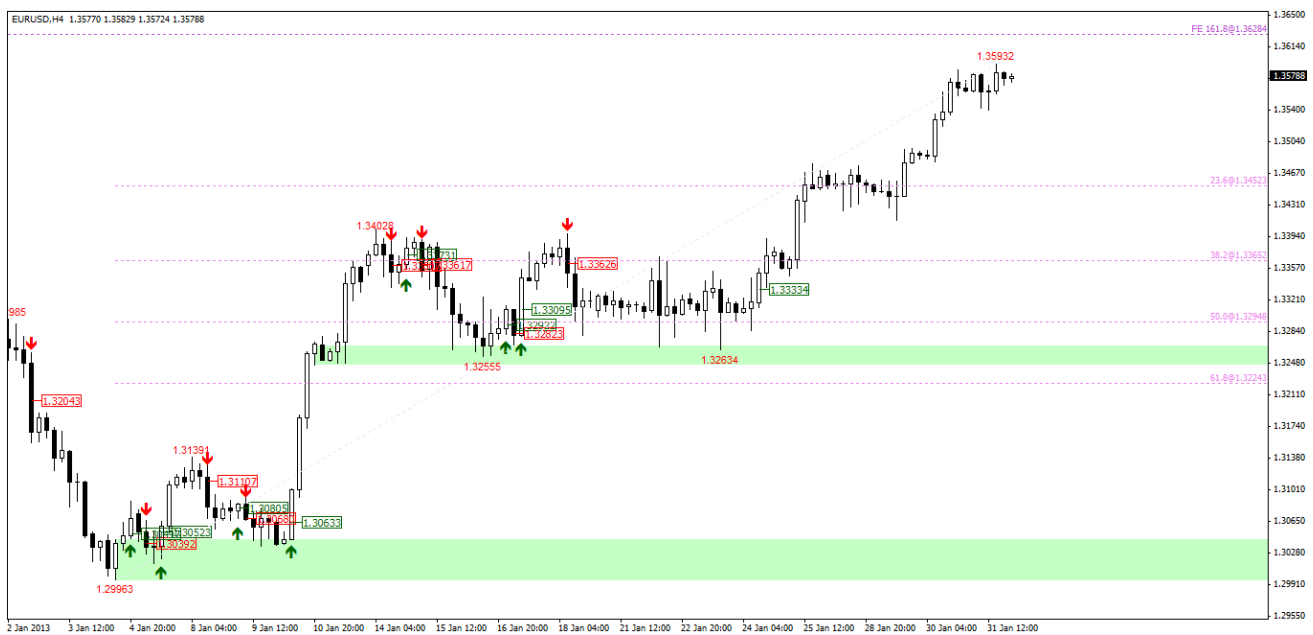
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EUR-USD DAILY



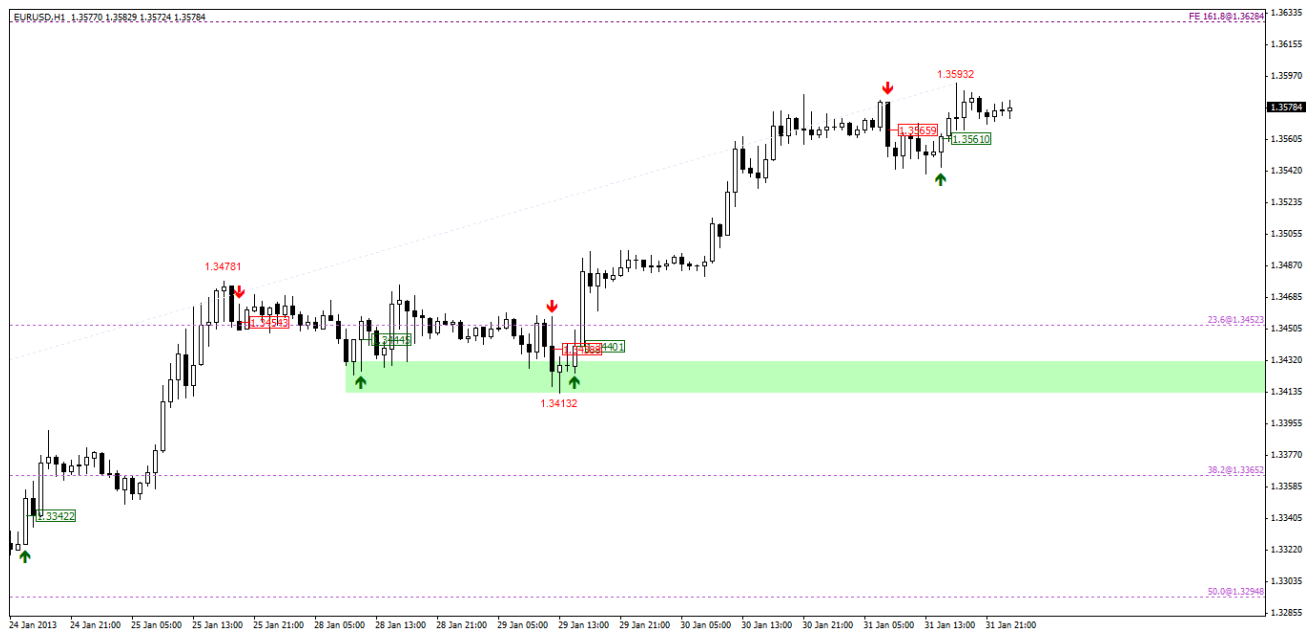
EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

