

Special Forex Report

Start Taking Advantage of the Forex
Market Today... This Special Report
Unveils All You Need To Know!

© 2004
Forex.com

Introduction

Dear Forex Trader,

Thank you for your interest in this Special Forex Report.

My main goal writing it is to help you be a successful Forex trader, to be one of the 5% that actually make a decent income from the Forex market. Towards this goal, I decided to mention some of the most important topics about Forex that you should know about.

Please keep your mind opened while you read this report or don't even bother to read it. This Report is meant only for those who are serious about trading Forex and make a serious income or at least an extra income.

If you're not going to take Forex seriously and you're not willing to make any effort, I'm sure you won't like this Report at all. But if you are, enjoy... This is all you need to be finally successful!

Enjoy Your Reading,

John Williams

13 Reasons To Trade Forex

The Forex market is the biggest financial market in the world. So, when compared to other financial markets, it has great advantages such as:

1 – The Forex market is **open 24 hours a day**, from Sunday to Friday. This allows anyone to trade, no matter where you're located.

2 – **The leverage offered** by Forex brokers **is huge**. Depending on the broker you're using, you can get a 100:1, 200:1 or even a 400:1 leverage, which means you'll be able to trade \$100,000, \$200,000 or \$400,000, respectively, for each \$1,000 you have in your account.

3 – The **margin requirements are low**. A Forex trading margin can be set at 1%.

4 – **High liquidity**: The Forex market has a daily turnover of more than 3.2 trillion dollars. Higher turnover means easy and quicker liquidity of your funds. So, no matter at what time you're trading, your orders will not suffer slippage because there is always someone buying and selling the currency pair.

5 – You can **profit in bull and bear markets**. It doesn't matter if you want to buy or short sell a currency pair. There are no special requirements or rules. It's simply the same.

6 – **Low investment**: You can start trading Forex with just \$50, with some brokers. If you try to open an account to trade other financial markets, you'll be asked for a much higher start up capital.

7 – There's no middlemen, **no market makers**. The Forex market allows you to trade directly.

8 – **Nobody can corner or "force" the Forex**: The Forex market is so huge and has countless participants that no unique participant, not even a powerful central bank, has the power over the market price for an extended period of time.

9 – **No fees**: In Forex the commission fees are zero. The only cost when you're buying or short selling a currency pair is the spread.

10 – You can **trade Forex from anywhere in the world**. All you need is a computer and an Internet connection.

11 – Free trading platforms: Since the Forex market is so competitive, most brokers offer good trading platforms for free. This is really different from the Stock Market, where sometimes you need to spend up to \$200 per month for a good charting platform.

12 – Free demo accounts: Most Forex brokers offer you a demo account for free. With this demo account you can trade with virtual money and learn how to trade Forex successfully. This is extremely useful since you can develop, test and define your strategies without risking any money. You can keep trading on a demo account until you're making good money and this entire experience won't cost you a dime.

13 – You can **build and set up automated trading systems that trade for you 24 hours a day**. Most brokers on the market allow you to set up this kind of system and you can use a free trading platform like MetaTrader that allows you to build, back test and even trade for you.

As you can see, there are a lot of advantages in choosing to trade Forex rather stocks, options or even futures. The tendency in the Forex market is to keep growing not only the number of participants as to more money being exchanged every single day.

But the most important thing in Forex is really how you can trade it in the real life, with a real account. Don't get me wrong about demo accounts - they're very useful -, but you just get to a point where you actually need to see your system trading live. And, sometimes, demo accounts don't actually "replace" the real accounts.

Planning How To Trade Forex In The Real Life

Every beginner has his own idea about the Forex market, and the first question for them is how to get started. As there are many tools, systems, courses, signal providers and even automatic software to choose from, a mistake that almost every beginner (and even more experienced traders) makes is that their tempted to get any Forex system that is hyped. This shouldn't be a problem when the hype means success, but it usually doesn't...

So, here is a step-by-step plan on "How To Start Trading Forex"...

