Tue, Apr 2, 2013 Weekday Edition

FOREX OUTLOOK



A Traders Academy International Publication

RBA Eyed

USD-JPY fell to a 1-month low early in Asia on Tuesday after softer-than-expected U.S. manufacturing data prompted traders to sell the US Dollar

Further losses for USD-JPY could be limited as traders wait to see exactly what the Bank of Japan (BOJ) will deliver at its April 3-4 policy meeting. The market has already priced in a lot of easing from the central bank making it hard for policy makers to surprise.

USD-JPY was at 93.080, having fallen as far as 92.955. It has shed around 3.5 percent since peaking at a 3-1/2 year high of 96.699 on March 12.

The US Dollar came under pressure as U.S. Treasury yields slid after data showed factory activity grew at the slowest rate in three months in March. The report raised worries the U.S. economy is losing momentum due to government spending cuts.

Thin market conditions, with most of Europe closed for the Easter Monday holiday, contributed to a choppy session that saw the Japanese Yen also rise against the Euro and commodity currencies.

EUR-JPY traded at 119.876 after briefly dipping to 119.477, a low not seen since late February. With the US Dollar under pressure, EUR-USD drifted up to 1.28647, pulling away from a four-month trough of 1.27505 plumbed last week. Still it remained weighed by political uncertainty in Italy and worries about the region's debt problem and dour economic outlook.

As the fundamental outlook for the Euro region turns increasingly bleak, the ECB remains poised to strike a dovish tone for monetary policy. We may see a growing number of central bank officials show a greater willingness to push the benchmark interest rate to a fresh record-low as the recession threatens price stability.

The European Central Bank holds its policy meeting on Thursday, ahead of U.S. non-farm payrolls on Friday.

AUD-USD also bounced up smartly from a one-week low of 1.03849 to 1.04419, but its immediate fortunes depend on the outcome of the Reserve Bank of Australia's (RBA) policy meeting at 0330 GMT (Singapore time 11:30am).

The RBA is expected to hold its cash rate steady at a record low 3.0 percent, and the market is keen to see if it will drop its easing bias or keep the door open to more cuts. Any signs the RBA has ended its easing cycle could give AUD-USD bulls a green light to buy the pair.

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DAYLIGHT SAVINGS TIME

Monday, 31 March, marks the start of DST in U.K. and Switzerland. As such, Zurich will open at 2:00pm and London at 3:00pm Singapore time.

Australia will revert to DST on 7 April 2013.

EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD 1-HOURLY



EUR-USD Short Term Outlook

The idea that this market may rebound from last week's low of 1.27505 towards the minor overhead supply pocket at 1.28806-1.28945 (where the 100.0% extension of 1.27505 to 1.28438 from 1.27927 at 1.28860 falls is located) is playing out rather nicely. As noted, this price bracket represents an excellent short-term selling opportunity. Should selling interests re-emerge from there, immediate focus is on the demand pocket at 1.27359-1.27661 followed by another at 1.26610-1.26901 where the 61.8% retracement of 1.20416 to 1.37101 at 1.26790 is located. Unless there is acceleration to this fall, this price pocket may hold – at least on initial attempts. However, if price actions punched through supply pocket at 1.28806-1.28945, short-term bias would turn positive; especially if the day closes above 1.28552. If so, look to buy on minor 3-wave pullbacks for an attempt on the next supply pocket at 1.30370-1.30547 and possibly even 1.31169-1.31608.

TRADE IDEAS

Action	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 1.28806-1.28945		1.29045	1.27661	1.26901	3	0.03m

