

A Traders Academy International Publication

Euro Flat On Spain's Next Move

The FOREX market ended mostly flat on Monday in a day of volatile trading, as traders awaited clarity on when Spain may request a bailout that would set the stage for the European Central Bank to lower its cost of borrowing by buying its debt.

Uncertainty over when Spain will ask for financial aid and whether Greece can agree on new austerity measures with its indebted lenders has discouraged some investors from buying the Euro in recent weeks. But expectations that the Euro will rally once Spain seeks a rescue package have kept traders from betting heavily against it. As a result EUR-USD has been trapped in a tight range roughly between 1.28000 and 1.31000 since mid-September, with options barriers cited below 1.28000.

German Chancellor Angela Merkel said on Monday she agreed with her finance minister, Wolfgang Schaeuble, that there would not be any "uncontrollable developments" in the Euro zone, like a Greek default or exit from the single currency bloc.

The head of the International Monetary Fund, Christine Lagarde, holds the view that Greece should get more time to meet its bailout targets.

Spain has yet to request a bailout, and the IMF suggestion of a rescheduling of repayment terms for Greece has received mixed support.

EUR-USD was flat at 1.29472, recovering from a low of 1.28894 on reported buying by sovereign investors and companies.

The ECB has said it will buy bonds of countries that apply for a bailout. In Spain's case, such a move would bring down the country's borrowing costs and probably spark a broader increase in appetite for risk.

Euro zone officials said Spain could ask for financial aid from next month. The request would probably be dealt with alongside a revised loan program for Greece and a bailout for Cyprus in one big package.

Adding to headwinds for the Euro, Italian Finance Minister Vittorio Grilli was quoted as saying on Monday that a €100-billion aid request from Spain to its Euro zone partners would cost Italy the equivalent of 1.5 percent of its economic output.

The next focus for traders is a European Union summit this week at which the focus will be on Spain and Greece. While Greece's Prime Minister, Antonis Samaras, has said his country is likely to agree to a new austerity package with international lenders at the meeting, a formal request by Madrid for aid is not expected.

Headlines out of Europe will be the main driver over the coming 24 hours.

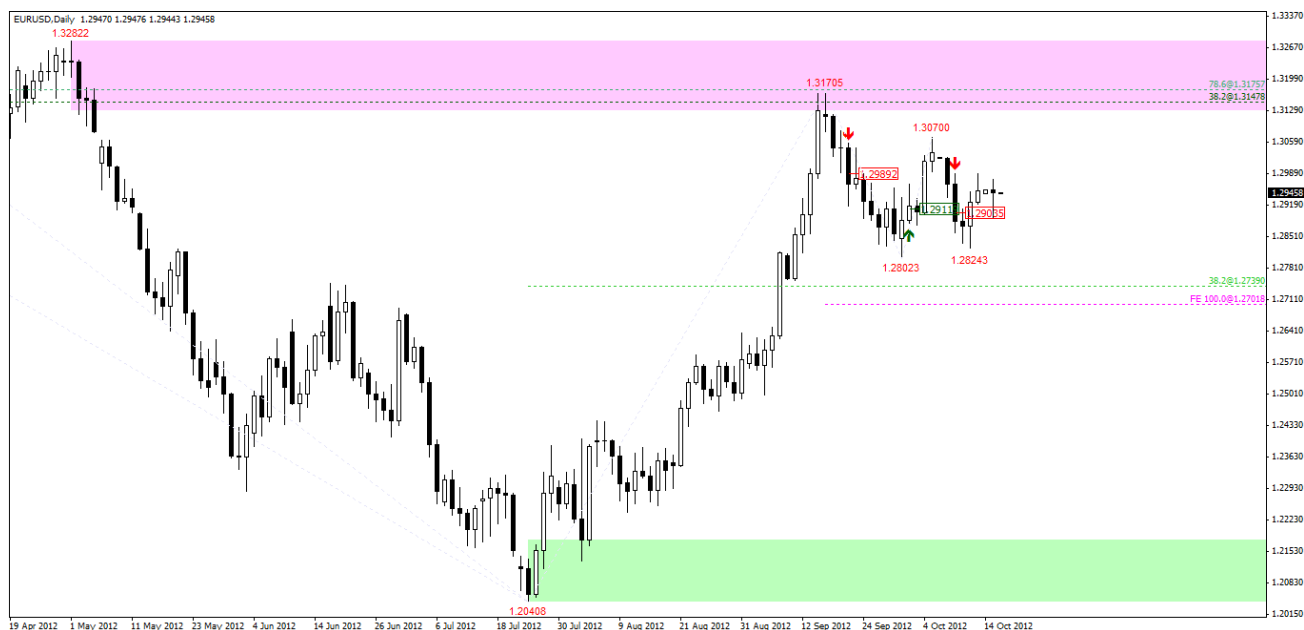
Data over the weekend showed China's exports grew at roughly twice the rate expected in September, while imports also increased, possibly indicating that measures to spur growth in the world's second-biggest economy are working. That briefly helped demand for riskier assets such as commodity currencies like the Australian Dollar. AUD-USD, however, edged down 0.1 percent on the day to 1.02511.

USD-JPY rose 0.3 percent to 78.631. USD-JPY rose to a 1-week high after data showed U.S. retail sales rose in September as Americans bought more cars and gasoline.

