



***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 25, 2013

(04:04 am) Mark Coe:Good morning

(04:04 am) Mark Coe:GBP GDP in 25 Mins, expectations are for 0.1% QoQ

(04:06 am) Mark Coe:Hi Damian

(04:09 am) Mark Coe:The dollar slips against the yen on data showing the Japanese were net sellers of foreign bonds for a sixth straight week, contrary to expectations that the BOJ's massive easing plan would encourage outflows. Liquidity is thin in Asia with Australia and New Zealand shut for Anzac Day. The euro is consolidating, supported by weak sentiment for the dollar as well as comments to the Financial Times from ECB board member Asmussen that the effectiveness of a rate cut would be "limited," blunting expectations for further easing at the ECB's May 2 meeting.

(04:09 am) Mark Coe:Japanese portfolio flow data for week ended April 19th again failed to show anticipated outflow. Japanese investors again sold foreign bonds, in the amount of Y862bln, after Y332bln outflow last week. In the same week, foreigners also sold Japanese equities, only in small amount of Y28bln, though this follows inflow of Y1569bln and Y869bln in the previous two weeks.

(04:10 am) Mark Coe:Absence of signals of Japanese outflow combined with reports this week from Japanese life companies that any shift in investment strategy will both take time to be considered and implemented, continues to expose short JPY positions.

(04:24 am) Mark Coe:Asian stocks gained; Japan cautious into BoJ; Hang Seng up with banks

(04:30 am) Mark Coe:UK GDP better than exp at 0.3

(04:31 am) Mark Coe:GBP up to 5390

(04:31 am) Mark Coe:Reduces chances of further QE in the near term

(04:40 am) Mark Coe:UK PRELIM Q1 GDP +0.3 PCT QQ (REUTERS POLL +0.1 PCT) VERSUS Q4 2012 -0.3 PCT QQ.. UK Q1 SERVICE SECTOR OUTPUT +0.6 PCT QQ (Q4 UNCH.), INDUSTRIAL OUTPUT +0.2 PCT QQ (Q4 -2.1 PCT), CONSTRUCTION -2.5 PCT QQ (Q4 +0.8 PCT)

(04:41 am) Mark Coe:ECB's Asmussen: too low interest rates can lead to distortions; policies such as fwd guidance or QE not easily applicable in eurozone; delaying austerity ("fiscal consolidation"--it sounds better) is no easy way out [dont look for him to be voting for a cut next wk!]

(04:57 am) Mark Coe:Overnight EURUSD breaks the 1 week trendline I have been focusing on, looking for further short term upside here.

(05:31 am) Mark Coe:GBP flying higher on surprise UK Q1 GDP report showing +0.3% q/q, no triple dip recession and snow and cold did not appear to dampen eco activity (led by services, modest bounce in goods production after very weak Q4). This is prelim GDP when many components are estimated and ONS said 0.2-0.3% margin of error.

(05:31 am) Mark Coe:FRANKFURT, April 24 (Reuters) - The European Central Bank is closer to lowering interest rates than at any time since it last cut them in July 2012 and is likely to shave a quarter-point off at its policy meeting next week. Senior sources involved in the deliberations say momentum is building for action to help a euro zone economy which has slipped back into recession, a move that some policymakers wanted to take earlier this year.

(05:47 am) Mark Coe:Middle East name selling EUR here

(06:15 am) Mark Coe:RTRS - GERMAN ECON MIN SAYS WE ARE WORRIED ABOUT ANY EU STATES THAT MAY SOFTEN STANCE ON CONSOLIDATION, GERMANY WILL ALWAYS STICK TO AUSTERITY STANCE

(06:28 am) Mark Coe:USDJPY broke the trendline from Apr 15 lows, this after a series of lower highs and a failure to take out 100

(06:33 am) Mark Coe:USDJPY - looking at downside areas likely to contain bids, 98.50, then 98.33 which is the 38.2 FIB of move from 95.80 to 99.89

(06:56 am) Patricia Spencer:Just read that european bond yields are widening today. Doesn't that usually mean a weaker Euro? Or does that relate more to risk-off trading?

(07:03 am) Mark Coe:I think EUR is getting a boost from GBP strength, but I really believe we are in that 1.30 to 1.32 range, we tried the downside and couldnt follow through, better news this morning so EUR gets a lift.

(07:04 am) Patricia Spencer:makes sense. thank you. :)

(07:05 am) Mark Coe:So many calls for an ECB cut next meeting, bias is people still want to be selling EUR looking for the cut,

(07:05 am) Mark Coe:so at better levels, above 1.31 attracts a lot more seller. But I still believe we are in this wider 1.27 -1.32 range for now.

(07:08 am) Mark Coe:We also had this trendline break in EURUSD this morning and some follow through buying after the bottom was put in. So now 1.2970 good level of intermediate support for a look at the topside of the range.

(07:18 am) Mark Coe:BOJ holds a policy meeting tomorrow and will release its outlook for the economy and inflation.

(07:43 am) Mark Coe:Stepping out for a few minutes.

(08:09 am) Bolaji Aremu:How's it looking like?

