

A Traders Academy International Publication

USD-JPY Fell On Apparent Discord

USD-JPY and EUR-JPY fell on Tuesday as disagreement between Japanese officials raised doubts over how aggressively Japan will ease its monetary policy. Japanese Finance Minister Taro Aso said on Tuesday he was not considering buying foreign bonds as part of efforts to ease monetary policy, a day after Prime Minister Shinzo Abe said this was an option. The comments suggested that there may be growing differences between the prime minister and the finance minister, which could threaten the pace of policy easing going forward.

Expectations Japan will take further stimulative steps to fight deflation have driven USD-JPY up 8 percent so far this year. But the pace of the Yen's fall has slowed lately as traders waited to see if words will translate into action.

USD-JPY fell 0.4 percent to 93.555, well below a peak of 94.201 hit on Monday after Japan escaped direct criticism from its G20 peers at the weekend. Choi Hee Nam, South Korea's director-general at its finance ministry, said that while Japan was not singled out at this weekend's Group of 20 meeting, its monetary and fiscal policies that have weakened the Japanese Yen were not endorsed by the group and did spark controversy.

Some analysts see further near-term losses in USD-JPY, with traders hesitating to re-test last week's 33-month high of 94.447, when it failed to breach a reported options barrier at 94.50.

The Yen's fall could also slow as traders become wary of betting on further yen weakness until there is more clarity on who will become the next Bank of Japan governor. Tokyo has delayed nominating a new governor for its central bank by a week, fanning talk of friction between the prime minister and the finance minister on the issue.

EUR-JPY was down 0.1 percent at 125.258.

EUR-USD rose 0.3 percent to 1.33865, helped by upbeat data on German economic sentiment. The ZEW index rose to its highest since April 2010, beating even the highest forecast. EUR-USD moved further away from a three-week low of 1.33051 hit on Friday, with traders reporting bids at 1.33100-150.

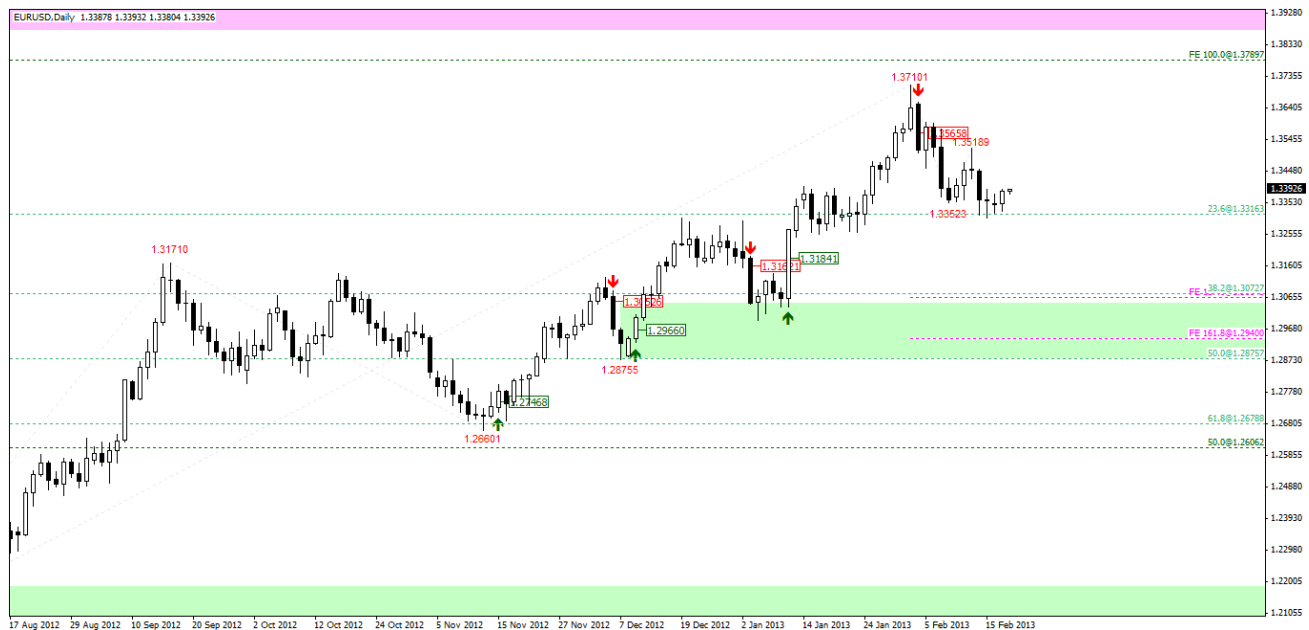
Traders, however, grew cautious ahead of Italian elections this weekend, which should cap any Euro rally. The Euro has come under selling pressure in the wake of recent data revealing a deeper-than-forecast Euro zone recession and on concerns that Italy's February 24-25 election could fragment the Italian parliament, potentially hampering the country's reform efforts.

In the meantime, there is growing concern among traders that Britain could lose its triple-A credit rating and does the weak Sterling Pound in recent days.

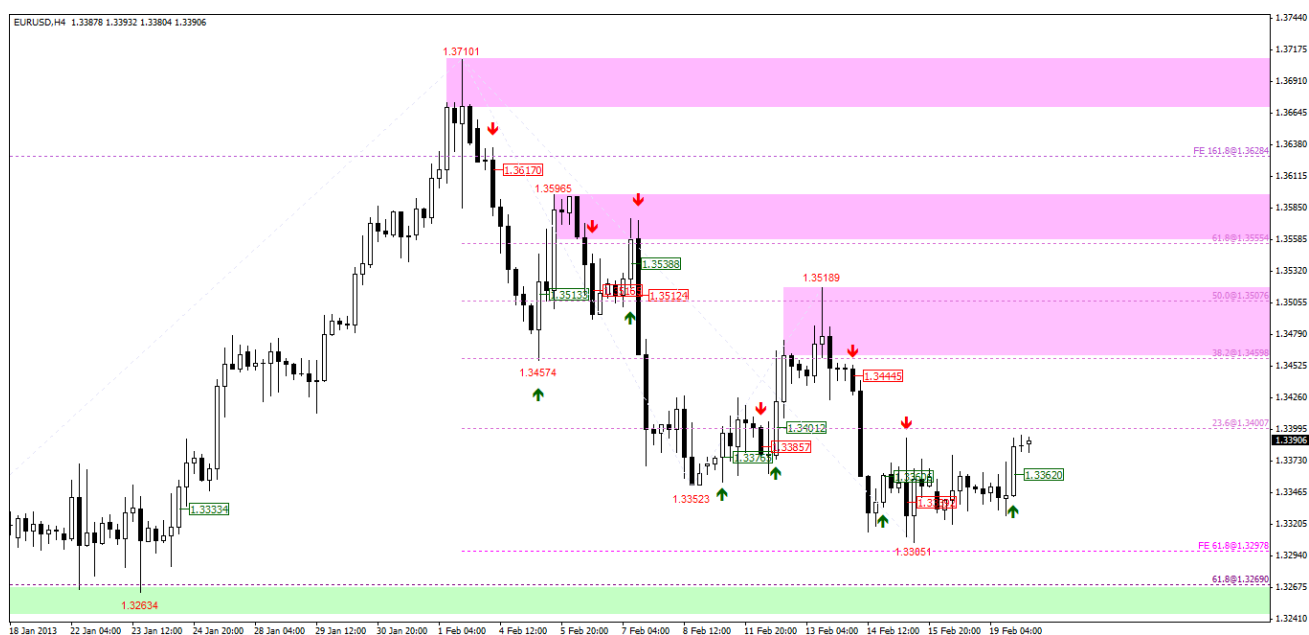
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EUR-USD DAILY