Though the headline news about EUR-USD being at the highest level in 12-months is impressive, chart wise, the picture is not as dramatic. This market eked out a marginal high with a print of 1.35932 - just 6.7 pips higher than Wednesday's. The rally from 1.29963 is clearly extending towards the 161.8% projection of 1.26601 to 1.31254 from 1.28755 at **1.36284**. With the successful clearance above the previous supply pocket of **1.33575-1.34857**, the idea that this rally from 1.26601 may have resumed is getting stronger by the day. If so, the next focus is the 100.0% projection of 1.20414 to 1.31710 from 1.26601 at **1.37897** as well as the 61.8% retracement of 1.49393 to 1.20414 at **1.38323** (see W1 chart).

EUR-USD 1-HOURLY



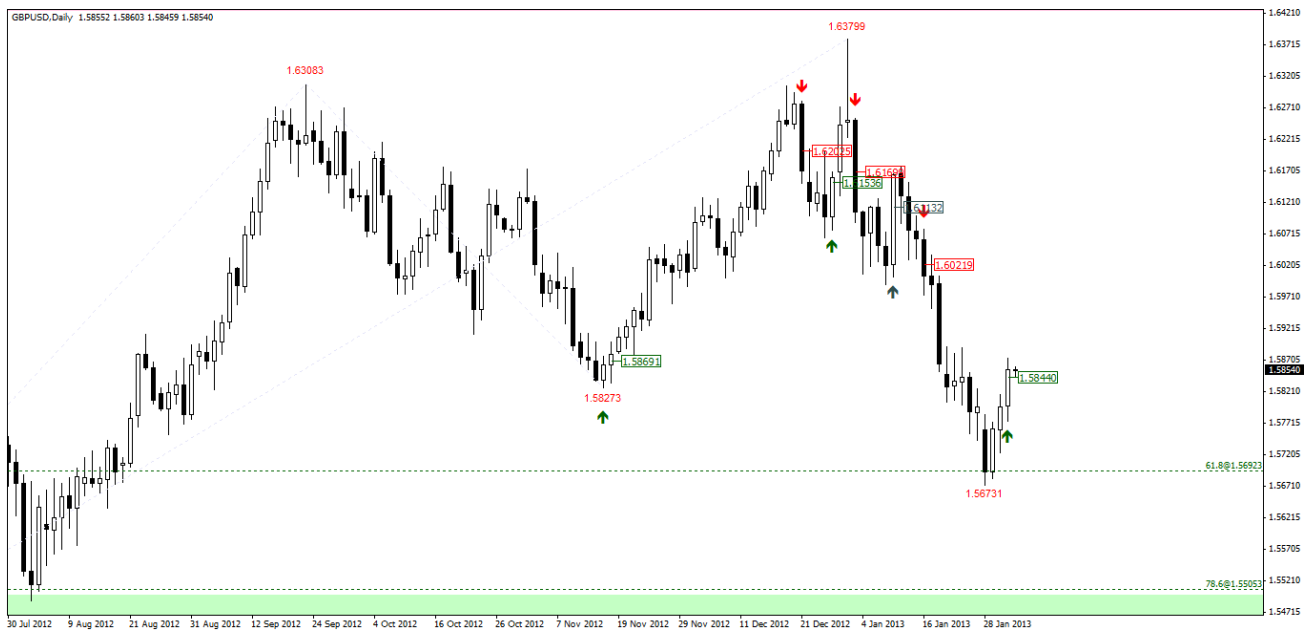
TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.32874	1.33654	1.33575 Realized	1.37897	3	0.03m

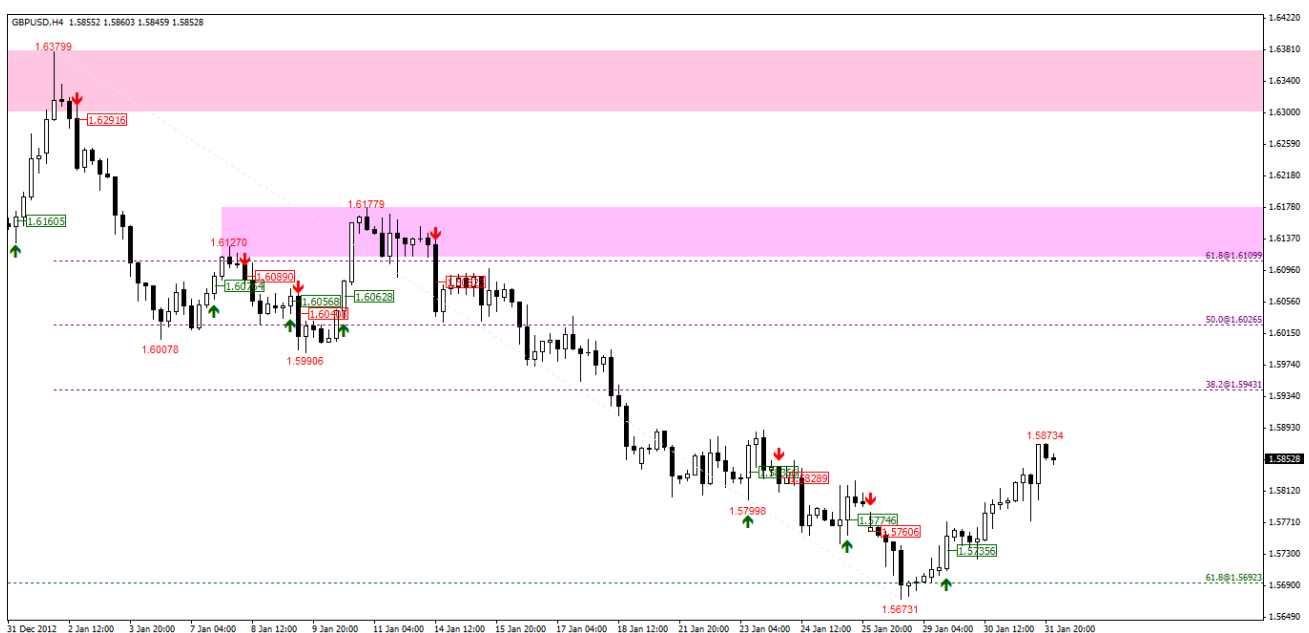
TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										1.49	10,149.10
2013.01.22 17:50	0.02m	1.32874	2013.01.31 23:59	0.02m	1.35769	579.0	579.00				

