

*A Traders Academy International Publication*

## Better Than Expected Job Data Spurs Dollar

EUR-USD lost ground on Friday for the third straight day after the release of better-than-expected U.S. jobs data, but less-encouraging details within the report should limit the downside ahead of a Federal Reserve policy meeting next week. EUR-USD fell immediately after the headline data for November stoked speculation that the U.S. central bank may opt for a smaller stimulus program. But it recovered some ground as traders scrutinized the components of the report.

While nonfarm employment increased by 146,000 jobs last month, showing little apparent impact from super storm Sandy, job growth for previous months was revised downward and a drop in the jobless rate to a near four-year low was due to job seekers giving up the search for work. There's a lot of speculation on how much impact Sandy has on the data with traders now looking ahead for the revisions.

EUR-USD fell to a session low of 1.28755, marginally lower than the low set on November 28. It settled down 0.3 percent on the day at 1.29249, bringing the weekly decline to 0.5 percent. Some \$5.6 billion of Euros changed hands, according to Reuters Dealing.

EUR-USD pared losses in trade before midday, with traders citing a news report that said senior European

Central Bank Executive Board members - including President Mario Draghi and Bundesbank President Jens Weidmann - opposed a rate cut supported by the majority at the ECB's most recent policy meeting on Thursday. Whether this reduces the likelihood of a cut going forward, traders perceived a more hawkish than dovish stance and created significant short covering.

Weakness in the Euro came as Germany's central bank said it expected Europe's largest economy to grow just 0.4 percent in 2013, and pointed to risks of a recession as the Euro zone debt crisis takes its toll.

EUR-USD lost 0.8 percent on Thursday after ECB President Mario Draghi said policymakers had discussed cutting borrowing costs and slashed growth and inflation forecasts for the Euro zone.

ECB policymaker Jozef Makuch also said the bank may cut interest rates next year if the Euro zone economy does not improve. EUR-USD is still pricing in the earlier-than-expected rate cut talk that came out of Thursday's ECB press conference.

Attention now turns to the Federal Reserve, which begins a two-day meeting on Tuesday. Policymakers are expected to maintain support for the tentative U.S. recovery by ramping up one bond-buying program to offset the expiration of another. The real question is whether (the November jobs data) changes the Fed's attitude toward more stimulus. It doesn't remove the need for stimulus but might convince the Fed to opt for a smaller program. Fed stimulus is viewed as negative for the US Dollar because it equates to printing money, which lowers U.S. bond yields and diminishes the appeal of holding US Dollar-denominated assets.

USD-JPY rallied as high as 82.815, near eight-month high set on November 22. It was settled at 82.423, near flat on the day. The Yen briefly rose against the Euro and US Dollar after news of an earthquake in Japan. A far more powerful earthquake in March 2011 led to a sharp rise in the Yen on expectations Japanese investors would repatriate funds held abroad.

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## EUR-USD MONTHLY



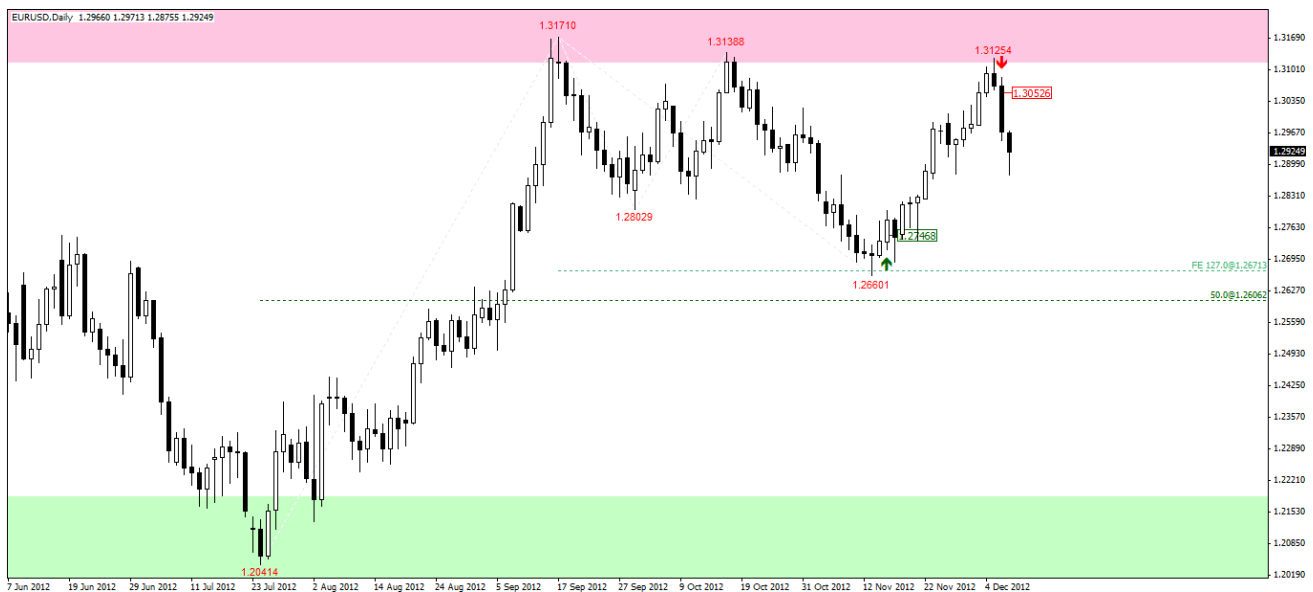
## EUR-USD WEEKLY



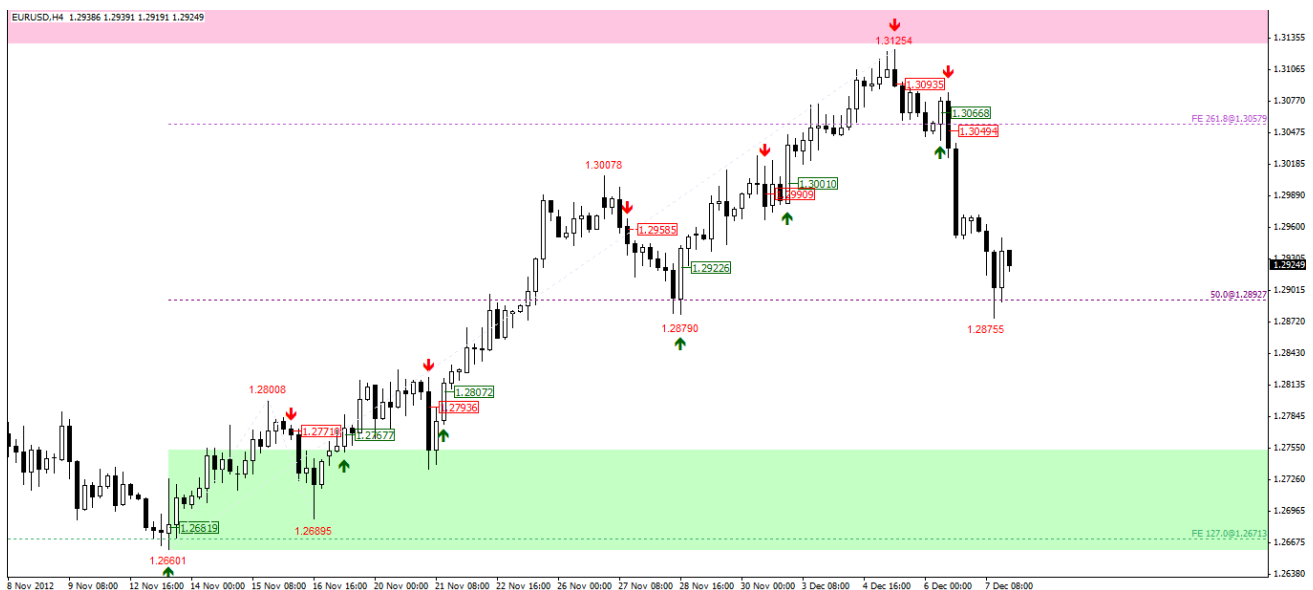
## EUR-USD The Big Picture

In the bigger picture, the rise from 0.82250 to 1.60373 is part of a longer-term rally. Likewise, the fall from the July 15, 2008 high of 1.60373 marked the start of a long-term consolidation/continuation pattern which may ultimately stretch to the 61.8% retracement of 0.82250 to 1.60373 at **1.12093**; from which price action is likely to rise beyond its all-time high in a multi-year rally (see MN chart). On 24 July 2012, price action pulled back from a 29-month low at **1.20414** after failing to take out the 2010 low of 1.18757 and ended the week as a *Bullish Engulfing Bar*. The resulting rally lasted a good 7 weeks and hit a 20-week high of 1.31710, just above the 38.2% retracement of 1.49393 to 1.20414 at **1.31484**; in an area in which price action was vulnerable to profit-taking. For 2 months, this market pulled back in a distinct 3-wave retracement and this week signaled the end of this correction. Two weeks ago, this market closed strongly which followed through early this week to register a 7-week high before easing. Structurally this is potentially poised to extend beyond the September 17 high of **1.31710**.

