

A Traders Academy International Publication

USD-JPY At 2 ½ Year High On China Data

EUR-JPY catapulted to an 18-month high and EUR-USD hit a 1-week peak on Thursday after the European Central Bank gave no indication it would cut rates, while robust Chinese export data assuaged concerns about global growth.

EUR-USD rose for the first time in three sessions against the dollar as the ECB unanimously left interest rates unchanged at 0.75 percent.

Traders had been wary that ECB President Mario Draghi would signal rate cuts in the coming months, and when that did not happen, the Euro's gains accelerated. Draghi's normal tone of realism was replaced with a certain aura of optimism. Draghi said euro zone economic weakness was expected to extend into 2013, but the region should gradually recover later in the year..

EUR-USD settled up 1.59 percent at 1.32703 after hitting a session peak of 1.3266, its highest since January 2. EUR-USD has gained 0.6 percent since the start of the year.

Traders also embraced the Euro on raised hopes of a more robust recovery for the global economy this year after China, the world's second-largest economy, reported stronger-than-expected exports.

EUR-JPY rose to an 18-month high of 117.823 and settled up 2.64 percent at 117.809. It is up an impressive 2.95 percent since the beginning of the year.

The Euro was also bolstered by solid demand at a sale of mostly two-year Spanish debt, which caused Spain's benchmark 10-year bond yields to fall to a 10-month low.

At the moment, the biggest driver of the euro's value is the spread between Spanish and German bonds and that is going one-way – tighter.

GBP-USD rose after the Bank of England left interest rates and its quantitative easing target unchanged. It settled 0.9 percent higher at 1.61653.

USD-JPY rose for a second straight session, edging close to a 2-1/2-year high, with the Japanese Yen susceptible to further losses on increasing bets of aggressive easing policy by the Bank of Japan.

USD-JPY settled up 1.03 percent on the day at 88.766, its highest since July 2010. USD-JPY has appreciated 2.35 percent so far this year. Japanese Yen should remain volatile ahead of the BOJ's January 21-22 policy meeting.

Data showed China's export growth rebounded sharply to a 7-month high in December, a strong finish to the year after seven straight quarters of slowdown, even as demand from Europe and the United States remained subdued. China's strong export data knocked the low-yielding Japanese Yen as traders sought higher-yielding and growth-linked currencies like the AUD-USD, which rose to a 4-month high.

It has so far been a banner year for the Australian Dollar and the New Zealand Dollar, notching impressive gains of 1.96 and 2 percent, respectively.

The Chinese report has reinforced a bunch of recent stronger data releases that has the market believing that China is turning the corner and growth will start to increase there again. This may be an interesting theme to watch over the next few weeks in terms of whether or not the 'growth optimism' can be maintained.

AUD-USD settled at 1.05951, up 0.79 percent on the day.

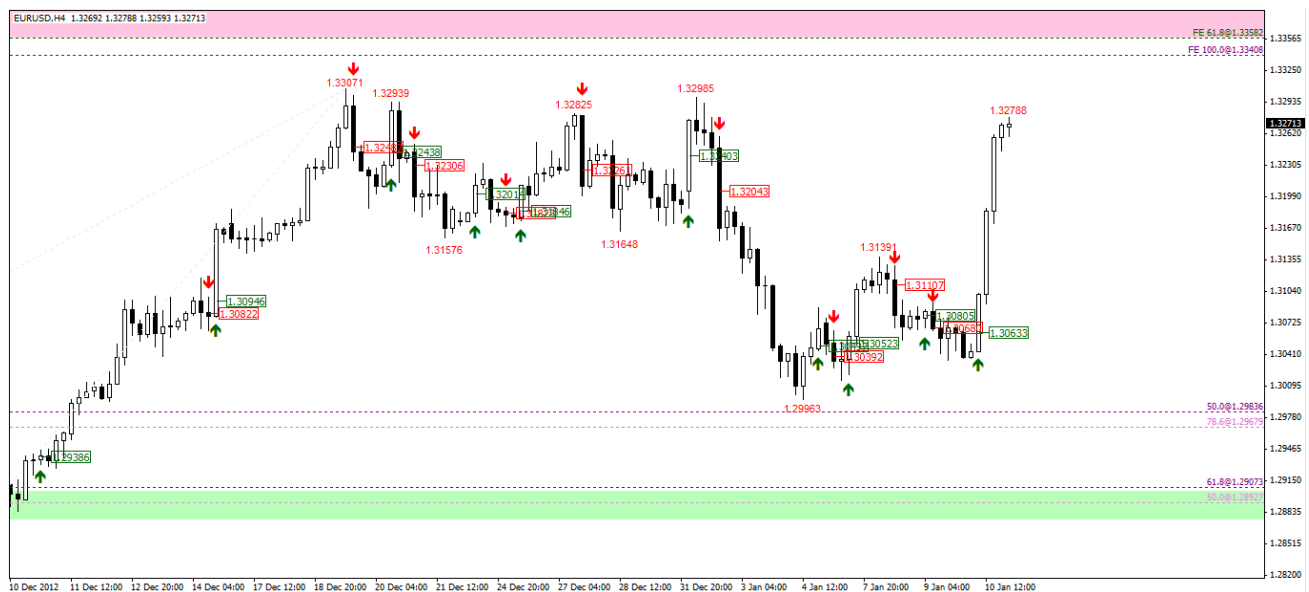
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EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

This market finally woke up from its stupor and charged higher. Price action rammed through the minor supply pocket at **1.31628-1.31897** where the 61.8% retracement of 1.32985 to 1.29963 at **1.31831** is located, an area where it was expected to contain the rebound and bring about the resumption of the fall from **1.32985**. This is just as well as no sell signal was triggered within this price pocket. With this move, the correction from 1.33071 is over and price action is set to re-test this high set on December 19. Beyond this high is the 2012 high of **1.34857** which sits just below the 50.0% retracement of 1.49393 to 1.20414 at **1.34904**.

