

A Traders Academy International Publication

Yen Rallied On BOJ Easing Stance

USD-JPY rose to a multi-month high on Monday on heightened expectations that the Bank of Japan will ease monetary policy at a meeting next week. The Bank of Japan is leaning toward easing again with policymakers discussing additional steps that could come together with a further increase in its asset buying scheme. The central bank has been under renewed pressure to expand monetary stimulus at its Oct. 30 rate review when it is expected to cut its growth forecasts and push back the timing of hitting its 1 percent inflation target.

Dismal data on Japan's exports, which tumbled in September, added to expectations of more policy stimulus from the Bank of Japan.

EUR-JPY hit a high of 104.436, the highest since early May. It settled at 104.384, up 1.06 percent on the day.

USD-JPY hit a peak of 79.921, the highest since July 12. It settled at 79.931, up 0.78 percent on the day. Traders said the Yen could rebound strongly next week if the Bank of Japan disappoints expectations and keeps policy on hold.

EUR-USD, meanwhile, rallied as regional elections in Spain over the weekend removed a potential obstacle for the country's prime minister to request a bailout. EUR-USD was up about 1.6 percent so far in October, gained support from comments by European Central Bank policymaker Joerg Asmussen, who reiterated that the bank's commitment to do everything in its power to show the Euro is irreversible.

Spanish Prime Minister Mariano Rajoy's People's Party secured victory in his home region of Galicia, boosting his austerity drive. The strong showing in Galicia indicates that Rajoy may now have the political capital to make a formal appeal for a bailout, which would be viewed positively by the market. Rajoy, however, faces another test on Nov. 25 when economically powerful Catalonia holds regional elections. For now, the market is relieved that Spain remains relatively unified and that Rajoy can proceed with plans for stabilizing the country's economy, Schlossberg said.

EUR-USD settled at 1.30580, up 0.27 percent, with resistance expected around 1.31380, the Oct. 17 high. Talks of a large 1.30500 options expiry could keep EUR-USD pinned close to that level.

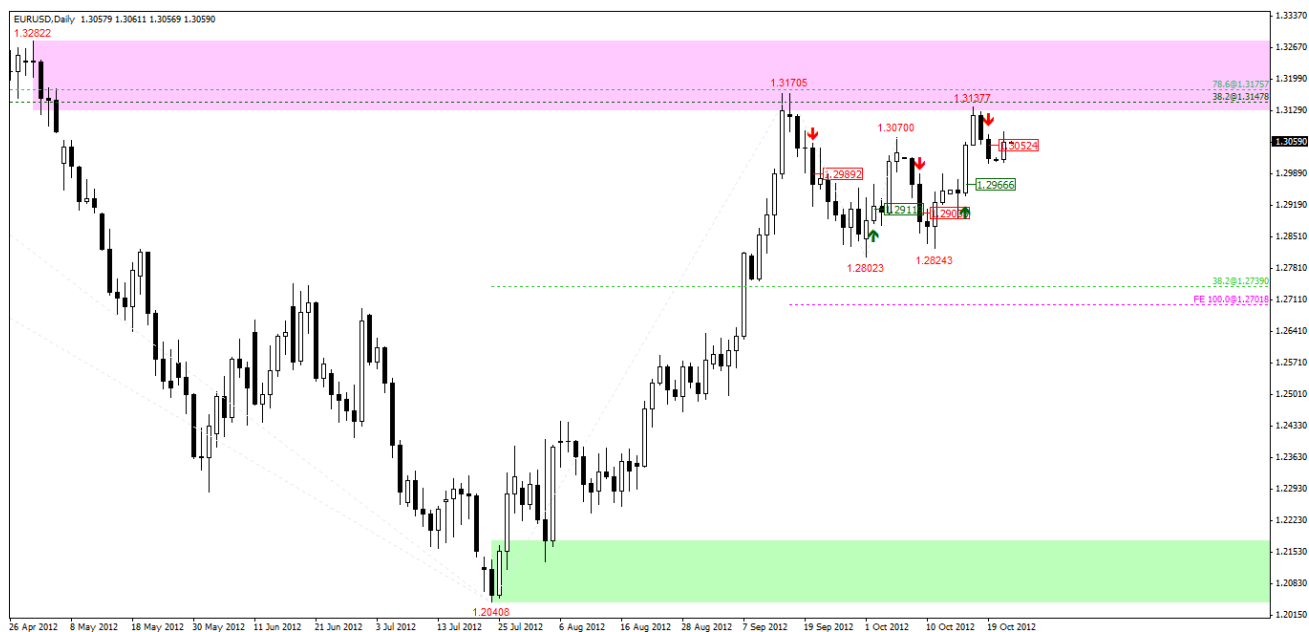
Expectations that Spain will apply for a bailout, prompting the European Central Bank to start buying its bonds, have helped support the Euro in recent weeks, although uncertainty over the timing of such a move was also seen limiting gains. Likewise, a lack of negative news out of Europe should help the Euro for the moment, at least.

The upcoming U.S. presidential election and the U.S.'s looming "fiscal cliff" of budget cuts and tax hikes could switch the market's attention toward the United States and away from the Euro zone.