# EUR-USD DAILY



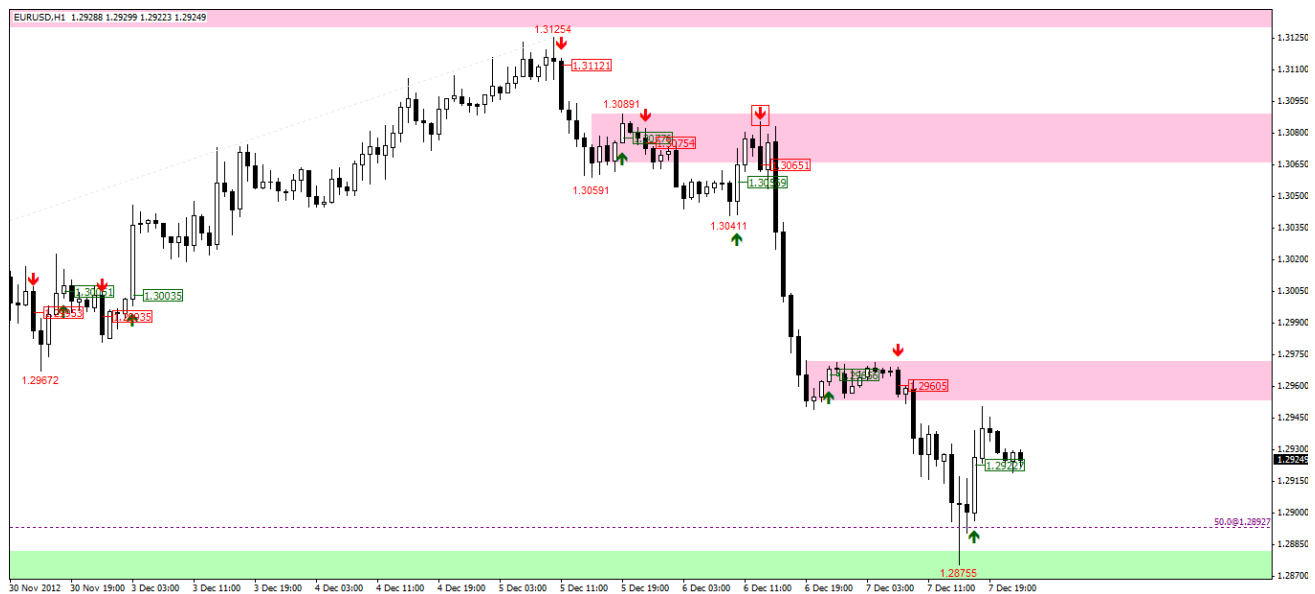
## EUR-USD 4-HOURLY



## EUR-USD Short to Medium-Term Views

What started off as a correction degenerated into a free-for-all on Thursday on poor prospects in the Euro zone. This fall continued throughout the London session on Friday and only hit a bottom after the release of the NFP numbers in NY. Price action held at week's low of 1.28790, just below the 50.0% retracement of 1.26601 to 1.31254 at **1.27532** and rebounded after NY midday. Though weakened, the medium-term bullish bias is still intact. It is, therefore, imperative that last night's low hold to maintain the overall bullish case. This is because the rally from 1.26601 is seen as part of a larger degree rally from way back in November 13. With last night's massive fall, though the 5<sup>th</sup> wave scenario is impaired, the overall price structure is not. Last night's low hit a minor demand pocket at **1.28563-1.28818** and rebounded. This may be a minor demand pocket but its significance is correspondently larger as last Wednesday's low is located within this price pocket. If this price pocket was unable to hold the line, the bullish case may be invalidated. At any rate, the late session rebound is treated as a correction of the last 48 hours fall (which in turn is a correction of the rise from 1.26601). Immediate topside resistance is expected at the minor supply pocket at **1.29534-1.29724**. Failure to clear this supply pocket would see a return of selling interests and if Fridays low at 1.28755 too failed to hold the line, focus will shift to the demand pocket at **1.26601-1.27533**.

## EUR-USD 1-HOURLY



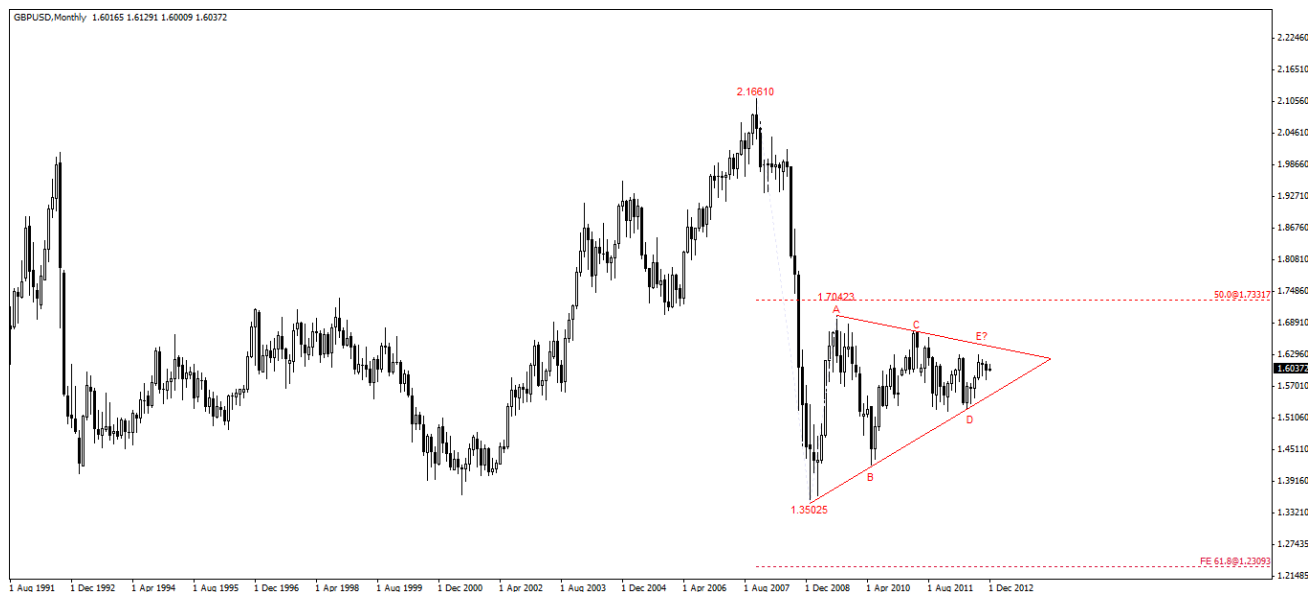
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.28995 (M5 chart)	1.29532	1.30662	1.28655 STOP

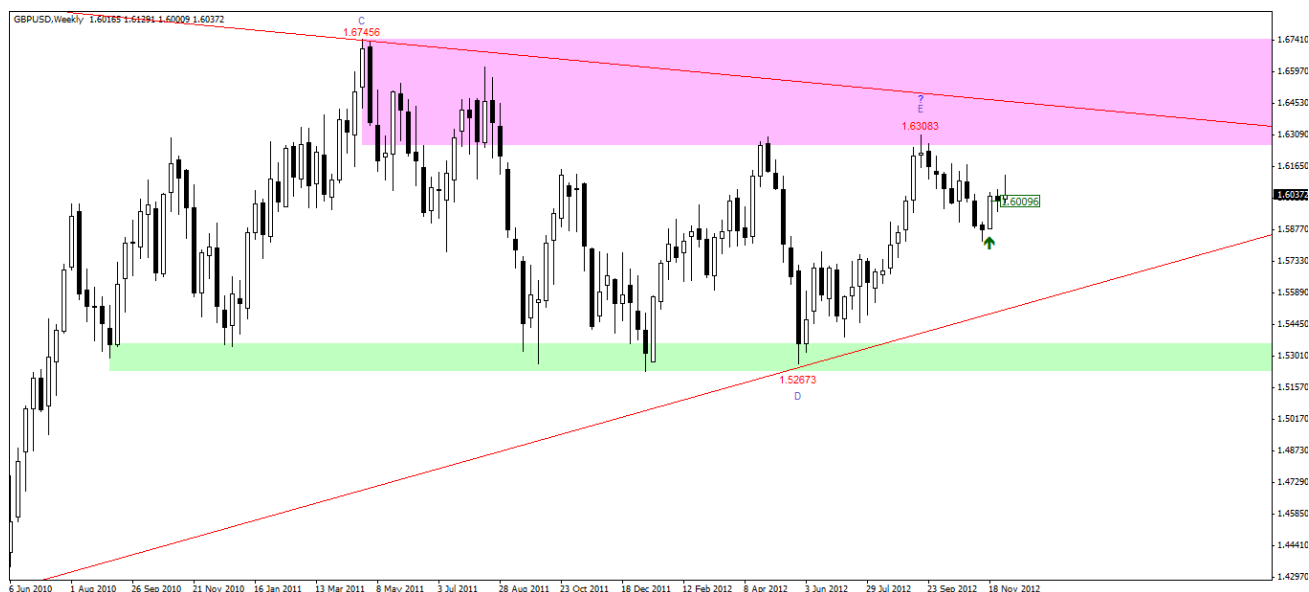
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 30-11-2012								\$72,447.00
EUR-USD	28-11-2012	1.0	1.28923	03-12-2012	1.0	1.30364	+\$1,441.00	+\$1,441.00	\$73,888.00
EUR-USD	28-11-2012	1.0	1.28923	06-12-2012	1.0	1.30526	+\$1,603.00	+\$1,603.00	\$75,491.00
EUR-USD	07-12-2012	1.0	1.28995	07-12-2012	1.0	1.29249	+\$254.00		
EUR-USD	07-12-2012	1.0	1.28995	07-12-2012	1.0	1.29249	+\$254.00		
Unrealized							+\$508.00		

