

# HIDDEN FOREX PIPS

## **Disclaimer**

Please be aware of the loss, risk, personal or otherwise consequences of the use and application of this book's content. The author and the publisher are not responsible for any actions that you undertake and will not be held accountable for any loss or injuries.

U.S. Government Required Disclaimer -  
Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risks. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading software or methodology is not necessarily indicative of future results.

CFTC RULE 4.41 - HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT

REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. Hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading.

All information on this website or any e-book purchased from this website is for educational purposes only and is not intended to provide financial advice. Any statements about profits or income, expressed or implied, do not represent a guarantee. Your actual trading may result in losses as no trading software is guaranteed. You accept full responsibilities for your actions, trades, profit or loss, and agree to hold Hidden Forex Pips and any authorized distributors of this information

harmless in any and all ways. The use of this software constitutes acceptance of my user agreement.

## **Copyright**

This book is the copyright of and cannot be re-written, re-published, STORED OR LINKED AT ANY FILE SHARING SITES or FORUMS or used for any other books without proper referencing without permission. The use of the book is limited to your personal use. Spreading out the copies without paying for them is illegal and protected by international copyright law.

Copyright © 2010 [www.hiddenforexpips.com](http://www.hiddenforexpips.com)

Dear Members

Let me introduce you to the one of the The World's simplest forex price action strategies - "Hidden Forex Pips".

This is a simple system (pure mechanical) that I have been using for years. You don't need to be a Forex guru to use this system.

There is ALWAYS an opportunity to make some pips whenever you have time, keep reading and I will explain why...

I recommend that you open a demo account and try it. You will be very impressed! Make sure to open history charts to see how profitable the

system can be.

Profit: 10-150 pips per trade. 3-15 trades a day.

You can use this strategy anytime you want, there are always very strong signals ( I will explain below..) The system will work on many Forex pairs and many major Stocks. The rules to this system are simple, and executing and managing trades will take no more than five minutes of your time. The only tricky part is bringing your knowledge base up to speed with the strategy.

Let me introduce you to the four simple steps below. Then I'll take you through some actual examples in order to illustrate just how easy this system is.

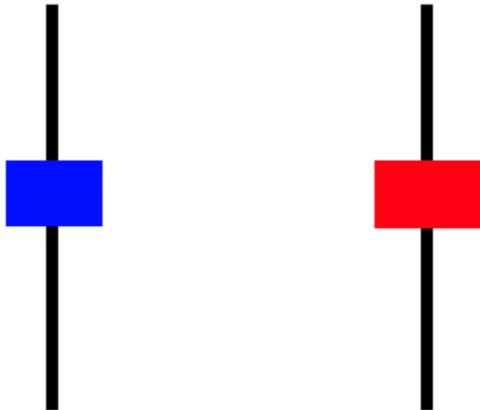
This trading system involves 4 simple steps:

1. Identify your signal candlesticks figure
2. Wait for a confirmation candle to close
3. Place a trade
4. Manage your trade later..

## **The Strategy**

Let's start! The "Hidden Forex Pips" is a pure mechanical system. It is based on a trend reversal. The first signal for a trade opportunity is a candlestick with a "small body".

