

A Traders Academy International Publication

Germany May Bundle Aid To Greece

EUR-USD hit a more than 2-month low on Tuesday, weighed down by delays in aid for debt burdened Greece and persistent uncertainty about whether Spain will seek a bailout. Worries about Greece and Spain have caused EUR-USD to lose value in seven of the last nine trading sessions. So far in November, it has fallen 1.9 percent.

Greece's international lenders gave the country more time to fix its budget, though they did not disburse the aid Greece had hoped to use to refinance €5 billion of its debt by Friday.

A public clash between Greece's international lenders over how Greece can bring its debts down to a sustainable level has fuelled fears that Europe's troubles could flare up anew. When those overseeing resolution to the Euro zone crisis continue to disagree, it becomes very difficult to instil confidence in the markets.

By New York closing, EUR-USD was slightly lower at 1.27035, having earlier dropped to 1.26601, its lowest since September 7.

A weak German ZEW sentiment survey heightened concerns about the impact of the Euro zone crisis and knocked the Euro earlier in the session.

However, a German newspaper report that Germany wants to bundle Greek aid into a single payment of more than €44 billion caused EUR-USD to bounce off a 2-month low. Traders interpreted the report, which cited government sources, as a sign that Germany, the Euro zone's largest economy was eager to see a resolution.

German Finance Minister Wolfgang Schaeuble confirmed on Tuesday that European Union finance leaders discussed giving Greece a single payment instead of three tranches. But if the EU were to decide to do one payment, Schaeuble said there should be control mechanisms in place.

Meanwhile, speculation that Spain, the Euro zone's fourth-largest economy, will formally request a bailout buoyed the country's bonds and helped put a floor on EUR-USD downside. Spain bailout speculation caused Spanish bonds to rally strongly, but traders do not believe Spain will ask for a bailout before important elections later this month and they may even wait longer, perhaps until next year.

EUR-USD should gain if Spain requests a bailout because it would set the stage for the European Central Bank to buy its debt to lower its borrowing costs.

In the meantime, expect the market to continue to probe lower, slowly at first as EUR-USD approaches the 1.26650 area. With continued concern in Europe over Greece and Spain, the selling mentality should remain.

In the United States, the focus remained on the fiscal cliff, a series of massive budget cuts and tax hikes that will take effect if Congress cannot agree on a deal by the end of the year. The concern bolstered the US Dollar on safe-haven flows.

Traders are fearful the U.S. economy could slam on the brakes early next year if lawmakers on Capitol Hill don't come up with a long-term debt fix.

USD-JPY was down 0.1 percent at 79.366.

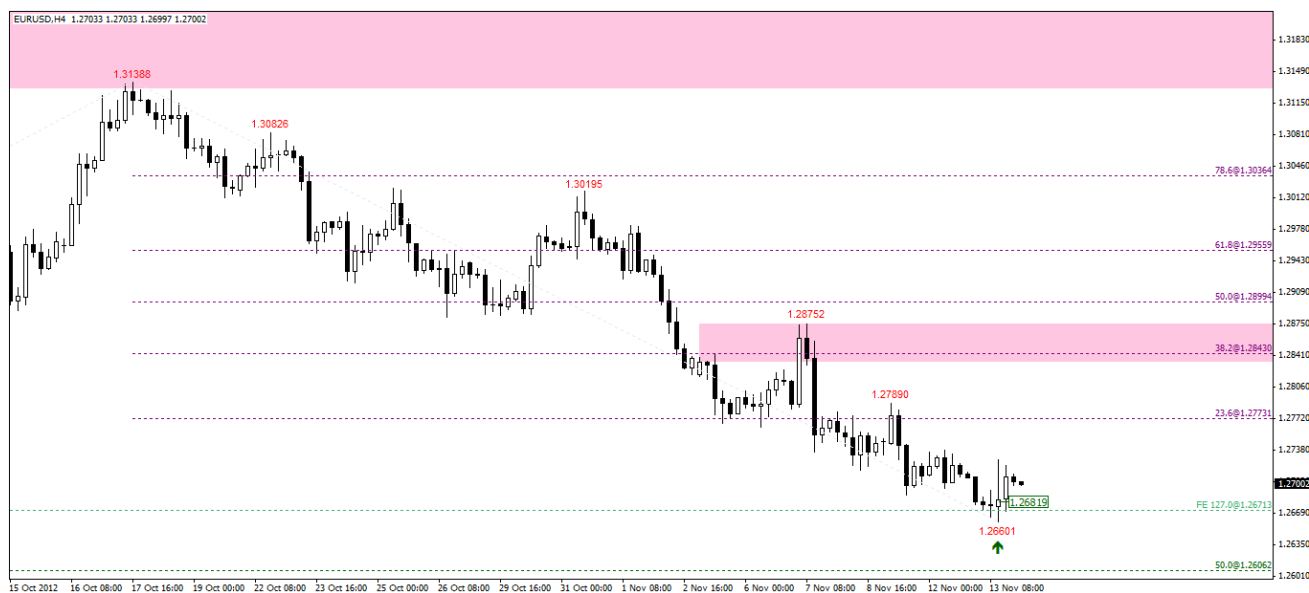
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EUR-USD DAILY



