

A Traders Academy International Publication

Dollar Rallied Broadly After Job Numbers

The U.S. Dollar rallied broadly on Friday, hitting a more than 6-month peak against the Japanese Yen and a 1-month high versus the Euro, after data showed the U.S. economy created more jobs than expected last month.

The U.S. Dollar added to its gains versus the Euro, Sterling, Swiss Franc and the Australian Dollar after the major U.S. stock indexes surrendered gains and turned negative, boosting demand for the safe-haven Dollar. U.S. stocks extended losses, with both the Dow Jones industrial average and the NASDAQ composite index falling 1 percent.

U.S. employers stepped up hiring in October by adding 171,000 jobs, exceeding expectations. The unemployment rate ticked higher to 7.9 percent, in line with market expectations, with the increase resulting from more workers restarting their job hunts.

EUR-USD fell more than 100 pips to hit a low of 1.28201 - its lowest since Oct. 1. It settled at 1.28355, down 0.9 percent. The Euro has also been weighed down by a Greek court ruling on Thursday indicating that pension reform demanded by foreign lenders may be unconstitutional. That raised concerns about Greece's ability to implement the austerity measures needed to secure bailout funds.

EUR-USD has held within the 1.28000-1.32000 range seen since September, underpinned by the European Central Bank's pledge to buy the bonds of indebted Euro-zone countries that seek aid.

Over in the option market, the 1-month implied volatility on EUR-USD options fell to 7.55 percent; suggesting that the pair is likely to trade in a range in coming weeks.

For the week, EUR-USD fell about 0.9 percent, the biggest weekly drop since the end of September. USD-JPY rose about 1 percent. EUR-JPY slid 0.5 percent to 103.231.

USD-JPY hit a high of 80.660, its highest since April 27. It settled at 80.417, up 0.3 percent.

Recent soft Japanese data and corporate earnings have pressured the Japanese Yen. Third-quarter economic output data, due on Nov. 11, is also likely to have contracted. A few Bank of Japan board members warned that a recession in the world's third-largest economy could not be ruled out, given recent weakness in industrial production, minutes of the BOJ's Oct. 4-5 policy meeting showed - a sign more stimulus may be necessary.

With the jobs data out of the way, traders are quickly turning attention to the U.S. presidential election on Tuesday. Polls show Obama and Republican Mitt Romney locked in a dead heat in a race in which the nation's feeble jobs market has been front and centre. A Romney win will help investor confidence and that will bring some foreign capital, which has been sitting on the sidelines, back into the U.S. market, possibly driving the U.S. Dollar and equities higher.

Some, however, are less sure about a sustained rise in the U.S. Dollar as traders fret over the so-called "fiscal cliff" of looming tax rises and spending cuts in the United States. Over the course of the next month, traders expect USD-JPY to move lower. Any upside above the 81.000 handle would be surprising given the U.S. negativity surrounding the fiscal cliff.

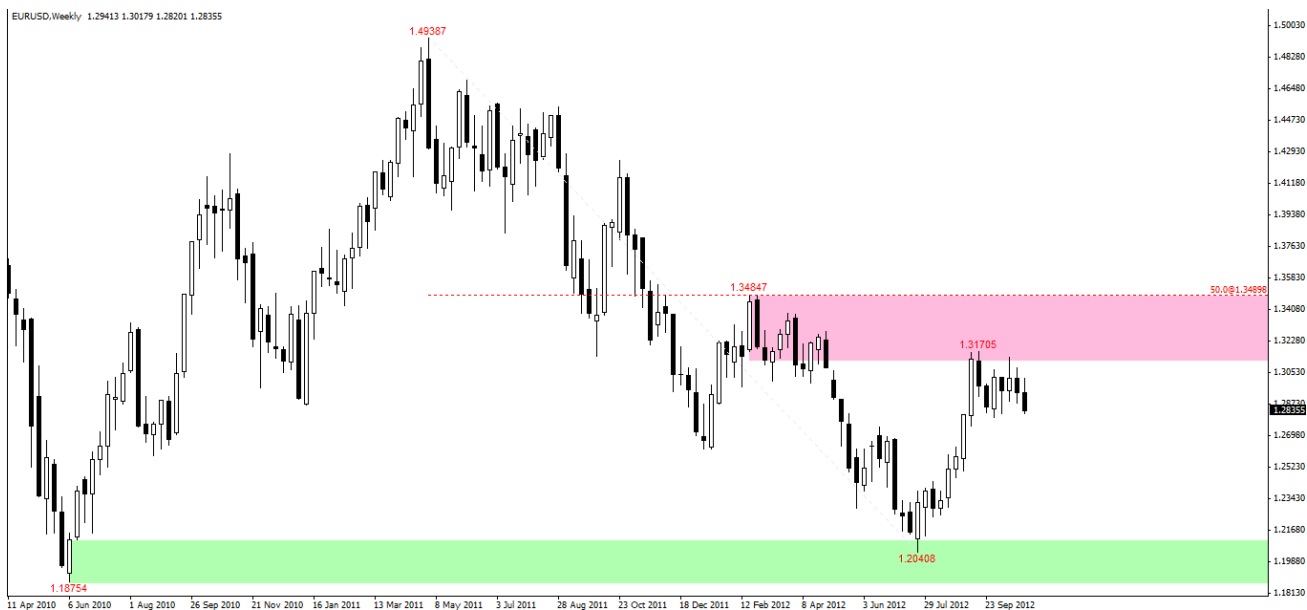
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EUR-USD MONTHLY



EUR-USD WEEKLY



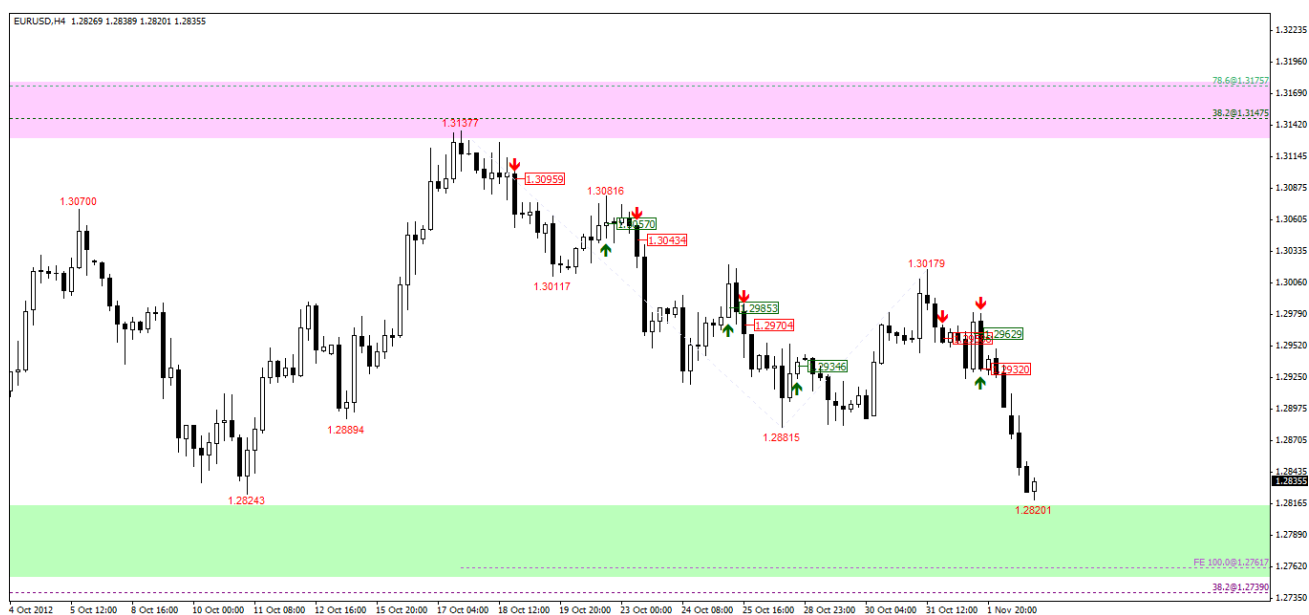
EUR-USD The Big Picture

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 1.49387 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 7 weeks ago in the W1 week chart, a close below 1.28083 would have triggered a sell signal. To date, that has not happen but that may change in the coming week. Should this sell signal be triggered, it would suggest that the longer-term fall from 1.49387 have resumed. Focus would then 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

