

Daily Trading Signals - Majors

10/02/2011 08:40

Trading Strategies

MARKET	Last	Strategy 1	Entry 1	Target 1	Stop 1	Action	Strategy 2	Entry 2	Target 2	Stop 2	€ Factor	Curr. P/L	Curr. R/R	Entry R/R
Currency - Majors														
EUR/USD	1.3675	LONG	[1.3633]	1.4074	1.3610	AND	Go Short<	1.3610	1.3524	1.3712	1.000	0.31%	0.5/3	0.2/3.3
USD/JPY	82.67	LONG	[82.53]	83.09	82.20	AND	Go Short<	82.20	80.57	82.79	1.368	0.17%	0.6/0.5	0.4/0.7
GBP/USD	1.6072	SHORT	[1.6038]	1.5928	1.6188	AND	Go Long>	1.6188	1.6388	1.6026	0.851	-0.21%	0.7/0.9	0.9/0.7
USD/CHF	0.9610	Go Long>	0.9663	0.9954	0.9591	AND	Go Short<	0.9520	0.9469	0.9591	1.368		3.1/0.6	
AUD/USD	1.0058	SHORT	[1.0129]	0.9998	1.0192	AND	Go Long>	1.0192	1.0221	1.0116	1.360	0.71%	1.3/0.6	0.6/1.3
USD/CAD	0.9959	LONG		1.0140	0.9905	AND	Go Short<	0.9905	0.9712	0.9979	1.368		0.5/1.9	

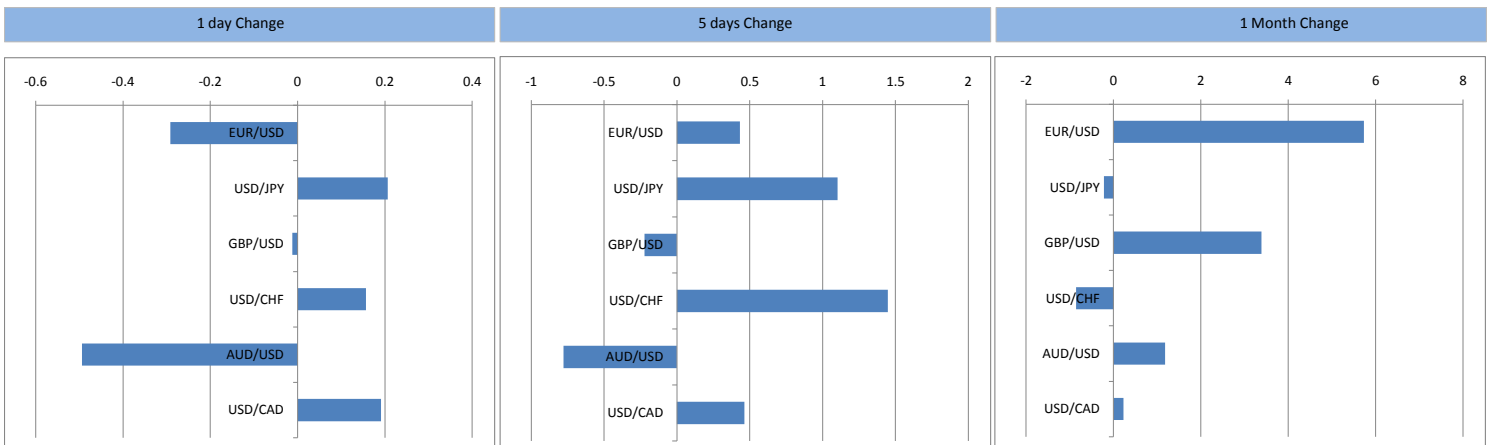
Intraday Trading Points

MARKET	Last	3 rd sup	mp 3 rd sup	2 nd sup	mp 2 nd sup	1 st sup	mp 1 st sup	Pivot	mp 1 st res	1 st res	mp 2 nd res	2 nd res	mp 3 rd res	3 rd res
Currency - Majors														
EUR/USD	1.3675	1.3430	1.3497	1.3563	1.3605	1.3648	1.3672	1.3696	1.3739	1.3781	1.3805	1.3829	1.3896	1.3962
USD/JPY	82.67	81.47	81.71	81.94	82.05	82.15	82.28	82.41	82.52	82.62	82.75	82.88	83.12	83.35
GBP/USD	1.6072	1.5903	1.5949	1.5995	1.6022	1.6049	1.6068	1.6087	1.6114	1.6141	1.6160	1.6179	1.6225	1.6271
USD/CHF	0.9610	0.9381	0.9435	0.9489	0.9511	0.9533	0.9565	0.9597	0.9619	0.9641	0.9673	0.9705	0.9759	0.9813
AUD/USD	1.0058	0.9996	1.0028	1.0059	1.0076	1.0092	1.0107	1.0122	1.0139	1.0155	1.0170	1.0185	1.0217	1.0248
USD/CAD	0.9959	0.9853	0.9874	0.9895	0.9906	0.9917	0.9927	0.9937	0.9948	0.9959	0.9969	0.9979	1.0000	1.0021

