

REAL WORLD FOREX TRADING

By Chin Tan

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Preface

I'm Chin Tan. I've been a trader since last 7 years. I'm also involved in coaching programs since last two years. I do not intend to advertise / publicize that service here, so I will not mention about that again!

The purpose of this Ebook is to teach you a winning strategy that is highly objective, extremely simple and yet highly profitable.

This strategy works on one hour timeframe.

From my experience, this is simplest of everything I have ever learnt which can make you money time after time. You need to follow exact entry, stop loss and take profit rules to make the most of this strategy.

I wish you a lot of success in your trading business and should there be anything you don't understand, please do write us at tradingdesk@realworldforextrading.com or support@realworldforextrading.com

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1. Basic Introduction to FOREX

FOREX market is a market where a currency is bought / sold against some other currency. It is a unique market where the asset bought and sold is the same – i.e. Currency (Of course the currency bought will always be different from the one being sold). Simply speaking, FOREX Market simply facilitates exchange of currencies.

Players in Markets:

Banks – Commercial and Investment Banks

Financial Institutions – Hedge Funds / Pension Funds

Market Makers / Brokers who provide liquidity

Retail Traders

Main difference between FOREX and other Markets (Stocks, Commodities etc)

- No Central Clearing Body. All trades are cleared / settled by interbank settlements.
- High Liquidity.
- 24 hours Market.

Cost to trade FOREX includes:

Direct / Tangible Cost

- a) Losing Trades
- b) Spreads
- c) Swap Interest Rate

Indirect / Intangible Cost

- a) Opportunity cost for the money put in your trading account

Let's see each of them closely:

- a) Losing Trades:** We do not win every trade. The ones in which we win, we make profit. The ones in which we lose, we lose money. So, when you make your Profit and Loss Statement, we show the “NET” winners as income or “NET” losers as expense for the trading business, as the case may be.
- b) Spreads:** At any point of time, there are two prices for currency – Buy and Sell Price. The difference between the two is the spread. Lower the spreads, lower the cost.
- c) Swap Rates:** We receive interest for the currency bought and we pay interest for the currency sold. So, if the currency bought has higher interest rate than the one being sold, we receive interest. Else, we pay interest. Please check with your broker about the interest policy since different brokers have different norms and policies.

Example:

If a person buys Australian Dollar (AUD) against Japanese Yen (JPY), he will receive interest on AUD at the rate prevailing in Australia and he will need to pay interest on JPY at the rate prevailing in Japan. Since Australian interest rates are much higher than the Japanese interest rate, he will get a receive the net interest in his trading account. Conversely, if he sells Australian Dollar to buy Japanese Yen then he will need to pay interest.

Different brokers have different swap rates and different policies around the swap.

To get the prevailing interest rates for different countries, please click the link below:

<http://www.fxstreet.com/fundamental/interest-rates-table/>

Indirect Cost

a) Opportunity Cost of the money put into your trading account

Simply speaking, if you were not trading then you could have deposited your money with the bank. This would be earning some interest. But since you want to trade, you are foregoing your interest cost to make trading profits and hence the interest that you forego is indeed the cost to trade.

My assumptions:

- You already have internet connection prior to trading and hence that cannot be considered as trading related expenses
- You will trade without quitting your job or any other money making venture which otherwise would have earned you some money and again that would be considered as an intangible cost to trade.

Currencies with Symbols and (Nick Names)

Australian Dollar: AUD (Aussie)

Canadian Dollar: CAD (Loonie)

Euro: EUR (Fiber)

Great Britain Pound: GBP (Cable)

Japanese Yen: JPY (Yen)

New Zealand Dollar: NZD (Kiwi)

Swiss Franc: CHF (Swissy)

US Dollar: USD (Greenback)

Contract Sizes

1 Standard Lot = 100,000 units of the currency being traded

1 mini lot = 10,000 units of the currency being traded

1 micro lot = 1,000 units of the currency being traded

1 nano lot = 100 units of the currency pair being traded (This is offered only by few brokers)

Base and Quote Currency

Buy 1 mini lot of EUR / USD @ 1.4200 means the following:

- You are buying 10,000 units of Euro
- Against (i.e. By selling) US Dollar
- At a price where 1 EUR = 1.4200 USD
- Euro being the Base Currency
- USD being the Quote Currency

Pip and Pip Value

Pip is the smallest increment change possible in the rate of any currency pair.

For example, EUR/USD is being quoted at 1.4950. This can change to 1.4951 or 1.4949 which means that minimum it can change by 0.0001. For all pairs (Except JPY pairs), a pip will be 0.0001. For JPY pairs, a pip will be 0.01.

Pip Value is the value change of the principal amount traded with each pip change.

Generally speaking:

For Standard Lot: 1 pip = USD 10

For Mini Lot: 1 pip = USD 1

For Micro Lot: 1 pip = US 10 cents

For Nano Lot: 1 pip = US 1 cent

Pip Value differs for every currency pair. The custom indicator that is being offered to existing clients for \$79 will help you know the Pip Value for each pair and it will also throw potential alerts when the opportunity arises. This is to make the life easy and convenient to all busy traders. To get the indicator please contact support@realworldforextrading.com or tradingdesk@realworldforextrading.com.

FOREX Market Hours

The FOREX market is open 24 hours. However, it does not mean that we can trade anything at anytime with same liquidity.

