

FOREX OUTLOOK

A Traders Academy International Publication

US Retail Sales Worse Than Expected

The US Dollar weakened on Monday after worse-than-expected US retail sales data showed a slowdown in private sector consumption, which is considered a major driver of growth. The data increased speculation of the Fed introducing more quantitative easing (QE) which weighed on the outlook for the Dollar. Advance Retail Sales in June fell by -0.5% versus the 0.2% rise expected, this was also lower than the -0.2% of the previous period, and the third consecutive month the metric declined in a row. Retail Sales less autos also fell by -0.4%, which was the same as the previous month but not as high as the 0.0% consensus estimate. Empire Manufacturing in July rose by 7.39 when it had been at 2.29 previously and had been expected to rise to 4.0. Overall the data will probably lead to more careful scrutiny of Chairman of the Fed, Ben Bernanke's testimony to Congress later this week for early-warning signs of a change in monetary policy from the current 'wait-and-see' stance.

The Euro continued to fall on Monday after news of a further 8-week delay in the German constitutional court decision on the ESM - the latest bailout fund which will take over from the European Financial Stability Fund. There was further pressure after reports from the ECB that senior bondholders of Spain's leading banks might have to take losses as part of Spain's bank bailout. On the data front, the main event was the release of the Euro-zone CPI which remained the same in June at 2.4% in line with expectations. Euro-zone CPI Core also remained the same at 1.6%, which was also the same as consensus estimates. Month-on-month, however, CPI eased by 0.1% when it had been expected to rise to 0.0%. The Euro-zone Trade Balance showed a welcome increase in the surplus, which rose to €6.9 billion in May, from €3.7 billion previous when a more modest rise to €4.0 billion had been anticipated. Meanwhile seasonally adjusted figures remained robust too, with a surplus of €6.3 billion versus €5.0 billion expected and €4.5 billion previous.

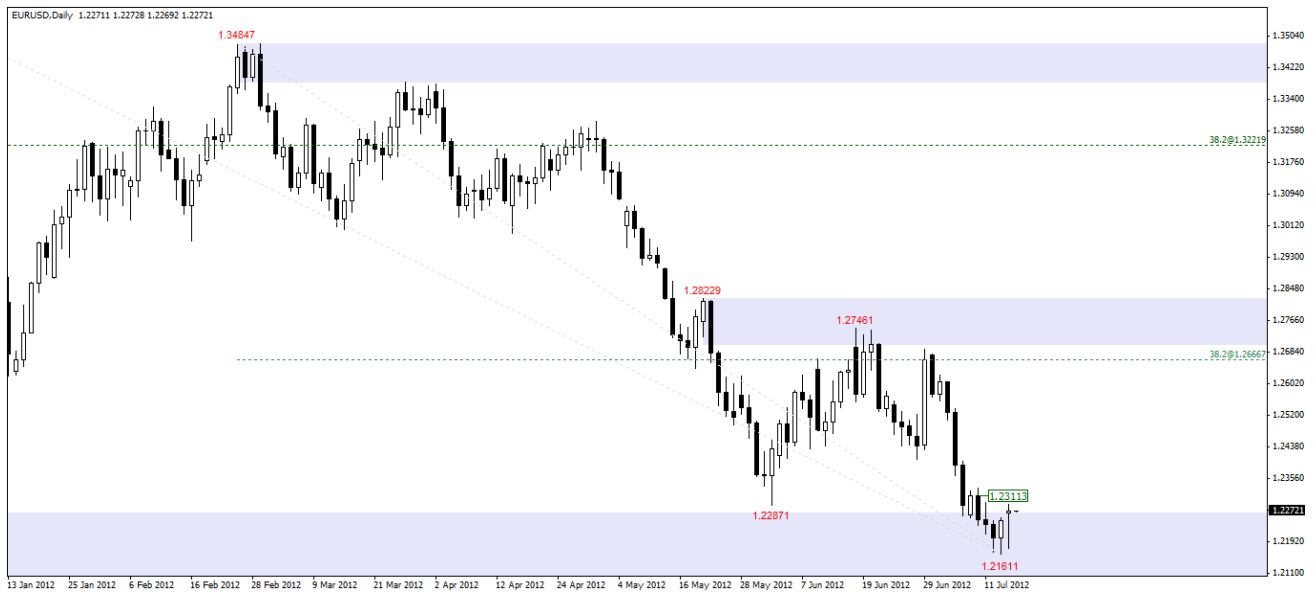
The Pound Sterling rose against the US Dollar and the Euro on Monday after the Dollar was hit by worse-than-expected retail sales data showing three months of back-to-back contraction as well as concerns about the bailout conditions for Spain and Italy following reports that the ECB could impose losses on senior bondholders of some of the worst hit Spanish banks. The Pound managed to shrug off negative reports from the IMF which slashed U.K growth forecasts more than any other leading economy in 2012/13, reducing them by 0.6% - to 0.2% and 1.4% respectively, as the AAA rating of U.K gilts continued to be a draw safe-haven investors. On the data front, Monday saw the release of housing data from Rightmove. In July house prices rose by 2.3% year-on-year versus 2.4% in 2011, and by -1.7% month-on-month versus 1.0% previous.

The Japanese Yen rose on Monday after the Dollar was hit by a negative Retail Sales in June. The Yen also benefited from increased safe-haven demand after a rise in contagion fears in the Euro-zone sparked by concerns that senior bondholders of major Spanish banks would have to take losses as part of the bailout deal. There was no data out for Japan on Monday although Tuesday sees the release of the June BOJ monthly meeting minutes which could influence the outlook for monetary policy, as expectations for more QE remain high.

