

A Traders Academy International Publication

USD-JPY Back At 2 ½ Years High

USD-JPY rallied 2 percent to hit a 2-1/2-year high on Thursday after a Japanese economic official said the government has no problem with USD-JPY hitting 100 yen. The Japanese Yen has lost more than 10 percent of its value since November, weakening to about 90.235 from 77.119, on expectations that the new Prime Minister Shinzo Abe will force the central bank to ease monetary policy to combat deflation.

The USD-JPY rally stalled earlier this week after the Bank of Japan said its open-ended commitment to buy assets would kick in only next year, disappointing investors who had expected far more aggressive easing measures.

Prime Minister Shinzo Abe and his cabinet members are now aiming for 100.00 on USD-JPY, and we can expect more verbal, political and monetary rhetoric until that goal is reached.

USD-JPY rose 2 percent to 90.540, a day after hitting a one-week low of 88.044. It is the biggest one-day percentage gain since Oct. 31, 2011 and the strongest since June 2010. Gains accelerated after this market broke above Monday's high of 90.235.

Japan's deputy economy minister, Yasutoshi Nishimura, said the Yen's decline is not over and a USD-JPY level of 100 would not be a concern. Nishimura was also quoted saying that only if the US Dollar rises to 110-120 would it add to domestic import costs.

A record trade deficit for Japan and comments by Abe that he expected the Bank of Japan to achieve its 2 percent inflation goal as soon as possible added to selling pressure.

Over in the U.S., strong readings on the number of new claims for jobless benefits dropped to a five-year low last week lifted U.S. bond yields, which also helped the USD-JPY.

EUR-JPY rallied 2.5 percent to 120.803, having risen to 121.049 - a 21-month high. Asian central banks were seen as major buyers of the Euro as they stepped up Yen selling.

EUR-USD rose 0.5 percent to 1.33761, not far from the 11-month high of 1.34028 hit on January 14, which is acting as near-term resistance. Support was cited at 1.32555, near lows touched on January 11.

Private sector activity data highlighted the diverging fortunes of the bloc's biggest economies. Weak performance in France was offset by numbers out of Germany showing that its private sector expanded at the fastest rate in a year.

The better PMI reading suggests a Euro zone economy that is starting to stabilize though it is not out of the woods yet, but the economic and financial conditions are certainly better now than last year.

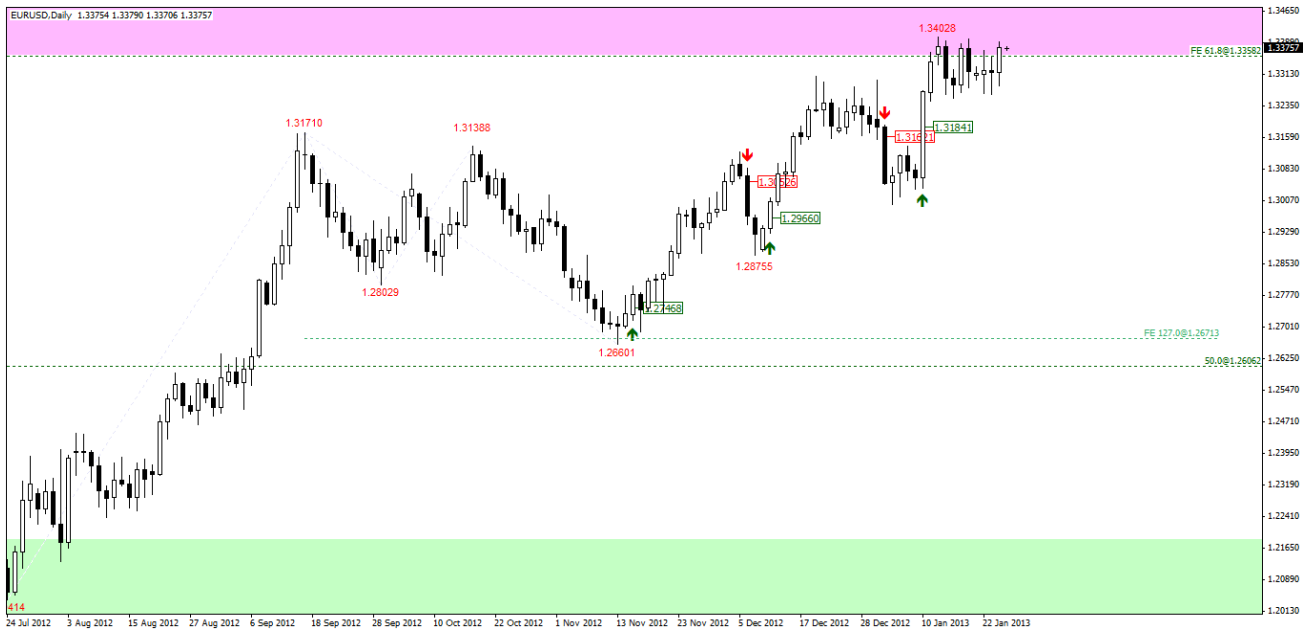
Macro funds and asset managers were buying the Euro, and if data continued to show prospects for the region were improving, the currency could rise further. Some analysts said the announcement on the size of next week's first repayments of cheap three-year loans taken by banks from the European Central Bank just over a year ago could give the Euro a bit of a lift. Banks took more than €1 trillion in the long-term refinancing operation loans from the ECB. The market expects about €100 billion to be paid back next week.

There is noted strong demand for Euro calls option – bets that the euro will rise - for expiry on Friday.