EUR-USD 1-HOURLY



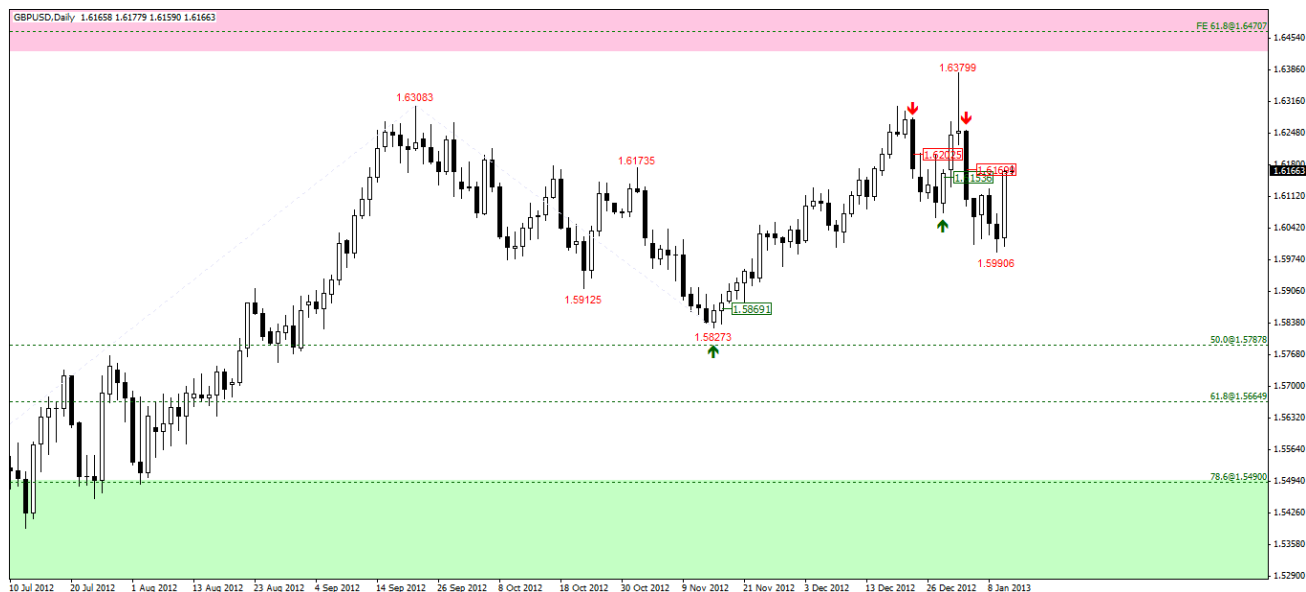
TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03m

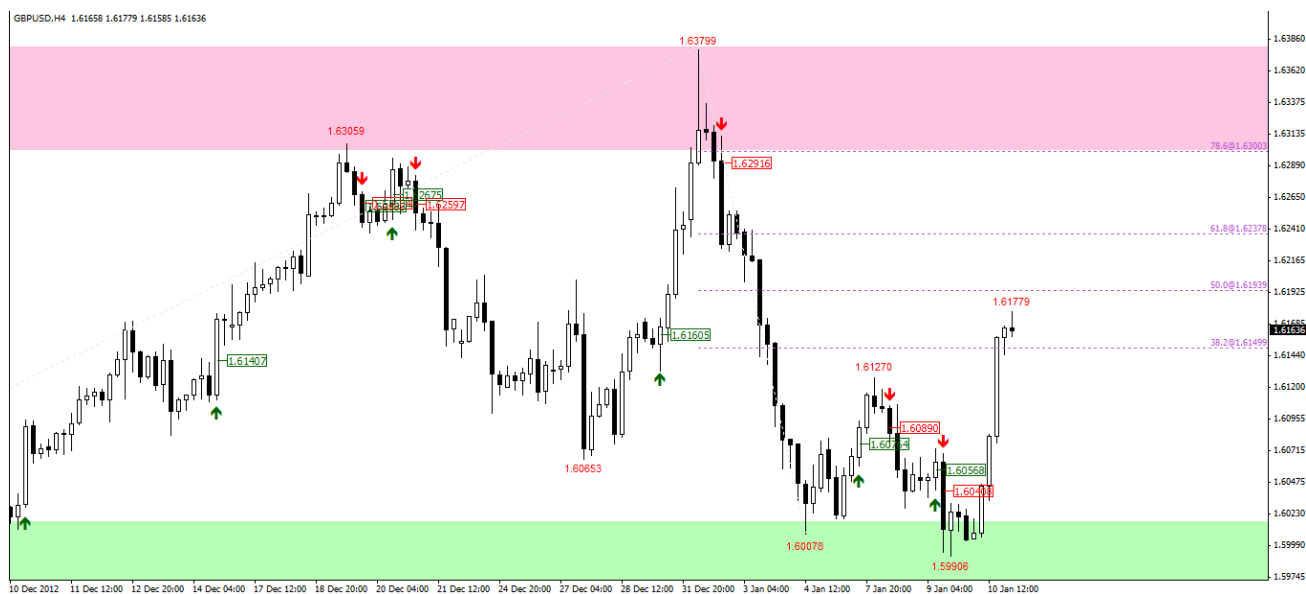
TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											9,698.50

