OPTIMUS CHANNEL SYSTEM

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First, the legal bit:

Trading the forex currencies involves substantial risk. Never trade with money that you cannot afford to lose. Always trade a demo account first before you trade live to get used to the strategy. Past performance is not a guarantee of future results. Results may vary for every trader depending on their experience, discipline and ability. I will take no responsibility for any losses incurred as a result of following this strategy.

With that out of the way, thank you for having the faith to purchase this powerful forex system, which I devised myself after years of searching for a method that worked easily, effortlessly and consistently.

Here it is.... Enjoy!

Setting up the chart

You can use any trading platform for this system, but I personally use Metatrader (which is free). So for the purposes of following along with me, please also use the same. I strongly recommend you download InterbankFx's (www.ibfx.com) version of Metatrader for the purposes of following this system. This is because different broker's timeframes on their charts can be different. You don't have to trade with ibfx, just follow their chart to learn the system.

Along with this manual I sent you a template and an indicator file. Place the "I-paramonWorkTime" indicator into your indicators folder (i.e. c:\program files\interbank fx trader 4\experts\indicator). Next place the "OptimusChannel" template file into your templates folder (i.e. c:\program files\interbank fx trader 4\templates).

This system is for use with the **GBP-JPY 15 MIN** chart. I trade no other currency pair or timeframe. If you choose to experiment this system with anything other than the above, you do so at your own risk, as I have not tested it with anything else. Once you've found something that works, why change?

Make sure you close and relaunch Metatrader after installing the indicator and template files, then open a

GBP-JPY 15min chart and load the "OptimusChannel" template.

Your chart should look like this:
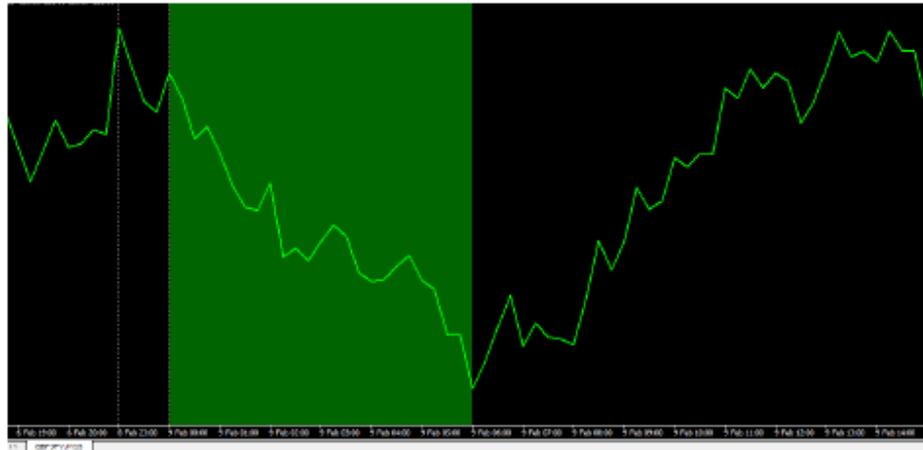
The System

The chart looks refreshingly simple doesn't it? Nothing complicated going on here.

You will notice that this is a line chart. You will use a line chart to set up your trades and you will be switching to candlesticks to enter your trades.

The green zone is basically your "set-up" zone. It covers the hours 00:00 – 06:00 (Interbankfx Metatrader chart time). **You never enter a trade when the price is in the green zone.**

Every morning\evening (depending on where you are in the world) **at 06:00 chart time** you will look at the price line in the green zone and determine if the price has been

rising, descending, or going sideways. You should be able to tell straight away what it's been doing. The above example is obvious enough: the price in the green zone has been descending.

