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FOREX OUTLOOK



A Traders Academy International Publication

USD-JPY Fell From 4-Year High

USD-JPY fell from a 4-year peak on Friday after dismal data on U.S. retail sales in March reinforced expectations the Federal Reserve will continue buying bonds to support the economic recovery.

USD-JPY retreat, however, is seen to be temporary given the Bank of Japan's aggressive monetary easing to fight decades-long deflation. Most traders contend it's only a matter of time before USD-JPY rises above the 100-yen mark, a key psychological and technical level.

The US Dollar succumbed to selling pressure after data showed U.S. retail sales fell 0.4 percent in March, contracting for the second time in three months in a sign the American economy may have stumbled at the end of the first quarter. It is the latest in a growing list of economic numbers that will likely keep the US Dollar pressured and the Fed in no hurry to normalize policy. Separate data on Friday showed U.S. consumer sentiment tumbled in April.

The Fed's bond-buying program is tantamount to printing money and dilutes the value of the US Dollar. Minutes from recent Fed meetings suggested some policymakers expected to taper the pace of asset purchases sometime this year. Nevertheless, those meetings occurred before the release of the jobs data for March, which showed tepid gains in payrolls. The Fed has said it will continue buying bonds until the labour market shows substantial improvement.

USD-JPY settled at 98.331, down 1.6 percent and far below the high of 99.944 on Thursday, the strongest since April 2009.

USD-JPY has gained about 6 percent since the BoJ last week pledged to inject about \$1.4 trillion into the Japanese economy in less than two years. But the rally has slowed near the psychologically important 100 level, with traders citing hefty option barriers and selling pressure from Japanese exporters. Currency traders decreased their bets in favour of the U.S. Dollar in the latest week, according to data from the Commodity Futures Trading Commission released on Friday.

The BoJ's steps have prompted many analysts to revise up their forecasts for USD-JPY. Societe Generale analysts now target an eventual rise to 110, up from 103 previously, while Bank of Tokyo Mitsubishi UFJ forecasts USD-JPY at 109 in the next 12 months.

EUR-JPY settled at 128.996, down 1.2 percent and sharply below 131.121 set on Thursday, which marked its highest in more than three years.

On Friday BoJ Governor Haruhiko Kuroda said he had taken all necessary steps to meet the central bank's 2 percent inflation target in two years and will try to minimize volatility in the Japanese government bond (JGB) market caused by the massive bond buying program. Fund managers and analysts say that once the volatility in the bond market settles, Japanese investors are likely to reallocate money overseas in search of higher yields.

With the BoJ now a major buyer of JGBs, expectations are that Japanese investors in JGB's — mainly banks, insurance companies and pension funds — will start to allocate part of their money to foreign assets. This might partly be on an un-hedged basis if the BoJ successfully creates expectations of a weaker Yen. As almost all Yen weakness so far has been driven by the international financial community, this Japanese flow should be the next leg of further Yen depreciation. Data shows no such flow yet, but analysts expect that may change quickly.

EUR-USD settled at 1.31035, up 0.27 percent, weighed by concerns about Cyprus. Reported option expiries around 1.3000 could likely keep the Euro pinned around that level. Cyprus said its financing needs under its international bailout have risen to around €23 billion, from €17.5 billion originally.

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EUR-USD MONTHLY



EUR-USD WEEKLY



EUR-USD Long Term Outlook

In the longer-term, the fall from 1.49398 is treated as the falling leg inside the consolidation pattern which started from the 2008 high of 1.60380. The contention that this fall may have terminated at 1.20420 on July 24 2012 may yet prove to be premature. Sentiments have soured since the mid-February and a fortnight ago, even the MN chart has turned negative with a close below 1.29819. However, a rebound of sort has taken place for the second week running from a 18-week low of 1.27461. That said, top side may be limited. Based on symmetry, the fall from February appears to be part of the longer-term consolidation consisting of a series of 3-waves moves that may ultimately terminate at/near the Fibonacci cluster of the 100.0% extension of 1.60380 to 1.18758 from 1.49398 at 1.07776 and the 100.0% extension of 1.49398 to 1.20420 from 1.37104 at 1.08126 (see W1 chart). On the upside, only a close above the year's high at 1.37104 would cast doubts on this bearish assessment.

EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

From a 19-month low of 1.27461 last week, this market powered to a 6-week high of 1.31379 on Thursday before coming under profit-taking on Friday. Between Wednesday and Thursday, prices rallied into the supply pocket at 1.31058-1.31614 and hit the 38.2% extension of 1.37104 to 1.27461 at 1.31145. Friday's pullback did not come as surprise. In fact, short positions were reestablished within the supply pocket at 1.31058-1.31614 for the possible resumption of the fall from 1.37104. However, only a close below 1.30074 in the D1 chart would add confidence that a top is indeed in place. On the other hand, should this market manage to rally beyond the supply pocket at 1.31058-1.31614; a secondary area to re-establish shorts is the 127.2% extension of 1.27461 to 1.29487 from 1.29002 at 1.31579. As noted in previous update, immediate demand may emerge from the 23.6% retracement of 1.27461 to 1.31379 at 1.30454. That was exactly what happened. Just before the NY session, traders pushed this market to as low as 1.30368 before traders there bid the market back into the the supply pocket at 1.31058-1.31614. Though signals are mixed, it is likely that another fall is in store with focus on the 38.2% retracement of 1.27461 to 1.31379 at 1.29882 which lies within the demand pockets at 1.29680-1.29941 as well as 1.29002-1.29197 which lies just above the 61.8% retracement of 1.27461 to 1.31379 at 1.28958 (see H1 chart).

EUR-USD 1-HOURLY



TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.30856	1.31714	1.30454	-	1	0.01m
Sold		1.31075	1.31714	1.29941	1.29197	2	0.02m

TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		Unrealized P/L		P/L		lized /L		mulative alance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$		
2013.04.05										9.94	10,993.60		
2013.04.09	0.01	1.30856	2013.04.12	0.01	1.31035	-17.9	-17.90						
23.31			23:59										
2013.04.10	0.02	1.31075	2013.04.12	0.02	1.31035	8.0	8.00						
14:45			23:59										

GBP-USD MONTHLY



GBP-USD WEEKLY



GBP-USD Long Term Outlook

In the longer term, the breakout from the fourth wave triangle pattern from 1.35019 suggested that the fifth wave of the longer-term five wave sequence from 2.11610 is unfolding. If so, this means 1.35019 would not hold and a new low is expected. Two possible scenarios may play out next. (1) Once 1.35019 is taken out, the minimum requirement of a fifth wave down move is technically fulfilled. From there, this market will be vulnerable to a swift counter-trend recovery – possibly to the previous support-turned resistance line of the triangle. (2) This fifth wave fall may extend towards the Fibonacci cluster of the 61.8% extension of 2.11610 to 1.35019 from 1.70419 at 1.23086 and the 161.8% extension of 1.70419 to 1.42298 from 1.67462 at 1.21962 - which is roughly equidistant to the widest part of the triangle formation (see W1 chart). For the 5th week running, this market has seen a spirited recovery after 1.48309 after failing to close decisively below the 100.0% extension of 1.67462 to 1.52680 from 1.63801 at 1.49019. Though allowance is for this market to re-test the previous support-turned resistance line of the triangle pattern, most likely the recovery from 1.48309 is over. Refer to short-term analysis for details.

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

Twice in two consecutive days, this market came close to the 38.2% retracement of 1.63801 to 1.48309 at 1.54227 and failed. As noted, this market after falling 1550 pips from the start of the year to hit a 33-month low at 1.48309 on March 12 may ultimately ends at/near the Fibonacci cluster make up of the 38.2% retracement of 1.63801 to 1.48309 at 1.54227 and 100.0% extension of 1.50329 to 1.52451 from 1.51987 at 1.54109 which lies within the supply pocket at 1.54149-1.54505. Throughout the week, the idea was to re-position short positions within this price bracket but alas, the market missed the sweet-spot by a mere 3 pips and sold-off in the last hour of trading in NY. But alert traders should not have missed selling when it became apparent that a close below 1.53917 in the H1 chart would have triggered a sell signal. With this late fall, the immediate targets are the demand pockets at 1.51987-1.52485 as well as 1.50260-1.50763. The former lies just above the 38.2% retracement of 1.48309 to 1.54112 at 1.51895 and the latter at the 38.2% retracement of 1.48309 to 1.54112 at 1.50526 respectively.

