

A Traders Academy International Publication

Spain Finally Asked For Help

EUR-USD climbed for the fourth straight session on Monday to touch a 6-week high as news from Spain and Greece allayed concerns about those debt-burdened countries, while data from China eased worries about global economic growth.

EUR-USD gained on signs Germany may be open to a Greek debt write-down. It hit a new high after Spain formally asked for European funds to recapitalize its banking sector. Demand was also buoyed by rising risk appetite as business surveys showed the Euro zone's manufacturing sector shrank a little less rapidly in November and data showed Chinese manufacturing output grew last month for the first time in more than a year.

The array of positive news far outweighed a report showing a surprise contraction in U.S. factory activity.

The Euro was helped by Spanish and Italian bond yields falling as investors became more confident about buying Euro zone debt, and Greek bonds rallied after the announcement of details of a debt buy-back. The spreads on Spain's debt versus Germany's have compressed substantially, which has also helped the Euro, but it also takes pressure off of Spain to ask for a full government bailout.

EUR-USD climbed to 1.30747, its highest since October 22, before paring gains to last trade up 0.5 percent on the day at 1.30519. Stop-loss orders were reportedly triggered on the break of 1.30300, which accelerated the move higher.

If Spain requests a government bail-out, EUR-USD should rally even further as it sets the stage for the European Central Bank to buy its bonds.

German Chancellor Angela Merkel said on Sunday Greece's creditors may look at writing down more of its debt, a move that would make the country's debt burden more easily sustainable.

Greece said it would spend €10 billion (\$13 billion) to buy back bonds at a price range that topped market expectations, boosting hopes it can cut its ballooning debt and unlock long-delayed aid. A successful buy-back is central to the efforts of Greece's foreign lenders to put the near-bankrupt country's debt back on a sustainable footing and would clear the way for the funding Greece needs to avoid running out of cash. The successful completion of the repurchase will unlock bailout cash from the IMF and help secure the flow of rescue funds from the so-called 'troika' in 2013.

Greece's "troika" of lenders includes the International Monetary Fund, European Union and the European Central Bank.

Despite EUR-USD recovering from falls after ratings agency Moody's downgraded the Euro zone rescue funds late on Friday, the Euro looked vulnerable to continuing concerns about how the Euro zone will deal with its debt crisis and worries about the U.S. "fiscal cliff."

If Congress and Washington cannot reach a deficit reduction deal by the end of the year, massive U.S. government spending cuts and tax rises will be unleashed in early 2013. Many economists believe this "fiscal cliff" has the potential to tip the U.S. economy back into a recession.

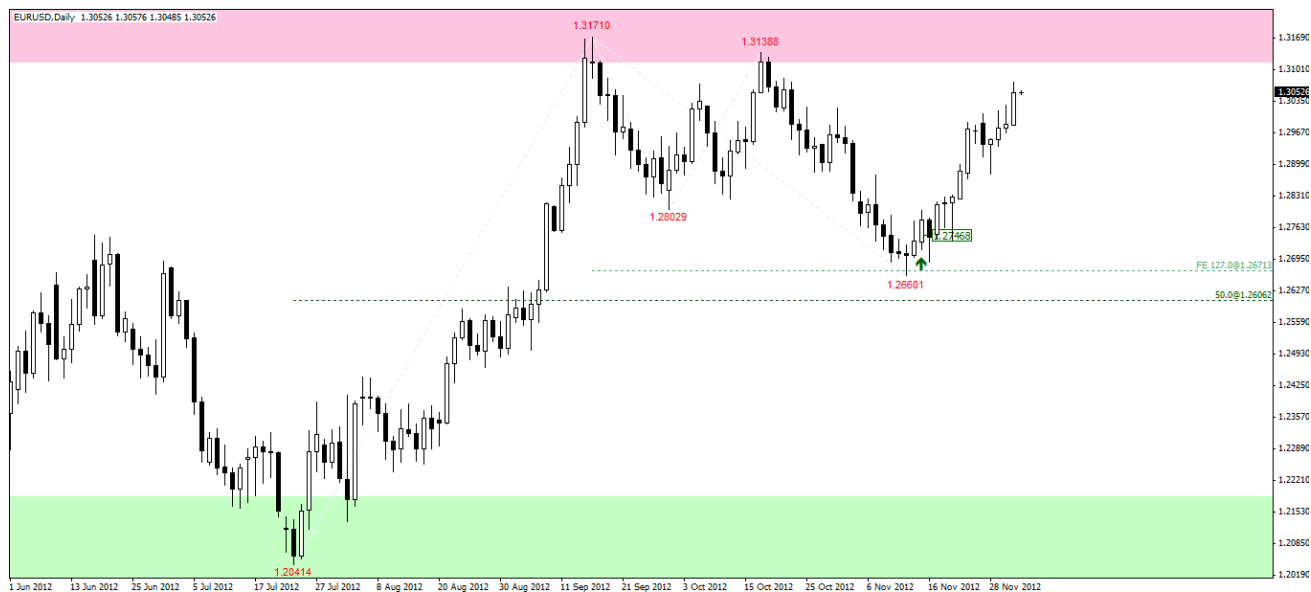
Signs policymakers are struggling to reach an agreement to avert that scenario could boost demand for the US Dollar, which is considered a safe-haven currency. Resolution of the U.S. fiscal cliff still seems some way off, and it is increasingly likely that a comprehensive agreement will be delayed into the new year, meaning the US economy may go over the cliff in January only to be hauled back up again soon after.

The Japanese Yen has been under pressure on expectations that a likely change in Japan's government later this month would lead to aggressive monetary easing. USD-JPY was down 0.3 percent at 82.230.

