POWERUP FOREX SPOT , FUTURE & OPTION WORKSHOP



Trade Instant FX Profit For A Living

FX SPOT

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Currency Codes

- **USD = US Dollar**
- **EUR = Euro**
- **JPY = Japanese Yen**
- **GBP = Great Britian Pound**
- **CHF = Swiss Franc**
- **CAD = Canadian Dollar**
- **AUD = Australian Dollar**
- **NZD = New Zealand Dollar**

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Currency Pairs

- **Majors:**
- **EUR/USD, USD/JPY, GBP/USD, USD/CHF**
- **Commodity Currency:**
- **USD/CAD, AUD/USD, NZD/USD**
- **Major crosses:**
- **EUR/JPY, EUR/GBP, EUR/CHF**

Currencies are traded against one another

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What is a Base Currency?

- **Base Currency is t**he first currency quoted in a currency pair on foreign exchange.
  E.g. EUR/USD as 1EUR:USD = 1.4200/03
- EUR is the base currency.
- The base currency is always quoted as 1 against the quoted /reference currrency.
- The above quote means for every 1 Euro you sell you will receive 1.4200 USD(Bid) and you pay 1.4203 usd(ASK) to receive 1 Euro

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What is a Reference/Quote Currency?

- **Quote Currency is t**he second currency quoted in a currency pair on the foreign exchange. eg. USD/JPY
- JPY is the quote currency.
- The quoted currency always has 2 prices for reference ie. The Bid and Ask price fluctuating at the current rate.
- Eg 1USD/JPY 122.30 / 122.33

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Pips : Percentage in Point

- All prices in the Forex market are quoted with 4 decimal point in a quote. Eg.GBP/USD 1.9455
- Only the USD/JPY currency is quoted with a 2 decimal point. Eg USD/JPY 122.33

- Note: When a base currency is stronger, it increases the value of the quoted currency.
- If the quoted currency is lower, it simply means to say that the base currency is weakening.

- For eg If GBP/USD increases from 1.9455 TO 1.9555 that means GBP has gone up by 100 pips AND if it decreases to 1.9355 it means GBP has gone down by 100 pips (Note:- You Ignore the Decimal Points)

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Profit Calculation

- **To illustrate a typical FX trade, consider the following example.**
- The current bid/ask price for EUR/USD is 1.2320/23, meaning you can buy 1 euro with 1.2323 US dollars or sell 1 euro for 1.2320 US dollars.
- Suppose you decide that the Euro is undervalued against the US dollar and you think Euro will go up. To execute this strategy, you would buy Euros (simultaneously selling dollars), and then wait for the exchange rate to rise.
- So you make the trade: to buy 100,000 euros you pay 123,230 dollars (100,000 x 1.2323). Remember, at 1% margin, your initial margin deposit would be $1,232 for this trade.
- As you expected, Euro strengthens to 1.2395/98. Now, to realize your profits, you sell 100,000 euros at the current rate of 1.2395, and receive $123,950.
- You bought 100k Euros at 1.2323, paying $123,230. You sold 100k Euros at 1.2395, receiving $123,950. That's a difference of 72 pips (1.2395-1.2323), or in dollar terms ($123,950 - $123,230 = $720).
- **Total profit = US $720**
- **Initial Investment: $1232 , Profit:$720, ROI: 58%**
- *(TIP: When trading any USD as second currency in a pair, each pip is worth $10, per 100,000 trades)*.

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Margin Trading

- Forex market has the lowest margin requirement among all other underlying financial instruments in the world.
- Usually only 1% is needed for Minimum Margin Requirement i.e $ 1000 for standard account and $100 for mini account.
- There are 2 types of accounts a novice trader may choose from: Standard account or Mini account
- In a Standard account, 1pip value is 10usd and lot size is 100,000USD
- In a Mini account, 1 pip value is 1usd and lot size is 10,000USD

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Peak Hours in Forex Market

- **Australia opens 5am and closes 1pm**
- **Tokyo opens 8am and closes 4pm**
- **Europe opens 3pm and closes 10pm**
- **New York opens 8pm and closes 5am**

- **Note : All stated time are in Singapore & Malaysian time.**

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Spreads

- Spread is the difference between the Bid and Ask price quoted for a currency pair.
- Spreads may defer from broker to broker.
- Traders prefer a smaller spread to maximise profits.
- Most exotic currencies have very large spreads due to the illiquidity of the currencies.
- In EUR/USD , a price value of 3 pips spread will be quoted as : EUR/USD 1.3455 / 1.3458
- 3 pips is the spread when you buy or sell the EUR/USD currency pair which is your ***cost of trading***

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Trading Platforms

- Most brokers will provide a charting platform free of charge to traders who trades with them.
- You can choose any forex brokers and check if they are CFTC and NFA members.
- Check your broker's listing with the Securities Commission of the country.
- Examples of advance platforms are : Metatrader 4, Advance GET system
- For charting, you can get free charting systems from dailyfx.com
- Most brokers will allow you to have a demo account for the first 30 days on trial.
- Prices are quoted live for all trading accounts , be it a demo or live account.

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Special Characteristics of Various Currencies

Japanese yen

This currency tends to float in a range for most of the time. The reason being the trade competitiveness between Japan and USA. If Yen strengthens a lot, it hurts Japanese exporters and hence, Japanaese authorities (Central banks, government etc). start taking steps to halt or reverse the sudden appreciation. On the other hand, if Yen weakens too much, US trade deficit widens further and local manufacturers as well as the exporters feel the pinch. Typically, this is followed by various US authorities making statements or actions to depreciate the dollar.

The USD/JPY can move 50-100 pips in a day

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USD/JPY


USDJPY,Monthly 114.75 117.93 114.55 114.58
276.70
263.50
249.90
236.30
223.10
209.50
196.30
182.70
169.50
155.90
142.30
129.10
114.58
102.30
88.70
75.50
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1 Jan 1978
1 Sep 1980
1 May 1983
1 Jan 1986
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1 May 1991
1 Jan 1994
1 Sep 1996
1 May 1999
1 Jan 2002
1 Sep 2004
1 May 2007

Special Characteristics of Various Currencies

Australian dollar, New Zealand dollar & Canadian dollar

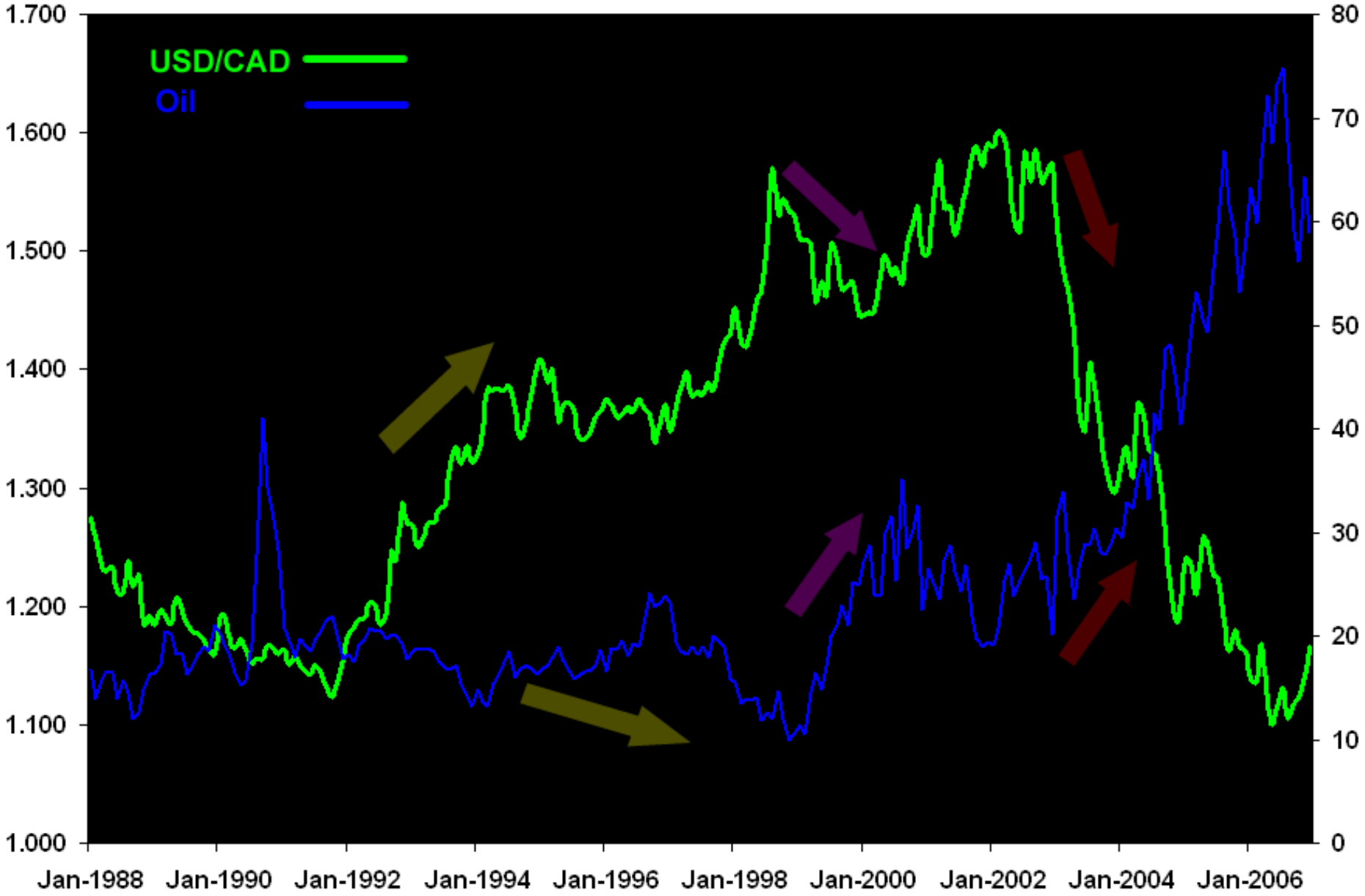
These currencies are typically considered as commodity based currencies as these two countries, Australia & Canada, are big exporters of various commodities such as gold, oil etc. Thus, typically, when the commodity prices go up, the economy in these countries does well and their currencies appreciate.

The CRB index will tell you the level of commodity prices. All the above three commodity currencies and move 50-75 pips in a day.

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USD/CAD (OIL)


USDCAD,Monthly 0.9934 1.0014 0.9632 0.9656
1.6140
1.5690
1.5250
1.4810
1.4360
1.3920
1.3470
1.3030
1.2590
1.2140
1.1700
1.1250
1.0810
1.0370
0.9920
0.9656
0.9480
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1 Sep 1980
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1 May 1991
1 Jan 1994
1 Sep 1996
1 May 1999
1 Jan 2002
1 Sep 2004
1 May 2007

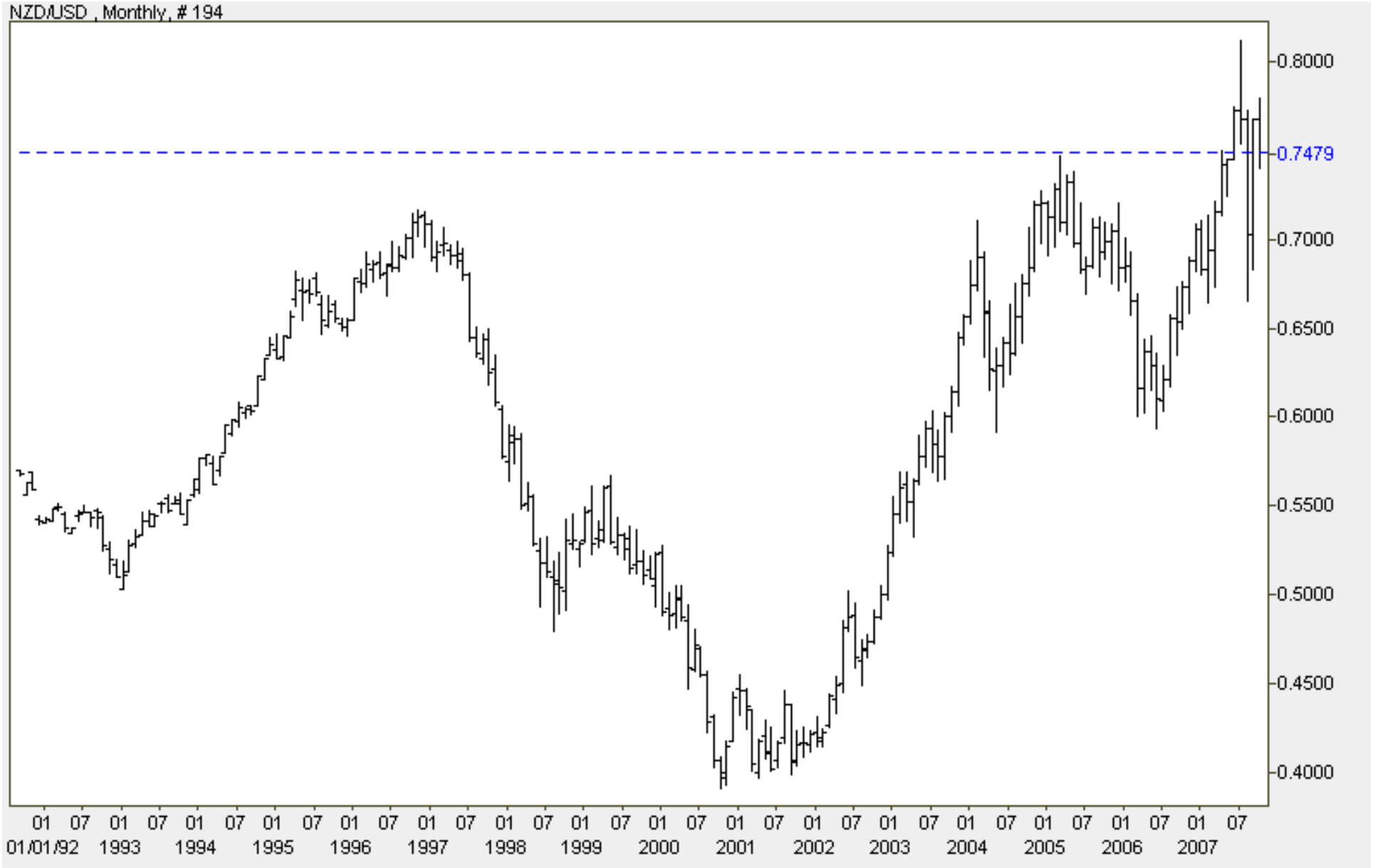


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AUD/USD (GOLD)


AUDUSD,Monthly 0.8881 0.9077 0.8793 0.8911
1.1850
1.1370
1.0875
1.0395
0.9915
0.9435
0.8911
0.8475
0.7995
0.7500
0.7020
0.6540
0.6060
0.5580
0.5100
0.4620
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1 Oct 1978
1 Jun 1981
1 Feb 1984
1 Oct 1986
1 Jun 1989
1 Feb 1992
1 Oct 1994
1 Jun 1997
1 Feb 2000
1 Oct 2002
1 Jun 2005

NZD/USD


NZD/USD , Monthly, # 194
0.8000
0.7479
0.7000
0.6500
0.6000
0.5500
0.5000
0.4500
0.4000
01/01/92
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007

CRB Index

- Current Reuters CRB Components

- Energy -Crude Oil, Heating Oil,Natural Gas 17.6%
- Grains- Wheat, Corn, Soybeans 17.6%
- Industrials- Copper, Cotton 11.8%
- Meats -Live Cattle, Lean Hogs 11.8%
- Softs- Coffee, Cocoa, Sugar,Orange Juice 23.5%
- PreciousMetals -Gold, Silver, Platinum 17.6%

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Special Characteristics of Various Currencies

Euro

Euro is a common currency for 15 countries and hence has a rather unique nature. All the major policies are determined by the European central bank (ECB), while each country has its own central bank. Thus, many policies regarding Euro have to be approved by the member states and this can cause some really long delays. The policy formulation for this currency is a rather difficult task as different countries may have different economic conditions and hence, implementing one policy across the region may be a very difficult proposition. Euro has appreciated against usd over the last 5 years

The EUR/USD can move 50-100 pips in a day

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EUR/USD


EURUSD,Monthly 1.4275 1.4318 1.4015 1.4296
1.4480
1.4296
1.4050
1.3630
1.3200
1.2770
1.2350
1.1920
1.1490
1.1070
1.0640
1.0210
0.9790
0.9360
0.8930
0.8510
0.8080
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1 Apr 1989
1 Dec 1991
1 Aug 1994
1 Apr 1997
1 Dec 1999
1 Aug 2002
1 Apr 2005

Special Characteristics of Various Currencies

British Pound & Swiss Franc

One of the most important features of these two currencies is their extremely high correlation with each other as well as with Euro. This can be attributed to their geographical proximity and their inter-dependent economies. Switzerland is considered to be the world best offshore banking heaven and the govt still backs its currency with gold hence CHF has been one of the stongest currency in the world. The dollar has lost 300 percent value against CHF over the past 35years.

