

A Traders Academy International Publication

USD-JPY Fell After Hitting 4-Month High

EUR-USD was little changed on Friday after three straight days of losses, though concerns whether Spain will ask for a bailout and worries about Greece were expected to weigh on the Euro. A request by Spain, the Euro zone's fourth largest economy, for help would be considered a positive for EUR-USD because it would allow the European Central Bank to start buying its bonds. That would lower borrowing costs of the highly indebted country.

Though EUR-USD was down 0.7 percent on the week, it was still up 0.6 percent so far in October. In addition to Spain, traders remained uneasy about Greece's ability to secure another loan from its creditors.

EUR-USD hit a low of 1.28815, its lowest level since Oct. 11. It settled at 1.29385, flat on the day. EUR-JPY dropped sharply to last trade at 103.040, down 0.9 percent on the day.

Stronger-than-expected growth in the United States helped to allay concerns about global growth. The Commerce Department said U.S. GDP expanded at a 2.0 percent annual rate in the third quarter. US Dollar should continue for the time being. That said, the positive news on the U.S. economy has been offset by the 'fiscal cliff' concerns ahead of the U.S. Presidential elections as well as the lingering uncertainties surrounding Greece and Spain.

If US Congress does not agree on a debt and deficit reduction deal by the end of the year it will automatically unleash massive tax increases and spending cuts next year, the so-called "fiscal cliff". In this context, the scope for strong directional moves appears somewhat limited.

The European Central Bank and the European Commission said in a joint statement that Spain was on track to correct the problems in its financial sector, but needs more decisive action to deal with challenges facing some banks. Additionally, the International Monetary Fund said important progress was being made in reforming Spain's financial sector.

Expectations Spain will ask for a financial lifeline has helped bring its bond yields down. Some European officials believe Spanish Prime Minister Mariano Rajoy wants to delay asking for a bailout until after regional elections in November.

Concerns about Greece were at the forefront after the International Monetary Fund said Greek debt would be above the target agreed with international lenders. The Greek government said a deal on Greece's latest austerity package was being held up by opposition from a coalition ally.

Finance ministers of the 17-member Euro zone, called the Euro group, will hold a conference call next Wednesday to discuss Greece.

Looking ahead, U.S. nonfarm payrolls data next Friday and elections on Nov. 6 have the potential to sway currency market sentiment. Next week will be interesting with October U.S. non-farm payrolls data to shed further light on the U.S. recovery.

USD-JPY fell after touching a four-month high on expectations of policy easing by the Bank of Japan when it meets on Tuesday. The BOJ is expected to ease monetary policy at its meeting on Tuesday by expanding asset purchases, and it could make a stronger commitment to keep pumping cash until its 1 percent inflation target is attained.

Content:

EUR-USD	2
GBP-USD	5
USD-CHF	8
USD-JPY	11
AUD-USD	14
Performance	17

EUR-USD MONTHLY



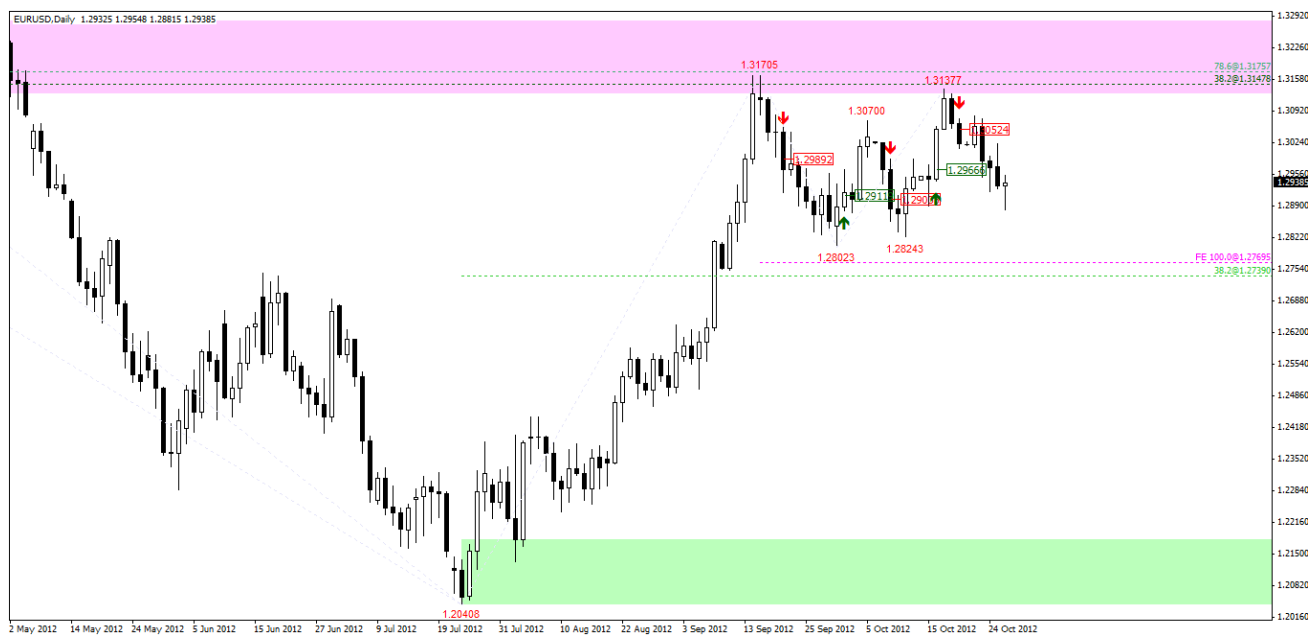
EUR-USD WEEKLY



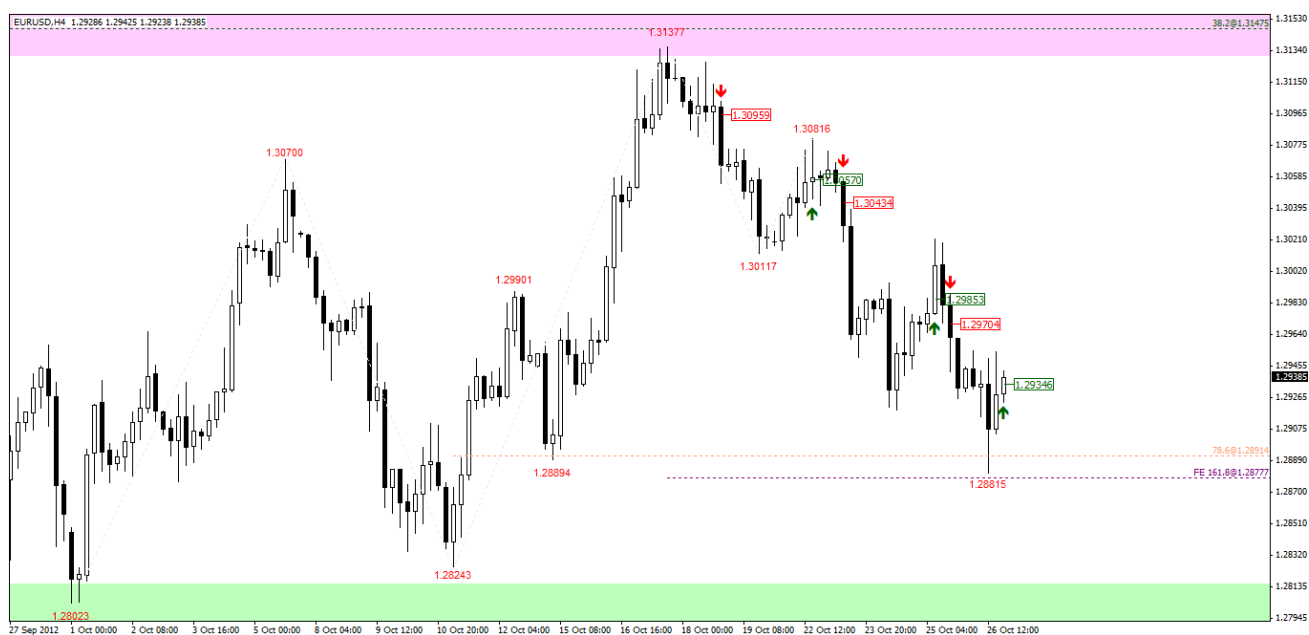
EUR-USD The Big Picture

In the bigger picture, the rise from 0.82250 to 1.60370 is part of a longer-term rally. Likewise, the fall from the July 15, 2008 high of 1.60370 marked the start of a long-term consolidation/continuation pattern which may ultimately stretch to the 61.8% retracement of 0.82250 to 1.60370 at **1.12092**; from which price action is likely to rise beyond its all-time high in a multi-year rally (see MN chart). On 24 July 2012, price action pulled back from a 29-month low at **1.20408** after failing to take out the 2010 low of 1.18754 and ended the week as a bullish engulfing bar. The resulting rally lasted a good 7 weeks and hit a 20-week high of 1.31705, just above the 38.2% retracement of 1.49380 to 1.20408 at **1.31475**; in an area in which price action was vulnerable to profit-taking. Since the appearance of a bearish Harami 6 weeks ago in the W1 week chart, a close below 1.28083 would have triggered a sell signal. To date, that has not happen. At any rate, should the sell signal be triggered, it would suggest that the longer-term fall from 1.49387 have resumed. Focus would thus shift towards the longer-term demand pocket at **1.18754-1.20408**.