GBP-USD DAILY



GBP-USD 4-HOURLY



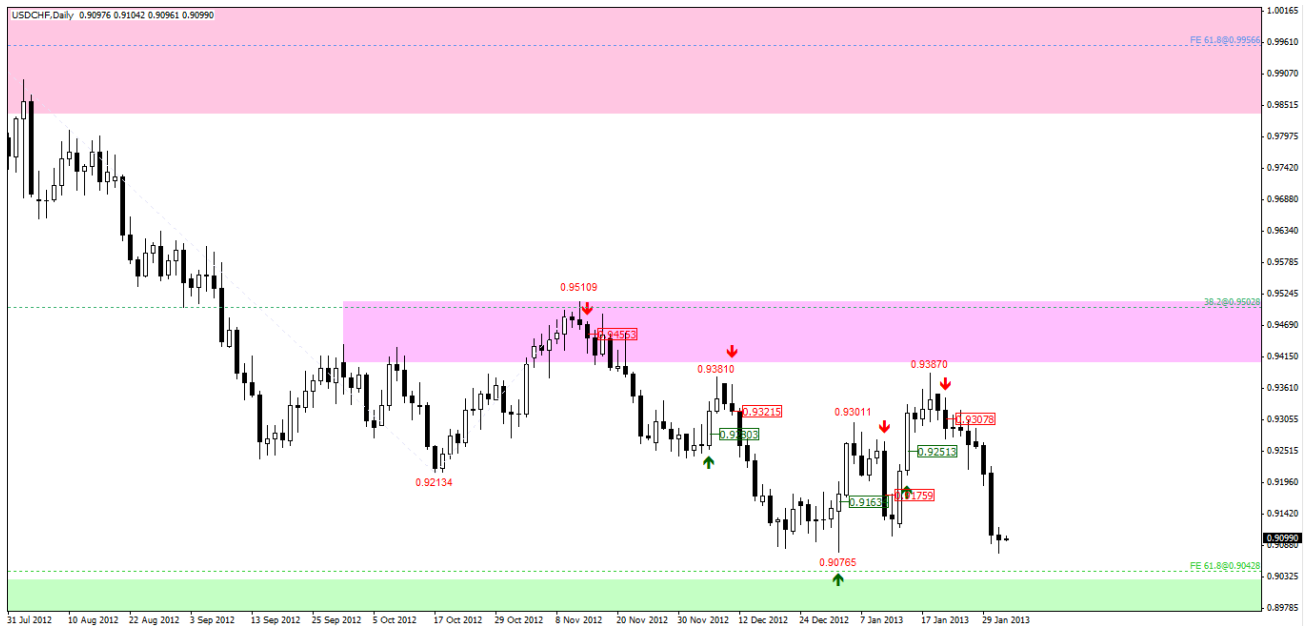
GBP-USD Short Term Outlook

The rebound from the Fibonacci confluence of the 61.8% retracement of 1.52672 to 1.63799 at **1.56923** and the 127.0% projection of 1.63799 to 1.59906 from 1.61779 at **1.56835** was stronger than expected and the original idea of selling within immediate supply pockets seem premature what with this market closing above **1.58440** and having triggered a buy signal in the D1 chart overnight. The original idea calls for a short on reversal signals within the supply pocket at **1.58643-1.58915**. Price action did trade into this price pocket but with the sell signal happening below the designated selling zone, the risk/reward outlook is not as attractive. A wait and see mode is probably appropriate at this stage. As noted in previous updates, this market was, at one stage, fast approaching the lower trend-line of the triangle formation seen in the monthly chart and caution has set in. It was also noted that should last week's fall accelerates below the **1.56000** level; it will all but confirm the breakout from the longer-term triangle pattern developing since August 2009. Given this extreme bearish outlook, any rebound ought to be sold. This view has not changed.