The GBP/USD can move 100 – 150 pips in a day. While the USD/CHF can move 50 – 100 pips in a day.

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GBP/USD


GBPUSD,Monthly 2.0457 2.0523 2.0246 2.0512
2.4435
2.3485
2.2535
2.1585
2.0512
1.9660
1.8710
1.7760
1.6810
1.5860
1.4910
1.3960
1.3010
1.2060
1.1110
1.0160
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1 Jan 1978
1 Sep 1980
1 May 1983
1 Jan 1986
1 Sep 1988
1 May 1991
1 Jan 1994
1 Sep 1996
1 May 1999
1 Jan 2002
1 Sep 2004
1 May 2007

USD/CHF


USDCHF,Monthly 1.1627 1.1893 1.1622 1.1673
2.9015
2.7790
2.6565
2.5340
2.4115
2.2890
2.1665
2.0475
1.9250
1.8025
1.6800
1.5575
1.4350
1.3125
1.1673
1.0710
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1 May 1982
1 Jan 1985
1 Sep 1987
1 May 1990
1 Jan 1993
1 Sep 1995
1 May 1998
1 Jan 2001
1 Sep 2003
1 May 2006

Average Daily Turnover by Currency Pair

Pair	Share
EUR/USD	28%
USD/JPY	17%
GBP/USD	14%
AUD/USD	5%
USD/CHF	4%
USD/CAD	4%
EUR/JPY	3%
EUR/GBP	2%
EUR/CHF	1%
Other	22%
Total	**100%**

NEW YORK FEDERAL RESERVE 2005

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Trading Concepts

- Profit
- Loss
- Q & A

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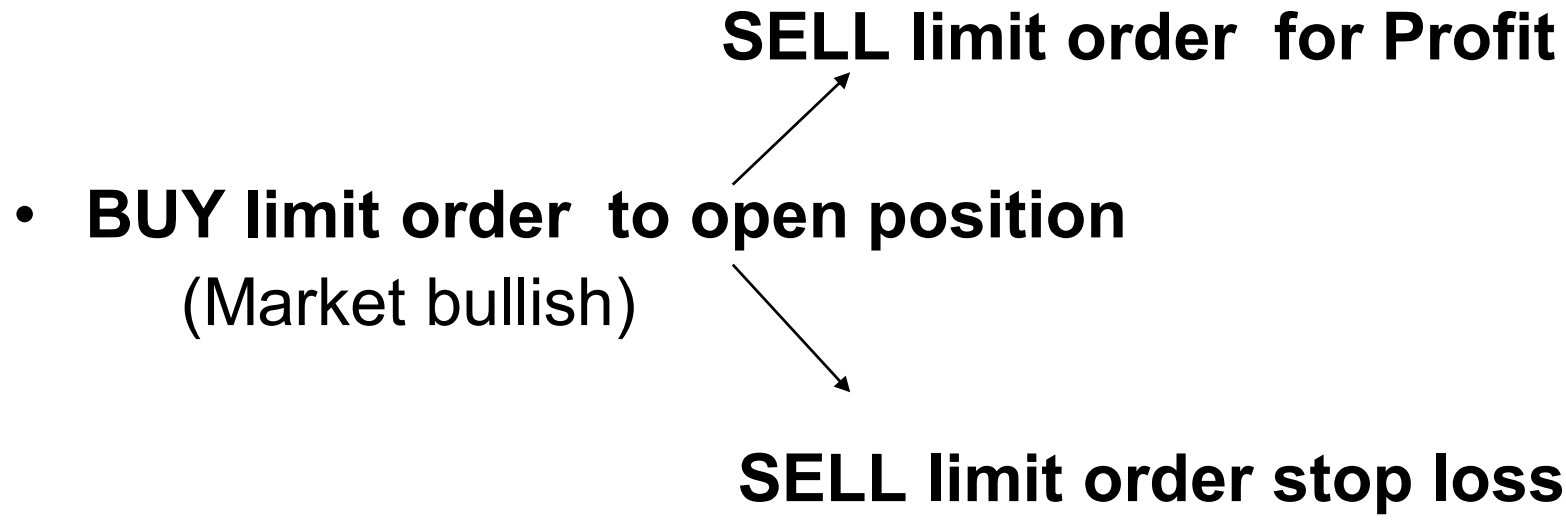
How To Profit in an Uptrend Market?

- In a uptrend market, a trader places buy limit orders as the market move upwards & places sell to close limit orders once the profit target is reached.
- Once buy orders are being transacted, they are considered open positions until a sell limit order is placed to square/close the position.
- These open positions will stay open with floating profit/loss according to price fluctuations of the current market.
- Note: Always trade the trending market.

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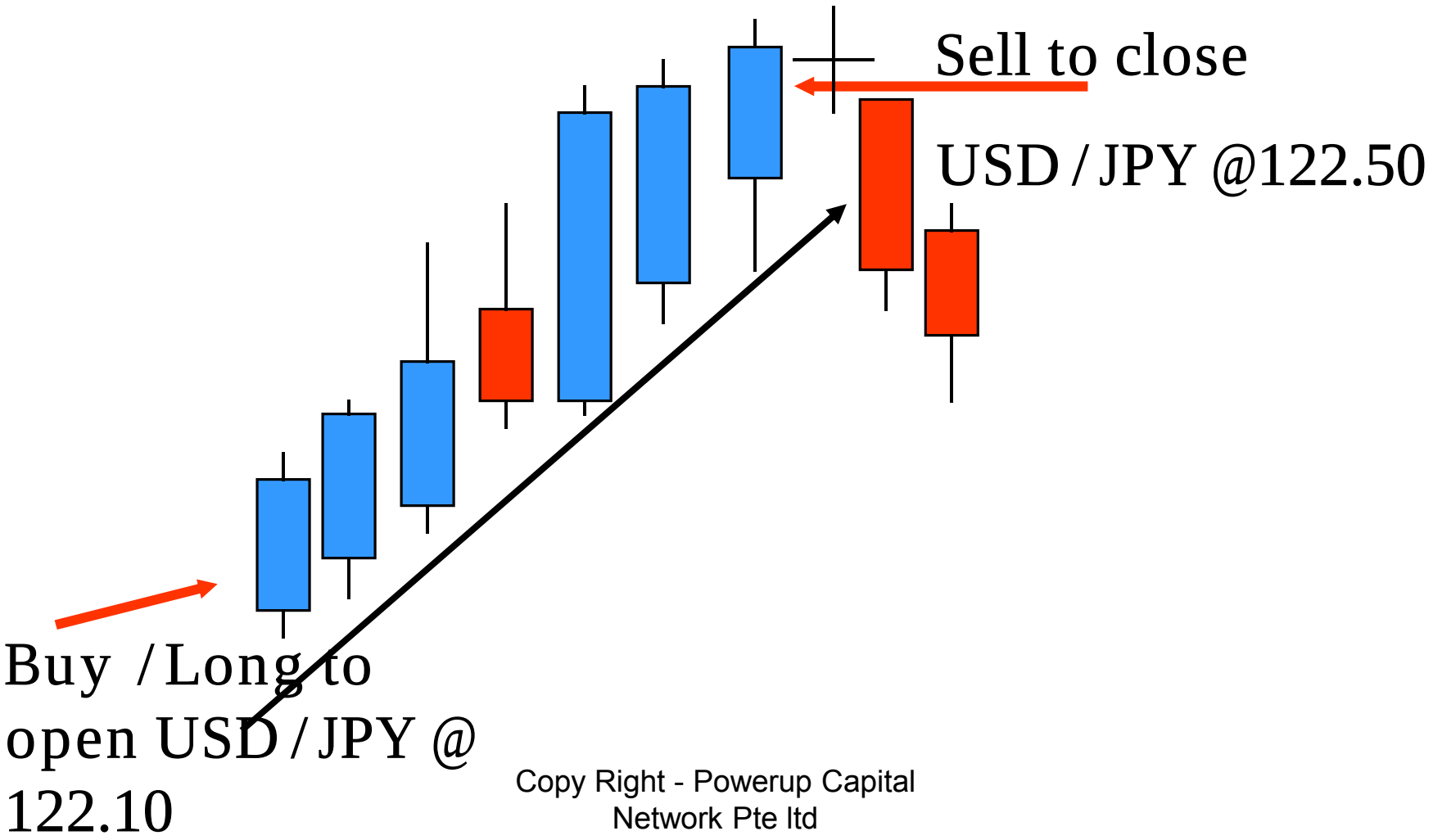
Buy Position **ORDERS**

1. Buy limit order to open position/s.
2. Sell limit order to close position/s to take profits
3. Sell limit order for Stop loss



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In a Bullish Market or Uptrend Market



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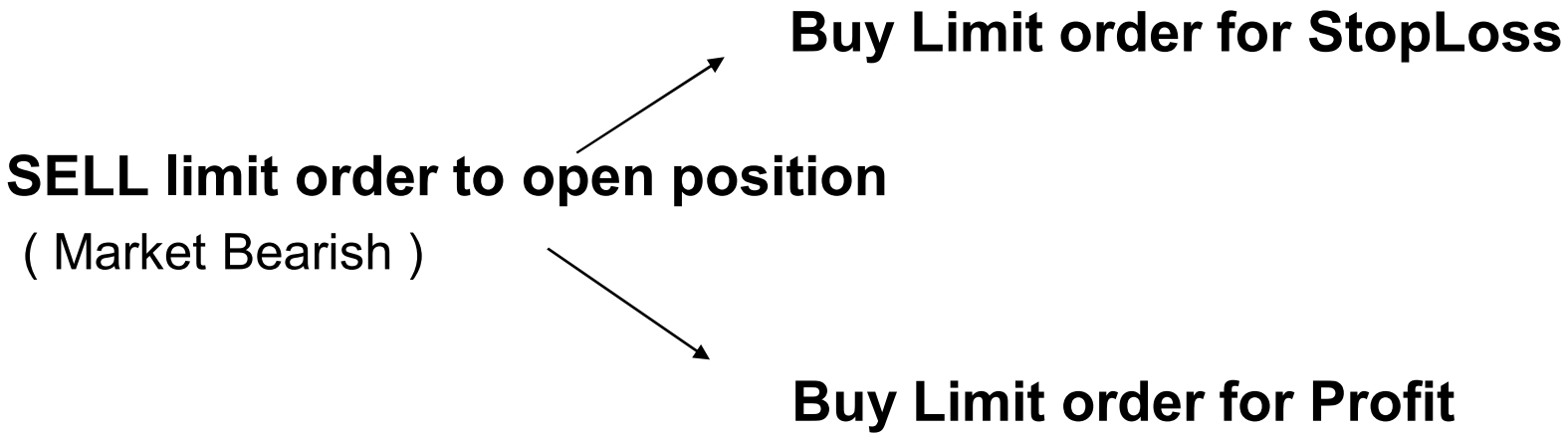
How To Profit In a Downtrend Market?

- In a downtrend market, a trader places sell limit orders as the market move downwards & places buy limit orders to close once the profit target is reached.
- Once sell orders are being transacted, they are considered open positions until a buy limit order is placed to square/close the position.
- These open positions will stay open with floating profit/loss according to price fluctuations of the current market until closed.
- Note: Always trade the trending market.

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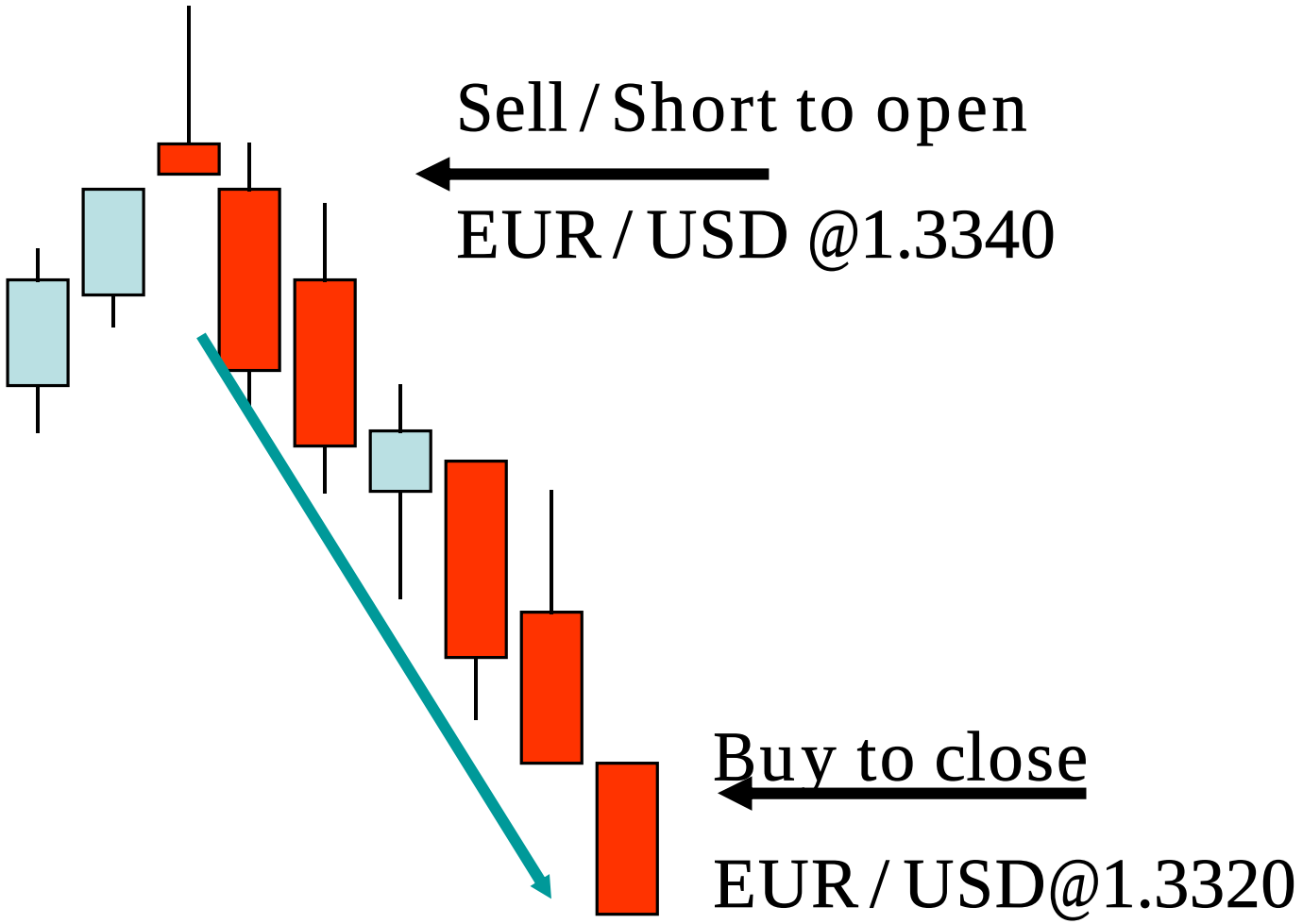
Sell Position orders

