Colin's Forex Pro Pack

Includes

Quick Start Forex System 500 Double Trigger System

By Colin Atkins

ESSENTIAL READING BEFORE ATTENDING THE PRIVATE MEMBERS TRADING ROOM

Make £50 ($100) to £1,000 ($2,000) Daily Trading Foreign Currency

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International users

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You should read more than just this guide before making a trade. You are also expected to complete all the available Training sessions before attempting a live trade. Colin Atkins, TradeShare Plus Limited and Datebox Limited do not give personal investment advice or make personal securities recommendations. Contact a licensed investment adviser registered under the Financial Services and Markets Acts or an Authorised and Regulated Securities Broker/Dealer for personal investment advice or personal securities recommendations.

CONGRATULATIONS

Congratulations your search is over. Whether you are a seasoned currency trader or a complete novice, making money from Foreign Currency is about to become easier than you ever thought possible. The power and predictability of my strategies will amaze you.

To make you familiar with trading and give you a taste of making money **TAX FREE,** I am going to focus on Foreign Currency trading. Commonly known as FOREX or FX. This is a fast moving and exciting market. You can make money 6 days a week 24 hours a day.

For those of you that have never traded before listen closely, learn the simple steps I will be teaching you and you'll outperform many of the so-called "professional traders". **Persevere and learn the basics and you will open up a never-ending cash supply. All from the comfort of your own home.**

People are making fortunes on the FX markets around the world every day. However, **BEWARE** over 90% are losing money. I won't go into the detail of the reasons why just to say that the winners, those making all the money, have powerful information at their fingertips. The rest of the herd unfortunately do not. Luckily for you, you are about to become one of the winners, one of those people who take money from the markets on an astoundingly regular basis.

DO NOT WORRY if you are brand new to trading and the Forex. If things look a little complicated at first it is simply because it is all unfamiliar to you right now. After a few days everything will become clearer and using trading charts will become second nature.

Please go to http://www.GetMyCharts.com

Once there, sign up for a FREE account. You don't need to deposit any money. However you MUST make sure you tell them that you DO have some trading experience and you DO have available personal funds ready for trading. Otherwise they will decline your application

The FREE Charting software may look a little complicated because it is a very powerful piece of software. It is data fed at the highest level using super fast financial input streams. There are lots of 'bells and whistles' and in-depth functionality. However, **don't worry because you don't need to know any of the complicated stuff to make money**. Many traders like to make themselves feel important by knowing a mountain of technical stuff, but ask yourself… Do they actually make money?? Usually the answer is NO.

I will teach you specifically what to look for to identify a buying or selling opportunity. I cannot tell you when to buy or sell because that has to be your own personal decision. However, you'll know when I am getting into or out of trades and I will be identifying possible trades that are in the process of forming.

I have to warn you, once you start making money from Forex there is a danger that you will become a Forex addict like me. So, I suggest you tell your wife, family and friends you may be disappearing for a while, or even forever…

☺

…but seriously, Forex is a very enjoyable pursuit, it's fascinating and you can make a lot of money. Once you become disciplined and familiar with my techniques you may even consider trading full time like me.

Anyway, enjoy the rest of the guide and I hope to see you in my trading room soon…

Your new friend,

Colin

"BEFORE WE START LET'S GET ONE THING STRAIGHT"

YOU <u>WILL</u> BE CONFUSED (At First)

Unless you have traded before and understand technical trading everything will seem a little confusing. In fact even some experienced traders are a little confused at first. This is simple unfamiliarity, nothing more.

<u>Promise me one thing:</u> If there is anything you don't understand or need to know please ask. It doesn't matter how simple or complicated the question. The only dumb question is the one you didn't ask so you never got the answer. Simply ask me via the 'message box' in the trading room, it will be anonymous.

You can aim for £50 to £1,000 per day.... you choose.

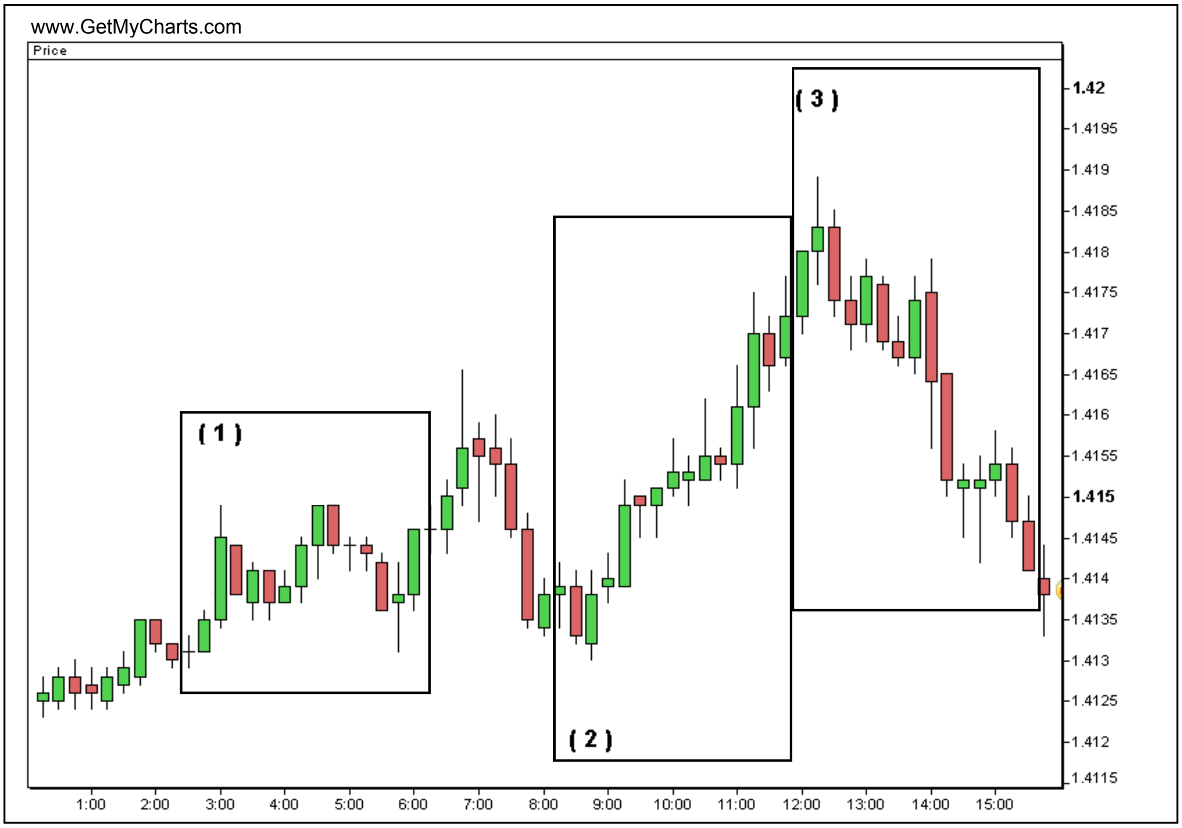
Once you have achieved a level of understanding on how to make money you will then find it <u>VERY</u> easy. Horace, one of my private members is a classic example. He is highly educated and has worked in senior management all his life. He did not ask any questions for fear of looking stupid. He felt inadequate and silly. He felt like giving up on Forex trading even before he started. He was very frustrated to the point of almost throwing the computer out of the window.

Horace told me he has never cussed and sworn so much before in his life. This is great feedback and makes me understand the needs of a novice trader. I am now seeing this pattern appear time and time again with novices. It is for this reason I created this manual and online training sessions / videos etc. So, make sure you ask plenty of questions.

OK Then… lets' get down to business…

On the next page we'll get started with basic Pattern Recognition…

PATTERN RECOGNITION



Can You See The Difference Between Pattern 1, 2 and 3 above ??

If you can, then you have passed the first test, well done! This is 'Pattern Recognition'. You are looking at the difference between a good trading pattern and a bad one. You will learn more about this later.

Pattern (1) is a 'bad setup'. It looks a bit messy; also the expected downturn is soon stepping upwards in the wrong direction. It just doesn't look right and you can see there is no clear direction.

Pattern (2) is a 'good setup'. You can see that the candles are stepping up (stair stepping) in a nice clean obvious upward direction. As you can see, this resulted in a good rise in price thus good profit.

Pattern (3) is a 'good setup'. You can see that the candles are stepping down (stair stepping) in a nice clean obvious downward direction. This resulted in a good fall in price thus good profit.

THE BASICS

What is a chart?

A chart is simply a graphical representation of the price movement of a currency. On the right hand side the price is shown vertically. On the bottom of the chart the time period is shown horizontally.

FREQUENTLY ASKED QUESTIONS

What are Opening and Closing Prices?

Opening price is taken from the first trade of the day (or period such as 5mins, 15mins etc).

Closing price is taken from the last trade of the day (or period such as 5mins, 15mins etc).

What is The Range?

The range is the difference between the highest and lowest prices traded during a day (or period).

What does the term 'pips' mean?