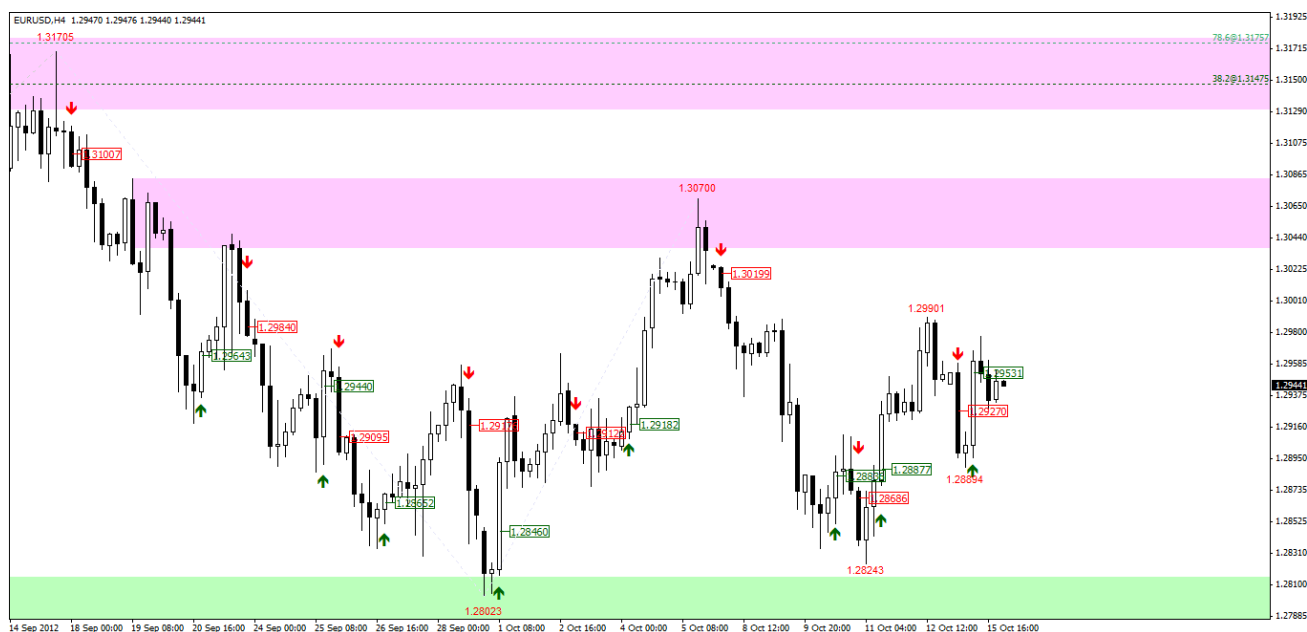
Content:

EUR-USD	2
GBP-USD	4
USD-CHF	6
USD-JPY	8
AUD-USD	10
Performance	11

EUR-USD DAILY



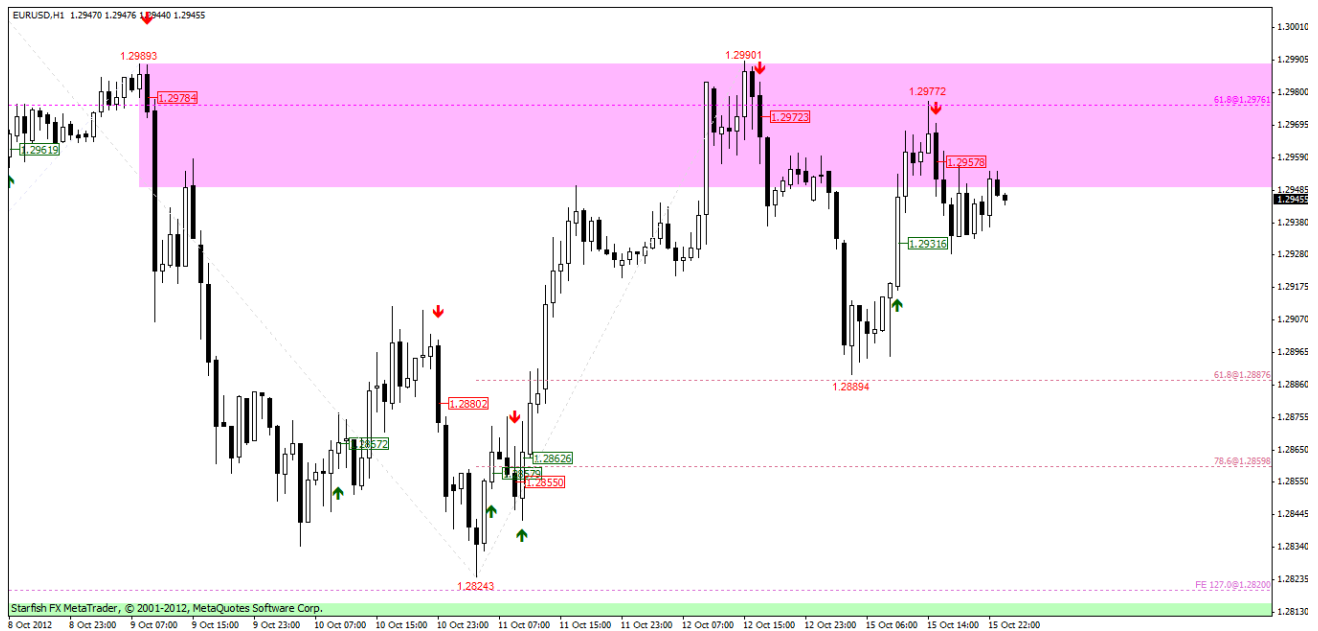
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Signals remained mixed but as in Friday, at least D1 and H1 charts are in line with both under sell signals. This market started the week on a weak and missed hitting the demand pocket at 1.27533-1.28159 and but recovered strongly back into the supply pocket at **1.29497-1.29893** before easing. On a close-to-close basis, nothing really changed. The scenario calling for price action to make a larger degree 3-wave down from 1.31705 to 1.28023 from 1.30700 with focus on either the window between 38.2% retracement of 1.20408 to 1.31705 at **1.27390** and the 100.0% projection of 1.31705 to 1.28023 from 1.30700 **1.27018** or the 50.0% retracement of 1.20408 to 1.31705 at **1.26057** and the 127.0% projection of 1.31705 to 1.28023 from 1.30700 **1.26024** remains in effect. The alternate scenario is a rally above the immediate supply pocket at **1.29497-1.29893** towards a more durable one at **1.30390-1.30835** (see H4 chart).

