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○ Winter

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Trading *focus*

HELPING FOREX TRADERS ACHIEVE THEIR GOALS

We exist to provide the finest charting system on the planet and to augment that with world class training, education and support.

Helping you achieve your trading goals

Summer trading can be a little frustrating. The market starts to move and then stalls.

ATR's are lower in the summer so bigger pip captures are elusive. But summer is the time to hone your skills. Chart work can be done with less pressure on trying to find a winning trade.

Create a plan to do each day. Some thoughts are:

Do 3 charts from scratch each day

Paper trade at least 45 minutes each day.

Practice finding patterns (make this a game and it is actually quite enjoyable) in the charts and seeing their outcome.

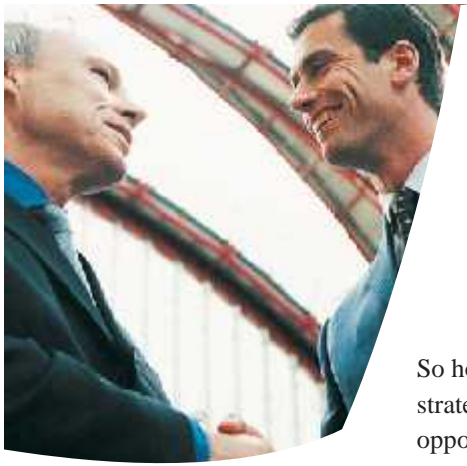
Plot where the big moves are potentially in front to you and be ready with a written plan for each one.

Practice trading live for only 1 1/2-2 hours each day and then review if you actually really missed anything (you didn't).



Trading Tips

Never change the Trend just because you broke out of a trend-line. All trends are subjective so until the movement takes out the last support in a down trend or the last resistance in an uptrend you are not officially going in the new direction.



Getting the most from Technical Analysis

Technical analysis is the cornerstone of Forex Target Trading!

So how can we adjust our strategy to still max out our opportunity.

one). 15 pips to target stop no greater than 15 pips.

2) Trade only pairs with an ATR of 60 pips

or more (this allows the 34 and 55 Fibonacci sequence to stay in affect)

3) Trade only in

the stronger markets (NY, London)

Low ATR's

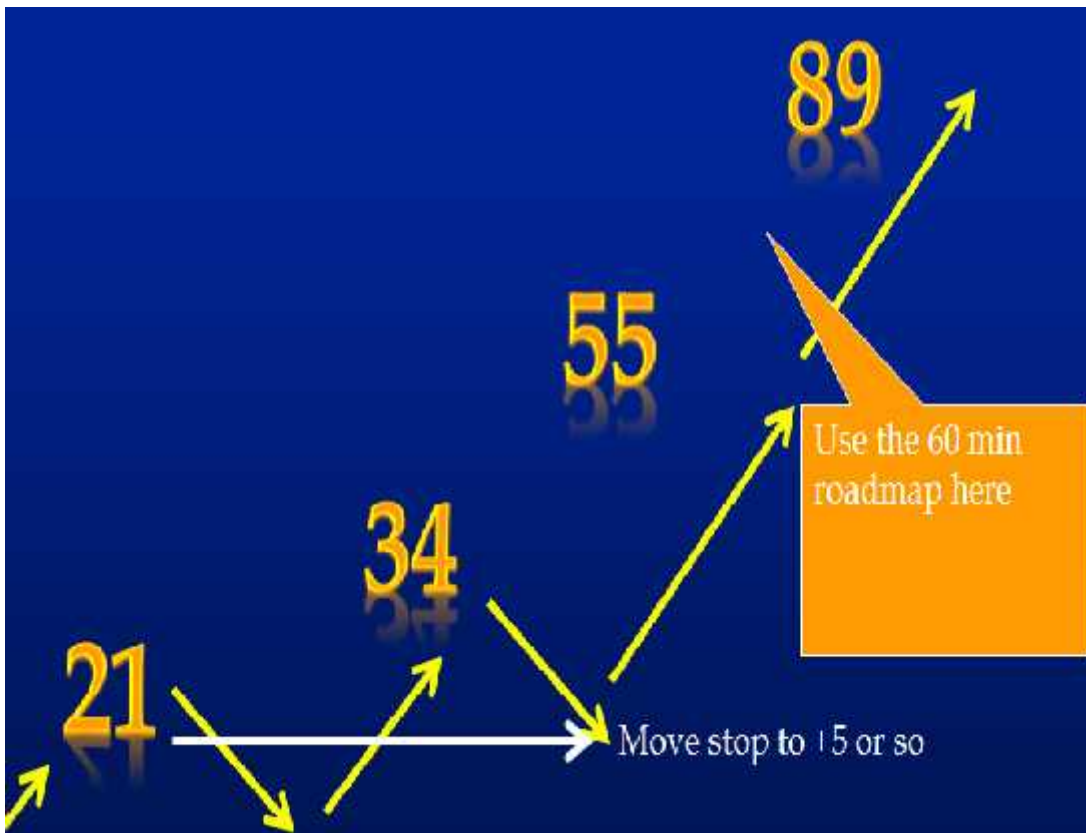
It is no secret that the Average True Range (ATR'S) have drastically dropped. 6 Months ago the EURUSD had an ATR of 62 pips. Today it is only 29 pips.

