

FOREX OUTLOOK

A Traders Academy International Publication

Euro boosted by Greece aid deal hopes

EUR-JPY hit its highest point since late April on Thursday on expectations that international lenders will soon agree an aid deal for Greece and that Japan will ease monetary policy again. EUR-JPY hit 106.560.

Analysts said expectations of aggressive monetary easing in Japan would encourage Yen-funded carry trades, in which investors borrow in low-yielding currencies like the Yen to invest in higher-yielding assets. That could help EUR-JPY retain its recent gains.

Likewise, USD-JPY has climbed around 4 percent in the last seven trading sessions, amid market expectations that Japan's next government could push its central bank to implement more drastic monetary stimulus.

USD-JPY rose to 82.820, its highest since early April. It pared some of those gains on selling by macro funds.

Shinzo Abe, the leader of Japan's opposition Liberal Democratic Party, which holds a commanding lead in opinion polls ahead of a December 16 election, has called for "unlimited" easing until 2 or 3 percent inflation is achieved and for pushing short-term interest rates to zero or below.

Analysts say Yen weakness could persist until the vote is over. Opinions suggest that USD-JPY will continue to strengthen leading to elections on December 16 when the BOJ is expected to be more aggressive in its easing.

Others expect a target of 80.000 for USD-JPY, largely from US Dollar weakness in 2013 as the Federal Reserve considers more monetary easing. But optimism on the U.S. budget front has grown after leading legislators recently expressed confidence that they could reach a deal to avert the so-called fiscal cliff of spending cuts and tax hikes due to take effect in early 2013.

EUR-USD also rose to a 3-week high helped by Euro zone data showing manufacturing activity slowed less than expected in November. The PMI data eased some concerns about a deepening Euro zone recession, adding to the sense of relief after an earlier survey showed manufacturing in China expanded for the first time in 13 months.

But gains looked fragile as the Euro zone economy was likely to struggle in coming months, keeping alive the chances of further interest rate cuts by the European Central Bank.

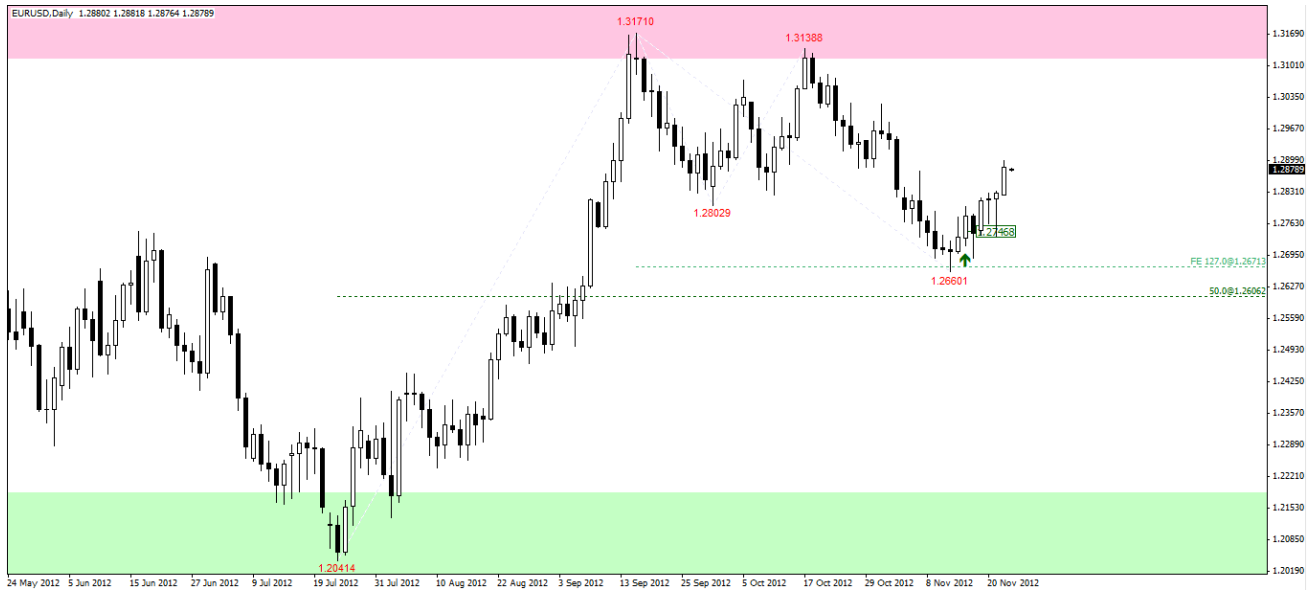
EUR-USD rose to 1.28977, its highest since early November. Steady buying by U.S. traders with sentiment helped by lower yields on Greek and Spanish bonds.

German Chancellor Angela Merkel said on Wednesday an agreement to release aid to Athens was still possible next Monday, helping the Euro recover after Greece's international lenders had earlier failed to reach a deal. There is less concern about whether a deal on Greece will eventually be struck. Traders were squaring recent short positions in the Euro and other riskier currencies before the long weekend in the United States. Volumes would be thin, however, due to the U.S. Thanksgiving holiday on Thursday.