(08:58 am) Bryan Rich:good morning.. apologies, I had some connectivity issues this morning

(09:00 am) Bryan Rich:some broad dollar weakness today, led by the pound on a better gdp number this morning

(09:00 am) Bryan Rich:light data day elsewhere today... better jobless claims this morning... a positive note in a string of data that has been disappointing in the US of late

(09:04 am) Bryan Rich:couple of key comments overnight/this morning... BOE gov King says monetary policy is pushing on a string" .. so the build up here in the pound has been for more aggressive qe to come in july when carney takes over at the boe... the existing boe gov basically saying here that more qe won't do much good

(09:04 am) Bryan Rich:so that adds a bit more fuel to cable this morning

(09:05 am) Bryan Rich:with that, given the expectations have been building for a cut from the ecb, short eurgbp has been the favored trade today

(09:07 am) Bryan Rich:0.8490 is the area people are trading against (from the short side)

(09:07 am) Bryan Rich:in eurgbp, that is

(09:08 am) Bryan Rich:hearing good selling showing up here and into the highs of the day in cable

(09:09 am) Bryan Rich:Its traded perfectly into the 0.618 of the move from the Feb 7 highs of 1. 5844 to the march 11 lows of 1.4830

(09:13 am) Bryan Rich:usdjpy continues to fail into the 100 level this week, softer today into tomorrows boj meeting...again, here pple are looking for some confirmation that the boj has a credible plan to get to its 2% inflation target in 2 years... kuroda overnight says they aim to achieve that target "as soon as possible"

(09:13 am) Bryan Rich:again, for pple that have been long usd/jpy for a good ride, this area is giving plenty of reason to lighten up with expectations of either buying the dip....or re-establishing on a break of 100

(09:18 am) Mark Coe:Adding to Bryans comments on USDJPY, its a much different trade if you have not taken part on the way up or have no position. If long you are betting on it breaking 100, a consensus opinion, and to short it you are going against a major move and tough to time. Bottom line, pick your spots or find a higher percentage trade.

(09:21 am) Bryan Rich:eurusd: again, not much conviction here from people we talk to, as we said yesterday... hearing some bids coming in into the 1.3040 area here... expect a few stops below there

(09:22 am) Bryan Rich:1.3040 area offered a good area to sell against over the past couple of days... so the break of that, makes it a key level to trade against short term today

(09:24 am) Bryan Rich:audusd: we've said 1.0350 is the big pivot level in aud... and that has been the area pple have been patiently waiting to see to fade audusd

(09:25 am) Bryan Rich:hearing some stops under 1.0310

(09:43 am) Mark Coe:EURUSD- 50%Fib from yday lows to this morning high comes in 1.3023

(10:03 am) Bryan Rich:eur breaks 40 ... if you sold the break its been a comfortable trade

(10:04 am) Bryan Rich:eurgbp here trade into the April 1 lows right here at 0.8409 and finds bids

(10:04 am) Bryan Rich:that should weigh on cable

(10:06 am) Mark Coe:Asking around and not getting any reasons for the EUR selloff, just thin into expiries

(10:08 am) Mark Coe:Zero Hedge saying EUR slides on Goldman forecast of 25bps rate cut.

(10:09 am) Mark Coe:Hmmm, market didnt react when Bryan and I said that 2 days ago. Guess Goldman carries a little more weight.

(10:09 am) Bryan Rich:took the words right out of my mouth (or fingertips, in this case)

(10:13 am) Bryan Rich:eurgbp still holding that april 1 low, so cable coming lower nicely now

(10:14 am) Bryan Rich:remember we have that nice 0.618 at the highs of the day to sell against

(10:27 am) Mark Coe:AUDUSD fell just shy of the area we have been talking about that would likely be a good sell area, 1.0350-80, hope some of you took part.

(10:30 am) Mark Coe:EURUSD yesterdays lows in sight now, again stops below there

(10:31 am) Mark Coe:US 10 yr Yields back above 1.70, trading 1.7166

10:45 am) Bryan Rich:nice little bounce in eurgbp

(10:59 am) Mark Coe:Old news to me but reading so many headlines of ECB rate cut speculation intensifying

(12:03 pm) Bryan Rich:expect some stops to trigger under 20 in cable here... little head and shoulders on the intraday chart here..with a neckline break at 20

(12:35 pm) Mark Coe:Mid day look at markets- DJIA +67, EUR -11 pips on the day, Gold +22(\$1454), Silver the big winner +3.56%(\$24.01), US 10 Yr 1.7183

(12:58 pm) Mark Coe:FX certainly quieted down last couple hours after some larger movement in earlier morning.

(01:57 pm) Mark Coe:Grabbing a bite to eat

(03:57 pm) Bryan Rich:so eurUSD breaks down nicely this morning after being dragged up with broad dollar weakness... but still rangey ahead of tomorrows gdp numbers in the US...and tonights boj

(03:58 pm) Bryan Rich:cable is the mover of the day, but fades back into the good fib level we talked about this morning... hovers here over 1.5420..holds that level a couple times this afternoon

(03:59 pm) Bryan Rich:audUSD: proves a nice fade into 1.0350 as we've been talking about for a few days... and we get a little intraday line break this morning under 1.0310 to give it a little momentum to get under 1.0300

(04:01 pm) Bryan Rich:USDJPY, still holding firm in front of 100... tonight, as we've discussed, pple want to see forecasts from the boj that they will hit their inflation target... 2% in 2 years as they said earlier this month

(04:03 pm) Bryan Rich:topside, 100 is the level.. on the downside, 94.85 would be a retracement pple would be happy to see if we get any disappointment from boj

(04:04 pm) Bryan Rich:thats the trendline from the November lows (again, the area where USDJPY took off from on the BOJ Candidate Koruda comments about seeking a lofty inflation targeting

(04:08 pm) Bryan Rich:market is looking for a big number out of first qtr US GDP growth tomorrow (looking for 3% annualized,, after a very slow Q4)

(04:10 pm) Bryan Rich:tough call on a market response... a weaker number means QE is well in tact and strong number means speculation of QE "tapering"... as for the dollar... the latter case is dollar positive.. the former case...if i had to choose i'd say dollar goes higher (maybe some risk-off behavior, where dollar goes higher on safety/ relative best option)