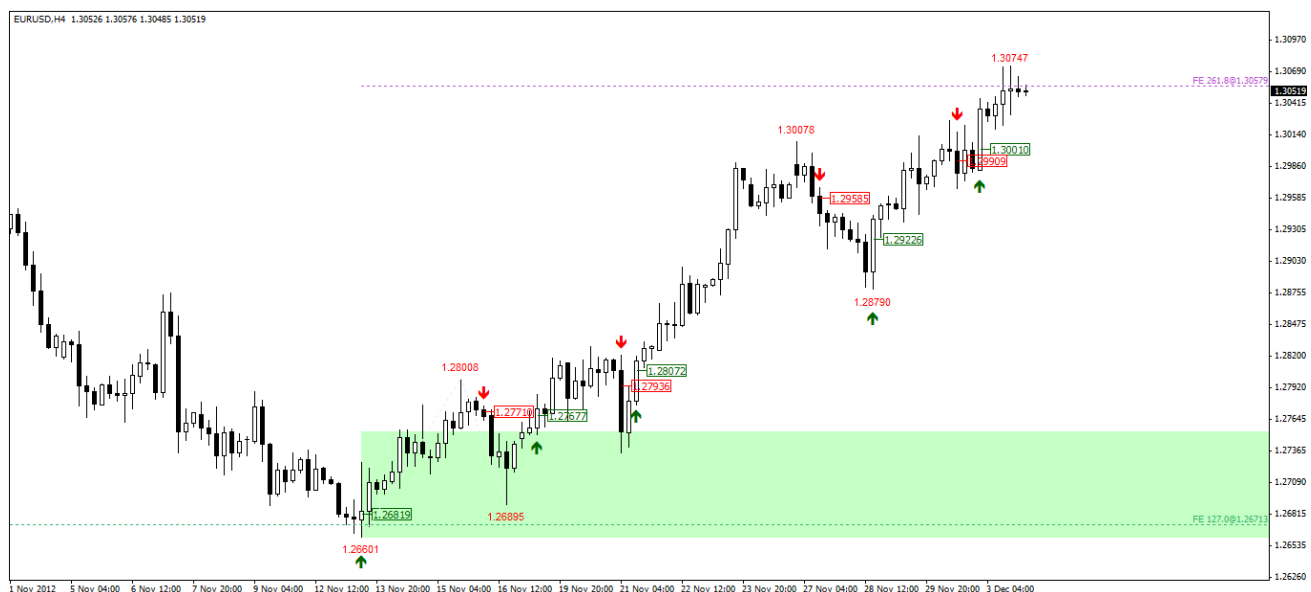
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EUR-USD DAILY



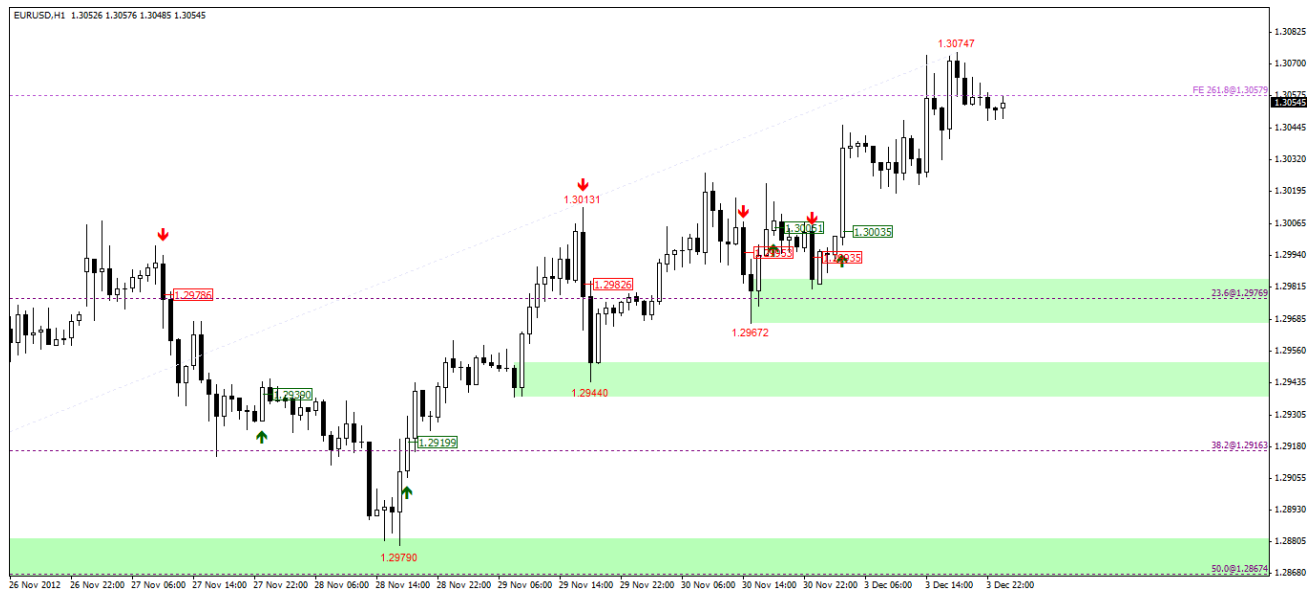
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Price action continued to power higher and stabilized after hitting the 261.8% projection of 1.26601 to 1.28008 from 1.26895 in overnight trading (see H4 chart). In retrospect, actions two Fridays ago has helped cleared up the medium-term picture of this market considerably. With the strong closing seen on 23 October followed by a hammer seen in the D1 chart last Wednesday, the idea that the 5th wave of the rally from 1.20414 has started, received further boost. The rise from 1.26601 now has a clear 5-waves up structure and may ultimately trade above **1.31710** to perhaps to as high as **1.33582** (being the 61.8% of 1.20414 to 1.31710 from 1.26601). Traders should remain on the long side of this market and view any pullbacks as buying opportunities. Incidentally, if the overnight high at **1.30747** remains intact, a 23.6% retracement would take this market to the 1.26601 to 1.30747 at **1.29768** which falls within a minor demand pocket at **1.29672-1.29846** (see H1 chart).

