

A Traders Academy International Publication

Yen Sharply Lower On LDP Possible Win

USD-JPY gained more than 1 percent for a second straight session on Thursday, hitting its highest in nearly 7 months on expectations the Bank of Japan will engage in more aggressive monetary easing.

EUR-USD, meanwhile, rose for a second day as traders continued to cover their short positions after five days of losses. Its gains came despite data showing the Euro zone slid into its second recession since 2009 in the third quarter of 2012.

USD-JPY posted its largest gain since mid-September after Shinzo Abe, the head of Japan's Liberal Democratic Party and front runner in next month's election, said he wants the Bank of Japan to consider sub-zero interest rates. Abe, pushing the central bank for bold easing steps, told reporters he wants to work with the BOJ to reverse the Japanese Yen strength, which he said hurts the competitiveness of small firms. The catalyst has clearly been politics, including a further step up in political pressure on the BoJ to ease aggressively.

USD-JPY rose to 81.445, its highest level since late April. It settled at 81.149, up 1.2 percent on the day. That followed a gain of 1.1 percent the previous day.

However, treasury sources said flow suggested the Japanese Yen was modestly bought by institutional investors on Thursday for the first time in several sessions after the currency's sharp losses. These fresh modest inflows, if sustained, suggest the ascent of USD-JPY and EUR-JPY thus far this week may be close to ending for now.

Nevertheless, the Bank of Japan is expected to hold its fire at a meeting of its policy board next week and may also defy market expectations for action in December.

EUR-JPY hit a high of 103.971, the highest since Nov. 1 and settled at 103.734, up 1.4 percent, as traders unwound short Euro positions taken earlier this week on concerns about when Greece will receive its next tranche of financial aid.

The International Monetary Fund has done what it can to help Greece reach debt sustainability, leaving the window open for further action by the indebted country's European lenders.

EUR-USD was up 0.4 percent at 1.27796, recovering from Tuesday's 2-month low of 1.26601. Traders cited buying by European corporations earlier in the session that helped lift the Euro.

EUR-USD, however, looked vulnerable, with concerns about slowing growth in the Euro zone and uncertainty over aid for Greece and Spain seen by analysts as likely to cap gains. Traders were wary of selling the Euro heavily in case policymakers surprised markets with decisive action to tackle the debt crisis. Overall, there is still a strong undercurrent of risk aversion in the market. Thursday's weak U.S. economic numbers have heightened that sentiment.

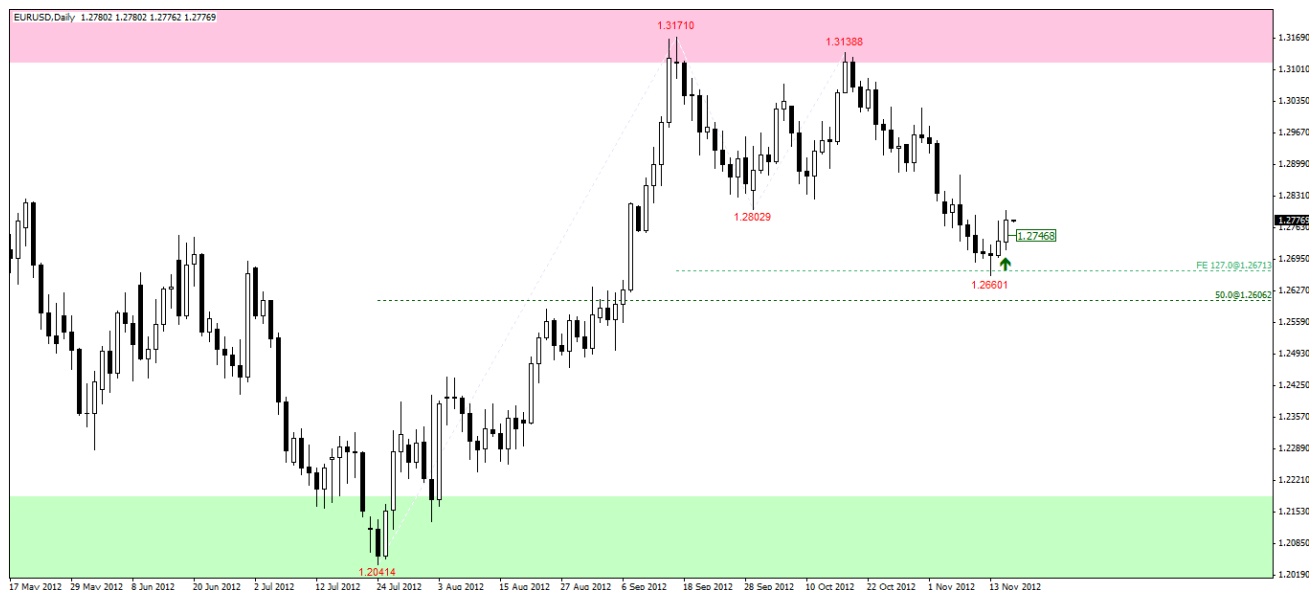
The number of Americans filing new claims for jobless benefits surged last week to a 1 1/2-year high. Separate data showed U.S. consumer prices rose in October and a gauge of manufacturing in New York state showed activity slowed in November for a fourth straight month. Meanwhile, factory-sector sentiment dropped in the U.S. Mid-Atlantic region.

Riskier positions are small, larger positions are being pared, and nimbleness is a virtue amidst growing uncertainties relating to the Eurozone crisis, U.S. fiscal cliff, renewed tensions in the Middle East and global growth moderation.

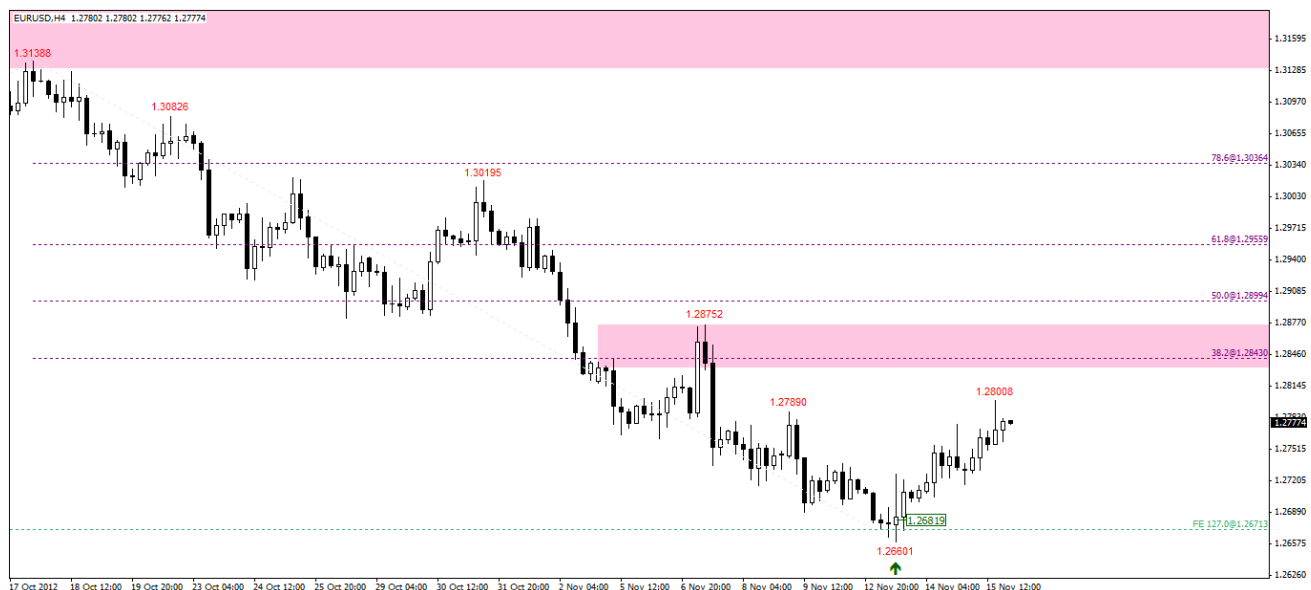
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EUR-USD DAILY