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.29723	1.29268 Realized	1.28159	1.30001 STOP

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 12-10-2012								\$69,287.00
EUR-USD	15-10-2012	1.0	1.29268	12-10-2012	1.0	1.29723	+\$455.00	+\$455.00	+\$69,742.00
EUR-USD	15-10-2012	1.0	1.29472	12-10-2012	1.0	1.29723	+\$251.00		
						Unrealized	+\$251.00		

GBP/USD, Daily 1.60695 1.60697 1.60671 1.60678

1.62395

1.63077

1.62308

1.62156

1.61452

1.60779

1.60243

1.59103

1.59577

1.57753

1.57658

1.56751

1.53914

1.52666

38.2@1.59577

38.2@1.59103

GBPUSD, H4 1.60695 1.60697 1.60675 1.60679

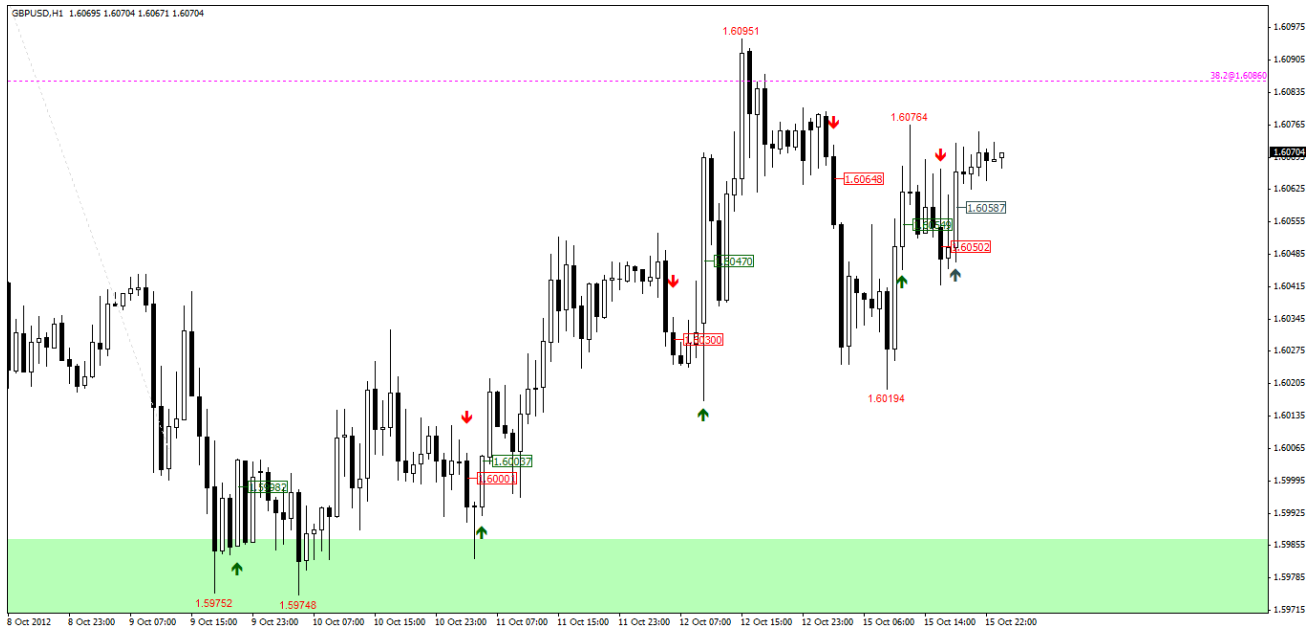
1.63077
1.62516
1.62253
1.62150
1.61763
1.61278
1.60950
1.60951
1.6057
1.59748

78.6081.62365
61.8081.61805
59.0081.61413
38.2081.61020
38.2081.59577

14 Sep 2012 18 Sep 00:00 19 Sep 08:00 20 Sep 16:00 24 Sep 00:00 25 Sep 08:00 26 Sep 16:00 28 Sep 00:00 1 Oct 08:00 2 Oct 16:00 4 Oct 00:00 5 Oct 08:00 8 Oct 12:00 9 Oct 20:00 11 Oct 04:00 12 Oct 12:00 15 Oct 16:00

Trading was choppy with price action first trading lower before rebounding in both the London and NY sessions but ended the day unchanged. Last Friday saw price action came close to the 38.2% retracement of 1.63077 to 1.59748 at **1.61020** with a print at 1.60481 and rebounded strongly (see H4 chart). That rebound registered a high at 1.60951, just below the 38.2% retracement of 1.62150 to 1.59748 at **1.60628** (see H1 chart). As noted, this nascent rebound has the potential to retrace all the way back to the SZ at **1.61915-1.62500**. Signals are currently mixed with both D1 and H1 charts both showing buy signals but with H4 chart under a sell signal.

