

*A Traders Academy International Publication*

## USD-JPY Steadied One day After Sharp Fall

USD-JPY was little changed on Wednesday one day after a sharp drop and traders appeared ready to resume buying the pair on expectations of more monetary stimulus in Japan. USD-JPY has risen about 10 percent since mid-November. It fell on Tuesday after the Bank of Japan disappointed traders who had hoped for aggressive easing actions.

The BoJ will remain under pressure to inject more stimulus into the economy, which is bearish for the Japanese Yen. Positioning in the options market points to medium-term yen weakness, with some betting on a move to 100.000

USD-JPY was flat at 88.594, retreating from a 2-1/2-year high of 90.235 yen set on Monday. It had declined 1 percent on Tuesday.

The Bank of Japan said on Tuesday its open-ended commitment to buy assets would kick in only next year, disappointing those who had expected a faster, more aggressive move. A change in BoJ leadership in April is also expected to weigh on the Yen, with the market expecting Prime Minister Shinzo Abe to appoint a governor favouring more aggressive monetary easing.

There was obviously disappointment about the BoJ's measures. However, most don't see the moves the last three days as a reversal of the bullish trend in USD-JPY. Commerzbank, for example, in a note to clients said the USD-JPY has recently failed at 90.250 four times, suggesting "the near term risk is for a slightly deeper retracement ahead of the next leg higher." The bank said its target remains 93.320.

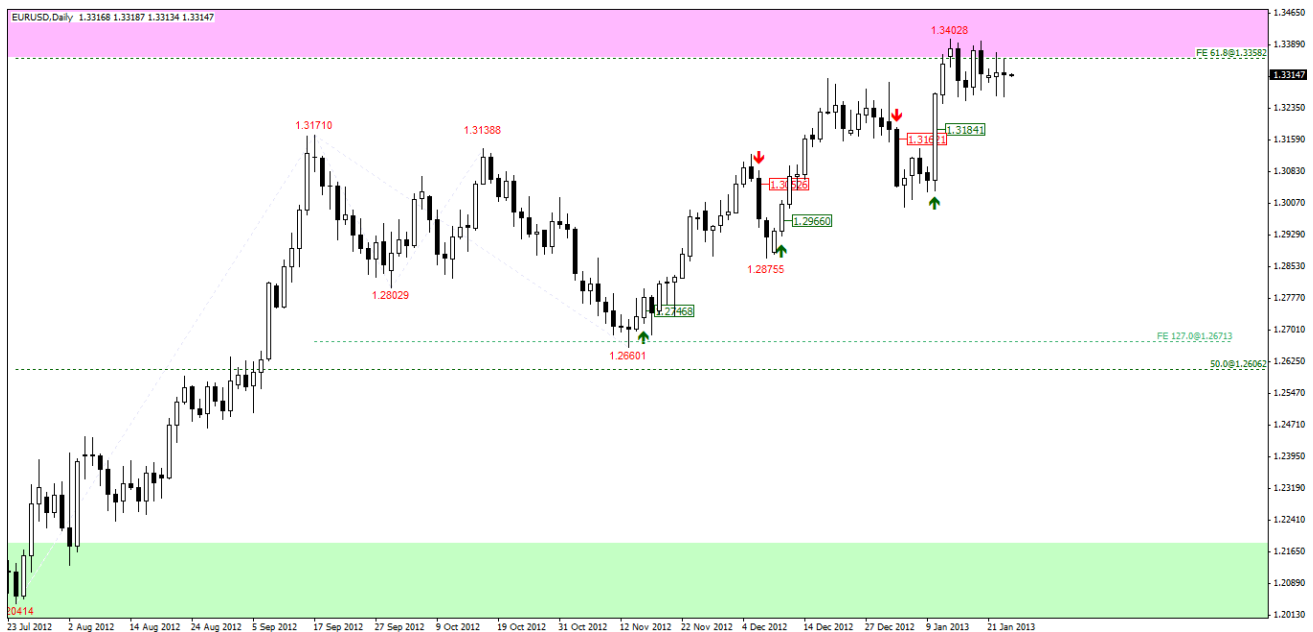
GBP-USD, in the meanwhile, recovered from a near five-month low after better-than-expected UK jobs data and minutes released from the Bank of England's last policy meeting cast doubt on the need for more monetary easing. It settled little changed at 1.58431.

EUR-USD was also little changed at 1.33170, with traders citing technical factors and after the International Monetary Fund trimmed its 2013 forecast for global growth, partly due to the unexpectedly stubborn Euro zone recession.