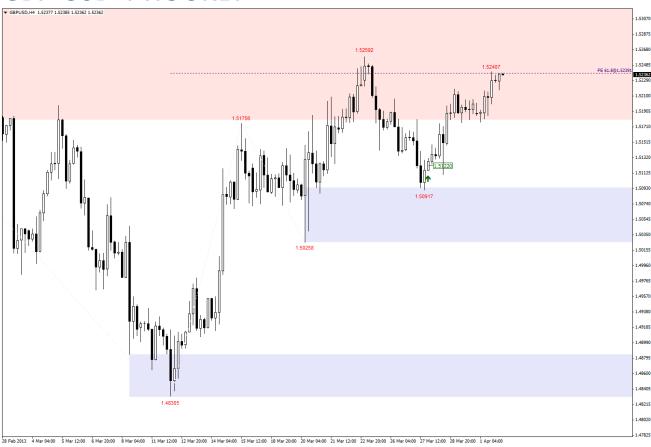
TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		ealized P/L		lized /L		mulative alance
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										9.94	10,993.60

GBP-USD DAILY



GBP-USD 4-HOURLY



GBP-USD 1-HOURLY



GBP-USD Short Term Outlook

The rebound from the demand pocket at **1.50258-1.50963** (revised) is proving to be more durable than anticipated. As noted, the possibility of this market doing a 3-wave rebound from 1.48305 to either the 38.2% retracement of 1.63801 to 1.48305 at **1.54224** or the 100.0% extension of 1.48305 to 1.51756 from 1.50258 at **1.53709** cannot be disregarded. After all, allowance is for this market to re-test the previous support-turned-resistance line of the triangle formation seen in the long —term charts. Overnight, this market rallied into the supply zone at **1.52570-1.53193** and has remained well-bid in Asia trading this morning. It is imperative that this price bracket cap this rebound for the bearish bias to remain valid. In the event that this area proves incapable of capping this run, another attempt to sell can be made between the 38.2% retracement of 1.63801 to 1.48305 at **1.54224** or the 127.2% extension of 1.48305 to 1.51756 from 1.50258 at **1.54648**. Going forward, a daily close below **1.51273** would be the first indicative sign that the bearish bias is intact but only a close below **1.48305** would confirm this bearish assessment.

GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		1.52570	Break-even	1.50456	1.48516	3	0.03m

GBP-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)			d Realized P/L			mulative Ilance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										19.25	11,924.90
2013.03.25 01:40	0.03	1.52570	2013.04.01 23:59	0.03	1.52297	81.9	81.90				
2013.03.28 09:11	0.01	1.51624	2013.04.02 03:37	0.01	1.52314			-69.0	-69.00	18.56	11,855.90
2013.03.29 03:09	0.02	1.52109	2013.04.02 03:37	0.02	1.52314			-41.0	-41.00	18.14	11,814.90

USD-CHF DAILY



USD-CHF 4-HOURLY



USD-CHF 1-HOURLY



USD-CHF Short Term Outlook

Up to this morning, this market is still correcting its rise from 0.90212. Structurally, it appears the rally from there may not have run its course. This view is reinforced by the fall from 0.95658 which has a distinct 3-wave structure and is thus corrective in nature. Once this corrective move is over, this rally may resumes beyond the March 14 high of 0.95658. Of the two possible scenarios mentioned in the weekend report, scenario (1) is possibly playing out now. This scenario calls for the fall from 0.95528 to re-test last week's low at 0.93515. This level in turn lies within a demand pocket at 0.93504-0.93925. Should this scenario plays out as expected and a sharp rebound occurs from there, it would lay the stage for scenario (2) in which the rebound from 0.93515 surges towards the 61.8% retracement of 0.99709 to 0.90212 at 0.96081. This level incidentally lies just below a supply zone at 0.96086-0.96346. This outcome ties in neatly 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). At any rate, only a sustained clearance above the supply pockets at 0.95372-0.95658 (revised) and 0.96086-0.96346 would clear the path for a robust recovery in the long-term. Failure to clear the latter barrier may see an unraveling of this rally from 0.90212.

