



Leading Trader Education

DELEGATE MANUAL

MASTER TRADER



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Notes



Price Action
As close to the Holy Grail
as it gets...



Price Action
As close to the Holy Grail
as it gets...

Price Action

- Price Action is one of the most important parts of trading and understanding any market
- It is the most important part of reading the charts
- Price Action leads all indicators
- The higher the timeframe, the stronger the price action
- Price Action shows you what is happening now and **can** show you which way the market is likely to move next
- Shows the battle between buyers and sellers or demand and supply

Price Action

There are 3 main types of Price Action

- Continuations
- Reversals
- Indecision

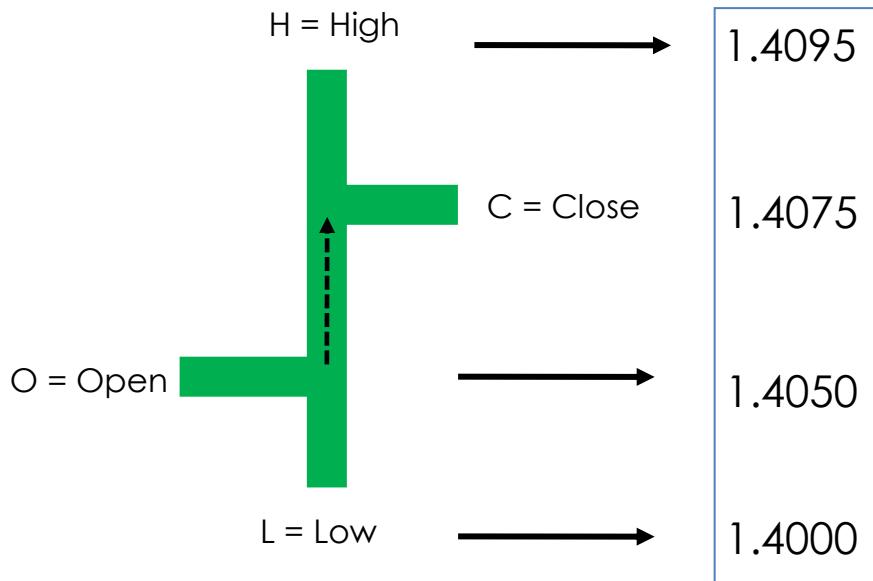
To be an effective and more importantly, profitable trader, you need to know how price shows you what is likely to happen next.

Remember:

Price Action shows sentiment in the market and is one of the best ways to trade. It **DOES NOT GUARANTEE** that price will go in the direction you expect but it provides you with an edge. As traders, all we need is that edge.

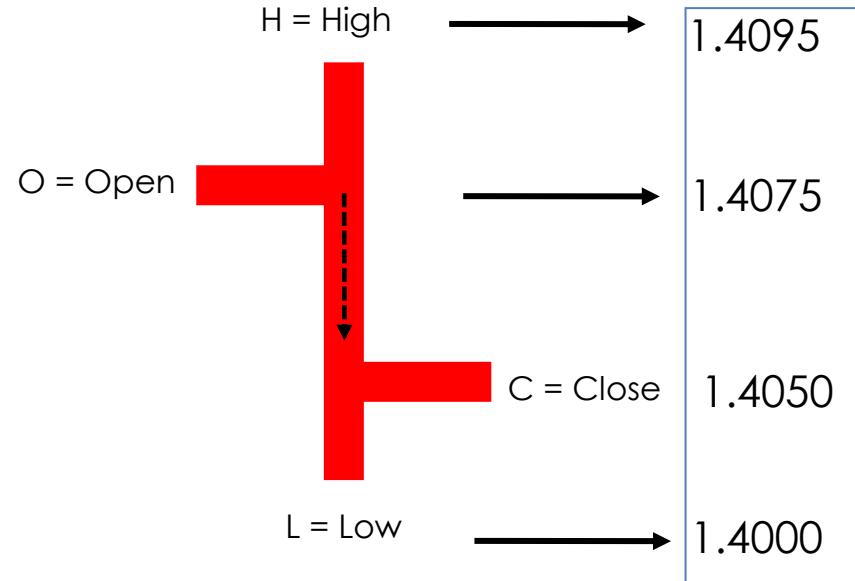
Price Action: OHLC Bars

GREEN/BUYER OHLC BAR



GREEN if the **Close is above** the **Open**

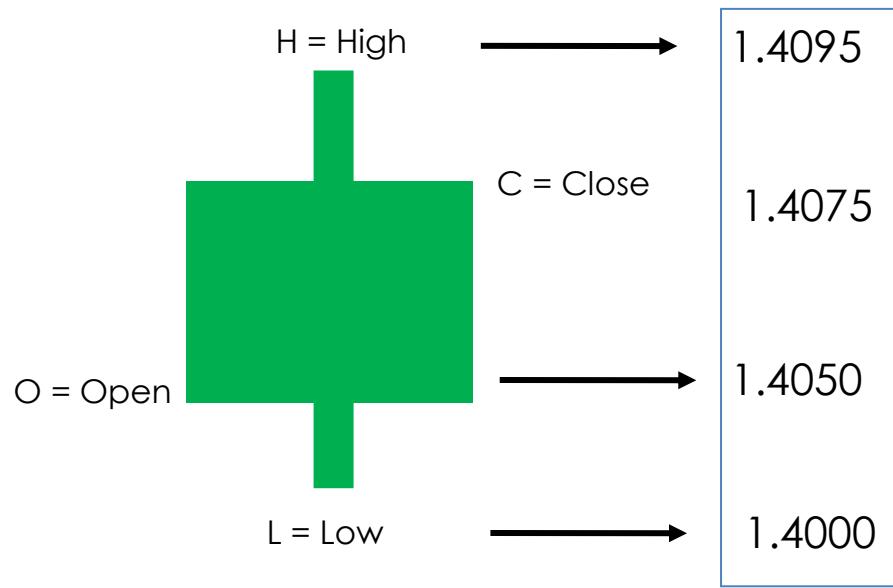
RED/SELLER OHLC BAR



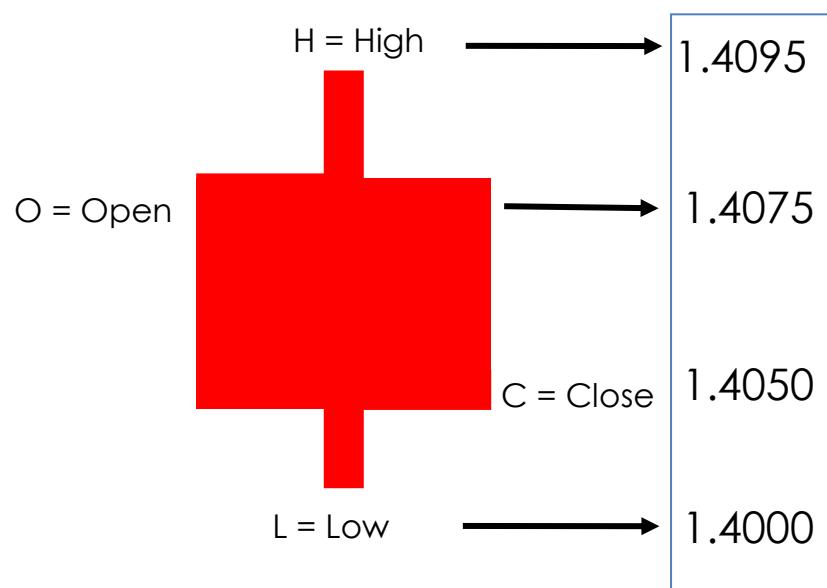
RED if the **Close is below** the **Open**

Price Action: Candlesticks

GREEN/BUYER Bullish Candle



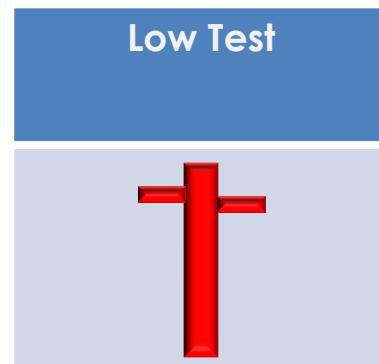
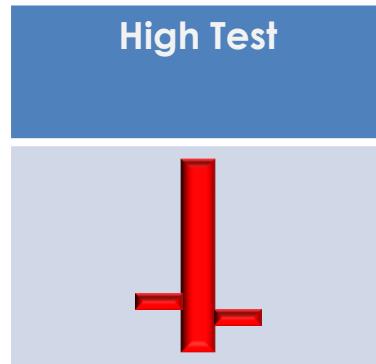
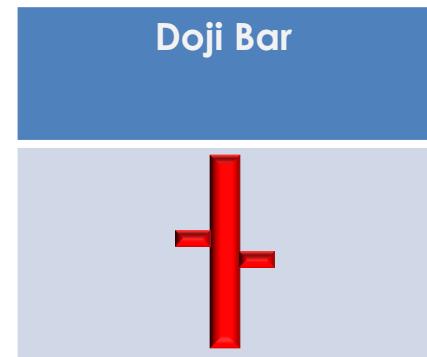
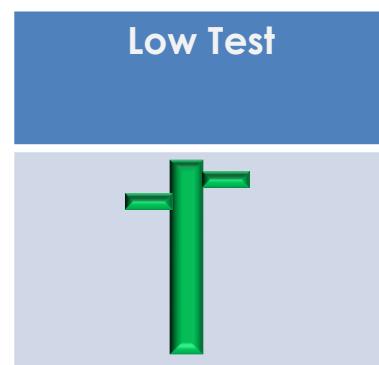
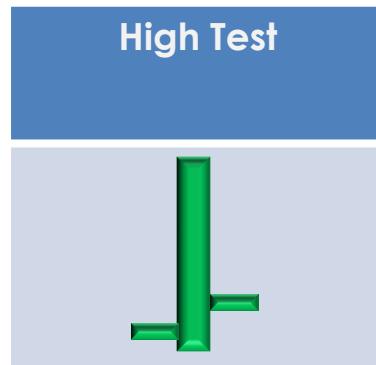
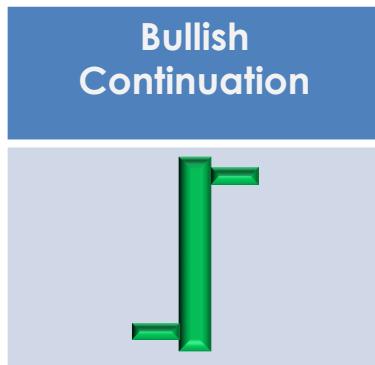
RED/SELLER Bearish Candle



GREEN if the **Close** is **above** the **Open**

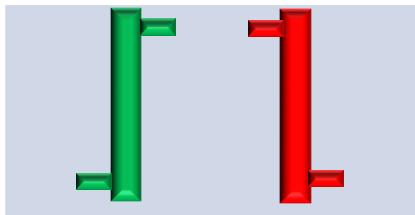
RED if the **Close** is **below** the **Open**

Price Action bars

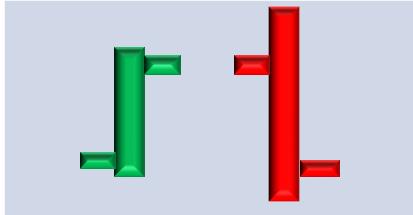


Price Action bars

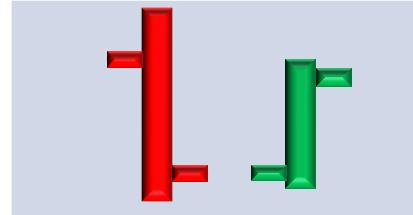
Train Track Reversal
(Bearish)



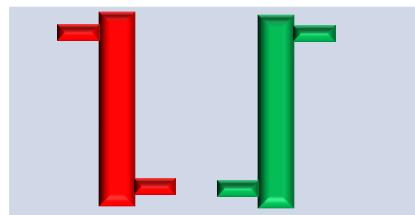
Outside Bar
(Bearish)



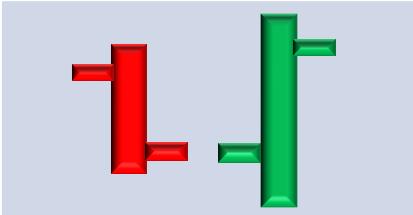
Inside Bar



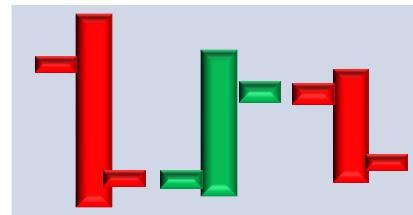
Train Track Reversal
(Bullish)



Outside Bar
(Bullish)



Double Inside Bar



Price Action

- These are the major types of price action setups in a standalone format
- Combinations of these Price Action patterns can and do occur e.g.
 - Double inside doji bar
 - Inside high test bar
 - Doji outside bar
- Further experience with these patterns will help to increase your understanding of where future price action is likely to move
- As you learn to use these price action setups, you will be able to capture turning points more effectively
- You must be aware that these are not 100% successful but they provide you with an edge, **when combined with other techniques that you will learn throughout the rest of this course. They can give you positive reward to risk and high probability setups**

Price Action – Practical 1

Which of the following suggests price is likely to continue in the direction it is headed?

- High Test Bar
- Bullish Engulfing Bar
- Bearish Continuation Bar

Which of the following types of bar is a reversal?

- Low Test Bar
- Doji Bar
- Bearish Continuation Bar

Which of the following shows extreme indecision in the marketplace?

- Train Tracks
- Double Inside Bar
- Doji Bar

Price Action – Practical 2

Work with the person next to you, or form groups of 3 as necessary.

Take the daily charts of a currency pair. Find examples of each of the price action setups that you have just been taught and look at the way that price responds to them.

The price action that you need to find is as follows:

- Bullish Continuation Bar
- Bearish Continuation Bar
- High Test Bar
- Low Test Bar
- Train Tracks (one for long and one for short)
- Bullish Engulfing Bar
- Bearish Engulfing Bar
- Inside Bar
- Double Inside Bar
- Doji Bar

Price Action – Practical 3

Work with the person next to you, or form groups of 3 as necessary.

Have a look at some of your recent trades and see if price action gave you a signal which could have changed your entry, target or stop loss on the trades.

The price action that you need to find is as follows:

- Bullish Continuation Bar
- Bearish Continuation Bar
- High Test Bar
- Low Test Bar
- Train Tracks (one for long and one for short)
- Bullish Engulfing Bar
- Bearish Engulfing Bar
- Inside Bar
- Double Inside Bar
- Doji Bar

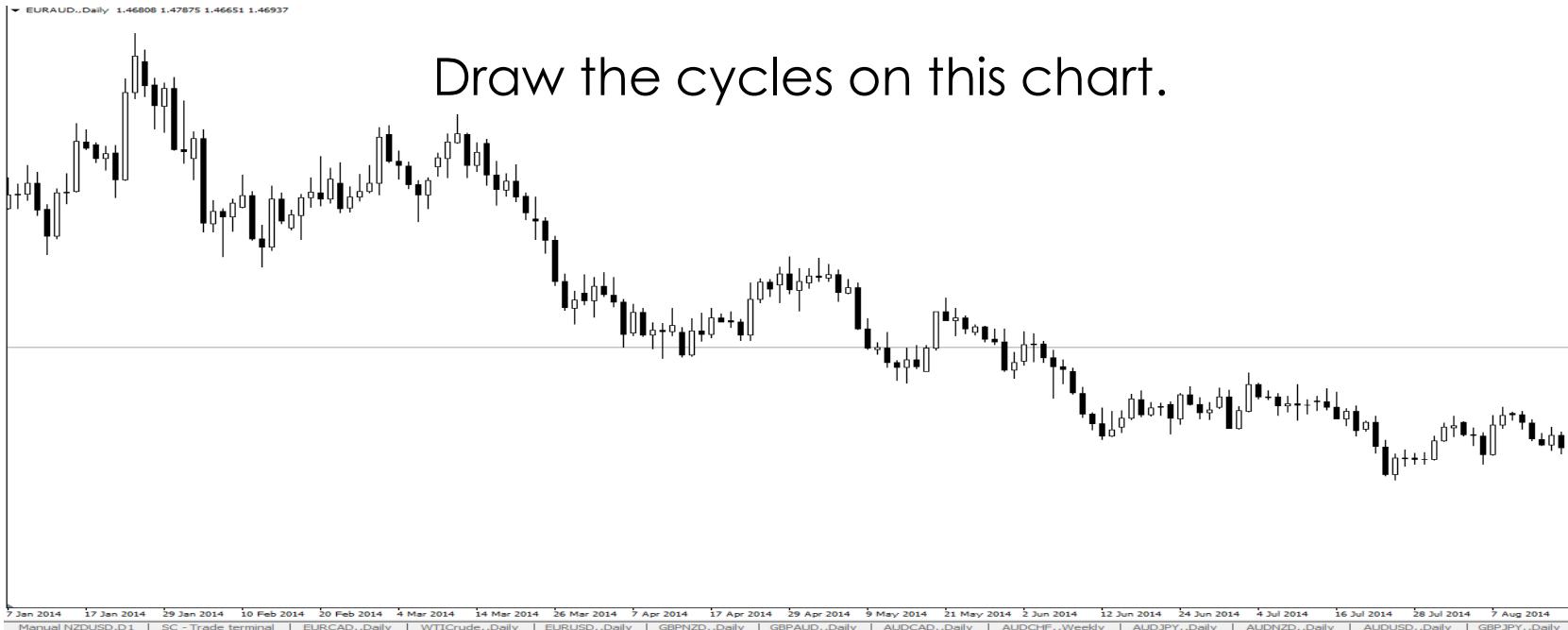


Cyclicity



Cyclicity

Cyclicity

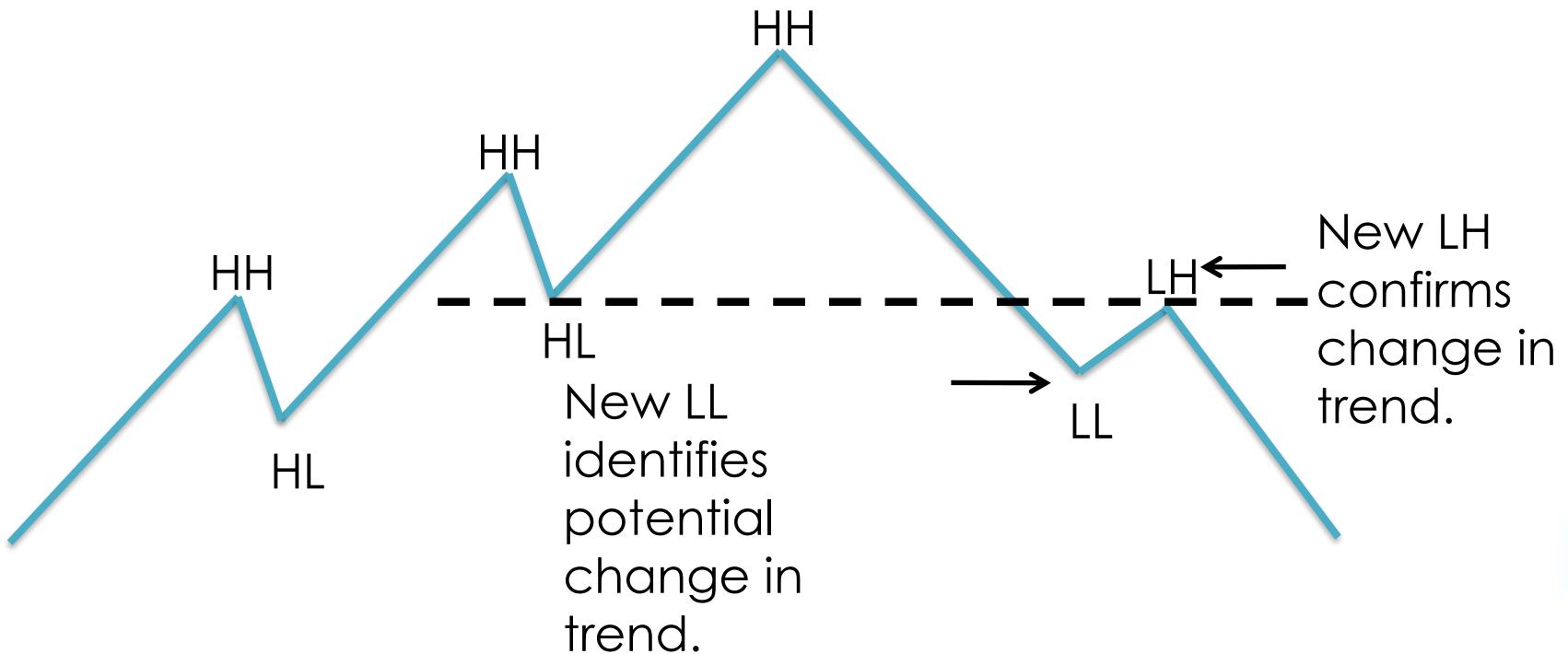


Cyclicity



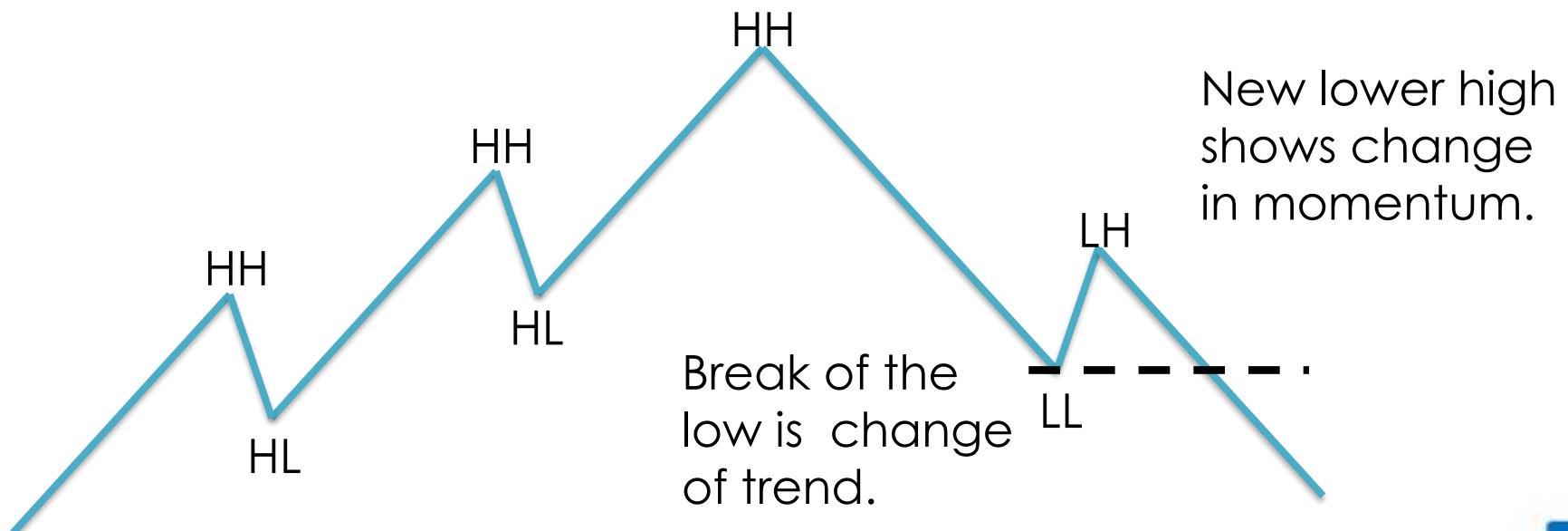
Cyclicity

How to identify turning points using cyclicity.



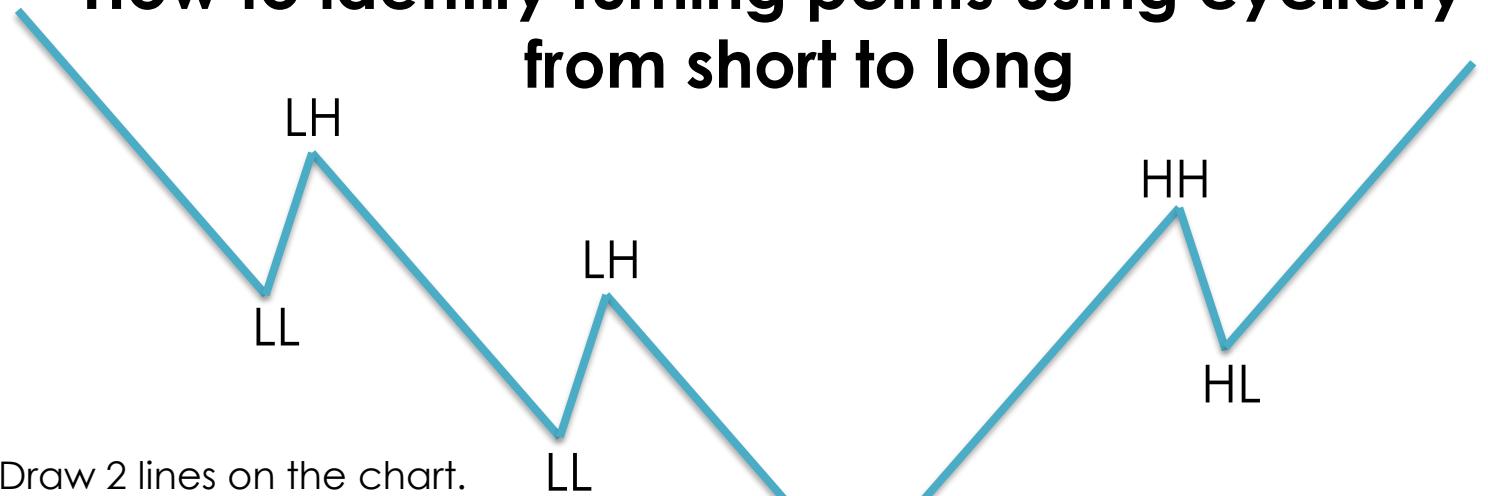
Cyclicity

How to identify turning points using cyclicity.



