

FOREX OUTLOOK

A Traders Academy International Publication

Dollar Broadly High On Central Banks

Two things are weighing on the markets' appetite for risk at the moment. (1) The Eurozone sovereign debt crisis. Spanish bond yields are back above 7% Monday although they backed away from 7.1% after reports that the ECB was checking the level of Spanish bonds in the market. (2) The weak NFP payrolls data suggest that US labour market growth is slowing sharply after creating 200,000 plus jobs at the start of the year.

It now appears that the "breakthroughs" at the previous weekend's EU summit have only had a short-term impact on the markets. Now that we are on the 19th EU summit it is no wonder that the "medicine" they deliver has a diminishing impact on market action. The markets are building a strong resistance to platitudes from EU leaders; hence the short-term bounce in the markets last week and why Spain's bond yields are rising Monday. Essentially we need to get concrete agreement from Germany that it is willing to inject money to Spain's banks without leaving Madrid on the hook for any losses – the markets have heard nothing from German politicians that this is likely to happen any time soon, hence the markets did not rally on any rumours Monday.

Asian data is also weighing on the markets, although the prospect of a Q2 GDP miss in China (released on Friday- the market expects 7.9% down from 8.1% in Q1) seems to be priced in after the Chinese authorities announced a surprise rate cut last Thursday, the second such action in a month.

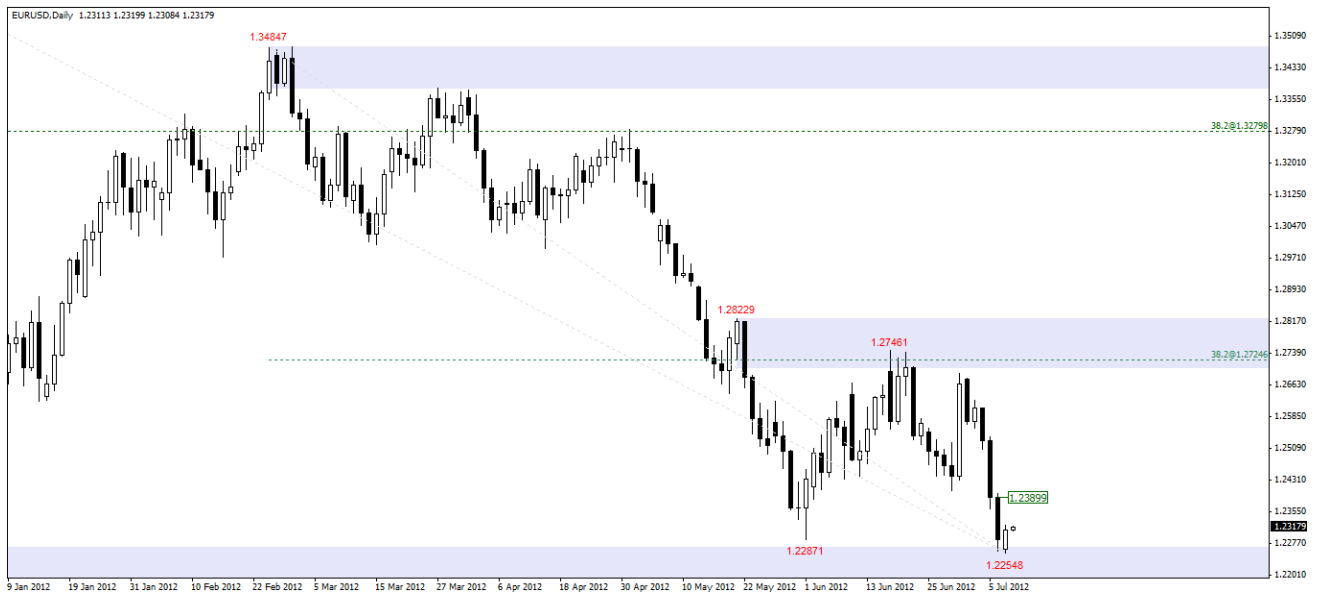
Risk assets have been fairly range bound as the markets wait for the EU finance ministers' meeting later today. Draghi spoke in front of the EU Parliament in Brussels, but his commentary stuck to the same tone as his press conference last Thursday (central banks took bold action, the ECB remains committed to price stability etc. etc.) and had no meaningful impact on the markets. The ECB also announced it made no bond market purchases last week, although since Spanish yields rose above 7% Monday they may need official ECB support in the near-term, so we can't rule out the ECB expanding its €210 billion SMP programme in the near-term.

We may be slightly range-bound unless we get some direction from the EU finance ministers or from Wednesday's Fed minutes that could leave some residual expectation that the US central bank will keep the door open to more QE. However, politically and economically the environment seems risk negative, at least for the near to medium term, which is bad news for the Aussie, Euro and stocks and good news for safe havens like Treasuries, the US Dollar and the Japanese Yen.

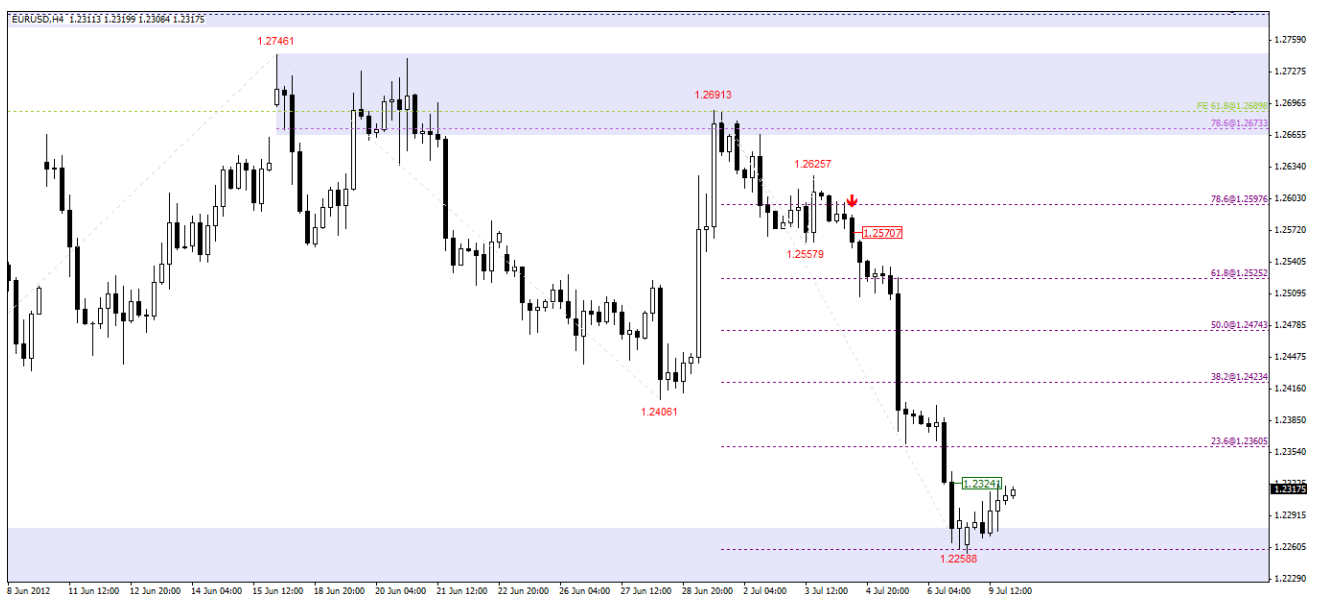
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EUR-USD DAILY