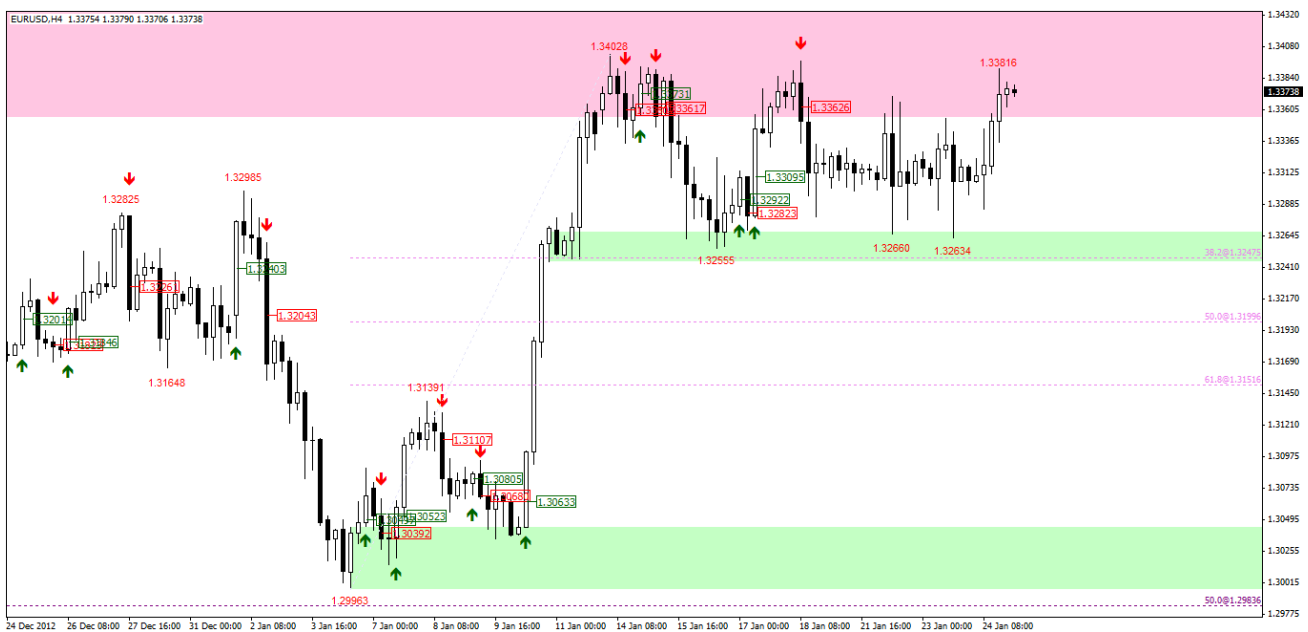
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EUR-USD DAILY



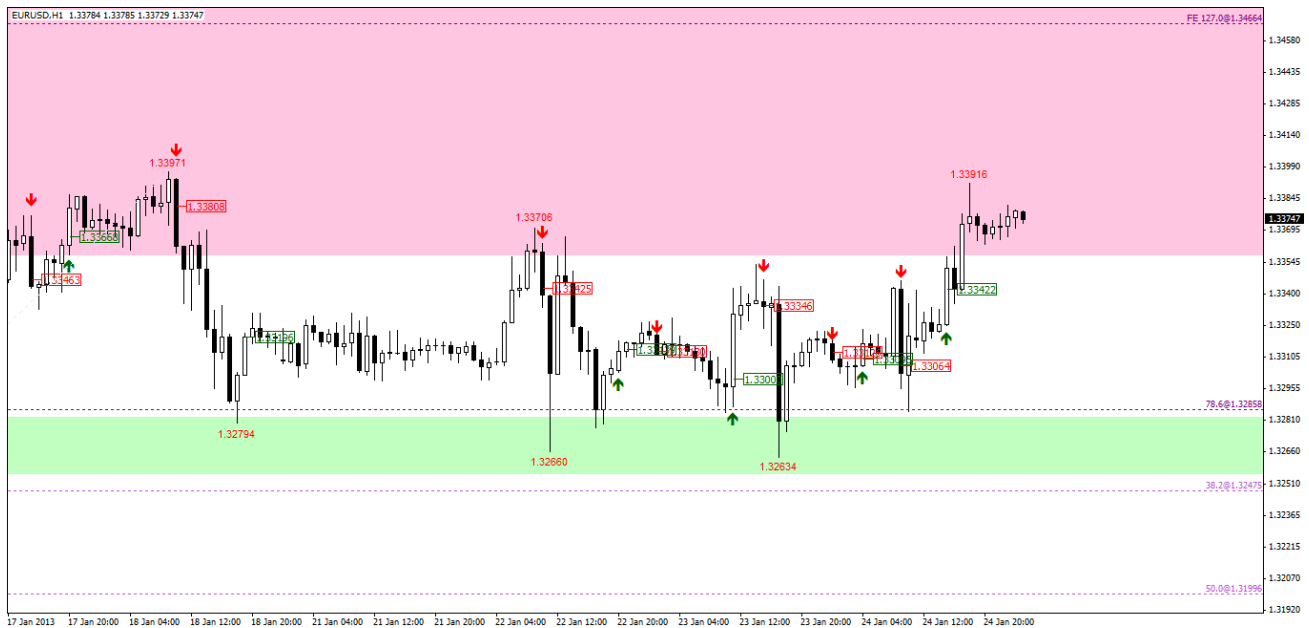
EUR-USD 4-HOURLY



EUR-USD Short Term Outlook

Trading remains extremely choppy in EUR-USD as price action continues to gyrate between the upper supply pocket of **1.33575-1.34857** and the demand pocket at **1.32555-1.32823**. Overall, the pullback from 1.34028 appears to have terminated having retraced to near the 38.2% retracement of 1.29963 to 1.34028 at **1.32475** with a print of 1.32555 last Tuesday. Seen from the D1 chart, this market appears poised to rally and once price action breaks and sustains above the overhead price pocket at **1.33575-1.34857**, the rally from 1.26601 is likely to resume. If so, immediate focus is the 127.0% projection of 1.26601 to 1.31254 from 1.28755 at **1.34664**. On the medium to long-term, the upside target is the 100.0% projection of 1.20414 to 1.31710 from 1.26601 at **1.37897** (see D1 chart). On the downside, the idea of a resumption of the rally would be compromised if and when we have a close below **1.32692** as by then the bearish engulfing bar seen in the D1 chart would have triggered a sell signal (see D2 chart).

