


# FOREX & TRADING EXPERT

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Learn the ins and outs of trading without any struggle and improve your skills.

The background features a dark, textured surface with a faint, glowing line graph. The graph consists of several interconnected points and lines, forming a series of peaks and valleys. The lines are a light, golden-brown color, and the points are small circles of the same color. The overall aesthetic is modern and technical, suggesting a focus on data and analysis.

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# INTRODUCTION

# Introduction

**Forex (FX) is an acronym for Foreign Exchange and hence Forex trading refers to trading of currencies from different countries against each other.**

With over USD 2000 billion trading per day, Forex is the biggest market in the world, dwarfing the stock market and the best thing is, it is open 24 hours a day!

So how does one earn money in Forex? Forex traders generate profits by speculating whether a currency will rise or fall against the other.

You begin by choosing a currency pair that you expect to change in value and placing your order. For example, you spent USD 1,600 to purchase £1,000 today.

Few months later, if the value of sterling pounds versus USD increases, say £1,000 to USD 2000, you would gain USD 400 when you chose to end the trade. Alternatively, one can also hold his currency pair for minutes or days, depending on his own strategy.

It is commonly thought that the best money-making opportunities are with the most commonly traded currencies, namely the US Dollar, Euro, British Pound, Swiss Franc, Japanese Yen, Canadian Dollar and Australian Dollar, collectively known as the “Majors”.

Although historically only available to large financial institutions and companies, Forex is now accessible by members of the public due to the prevalence of the internet and therefore, is a good opportunity for investors to grow their money.

Contrary to common notion, you do not need a lot of money to start trading Forex. Some people even start with as little as USD 200.

While there are people who make a living by relying solely on Forex trading, it is important to be realistic with your expectations, especially if you are a beginner. As easy as it sounds, learning the correct strategies and practicing with paper trading before using real money can save you from losing your hard-earned money.

After all, no investments come without risks and it is how you manage the risk

involved that makes the difference.

## **Learning The Forex Trading Basics**

Are you looking for a place to invest your capital? Don't worry now. There is the financial market where you can invest in a profitable way. There are many large companies which are trading in this most liquid and volatile market and gaining profit with both hands.

If you like to adopt a trading career, due to forex trading. It is the best place to invest. Unlike many other stock markets, forex trading is the most appropriate place to invest because it operates 24 hours a day. It is present globally and you can also trade through electronic media such as the internet or even with your mobile.

For those who are new to forex trading it is simply buying and selling of currency. It is not as simple as it seems. It involves a lot of technicality. You need to learn a lot about forex trading before entry. In this article we emphasize on learning forex trading.

Nowadays accessing the forex trading market is not a challenge anymore. You do not need to go to the real foreign exchange market. You can access forex trading on the internet.

There are many software programs available online that will provide you with timely market updates, currency quotes, rise and fall in currency value and so on. Software will analyze and tell you when to buy or sell a currency.

It is recommended to gather maximum information before starting trade in foreign exchange market. You should know trade tricks for earning more profit. You can learn forex trading through experience and practice. To invest in forex trading and rule over it is not a child's play. The more you get into the forex market, the more you will be an expert player in this market.

Although forex trading is a big place to make money, on the contrary it becomes very expensive with one wrong move.

The last thing is when you have to trade in the Forex market. Since the Forex market is open 24/7 you can trade whatever time suits you best and you can get

out of it whenever you like. You just have to anticipate the trend of the market.

As compared to bonds and stock, forex trading is riskier. But it is more volatile. You can make billions of dollars in a few seconds.

Forex trading is not only for large firms and organizations. This market is open for everyone. The only conditions are that you should have sufficient capital and an account to deal in forex trading. You can opt forex trading as a part time task. You can trade any time you want.

You should have the right system to trade. Take free version trials of the system before getting it. Analyze systems by clients' blogs and testimonials about system working.

Last but not least is the selection of an experience and well reputed forex broker. He can provide you with a lot of advice to deal in the forex market and how you maximize your profit with increasing risk.

## CHAPTER 1

# **FOREX TRADING KNOWLEDGE AND EDUCATION**



# Chapter 1: Forex Trading Knowledge and Education

**Foreign Exchange, also known as Forex, has become the largest liquid financial market worldwide.**

It has no particular location, as exchanges are made by means of electronic network, thus getting the entire world involved in it.

Forex is not a sophisticated market, but you must take into consideration certain aspects if you want your trades to be successful. You can really earn great amounts of money, the way many people have done it and got rich overnight.

At the same time, you should always keep in mind that risks are involved too. It is necessary to get properly educated and have adequate knowledge about Forex trade before starting actual trading.

Many of the business schools across the United States have courses on financial trading and markets. Attending such courses will only benefit you, as they provide you with the required knowledge and skill to enter the Forex market and trade successfully there.

A good business school will teach you about properly reading the charts and correctly spotting the trends. Reading a chart allows you to have an overview on the direction a certain currency is heading to.

Thus, you will be able to decide on the currency you will trade. Reading a chart correctly is the skill that you need most on the Forex market. It helps you lower the risks of losing your money and increase your earning chances.

When deciding on a particular school, you should consider those providing real-time trading on models and even real accounts. It is a fact that the best learning comes out of experience. Therefore, you should be required to create both accounts.

You need a dummy one for practice and a real one to actually trade. Your real account should not be large, so that you don't lose much money if you make

mistakes. While practicing you get experience. You will better know the way Forex works, which will help you when you decide to become a real trader on the market.

