



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 education and support.

Helping you achieve your financial goals

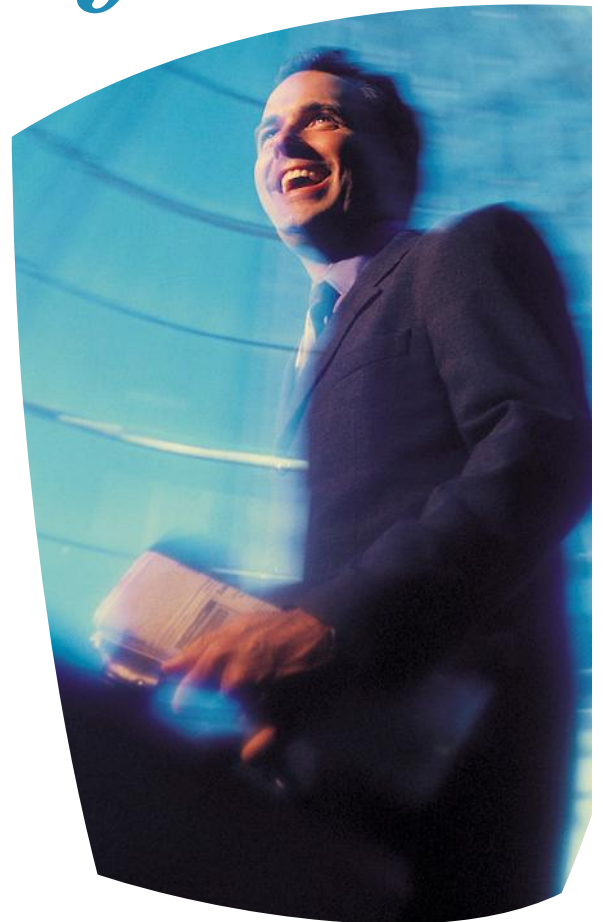
London Session

If you have not checked into the London Session with Elkana you really need to—if for only 1 night a week. Remember it is not about trading EVERY DAY—it is about trading that ONE RIGHT DAY!

The London Session is the purest session with the greatest amount of Participants in the FX market. Of the top two Tier 1 Bankers in the FX, Deutschebank is currently # 2 with its

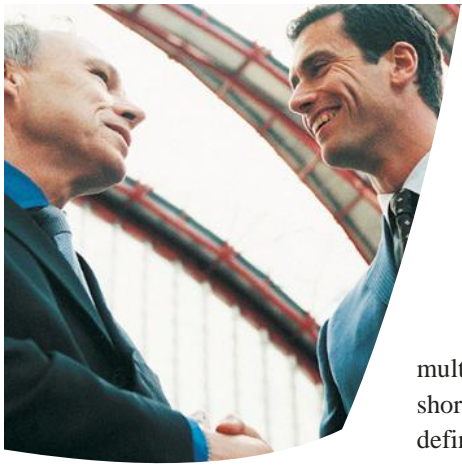
headquarters in Frankfurt, it really helps rock the market. But STAY OUT OF THE FRANKFORT market—it has a tendency to do a head fake prior to the London session and if you are not careful it will potentially entice you in—to a bad trade.

Elkana lives in the UK and knows this market and its behavior. Take advantage of a Professional Trader who can really help you navigate this volatile but profitable session



Trading Tips

The Average True Range or ATR is rising now that summer is rapidly closing. Use the ATR to test your target strategy. If the 14 day ATR is 90 pips a day and you just opened your charts and see an 80 pip target: Check how many pips the currency has already gone since the last 5 PM ET. If it has moved only 20-25 pips the target is reasonable. If the currency has already moved 60 pips, while it is still a **possibility**, it most likely is not a **probability** of getting to target.



Getting the most from Technical Analysis

Technical analysis is the cornerstone of Forex Target Trading!

**SMARTER INVESTING:
Be Realistic**



The 3 Pillars of Target Trading!

1. **Structure** aligns us with the Big Boys Agenda and they control 92% of the market. It shows us where in the charts the Wide Open Space (WOS) is for the greatest probability with the least amount of risk!
2. **Probability** narrows down the choices of

multiple possibilities (long, short and sideways) into a definable trade that we can **PREPLAN**.

This includes multiple entries inside that WOS.

3. Risk defines what we are willing to accept as a potential loss if it does not go as planned.

Andrew Menakar said it best “ *How much are you willing*

to risk to see if you are right!”