EUR-USD DAILY



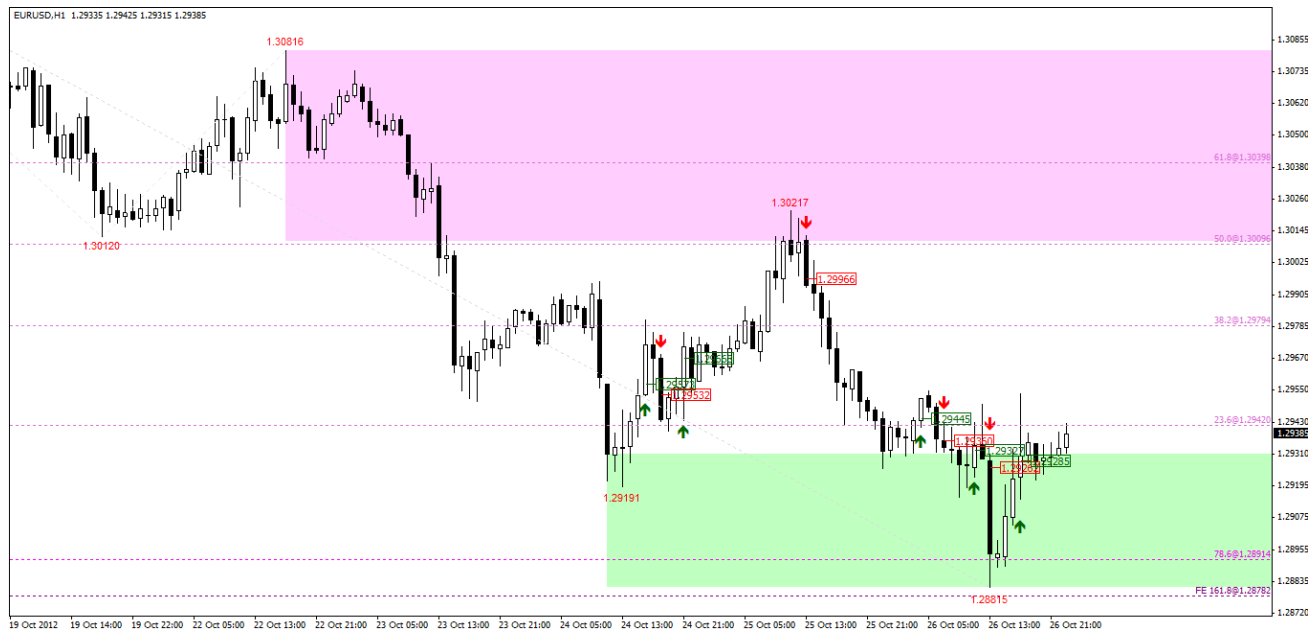
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Price action continued its fall having traded into the window between the 78.6% retracement of 1.28243 to 1.31377 at **1.28914** and the 161.8 % projection of 1.29191 to 1.29811 from 1.29399 at **1.28396** and rebounded. This gels in nicely with the idea that the fall from 1.31377 is likely to attempt the lows above the 1.28000. Structurally, this fall may yet take price action towards the demand pocket at **1.27533-1.28159**; located just above the 38.2% retracement of 1.20408 to 1.31705 at **1.27390**. This level is, in turn, just below the 100.0% projection of 1.31705 to 1.28023 from 1.31377 at **1.27695** (see D1 chart). In the meantime, a buy signal was triggered in the H4 chart in the final hour of trading of the week and may set the stage for profit-takings early next week.

EUR-USD 1-HOURLY



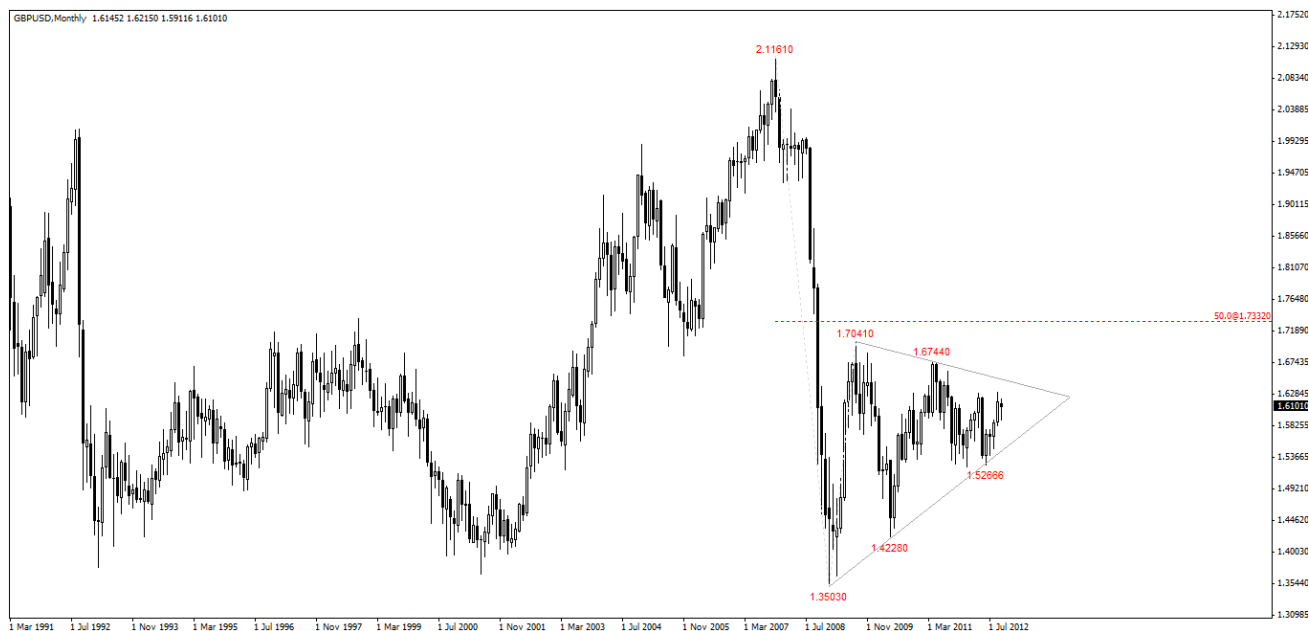
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.30261	1.29347 Realized	1.28159	Exit on D1 close above 1.29719
Sold @ 1.29966	1.29347 Realized	1.27390	Exit on D1 close above 1.29719

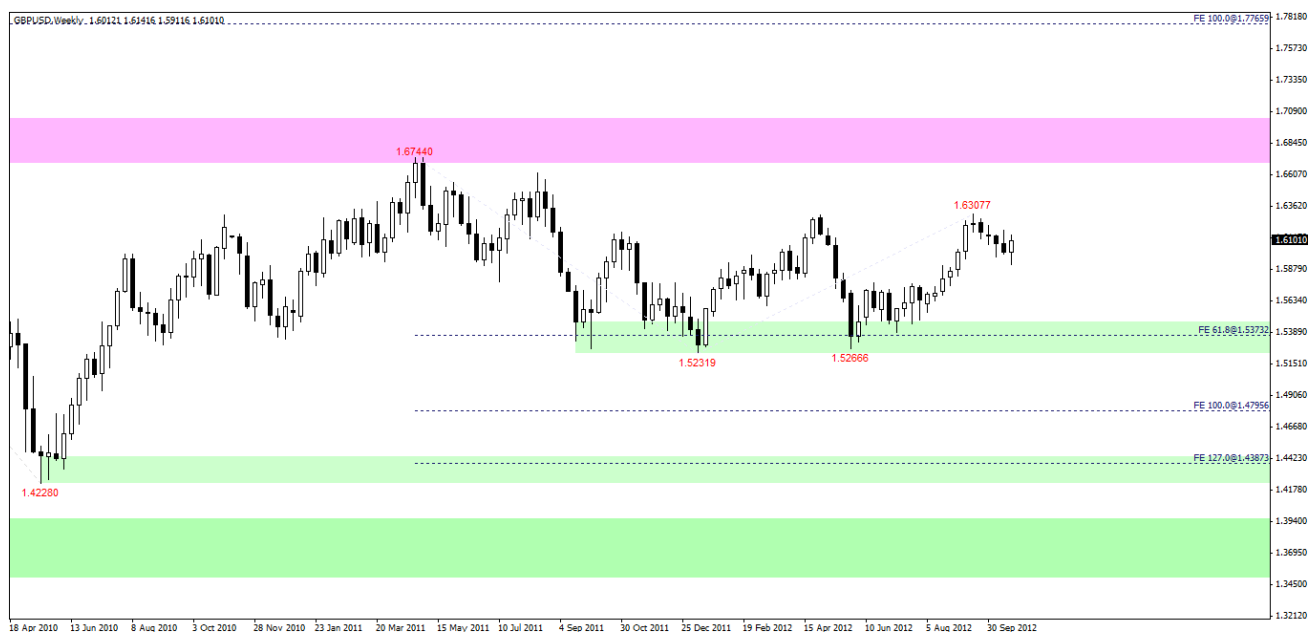
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$69,464.00
EUR-USD	22-10-2012	1.0	1.30291	23-10-2012	1.0	1.30261	-\$30.00		\$69,434.00
EUR-USD	22-10-2012	1.0	1.30291	23-10-2012	1.0	1.30261	-\$30.00	-\$60.00	\$69,404.00
EUR-USD	24-10-2012	1.0	1.29347	23-10-2012	1.0	1.30261	+\$914.00	+\$914.00	\$70,318.00
EUR-USD	25-10-2012	1.0	1.29347	25-10-2012	1.0	1.29966	+\$638.00	+\$638.00	\$70,956.00
EUR-USD	26-10-2012	1.0	1.29385	23-10-2012	1.0	1.30261	+\$876.00		
EUR-USD	26-10-2012	1.0	1.29385	25-10-2012	1.0	1.29966	+\$876.00		
Unrealized							+\$1,752.00		