Signs of a potential reversal first appeared on Wednesday after price action spiked into the overhead supply pocket at **1.30103-1.30816** (where the 50.0% retracement level of 1.31377 to 1.28815 at 1.30096 was). By the end of Wednesday, the market closed as a long-legged shadow doji in the D1 chart, further suggesting that this market is setting up for further decline in prices. Last night's closing below **1.29016** confirmed this sell signal. This is on top of an earlier sell signal at **1.30524** seen 2 weeks ago. Earlier reports allured to the possibility that another attempt at the demand pocket at **1.27533-1.28159** (which is located just above the 38.2% retracement of 1.20408 to 1.31705 at **1.27390**) may be made on Friday. That was exactly what happened. Price action hit a low of **1.28201** and light profit-takings set in right after the currency futures market closed in Chicago. At any rate, this demand pocket is located just below the 100.0% projection of 1.31705 to 1.28023 from 1.31377 at **1.27695**. Since the medium-term view is that rise from 1.20408 was impulsive and the current pullback from 1.31705 is viewed as part of a 4th wave correction, a rally beyond the September 17 high of **1.31705** is anticipated. Therefore, should a buy signal appears within or near the demand pocket at **1.27533-1.28159**, the idea is to go long there with a tight stop just below this zone (see D1 chart).

EURUSD, H1 1.28293 1.28377 1.28283 1.28355

1.28815 1.29416 1.29955 1.30179

1.280201

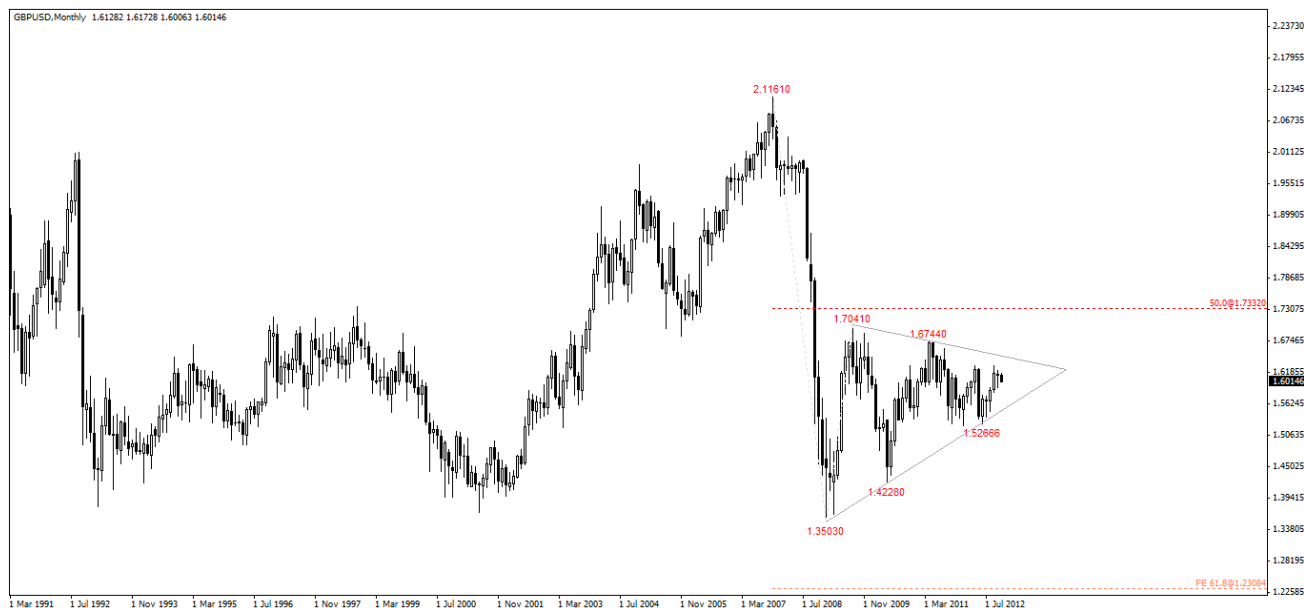
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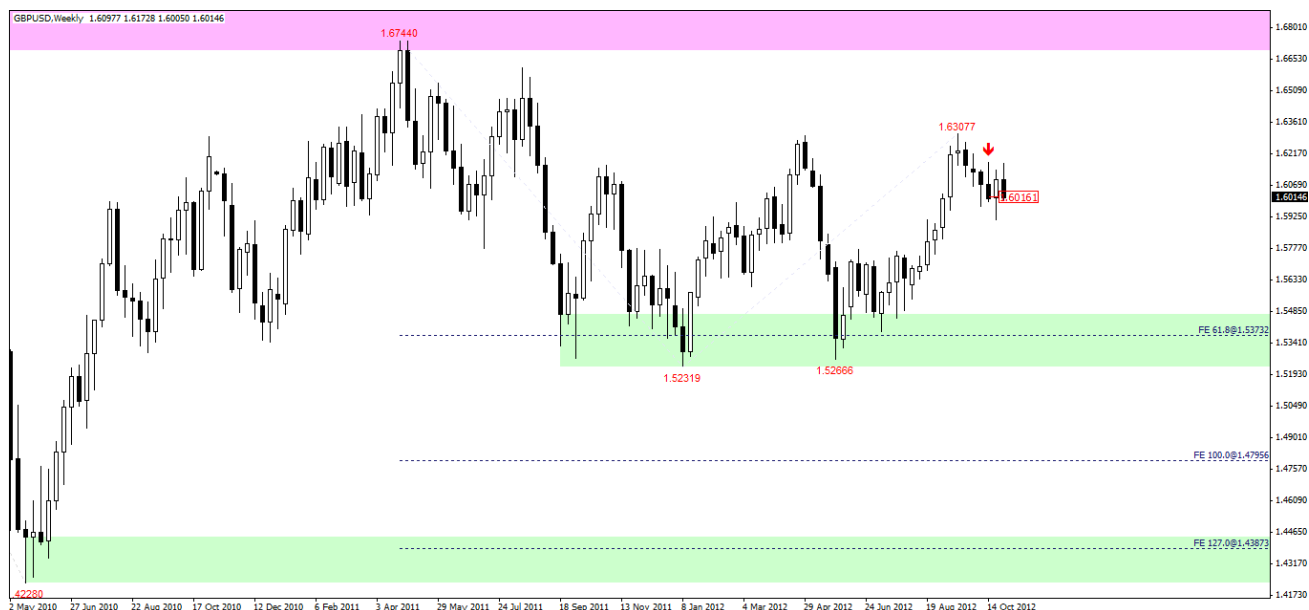
ACTION	Target 1	Target 2	EXIT
Sold @ 1.30261	1.29347 Realized	1.28159	Exit on D1 close above 1.29416
Sold @ 1.29966	1.29347 Realized	1.27390	Exit on D1 close above 1.29416

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 26-10-2012								\$70,956.00
EUR-USD	02-11-2012	1.0	1.28355	23-10-2012	1.0	1.30261	+\$1,906.00		
EUR-USD	02-11-2012	1.0	1.28355	25-10-2012	1.0	1.29966	+\$1,611.00		
						Unrealized	+\$3,517.00		