GBP-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
--------	----------	----------	------

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 12-10-2012								\$47,072.00
GBP-USD	09-10-2012	1.0	1.59982	15-10-2012	1.0	1.60557	+575.00	Unrealized \$0.00	\$47,647.00

USDCHF Daily 0.93301 0.93344 0.93284 0.93314

0.97692

0.94205

0.96933

0.99702

0.98956

0.93079

0.92369

0.94363

0.92737

0.93838

0.93114

0.93119

FE 121.000.95160

FE 100.000.94711

FE 261.800.91717

FE 61.800.96901

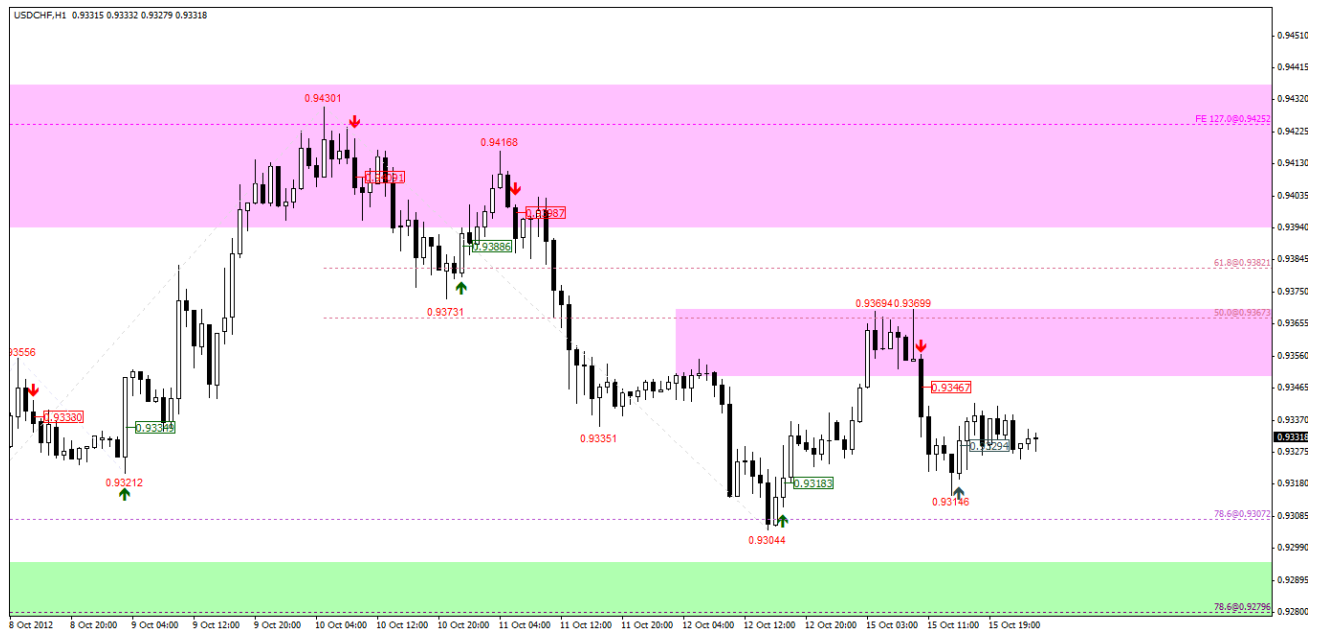
FE 50.000.96036

FE 38.200.95170

78.600.91521

Traders Academy International

USD-CHF 1-HOURLY



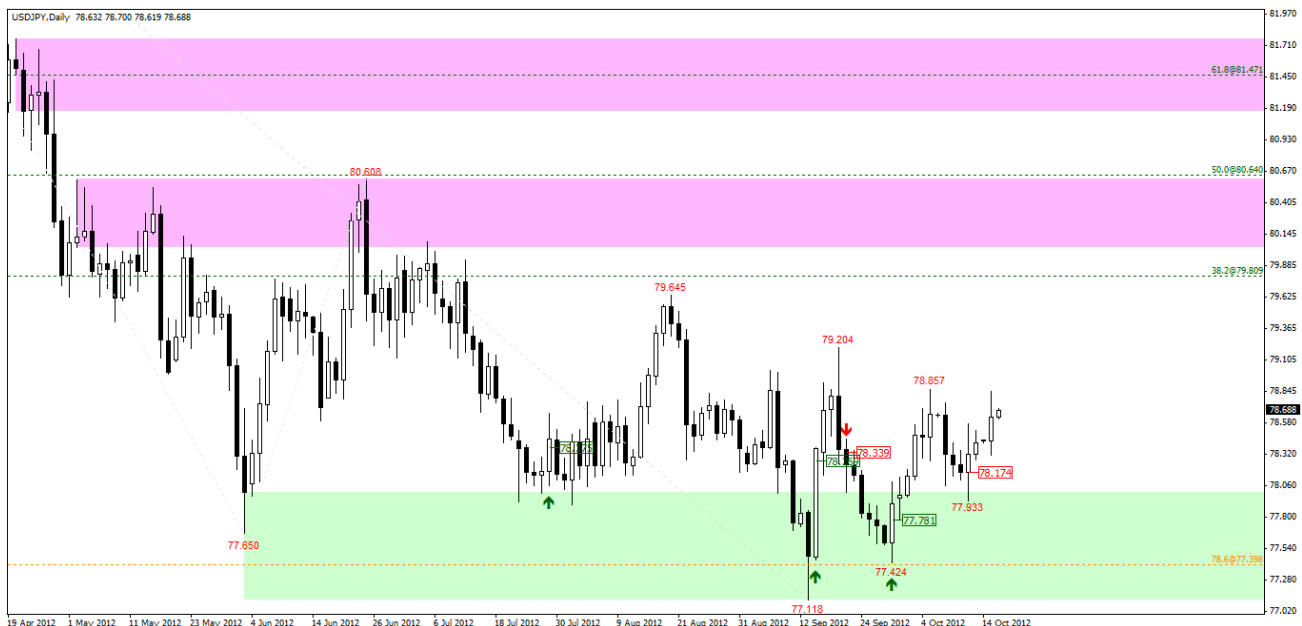
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal within 0.93500-0.93699	0.92947	0.90512	0.93799 STOP