Various trading systems should be available in these schools, so that you can try them and decide which is easier for you to use. Even more important, you get acquainted with the way these systems work and are used, for the same purpose of avoiding mistakes on the real market.

Due to the fact that it is largely based on speculating, Forex is indeed a risky market. You must have knowledge of the market, and skills to trade on it. You can earn money very easily, but at the same time you can lose it instantly. It is necessary to get properly educated before starting to trade on this market.

Nowadays anyone owning a computer and having an internet connection can trade on Forex. You should keep in mind the fact that Forex cannot guarantee winning for everybody.

The better knowledge you have, the better your chances are to get profit on Forex trading. You'd better not step in if you only think you can do it. Get educated first.

## **Getting Ahead In The Game of Forex Trading**

Nowadays every business is facing cutthroat competition. Companies are paying millions of dollars to get into their exact target market.

Whereas there is a market which pays you for knowing it.

It is forex trading. Forex trading is the recent name of foreign exchange market, where buying and selling of currencies takes place.

Before indulging in forex trading, you should have complete knowledge about the FX market. You should be aware of trading strategies and tactics, market trends, and factors that influence currency value.

Research is the most important element of forex trading. For getting complete information about forex trading you should attend trading courses and training programs or act as broker's assistant.

Forex training courses let you familiarize yourself with trading languages. It also makes you understand the foreign exchange market trends. It also tells you what the perfect time to buy and sell currency is.

These training courses help you to cope with immense challenges, high currency demand and market stress. It also equips you to handle unwelcome circumstances with patience.

In forex training classes you will learn to analyze the market that when buying and selling currency is beneficial and profitable. There you will also learn to deal with software and other tools.

Trading courses help you in doing financial and fundamental market analysis. Apart from theory, forex trading courses make you understand trading psychology and money management. All you need for Forex trading courses allow you to get into foreign exchange market practically through an internship.

These courses offer avenues such as conferences with traders that will make you learn through real time examples. With the help of these practical experiences, discussions and information you would be able to fully understand foreign exchange.

The Internet is a more efficient source of learning today. There are many online websites offering online forex trading courses at optimum price. You can learn risk and money management, financial and technical market analysis, strategies and tactics for trading.

You can also attend online lectures on modern software and tools being used in foreign markets. They also facilitate lifetime membership programs for more learning about latest market trends and strategies should be adopted to cope with these changing market conditions.

Every day there is a new innovation; online services allow you to learn new ways to handle changing market trends. As the numbers of online trading institutions are increasing rapidly, it facilitates you to know more ways of earning profit. You can have a complete track of the value of currencies and trade directories on the internet.

Moreover, it is said the literate and illiterate can never be equal. Similarly, you cannot succeed in the forex trading market without learning market language, its

trends, currency analysis and financial and technical analysis of the FX market.

Learning will make you a perfect speculator who can cope with every situation wisely and can minimize loss by earning maximum profit with proper implementation of strategies and tactics.

## CHAPTER 2

# **ASSESS THE RIGHT TIME FOR INVEST**

# Chapter 2: Assess The Right Time To Invest

**To trade successfully in Forex, you must be able to understand the trading signals that can contribute greatly to your profits.**

Select a chart that describes these trading indicators and rationally opt for a trading system that can optimize the benefit of these trading indicators.

These signals can help in making important decisions regarding market entry and exit or to make any adjustments in currency exchange.

Technical indicators describe the trading facts and figures by making certain mathematical calculations and state the time period that was selected for reckoning these indicators. Charts in Forex display continually updated exchange rates of various currencies, the upward or downward trends and the technical indicators.

Every chart is being updated after a specified time period. You must be acquainted with these charts and the technical indicators before making an investment.

It is a sensible norm to consult the charts before making an entry to Foreign exchange market. You can even consult multiple charts to figure out the best time of entry. After mastering at entry signals' evaluation, you must pay attention to the exit signals.

Consider many options from trailing stops, fixed stops and limit exits that you can use for your exit. If you intend to make short trade, try concentrating on 'turning points' by understanding any short-term pattern which can recur in the long run.

Monitor the currency pairs to figure out any such swing. Usually traders prefer to set a higher percentage for a short period, opting for the limit exit.

You can also consult exit signals that are based on real time transactions, to make a decision regarding your exit.

In addition to consulting the technical indicators carefully, you must use a signal that best suits your conditions. Instead of making a decision randomly you must stick to a logical mechanism. Try using multiple signals in accordance with many parameters that will lead you to risk aversion.

Evaluating various Forex signals along with technical indicators allows you to control your investment and anticipate the possible fluctuations in the market.

Trading in Forex requires rigorous attention and observation and any negligence can cause big losses. Technological advancements have made it possible to analyze foreign exchange market 24 hours a day through the internet.

You can even buy and sell currency on the phone, because the need for physical presence has been eliminated in Modern Forex trading.

Now-a-days if the Forex trading indicators meet the defined parameters, you'll receive an alert to invest or sell your stock. To ensure the maximum possible gain from your investment, decide on following the trading signal of an experienced service provider's signals.

You must find out the best trading system that suits you. Logical evaluation of figures and signals allow you to grab the right opportunity. You must conduct a thorough research before making a transaction and don't just rely on one source.

Read reviews, online trading forums, business newspapers and magazines on foreign exchange to deeply understand the underlying system of Foreign exchange trading.

Use software to evaluate signals or a method developed by any foreign exchange expert. Make notes and find out the right trading system that works for you.

## **Forex Trading: Finding The Right Time**

The Forex or Foreign exchange market is currently the largest financial market of the world where any vigilant person can earn huge profits.