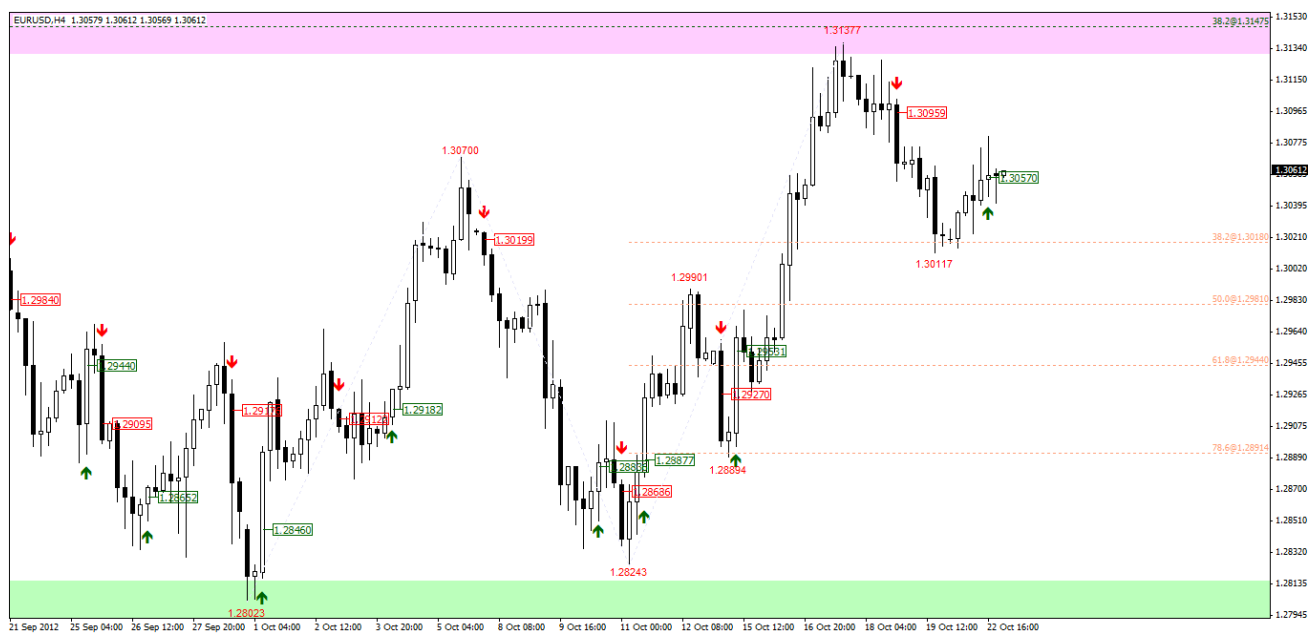
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EUR-USD DAILY



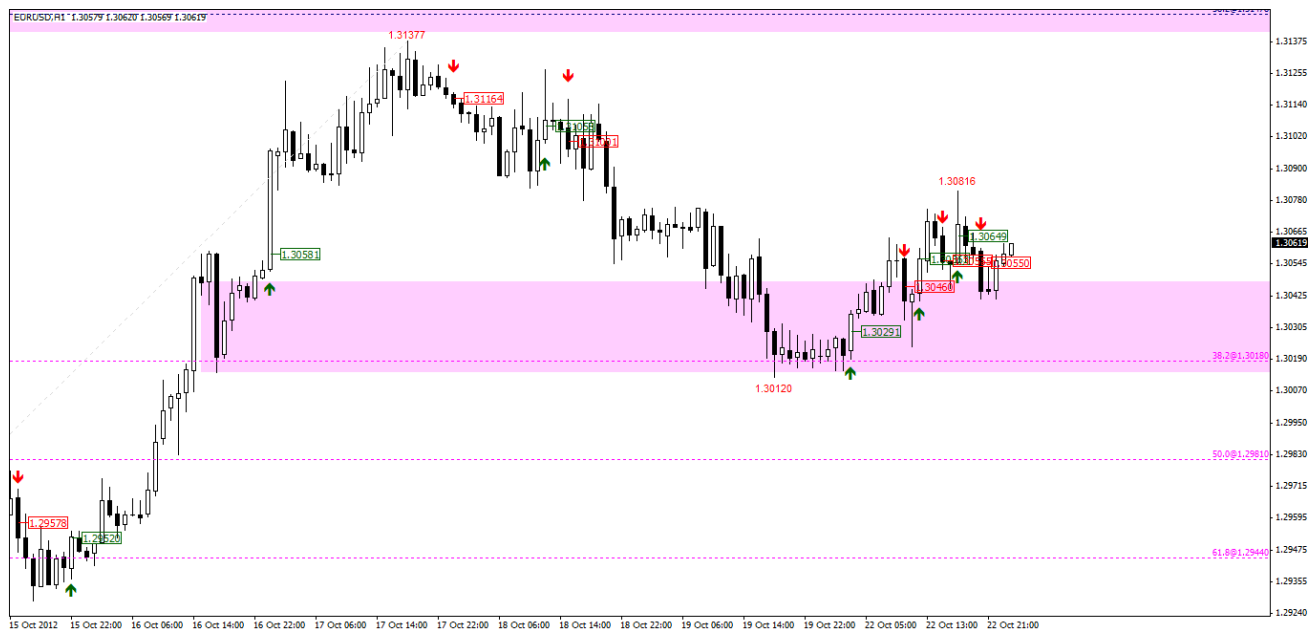
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The aggressive nature of the rally since Oct 11 confirmed the resumption of rally from 1.20408 but as noted, it is crucial that price action does not fall any further from where it settled last Friday. This is because the D1 chart has turned negative having triggered a sell signal with a close below **1.30524** on the back of bearish harami on Friday. If somehow, we have a closing above **1.30652** in the coming sessions, this would negate this sell signal in the D1 chart. If so, a resumption of this rally should take out the September 17 high of **1.31705** at the minimum; with the potential to extend all the way to the major supply zone at **1.33550-1.34847**. As this is the 5th wave of the entire rally from 1.20408, caution should be exercised in chasing this rally. Monday saw price action held at the immediate demand pocket at **1.30140-1.30477** and rebounded, triggering buy signals in both the H1 and H4 charts. If sustained, the immediate focus is the overhead supply pocket at **1.31408-1.31788**. From there onwards, chasing this market higher would increase the risk of a sudden pullback. As mentioned in previous updates, a pullback to recent lows above 1.28000 is probable after this rally exhausts (see D1 chart).