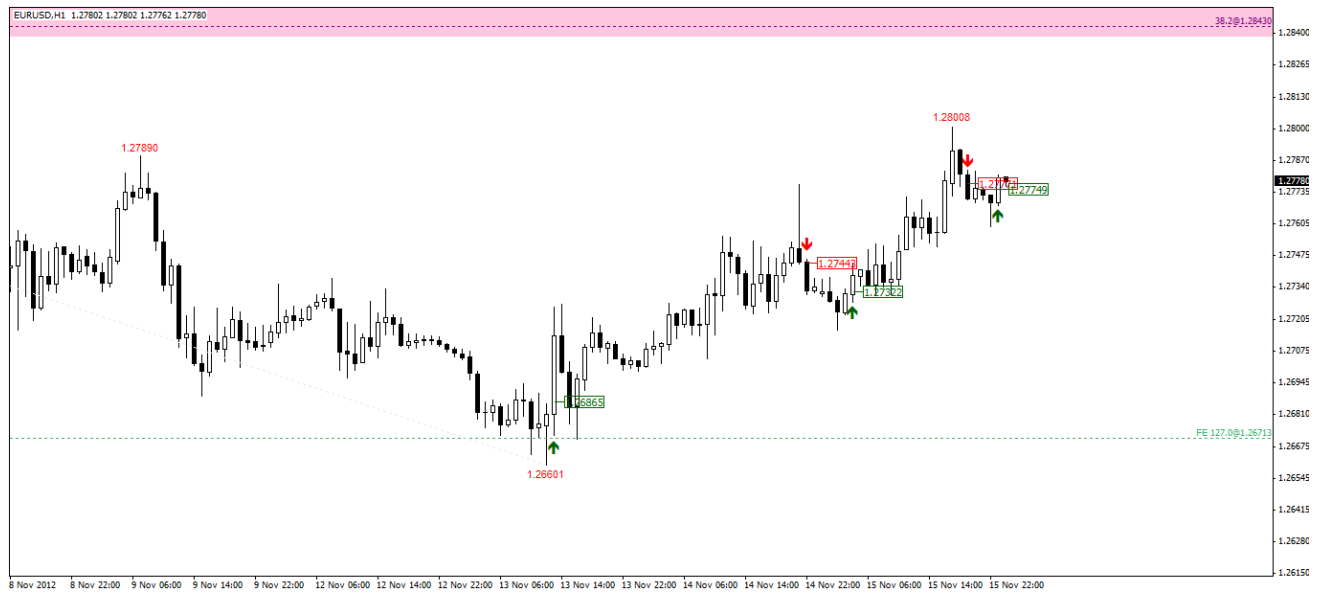
EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

The markets came alive on Wednesday after two days of listless trading. On Monday, price action dipped marginally below the 127.0% of 1.31710 to 1.28029 from 1.31388 at **1.26713** and rebounded. This strength carried over to Thursday's session after price action stalled at the 23.6% retracement of 1.31388 to 1.26601 at **1.27731** and ended up as shooting stars in both the H1 and H4 charts, triggering a sell signal with a close below **1.27743** in the H1 chart. By the end of Thursday's trading, the D1 chart triggered a Buy signal with a close above **1.27468**. This was a delayed reaction as Wednesday actions saw price action pulled back after what seems like a sustainable counter-trend rally. Now that this has happened, the 4th wave scenario is tentatively back in play. As mentioned, to truly give up on the 4th wave scenario, price action must trade aggressively below the 127.0% of 1.31710 to 1.28029 from 1.31388 at **1.26713** towards the 161.8% expansion level at **1.25432** pretty soon. This has yet to happen. If it does, the 4th wave scenario is truly dead and what we had seen was a 5th wave failure and thus the fall from 1.31388 is potentially an aggressive 3rd wave fall. As noted, one thing is missing in this extremely bearish scenario as there is, to date, no visible 5 waves down sequence prior to or within this fall. If, on the other hand, we have a 5-wave rally from Tuesday's low of 1.26601, a strong rally above the September 17 high of **1.31710** looks really good.

