

A Traders Academy International Publication

Euro At 2-Month High On Greek Hope

EUR-USD rallied to a 3-week high on Friday – its second straight week of gains, on hopes that Greece's lenders were nearing an agreement to release further aid to help the debt-stricken country.

A rise in German business morale also boosted the Euro, although analysts said any Euro strength should be limited given the bleak economic outlook for the euro zone as a whole and expectations that the European Central Bank will have to ease policy further.

Greece said the International Monetary Fund had relaxed its debt-cutting target for the country, suggesting lenders were closer to a deal for a vital aid tranche to be disbursed. But other sources involved in the talks cautioned the funding gap was far bigger than Greece has suggested.

EUR-USD rose as high as 1.29899. It settled at 1.29747, up 0.7 percent on the day. For the week, EUR-USD has gained 1.8 percent, the best weekly performance since mid-September. EUR-USD has gained 2 percent in the past two weeks as yields on Greek bonds fell on expectations that Euro zone ministers should be able to sign off on another tranche of aid for Greece on Monday.

EUR-JPY also hit a 7-month high of 106.958 and settled at 106.901, up 0.6 percent.

Euro zone finance ministers, the IMF and ECB failed earlier this week to agree on how to get Greek debt down to a manageable level and will have a third go at resolving the issue on Monday. Euro zone finance ministers will also hold a teleconference on Saturday to prepare for Monday's meeting.

German business morale surprised with its first rise in seven months in November. The Munich-based Ifo think tank said its business climate index rose to 101.4 from 100.0 in October, far surpassing even the highest estimate. The IFO was a bit of surprise, but these are levels which we saw back in October and not really a turn in sentiment.

USD-JPY was little changed at 82.393, pulling away from Thursday's high of 82.820, its strongest level since early April. On the week, USD-JPY rose 1.2 percent, having climbed nearly 4 percent in the last two weeks, with the yen weakened by expectations that a likely new Japanese government after an election scheduled for December would push the Bank of Japan to implement more drastic monetary stimulus.

Shinzo Abe, the leader of Japan's opposition Liberal Democratic Party, which is tipped to win the election, has called for measures such as having the BOJ buy bonds issued specifically to fund public works projects and pushing short-term interest rates below zero. His party's policy platform calls for a 2 percent inflation target, and seeks to ensure that the BOJ will pursue it vigorously with a possible revision to legislation that guarantees the central bank's independence. Abe was also quoted as saying that he would consider postponing sales tax increases agreed in August if the economy remained mired in deflation.

Analysts said loose monetary measures along with lax fiscal policies could keep the Japanese Yen under pressure and could see Yen-funded carry trades return. Under these trades, investors sell the low-interest rate Yen to buy higher-yielding assets. Speculation is already growing that the Japanese Yen will be the funding currency of choice for 2013 carry trades.

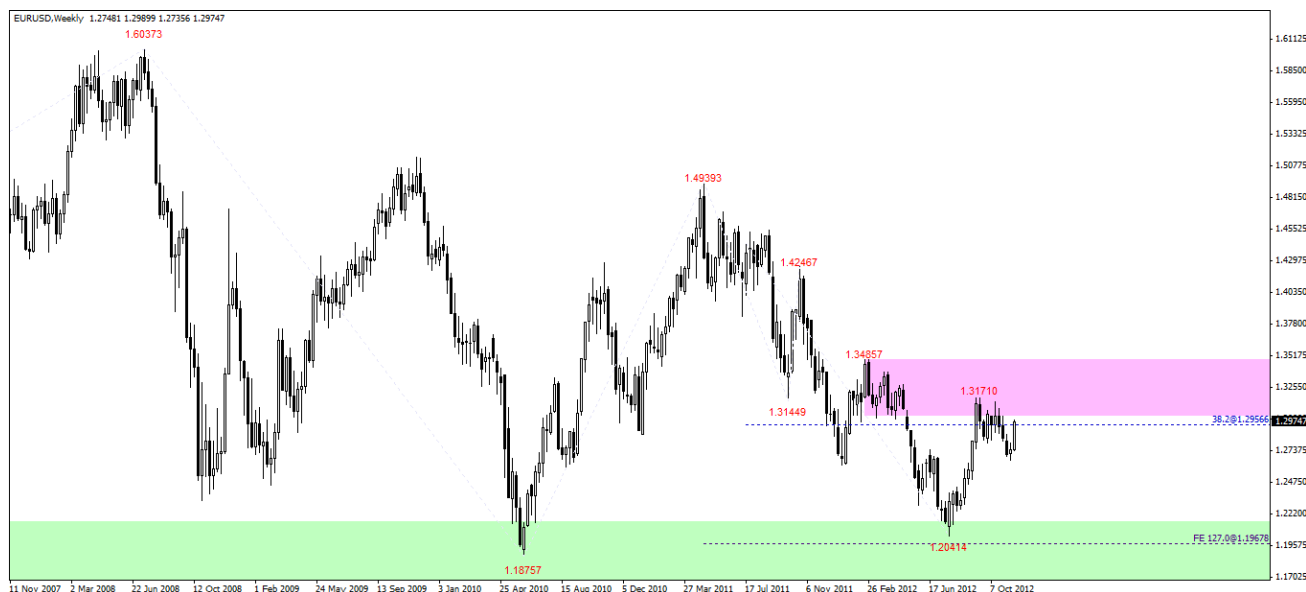
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EUR-USD MONTHLY



EUR-USD WEEKLY



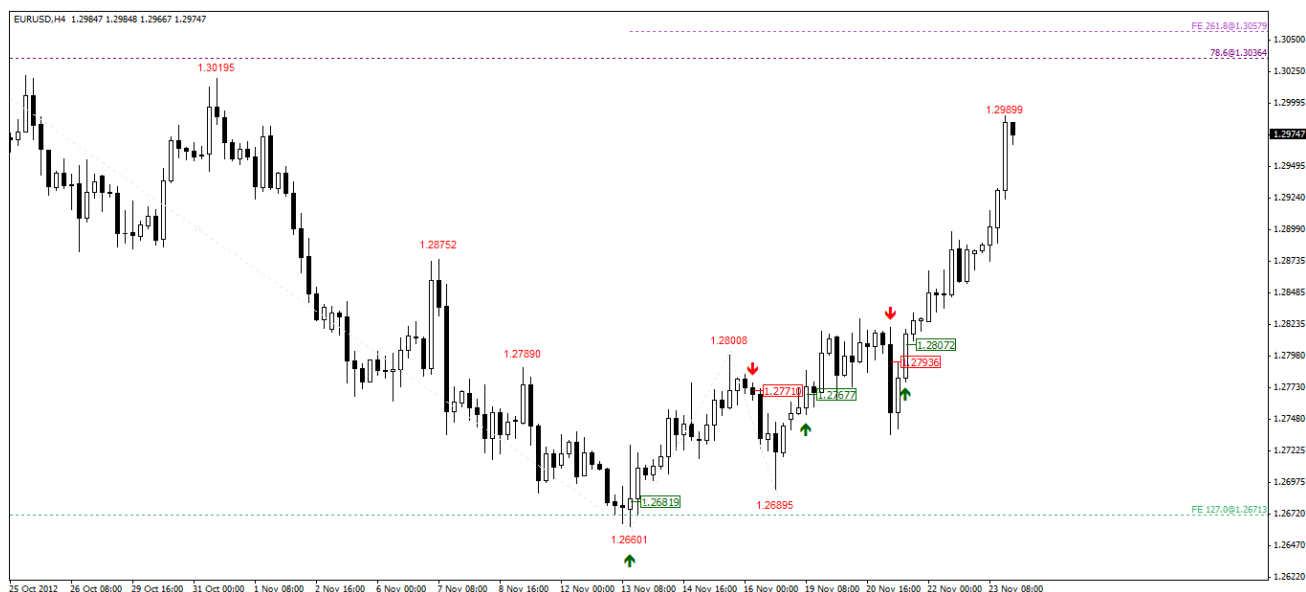
EUR-USD The Big Picture

In the bigger picture, the rise from 0.82250 to 1.60373 is part of a longer-term rally. Likewise, the fall from the July 15, 2008 high of 1.60373 marked the start of a long-term consolidation/continuation pattern which may ultimately stretch to the 61.8% retracement of 0.82250 to 1.60373 at **1.12093**; from which price action is likely to rise beyond its all-time high in a multi-year rally (see MN chart). On 24 July 2012, price action pulled back from a 29-month low at **1.20414** after failing to take out the 2010 low of 1.18757 and ended the week as a *Bullish Engulfing Bar*. The resulting rally lasted a good 7 weeks and hit a 20-week high of 1.31710, just above the 38.2% retracement of 1.49393 to 1.20414 at **1.31484**; in an area in which price action was vulnerable to profit-taking. For 2 months, this market pulled back in a distinct 3-wave retracement and this week signaled the end of this correction. With a strong closing on Friday, the week ended on a 4-week high and looks set to extend beyond the September 17 high of **1.31710**.