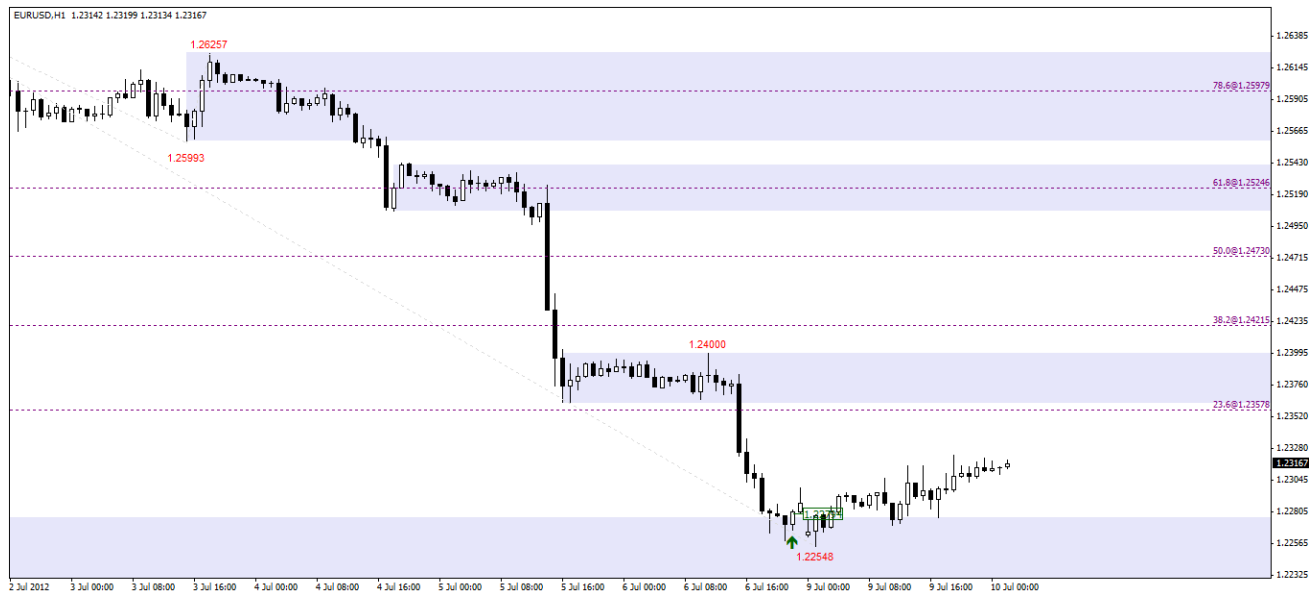
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

Markets were subdued Monday as traders wait for news on the EU summit. Price action managed a marginal low at 1.22548 and light profit-takings were evident. Friday saw price action dipped into the key DZ at **1.21453-1.22794** which lies just above the 61.8% projection of 1.32822 to 1.22871 from 1.27461 at **1.21311** which, in turn, is just above the 3.618% projection 1.26913 to 1.25579 from 1.26257 at **1.21430**. With key levels clustering between 1.21311 and 1.22794, there is a very good chance serious buying interests would emerge from within these levels. However, the rebound seen so far has been very shallow and uninspired. As noted, technically last week's fall has fulfilled the minimum 5-wave down structure and there is a possibility price action may next rebound back to the 4th wave of 1 lesser degree, being the 38.2% retracement of 1.34847 to 1.22588 at **1.27271** or the SZ at **1.27047-1.28229** (see D1 chart). Therefore, selling at current levels - albeit a shallow rebound seen overnight, is still a not a very wise choice. All things considered, short-term counter-trend trades now have better odds. In fact, traders who have act upon the weekend report and have bought on buy signals from within the DZ at **1.21453-1.22794**, are looking good for a test of the immediate overhead SZ at **1.23618-1.24000**. The ideal outcome is for a test of the 38.2% retracement of 1.34847 to 1.22548 at **1.27246** located within the SZ at **1.27047-1.28229** (see H4 and D1 charts) for the next leg down.

