



***FX Trader Professional** is a subscription-based trading information and analysis serviced designed to level the playing field retail FX traders, by sharing market moving information from the inside networks of hedge funds and global banks. Below is a daily recap of the FXTraderProfessional.com Virtual Trading Desk. It's an unedited copy of scrolling, real-time FX and global market analysis and deal flow. Many relevant charts that are referenced in the text are omitted from this recap. The session begins between 4 and 4:15 EST with an audio introduction to the session, and then continues throughout the U.S. trading session.*

April 23, 2013

(04:02 am) Mark Coe:Good morning

(04:18 am) Mark Coe:Chinese stocks down big, 3.21%, other Asian stocks down as well.

(04:18 am) Mark Coe:JPY and USD were supported on risk aversion; AUD tumbled on China data

(04:18 am) Mark Coe:Asian stocks fell after poor HSBC China PMI reading \

(04:19 am) Mark Coe:Crude oil rallied on G20 support for stimulus, gold helped by end user demand

(04:19 am) Mark Coe:U.S. calendar Tue has home sales, flash PMI, Rich.Fed index, layoffs, store sales

(04:19 am) Mark Coe:Canadian calendar Tue has Feb retail sales, seen +0.5% gain (median +0.3%)

(04:36 am) Mark Coe:Top in EUR tonight marked at the trednline from April 17

(04:42 am) Mark Coe:Couple Bank notes here-A quiet start to the week. The G20 meeting gave some impetus for further JPY weakening as the member nations declined to make any negative comments towards recent policy decisions by the BoJ. But USD/JPY never seriously tested the 100 level during the session and traded briefly below 99 before bouncing back to the mid-99 area. We are still looking for a weaker JPY (year-end forecast of 110 for USD/JPY) but recognize that the path will likely be much rockier than the December 2012-February 2013 run-up in the pair. While the BoJ has come out with aggressive policy measures, we continue to look for signs that inflation expectations are translating to changes in the real economy as well as indications that onshore Japanese money could be redeployed in search of higher returns overseas, both of which are likely needed to get the next meaningful push weaker in the JPY. Equities finished slightly positive with gold relatively unchanged and WTI modestly higher

(04:42 am) Mark Coe:Late last week, ECB's Weidmann called ECB policy currently appropriate but also said the ECB may reassess interest rates if data change. ECB President Draghi added that he hasn't seen any improvement in the Euro-area indicators over the past two weeks and that the ECB will continue monitoring economic data. In this light, the upcoming PMI figures in the Euro-area are crucial for ECB rate cut expectations. Our expectation is for a slightly stronger preliminary Euro-area composite PMI (RBS. 47.0, consensus 46.5) with a significant portion of the improvement coming from a rise in the dismal March services reading in France. But with both services and manufacturing momentum still likely to be negative, the impetus for ECB policy action could rise, potentially bringing the EUR lower with it. At the current juncture, though, we do not think the ECB has an option available to them where the benefits outweigh the risks, meaning they will likely remain steadfast for the time being.

(04:50 am) Mark Coe:EURJPY leading the way on the downside so far tonight, down 1.23%

(04:57 am) Mark Coe:1.0220/25 again proving a key level, we watched this area back in Feb and had it as a significant level which eventually provided a 150 pip bounce.

(04:57 am) Mark Coe:Speaking of AUDUSD here

(05:04 am) Mark Coe:You can see here USDJPY convincingly taking out the trendline we were watching yesterday, adding pressure to the downside after the break

(05:16 am) Mark Coe:As I pointed out yesterday, USDCHF put in a nice bottom in the 92 handle and still looking for higher levels. We have regained the 9390/94 looking for a test of the key 9565

(05:19 am) Mark Coe:Italian 10 yr Yield drops below 4% 1st time since Nov 2010

(05:20 am) Mark Coe:sorry, Italian Yield

(05:22 am) Mark Coe:Chinese PMI was expected at 51.5, came in at 50.5, this has affected markets, AUD taking a hit, Yen gaining strength.

(05:24 am) Mark Coe:USD Index back above 83 today, Gold lower at 1415

(05:32 am) Mark Coe:Anyone have any positions on

(05:32 am) Patricia Spencer:short e/u

(05:33 am) Janet Greene:I am long UCHF

(06:11 am) Mark Coe:GBP stays weaker after CBI data

(06:32 am) Mark Coe:USDJPY, obviously we realize the importance of the 100 level. We have now formed a double top at that level. For now the range holds, 95.77 on the downside, 99.95 on the top. Bids everytime we dip, But as I mentioned yday important to remember the positioning here. Market is more long than short.

