

A Traders Academy International Publication

Japanese Yen Weakest Since February

The Japanese Yen recovered slightly on Friday but posted its worst weekly performance against the US Dollar since mid-February as expectations of aggressive monetary easing from the Bank of Japan diminished the currency's appeal. The Euro, meanwhile, continued to struggle on persistent concerns about Greece's fiscal problems and Europe's stagnant economy.

USD-JPY, up 2.2 percent on the week, remained in favour after Japanese Prime Minister Yoshihiko Noda paved the way for a snap election on December 16. The lower house of parliament was dissolved on Friday. Shinzo Abe, leader of the main opposition Liberal Democratic Party and seen as likely to be Japan's next leader, called on Thursday for the country's central bank to adopt interest rates of zero or below to spur lending.

The chaos with respect to Japan's snap election and the lack of confidence in the government does not bode well for USD-JPY. But Japan, because it is resilient, will continue to endeavour to move forward and they will get their house in order.

USD-JPY rose as high as 81.425, just shy of the 7-1/2-month peak hit on Thursday. It settled at 81.295, up 0.2 percent on the day. Rumours of a large options barrier at 81.50 and stop-loss orders placed above it were cited.

Analysts also believe USD-JPY could rise toward 82 if the Bank of Japan, which holds a policy meeting next week, indicates it could ease further. Price action, however, was subdued compared with Wednesday and Thursday, it rallied about 1.1 percent each day.

The Japanese Yen, seen as a safe haven in times of uncertainty, could pare losses should concerns about the U.S. "fiscal cliff" mount and Euro zone debt concerns deepen. But the US Dollar should also benefit due to its safe-haven status.

If Congress and the White House cannot reach a debt and deficit reduction deal by the end of the year it will unleash massive spending cuts and tax increases that some believe have the potential to tip the U.S. economy back into recession.

EUR-USD fell for the first time in three sessions, down 0.3 percent at 1.27425 but holding above Tuesday's 2-month low of 1.26601. It ended flat on the week, but down 1.9 percent so far in November.

Dispute among Greece's international lenders and weak economic data out of the euro zone have done little to lift market sentiment toward the Euro. Any new reduction of Greece's debt should only come as a reward for Greece implementing the reforms it has agreed to, European Central Bank Governing Council member Jens Weidmann said on Friday.

EUR-USD is expected to rally if word emerges that Spain is requesting aid because it will set the stage for the European Central Bank to start buying the country's bonds to lower its borrowing costs.

EUR-USD decline Friday underscored how underlying sentiment remained decidedly bearish after official figures this week confirmed a return to recession for the broader Euro zone economy. The region's seemingly endless debt crisis should keep a low ceiling above the Euro for the foreseeable future.

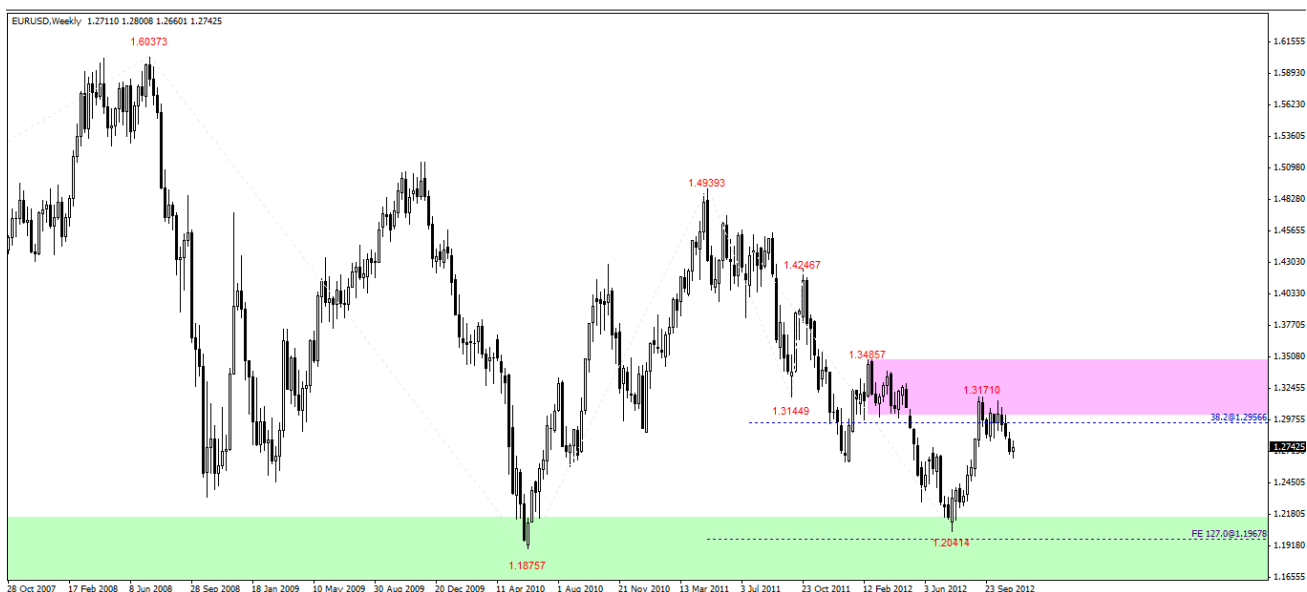
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EUR-USD MONTHLY



