

A Traders Academy International Publication

US Fiscal Cliff Weighs On Markets

EUR-USD came off a 1-month high on Thursday after top Republican lawmaker John Boehner dented hopes for a budget deal that could prevent the U.S. economy from slipping back into a possible recession next year.

EUR-USD had earlier risen above the 1.30000 handle on expectations that U.S. politicians would reach an agreement. But it pared gains to trade just slightly higher on the day by late New York morning session. A day after expressing optimism over a U.S. "fiscal cliff deal," Boehner, speaker of the U.S. House of Representatives, on Thursday said there had been no "substantive" progress made in the last two weeks.

Congressional budget analysts have warned that the fiscal cliff's approximately \$600 billion in tax hikes and spending cuts that would begin in 2013 would push the U.S. economy back into recession. Following a meeting with Treasury Secretary Timothy Geithner, the White House's main liaison to Congress, Boehner said Geithner had not provided a comprehensive plan for dealing with the budget problem.

EUR-USD also cut gains after Democratic Congressman Chris Van Hollen told MSNBC that lawmakers were not close to a U.S. budget deal, traders said. Van Hollen is the top Democrat on the House Budget Committee.

A deal to avert the cliff would boost the outlook for the US economy and lift growth-linked currencies such as the Euro and the Australian Dollar.

EUR-USD was up 0.2 percent at 1.29774, after earlier hitting a 1-month high of 1.30131 as traders also reported month-end demand for Euros.

A drop in Italy's 10-year borrowing costs at a sale of debt on Thursday and positive Euro zone data helped support the currency.

Traders were cautious about pushing the Euro higher. Some analysts warned the Euro remained vulnerable to economic data and concerns about elements of Greece's aid deal. Greece's ability to fully implement a debt buy-back is a looming issue.

U.S. data on Thursday, though slightly below expectations, pointed to an upturn in the US economy, feeding risk appetite and helping the Euro hold gains against both the US Dollar and Japanese Yen.

New claims for U.S. jobless benefits fell for a second straight week, and in a separate report said the US economy grew by 2.7 percent in the third quarter, a faster rate than initially estimated. The positive revision to economic growth in the third quarter is consistent with job creation that was almost three times faster than in the previous three months.

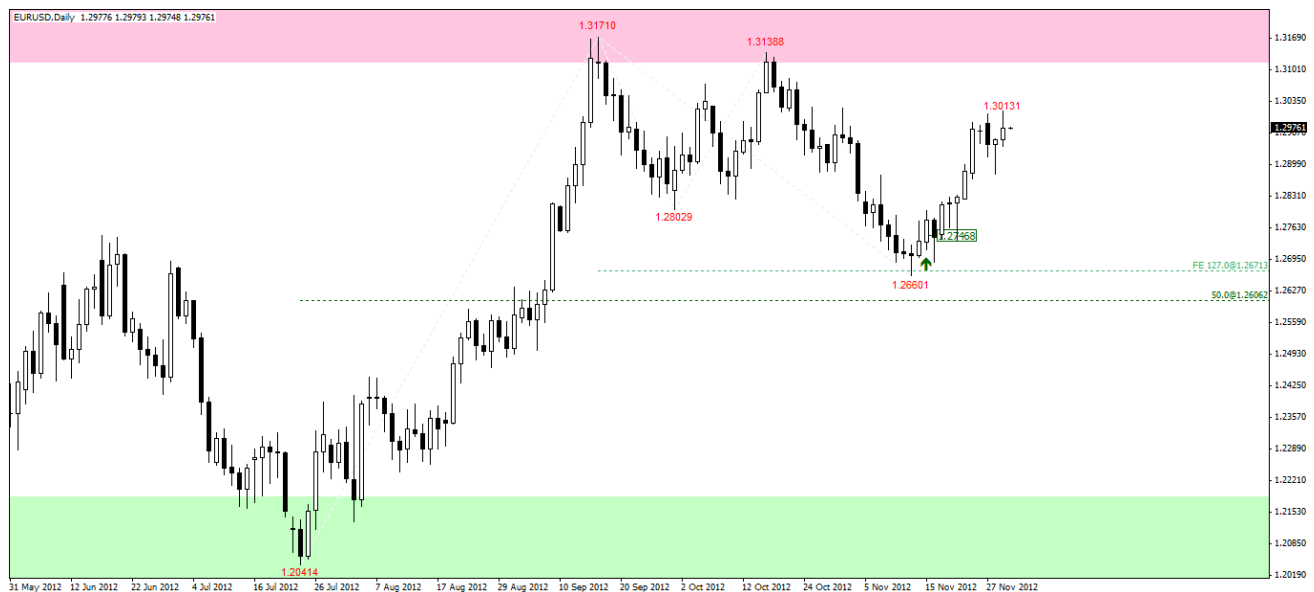
USD-JPY edged 0.1 percent higher at 82.097, pulling away from a 1-week low of 81.672 set on Wednesday. USD-JPY hit a 7-1/2-month high of 82.820 last Thursday on speculation about possible aggressive monetary easing in Japan following a likely change in government next month.

Main opposition leader Shinzo Abe, a front-runner to become prime minister after the Dec. 16 election, has called for radical change in monetary policy, including unlimited easing. His stance sparked a 4 percent rise USD-JPY this month. Some traders, however, were paring back expectations of aggressive easing and questioned how much impact Abe would have on monetary policy.