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.30291	1.31705	1.32822	1.30130 STOP

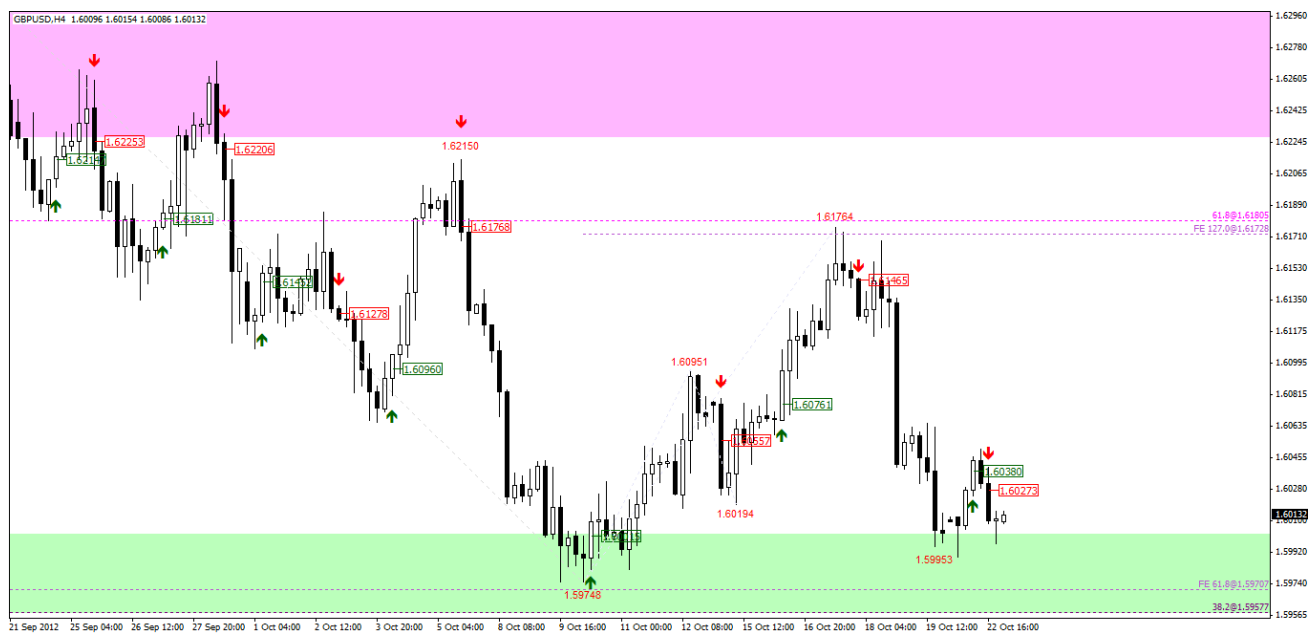
Weekly Performance

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	22-10-2012	1.0	1.30580	+\$289.00		
EUR-USD	22-10-2012	1.0	1.30291	22-10-2012	1.0	1.30580	+\$289.00		
						Unrealized	+\$578.00		

GBP-USD DAILY



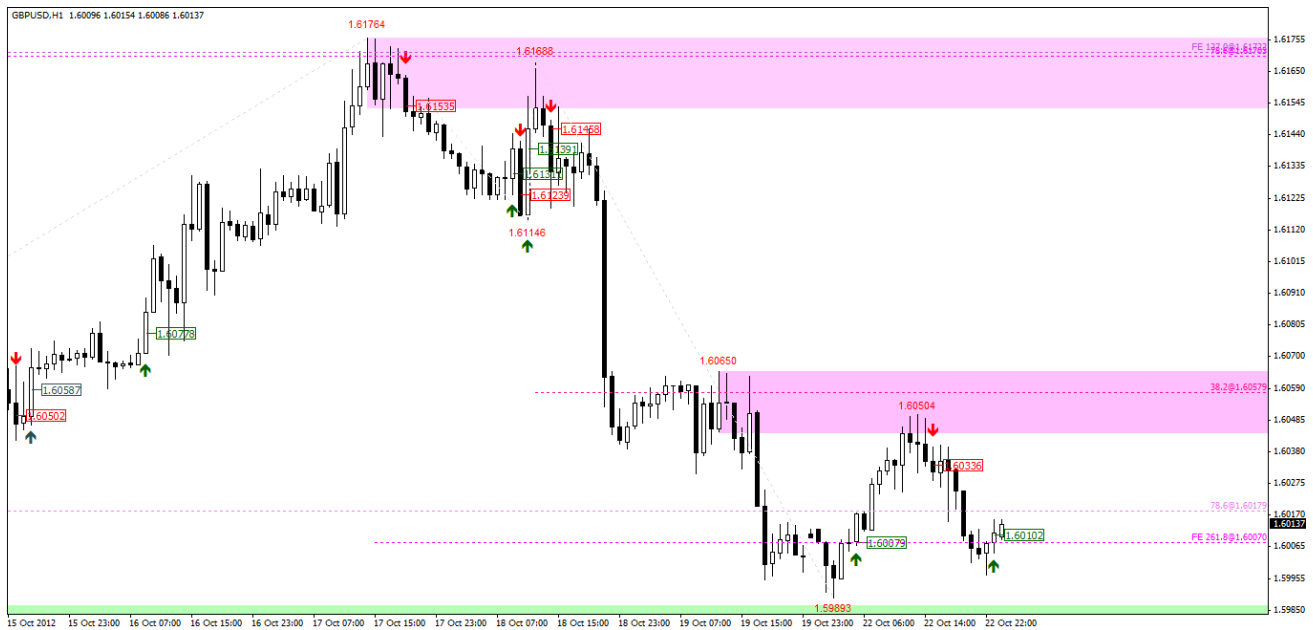
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

The 'failure' scenario mentioned in previous updates is the preferred count in GBP-USD. This does not, however, rule out another attempt at some later stage especially if the current pullback is viewed as part of the 4th wave of the rally from 1.52666. A simple 3-wave pullback should theoretically see price action settling somewhere between the 100.0% and the 127.0% projections of 1.63077 to 1.59748 from 1.61764 at **1.58435** and **1.55520** respectively (see D1 chart). Except for the H1 chart, all time frames are bearish at this stage and as noted in the last update, traders will do well to position on the short side of this market going forward. As we have it, sell signals were triggered in both the H1 and H4 charts in early NY session before buying interests emerging from within the immediate demand pocket at 1.59577-1.59868. (H1 chart has just triggered a buy signal).