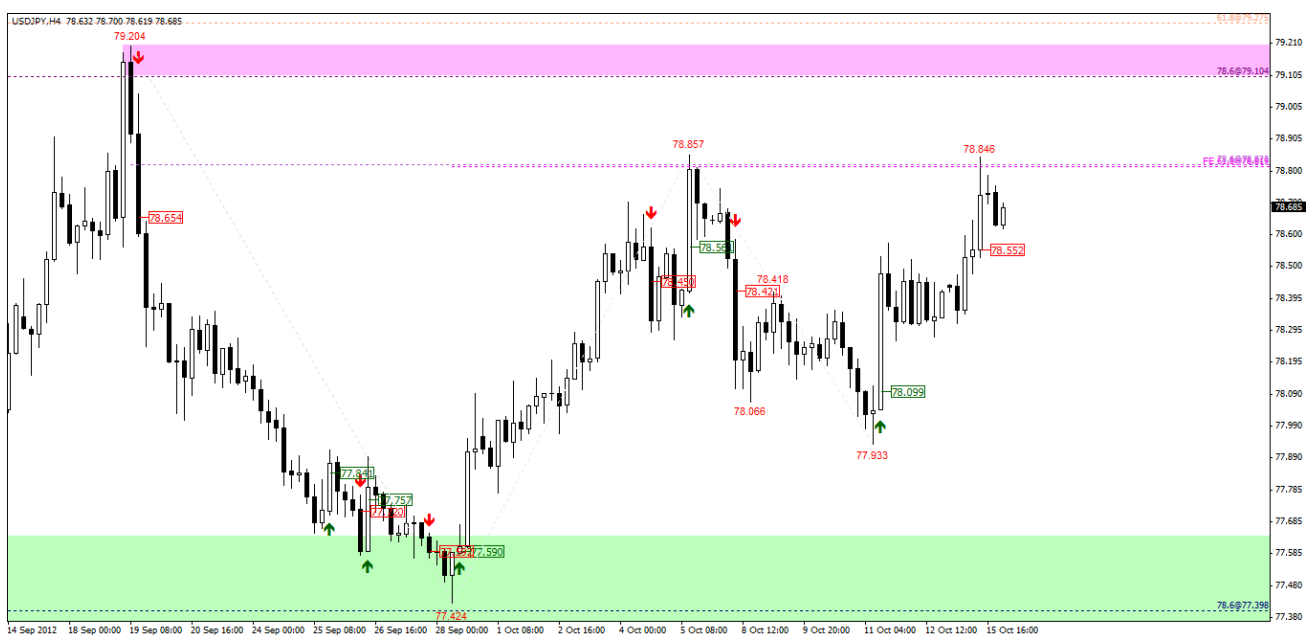
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 12-10-2012								\$30,717.75
USD-CHF	12-10-2012	1.0	0.93183	15-10-2012	1.0	0.93183			
USD-CHF	12-10-2012	1.0	0.93183	15-10-2012	1.0	0.93183			
						Unrealized	\$0.00		

USD-JPY DAILY



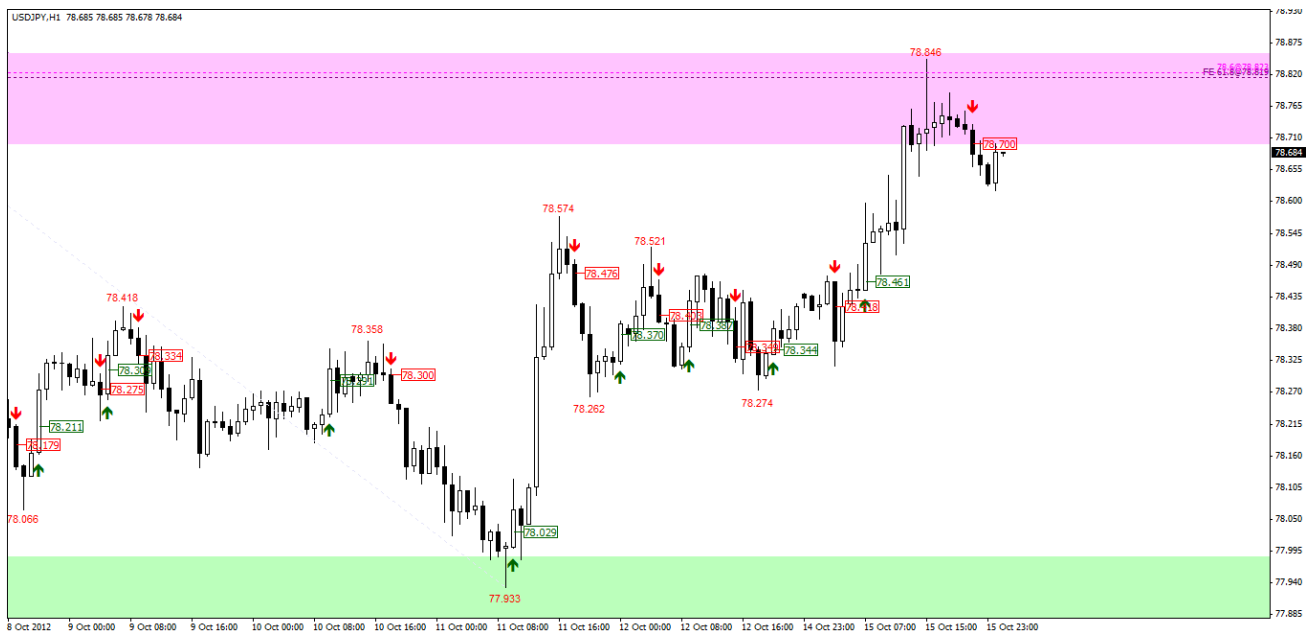
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The rally from within the demand pocket at **77.778-77.986** (on the back of a long-legged shadow from the low at 77.933) continued after a day of consolidating last Friday. This added confidence that a challenge of the supply pocket at **79.106-79.204**; located just above the 78.6% retracement of 77.118 to 79.645 at **79.104** is in play. As noted, the 78.6% retracement of 79.204 to 77.424 at **78.823** is layered just above the 61.8% projection of 77.424 to 78.857 from 77.933 at **78.819** is sited (see H4 chart). This could be a viable intermediate target en-route to the supply pocket at **79.106-79.204**. Overnight, this rally hit a pair of Fibonacci ratios at the 78.6% retracement of 79.204 to 77.424 at **78.823** and the 61.8% projection of 77.424 to 78.857 from 77.933 at **78.819** with a print at 78.846 and eased. At the point of writing, only a close below **78.552** in the H4 chart would suggest the emergence of serious selling interests.