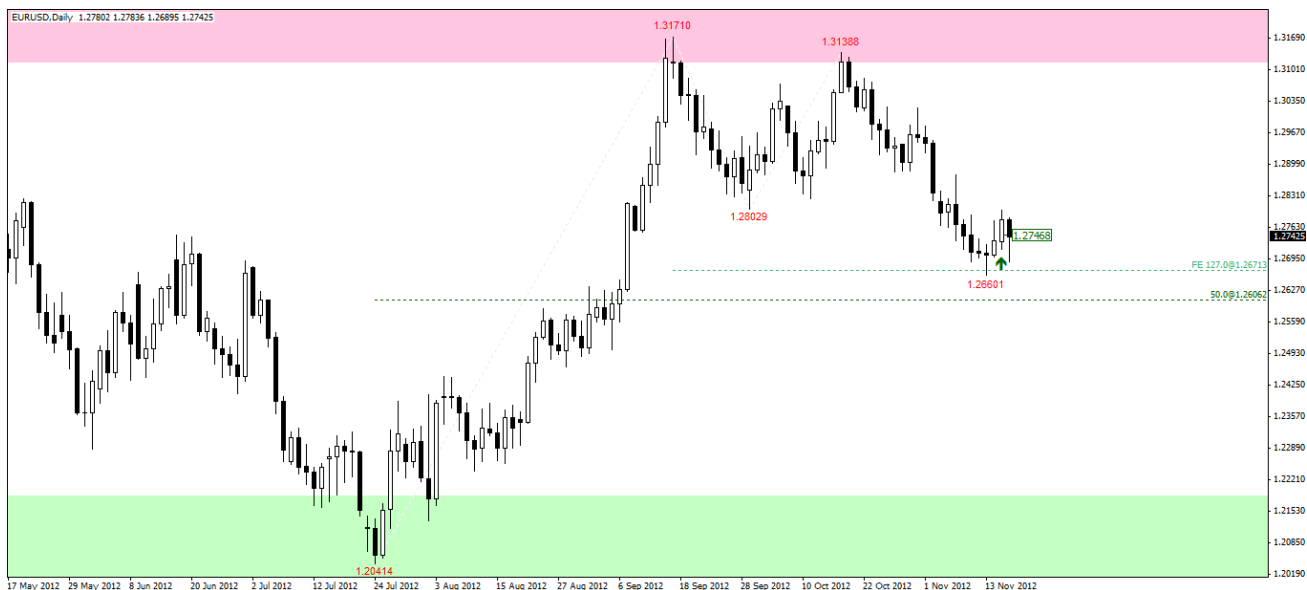
EUR-USD WEEKLY



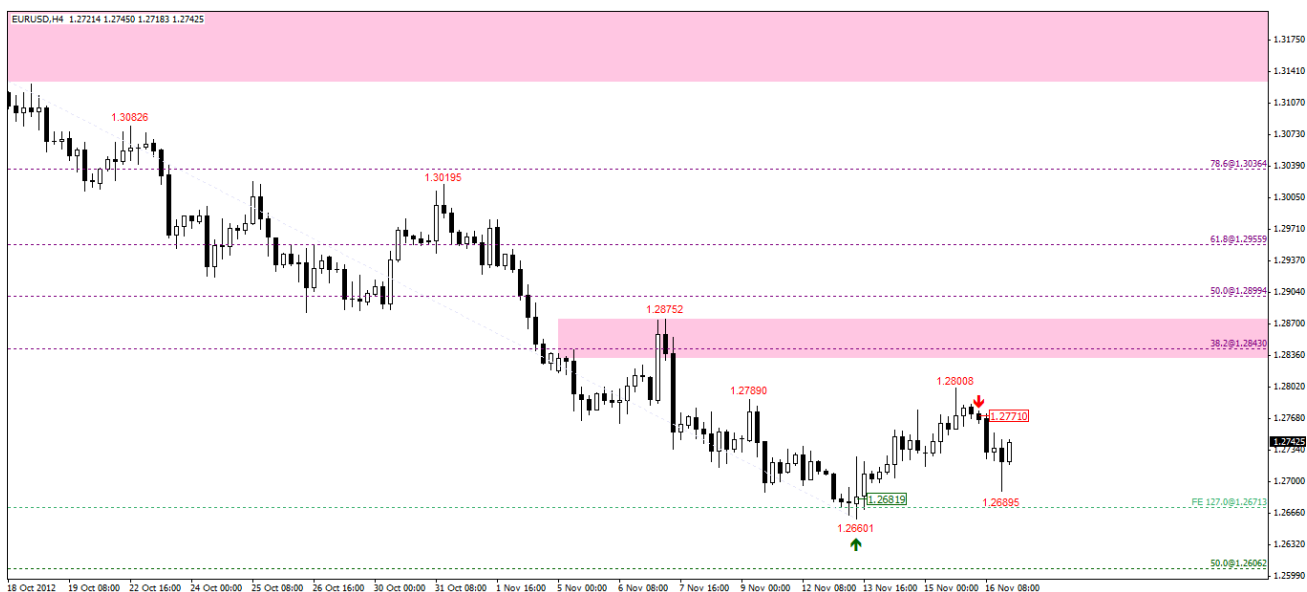
EUR-USD The Big Picture

In the bigger picture, the rise from 0.82250 to 1.60373 is part of a longer-term rally. Likewise, the fall from the July 15, 2008 high of 1.60373 marked the start of a long-term consolidation/continuation pattern which may ultimately stretch to the 61.8% retracement of 0.82250 to 1.60373 at **1.12093**; from which price action is likely to rise beyond its all-time high in a multi-year rally (see MN chart). On 24 July 20012, price action pulled back from a 29-month low at **1.20414** after failing to take out the 2010 low of 1.18757 and ended the week as a *Bullish Engulfing Bar*. The resulting rally lasted a good 7 weeks and hit a 20-week high of 1.31710, just above the 38.2% retracement of 1.49393 to 1.20414 at **1.31484**; in an area in which price action was vulnerable to profit-taking. Since the appearance of a bearish *Harami* 9 weeks ago in the W1 week chart, a sell signal was triggered week with a close below **1.28083**. This suggests that the longer-term fall from 1.49393 may have resumed. If so, focus would shift towards the longer-term demand pocket at **1.16390-1.21554**.

EUR-USD DAILY



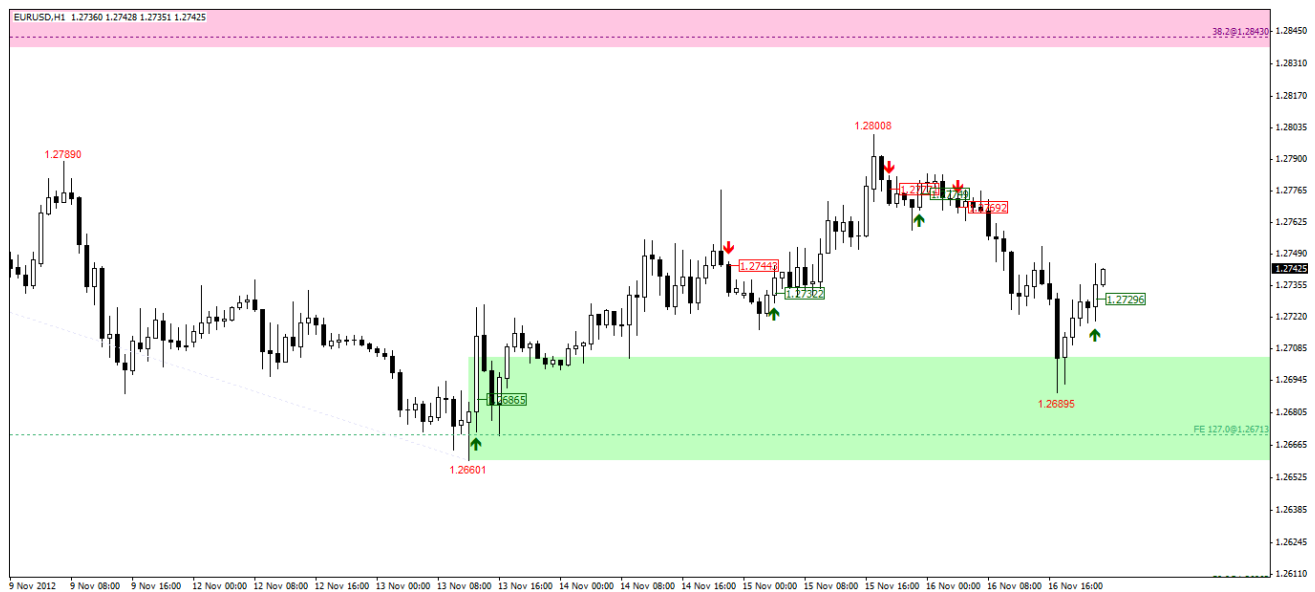
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

On a weekly close-to-close basis, this market has flat-lined. The week begun slowly due the US Labor Day holiday and came alive on Wednesday. Price action dipped marginally below the 127.0% of 1.31710 to 1.28029 from 1.31388 at **1.26713** on Monday and rebounded. This recovery stalled just above the 23.6% retracement of 1.31388 to 1.26601 at **1.27731** with a print at **1.28008** and ended up as *Shooting Stars* in both the H1 and H4 charts, triggering a sell signal with a close below **1.27743** in the H1 chart. But not before triggering a buy signal with a close above **1.27468** in the D1 chart. Is this the start of the 5th wave? With the D1 chart now showing sign of climbing, there is a good chance that we may be witnessing the beginning of a climb which would ultimately take price action above 1.31710 to perhaps to as high as **1.33582** (being the 61.8% of 1.20414 to 1.31710 from 1.26601). All the while, the idea that the move down from 1.31710 was a 4th wave and that a rally above this level is imminent has been tested. This is because the pullback from 1.31710 was a little deeper than expected having extended to the 127.0% projection of 1.31710 to 1.28029 from 1.31388 at **1.26713** and then some. The alternate view is the 5th wave had failed at 1.31388 and that this market may unravel spectacularly going forward. As mentioned, to truly give up on the bullish scenario, price action must trade aggressively below the 127.0% of 1.31710 to 1.28029 from 1.31388 at **1.26713** towards the 161.8% expansion level at **1.25432** pretty soon. This has yet to happen. If it does, the 4th wave scenario is truly dead and the ensuing fall may unfold as an aggressive 3rd wave fall. As noted, one thing is missing in this extremely bearish scenario as there is, to date, no visible 5 waves down sequence prior to or within this fall. On the other hand, the same is also true for the bullish case.

EUR-USD 1-HOURLY



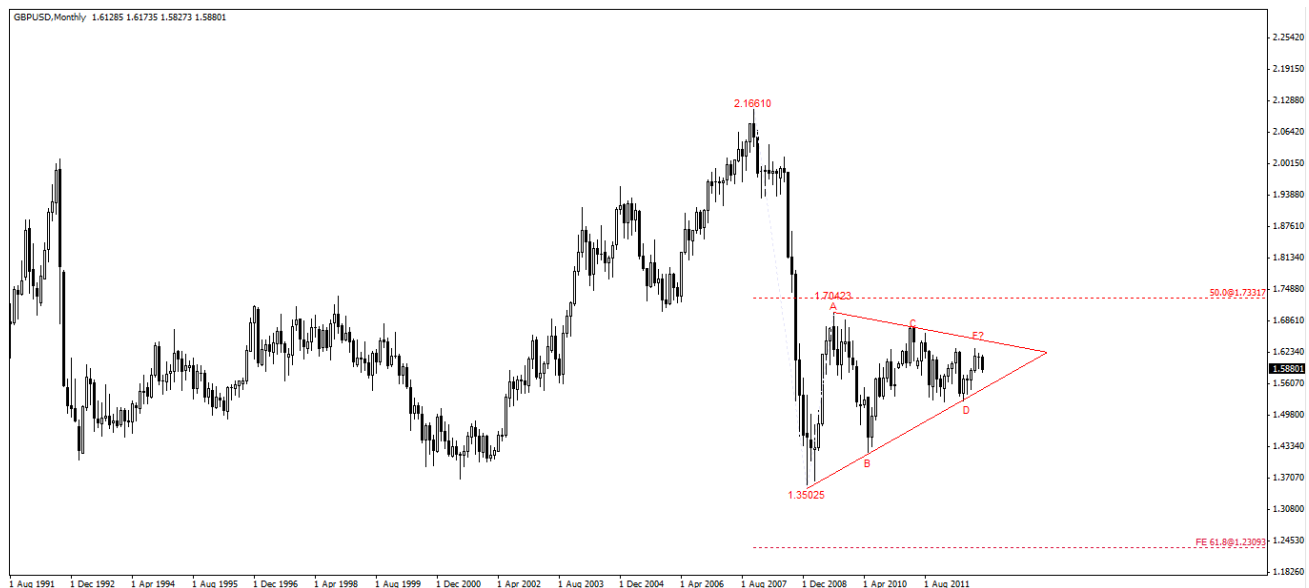
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal below 1.27296 in M5	1.28381	1.29732	1.26736 STOP