Daily Technical Indicators

MARKET	Last	Moving Average				Bollinger Bands				RSI	Intraday Trading Points			
		5 Days	21 Days	55 Days	200 Days	Boll Mov Avg	B Upper Band	B Lower Band	Bandwidth		Band	14 Days	S1/R1 Band	%B
Currency - Majors														
EUR/USD	1.3675	1.3639	1.3597	1.3344	1.3101	1.361	1.3888	1.3331	4.094	>	58.07	0.0133	20.30%	36.09%
USD/JPY	82.67	82.35	82.33	82.86	82.76	82.32	83.63	81.02	3.17	>	51.82	0.47	110.64%	55.32%
GBP/USD	1.6072	1.6098	1.5998	1.5745	1.5811	1.5998	1.6329	1.5667	4.1360	>	60.15	0.0092	25.00%	41.30%
USD/CHF	0.9610	0.9582	0.9530	0.9627	0.9675	0.9530	0.9818	0.9241	6.0550	>	53.38	0.0108	71.30%	59.26%
AUD/USD	1.0058	1.0123	1.0015	0.9964	0.9957	1.0015	1.0291	0.9739	5.5110	//	53.73	0.0063	-53.97%	47.62%
USD/CAD	0.9959	0.9926	0.9932	1.0010	1.0034	0.9932	1.0049	0.9815	2.3490	>	50.78	0.0042	100.00%	47.62%

Historical % Change



Financial Trend Analysis

Financial Trend Analysis | Copenhagen, Denmark.
<http://www.ftanalysis.com> | mail: Click here
 Phone: +45 36980618

Technical Analyst
 Technical Analyst

Klaus Ikast
 Kim Cramer Larsson

READING GUIDE

The trading strategies are based exclusively on technical analysis and are short term with a normally time horizon of 3 to 5 days however, the time horizon is more a guide line than a strict rule. Special market conditions can extend or shorten that time horizon.

The philosophy behind the TTS is to take low risk, high return positions with tight stops. That means we focus the most on placing the right stops.

Every morning FTA reviews the market and the specific strategy, recalculates the risk/reward and then determines the strategy regardless of previous strategy in the specific security. FTA can change the strategy from SHORT to LONG and vice versa regardless of the previous (day's) strategy. That means that even though the original target in the "old" strategy has not been met we can close down a position and wait to re-enter, or reverse the strategy, if the signals have changed. We determine every strategy individually.

FTA recommend You to diversify Your risk calculated on correlations between the various securities and/or amount invested. Before investing always contact your investment adviser. Please read the Risk warning and Disclaimer below carefully.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
MARKET		Last	Strategy 1	Entry 1	Target 1	Stop 1	Action	Strategy 2	Entry 2	Target 2	Stop 2	€ Factor	Curr. R/R	Entry R/R
Currency - Majors														
EUR/USD		1.4778	LONG	[1.4728]	1.4969	1.4675	AND	Go Short<	1.4675	1.4623	1.4849	1.000	0.7/1.3	0.4/1.7
USD/JPY		89.94	Go Long>	91.70	93.46	90.43	OCO	Go Short<	89.25	88.39	90.48	1.478	1/2	
GBP/USD		1.6361	Go Long>	1.6700	1.7028	1.6469	OCO	Go Short<	1.6245	1.5951	1.6470	0.903	1.8/2	
USD/CHF		1.0213	SHORT	[1.0257]	1.0099	1.0295	AND	Go Long>	1.0295	1.0350	1.0167	1.478	0.8/1.2	0.4/1.6
AUD/USD		0.9041	Go Long>	0.9185	0.9426	0.9058	OCO	Go Short<	0.8900	0.8812	0.9023	1.635	1/2.7	
USD/CAD		1.0810	SHORT		1.0504	1.0875	AND	Go Long>	1.0875	1.0956	1.0725	1.478	0.6/2.9	

If a box is painted it indicates the value or strategy is changed from the day before.
If a box is painted it indicates that the futures contract will expire within 5 days.

The Market Column [1] lists the different securities covered by the analysis.
The Last Column [3] tells the last price at time of printing shown at the top left corner of the publication

"Entry" [5]: price shown in brackets [] shows the price at which the Long/Short strategy was original initiated. If no price in brackets it is a new strategy opened at LAST price.

Targets [Target 1] [6] and [Target 2] [11] will differ from the target to be published in Today's Trading Signal with a filter factor as current set by FTA on the basis of market volatility and liquidity.