USD-JPY 1-HOURLY



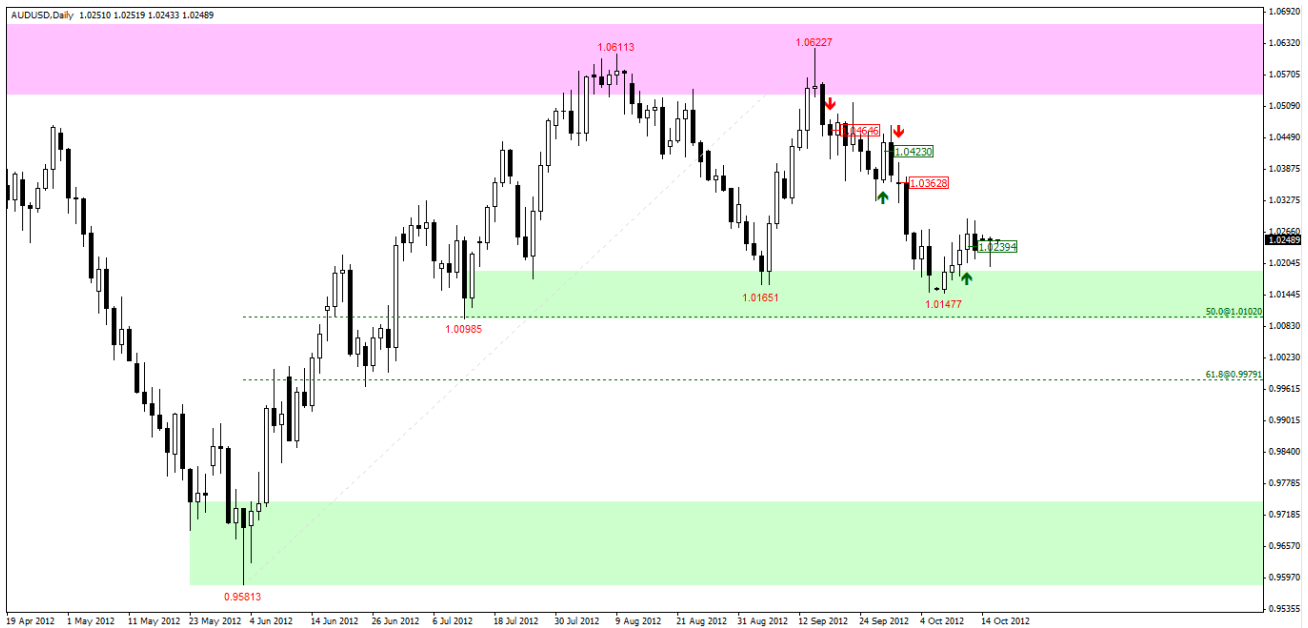
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 78.029	78.819	79.104	Exit in H4 close below 78.552
	Realized		

