

A Traders Academy International Publication

All Eyes On Non-Farm Payrolls

EUR-USD drifted higher on Wednesday and posted its third straight month of gains, but uncertainty about the heavily indebted Euro zone economies could limit further strength. Gains in equity markets early in the day lifted EUR-USD above the 1.30000 handle, but momentum faded as Wall Street turned negative and uncertainty remained about how to keep Greece afloat and when Spain may ask for a bailout.

EUR-USD settled slightly higher at 1.29554, after hitting a session peak of 1.30179, roughly a 1-week high having posted a gain of 0.9 percent in October.

Trading was subdued, with many traders sidelined ahead of the U.S. non-farm payrolls report for October. It could take several sessions for U.S. trading to get back to normal levels after a massive storm closed markets for two consecutive days to begin the week.

Euro-zone ministers received more bad news on Wednesday when Greece more than halved its forecast for a budget surplus before debt-servicing costs next year, dimming one of its few bright spots as rounds of austerity deepen a recession already into its fifth year.

Greece needs to push through spending cuts and tax measures worth €13.5 billion (\$17.5 billion) as well as a raft of economic reforms to appease EU and IMF lenders and secure bailout money to avoid bankruptcy.

In Spain, Prime Minister Mariano Rajoy does not see an urgent need to seek a rescue for government finances having spent nearly three months avoiding a decision, which has frustrated euro officials and traders alike. A Spanish bailout is widely seen as a positive step for Europe because it would activate the European Central Bank's bond-buying program aimed at lowering borrowing costs for indebted countries.

Insurance payouts in the wake of monstrous storm Sandy could weigh on the US Dollar, although a rise in domestic demand for repair work could boost it.

Focus began to shift to Friday's U.S. jobs report for October, which comes days before the presidential election. The market has to price in quite a few variables – weaker earnings, the aftermath of Sandy, nonfarm payrolls and the U.S. elections.

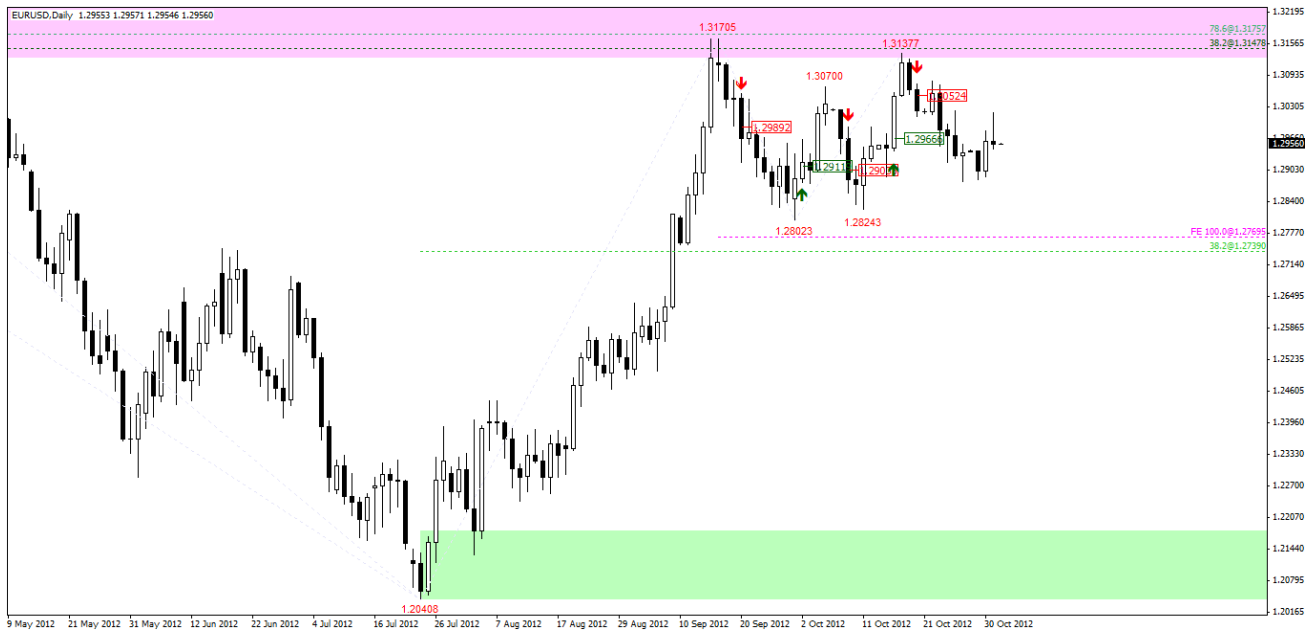
The Labor Department said it will release the October jobs data on Friday at 8:30p.m. (Singapore time), as scheduled, even though the storm forced the government to shut down for two days. Employers are expected to have added 125,000 jobs to their payrolls in October, up from 114,000 in September. The unemployment rate is forecasted to tick up a tenth of a percentage point to 7.9 percent after a dramatic 0.3 percentage point fall in September.

USD-JPY was up 0.3 percent at 79.791, recovering from a rise to 79.331 on Tuesday. For the month of October, the dollar posted a gain of 2.4 percent - the best monthly performance since February.

