

*A Traders Academy International Publication*

## Eurozone Weighs Capital Control

Rumours of European finance officials having plans to limit the size of withdrawals from ATM machines and imposing border checks and introducing Euro zone capital controls as a worst-case scenario should Greece decide to leave the Euro are getting louder by the day. The ideas are part of a range of contingency plans. EU officials emphasised that the discussions were merely about being prepared for any eventuality rather than planning for something they expect to happen.

But with increased political uncertainty in Greece following the inconclusive election on May 6 and ahead of a second election on June 17, there is now an increased need to have contingencies in place.

The discussions have taken place in conference calls over the past six weeks, as concerns have grown that a radical-left coalition, SYRIZA, may win the second election, increasing the risk that Greece could renege on its EU/IMF bailout and therefore move closer to abandoning the currency.

No decisions have been taken on the calls, but members of the Eurogroup Working Group, which consists of Euro zone deputy finance ministers and heads of treasury departments, have discussed the options in some detail.

Belgium's finance minister, Steve Vanackere, said at the end of May that it was a function of each Euro zone state to be prepared for problems. These discussions have been in that vein, with the specific aim of limiting a bank run or capital flight. As well as limiting cash withdrawals and imposing capital controls, they have discussed the possibility of suspending the Schengen agreement, which allows for visa-free travel among 26 countries, including most of the European Union.

The vast majority of Greeks - some surveys have indicated 75 to 80 percent - like the Euro and want to retain the currency, something Greek politicians are aware of and which may dissuade them from pushing the country too close to the brink.

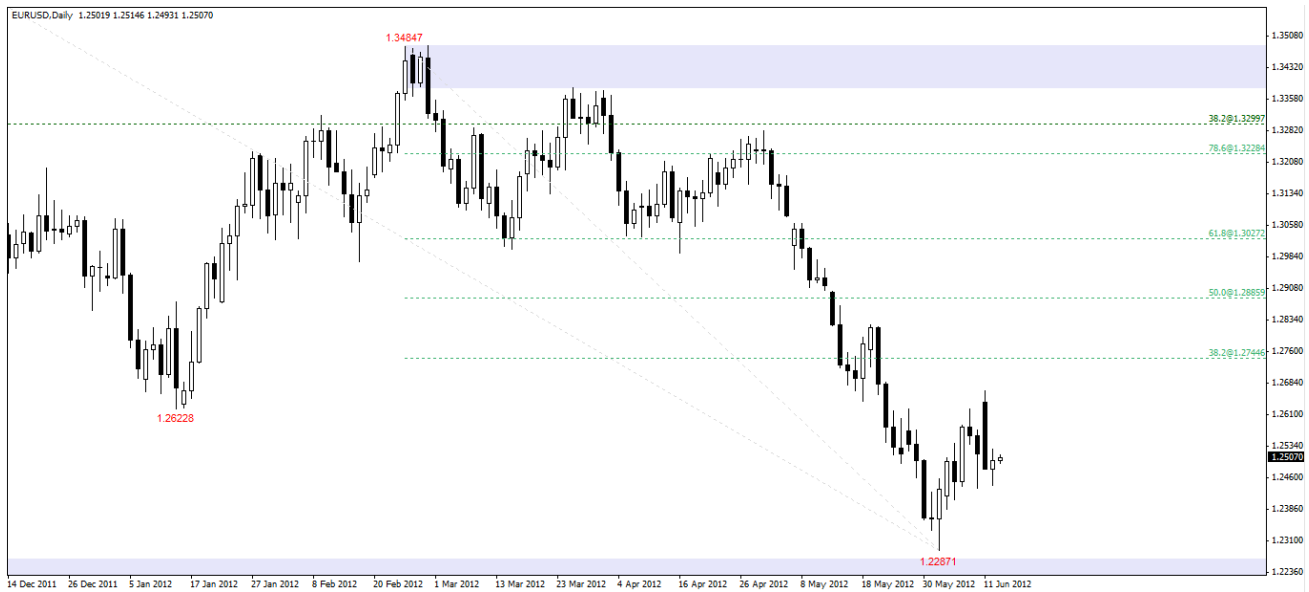
However, SYRIZA is expected to win or return a strong second on June 17. Alexis Tsipras, the party's 37-year-old leader, has said he plans to tear up or heavily renegotiate the €130-billion bailout agreed with the European Union and International Monetary Fund. The EU and IMF have said they are not prepared to renegotiate. If those differences cannot be resolved, the threat of Greece leaving or being forced out of the Euro will remain, and hence the need for contingencies to be in place.

Switzerland said last month it was considering introducing capital controls if the Euro falls apart.

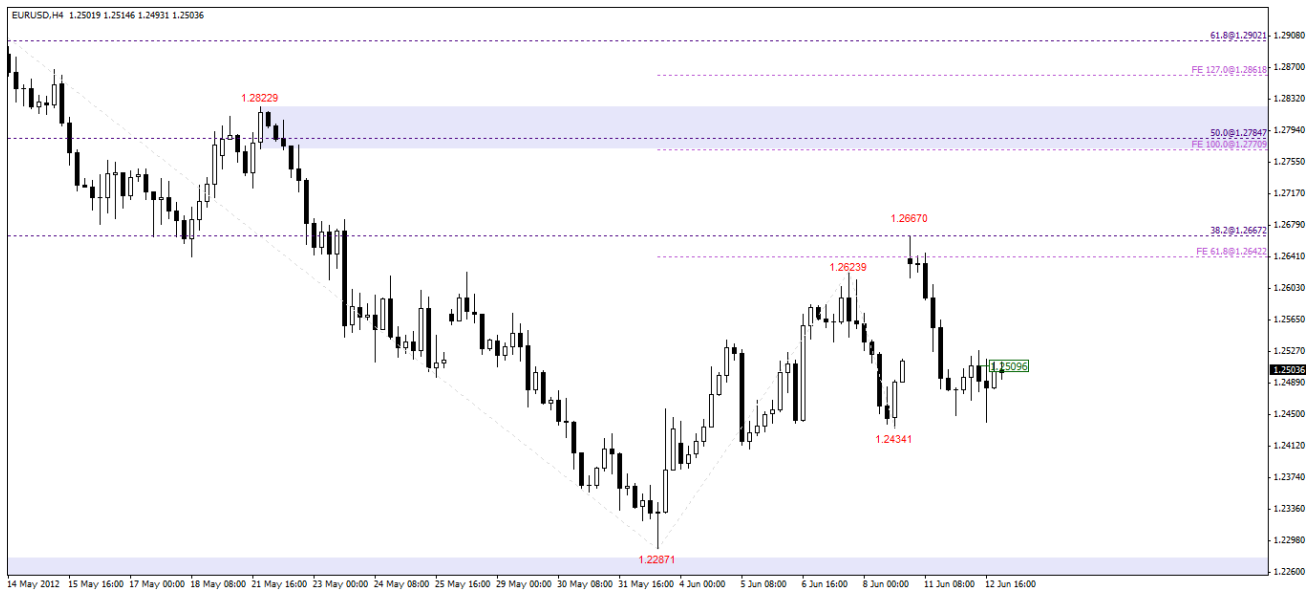
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## EUR-USD DAILY