Although forex is so vulnerable that it can turn profits into losses in no time, still currency exchange continues 24 hours (excluding weekends).

It enables international traders to run their business smoothly without considering the disparity of currencies between various regions of the world. Because of the volume of currency exchange, which amounts to trillions of dollars per day, forex can bring fortune to money traders around the world.

The fluctuation in the exchange rates of currency can jeopardize the earning opportunity of a trader easily. One must realize that forex trading is more of an art than merely sheer luck.

Familiarize yourself with the tactics of this risky game and understand the underlying rules that can lead to huge revenues. An important factor that can contribute heavily to your profits is the right time to sell or purchase currency in forex.

Because of the difference of time zones between various regions of the world, the trading activity doesn't stay at its peak 24 hours. There is an optimal time at which the maximum number of buyers and sellers gather around for foreign exchange.

You must be aware of the importance of these 'peak hours' during which the trade volume booms, making forex the most liquid market of the world.

The exchange rate of currencies is not fixed, as in banks and other financial institutions. Currencies are exchanged at a floating exchange rate and trade is done in pairs like dollar/Euro, Euro/pound.

One has to be very cautious because of the uncertainty regarding the rates of various currencies as current affairs and rumors can greatly affect the value of a currency.

According to the Eastern Standard Time, Forex starts working at 5pm on Sunday till 4pm. Almost 85% of all traders deal in important currencies. Trading cycle starts from New Zealand and expands to Australia and Asia.

The Middle East then joins the foreign exchange market followed by Europe. America takes part in trading in the end. Developed countries that have strong economies play a vital role in international forex with important currency exchange centers at New York, Tokyo and London.



All proficient traders of currency know that there's a specific time in forex when all markets of the world take part in the activity. When Europe and America are stimulated during the functional hours of Asia, trading volume reaches billions of dollars.

Because a great number of buyers and sellers of currency are available during these hours, capital becomes highly liquid and exchange rates are determined.

You must have a chart describing the working hours of forex in various countries. In Australia, currency exchange starts at 7pm, according to Eastern Standard Time and continues till 3 am. At 3 am Forex in Great Britain opens to business and closes at 11 am. Functional hours of London forex are from 2am till 12 noon. New York timings are 8am to 4pm EST.

As for Tokyo, currency is bought and sold during 8pm to 4 am. All these timings are listed according to Eastern Standard Time. If you draw a diagram, you'll realize that during 2am and 4am Open markets of Asia and Europe work simultaneously.

Similarly, during 8am to 12pm EST, American and European currency exchange businesses coincide. Keeping in view these peak work hours, you can be sure to reach the maximum number of traders around the globe and so the chances of earning high profits increase manifold.

## CHAPTER 3

# **FOREIGN CURRENCY EXCHANGE MARKET**

# Chapter 3: Foreign Currency Exchange Market

**We all earn professional degrees and pursue a career to make our future secure.**

To fulfill all desires and dreams we need enough resources that can help us access luxuries in life. Well that power is called money, which can ease your life by providing comforts and facilities.

Professionals and employers on average earn enough money to cover all expenses but cannot even think of going for a dream holiday or purchase luxury cars or ostentatious jewelry.

Because you won't be able to escape heavy debts afterward. So, consider earning money in addition to your regular job or small business and invest your savings to earn profits without spending your time and energy on it.

Instead of dumping your money in savings accounts of banks that always offer a fixed rate of return in a specific tenure, try something that is no doubt risky yet can bring you fortune. This opportunity is called Forex where foreign currencies are bought and sold 24 hours a day. Now if you're thinking that international traders usually exchange currency in Forex then what have you got to do with it? The technique is simple. You just have to understand the rules of trading and exchange, the timings and rate of exchange.

If you're capable enough to assess the right time to purchase a currency whose value is down at the moment but is expected to rise in the near future, you can earn huge revenues at Forex.

One foreign currency is bought by giving another in return, so the trading runs in pairs of foreign currency. The currencies of developed countries are traded more frequently than others. Favorites are US, Japan and England that ultimately reckons the currency pairs of these countries as important ones.

US dollar with Pound sterling, US dollar with Japanese Yen, US dollar with Swiss Franc and Pound sterling with US dollar, are the most frequently traded currency

pairs in Forex.

The downside of investing in Forex is the risk involved that can dump your investment because of the price fluctuations of currencies. When the conditions are suitable you can get a 100% rate of return on investment.

But if activity is low or the value of the currency goes down, you will have to bear huge losses because the loss margin is equal to that of gain. So, Forex can be a financial havoc for you if you don't have command over the mechanism and trading tactics.

You must invest your surplus money in foreign exchange market and must be fully aware of the possible market fluctuations. As it is said 'no gain without pain' Forex is a dynamic trade opportunity.

If you don't want to spare time or energy to examine Forex continuously, you can hire a stockbroker or financial analyst that is expert at such transactions.

Even then you must be able to read and understand forex rates, trends in the market, options to call and all other terminologies and structure of international foreign exchange markets. Read articles and tutorials online that will enhance your forex knowledge and will point out various norms of the largest liquid financial market. Keep one thing in mind, investing in forex is not gambling, rather it's a technical, tricky yet profitable game.

## **Forex Trading: Enormous Opportunities**

The largest financial market where foreign currency is bought and sold is called Forex, denoted by Fx. International traders and financial institutions like banks and brokerage firms and large businesses usually exchange currencies and invest huge funds in Forex.

Because of a great number of buyers and sellers around the globe, Forex is considered to be the largest liquid market for capital. The trade at Fx amounts to trillions of dollars daily and is constantly monitored by financial analysts and brokers in the whole world.