## GBP-USD MONTHLY



## GBP-USD WEEKLY



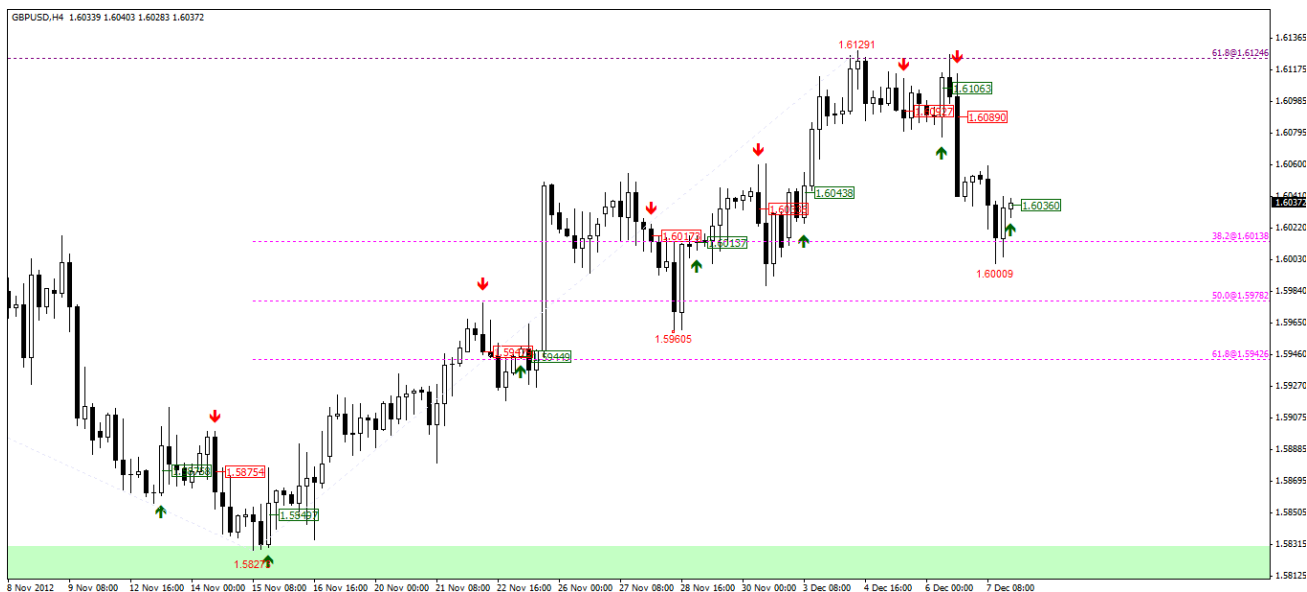
## GBP-USD The Big Picture

In the bigger picture, price action from the 2009 low of 1.35025 is treated as a correction to the longer-term downtrend from the 2007 high of 2.11610. This multi-year correction beginning at the start of 2008 is developing into a triangle. 9 months ago, this market ended with tantalizing clues of a classic reversal - a *long-legged shadow doji* in W1 chart resulting in a 3-wave pullback that lasted a good 2 months. A fortnight ago, the strong closing suggests another probable attempt at the September 21 high of **1.63083** in the medium-term. The big question is was the September high of 1.63083 the end of wave E or alternatively wave E has to yet to be in place and this developing rally may be lead us there? This is important. The wave E typically marks the end of the triangle pattern and in the case of GBP-USD; the trend prior to this triangle pattern was down. As the triangle is a continuation pattern, the breakout to the downside is anticipated - and it will be an aggressive fall. The idea is to anchor a short position at the end of wave E for a dramatic long-term fall. In typical triangle pattern, a post triangle thrust is likely to result an equally dramatic rally back to the base of this triangle before declining precipitously towards parity with the once mighty U.S. Dollar. If so, the nearest longer-term target is the 61.8% projection of 2.11610 to 1.35025 from 1.70423 at **1.23093**, which is roughly equidistance from the widest part of the triangle.

## GBP-USD DAILY



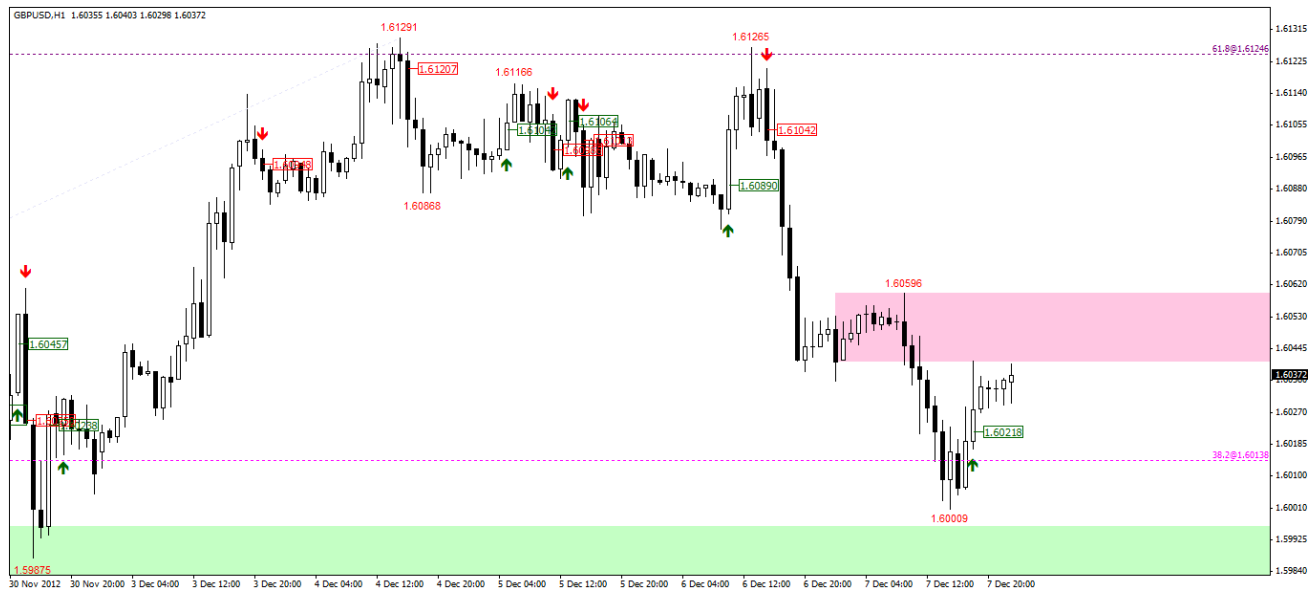
## GBP-USD 4-HOURLY



## GBP-USD Short to Medium Term Views

This market topped out just below the medium-term supply zone at 1.61546-1.62161 and fell in sympathy with the EUR-USD. Thursday rout in EUR-USD has clearly spilled over to GBP-USD with the market at one stage threatening to trigger a sell signal in the D1 chart. As mentioned, a close below **1.60165** in the D1 chart would have compromised the medium-term bullish bias. As it is, this fall is treated as a correction of the last two days fall. However, to maintain its overall bullish bias, price action need to immediately rally beyond the week's high of **1.61291**.

