

A Traders Academy International Publication

Mounting Political Pressure Sinks Yen

USD-JPY rose to 81.744, its highest level since April 20. It settled at 81.659, up 0.32 percent for the day - a 7-month high on Tuesday on expectations that Japan's central bank will be pushed to move aggressively to try to weaken the Japanese Yen with looser monetary policy.

Shinzo Abe, the leader of Japan's opposition Liberal Democratic Party and a frontrunner to win the election, has been pushing hard for more aggressive BOJ moves on easing monetary policy, one that could push the Bank of Japan toward more dramatic monetary stimulus. Elections will be held on December 16.

Overnight, the BOJ left interest rates unchanged at its latest policy meeting, as expected.

EUR-USD, meanwhile, was flat as traders fixated on a Euro-zone finance ministers' meeting on Tuesday. The finance ministers are likely to approve the next tranche of loans to Greece although the money is unlikely to be disbursed before December and a deal on debt reduction may need further talks.

The main driver in terms of the news flow was the downgrade of France overnight, but the knee-jerk reaction we saw overnight was very short-lived. That tells us the downgrade was not a surprise. The focus Tuesday was the Eurogroup meeting, and there traders were looking for some reasonable progress to be made for Greece's next aid tranche.

EUR-USD last traded at 1.28163, up slightly after paring earlier losses following the credit downgrade of France from Aaa status late on Monday by Moody's Investors Service. Some analysts said the cut did not come as a surprise after Standard & Poor's downgraded France in January, and the finance ministers' meeting could have a bigger impact on the Euro if policymakers fail to meet market expectations.

The market is watching if Congress and the White House agree to a deficit-reduction deal by the end of the year to avert \$600 billion of tax hikes and spending cuts, dubbed the "fiscal cliff."

U.S. Federal Reserve Chairman Ben Bernanke maintained his guidance that U.S. monetary policy would stay loose with interest rates near zero until at least mid-2015. He offered few clues, however, on how the Fed might tweak its bond-purchase program at the start of next year in its effort to spur more borrowing at low interest rates.

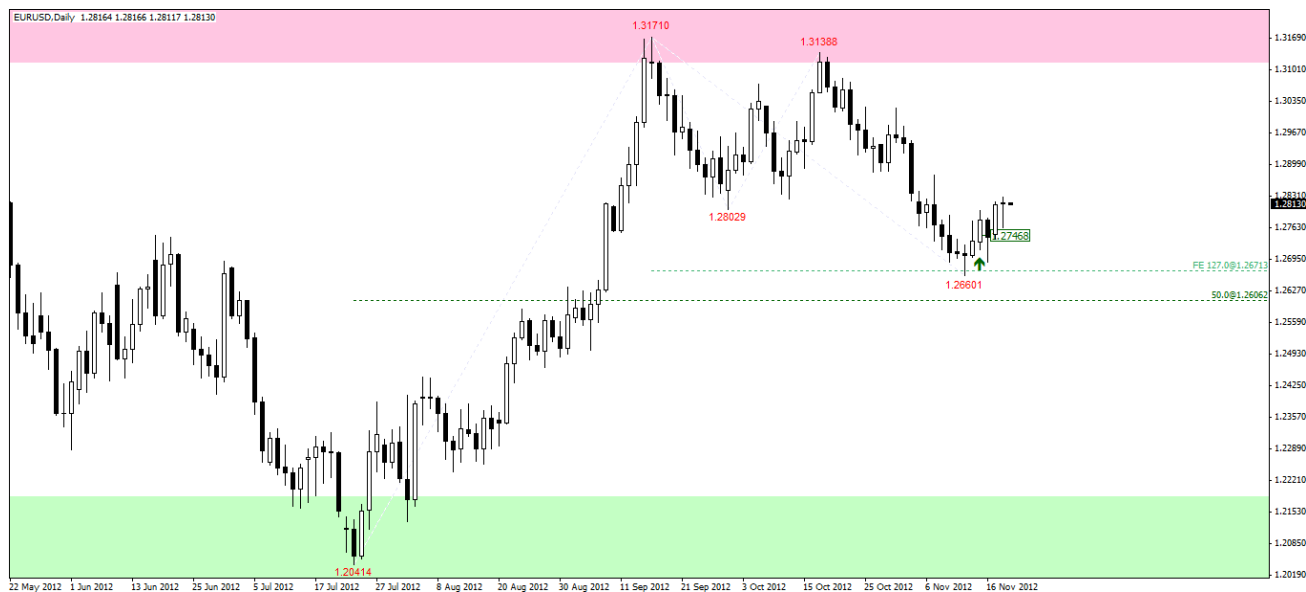
U.S. housing data gave the US Dollar some underpinning. The U.S. Commerce Department reported housing starts rose to their highest rate in more than four years in October. The data followed robust reports on Monday on existing-home sales and home builder sentiment.

The US Dollar, however, should benefit if the United States hits the fiscal cliff because of its status as a safe-haven currency.