GBP-USD 1-HOURLY



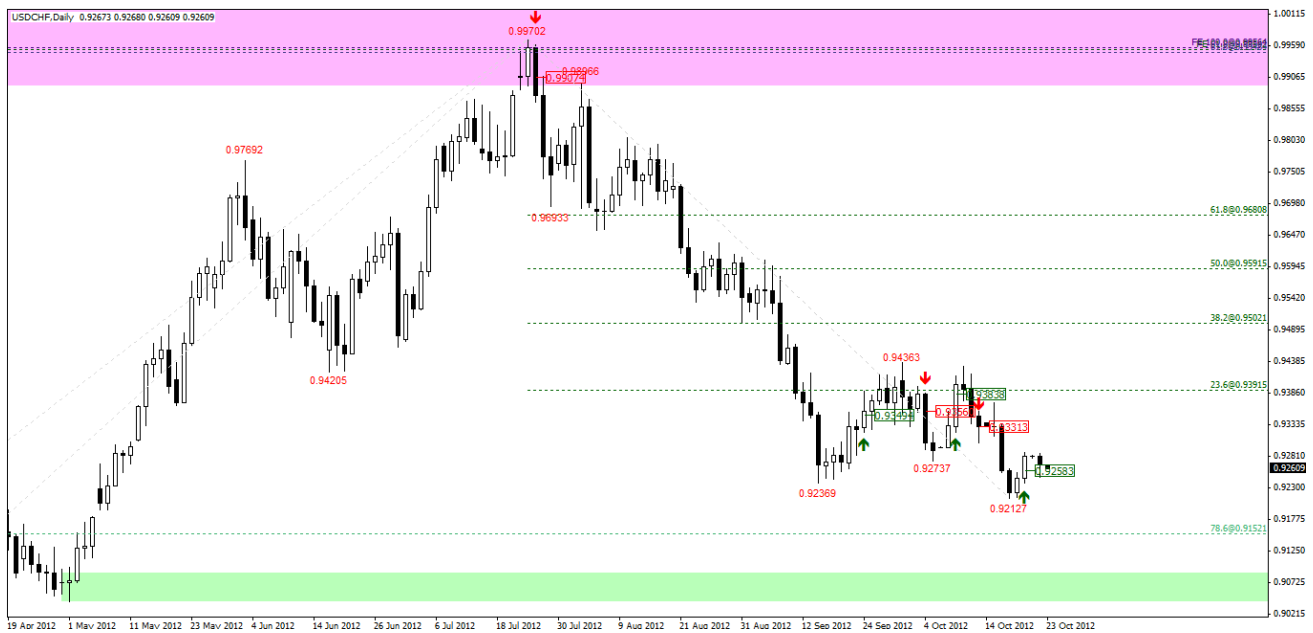
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.60336	1.59748	1.57876	Break-even

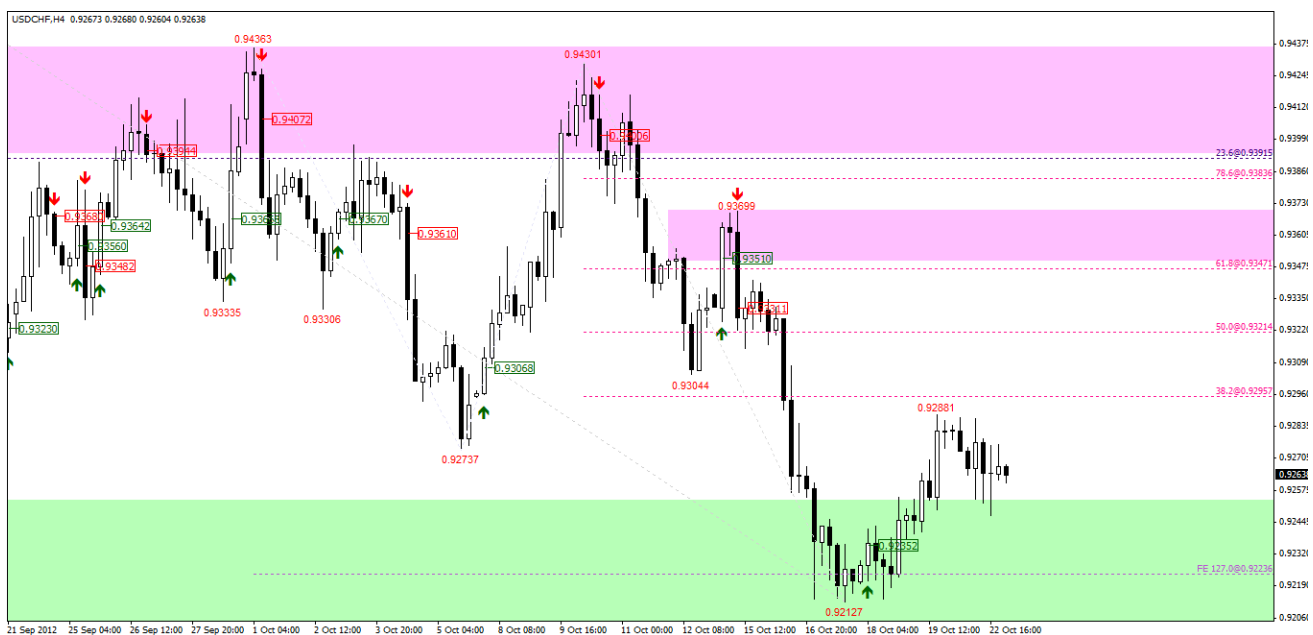
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$48,222.00
GBP-USD	22-10-2012	1.0	1.60109	22-10-2012	1.0	1.60336	+\$227.00		
GBP-USD	22-10-2012	1.0	1.60109	22-10-2012	1.0	1.60336	+\$227.00		
						Unrealized	+\$454.00		

