

FOREX OUTLOOK

A Traders Academy International Publication

USD- JPY At 7 ½ Month High

The Japanese Yen fell across the board on weak Japanese export data and expectations of further monetary easing from the Bank of Japan. It fell to a 6-1/2 month low against the Euro and a 7-1/2 month trough versus the US Dollar.

EUR-JPY rose to a 6-1/2-month high on Wednesday as comments by Germany's chancellor spurred optimism that European leaders will reach an agreement on Greek funding.

EUR-JPY hit a peak of 105.867, its highest since early May, in thin pre-Thanksgiving holiday New York trading, up more than 1.10 percent on the day.

USD-JPY rose as high as 82.537, its strongest level since early April as the main opposition Liberal Democratic Party, tipped to win in a parliamentary election next month, pledged to push for further easing by the BOJ. It settled at 82.506, up 1.05 percent.

It broke through reported options barrier at 82.000, triggering stop-loss orders. It was USD-JPY sixth consecutive day of gains. The Yen was also hurt by data showing Japanese exports declined for a fifth month in succession, fanning concern the country may be slipping into recession.

Between a net trade and current account deficit, more money is now flowing out of Japan, which is extremely negative for the Yen. In fact, it is so negative that it completely overshadowed pre-positioning for the U.S. fiscal cliff.

If USD-JPY ends the year above 76.900, this would be the first positive year for the currency pair in six years.

EUR-USD dropped earlier after Greece's international lenders failed to reach agreement on releasing emergency aid as they haggled over how to reduce the country's debt to a sustainable level. It later trimmed losses after German Chancellor Angela Merkel said she saw chances of a deal at a meeting of European finance ministers on Monday.

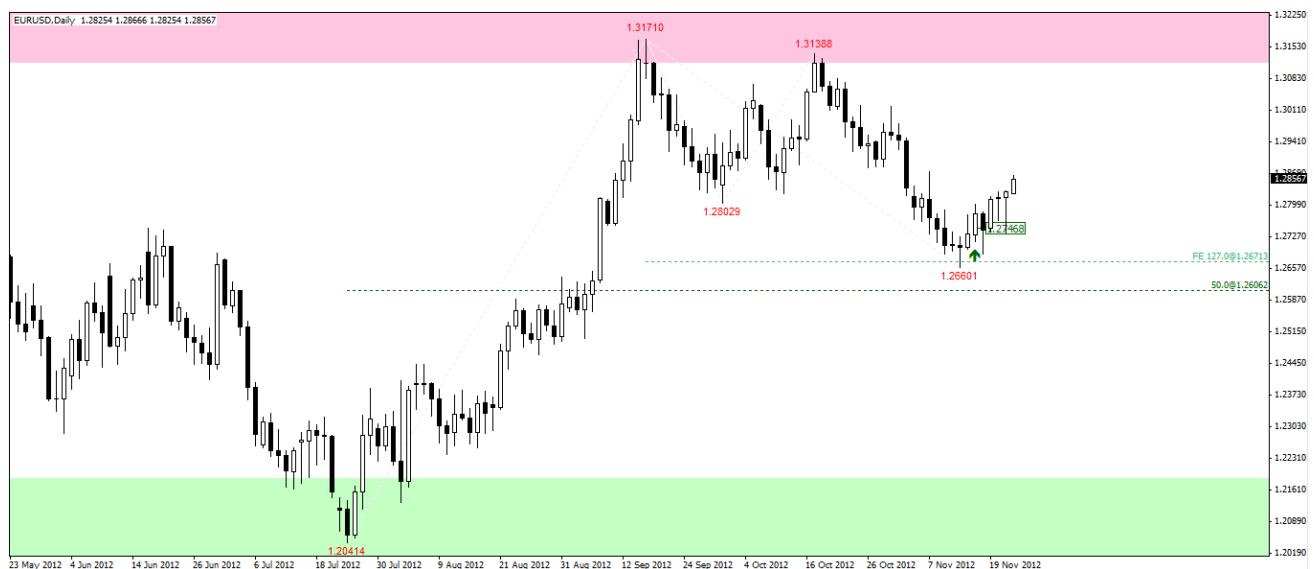
Perhaps the most important take-away from the failed talks was that it appears to have spurred a tactical shift by Germany. It seems more determined than it has been in making sure that the Greek program remains intact."

EUR-USD rose 0.08 percent to 1.28281, off a session low of 1.27356. The Euro has also been under pressure from recent economic data showing the Euro zone is in recession. Additional euro weakness stems from the uncertainty created by Spain, which has yet to request the financial aid many in markets think it needs. The country also faces a secessionist threat from a regional election in Catalonia on Sunday.

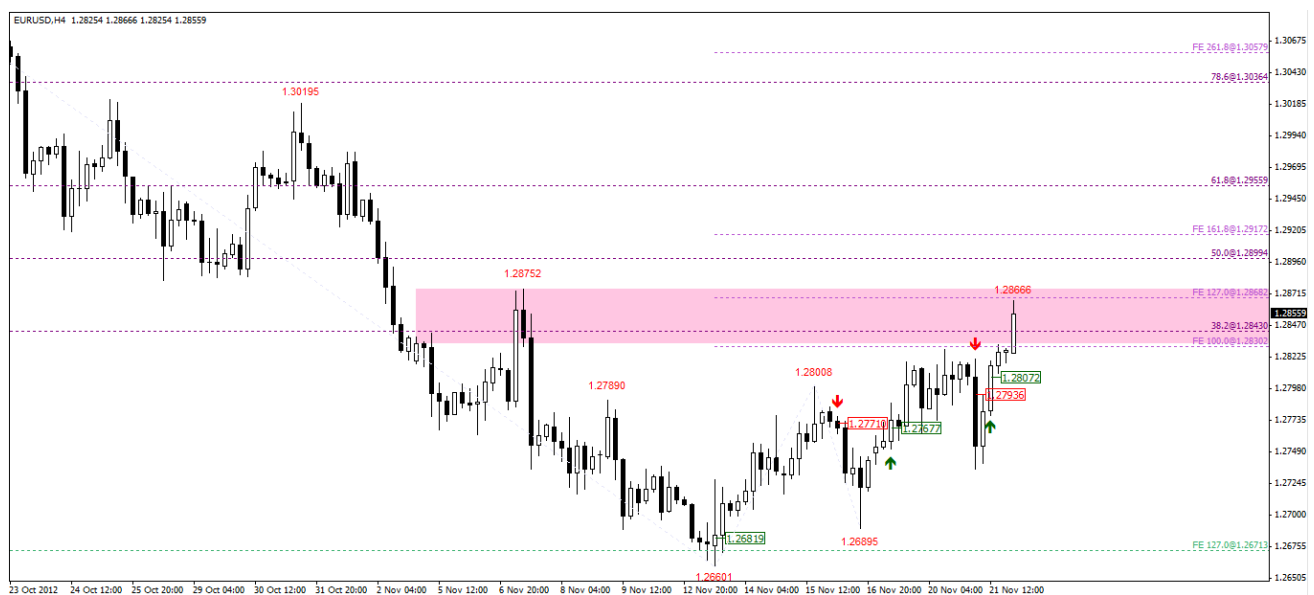
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EUR-USD DAILY



