



Supremo FX

Trading Guide

Introduction

SupremoFX Signals is based on a complicated system. The core of this system is pivot, support/resistance and trend trading.

The user doesn't have to deal with any part of market analysis, and all that is needed is to follow the simple buy/sell signals generated by the software.

Even if you don't know anything about forex trading, you can still make a lot of money by simply copy/paste the signals of any trading platform – not only metatrader – for any broker you choose to work with.

However, working with trading software is – sometimes – not that easy!

For this reason, we created this small trading guide to show you exactly what you should do at any trading situation. More importantly, we will show you how to make the best out of this system .. with less effort possible.

We hope that you enjoy it,

Steven Lee Jones

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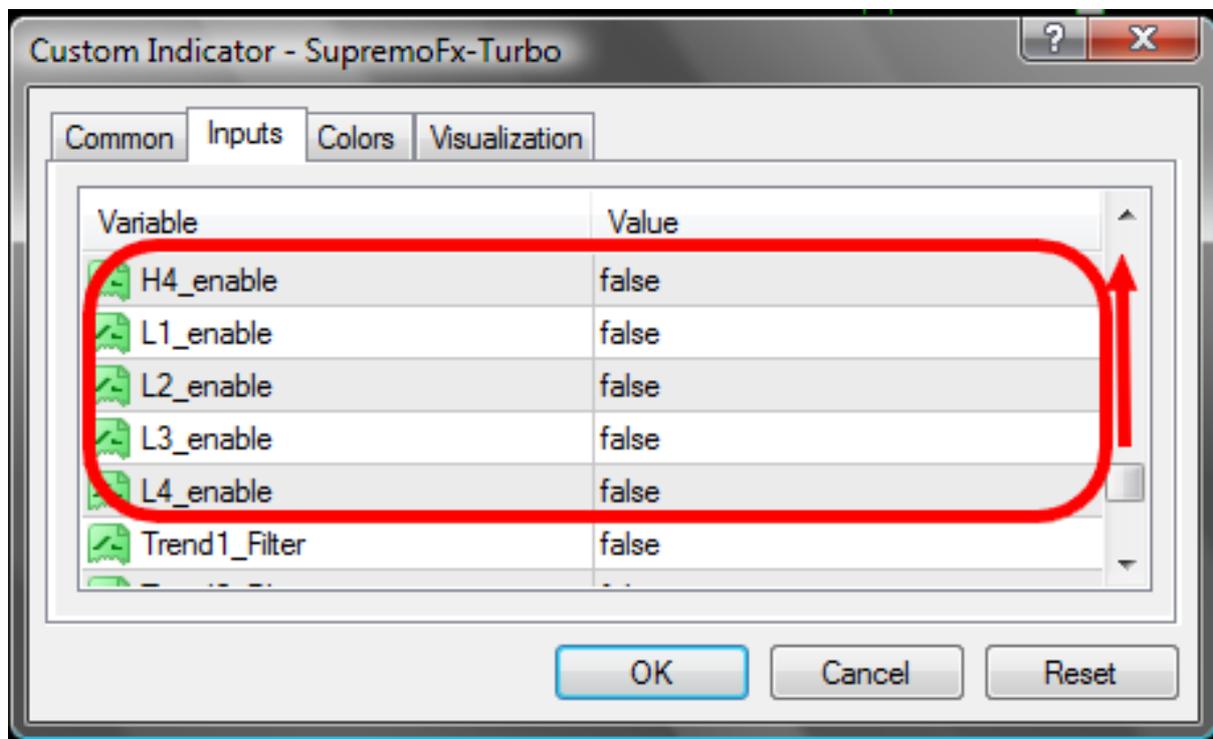
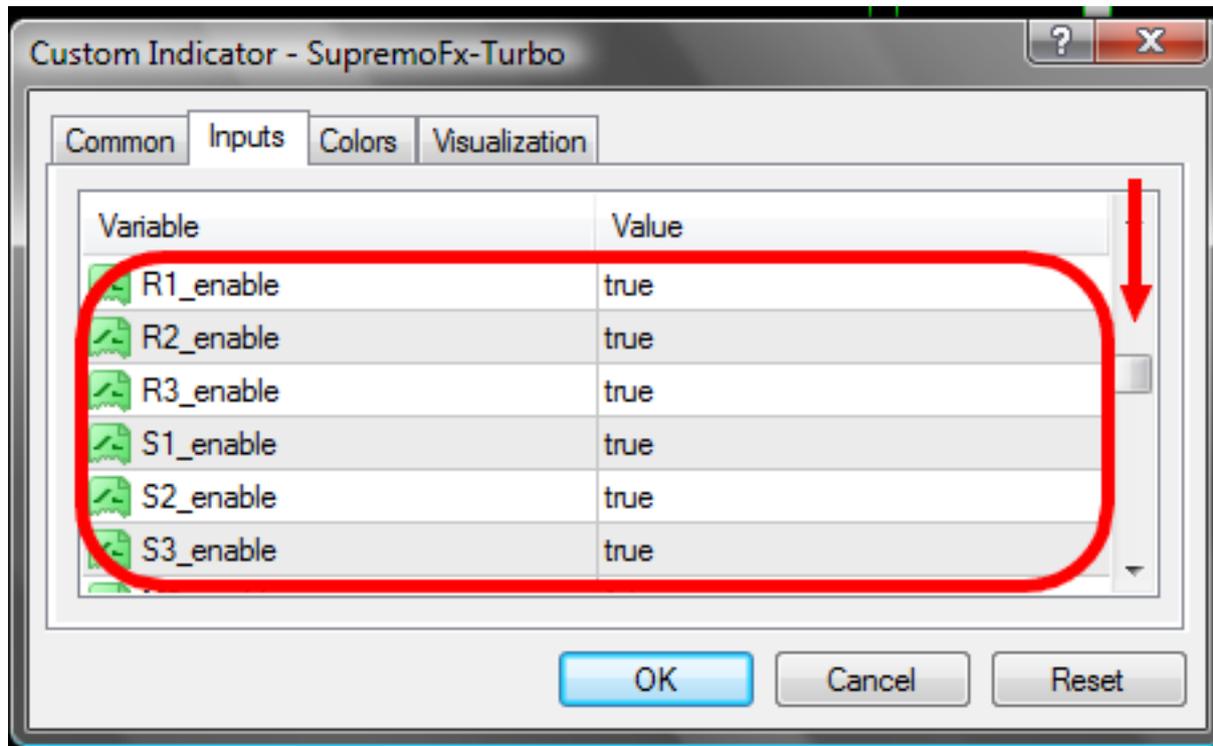
The System