## GBP-USD 1-HOURLY



## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59037	1.60063 Realized	1.65416	Exit on D1 close below 1.60165
Bought @ 1.59825	1.61546	1.62589	

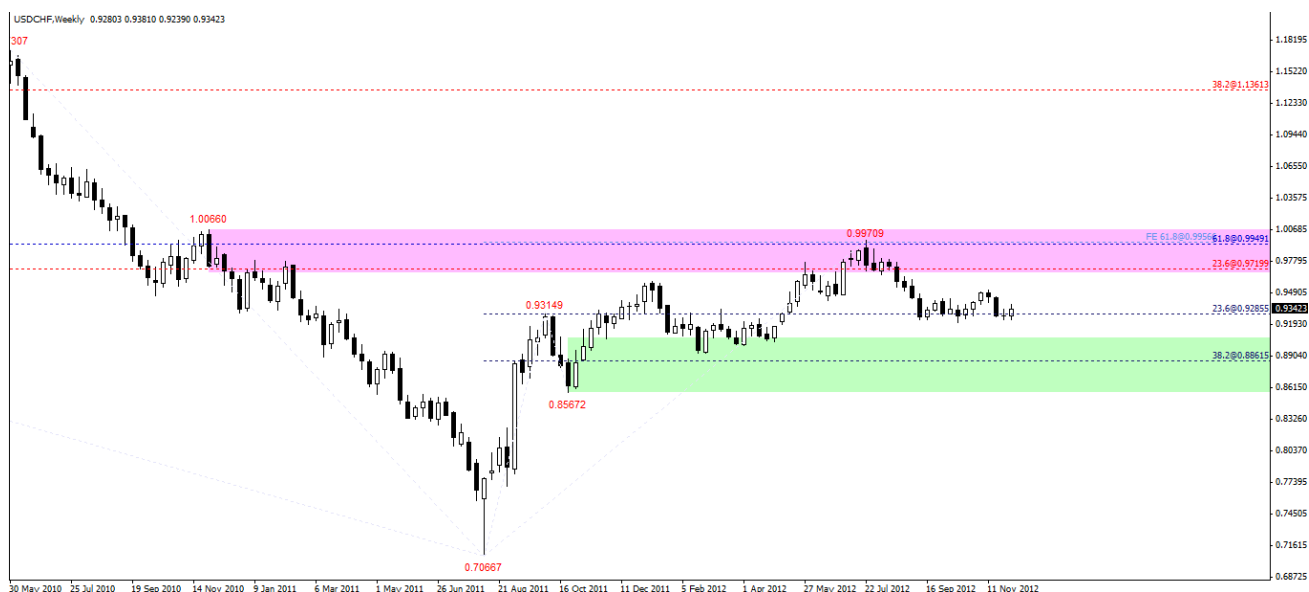
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 30-11-2012									\$50,309.00
GBP-USD	21-11-2012	1.0	1.59037	07-12-2012	1.0	1.60372	+\$1,335.00		
GBP-USD	28-11-2012	1.0	1.59825	07-12-2012	1.0	1.60372	+\$547.00		
GBP-USD	28-11-2012	1.0	1.59825	07-12-2012	1.0	1.60372	+\$547.00		
Unrealized							+\$2,429.00		

## USD-CHF MONTHLY



## USD-CHF WEEKLY

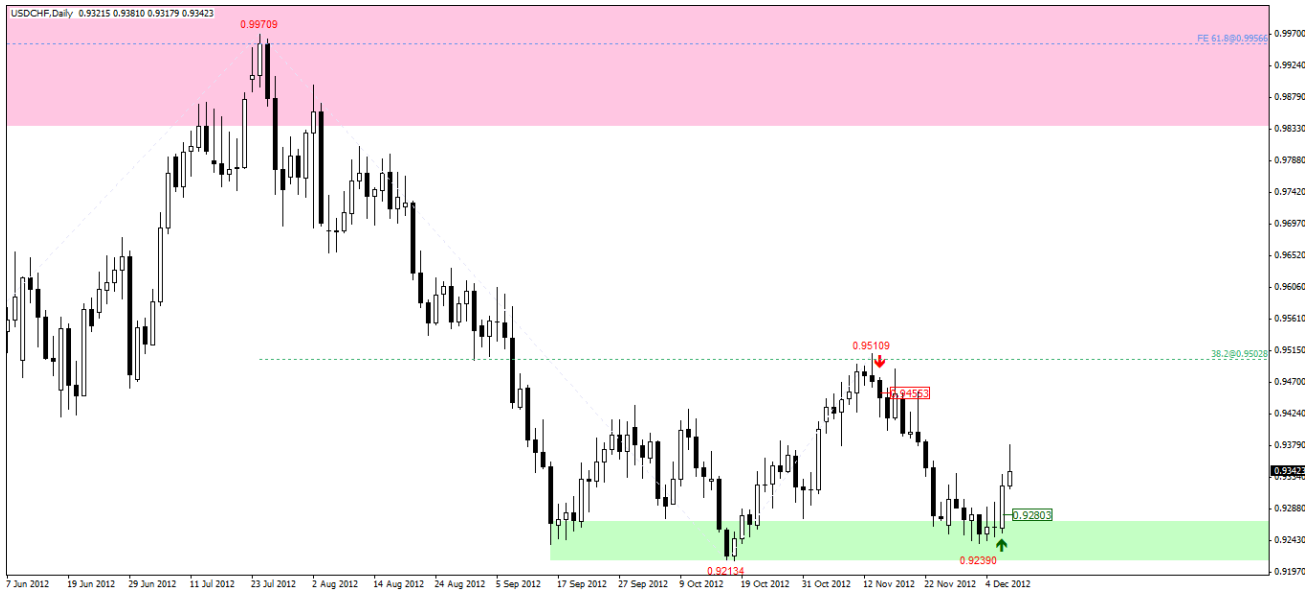


## USD-CHF The Big Picture

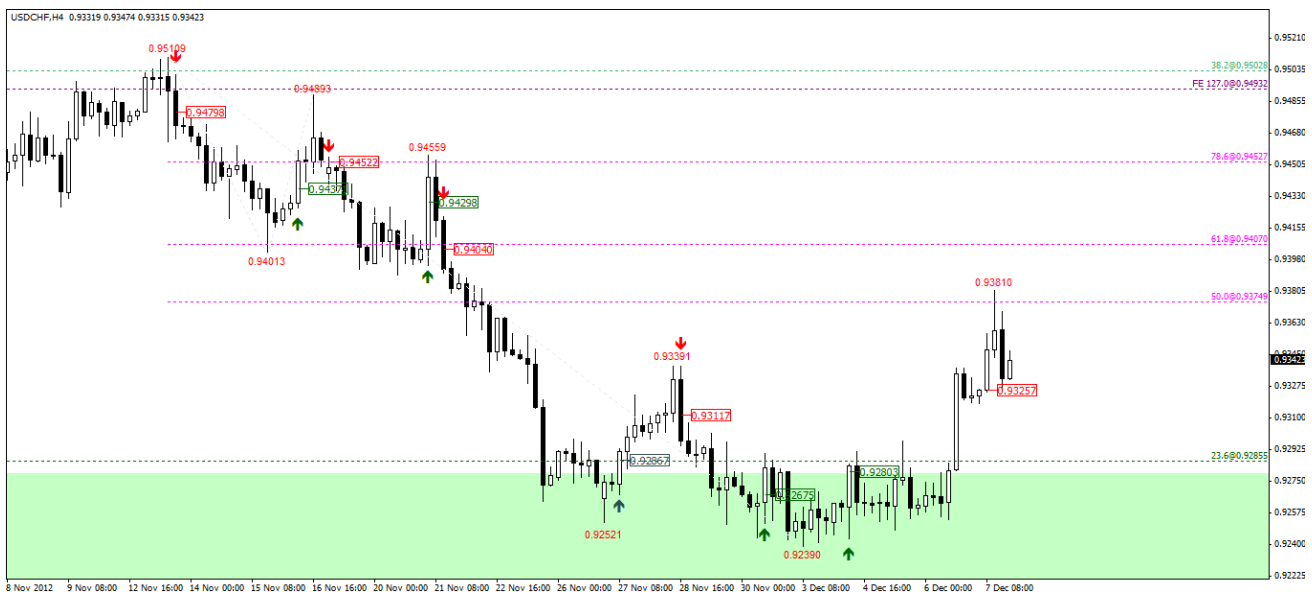
In the bigger picture, the downtrend from 1.83090 has made an important long-term low at **0.70667**; having fallen short of a longer-term target at the 100.0% projection of 1.83090 to 1.12870 from 1.32830 at **0.62610**. The rebound from 0.70667 is presently treated as a correction to this multi-year fall with strong resistance expected at the 38.2% retracement of 1.83090 to 0.70667 at **1.13613**. The counter-trend rally stalled at the price window between the 61.8% retracement of 1.17307 to 0.70667 at **0.99490** and the 61.8% projection of 0.70667 to 0.93149 from 0.85672 at **0.99566** (see D1 chart) and selling interests re-emerged; having taken this market to an 18-week low of **0.92134** 8 weeks ago. The shallow rebound from there rose just shy of the 23.6% retracement of 0.70667 to 0.99709 at **0.92855** and eased. That said, the decidedly weak closing a fortnight ago has set the tone going forward and increased the probability that the fall from 0.99709 may have resumed. This gathering momentum is likely to take this market lower and severely test the February low of **0.89301** over time.