Cyclicity – Practical 1

How to identify turning points using cyclicity – from short to long



Draw 2 lines on the chart.
1 to show the early warning
sign of change in trend and 1
to show the confirmed change.

Cyclicity – Practical 2

In an uptrend, price has which of the following?

- Higher Highs and Lower Lows
- Higher Highs and Higher Lows
- Lower Highs and Higher Lows

What does cyclicity show us?

When looking at whether price is at a potential turning point from short to long, what are we looking for?

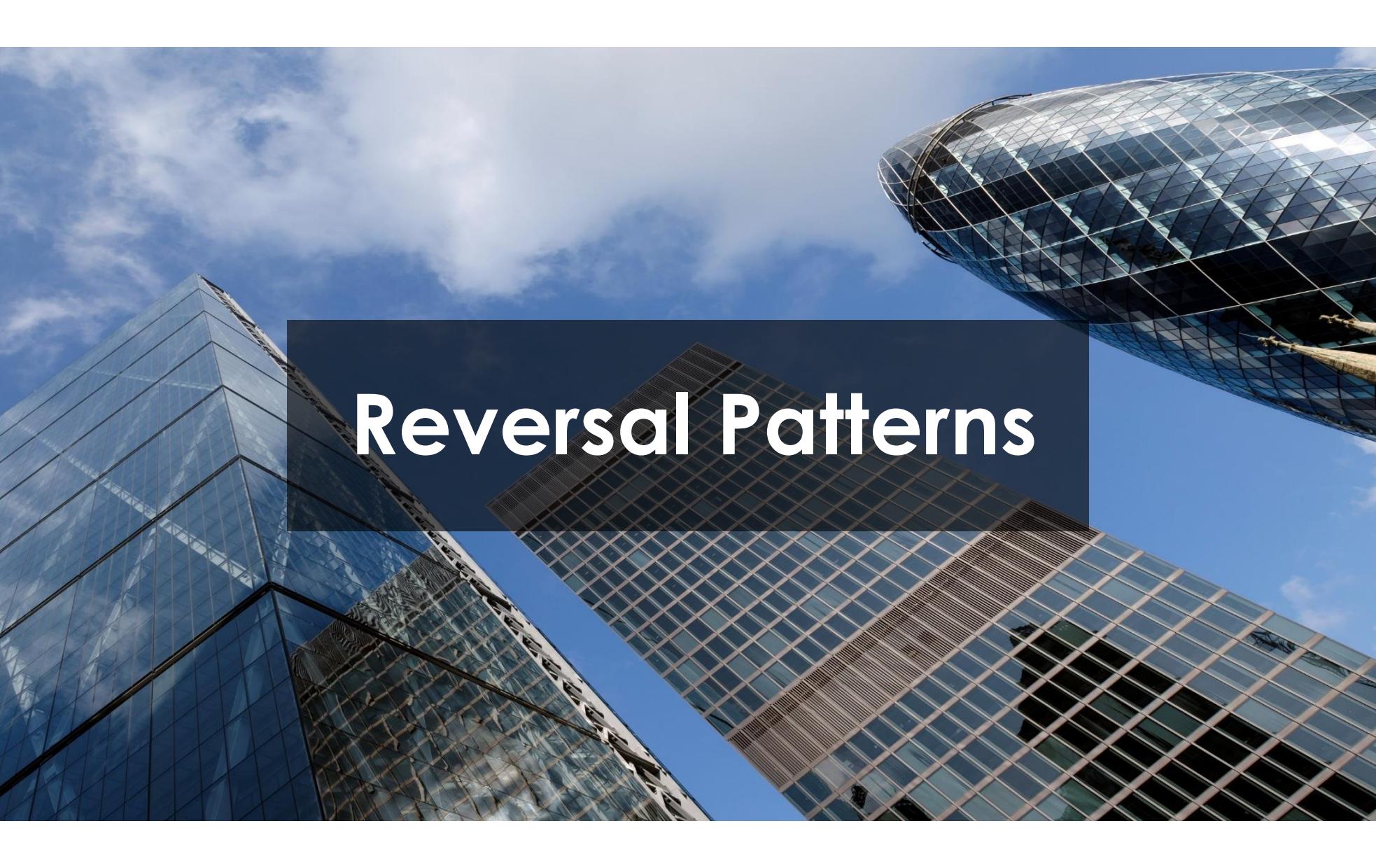
- Higher Low and a Higher High
- Lower High and a Lower Low
- Higher High and a Lower Low

Cyclicity – Practical 3 continued

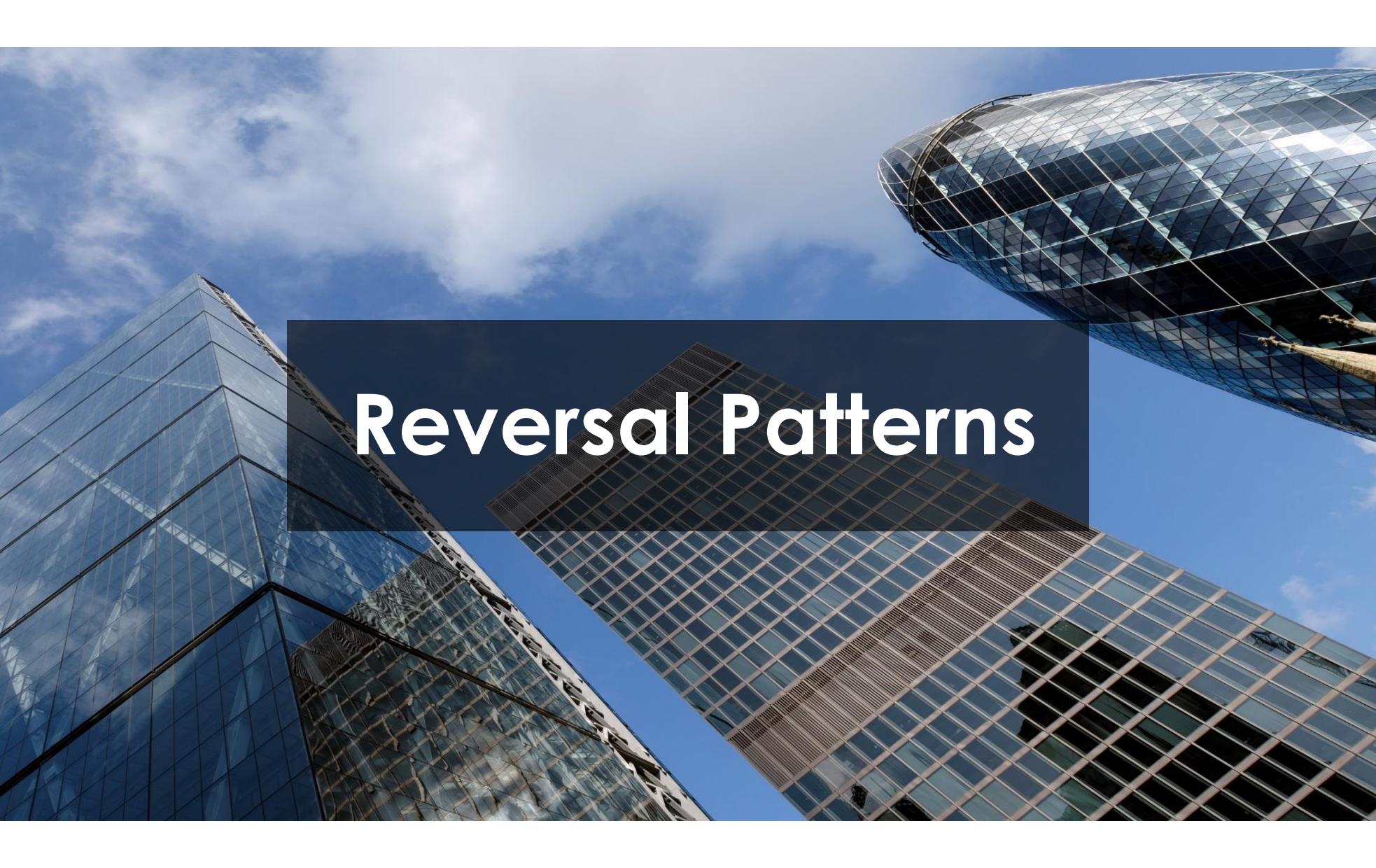
Mark the cycles on the daily chart and then shorten the timeframe of the chart to a four hourly and then an hourly chart. Notice the cycles in the shorter time frames exist within the cycles on the longer time frame.

Trading multiple time frames in phase one of their cycle strengthens the probability of successful trades.

Notes



Reversal Patterns



Reversal Patterns

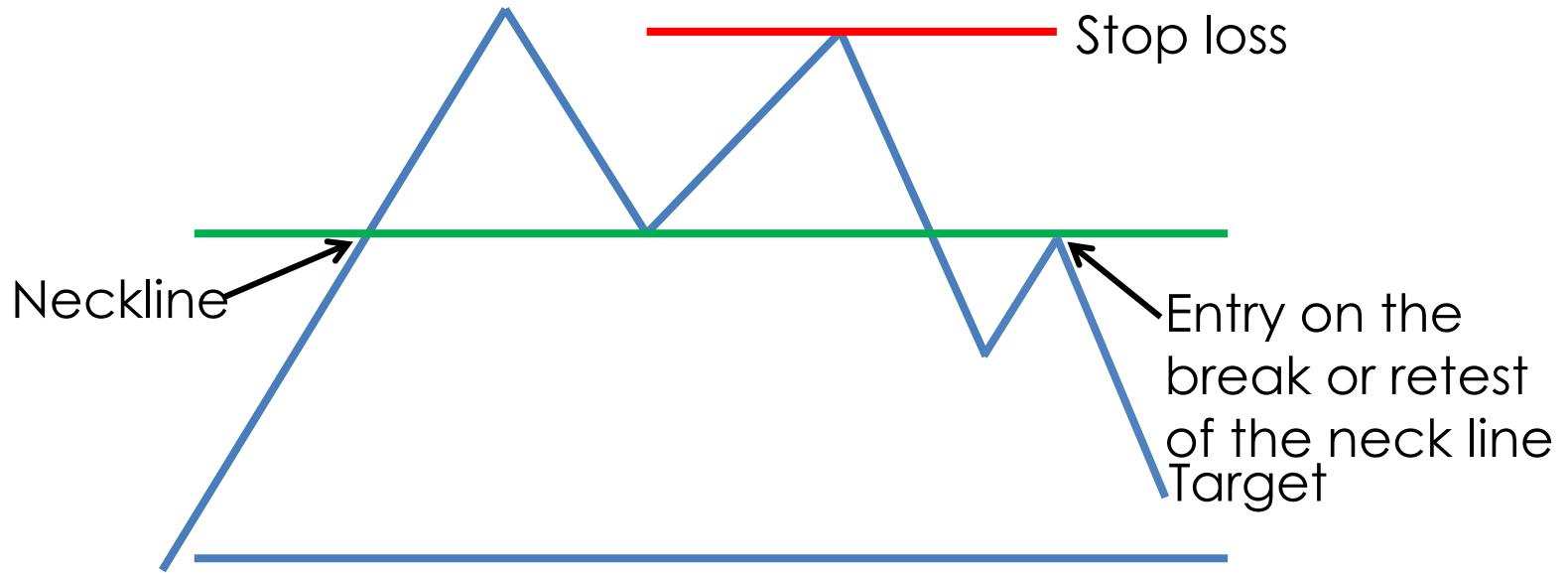
Reversal Patterns

- These are patterns in cyclicity that try to predict the likelihood of the trend ending.
- They have been practiced by technical analysts for years upon years and continue to be used today.
- Study each pattern so that you are aware of how they form.

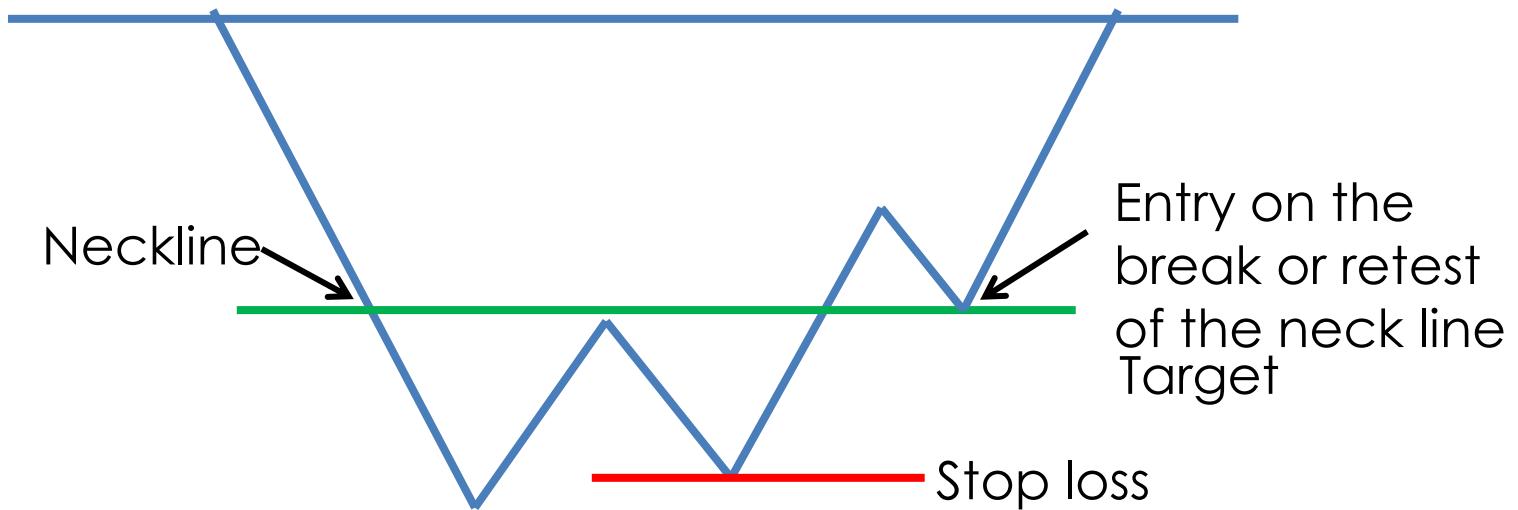
Reversal Patterns

- Double Top / Double Bottom.
- Head and Shoulders / Inverse Head and Shoulders.

Double Top



Double Bottom



Double Tops and Bottoms

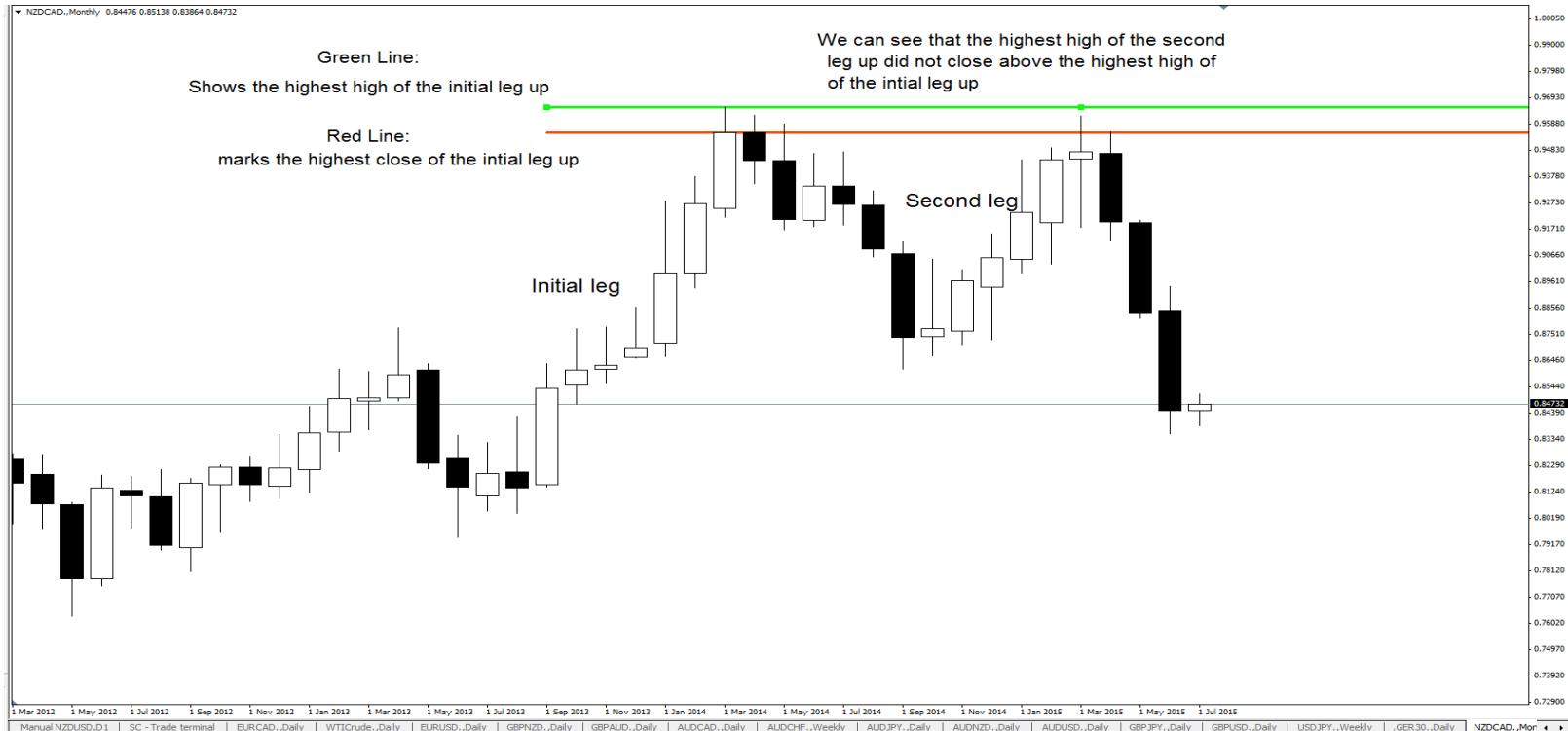
- Can only be formed when trending, i.e. a double top can only be formed when the market is trending up.
- Specific rules for looking at double tops are as follows:

Double Tops and Bottoms

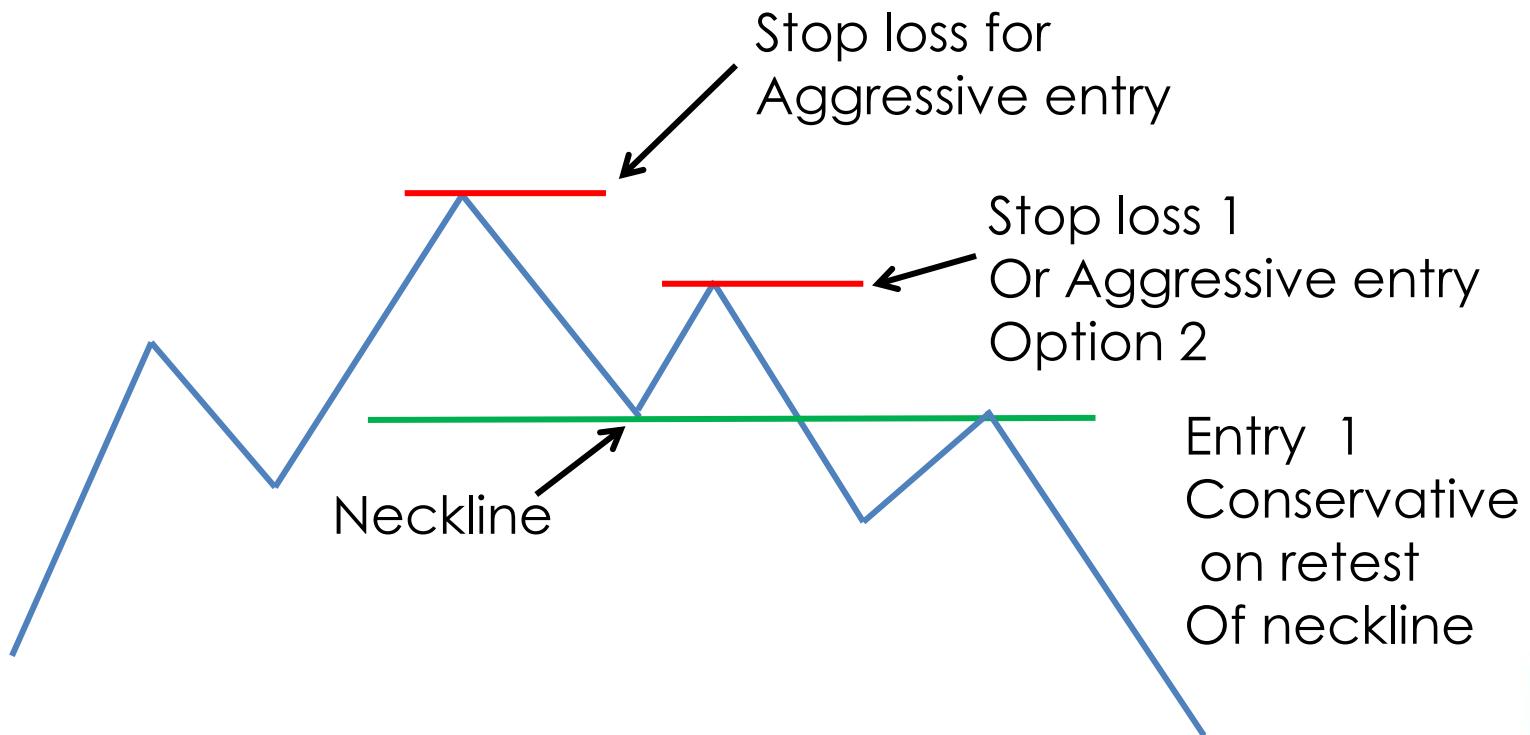
- As the double top is forming the highest close of the initial leg up must be equalled in price (tested) by the second leg.
- The highest high of the initial leg up must not be closed above. If price closes above the initial leg the double top is invalid.

That is the criteria that has to be met for a double top to be formed or vice versa for a double bottom.

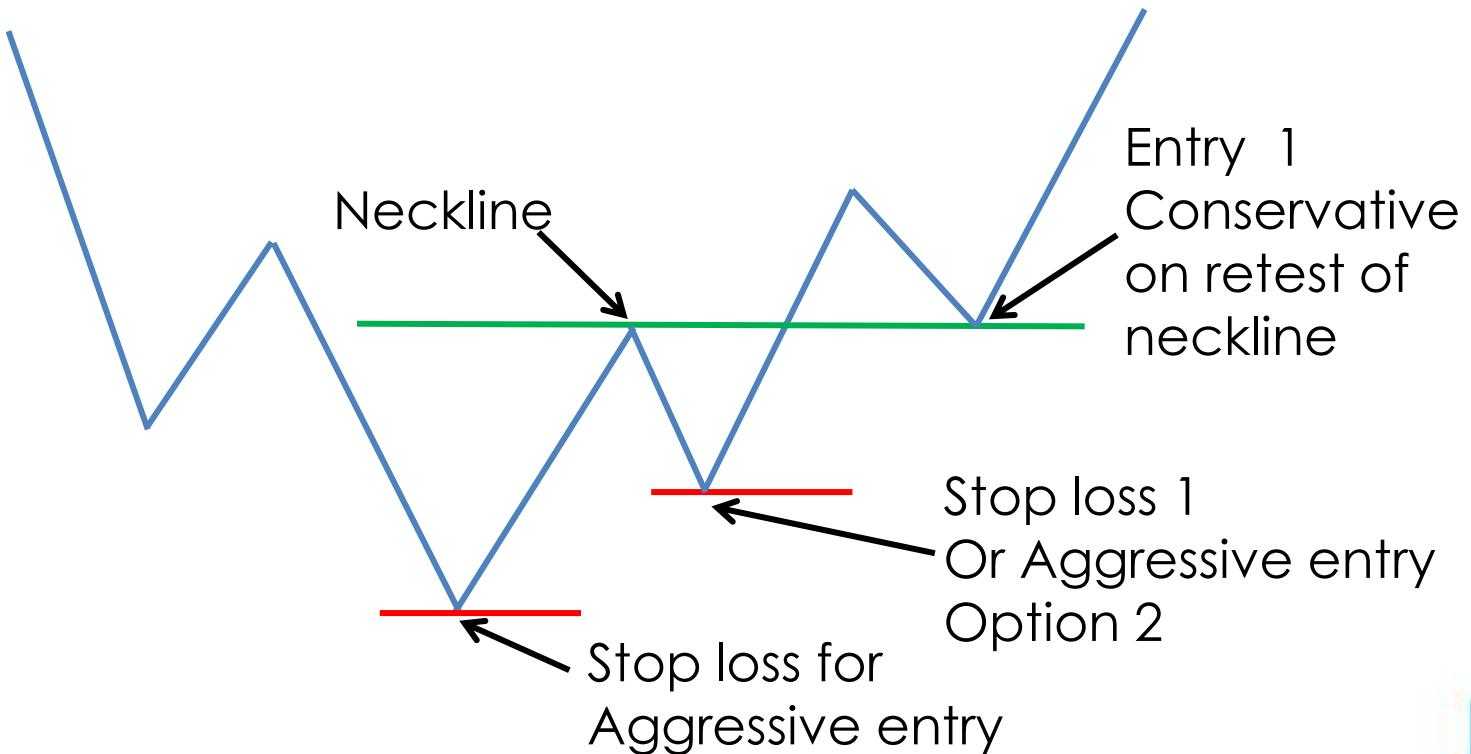
Double Tops and Bottoms



Head and Shoulders



Inverse Head and Shoulders



Reversal Patterns - Practical

- Use these patterns as signals for reversals. Although more confirmation is required to trade them.
- Find a few examples of double tops and double bottoms.
- Please back test all variances to see which works best in your opinion.

Notes

Notes

Horizontal Levels

Your roadmap to where
price is likely to go...

Horizontal Levels

Your roadmap to where
price is likely to go...