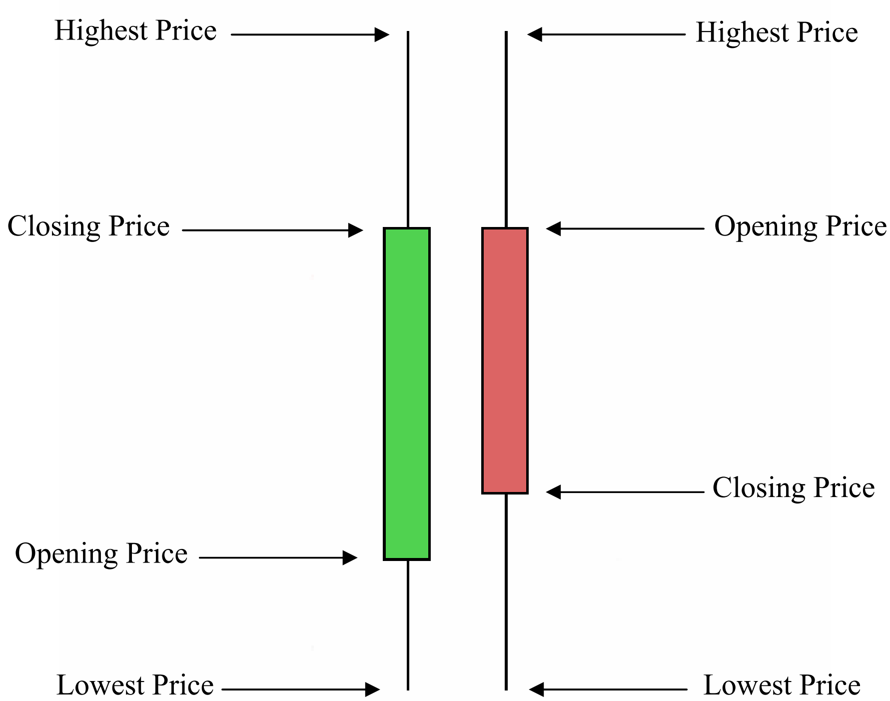
Pips are digits added to or subtracted from the fourth decimal place, i.e. 0.0001. Also called Points.

FREQUENTLY ASKED QUESTIONS Cont…

What is a candlestick?

The Japanese have been using candlesticks since the 17th century to analyse rice prices. Candlesticks show the opening price, closing price, highest & lowest price in a period, but highlight the relationship between opening and closing prices. The narrow stick represents the range of prices traded during the period (high to low) while the broad mid-section represents the opening and closing prices for the period. These periods could be as long as a month or as short as one minute, depending on the purpose for which the chart is to be used.

- If the close is higher than the open – the mid-section is hollow or shaded blue/green.
- If the open is higher than the close – the mid-section is filled in or shaded red.



FREQUENTLY ASKED QUESTIONS Cont…

What does it mean to "go long"?

When you “go long” you are simply placing a buy order on a currency pair (you expect price to go up).

What does it mean to "go short"?

When you “go short” you are simply placing a sell order on a currency pair (you expect price to go down).

What is scalping?

In Forex trading scalping is taking advantage of currency pair changes over a very short period of time. Scalp Traders usually aim for less than 10 pips in a few minutes.

When does the Forex market open?

The Forex market is open almost all the time. It opens Sunday night around 21.00 GMT and closes on Friday around 21.00 GMT for Forex Traders.

Where is the central location of the FX Market?

FX Trading is not centralized on an exchange, as with the stock and futures markets. The FX market is considered an Over the Counter (OTC) or 'Interbank'/'Interdealer' market, due to the fact that transactions are conducted between two counterparts over the telephone or via an electronic network

Who are the participants in the FX Market?

The Forex market is called an 'Interbank' or 'Interdealer' market due to the fact that historically it has been dominated by banks, including central banks, commercial banks, and investment banks. However, the percentage of other market participants is rapidly growing, and now includes large multinational corporations, global money managers, registered dealers, international money brokers, futures and options traders, and private speculators.

What are the most commonly traded currencies in the FX markets?

The most often traded or 'liquid' currencies are those of countries with stable governments, respected central banks, and low inflation. Today, over 85% of all daily transactions involve trading of the major currencies, which include the US Dollar (USD), Japanese Yen (JPY), Euro (EUR), British Pound (GBP), Swiss Franc (CHF), Canadian Dollar (CAD), and the Australian Dollar (AUD).

How are currency prices determined?

Currency prices are affected by a variety of economic and political conditions, most importantly interest rates, inflation and political stability. Moreover, governments sometimes participate in the Forex market to influence the value of their currencies, either by flooding the market with their domestic currency in an attempt to lower the price, or conversely buying in order to raise the price. This is known as Central Bank intervention. Any of these factors, as well as large market orders, can cause high volatility in currency prices. However, the size and volume of the Forex market makes it almost impossible for any one entity to "drive" the market for any length of time.

What does the term “Cable” mean?

This is Trader jargon referring to the Sterling (GBP) / US Dollar (USD) exchange rate. So called because the rate was originally transmitted via a transatlantic cable beginning in the mid 1800's.

What does the term "Resistance Level" mean?

A term used in technical analysis indicating a specific price level at which analysis concludes people will sell "go short".

What does the term "Support Level" mean?

A term used in technical analysis indicating a specific price level at which analysis concludes people will buy "go long". *Opposite of resistance*

What is a Stop Loss?

A Stop Loss is a trade order whereby an open position is automatically closed at a specific price. Often used to minimize exposure to losses if the market moves against a trader's position. You should ALWAYS use a Stop Loss to limit any possible losses.

How Do I Work Out How Much a Move is Worth?

Firstly, let me tell you it's easier when you have an online trading account (to get your FREE account go to www.GetMyCharts.com) Basically the charts will show you all the figures in little windows. However, don't worry too much about that for now. For now we will simply use a pen and paper (Paper Trading).

Let's just look at the Pound (GBP) against the Dollar (USD). Actually a good starting point for you is to trade two currency pairs GBP/USD and EUR/USD. "pound dollar" and "euro dollar" I trade these currency pairs most of all.

Points (pips) are digits added to or subtracted to the fourth decimal place, i.e. 0.0001. When looking at GBP/USD it is the last two digits, i.e. 1.7145 you are looking at the 45.

Example: Let's say you could get 1.7125 dollars for 1 pound and you buy in at this level. Three hours later the price has changed and you can now get 1.7145 dollars for one pound. You can see that the price has moved up 20 pips from 1.7125 to 1.7145 so this is a 20 pip movement.

If you were 'spread trading' (which you will be) you could say I will trade £10 per pip. So this move would have made you £200 pounds in profit (£10 x 20 pips). Not bad for 3 hours. A modest trade and if you managed this just once a day you can see you would make more than most people do in a full time job.

What is "The Spread"?

In reality you would give 3 pips to the broker. This is how he makes his money. Even so, you are still left with £170 and it's all TAX FREE. This is known as 'The Spread'. For instance: in the above example we bought in at 1.7125. However, the broker would have quoted 1.7128 to buy and 1.7125 to sell. So you see the price has to rise to 1.7128 before you start making a profit. So 1.7128 to 1.7145 = 17 pips profit.

Training Note: The Pound and the Euro usually follow each other. They rarely go in opposite directions.

PAPER TRADING

What is paper trading?

Paper trading is where you test your trading abilities without using any money. This is an extremely important thing to do. I cannot stress enough how important it is for you to paper trade before using real money. Paper trading allows the beginner to get their feet wet or an experienced trader to test a new trading system without any risk.

However, you MUST set a deadline for your first trade. If you don't set a deadline you can end up paper trading for the next 10 years. Fun yes, great for party talk yes, but if you want to start making money you've got to make that first trade.

Strictly apply these rules:

1. **Make your decisions in real time only, not after the fact.**
2. **Keep your trading rules exactly as if you were trading real money.**
3. **Take trades with the same degree of risk as if you were trading real money.**
4. **Use the same set of tools as you intend for 'live' trading.**
5. **Whatever you do… DO NOT CHEAT.**

Why Trade Forex?

Forex is one of the safest markets to trade mainly because of its size. Over $3 TRILLION are traded on a daily basis. This size means that it is nearly impossible to manipulate or control. Even Countries like the USA (the biggest economy) would find it difficult to sway the Forex market for any considerable time.

Trading Forex can work extremely well because the price movement required to make profit can be very small indeed. For instance let's assume the exchange rate was $1.4518 for each £1. When this figure moves to $1.4519 we can make profit. It does not even matter which direction the price moves we can profit in either direction. I'm not including the broker spread here as I'm just expressing an example.

When the UK Pound is worth say $1.95 cents (US Dollars) it means you could get almost $2 for each of your £1s. When we trade on Forex we don't trade in pence or cents we trade in much smaller movements. The price mentioned of $1.95 in trading terms would be shown as 1.9500. When we trade we are looking for movement up or down on the fourth digit after the decimal point (last digit on the right).

There are many advantages to Forex Trading. One of the most advantageous is the use of Spread Trading (Spread Betting). With very little outlay you can make quite considerable sums of TAX FREE money. As with all things… reward comes with an element of risk. I will show you how to greatly minimise your risks so as to maximise your rewards.