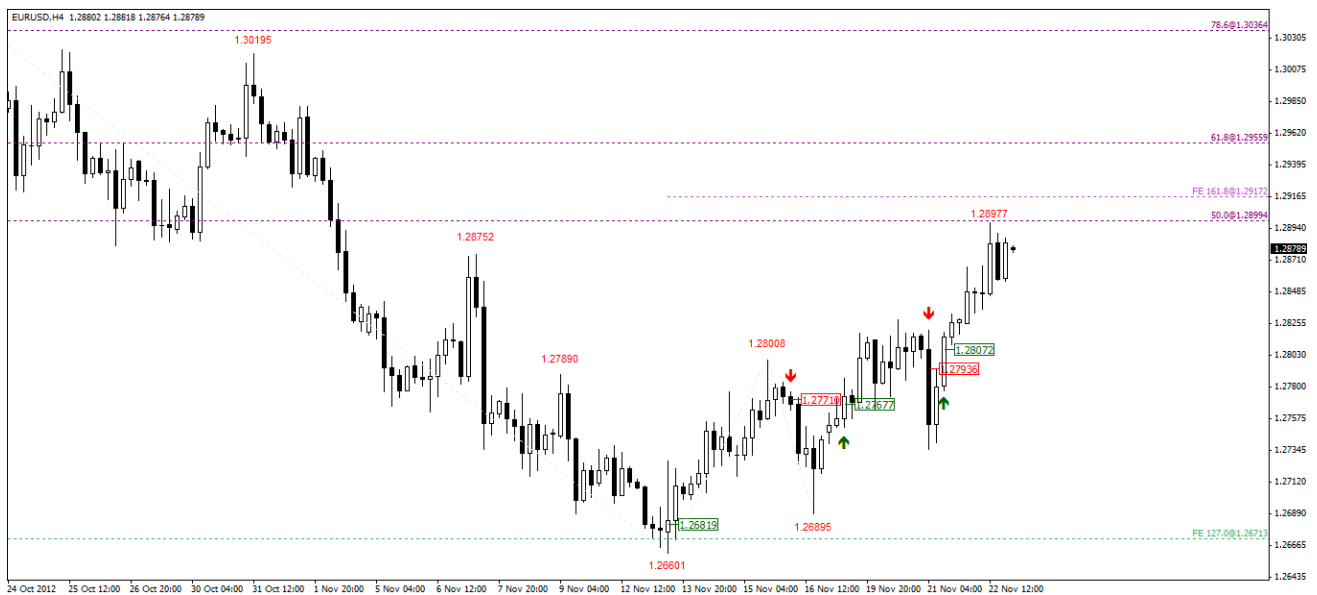
Content:

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

EUR-USD DAILY



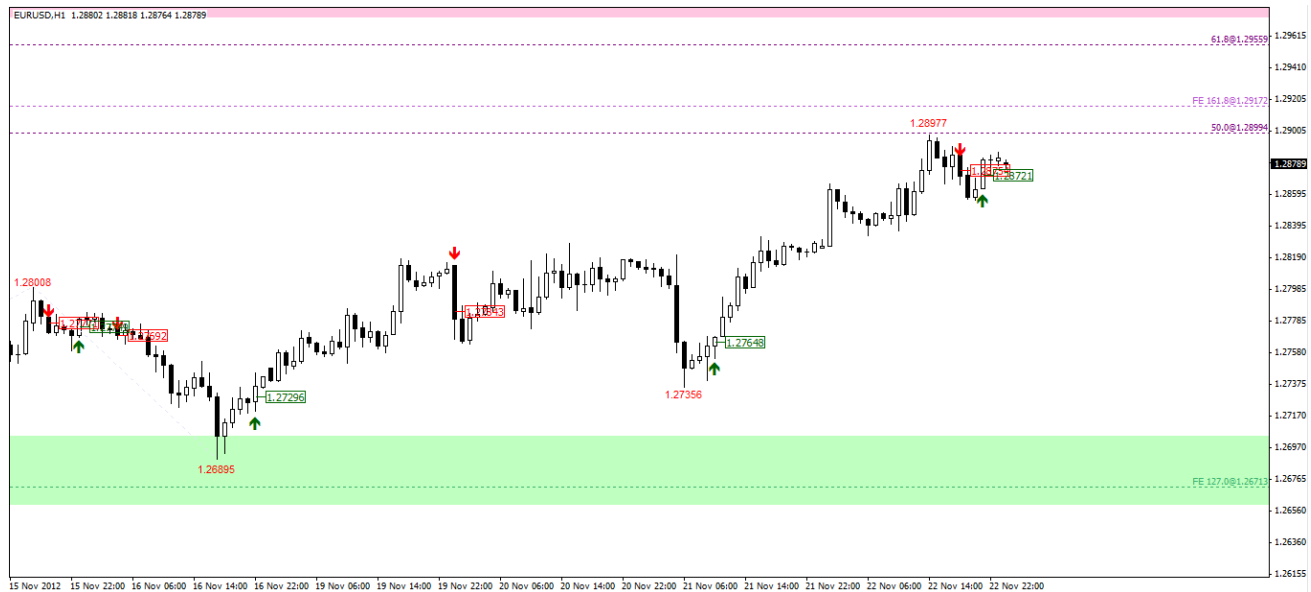
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The recovery from last week's low of 1.26601 continues passed the supply pocket at **1.28381-1.28752**, passed the 38.2% retracement of 1.31388 to 1.26601 at **1.28430** and beyond the 127.0% projection of 1.26601 to 1.28008 from 1.26895 at **1.28682**. Though there is still no 5-wave structure, the fact that price action has managed to rallied passed the 127.0% projection of 1.26601 to 1.28008 from 1.26895 at **1.28682** has helped eliminate the correction scenario. Furthermore reversal signals failed to appear in the H1 chart within the supply pocket at **1.28381-1.28752** as anticipated. At this rate of climb, price action may ultimately trade above 1.31710 to perhaps to as high as **1.33582** (being the 61.8% of 1.20414 to 1.31710 from 1.26601).

