

FOREX OUTLOOK

A Traders Academy International Publication

Pre-Holiday and ECB/BOE Slowed Markets

The Japanese Yen weakened most of its major counterparts as traders sought higher-yielding assets amid speculation central banks will step up efforts to spur growth, reducing demand for havens.

Traders are expecting the ECB to cut rates and they're expecting the Bank of England to announce more quantitative easing," or large-scale asset purchases.

The ECB and BOE will announce policy decisions on July 5. ECB officials will lower their main interest rate by a quarter- percentage point to 0.75 percent on July 5. Weak employment figures in the U.S. may prompt the Fed to initiate fresh stimulus. US Labor Department non-farm payrolls data are due July 6.

U.S. payrolls added 90,000 workers last month after gaining 69,000 in May. May's increase was less than half the 150,000-job gain that economists had forecast, and the unemployment rate rose to 8.2 percent, from 8.1 percent.

The US Fed bought \$2.3 trillion of bonds from December 2008 to June 2011 in its first two rounds of quantitative easing, seeking to reduce the unemployment rate, which has stayed above 8 percent since February 2009. Traders expect an increase in asset purchases in September.

AUD-USD touched a two-month high Tuesday after data showed Australia's home building approvals surged in May, adding to signs that the Australian economy is gaining momentum. It pared gains after the Reserve Bank of Australia kept interest rates unchanged and said a subdued international outlook meant the stance of monetary policy remains appropriate.

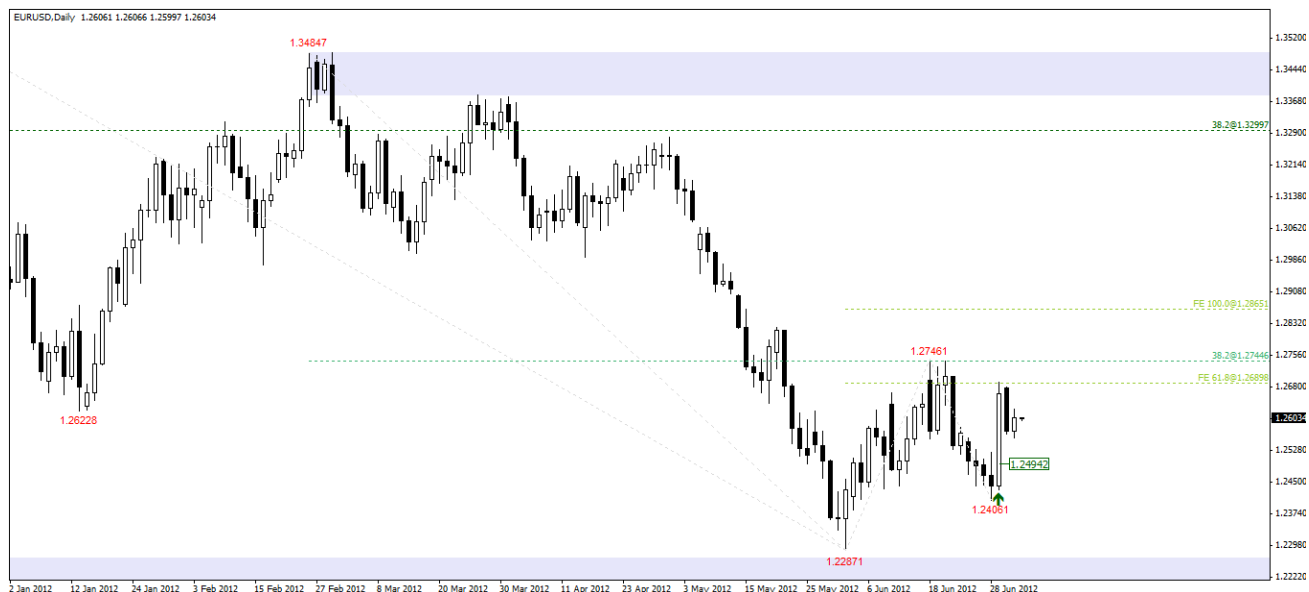
AUD-USD rose 0.4 percent to 1.02793 and touched 1.02946, the highest level since May 3.

The Sterling Pound weakened against a majority of its most-traded peers after an index showed U.K. construction contracted in June. The Bank of England's Monetary Policy Committee will raise its target for bond purchases by £50 billion (\$79 billion) to £375 billion on July 5.

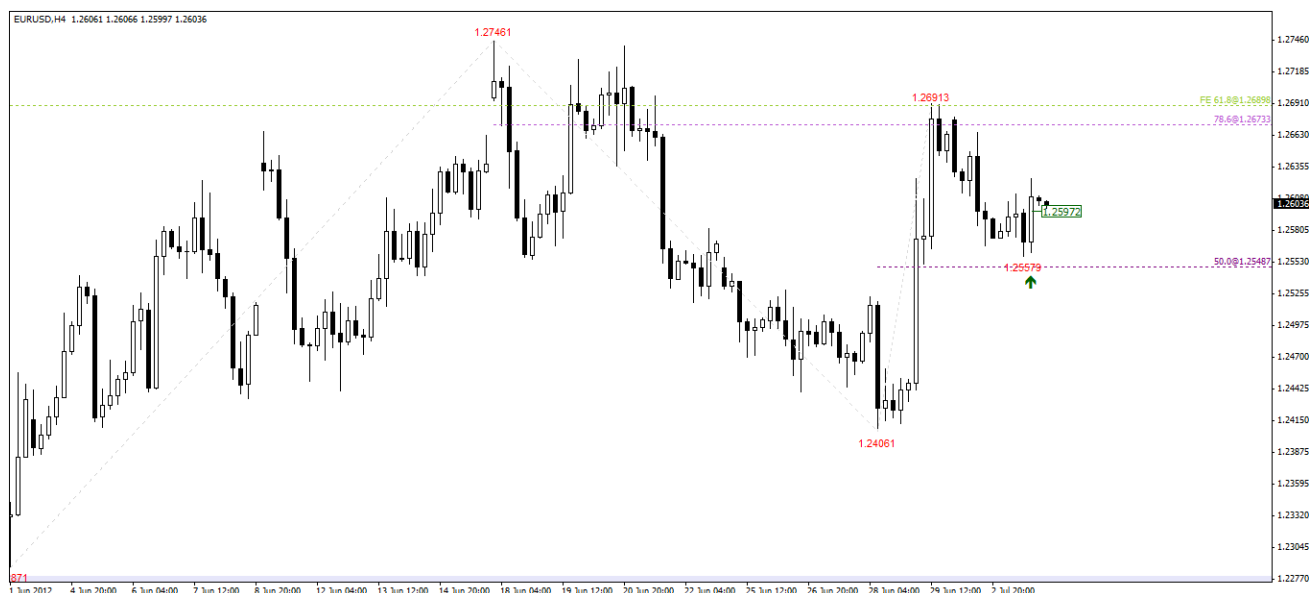
Content:

EUR-USD	2
GBP-USD	5
USD-CHF	8
USD-JPY	11
AUD-USD	14

EUR-USD DAILY



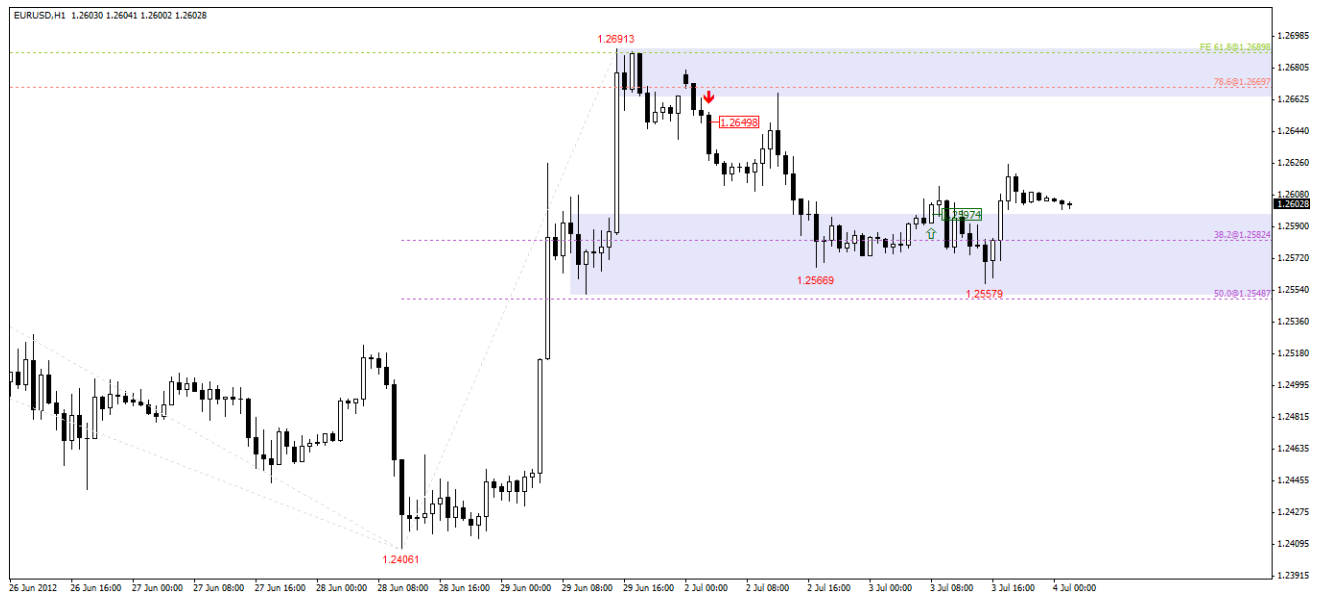
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Trading activity was relatively quiet going into the 4th July holiday in the US. However, price action corrected a little deeper overnight to test the 50.0% retracement of last week's rise from 1.24061 to 1.26913 at **1.25487** with a print at **1.25579** relative to Tuesday's low at 1.25669. These levels were incidentally located within a minor DZ at **1.25512-1.25970**. As expected, price action did rebound from within this zone but whether or not this would amount to a resumption of last Friday's rally remains to be seen. If it materializes, a larger degree 3-wave corrective move up - perhaps to the 100.0% projection from 1.22871 to 1.27461 from 1.24061 at **1.28651** can be expected (see D1 chart) – assuming, of course, price action can overcome the immediate SZ at **1.26641-1.26913** as well as the SZ at **1.27717-1.28229**. Immediate target is the 50.0% retracement of 1.32822 to 1.22871 at **1.27847** located within this zone. On the downside, should the market falls through the immediate DZ, it may challenge the June's low of **1.28871** and below, perhaps targeting the 61.8% projection of 1.32822 to 1.22871 from 1.27461 at **1.21311** - just below the DZ at **1.21453-1.22794**.