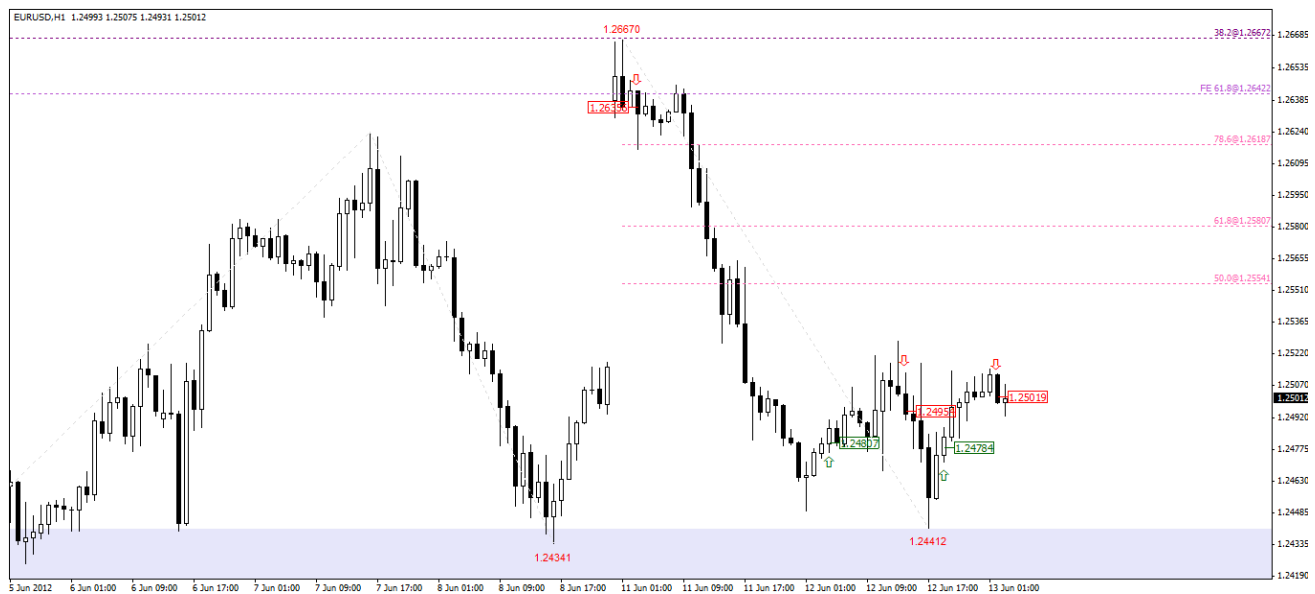
## EUR-USD 4-HOURLY



## EUR-USD Short to Medium-Term Views

Since Monday's opening spike to 1.26670, price action has drifted lower in choppy trading on Tuesday. Price action came close to a minor DZ at **1.24096-1.24407** with an intraday low of 1.24412 in early NY session and rebounded. There is a good chance this market will continue to drift in the absence of any concrete resolution to the Greece and Spanish debt issues before this Sunday Greek election. Overall, the mildly bullish bias remains intact unless the daily chart has a daily close below **1.24513**. That said, should price action falls below last week's low at **1.22871** next, it would suggest that the fall from 1.34847 has resumed with a possible target at the 50.0% retracement of 0.82250 to 1.60370 at **1.21315** - before attempting the longer-term target at the 61.8% retracement of 0.82250 to 1.60370 at **1.12092**. In between these two targets, lies a major DZ at **1.18846-1.19770**.