EUR-USD 1-HOURLY



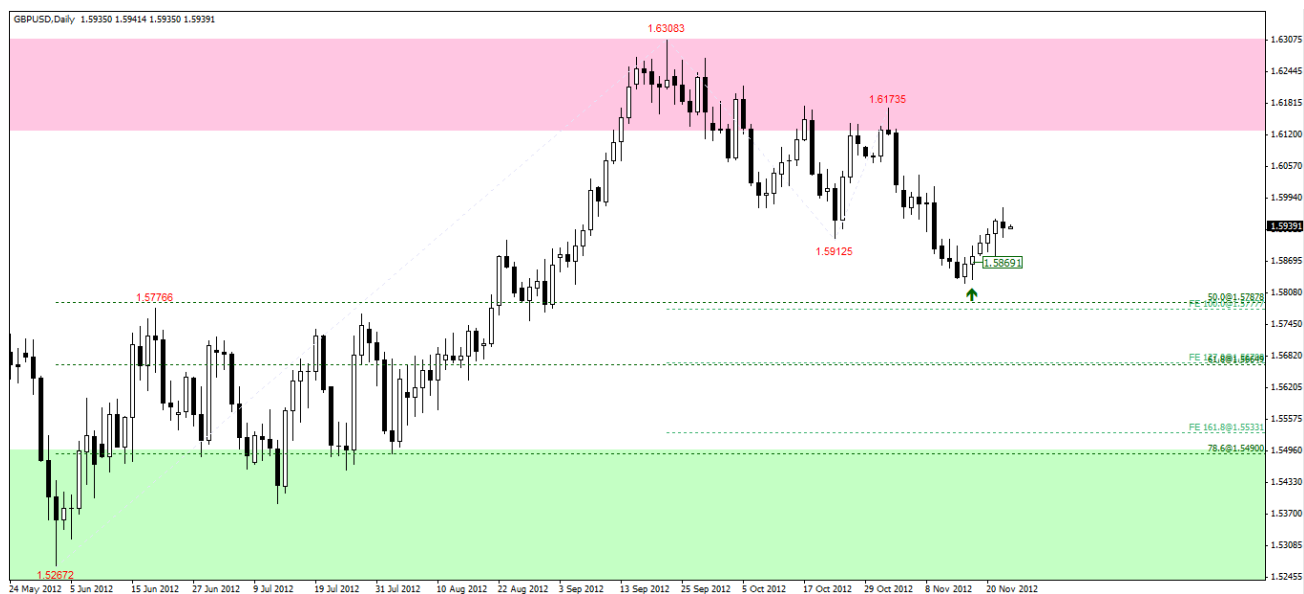
Trade Ideas

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 16-11-2012								\$72,447.00
Unrealized							\$0.00		

GBP-USD DAILY



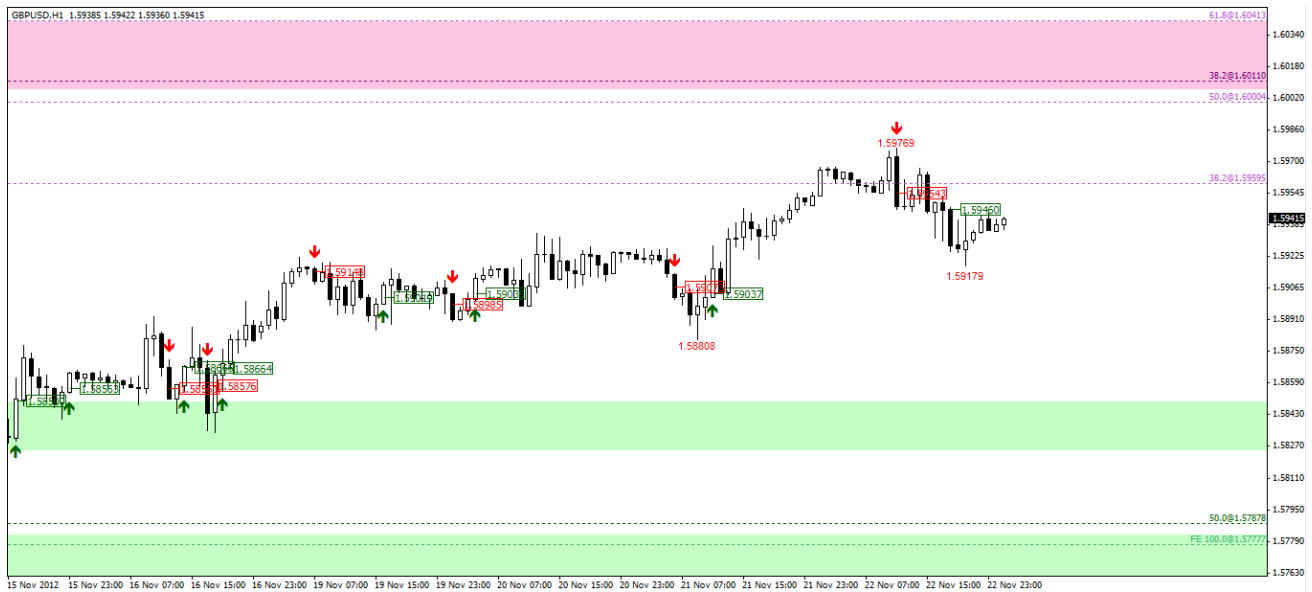
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Ever since a buy signal was triggered in the D1 chart last Friday, the medium-term outlook has turned positive the first time since October 25 with a closing above **1.58691**. If this market ends the week on a positive note above **1.60096** tonight, the W1 chart too will turn positive. If so, an eventual rally above the September 21 peak of **1.63083** looks increasingly possible. Profit-takings were featured in lackluster trading overnight due in part to the Thanksgiving holiday in the US. As noted, price action needs to decisively clear the minor supply pocket at **1.59114-1.59283** to have any hope of a sustainable rally. With this barrier now out of the way, focus has shifted to the next supply pocket at **1.60063-1.60407**, where the 38.2% retracement of 1.63083 to 1.58273 at **1.60110** as well as the 61.8% retracement of 1.61735 to 1.58273 at **1.60413** are located. This barrier may prove to be a much more formidable barrier to overcome and may cap this run in the short-term.