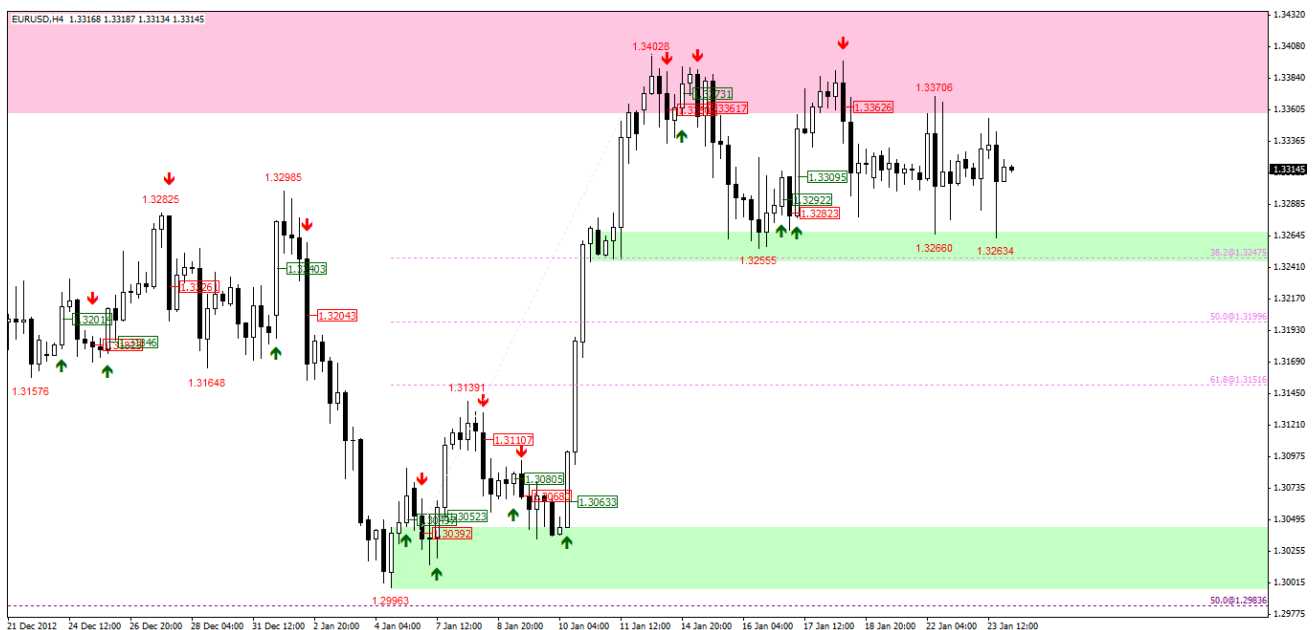
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## EUR-USD DAILY