EUR-USD DAILY



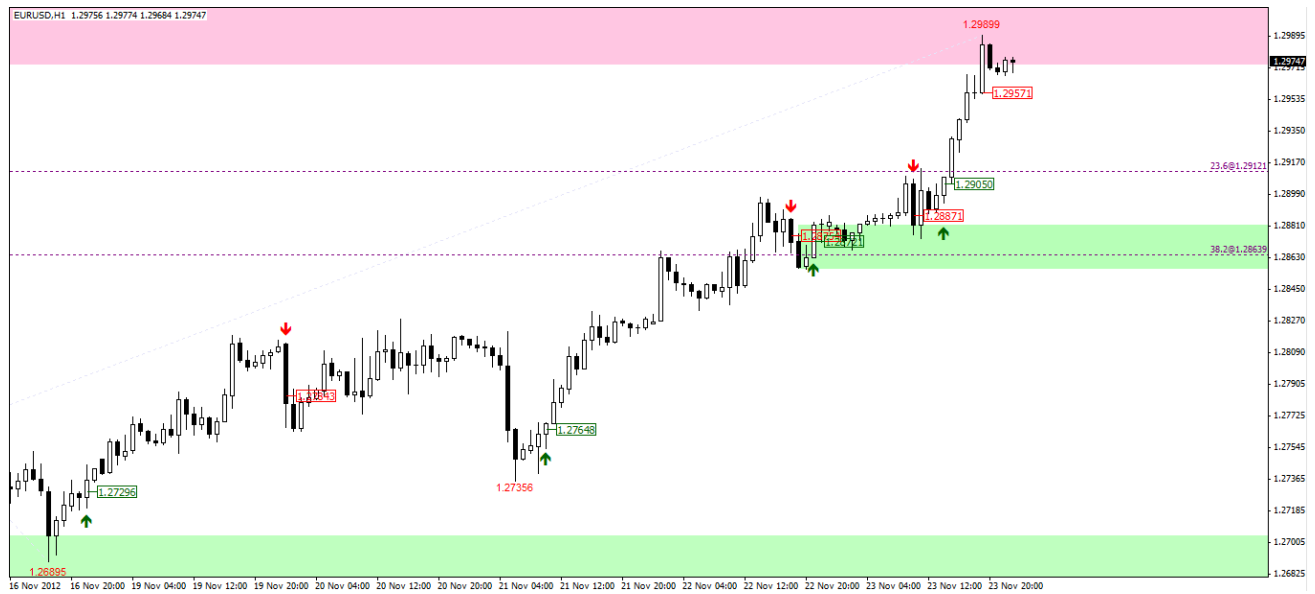
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The last 24 hours has helped cleared the medium-term picture of this market considerably. With Friday's strong closing, the 5th wave of the rally from 1.20414 has finally resumed. All the while as the market pulled back from the September 17 high of 1.31710, the idea that the entire correction from there was the 4th wave has been vindicated. The rise in the last 48 hours has accelerated. This is typical of a 3rd wave move. What is likely to happen next is a small degree 4th wave pullback before this market powers higher. Ideally, the ensuing pullback terminates between the 23.6% and 38.2% retracement of 1.26601 to 1.29899 at **1.29121** and **1.28639** respectively. The latter incidentally lies within a minor demand pocket at **1.28563-1.28818**. Whether this pullback materializes, the immediate target is the price window between the 78.6% retracement of 1.31388 to 1.26601 at **1.30364** and the 261.8% projection of 1.26601 to 1.28008 from 1.26895 at **1.30579**. At this rate of climb, price action 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).

EUR-USD 1-HOURLY



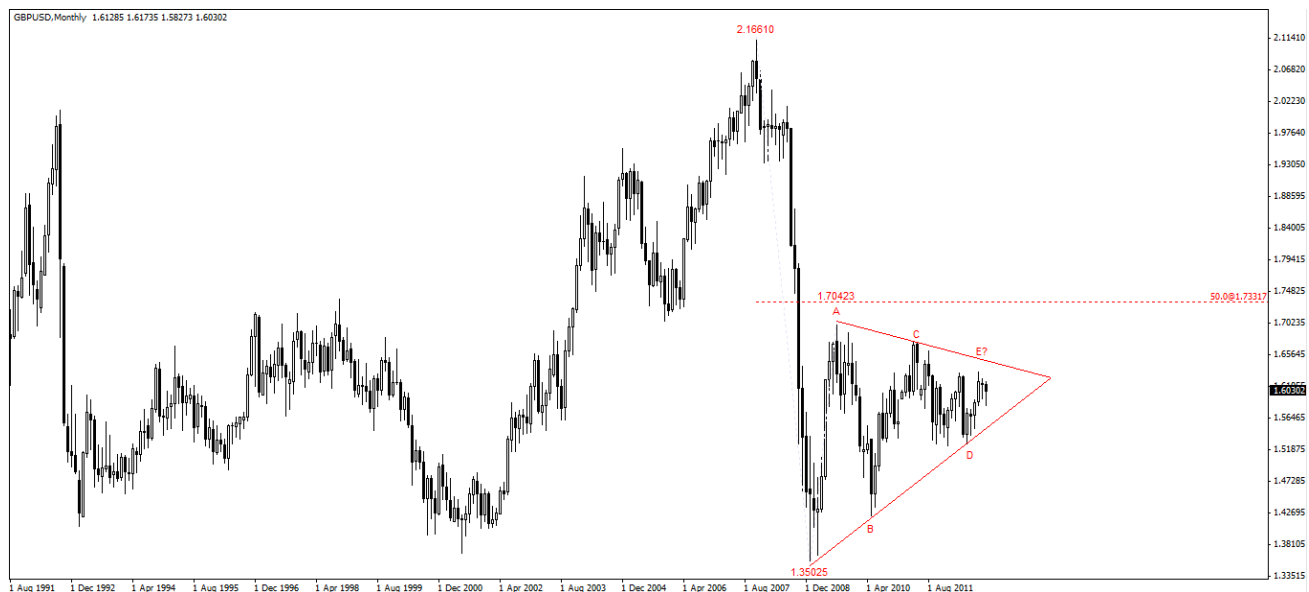
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy in buy signal between 1.28563-1.28818	1.30364	1.32831	1.28231 STOP

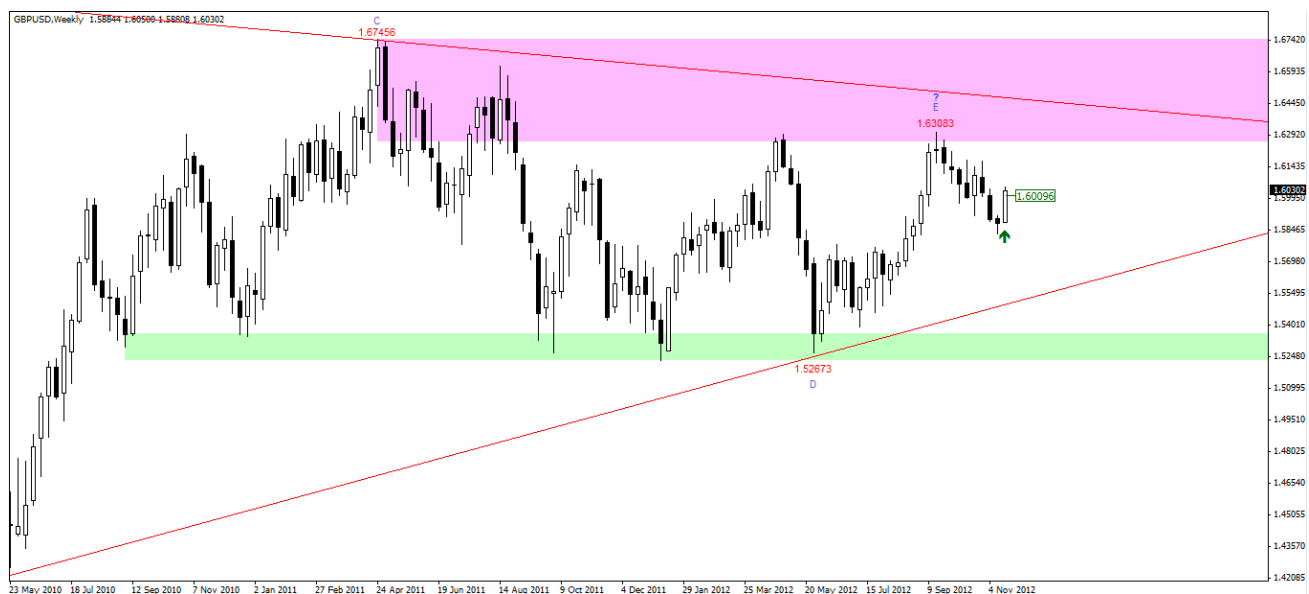
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$72,447.00
Unrealized							\$0.00		