*** Phase #1 - Plan For The First 15 Days:**

Before you start trading, you should always know the terminology and the basic tactics of the Forex market. If you do a quick search on Google you'll get a lot of free information. Although there are some paid materials, I don't think it's necessary to spend any money yet on this initial phase.

At this stage you shouldn't be in a hurry... The market and the opportunities will still be there in 15 days. Usually, 10-15 days is a good prediction to even the average Joe to know all the Forex trading basics.

Within this first 15 days, you should also register with a Forex broker and download a free demo account (almost every broker has this option for you, and it's 100% free). All you need to do is to make sure they're reliable, trustworthy and regulated. So, besides getting into practice with some of the terminology you're learning, you'll also be testing the platform and get to know it. Hands on demo accounts as much as possible until you feel comfortable with them.

* Phase #2 - Plan for the Next 10 Days:

In this new phase, and by what you learn so far, you know that you need a system, something that tells you it's a good time to buy or short sell a currency pair. This system should tell you the entry points, the target and the stop loss.

This is a crucial step because it now comes the time to decide what kind of trader you are or what kind of a trader you want to be. Let me give you a simple example: if you have a full-time job, it's very unlikely that you're able to have your trading platform open all the time. So, it's almost impossible for you to day trade or scalp, which means that you would be trading to make just a few pips per trade sometimes in a matter of minutes or even seconds. If, on the other hand, you're a student or you're retired, you have the time to do it. But your own time schedule shouldn't be the only factor you should think about to decide what kind of trader you are or want to be. You should also focus on your own personality. If you're more like a risk-taker, then you can definitely day trade or scalp. If you're more conservative, maybe you feel more comfortable to hold the trade for more time than just a couple of minutes.

Do you see what I'm trying to say? The main goal here is that you should know that all Forex strategies might be potentially good strategies and you can have a massive income from them. Usually people only refer to day trading when they're talking about big profits. How about riding those long trends, just like the one EUR/USD had coming down from 1,6000 to 1,2000 and now going up to 1,3000? Should you overlook these ones?

But this 10 days aren't over yet. You still need to ask yourself whether you prefer to base your analysis on technicals, fundamentals or both. In my opinion, taking in consideration both is the way to go. But if you choose to base only your trading decisions in one, go for the technical analysis. Although, don't just ignore some fundamental data like the rate decision or the Non-Farm Payrolls release.

Again, it's not time yet to trade. You're still learning about Forex and about yourself also.

* **Phase #3 - Plan For The Next 15 Days:**

Over the next 15 days you need to apply all the things you've learn and thought about. Now, you know what exactly is a good system for you, based on your own personality, on your schedule and on your knowledge.

As you probably noticed, and as I already mentioned, there are a lot of different Forex systems out there. It really pays off to take your time choosing one. Although most of them offer a money back guarantee, most of them don't even provide a decent customer support. Imagine that you have some doubt about the entry point, about the types of orders or the best time frames or currency pairs to use. You'll want to be given an answer... fast. Well, it's better to test the support before you even purchase any system, and even in that occasions, sometimes the support team is only there to make you buy, not support you after the sale is made.

Now that you searched for some days and you're ready to buy, go ahead and get it. But it's still not time to start in a real account... Make sure you deeply test the system you bought on a demo account first to see how the results are - if the system is consistent, if the profits are larger than the losses, how big is the drawdown, how large are the stops, etc.

Now that you tested your system and it proved to be good, it's time for you to evaluate yourself as a trader. Place your first trade in a real account. What happened? Did your heart started to pop, did you get anxious, were you calm, how did it go? See what I mean when I told you there was a huge difference between trading in a demo account and in a real account? The difference is called emotion. When you allow your emotions ttake place when you're trading, it's bad. No matter if you win or if you lose - trust me that most of the times you'll lose... You need to be focused on what you're doing, on what the syste is telling you to do, just following it like if you were a robot. This is one of the hardest things you have to do in Forex. Even experienced Forex traders sometimes let their emotions come in. So, what do they do? They control them. Some take a day off, others a few weeks, others just go for a walk or to the gym and come back. It really depends on each one of us to know what calms us down, what relaxes us. And to do it. Don't try to be in front of your computer looking for a trade when you're this way. Stop! Go out and come back later.