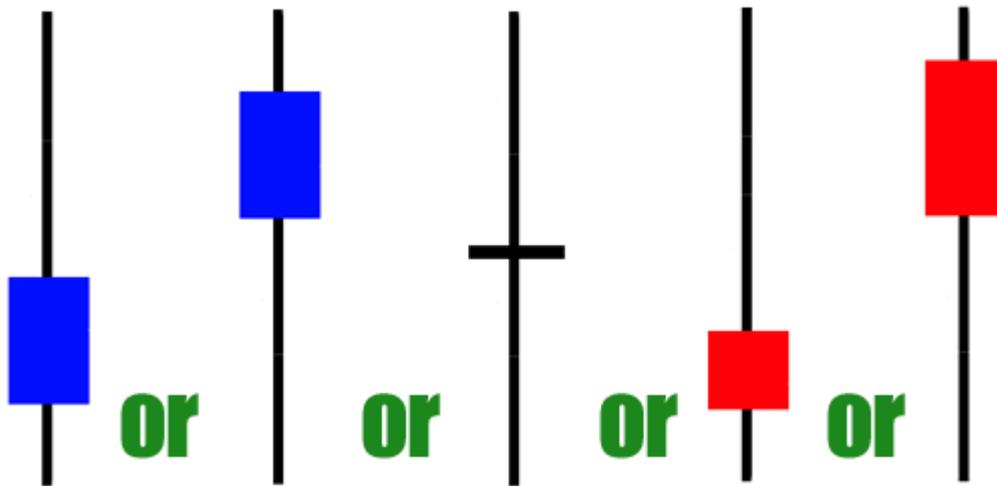
*Blue ( bullish ) or Red ( bearish )*



When such candlestick forms on your chart – it indicates that a trend getting weaker and a trend may change direction very soon. The color of the "small body" candlestick doesn't matter. Mostly it will be a different color than the current trend.

The special combination of a "small body" candlestick with other candlesticks is a strong confirmed sign of a trend reversal – keep reading and I will explain how it works and why...

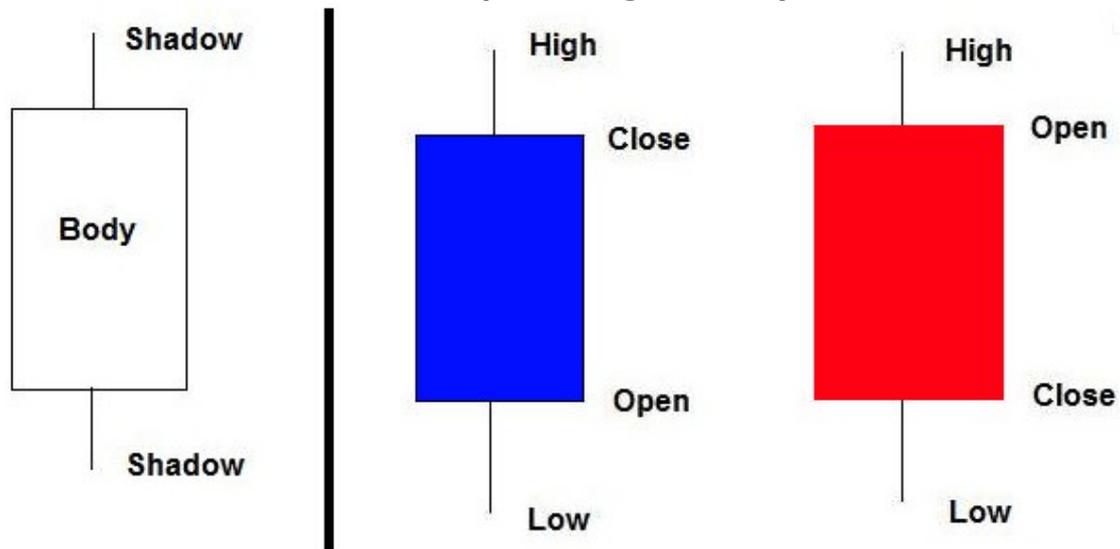
*Other examples of a "small body" candlestick which are valid too:*



Anyone of this candlesticks is a valid signal

The tricky part is NOT those candlestick formations (they are known to experienced traders as "doji", "spinning tops" etc..) but the exact laser accurate algorithm: when to enter to eliminate false signals, where to place a stop loss and how to exit.

*Candlestick structure (for beginners)*



## Quick step by step:

Pull up a chart.

Wait for the last candle to form.

If the previous candle (lets call it #1) has a formation like on the samples above and a current candle (lets call it #2) is:

- about to close below candle #1 (reversal from a bullish to bearish trend)

or

- about to close above candle #1 (reversal from a bearish to bullish trend)

immediately get ready for a trade!

Blue or red candlestick (bullish or bearish)

Detailed samples will be shown below.

Place your order as soon as you get your entry signal (explained below)

Place your stop loss order.

Close your trade with profit.

Below I will show you what to do – step by step.

The system works on 15 minute, 30 minute 1 hour, 4 hour and daily time periods. This is one of the most simple but very profitable price action trading systems available today.