EUR-USD 1-HOURLY

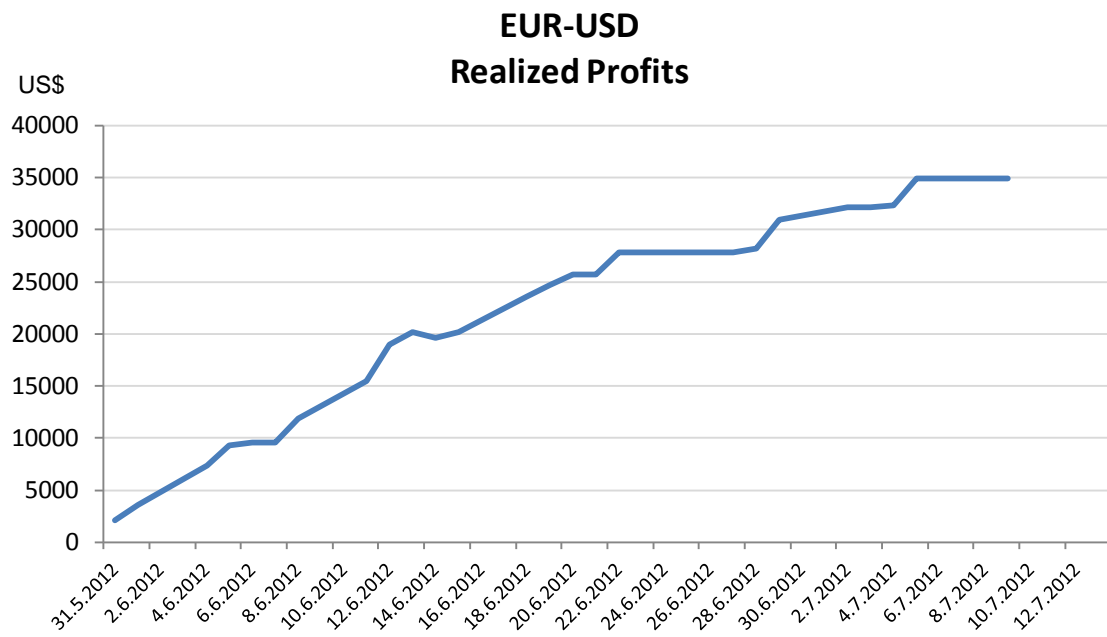


Trade Ideas

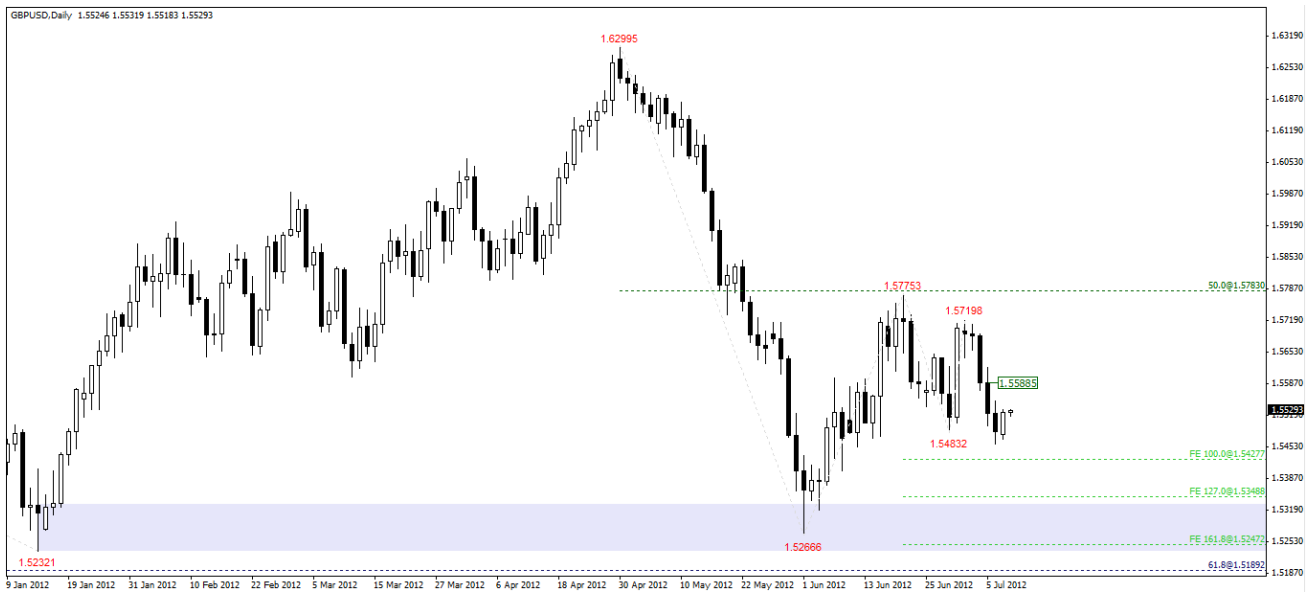
ACTION	Target 1	Target 2	EXIT
Bought @ 1.22794	1.23621	1.25993	1.22448 STOP

Weekly Performance

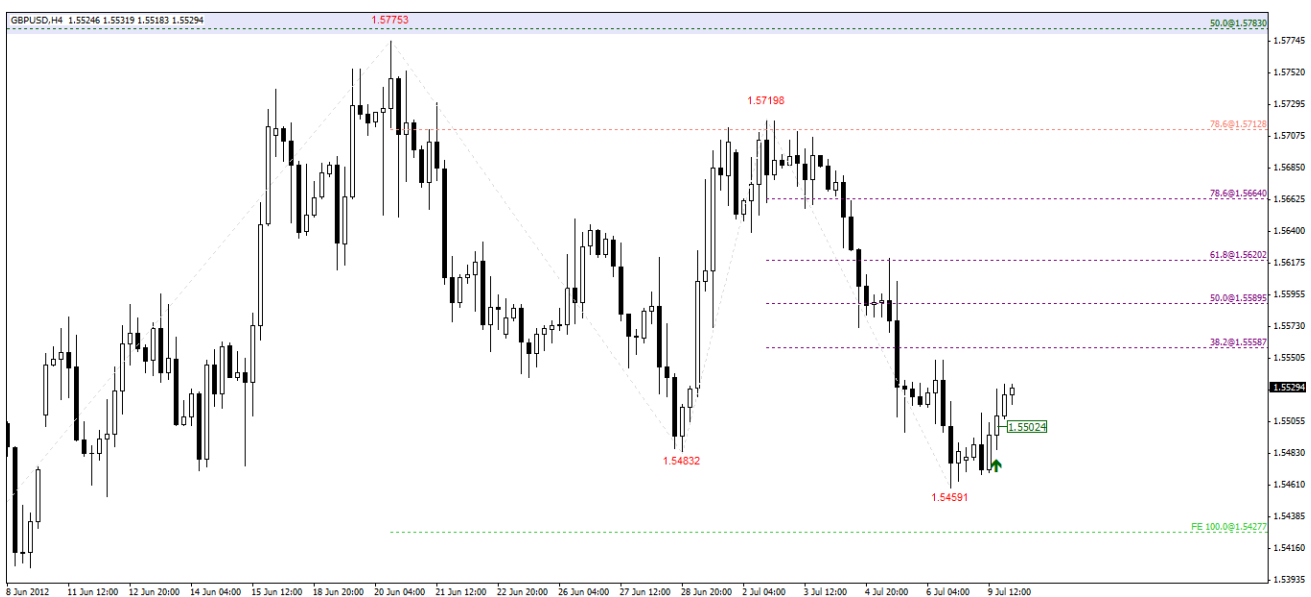
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 06-07-2012								+534,926.00
EUR-USD	06-07-2012	1.0	1.22794	09-06-2012	1.0	1.23114	+320.00		
EUR-USD	06-07-2012	1.0	1.22794	09-06-2012	1.0	1.23114	+320.00		
Unrealized							+5640.00		



GBP-USD DAILY



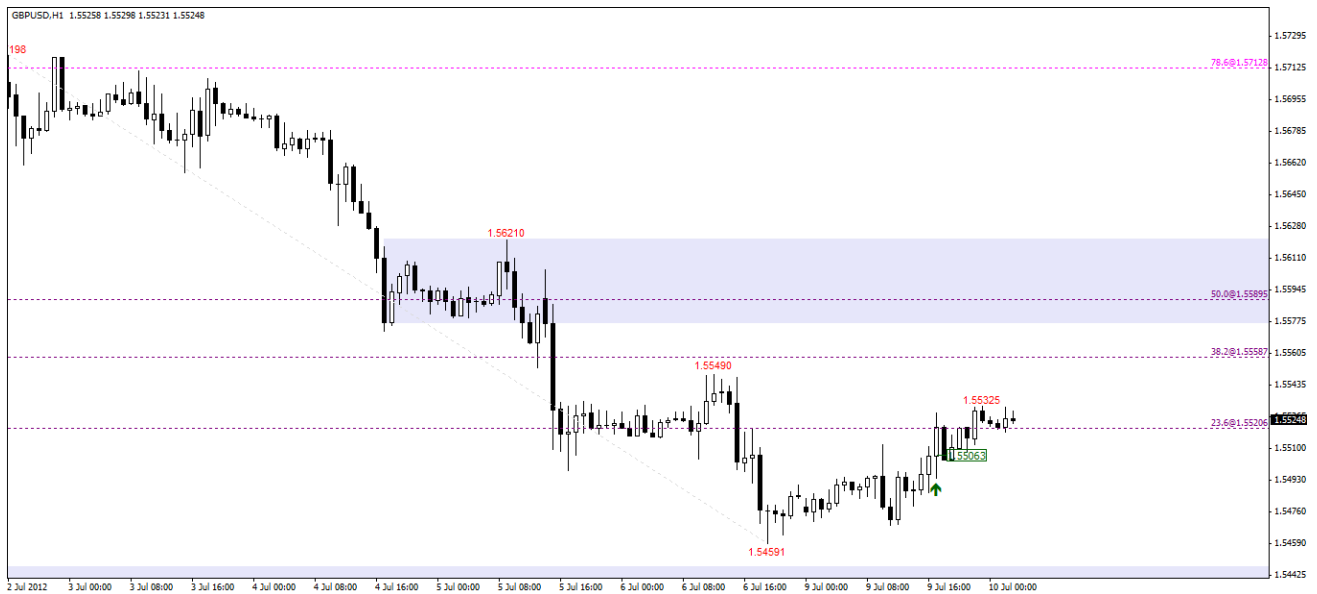
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