Here are a couple:

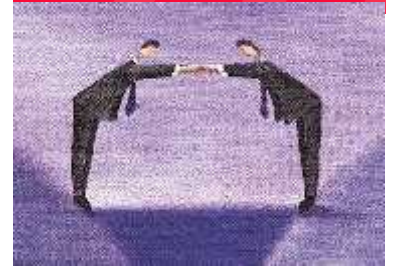
Action is the foundational key to all success.

Pablo Picasso

1) Scale out a portion of the trade at the first target and move the stop on the rest a little tighter (rule is one for



SMARTER INVESTING: Plan A or B?



After you have identified the opportunity and the barriers to that-you have to develop a plan. How will I trade to this target, what is my stop, where will I move my stop and where I will add to this trade. Never trade in an area that you cannot at least double your position along the expected route.

Above would be Plan A!

But markets don't always take your route and create another way to the target. So you also need Plan B.

What happens if it pulls back, squares up – that becomes Plan b. This is an additional opportunity besides plan A.

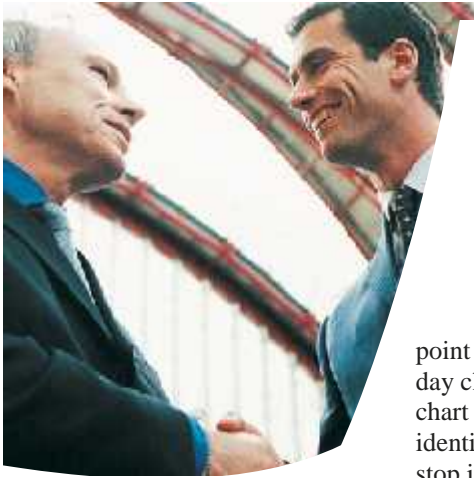
We must maximize every opportunity that we get and in order to do that we have to have both plans.

PLAN YOUR TRADE AND TRADE YOUR PLAN!



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Prove to me why I can't take this trade! Jerry Rankin



When you are first starting to put the barriers on the charts you start on the day chart. Once you have defined the Top and bottom of the current price point Once you have defined the Top and bottom of the current price

point you may need to put a day chart or even a week chart trend on to correctly identify where you are. Next stop is the 240 minute chart for all the rest of your analysis. Here is a tip: Put the 240 trend on and the HSI targets – that will identify where the opportunity is.

[In order to succeed, your desire for success should be greater than your fear of failure.](#)

[Bill Cosby](#)

Now your job is to simply “Prove to me why I can't take this trade”. The reasons will vary depending on the “real estate of the Day” but now your lines (barriers) are telling you why you can't – once that is figured out all that is left is the opportunity.