GBP-USD MONTHLY



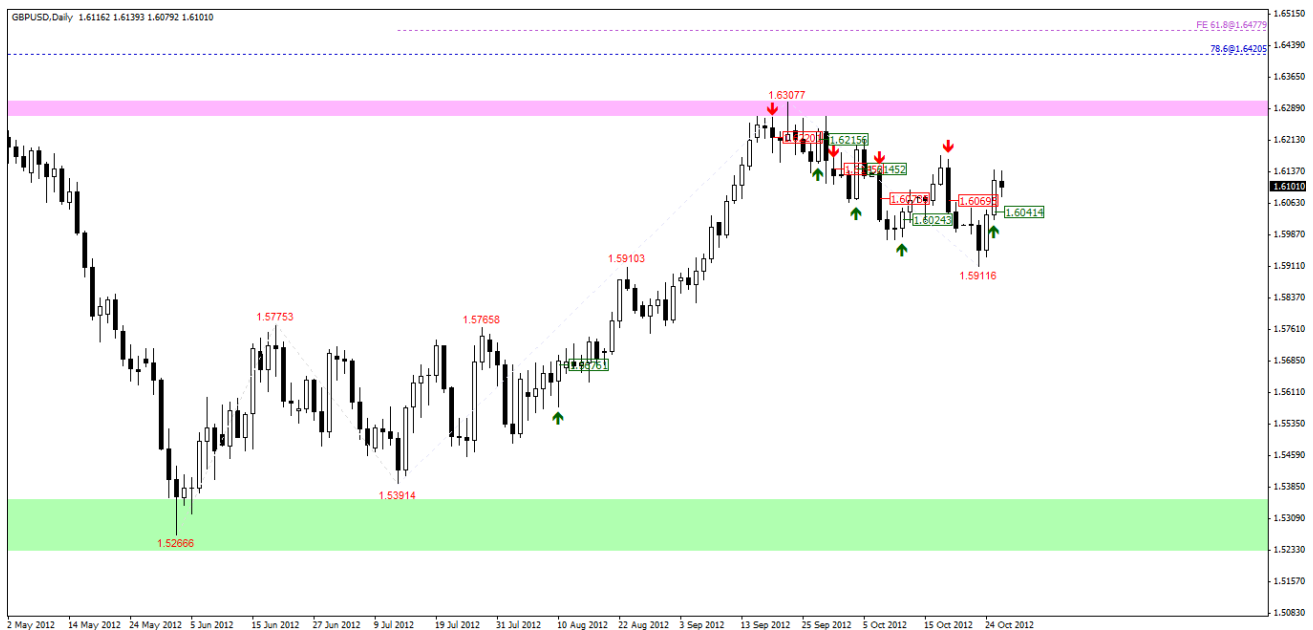
GBP-USD WEEKLY



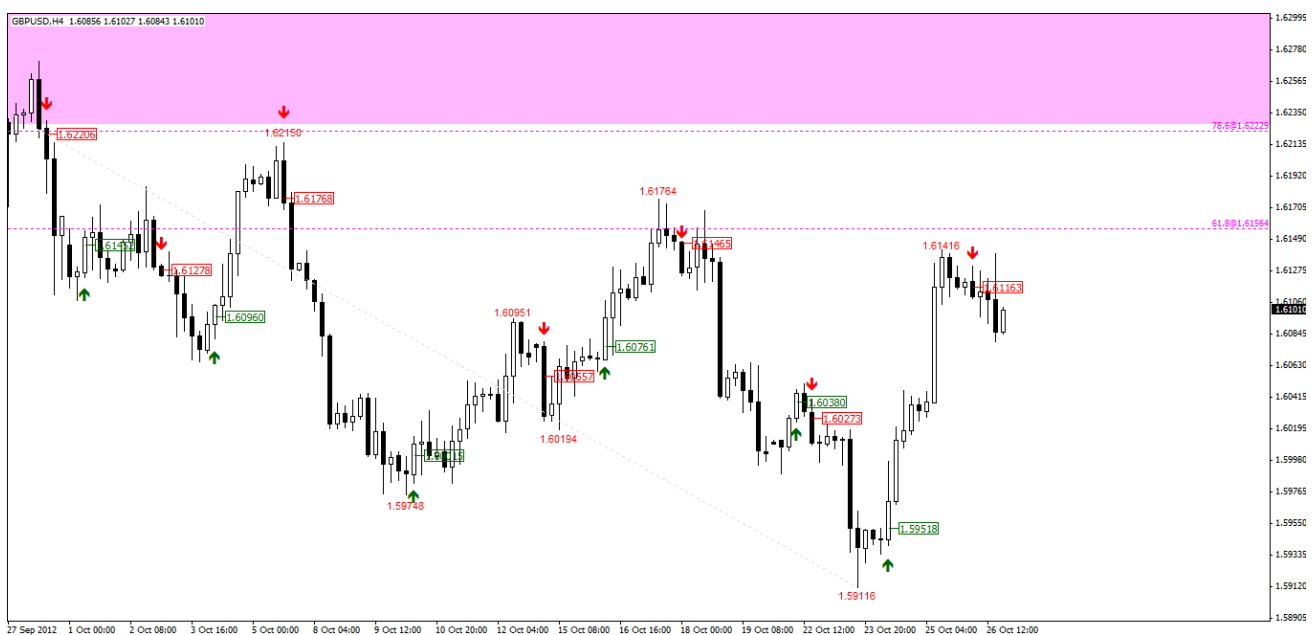
GBP-USD The Big Picture

In the bigger picture, price action from the 2009 low of 1.35030 is treated as a correction to the longer-term downtrend from the 2007 high of 2.11610. This multi-year correction beginning at the start of 2008 is developing into a triangle - which is a continuation pattern. Five weeks ago, this market ended with tantalizing clues of a classic reversal - a long-legged shadow doji in W1 chart. Sure enough, for the fourth week running, profit-takings were featured. As we have it, by the week's closing, a sell signal was triggered in the W1 chart with a close below **1.60160**. This is confirmation needed to suggest that the rebound from 1.52666 is over. It is worth noting that this market may be near the last leg of a triangle formation that may result in a dramatic multi-months fall. This is likely to be followed by an equally dramatic rally back to the base of this triangle before declining towards parity with the once mighty U.S. Dollar.

GBP-USD DAILY



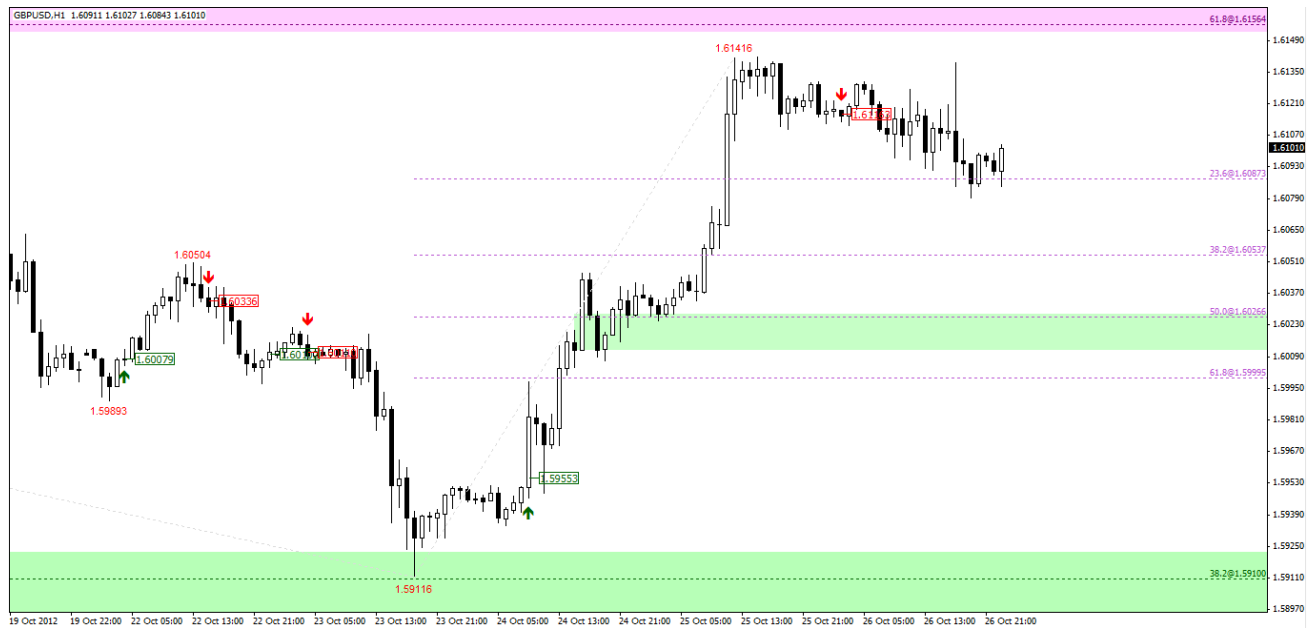
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

The rebound from the minor demand pocket at **1.58800-1.59223** (where the 38.2% retracement of 1.52666 to 1.63077 at **1.59100**) extended to just short of the 61.8% retracement of 1.63077 to 1.59116 at **1.61564** with a print of 1.61416 and eased. This, in turn, rose way short of the ideal target at the supply pocket at **1.62272-1.60377**. As noted, extended rally beyond **1.61764** would suggest that the correction from 1.60377 is over. In this scenario, the rally from 1.59116 is viewed as the start of the 5th wave and an assault on the September 21 high of **1.63077** has begun. With the D1 chart showing a positive bias; it's best to trade on the long side of this market. However, should selling interests emerged around current level and accelerates; we could see price action retracing as much as 50.0% of the rise from 1.59116 to 1.61416 at **1.60266**, within a minor demand pocket at **1.60116-1.60280**. If so, should this correction scenario takes precedent, establishing long positions at or near the minor demand pocket at **1.60116-1.60280** is the best possible outcome.