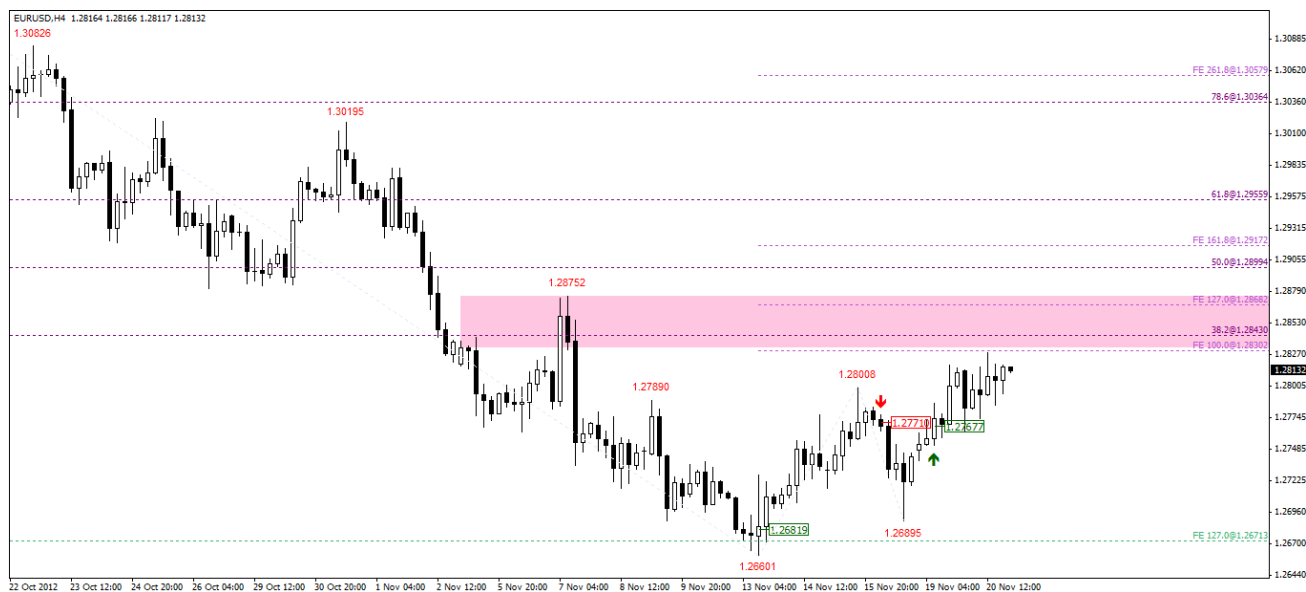
Content:

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

EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The recovery from last week's low of 1.26601 and the buy signal seen in the D1 chart with a close above **1.27468** last Friday is struggling after picking up speed earlier. If this rally results in a 5-wave structure, it could well suggest the start of the 5th wave 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). However, based on the structure seen so far, this assessment may be a little hopeful at this stage. The alternate view is the 5th wave had failed at 1.31388 and that this market may unravel spectacularly going forward. However, 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** next. 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. In the meantime, the immediate barrier to higher prices lies in the supply pocket at **1.28381-1.28752** where the 38.2% retracement of 1.31388 to 1.26601 at **1.28430** and the 127.0% projection of 1.26601 to 1.28008 from 1.26895 at **1.28682**. Should price action rises into this price pocket, especially near the 127.0% projection of 1.26601 to 1.28008 from 1.26895 at **1.28682**, a low risk trade opportunity may arise for the more adventurous. A sell there (on sell signal) coupled with a tight stop just above the supply pocket at **1.28381-1.28752** still looks attractive for a low-risk counter-trend trade.

EURUSD-H1 1.28131 1.28134 1.28130 1.28132

FE 127.09/1.28582

38.29/1.28430

1.28282

FE 100.09/1.28302

1.28133

1.28008

1.27343

1.27352

1.27296

1.26895

FE 127.09/1.26713

1.28680

1.28540

1.28395

1.28255

1.27965

1.27825

1.27680

1.27540

1.27395

1.27250

1.27110

1.26965

1.26825

1.26680

1.26535

1.26395

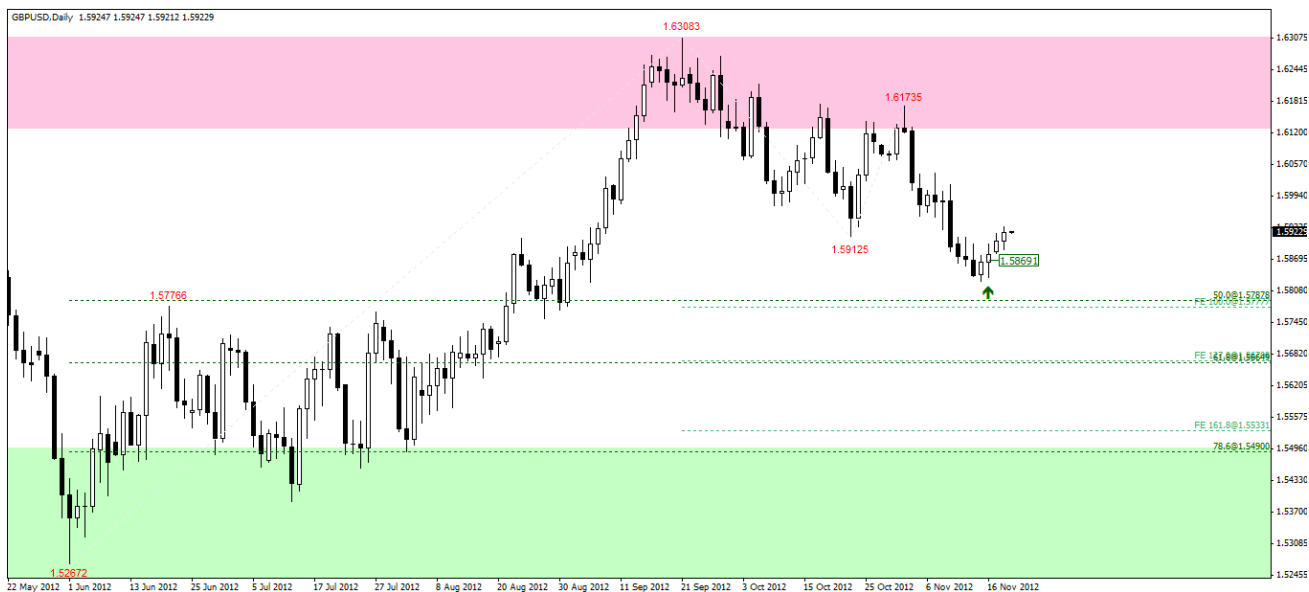
1.26250

13 Nov 2012 13 Nov 22:00 14 Nov 06:00 14 Nov 14:00 14 Nov 22:00 15 Nov 06:00 15 Nov 14:00 15 Nov 22:00 16 Nov 06:00 16 Nov 14:00 16 Nov 22:00 17 Nov 06:00 17 Nov 14:00 17 Nov 22:00 18 Nov 06:00 18 Nov 14:00 18 Nov 22:00 19 Nov 06:00 19 Nov 14:00 19 Nov 22:00 20 Nov 06:00 20 Nov 14:00 20 Nov 22:00