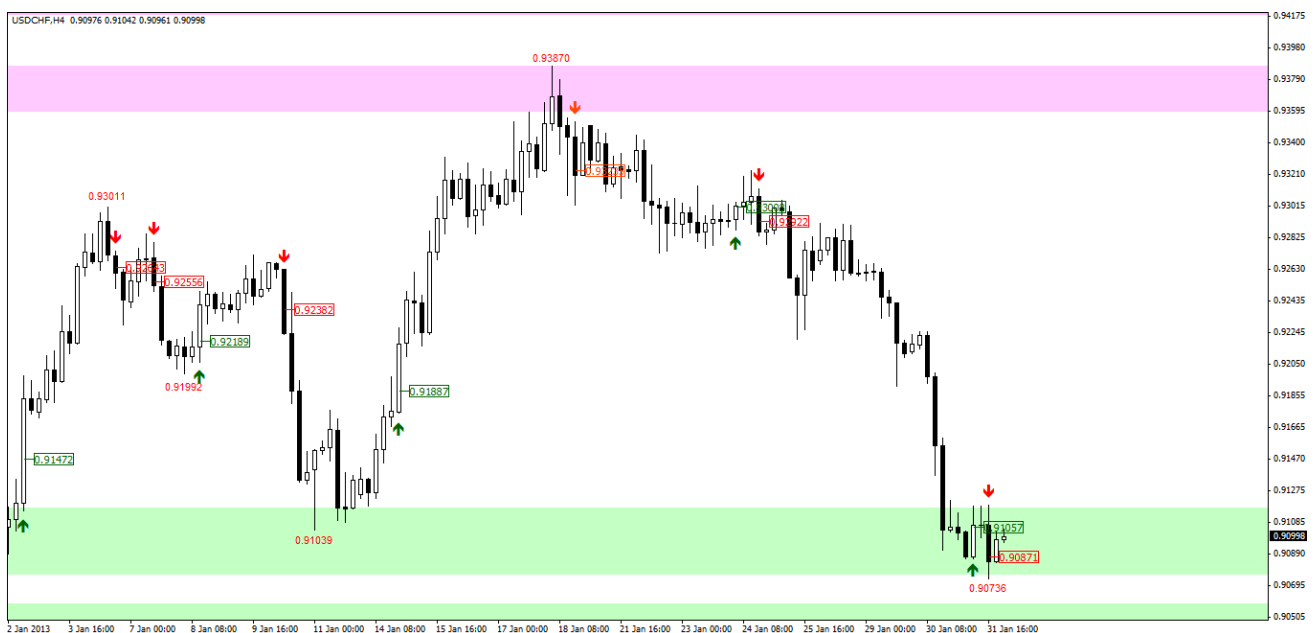
Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03m

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USD-CHF DAILY



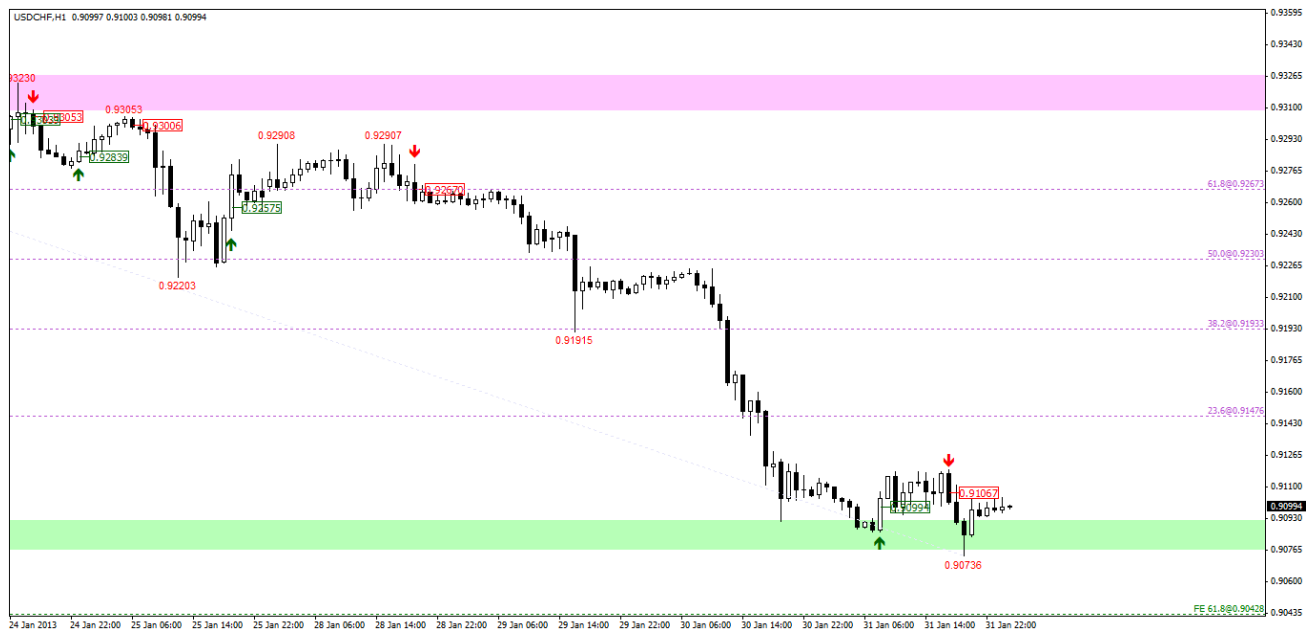
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

After the sharp fall on Wednesday, this market stabilizes in both the Asian and European session but dipped briefly below the DZ at **0.90010-0.90587** in NY overnight. The odds that the targets at the 61.8% projection of 0.99709 to 0.92134 from 0.95109 at **0.90428** as well as the DZ at **0.89211-0.89847** may be challenged within this run remains. Should this fall accelerate below the DZ at **0.89301-0.90278**; more sellers will pile in (see D1 chart). From the perspective of the W1 chart, sustained trading below the next DZ at **0.85672-0.86934** would suggest the correction from 0.70667 is practically over and the longer-term downtrend from 1.83090 from way back in 2000 has resumed. The fact that buy signals were triggered in both the H1 and H4 charts within the demand pocket at **0.90010-0.90587** earlier, was reason enough to be cautious and partial short positions were covered ahead of the NFP tonight.