GBP-USD MONTHLY



GBP-USD WEEKLY



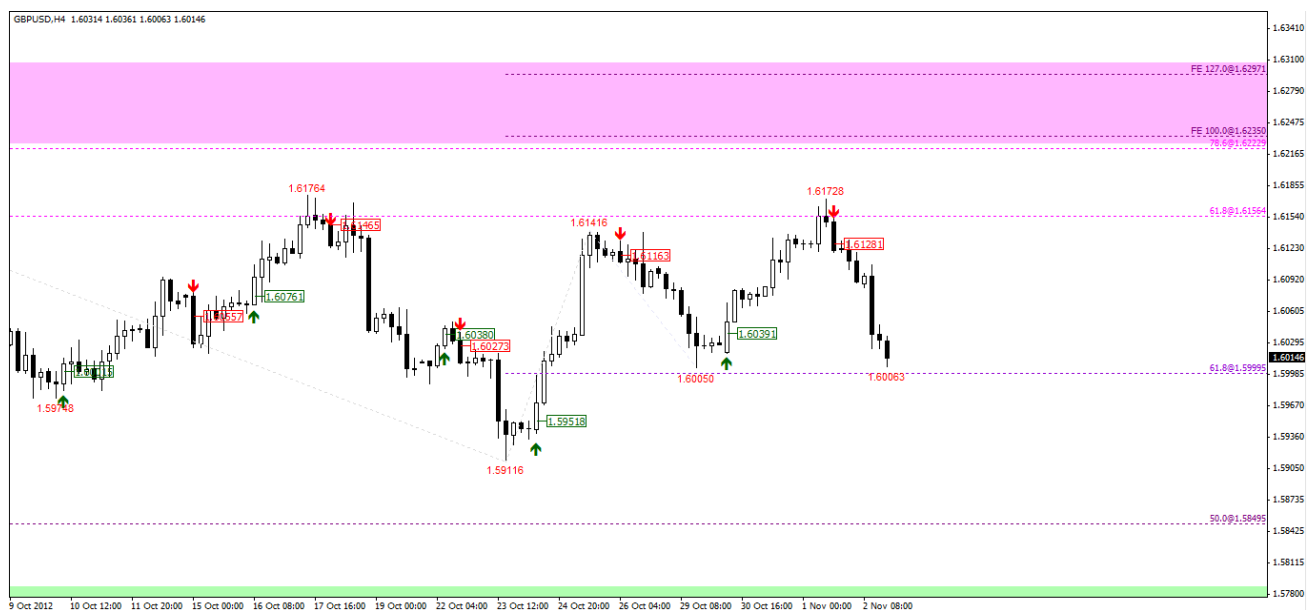
GBP-USD The Big Picture

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. 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 sixth week running, this market has seen persistent profit-takings. As we have it, a fortnight ago, a sell signal was triggered in the W1 chart with a close below **1.60160**. This is confirmation needed that the rebound from 1.52666 is over. But it was no so straight forward. The following week saw a rebound which continued into this week. By Thursday, signs of a potential reversal emerged in the form of a bearish hamari in both the H1 and H4 charts as well as a shooting star in the D1 chart. As noted, 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. The nearest longer-term target is the 61.8% projection of 2.11610 to 1.35030 from 1.70410 at **1.23084**, which is roughly equidistance from the widest part of the triangle.

GBP-USD DAILY



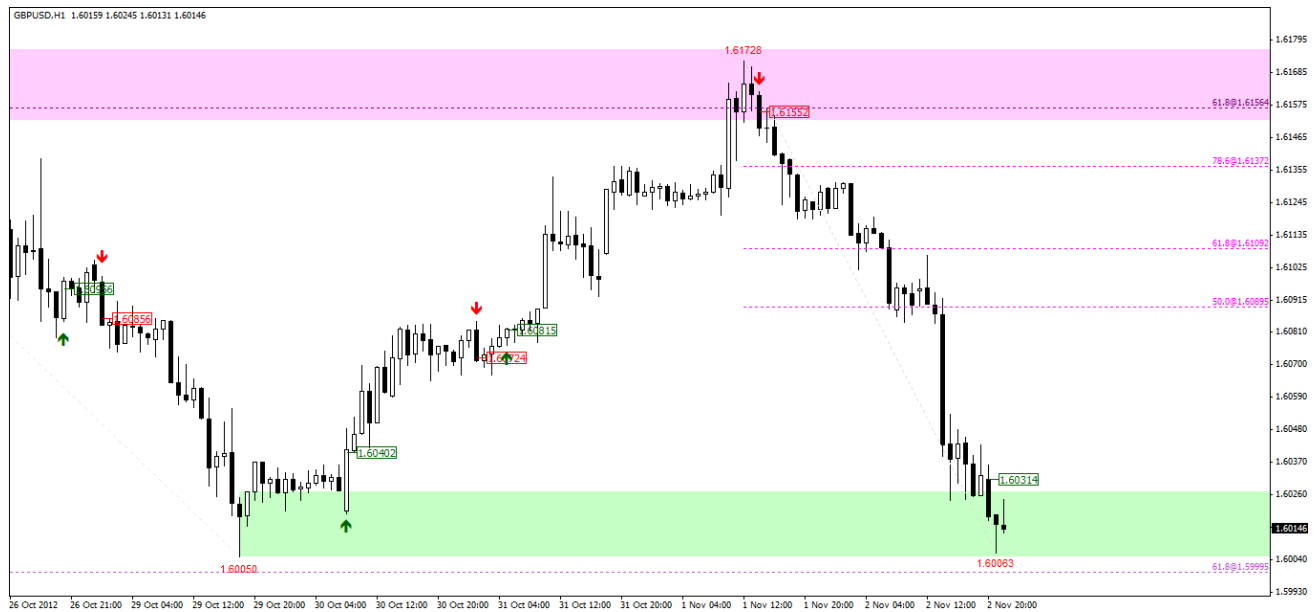
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

The medium-term view that the rally from 1.52666 is the beginning of a potential 5-wave up took a massive hit on Friday. The idea that price actions from 1.63077 to 1.59116 were part of a 4th wave correction and had terminated at 1.59116 last week was debunked. While the probability that the rally from 1.52666 has resumed was still alive before Friday, the fact that sell signals were flashing in the smaller time frames were signs of things to come. Sell signals were triggered in both the H1 and H4 charts with closes below **1.61552** and **1.61281** respectively - on top of a shooting star in the D1 chart. A close below **1.60782** in the D1 chart too would invariably triggers a sell signal. In one single breath, price action fell all the way to the demand pocket at **1.60050-1.60272** with a print at 1.60063 (see H1 chart). With all time frames (except MN chart) now showing sell signals, it is imperative to stay on the short side of this market - but not at current level. Ideally, a rebound takes place next. In the H1 chart, a close above **1.60314** would suggest the onset of profit-takings. An ideal target is the window between the 50.0% and 61.8% retracement of 1.61728 to 1.60063 at **1.60896** and **1.61092** respectively. Should this scenario pans out and if and when sell signal appear there, take them.

GBP-USD 1-HOURLY



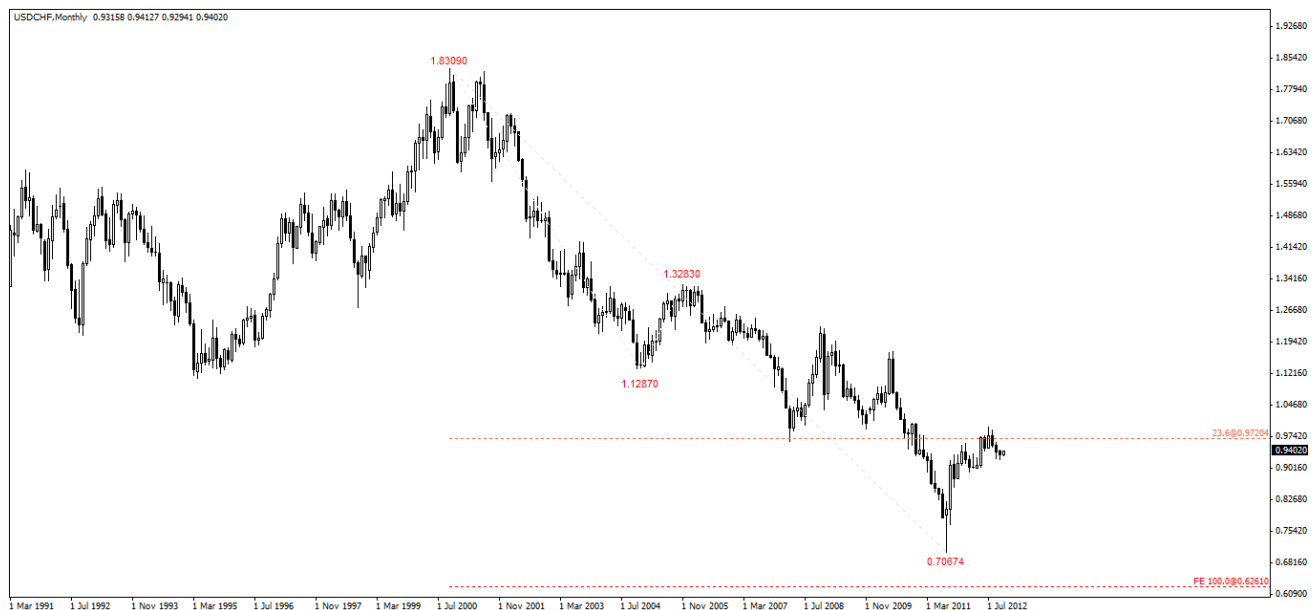
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal at or near 1.60896-1.61092	1.59223	1.57871	1.61415 STOP

