

A Traders Academy International Publication

USD-JPY Resumes Climb After G20

The USD-JPY resumed its climb on Monday after Japan signalled it would push ahead with expansionist monetary policies having escaped criticism from the G20 over the weekend.

Activity was curtailed by the closure of markets in the United States for the Presidents' Day holiday.

The Japanese Yen, which has dropped 20 percent against the US Dollar since mid-November, fell further after financial leaders from the G20 promised not to devalue their currencies to boost exports and avoided singling out Japan for any direct criticism.

USD-JPY rose 0.5 percent to 93.936, near a 33-month peak of 94.447 set a week ago. EUR-JPY added 0.3 percent to 125.421, to be midway between Friday's two-week low of 122.874 and a 34-month high of 127.683 hit earlier this month.

Traders are of the opinion that the Yen is likely to remain weak, though its decline could lose momentum until it becomes clear who will be taking the helm at the Bank of Japan when the current governor steps down on March 19. Japan's Prime Minister Shinzo Abe is poised to nominate the new governor in the next few days. Former financial bureaucrat Toshiro Muto is widely considered likely to be less radical than other candidates, was leading the field.

Meanwhile EUR-USD dipped slightly when European Central Bank president Mario Draghi said the Euro's recent gains made any rise in inflation less likely and added that he had yet to see any improvement in the Euro zone economy. Speaking before the European Parliament, Draghi said the Euro's exchange rate was not a policy target but was important for growth and stability, adding that appreciation of the euro "is a risk". That comments left EUR-USD down 0.2 percent at 1.33499.

In the meantime, GBP-USD hit a 7-month low, after a key UK policymaker made comments about the need for further weakness and recent poor data which has kept alive worries of another British recession. GBP-USD fell 0.25 percent to 1.54632 having earlier touched 1.54358, its lowest since July 13.

This is a big week for data on the outlook for the world's economy following the recent dire fourth-quarter growth numbers for the Euro zone and Japan, along with Friday's soft U.S. manufacturing figures.

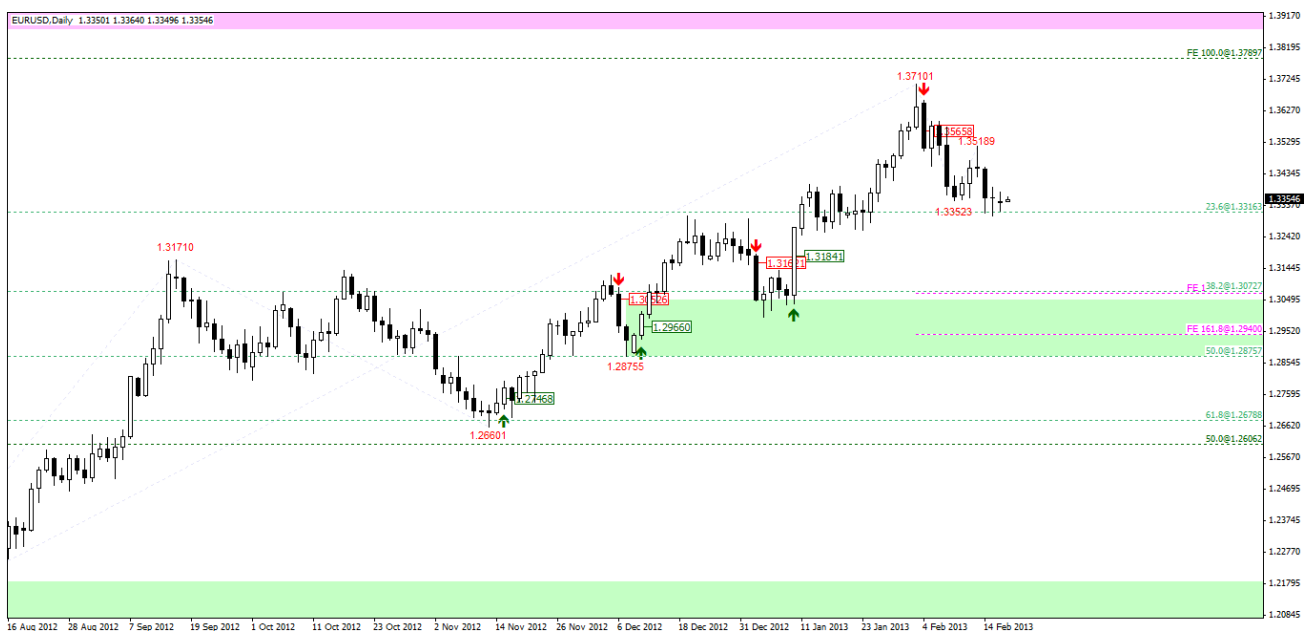
In Europe, attention is focused on the Euro area Purchasing Managers' Indexes for February and German sentiment indices due later in the week which could affect hopes for a recovery this year. Analysts expect Thursday's Euro area flash PMI indices, which offer pointers to economic activity around six months out, to show growth stabilising across the recession-hit region, leaving intact hopes for a recovery in the second half of 2013.