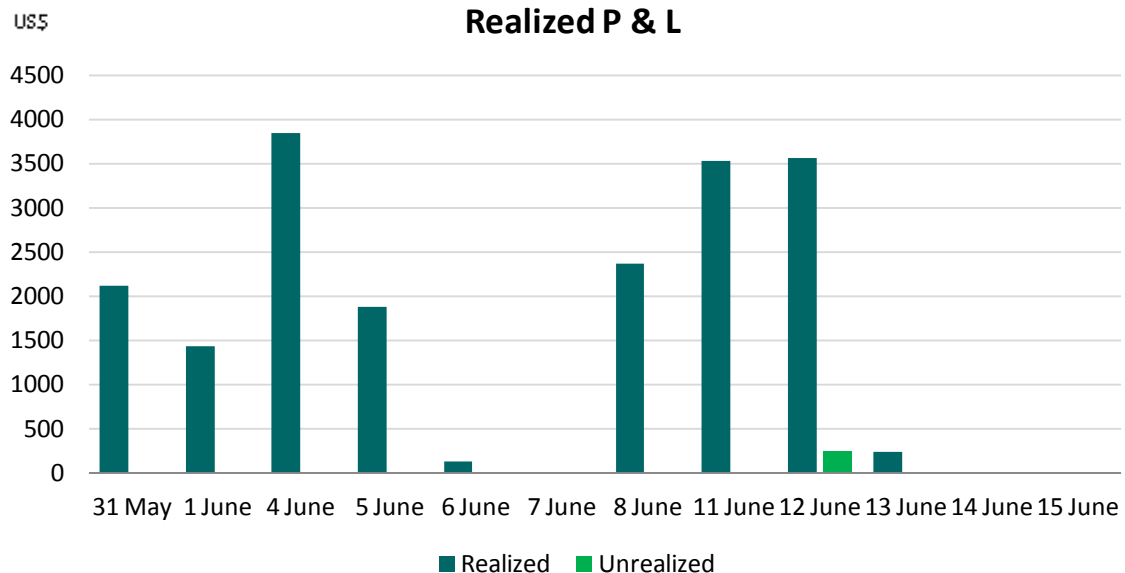
## EUR-USD 1-HOURLY



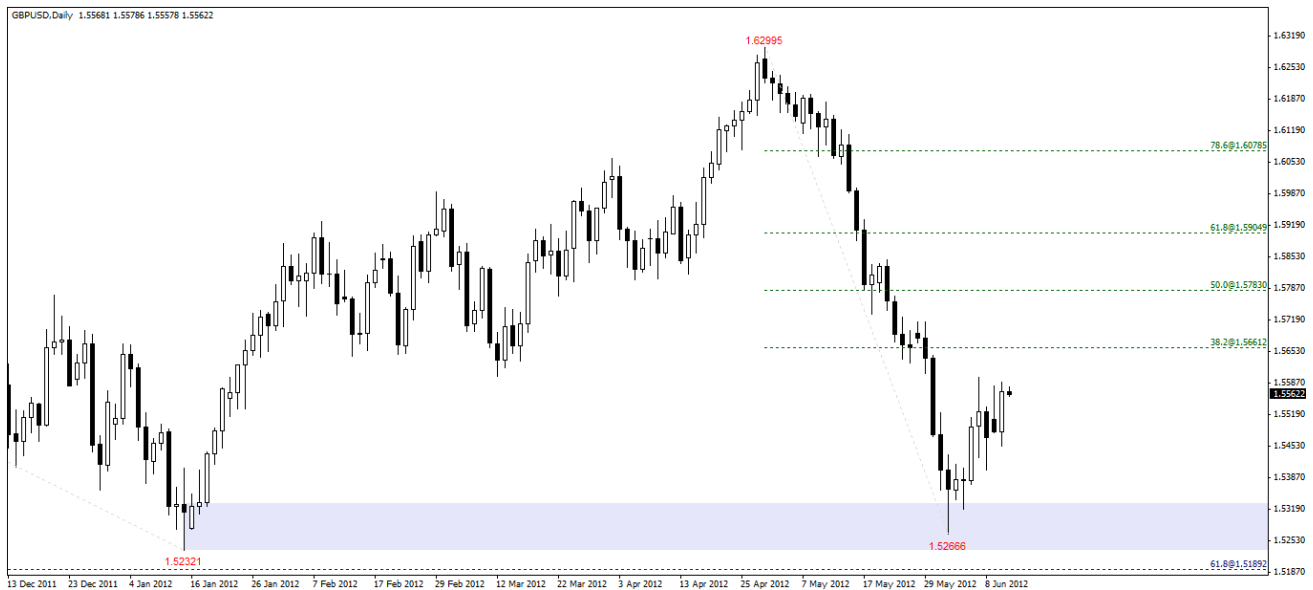
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.25019	1.24407	1.22774	1.25375 STOP