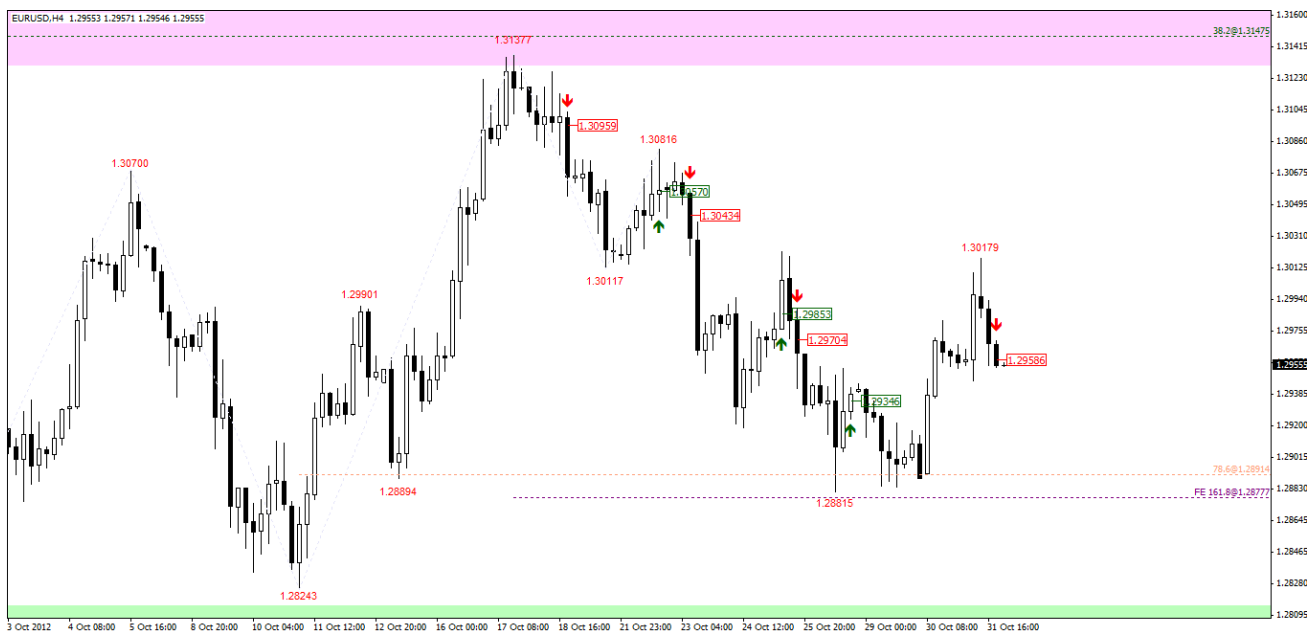
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EUR-USD DAILY



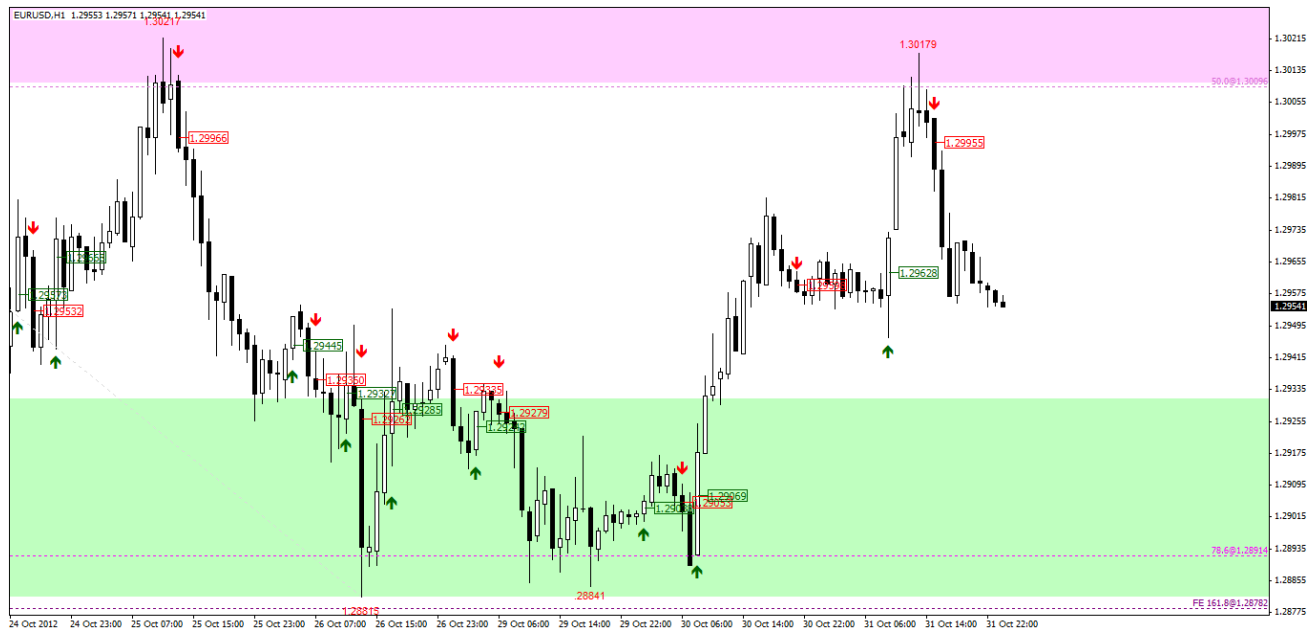
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Yesterday's update alluded to the ideal setup for a short; that is if price action rallies to the overhead supply pocket at **1.30103-1.30816** which is just above the 50.0% retracement level of 1.31377 to 1.28815 at **1.30096**. This zone was deemed to be a more comfortable level to re-establish short positions for another attempt at the demand pocket at **1.27533-1.28159** which is located just above the 38.2% retracement of 1.20408 to 1.31705 at **1.27390**. This level is in turn located just below the 100.0% projection of 1.31705 to 1.28023 from 1.31377 at **1.27695** (see D1 chart). The idea is to trade the medium term consolidation pattern seen in the H4 chart by going long at or near the demand pocket at **1.27533-1.28159**. If one look at the D1 chart, price action since the September 17 high of 1.31705 is clearly a 4th wave, clearly setting up a base for a surge above 1.31705 high in due course.