GBP-USD DAILY



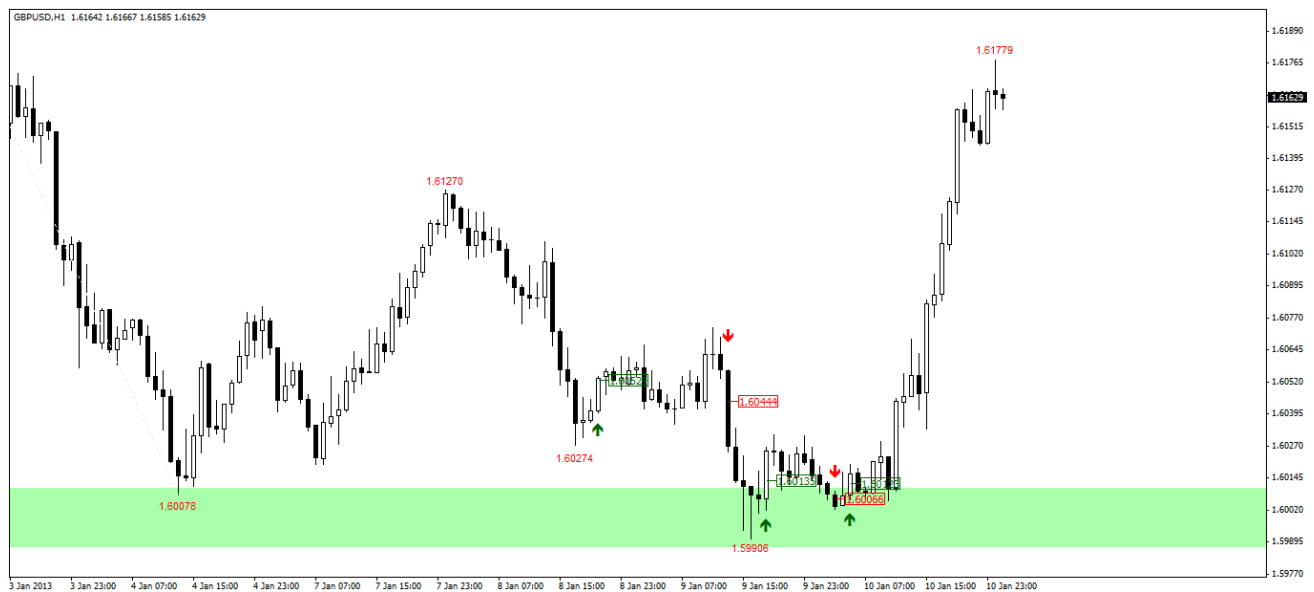
GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

Just like EUR-USD, this market charged higher after registering a marginal new low at 1.59906 just 24 hours. With this strong showing, there is a real possibility that a low is in place already at 1.59906. If so, the original idea that this market is set to resume its fall from 1.63799 is discarded. Focus has thus shifted towards the supply zone at **1.63012-1.63799** which sits just above the 78.6% retracement of 1.63799 to 1.59906 at **1.62966**.

GBP-USD 1-HOURLY



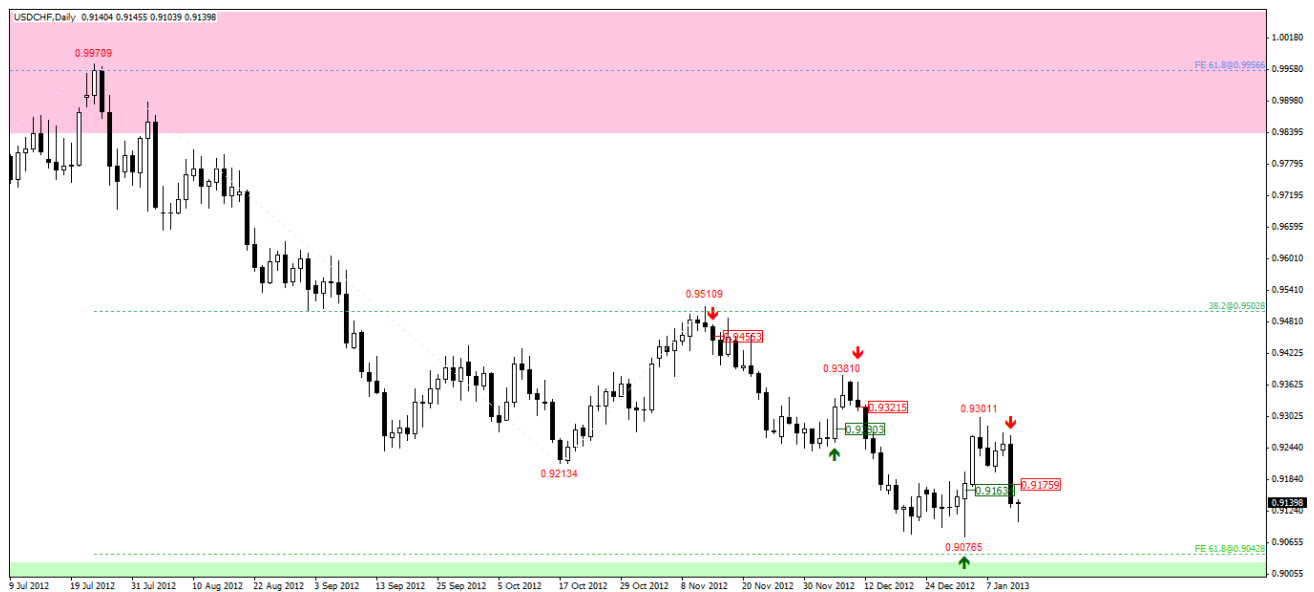
GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03m