GBP-USD MONTHLY



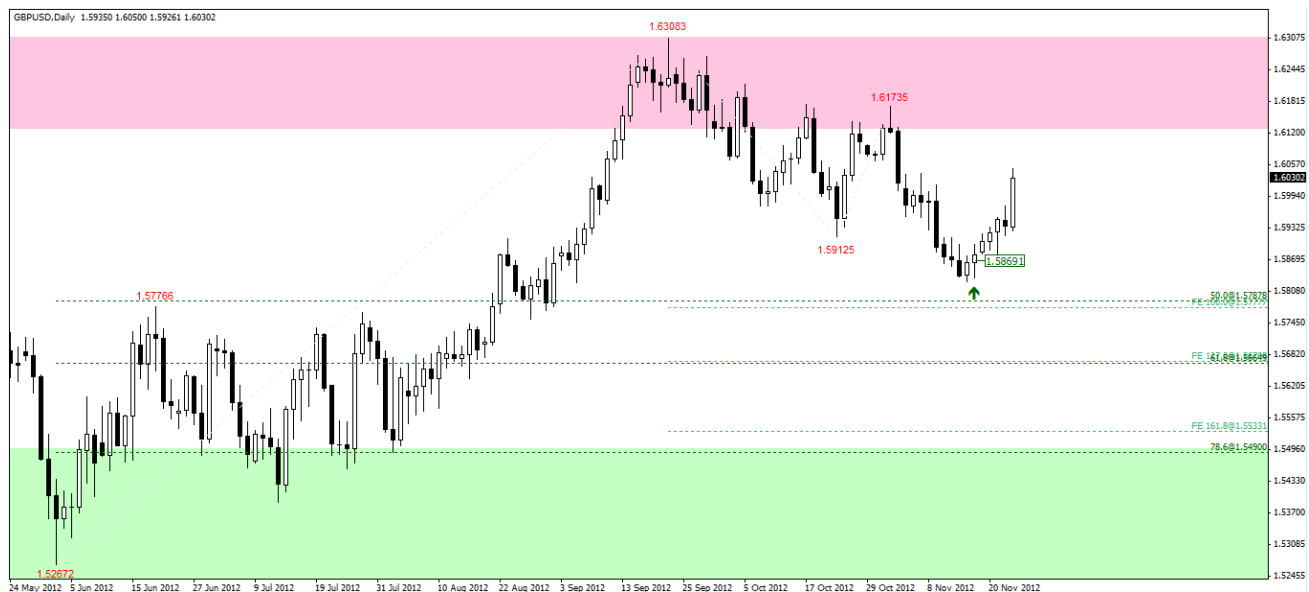
GBP-USD WEEKLY



GBP-USD The Big Picture

In the bigger picture, price action from the 2009 low of 1.35025 is treated as a correction to the longer-term downtrend from the 2007 high of 2.11610. This multi-year correction beginning at the start of 2008 is developing into a triangle. Eight weeks ago, this market ended with tantalizing clues of a classic reversal - a *long-legged shadow doji* in W1 char resulting in a 3-wave pullback that lasted a good 2 months. Friday's strong closing now suggests another attempt at the September 21 high of **1.63083** in the medium-term. The big question is was the September high of 1.63083 the end of wave E or alternatively wave E has to yet to be in place and this developing rally may be leads us there? This is important. The wave E typically marks the end of the triangle pattern and in the case of GBP-USD, the trend prior to this triangle pattern was down. As the triangle is a continuation pattern, the breakout to the downside is anticipated - and it will be an aggressive fall. The idea is to anchor a short position at the end of wave E for a dramatic long-term fall. In typical triangle pattern, a post triangle thrust is likely to result an equally dramatic rally back to the base of this triangle before declining precipitously towards parity with the once mighty U.S. Dollar. If so, the nearest longer-term target is the 61.8% projection of 2.11610 to 1.35025 from 1.70423 at **1.23093**, which is roughly equidistance from the widest part of the triangle.

GBP-USD DAILY



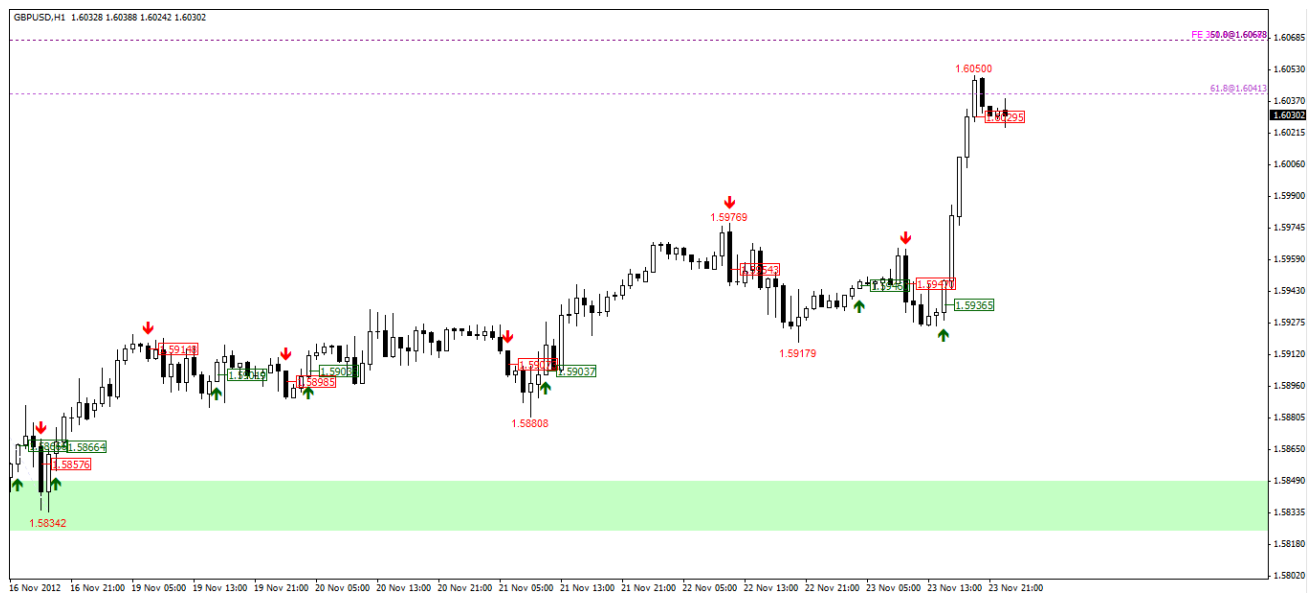
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

The rally from 1.58273 has extended. Ever since a buy signal was triggered in the D1 chart last Friday, the medium-term outlook has turned positive for the first time since October 25 with a closing above **1.58691**. Now that this market has ended the week on yet another positive note above **1.60096**, a buy signal too has been triggered in the W1 chart as well. With this strong closing, an eventual rally above the September 21 peak of **1.63083** now looks probable. After lackluster trading on Thursday due in part to the Thanksgiving holiday in the US, the market exploded in NY afternoon session overnight. With price action clearing decisively above the minor supply pockets at **1.59114-1.59283** and **1.60063-1.60407**, where the 38.2% retracement of 1.63083 to 1.58273 at **1.60110** as well as the 61.8% retracement of 1.61735 to 1.58273 at **1.60413** was located, a sustainable rally now appears possible. Interestingly, a Fibonacci cluster is located just ahead at the 50.0% retracement of 1.63083 to 1.58273 at **1.60678** and the 361.8% projection of 1.58273 to 1.58920 from 1.58342 at **1.60683** (see H1 chart). The idea now is to look out for minor pullbacks to anchor long positions for a potential move above **1.63083**.

GBP-USD 1-HOURLY



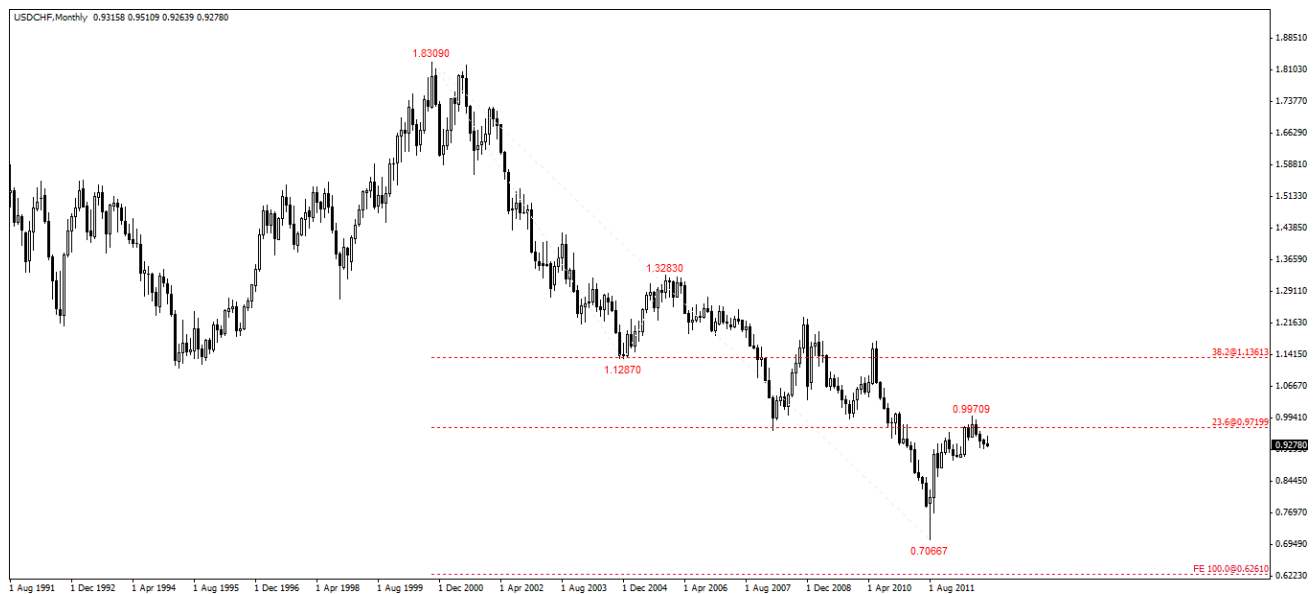
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59037	1.60063 Realized	1.61396	Exit on H4 close below 1.59260