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.30261	1.29347 Realized	1.28159	Exit on D1 close above 1.29719
Sold @ 1.29966	1.29347 Realized	1.27390	Exit on D1 close above 1.29719

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 26-10-2012								\$70,956.00
EUR-USD	31-10-2012	1.0	1.29554	23-10-2012	1.0	1.30261	+\$707.00		
EUR-USD	31-10-2012	1.0	1.29554	25-10-2012	1.0	1.29966	+\$412.00		
						Unrealized	+\$1,119.00		

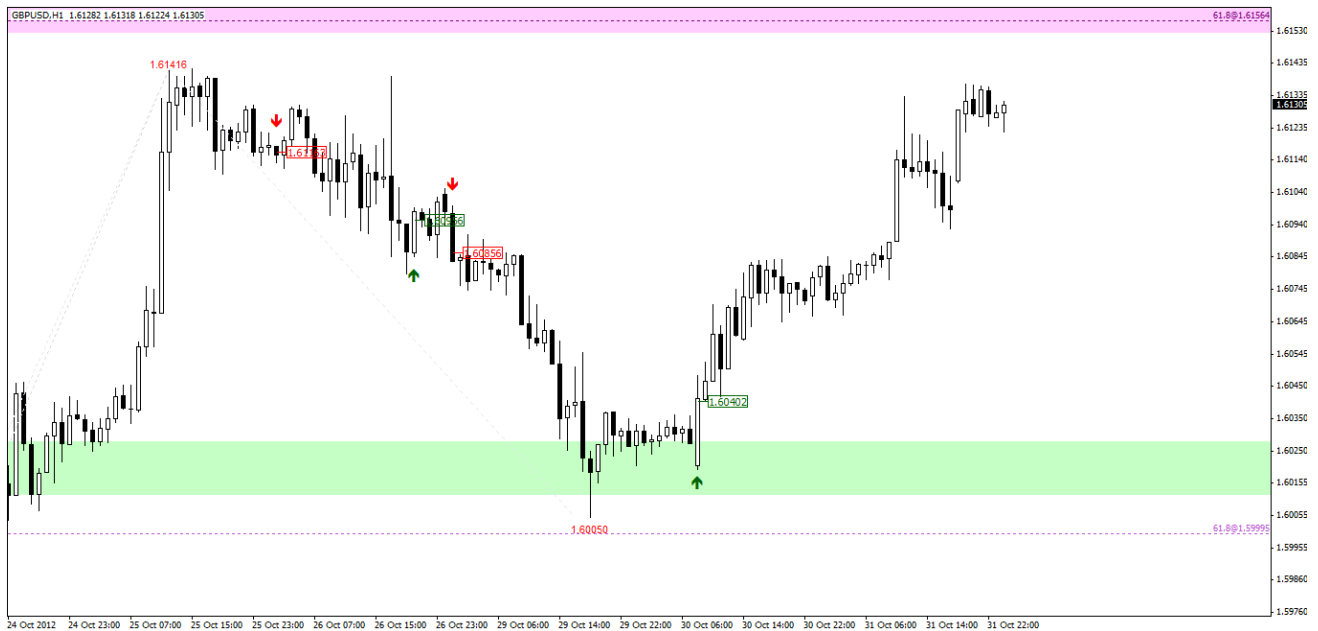
GBP/USD, Daily 1.61282 1.61301 1.61224 1.61301

1.52696 1.53914 1.57753 1.57658 1.59103 1.59116 1.60243 1.60563 1.60977 1.62156 1.63077

[illegible]

Another day of gains added considerable confidence that the rally from 1.52666 has resumed. Monday saw price action dipped into the minor demand pocket at **1.60116-1.60280** and a subsequent close above **1.60402** in the H1 chart signaled the return of the bulls. All the while, the rally from 1.52666 was viewed as a potential 5-wave up and price actions from 1.63077 to 1.59116 were treated as a 4th wave correction. This 4th wave correction appears to have terminated at 1.59116 last week and if so, we should witness an extension of this rally beyond the September 21 high of **1.63077** in this latest installment. A sustained rally above **1.61764**, above the supply pocket at **1.62272-1.60377**, would suggest that the correction phase is truly over.