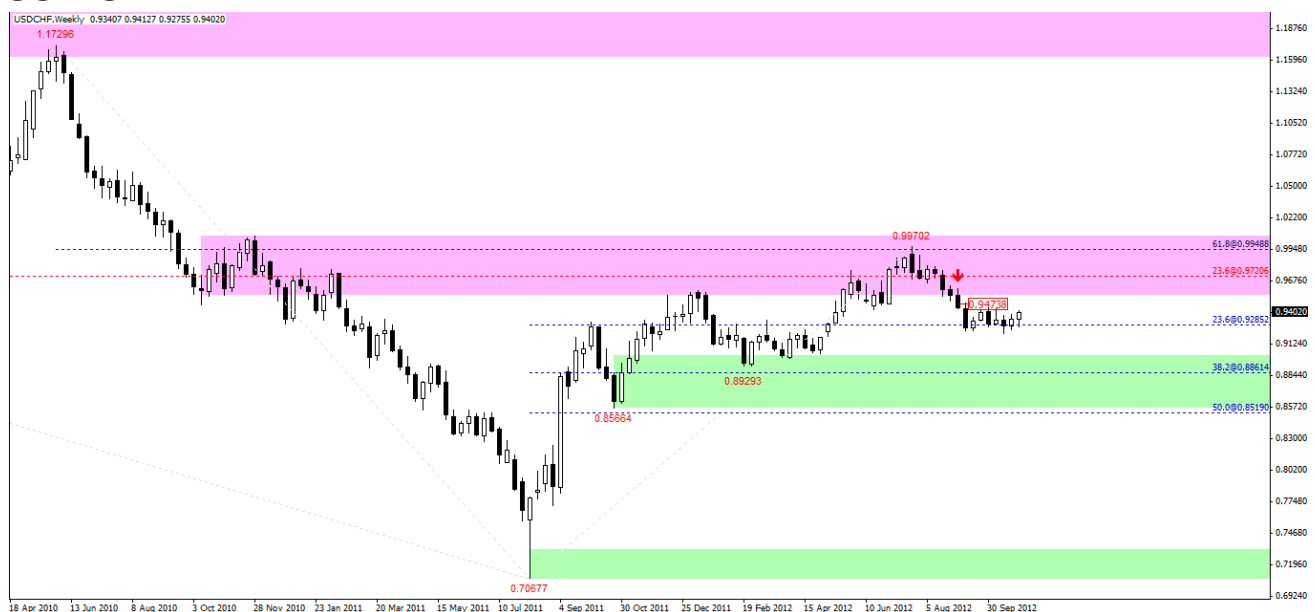
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 26-10-2012								\$48,810.00
GBP-USD	30-10-2012	1.0	1.60402	01-11-2012	1.0	1.61281	+\$879.00	+\$879.00	\$49,689.00
GBP-USD	30-10-2012	1.0	1.60402	02-11-2012	1.0	1.60782	+\$380.00	+\$380.00	\$50,069.00
						Unrealized	\$0.00		