EUR-USD 1-HOURLY



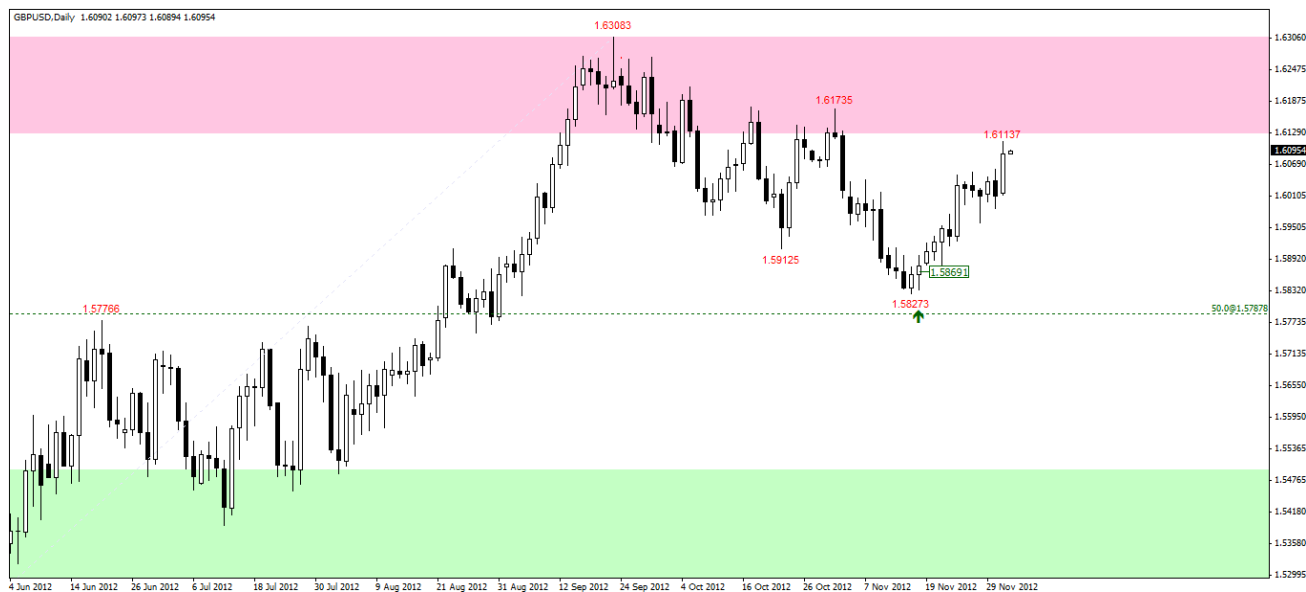
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.28923 (M5 chart)	1.30364 Realized	1.32831	Breakeven

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 30-11-2012								\$72,447.00
EUR-USD	28-11-2012	1.0	1.28923	03-12-2012	1.0	1.30364	+\$1,441.00	+\$1,441.00	\$73,888.00
EUR-USD	28-11-2012	1.0	1.28923	03-12-2012	1.0	1.30519	+\$1,596.00		
						Unrealized	+\$1,596.00		

GBP-USD DAILY



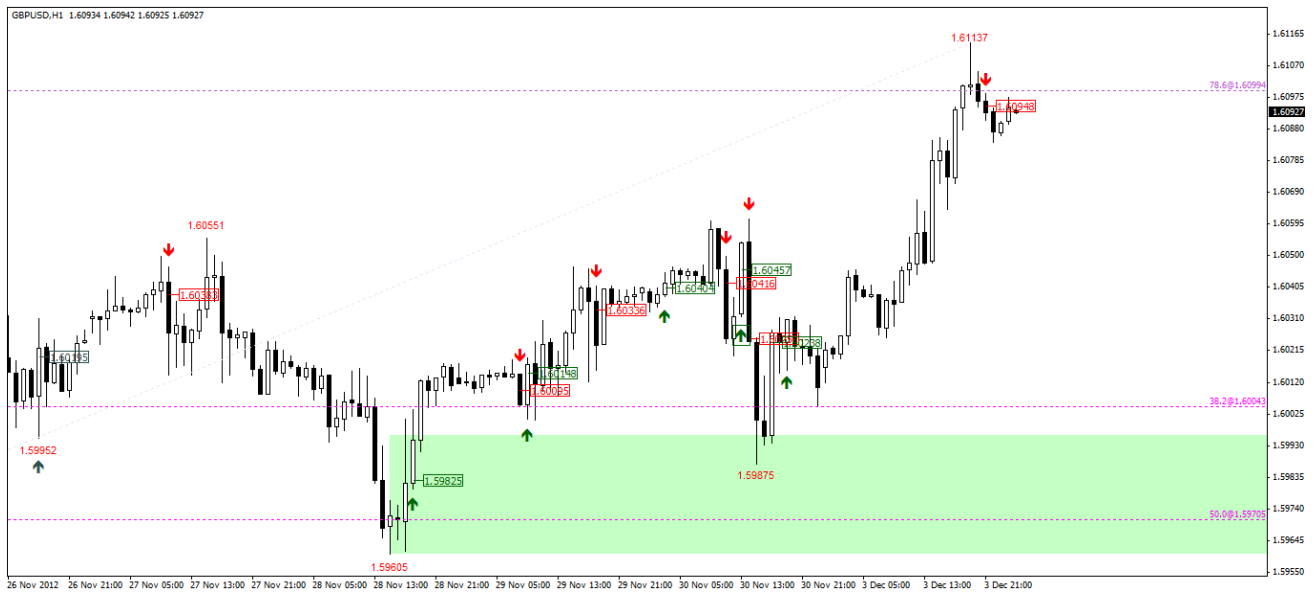
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

GBP-USD too had a positive day as the rally the rise from 1.58273 continues unabated. Price action registered a high of 1.61137 in overnight actions before easing on the back of a *long-legged shadow doji* (see H1 chart). This reversal bar could well signal the end of this run at least in the short-term. A close below **1.60814** in the H4 chart next would further support this assessment. In the medium to long-term, this rally has yet to run its entire course and is poised to challenge September 21 peak of **1.63083** eventually. Should a pullback occur in the hours ahead, a possible target is the 23.6% retracement of 1.58273 to 1.61137 at **1.60461**. Traders should be cautious in chasing this market at the current level as the risk/reward profile looks poor at the moment. A little pullback is healthy. That said, too deep a pullback may compromise this rally. A yardstick is the overnight opening price of **1.60165**. A close below this level in the D1 chart is a warning that this rally is in trouble.