'There's No Hurry in the Forex'

but what exactly are we waiting for?

By: Gillian Huyton

Guest writer and Fast Track Trader



You know when you hear advice over and over and you really don't pay much attention to it? In the ProAct live training room, I must have heard 'There's no hurry in the forex folks' repeatedly and kind of glossed over it, because after all, forex is all about getting into moves as quickly as possible so you don't miss them and price can move pretty fast so you need to be quick-witted right? HOWEVER

I decided to really try and take a cold hard look at what my trade journal was saying. I started trading with ProAct just over a month ago and reviewing my trades (good, bad and indifferent) one note has been leaping off the page, even on trades that worked out – **'GOT IN TOO EARLY'**



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Sure there were a couple of stop outs that were 'good trades' i.e. I didn't break my rules, it was just they didn't work out. But when I started looking back, the same phrase, kept popping out, 'got in too early', 'didn't wait for confirmation' and guess what I'M GETTING IN TOO EARLY. So now when I hear Scott say "you don't make money trading, you make money by waiting, it sounds so silly no one wants to believe it, but it's true" I now pay attention. The 'WAIT' trade is the most important trade to learn, and I repeat it over to myself to start my new habit of not jumping in too soon. As one successful student trader Andrew says, "It is the best trade I have ever learned."

Now when I hear about 'waiting' it doesn't sound silly at all, but **waiting is the key to success.**

What if you wait so much that you continually don't get into trades until you find you are either buying (or selling) at the end of a trend and joining hundreds of other retail traders who buy when it is the most expensive. Or worse than that you can begin a habit of waiting so long and dithering that you freeze up (a third fear response) and get locked into analysis paralysis. Well that isn't waiting for the trade set up – that is wanting to be a 100% right, which you never can be. Perhaps asking the question, "do you want to be right or do you want to make money?" will help that particular psychological conundrum.

There are two main qualities needed to be a trader, discipline and patience. Most traders focus on trying to become disciplined (those who haven't blown up their accounts too many times and still around to fight another day), but not many tackle the 'patience' side.

So what are we waiting for exactly? We are firstly waiting for the trade to come to us and secondly once in a trade, we are waiting for the trade to get to our pre-planned targets.

We are waiting:

- For the charts to reveal that the trade has a high probability of working out i.e. no more guessing. It's a bit like hearing the NASA checks being read out for a rocket launch. There are never any assumptions, each element has to be 'checked' and if you get through all of them and the last one is 'not right' you don't push that firing button and the mission is aborted
- For the trade and price to come to us, no chasing price on screaming candles that then breaks our risk/reward ratio rules. If we 'miss' a trade, there will be, like a bus, another one along soon .had a retracement, go on to have one at a later stage.



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- For the retracement which is the 'hook' of the break, hook and go, which is the most common chart pattern. You can prove it for yourself by taking any chart and counting how many times there is no retracement, it is such a small percentage. You will probably discover that most candles that haven't had a retracement, go on to have one at a later stage.
- For all the elements of our exact trade set up to line up e.g. if it is a break, hook and go, to wait for the 'go'. We are waiting to nail the entry with great risk/reward ratios. So you might get in later and lose a few pips, but the number of times it will save you from 'bad trades' will pay for itself a hundred fold.

So what are we being patient and waiting for? To be successful traders who consistently make money on low risk/high probability trades, who plan our trades and trade our plans. After all isn't that what we all want – consistent success?

Scott shared this quote. Jesse Livermore, a well-known trader said *"It was never my thinking that made the big money for me. It was always sitting."*

Got that? My sitting tight! The big money is made by sittin' and the waitin' not the thinking.

Wait until all the factors are in your favour before making the trade. Buy right, sit tight."

Lastly to end with Scott, *"The number 1 trade to learn is the WAIT trade"*.

It's not silly at all, because **IT WORKS!**

By Gill Huyton
Proact trader student
30th March 2014