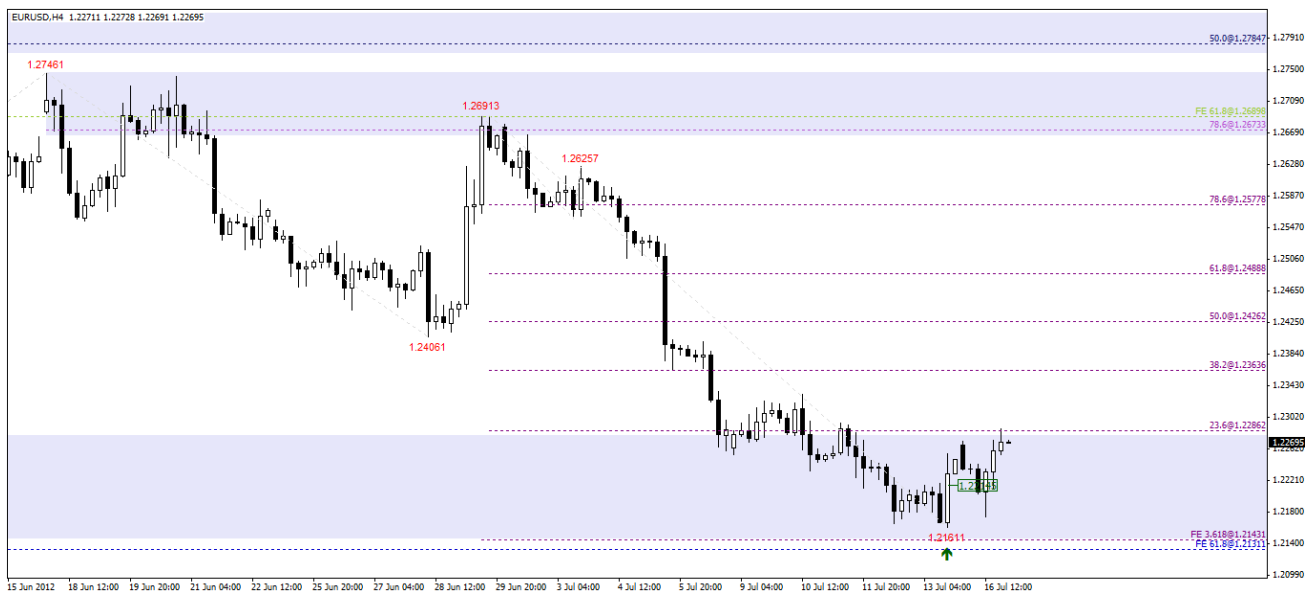
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EUR-USD DAILY



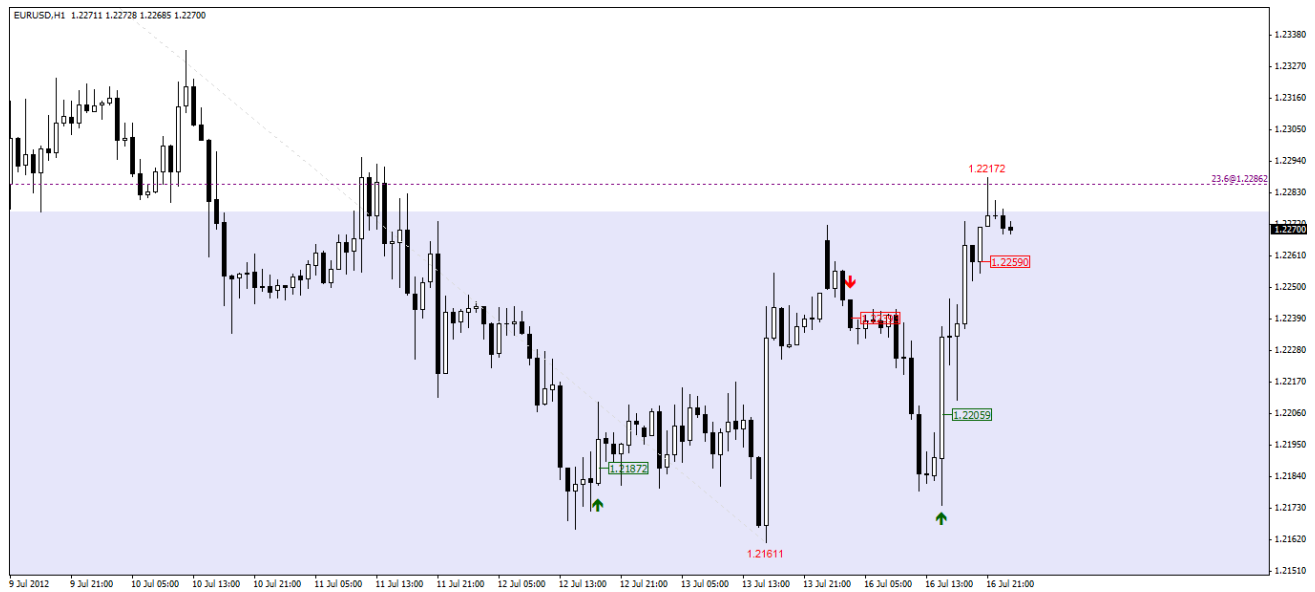
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The Euro opened the week 18 pips higher only to see the initial gains eroded steadily throughout the Asia and European trading sessions - without taking out Friday's low of 1.21611. The weaker than expected US Retail Sales during the NY session subsequently caused a complete turn-around in fortune which saw price action rallying to the 23.6% retracement of 1.26913 to 1.21657 at **1.22897** with a print at 1.22882 and eased. Despite this move, price action remains largely within the key DZ at **1.21453-1.22794**, which lies just above the 3.618% projection 1.26913 to 1.25579 from 1.26257 at **1.21430** (see H4 chart). Should this recovery proves durable, it has the potential to rally back to the 4th wave of 1 lesser degree to the 38.2% retracement of 1.34847 to 1.21611 at **1.26667** or the SZ at **1.27047-1.28229** (see D1 chart). The ideal outcome is for a corrective run to extend to these levels and position shorts there for the next leg down. Meanwhile, resistance is likely to emerge from the immediate overhead SZ at **1.23618-1.24000**.

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.21872	1.23618	1.26979	Exit on H1 close below 1.22590

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 13-07-2012								+\$33,286.00
EUR-USD	12-07-2012	1.0	1.21872	16-07-2012	1.0	1.22706	+\$834.00		
EUR-USD	12-07-2012	1.0	1.21872	16-07-2012	1.0	1.22706	+\$834.00		
						Unrealized	+\$1,668.00		

GBP/USD, Daily 1.56340 1.56339 1.56235 1.56126

1.62995

FE 161.8@1.62145

FE 127.0@1.60374

FE 100.0@1.59001

50.0@1.57835

1.57253

1.57198

1.54832

1.53914

1.52866

1.55172

FE 100.0@1.54277

FE 127.0@1.53488

FE 161.8@1.52472

61.8@1.51892

16 Jan 2012 26 Jan 2012 7 Feb 2012 17 Feb 2012 29 Feb 2012 12 Mar 2012 22 Mar 2012 3 Apr 2012 13 Apr 2012 25 Apr 2012 7 May 2012 17 May 2012 29 May 2012 8 Jun 2012 20 Jun 2012 2 Jul 2012 12 Jul 2012