GBP-USD too rebounded in overnight trading but unlike the EUR-USD, did not result in any new low traded. At the point of writing, the market has recovered some 23.6% of the fall from last Monday's high of 1.57198 with a print of 1.55325 in early Asia session today. With last week's fall, medium-term focus has shifted to the June low of **1.52666**. Last Friday saw price action traded just above a minor DZ at **1.54023-1.54469** where the 100.0% projection of 1.57753 to 1.54832 from 1.57198 at **1.54277** is located. Failure to arrest the fall within this DZ could open up the possibility of a fall to the medium target at the 1.618% projection of 1.57753 to 1.54832 from 1.57198 at **1.52471**, which in turn lies within a major DZ at **1.52302-1.53195**. A weekly close below **1.52666** could potentially open a floodgate of sell orders as a ton of sell-stops must have accumulated below this key level. In the meantime, the current rebound may see price action traded back into the immediate SZ at **1.55766-1.56212** and thus offers a short-term trading opportunity to re-position shorts from there for a re-test of the minor DZ at **1.54023-1.54469** and below.

GBP-USD 1-HOURLY



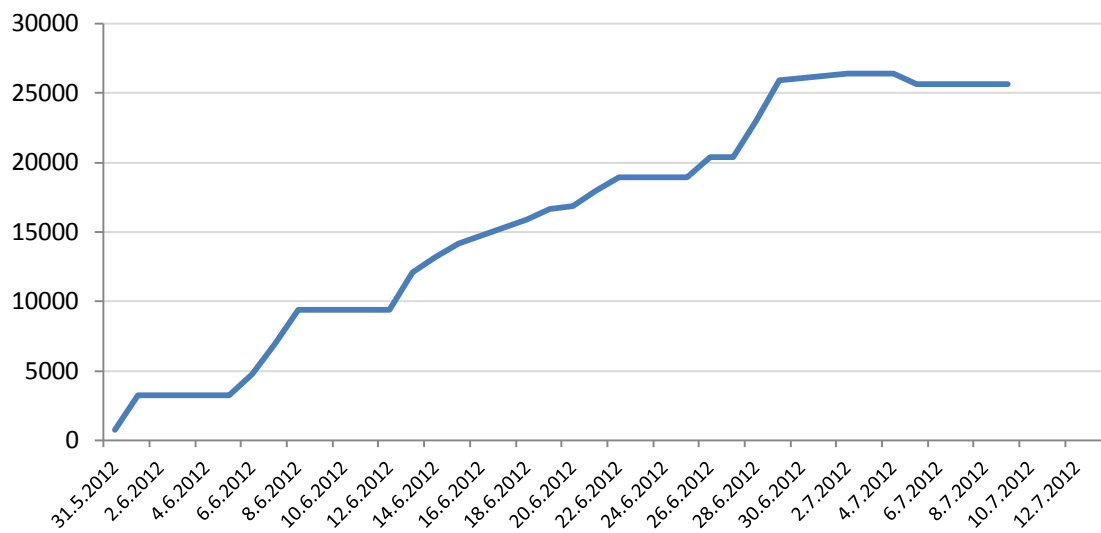
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Lookout for sell signal within 1.55766-1.56212	1.54469	1.53195	1.56310

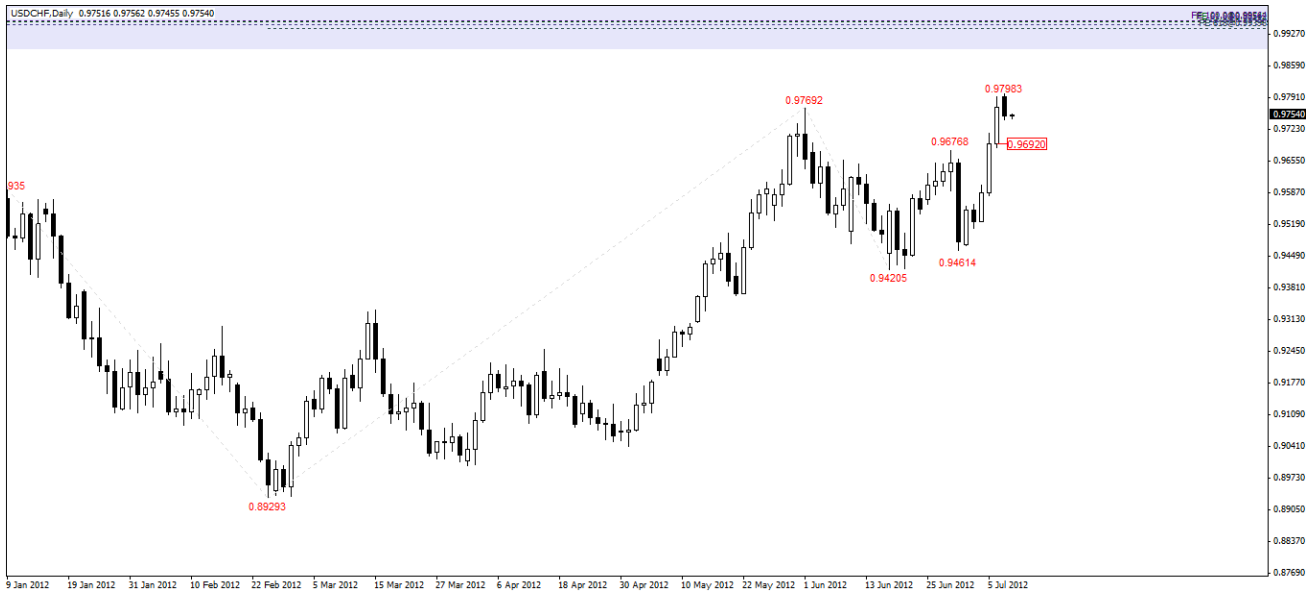
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 06-07-2012								+\$25,621.00
Unrealized							\$0.00		