GBP-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59037	1.60063	1.61396	Exit on D1 close below 1.59247

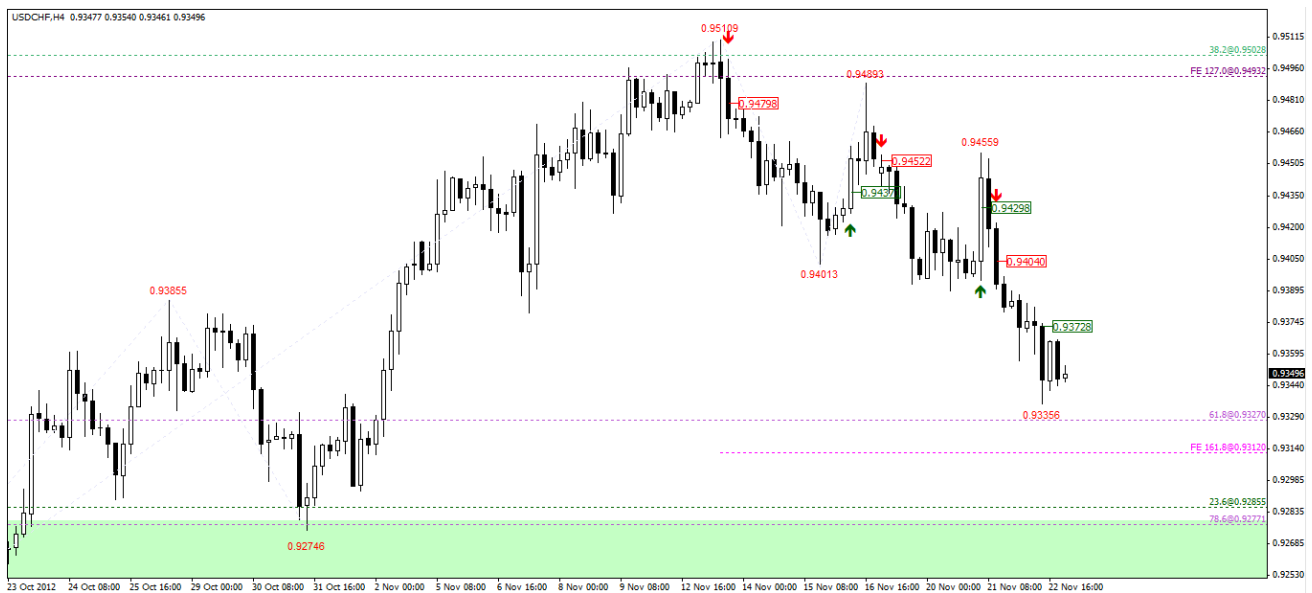
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$49,565.00
GBP-USD	21-11-2012	1.0	1.59214	21-11-2012	1.0	1.59073	-\$141.00		\$49,424.00
GBP-USD	21-11-2012	1.0	1.59214	21-11-2012	1.0	1.59073	-\$141.00	-\$282.00	\$49,283.00
GBP-USD	21-11-2012	1.0	1.59037	22-11-2012	1.0	1.59356	+\$319.00		
GBP-USD	21-11-2012	1.0	1.59037	22-11-2012	1.0	1.59356	+\$319.00		
						Unrealized	+\$638.00		

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Having stalled at a 10-week high of 0.95109 just above 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** the fall seen this week did not come as a surprise as the confluence of Fibonacci ratios there have always been sensitive to price reversal. Overnight, price action continues its descend below the 50.0% of 0.92134 to 0.95109 at **0.93622** as well as the 61.8% retracement of 0.92746 to 0.95109 at **0.93649**. As noted, if this price window cannot hold this fall, further losses to the demand pocket at **0.92746-0.92975** is anticipated. A break below the October 17 low of 0.92134 would all but confirm that another massive fall is in store.

