

A Traders Academy International Publication

BoE Leaves Rates Unchanged

Bank of England nine-member panel decided to leave both interest rate and APF quantity on hold this month; probably following wait and see strategy.

Policy makers confronted calls to boost stimulus to help the economy to surpass the current embarrassing economic situation amid the drop in household spending and risks posed from the lingering European debt crisis.

The most recent data showed that U.K. manufacturing dropped sharply to record a contraction of 45.9 in May from 50.2 in April, while services released today steadied at 53.3 and construction narrowed expansion to 54.4 in May from a prior of 55.8.

Also, the latest forecasts by the British Chambers of Commerce (BCC) downwardly revised U.K. 2012 growth to 0.1% from 0.6%.

UK policy makers opted to leave APF unchanged not seizing the opportunity after the drop in inflation for the first time to the upper limit, where CPI slipped to 3.0% last month after rising to 3.5% in March as they probably will wait to the latest developments in the Euro area.

In the last meeting for G7 leaders they agreed to do their best to support Spain's weak finances and prevent the exit of Greece from the euro area before G20 summit held on June 18-19.

European leaders are also discussing options to support ailing banks in the region, especially in Spain, with many tools are put on the table such as using the ESM directly or issue euro bonds, where the ECB refrained from announcing another round of cheap long-term loans to banks.

On the other hand, waiting this month is very crucial to know the results of the Greek elections amid speculations the win of leftist parties would lead to a Greek exit from the Euro bloc which will have various negative consequences on the Euro area as a whole.

Although Deputy Governor Charlie Bean hinted last week that there could be another round of stimulus, yet the most recent minutes showed the split among the nine MPC members over the size of non-standard measures, where the majority prefers a hold.

The minutes of May's monetary decision showed that policy maker David Miles resumed his call for further expansion in stimulus, while Adam Posen, who stopped his call for extending non-standard measures last month, revealed that it may have been "premature" to end his call for further stimulus as the U.K. economy might get weaker.

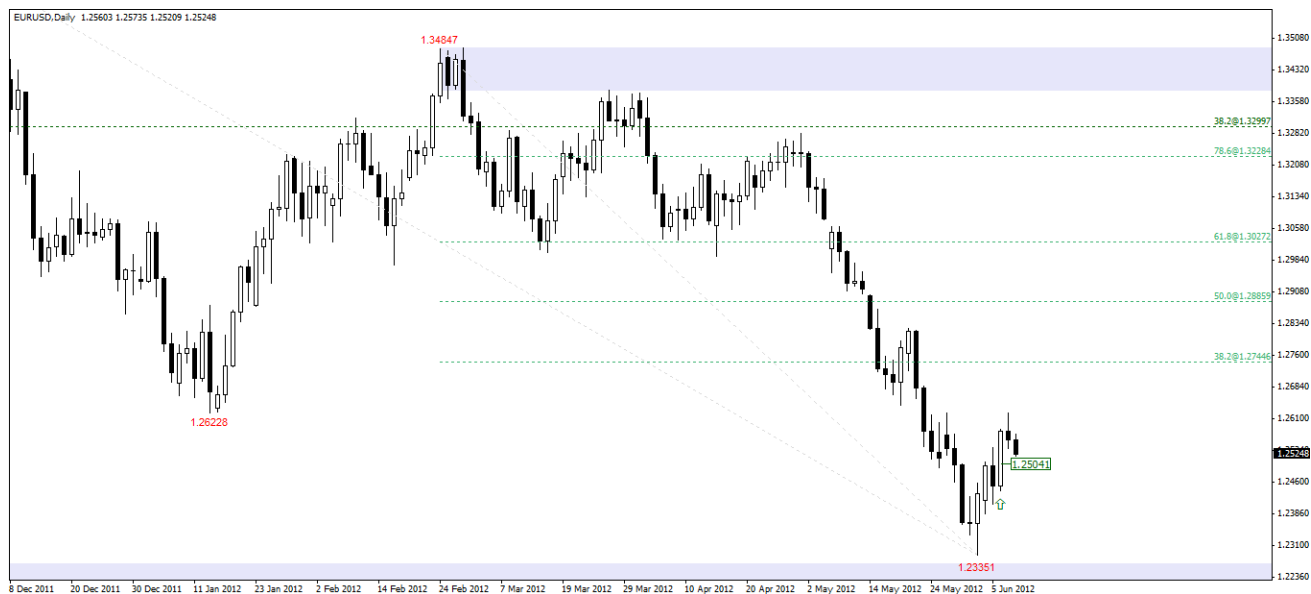
Hence, expanding non-standard measures is possible for the bank if the economic situation worsened; taking in mind that inflation is still not back to safe levels, where May's BoE inflation report hinted that inflation is likely to remain above the 2% target for the next year.

As of 11:05 GMT, the pound is trading higher versus the U.S. dollar around 1.5518 compared to the day's opening level of 1.5495.

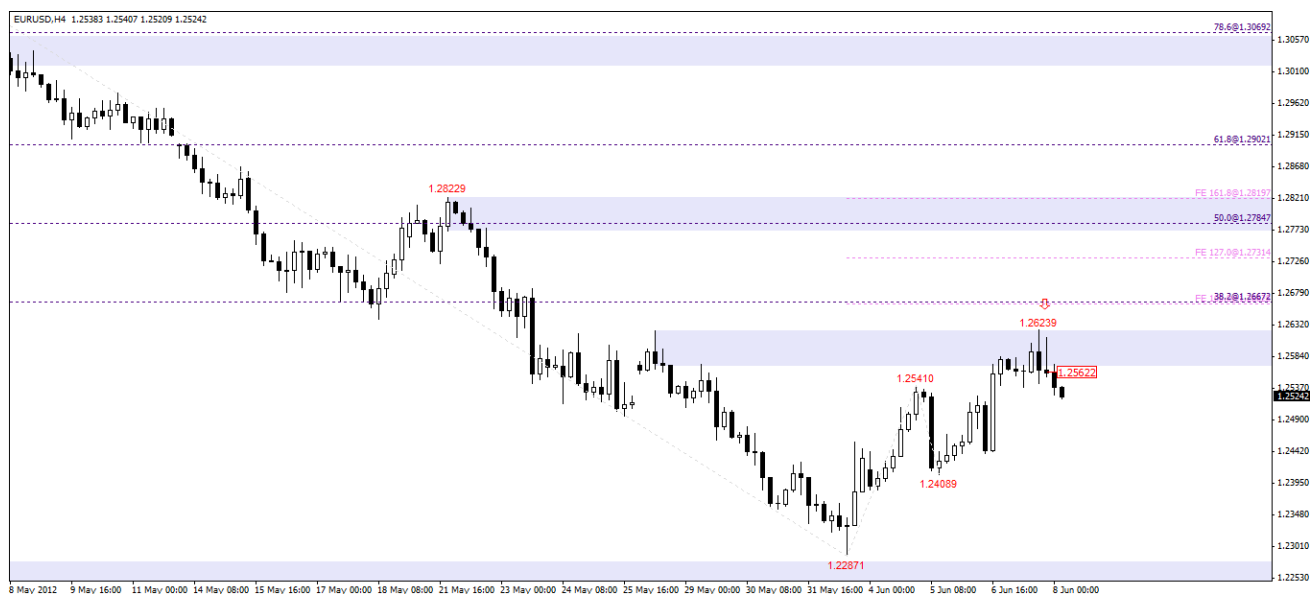
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EUR-USD DAILY