What you will then do is draw trend lines around the line chart to create a channel, like this:
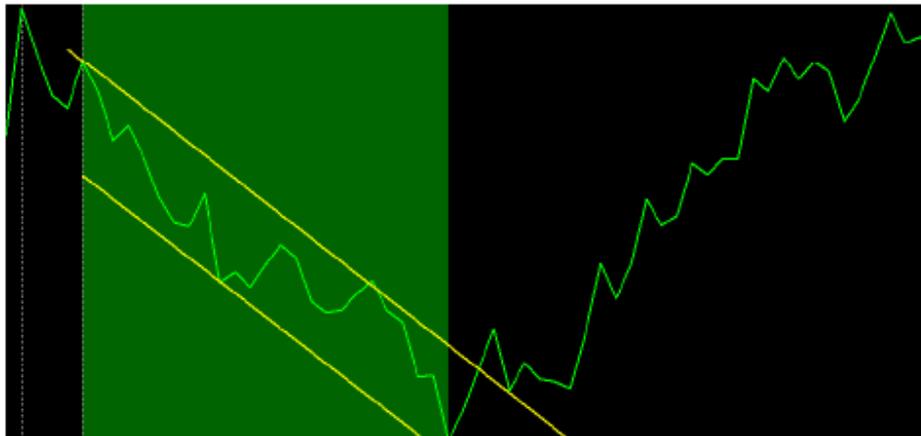
Try to draw the line as parallel as possible. You don't want it to look like a triangle.

Once drawn, this channel will not be changed and you will use it to decide when to enter a trade and in what direction.

What you will do now is switch to a candlestick chart and wait for a candle to **close outside** either of the channel sides, **twice in a row in the same direction**. This is your signal to enter a trade.

On this occasion, a BUY signal was triggered:

As soon as you enter a trade, place your Take Profit at 100 pips away. Most of the times, this will get hit.

I personally use a mental stop loss, as unfortunately the brokers are in a business of stop hunting. I close a trade that I have entered if it reverses substantially and closes back inside the channel. This seldom happens and it usually results in a loss of 50-80 pips, depending on how the trade is going. You will soon get a feel for it.

Important rule: You will only make ONE trade a day, Monday to Friday. If you lose your first trade, STOP and don't trade again until the next day. This is extremely important so don't break this rule.

Most of the time you will get a buy or sell signal within a few hours of drawing your channel. If the price is ranging for more time than this then I usually don't trade that day and wait for the next day. You can only take what the market is prepared to give you, so be patient. Luckily, the best opportunities usually happen very quickly.

Also, if you get ONE closed candle outside one of the channels (usually a big one) and then the market reverses to the other side of the channel and closes outside the other side, don't take the trade. It means the market is choppy and you will likely have an unsuccessful trade.

Be wary of large long candles in general. If one of the channel lines is broken by 2 big candles and you enter a trade, lower your take profit level to say 40 or 50. If you want to be more cautious, don't take these trades at all. There will always be another trade around the corner. Be patient.

Another important rule: Don't Trade Like A Robot! This will take some practice until you get a feeling about how the market moves. What I mean is, just because you get 2 closed candles outside a channel line, don't blindly go into the trade like a robot would. Use your head. Is the price at a recent support or resistance level? If so, wait to see if it breaks it before entering a trade.

I have a perfect example here:

As you can see in the screenshot above, there were 2 closed candles above the top yellow channel line (I didn't draw the bottom channel line for the purposes of this demonstration). But look at where the price was at the close of the second candle. Right at a recent resistance level (the red line)! Take a note of this. If the price had broken this level, only then would I have entered a trade. As it happens, the price reversed with 3 large candles, and if you listened to my advice in this manual, then you would have not entered any trades today. Today was a NO TRADE day.

A Recent Month's Results

I have included screenshots of all the trades that I took during the month of January 2009, so you can understand how to draw the trend lines. It's important that you draw these correctly for the system to work properly.

You're welcome to go back to this month yourself in Metatrader and verify that these were all genuine trades. ☺

