

*A Traders Academy International Publication*

## EU Bond Buying Pact May Yet Unravel

Some cracks in the EU pact started to appear with Finland and the Netherlands saying they are not ready to support the use of the ESM for bond market intervention.

Finland will block the Euro zone's permanent bailout fund from buying government bonds in the open market, the Finnish government said on Monday, while The Netherlands also indicated opposition to the bond-buying idea.

This suggests a rough time ahead for the idea followed Euro zone leaders' agreement at a summit last week to take steps to shore up their monetary union and bring down Spanish and Italian borrowing costs.

A Dutch finance ministry spokesman said on Monday his government did not like the bond-buying idea but did not explicitly say the Netherlands would block the plan, saying only that it would evaluate purchases on a case-by-case basis.

On the insistence of Spain and Italy, now in the eye of the euro debt storm, Euro zone leaders decided last week to soften slightly the terms on which countries that observe EU rules and recommendations can get euro zone help to lower market premiums.

The agreement after last week's summit said interventions on bonds markets by the ESM and EFSF rescue funds would be carried out by the European Central Bank, acting as an agent for the funds.

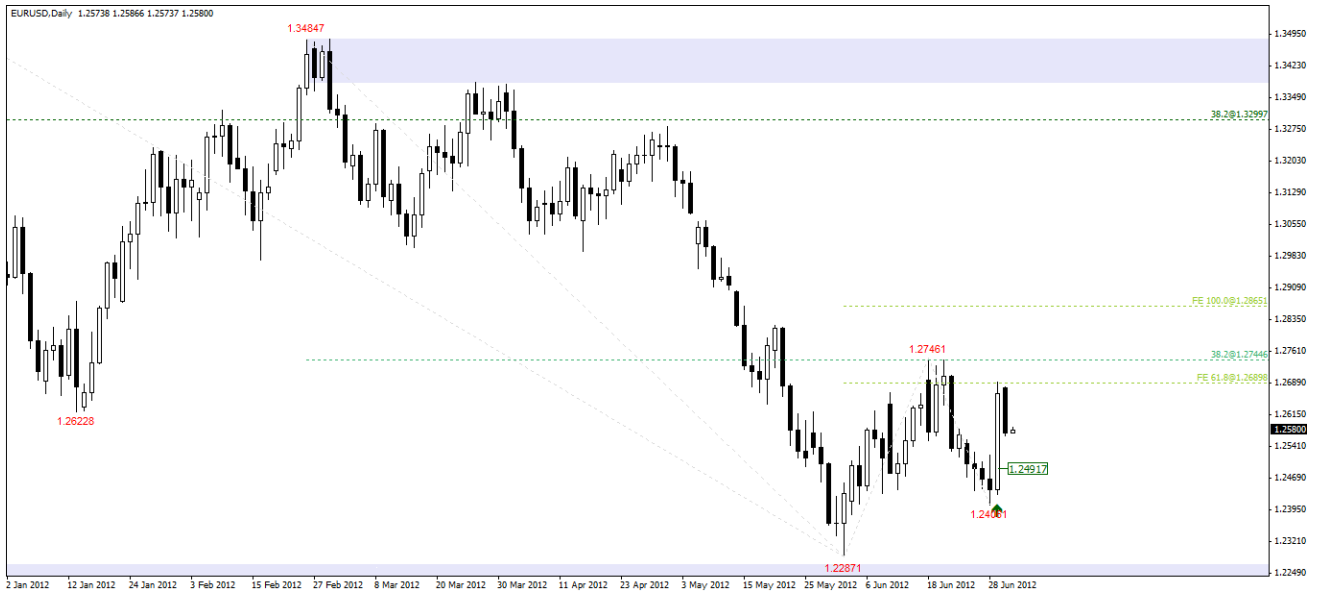
But ESM bond buying on the open market would require unanimous approval from the 17 Euro countries and that seems unlikely because Finland and the Netherlands are against it, the Finnish government said a report to a parliamentary committee.

It was not immediately clear which other governments were opposed to the move.

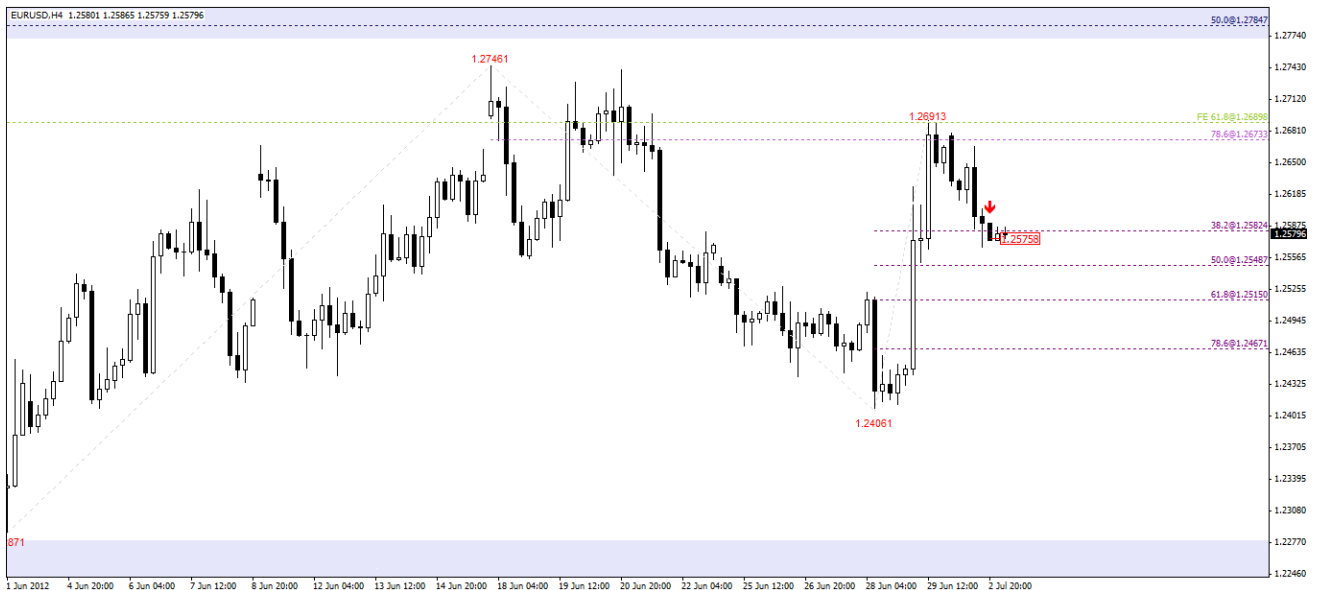
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## EUR-USD DAILY