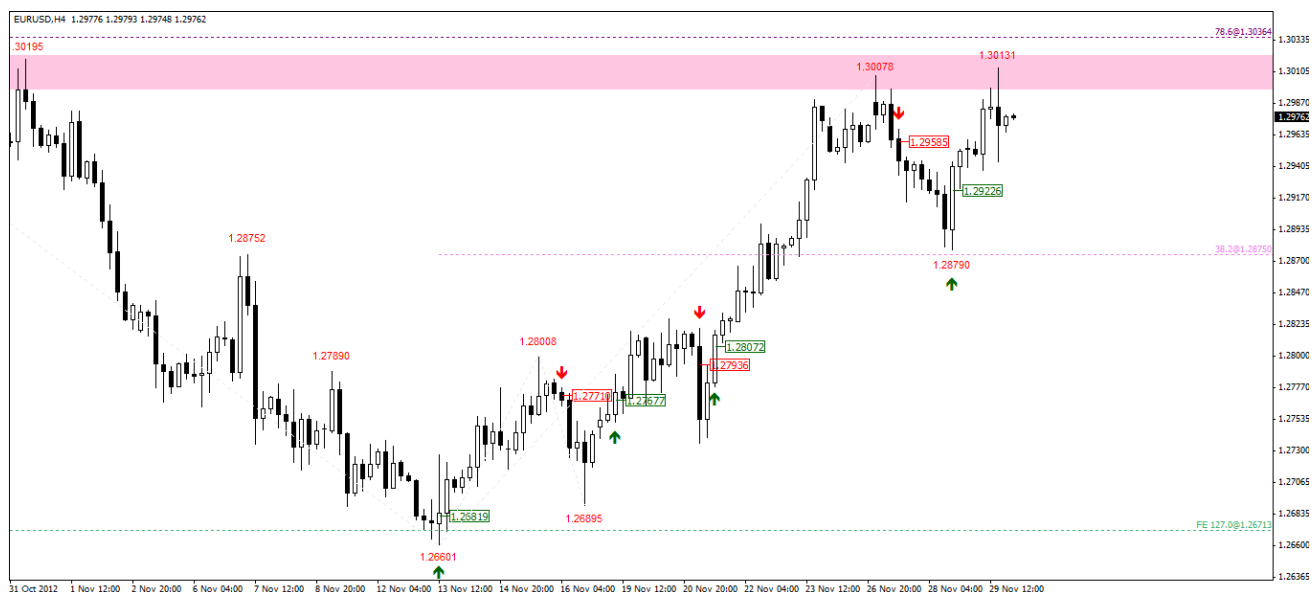
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EUR-USD DAILY



EUR-USD 4-HOURLY



EUR-USD Short to Medium-Term Views

EUR-USD pulled back and came close to the 38.2% retracement of 1.26601 to 1.30078 at **1.28750** from within a minor demand pocket at **1.28563-1.28818** and rebounded on Wednesday (see H1 chart). With the strong rebound, odds are the rally from 1.26601 may have resumed. For 2 consecutive days, price actions tested the October 31 high of **1.31095** with a print at 1.30078 and 130131 respectively before easing. In retrospect, actions last Friday has helped cleared up the medium-term picture of this market considerably. With a relatively strong closing last Friday, the idea that the 5th wave of the rally from 1.20414 has finally started is gaining credence. All this 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 from 1.26601 appears to be accelerating and 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). Remain on the long side of this market.

EURUSD, H1 1.29776 1.29793 1.29748 1.29764

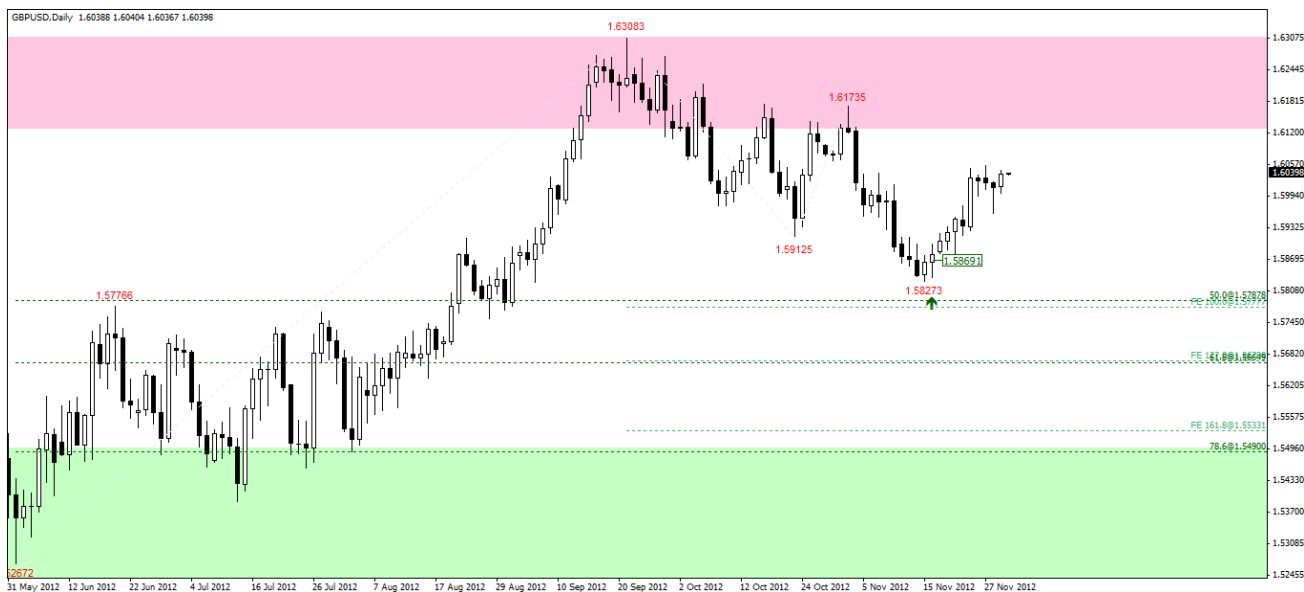
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ACTION	Target 1	Target 2	EXIT
Bought @ 1.28923 (M5 chart)	1.30364	1.32831	Breakeven

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade +/-	Realized +/-	Accumulative +/-
	B/F from 23-11-2012								\$72,447.00
EUR-USD	28-11-2012	1.0	1.28923	29-11-2012	1.0	1.29774	+\$851.00		
EUR-USD	28-11-2012	1.0	1.28923	29-11-2012	1.0	1.29774	+\$851.00		
Unrealized							+\$1,702.00		