Concerns over an inconclusive outcome in the Italian election on Sunday and Monday have added to the weaker sentiment as a fragmented parliament could hamper a future government's efforts to reform the struggling economy. Worries about the outlook for Italy were encouraging investors back into safe-haven German government bonds on Monday, with 10-year Bund yields easing 3.5 basis points to be around 1.63 percent. Italian 10-year yields were 4 basis points higher on the day at 4.41 percent.

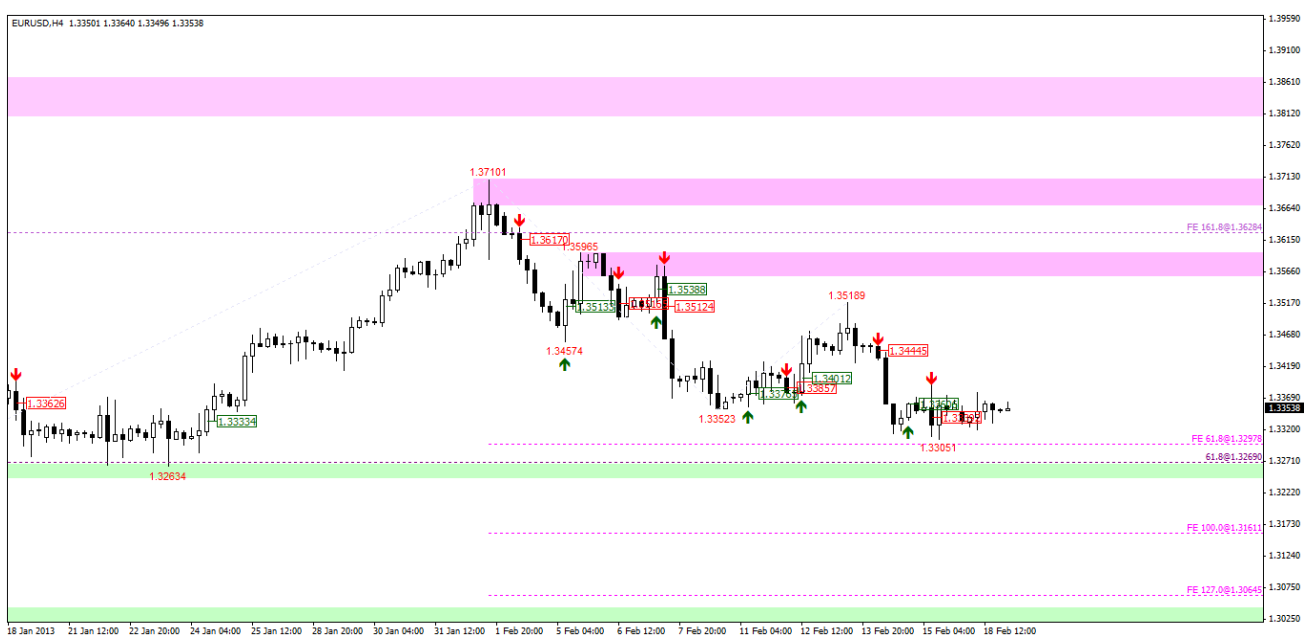
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EUR-USD DAILY



