Fri, Apr 12, 2013 Weekday Edition

FOREX OUTLOOK



A Traders Academy International Publication

100 Yen Mark Largely Expected

USD-JPY rose to another 4-year high on Thursday, closing in on the key 100-yen level as traders bet the Bank of Japan's massive bond buying program will continue to weaken the Japanese Yen. USD-JPY has gained a whopping 7 percent since the BOJ pledged last week to inject about \$1.4 trillion into the Japanese economy to end decades of deflation and achieve its target of 2 percent inflation. While the pace of the rally has slowed due to option barriers at 100 yen, a psychologically significant level for the market, most analysts believe it is only a matter of time until that mark is reached. USD-JPY has not reached 100 yen since April 2009.

USD-JPY settled up 0.1 percent at 99.660, not far from the session high of 99.944, its highest level since April 2009.

Hefty offers to sell dollars at 100 yen from Japanese exporters were cited and most were looking to use dips to add to long positions. A rise above the 100-yen handle would open the door for a test of the April 2009 peak of 101.437, analysts said.

EUR-JPY rose to its highest in more than three years, hitting 131.121 and settled up 0.3 percent on the day at 130.536.

While the Japanese central bank's action will lead to a weaker Yen, a rapid fall in the Yen could hurt the credibility of the BoJ in the medium term. The attempt here is not to prompt speculators to debase the currency. The purpose is to end deflation and to provide a springboard for renewed growth and employment in Japan.

BOJ Governor Haruhiko Kuroda's comments on Wednesday that there would be no additional stimulus in coming months and that policymakers are closely monitoring financial markets also limited near-term losses in the Yen.

Japan's aggressive monetary easing contrasts with expectations the Federal Reserve may slow its bond buying later this year. These expectations were given a boost as minutes from a recent Fed meeting released on Wednesday showed a few U.S. policymakers looking to taper asset purchases by mid-year.

EUR-USD rose 0.2 percent to 1.3100, after a session peak of 1.31379, the highest since the end of February as Italian three-year debt costs eased to their lowest since January at an auction.

Speculation was growing that the BOJ's ultra-loose policy would drive Japanese investors to riskier and higher-yielding foreign assets, with the Euro one of the beneficiaries. So far, however, there was little evidence of that happening. Data from Japan's Ministry of Finance showed Japanese investors sold a net ¥1.145 trillion (\$11.5 billion) worth of foreign bonds last week, the highest sales in a year.

The yen was particularly softer against higher-yielding currencies, such as Australian and New Zealand Dollars, as traders borrow in Yen cheaply and use the proceeds to invest in such higher-yielding currencies in what are known as carry trades.

AUD-JPY rose to a five-and-a-half year high while NZD-JPY hit its strongest since early 2008.

Looking ahead, U.S. retail sales data on Friday has the potential to sway currency market sentiment. Strong data could buoy the US Dollar as it would feed into expectations the Federal Reserve may end its bond buying program by the end of the year.

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EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

This market continues to power higher from a 19-month low of 1.27461 last week. For the second day running, prices have hit the 38.2% extension of 1.37104 to 1.27461 at 1.31145 which lies within the supply pocket at 1.31058-1.31614 overnight. Though are mixed, the H1 chart remains relatively weak with a close below 1.30948 overnight. A close below 1.30074 in the D1 chart would add confidence that a top is indeed in place. However, should this market manages to rally beyond the supply pocket at 1.31058-1.31614; a secondary area to re-establish shorts is the 127.2% extension of 1.27461 to 1.29487 from 1.29002 at 1.31579. Immediate demand may emerge from the 23.6% retracement of 1.27461 to 1.31379 at 1.30454 or more likely the 38.2% retracement of 1.27461 to 1.31379 at 1.29882 which lies within the demand pockets at 1.29680-1.29941 as well as 1.29002-1.29197 which lies just above the 61.8% retracement of 1.27461 to 1.31379 at 1.28958 (see H1 chart).

