

A Traders Academy International Publication

USD-JPY Slipped From 2 ½ Year High

USD-JPY fell from a 2-1/2-year peak on Monday as traders consolidated their positions and locked in profits on the US Dollar recent rally even as its uptrend is likely to hold given expectations of further monetary easing in Japan.

Selling the yen has been a one-way trade since mid-November as traders believed Japanese Prime Minister Shinzo Abe will push the Bank of Japan into more forceful monetary easing to beat deflation. Increasing rhetoric from Japanese authorities that they are open to USD-JPY rising to the 100 yen level has helped weaken the Japanese Yen further, raising eyebrows abroad and sparking talk that it is triggering a currency war.

In the New York session, USD-JPY slipped 0.07 percent to 90.836. It had earlier risen as high as 91.237, hitting a 2-1/2 year high for a third consecutive session. USD-JPY had briefly recovered after data showed U.S. durable goods orders rose more than expected in December. But the momentum faded after the release of disappointing data on U.S. pending home sales.

There are growing speculations that the Japanese government may try to moderate its view on the weak Yen given the fact that foreign politicians such as German Chancellor Angela Merkel have complained about it.

EUR-JPY fell 0.2 percent to 121.598, after climbing to a 21-month high of 122.884.

EUR-USD, meanwhile, slid from an 11-month high set on Friday, with traders reporting option barriers starting from 1.34800. But analysts said the Euro looked poised for further gains, which could lift it towards the psychologically important 1.35000 level, the highest since December 2011.

EUR-USD was down 0.23 percent at 1.34544, slipping from an 11-month high of 1.34781 set on Friday. It, however, has advanced for a sixth consecutive month for gains of more than 9 percent. Analysts said the outlook for the Euro zone improved with the generally positive economic news out of the Euro zone, especially from Germany, the largest country in the region. The Euro has also benefited from news of Euro zone bank repayments to the European Central Bank, suggesting that funding conditions have improved.

Data on Friday showed speculators had increased their net long Euro positions, while bets for further weakness in the

US Dollar hit its highest since early October. In the options market, traders reported demand for Euro calls, which are bets on more gains. The one-month risk reversals traded at 0.1 vols in favor of Euro calls, having flipped from puts towards the end of last week.

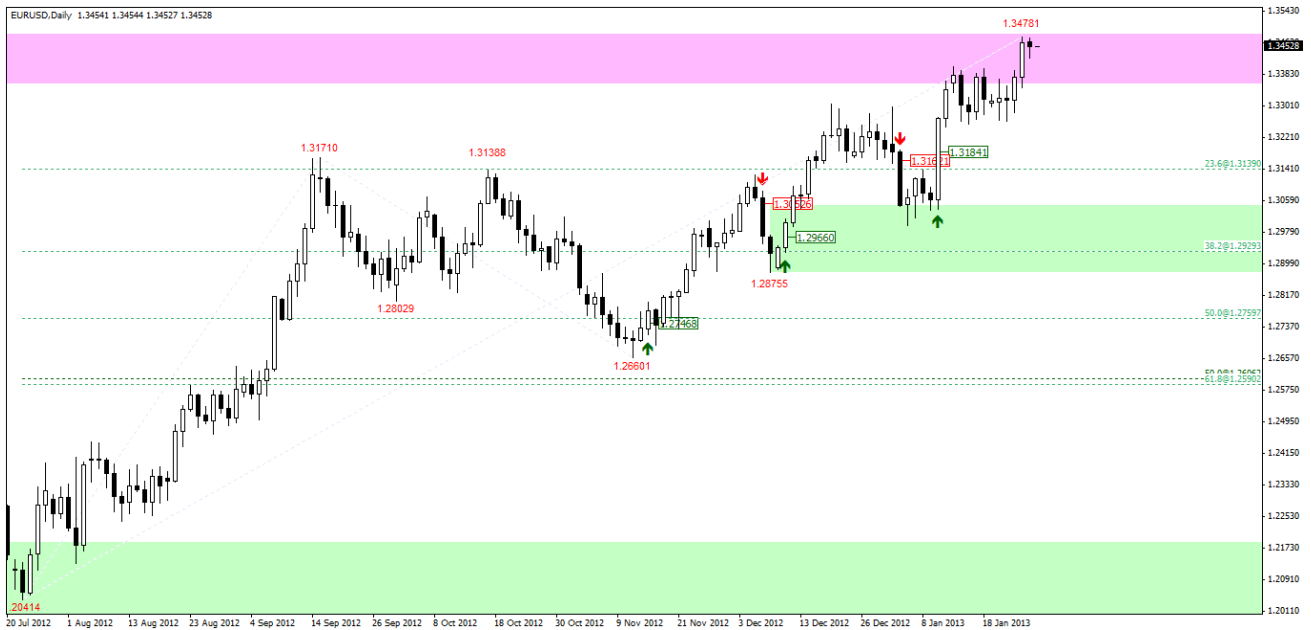
Traders are also looking out for this week's monetary policy decision from the Federal Reserve, although most do not expect any change in the U.S. central bank's dovish stance. The Fed meets on Tuesday and Wednesday.

Likewise, the first estimate of fourth-quarter U.S. economic growth and January payrolls readings are also due this week.

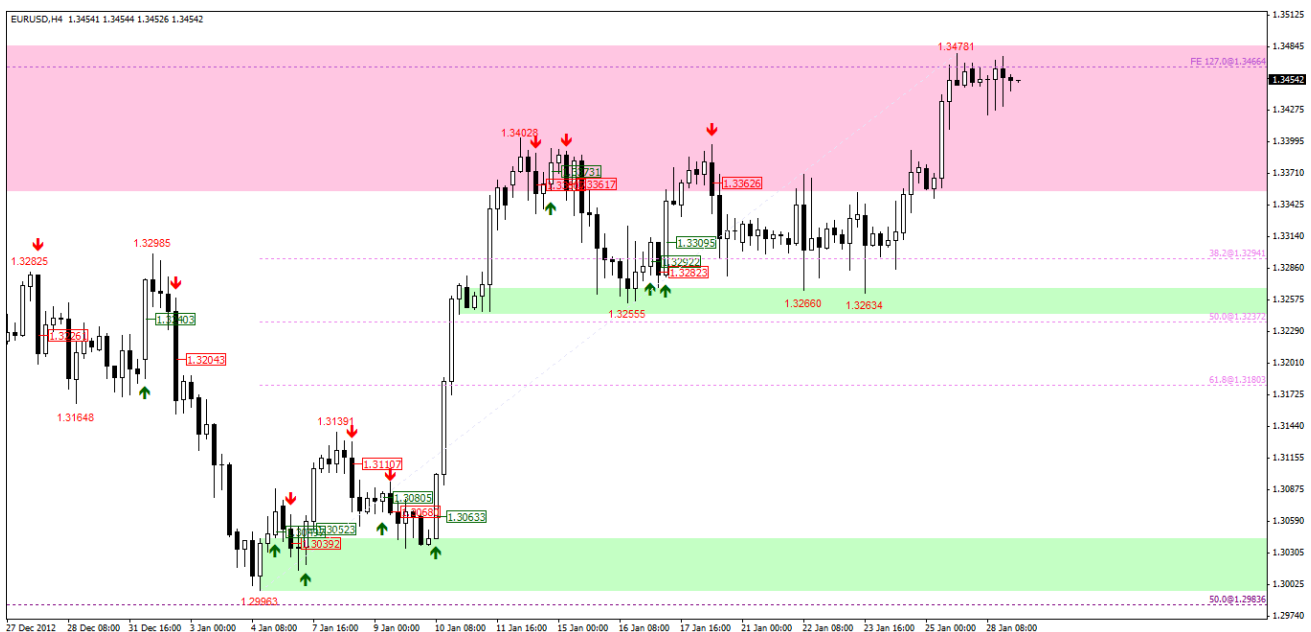
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EUR-USD DAILY