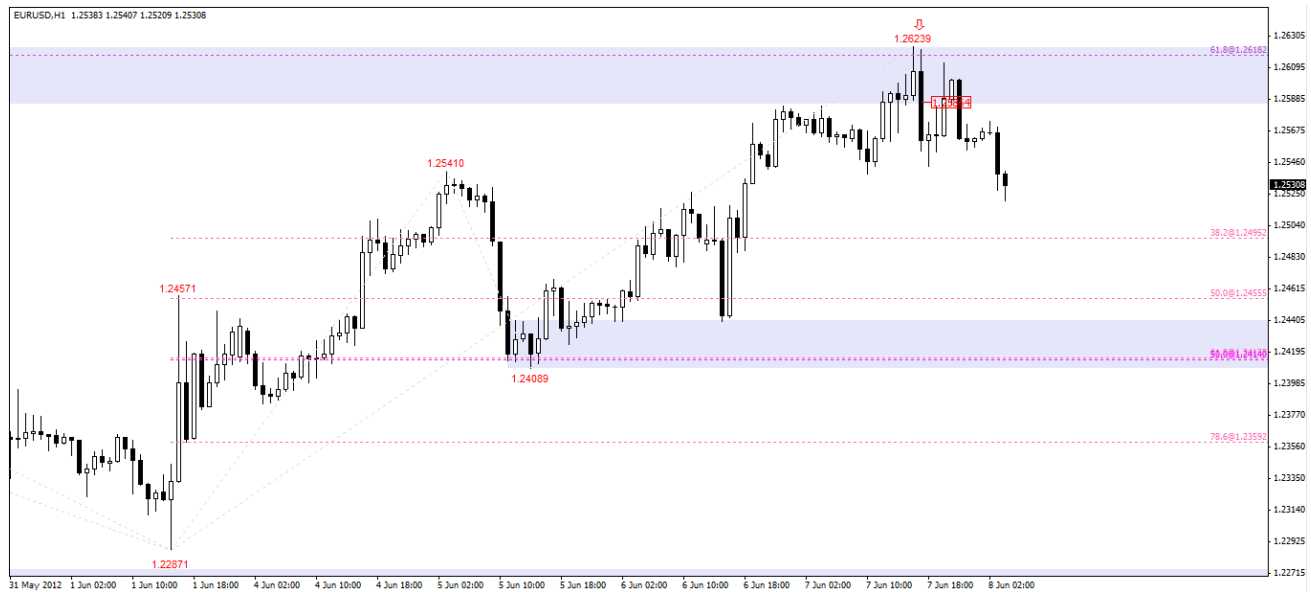
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Price action did a 3-wave correction from the low of Friday to hit the 61.8% retracement of 1.28229 to 1.22871 at **1.26182** with a print at 1.26239 in overnight trading. This level is just a touch above the immediate SZ at **1.25706-1.26230**. Is this the peak of this corrective move? Perhaps not. Yesterday's update allured to the possibility that this 3-wave corrective rally is probably heading towards the 100.0% or 1.618% projection of 1.22871 to 1.25410 from 1.24089 at **1.26628** or **1.28197** respectively with the latter situated within the SZ at **1.27717-1.28229**. From there, a resumption of the fall from 1.34847 to take out last week's low of **1.23351** is expected – provided of course price action does not accelerate to the upside from there. In the meantime, sell signals were triggered in both the H1 and H4 charts. This could result in a correction within a correction with the minimum target at the 38.2% retracement of 1.22871 to 1.26239 at **1.24952** with the potential to stretch to the immediate DZ at **1.24089-1.24407** within which lies the 50% retracement of 1.22871 to 1.26239 at **1.24555**.