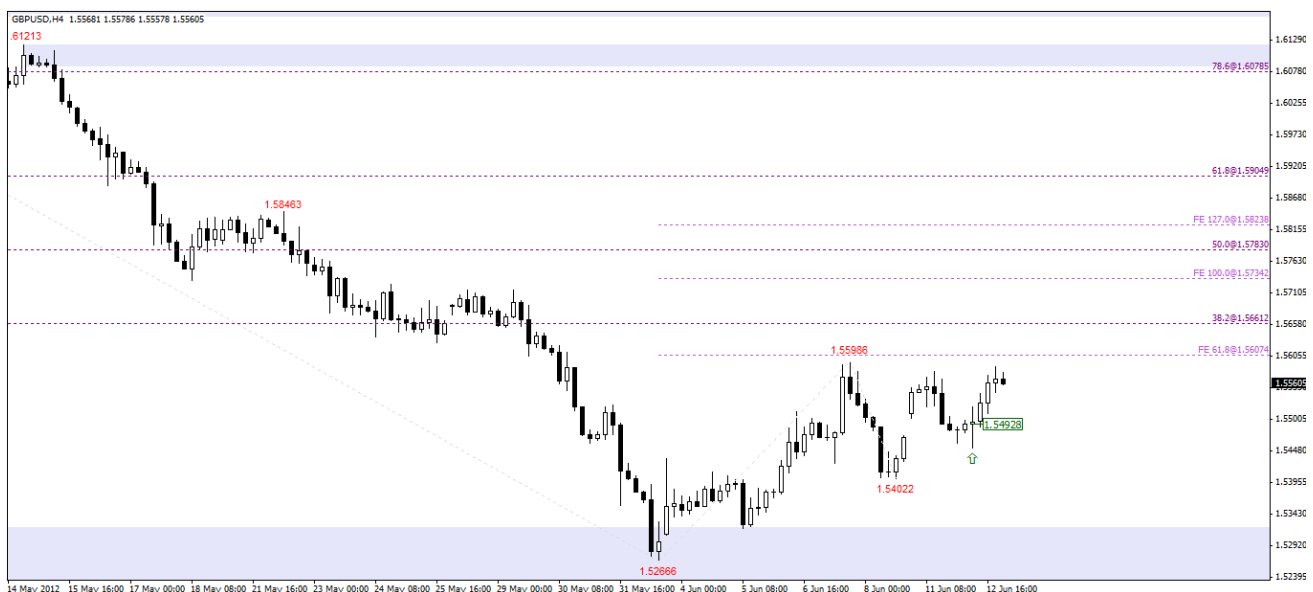
## EUR-USD Realized P & L



## GBP-USD DAILY



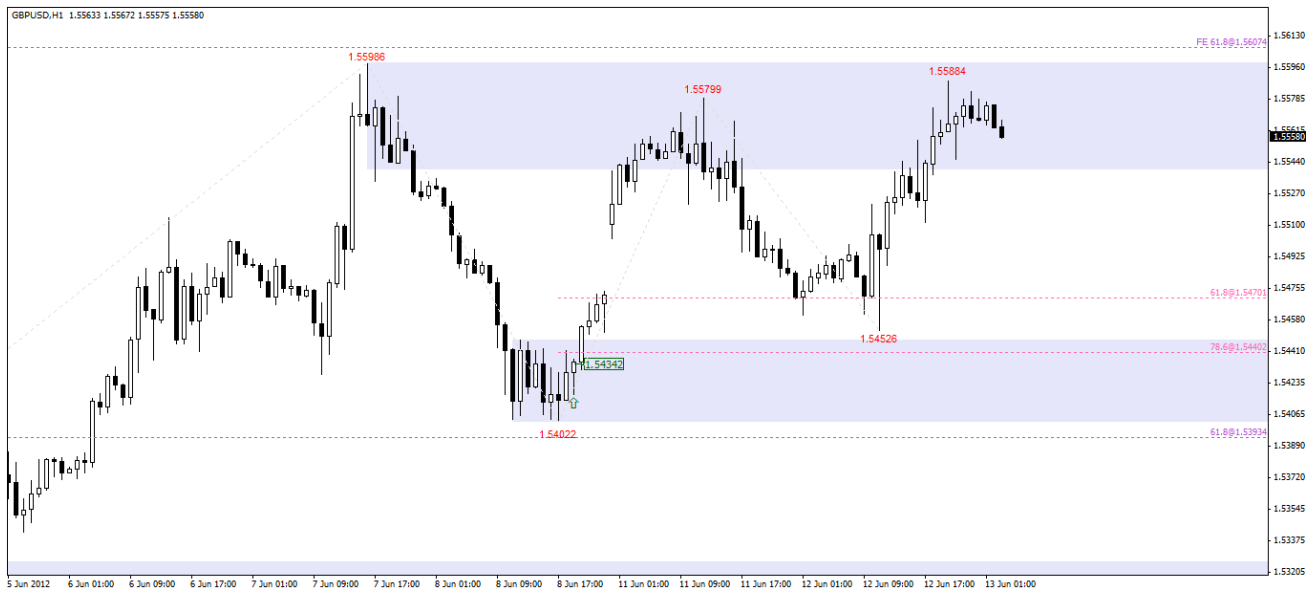
## GBP-USD 4-HOURLY



## GBP-USD Short to Medium Term Views

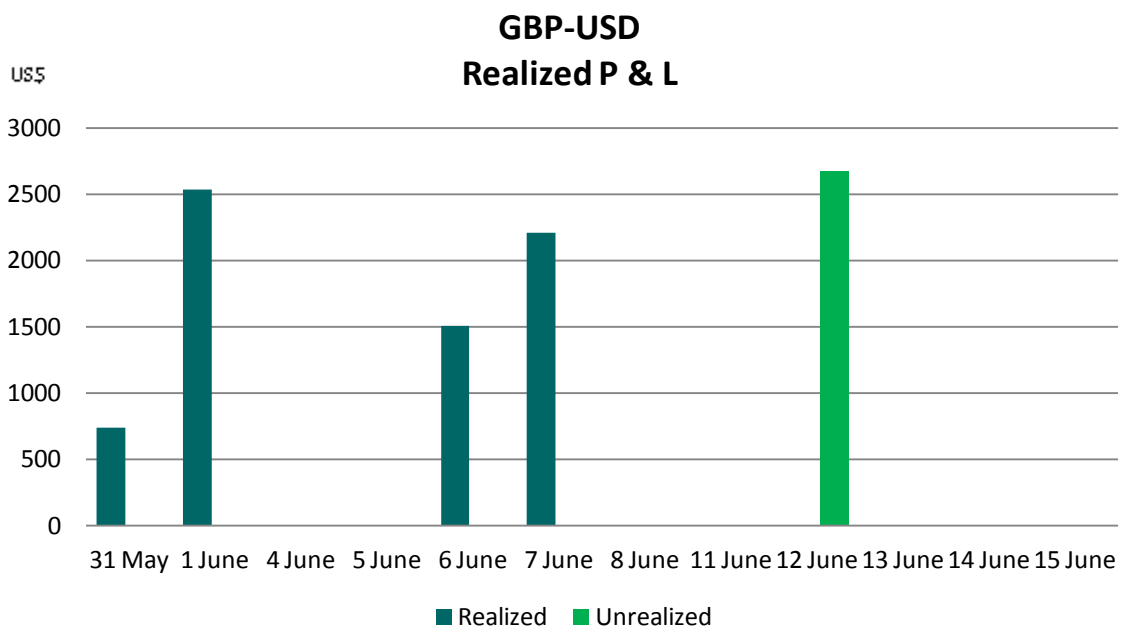
Price action managed a marginal low at 1.54526 in the London session and ended as a hammer in the H1 chart. From there, price action steadily climbed into the overhead SZ at **1.55401-1.55986**, above Monday's high of 1.55779 with a print at 1.55884. As noted, this counter-trend rally has pulled back some 61.8% of the rise from 1.52666 at 1.53934 with a print at 1.54022 last Friday and may be setting the stage for possibly another assault at last week's high of **1.55986**. After narrowly missing out on this target on Monday, it now appears this bullish scenario is back on track. The ideal scenario is for price action to stretch to the SZ at **1.58087-1.58463**; where the 127.0% projection of 1.52666 to 1.55986 from 1.54022 at **1.58238** lies. These levels in turn lay just above the 50.0% retracement of 1.62995 to 1.52666 at **1.57830**. From there, medium-term short positions can be positioned for an anticipated resumption of the fall from 1.62995. This bearish scenario assumes, of course, there is no acceleration to the upside beyond this SZ.