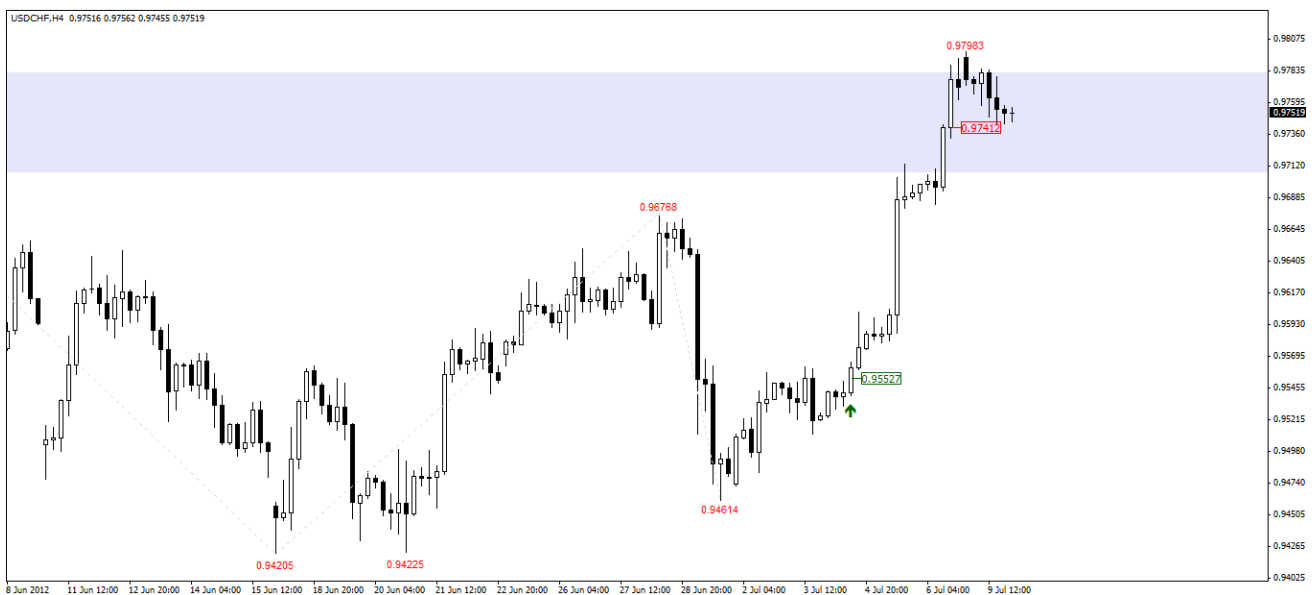
GBP-USD Realized Profits



USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

This market managed a marginal high overnight after having surged to the SZ **at 0.97070-0.97820** and then some, with a print at 0.97983 before easing. In the bigger picture, the rally from 0.89293 has, strictly speaking, completed the entire 5-wave move from the February 24 low. It is now technically vulnerable to a more robust correction which may ultimately take price action back to the 4th wave of a lesser degree; meaning the window between the June 18 low of **0.94205** and the June 29 low of **0.94614**. Though this bearish scenario is a little premature now, it is something traders should be aware of. That said, sustained trading above the SZ at **0.97070-0.97820** would sharpen the case for a challenge of the long-term target between the 61.8% retracement of 1.17296 to 0.70677 at **0.99488**; which is incidentally near the 61.8% projection of 0.70677 to 0.93132 from 0.85669 at **0.99546**.

USD-CHF 1-HOURLY

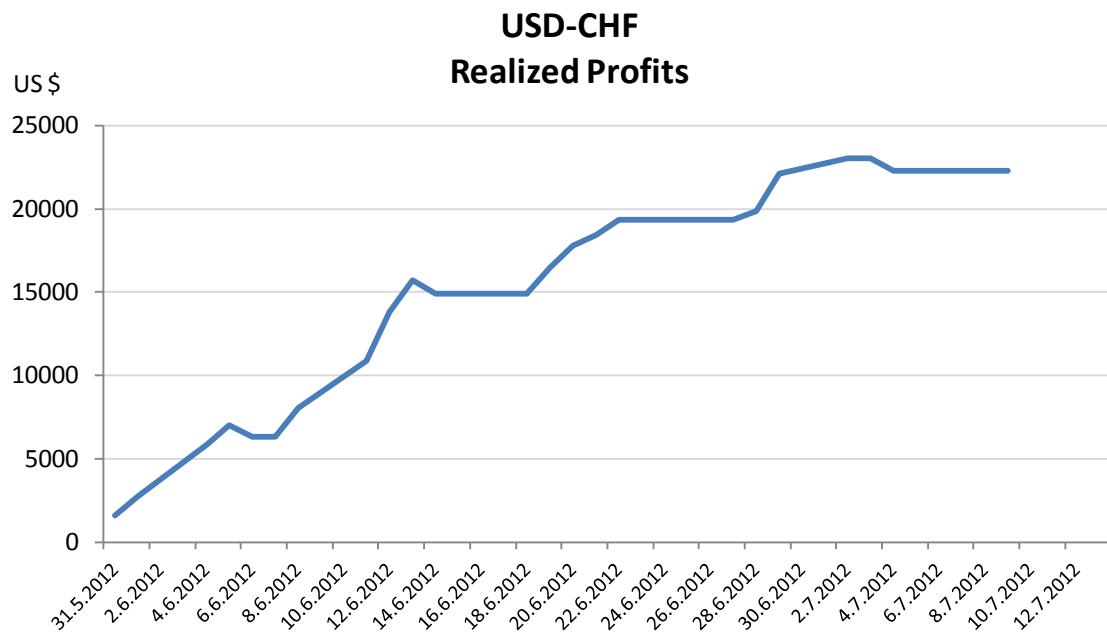


Trade Ideas

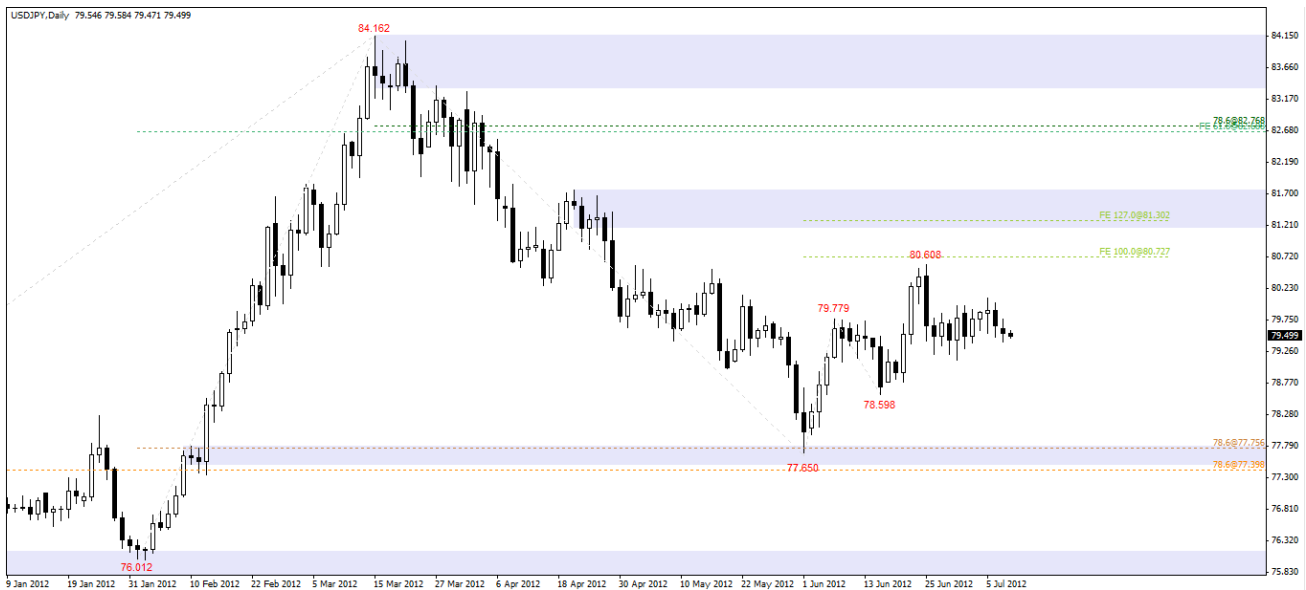
ACTION	Target 1	Target 2	EXIT
Sold @ 0.97670	0.97188	0.96298	0.98083 STOP