EUR-USD 1-HOURLY



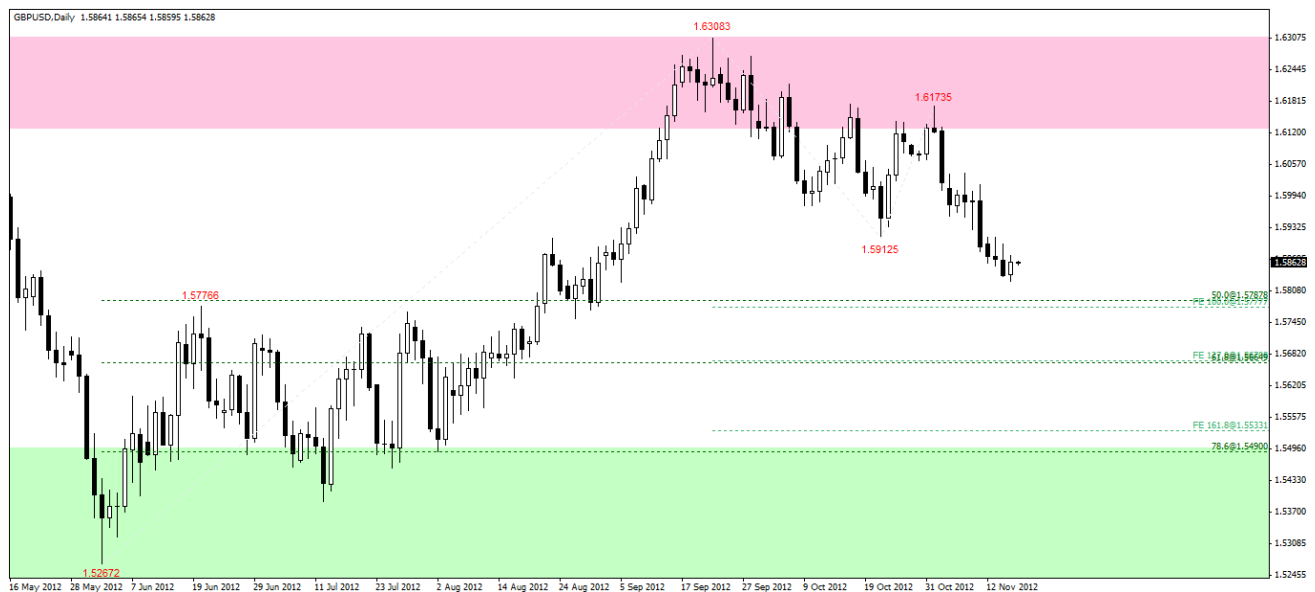
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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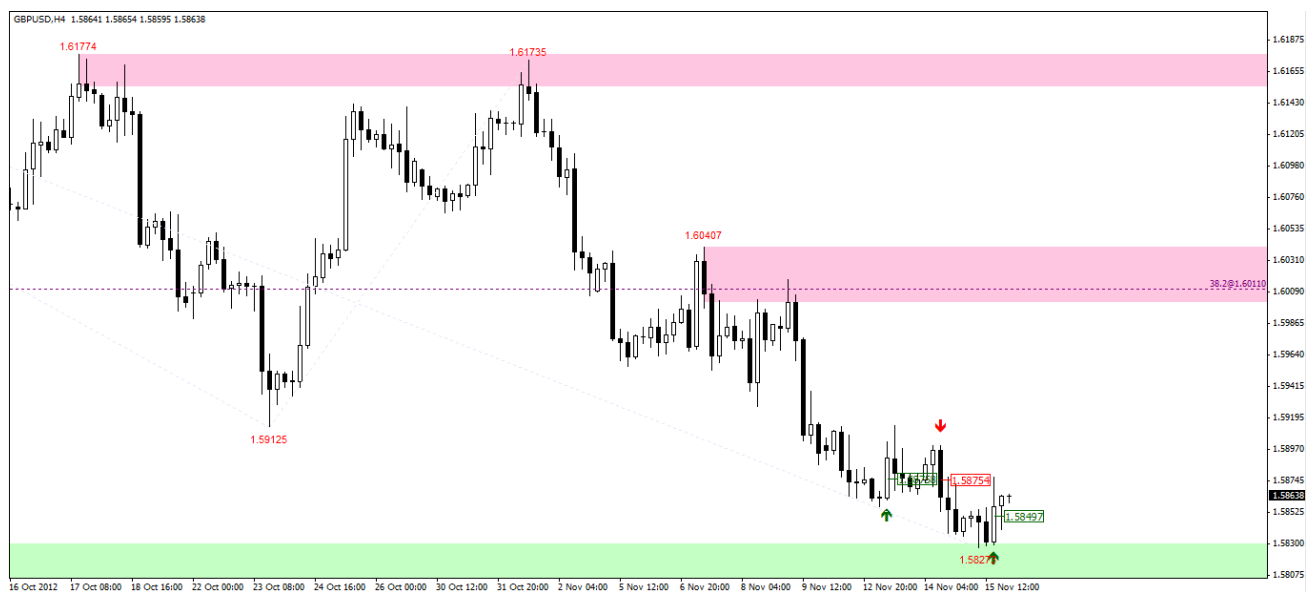
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$73,059.00
EUR-USD	15-11-2012	1.0	1.27749	14-11-2012	1.0	1.27443	-\$306.00		\$72,753.00
EUR-USD	15-11-2012	1.0	1.27749	14-11-2012	1.0	1.27443	-\$306.00	-\$612.00	\$72,447.00
						Unrealized	\$0.00		

GBP-USD DAILY



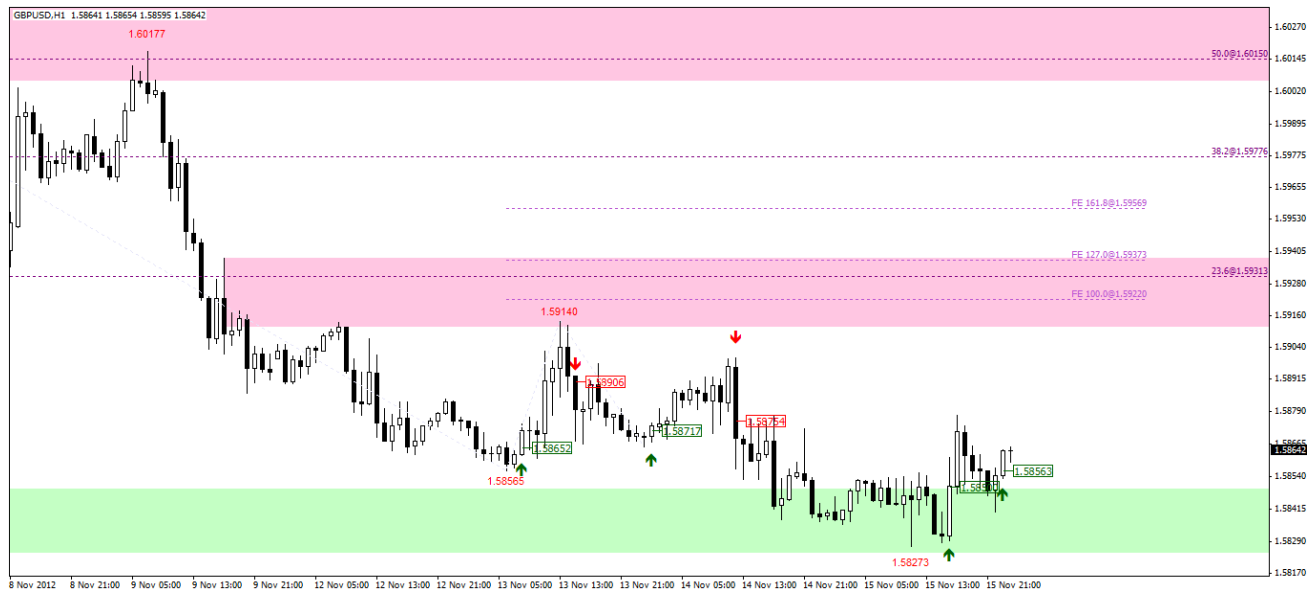
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

As mentioned, price actions since the peak at 1.63083 on September 21 were originally viewed as part of a wave 4. This bullish bias is severely challenged as price action continued to slid, at one point hitting the lowest weekly closing in 10 weeks with a low at **1.58273** some 24 hours ago. Price action hit a minor demand pocket at **1.58247-1.58493** and rebounded overnight (see H1 chart). With the larger time frames like the D1 and W1 under sell signals, an eventual rally above the September 21 peak of 1.63083 looks remote at this stage. On the other hand, the W1 chart shows that should this fall extends, the nearest area of support lies at DZ at **1.52327-1.54978**. That's a good 400 pips away. The nearest short-term support is the demand pocket at **1.57531-1.57823** where a confluence of 2 Fibonacci ratios lies in wait. There are the 50.0% retracement of 1.52672 to 1.1.63083 at **1.57878** and the 100.0% projection of 1.63083 to 1.59125 from 1.61735 at **1.57777**. If that happens and a buy reversal signal appears there, it may worth taking a punt to anchor a preliminary long position there to test the water for a more substantial correction.

