

A Traders Academy International Publication

Fed Maintains Easy Money Policy

EUR-USD spiked to a fresh 14-month high on Wednesday after the U.S. Federal Reserve kept interest rates near zero and maintained its bond-buying program to spur economic growth. The Fed's decision to maintain its \$85 billion a month bond-buying program is geared toward boosting the US economy and is not likely to stop until the outlook for unemployment improves substantially. Loose monetary policy gives traders less incentive to buy and hold U.S. Dollars, thereby contributing to its weakness.

EUR-USD spiked to a fresh high of 1.35865, a gain of 0.56 percent. The Euro was already stronger against the US Dollar after the U.S. Commerce Department earlier reported an unexpected 0.1 percent contraction in U.S. fourth quarter economic activity,

The weakness in the U.S. economy, while likely short-lived, contrasted against an improving economic outlook in the Euro zone. This the first time the U.S. economy shrank since the 2007-09 recession.

A separate report Wednesday showed U.S. private employers added 192,000 jobs in January, more than economists were expecting, in a sign of growth in the labour market. The data comes two days ahead of the all-important government non-farm payrolls report.

Euro zone data showed the region's economic sentiment rose for the third month in a row, while European Central Bank policymaker Ewald Nowotny said the recovery was seeping into the real economy.

USD-JPY traded at 91.064, a rise of 0.4 percent on the day. It earlier touched a 2-1/2-year high at 91.389. Traders reported an option barrier at 91.500, which could cap gains in the near term.

Yen selling has been mostly a one-way bet since mid-November, based on expectations that Japanese Prime Minister Shinzo Abe would push the BOJ into more aggressive monetary easing to beat deflation.

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EURUSD, H4 1.35658 1.35619 1.35613 1.35619

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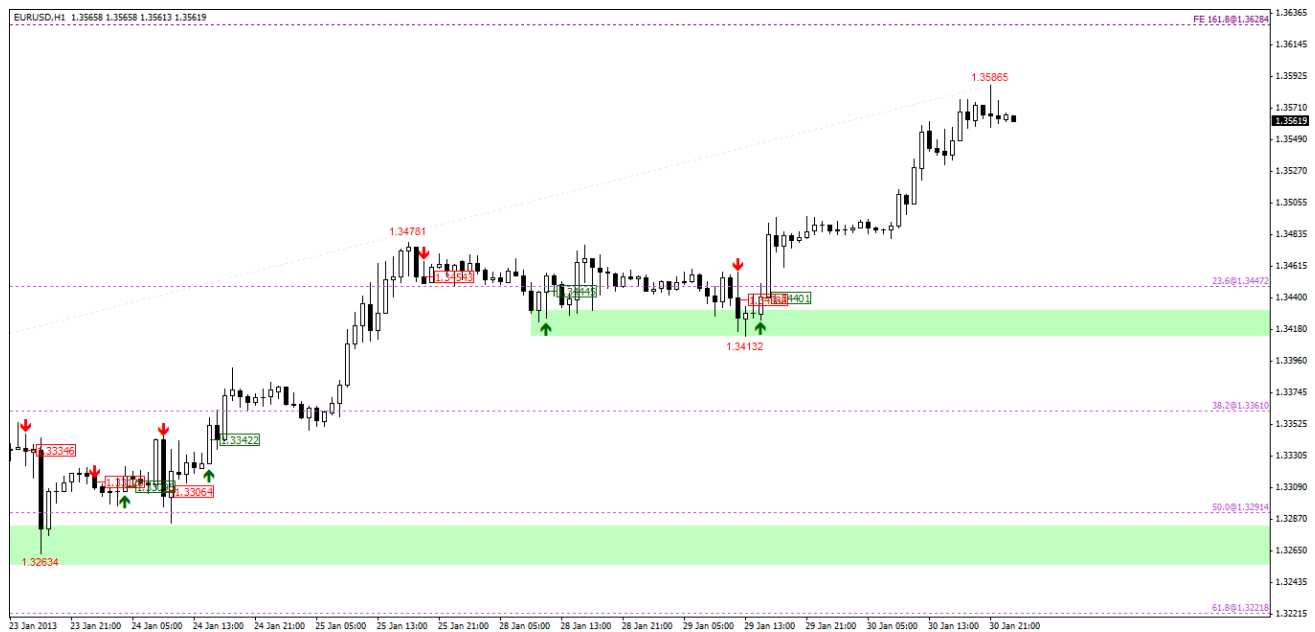
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31 Dec 2012 2 Jan 12:00 3 Jan 20:00 7 Jan 04:00 8 Jan 12:00 9 Jan 20:00 11 Jan 04:00 14 Jan 12:00 15 Jan 20:00 17 Jan 04:00 18 Jan 12:00 21 Jan 20:00 23 Jan 04:00 24 Jan 12:00 25 Jan 20:00 29 Jan 04:00 30 Jan 12:00

EUR-USD extended its rally towards the 161.8% projection of 1.26601 to 1.31254 from 1.28755 at **1.36284** with a print of 1.35865 overnight in NY trading. Now that price action has broken above the supply pocket at **1.33575-1.34857**, it suggests that the rally from 1.26601 may have resumed. If so, the next focus is the 100.0% projection of 1.20414 to 1.31710 from 1.26601 at **1.37897** as well as the 61.8% retracement of 1.49393 to 1.20414 at **1.38323** (see W1 chart).