GBP-USD 1-HOURLY



GBP-USD TRADE IDEAS

Action	Entry Condition	Entry	Stop-Loss	Profit	Profit	Exposure	Exposure
		Price		Target 1	Target 2	%	Units
Sold		1.53917	Break-even	1.52485	1.50763	3	0.03m

GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		Unrealized P/L		lized /L		mulative alance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.04.05										19.19	11,919.00
2013.04.12	0.03	1.53917	2013.04.12 23:59	0.03	1.52988	278.7	278.70				

USD-CHF MONTHLY



USD-CHF WEEKLY



USD-CHF Long Term Outlook

In the bigger picture, the rebound from 0.70667 is viewed as a corrective rebound and should have completed after hitting the Fibonacci confluence of the 61.8% retracement of 1.17304 to 0.70614 at **0.99468** and the 61.8% extension of 0.70614 to 0.93150 from 0.85676 at **0.99603** with a print at 0.99709. Development from this year's low of 0.90212 suggests that this market is potentially developing into a broad sideway consolidation pattern between **0.89301** and **1.00659**. That said, the medium-term view is unclear as the weak closing on Friday had compromised the immediate bullish case. With this market closing below **0.92910** in the W1 chart on Friday, a re-test of **0.99709** is dead for the time being. Going forward, this market is probably doing a larger degree 3-wave pullback from 0.99717 to 0.90212 from 0.95663 and is gunning for the 100.0% extension at **0.86158** or the October 2011 low of **0.85676** and possibly the 50.0% retracement of 0.70652 to 0.99717 at **0.85184**.

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

From the March 14 high of 0.95663, this market has been falling in a corrective pullback that now appears to be accelerating. If so, this would invalidate the earlier contention that this fall is a correction. With this week's weak closing and having triggered a sell signal in the W1 chart with a close below 0.92910 hours ago, the bullish case is dead – for now. As noted in the previous update, the alternate scenario is for this market to extend its fall towards the Fibonacci cluster make up of the 61.8% retracement of 0.90212 to 0.95663 at 0.92294 and the 161.8% extension of 0.95663 to 0.93522 from 0.95535 at 0.92071 where a minor demand pocket at 0.91843-0.92314 lies. If this price bracket fails to hold, medium-term focus would shift towards the Fibonacci cluster at the 100.0% extension of 0.99717 to 0.90212 from 0.95663 at 0.86158 and the 50.0% retracement of 0.70652 to 0.99717 at 0.85184.

USD-CHF 1-HOURLY



USD-CHF TRADE IDEAS

Action	Entry Condition	Entry	Stop-Loss	Profit	Profit	Exposure	Exposure
		Price		Target 1	Target 2	%	Units
Sell	Sell on sell signal between 0.93322-0.93662		0.93762	0.92314	0.90426	3	0.03m

USD-CHF TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price		Unrealized P/L		alized P/L		umulative Balance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.04.05										7.84	10,783.76
2013.04.11 14:05	0.03	0.92836	2013.04.12 23:34	0.03	0.92712			-37.2	-40.12	7.44	10,743.64

USD-JPY MONTHLY



USD-JPY WEEKLY



USD-JPY Long Term Outlook

In the longer-term, the break above the 2011 high of 85.518 served as the confirmation of the longer-term trend reversal. In retrospect, the entire fall from the 2007 peak of 124.130 may have terminated on the first day of November 2011 at **75.565**. With another strong showing this week, this market ended its corrective fall from 96.706 and resumes its dramatic rise from 77.131. This week high at 99.944 has hit the longer-term target at the 261.8% extension of 75.563 to 84.174 from 77.131 at **99.675**. As noted, this level is a viable target as it is also where the 50.0% retracement of 124.130 to 75.563 at **99.846** is located. Also, these levels lie within the supply zone at **99.672-101.437**. Together, this barrier should prompt some to take profits and possibly a trend reversal and with a shooting star seen in the W1 chart, the odd of a reversal has just increased. If so, any correction going forward is likely to be limited to the 38.2% retracement of 75.563 to 99.944 at **90.630** near the 4th wave of one lesser degree where the demand pocket at **92.564-93.040** (refer to short-term analysis).

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

The rally from 92.564 having hit the long-term target where the Fibonacci cluster around the 261.8% extension of 75.563 to 84.174 from 77.131 at 99.675 as well as the 127.2% extension of 90.585 to 76.706 from 92.564 at 100.003 where is the supply zone at 99.672-101.437 is sited finally succumbed to profit-taking in the final hours of trading in NY on Friday. As noted, the lack of momentum may result in a larger degree pullback which may eventually takes prices back to the 4th wave of one lesser degree where the demand pocket at 92.564-93.040 is located. If so, there is scope for counter-rally short positions. The call to watch out for sell signals within this zone was right on. Prices have since hit the 1st target where the week's opening gap was. Any recovery above the 99.000 handle to 99.500 may present another short-term selling opportunity next week.