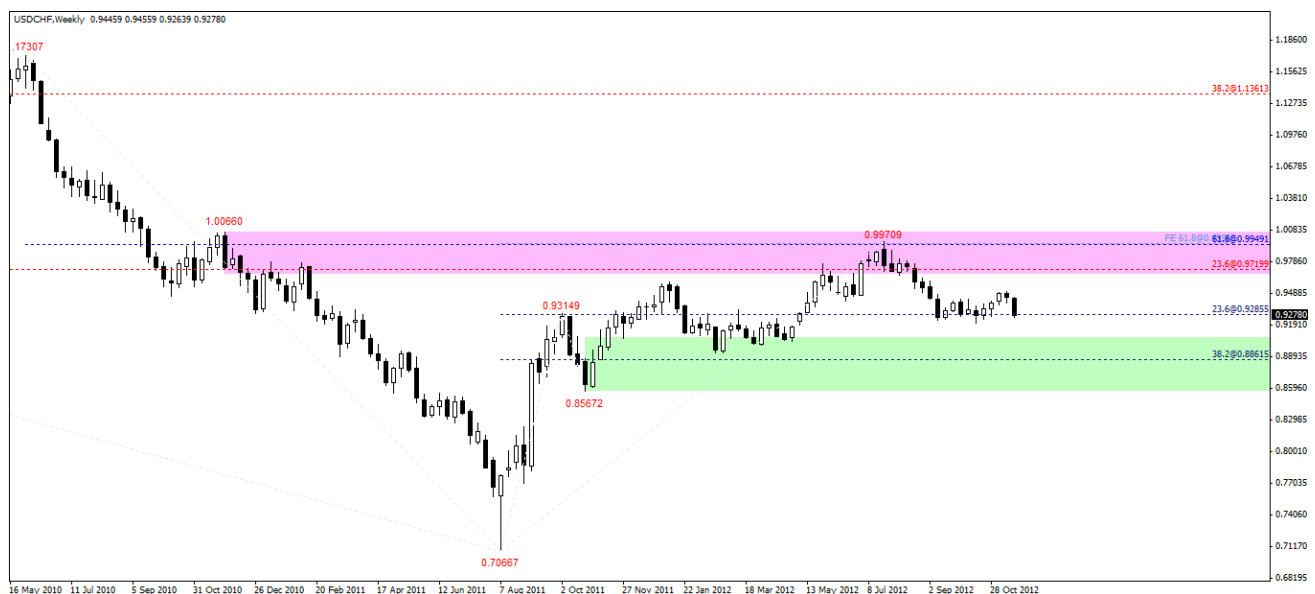
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
B/F from 16-11-2012									\$49,565.00
GBP-USD	21-11-2012	1.0	1.59214	21-11-2012	1.0	1.59073	-\$141.00		\$49,424.00
GBP-USD	21-11-2012	1.0	1.59214	21-11-2012	1.0	1.59073	-\$141.00	-\$282.00	\$49,283.00
GBP-USD	21-11-2012	1.0	1.59037	23-11-2012	1.0	1.60063	+\$1,026.00	+\$1,026.00	\$50,309.00
GBP-USD	21-11-2012	1.0	1.59037	23-11-2012	1.0	1.60302	+\$1,265.00		
Unrealized							+\$1,265.00		