USD-CHF MONTHLY



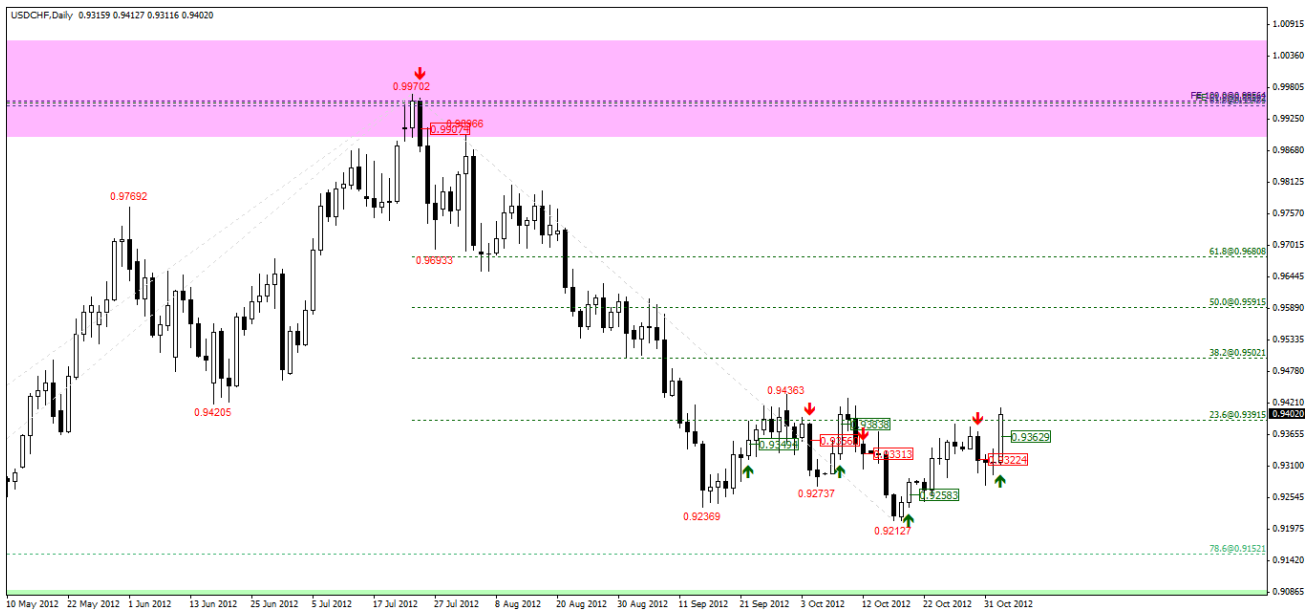
USD-CHF WEEKLY



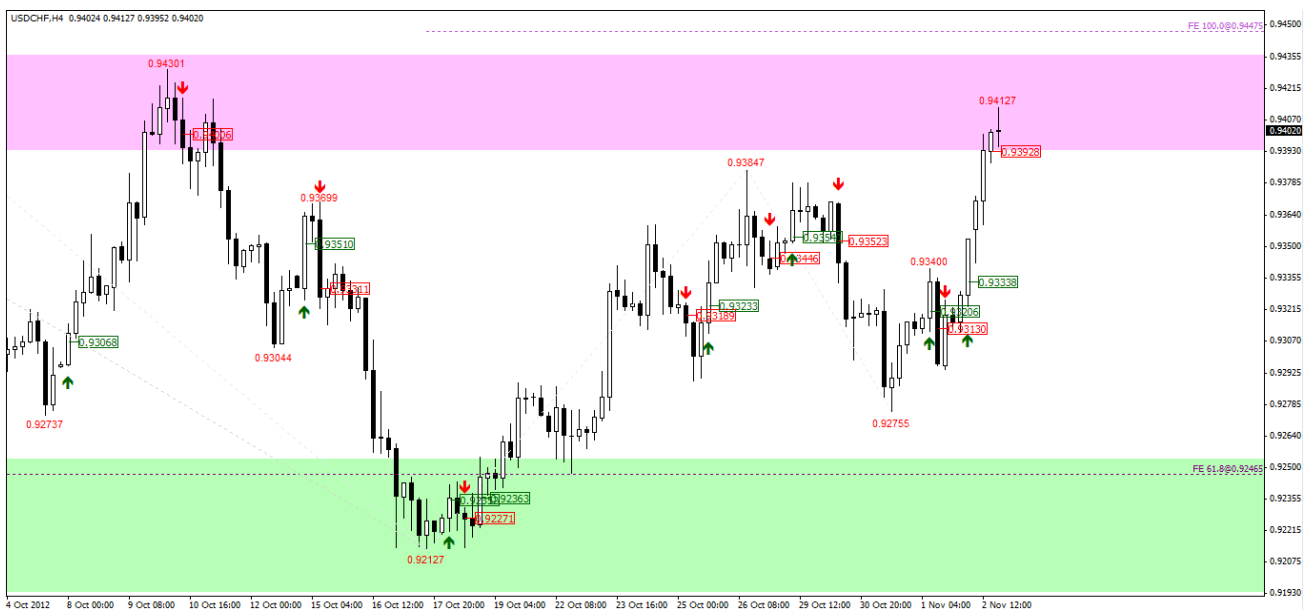
USD-CHF The Big Picture

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** (see D1 chart), selling interests emerged; having taken price action to a 18-week low of **0.92127** two weeks ago. This is just above the 23.6% retracement of 0.70677 to 0.99702 at **0.92852**. Price action consolidated along this level for 8 weeks but that is about to change now. With Friday's strong rally, and should this rally accelerates to the upside, price action will most likely mount a challenge on the July high of **0.99702**.

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

What a day makes. Before Friday, the outlook for this market was decidedly muddled with conflicting signals across different time frames. While structurally, Tuesday's fall suggested the resumption of the fall from the July 24 high of 0.99702 may have started in the form of another set of 3-waves to possibly the 100.0% or 127.0% projection of 0.94363 to 0.92127 from 0.93847 at **0.91611** or **0.91007** respectively. Alternatively, if the fall from the July 24 high of 0.99702 is deemed 'completed' (it has a clear 5-wave down) then price action should rally. This was exactly what happened on Friday. While the surprising 'good' employment number from last night NFP initially caused US equities to jump, stocks started to fall which inadvertently resulted in traders jumping back into the 'safety' of the US Dollar (US equities and US has an inverse correlation). On hindsight, the seed for this rally was planted as early as Wednesday when the market ended as a long-legged shadow doji in the D1 chart. Friday closing above **0.93629** triggered a buy signal. With the D1, H4 and H1 charts showing buy signals; the natural tendency is to chase the market. However, doing so carries some risks. This is because price action is currently within a known supply pocket at **0.93941-0.94363**. Moreover, with the H4 chart ending with the appearance of a long-legged shadow doji, this portends the possibility of a reversal going forward. A close below **0.93928** there would invariably triggers a sell signal. In the meantime, a sell signal triggered just before closing with a close below **0.94024** in the H1 chart. With the market in an area of known supply and near the top of the 4th wave, chasing this market at current level is not a particularly smart move.

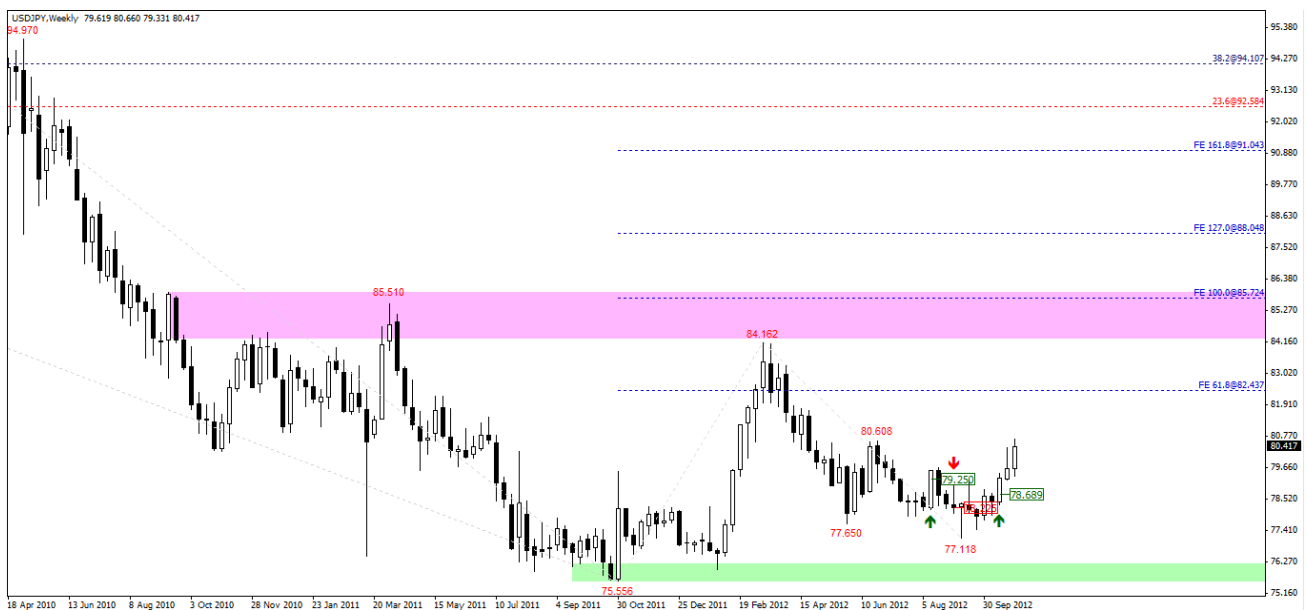
ACTION	Target 1	Target 2	EXIT
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Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 26-10-2012								\$33,516.33
USD-CHF	18-10-2012	1.0	0.92352	30-10-2012	1.0	0.93224	+\$935.38	+\$935.38	34,451.71
USD-CHF	25-10-2012	1.0	0.93079	30-10-2012	1.0	0.93079			
						Unrealized	\$0.00		