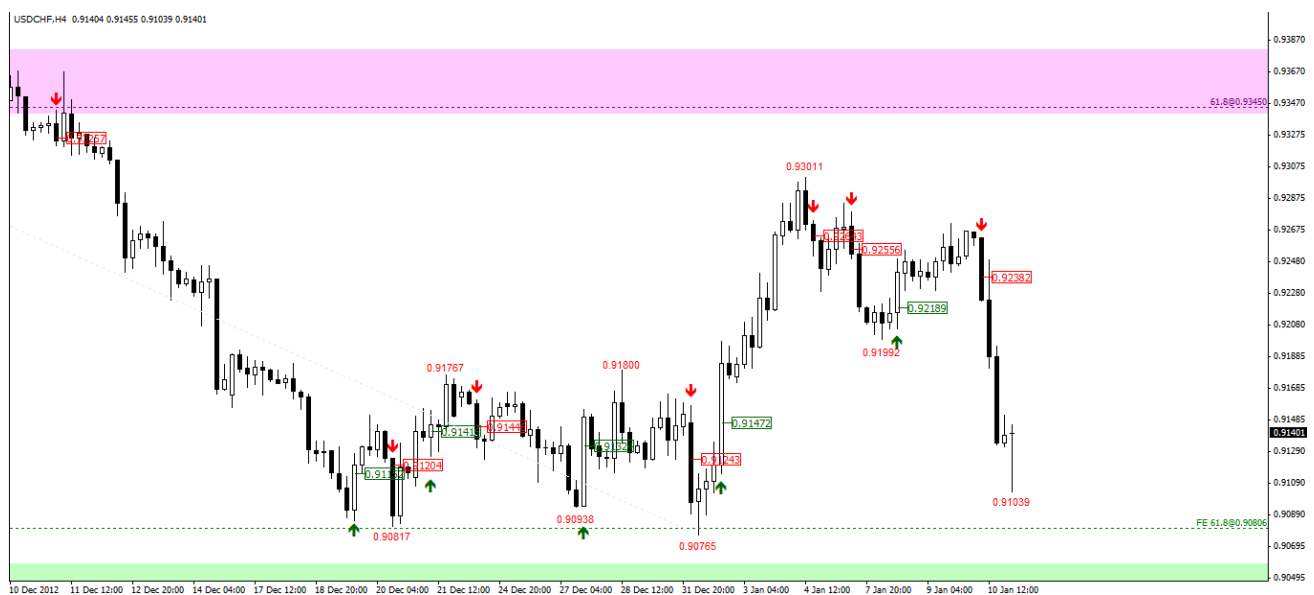
GBP-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											9,919.90

