

60MinuteTrader™

Author: Chris Kobewka

<http://www.60MinuteTrader.com>
info@60MinuteTrader.com

Published By:

Internet Unlimited Corp.
Address For Postal Communication:
26C Trolley Square
Wilmington
DE, 19806
USA

Tel: +1 (302) 476 2428
<http://www.60MinuteTrader.com>

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60MinuteTrader

Making money from the markets.

Trading Futures

It is commonly stated that futures trading is a zero sum game (50/50 chance) as for every winner there is a loser; in fact the basic odds are less because there are costs to trading e.g. commissions.

In reality however the odds are far worse, around 95 percent of traders don't make it.

This book is about winning and joining the top 5 percent in one of the simplest and shortest of trading methods.

Warning

60MinuteTrader works

You will learn as you read further, it is a very precise system and no deviation should be attempted.

It has worked for years but I cannot be responsible for any changes you may make.

If it ain't broke don't fix it.

Let's learn how to **WIN**

60MinuteTrader

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**Make sure your trading results are delivered
directly to your desktop [HERE](#)**

60MinuteTrader

Introduction

Thank you, and congratulations on purchasing this ebook and probably making one of your wisest investment decisions of your life.

This book was written not just to teach you the mechanics of trading, its main purpose is to make money for you and increase your **wealth**.

It is a sad fact that we, the general public, have been lied to.

Why?

Because there are billions of our hard earned dollars at stake and many brokers, banks, pension companies, system/program/book sellers are all getting rich from our money.

How many poor banks do you see?

Not many, they pay as low as 0.1% interest on your accounts, then charge you 8% on loans, 20% on credit cards, what makes you think their investment advice is any less biased. The same goes for pension companies; I know it is possible to make **more money** in a single trading day than is given by a pension company for an entire year.

I am an active and successful trader and have been since the year 2000, I did not know how successful I was until, in my constant quest for improvement, trying expert's tips and systems I found that my own simple methods **always** delivered a higher rate of return.

One of the questions I am often asked is that "If your system is so successful, why share it" There are two reasons, firstly I feel that the general public are cheated out of their money and have been kept in the dark for long enough. It is time they knew the **truth** about how to achieve substantial returns on their own investments.

Secondly, there are billions of dollars traded each day, this together with the fact that each individual trades slightly differently, means that it will not change the profitability of the system. If anything in fact, it would make it even better the more people that trade it, as this creates volatility and demand.

At the beginning of this chapter it says congratulations; you truly deserve this because **you** have taken the first step in controlling your personal finances. This is important because nobody else knows your personal goals, needs and attitude to risk.

Now that you have started to take hold of your finances and personal wealth building, the first thing you must learn to do is to take responsibility for your own actions. This is vitally important; it is no use blaming the market, broker, computer etc. if things go wrong.

No system works 100% of the time and you need to admit to yourself when you have made the wrong trade and the market is going against you. Failure to do this is the most common reason why people fail to make a success of daytrading.

The good news is that you have help and a distinct advantage by using the methods within 60MinuteTrader.

In my constant quest to improve my trading, I have purchased numerous books and systems, none have come close to the profitability and ease of use as my own methods e.g. one system said I needed four screens with two windows open on each. This was one trading window and seven chart indicators, now not only did you have to follow these seven indicators, they also had different weights (levels of importance) and you had to give a number to each e.g. 8,6,5,4,3,2,1. By the time you have done this, the entire move is over and you have missed your chance.

This is typical of 95% of books/systems, they are either too complicated or are vague and do not tell you anything new. The aim of 60MinuteTrader is to keep things as simple as possible and deliver a system that actually works.

As you read further you will see one very simple strategy that works around 8 times out of 10. Follow this and the odds of success are clearly in your favour.

This is not a get rich quick scheme; your trading should be treated as a business. It is a serious business but offers the greatest rewards of any I have encountered.

As you will learn time is money, so let us move on, please take an in-depth study of our business and find out how we can make substantial gains in our personal wealth.

60MinuteTrader

Why 60 Minute Trader Works

This section shows how 60MinuteTrader differs from most systems, outlines the many reasons why it works, why it is so profitable and also discussed are the mechanics of trading.

Trade both Ways

It must be at least 95% of investor's money that is put into shares on a buy and hold strategy, this is a one-way trade, they need the market to rise in order to make a profit. By utilising futures as your trading vehicle you have the ability to short the market (sell first) and make money in both rising and falling market conditions.

So not only can we make money when markets go **up** and **down**, as you will soon learn we will make money **because** they go up and down.

Specialize

You must specialize, concentrate and be an expert on just one market. What do I know about Exxon, Kodak, Citi Group, GE, Wal-mart and Microsoft, not much, I know they are constituents of the Dow Jones index but what else? They are however all from different industry sectors, it is impossible to become a master of all the available stock there are literally thousands of them.

Futures traders in the pits at the stock exchange **do not** trade coffee one-day wheat the next and gold the following day, they trade just one contract. They find out all they can about their chosen market, they specialize and are experts in their field. Each market behaves differently; this is why you must stick to only one.

Many books and systems do not tell you what to trade, as you read on you will discover which ones to choose from and the reasons why.

Not only do we choose just one market, we will specialize still further refining our trading to a one-hour period of the day, hence the name 60MinuteTrader.

Investors are often advised to “have a diverse portfolio” to limit losses, this is in the hope that although some stocks may fall, this will be cancelled out by others rising. The problem with this is yes, it may limit your losses, but it also limits your **profits**. Large brokerage firms have analysts that look at just one company, Microsoft for example; futures traders trade one particular contract. If the professionals specialize, then this is what we must do.

Leverage

By trading futures what money you do have is able to work more efficiently and produce greater returns for you. Futures contracts make use of leverage, which is the ability to control a large amount of the underlying instrument for a small percentage of the actual cost; this is typically 10%-20% of the contracts value. The deposit needed to trade is called margin.

Example:

Suppose you had \$2000 to invest, you could buy 80 shares in Microsoft @ \$24.95 = \$1996.

Let us assume we have made the correct decision and a few days later the shares have risen 1% (25 cents per share) to \$25.19 each.

How much have you made?

The answer is $(\$25.19 \text{ minus } \$24.95) \times 80 = \$0.25 \times 80 = \mathbf{\$20.00}$
Just a **1%** return on your initial investment.

Now with the same \$2000 to invest, you could have bought one futures contract, e.g. the \$5 mini-Dow with the market at say 9800. Treating this in the same manor as above, again you have made the right call and the market has risen 1% (98 points) to 9898.

What are the profit calculations?

Again your profit is the difference between the buying and selling price i.e. $(9898 \text{ selling price} - 9800 \text{ buying price}) \times £5 = 98 \times \$5 = \mathbf{\$490.00 \text{ profit.}}$

This equates to a **24.5%** in your original investment.

From the above examples it is clear that the mechanics of futures trading give you an instant advantage. Your profit from a 1% rise in the underlying price is 2350% greater trading futures verses conventional stock trading.

Buy or Sell

As you read further you will find one simple strategy, where within minutes of looking at the market you will know if you should buy or sell. This very simple system works about 8 times out of 10, giving you another distinct advantage above the rest of the crowd.

Signals

60Minutetrader has precise entry and exit signals, this takes the emotion and therefore errors out of trading.

The Open

For our purposes "the open" is the first hour of trading of the US stock markets.

It is commonly advised that the open should not be traded, as it is unpredictable and volatile. Wrong, it can't be both, the volatility will happen and **is** the predictable part.

If 95 percent of people lose, would it not also make sense that common knowledge and standard practices are also incorrect?

There are two reasons for the volatility at the open:-

1. There has been 17.5 hours of new and world events (more over weekends since the market has last traded and so many investors panic at the open selling on bad news and buying rallies on good news only to find the market retrace shortly afterwards.
2. It is common practice for brokers to advise clients to place overnight stops slightly above and below the market depending on the position held. Most of the major market makers know where these stops are and there is a little known practice called gunning the stops.

Stops are limit orders that must be filled and so what usually happens at the open is that large players trading say 200 contracts will bid up the market with a few contracts a time. Soon those who are short panic and try to get out, this adds fuel to the upward momentum and next the buy stop limit orders are hit.

There are now very few real buyers, the ones trading 200 contracts will now become heavy sellers and the market reverses trying to hit the lower stops on those who were long.

After these initial moves which are usually over in the first hour of trading the market takes on a different persona and tends to trend in the latter part of the day.

So as you can see, there is actually method in the madness and reasons why the market behaves the way it does.

There is a saying "the trend is your friend", and because the market very rarely trends at the open, I think this is the reason why many traders stay away.

But if you know what to look for it can be the most exciting and profitable time of the day to trade.

60MinuteTrader takes advantage of this volatility, with a system that produces an exceptional high percentage of winners.

I would like to bring to your attention some of the advantages of spreadbetting...this will be discussed next.

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Spreadbetting

There are two very good reasons why you should consider looking into spreadbetting.

1. All profits from spreadbetting are **tax free** in the UK
2. You can start trading with very little capital as low as \$200

They work in a manor very similar to futures some of the spreadbetting companies are listed below: -

Cantor Index - <http://www.cantorindex.com>

Cantor index is part of the Cantor Fitzgerald group, their brochure is impressive but sadly the trading platform is not up to scratch being very slow. They however offer mobile trading capabilities via the XPA II.

Capital Spreads - <http://www.capitalspreads.com>

This is one of the latest firms to hit the market and could easily be one of the leading contenders. The trading platform is very quick and they also offer a free demo trading account so you can practice trading without risking a cent. Their spreads and therefore your costs are joint lowest with Deal4free.

City Index - <http://www.cityindex.co.uk>

This is one of the oldest and most established companies. They do have a simulated platform, which is good, as you don't want to risk money if you are not sure how things work. They do offer round the clock trading throughout the trading week, which is good for overseas markets.

Deal4free - <http://deal4free.com>

This company offers the narrowest spreads of all the firms and pays interest promptly on balances over £1000. Their trading platform is exceptional, being the fastest for transactions and great for news and charting. You can also download a trial version to get a feel of the software.

Finspreads - <http://www.finspreads.com>

Their spreads are the second tightest with the Dow at seven. It is fantastic for the beginner as you can deposit as little as £100 and stake as low as 10p per point. If you place your deposit by debit card, with just one phone call you can have your profits paid directly into your bank. On the downside at times of high demand their system can lock up

IG Index - <http://www.igindex.co.uk>

IG Index (IG used to stand for International Gold) is probably the largest of the spread firms; they have recently developed new trading software, which is a great improvement. They offer around the clock trading from Sunday night until Friday night, great for trading forex and world markets.

All of the sites have extensive market information data available for download and many simple examples of how trading is done.

There are two key disadvantages of spreadbetting. Firstly the width of the spread that they charge e.g. depending on which firm you trade with the spread on the Dow Jones contract can be anything from 5 to 13 points.

Taking the worst example this means that the market would have to move 14 points in your favour for you to make just 1 point profit. The spread on the same futures contract is usually just 1 point, commission can be as low as 0.824 points so if the market moved the same 14 points you would now have 12.172 points profit, considerably more.

Secondly it is not available in all countries and because it is classed as gambling it is only legal in two states on the USA.

Spreadbetting does have its place, particularly for beginners but for serious traders, futures are the way to go.

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Tools of the Trade

There are certain things we need to have set-up before we can start trading effectively, and I would like to run through these in this chapter.

Your trading should be treated as a business or profession and as such the tools of the trade are vitally important as they are to any trades person.

Because of the speed of the markets I only advocate Internet trading, so this is what we need.

Computer

The good news is that you do not need an all singing all dancing top of the range computer because for the past 18 months I have been happily trading from my old 1 GHz laptop.

There are however a few considerations that should be looked at. If you are looking at purchasing a new machine, at the time of writing (June 2004), a 2.7 GHz machine can be purchased for around the \$400 mark. A 60-gigabyte hard drive is more than ample and it is much better spend your money increasing the ram (random access memory) than on hard drive space. A minimum of 512 MB ram is ok but 3 GB is recommended.

When trading you will have 4 or 5 windows open at any one time and so a 17" monitor set to a resolution of 1024 x 768 is recommended. If you can have 2 monitors all of the better but it is not a necessity.

If your computer crashes it will be at the most important point in your trade and it is worth upgrading to a more stable operating system like Windows 2000 pro or Windows XP if you do not already have them.

We now have our computer; let's look at how we get connected.

Internet Connection

Forget dialup connections, they are far too slow, unstable and normally you have to re-dial every few hours. We need something more stable and reliable as we did with our operating system.

An “always on” connection via cable or ADSL is the way to go, both of these options are about 10 times faster than dial-up and have the added advantage of freeing up your phone line.

Cable access is a shared connection and as such at peak times connection speed can be slowed down. Because it is shared, this also makes it more vulnerable to hackers. Therefore the installation of a firewall is recommended. Windows XP has its own firewall or you can download one free at [Zone Labs](#) or [AVG](#)

Brokers

Next we need a speedy and reliable broker. There are hundreds of brokers out there offering different types of services, levels of commissions etc. so how do we choose the right one.