GBP-USD 1-HOURLY



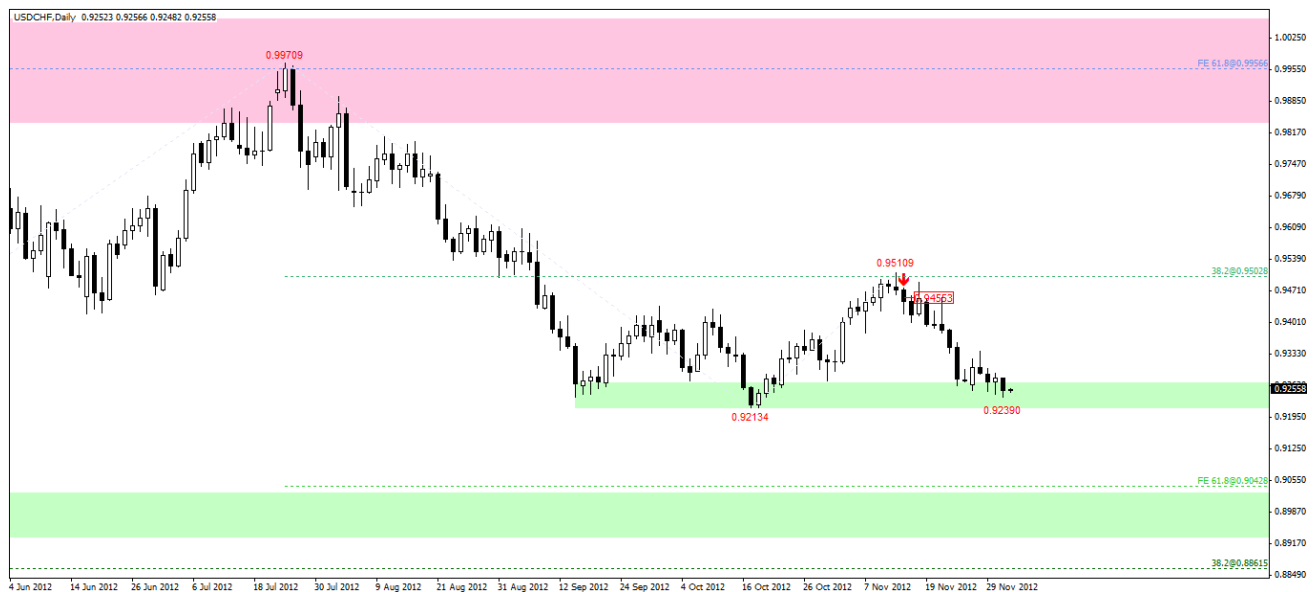
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59037	1.60063 Realized	1.65416	Exit on D1 close below 1.60165
Bought @ 1.59825	1.61546	1.62589	

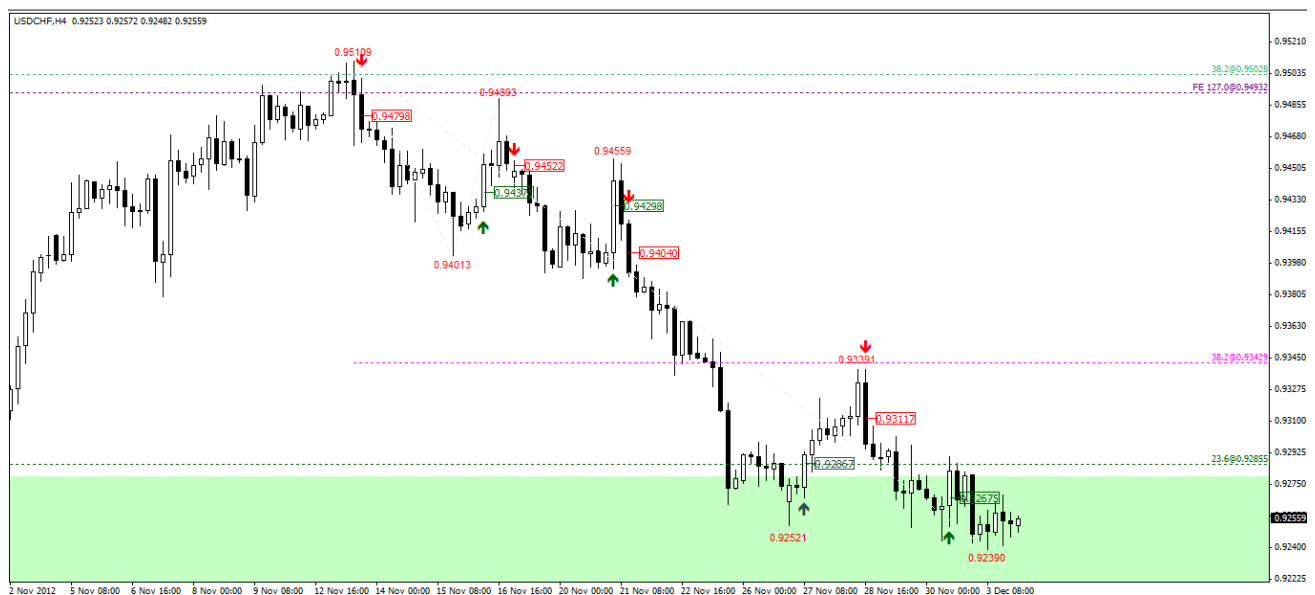
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 30-11-2012								\$50,309.00
GBP-USD	21-11-2012	1.0	1.59037	03-12-2012	1.0	1.60896	+\$1,859.00		
GBP-USD	28-11-2012	1.0	1.59825	03-12-2012	1.0	1.60896	+\$1,071.00		
GBP-USD	28-11-2012	1.0	1.59825	03-12-2012	1.0	1.60896	+\$1,071.00		
						Unrealized	+\$4,001.00		