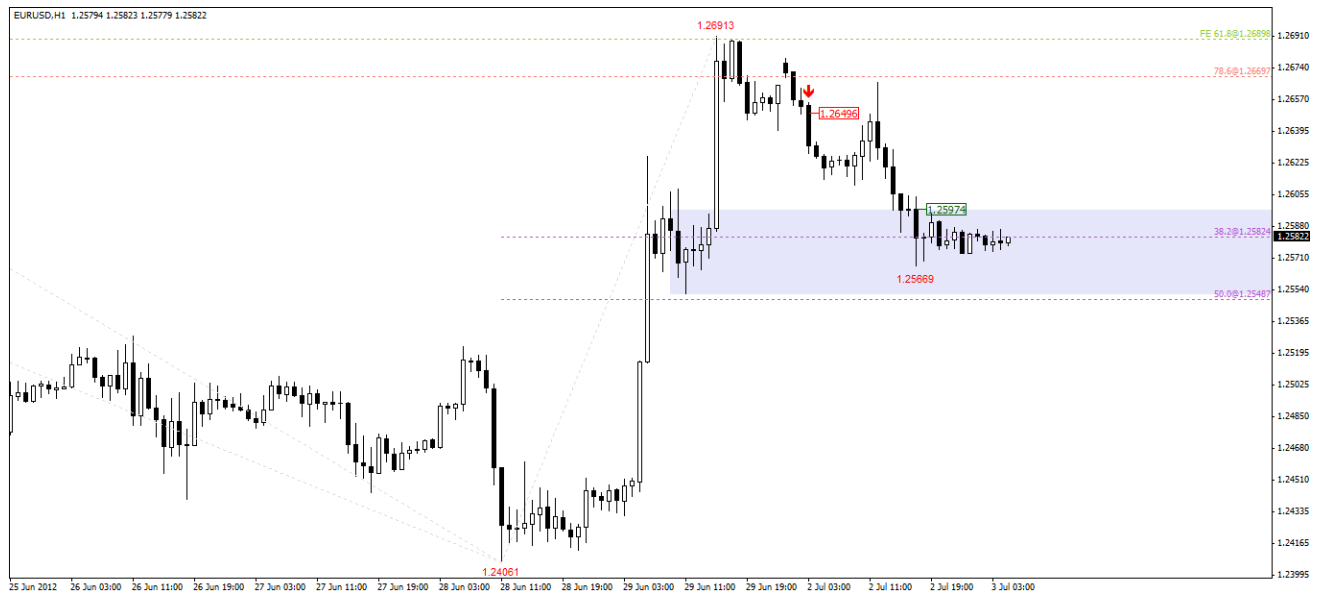
## EUR-USD 4-HOURLY



## EUR-USD Short to Medium-Term Views

Despite opening the week slightly higher in Asia, profit-taking was the order of the day. Price action retraced to the 38.2% retracement of last week's rise from 1.24061 to 1.26913 at **1.25823** with a print at 1.25669 (so far) which is located within the minor DZ at **1.25512-1.25970**. Provided there is no acceleration to the downside, current level appears ideal for a resumption of last Friday's rally. A close above **1.25974** would trigger a buy signal in the H1 chart. As noted, a larger degree 3-wave corrective move up - perhaps to the 100.0% projection from 1.22871 to 1.27461 from 1.24061 at **1.28651** is now the preferred scenario (see D1 chart) - assuming price action can overcome the immediate barrier at the SZ at **1.27717-1.28229**. Immediate target is the 50.0% retracement of 1.32822 to 1.22871 at **1.27847** located within this zone. On the downside, should the overnight correction degenerates into a freefall from current level, price action may fall back to challenge the June's low of **1.28871** and below, possibly targeting the 61.8% projection of 1.32822 to 1.22871 from 1.27461 at **1.21311** - just below the DZ at **1.21453-1.22794**.

