

A Traders Academy International Publication

USD-JPY On Course For 1st Weekly Loss

The US Dollar bustled near a 5-1/2-month high against major currencies this morning, on doubts over just how long the U.S. Federal Reserve will keep its quantitative easing in place. EUR-USD tumbled to a 6-week low and USD-JPY to a 3-week trough on disappointing Euro zone economic data and uncertainty ahead of Italy's election at the weekend.

Minutes of the Federal Reserve's last meeting released on Wednesday and comments from the bank's two top officials on Thursday showed growing debate within the bank about scaling back its bond buying programme. Concerns that the Fed may stop providing a flood of cash to banks boosted the US Dollar, at expense of many other assets, ranging from the Euro and other risk currencies to stocks and commodities.

EUR-USD fell to a 6-week low of 1.31601 on Thursday and settled at 1.31886.

Business activity indexes dealt a blow to hopes that the Euro zone might emerge from recession soon, showing the downturn across the region's businesses unexpectedly worsened this month. The data raised nervousness ahead of an influential German Ifo business sentiment index due at 0900 GMT or 5:00PM (Singapore time).

After the Euro's fall overnight, traders are wary of risk that weak Ifo figures cement concerns on the Euro zone economy. Given that EUR-USD had been outperforming since late last year, its correction could be large. In addition, concerns that a fragmented parliament after Italy's national election could trigger a sell-off in the peripheral Euro zone bond market also weighed on EUR-USD.

EUR-JPY fell to 122.232, its weakest level since late January. It traded at 123.000 in early Asian trade, up slightly from late U.S. levels.

While the US Dollar gained across the board, USD-JPY failed to advance the Japanese Yen's three-month-old decline on monetary easing expectations is showing signs of losing momentum. USD-JPY is flat in early Asian trade to fetch around 93.260, keeping some distance from its 33-month high of 94.447 hit last week.

Judging from recent comments, most Japanese ministers don't really wish to push the USD-JPY up beyond the 95.000 handle. Some suspect if the Yen weakens further, (Finance Minister Taro) Aso will try to rein in the Yen's fall.

As it is, USD-JPY looks set to post its first substantial weekly loss since mid-November, when the announcement of a Japanese election spurred investors to bet more political pressure would be put on the Bank of Japan to take bold easing steps.

Speculators have turned their attention to the British Pound which has fallen 1.7 percent so far this week, hitting a 2 1/2-year low of 1.51297 in the GBP-USD on Thursday, on expectations of more quantitative easing by the Bank of England. It has since recovered a little to last trade at 1.52560 but it is still seen as vulnerable.

AUD-USD hit a 4-month low of 1.02193 on Thursday but recovered sharply in early Friday trade after Reserve Bank of Australia chief Glenn Stevens did not include any fresh signs of a rate cut in testimony to the Australian parliament's economics committee. It last trades at around 1.02950, up 0.5 percent from late New York levels.

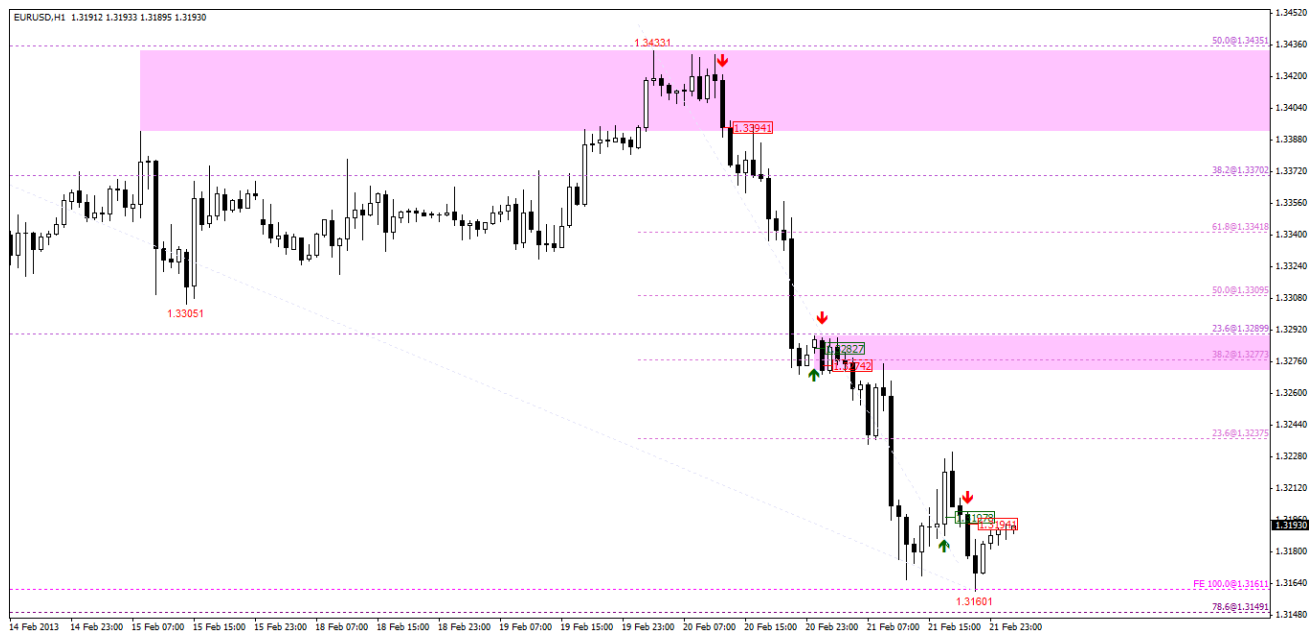
Content:

EUR-USD	2
GBP-USD	4
USD-CHF	6
USD-JPY	8
AUD-USD	10
Performance	11

[illegible]

On hindsight, the inability of the Euro to rally on the better than expected ZEW index on Tuesday should have been a shot across the bow. It is never a positive thing if prices of a security cannot rally on good news. Overnight, price action extended its fall from 1.37101 to a 5-week low of 1.31601. The overnight fall dipped momentarily into the Fibonacci cluster of the 100.0% projection of 1.37101 to 1.33523 from 1.35189 at **1.31611** and the 78.6% retracement of 1.29963 to 1.37101 at **1.31491** and rebounded. It remains to be seen this price bracket can hold. Principally, this fall has the momentum to test the immediate demand pocket at **1.29963-1.30439** and perhaps even **1.28755-1.29041**. The idea that the rise from 1.20414 a larger degree correction of the fall from 1.49393 from way back in 2011 is now the preferred scenario based on the fact that it has a 3-wave structure. This view will be enhanced if we have a close below **1.33090** in the W1 chart by NY closing tonight as it would suggest that the 3-wave corrective rebound from 1.20414 is over and bears are fully in charge. In the short-term, the nearest area of supply is the supply pocket at **1.32715-1.32891**; where the 38.2% retracement of 1.34331 to 1.31601 at **1.32644** is located. Aggressive traders may consider anchoring short positions there if they have not already done so.