EUR-USD 1-HOURLY



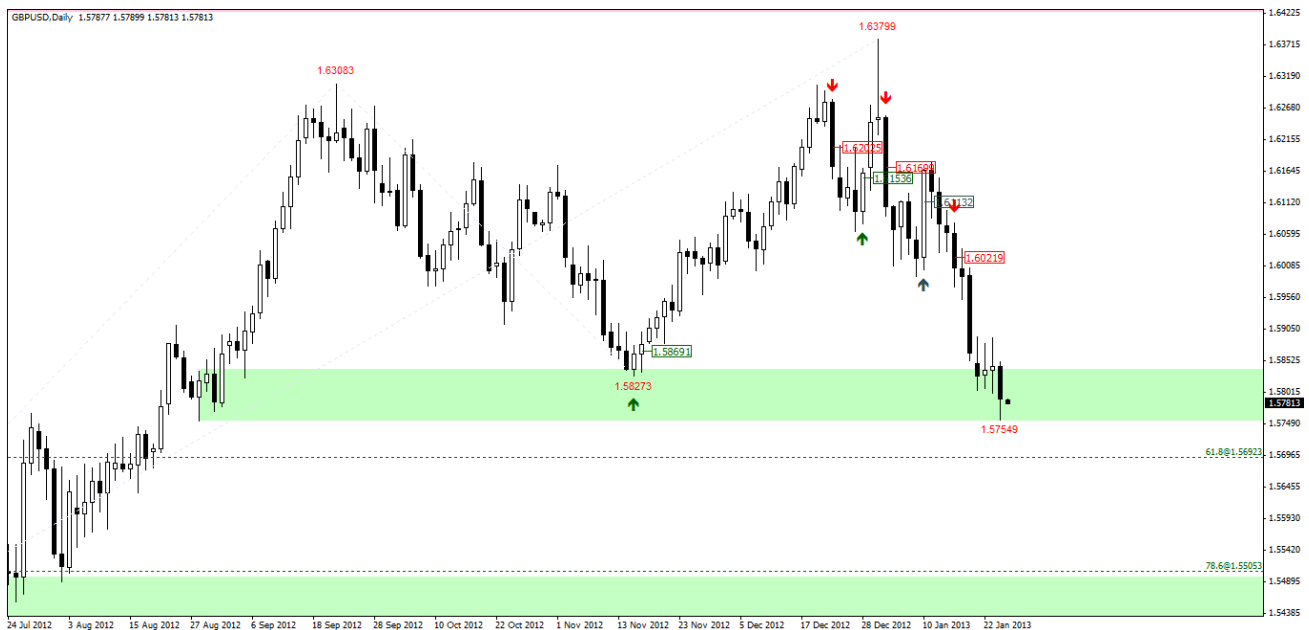
TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Bought		1.32874	1.32455	1.33575 Realized	1.37897	3	0.03m

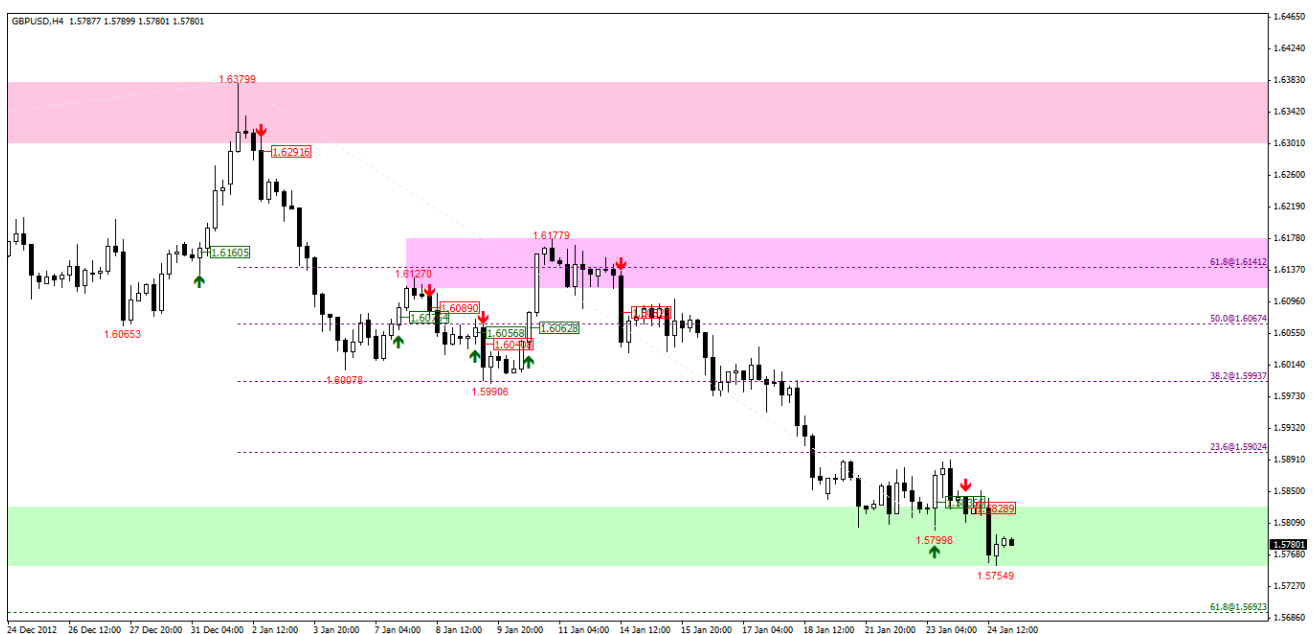
TRADE JOURNAL

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.18											10,079.00
2013.01.16 15:10	0.02m	1.32692	2013.01.22 11:20	0.02m	1.32692			-	-		10,079.00
2013.01.22 17:50	0.01m	1.32874	2013.01.24 16:01	0.01m	1.33575			70.1	70.10	0.70	10,149.10
2013.01.22 17:50	0.02m	1.32874	2013.01.24 23:59	0.02m	1.33761	177.4	177.40				