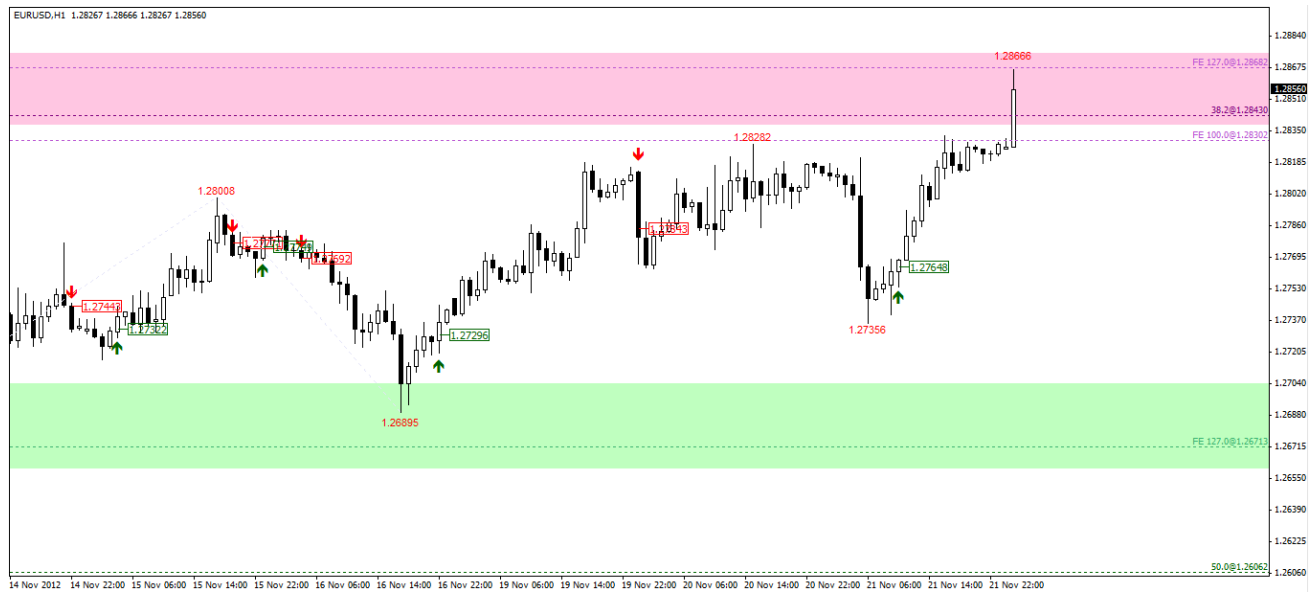
EUR-USD 4-HOURLY



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 received a kick earlier this morning in Asia trading. Price action rose into the supply pocket at **1.28381-1.28752**, passed the 38.2% retracement of 1.31388 to 1.26601 at **1.28430** and almost hit the 127.0% projection of 1.26601 to 1.28008 from 1.26895 at **1.28682**. 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). This price pocket presents a barrier to higher prices and if and when a reversal signal appears now, 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. The alternate view is that the 5th wave had failed at 1.31388 and that this market may unravel spectacularly going forward. As noted, 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. Likewise, the rise from 1.26601 also is not accompanied by any 5-wave structure – yet.

