EURUSDTRADER.net Nov. 2 – Nov. 6 2009

Date	Eastern	Release	Forecast	Actual	Direction	Pair	How Much	Wrong	Record	Record
11/02/09	10:00am	US ISM mfg	53.1	55.3	Up	USDJPY	50	(10)	5 for 8	63%
11/02/09	10:00am	US ISM mfg	53.1	50.9	Down	USDJPY	(50)	10	5 for 8	63%
11/02/09	10:30pm	AUD rate decision	3.50%	3.75%	Up	AUDUSD	50	(10)	7 for 8	88%
11/02/09	10:30pm	AUD rate decision	3.50%	3.25%	Down	AUDUSD	(50)	10	7 for 8	88%
11/03/09	7:30pm	AUD retail sales	0.5	1.0	Up	AUDUSD	30	(10)	5 for 10	50%
11/03/09	7:30pm	AUD retail sales	0.5	0.0	Down	AUDUSD	(30)	10	5 for 10	50%
11/04/09	4:30am	UK CIPS service	55.4	56.4	Up	GBPUSD	29	(15)	12 for 15	80%
11/04/09	4:30am	UK CIPS service	55.4	54.4	Down	GBPUSD	(29)	15	12 for 15	80%
11/04/09	8:15am	US ADP payroll	(188.0)	(134.0)	Up	USDJPY	50	(10)	n/a	n/a
11/04/09	8:15am	US ADP payroll	(188.0)	(242.0)	Down	USDJPY	(50)	10	n/a	n/a
11/04/09	2:15pm	US rate decision	Neutral	Hawkish	Up	USDJPY	50	(10)	5 for 6	83%
11/04/09	2:15pm	US rate decision	Neutral	Dovish	Down	USDJPY	(50)	10	5 for 6	83%
11/04/09	4:45pm	NZD payroll	(0.3)	0.0	Up	NZDUSD	40	(10)	6 for 6	100%
11/04/09	4:45pm	NZD payroll	(0.3)	(0.6)	Down	NZDUSD	(40)	10	6 for 6	100%
11/05/09	4:30am	UK ind prod	1.2	1.5	Up	GBPUSD	50	(15)	5 for 15	33%
11/05/09	4:30am	UK ind prod	1.2	0.9	Down	GBPUSD	(50)	15	5 for 15	33%
11/05/09	7:00am	UK rate decision	0.50%	0.75%	Up	GBPUSD	50	(15)	3 for 3	100%
11/05/09	7:00am	UK rate decision	0.50%	0.25%	Down	GBPUSD	(50)	15	3 for 3	100%
11/05/09	7:00am	UK rate decision	QE +50	QE +25	Up	GBPUSD	50	(15)	3 for 3	100%
11/05/09	7:00am	UK rate decision	QE +50	QE +50	Down	GBPUSD	(50)	15	3 for 3	100%
11/05/09	7:45am	EUR int rates	1.00%	1.25%	Up	EURUSD	50	(10)	1 for 2	50%
11/05/09	7:45am	EUR int rates	1.00%	0.75%	Down	EURUSD	(50)	10	1 for 2	50%
11/05/09	8:30am	EUR press conf	Neutral	Hawkish	Up	EURUSD	50	(10)	9 for 13	69%
11/05/09	8:30am	EUR press conf	Neutral	Dovish	Down	EURUSD	(50)	10	9 for 13	69%
11/06/09	7:00am	CAD labour	10.3	(4.7)	Up	USDCAD	50	(20)	14 for 15	93%
11/06/09	7:00am	CAD labour	10.3	25.3	Down	USDCAD	(50)	20	14 for 15	93%
11/06/09	8:30am	US non-farm	(173.0)	(119.0)	Up	USDJPY	50	(10)	8 for 11	73%
11/06/09	8:30am	US non-farm	(173.0)	(227.0)	Down	USDJPY	(50)	10	8 for 11	73%

US

TRADE STRATEGY: We have chosen to use the USDJPY pair to trade the US economic releases this week. Based upon last week's price action it is likely the USDJPY pair will positively correlate with the DOW. This means the USDJPY pair will increase if the actual US release is a positive surprise and the USDJPY pair will decrease if the actual US release is a negative surprise.