1. Sell limit order to open position
2. Buy limit order to close position/s to take profits.
3. Buy limit order to place stop loss



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Downtrend/Bearish Market



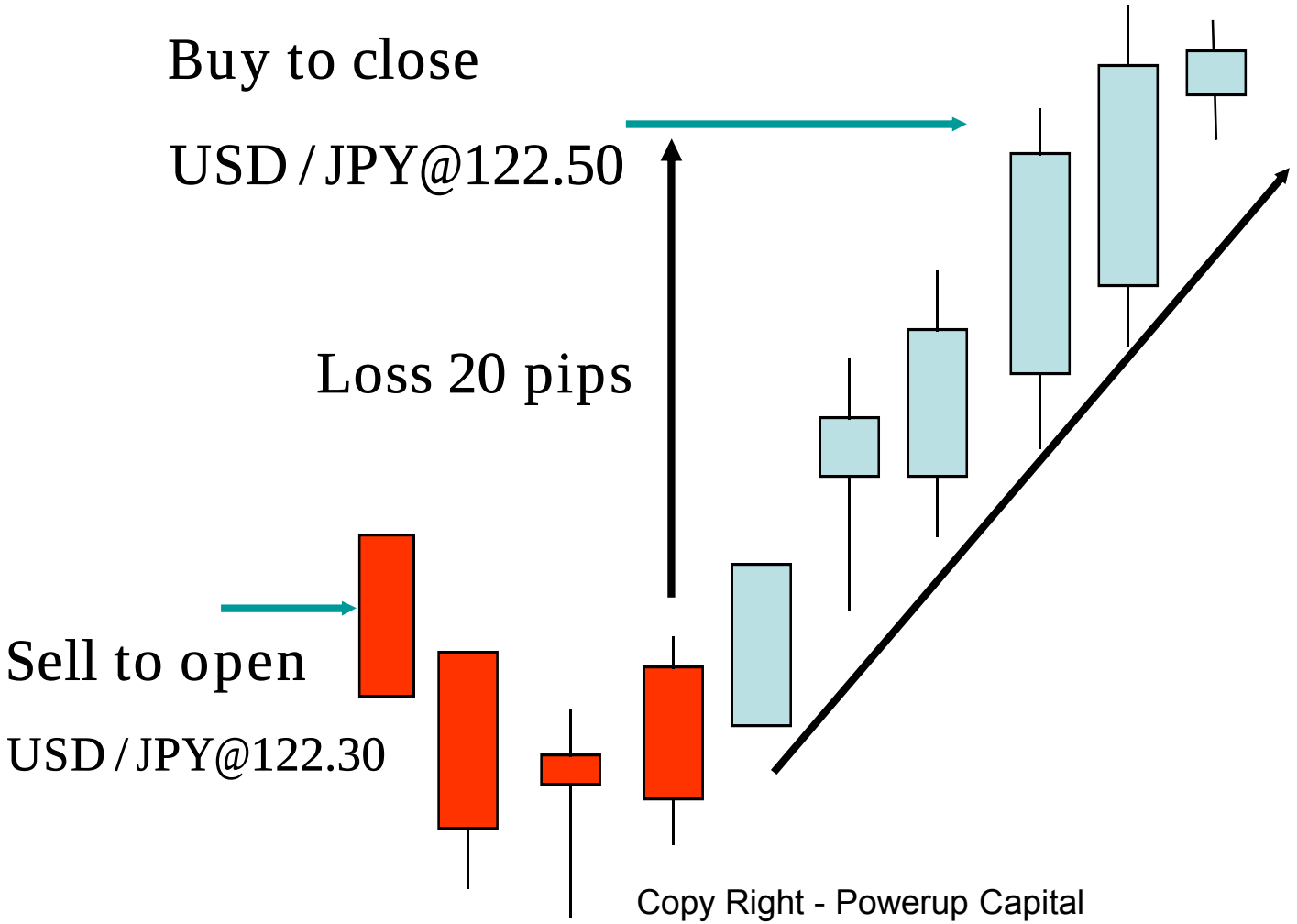
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How does a Loss occur in a Downtrend Market?

- In a downtrend markets , you can get into a losing position when you are on the wrong side of the market.
- For example, a Sell order has been placed as the market moves upwards against you and once you are not able to maintain these open position/s any longer, you have to place a buy order to close the position at a loss.It is generally called a *cut-loss position.*

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Losing in a Reversal Market.



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TRADING CONCEPTS

- Trading Orders
- Trailing Stops

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Trading Orders

- Market order : order placed at market price.Normally,what you see is what you get. (WSWG)
- Prices are not negiotable.
- Limit order: Entry or Exit order price

  Normally placed above or below market .

  Prices negiotable,. Usually used for planned orders.
- Stop Order: Exit /Entry order placed below or above market.
- OCO: One cancels the other.

  Normally a profit target and stop loss order.

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Trailing Stop Orders

- Trailing stop orders are stop orders that are set to a specified number of pips and it allows the trader to automatically trails the profits of the open position during the current market trend.
- Trailing stop orders allow traders to cut losses once the market move against them.
- Trailing stops can be placed together with stop loss orders.
- Positions will be closed if market reverses and is equal to the specified number of pips in the trailing stops .In the case of a stop loss order, whichever stops comes first.

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Technical Analysis

- Introduction
- Moving Averages
- Support and Resistance
- MACD
- RSI
- ADX
- Parabolic SAR
- Q & A

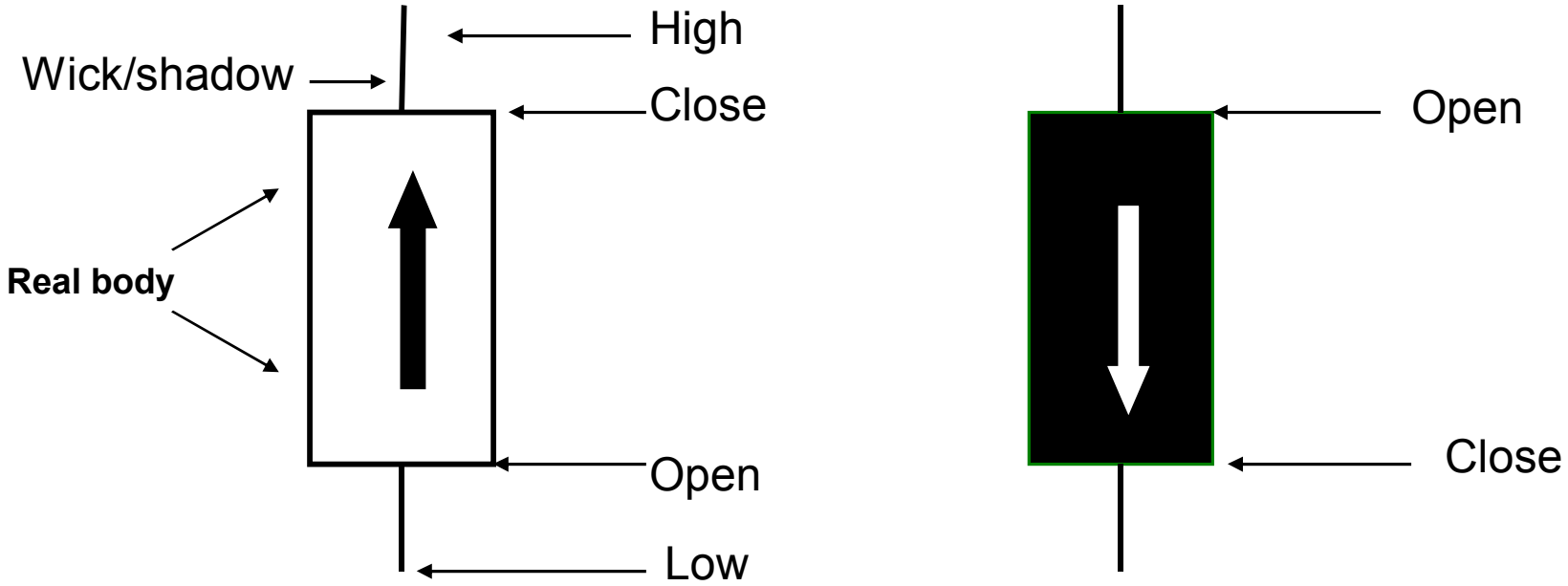
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Japanese Candle Sticks

Many years ago, the Japanese created their own old school version of technical analysis to trade rice.Due to daily price fluctuations, the candles sticks was created to track the momentum of that commodity. A westerner by the name of Steve Nison “discovered” this secret technique on how to read charts from a fellow Japanese broker and Japanese candlesticks lived happily ever after. Steve researched, studied, lived, breathed, ate candlesticks, began writing about it and slowly grew in popularity in 90s. To make a long story short, without Steve Nison, candle charts might have remained a buried secret.

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What is a Bullish and Bearish candle?



White/Bullish candle

Black/Bearish candle

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Enter Order
Strategy of the Day
Economic Calendar
Account Value Summary
Save Settings
Margin/Pip Calculator
Rate Alerts
Fund your Account
Preferences
Live Chat
FOREX.com
COMPX.X : 2,639.16
INX.X : 1,510.12
RUT.X : 837.48
FIY.X : 6,630.90
XAX.X : 2,358.90
NYA.X : 9,953.57
TYO10.X : 50.38
Simple Moving Average (SMA) (20, 40) (20): 2.0282 (40): 2.0284 (0): 0 (0): 0 (0): 0
Bullish candle
Bearish candle
2.0304
2.0301
2.0298
2.0295
2.0292
2.0289
2.0288
2.0286
2.0283
2.0280
2.0277
Relative Strength Index (SMA) (14, 0, 0) 68 , 0 , 0
75
50
25
16:05
16:10
16:15
16:20
16:25
16:30
16:35
16:40
16:45
16:50
16:55
17:00
17:05
07/11 16:42 O 2.0284 H 2.0285 L 2.0284 C 2.0284

Time Frames in Charts

- Trading can be done in all time frames on the charts.
- Time frames available : tick, 5 min, 10 min, 15 min, 30 min, 60 min, 2 hrs, 4 hrs, weekly and daily, monthly.
- Look at the daily chart before trading the hourly chart to know the underlying trend.

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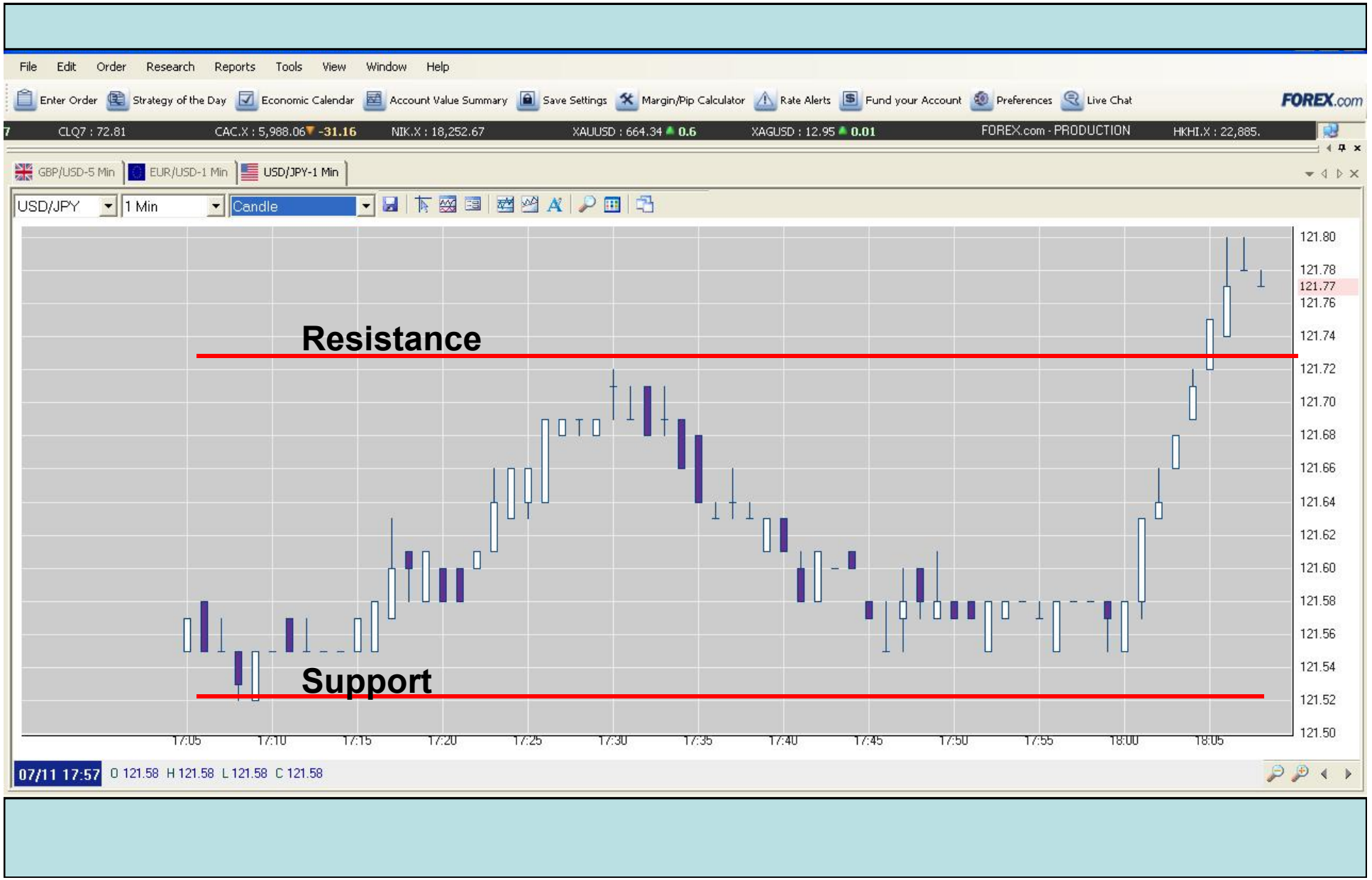
Support and Resistance

Q: In what situation can you make more money?

- In a Bullish Tendency,when the resistances are being exceeded.What do you do?
- In a Bearish Tendency, when the supports are being broken.What do you do?