USD-CHF DAILY



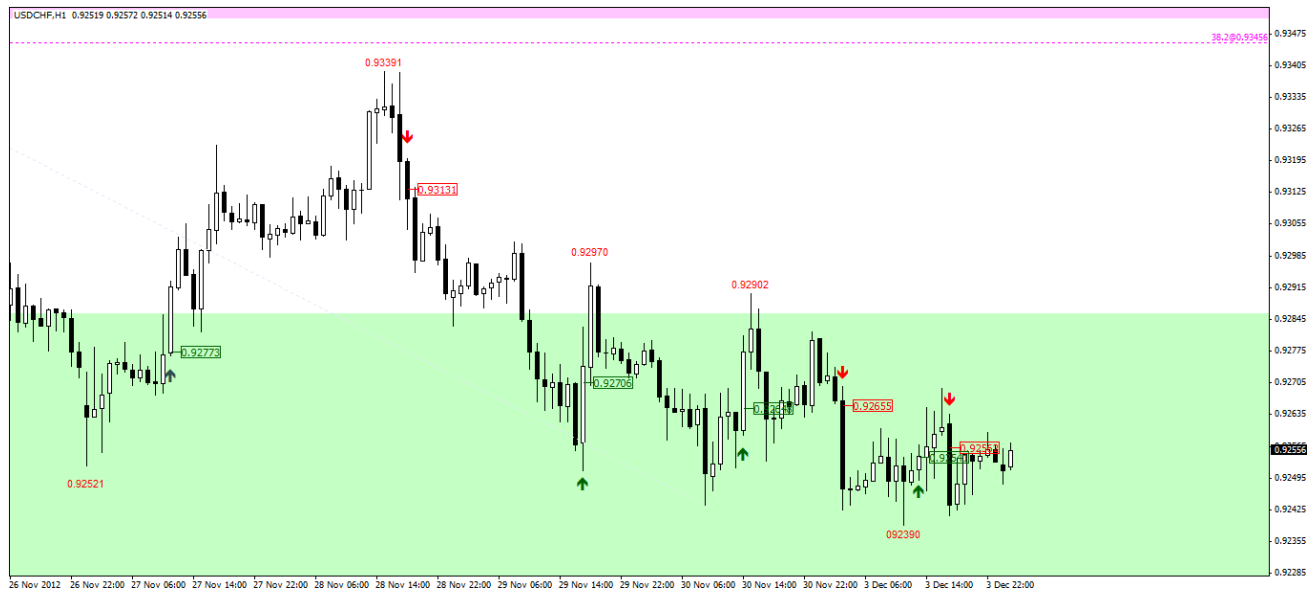
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

The fall from the November 13 high of 0.95109 has developed into a neat 5-wave down structure into the demand pocket at **0.92746-0.92975**. After a brief rebound last Thursday, price action dipped back into the demand pocket and even though marginal lows were registered, this market is well-bid. In view of this, a more robust rebound from current is very probable going forward. Any rebound from here is likely to be in the form of a 3-wave up structure with focus on the 38.2% retracement of 0.95109 to 0.92435 at **0.93456**. This is slightly above last Wednesday's high of **0.93391** and below a minor supply pocket at **0.93507-0.93836**. The idea is to once again position shorts near those price levels. Over the medium to long-term, there is a good chance the next down leg of this fall may have resumed with the potential to eventually extend below the demand pocket at **0.92746-0.92975**. If so, it would add credence to this extremely bearish scenario. A break below the October 17 low of **0.92134** would all but confirm that another massive fall is in motion.

USD-CHF 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
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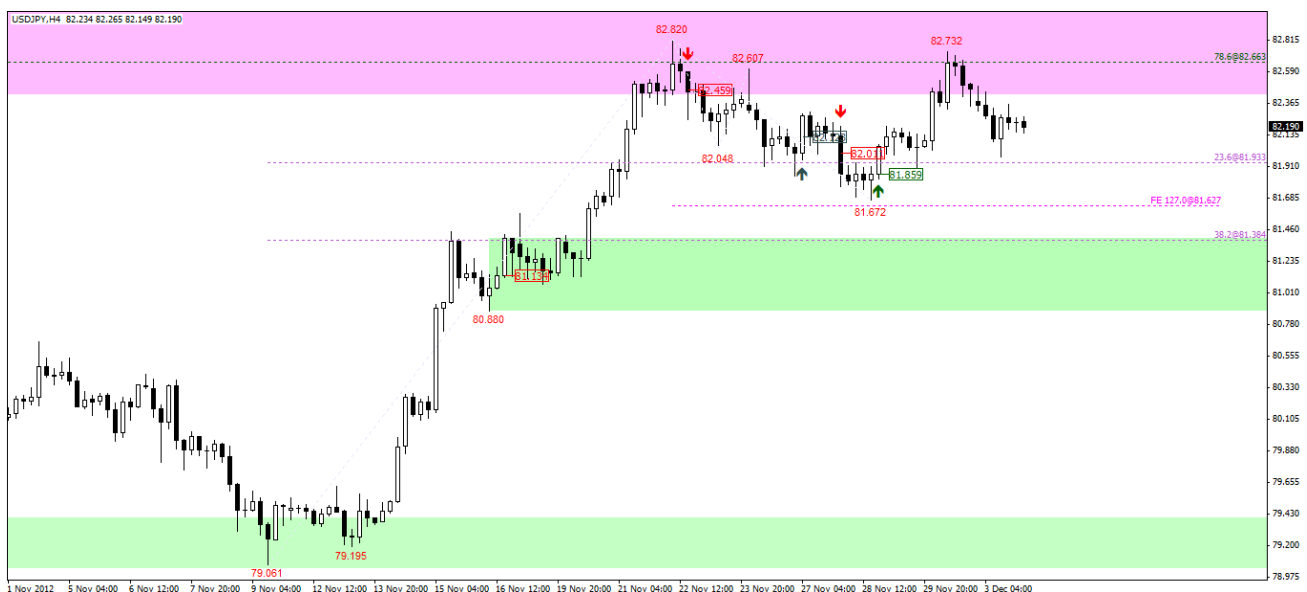
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 30-11-2012								\$34,932.12
Unrealized							\$0.00		