We know what we are, but know not what we may be.

William Shakespeare

NEVER go into the market looking for a trade— look for the structure! It will reveal where your trade is hiding and also define the risk reward for

you. Never trust an indicator as the reason you make a trade—learn to analyze and the charts will show you exactly how to trade it.

1. Structure



2. Probability



3. Risk



TRADERS

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Our opportunities as Target Traders are ALWAYS Un-sustainable moves inside a Sustainable Trend!



Target Traders become adept at finding the trend and then all the nuances and pattern that the Big Boys do to keep that trend in play. These might be flags, poles, wedges and pullbacks (to find more traders), to name a few. But once a trend is built, they are looking to do 5 EW waves in that direction

Once a Target Trader has identified the trend and the next probable move based on the chart information it is critical to know where the target area is.

Intellectual growth should commence at birth and cease only at death.

Albert Einstein

The plan to the target must take into account **ONE MAJOR** thing: This trade will only exist once in a lifetime and i

WAYS an unsustainable move inside the trend.

Therefore how you get to the target, what you will do along the way and how to handle the trade at the end of it's unsustainable move are paramount in a traders decision to execute the trade. If you are not doing this type of planning, then you are really gambling and **MUST** break that habit

SMARTER INVESTING:



Every trader is different!

Each has a weakness and also a strength particular to only them. This is why you cannot create an "out of the box" training program for every trader.

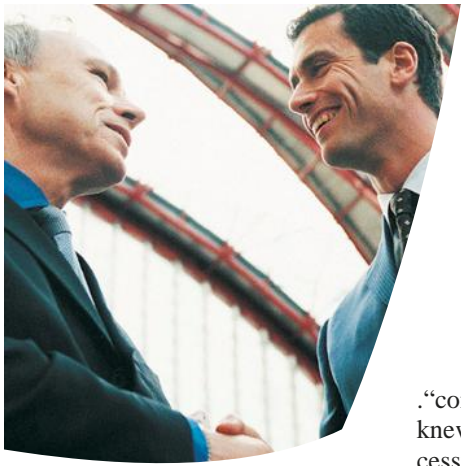
It is the Traders job to constantly go through their trades to discover two things:

- 1) What am I good at, easily see and execute flawlessly.
- 2) What are my weaknesses.

From here it is actually quite simple.

1. Only Trade your strengths
2. Journal your trades so you find your weakness and then do your homework based on removing or getting better with your weakness





Do You Want to be Right, or Do You Want to Make Money?

The Evolution of a Fast Track Trader

By: Pablo Orellana



My name is Pablo Orellana. I am currently a college student in South America who is also in training to become the Fast Track Mentor for Spanish-speaking students. This is the story of my evolution from total novice to fast track trader and the lessons I learned on my journey. I am an entrepreneur, who always dreamed of achieving financial freedom. One day, I saw a promotional banner that said: "Free eBook download. Earn money while you sleep". I'd always heard "You have to work very hard to make a living" so the idea of earning a living using just my mind intrigued me. I quickly opted to download the eBook and eagerly began to read it.

The book was about trading the Forex, something I'd never heard of before that ebook. Being new to the Forex, I

was "consciously incompetent," meaning I knew I didn't know how to be a successful trader. However, this eBook convinced me that I could learn about the Forex and make some money trading. After reading the eBook I soon opened a virtual "demo account" and began trading, using the methods from the eBook. A few hours later, my first trade closed for a large profit. Wow! I like this! This meant I had a high rate of return in a short time and with minimal effort. I quickly realized the market had given me more profit in a few short hours than I had gained in a full year of other investing. I was hooked. I knew, however, that I really knew very little about trading. So, out I went to buy a very large book on how to trade the Forex market. I hoped to get more and better information which would enable me to improve my profitability. I committed to finishing the book within two weeks. My plan was to then open a live trading account using my savings of \$10,000.00

While I read the book, I also actively traded a demo account, which increased my knowledge of the Forex market as well as my skill level. Despite having some big losses, my self-confidence increased and my trading psychology was not negatively affected by the losses. This was really for two main reasons. First, I was trading a demo account, which is not the same as trading a live money account. Second, I assumed that the losses would disappear once I finished reading the book and applying the strategies there. After all, I was still in a learning curve, things were bound to get better. Upon finishing the book I immediately decided to open a live, funded account. I felt like the best trader in the world! I be-

gan trading my live account as I had traded the demo account. At the end of a few weeks, I had grown the account and had a record of good profits. This proved to me that all my work was paying off and made me very confident in my trading skills. **In fact, I had become over-confident.**

One day, feeling both proud and confident, I saw a great trading opportunity. I calculated the possible reward. If the position reached my targeted take profit level, it would generate a handsome profit. Many things went through my head at that time, such as *What would I do with all that money? What would my friends or family say if I earned that huge amount of money?* My excitement about the potential game lead to my opening a much larger position than I had typically traded in the past. After placing my order, I turned off my computer and walked away until the next day.