2009
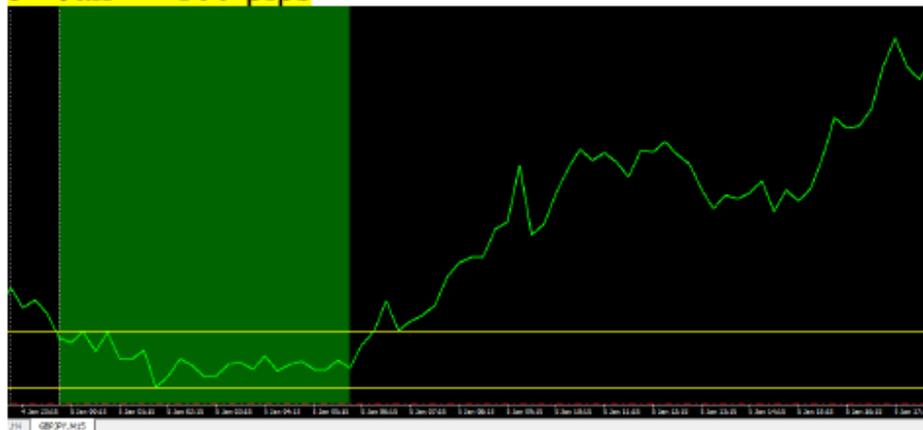
BUY SIGNAL

6th Jan – +100 pips
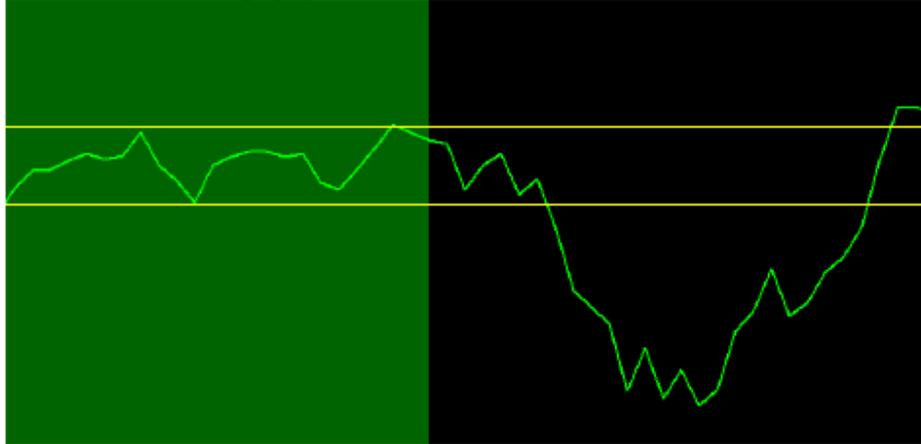
7th Jan − +100 pips

8th Jan − +100 pips
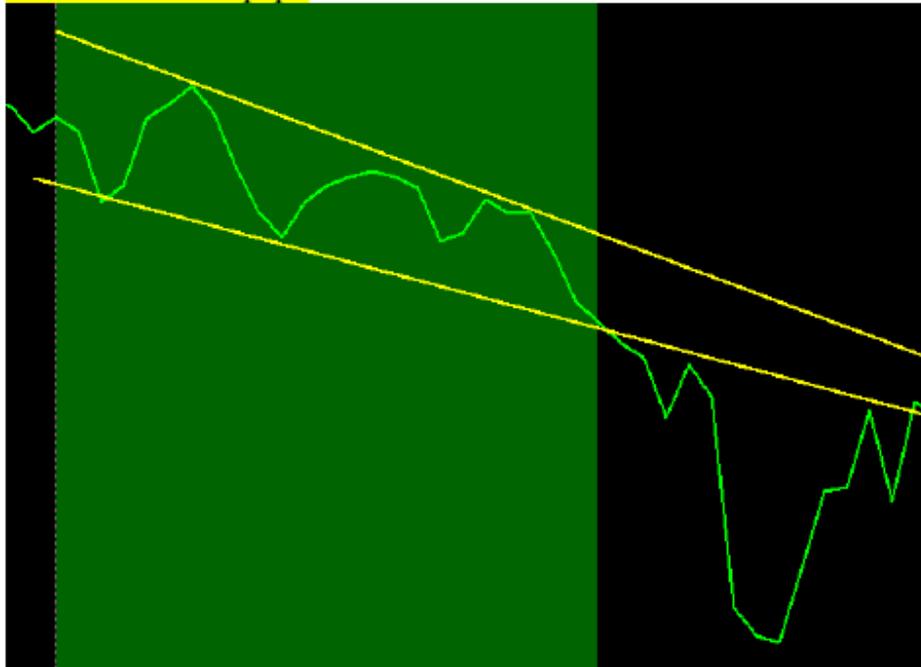
9th Jan – -80 pips
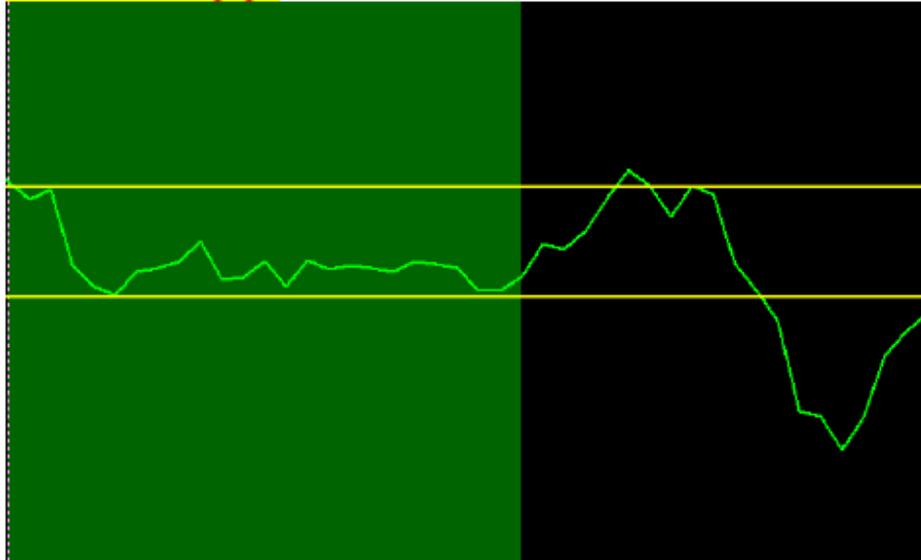
12th Jan – +100 pips