GBP-USD 1-HOURLY



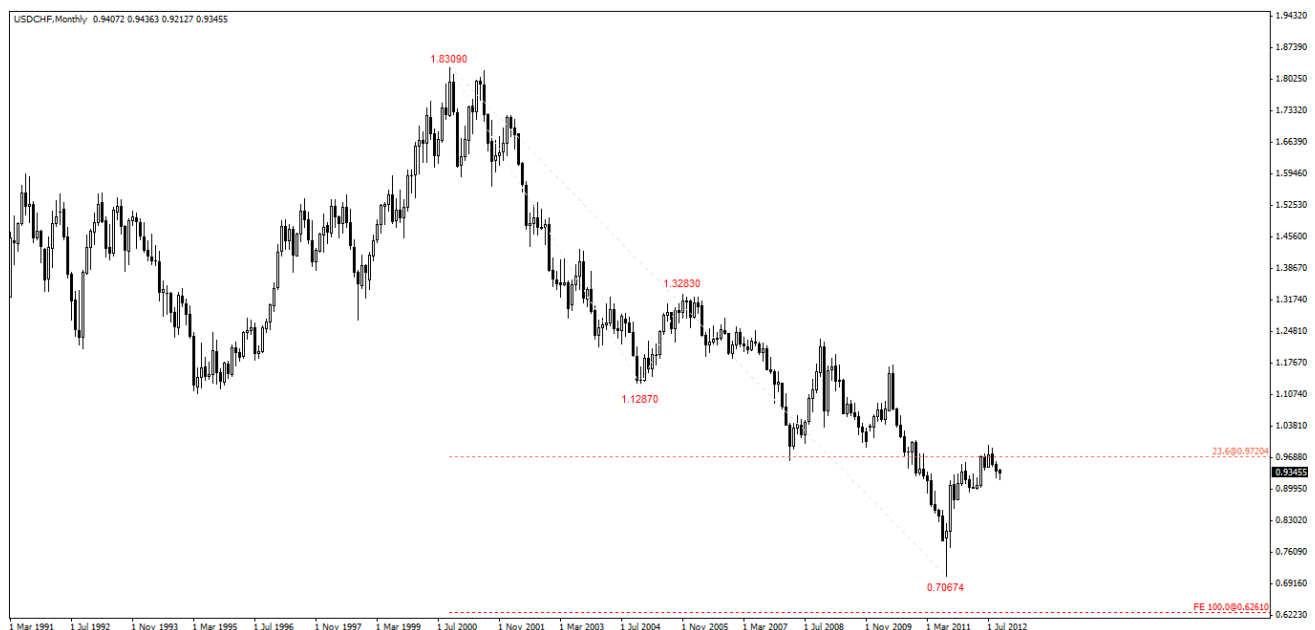
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal within 1.60116-1.60280	1.62272	1.64208	1.60016 STOP

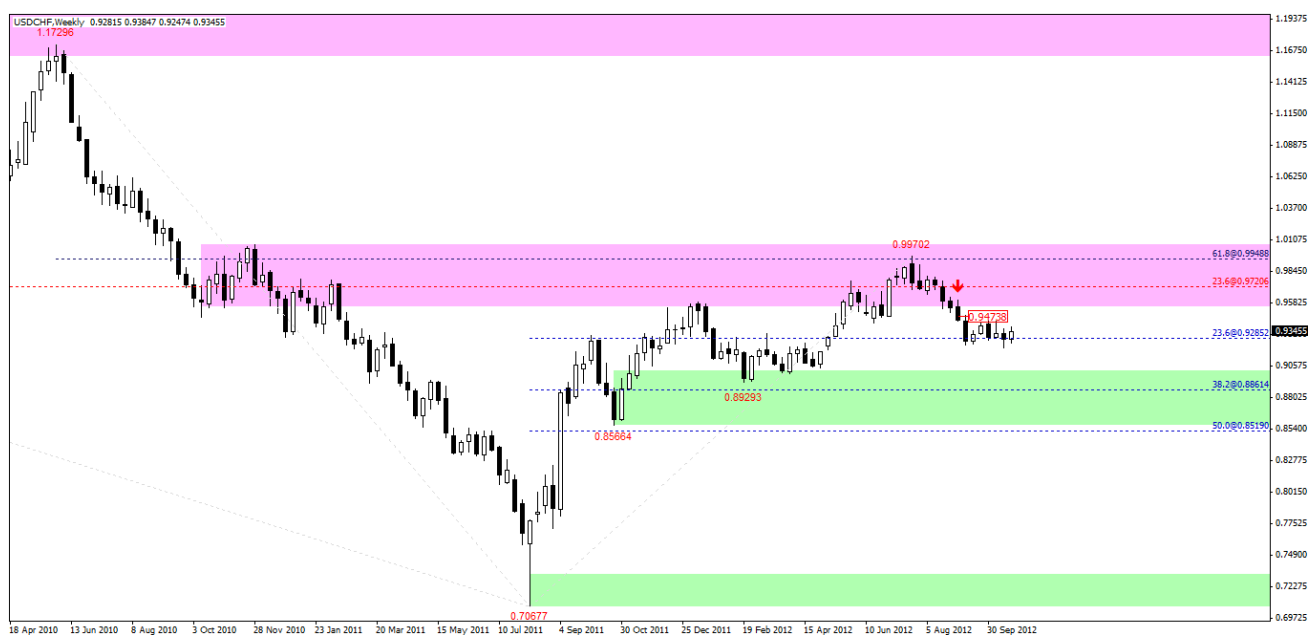
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 19-10-2012									\$48,222.00
GBP-USD	23-10-2012	1.0	1.59748	22-10-2012	1.0	1.60336	+\$588.00	\$588.00	\$48,810.00
GBP-USD	24-10-2012	1.0	1.60331	22-10-2012	1.0	1.60336			
Unrealized							\$0.00		

USD-CHF MONTHLY



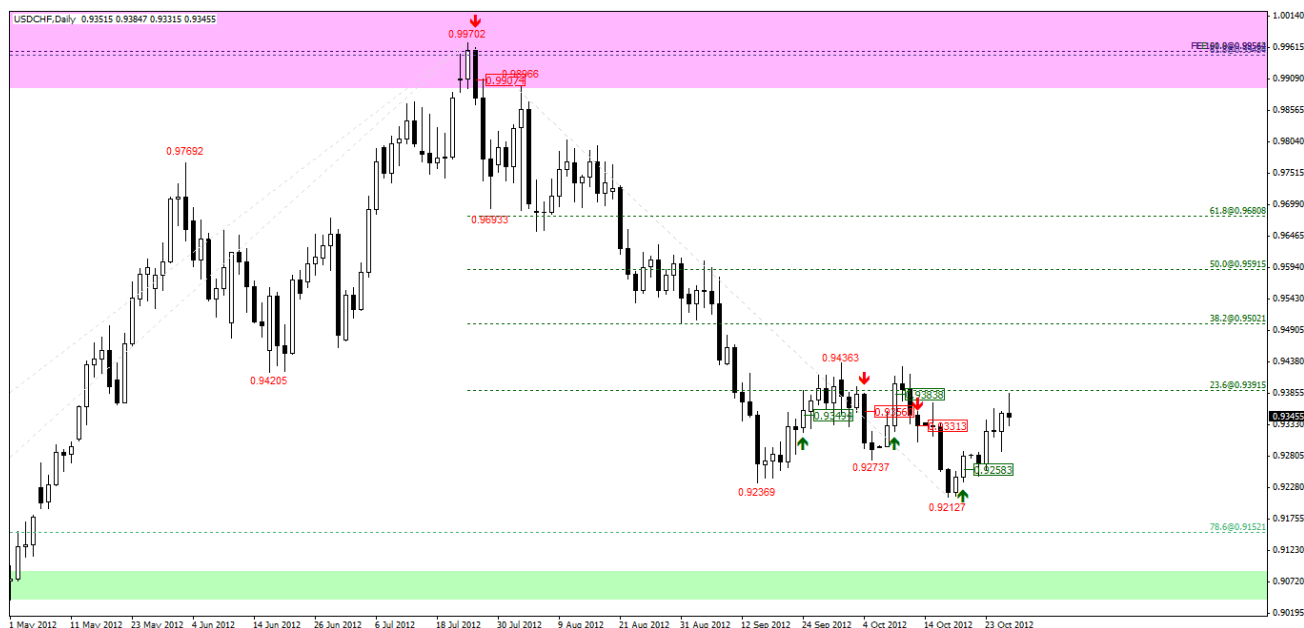
USD-CHF WEEKLY



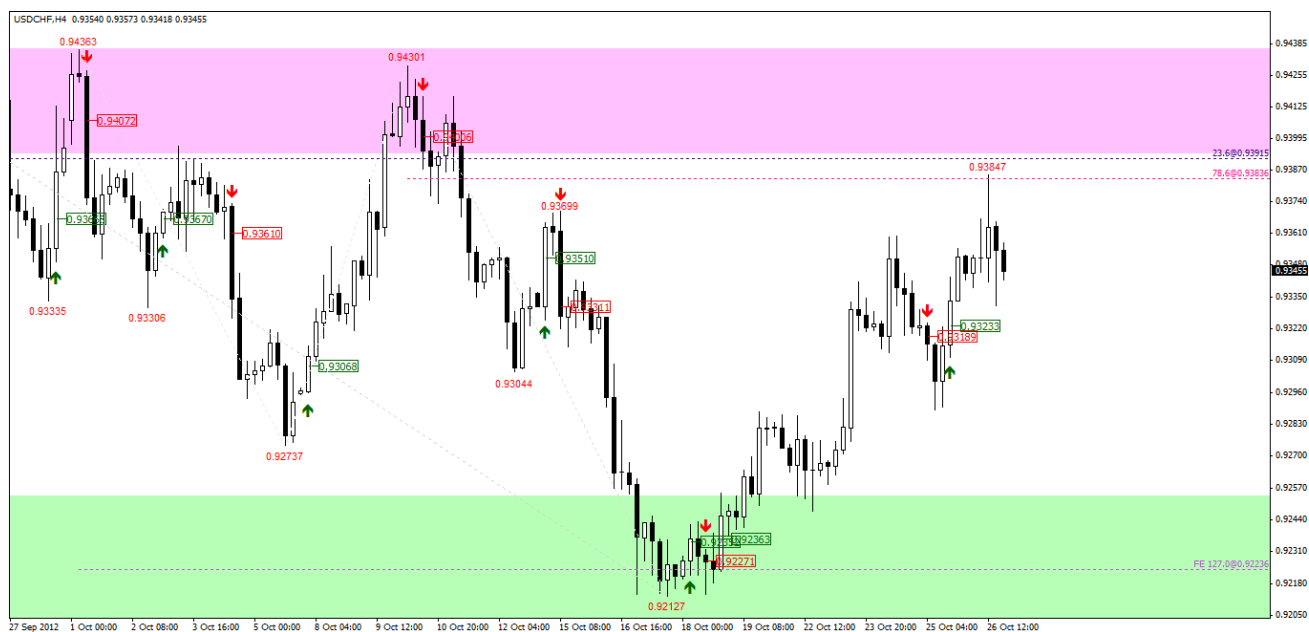
USD-CHF The Big Picture

In the bigger picture, the downtrend from 1.83090 has made an important long-term low at **0.70674**; having fallen short of a longer-term target at the 100.0% projection of 1.83090 to 1.12870 from 1.32830 at **0.62610**. The rebound from 0.70674 is presently treated as a correction to this multi-year fall with strong resistance expected at the 38.2% retracement of 1.83090 to 0.70674 at **1.13617**. Since hitting the price window between the 61.8% retracement of 1.17296 to 0.70677 at **0.99488** and the 61.8% projection of 0.70677 to 0.93132 from 0.85669 at **0.99546**, selling interests have emerged; having taken price action to a 18-week low of **0.92369** a month ago. This is just below the 23.6% retracement of 0.70677 to 0.99702 at **0.92852**. Since then, price action has stabilized and consolidated along this level for more than a month now. Assuming there is no acceleration to the upside, price action is most likely heading towards the window between the 38.2% and 50.0% retracement of 0.70674 to 0.99702 at **0.88613** and **0.85188** next (see W1 chart).