EUR-USD 1-HOURLY



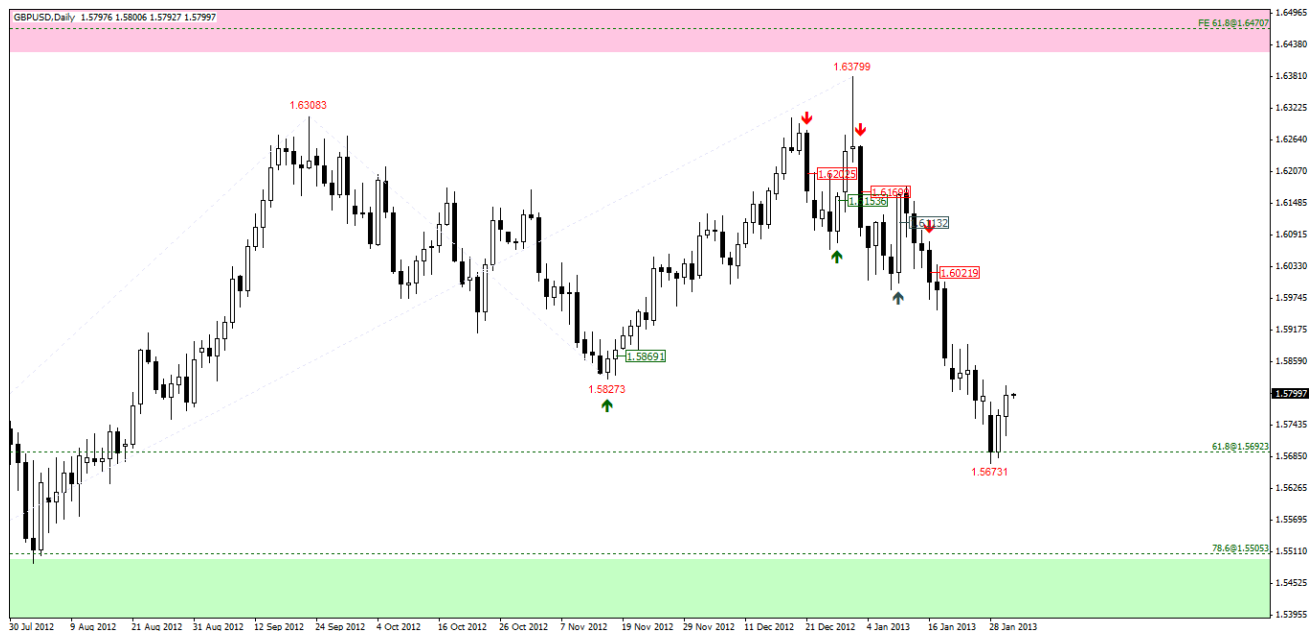
TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.32874	1.33654	1.33575 Realized	1.37897	3	0.03m

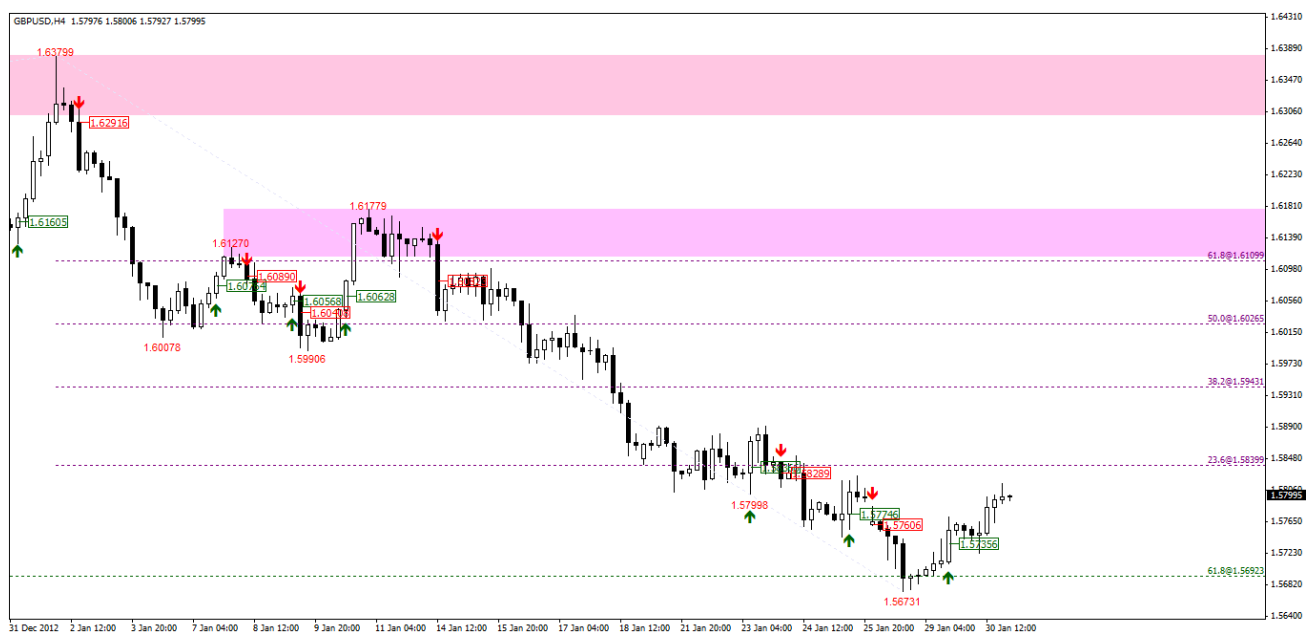
TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										1.49	10,149.10
2013.01.22 17:50	0.02m	1.32874	2013.01.30 23:59	0.02m	1.35661	557.4	557.40				

