

A Traders Academy International Publication

Dollar Firms As Fed Stays The Course

EUR-USD fell on Wednesday after the Federal Reserve delivered no surprises at its policy meeting, sticking to its stimulus plan to boost a still sluggish U.S. economy and keeping rates low for some time. The Fed said it is keeping its bond-buying program in place until the job market improves. It said the economy was slightly firmer but the unemployment rate remained elevated.

The US central bank appeared content to sit idle and see how its latest monetary prescriptions work their way through the economy. The Fed was only too happy to keep this week's meeting a non-event after the big changes in September and with the U.S. presidential election less than two weeks away. Analysts said the next major decision point for the Fed will be its December policy meeting, when it will have to decide whether to maintain monthly purchases of longer-term securities at the current pace of about \$85 billion per month.

EUR-USD was down 0.1 percent against the dollar at 1.29718, declining for a second straight session. It had earlier fallen to a 1-week low of 1.29191. EUR-USD held between the recent range of 1.28000 to 1.31700 in which it has traded in since mid-September.

Expectations that indebted Spain is moving closer to asking for a bailout, which would enable the European Central Bank to buy its bonds and lower borrowing costs, have helped support the Euro in recent weeks. But uncertainty about the timing of such a request has deterred traders from chasing the currency higher. ECB President Mario Draghi made a robust defence of his bond-buying plan to ease the Euro zone's debt crisis, telling German lawmakers their fears of illegal funding of governments or stoking inflation are misplaced.

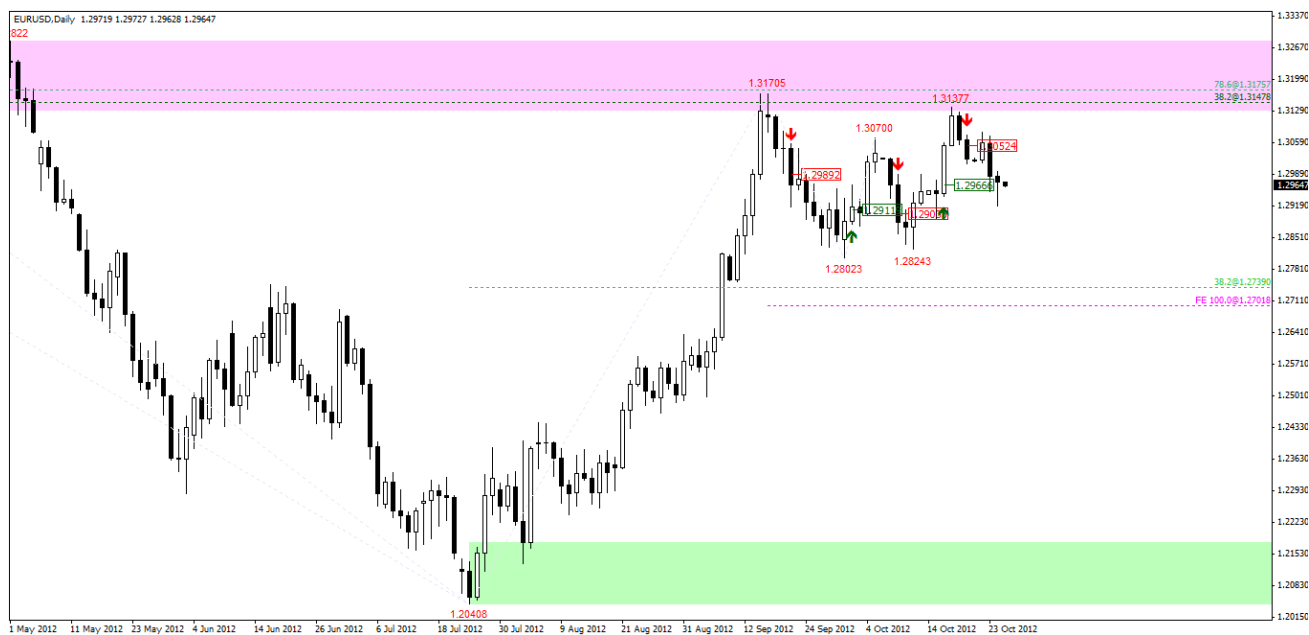
EUR-JPY also hit a one-week low against the yen at 102.968, and was last at 103.514, down 0.2 percent. USD-JPY was flat to slightly lower at 79.790.

NZD-USD, meanwhile, spiked to session highs after the Reserve Bank of New Zealand held rates as expected, but suggested the possibility for interest rates to rise in the coming months. RBNZ's new governor, Graeme Wheeler, held rates at a record low 2.5 percent, but said he expects inflation to return to the central bank's target range. NZD-USD rose as high as 0.81886 and was last at 0.81904, up 1 percent on the day.

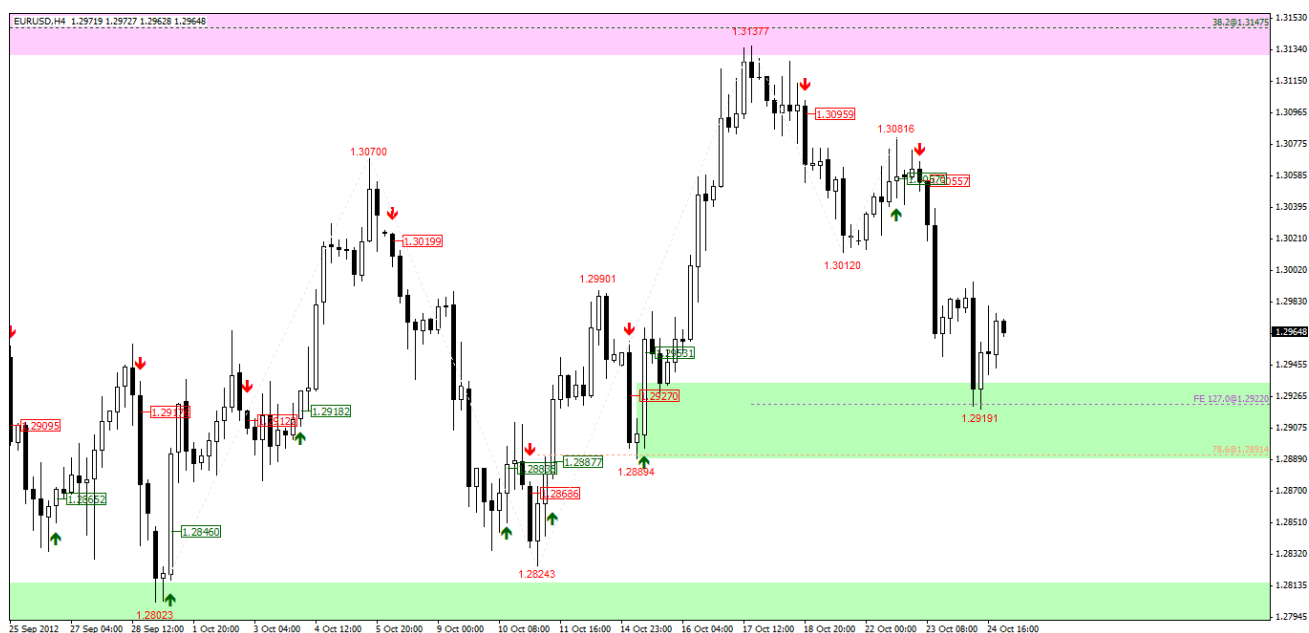
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EUR-USD DAILY