USD-JPY MONTHLY



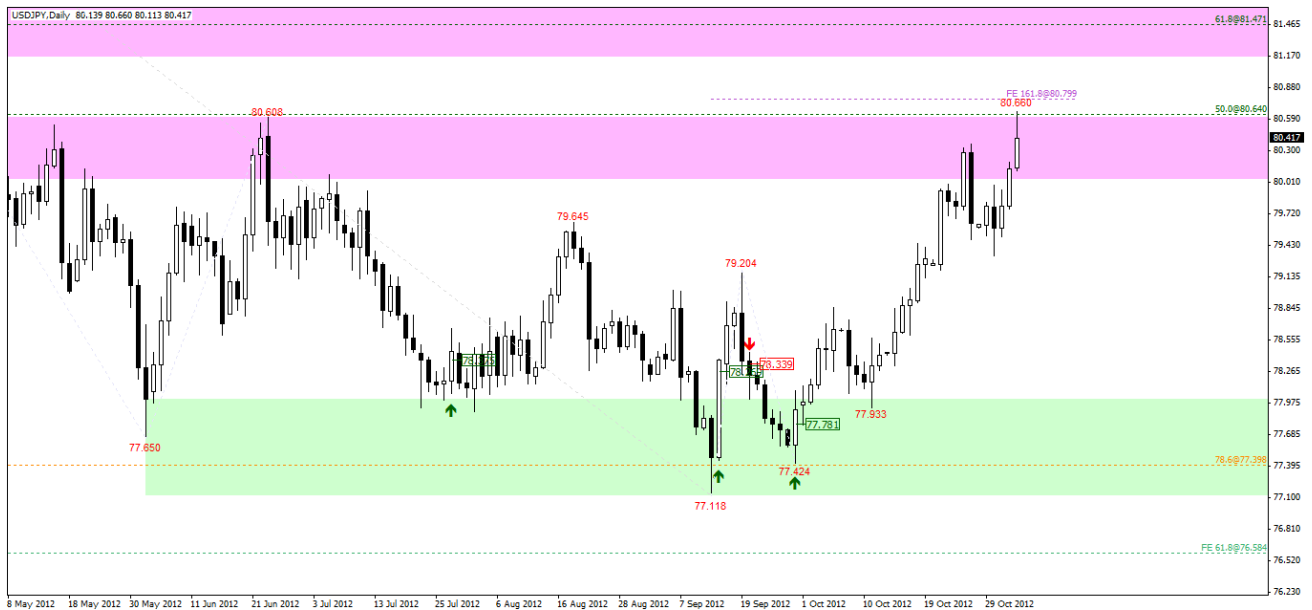
USD-JPY WEEKLY



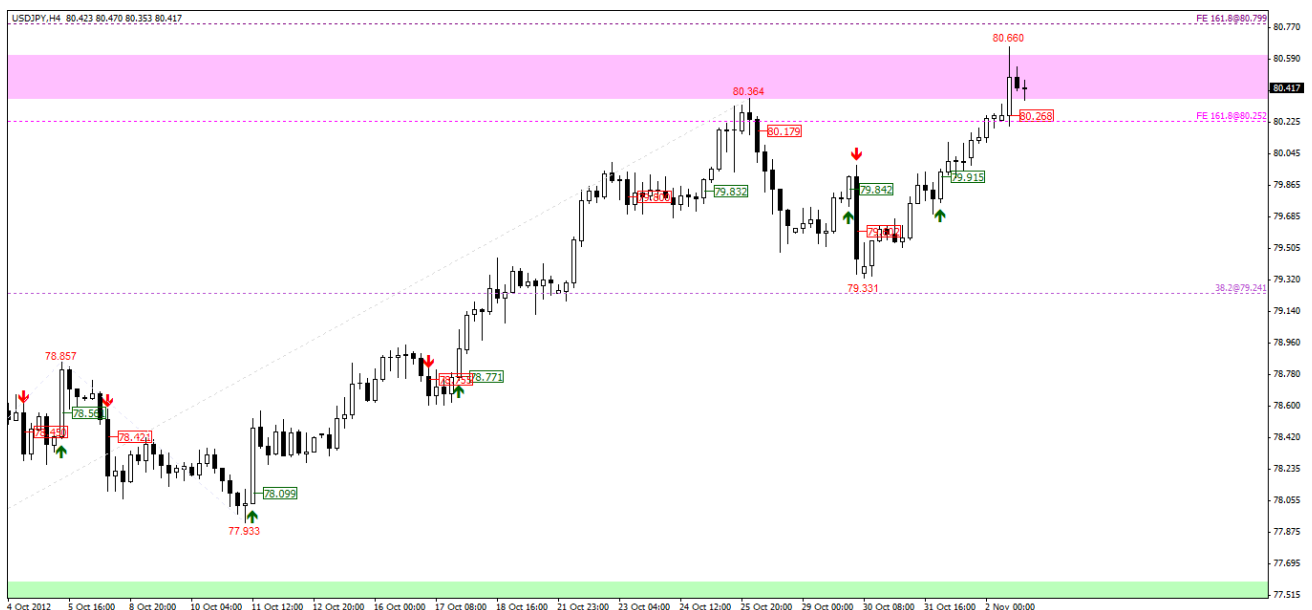
USD-JPY The Big Picture

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



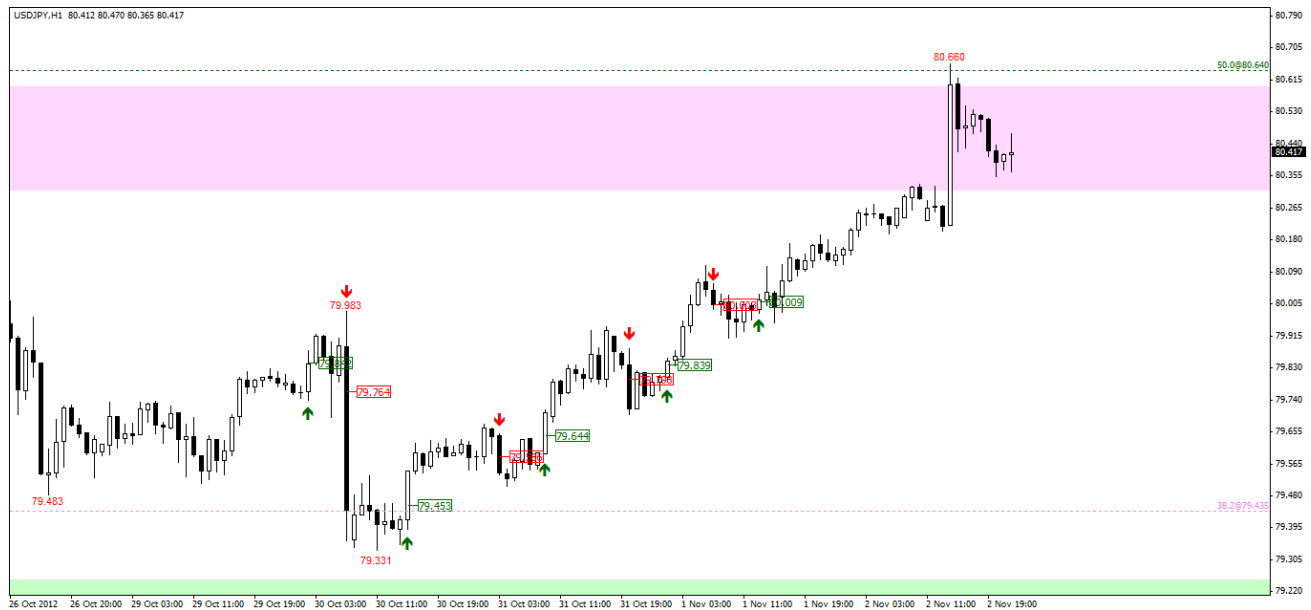
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

With the much anticipated BOJ's asset-buying program out of the way, buying interests have returned in full force and have since pushed price action above the 80.000 handle – to the week's high with a print at 80.660 on Friday. As noted, the first real test of the bullish case is the immediate supply pocket at **80.357-80.608** followed by another at **81.469-81.850** (see H4 chart). A strong closing above these zones would pave the way for an attempt on the year's high **84.162** last seen in March. Friday's high at 80.660 is a tag above the immediate supply pocket but a look at the W1 chart, suggests that this rally still has some more room upstairs. A 100.0% projection of 75.556 to 84.162 from 77.118 reveals a potential target at **85.724** which incidentally sits within a know supply zone. That's a good 5 yen or 500 pips from where we are right now. As such, traders should stay on the long side of this market. Any pullback thus offers opportunities to join in the rally – if not already in. In the meantime, a potential reversal signal has appeared in the H4 chart in the form of a bearish harami. A close below **80.268** would invariably triggers a sell signal.

USD-JPY 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 79.453	81.469	83.711	Exit on D1 close below 79.790

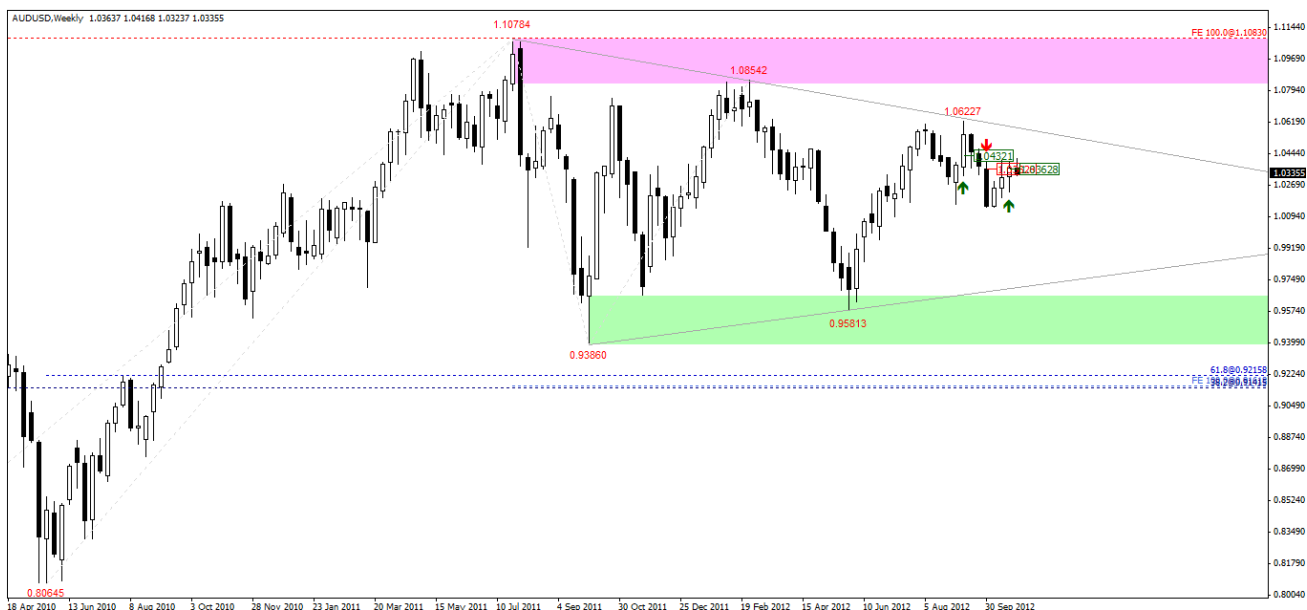
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 26-10-2012								\$25,464.19
USD-JPY	30-10-2-12	1.0	79.842	26-10-2012	1.0	80.281	+\$549.84	+\$549.84	\$26,014.03
USD-JPY	30-10-2-12	1.0	79.453	02-11-2012	1.0	80.417	+\$1,198.75		
USD-JPY	30-10-2-12	1.0	79.453	02-11-2012	1.0	80.417	+\$1,198.75		
Unrealized							+\$2,397.50		