USD-CHF DAILY



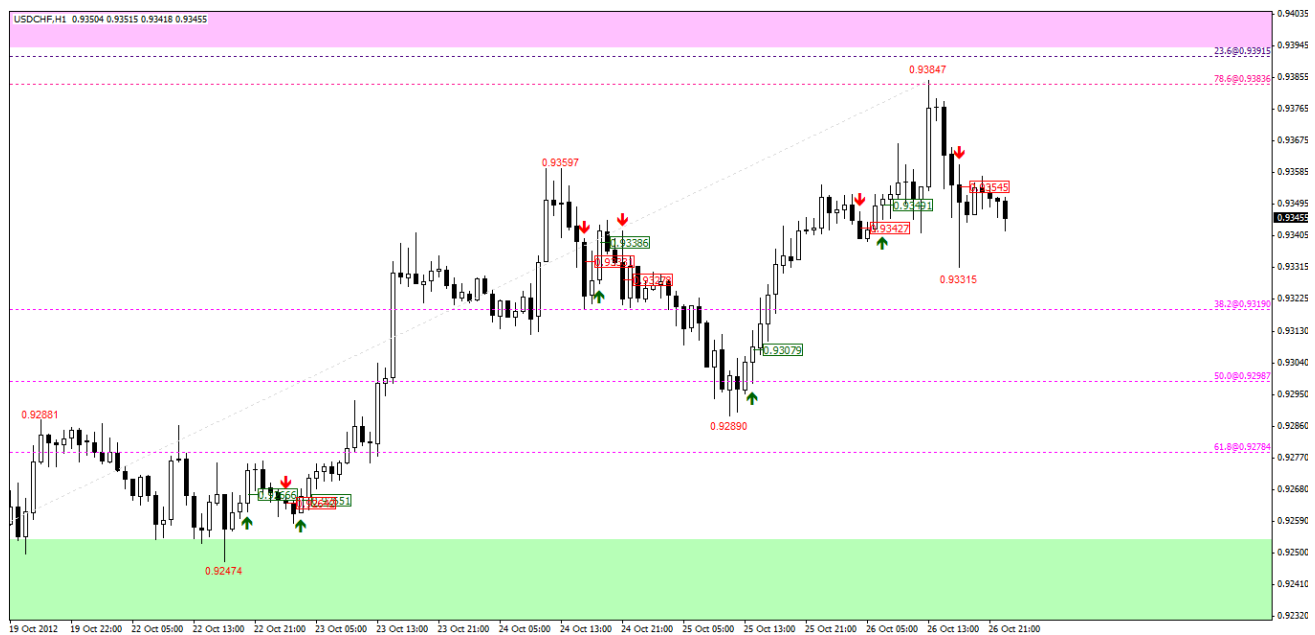
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Price action traded into the window between the 78.6% retracement of 0.94301 to 0.92127 at **0.93836** and the 23.6% retracement of 0.99702 to 0.92127 at **0.93915** and eased (see H4 chart). In the D1 chart, the potential reversal (long-legged shadow doji) signal mentioned in previous updates has been negated by the rally seen on Friday. With the threat of an imminent reversal eliminated, the fact that the D1 chart is still under a buy signal dictates that going long on pullbacks is the way to trade this market. In the meantime the overhead supply pocket at **0.93941-0.94363** may see the emergence of profit-taking. Likewise, it remains to be seen if price action can break above the 261.8% projection of 0.92127 to 0.92881 from 0.92474 at **0.94448**. If that should happen, it would cement the bullish case considerably.

USD-CHF 1-HOURLY



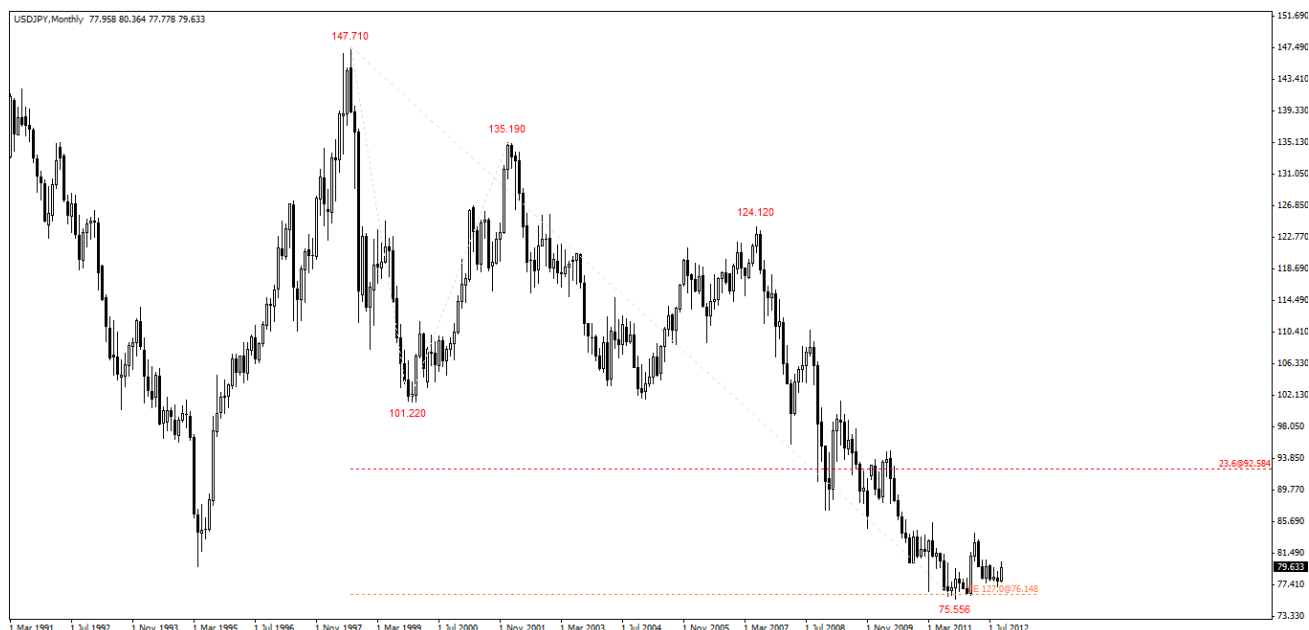
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.92352	0.93214 Realized	0.93941	Exit on D1 close below 0.92454
Bought @ 0.93079	0.93500 Realized	0.96073	Break-even

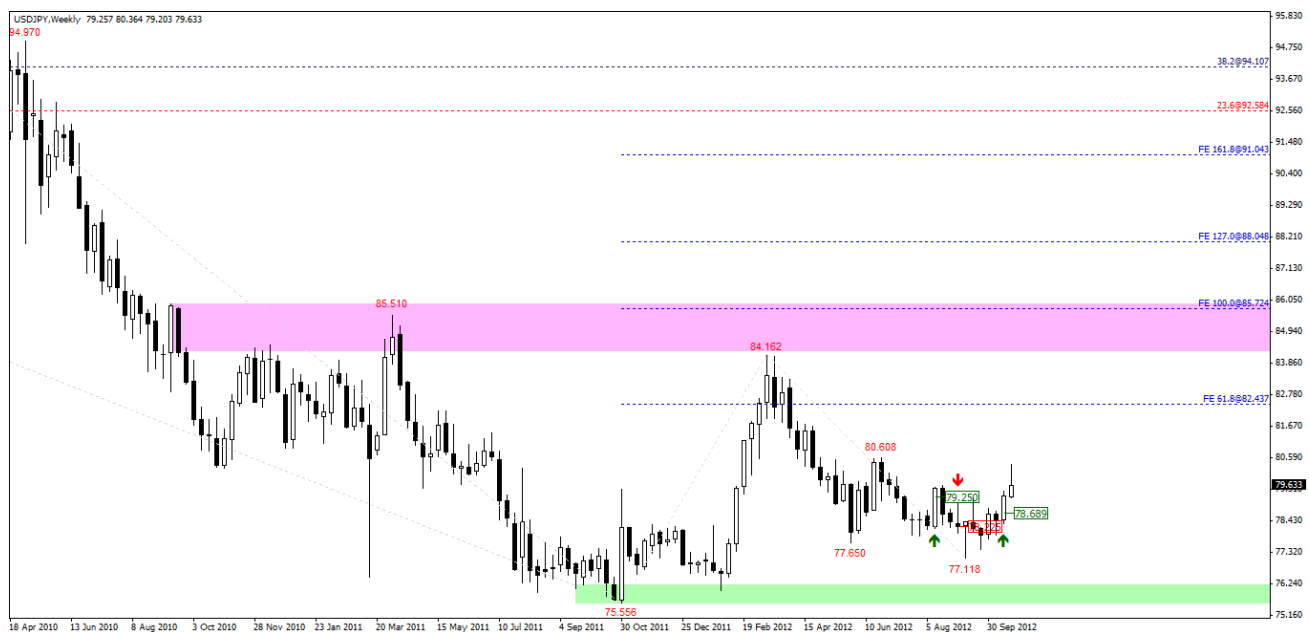
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$32,141.31
USD-CHF	18-10-2012	1.0	0.92352	23-10-2012	1.0	0.93214	+\$924.75	+\$924.75	\$33,066.06
USD-CHF	25-10-2012	1.0	0.93079	25-10-2012	1.0	0.93500	+\$450.27	+\$450.27	\$33,516.33
USD-CHF	18-10-2012	1.0	0.92352	26-10-2012	1.0	0.93455	+\$1,180.25		
USD-CHF	25-10-2012	1.0	0.93079	26-10-2012	1.0	0.93455	+\$402.33		
						Unrealized	+\$1,582.58		