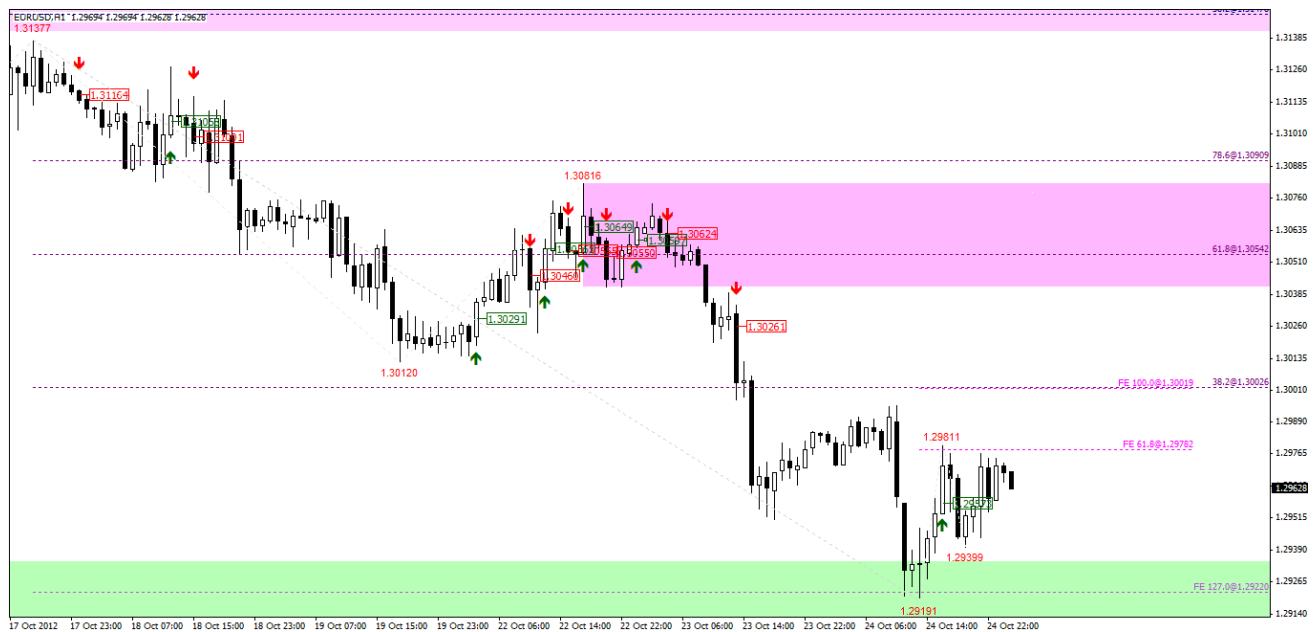
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

With the D1 chart under a sell signal with a close below **1.30524** on the back of bearish harami last Friday plus the 'overlap' of what was previously deemed to be the top of the 1st wave from 1.28243 at 1.29901, price action dipped into a minor demand pocket at **1.28894-1.29346** in overnight trading. Price action hit the 127.0% projection of 1.31377 to 1.30120 from 1.30816 at **1.29220** with a low at 1.29191 before rebounding. This rebound has the potential to rise to the 38.2% retracement of 1.31377 to 1.29191 at **1.30026** which is incidentally also where the 100.0% projection of 1.29191 to 1.29811 from 1.29399 at **1.30019** is located (see H1 chart). Together, this level may cap this tentative correction. After which, barring a sharp rally, a fall to recent lows above 1.28000 is most probable.

EUR-USD 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.30261	1.29347 Realized	1.28148	Break-even

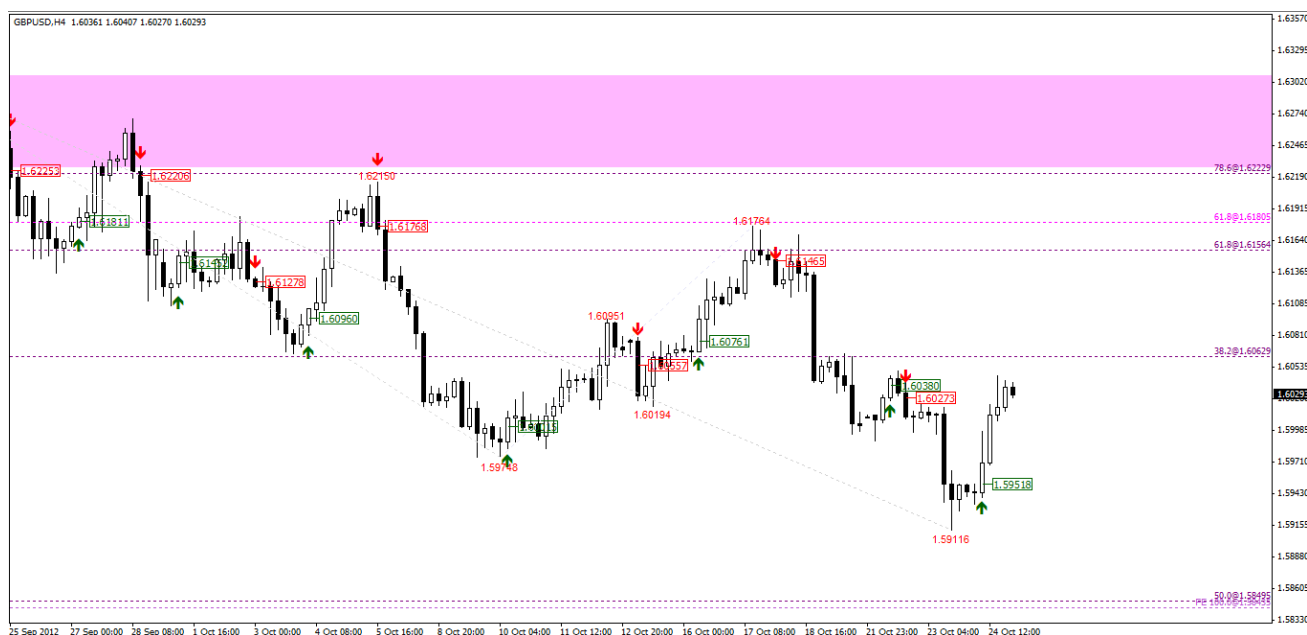
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 19-10-2012								\$69,464.00
EUR-USD	22-10-2012	1.0	1.30291	23-10-2012	1.0	1.30261	-\$30.00		\$69,434.00
EUR-USD	22-10-2012	1.0	1.30291	23-10-2012	1.0	1.30261	-\$30.00	-\$60.00	\$69,404.00
EUR-USD	24-10-2012	1.0	1.29347	23-10-2012	1.0	1.30261	+\$914.00	+\$914.00	\$70,318.00
EUR-USD	24-10-2012	1.0	1.29718	23-10-2012	1.0	1.30261	+\$543.00		
						Unrealized	+\$543.00		