EUR-USD 1-HOURLY



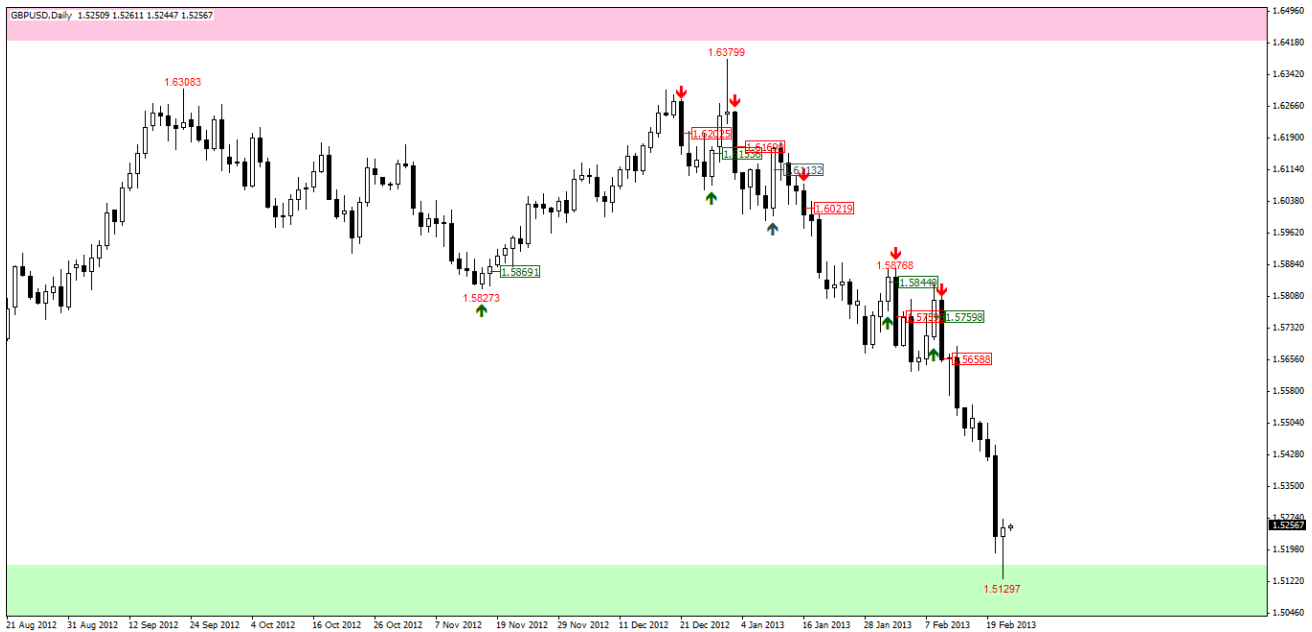
TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell in sell signals between 1.32715-1.32891		1.32991	1.30727	1.29400	3	0.03m

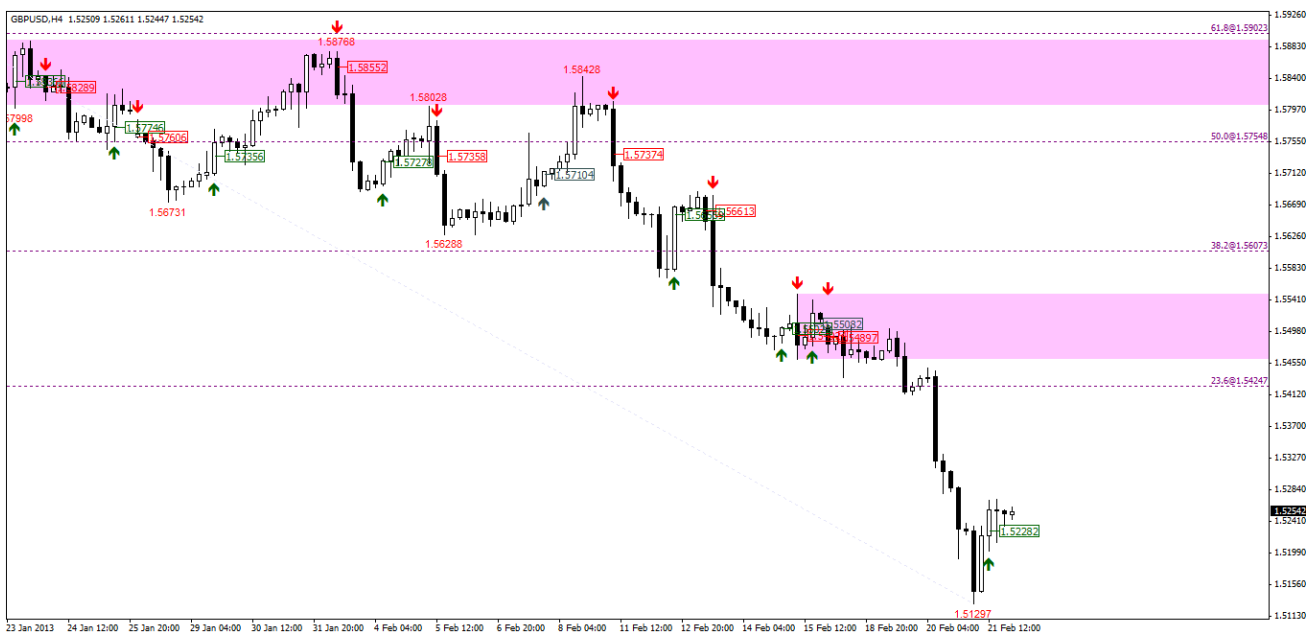
TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										5.35	10,534.90
2013.02.20 23:01	0.03	1.32754	2013.02.21 07:56	0.03	1.32352			-120.6	-120.60	4.14	10,414.30