## EUR-USD 1-HOURLY

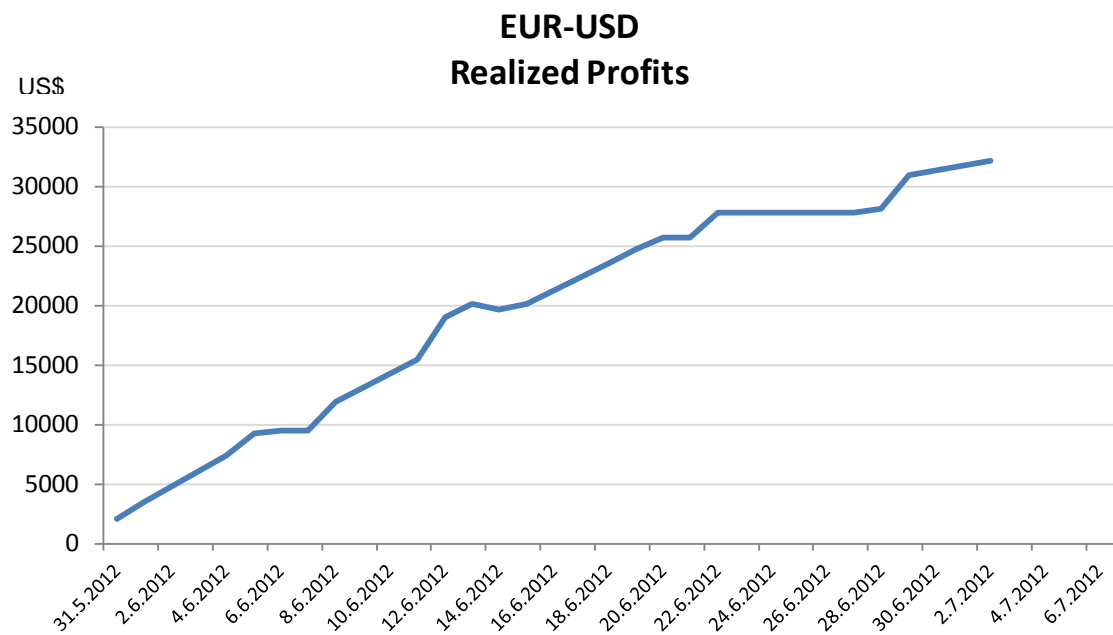


## Trade Ideas

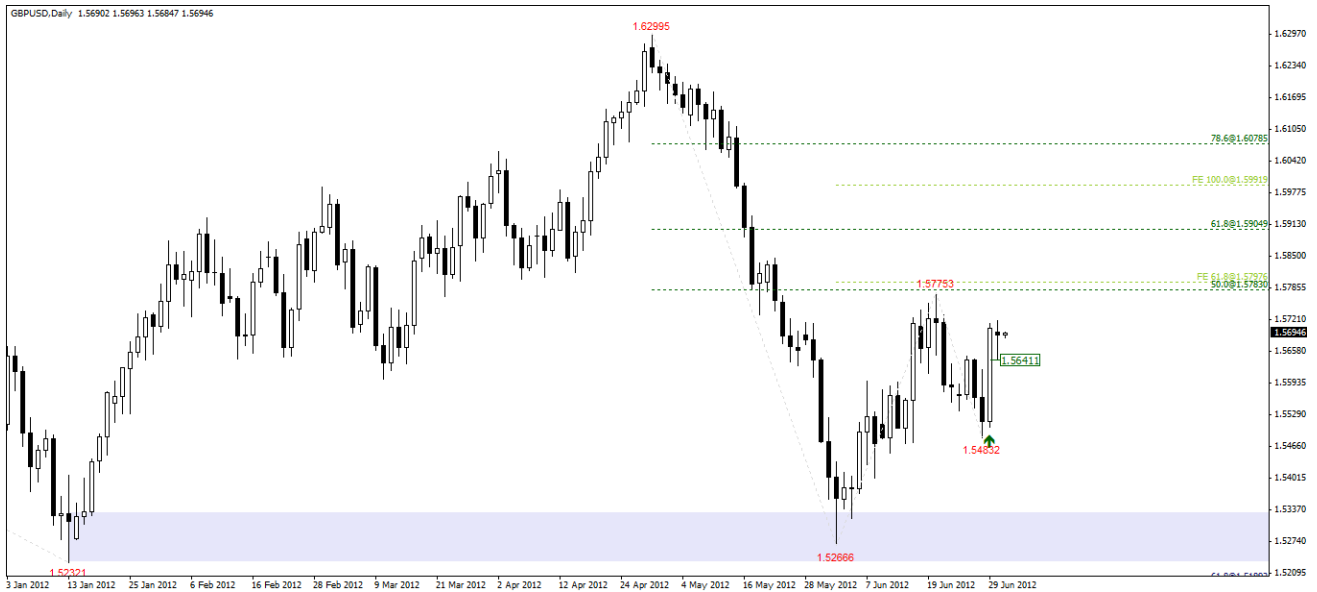
ACTION	Target 1	Target 2	EXIT
Buy on H1 close above 1.25974	1.26648 Realized	1.27717	1.25417 STOP

## Weekly Performance

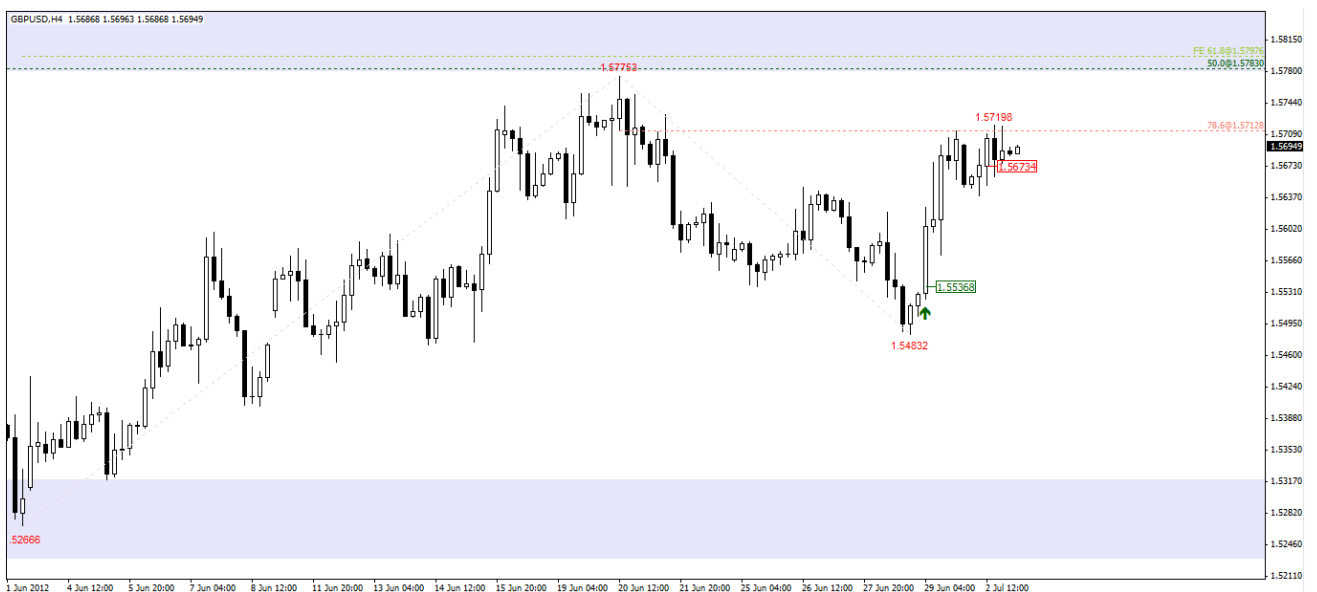
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 29-06-2012								+\$30,967.00
EUR-USD	29-06-2012	1.0	1.24574	02-07-2012	1.0	1.25758 Unrealized	+\$1,184.00 +\$0.00	+\$1,184.00	+\$32,151.00