EUR-USD 4-HOURLY



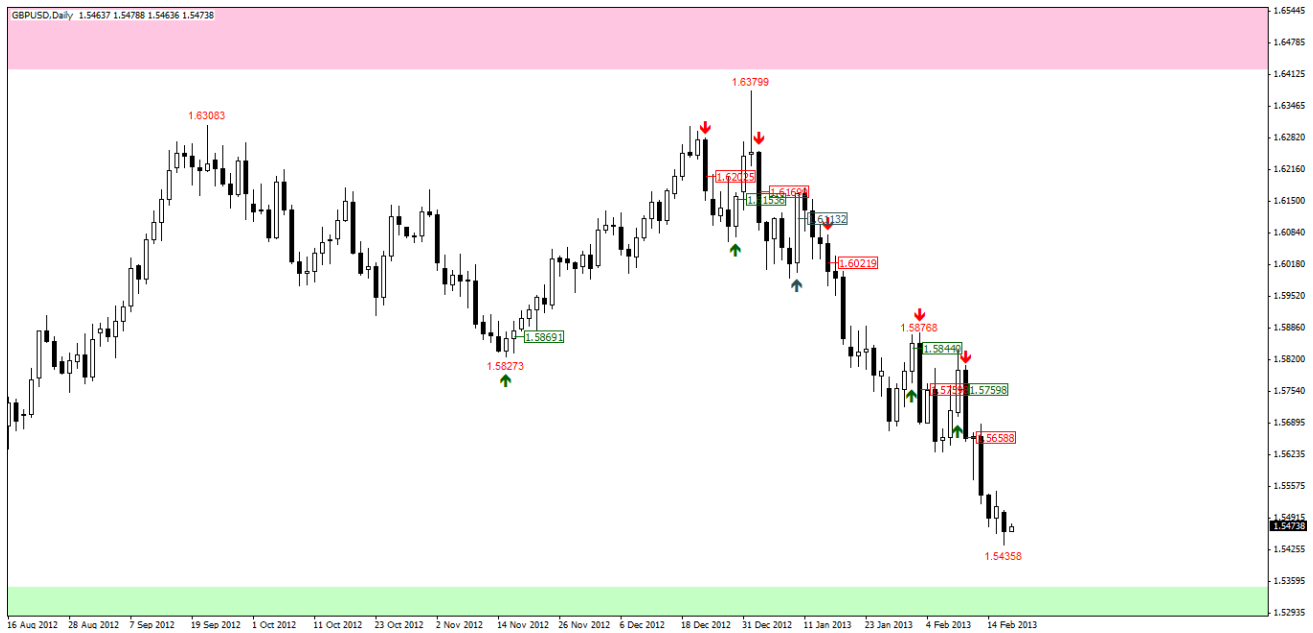
EUR-USD Short Term Outlook

Nothing material has changed overnight as trading activities was subdued due to a market holiday in the US. Price action registered a marginal low last Friday's low of 1.33523 at 1.33051. In the medium to long term, the rise from 1.20414 has a 3-wave structure, suggesting that the rally from last July is probably a larger degree correction of the fall from 1.49393 from way back in 2011 (see D1 chart). Only a sustained rally above the Fibonacci cluster of the 100.0% projection of 1.20414 to 1.31710 from 1.26601 at **1.37897** as well as the 61.8% retracement of 1.49393 to 1.20414 at **1.38323** would require a re-look at this correction scenario (see W1 chart). Now that this market has fallen below last week's low, a secondary area in which this fall may be held is the 61.8% retracement of 1.29963 to 1.37101 at **1.32690** and the 127.0% projection of 1.37101 to 1.34574 from 1.35965 at **1.32756**; which incidentally sits just above demand pocket at **1.32452-1.32676** (see H4 chart). Since the long-term trend is still up, this price cluster offers opportunities to re-position long positions for another jab at 1.37101. Only a close below **1.33090** in the W1 chart would suggest that the 3-wave corrective rebound from 1.20414 is over and bears are fully in charge.

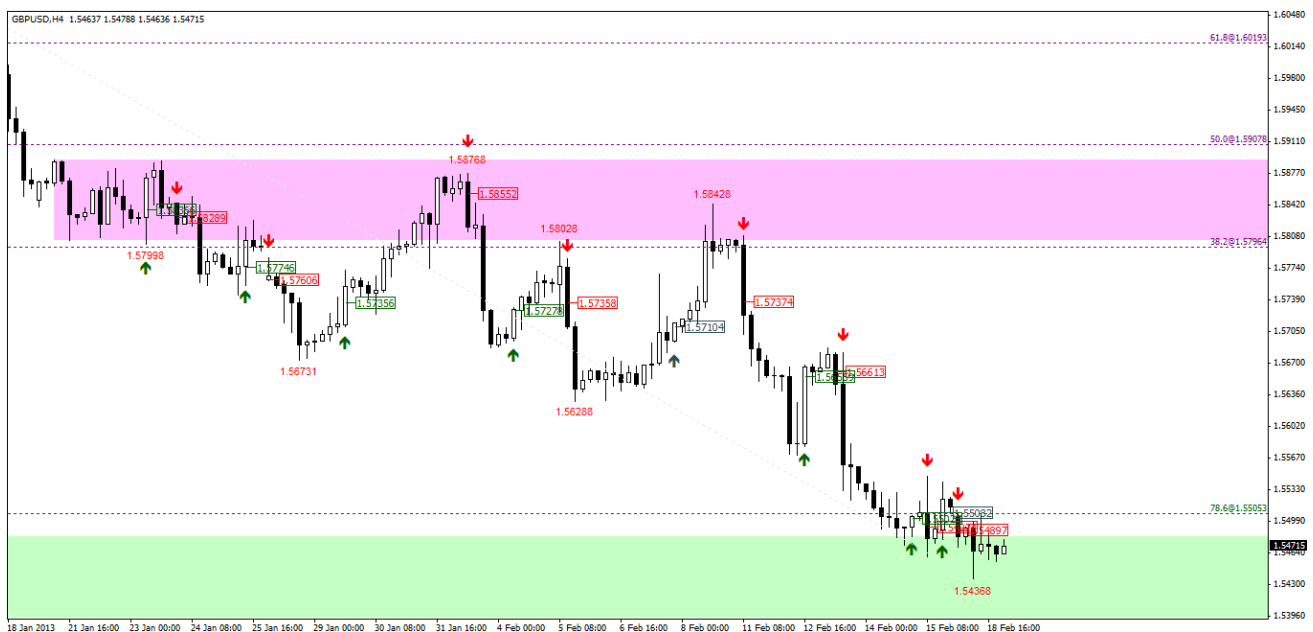
Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buy	Buy on buy signals between 1.32452-1.32765		1.32352	1.35258	1.36690	3	0.03m

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GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