The fluctuation in exchange rates is mainly enjoyed by large investment banks and government financial institutions that purchase huge amounts of a specific

currency to sell at higher price in future.

Technological advancement has enabled the world to stay connected round the clock and exchange currency whenever conditions are suitable for trade. Anyone can now find complete information regarding Forex and the trends in the financial market to find out the right strategies before making an investment.

Countries having strong economies and infrastructure play an important role in Forex with currencies of US, Britain, Canada, Japan and Australia traded most frequently. Currency exchange in Forex only halts during weekends and continues 24 hours each business day.

Greatest benefit of FX is the immense geographical dispersion that allows sale and purchase of currency beyond boundaries, via internet and telephone.

To date Forex has gained international acceptance and importance for foreign exchange and doesn't fix the rate of any currency. Rather a currency is purchased at a floating exchange rate that is determined by the perception regarding the value of any currency and the willingness of parties to hold it. Earning profits at Forex is easier than the conventional way, where you don't have to produce or market any commodity. You just need to have knowledge, experience and an investment fund.

Among many advantages of investing in Forex, foremost is the easily liquefiable capital because of a great number of brokers and investors available round the clock. You will always find a buyer or seller for each currency type anywhere in the world. That's the reason for such enormous trading volume at Forex, which is \$ 1.5 million daily.

Besides, Forex investment is a technical and practical game and there are no hidden rules or intricate trade procedures. Past and current data is available to study trends and patterns in exchange rates and future predictions and analysis can be performed through various software's or by observing current affairs of a specific country.

You can sell or buy currency literally during the whole day. Just view the operational hours if you want to trade with a specific country's forex. Many brokers have now made it possible for small investors to invest money.

You can control your invested money by high leverage at Forex and can have as

high a rate of leverage as 1:400, which means you'll earn \$400 for each dollar invested on your account. You can directly sell your currency to the buyer without paying to any intermediary.

Only if you incorporate any brokers for financial assistance, you will then have to pay a certain percentage. With sound knowledge and keen observation and effective research, one can earn a fortune by investing in foreign exchange market. Find the right trading system for you and benefit from specialized software designed for unveiling exchange rates' trends.

CHAPTER 4

# **AUTOMATING FOREX TRADING**

# Chapter 4: Automating Forex Trading

**The present day witnesses a technological boom which determines many changes at all the levels of human knowledge and being.**

Trading has not been left untouched. Everybody trades in one way or another. It has become a must for survival. You can cope with the modern world only if you are open-minded, efficient and hard-working.

People trade all sorts of things, sometimes not even realizing they are actually involved in such an activity. The best example is Forex trading.

Individuals often trade currencies, although they don't think of it as such. If they were aware, they would know that they can make serious money from it. And it has become so accessible.

What used to be the exclusivist area of corporations is now at hand for almost everyone, especially with the increasing use of the Internet. All over the world people trade online. They may as well Forex trade online, no matter whether rich or not, provided that they are connected to the Internet. This kind of business requires quite simple things, such as a secured system which is used to produce signals.

These automatically generated signals can provide you with the long wished for an opportunity to hit the currency market. You can get them from any kind of media, be it television, newspapers, internet forums.

However, there is a risk that the signals you get are sometimes distorted. To avoid it, you must be able to choose balanced unprejudiced automatic signals.

To get these signals it is vital for you to have the right system, that particular software which was conceived for the purpose of Forex trading. You can find many systems on the Internet. As you can expect, they are not for free, but you can try the trial version.

Here you have reached the most important step. You must be absolutely sure you have selected the best system before buying it. You need to be aware of the fact that there are people who will try to persuade you into buying their software,



a system which will not work for a single second.

It is advisable that you make your selection from that list of systems which have been on the market for some years, which have established a reputation in this industry. You can get an idea of these systems by simply doing some Internet research or getting involved in online discussions.

Now that you have got the system, you can proceed to the next step, that of subscribing for automatic alerts regarding Forex trading. You are ready now to receive alerts and get into business.

These automatic signals alert you on the entrance and exit value for the main currencies. You know in real time where the Euro stands to the US dollar, so you can trade accordingly all day, the entire week.

Whenever there is a change for trading, you receive an alert. It can be sent either to your email or to your cell phone. These alerts really help you to make the wisest decision regarding your Forex trading.

## **Automated Forex Trading Strategy**

Having an automated Forex trading system can give you an edge in Forex trading but having a Forex strategy can give an upper hand. If you want to reap long term profits, then you just do not trade using your instinct or just because a particular trade excites you.

You need a trading system or a strategy to make sure that you are getting solid trades and transactions.

A Forex strategy or system consists of rules that guide you on how to make trades in the Forex market. A Forex strategy or system provides information on when to enter a trade and how to exit the trade. It would also enable you to apply and use risk management rules.

There are ways to know if your Forex trading strategy is really successful or good:

- Start knowing how successful it has been in the past. It pays to know how much previous or existing users of the system have earned so far by using

the strategy. Aside from that, also obtain some information on how much is the maximum drawdown of the system in its previous trading.

- There is a win-loss ratio which you can also check. It is about how much you have won compared with much you have lost. Aside from that, there is also a profit-loss ratio. This is about the average winning trade compared to the losing trade.
- You would also have to know how consistent the system is in delivering profits.

When choosing a Forex strategy, you do not only have to factor-in the success rate and profit percentage. You would also need to consider your lifestyle and what system can be used to fit or suit it. You would have to know what Forex trading system can be used appropriately in your time zone.

