

*A Traders Academy International Publication*

## Euro At 14-Month High On Improved Sentiment

EUR-USD scaled a 14-month peak on Tuesday, gaining in three of the last four sessions, lifted by an improving Euro zone outlook and expectations the Federal Reserve will keep its ultra-easy monetary policy for some time.

German economic data and signs European banks may have turned the corner boosted hopes that the worst of the Euro zone's crisis was past, driving EUR-USD up 2 percent so far this year. It had earlier rallied to just below 1.35000, a key resistance and psychologically important level.

EUR-USD rose as high as 1.34960, the highest since December 2, 2011. It settled up 0.23 percent at 1.34902. The slight increase in a German consumer confidence indicator to 5.8 heading into February from 5.7 the previous month helped the Euro as well, as the data continued the trend of improving sentiment surveys in the Euro zone's largest economy.

While Euro zone fundamentals remained weak overall, they are being overshadowed by U.S. fiscal problems.

EUR-USD intraday bias is back on the upside and sustained trading above 1.34860 is likely to extend the rally to key resistance at 1.37900 as long as the 1.32640 support holds, the near-term outlook should stay bullish.

The focus has also been on the Fed's monetary policy meeting, which started the first of its two-day gathering on Tuesday. Traders expect a continuation of quantitative easing beyond this year, a negative for the US Dollar as it expands its supply. The expectation is that the Fed will continue to pump money into the financial system and while that's good news for the stock market, that's bad news for the US Dollar. In contrast, the European Central Bank is moving to take away some of those stimulus and effectively, it is on a tightening path. That has been the difference.

Additionally, buying by UK and German interests helped drive the Euro's latest move higher. However, it is rumoured that proprietary names and an Asian central bank are looking to sell near 1.35000. Defence of the 1.35000 option barrier may also limit the momentum.

That said, traders are beginning to feel more comfortable about long positions in the Euro. German yields rising should be seen as a good thing in Europe as it represents an unwinding of the long Germany, short everything else in Europe trade. The Euro will continue to rise as long as the 2-year euro currency basis swaps, a measure of funding conditions in the Euro zone, continue to tighten.

EUR-USD briefly rose and hit a session high after data showed U.S. consumer confidence dropped in January to its lowest level in more than a year.

Aside from the Fed, traders are also looking out for the first estimate of U.S. fourth-quarter GDP due out on Wednesday, two days before the January jobs report. Weak readings on the U.S. economy could add to expectations of continued monetary easing by the Fed and weigh on the US Dollar.

USD-JPY dropped, slipping from a 2-1/2-year high hit the day before, but analysts said Yen weakness will resume as traders look to buy the US Dollar back at lower levels. Overnight, USD-JPY slipped 0.13 percent to 90.720, down from Monday's high of 91.237, its strongest level since June 2010. Traders reported options barriers at 91.50 and 92.00.

Selling the Japanese Yen has been mostly a one-way trade since mid-November, based on expectations that Japanese Prime Minister Shinzo Abe would push the Bank of Japan into more forceful monetary easing to beat deflation.

Present BOJ Governor Masaaki Shirakawa, whose term ends in April, is expected to be replaced with a more dovish governor, who could then bring forward any easing, giving further impetus to Yen bears.

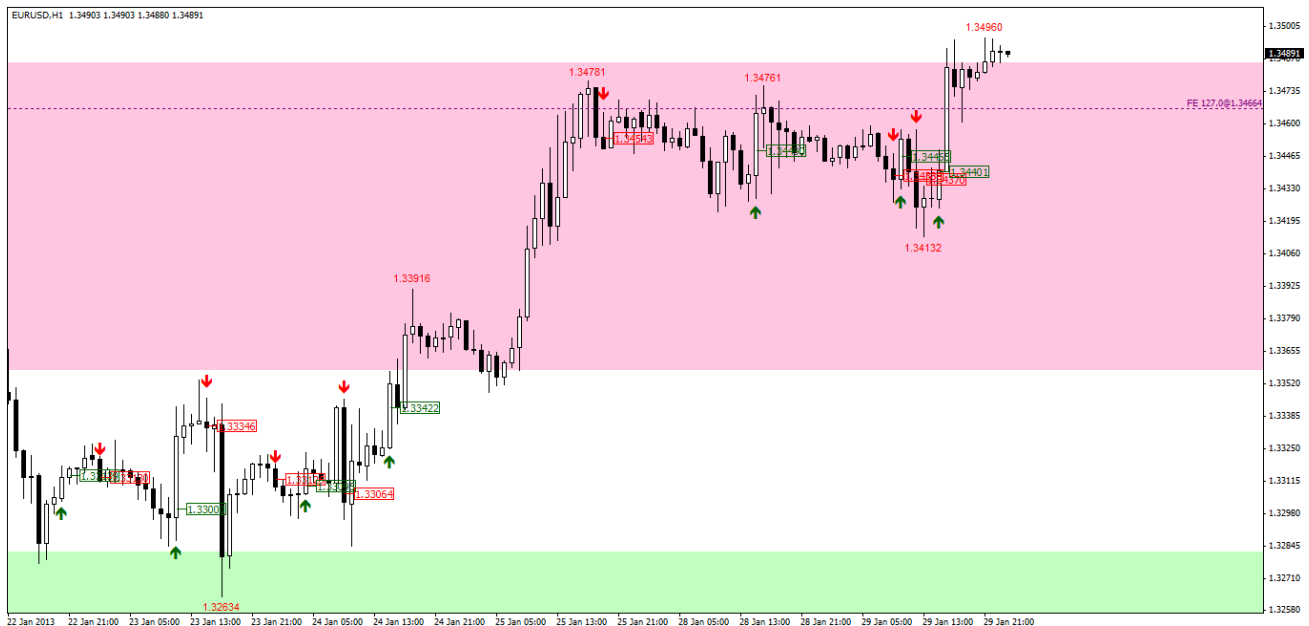
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Last Friday saw this market rallied to the 127.0% projection of 1.26601 to 1.31254 from 1.28755 at **1.34664** with a print of 1.34781 and stalled. Though Monday was a relatively tame day, another spike was seen in NY trading overnight. On the W1 chart, last night's high of 1.34960 has hit the 50.0% retracement of 1.49393 to 1.20414 at **1.34904**. The idea that this rally may be capped within the supply pocket at **1.33575-1.34857** is now challenged. Structurally, it appears that price action is poised to break through this important price zone. As noted, a sustained rally above the price pocket at **1.33575-1.34857** would suggest that the rally from 1.26601 has truly resumed. If so, the next focus is 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** (see W1 chart). On balance, it's best to remain on the long side of this market.