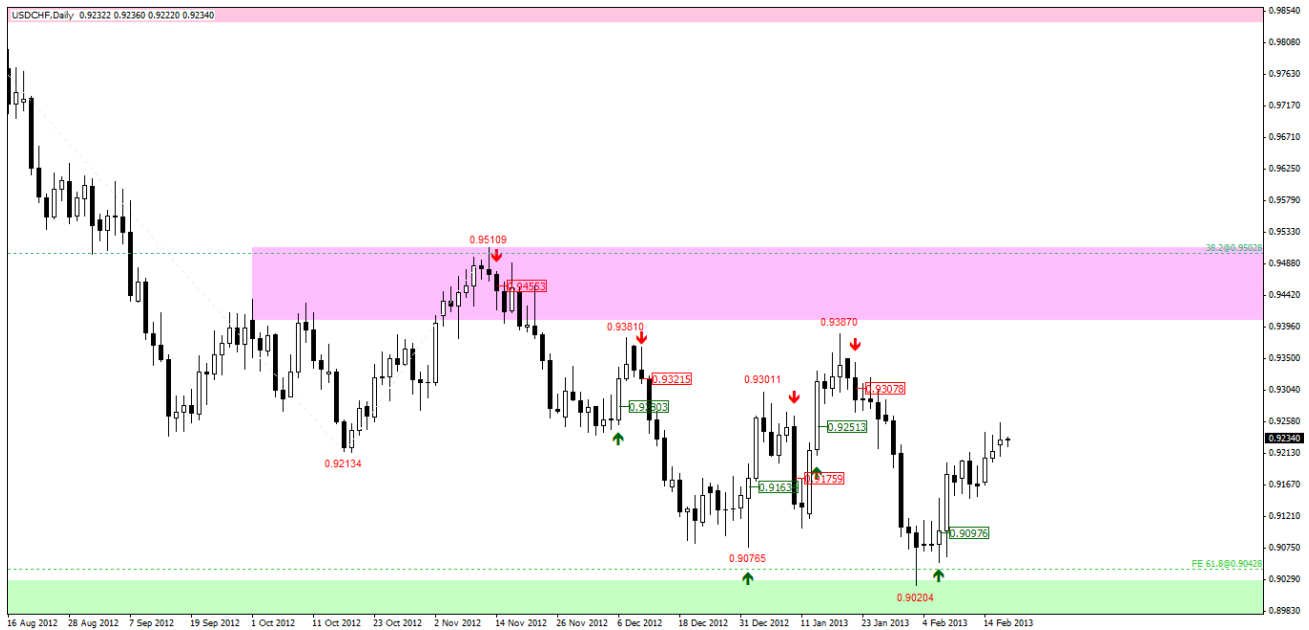
Unlike EUR-USD, this market registered a marginal low overnight at 1.54358 – not far from a significant demand zone at **1.32327-1.33475** (see D1 chart). In the short-term, prices continues its downward spiral from 1.63799 and traded into the demand pocket at **1.53922-1.54800** which lies just below the 78.6% retracement of 1.52672 to 1.63799 at **1.55053**. As previously mentioned, potential buying interests may emerge from within this price pocket. If so, any rebound is likely to be capped at the 23.6% retracement of 1.63799 to 1.54358 at **1.56586**, just below where the immediate supply pocket at **1.56595-1.56873** is. Also noted was the fact that this market has closed below the psychological support line seen in the triangle formation has some very serious bearish implications. A breakout of this nature will invariably precipitate in a violent sell-off that may ultimately take prices into uncharted territory into the low 1.20000s. That's a 3,500 pips drop! Of course, this monstrous drop will stretch over months, if not years. There will be intermittent attempts to rally back into the triangle but prices are likely to be capped at the previous support line now turned resistant line.

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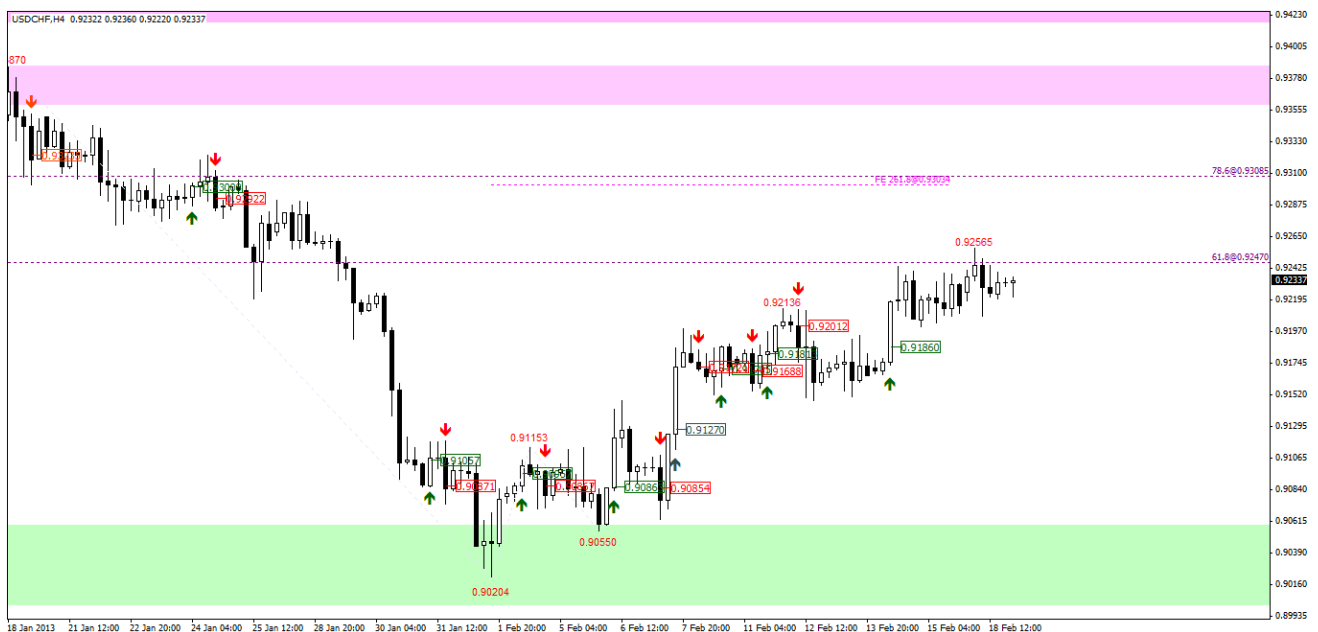
Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold	Exit on D1 close above 1.55394	1.58750		1.56749 Realized	1.53475	3	0.03m