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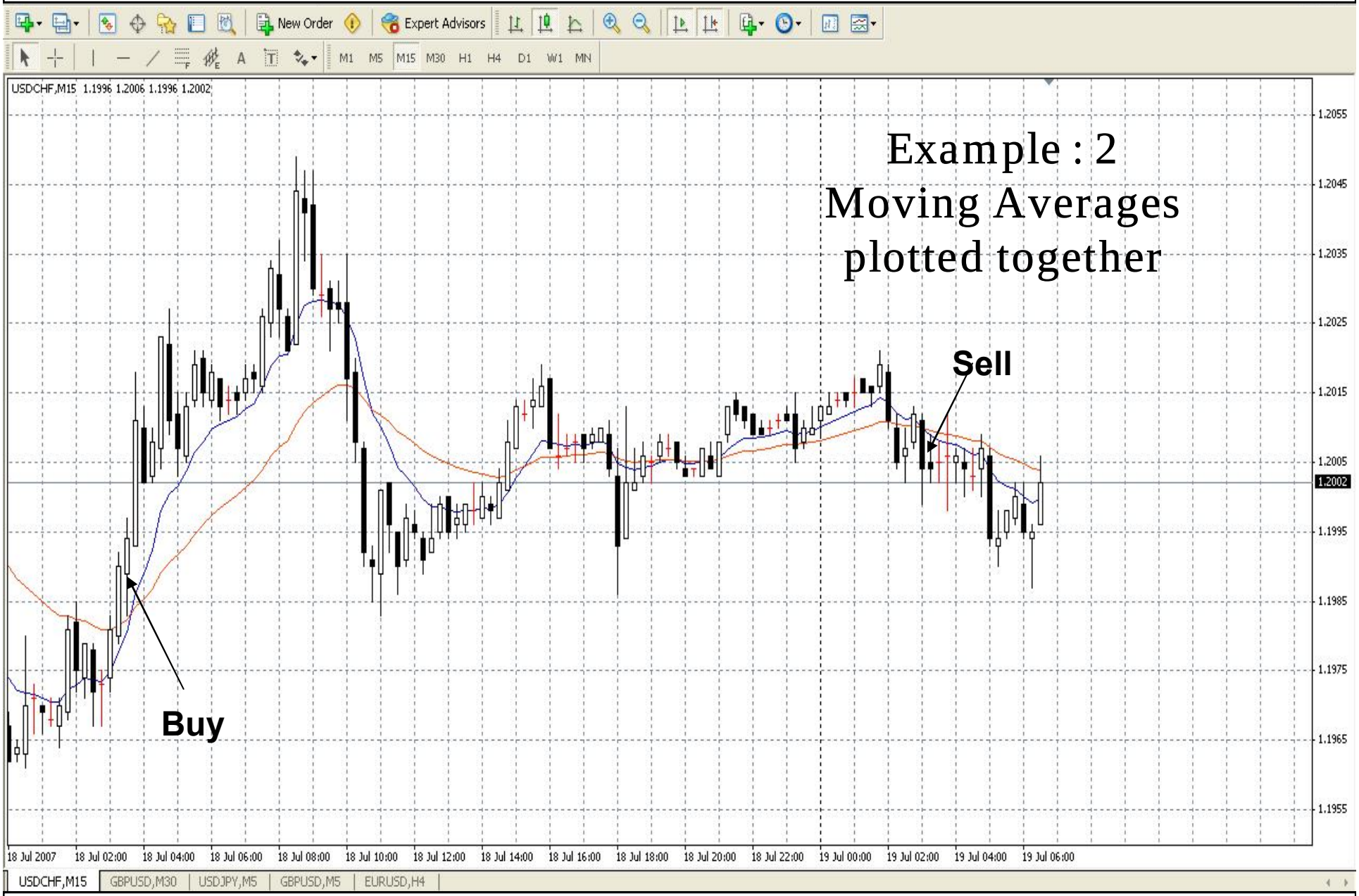
Support and Resistance



Moving Averages(MA)

- One of most basic and widely used indicators.
- Moving averages helps verify existing trends, identify emerging trends and views overextended trends that are about to reverse.
- They are lines overlaid on a chart indicating long term price trends with short term fluctuations smoothened out.
- **Help to track the trends of a particular financial asset by smoothing out the day-to-day price fluctuations.**
- They are lagging indicators and are good for the trending markets.
- When price goes above moving average and MA is also going up it is an uptrend (BUY)
- When prices goes below moving average and MA is also going down it is a downtrend (SELL)

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New Order
Expert Advisors
M1 M5 M15 M30 H1 H4 D1 W1 MN
USDCHF,M15 1.1996 1.2006 1.1996 1.2002
Example : 2
Moving Averages
plotted together
Sell
Buy
1.2055
1.2045
1.2035
1.2025
1.2015
1.2005
1.2002
1.1995
1.1985
1.1975
1.1965
1.1955
18 Jul 2007
18 Jul 02:00
18 Jul 04:00
18 Jul 06:00
18 Jul 08:00
18 Jul 10:00
18 Jul 12:00
18 Jul 14:00
18 Jul 16:00
18 Jul 18:00
18 Jul 20:00
18 Jul 22:00
19 Jul 00:00
19 Jul 02:00
19 Jul 04:00
19 Jul 06:00
USDCHF,M15
GBPUSD,M30
USDJPY,M5
GBPUSD,M5
EURUSD,H4

MACD

developed by Gerald Appel

- MACD is a more detailed method of using moving averages to find trading signals from price charts.
- It is an effective indicator both to determine overbought and oversold conditions and for generating longer term buy/sell signals.
- Signals are generated by the relationship between the 2 moving average lines.
- MACD can forewarn an imminent trend change.
- Buy when there is a MACD Crossover at bottom below the zero line and Sell when there is a MACD Crossover at top above the zero line

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New Order
Expert Advisors
M1 M5 M15 M30 H1 H4 D1 W1 MN
USDCHF,M30 1.1996 1.2006 1.1996 1.1998
2 MAs with
MACD, RSI
Sell
Buy
MACD(12,26,9) -0.00024 -0.00004
RSI(10) 42.7841
16 Jul 2007
16 Jul 21:30
17 Jul 01:30
17 Jul 05:30
17 Jul 09:30
17 Jul 13:30
17 Jul 17:30
17 Jul 21:30
18 Jul 01:30
18 Jul 05:30
18 Jul 09:30
18 Jul 13:30
18 Jul 17:30
18 Jul 21:30
19 Jul 01:30
19 Jul 05:30
USDCHF,M30
GBPUSD,M30
USDJPY,M5
GBPUSD,M5
EURUSD,H4


USD/JPY , Daily, # 300, MVG(1) 10=116.77, MVG(2) 20=116.24, SAR(1) 0.02;0.2=117.87
124.00
123.00
122.00
121.00
120.00
119.00
118.00
117.00
116.00
114.58
113.00
112.00
04 11 18 25 02 09 16 23 30 06 13 20 27 04 11 18 25 08 15 22 29 05 12 19 26 05 12 19 26 02 09 16 23 30 07 14 21 28 04 11 18 25 02 09 16 23 30 06 13 20 27 03 10 17 24 08 15
09/04/06 Oct/02 Nov/06 Dec/04 01/08/07 Feb/05 Mar/05 Apr/02 May/07 Jun/04 Jul/02 Aug/06 Sep/03 Oct/08
MACD(2) 12.0;26.0;9.0=0.07/0.24/-0.16
Sell EXIT
Sell Entry
Buy Entry
Buy Exit
1.00
0.50
0.07
-0.50
-1.00
ADX(1) 14;9=15.58
50.00
15.58
RSI(1) 10=31.79
50.00
31.79

TRENDS

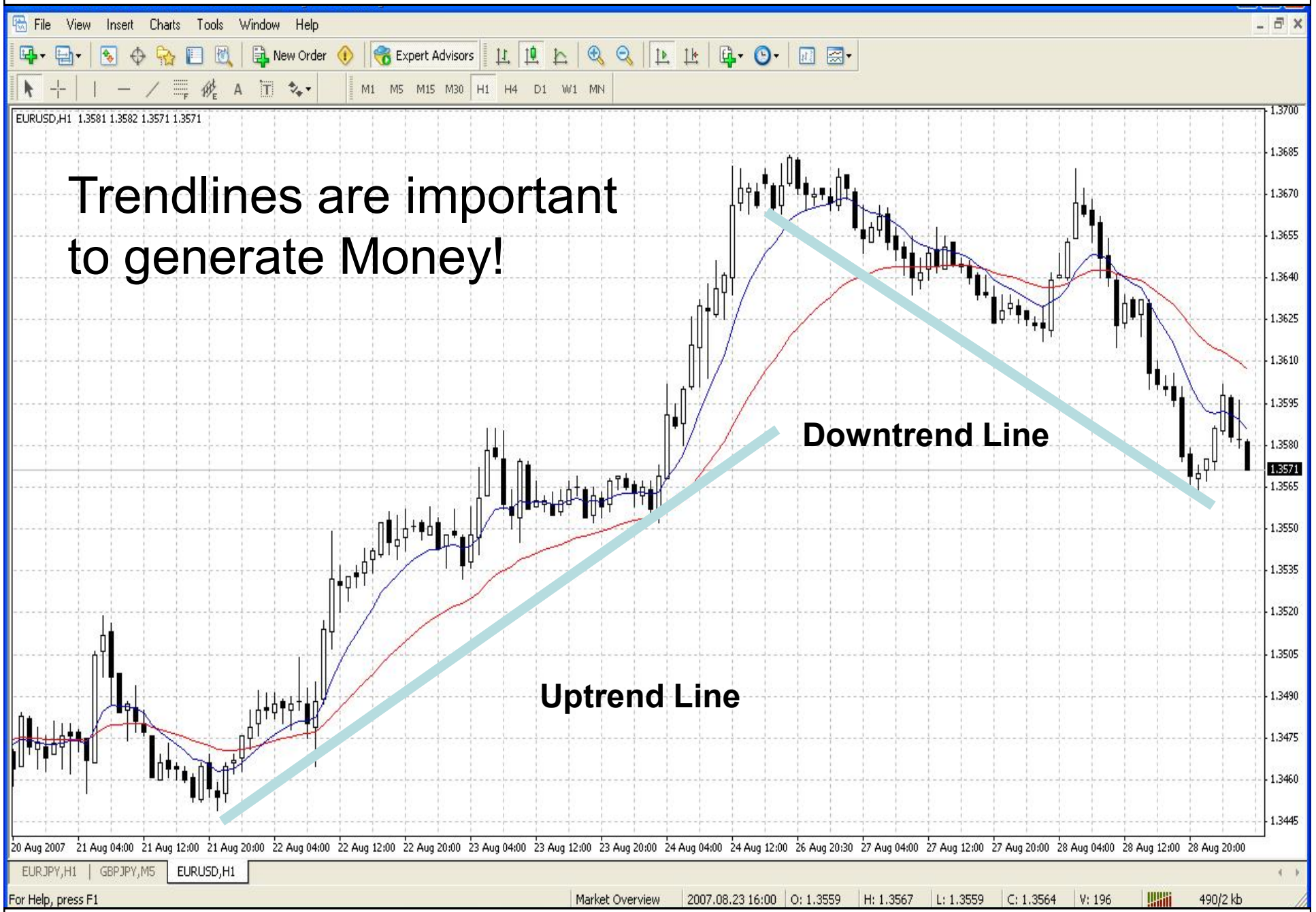
- The Trend is simply the way which the market is moving towards.- Up,Down or Sideways
- It is important to identify the trend of the market in forex trading to ride the Big Moves!
- The importance of identifying the trend is to trade in the direction of the MAJOR TREND.
- Identifying the Trend applies to all time frames.
- NOTE : “ The Trend Is Your friend”

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Essential Analysis Identifying Trends

- Up , Down , Sideways
- When Trend is Up, BUY
- When Trend is Down.SELL
- When Trend is Sideways do Buy Stop and Sell Stop

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File View Insert Charts Tools Window Help
New Order
Expert Advisors
M1 M5 M15 M30 H1 H4 D1 W1 MN
EURUSD,H1 1.3581 1.3582 1.3571 1.3571
Trendlines are important
to generate Money!
Downtrend Line
Uptrend Line
1.3700 1.3685 1.3670 1.3655 1.3640 1.3625 1.3610 1.3595 1.3580 1.3571 1.3565 1.3550 1.3535 1.3520 1.3505 1.3490 1.3475 1.3460 1.3445
20 Aug 2007 21 Aug 04:00 21 Aug 12:00 21 Aug 20:00 22 Aug 04:00 22 Aug 12:00 22 Aug 20:00 23 Aug 04:00 23 Aug 12:00 23 Aug 20:00 24 Aug 04:00 24 Aug 12:00 26 Aug 20:30 27 Aug 04:00 27 Aug 12:00 27 Aug 20:00 28 Aug 04:00 28 Aug 12:00 28 Aug 20:00
EURJPY,H1 GBPJPY,M5 EURUSD,H1
For Help, press F1
Market Overview
2007.08.23 16:00
O: 1.3559
H: 1.3567
L: 1.3559
C: 1.3564
V: 196
490/2 kb

Stockhastic

- Stockhastic measures the momentum of price movements.
- Stockhastic is plotted on a scale ranging from 0 – 100
- Traders tend to look at Stockhastic readings over 80 as an indicator of a market that is overbought or ready for a downturn.
- Readings under 20 as being market over sold and about to have a reversal/uptrend.
- Neutral at 50 reading.
- Remember the Stockhastic as an oscillator,it does not indicate the highest and lowest price level.
- Usually used as a guide/ estimate in conjunction with other parameters.