Ways to Trade Forex

There are literally dozens of ways or techniques you can use to trade Forex, over many different time frames. This gives you a lot of choice, for most people too much choice. Trying to look at too many systems or techniques usually ends up with confusion and losing trades. It is recommended that you use and master 2 or 3 techniques to maximise your chances of making successful trades.

You may have heard of or even purchased many weird and wonderful trading systems yourself. Most are so complicated even the people who devise them struggle to use them. There are many others that simply don't work. What I am about to teach you DOES work, as you'll soon find out.

One of my Favourite Trading Strategies is System 500

One of my favourite strategies I use on a regular basis is System 500. So, what I am going to do in this manual is briefly outline the way that it works. Don't worry too much about trying to grasp everything right now. You'll see how it works on a daily basis in my Trading Room. The whole idea is that you learn how to trade successfully by being a member of my private club, NOT from this manual alone. I will be teaching lots of other strategies too but I want you to understand System 500 early on.

Trend Trading with System 500

Trend Trading has been around for many years and has stood the test of time. Some of you may even have heard the phrase 'the trend is your friend'. System 500 takes Trend Trading to new heights of accuracy giving you the best chance to make consistent gains over 4 hour, Daily and Weekly time frames. Your trades can last anything from 1 – 2 days through to several weeks.

All you need to do is find a trade using System 500. Look at your trade once (ideal) or twice (no more than twice is recommended) a day making the necessary amendments to your trade. Finally exit the trade with good profit.

The idea behind System 500 is to look for and confirm an existing Trend. Once a Trend is established the next step is to find the most opportune moment to enter a trade effectively 'Riding the Trend'.

Introduction

'System 500' can be used with <u>any</u> charting package that shows 4 hour, Daily and Weekly candle charts. However, I would recommended you sign up for FREE charts at www.GetMyCharts.com

Getting Started

'System 500' allows the user to trade over long periods in a calm manner with no need to rush to get onto a trade. You can take your time analysing the setup and even take a number of hours before making your final decision if you wish. The typical duration of a trade is 2 – 10 days. 'System 500' identifies trends and allows the user to then trade with the trend.

<u>Charts Setup</u>

1. Open your charting package
2. Open a currency / Forex chart e.g. GBP/USD
3. Change the chart candle periods to 4 hours
4. Remove any indicators you may have on this chart
5. Add the following indicators:

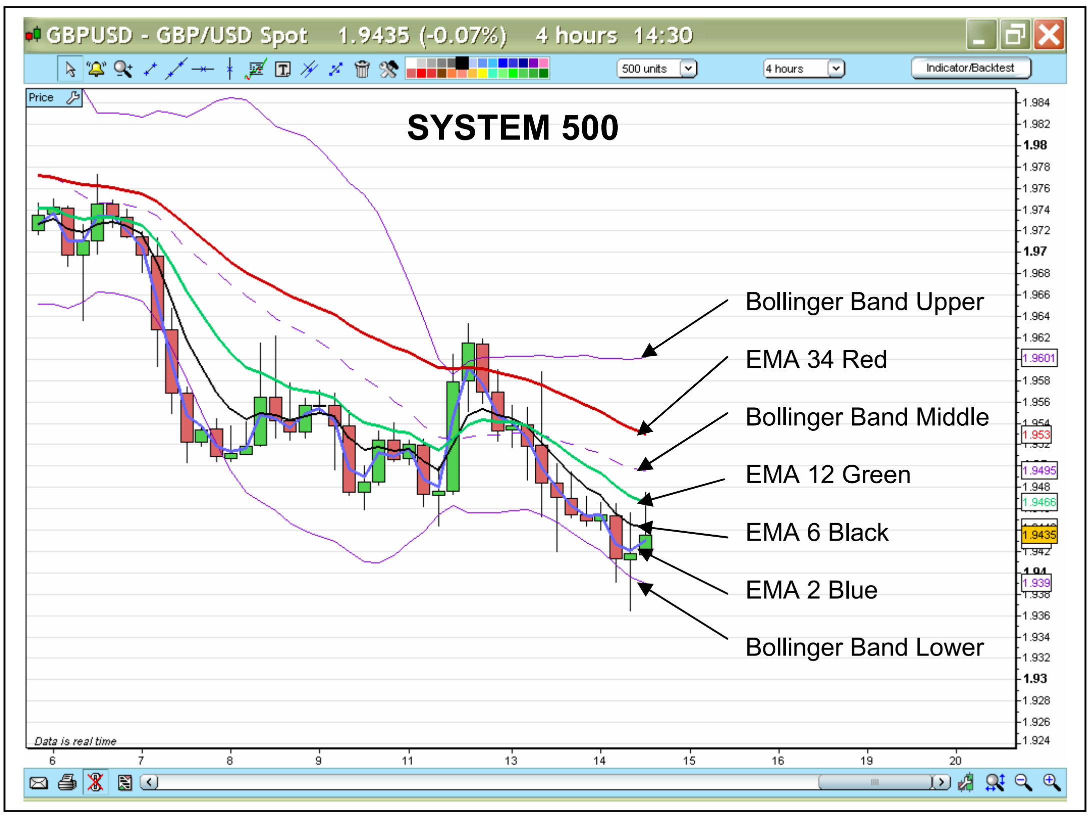
    a. Exponential Moving Average (EMA) period set to 2 coloured Blue
    b. Exponential Moving Average (EMA) period set to 6 coloured Black
    c. Exponential Moving Average (EMA) period set to 12 coloured Green
    d. Exponential Moving Average (EMA) period set to 34 Coloured Red
    e. Bollinger Band with no change to settings (in www.GetMyCharts.com)

Note: If you are using an alternative Charts package the setting are: All 3 Bollinger Bands, Upper Middle and Lower have a Simple Moving Average set to 20 with standard deviation set to the number 2

Charts Setup Cont…

6. Open an additional chart on the same currency / Forex pair
7. Change the chart candle period to Daily
8. Duplicate the settings for EMAs and Bollinger Band (as in point 5)
9. Open an additional chart on the same currency / Forex pair
10. Change the chart candle period to Weekly
11. Duplicate the settings for EMAs and Bollinger Band (as in point 5)
12. Save these 3 charts as a template if possible (dependant on your charting package) Call the Template System 500.

Chart Setup Example



How 'System 500' Works

'System 500' works by finding entry points during a confirmed trend. I don't worry about getting in at the start of a trend or a reversal. We are 'trend riding', getting on to the trade when it is already in motion. This way we can greatly increase our chances of success buy taking advantage of buying or selling momentum that is already 'in play'. System 500 uses a unique strategy that works!!

List Setup (www.GetMyCharts.com)

Here is how to set up a list of the most popular currency pairs. If you are using an alternative charting package you should follow those instructions.

1. Go to the ‘money matrix’ (lists) pane. You should see a button at the top marked ‘Set List’ left click on this button. Next left click on ‘New Lists’ and name it ‘My List’ or ‘My List 2’.

2. Next click on the button marked ‘Add Securities’ at the bottom of this pane. You will now see the currency pairs we have available. You should left click on the following currency pairs (you can highlight as many as you need in one go).

These are the 7 currency pairs that we trade...

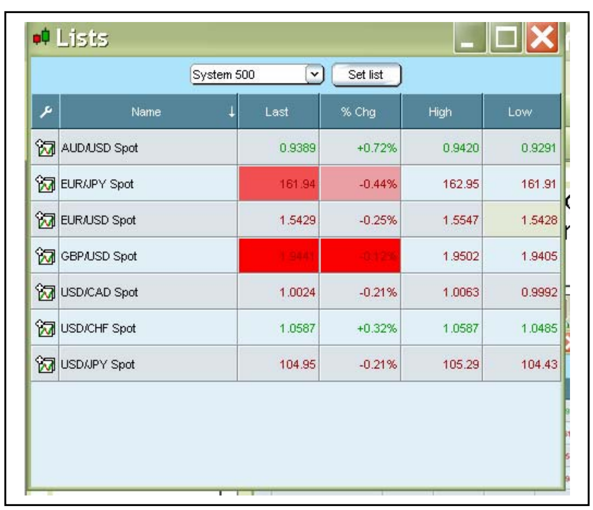
AUD/USD
EUR/JPY
EUR/USD
GBP/USD
USD/CAD
USD/CHF
USD/JPY

When you have selected the currency pairs simply click on ‘OK’ and now click on ‘close’. You will now see these pairs in your list (My List or My List 2).

3. You may create more lists using the same instructions.

4. You can add more currency pairs to a list while in a chart. Right click in the background of a chart and you will see ‘Add to List’. When this is highlighted, with your mouse pointer you will see all available lists. Simply select the list you want to add to and left click with your mouse to complete the task.

5. To add this list setup to your template you will need to save these changes by going to the main area and clicking on templates and then selecting ‘Save’ or ‘Delete’ and then selecting the template you wish to update and click on ‘Save’. If you are using an alternative charting package follow your usual instructions.