There are several factors that we need to take into account when choosing a broker. Brokers are not bothered whether you win or lose they make their money (commission) on every trade, it is not unknown for some advisory brokers to encourage excessive trading in order to gain more commission, this is known as “churning”, the unnecessary buying/selling of stocks or opening/closing of positions.

As I have stated previously the best person to look after your investments is YOU. I personally know of an individual who entrusted £1,000,000 to a broker to invest and when he contacted me for help he had only £1,000 left to trade with, the broker had lost him £900,000.

So as we are going to make our own trading decisions we only need an “execution only” broker. This helps to keep costs down, the lower the costs of our trading the more profitable we become and easier it is to make money. Lowering costs brings us nicely to commissions. It's simple, what would you rather pay \$9.99 per trade or \$2.06 per trade? If you made just one trade per day for 220 trading days per year, going for the cheaper option would save you \$1,744.60 on each contract traded. If you trade 5 contracts at a time this saving comes to \$8,723.00, this is free money, extra profit and I am sure you can find something better to spend it on than just giving it to your broker.

Low commissions are useless unless the broker is **reliable**, you also need to be able to place telephone trades should your Internet trading platform go down for some reason and the speed of execution should also be considered.

To summarise, when choosing a broker you need to consider the following: -

They must offer an execution only service

They must be reliable and have telephone backup

Commissions must be as low as possible.

Their trading platform should offer a speedy execution.

You may have friends or colleagues that can recommend a broker that fulfils all of the above but after many years of trading the best that I have come across are IB (Interactive Brokers)

See <http://www.interactivebrokers.com>

They have offices in the US, Canada and Europe, they are one of the largest with very low commissions.

Being one of the biggest makes them very popular and as a result many free API's (Application Program Interface) have been written which can aid your trading.

Another reason I prefer Interactive Brokers is that they offer a free data feed for the charting package that I use, this again will save you \$100's per year.

The following table shows the minimum amounts in various local currencies required to open a trading account.

Note only \$2,000 is needed to trade futures compared to \$25,000 required if you were to trade individual stocks, which makes futures trading accessible to more people. This is your minimum balance, you need \$10k to open an account initially but can withdraw funds later. Some brokers such as [Global Futures](#) offer accounts with as little as \$500.

Balance

The following minimums are required to open an account⁽¹⁾:

Category	Required Deposit
All Individuals not listed below, Trading Group Masters, and Broker Masters	USD 10,000 (or non-USD equivalent)
Indian residents ⁽²⁾ trading with an IB India account	INR deposits only, equal or greater of USD 2,000
Indian residents ⁽²⁾ trading with an IBLLC-US account	USD 5,000 (or non-USD equivalent)
IRAs ⁽³⁾	USD 4,000 (or non-USD equivalent)
Individuals age 21 or younger	USD 3,000 (or non-USD equivalent)
Advisor and Broker Clients	USD 5,000 (or non-USD equivalent)

Notes:

- » To Trade a margin account you must maintain at least USD 2,000 or non-USD equivalent. For details on margin requirements, see the [Margin](#) page.
- » Pattern Day Traders have higher minimum requirements, which are defined in the [Day Trading](#) section of margin requirements.

Demo Account: You could fund an Interactive brokers account and use bracket-trader in demo mode with a live feed. If you do not make any trades IB will charge you just \$15 per month see below:

United States

US Securities and Commodities Bundle Non-professional - Level I (USD 10 if monthly commissions <= USD 30)	Free	☒
NYSE OpenBook	50.00 USD	☐
NASDAQ Level II	20.00 USD	☐

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Continue

Another good trading platform is Tradestation; it is ranked no. 1 and costs about \$99.95 per month. This fee is waived if you trade 10 contracts in any one-month.

See http://www.tradestation.com/default_2.shtm

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Technical Analysis (Charting)

There are numerous good books and free information on many Internet sites about technical analysis, and so I will not go into too much detail and only look at the basics and what we need to know.

There is a lot of nonsense talked about technical analysis, like Gann theory and Fibonacci numbers, it makes it seem quite mystical like astrology really, the reason why they work has nothing to do with the fundamental value of a stock or index, it is purely that so many people "believe" that they work and are looking for the same things. Another reason why chart patterns become self-fulfilling is that many trading programs also incorporate these ideas.

I like to keep trading as simple as possible, the same goes for my charts. There are only two types of charts that I use, one a simple line on a close chart. This is great for looking at the longer trend that the market is making and is set for 1-minute time periods. You can get these free at <http://www.bigcharts.com>

The symbol for Big Charts is DJIA.

The second type are candlestick charts, these are very informative if you know what to look for. They give many signals which I will now go through below:

The charting pack 1 use is Sierra Chart and it is available at <http://www.sierrachart.com>

This is real-time charting, it is very adaptable and if you have an account with interactive brokers the data feed is free, subject to a small monthly amount of trades being made.

You can access Sierra Chart video tutorials from:

<http://www.sierrachart.com/index.php?l=doc/InstructionalVideos.php>

SIERRA CHARTS - Software and Data Pricing

The current software pricing is as follows: **\$17.50** for 1 month, **\$50.93** for 3 months, **\$97.13** for 6 months, and **\$175.35** for 1 year. These prices are for the **software only**. These prices do not

include possible data costs. Data is provided by outside services. Depending upon which data option you choose, there may be an additional charge for data. Please see the [Data](#) page for the available data services for the software and data pricing.

There is no need to refresh the page as with Bigcharts, so the monthly cost of Sierra Charts is well worth it.

Set up instructions of Sierra Charts please go to:

<http://www.sierrachart.com/index.php?l=doc/setup.php>

For Sierracharts we use a Williams setting of 10 for both the YM and INDU. The ADX for the INDU is 10,4 and 10,8 for the YM. Yes all 1-minute charts.

Sierrachart chart settings are as below:

The screenshot shows the 'Chart Settings' dialog box for the symbol 'YM-200509-ECBOT' with a 1-minute intraday period. The settings are as follows:

- Date Range in File (mm/dd/yyyy):** 7/8/2005 - 9/6/2005
- Include columns with no data:** ☐
- Days to Display/Load:** 35
- Price Multiplier:** 1
- Volume, OI Multiplier:** 1
- Price Display Format:** 1
- Symbol:** YM-200509-ECBOT
- Graph Type:** OHLC Bar (selected), Candlestick, Line on Close, Point and Figure, Mountain
- Historical Chart Update Symbol:** (empty)
- Intraday Chart Period:**
 - Number of Ticks: 0
 - Volume Per Bar: 0
 - Minutes-Seconds: 1-0
 - Start Time: 14:30:00
 - End Time: 21:09:59
- Historical Chart Period:**
 - Days: 1 (selected)
 - Weekly: ☐
 - Monthly: ☐
- Point and Figure:**
 - Box Size: 0.5000000
 - Reversal Size: 3
 - Do Not Allow One Box Reversals: ☐
- Value Per Point:** 1

Buttons on the right: OK, Cancel, Help, Scale, Set As Default.

Sierrachart Graphical settings are as below, note that times are GMT, and adjust to your local time.

You need to be connected to IB at the start and end of day for the charts to show the gap.

The "increase/decrease spacing" is done by pressing your up/down buttons

General settings should be left alone.

Graphics settings are;

bar h/l down = red

bar h/l up = green

candlestick up outline = black

candlestick down outline = black

candlestick up fill = white

candlestick down fill = red

chart text = black

chart background = grey

chart grid = black

grid yes

day/month breaks yes

Example chart settings are;

Chart Settings - YM-200509-ECBOT 1 min - #1

Date Range in File (mm/dd/yyyy):
6/9/2005 - 6/13/2005

☐ Include columns with no data

Days to Display/Load: 45

Price Multiplier: 1

Volume, OI Multiplier: 1

Price Display Format: 1

Symbol:
YM-200509-ECBOT

Graph Type:
OHLC Bar
Candlestick
Line on Close
Point and Figure
Mountain

Historical Chart Update Symbol:

Intraday Chart Period:
Number of Ticks: 0
Volume Per Bar: 0
Minutes-Seconds: 1-0
Start Time: 14:30:00
End Time: 21:20:59

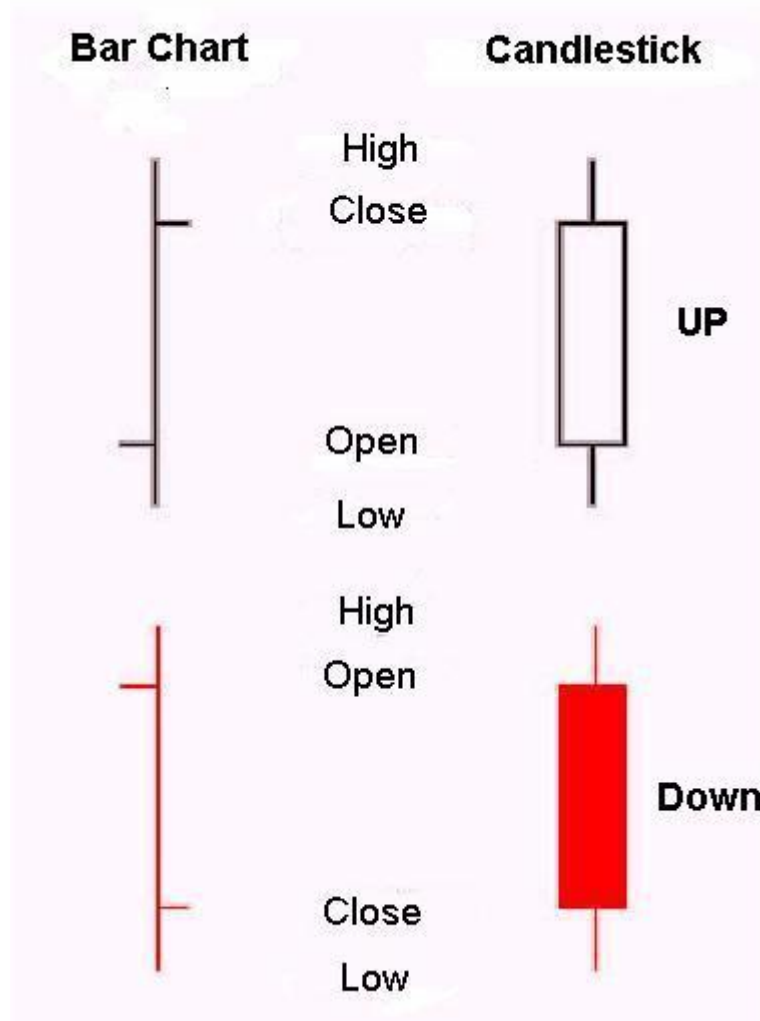
Historical Chart Period:
☒ Days 1
☐ Weekly
☐ Monthly

Point and Figure:
Box Size: 0.5000000 × Reversal Size: 3
☐ Do Not Allow One Box Reversals

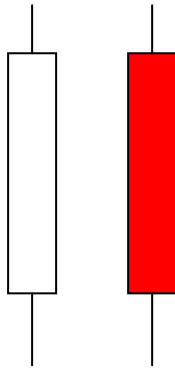
Value Per Point: 1

OK
Cancel
Help
Scale
Set As Default

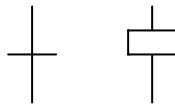
How to interpret a candle



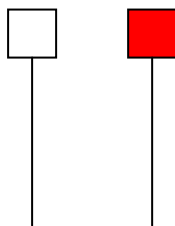
The length of a candle gives an indication of the strength of the market move in that period, the longer the candle the faster and stronger the move in that direction.



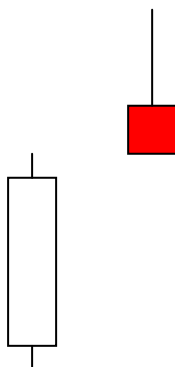
The long bodies indicate a fast moving market.
 White/empty = UP
 Red/filled = DOWN
 Often seen in the beginning or middle of a move.



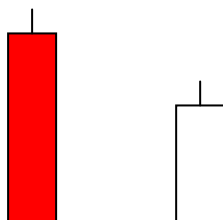
Name **Doji**. Some say that the open and close should be equal. These candles show weakness and indecision they often occur at the end of a move and are a sign of a reversal.



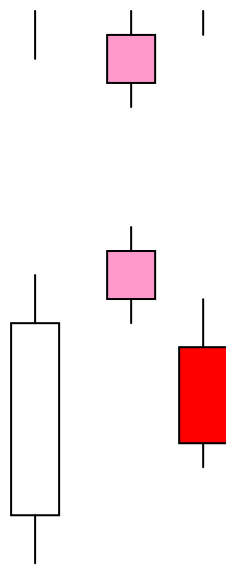
Hammer and **Hanging Mann** these have a short body at the top with long lower shadow. Called a hammer at the bottom of a downtrend, and hanging man in an up trend both considered bullish.



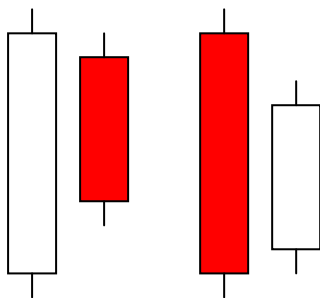
Shooting star indicates the end of an upward move. The body should have a gap above the previous bar.