## EUR-USD 1-HOURLY



## TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.32874	1.33654	1.33575 Realized	1.37897	3	0.03m

## TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										1.49	10,149.10
2013.01.22 17:50	0.02m	1.32874	2013.01.28 23:59	0.02m	1.34902	405.6	405.60				

The idea that Fibonacci confluences are powerful area of demand and supply is once again proven as Monday's fall hit the cluster of Fibonacci ratios at the 61.8% retracement of 1.52672 to 1.63799 at **1.56923** and the 127.0% projection of 1.63799 to 1.59906 from 1.61779 at **1.56835** with a print at 1.56731 and rebounded. Tentatively initially, this rebound picked up speed in NY overnight and is likely to extend into the overhead supply pocket at **1.57894-1.58256**. Previously it was mentioned that should price action falls below the demand zone at **1.57531-1.58303**, it has deeper bearish implications. Now that this scenario has come to past and with this market fast approaching the lower trend-line of the triangle formation seen in the monthly chart, caution has set in. Should this fall accelerate below the **1.56000** level; it will all but confirm the breakout from the longer-term triangle pattern developing since August 2009. Given this extreme bearish outlook (read longer-term outlook), any rebound ought to be sold. As such, the overhead supply pocket at **1.57894-1.58256** is possibly an area to do just that. Sell signals within this price pocket ought to be acted upon for a challenge of last June's low of **1.52672**.

[illegible]

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal within 1.58463-1.58915		1.59015	1.55053		3	0.03m

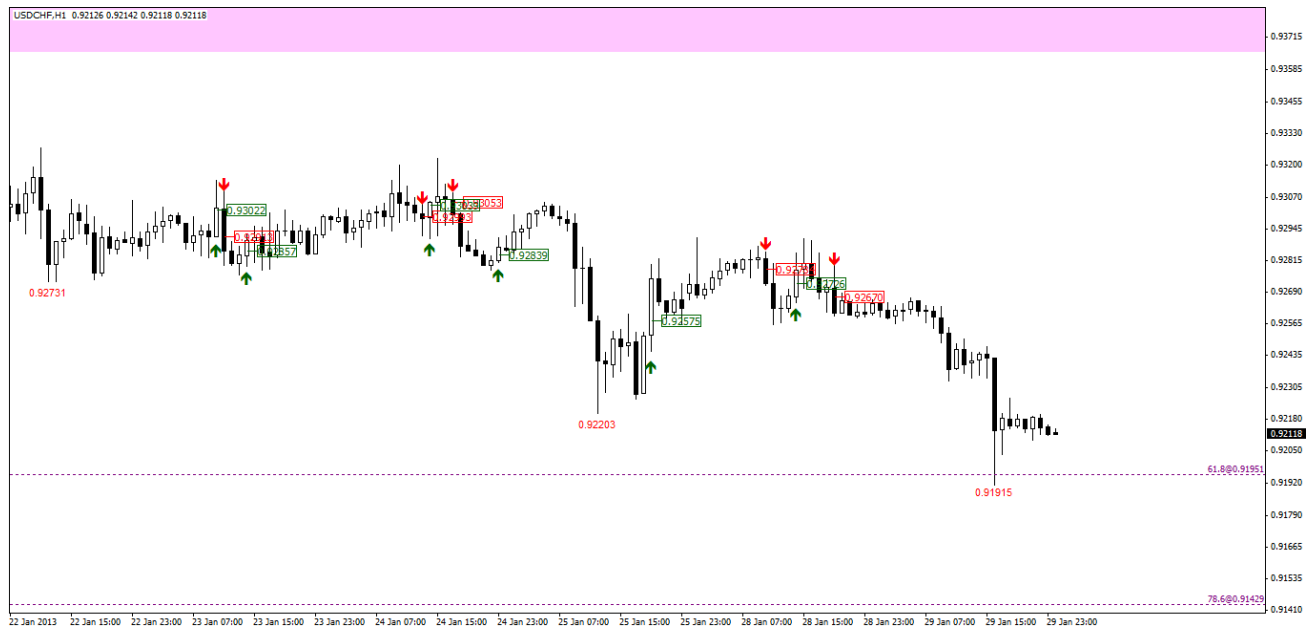
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The chart displays USDCHF:H4 price data. Key features include:

- Shaded Zones:** A pink shaded area at the top (approx. 0.9360-0.9400) and a green shaded area at the bottom (approx. 0.9070-0.9100).
- Price Levels:** Numerous horizontal dashed lines mark specific prices, such as 0.91800, 0.91472, 0.91243, 0.91192, 0.92189, 0.92382, 0.91039, 0.91887, 0.93011, 0.93870, 0.91915, 0.91222, 0.91223, 0.91224, 0.91225, 0.91226, 0.91227, 0.91228, 0.91229, 0.91230, 0.91231, 0.91232, 0.91233, 0.91234, 0.91235, 0.91236, 0.91237, 0.91238, 0.91239, 0.91240, 0.91241, 0.91242, 0.91243, 0.91244, 0.91245, 0.91246, 0.91247, 0.91248, 0.91249, 0.91250, 0.91251, 0.91252, 0.91253, 0.91254, 0.91255, 0.91256, 0.91257, 0.91258, 0.91259, 0.91260, 0.91261, 0.91262, 0.91263, 0.91264, 0.91265, 0.91266, 0.91267, 0.91268, 0.91269, 0.91270, 0.91271, 0.91272, 0.91273, 0.91274, 0.91275, 0.91276, 0.91277, 0.91278, 0.91279, 0.91280, 0.91281, 0.91282, 0.91283, 0.91284, 0.91285, 0.91286, 0.91287, 0.91288, 0.91289, 0.91290, 0.91291, 0.91292, 0.91293, 0.91294, 0.91295, 0.91296, 0.91297, 0.91298, 0.91299, 0.91300, 0.91301, 0.91302, 0.91303, 0.91304, 0.91305, 0.91306, 0.91307, 0.91308, 0.91309, 0.91310, 0.91311, 0.91312, 0.91313, 0.91314, 0.91315, 0.91316, 0.91317, 0.91318, 0.91319, 0.91320, 0.91321, 0.91322, 0.91323, 0.91324, 0.91325, 0.91326, 0.91327, 0.91328, 0.91329, 0.91330, 0.91331, 0.91332, 0.91333, 0.91334, 0.91335, 0.91336, 0.91337, 0.91338, 0.91339, 0.91340, 0.91341, 0.91342, 0.91343, 0.91344, 0.91345, 0.91346, 0.91347, 0.91348, 0.91349, 0.91350, 0.91351, 0.91352, 0.91353, 0.91354, 0.91355, 0.91356, 0.91357, 0.91358, 0.91359, 0.91360, 0.91361, 0.91362, 0.91363, 0.91364, 0.91365, 0.91366, 0.91367, 0.91368, 0.91369, 0.91370, 0.91371, 0.91372, 0.91373, 0.91374, 0.91375, 0.91376, 0.91377, 0.91378, 0.91379, 0.91380, 0.91381, 0.91382, 0.91383, 0.91384, 0.91385, 0.91386, 0.91387, 0.91388, 0.91389, 0.91390, 0.91391, 0.91392, 0.91393, 0.91394, 0.91395, 0.91396, 0.91397, 0.91398, 0.91399, 0.91400, 0.91401, 0.91402, 0.91403, 0.91404, 0.91405, 0.91406, 0.91407, 0.91408, 0.91409, 0.91410, 0.91411, 0.91412, 0.91413, 0.91414, 0.91415, 0.91416, 0.91417, 0.91418, 0.91419, 0.91420, 0.91421, 0.91422, 0.91423, 0.91424, 0.91425, 0.91426, 0.91427, 0.91428, 0.91429, 0.91430, 0.91431, 0.91432, 0.91433, 0.91434, 0.91435, 0.91436, 0.91437, 0.91438, 0.91439, 0.91440, 0.91441, 0.91442, 0.91443, 0.91444, 0.91445, 0.91446, 0.91447, 0.91448, 0.91449, 0.91450, 0.91451, 0.91452, 0.91453, 0.91454, 0.91455, 0.91456, 0.91457, 0.91458, 0.91459, 0.91460, 0.91461, 0.91462, 0.91463, 0.91464, 0.91465, 0.91466, 0.91467, 0.91468, 0.91469, 0.91470, 0.91471, 0.91472, 0.91473, 0.91474, 0.91475, 0.91476, 0.91477, 0.91478, 0.91479, 0.91480, 0.91481, 0.91482, 0.91483, 0.91484, 0.91485, 0.91486, 0.91487, 0.91488, 0.91489, 0.91490, 0.91491, 0.91492, 0.91493, 0.91494, 0.91495, 0.91496, 0.91497, 0.91498, 0.91499, 0.91500, 0.91501, 0.91502, 0.91503, 0.91504, 0.91505, 0.91506, 0.91507, 0.91508, 0.91509, 0.91510, 0.91511, 0.91512, 0.91513, 0.91514, 0.91515, 0.91516, 0.91517, 0.91518, 0.91519, 0.91520, 0.91521, 0.91522, 0.91523, 0.91524, 0.91525, 0.91526, 0.91527, 0.91528, 0.91529, 0.91530, 0.91531, 0.91532, 0.91533, 0.91534, 0.91535, 0.91536, 0.91537, 0.91538, 0.91539, 0.91540, 0.91541, 0.91542, 0.91543, 0.91544, 0.91545, 0.91546, 0.91547, 0.91548, 0.91549, 0.91550, 0.91551, 0.91552, 0.91553, 0.91554, 0.91555, 0.91556, 0.91557, 0.91558, 0.91559, 0.91560, 0.91561, 0.91562, 0.91563, 0.91564, 0.91565, 0.91566, 0.91567, 0.91568, 0.91569, 0.91570, 0.91571, 0.91572, 0.91573, 0.91574, 0.91575, 0.91576, 0.91577, 0.91578, 0.91579, 0.91580, 0.91581, 0.91582, 0.91583, 0.91584, 0.91585, 0.91586, 0.91587, 0.91588, 0.91589, 0.91590, 0.91591, 0.91592, 0.91593, 0.91594, 0.91595, 0.91596, 0.91597, 0.91598, 0.91599, 0.91600, 0.91601, 0.91602, 0.91603, 0.91604, 0.91605, 0.91606, 0.91607, 0.91608, 0.91609, 0.91610, 0.91611, 0.91612, 0.91613, 0.91614, 0.91615, 0.91616, 0.91617, 0.91618, 0.91619, 0.91620, 0.91621, 0.91622, 0.91623, 0.91624, 0.91625, 0.91626, 0.91627, 0.91628, 0.91629, 0.91630, 0.91631, 0.91632, 0.91633, 0.91634, 0.91635, 0.91636, 0.91637, 0.91638, 0.91639, 0.91640, 0.91641, 0.91642, 0.