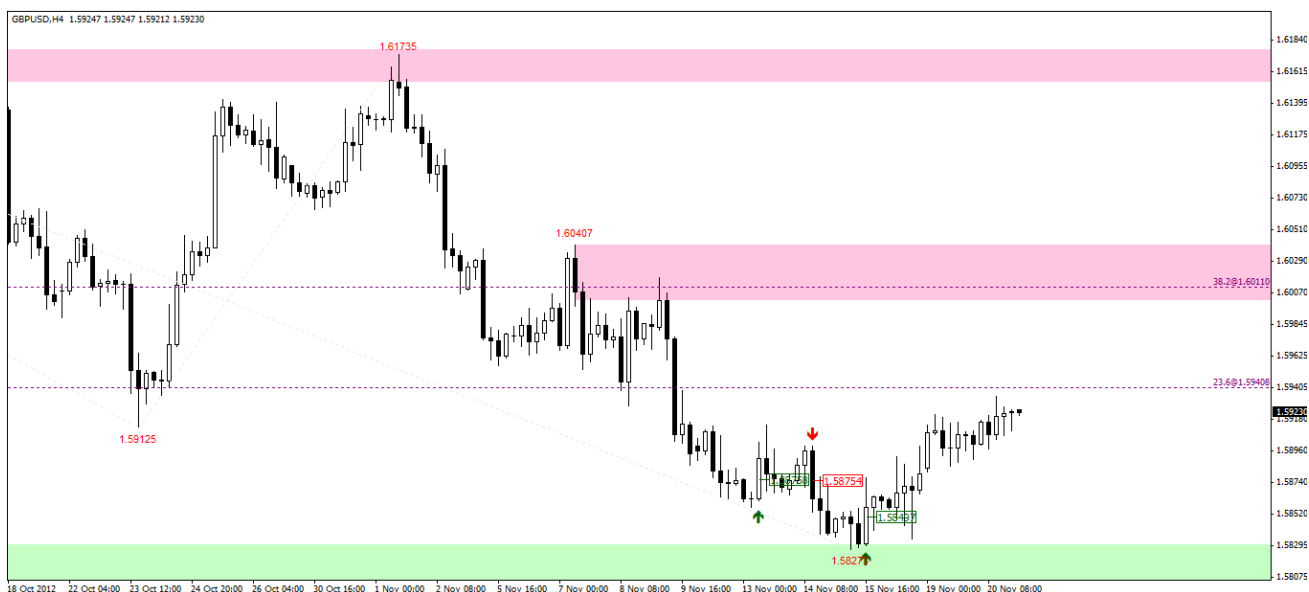
ACTION	Target 1	Target 2	EXIT
Sell on sell signal within 1.28381-1.28752	1.27644	1.27044	1.28902 STOP

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$72,447.00
						Unrealized	\$0.00		

GBP-USD DAILY



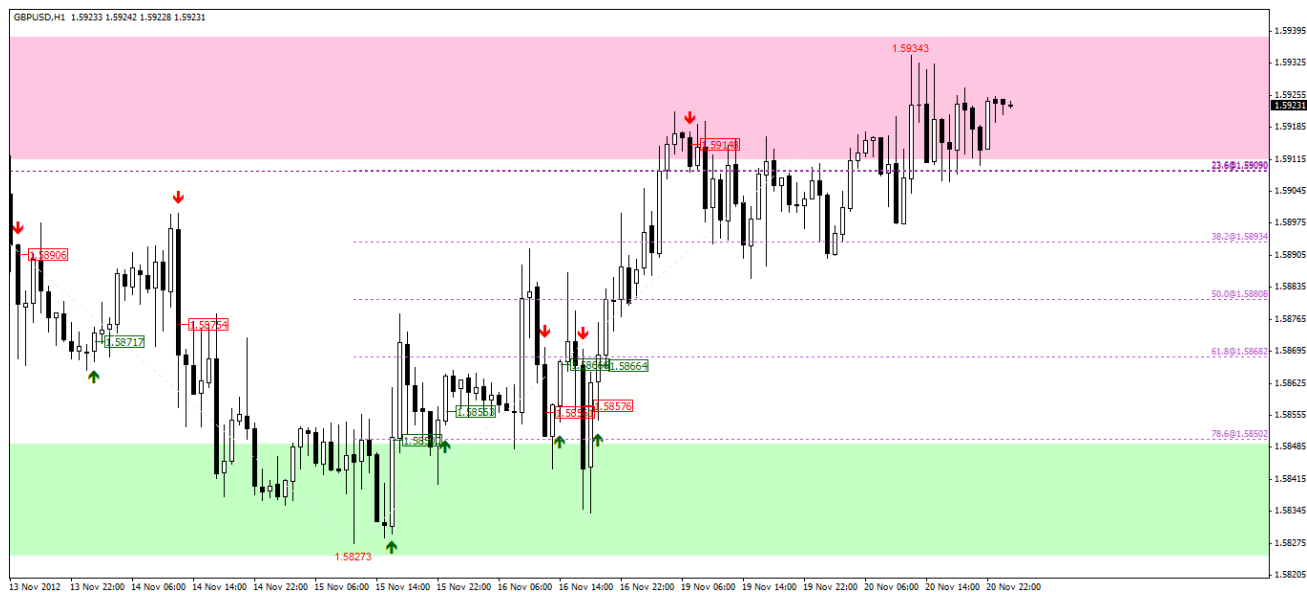
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

With the D1 turning positive the first time since October 25 with a closing above **1.58691**, a buy signal was triggered in the D1 chart last Friday. While the long-term W1 chart has yet to turn positive, an eventual rally above the September 21 peak of 1.63083 now looks possible. So far, the recovery from last Thursday low of 1.58273 has been tentative; without the impulsiveness needed to propel this market higher. On the other hand, a look at the W1 chart shows that should the fall from the September high of 1.63083 extends, the nearest area of support lies at the DZ at **1.52327-1.54978**. That's a good 400 pips away. Meanwhile, the H4 chart shows that 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**. Should price action falls back into this price pocket, and a buy reversal signal appears there, it may be worth taking a punt to anchor a preliminary long position there to test the water for a more substantial correction. Overnight actions have seen this market staggered into the minor supply pocket at **1.59114-1.59283** where the 23.6% retracement of 1.61735 to 1.58273 at **1.59090** is located. Price action needs to decisively clear this hurdle to have any hope of a sustainable rally. Structurally, the short-term price structure is not supportive of this eventuality; meaning price action is more likely to consolidate with the added danger of unraveling from within this price pocket.