USD-CHF 1-HOURLY



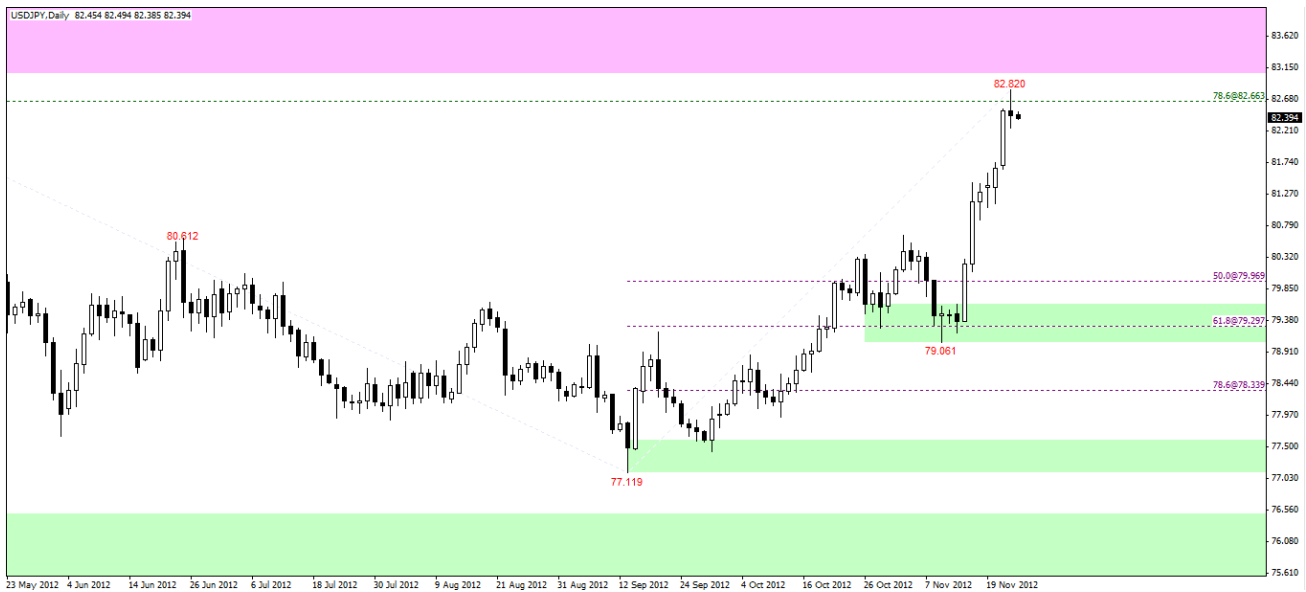
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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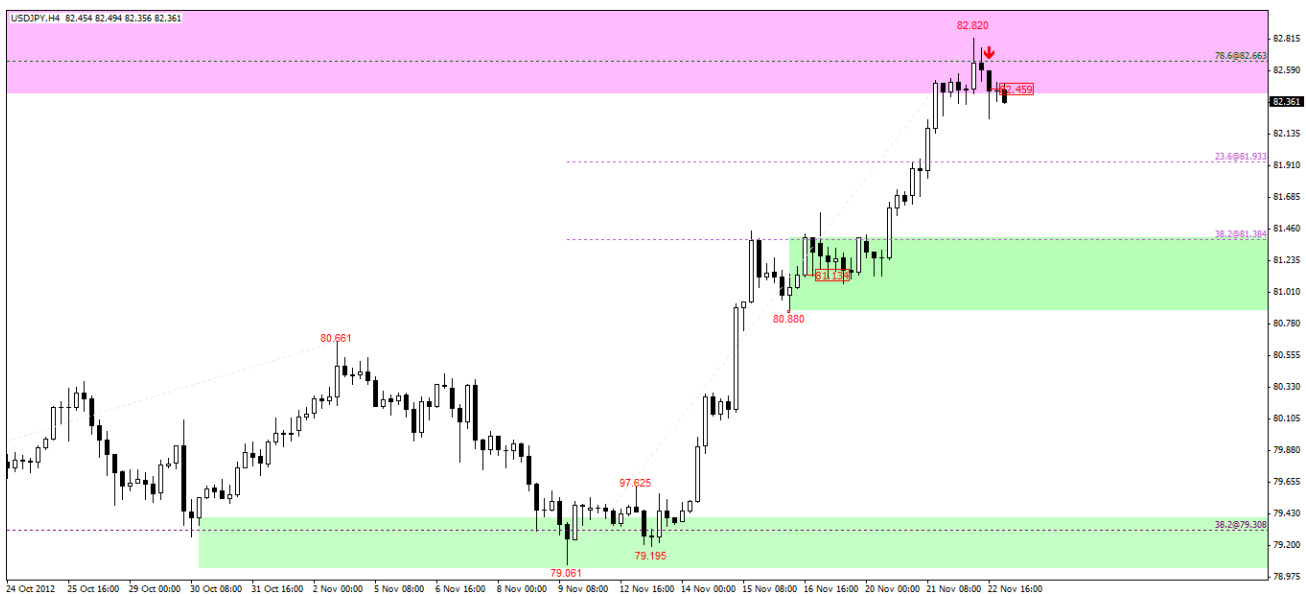
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$34,932.12
USD-CHF	20-11-2012	1.0	0.94183	21-11-2012	1.0	0.94183			
USD-CHF	20-11-2012	1.0	0.94183	21-11-2012	1.0	0.94183			
Unrealized							\$0.00		