GBP-USD DAILY



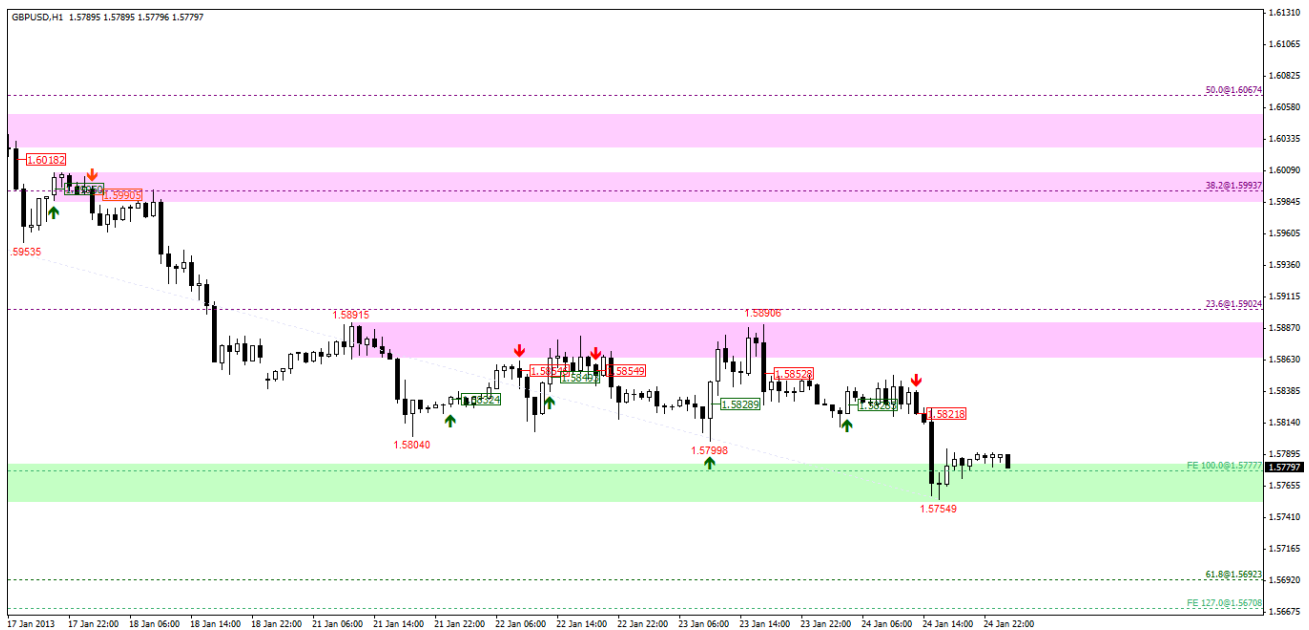
GBP-USD 4-HOURLY



GBP-USD Short Term Outlook

The fall from 1.63799 having stalled at the demand pocket **1.58040-1.58377** since the beginning of the week accelerated lower in overnight trading. The weakness in this market no doubt has its roots on the British Prime Minister's speech on EU membership referendum speech some 24 hours ago. Price action fell into a more significant demand zone at **1.57531-1.58303** and held. This market is now at a crucial point. While the demand zone at **1.57531-1.58303** is largely expected to hold, a fall through this price pocket will have deeper bearish implications. (Read weekend's longer-term view). If so, any rebound thereafter must be sold. On the upside, should this market rebound from current level, the immediate target is the overhead supply pocket at **1.58463-1.58915**, followed by **1.59847-1.60081** and ultimately **1.60269-1.60525** which lies just below the 38.2% retracement of 1.63799 to 1.58521 at **1.60537**.

GBP-USD 1-HOURLY



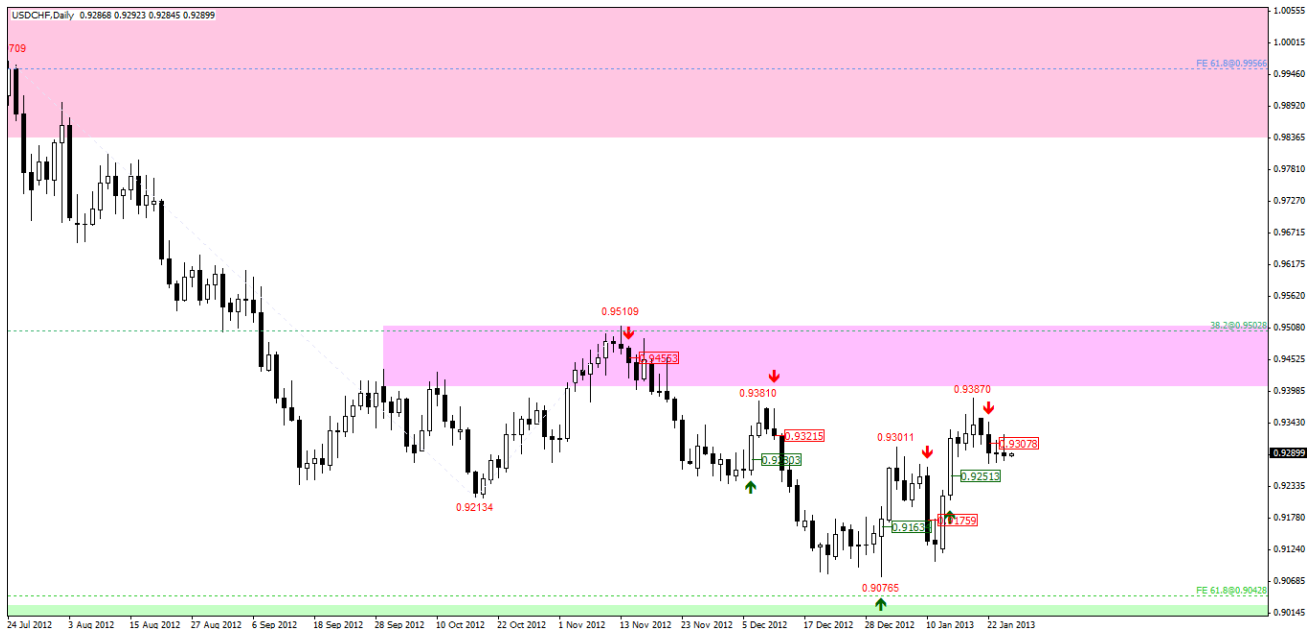
GBP-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03m