USD-CHF MONTHLY



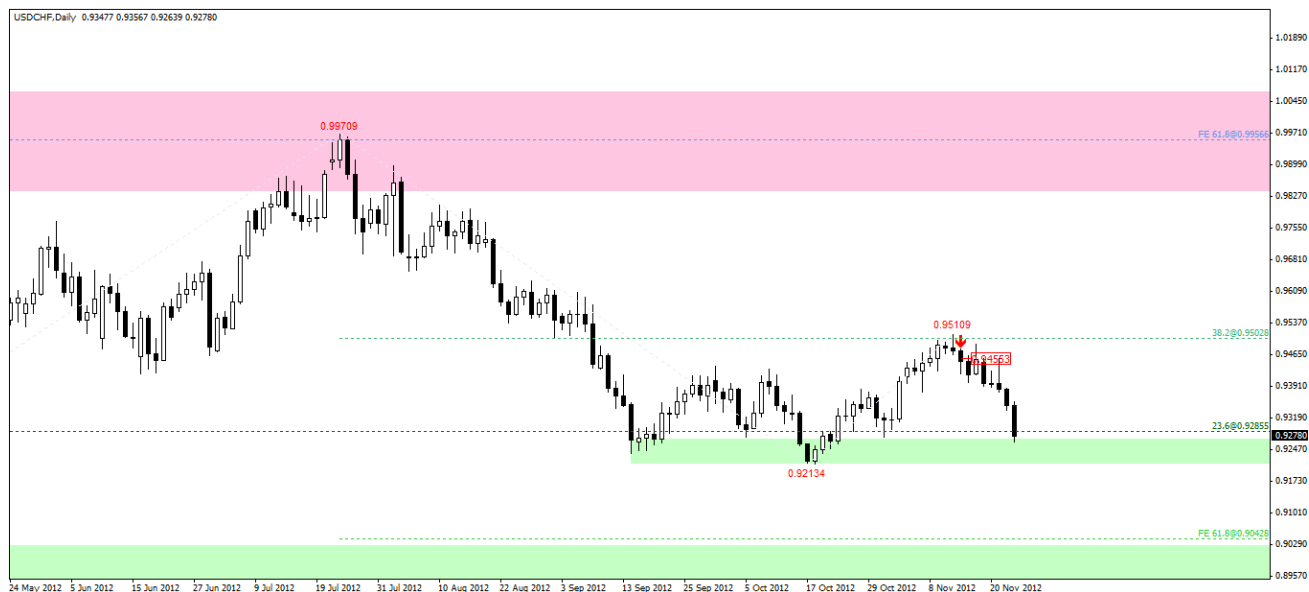
USD-CHF WEEKLY



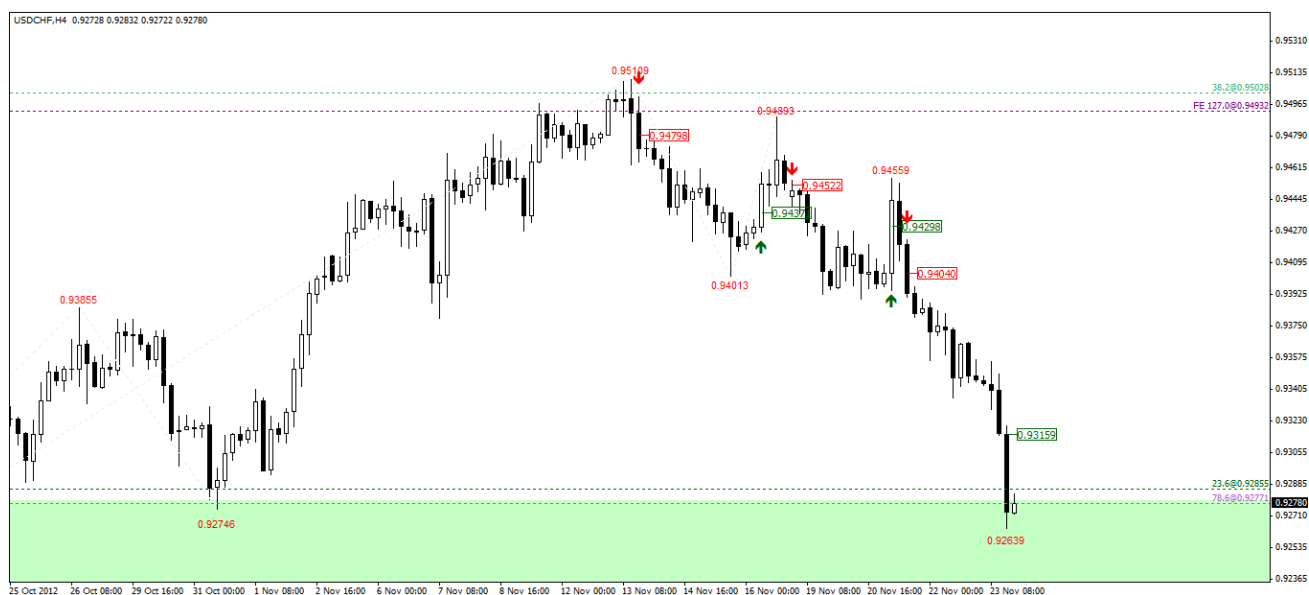
USD-CHF The Big Picture

In the bigger picture, the downtrend from 1.83090 has made an important long-term low at **0.70667**; having fallen short of a longer-term target at the 100.0% projection of 1.83090 to 1.12870 from 1.32830 at **0.62610**. The rebound from 0.70667 is presently treated as a correction to this multi-year fall with strong resistance expected at the 38.2% retracement of 1.83090 to 0.70667 at **1.13613**. The counter-trend rally stalled at the price window between the 61.8% retracement of 1.17307 to 0.70667 at **0.99490** and the 61.8% projection of 0.70667 to 0.93149 from 0.85672 at **0.99566** (see D1 chart) and selling interests re-emerged; having taken this market to an 18-week low of **0.92134** 6 weeks ago. The shallow rebound from there rose just shy of the 23.6% retracement of 0.70667 to 0.99709 at **0.92855** and eased. This week's decidedly weak closing has increased the probability that the fall from 0.99709 has resumed. This sell-off is gathering momentum and is likely to test the February low of **0.89301**.

USD-CHF DAILY



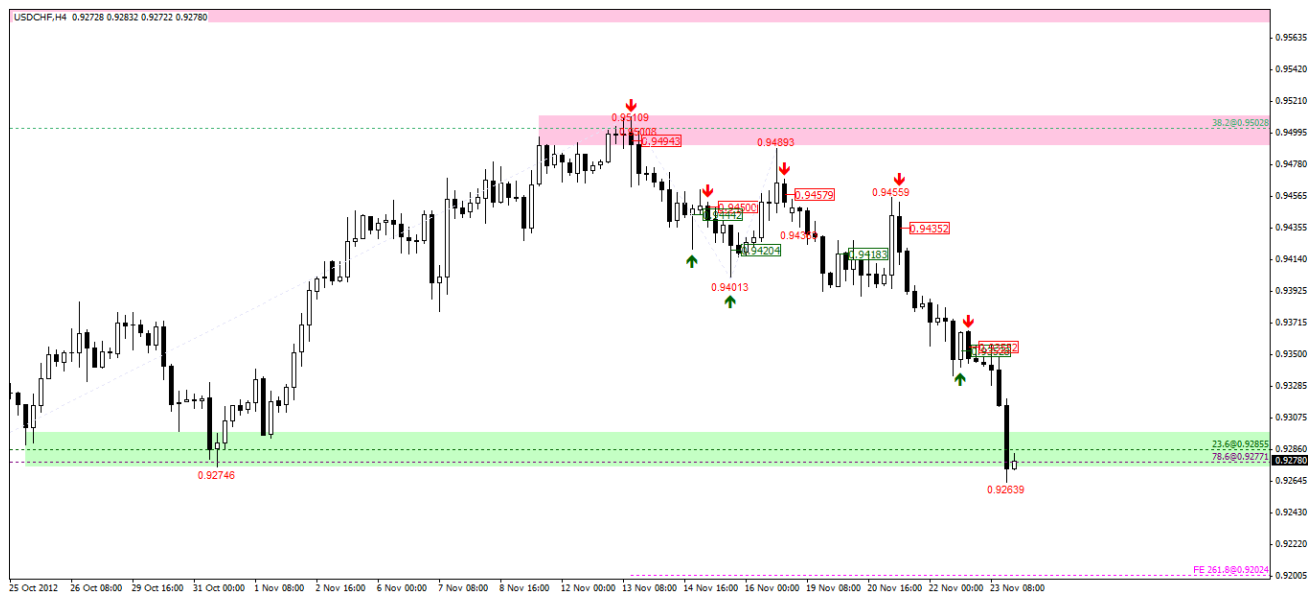
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Having stalled at a 10-week high of 0.95109 just above the 127.0% projection of 0.92134 to 0.93855 from 0.92746 at **0.94932** and the 38.2% retracement of 0.99709 to 0.92134 at **0.95028** the fall seen this week did not come as a surprise as the confluence of Fibonacci ratios have always been sensitive to price reversal. However, what was missing all this while was an impulsive move like the one we saw on Friday. This accelerated fall is the missing ingredient that if extended could be the clue that the fall from the July 24 high of 0.99709 has resumed. Now that price action has hit the 78.6% of 0.92134 to 0.95109 at **0.92771**, it must extend decisively below the demand pocket at **0.92746-0.92975** to cement the extremely bearish scenario. As noted, a break below the October 17 low of 0.92134 would all but confirm that another massive fall is in store.

USD-CHF 1-HOURLY



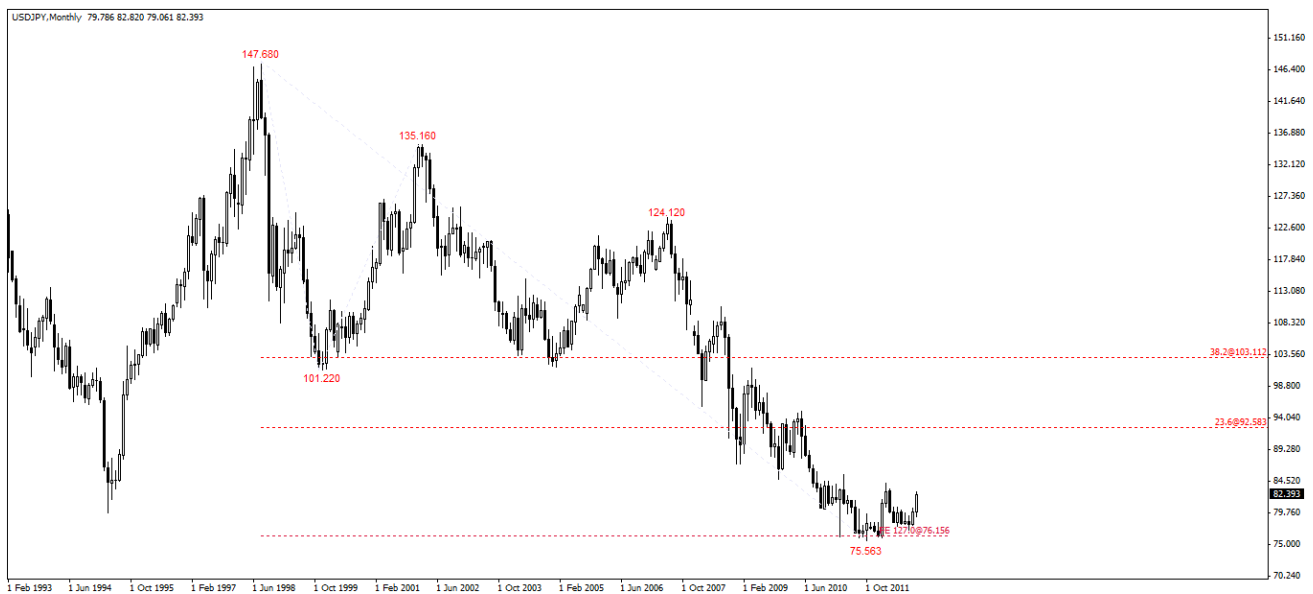
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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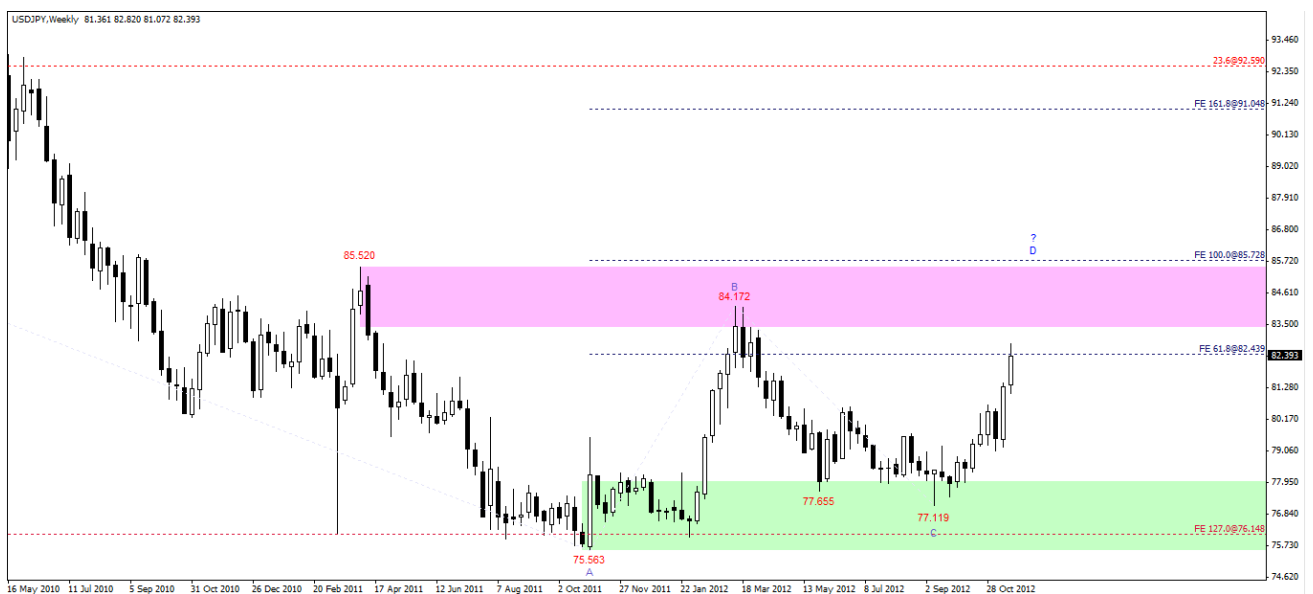
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$34,932.12
USD-CHF	20-11-2012	1.0	0.94183	21-11-2012	1.0	0.94183			
USD-CHF	20-11-2012	1.0	0.94183	21-11-2012	1.0	0.94183			
Unrealized							\$0.00		