Morning Star is a bullish reversal pattern the middle candle could be red or white and should ideally have gaps before and after its body



Evening Star is a bearish reversal pattern occurring after an upward trend and should have gaps below the middle body



Harami This is an "inside bar" formation it is considered bearish following an up trend as the first example and bullish after a downtrend in the second example. The illustrations show opposing colours but they be the same.

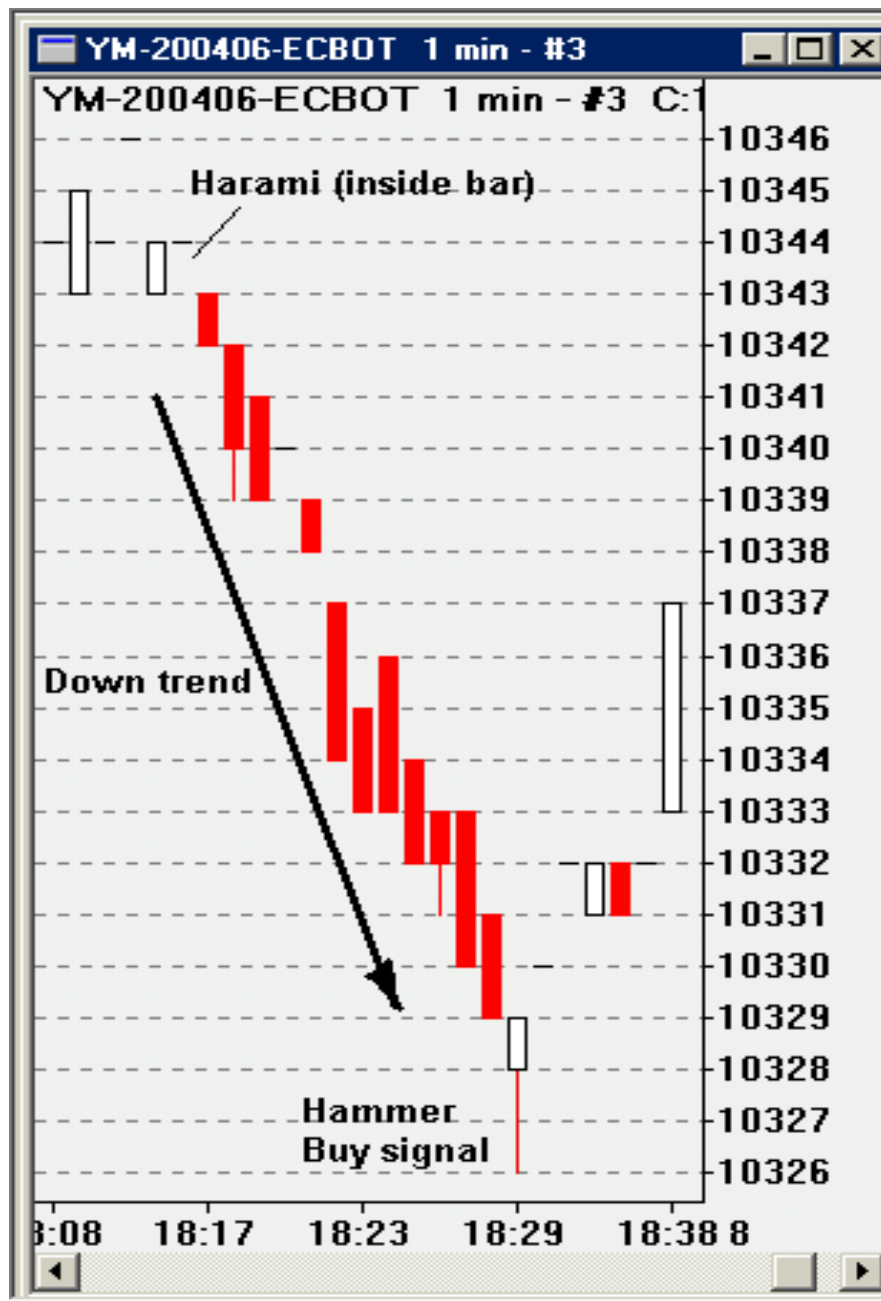
You have probably heard it said "*the trend is your friend*", the mistake many traders make is jumping on and trading after the trend has begun. The problem with getting on in the middle of a trend is that you do not know when the trend will end, it could be a short market move and you have ended up buying at the top.

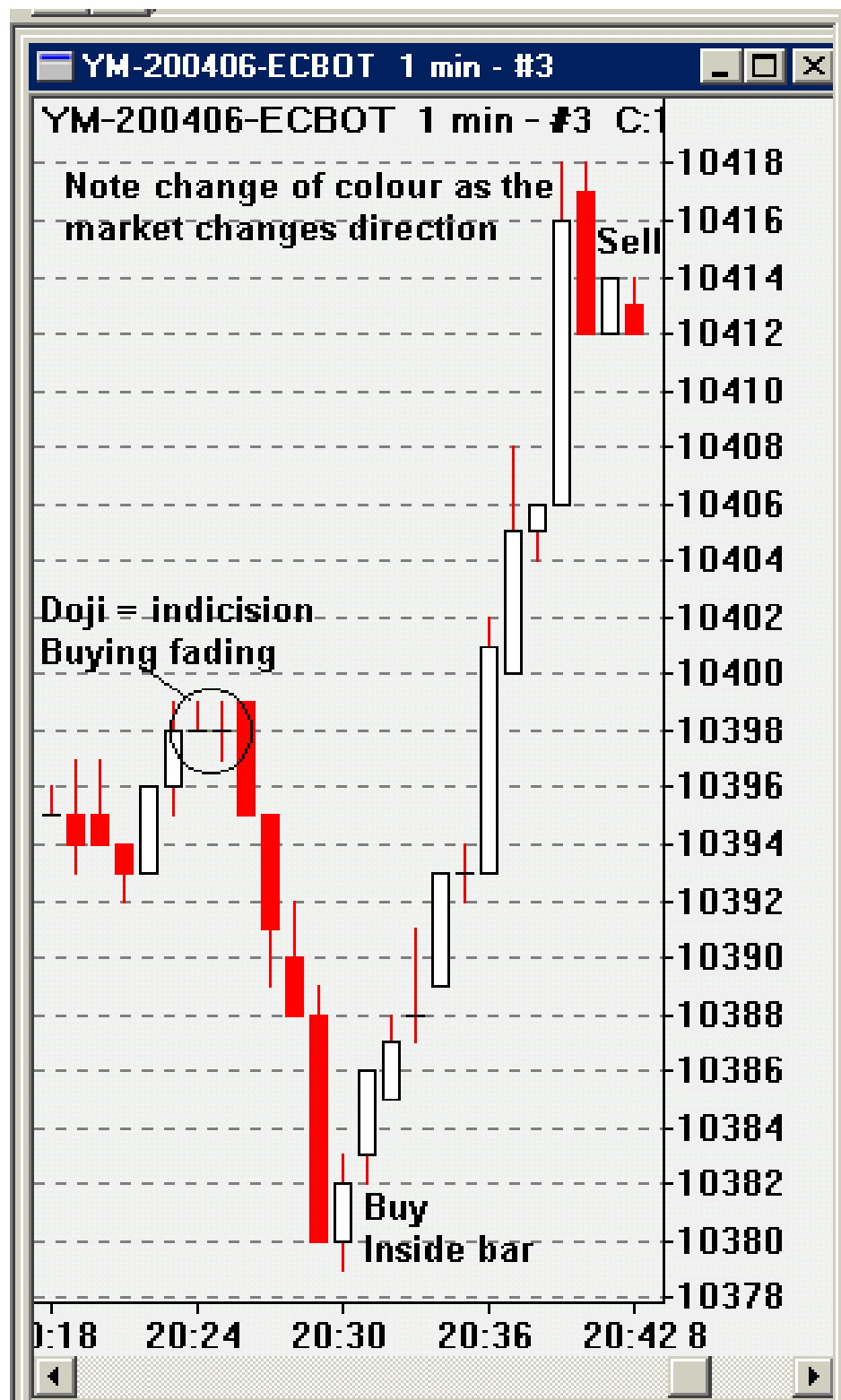
The best place to get on a trend is at the beginning at a turning point in the market. Study the above candles; many indicate reversals in the market.

Don't worry, you don't have to remember all their names and patterns, basically in a strong up trend you will see a series of long white (hollow) candles as the buying momentum slows down the length of the candles become shorter then the next candle will change colour to red.

The same goes for a downtrend but with opposite colour candles i.e. long red candles becoming shorter than the newest candle which will be white.

Let's have a look at some real examples of the Dow Jones...





Source SierraChart.com

Next we will look at indicators that we can add to our charts.

Technical Indicators

To help us understand what the market is doing we can use indicators in conjunction with the above charts. There are a group of people who do not look at what the market is doing and trade solely by watching their favourite indicator.

There are dozens of different indicators, many standard ones and some proprietary, the latter usually costs money to use.

The market does one of three things; it will either be trending (making a major move up or down) or it can be in a period of consolidation and not trending where it will be relatively flat. While in both of these conditions the market will also make short steps and oscillate between overbought and oversold conditions.

We want to enter our trades on market reversals taking a contrarian position to the market, but we have to be careful not to go against the trend.

A good analogy is to imagine you are on an upward escalator; you do not want to sell (step down) as the prices and escalator are still rising and you will not make money. We need to wait until we have reached the top, walked to the down escalator and sell as soon as we step on, this way if we step down we are going with the trend and the momentum of selling will make money very quickly.

So how can we use indicators to help in finding the best entry points?

As I said earlier there are dozens of indicators and some people add so many that their charts look like Christmas trees, this can be very confusing with each indicator giving slightly different signals.

All you really need is two or three at most, which we will now look at.

Williams%R

Remember the short steps that the market makes, this is where the Williams%R comes in useful. The Williams%R is an oscillator showing overbought and oversold conditions. It has a scale from zero to -100. The overbought or selling range is zero to -20; likewise the oversold or buying range is at the lower 20% of the scale i.e. -80 to -100.

The Williams is very responsive to market movements and will give signals much quicker than other indicators. However there is a problem with just using the Williams on its own and that is because it is not a trend indicator it can cause you to enter too early. This can be seen by the Williams bouncing along the top or bottom of its range for a period of time.

To alleviate this we use the Williams in conjunction with a trend indicator the ADX, where the Williams is like the steps, the ADX is like the escalator itself.

The Williams should be set at 10 periods (recommended) on a 1-minute chart, this is a standard setting or up to 17 periods for a smoother line.

ADX

The ADX (Average Directional Movement) is a trend indicator. Many trend indicators are considered lagging indicators because they are not very responsive to changes in market direction, they lag behind the move and you miss the best entry point. This is not the case with the ADX because of the way it is calculated.

The first part of the calculation is the Directional Indicator (DI+ or DI-) and only the larger one of the two is used for the next part of the calculation. As the market reverses a trend so the will the DI+/- the result of which is a sharp turn on the chart.

The ADX attempts to quantify two things, whether the market is trending and the strength of the trend. An ADX reading below 20 would be considered as the market not trending. As the market makes a stronger trend movement the ADX will rise. The ADX will rise whether the market is in an up or down trend, this can take a little getting used to.

The way I use the ADX is to wait for the market to make a move and the ADX to rise above 20 and enter a trade as soon as it reverses, this could be 35, 40, 60, 70 etc. it just has to reverse from above 20 otherwise the market is not in a trend. The settings for the ADX are 10 and 4 for a responsive line or 10 and 8 to reduce market noise.

Market Noise: the endless up and down of stock prices that signifies little but causes hopes to soar and crash. Most investors try to screen out noise, looking for the "signal" in the market or in a single stock. They try to look beyond the noise of daily markets to see where a stock, a sector or the market is going.

Don't forget just because the ADX is coming down this does not mean the market is falling as it could be showing the end of a downtrend. A picture paints a thousand words so let us have a look at these indicators on our charts.



source Sierrachart.com
ADX and Williams%R

There are two lines the light-blue and pink ones on the upper part of the chart that we have yet to discuss. These are moving averages (MA). As you can see you can trade quite effectively with these alone, buying and selling at the crossover points. It is easy to see they lag several minutes behind the Williams and ADX.

The light-blue line is a 16 period simple moving average and the pink line is a 9 period weighted moving average. These are easily changed on SierraChart and most other charting packages.

A moving average is just that, an average of the previous number of set period. The larger the number of periods the smoother it makes it, but it also becomes more lagged. Decreasing the number of periods makes it more responsive but can give you too many signals.

A weighted moving average gives a higher value to periods nearer the last bar and therefore it reacts slightly quicker than a simple moving average. This together with using different periods for the calculations is why we get the crossovers.

The above patterns with slight variations occur day after day, it is just a matter of looking out for them to make money.