GBP-USD DAILY



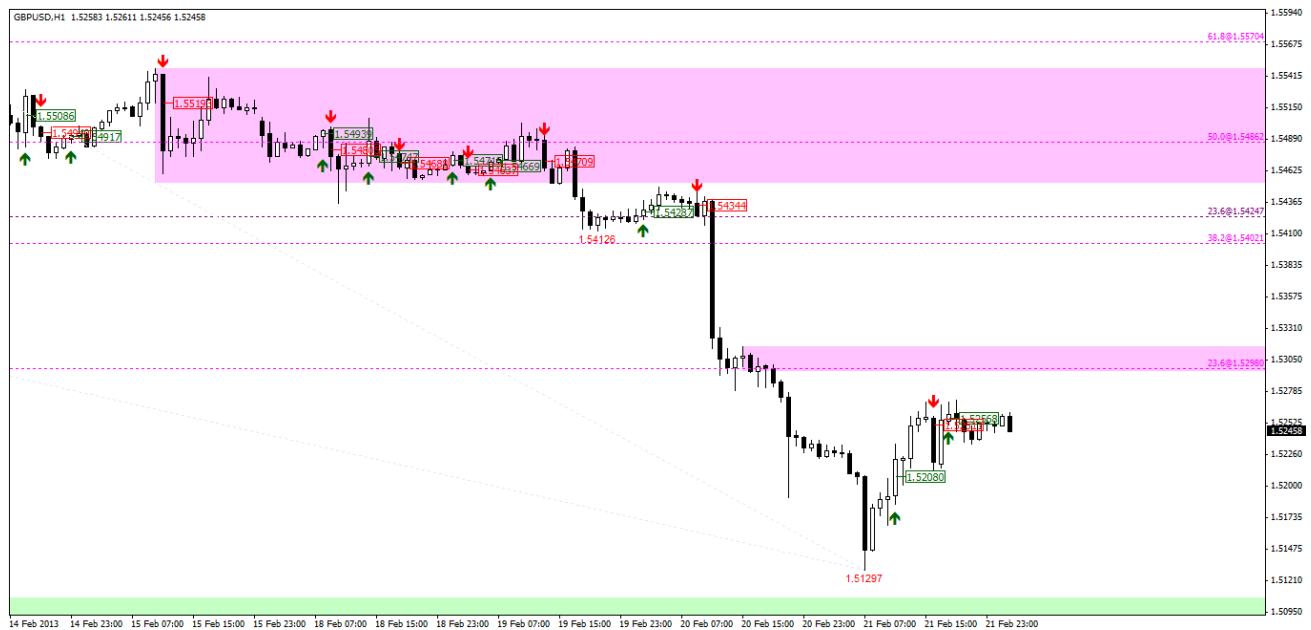
GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

This market extended its fall from 1.63799 into a new 32-month low with a print at 1.51297 before rebounding. This is a huge change in sentiment in just under two months. To put things in perspective, this market was riding high – having registered a 3-year high at the start of 2013. But all this did not come as a surprise. For a long time now, this author has maintained that this market is in for a violent selloff should the bottom falls off the triangle formation seen in the longer-term chart. Last week, this market closed below the triangle formation for the first time in 4 years and just stated, this development has serious long-term bearish implications (read weekly report). The fact that the significant demand zone seen at **1.52327-1.53475** too failed to arrest this fall reveals the extreme weakness in this market. As such, any rebound going forward must be seen as selling opportunities. Should this market rebounds to the 23.6% retracement of 1.58428 to 1.51297 at **1.52980** which lies within a minor supply pocket at **1.52955-1.53161** it may be worth a shot to re-position shorts there. Targets include demand pockets at **1.48730-1.49830** and **1.42300-1.43422** respectively.

GBP-USD 1-HOURLY



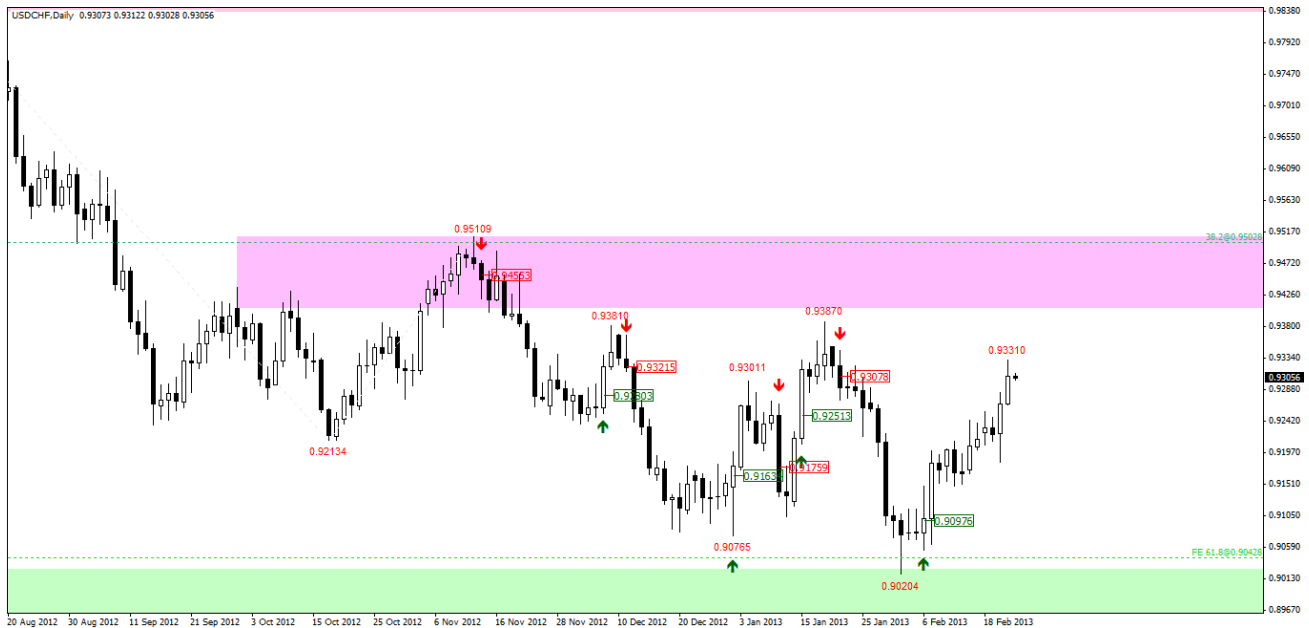
GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signals between 1.52955-1.53161		1.53261	1.49830	1.43422	3	0.03m