The time I dedicated to each phase is just an average. You can take longer or you can be quicker. Just make sure you follow the steps described in each one of the phases and go back in case you feel you have to. This won't mean you failed! It's better to acknowledge sooner that we made a mistake than later.

As I explained above, you have different tools you can choose from: from automatic systems (robots), indicators, manual systems, courses, signals services or even software. So let's take a deeper look at each one of these tools...

Different Forex Tools You Can Choose From

Some Forex traders look at this huge market as an alternative to mutual funds, stocks, futures or options, as the Forex market is much more liquid.

The Forex market allows you to adopt different tools. Each tool has its advantages and disadvantages, and there's not the right or the wrong one. In order to make a good decision, you need to know them a little deeper...

* **Automatic Systems (Robots):**

Usually robots are chosen by people who don't have a lot of free time to dedicate to Forex or simply don't want to waste any time with it. Automatic systems, just like the name says, do all the work for you. You just need to install them and leave your computer on during the week (with some you don't even need to leave your computer on): they track the opportunities, execute the trades, all in autopilot.

So far so good, right? Well, they also have disadvantages. Usually robots stop working and they lose all the money they did for you; others simply don't work at all. Most of them have a terrible risk / reward and only work with a specific currency pair, time frame and broker.

* **Indicators:**

This seems to be the last trend in the Forex market. Indicators are also a kind of a software that you install on your MT4 platform but they don't execute the trades for you. They analyze the market and when they spot an opportunity, they issue you an alert (a sound, an email, an sms, etc.). Then, you place the order with your broker.

Again, it seems all roses... The most common problem among indicators is that new signals appear in the past and others are removed - it's called the "repaint". What happens with most indicators is that an arrow appears when there's a buy or a short sell signal, and these arrows tend to disappear and appear in other candles.

* **Manual Systems & Courses:**

Manual Forex systems and courses tend to be a pdf course and might have one or more videos attached. These manuals explain you how the system works in detail, tell you when you should place a buy /short sell order, where to place your stop loss and target, the currency pairs you should trade, as well as the time frames to use.

One of the problems with manual Forex systems is that they require a lot more time spent in front of the computer, waiting for the right pattern, the right indicator, etc. Manual systems also require you - although some include it - to have previous knowledge about Forex, especially the basic terminology and technical analysis.

* **Signals Services:**

This is another type of tool that is becoming more popular in Forex. The good thing is that you can quickly evaluate the performance they have. Basically, they display in their Members Area or send you an email (or both), whenever there's a trade or a possible trade. These services vary a lot: some have a specific day to give you the signals, others send you the signals every day at a specific time, etc.

Although they don't require you a lot of time, you need to be in front of your computer to place the trades they alert you to. Just turning your computer on might lead you to miss a good opportunity.

* **Software:**

Inside this category there are different Forex software: there are some available only online, others only available to download, some more automatic than others. They also differ on the currency pairs they have as well as the time frame: some give you intraday signals, while others give you signals for several days.

Although they don't require you a lot of time, you'll also be the one placing your own trades.

As you can see, there are a lot of different tools you can use and they all have advantages and disadvantages. You just need to find the one that best suits you.

However, inside each of these categories, there are a lot of products to choose from... How should you pick?

Tips To Get The Best Forex System For You

These days, many people are turning towards the Forex market. Many websites are also hyping various Forex products and you simply don't know what to choose. There are several trading systems that are easy to use. Almost all the Forex products claim that the trader can make huge profits with limited capital and in a short time period.

Everything looks good when people see the hyping ads on the internet. But after buying those Forex products they realize that it was all marketing gimmicks to increase their sales. This is far more common than you can imagine.

So, I decided to give you an insight of the right kind of Forex trading systems you should look for and what you need to be careful about... Knowing this will allow you to avoid going for all the fake products and get duped.