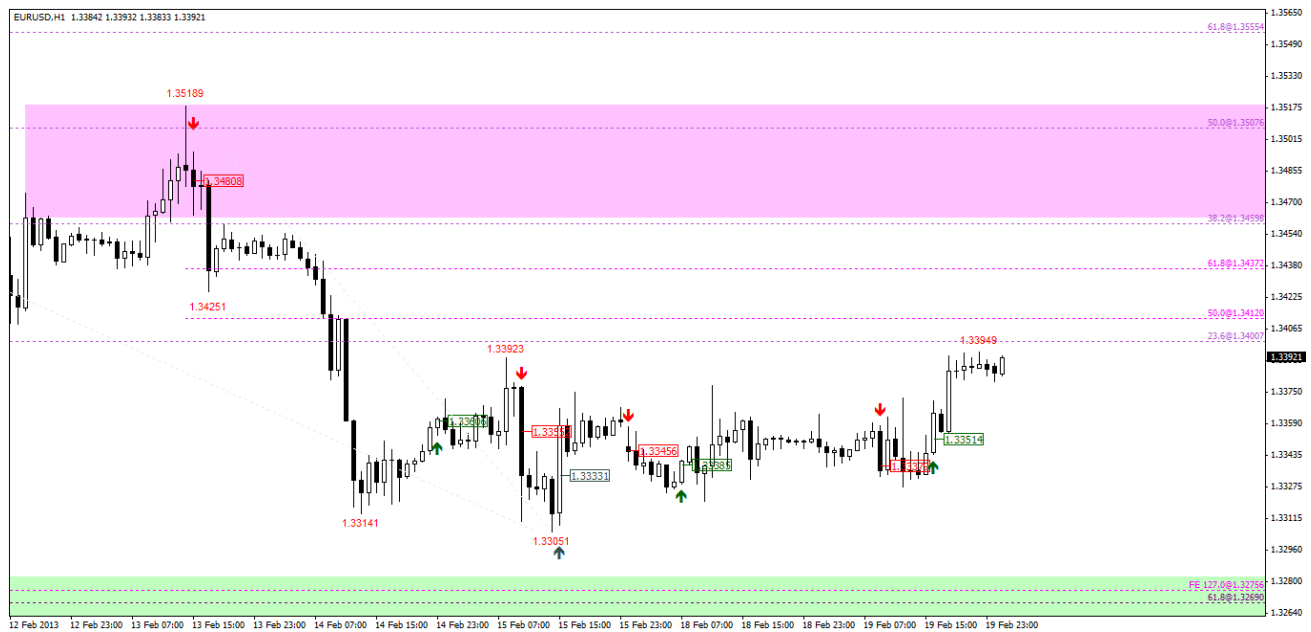
EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

Trading activity was subdued despite the better than expected ZEW index. Price action edged up slightly after registering a marginal low last Friday's low of 1.33523 at 1.33051. In the medium to long term, the rise from 1.20414 has a 3-wave structure, suggesting that the rally from last July is probably a larger degree correction of the fall from 1.49393 from way back in 2011 (see D1 chart). Only a sustained rally above the Fibonacci cluster of 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** would require a re-look at this correction scenario (see W1 chart). Now that this market has fallen below last week's low, focus has shifted to the 61.8% retracement of 1.29963 to 1.37101 at **1.32690** and the 127.0% projection of 1.37101 to 1.34574 from 1.35965 at **1.32756** where this fall from 1.37101 may be arrested. This area incidentally sits just above demand pocket at **1.32452-1.32676** (see H4 chart). Overall, the long-term trend is still up and this price cluster offers opportunities to re-position long positions for another jab at 1.37101. Only a close below **1.33090** in the W1 chart would suggest that the 3-wave corrective rebound from 1.20414 is over and bears are fully in charge.

EUR-USD 1-HOURLY



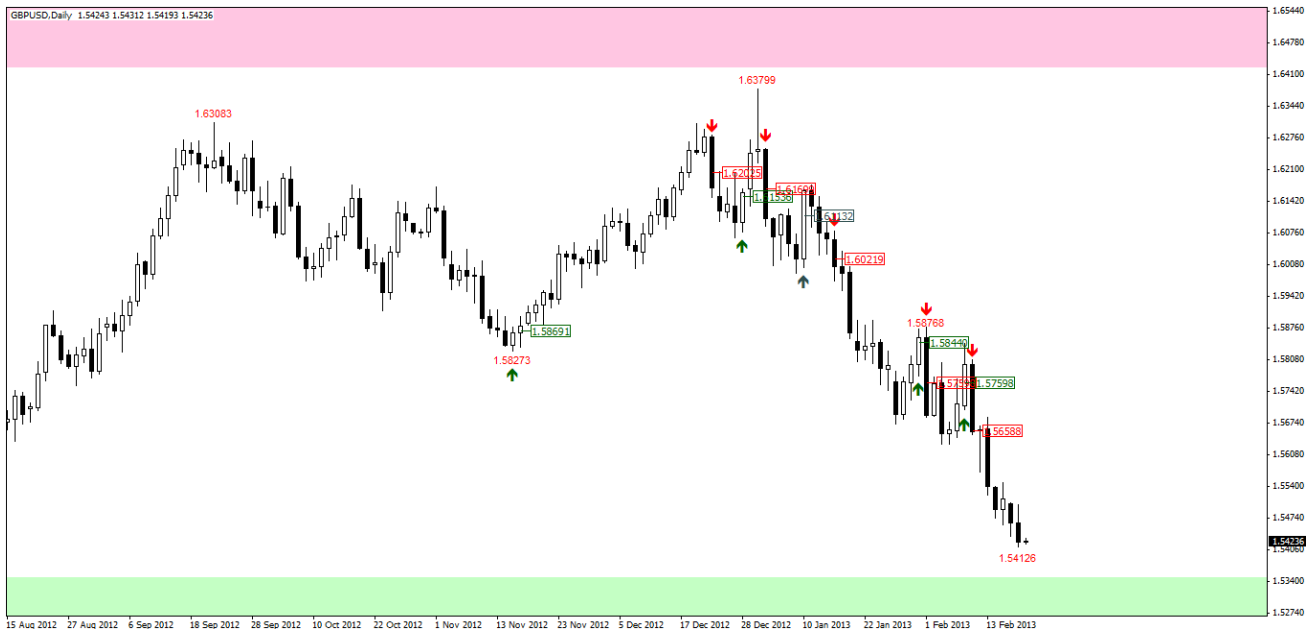
TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buy	Buy on buy signals between 1.32452-1.32765		1.32352	1.35258	1.36690	3	0.03m