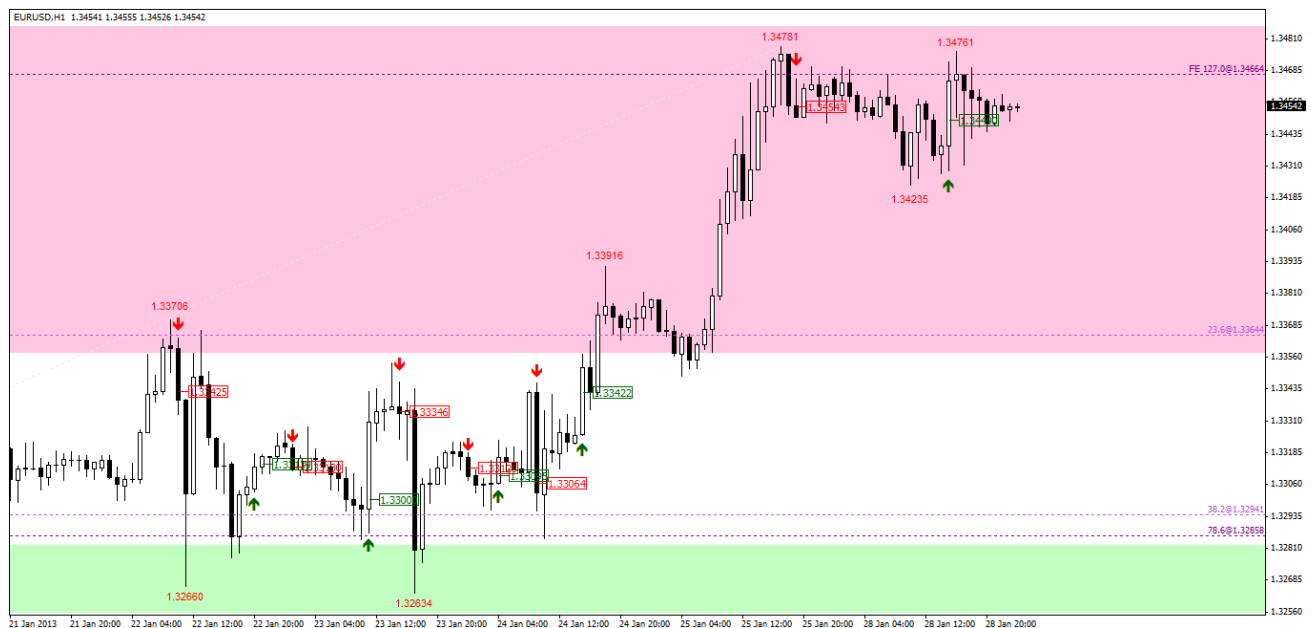
EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

Last Friday saw this market rallied to the 127.0% projection of 1.26601 to 1.31254 from 1.28755 at **1.34664** with a print of 1.34781 and stalled. In fact, the market ended as a shooting star in the H4 chart that day – suggesting a possible top is in place. Monday was a relatively quiet affair as traders stood largely to the sideline. On the W1 chart, last Friday's high of 1.34781 came within a whisker to the 50.0% retracement of 1.49393 to 1.20414 at **1.34904**. Now that price action is within a major supply zone within all time frames, this market is particularly vulnerable to selling interests. Only a sustained rally above the price pocket at **1.33575-1.34857** would suggest that the rally from 1.26601 has truly resumed. If so, the next focus is the 100.0% projection of 1.20414 to 1.31710 from 1.26601 at **1.37897** as well as the 61.8% retracement of 1.49393 to 1.20414 at **1.38323** (see W1 chart). On the downside, should we have a close below **1.33754** in the D1 chart, it would suggest that selling interests have emerged. Until and unless this happens, it's best to remain on the long side of this market.

EUR-USD 1-HOURLY



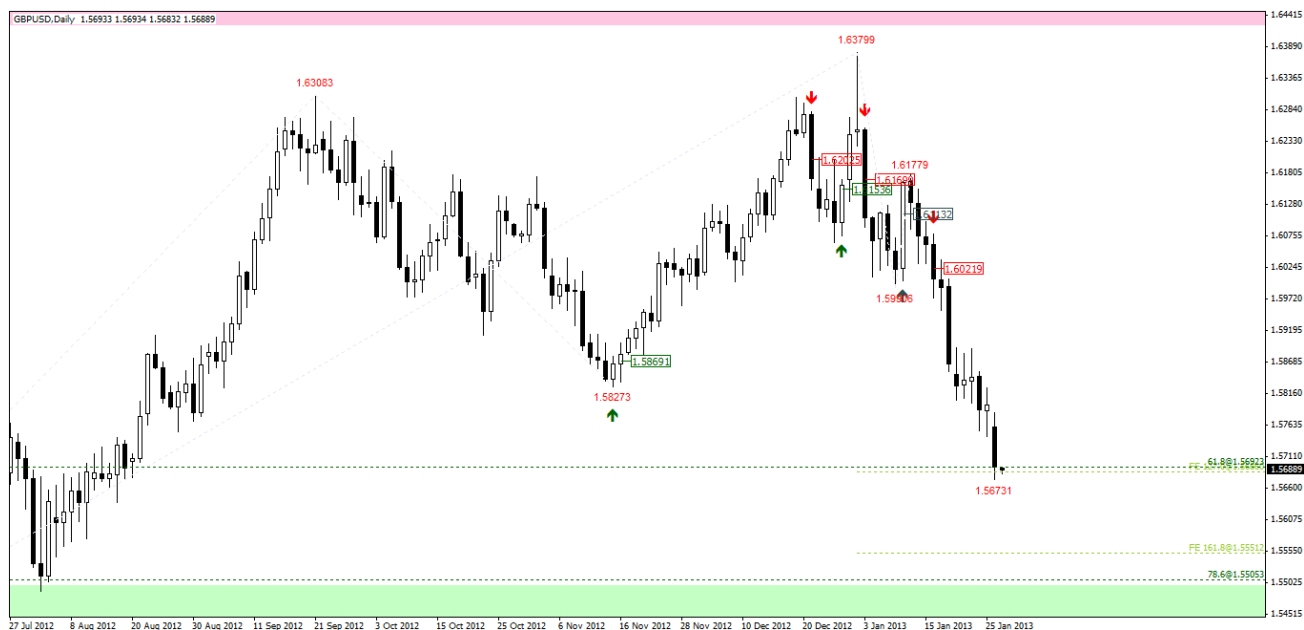
TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.32874	1.33654	1.33575 Realized	1.37897	3	0.03m