13th Jan – +100 pips

14th Jan – -50 pips
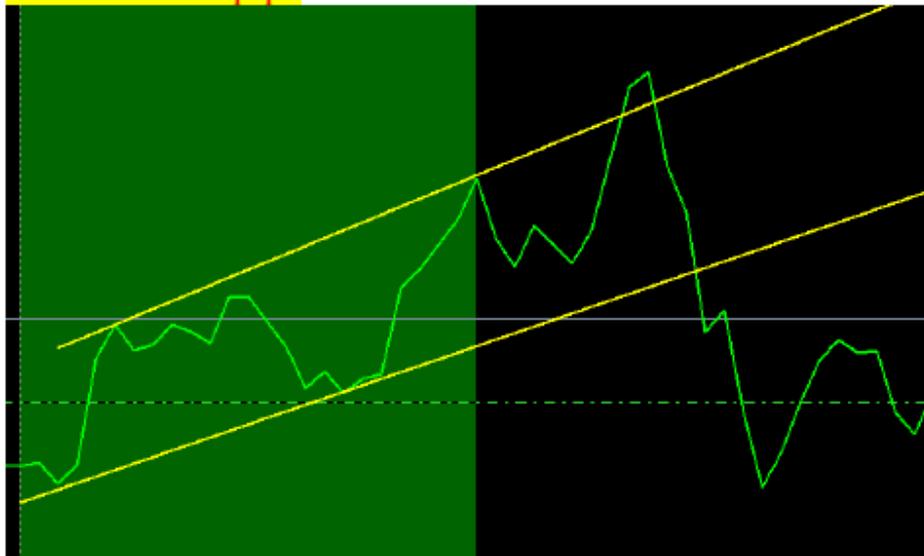
15th Jan – -80 pips
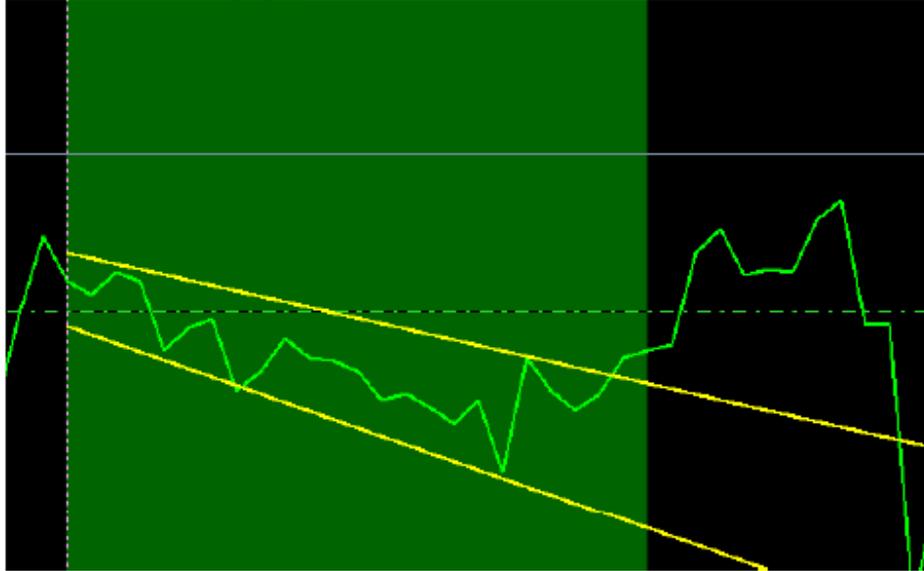