EUR-USD 4-HOURLY

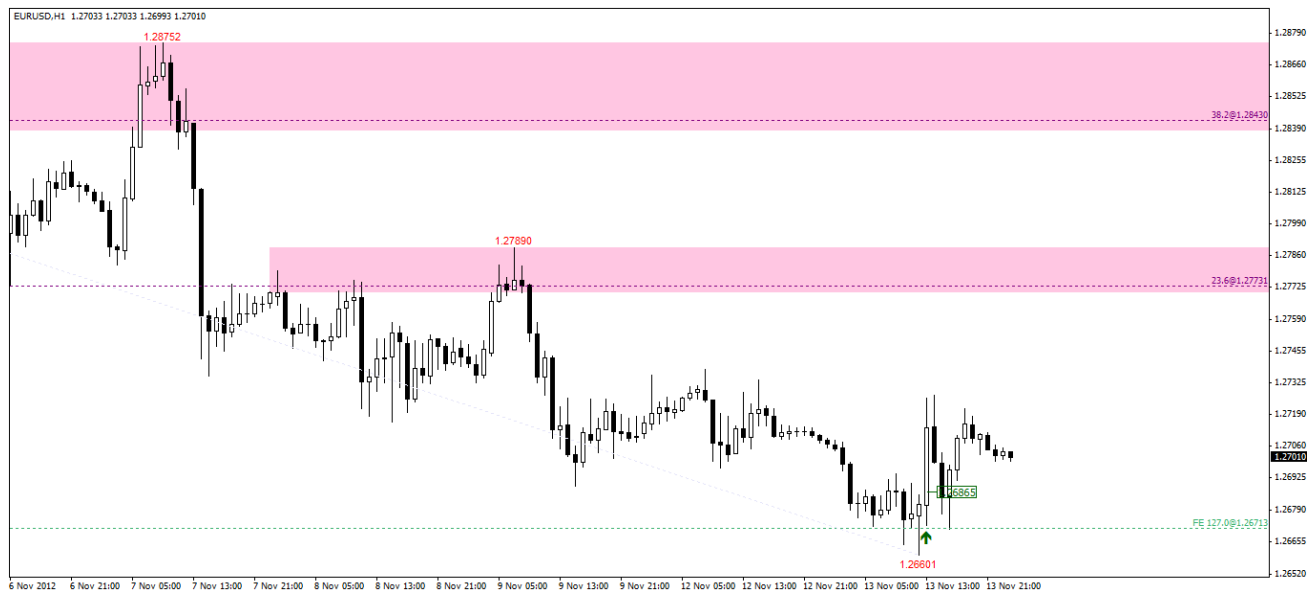


EUR-USD Short to Medium-Term Views

Trading action was largely uninspired a day after the US Labor Day holiday on Monday. Price action dipped marginally below the 127.0% of 1.31710 to 1.28029 from 1.31388 at **1.26713** and rebounded. To truly give up on the 4th wave scenario, price action must trade aggressively below this level towards the 161.8% projection of 1.31710 to 1.28029 from 1.31388 at **1.25432** soon. If this happens, the 4th wave scenario is truly dead and what we had seen was a 5th wave failure and thus the fall from 1.31388 is potentially an aggressive 3rd wave fall. On re-examination, though further weakness is expected (what with the W1 chart too succumbing to a sell signal last Friday, this market is expected to be soft going forward), the extremely bearish scenario is doubtful. This is because, to date, there are no visible 5 waves down sequence prior to or within this fall. Whatever the case, the 127.0% projection of 1.31710 to 1.28029 from 1.31388 at **1.26713** holds the key to future price development. Now that the market has rebounded, focus will shift towards the supply pocket at **1.28381-1.28752** where the 38.2% retracement of 1.31388 to 1.26601 at **1.28430** is located. With the D1 chart ending as a long-legged shadow doji, if we have a close above **1.27468** next, the odds of a more sustained rally increases and the 4th wave scenario is back in play.

Note: Due to a platform upgrade over the weekend, all price levels are recalibrated to reflect the price values seen in the upgraded version.

EUR-USD 1-HOURLY



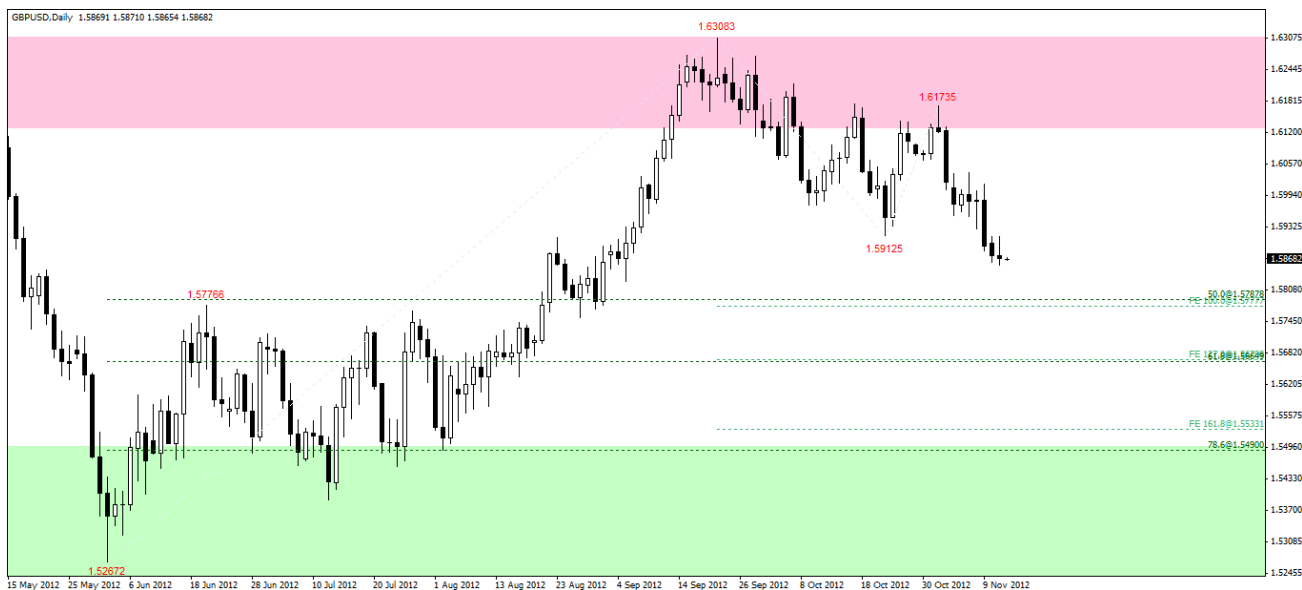
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal within 1.27701-1.27890	1.25933	1.24729	1.28051 STOP