Weekly Performance

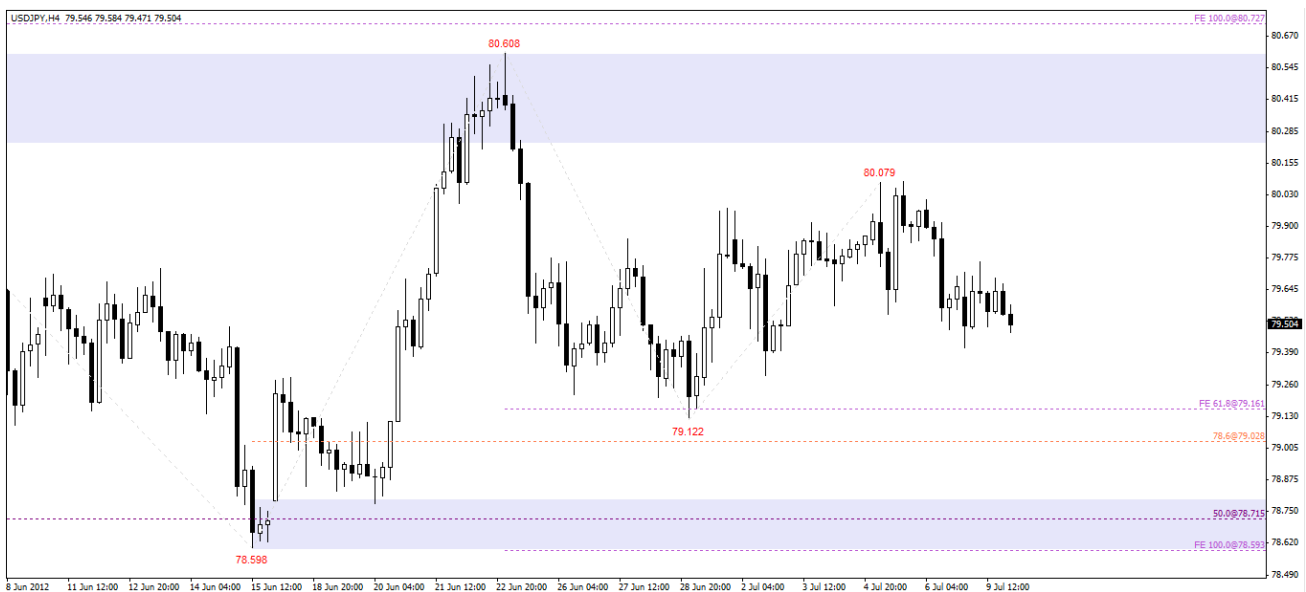
Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 06-07-2012								+\$22,288.66
USD-CHF	09-07-2012	1.0	0.97518	09-07-2012	1.0	0.97670	+\$155.87		
USD-CHF	09-07-2012	1.0	0.97518	09-07-2012	1.0	0.97670	+\$155.87		
						Unrealized	\$311.74		



USD-JPY DAILY



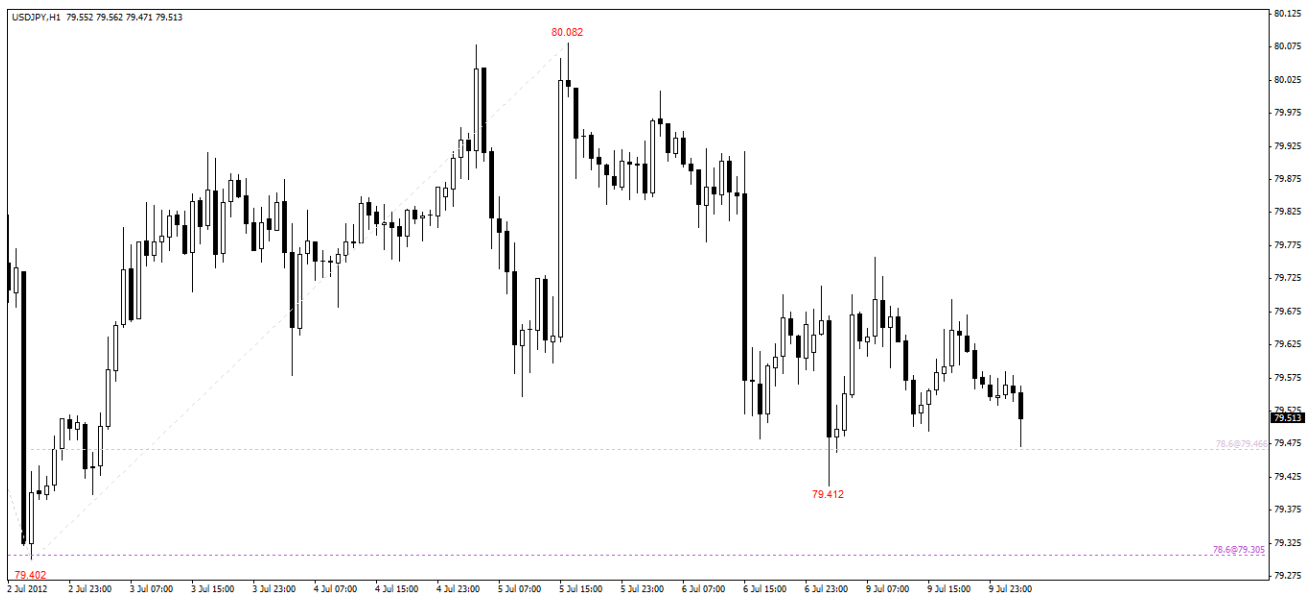
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

This market remains in relative comatose compared to the volatility seen in the other majors last week. As mentioned, until this market breaks out of its recent tight range, nothing meaningful will happen. Price action continued in its directionless sideways consolidation for the third week running. Price action is largely hemmed in by the DZ at **78.595-78.795** and the SZ at **80.238-80.598**. Overall, the fall from 84.162 is making a series of 3-wave corrective rebound to perhaps the 127.0% retracement of 77.650 to 79.779 from 78.598 at **81.302** (see D1 chart). Two possible medium-term scenarios may unfold from there. (1) Price action accelerates to the upside in a powerful rally to test the March high of **84.162** or (2) price action stalls at either the SZ at **80.238-80.598** or **81.440-81.850** and resumes its fall towards the June low of **77.650**. It is, therefore, imperative that rally seen a fortnight ago accelerates beyond the immediate SZ at **80.238-80.598** to keep the medium-term bullish case in scenario (1) alive. In so long as price action holds at the DZ at **78.595-78.795**, the bullish case is still alive. However, sustained trading below the 78.6% retracement of 78.779 to 80.608 at **79.170** would compromise the bullish case and a breach below **78.779** would shift attention to the June's low at **77.650**.