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## USD-CHF 1-HOURLY



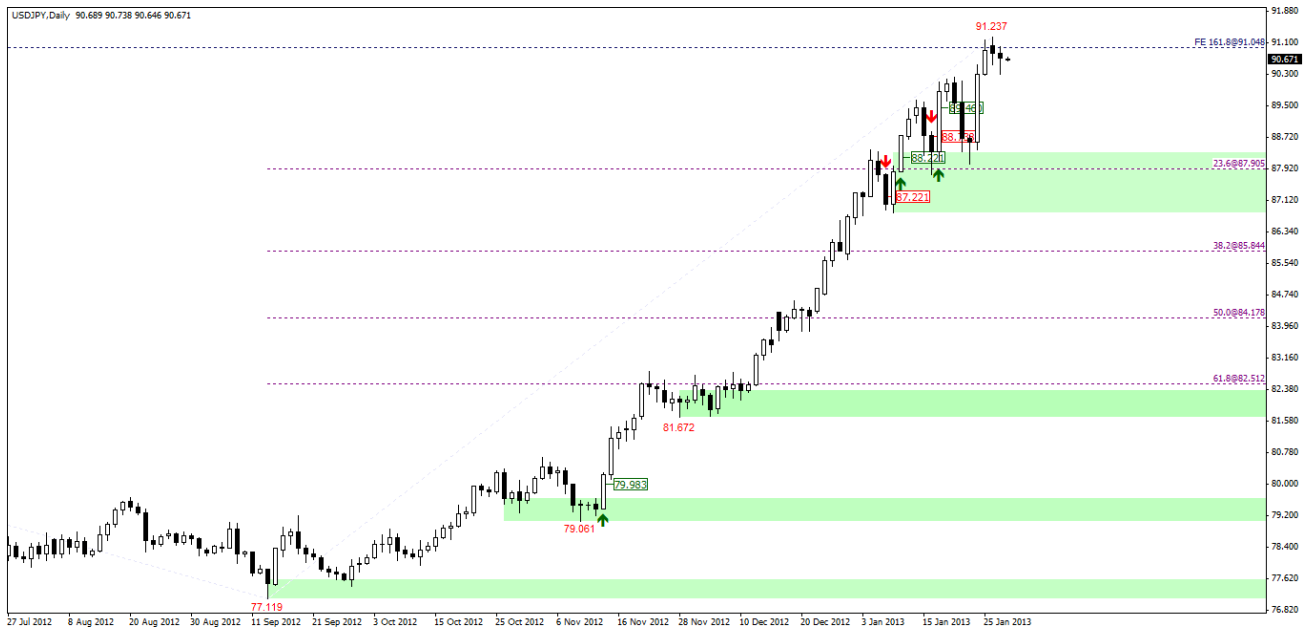
## USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		0.93520	Break-even	0.90587	0.89847	3	0.03