GBP-USD 1-HOURLY



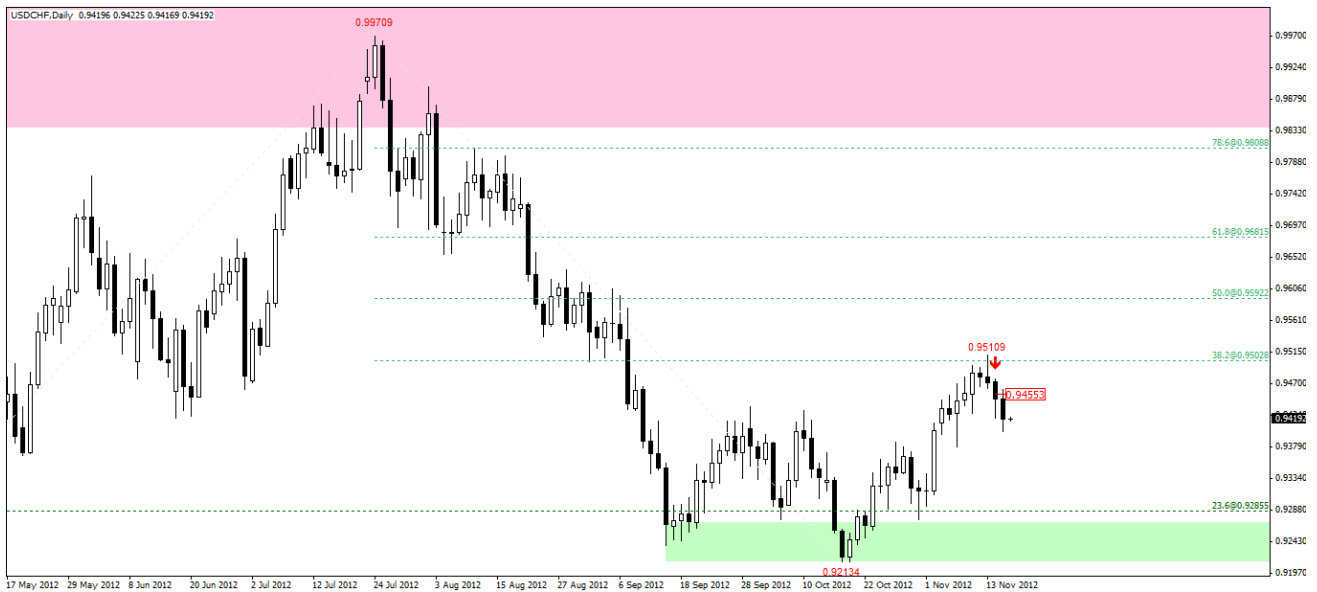
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Buy on buy signal in between 1.57777-1.57878	1.59313	1.60150	1.57431 STOP

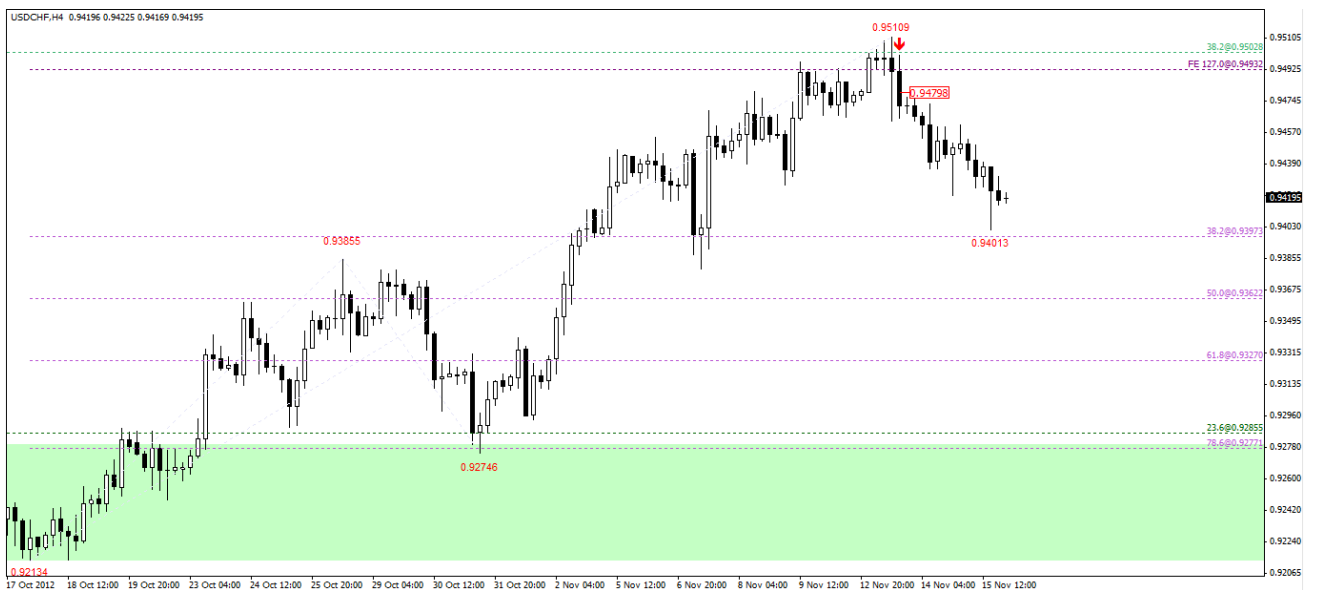
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$50,069.00
GBP-USD	14-11-2012	1.0	1.58717	14-11-2012	1.0	1.58465	-\$252.00		\$49,817.00
GBP-USD	14-11-2012	1.0	1.58717	14-11-2012	1.0	1.58465	-\$252.00	-\$504.00	\$49,565.00
						Unrealized	\$0.00		