EUR-USD 1-HOURLY



TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.30856	1.31714	1.30454	-	1	0.01m
Sold		1.31075	1.31714	1.29941	1.29197	2	0.02m

TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)			1 11 11		mulative alance		
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.04.05										9.94	10,993.60
2013.04.09	0.01	1.30856	2013.04.11	0.01	1.31000	-14.4	-14.40				
23.31			23:59								
2013.04.10 14:45	0.02	1.31075	2013.04.11 23:59	0.02	1.31000	15.0	15.00				

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

Overnight this market came close to the 38.2% retracement of 1.63801 to 1.48309 at 1.54227. As noted, this market after falling 1550 pips from the start of the year hit a 33-month low at 1.48309 on March 12 and has been in correction mode since. This 3-wave corrective rebound may ultimately ends at/near the Fibonacci cluster make up of the 38.2% retracement of 1.63801 to 1.48309 at 1.54227 and 100.0% extension of 1.50329 to 1.52451 from 1.51987 at 1.54109. While allowance is for this market to re-test the support-turned-resistance line seen in the triangle pattern in the long-term charts, failure of this counter-trend rally to take out the supply pockets at 1.54149- 1.54505 and 1.54983-1.55499 may see the re-emergence of selling interests. The former is also where the 38.2% retracement of 1.63801 to 1.48309 at 1.54227 and 100.0% extension of 1.50329 to 1.52451 from 1.51987 at 1.54109 are located. All said and done, the idea is to re-position short positions as the extreme bearishness of this market can be seen clearly in the long-term charts.

GBP-USD 1-HOURLY



GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buy	Buy on buy signal between 1.51987-1.52171		1.51887	1.54149	1.54983	3	0.03m
Sell	Sell on sell signals between 1.54149-1.54505		1.54605	1.52171	1.50763	3	0.03m

GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L				Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.04.05										19.19	11,919.00

USD-CHF DAILY



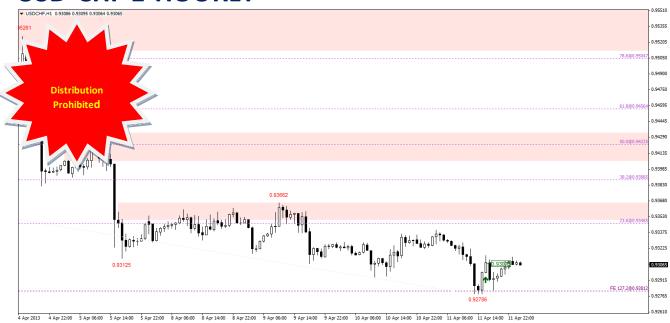
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

From the March 14 high of 0.95663, this market continues to fall in a distinct 3-wave corrective move that may ultimately finds bottom at the 127.2% extension of 0.95663 to 0.93522 from 0.95535 at 0.92812. Ideally, prices rebound from the overnight low of 0.92786 and resumes its larger degree corrective rally from the all-time low of 0.70652. The alternate scenario is for this market to extend its fall towards the Fibonacci cluster make up of the 61.8% retracement of 0.90212 to 0.95663 at 0.92294 and the 161.8% extension of 0.95663 to 0.93522 from 0.95535 at 0.92071 where a minor demand pocket at 0.91843-0.92314 lies. Until and unless this fall accelerates sharply and the week closes below 0.92910, the bullish bias is still intact. The long-term target is the 61.8% retracement of 0.99709 to 0.90212 at 0.96081 which incidentally lies just below a supply zone at 0.96086-0.96346 in line with the long-term assessment that this market is poised to resume its larger degree rebound from 0.70614 from way back in August 2011 (see W1 chart).