USD-CHF 1-HOURLY



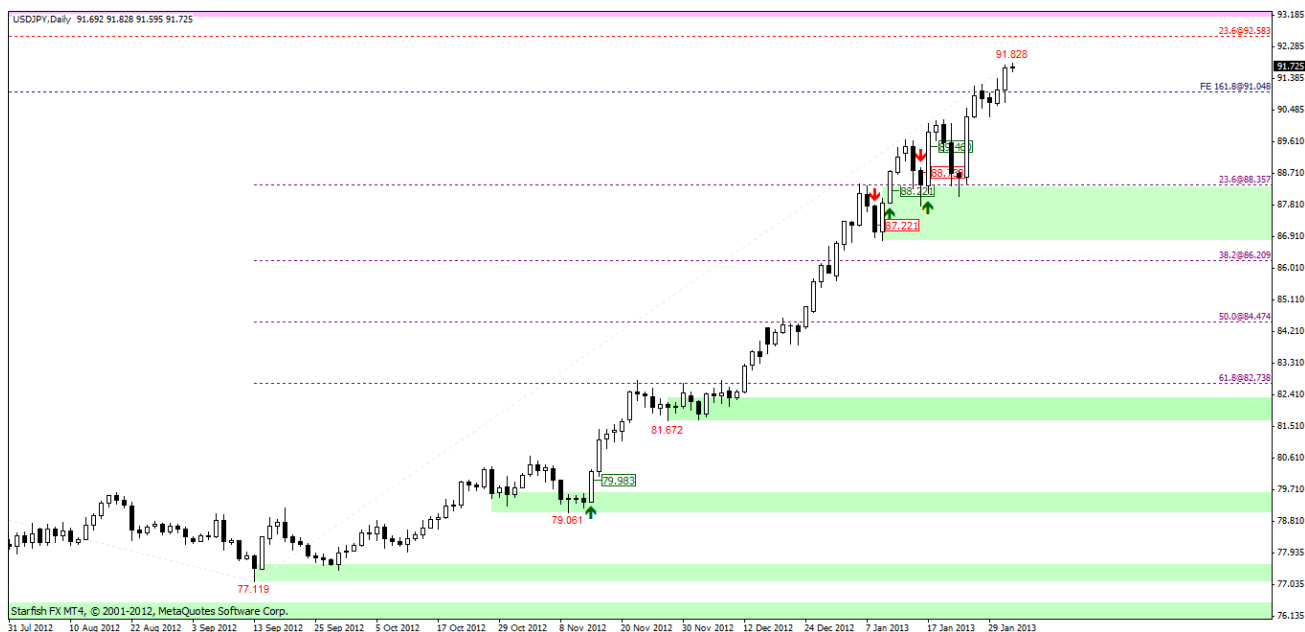
USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		0.93520	0.92349	0.90587 (covered)	0.89847	3	0.03

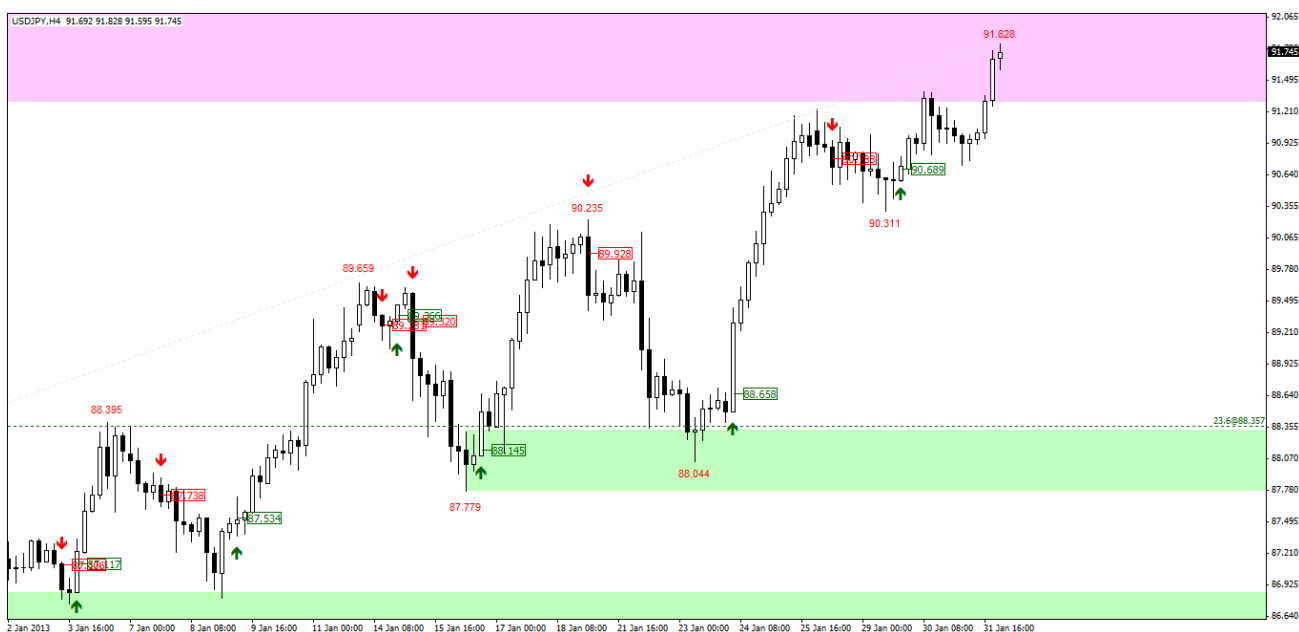
USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										-0.31	9,968.76
2013.01.17 20:44	0.01m	0.93520	2013.01.31 08:23	0.01m	0.90994			252.6	277.60	2.79	10,246.36
2013.01.17 20:44	0.02m	0.93520	2013.01.31 23:59	0.02m	0.90977	508.6	559.04				