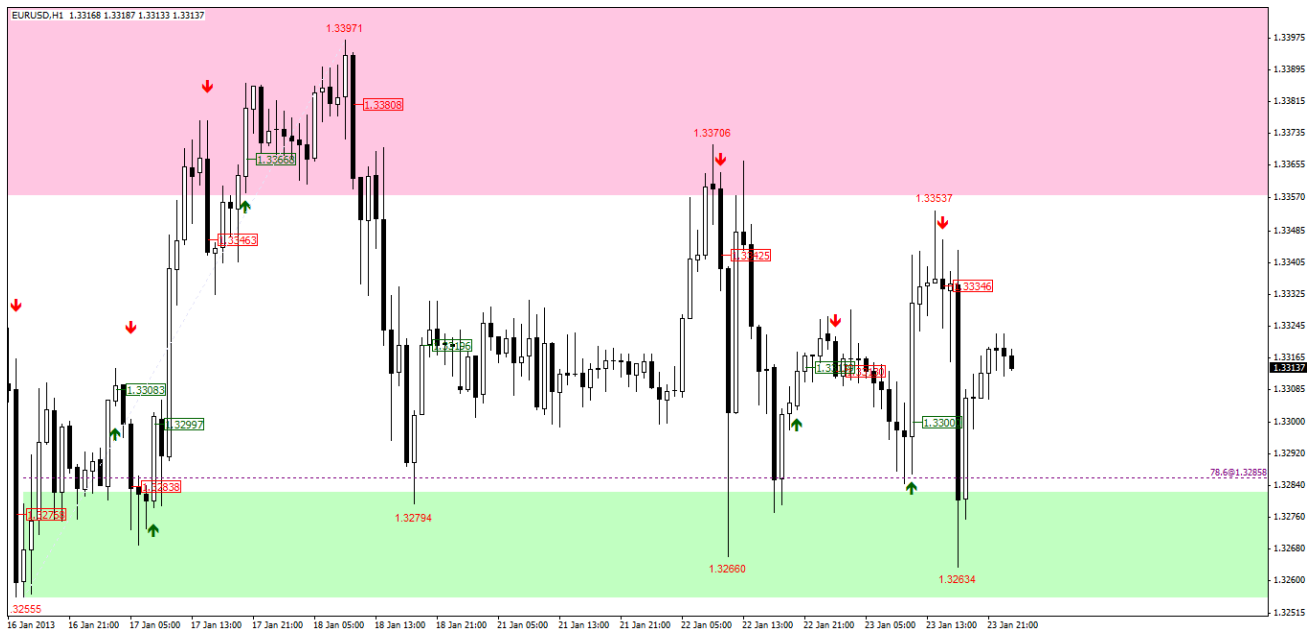
## EUR-USD 4-HOURLY



## EUR-USD Short Term Outlook

Trading remains choppy in EUR-USD as price action gyrates between the upper supply pocket of 1.33575-1.34857 and the demand pocket at **1.32555-1.32823**. Overall, the pullback from 1.34028 appears to have terminated having retraced to near the 38.2% retracement of 1.29963 to 1.34028 at **1.32475** with a print of 1.32555 last Tuesday. Seen from the D1 chart, this market appears poised to rally and once price action breaks and sustains above the overhead SZ at **1.33575-1.34857**, the rally from 1.26601 is likely to resume. If so, immediate focus is the 127.0% projection of 1.26601 to 1.31254 from 1.28755 at **1.34664**. On the medium to long-term, the upside target is the 100.0% projection of 1.20414 to 1.31710 from 1.26601 at **1.37897** (see D1 chart). On the downside, the idea of a resumption of the rally would be compromised if and when we have a close below **1.32692** as by then the bearish engulfing bar seen in the D1 chart would have triggered a sell signal (see D2 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	1.32455	1.33575	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	+ / - (\$)	%	\$
2013.01.18											10,079.00
2013.01.16 15:10	0.02m	1.32692	2013.01.22 11:20	0.02m	1.32692			-	-		10,079.00
2013.01.22 17:50	0.03m	1.32874	2013.01.23 23:59	0.03m	1.33170	88.8	88.80				

GBPUSD, H4 1.58440 1.58441 1.58366 1.58392

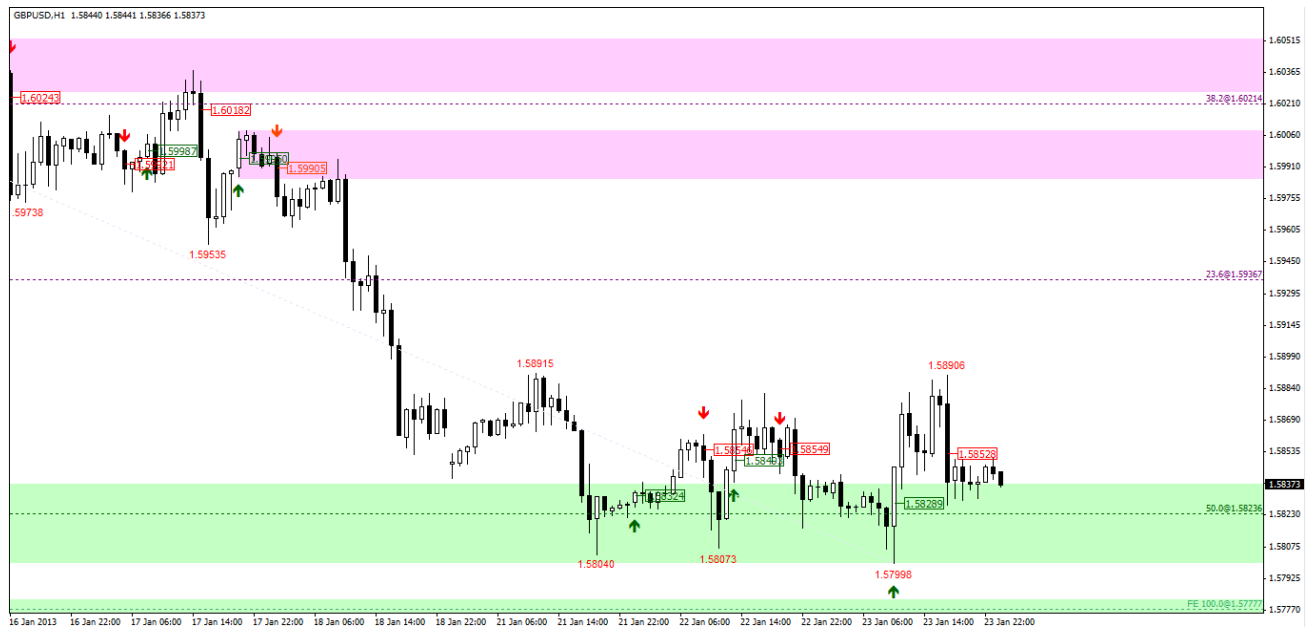
1.63799  
1.62916  
1.61608  
1.60653  
1.61270  
1.60078  
1.59906  
1.61779  
1.60628  
1.60568  
1.60421  
1.60160  
1.60089  
1.60214  
1.59367  
1.58392  
1.58040  
1.57998