USD-CHF 1-HOURLY



USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		0.92836	0.92712	0.94062	0.95123	3	0.03m
Buy	Buy on buy signal between 0.92071-0.92294		0.91743	0.94062	0.95123	3	0.03m

USD-CHF TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L						Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$		
2013.04.05										7.84	10,783.76		
2013.04.11	0.03	0.92836	2013.04.11	0.03	0.93069	69.9	75.11						
14:05			23:59										

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

With the resumption of the rally from last Thursday, this market finally hit the long-term target where the Fibonacci cluster around the 261.8% extension of 75.563 to 84.174 from 77.131 at 99.675 as well as the 50.0% retracement of 124.130 to 75.563 at 99.846 where is the supply zone at 99.672-101.437 are sited. Now that this market is within the so-called sweet-spot, the lack of momentum as the market edges higher may set the stage for a larger degree pullback which may eventually takes prices back to the 4th wave of one lesser degree where the demand pocket at 92.564-93.040 is located where this latest rally resumed from. If so, there is scope for counter-rally short positions. Scale-in selling into 99.672-101.437 at every 100 pips interval is the strategy of choice. Watch out for sell signals within this zone. However, only aggressive traders should attempt this trade as the band in which a reaction is expected is rather wide and thus carries higher risk. As noted, selling into a major bull-run such as this one can get really hairy and should not be attempted by the faint-hearted.

USD-JPY 1-HOURLY



USD-JPY TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		99.632	101.637	98.179	-	1	0.01m
Sell	Scale in selling every 100 pips between 99.642- 101.437		101.637	95.746	93.040	3	0.03m

USD-JPY TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		ealized P/L	Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										33.44	13,343.76
2013.04.09 02:39	0.01	99.632	2013.04.11 23:59	0.01	99.660	-28.0	-28.10				

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

Price actions having took out the long-term resistance seen in the triangle pattern on Wednesday has rallied higher to a just below the year's high of **1.05979** with a print at **1.05819** overnight. Though, prices have seemingly took the long-term resistance seen in the triangle pattern, the question is has the triangle formation been violated or was the resistance line wrongly drawn and as such the D leg of this triangle is still a work in the progress? Only time can tell. To truly abandon this triangle scenario, unfortunately, the confirmation will only come when last year's high of **1.08527** is taken out. On balance, this market has to overcome the next major supply zone at **1.05848-1.06244**. Just below this lies the 61.8% extension of 1.01150 to 1.04964 from 1.03478 at **1.05835**. Last night high of 1.05819 came real close but prices were been pushed back. We'll observe this market for a little while longer before concluding that this market is resuming its longer-term rise from 0.60090.

AUD-USD 1-HOURLY



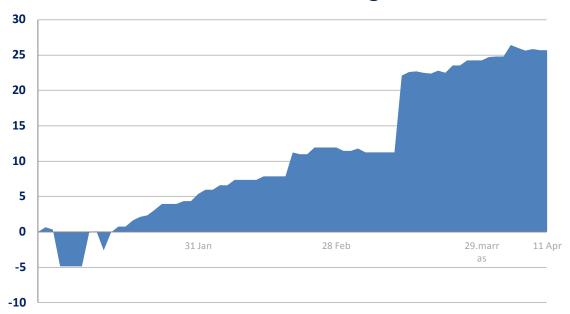
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units

AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		Unrealized P/L		ized /L	Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.04.05										59.49	15,948.90
2013.04.04 23:10	0.03m	1.04369	2013.04.09 12:15	0.03m	1.04630			-78.3	-78.30	58.71	15,870.60
2013.04.09 15:40	0.01m	1.04856	2013.04.09 10:14	0.01m	1.05168			-31.2	-31.20	58.39	15,839.40
2013.04.09 16:03	0.01m	1.04894	2013.04.09 10:14	0.01m	1.05168			-27.4	-27.40	58.12	15,812.00
2013.04.09 16:27	0.01m	1.04927	2013.04.09 10:14	0.01m	1.05168			-24.1	-24.10	57.88	15,787.90

Accumulative Percentage P/L



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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 substance. 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.