GBP/USD, H4 1.56340 1.56359 1.56255 1.56328

1.57753

1.57198

1.55783

1.55172

1.54420

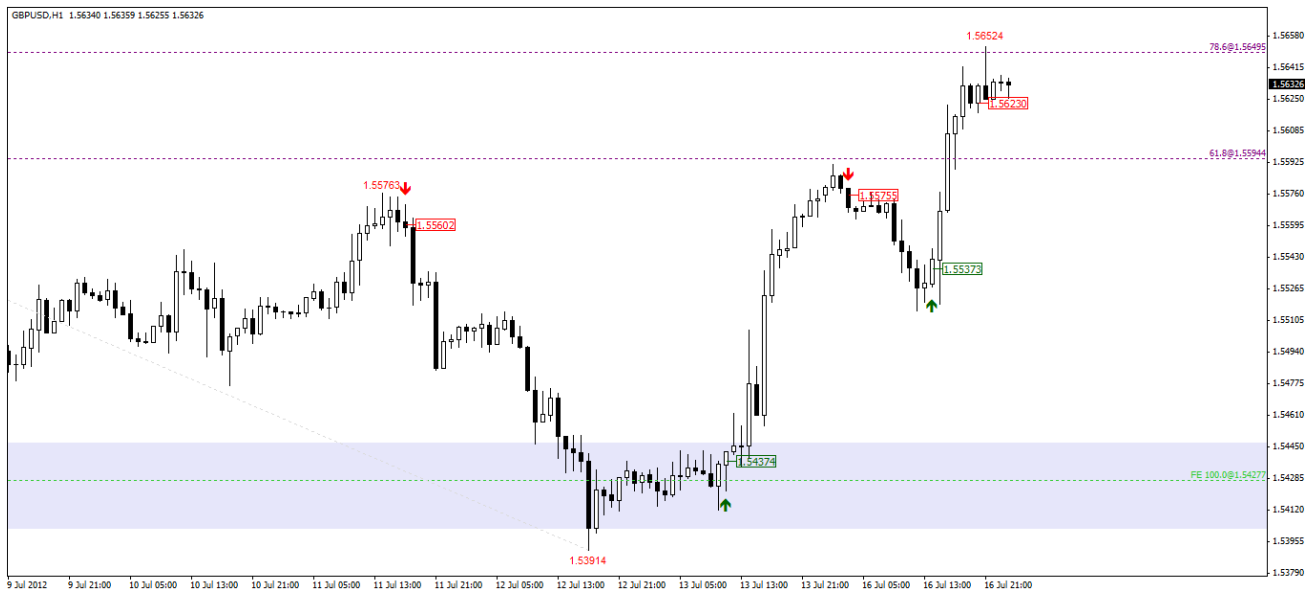
1.53914

1.57850 1.57605 1.57360 1.57120 1.56875 1.56635 1.56390 1.56150 1.55905 1.55660 1.55420 1.55175 1.54930 1.54690 1.54445 1.54205 1.53960 1.53715

15 Jun 2012 18 Jun 12:00 19 Jun 20:00 21 Jun 04:00 22 Jun 12:00 25 Jun 20:00 27 Jun 04:00 28 Jun 12:00 29 Jun 20:00 3 Jul 04:00 4 Jul 12:00 5 Jul 20:00 6 Jul 04:00 10 Jul 12:00 11 Jul 20:00 13 Jul 04:00 16 Jul 12:00

Price action continued its strong recovery from Friday from within the immediate DZ at **1.54023-1.54469** where the 100.0% projection of 1.57753 to 1.54832 from 1.57198 at **1.54277** is located. The market opened on Monday and almost immediately came under selling pressure near the 61.8% retracement of 1.57198 to 1.53914 at **1.55943** located within the overhead SZ at **1.55766-1.56210** before poor US Retail Sales kicked the market decisively higher to the 78.6% retracement of 1.57198 to 1.53914 at **1.56495** with a print at 1.56524 and eased. In the medium-term, this rally looks promising as it may extend into a larger degree 3-wave correction with a target at the 100.0% projection of 1.52666 to 1.57753 from 1.53914 at **1.59001**. Potentially, this move may develop into a 5-wave up to as high as the 1.618% projection at **1.62145**. That said, this market must first overcome strong interests expected from within the SZ at **1.57505-1.58463**; where the 50.0% retracement of 1.62995 to 1.52666 at **1.57830** is sited. (see D1 chart)

GBP-USD 1-HOURLY



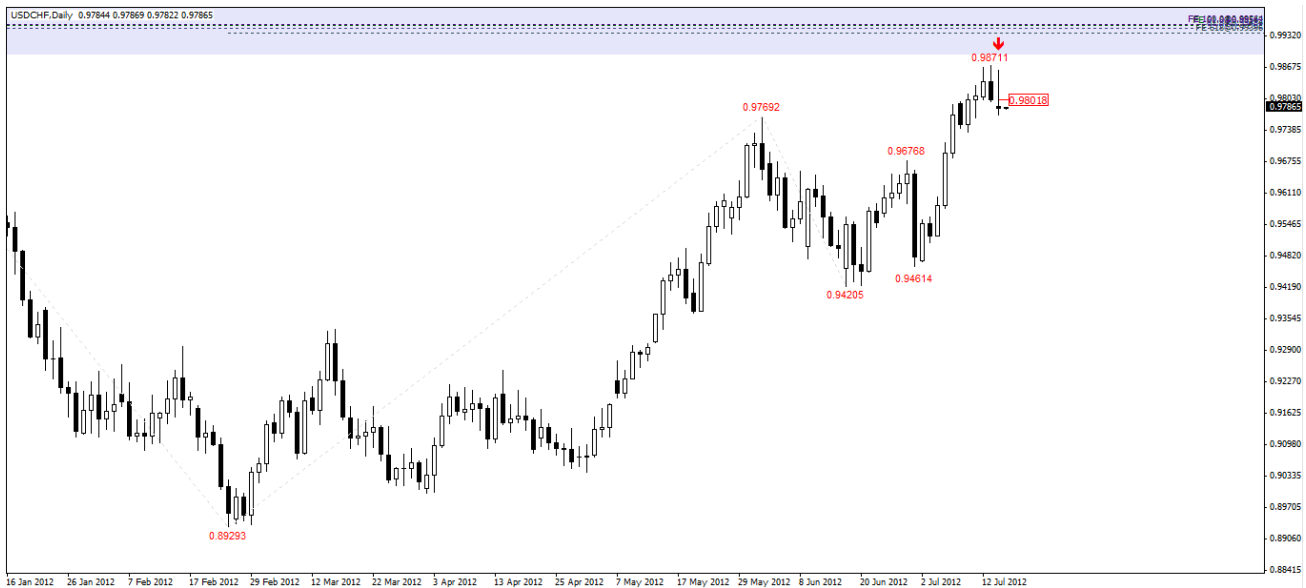
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.55373	1.56495 Realized	1.57505	Exit on H1 close below 1.5630