EUR-USD 1-HOURLY

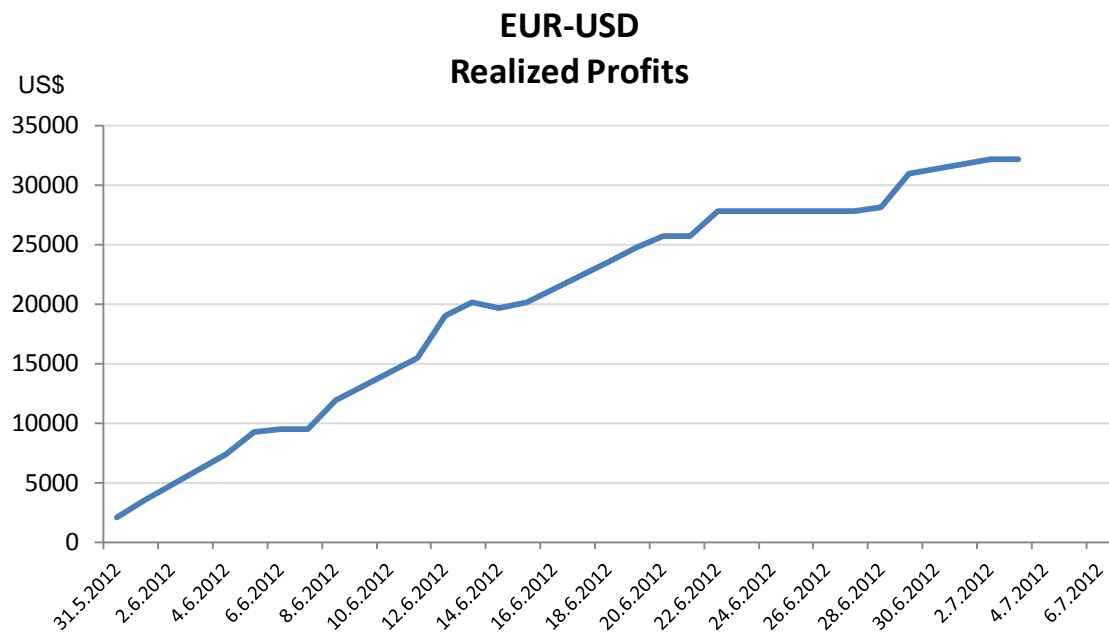


Trade Ideas

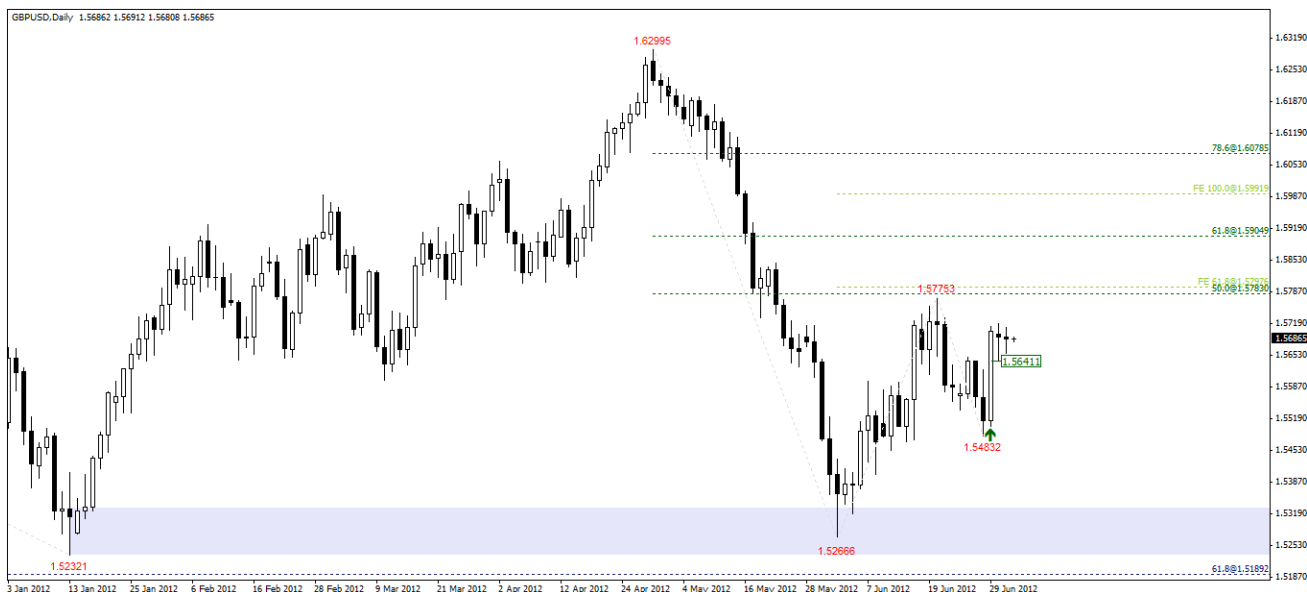
ACTION	Target 1	Target 2	EXIT
Bought @ 1.25974	1.26641	1.27717	1.25417 STOP

Weekly Performance

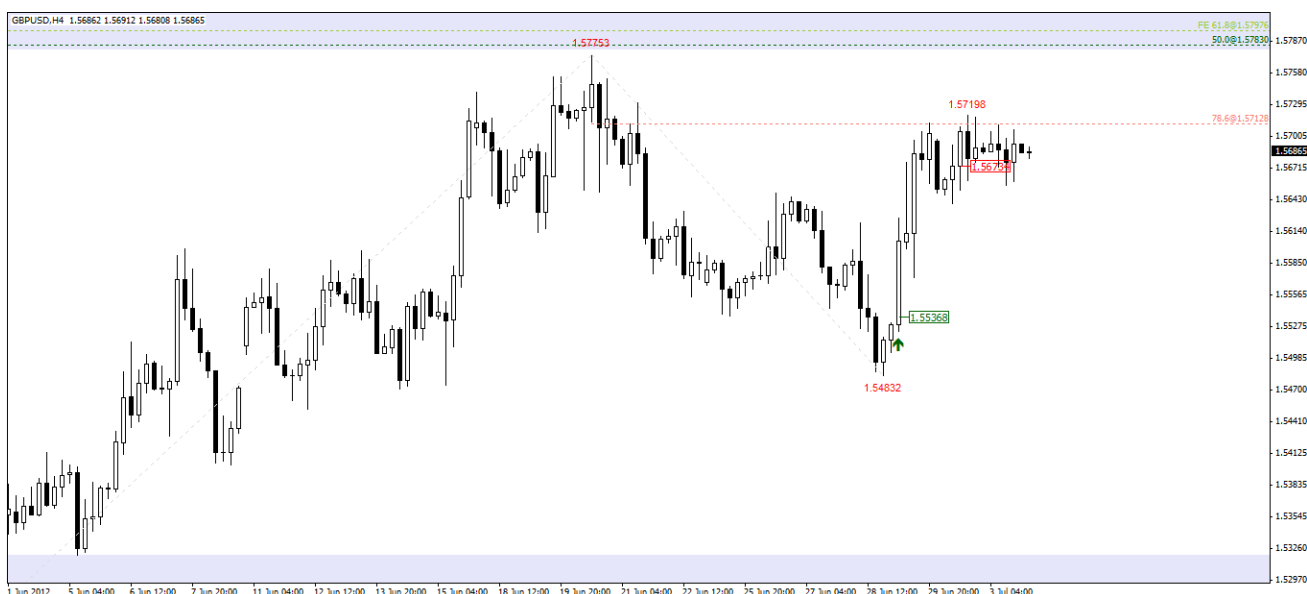
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 29-06-2012								+\$30,967.00
EUR-USD	29-06-2012	1.0	1.24574	02-07-2012	1.0	1.25758	+\$1,184.00	+\$1,184.00	+\$32,151.00
EUR-USD	03-07-2012	1.0	1.25974	03-07-2012	1.0	1.26062	+\$88.00		
EUR-USD	03-07-2012	1.0	1.25974	03-07-2012	1.0	1.26062	+\$88.00		
Unrealized							+\$176.00		