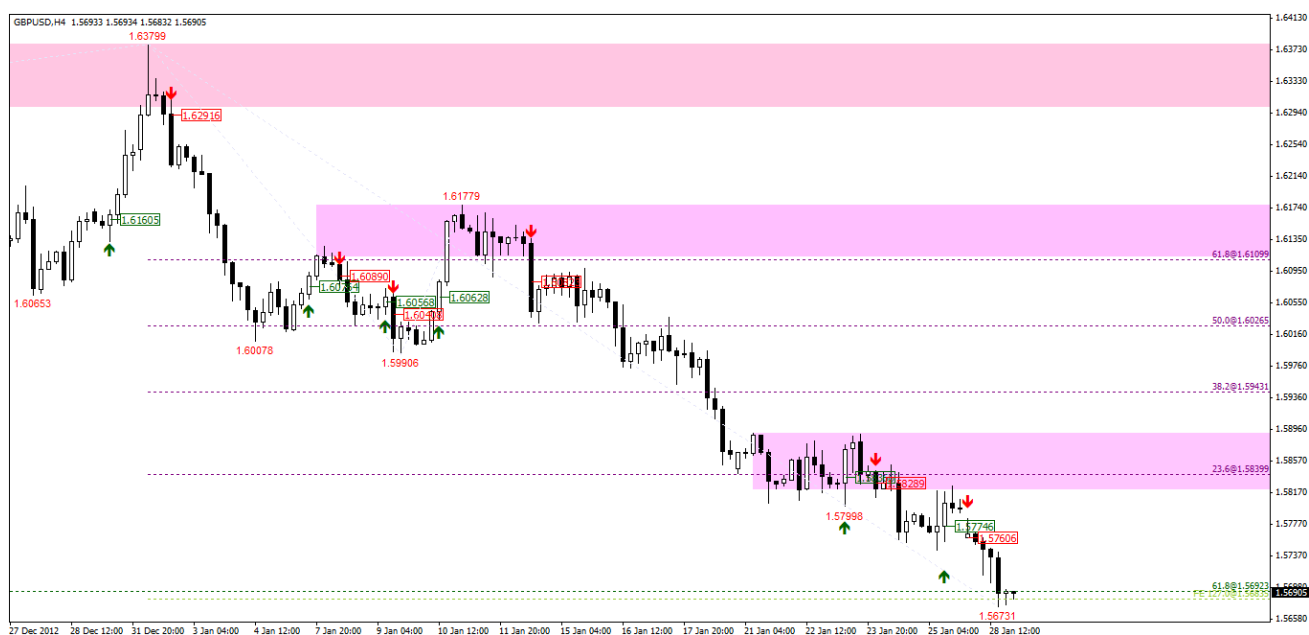
TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										1.49	10,149.10
2013.01.22 17:50	0.02m	1.32874	2013.01.28 23:59	0.02m	1.34544	334.0	334.00				

GBP-USD DAILY



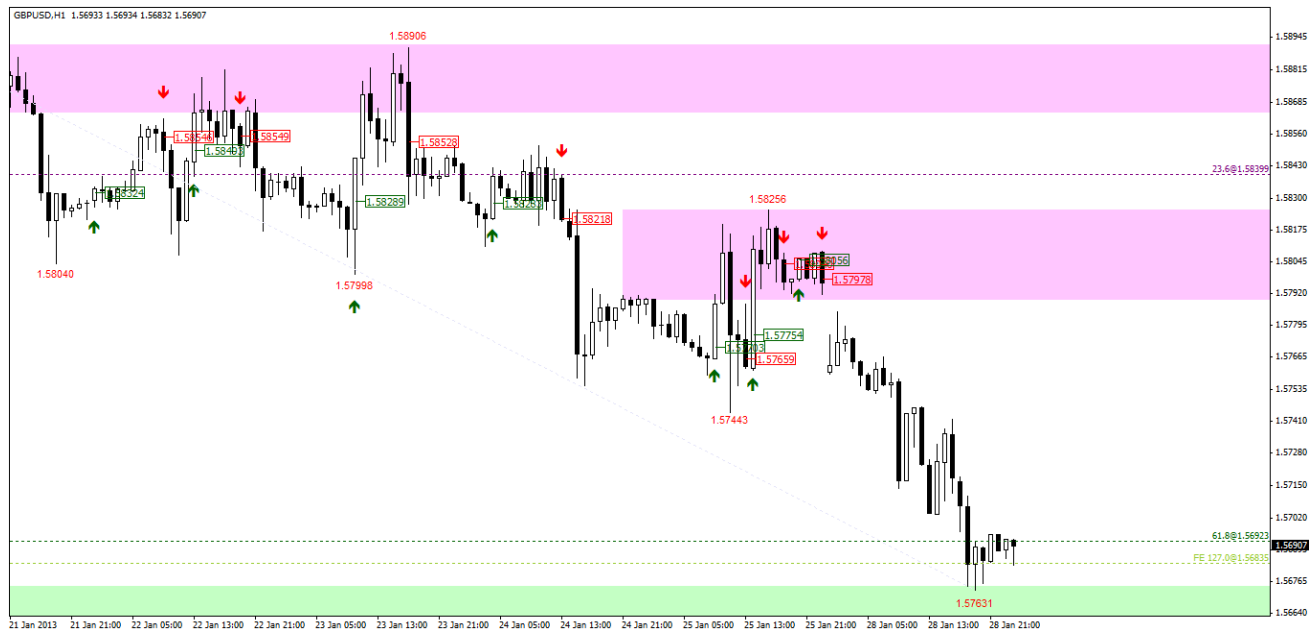
GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

