

*A Traders Academy International Publication*

## Yen Fell Sharply On Early Elections

EUR-USD edged higher on Wednesday, snapping a five-day losing streak, as worries about debt-laden Spain and Greece eased temporarily and after some Federal Reserve officials discussed the need for more bond buying.

European Union Economic and Monetary Affairs Commissioner Olli Rehn said Spain has taken effective action to address its budget deficits in 2012 and 2013, even though budget steps for 2014 fell short of expectations. His comments gave a further lift to EUR-USD, which had pared losses on Tuesday after a German government source said Greece may receive aid worth roughly €44 billion (\$55.93 billion) in a single tranche. The better-than-expected news from policymakers in Europe pertaining to Germany's positive disposition to extending Greece additional fiscal flexibility has certainly helped a lot in terms of placating the market angst.

EUR-USD rose 0.3 percent to 1.27341 for its best day in two weeks. But sentiment on Euro was fragile as the International Monetary Fund and the Euro zone remain at loggerheads over how Greece should bring its debt down to a sustainable level.

EUR-USD briefly jumped to a session peak of 1.27769 after the minutes of the Federal Reserve's October meeting showed a number of Fed officials thought the U.S. central bank would need to step up asset purchases next year when the Fed's Operation Twist program expires.

On Tuesday, the Fed's influential vice chair, Janet Yellen, said U.S. interest rates may need to stay near zero until early 2016 to boost employment forcefully.

The prospect of further Fed easing could limit the US Dollar's gains. Earlier, data showed U.S. retail sales fell in October, while producer prices unexpectedly weakened last month. This economic reports paint a picture of a slow and struggling U.S. recovery that will require continued from the Federal Reserve.

USD-JPY rose the most in two months after Japanese Prime Minister Yoshihiko Noda said he was ready to dissolve the lower house of parliament this week and hold a snap election next month. Japanese Prime Minister Noda told parliament he would be willing to dissolve the lower house on November 16 and hold elections in December if the opposition agreed to pass reforms to the electoral system. Japan's main opposition Liberal Democratic Party, which favors further monetary policy easing by the central bank, leads in opinion polls and the prospect of an early election is regarded as negative for the Yen. USD-JPY gained 1.1 percent to 80.231.

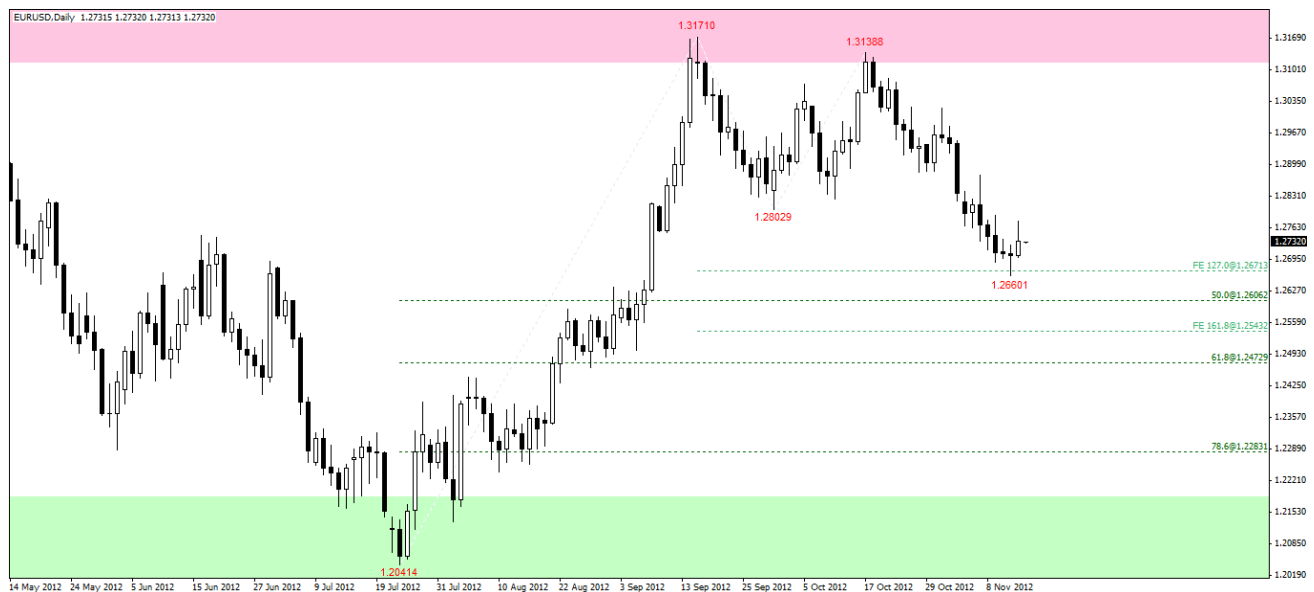
LDP leader Shinzo Abe called on the central bank on Wednesday to print "unlimited yen" to achieve a new inflation target.

GBP-USD hit a more than 2-month low at 1.58369 after the Bank of England's inflation report painted a gloomy outlook for the UK economy and governor Mervyn King said quantitative easing could still be restarted.

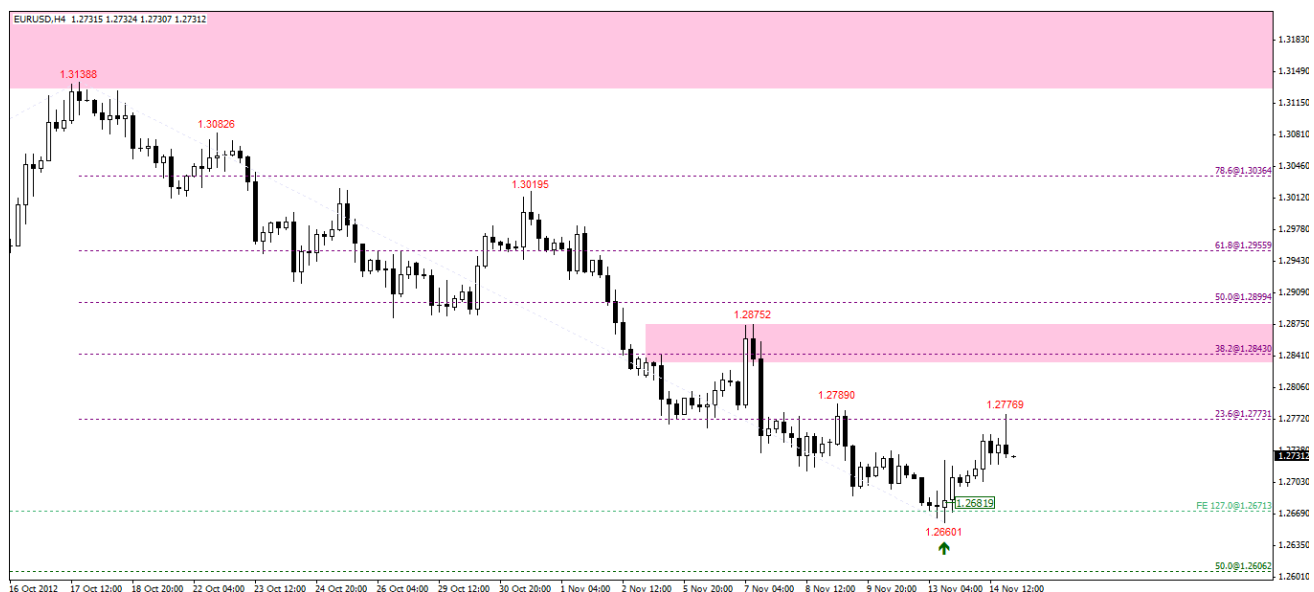
### Content:

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

## EUR-USD DAILY



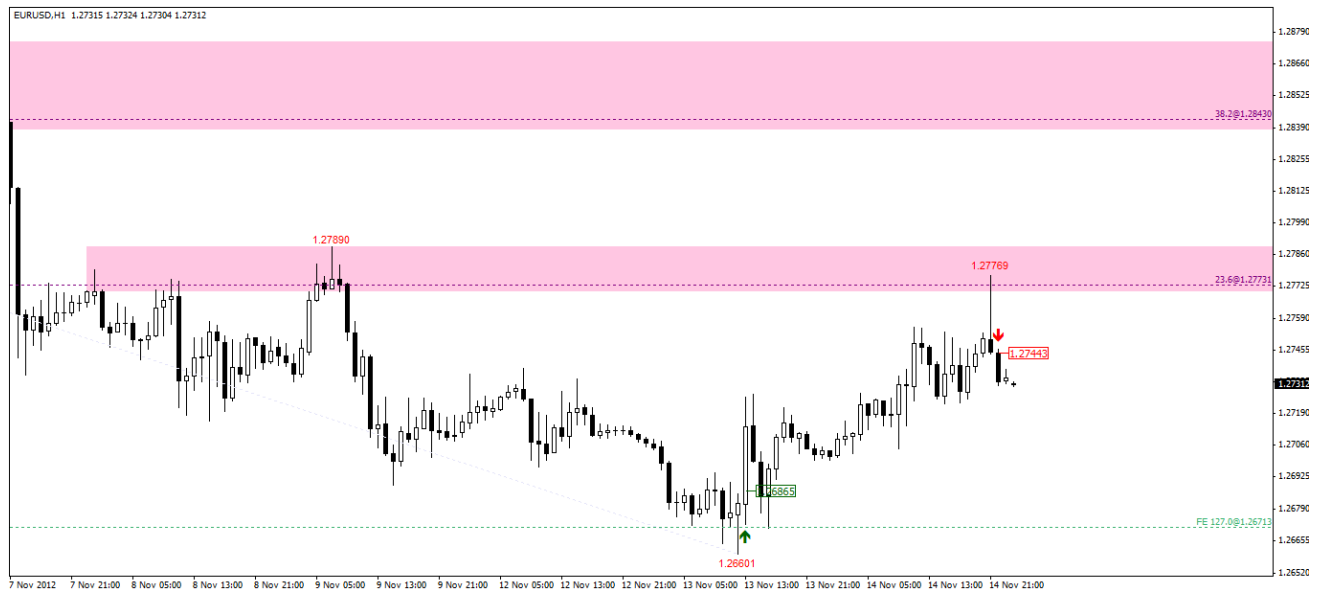
## EUR-USD 4-HOURLY



## EUR-USD Short to Medium-Term Views

The markets came alive on Wednesday after two days of listless trading. On Monday, price action dipped marginally below the 127.0% of 1.31710 to 1.28029 from 1.31388 at **1.26713** and rebounded. Overnight, this rebound hit the 23.6% retracement of 1.31388 to 1.26601 at **1.27731** and ended up as shooting stars in both the H1 and H4 charts, triggering a sell signal with a close below **1.27743** in the H1 chart. What a difference a few hours make. Early on in the NY session, the recovery was so strong; it looks as if even the D1 chart too would end up triggering a buy signal by the day's end. This is because the D1 chart has a long-legged shadow doji on Monday and a close above **1.27468** would invariably triggers a buy signal. If so, the odds of a more sustained rally increases and the 4<sup>th</sup> wave scenario is back in play. As mentioned, to truly give up on the 4<sup>th</sup> wave scenario, price action must trade aggressively below this level towards the 161.8% projection of 1.31710 to 1.28029 from 1.31388 at **1.25432** soon. If this happens, the 4<sup>th</sup> wave scenario is truly dead and what we had seen was a 5<sup>th</sup> wave failure and thus the fall from 1.31388 is potentially an aggressive 3<sup>rd</sup> wave fall. With the latest sell-off and with the larger time frame W1 chart too succumbing to a sell signal last Friday, further weakness is now expected. One thing bothers the extremely bearish count as there is, to date, no visible 5 waves down sequence prior to or within this fall. As such, the 127.0% projection of 1.31710 to 1.28029 from 1.31388 at **1.26713** continues to hold the key to future price development.

## EUR-USD 1-HOURLY



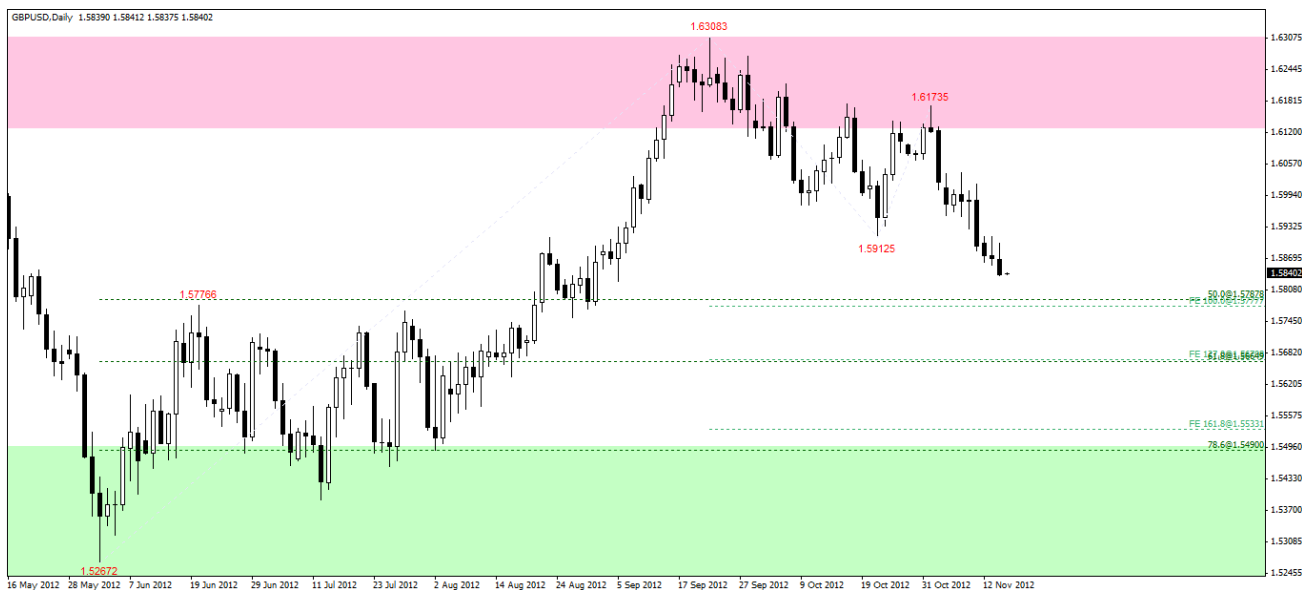
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.27443	1.25933	1.24729	1.28051 STOP