GBP-USD 1-HOURLY



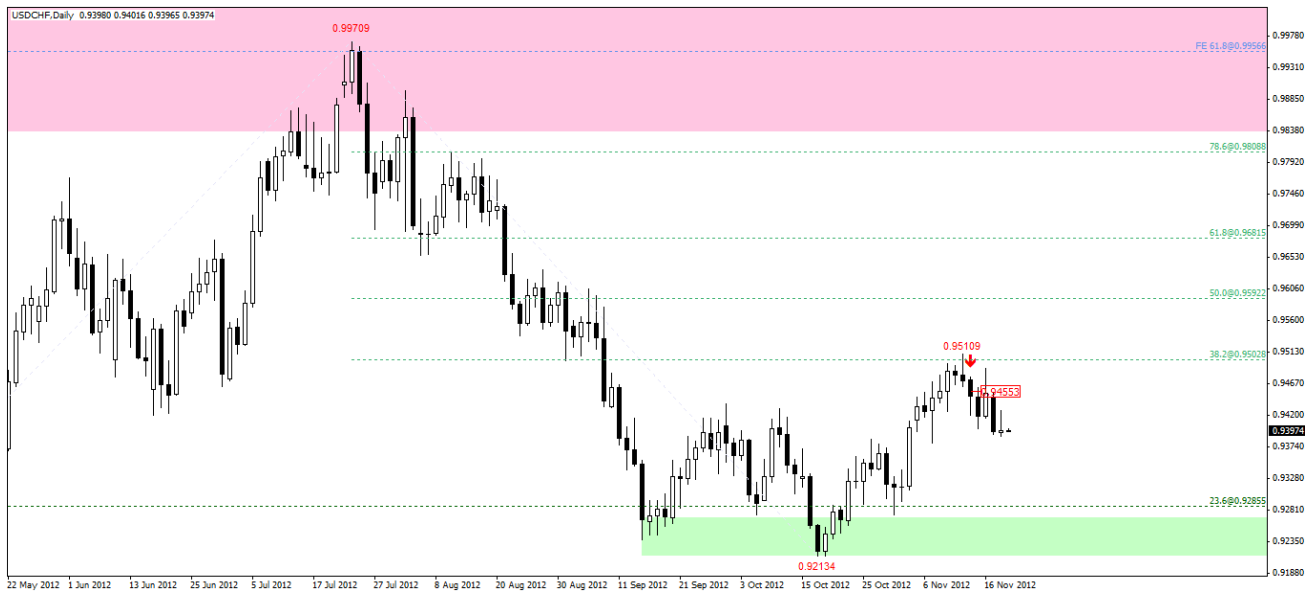
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on H1 close below 1.59073	1.58493	1.57823	1.59214 STOP

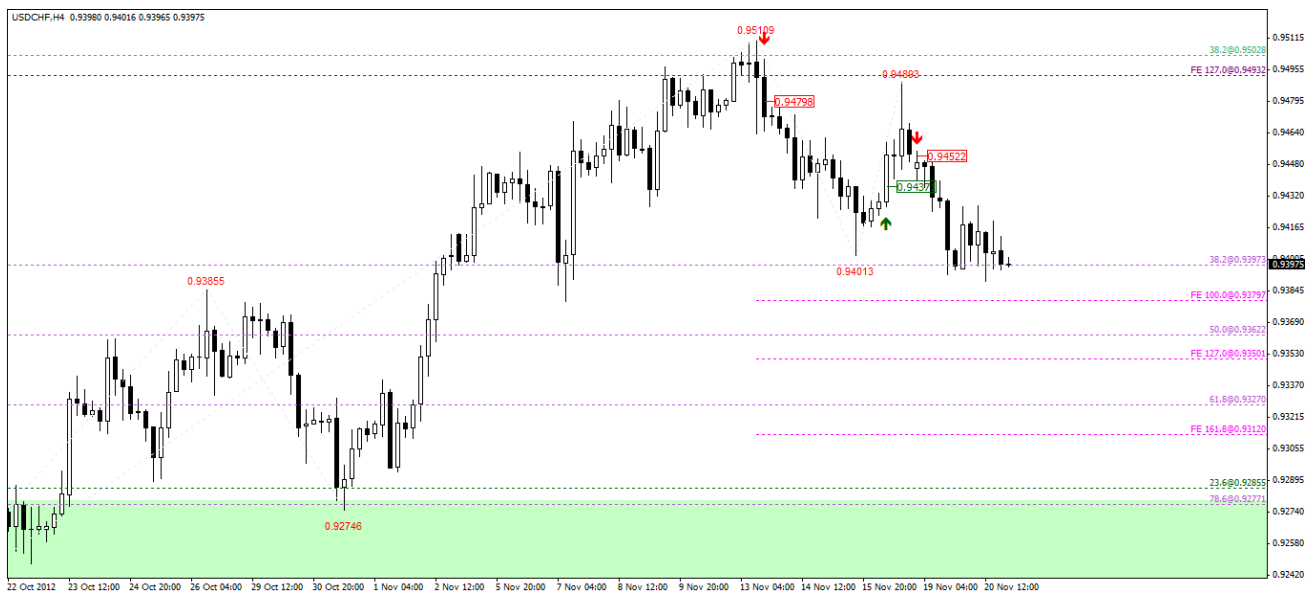
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
B/F from	16-11-2012								\$49,565.00
Unrealized							\$0.00		