SYSTEM 500

Establishing the Trend

Buy Trades for rising prices – In an UP TREND "Going Long"

1. Look at the 4 Hour chart.

2. Look at the Bollinger Bands. The price (candle(s) must have broken through (pierced) the Lower Band.

3. Staying on the 4 Hour chart. The Blue EMA 2 (Exponential Moving Average) must clearly cross ABOVE the Black EMA 6.

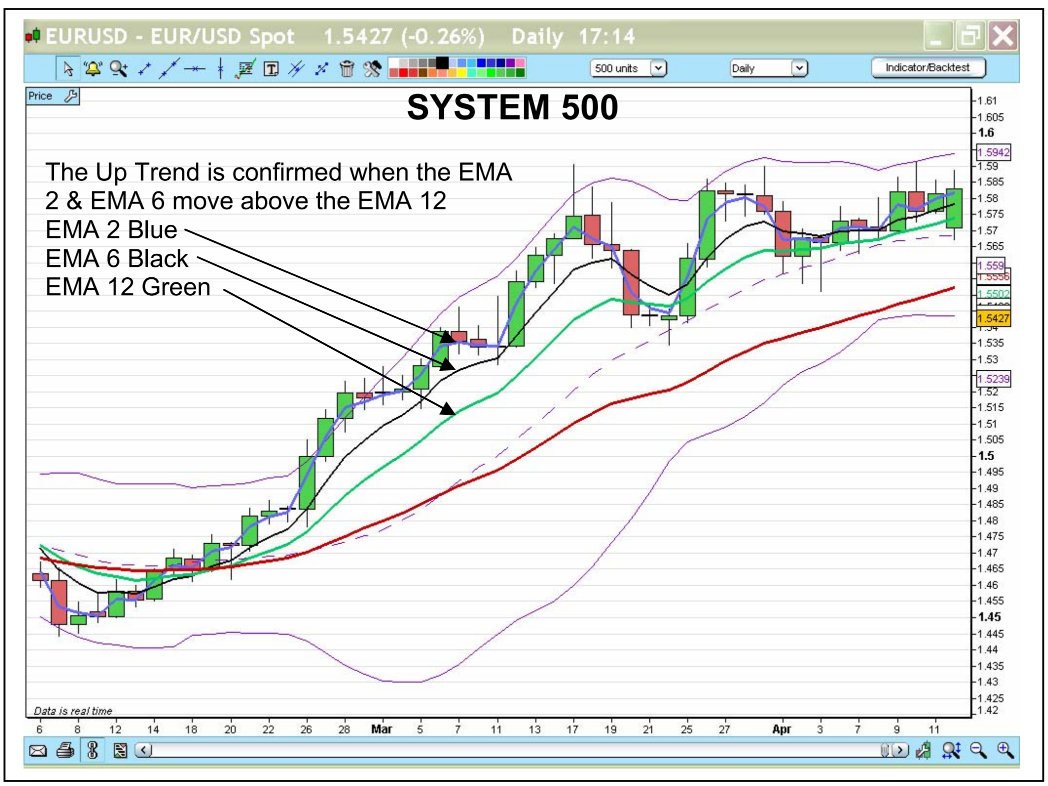
   Rule: The Bollinger band must be pierced 'AND THEN' The EMA 2 must cross the EMA 6. This is your trade signal.

4. Now look at the Daily chart to confirm that the correct trend direction is in force, in this case upward.

5. On the Daily chart: The Blue EMA 2 must be ABOVE the Black EMA 6. Both EMAs must be angled upwards and clearly separating (see example below)

6. On the Daily chart: Both the Blue EMA 2 and Black EMA 6 must clearly be ABOVE the Green EMA 12.

7. If points 5 and 6 are confirmed we consider an UP TREND to be in effect.



Sell Trades for falling prices – In a DOWN TREND "Going Short"

1. Look at the 4 Hour chart
2. Look at the Bollinger Bands. The price (candle(s) must have broken through (pierced) the Upper Band.
3. Staying on the 4 Hour chart. The Blue EMA 2 (Exponential Moving Average) must clearly cross BELOW the Black EMA 6.

   Rule: The Bollinger band must be pierced 'AND THEN' The EMA 2 must cross the EMA 6. This is your trade signal.

4. Now look at the Daily chart to confirm that the correct trend direction is in force, in this case downward.
5. On the Daily chart: The Blue EMA 2 must be BELOW the Black EMA 6. Both EMAs must be angled downwards and clearly separating (see example below).
6. On the Daily chart: Both the Blue EMA 2 and Black EMA 6 must clearly be BELOW the Green EMA 12.
7. If points 5 and 6 are confirmed we consider a DOWN TREND to be in effect.

When Trading From The 4 Hour Chart

The 4 Hour Chart is used for 'Detecting the trade signal'

The Daily Chart is used for 'Trend direction confirmation'

Obviously the trend should be in the same direction as you are trading.

NOTE: Be wary of trends that have been in place for 40 days or more. These are considered to be 'ageing trends' with a higher probability of reversal. This does not mean you cannot continue to ride older trends; you just have to take care. For instance you may take profits more quickly or trade smaller amounts.

Trade Entry Points – Elements of Risk

To enter any trade there are certain criteria or conditions that need to be met. Depending on how safe you want your trades to be will depend on how you decide to enter and exit your trades.

With all trading opportunities there is always risk and reward. With 'System 500' we grade 3 general trading scenarios.

A = Lowest Risk

B = Medium Risk

C = Highest Risk (Grade C trades carry the most risk but have huge reward potential).

These examples are a guide and there will always be variations. Live trading room sessions and practise will improve your abilities.

Entry Points with Risk Reward Rating 'A'

a. This is where all the confirmations are spot on. The Bollinger Upper or Lower Band is pierced; the EMAs have crossed correctly on the 4 Hour chart. The trend has also been confirmed on the Daily chart.

b. The user waits for the current candle on the 4 Hour chart to complete.

c. An order is placed to enter the trade 10 points in the desired direction. 10 points higher on 'buy' or 10 points lower on a 'sell'. Find the 'high' or 'low' price of the finished candle and set your order 10 points from that

d. If the order is 'filled' the user is then looking for the best opportunity to exit with profit (see exit points).

Risk Reward Rating 'A' Example

Entry Points with Risk Reward Rating ‘B’

a. This is where all the confirmations are spot on. The Bollinger Upper or Lower Band is pierced; the EMAs have crossed correctly on the 4 Hour chart. The trend has also been confirmed on the Daily chart.

b. The user simply takes the current market price on the ‘active’ candle.

c. Taking a little extra care set order 10 points in the desired direction. 10 points higher than the current price on a ‘buy’ or 10 points lower than the current price on a ‘sell’

d. As soon as the user is in the trade an exit with profit needs to be found (see exit points)

Risk Reward Rating ‘B’ Example

Entry Points with Risk Reward Rating 'C'

a. When the 4 Hour chart has 'trade signal' confirmation but the Daily chart does not have 'trend direction' confirmed you could take the trade if you 'believe' that the unconfirmed trend 'looks' as though it will continue to progress and form into becoming fully confirmed.

b. When the Daily chart has 'trend direction' confirmation but the 4 Hour chart does not have 'trade signal' confirmed you could take the trade if you 'believe' that the unconfirmed trade signal 'looks' as though it will continue to progress and form into becoming fully confirmed.

c. When there is ALMOST a Bollinger band pierce confirmation on the 4 Hour chart. The Bollinger Upper or Lower Band was almost touched but NOT pierced. There must be 'trend direction' confirmation on the Daily chart 'AND' 'trade signal' confirmation on the 4 Hour chart.

WARNING: Grade 'C' trades should only be attempted when you have a good grasp of 'System 500'. Grade 'C' trades are NOT recommended for beginners. With experience and practise you will 'come to know' how the market moves. You will also become aware of how particular currencies behave. Grade 'C' trading is a high-risk strategy. However, you can capture long moves with high profits by jumping onto a trade at the earliest possible moment.

You should attend my Trading Room regularly and practise System 500 trading

Trading Continuations

Continuation Trades are opportunities for us to enter trades that have been 'in play' for some time. I regularly use the continuation trade method. This means that all the criteria for a trade setup have previously been confirmed. We are simply taking the opportunity to jump in to a trade that is already running. You will find more opportunities to trade from continuations than finding new trades setups.

Finding valid Continuation Trades

This check list will assist you in finding valid Continuation Trades.

1. The chart setup is the same as the standard System 500 setup.

2. Start off with the 4 Hour chart and find a valid System 500 trade entry point that happened in the recent past.

3. Now look at the current price action on the 4 Hour chart then ensure that the desired trend direction is still in force on the Daily chart (EMA 2 & EMA 6 correct side of the EMA 12 - Above for Up Trend or Below for Down Trend).