Monday saw this market opened with a gap to the downside and stayed down throughout the day with the fall from 1.63799 accelerating and hit the cluster of Fibonacci ratios at the 61.8% retracement of 1.52672 to 1.63799 at **1.56923** and the 127.0% projection of 1.63799 to 1.59906 from 1.61779 at **1.56835** with a print at 1.56731. Now that price action has taken out the demand zone at **1.57531-1.58303**, it carries with it deeper bearish implications. From the longer-term perspective, this market is fast approaching the lower trend-line of the triangle formation seen in the MN chart. As mentioned in the weekend report, should this fall accelerates below the **1.56000** level; it will all but confirm the breakout from the longer-term triangle pattern developing since August 2009. As there is likely to be a ton of sell-stop orders below this level, the ensuing fall is expected to be fast and furious. (Read weekend's longer-term view). If so, any rebound must be sold. It is probable that last night's low of 1.56731 may hold and profit-taking may occur in the hours ahead. If so, any rebound should be capped by the overhead supply pocket at **1.57894-1.58256** followed by **1.58463-1.58915**, then **1.59847-1.60081** and ultimately **1.60269-1.60525**.

GBP-USD 1-HOURLY



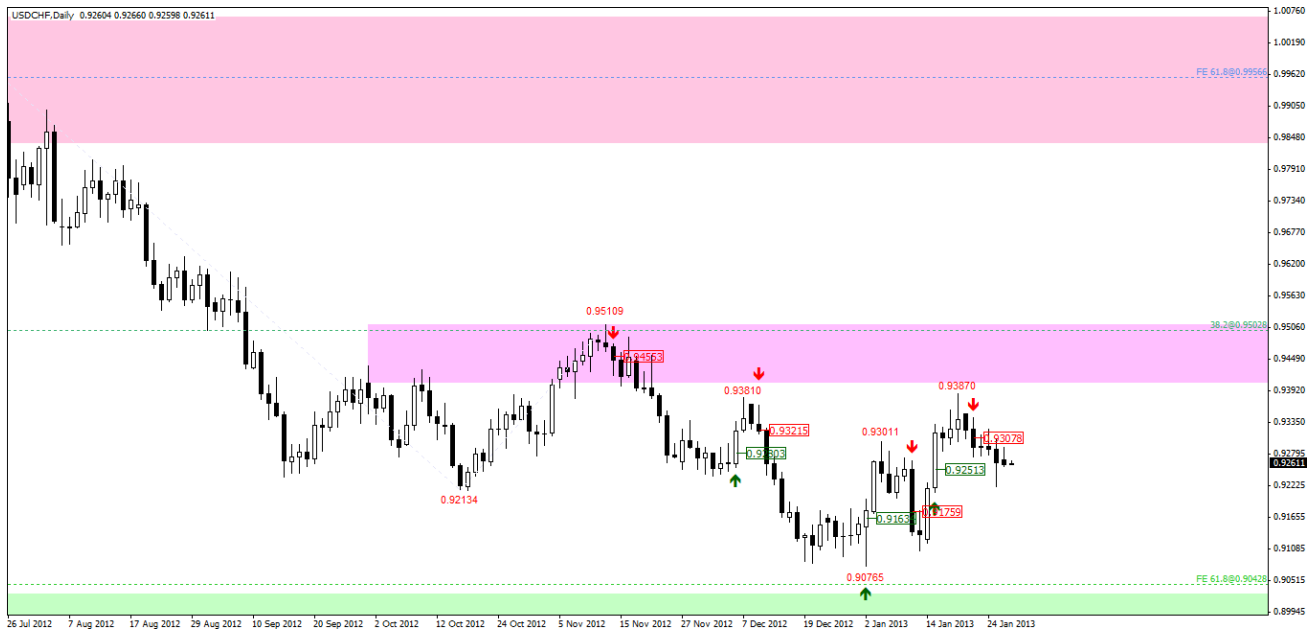
GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal within 1.58463-1.58915		1.59015	1.55053		3	0.03m