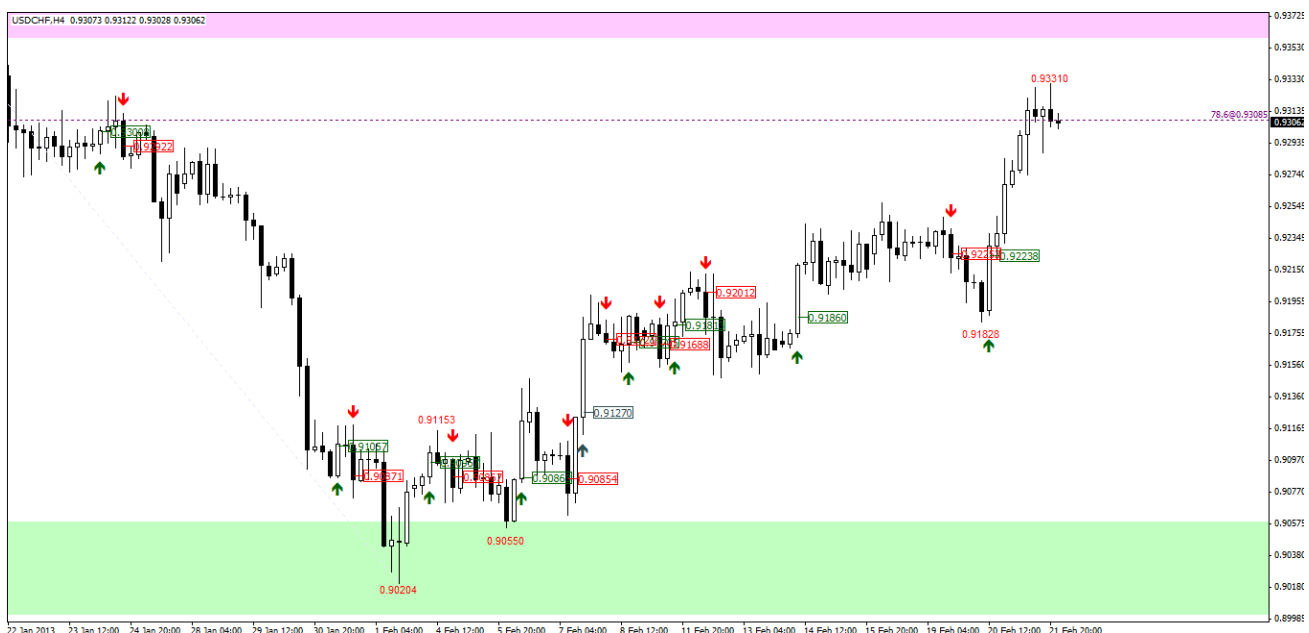
GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										-3.41	9,659.50
2013.02.01 09:39	0.02m	1.58750	2013.02.20 11:36	0.02m	1.53475			1,680.6	1,680.60	13.4	11,340.10

USD-CHF DAILY



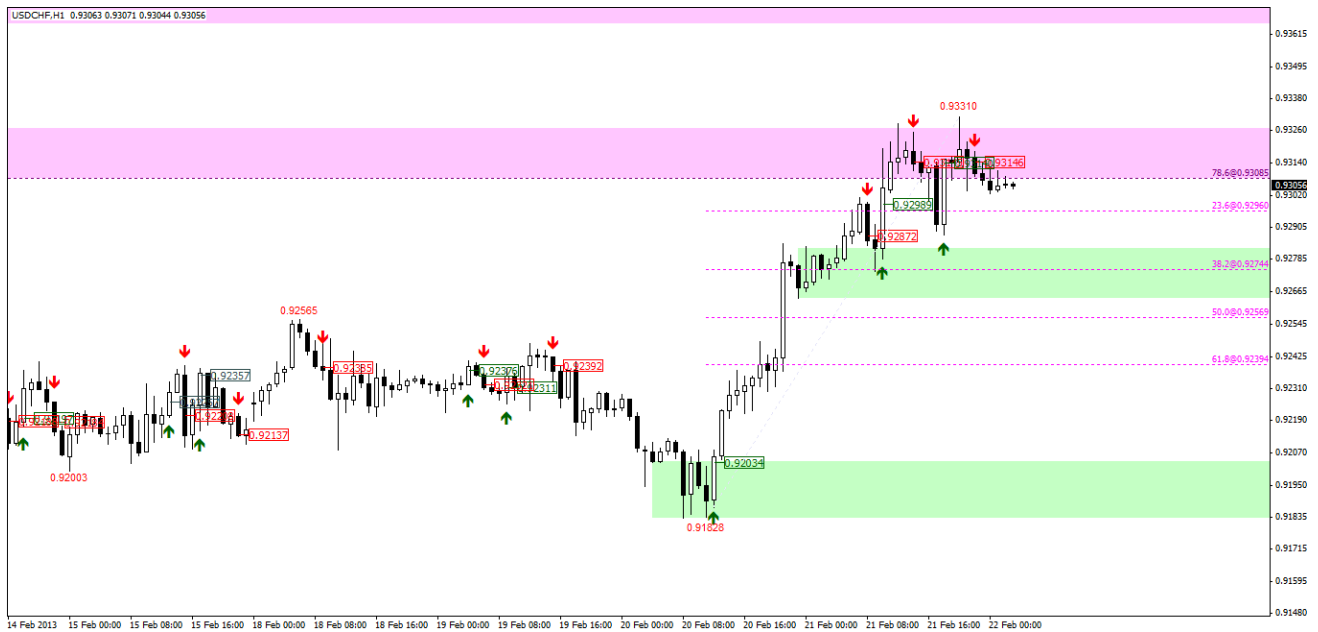
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