The first thing you need to understand is how the system works.

SupremoFX is mainly designed for support/resistance trading. that means it will take advantage of price swings between support/resistance levels.



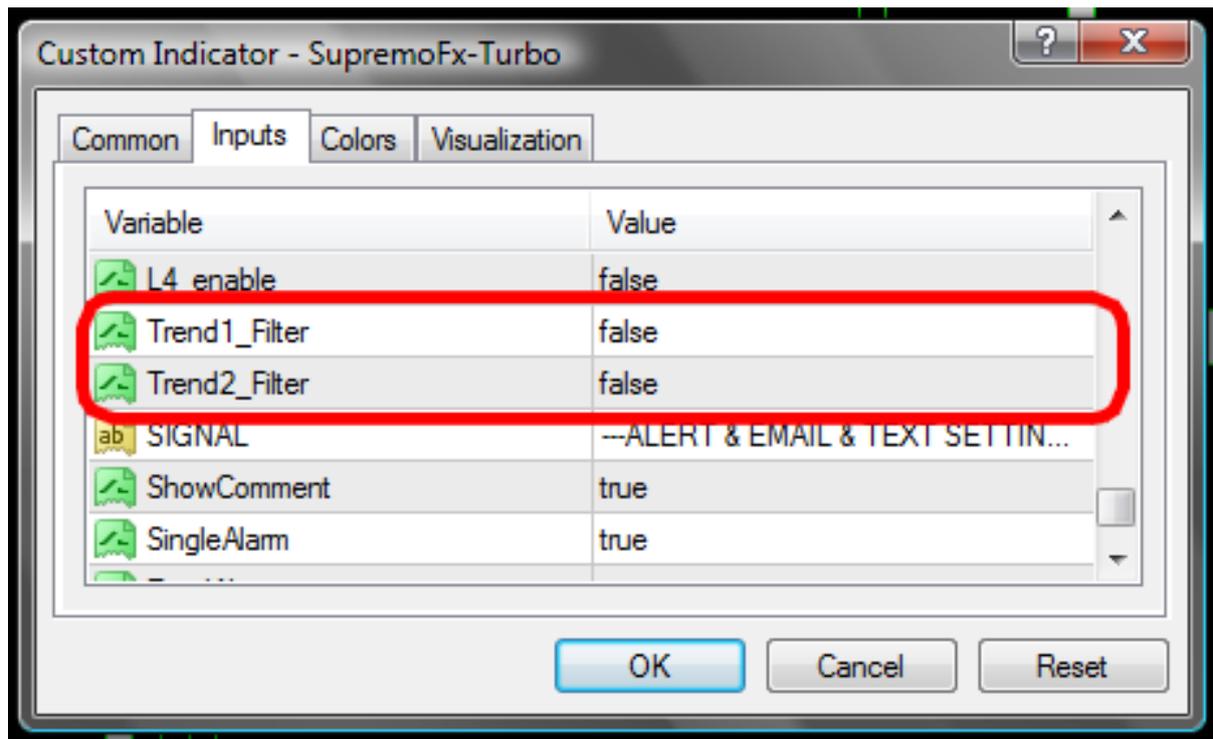
In the settings, you will see all support/resistance levels listed, from R1 to L4 :



The main support/resistance levels are : R1-2-3 and S1-2-3

All others are optional to use (true) or not to use (false) in trading.

The system also has the option to follow major trend, by using two trend filters. You can use one or both filters to only get the signals according to the current main trend.



You can use one trading filter, both, or only relay on support/resistance trading.

The same thing for MA filter (MA MODE) .. this option gives you the ability to use two kinds of moving averages to filter the signals even more!

Please note that the more trend filters you are going to use, the less signals you may get. But they will be more accurate and stable.

Also note that the more support/resistance levels you use, the smaller targets you will have.

Trading

When you first start using the basic system, you will see the signals in this form:

```
GBPUSD,Daily 1.6057 1.6065 1.5915 1.5986
SupremoFx Signals
-----
-> START SELL @1.61490000,SL=1.62490000,TP=1.59280000
```

That's one line of signal that tells you to buy/sell with stop loss/target points.

However, if you are using the Turbo version you will have the option to see double signals that would look like this:

```
GBPUSD,Daily 1.6057 1.6065 1.5915 1.5984
SupremoFX Turbo Signals
-----
-> START SELL @1.61490000,SL=1.62490000,TP=1.59280000
-> START BUY @1.59280000,SL=1.58280000,TP=1.61490000
```

The difference is, in the turbo version you can trade both sides of the trend at the same time. Depends on where the price is at the moment.

Why?

Because as you know, price doesn't move in a straight line, it moves in "waves". Those waves have swing points that forms support and resistance points.