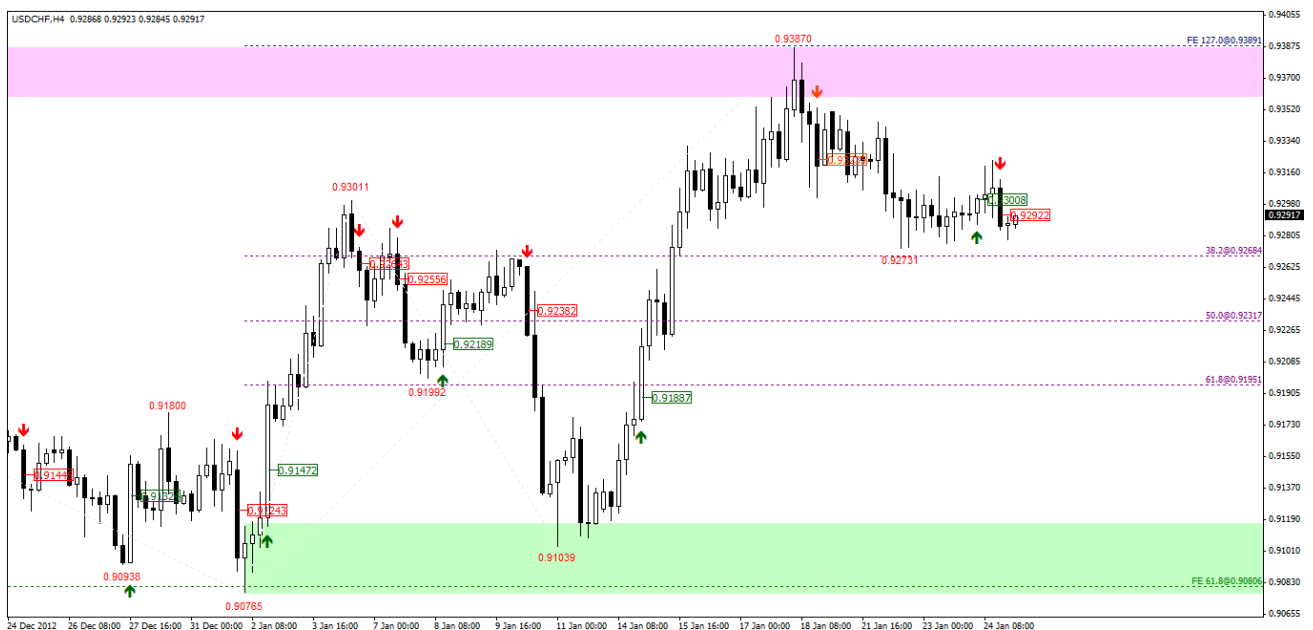
GBP-USD TRADE JOURNAL

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USD-CHF DAILY



USD-CHF 4-HOURLY



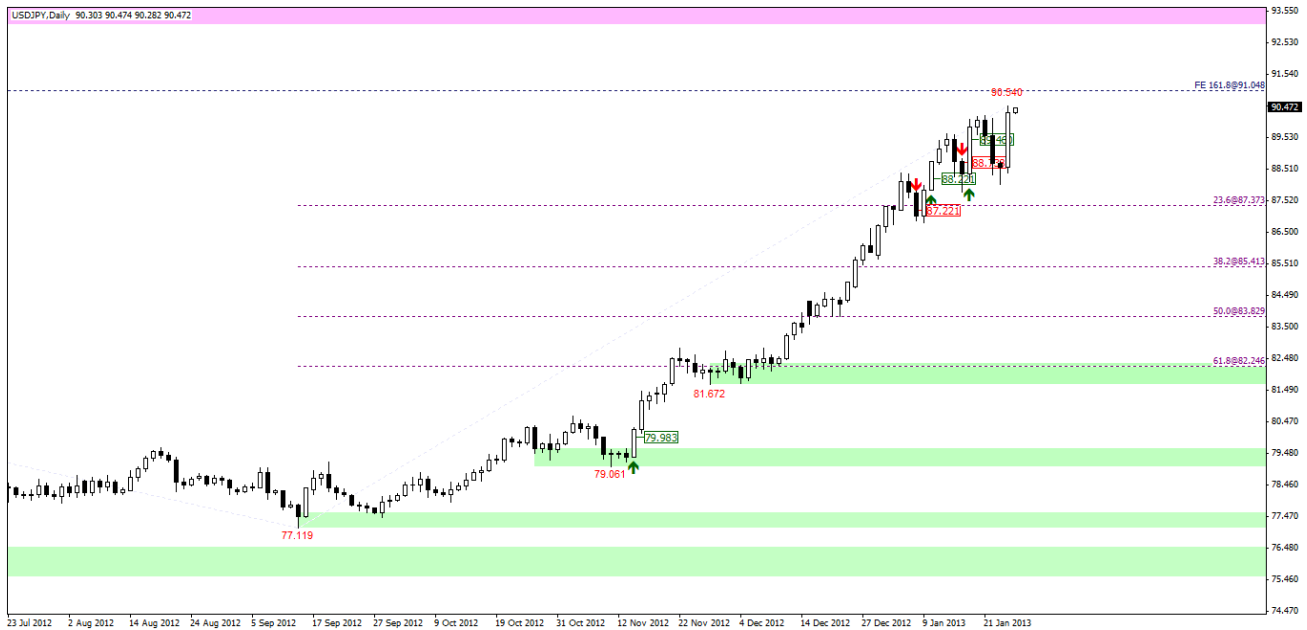
USD-CHF Short Term Outlook

Just like EUR-USD, this market is marking time. Volatility is flat with yet another day of non-event. Price action continues to hover above the 38.2% retracement of 0.90765 to 0.93870 at **0.92684** for the 4th day running. The correction from 0.93870 is relatively shallow and appears poised to rally at any time. In the medium to long-term, the supply pocket at **0.94058-0.95109** stacked above yet another supply pocket at **0.93407-0.93810** should cap any adventurous rallies going forward. On the downside, should the bearish bias pan out; the immediate focus is **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 demand zones at **0.90010-0.90587** and **0.89211-0.89847**.