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Tuesday saw price action hit a minor demand pocket at **1.58800-1.59223** where the 38.2% retracement of 1.52666 to 1.63077 at **1.59100**. Yesterday's update allured to the possibility of a counter-trend rally should prices close above **1.59553** in the H1 chart. This has come to pass. A counter-trend rally did indeed develop in the last 24 hours and has hit a minor supply pocket at **1.60440-1.60650** where the 38.2% retracement of 1.63077 to 1.59116 at **1.60629** is located (see H1 chart). Overall, the 'failure' scenario mentioned in previous updates is the preferred count in GBP-USD. This does not, however, rule out another attempt at some later stage especially if the current pullback is viewed as part of the 4th wave of the rally from 1.52666. It is thus paramount that price action must not trade lower than **1.57753** as this level is deemed to be the peak of the 1st wave of the potential 5-wave rally from 1.52666. An overlap below this level would debunk what little hope left of the 5-wave rally scenario. The fall from 1.63077 is so far taking the shape of a simple 3-wave pullback, which should theoretically see price action settling somewhere between the 100.0% and the 127.0% projections of 1.63077 to 1.59748 from 1.61764 at **1.58435** and **1.55520** respectively (see D1 chart). Barring a sharp extension of the current correction, traders should remain on the short side of this market going forward. A breach below the minor demand pocket at **1.58800-1.59223** would shift focus to the 100.0% projection of 1.63077 to 1.59748 from 1.61764 at **1.58435** and the 50.0% retracement of 1.53914 to 1.63077 at **1.58496**. This is followed by another at the 127.0% projection of 1.63077 to 1.59748 from 1.61764 at **1.57536**; where the demand pocket at **1.57523-1.57876** is.

GBP-USD 1-HOURLY



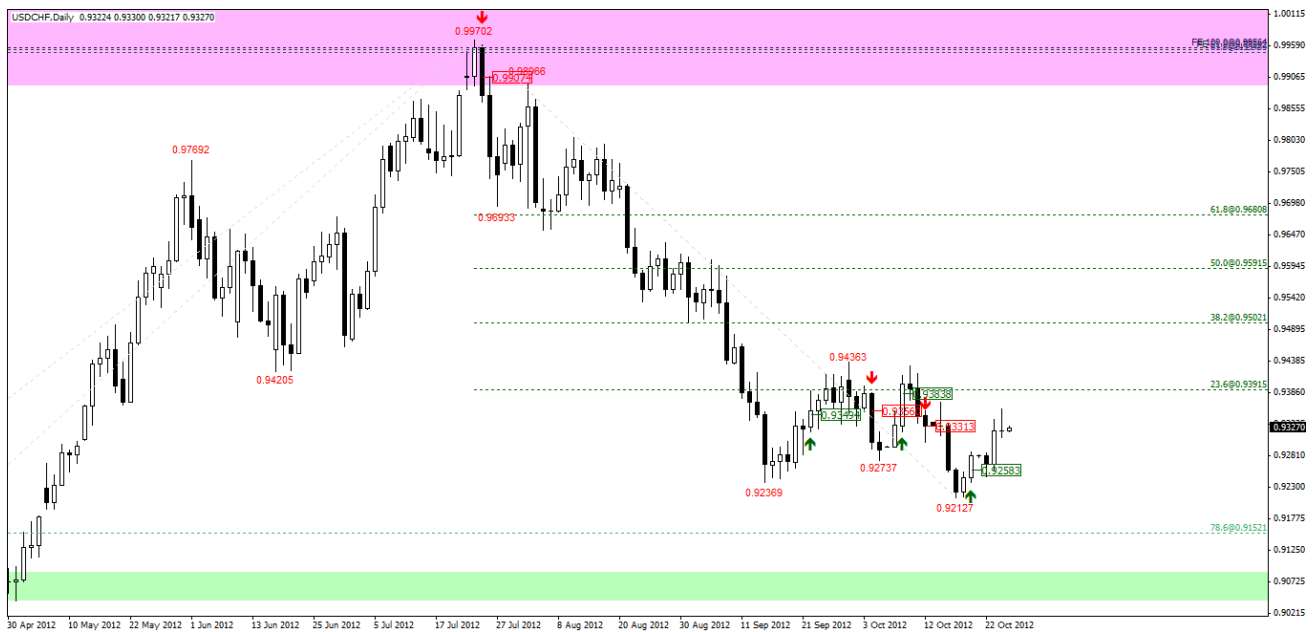
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal within 1.60440-1.60650	1.59223	1.57876	1.60750 STOP