USD-JPY DAILY



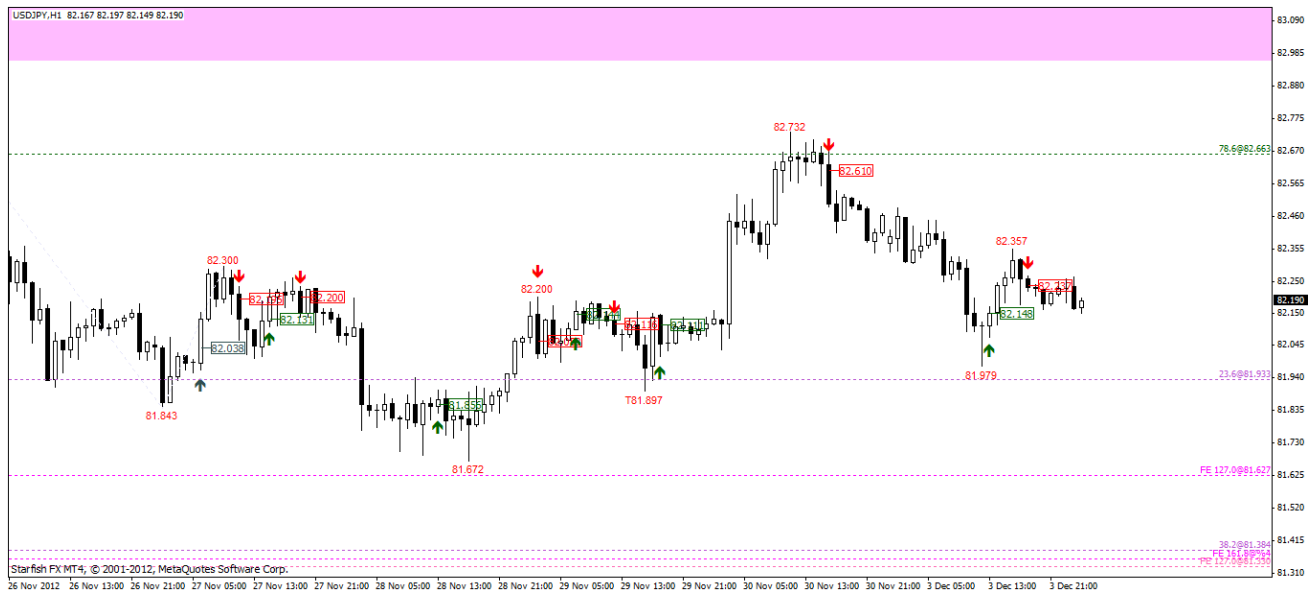
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The pullback from the 78.6% retracement of 84.172 to 77.119 at **82.663** from within the supply pocket at **82.424-83.380** continues into the new week with a low registered at 81.979 in overnight trading. As noted, in order to maintain the medium-term bullish bias, it is imperative for price action to take out the 78.6% retracement of 84.172 to 77.119 at **82.663** and breaks above this supply pocket at **82.424-83.380**. This is because the 78.6% retracement of 84.172 to 77.119 at **82.663** represents (to me) the maximum allowance retracement. With the year's high at **84.172** in sight, this bullish bias has a potential to gun for the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** which incidentally sits within a known supply zone. From there, the longer-term down trend is expected to resume below the all-time low of **75.563** (read big picture view above). In the meanwhile, a deeper pullback to the 38.2% retracement of 79.061 to 82.820 at **81.384** is still a distinct possibility but unlikely at this stage (see H4 chart). But the appearance of a long-legged shadow doji seen in the H1 chart suggests that a near-term bottom may be already in place at **81.979** overnight.

USD-JPY 1-HOURLY



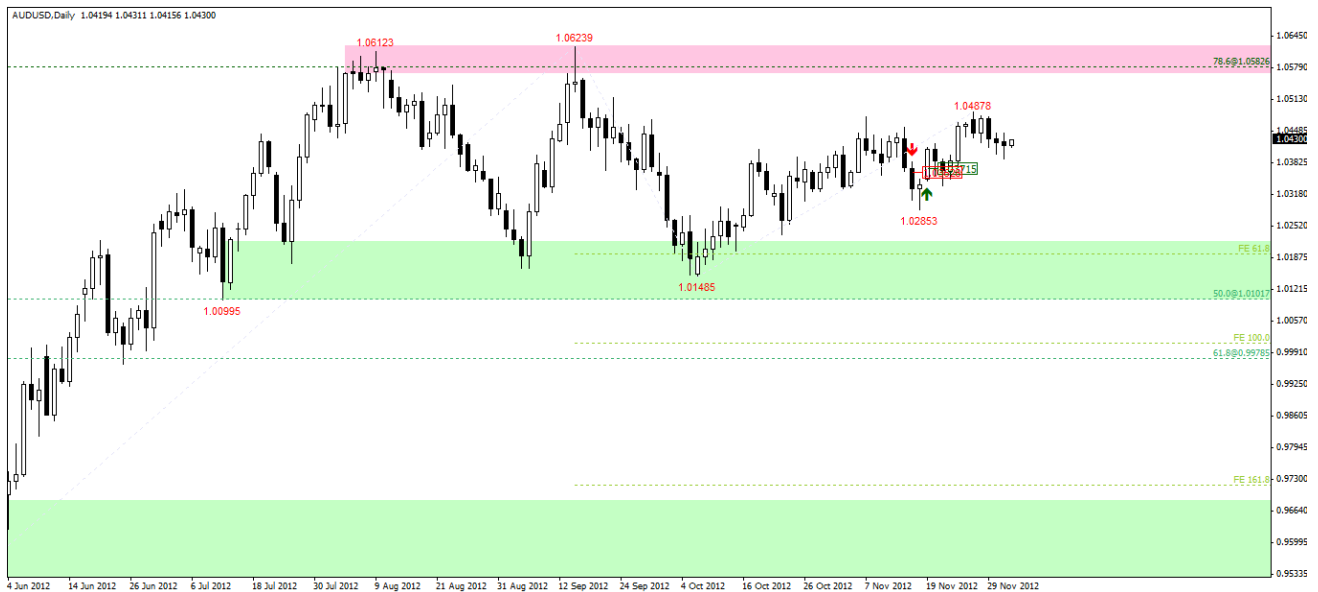
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 81.774	82.541 Realized	83.716	Breakeven