USD-CHF DAILY



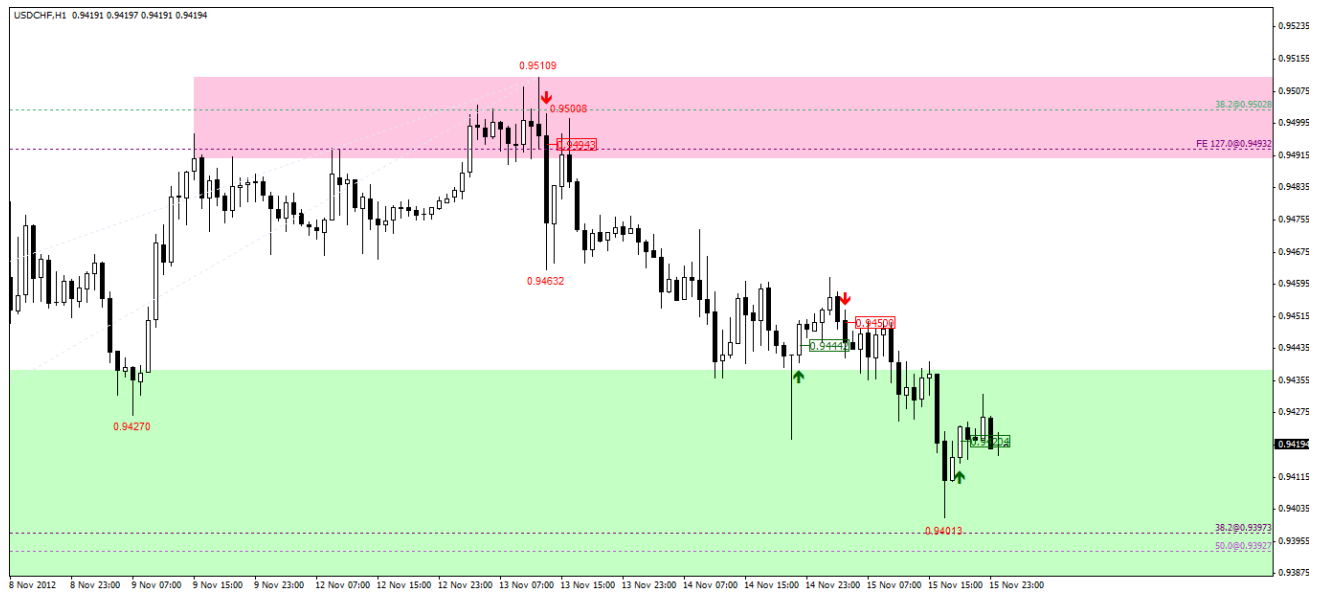
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

Last week, this market closed at a 10-week high in the W1 chart, suggesting the resumption of the long-term counter-trend rally from 0.70667. The original idea that price actions since October 17 low of 0.92134 was part of a 4th wave appeared doomed. After stalling between 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** on Monday and triggered sell signals in the lower time frame charts, the bearish case was back in favor. As noted, this confluence of Fibonacci ratios makes this price window very sensitive to reversal. With D1 chart now under a sell signal with a close below **0.94553** on Tuesday, further losses are expected. However, price action having hit the 38.2% retracement of 0.92746 to 0.95109 at **0.94206** as well as the 161.8% projection of 0.95109 to 0.94632 from 0.95008 at **0.94236**, rebounded and with a rare *Dragonfly Doji* to boot. This potential reversal signal has since been negated as price action fell further to test the 38.2% of 0.92134 to 0.95109 at 0.93973 as well as the 50.0% retracement of 0.92746 to 0.95109 at **0.93928** (see H1 chart). While the medium-term outlook has decidedly turned bearish with this overnight fall, the immediate bias favors the upside. That said, a top is possibly in place at 0.95109 and the 4th wave scenario is back in play. This is especially so, if after this short-term rebound, the ensuing fall is impulsive and closes below **0.94131** in the W1 chart by the end of tonight's NY session.

USD-CHF 1-HOURLY



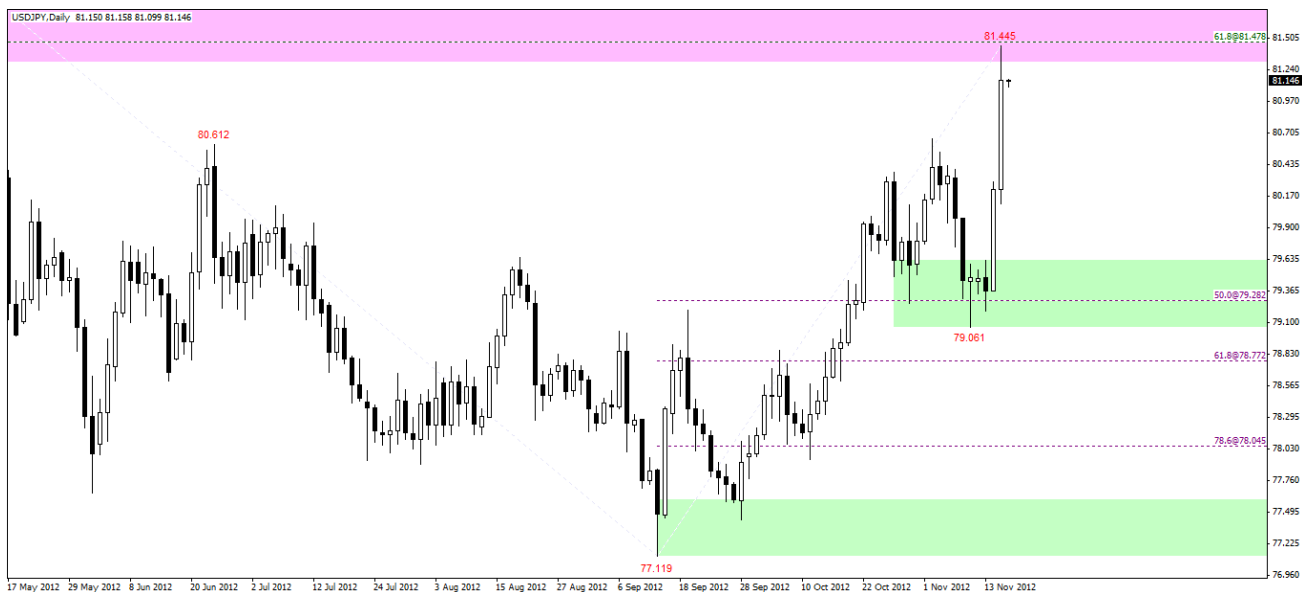
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 0.94943	0.94551 Realized	0.90587	Exit on H4 close above 0.94371