GBP-USD 1-HOURLY



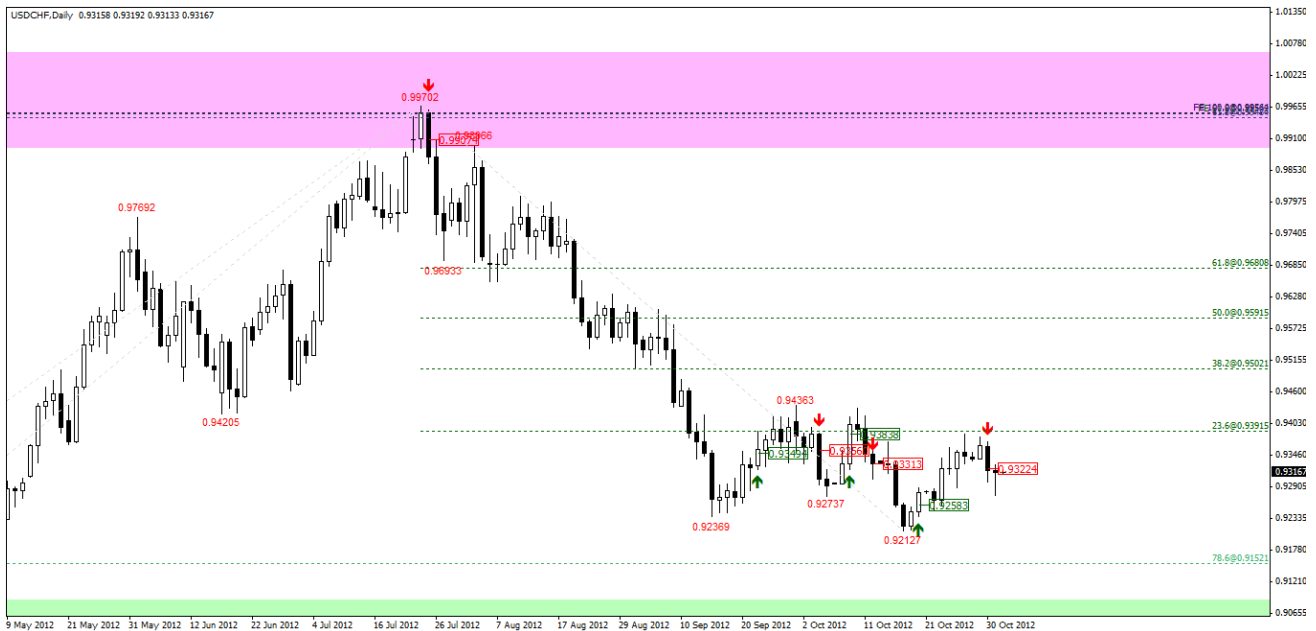
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.60402	1.62272	1.64208	Break-even

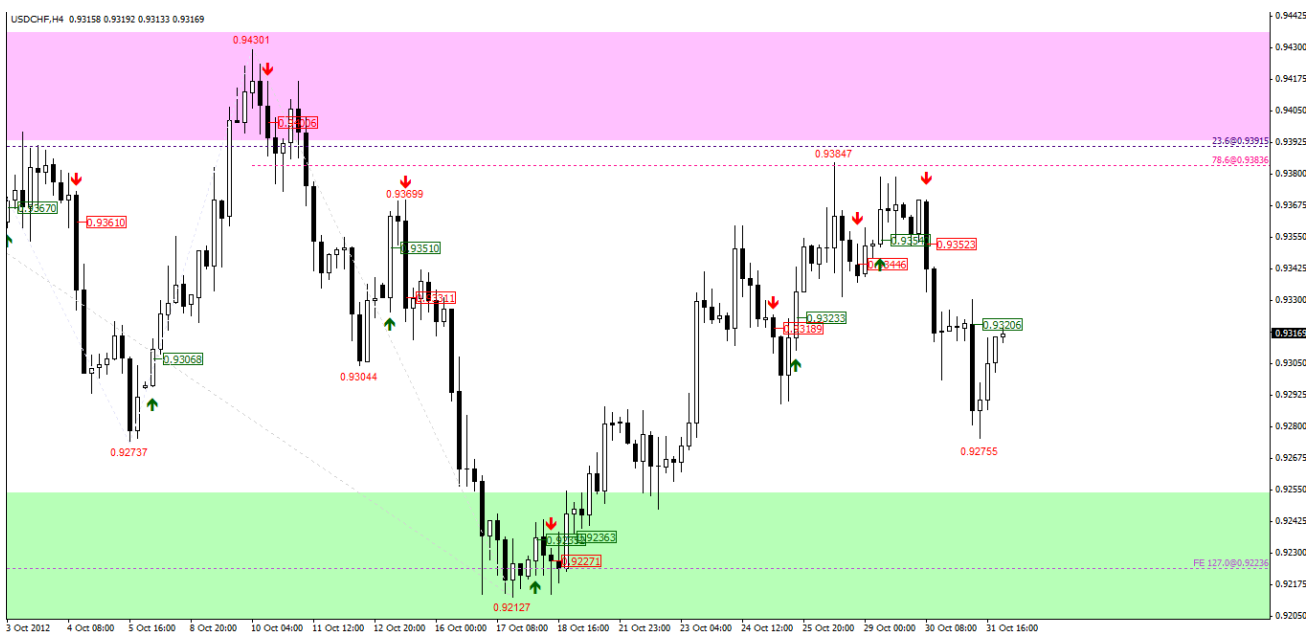
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from								\$48,810.00
	26-10-2012								
GBP-USD	30-10-2012	1.0	1.60402	31-10-2012	1.0	1.61283	+\$881.00		
GBP-USD	30-10-2012	1.0	1.60402	31-10-2012	1.0	1.61283	+\$881.00		
Unrealized							+\$1,762.00		