USD-CHF DAILY



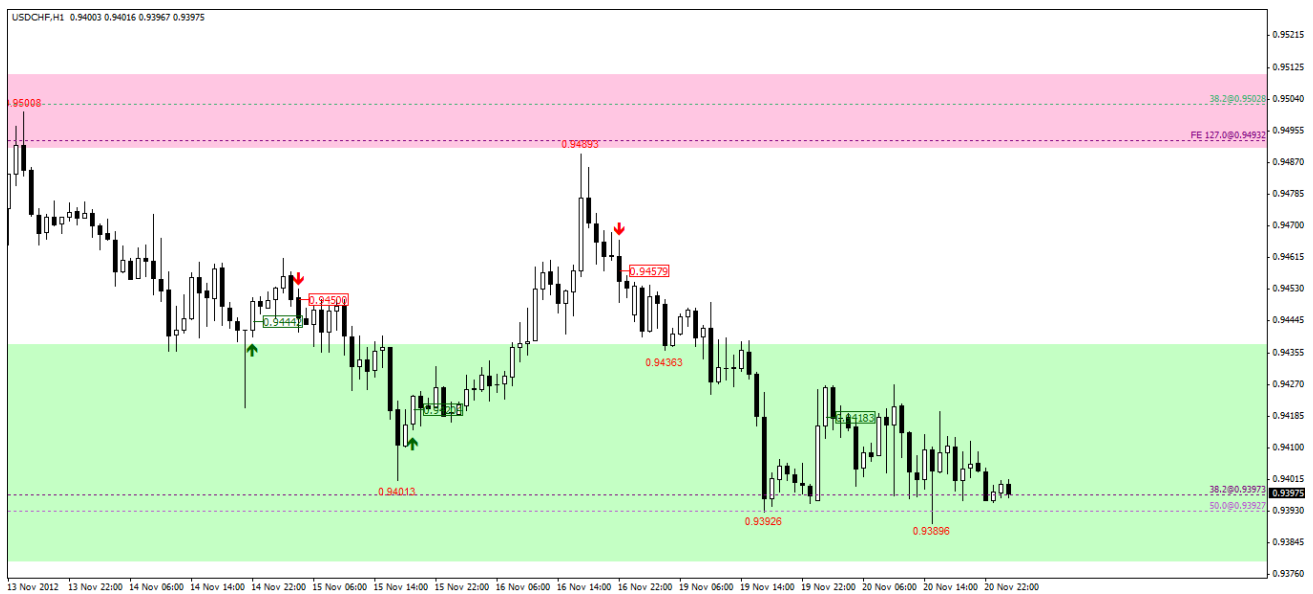
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Early yesterday morning, a spike in price occurred in early Sydney session. This unusual movement can now be attributed to a kneejerk reaction to the cut in France's sovereign rating (read cover page report). With that, a buy signal was triggered with a close above **0.94183** in the H1 chart. However, there was no follow-through buying and price action remained largely within the demand pocket of 0.93792-0.94380. A fortnight ago, 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, that momentum has since precipitated. Price action stalled 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. As noted, this confluence of Fibonacci ratios makes this price window very sensitive to reversal. This market is currently testing the 38.2% 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 despite yesterday's excitement over the spike in prices.

USD-CHF 1-HOURLY



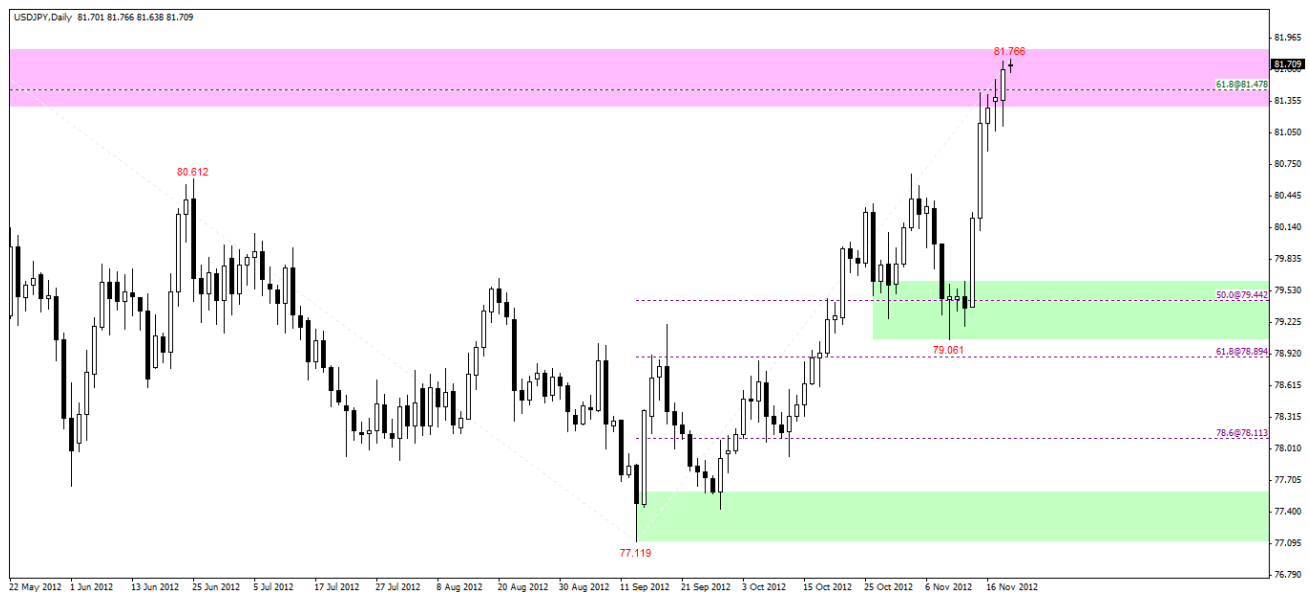
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.94183	0.94776	0.95858	0.93826 STOP