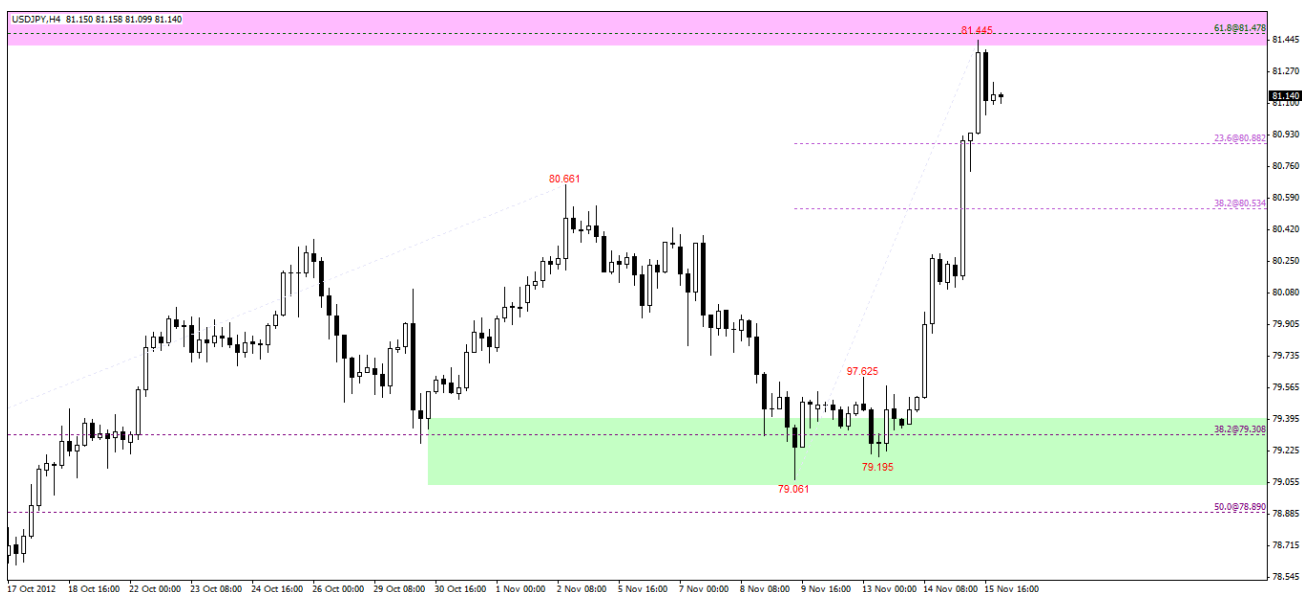
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$33,811.41
USD-CHF	14-11-2012	1.0	0.94551	13-11-2012	1.0	0.94943	+\$414.59	+\$414.59	
USD-CHF	15-11-2012	1.0	0.94186	13-11-2012	1.0	0.94943	+\$803.73		
						Unrealized	+\$803.73		

USD-JPY DAILY



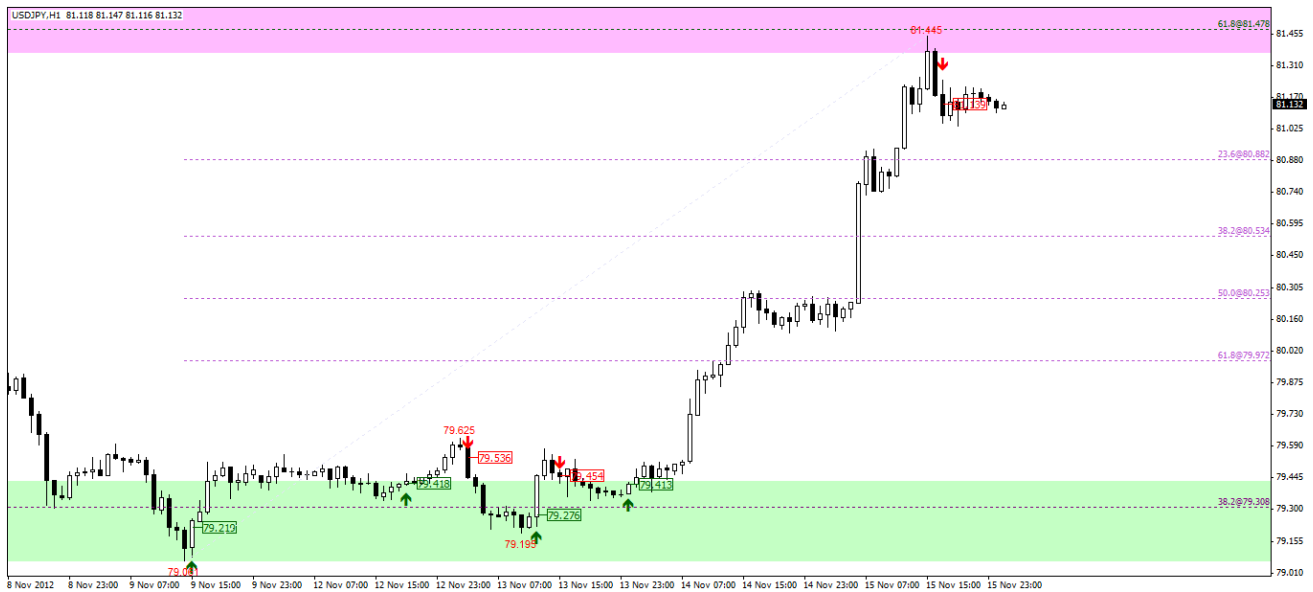
USD-JPY 4-HOURLY



USD-JPY Short to Medium Term Views

News of an early election in Japan sparked a run in USD-JPY on Wednesday as the prospects of a LDP government which favours further easing caused a stampede to sell the Japanese Yen. This degenerated to an explosive short-covering that took price action to a 7-month high with an overnight print at 81.445. The rally was so powerful, it practically blown away all resistance levels and finally stalled within an ancient longer-term supply pocket at **81.366-81.858** where the 61.8% retracement of 84.172 to 77.119 at **81.478** is located. With such a strong and impulsive rally, an attempt at the year's high **84.172** last seen in March may next be in the card. Over the long-term, this bullish bias has a potential for a 5 yen or 500 pips rally. A possible target is the 100.0% projection of 75.563 to 84.172 from 77.119 at **85.728** which incidentally sits within a known supply zone. In the meantime, a pullback may see a correction to around the 23.6% retracement of 79.061 to 81.445 at **80.882** and if so, a buy signal there may be just what is needed for those who missed the boat earlier to jump in for the ride to the 84.000 handle vicinity.