## Setup step by step:

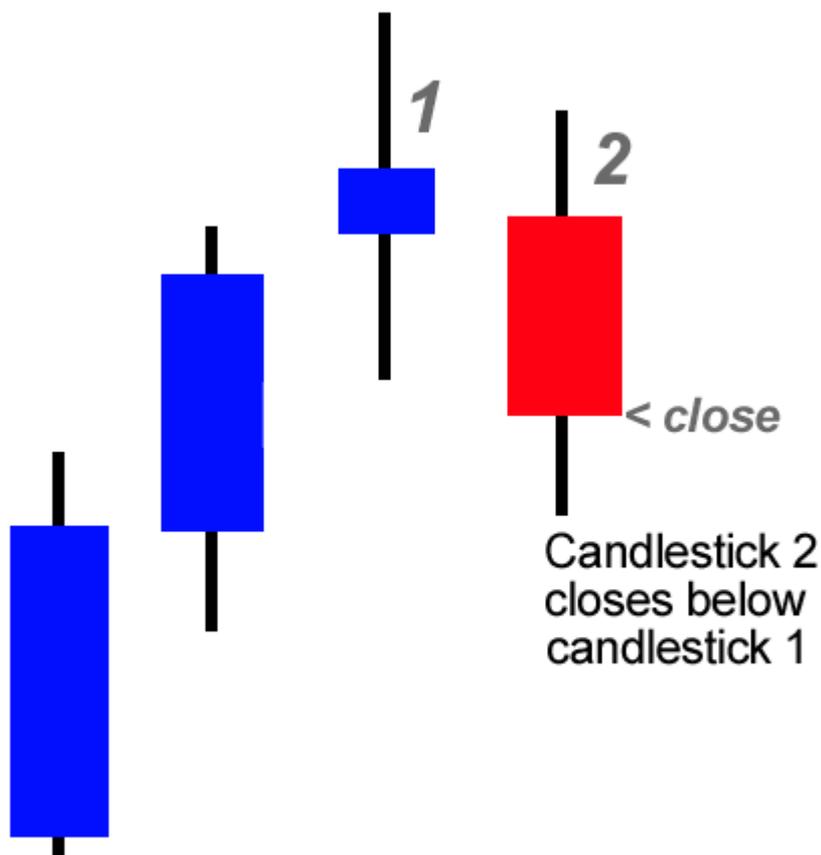
-The main idea of the system is a trend reversal. We catch a new trend and get profit very fast and easy. The first moves of the new trends are always very strong.

-Pull a chart ( any time frame ) and wait for the last candle to form. If there is a combination of two candles matching the picture below - it is your trade opportunity.

Let's call them as follow: Candlesticks 1, 2 and 3.

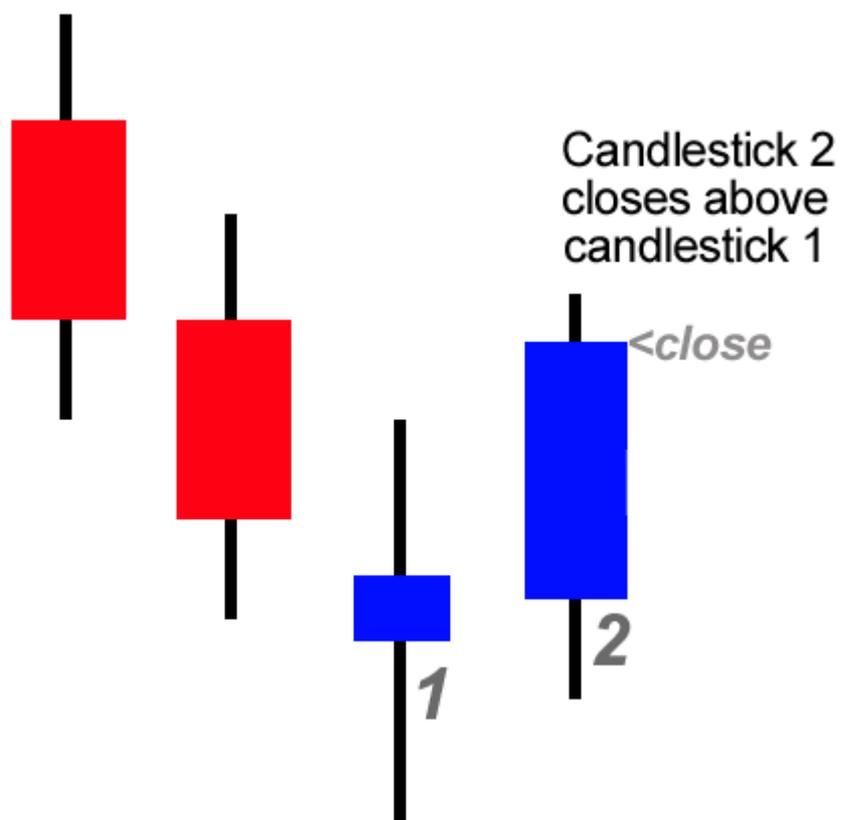
- see the samples below:

*Short trade opportunity. A trend reversal signal:*



Candle #2 must close below the "close" of the candle #1

*Long trade opportunity. A trend reversal signal:*

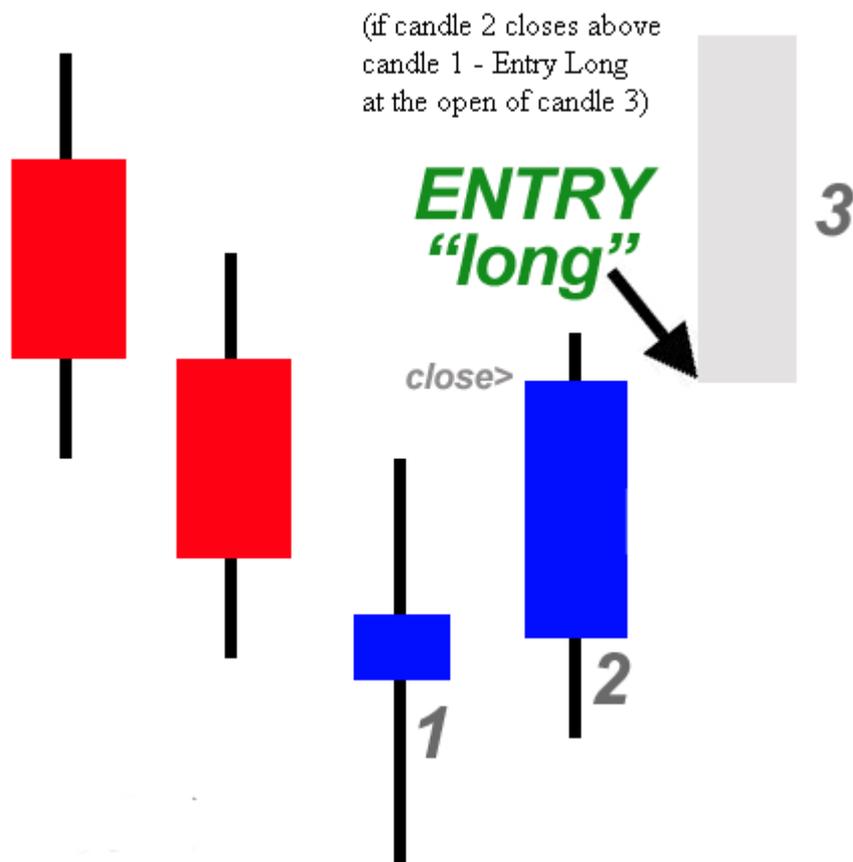


Candle #2 must close above the "close" of the candle #1

Looking at your history charts you will see a lot of candle combinations like the one on the picture above and all of them are great trading opportunities! Usually each trade brings you 10-150 pips profit depending of the timeframe (longer timeframes – stronger trends – more profit)