The market starts on Monday morning of New Zealand and eventually closes at Friday New York Evening Time.

The major sessions are:

Asian Session - Countries like Australia, New Zealand, Japan and Singapore are in full swing. During this session, it makes sense to trade AUD, NZD and all JPY pairs since they are liquid and volatile.

European Session kicks in when the Asian Session is just about to close for the day. During this session, there is very good volatility and any currency pairs can be traded since European is the biggest FOREX market in the World and there is enough liquidity in all the pairs.

Finally, **US Session** begins at 8AM EST when the European Session is on its mid-way towards the close. This session also provides good volatility since European and US traders are punching their orders in full swing giving very good volatility.

After 12PM EST, the volatility stalls since European Session is already closed by this time and there is not much activity going around at that time. I prefer not to trade in this session.

Avoid trading European Pairs like EUR/GBP, GBP/CHF, EUR/CHF, USD/CAD, GBP/CAD, EUR/CAD etc. during Asian Session since the volatility in these pairs is just not good enough.

To simplify, in Asian Session you can comfortably trade all Asian currency pairs (AUD, NZD and JPY based pairs) and in other Sessions (Upto 12PM EST) you can trade any pairs since Europe and US sessions are providing liquidity for almost all pairs.

To know exactly when each session starts and ends, you should check (and bookmark!) the following web page. Timezone should ideally be set in accordance with your location since it becomes easy to know which sessions are open and when the closed sessions will open at your local time.

<http://FOREX.timezoneconverter.com/index.cgi?timezone=GMT;>

2. Win Loss Ratio and Reward to Risk Ratio

Win Loss Ratio

Win Loss Ratio: The ratio of number of winning trades to the total number of trades.

For example, if over 10 trades we have 4 winning trades and 6 losing trades then our win ratio is 40%.

Reward to Risk Ratio

.....The “ONLY” key to long term profitability in trading endeavor

Reward to Risk Ratio: It is a ratio of the expected reward if we have a winning trade to the expected loss if we have a losing trade.

Example, if we have a stop loss of 30 dollars and we have a target profit of say 50 dollars then we have a reward to risk ratio of $50/30 = 1.67$

All my trade set-up with this technique should offer you a minimum Reward to Risk ratio of 2:1 (Excluding spreads)

Amount of Money we make or lose = (Win-Loss Ratio) X (Reward to Risk Ratio)

In my opinion and from my vast experience, any trade set-up that offers a ratio of less than 2 is just not worth taking. Period!

I seriously do not know anything that is more important than Reward to Risk ratio in trading endeavor. You got to be serious about this ratio if you want to sustain in this business and make money over a period of time.

3. Trading Orders

Market Order: This is the order to execute at the prevailing market price.

Limit Order: This order requires the price to go in opposite direction you want to trade. If you want to buy at a price lower than the existing price then you have to use Buy Limit Order and conversely if you want to sell at a price higher than the existing price then you have to use Sell Limit Order

Buy Limit Order

If the current price of EURUSD is 1.4400 and you want to buy at a price lesser than 1.4400 then you have to use BUY LIMIT ORDER

Sell Limit Order

If the current price of EURUSD is 1.4400 and you want to SELL at a price higher than 1.4400 then you have to use SELL LIMIT ORDER

Stop Order: This order requires the price to go in the same direction you want to trade. If you want to buy at a price higher than the existing price then you have to use Buy Stop Order and conversely if you want to sell at a price lesser than the existing price then you have to use Sell Stop Order

Buy Stop Order

If the current price of EURUSD is 1.4400 and you want to buy at a price higher than 1.4400 then you have to use BUY STOP ORDER

Sell Stop Order

If the current price of EURUSD is 1.4400 and you want to SELL at a price lesser than 1.4400 then you have to use SELL STOP ORDER

We will always use LIMIT ORDERS (with stop loss to stop our losses and take profit to book our profits) since we want OPTIMAL REWARD TO RISK RATIO with high probability of success.

DON'T EVER FORGET THIS....Ouch...You cannot afford to forget this:

You got to ADD SPREAD TO ALL YOUR BUY ORDERS i.e.

>Buy Limit Order (When You want to Enter Long in the Market)

>Buy Stop Loss Order (Stop Loss for your Short Trade)

>Buy Take Profit Order (Take Profit for your Short Trade)

Why so? The price that we see on any trading terminal is typically the Price at which exactly you can sell the currency pair. If you click BUY then the broker will add the price that you see on your terminal and that will be your real buy price.

4.Trading Tools

- a) CandleSticks
- b) Support and Resistance
- c) Pivot Points

Let's study them in detail to know what they are and how we use them to trade profitably.

a) CandleSticks

CandleSticks provides information about Open Price, High Price, Low Price and Close Price for the selected duration and the selected asset.