USD-CHF DAILY



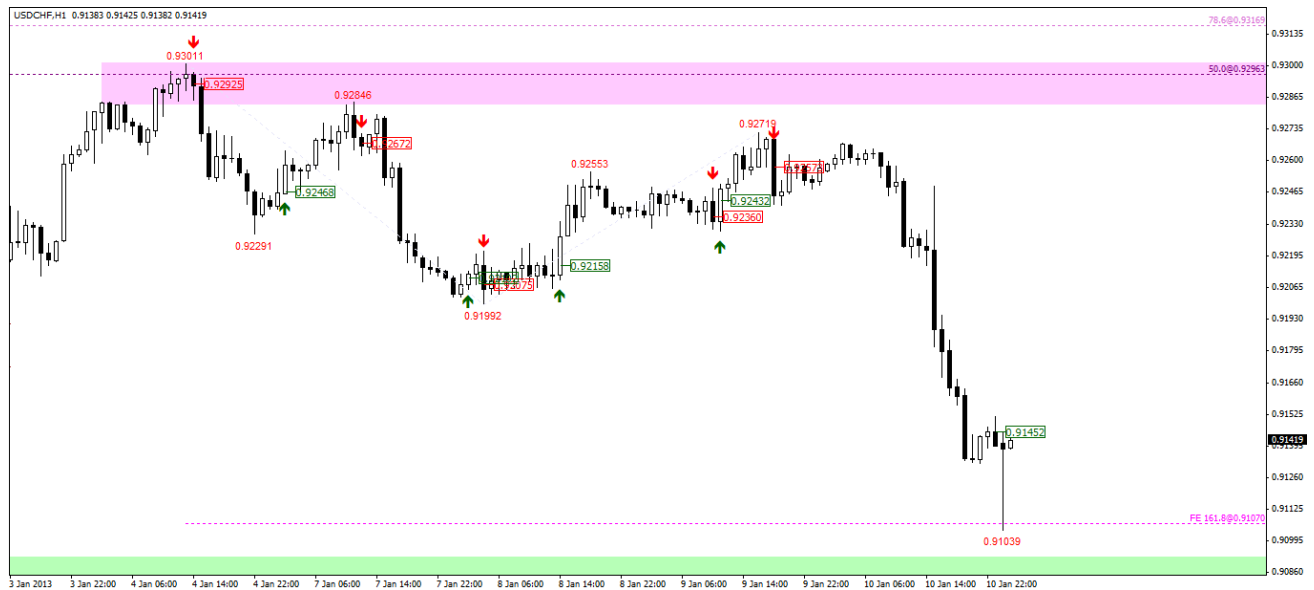
USD-CHF 4-HOURLY



USD-CHF Short Term Outlook

The correction of the fall from the November 13 high of 0.95109 is over with the sharp fall seen in overnight trading. This is in contrast to the idea that the pullback from the January 2 low of 0.90765 is heading towards the supply pocket at **0.93407-0.93810**. At any rate, the idea was to sell within this price pocket. Now that price action has taken out the demand pocket **0.91723-0.91978** instead, a re-test of this week's low at **0.90765** can be expected.

USD-CHF 1-HOURLY



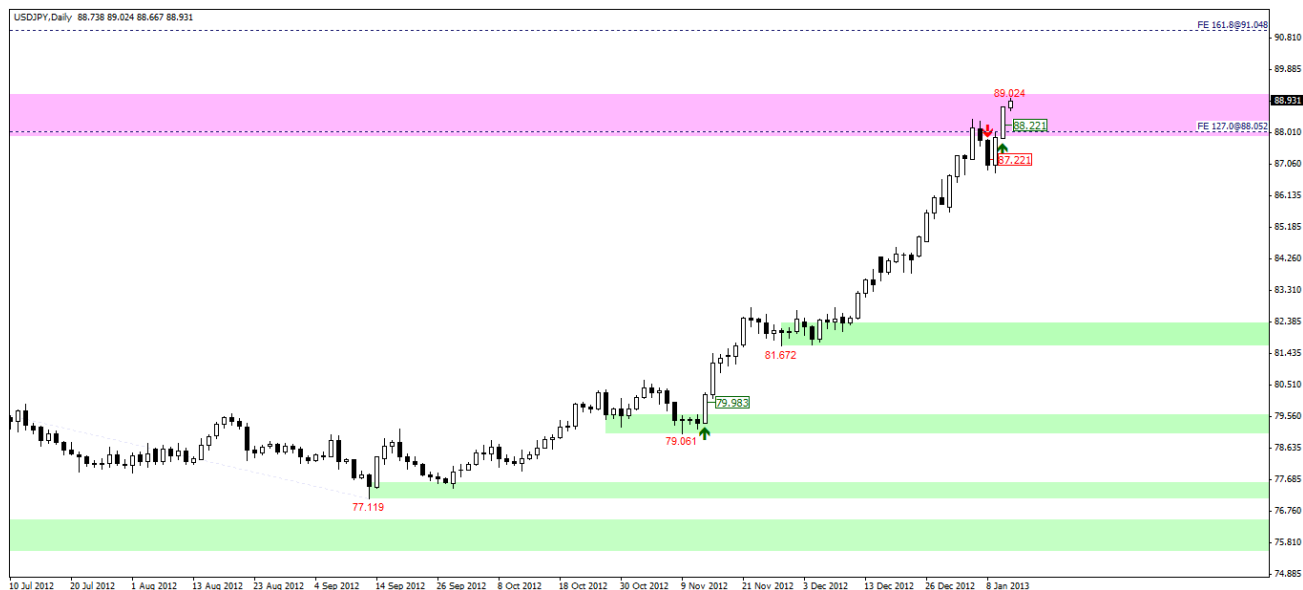
USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03