USD-CHF DAILY



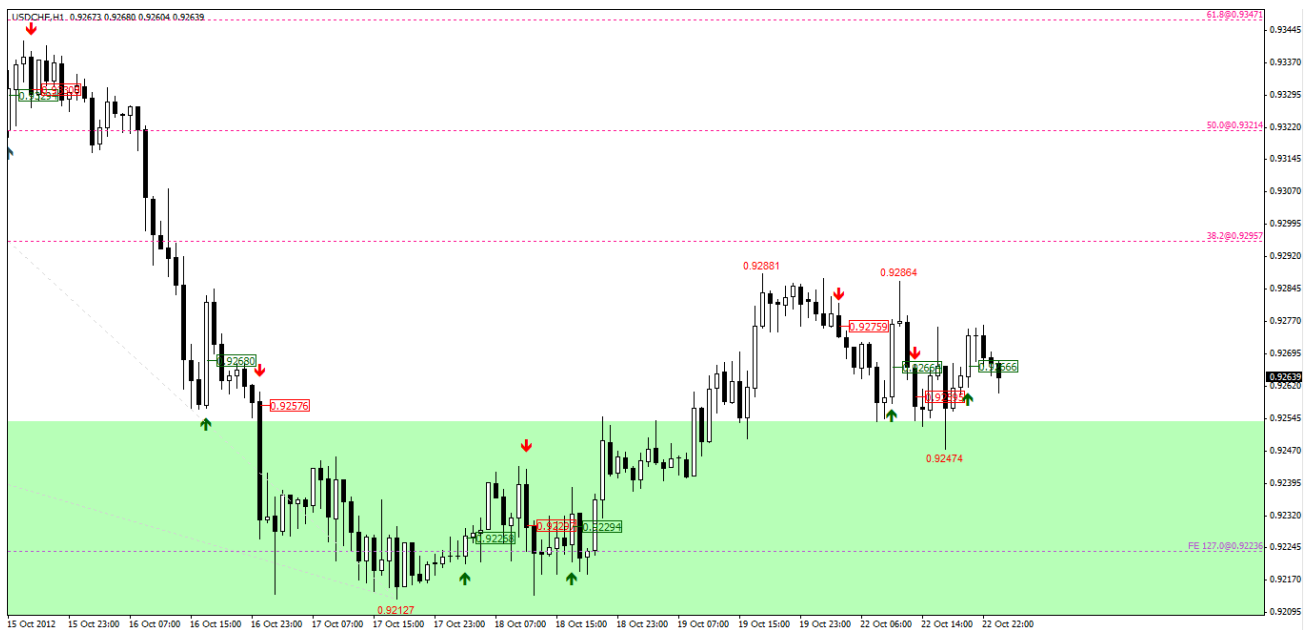
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Since the taking out of the September 14 low of **0.92369** on Wednesday, the fall from the July 24 high of 0.99702 is deemed 'completed' and is thus vulnerable to a correction. This bullish view is enhanced by the failed rally and subsequent near collapse in GBP-USD seen last week. As such, a corresponding rally in USD-CHF has heightened considerably. With buy signals dominant in the D1 and H4 charts, the rebound mentioned in previous updates is probably in play right now. For those who managed to go long on buy signals within the demand pocket at **0.91933-0.92537** (having hit and held at the 127.0% projection of 0.94363 to 0.92737 from 0.94301 at **0.92239**), the potential is the recent highs at **0.94301** and **0.94363** respectively.

USD-CHF 1-HOURLY



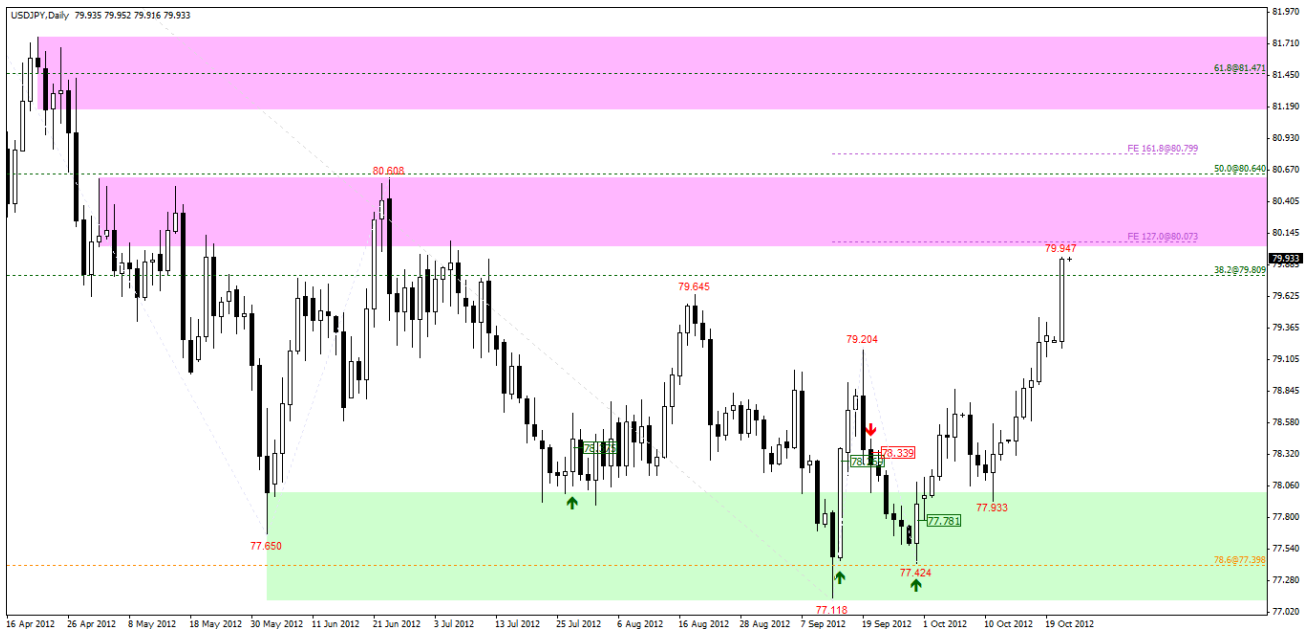
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.92352	0.93214	0.93501	0.91833 STOP