USD-JPY DAILY



USD-JPY 4-HOURLY



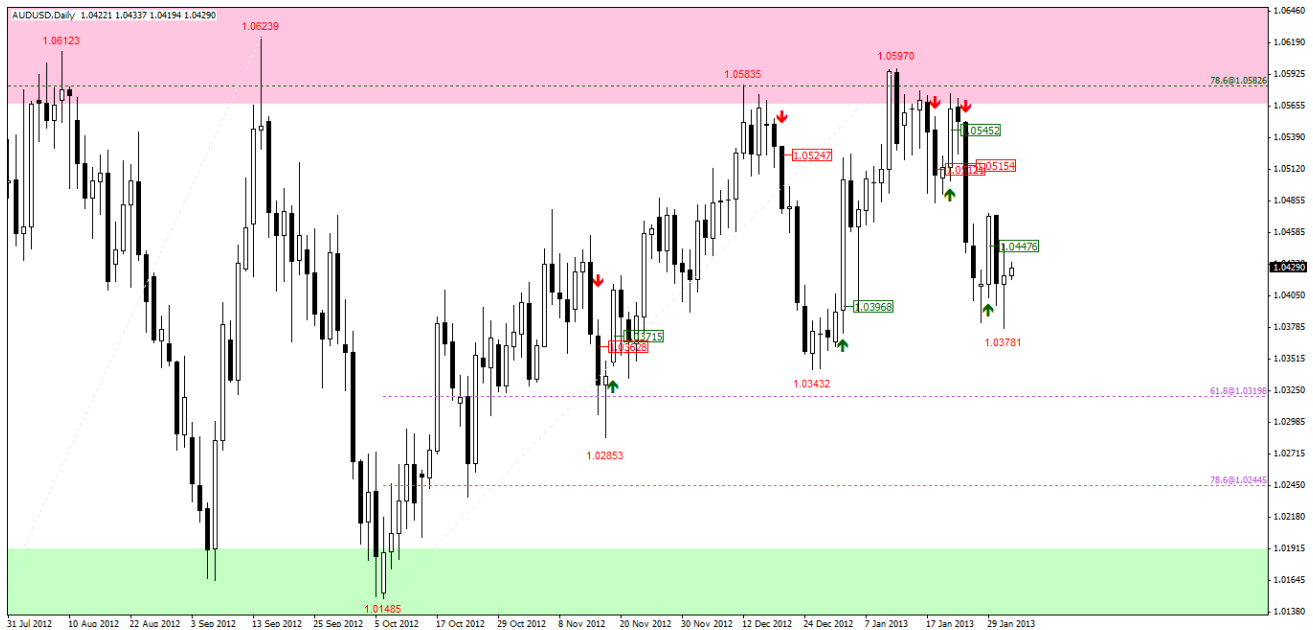
USD-JPY Short Term Outlook

This market continues to extend and after a brief loss of momentum on Wednesday, the rally has resumed. Last night seen flirtations with the overhead supply pocket at **91.300-92.09** and prices pulled back. This morning witnessed more determined efforts and at the point of writing this market has once again registered another new high with a print of 91.828 in early Tokyo trading. Bullish as it is, caution is always a good thing especially with price action currently within a known supply pocket and volatility is expected on a NFP night. The next supply zone at **93.129-94.979** will be formidable and heavy selling interests are expected to emerge enforce within this major supply zone (see W1 chart).