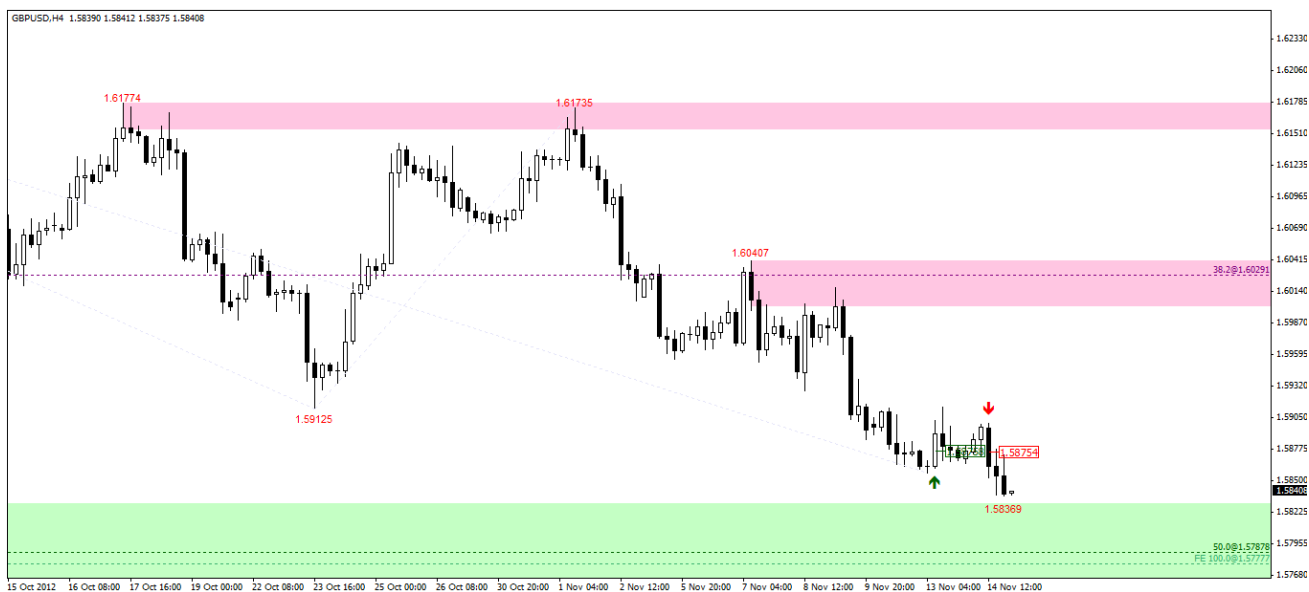
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$73,059.00
EUR-USD	14-11-2012	1.0	1.27341	14-11-2012	1.0	1.27443	+\$102.00		
EUR-USD	14-11-2012	1.0	1.27341	14-11-2012	1.0	1.27443	+\$102.00		
Unrealized							+\$204.00		

## GBP-USD DAILY



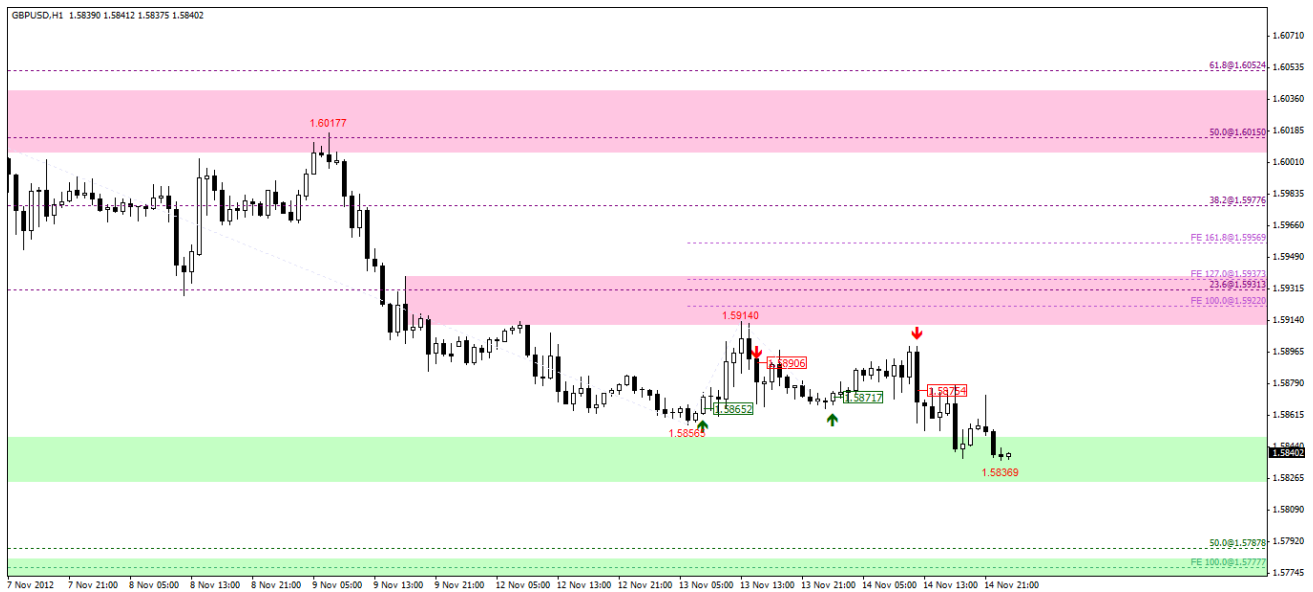
## GBP-USD 4-HOURLY



## GBP-USD Short to Medium Term Views

As mentioned, price actions since the peak at 1.63083 on September 21 were viewed as part of a wave 4. This bullish bias is now canned with the lowest weekly closing in 10 weeks after price action fell below **1.59125**; essentially killed all expectations of an eventual rally above the September 21 peak of 1.63083. In terms of potential, one only has to look at the W1 chart to get a sense of where this market may potentially fall to. The nearest DZ is at **1.52327-1.54978**. That's a good 400 pips away. Overnight, price action continues its fall; taking out Monday's low of 1.58565 with a print at 1.58369 essentially killing the short-term rebound scenario. As noted, should the fall extends, a more significant demand pocket at **1.57531-1.57823** where a confluence of 2 Fibonacci ratios lies in wait. There are the 50.0% retracement of 1.52672 to 1.63083 at **1.57878** and the 100.0% projection of 1.63083 to 1.59125 from 1.61735 at **1.57777**.