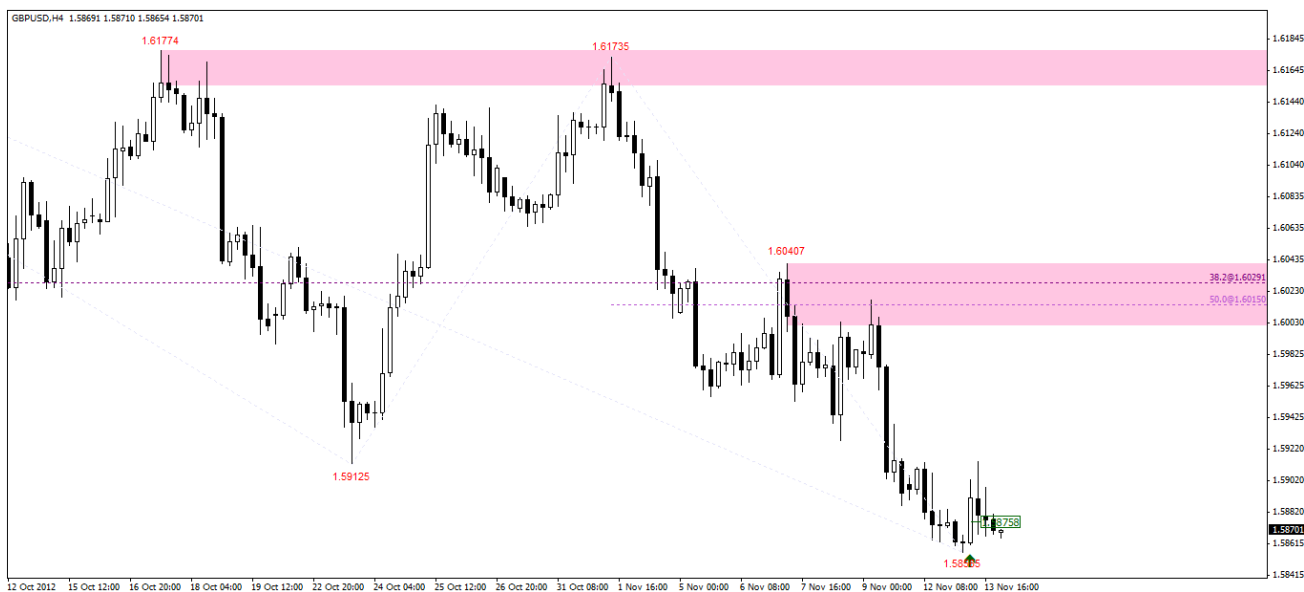
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$73,059.00
Unrealized							\$0.00		

GBP-USD DAILY



GBP-USD 4-HOURLY

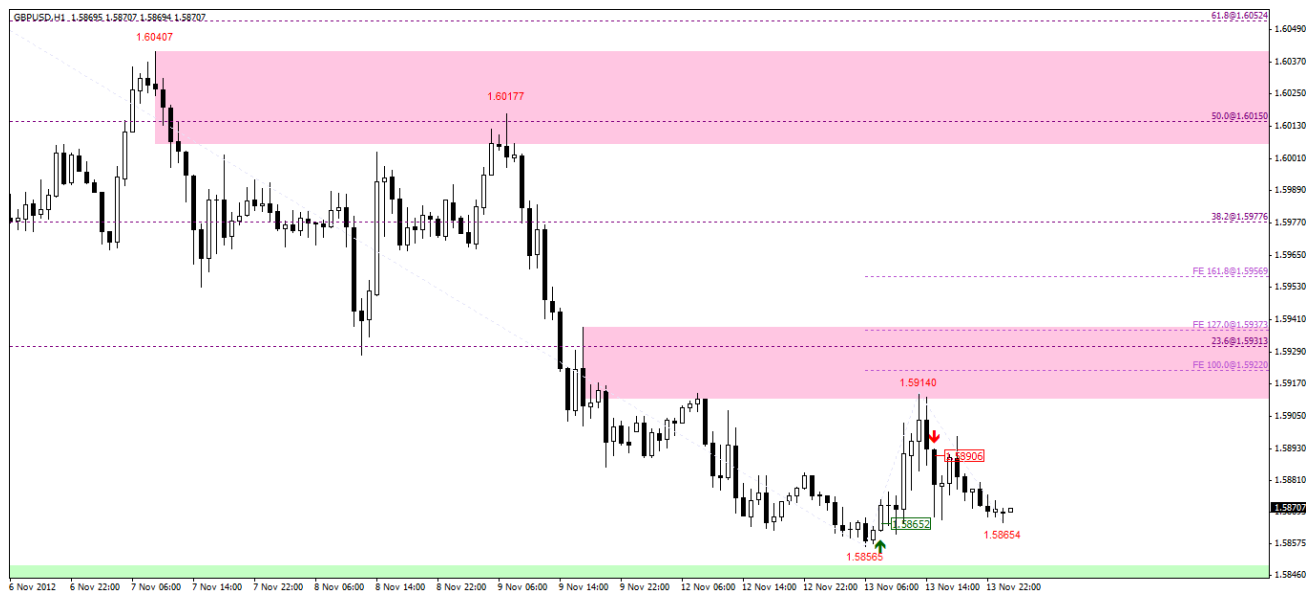


GBP-USD Short to Medium Term Views

As mentioned, price actions since the peak at 1.63083 on September 21 were viewed as part of a wave 4. This bullish bias is now canned with the lowest weekly closing in 10 weeks after price action fell below **1.59125**; essentially killed all expectations of an eventual rally above the September 21 peak of 1.63083. In terms of potential, one only has to look at the W1 chart to get a sense of where this market may potentially fall to. The nearest DZ is at **1.52327-1.54978**. That's a good 400 pips away. In the meantime, should the overnight fall extends; the nearest pocket of demand is at **1.57247-1.57293**. Below this lies a more significant demand pocket at **1.57531-1.57823** where a confluence of 2 Fibonacci ratios lies in wait. There are the 50.0% retracement of 1.52672 to 1.1.63083 at **1.57878** and the 100.0% projection of 1.63083 to 1.59125 from 1.61735 at **1.57777**. Ideally, a rebound can occur first and if so, an ideal area to position shorts is within the window between the 38.2% and 50.0% retracement of 1.61735 to 1.58565 at **1.59776** and **1.60150** respectively. This is also where a minor supply pocket is located at **1.60063-1.60407**. In the H1 chart, a close above **1.58717** may well signal the start of such a rebound.