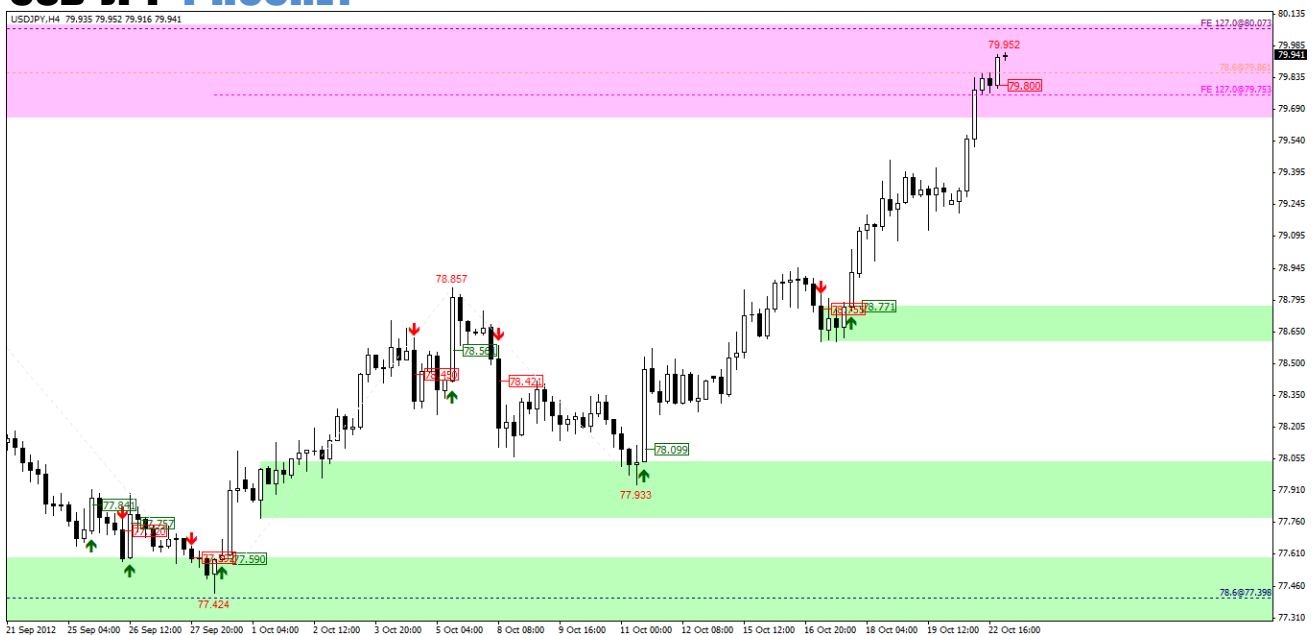
Weekly Performance

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	22-10-2012	1.0	0.92672	+ \$345.30		
USD-CHF	18-10-2012	1.0	0.92352	22-10-2012	1.0	0.92672	+ \$345.30		
						Unrealized	+ \$690.60		