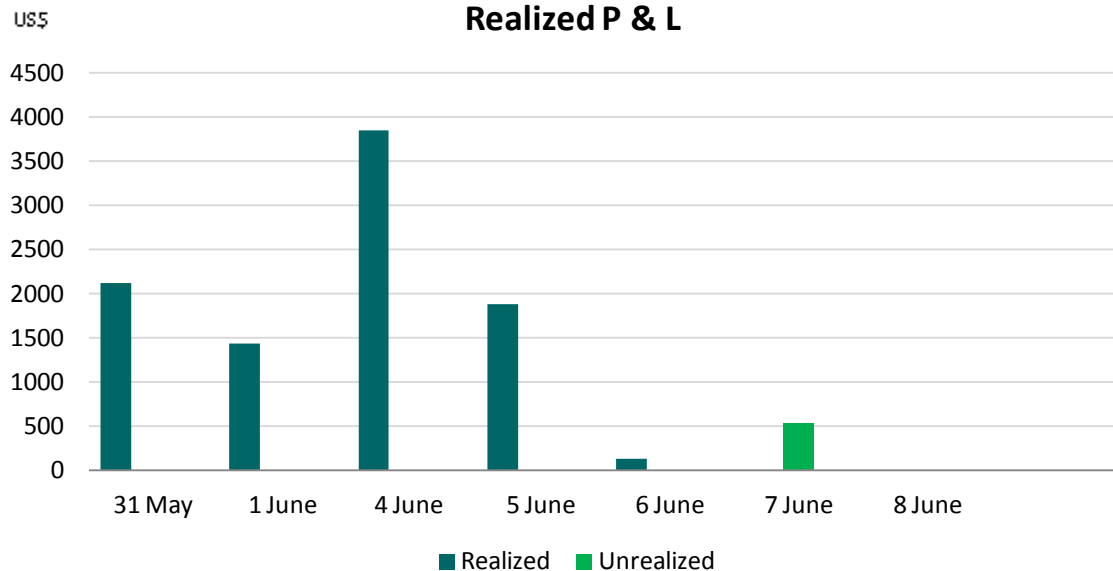
EUR-USD 1-HOURLY



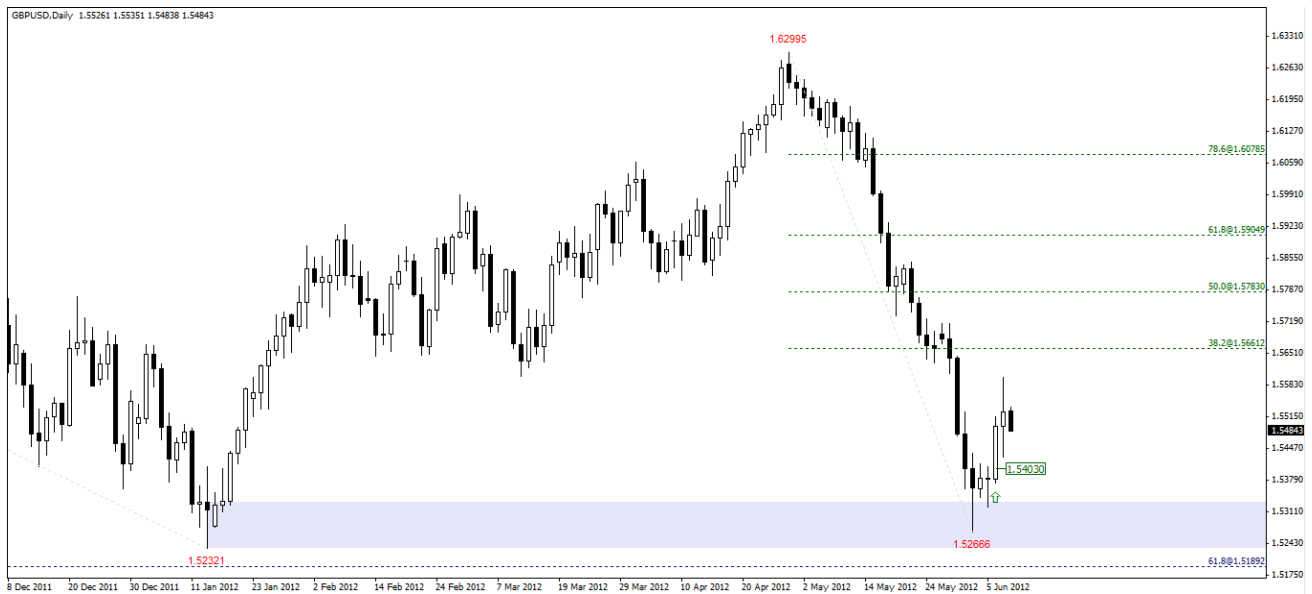
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.25864	1.24952	1.24407	1.26339 STOP

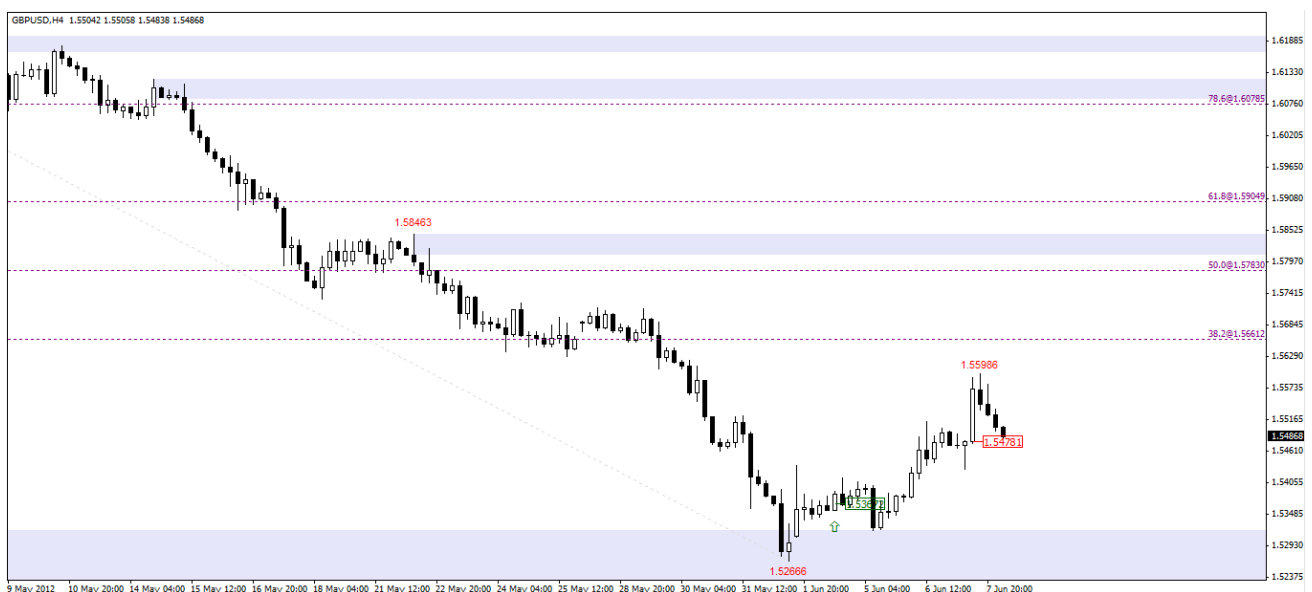
EUR-USD Realized P & L



GBP-USD DAILY



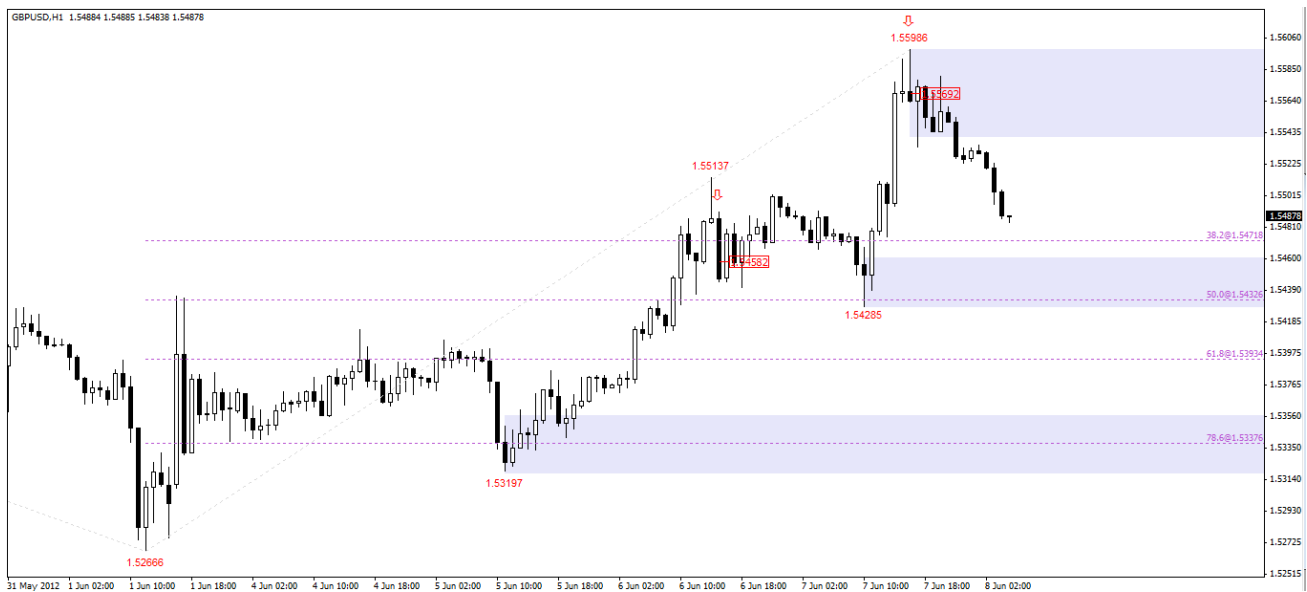
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