For further free information on charts and indicators checkout the some of the sites below: -

[Bigcharts.com](http://bigcharts.com)

<http://bigcharts.marketwatch.com>

[Investor RT](http://www.linnsoft.com/tour/charts.htm)

<http://www.linnsoft.com/tour/charts.htm>

[Incredible Charts](http://www.incrediblecharts.com/technical/easy_guide.htm)

http://www.incrediblecharts.com/technical/easy_guide.htm

60MinuteTrader

Money Management

The importance of this section cannot be stressed enough, please read this section a couple of times to ensure you have a thorough understanding of all the different aspects.

All of your trading, buying and selling, revolves around money. Therefore money management is about managing your business and maximising your profits.

There are five key elements to good money management but I have yet to see another publication, which discusses them all in detail and links them all together. I have read many posts on bulletin boards that talk about two or three of the elements but again there seems to be a lack in encompassing all that is required and people often opt for what in their opinion is a safer option, the result of which is lower overall profits.

1. Trading Capital



Remember what I said earlier that for every winner in futures trading there is a loser, this being so, you should consider trading as a battle and to fight the battle you need ammunition. Your trading capital (bank of money) is the ammunition you need to fight, if you run out of ammunition the war is over.

You should keep your trading capital completely separate from living expenses, don't trade with the mortgage money. Only trade with money you can afford to lose and don't borrow money to trade as some people did at the height of the Internet bubble. It is much harder to make money when you have to, if you cannot afford to lose it, this will only add pressure to your trading and you will make errors.

If your funds are limited think about having a garage sale of those household items, toys and gadgets you have but never use, or auction them on Ebay.

The minimum you need to open a futures trading account is \$2,000 some brokers will accept less but it is easier to lose your ammunition and the ability to fight/trade.

Starting with \$2,000 will allow you to trade two \$5 mini-Dow contracts, this is a 200:1 capital to stake ratio and should not be lowered. In fact you should only trade one contract to begin with and have one in reserve. The preservation of capital is of the utmost importance.

2. Win/Lose Ratio

To manage your trading properly it is absolutely necessary to document each and **every** one of your trades. If you don't and you are losing you will not know where and why you are losing and what you need to do to make things profitable.

Likewise if you are winning you will not know if you are attaining the best profits.

Nobody wins all of the time, the win/lose ratio is usually expressed as a percentage e.g. if you win 66 trades out of every 100 then you will have a win% of 66% and a losing% of 34%. This expressed as a ratio is $66/34 = 1.941:1$.

You do not have to make 100 trades to calculate this; all that you need to know is the number of winning trades and the total number of trades made. For example you have made 37 trades in total and you have won on 21 occasions, therefore you must have 16 losers ($37-21$). The win/lose ratio is $21/16 = 1.3125:1$, the win% is $21/37 = 56.76\%$. The losing% is $16/37 = 43.24\%$.

It is quite possible to make a profit even if you have more losing trade than winning trades and many swing trading methods work on this principle having say 20 wins to 40 losers = $20/40 = 0.5:1$ ratio. Anything less than 1:1 or 50% win% and you will have more losers than winners.

Personally I would have a problem trading a system with a low percentage of winning trades, even though it wins in the long run psychologically I would find a long run of losers very difficult to cope with. There is another reason why it is not a good idea to have a low percentage of wins and that is dealt with in section 5.

To calculate the expectancy, (the amount we can expect to gain per trade) we need another set of figures that we will look at next.

3. Risk/Reward Ratio

There are many ways to make money in the stock market, it depends on your trading style, no "one" method is right for everyone. I say this because I have heard many traders say that they only trade with a 3:1 risk/reward ratio i.e. they are going to risk \$1 and attempt to win \$3. I say attempt because these systems usually have more losing than winning trades, they are often profitable over the long term but can have a series of consecutive losses.

Calculating reward is simple it is just the average number of points won per trade, so if you have made 37 trades, of which 21 won a total of 252 points your average win (reward) is $252/21 = 12$ points.

Risk is just the average number of points lost, over the same 37 trades you must have had 16 losers and had a total loss of 128 points your average loss (risk) per trade is $128/16 = 8$ points.

The risk/reward ratio is simply 8:12 or 1:1.5.

Combining sections 2 and 3 together, we can calculate how much we can expect to make for every trade on average over the long term. If you end up with a plus figure you will be winning and making profits, should you end up with a minus figure you will be losing.

You may say that you do not need to do any calculations to see if you are losing, you already know this because your account balance is down. The points of this exercise is that if you do the two calculations above you will find out **where** you are going wrong, and by playing around with the expectancy calculations below you do various "what if" scenarios to see what can be done to make things better.

This also applies to profitable trading; there is always scope for improvement.

Expected net profit/loss per trade Formula

$$\mathbf{E = (Pw*Aw) - (Pl*Al)}$$

Where

E = Expectancy (net profit/loss per trade)

Pw = Percentage win

Aw = Average win (reward)

Pl = Percentage loss

Al = Average loss (risk)

Let us have a look at some examples, the first show my personal results for four months of trading the open, this has a high win ratio.

$$(0.9125*7.52) - (0.0875*9.71) = 6.862 - 0.850 = 6.012$$

So as you can clearly see it is quite possible to make a healthy profit even if your average loss (9.71) is greater than your average win, you do not have to have a 1:3 risk/ reward ratio. The above ratio is 1:0.774.

What would be the end result if we were to improve our average win by a third or 33.3% from 7.52 to 10.02?

The result would be as follows: -

$$(0.9125*10.02) - (0.0875*9.71) = 9.143 - 0.850 = 8.293$$

This is equal to an increase of 38% on every trade.

One more example to look at before we move on and this will show that you can still make money, having more losing more trades than you have winning ones.

Pw = 40% Aw = 40

Pl = 60% Al = 20

Therefore

$$E = (0.40*40) - (0.60*20) = 16 - 12 = 4$$

Again this is a positive number and we can expect 4 points net profit per trade.

So you can make money if you have more losers than winners or lose more points than you win, but **not** both. The opposite side of the equation must balance out the first.

The ideal would be to have a good percentage of winners and have more points won on average per trade than you lose.

I like a system with a high percentage of winning trades; it is great when you win. If you have a system with a low win/lose ratio you will get a longer series of losing trades which can set doubts in your mind and make you make poor trades even though it is profitable in the long run.

Trading a system with a high win rate also gives you another advantage, because the losing runs are lower you are able to use more of your money and so make more profits, this is what we will look at next.

4. Stop-loss and Risk

One of my favourite financial trading quotes was by Warren Buffet the Worlds most successful investor. When asked about making money in the stock market he replied;

"There are only two rules to making money in the stock market

Rule no 1. *Don't lose money.*

Rule no 2. *Follow rule no 1"*

The quote may make you smile, it did for me at first but it is in fact a very important factor in being successful and making money in the markets. If you can eliminate your losing trades all that you will be left with are **winners**.

In reality of course nobody wins all of the time, hedge funds thought they could with their complicated formula for buying futures and options. The error of one such fund LTCM (Long Term Capital Management) nearly brought down the worlds banking system.

One way losses can affect your ability to trade besides the psychological factor and this is... imagine you start off with \$100 of trading capital and you lose 25%, your trading capital is now \$75. In order to get back to \$100 you need to increase your new balance of \$75 by 33.3%. Not only do you have to win more back but also the amount you can stake per trade is reduced because your balance is reduced, making it doubly difficult.

The best we can do is to manage our losses, first by trading a system with a high percentage of winners and secondly by using a stop-loss to limit the number of points lost.

There is always a trade-off on where to position a stop-loss; too close to the entry price of the trade and the stop will be hit more often the result of which will be less winning trades and a lower win/lose ratio. Too far from the entry price and the risk/reward ratio is altered, again resulting in lower profits.

A stop-loss is a limit order and is the maximum amount you will lose should that trade go wrong. It is also the maximum amount of risk per trade.

How much of your capital should you risk per trade?

The general consensus of opinion on this matter is utter nonsense; again if most traders lose maybe the general thinking is incorrect.

I have heard many traders say they will only risk 0.5% to 1% per trade, why? Because it allows them to have a run of 50 losers in a row without depleting their capital, sorry but I would have given up trading well before I had 50 losers.

The reason why it is wrong to say that all traders should never risk more than 1% or 2% is that as we have learnt there are many different trading systems each with various win/lose ratios. The amount of risk per trade should also vary.

If you risk too little per trade, you are not making your capital work for you and your profit will grow much slower than is possible.

If you risk more than you should do there is the risk of ruin and your trading capital is very likely to be wiped out.

Fortunately there is a simple calculation to tell you the **optimum** amount to risk per trade in relation on your previous trading results; the equation is called Kelly's value.

If your risk and reward are equal i.e. 1 then Kelly's Value is simply:

$$Kv = (2 * P) - 1$$

Where

Kv = Kelly's Value (The optimum % of capital to stake without the risk of ruin)

P = Win Probability (i.e. your win/lose ratio as a %)

So if your system wins 53 times out of 100 the calculation would be as follows:

$$Kv = (2 * 0.53) - 1 = 1.06 - 1 = 0.06 \text{ or } 6\% \text{ of your capital.}$$

Should your system win 80% of the time the results are:

$$Kv = (2 * 0.80) - 1 = 1.60 - 1 = 0.60 \text{ or } 60\% \text{ of your capital.}$$

Note in the second example you have the ability to make your capital work **10 times harder**.

If you have a risk/reward ratio other than 1 this can be incorporated into Kelly's formula thus:

$$Kv = P - (1 - P) / WI$$

Where

WI = your risk/reward ratio as a %.

Below is a link to a trading simulator, which calculates Kelly's value for you.

[Simulator](http://www.60minutetrader.com/calculator.html)

<http://www.60minutetrader.com/calculator.html>

Try putting the following results into the simulator:

Win Lose 3.0 then 0.774

Win Prob 0.32 0.9125

Lines 10

Which one would you prefer to trade?

The first example shows a high win point ratio i.e. 1:3 but the results are all over the place with wide variations; the maximum amount you can risk is 9.3% of your capital.

The 0.774 and 0.9125 are my personal trading results for the method that I will show you later. Note you are able to risk over 8 times more of your capital (79.9%) without the risk of ruin.

The result that you get from applying Kelly's formula to your trading results is the maximum but does not cover all eventualities. So to be ultra-ultra safe I suggest you divide the Kelly's value by ten e.g. $79.9/10 = 7.99\%$ rounded to the nearest whole number is 8%. For the first method it would be $6/10 = 0.6\%$ or just over half of one % of your trading capital.

What does this mean on where we place our stop?

Suppose we have trading capital of \$2500 and we can risk 8% this equals $200 * 0.08 = \$200$. You could trade one \$5 contract this would mean that you could have a stop 40 points ($200/5=40$) away from the entry point.

However 40 points is too far away for daytrading a more realistic maximum stop is 17. By placing the stop at 17, this will allow us to trade two \$5 contracts ($2*5*17=\170). Therefore you will make twice the profit for the same market movement and still be risking the same 6.8% of your capital.

You should place your stop order as soon as possible after your entry trade, because if you get disconnected or your computer crashes your order will still be filled as it is in the market and you will not have any unnecessary losses.

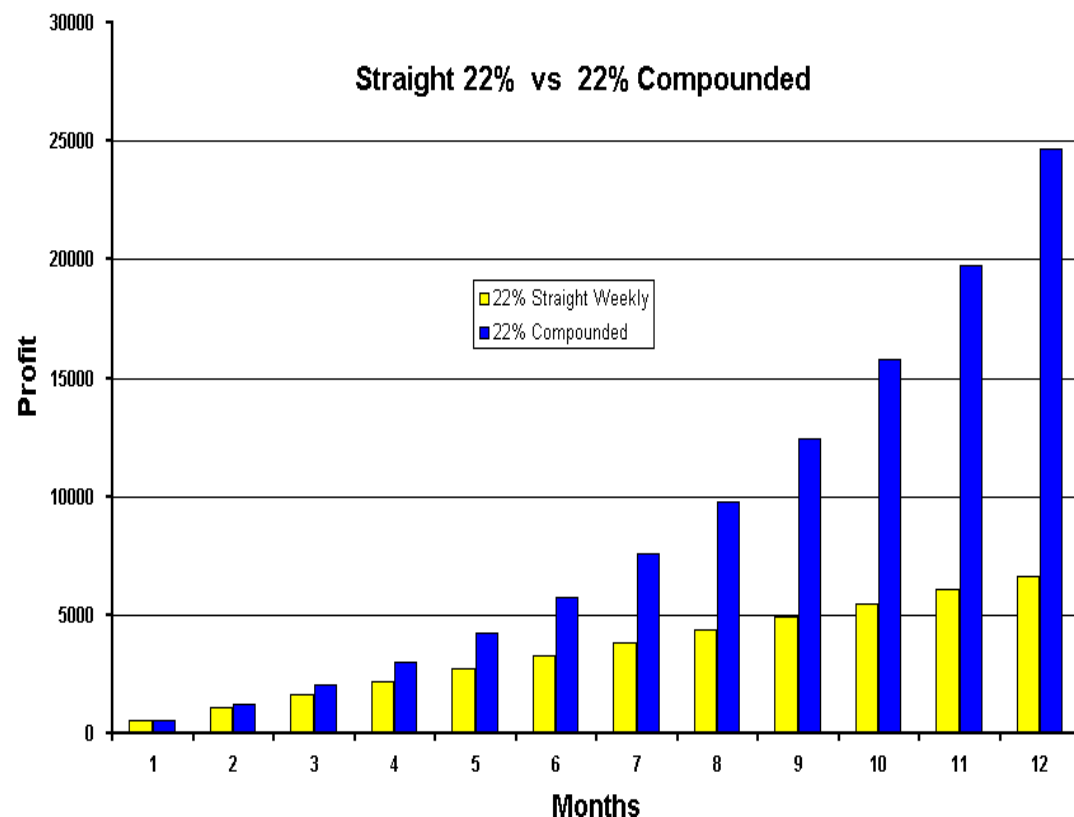
5. Compounding

Why do banks, credit card companies and mortgage lenders charge compound interest? Quite simple because it makes them money, sorry, what I should have said is that it makes them a hell of lot of money.