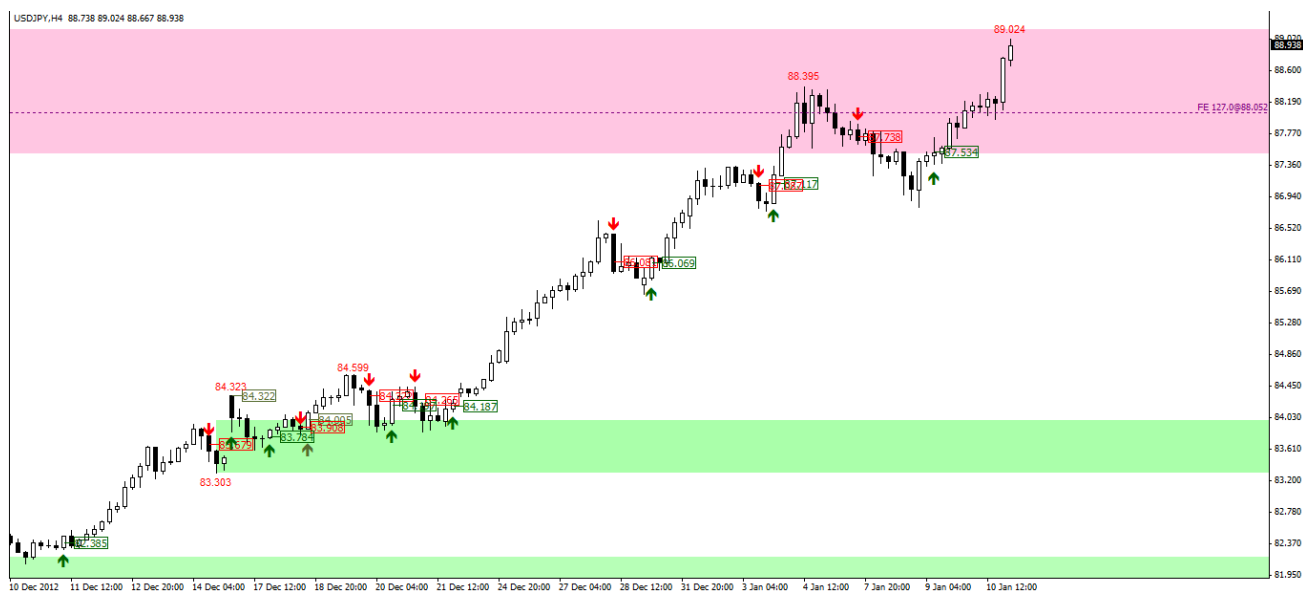
USD-CHF TRADE JOURNAL

Close Date	Buy (units)	Close Price	Open Date	Sell (units)	Open Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											10,073.91

USD-JPY DAILY



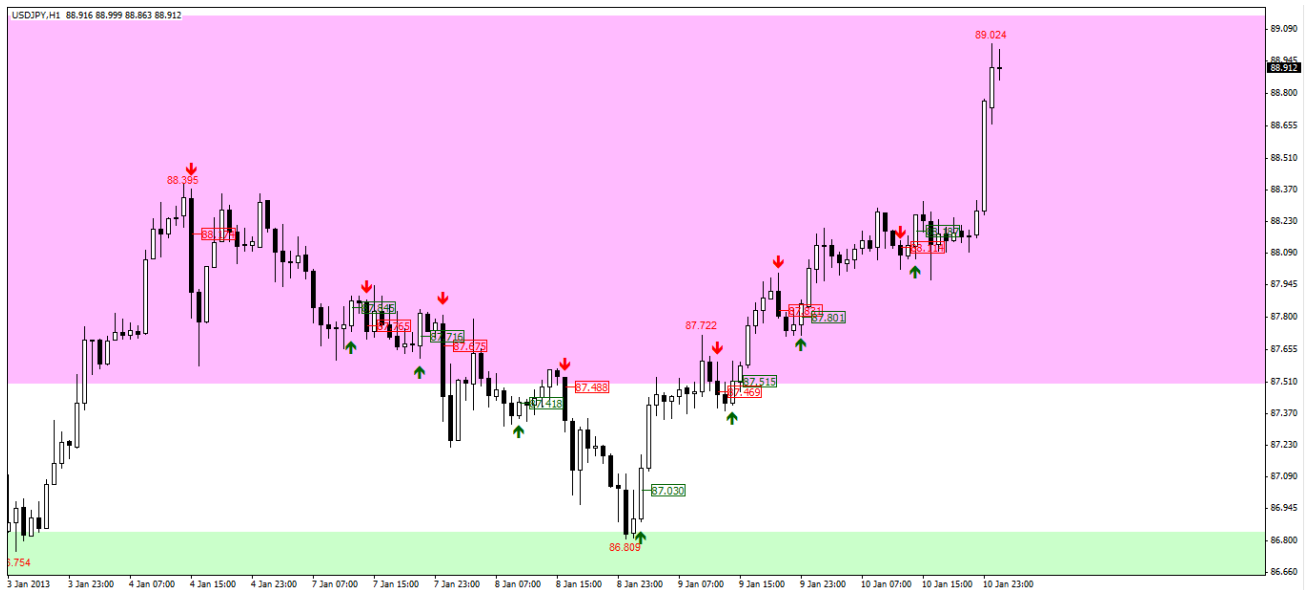
USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

Optimism knows no bound as this market resumes its bull-run from 77.119. As noted, a move above **88.395** would signal that this market may next gun for the psychological level of **90.000**. A likely target is the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048** (see D1 chart). On the downside, only sustained trading below the minor demand pocket at **86.754-87.023** would compromise the immediate bullish bias.

