

FOREX OUTLOOK

A Traders Academy International Publication

Euro Fell From 2-Weeks High On Spain

EUR-USD slipped from a 2-week high on Monday as uncertainty about Spain persisted after Euro zone ministers said the country did not yet need a bailout.

Euro zone finance ministers delivered a united defence of Spain on Monday, saying the country was taking steps to overhaul its economy, successfully funding itself in the financial markets and did not need a bailout, at least for now. The meeting comes as traders focused on whether and when Spain will request aid as it struggles to manage its public finances and recapitalize the country's banks. EU leaders are scheduled to meet at the end of next week.

EUR-USD showed a muted reaction to the Euro zone's finance ministers meeting. Liquidity was thin because of holidays in Japan and North America. EUR-USD fell 0.5 percent to 1.29665. It had hit a 2-week high of 1.30705 on Friday after an unexpected drop in the U.S. jobless rate sparked selling of less risky assets such as the U.S. Dollar and Japanese Yen.

The potential for positive headlines from this week's meetings of Euro zone finance ministers and the International Monetary Fund could give the Euro a boost.

The euro has climbed more than 7 percent since hitting a two-year low of 1.20408 in late July, bolstered by hopes of European Central Bank action to help quell the region's debt crisis.

Another reason to avoid risk came from the World Bank after it cut its growth forecasts for the East Asia and Pacific region, warning that a slowdown in China could get worse. Rising concern about the global economy and nervousness about corporate earnings also drove traders into currencies perceived as safe havens.

Traders were cautious as the third-quarter earnings season gets under way in the U.S. There is some general risk aversion stemming probably from numerous reports that Q3 earnings reports will be poor.

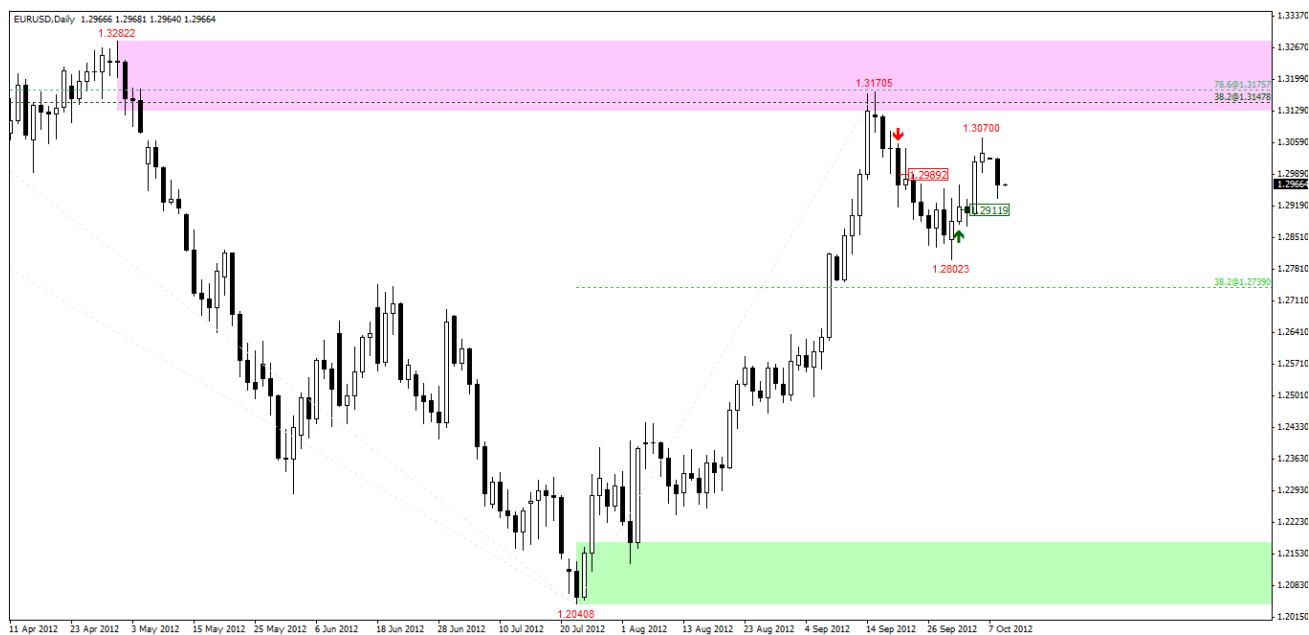
The higher-yielding AUD-USD dropped to a 3-month low before recovering to 1.01884, up 0.2 percent for the day. The Aussie Dollar is particularly sensitive to the outlook for Chinese growth. The World Bank expects China's economy to grow at a rate of 7.7 percent this year, down from a previous projection of 8.2 percent.

USD-JPY fell 0.4 percent to 78.320. It reached a session peak of 78.464 on Friday. Traders suspect there are a lot of sellers just above 79.00 handle.