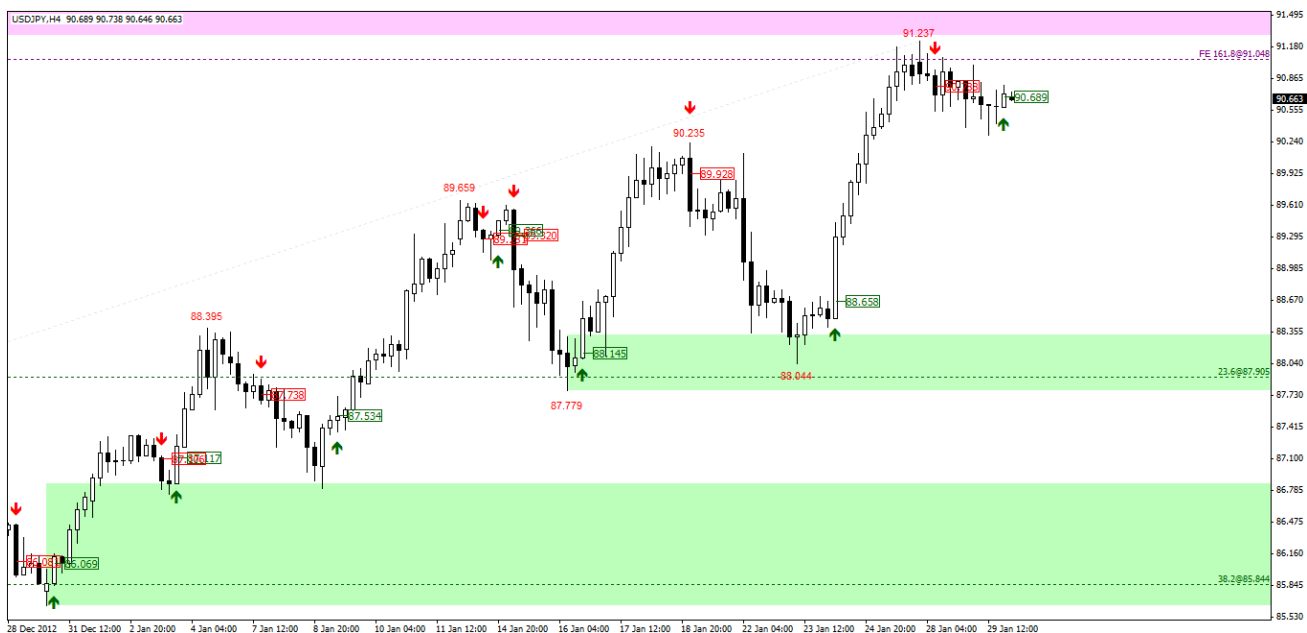
## USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										-0.31	9,968.76
2013.01.17 20:44	0.03m	0.93520	2013.01.29 23:59	0.03m	0.92117	420.9	456.92				