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										-3.41	9,659.50
2013.02.01 09:39	0.02m	1.58750	2013.02.18 23:59	0.02m	1.54632	823.6	823.60				

USD-CHF DAILY



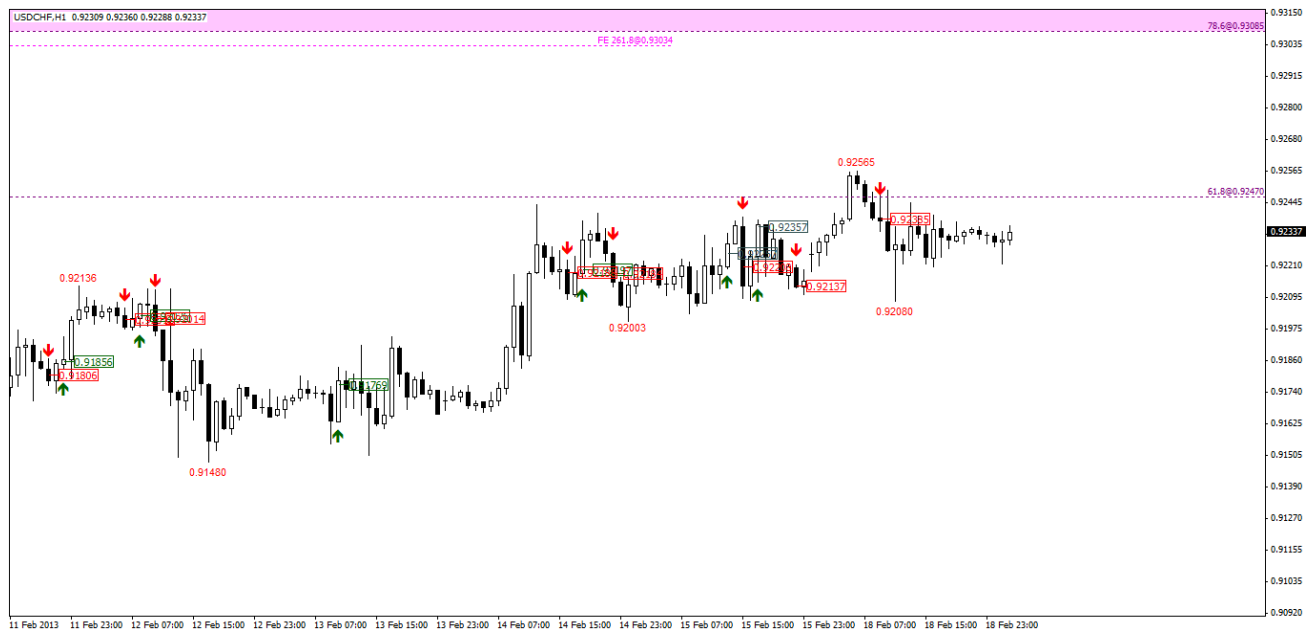
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

Price action struggled to register a marginal high at 0.92565 overnight at 0.92565 – just above the 61.8% retracement of 0.93870 to 0.90204 at **0.92470** and eased. At this rate, this market is poised to strike the Fibonacci cluster of the 261.8% projection of 0.90204 to 0.91153 from 0.90550 at **0.93034** and the 78.6% retracement of 0.93870 to 0.90204 at **0.93085** (see H4 chart). This mildly bullish assessment is supported by the buy signal seen in the D1 chart since two Wednesdays ago. That said, the medium-term, this tentative rally is bounded by the demand zone at **0.90010-0.90587** and the SZ at **0.94058-0.95109** (see D1 chart). As the immediate barrier to higher prices is the Fibonacci cluster of the 78.6% retracement of 0.93870 to 0.90204 at **0.93086** and the 261.8% projection of 0.90204 to 0.91153 from 0.90550 at **0.93034**, a speculative short from there may see a re-test of the demand pocket at **0.90010-0.90587** or at a minimum **0.92241**.