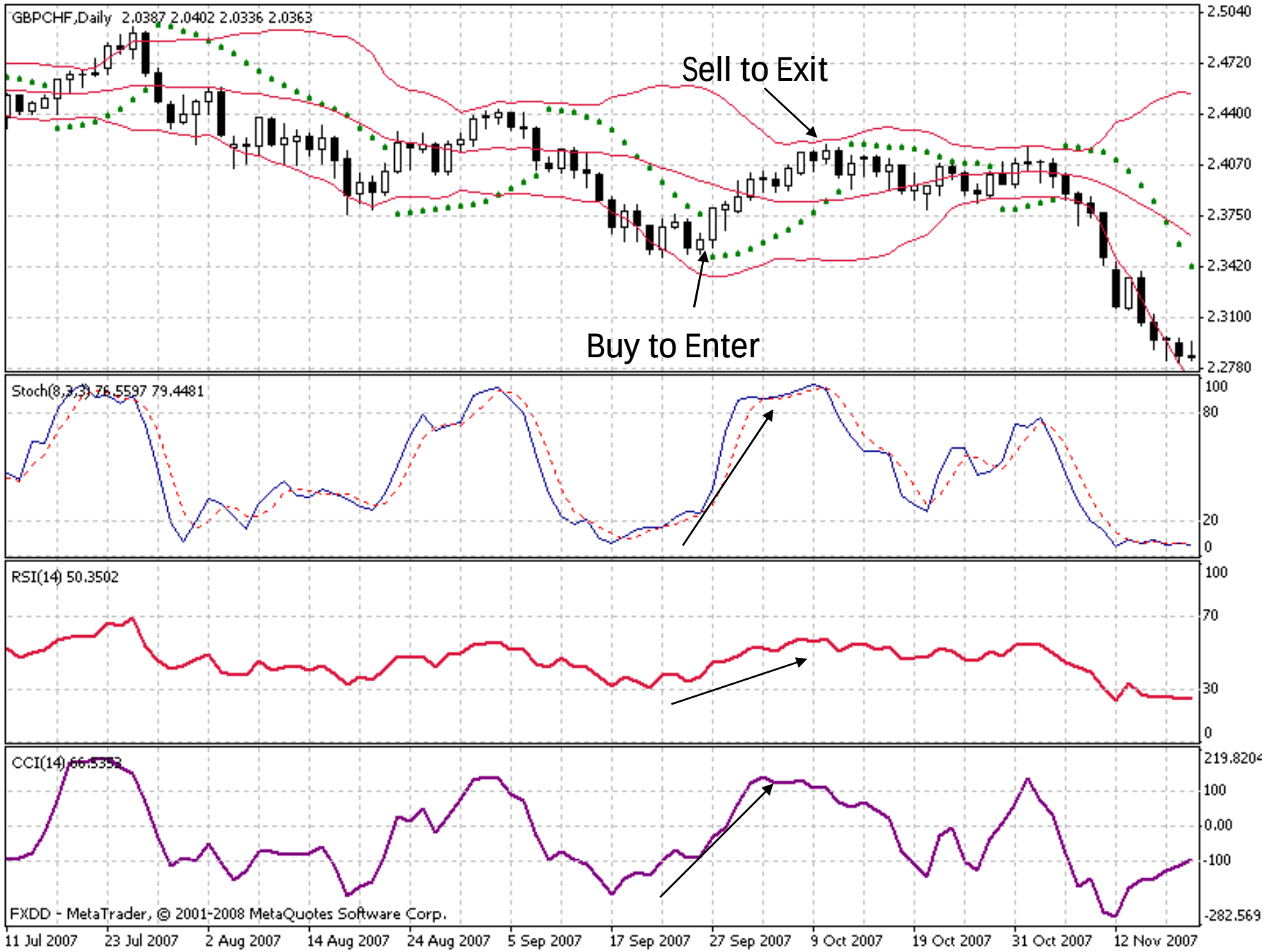
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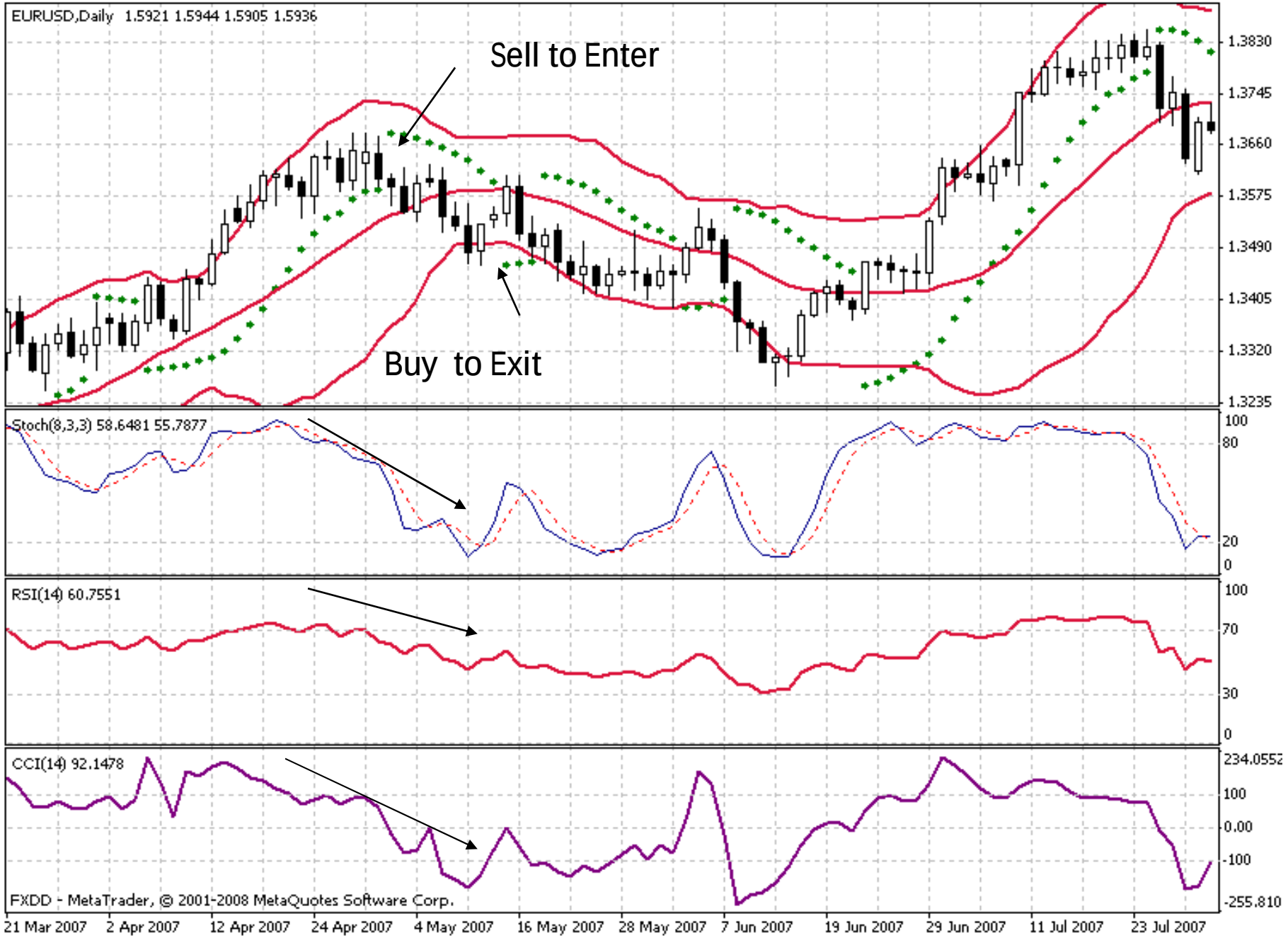

New Order
Expert Advisors
M1 M5 M15 M30 H1 H4 D1 W1 MN
USDJPY,M5 121.98 121.98 121.95 121.97
Sell
Buy
RSI(14) 71.8034
Stochastics
MACD(12,26,9) 0.056 0.029
16 Jul 2007
16 Jul 04:50
16 Jul 05:10
16 Jul 05:30
16 Jul 05:50
16 Jul 06:10
16 Jul 06:30
16 Jul 06:50
16 Jul 07:10
16 Jul 07:30
16 Jul 07:50
16 Jul 08:10
16 Jul 08:30
16 Jul 08:50
16 Jul 09:10
16 Jul 09:30
16 Jul 09:50
16 Jul 10:10
16 Jul 10:30
USDCHF,M30
EURUSD,M5
GBPUSD,M30
USDJPY,M5
GBPUSD,H1

CCI (Commodity Channel Index)

- CCI is plotted on a scale ranging from +100 – 100
- Traders tend to look at CCI readings over 100 as an indicator of a market that is overbought or ready for a downturn.
- Readings under -100 as being market over sold and about to have a reversal/uptrend.
- Neutral at 0 reading.
- Remember the CCI as an oscillator,it does not indicate the highest and lowest price level.
- Usually used as a guide/ estimate in conjunction with other parameters.

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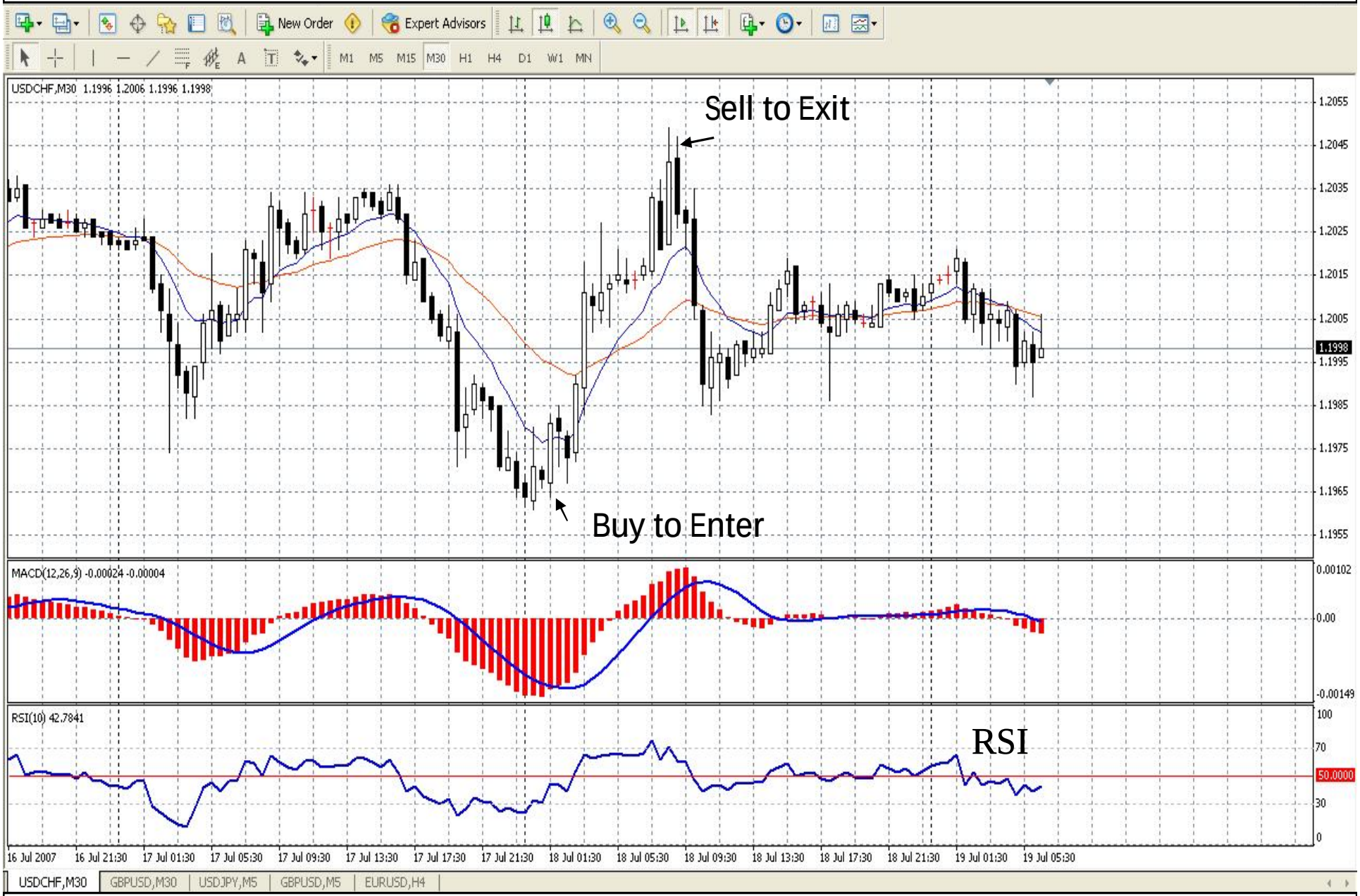

GBPCHF,Daily 2.0387 2.0402 2.0336 2.0363
Sell to Exit
Buy to Enter
Stoch(8,3,3) 76.5597 79.4481
RSI(14) 50.3502
CCI(14) 66.5353
FXDD - MetaTrader, © 2001-2008 MetaQuotes Software Corp.
2.5040
2.4720
2.4400
2.4070
2.3750
2.3420
2.3100
2.2780
100
80
20
0
100
70
30
0
219.8204
100
0.00
-100
-282.569
11 Jul 2007
23 Jul 2007
2 Aug 2007
14 Aug 2007
24 Aug 2007
5 Sep 2007
17 Sep 2007
27 Sep 2007
9 Oct 2007
19 Oct 2007
31 Oct 2007
12 Nov 2007


EURUSD,Daily 1.5921 1.5944 1.5905 1.5936
Sell to Enter
Buy to Exit
Stoch(8,3,3) 58.6481 55.7877
RSI(14) 60.7551
CCI(14) 92.1478
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1.3830
1.3745
1.3660
1.3575
1.3490
1.3405
1.3320
1.3235
100
80
20
0
100
70
30
0
234.0552
100
0.00
-100
-255.810
21 Mar 2007
2 Apr 2007
12 Apr 2007
24 Apr 2007
4 May 2007
16 May 2007
28 May 2007
7 Jun 2007
19 Jun 2007
29 Jun 2007
11 Jul 2007
23 Jul 2007

Relative Strength Index

- Relative Strength Index measures the momentum of price movements.
- RSI is plotted on a scale ranging from 0 – 100
- Traders tend to look at RSI readings over 70 as an indicator of a market that is overbought or ready for a downturn.
- Readings under 30 as being market over sold and about to have a reversal/uptrend.
- Neutral at 50 reading.
- Remember the RSI as an oscillator,it does not indicate the highest and lowest price level.
- Usually used as a guide/ estimate in conjunction with other parameters.

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New Order
Expert Advisors
M1 M5 M15 M30 H1 H4 D1 W1 MN
USDCHF,M30 1.1996 1.2006 1.1996 1.1998
Sell to Exit
Buy to Enter
MACD(12,26,9) -0.00024 -0.00004
RSI(10) 42.7841
RSI
1.2055
1.2045
1.2035
1.2025
1.2015
1.2005
1.1998
1.1995
1.1985
1.1975
1.1965
1.1955
0.00102
0.00
-0.00149
100
70
50.0000
30
0
16 Jul 2007
16 Jul 21:30
17 Jul 01:30
17 Jul 05:30
17 Jul 09:30
17 Jul 13:30
17 Jul 17:30
17 Jul 21:30
18 Jul 01:30
18 Jul 05:30
18 Jul 09:30
18 Jul 13:30
18 Jul 17:30
18 Jul 21:30
19 Jul 01:30
19 Jul 05:30
USDCHF,M30
GBPUSD,M30
USDJPY,M5
GBPUSD,M5
EURUSD,H4

Bollinger bands

- Bollinger bands are volatility curves used to identify extreme highs and lows in relation to price.
- It is established based on the moving average of a particular instrument and a set of standard deviations around this moving average
- Joe Bollinger recommends a 20 day MA and 2 std deviations.
- It is a dynamic indicator that adjusts themselves by widening and contracting based on the current level of volatility.
- Note: When prices hit the upper or lower band of the boundaries of a given set of Bollinger bands,it does not mean there is going to be an imminent reversal in a trend.
- It means prices have move to the upper limit /lower limit of the established parameter.
- Traders should use another study in conjunction to determine the strength of the trend.

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Bollinger Bands

- Bollinger Squeeze
- A strategy that is used to catch breakouts early.
- When the Bollinger bands “squeeze” the price, it means that the market is very quiet, and a breakout is eminent. Once a breakout occurs, we enter a trade on whatever side the price make its breakout. Price will start to go up or downwards when market activities increases.
- Price movements act according to market sentiments.