USD-JPY MONTHLY



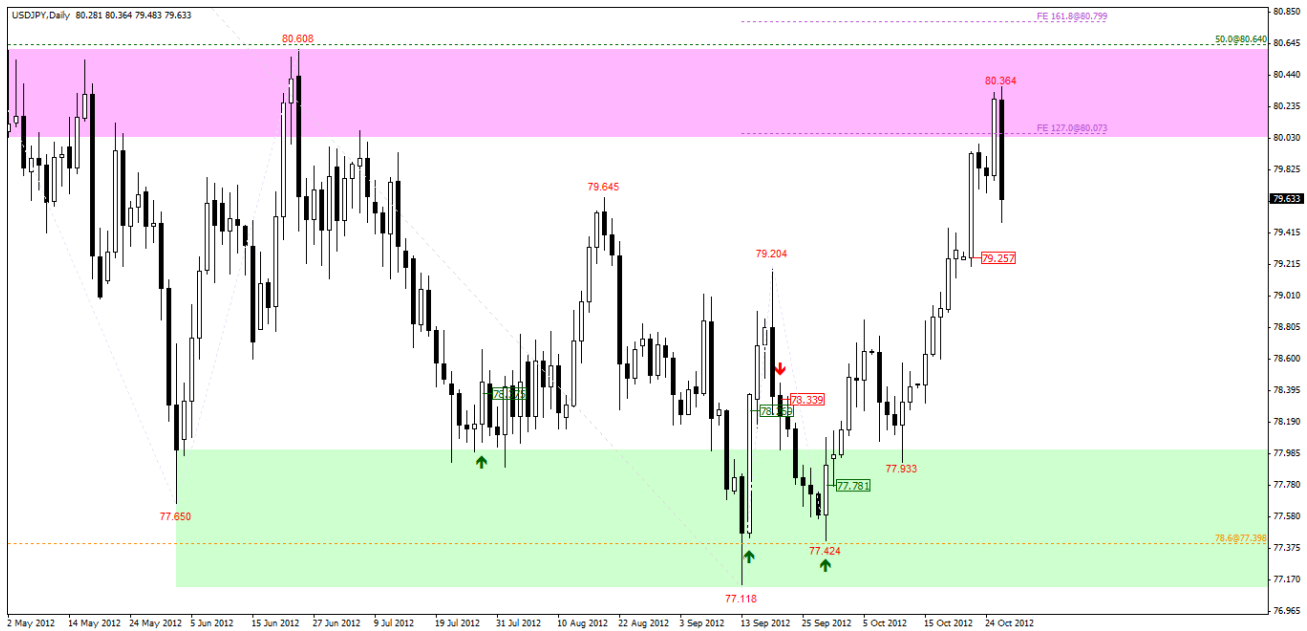
USD-JPY WEEKLY



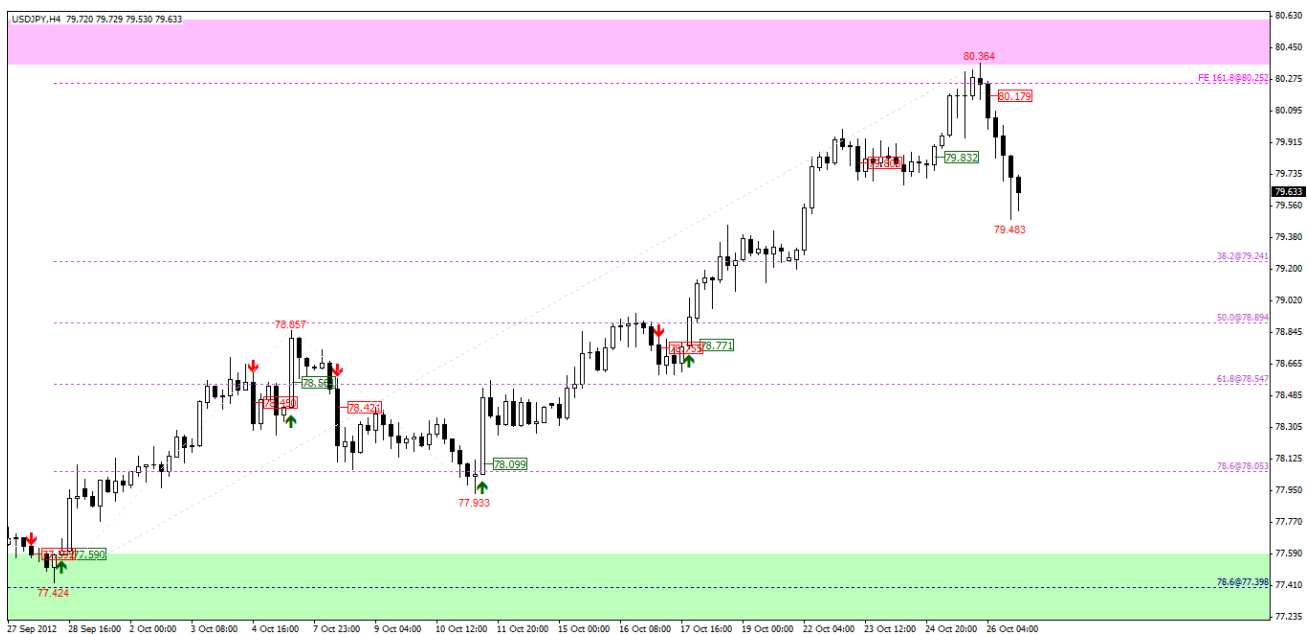
USD-JPY The Big Picture

The fall from 124.120 which started on June 2007 probably terminated on October 2011 at **75.556**, just below the 127.0% projection of 147.710 to 101.220 from 135.190 at **76.148**. In the bigger picture, the move from 75.556 to 84.162 is most likely the termination point of wave B at **84.162** with wave A at **75.556**. Wave C instead being the low at **77.650** (as originally thought) is probably at **77.118**. As noted, a hammer appeared in the W1 chart six weeks ago. This week witnessed the return of the bulls; taking this market to a 4-month high at 80.364. In fact, last week's closing above **79.689** suggested the imminent return of the bulls. This rally, if sustained, may well take the form of a 3-wave corrective rally beginning from the 100.0% projection of 75.556 to 84.162 from 77.118 at **85.724**.

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

After two days of light profit-takings, the rally from 77.933 resumed with a vengeance on Thursday taking price action to a 4-month high of 80.364 on Friday. As noted in previous updates, this market has been trading between the bands demarcated by the supply pocket at **80.357-80.608** and demand pocket at **77.118-77.592**. Early Friday morning saw price action traded into the upper band of this consolidative pattern. As mentioned, Friday has always been a tricky session, being the last trading session before the weekend. After a prolonged rally, Friday has always the most likely time that traders will be tempted to book their profits. As if on cue, profit-takings were featured throughout the day beginning in the Tokyo session. Also noted in the previous update, a close below **80.281** in the H1 chart may signal the onset of profit-takings and it did. Below current level, the demand pocket at **78.979-79.250**, where the 50.0% retracement of 77.933 to 80.364 at **79.149**, beckons.

USD-JPY 1-HOURLY



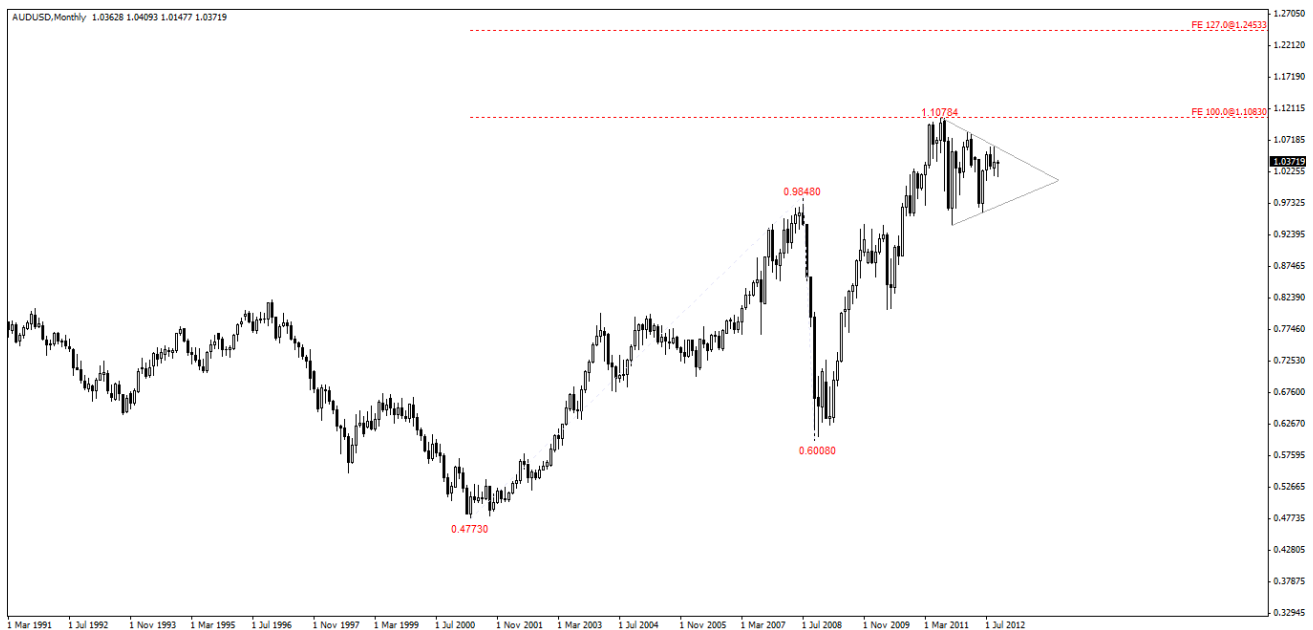
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 80.281	79.754	79.149	Exit on H4 close above 79.842
	Realized		