A useful strategy used in Forex trade is what is called leverage. With the leverage strategy, you would earn about a hundred times the amount of the money that you are trading in your account.

A lot of traders have testified that they were able to win a lot of profit by using this kind of strategy. So, if you have a funded Forex account, you can use this strategy to get more profits.

Another strategy is the stop-loss order. This strategy works by identifying a point where you will not trade. This trading point is identified and determined before the trading begins.

When using this kind of strategy, you would have to be able to analyze trading signals so you would not be mistaken with your prediction. If your predicted trade did not go on as you expected, the stop loss system could be very disadvantageous.

The automated Forex trading is another kind of system or strategy. Entering and exiting an order will be determined by your automated system. Again, the price and the point where the program would enter or exit a trade is predetermined.

These Forex trading strategies would help you have better trade opportunities in the Forex market. Whether you are using the leverage, stop loss or automated Forex trading system and strategies, 100% success is not guaranteed.

These strategies do not aim to give your perfect trades, because that is impossible. These trading strategies are here to help us minimize the risk of losing in the trade.

## **Automated Forex Trading System Benefits**

Forex trading has one of the largest market shares in the world. It earns about \$3 trillion every year worldwide. But Forex trading is mainly speculative, the profits and losses are based on the currency movement.

The big turn-out in profits attracts a lot of investors. Even those who are still beginning in this field are interested in joining, to make it easier, there is an automated Forex trading system that could help them make the transition easier.

With an automated Forex trading system, you would have a programmed system that could monitor the progress of the Forex trading real time. It utilizes an expert advisor and a set of indicators that interprets the Forex trade and can even show you an opportunity to trade.

What is good about utilizing an automated Forex trading system is the quick way of picking things up. If you are a newcomer in trading, this would minimize the lengthy process of learning the market and its rules.

You do not have to stay glued with the Forex market 24 hours to understand the Forex trading market. The software would keep tabs on the trade 24 hours a day.

This would keep you abreast with what is happening in real time. This would enable you to make changes to your account real time based on changes happening in the market. Major trading changes could happen in a matter of just a few seconds.

Aside from that, the automated Forex trading system gets rid of the emotional and psychological aspect of trading. There would be times when a series of losses can affect your way of thinking and analyzing the market.

This could result in bad and rash decisions in the market. But the automated Forex trading system and software would help you deal with it.

The software is also easy to use and simple to install. It can be allowed to run

into autopilot. Configuring the software would only last for a few minutes and then it can be allowed to do its work and its magic.

You can be successful in automated Forex trading especially, if you are using a system that is suitable for you and at the same time, you are familiar with.

This would also enable you to be flexible and have diverse Forex trade. The automated Forex trading system can work with different types of brokers and different types of currencies. You would be able to trade with different markets and currencies. You can trade while traveling.

But the automated Forex trading system is not perfect. If it is, then a lot of people would be winning the trade. Money management is still important. You have to know how much you are willing to risk.

To be successful, most traders would always have a fixed percentage of their equity at risk. They could increase the size of their trade in winning or decrease if losing.

If you already have an automated Forex trading system, then it would be better not to make any changes on the settings or the configurations. Having an automated Forex trading system does not guarantee success. Nor, is it the only thing that you should rely on to be successful in trading.

There are some factors that could influence trade. The Forex market changes very fast depending on different factors and situations. Aside from having an automated Forex trading system, the investor or trader also needs to have knowledge of the trading system.

## **Automated Forex Trading System Risks**

We've been hearing how great the automated Forex Trading system is. There are numerous benefits using it. But is it all about the good things? There are two sides in a coin, so what is the other side of an automated Forex trading system?

Some traders and investors would say that intuition means a lot when trading. Some would say that it played a major role when they are clinching a deal or when winning in a trade. But some traders would say that intuition does not play a role.

Some would say that it works for them, while others would contest that. But given the fact that some people rely on intuition to get good trades, an automated system would not be able to help them. Since programs and computers do not rely on intuition at all.

Another common thing that traders who use an automated Forex trading system do is make their computers and programs take their place in trading. Actually, this is a great idea.

Having a machine to do your trade for you makes you deal with other matters. But this turns into a disadvantage especially when you let the program and computer do ALL the work.

It is very easy to be comfortable with this setup, relying on your software too much. Actually, systems could make mistakes too. You would also need to recognize opportunities and at the same time do on-hand trading.

Another downside of an automated Forex trading system is making sure that your computer is running all the time and you have a dedicated server to run your automated trading. This is to make sure that your expert advisors or EA would work with your home and work computer.

There would be times when you would encounter a chart pattern or wave analysis which is very hard to accomplish. So, you would have to get some professional people to interpret your charts for you and decode some extremely hard patterns.

Another truth that you would have to face is that not all expert advisors handle errors and other unexpected things easily. So, you would need to brace yourself against anything that could disappoint you.

Not everything is perfect. So, you should be prepared to face disappointments and handle them. This is why you would still need knowledge in manual Forex trading.

Nothing is perfect, even computers and programs still make mistakes and can find it difficult to deal with unexpected and crucial points in trading. Traders and investors prefer to use both automated and manual trading. They would use an automated trading system if they find manual trading difficult. While, simple systems like simple chart patterns are left to be done manually.

Aside from all of these, another downside is that automated Forex trading is too popular over the internet. This can either be good or bad. The good thing is that getting an automated system is easy and at the tips of your fingers.

While the bad thing is that too much popularity can cause numerous websites to come up with scams and cheating over the internet.