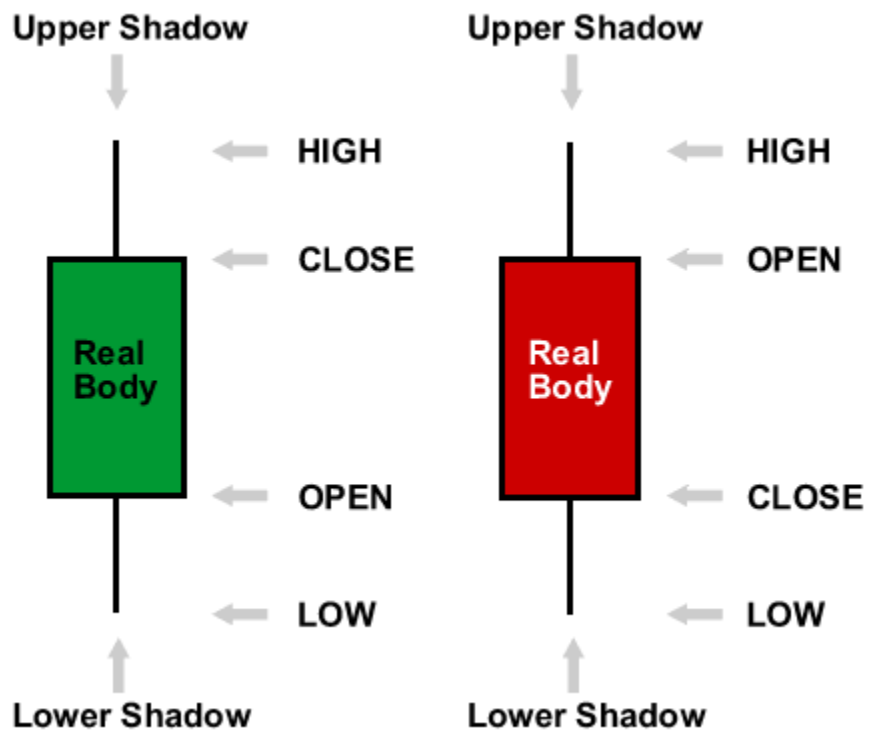
They help us to know the prevailing sentiment in the market as to whether the bulls are in control of the situation or the bears or none of them are in control.

By studying CandleSticks in real time, we are actually studying the price action, which indeed is a very profitable way to trade.

Some more information about CandleSticks:

- The filled portion of the candlestick is called "the body" (also referred to as "the real body").
- The lines above and below the body represent the high/low range and are called "shadows" (also referred to as "wicks" and "tails").
- The high is marked by the top of the upper shadow and the low is marked by the bottom of the lower shadow.
- For a bullish CandleStick, the open is the bottom of the body and the close is the top of the body.
- For a bearish CandleStick, the open is the top of the body and the close is the bottom of the body.

The below picture shows what is just mentioned above:



Decision Candles v/s Indecision Candles

If a candle has lesser shadows “in relation” to the body then it is a DECISION CANDLE.

If a candle has large shadows “in relation” to the real body then they are INDECISION CANDLES.

As Common sense suggests, if there is a “small” candle which is 100% REAL BODY then it should not be considered as a DECISION CANDLE because size matters! However, too big candles should not be considered for trading as well since the reward to risk ratio will be not attractive.

This is how a DECISION CANDLE looks like:



The aforementioned candle has lesser wicks / tails and has more body element. It “clearly” indicates that the bulls are in control of the situation.

Generally speaking, DECISION Candles have their Body (Open to Close) more than 60% of the total size of the Candle.

In other words, Wicks / Tails (40% or less) + Real Candle Body (60% or more) = 100% CandleStick

As a rule of thumb, we never trade without a DECISION CANDLESTICK. Later, we will see as to where we want the DECISION CANDLES TO FORM for getting us into high probability trade.

b) Support and Resistance

Any conversation / discussion on trading can never be complete unless there is some reference to Support / Resistance. Support / Resistance is the key to trading profitably.

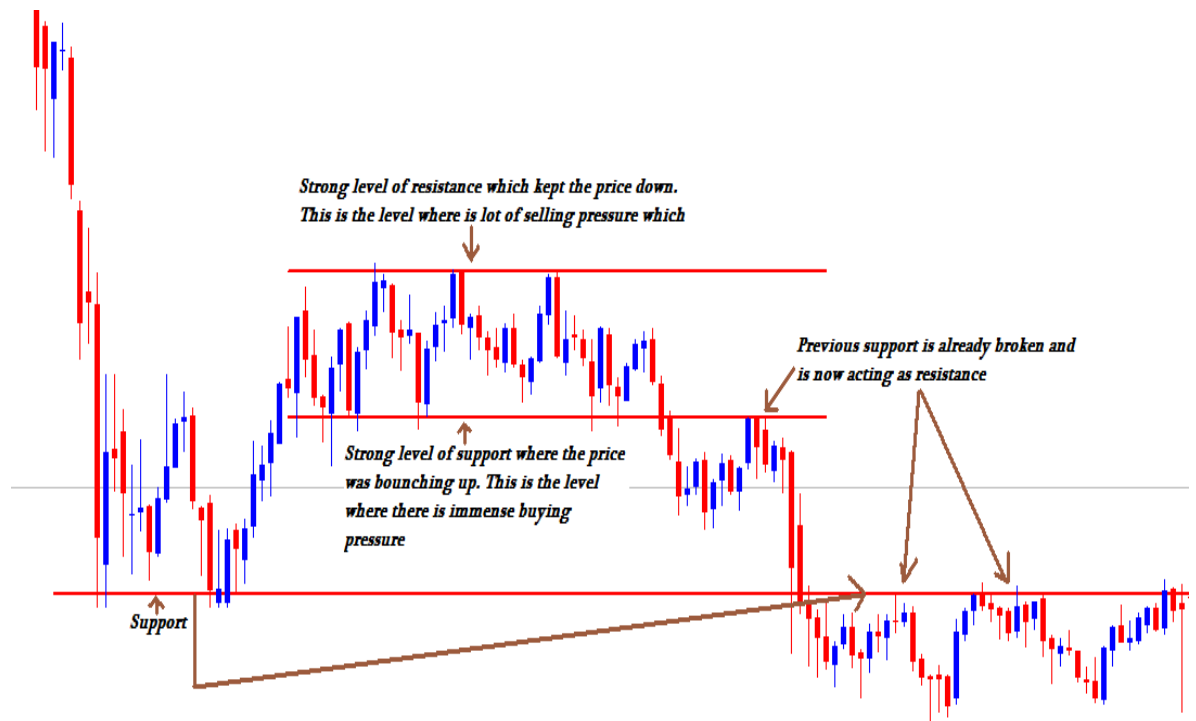
Support: Support is a price level where the likeliness of the “price bounce” is much higher than the price going straight down. This is the level where there is lot of buying pressure which helps the price to go up.