GBP-USD DAILY



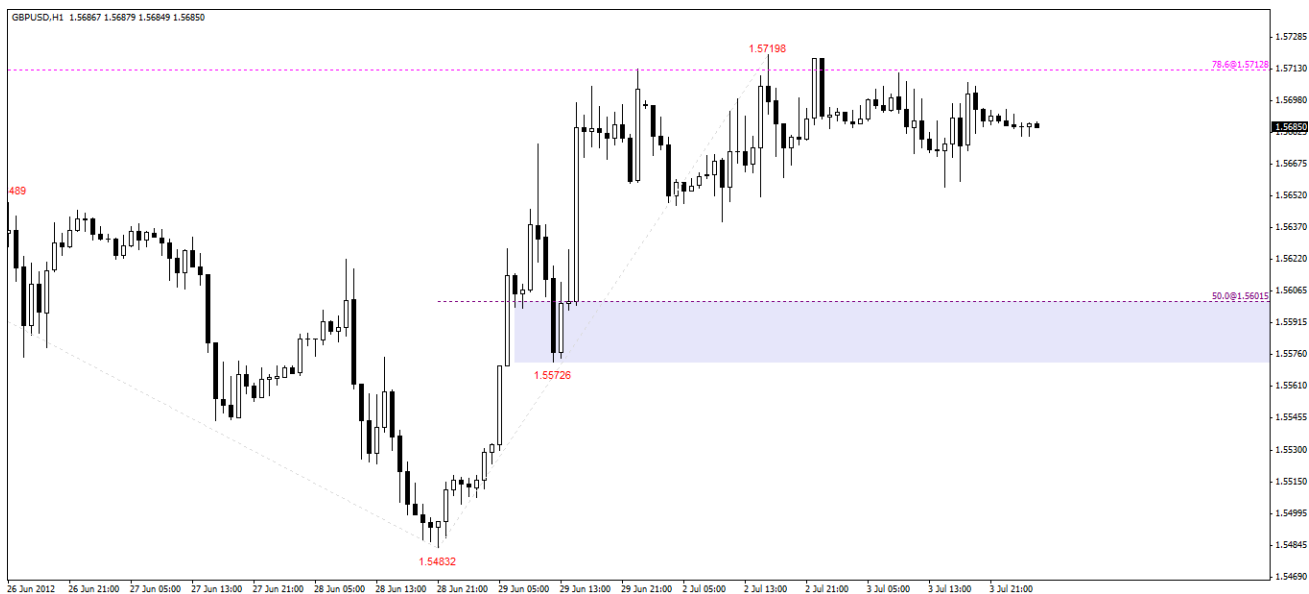
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Price action remains capped at the 78.6% retracement of 1.57753 to 1.54832 at **1.57128**. This level represents the maximum retracement allowable and a resumption of the fall from 1.62995 is still technically possible. Overall, the short-term upward momentum seen last Friday was lost. At any rate, stiff resistance is expected to emerge from the within the overhead SZ at **1.57777-1.58463** where the 50.0% retracement of 1.62995 to 1.52666 at **1.57830** and the 61.8% projection of 1.52666 to 1.57753 from 1.54832 at **1.57976** are located. A surge above this SZ would target the 100.0% projection of 1.52666 to 1.57753 from 1.54832 at **1.59919** to complete the correction from the June low of 1.52666. However, should the medium-term fall resumes from current level, price action is expected to work towards the June low of **1.52666** (pending the break below the 61.8% retracement of 1.52666 to 1.57753 at **1.54609** which lies just above a minor DZ at **1.54023-1.54469**).

GBP-USD 1-HOURLY



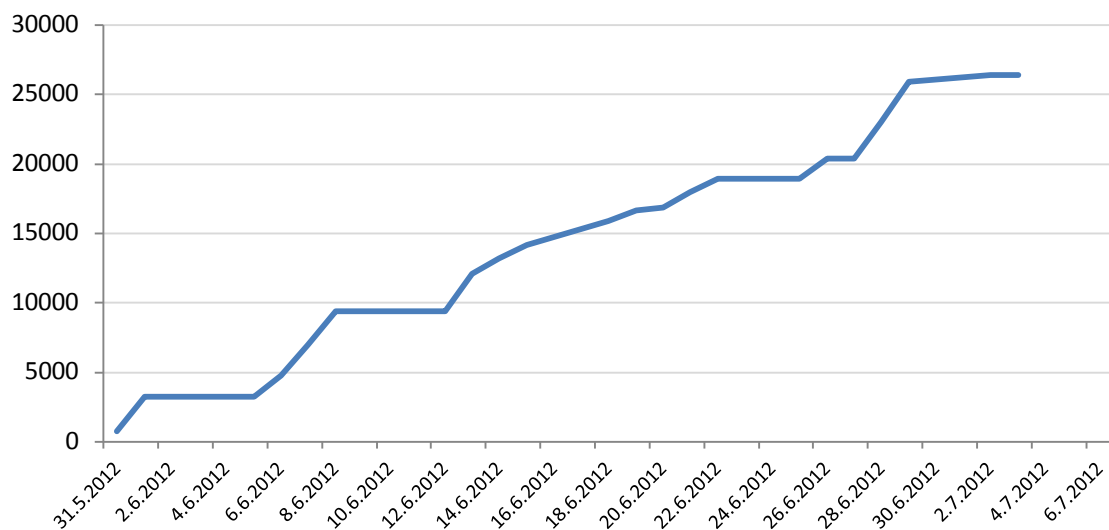
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy @ 1.56013	1.57777	1.59919	1.55626 STOP

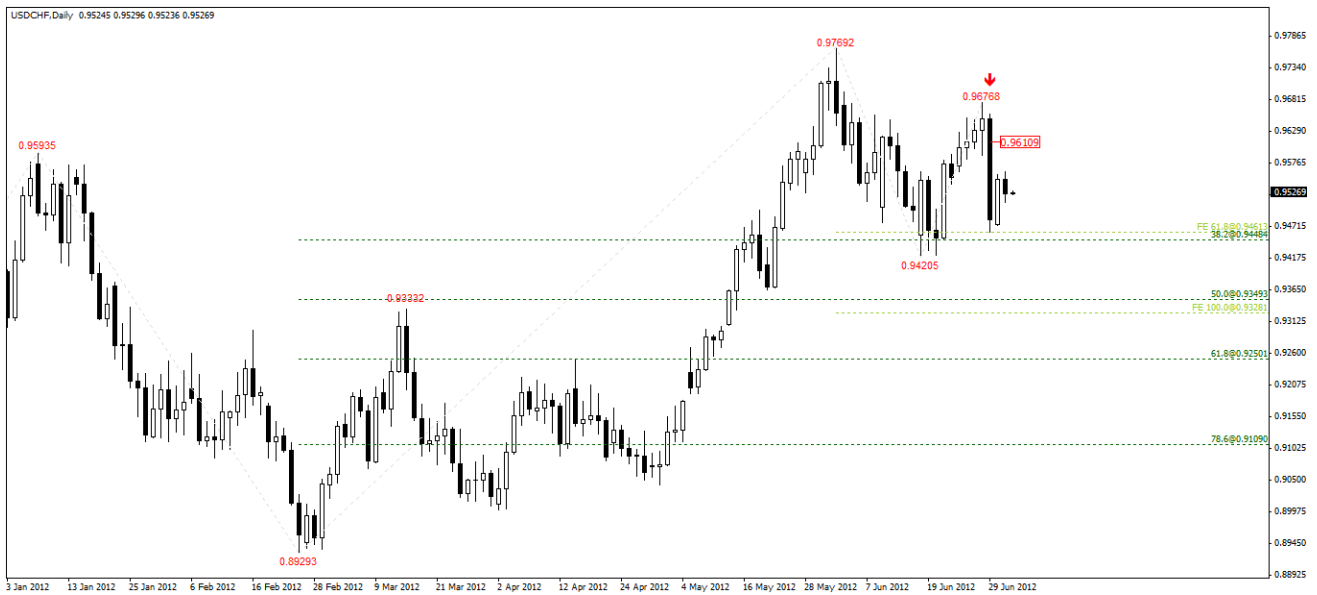
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 29-06-2012								+\$25,925.00
GBP-USD	29-06-2012	1.0	1.56124	02-062012	1.0	1.56594	+\$470.00	+\$470.00	+\$26,395.00
						Unrealized	+\$0.00		