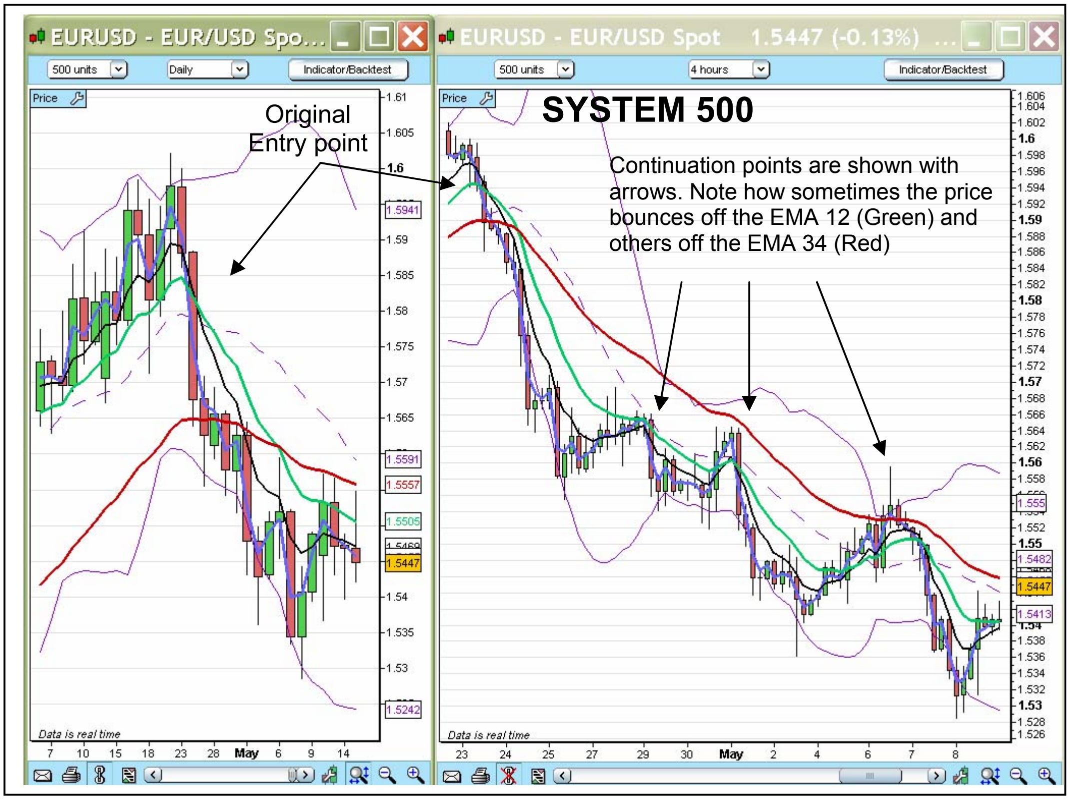
4. Ensure the overall initial move continues in the same direction across both the 4 hour and Daily charts.

5. On the 4 hour chart look for price action that moves in the desired direction and then pulls back approximately to either the EMA 12 or EMA 34 level before continuing again in the desired direction.

6. When you see previous price action with 'advances' and 'pull backs' it is likely to repeat and therefore can be taken advantage of.

7. It is wise to place orders to take up 'Continuations Trades' 10 points or more above or below the 4 Hour trade signal candle.

Example of Continuation Trade



Trading From Longer Time Frames

By using larger time frames you may not find a trade every day. However the potential for riding 'Monster Moves' and capturing mega profits becomes a reality.

This technique uses the principles already shown on the 4 Hour and Daily chart. However in this instance you will now use Daily chart to detect 'trade signals' and the Weekly chart for 'trend direction' confirmation.

I won't go into detail here as I'll be explaining all of this in my Trading Room. All I wanted to do was give you an understanding of how System 500 works. I guarantee that after reading this manual you will have plenty of questions about the System 500 strategy. That's great and I'm really looking forward to answering you in the trading room very soon…

System 500 Strategy

By now you will have at least realised that System 500 is a 'Two Time Frame' strategy. The shorter time frame is used to time the entry, the 'trade signal'. The longer time frame is used to ensure there is buying / selling pressure in the desired direction, the 'trend confirmation'. So now let's discuss our exit strategy…

You should attend my Trading Room regularly and practise System 500 trading

Exit Strategies

To capture the biggest moves possible our main reason to exit trades are:

1. **The EMAs crossing**

   EMAs crossing back over on the 'lower time frame'.

   a. A potential exit is reached when the EMA 2 crosses the EMA 6 and they both cross the EMA 12.

   b. The confirmation should be found by waiting for a new candle to start. If the EMAs are still crossed the exit should be taken.

Example of EMAs Crossing to Exit Trades

2. **Stop Loss Is triggered**

A Stop Loss or Trailing Stop Loss is triggered

a. All trades should be backed up with a Stop Loss or Trailing Stop Loss.

b. Your Stop Loss should initially be set to approx 50 – 60 points

c. When the trade is fully under way you can adjust your Stop Loss to either
   i. 20 points beyond the EMA 12
   ii. 10 points beyond the EMA 34
   iii. Your decision of which to choose will be lead by previous price action. To find out what this means look back through your chart and see if the price tends to move back to the EMA 12 level or as far as the EMA 34.

3. **Trailing Your Stop Loss**

As your trade moves into profit you should move your 'stop loss' in the same direction behind it and keep doing this <u>to lock in your profits</u>. To determine how far behind you should keep your 'stop loss' take a look at previous price action. You need to give the market enough room to breath. Measure how big the previous price swings have been. Quite often you will see that the price comes back to the 12 EMA or 34 EMA.

Example of Trailing Stop Loss

Re-joining the Trade

If you get 'stopped out' of a trade you can simply jump back on to the same trade again if it is continuing back in the desired direction. As you have already learned, the market moves in waves. Visually the price action looks like it is climbing up or down a staircase. Therefore, you can be constantly 'stopped out' yet still make lots of profit.

As an example: The price could advance 80 points, pull back 30 points and stop you out (50 points profit). You could jump back on the trade, advance another 50 points, pull back 20 points, get stopped out again (30 points profit), and so on… You will get better and better at riding trends and perfecting the timing of your entries and exits with practise and experience. **Never trade without a stop loss in place.**

Things to be aware of

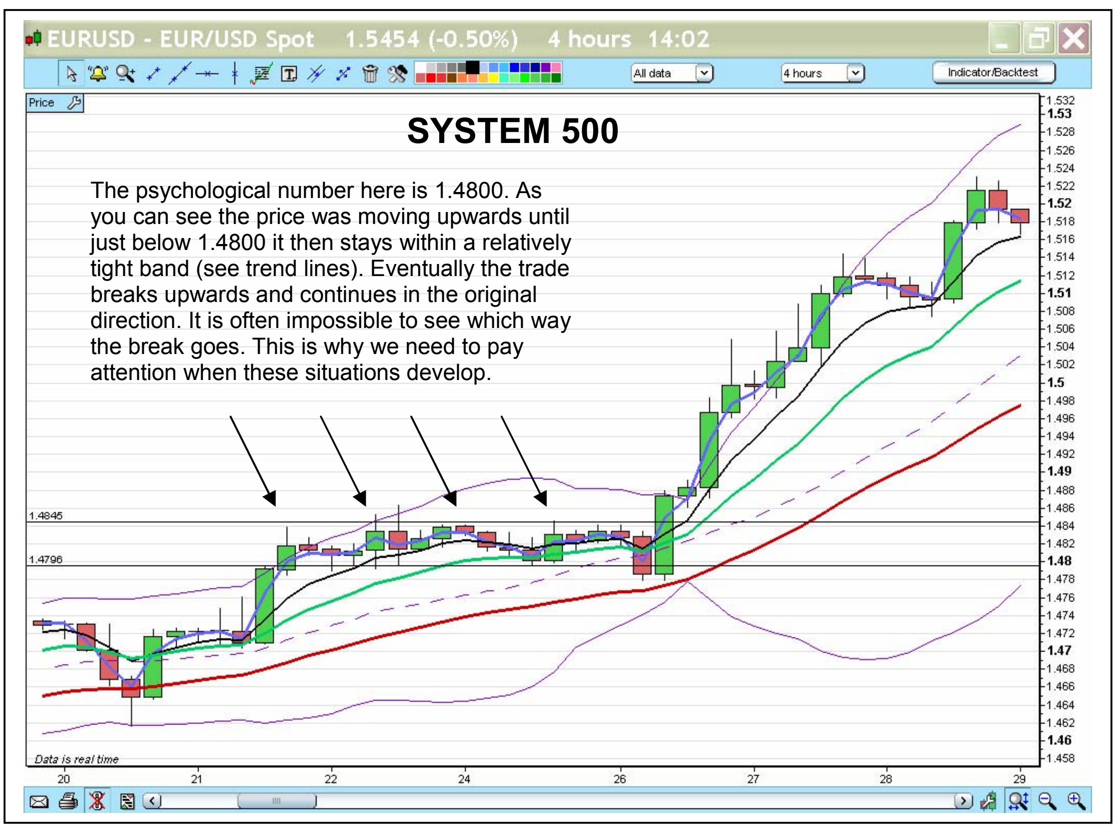
Psychological Numbers

These price areas cause indecision and congestion. Typically these are numbers that end with two, three or four zeros e.g. on GBP/USD 2.0000 is a very significant psychological number. Lots of experienced and regular traders are aware of psychological numbers and how they can cause indecision. Therefore they can become self-prophesising and cause traders to sit back and wait to see what will happen. At worst this can cause a reversal in price as traders start pouring back in to that market in one direction or the other. To minimise your risk it is a good idea to pay very close attention to these price areas.