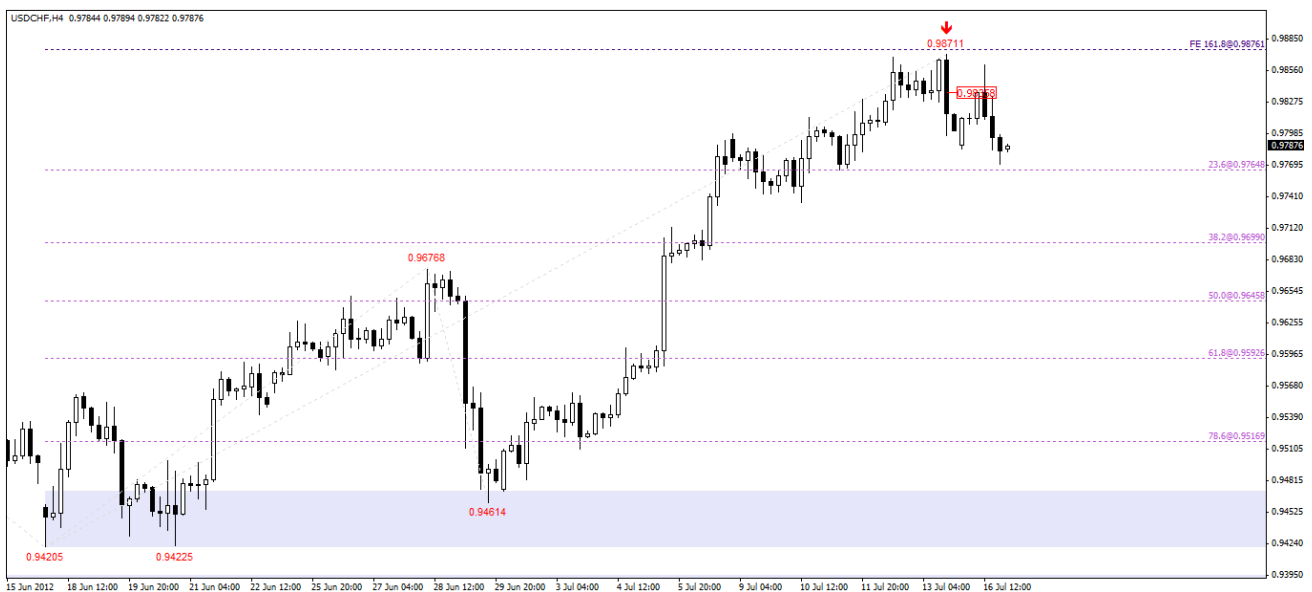
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 13-07-2012								+\$29,285.00
GBP-USD	13-07-2012	1.0	1.54420	16-07-2012	1.0	1.55479	+\$1,059.00	+\$1,059.00	+\$30,344.00
GBP-USD	16-07-2012	1.0	1.55373	16-07-2012	1.0	1.56495	+\$1,122.00	+\$1,122.00	+\$31,466.00
GBP-USD	16-07-2012	1.0	1.55373	16-07-2012	1.0	1.56336	+\$963.00		
						Unrealized	+\$963.00		

USD-CHF DAILY



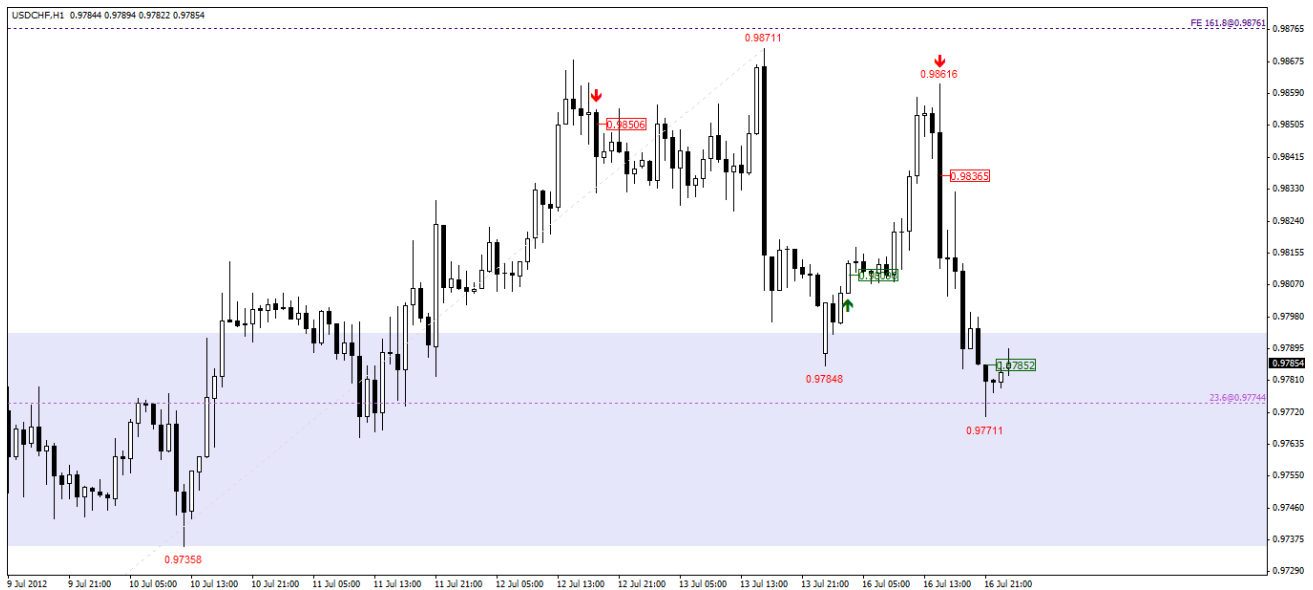
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

The week opened slightly lower and quickly traded to 0.97848 within the hour in Asia trading session and was just as quickly bought up to 0.98616 in early NY session. From there, poor US Retail Sales figures prompted a sell-off that eventually took this market to the 23.6% retracement of 0.94205 to 0.98711 at **0.97648** with a print at 0.97711 by NY midday. This was the minimum target for this correction. As noted, the rally from 0.89293 has, strictly speaking, completed the entire 5-wave move from the February 24 low and is vulnerable to a more robust correction. This sell-off could well be the correction which may ultimately take price action back to the 4th wave of a lesser degree, specifically the window between the June 18 low of **0.94205** and the June 29 low of **0.94614**. Overall, the long-term bullish outlook is still intact with focus on target between the 61.8% retracement of 1.17296 to 0.70677 at **0.99488**; which is incidentally near the 61.8% projection of 0.70677 to 0.93132 from 0.85669 at **0.99546**.