USD-CHF 1-HOURLY



USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 0.93034-0.93086		0.93330	0.91752	0.90587	3	0.03

USD-CHF TRADE JOURNAL

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USDJPY Daily 93.940 93.946 93.548 93.757

FE 261.8@99.657

94.447

93.671

23.6@92.583

23.6@90.358

38.2@87.828

50.0@85.783

61.8@83.738

81.672

79.061

79.583

77.119

16 Aug 2012 28 Aug 2012 7 Sep 2012 19 Sep 2012 1 Oct 2012 11 Oct 2012 23 Oct 2012 2 Nov 2012 14 Nov 2012 26 Nov 2012 6 Dec 2012 18 Dec 2012 31 Dec 2012 11 Jan 2013 23 Jan 2013 4 Feb 2013 14 Feb 2013

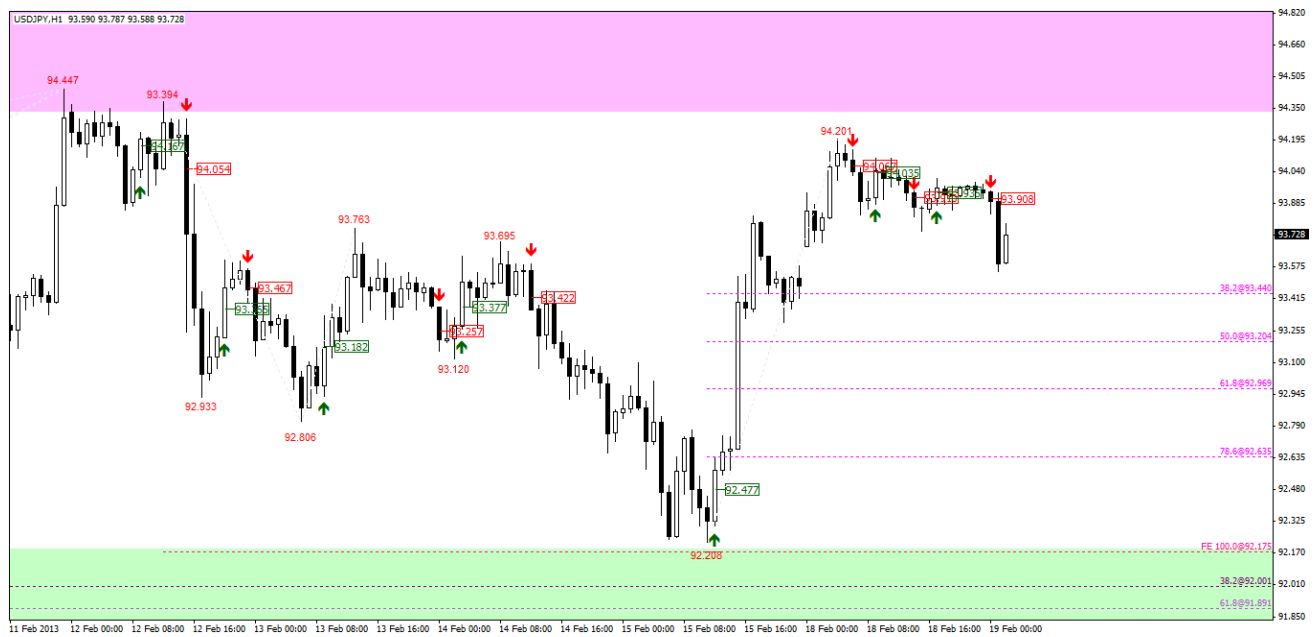
100.440 98.910 97.380 95.850 94.365 92.835 91.305 89.775 88.290 86.760 85.230 83.700 82.215 80.685 79.155 77.670 76.140 74.610 73.080 71.595

USDJPY, H4 93.940 93.946 93.548 93.726

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This market opened the week with a vacuum to the upside and promptly rose to intraday high of 94.201 – below a 33-month high of 94.447 registered last Monday. As noted, the pullback from 94.447 from within the supply zone at **93.129-94.979** dipped into the minor demand zone at **91.962-92.672** where the 38.2% retracement of 88.044 to 94.447 at **93.498** is located and rebounded strongly since (see H4 chart). Even though price action has rebounded strongly in overnight session, only a sustained rally above the SZ at **93.129-94.979** would suggest the resumption of the rally. In the longer-term, this incredible bull-run has a target at the 261.8% projection of 75.563 to 84.172 from 77.119 at **99.657** where the supply zone at **99.140-103.057** resides (see D1 chart). On the downside, allowance is for this market to retrace to the demand zone at **86.908-88.326** where the 38.2% retracement of 77.119 to 94.447 at **87.828** is located (see D1 chart). Unless there is acceleration below this price pocket, this market should stabilize there and resume its climb.