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GBP-USD 1-HOURLY



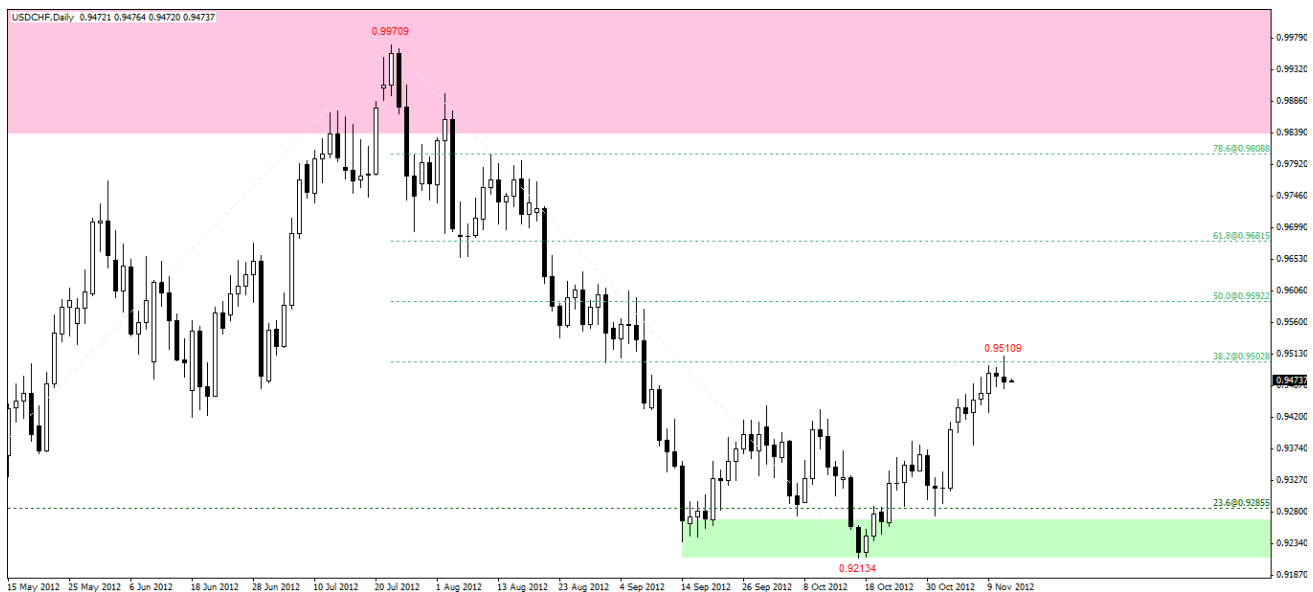
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy in H1 close above 1.58717	1.59313	1.60150	1.58465 STOP

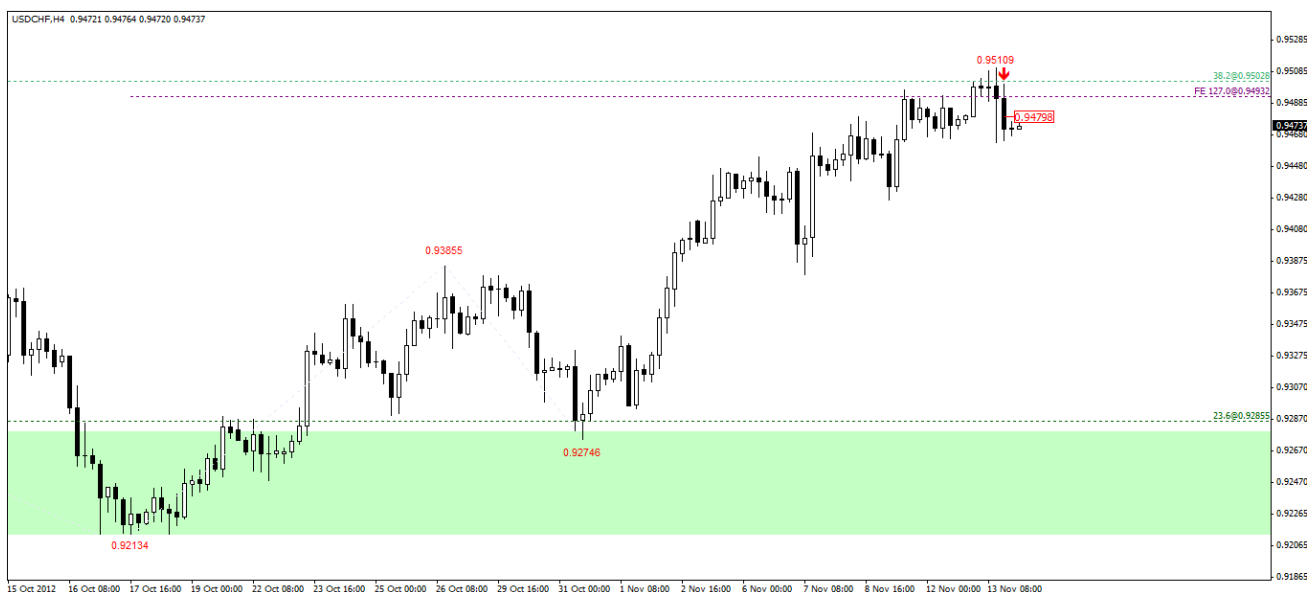
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$50,069.00
Unrealized							\$0.00		

USD-CHF DAILY



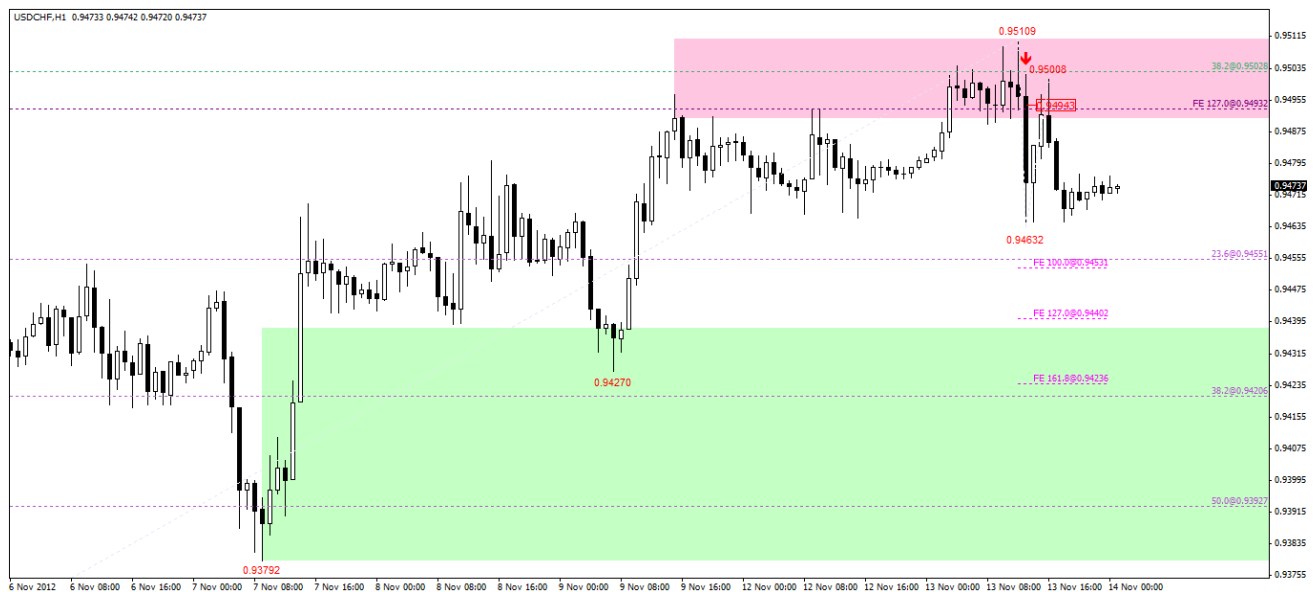
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