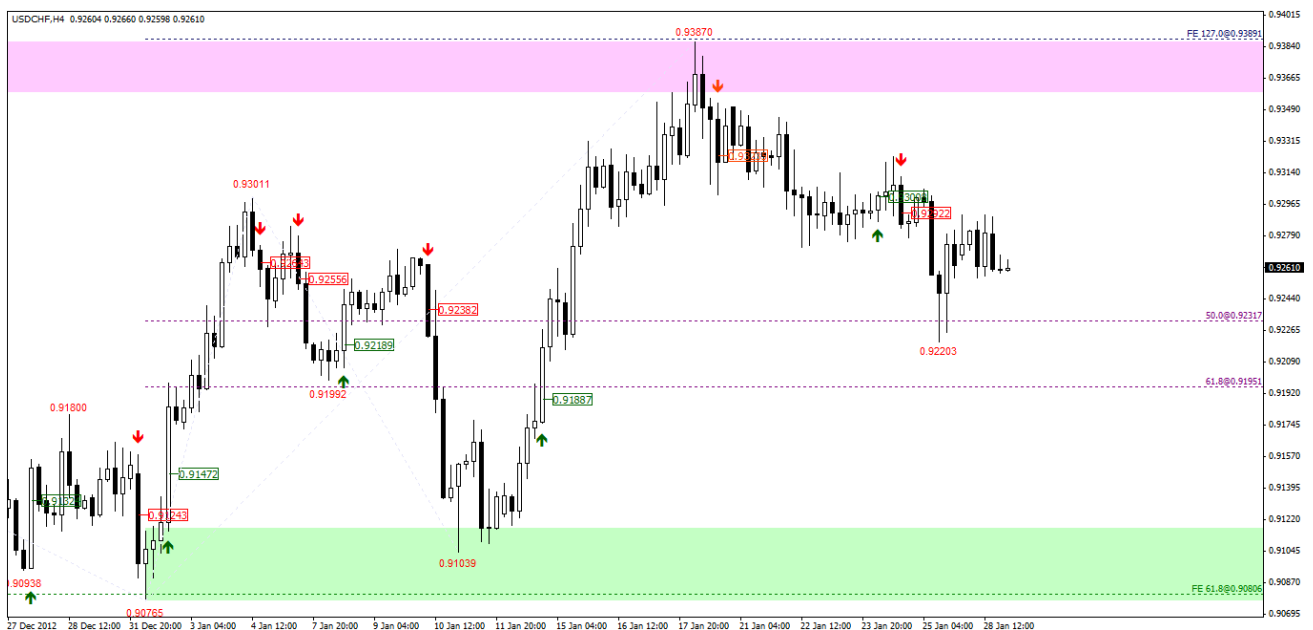
GBP-USD TRADE JOURNAL

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USD-CHF DAILY



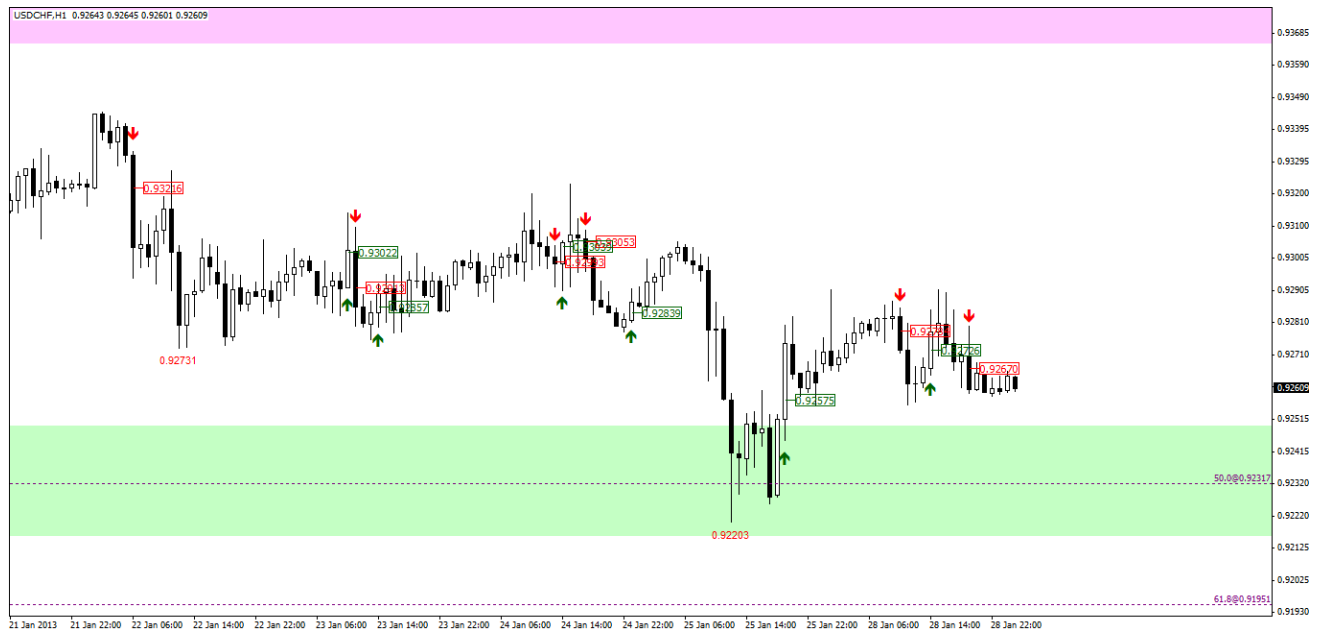
USD-CHF 4-HOURLY



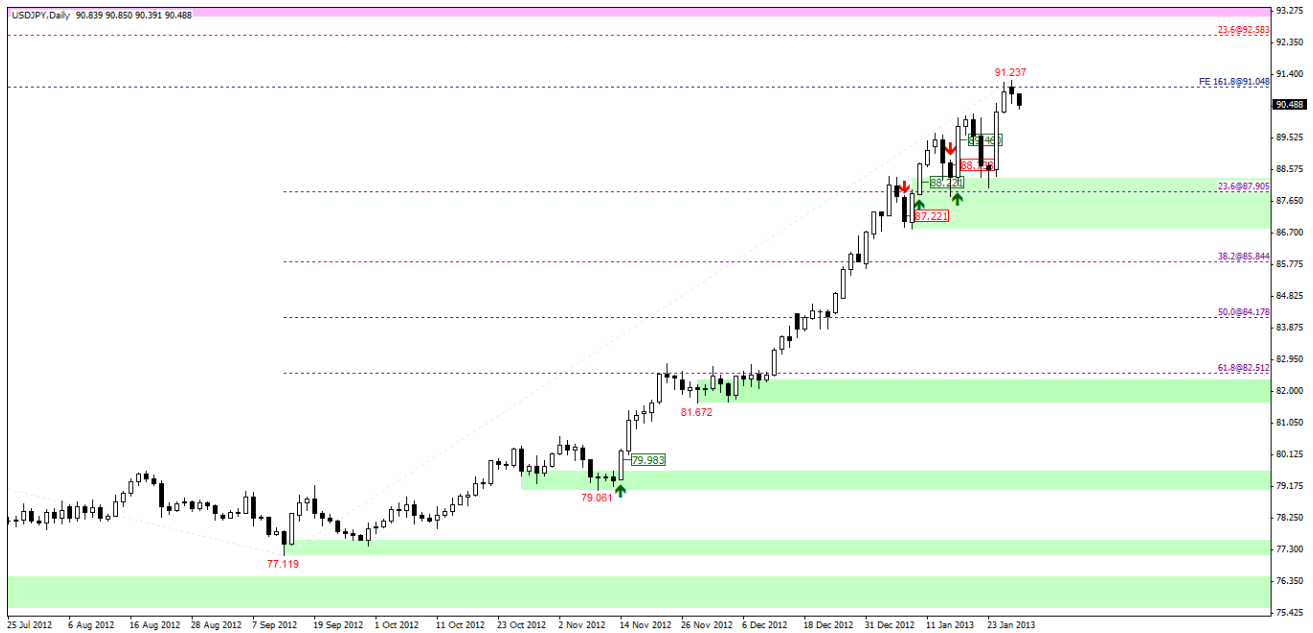
USD-CHF Short Term Outlook

There is no material change in outlook as volatility fell off the cliff in this market. After doing practically nothing last week, Monday ended relatively unchanged. The fall from 0.93870 has so far hit the 50.0% retracement of 0.90765 to 0.93870 at **0.92318** and rebounded. As noted, the downside target is at **0.91039** and the area around the 61.8% projection of 0.99709 to 0.92134 from 0.95109 at **0.90428** as well as the DZs at **0.90010-0.90587** and **0.89211-0.89847**. From the perspective of the W1 chart, sustained trading below the next DZ at **0.85672-0.86934** would suggest the correction from 0.70667 is practically over and the longer-term downtrend from 1.83090 from way back in 2000 has resumed. The only problem with this bearish outlook is the lack of any impulsiveness in this fall. What is missing is acceleration in downward price action like those seen in GBP-USD. Until that happens, this market is likely to mark time between the upper boundary marked by the SZ at **0.94058-0.95109** and the lower boundary demarcated by the DZ at **0.89301-0.90278** (see D1 chart).