EUR-USD 1-HOURLY



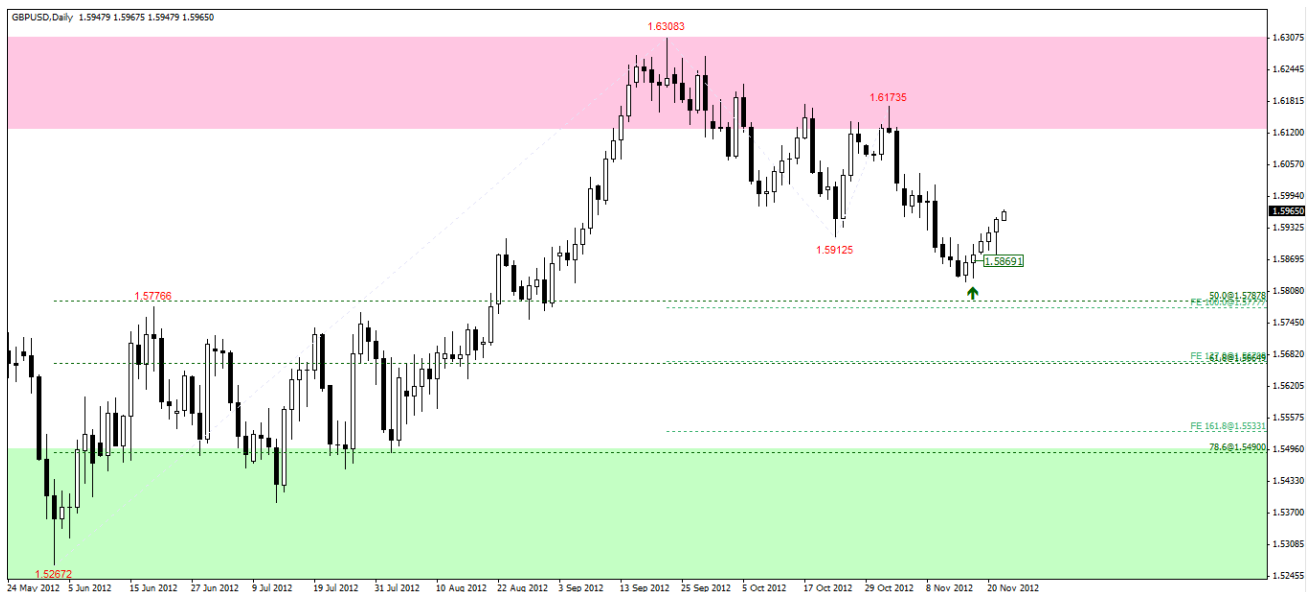
Trade Ideas

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

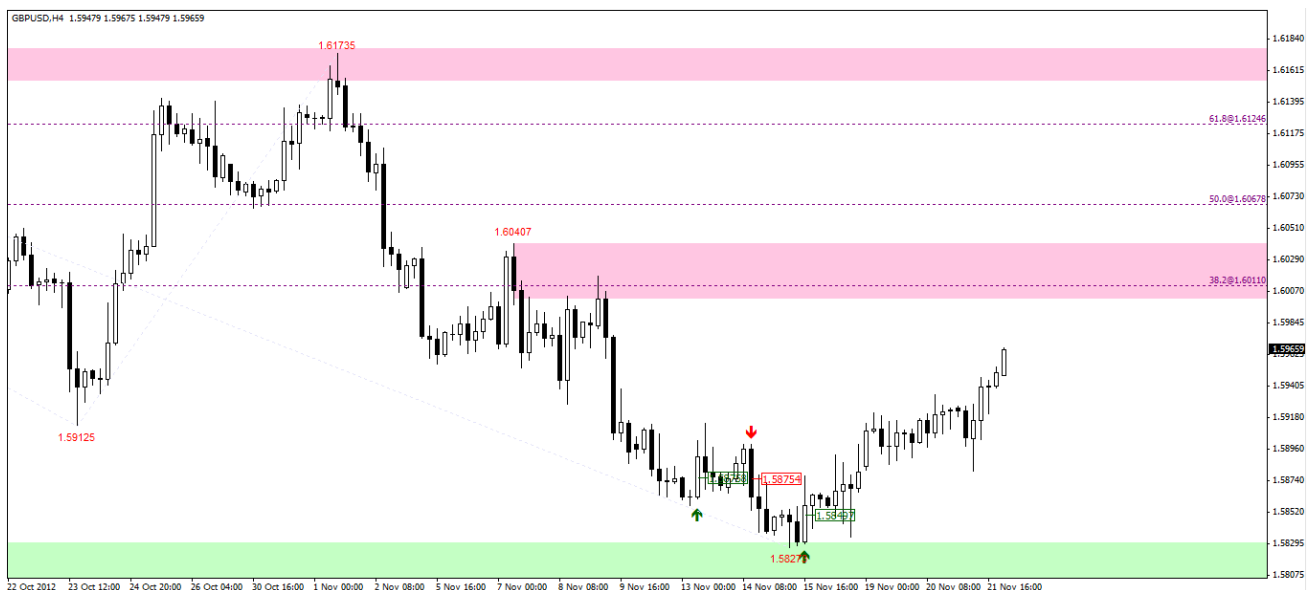
Weekly Performance

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



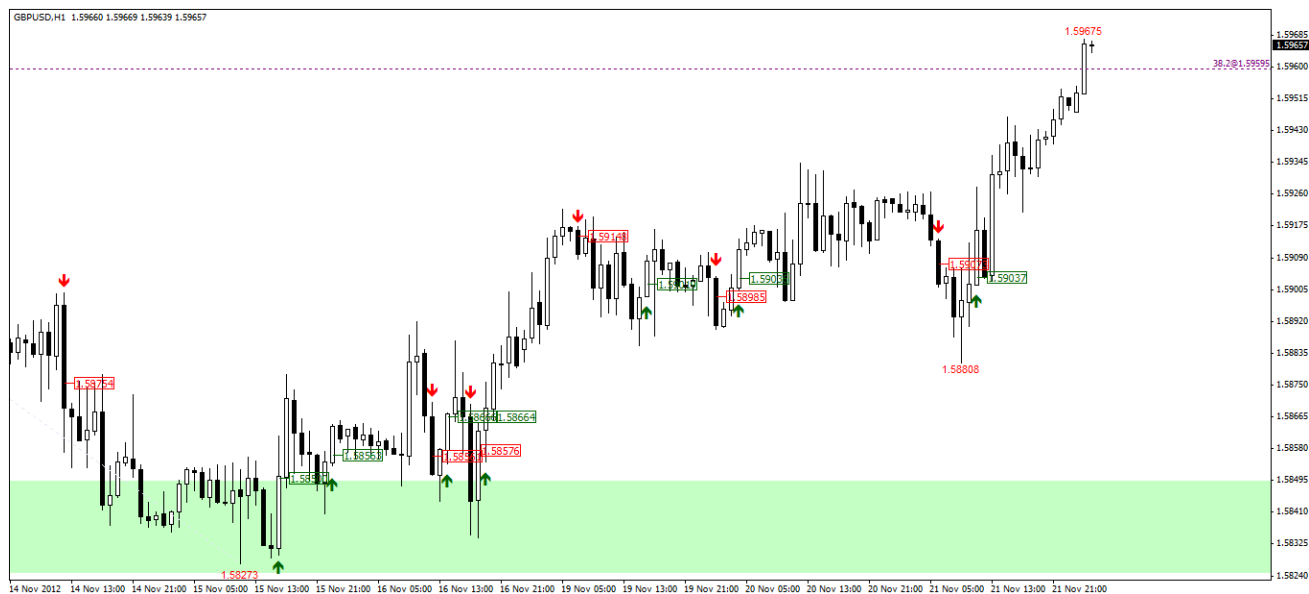
GBP-USD 4-HOURLY



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 with the sustained rally seen in the last 24 hours. This morning, price action took out 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, bolstering the bullish scenario. Though tentative prior to this morning rally, the recovery from last Thursday low of 1.58273 has a little bit of the impulsiveness needed to propel this market higher. As noted, price action needs to decisively clear the minor supply pocket at **1.59114-1.59283** to have any hope of a sustainable rally. With this barrier out of the way, focus is now on the next supply pocket at **1.60063-1.60407**, where the 61.8% retracement of 1.61735 to 1.58273 at 1.60413 is located. Unlike the minor supply pocket at **1.59114-1.59283**, this barrier is a much more formidable barrier to overcome and may cap this run in the short-term.