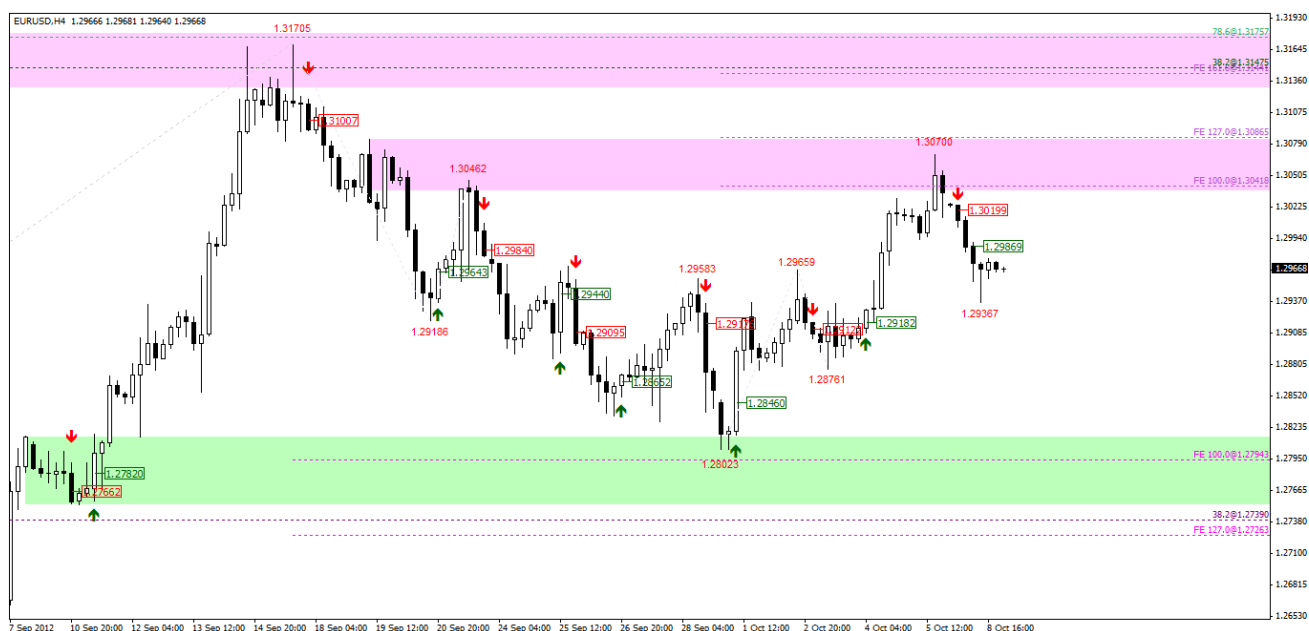
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EUR-USD DAILY



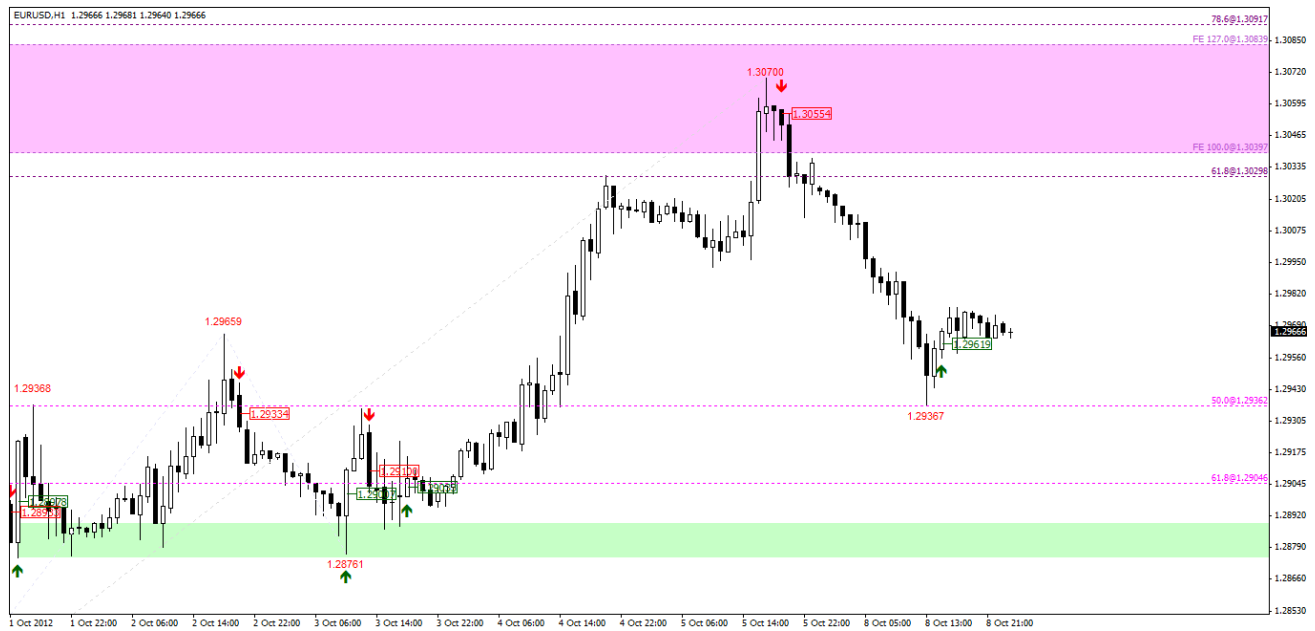
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The week opened a little weak and promptly triggered a sell signal in the H4 chart with a close below **1.30199** at the close of the opening bar of the day. Profit-taking, as expected, emerged from within the immediate overhead SZs at **1.30390-1.30835** that lasted the entire session. As noted, a close above **1.31705** is needed for the bullish confirmation and this failed to materialize. If so focus would be on the major supply pocket at **1.33550-1.34847**. At any rate, profit-taking was expected to emerge from within the immediate overhead SZs at **1.30390-1.30835** and another at **1.31210-1.31788** respectively. This was what happened yesterday. Throughout the fall from 1.31705, the fall was viewed as a correction of the rally from 1.20408 and an eventual challenge of the 17 September high of **1.31705** is expected. Though weaker, it is too early to categorically dismiss the likelihood that the rally has resumed. But after last night's fall, the sign is less supportive relative to Friday's closing. The alternate scenario that the correction is not over now needs to be considered. This scenario calls for price action to make a larger degree 3-wave down from 1.31705 to 1.28023 from possibly 1.30700. Sustained selling from last Friday's high will favor the latter.