## USD-CHF DAILY



## USD-CHF 4-HOURLY



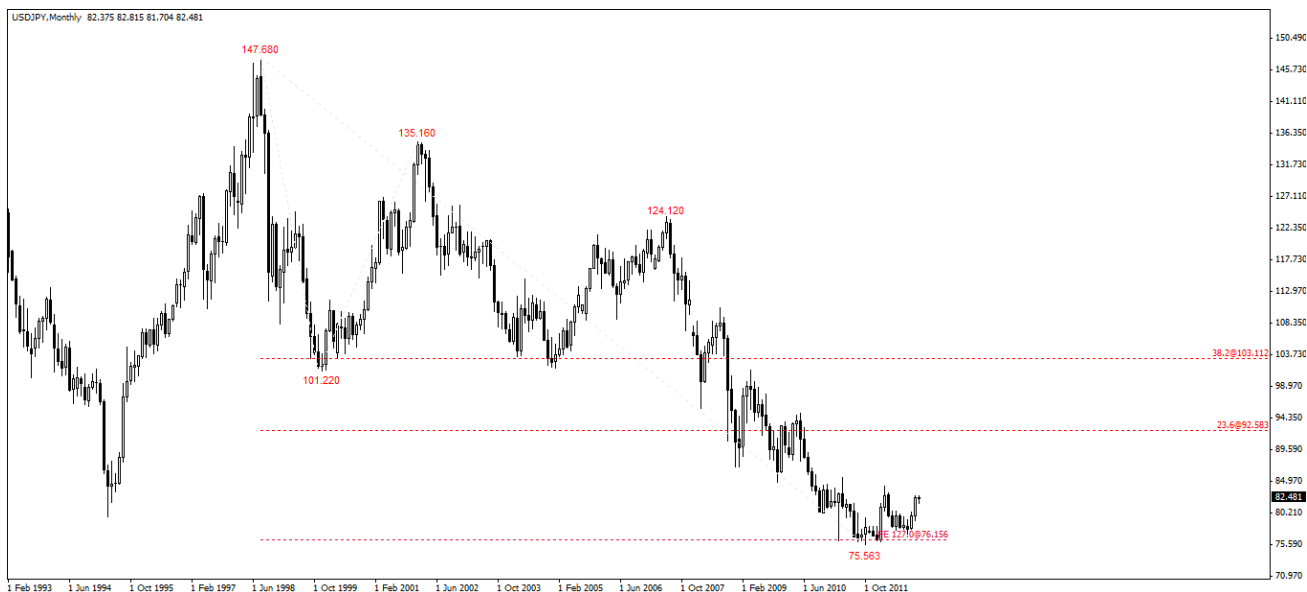
## USD-CHF Short to Medium Term View

After making a base for 3 days this market literally exploded to the upside on Thursday and blow away the minor supply pocket at **0.93507-0.93836** on the way up. The rally continued strongly to the 50.0% retracement of 0.95109 to 0.92390 at **0.93750** with a print at 0.93810 before easing. This was better than the initial idea of a 3-wave up corrective rise with focus on the 38.2% retracement of 0.95109 to 0.92390 at **0.93429**. The rally as noted was impulsive does not have the look and feel of a typical correction. This observation was right on as the rally developed into a 5-wave structure. Provided the low at **0.92390** holds, another rally towards the 78.6% retracement of 0.95109 to 0.92390 at **0.94527** is very probable. In the meantime, a sell signal was triggered in the H1 chart as a result of position squaring before the weekend. Should the H4 chart too triggers a sell signal with a close below **0.93257**, temporary weakness can be expected. Provided the low at **0.92390** holds, another rally towards the 78.6% retracement of 0.95109 to 0.92390 at **0.94527** is very probable.

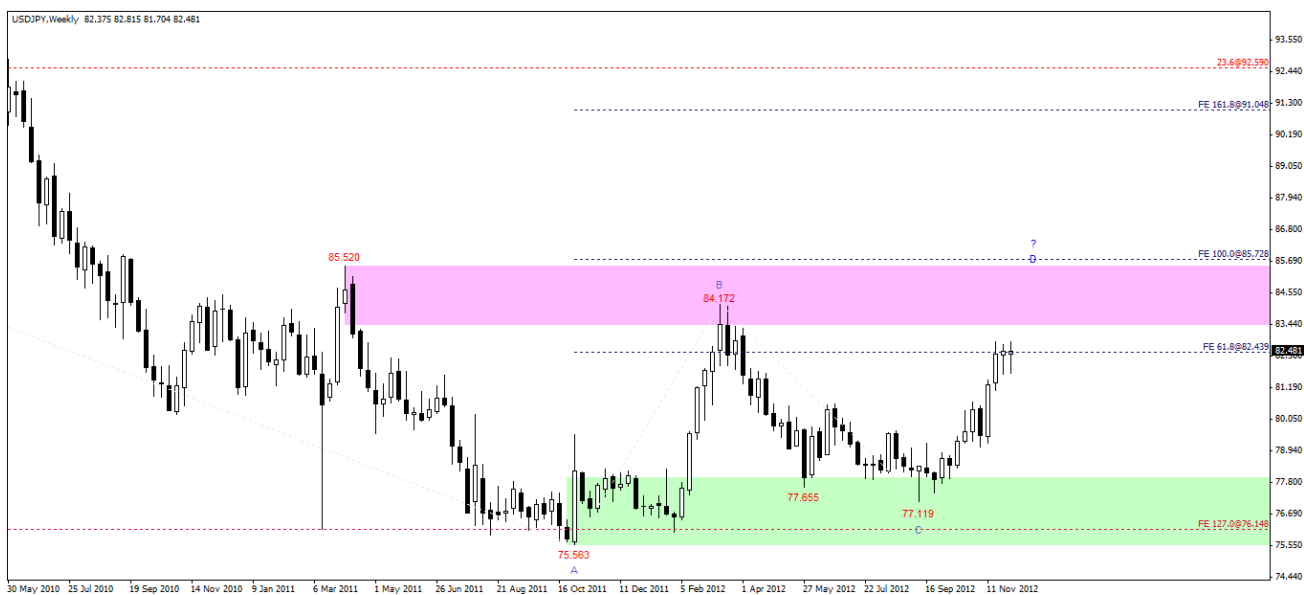
ACTION	Target 1	Target 2	EXIT
Bought 0.92647	0.93507	0.94465	Exit on H4 close below 0.93215
	Realized		

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 23-11-2012								\$34,932.12
USD-CHF	05-12-2012	1.0	0.92647	07-12-2012	1.0	0.93507	+\$919.72	+\$919.72	\$35,851.84
USD-CHF	05-12-2012	1.0	0.92647	07-12-2012	1.0	0.93423	+\$781.14		
						Unrealized	+781.14		