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Last Friday saw price action came close to the overhead supply pocket at **0.93941-0.94363** and stalled. With Tuesday's fall, there is a possibility that the resumption of the fall from the July 24 high of 0.99702 may have started. However, there is an outside chance that spikes into the overhead supply pocket at **0.93941-0.94363** can still happen. If so, this may present perhaps the last chance to re-establish short positions for an attempt on the October 17 low of **0.92127**. This, however, must be qualified that a rally, if any, must not be impulsive in nature. Structurally, the fall from the July 24 high of 0.99702 is deemed to have 'completed' with a clear 5-wave down. As such, traders must be careful in chasing this fall as any decline from here (without a meaningful correction) may not yield much. Alternatively, traders may wish to stand aside and observe.

USDCHF, H1 0.93153 0.93172 0.93141 0.93141

0.94065
0.93980
0.93950
0.93890
0.93850
0.93805
0.93720
0.93630
0.93545
0.93455
0.93370
0.93280
0.93195
0.93110
0.93020
0.92935
0.92845
0.92760
0.92670
0.92585
0.92500

23.680, 93195
78.680, 93835

0.93847
0.93543
0.93461
0.93427
0.93315
0.93388
0.93341
0.93279
0.93029
0.92890
0.92755
0.92524
0.93374
0.93328
0.93252

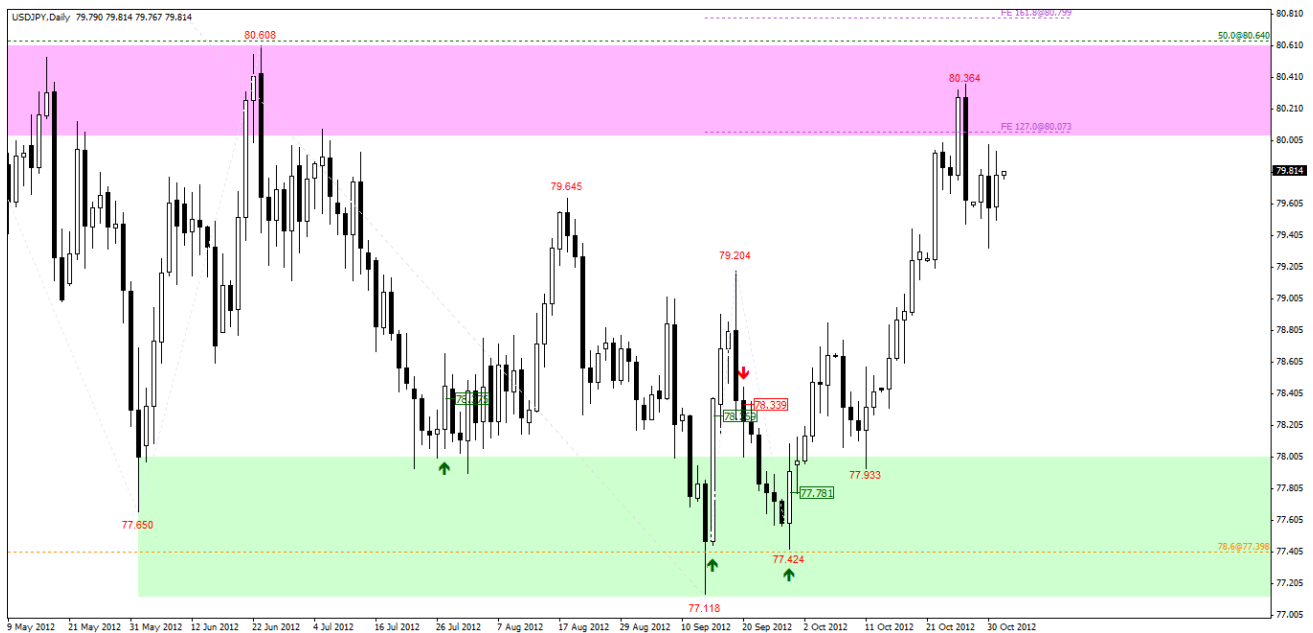
0.93141
0.93110
61.880, 92794

24 Oct 2012 24 Oct 23:00 25 Oct 07:00 25 Oct 15:00 26 Oct 07:00 26 Oct 15:00 26 Oct 23:00 29 Oct 06:00 29 Oct 14:00 29 Oct 22:00 30 Oct 06:00 30 Oct 14:00 30 Oct 22:00 31 Oct 06:00 31 Oct 14:00 31 Oct 22:00