With price action closing near a 10-week high in the W1 chart, suggesting the resumption of the long-term counter-trend rally from 0.70667, the original idea that price actions since October 17 low of 0.92134 was part of a 4th wave is probably doomed or is it? This original view may still play out as price action has stalled at the 38.2% retracement of 0.99709 to 0.92134 at 0.95028 with a print at 0.95109 in overnight actions. The alternatively view was that the fall from the July 24 high of 0.99709 is ‘completed’ and price action should rally. Previous updates mentioned that this rally has the potential to rally to the window 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** (see H4 chart). This was exactly what happened. This confluence of Fibonacci ratios makes this price window very sensitive to reversal. Though sell signals were triggered overnight and a short position there have a higher probability of success in the short-term, the overall structure remains bullish. As mentioned, at this stage, both bullish and bearish views are at an even keel; meaning this market can still swing in either direction. With H4 chart having closed below **0.94798**, momentum favors the bears – at least in the short-term. If so, immediate focus is on 23.6% retracement of 0.92746 to 0.95109 at **0.94551** as well as the 100.0% projection of 0.95109 to 0.94632 from 0.95008 at **0.94531**. If this cluster holds, another rally above yesterday’s high is imminent. On the other hand, if the fall extends towards the 161.8% projection of 0.95109 to 0.94632 from 0.95008 at **0.94236**, a top is possibly in place at the overnight peak of 0.95109 and the 4th wave scenario is back in play. If the fall is impulsive and closes below **0.94553** in the D1 chart, it suggests that the fall from 0.99709 has resumed.

USD-CHF 1-HOURLY



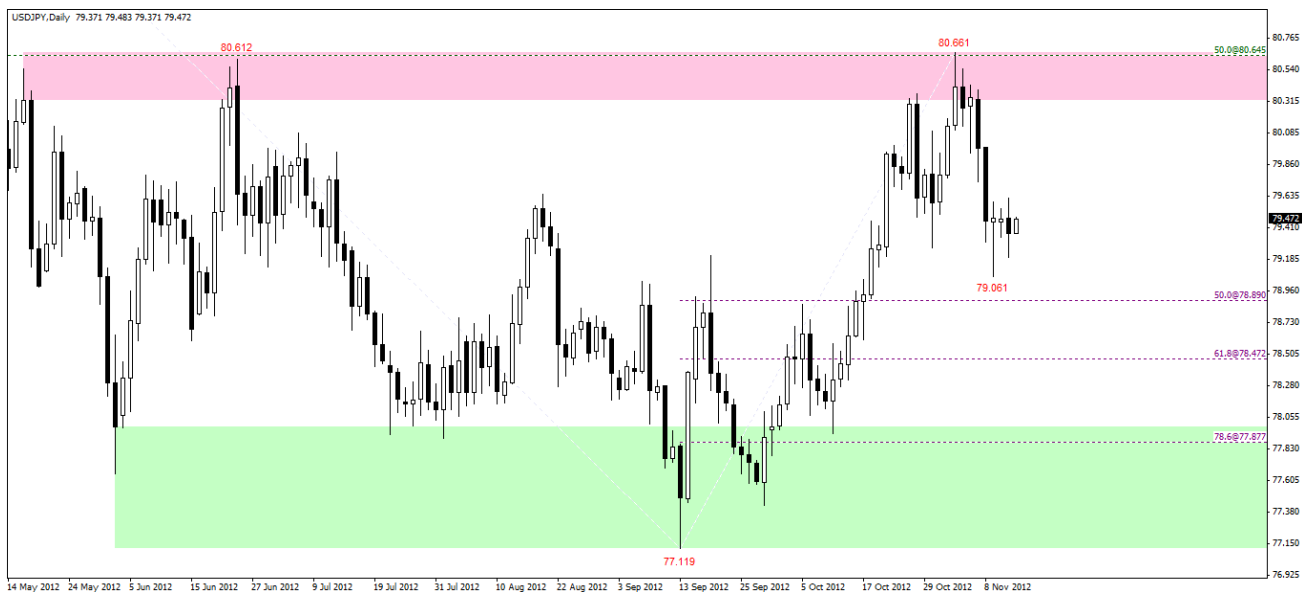
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.94943	0.94551	0.90587	0.95209 STOP

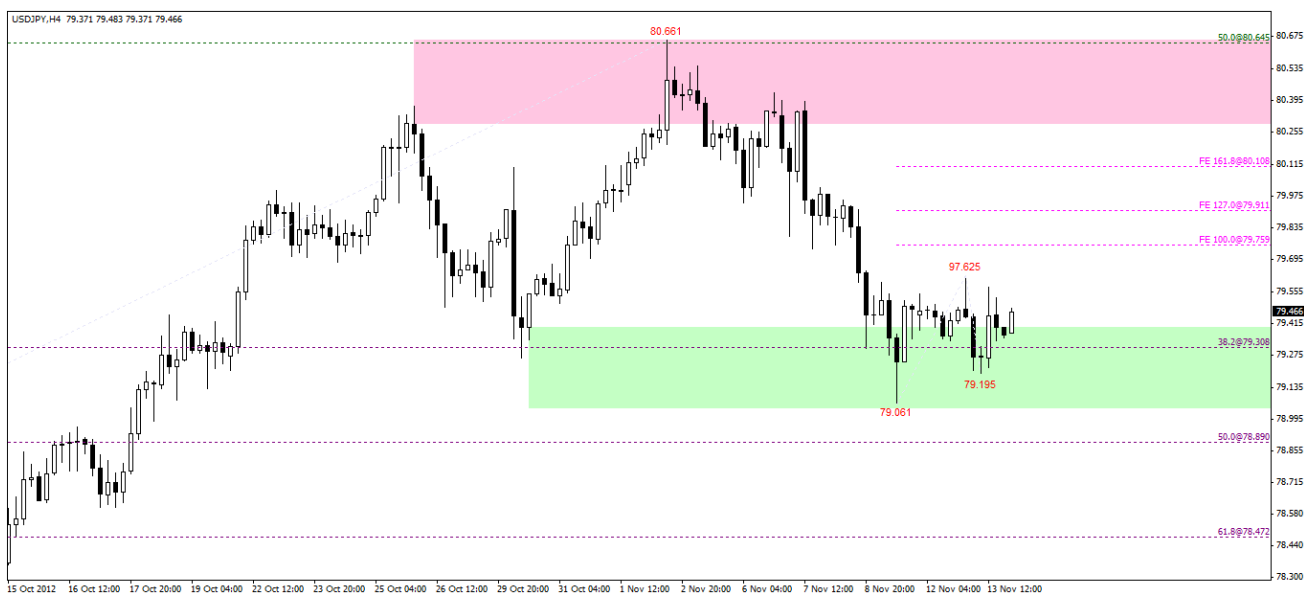
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$33,811.41
USD-CHF	13-11-2012	1.0	0.94720	13-11-2012	1.0	0.94943	+\$235.43		
USD-CHF	13-11-2012	1.0	0.94720	13-11-2012	1.0	0.94943	+\$235.43		
						Unrealized	+\$470.86		