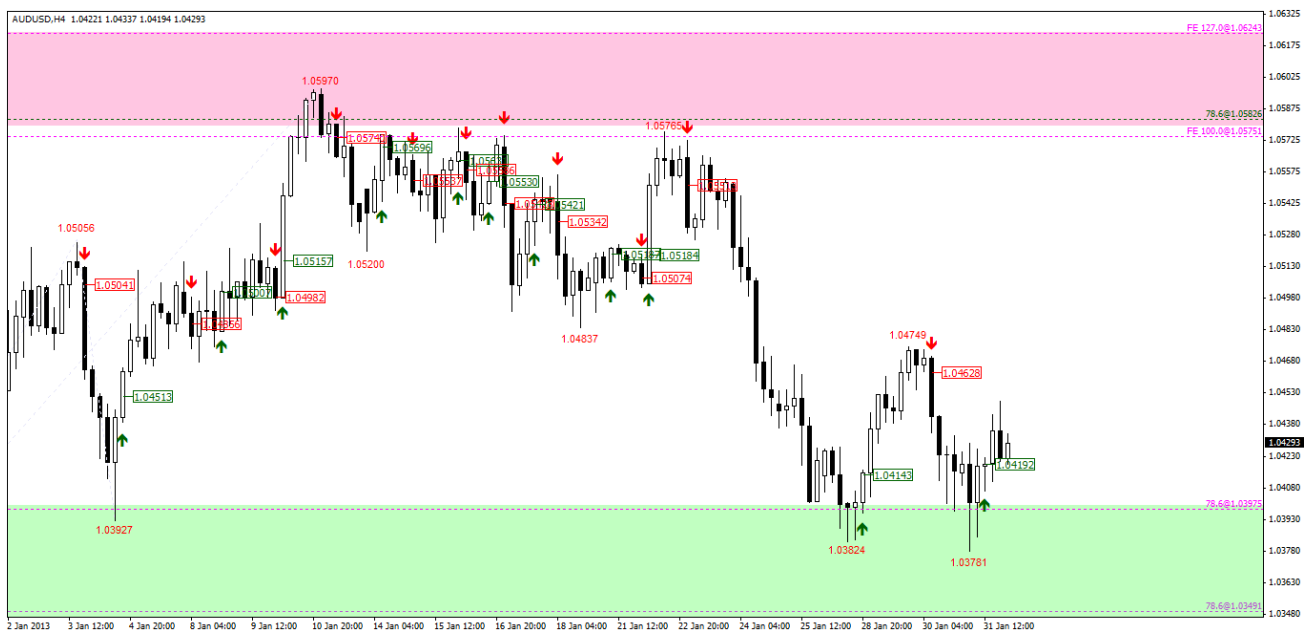
Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Buy on buy signal within 90.272-90.420	90.487	Break-even	92.583	99.657	3	0.03

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										19.1	11,907.90
2013.01.28 01:32	0.03m	90.487	2013.01.31 23:59	0.03m	91.691	361.2	393.9				

AUD-USD DAILY



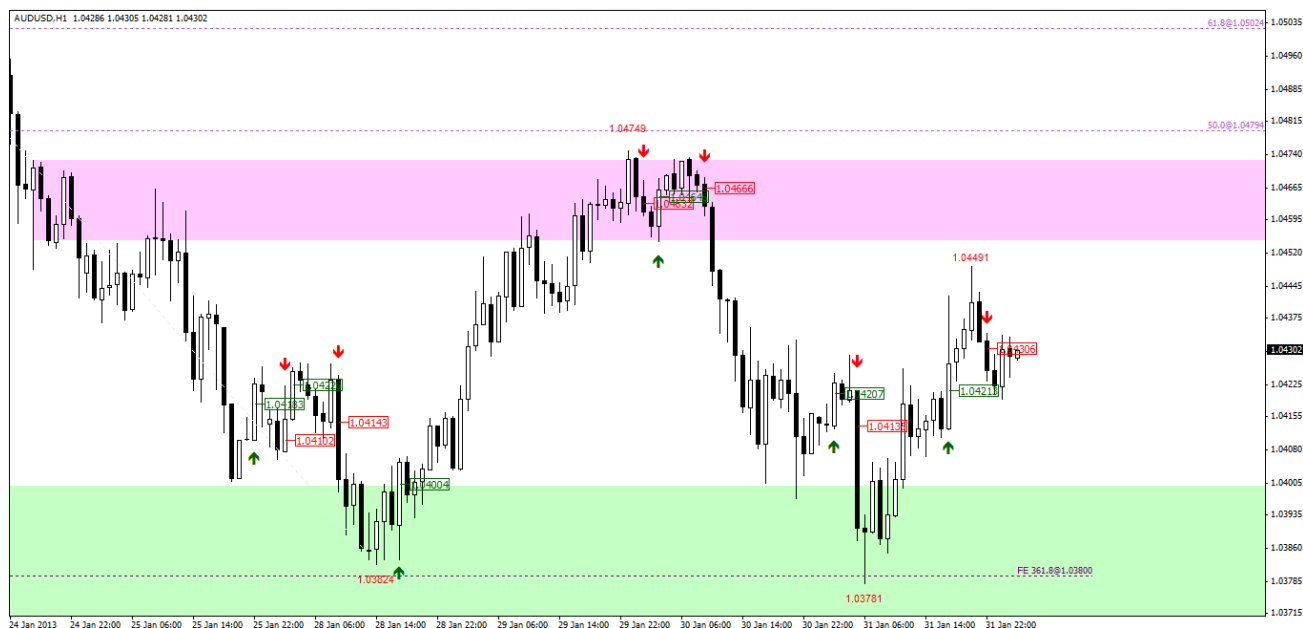
AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

The hope-for bearish scenario did not quite pan out. Previous updates alluded to the prospect of a precipitous fall should this market closes on a weak note on the last trading session of January. While the long-term outlook has turned bearish with the weekly chart have triggered a sell signal, the prospect of further losses appears good should this market closes below **1.03733** by the end of last night's trading in NY. This is seen as a harbinger for some serious selling pressure as this would invariably trigger a sell signal in the monthly price chart as well. This, however, did not happen. Instead, the cautious note mentioned in yesterday's update also pointed out the possibility of buying interests emerging from within the demand pocket at **1.03432-1.03997**. All said, last night's recovery was no surprise. Price action is now expected to re-test the immediate overhead supply pocket at **1.04549-1.04727**. If so, this could well provide another selling opportunity for the adventurous. Either that or a much better choice is to position shorts within the supply pocket at **1.05796-1.06239** or better yet at **1.07292-1.10799** (see W1 chart). From a trading perspective, should prices fall back into the demand pocket at **1.03432-1.03997**, going long is also a viable option. If so, risk no more than the overnight low of **1.03781**.