There are a lot of automated Forex trading systems for sale on the internet. They claim that their products are the best among the systems, but they fail to meet the standards. That is why, people are advised to check on the comments of customers and have a money- back guarantee for the purchase.

## **Using Forex Trading Software**

Money is needed all the time. Almost all the things that we need to have or use for our living must be paid for. Actually, "money makes the world go around", as the song says. There is no wonder then that there are systems which allow world currency trading.

The greatest financial market around the world, Forex works with thousands of million dollars all over the world, 24 hours of 24, seven days of seven. A real trader would know that this market can seriously increase his income and would consider getting involved with the business.

There is already on hand software which helps you to develop your Forex trading through automatically selling and buying currency on your side. Fortunately, the range of choices is quite wide, so you can select whatever software you want.

There are even websites which upon signing up provide you with free trading software, a bonus for creating a Forex account on them.

Sometimes it is just the demo version, and most likely you must pay for the real one.

Several types of currency trading software can be accessed on the Internet. It is advisable that you try the demos first and see which is easier to use, and afterwards purchase the full version. As a currency trader it is vital to have an automatic for your Forex trades.

There are basically two types of software: web based, and desktop based. It's your choice which program you need, and it's still you that knows how comfortable you feel when using certain software for your trades.

Regardless of the type of software you have decided to trust in, you should know that internet speed is essential. It is extremely important that your internet connection is a high speed one, so that you are kept away from any information delay, which might otherwise result in a financial catastrophe.

Software which is desktop-based operates with data stored in your computer hard-disk. Although information is on your drive, you need to secure that drive from any possible crash, virus or hacking.

It is strongly recommended that you use a single computer for currency trading. There are also computers especially conceived for this purpose, but they are rather expensive.

Web-based software differs in as much as security should be the provider's responsibility. It is more comfortable to use it, as you are not required to download any software. In addition, you can handle your Forex trades from any location in the world. You only need an internet connection to access your account.

Besides these differences, there is also a price one. While for the desktop type you only pay once when you purchase the software, the web-based one requires a monthly fee for system maintenance.

There are advantages and disadvantages for each type of software. Neither is good or bad. The one that suits your needs, that is the best for you. It is important, though, to have automatic software for Forex trading which provides real time access to data and changes on the market.

## CHAPTER 5

# **FOREX BEGINNER: HOW TO OPEN A FOREX ACCOUNT**



# Chapter 5: Forex Beginner: How to Open a Forex Account

**Unlike the stock market, Forex trading does not happen at a physical location nor does it have a central exchange.**

Hence, a Forex trader can trade wherever they are, 24 hours a day for 5.5 days a week! No wonder that Forex trading is so attractive to many new investors. To start Forex trading, you would first need to open an online trading account where all your currency transactions will take place.

Opening a Forex account involves four simple steps:

## ***1. Choose an Appropriate Forex Trading Site***

There are two things to consider when choosing the right Forex trading site for you. First is the leverage the site offers. Each site offers different leverage, which can range from 50:1 to as high as 250:1.

A leverage factor of 50:1 for instance, would allow a person with USD 1,000 in his account to trade USD 50,000 in the Forex market. While this could allow you to make large gains with small investments, it can also amplify your losses if a trade moves against you.

It is important to understand the risks involved in determining your intended leverage. Also, the trading site should be commission-free, as you do not need to go through a third party, like brokers for stocks.

Examine the site properly before you decide to make sure they offer features that you need.

## ***2. Choose an Suitable Account Type***

Forex trading accounts come in different sizes, ranging from USD 25 (micro / mini accounts) to USD 10,000 (standard accounts). Choose the account size according to the amount you want to invest in.

Choose a Forex trading spot account, which allows instantaneous trades and is

more popular, instead of a futures account.

### **3. Register For a Forex Trading Account**

Most of the registration is done online and would require your personal details as well as your credit card details for real cash trades. Make sure you enter your email address properly.

### **4. Activate Your Forex Trading Account**

You would be asked to verify your details through several steps. Make sure you read through and understand the terms and conditions before you sign them online. Pay particular attention to the operating hours of the site, the availability of live technical support and any hidden commission/charges.

Some sites also offer a limited-time demo account with no real cash involved. You can use it to familiarize yourself with Forex trading before you trade with real cash. Congratulations! You are now ready to hit the Forex market!

## **Understanding Forex Jargons**

One of the major frustrations of Forex traders is the awful lot of jargon. Googling those terms does not seem to help either because the explanations are more often than not, contain other jargons.

This chapter will explain five common technical terms used in Forex trading in layman language.

**Quote:** Forex trading is always done in pairs and thus a currency is always quoted relative to another currency, e.g. USD/JPY, EUR/USD, AUD/GBP. A quote would look like this: USD/JPY = 100.00.

The currency on the left (in this case, US dollar) is known as the “base currency” and always equal to 1 unit, whereas the currency on the right (in this case, Japanese Yen) is called the quote or counter currency.

A quote is how much one unit of the base currency, hence this particular quote means that USD 1 can purchase 100.00 Japanese’s Yen.

**Pip:** stands for “percentage in point” which is the smallest increment of trade in

Forex. Prices in the Forex market are always quoted to the fourth decimal place, except Japanese Yen; e.g. when EUR/USD rises from 1.5200 to 1.5201, it rises by 1 pip.

For Japanese Yen, 1 pip is equivalent to 0.01 (two decimal places). Most currency pairs trade between 100 – 150 pips daily.