## GBP-USD 1-HOURLY

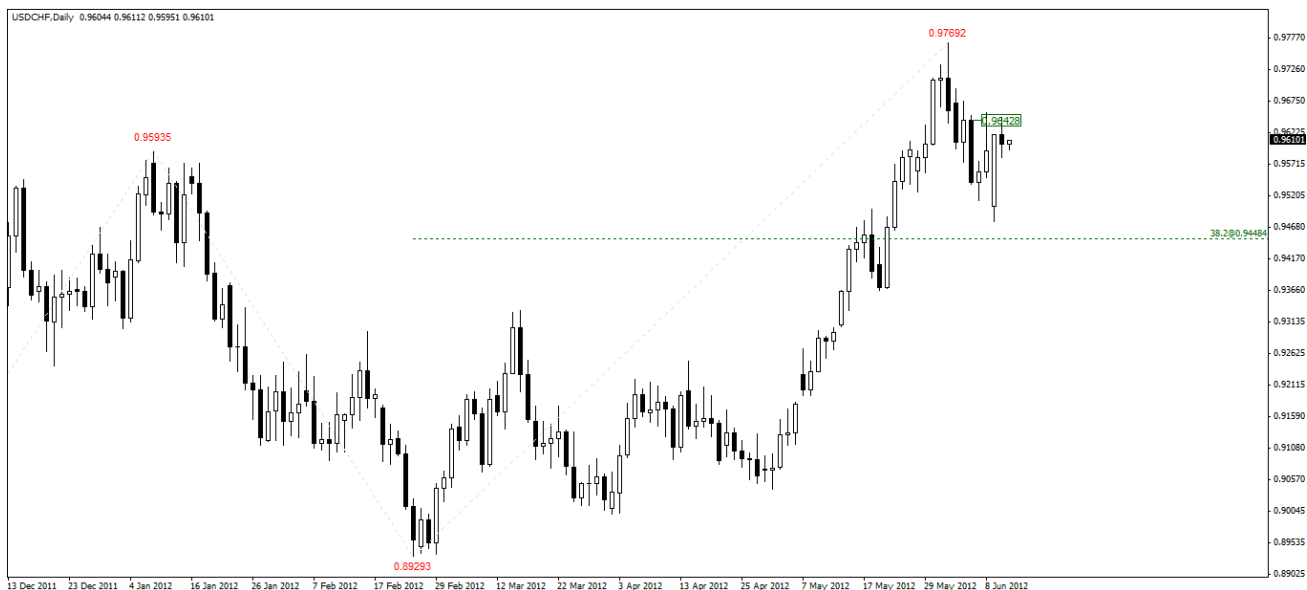


## Trade Ideas

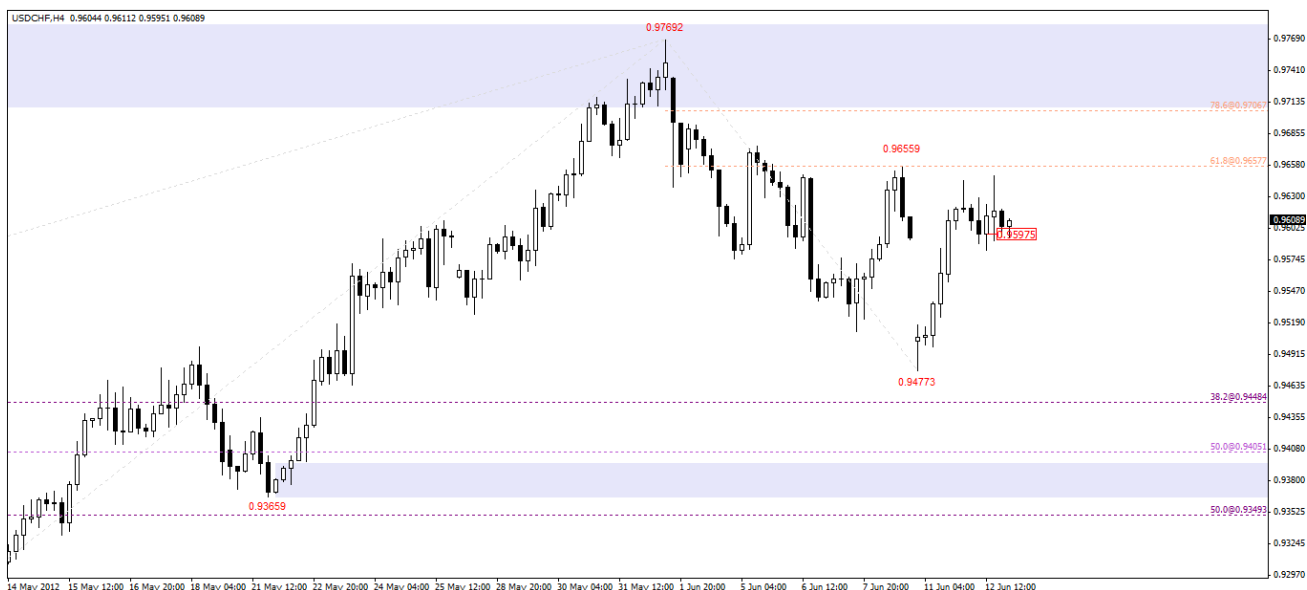
ACTION	Target 1	Target 2	EXIT
Bought @ 1.54342	1.56054	1.58087	Exit on 4-hour close below 1.55277