AUD-USD 1-HOURLY



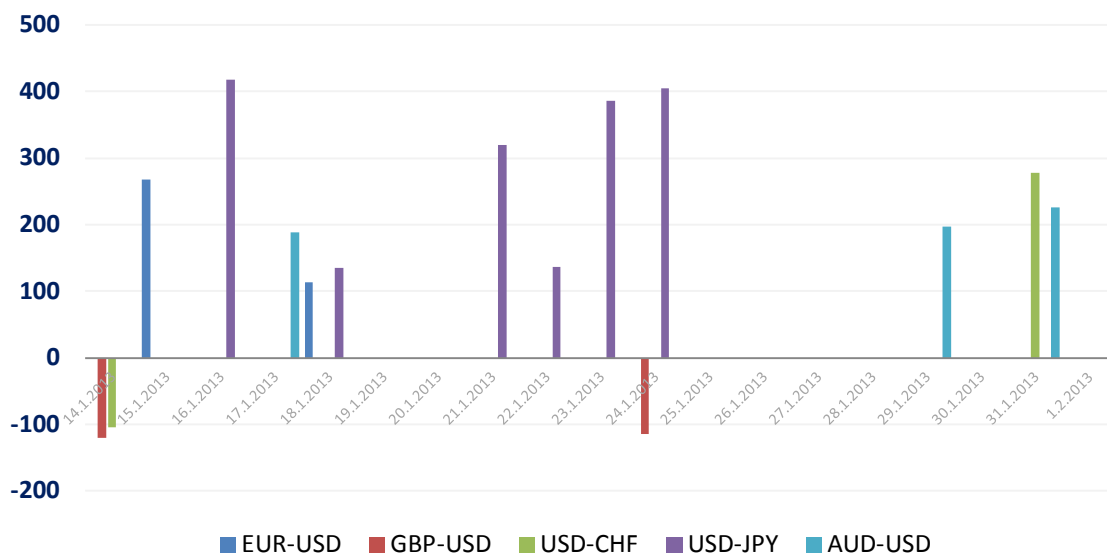
AUD-USD TRADE IDEAS

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

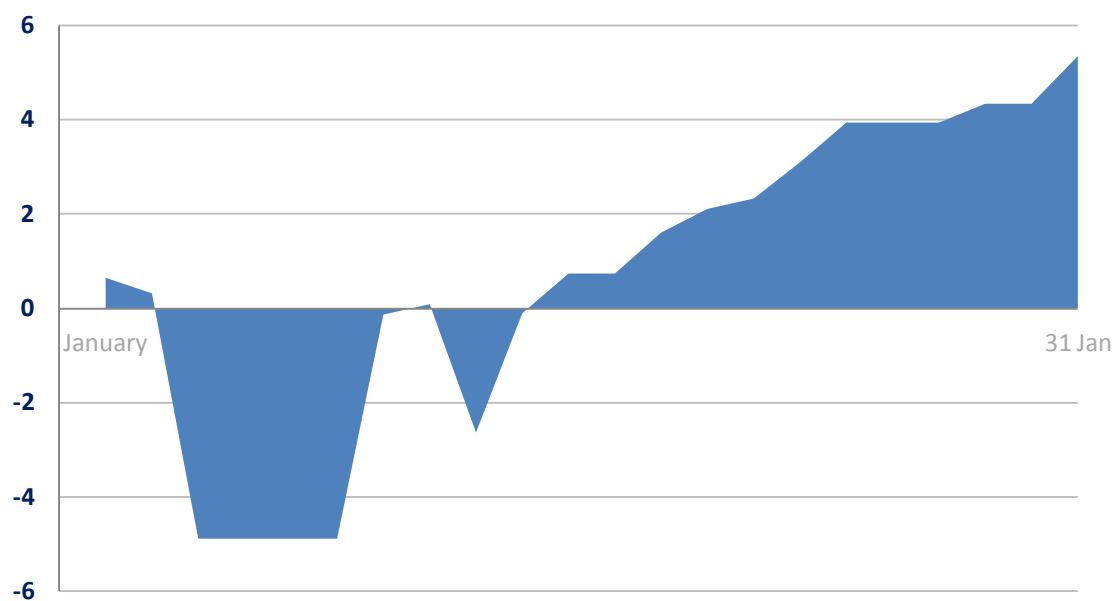
AUD-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										3.54	10,354.30
2013.01.28 13:15	0.03m	1.03891	2013.01.29 09:49	0.03m	1.04549			197.4	197.40	1.91	10,551.70
Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
2013.01.30 00:05	0.01m	1.04695	2013.01.31 06:11	0.01m	1.03800			89.5	89.50	0.85	10,641.20
2013.01.30 00:05	0.02m	1.04695	2013.01.31 10:59	0.02m	1.04012			136.6	136.60	1.28	10,777.80

Daily Realized P/L



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.