USD-JPY 1-HOURLY



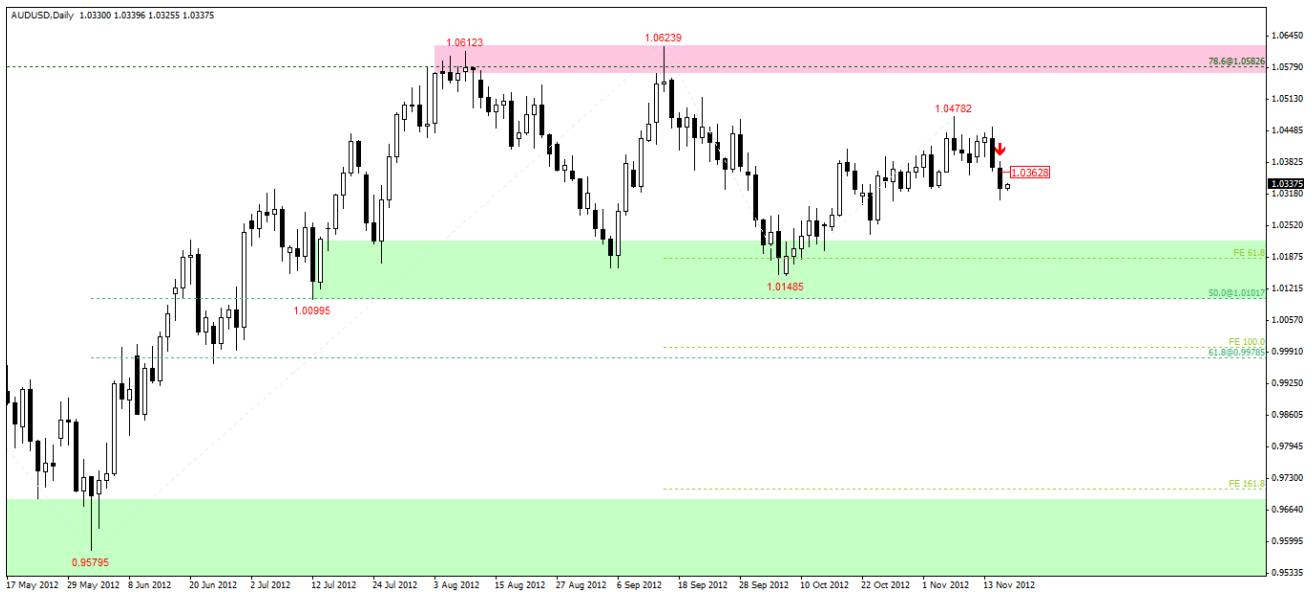
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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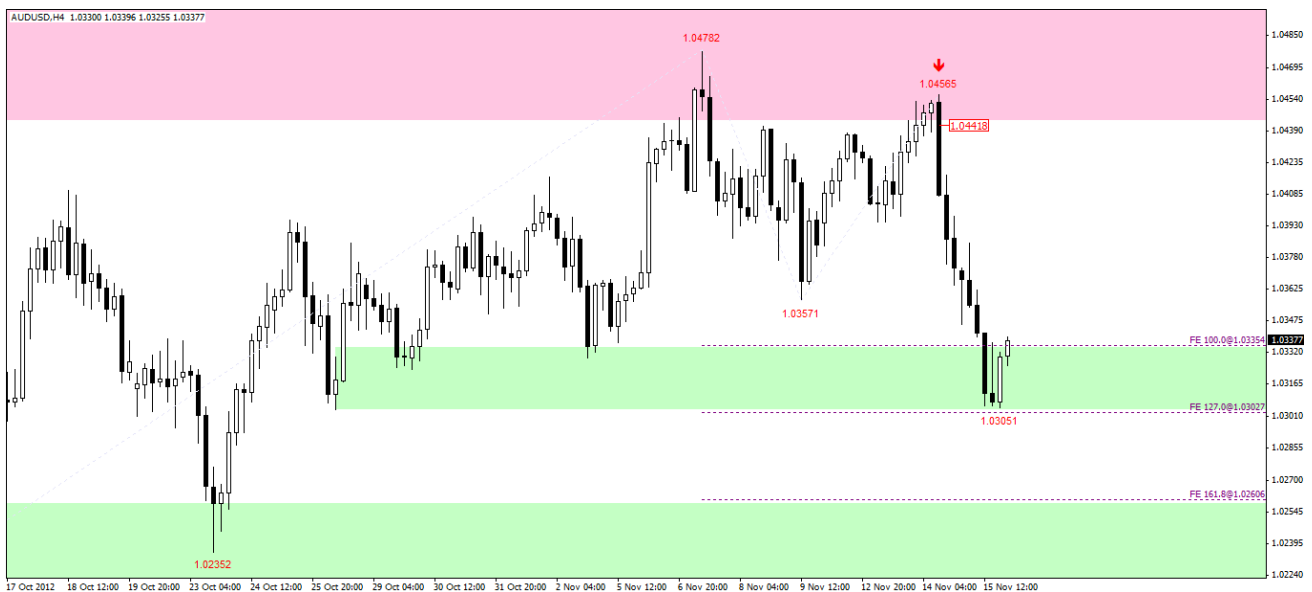
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 09-11-2012								\$27,155.39
USD-JPY	09-11-2-12	1.0	79.222	14-11-2012	1.0	79.862	+\$801.38	+\$801.38	\$27,956.77
USD-JPY	09-11-2-12	1.0	79.222	15-11-2012	1.0	80.645	+\$1,765.76	+\$1,765.76	\$29,722.53
Unrealized							\$0.00		

AUD-USD DAILY



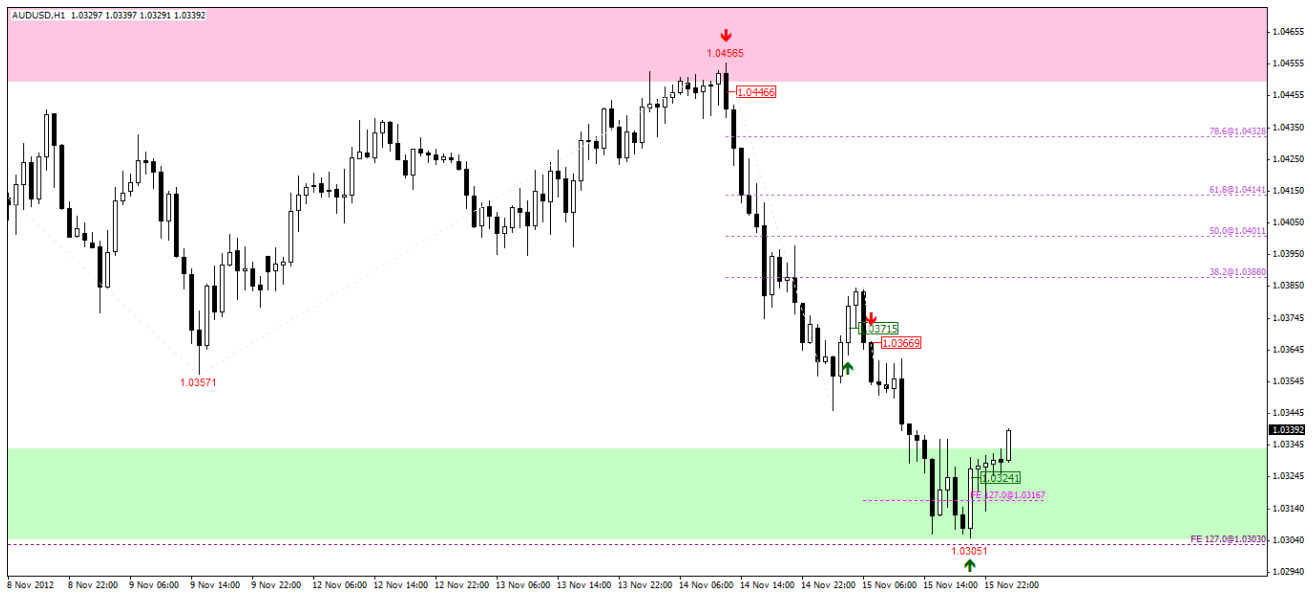
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

Wednesday's rally back into the minor supply pocket at **1.04486-1.04722** and aggressive exit was pivotal as prices have practically collapsed in the last 48 hours. As mentioned, the immediate target is the demand pocket at **1.03044-1.03332** and if this zone cannot hold, an obvious medium-term target is the demand pocket at **0.99680-1.00207**. Alternatively, the 61.8% and 100.0% projection of 1.06239 to 1.01485 from 1.04782 at **1.01844** and **1.00028** respectively are also viable targets. With this sell-off, the D1 chart with a close below **1.03628** had triggered a sell signal. If by the end of tonight's NY session, this market closes below **1.03146**, further losses can be expected. In the meantime, a counter-trend rebound may be seen as the H1 chart has triggered a buy signal with a close above **1.03241**. If price action closes above **1.03412**, it too will trigger a buy signal in the H4 chart. A possible retracement target is the minor supply pocket at **1.03830-1.03976** where the 38.2% retracement of 1.04565 to 1.03051 at **1.03629** awaits.