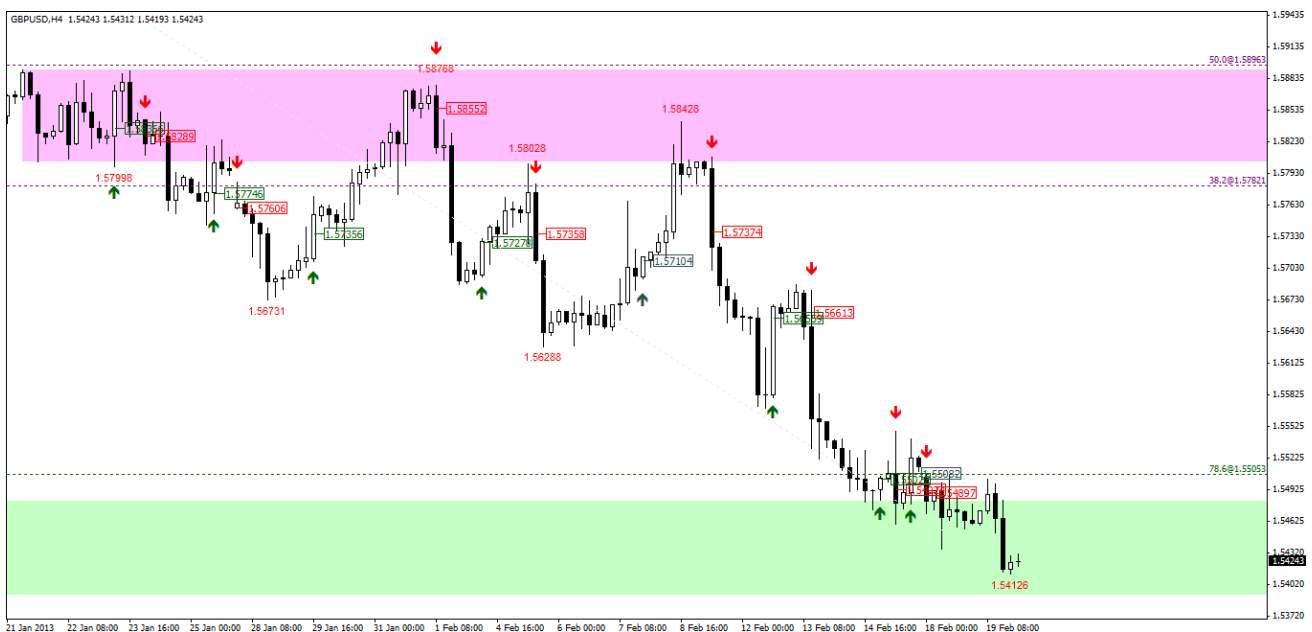
TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										5.35	10,534.90

GBP-USD DAILY



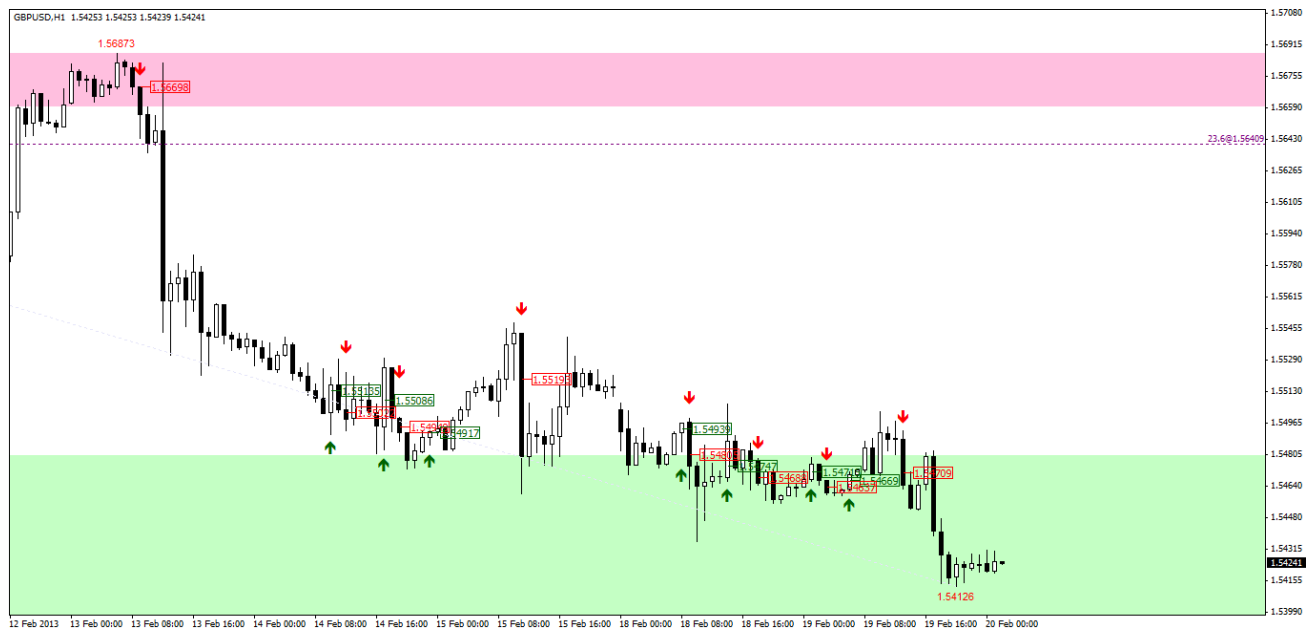
GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

Ideas that the UK may lose their pried AAA rating has kept a lid on prices with prices now just above a significant demand zone at **1.32327-1.33475** (see W1 & D1 chart). In the short-term, prices continues its downward spiral from 1.63799 and has remain within the demand pocket at **1.53922-1.54800** which lies just below the 78.6% retracement of 1.52672 to 1.63799 at **1.55053**. As previously mentioned, potential buying interests may emerge from within this price pocket. If so, any rebound is likely to be capped at the 23.6% retracement of 1.63799 to 1.54358 at **1.56586**, just below where the immediate supply pocket at **1.56595-1.56873** is. More importantly, the fact that this market is below the psychological support line seen in the triangle formation has some very serious bearish implications. A breakout of this nature will invariably precipitate in a violent sell-off that may ultimately take prices into uncharted territory into the low 1.20000s. That's a 3,500 pips drop! Of course, this monstrous drop will stretch over months, if not years. There will be intermittent attempts to rally back into the triangle but prices are likely to be capped at the previous support line now turned resistant line. On a close above **1.55037** in the D1 chart would suggest the emergence of determined buying interests.