The counter-trend rally from last Friday's low of 1.52666 did not terminate at the high of **1.55137** despite having done a 3-wave up move. After a brief pullback to an intraday low of 1.54285, it rallied past the Wednesday's high to register yet another high at 1.55986. What this move suggests is a possibly another set or a series of 3-wave corrective moves to the upside - unless of course there is an aggressive and impulsive wave to the upside. The alternate view mentioned in yesterday's update that the first 3-wave up was an initial push to the upside and is likely to be capped at the first SZ at **1.54982-1.55242** - to be followed by a brief pullback before another counter-trend rally is attempted was right on. As such, focus has now shifted to the next SZ at **1.58087-1.58463** which happens to be just above the 50.0% retracement of 1.62995 to 1.52666 at **1.57830**. From there, a resumption of the fall from 1.62995 is expected. Of course, this is assuming there is no acceleration to the upside beyond this SZ. In the meantime, a sell signal was triggered in the H1 chart (to be followed shortly by one in the H4). This is probably a correction within a correction with potential to retrace towards the DZs at **1.54278-1.54608** and **1.53197-1.53563** respectively.

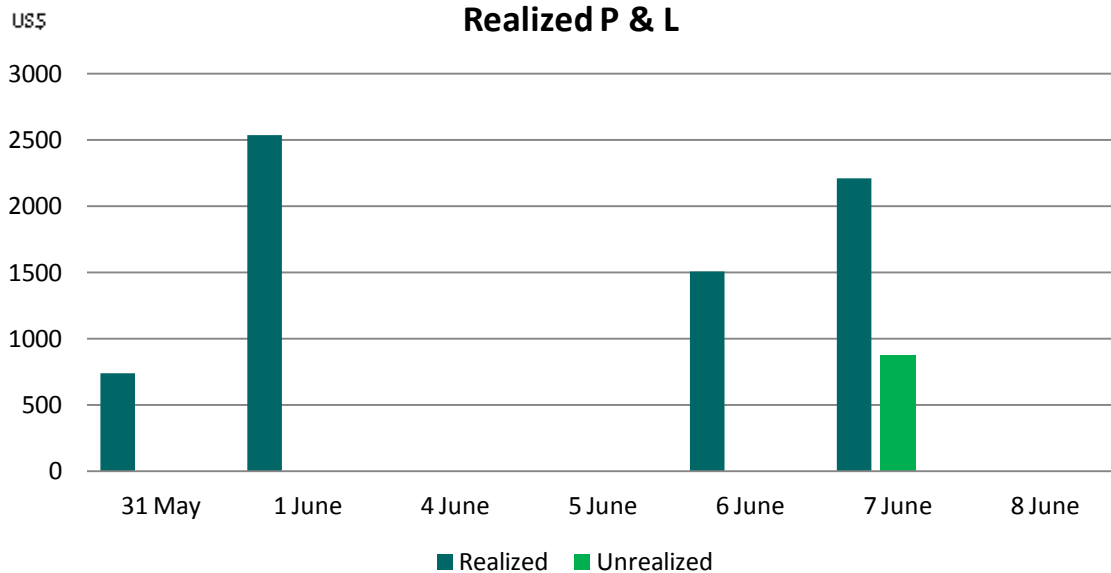
GBP-USD 1-HOURLY



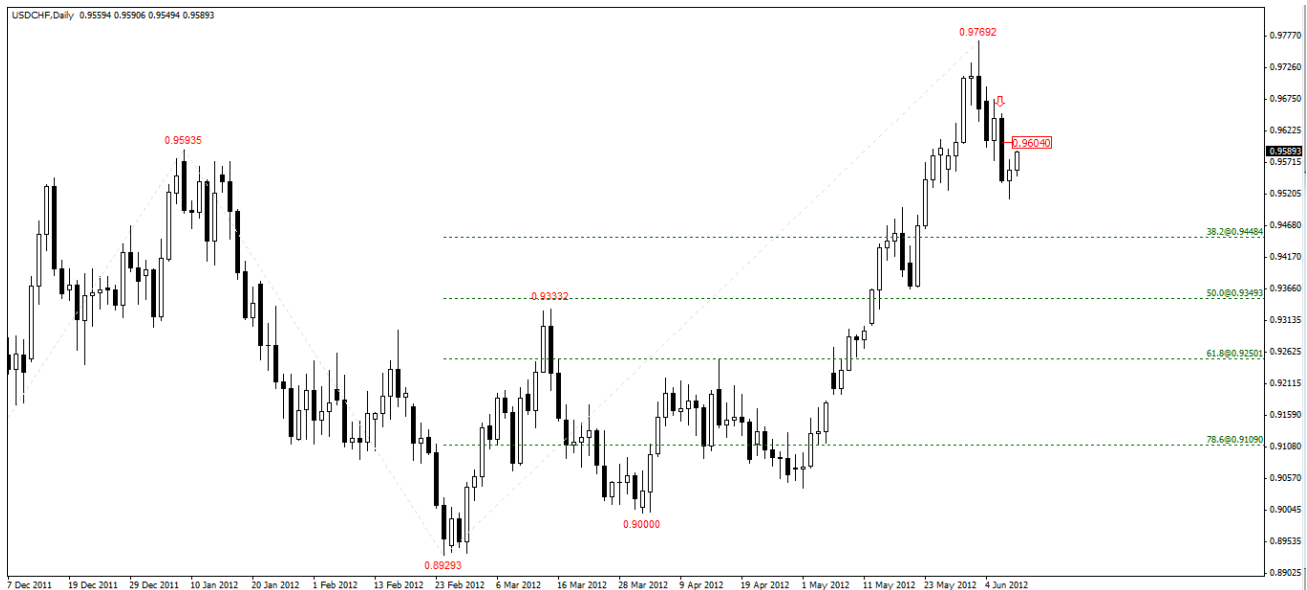
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.55692	1.55608	1.53563	Exit on 1 –hour close above 1.55200