Horizontal Levels

- They are a fixed level that acts as support or resistance to price
- This is far stronger than a diagonal level and they are what most fund traders use to judge where price is going
- This is where the smart money is located, where the smart money trades and it's where you want to be

Horizontal Levels

You can just trade off horizontal levels in their own right but it is far more effective to check the price action and the cyclicity at these levels to determine whether price is going to break through or bounce.

Remember

We are trying to turn you into sensible traders that are patient and wait for price to tell you what to do. We are not just trading off horizontals blindly but checking that price action is in agreement before we even consider taking the trade. It is better to be out of the market at breakeven, than in the market in a bad trade, trying to manage your way out of it.

Horizontal Levels

The 3 types of market movements off horizontals are:

- Bounces
 - Breaks
 - The Chase
-
- Price has to bounce off these horizontal levels more than it breaks through, otherwise horizontal levels would not exist.
 - Therefore, trading bounces can be one of the most profitable ways of trading, with a good success rate.

Horizontal Levels

Price only breaks out 30% of the time so people that trade bounces tend to win more. However, when price does break out, it tends to do so aggressively. This means that you can get improved Reward:Risk.

Chasing, is when you miss the move and price has moved too far to be able to enter at a sensible location. You are too far into phase 1 and close to the likely reversal into phase 2. However, you enter anyway. This is a great way to lose money. Please don't do it!

Horizontal Levels

Hard levels of resistance or support are where price has bounced off this level previously and failed to break it.

Soft levels of resistance and support are where price has bounced off a level previously **BUT** price has broken through it before.

Hard levels of support and resistance tend to be stronger than soft levels of support and resistance.

However, remember that price action is key - let it tell you what action to take.

Horizontal Levels

Plot the hard levels of support and resistance



Horizontal Levels

Now add the soft levels of support and resistance



Horizontal Levels

Notice how the hard levels of support and resistance are respected in a stronger way



Horizontal Levels

To see all the line tools on SmartCharts, check out the video tutorials that will show you how to use them in more detail.



Horizontal Levels

Work with the person next to you or in groups of 3 as necessary.

Bring up any 15 minute chart or below of any currency pair.

Roughly over a 3 day period, mark the hard and soft levels of support and resistance.

Notice how price reacts off these levels throughout the rest of today and over the next 2 days.

Next, pick a daily chart and repeat the process but keep an eye on these levels over the next 3 months.

Again, watch how price reacts off these resistance and support levels and look for trading opportunities in the weeks ahead.



Trend Lines

Stay on the right side of the market ...



Trend Lines

Stay on the right side of the market ...

Trend Lines

Trend lines help us to determine the general direction of the market and help us to spot 'zones' where we would like to buy or sell.

They work well alongside Moving Averages and Cycles.

Uptrend Trend Line

Connect the lows (troughs) - 2 touches minimum



Downtrend Trend Line

Connect the highs (peaks) - 2 touches minimum



Trend Lines

To see all the line tools on SmartCharts, check out the video tutorials that will show you how to use them in more detail.





FIBONACCI

The ‘magic’ numbers



FIBONACCI

The ‘magic’ numbers

FIBONACCI

- Fibonacci numbers are based upon the Fibonacci sequence discovered by Leonardo de Fibonacci de Pisa.
- Fibonacci ratios are used to measure retracements and extensions of a market's up and down movement to provide additional levels of support or resistance and hence potential turning points.

- Fibonacci sequence:
- 0,1,1,2,3,5,8,13,21,34,55,89,144...to infinity.
- The calculation takes the sum of the previous two numbers and adds it to the following number.
- After the eighth sequence there are constant mathematical ratio relationships that can be derived.

- 1.618 is known as the **Golden Ratio or Phi** (the inverse is 0.618 [1/1.618])
- All other 'Fib' levels are derived from the Golden Ratio.

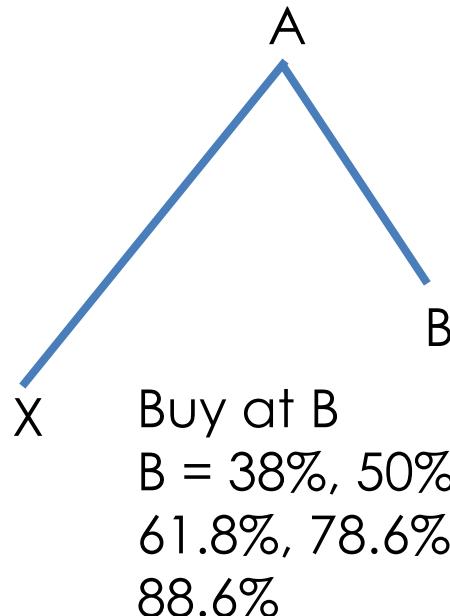
- The golden ratio can be found everywhere in our life and world:
 - Great Pyramids
 - Individual bones in our Index finger are related by Phi
 - DNA molecules
- These relationships, in the financial markets, can help us to analyse similar cyclical growth patterns in price action.

- To measure Retracements traders use:
 - 0.382 (38%)
 - 0.50 (50%) (inserted by market)
 - 0.618 (61.8%)
 - 0.786 (78.6%)
- To measure Extensions traders use:
 - 1.272
 - 1.618
 - 2.0

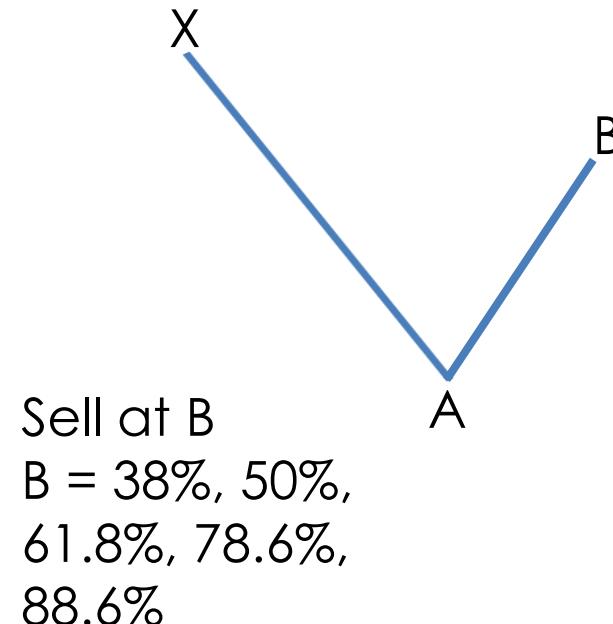
- We use these Fibonacci levels as levels of support or resistance where price could turn
- Ideally, we want confluence and look for Fib levels to match up with:
 - Trend Lines
 - Horizontal levels of support and resistance
 - Moving Averages
 - Price Action
 - The more the better...

Fibonacci Retracements require 2 points

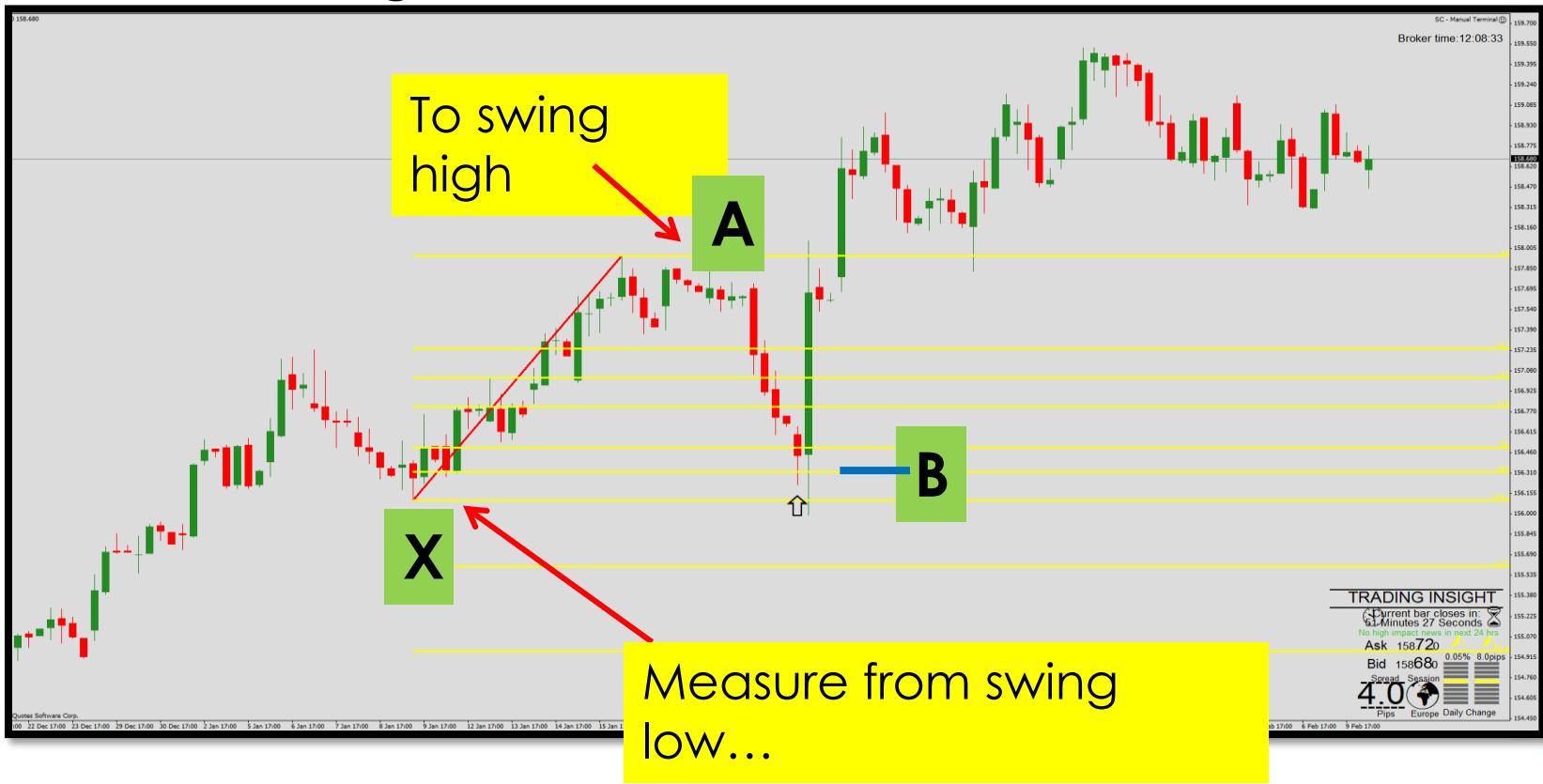
Buy Pattern



Sell Pattern



Selecting Fibonacci Retracement levels



- What is a potential entry and stop?

- What is a potential target?

What is a potential entry and stop?

Enter 1 pip above low test bar at B, stop under bar or at X level

What is a potential target?

Target highs at A

Selecting Fibonacci Retracement levels



- What is a potential entry and stop?

- What is a potential target?

What is a potential entry and stop?

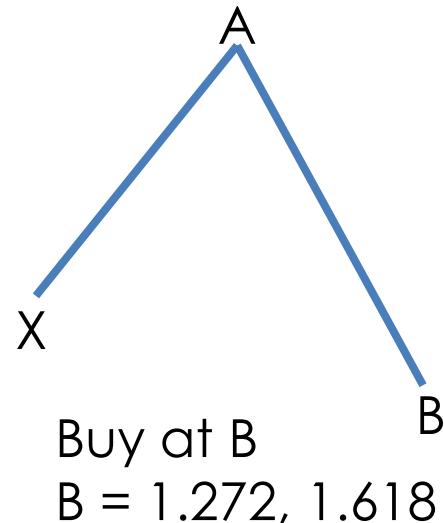
Sell at B as high test bar, ringed high and reversal bar formation. Stronger price action signal compared to the first pullback. You will learn about ringed highs, ringed lows, power pivots and more later on.

What is a potential target?

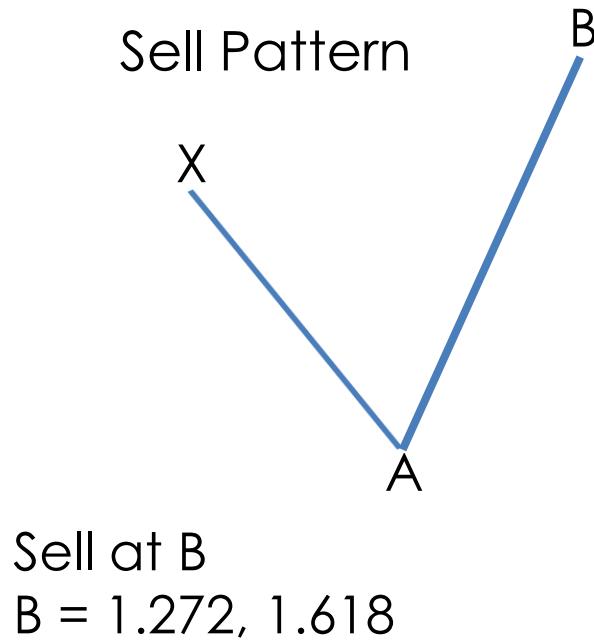
Target the lows at A or use a Fibonacci Extension

Fibonacci Extensions show how far a market extends past its original point.
Fibonacci Extensions are typically used as exits from the market

Buy Pattern



Sell Pattern



Selecting Fibonacci Extension levels

Here we see a re-test of resistance becoming support and price action buy signals with strong bullish close. The 1.272 extension would likely have been the exit as a high test bar formed.



Fibonacci Practical

- Demonstrate on SmartCharts.
- Turning levels on and off.
- Retracement levels .
- Extension levels.



Moving Averages



Moving Averages

Moving averages are designed to give you a calculation of the average price of a currency over a specific period of time. One important thing we need to consider here is how the moving averages are calculated. The period, source and MA type can change the characteristics of an MA. Key features of MA:

Period: The number of bars the MA is calculated over. i.e. 5, 10, 20, 50, 100.

Apply to: This is the price of each bar that is used to calculate the moving average. i.e. open, high, low, low and $(H+L) / 2$. In this manual we will focus mainly on close for trend analysis and $(H+L) / 2$ for the Advanced Snap Back.

MA Method: This shows how the average is calculated. For example, a simple MA is simply the average of all bars prices. All are weighted equally, whereas an exponential MA type will be heavily weighted towards the recent bars' price average. For trend analysis, we will generally be using exponential MAs in this manual. Examples: EXPONENTIAL and SIMPLE, SMOOTHED AND LINEAR WEIGHTED.

Moving Averages

To see how to add averages to the chart, please watch the video in the SmartCharts tutorial section.



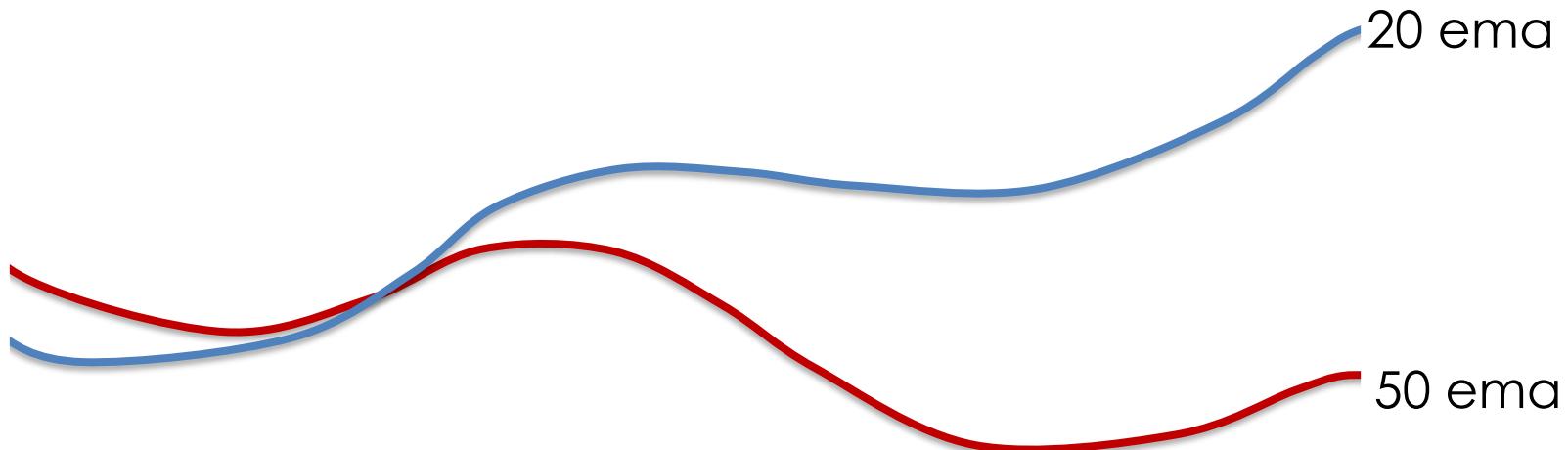
So why use EMAs based on the close of the bar to identify trend?

1. EMAs are more sensitive to current price action changes and are, therefore, ideal for spotting trends and change of trends early.
2. The close of the bar is the most recent price and again gives us the most up to date information on price action.
3. Most other trades are doing this, therefore, it becomes a self fulfilling prophecy.

Using EMAs to identify trend

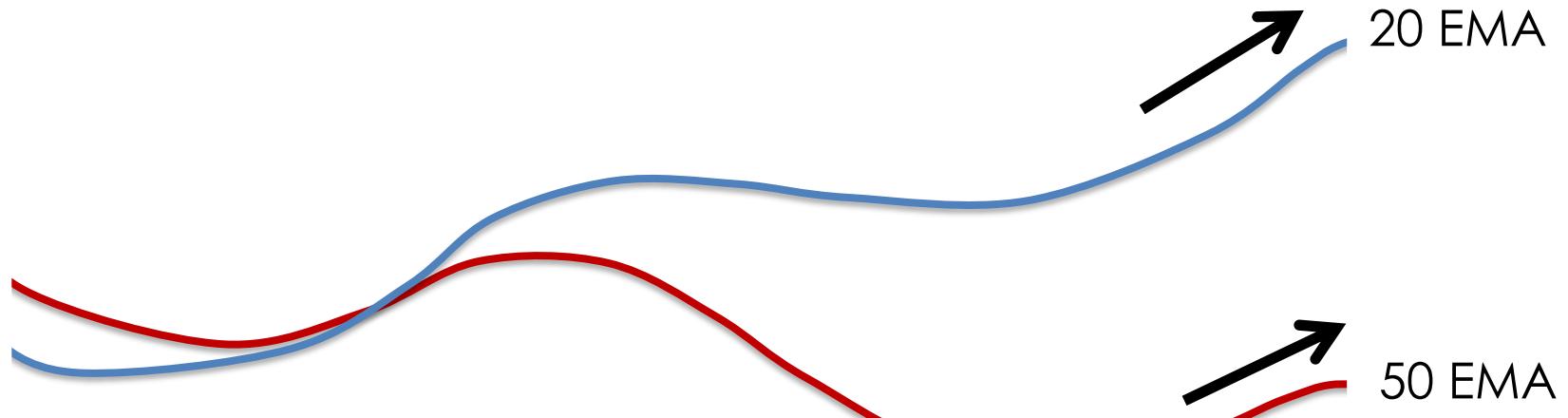
- Order, Angle and Separation.
- **Order:** For uptrend, faster EMAs must be above the slower EMAs. For downtrend, faster EMAs must be below the slower EMAs.
- **Angle:** The angle of the EMA is becoming steeper.
- **Separation:** The separation between the EMAs is becoming wider.

Order for 2 EMAs



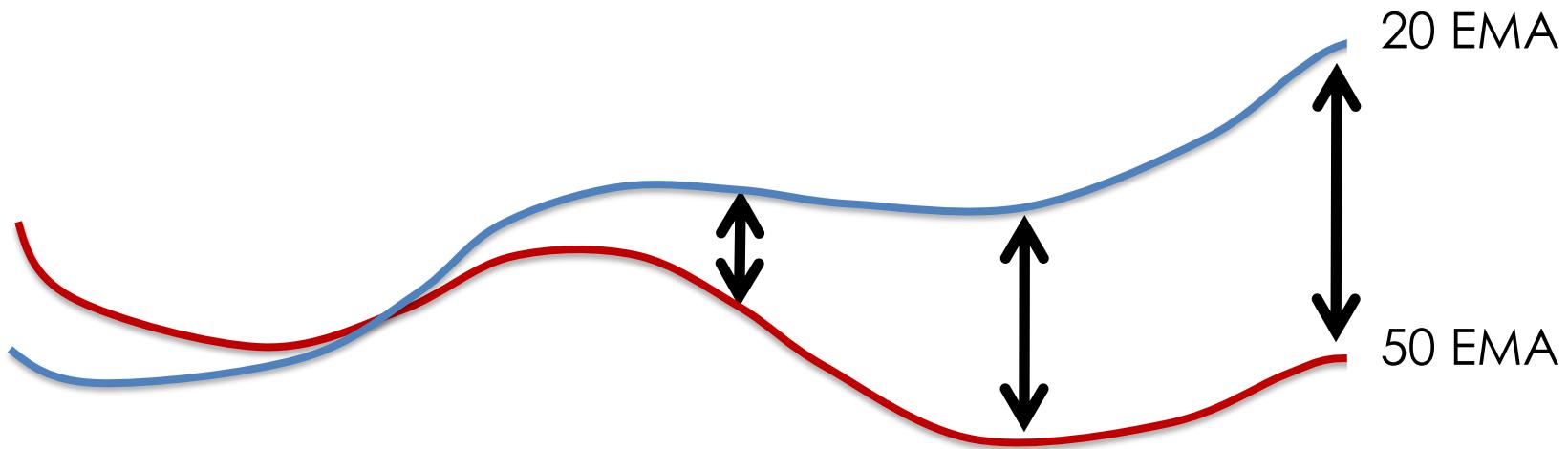
The fast EMA must be above the slow EMA for an uptrend and the fast EMA must be below the slow EMA for a down trend. In the example above, the 20 EMA is above the 50 EMA, indicating an UPTREND.

Angle for 2 EMAs



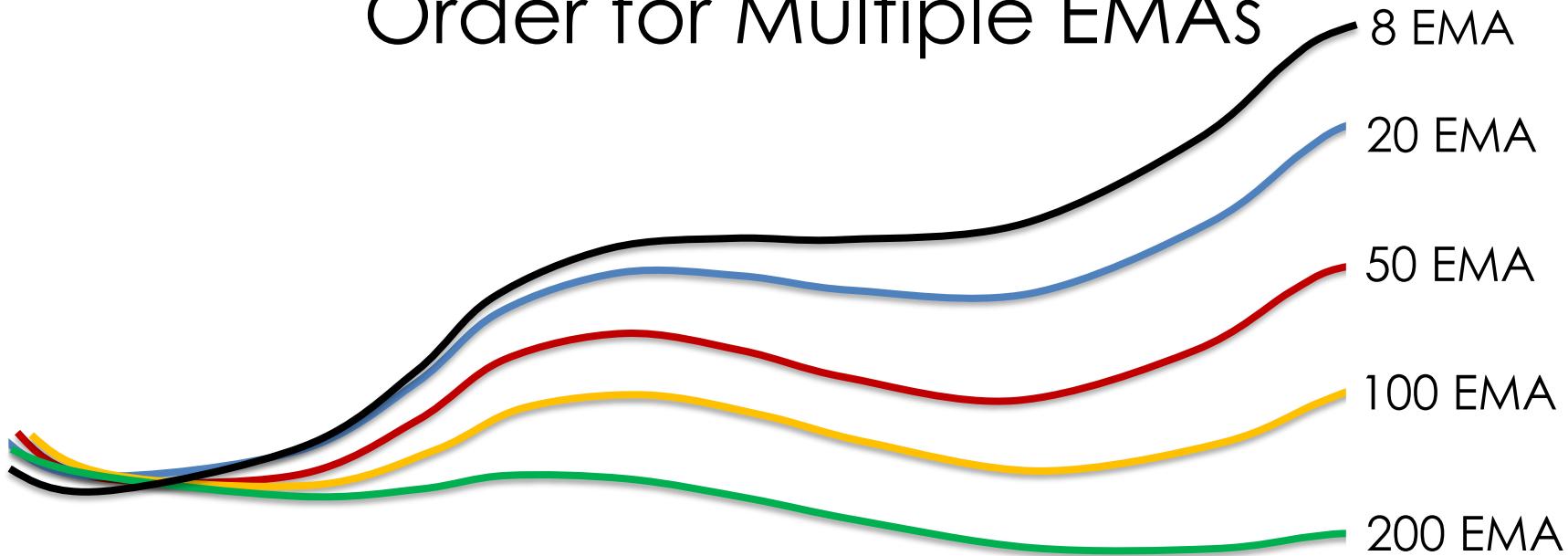
The angle of the EMAs are pointing upwards, confirming the uptrend is strong.