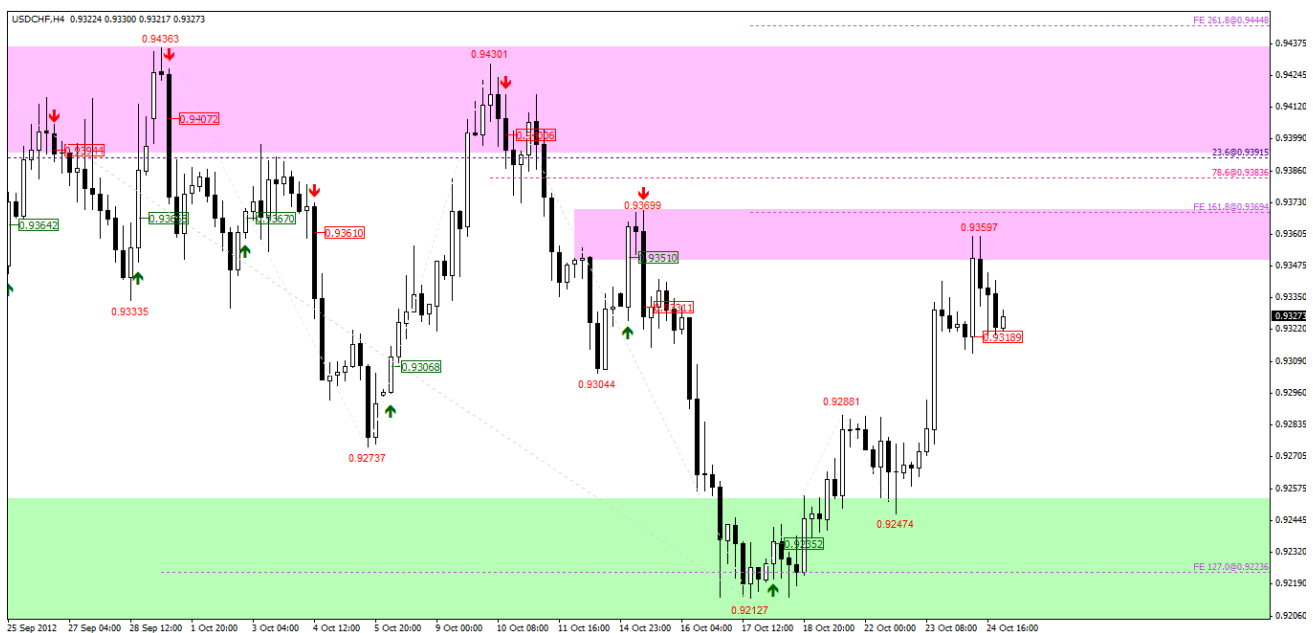
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 19-10-2012								\$48,222.00
GBP-USD	23-10-2012	1.0	1.59748	22-10-2012	1.0	1.60336	+\$588.00	\$588.00	\$48,810.00
GBP-USD	24-10-2012	1.0	1.60331	22-10-2012	1.0	1.60336			
						Unrealized	\$0.00		

USD-CHF DAILY



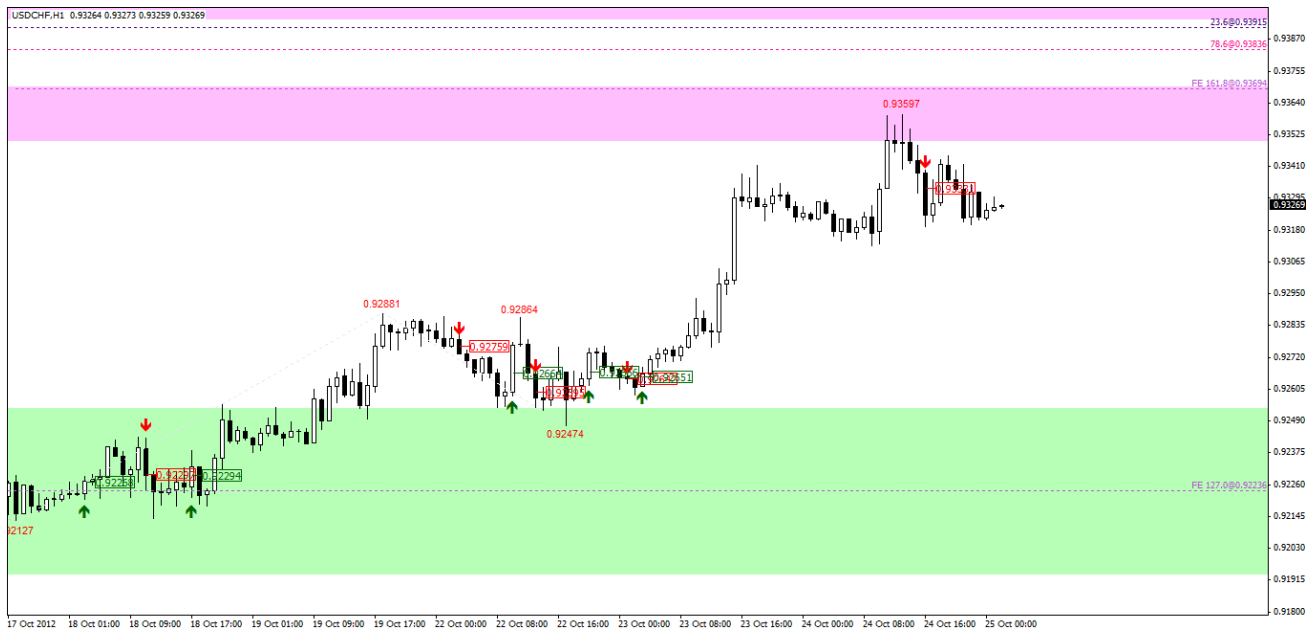
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

The correction from 0.92127 extended into a minor supply pocket at **0.93500-0.93699** in overnight trading. This zone is also where the 161.8% projection of 0.92127 to 0.92881 from 0.92474 at **0.93694** is located. This area is a sensitive area in which selling may emerge. Interestingly a long-legged shadow doji has appeared in the D1 chart. Likewise, last night's peak is followed immediately by a bearish harami in the H4 chart. These are classic reversal signals. In the H1 chart, last night's peak too was followed by a long-legged shadow doji and has since triggered a sell signal with a close below **0.93331**. There is, therefore, a high probability that this correction may have terminated at last night's high. However as mentioned in the previous update, a more likely area in which this correction is likely to be capped is where the supply pocket at **0.93941-0.94363** is. Barring an impulsive rally beyond this supply pocket, the correction scenario is the preferred count. Whatever the case, staying on the short side of this market is still the preferred course of action. However, should an explosive rally extend to and beyond the 261.8% projection of 0.92127 to 0.92881 from 0.92474 at **0.94448**, the correction scenario has to be re-examined.