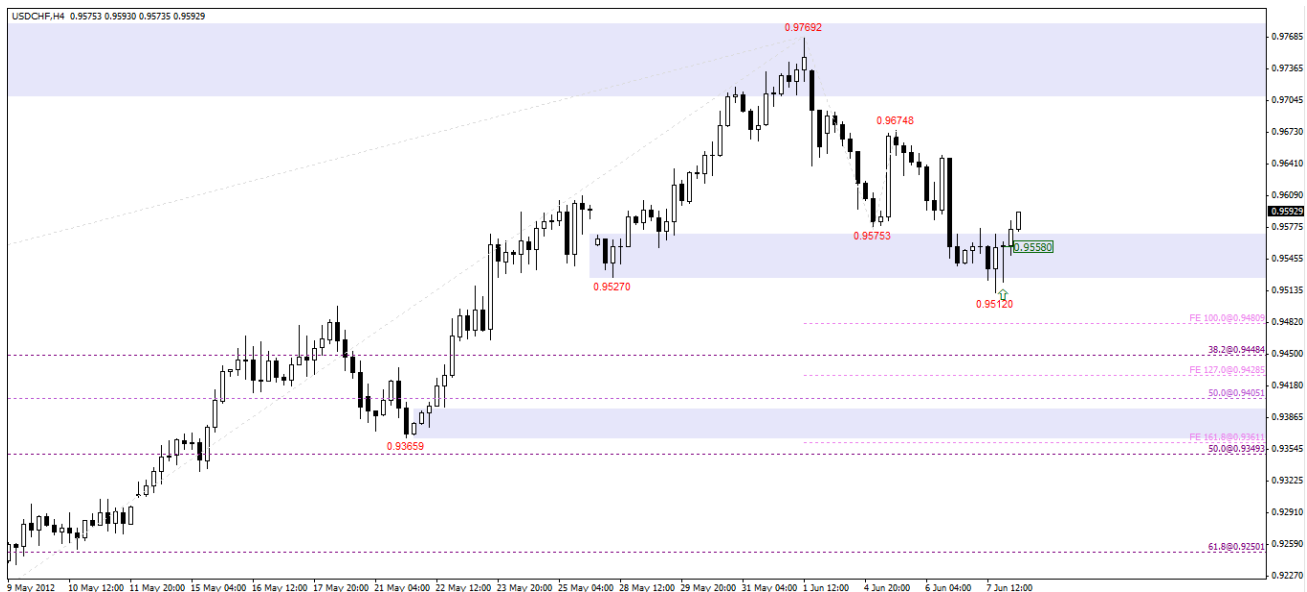
GBP-USD Realized P & L



USD-CHF DAILY



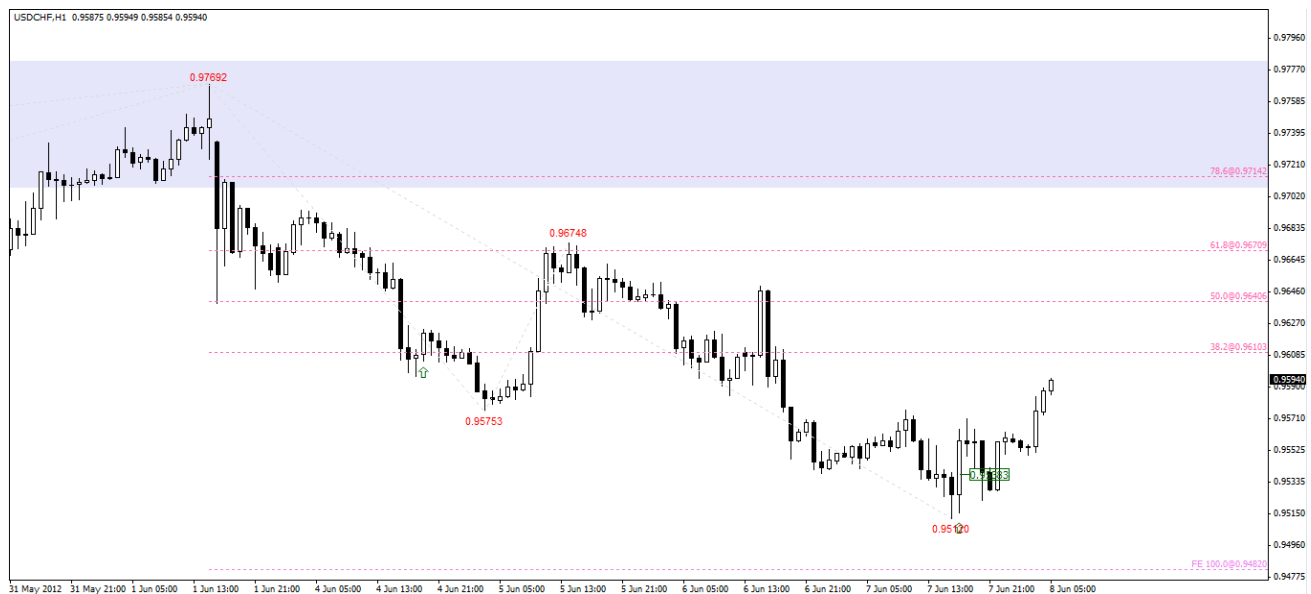
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

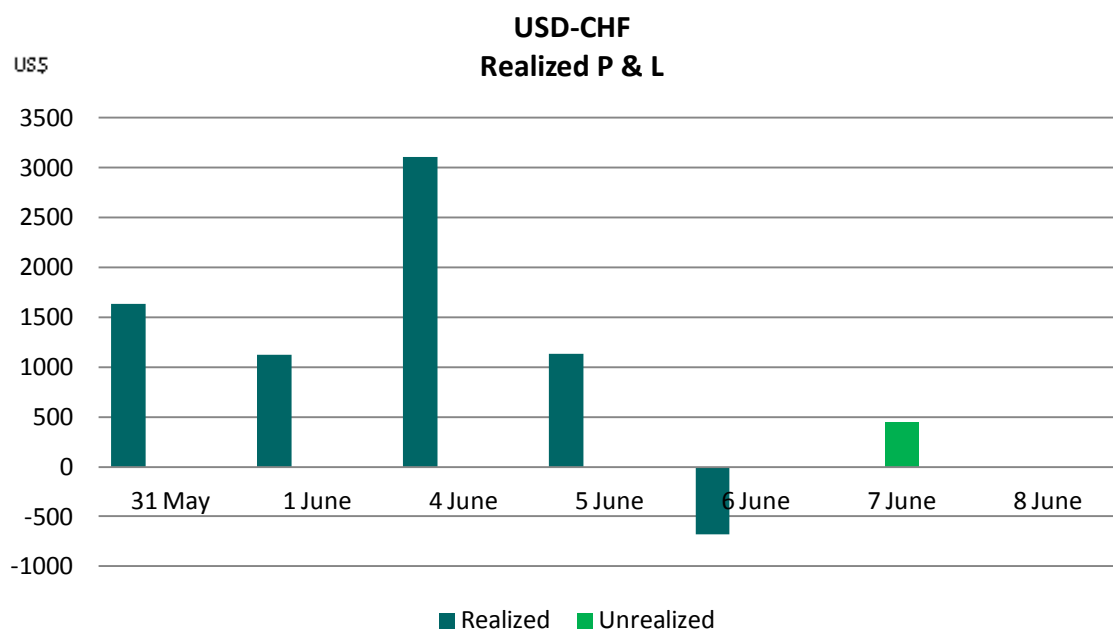
The fall from the ancient SZ at **0.96631-0.97820** indeed developed into a 3-wave down, missing out the 100.0% projection of 0.97692 to 0.95753 from 0.96748 at **0.94809** with a print at 0.95120 in overnight trading. There is a possibility this move down may eventually hit the next DZ at **0.93656-0.93952** now that price action had fallen through the previous DZ at 0.95270-0.95704. Unless there is a brief rebound from current level to be followed ideally by a sell signal, do not give chase.