GBP-USD DAILY



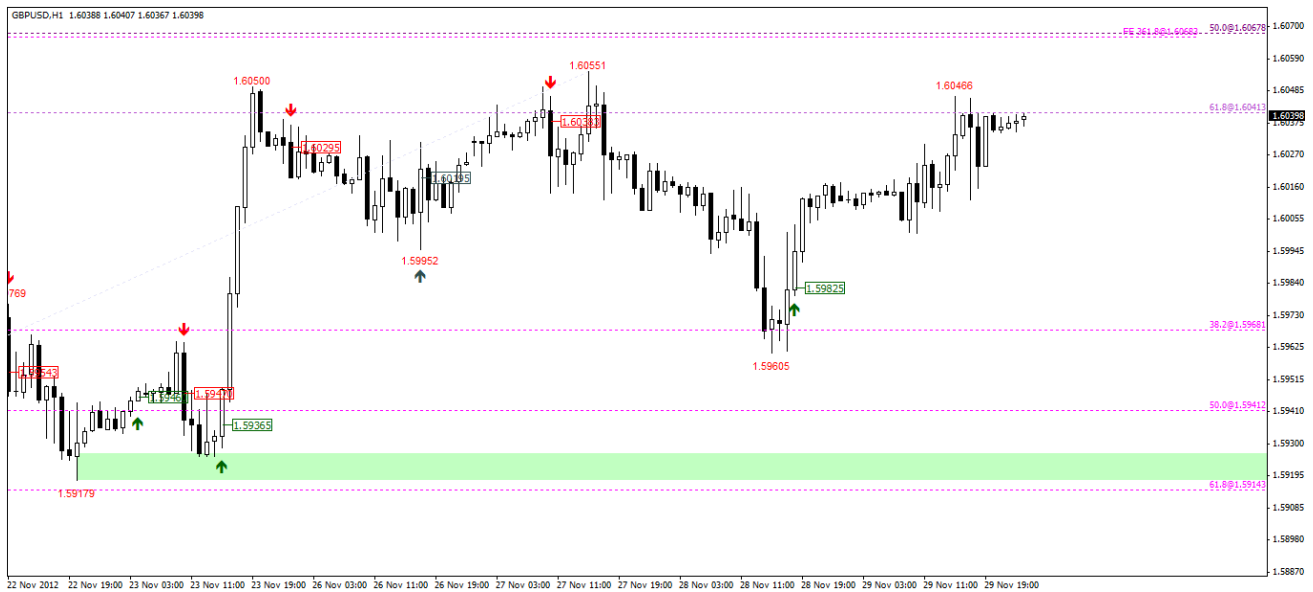
GBP-USD 4-HOURLY



GBP-USD Short to Medium Term Views

Having found support at the 38.2% retracement of 1.58273 to 1.60551 at **1.59681**, this market has somehow maintains its upward trajectory. Market came close to test the previous day's high at 1.60551 with a print at 1.60466 and eased. Price action is now back to testing this high in early Asian session this morning. As noted, the medium-term outlook has turned positive for the first time since October 25 with a closing above **1.58691** a fortnight ago. This bullish bias is further enhanced when the W1 chart too turned positive with a close above **1.60096**; triggering a buy signal in the W1 chart last week. In view of this, an eventual rally above the September 21 peak of **1.63083** now looks probable. Immediate focus, however, is on price reactions at/near the Fibonacci cluster located 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**.

GBP-USD 1-HOURLY



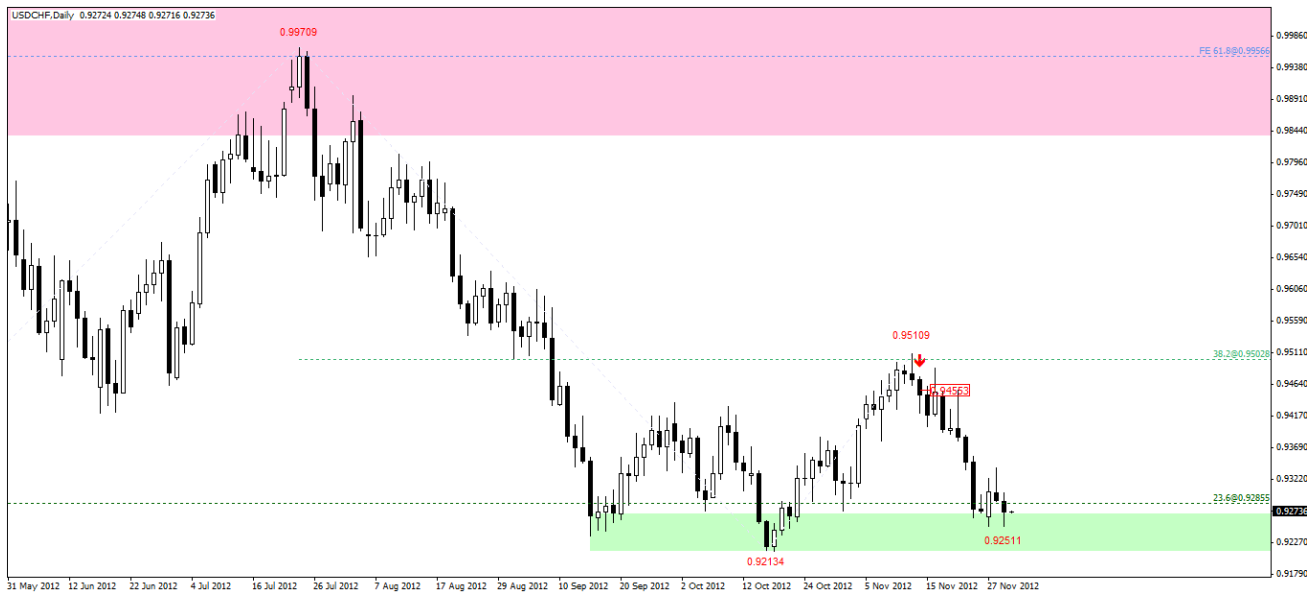
Trade Ideas

ACTION	Target 1	Target 2	EXIT
Bought @ 1.59037	1.60063 Realized	1.65416	Exit on H4 close below 1.59505
Bought @ 1.59825	1.61546	1.62589	