USD-JPY DAILY



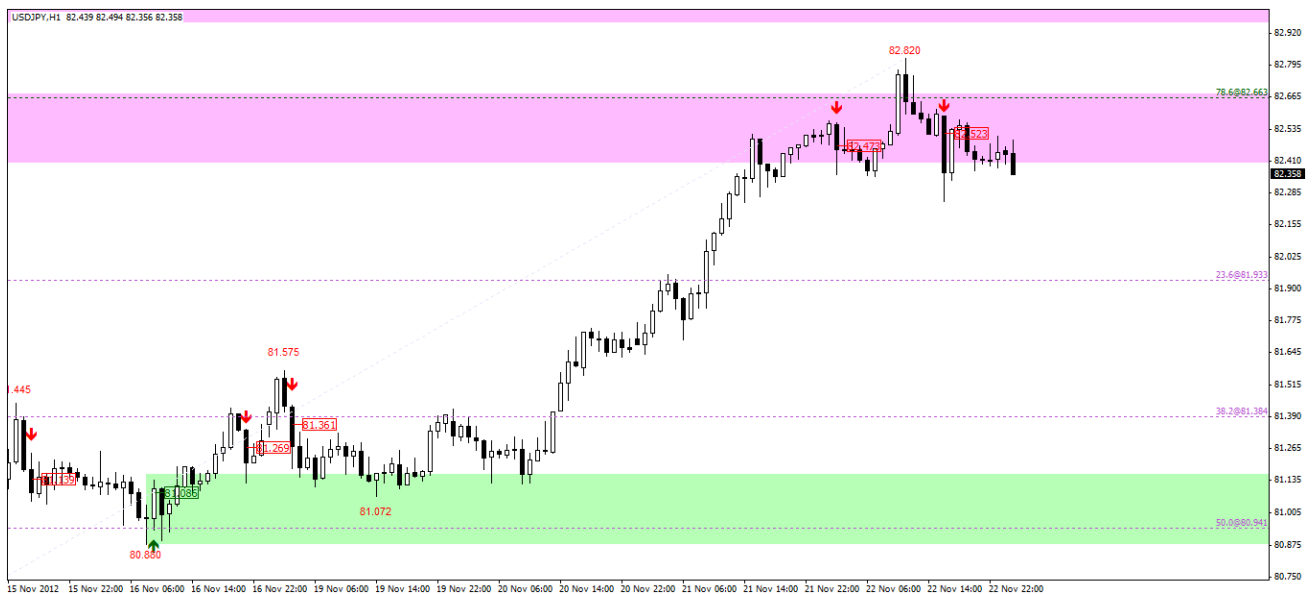
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The meteoric rally has driven price action beyond an ancient longer-term supply pocket at **81.366-81.858** and stalled just above the 78.6% retracement of 84.172 to 77.119 at **82.663** overnight. As mentioned, the 78.6% Fibonacci retracement ratio represents, to me, the maximum allowance retracement of a move and is thus highly sensitive to a reversal. This level is in turn located within a supply pocket at **82.424-83.380**. Taken together, this is when this market is most vulnerable to a correction. An earlier short position was taken out by another spike to 82.820 (the highest level last seen in early April) in thin overnight trading activities. With the year's high **84.172** in sight and with less than 5 weeks before the year-end, this market is on course to end 2012 on a positive note for the first time in 6 years. Over the long-term, this bullish bias has a potential to gun for the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** which incidentally sits within a known supply zone. In the meantime, should this morning weakness result in a correction; a minimum target is the 23.6% retracement of 79.061 to 82.820 at **81.933** followed by the 38.2% retracement level at **81.384**.

USD-JPY 1-HOURLY



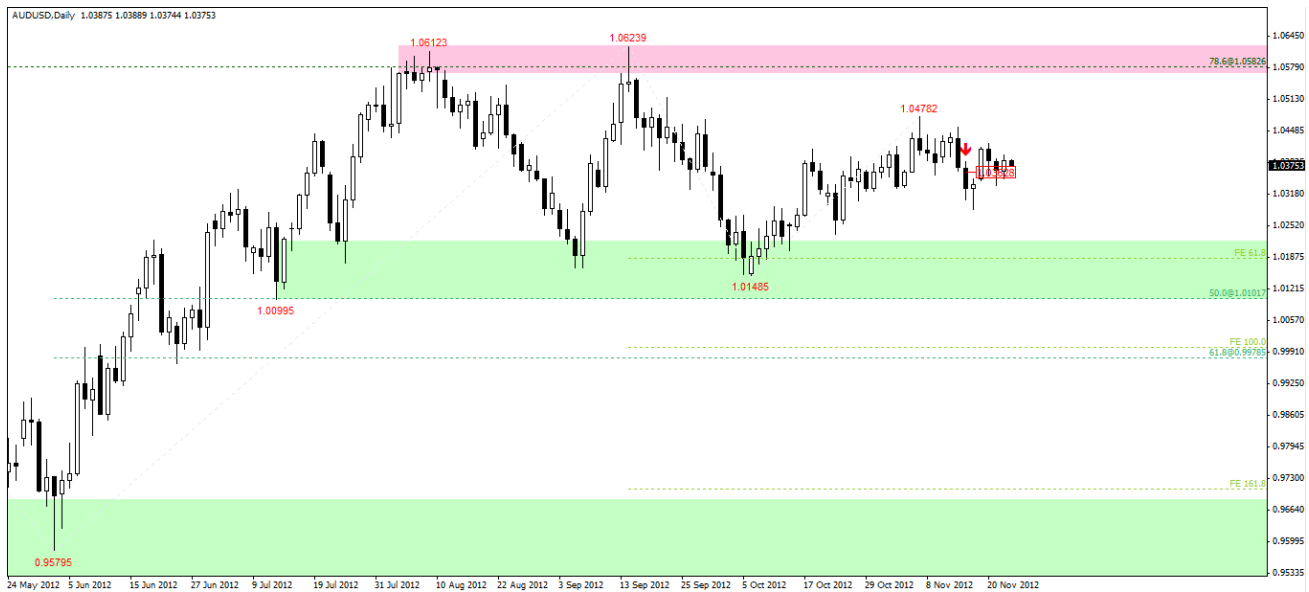
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 82.523	81.933	81.384	82.920 STOP