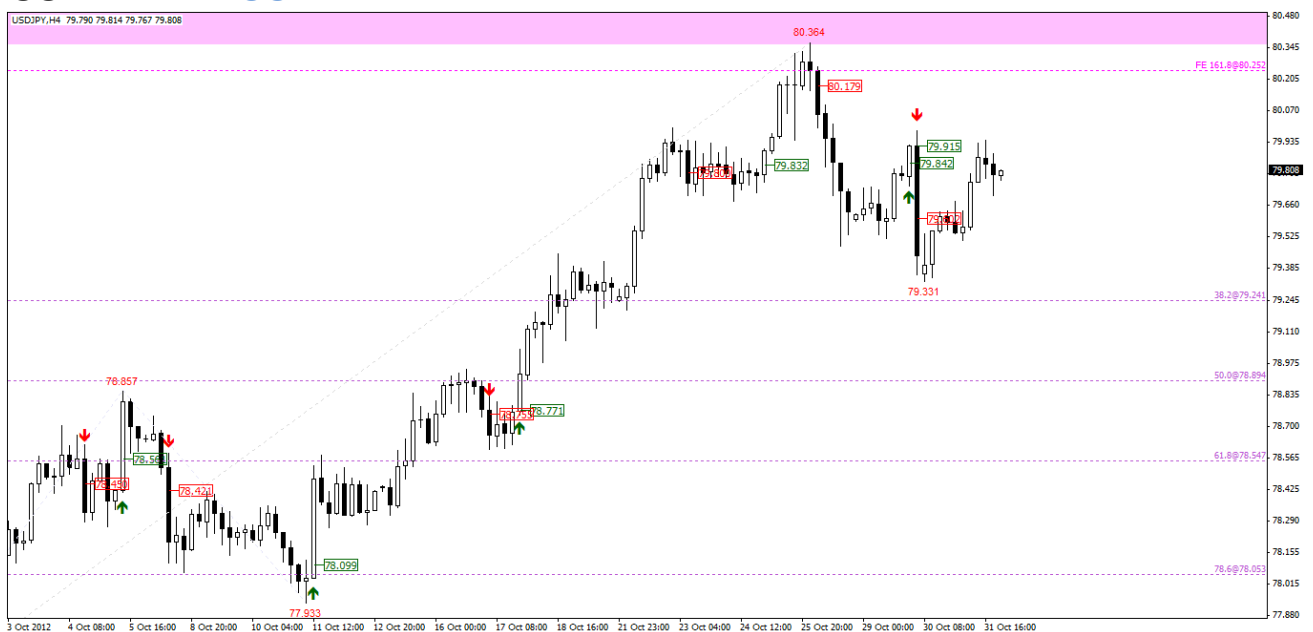
ACTION	Target 1	Target 2	EXIT
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Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 26-10-2012								\$33,516.33
USD-CHF	18-10-2012	1.0	0.92352	30-10-2012	1.0	0.93224	+\$935.38	+\$935.38	34,451.71
USD-CHF	25-10-2012	1.0	0.93079	30-10-2012	1.0	0.93079			
Unrealized							\$0.00		

USD-JPY DAILY



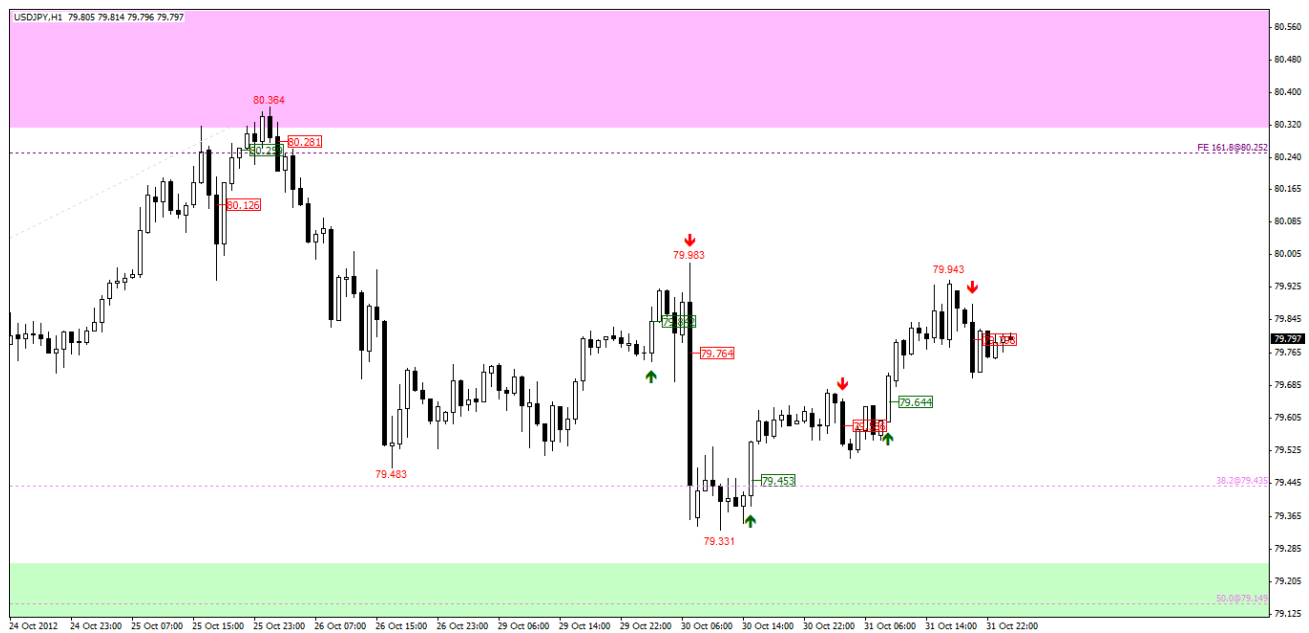
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

With the much anticipated BOJ's asset-buying program out of the way, buying interests have returned. As noted, being on the long side of this market now offers better odds. Tuesday's buy signal with a close above **79.453** in the H1 chart probably signaled the return of the bulls and the start of the resumption of the rally from 77.118. The first area of resistance is the supply pocket at **80.357-80.608** followed by another at **81.469-81.850** (see H4 chart). On the flip side, a close below **79.257** in the D1 chart could derail this nascent rally.