GBP-USD 1-HOURLY



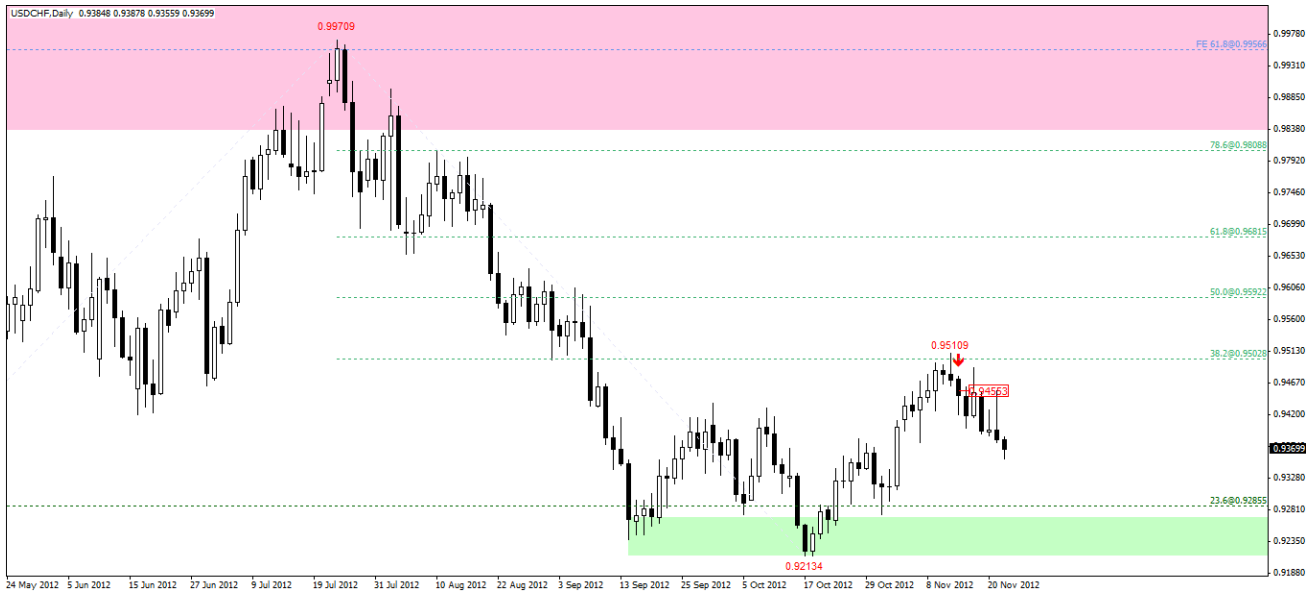
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59037	1.60063	1.61396	Break-even

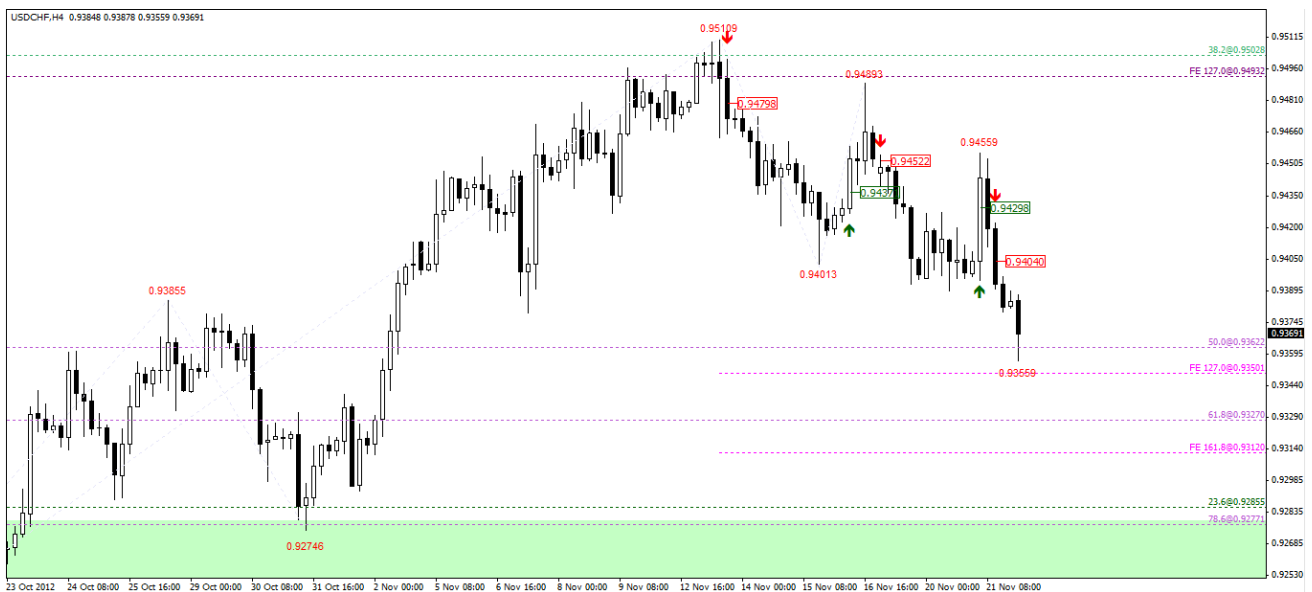
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 16-11-2012								\$49,565.00
GBP-USD	21-11-2012	1.0	1.59214	21-11-2012	1.0	1.59073	-\$141.00		\$49,424.00
GBP-USD	21-11-2012	1.0	1.59214	21-11-2012	1.0	1.59073	-\$141.00	-\$282.00	\$49,283.00
GBP-USD	21-11-2012	1.0	1.59037	21-11-2012	1.0	1.59498	+\$461.00		
GBP-USD	21-11-2012	1.0	1.59037	21-11-2012	1.0	1.59498	+\$461.00		
Unrealized							+\$922.00		