Look at the chart below and see the difference starting with trading capital of \$2500 and making a straight 22% (\$550) every month or compounding your profits.

By compounding you are only making the same daily number of points but you are bringing more money to the table, this is just

reinvesting your profits and look, over three and a half times more profit in just 12 months.



Assuming 20 trading days per month, 22% should be easily attainable as this is just a little over 1% per day.

So why not emulate how the banking institutions make money and harness the **power** of compounding by incorporating it into your trading plan.

Most people want a "quick fix" they put their £1 on the lottery hoping to be a millionaire with a 14 million to one chance, they want maximum return for as little outlay as possible. Choose one of the following:

- A **certain loss** of £3,000
- Or a 90% **chance** of losing £3,500 and 10% **chance** of losing nothing

Most people would choose the latter even though over the long term you stand to lose more, this is called fear of loss, most would rather hang on to a losing trade as there is a chance the market trend will reverse and they can get out flat. What you must do however is not

to let your losses mount up, you must learn to take small losses quickly as it is a prerequisite to capital preservation.

Hopefully reading so far, you have learnt that there are quite a few key areas where you can improve your trading profitability well before we start to look at a trading method.

To recap some of the key areas covered to-date are: -

Broker By choosing the right broker you can save \$1,000's in commissions.

Capital If you do not have enough trading capital (ammunition) you are out of the game and cannot play.

Specialise Do what the professional traders do, know your market and make it your speciality and just trade the one.

Leverage By using futures you are making your money work better for you as it can earn 20 times the profit of conventional share buying.

Manage Treat your trading as a business, record and analyse your trading, it will pay you back in the long run.

Compound As shown above, by compounding your profits you can increase them three-fold.

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A Trading Plan

I have titled this section "A" trading plan, you may have slightly different goals and expectations, and so you are free to alter this plan or make up your own plan entirely.

But whatever you do, you should have a **plan** and **stick** to it.

What would be a realistic amount we could expect to make trading over say a one-year period?

How much return on investment do we get from the professional institutions, 3% to 4% from a bank savings account, 5% to 10% from a pension fund, or 15% to 20% from a stock market fund?

If you are new to investing what makes you think you could outperform these large institutions with all their hi-tech equipment and billions of dollars at their disposal.

The answer is **you can** simply because they are so inefficient and quite simply crap at what they do.

To be fair, if you remember, it is not possible for everyone to win, there is always a buyer and a seller, a winner and a loser in trading. As these institutions represent the majority of investors and only about 5% of traders make money, it is easy to see why investors get such poor returns.

Here's something else to think about, profits from the stock market come from company dividends and inflation only and so the market will give a relatively small return over the long term.

More investors paying more for stocks cause intermediate rises in the market. This is only paper profits and because there is a fixed amount of added value to be earned together with more investors, this means there is actually less for each investor.

The high stock market values caused by more investors paying too much for stocks is what causes bubbles and these eventually burst causing market corrections (large retracements/drops).

We are not investors; we are traders so this doesn't apply to us because we can make money in both up and down markets.

If it wasn't for investors however, we could not be traders. There are long-term investors, medium term investors and short-term day traders, each plays a role in the markets and adds liquidity.

One reason why many traders fail to make it in the markets is **greed**, because of all the hype they expect to earn too much too soon and they overtrade or trade too many contracts.

Fortunately there is a simple and sensible way to make huge gains without being greedy.

By huge gains I mean about 1,000% per annum, this I hope you'll agree is huge compared to conventional returns. This can also be achieved with minimal risk. See table below: -

Month	Monthly 25% target bal	Monthly net profit target	Contracts Traded	Total \$5 Monthly Contracts	Points Div by traded Contracts	Points per Day
O/Bal	2500					
1	3125	625	1	125	125	6
2	3906	781	1-2	156	104	5
3	4883	977	2	195	98	5
4	6104	1221	2	244	122	6
5	7629	1526	3	305	102	5
6	9537	1907	4	381	95	5
7	11921	2384	5	477	95	5
8	14901	2980	6	596	99	5
9	18626	3725	8	745	93	5
10	23283	4657	10	931	93	5
11	29104	5821	12	1164	97	5
12	36380	7276	15	1455	97	5

Table 1 Trading Plan

Column 1 Shows the month number of the trading year.

Column 2 This is the running total at 25% per month.

Column 3 Is the monthly profit target in dollars.

Column 4 This is the number of \$5 contracts to be traded that month if the previous monthly target is met.

Column 5 Shows the total number of \$5 contracts needed to reach your monthly target.

Column 6 This is column 5 divided by the number of contracts traded per trade in column 4.

Column 7 This is the number of daily points needed to achieve the monthly target when trading the number of contracts in column 4 assuming 20 trading days per month.

Many books and systems promise big daily gains of \$600 to \$1000, the truth is that these are possible but they are very few and far between.

Another important fact is that you do not need them; take a look back at the trading plan in table 1.

By trading as indicated and reinvesting the profits the table shows over 1,400% profit, this is to allow for losing days and commissions, by aiming slightly higher you should make the 1,000% as originally stated.

If you look closely at column 7 this is the number of index points you need to make on the Dow Jones futures contract. You will notice that it is necessary to make just over 5 points daily to hit your targets.

This is not a huge gain and we are not being greedy, in actual fact if you take month 1 for example 6 points x one \$5 contract = \$30 which equals just 1.2% (30/2500) of your trading capital. 5 points equals just 1% of your current balance.

You do not have to start of trading just one contract, but why risk more of your hard earned cash than you need to. You could start off with trading capital of \$7500, all you need to do is multiply everything by three and you would then earn over \$100,000 per annum.

Some people are uneasy trading a larger number of lots (contracts) and you find it more suitable to stop at 10 contracts and earn about \$4600 per month, this is entirely up to you.

If you are new to trading I would suggest start small and build up as you gain confidence.

I am all for making trading easier and simpler, tell me which do you think would be easier to do from the following: -

Make 5 points profit everyday.

Or

Make 50 points profit everyday.

I do hope you chose the first option; of course it is going to be much easier having an earning target 10 times less.

If you were to list the number of points won by systems trading the Dow, the results would look something like those in table 2 below:

Points Won	% Won
60	20%
30	40%
20	66%
12	75%
6	85%

Table 2 Points vs. %Won

If you have been paying attention you will know that there are three main players in the stock market, the investors whose trades last months to years, the swing trader where trades last days to

weeks and the day trader whose trades can last for minutes or hours only.

Because of the different timescales in which they operate they often trade against each other and this is what makes the market look erratic. When two or all three of the players trade in the same direction this is when we get the bigger moves in the market.

You can see from table 2 that the smaller the number of points won per trade the higher percentage of winners you will have. There are 2 simple reasons why this is so:

Firstly there are far more smaller movements than larger ones in the stock market. Because larger moves occur less often the chances of capturing them are also reduced.

Secondly every winning trade of 12,20,30 and 60 points must also have at least a 6 point winning trade first.

If you are happy with a target of 6 points you still have the opportunity of letting your profits run on the longer moves. You could easily make double your daily target on a 12,20,30 point etc move. If your target is 60 and the market only moves say 20 then you are probably in a losing trade.

So is it possible to make the 5 points we need daily? **Yes**, but what is the best instrument to trade?

We need a market with high liquidity (high volume) where there are many buyers and sellers competing together. This enables us to get good fills near the market price quickly and easily.

The chosen market must also have volatility (relatively high swings and movements). If the market does not move we will not make money in any direction. The faster the market moves the quicker we can make our money and the less time we need to spend trading.

The two main contracts to consider that fulfil the above criteria are the mini-S&P (Symbol ES) which is traded on the Chicago Mercantile Exchange (CME) and the mini-Dow (Symbol YM).

The daily movement of the two underlying indices, the Dow Jones cash index and the S&P 500 cash index correlate very closely in terms of percentages. The value of the Dow Jones index is roughly 10 times that of the S&P500, this is reflected in the size of the trading contracts.

A 1 point movement on the mini-Dow = \$5.
A 1 point movement on the mini-S&P = \$50.

However, since a one point movement on the S&P is equal to 10 points on the Dow, this means for the same percentage move on the Dow the contract specifications are the same i.e. S&P 1pt = Dow 10 pt = $10 \times \$5 = \50 .

The mini-S&P is the older of the two contracts and is the most popular and therefore the most liquid.

The mini-Dow is relatively new but it is gaining popularity and the numbers of contracts traded each day are hitting new highs, almost on a daily basis.

The spread, the difference between the you can buy or sell in the market, for the S&P is 0.25 points, this is equal to 2.5 points on the Dow. Within market hours however, the spread on the Dow is typically just 1 point.

As the spread is a cost to you, this represents a 60% saving and increases your bottom line substantially.

Remember a dollar saved is a dollar earned.

The fact that the S&P only moves in quarter point increments gives another advantage to the Dow and another reason why the mini-Dow should be the instrument of choice.

The advantage is for every 1-point movement in the S&P you can take a profit from 10 positions on the Dow but only 4 on the S&P, so you are two and a half times more likely to take a profit on the Dow. See table below:

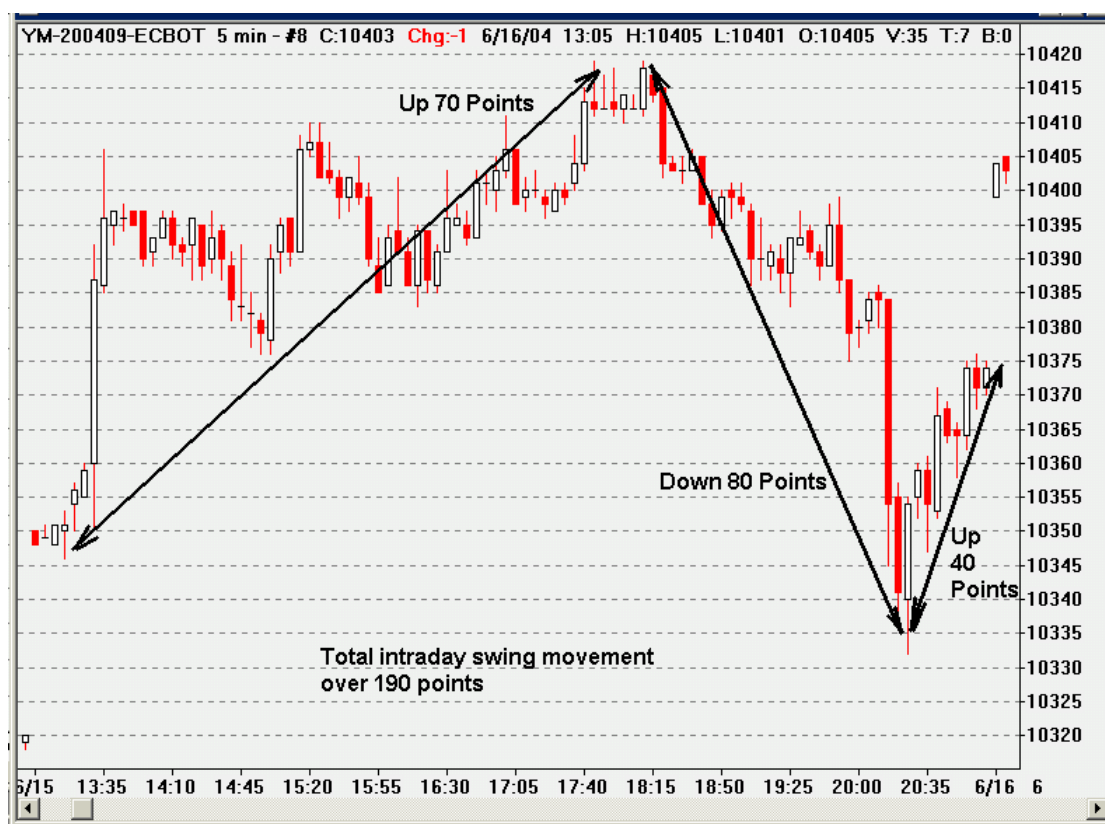
Dow	S&P500
1	
2	
3	0.25
4	
5	0.50
6	
7	
8	0.75
9	
10	1.00

Table 3 Profit Points

The figures in red in the table above show the 6 extra places where profit can be taken on the Dow compared to the S&P. This is true for every 1 point movement on the S&P, so if there were a 2 point movement on the S&P there would be an extra 12 places in which to exit on the Dow.