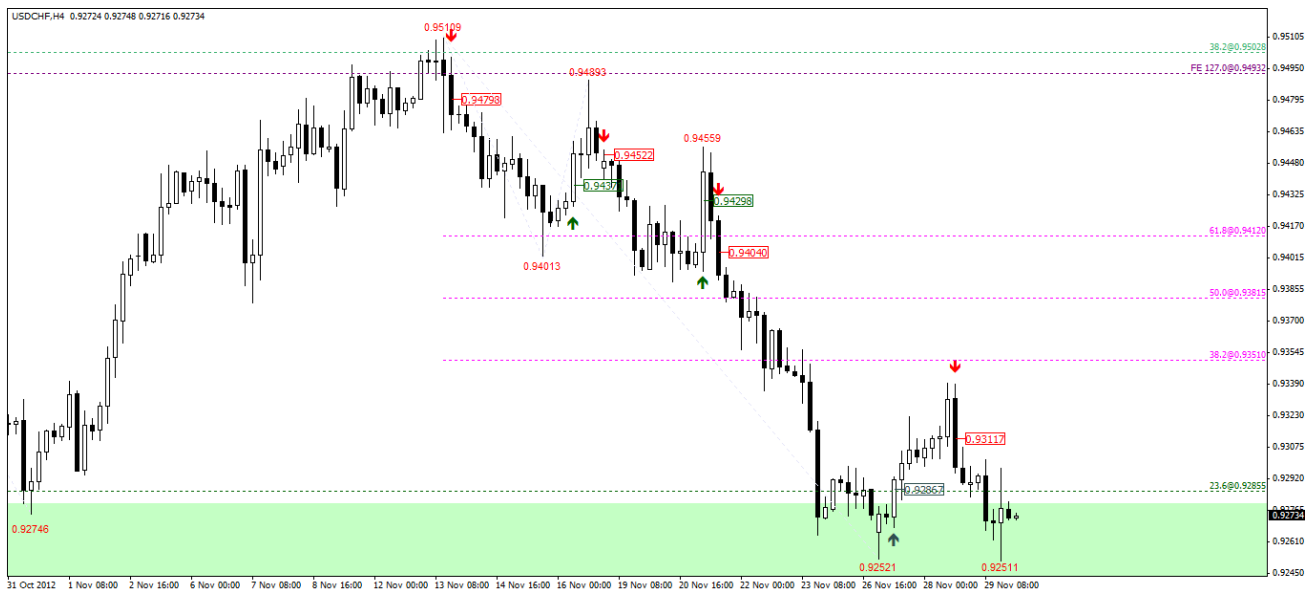
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 23-11-2012								\$50,309.00
GBP-USD	21-11-2012	1.0	1.59037	29-11-2012	1.0	1.60383	+\$1,346.00		
GBP-USD	28-11-2012	1.0	1.59825	29-11-2012	1.0	1.60383	+\$558.00		
GBP-USD	28-11-2012	1.0	1.59825	29-11-2012	1.0	1.60383	+\$588.00		
						Unrealized	+\$2,462.00		

USD-CHF DAILY



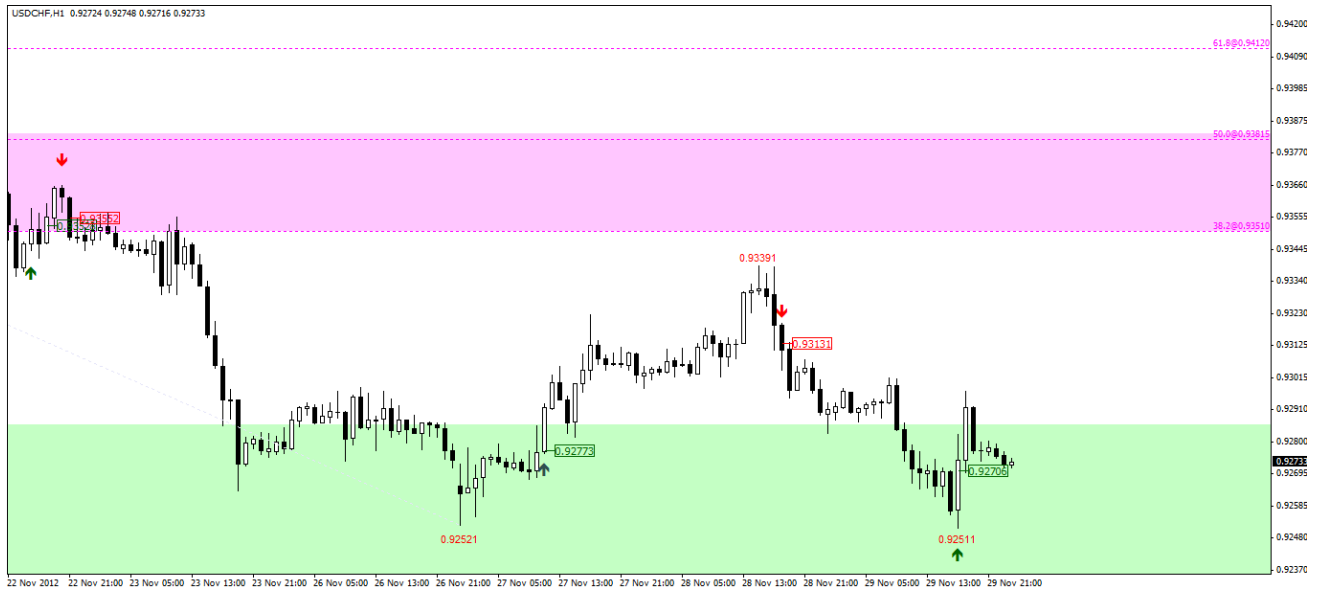
USD-CHF 4-HOURLY



USD-CHF Short to Medium Term View

The earlier idea of positioning shorts between the 38.2% and 50.0% retracement levels of 0.95109 to 0.92521 at **0.93510 to 0.93815** did not pan out as hoped. The rebound off the demand pocket at **0.92746-0.92975** was initially expected to trade into the minor supply pocket at **0.93507-0.93836**. Previously, the rise from 0.92134 to 0.95109 two weeks ago to 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** saw this market coming under selling pressure. In view of the impulsiveness seen in this fall especially after last Friday's decline, there is a good chance the next leg down may have resumed. This fall has the potential to be more dramatic relative to the initial fall from 0.99709. Should this fall extend decisively below the demand pocket at **0.92746-0.92975**; it would add credence to this extremely bearish scenario. A break below the October 17 low of **0.92134** would all but confirm that another massive fall is in motion.