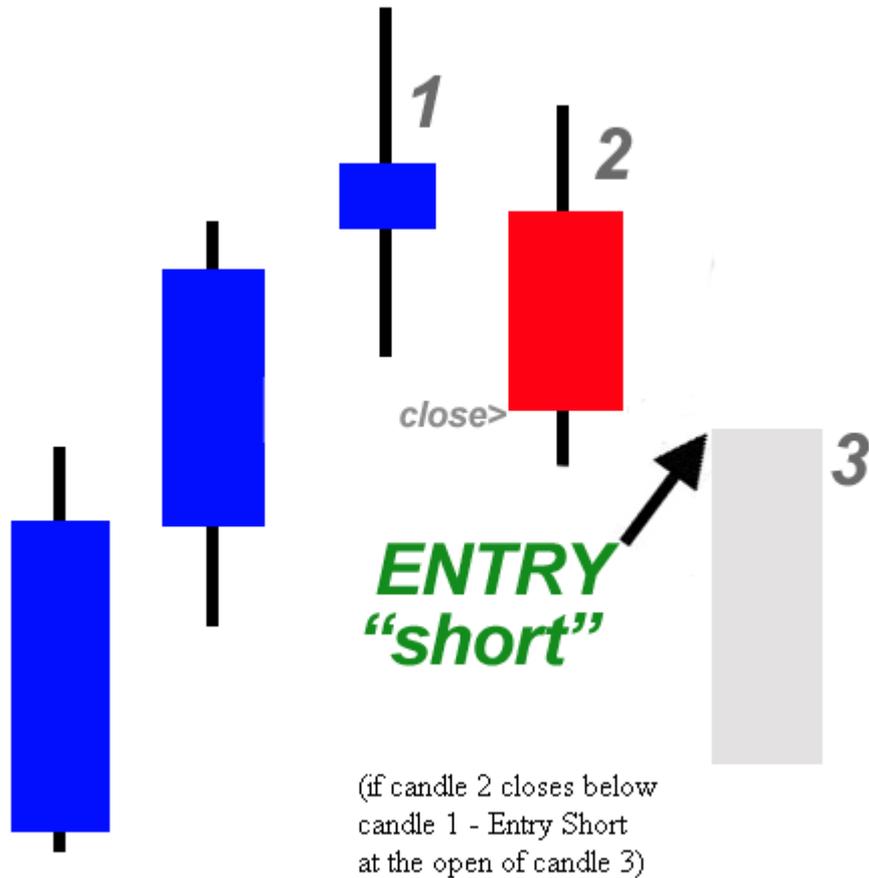
## **Trades:**

“Long” trades:



LONG TRADE SETUP: If the candlestick 2 closes above the candlestick 1 close price - We BUY (go LONG) at the open price of the candlestick 3.

"Short" trades:

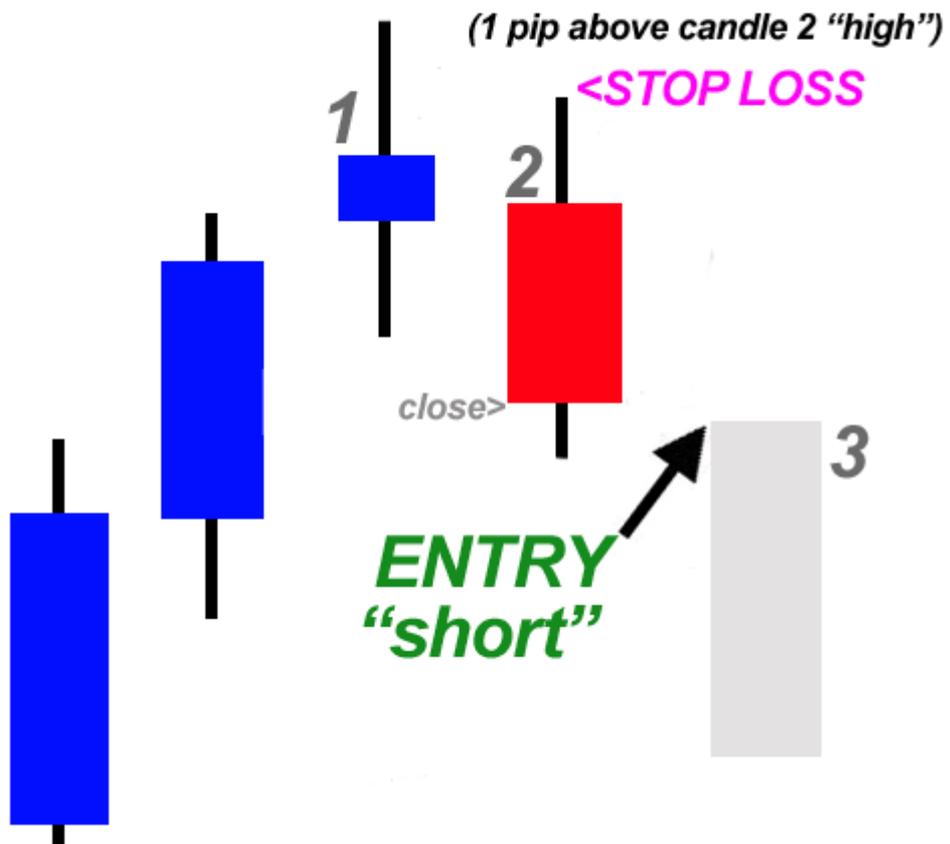


SHORT TRADE SETUP: If the candlestick 2 closes below the candlestick 1 close price - We SELL (go SHORT) at the open price of the candlestick #3.