## GBP-USD 1-HOURLY



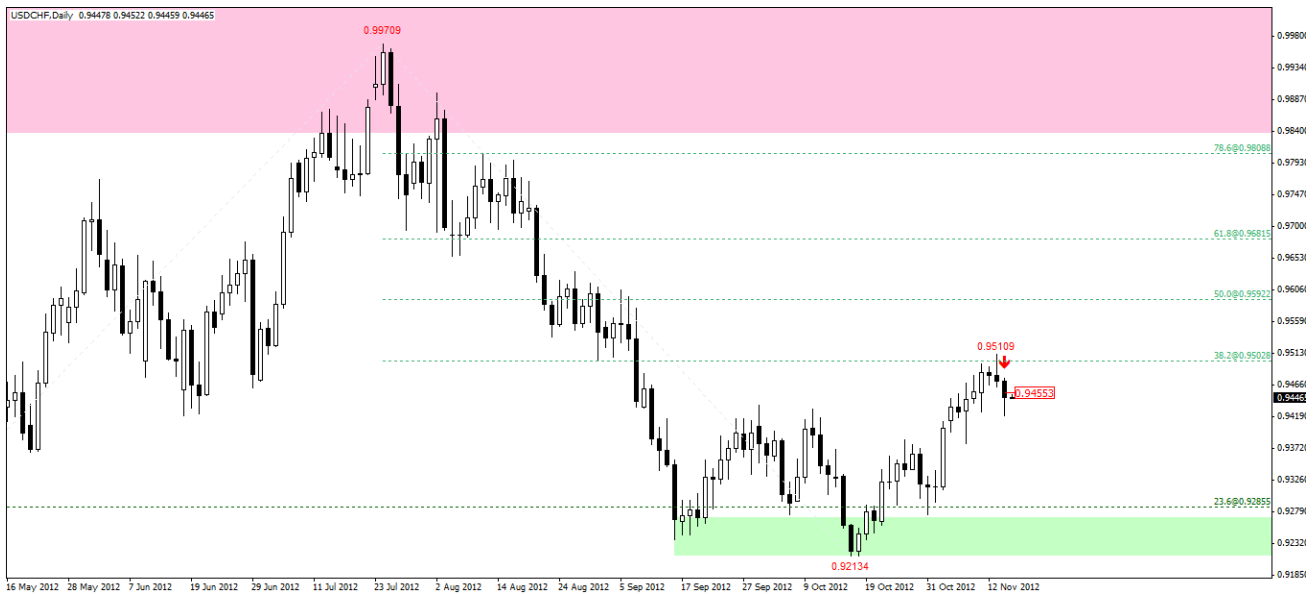
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal in between 1.57777-1.57878	1.59313	1.60150	1.57431 STOP

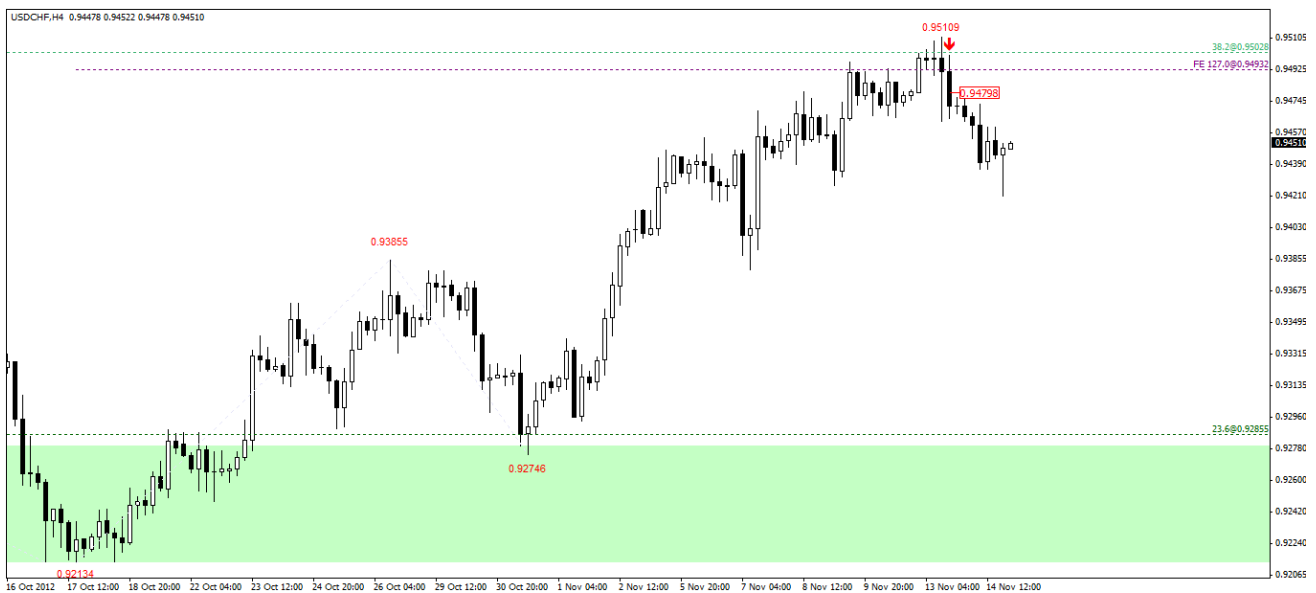
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 09-11-2012									\$50,069.00
GBP-USD	14-11-2012	1.0	1.58717	14-11-2012	1.0	1.58465	-\$252.00		\$49,817.00
GBP-USD	14-11-2012	1.0	1.58717	14-11-2012	1.0	1.58465	-\$252.00	-\$504.00	\$49,565.00
Unrealized							\$0.00		