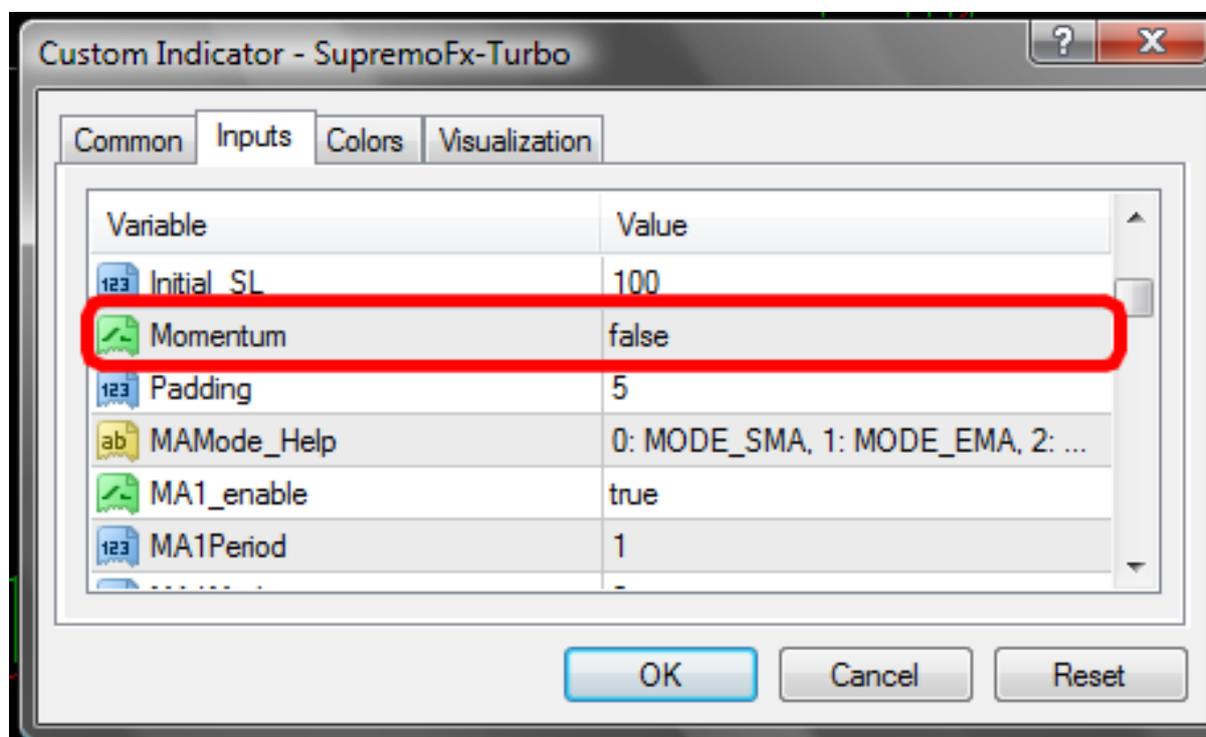
With the basic version you can only trade one side of the move, this move is usually the one that goes with the major trend of the market.

Sometimes, you will also get signals based on support/resistance points. But that may not happen often.

With the Turbo version, you have the option to trade all kinds of price movement. That of course means more profit opportunity.

How to switch between the two modes of trading?

In the Turbo version, you will see “momentum” option:



When this option is turned off (false) that means the system will trade both ways of price movement at a time. And you will get two opposite signals.

If this option is turned on (true) the system will only trade one way of price movement at a time. And you will get only one signal.