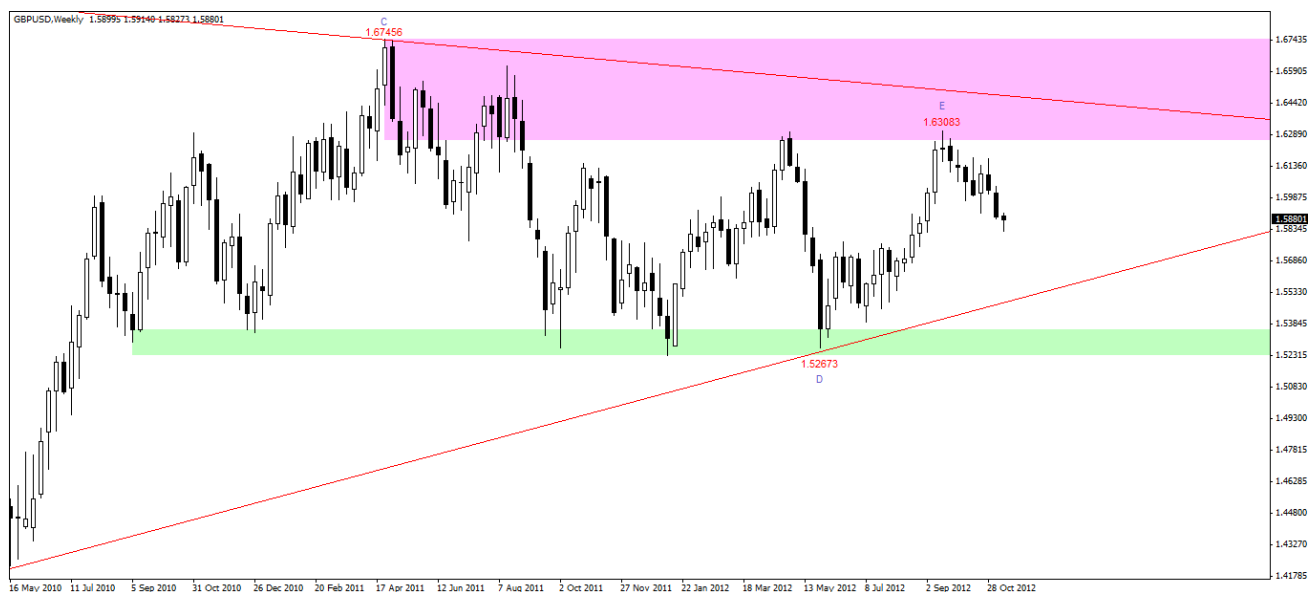
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$73,059.00
EUR-USD	15-11-2012	1.0	1.27749	14-11-2012	1.0	1.27443	-\$306.00		\$72,753.00
EUR-USD	15-11-2012	1.0	1.27749	14-11-2012	1.0	1.27443	-\$306.00	-\$612.00	\$72,447.00
						Unrealized	\$0.00		

GBP-USD MONTHLY



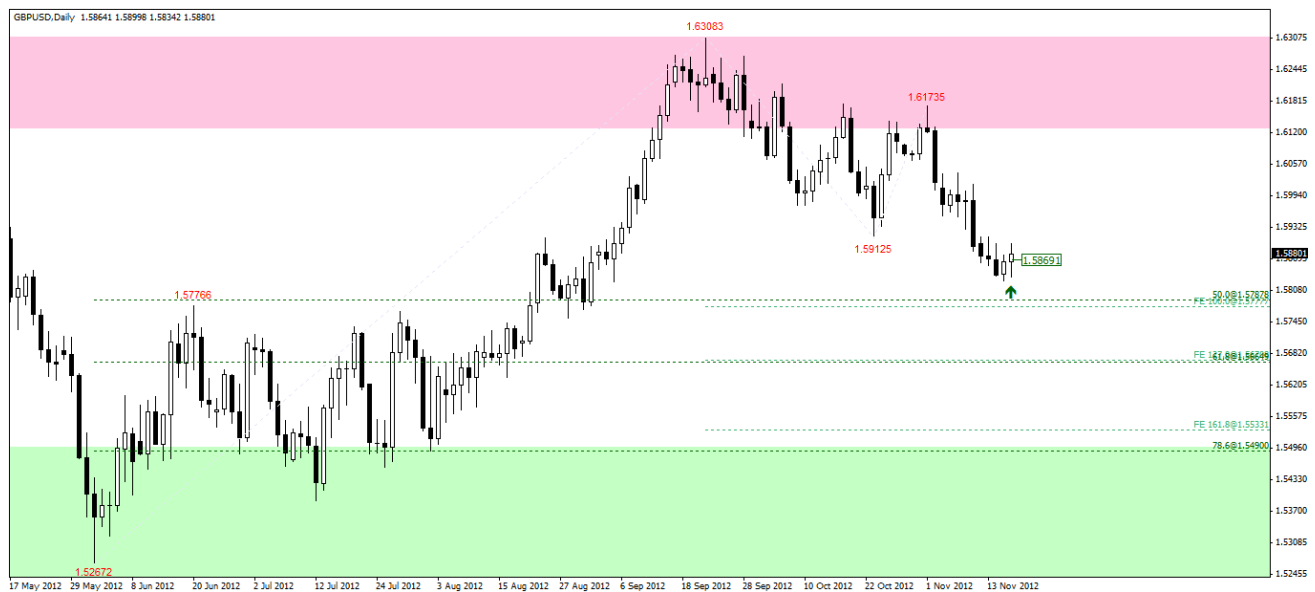
GBP-USD WEEKLY



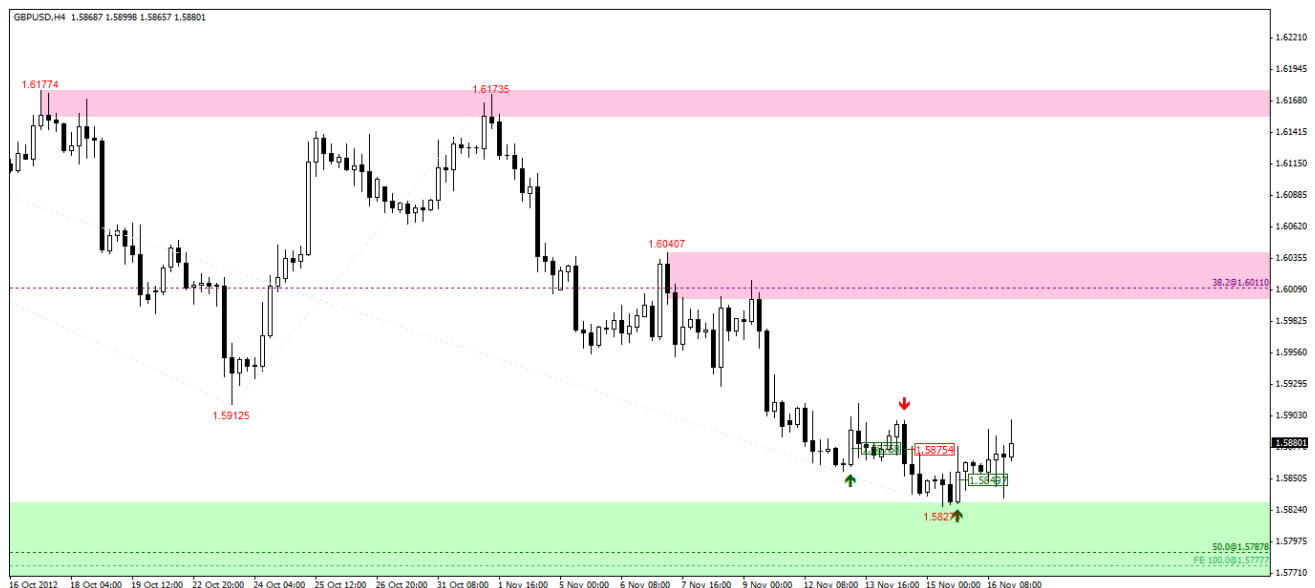
GBP-USD The Big Picture

In the bigger picture, price action from the 2009 low of 1.35025 is treated as a correction to the longer-term downtrend from the 2007 high of 2.11610. This multi-year correction beginning at the start of 2008 is developing into a triangle. Seven weeks ago, this market ended with tantalizing clues of a classic reversal - a long-legged shadow doji in W1 chart. Sure enough, this market has seen persistent profit-takings. As we have it, 4 weeks ago, a sell signal was triggered in the W1 chart with a close below **1.60158**. This was the confirmation needed that the rebound from 1.52673 is over and this market is set up for a fall. In the longer-term trend, this market is probably near the last leg of a triangle formation that may result in a dramatic multi-months fall. This is likely to be followed by an equally dramatic rally back to the base of this triangle before declining towards parity with the once mighty U.S. Dollar. If so, the nearest longer-term target is the 61.8% projection of 2.11610 to 1.35025 from 1.70423 at **1.23093**, which is roughly equidistance from the widest part of the triangle.

GBP-USD DAILY



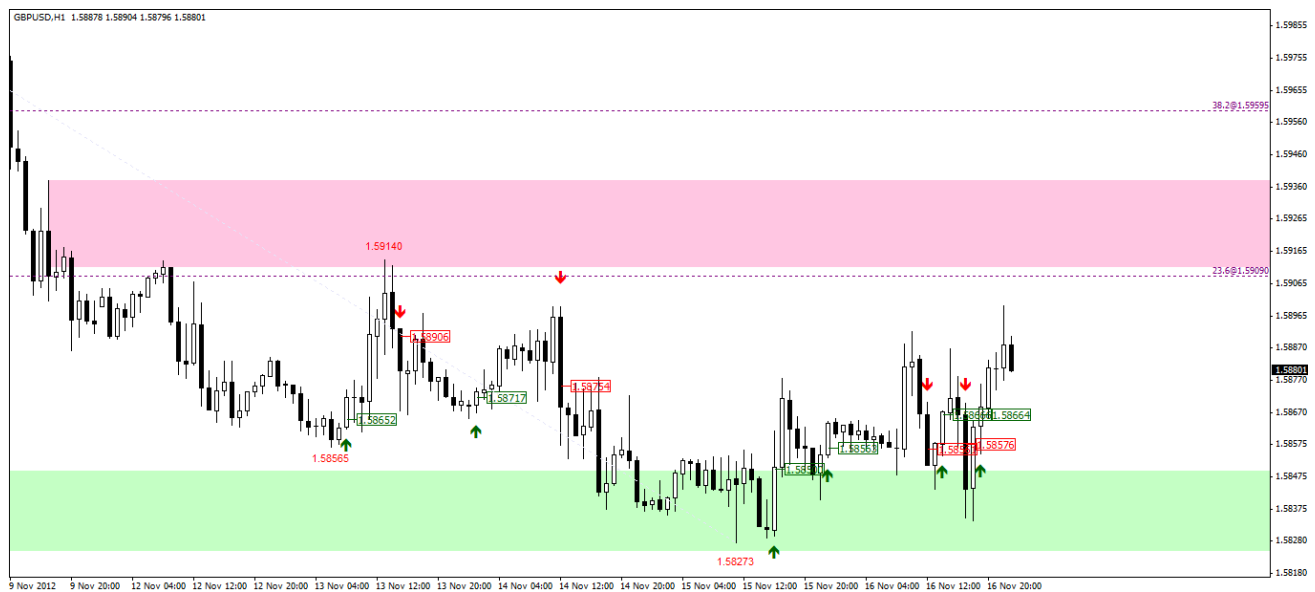
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