USD-JPY 1-HOURLY



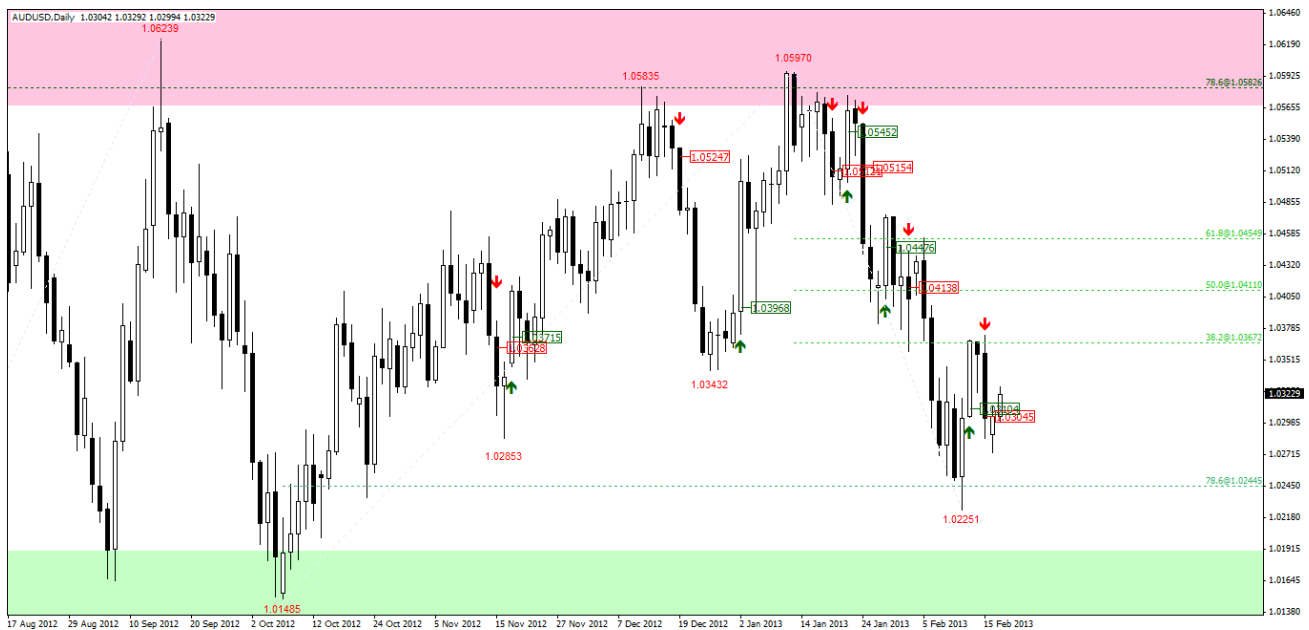
USD-JPY TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Exit on D1 close below 92.725	90.487		92.583 Realized	99.657	3	0.03

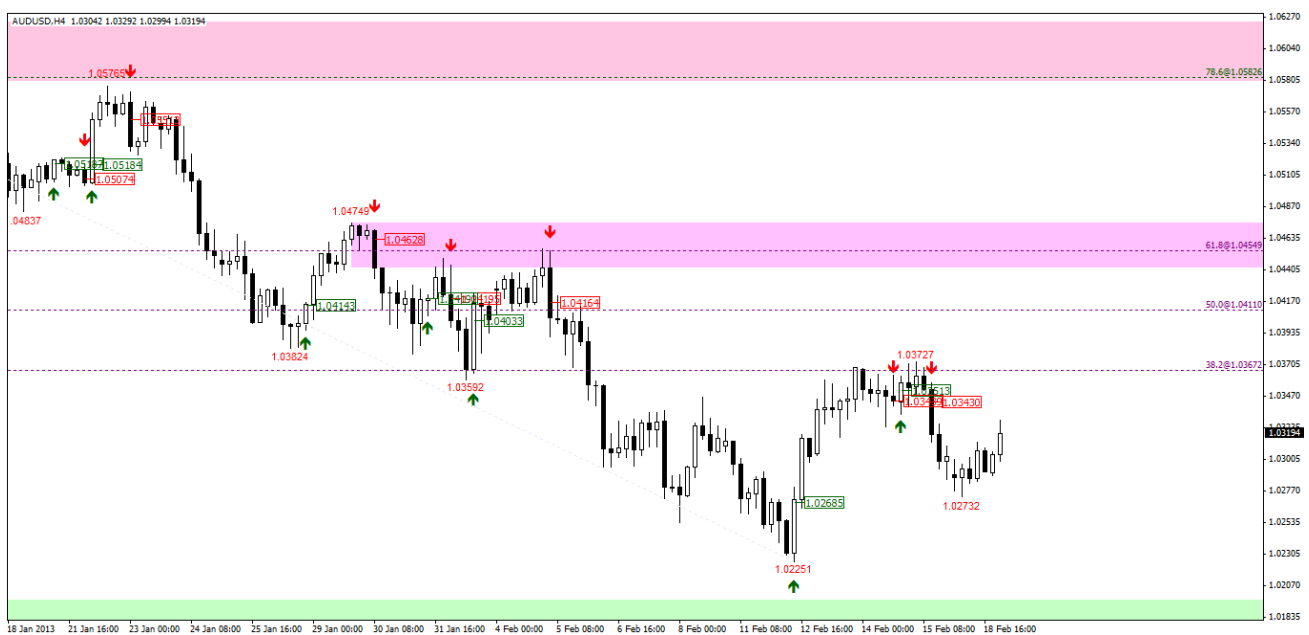
USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										23.74	12,374.07
2013.01.28 01:32	0.02m	90.487	2013.02.18 23:59	0.02m	93.936	689.8	734.33				