## GBP-USD DAILY



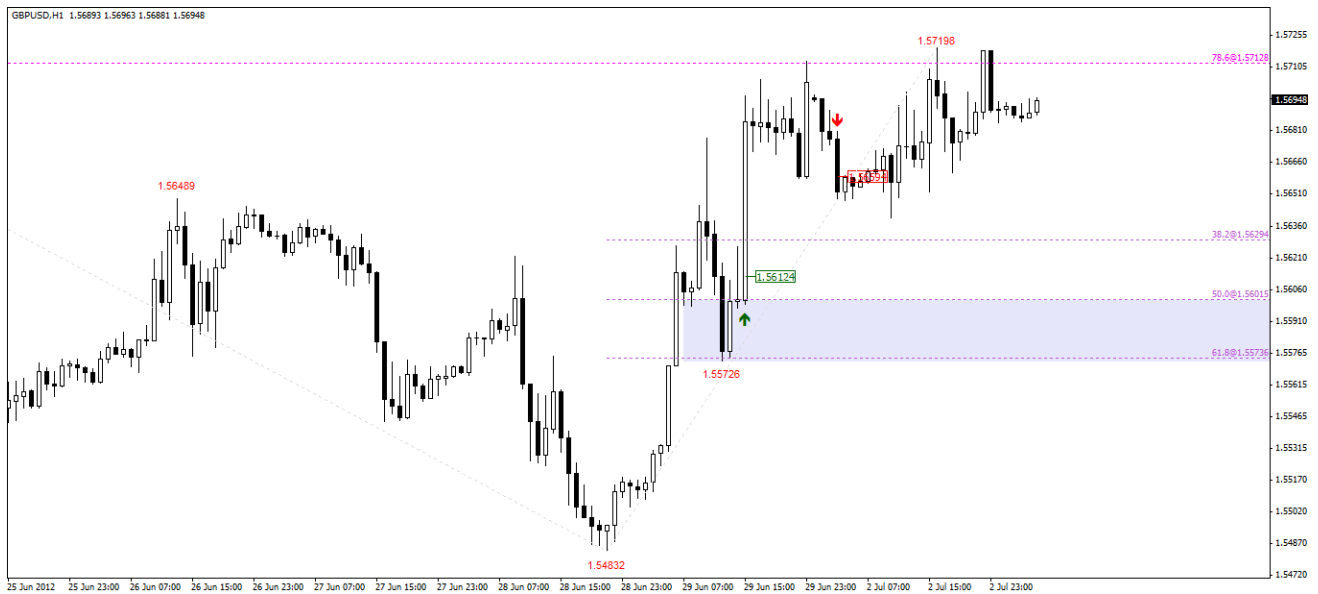
## GBP-USD 4-HOURLY



## GBP-USD Short to Medium Term Views

Price action makes a marginal high in overnight trading to just above the 78.6% retracement of 1.57753 to 1.54832 at **1.57128**. As noted, this level represents the maximum retracement allowable and a resumption of the fall from 1.62995 is still technically possible. Momentum was strong going into July but appears to be struggling. At any rate, stiff resistance is expected to emerge from the within the overhead SZ at **1.5777-1.58463**. After all, located within this SZ are the 50.0% retracement of 1.62995 to 1.52666 at **1.57830** and the 61.8% projection of 1.52666 to 1.57753 from 1.54832 at **1.57976**. A surge above this SZ would target the 100.0% projection of 1.52666 to 1.57753 from 1.54832 at **1.59919** to complete the correction from the June low of 1.52666. However, should the fall resumes from current level, price action is expected to work towards the June low of **1.52666** - pending the break below the 61.8% retracement of 1.52666 to 1.57753 at **1.54609** which lies just above a minor DZ at **1.54023-1.54469**.

## GBP-USD 1-HOURLY



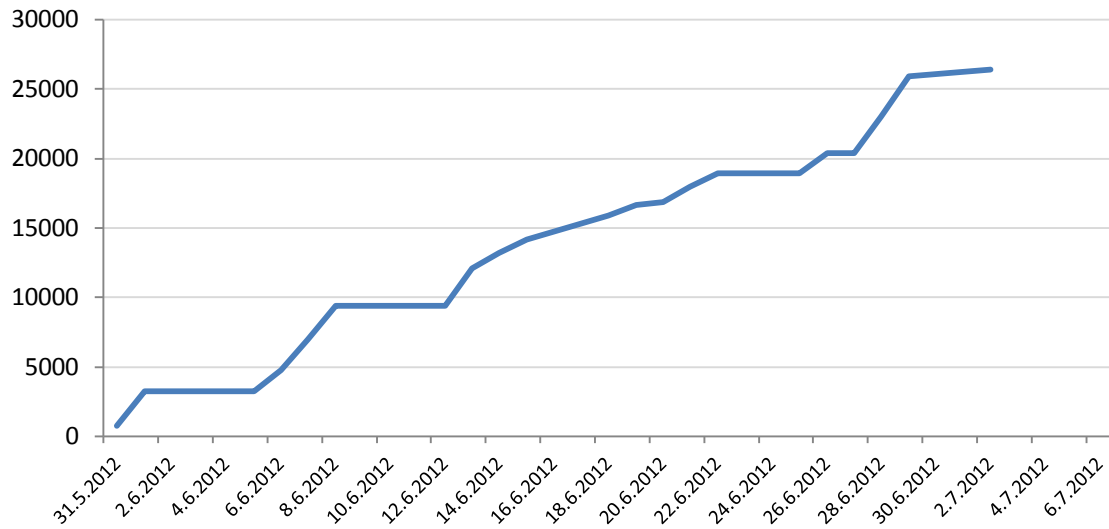
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy @ 1.56013	1.57777	1.59919	1.55626 STOP

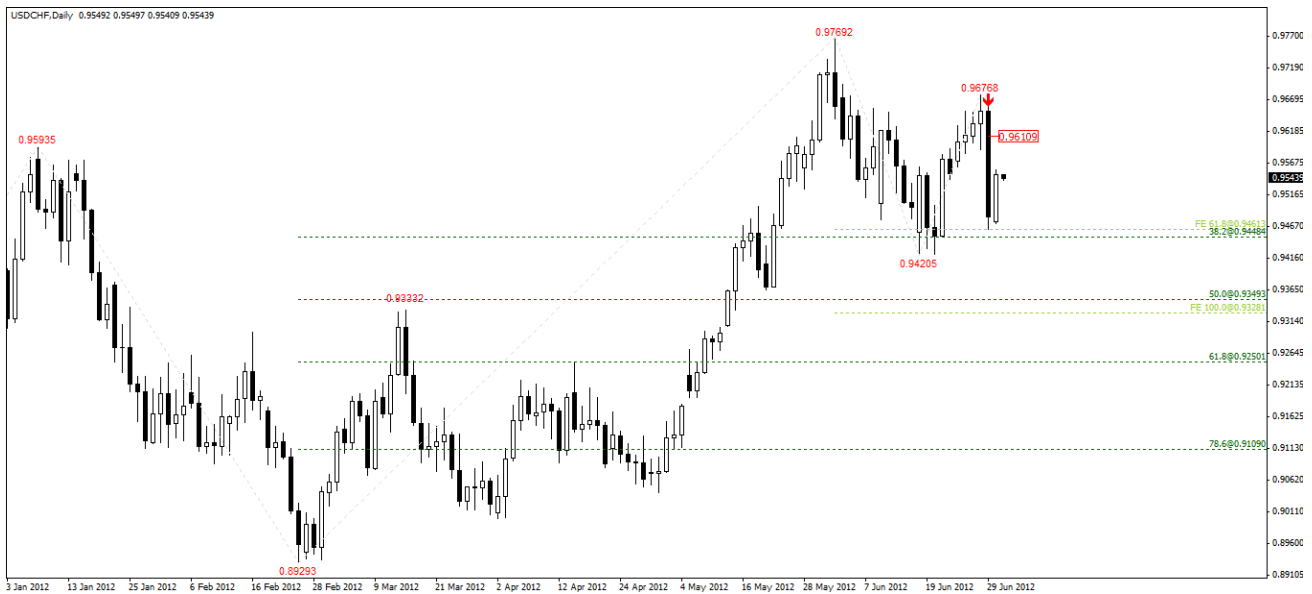
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 29-06-2012									+\$25,925.00
GBP-USD	29-06-2012	1.0	1.56124	02-06-2012	1.0	1.56594	+\$470.00	+\$470.00	+\$26,395.00
Unrealized							+\$0.00		