Separation for 2 EMAs



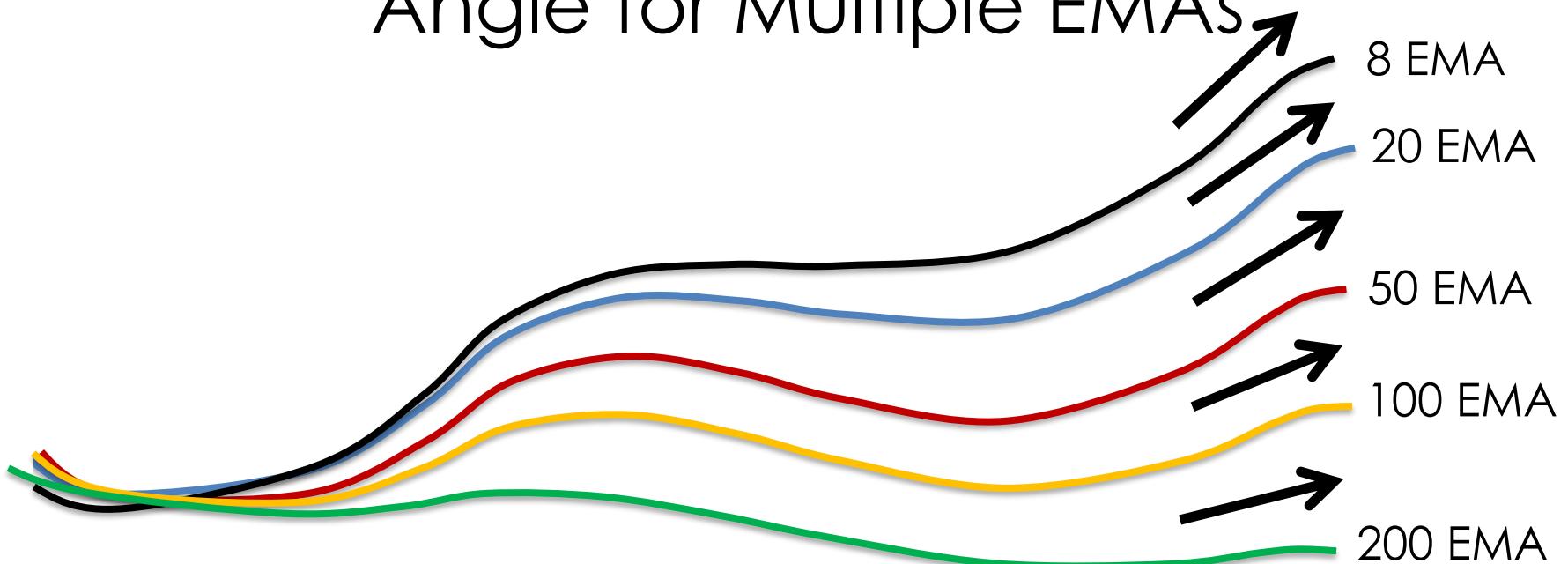
As the EMAs fan out and separate from each other, it is also signalling that trend is becoming stronger.

Order for Multiple EMAs



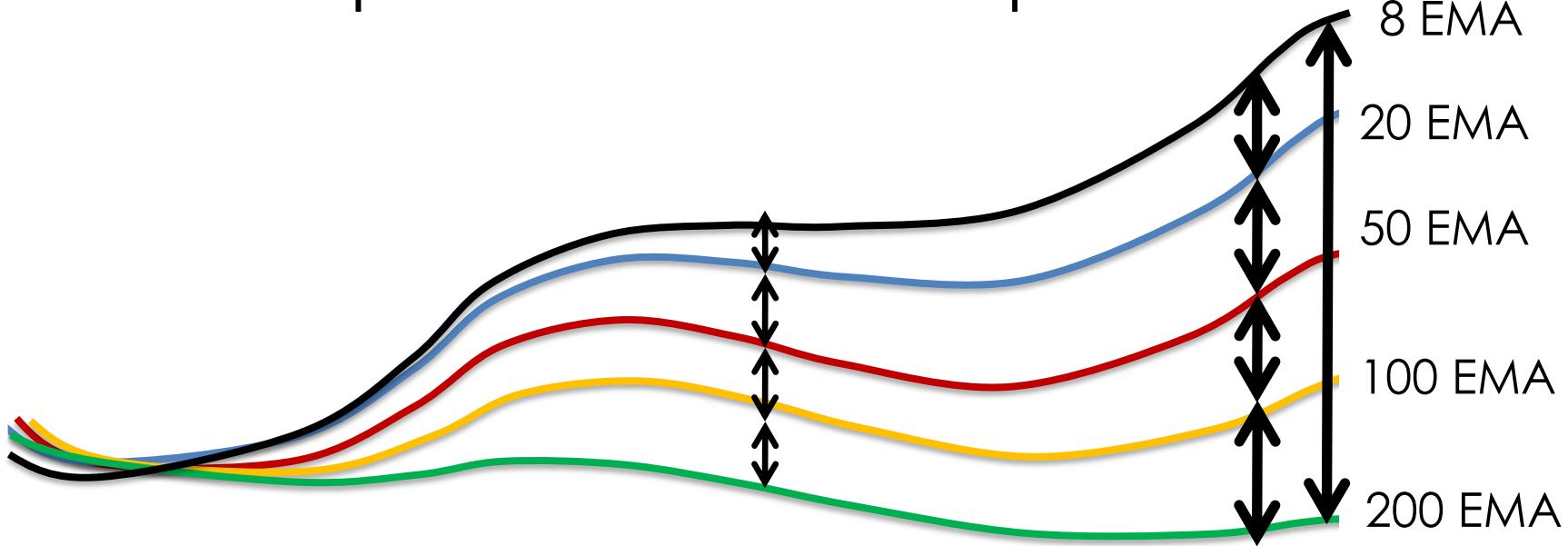
Using more than one EMA will give you a more accurate picture of trend direction. As you can see, the order for the EMAs is correct.

Angle for Multiple EMAs



The angles of all 5 EMAs are pointing upward, confirming the uptrend is strong.

Separation for multiple EMAs



As all 5 EMAs fan out and separate from each other, it is also signalling that trend is becoming stronger. It is important to look for separation between each EMA and also the degree of separation between the fastest and slowest EMA.

Useful EMA combinations

When using just 2 EMAs:

- 8/20
- 20/50
- 50/200

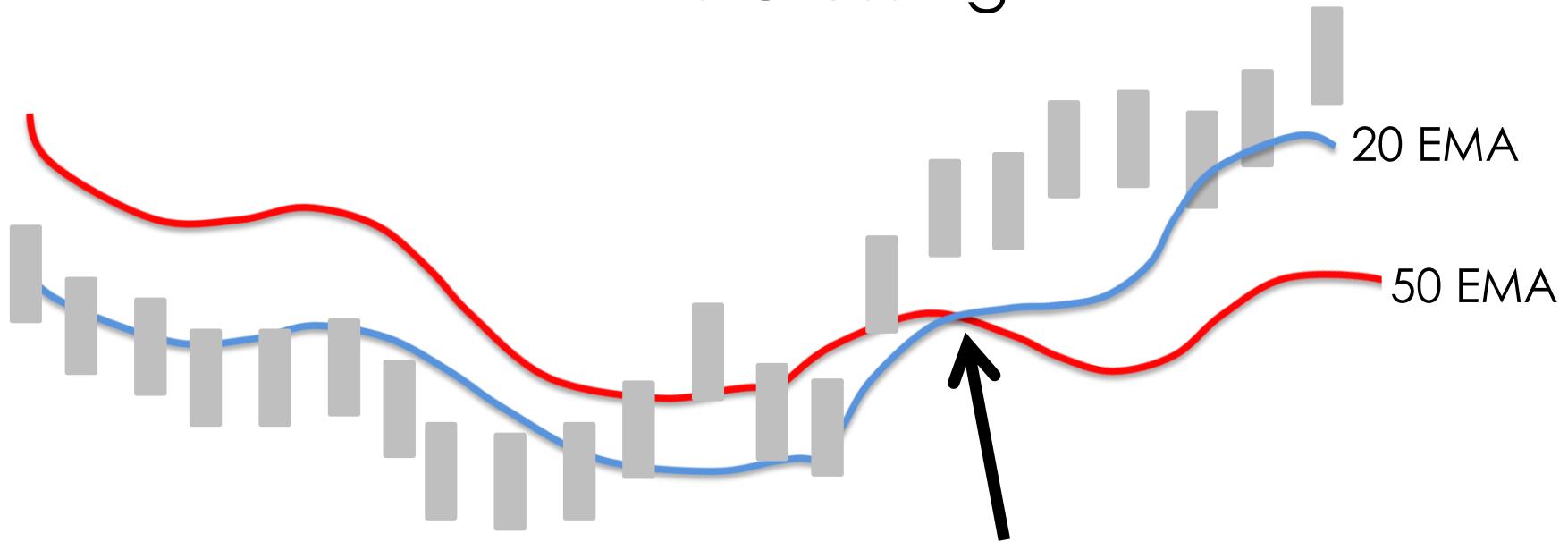
When using multiple EMAs:

- 8/20/50
- 20/50/100/200
- 8/20/50/100/200

EMA crosses

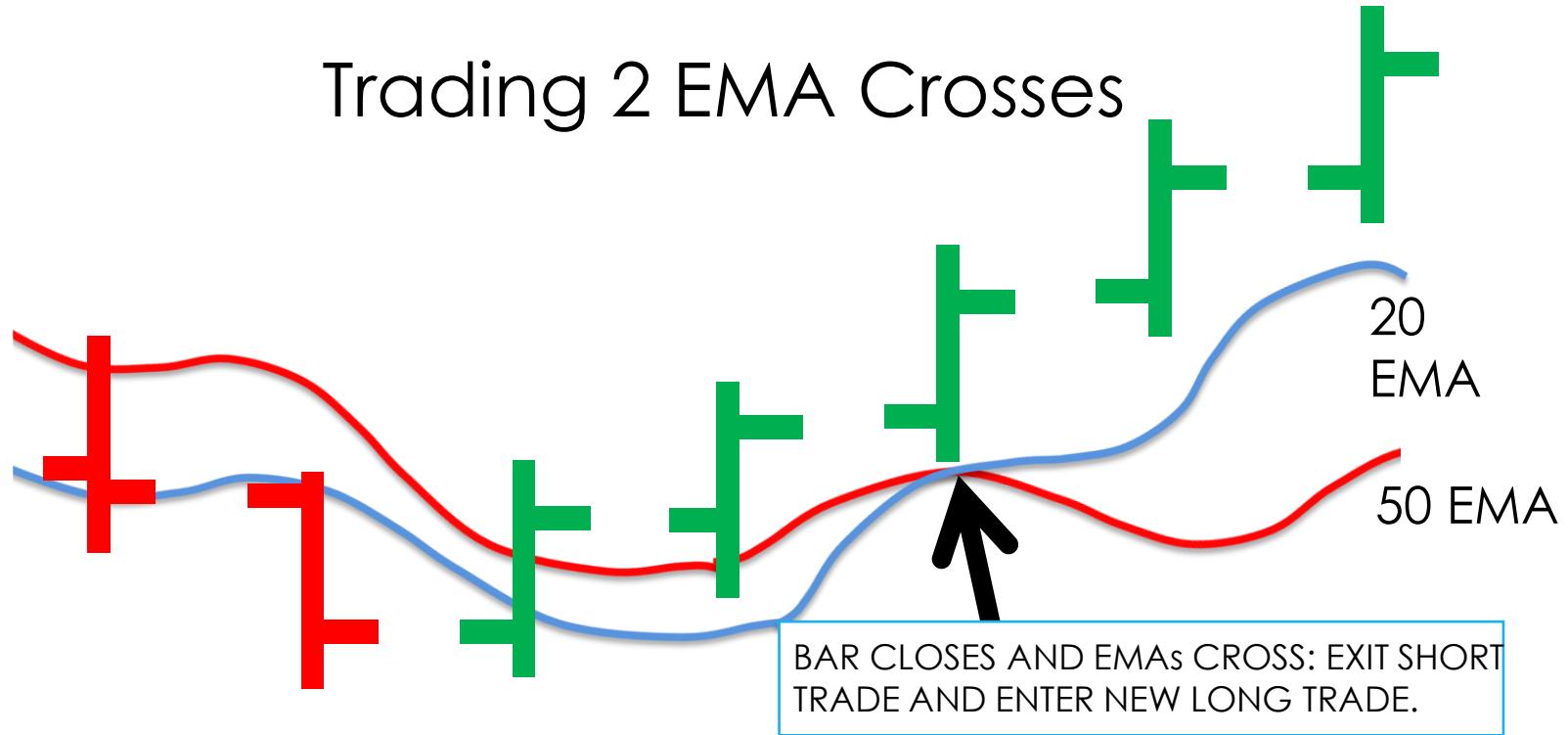
- When EMAs cross, they indicate that a trend is likely to be changing.
- Some EMA numbers are better at finding these turning points than others.
- 2 EMAs can be used, however multiple EMAs are more precise.

2 EMAs Crossing



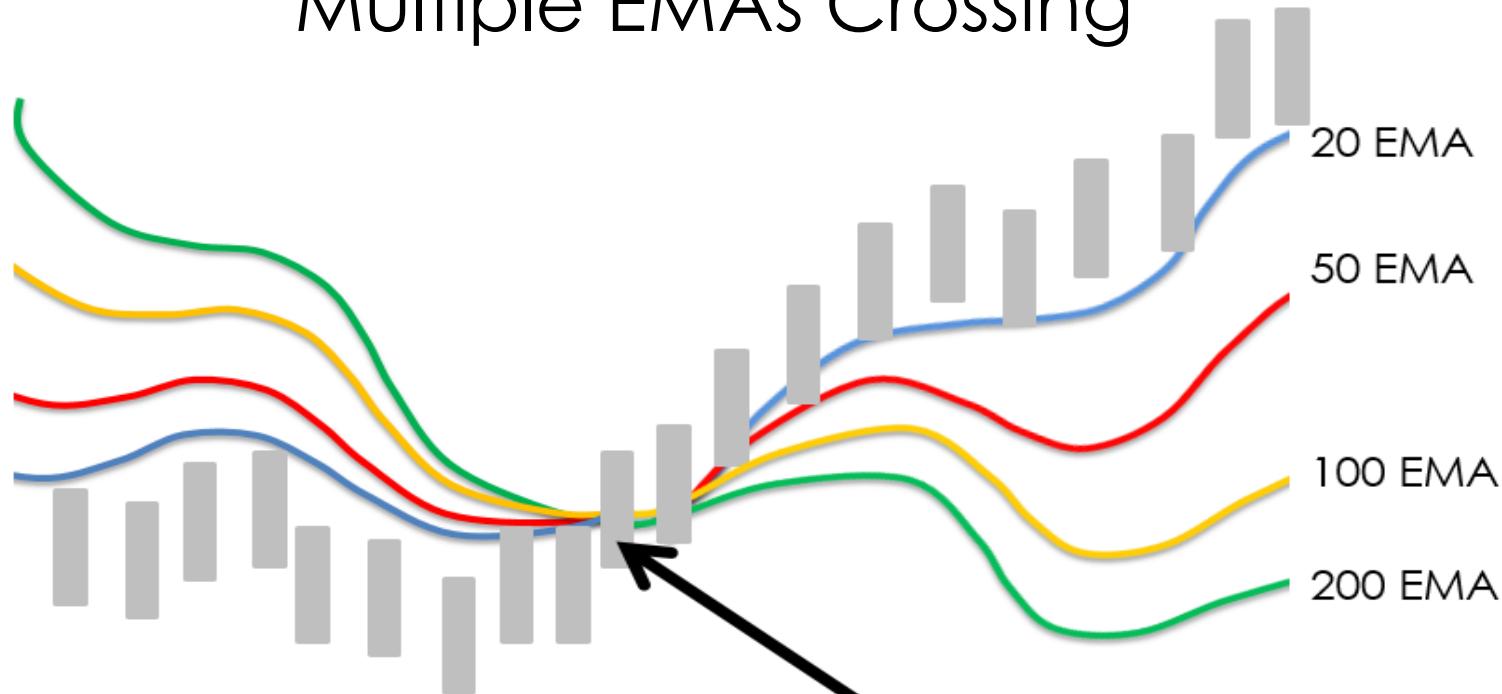
As the EMAs cross, the 20 EMA changes from being below the 50 EMA to being above the 50 EMA. In simple terms, this is showing a downtrend changing to an uptrend.

Trading 2 EMA Crosses



You can use 2 EMAs as entry and exit points for a trade. As we are using EMAs based on the close of the bar, we have to wait until a bar closes to confirm that the EMAs have crossed. We enter on the close of the bar, where the EMAs cross over and we exit the older trade (and subsequently enter a new Trade in the opposite direction) when the EMAs cross back over each other.

Multiple EMAs Crossing



Multiple EMAs crossing is a stronger indication of a trend changing direction.

Moving Average Practical

- Demonstrate on SmartCharts.
- Turning levels on and off.
- Interaction with price action.
- Crossovers.



Timeframe Correlation
Longer Term Moves
Smaller Stops
Increased Reward:Risk



Timeframe Correlation
Longer Term Moves
Smaller Stops
Increased Reward:Risk

Timeframe Correlation

Timeframe Correlation, along with Price Action and Horizontal Levels, are some of the most important parts of trading profitably.

It is the agreement between timeframes that allows you to get into longer term moves on smaller timeframes.

This can and does lower the success rate slightly but massively improves the reward: risk ratio.

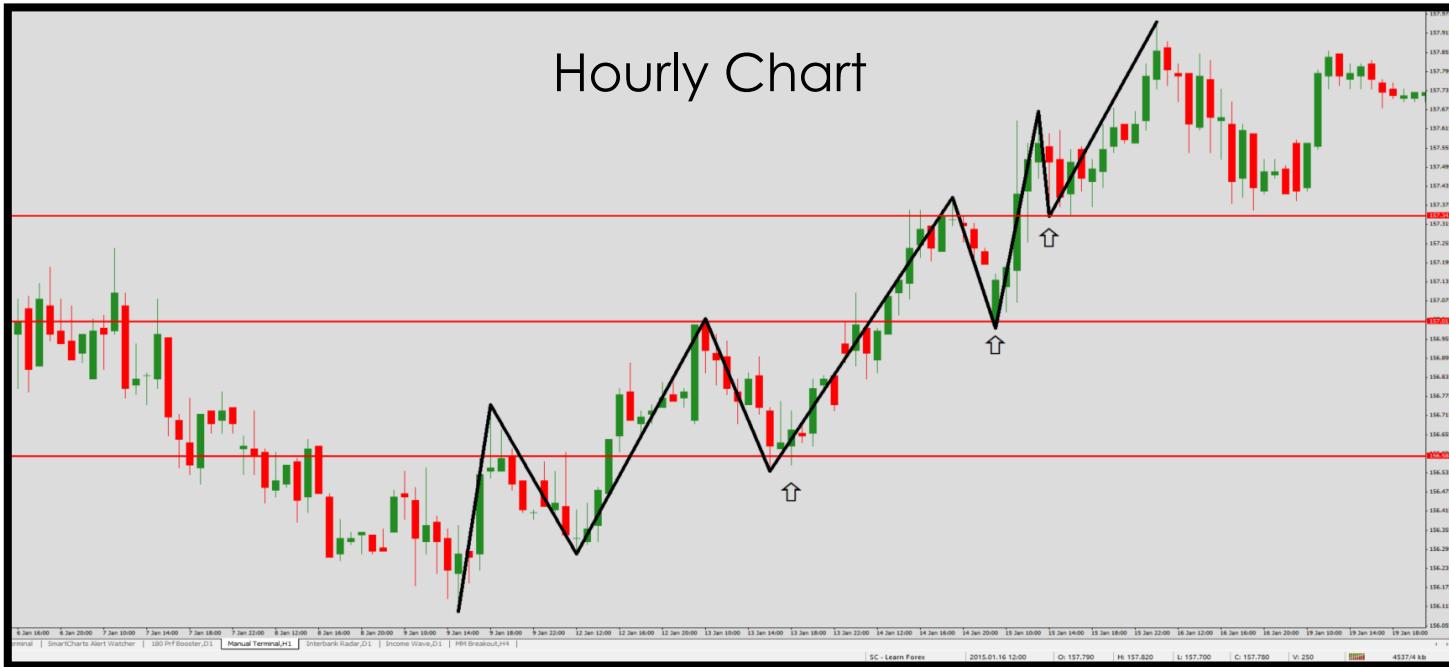
Timeframe Correlation



Timeframe Correlation



Timeframe Correlation



Timeframe Correlation



Timeframe Correlation

Remember:

- Higher Timeframes provide direction.
- Lower Timeframes provide execution.

Wait for price to get to your levels on the higher timeframes, then execute off the smaller timeframes.

Timeframe Correlation

Try to plan your trades:

Waiting for price to get to certain levels makes you a more patient and typically a more profitable trader.

Don't jump into every single trade.

You should:

- Plan your trade.
- Wait for price to reach the level.
- Let the price action play out on a smaller timeframe.
- Execute the trade, provided you have enough confirmations.

Timeframe Correlation - Practical

Draw horizontal levels on a daily chart of your choice.

Once you have marked the hard and soft resistance and support levels, move down to either a H4, H1 or M15 and see how price reacts off those levels.

Pay particular attention to the price action on the smaller timeframes and look for reversals or changes in cyclicity that can help you to identify when the trend changes.

Also note the times that price breaks through these horizontal levels.

Don't jump from a Daily chart straight down to a 5m chart. No more than 2 timeframes apart.

Timeframe Correlation - Practical 2

Pick a daily chart of a trending currency pair.

Add the 20, 50, 100 and 200 EMAs.

Draw lines exactly where price intersects these moving averages.

Zoom in to a smaller timeframe such as a 1hr or 15m.

Perform this exercise on an individual basis and then compare results with the person next to you.

What do you notice?

Notes



Trade Execution
Selection ... Timing...
Management



Trade Execution
Selection ... Timing...
Management

Trade Execution

There are 3 parts to any trade:

Selection

Timing

Management

Remember:

The above 3 points should be applied to every single trade that you place. You must start from Selection then Timing, through to Management.

If you select the correct trade and time it well, you are much more likely to make money. Management will then lead to improved profits and cutting losses short.

Do not get into a trade and then be forced to manage your way out of a bad situation. Follow the process as it is designed.

Trade Execution

Selection:

You can use Time frame correlation, Trend, Phases and Moving Averages in your selection process.

Timing:

Price Action, Divergence, Horizontal levels and other indicators will help you with the timing of your trades.

When Price Action agrees, go with it as Price Action leads all indicators.

Management:

Bollinger Bands, Divergence and Price Action can help you to manage your trades.

Bollinger Bands and Divergence will show you when price is running out of steam and is likely to retrace.



Ringed Highs &
Ringed Lows
Tops & Bottoms...



Ringed Highs &
Ringed Lows
Tops & Bottoms...

Ringed Highs & Ringed Lows

A Ringed High or a Ringed Low is the term used to identify the price bar that sits at the top and bottom of each market swing.

Even nicer if the price action supports a reversal.

You need to be aware that Ringed Highs and Ringed Lows are far more profitable to trade with the trend or at tops and bottoms of ranges rather than counter trend.

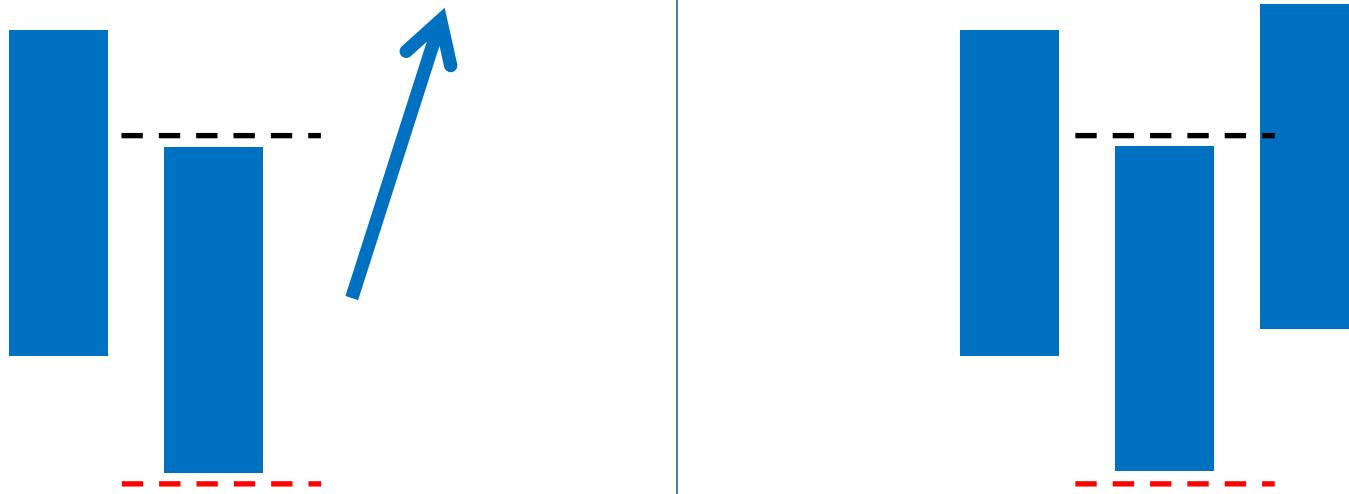
This is due to increased chance of success and improved R:R when trading with the dominant trend as the market is expected to continue in that direction.

Ringed Low Formation

Before setup triggers.

Potential Ringed Low.

When setup has triggered.



Ringed Low Formation

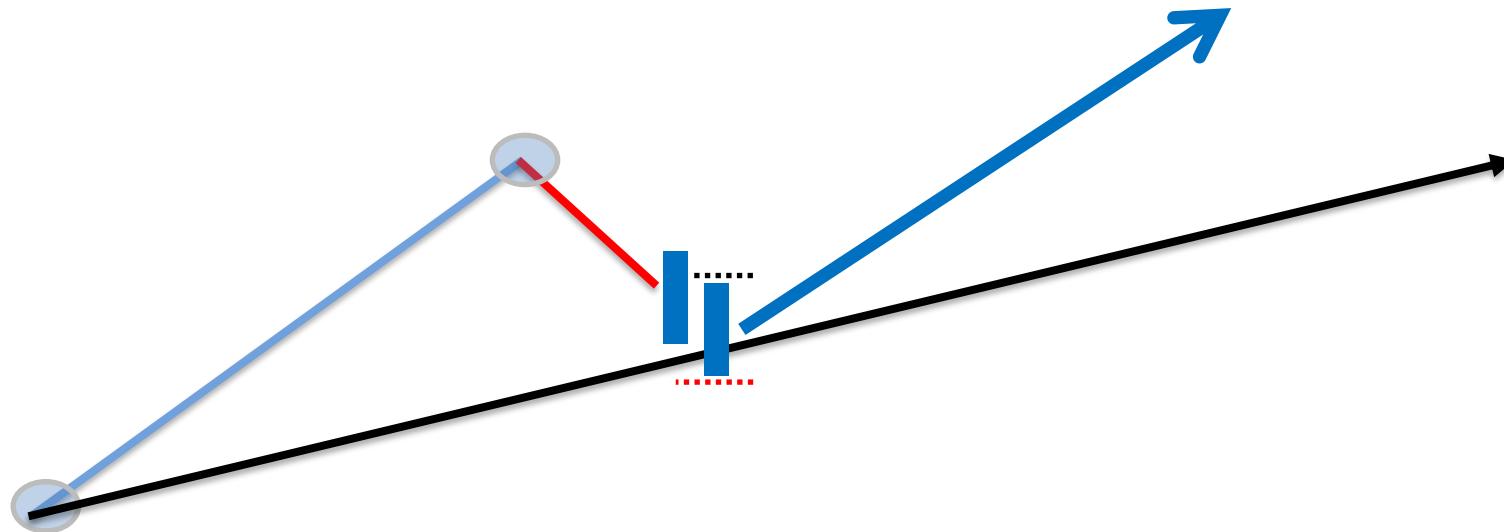
Bar 1 – Any type of bar.