Resistance: Resistance is a price level where the likeliness of the “price fall” is much higher than the price going straight up. This is the level where there is lot of selling pressure which helps the price to go down.

Support once broken often becomes resistance and conversely resistance once broken becomes support.

Let's look at them on REAL PRICE CHARTS

EUR/JPY Weekly Chart



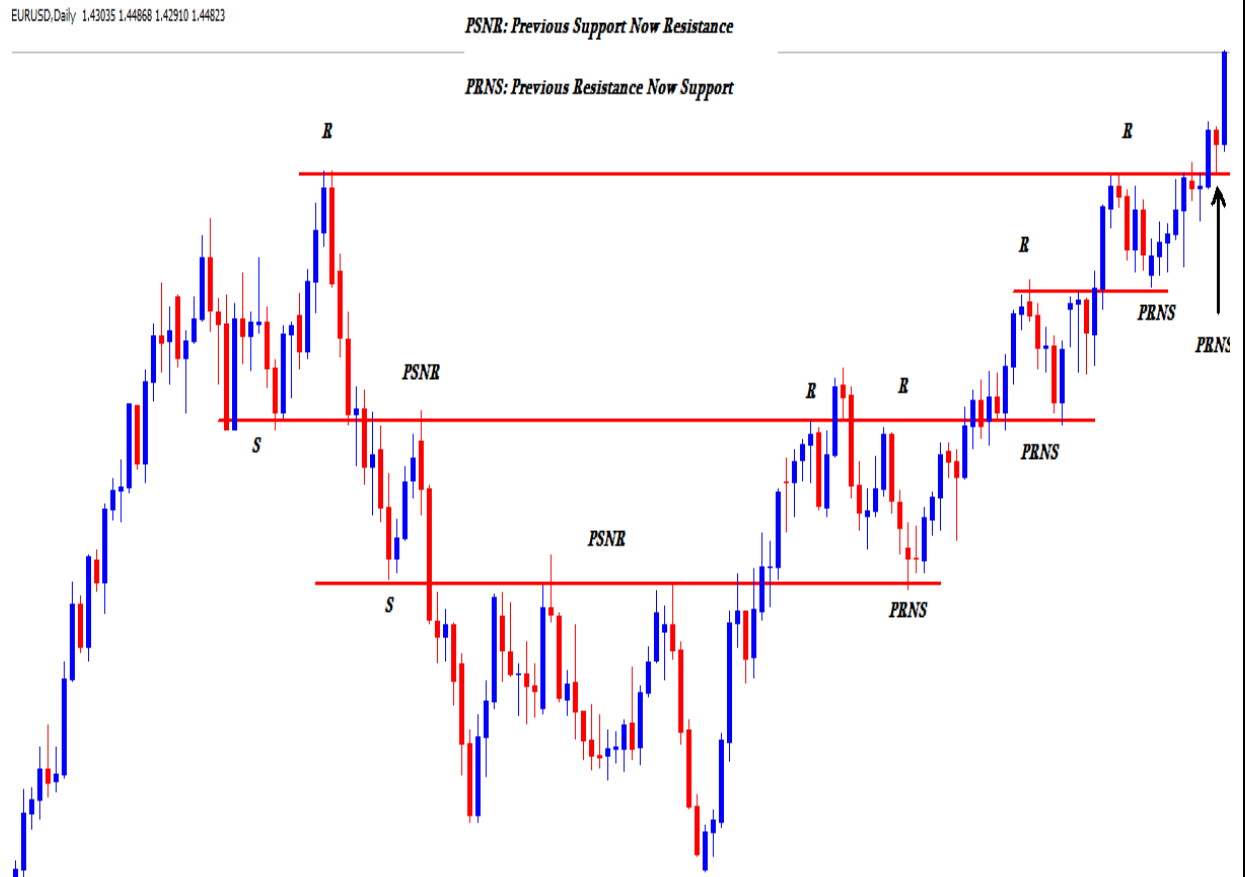
EUR/USD Daily Chart

R: Resistance

S: Support

PSNR: Previous Support Now Resistance

PRNS: Previous Resistance Now Support



c) Pivot Points (Applicable only to 60 Mins Chart)