Price action extended to the 78.6% retracement of 0.93870 to 0.90204 at **0.93085** and then some with a print at 0.93310 in overnight trading. As noted, this mildly bullish assessment is supported by the underlying buy signal seen in the D1 chart for the last two weeks. Price action is now within a stone throw from the supply zone at **0.94058-0.95109** and this presents yet another selling opportunity going forward. As noted, this rally is bounded by the demand zone at **0.90010-0.90587** and the supply zone at **0.94058-0.95109** (see D1 chart). As this market is trading broadly in a sideways market and there is no exceptionally strong momentum in this rally so far, positioning short position there made sense. The medium to long target is obviously the demand zone at **0.90010-0.90587**. Even from the short-term perspective, with the nearest demand pocket at **0.92641-0.92825**, the risk/reward outlook is attractive, not to mention the possibility of this market testing the demand pocket at **0.90010-0.90587**.

USD-CHF 1-HOURLY



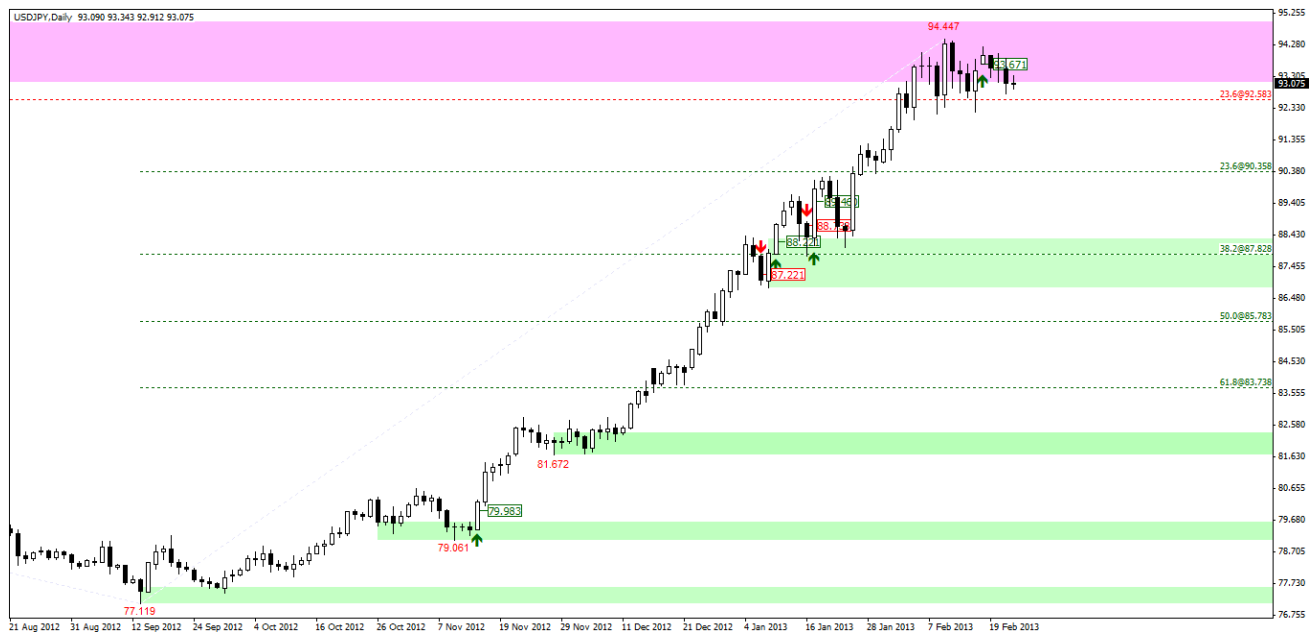
USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		0.93140	0.93330	0.92825	0.90587	3	0.03
Sell	Sell on sell signal between 0.94058-0.95109		0.95209	0.91752	0.90587	3	0.03

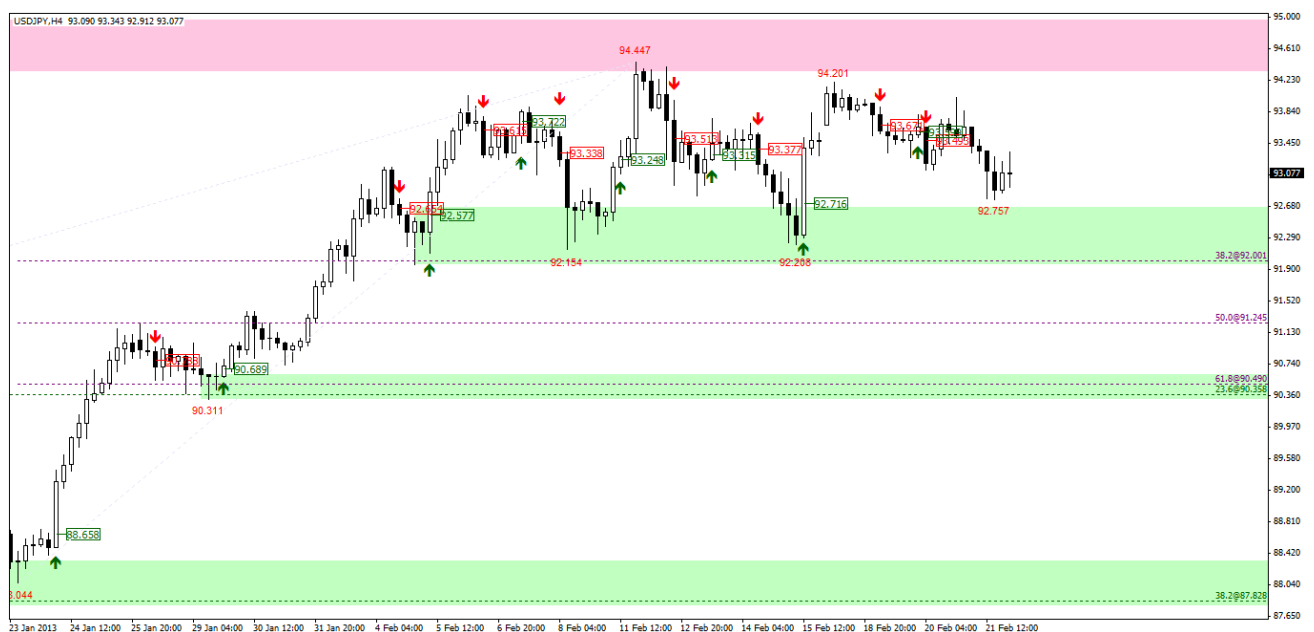
USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										5.00	10,499.96
2013.02.21 19:02	0.03m	0.93140	2013.02.21 23:59	0.03m	0.93076	19.2	20.63				