GBP-USD 1-HOURLY



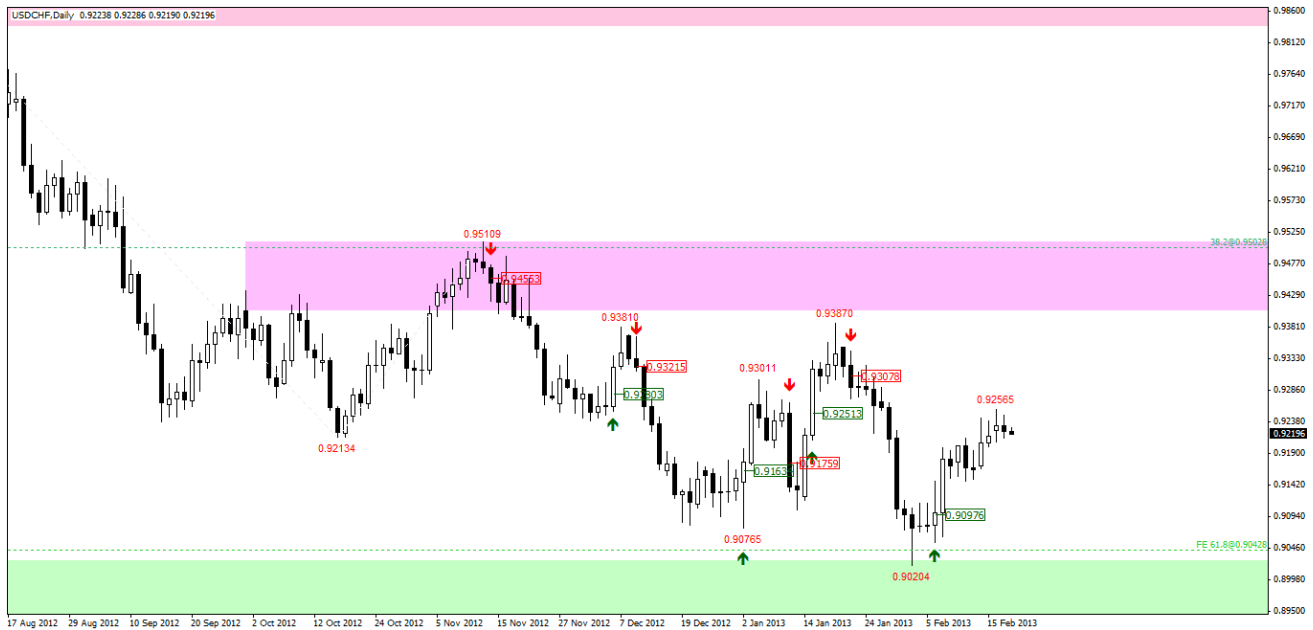
GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold	Exit on D1 close above 1.55037	1.58750		1.56749 Realized	1.53475	3	0.03m

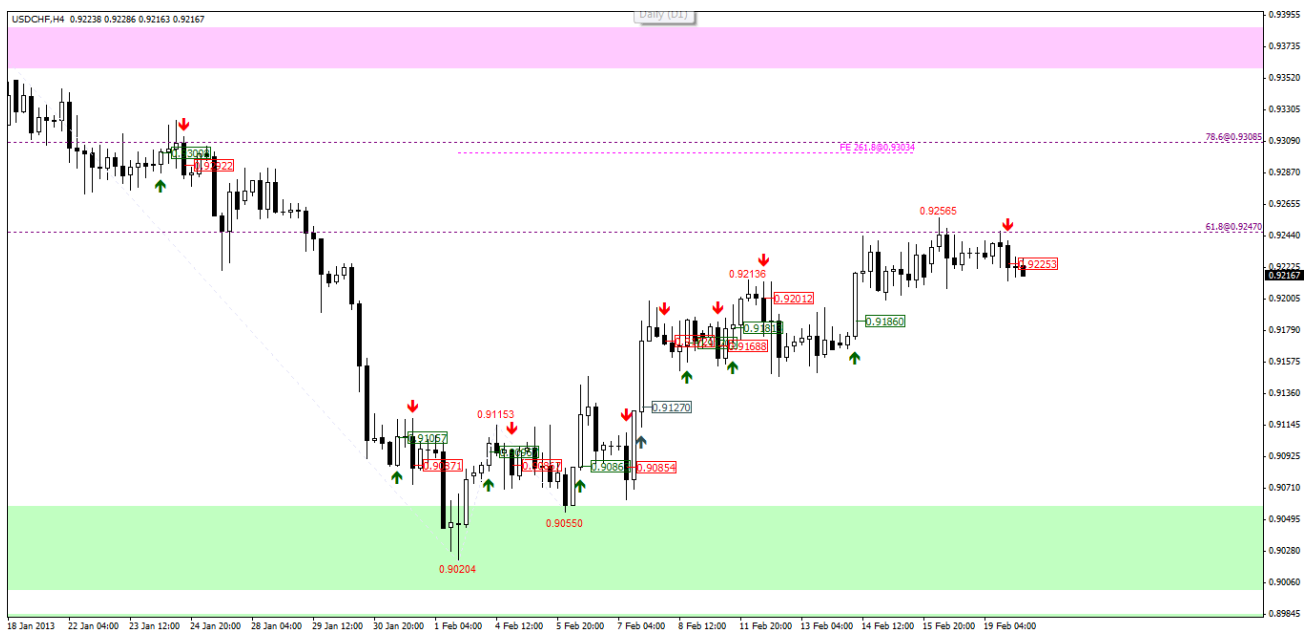
GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										-3.41	9,659.50
2013.02.01 09:39	0.02m	1.58750	2013.02.19 23:59	0.02m	1.54232	903.6	903.60				