## USD-CHF DAILY



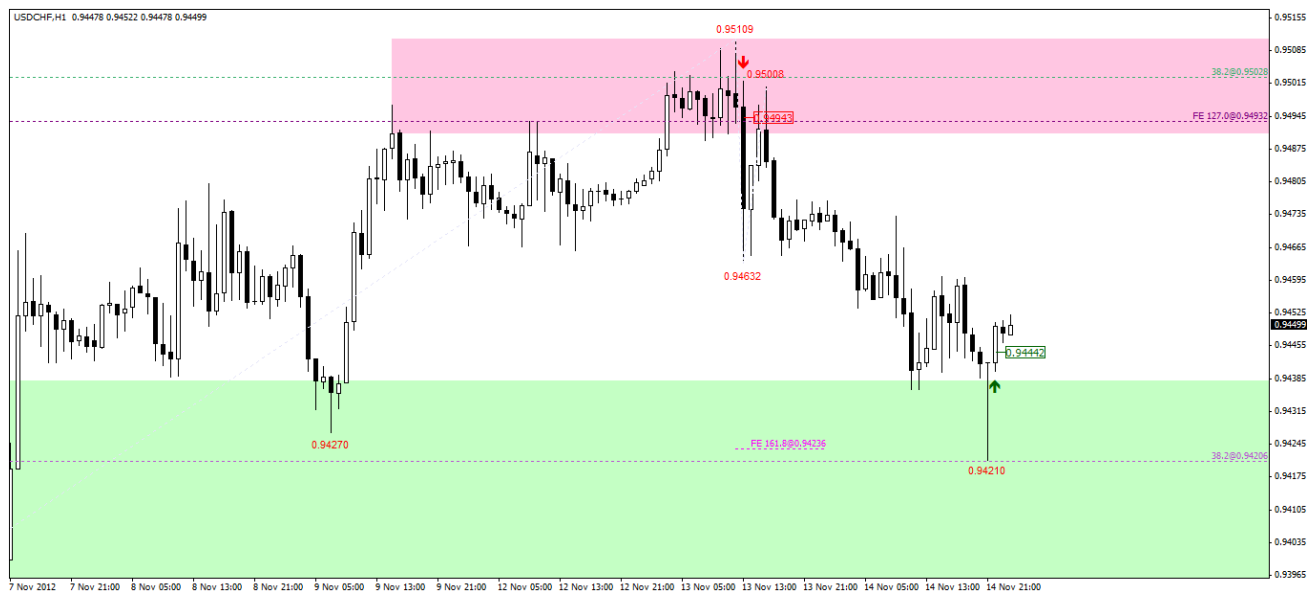
## USD-CHF 4-HOURLY



## USD-CHF Short to Medium Term View

Last week, this market closed at a 10-week high in the W1 chart, suggesting the resumption of the long-term counter-trend rally from 0.70667. The original idea that price actions since October 17 low of 0.92134 was part of a 4<sup>th</sup> wave appeared doomed. After stalling between the 127.0% projection of 0.92134 to 0.93855 from 0.92746 at **0.94932** and the 38.2% retracement of 0.99709 to 0.92134 at **0.95028** on Monday and triggered sell signals in the lower time frame charts, the bearish case was back in favor. As noted, this confluence of Fibonacci ratios makes this price window very sensitive to reversal. With D1 chart too showing a sell signal with a close below **0.94553**, further losses can now be expected. However, price action having hit the 38.2% retracement of 0.92746 to 0.95109 at **0.94206** as well as the 161.8% projection of 0.95109 to 0.94632 from 0.95008 at **0.94236**, rebounded and with a rare *Dragonfly Doji* to boot. While the medium-term outlook has decidedly turned bearish with this overnight fall, the immediate bias favors the upside. That said, a top is possibly in place at 0.95109 and the 4<sup>th</sup> wave scenario is back in play. This is especially so, if after this short-term rebound, the ensuing fall is impulsive and closes below **0.94131** in the W1 chart by Friday.

## USD-CHF 1-HOURLY



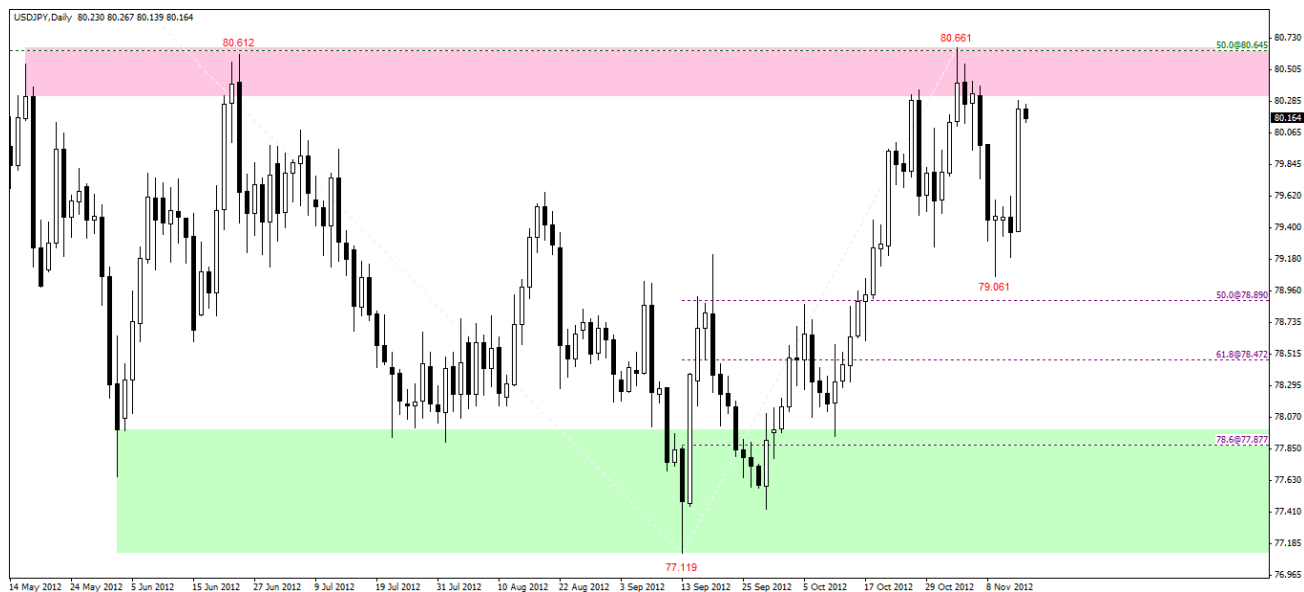
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.94943	0.94551 Realized	0.90587	0.95209 STOP