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BollingerBands

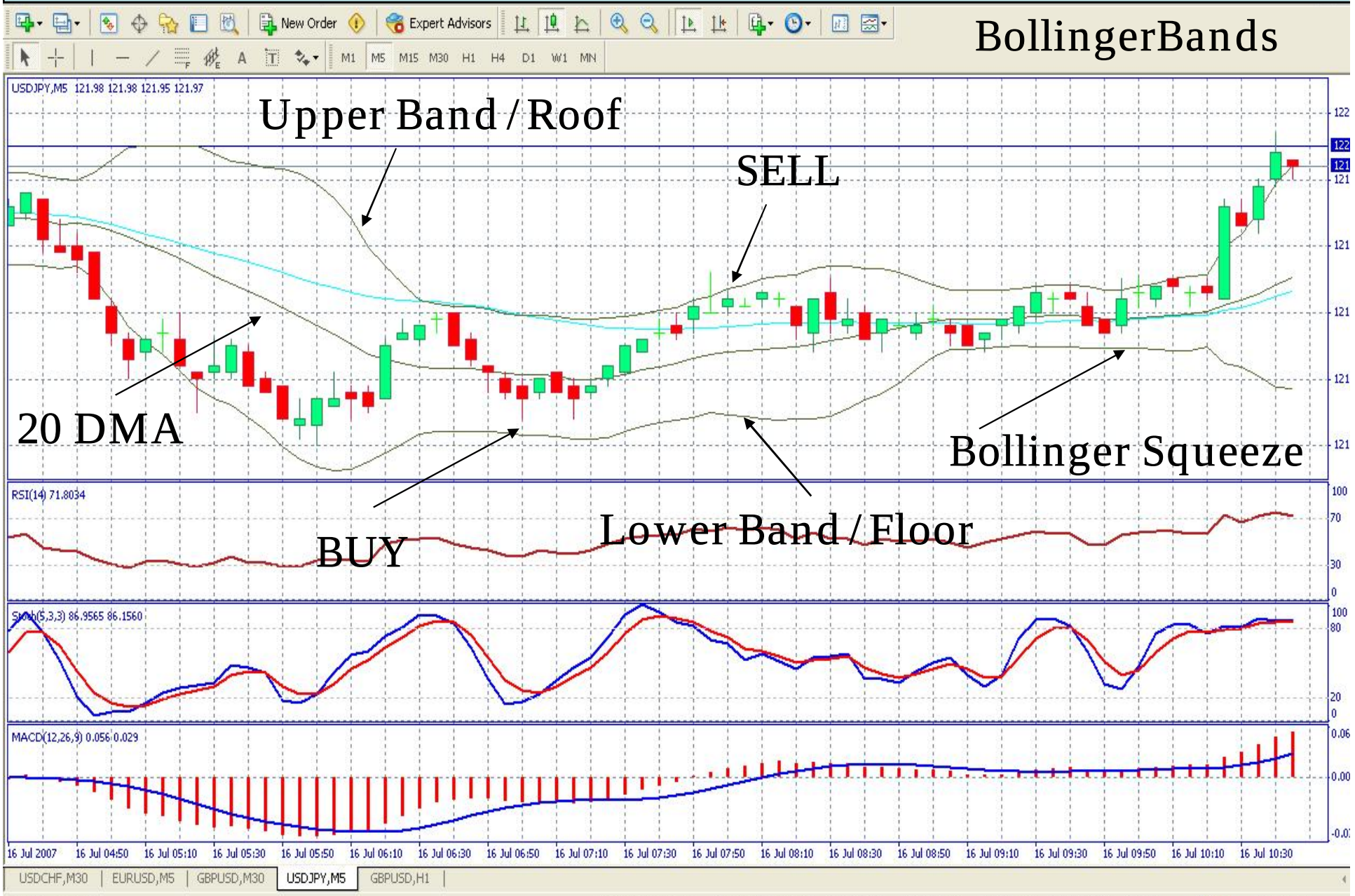


Chart Pattern Analysis

Reversal patterns

- Double tops and double bottoms**

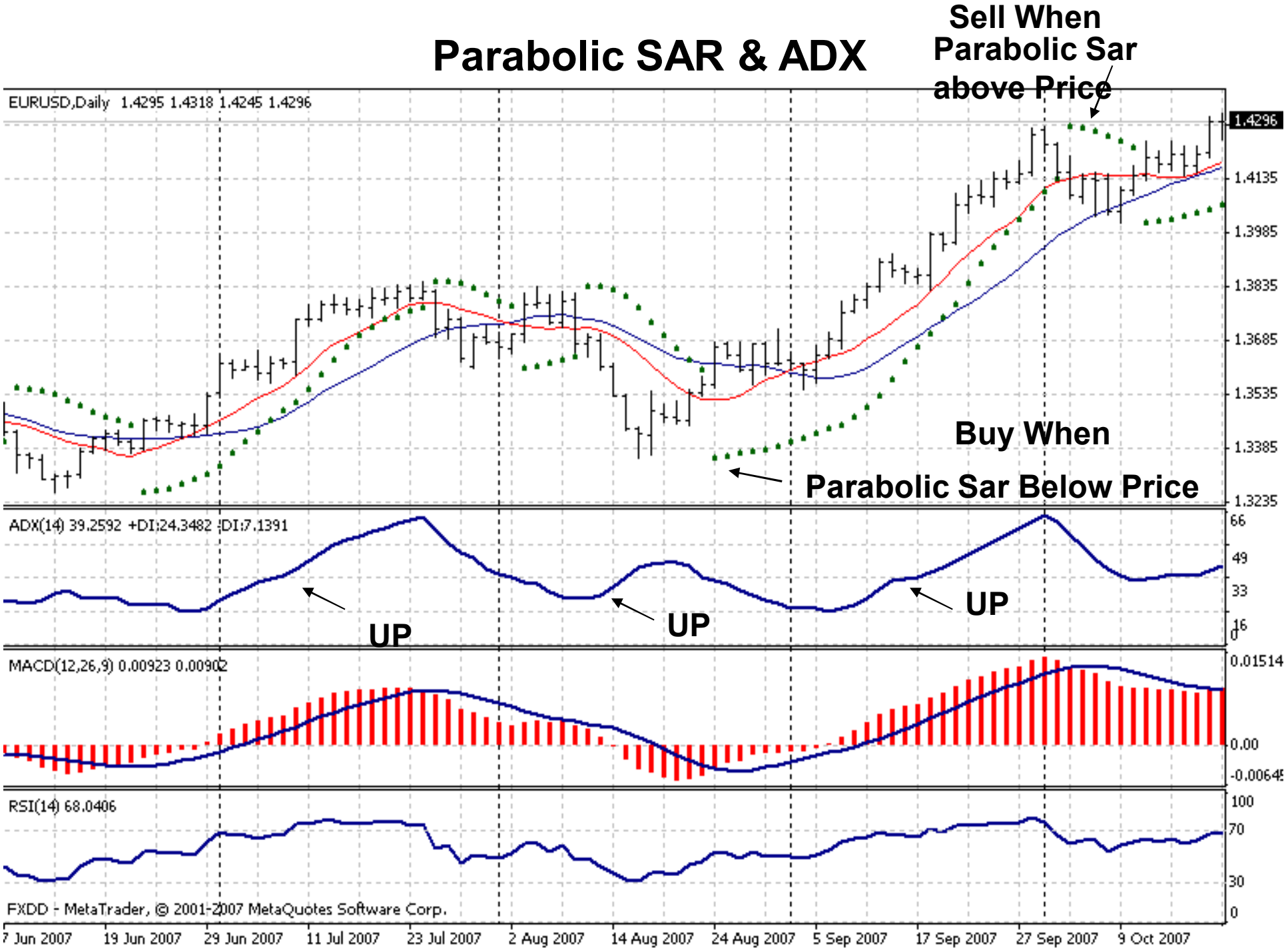
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Enter Order
Strategy of the Day
Economic Calendar
Account Value Summary
Save Settings
Margin/Pip Calculator
Rate Alerts
Fund your Account
Preferences
Live Chat
FOREX.com
SHGA.X : 4,043.64
INDU.X : 13,501.70
COMPX.X : 2,639.16
INX.X : 1,510.12
RUT.X : 837.48
FIY.X : 6,630.90
GBP/USD-5 Min
EUR/USD-1 Min
USD/JPY-5 Min
USD/JPY
5 Min
Candle
Double Tops
Triple Bottoms
121.80
121.73
121.66
121.59
121.52
121.45
121.38
121.31
121.24
121.17
121.10
121.03
13:05
13:30
13:55
14:20
14:45
15:10
15:35
16:00
16:25
16:50
17:15
17:40
18:05
07/11 16:05
O 121.32 H 121.33 L 121.28 C 121.3
FOREX INSIDER
MARKET NEWS

Parabolic SAR & ADX

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Parabolic SAR & ADX



Parabolic SAR

- Buy when Parabolic SAR dot is below Price
- Sell when Parabolic SAR Dot is above Price
- However use other indicator in conjunction with Paraboli Sar

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ADX

- ADX should always go up whether the price is in an uptrend or downtrend.
- ADX going up confirms the strength of the trend
- ADX should go up above 16

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Lesson 5

- Fundamental Analysis
- Economic calendar
- Global data and Economic reports

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Introduction

- Fundamental analysis refers to the study of underlying elements that influence the economy of a particular entity.
- By analysing economic indicators, government policies and societal factors within a business framework, they are relative to predict price action and market trends.
- Fundamentals are “gears and springs” of a financial market.They are like the ‘hands’ that moves about the face of a clock predicting current and future time (price).
- Fundamental analysis is a very effective way to forecast economic conditions but not neccesarily the exact market prices.
- Fundamentals are everything that makes a country tick ranging from interest rates, GDP, central bank policy , non farm payrolls etc.

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Fundamental Analysis

- **Economic and financial data are indicators for market observers to monitors the pulse of the economy of a country.**
- **The economic data generated from government and private sectors can potentially generate volume and price actions in the market.**
- **Traders like to take advantage of fundamental news with relation to price actions in the forex market.**

- **Major economic indicators are :**
- **Gross Domestic Product (GDP)**
- **Industrial Production**
- **Producers Price Index**
- **Consumer Price Index**
- **Durable goods**
- **Employment Cost Index**
- **Retail sales**
- **Housing Starts.**

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Economics in a Nation

- The measure of a nation's economy is quatified by its trade flow.
- When a country imports more than it exports, it results in a trade deficit.

- When a country exports more than it imports, it has a trade surplus.
- The price of the currency of a country also effects the price of imports and exports of the particular country.
- Example: Japan is dependent on exports , therefore a weaker Yen will favour the country.
- A fall in the value of a currency will make imports expensive and exports cheaper.

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Global Economic Calendar

- Global economic calendar provides trading opportunities for traders in the financial markets.
- The calendar provides time and dates for each country when they release their economic data for the public
- News /data released normally from the government agencies or private sectors may cause some price actions in the currency market.
- News released can also provide traders an unanticipated move in the currency market.

Note: The currency market normally will consolidate before the major news are announced.

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Daily Economic Report

- Daily reports provided from a broker will guide a trader on the direction of a currency.
- The report may provide an estimate of the strength and weakness of a currency
- The daily reports are generated from experienced economists and strategists .
- The reports are mostly accurate and absolutely useful in your trading analysis.
- Daily reports reminds a trader of economic indicators timetable and announcements.

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Names of Central Banks

- BOJ – Bank of Japan
- SNB – Swiss National Bank
- BOE – Bank of England
- ECB – European Central Bank
- The Fed – The Federal Reserve of USA

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Central bank of US

- Central bank of the United States – The Federal Reserve (The Fed)
- Is a governing body responsible for monetary policies of the country.
- It consists of 12 committee members who are also members for the Federal Open Market Committee (FOMC)
- FOMC releases announcement regards mostly to interest rates .
- Frequency of reports : Twice quaterly

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The US Treasury

- The US Treasury - determines the USD fiscal policy
- The US Treasury has the power to intervene in the Forex market ;
- As most countries would have their currency fluctuate within a band,the US Treasury can intervene when the governement finds that its currency is too weak or too strong.
- Normally, the Federal Reserve will take instructions from the US Treasury for any intervention.

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The European Central Bank

- The European Central Bank (ECB)
- - Central Bank of the European Union
- 12 participating countries in the European Monetary Union .
- EMU is to establish a strong EUR presence throughout the EU
- Announcements / release of news from the ECB is biweekly.

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Bank of England

- The Bank of England (BoE) -Central bank of the
- United Kingdom.
- The BoE is the governing body - responsible for all monetary policies of the UK especially the BLR
- The BoE - buying & selling of government bonds

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Bank of Japan

- The Bank of Japan - central bank of Japan
- In Japan, the Ministry of Finance is responsible for all monetary policies in Japan.
- Only upon instructions that the BOJ will intervene if nessesary eg. When the government finds that the currency is overvalued.
- Japan is mostly affected by strong macroeconomic interest.

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Swiss National Bank

- The Swiss National Bank - Central bank of Switzerland
- The SNB - responsible monetary policies of Switzerland
- The SNB main policy tool - London Interbank Offer Rate (LIBOR)
- The LIBOR are the rates at which international banks lend to one another
- The LIBOR are benchmarks for short-term interest rates

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Economic Indicators

- Economic indicators are simply indices or reports that summarize economic data
- Example: unemployment reports, consumer indices, producer indices
- Economic indicators are usually released in pairs: the latest economic data & the revised economic data from the period before
- Leading newspapers publishes information on the upcoming release of economic indicators.
- Economic indicators has strong influence on price movements of currency pairs in the Forex market

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Producer Price Index (PPI)

§The Producer Price Index (PPI) is a measure of price changes in the local manufacturing sector.

§It represents an index for selling prices received by domestic producers in the manufacturing, mining, agriculture, and electric utility industries for their output.

§The PPIs does not include imported goods and services .

§The index contain approximately about 3400 comodities.

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The Gross Domestic Product (GDP)

§ Normally used as a bench mark to indicate the performance on a country, usually practiced in Asian countries.

§The sum of all goods and services produced either by domestic or foreign companies.

§ GDP indicates the performance of a country's economy whether it is growing / stagnant.

§ the broadest indicator of economic output and growth.

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Consumer Price Index (CPI)

§ The Consumer Price Index (CPI)- fixed basket of goods and services.

§measures of the average price level of the goods and services and reports price changes in over 200 categories including various fees and taxes associated with them.

§The index helps traders to measure inflationary activity in the country.

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Employment Cost Index (ECI)

Payroll employment is a measure of the number of jobs in more than 500 industries in all states and 255 metropolitan areas.

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Gross National Product

- Gross National Product = sum of goods and services produced in that country, locally or globally
- GNP = economic performance of the country
- Index usually used by most European countries and US
- GNP = sum of consumption, investment,government spending & net trade
- GNP reports are released quarterly.

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- Primary announcements: non-farm payroll reports, interest rates reports, unemployment and inflation reports, CPI reports, GDP reports
- Secondary announcements: treasury budget reports, PPI and PMI report, retail sales reports, housing starts,employment cost Index,durable goods reports.
- Important times to observe and place trades before these times.
- AUD: 5am Singapore & Malaysian time
- JPY: 8am Singapore & Malaysian time
- EUR: 3pm Singapore & Malaysian time
- CHF: 3pm Singapore & Malaysian time
- GBP: 4pm Singapore & Malaysian time
- USD: 9pm Singapore & Malaysian time

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SPOT FX Trading Strategies

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FX Futures

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Example:

An investor will receive $15,000 in next 30 days but has only $2000 and the market is expected to appreciate particularly in the banking sector.

?? How to take advantage of the price rise.

If he was to buy 1 contract of DBS shares he would required

1 Contract Value = $15 * 1000 *1 .
Capital Required = $ 15,000

However he has only $ 2000. Therefore <u>buy the DBS futures</u>

Deposit **= $1125**

<u>Long (buy) Futures (Bullish Strategy)</u> – Participating in the Upside of the Market

Buy 1 Feb 05 DBS Futures@$15

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28 Feb 05 – Price is $15.50

Investor decides to close out his position

Sell 1 Feb. 05 DBS Futures @$15.50

Total Net Profit:

$(15.50-15.00) x 1000 x 1 = $500

Profit on Stock: 500/15000 * 100 = 3.33% Return, 15,000 Capital

Profit on Futures: 500/1125 * 100 = 44.4% Return , 1125 Capital, Zero Interest.

You can also sell Stock futures when the stock is bearish and make profits in the downside of the market. You don't need DBS shares to sell DBS Futures.