AUD-USD MONTHLY



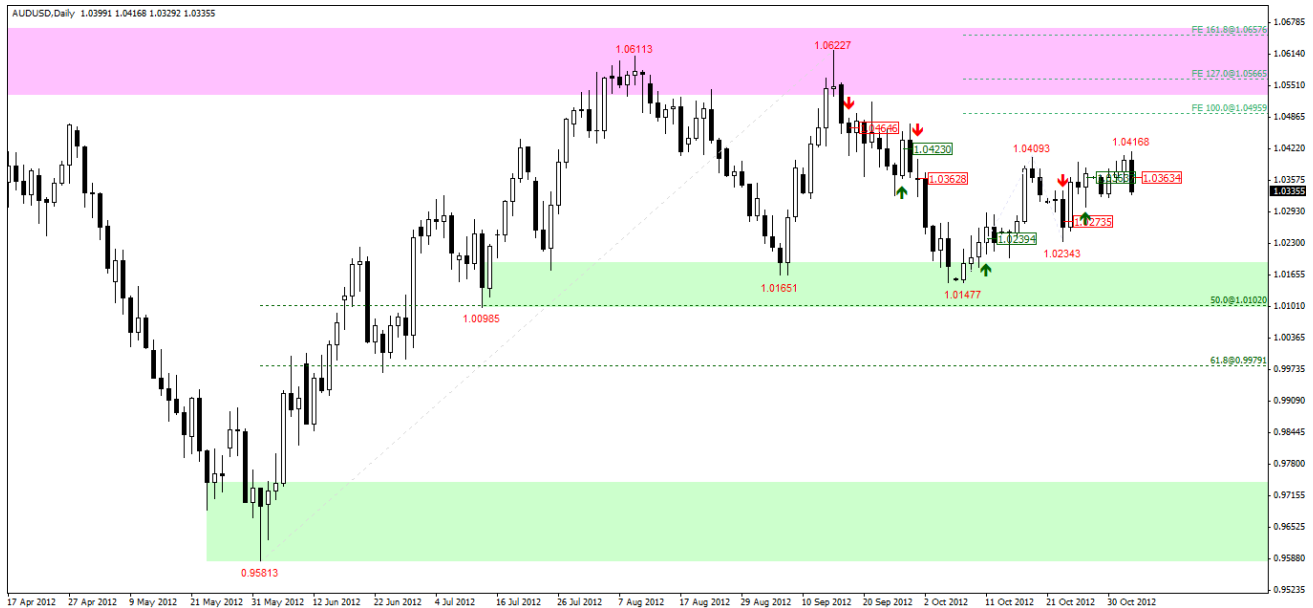
AUD-USD WEEKLY



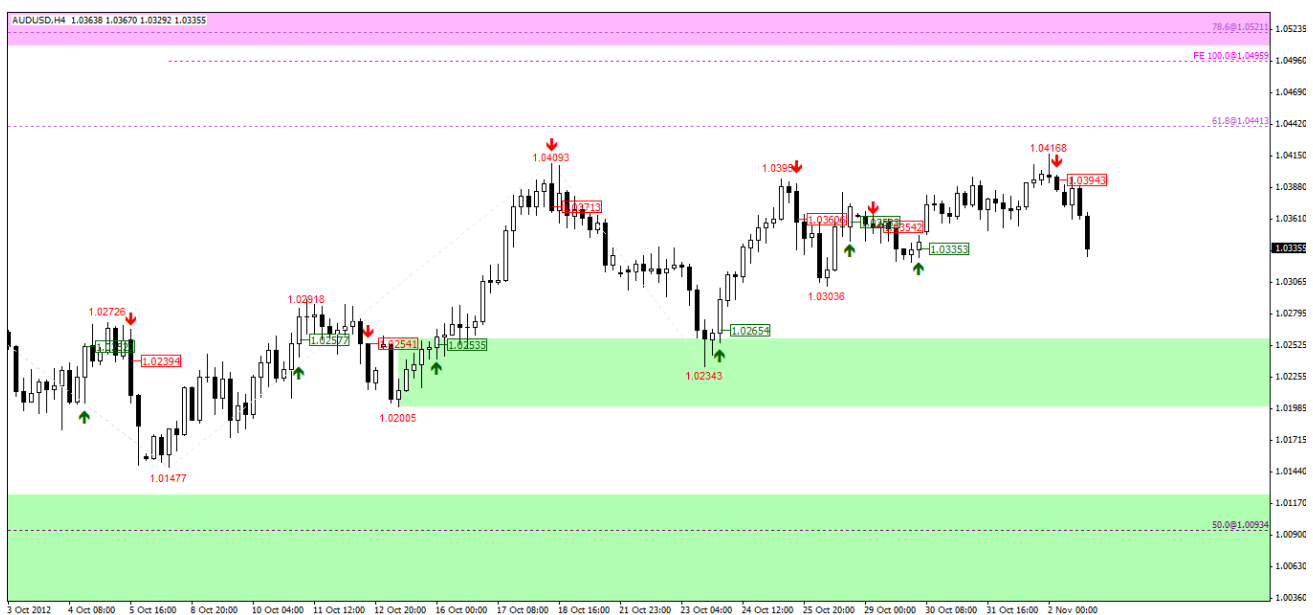
AUD-USD The Big Picture

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 on September 24. 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 below **1.03634** in the W1 chart this week, the immediate bearish case is back in favor.