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.30199	1.29619 Realized	1.28148	Exit of H4 closing above 1.29869

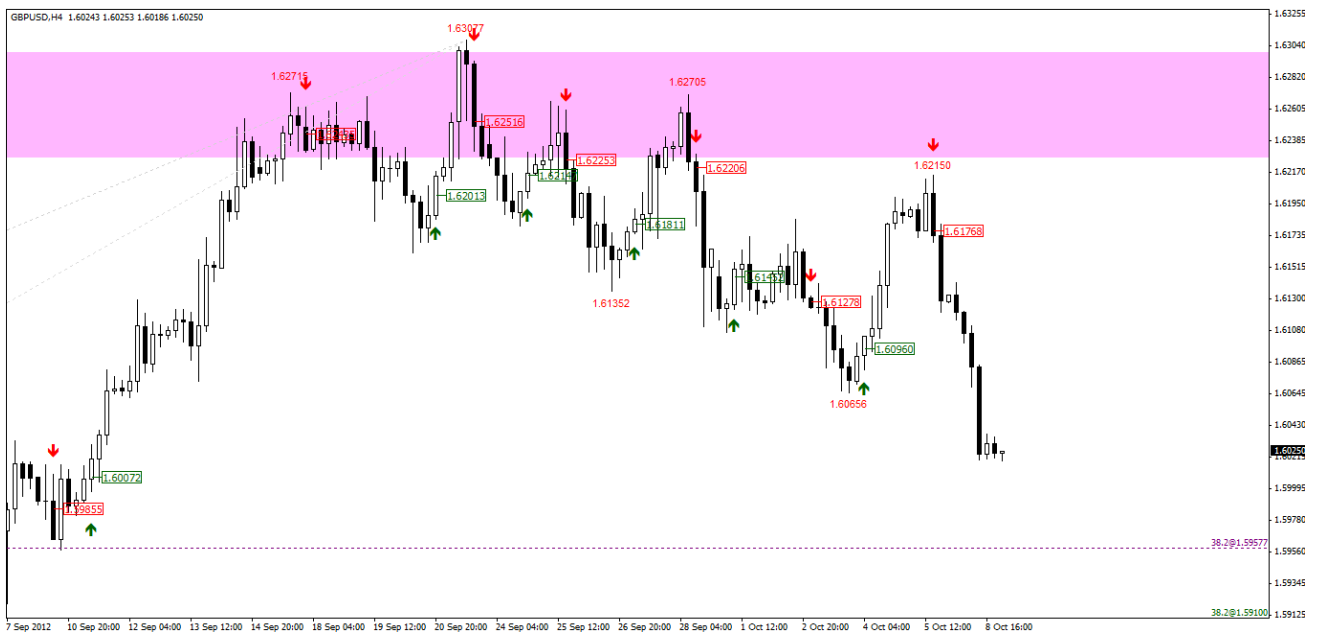
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 05-10-2012								\$65,557.00
EUR-USD	01-10-2012	1.0	1.28329	08-10-2012	1.0	1.30199	+\$1,870.00		\$65,557.00
EUR-USD	03-10-2012	1.0	1.28895	08-10-2012	1.0	1.30199	+\$1,304.00	+\$3,174.00	\$66,861.00
EUR-USD	08-10-2012	1.0	1.29665	08-10-2012	1.0	1.30199	+\$534.00		
EUR-USD	08-10-2012	1.0	1.29665	08-10-2012	1.0	1.30199	+\$534.00		
Unrealized							\$1,068.00		

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

The first sign that the rally 1.60656 is in trouble came last Friday in which price action unraveled from the 61.8% retracement of 1.63077 to 1.60656 at **1.62152** after NY midday. As mentioned, this dampened the idea that the rally from 1.52666 has resumed. It was also noted that price action needs to rally beyond **1.63077** to confirm this rather bullish assessment and that did not happen. At the very least, the minor demand pocket at **1.60629-1.60978** needs to hold and that too failed in overnight trading. Price action sliced through this zone without producing any buy signal. The next area of demand now lies within the demand pocket at **1.59577-1.59868** where the 38.2% retracement of 1.53914 to 1.63077 at **1.59577** is located; followed by another at **1.58800-1.59223** where the 38.2% retracement of 1.52666 to 1.63077 at **1.59100** is sited. Either of these two zones must absolutely hold to maintain the bullish bias. The alternative is another massive precipitous pips fall to **1.52321-1.53554** (see D1 chart).

GBPUSD, H1 1.60201 1.60254 1.60201 1.60252

1.62810
1.62640
1.62470
1.62300
1.62130
1.61955
1.61785
1.61615
1.61445
1.61275
1.61100
1.60930
1.60760
1.60590
1.60420
1.60252
1.59905
1.59735
1.59565