Bar 2 – Must have a lower high and a lower low (place order on this bar).

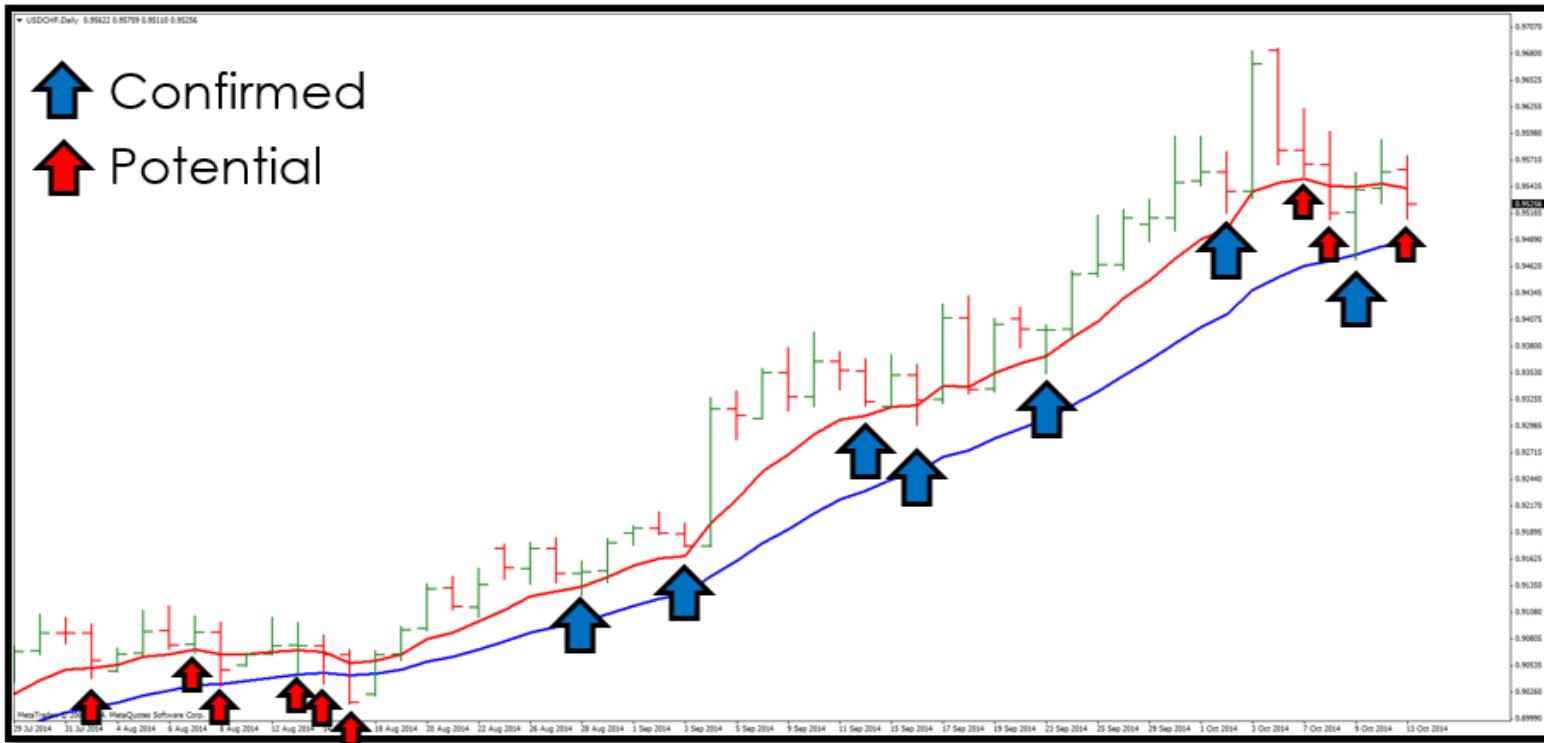
Bar 3 – Moves higher than bar 2 to complete formation and enters you into the trade.



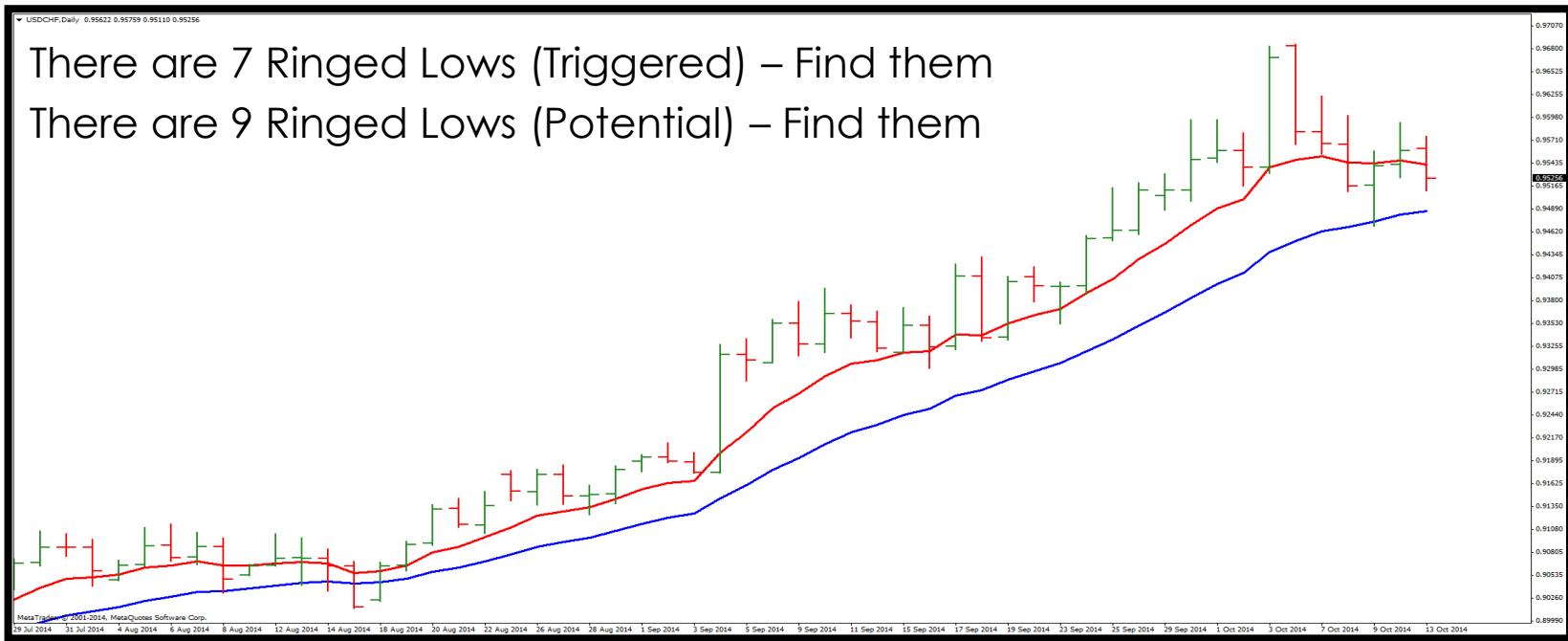
Ringed Low – Context Assuming Uptrend



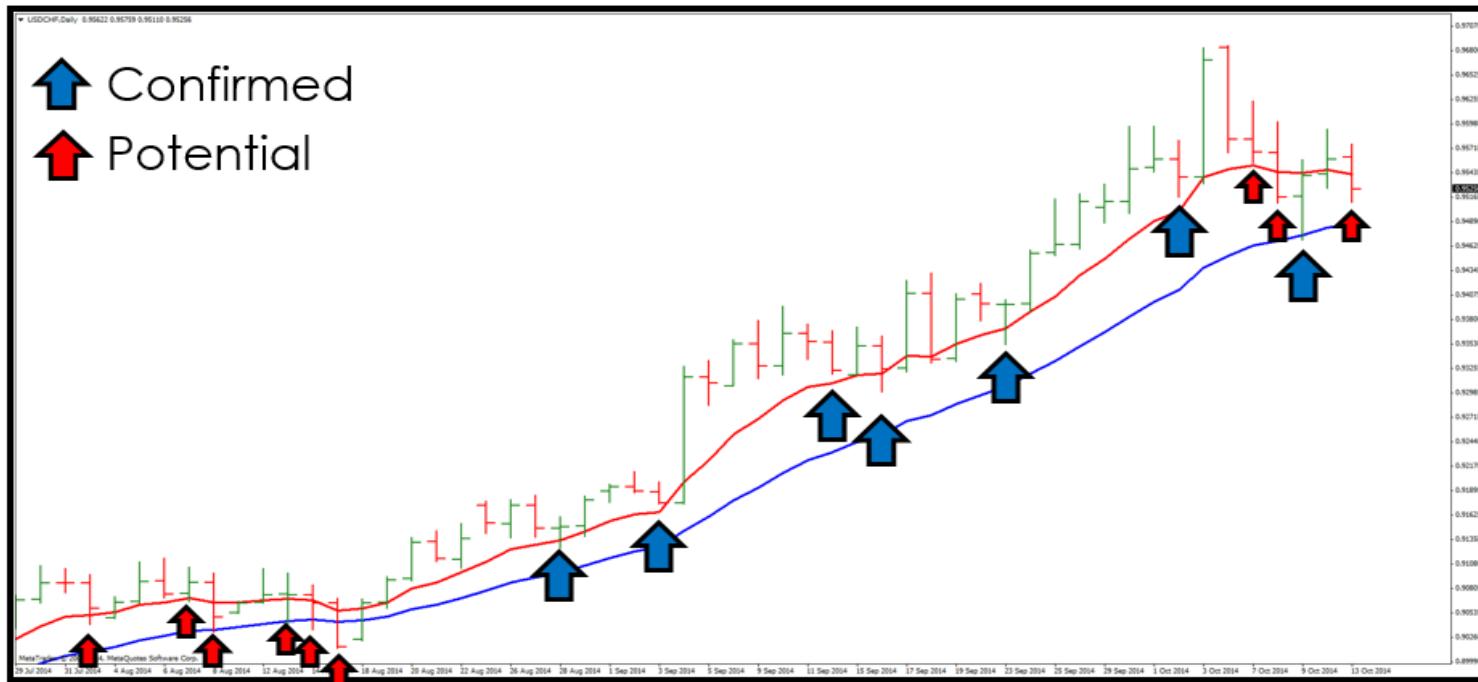
Ringed Lows - Example



Ringed Lows

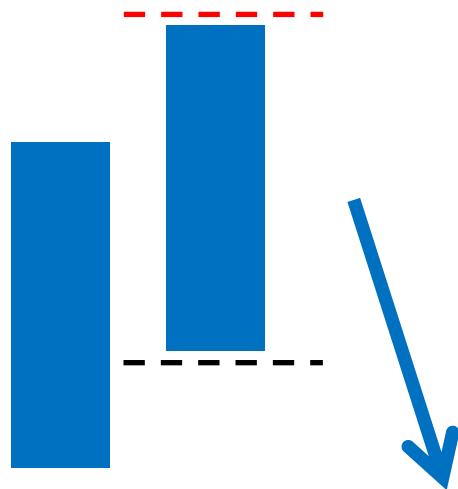


Ringed Lows

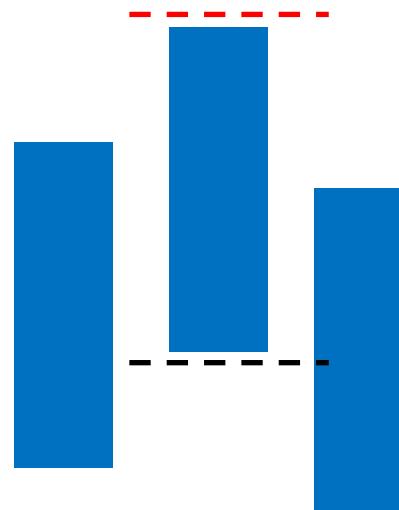


Ringed High

Before setup triggers.
Potential Ringed High.



When setup has
triggered.



Ringed High

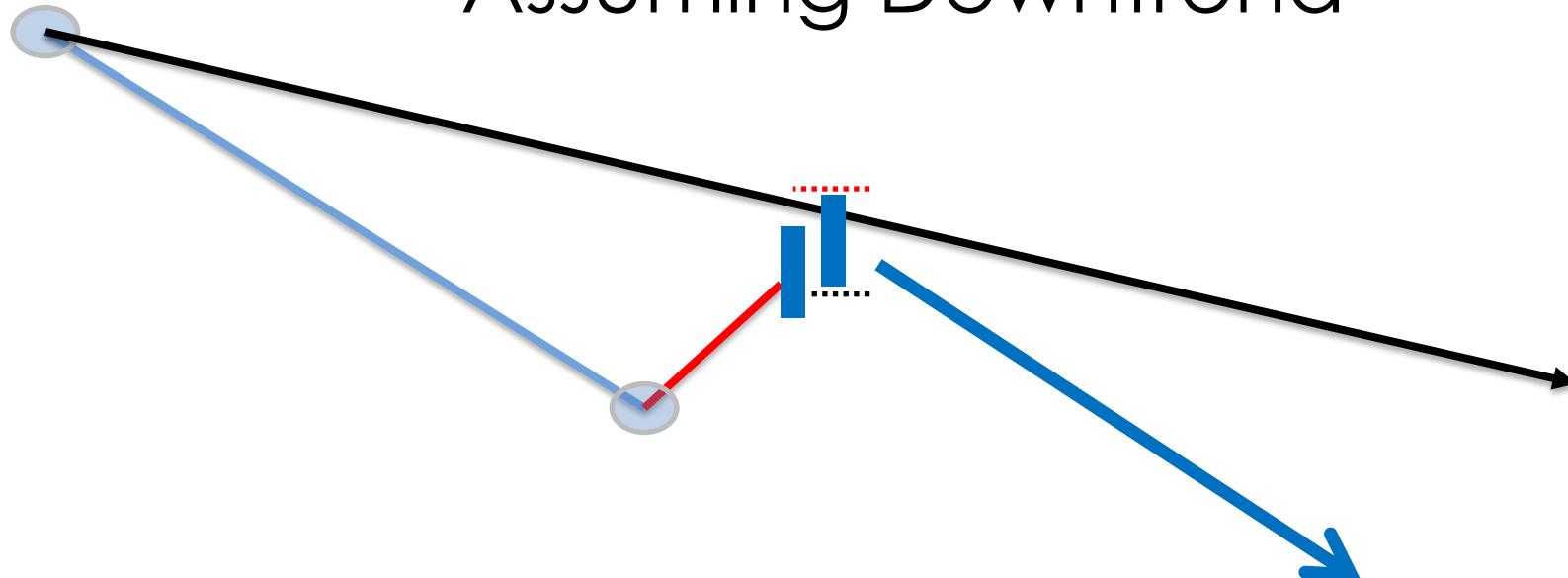
Bar 1 – Any type of bar.

Bar 2 – Must have a higher high and a higher low (place order on this bar).

Bar 3 – Moves lower than bar 2 to complete formation and enters you into the trade.



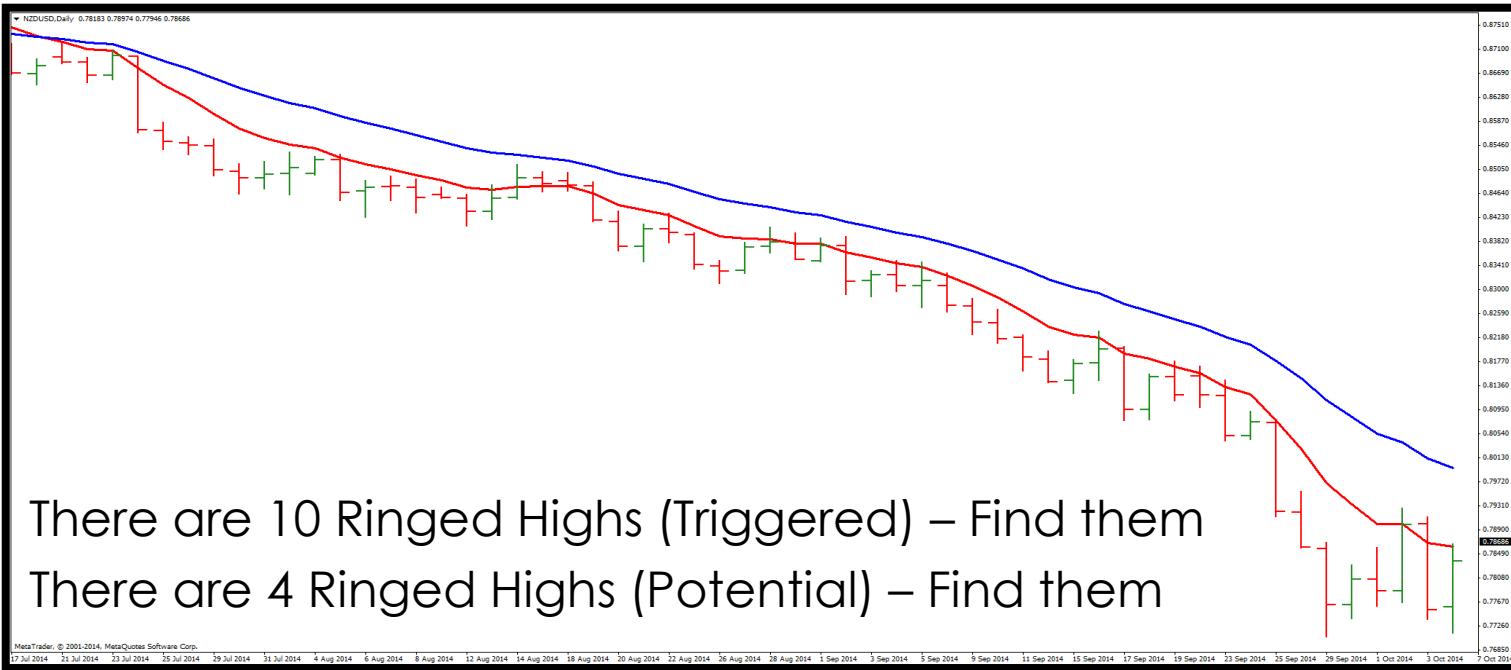
Ringed High – Context Assuming Downtrend



Ringed High - Example



Ringed Highs



Ringed Highs



Ringed Highs/Lows Practical

- Look for examples without relying on 180 Profit Booster signals.
- Use other price action bars to support your findings.



Win Loss Ratio & Reward:Risk

Learning the sensible way to trade...



Win Loss Ratio & Reward:Risk

Learning the sensible way to trade...

Win Loss Ratio & R:R

Risk:Reward	% Success	Winners	Losers	Overall % gain
1:0.5	70	7	3	0.5
1:1	60	6	4	2
1:2	50	5	5	5
1:3	40	4	6	6
1:4	30	3	7	5
1:5	20	2	8	2

Win Loss Ratio & R:R – 10%

Risk:Reward	% Success	Winners	Losers	Overall % gain
1:0.5	60	6	4	-1
1:1	50	5	5	0
1:2	40	4	6	2
1:3	30	3	7	2
1:4	20	2	8	0
1:5	10	1	9	-4

Win Loss Ratios & R:R

- It is clear to see that the higher the Reward: Risk, the more losing trades that you are able to take, whilst still remaining profitable.
- This provides you with a slight psychological buffer, where you realise that you are able to take losing trades and not care about them.
- There will be winning trades and losing trades but provided the winners are bigger than the losers you should make money long term.

Win Loss Ratio - Practical

Assuming that we want a high win ratio, what would be the best reward to risk ratio to aim for?

- 1:1
- 2:1
- 5:1

Is it more profitable to aim for positive reward to risk or inverse reward to risk?

- Inverse
- Positive

Given the choice, what Reward:Risk targets would you aim for?

Why?



Risk Management Scaling



Risk Management Scaling

- Risk Management is the most important factor in becoming a consistently profitable trader.
- Remember the 2 most important ratio formulas we need to apply consistently:
- Reward: Risk (e.g., 1:1).

$$\frac{\text{REWARD} \\ (\text{Target Price} - \text{Entry Price})}{\text{RISK} \\ (\text{Entry Price} - \text{Stop Loss})} : 1$$

- Trade Sizing.

$$\frac{(\text{Account Value} * 2\%)}{(\text{Entry Price} - \text{Stop Loss})}$$

Scaling

- Advanced traders are flexible and creative in managing risk by Scaling In and Scaling Out of positions.
- Scaling helps to adjust overall risk, lock in profits and maximise profit potential.
- This helps with our psychology as we can reduce our risk and lock in profits as we need to be adaptable to market conditions.
- Remember that Scaling In adds more risk to your overall position. As Traders, we are Risk Managers and using this method will depend on your overall analysis of price action and the market.
- Scaling Out can reduce our maximum profit potential but in some instances, it is beneficial to reduce our risk and take some off the table (for example if we are in a momentum trade with a tight stop and important news is approaching, we can reduce our position size to minimise risk).

Scaling Out

- Scaling Out has the benefit of locking in profits and creating a potentially risk free trade by moving our stop loss.
- For example, if we are trading an intra-day, short term momentum strategy but Price Action on higher timeframes is indicating we have the potential for a strong trend, we can lock in profits and go for the bigger reward and have a Risk-Free trade.

Scaling Out



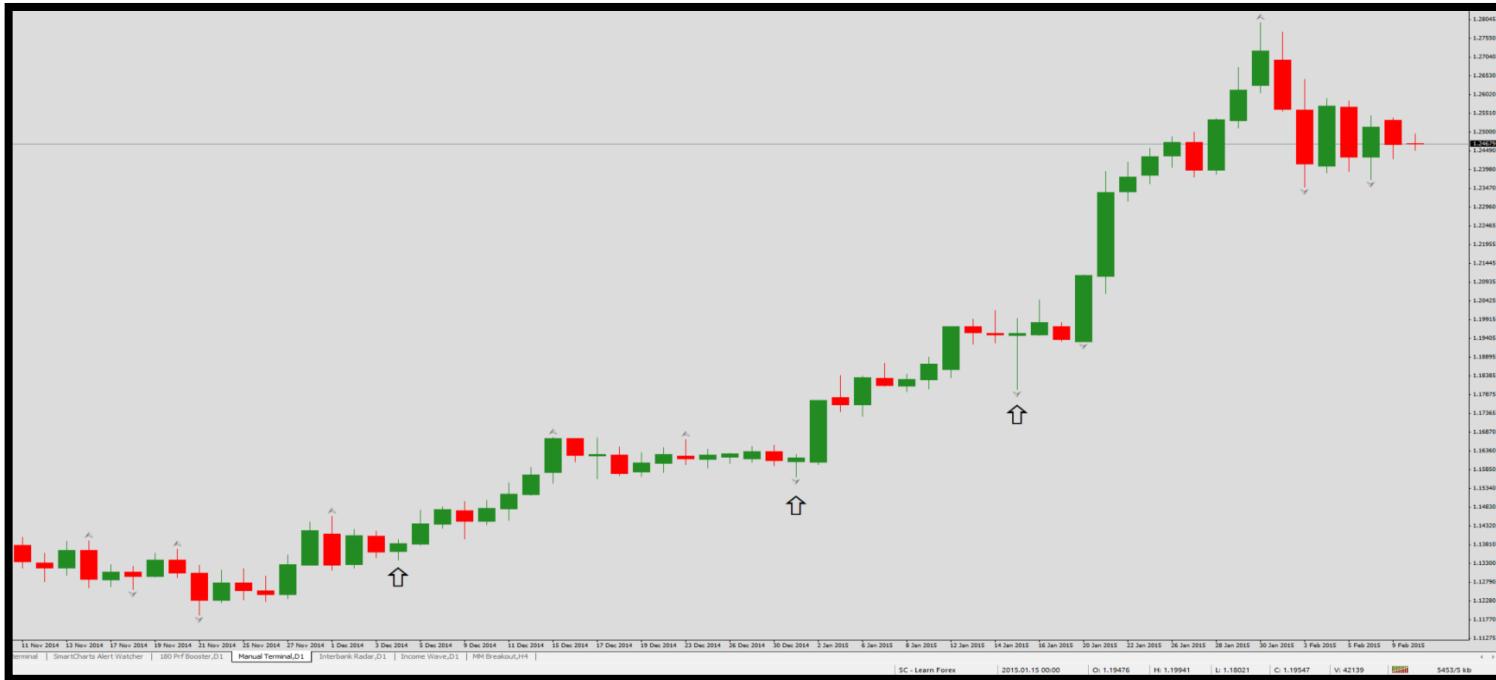
Scaling Out - Example

- The decision to take some profit off the table is down to the Trader and their analysis of the market at that time. Factors that may influence their decision can include news announcements and the strength/weakness of a trend.
- In the previous example we moved our stop to break even. In some cases you may decide to leave your stop at technical levels to give your trade room to breathe.
- Also, remember to think about what you are leaving 'on the table' and risk manage your position after you scale out. For example, it makes little sense to bank some profits 10 pips below your target level, if your stop loss is 30 pips away as you now have an inverse Reward: Risk trade, which can eat in to what you have already banked.
- You have to weigh up the pros and cons of the consequences of executing your trade from your analysis of Price Action at a Master Trader level.