USD-JPY DAILY



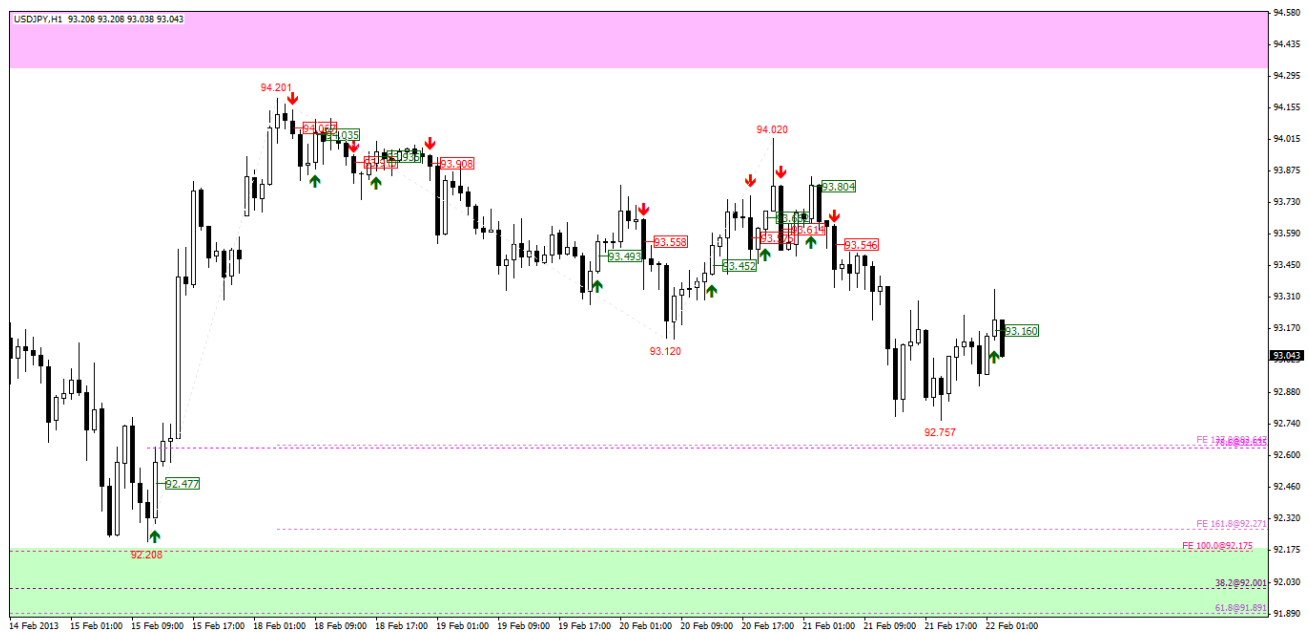
USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

This week's consolidation will be resolved one or another and this being the last trading day of the week is as good a day as any. Since opening the week on a positive note and the failed challenge of the 33-month high of 94.447, this market has been in consolidation mode. All eyes will be on whom among the candidates becomes the new BoJ chief. If he is deemed to be someone sympathetic towards the new LDP led government stated policy of targeting a 2% inflation rate in a last ditch attempt to re-inflate the moribund Japanese economy, USD-JPY is likely to resume its climb. Likewise, if Mr Abe's preferred choice is left out, profit-takings will be featured. Regardless, only a sustained rally above the SZ at **93.129-94.979** would suggest the resumption of the rally. In the longer-term, this incredible bull-run has a target at the 261.8% projection of 75.563 to 84.172 from 77.119 at **99.657** where the supply zone at **99.140-103.057** resides (see D1 chart). On the downside, a close below **92.725** in the D1 chart would suggest the onset of a more robust pullback and as stated in previous updates, allowance is for this market to retrace all the way to the demand zone at **86.908-88.326** where the 38.2% retracement of 77.119 to 94.447 at **87.828** is located (see D1 chart). Unless there is acceleration below this price pocket, this market should stabilize there and resumes its climb.

USD-JPY 1-HOURLY



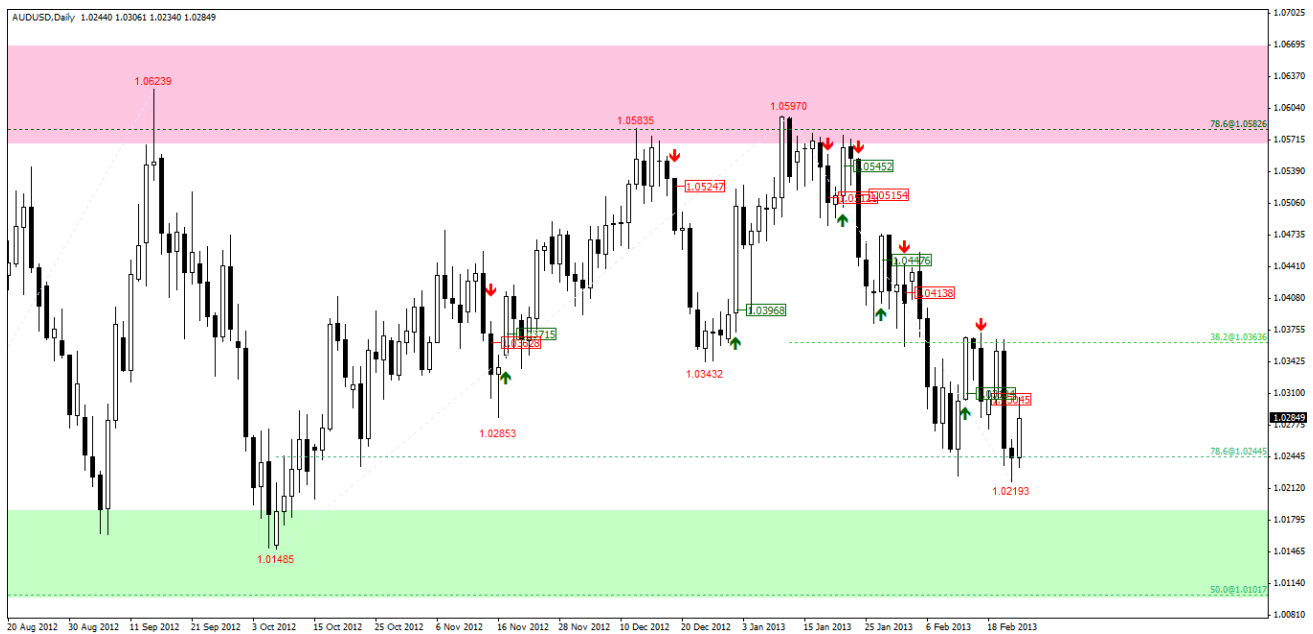
USD-JPY TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Exit on D1 close below 92.725	90.487		92.583 Realized	99.657	3	0.03