Pivot Points are support and resistance lines which are calculated by defined formula shown as below:

$$\text{Pivot point (PP)} = (\text{High} + \text{Low} + \text{Close}) / 3$$

Support and resistance levels are then calculated off the pivot point like so:

First level support and resistance:

$$\text{First resistance (R1)} = (2 \times \text{PP}) - \text{Low}$$

$$\text{First support (S1)} = (2 \times \text{PP}) - \text{High}$$

Second level of support and resistance:

$$\text{Second resistance (R2)} = \text{PP} + (\text{High} - \text{Low})$$

$$\text{Second support (S2)} = \text{PP} - (\text{High} - \text{Low})$$

Third level of support and resistance:

$$\text{Third resistance (R3)} = \text{High} + 2(\text{PP} - \text{Low})$$

$$\text{Third support (S3)} = \text{Low} - 2(\text{High} - \text{PP})$$

Later in this book, we will see as to how we can use these pivot points to trade on the hourly charts

Key Notes

1. **Never Trade the Central Pivot Point** since there is a lot of uncertainty and unnecessary noise around that level. Just ignore all the set-ups at this level if you want the odds to be in your favor.
2. For Long Trades, only consider trading set-ups that occur at R1 and R2 level and for Short Trades, only consider trading set-ups that occur at S1 and S2 level. This is because a complete reversal at R3 / S3 is not uncommon.

5) Trade Set-up

Long Trade:

Key Requisites

- ❖ We want to see an UPTREND on 60 Mins Chart (UPTREND is where the price is making higher highs and higher lows)
- ❖ We want to take the trade at R1 or R2 Levels (Probability of Success reduces at R3 Level). This should be the level which the price is encountering for the first time on your screen (You do not need to go back ages to see that)
- ❖ We want to see that R1 / R2 to act as a clear resistance for MINIMUM 2 candles
- ❖ We then want to see a DECISION BULLISH CANDLE to break that level and **close** ABOVE that level (We term this Decision Candle as SIGNAL Candle. Typically, we want minimum $1/3^{\text{rd}}$ and maximum $2/3^{\text{rd}}$ of the Candle to be above the Resistance level)
- ❖ On the next candle, we want price to retrace to that BROKEN RESISTANCE. This is exactly where we want to ENTER the trade (Resistance Level + The Spread)

- ❖ Stop Loss will be right below the Signal Candle
- ❖ Take Profit should be the next Resistance Level (R2 or R3) subject to the Reward being minimum twice the Risk

Short Trade:

Key Requisites

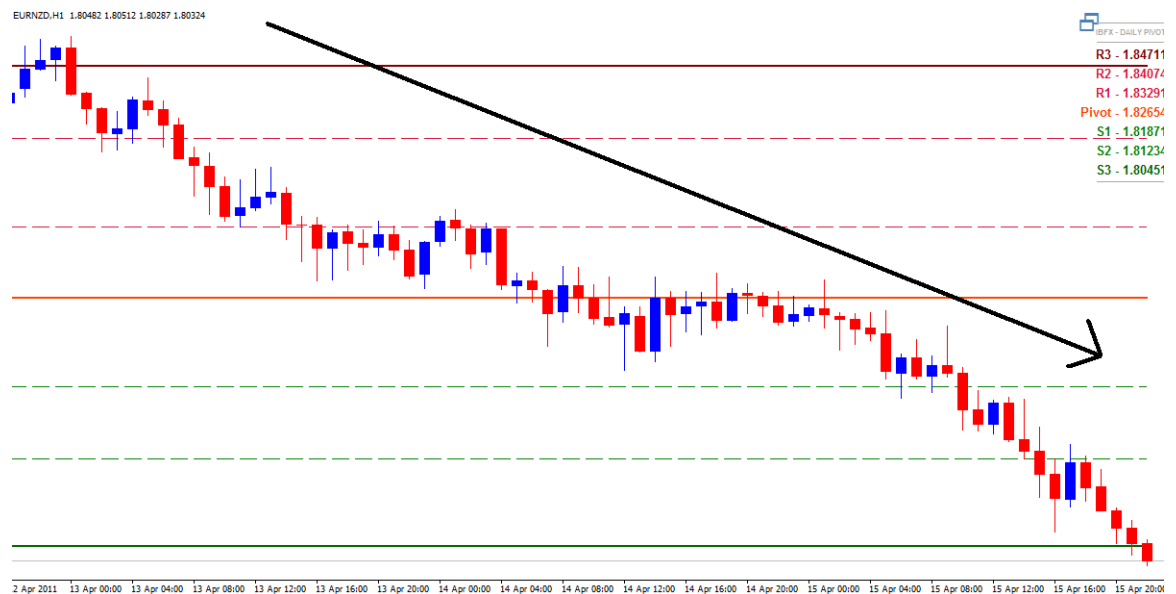
- ❖ We want to see a DOWNTREND on 60 Mins Chart
(DOWNTREND is where the price is making lower highs and lower lows)
- ❖ We want to take the trade at S1 or S2 Levels (Probability of Success reduces at S3 Level). This should be the level which the price is encountering for the first time on your screen (You do not need to go back ages to see that)
- ❖ We want to see that S1 / S2 to act as a clear support for MINIMUM 2 candles
- ❖ We then want to see a DECISION BEARISH CANDLE to break that level and close BELOW that level (We term this Decision Candle as SIGNAL Candle. Typically, we want minimum $1/3^{\text{rd}}$ and maximum $2/3^{\text{rd}}$ of the Candle to be below the Support level)