## USD-CHF DAILY



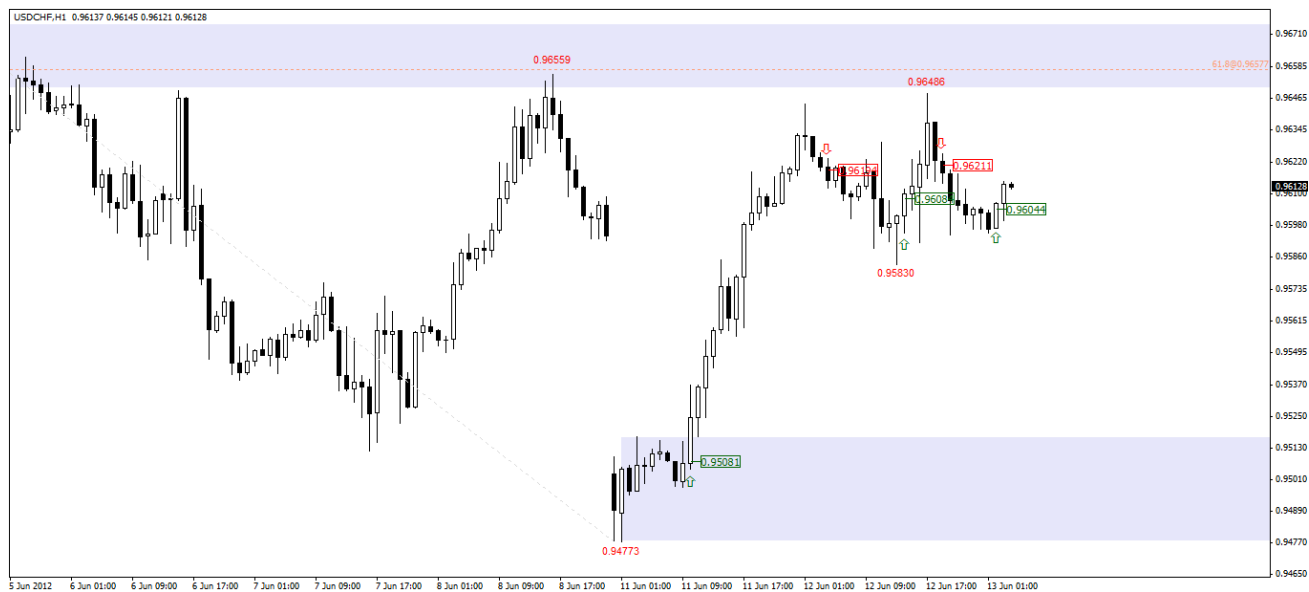
## USD-CHF 4-HOURLY



## USD-CHF Short to Medium Term View

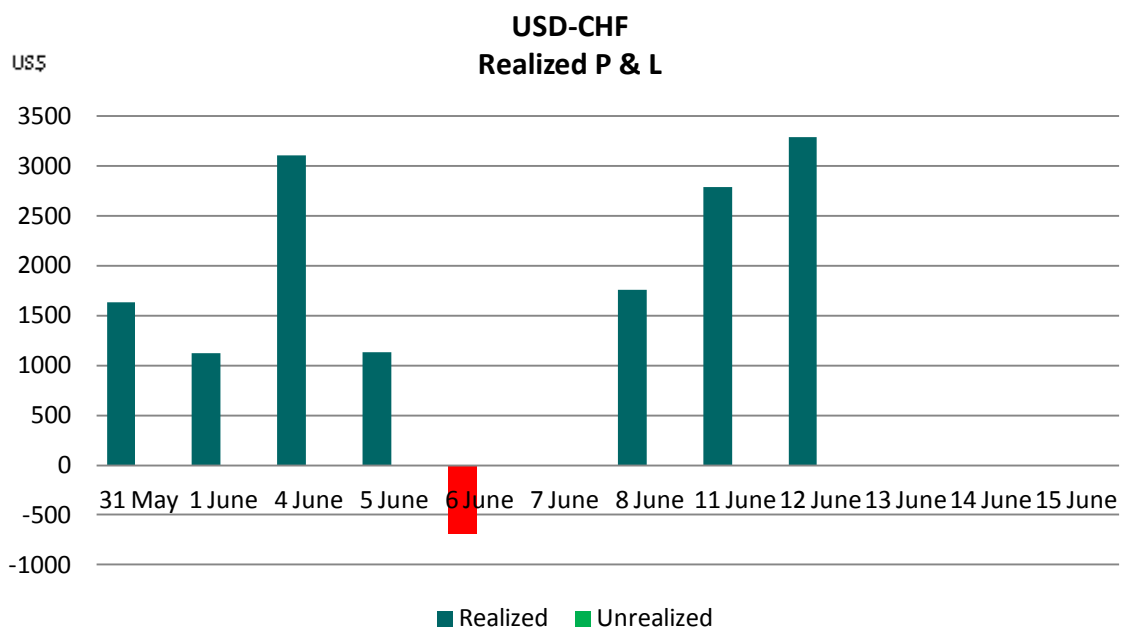
Overnight price action was directionless as it drifted higher towards a minor SZ at **0.96506-0.96748** which is located just below a major SZ at **0.96631-0.97820** from way back in January 2011. Overall, price actions from the June 1 high of 0.97692 to Monday's low at 0.94773 were corrective in nature whereas, the climb from this low was impulsive and appeared to have a 5-wave structure. This suggests that the correction from 0.97692 may be at or near an end. If Monday's low at **0.94773** holds and last week's high of **0.97692** is taken out convincingly, it suggests that resumption of the medium to long-term rally from 0.70677 has begun. A daily close above **0.96428** would certainly add confidence to this bullish assessment.

## USD-CHF 1-HOURLY



## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.96044	0.96631	0.99860	0.95730 STOP



USDJPY Daily 79.501 79.655 79.475 79.632

84.162

82.680 FE 61.9 82.680

81.674 61.9 81.674

80.906 50.0 80.906

80.230 38.2 80.138

78.650

77.756 78.6 77.756

77.398 78.6 77.398

76.012

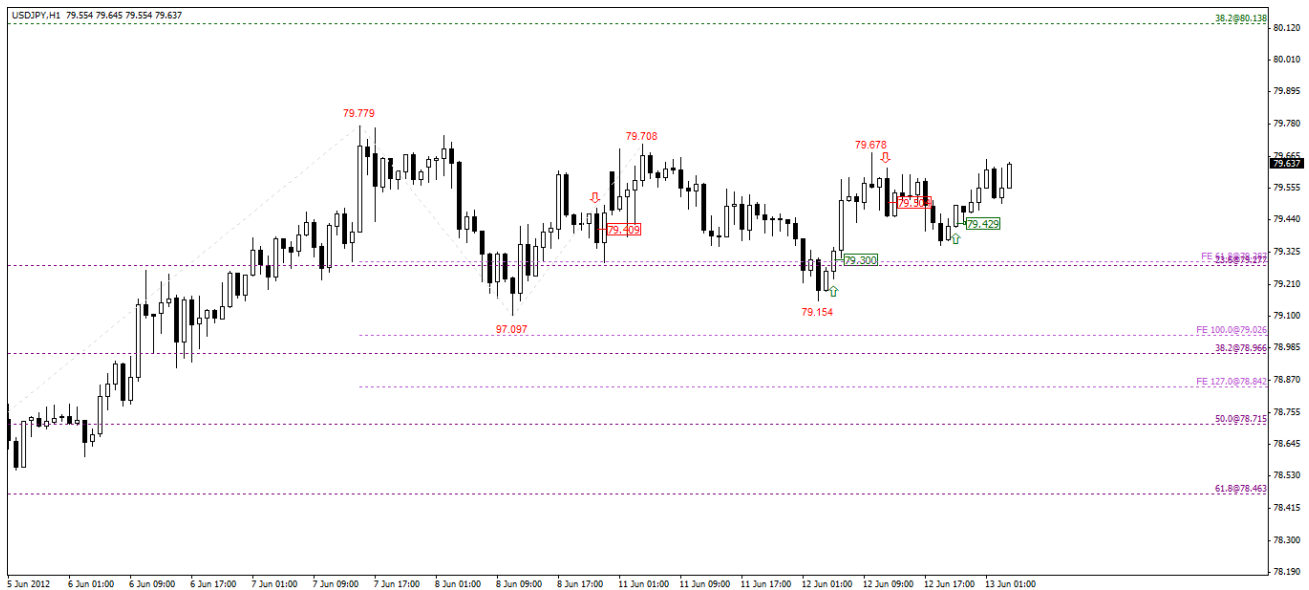
75.830

14 Dec 2011 26 Dec 2011 5 Jan 2012 17 Jan 2012 27 Jan 2012 8 Feb 2012 20 Feb 2012 1 Mar 2012 13 Mar 2012 23 Mar 2012 4 Apr 2012 16 Apr 2012 26 Apr 2012 8 May 2012 18 May 2012 30 May 2012 11 Jun 2012

Of late, trading in USD-JPY has been very choppy as price action appears to be forming a triangle pattern in the short-term charts. If so, a breakout to the upside is imminent. The rebound from 77.650 may climb towards the 38.2% retracement of 84.162 to 77.650 at **80.138** or the SZ at **80.244-80.598** before extending towards the 61.8% retracement of 84.162 to 77.650 at **81.674**. On balance, the rally from 76.012 is probably part of an initial wave of a counter-trend rally. The first wave probably terminated at the high of 84.162 and the current recovery from 76.012 is quite possibly the wave C of this corrective rally. In the medium-term, this unfolding rally may stretch to the 100.0% projection of 76.012 to 84.162 from 77.650 at **85.800**, where a SZ at **85.072-85.914** is located.