USD-CHF 1-HOURLY



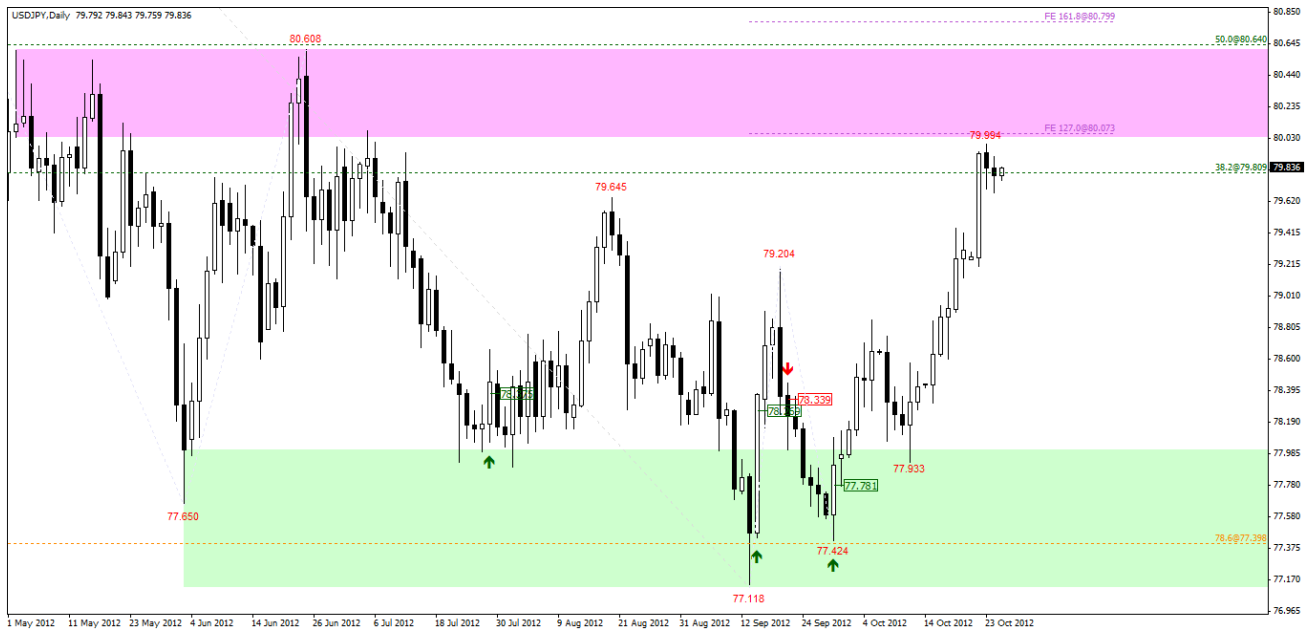
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 0.92352	0.93214 Realized	0.93941	Exit on D1 close below 0.92454

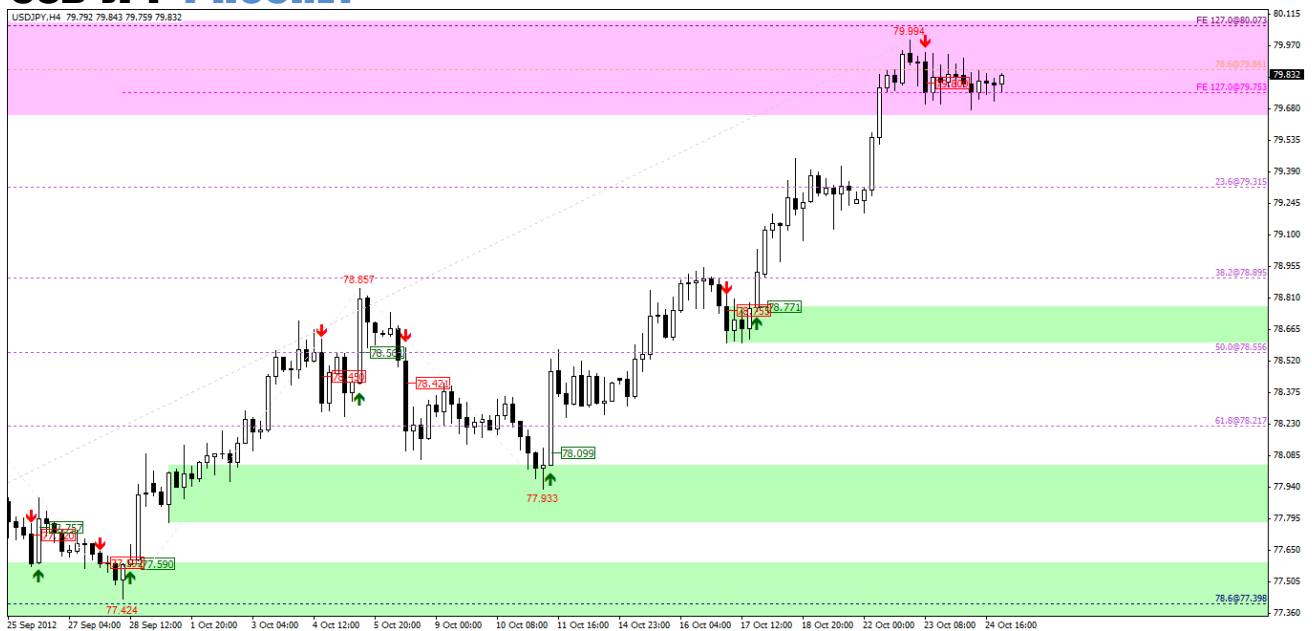
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 19-10-2012									\$32,141.31
USD-CHF	18-10-2012	1.0	0.92352	23-10-2012	1.0	0.93214	+\$924.75	+\$924.75	\$33,066.06
USD-CHF	18-10-2012	1.0	0.92352	24-10-2012	1.0	0.93225	+\$936.44		
Unrealized							+\$936.44		