61.8@1.61583  
50.0@1.60899  
38.2@1.60214  
23.6@1.59367  
50.0@1.58236

1 Dec 2012 24 Dec 12:00 26 Dec 20:00 28 Dec 04:00 31 Dec 12:00 2 Jan 20:00 4 Jan 04:00 7 Jan 12:00 8 Jan 20:00 10 Jan 04:00 11 Jan 12:00 14 Jan 20:00 16 Jan 04:00 17 Jan 12:00 18 Jan 20:00 22 Jan 04:00 23 Jan 12:00

The fall from 1.63799 stalled at the demand pocket **1.58040-1.58377** (revised) located just above a significant demand zone at **1.57531-1.58303**. Overnight, a marginal low was traded at 1.57998 and was followed by a spike to the upside on the back of better than expected UK job data as well as minutes released from the last BoE meeting casting doubts for more monetary easing which is bullish for the Sterling Pound. However, this market could not hold on to its gains in the NY session and settled roughly where it opened in Asia. While the demand zone at **1.57531-1.58303** is expected hold, a fall through this price pocket will have deeper bearish implications. (Read weekend's longer-term view). On the upside, should this market rebound from current level, the immediate target is the overhead supply pocket at **1.59847-1.60081** followed by another at **1.60269-1.60525** which lies just below the 38.2% retracement of 1.63799 to 1.58521 at **1.60537**.

## GBP-USD 1-HOURLY



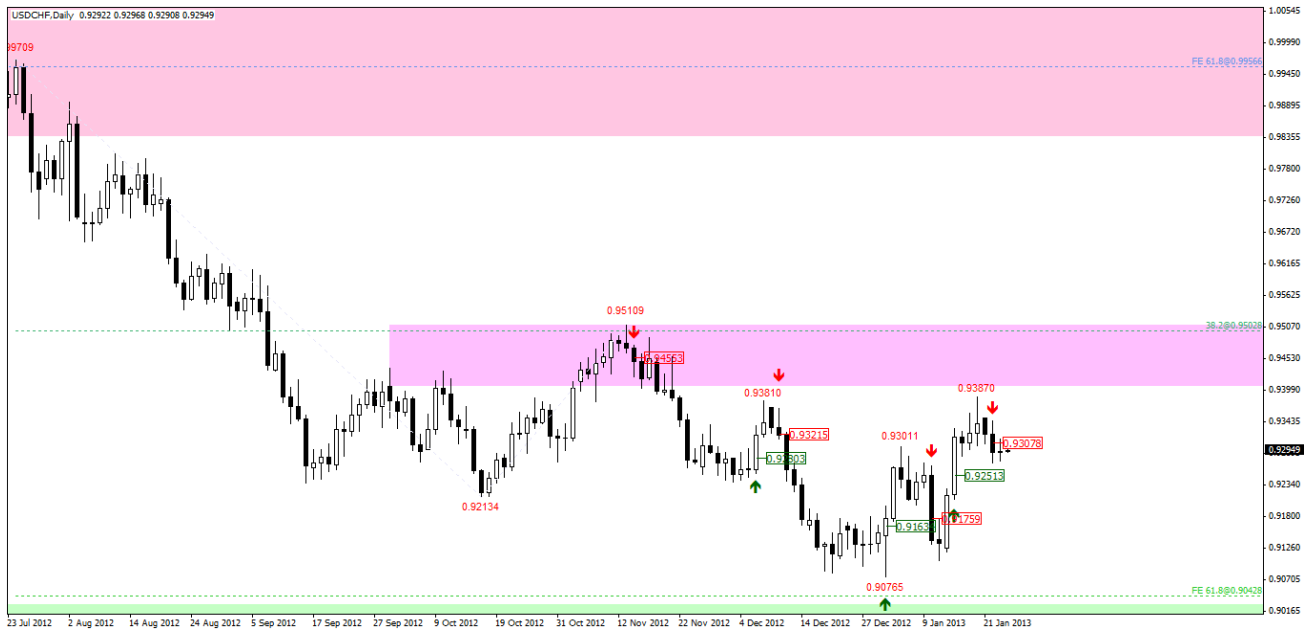
## GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.58324	1.57940	1.61137	1.63012	3	0.03m