USD-JPY 1-HOURLY



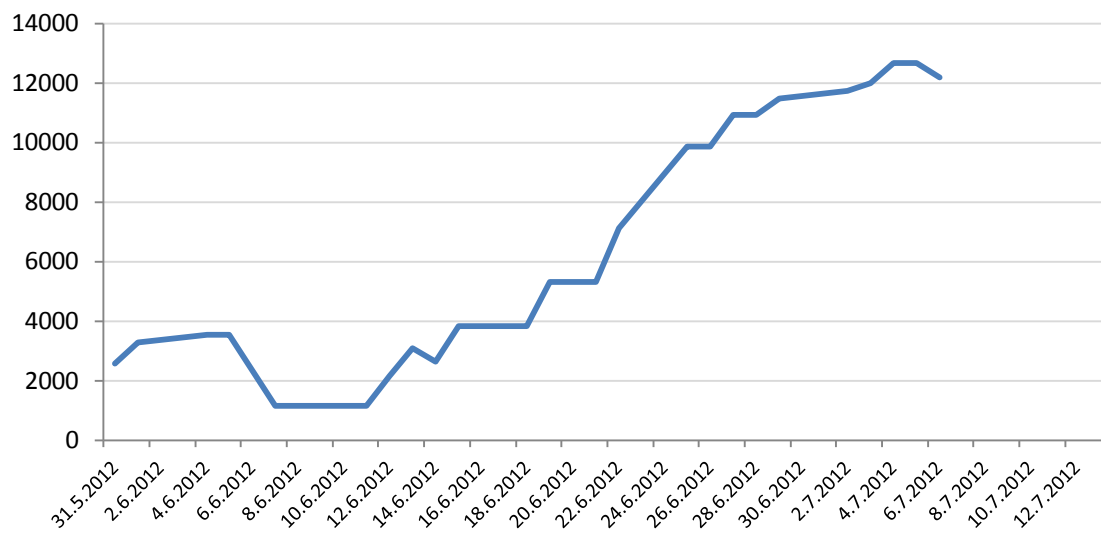
Trade Ideas

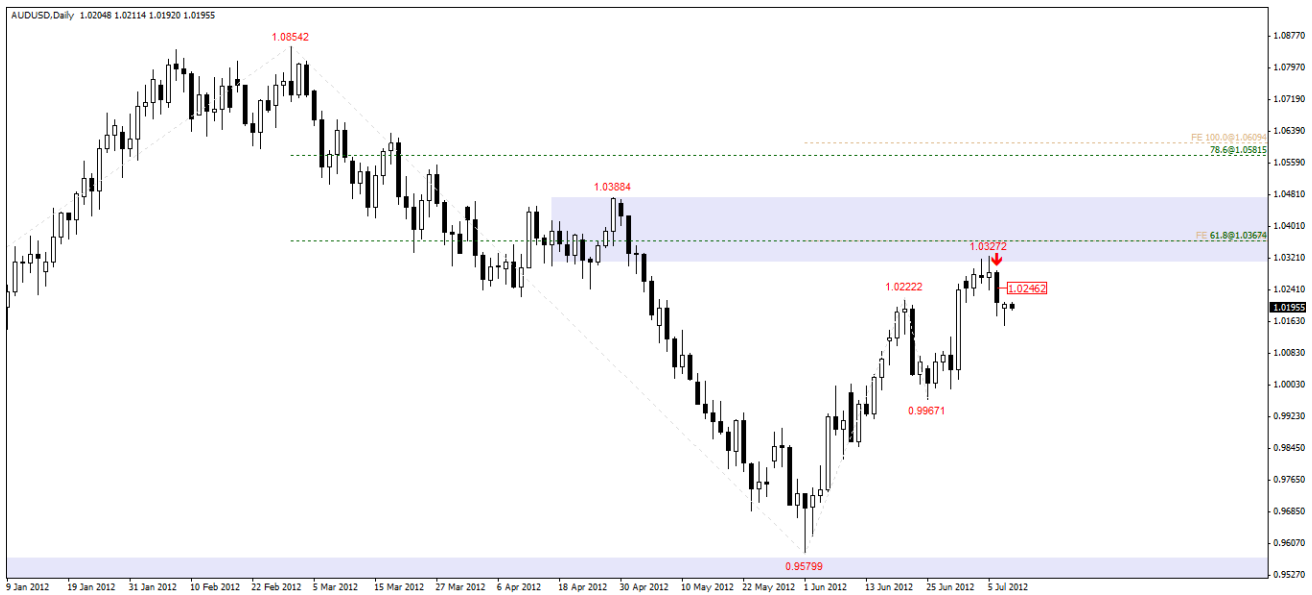
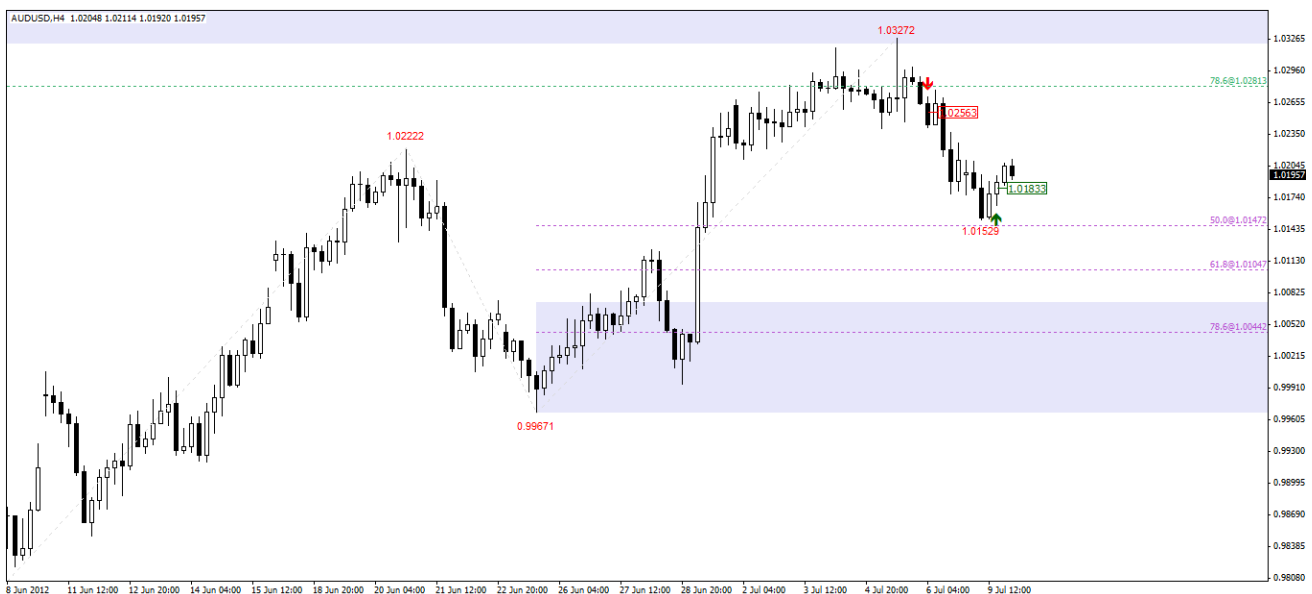
ACTION	Target 1	Target 2	EXIT
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Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 06-07-2012								+\$12,674.04
Unrealized							\$0.00		

