**Solid daily forex trading strategy designed to minimize risk and optimize profits:**

**1. Trade the Right Pairs:**

* **Major Pairs**: Focus on highly liquid and low spread pairs such as EUR/USD, GBP/USD, USD/JPY, and USD/CHF.
* **Volatile Pairs**: If you're comfortable with more risk, you can trade pairs like GBP/JPY, EUR/JPY, or commodities like gold (XAU/USD), which tend to have higher volatility but offer better potential returns.

**2. Use Multi-Timeframe Analysis:**

* **Higher Timeframes (4H/Daily)**: Establish the overall market trend (Bullish, Bearish, or Sideways).
* **Lower Timeframes (15M/1H)**: Identify entry points that align with the larger trend.

**3. Key Indicators for Setup:**

**a) Moving Averages (MA):**

* **50-period EMA** (Exponential Moving Average) for short-term trend direction.
* **200-period EMA** for long-term trend direction.
* **Setup**: Buy when the 50 EMA crosses above the 200 EMA, and sell when the 50 EMA crosses below the 200 EMA. These are clear indicators of trend changes.

**b) RSI (Relative Strength Index):**

* **RSI Period**: 14 (default).
* **Overbought and Oversold Levels**: 70 (Overbought), 30 (Oversold).
* **Setup**: A buy signal is when RSI is below 30 and starts to rise, showing the pair is oversold. A sell signal is when RSI is above 70 and starts to fall, showing the pair is overbought.

**c) Bollinger Bands:**

* **Setup**: Buy when the price touches the lower Bollinger Band and the RSI is below 30. Sell when the price touches the upper Bollinger Band and the RSI is above 70. This combination is often used to capture reversals after periods of extreme price movement.

**d) MACD (Moving Average Convergence Divergence):**

* **Setup**: Look for MACD crossovers. A bullish signal occurs when the MACD line crosses above the signal line, and a bearish signal occurs when the MACD line crosses below the signal line.

**e) Support and Resistance Levels:**

* **Setup**: Identify major support and resistance levels on higher timeframes (like the 4H or Daily chart). Place trades near these levels with tight stop losses to minimize risk.

**4. Trade Execution Setup:**

**a) Entry Point:**

* **Trend Following**: Enter when all indicators align. For instance, if the 50 EMA crosses above the 200 EMA, and the RSI is rising from 30, consider entering a long (buy) position. Similarly, if the 50 EMA crosses below the 200 EMA and RSI is falling from 70, consider entering a short (sell) position.
* **Reversal Strategy**: Use Bollinger Bands and RSI for reversal signals. For instance, if price touches the lower Bollinger Band and RSI is below 30, it indicates a potential buy. Conversely, touching the upper Bollinger Band and RSI above 70 indicates a potential sell.

**b) Stop Loss (SL) and Take Profit (TP):**

* **SL**: Place the stop loss below the recent swing low for a buy, or above the recent swing high for a sell. Alternatively, a fixed pip value can also be used based on your risk tolerance (e.g., 20-30 pips).
* **TP**: Set your take profit at a risk-to-reward ratio of at least 1:2 (i.e., if your stop loss is 20 pips, set your take profit at 40 pips).

**c) Trailing Stop**:

* Once your position moves in profit, use a trailing stop to lock in profits while allowing the trade to continue as long as the trend is intact. This can be automated in most platforms like MetaTrader.

**5. Risk Management:**

* **Risk Per Trade**: Always risk 1-2% of your account balance per trade. This will help you withstand losing streaks while staying in the game for the long term.
* **Position Sizing**: Adjust your lot size based on the distance from your entry to your stop loss. If the stop loss is 50 pips, and you're willing to risk 2% of your account, calculate your lot size accordingly.

**6. Market Sentiment:**

* **Economic Calendar**: Always keep an eye on important economic events (e.g., NFP, CPI, FOMC meetings) that may cause high volatility in the markets.
* **Market Sentiment Tools**: Some platforms provide sentiment indicators that show whether more retail traders are buying or selling. Use this to confirm your trades.

**7. Daily Routine and Discipline:**

* **Pre-market Preparation**: Review key levels of support and resistance, as well as any important news releases or economic data scheduled for the day.
* **Trading Time**: Focus on the most active trading sessions, such as the London-New York overlap (between 8:00 AM and 12:00 PM EST).
* **Post-market Reflection**: Analyze your trades, regardless of whether they were winners or losers. Reflect on why you entered the trade and if it was aligned with your strategy.

**Example Forex Setup:**

* **Symbols**: EUR/USD, GBP/USD, USD/JPY.
* **Timeframe**: 1H and 4H charts for trend analysis, 15M for precise entries.
* **Indicators**:
  + 50 EMA, 200 EMA.
  + RSI (14), Bollinger Bands (20, 2), MACD.
  + Support and Resistance.

By following these principles, you're setting up for a disciplined, rules-based approach to forex trading, which minimizes risk while seeking consistent profits. Always remember that consistency and patience are key to long-term success.