The following characteristics will help you identify the best forex trading system.

* **Look For Track Records:**

There are several people who just go by the marketing gimmicks and opt for the trading systems without going through the track records. This becomes a big blunder which they realize only after tasting the losses.

Hence, it is always necessary to go through the track records of the Forex trading system. Never get dragged by the false claims like '100% success and no failure at all', 'earn millions in just few days of trading', etc.

Actually, vendors try to cheat customers by using the track record with retrospection (by using backtests and not real and updated performance). It is better to look for the daily trading statements to get the right picture about the system.

* **Track The Drawdown:**

Every trading account experiences a drop in the margin or value, at some time or the other. We all know that by trading Forex, we'll have wins and losses. What's important here is to keep your losses as short as possible, hence, have a low drawdown.

* **Decide Which Time Frame You're Going To Use:**

This is a very important aspect in Forex. If you are engaged in some other work and you can devote only a limited time to Forex, then it won't make any sense if you buy a system that requires constant monitoring, many times in the day. This will turn into a wasteful investment.

If you can only devote little time during the day to Forex, then go for a system that requires minimum of monitoring like swing trading.

Ok, so that you ask "Is this all I have to do?". My answer is a round "No"... First of all, your work is never done because you'll need to be constantly learning and educating yourself. Can you imagine if a doctor stops studying after he graduates? How come would you stop educating yourself if you want to make more and more money? You need to keep learning to keep improving. And the tool I'm going to mention now is a must have.

Forex Trading Diary - What Is It And Why Do You Need It?

Today, the world today moves faster than ever. Everything changes so rapidly that it seems we don't even have enough time to adjust ourselves... Forex is no different. Currency prices and conditions (economical and political, etc.) keep changing.

And how can you have the ability to control all these things at the same time? Well, you don't and can't have total control over everything. But there are some things you can and that's made through a Forex Trading Diary.

In a resumed way, a Forex trading diary is a sort of a record of all the trades you make. You can do it on paper, on your own computer, by recording your notes and then passing them to paper, or in any other way that you prefer.

The main goal here is to write down every detail before, during and after making the trade. You should start by stating the reasons that made you look at it as a trade (the reasons behind it like the price was in a support / resistance, the indicator gave me a buy signal, there was a specific news that is going to have a great impact, etc.). These are the rational reasons. And then you should analyze yourself: what did you feel when you noticed you were about to enter in a trade? Were you anxious? Nervous? Calm and relaxed? Then, do the same when you're holding the currency pair: are you having mixed feelings? Maybe the system didn't give you a good trade? Are you sad because of it? Angry? Is the trade going on your direction? Are you happy? Nervous? Greedy? And when you got out of the trade - did the system you're using told you to close the trade? Was it closed with a profit or with a loss? Did you do exactly what you were supposed to or were you scared to hold the trade (no matter if it was going to the target or to the stop loss)? How did you feel after closing it?

In sum, the more you write the better - in good and bad trades. Take notes on everything you can think off, and you can even include (I do) screen shots of the trades (before you enter and when you close the trade).

But why should you bother? Why should you have all this work? You're never going to show it to anyone, right?

You should bother and you should have all this work because having a detailed trading diary can be the best knowledge you have. Don't you think so? Let me ask you a question: how did you learn that knives can cut you? Or how did you learn that if you touch in a hot pan, you might burn your hand? Even though, and most probably, your parents told you not to do these or similar things when you were a child, you still did them, didn't you? And you learned with your own mistake. It's true that you didn't had to write it down but you learned. And the goal with the Forex trading diary is exactly learning from your own mistakes and acknowledging what you're doing right.

Your Forex Trading Diary is the tool that will help you not only to preserve your capital as to increase it. And now you're asking but why do I need to write everything down? It's simple: you won't remember all the reasons that made you enter and exit the trade, you won't remember what you were feeling at that moment. For example, we all have bad days, nights that we hardly sleep or simply don't rest the time we need. When this happens, we usually don't have a memorable day in any aspect of our life. This is something that should be written too because it will influence the way you trade. If you're sleepy, you're more impatient, not focused. So, mostly likely your trade decisions won't be very good.