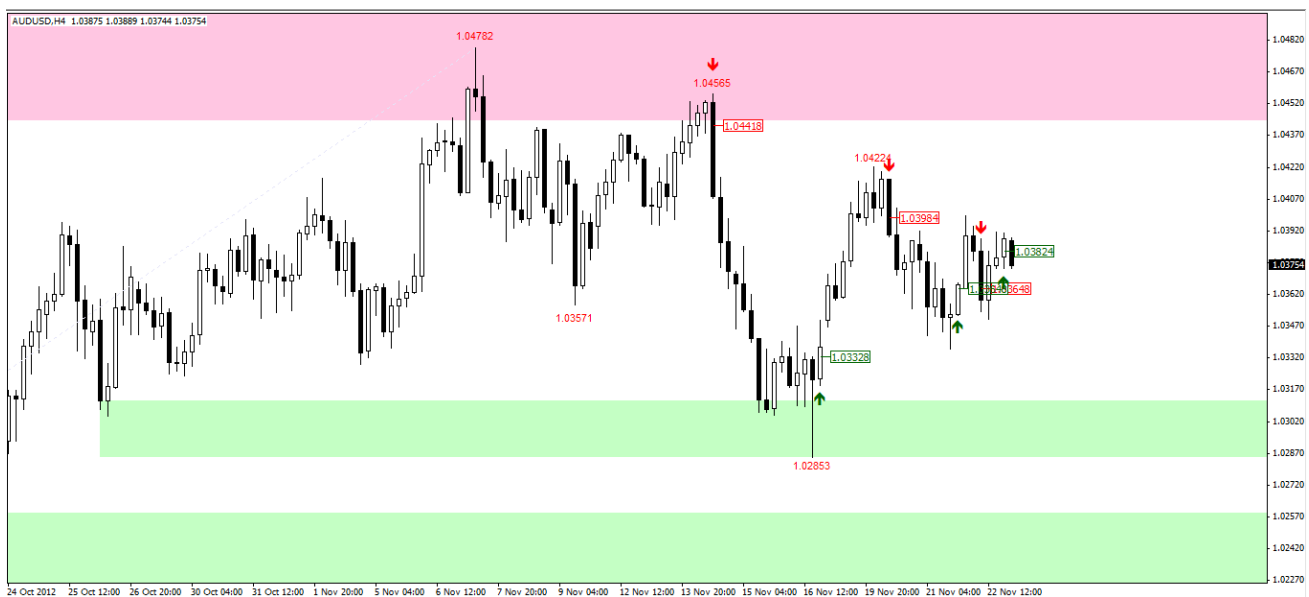
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 16-11-2012								\$29,722.53
USD-JPY	21-11-2012	1.0	82.763	21-11-2012	1.0	82.473	-\$350.40		\$29,372.13
USD-JPY	21-11-2012	1.0	82.763	21-11-2012	1.0	82.473	-\$350.40	-\$700.80	\$29,021.73
USD-JPY	22-11-2012	1.0	82.443	22-11-2012	1.0	82.523	+\$97.04		
USD-JPY	22-11-2012	1.0	82.443	22-11-2012	1.0	82.523	+\$97.04		
Unrealized							+\$194.08		

AUD-USD DAILY



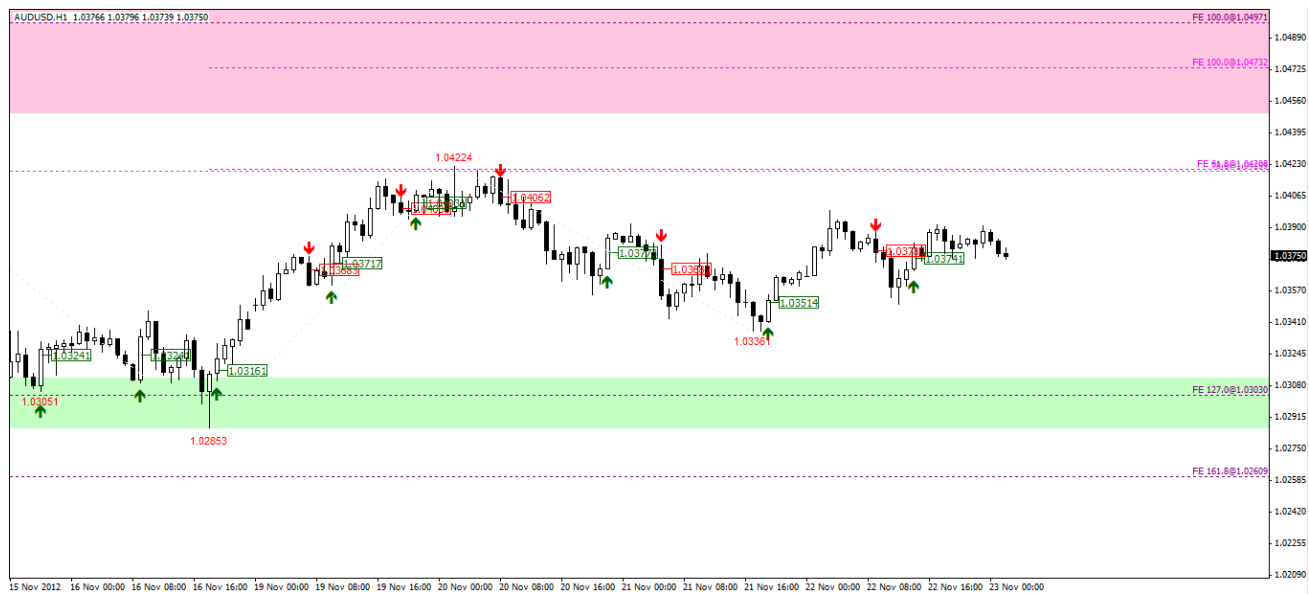
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

This market continues to consolidate between a roughly 500 pips range as seen in the D1 chart. Last Thursday's low at 1.02853 marked an important pivot low and there is still a chance it may be challenged again in the near future. This market rallied immediately after that low was traded but stalled at the 78.6% retracement of 1.04565 to 1.02853 at **1.04199** (see H1 chart). The resulting pullback has a 3-wave structure before last night uptick. Buying interests were noted overnight and remained well bid into this morning Asia session. This rise may rally back into the minor supply pocket at **1.04486-1.04722** where the 100.0% projection of 1.01485 to 1.04104 from 1.02853 at **1.05472** is located. But on closer inspection, a confluence of Fibonacci ratios at the 78.6% retracement of 1.04565 to 1.02853 at **1.04199** and the 61.8% projection of 1.02853 to 1.04224 from 1.03361 at **1.04208** suggests that stiff resistance may be seen at this price window (see H1 chart). Ideally, though, this market rallies into the supply pocket at **1.04486-1.04722** and a short position there may be worth taking.