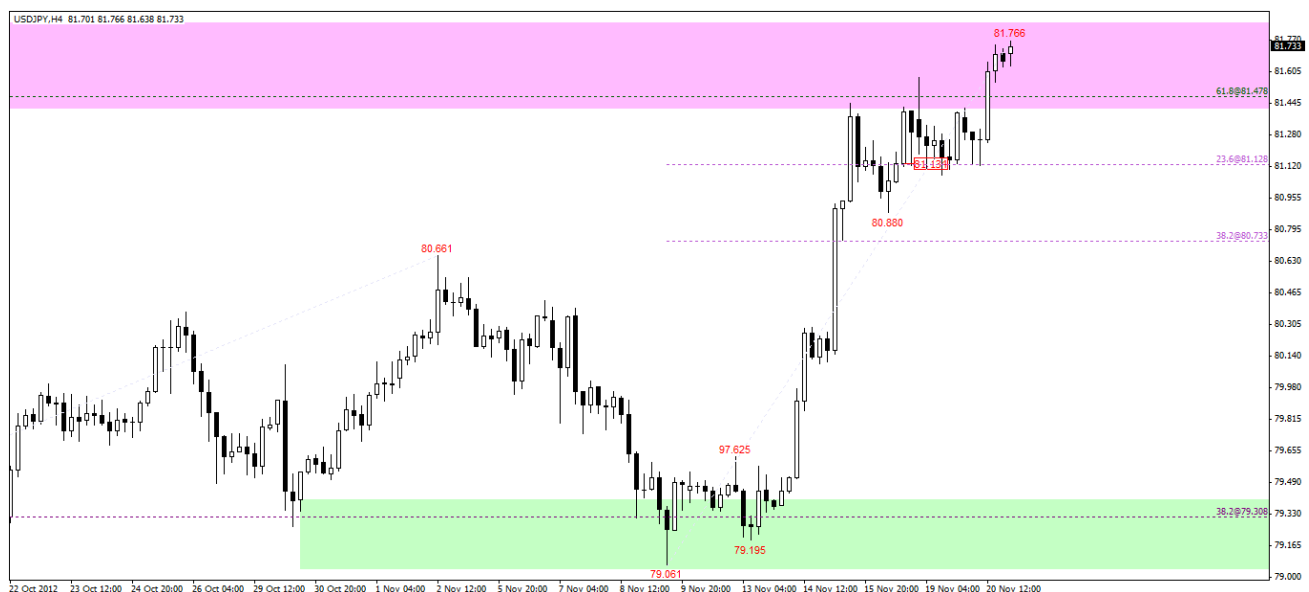
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$34,932.12
USD-CHF	20-11-2012	1.0	0.94183	20-11-2012	1.0	0.93982	-\$213.87		
USD-CHF	20-11-2012	1.0	0.94183	20-11-2012	1.0	0.93982	-\$213.87		
						Unrealized	-\$427.74		

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

After the meteoric rally last week caused by the sudden dissolution of the Japanese parliament and the prospect of the opposition party LDP returning to power caused a stampede to sell the Japanese Yen. A scramble to unwind short USD-JPY positions resulted in an explosive rally that took price action to a 7-month high with a print at 81.744 last night (This morning high is 81.766 so far). This rally is now 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 and may yet cap this run. However, a sustained rally above this SZ may well result in an attempt at the year's high **84.172** last seen in March. 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. With the shallowest of pullback, price action retreated to a low of 80.880, last Friday and saw the appearance of a *Long-Legged Shadow Doji* the H1 chart and subsequently triggered with a buy signal with a close above **81.086** in the H1 chart. Should this rally stalled, any pullback to last Friday's low area or the 38.2% retracement of 79.061 to 81.766 at **80.733** (and if a buy signal appears), is worth considering a buy.

USDJPY, H1 81.678 81.758 81.638 81.753

81.845
81.725
81.680
81.515
81.345
81.180
81.015
80.845
80.680
80.515
80.345
80.180
80.015
79.845
79.680
79.515
79.345
79.180
79.015

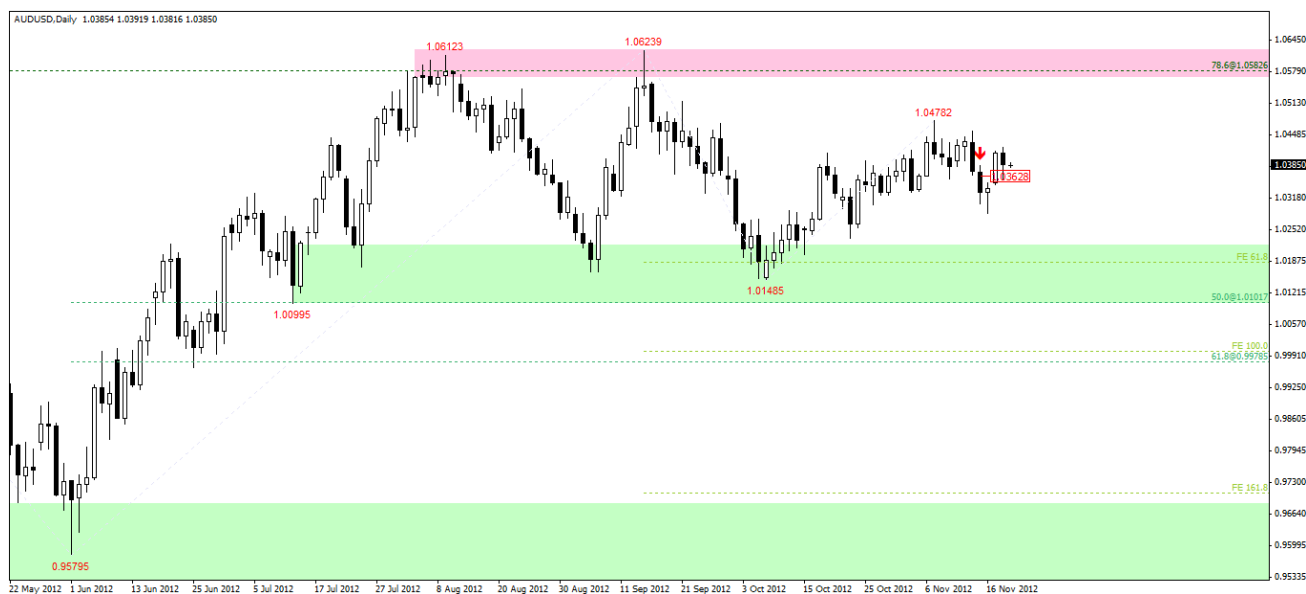
81.766
81.445
81.351
81.269
81.072
80.530
79.454
79.413
79.276