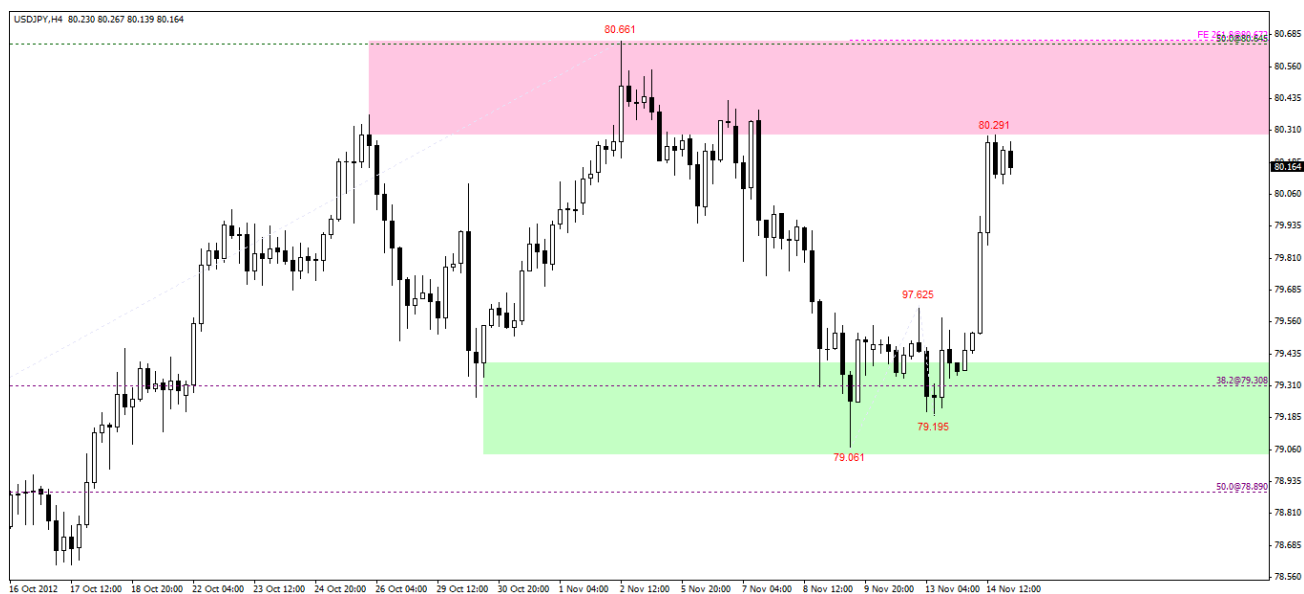
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$33,811.41
USD-CHF	14-11-2012	1.0	0.94551	13-11-2012	1.0	0.94943	+\$414.59	+\$414.59	
USD-CHF	14-11-2012	1.0	0.94483	13-11-2012	1.0	0.94943	+\$486.86		
						Unrealized	+\$486.86		

## USD-JPY DAILY



## USD-JPY 4-HOURLY

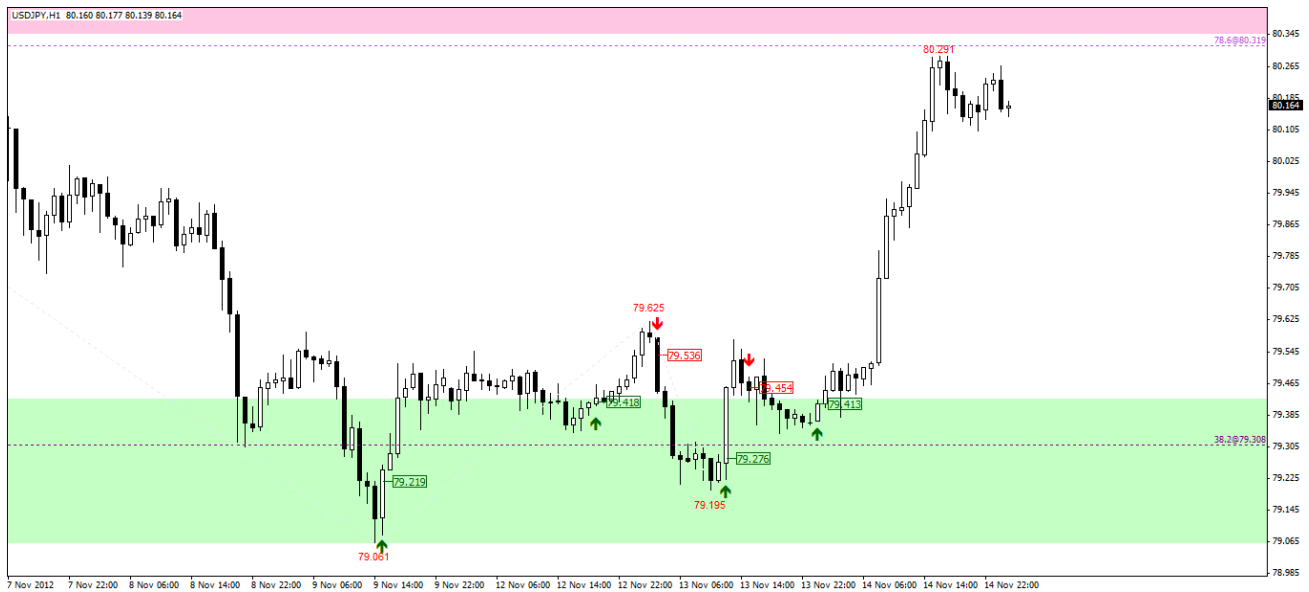


## USD-JPY Short to Medium Term Views

News of an early election in Japan sparked a run in USD-JPY as the prospects of a LDP government which favors further easing caused a stampede to sell the Japanese Yen. Price action peaked at 80.291, not far from a 6-month high at 80.661 traded a fortnight ago. The rally blown away the 100.0% and 127.0% projection of 79.061 to 79.625 from 79.195 at **79.759** and **79.911** as stalling within this price window, would suggest that another fall back to recent lows is imminent. Now that the rally has extended beyond the 161.8% projection level at **80.108** and is testing the supply pocket at **80.291-80.661**, a challenge of the 80.661 high appears imminent. As noted, price action needs to rally above this supply pocket to add confidence to this bullish bias. A strong closing above this supply pocket would pave the way for an attempt at the year's high **84.172** last seen in March. Over the long-term, this bullish bias has a potential for a 5 yen or 500 pips rally. A possible target is the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** which incidentally sits within a known supply zone.



## USD-JPY 1-HOURLY



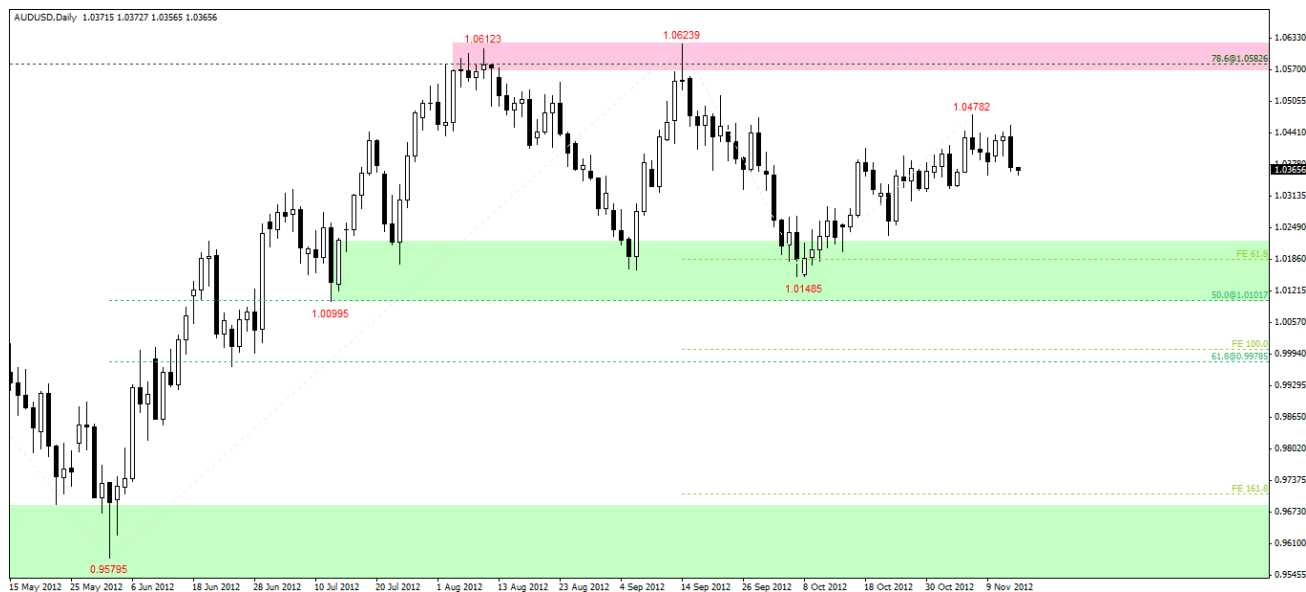
## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 79.222	79.862 Realized	80.645	Exit on H4 close below 79.911