- ❖ On the next candle, we want price to retrace to that BROKEN SUPPORT. This is exactly where we want to ENTER the trade.
- ❖ Stop Loss will be right above the Signal Candle (Plus the Spread)
- ❖ Take Profit should be the next Support Level (S2 or S3) (Plus the Spread) subject to the Reward being minimum twice the Risk

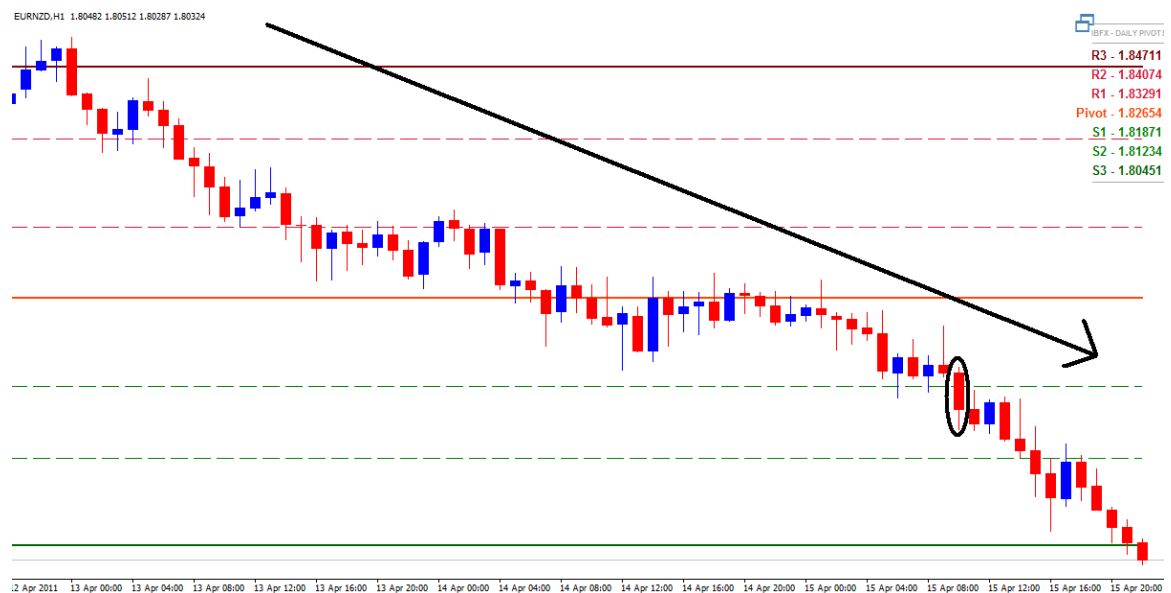
Let's take a look at a Real Trade Example: EURNZD Short Trade (15th April 2011)

1. A clear identifiable trend.

The below is EURNZD 1 hour chart as on 15th April 2011



2. Any pivot level which is respected as support or resistance by at least two candles. Can you see the two blue candles before the encircled candle? That shows the support being provided by that pivot level (S1 in this example). This should be a level which is being tested afresh (i.e. on your screen you should see the price approaching this level for the first time)



3. The aforementioned level is broken by a candle which is minimum 50% Real Body (i.e. Wicks / Tails should not be more than 50%) it below the level (in case of Short Trade Set-Up) or above the level (in case of Long Trade Set Up). As shown in the above chart.

4. On the next candle (Entry Candle), the price retraces to that “broken” level. This is the time when we have to ENTER THE TRADE!
5. Put the Stop Loss above the High of Signal Candle (Plus the Spread) in case of Short Trade Set Up or below the low of the Signal Candle in case of Long Trade Set Up
6. Expected Reward should be the next pivot level (Minimum twice the risk)



We can take more profits depending on the momentum of the market. For example, on this day (15th April 2011), EUR was heading down against most currencies especially AUD and NZD. Because of this reason, it was easy to take a reward of 3 times the risk.

Bottom-line: Reward has to be minimum two times the Risk in case of 1 hour trade set-up.

LIVE TRADE Example: EURCAD



Note the Key Requisites for Short Trade:

- ❖ Clear DownTrend in Place
- ❖ S1 was level that was tested for the first time on the screen

- ❖ S1 acted as a support for minimum 2 candles
- ❖ S1 was broken with a Decision Bearish Candle that closed below the S1 Level
- ❖ On the Next Candle, Price retraced to that S1 level where we entered our Short Trade
- ❖ Stop Loss was right above the Signal Candle (Plus the Spread)
- ❖ Take Profit was taken once the Reward was twice the Risk (Plus the Spread)