USD-CHF DAILY



USD-CHF 4-HOURLY



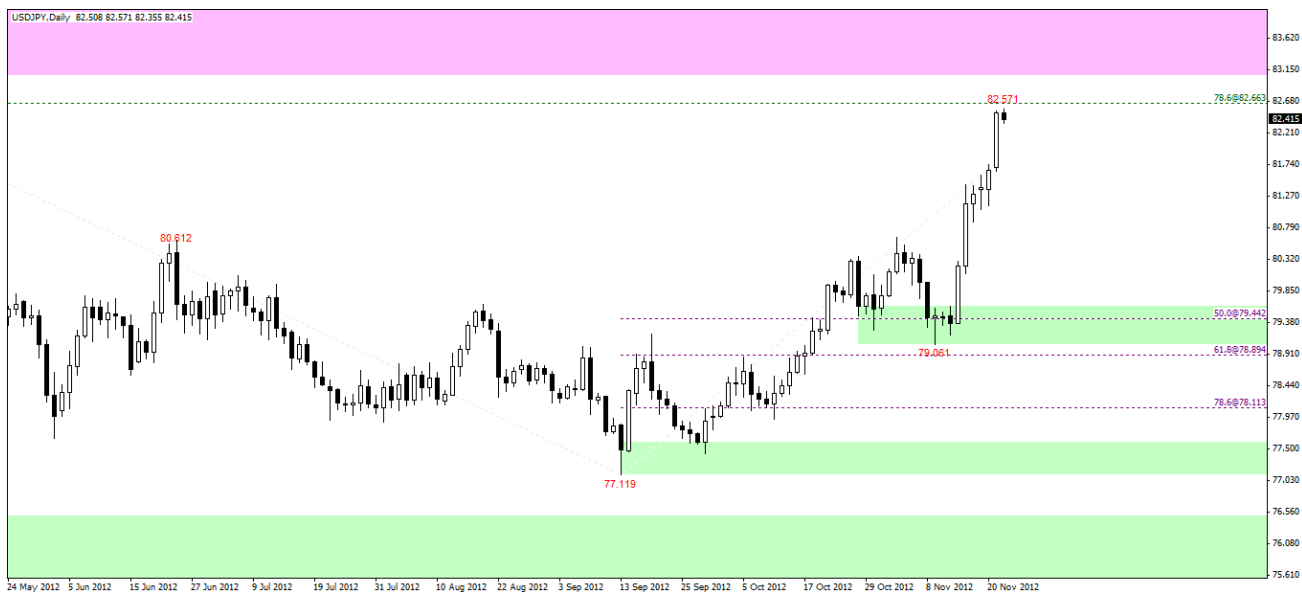
USD-CHF Short to Medium Term View

Early Tuesday morning saw a spike in price in the early morning of the Sydney session. This unusual movement was attributed to a kneejerk reaction to the cut in France's sovereign rating. A buy signal was triggered with a close above **0.94183** in the H1 chart as a result of this spike. However, there was no follow-through buying and price action remained largely within the demand pocket of **0.93792-0.94380**. Price action received a boost to a high of 0.93878 and eased. This easing snowballed into a cascade and collapsed below the demand pocket of **0.93792-0.94380**. A fortnight ago, this market closed at a 10-week high and 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. This come with little surprise as the confluence of Fibonacci ratios like the one we saw makes price action very sensitive to reversal. At the point of writing, this market has hit the 50.0% of 0.92134 to 0.95109 at **0.93622** as well as the 61.8% retracement of 0.92746 to 0.95109 at **0.93649** (see H1 chart). If this price window cannot hold this fall, further losses to the demand pocket at **0.92746-0.92975** is anticipated.

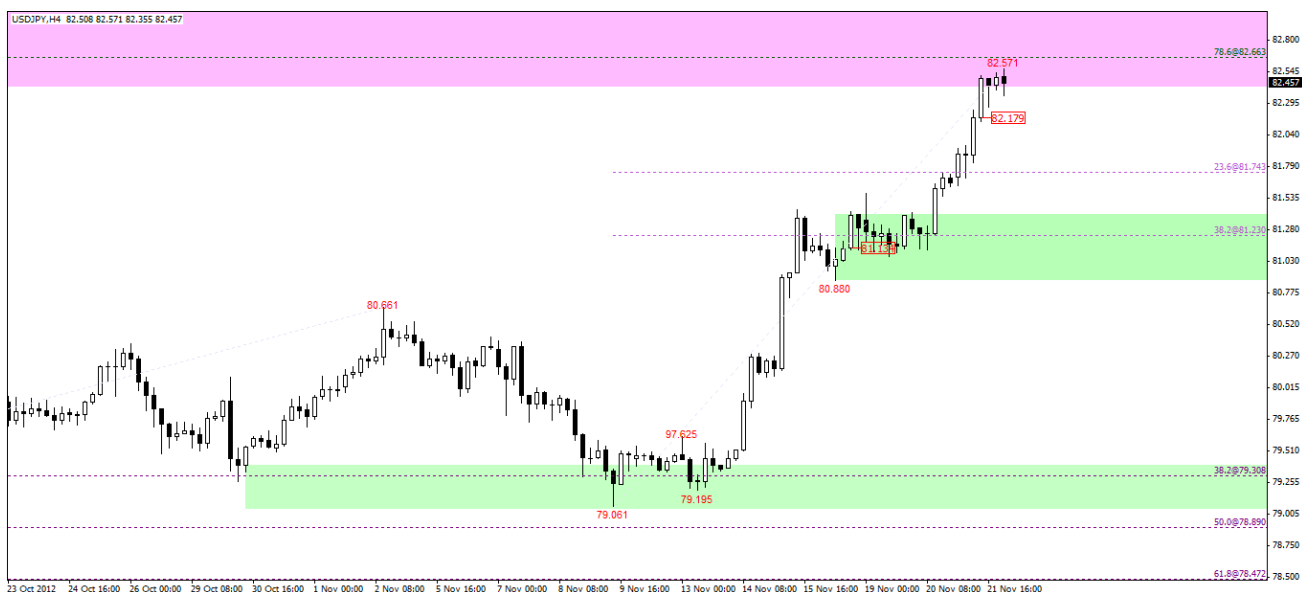
ACTION	Target 1	Target 2	EXIT
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Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$34,932.12
USD-CHF	20-11-2012	1.0	0.94183	21-11-2012	1.0	0.94183			
USD-CHF	20-11-2012	1.0	0.94183	21-11-2012	1.0	0.94183			
						Unrealized	\$0.00		