USD-CHF 1-HOURLY

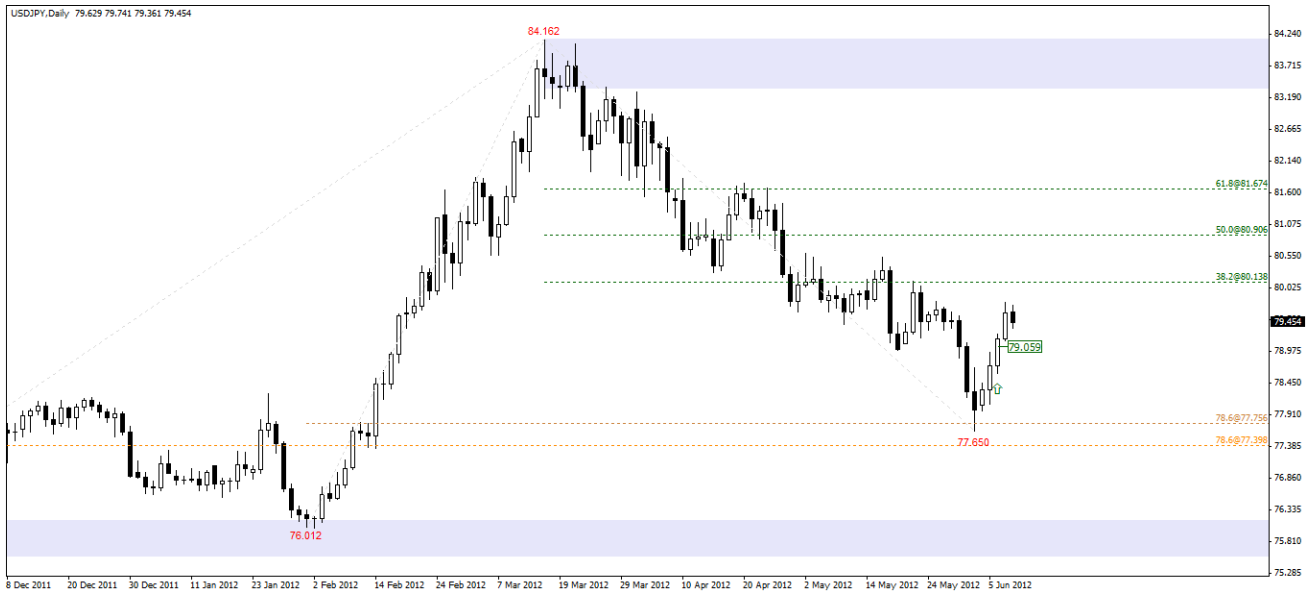


Trade Ideas

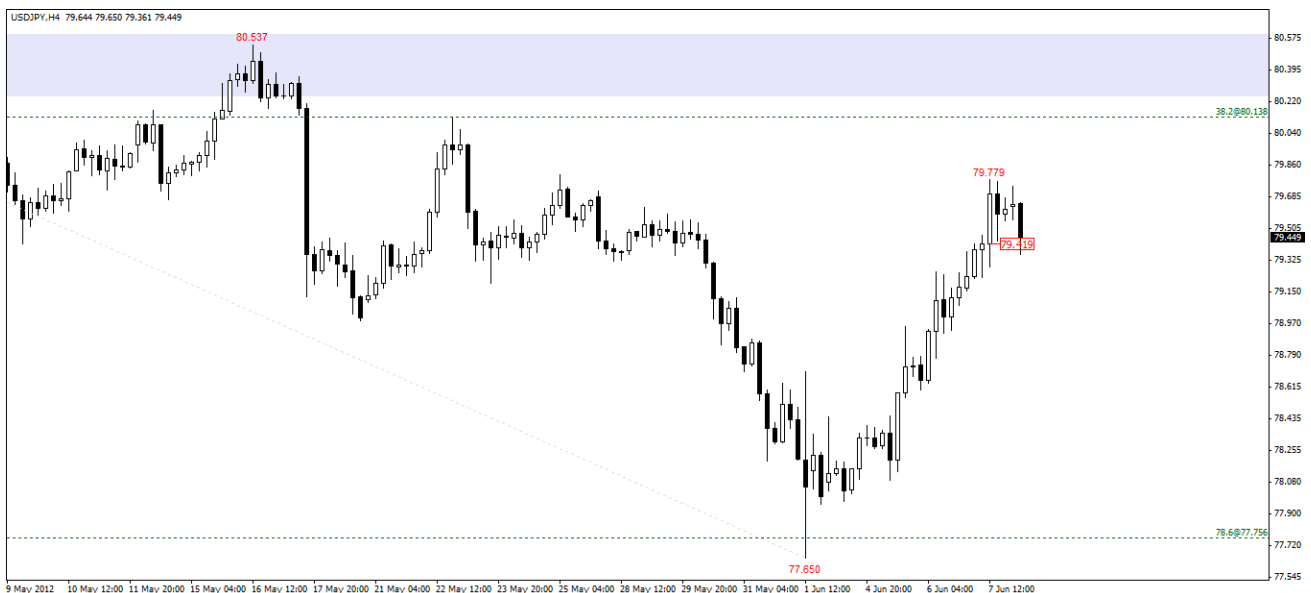
ACTION	Target 1	Target 2	EXIT
Bought @ 0.95383	0.96103	0.96709	Exit on 1-hour close below 0.95545