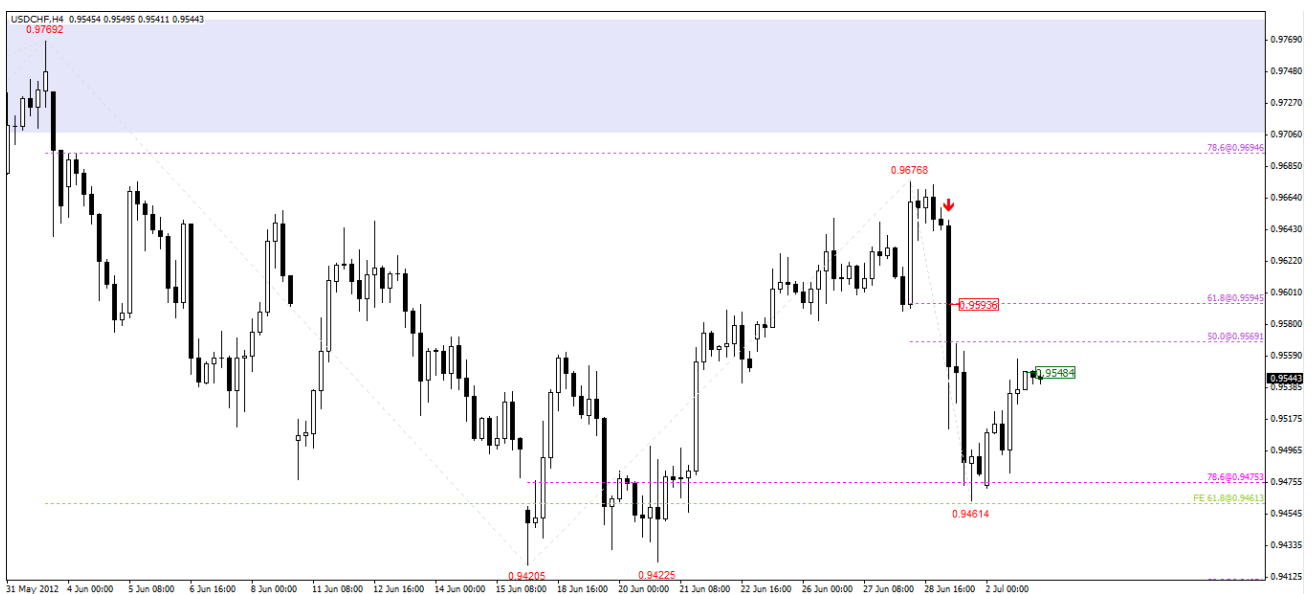
### GBP-USD Realized Profits



## USD-CHF DAILY



## USD-CHF 4-HOURLY

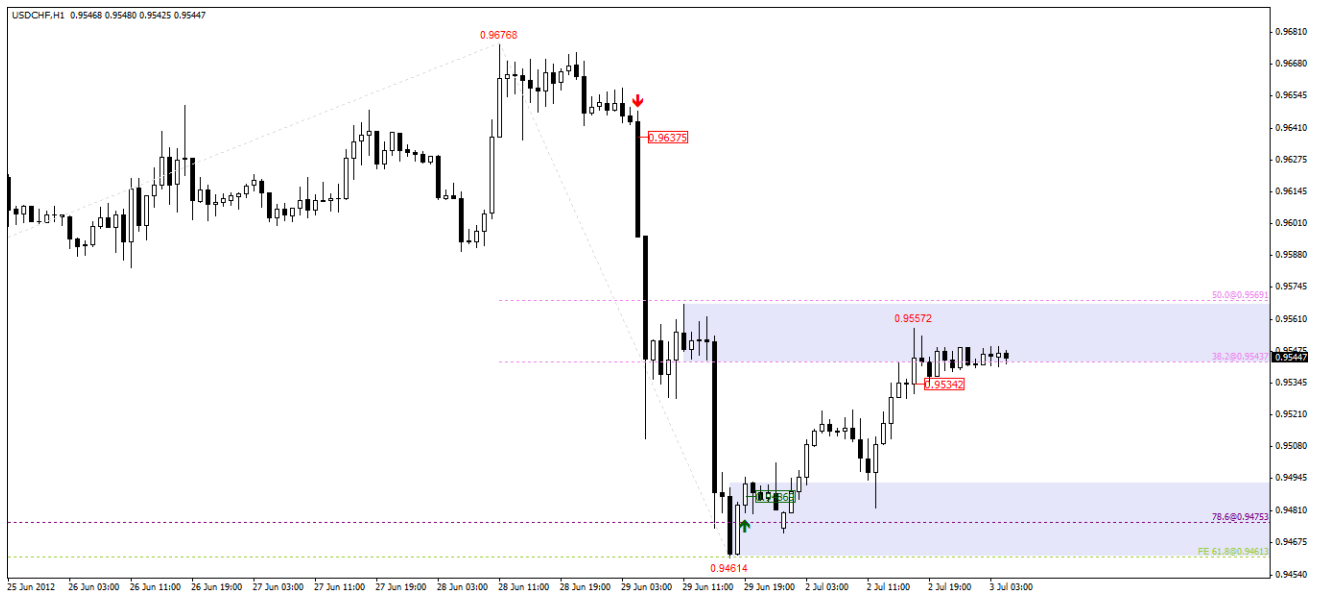


## USD-CHF Short to Medium Term View

Price action continues to correct its fall from 0.96768 to the 38.2% retracement of 0.96768 to 0.94614 at **0.95437**. In the short to medium-term, this rebound at current level has now set the stage for a possible 3-wave correction to the 100.0% projection from 0.97692 to 0.94205 from 0.96768 at **0.93281** (see D1 chart). From there, price action may resume its rally, edging towards the long-term target to between the 23.6% retracement of 1.83090 to 0.70677 at **0.97206** and 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**. However, should price action falls from current level, sustained trading below **0.93332** would have serious implication for the bullish case.