USD-CHF 1-HOURLY



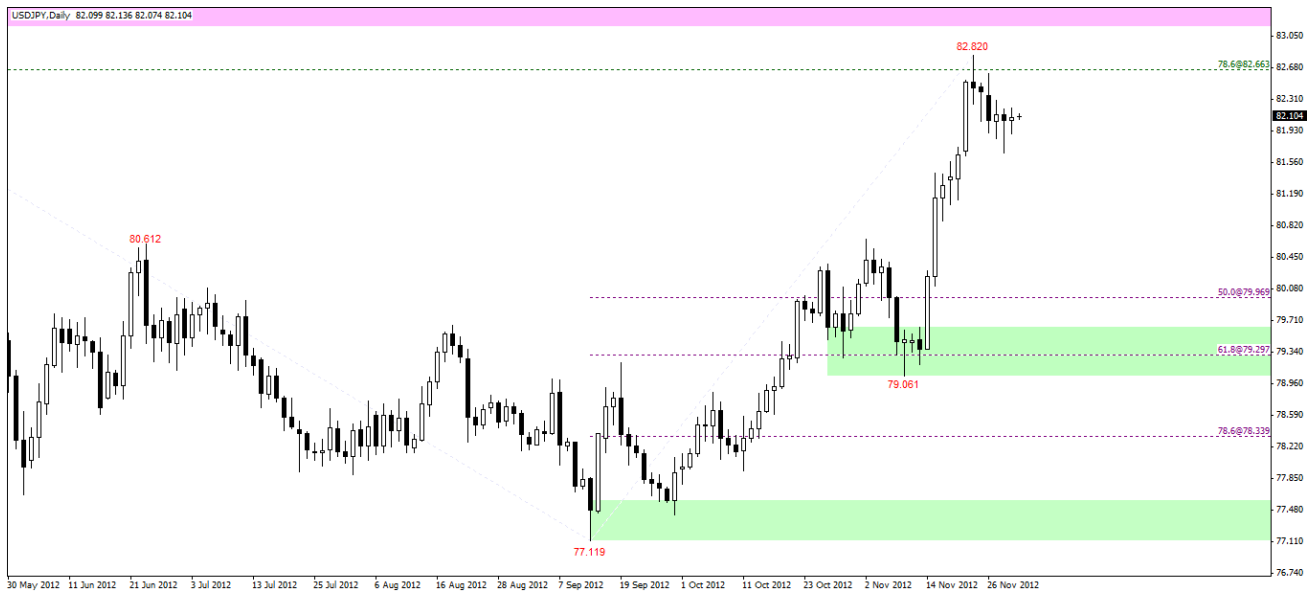
Trade Ideas

ACTION	Target 1	Target 2	EXIT
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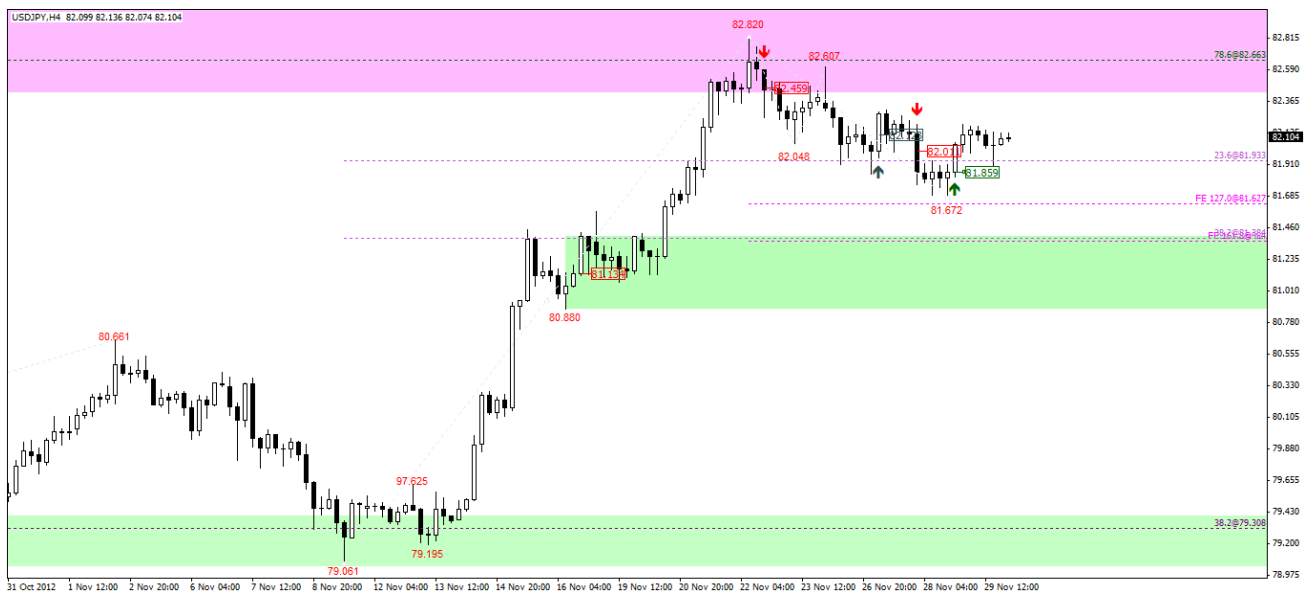
Weekly Performance

Currency	Date	Buy	Price	Date	Sell	Price	Per Trade + / -	Realized + / -	Accumulative + / -
	B/F from 23-11-2012								\$34,932.12
Unrealized							\$0.00		