1.61849
1.61571
1.61361
1.61372
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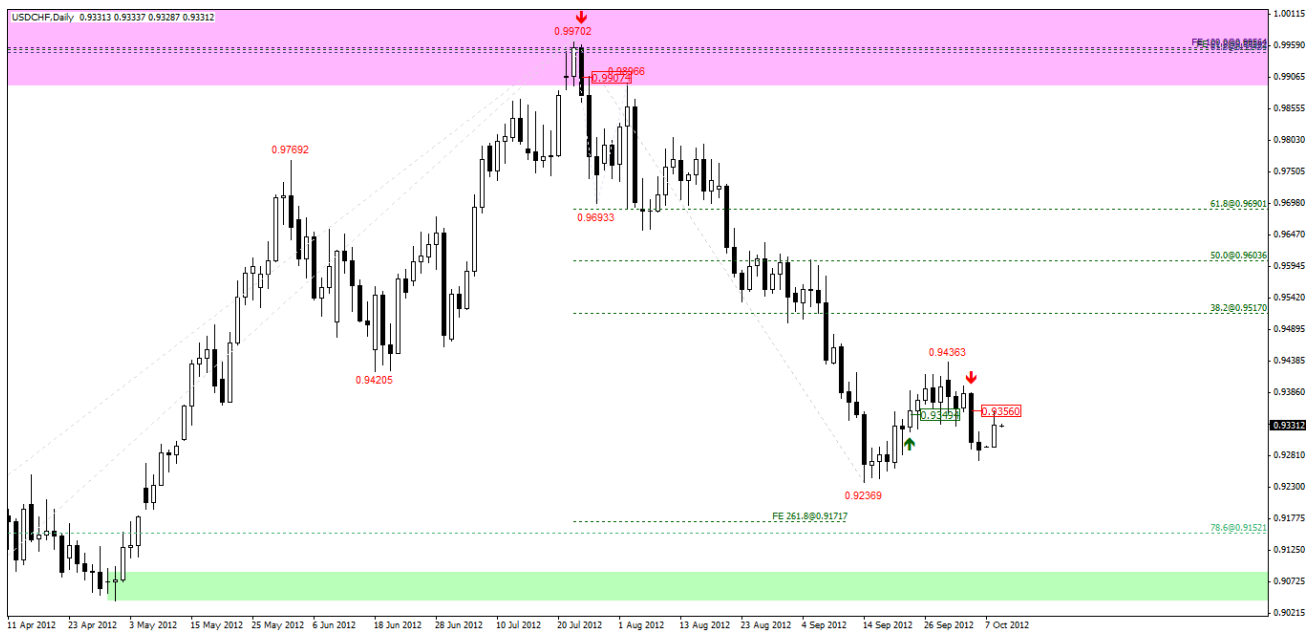
1 Oct 2012 1 Oct 23:00 2 Oct 07:00 3 Oct 15:00 3 Oct 23:00 3 Oct 07:00 3 Oct 15:00 3 Oct 23:00 4 Oct 07:00 4 Oct 15:00 4 Oct 23:00 5 Oct 07:00 5 Oct 15:00 5 Oct 23:00 8 Oct 06:00 8 Oct 14:00 8 Oct 22:00

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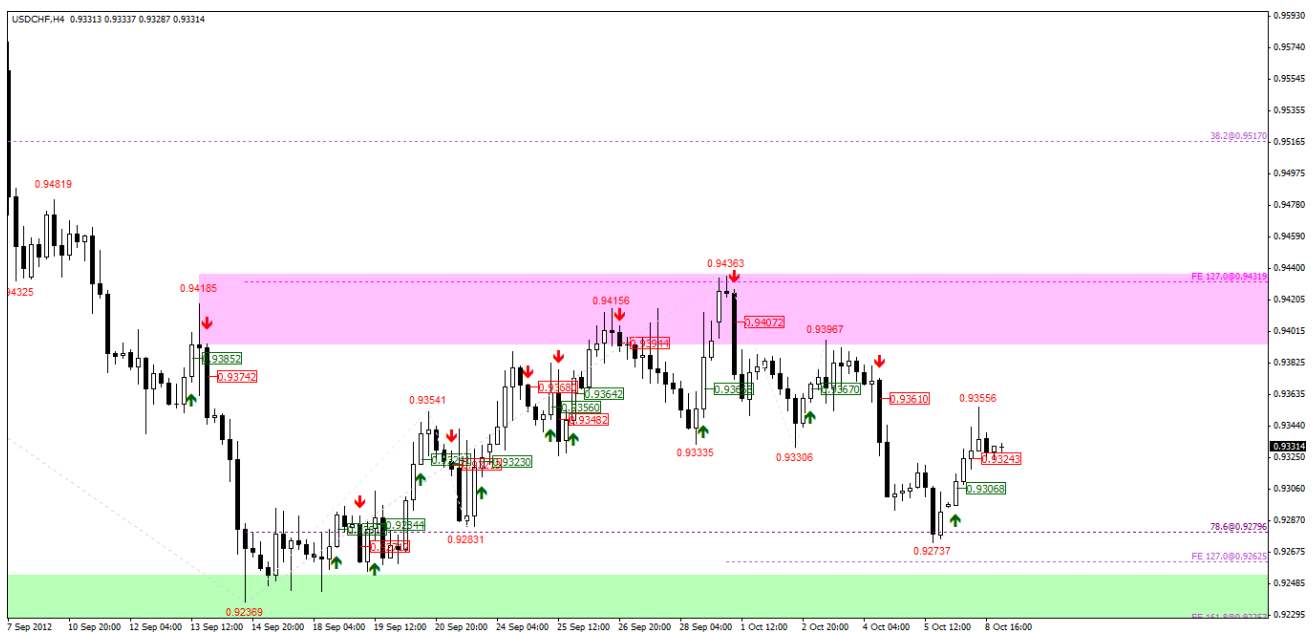
ACTION	Target 1	Target 2	EXIT
Buy on buy signal within 1.59577-1.59868	1.61915	1.62272	1.59477 STOP

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 05-10-2012								\$46,736.00
						Unrealized	\$0.00		