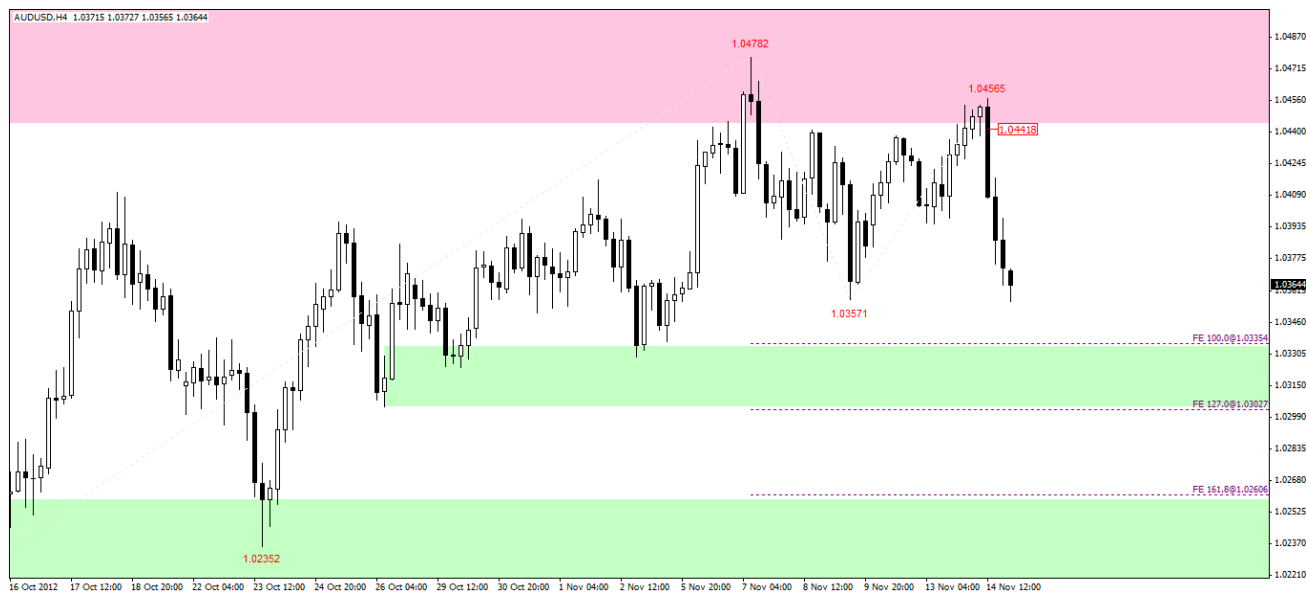
## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$27,155.39
USD-JPY	09-11-2-12	1.0	79.222	14-11-2012	1.0	79.862	+\$801.38	+\$801.38	\$27,956.77
USD-JPY	09-11-2-12	1.0	79.222	14-11-2012	1.0	80.231	+\$1,257.62		
						Unrealized	+\$1,257.62		

## AUD-USD DAILY



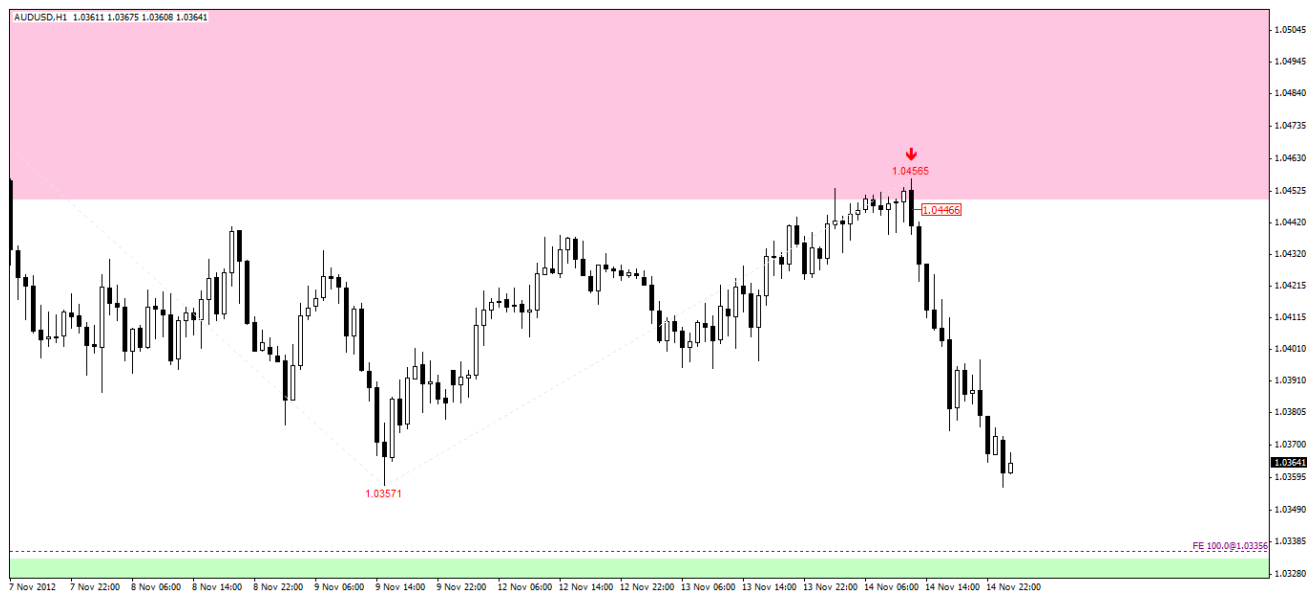
## AUD-USD 4-HOURLY



## AUD-USD Short to Medium Term Views

Last Wednesday saw the appearance of a *Bearish Harami* within the minor supply pocket at **1.04486-1.04722** following the spike to the week's high at 1.04782. This was immediately followed by the same in the H4 shortly after. By the end of Wednesday's trading, even the D1 chart has a potential reversal signal even though the anticipated sell-off has yet to materialize. But this is about to change within the next 48 hours. Overnight, price action spiked back into the minor supply pocket at **1.04486-1.04722** and practically collapsed. All that is needed now is for the D1 chart to close below **1.03628** and all important time frames will have sell signals triggered. If this happens, immediate target is the demand pocket at **1.03044-1.03332** and if this zone cannot hold, an obvious medium-term target is the demand pocket at **0.99680-1.00207**. Alternatively, the 61.8% and 100.0% projection of 1.06239 to 1.01485 from 1.04782 at **1.01844** and **1.00028** respectively are also viable targets.