GBP-USD DAILY



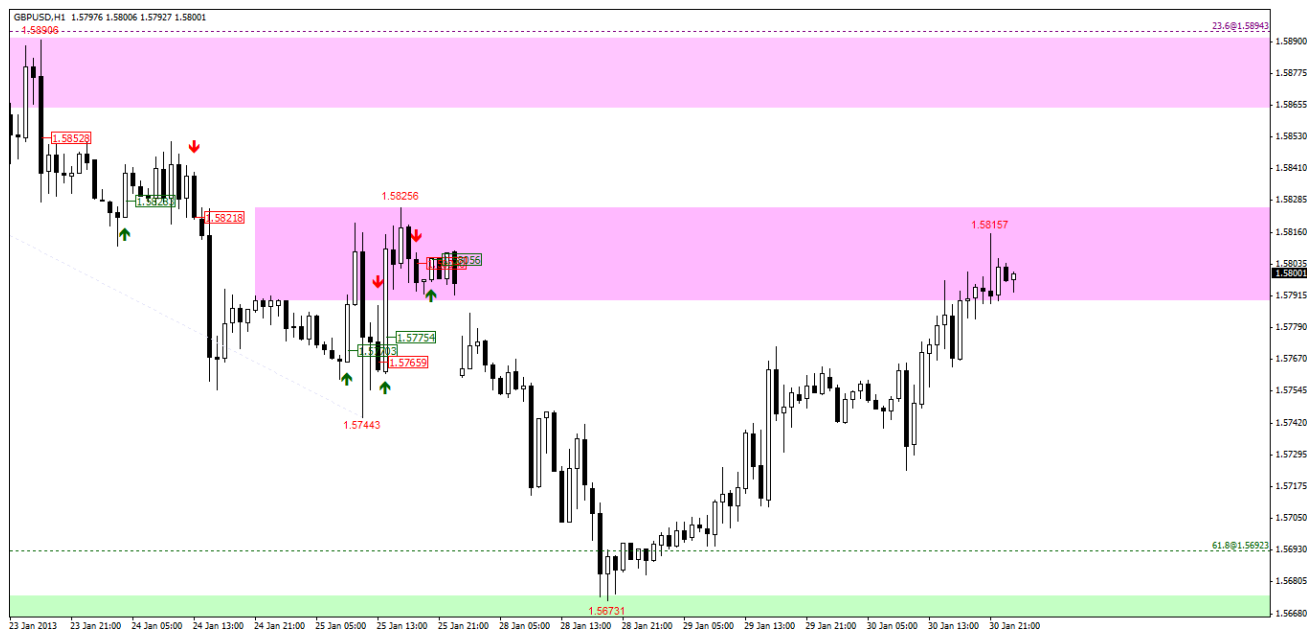
GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

The rebound from the Fibonacci confluence of the 61.8% retracement of 1.52672 to 1.63799 at **1.56923** and the 127.0% projection of 1.63799 to 1.59906 from 1.61779 at **1.56835** extended into the overhead supply pocket at **1.57894-1.58256** overnight. With price action having fallen below the demand zone at **1.57531-1.58303** on Monday and fast approaching the lower trend-line of the triangle formation seen in the monthly chart, caution has set in. Should this fall accelerate below the **1.56000** level; it will all but confirm the breakout from the longer-term triangle pattern developing since August 2009. Given this extreme bearish outlook (read longer-term outlook), any rebound ought to be sold. As such, the supply pockets at **1.57894-1.58256** or **1.58643-1.58915** are possibly areas to do just that. Sell signals within these price pockets ought to be acted upon for a challenge of last June's low of **1.52672**.