(06:34 am) Mark Coe:95.80 low to 99.89 high, Fib levels 38.2 = 98.33, 50 = 97.36

(06:39 am) Mark Coe:With China disappointing PMI we now have inflation data from Australia for Q1 2013 released tomorrow.

(06:47 am) Mark Coe:French 10 Yr bond yields drop to all time lows. So we continue to see yields in Europe head lower

(07:00 am) Mark Coe:BOE comments on the wires

(07:33 am) Mark Coe:European stocks up nicely on the morning.

(07:41 am) Mark Coe:Lots of talk this morning about ECB potential rate cuts.

(07:55 am) Mark Coe:USDJPY running into 2 day trendline here

*** Bryan Rich, Welcome to FX Trader Professional

*** The chat is now in Privatized mode.

(08:09 am) Bryan Rich:good morning

(08:17 am) Mark Coe:Stepping out for a few minutes

(08:18 am) Bryan Rich:a few comments as we head into the NY session here... so yesterday we came in with usdjpy in focus... we said the better risk reward up there was lightening up ahead of 100...with the idea that you could buy them a better levels if that barrier holds up there... that works out nicely... elsewhere the ranges traded nicely.... today we get more weak chinese data and weaker euro zone pmi data (particularly germany)

(08:22 am) Bryan Rich:this confluence of usdjpy holding up top and the weaker data gives signals to hit the yen crosses, with that yen crosses are among the biggest movers

(08:24 am) Bryan Rich:european stocks are up. why? the data is weak, but at thsi stage it gives further credence to the notion that the ecb will act soon, cutting rates, adding new measures (and perhaps europe will back off the austerity that has strangled their economies)... so with that, yields moving lower in the euro zone and stocks are up over a percent

(08:28 am) Bryan Rich:cad retails sales coming here ...

(08:30 am) Bryan Rich:comes in better

(08:31 am) Bryan Rich:the big level on top in usdcad is the 1.0315-20 area... where a trendline comes in from the nov 2011 highs

(08:35 am) Bryan Rich:eurusd: so we've talked a lot about the right shoulder in the long term bearish head and shoulders in the euro... on a tigher look... we also have a nice little bearish head and shoulders on a chart looking back one month

(08:37 am) Bryan Rich:depending on how its drawn you can get a neckline at 1.30... or on a neckline just below this mornings lows (a declining sloping head and shoulders -- taken from the April 10 lows (the neckline of the left shoulder)

(08:38 am) Bryan Rich:either way it projects move back to 1.2800ish.. which jives with our view on this range we've been talking about 1.27-132

(08:38 am) Bryan Rich:1.32

(08:38 am) Bryan Rich:hearing a good buyer into the lows this morning in the eurUSD (sov type)... expect good/big stops under 65

(08:39 am) Bryan Rich:and expect pple to look for fibs of this sharp pmi driven move down in the euro, to fade strength today

(08:40 am) Bryan Rich:1.3015 - 1.3040 should find very good selling interest

(08:41 am) Bryan Rich:USDJPY: hearing soem good selling interest coming in right here, up to 98.95

(08:42 am) Bryan Rich:more offers line up in the 99.25-40 area

(08:42 am) Bryan Rich:again, common theme here today, better interest to fade strength.. and sell breaks on the downside

(08:42 am) Bryan Rich:across currencies

(08:44 am) Bryan Rich:AUDUSD: as we said yesterday, not a lot to look at technically down here.. AUDUSD has already traded well through key fib retracement levels of the move from march lows to april highs

(08:45 am) Bryan Rich:we have a little bearish head and shoulders in AUD too (with a declining slope)... the neckline comes in right around the lows.. and projects a move to 1.00

(08:48 am) Bryan Rich:hearing some selling interest in AUDUSD here up to 80

(08:48 am) Bryan Rich:better offers above as well.. the bigger level (pivot area) people are short against is 1.0350

(08:51 am) Bryan Rich:Cable: holds nicely at the lows of the day into the nice upward sloping trendline drawn from the March 11th lows

(08:52 am) Bryan Rich:we retrace nicely into the 0.618 of the move from the highs yesterday to the lows this morning

(08:53 am) Bryan Rich:that finds good selling -- great area to fade some strength in cable

(08:56 am) Bryan Rich:CAD: carney on the wires saying higher rates probably needed. USDCAD testing a nice line from the April 16 lows... expect good stops and momentum selling on a break below 1.0255, selling against a good technical level above (we talked about earlier) 1.0315-20

(09:01 am) Mark Coe:US Feb Home Prices rise 0.7% vs Prior Month

(09:19 am) Mark Coe:USDJPY trades through the 2 day trendline here, accelerating the upside. Again buyers come out on dips.