As mentioned, price actions since the peak at 1.63083 on September 21 were originally viewed as part of a wave 4. This bullish bias is severely challenged as price action continued to slide, at one point hitting the lowest weekly closing in 10 weeks with a low at **1.58273** some 48 hours ago. Price action hit a minor demand pocket at **1.58247-1.58493** and rebounded and that strength carried forward into Friday's trading (see H1 chart). Just 24 hours ago, when a sustainable rally seems remote as the larger time frames like the D1 and W1 were under sell signals. All that changed when the D1 turned positive the first time since October 25. With a closing above **1.58691**, a buy signal was triggered in the D1 chart overnight and an eventual rally above the September 21 peak of 1.63083 now looks possible. However, in the bigger picture, the W1 chart shows that should this fall extends, the nearest area of support lies at the DZ at **1.52327-1.54978**. That's a good 400 pips away. The nearest short-term support is the demand pocket at **1.57531-1.57823** where a confluence of 2 Fibonacci ratios lies in wait. There are the 50.0% retracement of 1.52672 to 1.1.63083 at **1.57878** and the 100.0% projection of 1.63083 to 1.59125 from 1.61735 at **1.57777**. If that happens and a buy reversal signal appears there, it may worth taking a punt to anchor a preliminary long position there to test the water for a more substantial correction. In the meantime, this market needs to decisively clear above the 23.6% retracement of 1.61735 to 1.58273 at **1.59090** as well as the minor supply pocket at **1.59114-1.59283** to have any hope of a sustainable rally. Presently, short-term price structure is not supportive of this eventuality; meaning price action is more likely to consolidate rather than trend.

GBP-USD 1-HOURLY



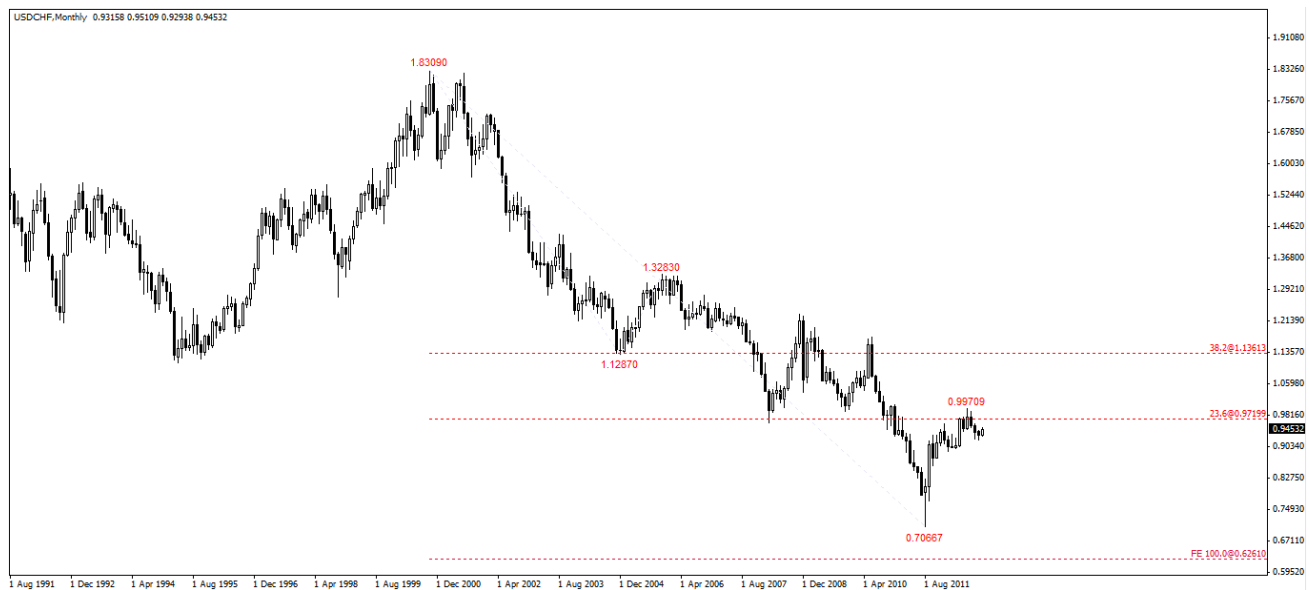
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal in between 1.58247-1.58493	1.59313	1.60150	1.57431 STOP

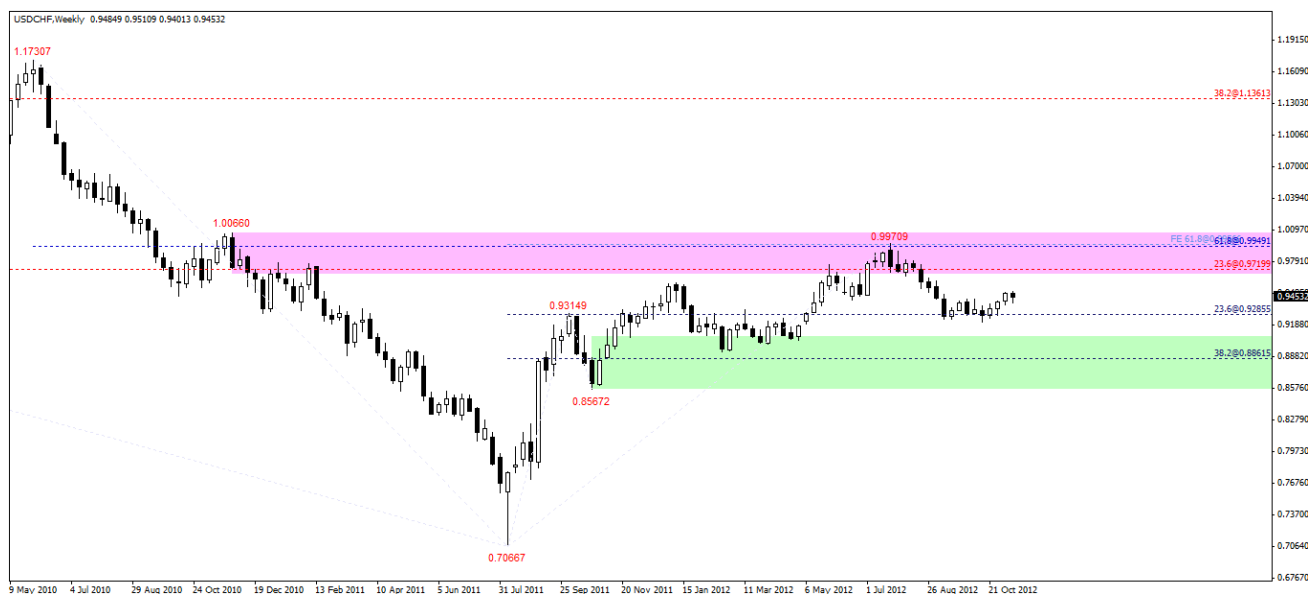
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$50,069.00
GBP-USD	14-11-2012	1.0	1.58717	14-11-2012	1.0	1.58465	-\$252.00		\$49,817.00
GBP-USD	14-11-2012	1.0	1.58717	14-11-2012	1.0	1.58465	-\$252.00	-\$504.00	\$49,565.00
						Unrealized	\$0.00		