USD-JPY DAILY



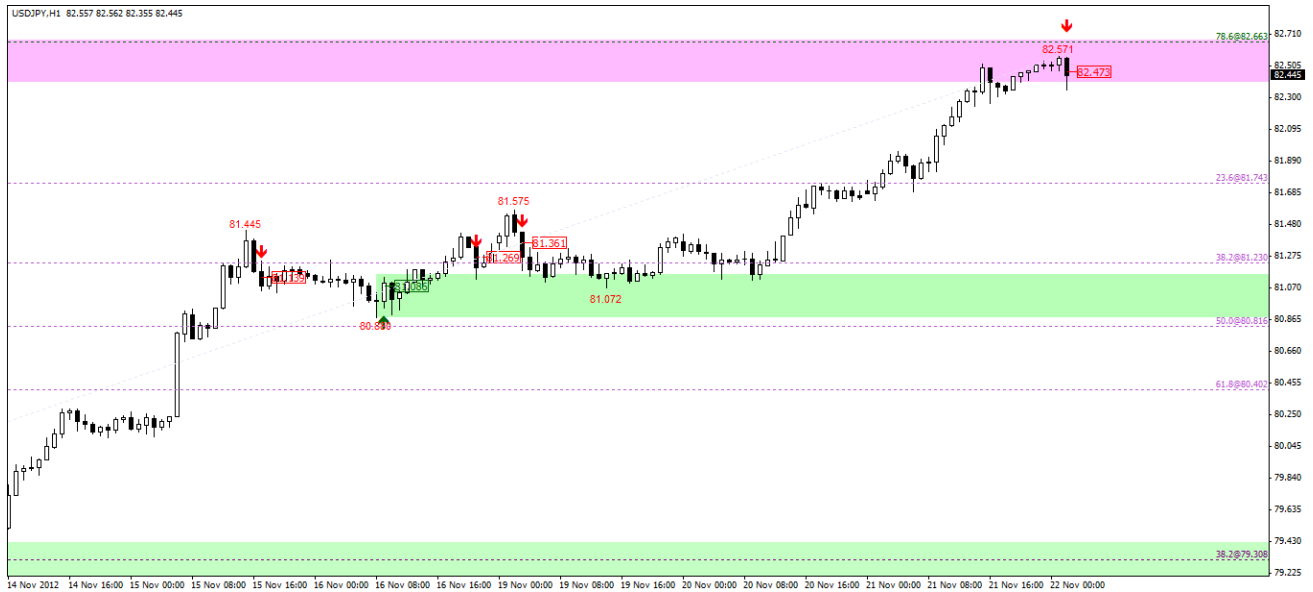
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The meteoric rally has driven price action beyond an ancient longer-term supply pocket at **81.366-81.858** and stop shy of the 78.6% retracement of 84.172 to 77.119 at **82.663** this morning. The 78.6% Fibonacci retracement ratio represents, to me, the maximum allowance retracement of a move and is thus highly sensitive to a reversal. This level is in turn located within a supply pocket at **82.424-83.380**. Taken together, this is when this market is most vulnerable to a correction. With the year's high **84.172** last seen in March in sight and with less than 5 weeks before the year-end, this market is on target to see a positive year for the first time 6 years. Over the long-term, this bullish bias has a 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. In the meantime, should a pullback occur now; a minimum target is the 23.6% retracement of 79.061 to 82.571 at **81.743** followed by the 38.2% retracement level at **81.230**.

USD-JPY 1-HOURLY



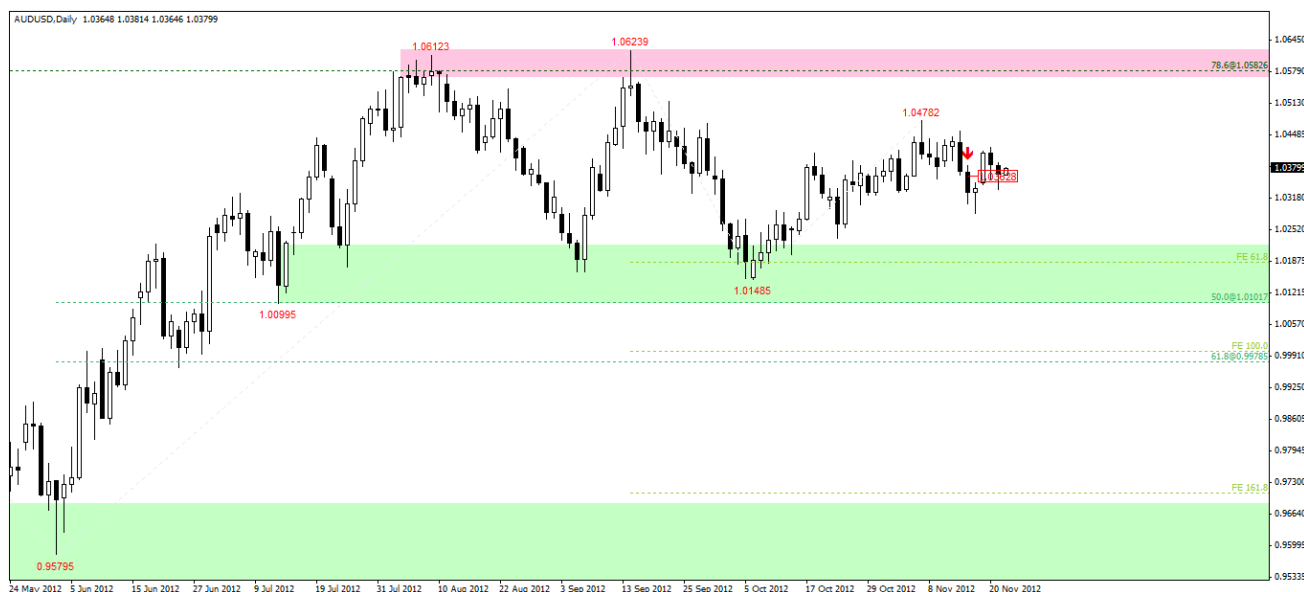
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 82.473	81.780	81.230	82.763 STOP