USD-CHF TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Buv	Buy on buy signal between 0.93504-0.93925	FIICE	0.93404	0.95372	0.96086	2	0.03m
Buy	Buy on buy signal between 0.93304-0.93923		0.33404	0.33372	0.30080	J 3	0.03111

USD-CHF TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L						Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$		
2013.03.29										8.88	10,888.26		
2013.03.28	0.02	0.94759	2013.04.02	0.02	0.94550			41.8	44.21	9.32	10,932.47		
07:32			03:35										

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY 1-HOURLY



USD-JPY Short Term Outlook

With this market now focused on the BoJ actions, profit-takings have intensified. Overnight, prices came under selling pressure that has so far seen this market at a 7-week low. This morning saw this market dipping momentarily below the 93.00 handle for the first time since March 6. Earlier last week, the rebound from 93.525 registered a high of 94.900 last Wednesday and promptly came under selling pressure. This fall has just hit the secondary target at the Fibonacci cluster comprising the 61.8% retracement of 90.852 to 96.699 at 93.086 and the 127.2% extension of 96.699 to 94.304 from 96.126 at 93.080; which is situated just above the demand pocket at 92.908-93.047 (see H4 chart). This is the ideal outcome. Short-sellers should take profit around current levels and reposition tentative long positions for another assault on the year's high and beyond. Should this market fall further below the demand pocket at 92.908-93.047, another area to position longs is the demand pocket at 90.852-91.296.

USD-JPY TRADE IDEAS

Actio	Exit Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold	Exit on D1 close above 95.028	95.907		94.838 Realized	93.086 (Realized)	2	0.02m
Bougl	t	93.012	92.808	94.911	96.472	3	0.03m
Buy	Buy on buy signal between 90.852-91.296		90.752	94.292	96.472	3	0.03m

USD-JPY TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price		ealized P/L	Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.03.29										22.97	12,297.38
2013.03.21 06:15	0.01	95.907	2013.04.02 03:05	0.01	93.086			282.1	303.05	26.00	12,600.43
Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price		ealized P/L	Realized P/L		Accumulat Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.04.02 03:11	0.03	93.012									

AUD-USD DAILY



AUD-USD 4-HOURLY



AUD-USD 1-HOURLY



AUD-USD Short Term Outlook

Overnight, this market fell to a 1-week low at 1.03849 in a thinly traded session and rebounded strongly and is poised to challenge the 9-week high of 1.04957 traded a week ago. This level is incidentally sited just above the 78.6% retracement of 1.05972 to 1.01143 at 1.04939 and the 161.8% extension of 1.01143 to 1.03001 from 1.02027 at 1.05033 (see H4 chart). Overnight, price actions fell short of the secondary target at 38.2% retracement of 1.01143 to 1.04957 at 1.03500 and the 127.2% extension of 1.04957 to 1.04167 from 1.04513 at 1.03508 - which in turn lies just above a demand pocket at 1.0336-1.03503. This was the original preferred scenario. The idea then was to re-position long positions there but with the failure of the fall to extend to this price bracket and the subsequent strong rebound, the buying opportunity was lost. The alternate scenario now calls for the rebound from 1.01143 to test the support-turned-resistance line of the triangle. Should price actions fail to take out this closely watched support-turned-resistance line, the bearish scenario is still alive. However, should prices rally strongly above 1.06240; this would effectively debunked the triangle pattern scenario and opens up the possibility of an imminent challenge of the all-time high at 1.10796 and beyond.

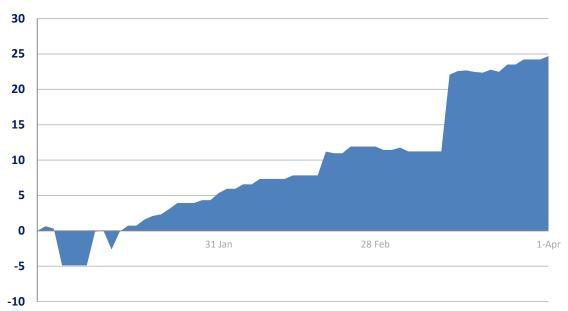
AUD-USD TRADE IDEAS

	Action	Entry Condition	Entry	Stop-Loss	Profit	Profit	Exposure	Exposure
ı			Price		Target 1	Target 2	%	Units
	Sold		1.04479	1.04667	1.03474	1.02921	3	0.03m

AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L				Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$		
2013.03.29										16.01	16,005.30		
2013.03.21	0.03m	1.04479	2013.04.01	0.03m	1.04211	80.4	80.40						
16:40			23:59										

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.