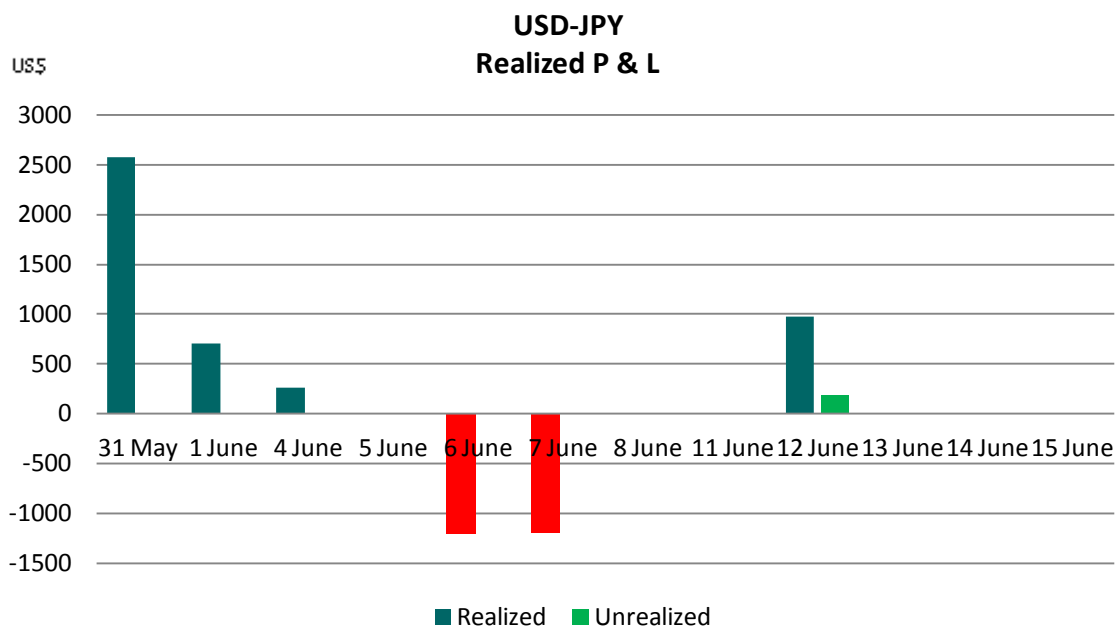


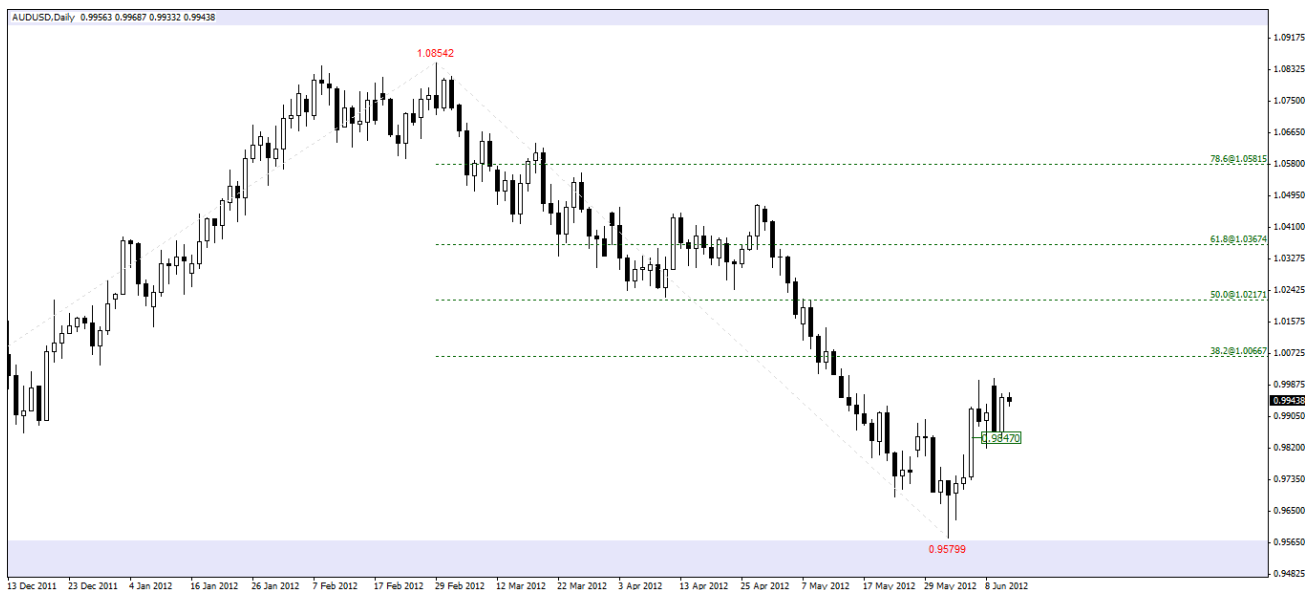
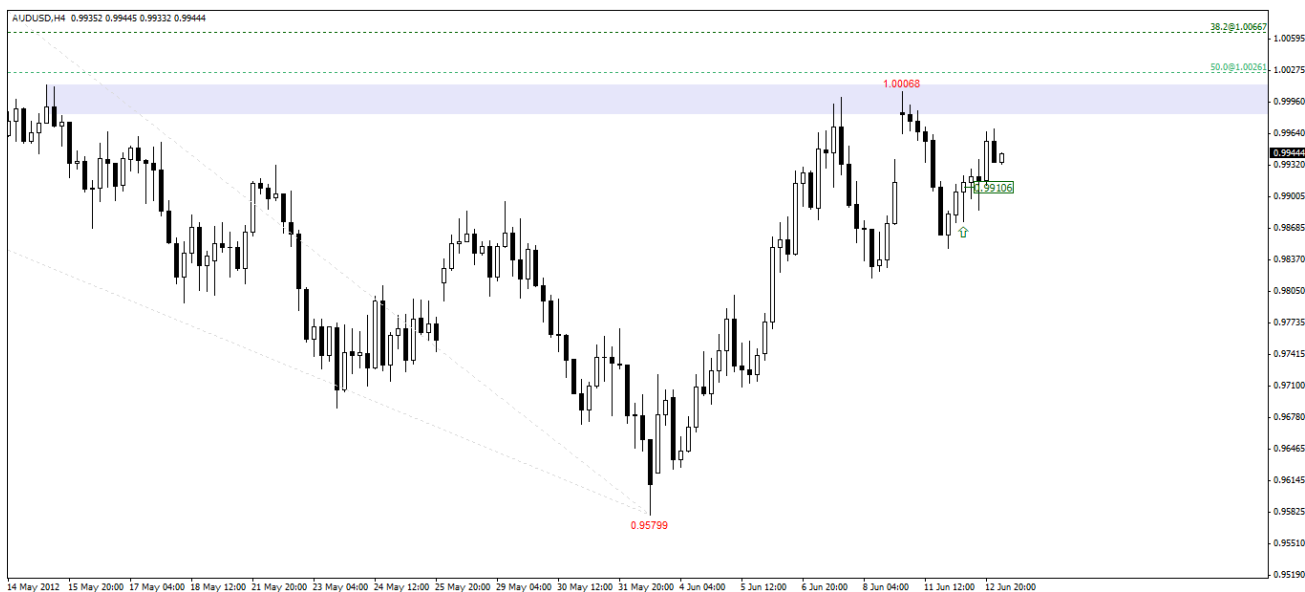
## USD-JPY 1-HOURLY