USD-JPY DAILY



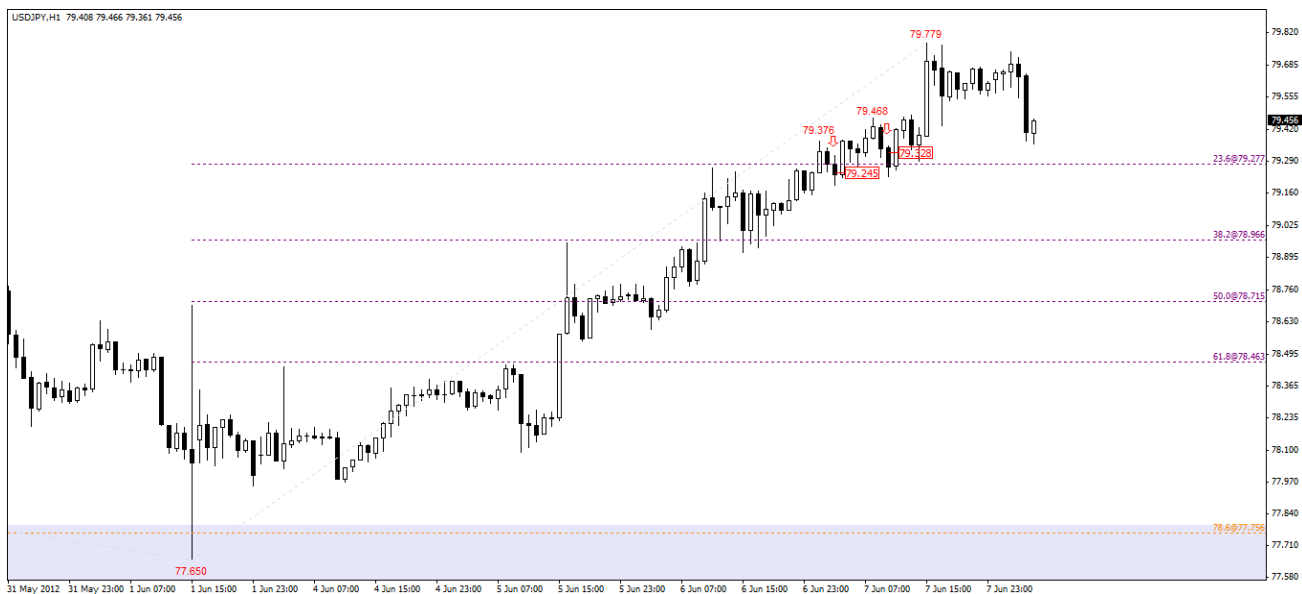
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

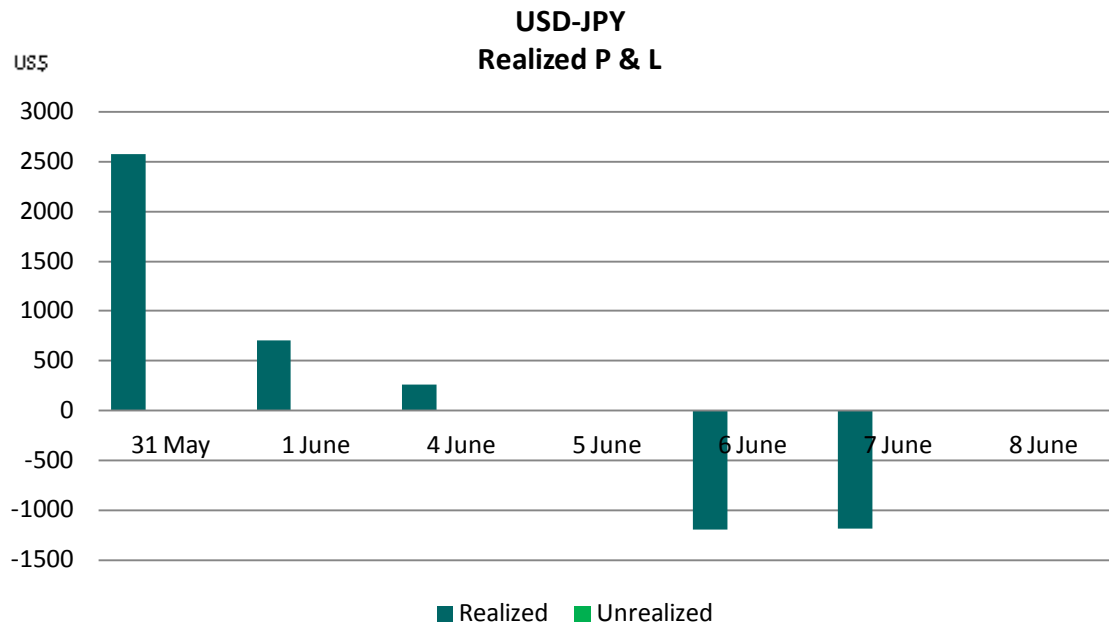
The rebound from last Friday's low of 77.650 has been real steady having surged past the initial SZ at 78.902-79.122. This did not come as a complete surprise as previous updates have mentioned the possibility of this correction extending towards the SZ at **80.244-80.598**, which is just below the 38.2% retracement of 84.162 to 77.650 at **80.138**. On balance, this recovery is probably part of an initial wave of a counter-trend rally. As in most corrective waves, a brief pullback is expected to complete a 3-wave corrective rally. Until and unless this brief pullback occurs, a firm target cannot be ascertained at this stage. At this rate of climb, the best guess for this initial wave target is the 38.2% retracement of 84.162 to 77.650 at **80.138** or the SZ at **80.244-80.598**. A pullback from there would ideally set the stage for a further extension towards the 61.8% retracement of 84.162 to 77.650 at **81.674**.