USD-CHF 1-HOURLY



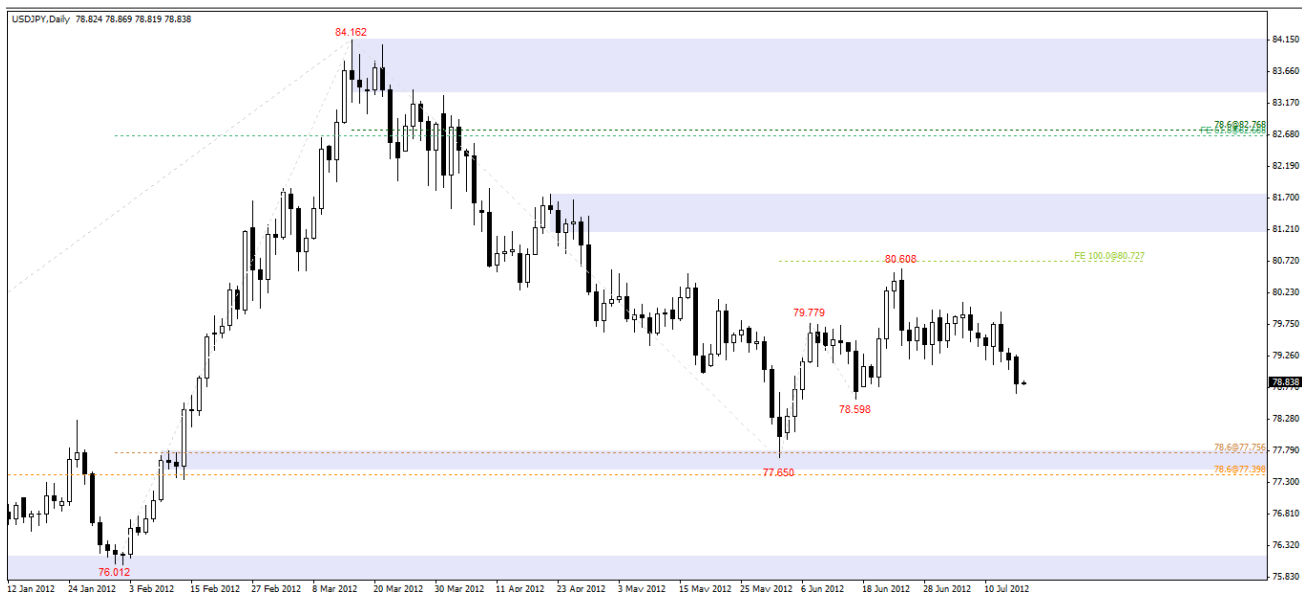
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.98506	0.97721 Realized	0.97135	Exit on H1 close above 0.97852

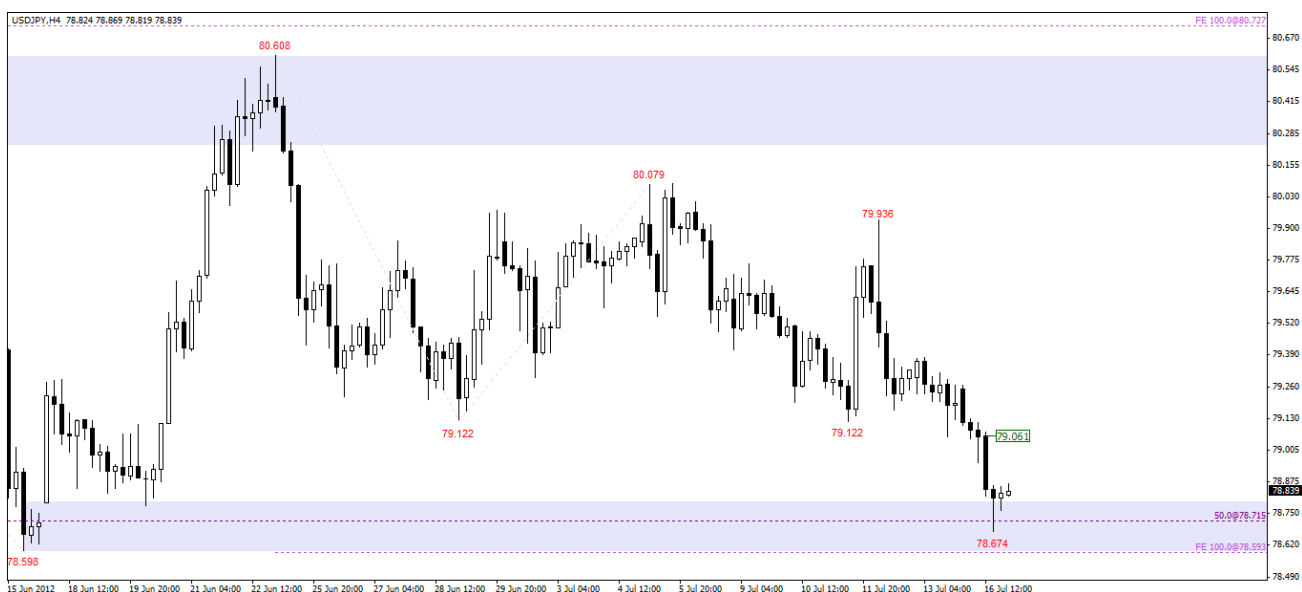
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 13-07-2012								+\$20,910.24
USD-CHF	16-07-2012	1.0	0.97721	12-07-2012	1.0	0.98506	+\$803.31	+\$803.31	+\$21,713.55
USD-CHF	16-07-2012	1.0	0.97831	12-07-2012	1.0	0.98506	+\$689.97		
						Unrealized	+\$689.97		

