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FOREX OUTLOOK



A Traders Academy International Publication

USD-JPY Edges Closer To 100 Yen

USD-JPY rose to a 4-year high on Wednesday, edging closer to the key 100-yen mark after minutes of the U.S. Federal Reserve's March meeting raised expectations it will finish its bond-buying spree by the end of the year. The U.S. central bank's stance contrasts starkly with aggressive monetary easing steps from the Bank of Japan, which last week pledged to pump about \$1.4 trillion into the economy in less than two years in a bid to beat decades-long deflation.

According to the Fed minutes, which were released hours ahead of schedule because of an accidental leak, a few Fed policymakers expected to taper the pace of asset purchases by mid-year and end them later this year, while several others expected to slow the pace a bit later and halt the quantitative easing program by year-end. Once again, the minutes have sounded a slightly more hawkish tone and that's really what's benefiting USD-JPY.

The Fed's quantitative easing program is tantamount to printing money and dilutes the value of the US Dollar. The March minutes, however, may not reflect the current mindset of Fed officials in the aftermath of data last week showing tepid jobs growth last month. The Fed has said it would continue its bond-buying program until the labour market improves substantially. Weekly U.S. jobless claims data to be released on Thursday will provide another glimpse into the sector.

USD-JPY settled at 99.762, up 0.8 percent on the day.

In the options market, demand for protection against the US Dollar's decline has dissipated, with three-month risk-reversals trading close to neutral. Demand had been biased for US Dollar puts, the right to sell US Dollars, throughout March, but last week's BoJ announcement has essentially served to erase the need for that protection.

The Japanese Yen temporarily recouped losses after BoJ Governor Haruhiko Kuroda said the bank has taken all necessary steps for now in its easing program, but the bounce was short-lived. Kuroda also said the bank was resolved to keep printing money for as long as needed to achieve 2 percent inflation, signalling his readiness to offer further stimulus or maintain an ultra-easy policy beyond two years if meeting the target by then proves difficult. He is saying 'for now' that tells traders he will opt for further easing in the future. The BOJ's attempt to reach 2 percent inflation would imply USD-JPY trading at 110.00.

Traders said hefty options barriers around 100-yen could slow the US Dollar's rise, but an eventual break above that level looked inevitable.

EUR-JPY settled 0.6 percent higher at 130.384, having risen as high as 130.522, its strongest level since January 2010.

EUR-USD settled at 1.30697, down 0.2 percent on the day, as traders opted to book profits after it hit a one-month peak of 1.31216.

In recent days, the Euro has received some support from market speculation that Japanese investors looking for higher returns may opt for Euro zone assets. Expectations of Japanese buying have pushed French, Dutch, Belgian and Austrian bond yields to record lows.

Chinese import data buoyed the Australian Dollar, while stock markets around the world rallied, with the S&P 500 .SPX breaking its previous record intraday high, set on October 11, 2007. The Dow Jones Industrial Average hit another intraday milestone, also rising to a record high.

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EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

From a 19-month low of 1.27461 last week, this market rebounded to 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 and eased. As of now, sell signals were triggered in both the H4 and H1 charts with a closes below **1.30834** and **1.30869** respectively. All that is needed now is for the D1 chart to close below **1.30074** to add confidence that a top is indeed in place at 1.31216. Should this market somehow 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 1.31216 at **1.30330** or more likely the demand pockets at **1.29680-1.29941** which lies just above the 38.2% retracement of 1.27461 to 1.31216 at **1.29782** as well as **1.29002-1.29197** which lies just below the 50.0% retracement of 1.27461 to 1.31216 at **1.29339** (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	1.29197	-	1	0.01m
Sold		1.31075	1.31714	-	1.27543	2	0.02m

TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		P/L										Real P			mulative alance
						Pips	+ / - (\$)	Pips	+/-(\$)	%	\$										
2013.04.05										9.94	10,993.60										
2013.04.09	0.01	1.30856	2013.04.10	0.01	1.30697	15.9	15.90														
23.31			23:59																		
2013.04.10	0.02	1.31075	2013.04.10	0.02	1.30697	31.8	31.80														
14:45			23:59																		

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

Since the start of the year, 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. This is because the pullback we have seen so far has a distinct 3-wave corrective structure which 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



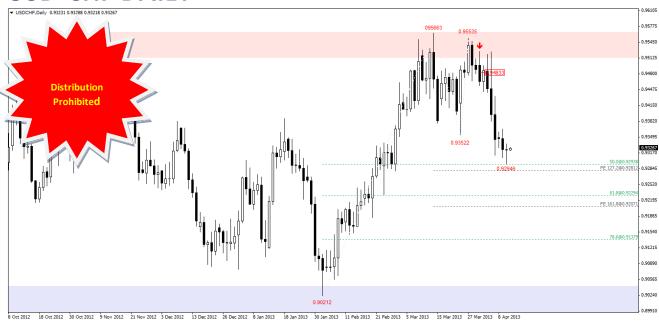
GBP-USD TRADE IDEAS

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			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 pullback in a distinct 3-wave corrective move that may ultimately finds bottom at (1) the Fibonacci cluster make up of the 50.0% retracement of 0.90212 to 0.95663 at **0.92938** and the 127.2% extension of 0.95663 to 0.93522 from 0.95535 at **0.92812** or (2) 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. Unless this pullback accelerates into a sharp fall 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
Buy	Buy on buy signal between 0.92812-0.92938		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						umulative Balance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$	
2013.04.05										7.84	10,783.76	

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

Following 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

Act	ion Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
So	old	99.632	101.637	98.179	-	1	0.01m
Se	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)					P/L				Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$			
2013.03.29										33.44	13,343.76			
2013.04.09 02:39	0.01	99.632	2013.04.10 23:59	0.01	99.762	-13.0	-13.03							

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

All actions were concentrated on this market yesterday. Price actions took out the long-term resistance seen in the triangle pattern last night and remained well-bid late in NY trading. From a low of 1.03478 last Monday, this market has rallied powerfully to register a 11-week high at 1.05518. This is not far from the year's high at 1.05979 hit on January 10. The question is the triangle formation truly broken or was the resistance line wrongly drawn or this market is still in the process of registering the D leg of this triangle? 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. Stand aside for the time being.

AUD-USD 1-HOURLY



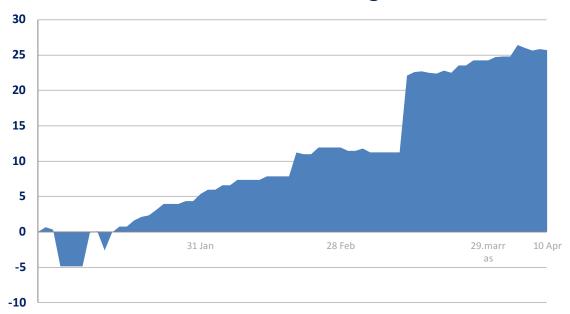
AUD-USD TRADE IDEAS

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.