USD-JPY MONTHLY



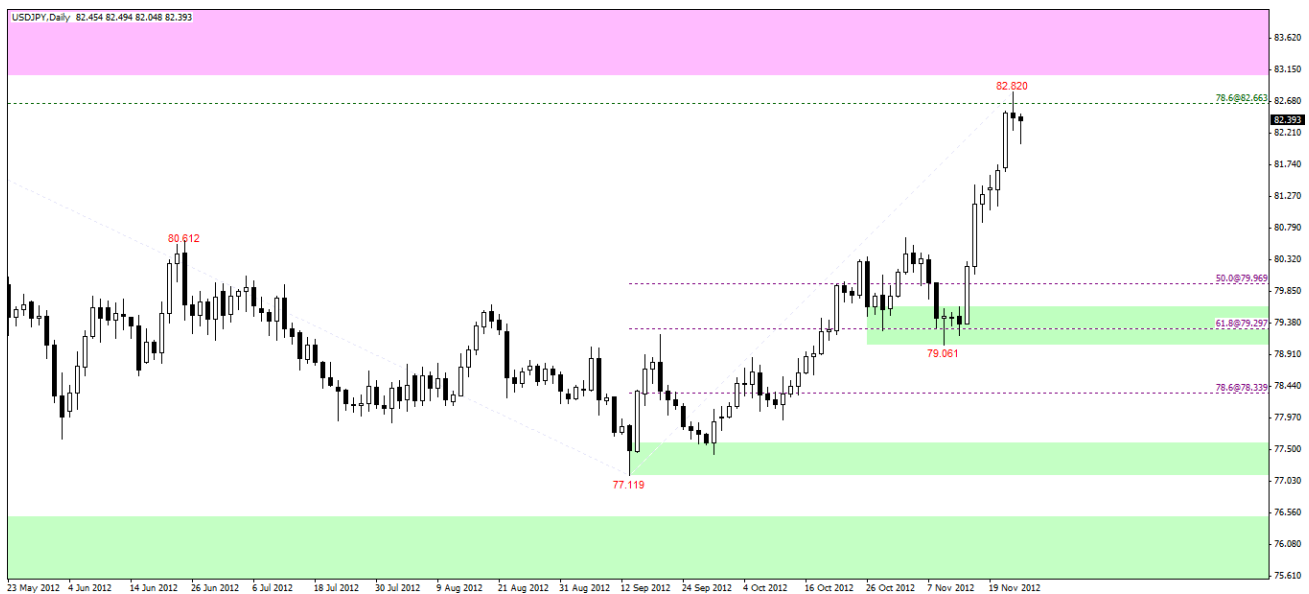
USD-JPY WEEKLY



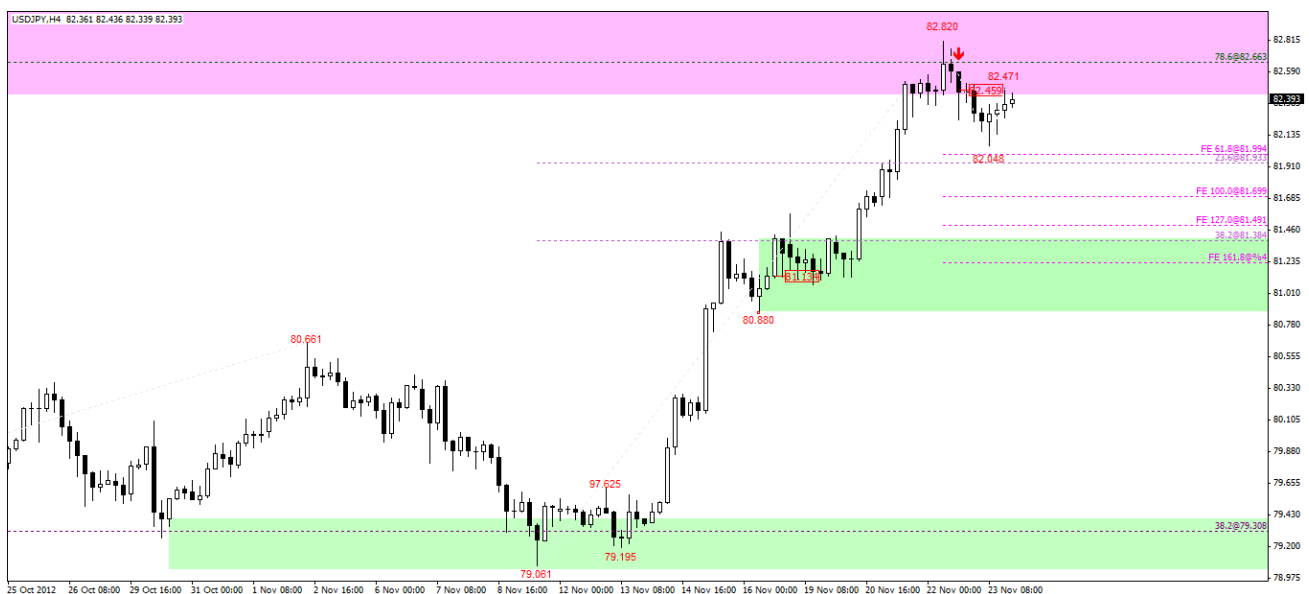
USD-JPY The Big Picture

The fall from 124.120 which started on June 2007 probably terminated on October 2011 at **75.563**, just below the 127.0% projection of 147.680 to 101.220 from 135.160 at **76.156**. In the bigger picture, the move from 75.563 to 84.172 is most likely the termination point of wave B at **84.172** with wave A at **75.563**. Wave C instead being the low at **77.655** (as originally thought) is probably at **77.119**. From there a hammer appeared in the W1 chart some 2 months ago and price action has been rising since. In the last 2 weeks this market has risen some 4%; having accelerated to a high of 82.820 on Thursday before coming under profit-takings. This rally is impulsive and has the basic ingredient for a sustainable rally to as high as the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048**. This very bullish prospect will be greatly enhanced if and when price action can take out the supply zone at **83.291-85.520** (see W1 chart). On the other hand, if this rally stalls at the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728**, then this is just a simple correction of the fall from 147.680; another massive fall is in store.

USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

The meteoric rally seen this past 2 weeks stalled just above the 78.6% retracement of 84.172 to 77.119 at **82.663** and has met heavy headwind. This is no surprise as the 78.6% Fibonacci retracement ratio represents, to me, the maximum allowance retracement of a move and is thus highly sensitive to a reversal. The fact that this level is located within a supply pocket at **82.424-83.380** adds a further layer of selling pressure. Taken together, the pullback seen on Friday is no coincidence. As such, further profit-takings may yet be seen in the coming week. An ideal target for this correction is the price window between the 23.6% retracement of 79.061 to 82.820 at **81.933** followed by the 38.2% retracement level at **81.384**. Overall, this market is on course to end 2012 on a positive note for the first time in 6 years now that the year's high at **84.172** is in sight and with less than 5 weeks before the year-end. Over the long-term, 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.