USD-CHF DAILY



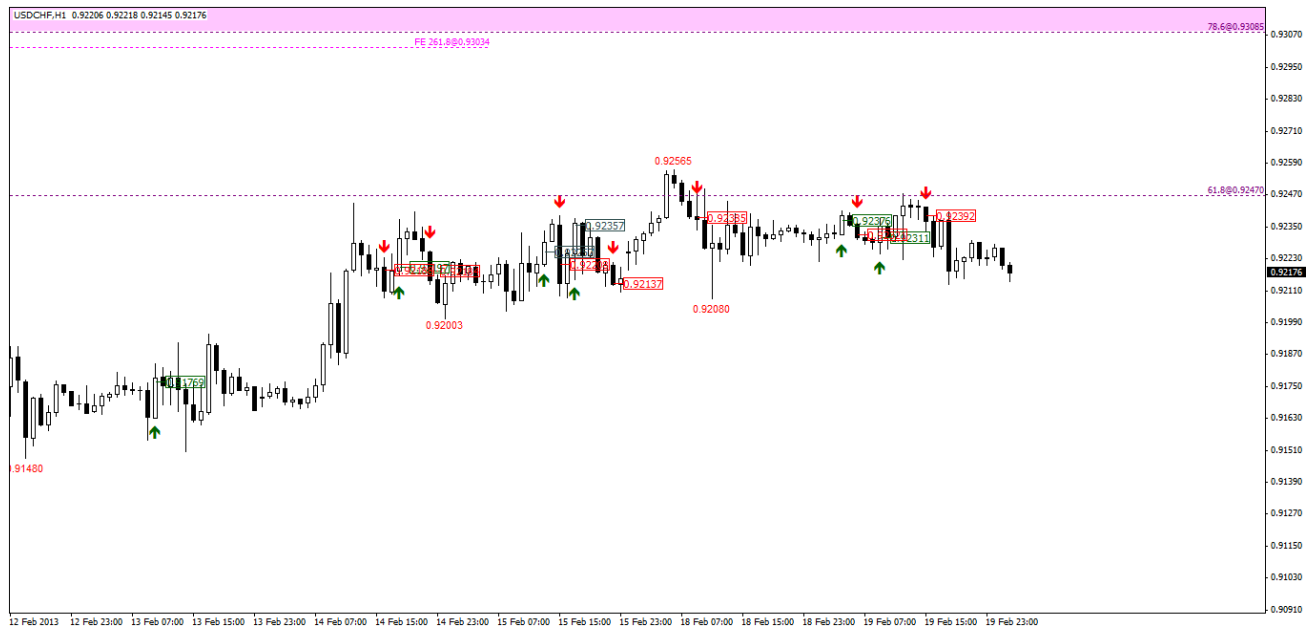
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

Price action after having registered a marginal high at 0.92565 on Monday at 0.92565 – just above the 61.8% retracement of 0.93870 to 0.90204 at **0.92470** is struggling. This may precipitate into weakness in the short-term. Barring a sell-off, this market appears poised to strike the Fibonacci cluster of the 261.8% projection of 0.90204 to 0.91153 from 0.90550 at **0.93034** and the 78.6% retracement of 0.93870 to 0.90204 at **0.93085** (see H4 chart) in its current trajectory. This mildly bullish assessment is supported by the underlying buy signal seen in the D1 chart for the last two weeks. That said, the medium-term, this tentative rally is bounded by the demand zone at **0.90010-0.90587** and the SZ at **0.94058-0.95109** (see D1 chart). As the immediate barrier to higher prices is the Fibonacci cluster of the 78.6% retracement of 0.93870 to 0.90204 at **0.93086** and the 261.8% projection of 0.90204 to 0.91153 from 0.90550 at **0.93034**, a speculative short from there may be worth a punt for a re-test of the demand pocket at **0.90010-0.90587** or at a minimum **0.92241**.

USD-CHF 1-HOURLY



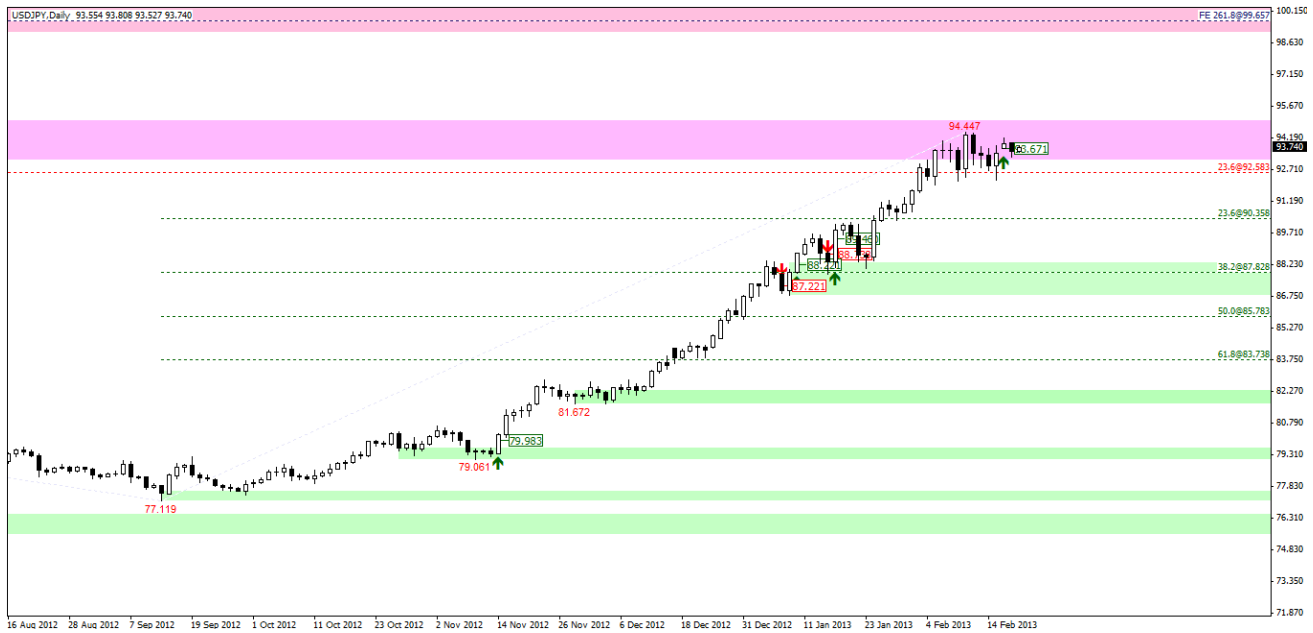
USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 0.93034-0.93086		0.93330	0.91752	0.90587	3	0.03