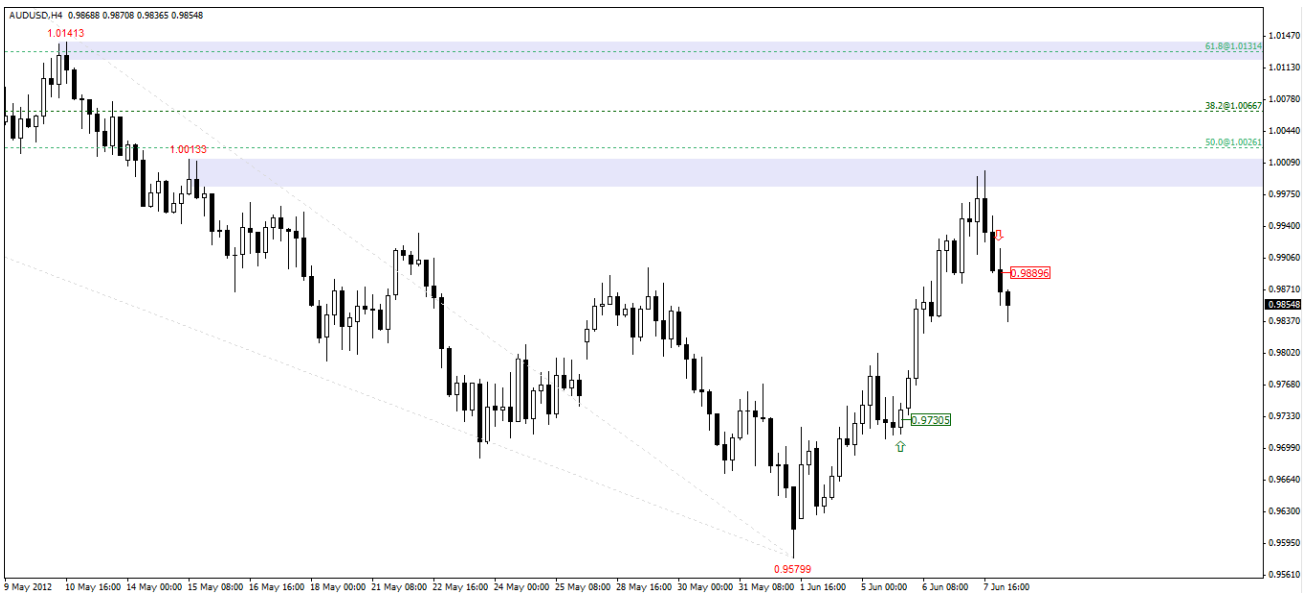
USD-JPY 1-HOURLY



Trade Ideas

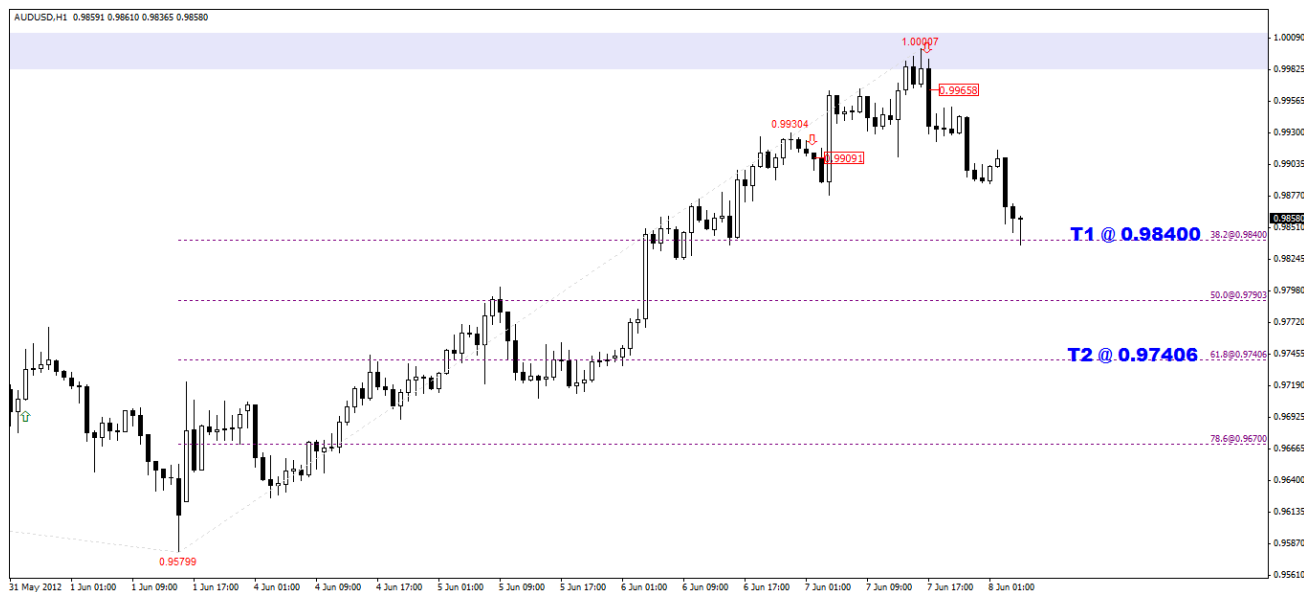
ACTION	Target 1	Target 2	EXIT
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AUD-USD DAILY**AUD-USD 4-HOURLY****AUD-USD** Short to Medium Term Views

The fact that we now have a daily close above **0.98470** with Wednesday's aggressive closing at 0.99249 has shifted the dynamics of recent price actions starting from the fall from February 29 high of 1.08542 to last Friday's low of 0.95799. Last night's high of 1.00007 within the SZ at **0.99834-1.00133** is the first time since mid-May that price action has hit parity. Though the encounter was brief, it suggests there is inherent strength in this rally. Overall the fall from 1.08542 to 0.95799 has a 3-wave structure suggesting that the fall was corrective in nature within a larger degree consolidation pattern. From the look of this rally, another surge past the overnight high is likely with focus on the next SZ at **1.01214-1.01412** where the 61.8% retracement of 1.04723 to 0.95799 at **1.01314** is. From there, a smaller degree pullback is expected before extending the rally from 0.95799 towards the 61.8% retracement of 1.08542 to 0.95799 at **1.03674**.

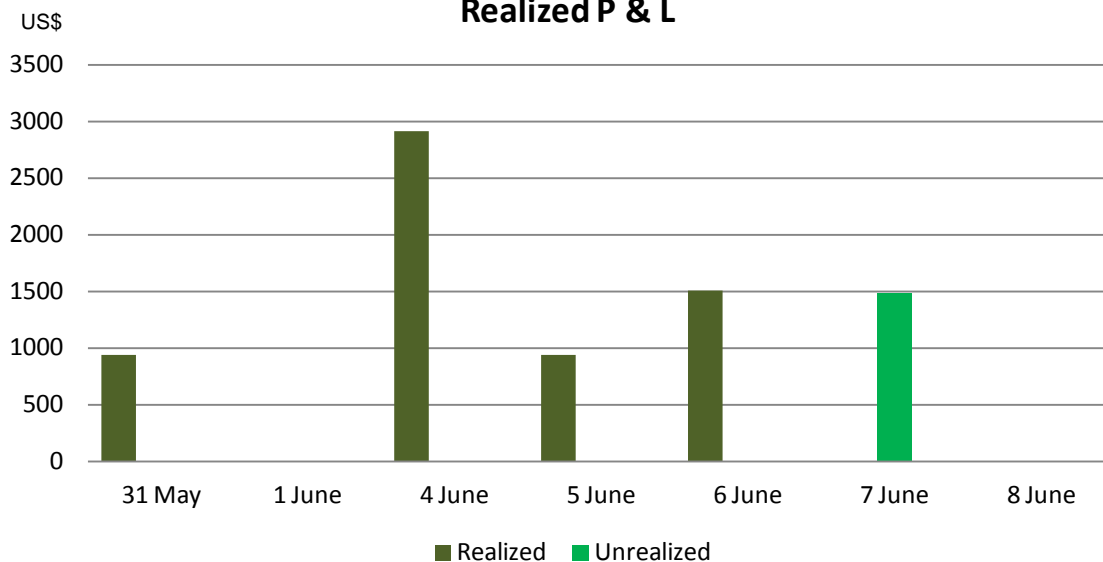
AUD-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.99685	0.98400	0.97406	Exit on 1-hour close above 0.98688

AUD-USD Realized P & L



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.

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.

Non Affiliation Policy

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.