USD-JPY 1-HOURLY



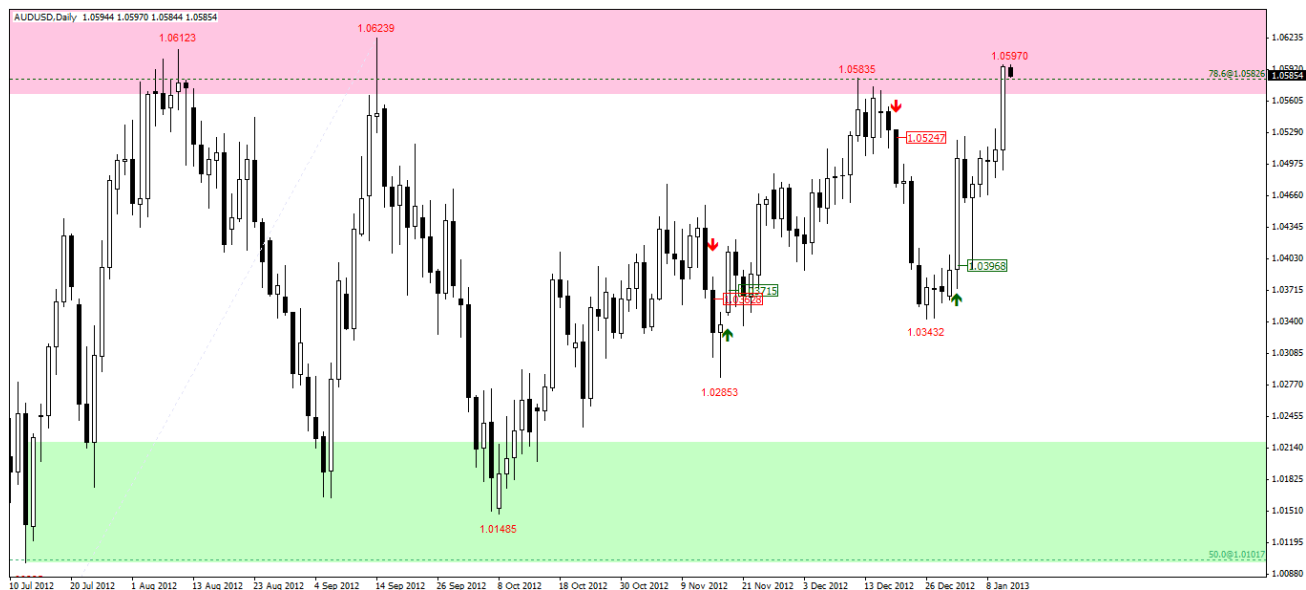
USD-JPY TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Bought on buy signal above 86.882 in H1	86.882	H1 close below 88.738	88.052 Realized	91.048	3	0.03

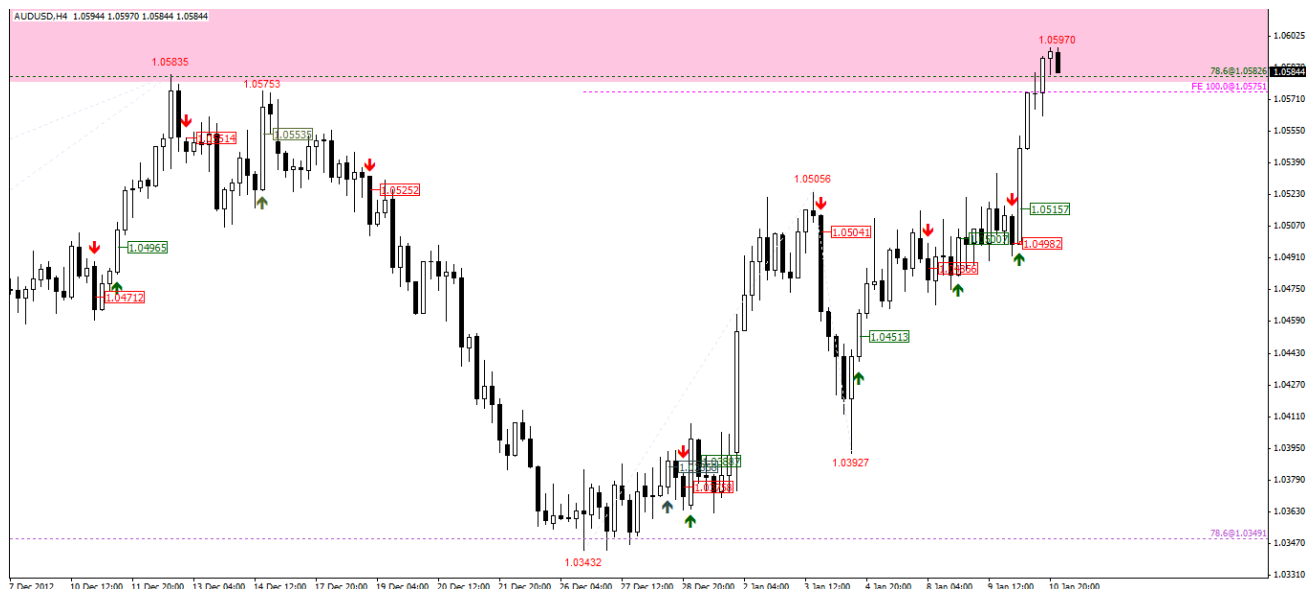
USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											10,045.48
2013.01.02 15:06	0.02m	86.882	2013.01.10 23:59	0.02m	88.766	376.8	424.49				