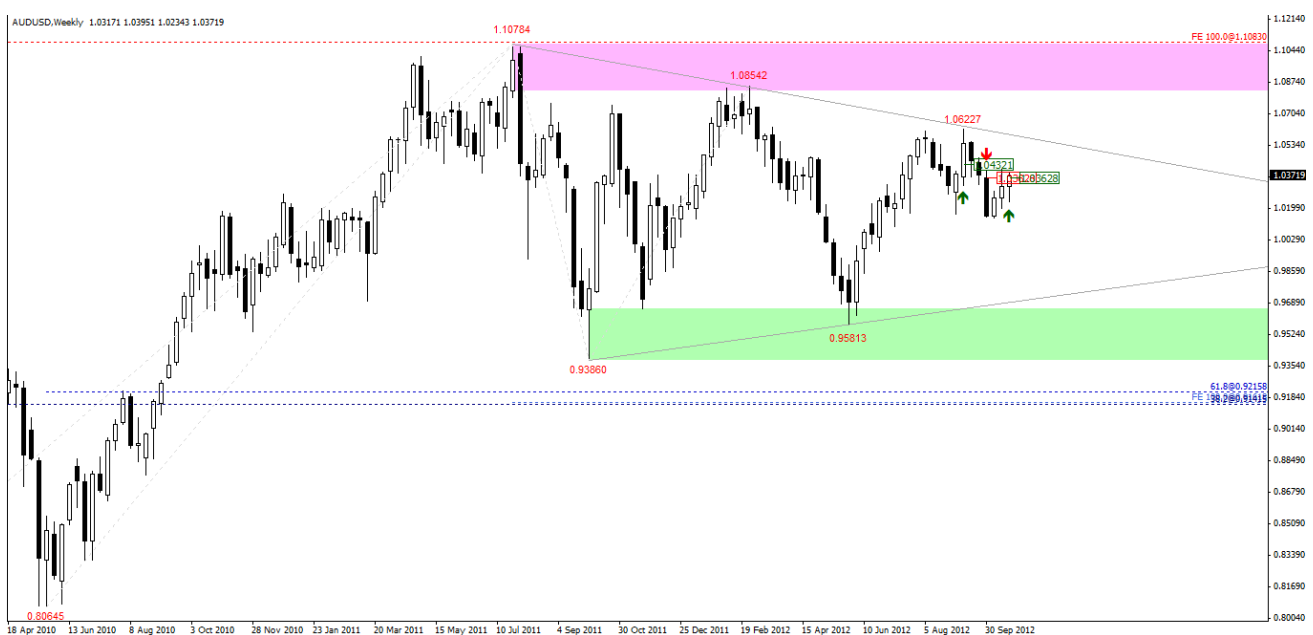
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 19-10-2012								\$25,556.69
USD-JPY	25-10-2-12	1.0	80.182	23-10-2012	1.0	79.880	-\$376.64		\$25,180.05
USD-JPY	25-10-2-12	1.0	80.182	23-10-2012	1.0	79.880	-\$376.64	-\$753.28	\$24,803.41
USD-JPY	26-10-2-12	1.0	79.754	26-10-2012	1.0	80.281	+\$660.78	+\$660.78	\$25,464.19
USD-JPY	26-10-2-12	1.0	79.633	26-10-2012	1.0	80.281	+\$813.73		
						Unrealized	+\$813.73		

AUD-USD MONTHLY



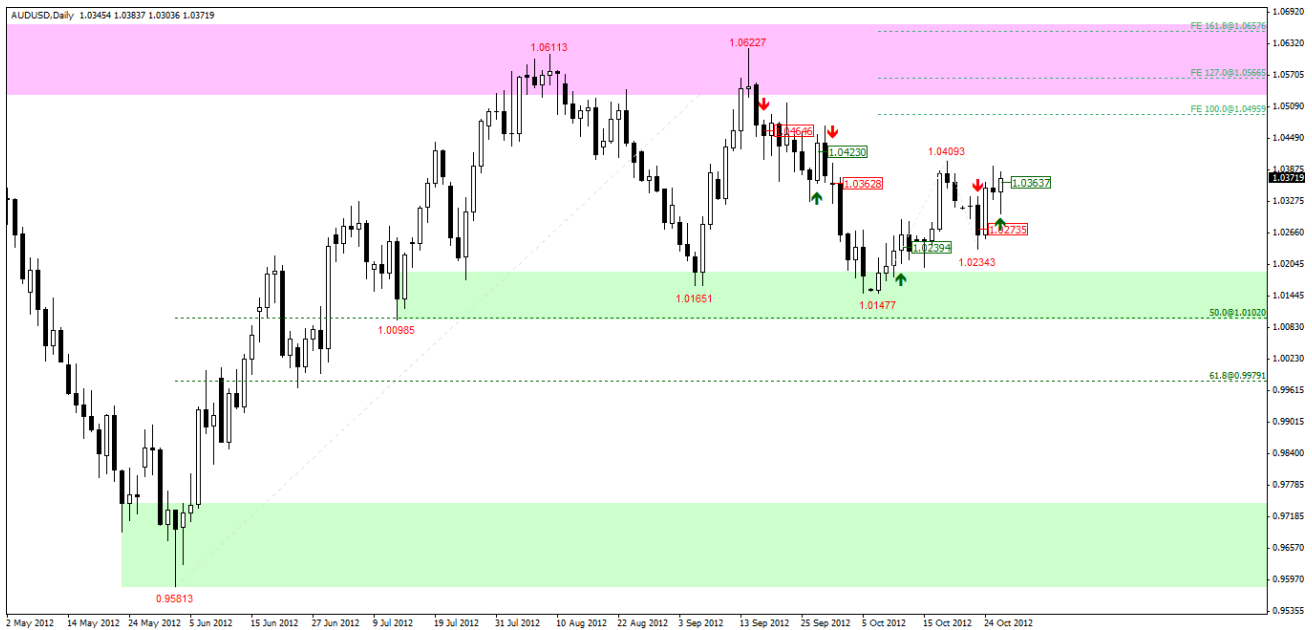
AUD-USD WEEKLY



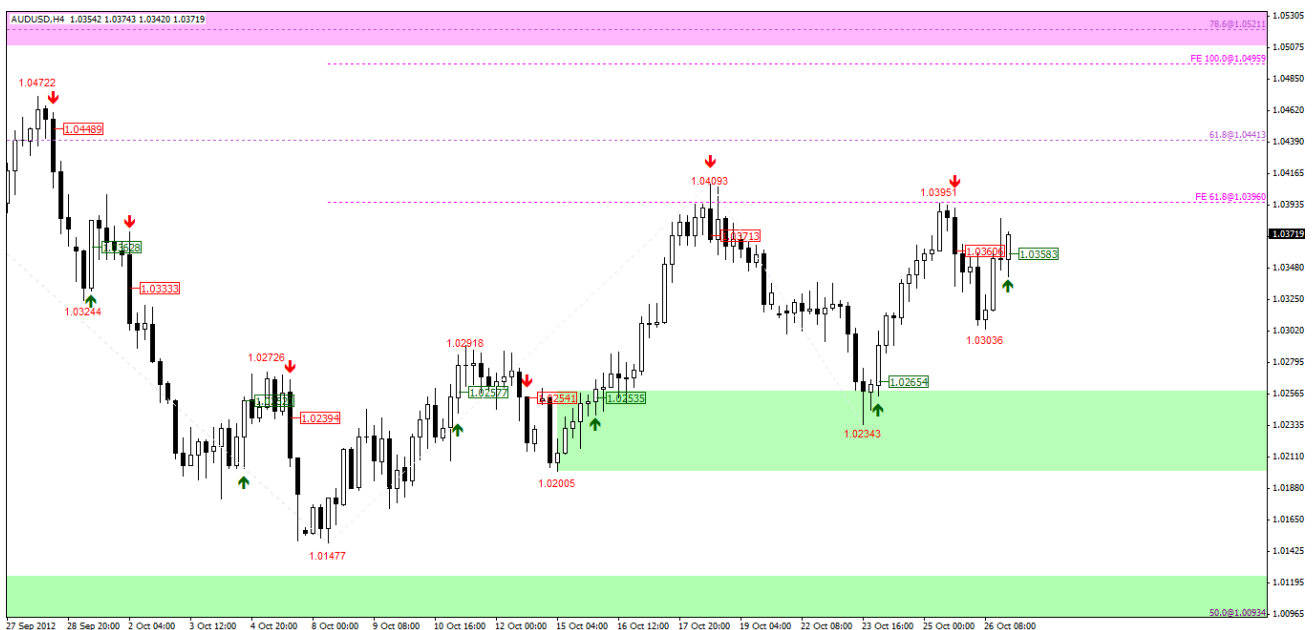
AUD-USD The Big Picture

In the bigger picture, the rise from 0.47730 missed the 100.0% projection of 0.47730 to 0.98480 from 0.60080 at **1.10830** on July 27 by a mere 4.6 pips with a high at 1.10784. Price action since has been very choppy as it gyrates within an almost 1700 pips range between the all-time high and last October 4 low of **0.93860**. Overall, the broad sideways market since has sets of 3-waves structures, implying a period of consolidation between these two extreme points. Alternatively, it can also be said that price action since has been locked between the 100.0% projection of 0.47730 to 0.98480 from 0.60080 at **1.10830** and the 61.8% retracement of 0.80645 to 1.10784 at **0.92158**. The long-held view that this market is consolidating within a triangle will continue to be severely tested in the aftermath of the spike up to a 25-week high at 1.06227 a month ago. Until the triangle scenario is invalidated, the idea that price action is likely to head towards the lower band of the triangle formation for perhaps the last time before an explosive breakout to the upside over the long-term. With a closing above **1.03628** in the W1 chart by the end of trading this week, the immediate bearish bias may be compromised.