USD-JPY DAILY



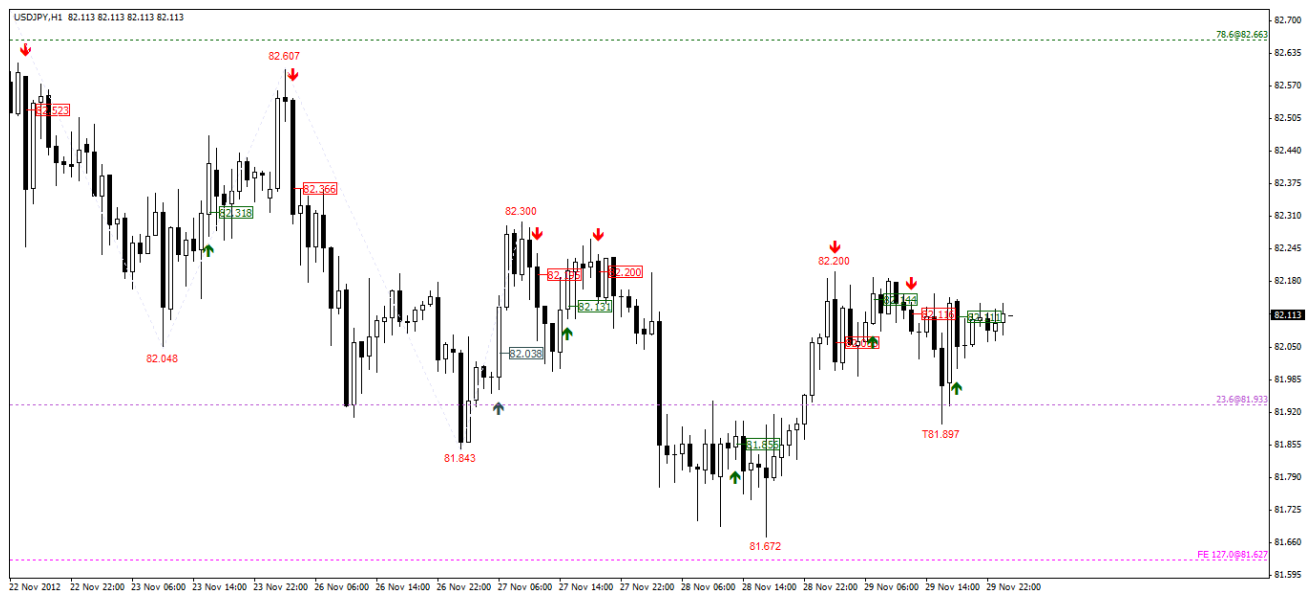
USD-JPY 4-HOURLY



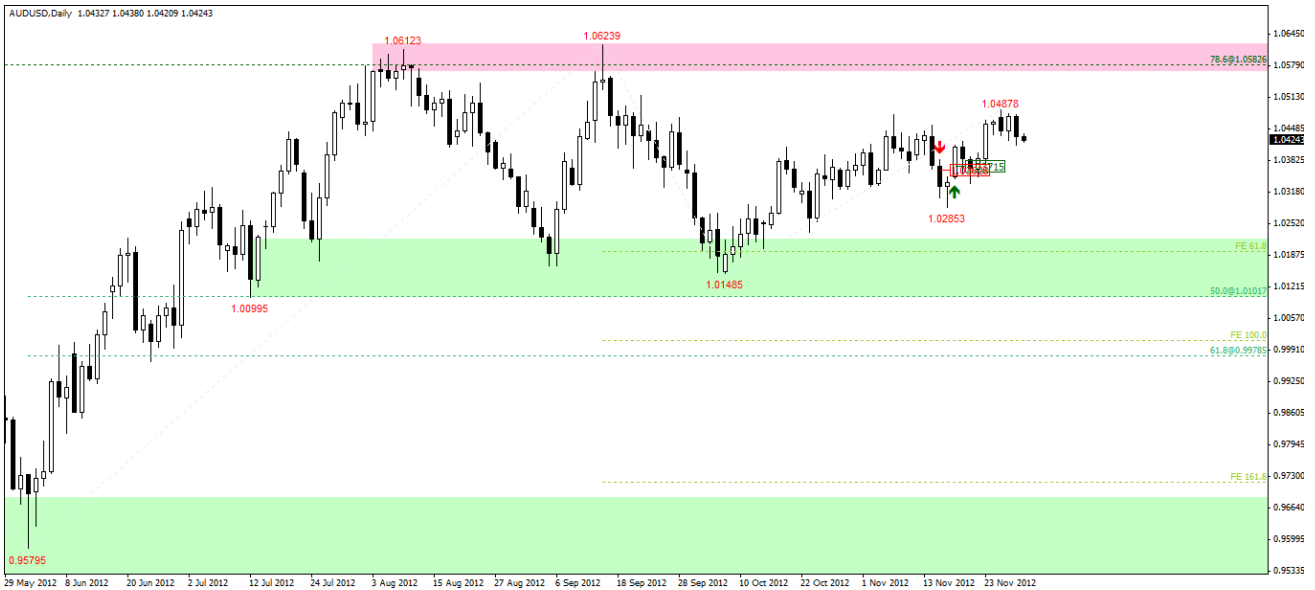
USD-JPY Short to Medium Term Views

The expected rebound did not quite work out as expected. When price action rebounded from just above the 100.0% projection of 82.820 to 82.048 from 82.607 at **81.835** in a 3-wave structure on Tuesday, it was thought that the correction may be over and this market is poised to resume its rally. Instead this market dipped a little deeper to just above the 127.0% projection of 82.820 to 82.048 from 82.607 at **81.627** and rebounded strongly. This dip to the 127.0% projection of 82.820 to 82.048 from 82.607 at **81.627** was, however, not entirely unexpected though as this possibility was never rule out as mentioned in previous reports. Immediate focus now is once again on the 78.6% retracement of 84.172 to 77.119 at **82.663** located within a supply pocket at **82.424-83.380**. 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. 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. From there, the longer-term down trend is expected to resume below the all-time low of **75.563**.