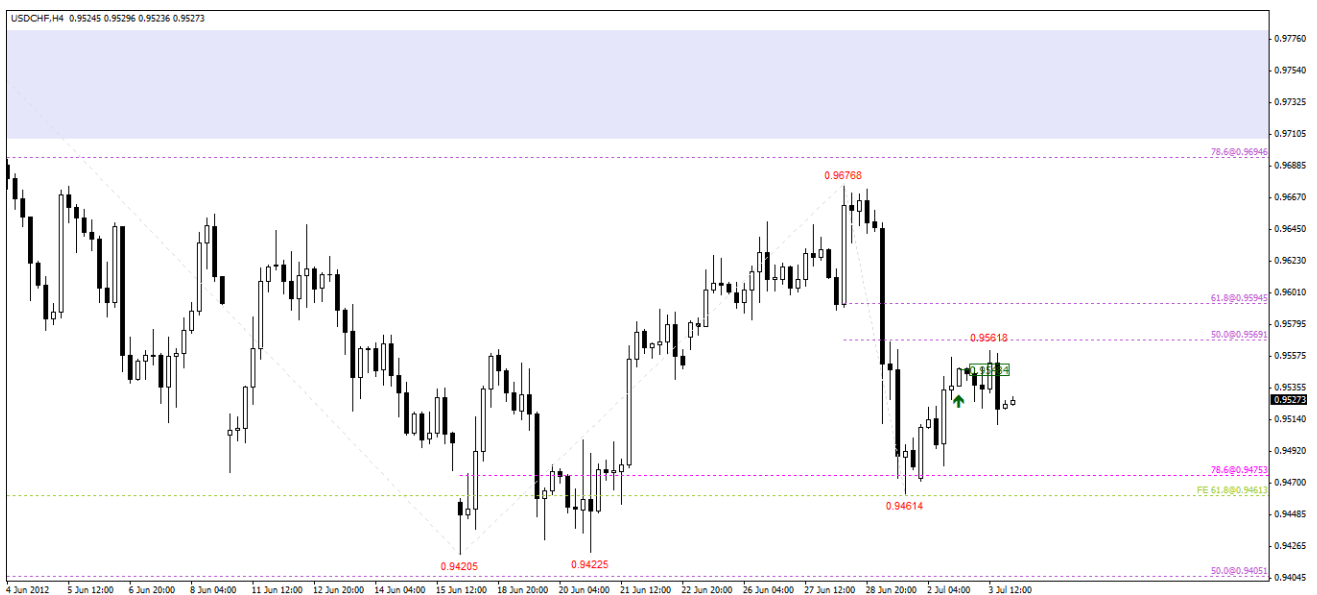
GBP-USD Realized Profits



USD-CHF DAILY



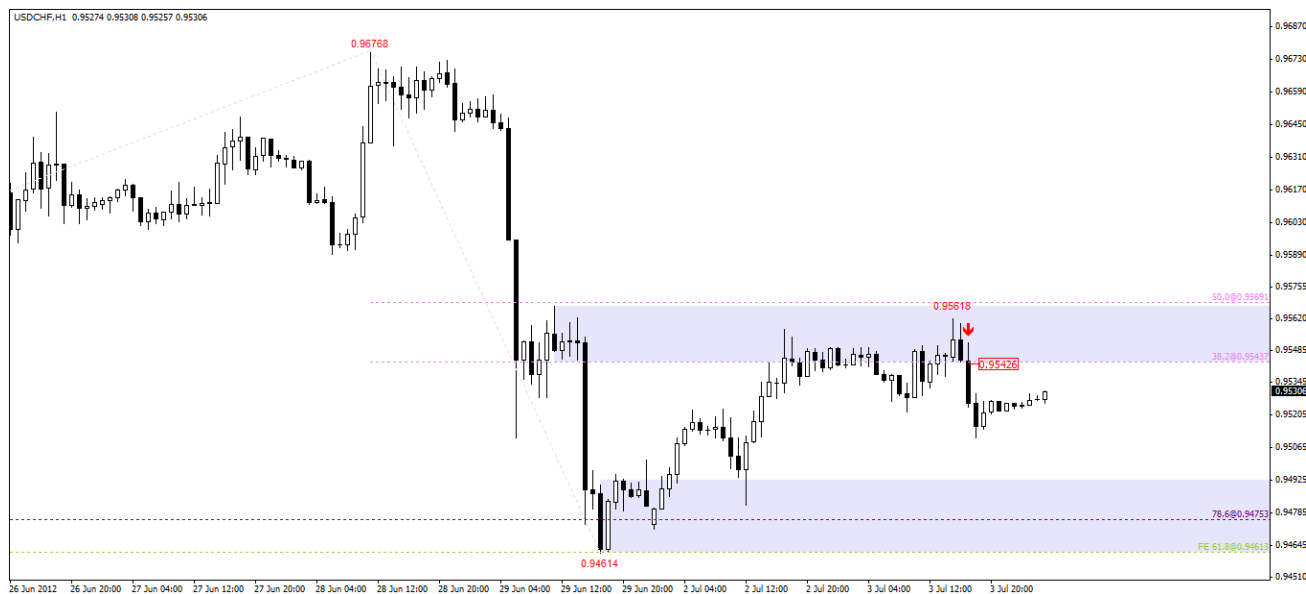
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Price action continues to correct its fall from 0.96768 to near 50.0% retracement of 0.96768 to 0.94614 at **0.95691** with an overnight high at **0.95618** and promptly eased. There is a possibility that in the short to medium-term, the stage is set for this rebound to complete a 3-wave correction to the 100.0% projection from 0.97692 to 0.94205 from 0.96768 at **0.93281** (see D1 chart). However, sustained trading below **0.93332** would seriously impair the bullish case. From there, price action may continue its struggle towards the long-term target to between the 23.6% retracement of 1.83090 to 0.70677 at **0.97206** and the 61.8% retracement of 1.17296 to 0.70677 at **0.99488**; which is incidentally near the 61.8% projection of 0.70677 to 0.93132 from 0.85669 at **0.99546**.