GBP-USD 1-HOURLY



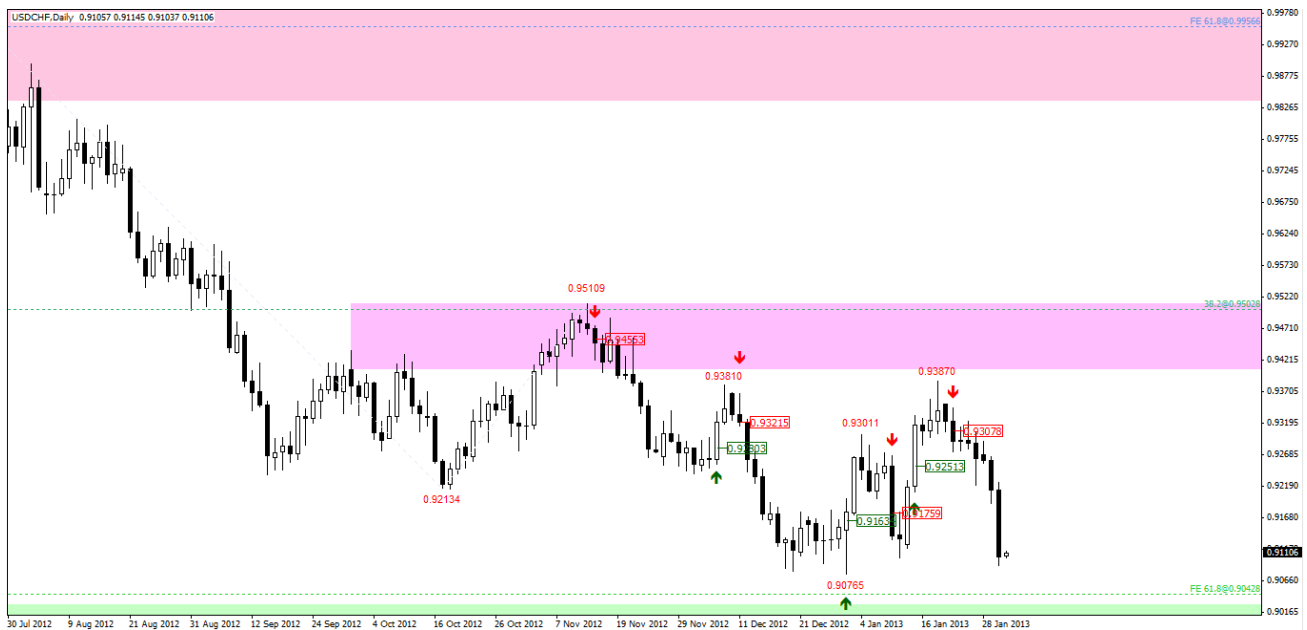
GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold	Sell on sell signal within 1.58463-1.58915	1.58013	1.59015	1.55053		3	0.03m

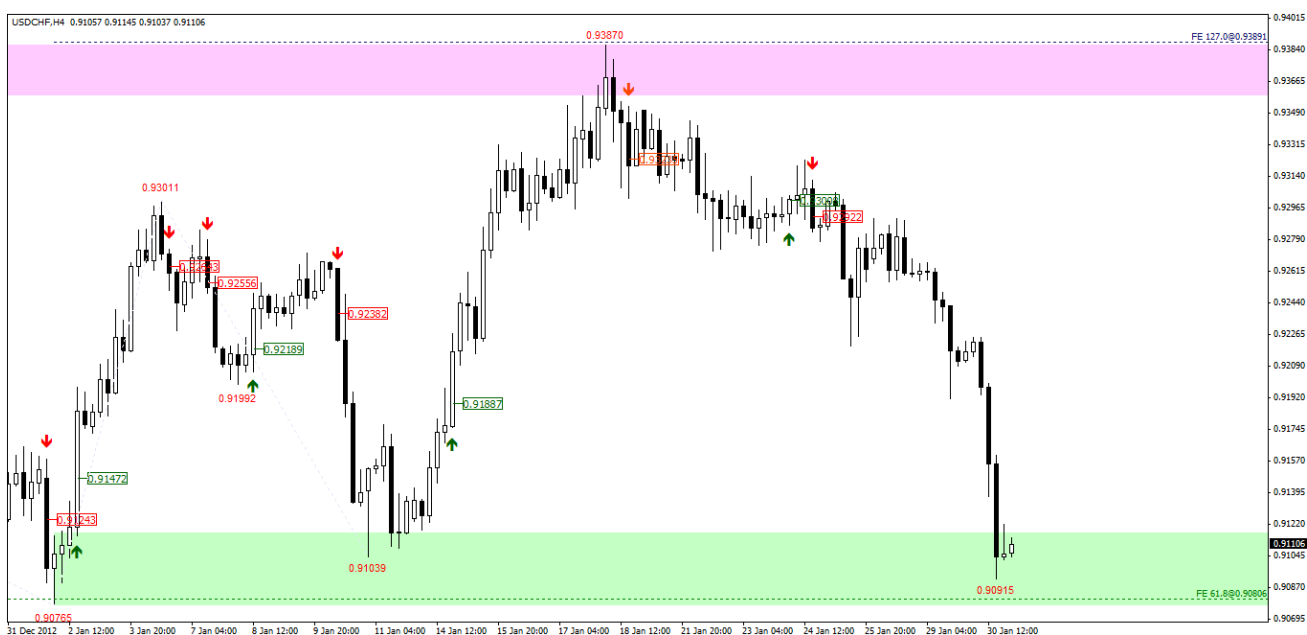
GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										-4.13	9,586.90
2013.01.30 22:30	0.03m	1.58013	2013.01.30 23:59	0.03m	1.57973	12.0	12.00				