**Bid/Ask:** In Forex, to bid means “to buy” whereas “to ask” means “to sell”. The quote on the left is the bid (buy) price while the quote on the right is the ask (sell) price, and the bidding price is always lower than the asking price. The base currency would be the one in which the transaction would be conducted.

Let’s look at the example, EUR/USD 1.2600/02. To sell this currency pair means to sell the base currency, i.e. the EURO. The market would buy your 1 EURO base currency with 1.2600 USD. On the contrary, to buy 1 EURO, you need 1.2602 Japanese Yen.

**Spread:** is the difference between the ask price and the bid price. Using the same example as above, the spread was 2 pips, which you automatically pay to your broker at every trade.

**Margin:** The minimum amount of money required to place a trade with a broker. You can trade as long as your account has this minimum amount, otherwise your accounts would be closed down.

Understanding the terminologies would definitely boost your confidence in trading and discuss your trade with other traders without sounding like a total novice!

## CHAPTER 6

# **SUCCESS STRATEGIES FOR FULL TIME FOREX TRADERS**

# Chapter 6: Success Strategies For Full Time Forex Traders

**If you have just started your Internet home-based business as a full time forex trader and are a little bit confused on how to earn good profits out of the forex market, then this chapter is for you.**

Starting an Internet Home based business as a forex trader is very easy. You just require a PC with Internet connection, forex account and forex trading software. Earning regular profits from the forex market is your main object and you must plan your strategies accordingly to achieve your prime goal.

Full time forex trader must know the forex market very well. It isn't possible to know and learn in a single day. It is the process and you have to enter into this process for success in the forex market. First try to gather as much information as possible from different sources related to the forex market.

Then search for the best forex trading course for you and learn about the different critical situations about the forex market and what to do when. Once you are finished with the forex course then try your knowledge and make trade using forex dummy accounts. Forex dummy accounts are the best friends to forex beginners.

Here you will find the real forex market situations to test your skills with no risk involvement as you are not playing with real money. Once you practice with the forex dummy accounts it is the time to get the right forex trading account and platform for your forex trade.

It can be done by getting the right forex brokers who will help you in all your forex trading activities.

You must take the help of forex alerts, but your source of forex alerts must be reliable and trustworthy. Forex alerts help you to make the right decision and times it helps you to check your predictions with the predictions of the forex market experts, which help you boost your confidence in the forex market.

You must take the help of forex technical analysis for all your complex forex trades in the forex market.

## **Success Strategies For Part Time Forex Traders**

Forex market is a money market. Millions and millions of people come daily to try their luck. Some of them get success in the market, whereas some get failure. Those who get success like the style of the business and make it their regular source of income and who get failure, leave the forex market and never come again.

When I ask myself what is the reason for success and failure in the forex market? I found only one answer – Strategy. Right strategy makes a man successful whereas following the wrong strategy makes him a failure in the forex market. Here we are going to discuss the success strategies for part time forex traders.

As we all know that the part time forex traders are those who can only provide some time of their day or week to the forex market and want to earn good profits in the forex market. So, they must plan their strategies accordingly and execute them rightly to get success in the market.

They must use an automated forex platform instead of a regular forex platform for their forex market trading activities. Automated forex platform saves the time of the trader by generating the trade at best possible trading conditions in the market automatically and it also earns steady money on a regular basis for the trader in the forex market.

Most of the part time forex traders are taking the help of forex alerts for their trades in the forex market. Forex alert is the paid or free advice from the forex experts to the forex traders to perform trade in the forex market.

You must get the forex alert and it must be from a reliable and trusted source. You can make the best use of your automated forex platform by combining it with the trusted forex alerts for the better results in the forex market.

## CHAPTER 7

# TIPS FOR TRADING FOREX SUCCESSFULLY

# Chapter 7: Tips For Trading Forex Successfully

**Undoubtedly, trading involves much more than just what is contained in some short tips.**

A solid trading system is necessary, augmented by experience, a courageous spirit, and, of course, capital.

But, for most people just starting in trading, and others who are possibly losing their zest and confidence due to large, but hopefully temporary, drops in market values, a basic overview can restore clarity to your trading.

With that goal in mind, some tips are presented that we hope will assist you as you seek to navigate these exciting financial waters:

1. If a position is showing negative activity, do not increase the risk by getting in deeper. This is the same as the old trader's saying, "Never add to a losing trade".
2. Never fail to decide upon a stop and a profit objective prior to your entering a trade. Use your knowledge of the market to determine placement of stops, not the amount of money you have available in your account. It is not feasible to conduct the trade if an adequate stop is too costly.
3. Keep in mind the privilege of a position. A market judgment should not be made when you are already in a position. Once you are in a position all of your decisions about adding to the position, protecting the position, or exiting the position should already be made.
4. Sometimes circumstances change and when you determine that, you make the choice to exit a trade. Don't assume you can just take your choice of price with the easy plan to exit at the market.

One example of this is when some surprising big news comes out following a big event. This can push the acceptable level of volatility beyond that which works with your trading methods.



5. Don't buy a dull market in a Bear market and don't sell a dull market in a Bull market. Simply translated this means that if there is no momentum in one direction or the other then the chance of the follow through necessary to profit is slim. Enter trades that you have determined will have the greatest chance for success.
6. When the market is very volatile or is experiencing a lack of liquidity, you should not trade at all. Even when there is potential for extreme volatility caution should be exercised. Although volatile market movements hold the potential for huge gains, they can be far too unpredictable. Always avoid unnecessary risk when trading.
7. It is important to keep in mind that the same trading systems do not always work in both up and down markets. If you have a trend-following Forex trading system you must understand that there is always the potential for it to perform less than admirably in sideways markets.
8. You need to adjust your trading strategy with each market type: up trending, range bound, and down trading. Ideally with a trend-following trading system it would be best to avoid sideways markets altogether. There is nothing wrong with a trend-following system which "stands aside" during sideways markets...in fact it is preferred that it stand aside.
9. Choose trades that move along with the dominant market pattern. Although up market and down-market patterns are always discernible, one or the other is always the most dominant. For instance, during an up market, sell signals are repeatedly taken, only to be respectively stopped.