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

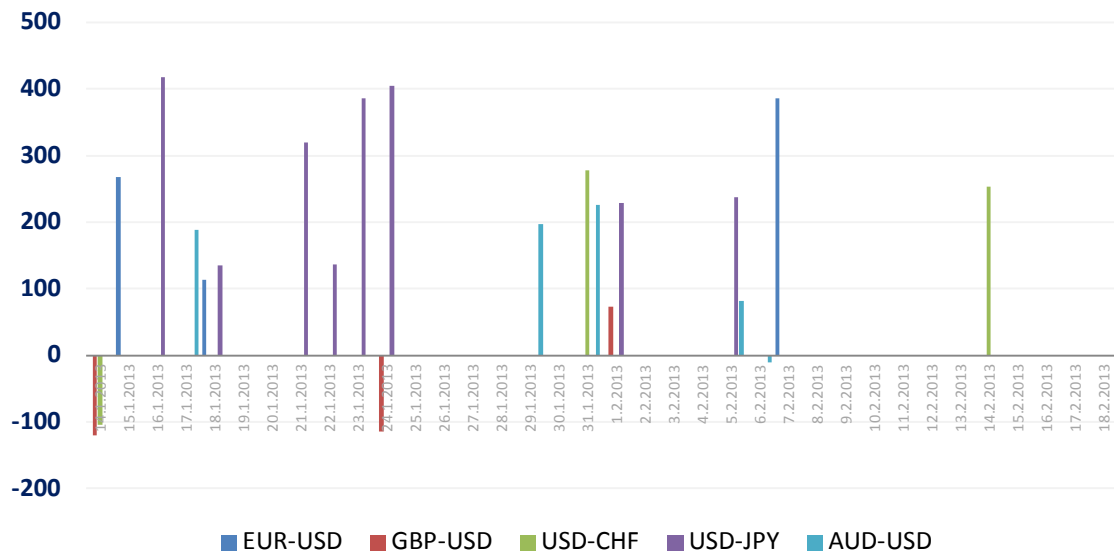
Weakness was featured early in the week and subsequently recovered. After reguistering an intraday low at 1.02732, prices quickly rebounded to the 100.0% projection of 1.02732 to 1.03130 from 1.02884 at **1.03282** early this morning in Tokyo (see H1 chart). In the short-term, this market has the potential to re-test the 38.2% retracement of 1.05972 to 1.02251 at **1.03672** and perhaps to as high as the 61.8% retracement of 1.05972 to 1.02251 at **1.04549**. Incidentally, this is also where the supply pocket of **1.04416-1.04749** is located (see H4 chart). In the long-term, this market remains hemmed in by the upper supply zone at **1.07292-1.10799** and the lower demand zone at **0.93867-0.96983**. In the medium-term, it is bounded by the demand pocket at **1.00995-1.01917** and the supply pocket at **1.05675-1.06692** (see D1 chart). In the short-term, rebounds into the supply pocket at **1.04416-1.04749** offer selling opportunities - provided this market does not close above **1.03669** in the D1 chart.

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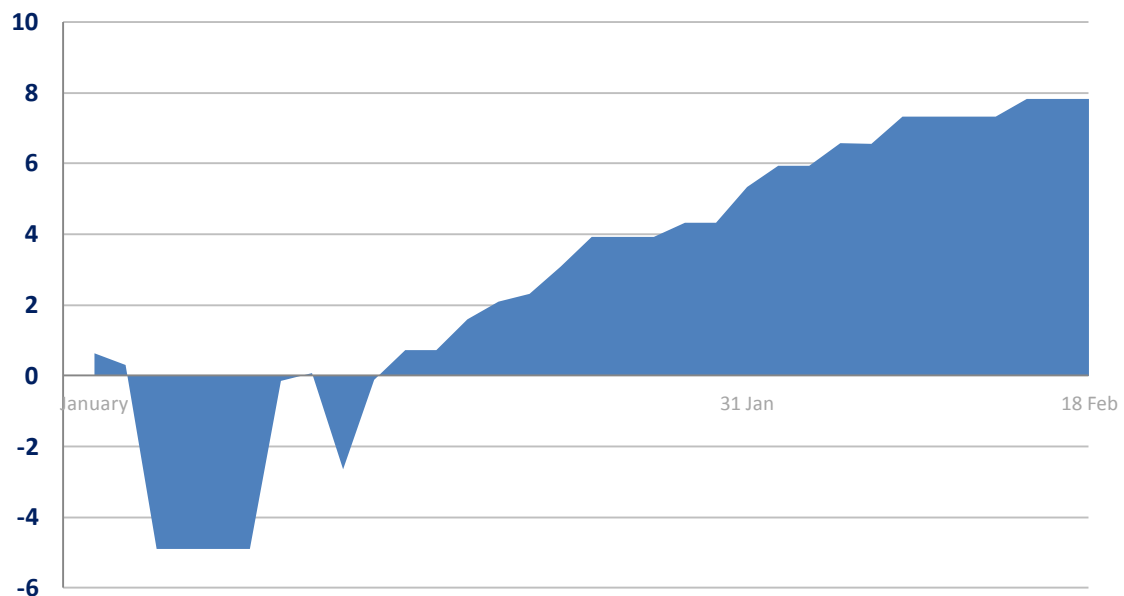
Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 1.04416-1.04749		1.04849	1.01917	0.96983	3	0.03

[illegible]

Daily Realized P/L



Accumulative Percentage P/L



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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.