USD-JPY DAILY



USD-JPY 4-HOURLY

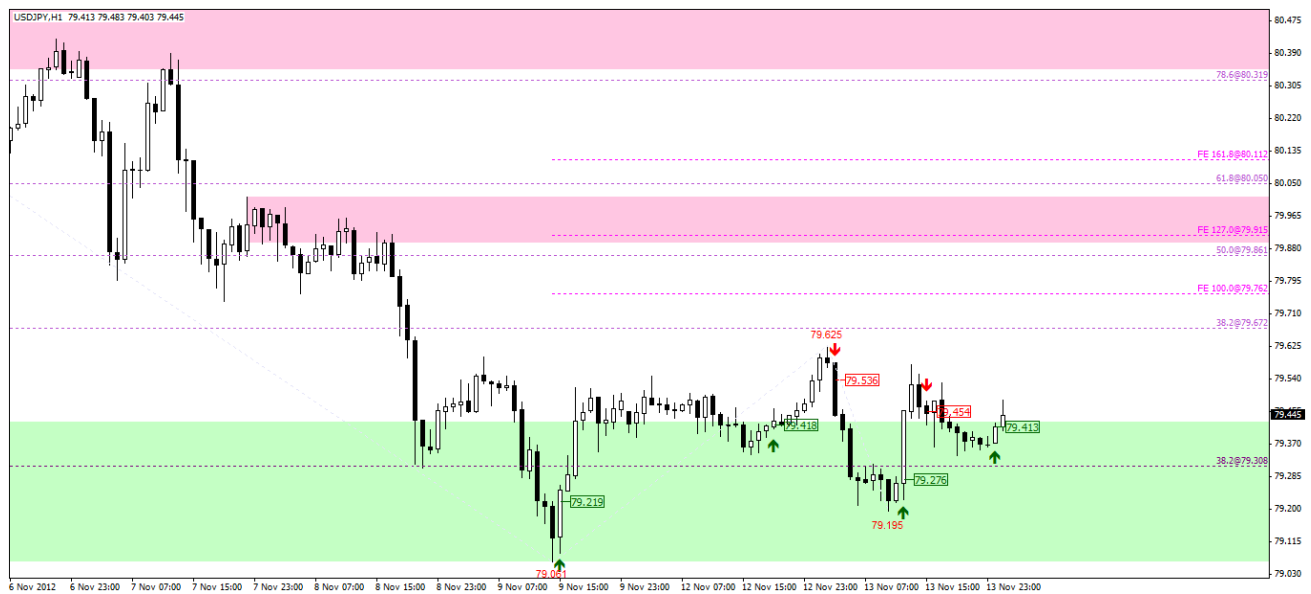


USD-JPY Short to Medium Term Views

Since spiking to a 6-month high at 80.661 a fortnight ago, this market have come under profit-taking. Last Friday saw price action fell into the minor demand pocket at **79.061-79.400** and rebounded. Over the last 48 hours, price action has rebounded each time it dips into this zone. If a rally ensues, the 100.0% and 127.0% projection of 79.061 to 79.625 from 79.195 at **79.759** and **79.911** can be telling. If the rebound stalls within this price window, another fall back to recent lows is imminent. If, on the other hand, the rebound extends towards the 161.8% projection level at **80.108**, a test of the supply pocket at **80.291-80.661** is a foregone conclusion. In the medium-term, price action needs to rally above this supply pocket to add confidence to this bullish bias. A strong closing above there would pave the way for an attempt at the year's high **84.172** last seen in March. As mentioned, this bullish bias has a potential for a 5 yen or 500 pips rally. A possible target is the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** which incidentally sits within a known supply zone. Previous updates have suggested buying on pullbacks. Price actions in the past 48 hours have added considerable confidence that last Friday's low at **79.061** could well be the bottom for this run.

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USD-JPY 1-HOURLY



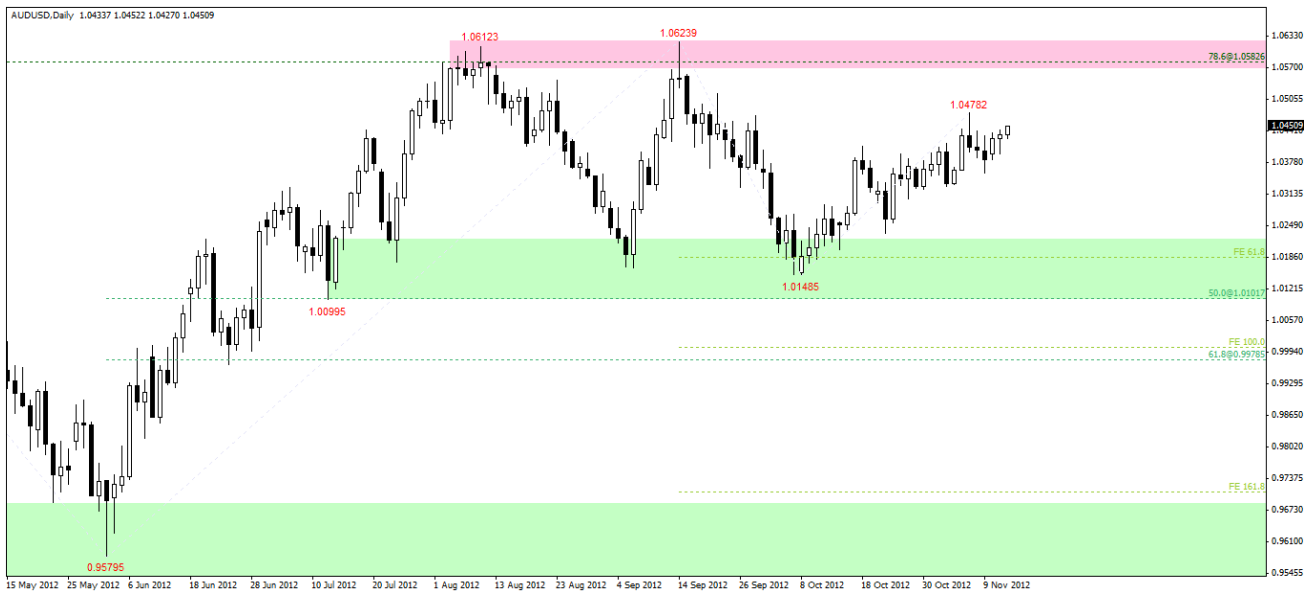
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 79.222	79.862	80.313	79.050 STOP