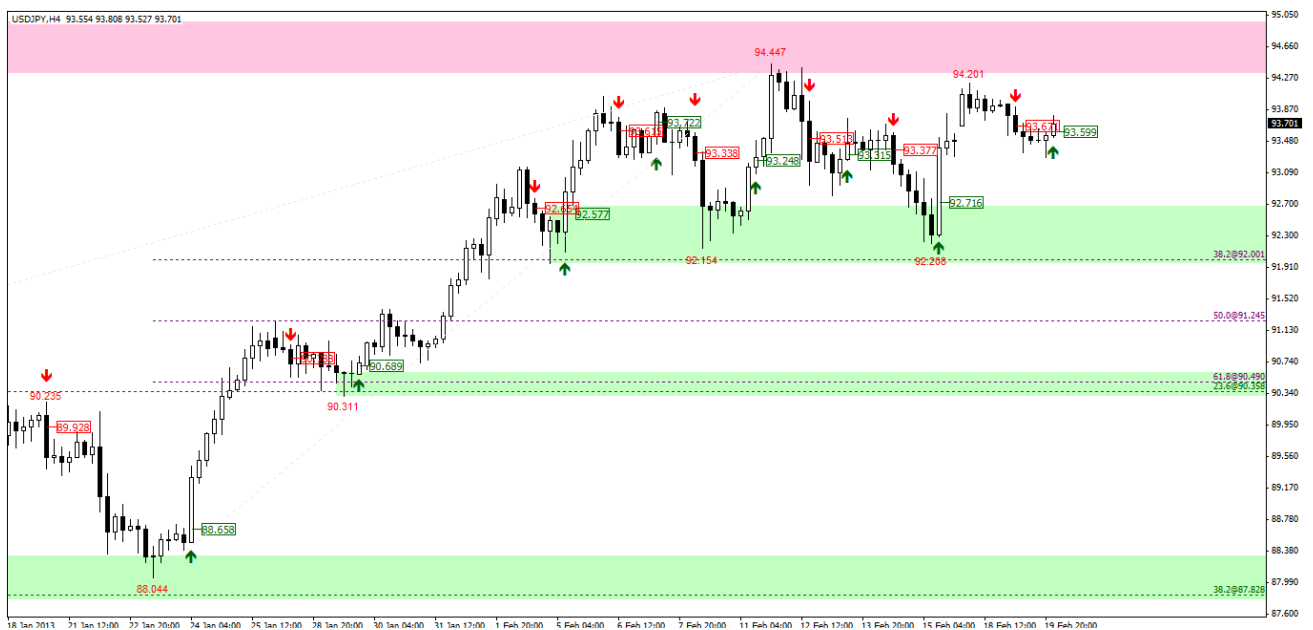
USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										5.00	10,499.96

USD-JPY DAILY



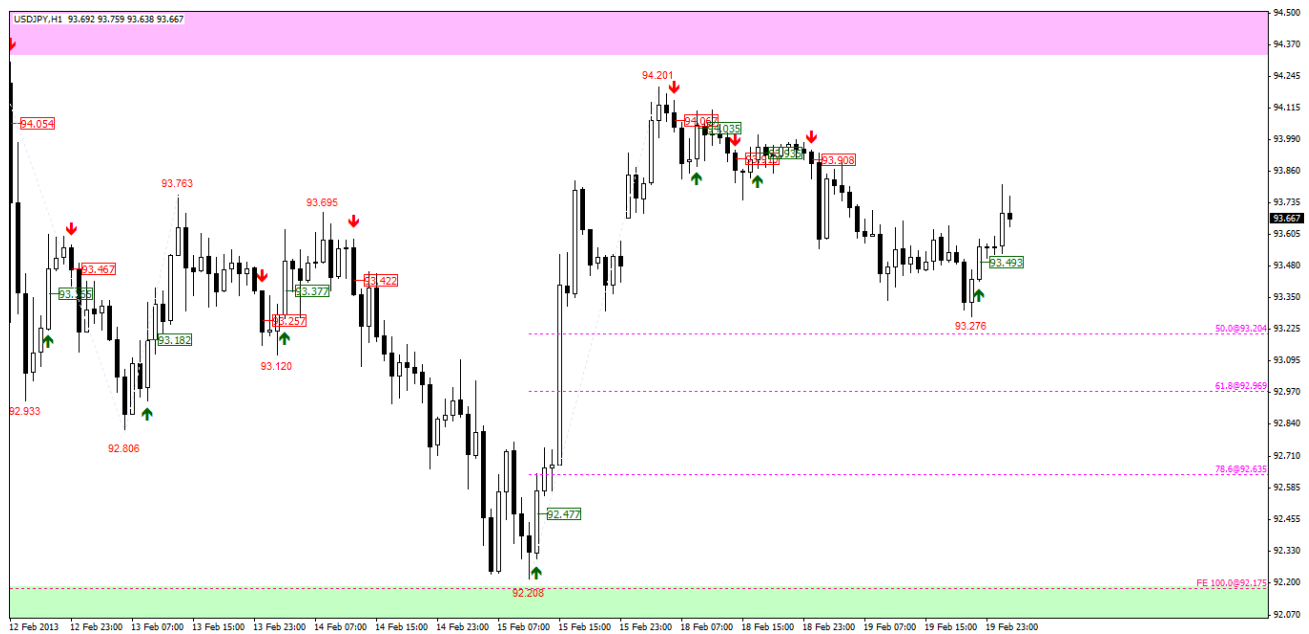
USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

This market was softer overnight as apparent discord among Japanese policy makers spooked traders into profit-taking (read main story on cover page). The market opened on Monday with a vacuum to the upside and promptly rose to intraday high of 94.201 – below a 33-month high of 94.447 registered last Monday. Even though price action has rebounded strongly from 92.208, only a sustained rally above the SZ at **93.129-94.979** would suggest the resumption of the rally. In the longer-term, this incredible bull-run has a target at the 261.8% projection of 75.563 to 84.172 from 77.119 at **99.657** where the supply zone at **99.140-103.057** resides (see D1 chart). On the downside, a close below **92.858** in the D1 chart would suggest the onset of a more robust pullback and as stated in previous updates, allowance is for this market to retrace to the demand zone at **86.908-88.326** where the 38.2% retracement of 77.119 to 94.447 at **87.828** is located (see D1 chart). Unless there is acceleration below this price pocket, this market should stabilize there and resume its climb.