## USD-JPY DAILY



## USD-JPY 4-HOURLY

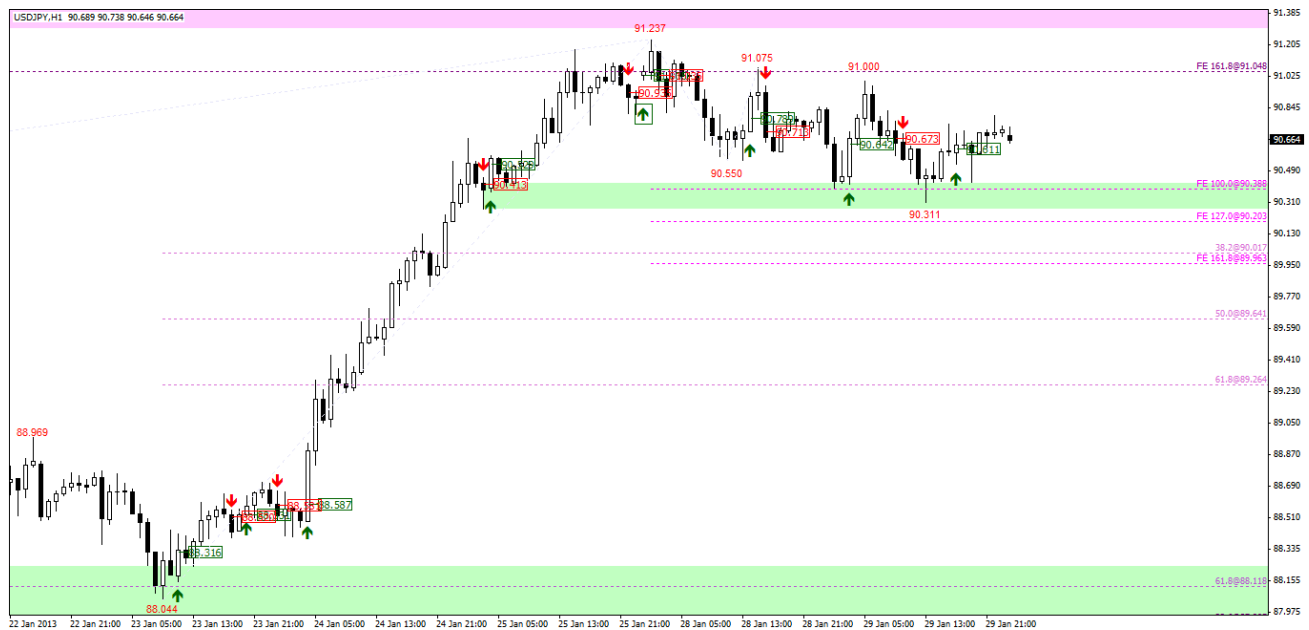


## USD-JPY Short Term Outlook

After charging to a 2 ½ year high and hitting the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048** on the way up 24 hours ago, another round of profit-takings have set in. So far, corrections have seen this market retreating to the 100.0% projection of 91.237 to 90.550 from 91.075 at **90.388** with a marginal low at 90.311 in NY overnight. As noted, this level is also within a minor demand pocket at **90.272-90.420**. As the pullbacks are 3-wave in structure, there is presently no danger of this market extending its fall below this price pocket. Unless it does, this zone is an ideal area to reposition long positions with a tight stop just below 90.272 for another run-up to the 23.6% retracement of 147.680 to 75.563 at **92.583** and beyond. As noted, above this level lies a formidable supply zone at **93.129-94.979** and there is a good chance initial assaults there would be met with fierce resistance. With the stated goal of 100 yen per dollar by the Japanese government, there is definitely a lot of upside left in this rally.



## USD-JPY 1-HOURLY



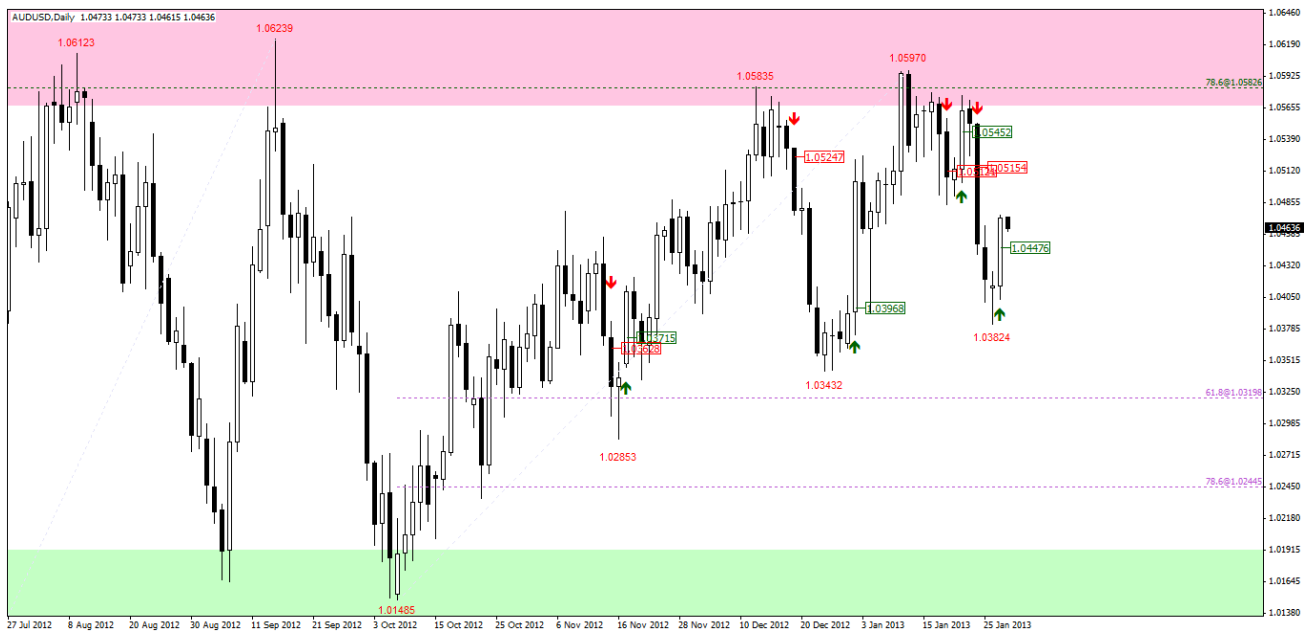
## USD-JPY TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Buy on buy signal within 90.272-90.420	90.487	90.172	92.583	99.657	3	0.03