AUD-USD DAILY



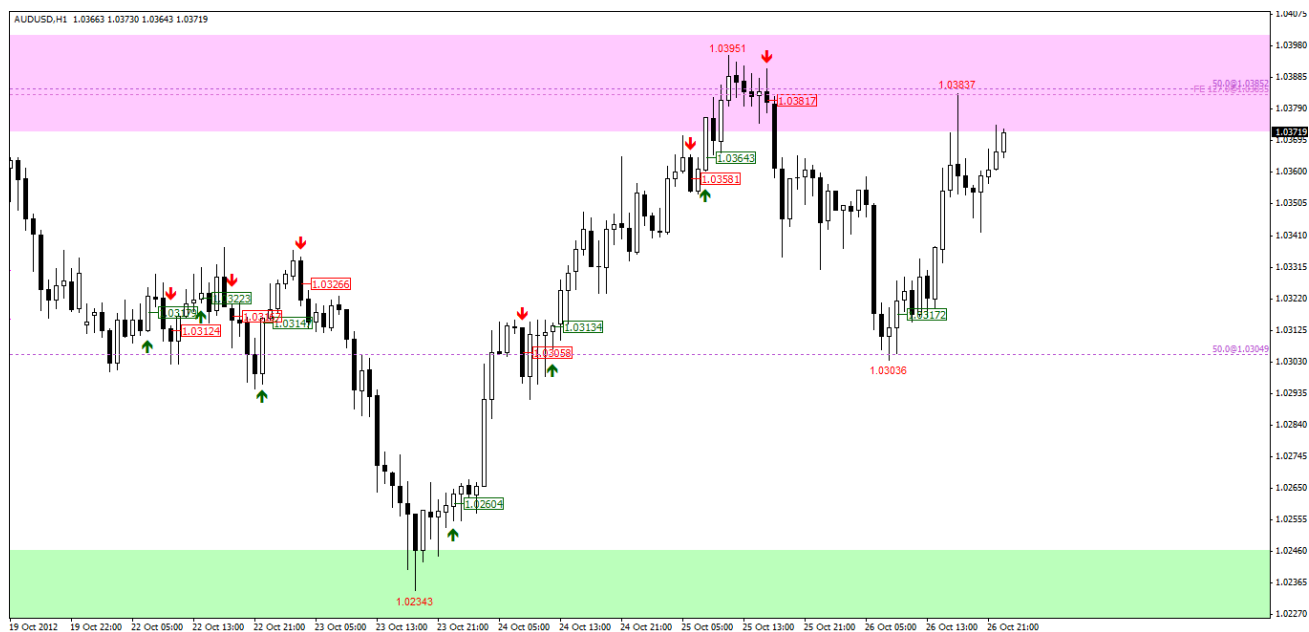
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

The risk of another rally came to pass as price action traded persistently higher after hitting the 50.0% retracement of 1.02005 to 1.04093 at 1.03049 with a print at 1.03036 on Friday. The rebound from there has now seen price action back within the supply zone **1.03722-1.04011** (see H1 chart). Sustained trading above 1.04093 would see this market challenging the September 14 peak of **1.06227**. With the larger time frame and triangle pattern in mind, the medium to long-term view is that this market is locked between two well defined boundaries marked by the demand pocket at **1.00985-1.01911** and the supply pocket at **1.05317-1.06677** (see D1 chart). Unless and until, price action breaks out of this consolidation pattern, trading the range remains a viable choice.

AUD-USD 1-HOURLY

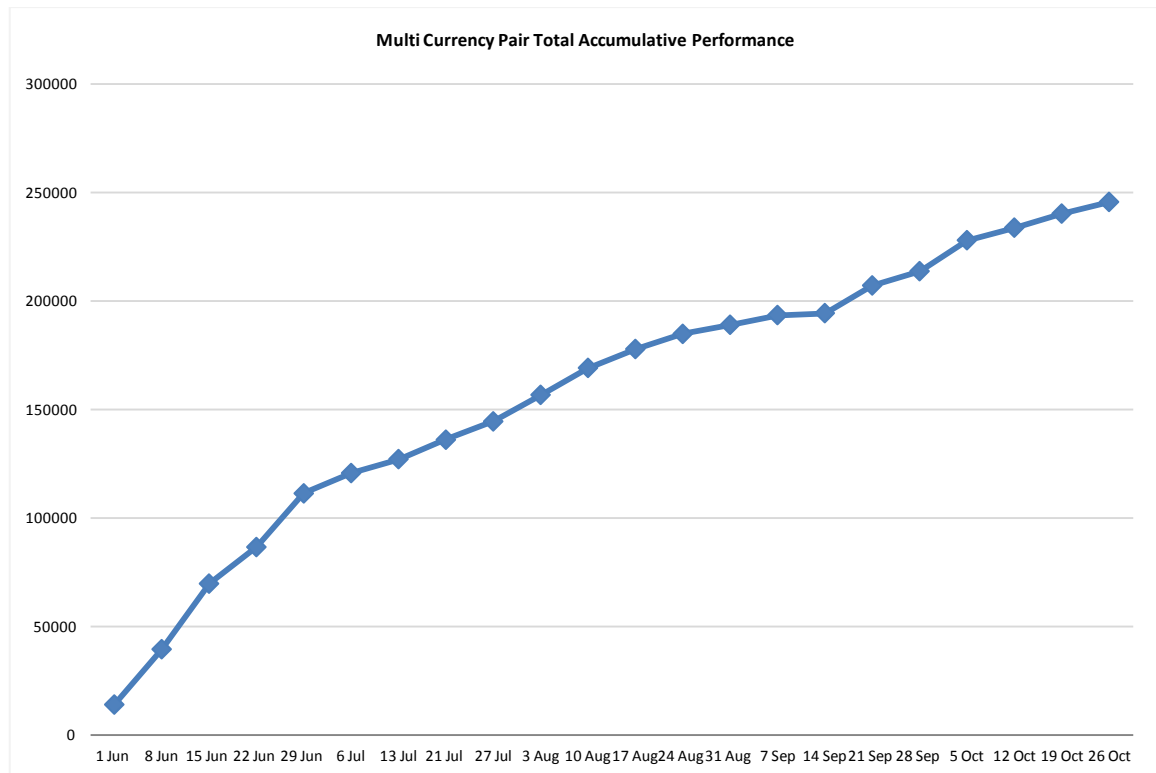
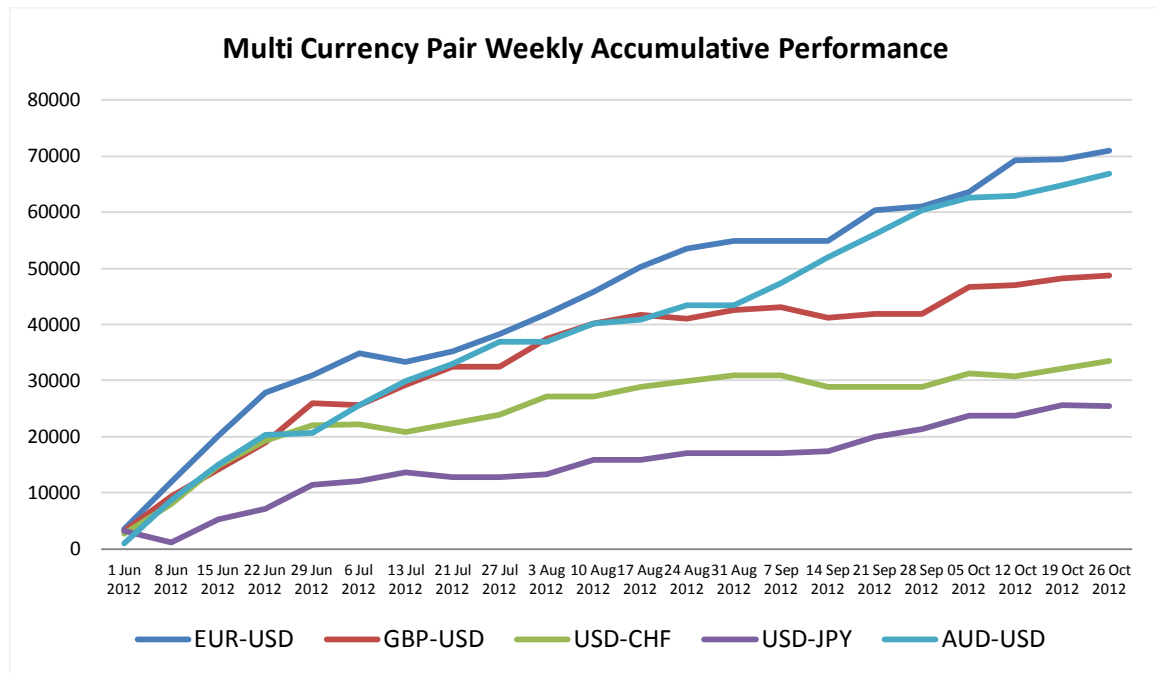


Trade Ideas

ACTION	Target 1	Target 2	EXIT
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Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$64,824.00
AUD-USD	23-10-2012	1.0	1.02647	19-10-2012	1.0	1.03713	+\$1,066.00	+\$1,066.00	\$65,890.00
AUD-USD	24-10-2012	1.0	1.03226	19-10-2012	1.0	1.03713	+\$487.00	+\$487.00	\$66,377.00
AUD-USD	26-10-2012	1.0	1.03583	25-10-2012	1.0	1.03817	+\$234.00		\$66,611.00
AUD-USD	26-10-2012	1.0	1.03583	25-10-2012	1.0	1.03817	+\$234.00	+\$468.00	\$66,845.00
Unrealized							\$0.00		



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.

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.