USD-CHF DAILY



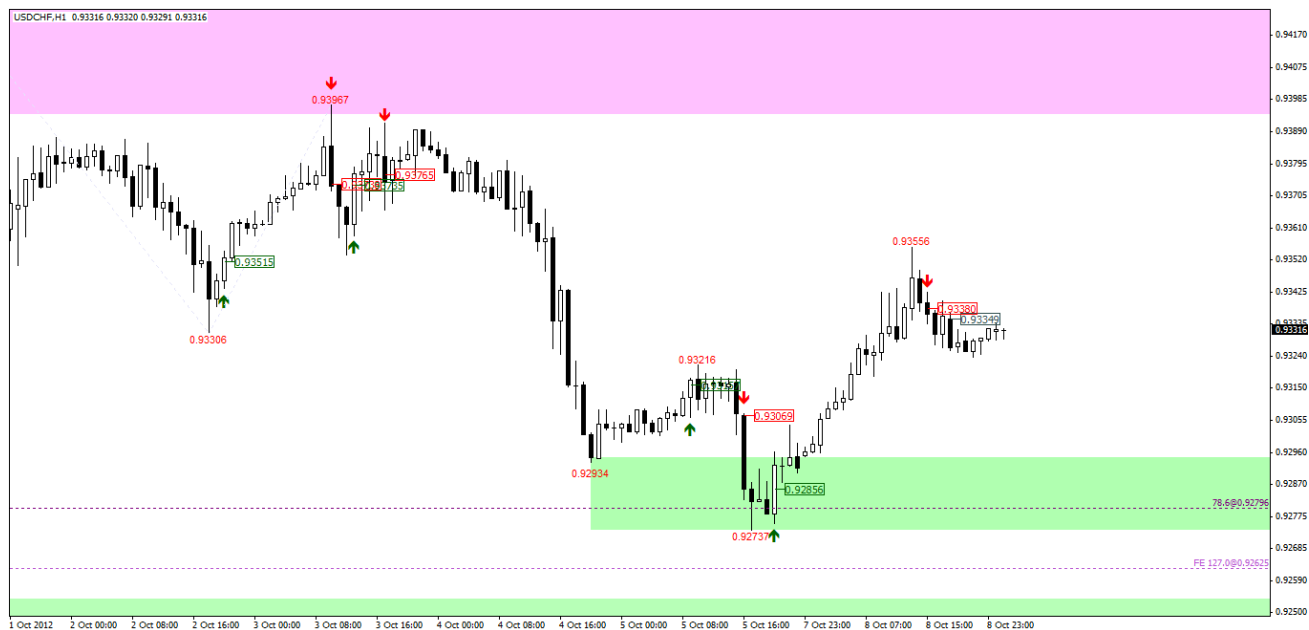
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Price action from last Thursday points to the possibility that the fall from 0.99702 may have resumed with a close below **0.93560** on Thursday in the D1 chart. Friday saw price action fell to a weekly low of 0.92737. Monday opened firmer and price action rose steadily throughout the session until NY opening when selling interests re-emerged; triggering a sell signal with a close below **0.93380** in the H1 chart. As noted, somewhere between the 261.8% projection of 0.99702 to 0.96933 from 0.98966 at **0.91717** and the 78.6% retracement of 0.89293 to 0.99702 at **0.91521** is the area in which real demand may re-emerge. From there, a larger degree rebound is likely to unfold; ideally taking price action back to the revised SZ at **0.93941-0.94363** (see D1 chart). Alternatively, Monday's mild recovery continues back into the supply pocket at **0.93941-0.94363**.

USD-CHF 1-HOURLY



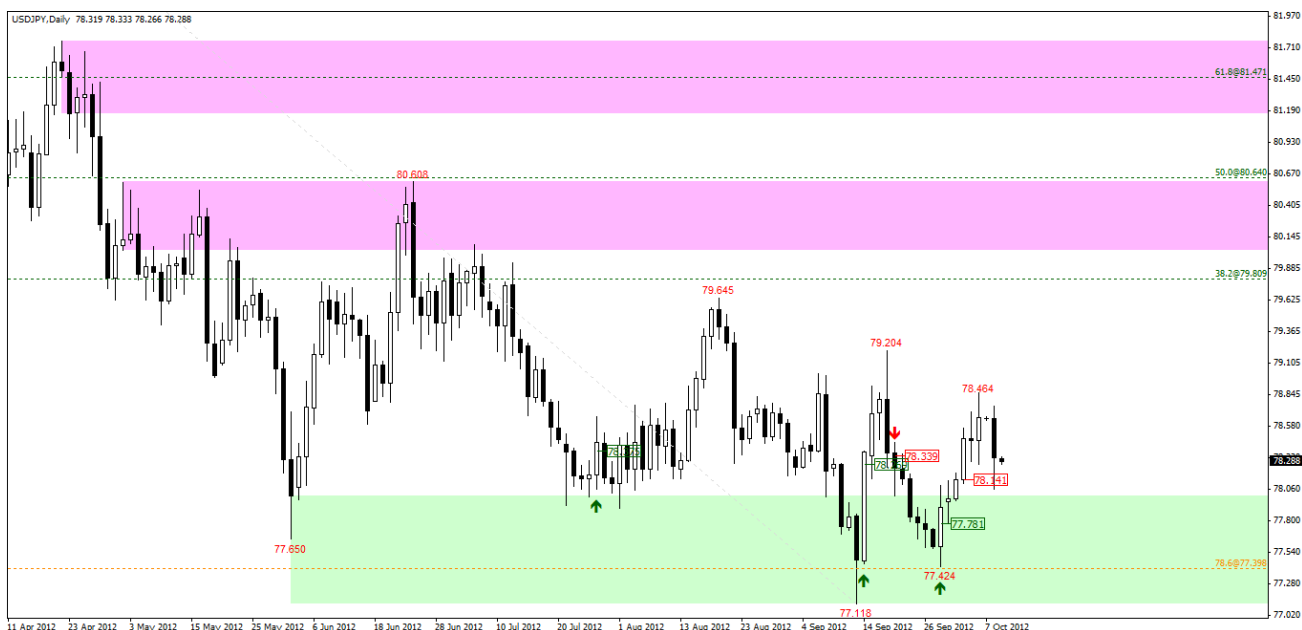
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.93380	0.92947	0.90512	0.93656 STOP