16th Jan – NO TRADE
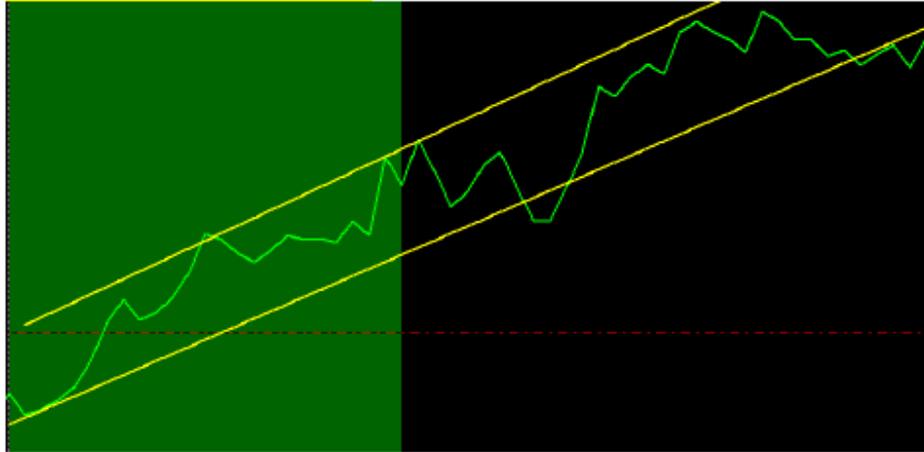
19th Jan – +100 pips
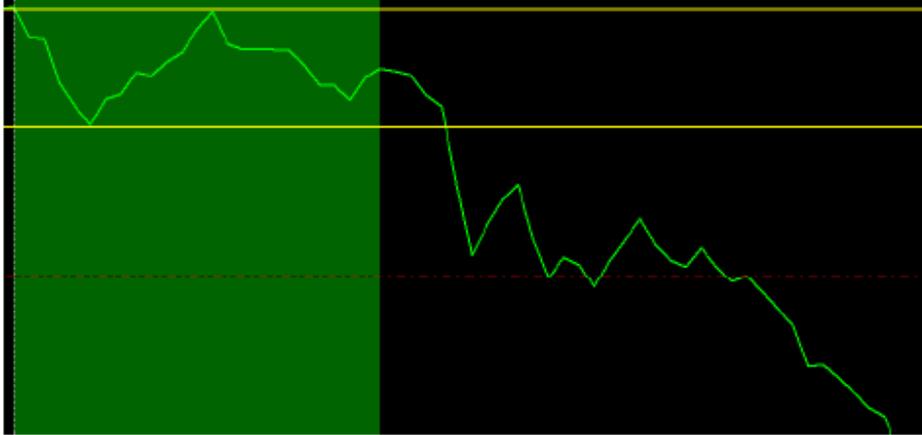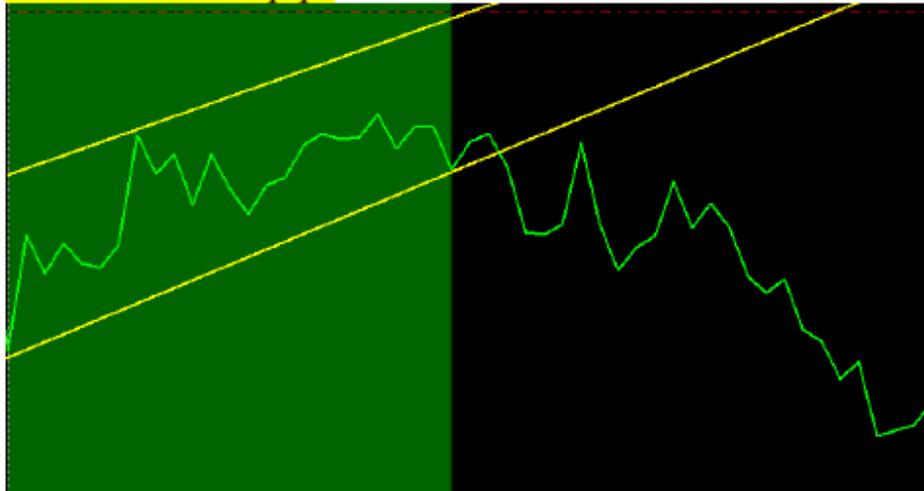