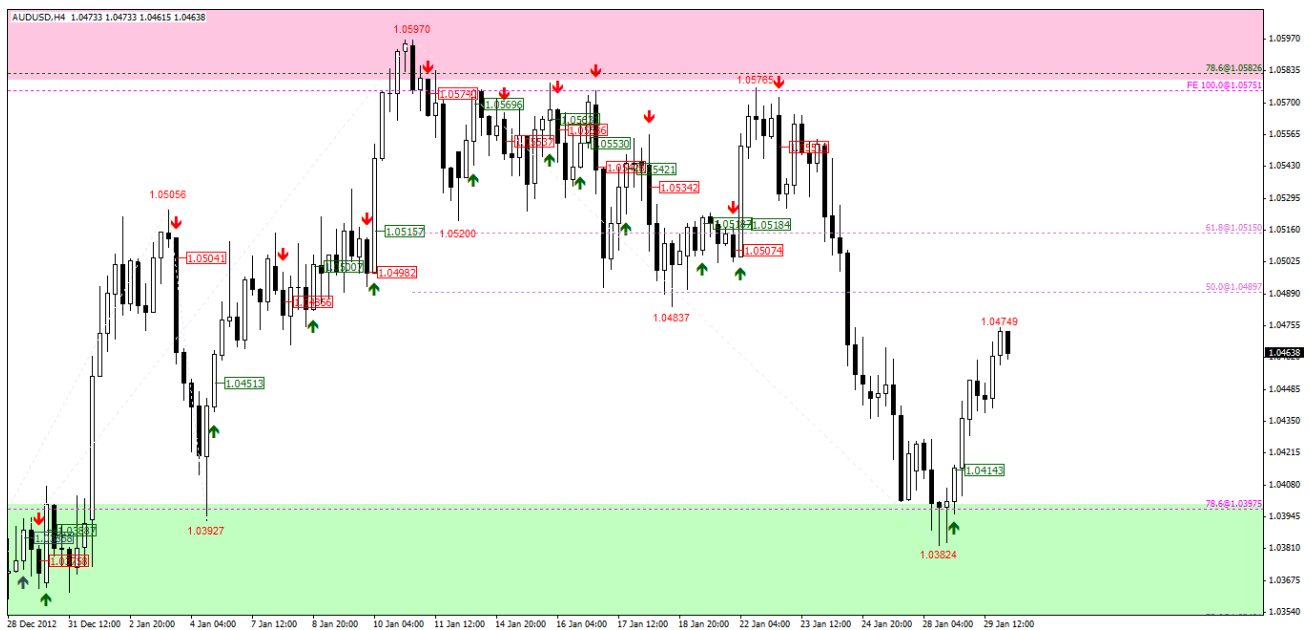
## USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										19.1	11,907.90
2013.01.28 01:32	0.03m	90.487	2013.01.29 23:59	0.03m	90.720	69.9	77.05				

## AUD-USD DAILY



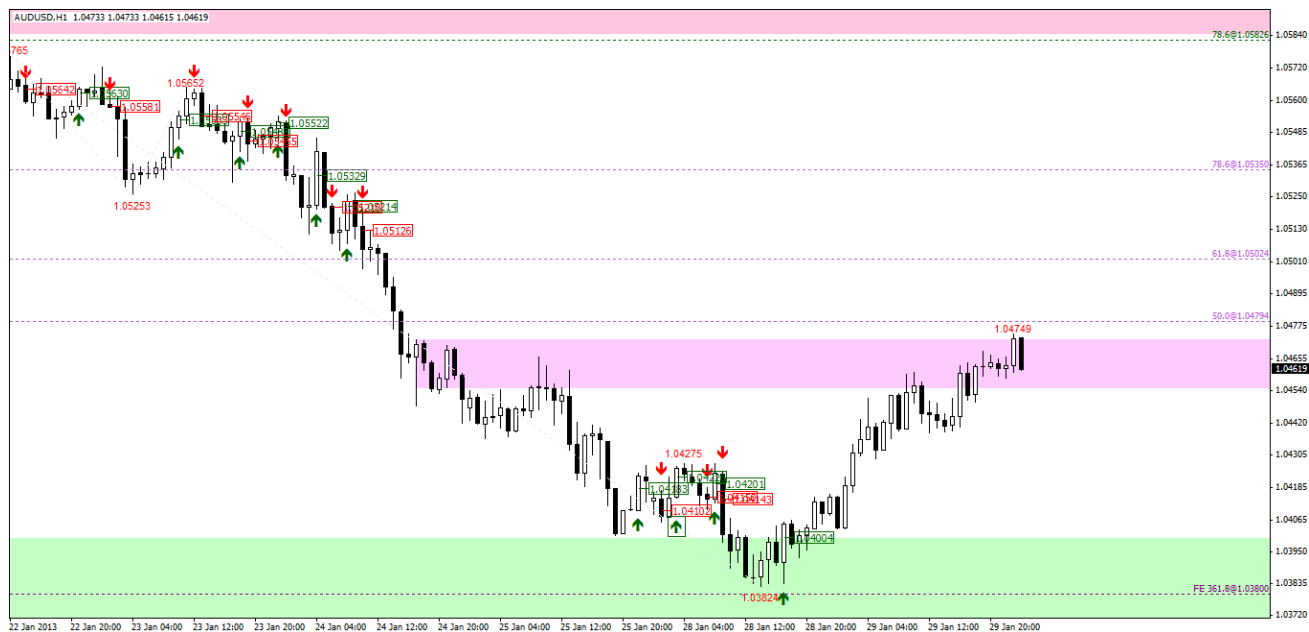
## AUD-USD 4-HOURLY



## AUD-USD Short Term Outlook

The overnight recovery from within the demand pocket at **1.03432-1.03997** extended into the immediate overhead supply pocket at **1.04549-1.04727** as expected. As mentioned, this is also where the 38.2% retracement of 1.05765 to 1.03824 at **1.04565** is located (see H1 chart). The idea was to sell into any sizable rebound ideally within this supply pocket at **1.04549-1.04727**. Only a sustained extension beyond this price zone would suggest a more robust correction. As it is, the W1 chart has already triggered a sell signal and should this market closes below **1.03733** by the end of Thursday's trading, it too would invariably triggers a longer-term sell signal in the monthly price chart. Combined, this points to a long-term decline that may last months going forward.