USD-CHF 1-HOURLY

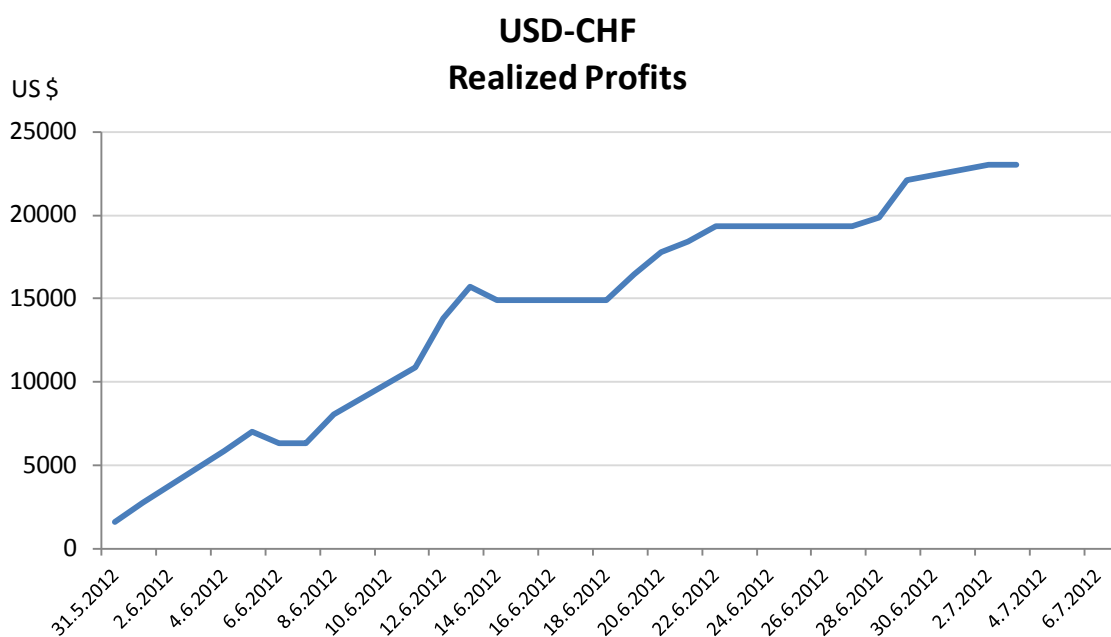


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.95426	0.94927	0.93948	0.95774 STOP

Weekly Performance

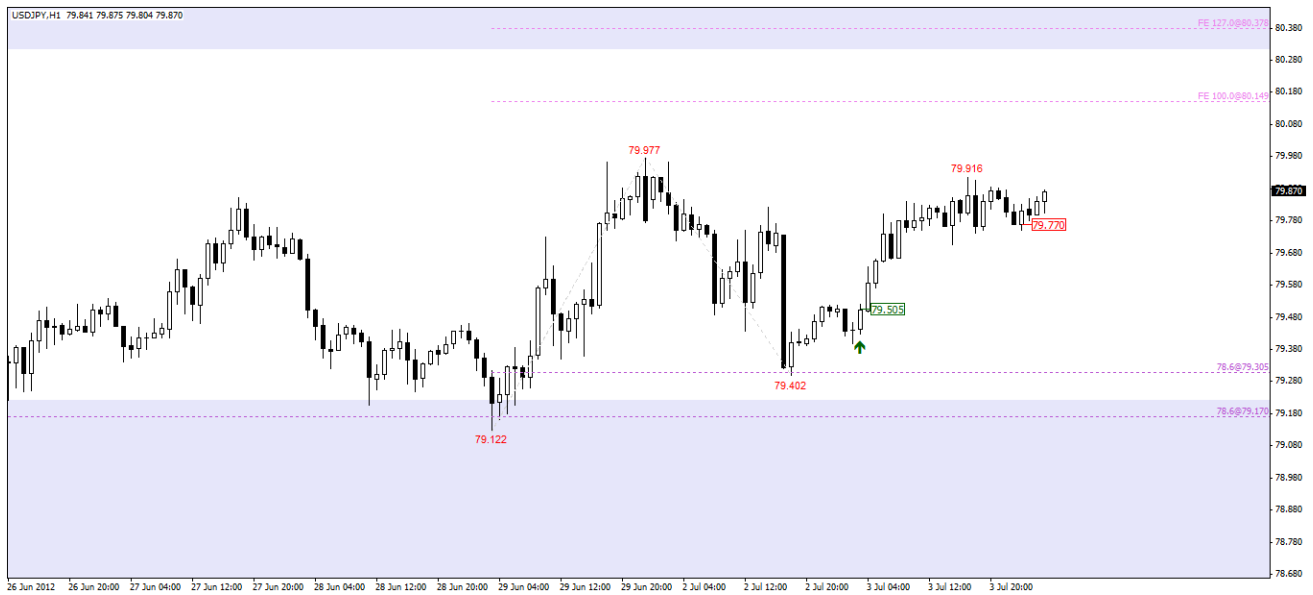
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 29-06-2012								+\$22,082.24
USD-CHF	02-07-2012	1.0	0.95484	29-06-2012	1.0	0.96375	+\$933.14	+\$933.14	+\$23,015.38
USD-CHF	03-07-2012	1.0	0.95244	03-07-2012	1.0	0.95426	+\$191.09		
USD-CHF	03-07-2012	1.0	0.95244	03-07-2012	1.0	0.95426	+\$191.09		
Unrealized							\$382.18.00		



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Overall, the fall from 84.162 is making a series of 3-wave corrective rebound to perhaps the 127.0% retracement of 77.650 to 79.779 from 78.598 at **81.302** (see D1 chart). Two possible scenarios may unfold from there. (1) Price action accelerates to the upside in a powerful rally to test the March high of **84.162** or (2) the fall from 84.162 is expected to resume towards the June low of **77.650**. As noted in the previous report, it is important that last Friday's rally accelerates beyond the immediate SZ at **80.238-80.598** to keep the bullish case in scenario (1) alive. Sustained trading below the 78.6% retracement of 78.779 to 80.608 at **79.170** would compromise the bullish case and a breach below **78.779** would shift attention to the June's low at 77.650. In so long as price action holds at the DZ at **78.595-78.795**, the medium-term bullish case is still alive.