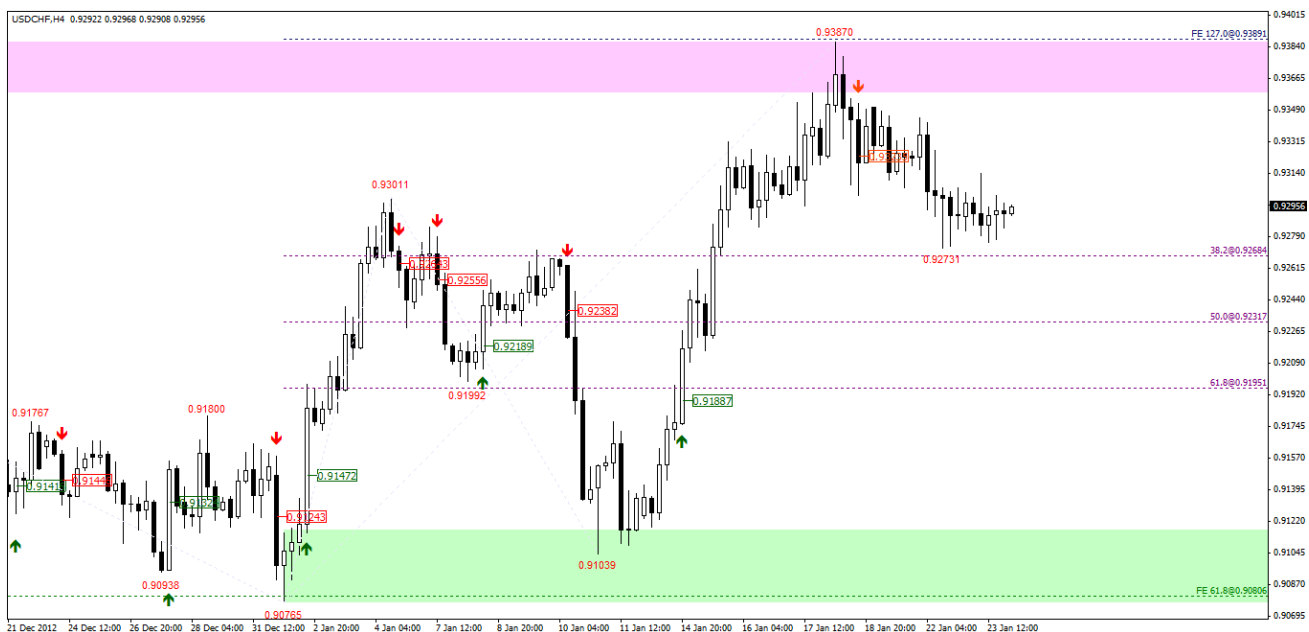
# GBP-USD TRADE JOURNAL

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## USD-CHF DAILY



## USD-CHF 4-HOURLY



## USD-CHF Short Term Outlook

The rebound from 0.91039 rallied into the supply pocket at **0.93407-0.93810** last Friday, hit the 127.0% projection of 0.90765 to 0.93011 from 0.91039 at **0.93891** with a print at 0.93870 and eased. However, the correction from there is relatively shallow having registered a low at 0.92731 which is just above the 38.2% retracement of 0.90765 to 0.93870 at **0.92684**. Trading remains subdued. In the medium to long-term, the supply pocket at **0.94058-0.95109** stacked above yet another supply pocket at **0.93407-0.93810** should cap any adventurous rallies going forward. In the short-term, the supply pocket at **0.93407-0.93810** is the immediate barrier to higher prices. Should the bearish bias pans out, the immediate focus is **0.91039** and the area around the 61.8% projection of 0.99709 to 0.92134 from 0.95109 at 0.90428 as well as the demand zones at **0.90010-0.90587** and **0.89211-0.89847**.

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		0.93520	0.93910	0.90587	0.89847	3	0.03

[illegible]