(09:20 am) Mark Coe:I spoke about this yesterday and I think unless you have been in this trade for a long time the best way to handle it is to buy dips allowing for the lows 95.80 or wait for a break of 100, I think its a tough game to be a buyer in the 99 handle with tight stops, realizing the market positioning.

(09:24 am) Mark Coe>Note from our favorite Canadian Bank-CAD: One thing that's worth mentioning is that we have a lot of strikes coming up in the next week on the back of those large spreads that a fellow Canadian did about a month ago. The bulk of the strikes are at 1.0250/60, 1.0290 and 1.0350/1.0375. There are yards of those strikes in the market, and that probably explains why cad has been unable to move. I think April 29 (Monday) is when the last bit rolls off. Also as a reminder at the time that bank sold the 1.0250/1.0260/1.0290 and bought the topside, so essentially the market is long the atm here and short the low delta topside strikes, suggesting thing could get more interesting if we go 1.0315 as then everyone will scramble to take gamma back.

(09:29 am) Mark Coe:10 AM US Data- New Home Sales & Richmond Fed Manufacturing Index

(09:37 am) Mark Coe:USDJPY now positive on the day

(09:40 am) Mark Coe:As US stocks open, DJIA + 88, Gold -9.85@ 1416, US 10 YR Yield back below 1.70 trading 1.6774,, European Stocks positive, French and German stocks both up over 2% on the day.

(09:43 am) Mark Coe:USDJPY back to the 99.36 which I have referenced the last couple days, Friday it held until the afternoon pop and acted as resistance in Asia and early Europe today

(09:46 am) Mark Coe:3 day Trendline in GBPSUD coming in 1.5272 which was the high of the bar before we broke down this morning. Sould attract sellers on an approach.

(09:49 am) Mark Coe:Spanish 10 Yr Yields dropping today, Spread between Spain -Germany below 300 BPS for 1st time since March 2012

(09:58 am) Mark Coe:2 minutes until Data

(09:58 am) Mark Coe:New Home Sales EXP 416k, MoM 1.1%

(09:59 am) Mark Coe:Richmond Fed comes in -6 vs Exp of 2

(10:00 am) Mark Coe:New Home Sales come in 417k, 1.5% MoM, so little better here

(10:01 am) Mark Coe:FX not really impacted by this data.

(10:12 am) Mark Coe:GBP challenging the trendline I mentioned earlier

(10:18 am) Mark Coe:Rumors EURCHF floor will be moved to 1.25 doing the rounds

(10:55 am) Mark Coe:USDCHF extending to highs of the day , being helped by action in EURCHF

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(11:57 am) Mark Coe:Mid day snapshot- DJIA +149, Gold 1414(-\$11), EURUSD -53, USDJPY +22, Bond yields recovering, US 10 yr now 1.7056

(11:58 am) Mark Coe:EUR sold off this morning right at the 1 week trendline, adding some significance to it next time we see it. Bias still negative on this pair but as Bryan and I have mentioned we favor a range market so entries are key. Both from a standpoint of your staying power in a trade and the ability to take decent profits. this has not been a market to chase price.

(12:02 pm) Mark Coe:AUD about to test trendline from last Monday highs, again favor downside in this pair but I prefer to be a seller at better levels. We made the lows today on that area that was key weeks ago 1.0220/25

(12:03 pm) Mark Coe:Here is a good one for you- Il Sole 24 Ore newspaper reporting, citing documents it obtained.-Italian Finance Minister Vittorio Grilli, who has led a crackdown on tax evasion, bought his Rome apartment partly with funds from a Channel Islands account and then avoided sales tax on renovations by paying cash for about half the costs, ...

(12:32 pm) Mark Coe:Stepping out for a few minutes.

(01:23 pm) Mark Coe:Just returning, hearing therer was a bogus rumor of an explosion in the White House

(01:24 pm) Mark Coe:Now saying AP twitter account was hacked

(04:34 pm) Bryan Rich:all about stocks today... currencies fairly quiet .. nz rates tonight.. expected to hold the line...and then aud cpi

(04:34 pm) Bryan Rich:have a great night