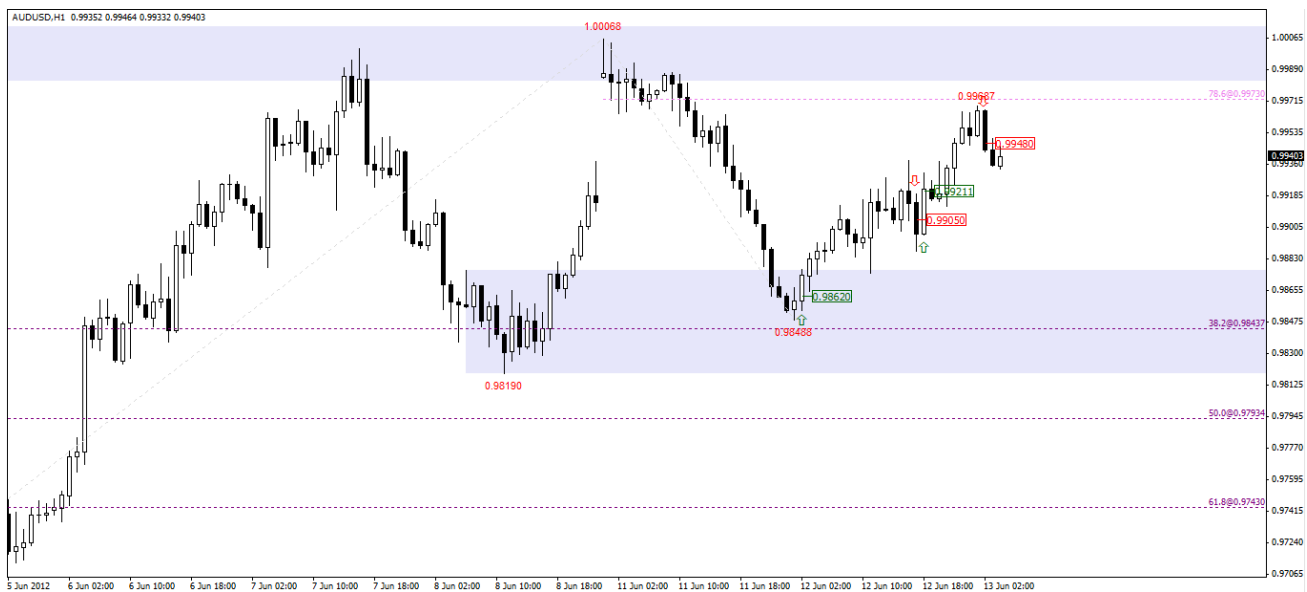
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 79.429	80.138	81.674	Exit on 1-hour close below 79.520

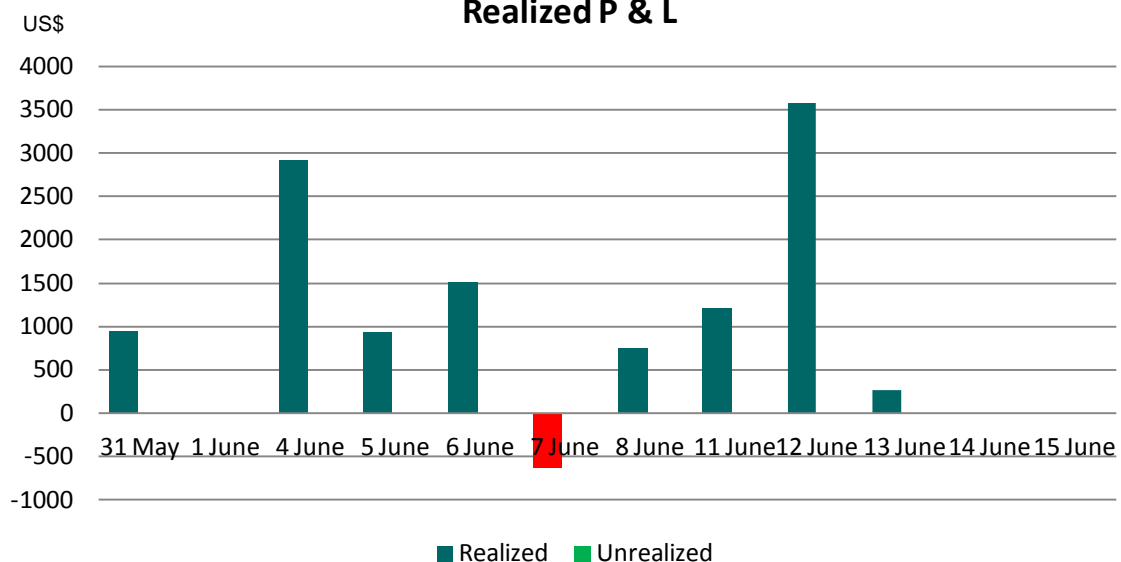


**AUD-USD DAILY****AUD-USD 4-HOURLY****AUD-USD** Short to Medium Term Views

The last 48 hours have seen price action bouncing between the overhead SZ at **0.99834-1.00133** and the immediate DZ at **0.98190-0.98766**. A breakout to the upside would suggest that the correction phase is over and this market is poised to surge towards the April high of **1.04723** with an intermediate target at the 61.8% retracement of 1.08542 to 0.95799 at **1.03674**. As mentioned in yesterday's update, a weekly close above **1.00120** would boost this bullish assessment.

**AUD-USD 1-HOURLY****Trade Ideas**

ACTION	Target 1	Target 2	EXIT
Sold @ 0.99840	0.98766	-	0.99787 STOP

**AUD-USD  
Realized P & L**

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.

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.

### Non Affiliation Policy

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.