AUD-USD DAILY



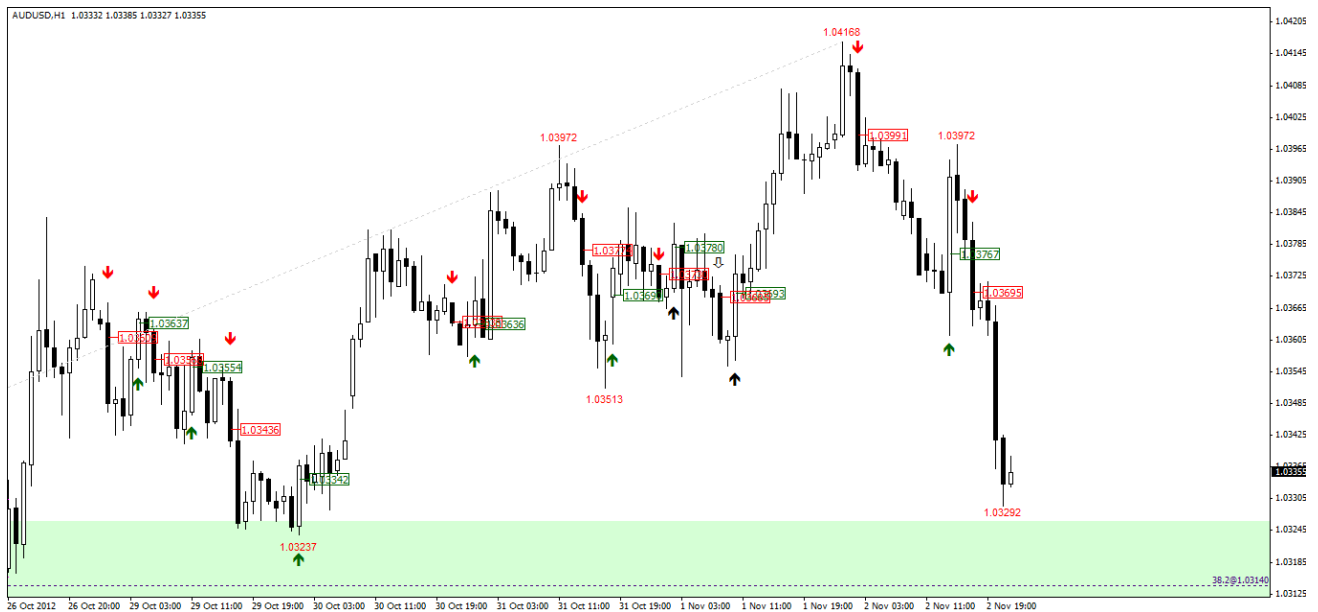
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

Just when it appears this market is resolving to the upside after trading within a narrow band for more than a week and between two well defined medium-term boundaries marked by the demand pocket at **1.00985-1.01911** and the supply pocket at **1.05317-1.06677**, the floor fell off the market on Friday. Price actions first rallied above a minor supply pocket **1.03722-1.04011** but could not sustain much above **1.04093**. Price action peaked at 1.04168 and ended as a long-legged shadow doji in the H4 chart and triggered a sell signal with a close below **1.03943**. With the D1 chart too triggering a sell signal with a close below **1.03634** at the end of Friday, further weakness can be expected in the sessions ahead. If the immediate demand pocket at **1.03036-1.03262** cannot hold, an obvious medium-term target is the demand pocket at **1.00985-1.01911**. Alternatively, the 61.8% and 100.0% projection of 1.06227 to 1.01477 from 1.04168 at **1.01233** and **0.99418** respectively are also viable targets. Likewise, price action may meet with profit-takings at the immediate demand pocket at **1.03036-1.03262**. If so, this may offer an opportunity to sell into any rebounds.

AUD-USD 1-HOURLY

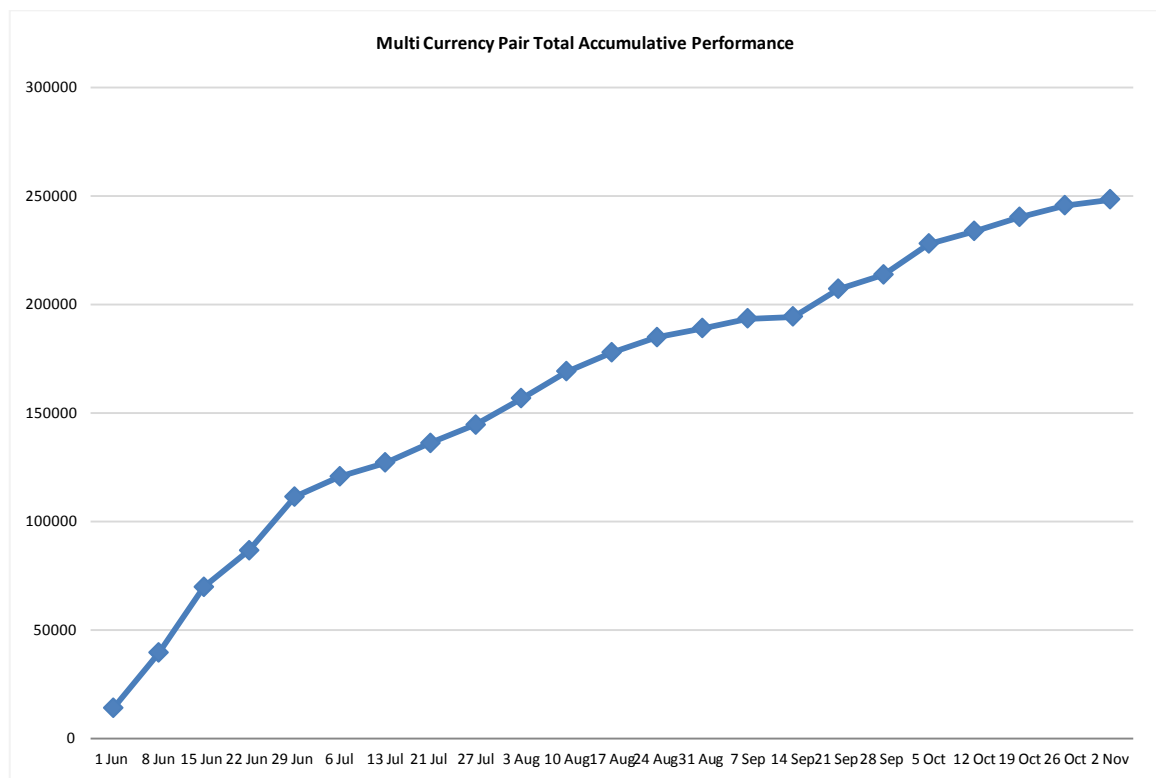
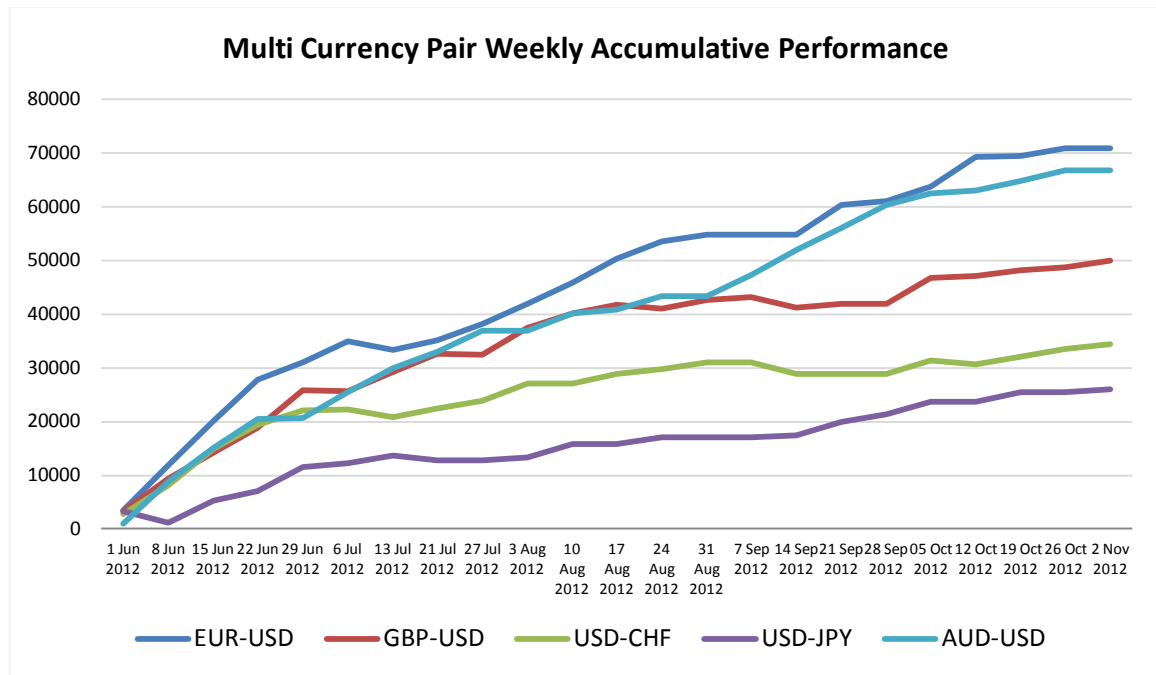


Trade Ideas

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 26-10-2012								\$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.