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

The fall from 0.93870 after picking up momentum on Tuesday accelerated overnight in NY with price action dipping into the DZ at **0.90010-0.90587**. Price action came close to the 61.8% retracement of 0.90765 to 0.93870 at **0.91951** and rebounded. As noted, the downside target is at **0.91039** and the area around the 61.8% projection of 0.99709 to 0.92134 from 0.95109 at **0.90428** as well as the DZs at **0.90010-0.90587** and **0.89211-0.89847**. Should this fall accelerate below the DZ at **0.89301-0.90278**; more sellers will pile in (see D1 chart). From the perspective of the W1 chart, sustained trading below the next DZ at **0.85672-0.86934** would suggest the correction from 0.70667 is practically over and the longer-term downtrend from 1.83090 from way back in 2000 has resumed. On the other hand, demand is also expected to emerge from any of the above price pockets. Be ready to cover shorts.

USD-CHF 1-HOURLY



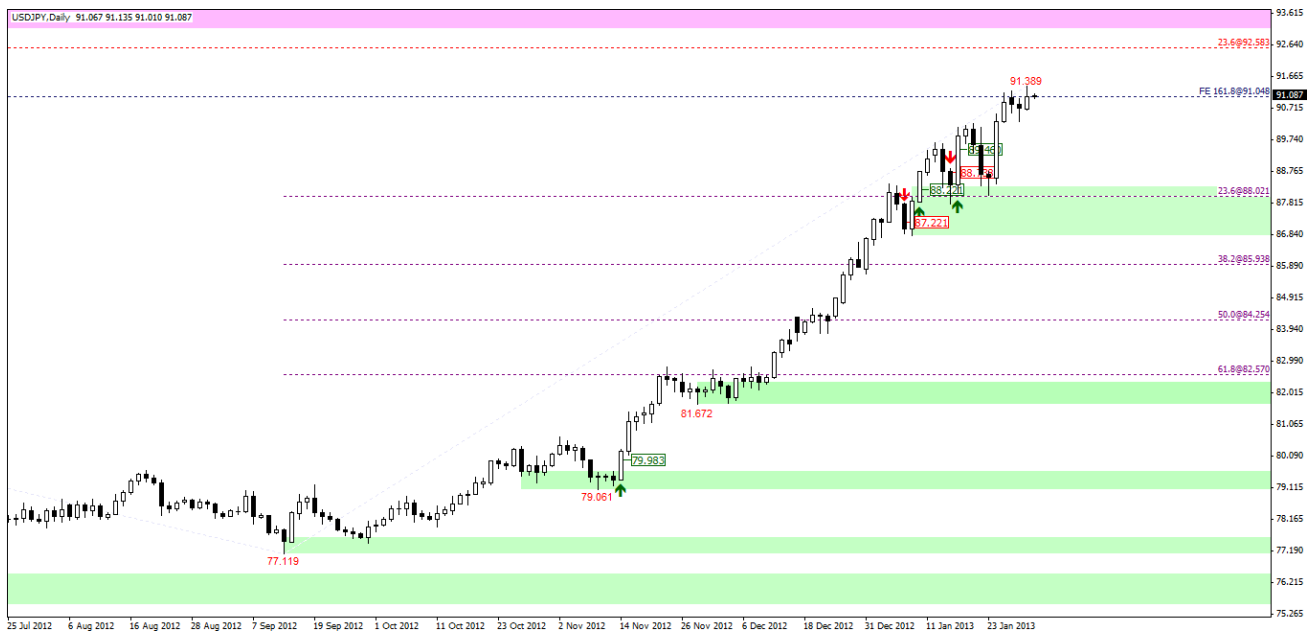
USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		0.93520	0.92349	0.90587	0.89847	3	0.03