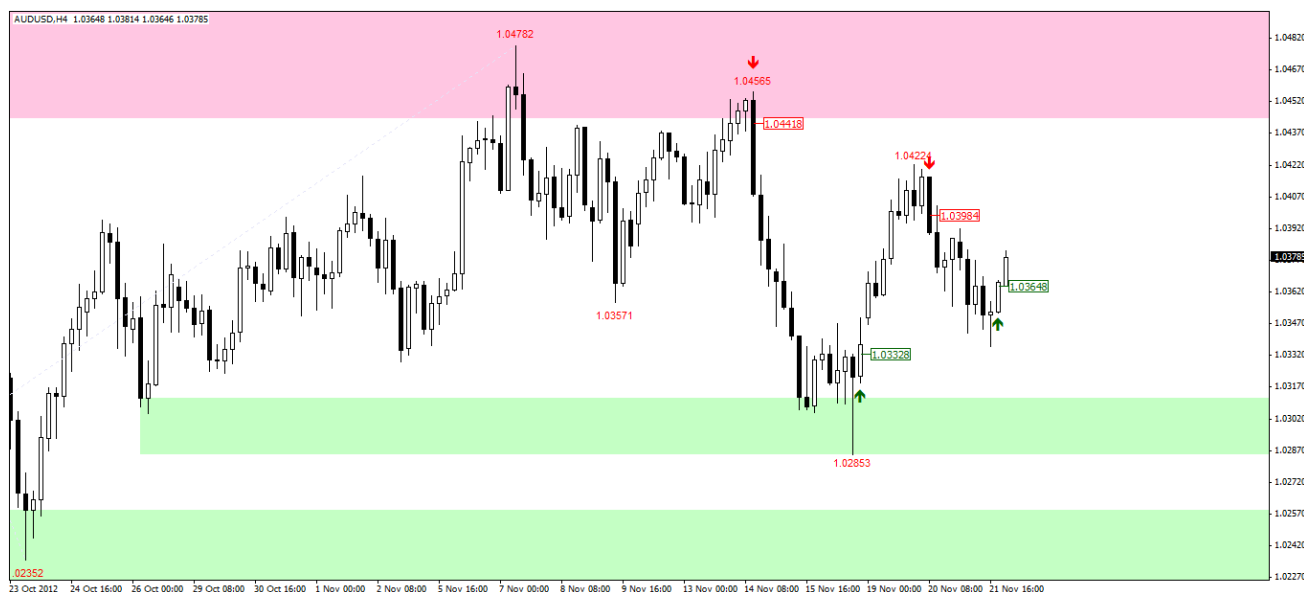
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 16-11-2012								\$29,722.53
USD-JPY				21-11-2012	1.0	82.473			
USD-JPY				21-11-2012	1.0	82.473			
						Unrealized	\$0.00		

AUD-USD DAILY



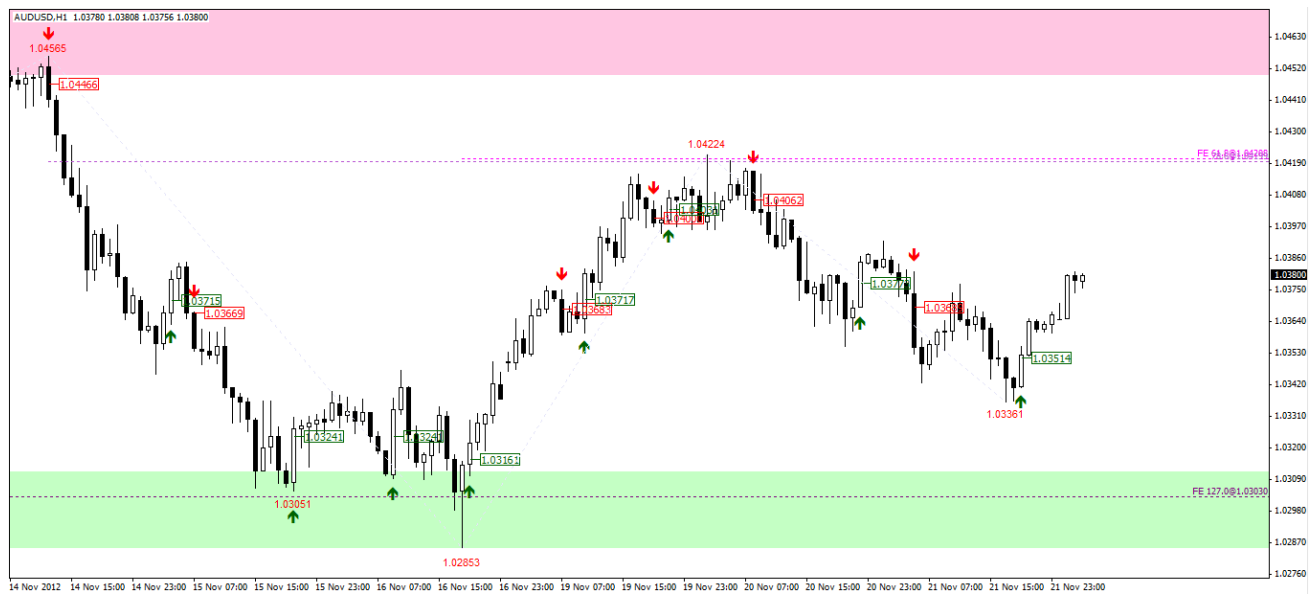
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

This market continues to consolidate between a roughly 500 pips range as seen in the D1 chart. The last 48 hours has seen a 3-wave corrective fall from a rally that has its roots from last Thursday's low at 1.02853. That rally stalled at the 78.6% retracement of 1.04565 to 1.02853 at **1.04199**. In pre-Thanksgiving holiday trading overnight, buying interests emerged around NY midday and has carried forward into Asia trading session this morning and remained well bid. This rise 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. But on closer inspection, a confluence of Fibonacci ratios at the 78.6% retracement of 1.04565 to 1.02853 at **1.04199** and the 61.8% projection of 1.02853 to 1.04224 from 1.03361 at **1.04208** suggests that stiff resistance may be seen at this price window (see H1 chart). Ideally, though, this market rallies into the supply pocket at **1.04486-1.04722** and a short position there may be worth taking.