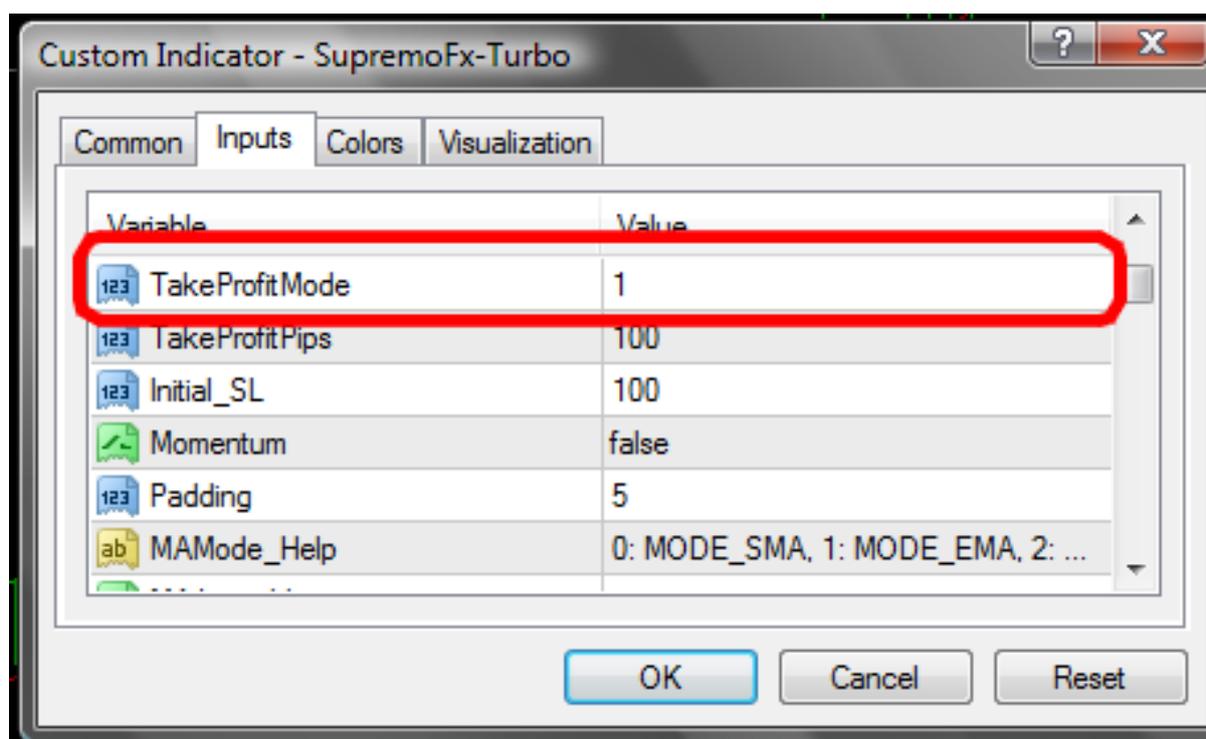
Targets

With the basic version, the system will calculate target levels for you based on support/resistance levels for each trade. That means, with each trade, you will have different target level (value).

But you will have a fixed stop loss value that you can change manually or keep/use the default 100 pips stop loss for all trades.

With the Turbo version, you have the option to use fixed number for target levels as well as using the auto target system.

You can switch between the two ways of calculating the target levels from the take profit mode input:



If the input value is (0) that means take profit mode is set to manual profit as chosen in the (Take profit pips) input value.

If the input value in take profit mode is set to (1) that means the system will calculate the target point automatically based on support/resistance levels.

Time Frames

As stated in the user guide, the system works with all time frames. However, the performance would not be the same on all time frames.

As we know by now, the system uses support and resistance levels. With small time frames, those levels are more stable, because simply they take more time to be formed and they are not likely to be broken by price.

On smaller time frames, those levels would not be stable enough for long term trading/target.

So the best thing to do is to use the system for scalping small time frames (15M and smaller) and keep your long term trading for higher time frames (30M and above.

If you wish to use the system as a “set and forget” system, then simply use 4H time frame.

The system also have the option to only work at the best time (for example – US/EURO Market open time) you will find that option in the first input in the settings window. You can set the best time you wish or keep the default working time.

Very important ...

When you start using the system for the first time, on any chart. you may not see a signal yet. Instead of waiting for a signals to be generated on the current time frame, simply change time frames until you get a signal on one of them.

For example, if you started using the system on 15M time frame. And there are no signals shown on the chart. switch to another time frame (1H – 4H or even Daily chart) .. until you get a signal.

If still there are no signal generated. Simply use the system on another currency pair.

The system only works on metatrader platform. But you don't have to use the signals on metatrader. You can use a demo account with any broker, and copy the signals to your own broker's platform.

Before you start trading, please take your time to demo trade the system for as long as it takes to completely understand how it works and how to have full control over all different options.

If you feel confused, then simply use the basic version – default settings.

The system is very powerful as it is. There is no need at all to add anything to it. It's not recommended to make it part of any other trading system or add any other indicator/system to it. That would only cause mixed signals and mixed results.