USD-JPY 1-HOURLY



USD-JPY TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 99.000-99.424		99.524	96.706	93.041	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	+ / - (\$)	%	\$
2013.03.29										33.44	13,343.76
2013.04.09 02:39	0.01	99.632	2013.04.12 23:29	0.01	98.179			145.3	148.00	34.92	13,491.76

AUD-USD MONTHLY



AUD-USD WEEKLY



AUD-USD Long Term Outlook

In the longer-term, price actions from the 2011 high of 1.10796 are treated as a consolidation pattern in the longer-term up-trend which is very much intact. Price pattern since July 2011 appears to be in the form of a triangle. Overall, the fall from last September high of 1.05979 may well be the D leg of this triangle pattern and should extend lower towards the lower trend-line. However, the sharp rebound from 1.01150 was a lot stronger than anticipated and managed to break above the original resistance line of the triangle pattern this week with a high at 1.05819. So, does this mean the triangle pattern is invalidated? Honestly, it's hard to tell. Could it have been a case of an incorrectly drawn triangle? Was the D leg of the triangle in place at 1.05979 on January 10 or is this week's high at 1.05819 the real deal? Unfortunately, only a sustained rally above this week high of 1.05819 or a close below 1.03527 in the W1 chart can resolve this seemingly conflicting analysis. Regardless of whether the triangle pattern is intact, both analyses call for a rally above the all-time high of 1.10796. Primary target for both scenarios is the Fibonacci cluster between the 127.2% extension of 0.60090 to 0.94050 from 0.80662 at 1.23859 and the 127.2% extension of 0.47730 to 0.98490 from 0.60090 at 1.24657. In the meantime, a close below 1.04877 in the D1 chart would suggest the triangle pattern is perhaps still play.

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

Price actions having took out the long-term resistance seen in the triangle pattern on Wednesday (or it seems), rallied to the 61.8% extension of 1.01150 to 1.04964 from 1.03478 at 1.05835; just below a major supply zone at 1.05848-1.06244 and came under heavy profit-takings in the hours before the weekend. As noted, this market has to overcome the major supply zone at 1.05848-1.06244 to substantiate the immediate bullish case. This is because this push to 1.05819 looks suspicious. The question is has the triangle formation been violated or was the original resistance line wrongly drawn and as such the D leg of this triangle is still a work in the progress or is 1.05819 the D leg of this triangle? Unfrtuantely, to truly abandon this triangle scenario, the confirmation can only come when last year's high of 1.08527 is taken out. In essence, this market has to overcome the supply zone at 1.05848-1.06244 to add confidence that this market is gunning for the all-time hgh at 1.10569 and beyond. For those who believe this market is imminently charging higher beyond the all-time high of 1.10569, they can take up speculative long positions between the 23.6% retracement of 1.03478 to 1.05819 at 1.04717 and the 50.0% retracement of 1.03478 to 1.05819 at 1.04649 or the minor demand pocket at 1.04699-1.04782.

AUD-USD 1-HOURLY



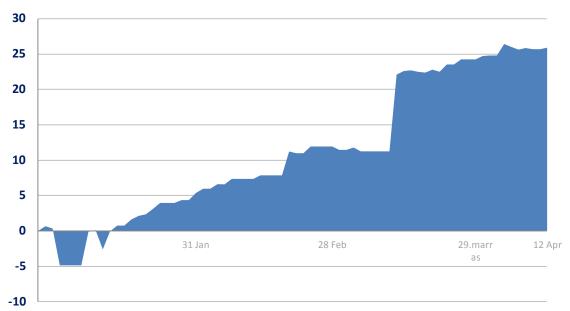
AUD-USD TRADE IDEAS

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

AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	·						mulative Ilance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.04.05										59.49	15,948.90
2013.04.04 23:10	0.03m	1.04369	2013.04.09 12:15	0.03m	1.04630			-78.3	-78.30	58.71	15,870.60
2013.04.09 15:40	0.01m	1.04856	2013.04.09 10:14	0.01m	1.05168			-31.2	-31.20	58.39	15,839.40
2013.04.09 16:03	0.01m	1.04894	2013.04.09 10:14	0.01m	1.05168			-27.4	-27.40	58.12	15,812.00
2013.04.09 16:27	0.01m	1.04927	2013.04.09 10:14	0.01m	1.05168			-24.1	-24.10	57.88	15,787.90

Accumulative Percentage P/L



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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.