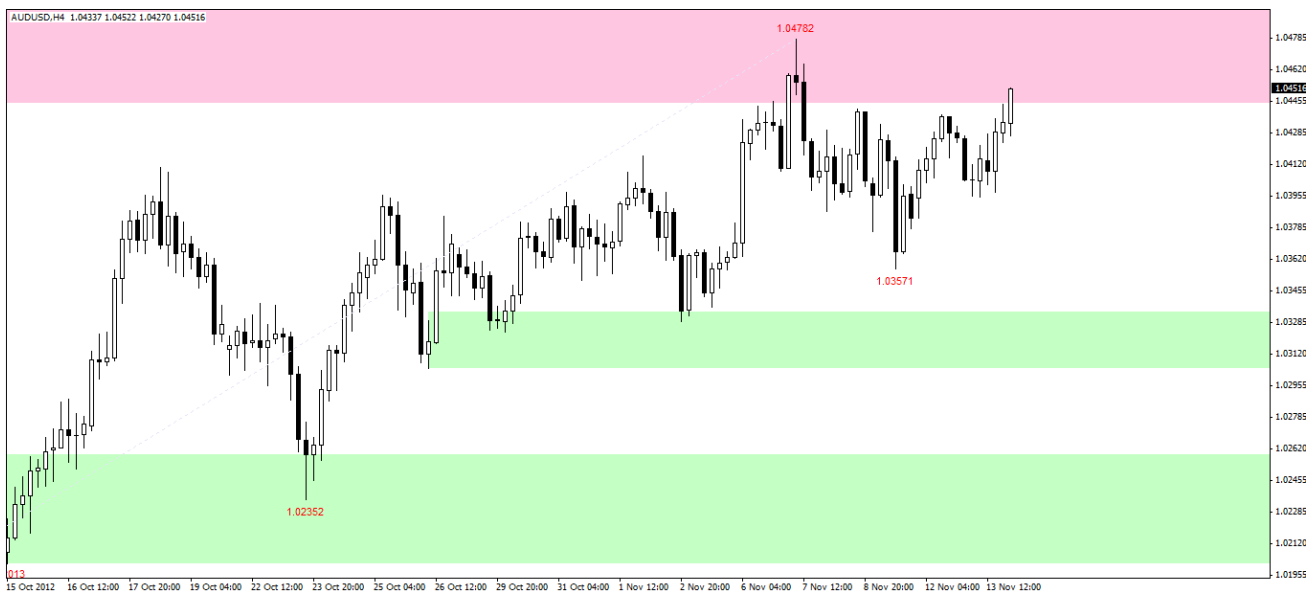
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$27,155.39
USD-JPY	09-11-2-12	1.0	79.222	13-11-2012	1.0	79.366	+\$181.44		
USD-JPY	09-11-2-12	1.0	79.222	13-11-2012	1.0	79.366	+\$181.44		
						Unrealized	+\$362.88		

AUD-USD DAILY



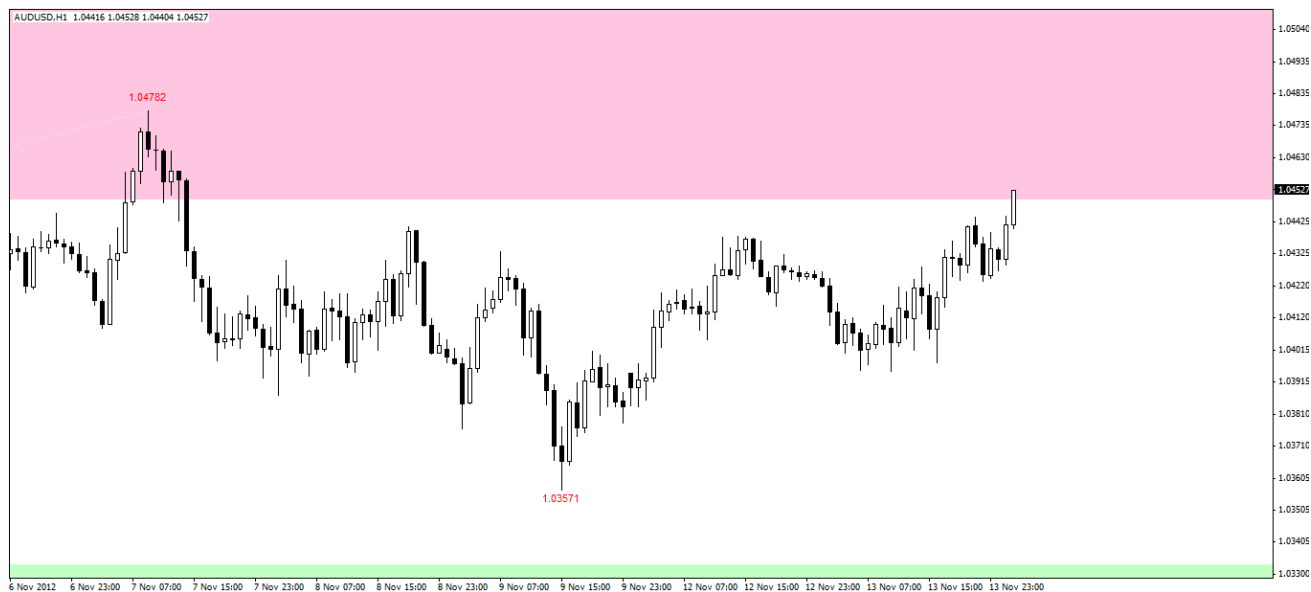
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

Last Wednesday saw the appearance of a *Bearish Harami* within the minor supply pocket at **1.04486-1.04722** following the spike to the week's high at 1.04782. This was immediately followed by the same in the H4 shortly after. By the end of Wednesday's trading, even the D1 chart has a potential reversal signal even though the anticipated sell-off has yet to materialize. Structurally, the short-term charts are less than encouraging with yet another attempt to rally happening at the point of writing in early Wednesday trading. An eventual close below **1.03628** in the D1 chart would add confidence to this bearish stance. If so, all important time frames will have sell signals triggered and that can only mean further weakness going forward. If this happens, immediate target is the demand pocket at **1.03044-1.03332** and if this zone cannot hold, an obvious medium-term target is the demand pocket at **0.99680-1.00207**. Alternatively, the 61.8% and 100.0% projection of 1.06239 to 1.01485 from 1.04782 at **1.01844** and **1.00028** respectively are also viable targets. On the flip side, another spike towards the the overhead SZ at **1.05796-1.06239** cannot be ruled out especially with strong bids at lower levels. This is also where the 78.6% retracement of 1.08557 to 0.95795 at **1.05826** resides. A sell there would be a lot more comfortable.