Scaling In

- We never Scale In to a losing position as our primary job is to be a risk manager not a risk taker.
- If we are wrong on a position, we are wrong and our stop loss will protect us.
- However, we can Scale In to our winning positions to maximise our profit but we need to follow strict criteria and be confident in our Price Action/Fundamental analysis.
- Scaling In to positions is best suited for strong trending markets or strong intraday movements.

Scaling In Example – Strong Trending Markets



Scaling In Example – Strong Trending Markets

We can trade this in 2 ways:

- We can look for end of day opportunities .
- Instead of banking profits we trail our stop losses to the swing points of the market, AS WELL AS entering another position if our strategy sets up.
- This way we are Scaling In to the trade but also getting that Risk Free Trade by trailing our stop losses.
- This is for a long term outlook.

- We can enter a position end of day but Scale In to the trade on an Intra Day basis by looking at our Intra Day strategies.
- We then hold on to these trades for a bigger target level (this could be a daily level of support or a Fibonacci Extension etc).
- Always remember to think about where you are in the Cycle of the market and the best place for your stop loss to be.

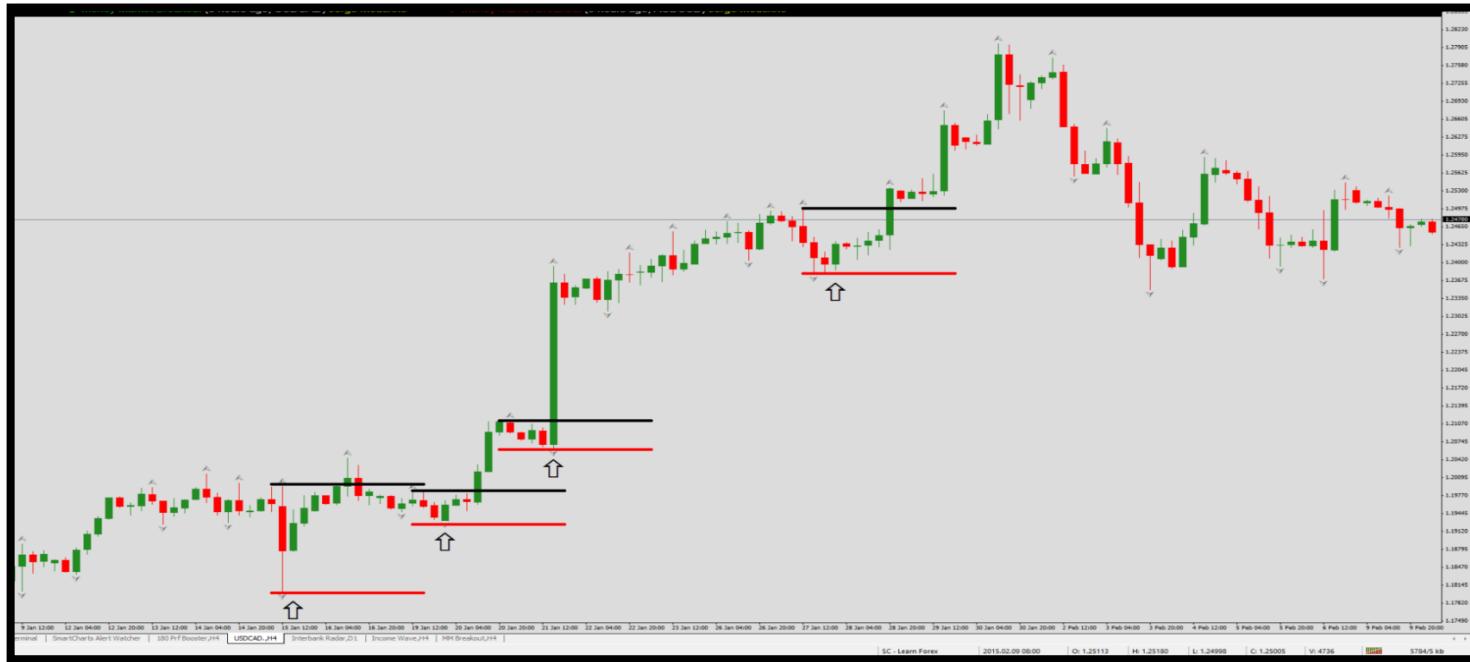
Scaling In - Intraday

Taking this Daily chart low test bar, we could have made a 2:1 R:R trade.



Scaling In - Intraday

However, dropping down to the 4 hour chart.....



Scaling Summary

- ALWAYS use a stop loss.
- Position size and risk manage correctly.
- Never add to losing positions.
- When adding to winning positions, trail stop losses to minimise overall risk.
- Scale In on strong trending markets or strong intra-day moves.
- Scale Out in range bound markets or to lock in profits due to high impact news announcements.
- Think about the risk management on the trade you are leaving on the table. Does it still weigh up in terms of Reward: Risk?
- Consider your total portfolio allocation when scaling into one market.

Notes

Divergence

Showing you when the move has
run out of steam...

Divergence

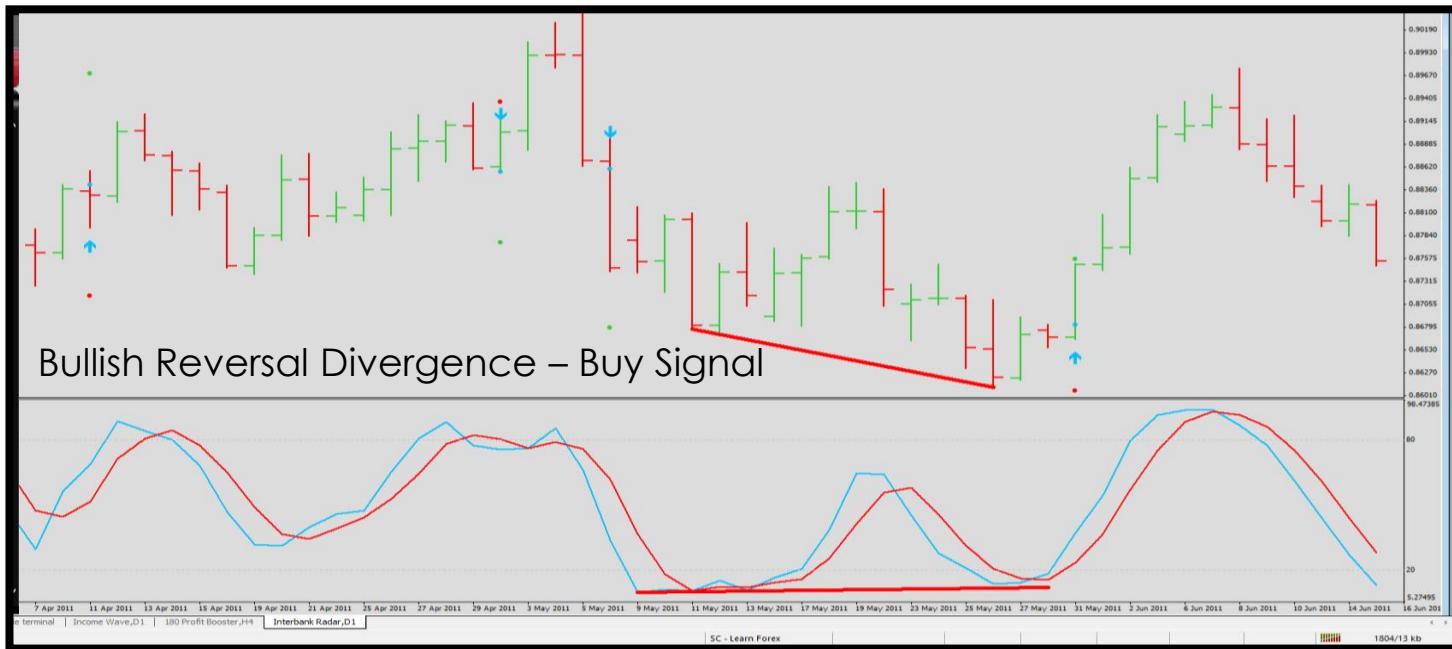
Showing you when the move has
run out of steam...

Stochastic

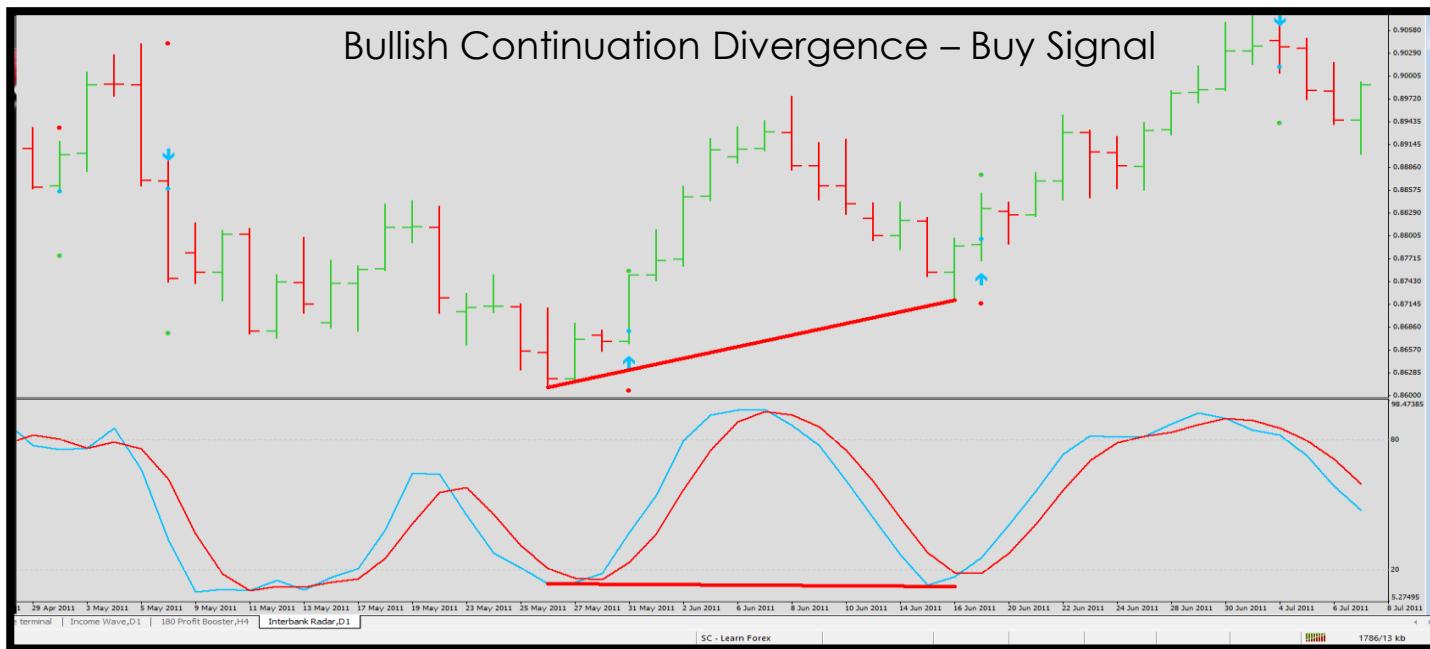
In artificial intelligence, stochastic programs work by using probabilistic methods to solve problems, as in: simulated annealing, stochastic neural networks, stochastic optimization, genetic algorithms, and genetic programming.

In technical analysis of securities trading, the **Stochastic Oscillator** is a momentum indicator that uses support and resistance levels. Dr. George Lane developed this indicator in the late 1950s. The term *stochastic* refers to the point of a current price in relation to its price range over a period of time. This method attempts to predict price turning points by comparing the closing price of a security to its price range.

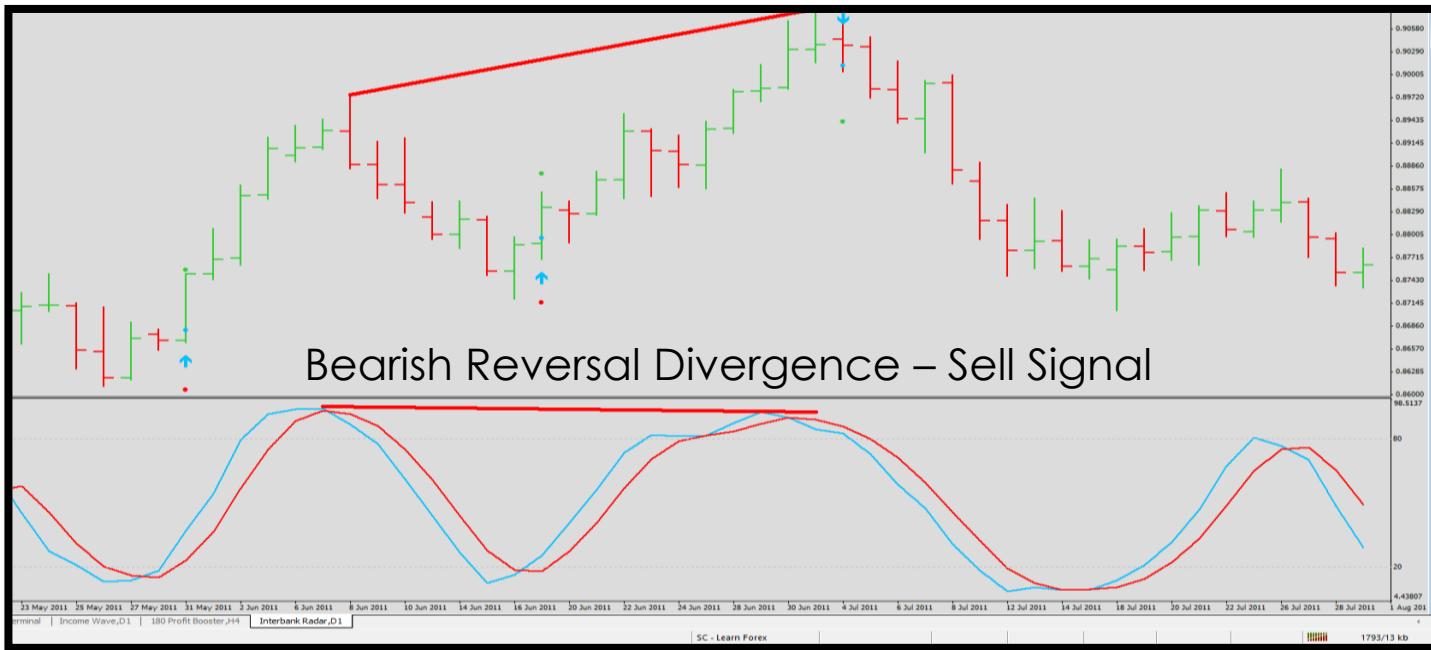
Stochastic Divergence



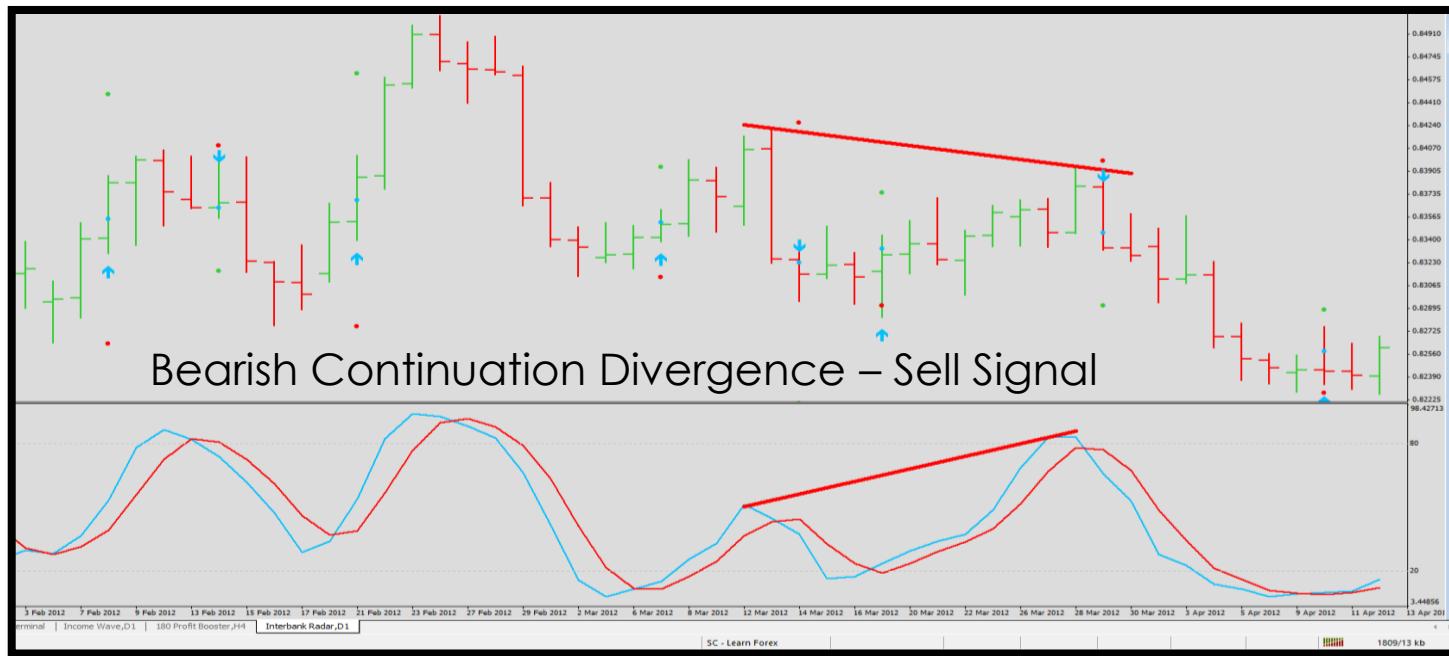
Stochastic Divergence



Stochastic Divergence

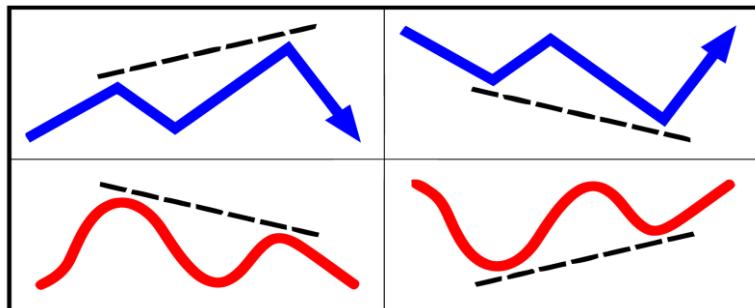


Stochastic Divergence



Divergence Cheat Sheet

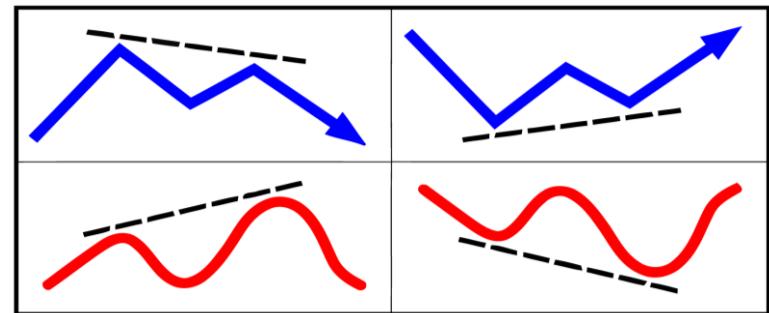
REVERSAL DIVERGENCE



BEARISH

BULLISH

CONTINUATION DIVERGENCE



BEARISH

BULLISH

Divergence

- In a trend, Reversal Divergence is telling you a phase 2 is likely to occur.
- In a trading range, Reversal Divergence usually picks tops and bottoms.
- In a trend, Continuation Divergence is telling you the new phase 1 is likely to occur.
- In a trading range, Continuation Divergence rarely occurs.

Divergence Practical

- Take a look at the InterBank Radar from the Learn Forex course and try to identify all the divergences.
- It will take time and practice to be able to spot all of the signals, hence the Interbank Radar will help to alert you quite nicely.



The Power Pivot



The Power Pivot

Setup Description and Purpose

- Forex Power Pivots rely on studying the relationship of **price action** to **recent bars** within a **trading cycle**.
- Power Pivots are the underlying principle to high return trading opportunities. They work best in higher time frames (1hr, 4hr, Daily and Weekly charts).
- This is a shift in sentiment from Buyers to Sellers (or vice versa). It results in a predicted movement and is ***ahead of most indicators!***
- Power Pivots allow us to enter the market as price returns to phase 1. This is the optimum time to enter 'with the trend' trades.

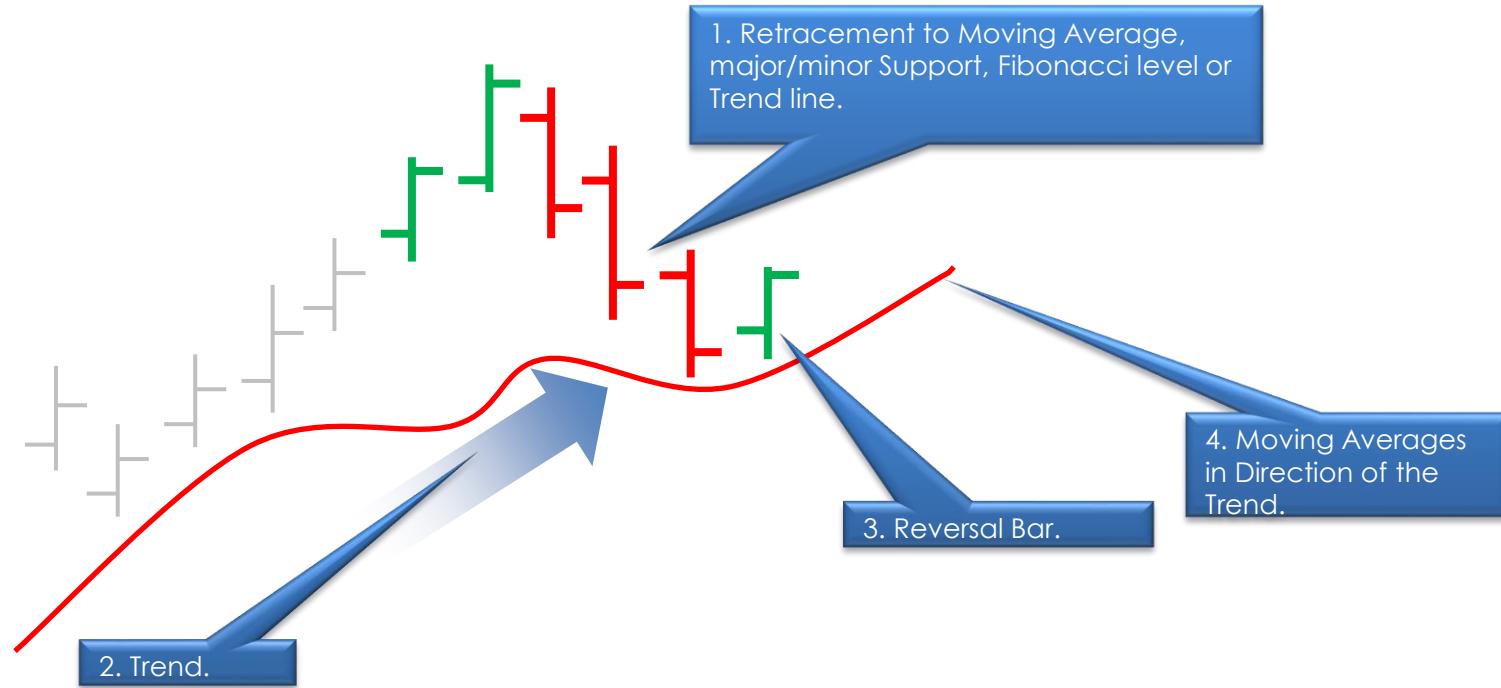
Power Pivot calculator

FX Power Pivot Scoring System

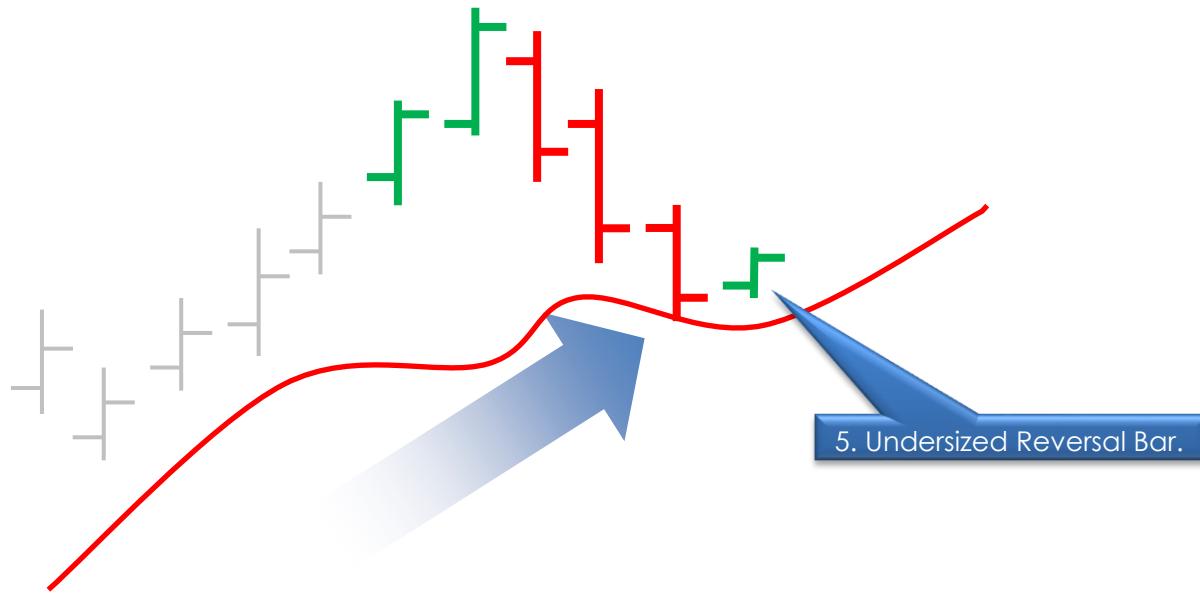
	LONG		LONG
Up Trend	2	Moving Average 50 ema	2
Down Trend	-2	Moving Average 100 ema	3
Reversal Bar	1	Moving Average 200 ema	3
Low Test Bar	2	Rising EMA	1
High Test Bar	-2	Declining EMA	-1
Undersized Bar	1	Trend line Support/Resistance	1
FX Chart Pattern	2	Horizontal Support	2
Moving Average 8 ema	1	Fibonacci Support	1
Moving Average 20 ema	2		
	Total		Total

	SHORT		SHORT
Up Trend	-2	Moving Average 50 ema	2
Down Trend	2	Moving Average 100 ema	3
Reversal Bar	1	Moving Average 200 ema	3
Low Test Bar	-2	Rising MA	-1
High Test Bar	2	Declining MA	1
Undersized Bar	1	Trend line Resistance	1
FX Chart Pattern	2	Horizontal Resistance	2
Moving Average 8 ema	1	Fibonacci Resistance	1
Moving Average 20 ema	2		
	Total		Total

Forex PowerPivot Long (Essentials)



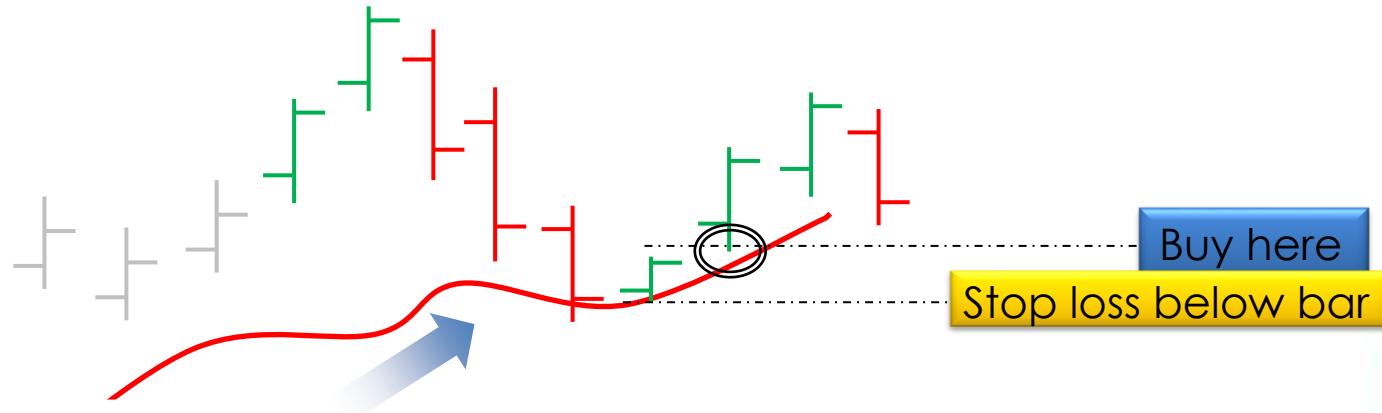
Forex Power Pivot **Long** (Essentials) + EXTRAS



Forex Power Pivot Long - Usage

Strategy:

- Buy on the break of the Reversal bar high.
- Place Stop loss below Reversal bar low and EMA.
- Trail the Stop loss to the lowest low of the last 3 bars or use Fractals.