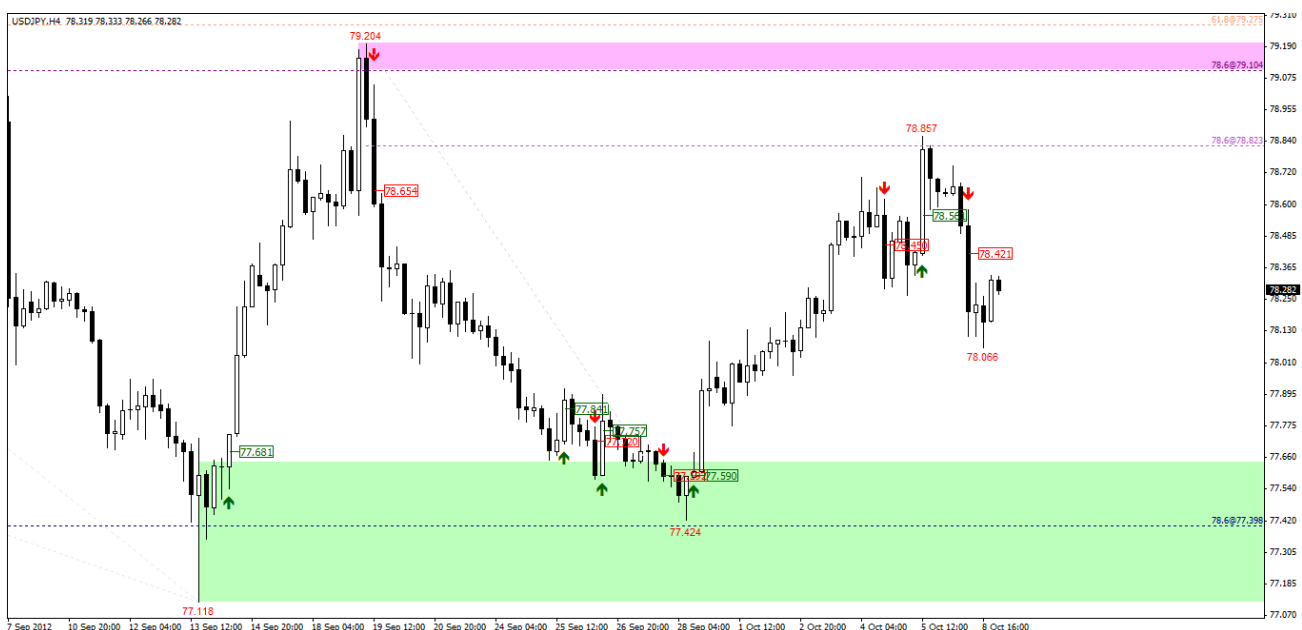
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 05-10-2012								\$31,307.15
USD-CHF	08-10-2012	1.0	0.93322	08-10-2012	1.0	0.93380	+\$62.15		
USD-CHF	08-10-2012	1.0	0.93322	08-10-2012	1.0	0.93380	+\$62.15		
Unrealized							\$124.30		

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The rally from the demand pocket at **77.118-77.640** hit the 78.6% retracement of 79.204 to 77.424 at **78.823** as well as the 161.8% projection of 77.424 to 78.093 from 77.778 at **78.860** with a print at 78.857 last Friday and eased. The week began with more profit-takings erasing almost half of its last week's gains by half to just above the 78.00 handle. Even so, the medium-term outlook still favors a challenge of the next supply pocket at **79.106-79.204**; located just above the 78.6% retracement of 77.118 to 79.645 at **79.104**. Short-term traders were advised to look for buying opportunities as and when they may present themselves; especially if price action falls back into the demand pocket at **77.118-77.640**.