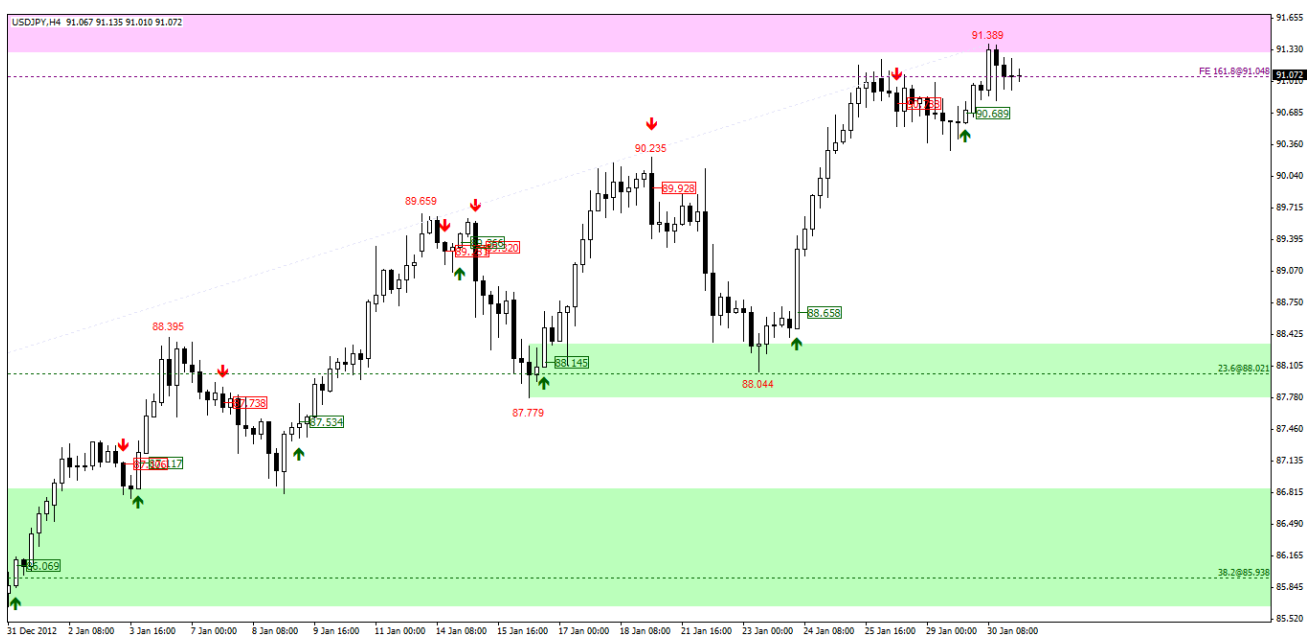
USD-CHF TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										-0.31	9,968.76
2013.01.17 20:44	0.03m	0.93520	2013.01.30 23:59	0.03m	0.91054	739.8	812.48				

USD-JPY DAILY



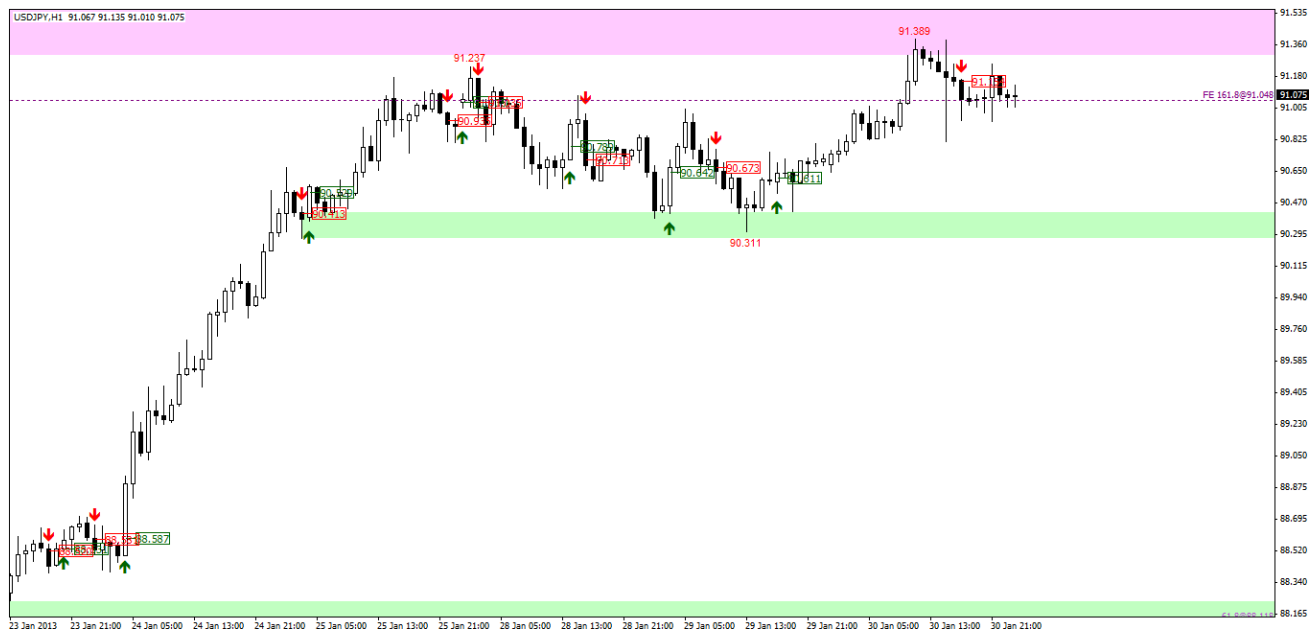
USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

This market continues to register marginal new high and yesterday was no exception although momentum was visibly lacking. After making a new marginal 2 ½ year high above the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048** on Tuesday, price action momentarily challenged the overhead supply pocket at **91.300-92.09** overnight in NY and retreated. Those who managed to buy within the minor demand pocket at **90.272-90.420** may wish to hang on to their longs for the more formidable supply zone at **93.129-94.979**.