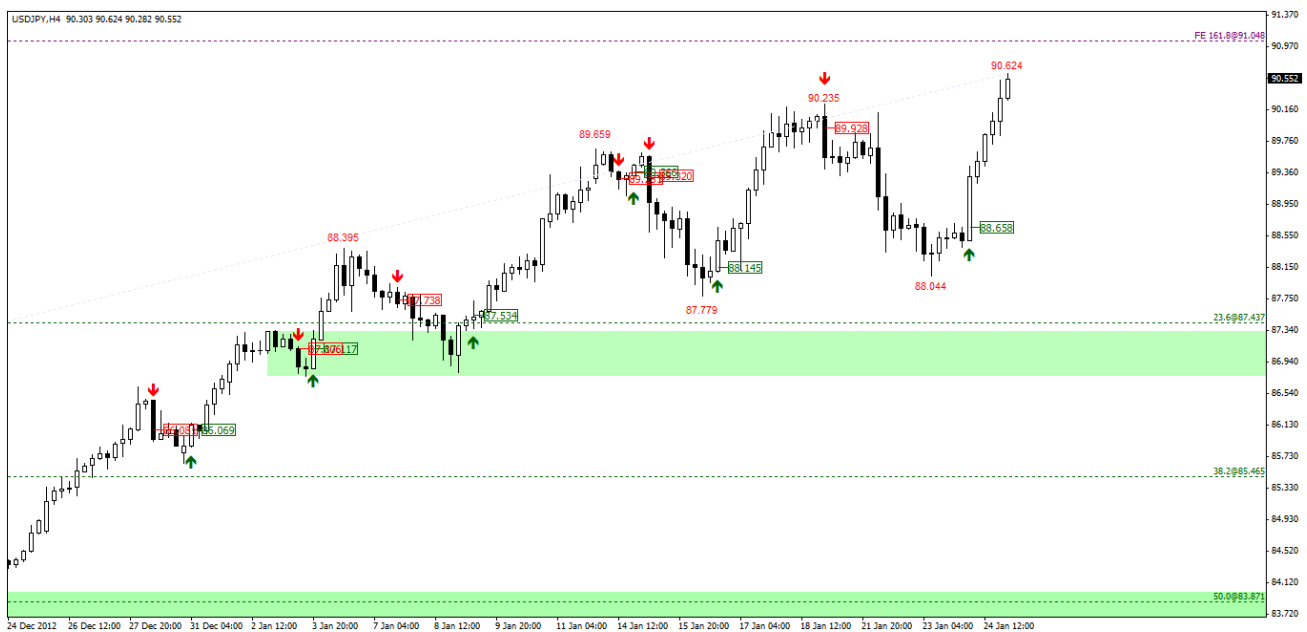
Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sold		0.93520	0.93910	0.90587	0.89847	3	0.03

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USD-JPY DAILY



USD-JPY 4-HOURLY



USD-JPY Short Term Outlook

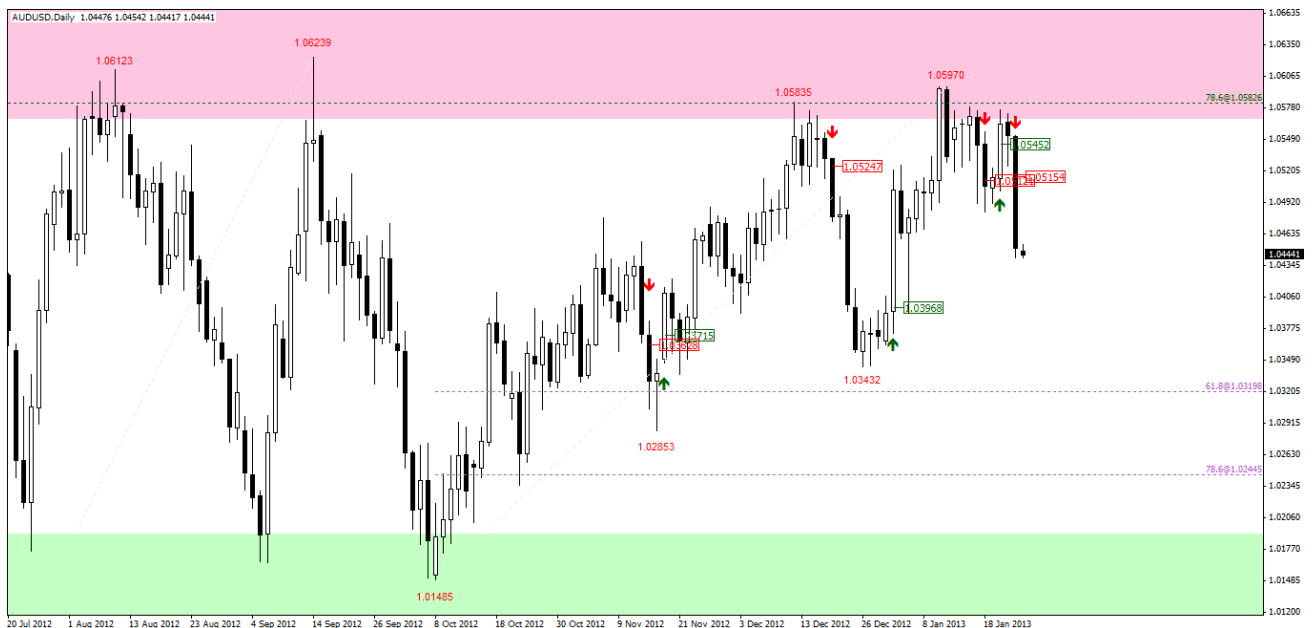
The assessment that the long-term bullish bias remains intact in this market was right on the money. Buyers returned in full force and took out the previous high at 90.235 before rallying to a new 2 ½ year high last night with a print at 90.540. This morning saw the continuation of buying which has taken this market to a high of 90.643 at the point of writing. That being the case, focus has once again returned to the immediate target of **91.048** (being the 161.8% projection of 75.563 to 84.172 from 77.119). An alternate target is the 23.6% retracement of 147.680 to 75.563 at **92.583**. Beyond this level lies a formidable supply zone at **93.129-94.979**. There is a good chance initial assaults there would be met with fierce resistance. This rally is now extending in an impulsive wave and any sizable pullback after hitting any of the above targets ought to be bought. Stay tuned.