The next morning, full of confidence in the trade I'd placed the day before, I headed immediately to my computer to check the profits on my account. I opened my trading platform to review my position, eagerly anticipating a huge overnight gain. Much to my shock and dismay, my trade had produced an enormous loss, and was about to get stopped out. I had suffered a drawdown of more than 30%!

I panicked. I proceeded to increase the stop loss to avoid losing all I'd had won the previous weeks. Feeling stress and anxiety, I went to breakfast, took a





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shower and got dressed, and then returned to the computer, sure that the trade would now show a decrease loss or perhaps even a profit. I looked at the screen. What??? Instead of coming back in my favor, my account now showed an even larger loss! At this, I sat down and spent the rest of the day in front of my computer, trying to rescue this trade and preserve my margin account. I had read that traders should never remove the stop loss, but I was still pretty sure that my position would go to the targeted take profit level I'd set prior to placing the trade. So, before going to sleep, I decided to remove the stop loss. However, the stress of knowing my account was dwindling robbed me of sleep. After a few hours I fell asleep for a very brief period of time, far less than I needed to be an effective trader.

As soon as the sun appeared I immediately went to my computer and pressed the power button. Hopeful yet afraid of what the platform would now show, I gingerly logged into my live account. Instead of the trade going to my target as I was sure it would, I'd had a margin call! Due to the mounting losses on my account, the broker closed my position, resulting in a HUGE loss of nearly 100% of my \$10,000 account.

I was devastated. I didn't know what was happening. How could this have happened? I read the eBook, I even went out and got a bigger trading book and read it. Maybe the books were complete lies? Maybe I still have more to learn? What did I do wrong? What am I missing?

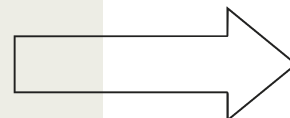
I decided to try to find answers to those questions. I began by researching in free forums for new indicators, lessons, strategies. I spent hours and hours combining indicators and trying to create a system which would make me a successful trader. I was sure that there must be a genius trader out there somewhere, who had the best

indicator ever for trading. If only I could find that guru, I could become rich. Yes, that was the ticket, find that guru! I signed up on many web sites and soon got many offers from gurus who promised that for a mere \$97, they would deliver the winning system that had made the guru rich. At that time, I believed that the success was in the system, I just needed to find it. I bought several of these systems, indicators and strategies and tried to combine them to build a super powerful system, one I believed would give me a near 100% win rate. I obsessed about becoming an excellent forecaster. I spent hundreds of hours testing and making configurations of my indicators. I was trying to find the perfect entry and exit. However, in my zeal to find the "system", I forgot the concepts of risk and risk management.

Not only that, but the more information I got, the more losses I had! How could this be? I know more now, I should be making huge profits! I missed the profitable, winning days of the past on demo, days when my account was growing exponentially. I longed to get back to that feeling of success. Just before the moment I was ready to give up, I read a sentence which changed my approach completely.

The sentence was as follows: **Do you want to be right, or do you want to make money?**

Initially I struggled to understand what this meant. After a while, I asked myself a question: "If there are that many systems and indicators in the world that can be used for trading, are these the real cause of the success of traders, or is it something else?"





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I took a break from all trading and thought back over my trading journey thus far. I realized that there is but ONE constant in the market: uncertainty. We have no control over the market, we deal in probabilities. I decided then and there to change my focus as a trader. Instead of trying to be the best analyst/forecaster in the world, I decided on a new direction. I would strive to be the best risk manager instead.

I had heard of a training room where traders used a methodology which allowed them to be consistently profitable. However, I no longer believed in the "gurus" because of my past experiences with their teachings and their indicators. I was skeptical of ALL I heard. However, I did agree to check out this training room and take the free 10 days trial they offer, and to listen to the mentor there whenever he could make it to the training room.