USD-JPY DAILY



USD-JPY 4-HOURLY

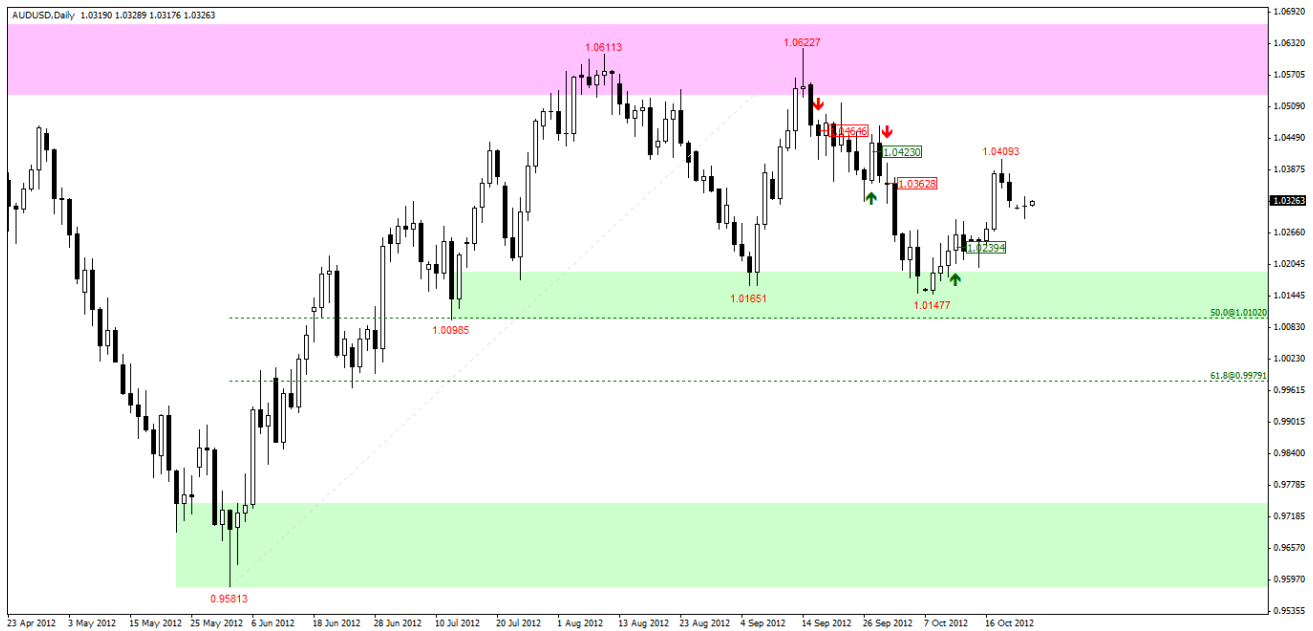
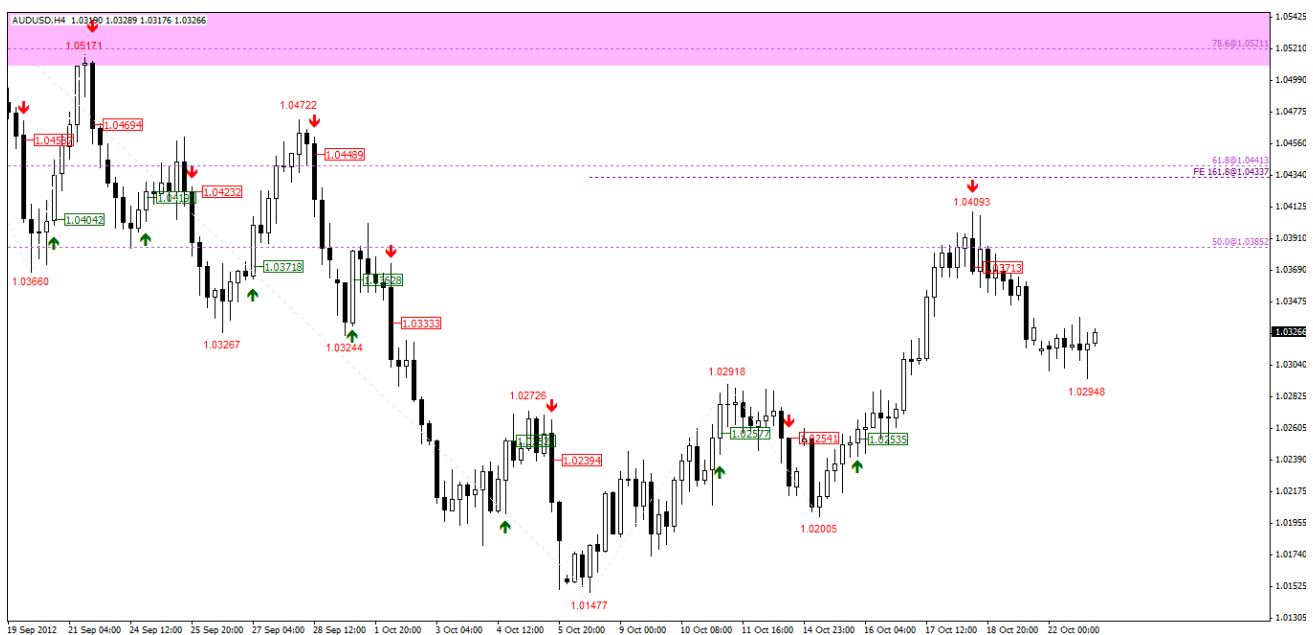


USD-JPY Short to Medium Term Views

Monday witnessed a rather robust rally to a 5-month high at 79.947 (current high is 79.952). This is a consecutive 8 trading sessions of gains - a remarkable feat for USD-JPY. As noted, even the W1 chart had a buy signal triggered and as such, the entire complex of this rebound is rather bullish. Immediate focus is the supply pocket at **79.747-80.082**. As mentioned, this zone has not one but three Fibonacci ratios residing within it. (1) the 127.0% projection of 77.424 to 78.857 from 77.933 at **79.753** is located. (2) the 78.6% retracement of 80.608 to 77.118 at 79.861 and lastly (3) the 127.0% projection of 77.118 to 79.204 from 77.424 at **80.073** (see H4 chart). As such, this zone is a very sensitive area for profit-taking to emerge. A close below **79.880** in the H1 chart would invariably triggers a sell signal. A subsequent close below **79.800** in the H4 chart too would trigger a sell signal. In the larger picture, this market is consolidating between the June 25 high of **80.608** and September 13 low of **77.118**. This band can be further refined as between the supply pocket at **80.357-80.608** and demand pocket at **77.118-77.592**. Right now, price action is within the upper band of this consolidative pattern. It remains to be seen if price action is strong enough to break out of this holding pattern. Above this band lies yet another supply pocket at **80.357-80.608**.

ACTION	Target 1	Target 2	EXIT
Sell on H1 ckose below 79.880	78.771	78.041	80.182 STOP