## USD-JPY MONTHLY



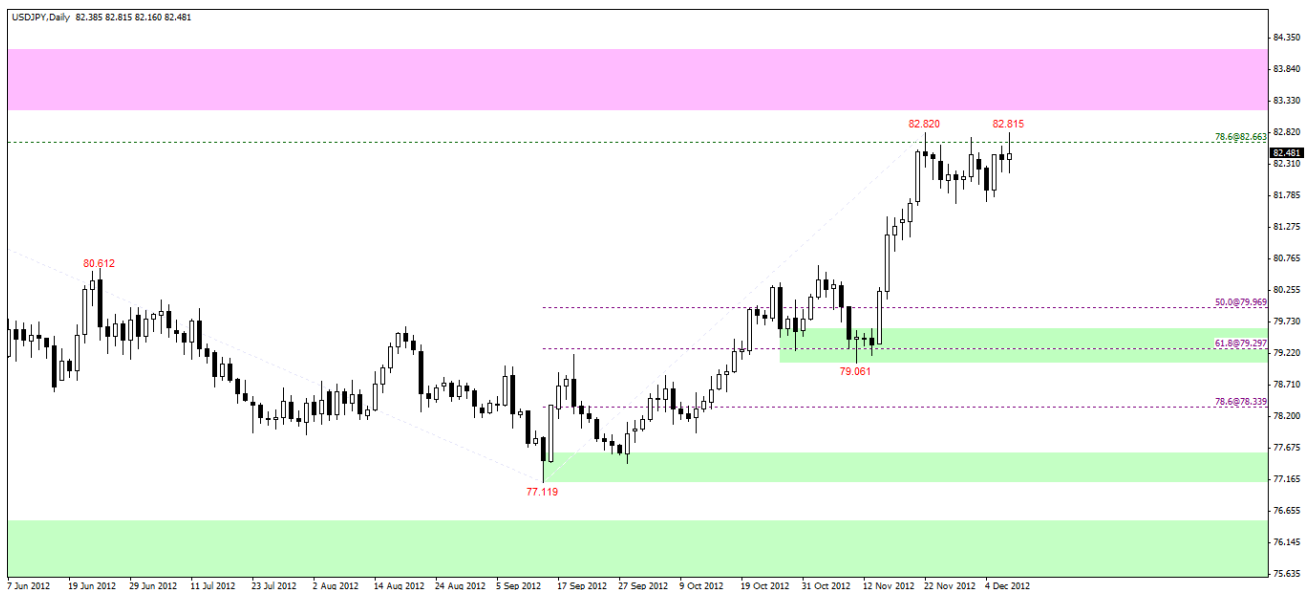
## USD-JPY WEEKLY



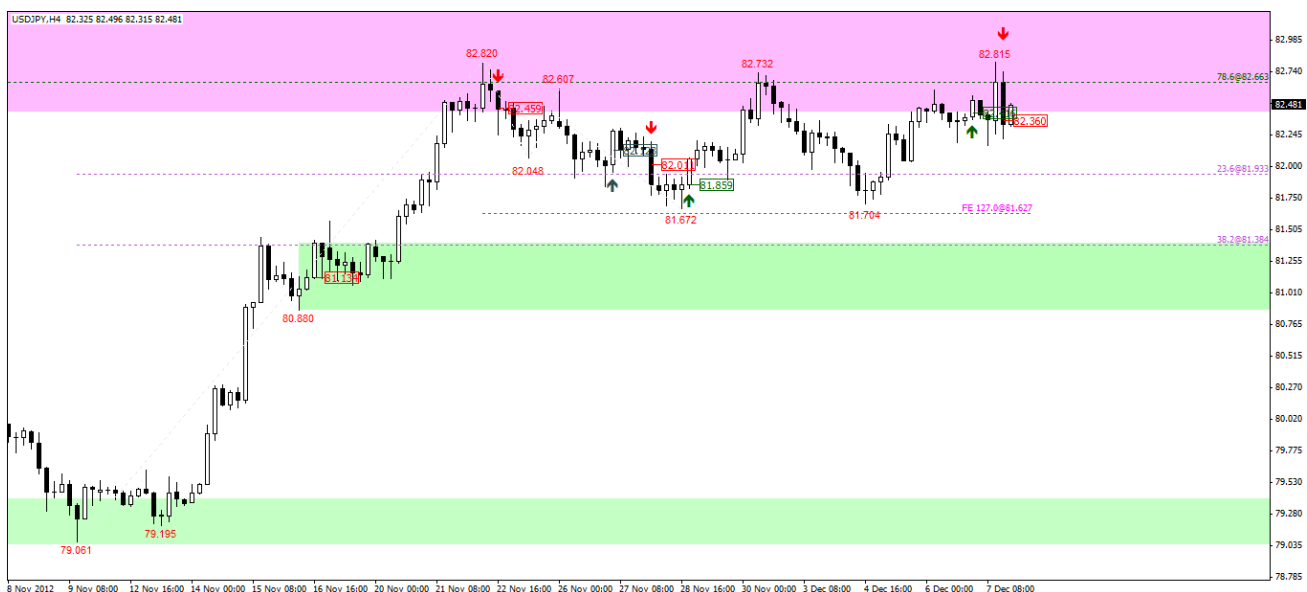
## USD-JPY The Big Picture

The fall from 124.120 which started on June 2007 probably terminated on October 2011 at **75.563**, just below the 127.0% projection of 147.680 to 101.220 from 135.160 at **76.156**. In the bigger picture, the move from 75.563 to 84.172 is most likely the termination point of wave B at **84.172** with wave A at **75.563**. Wave C is probably at **77.119**. From there a hammer appeared in the W1 chart some 2 months ago and price action has powered higher and is probably heading towards wave D. One possible target for wave D is the 100.0% of 75.563 to 84.172 from 77.119 at **85.728**. This rally is impulsive and has the basic ingredient for a sustainable rally to as high as the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048**. This very bullish prospect will be greatly enhanced if and when price action can take out the supply zone at **83.291-85.520** (see W1 chart). On the other hand, if this rally stalls at the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** (the preferred count), then this is just a simple correction of the fall from 147.680; another massive fall is in store.

## USD-JPY DAILY



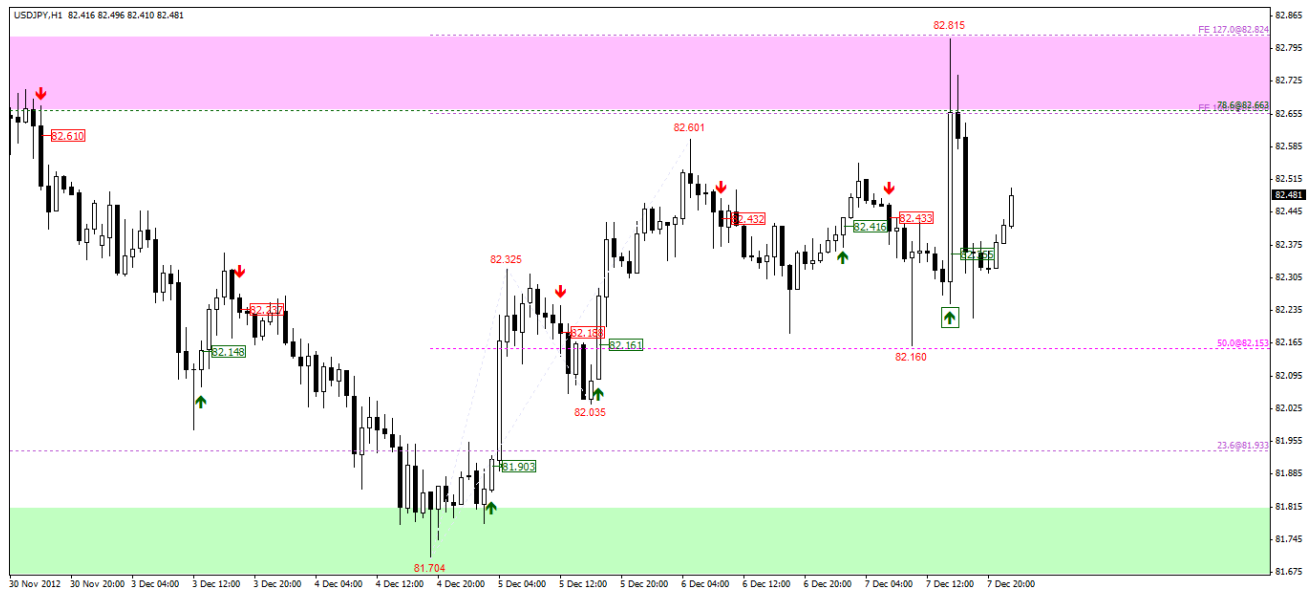
## USD-JPY 4-HOURLY



## USD-JPY Short to Medium Term Views

The rebound from 81.704 after stalling on Thursday powered higher and tested the 78.6% retracement of 84.172 to 77.119 at **82.663**; located just below the supply zone at **82.424-83.380** (see D1 chart). So far, this market has not been successful in clearing this barrier despite 3 weeks of coming within striking distance of the supply zone. Last night high at 82.815 was the third attempt in 3 weeks that rallies were halted at the 78.6% retracement of 84.172 to 77.119 at **82.663** (see H4 chart). In order to maintain the medium-term bullish bias, it is imperative for price action takes out the 78.6% retracement of 84.172 to 77.119 at **82.663** and breaks above this supply pocket at **82.424-83.380**. This is because the 78.6% retracement of 84.172 to 77.119 at **82.663** represents (to me) the maximum allowance retracement. Assuming subsequent rallies are successful in clearing this barrier and with the year's high at **84.172** in sight; this bullish bias still has the potential to gun for the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** which incidentally sits within a known supply zone. Price action is, however, not expected to trade much higher than this level, if ever. From there, the longer-term down trend is expected to resume below the all-time low of **75.563** (read big picture view above).

## USD-JPY 1-HOURLY



## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 81.903	82.424	83.716	Break-even
	Realized		