Power Pivot Example (Long)



Power Pivot Example (Long)



Power Pivot Example (Long)



Power Pivot Example (Long)



Power Pivot Example (Long)

Using Fractals
Use Fractal
laws in
uptrend



Power Pivot Long Practical 1



Power Pivot Long

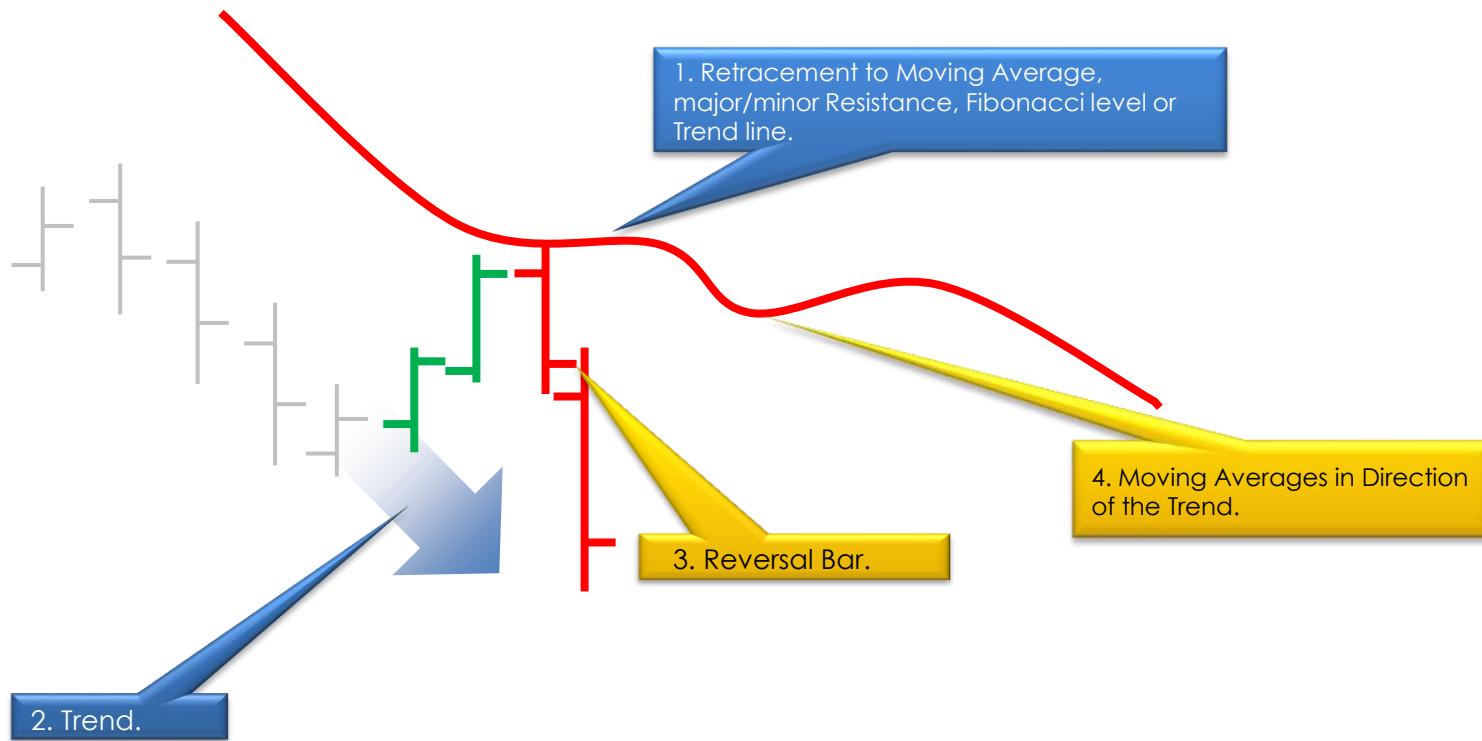
You need at least 6

	LONG		LONG	
Up Trend	2		Moving Average 50 ema	2
Down Trend	-2		Moving Average 100 ema	3
Reversal Bar	1		Moving Average 200 ema	3
Low Test Bar	2		Rising ema	1
High Test Bar	-2		Declining ema	-1
Undersized Bar	1		Trend line Support/Resistance	1
FX Chart Pattern	2		Horizontal Support	2
Moving Average 8 ema	1		Fibonacci Support	1
Moving Average 20 ema	2			
	Total		Total	

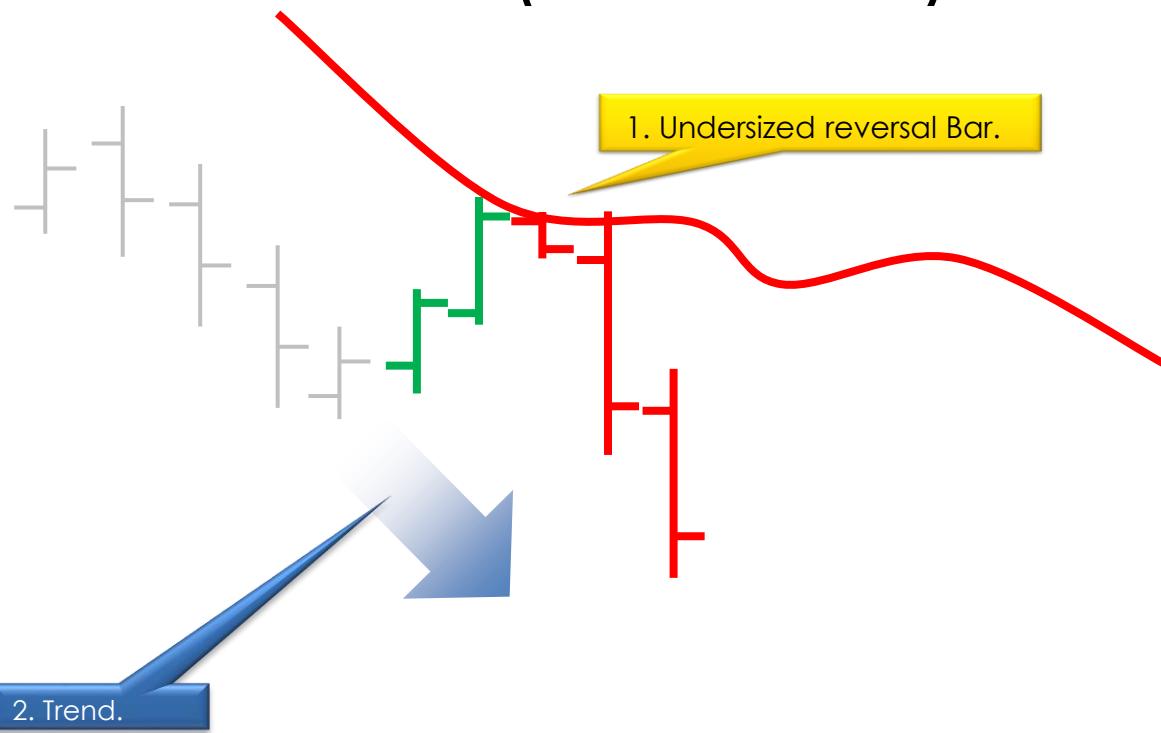
Power Pivot Long Practical Examples

Let's go to the charts and find some more practical examples.

Power Pivot Short (Essentials)



Power Pivot **Short** (Essentials)+ EXTRAS



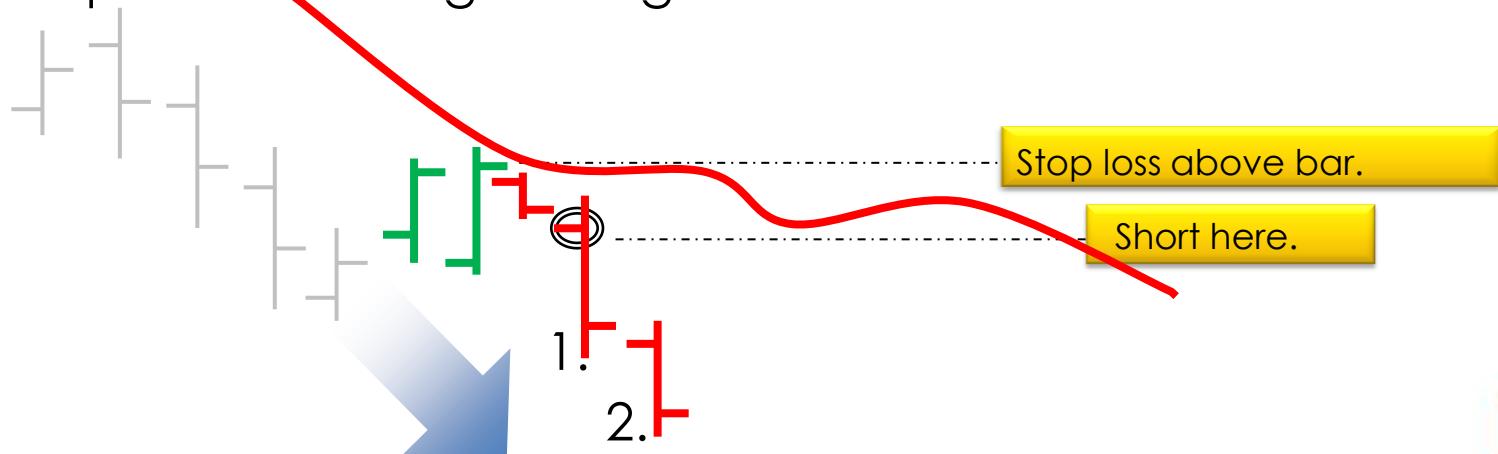
Power Pivot **Short** - Usage

Strategy:

Sell on the break of the Reversal bar low.

Place Stop loss above Reversal bar high and EMA.

Trail the Stop loss to the highest high of last 3 bars or use Fractals.



Power Pivot Short Practical 1



Power Pivot Short

You need at least 6

	SHORT		SHORT	
Up Trend	-2	Moving Average 50 ema	2	
Down Trend	2	Moving Average 100 ema	3	
Reversal Bar	1	Moving Average 200 ema	3	
Low Test Bar	-2	Rising MA	-1	
High Test Bar	2	Declining MA	1	
Undersized Bar	1	Trend line Resistance	1	
FX Chart Pattern	2	Horizontal Resistance	2	
Moving Average 8 ema	1	Fibonacci Resistance	1	
Moving Average 20 ema	2			
	Total		Total	

Power Pivot Short Practical Examples

Let's go to the charts and find some more practical examples.

Power Pivots

Remember the rules are there for a reason and you must stick to them until you are able to apply the appropriate level of ***discretion*** to your trading.

It is important to note here, that the Stop loss was moved closer to the price action (locking in profit), ***not*** further away (risking more).

Power Pivots

Guidelines for early Stop loss movement while trading Power Pivots:

- Understanding the Cycle: If the price is half way through the Cycle, then Phase 2 is likely to begin. Phase 2 takes pips back from you!
- Reversal Bar: Understand the power of the Reversal bar, especially if it is tiny and at the middle of the Cycle. Once the high (low) of the Reversal bar is taken out, it is likely that the price is changing direction and entering Phase 2!

Note: If the Reversal bar is a High/Low test bar half way through the Cycle, this would also be enough of a reason to move the Stop loss.

Power Pivot Summary

- Forex Power Pivots are extremely powerful at catching the next big move as it happens.
- You can trade Power Pivots on the Weekly, Daily, 4 Hour, and 1 Hour Charts.
- Always trade the Power Pivots with the dominant trend – remember, trend agreement and timeframe correlation is important.



Your Trader Personality



Your Trader Personality

Your TRUE Trading Personality

- **Trading Success** requires understanding a system and perfecting that system through one singular frame of reference – **YOU!**
- **Self-Awareness** is one of the strongest skills you can harness. Understanding your **true trading personality** and adapting that to your trading style will set you apart from the ‘also-rans’ in the field.

Practical Self Assessment

- For each of the following statements, circle the option that best describes you:

NB. Do this exercise quickly...circle the first thing that comes to your head. Do not spend a long time thinking about each answer!

1. I make important decisions based on:
 - a) Following my gut feelings
 - b) The options that sound best
 - c) What looks right to me
2. When you attend a meeting or presentation, it is successful for you when people have:
 - a) Illustrated the key points clearly
 - b) Articulated a sound argument
 - c) Grasped the real issues
3. People know if I am having a good or bad day by:
 - a) The way I dress and look
 - b) The thoughts and feelings I share
 - c) The tone in my voice

Practical Self Assessment – cont.

4. If I have a disagreement, I am most influenced by:

- a) The sound of the other person's voice
- b) How they look at me
- c) Connecting with their feelings

5. I am very aware of:

- a) The sounds and noises around me
- b) The touch of different clothes on my body
- c) The colours and shapes in my surroundings

6. The most important thing to you about a car is:

- a) It looks good
- b) It sounds noisy and powerful
- c) It feels comfortable

7. Do you make decisions:

- a) Quickly
- b) Moderately
- c) Slowly

8. When choosing your new car, do you decide which one to buy by:

- a) How it looks
- b) Read about it and ask the salesperson
- c) Like the feel of driving it

Practical Self Assessment – cont.

9. You go to a concert and your friends ask how it was – do you first:
 - a) Describe who was there and what you saw
 - b) Discuss how it made you feel inside
 - c) Convey the sound of the music and how it sounded
10. You're just about to pull the trigger on a trade. What are you doing?:
 - a) Having an internal conversation about whether this is right or not
 - b) Watching the charts closely
 - c) Health checking how you feel about the trade – do I feel confident? - if so, lets do it.
11. When you have a problem do you:
 - a) Look for solutions and a way out
 - b) Talk to your friends or partner about it
 - c) Go inside, keep to yourself and internalise your feelings
12. When someone is trying to convince me of something:
 - a) I want to see evidence or proof
 - b) I trust my gut instinct
 - c) I need to think about it and talk myself through it
13. When choosing a restaurant for dinner, apart from the food, you are most influenced by:
 - a) What it looks like inside
 - b) The atmosphere
 - c) Whether it is noisy or serene

Practical Self Assessment – cont.

14. If I were to purchase a new sofa, I would:

- a) Listen to what the salesperson tells me about the product
- b) Sit down on it and try it out
- c) Notice the colour and design

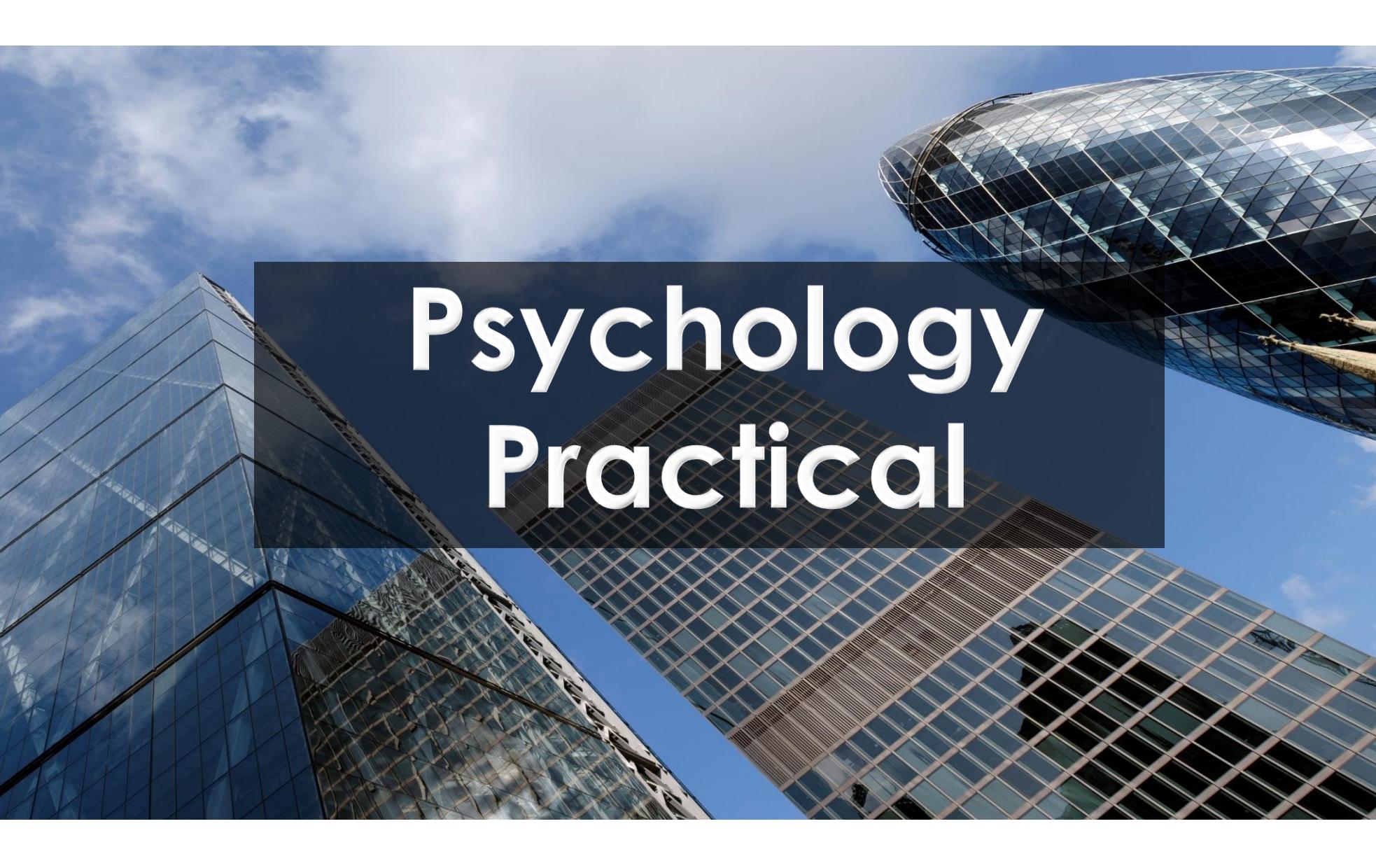
15. You're just back from IKEA and you're putting your trade station together!

- a) Just start building it without using the instructions
- b) Read the instructions first
- c) Have someone read me the instructions while I assemble it

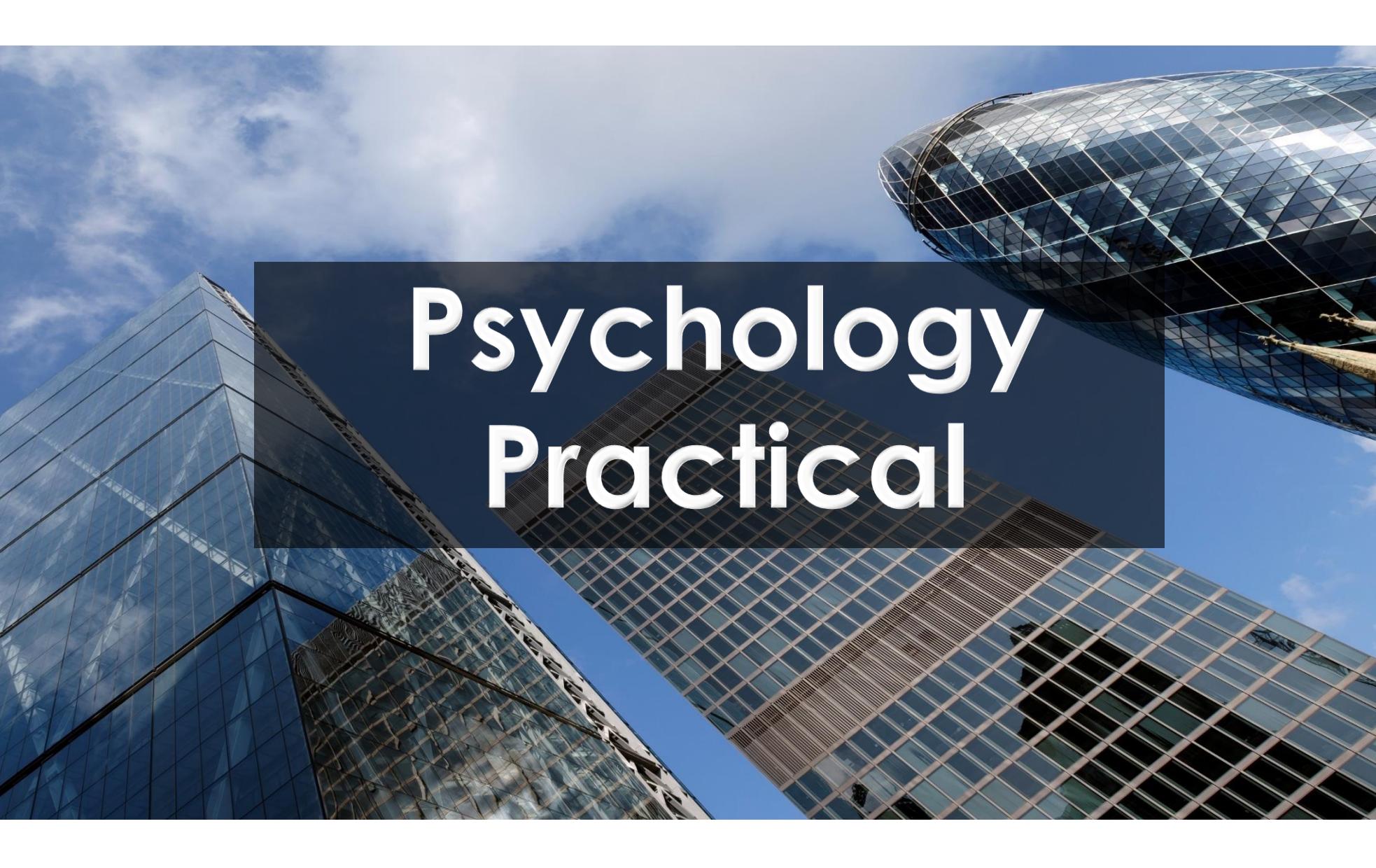
16. If I am unsure how to spell a word, I would first:

- a) Use the dictionary to find the correct spelling
- b) Sound out the word
- c) Mentally picture the word or write it down

Notes



Psychology Practical



Psychology Practical

Scoring Matrix

1. Copy your scores from the questions onto the grid.
2. Add up how many Vs, As and Ks that you got.

Your Score	
V =	
A =	
K =	

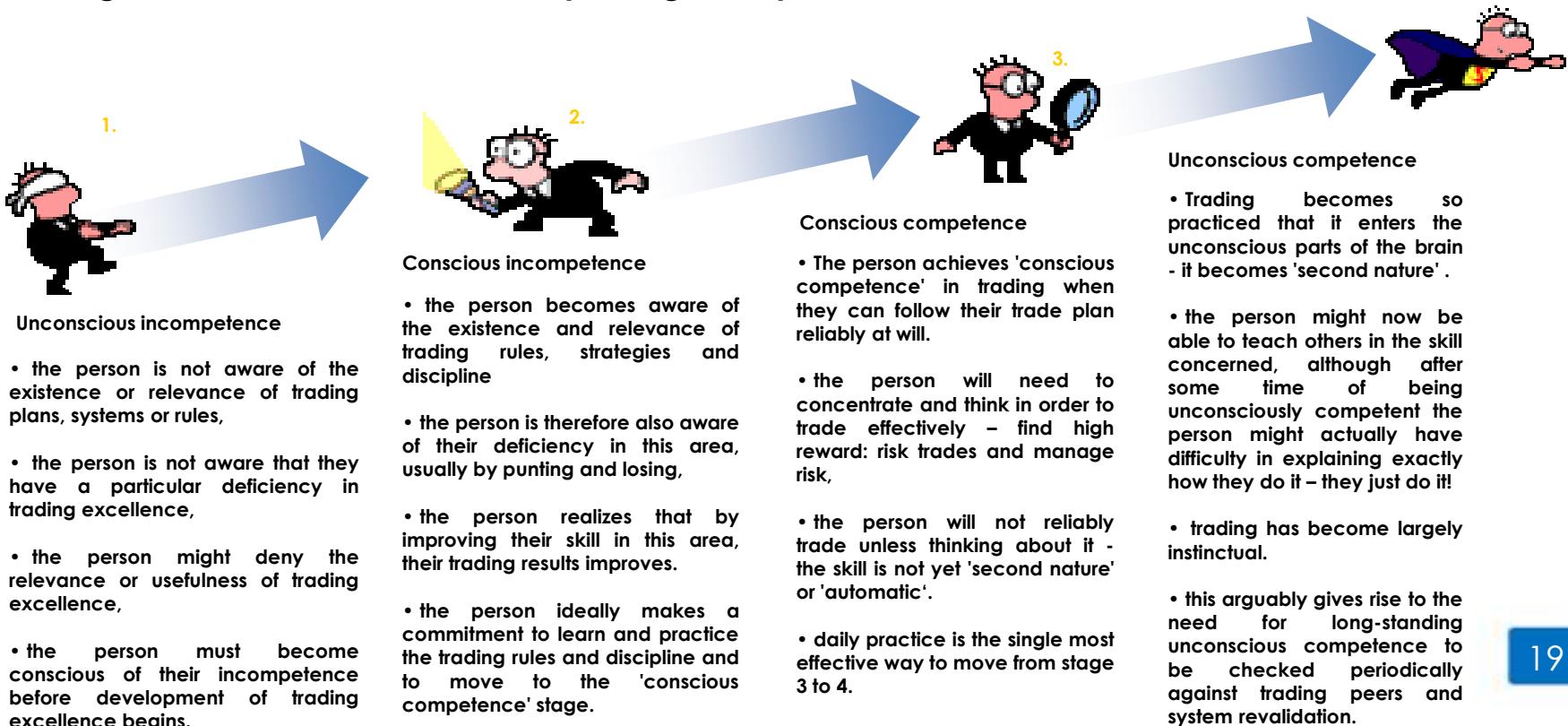
Question	Answer = A	Answer = B	Answer = C
1	K	A	V
2	V	A	K
3	V	K	A
4	A	V	K
5	A	K	V
6	V	A	K
7	V	A	K
8	V	A	K
9	V	K	A
10	A	V	K
11	V	A	K
12	V	K	A
13	V	K	A
14	A	K	V
15	V	K	A
16	K	A	V

Your Trading Personality

Did you get mainly V, A or K? Or was it evenly mixed? Check your **true** trading personality below to see what is right for you.