AUD-USD DAILY



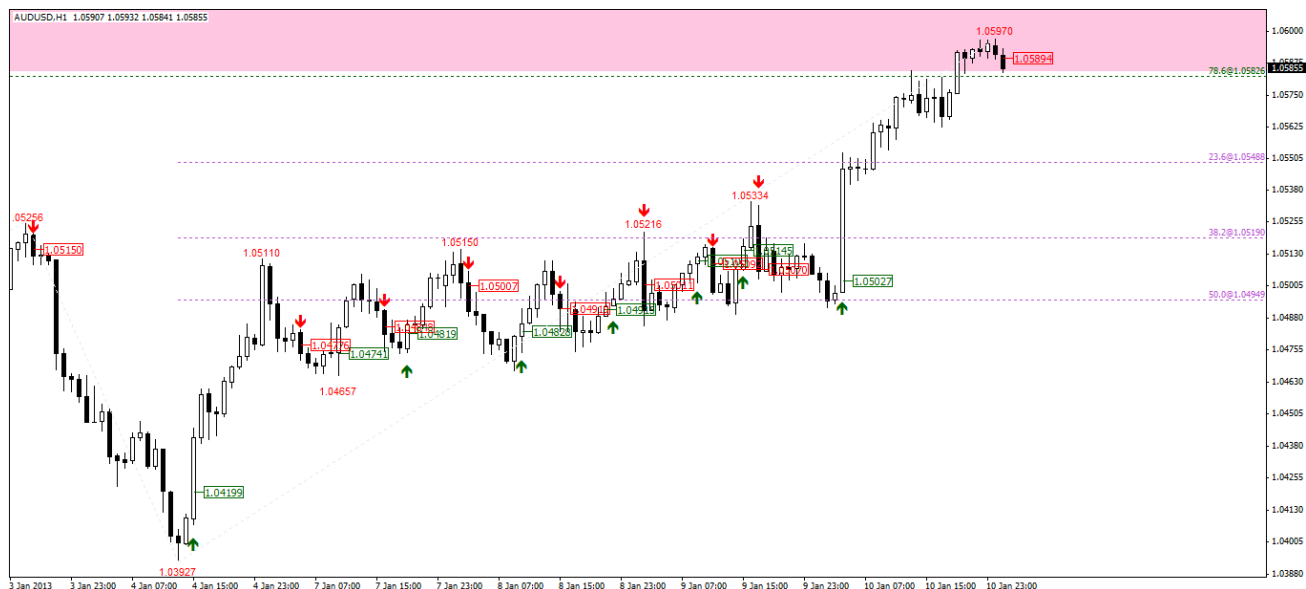
AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

While the break above last week's high of 1.05056 suggests the resumption of the rally from 1.03432, with price action currently within the supply pocket at **1.05796-1.06239**, further upside potential may be limited – unless this market accelerates. In the short-term, should there be a close below **1.05894** in the H1 chart (happening at point of riting), it would trigger a sell signal. At the minimum, this weakness should see price action pulling back to the 23.6% retracement of 1.03927 to 1.05970 at **1.05488** with the potential to stretch to the 50.0% retracement level at **1.04949**. Thereafter, this bull-run may resumes.

AUD-USD 1-HOURLY



AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on close below 1.05894 in H1 chart		1.06070	1.05488	1.04949	3	0.03

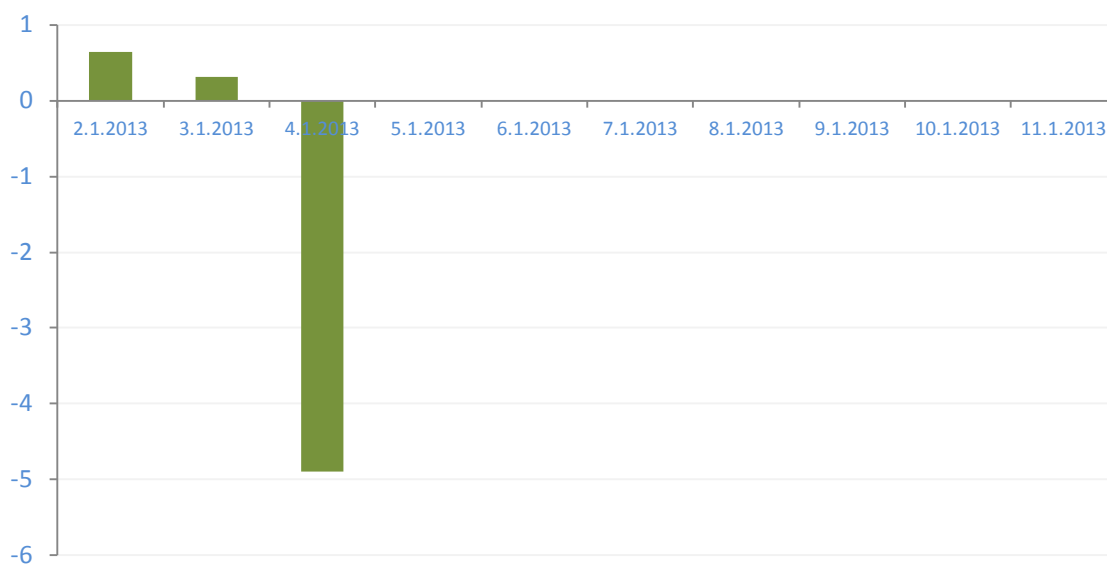
AUD-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.04											10,198.50
2013.01.08 02:08	0.02m	1.05150	2013.01.03 17:56	0.02m	1.05150						
2013.01.10 04:14	0.03m	1.05356	2013.01.09 02:30	0.03m	1.05110			-73.8	-73.80		10,124.70
			2013.01.11 01:20	0.03m	1.05894						

Daily Realized P/L



Accumulative Realized % Gain



Check out our website at

www.tradersacademyonline.com



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.

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.