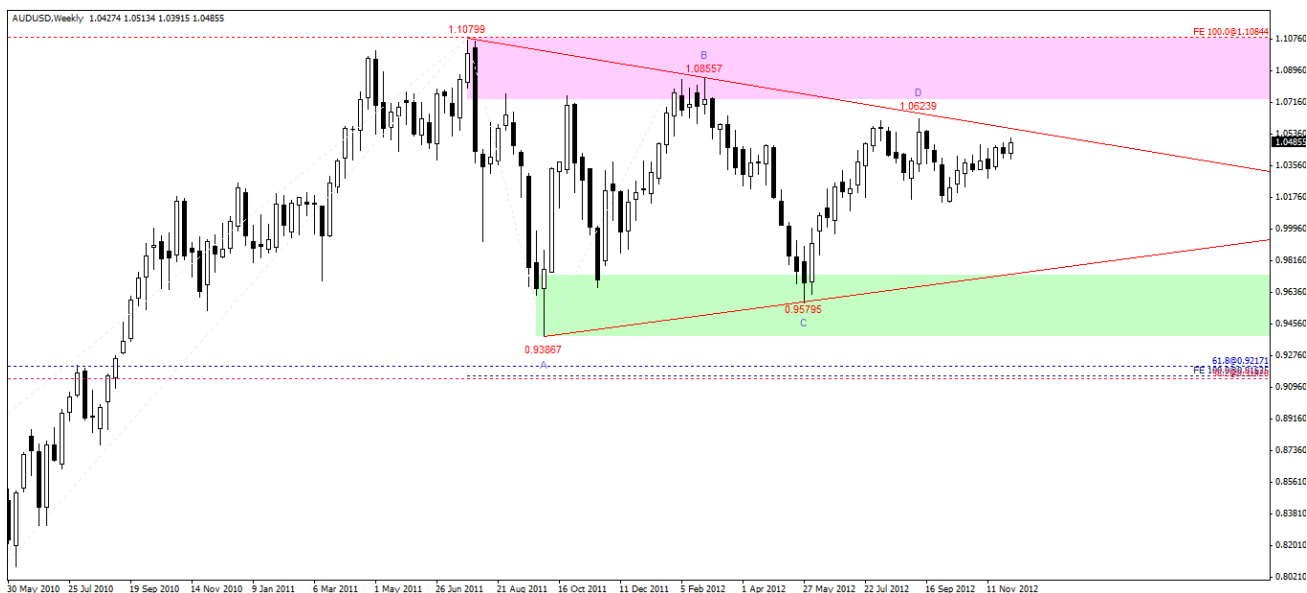
## Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 30-11-2012								\$30,540.48
USD-JPY	28-11-2012	1.0	81.774	04-12-2012	1.0	81.774			
USD-JPY	05-12-2012	1.0	81.903	05-12-2012	1.0	82.424	+\$632.10	+\$632.10	\$31,172.58
USD-JPY	05-12-2012	1.0	81.903	07-12-2012	1.0	82.481	+\$700.77		
						Unrealized	\$700.77		

## AUD-USD MONTHLY



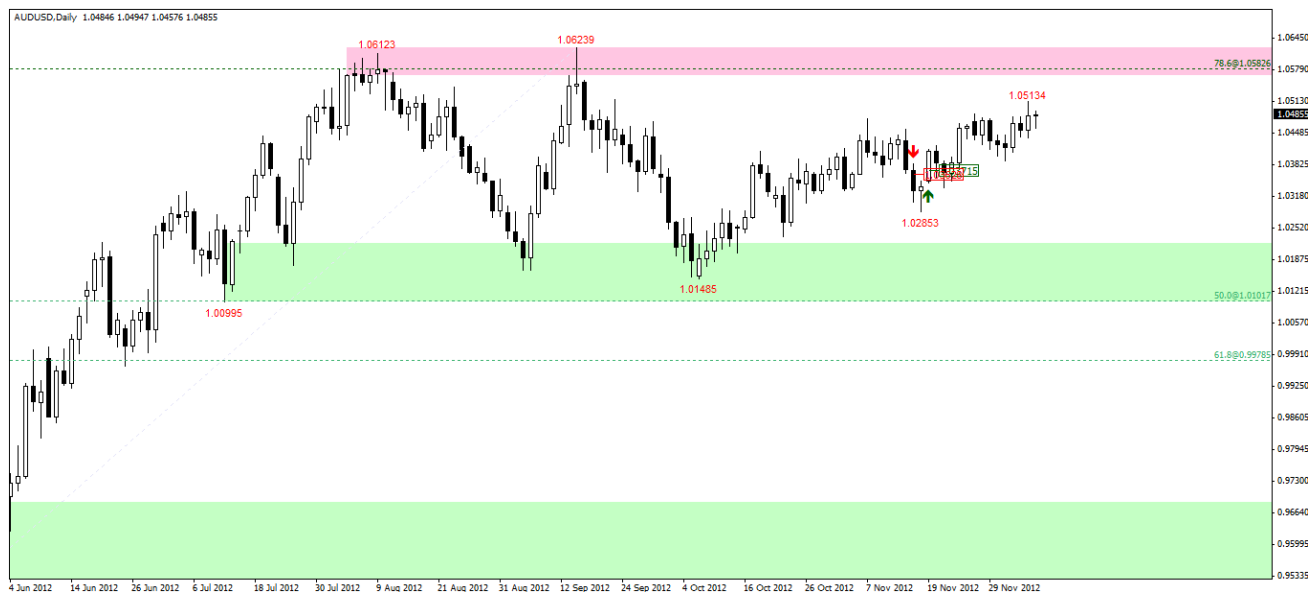
## AUD-USD WEEKLY



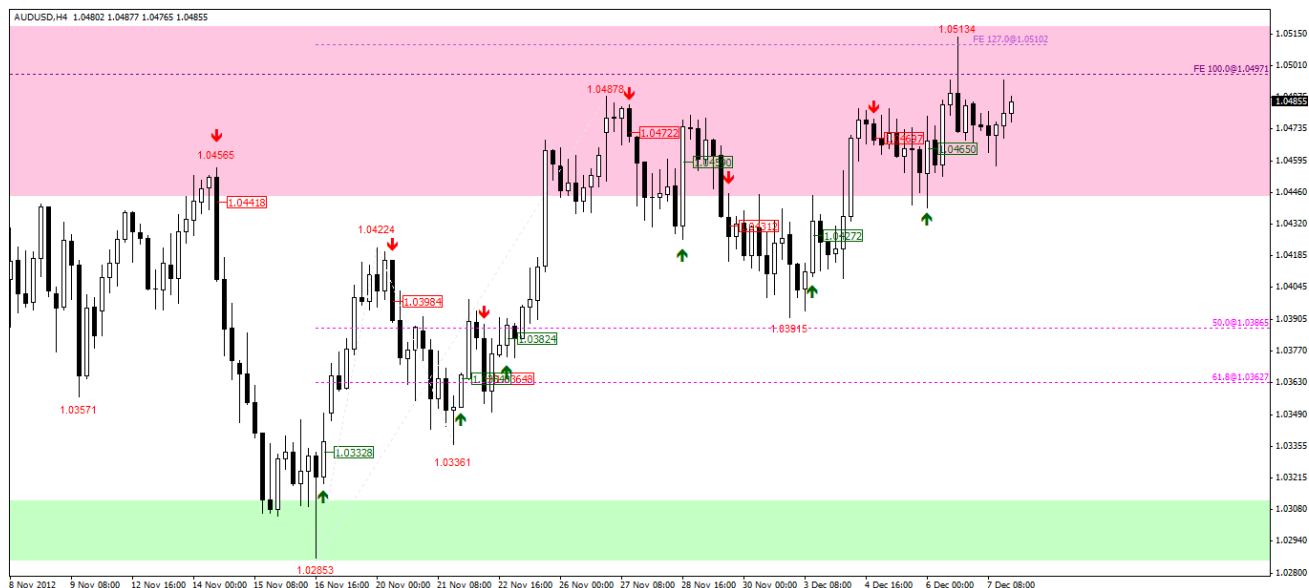
## AUD-USD The Big Picture

In the bigger picture, the rise from 0.47730 missed the 100.0% projection of 0.47730 to 0.98490 from 0.60084 at **1.10844** on July 27 by a mere 4.5 pips with a high at 1.10799. Price action since has been very choppy as it gyrates within an almost 1700 pips range between the all-time high and last October 4 low of **0.93809**. Overall, the broad sideways market since has sets of 3-waves structures, implying a period of consolidation between these two extreme points. Alternatively, it can also be said that price action since has been locked between the 100.0% projection of 0.47730 to 0.98490 from 0.60084 at **1.10844** and the 61.8% retracement of 0.80657 to 1.10799 at **0.92171**. The long-held view that this market is consolidating within a triangle will continue to be severely tested in the aftermath of the spike up to a 25-week high at **1.06239** on September 24. Price action traded to a 10-week high at 1.04878 this week before easing to end the week as a *bearish harami*. Should we have a weekly close below **1.03498** next, the stage is set for the next and (hopefully) final leg of the triangle pattern at wave E before an explosive breakout to the upside over the long-term. However, should price action extends beyond **1.06239** first, then all bets are off as the triangle pattern hypothesis is invalidated and this market may next gun for the all-time high at **1.10799** instead.