USD-JPY DAILY



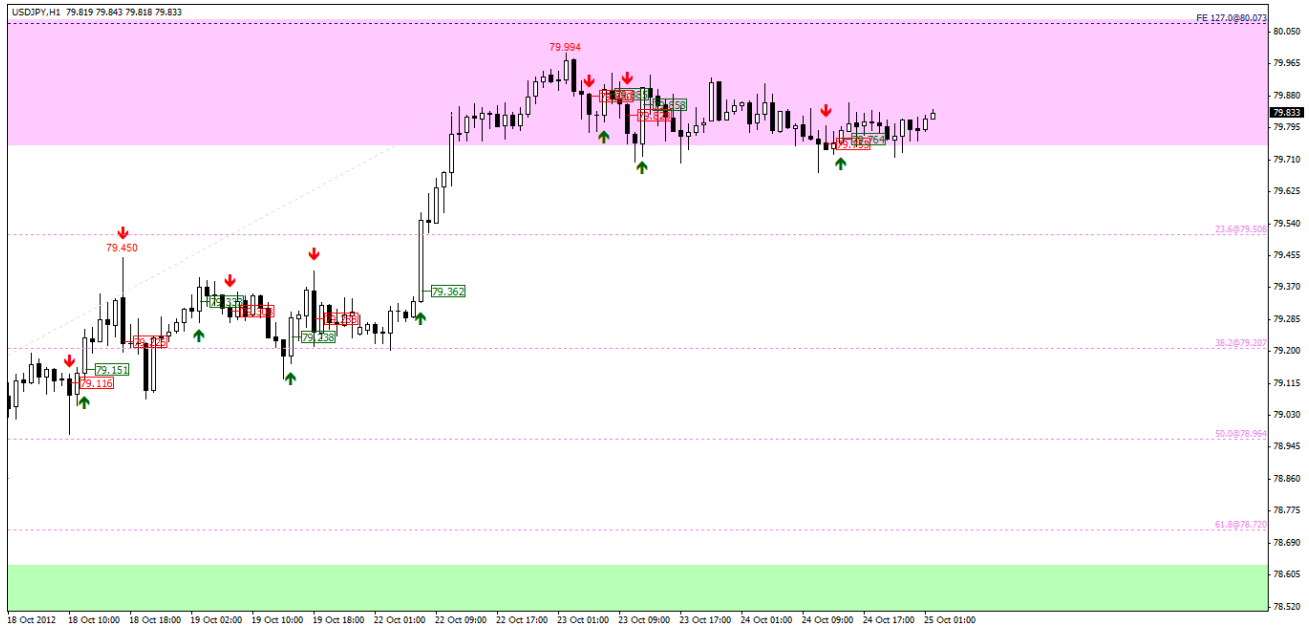
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The rather robust rally from Monday having extended to a 5-month high at 79.994 on Wednesday had stalled. After 8 consecutive sessions of gains, this bull-run appears to be catching its breath. This did not come as a surprise as price action traded into a major supply pocket at **79.747-80.082**. As mentioned, this zone has not one but three Fibonacci ratios residing within it. (1) the 127.0% projection of 77.424 to 78.857 from 77.933 at **79.753** is located. (2) the 78.6% retracement of 80.608 to 77.118 at 79.861 and lastly (3) the 127.0% projection of 77.118 to 79.204 from 77.424 at **80.073** (see H4 chart). Also noted in previous updates was the expectation that profit-takings would emerge from here and it had; but there is no sign of aggressive profit-takings. The longer price action remains at current level, the higher the odds of a resumption of the rally. In the big picture, this market is consolidating between the June 25 high of **80.608** and September 13 low of **77.118**. This band can be further refined as between the supply pocket at **80.357-80.608** and demand pocket at **77.118-77.592**. Right now, price action is near the upper band of this consolidative pattern. It remains to be seen if price action is strong enough to break out of this holding pattern. With W1 chart too having triggered a buy signal, the odds of an extension of the rally are better than good.

USD-JPY 1-HOURLY



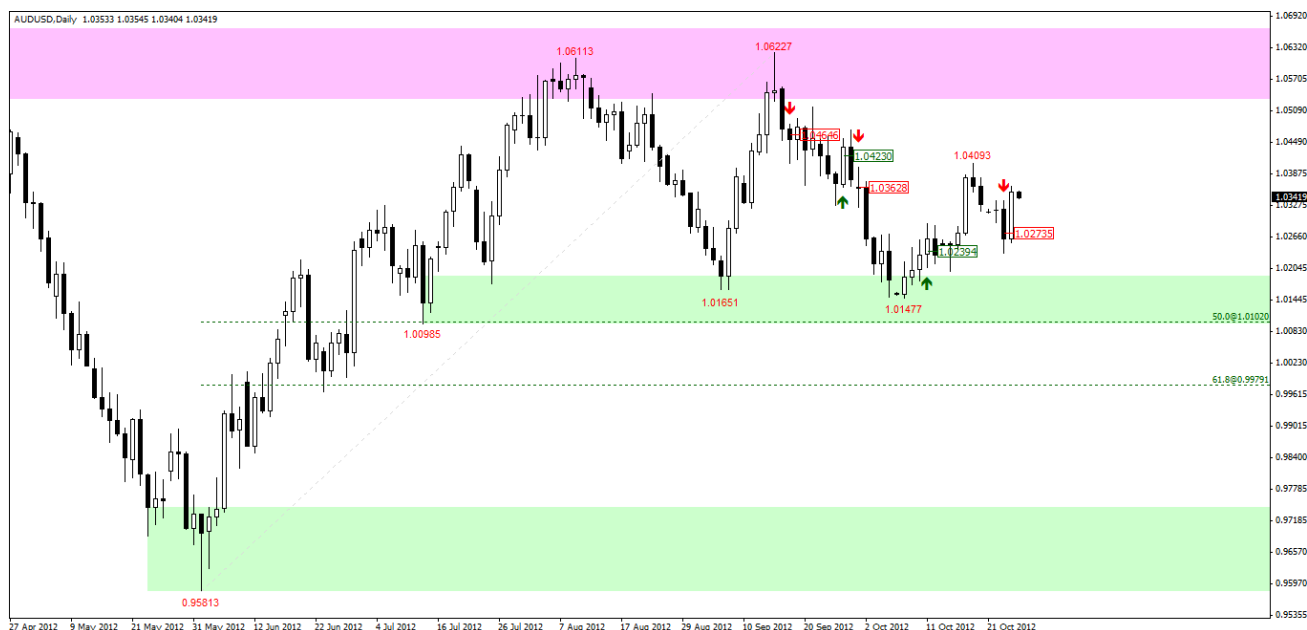
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 79.880	78.771	78.041	80.182 STOP