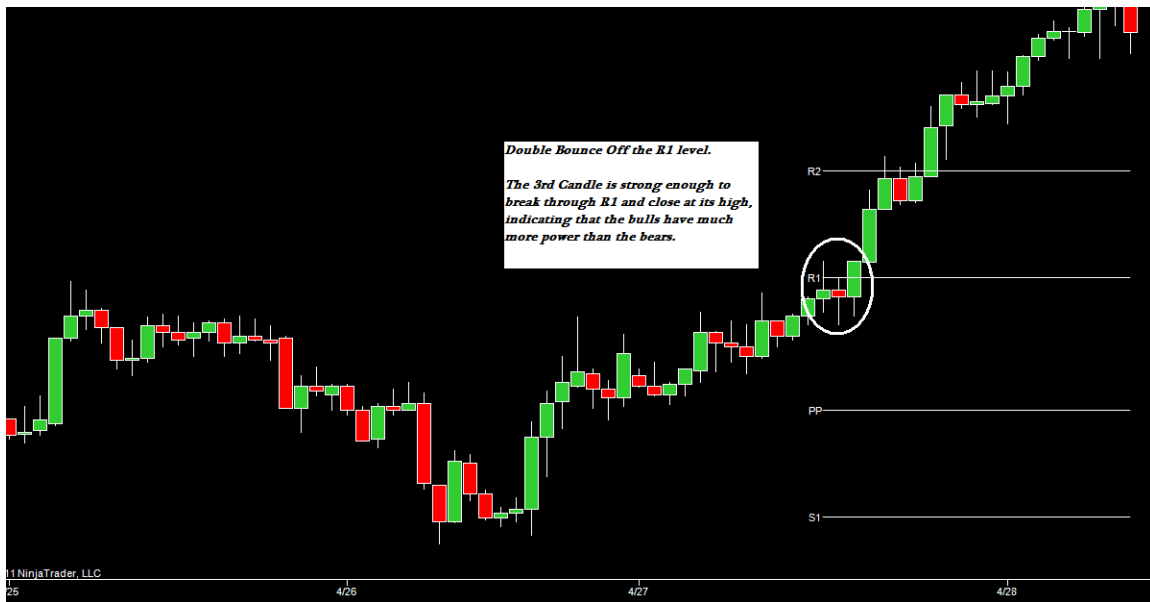
GBPAUD 10th April 2011



Same things again

- ❖ Clear DownTrend in Place
- ❖ S1 was level that was tested for the first time on the screen
- ❖ S1 acted as a support for minimum 2 candles
- ❖ S1 was broken with a Decision Bearish Candle that closed below the S1 Level
- ❖ On the Next Candle, Price retraced to that S1 level where we entered our Short Trade
- ❖ Stop Loss was right above the Signal Candle (Plus the Spread)
- ❖ Take Profit was taken once the Reward was twice the Risk.

EURJPY 28th April 2011



Same things again

- ❖ Clear UpTrend in Place
- ❖ R1 was level that was tested for the first time on the screen
- ❖ R1 acted as a Resistance for minimum 2 candles
- ❖ R1 was broken with a Decision Bearish Candle that closed above that Level
- ❖ On the Next Candle, Price retraced to that R1 level where we entered our Long Trade (R1 Plus Spread)
- ❖ Stop Loss was right below the Signal Candle
- ❖ Take Profit was taken at R2 level where the Reward was twice the Risk.

EURUSD 28th April 2011



Same things again

- ❖ Clear UpTrend in Place
- ❖ R1 was level that was tested for the first time on the screen
- ❖ R1 acted as a Resistance for minimum 2 candles
- ❖ R1 was broken with a Decision Bearish Candle that closed above that Level
- ❖ On the Next Candle, Price retraced to that R1 level where we entered our Long Trade (R1 Plus Spread)
- ❖ Stop Loss was right below the Signal Candle
- ❖ Take Profit was taken at R2 level where the Reward was twice the Risk.

6) Who are you - Punter or the Casino?

Believe it right now without losing a penny or believe this later after you lose a lot of money. Either way, you have to believe. Now it's your choice whether you want to spend money to believe something which is a reality and a fact.

The reality and the fact is: Punters do not make money! Casinos (and the professional traders who trade like Casinos) do!

Why is that so?

Casino has an edge identified. They employ that edge time after time after time. They just need a huge sample base (i.e. number of times the games are played). They believe in the power of probabilities and reward to risk and they stand firmly for years at the same place taking money out of most punters.

How can we be like Casinos?

- We have to have an “edge” in trading. An edge is simply a set of circumstances that gives us higher chances of winning than losing. You already have this edge with my course.
- We have to employ that “edge” with a “powerful” reward to risk ratio of minimum 2:1

- We have to trade all our edges without any doubts since, like the Casino, we want our sample size to grow and a favorable reward to risk ratio will take care of everything else.

7) Experience Speaks

Having traded since many years, I have definitely something worthy to share with you:

- 1) GBPJPY, USDCAD and USDJPY are the pairs that do not work great with Pivots. As such, I tend to avoid them like plaque.
- 2) Mondays are not ideal to trade this strategy. The best days have normally been between Wednesday to Friday.
- 3) European Session is best to trade this strategy because of excellent liquidity for most pairs.
- 4) When the speed of the market is high (i.e. the price is moving very quickly), you can look to extract a Reward to Risk Ratio of 3:1 with your stop on break-even.
- 5) Price Retrace is MAXIMUM between Minute 30 to Minute 40 in the 1 hour Candle. Entering at this time gives you a solid powerful edge in terms of getting the best price for that trade. Price will almost immediately run in your favor once you enter the trade between Minute 30 and Minute 40. The last 20 minutes of the candle is where the price rushes in our direction. Hence your limit order “should” ideally be filled in the first 40 minutes. Say, if the price makes a continuation move in the first 40 to 50 minutes of the Candle and in the last 10 to 20 minutes, it makes a retrace (i.e. touches that broken Support / Resistance Level), then the probability of success is low. This is just a general guideline. You may not choose to be in front of your chart once your order is punched in.