AUD-USD 1-HOURLY

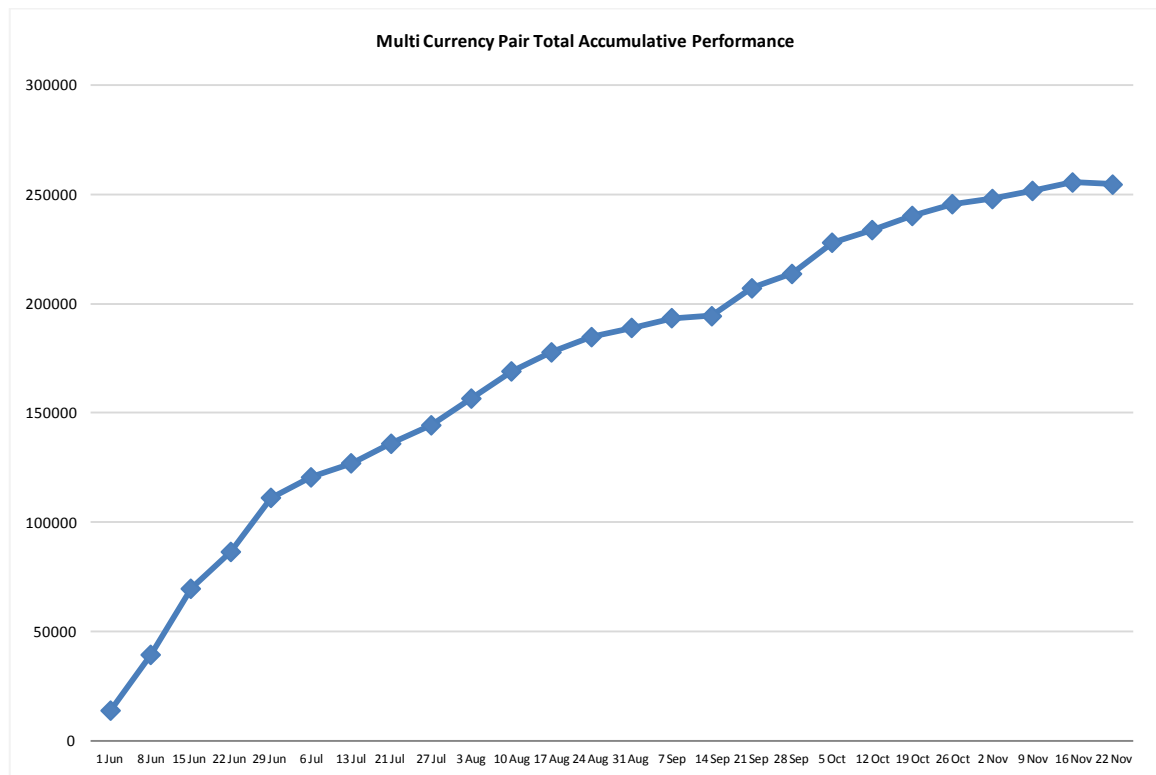
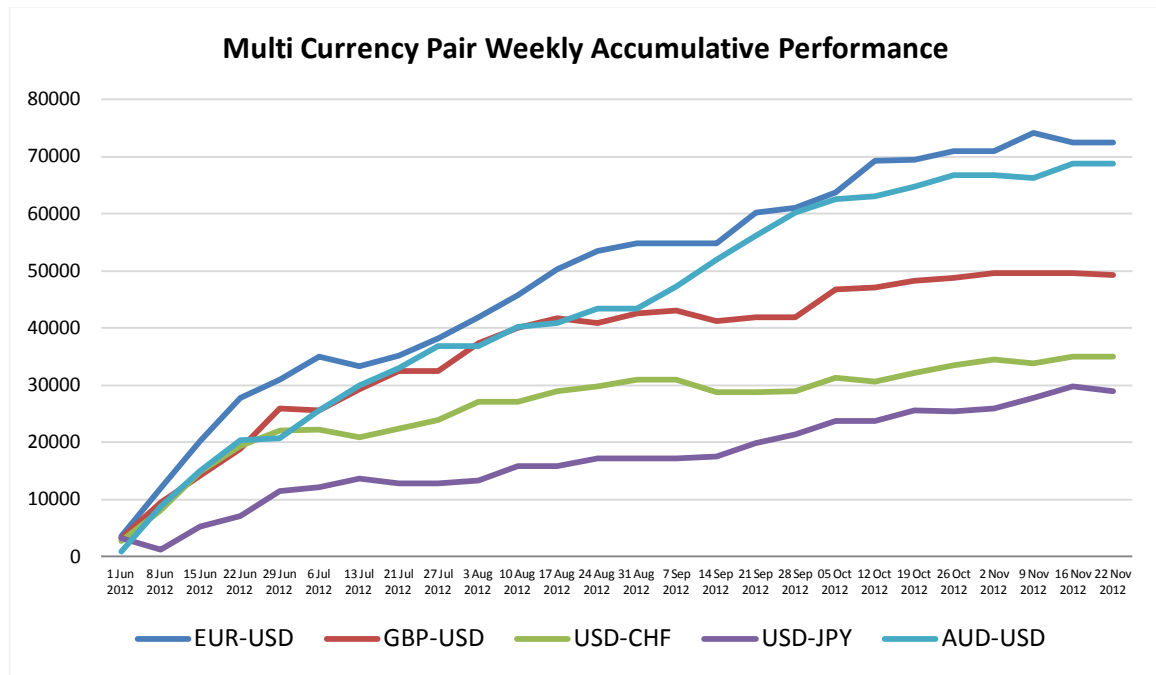


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal between 1.02853-1.03118	1.04119	1.04496	1.02753 STOP

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 16-11-2012								\$68,847.00
						Unrealized	\$0.00		



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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.