## AUD-USD DAILY



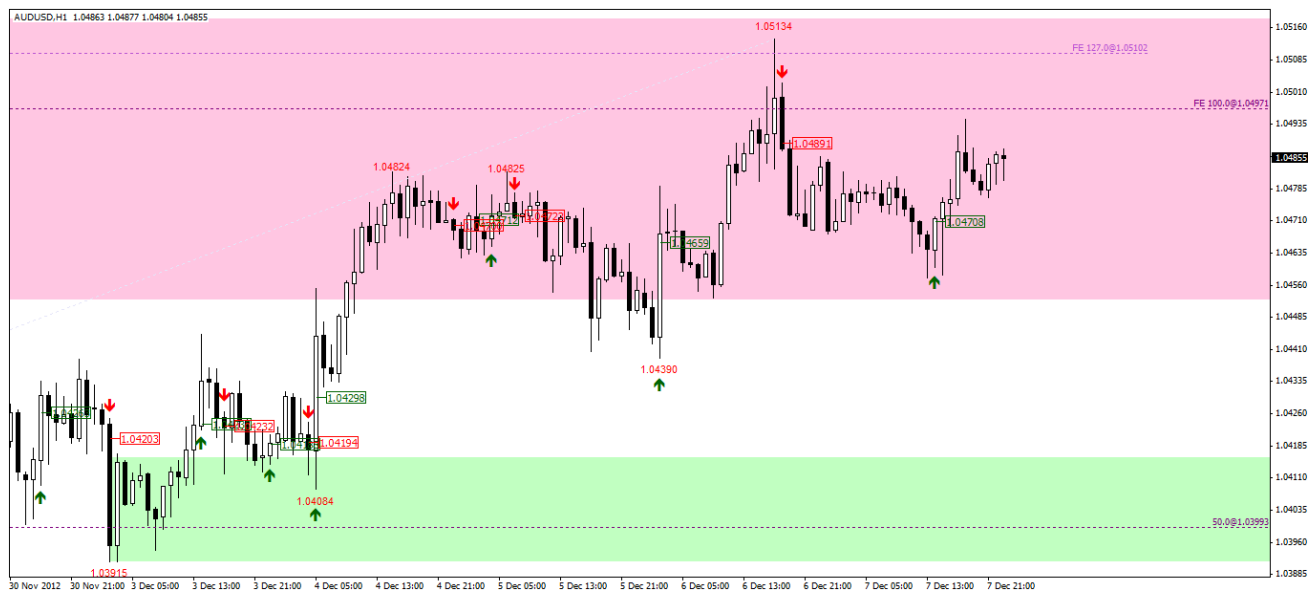
## AUD-USD 4-HOURLY



## AUD-USD Short to Medium Term Views

Despite RBA's interest rate cut on Thursday, this market continued to climb. In fact, a marginal new high was registered at 1.05134 on Thursday before easing somewhat. The fact that price action pulled back from this high may provide a clue. This is because this level is just above the 127.0% projection of 1.02853 to 1.04224 from 1.03361 at **1.05102**. As the 127.0% projection represents (to me) a ratio that often result in an 'overshoot' of a corrective move, any pullback from this level may suggest a termination point is in place. Though the signal seen in the H1 chart with a close below **1.04891** was neutralized in last night's uptick, the odds of a fall from here looks good. That plus the fact the risk/reward looks attractive with price action near the upper boundary of the supply pocket at **1.04526-1.04722** make selling an attractive proposition. Even if this short does not work out as planned, the idea is still to position shorts within the supply zone at **1.05675-1.06239**.

## AUD-USD 1-HOURLY



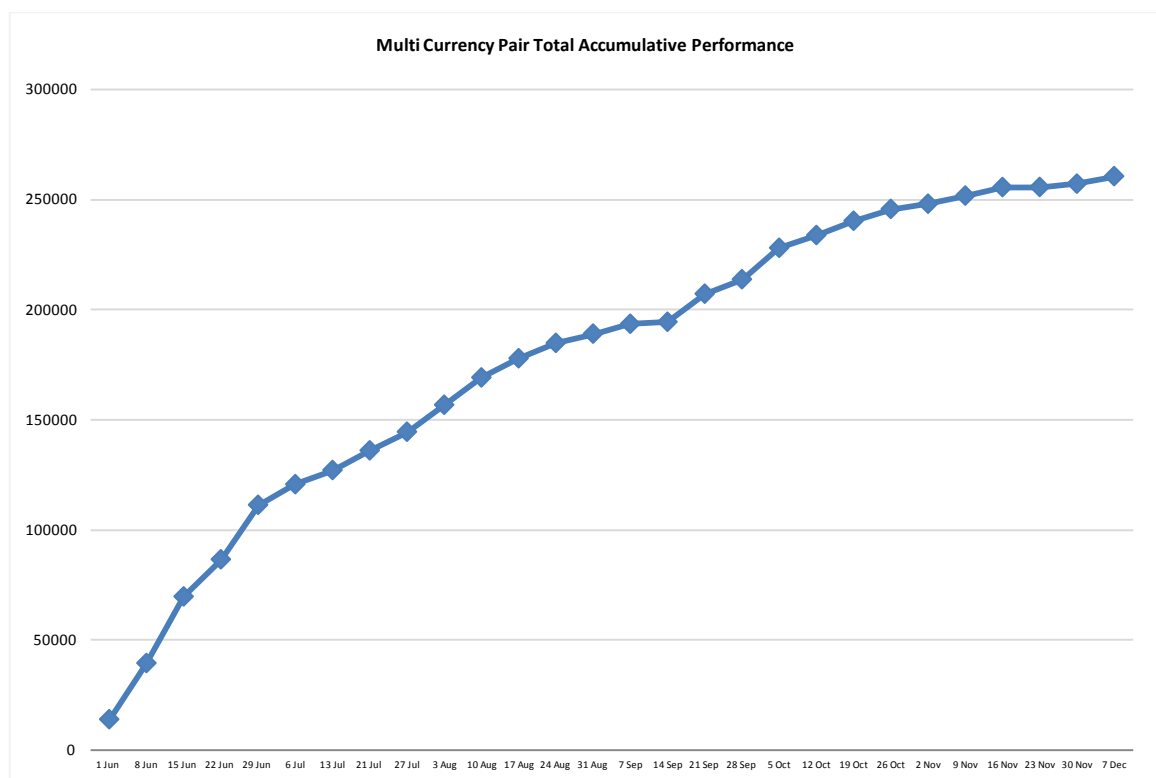
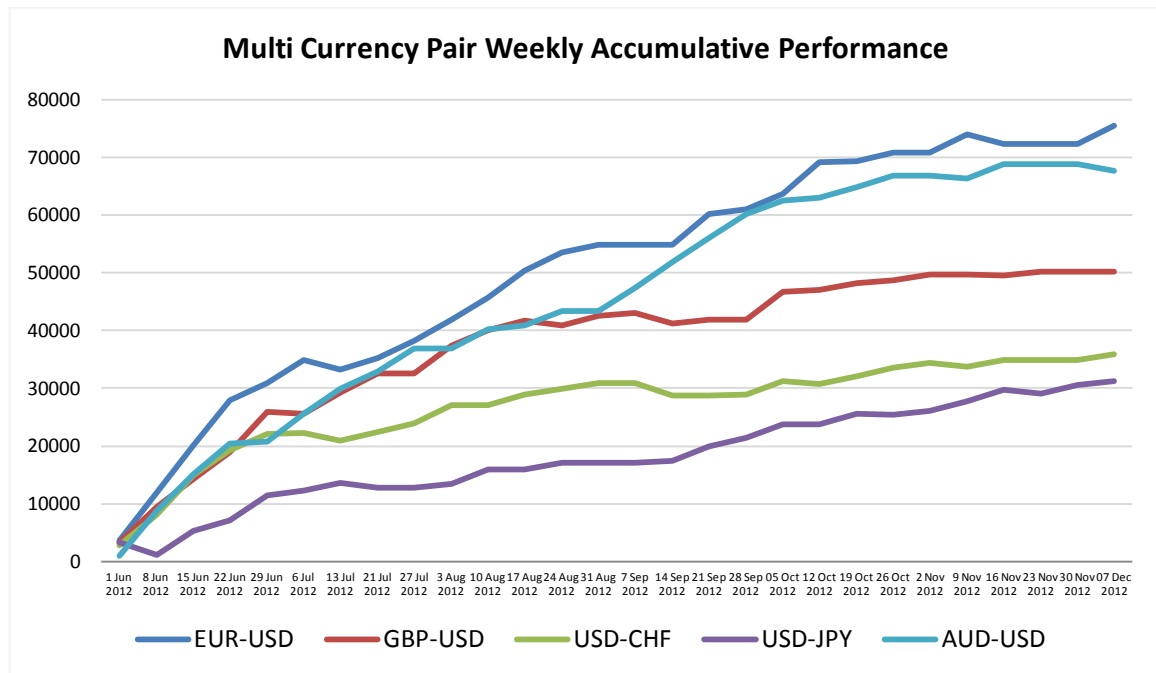
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.04891	1.04157	1.03118	1.05282 STOP

## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 30-11-2012								\$68,225.00
AUD-USD	06-12-2012	1.0	1.04925	05-12-2012	1.0	1.04643	-\$282.00		\$67,943.00
AUD-USD	06-12-2012	1.0	1.04925	05-12-2012	1.0	1.04643	-\$282.00	-\$564.00	\$67,661.00
AUD-USD	07-12-2012	1.0	1.04855	06-12-2012	1.0	1.04891	+\$36.00		
AUD-USD	07-12-2012	1.0	1.04855	06-12-2012	1.0	1.04891	+\$36.00		
Unrealized							+\$72.00		





## 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.

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.

Check out our website at

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