## AUD-USD 1-HOURLY

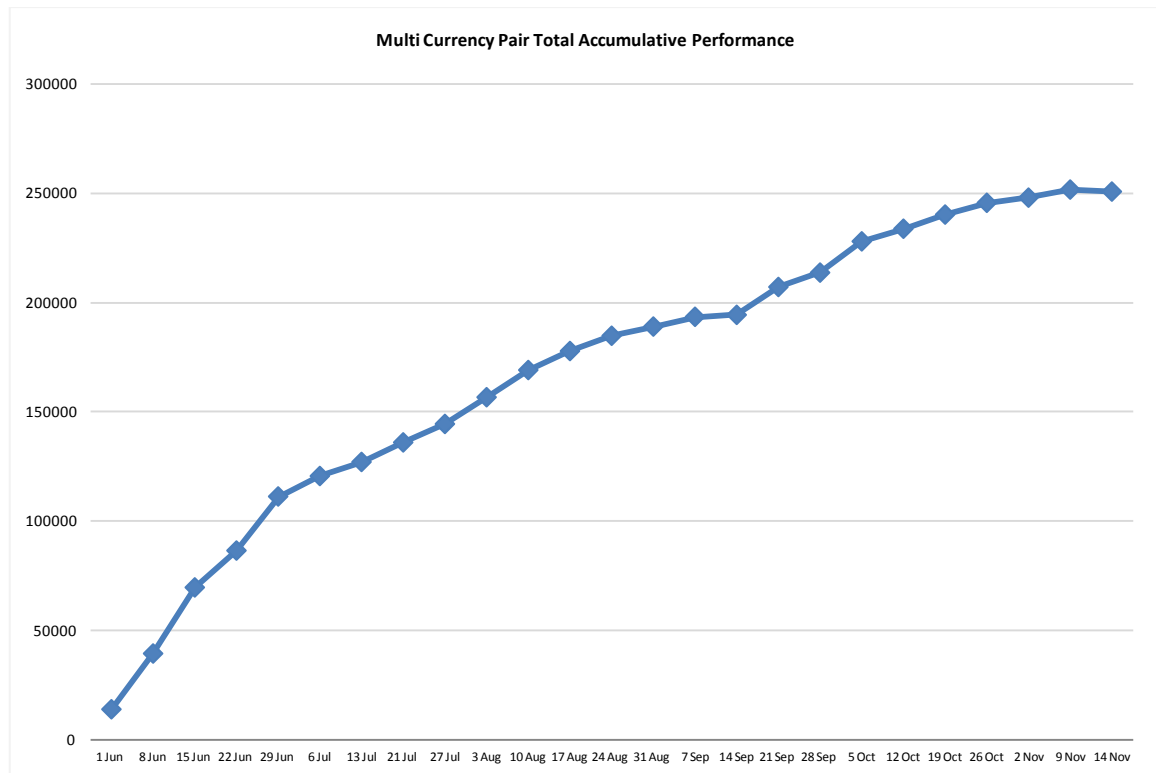
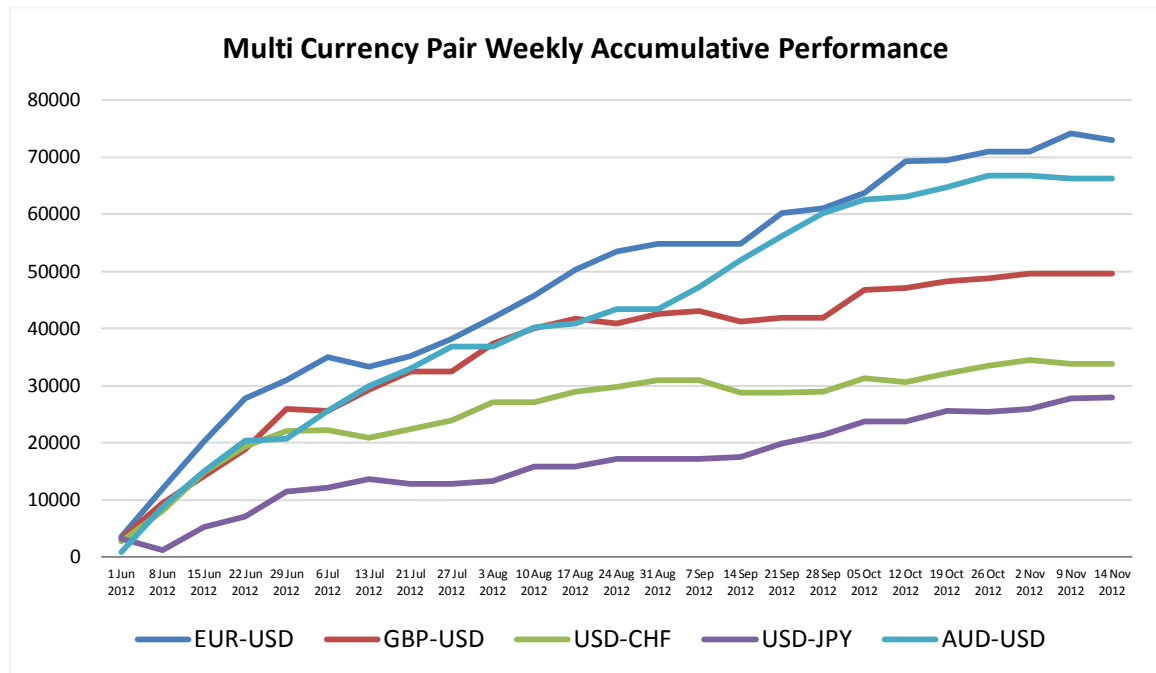


## Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.04589	1.03262	1.01911	Exit on H4 close above 1.04079

## Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$66,343.00
AUD-USD	14-11-2012	1.0	1.03729	07-11-2012	1.0	1.04589	+\$860.00		
AUD-USD	14-11-2012	1.0	1.03729	07-11-2012	1.0	1.04589	+\$860.00		
Unrealized							+\$1,720.00		



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.

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.