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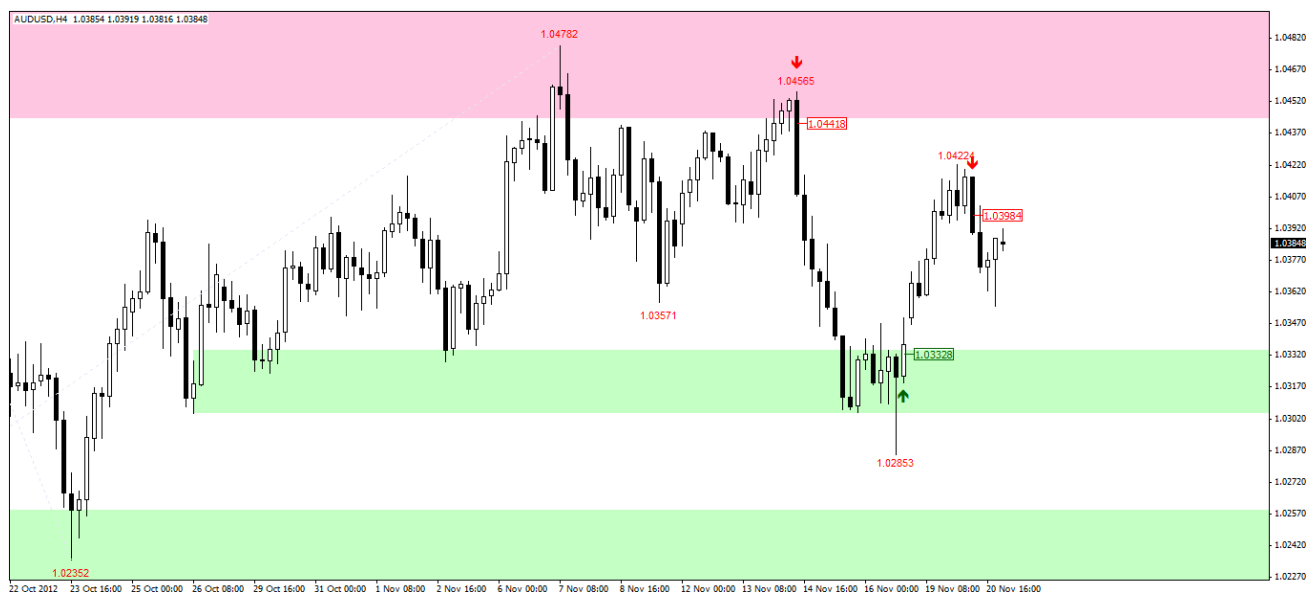
ACTION	Target 1	Target 2	EXIT
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Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$29,722.53
						Unrealized	\$0.00		

AUD-USD DAILY



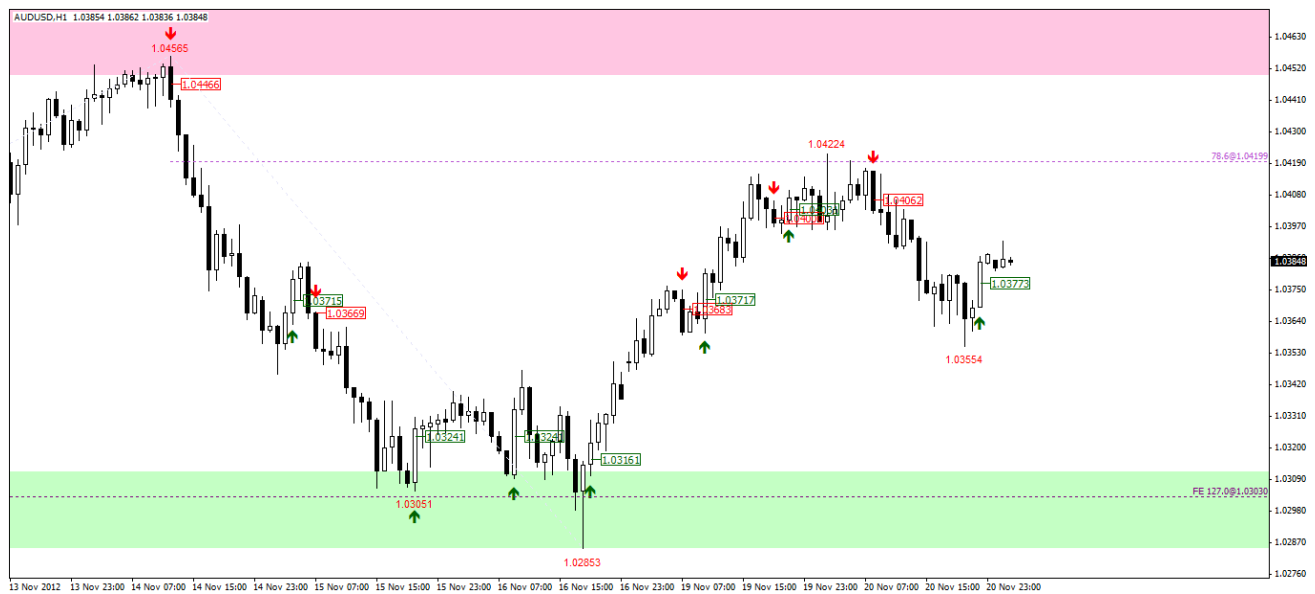
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

Last Wednesday's sharp fall ended as a hammer in the H1 and H4 charts and triggered buy signals. Price action promptly rallied and stalled at the 78.6% retracement of 1.04565 to 1.02853 at **1.04199** and unravelled overnight. Signals are mixed across all time frames. As such, there is still a chance price action may rally back into the minor supply pocket at **1.04486-1.04722** where the 100.0% projection of 1.01485 to 1.04104 from 1.02853 at **1.05472** is located. After all, it was from this price pocket that this market last unravelled, a punt there on the short side (on sell signal of course) may well result in selling interests emerging enmass again. Alternatively, if this market falls back into the immediate demand pocket at **1.02853-1.03118** first, it is worth positioning long positions there for a potential move to the medium-term supply zone at **1.05675-1.06239** (see D1 chart).