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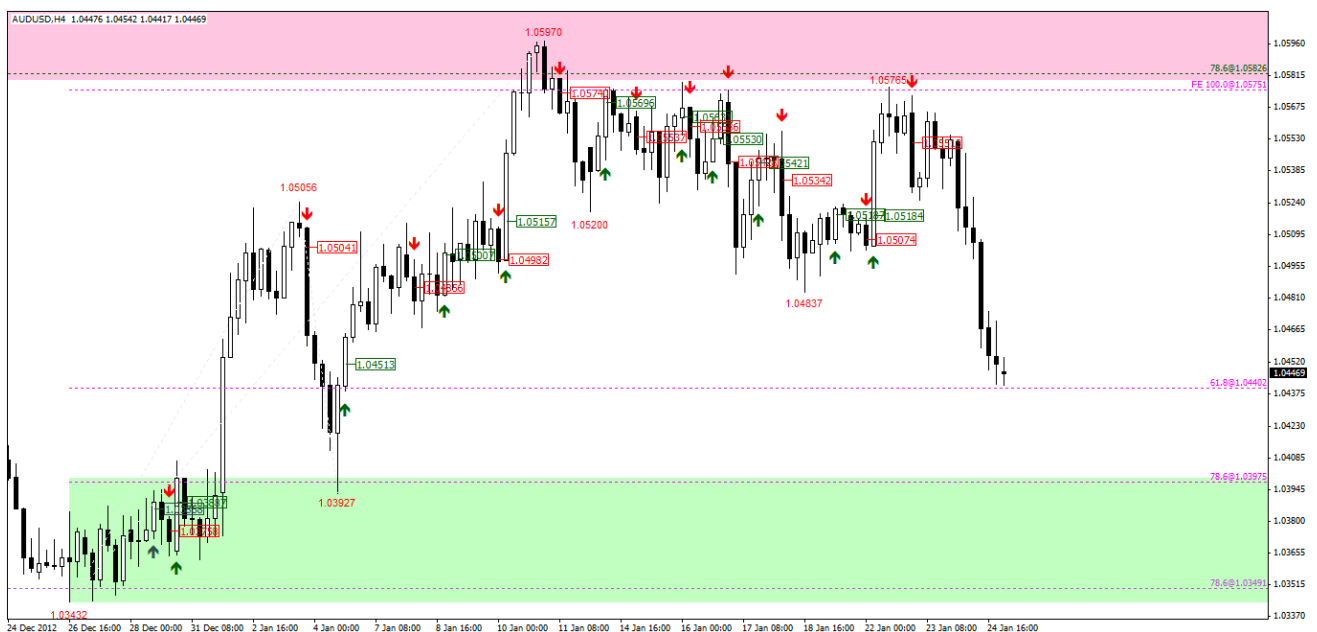
Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
						3	0.03

Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.18											10,598.74
2013.01.16 12:10	0.02m	88.090	2013.01.21 03:14	0.02m	89.520			286	319.48	3.01	10,918.22
Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
2013.01.22 05:55	0.01m	89.933	2013.01.22 11:04	0.01m	88.717			121.6	137.07	1.26	11,055.29
2013.01.22 05:55	0.02m	89.933	2013.01.23 08:07	0.02m	88.233			340.0	385.34	3.49	11,440.63
Open Date	Buy (units)	Open Price	Close Date	Sell (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.23 08:25	0.01m	88.189	2013.01.24 04:40	0.01m	88.743			55.4	62.43	0.55	11,503.06
2013.01.23 08:25	0.02m	88.189	2013.01.24 22:15	0.02m	90.011			364.4	404.84	3.52	11,907.90