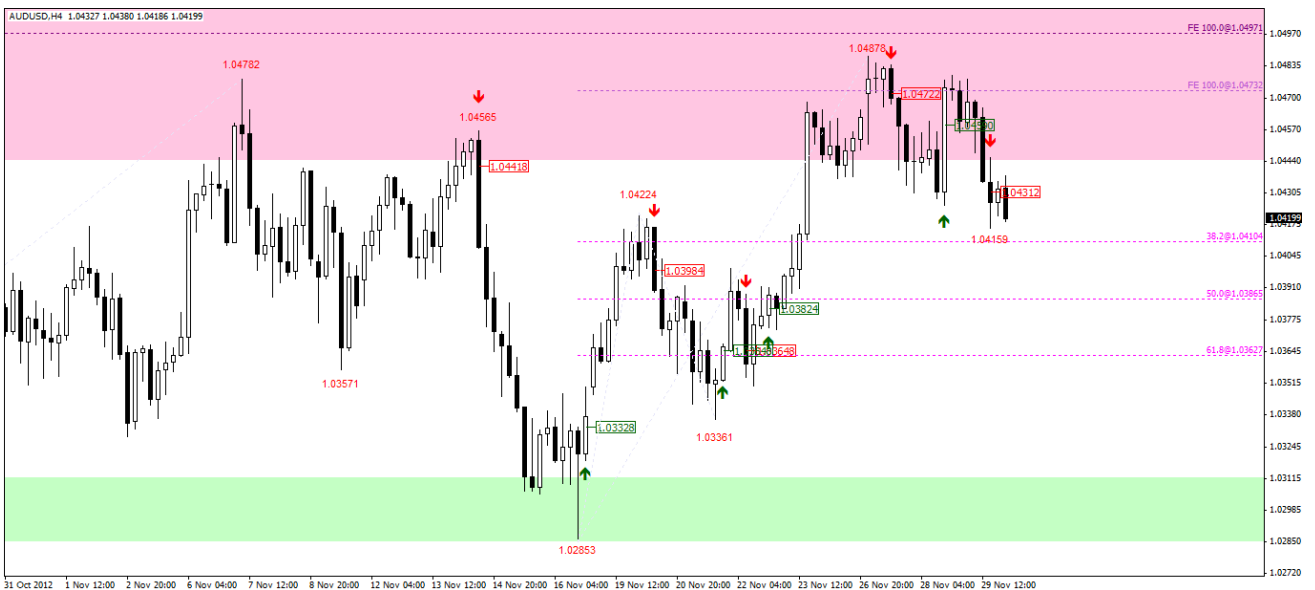
USD-JPY 1-HOURLY



AUD-USD DAILY



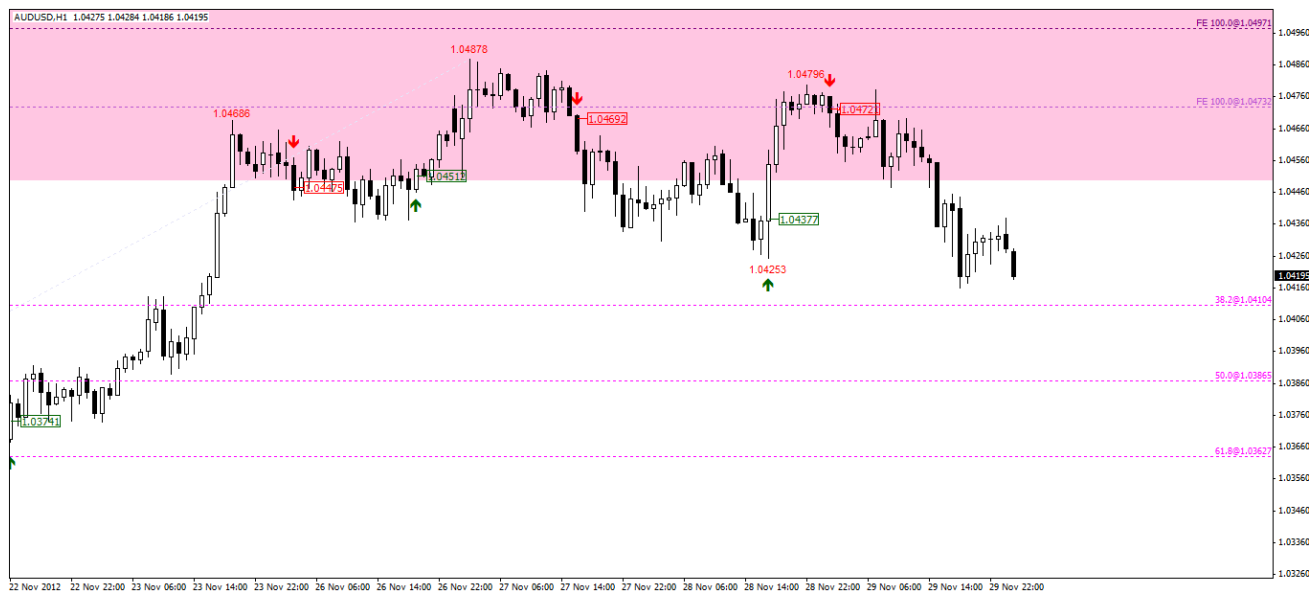
AUD-USD 4-HOURLY



AUD-USD Short to Medium Term Views

In the medium-term, this market continues to consolidate between a roughly 500 pips range as seen in the D1 chart. After pulling back in a 3-wave correction to the 61.8% retracement of 1.02853 to 1.04224 at 1.03377 with a low at 1.03361 last Wednesday, this market is poised to extend its rally. However, price actions continues to meet heavy resistance from within the minor supply pocket at **1.04486-1.04722** where the 100.0% projection of 1.01485 to 1.04104 from 1.02853 at **1.05472** is located. Tuesday saw sell signals triggered in both the H1 and H4 charts with closes below **1.04692** and **1.04722** respectively but were promptly negated as buying interests emerged on Wednesday. However, there was no follow-through buying to take price action beyond the supply pocket of **1.04486-1.04722**. Though selling interests are dominating right now, it is best to stay on the long side of this market in view of the long-term bullish bias. A pullback to, ideally, the demand pocket at **1.02853-1.03118** may provide us with the opportunity to position long positions for the next leg up.