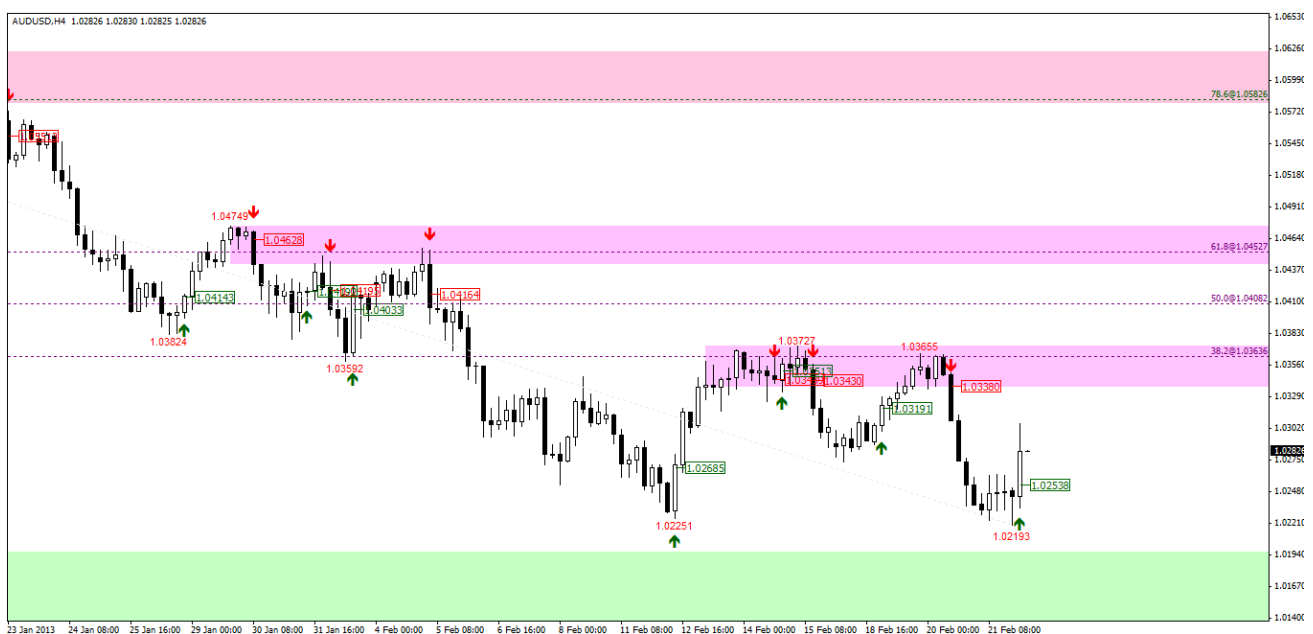
USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										23.74	12,374.07
2013.01.28 01:32	0.02m	90.487	2013.02.21 23:59	0.02m	93.089	520.4	559.03				

AUD-USD DAILY



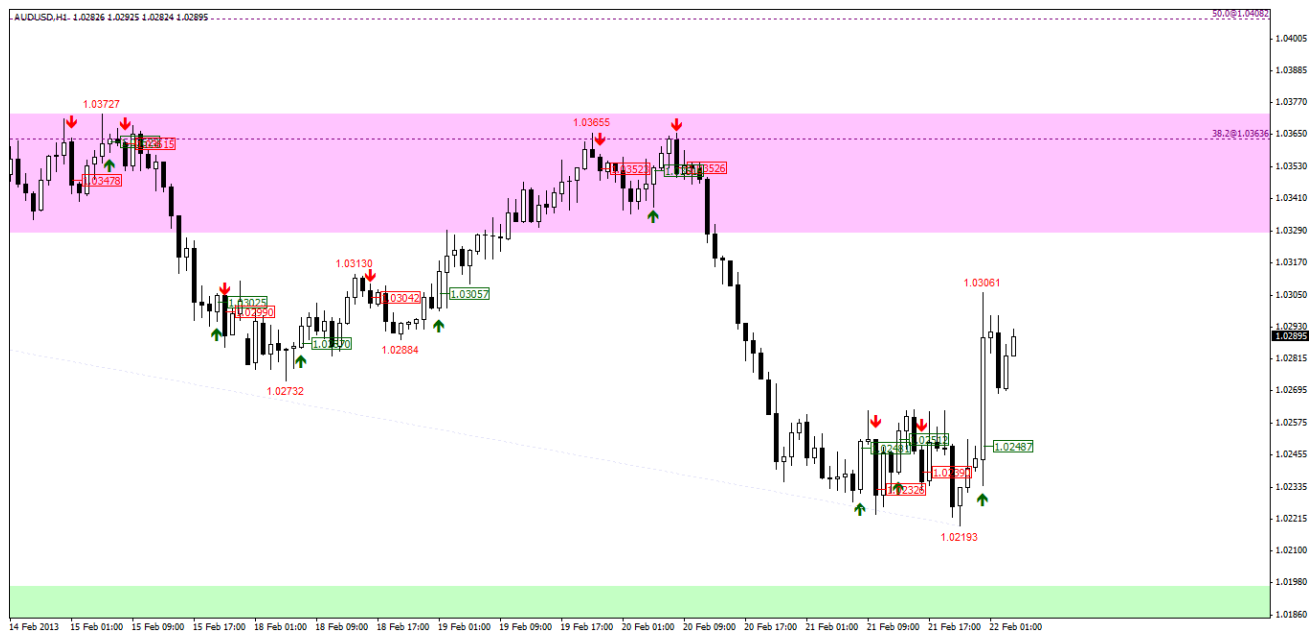
AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