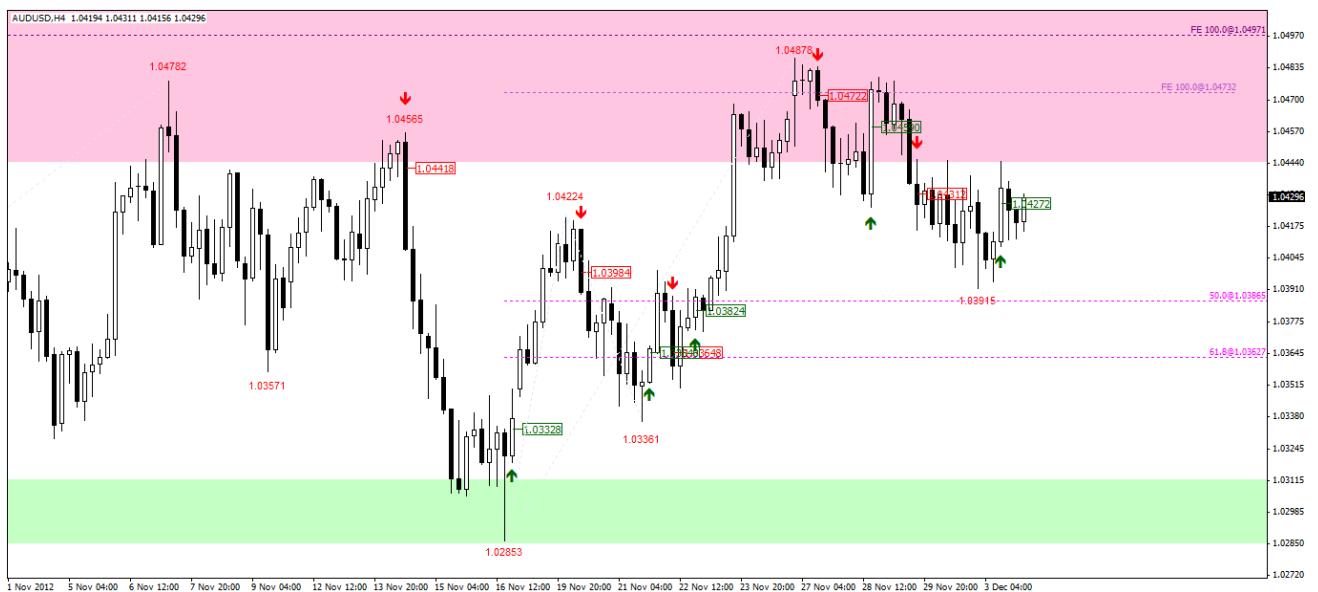
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 30-11-2012								\$30,540.48
USD-JPY	28-11-2012	1.0	81.774	03-12-2012	1.0	82.230 Unrealized	+\$554.54 +\$554.54		