USD-JPY 1-HOURLY

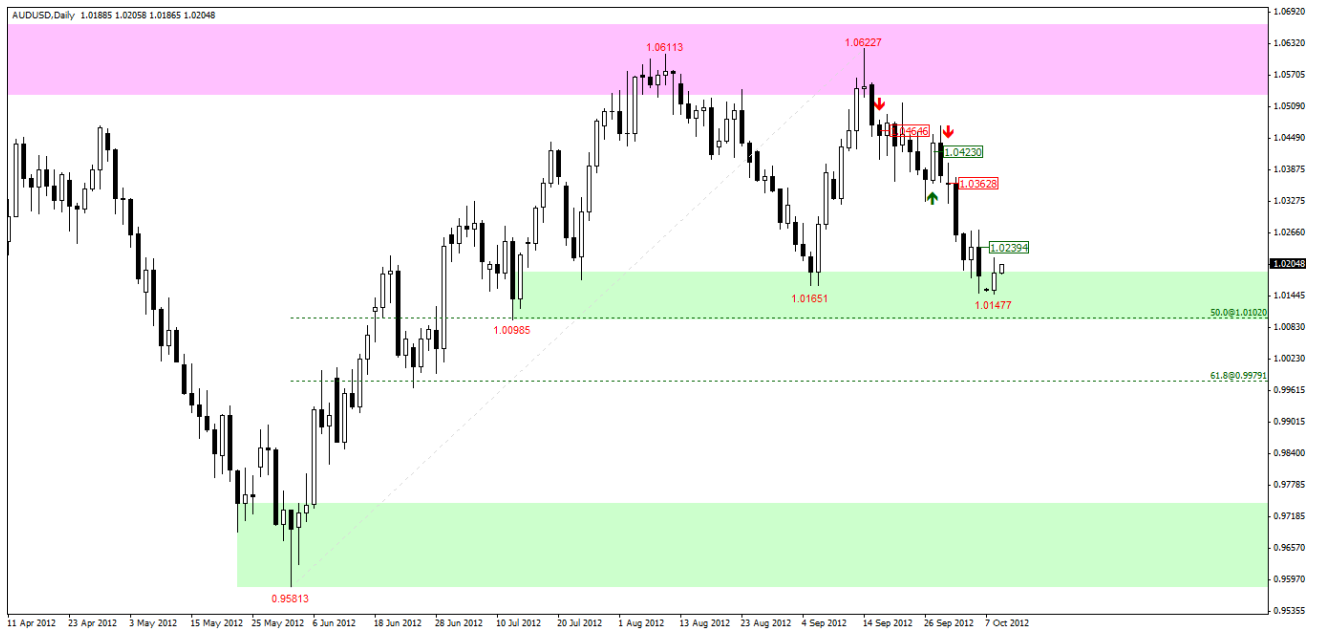
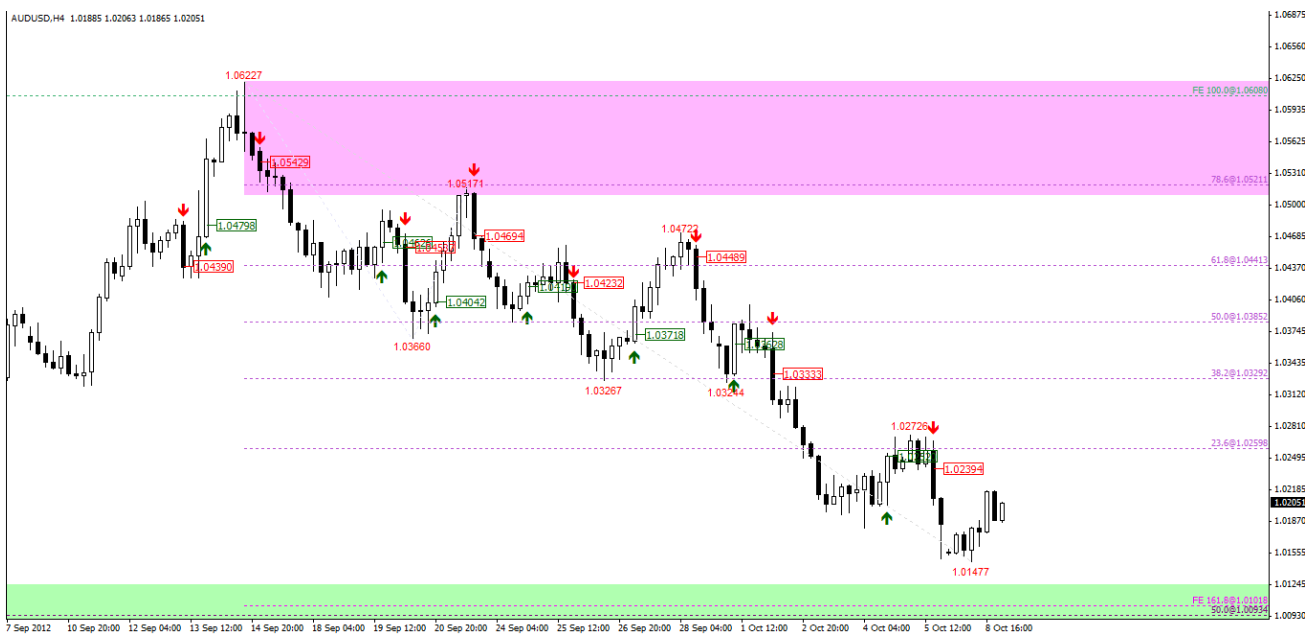


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal in H1 between 77.118-77.640	78.823	79.104	77.108 STOP