USD-JPY 1-HOURLY



Trade Ideas

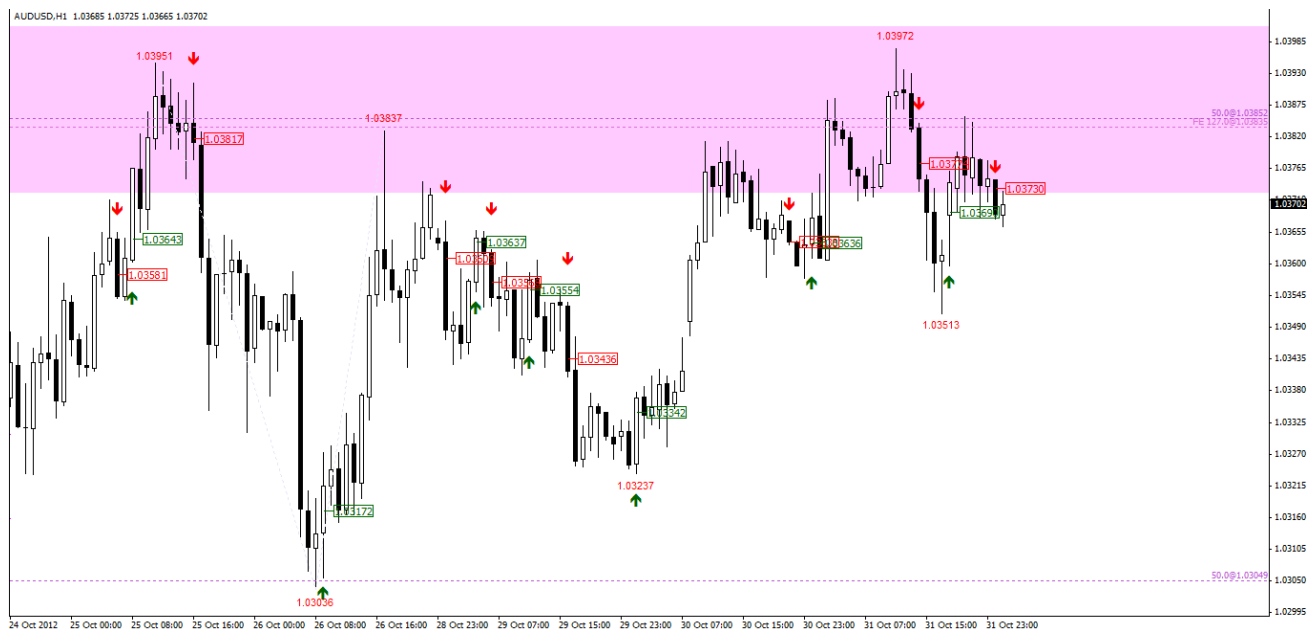
ACTION	Target 1	Target 2	EXIT
Bought @ 79.453	80.313	81.512	Break-even

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 26-10-2012								\$25,464.19
USD-JPY	30-10-2-12	1.0	79.842	26-10-2012	1.0	80.281	+\$549.84	+\$549.84	\$26,014.03
USD-JPY	30-10-2-12	1.0	79.453	31-10-2012	1.0	79.791	+\$423.61		
USD-JPY	30-10-2-12	1.0	79.453	31-10-2012	1.0	79.791	+\$423.61		
Unrealized							+\$847.22		

With this market continuing to trade in narrow bands for more than a week and between two well defined medium-term boundaries marked by the demand pocket at **1.00985-1.01911** and the supply pocket at **1.05317-1.06677**, it is still a difficult call as to where this market may head in the short-term (see D1 chart). Price actions have been zipping in and out of the minor supply pocket **1.03722-1.04011**, making short-term trading difficult (see H1 chart). At any rate, sustained trading above **1.04093** may see price action challenging the September 14 peak of **1.06227**. Bearing in mind the larger time frame and triangle pattern (in W1 chart), unless and until this market breaks out of either boundaries marked by the demand pocket at **1.00985-1.01911** and the supply pocket at **1.05317-1.06677**, range trading is probably the way to go. This kind of trading strategy is, however, not the kind preferred by this author.