AUD-USD DAILY

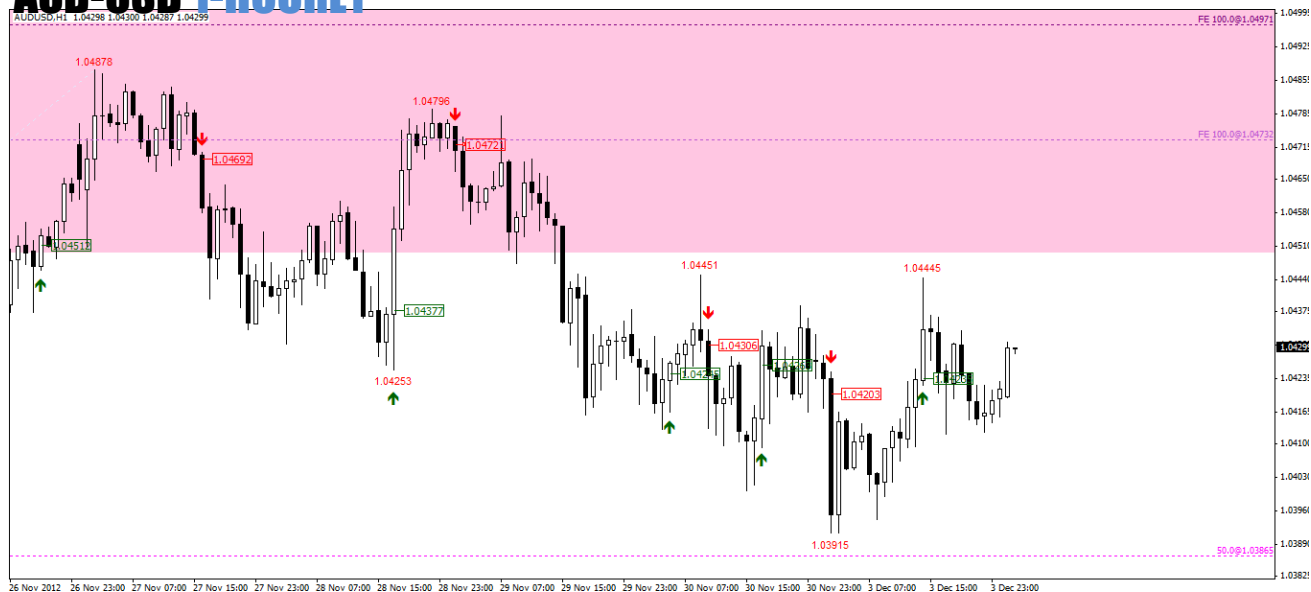


AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

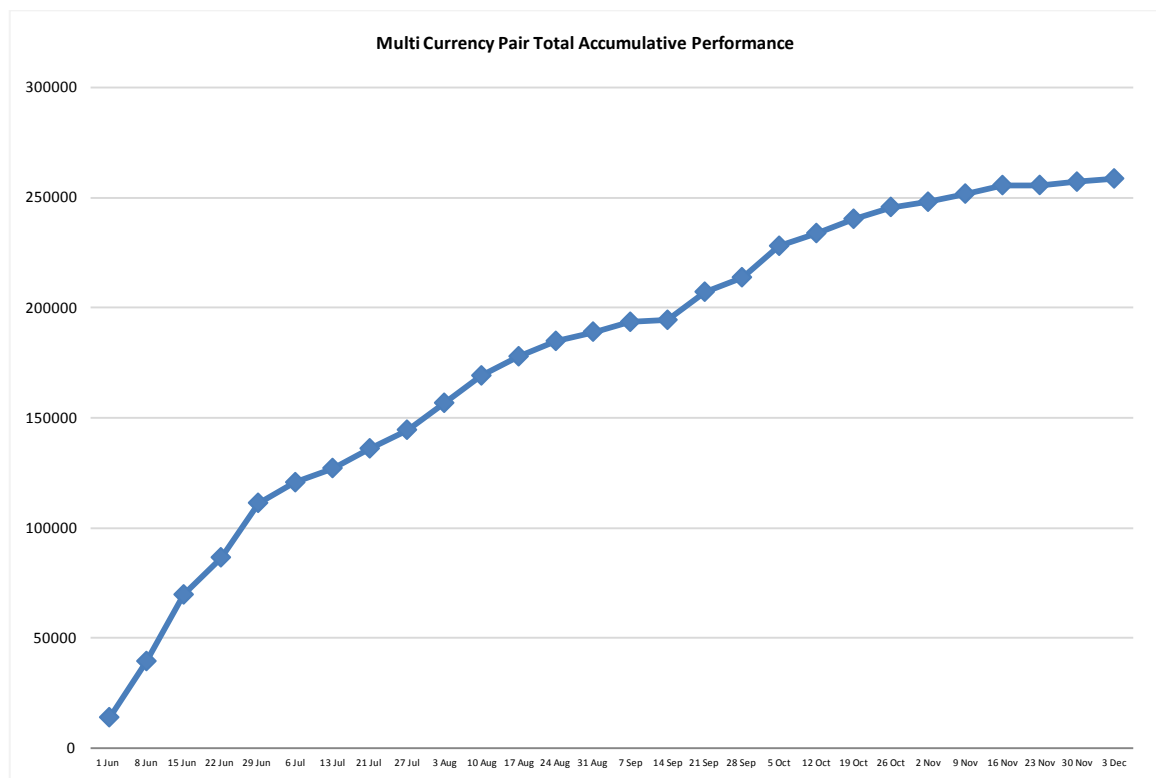
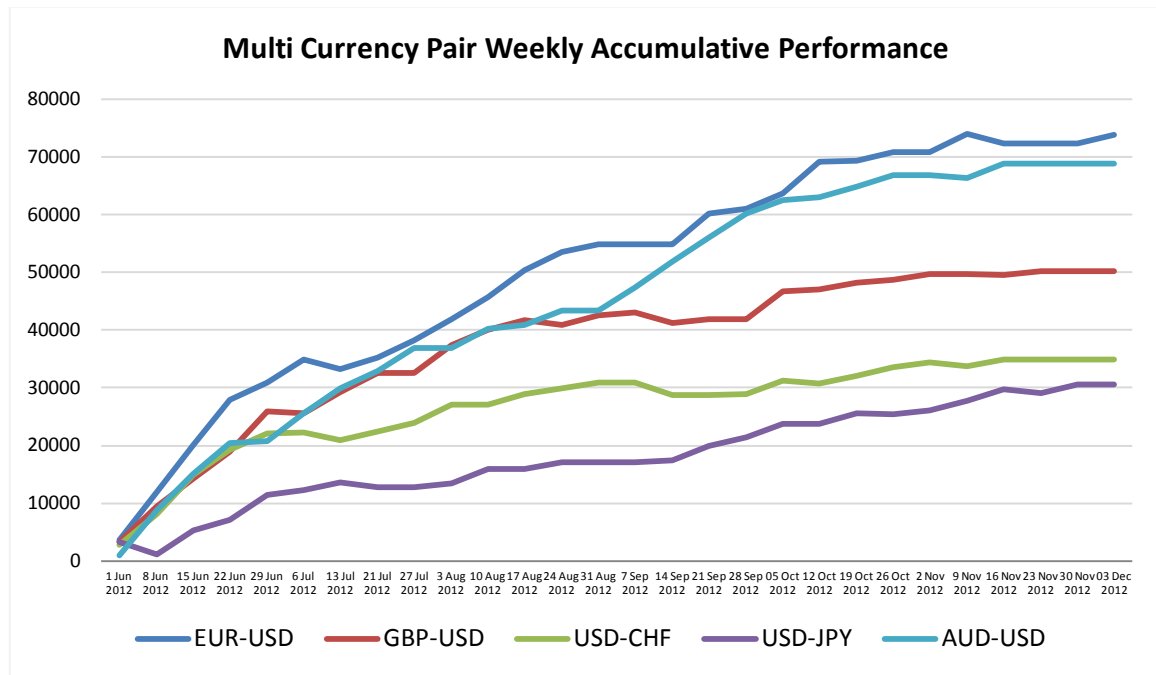
In the medium-term, this market continues to consolidate between a roughly 500 pips range as seen in the D1 chart. After pulling back in a 3-wave correction to the 61.8% retracement of 1.02853 to 1.04224 at 1.03377 with a low at 1.03361 a fortnight ago, this market looks poised to climb. However, this climb has been rather shallow so far with price actions continuing to meet heavy resistance from within the minor supply pocket at **1.04486-1.04722** where the 100.0% projection of 1.01485 to 1.04104 from 1.02853 at **1.05472** is located. For the most part of last week, each time price action traded into this price pocket, selling interests emerged to cap its advance. Yesterday was no different. Price action came close to the supply pocket at **1.04486-1.04722** and eased. In view of the consolidation seen in this market, it is best to step aside and wait for a sustainable trend to emerge.

AUD-USD 1-HOURLY**Trade Ideas**

ACTION	Target 1	Target 2	EXIT
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Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 30-11-2012								\$68,225.00
Unrealized							\$0.00		



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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 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.