Weekly Performance

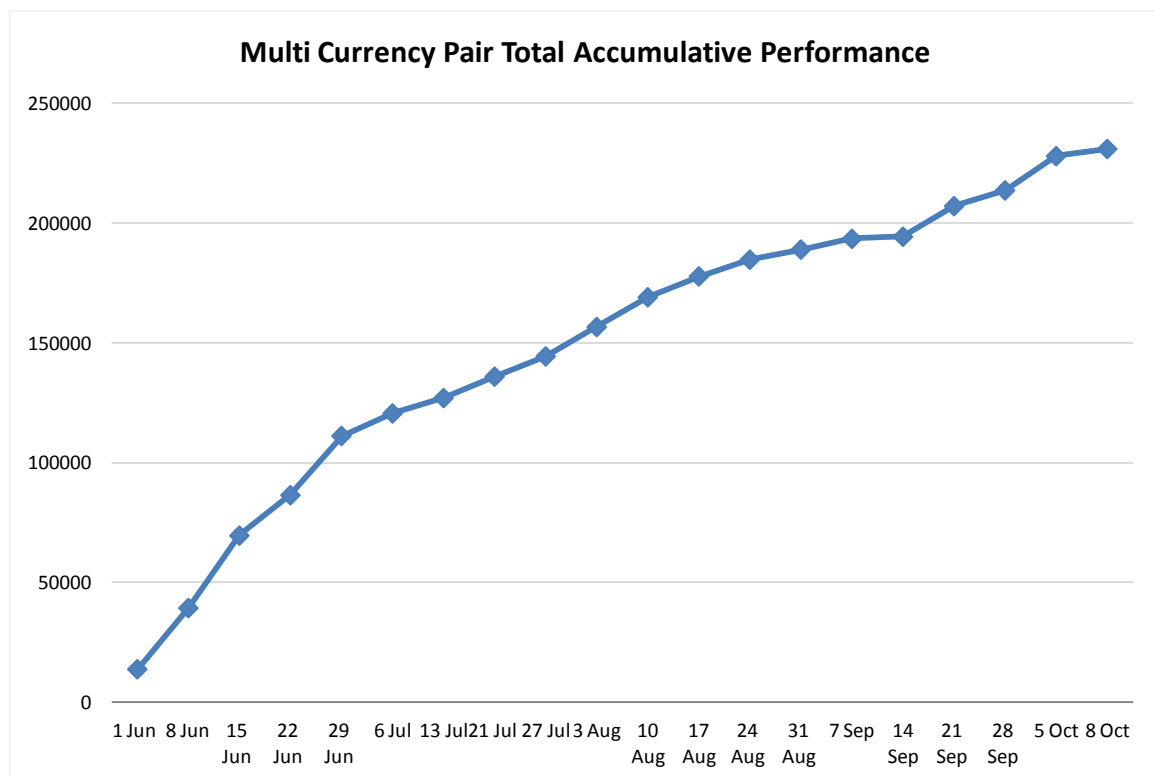
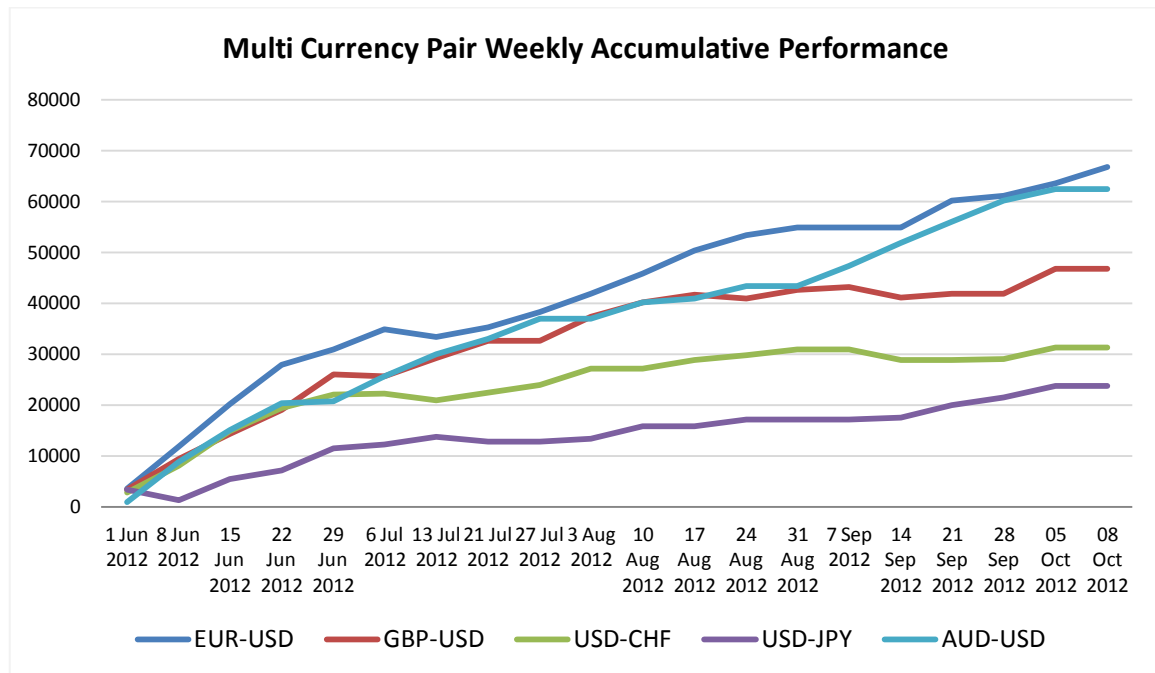
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 05-10-2012								\$23,667.09
USD-JPY	05-10-2012	1.0	78.440	08-10-2012	1.0	78.440			
						Unrealized	\$0.00		

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

The fall from 1.06227 fell short of the demand pocket at **1.00985-1.01911**. Monday opened the week decidedly on a weak note but managed to trade progressively higher throughout the session. As noted, price action was susceptible to buying pressure and odds favors the long rather than the short side of this market – at least in the short to medium-term outlook. As we have it, a close above **1.01885** in the H1 chart triggered a buy signal; suggesting the onset of buying interests though ideally, this reversal should originate from within the demand pocket at **1.00985-1.01911**. Overall, this market is in a large corrective pattern and is expected to trade between the long-term SZ at **1.05317-1.06677** and the DZ at **1.00985-1.01911** (see D1 chart) for awhile yet – assuming, of course, there is no wholesale collapse below the DZ at **1.00985-1.01911**.

ACTION	Target 1	Target 2	EXIT
Bought @ 1.01885	1.02617	1.03722	1.01402 STOP

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 05-10-2012								\$62,547.00
AUD-USD	08-10-2012	1.0	1.01885	08-10-2012	1.0	1.01884	-\$1.00		
AUD-USD	08-10-2012	1.0	1.01885	08-10-2012	1.0	1.01884	-\$1.00		
						Unrealized	-\$2.00		



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.