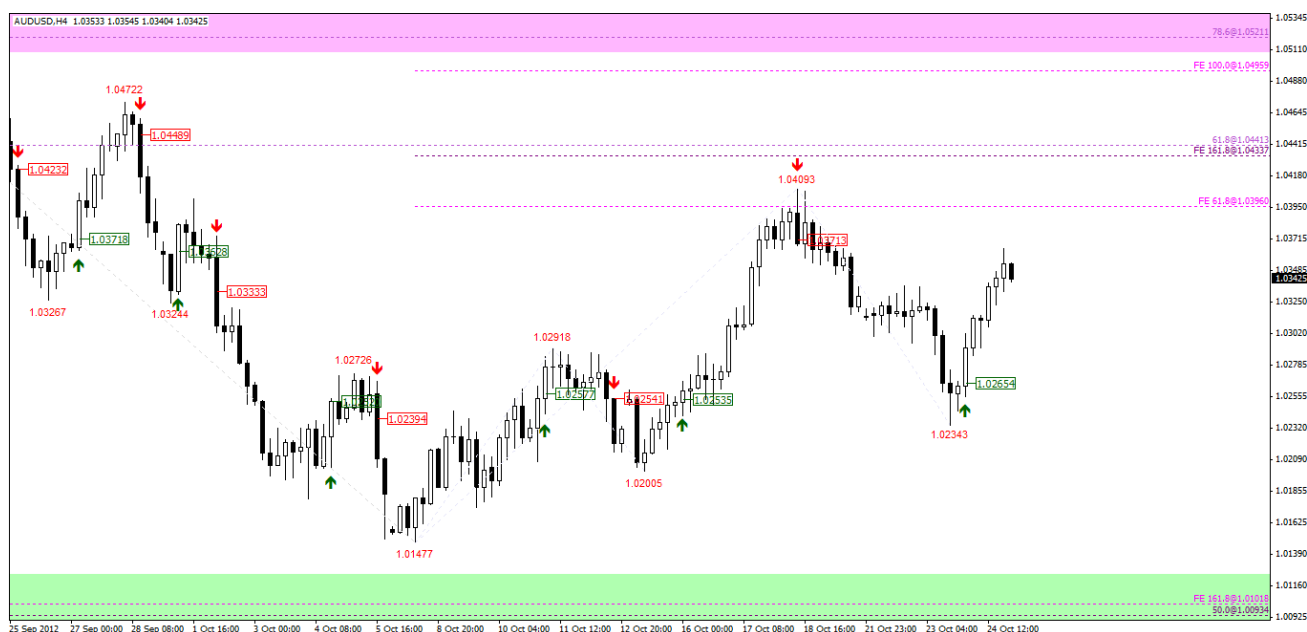
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 19-10-2012								\$25,556.69
USD-JPY	24-10-2-12	1.0	79.790	23-10-2012	1.0	79.880	+112.80		
USD-JPY	24-10-2-12	1.0	79.790	23-10-2012	1.0	79.880	+\$112.80		
						Unrealized	+\$225.60		

AUD-USD DAILY



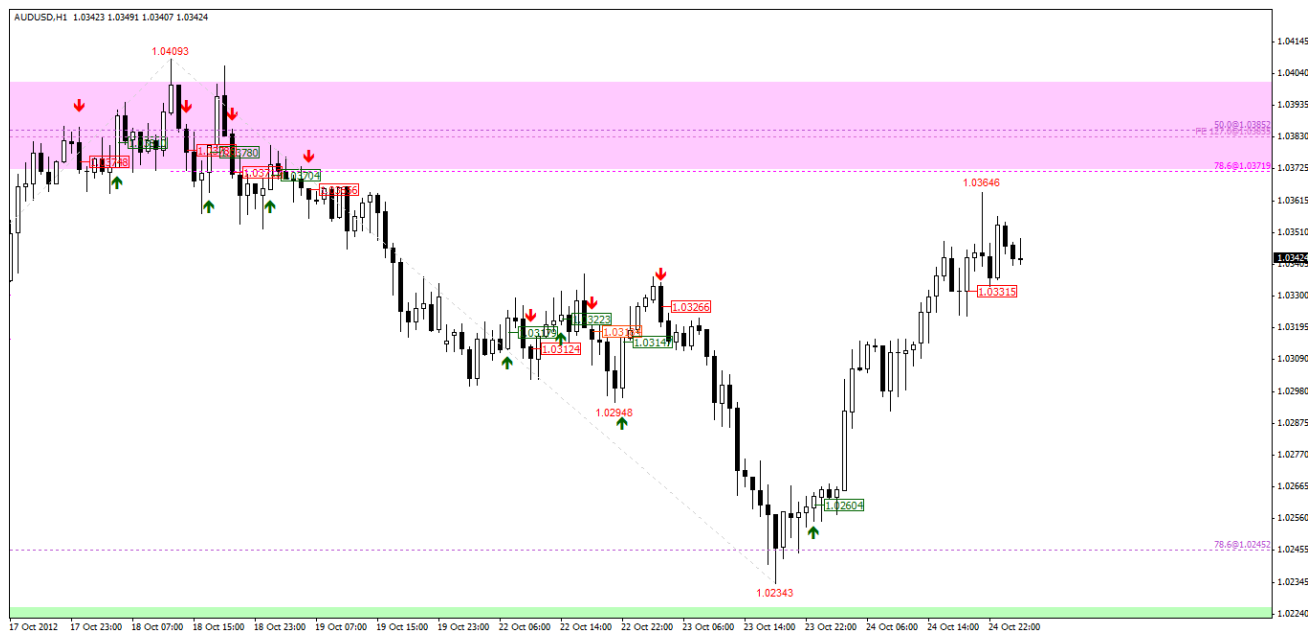
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

Since price action hit the 78.6% retracement of 1.02005 to 1.04093 at 1.02452 with a print of 1.02343 on Wednesday, signs of profit-takings have emerged. What was not expected was the robustness of the correction. Though the downside potential was getting increasingly limited, an attempt at the demand pocket at **0.99671-1.01244** was anticipated. Anyhow, it was also noted that if this correction can sustain, it may carry prices back to between the window between the 38.2% and 61.8% retracement of 1.04093 to 1.02343 at **1.03012** and **1.03425** respectively. Even this proved to be too conservative a view as overnight price action has since traded beyond these levels to as high as 1.03646. Now, we'll see if this market has enough strength to realized its medium to long-term upside potential at the supply pockets at **1.06010-1.06677** and **1.07334-1.08542** respectively.