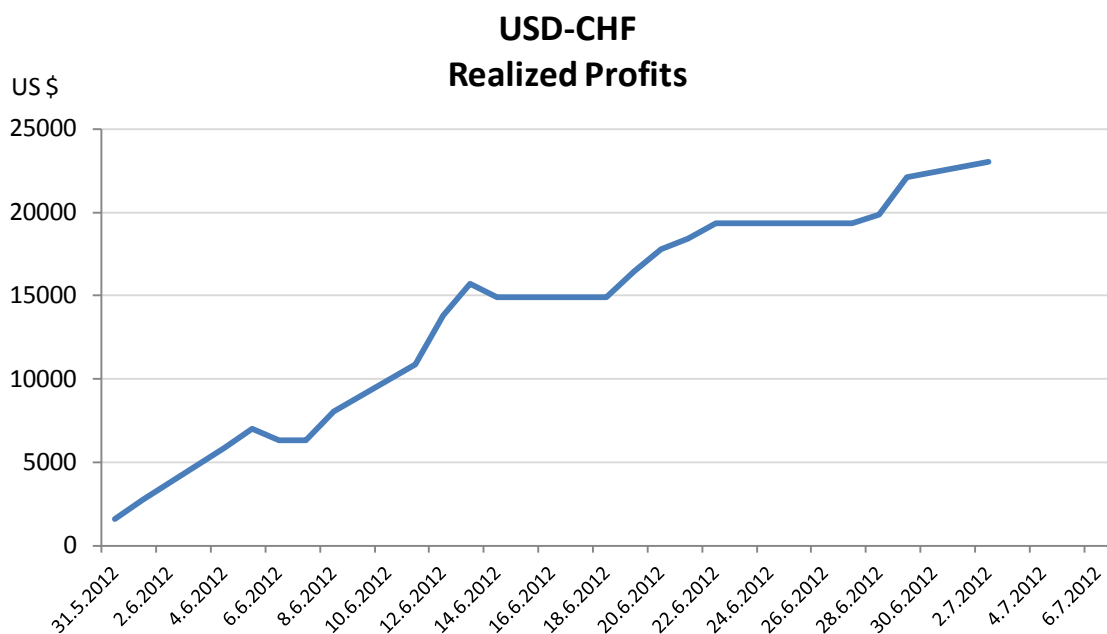
## USD-CHF 1-HOURLY



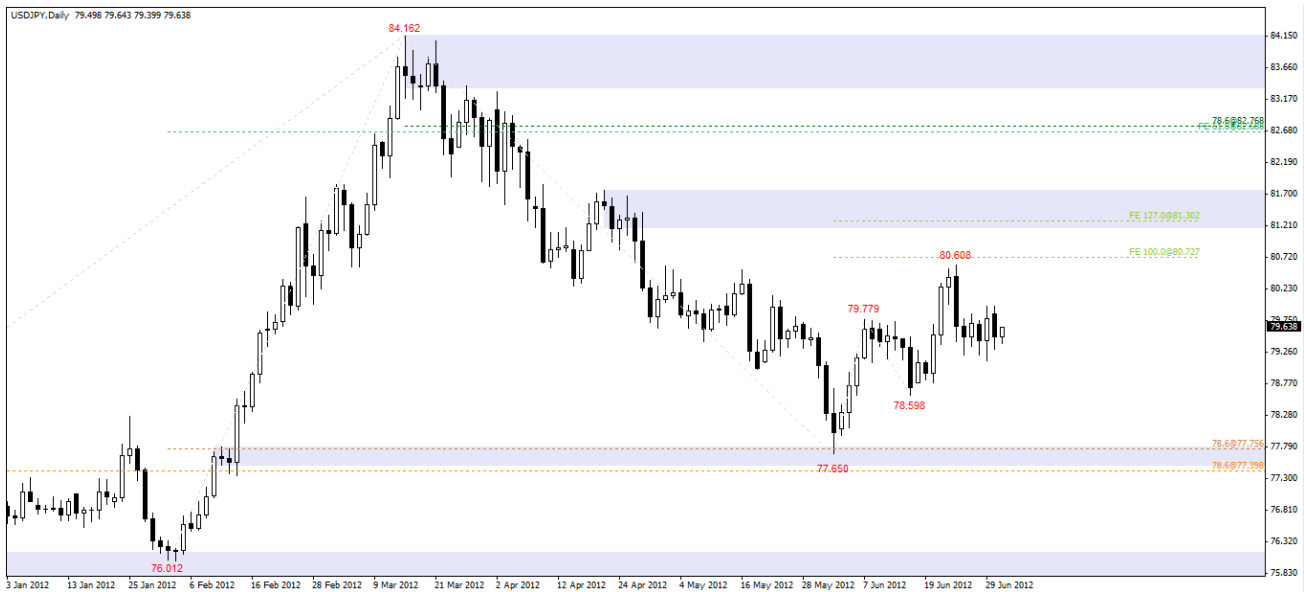
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on H1 close below 0.95342	0.94927	0.93948	0.95774 STOP

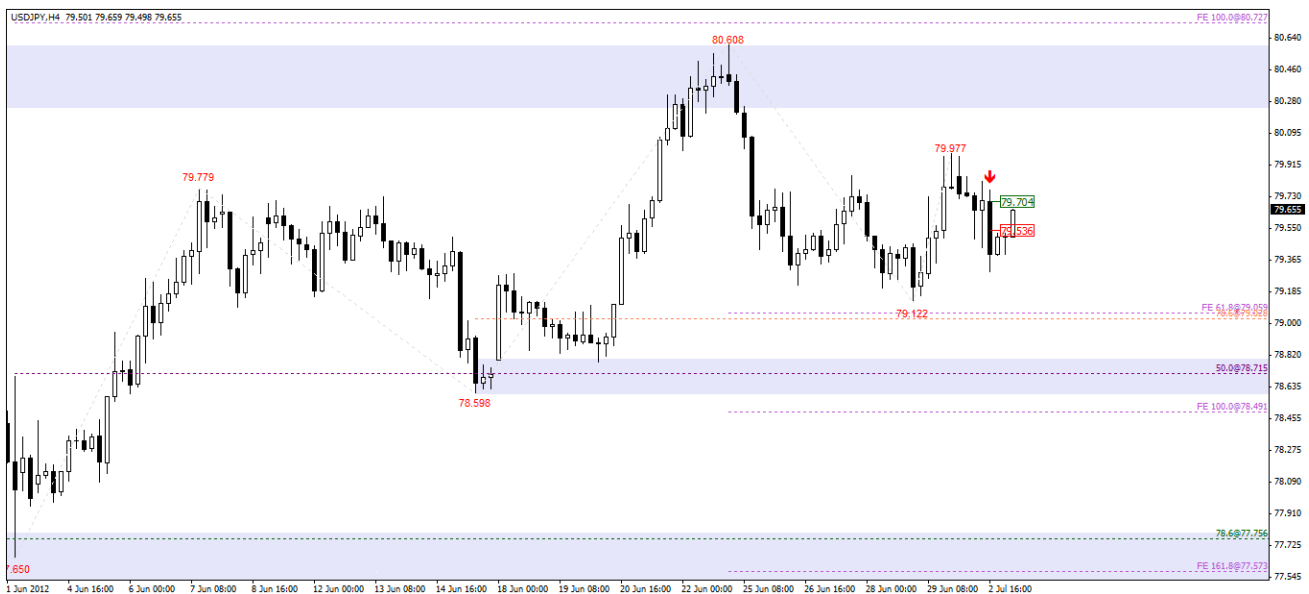
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 29-06-2012								+\$22,082.24
USD-CHF	02-07-2012	1.0	0.95484	29-06-2012	1.0	0.96375	+\$933.14	+\$933.14	+\$23,015.38
						Unrealized	\$0.00		