USD-JPY 1-HOURLY



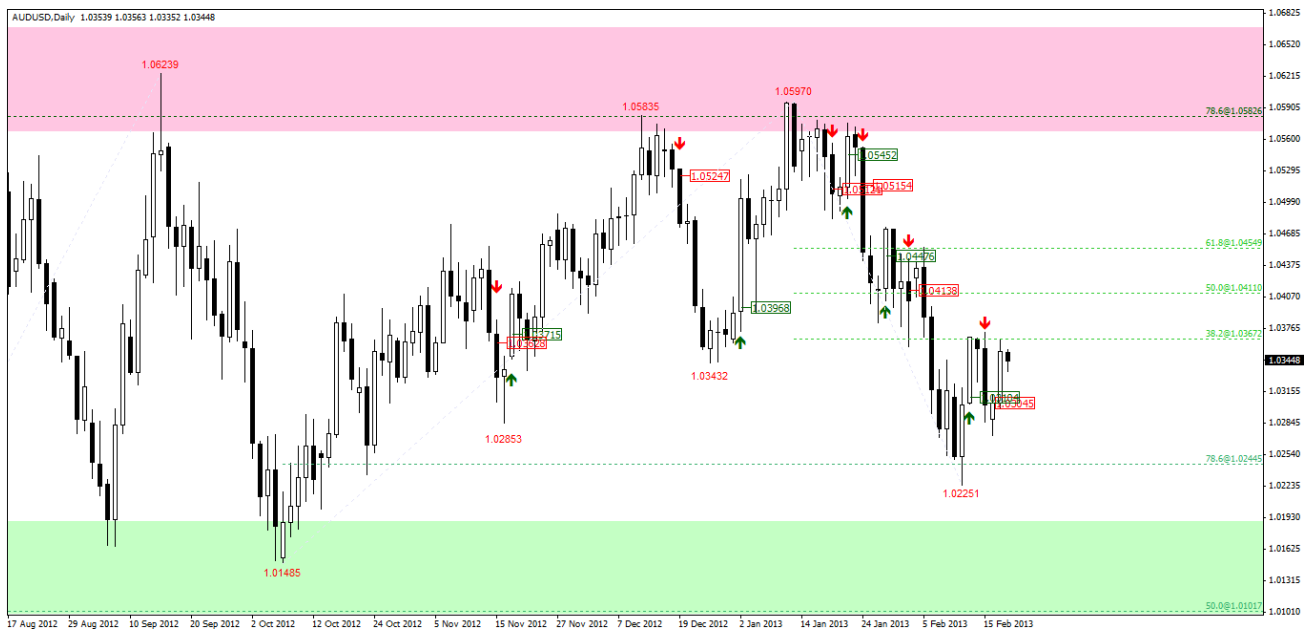
USD-JPY TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Exit on D1 close below 92.858	90.487		92.583 Realized	99.657	3	0.03

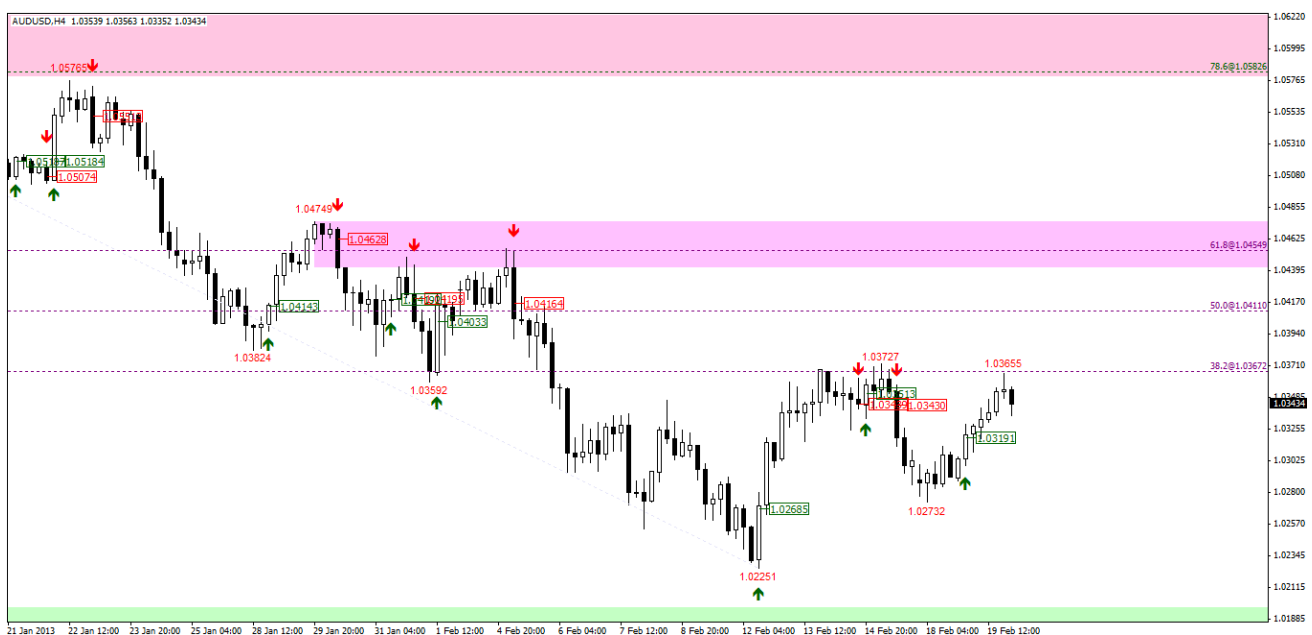
USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										23.74	12,374.07
2013.01.28 01:32	0.02m	90.487	2013.02.19 23:59	0.02m	93.555	613.6	655.87				

AUD-USD DAILY



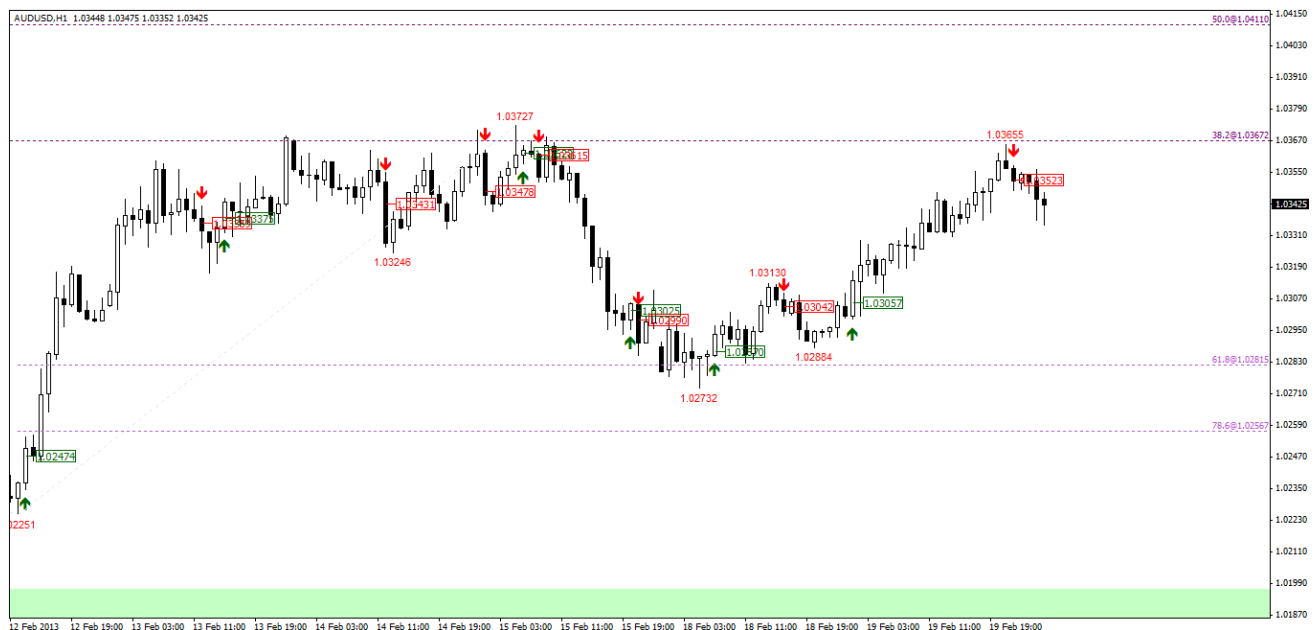
AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