USD-CHF MONTHLY



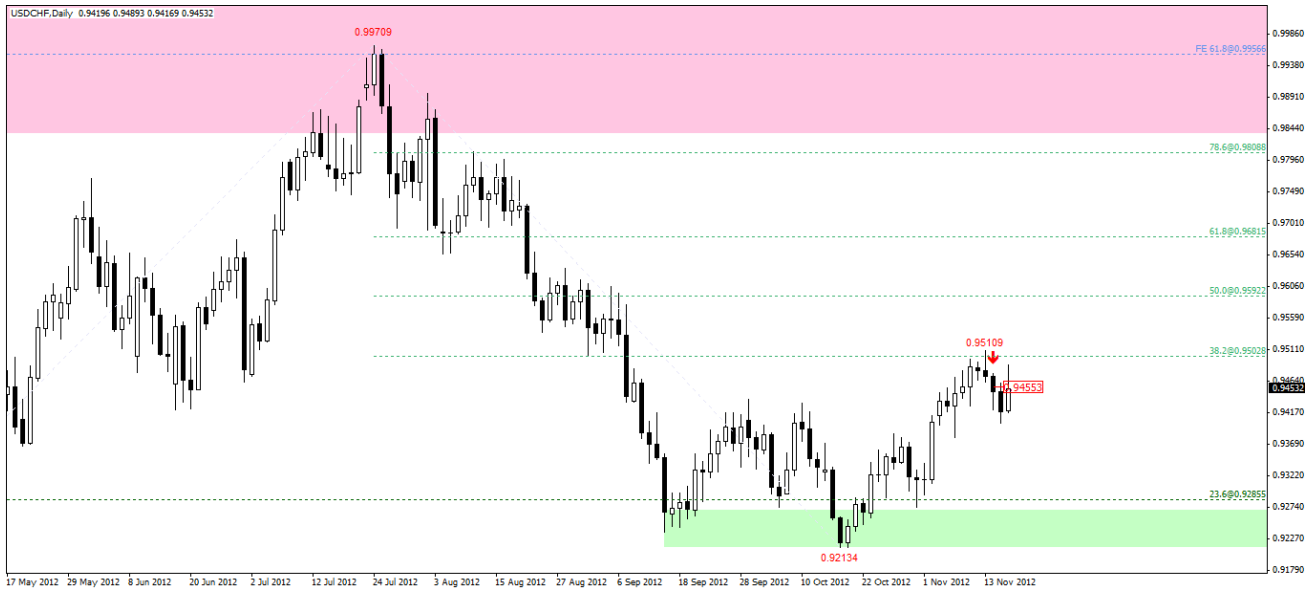
USD-CHF WEEKLY



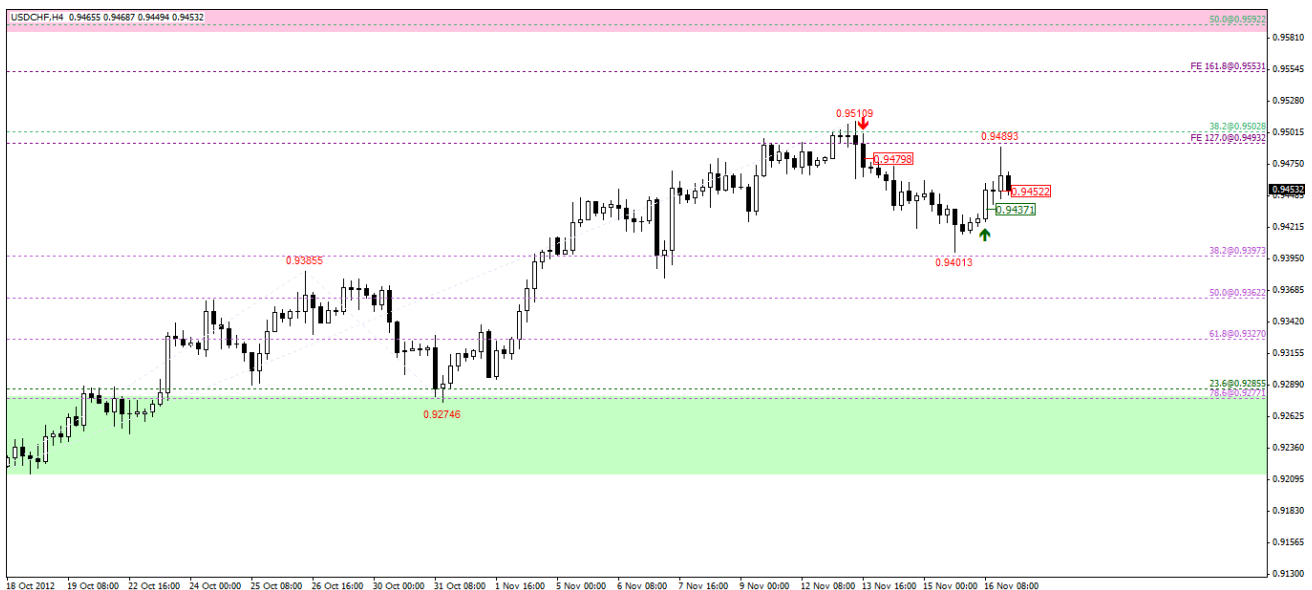
USD-CHF The Big Picture

In the bigger picture, the downtrend from 1.83090 has made an important long-term low at **0.70667**; having fallen short of a longer-term target at the 100.0% projection of 1.83090 to 1.12870 from 1.32830 at **0.62610**. The rebound from 0.70667 is presently treated as a correction to this multi-year fall with strong resistance expected at the 38.2% retracement of 1.83090 to 0.70667 at **1.13613**. Since hitting the price window between the 61.8% retracement of 1.17307 to 0.70667 at **0.99490** and the 61.8% projection of 0.70667 to 0.93149 from 0.85672 at **0.99566** (see D1 chart), selling interests emerged; having taken price action to an 18-week low of **0.92134** 4 weeks ago. This is just below the 23.6% retracement of 0.70667 to 0.99709 at **0.92855**. Price action consolidated along this level for 8 long weeks and by the end of last week trading, price action showed sign of a possible rally. Unfortunately, last Friday's strong closing was not translated into another week of gains as profit-takings set in. At any rate, momentum from last week's rally may see yet see a rally in the weeks ahead. If so, the rally from 0.70667 may see price action mounting a challenge on the July high of **0.99709** and beyond next. However, if a sell-off ensues in the days ahead, a more likely scenario is a testing of the February low of **0.89301** instead.

USD-CHF DAILY



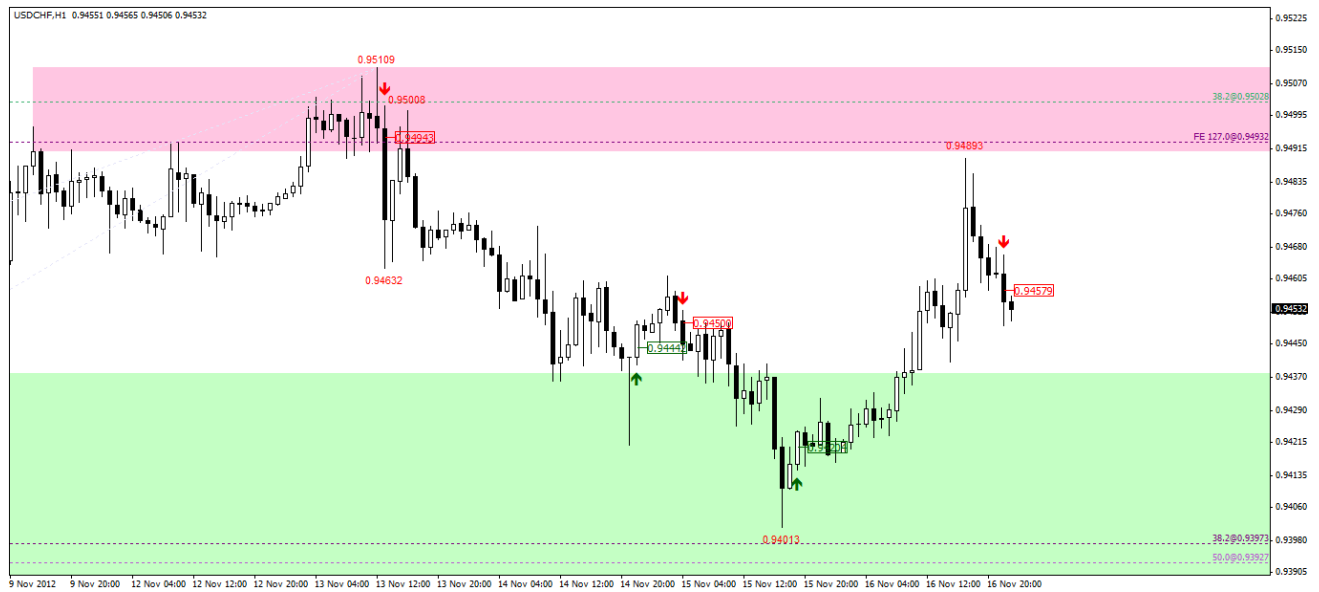
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Last week, this market closed at a 10-week high in the W1 chart, suggesting the resumption of the long-term counter-trend rally from 0.70667. However, the momentum failed to carry forward to this week. All the while, the idea that price actions since October 17 low of 0.92134 was part of a 4th wave was severely challenged. After stalling between the 127.0% projection of 0.92134 to 0.93855 from 0.92746 at **0.94932** and the 38.2% retracement of 0.99709 to 0.92134 at **0.95028** on Monday and triggered sell signals in the smaller time frame charts, the bearish case is back in favor. As noted, this confluence of Fibonacci ratios makes this price window very sensitive to reversal. With D1 chart now under a sell signal with a close below **0.94553** on Tuesday, further losses are expected. However, price action having hit the 38.2% retracement of 0.92746 to 0.95109 at **0.94206** as well as the 161.8% projection of 0.95109 to 0.94632 from 0.95008 at **0.94236**, rebounded and with a rare *Dragonfly Doji* to boot. This potential reversal signal has since been negated as price action fell further to test the 382.% of 0.92134 to 0.95109 at 0.93973 as well as the 50.0% retracement of 0.92746 to 0.95109 at **0.93928** (see H1 chart). While the medium-term outlook has decidedly turned bearish with this week's fall, the immediate outlook is mixed. That said, a top is possibly in place at 0.95109 and the 4th wave scenario is back in play. This is especially so, if after this short-term rebound, the ensuing fall is impulsive and closes below **0.94131** in the W1 chart.