---

**Stop loss:**

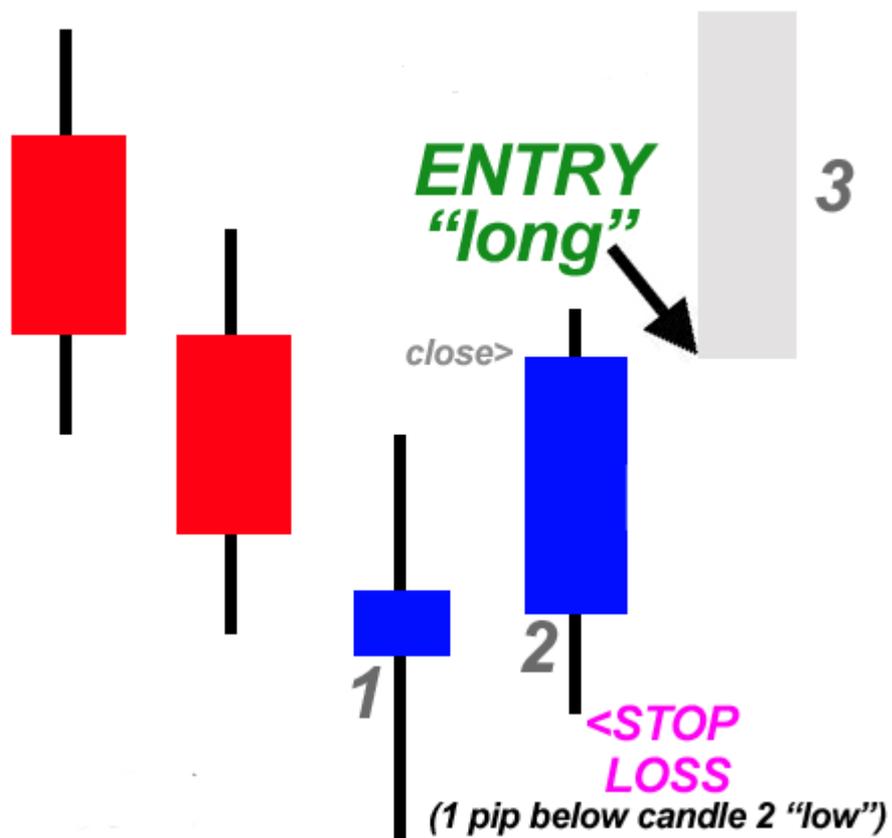
## Stop loss for "short" trades (sell)



Place a stop loss 1 pip above the candlestick #2 "High"

---

## Stop loss for "long" trades (buy)



Place a stop loss 1 pip below the candlestick #2 "low"

---

**Take profit (Exit)**

## Option I

Set your profit target (let's say 10-30 pips) Use a trailing stop in order to maximize your profit.

## Option II (Advanced exit)

Find on your chart the first strong resistance level and exit near that point.

## Trade samples:

There is ALWAYS an opportunity to make some pips whenever you have time: All you have to do is to open few pair charts on different time frames and you will always find this candlesticks combination on some pairs! This is guaranteed!



## **Time frames**

M15, M30, 1H, 4H, 1D

The higher time frame that you trade – the higher the probability is that you will make a profit.

I have good results on 1H charts.

## **Pairs and stocks**

This system will work on all major pairs and Stocks. Try EUR/USD first

## **Money management**

Do not trade for more than 3-5% of your deposit (per trade)

## **Stock trading**

Exactly the same method can be used for Stock trading. It works in the same way and with the same rules.

THE END

---

Thank you!

Best regards

Karl Dittmann

<http://www.hiddenforexpips.com>

August 2010