The Technical Strategies section [4-7] and [9-12].

The Factor Column [13] is the factor to use when investing the same euro € amount in all crosses.

Curr. R/R [14]: Current Risk/Reward. It is the ratio between the target and the stop calculated from the "Last" price in Column 2. It shows the risk versus the potential reward by entering the recommended strategy at the time of publications of the current "Trading Signals".

Entry R/R [15]: Entry Risk/Reward. It is the ratio between the target and the stop. It shows the risk versus the potential reward calculated from the "Entry" level shown in brackets [] in Column [5]. If the field with Entry R/R is green it indicates that the stop is above/below our (FTA) original Entry price i.e. If the stop is hit the position is still hypothetical in profit.

There are several different types of strategies:

1	3	4	5	6	7	8	9	10	11
Strategy Type	Strategy 1	Entry 1	Target 1	Stop 1	Action	Strategy 2	Entry 2	Target 2	Stop 2
a	LONG	a4	a5	a6	AND	a8	a9	a10	a11
b	LONG		b5	b6	-	-	-	-	-
c	Go Long>	c4	c5	c6	-	-	-	-	-
d	Go Long>	d4	d5	d6	OCO	d8	d9	d10	d11
e	Go Short<	e4	e5	e6	-	-	-	-	-
f	SHORT	f4	f5	f6	-	-	-	-	-
g	SHORT	g4	g5	g6	AND	g8	g9	g10	g11
h	No Strategy	-	-	-	-	-	-	-	-

a) LONG. We are long either a new LONG or from the previous day, alternatively we want to go LONG at [a4]. The target price is [a5] and the stop is below [a6]. But in this case the stop is also a reverse strategy indicated in Column 7 by [AND] i.e. Go Short < [a8] below [a9]. The stop level [a6] and the entry level [a9] would be the same. That means that if the stop is broken we sell the double amount of the original position and thereby goes SHORT. The new target is then [a10] and the stop is [a11].

b) LONG. We are long either a new LONG or from the previous day, alternatively we want to go long at [b4]. The target price is [b5] and the stop is [b6]. There is no reverse strategy.

c) We do not have a position and recommend waiting until the specific security breaks above [c4] to establish a LONG position. The target price is [c5] and the stop is [c6]. There is no reverse strategy.

d) We do not have a position and recommend waiting until the specific security breaks either above [d4] and to go LONG or breaks below [d8] to go SHORT. LONG target price is [d5] and the stop is [d6]. SHORT target price is [d10] and the stop is [d11]. If the new position is LONG then the Go Short< [d8] strategy is cancelled - and vice versa - indicated by [OCO] One Cancels the Other in column 7.

e) We do not have a position and recommend waiting until the specific security breaks below [e4] to establish a SHORT position. SHORT target price is [e5] and the stop is [e6]. There is no reverse strategy.

f) SHORT. We are short either a new SHORT or from the previous day, alternatively we want to go short at [f4]. The target price is [f5] and the stop is [f6]. There is no reverse strategy.

g) SHORT. We are short either a new SHORT or from the previous day, alternatively we want to go SHORT at [g4]. The target price is [g5] and the stop is above [g6]. But in this case the stop is also a reverse strategy indicated in Column 7 by [AND] i.e. Go Long > [g8] above [g9]. That means that if the stop is broken we buy the double amount of the original position and thereby goes LONG. The new target is then [g10] and the stop is [g11].

h) No Strategy

NOTE: The stops or the entry levels are not broken before there has been an actual trade in the market above or below !

Intraday Trading Points

Pivot is where there is mathematical balance in the market. It acts as both a strong support and a strong resistance level depending on where the market is trading i.e. above or below the pivot

Support levels
There are 3 strong support levels in the FX markets. In the matrix above, they are called 1st sup, 2nd sup and 3rd sup

Resistance levels
There are 3 strong Resistance levels in the FX markets. In the matrix above, they are called 1st res, 2nd res and 3rd res

The trading range on a normal trading day is usually between 1st sup and 1st res indicated by the red and green band.

Midpoints
In between Support and Resistance levels there are minor support and resistance levels; so-called mid-points indicated by mp1st sup, mp2nd sup and mp3rd sup AND mp1st res, mp2nd res and mp3rd res

Last
Last is the price of the market at the time of publication.

The blue fields show in which range the specific security has been trading until the time of publication.

For every security two numbers will be highlighted. The specific security is trading between those two numbers at the time of publication.

Futures: When a field is red it indicates the current future is about to expire.

Daily Technical Indicators

Moving Average

Simple Moving Average: 5, 21 and 50 Days

Bollinger Bands Settings

Bollinger Periods: 21 Days

Upper Band: 2.6

Lower Band: 2.6

Band: Visual indicators of the Bollinger Bands. Ex. "<" indicates expanding Bollinger Bands and "///" indicates bands moves in same direction.