This all goes back to the timeless statement, "The trend is your friend". Trading in the direction with the greatest probability for success is just common sense. This is not to say that you can't develop a counter-trend trading system that can be profitable.

10. A sell signal is just a failed buy signal; a buy signal is just a failed sell signal.
11. A losing trade is always much less difficult to enter!
12. Follow your gut instincts; if you don't feel good about something, don't trade.

- 13.** When you hear a Forex trading tip, ignore it. Go with what you know and that is the trading system you have taken the time to develop faith in.
- 14.** Current events in the news only are significant when they DO NOT propel the market in the direction of the news.
- 15.** You gain a modicum of understanding when you read yesterday's paper today, armed with knowledge of the market's activity today. You realize that yesterday's market activity has no impact on today.
- 16.** Never make your trade decisions based on the direction of a gap. The market should not force you into a trade.
- 17.** Use the rule of "in late, out early," being mindful that the first tick and the last tick are by far the most expensive.
- 18.** Exit when you realize everyone else is in.
- 19.** Don't add to the risk factor by trading when ill. Trading can be strenuous enough without the added stress of not feeling well. Avoid trading when there is anything which might affect your trading discipline.
- 20.** Your unit of trading should only be altered when you have a plan of attained goals. You should establish a reduction plan for times when the market experiences lower volume or your trading is a little off. A good money management system is part of every good trading plan. It will reduce your position size when your trading system gets out of sync with the market and increase your position size when your trading system is in sync with the market.
- 21.** Don't be cocky or boastful in any way. Enjoy your trading success with pride and modesty.
- 22.** Judge your success by the growth of your equity over time and not by the success of individual trades. Even a bad trader can have a winning streak.
- 23.** Taking a break from trading for a day will often break a losing streak.
- 24.** If you are on a roll, keep going! You are doing something right. Why in the

world would you want to stop? When you and your trading methods are in sync with the markets, just keep your winning streak going.

25. When you are having an off day, turn off the computer screen and find something else to do. Don't just keep at it when you are losing; that doesn't make any sense. Walking away for a while is not an easy thing to do, but it is important to discipline yourself to do it.
26. Scalpers reduce the number of variables affecting market risk by being in trades or positions only for a few seconds. Day traders reduce market risk by being in trades for minutes.

It makes perfect sense that the smaller your profit target the quicker it will be hit. This is what has attracted so many to day trading. If this style of trading interests, you please keep in mind the following:

### **Increased Frequency Of Trading = Increased Transactions Costs**

27. The decision to convert a scalp or day trade into a position trade means that you did not understand the risks of the trade adequately.
28. Don't let an opportunity that you missed trouble you. Opportunities are around every bend. There are new opportunities every single day. So many new traders like to talk about the big money that they left on the table. Experienced traders are happy to have taken their slice of the price action. Rarely, if ever will you get 100% of the possible potential profit of ANY trade.
29. You are better served by learning to trade Forex than searching for an elusive secret formula.
30. Don't trust the advice of others because they probably didn't do as much research as you did. This is a statement that really hits home. It does sometimes seem that the grass is greener on the other side of the fence. There will be days when it seems like everyone else is in the know except you. Don't let that bother you. If you've done your homework your time will come.
31. Mentally establish the reality of what is happening, good or bad, up or down, by affirming it aloud amid a mind full of preconceived notions. If you

have a losing trade don't be afraid to say to yourself, "Clearly my trading method did not work out on that trade, but my research has shown me that if I continue on this path I will succeed!"

- 32.** Flexibility is absolutely necessary to be a success at day trading. You need to be an informed participant, understanding the market potential for both sides of the market. An informed decision-maker makes trades with understanding of what is the current market climate.
- 33.** Deliberate, even bemoan and confess your errors in discipline. You will continue to make these types of errors for many years, it seems, and so reminding yourself may delay the inevitable.

If this list made you uncomfortable, then you are like many other traders in two ways:

- A.** You have enough trading experience to understand that the mistakes are yours, not the market's, and you seek to overcome these inadequacies.
- B.** Oddly enough, you have become one with the market. You could not leave, and you do not want to. Wherever you go in life, you will ALWAYS keep tabs on the market.

# CONCLUSION

# Conclusion

**Forex trading can be fun as well as tremendously profitable, but in all honesty, it is always more fun when it is profitable.**

In the examples you were shown you can see firsthand that trading Forex does not have to be complicated. Yes, it takes work and dedication, but all things which have huge potential rewards require work and dedication.

The rules, tips, and techniques laid out in this book are designed to lay the groundwork for you to trade successfully. Some of these are hard and fast rules that you definitely must not ignore. Many of the hard and fast Forex trading rules have to do with discipline and risk control.

Without these you simply cannot be successful. Even if you are exceptionally well capitalized you can easily make your account disappear without risk control.

If you do remain disciplined, properly capitalized, and risk aware, Forex trading offers you the opportunity of a lifetime. The leverage available in Forex combined with proper money management can grow a small trading account to levels of equity that you never thought were possible.

To Your Trading Success!