What to do and why

If you were in a trade and approaching a psychological price level it could be a good idea to exit part or all of your trade. Or at least get ready to make a quick exit if the trade breaks against you. If you were about to get in to a trade it could be a good idea to sit back and wait. This will give you an opportunity to see which way the trade will be pushed. You can then decide whether you have a good entry point or stay out of the market.

Example of Psychological Numbers



Things to be aware of Cont…

Support and resistance

This is another area of trading that could be described as 'sheep mentality'. When certain price and candle patterns are in play many traders have knowledge of them. Therefore they can become self-prophesising. Support and resistance can often be seen as one of those times.

Support simply means an area of price activity that can't be pushed lower. Resistance is the opposite in that it is an area of price activity that cannot be pushed higher. Support and Resistance works in much the same way as psychological numbers as they can cause indecision and congestion. You should pay close attention to these price areas.

Example of Support and Resistance

Major Economic Alerts

Most Economic Alerts don't create enough of an effect to bother us with a 50 – 60 point Stop Loss. However alerts like The Non-Farm Payroll and Employment Change can create massive price movement. In some cases in excess of 100 points. To ensure you don't fall foul of this type of event it is recommended that you take any profit you may have by exiting your trade 30 – 45 minutes before the alert is due. If you are at a small loss at these times it may sensible to exit anyway and reassess the situation after the alert to see if re-entering the trade is possible. If you are carrying a greater loss at the alert time you will need to decide if staying in or exiting is right for you. There are always variations in these situations and with practise you will come to know the best action to take. On significant Economic Alerts that occur on Friday afternoon it can be sensible to assess the trade over the weekend and then if applicable re-enter the trade on Sunday night or Monday.

More on Economic Alerts

As one of my members you already have The Double Trigger System for trading the Economic News. If not then go to my website www.ColinsNews.com

The other thing you'll need is my Economic Alerts Email that comes out every week. If you are not receiving these go and submit your email address now at www.GetMyAlerts.com

Overall Trading Strategies

Although there are many possible strategies you could use with this trading technique. I have included 3 of the easiest and most common. These will give an equal measure of Risk and Reward.

In this instance you will look at your charts once a day. It makes little difference if you look in the morning, afternoon, evening or even the middle of the night. Whatever time you choose to look stick with approximately that time each day.

The first time you look you will be searching for an opportunity to enter a trade using the information in these pages.

When you find a trade you will place 3 orders for the trade.

First Order: Set an Entry Order. This is the price your trade needs to hit to get you into the trade

Second Order: Set a Stop Loss of at least 50 – 60 points

Third Order: Set a Limit Order. This should be the same size as the Stop Loss at about 50 – 60 points

The next thing to do is go to bed, go to work or do whatever it is you normally do. Don't look again until 24 hours have passed and it's time for your next appointment with your charts

OK 24 hours have passed and it's time to look at your charts again…

You will do one of the following things

Your Stop Loss was triggered and you lost this one. Don't worry you will get losses it's part of trading (Try to think of them as 'business expenses' rather than losses). Look at your trading bank account for the loss and recalculate what you will use to trade on the next opportunity (see staking plan).

Your Limit Order was triggered and you made your profit well done and congratulations. Now look at your trade bank and calculate what you will use for your next trade opportunity.

Neither your Stop Loss nor your Limit Order has triggered. At this point you need to see where the current price is in relation to your Limit Order. You may be within a few point of triggering your limit order and being taken out of the trade with profits. However, you should now re-adjust your stop loss to lock in profits. Then re-adjust your Limit Order to continue to ride the trade and target more profits. If the price is somewhere in the middle or almost triggering your stop loss let the trade continue and come back in another 24 hours. You can of course look for other opportunities to trade so take a look at your trade bank and work out what you could use on another trade opportunity.

You may find you are able to look at your charts twice a day. It makes little difference when you look although it would be better if you could look at the charts at least a few hours apart. Perhaps before work and then when you return home. Try to stick with approximately the same times each day. The principles are the same as example 1 only you will look twice a day. This will generally mean you should find more trades.

This last instance is only for the very disciplined as you could experience price swings of 40 points or more. As you watch this kind of price action it can be a real roller coaster ride of emotion and is not for the faint hearted. We therefore recommend that you adopt one of the other two options. Yes the prices move in the same way with the ebb and flow of the currency market but for option 1 or 2 users they won't experience these as a once or twice a day snap shot is all that is required.

If you are the disciplined type and can stomach the undulations and price swings you can make small tweaks to your trades throughout the day or night. **But be warned, EMOTION is the biggest enemy of a Forex trader.**

Staking plan & Money Management – THIS IS VERY IMPORTANT

When you are trading it is always a good idea to only risk a small percentage of your 'Bank' on any trade. **We recommend a '5% Rolling Bank' for this reason**.

For this example you have £1000 as your bank. You can actually start with less.

1. Take your £1000 and Divide by 20.
2. This gives you £50. This is the most we are willing to lose (Maximum Risk) on your first trade.
3. You will remember we recommend a Stop Loss of 50 – 60 points
4. Based on both these figures we divide the Maximum risk amount by the Stop Loss. £50 divided by a 50 point Stop Loss equals £1.00 per point.
5. Now if your trade works out and you gain 120 points you made a profit of £120.00 add this to your original £1000 = £1,120
6. You now go through the same process to work out your new level of £s per point.

OK,OK, I'M EXCITED, I WANT TO TRADE!

WARNING

DO NOT 'LIVE' TRADE WITH REAL MONEY AT THIS POINT

You have more to learn and I expect you to have completed basic training and have attended my trading room for a few weeks at least **before attempting a live trade.**

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Help, Support, Basic Training and Trading Room Access

My co-ordinator is Sue Ashcombe-Hurt. She can assist you with everything including access codes for my private trading room. Here are the contact details.

Sue Ashcombe-Hurt   Tel: +44 (0)1270 760 797   Email Sue@tradeshareplus.com

Sue will confirm your details and provide you with access information. She will also keep you informed of any password changes that may be necessary. If for any reason you can't get hold of Sue email me on colinthetrader@gmail.com

NOTE: In the daily Trading Room sessions you MUST login using your full first and last name otherwise you will be ejected by one of the moderators. There will be no exceptions…

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You now have 4 FREE training sessions to get you up and running as quickly as possible. Please contact the Training Co-ordinator to book your FREE Training.

Please Note: You must take all 4 Training session within 4 weeks. You may book as many additional sessions as you need for a nominal charge. For latest prices and to book contact the Training Co-ordinator.

sue@tradeshareplus.com

+44 (0)1270 761 797

The Double Trigger System™

"Trading the News and a Whole Lot More…"

Hello and congratulations on purchasing my Economic News Trading System.

I have tried to keep this to as few pages as possible. I like to get straight to the point and impart relevant information to you as efficiently as possible. You have purchased INFORMATION not a massive text book with tons of padding and fluff. That's why you will never see 156 pages when I can tell you what is needed in just 6 pages. I'm assuming here you wanted to learn how to trade Forex and make money, not buy a leather bound book.

Here's some great news before we get started. The Double Trigger System is not only very effective for trading the economic news announcements but also general Forex trading. When you join my 'Live' Private Members Trading Room I will teach you how to use Double Trigger to capture explosive moves and mega profits at all times of the day and night. Trading the News Alerts is just the beginning…

To get you started as soon as possible I recommend you get a FREE account and FREE charts from www.GetMyCharts.com. When signing up apply for either a Limited Risk (new to Forex) or Plus account (previous trading experience).

You should also be receiving my Economic Alert Emails. If you have not been receiving these simply go to www.GetMyAlerts.com and add your details to the form.

Economic News Alerts are sent out on Monday mornings giving you the week's most critical announcements that affect Forex. If you are still not receiving my alert emails check your spam filtering and spam email folder. If that doesn't work call for support on 01270 760 797 and I will enter you into the system manually.

Before we start I want to get one thing straight. Trading the news - The Economic Announcements can be risky. However, I will show you the safest way to do it and greatly increase your chances of winning. I often enjoy exciting short-term profits. The buzz of potentially making hundreds of pounds in a matter of minutes can be very addictive…

The Forex market is very sensitive to certain types of economic announcements. There are lots of announcements coming out on all currency pairs every day. However, there are only certain announcements that have a history of instigating significant moves in the market. By paying attention to my Economic Alert emails you will know which ones to trade. You'll also know when to stay out of the market with any other trading strategies you may be using.

Talking about other strategies, if you are interested in my daily Private 'Live' Trading Club go to www.ColinTheTrader.com Don't miss this. I will be limiting the membership numbers shortly.