ISM manufacturing As of Sunday afternoon our view is stocks will head lower this week. Selling the USDJPY before the ISM release is one possible strategy. Another possible strategy is getting in after the release in the direction of the spike on a pullback, if the news is a negative surprise.

If the news is a positive surprise yet another possible strategy is to use the 1 minute 60sma to sell the USDJPY pair, once the up move begins to retrace.

ADP payroll is viewed by many traders as a first look at Friday's all important US non-farm payroll number. In the past the ADP has not always been a good indicator of the US non-farm payroll. None the less, a positive surprise will likely drive stocks higher and the USDJPY pair higher and a negative surprise will likely drive stocks lower and the USDJPY pair lower. Selling the USDJPY before the ADP payroll release is one possible strategy. Another possible strategy is getting in after the release in the direction of the spike on a pullback, if the news is a negative surprise. If the news is a positive surprise yet another possible strategy is to use the 1 minute 60sma to sell the USDJPY pair, once the up move begins to retrace.

Interest rate decision The market is expecting no change in interest rates but will be scrutinizing the FOMC accompanying statement for any clues of when the Central bank might start removing policy accommodation. The best trade strategy might possibly be to anticipate volatility but not necessarily any sustained directional change in the US dollar. You may possibly want to consider buying support and or selling resistance in any of the key USD pairs.

US nonfarm payroll The last 5 times we got a signal, the result was a successful news trade (market is focused on employment numbers) and 3 times there was 200 pip directional move within 2 hours of the release. If the number is a surprise it may possibly be best to expect a persistent and sustained directional price move and trade it accordingly. Your best alternatives might possibly be getting in before the release if the technicals suit or trying to get in the direction of the news spike if the news is a surprise.

AUD

Rate decision is expected to be an increase in interest rates to 3.50% from 3.25%. The RBA implied in last month's interest rate announcement accompanying statement that further rate hikes are likely and the market is expecting a rate hike this month. If interest rates are increased to 3.75% (0.50% increase) that would be a positive surprise and the AUDUSD might possibly increase 50 points or more above the pre-release price. If interest rates are not increased (left unchanged at 3.25%) that would also be a negative surprise and AUDUSD might possibly decrease 50 points or more below the pre-release price. Selling AUDUSD before the release might possibly be the best strategy. It is unlikely the RBA would raise interest rates 0.50%, which would be the risk. It is possible they may pause in between increases and that would be the reward (AUDUSD would decrease). If interest rates are not hiked you may possibly try to sell AUDUSD on a pullback.

Retail sales have a lousy track record. If the number is a positive surprise you might possibly consider the 1 minute 60sma strategy and focus on getting in after the initial spike higher (sell AUDUSD), provided the technicals suit. You might possibly want to take a look at AUDJPY as well.

UK

CIPS service has a great track record but the how much number is a measly 29 pips. If the number is a positive surprise you might possibly consider the 1 minute 60sma strategy and focus on getting in after the initial spike higher (sell GBPUSD), provided the technicals suit. You might possibly want to take a look at GBPJPY as well.

Industrial production was down 2.5% last month and so it is very possible you will get a trade signal this month. If the number is a positive surprise you might possibly consider the 1 minute 60sma strategy and focus on getting in after the initial spike higher, provided the technicals suit. You might possibly want to take a look at GBPJPY as well.