USD-JPY DAILY



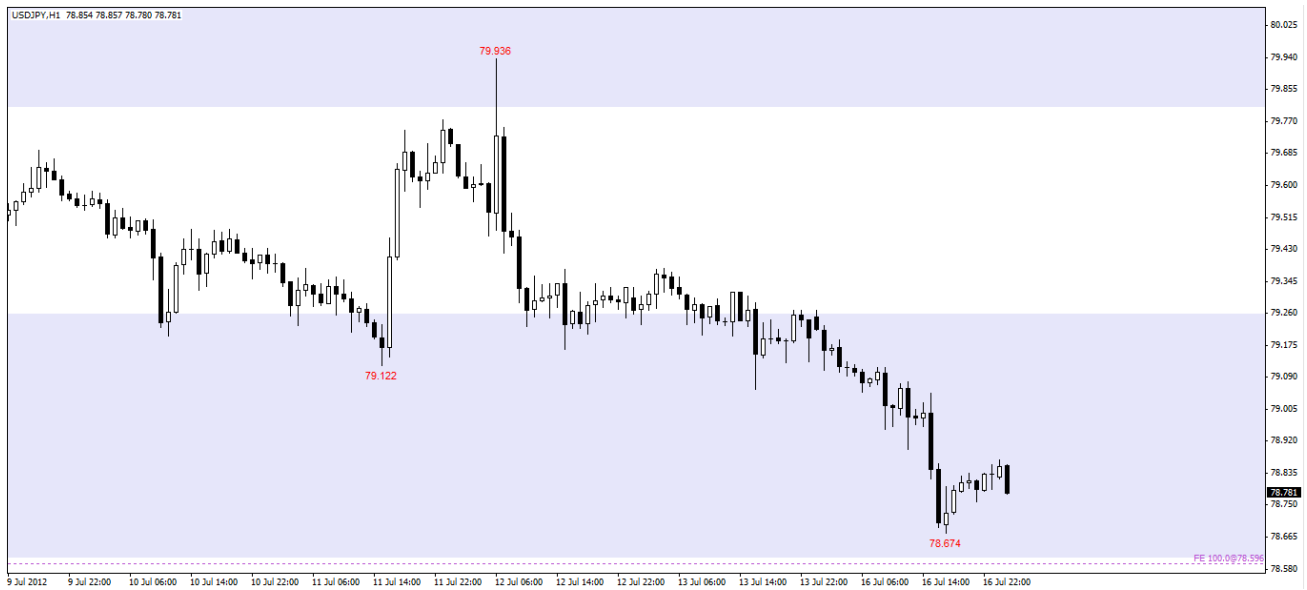
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

Price action finally broke out of its recent tight range and traded to the downside to just above the 100.0% projection of 80.608 to 79.122 from 80.079 at **78.593** with a print at 78.674 and rebounded. That said, price action is still largely trapped within the DZ at **78.595-78.795**. That being the case, the overall bullish bias is still intact. A close above **79.061** in the H4 chart may signal the start of a more robust rebound with resistance expected at the SZ at **80.238-80.598**. Of two possible medium-term scenarios, namely: (1) Price action rallying to test the March high of **84.162** or (2) resumes its fall towards the June low of **77.650**, the picture is no clearer now than any time in the last three weeks. Only sustained trading below the 78.6% retracement of 78.779 to 80.608 at **79.170** would favor the latter.

USD-JPY 1-HOURLY



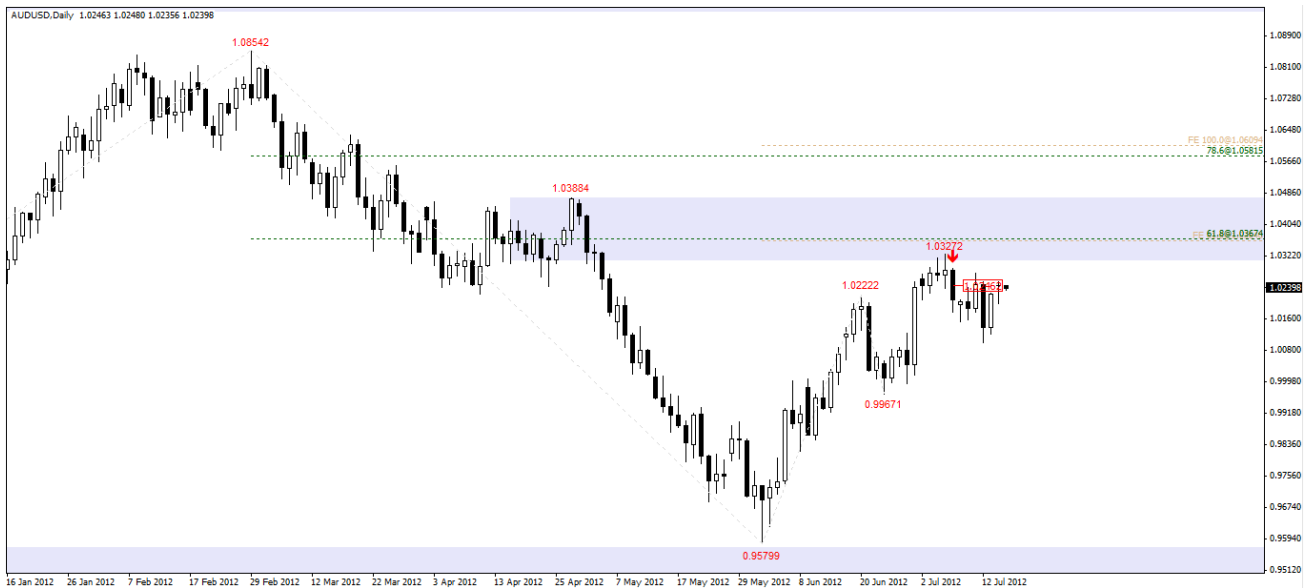
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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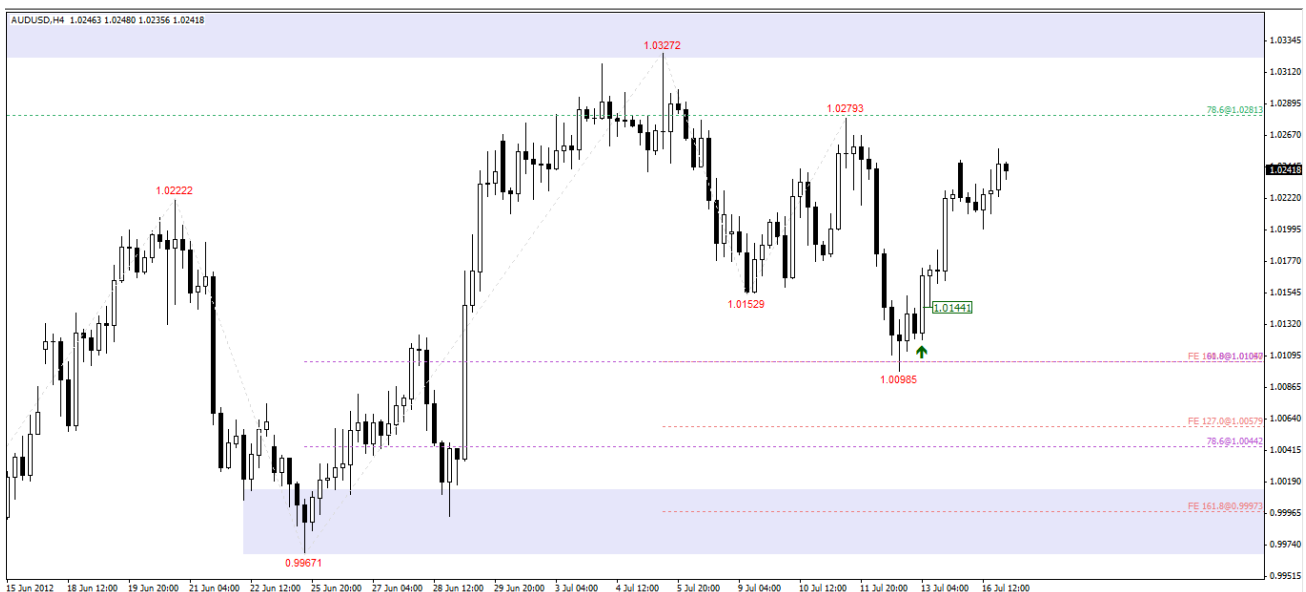
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 13-07-2012								+\$13,623.64
USD-JPY	13-07-2012	1.0	79.339	16-07-2012	1.0	79.022	-\$401.15		
USD-JPY	13-07-2012	1.0	79.339	16-07-2012	1.0	79.022	-\$401.15	-\$802.30	+\$12,821.34
						Unrealized	-\$366.20		