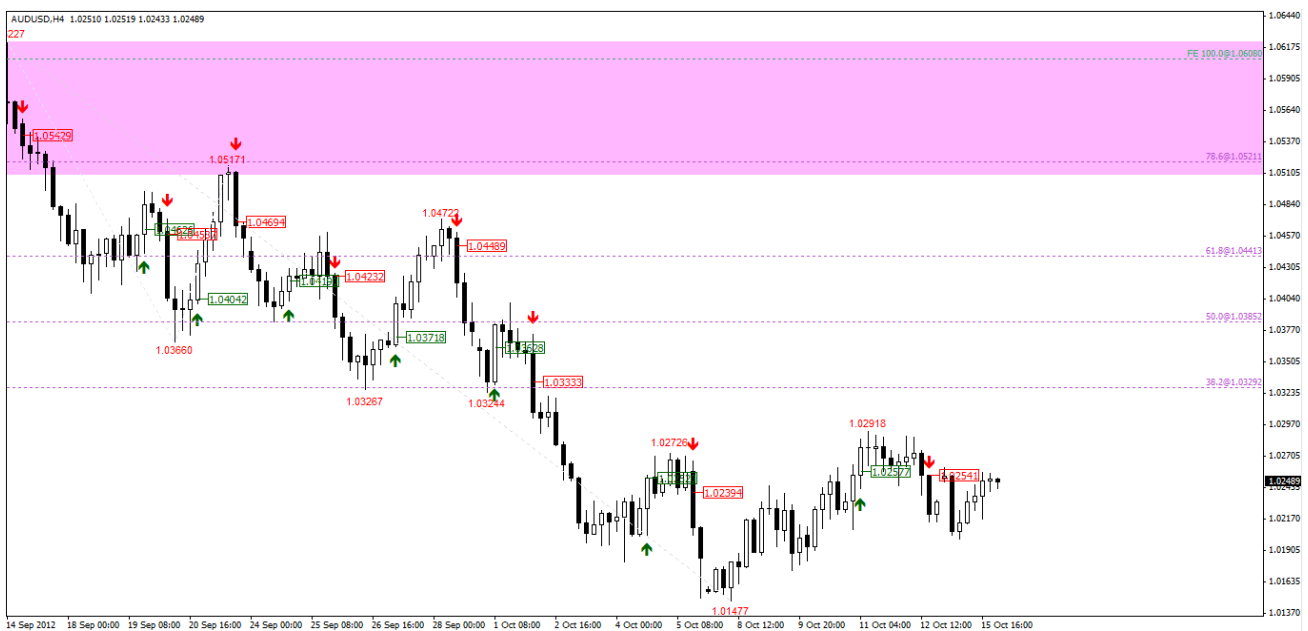
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 12-10-2012								\$23,667.09
USD-JPY	11-10-2012	1.0	78.029	15-10-2012	1.0	78.819	+\$1,002.30	+\$1,002.30	\$24,669.35
USD-JPY	11-10-2012	1.0	78.029	15-10-2012	1.0	78.631	+\$765.60		
						Unrealized	+\$765.60		

AUD-USD DAILY



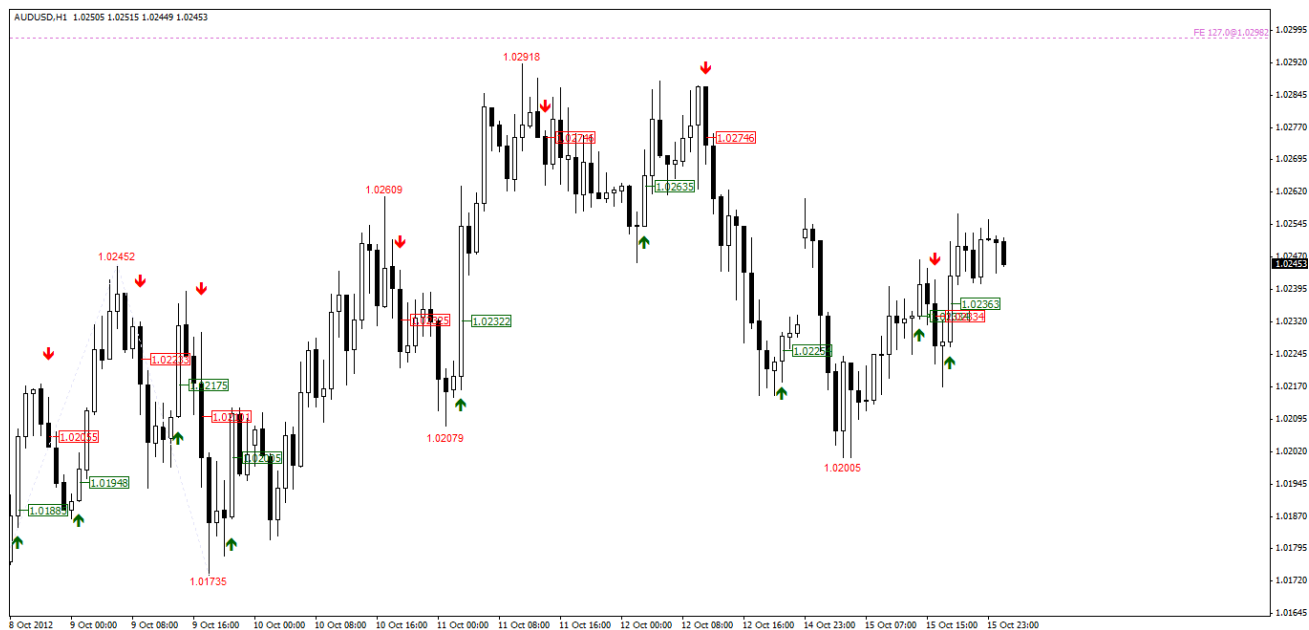
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

This market opened the week on a high note having gapped up some 22 pips at the opening. However, prices immediately fall lower in a move that suggested some sizable order buy stop orders were triggered at the opening of the Sydney session. After falling to the day's low at 1.02005 within hours of opening (essentially capturing the entire day's range), this market rebounded throughout the rest of the day but gains remained capped. As noted, the rebound from 1.01477 is corrective in nature; without the impulsiveness needed to propel price action higher. There is still a chance of this market falling back into the immediate demand pocket at **1.00985-1.01395**. This area is where the 161.8% projection of 1.06227 to 1.03660 from 1.05171 at **1.01018** and the 0.95799 to 1.06227 at **1.01013** is located (see D1 chart). If so, another buying opportunity may present itself. Overall, this market is in a large corrective pattern and is expected to trade between the long-term SZ at **1.05317-1.06677** and the DZ at **1.00985-1.01911** (see D1 chart) for awhile yet – assuming, of course, there is no wholesale collapse below the DZ at **1.00985-1.01911**.