## USD-JPY DAILY



## USD-JPY 4-HOURLY



## USD-JPY Short to Medium Term Views

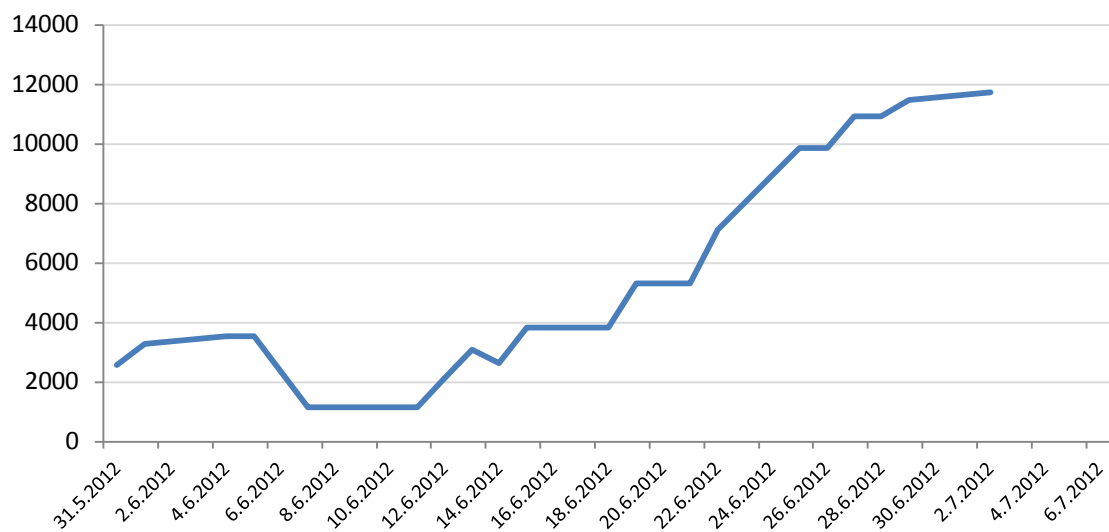
This market makes an about-turn on the first trading day of the month. Last Friday's rally frizzled out just under the 80.00 handle and unraveled to the 78.6% retracement of 79.122 to 79.977 at **79.305**, near the 100.0% projection of 79.977 to 97.437 from 97.822 at **97.282**. As noted in the previous report, it is important that last Friday's rally accelerates beyond the immediate SZ at **80.238-80.598** to keep the medium-term bullish case alive. Sustained trading below the 78.6% retracement of 78.779 to 80.608 at **79.170** would compromise the bullish case and a breach below **78.779** would shift attention to the June's low at **77.650**. In so long as price action holds at the DZ at **78.595-78.795**, the bullish case is still alive.

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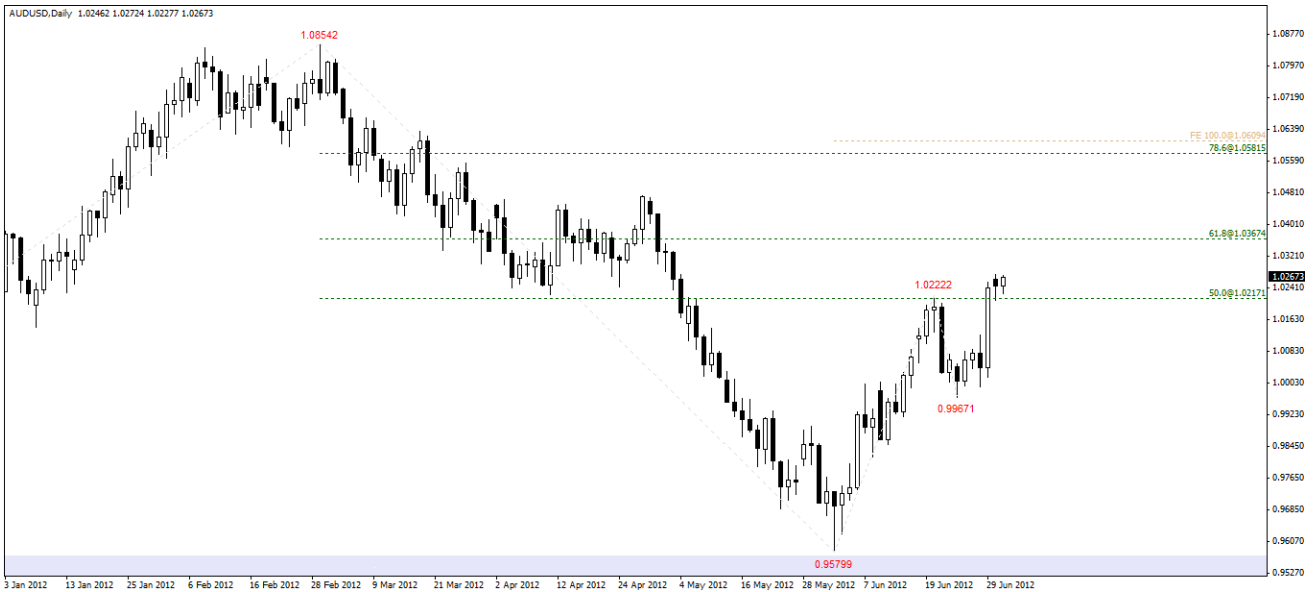
ACTION	Target 1	Target 2	EXIT
Bought @ 79.505	80.238	81.440	Break-even

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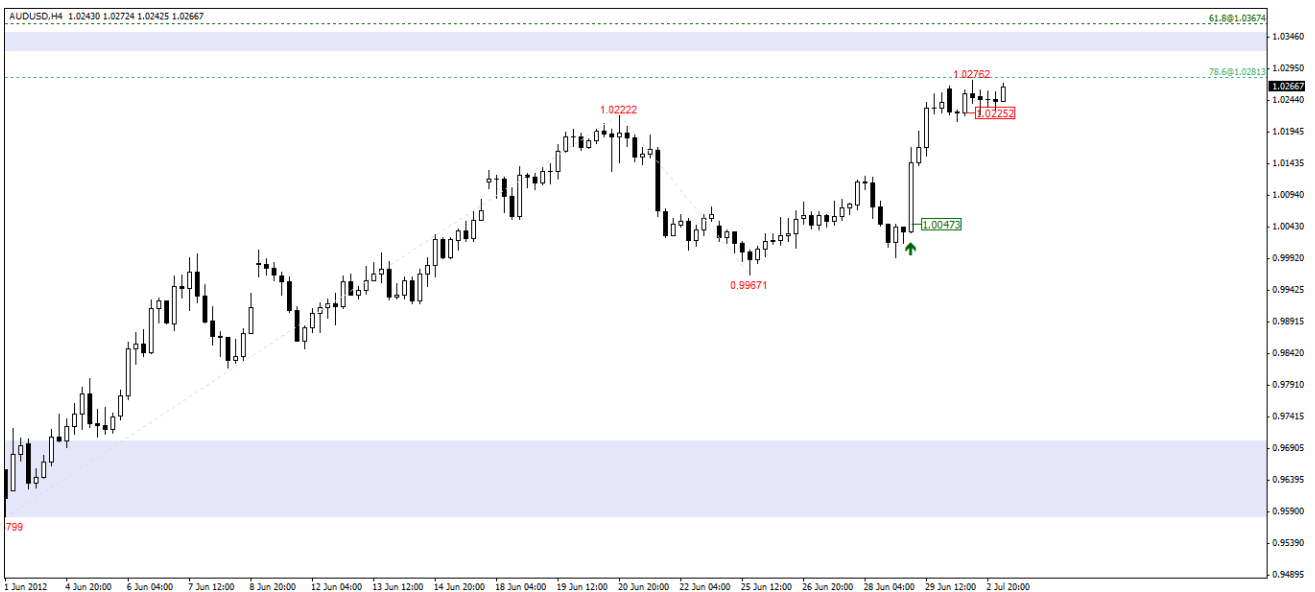
### USD-JPY Realized Profits