USD-JPY 1-HOURLY



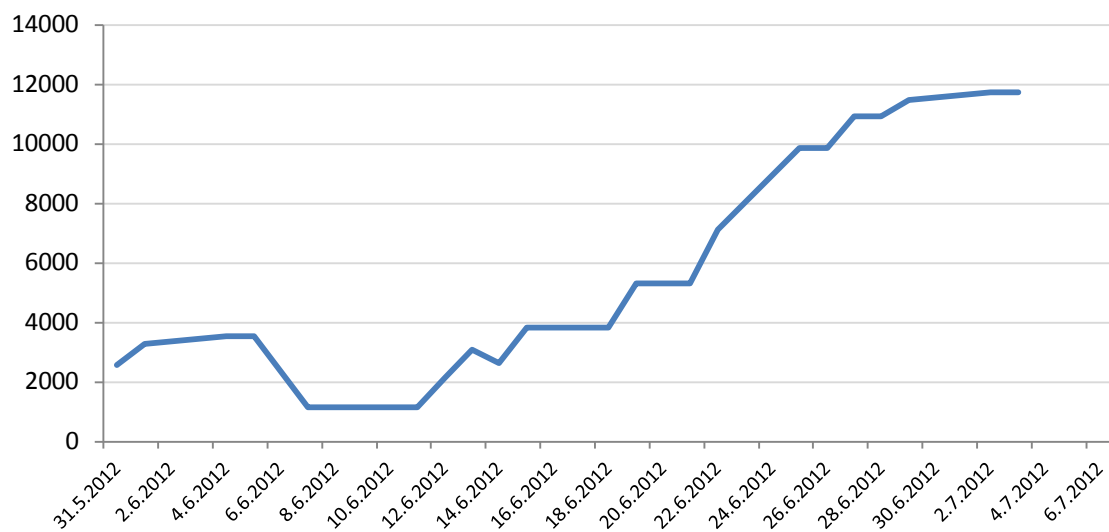
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 79.505	80.238	81.440	Exit on H1 close below 79.770

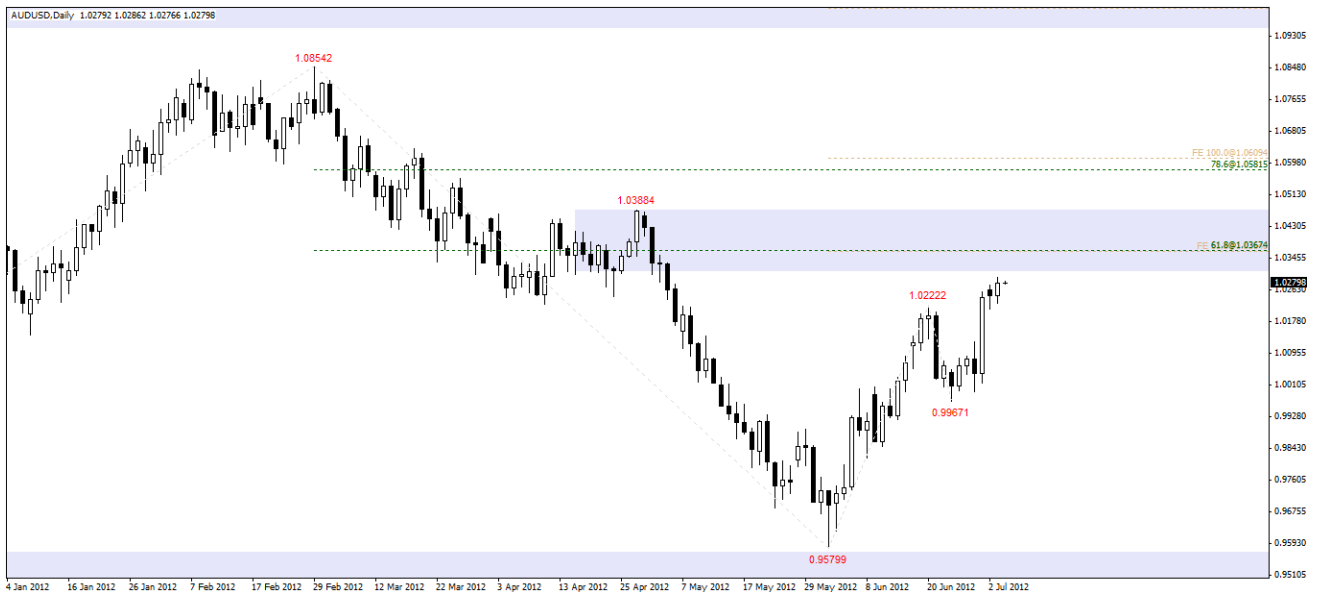
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 29-06-2012								+\$11,491.82
USD-JPY	29-06-2012	1.0	79.293	02-07-2012	1.0	79.536	+\$305.52	+\$305.22	+\$11,725.04
USD-JPY	03-07-2012	1.0	79.505	02-07-2012	1.0	79.618	+\$142.29		+\$11,867.33
USD-JPY	03-07-2012	1.0	79.505	02-07-2012	1.0	79.618	+\$142.29		+\$12,009.62
USD-JPY	03-07-2012	1.0	79.505	03-07-2012	1.0	79.768	+\$329.71		
USD-JPY	03-07-2012	1.0	79.505	03-07-2012	1.0	79.768	+\$329.71		
						Unrealized	\$659.42.00		