USD-JPY 1-HOURLY



Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 82.523	81.933	81.384	82.920 STOP

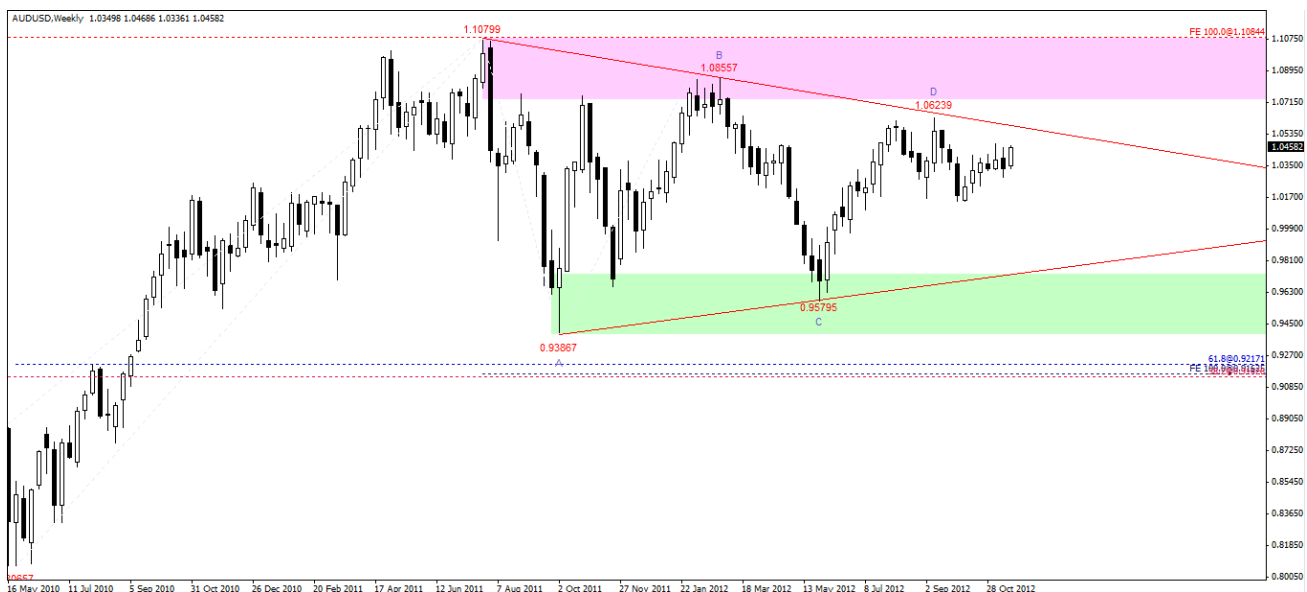
Weekly Performances

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 16-11-2012								\$29,722.53
USD-JPY	21-11-2012	1.0	82.763	21-11-2012	1.0	82.473	-\$350.40		\$29,372.13
USD-JPY	21-11-2012	1.0	82.763	21-11-2012	1.0	82.473	-\$350.40	-\$700.80	\$29,021.73
USD-JPY	23-11-2012	1.0	82.393	22-11-2012	1.0	82.523	+\$157.78		
USD-JPY	23-11-2012	1.0	82.393	22-11-2012	1.0	82.523	+\$157.78		
Unrealized							+\$315.56		

AUD-USD MONTHLY



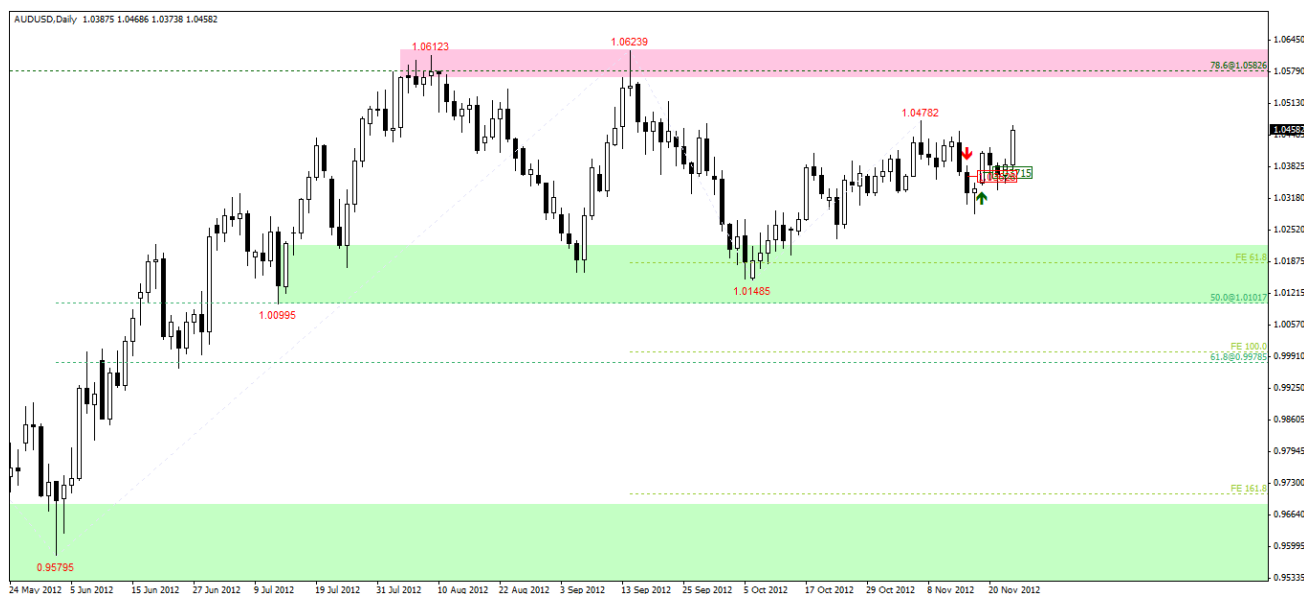
AUD-USD WEEKLY



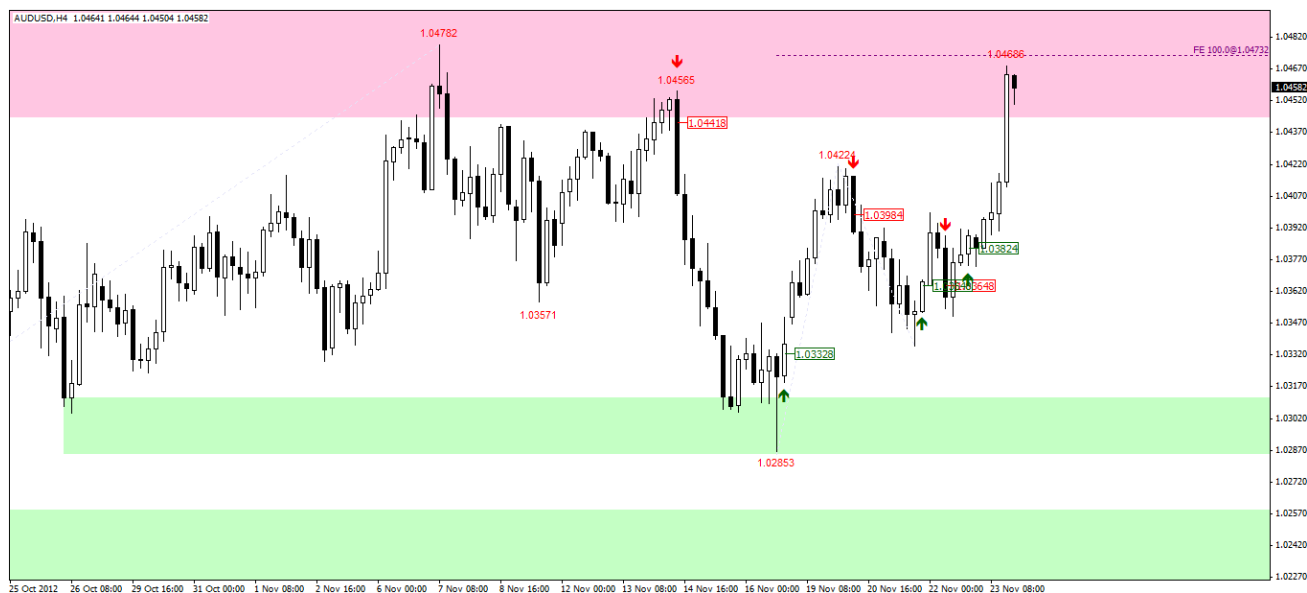
AUD-USD The Big Picture

In the bigger picture, the rise from 0.47730 missed the 100.0% projection of 0.47730 to 0.98490 from 0.60084 at **1.10844** on July 27 by a mere 4.5 pips with a high at 1.10799. Price action since has been very choppy as it gyrates within an almost 1700 pips range between the all-time high and last October 4 low of **0.93809**. Overall, the broad sideways market since has sets of 3-waves structures, implying a period of consolidation between these two extreme points. Alternatively, it can also be said that price action since has been locked between the 100.0% projection of 0.47730 to 0.98490 from 0.60084 at **1.10844** and the 61.8% retracement of 0.80657 to 1.10799 at **0.92171**. The long-held view that this market is consolidating within a triangle will continue to be severely tested in the aftermath of the spike up to a 25-week high at **1.06239** on September 24. 3 weeks ago price action traded to a 7-week high at 1.04782 before easing; essentially ending as a shooting star in the W1 chart. Is this the harbinger of the last leg of the triangle pattern at wave E before an explosive breakout to the upside over the long-term? Answer to this question should be forthcoming pretty soon. If this week's rally extends beyond **1.06239**, then all bets are off as the triangle pattern hypothesis is invalidated and this market may next gun for the all-time high at **1.10799** next.