20th Jan – +100 pips
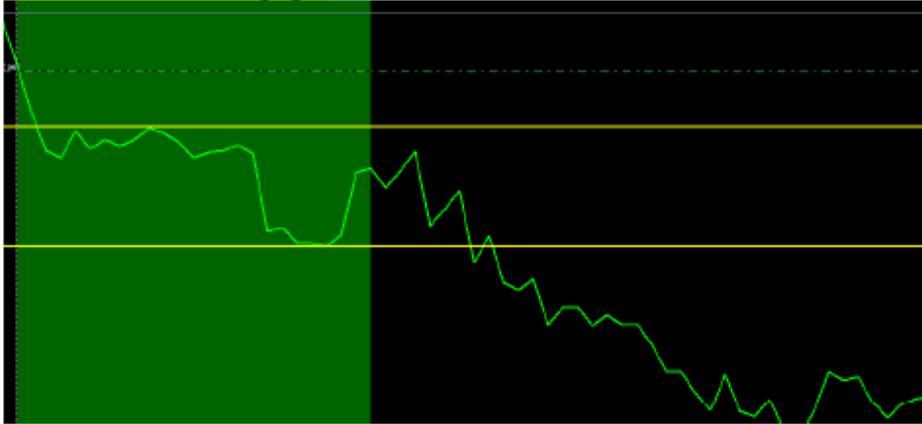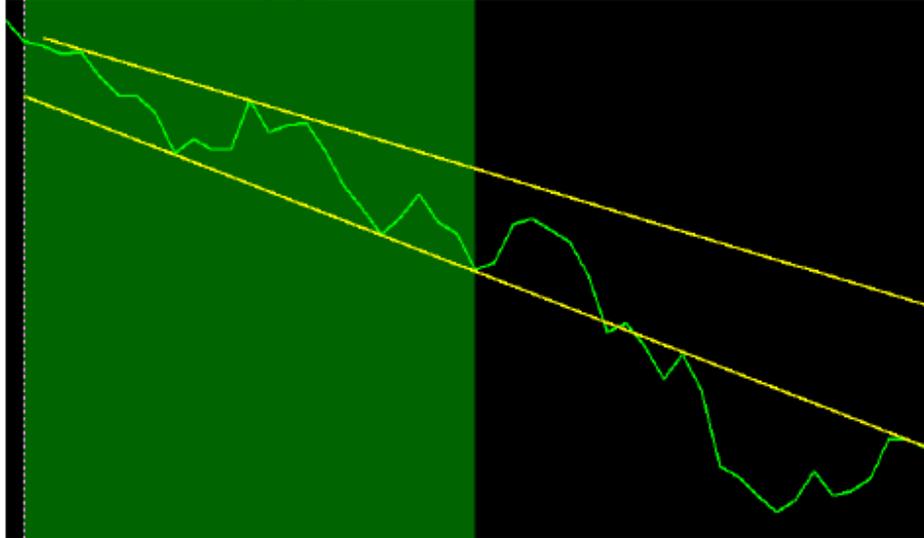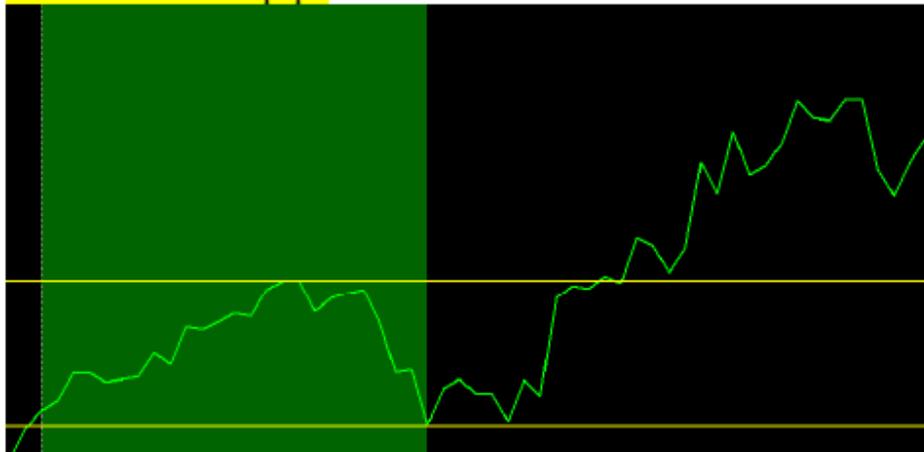