These extra places also help when placing stops, you will find because you can set them slightly further away, you will be stopped out less frequently.

The Dow has the volatility and range that we require and is illustrated in the following chart:



Intraday Dow Swings

Above is a 5-minute candlestick chart of the mini-Dow futures contract for a one-day period.

We can learn a number of things just by analysing this one chart.

Firstly, the intraday movement of the Dow is at least 190 points (Up70+Down80+Up40). If you add all of the small intraday swings per day over a period you will find that a 190 point movement is quite a typical range for the Dow. As we are only looking to capture 5 or 6 points early in the day, this will suit our purposes just fine.

Secondly, look how many smaller moves of 5 points there are throughout the day. There are over 40 of them in the 5 minute bars, this just shows graphically what I was saying earlier about there being a much higher probability of having many more winning trades, by being satisfied with a smaller profit.

And lastly, going back to what I was saying about the advantages of trading futures over normal investors. If you look at the beginning and end of the day you will see that the market has risen from 10350 at the open to 10375 at the close. This is only an increase of 25 points or 0.24%, less than a quarter of one percent and this is what the long term buy and hold investor would make.

On the other hand it would be quite possible for the intraday futures trader to capture the full intraday swings of 190 points and assuming they trade 1/500th of his capital, this would be a return of 38%, over 158 times more than the investor.

To get this far you have come a long way and we have not touched on a trading system yet, this will be detailed in the next section.

Many of the facts that we have covered are very rarely written about.

Why?

Maybe because most traders do not fully understand their importance and do not incorporate them into their trading. The other factor is that billions upon billions of dollars are invested by banks, pension companies and financial institutions getting ordinary people to buy their products. Keeping the general public in the dark, so that they only see the banks \$million marketing campaigns.

Knowledge is **power** and I am trying to give you the in-depth, inside knowledge that really matters and will help you make more profits.

All that we have discussed so far can easily be put together and this knowledge will increase your bottom line over 100 fold. For example:

Simply choosing to trade futures doubles the opportunities to win by allowing you to make money going long or short which means **more Profits for You.**

Trading futures allows you to take advantage of leverage, which makes your capital work harder and more efficiently, and this will make **more Profits for You.**

Futures allow you to take advantage of intraday movements, the result of which is **more Profits for You.**

Some markets don't move very far, the Dow has volatility and large moves, trade it and end up with **more Profits for You.**

Because there are more places in which to take a profit on the Dow this will give **more Profits for You.**

By working out how much you should risk rather than trading too low will result in **more Profits for You.**

Compounding gains will definitely give **more Profits for You.**

There are so many advantages of trading futures compared to buying stocks and shares that I really do not understand why people bother with shares at all.

Why wait weeks and months for a stock to rise when you could be making money every day and using those profits to make more.

Some investors have told me that they find daytrading stressful; this is probably due to the fact that they do not know what they are doing.

This statement doesn't make sense to me because even if you are a longer term trader the intraday price fluctuations still affect your profit and loss.

Some people due to work commitments do not have the time to day trade; this is OK and a valid reason. But if you are serious about trading and making money, futures and day trading is the way to go.

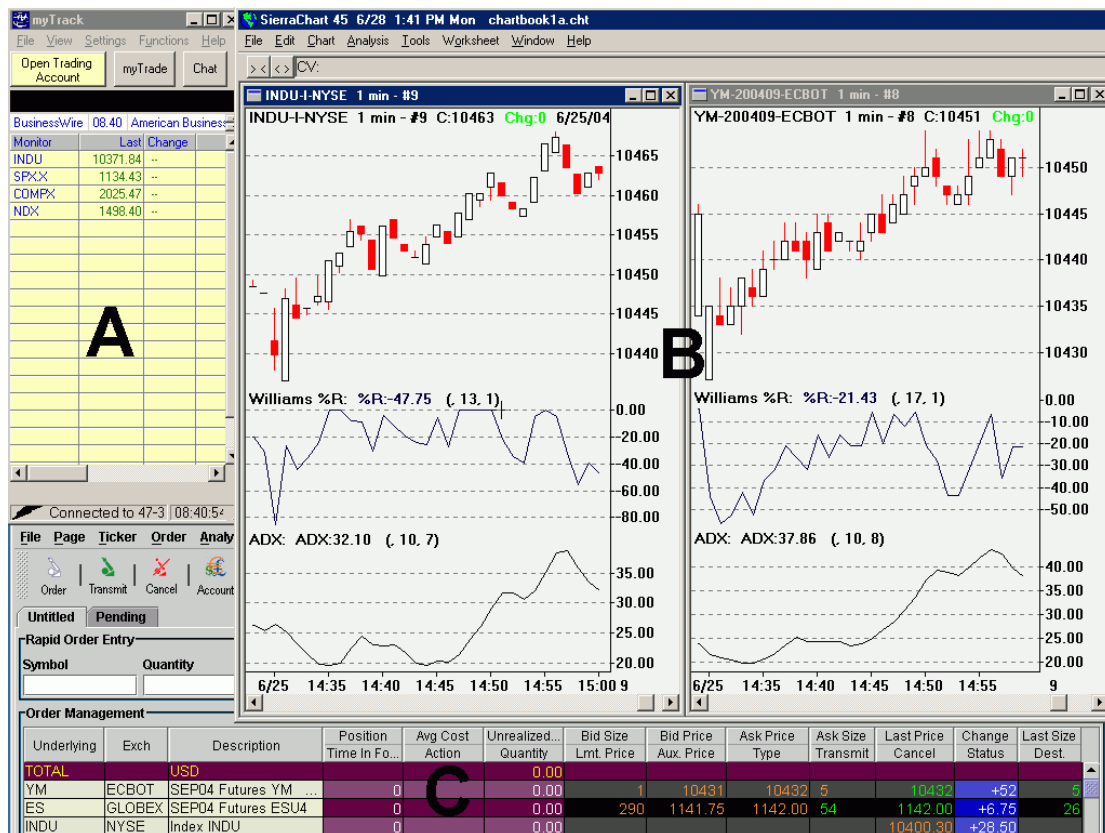
As you can see the actual trading system is only part of your arsenal in the war for profits, an important part it must be said. Let's have a look at a simple method that I have used for years that makes consistent profits with a high win ratio.

60MinuteTrader

The Open Trade

Before we get to the trading rules, I would like to run through the trading screen set-up.

Unlike many systems where you need multiple monitors due to their complexity, because we are only concerned with one market we can fit all of the information on to one screen. It could not be any simpler. Below is a screenshot of my trading set-up and I will discuss the component parts.



Trading Screen Set-Up

Let us have a look in detail at what each window is and how we can use each one to help us in our trading.

A. This is my Mytrack window and contains just the four major indices in the US.

The four indices are:

INDU The Dow Jones 30 cash index.

SPX.L The S&P500 index.

COMPX The Nasdaq composite index

NDX The Nasdaq 100 index

Monitor	Last	Change
INDU	10450.37	+78.53
SPX.L	1141.38	+6.93
COMPX	2035.12	+9.65
NDX	1503.70	+5.30

Monitor	Last	Change
INDU	10453.76	+81.92
SPX.L	1141.66	+7.21
COMPX	2035.48	+10.01
NDX	1504.25	+5.85

Bullish Signals

Together these indices represent the largest companies traded on the US stock market and the majority of shares and money that matters.

How we use them is quite simple, we look at the "Last" column and if 3 or 4 are green then this is a bullish signal and the market is likely to continue rising.

The "Last" column is as its name suggests the price of the last contacts traded. If the price is higher than the previous figure the move is up and it will be coloured **green**.

If the new price lower than the previous one the move is down and the colour changes to **red**.

The change of colours give a good indication of reversals in the market. An up move typically ends when there is a change from 4 green to 4 red. Conversely a reversal of a down move will change 4 red to 4 green.

Monitor	Last	Change
INDU	10451.85	+80.01
SPXL	1141.43	+6.98
COMPX	2035.27	+9.80
NDX	1503.85	+5.45

Monitor	Last	Change
INDU	10450.52	+78.68
SPXL	1141.37	+6.92
COMPX	2035.03	+9.56
NDX	1503.65	+5.25

Bearish Signals

Very often you can see the market change direction well before it shows on the charts. If there are 2 of each colour showing then there is not really any direction, you will see a stronger move when all four are the same colour.

Personally, every minute or so I write down the last price for each index, this is a useful exercise to undertake. It is difficult to remember all of the prices but a quick glance at your notes and you can see the move slowing down or reversing.

B. This is the chart window.



Chart Window

You will notice in the above screenshot that I have two charts running concurrently of which I view.

The first chart is the "INDU" is the actual Dow Jones Industrial cash market. The second chart "YM" is a graphical representation of the mini-Dow futures contract.

I use the two charts in a similar way to the four indices in the Mytrack window, in that they both should confirm the trade.

As you can see the YM futures contract is slightly more volatile and moves quicker than the cash market. This is simply because it is one contract, but the cash has 30 stocks which all have to be bought/sold for the same movement.

There are slight variations on the indicator settings, this is for two reasons. Firstly because the futures contract is moves more erratically than the cash, I use the settings of 10 on the Williams %R and 10,8 on the ADX to smooth out market noise and to stop false signals compared to an ADX of 10,4 on the cash. If your charts have just one input for the ADX such as TradeStation use an 8 period setting.

Trading is always done by comparing and averaging the two charts, by having 2 slightly different settings you will get buy or sell signal earlier on one of the charts and this acts as a warning to get ready to trade.

C. The last component of the screen set-up is the trading platform itself.

The screenshot shows the Interactive Brokers Trader Workstation interface. The 'Order Management' table is visible, showing the following data:

Underlying	Exch	Description	Position	Avg Cost	Unrealized...	Bid Size	Bid Price	Ask Price	Ask Size	Last Price	Change	Last Size
			Time In Fo...	Action	Quantity	Lmt Price	Aux Price	Type	Transmit	Cancel	Status	Dest.
TOTAL		USD			0.00							
YM	ECBOT	SEP04 Futures YM ...	0		65.00		10427	10428	5	10428	+48	1
			DAY	SELL	1	10440		LMT	T			ECBOT
			DAY	BUY	1	MARKET		MKT	T			ECBOT
			DAY	SELL	1		10415	STP	T			ECBOT
ES	GLOBEX	SEP04 Futures ESU4	0		0.00		1139.75	1140.00	505	1140.00	+4.75	1
INDU	NYSE	Index INDU	0		0.00					10437.20	+65.40	
EUR	GLOBEX	SEP04 Futures 6EU4	0		0.00		1.2179	1.2180	3	1.2180	+0.0039	10

Interactive Brokers Trading Platform

I will now give a brief explanation of what things represent. Unless otherwise stated we will be looking at the first row.

Column 1 YM, this is the symbol of the contract traded or market.

Column 2 ECBOT, this is the exchange on which that particular contract is traded. In this case it is the CBOT (Chicago Board Of Trade).

Column 3 This shows the contract (YM), the contract month (Sep) September that is usually a quarter month e.g. March, June, September or December. And finally the contract year (04).

Column 4 The number of contracts currently being traded is shown here together with a +plus sign if you have bought and are long the market or with a -minus sign if your opening trade is a sell and you have sold the market.

Column 5 Nothing usually appears here until you click on the Bid or ask price then a new row will appear directly underneath with either BUY or SELL. It is mainly used for a calculation and the result appears in the next column.

Column 6 This will display your running profit/loss for the current day being traded.

Column 7 Here is shown the number of bid contracts (quantity) being offer in the market at that time.

Column 8 The bid price is the highest price that people are willing to buy a contract and it is therefore the highest price that you get if you sell now with a market order.

Column 9 Same as column 8 except that the ask price shown is currently the lowest price people are willing to sell, and is your best buying price at that moment.

Column10 Is similar to column7 but shows the number of contracts being offered at the current asking price.

Column11 As the name suggest it is simply the value of the last contract traded.

Column12 The status column shows the net gain/loss for that particular market for that day.

Column13 This final column shows the number of contracts traded on the last deal.

Clicking on the bid price of 10427 will bring up **sell** order entry row immediately below the current one. Similarly clicking on the ask price of 10428 will bring up a **buy** order entry line.

In column 6 of these lines you enter the number of contract you want to trade. Column 9 lets you choose what type of order you wish to place e.g. market limit or stop order

In columns 7 & 8 you can type in the price that you want to buy or sell at, if you have chosen a market order this will be filled at the best available price.

By clicking on the "T" (Transmit) you can enter your buy/sell into the system.

You can get a feel for how it works by downloading the demo platform here:

<http://www.interactivebrokers.com/en/p.php?f=twsw>

The Open Trade Method

There have been a few methods for trading the open that have been successful for many years.

60MinuteTrader was developed with feedback from people whose main requirement was not to have to spend all day in front of the screen trading.