AUD-USD 1-HOURLY

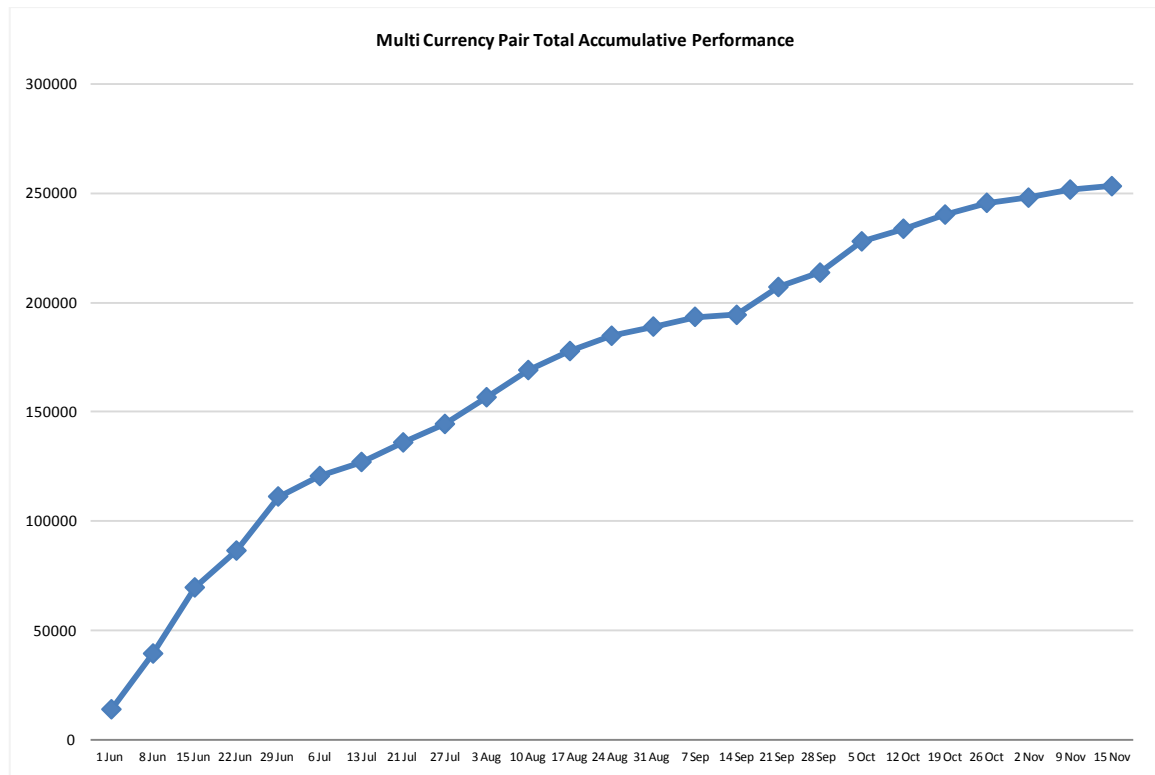
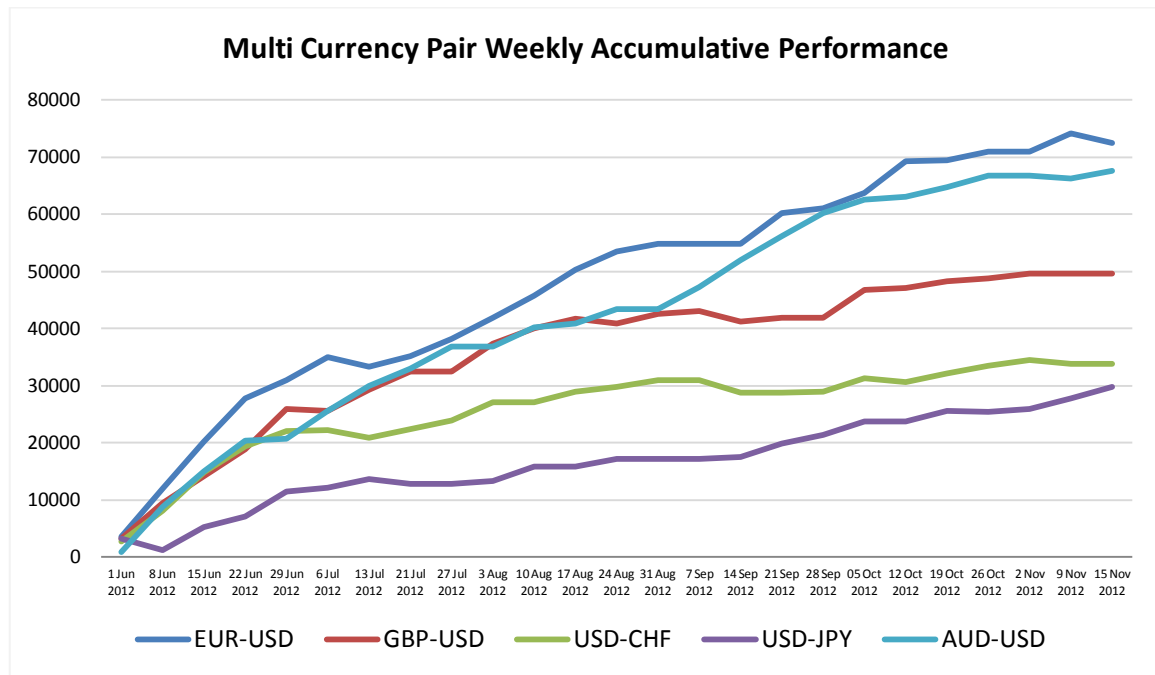


Trade Ideas

ACTION	Target 1	Target 2	EXIT
Sold @ 1.04589	1.03262 Realized	1.01911	Exit on H4 close above 1.03412

Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 09-11-2012								\$66,343.00
AUD-USD	15-11-2012	1.0	1.03262	07-11-2012	1.0	1.04589	+\$1,327.00	+\$1,327.00	\$67,670.00
AUD-USD	15-11-2012	1.0	1.03297	07-11-2012	1.0	1.04589	+\$1,292.00		
						Unrealized	+\$1,292.00		



Website under development

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 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.