RSI

14 days

Intraday Trading Points

S1/R1 Band

Shows the difference between 1st sup and 1st res in pips.

%B: Information of where in the **S1/R1 Band** the market is trading *at the time of publication* (printed in the top) in percentage calculated from **1st sup**. 62.61% indicates the **Last** price is 62.61 % from the **1st sup**. If the value is negative the market is trading below **1st sup**. If the value is above 100 the market is trading above **1st res**.

%Pivot

Indicates where in the **S1/R1 Band** the **Pivot** point is placed ie. 50% means it is placed exactly in the middle of the band between **1st sup** and **1st res**. A number above 50% means the **Pivot** is placed closer to the **1st res** and a number below 50% means **Pivot** point is placed closer to **1st sup**.

This report has been prepared by Financial Trend Analysis hereinafter FTA

Expected updates

Technical Trading Signals are updated daily. In rare circumstances more than once daily.

First date of publication

Please see the front page of this research report.

Financial models and/or methodology used in this report

Technical analysis is a method of evaluating securities by analysing statistics generated by market activity, past prices, and volumes. Technical analysts look for patterns and indicators on charts that could determine future performance. Various technical analysis models and methods are used to evaluate the market.

IMPORTANT NOTICE

RISK WARNING

THE ESTIMATE OF THE FUTURE PERFORMANCE OF (FINANCIAL) INSTRUMENTS, SEE ABOVE, IN THIS REPORT MAY DEVIATE FROM THE ACTUAL PERFORMANCE OF THE INSTRUMENTS. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. IN ADDITION, SINCE SOME OR ALL TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY OR FAST MARKET CONDITIONS.

NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES (AND INCUR ACCOUNT DRAW DOWNS) OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE IMPORTANT ISSUES WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS.

ONLY RISK CAPITAL SHOULD BE USED FOR FOREX, COMMODITIES, FUTURES AND OTHER FINANCIAL INSTRUMENTS TRADING DUE TO THE HIGH RISK OF LOSS.

THE CALCULATED RISK/REWARD SHOULD BE REGARDED AS HYPOTHETICAL ALSO AND AS AN ESTIMATE OF POTENTIAL GAIN AND LOSS. THE CALCULATIONS DO NOT TAKE TRADING COSTS AND SPREADS INTO ACCOUNT. THERE WILL HOWEVER, BE CALCULATED A SLIPPAGE WHEN THE HYPOTHETICAL PERFORMANCE IS BEING CALCULATED.

DISCLAIMER

This publication has been prepared by FTA for information purposes only. This publication is not an offer or solicitation of any offers to purchase or sell any securities, currency or financial instrument. The information contained herein is solely for informational purposes. Any charts and other opinions constituting the information contained herein are, and must be construed solely as statements of opinion and not statements of fact, recommendations and/or trading advice. Whilst reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation is made as to its accuracy or completeness and no liability is accepted for any loss arising from reliance on it.

FTA believes that the information contained herein is accurate however; FTA cannot guarantee the accuracy of said materials. Under no circumstances shall FTA or its staff have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance in connection with the collection, compilation, analysis, interpretation, editing, transcription, transmission, communication, publication or delivery of such information, or (b) any direct, indirect, compensatory or incidental damages whatsoever (including without limitation, lost profits) resulting from the use of or inability to use any such information. The author and publisher of this report shall not be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential or other damages. FTA cautions that no single source of information should be used when making trading decisions.

Customers should be aware of the risks associated with over-the-counter, spot Forex trading. In the off-exchange market, also called the over-the-counter market, a retail customer trades directly with a counterparty and there is no exchange or central clearing house to support the transaction. Trading forex, commodities and other financial instruments is highly speculative in nature, which can mean prices may become extremely volatile. Forex trading is highly leveraged. Since low margin deposits normally are required, an extremely high degree of leverage is obtained in over-the-counter trading. A relatively small market movement will have a proportionately larger impact on the funds you have deposited. You may sustain a total loss of your funds. Since the possibility of losing your entire cash balance does exist, speculation in the over-the-counter market should only be conducted with risk capital you can afford to lose and which will not dramatically impact your lifestyle.

As each individual situation is unique, questions relevant to personal finances and specific to the individual should be addressed to an appropriate professional to ensure that the situation has been carefully and appropriately evaluated. Any advice is general and does not take into account your objectives, financial situation and needs. You should always consider whether it is appropriate for You.

FTA or staff may perform business services, hold, establish, change or cease to hold positions in any securities, currency or financial instrument mentioned in this publication.

Copyright © 2011 Financial Trend Analysis. All rights reserved. This publication is protected by copyright laws and may not be reproduced in whole or in part without permission.