- 6) **NEVER TRADE CENTRAL PIVOT POINT**. Since there is a lot of uncertainty and unnecessary noise around that level and the chances of success is next to zero.
- 7) Ideally, not more than 2 to 3% of your account size should be open to risk at any given point in time. So, if you have 4 trades then you should be risking around 0.5% on each of them.
- 8) Don't trade when the Signal Candle is LARGE relative to other candles on the Chart. This is to make sure that our stop should not be too big since that will force us to have a reward which may be too big to achieve in that day.
- 9) Don't trade on Non Farm Payroll Day. Also, whenever there are any major news event lined up within a couple of hours from your trade then exercise caution since the volatility caused by the news can really disturb our trade. Hence, trade only when we have around 5 to 7 hours before the news release or you can wait for the dust to settle after the release. You can check the events on www.forexfactory.com/calendar.php

8)The Best (Relevant) Trading Quotes

1. The faster you “want to” make money, the faster you “will” lose money i.e. it’s impossible to consistently win with high leverage.
2. Trading is a marathon and not a sprint. Conserve your energy (i.e. capital) sensibly
3. Trading is not about hitting home runs but about hitting for averages
4. Markets can remain irrational / illogical for a longer time than you can remain solvent (i.e. We need to adhere to our stop loss rule regardless of our confidence in the set-up that we wish to trade)

My personal quote – “Making Money in trading is not as important as not losing Money”

Amateurs who enter the market think that they can “make it big” in “less” time so either they overtrade or they use high leverage. Both are perfect and sure-shot way to disaster in “less” time. No doubt, they dis-regard the most important key to success i.e. “Reward to Risk Ratio”.

9)FAQ's

Q. Do I have to sit in front of the computer all the while waiting for the trade?

A: As you would be knowing, day trading involves checking the charts frequently. However, there is always a way to go around. For example, once I see a trending pair then i will set price alarms at the R1/R2/S1/S2 levels (depending on long / short set-up) so that i can get alerted once price reaches there. For pairs that move sideways - i.e. from left hand side middle to right hand side middle of the screen, I ignore.

Q. Does the entry have to come on the candle straight after the decision candle, or can it be 2 or 3 candles later?

A. Excellent question. This is where "little" discretion comes into play, if you allow it to. I personally like to see the retrace happen right after the signal candle. Now, that's the most ideal way. However, some of my clients like to wait for upto 3 candles after the signal candle. This is really not set in stone but as a general guideline waiting beyond 3 is "NEVER" advisable.

Q. If the market moves sideways after entry, would you still wait for either the SL or profit target to be hit?

A. Our strategy tells us to trade with momentum. Generally speaking, the take profit should be hit in 5 to 7 candles. However, rarely you might encounter a situation wherein the price stalls after we enter the trade. In

this situation you may think – “What should I do – Should I hold on the trade or should I exit it?” Well, there is no right or wrong answer here. But I strongly advise you to look at cutting the risk and putting the stop right above the entry level. If you see that there is no such opportunity to reduce the risk then its wiser to kill the trade **but** if you have the opportunity to minimize the risk (to say 5 to 7 pips) then it makes all the sense in the World to hold on to the trade since by risking 5 to 7 pips you MAY get your full reward which would generally be far more than 30 pips.

Q. If I get a short set-up on EURAUD and EURNZD together, can I trade both of them? (I.e. Correlated Pairs)

A. Don't overthink. Keep it Simple. We should trade what we see and not we think. So, if there are valid set-ups on EURAUD and EURNZD then go for both of them. No doubts about this. Professionals take each and every valid trade set-up. Remember, your total risk open in the market should not be more than 2 to 3% of your account size.

Q. How do I cut my risk once the price runs in my favor?

A. Mostly, all your trades will get the price going your way once you enter the market. With this happening, the best you can do is to put your stop loss right above the entry level. This will definitely reduce your risk by a considerable extent. **I do not recommend auto-trailing stops.**

10) Resources!

1. Currency Calendar that lists all the currency market related events

www.forexfactory.com/calendar/php

2. Forex Market Hours that helps you know which session (Asian / EU / US) is ON and which one is underway

[**http://forex.timezoneconverter.com/**](http://forex.timezoneconverter.com/)

3. Pivot Point Tool is available for free on IBFX website mentioned below.

[**http://www.ibfx.com/Tools/Forex-Trading-Tools?cat=trading**](http://www.ibfx.com/Tools/Forex-Trading-Tools?cat=trading)

11) Finally.....THANK YOU!

I sincerely thank you for putting trust and confidence in my course. I hope (And I'm sure) that this course will be very helpful in your journey to trading success. I will be glad to assist you in every possible way to make you a consistently successful trader. The main responsibility still lies with you since you hold the steering wheel of your trading career.

Please remember that the journey to success is an “evolving process”. You can fast track learning but you cannot fast track experience and experience only comes with time.

Any queries, suggestions or comments? Write to us at tradingdesk@realworldforextrading.com or support@realworldforextrading.com