## AUD-USD DAILY



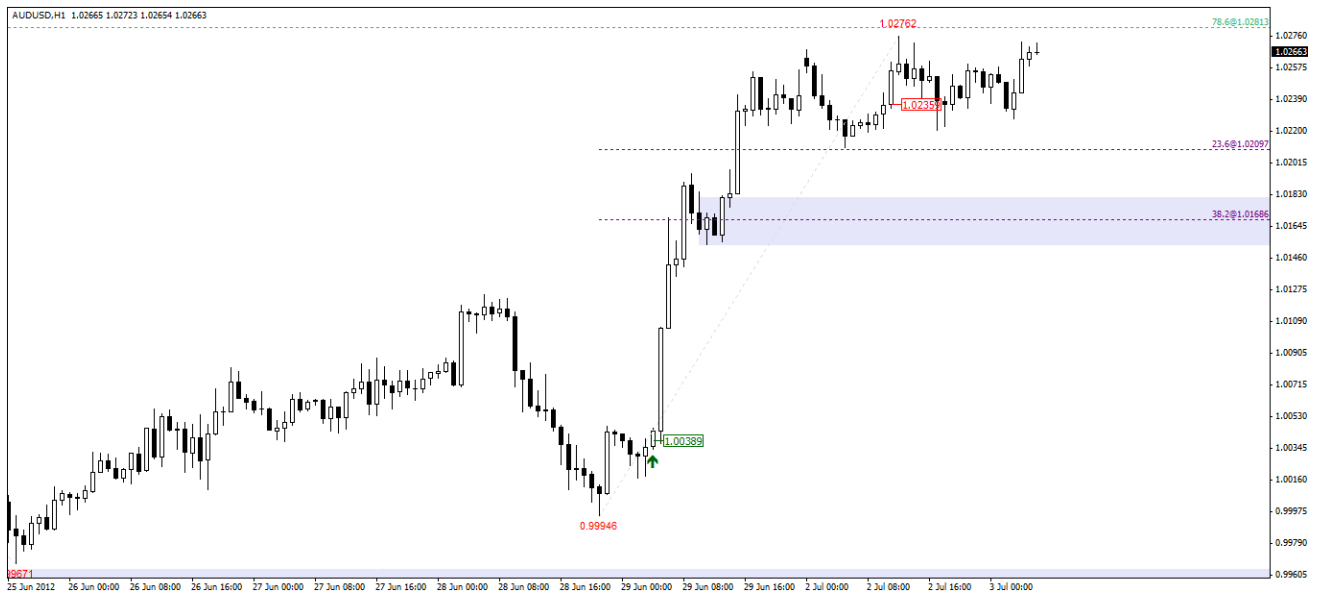
## AUD-USD 4-HOURLY



## AUD-USD Short to Medium Term Views

From 0.99946, price recovered to near the 78.6% projection of 1.04723 to 0.96799 at **1.03027** registering a marginal high at 1.02762 against Friday's high of 1.02562 in overnight trading. As noted, two possible scenarios may emerge from this aggressive rally. (1) This rally is the second leg of a 3-wave corrective move up to possibly 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 (2) a 3<sup>rd</sup> wave extension rally to possibly the 161.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.10063**. Should a pullback occurs first, the 38.2% retracement of 0.99946 to 1.02562 at **1.01563** where a DZ at **1.01532-1.01814** is should hold. If so, look out for buy signals at or near this level.

## AUD-USD 1-HOURLY

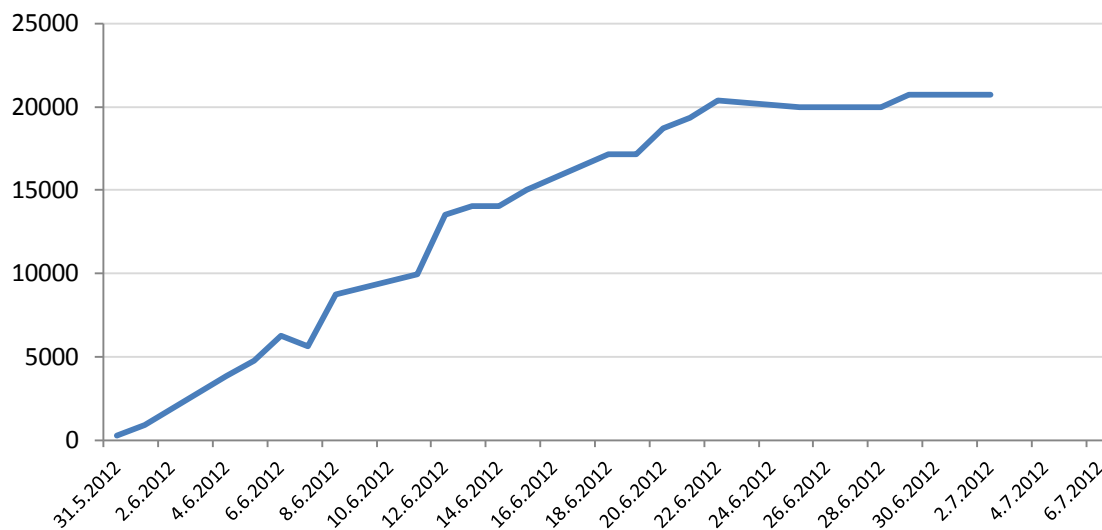


## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.00389	1.02813	1.04364	Exit on H4 close below 1.02252

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 29-06-2012								+\$20,736.00
AUD-USD	29-06-2012	1.0	1.00389	02-07-2012	1.0	1.02461	+\$2,072.00		
AUD-USD	29-06-2012	1.0	1.00389	02-07-2012	1.0	1.02461	+\$2,072.00		
						Unrealized	+\$4,144.00		

### AUD-USD Realized Profits





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.