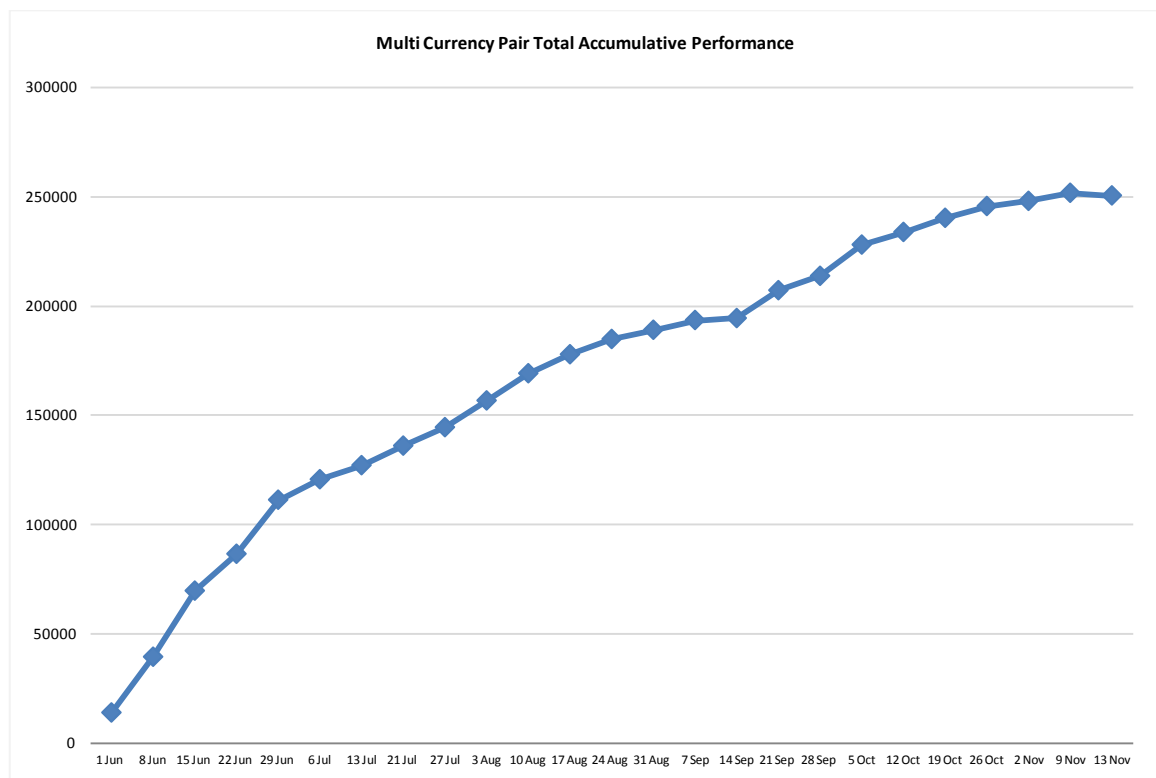
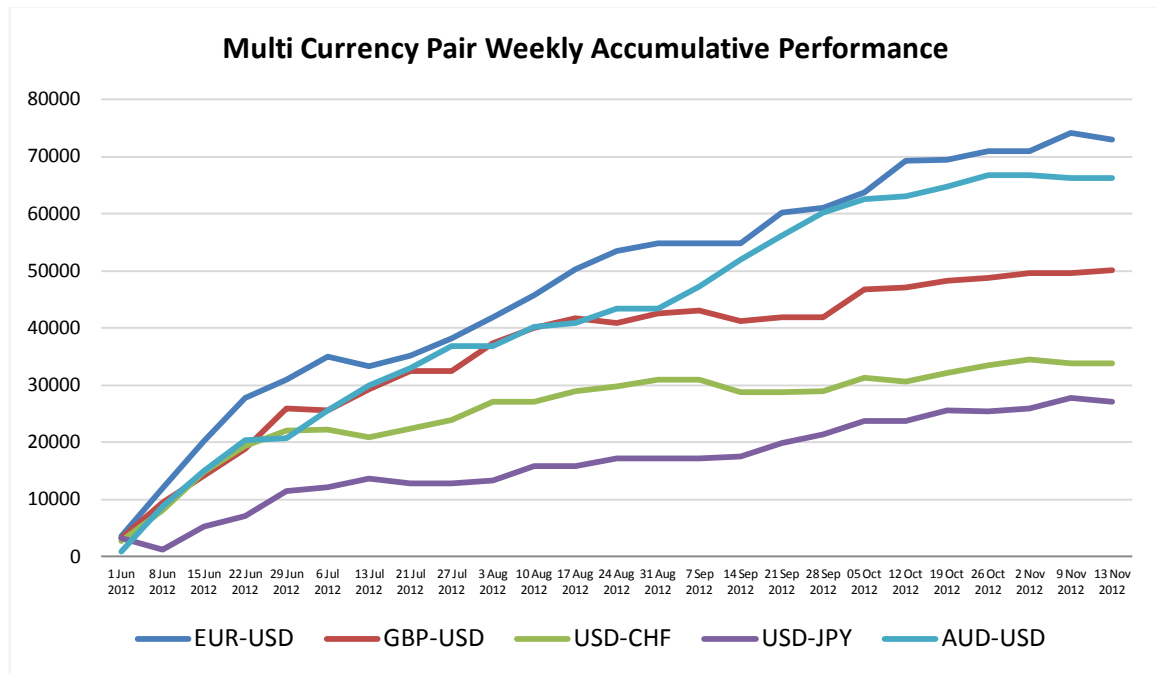
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AUD-USD 1-HOURLY**Trade Ideas**

ACTION	Target 1	Target 2	EXIT
Sold @ 1.04589	1.03262	1.01911	Break-even

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$66,343.00
AUD-USD	13-11-2012	1.0	1.04340	07-11-2012	1.0	1.04589	+\$249.00		
AUD-USD	13-11-2012	1.0	1.04340	07-11-2012	1.0	1.04589	+\$249.00		
Unrealized							+\$498.00		



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.