21ˢᵗ Jan − +100 pips
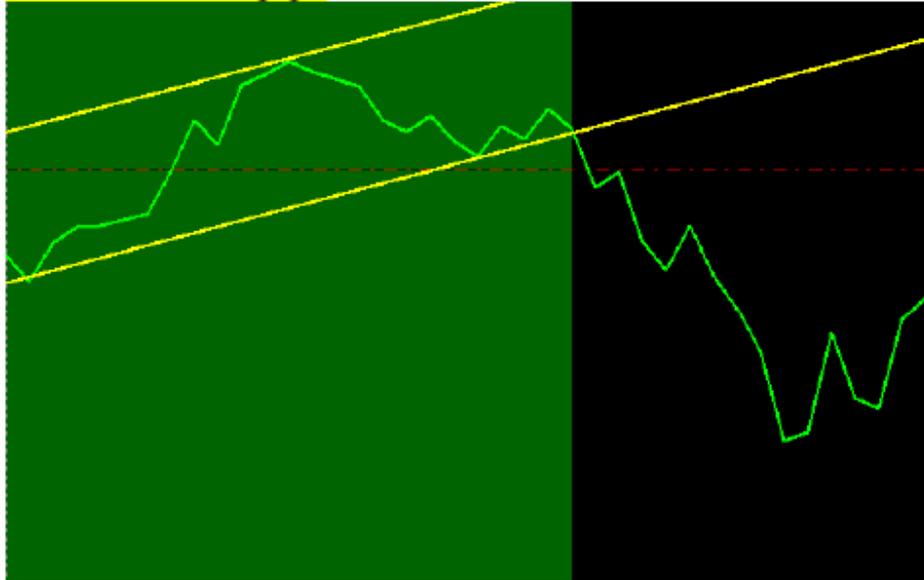
22ⁿᵈ Jan − +100 pips
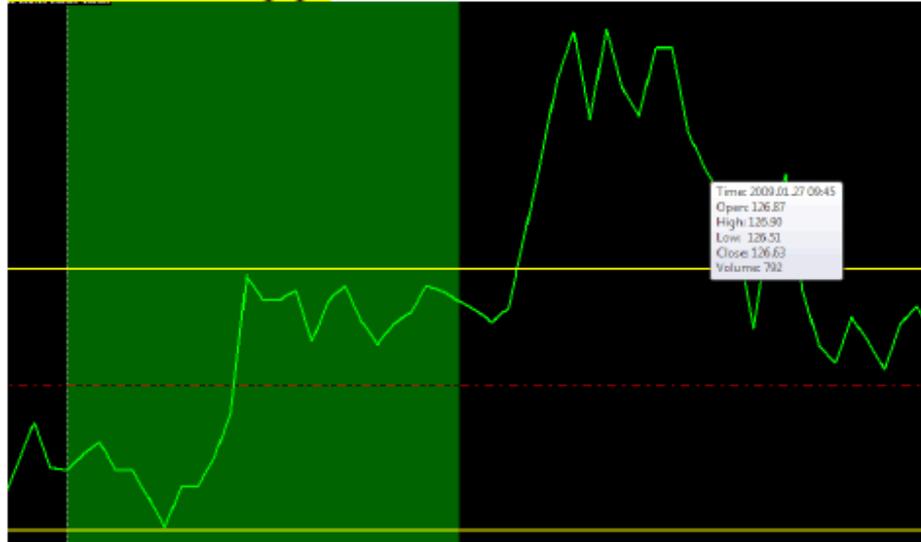
23ʳᵈ Jan – +100 pips