USDJPY, Daily 88.587 88.665 88.499 88.518

77.119 79.061 79.983 81.672 82.721 83.750 83.750 87.721 88.518 89.500 90.235

23.687.140 38.285.235 50.083.677 61.882.129

USDJPY, H4 88.587 88.665 88.455 88.487

89.659  
88.395  
87.779  
90.235  
89.928  
88.044

85.069  
84.187  
85.534  
86.145  
87.520

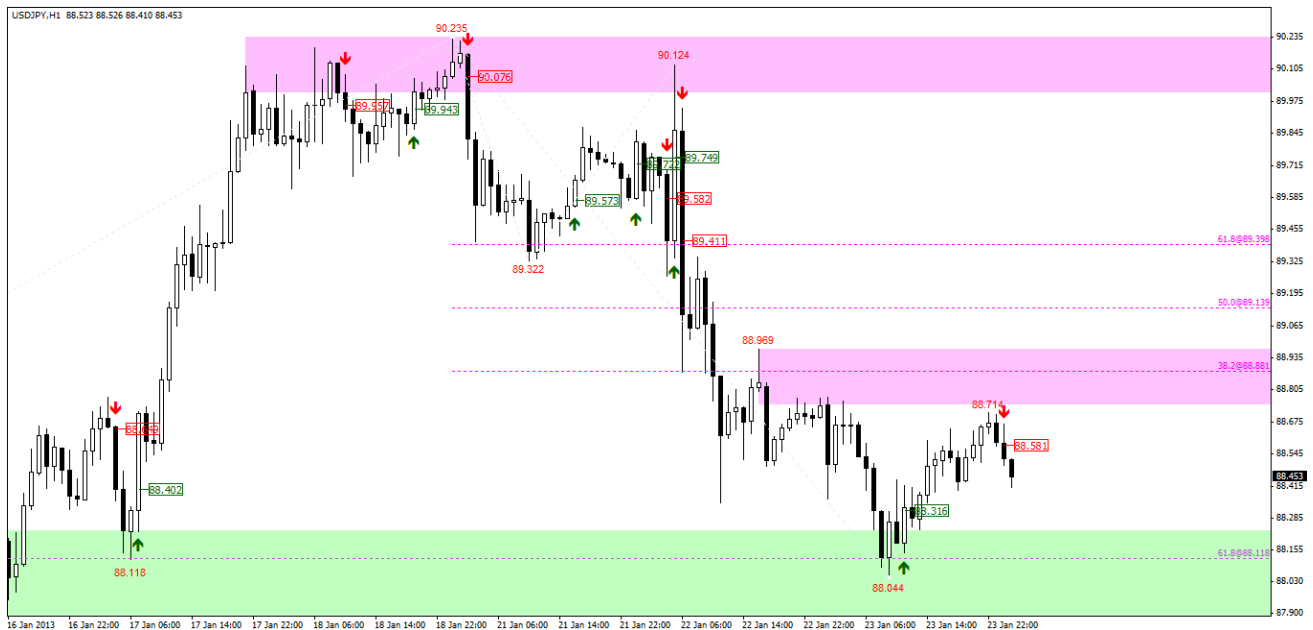
38.2885.225  
23.6987.140  
50.0985.677

21 Dec 2012 24 Dec 12:00 26 Dec 20:00 28 Dec 04:00 31 Dec 12:00 2 Jan 20:00 4 Jan 04:00 7 Jan 12:00 8 Jan 20:00 10 Jan 04:00 11 Jan 12:00 14 Jan 20:00 16 Jan 04:00 17 Jan 12:00 18 Jan 20:00 22 Jan 04:00 23 Jan 12:00

The day after an unwinding of long positions, the fall from 90.235 appeared to be an unfinished business. Prices continue to ease and registered a marginal low at 88.044 in overnight session. This unwinding of long positions looks set to continue in the near future with initial demand likely to emerge only at/near the demand pocket at **87.779-88.233**. This level is just above the 78.6% retracement of 87.779 to 90.235 at **88.305**. This is also where the 61.8% retracement of 86.809 to 90.235 at **88.118** is sited That said, this market may even edge a little lower to the next demand pocket at **86.754-87.329** where the 23.6% retracement of 77.119 to 90.235 at **87.140** is located (see H4 chart). Overall, the long-term bullish bias remains intact. Until and unless this market closes below **88.113**, that is. By then a sell signal would be triggered in the D1 chart.



## USD-JPY 1-HOURLY



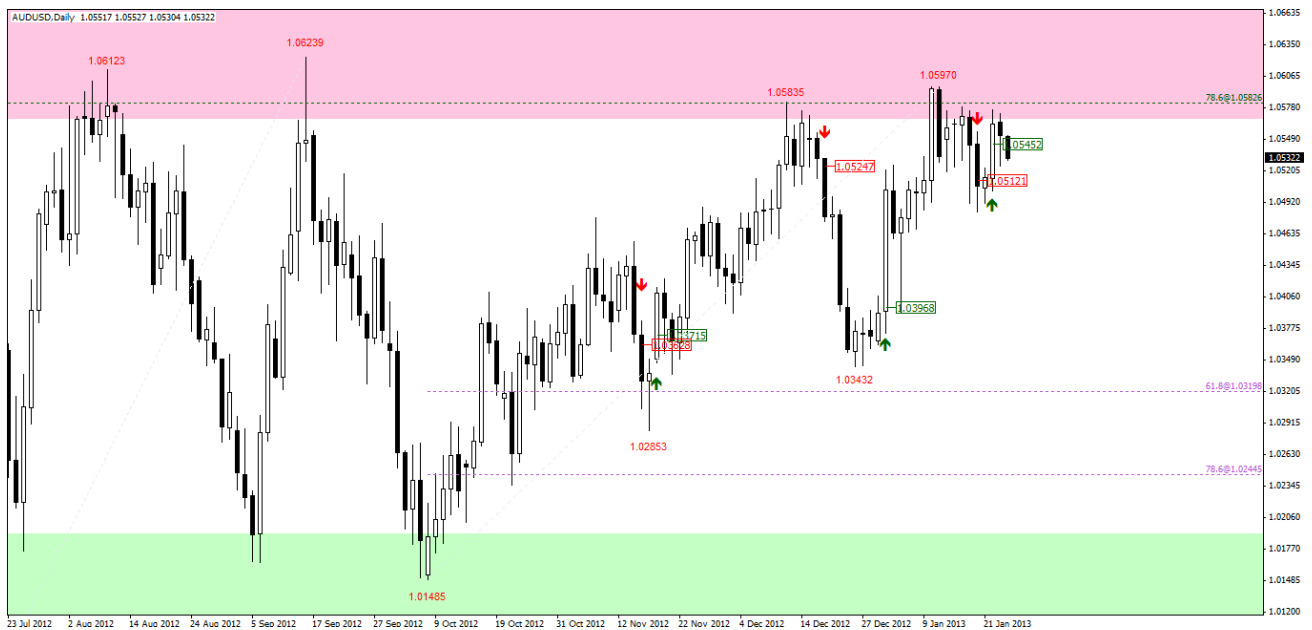
## USD-JPY TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		88.189	87.679	88.743	90.011	3	0.03