USD-JPY 1-HOURLY



USD-JPY TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Buy on buy signal within 90.272-90.420	90.487	Break-even	92.583	99.657	3	0.03

USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										19.1	11,907.90
2013.01.28 01:32	0.03m	90.487	2013.01.30 23:59	0.03m	91.064	173.1	190.09				

AUDUSD Daily 1.04153 1.04181 1.04092 1.04179

1.06123

1.06239

1.05835

1.05970

1.05452

1.05154

1.04478

1.03958

1.03824

1.03432

1.02853

1.02715

1.02450

1.02180

1.01915

1.01645

1.01380

1.01485

78.6@1.05835

61.8@1.03199

78.6@1.02445

24 Jul 2012 3 Aug 2012 15 Aug 2012 27 Aug 2012 6 Sep 2012 18 Sep 2012 28 Sep 2012 10 Oct 2012 22 Oct 2012 1 Nov 2012 13 Nov 2012 23 Nov 2012 5 Dec 2012 17 Dec 2012 28 Dec 2012 10 Jan 2013 22 Jan 2013

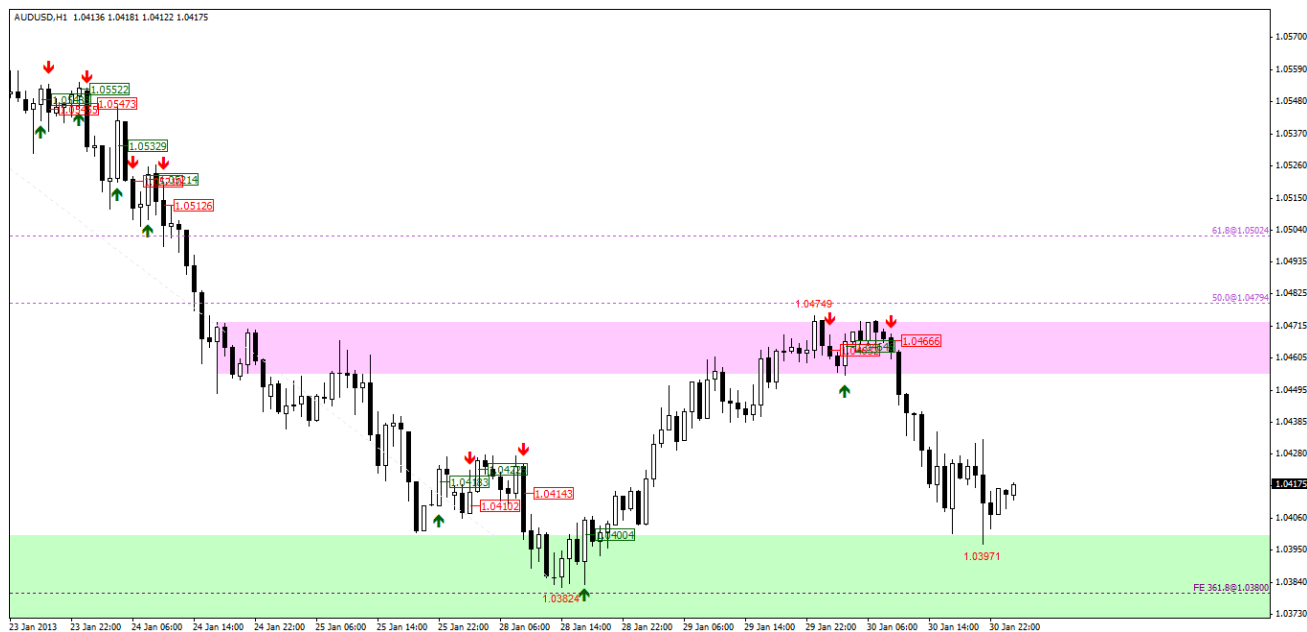
AUDUSD:H4 1.04153 1.04181 1.04092 1.04174

Key Price Levels:

- 1.05970
- 1.05700
- 1.05570
- 1.05435
- 1.05300
- 1.05165
- 1.05030
- 1.04895
- 1.04760
- 1.04625
- 1.04490
- 1.04355
- 1.04220
- 1.04085
- 1.03950
- 1.03815
- 1.03680
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- 1.03275
- 1.03140
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The recovery from within the demand pocket at **1.03432-1.03997** extended into the immediate overhead supply pocket at **1.04549-1.04727** lost steam and promptly fell back as expected. Price action momentarily dipped back into the the demand pocket at **1.03432-1.03997** and rebounded. While the long-term outlook has turned bearish with the weekly chart have triggered a sell signal, the prospect of further losses gains credence should this market closes below **1.03733** by the end of tonight's trading in NY as this would invariably trigger a longer-term sell signal in the monthly price chart as well. Combined, this points to a long-term decline that may last months going forward. Having said that, should the demand pocket at **1.03432-1.03997** holds, be prepared to cover shorts.