AUD-USD DAILY



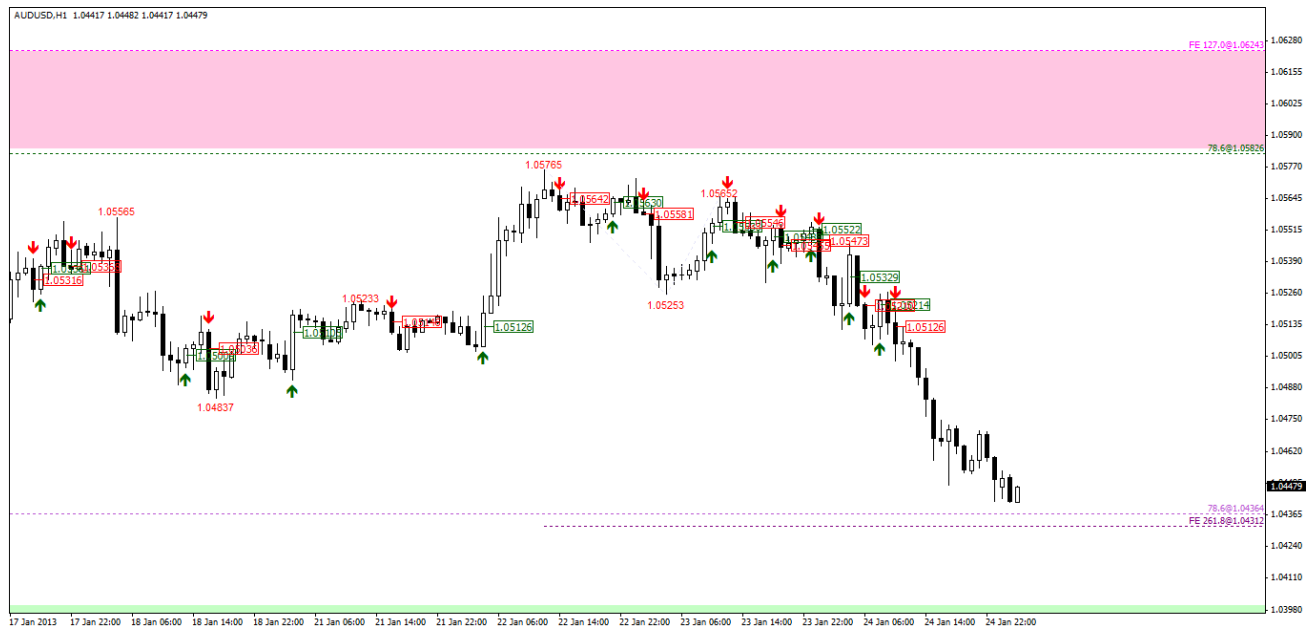
AUD-USD 4-HOURLY



AUD-USD Short Term Outlook

After a half-hearted attempt to rally back into the overhead supply pocket at **1.05796-1.06239** this week, sellers finally took control and sold off the Aussie in the most aggressive move seen so far this year. With this move, all bullish bets are off. Price action is now just above the 61.8% retracement of 1.03432 to 1.05970 at **1.04402**. The nearest area of potential demand lies within demand zone at **1.03432-1.03997**, where the 78.6% retracement of 1.03432 to 1.05970 at **1.03975** lies (see H4 chart). In the W1 and MN charts, should this market closes lower this week and the next, long-term bearish signals are flashing; suggesting a long-term decline that may last months going forward.

AUD-USD 1-HOURLY



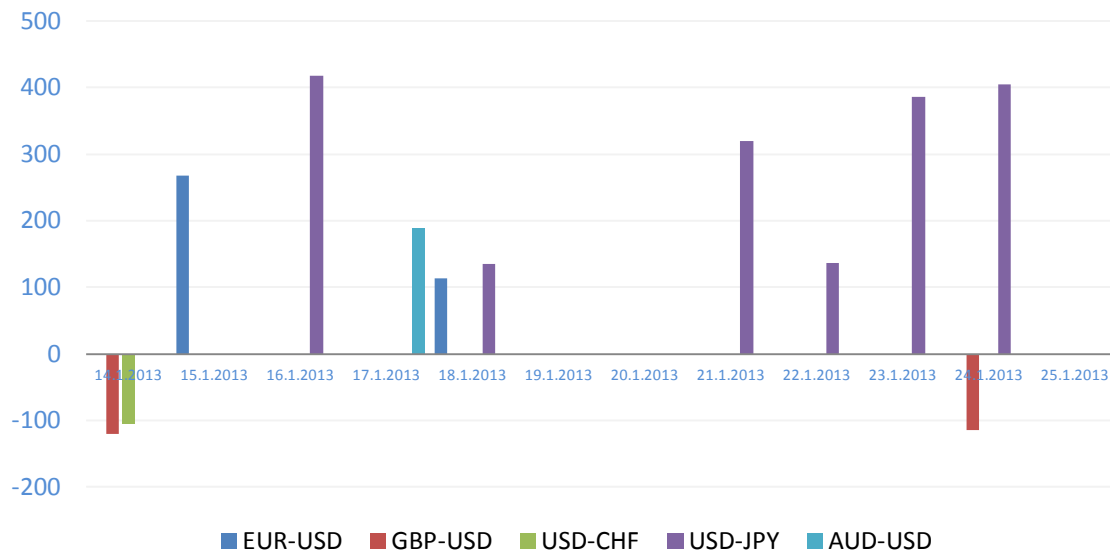
AUD-USD TRADE IDEAS

Action	Entry Condition	Entry Price	Stop-Loss	Profit Target 1	Profit Target 2	Exposure %	Exposure Units
Sell	Sell on sell signal between 1.05796-1.06239		1.06339	1.04985	1.04777	3	0.03

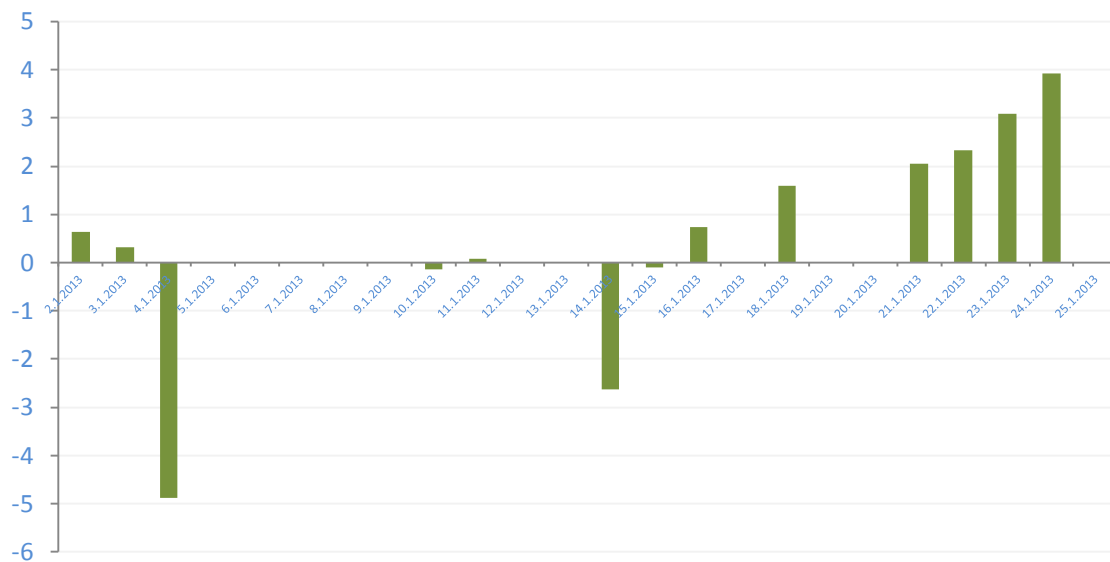
AUD-USD TRADE JOURNAL

Open Date	Sell (units)	Open Price	Close Date	Buy (units)	Close Price	Unrealized P/L		Realized P/L		Accumulative Balance	
						Pips	+ / - (\$)	Pips	+ / - (\$)	%	\$
2013.01.18										3.54	10,354.30

Daily Realized P/L



Accumulative Realized % Gain



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www.tradersacademyonline.com



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 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.