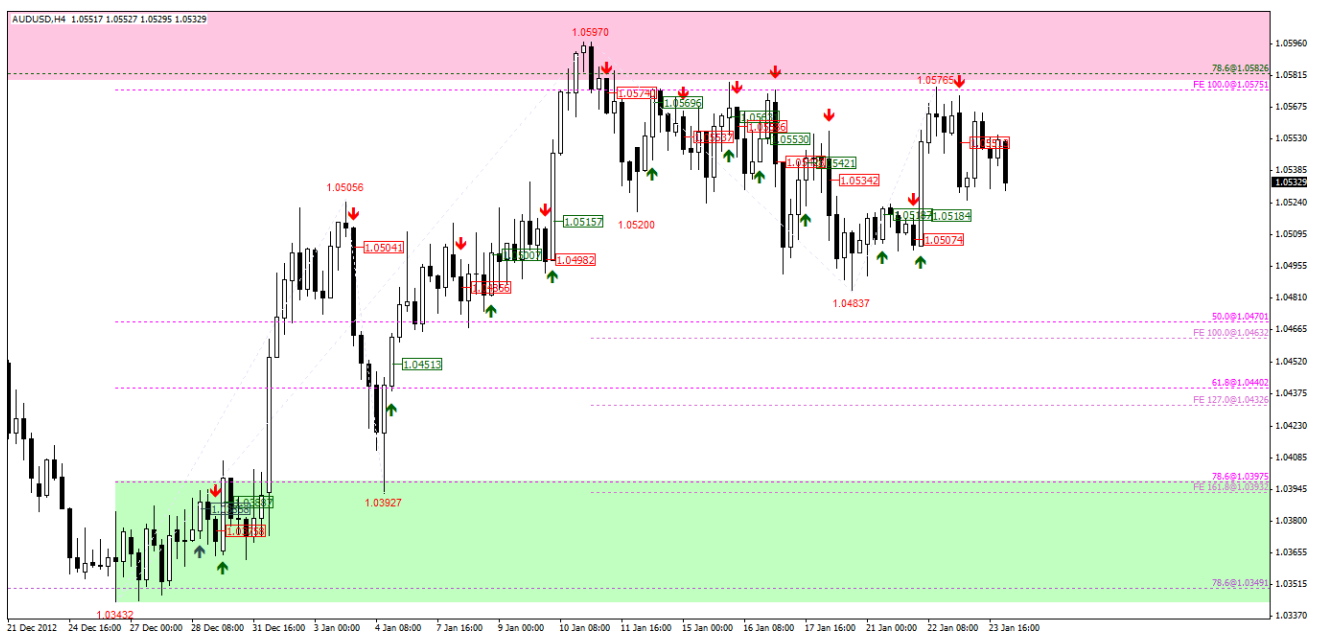
## USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.18											10,598.74
2013.01.16 12:10	0.02m	88.090	2013.01.21 03:14	0.02m	89.520			286	319.48	3.01	10,918.22
Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
2013.01.22 05:55	0.01m	89.933	2013.01.22 11:04	0.01m	88.717			121.6	137.07	1.26	11,055.29
2013.01.22 05:55	0.02m	89.933	2013.01.23 08:07	0.02m	88.233			340.0	385.34	3.49	11,440.63
Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.23 08:25	0.03m	88.189	2013.01.23 23:59	0.03m	88.594	121.5	137.23				