AUD-USD DAILY



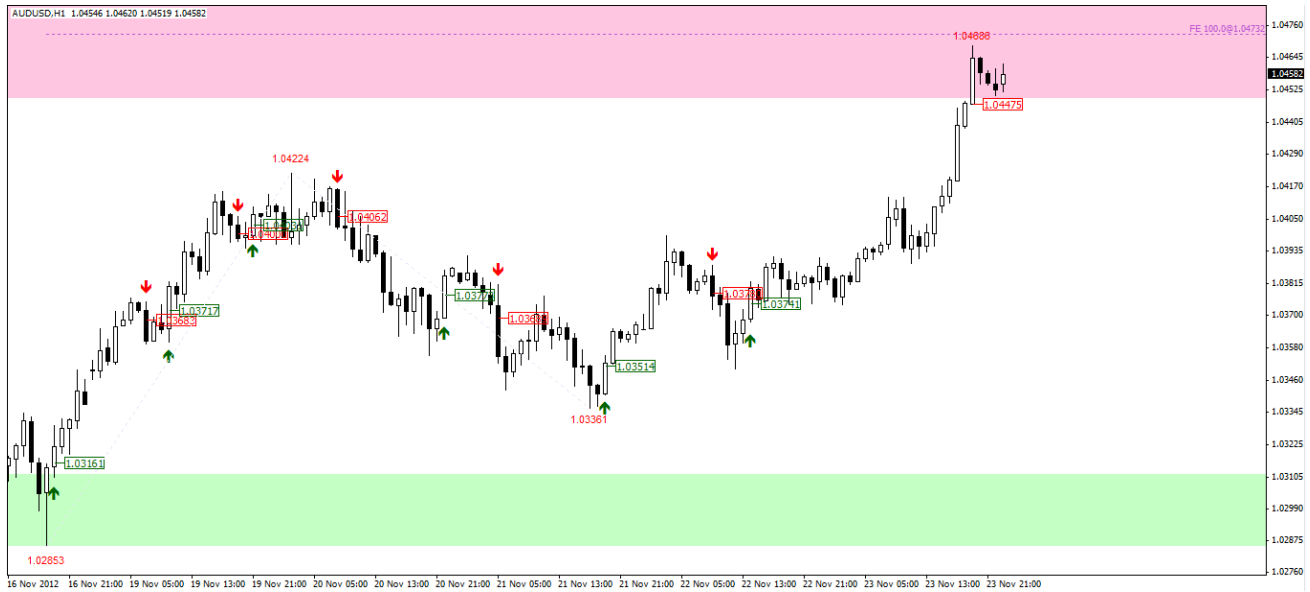
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

This market continues to consolidate between a roughly 500 pips range as seen in the D1 chart. Last Thursday's low at 1.02853 marked an important pivot low on the back of a hammer in the H4 chart. After a 3-wave pullback to the 61.8% retracement of 1.02853 to 1.04224 at 1.03377 with a print at 1.03361, the rally extended on Friday. So far, this rally has a 3-wave structure, suggesting this market is still in consolidation mode. Now that price action has rallied back into the minor supply pocket at **1.0486-1.04722** where the 100.0% projection of 1.01485 to 1.04104 from 1.02853 at **1.05472** is located, it is vulnerable to selling pressure. As such, any sell signal (if any) in this price pocket may be worth taking.

AUD-USD 1-HOURLY

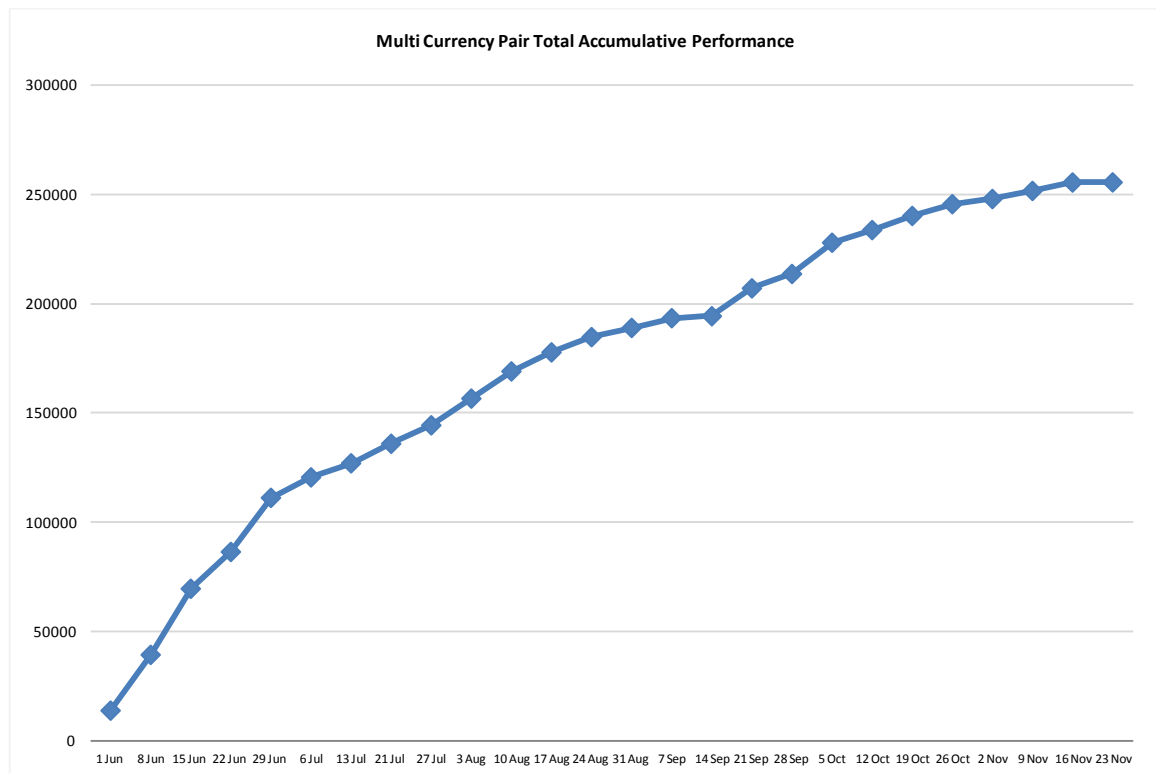
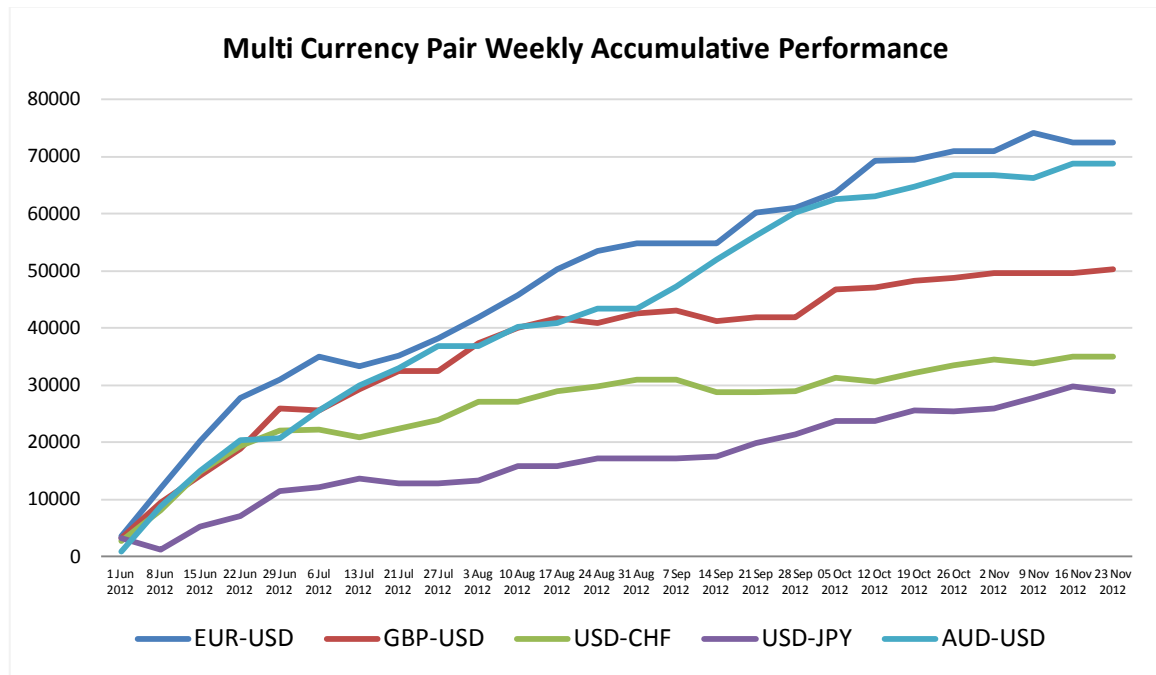


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sell on sell signal between 1.04486-1.04722	1.03594	1.02587	1.05282 STOP

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 16-11-2012								\$68,847.00
Unrealized							\$0.00		



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.

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.

Check out our website at

www.tradersacademyonline.com