26ᵗʰ Jan – +100 pips

27th Jan – +100 pips

Time: 2009.01.27 09:45
Open: 126.87
High: 126.90
Low: 126.51
Close: 126.63
Volume: 792

*** For the channel set-up above, I drew it as a sideways channel instead of a rising channel because the price was ranging sideways for a good few hours after that sharp rise in the early hours. This is uncommon and some of you may have drawn an upwards channel for a possible loss. This is not too much of a problem. You would still have ended in much profit at the end of the month. ***
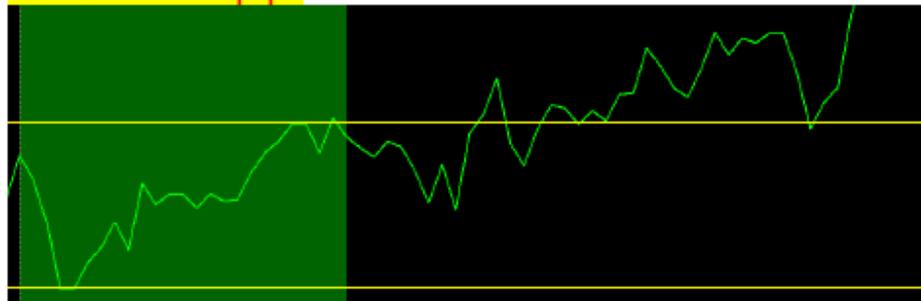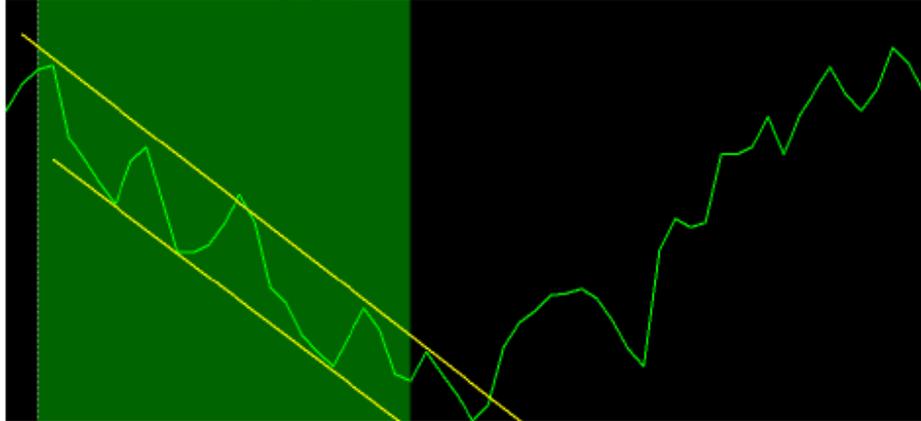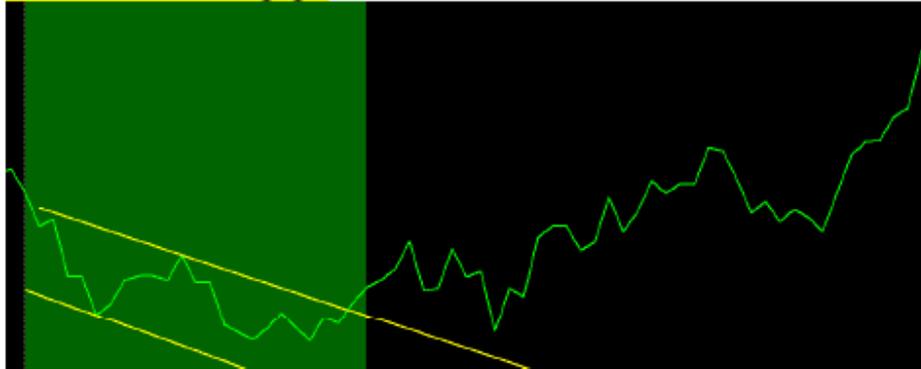
28th Jan – -50 pips

5th Jan to 30th Jan – **1240 pips**

$12,400 trading standard lots
$1,240 trading mini lots

All the best,

Antonio
OptimusForex