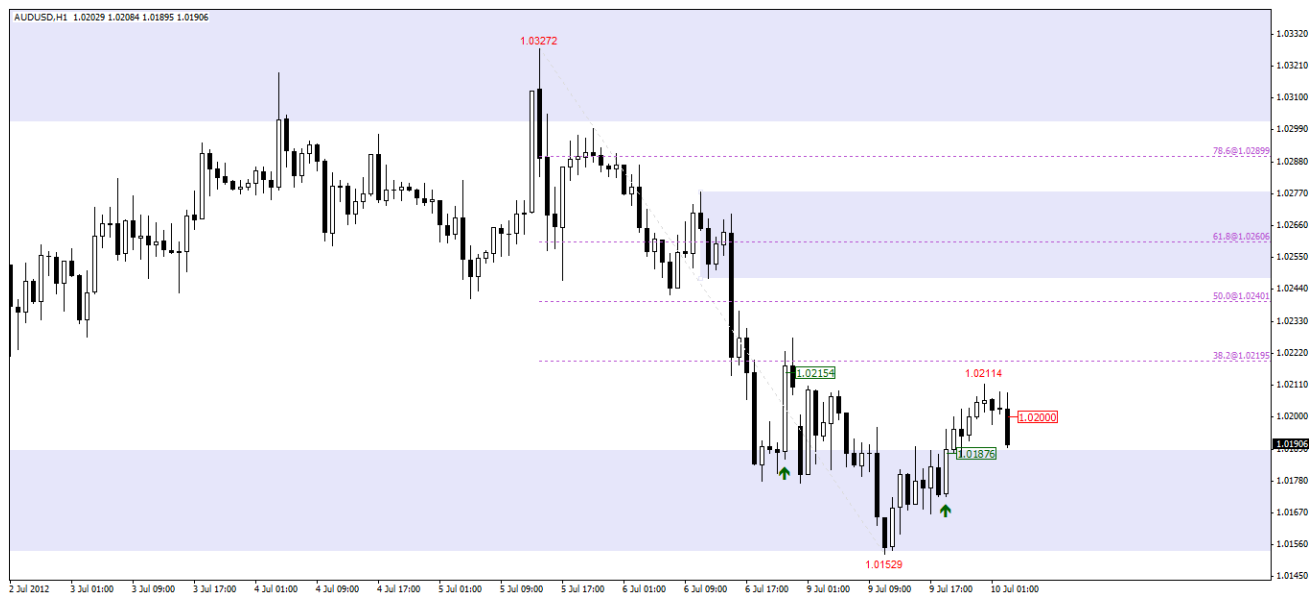
USD-JPY Realized Profits



AUD-USD DAILY**AUD-USD 4-HOURLY****AUD-USD** Short to Medium Term Views

This market began the week by opening with 13.7 pips gap to the downside deep into the the DZ at **1.01532-1.01814** but managed to recovered most of its day's losses by NY closing. . In the weekend report, traders were prompted to lookout for buy signals within the DZ at **1.01532-1.01814**. After a false start late on Friday, another buy signal was triggered immediately after the day's low was traded, giving traders another opportunity to re-position their long positions. Last week saw the extension of the rally from the June 1 low of 0.95799 into the SZ at **1.02984-0.03531** which lies just above the 78.6% projection of 1.04723 to 0.96799 at **1.03027**. As noted, this rally has the potential to correct to possibly the 78.6% projection of 1.08542 to 0.95813 at **1.05818** or the 100.0% proejction of 0.95799 to 1.02222 from 0.99671 at **1.06094** or extend in a powerful surge to possibly the 161.8% projection of 0.95799 to 1.02222 from 0.99671 at **1.10063**.

AUD-USD 1-HOURLY

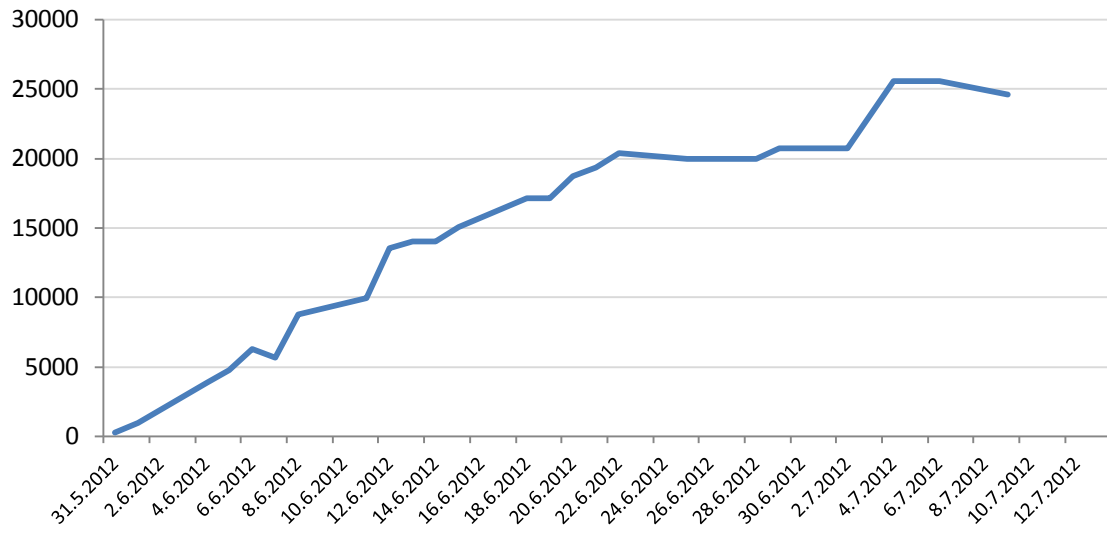


Trade Ideas

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 06-07-2012									+\$25,563.00
AUD-USD	06-07-2012	1.0	1.02154	09-07-2012	1.0	1.01679	-\$475.00		+\$25,088.00
AUD-USD	06-07-2012	1.0	1.02154	09-07-2012	1.0	1.01679	-\$475.00	-\$950.00	+\$24,613.00
AUD-USD	09-07-2012	1.0	1.01876	09-07-2012	1.0	1.02050	+\$174.00		
AUD-USD	09-07-2012	1.0	1.01876	09-07-2012	1.0	1.02050	+\$174.00		
Unrealized							+\$348.00		

Weekly Performance

ACTION	Target 1	Target 2	EXIT
Bought @ 1.01876	1.02476	1.03010	Exit in H1 close below 1.02000

**AUD-USD
Realized Profits**

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.