AUD-USD 1-HOURLY

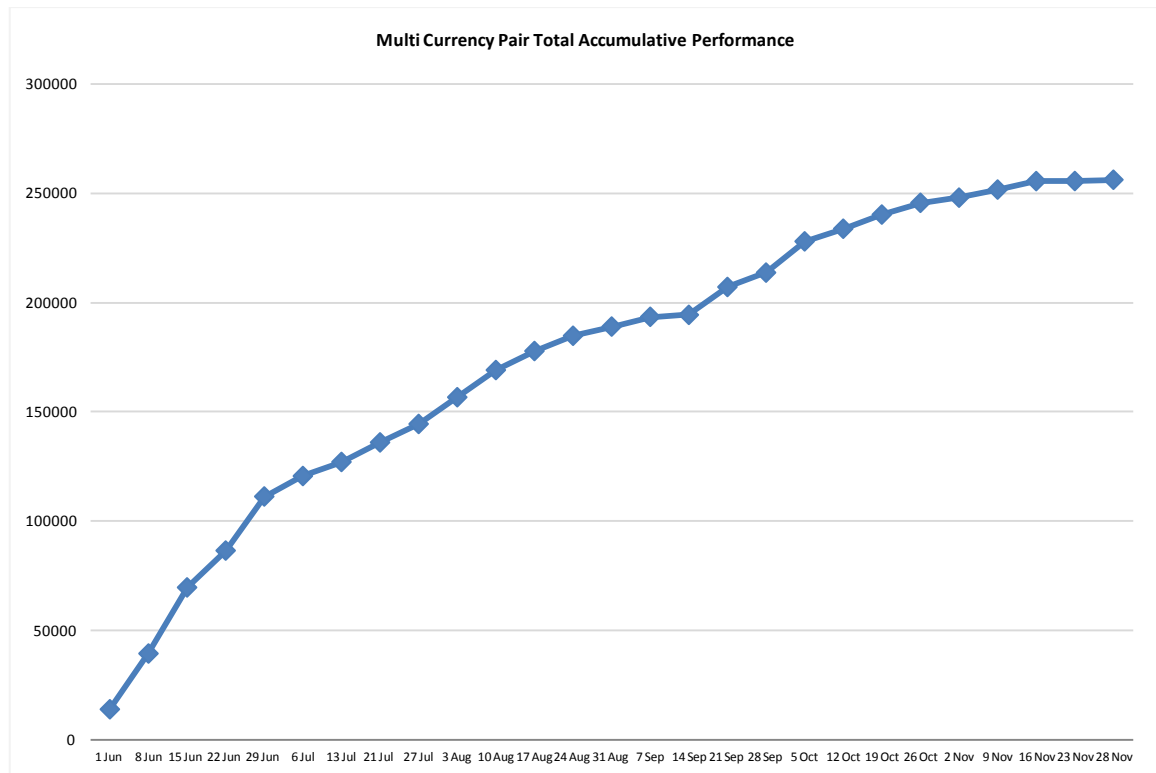
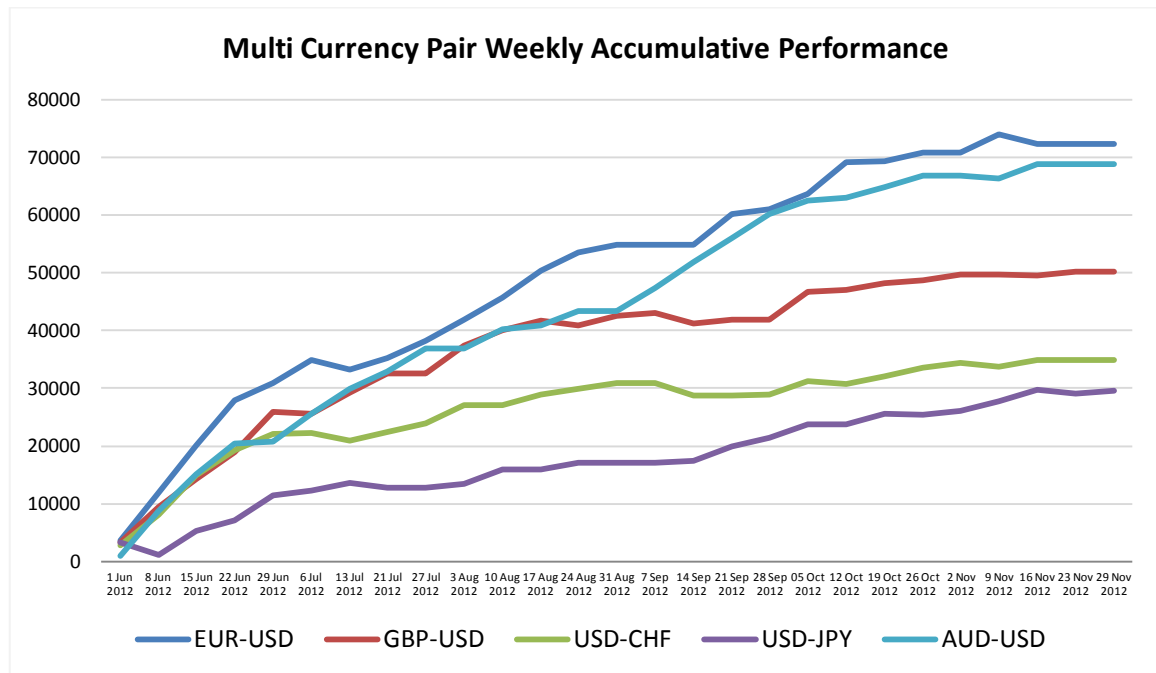


Trade Ideas

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 16-11-2012								\$68,847.00
AUD-USD	26-11-2012	1.0	1.04786	26-11-2012	1.0	1.04475	-\$311.00		\$68,536.00
AUD-USD	26-11-2012	1.0	1.04786	26-11-2012	1.0	1.04475	-\$311.00	-\$622.00	\$68,225.00
						Unrealized	\$0.00		



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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.