## AUD-USD 1-HOURLY



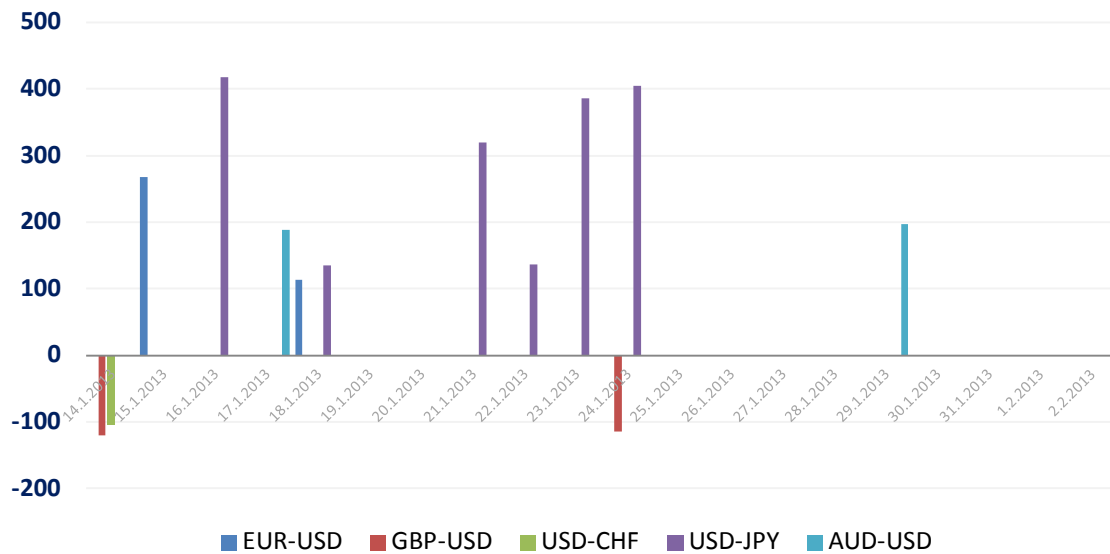
## AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold	Sell on sell signal within at 1.04549-1.04727	1.04695	1.04827	1.03800	1.01917	3	0.03

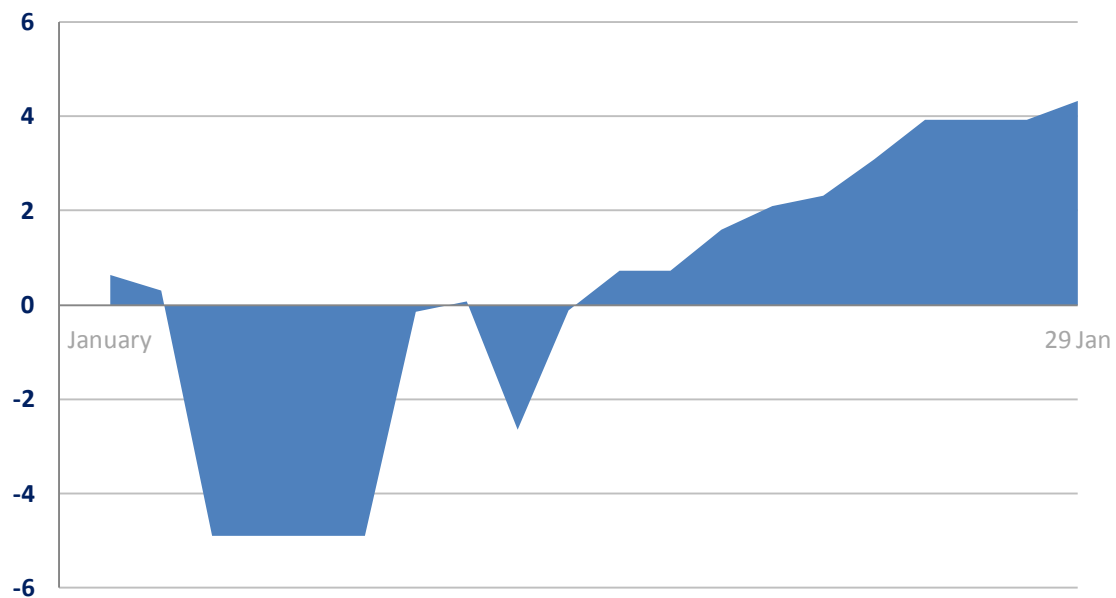
## AUD-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										3.54	10,354.30
2013.01.28 13:15	0.03m	1.03891	2013.01.29 09:49	0.03m	1.04549			197.4	197.40	1.91	10,551.70
Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
2013.01.30 00:05	0.03m	1.04695									

## Daily Realized P/L



## Accumulative Percentage P/L



## Traders Academy International

Check out our website at  
[www.tradersacademyonline.com](http://www.tradersacademyonline.com)

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.