The Most Important Economic Announcement

'The Non-Farm Payroll'

The 'Non-Farm Employment Change' measures the change in number of employed people in the USA during the previous month, excluding the farming industry. A rising trend has a positive effect on the nation's currency. Job creation is an important indicator of economic health because consumer spending, which is highly correlated with labour conditions, makes up a large portion of Gross Domestic Product. This report is the first of the month that relates to labour conditions, making it susceptible to big surprises. This announcement comes out on the first Friday of the month so watch your trading charts around 13.30 GMT. If you don't have any charts go to www.GetMyCharts.com

I could go into an in depth explanation of the inner workings of the financial market with relation to economic announcements but for this exercise it is not necessary, all you need to know is what currency pair to trade and when. Trying to analyse news and then trade based on the announcement is near on impossible. There are so many factors influencing the market from, institutional bias, pre-announcement trading, market sentiment and basically millions of traders playing a guessing game to which way the price will move. A lot of times the price move makes no sense. There can be a very positive announcement yet the currency price takes a nosedive. Conversely there can be a terrible announcement yet the currency price will sky rocket. Market reaction to news such as interest rate changes or employment figures can be very explosive and you will have no idea which direction the market will go. So, to capture these explosive moves we use a trading strategy known as 'Double Trigger'.

Using this strategy you will not have to interpret the released data before placing your trade. The market can move too fast to react to it and doing so can lose you money, and fast… Also the risk of 'slippage' is very high. Basically what happens is that you put your trade order in at a certain price but because the market is moving so fast the order can fail to be 'filled' at your desired price. This often results in price slippage and getting filled at a different price. This slippage can also occur on your stop loss order.

The Set Up

Get yourself ready at least 30 minutes before the news announcement. First set your currency chart to 5 minutes. Look back 2 to 3 hours on your chart and draw two lines to find the recent price support and resistance levels (see chart below).

Draw one line connecting at least two price highs and draw another line connecting at least two price lows. These boundaries will form a price channel. The channel is showing you the delicate balance that exists between the buyers and sellers prior to the news announcement. This channel should be relatively narrow and **not span any more than about 40 pips**. In fact the narrower the price channel the more explosive the price breakout usually is.

The Trade Entry

Now that you have created your price channel keep an eye on the price action for at least 20 minutes before the news announcement. Ideally the price should stay roughly within the channel boundaries.

To catch an explosive 'Breakout' from the price channel an Order Entry 'Buy' is placed above the resistance line (upper), and an Order Entry 'Sell' is placed below the support line (lower). Place the order 5 pips above a 'Buy' or 5 pips below a 'Sell'.

Timing: Place your orders no more than 3 minutes before the news release.

Note: If the price pierces through either of the channel lines shortly before the news release make a note of the 'low price' if it went through the support line (lower) or the 'high price' if it went through the resistance line (upper). Prices can pierce up to 20 pips through the lines as the market begins to go crazy. If this happens place your orders a few pips above the resistance pierce (upper) or a few pips below the support pierce (lower).

The Stop Loss

Whenever you trade you must ALWAYS use a stop loss and trading the news is no exception. For a 'Buy' Order a Stop Loss is placed 20 to 30 points below the resistance line (upper), and for a 'Sell' Order it is placed 20 to 30 points above the support line (lower).

The Trade Exit

Your initial profit target should be at least the width of the price channel. So if the price channel was 40 pips that would be your target. For safety it's always a good idea to take profit at this level. You could take half out and leave the other half to run. Bring your stop loss up to the 'break even' level then if the price drops back you still have profit. You can also trail your stop loss up behind the price by 5 to 10 points if it keeps running. This is great when you get those lovely 100 pip plus runs…

The whole point of 'Double Trigger' is to capture the move whichever direction it goes. Even if you make a loss on one order you should make a larger profit on the other order as it captures the correct direction of the move. However, bear in mind it is still possible for violent swings before the main move to bust out both stops resulting in an overall loss.

An Alternative Method

An old saying in the trading world that you'll hear trumpeted again and again is "The Trend is Your Friend". You've probably even heard this already.

Some 'trend lovers' prefer to trade the news using the direction of the price trend over the previous 3 to 5 days. To see the trend simply change the time frame on your chart to 2 hour time periods. A quick visual look at the candles will show you if the underlying trend is up, down or sideways. Of course with a sideways trend you would probably stay out of the market or use a different strategy.

If the price is trending upwards you would place a 'Buy' order in the upward direction (Long). If the price is trending down you would place a 'Sell' order in the downward direction (Short). You use all the same criteria as shown in the 'Double Trigger' method but you are only trading in one direction. Either to go up or to go down but not both.

Trader Speak: Buying a stock or currency is termed "Going Long". Selling a stock or currency is termed "Going Short".

With both the above methods it is up to you exactly how you trade the news. You decide how much profit you'll take, your targets and your stop loss points. Don't take news trading too seriously. Have fun with it, some you'll win and some you'll lose. Just enjoy the adrenalin rush as you approach lift off.

I wish you all the best of luck and I hope you ride plenty of those 100 pippers… yeeehaaaa !!

If you have any questions about any of my trading methods or need help and advice email support@tradeshareplus.com or call on 01270 760 797

Kind regards

Colin

Free Charts:	www.GetMyCharts.com
Colin's Private Trading Club	www.ColinTheTrader.com

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Please Note: You must take all 4 Training session within 4 weeks. You may book as many additional sessions as you need for a nominal charge. For latest prices and to book contact the Training Co-ordinator.

support@tradeshareplus.com

01270 760 797

Don't miss out on my Private Trading Room www.ColinTheTrader.com

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Opinions are current opinions only and past results are not indicative of future results. It is your sole responsibility to know and define the risk before trading. You also hereby agree that you will not hold us liable or responsible in any way for any losses you incur in any trading account. We disclaim any responsibility for any adverse consequences that might arise directly or indirectly from the use of any material contained in or from this website or any product purchased via TradeSharePlus Limited websites or documentation or by any contact in any form with any individual associated with TradeSharePlus Limited.

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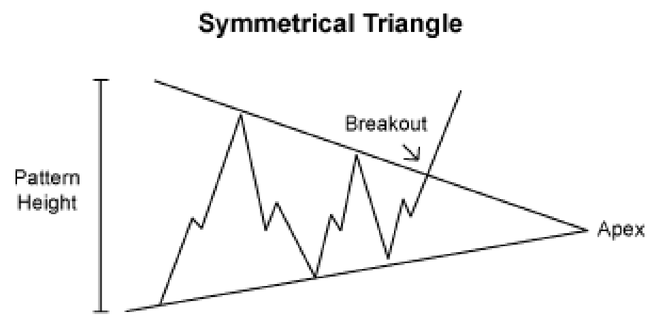
Essential Trading Patterns That Make Money

The following chart patterns are essential learning if you want to become proficient in trading the markets. These patterns appear in all markets, whether it is the Forex, stocks and shares, indices or commodities. In fact, it is the natural order of things. These patterns repeat over and over again and have done so for decades. It doesn't matter what the product is that is being sold. These patterns are simply the ebb and flow of human buying and selling behaviour. Think of the markets as a living breathing entity. Study these patterns and be aware of them whenever you are trading. It doesn't matter what technical indicators or trading strategy you are using always keep a look out for the following 'essential patterns'.

Symmetrical Triangle Pattern

First lets take a look at the Symmetrical Triangle pattern. You'll see this pattern when the price is oscillating up and down and converging towards a single point. Its back and forth oscillations will become smaller and smaller until the price reaches a critical price, breaks out of the pattern, and moves drastically up or down. The symmetrical triangle pattern is formed when traders are unsure of the price value. Once the pattern is broken, traders tend to jump on the bandwagon, shooting the price upwards or downwards.



Symmetrical Triangle Pattern

To form your symmetrical triangle pattern, draw two converging trend lines that encompass the high and low prices. Your trend lines should form a symmetrical triangle, lying on its side.

How to Profit from Symmetrical Triangles

Symmetrical triangles are very reliable. You can profit from upwards or downwards breakouts. If you see a symmetrical triangle forming, watch it closely. The sooner you catch the breakout, the more money you stand to make.

Watch For:

• Sideways movement, a period of rest or consolidation before the breakout.

• Price bouncing between two converging trend lines.

• Breakout roughly ¾ of the way to the apex.

Set Your Target Price:

As with all patterns, knowing when to get out of a trade is just as important as knowing when to get into a trade. Your target price is the safest time to exit, even if it looks like the trend may be continuing.

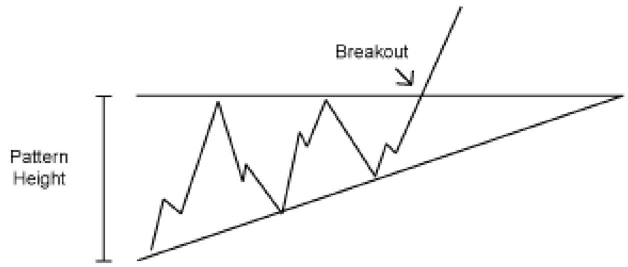
For symmetrical triangles, exit your trade at a target price of:

• Entry price plus the pattern's height for an upward breakout.

• Entry price minus the pattern's height for a downward breakout.

Ascending Triangle Pattern

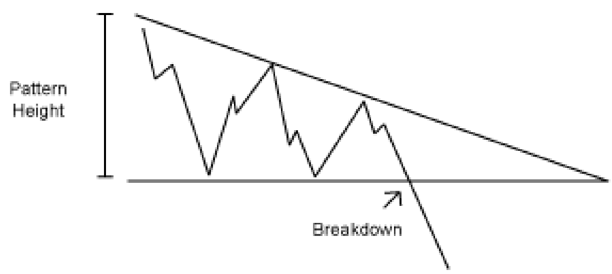
When you notice a series of increasing troughs and the price is unable to break through a price barrier, chances are you are witnessing the birth of an ascending triangle pattern.