So we devised 60MinuteTrader to enable traders to spend the least time possible trading, often just minutes per day and a maximum of one hour hence the name...60MinuteTrader.

The open trade is probably best compared to the gap method but much better. A gap occurs when yesterday's closing price is different from the opening price of today on the cash market. To see a gap on the futures and to get the correct indicator readings it is important to set the time on your charts to start at 9:30am EST and end at 4:10pm EST (2:30pm and 9:10pm GMT).

The stock market very rarely trades in one direction for an entire day on average I would say only twice per month at the most. The problem with trading to fill the opening gap is that it can take all day to close and so our method takes advantage of the intraday swings and reversals that the market makes.

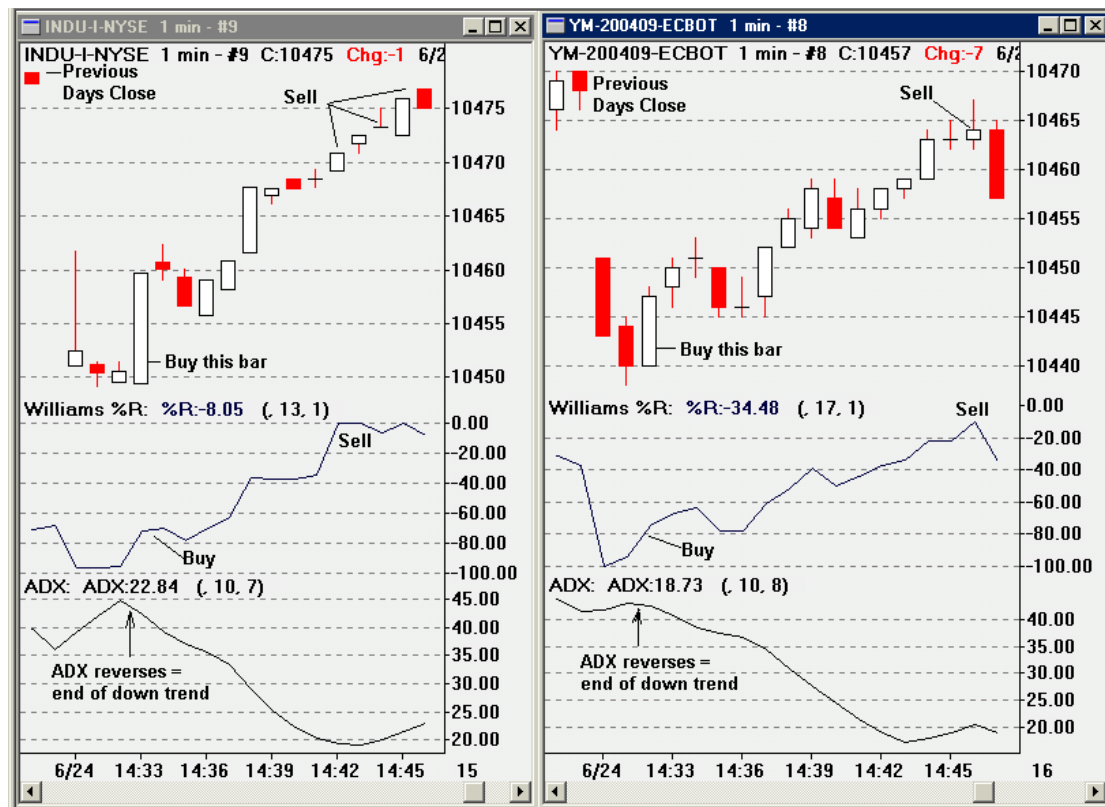
The day starts at 9:30am EST, to determine if it is a buy or sell day we watch the screen and let the market make a move UP or DOWN. From this initial move or leg we take a contrarian stance. A contrarian is someone who has the opposite view to that currently being held.

And so if the initial leg that the market makes is DOWN our trade is a buy. If the first move is UP we look to sell, it is that simple. Because it is so simple to decide which way to trade, you will have plenty of time to enter the trade into the trading platform and wait for the best moment to execute the trade.

If you look back through the charts in this book you will see a continuing theme. Let us look at a typical days trade at the open. The chart below is for the Dow on 24th June 2004.

As you can see the market gapped down from the previous days trading and continued downward. So our trade is a BUY and we can

get this buy order ready on the trading platform. But when do we press the trade button?



Dow June 24

To enter the trade first look at the ADX, this must have risen above 20 on its scale, this can be 35, 50, 60 etc. As soon as the ADX turns down have a quick look at the Williams%R, if the trade is a buy as above the Williams%R should have been in the bottom 20% of its range i.e. -80 to -100 in the last two minutes.

Note: the ADX will rise in a downtrend as well as an up trend. The higher it rises the stronger the trend. The end of the current trend is indicated when the ADX turns down.

The exit profit target is when the market hits the opposite 20% of the Williams%R that is -20 to zero.

We have seen a buy trade, now to have a look at a sell trade.

A sell trade is made when the initial leg/move of the market at the open is **up**. The Williams%R should be in its selling range, which is the upper 20% of the scale i.e. zero to -20.



Dow June 14

From the above chart you can see from the first move that the market was up and so the trade is a sell. The Williams%R is within the sell range of zero to minus 20. The sell trade is executed as soon as the ADX turns down, which in this case is at approximately 14:40 GMT, just 10 minutes into the US trading session.

The exit target is when the Williams%R reaches the lower 20% of the scale i.e. -80 to -100. You will notice that the cash and futures chart reached this level at different times, at 14:51 for the cash and 14:48 for the futures. Personally I prefer to close out on the first signal to reach the target, you could have waited a little while longer for the cash to reach the target and would have made a few more points in this instance but in general I find the least time that I spend in a trade the better.

You could just place a limit order for 6 points profit; limit orders get filled very quickly.

More Exits

The preservation of capital should be your utmost priority, remember the "don't lose money" rules, this is why in addition to

our six-point daily profit target (this allows for one point in commissions) there are several other rules for exits.

Firstly the stop-loss, your absolute maximum stop-loss should be 17 points from your entry. It should be noted that the closer the stop is to your entry price the more likely it is to be hit.

The second stop (optional) that I use and is a stroke of genius if I say so myself is a time stop. When analysing dozens of my prior trades I found that most of the profitable trades were completed between 2 and 4 minutes, the losing trades took much longer.

And so I added the 6-minute rule, "if you are not in profit after 6 minutes close out the trade on the first candle that goes against your position". So if your trade was a buy and after 6 minutes you are not in profit and the next candle is red (down) close the trade and conversely if your trade was a sell and the 7th candle is white (up) again close out the trade.

The 6-minute rule has been shown to increase profits by 20%. It does this in two ways: first it often reduces the stop-loss, instead of the market moving and hitting your 20 point stop-loss it is often reduced to a handful of points because you have not given the market enough time for it to move.

The second way the 6-minute rule can help to enhance your profits is this: on a few occasions when there is lower than normal volume the Williams%R will not reach the opposite end of its range and therefore the exit target. It is quite possible on days like these for the market to reverse and then head for your stop-loss. Using the 6-minute rule often captures a profit, maybe only 2 or 3 points but this is much better than a loss.

Some days you have to take what the market is prepared to give. You can also exit at any time when you are unhappy with the way the market is moving.

Sound complicated, confused? Well there is no need to be, what if I told you that there was a way to trade multiple contracts, place buy or sell orders and your required stop-loss order together with various profit level limit orders with one click of your mouse.

Well just have a look what this API (Application Program Interface) for Interactive Brokers can do below:

Bracket Trader Window

The Bracket Trader program links directly into the IB trading platform. You can define your own strategies, the one above shows 3 contracts traded, the contract symbol is YM for the mini-Dow futures, and several others are available from the dropdown menu.

The expiry box shows the contract date in this case it is September 04. And the time stop will give you an audible alert every 6 minutes.

The stop-loss is set at 13 and the profit targets at T1, T2 and T3 are set at 5, 6 and 7 points respectively. All can be altered to your personal requirements.

To buy and place all of the other orders at once just click the "Long" button, similarly to place a sell order you would click on the "Short" button.

When the orders are placed the trading is automatic but can be overridden at any time and one or more contracts close manually.

You also have a log of your current positions and your running profit/loss account.

Many people are undisciplined and find it difficult to press the button and take a loss. By using Bracket Trader it takes the emotion out of trading.

How much for this fantastic piece of software? Not as pricey as one would think, in fact it can be used totally free of charge. The free version does have rather annoying sounds, but if you like it and it makes you money you can upgrade for \$100.

Just visit <http://www.bracket-trader.com>

Trading Rules Summary

1. If the initial move of the market is **UP** the trade is a **Sell**. If the initial move is **DOWN** the trade is a **Buy**.
2. We buy and sell at opposite ends of the Williams scale, the selling range is zero to -20 and the buying range is -80 to -100.
3. As soon as the ADX turns down showing end of trend enter into the trade. Look where the Williams %R was in the previous 2 minutes to see if it is a buy or sell trade.
4. Take a fixed profit target on a limit order or wait for the Williams to hit the opposite end of the range.
5. Use the 6-minute rule (optional) to exit if not in profit and an absolute maximum of 17 points stop-loss.

That is it, five simple rules and you know whether to buy or sell, when to enter and when to exit.

You must be a little careful trading when the market has not traded for a long period such as a weekend and over national holidays as there is a chance that the market has got a great deal of international news to catch up on and the first day back may be a one-way day with little or no reversal.

You should also take note of news releases made in the first hour of trading. A list of these releases and their importance can be found at <http://biz.yahoo.com/c/e.html>

You will often find there is a case of buy the rumour sell the news, just something to bear in mind. It is wise to wait for the news to be released and then trade.

I hope you have found this book enlightening and that you have learnt to trade what you see and not what you think.

Thinking against the crowd and taking a contrarian view will give you a better chance of making money in the long run. Everyone can't make money in the market the maths would not add up so try and think outside the box.

The open trade does work, it has worked for many years and don't see any reason why it will not work for years to come.

Daytrading is very similar to gambling and the successful gamblers such as bookmakers and casinos will tell you that you do not have to win mass amounts of money, you just need an edge.

With the open trade you now have that edge, use it and be in the top 5% of traders and be a winner.

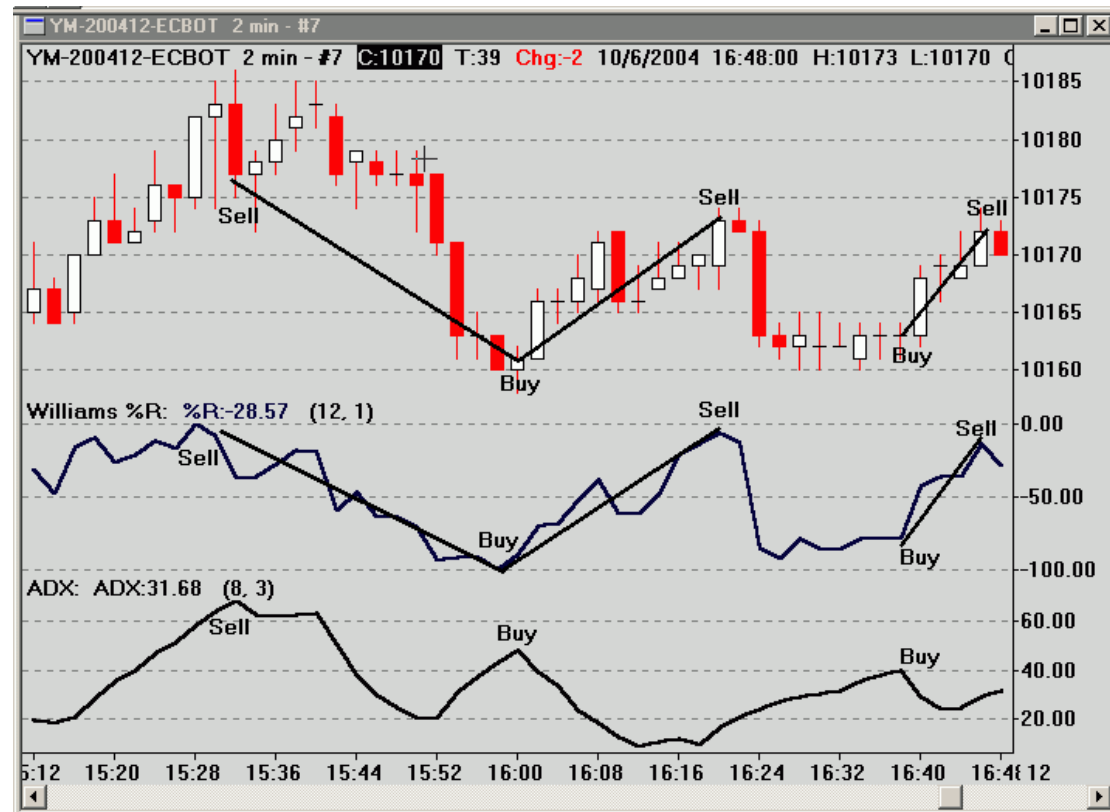
All that is left for me to do is to wish you success in your trading you know have the knowledge and knowledge is power.