But you can always use any other trading method or analysis as a second opinion. Nothing wrong with that. Just remember to have only one master system that you use for trading.

Like any other manual system, you need to keep your eyes on the news. Especially all important news releases. The system was not designed for trading the news. So it's recommended that you stop using it at those times and start using it when the market gets back to normal.

RISK

Assuming you are dealing with a reputable broker, there are still risks to FOREX trading.

Transactions are subject to unexpected rate changes, volatile markets and political events.

Exchange Rate Risk – refers to the fluctuations in currency prices over a trading period.

Prices can fall rapidly resulting in substantial losses unless stop loss orders are used when trading FOREX. Stop loss orders specify that the open position should be closed if currency prices pass a predetermined level. Stop loss orders can be used in conjunction with limit orders to automate FOREX trading – limit orders specify an open position should be closed at a specified profit target.

Interest Rate Risk – can result from discrepancies between the interest rates in the two countries represented by the currency pair in a FOREX quote. This discrepancy can result in variations from the expected profit or loss of a particular FOREX transaction.

Credit Risk – is the possibility that one party in a FOREX transaction may not honor their debt when the deal is closed. This may happen when a bank or financial institution declares insolvency. Credit risk is minimized by dealing on regulated exchanges which require members to be monitored for credit worthiness.

Country Risk – is associated with governments that may become involved in foreign exchange markets by limiting the flow of currency. There is more country risk associated with 'exotic' currencies than with major currencies that allow the free trading of their currency.

Limiting Risk

FOREX trading can be risky, but there are ways to limit risk and financial exposure. Every FOREX trader should have a trading strategy – knowing when to enter and exit the market and what kind of movements to expect. Developing strategies requires education - the key to limiting FOREX risk. At all times follow the basic rule: Do not place money in the FOREX that you cannot afford to lose.

Every FOREX trader needs to know at least the basics about technical analysis and how to read financial charts. He should study chart movements and indicators and understand how charts are interpreted. There is a vast amount of information on FOREX trading available both on the Internet and in print. If you want to be successful at FOREX, know what you are doing.

Even the most knowledgeable traders, however, can't predict with absolute certainty how the market will behave. For this reason, every FOREX transaction should take advantage of available tools designed to minimize loss. Stop-loss orders are the most common ways of minimizing risk when placing an entry order. A stop-loss order contains instructions to exit your position if the currency price reaches a certain point.

Another important tool is lot size, lot size simply means the size of each contract/order.

There are three types of lots:

Standard lots = 100 000 units

Mini lots = 10 000 units

and micro lots = 1000 units.

With every Standard lot traded (100 000 units) a trader risks to lose / win \$10 per pip. (Pip means the smallest price increment in the last digit in the rate (smallest price change/move).

With every Mini lot traded (10 000 units) a trader risks to lose/win \$1 per pip. With each mini lot (1000 units) - \$0.10 per pip.

When you trade a lot it is 1:100 leverage. What this means is that you are getting a loan from the broker to control \$100,000 for your \$1,000.

For example, you have a standard account with 1:100 leverage then for every 1 Pip you gain there is \$10 in profit for you (not factoring spreads commissions etc.). But leverage works for you and against you at the same time, because for every 1 pip the forex market moves against you then you lose \$10.

Choosing a lot size to work with will have a great impact on your risk management.

“Which lot size is best to trade with?”

That is totally up to you, your account size and trading style. But if you want a simple straight forward answer then .. the smaller the better!

Forex is a numbers game. It's not only about price movement and the holy grail system. **Professional traders always play by the numbers.**

That's why even at the worst case scenario, they will always be safe.

Most beginners would spend most of their time learning market analysis and looking for the most powerful system on earth to trade with. But they forget about money management until it's too late.

Why do you think 90% of beginners lose all their money?!

You don't have to repeat this story. You already have a powerful trading system, and thanks to SupremoFX you don't even have to learn market analysis. But you have to learn and apply money management.

Happy Trading,

Steven Lee Jones

www.forextradingmanuals.com

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