And writing all these things does have a purpose: it's for you to know what you're doing right and acknowledge what you're doing wrong and make it right. How? By reading it often. When you review what you wrote, you'll be able to identify patterns that you can either adopt or ignore.

This sounds like an awful lot to do in the course of your busy day as a trader, but it doesn't have to be. You can use the same tool to keep your diary as you to make your trades—your computer. There are a number of software programs available that allow you to write short messages to yourself. These are all user friendly and once you become comfortable with one of these programs, you'll wonder how you ever survived without it.

An easy technique to get started is to take screen shots of the charts you are using and then paste them into the writing software that you've chosen. You can then add notes, reminders and thoughts about what led you to make the decision about a trade.

It may take a little while to come up with a system that works for you but once you find the right one there will be no stopping.

It's important to remember one thing though: while it's critical to keep a trading diary it's even more important to read it. What good are all the details and notes if you never bother to read them? You'll be amazed at how much you learn from reading your own notes. It worked in school and now it can work to improve your success as a trader.

There are a lot of good trading tools out there, but the one tool you can make for yourself—a trading diary—is probably the most effective tool of them all.

Besides having a detailed Forex trading diary and reading it to improve, there are 4 factors that you need to be successful in this market...

What's Lacking You To Succeed In Forex Trading?

Most people have a misconception that Forex Trading is damn easy and can make money quickly in a short time. This is the reason behind the very small percentage of traders who actually win and the majority of them who are falling down in the Forex market.

Here are 4 factors that you need to have to be a successful Forex trader:

1. Discipline:

This is a key factor in Forex trading. Whether you are going to make good profits in the Forex market in the future depends on this factor - discipline.

To be a disciplined trader you must follow the rules of your Forex trading system and not break them. You know exactly when to enter and when to exit your trades. You have a target and a stop loss. You know that you won't close the trade no where between this 2 points.

2. Trading Psychology:

The two more common emotions that tend to dominate Forex traders are fear and greed. Let's take a look at each one in particular.

Let's say that you're on a winning streak - you're now with 4 winning trades in a row. Now, you're feeling really good about yourself, you're the expert and nothing can beat you. You're going to make a fortune. These kinds of thoughts lead you to being less focused, less disciplined, and you'll end up wondering, what the hell, I know what I'm doing and I won't close the trade on the target; I know it will go even higher. This is you getting greedy. If by any chance the trade goes the way you thought, your ego will be even bigger and you'll make this changes an habit, just like losing your discipline and focus. If it doesn't happen on the first time, it will come to an end. But in the worst case is that when you don't close the trade on the stop loss. You think, no, they won't kick me out of this one... And you end up with a major loss, just because you were greedy.

Now, imagine that you just lost 2 or 3 trades in a row. You're feeling down, you don't know what's wrong with you. And you try to keep trading. You think you see a trade (you may actually be seeing a right entry signal), but since you just lost so much money, you think that you will lose once again. You're experiencing fear.

Usually, the best thing you need to do when you notice you're being dominated by your emotions is just taking the day off. Don't trade at all until you feel confident (not over-confident) and focused.

3. Money Management:

Money Management is an important subject when you're talking about trading Forex or any other financial market.

If there's something you shouldn't do is to make a trade with all your trading capital, even if you think it's the best pattern, the best news, the best movement. Don't do it! You should be aware of how much you're willing to risk per trade. You need to take in consideration your trading capital, the number of trades you make, your system's risk / reward, etc..

Usually, experts tend to say that you should risk more than 5% of your trading capital in a single trade. Well, that can be possible for experts with a lot of money to trade, but for the average Joe, that just can't be done. What you need to do is to seriously evaluate this percentage based on all the factors mentioned above. Remember that since you tested the system on a demo account for several days, you know how it works better than anyone.

4. Consistency:

If you can accomplish the 3 factors mentioned above, then you should make consistent profits in Forex.