AUD-USD 1-HOURLY

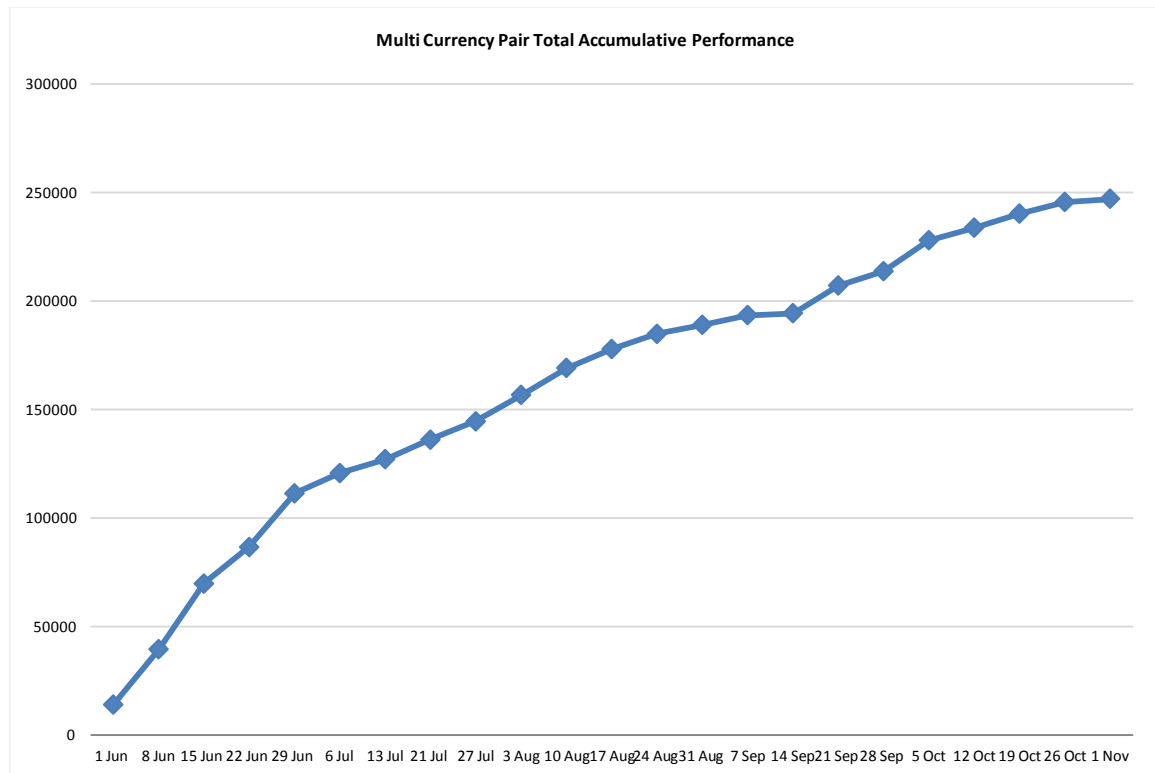
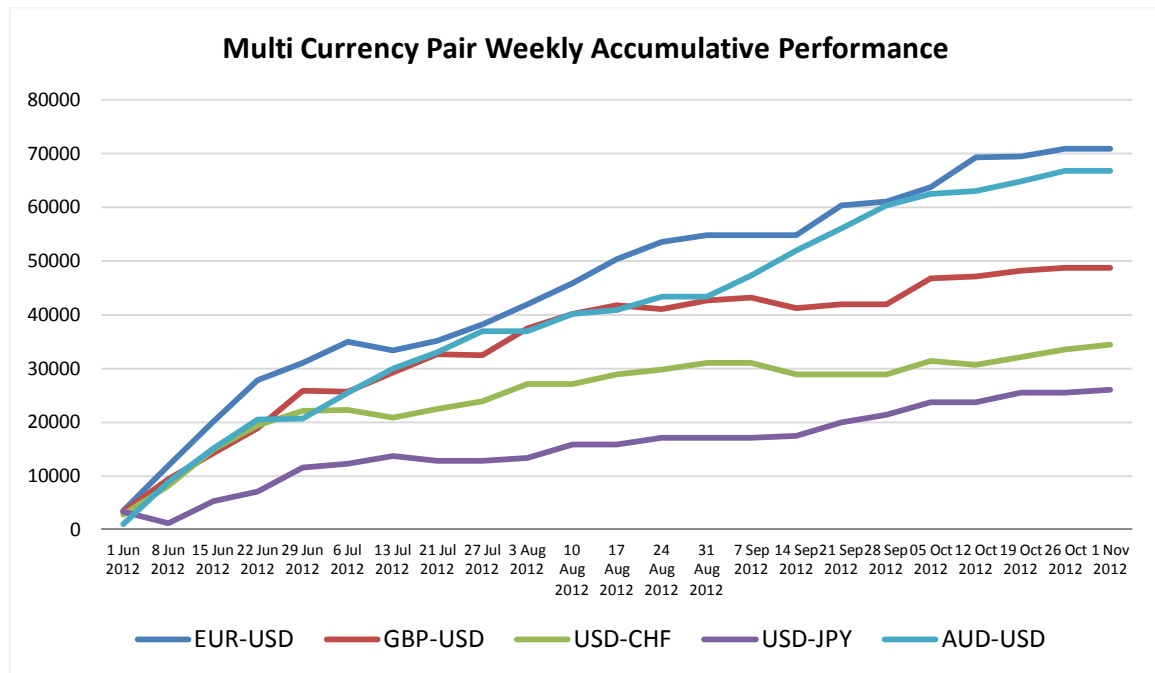


Trade Ideas

ACTION	Target 1	Target 2	EXIT
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Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 26-10-2012								\$66,845.00
Unrealized							\$0.00		



Website under development

Traders Academy International

Traders Academy International is an independent organization with no affiliation with any brokers or organizers of our events. From the onset, this policy of non-affiliation has served us well as we do not believe our students' interests will be served if we have a separate agenda. This is in contrast with industry practice. Our objective has been and will continue to be to educate the trading public our time-tested and highly effective methodologies to take on the markets in an easy-to-understand format.

We have never advertised our services but words of mouth have spread far and wide. Over the last three years or so, demands for our trading workshops are so high that we have to turn away some due to scheduling.

Non Affiliation Policy

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.