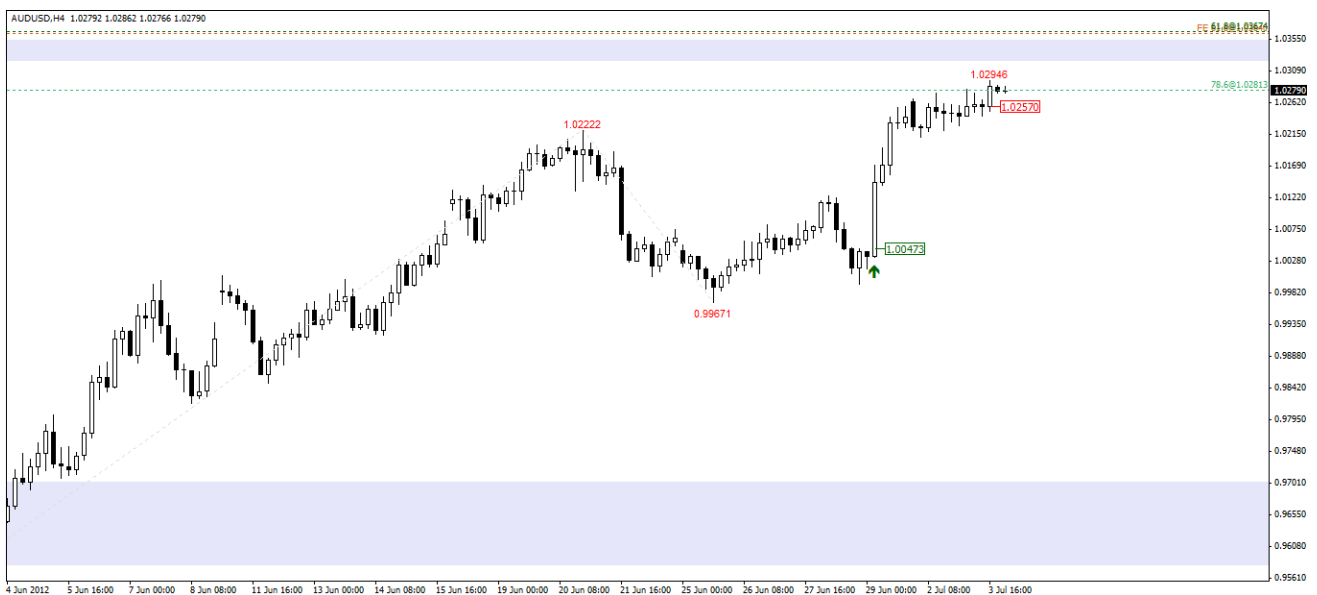
USD-JPY Realized Profits



AUD-USD DAILY



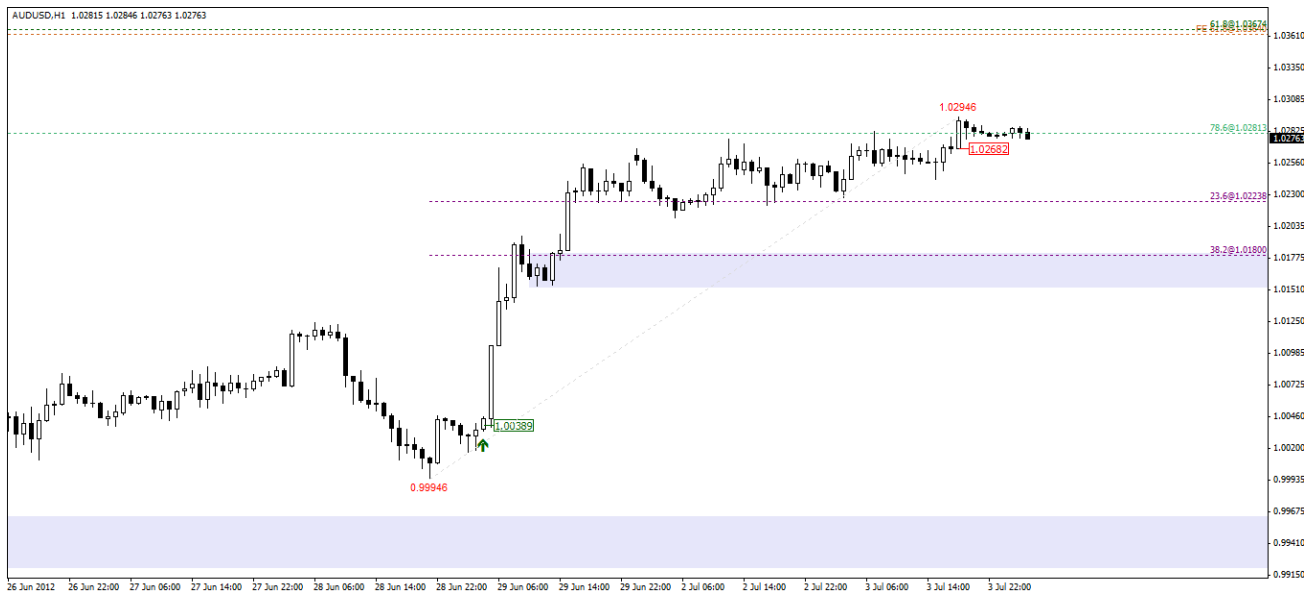
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

From 0.99946, price action continues to edge higher, hovering around the 78.6% projection of 1.04723 to 0.96799 at **1.03027** after registering yet another marginal high at **1.02946** in overnight trading. As noted, two possible scenarios may emerge from this aggressive rally. (1) This rally is the second leg of a 3-wave corrective move to possibly the 78.6% projection of 1.08542 to 0.95813 at **1.05818** or the 100.0% projection of 0.95799 to 1.02222 from 0.99671 at **1.06094** or (2) the current rally will form part of a 3rd wave extension rally to possibly the 161.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.10063**. Should a pullback occurs first, the 38.2% retracement of 0.99946 to 1.02562 at **1.01563** where a DZ at **1.01532-1.01814** is should hold. If so, look out for buy signals at or near this level. On the other hand, this market continues to struggle higher, towards a Fibonacci cluster make up of the 61.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.03640** which is layered just below the 61.8% retracement of 1.08542 to 0.95799 at **1.03674** before pulling back.

AUD-USD 1-HOURLY



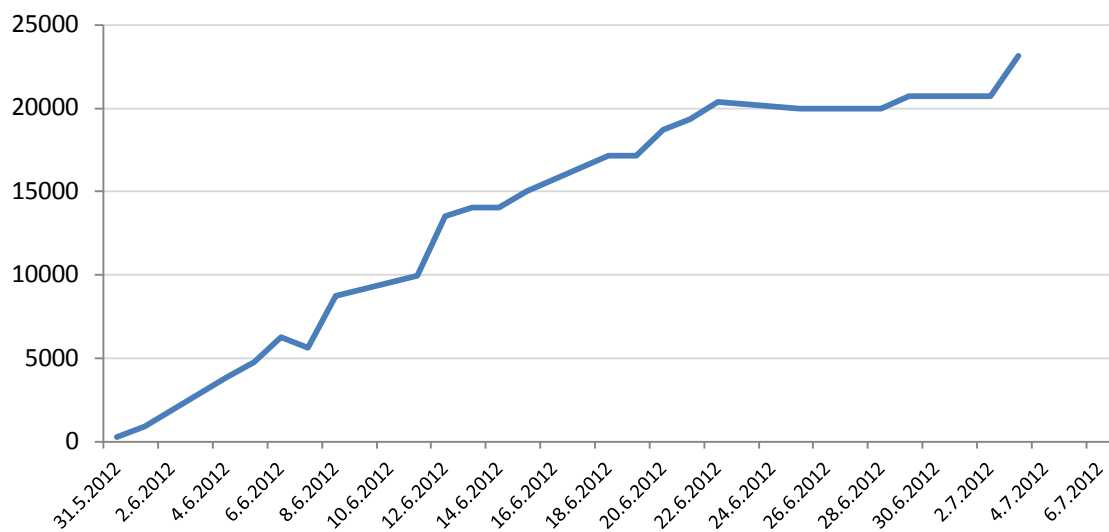
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.00389	1.02813 Realized	1.04364	Exit on H4 close below 1.02570

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from								+ \$20,736.00
	29-06-2012								
AUD-USD	29-06-2012	1.0	1.00389	03-07-2012	1.0	1.02813	+\$2,424.00	+\$2,424.00	+\$23,160.00
AUD-USD	29-06-2012	1.0	1.00389	03-07-2012	1.0	1.02793	+\$2,404.00		
						Unrealized	+\$2,404.00		

AUD-USD Realized Profits



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.