I understand that as a beginner trader, you may find it difficult to follow the four points above. I've been there too. This is why Forex trading is not as easy as one might think. But learning to respect those rules is an important step that will put you closer to the winning traders.

A Little More About Dealing With Your Emotions

Dealing with your emotions is a hard goal to achieve and only time and experience help. The worst part is that it can hit us no matter if we're losing or winning.

Probably, before you read this special report, you never thought you could be trapped by the winning emotions. But let me tell you they can be as terrifying as the losing feelings... Just imagine the following situation: you enter in a trade and you make some nice profits. The result is that you feel pleased, satisfied, happy. So, this makes you be more confident, which is a good thing, if you preserve your discipline. But this is where things start to go wrong, especially if you're in a winning streak. What happens is that you become over-confident and start putting more money per trade; you start by not following your system properly; you start to ignore the stops and targets defined... In sum, you're facing a lack of discipline.

As you know, you won't have just profits; you'll also have losses. And when the winning streak is over, if you follow the above pattern, you'll lose severely because you're trading too much money per trade and ignoring all your system rules...

Now, if you think about the losing emotions, like being unmotivated, unsatisfied, sad. In this case, most traders who lose money in a single trade are affected by them. And what most of them think is that they need to recover the loss. And they make a trade, based on emotions, with more money involved, not following the system... In sum, lose all the discipline.

And the result is basically the same: you'll end up losing a lot of money because you just couldn't avoid trading guided by your own emotions...

Hope, anger, pride, sorrow, shock, feeling guilty, or enthusiasm – these are just some of the feelings you can experiment when you're trading Forex. However, the biggest "giants" are greed and fear. In combination, they stand in the background of most problems that may happen to a trader:

- ★ Fear of placing a trade;
- ★ Hesitation and uncertainty;
- ★ Open too big positions for too small accounts;
- ★ Trading too small;
- ★ Closing the trade early;
- ★ Not closing the trade;
- ★ Let profits turn into losses;
- ★ Among many others.

The only thing you need to be aware of is that you cannot fight against the Forex market. Please remember: the market is always right.

Dealing with emotions is not an easy process but is a crucial one if you want to succeed in this market. Even professional traders sometimes have problems; you're not the only one... The best thing to do is to keep practicing, keep a trading diary and keep the discipline.

Conclusion

I hope that with the help of this report you will join the very small percentage of Forex traders who survive and make consistent profits week by week, month by month, year by year. This was my major goal and I believe I achieved it in this small report. The only thing is that isn't enough for you to read it. You need to put all these things into practice.

Please remember that trying to reach the equilibrium and good sense are both part of the equation. Along this report, I mentioned several events that happen only in a drastic situation but it was meant for you to see what you can see in case you ignore some of the important things mentioned here.

In case you need any help, or any direction, just send me an email. I'll get back to you asap.

Good Luck,

John Williams

Disclaimer

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.

There is a very high degree of risk involved in trading. In any market where a potential for profit exists, there exists also a risk of loss. Forex trading is a risky business.

You should never trade with money you cannot afford to lose. None of the information on our website nor any information or education provided to the client by any means assures that the client will make money in the Forex market.

Although every effort has been made to assure accuracy, the authors and publishers can assume no responsibility for errors or omissions. Neither the author nor the publisher will be responsible for the use or misuse of the information contained herein. Examples are provided for illustrative purposes only and should not be construed as investment advice or strategy. It is not intended as professional advice or a recommendation to act. Before engaging in any activity mentioned in this ebook, seek the advice and consultation of a competent professional.

Copyrights

The material in this Report is property of SuperForexSystem.com. This material cannot be copied in part or in whole without the express written permission of SuperForexSystem.com. Anyone who attempts to alter this material without the permission of SuperForexSystem.com - re-written, re-published, STORED OR LINKED AT ANY FILE SHARING SITES or FORUMS or used for any other books without proper referencing or without permission, will be prosecuted to the fullest extent of the laws and will be liable for reimbursing SuperForexSystem.com for all lawyers and court fees.