AUD-USD DAILY



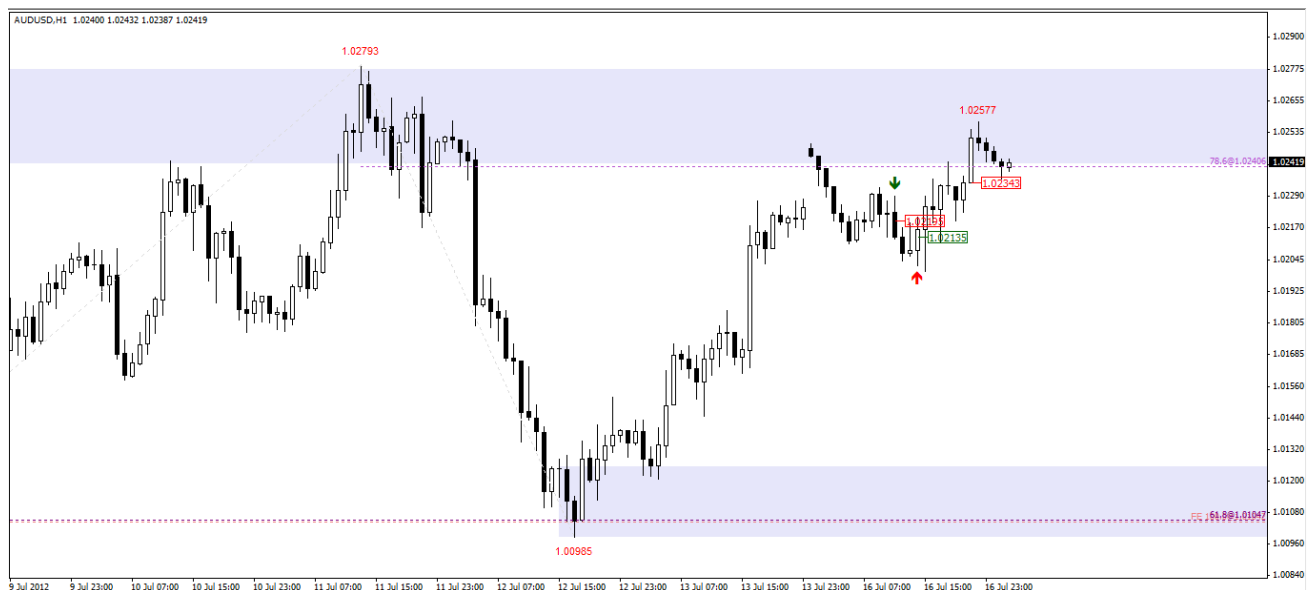
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

AUD-USD opened with a gap of some 23 pips and promptly eased to the day's low of 1.02004 before been bought up to a marginal high of 1.02577 in NY. Trading was relatively muted and is having trouble handing on to its gains. Each time price action trades into the overhead minor SZ at **1.02415-1.02777**, selling interests emerged. Even if price action can clear this SZ, another at **1.03224-1.03536** lies ahead. In the medium-long term, the rally from 0.95799 has the potential to test the upper band of the converging triangle formation (see W1 chart). Sustained trading beyond this resistance line may see price action extending to the 78.6% projection of 1.08542 to 0.95813 at **1.05818** or the 100.0% projection of 0.95799 to 1.02222 from 0.99671 at **1.06094** or further extends in a powerful surge to possibly the 161.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.10063**. This bullish scenario assumes, of course, that price action can clear above the SZ at **1.03224-1.03536**. In so long as price action does not close below **1.00445** in the W1 chart, this bullish bias is basically intact. On the downside, the DZ at **1.00985-1.01256** should hold.