## AUD-USD DAILY



## AUD-USD 4-HOURLY



## AUD-USD Short Term Outlook

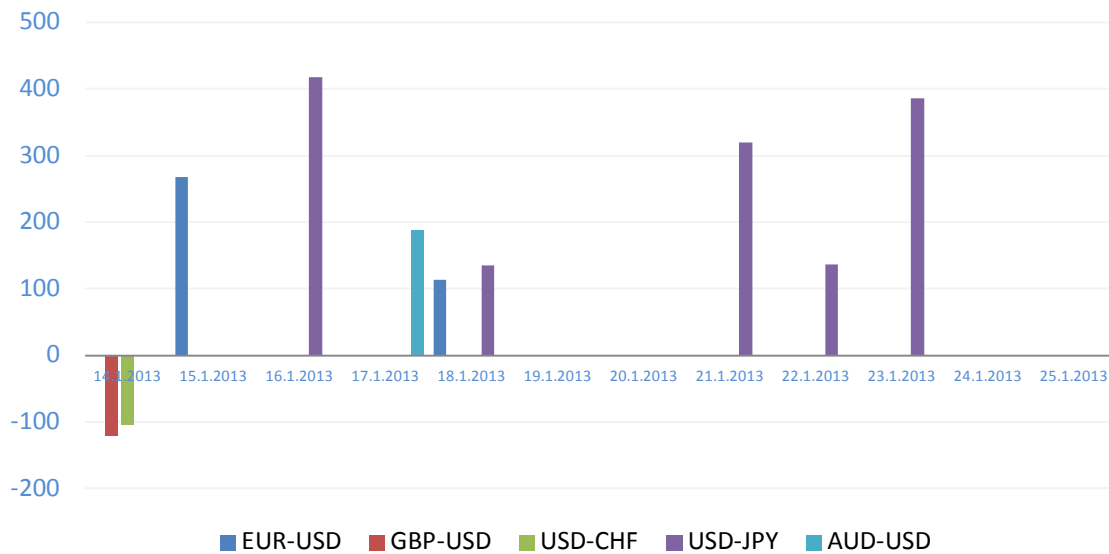
The rally from 1.01485 peaked within the overhead supply pocket at **1.05796-1.06239** with a print of 1.05970 two Fridays ago. The resulting correction is a series of 3-waves pullbacks having hit a low at 1.04837 last Friday. Wednesday saw a spike to the upside, suggesting a bottom may be in place for this run. Structurally, this market appears poised to resume its rally from 1.01485. However only a rally above the supply pocket at **1.05796-1.06239** would add confidence that the correction phase is over and the rally has resumed. Alternatively, this market may be making a larger degree correction with a minimum target in between the 50.0% retracement of 1.03432 to 1.05970 at **1.04701** and the 100.0% projection of 1.05970 to 1.04837 from 1.05765 at **1.04632**. Alternate targets are the 100.0% or 127.0% projection of 1.05970 to 1.05200 from 1.05755 at **1.04985** or **1.04777** which coincides with the 50.0% and 61.8% retracement level of 1.03927 to 1.05970 at **1.04949** and **1.04707** respectively.

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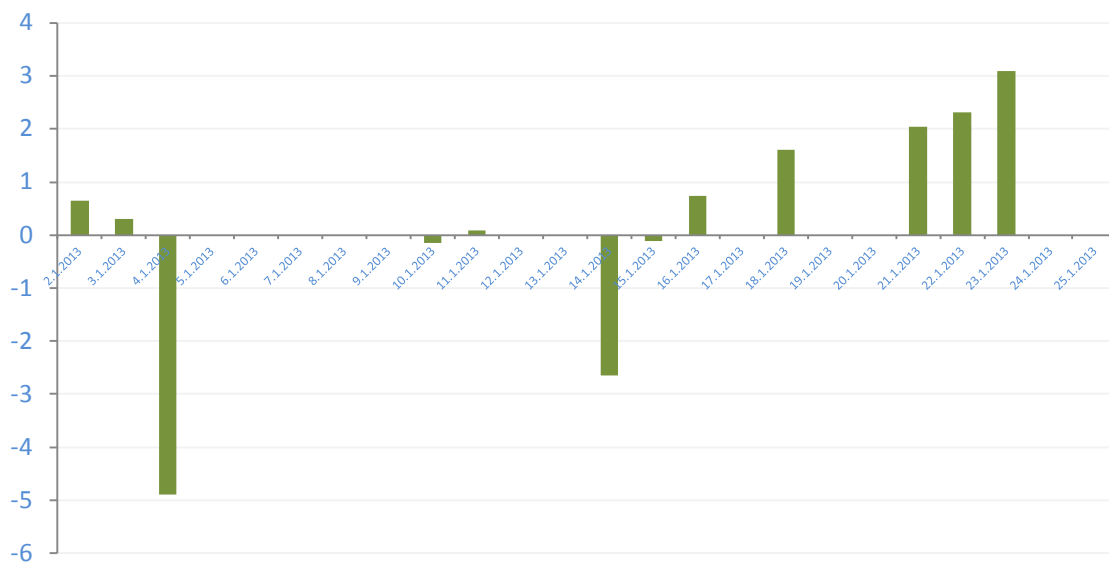
Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 1.05796-1.06239		1.06339	1.04985	1.04777	3	0.03

[illegible]

## Daily Realized P/L



## Accumulative Realized % Gain



Check out our website at

[www.tradersacademyonline.com](http://www.tradersacademyonline.com)



## 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.