The fall from 1.03655 at the 38.2% retracement of 1.05972 to 1.02251 at **1.03672** managed a marginal low at 1.02193 in overnight trading – and ended as a hammer in the H4 chart. This set the stage for a reversal as prices rebounded sharply this morning in Sydney session. This rebound came ahead of the demand pocket at **1.00995-1.01917** which would otherwise have been a nice area in which to take some profits from the earlier shorts from above the 1.33000 handle. At any rate, this market is, as noted, bounded by the demand pocket at **1.00995-1.01917** and the supply pocket at **1.05675-1.06692** (see D1 chart). For those managed to sell based on Tuesday's update, the immediate target remains at the demand pocket at **1.00995-1.01917** followed by a secondary target at the demand zone at **0.93867-0.96983**. Move stops to break-even price and if stopped out, do not attempt to re-position above the 1.33000 handle just yet. This is because, a re-visit of the previous supply pocket on strong short-term upward momentum is not exactly a good idea to sell. Moreover, the downside potential is no longer fantastic in view of the risk/reward outlook. Wait and see.

AUD-USD 1-HOURLY



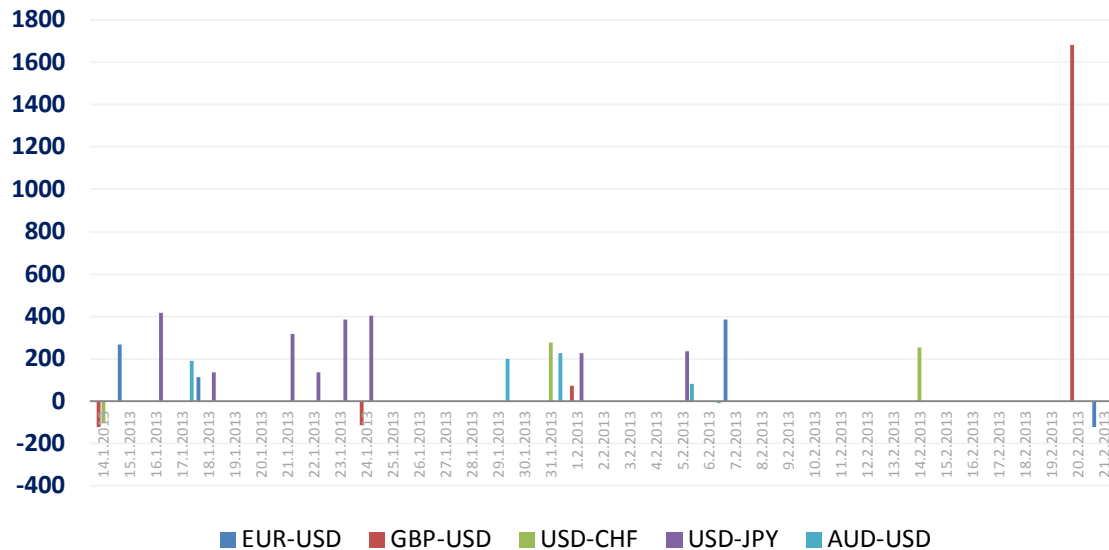
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.03380	Break-even	1.01917	0.96983	3	0.03

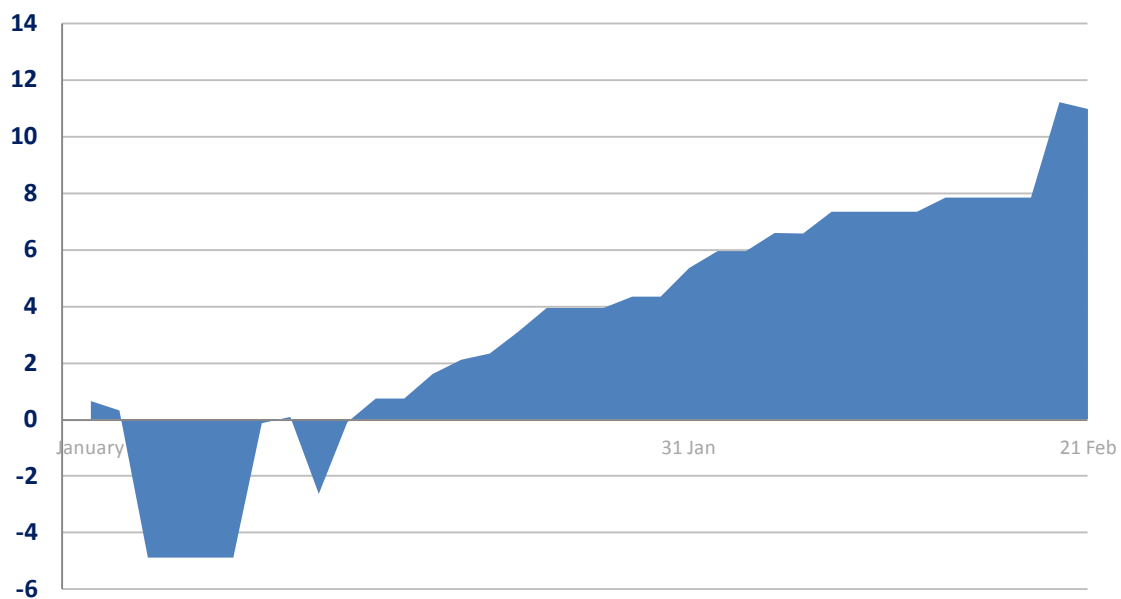
AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										8.49	10,849.00
2013.02.20 12:41	0.03m	1.03380	2013.02.21 23:59	0.03m	1.02917	138.9	138.90				

Daily Realized P/L



Accumulative Percentage P/L



Traders Academy International

Check out our website at

www.tradersacademyonline.com



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.