USD-CHF 1-HOURLY



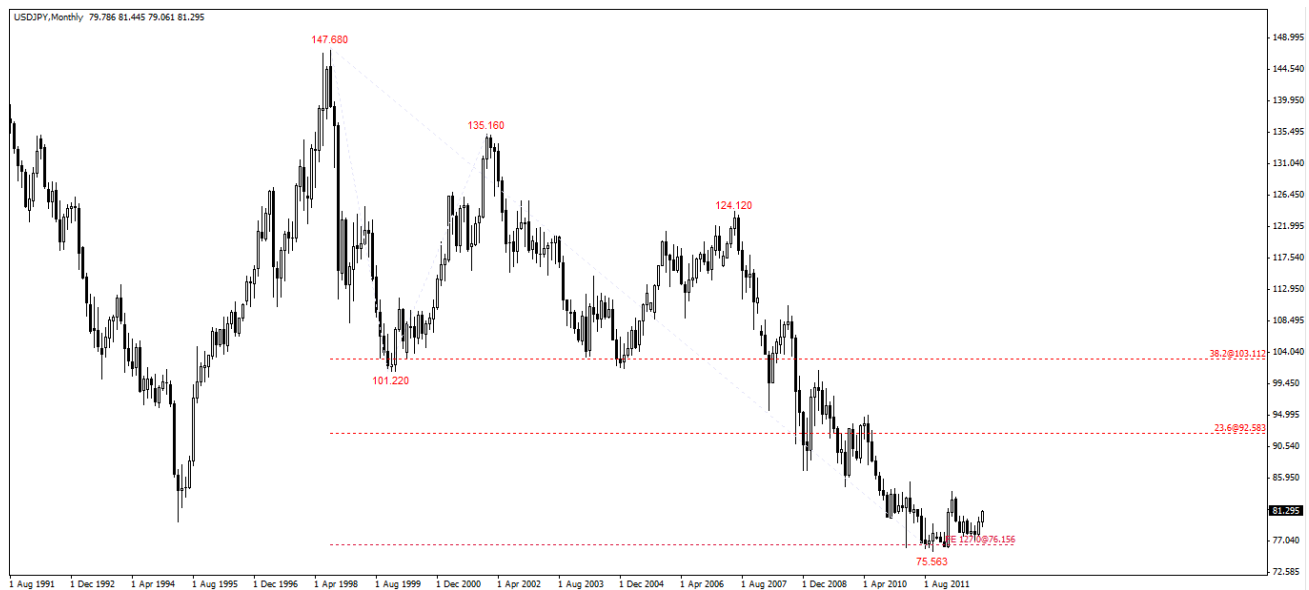
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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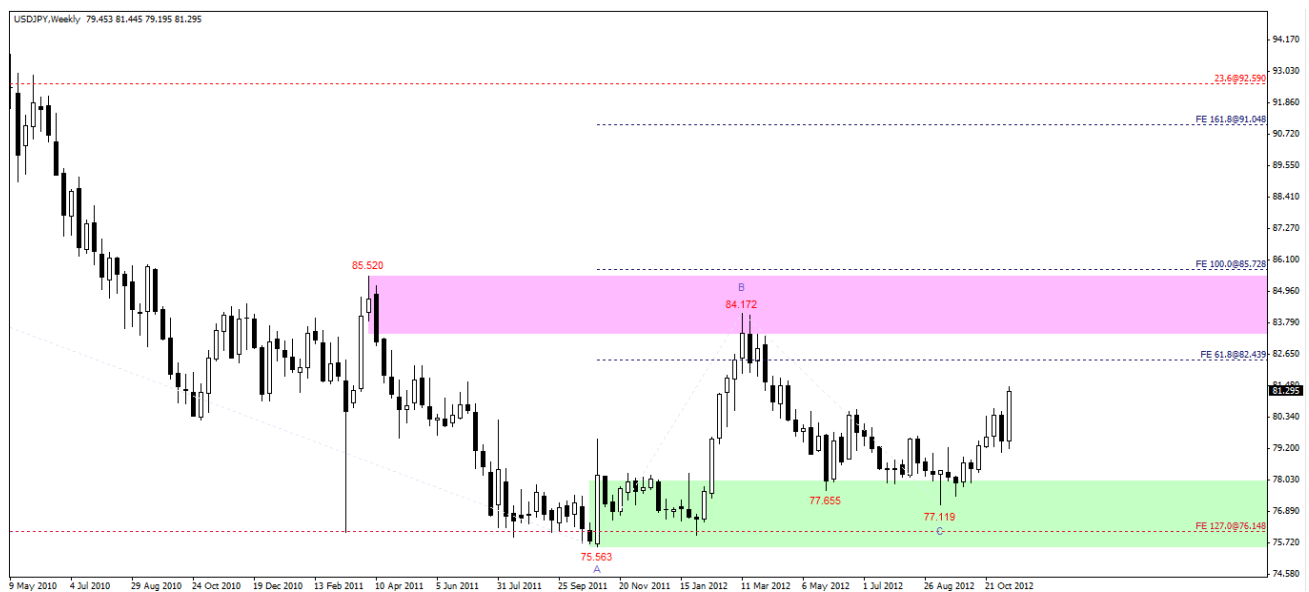
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$33,811.41
USD-CHF	14-11-2012	1.0	0.94551	13-11-2012	1.0	0.94943	+\$414.59	+\$414.59	\$34,226.00
USD-CHF	16-11-2012	1.0	0.94371	13-11-2012	1.0	0.94943	+\$606.12	+\$606.12	\$34,932.12
						Unrealized	\$0.00		

USD-JPY MONTHLY



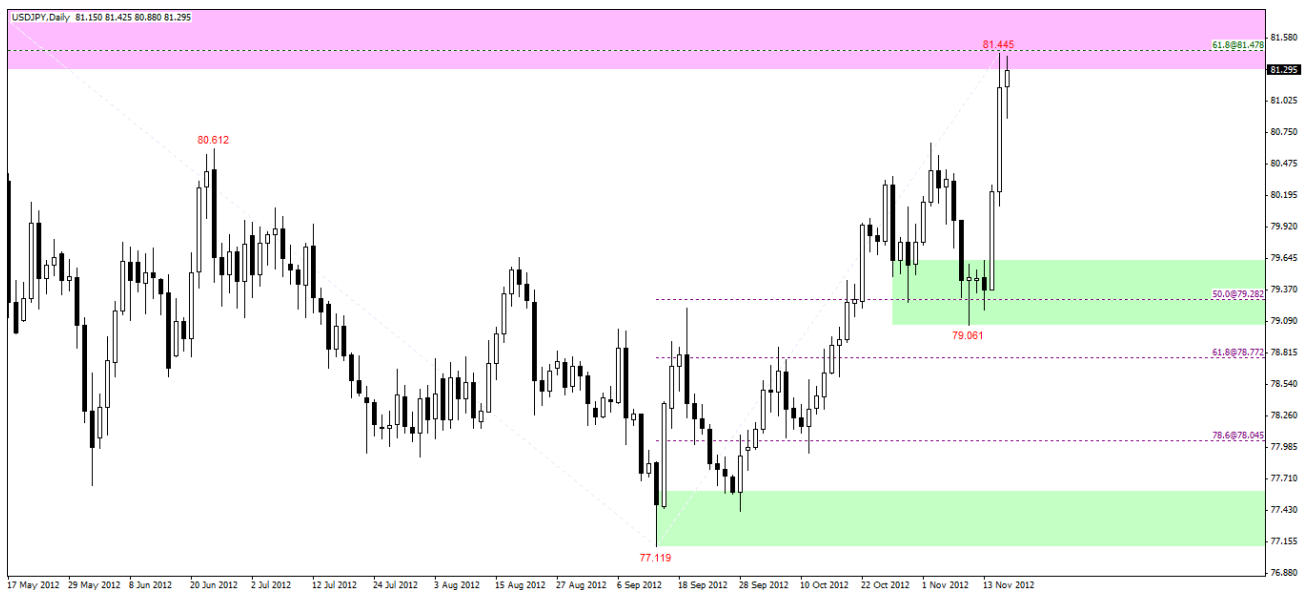
USD-JPY WEEKLY



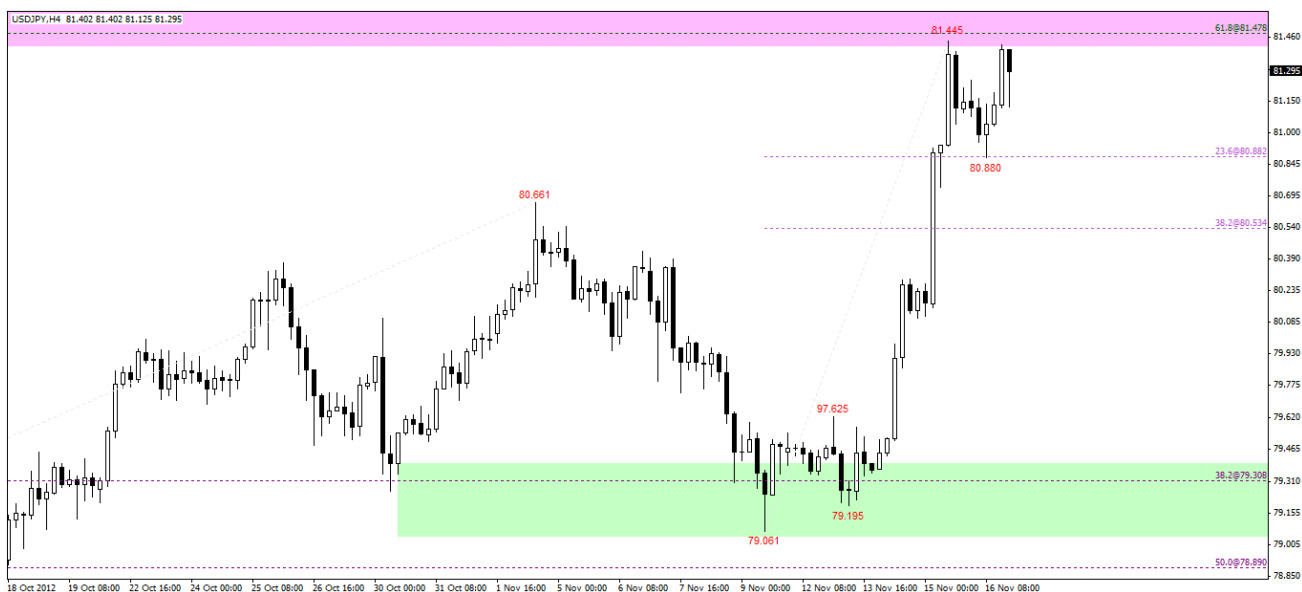
USD-JPY The Big Picture

The fall from 124.120 which started on June 2007 probably terminated on October 2011 at **75.563**, just below the 127.0% projection of 147.680 to 101.220 from 135.160 at **76.156**. In the bigger picture, the move from 75.563 to 84.172 is most likely the termination point of wave B at **84.172** with wave A at **75.563**. Wave C instead being the low at **77.655** (as originally thought) is probably at **77.119**. As noted, a hammer appeared in the W1 chart 2 months ago and price action has been rising since. This week, saw a massive acceleration to the upside, taking out a fortnight high of 80.661 with a print at 81.445. This rally is impulsive and has the basic ingredient for a sustainable rally to as high as the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048**. This very bullish prospect will be greatly enhanced if and when price action can take out the supply zone at **83.291-85.520** (see W1 chart).