AUD-USD 1-HOURLY

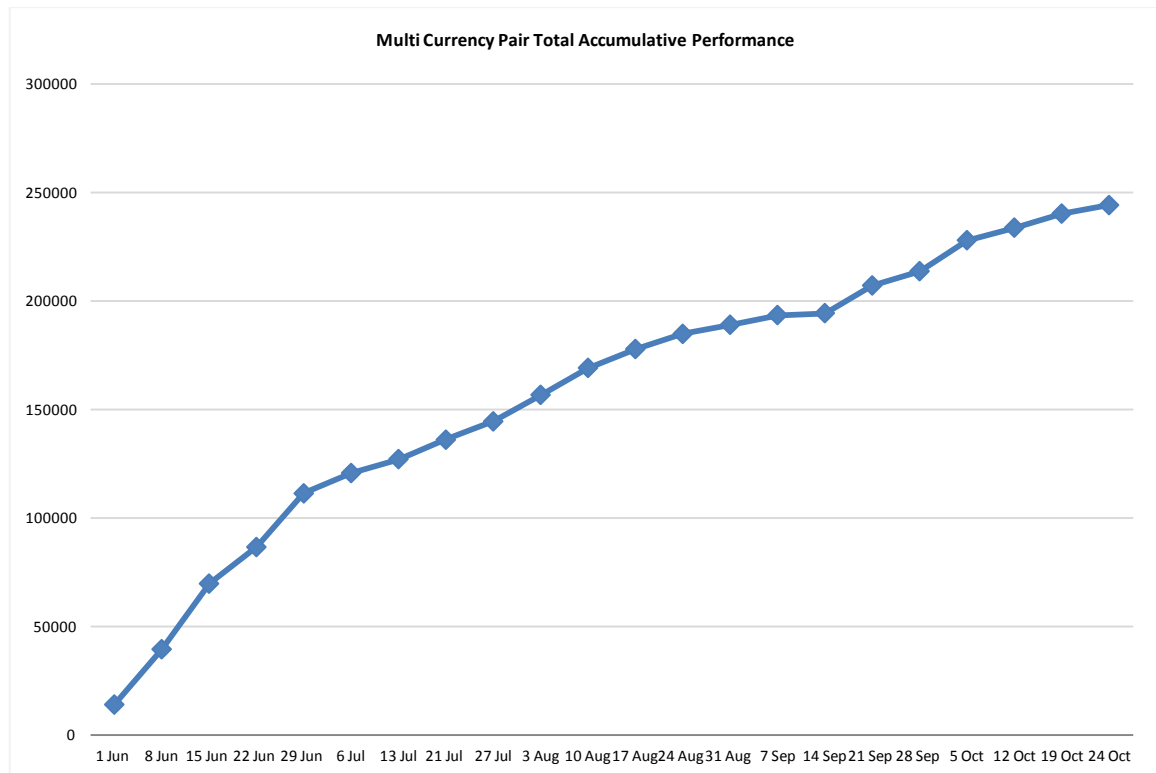
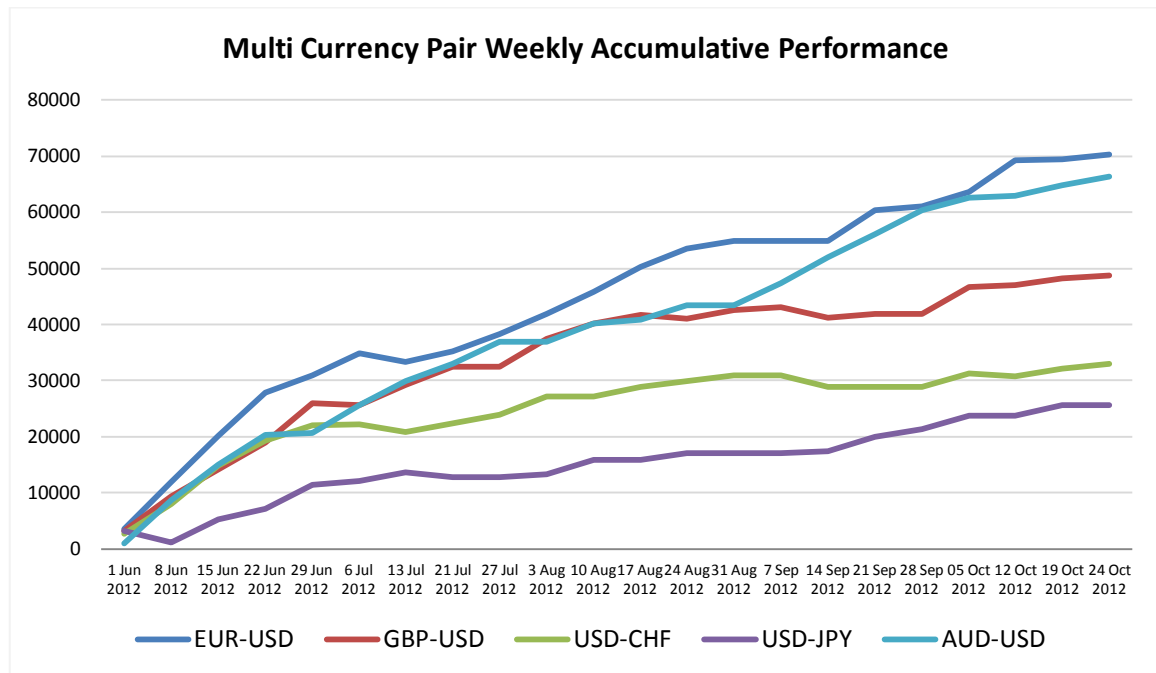


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal within 1.05665-1.06227	1.02583	1.01244	1.06327 STOP

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 19-10-2012								\$64,824.00
AUD-USD	23-10-2012	1.0	1.02647	19-10-2012	1.0	1.03713	+\$1,066.00	+\$1,066.00	\$65,890.00
AUD-USD	24-10-2012	1.0	1.03226	19-10-2012	1.0	1.03713	+\$487.00	+\$487.00	\$66,377.00
						Unrealized	+\$1,080.00		



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.