As suspected, this market re-tested the 38.2% retracement of 1.05972 to 1.02251 at **1.03672** with a print at 1.03655 in overnight trading and eased. Interestingly, this is accompanied by a long-logged shadow doji in the H4 chart and is poised to trigger a sell signal should this market closes below **1.03380**. In the H1 chart, the overnight high was followed by a shooting star and has already triggered a sell signal with a close below **1.03523**. How deep this pullback may dip to is open-ended right now although it was previously noted that in the medium-term, this market is bounded by the demand pocket at **1.00995-1.01917** and the supply pocket at **1.05675-1.06692** (see D1 chart). Considering that a close above **1.03669** in the D1 chart would invariably triggers off a buy signal, short-term sell signals (in both H1 and H4 charts) are worth taking from here going forward as the risk/reward outlook looks attractive. In the long-term, it is worth noting that this market remains hemmed in by the upper supply zone at **1.07292-1.10799** and the lower demand zone at **0.93867-0.96983**.

AUD-USD 1-HOURLY



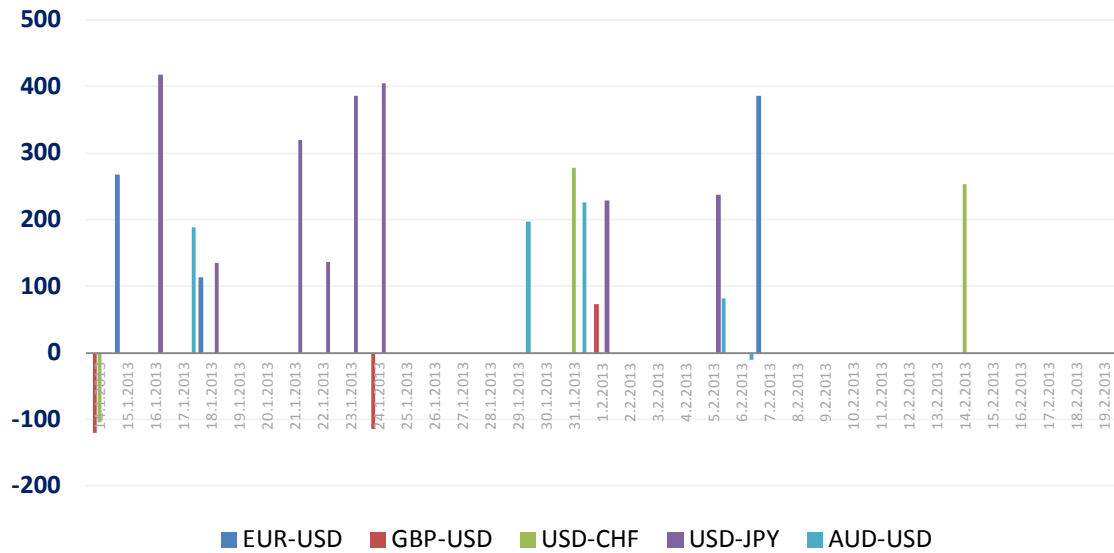
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on rebound after a close below 1.03380 in H4		1.03827	1.01917	0.96983	3	0.03

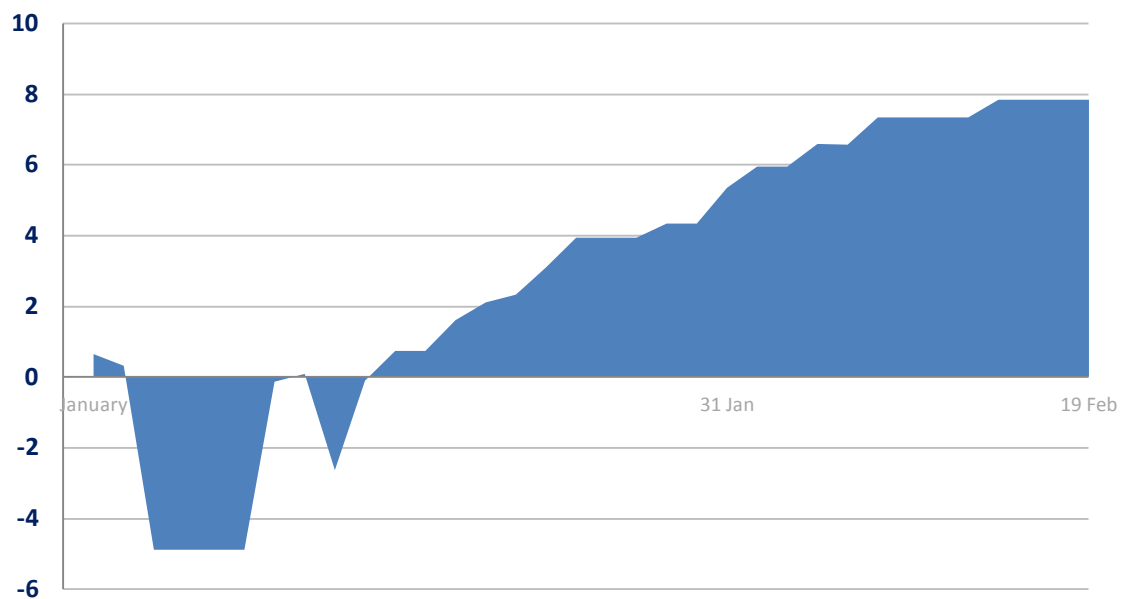
AUD-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.02.15										8.49	10,849.00

Daily Realized P/L



Accumulative Percentage P/L



Traders Academy International

Check out our website at

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.