AUD-USD 1-HOURLY

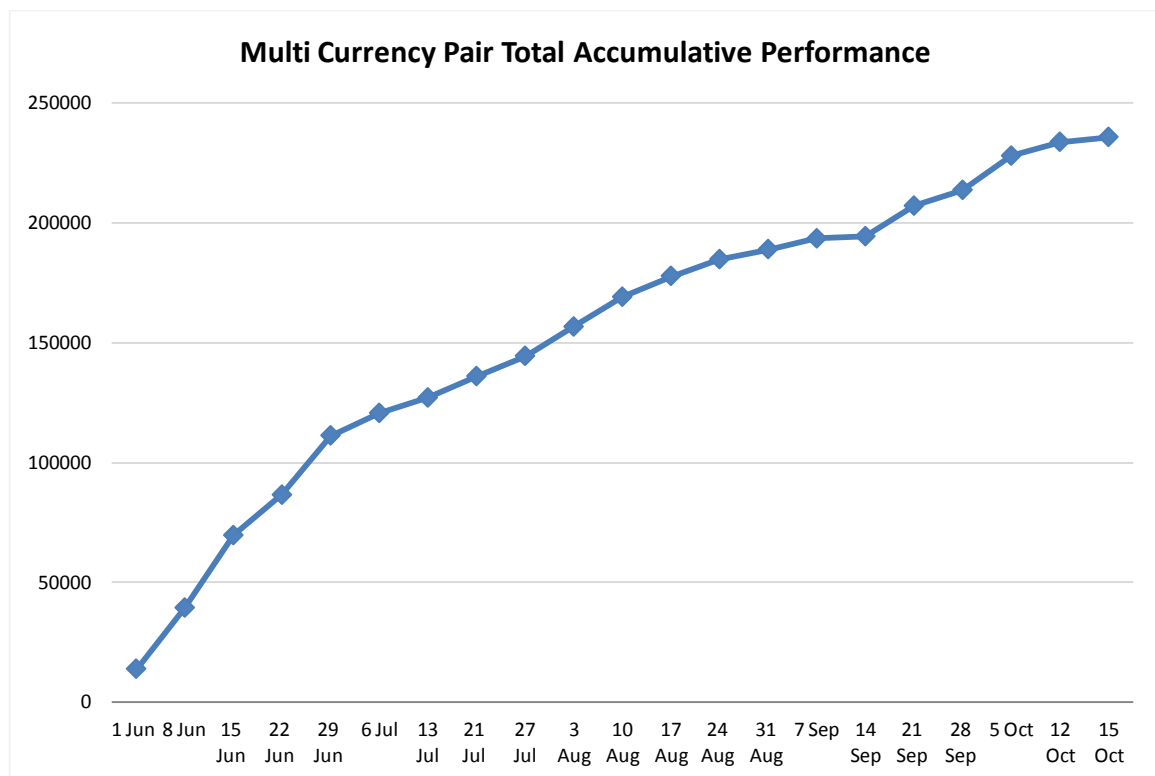
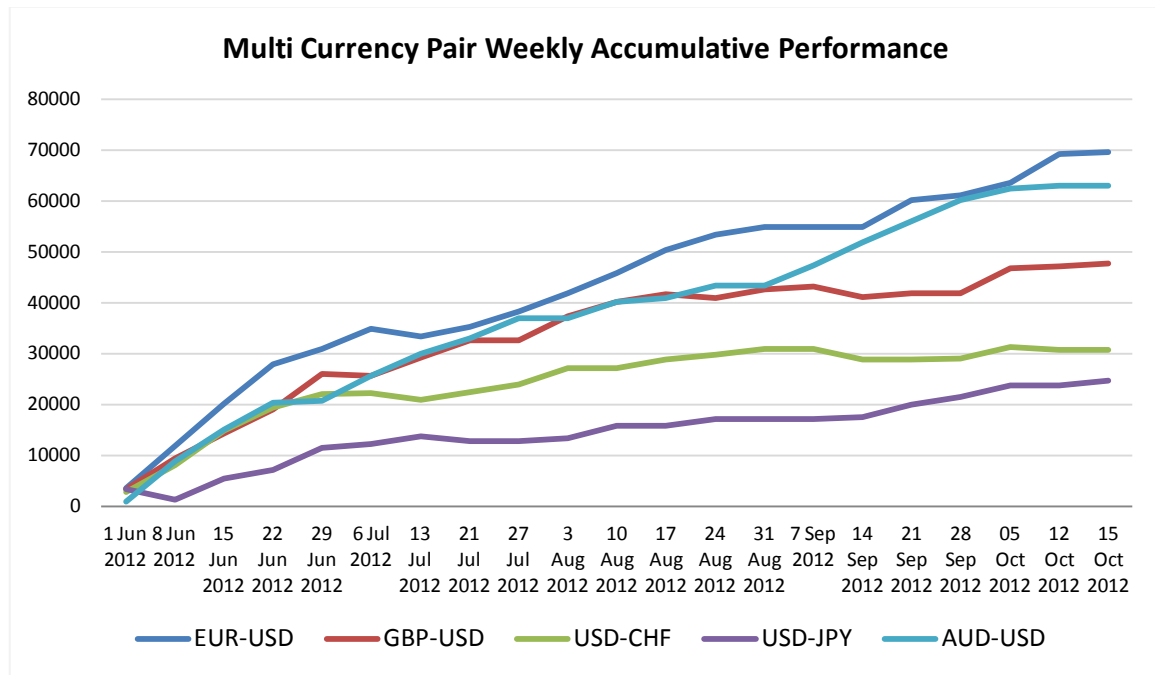


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.01885	1.02325 Realized	1.03722	Break-even

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 12-10-2012								\$62,987.00
AUD-USD	08-10-2012	1.0	1.01885	15-10-2012	1.0	1.02511 Unrealized	+\$626.00 +\$626.00		



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.