USD-JPY DAILY



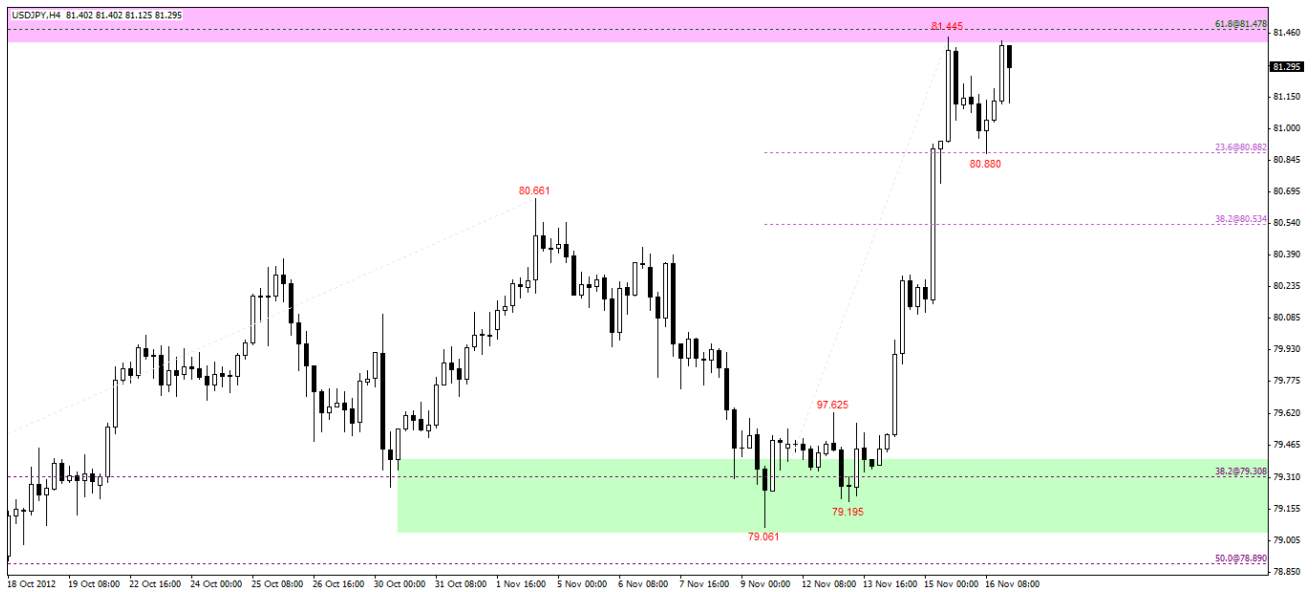
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

Despite a slow start to the week, this market exploded with a bang. The catalyst was the sudden dissolution of the Japanese parliament and the prospect of the opposition party LDP returning to power. Shinzo Abe, leader of the LDP and widely seen as likely to be Japan's next leader, called for BOJ to adopt interest rates of zero or below to spur lending. This caused a stampede to sell the Japanese Yen. This degenerated to an explosive rally that took price action to a 7-month high with a print at 81.445 on Thursday. The rally was so powerful, it practically blown away all resistance levels and finally stalled within an ancient longer-term supply pocket at **81.366-81.858** where the 61.8% retracement of 84.172 to 77.119 at **81.478** is located. With such a strong and impulsive rally, an attempt at the year's high **84.172** last seen in March may next be in the card. Over the long-term, this bullish bias has a potential for a 5 yen or 500 pips rally. A possible target is the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** which incidentally sits within a known supply zone. Yesterday's update allured to the possibility of this market to pull back the 23.6% retracement of 79.061 to 81.445 at **80.882** and this was what it did. From a low of 80.880, the H1 chart saw the appearance of a *Long-Legged Shadow Doji*. A buy signal was subsequently triggered with a close above 81.086 in the H1 chart. The stage is set for the next leg of this impressive rally.

USD-JPY 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
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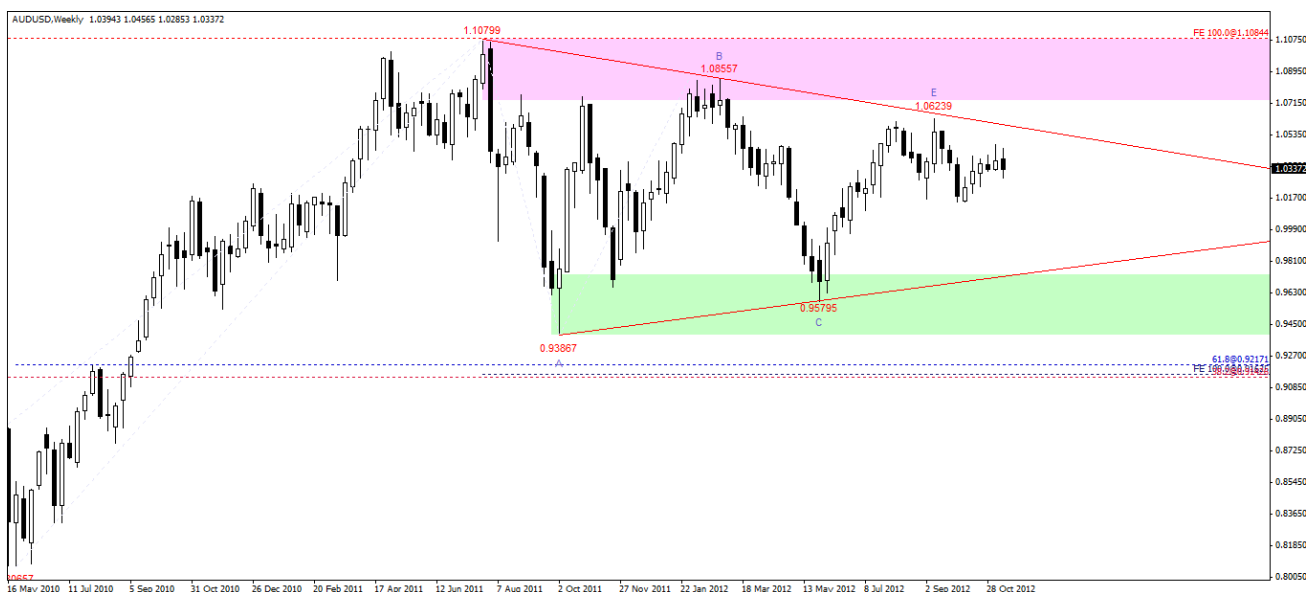
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$27,155.39
USD-JPY	09-11-2-12	1.0	79.222	14-11-2012	1.0	79.862	+\$801.38	+\$801.38	\$27,956.77
USD-JPY	09-11-2-12	1.0	79.222	15-11-2012	1.0	80.645	+\$1,765.76	+\$1,765.76	\$29,722.53
						Unrealized	\$0.00		