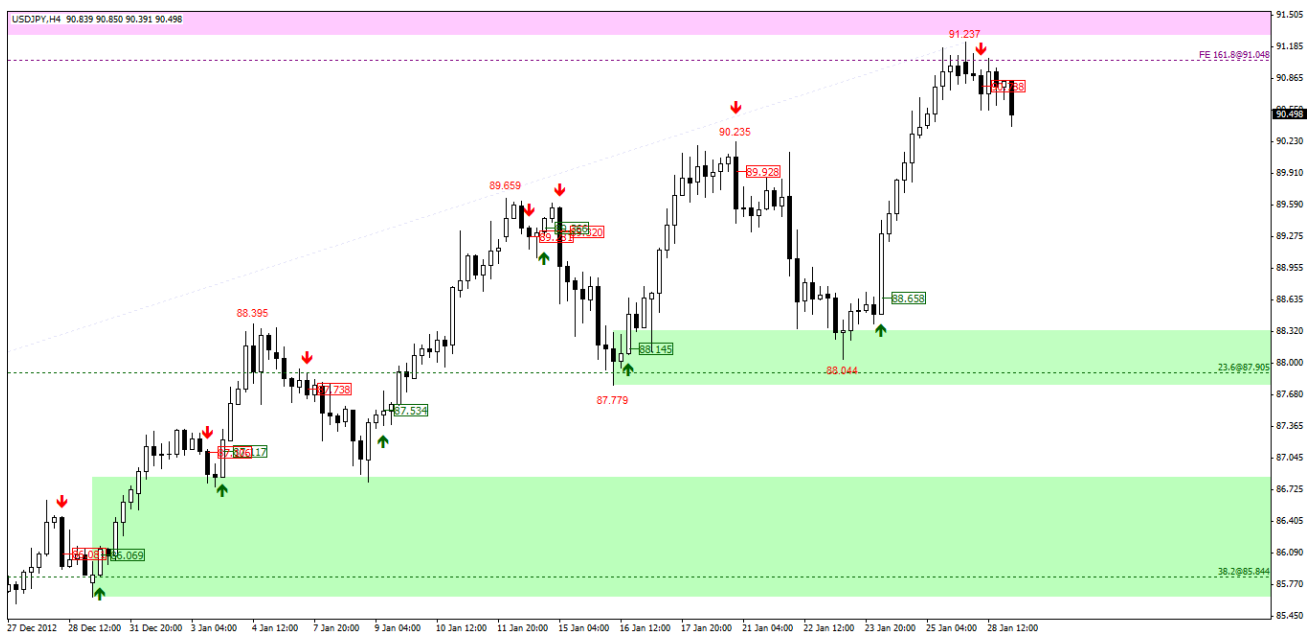
USD-CHF 1-HOURLY



USD-JPY DAILY



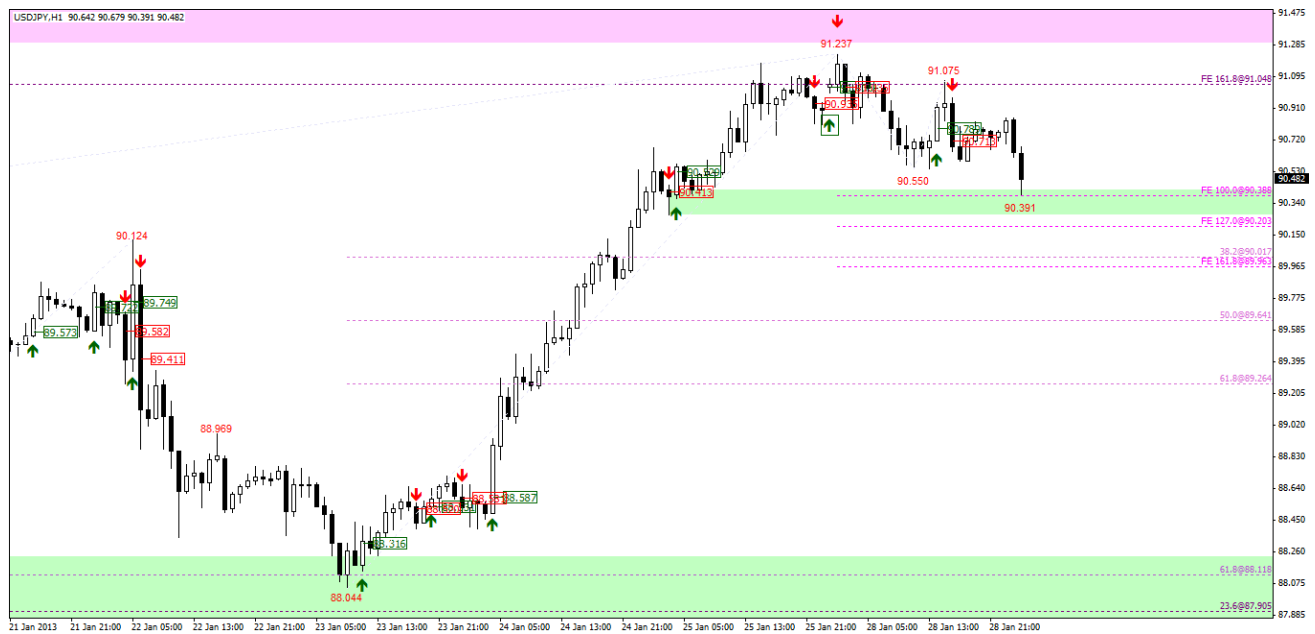
USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

The weekend report allured to the possibility that last Friday's high of 91.178 could very well be the peak for this amazing run. However, the upward momentum carried forward to Monday as another marginal 2 ½ year high was registered in overnight trading. Price action has so far hit the 161.8% projection of 75.563 to 84.172 from 77.119 at **91.048** and then some. Despite the marginal high at 91.237, profit-taking have set in that has just taken this market down to just above the 100.0% projection of 91.237 to 90.550 from 91.075 at **90.388** with a low at 90.391 in early morning Tokyo trading today. It so happen that this level is within a minor demand pocket at **90.272-90.420**. As the pullback is a 3-wave retracement and having hit an area of demand, traders who have missed buying the last round may attempt to initiate long positions within this demand pocket with a tight stop just below 90.272 for another run-up to the 23.6% retracement of 147.680 to 75.563 at **92.583**. As noted, beyond this level lies a formidable supply zone at **93.129-94.979** and there is a good chance initial assaults there would be met with fierce resistance. With the stated goal of 100 yen per dollar by the Japanese government this week, there is definitely a lot of upside left in this rally. As such, any sizable correction ought to be bought.