Confirm your ascending triangle pattern by drawing a horizontal line tracing the upper price barrier and a diagonal line tracing the series of ascending troughs.

Descending Triangle Pattern

The descending triangle is the bearish counterpart to the ascending triangle. 'Bearish' meaning downward or selling sentiment as opposed to 'Bullish', which means upward or buying sentiment.



Descending Triangle Pattern

Confirm your descending triangle by drawing a horizontal line tracing the lower price barrier and a diagonal line tracing the series of descending troughs. The ascending and descending patterns indicate that a price is increasing or decreasing in demand. The price meets a level of support or resistance (the horizontal trend line) several times before breaking out and continuing in the direction of the developing up or down pattern.

How to Profit from Ascending and Descending Triangles

Ascending and descending triangles are a **short-term trader's favourite.** This is because the trends allow short-term traders to earn from the same sharp price increase that long-term traders have been waiting for. Rather than holding on to a trade for months or years before you finally see a big payday, you can buy and hold for only a period of days and capture the same big profit returns as the long term traders.

Watch For:

• An ascending or descending pattern forming over three to four weeks.

Set Your Target Price:

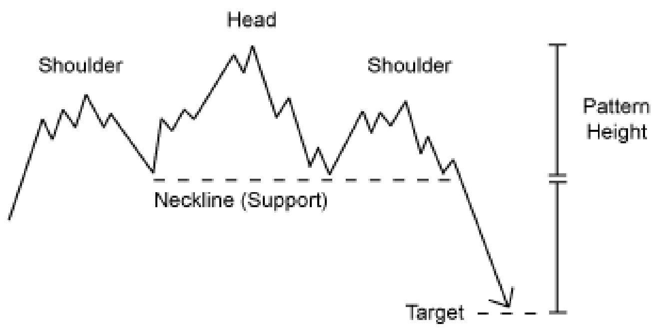
For ascending and descending triangles, exit your trade at a target price of:

• Entry price plus the pattern's height for an upward breakout.

• Entry price minus the pattern's height for a downward breakout.

The Head and Shoulders Pattern

The head and shoulders pattern is a major pattern used by short (sell) type traders who like to profit from down trends. After three peaks, the price plummets, offering a **'textbook',** high-return opportunity to traders who catch the trend early.



Head and Shoulders Pattern

Head and shoulder patterns are characterised by a large peak bordered on either side by two smaller peaks. Draw one trend line, called the neckline, connecting the bottom of the two troughs.

The first trough is a signal that buying demand is starting to weaken. Traders who believe the price is undervalued respond with a buying frenzy, followed by a flood of selling when traders fear the price has run too high. This decline is followed by another buying streak, which fizzles out early. Finally, the stock declines to its true worth below the original price.

How to Profit from the Head and Shoulders Pattern

• Enter the trade as soon as the price moves below the neckline after the descent from the right shoulder.

Set Your Target Price:

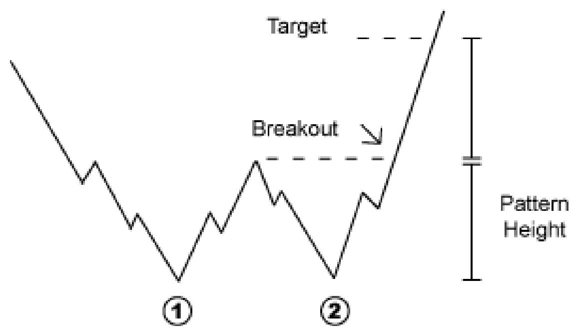
For the head and shoulders pattern, exit at a target price of:

• Entry price minus the pattern's height (distance from the top of the head to the neckline).

Double Bottom Pattern

When you see a W or M pattern forming, you may have just discovered a **money-making double bottom or double top pattern.** The double bottom is basically a small peak surrounded by two equal troughs.

These patterns are common reversal patterns used to suggest the current price trend might be likely to shift. But don't panic !! If your double bottom or double top patterns do not develop as you had originally thought. You haven't lost your chance for cash.



If your W or M pattern reverses for a fourth time, you could now be working with the profitable triple bottom or triple top.

Enter The Trade When:

• The price exceeds the middle-peak price.

Watch For:

• A price increase of 10% to 20% from the first trough to the middle peak.

• Two equal lows, not to differ by more than 3% or 4%.

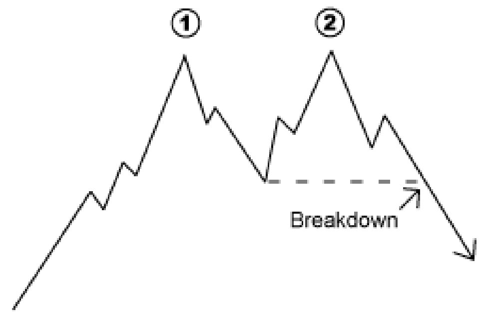
Set Your Target Price:

For the double bottom pattern, exit your trade at a target price of:

• Entry price plus the pattern's height (distance from the peak to the bottom of the lowest trough).

Double Top Pattern

A small trough is surrounded by two equal peaks.



Enter The Trade When:

• The price drops below the middle-trough price.

Watch For:

• A price decrease of 10% to 20% from the first peak to the middle trough.

• Two equal highs, not to differ by more than 3% or 4%.

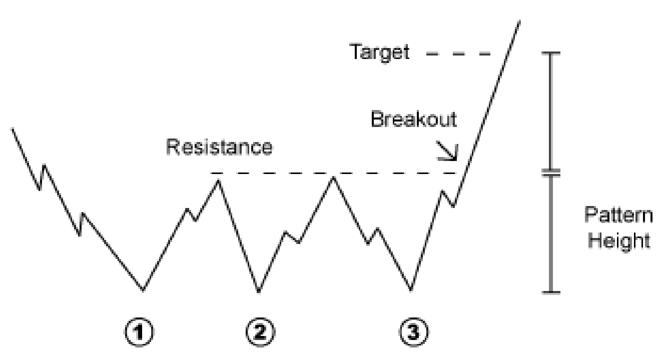
Set Your Target Price:

For the double top pattern, exit the trade at a target price of:

• Entry price minus the pattern's height (distance from the trough to the top of the highest peak).

Triple Bottom Pattern

Three equal troughs amid a series of peaks.



Enter The Trade When:

• The price exceeds the resistance established by the prior peaks.

Watch For:

• A series of three identical troughs at the end of a prolonged downtrend.

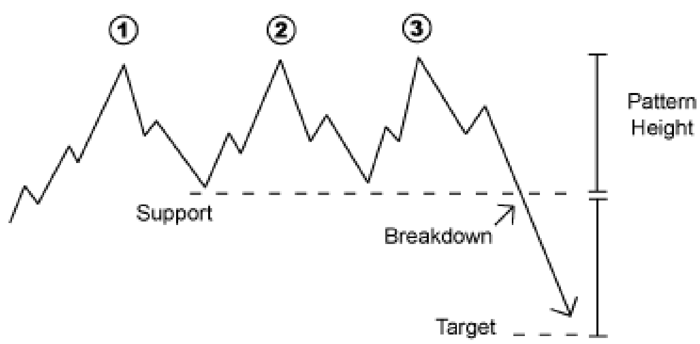
Set Your Target Price:

For triple bottom patterns, exit the trade at a target price of:

• Entry price plus the pattern's height (distance from the resistance to the bottom of the lowest trough).

Triple Top Pattern

Three equal peaks amid a series of troughs.



Enter The Trade When:

• The price falls below the support that formed from the prior troughs.

Watch For:

• A series of three peaks at relatively the same level.

Set Your Target Price:

For triple top patterns, exit the trade at a target price of:

• Entry price minus the pattern's height (distance from the support to the top of the highest peak).

Conclusion: Now You Know…

<u>The five most profitable chart patterns:</u>

• Symmetrical triangle

• Ascending and Descending triangles

• Head and Shoulders

• Double top and Double bottom

• Triple top and Triple bottom

I use these chart patterns all the time. Even if I'm not actually trading these patterns to make money I am always looking for them. I use these patterns not only to get into and out of trades but also to ensure my current trade doesn't get messed up.

For instance: I could be trading a particular strategy for the price to go up. However, I lost on this trade because I did not notice the 'blindingly obvious' Head and Shoulders pattern staring me in the face. So, keep looking and be aware of them.

Help, Support, Basic Training and Trading Room Access

My co-ordinator is Sue Ashcombe-Hurt. She can assist you with everything including access codes for my private trading room. Here are the contact details.

Sue Ashcombe-Hurt Tel: +44 (0)1270 760 797 Email Sue@tradeshareplus.com

Sue will confirm your details and provide you with access information. She will also keep you informed of any password changes that may be necessary. If for any reason you can't get hold of Sue email me on colinthetrader@gmail.com

NOTE: In the daily Trading Room sessions you MUST login using your full first and last name otherwise you will be ejected by one of the moderators. There will be no exceptions…