Rate decision has a great track record and has proven itself to be a very significant market moving event on several occasions the past 20 months. Unfortunately, it is highly unlikely the BOE will change the official interest rate from its current 0.50%. If rates are changed it would be a huge surprise and trying to get in in the direction of the news spike might possibly be a good trade. If the QE number (quantitative easing number) is increased by 25bil (market expects an increase of 50bil) the pound might possibly increase 50 pips or more above the pre-release price. If the QE number (quantitative easing number) is increased by 50bil (market expects an increase of 50bil) the pound might possibly decrease 50 pips or more below the pre-release price. Although the market expects 50bil, the Pound may possibly still suffer if the Central bank increases the QE by 50bil.

NZD

Payroll has an excellent track record. The best strategy may possibly be to try and get in if a sell NZDUSD signal occurs, assuming the technicals suit. Another possibility is if the actual number generates a buy NZDUSD signal use the 1 minute 60sma to sell on the way back down, provided the technicals suit.

EUR

Rate decision is expected to be a decision to leave interest rates unchanged at 1.00%. The chances of a rate change are miniscule. If there was a rate change, getting in in the direction of the rate change may possibly be a good strategy.

Press release is likely to cause volatility but a trade strategy is difficult given the nature of a press conference scenario and the likelihood of ECB President Trichet giving mixed signals. One issue the market will focus on is whether or not Trichet refers to the Euro strength as a negative. If he does the EURUSD pair might possibly decrease 50 points or more below the pre-release price. Getting in, in the direction of the initial spike might possibly be a good strategy.

CAD

Labour has an excellent track record. If a trade signal is generated you might possibly want to try and get in, in the direction of the initial spike or possibly consider the 1 minute 60sma reversal trade if you like the technical and the risk reward as the trade develops.

LAST WEEK

Indicator	Date	Buy	Forecast	Sell	Actual	Trade	Pair	TV	Success	15	min	30	60	90	120
AUD CPI qtrly	10/27	1.1	0.9	0.7	1.0		AUDUSD	50@0.2		27	(45)	(42)	(51)	(47)	(45)
US new home	10/28	483	443	403	402	Sell	USDJPY	35@40	Yes	3	(13)	(7)	(13)	(11)	(5)
NZD rate decision	10/28	2.75%	2.50%		2.50%		NZDUSD	50@2.75%		6	(33)	(52)	(64)	(60)	(58)
NZD statement	10/28	Hawkish	Neutral		Dovish		NZDUSD	50@Hawkish		6	(33)	(52)	(64)	(60)	(58)
US advance GDP	10/29	3.6	3.1	2.6	3.5		USDJPY	50@0.5		60	0	56	72	58	61

NEWSTRADER

This weekly statistical publication is designed as a tool to help us structure high probability trades related to country specific key economic indicators, scheduled to be released in the current week. The information provided includes:

1) What the economic indicator is and when the news about it is scheduled to be released.

2) The market consensus forecast of what the actual news, generally a specific number, will be.

3) A number greater than the consensus forecast that is likely to cause a specific currency pair to increase (or decrease) by at least a specific amount, prior to moving in the opposite direction by a stated amount.

4) A number less than the consensus forecast that is likely to cause a specific currency pair to increase (or decrease) by at least a specific amount, prior to moving in the opposite direction by a stated amount.

5) The combined track record of 3 and 4 (above) for 2008-9.

How to Profit From This Information

There are many benefits to knowing what's going on from a fundamental point of view in the countries (currencies) you trade. As a country's economic prospects brighten the currency tends to increase in value and vice versa. Positive changes in a country's economic prospects begin with positive surprises (the actual numbers for the key economic releases are significantly better than the market consensus forecast) and vice versa. This information can help you make more informed and therefore better technical buy and sell trades.

There are several short term trade strategies related to these scheduled economic indicator releases:

1) Entering a trade before the news is released. This can be based upon fundamentals, technicals, or a perceived statistical advantage (preferably a combination of all three).

2) Putting on a trade after the news is released in the direction indicated by the actual number released versus the consensus forecast (a surprise).

3) Getting in after the impact of a news surprise appears to be fully priced in.

Each of these 3 short term strategies is fully explained with plenty of real world examples in our educational program.