AUD-USD 1-HOURLY



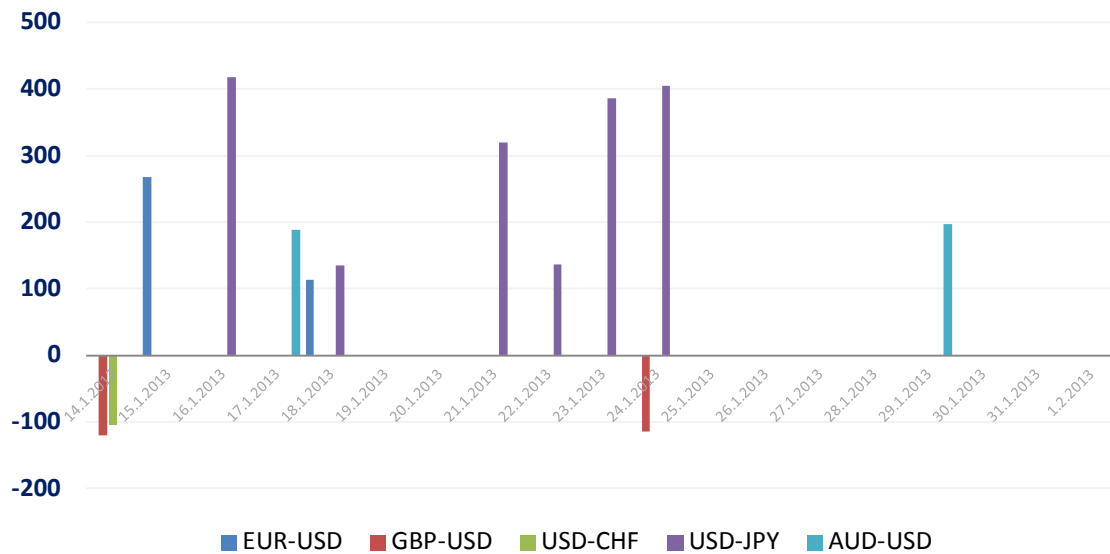
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold	Sell on sell signal within at 1.04549-1.04727	1.04695	Break-even	1.03800	1.01917	3	0.03

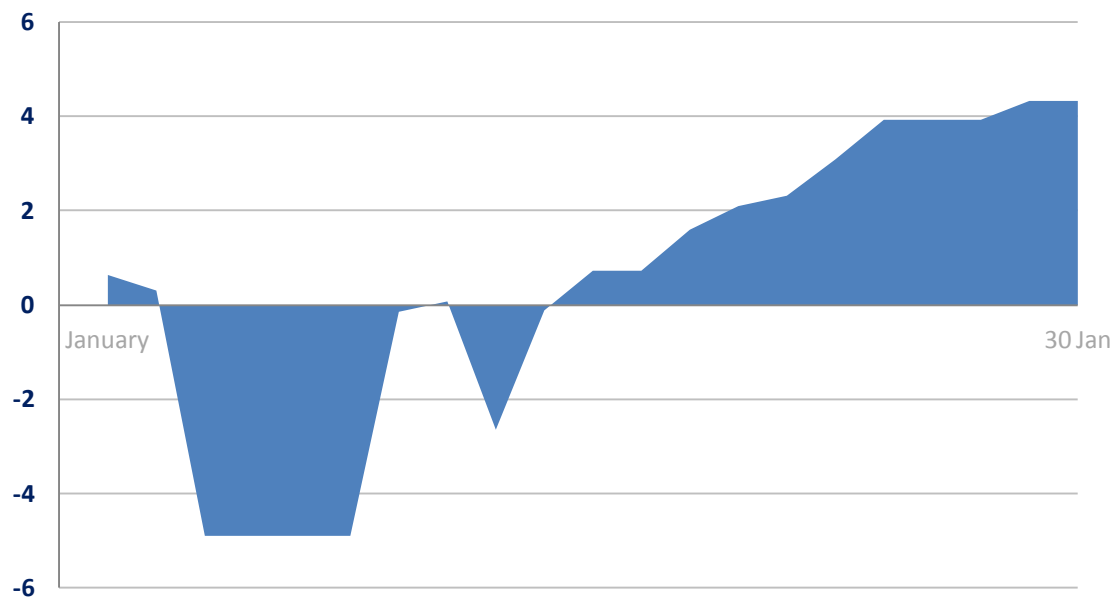
AUD-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										3.54	10,354.30
2013.01.28 13:15	0.03m	1.03891	2013.01.29 09:49	0.03m	1.04549			197.4	197.40	1.91	10,551.70
Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
2013.01.30 00:05	0.03m	1.04695	2013.01.30 00:05	0.03m	1.04161	160.2	160.20				

Daily Realized P/L



Accumulative Percentage P/L



Traders Academy International

Check out our website at
www.tradersacademyonline.com

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.