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Difference Between Spot & Future Quote

- ***SPOT 1GBP/USD IS SAME AS FUTURE***
- ***SPOT 1AUD/USD IS SAME AS FUTURE***
- ***SPOT 1EUR/USD IS SAME AS FUTURE***
- ***SPOT 1USD/YEN need to reverse to 1YEN/USD for Future***
- ***SPOT 1USD/CAD –need to reverse to 1CAD/USD for Future***
- ***SPOT 1USD/CHF –need to reverse to 1CHF/USD for Future***

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Currency Last Trade	U.S. $ N/A	Yen 4:58p m ET	Euro 4:56p m ET	Can $ 4:59p m ET	U.K. £ 4:58p m ET	AU $ 4:58p m ET	Swiss Franc 4:59p m ET
1 U.S. $ =	1	114.5150	0.6992	0.9669	0.4875	1.1229	1.1659
1 Yen (Future) =	0.008732	1	0.006106	0.008443	0.004257	0.009806	0.010182
1 Euro =	1.4302	163.7850	1	1.3829	0.6972	1.6060	1.6676
1 Can $ (Future) =	1.0342	118.4352	0.7231	1	0.5042	1.1613	1.2059
1 U.K. £ =	2.0513	234.9045	1.4342	1.9834	1	2.3034	2.3917
1 AU $ =	0.8905	101.9813	0.6227	0.8611	0.4341	1	1.0383
1 Swiss Franc (Future) =	0.8577	98.2161	0.5997	0.8293	0.4181	0.9631	1

What is a seasonal futures?

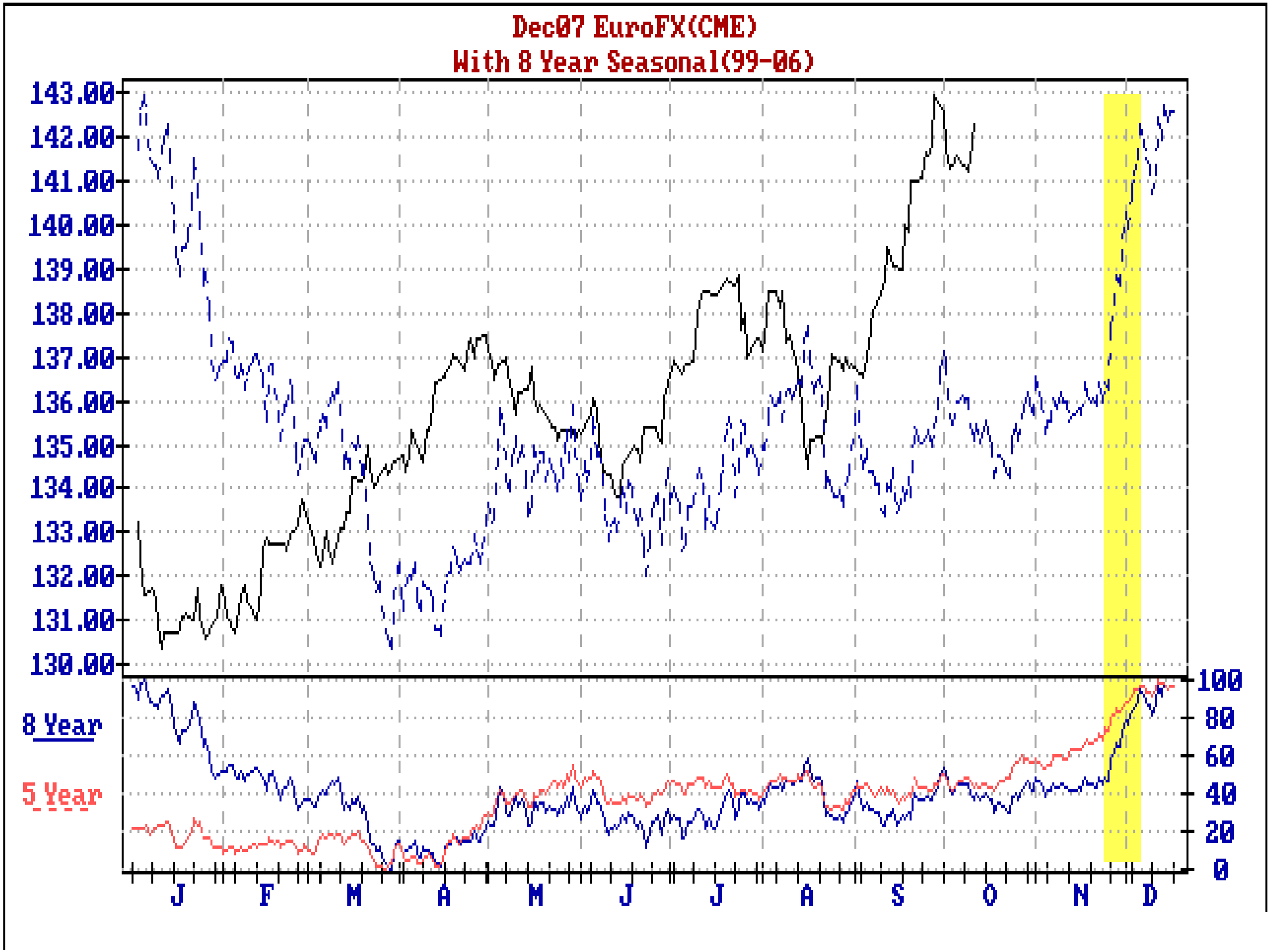
- Seasonal means common behaviour/pattern (100% Accuracy) of the commodity during certain months of the year, year after year. These common occurrence is known as seasonal pattern and gives you a trading edge. These pattern are generally found during plantation and harvest period especially for agricultural commodities eg Harvest of Soybeans and winter and summer for energy (Heating oil & Unleaded Gas) , year end rally of S&P 500 Index , Decline in Bonds during Taxation Refunds etc

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FX Seasonality Future Trading

Seasonal Strategy	Entry Date	Exit Date	Win Pct	Win Years	Loss Years	Total Years	Average Profit
Buy Mar Australian Dollar(CME)-ADH8	11/10	1/6	87	13	2	15	1059
Buy Dec EuroFX(CME)-EUZ7	11/24	12/6	100	8	0	8	2822
Buy Mar British Pound(CME)-BPH8	11/26	12/26	93	14	1	15	1465

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Dec07 EuroFX(CME)
With 8 Year Seasonal(99-06)
143.00
142.00
141.00
140.00
139.00
138.00
137.00
136.00
135.00
134.00
133.00
132.00
131.00
130.00
8 Year
5 Year
100
80
60
40
20
0
J
F
M
A
M
J
J
A
S
O
N
D

Entry Order

At the outset mention it is a futures order.

Buy 1 contract DEC Euro FX future at Market (Broker confirms done at 143.00)

Exit Order (OCO- One Cancel Other)

Sell 1 contract DEC Euro FX future **Limit** 144.00 GTC

And

Sell 1 contract DEC Euro FX future **stop** 142.00 GTC

GTC – Good Till Cancel

Future Months : March , June, Sept & Dec

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Future V/S Spot

Note : If you don't want to Buy the Euro future you can instead Buy Eur/Usd Spot. The same goes with Aud and GBP.

However you must do the opposite for *YEN , CAD and CHF i.e* If in the future it says buy Yen/USD in the Spot you must sell USD/YEN.

To subscribe to the future Table go to Website www.mrci.com/powerup

Contact number : 1-541-484-7256 or 1-800-927-7259

Email : Melissa@mrci.com or sales@mrci.com

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Double Income Strategy

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Double Income Strategy
Buy Currency with Higher Interest & Sell the Lower Interest
(CARRY TRADE)

- **1) Daily Interest Income(SWAP POINTS/RollOver Cost)**
- **2) Appreciation in Currency**

A high Interest Rate in US will increase the flow of money into USBonds/Fixed Deposit and hence USD will go up and viceversa

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Currency Interest Rate

- As of Dec 2007, the interest rates for the most liquid currencies in the world were as follows:

- **New Zealand (NZD)** 8.00%
- **Australia (AUD)** 7.25%
- **U.K. (GBP)** 5.25%
- **U.S. (USD)** 3.00%
- **Canada (CAD)** 3.50%
- **Eurozone (EUR)** 4.00%
- **Swiss franc (CHF)** 2.75%
- **Japanese yen (JPY)** 0.50%

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Daily Income

- **The Mechanics of Earning Interest**

- **One of the cornerstones of currency trading is the ability to earn interest. The income is accrued every day . Roughly speaking, the daily interest is calculated in the following way:**

- **(Interest Rate of the Currency that you are Long – Interest Rate of the Currency that you are Short) x Notional of Your Position**
  # of Days in a Year

  For 1 lot of NZD/JPY that has a notional of 100,000, we compute interest the following way:

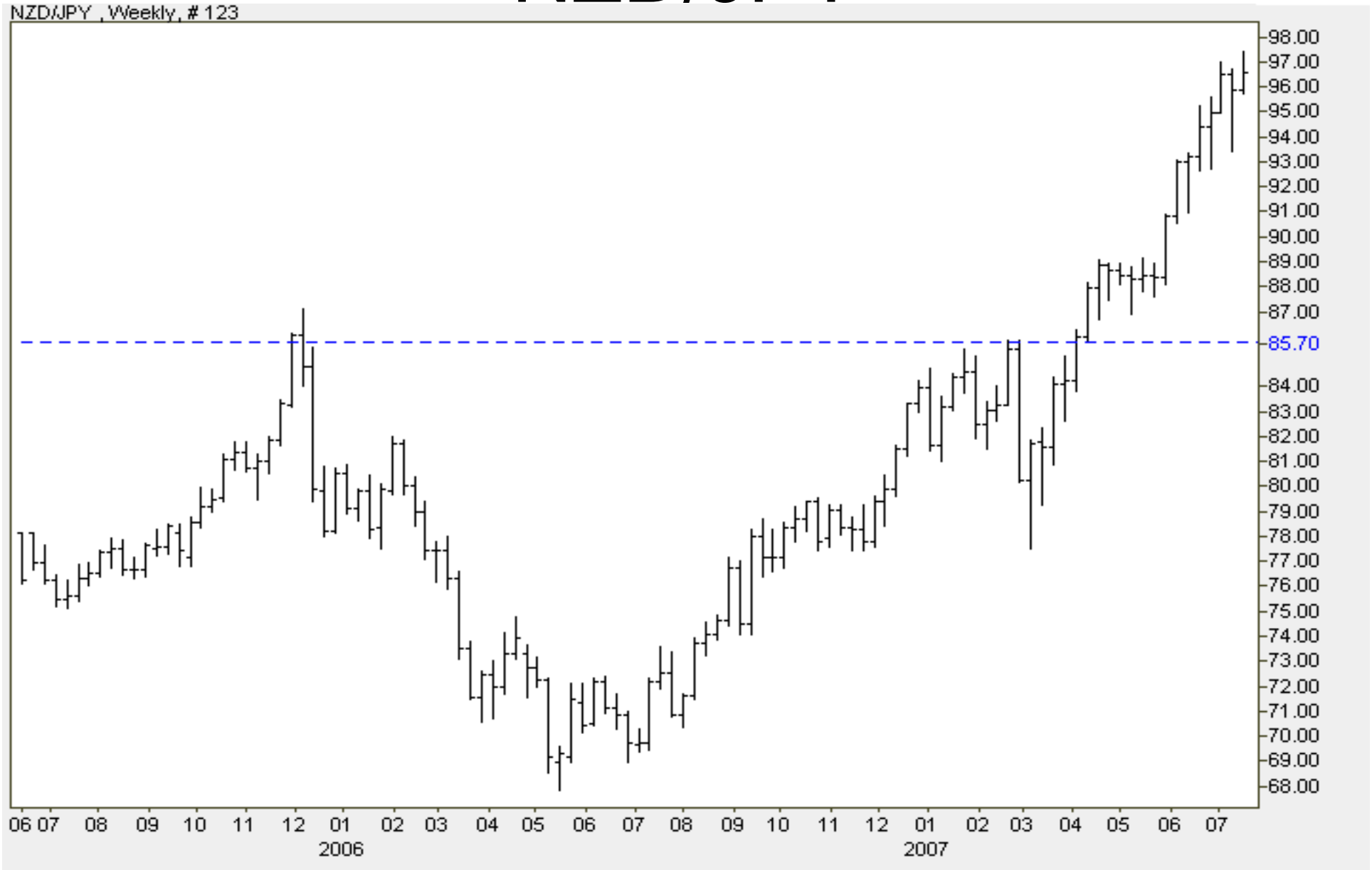
  (.08 – 0.005) x 100,000 = approximately $20 a day
  365

  It is important to realize that this amount can only be earned by traders who are long NZD/JPY.

- **Margin 1% i.e $1000 . Return = $20/1000 i.e 2%(Per Day)**

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NZD/JPY


NZD/JPY , Weekly, # 123
98.00
97.00
96.00
95.00
94.00
93.00
92.00
91.00
90.00
89.00
88.00
87.00
85.70
84.00
83.00
82.00
81.00
80.00
79.00
78.00
77.00
76.00
75.00
74.00
73.00
72.00
71.00
70.00
69.00
68.00
06 07 08 09 10 11 12 01 02 03 04 05 06 07 08 09 10 11 12 01 02 03 04 05 06 07
2006
2007

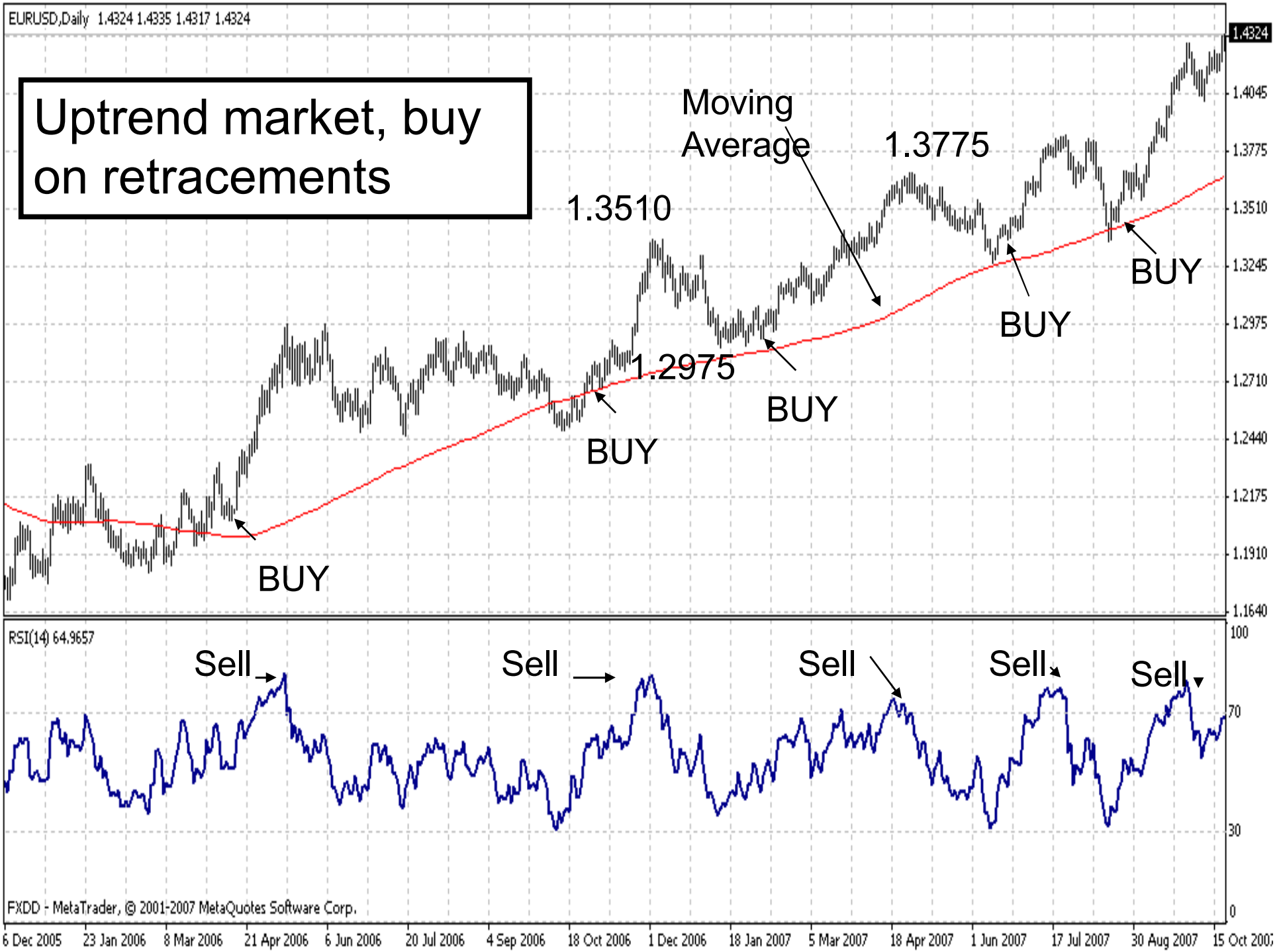
HEDGING

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Sometimes the market is so volatile that the stop losses can get triggered frequently, leaving us with lots of loss trades. To avoid such situation you can use hedging mechanism where you can enter the opposite side trade without closing any trade to minimize your losses. For e.g., if you have bought EUR/USD and it went down by say 100 pips to save further loss you can enter the sell order for EUR/USD simultaneously without closing the buy order. This will restrict your losses.

