



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 26, 2013

(04:01 am) Mark Coe:Good morning

(04:11 am) Mark Coe:The yen strengthened against the US dollar on Friday, as the Bank of Japan said it would keep easing monetary policy at the same pace it outlined three weeks ago, after Haruhiko Kuroda's debut meeting as governor. The announcement, which was widely expected, came hours after data from the Statistics Bureau showed that deflation remains deeply entrenched in the world's third-largest economy.

(04:14 am) Mark Coe:Eurozone Mar M3 growth expected to decelerate to 3.0% y/y (med same)

(04:14 am) Mark Coe:Swiss Apr KOF expected to stabilise at 1.0 (median same) after the 0.99

(04:14 am) Mark Coe:European calender also has U.K., Italian bill auctions, Spanish fiscal plans

(04:15 am) Mark Coe:Asian stocks were mixed; Japan edged higher after unchanged BoJ

(04:15 am) Mark Coe:Japan core CPI fell another 0.3% y/y alongside declines across the board

(04:15 am) Mark Coe:U.S. calendar Fri has advance Q1 GDP and fina Apr consumer sentiment

(04:26 am) Mark Coe:EZ M3 was 2.6 vs Exp 3.0

(04:28 am) Mark Coe:No data releases until 830 as we get US GDP

(04:30 am) Mark Coe:I have been pointing out last several days the lower highs in USDJPY, the trendline break and the market positioning, today we get BOJ staying on course and Yen strength. So far holding 98.50 on an hourly closing basis.

(05:44 am) Mark Coe:Somewhat quiet, as we see a level here in GBP that held some significance yesterday afternoon

(05:45 am) Mark Coe:Break below and we should see GBP test some of that gap from GDP yday

(08:16 am) Bryan Rich:good morning

(08:22 am) Bryan Rich:so we head into this mornings gdp report... dollar mixed, stocks lower, commodities lower, yields in the US and Germany lower

(08:23 am) Bryan Rich:markets leaning toward a miss in this data this morning... as we said to close yesterday... the expectation on the number this morning is 3% annualized growth for the first quarter... a tall expectation

(08:23 am) Bryan Rich:given we barely grew in the fourth quarter

(08:26 am) Bryan Rich:so the boj comes in last night with no surprises... usdjpy comes off given lack of anything fresh to buy on

(08:27 am) Bryan Rich:cable here at the highs of yesterday (which is into that 0.618 we noted yesterday morning... proved to be a nice trade off of that level)

(08:28 am) Bryan Rich:again, going into the number here... a better gdp number be dollar positive (US doing better trade)... if it misses, its not as clear... i would lean dollar positive in both cases

(08:30 am) Mark Coe:GDP comes in at 2.5

(08:30 am) Mark Coe:so a miss here

(08:30 am) Mark Coe:Personal consumption 3.2% vs Exp of 2.8%

(08:33 am) Bryan Rich:so even though we miss on a lofty expectation ... good numbers , certainly compared to last quarter

(08:35 am) Bryan Rich:the focus now turns toward next week's ECB.. where I'm hearing ppl this morning saying "undoubtedly" cut

(08:36 am) Bryan Rich:eurusd: keep an eye on eurgbp... this 0.8409 march low held nicely yesterday...testing again right now

(08:38 am) Bryan Rich:hearing good interesting to sell eurUSD up to 1.3030-40 area

(08:40 am) Bryan Rich:usdjpy: couple of decent tech leels give way this morning..(a trendline from april 3 lows that came in at 98.92)...and the april 23 lows 98.50....

(08:42 am) Bryan Rich:so this opens up for a deeper correction

(08:46 am) Bryan Rich:eurgbp still holding into these lows down here..

(08:52 am) Mark Coe:98.50 breaks in USJDPY and focus now on downside of the range, this is the portion of the trade we see weak longs capitulate and throw in the towel. Some begin to wonder if we do break 100.

(09:04 am) Mark Coe:Note from a Bank-Other than government spending, the US economy was moving along nicely in the first quarter, but a second consecutive quarter of deep public sector cuts held GDP to a disappointing 2.5% pace. Defense spending, which had plunged in Q4, was again falling at a double-digit pace, surprising most analysts. Consumer spending was very healthy with a 3.2% pace, but looks headed for weaker results come Q2 as earlier tax hikes start to bite. Exports were still fairly sluggish, rising only 2.9% and barely making up for a prior quarter decline. As expected, a restocking of inventories contributed to growth; excluding inventories, GDP would have advanced at only 1.5%. Inflation readings were very tame, with the core PCE price index running at only 1.2%. Add it up, and while this wasn't a weak quarter, it wasn't the bang up start to the year we had hoped for, and the signals from March suggested that we will only decelerate from here into the spring trimester. Bullish for fixed in

(09:37 am) Mark Coe:All about JPY and JPY crosses today after BOJ last night, EUR very steady, most traders and analysts calling for a rate cut next week so expect EUR to be sold on any gains.

(09:52 am) Mark Coe:U of Michigan coming up

(09:52 am) Mark Coe:expected at 73.5

(09:53 am) Mark Coe:USDJPY 97.82 50Fib from the 95.80 lows to 99.89 highs

(09:55 am) Mark Coe:U of Mich comes in at 76.4

(09:55 am) Mark Coe:better than expected

(10:14 am) Mark Coe:expect further capitulation of short JPY positions as we break 98 in USDJPY, again shorter term players are not as willing to hold, longer term players may book some profits but still see this range w 95.80 marking a clear area to trade against

(10:26 am) Mark Coe:USDJPY trades right into that 50 Fib level I mentioned earlier

(10:33 am) Bryan Rich:gold trades beautifully into the 0.618 of the move from 1588 (early april levels) to the lows last week

(10:33 am) Bryan Rich:that 0.618 is 1487 -- the high overnight 1485

(10:34 am) Bryan Rich:nice second chance for gold longs to unload

(10:35 am) Mark Coe:USDJPY still very heavy on the morning.

(10:50 am) Bryan Rich:the big line people are looking at in a deeper retracement in usdjpy is 94.95-95.00 area

(10:50 am) Bryan Rich:thats where the line comes in from the November lows, as we talked about yesterday

(10:54 am) Bryan Rich:expect some bids today into this 97.35 level.. this 0.618 of the move from april 15 lows to april 21 highs

(11:43 am) Mark Coe:Out for just a few minutes

(12:29 pm) Mark Coe:Back and wow everything looks the same

(01:13 pm) Mark Coe:Not much reason to get overly bullish EURUSD going into the weekend. As Bryan and I have pointed out, we are looking for ECB to cut rates. We still favor selling on upticks. Same with AUD

(01:13 pm) Mark Coe:we have had 2 days in AUD where we approached our 1.0350 sell area so a couple chances to sell upticks in that pair as well.

(02:01 pm) Mark Coe:Again these moves in USDJPY continue to flush out weak longs, but dip buyers emerge. So real issue is staying power.

(02:01 pm) Mark Coe:Have a great weekend everyone. Talk to you all Monday morning.