NB. Due to erroneous data and outages it is advisable to have both Sierracharts and Bigcharts running. Bigcharts seem more consistent on the cash index and Sierracharts are more responsive to the moves, I always consider both before the trade.

Extra Trades

60MinuteTrader is solely concerned with taking a contrarian trade to the initial market move which often happens a few minutes after the open.

As your experience and confidence grows you may want to make additional trades throughout the day. The combination of Williams and ADX works very well, see chart below.



If you want to smooth the chart and have more time to trade you can change the candles to 2 minutes as above.

It is clear from the chart that when the ADX turns down and the Williams is at the end of its range that this is a good entry, the exit is at the opposite end of the Williams.

Several trades can be seen over the trading period for about 35 points profit.

60MinuteTrader

Global Futures

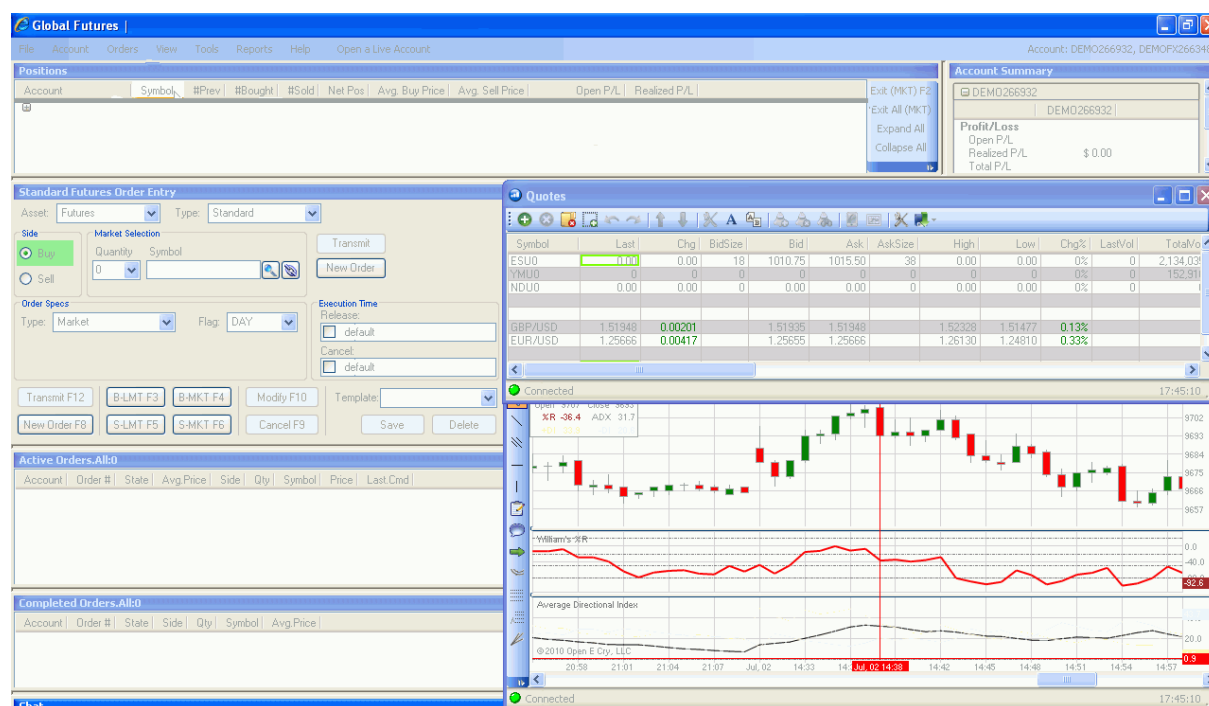
At 60MinuteTrader, we are constantly striving to provide our customers with the very best trading experience possible. Based on our extensive research and customer feedback, we are recommending Global Futures as our broker of choice for those just starting out or who have a smaller bankroll. [Global Futures](#) is the best broker that we have found, offering a number of advantages, including: low day trading margins, excellent customer service, a great trading platform, competitive commission rates and more.

Margins:

Global Futures has the lowest margin requirements I have come across in the industry. They only require \$500*/contract to daytrade the YM contract. To check out the current margins/spreads for forex, metals, indicies, etc. offered at Global Futures, *[CLICK HERE](#).

Platform:

Global Futures offers an excellent trading platform: GZTrader, shown below.



To request a FREE demo account of GZTrader, [CLICK HERE](#)

Installing 60MinuteTrader's Layout on the GZT Platform:

We have made things as easy as we can for you so that you can be up trading a.s.a.p. We have made the file below which gives you the correct settings for the 60MT setup. Click the link below, then "page" then "save as"

60mtLayout

1. To install, save the above file to your desktop.
2. Open your GZTrader platform, click View>Layout>Import> 60mtLayout (this will be saved on your desktop).

I have marked up the 60MT trade on the chart below to show you how they should look.



In addition to low margins & exceptional customer service, Global Futures is offering 60MT customers a free charting package included with the GZT platform. If you are interested in an additional charting package, you can also purchase Sierracharts for a small monthly fee.

Open an Account with Global Futures:

If you would like to open an account with Global Futures, simply click [HERE](#) to start the application.

60MinuteTrader

General Trading Rules

Top Twenty

1. **You** must take responsibility for your financial security and your actions. Don't blame the market.
2. Choose one market to trade, I suggest the Dow Jones futures market, study and learn all you can.
3. Have a back-up phone to hand programmed with the dealing rooms' tel. numbers in case of problems.
4. Have a notepad, pencil and calculator at hand to record trades.
5. Know the days and times when economic data is released.
6. Never let a winning trade turn into a loss
7. Start with a little capital and only place small stakes or paper trade if you are relatively new to trading.
8. Have a trading strategy and **stick** to it, it is no good saying one thing and doing another.
9. Always keep records of all your trades, analyse these weekly or monthly to see if you can improve your performance.
10. **Don't** be greedy; you can **soon** build up considerable wealth with just 1% daily profits.
11. **Never** trade if you are **tired, ill** or on medication that could affect your responses or you have a headache or you are worried about something
12. Wherever possible always try and obtain **value** when placing a bet.
13. Never trade on tips or what experts say, invariably throughout the day there will be several experts with opposing views. Trade what you **see** happening.
14. Vary your stakes, if market movement is a little slow use lower stakes.
15. Look for reversals in the market and trade with this new trend.
16. Do not over trade.
17. Try to make a small profit every day and be happy with that.
18. Don't let the market get away from you, as soon as you can get out.
19. If you are losing just **get out**.
20. If in doubt **GET OUT**

60MinuteTrader

Glossary of Terms

A

Alpha

A measure of a stock's performance relative to the market, a positive 1 alpha stock means on average it has outperformed the market by 1% per month.

Arbitrage

This is the simultaneous buying and selling of a contract, often with two different companies and making a profit from the price differentials.

Ask

The ask or offer is the lowest price at which a share or future is offered for sale.

B

Bear

Someone who is pessimistic about prices and expects the market to trend lower.

Bear market

A long-term market downtrend, usually lasting months to years.

Beta

A measure of a stock's volatility, if it has a beta of 2 it should increase in value at twice the rate of the market, it will also decline at twice the rate.

Bid

The highest price for a stock or contract that someone will pay.

Break

A **move** to the downside from previous support.

Breakout

An upward price movement that penetrates previous highs or resistance.

Bull

An optimistic person who expects higher prices in the near future.

Buying price

The higher of the two prices offered by the spread firms relating to a particular share or contract.

C**Closing a bet**

Done by placing a second bet in the opposite direction.

Commission

The fees charged by a broker for the transaction of a trade.

Contract

A unit of trading for futures, spread bets are also contracts hence you receive contract notes for your trades.

Contrarian

Someone who takes a position or thinks contrary (opposite) to current opinion.

Controlled risk bet

A bet with a guaranteed stop loss, which is automatically closed if the stop is triggered, there is usually an additional cost for this.

D

Day trade

Opening and closing the same trades within the same day.

Delivery month

The Dow Jones futures contract can be left to expire, there are 4 quarters March, June, September and December, and each has a different contract.

DJIA

Dow Jones Industrial Average, this is composed of the 30 largest stocks in the industrial sector and is one of the most widely watched markets.

E

Exchange

The place where stocks and futures are traded.

F

Floor trader

A member of the exchange who buys and sells contracts on the exchange floor.

FOMC

Federal Open Market Committee, the biggest impact to our trading is when they announce the interest rate decision.

Futures

Contracts of standardized units for the purchase or sale of a commodity or index.

G

Gap

This usually refers to the cash index and is the difference between the previous days close and today's opening price.

H

Hedge

To limit risk by taking an opposite position in a specifically developed derivative.

Hedge Funds

The term "hedge fund" is loosely defined to imply a hedging technique is being used.

L

Leverage

The use of a small amount of money to control assets worth many times more. Trading on margin is an example.

Limit Order

A limit order is used to buy or sell the market some distance away from the current market price. It can be used to take a profit or to initiate a trade at your

desired value. If hit the price you choose is the price you get.

Long

You are long when you buy something expecting an increase in its value.

M

Margin

The amount of cash as a percentage of the contract needed to trade that market or share.

Market Order

This type of order is the quickest to get filled and the price you get is the best price currently in the market.

Maximum loss

Without the use of stops, if you short something the maximum profit is the price paid minus zero, the maximum loss is potentially unlimited.

N

NTR

Notational Trading Requirement, this is the same as margin. For every stake £1 on the Dow Jones you will need to deposit £250, for the FTSE only £125 is needed, in both cases this is many times less than the actual amount needed to buy the actual index shares.

O

Offer See ask.

Open

The period at the beginning of the trading day, for the Dow Jones this is 9:30am ET or 2:30pm GMT.

Overbought

A technical opinion that the share or market has risen too fast in relation to the underlying fundamentals.

P

Premium

The difference between the market cash price and the price of the futures contract, this varies with time and volatility.

Program trading

Trades in which strategies are carried out usually by computers.

Q

Quote

The bid and offer or buying and selling prices that can be traded

R

Resistance

A price level at a significant high where the price movements nearing these levels slow down and often reverse.

S

Selling price

The lower of the two prices in the quote supplied by the spread firms.

Short

The act of selling something prior to ownership in anticipation of a fall in price.

Spot price

The current market price or index cash price.

Spread

The difference between the buying and selling price.

Stake

The amount bet per point.

Stop-loss

An order at a lower limit, which becomes a market order when hit, is designed to limit losses.

Support

Support is the opposite of resistance being a significant low, again prices tend to rebound but if broken prices can break sharply.

T**Technical analysis**

A method of predicting market movements using chart patterns and mathematical tools on historical data.

Tick

The smallest incremental market movement, the tick for the £/\$ = 0.0001.

V**Volatile markets**

Markets or days when sudden large unpredictable swings occur.

Volume

The number of shares or contracts traded in a give period.

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Useful Links

Brokers

Interactive Brokers... **our recommended broker** offers a great low cost international broker, which accepts many API's and charting packages.

<http://www.interactivebrokers.com>

Global Futures The choice for lower margins.

<http://www.globalfutures.com>

Mytrack A broker, data feed supplier with charts and news.

<http://www.mytrack.com/>

Tradestation Probably the best trading platforms that allows you to program your system and automate your trading. Also very low commissions and excellent back testing.

<http://www.tradestation.com>

Charts

Bigcharts These charts are **free** with only about a 2-minute delay; there is also a good interactive charting feature.

<http://bigcharts.marketwatch.com/>

SierraChart A great low cost real-time charting package.

<http://www.sierrachart.com/>

Esignal One of the best charting websites with various packages to suit everyone's needs.

<http://www.esignal.com>

Data and News

<http://biz.yahoo.com/c/e.html>

Find out the dates and times of economic releases; don't forget to click on the statistic to find its importance to the market.

Breifing.com A great site for traders' news, data, charts and much more.

<http://www.briefing.com>

ADVFN News, data, charts, alerts mostly free, a good source of relevant market information.

<http://www.advfn.com/>

Trading Community

<http://www.trade2win.com>

This site has news, reviews, discussion forums, competitions, learning resources, discounts on many products and more.

Exchanges

CBOT, Chicago Board Of Trade. The exchange where the mini-Dow contracts are traded. You can get free real-time quotes as well as many free educational tutorials.

<http://www.cbot.com/>

CME, Chicago Mercantile Exchange. This is where the mini-S&P contracts are traded. Similar in content to the CBOT.

Related Links

What Are Futures?

Learn about the futures markets and why they exist:

http://www.60minutetrader.com/onlinetrading/online_trading_advice/whatarefutures.htm

The Day Traders Bible

116 pages of knowledge in 14 chapters just \$14.95

Free Money Loophole

Guaranteed profits on every bet no matter what the outcome, you simply cannot lose.

Bet Brain

A great free website to use with the above product. Simple sign up and have no lose bets delivered daily into your mailbox.

Chart Settings

I use a 10 period Williams%R setting for both the charts as this will win more often and use an ADX setting of 10,4 for the INDU and 10,8 for the YM. If your charts only have one input for the ADX try an 8 period setting for both as this is the nearest to SierrCharts.

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