AUD-USD MONTHLY



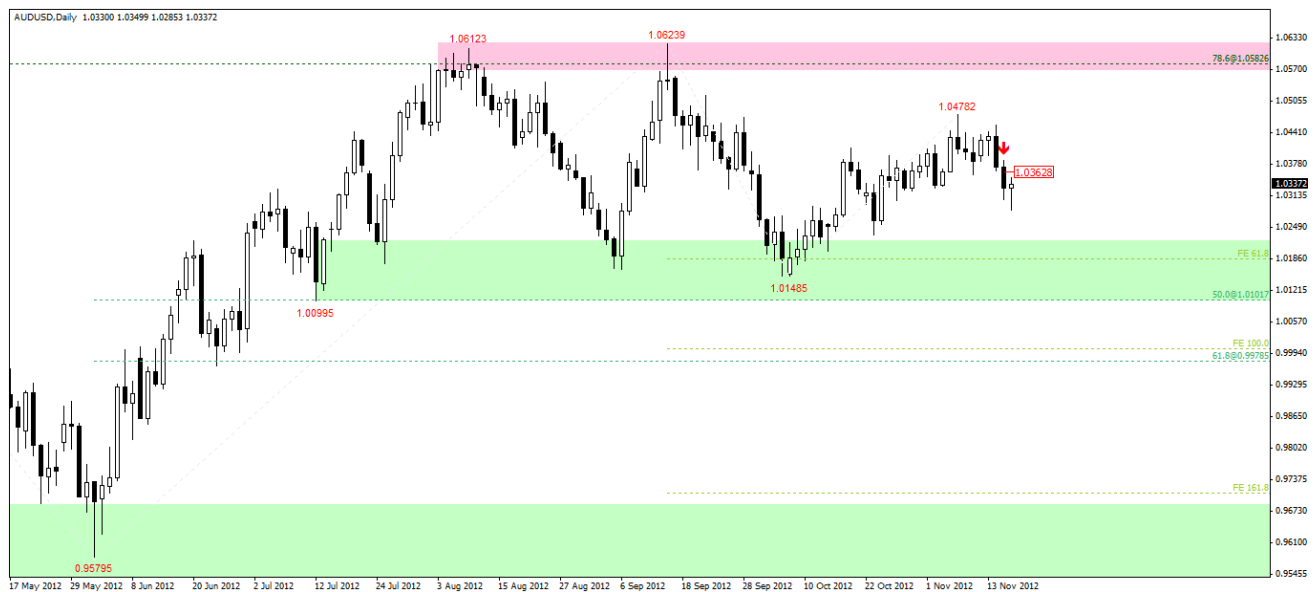
AUD-USD WEEKLY



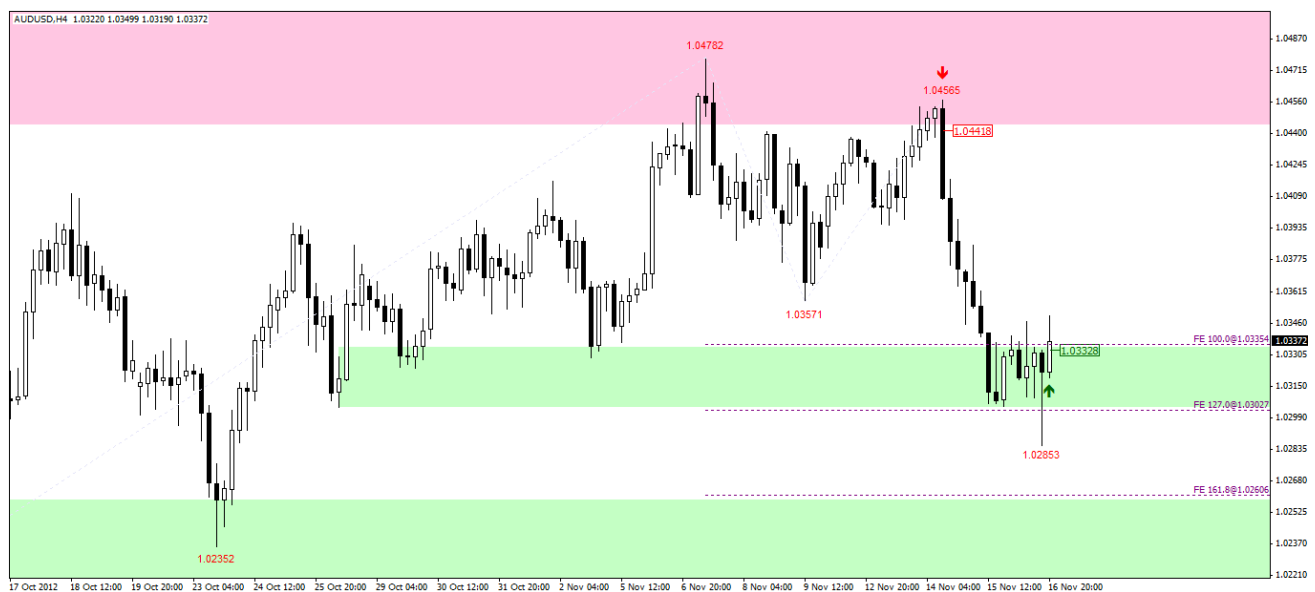
AUD-USD The Big Picture

In the bigger picture, the rise from 0.47730 missed the 100.0% projection of 0.47730 to 0.98490 from 0.60084 at **1.10844** on July 27 by a mere 4.5 pips with a high at 1.10799. Price action since has been very choppy as it gyrates within an almost 1700 pips range between the all-time high and last October 4 low of **0.93809**. Overall, the broad sideways market since has sets of 3-waves structures, implying a period of consolidation between these two extreme points. Alternatively, it can also be said that price action since has been locked between the 100.0% projection of 0.47730 to 0.98490 from 0.60084 at **1.10844** and the 61.8% retracement of 0.80657 to 1.10799 at **0.92171**. The long-held view that this market is consolidating within a triangle will continue to be severely tested in the aftermath of the spike up to a 25-week high at 1.06239 on September 24. Last week saw price action traded to a 7-week high at 1.04782 before easing; essentially ending as a shooting star in the W1 chart. Is the harbinger of the last leg of the triangle pattern before an explosive breakout to the upside over the long-term? Until the triangle scenario is invalidated, this is the preferred view.

AUD-USD DAILY



AUD-USD 4-HOURLY

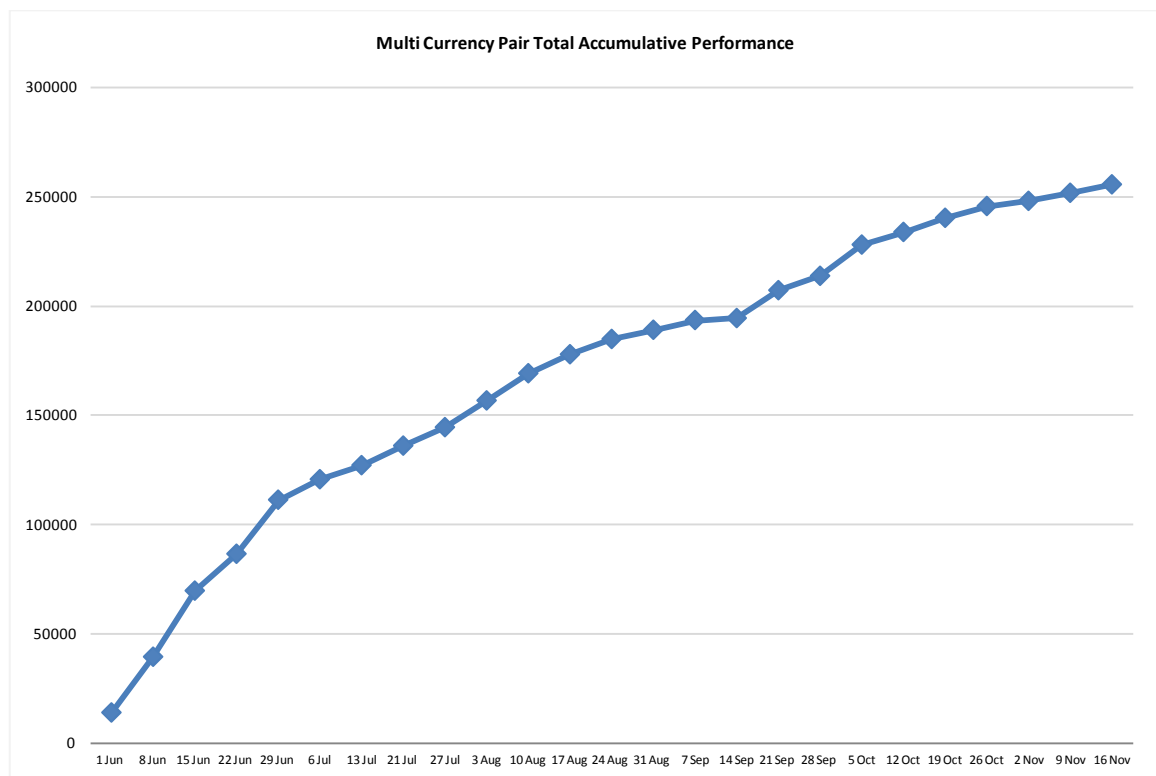
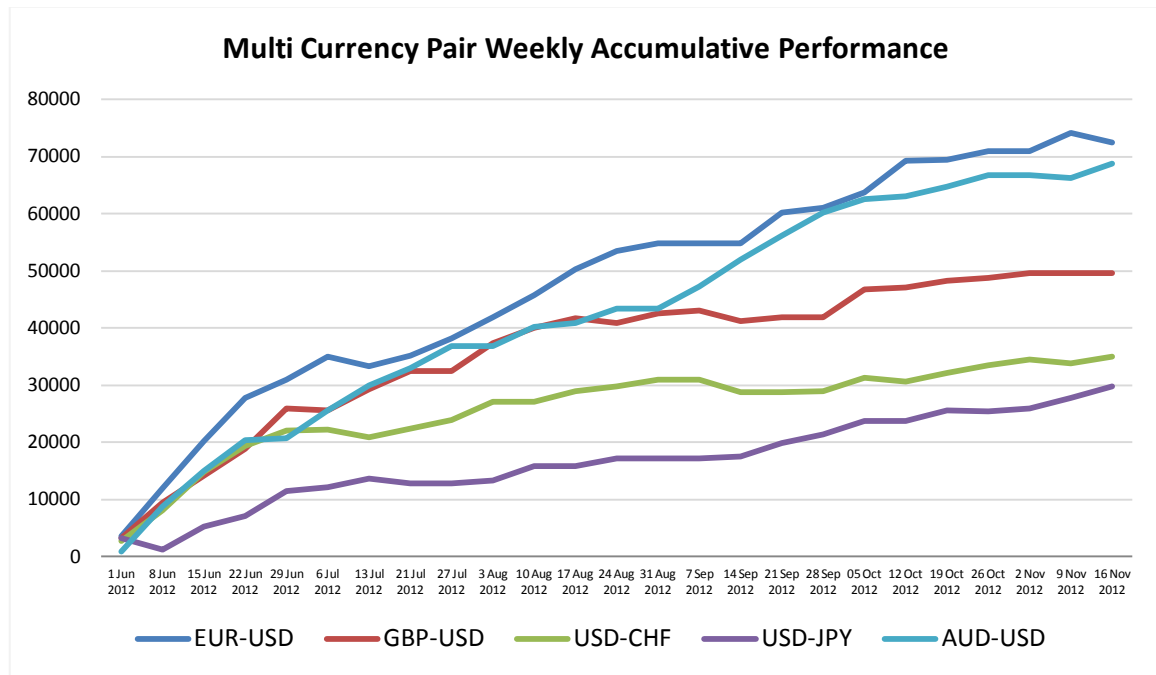


AUD-USD Short to Medium Term Views

Wednesday saw price action rallying back into the minor supply pocket at **1.04486-1.04722** and the subsequent aggressive exit from there resulted in a near collapse that took the market to a low at 1.02853 n overnight trading. As mentioned, the immediate target is the demand pocket at **1.03044-1.03332** and if this zone cannot hold, an obvious medium-term target is the demand pocket at **0.99680-1.00207**. Alternatively, the 61.8% and 100.0% projection of 1.06239 to 1.01485 from 1.04782 at **1.01844** and **1.00028** respectively are also viable targets. In the meantime, a counter-trend rebound may be seen early next week as there are sign of buying interests emerging right after NY midday on Friday. A possible retracement target is the minor supply pocket at **1.03830-1.03976** where the 61.8% retracement of 1.04565 to 1.02853 at **1.03910** awaits.

ACTION	Target 1	Target 2	EXIT
Sell on sell signal between 1.03830-1.03976	1.02609	1.01801	1.04076 STOP

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$66,343.00
AUD-USD	15-11-2012	1.0	1.03262	07-11-2012	1.0	1.04589	+\$1,327.00	+\$1,327.00	\$67,670.00
AUD-USD	16-11-2012	1.0	1.03412	07-11-2012	1.0	1.04589	+\$1,177.00	+\$1,177.00	\$68,847.00
						Unrealized	\$0.00		



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.

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.

Website under
development