USD-JPY 1-HOURLY



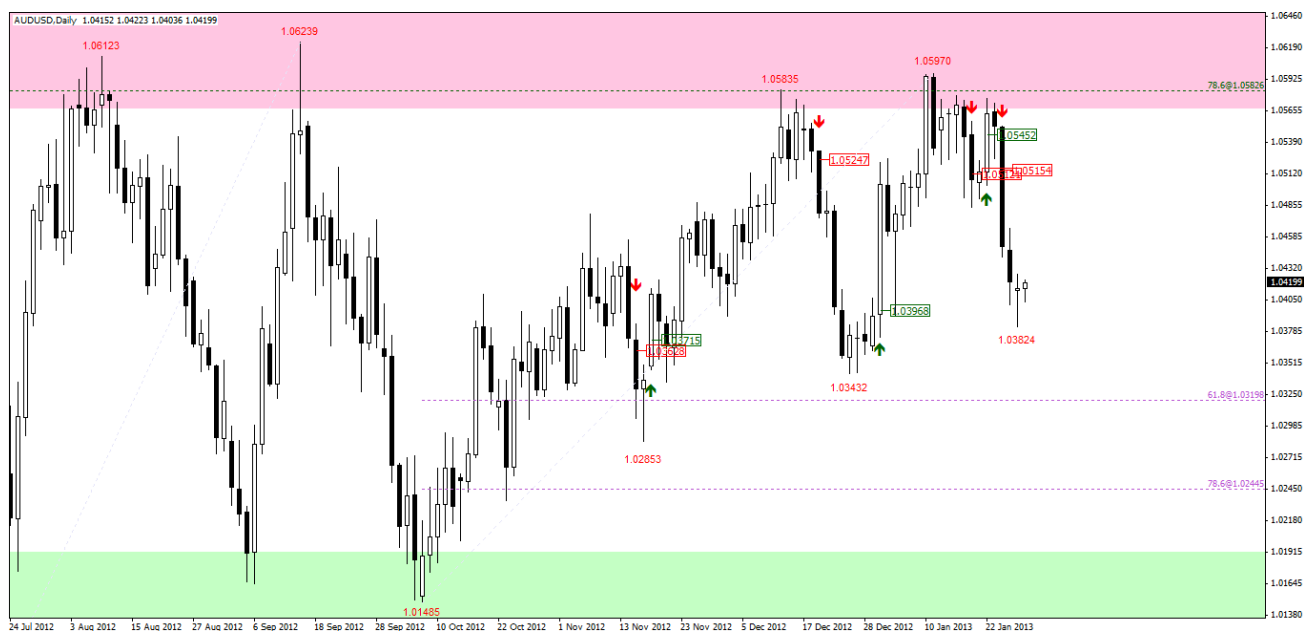
USD-JPY TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought	Buy on buy signal within 90.272-90.420	90.487	90.172	92.583	99.657	3	0.03

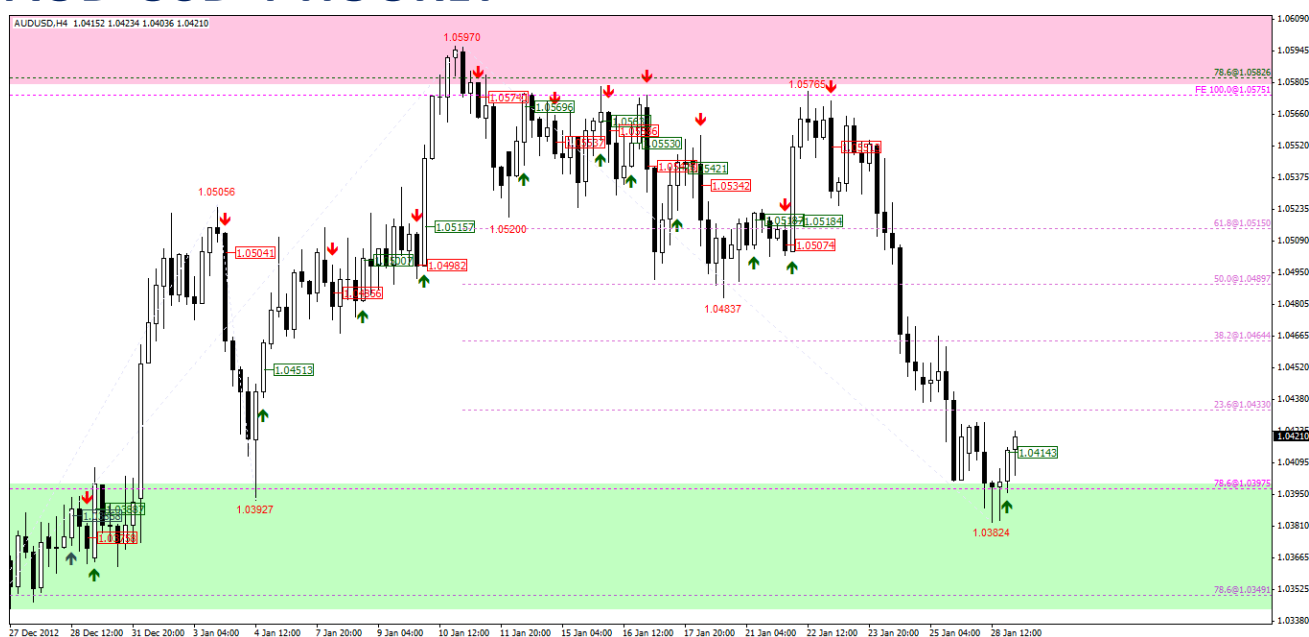
USD-JPY TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										19.1	11,907.90
2013.01.28 01:32	0.03m	90.487									