AUD-USD 1-HOURLY

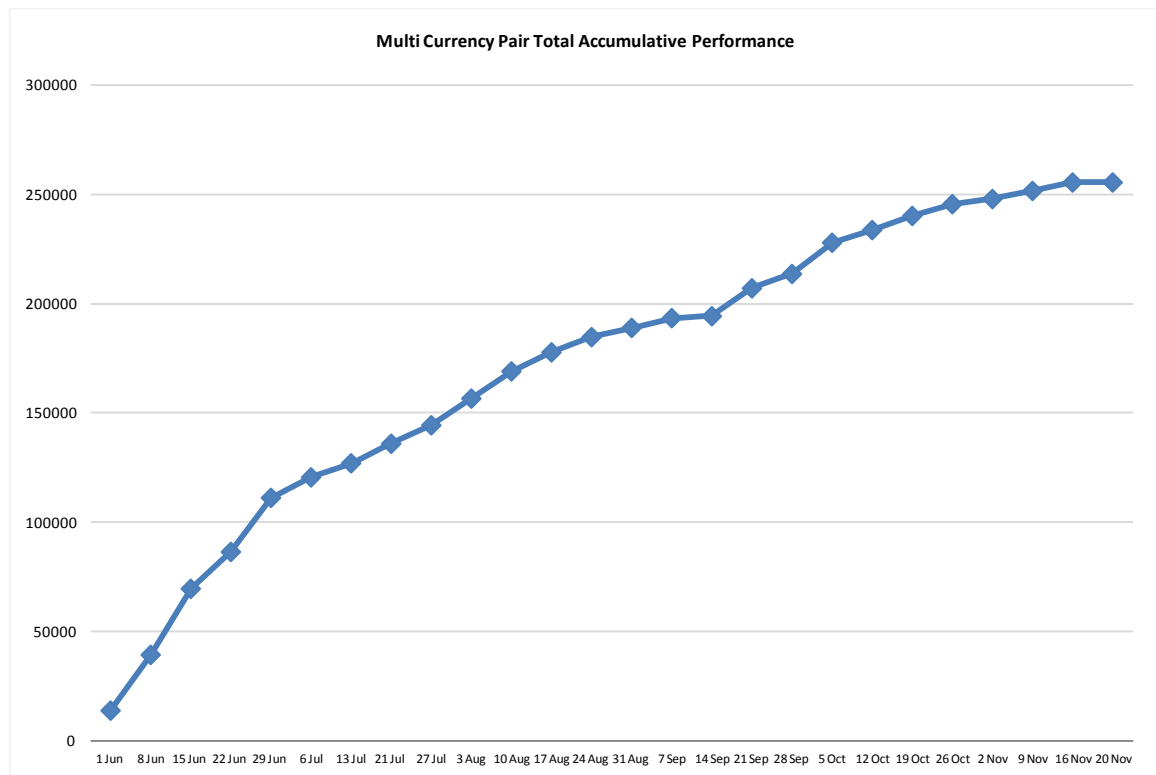
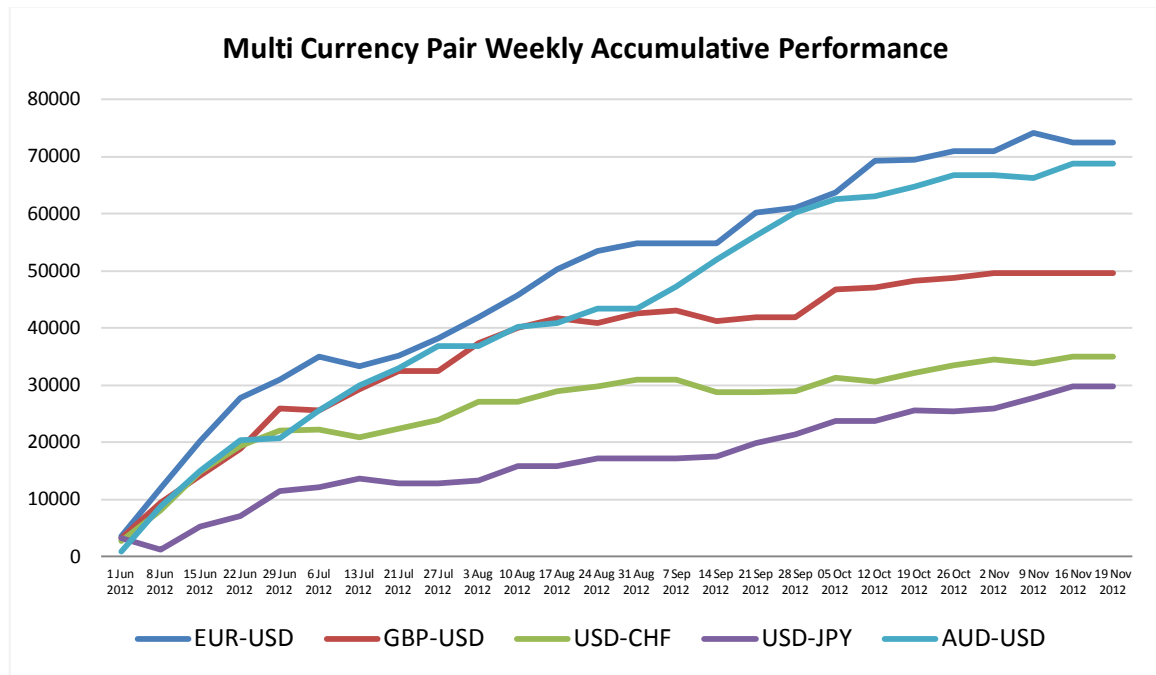


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal between 1.04442-1.05182	1.03118	1.02609	1.05282 STOP (tentative)

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 16-11-2012								\$68,847.00
Unrealized							\$0.00		



Website under development

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 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.