Let take an example : You bought EUR/USD for 1.5800 and it goes down to 1.5700 you are down by 100pips . You now enter a force open sell position on EUR/USD for 1.5700. This will ensure the buy position is not closed. Now if EUR/USD continues to goes down you will lose on the Buy position but you will gain on the sell position limiting your loss to 100 pips. If EUR/USD reverses and starts to go up you close the sell position and continue to keep the buy position to make profits.

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EURUSD,Daily 1.4324 1.4335 1.4317 1.4324
Uptrend market, buy on retracements
Moving Average
1.3775
1.3510
1.2975
BUY
BUY
BUY
BUY
BUY
1.4324
1.4045
1.3775
1.3510
1.3245
1.2975
1.2710
1.2440
1.2175
1.1910
1.1640
RSI(14) 64.9657
Sell
Sell
Sell
Sell
Sell
100
70
30
0
FXDD - MetaTrader, © 2001-2007 MetaQuotes Software Corp.
6 Dec 2005
23 Jan 2006
8 Mar 2006
21 Apr 2006
6 Jun 2006
20 Jul 2006
4 Sep 2006
18 Oct 2006
1 Dec 2006
18 Jan 2007
5 Mar 2007
18 Apr 2007
1 Jun 2007
17 Jul 2007
30 Aug 2007
15 Oct 2007

Combining Standard & Mini

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Lets say you bought one standard contract and after buying the price went up . You think it has potential to strengthen further yet at the same time you are worried the price may drop. You cannot sell half since you bought only one contract . Hence instead of selling your one standard contract you can instead sell 5 mini contract. That way you have the cake and eat it too i.e make profit and yet have half the contract.

For e.g You buy eur/usd for 1.5800 and it goes to 1.5900 that is an increase of 100pips . Now you sell 5 mini contracts of eur/usd at 1.5900.

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FX Options

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What is Fixed Rate Exotic Options?

Fixed Trade Currency Options

1. You Input a Market Scenario

e.g. In the next three days, the EUR/USD rate will not break 1.2500
e.g. During the next week, the EUR/USD will break through 1.1800
e.g. At the end of next week, the EUR/USD will be above 1.1800

2. You Decide on Payout -- Ranging From $100 to $10,000

The Payout is a fixed dollar amount. As long as the scenario is correctly predicted, the full amount of the Payout is automatically deposited into your account. For example, if you predict that the market will break EUR/USD 1.1800, you will receive the full Payout even if the bid goes to 1.1801 for a single second.

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3. The Premium is the Cost of the Option

There is a one-time upfront cost to purchase the option called a Premium. The amount of the Premium is based on the likelihood of the market scenario and the desired Payout. If the market scenario is not realized, the entire cost of the option is forfeited. However, all the risk is limited to the Premium.

Option trading has two significant advantages over trading the "cash" currency market.

Requires Less Time To Trade - Once a Fixed Rate Options trade is placed, no further effort is required by the trader. If the option is successful, the Payout will automatically be deposited into the trader's account. After a trade is placed, the trader does not need to monitor the market.

Less Potential Risk - The risk for a Fixed Rate Options trade is limited to the cost of the option. When trading the "cash" market, there is no pre-set risk and losses can be significant if no risk management tools are used.

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Exotic Option Trading

View	Strategy
You think EUR/USD is going to continue trading higher over the next couple of days	Buy a EUR/USD One Touch Option expiring in 2 days. If the market trades at the Barrier once prior to the expiry date, I will earn my predetermined fixed payout and if it does not trade there prior to expiry, the most I can lose is the premium paid.
You think USD/JPY is going to move lower but will not test previous lows as the BoJ is likely to intervene.	Buy a USD/JPY No Touch Option expiring in 1 week, with a Barrier at the Previous low. Should the market trade at the previous low, the most I can lose is my premium paid. If I am correct, and it never trades down there, I will earn the fixed payout chosen
You think the USD/CHF will rally and stay above the resistance level in 2 days time.	Purchase a digital option which will pay me a fixed Payout should the market rally and stay above a particular level until expiry. Should the market not stay above the barrier level at expiry, my maximum loss is the premium paid.

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One Touch Option

This type of option is perfect for traders who anticipate a retracement and believe that the price of a given currency will test a support/resistance level. The One-Touch options pays a fixed amount if the market touches the predetermined barrier level.

All you need to do is to determine the desired payoff, the currency pair, the barrier price, and the expiration date. As long as the Fixed Rate Options level hits the barrier level at least once prior to expiration, you receive the payoff amount. If the barrier is not reached during the option period, the option expires worthless. The option's Payout is credited to the clients' account at the option's predetermined expiration time.

Sample:



No Touch Option

A No-Touch option is a great way to profit from a trending market. The no-touch options pays a fixed amount if the market never touches the Barrier Level that you choose.

All you need to do is to determine the desired payoff, the currency pair, the Barrier Price, and the expiration date. As long as the Fixed Rate Options level never hits the barrier price before expiry, you receive the payoff amount. If the barrier is reached during the option period, the option expires worthless.

Sample:



Digital Option

A Digital Option is designed specifically for traders who believe that the market will be above or below a certain level at some specified time, and is a great way to profit from a rally or a correction in the market. The digital option pays a fixed amount if the Fixed Rate Options price is above or below the target level that you have chosen.

All you need to do is determine the desired payoff, the currency pair, the strike price, and the expiration date. As long as the Fixed Rate Options price is above or below the barrier level at expiration, you receive the payout. In contrast to a "one-touch option," the payout of a digital option is only governed by the Fixed Rate Options price prevailing at expiration. If the Fixed Rate Options price is not above (in the case of a call) or below (in the case of a put) then the specified barrier at the end of the option period, the option expires worthless. This means that a Digital Call Option would expire worthless if the Fixed Rate Options price is lower than the strike price at time of expiry. A Digital Put Option would expire worthless if the Fixed Rate Options price is higher than the strike price at the time of expiry

Sample:



Double One Touch Option

A Double One-Touch option is a great way for traders to profit from a volatile market with significant up and down swings. The Double One-Touch option pays a fixed amount if the market touches one of the two specified Fixed Rate Options prices (barrier levels) prior to expiration.

All you need to do is to determine the desired payoff, the currency pair, the barrier prices, and the expiration date. As long as the Fixed Rate Options level hits both barrier levels prior to expiration, you receive the payoff amount. If the both of the barriers are not reached during the option period, the option expires worthless

Sample:



Double No Touch Option

A Double No-Touch option is a great way for traders to profit from a **less** volatile market with insignificant up and down swings. The Double No-Touch option pays a fixed amount if the market does not touch **either** of the two specified Fixed Rate Options prices (barrier levels) prior to expiration.

All you need to do is to determine the desired payoff, the currency pair, the barrier prices, and the expiration date. As long as the Fixed Rate Options level does not hit **either** barrier levels prior to expiration, you receive the payoff amount. **If one or both of the barriers are reached during** the option period, the option expires worthless

Sample:



Money and equity management

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Margin and initial investment

- Invest only 5%-10% of your capital on each trade.
- Leave enough buffer for price fluctuation or repair strategies.
- Buffer capital sometimes needed for averaging your position.
- Do not overtrade.
- Leveraging can be very high risk.Trade what you can afford. Be moderate.

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Rule of the thumb

- Maximum loss per trade rule : 2% of Capital
- Different account size: different trades
- 2% is the farthest location of your stop loss not the location of your stop loss!
- Trading is a “rollercoaster”not an amusement park.It is serious business.
- Don’t lose your shirt!

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Achievable Goals

- Plan a percentage modest achievable goals and gradually increase.
- Making 5% per month continues to have a ROI of 60% per year.
- Break it down to easy parts: eg.200 pips per week
- Do not put pressure on your yourself or having an aggressive attitude don’t work in trading.Trading is a job!

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What is the % to Recover Your losses?

Loss of Capital	% needed to Recover
10%	11%
20%	25%
30%	43%
40%	67%
50%	100%
60%	150%
70%	233%
80%	400%
90%	900%

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What Is RISK MANAGEMENT?

TRADES	TOTAL AMOUNT	2 % RISK ON EACH TRADE		TRADES	TOTAL AMOUNT	10% RISK ON EACH TRADE
1	$20,000	$400		1	$20,000	$2,000
2	$19,600	$392		2	$18,000	$1,800
3	$19,208	$384		3	$16,200	$1,620
4	$18,824	$376		4	$14,580	$1,458
5	$18,447	$369		5	$13,122	$1,312
6	$18,078	$362		6	$11,810	$1,181
7	$17.717	$354		7	$10.629	$1,063
8	$17,363	$347		8	$9,566	$957
9	$17,015	$340		9	$8,509	$861
10	$16,375	$333		10	$7,748	$775
11	$16,341	$327		11	$6,974	$697
12	$16,015	$320		12	$6,276	$628
13	$15,694	$314		13	$5,649	$565
14	$15,380	$308		14	$5,084	$508
15	$15,073	$301		15	$4,575	$458
16	$14,771	$295		16	$4,118	$412
17	$14,476	$290		17	$3,706	$371
18	$14,186	$284		18	$3,335	$334
19	$13.903	$278		19	$3.002	$300

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Managing your trades

- The most important thing in trading is not to have your losses run out of control.
- Losses could incur more drastic damage if not managed properly.If you may have a lot of capital as a buffer and hold within the range of trade.
- Do not buy the same strike prices twice as your expose yourself to higher risk and when losses sets in, it doubles
- When you are on the side of the market, cut your losses and ride the trend!

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Managing your trades

- Do not be greedy and do too many contracts.You have to manage them and can be very stressful.
- Profits are realistic when you well plan your trade everytime.
- Do your homework on updates and current market trends.
- Jot down your bad trades and mistakes.A journal is very handy for future reference.
- Do not try to recover your losses frantically after a loss, a trader can become emotional after a bad loss.
- Try to do trades one way.Do not have too many sells and buys at the same time. Take a step at a time.

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Managing your trades

- It is not compulsory for a trader to trade everyday.
- Do not be hasty and try to get into the market even when you see a signal.Go back to your system /plan check.

1. Do your chart check to identify the trend.
2. Move to smaller time frames to check price range.
3. Decide if you may want to trade specific time frames eg. 5 or 15 minutes.
4. Plan your trade with entry price, stop loss, and price targets.
5. Be aware of fluctuations /”market noise”

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Managing your trades

- Plan your trades.
- Do not chase the market.
- Trend always repeats and market is always there for the next opportunity.
- “Look at the big picture always and not just the smaller waves.Without the big waves, there are no small waves”

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Managing your trades

- Take your profits when its on your platter.
- Choose your time to trade .Be aware of volatility during market crossovers.
- When entering a trade, be defensive .'why are you taking the trade?'
- Do not interfere with a running trade.
- Do not predict the market. Rely on your skills.

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Loss of momentum

- Destructive behavior,greedy
- Not following what you need to do.Follow your system
- Start to manipulate your trades.Esp.Stop loss.
- Loss can cause fear and doubtfulness.
- Do not trade when you are not in the mood.
- Advice: Take a break and refresh your energy.

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10 traits all traders can develop and attain :

1. The ability to cut losses
2. The ability not to overtrade
3. The ability to think independently.
4. The ability to be flexible, not too rigid with opinions.
5. The ability to pull the trigger to make a trade.
6. The ability not to try to pick the bottoms and tops.
7. You must have a passion for trading which can transcend into monetary rewards.
8. The ability to develop a methodology unique from others.
9. The ability to constant make adjustments in trading methodology as the markets always changing.
10. The ability to rid yourself of “gambler’s” mentality.

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What is the best secret in Forex Trading?

- **SIMPLY JUST TAKE YOUR PROFITS!!**

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Free Website

- www.dailyfx.com – Live Charts and Quotes
- http://www.global-view.com/forex-trading-tools/forex-history/ - Historical Data
- www.ino.com – Dollar Index/CRB Index
- www.manfutures.com – Option Quotes
- www.futuresource.com – Future Quotes
- www.bloomberg.com/news/markets/currencies.html
- www.fxstreet.com/fundamental/economic-calendar/events
- http://forexnews.com/ -News
- www.mrci.com – FX Seasonality
- www.forexfactory.com – FX Forum
- www.stockcharts.com – FX ETF/FUND
- http://timingcharts.com/ - COT Charts

- http://www.fxstreet.com/news/forex-news/ - (Fundamental News)
- http://www.actionforex.com/ - (Fundamental News + Technical View on Major Currency pairs)
- http://www.fxopen.com/LiveNews.aspx - LiveNews

Free Websites

- www.economicindicators.gov – US Economics & Statistics
- www.federalreserve.gov – US Federal Reserve
- www.bea.gov – US Bureau of Economic Analysis
- www.bls.gov – US Bureau of Labor Statistics
- www.census.gov – US Census Bureau
- www.rga.gov.au – Reserve Bank of Australia
- www.abs.gov.au –Australian Bureau of Statistics
- www.rbnz.govt.nz – Reserve Bank of New Zealand
- www.stats.govt.nz – Statistics New Zealand
- www.economagic.com – Economagic
- www.forextv.com – Forex TV portal
- **http://www.thectr.com/2007ecal/wisdomfinancial/index.php - Future & Option Expiration Calender**

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Brokers

www.igmarkets.com.sg – SPOT FX

www.alpari-idc.com –SPOT FX

www.optionsxpress.com.sg – Stocks FX

www.manfutures.com - SPOT FX, FUTURES & OPTIONS

www.interactivebrokers.com – SPOT FX, ETF, FUTURES & OPTIONS

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DEMO ACCOUNT

- Go to www.igmarkets.com.sg. and sign up for free demo
- From www.alpari-idc.com under Trading Platform Download Metatrader 4
- Go to www.fxsol-ib.com/powerup and sign up for free demo. Also fill in account opening application by clicking on “Open An Account”
- www.java.com download latest java

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