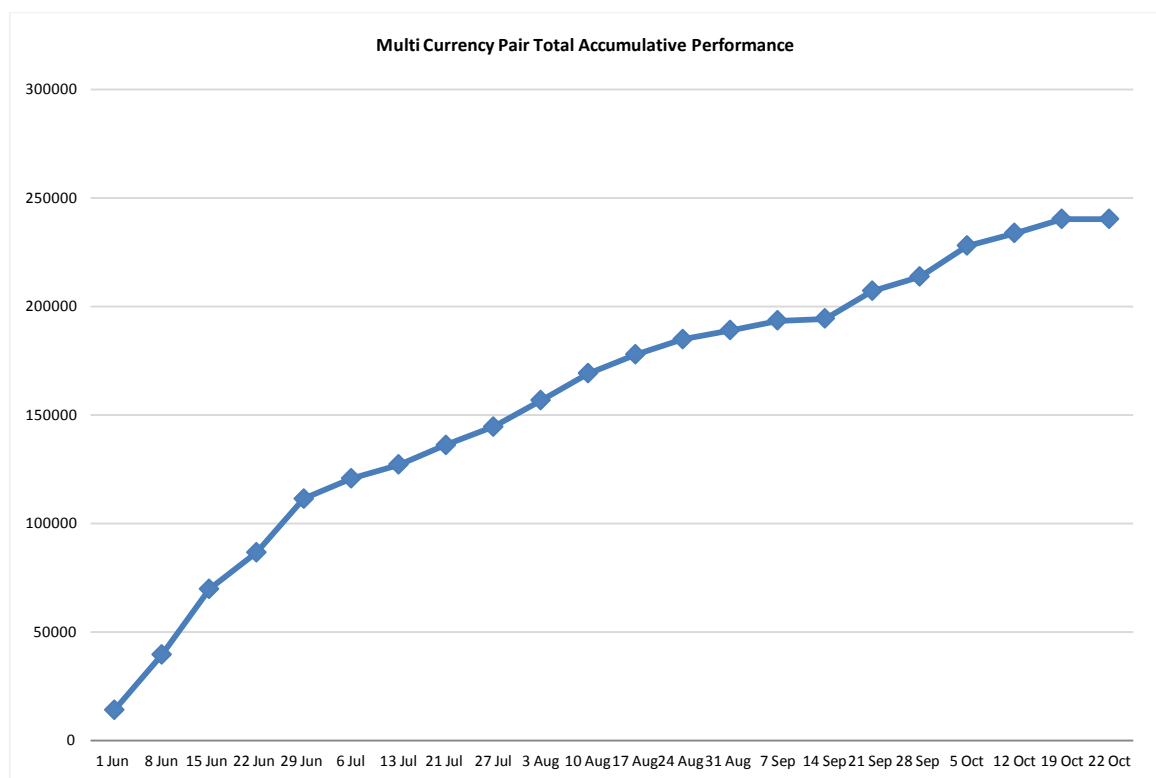
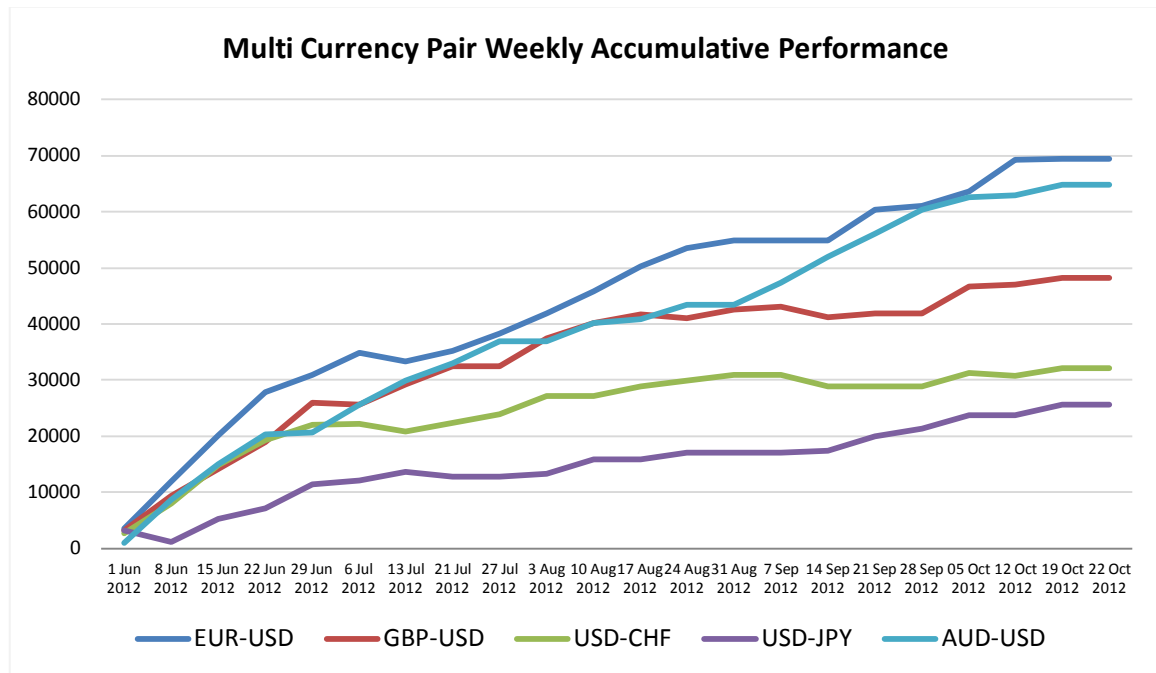
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$25,556.69
						Unrealized	\$0.00		

AUD-USD DAILY**AUD-USD 4-HOURLY****AUD-USD** Short to Medium Term Views

Friday saw a contest of will between bulls and bears centered around the 50.0% retracement of 1.06227 to 1.01477 at **1.03852** and the 127.0% projection of 1.01477 to 1.02918 from 1.02005 at **1.03835** within the supply pocket of **1.03722-1.04011**. In the end, the bears were victorious. Monday saw follow-through selling with buying interests emerging from around the 50.0% retracement of 1.02005 to 1.04093 at **1.03049**. Ideally, price action should extend towards the demand pocket at **1.02500-1.02657** as well as the other at **1.02005-1.02265**. However, a buy signal was triggered with a close above **1.03147** in the H1 chart in late NY trading. If sustained, may signal the resumption of the rally from 1.01477 with focus on the supply pockets at either **1.06010-1.06677** or **1.07334-1.08542** respectively.

ACTION	Target 1	Target 2	EXIT
Sold @ 1.03713	1.02647	1.02265	Exit on H4 close above 1.03226

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 19-10-2012								\$64,824.00
AUD-USD	22-10-2012	1.0	1.03187	19-10-2012	1.0	1.03713	+\$526.00		
AUD-USD	22-10-2012	1.0	1.03187	19-10-2012	1.0	1.03713	+\$526.00		
						Unrealized	+\$1,052.00		



Website under development

Traders Academy International

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.

Non Affiliation Policy

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.