The company was Pro Act Traders, the mentor was Scott Barkley. Scott taught a logical, understandable methodology for Forex trading. The methodology focused on the three areas an effective trader has to ask themselves about each day: **structure, probability and risk**. After being in the training room just a short while, I realized that the focus was on these three areas during the training. Scott focused in trading probabilities and risk management most of the time. The system was built on logical rules to ensure traders were making sound trading decision. There was also a focus on disciplining yourself and developing the patience the market requires.

I decided to not only subscribe to the charts and the live training room, but to join the mentored program Scott conducted, called the Fast Track. I could see that this Fast Track would give me a base from which to build as I learned about structure, probability and risk management. I spent time eliminating my bad habits and misper-

ceptions about the market and doing **historical research, called paper trading**, to learn how the market works. Day after day in the live training room I watched as Scott taught how to apply what I learned in the fast track program. Not only that, I also realized I was now with a group of successful traders under the training of a mentor who was willing to help each one of them! I studied and applied the method, did the work, and developed patience and discipline in my trading. As a result there was a radical change in my trading profitability.

Finally, I understood that that tools are important, but **success is not in them**. The common denominator of successful trading is how the trader manages risk and their own internal psychology before, during and after a trade. I learned it is impossible to be right 100% of the time. The market is by nature uncertain and ambiguous. Yes, we can put the odds in our favor by analyzing pure price action, but losses will always happen. Profitable traders accept this as part of trading and have learned how to manage it.

The biggest changes for me, however, were in understanding the reality of trading, what it is REALLY all about. It's easy to say "cut your losses and let your profits run." However, it's not as easy to actually do this when your account is drawing down. I struggled to accept my losses - that was the hardest part of trading for me. Despite knowing better, I let my positions get stopped out, sometimes I even **removed** the stop despite knowing it was trading suicide. I understood the need to work on my psychology and emotional intelligence. Before, I felt it was most important to stick with my trade at all costs, once I placed it.



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I had to be right all the time, even if the charts and my margin account were screaming at me that I was wrong. Unable to keep my ego in check, I would remove the stop and hold on to losing positions for a long period of time, sure it was going to “come back” for a profit. Instead of focusing on minimizing risk, I wasted time by focusing my attention on the losing trade. But that was the past. ProAct had taught me a better way to trade, like professional traders trade, not amateur “dumb money” retail traders. Back I went to applying the rules of the ProAct system of target trading.

I now trade with a solid methodology, abide by the system rules, and maintain my discipline and patience. I consistently look for the next most probable move based on the real estate of the day and structure. More importantly, I focus on controlling my risk and managing my trading psychology. Instead of hanging on to losses, I now cuts my losses short and let my winners run. In the Forex, anything can happen, there are no guarantees. If the position does not do what the chart tells me is next most probable, I accept the loss and moves on to a different trade.

I now have a solid trading plan which I trade every day. I don't get depressed after losses as I know they are to be expected. I also don't get overly excited by profits. I know that losses will occur and I am prepared to cut them when they happen. On the other hand, when profits happen, I am ready to add to the position and let the profits run.

I am now an established full-time trader who understands that a win/loss ratio of 55% is more than enough to make all the money I need. I understand that learning to be a successful professional trader who understands the market is a never-ending process. I know that a proper posi-

tion size is critical, so I never risks more than 2% of my margin account, across all of my trades combined.

I now treat trading as a business and not as a hobby. I focus on consistency and being a disciplined trader who continues to practice and journal my trades to continuously learn from my mistakes.

A few of the most important lessons I have internalized are listed below.

- There are really 2 things that make us successful: risk management and psychology.
- Expect the best, but plan for the worst.
- The important is not to be right all the time, but cut your losses and let your winners run!
- The successful trader reacts, don't predict.
- Focus on winning pips, the money will follow.
- False expectations are the enemy of your account
- Trading is a business, not a hobby.
- Rules are made to keep us safe from ourselves.

If you are struggling, like I was, take heart, there is an answer. Learn to become a professional trader. There is no magic indicator, no wise guru who will do the work for you. Hopefully my evolution can be an inspiration to you. Use it as a roadmap to start your own journey to a successful trading career.

Editors Note: Pablo has chronicled what most traders trading cycle is. The difference is the perseverance to push on through and be willing to change. He will be a FANTASTIC mentor. Why?

He has “been there and done that.” SB



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