AUD-USD 1-HOURLY

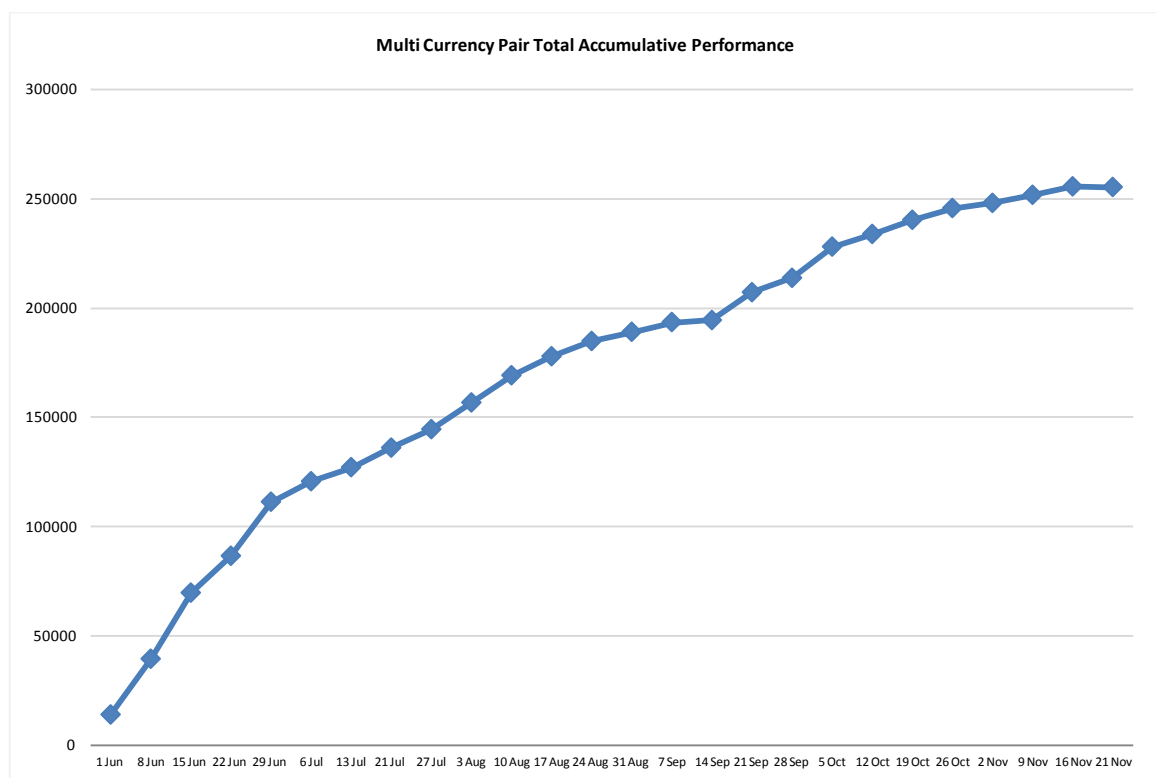
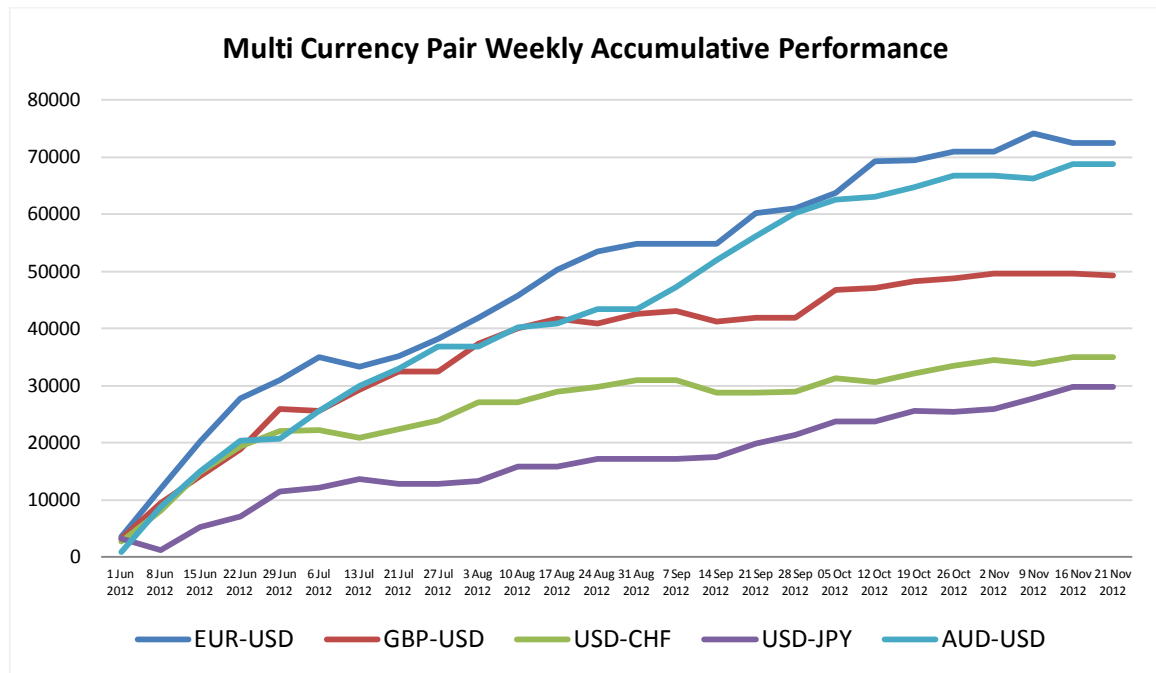


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal between 1.02853-1.03118	1.04119	1.04496	1.02753 STOP

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.