AUD-USD DAILY



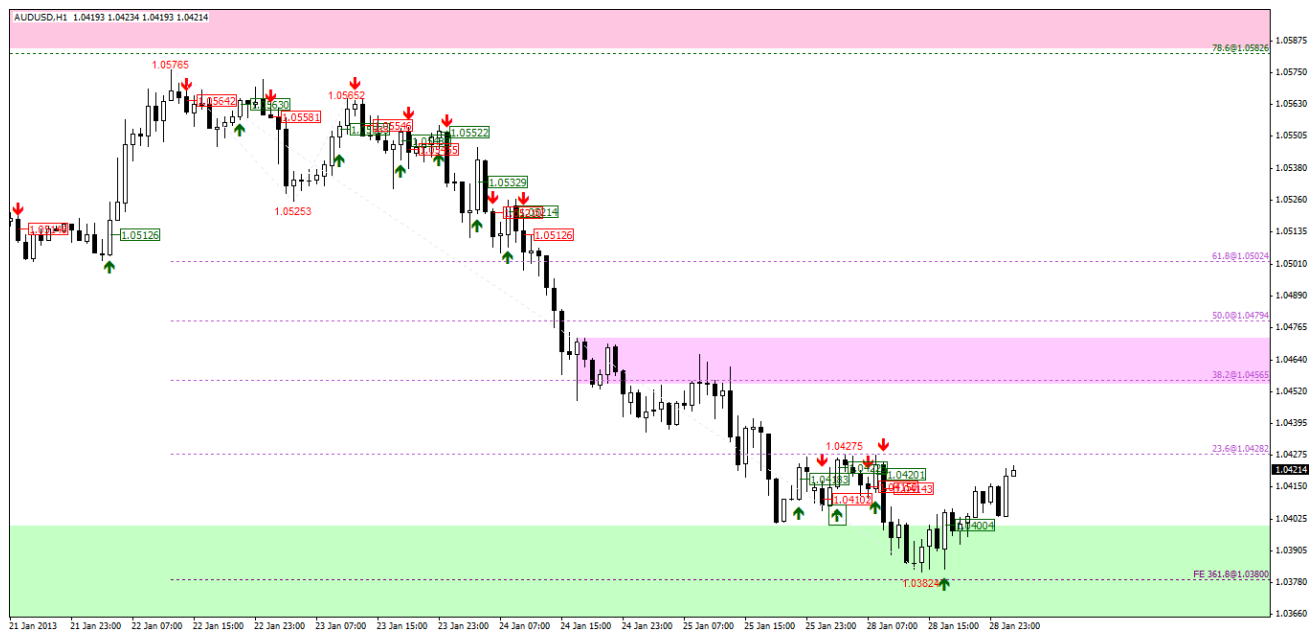
AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

The fall from last Thursday extended in overnight trading in NY as price action fell into the demand pocket at **1.03432-1.03997**. Profit-taking has probably set in this morning in Tokyo and may extend towards the immediate overhead supply pocket at **1.04549-1.04727** where the 38.2% retracement of 1.05765 to 1.03824 at **1.04565** is located (see H1 chart). As noted in the weekend report, any rebound ought to be sold. As such, the overhead supply pocket at **1.04549-1.04727** is as good as it gets. In the W1 chart, a sell signal was triggered and should the MN chart closed below **1.03733** by the end of Thursday's trading, it too would invariably triggers a longer-term sell signal. Combined, this points to a long-term decline that may last months going forward.

AUD-USD 1-HOURLY



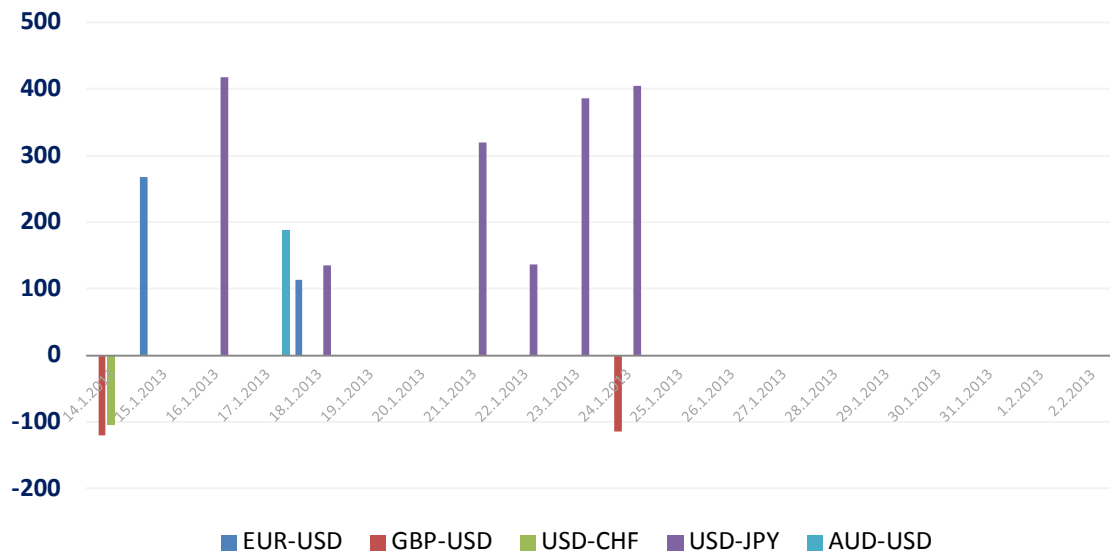
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.03891	1.03724	1.04549		3	0.03
Sell	Sell on sell signal within at 1.04549-1.04727						

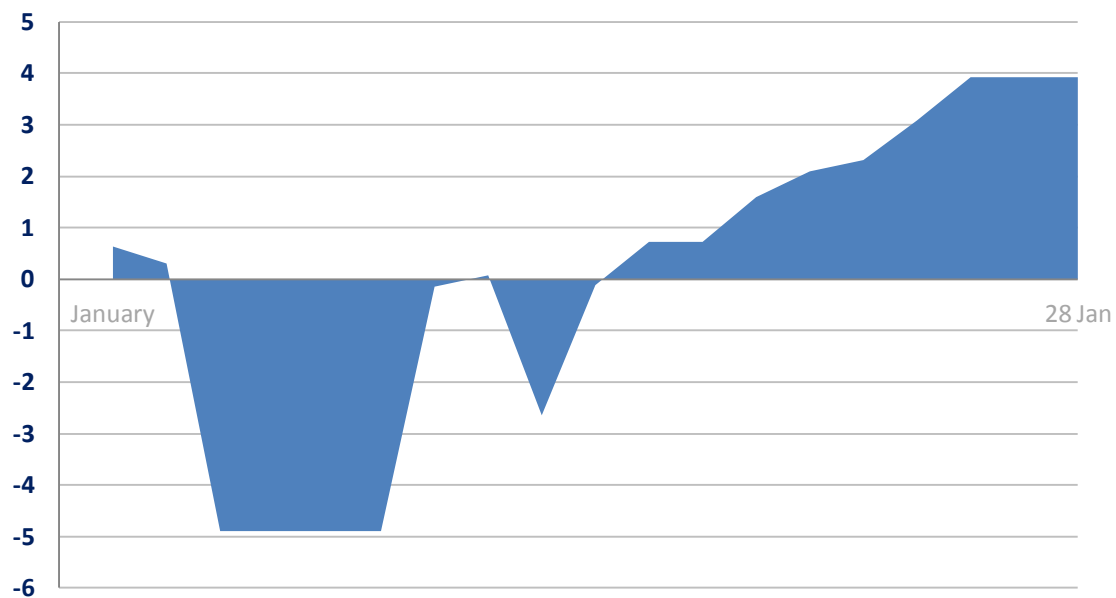
AUD-USD TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.25										3.54	10,354.30
2013.01.28 13:15	0.03m	1.03891									

Daily Realized P/L



Accumulative Percentage P/L



Traders Academy International

Check out our website at
www.tradersacademyonline.com

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.