AUD-USD 1-HOURLY

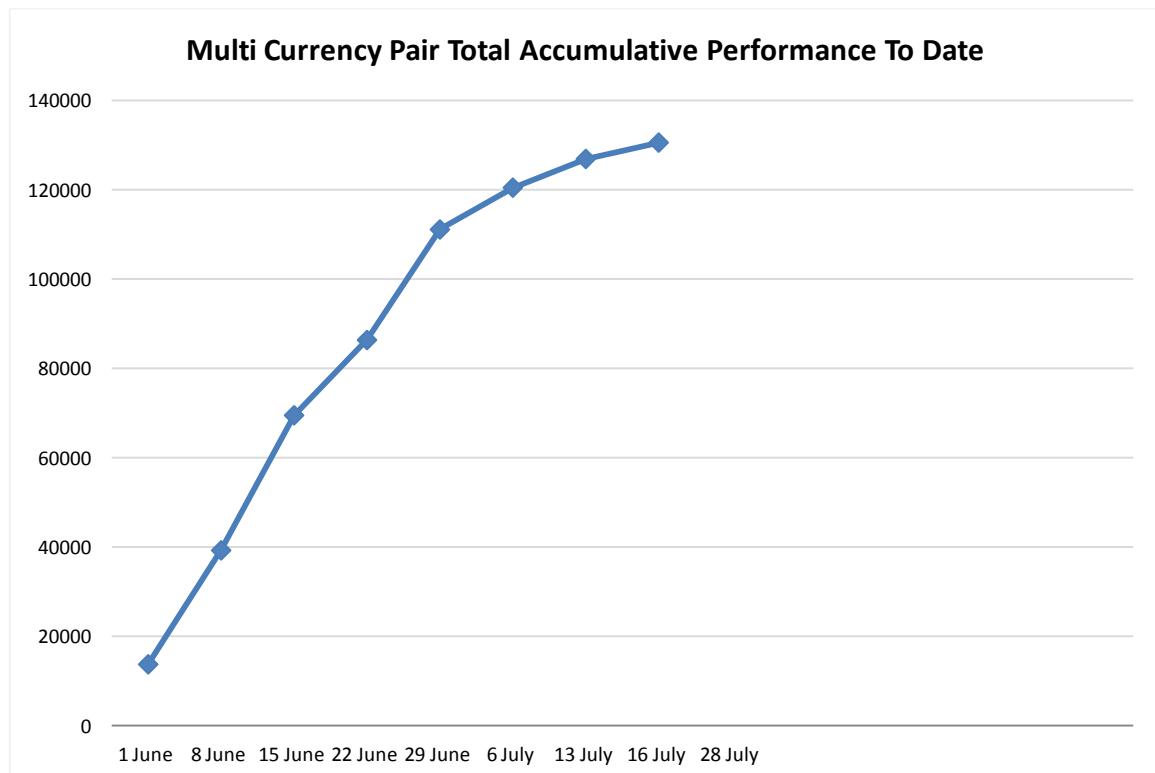
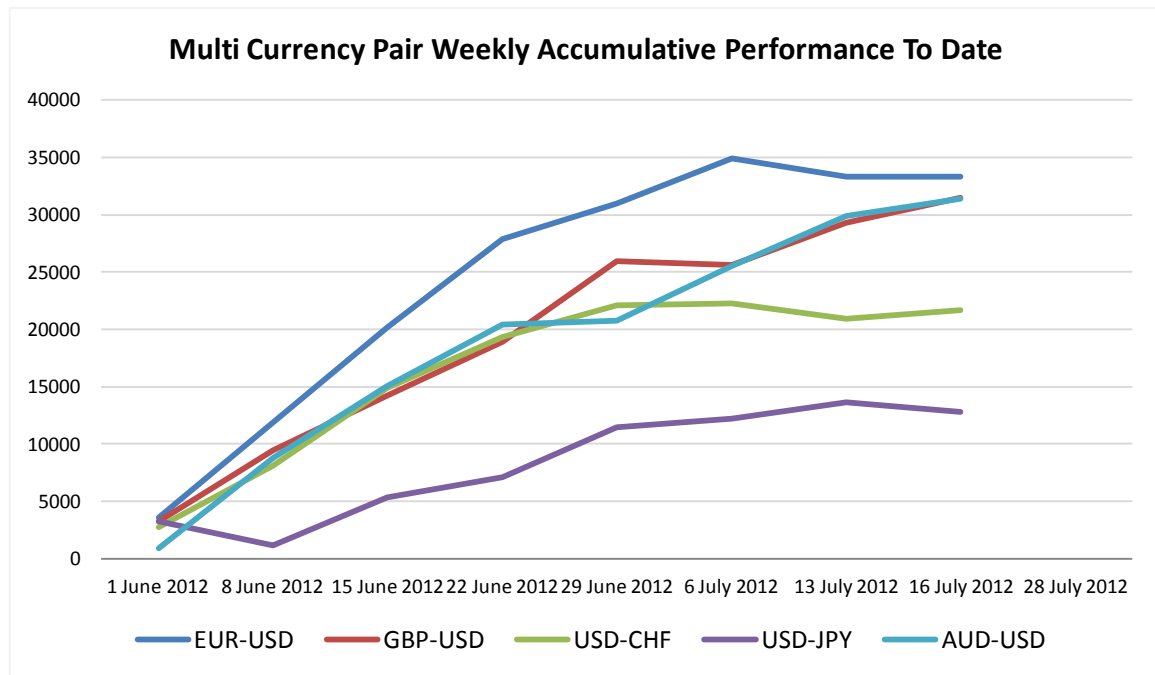


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.02135	1.03224	1.04364	Exit on H1 close above 1.02343

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 13-07-2012								+\$29,899.00
AUD-USD	13-07-2012	1.0	1.01441	16-07-2012	1.0	1.02159	+\$718.00		+\$30,617.00
AUD-USD	13-07-2012	1.0	1.01441	16-07-2012	1.0	1.02159	+\$718.00		+\$31,335.00
AUD-USD	16-07-2012	1.0	1.02135	16-07-2012	1.0	1.02159	+\$24.00		+\$31,355.00
AUD-USD	16-07-2012	1.0	1.02135	16-07-2012	1.0	1.02159	+\$24.00	+\$1,460.00	+\$31,383.00
AUD-USD	16-07-2012	1.0	1.02135	16-07-2012	1.0	1.02467	+\$332.00		
AUD-USD	16-07-2012	1.0	1.02135	16-07-2012	1.0	1.02467	+\$332.00		
Unrealized							+\$664.00		



Website under development

Traders Academy International

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.

Non Affiliation Policy

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.