	Description	Where might this be a benefit?	Where might this be a hindrance?
V = Visual	Visuals make fast decisions, tend to take a big picture view. Have shorter attention spans, tend to run with an initial point of view without weighing up other factors.	Process information rapidly and make quick decisions – allowing them to take advantage of opportunities as they present themselves. Use Visual alarms for trade opportunities.	Tend to jump into a position too quickly, before doing thorough analysis. Trading short term positions yet, mixing up time frames with the larger picture.
A = Auditory	Like to do research, solicit other opinions, talk about the trade (either in their own head or with others).	Making a balanced decision on a trade idea before entry. Will tend to adhere best to trading rules and follow a logical process. Use Sound alarms for trade opportunities.	May be influenced by others opinions. Can become a victim of 'analysis paralysis'.
K = Kinaesthetic	Take their time to make decisions and will trust their gut instincts.	As trading rules become mastered (i.e. more subconsciously competent), the Kinaesthetic 'gut-instincts' become more valid.	Wasted time and lost opportunity. Relying on gut-feelings early on, before trading mastery is implemented leads to losses.

The reason we often hear that trading mastery can only be achieved by making losses, is because losses shape the subconscious quickly – in other words, there is a difference between **knowing what to do** and **automatically doing what you know**.



Beliefs

Beliefs of Successful Traders	Beliefs of Unsuccessful Traders
<ol style="list-style-type: none">1. The Markets provide a constant stream of opportunities.2. If I miss an opportunity, another one will soon follow.3. If the position is stopped out, then I need to reconsider the trade.4. I trade one trade at a time, and stay in the present moment.5. I seek a standard of excellence, not perfection.6. Losing small is part of my trading plan to maximize profits.	<ol style="list-style-type: none">1. I must trade every day.2. If I lose on this trade, I'll feel like a loser.3. I must catch today's hot trade, though my system gave no signal on it.4. I am unlucky.5. I can't afford to lose anything on this trade.6. My broker gives me lousy fills.7. When this loser gets back to even, I'll dump it.8. The Market is against me.

Bollinger Bands

Bollinger Bands

Bollinger Bands



Bollinger Bands

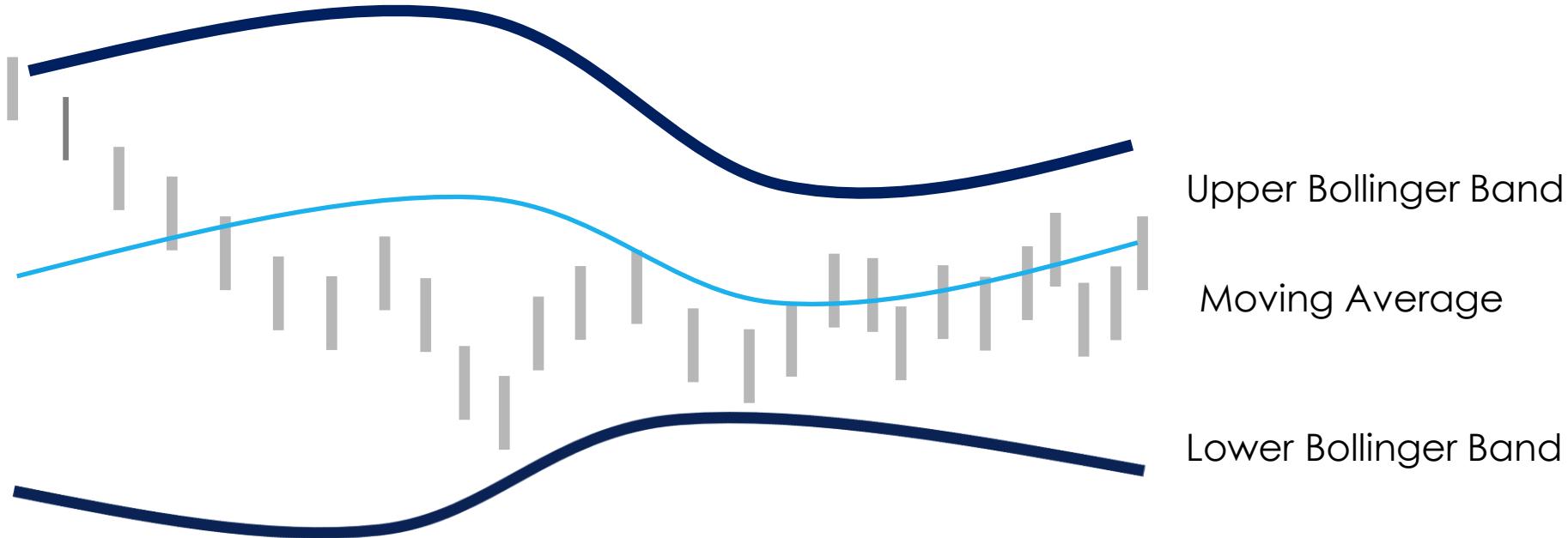
Bollinger Bands are Standard Deviations of the price action. Therefore, they can be considered dynamic envelopes. Bollinger Bands are a trading strategy in their own right and are an extremely useful consolidation and trend filter as well.

- **Period:** The number of bars the Bollinger Bands are calculated over. i.e. 5, 10, 20, 50, 100.
- **Deviation:** This is the Standard deviation of the Bollinger Bands. i.e. A higher number will mean the price is further away from the moving average.
- **Apply to:** This is the price of each bar that is used to calculate the Bollinger Bands. i.e. open, high, low, low and $(H+L) / 2$. In this manual we will focus mainly on close and $(H+L) / 2$.

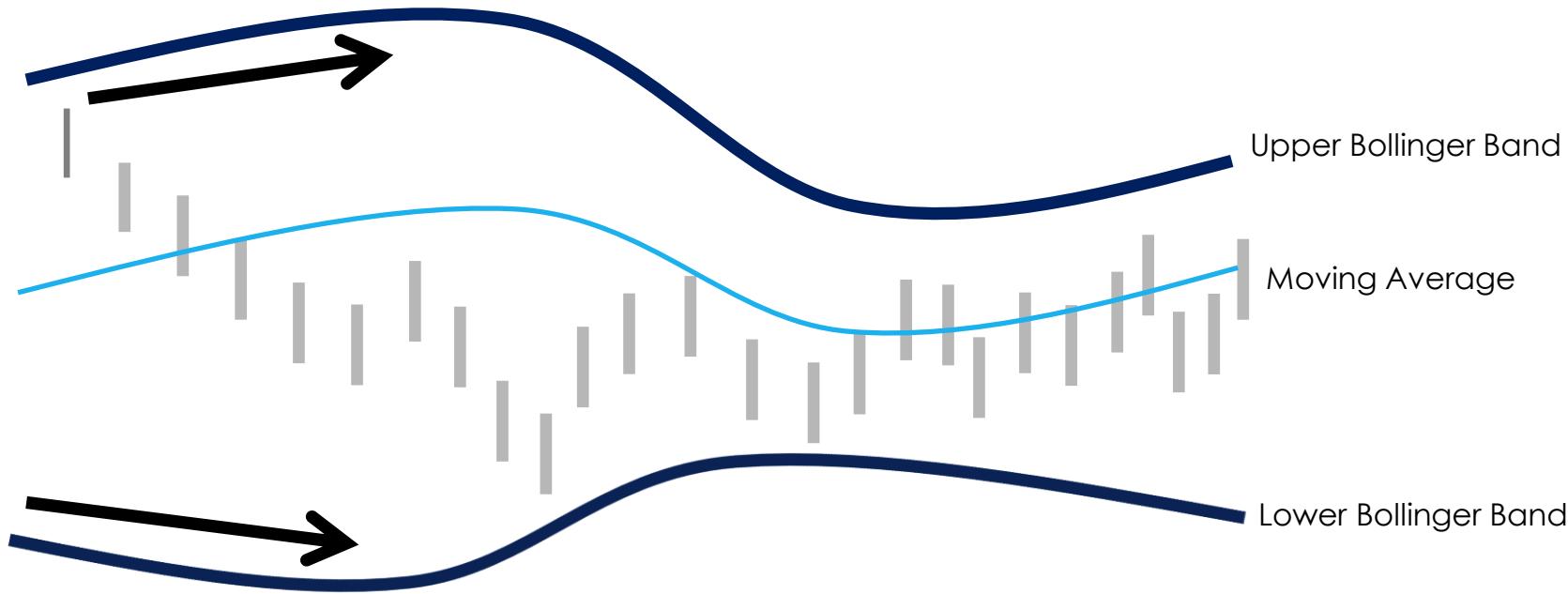
Bollinger Bands

To see how to add indicators to the chart in SmartCharts,
see the video tutorial section

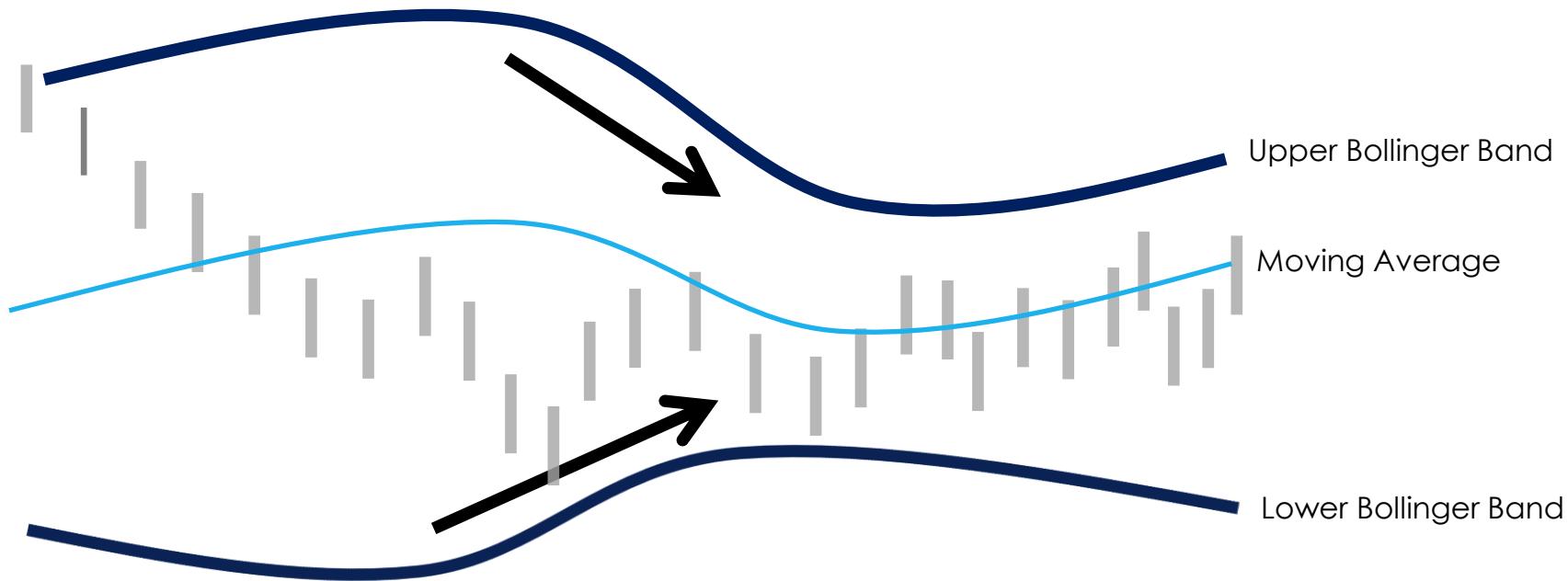




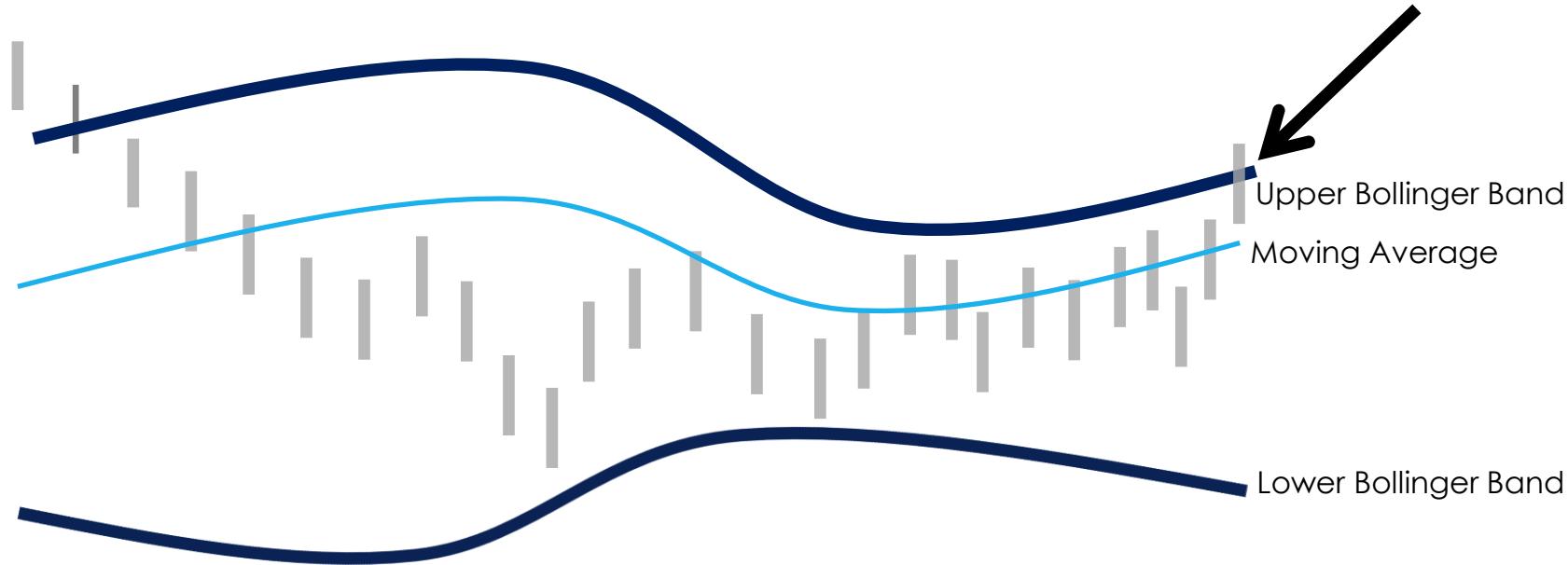
As you can see from the diagram above, Bollinger Bands are very dynamic and they adapt and change their distance from the central moving average. Bollinger Bands are extremely useful in identifying trending and ranging markets and can be used as an additional trend or consolidation filter to strategies such as the Snap Back.



When Bollinger Bands are widening, this is signalling an up or downtrend occurring. See above. When the Bollinger Bands are widening the price action is showing a clear downtrend.



As the Bollinger Bands narrow, the price action starts to consolidate again. See above.



In addition, Bollinger bands can be used to confirm over extension points on any strategy. If price is outside the Bollinger in addition to meeting your own strategy rules, this can be a great additional entry filter.

Trading Bollinger Bands

Another way to trade Bollinger Bands is to trade them as a breakout and profit from price action trending.

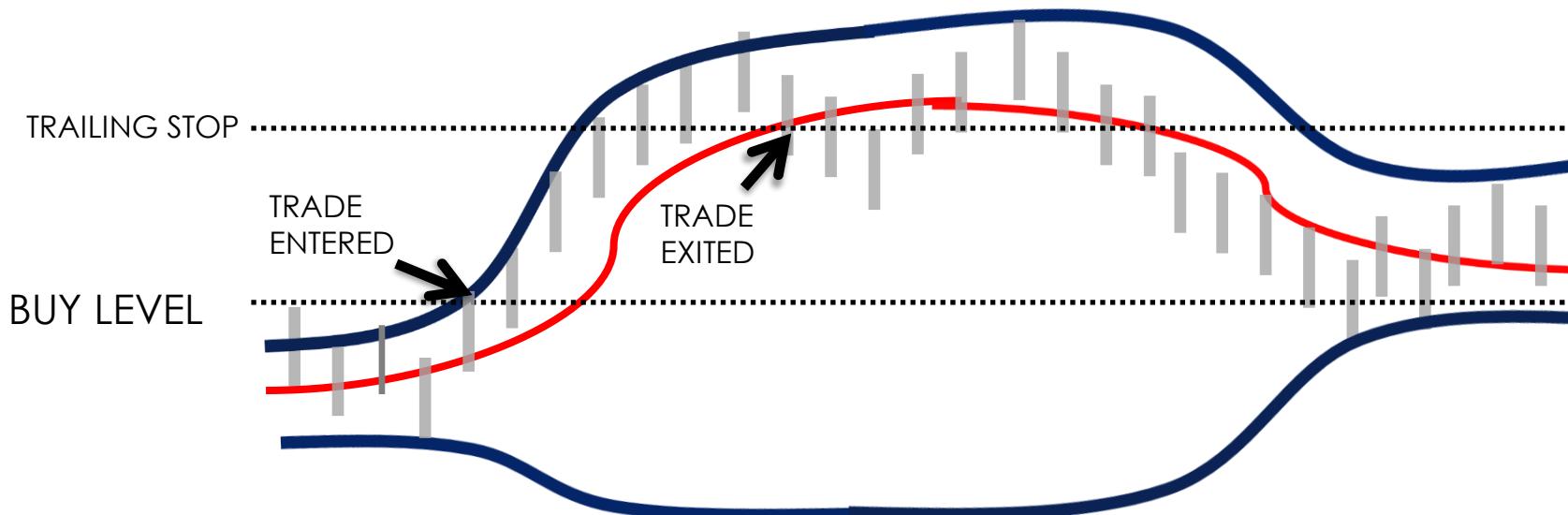
Essentially, this is a low success rate, high reward system.

Meaning that you will have frequent small losses and then large infrequent wins. This therefore acts in a very similar way to a breakout system. It is imperative that the deviation of the Bollinger Bands is wide enough to prevent over triggering of entries but, at the same time, catch the early phase of the trend.

So you would buy when the price touches the UPPER BOLLINGER BAND and sell when the price touches the LOWER BOLLINGER BAND.

Your stop is the EMA. Trail this until you are stopped out.

Trading Bollinger Bands



Buy at the top Bollinger Band or sell at the bottom Bollinger Band and look for the price to trend. Use the central MA as a trailing stop.

Trading Bollinger Bands

One of the most profitable ways of trading Bollinger Bands is by reversion to the mean.

This means you sell at the upper Bollinger Band and target the moving average.

Or

You buy at the lower Bollinger Band and target the moving average.

Your stop can be discretionary.

When trading reversion to the mean, you can select any Period or Deviation that makes sense to you. A smaller Deviation will mean that more trades will occur, however, their success rate will probably be lower than that achieved on the lower frequency larger Deviation. Using a $(H+L) / 2$ source will also mean it is easier to enter and back-test trades as this source setting will cause the Bands to fluctuate less than the exponential setting.

Trading Bollinger Bands



Notes

Price Action Trading

Price Action Trading

Price Action Trading



Price Action Trading

Why take those trades from the previous page?

How to manage them?

Which ones win and lose?

Take them one at a time...

Price Action Trading

Your thought process should firstly be about direction. Do you want to be a buyer or a seller?

Moving Averages help you to decide this. FAST EMA above SLOW EMA = uptrend and LONG ONLY

Price Action Trading

How do you know which price bars are important and which ones to ignore?

Support and Resistance tells you this very nicely.

If a price action signal occurs but it's not at a level of support or resistance, it's a lower probability signal.

Price Action Trading



Price Action Trading

8 EMA above 20 EMA = LONG ONLY

HH+HL

Support gets retested.

Bullish price action signal at support (buyers have turned up where we expected them to).

Buy a few pips above bar high, stop under bar low, target at least 1:1, but no more than 5:1.

If we're in trend, we're going to get to at least the 1.272 Fib or just to keep things simple, stick to a 2:1.

Price Action Trading



Price Action Trading

Support is being retested

Low Test Bar at support and 20EMA

8EMA still above 20 EMA so LONG ONLY

Buy above bar high, stop below low, target 1.272 Fib or 2:1

Price Action Trading



Price Action Trading

Resistance becoming Support

Both bars have a bullish close in upper 50% of their range

1st trade loses, as just triggered then stopped. 2nd trade runs to target

Price Action Trading



Price Action Trading

Resistance becoming support

1st trade has low test bar, 2nd trade has bullish bar with strong close in direction of trade and close in upper 50% of bar

Would only take 1 trade as they're almost the same thing

3rd trade (arrow) loses

Price Action Trading



Price Action Trading

Resistance becoming support for first 3 trades. The last one, support is being retested

1st trade is stopped, next 3 all win

Price Action signals from left to right

Low test bar, low test with bullish strong close, low test bar, great low test bar with bullish close – undersized too

Price Action Trading



Price Action Trading

Resistance becoming support for 1st trade and support being retested for 2nd trade

Low test bar for 1st trade and strong bullish close on 2nd which also false broke out of the inside bar before catching shorts

Price Action Trading

You want to aim to be a price action trader as it's one of the most effective ways of trading the markets.

It involves knowing your price action signals inside out and back to front and also being patient and waiting for price to come to the horizontal levels.

Notes



Improving the 180 Profit Booster



Improving the 180 Profit Booster

Improving 180 Profit Booster

There are a few ways you can improve the 180 Profit Booster and give yourself a better success rate and improved Reward:Risk ratio. It involves using your brain though... you have been warned!

1. Only trade in direction of the higher timeframe trend
2. Wait for price to pull back to 20 EMA
3. Look for a solid price action signal
4. Trade 2:1 or 3:1 Reward:Risk
5. Trail your stop loss to reduce risk
6. Only take 1 trade at a time per symbol
7. Avoid signals when there are no cycles (avoid ranges)
8. Look for support/resistance

Improving 180 Profit Booster

On this chart the sum total of all these trades is a 2% gain - lots of work for little profit.



Improving 180 Profit Booster

Now let's filter the trades and put quality ahead of quantity.



Notes



Improving the Income Wave



Improving the Income Wave

Improving Income Wave

This is already a pretty selective system and in fact is the lowest frequency of the 5 Learn Forex systems. With a little discretion we can improve it further:

1. Look for Support/Resistance
2. Only trade in a trending market
3. Trade in direction of higher timeframe trend

Improving Income Wave

On this chart there are 7 trades for a 2% gain. Profit is profit but with discretion...



Improving Income Wave

Now let's filter the trades and put quality ahead of quantity.



Notes



Improving the Volatility Reversal



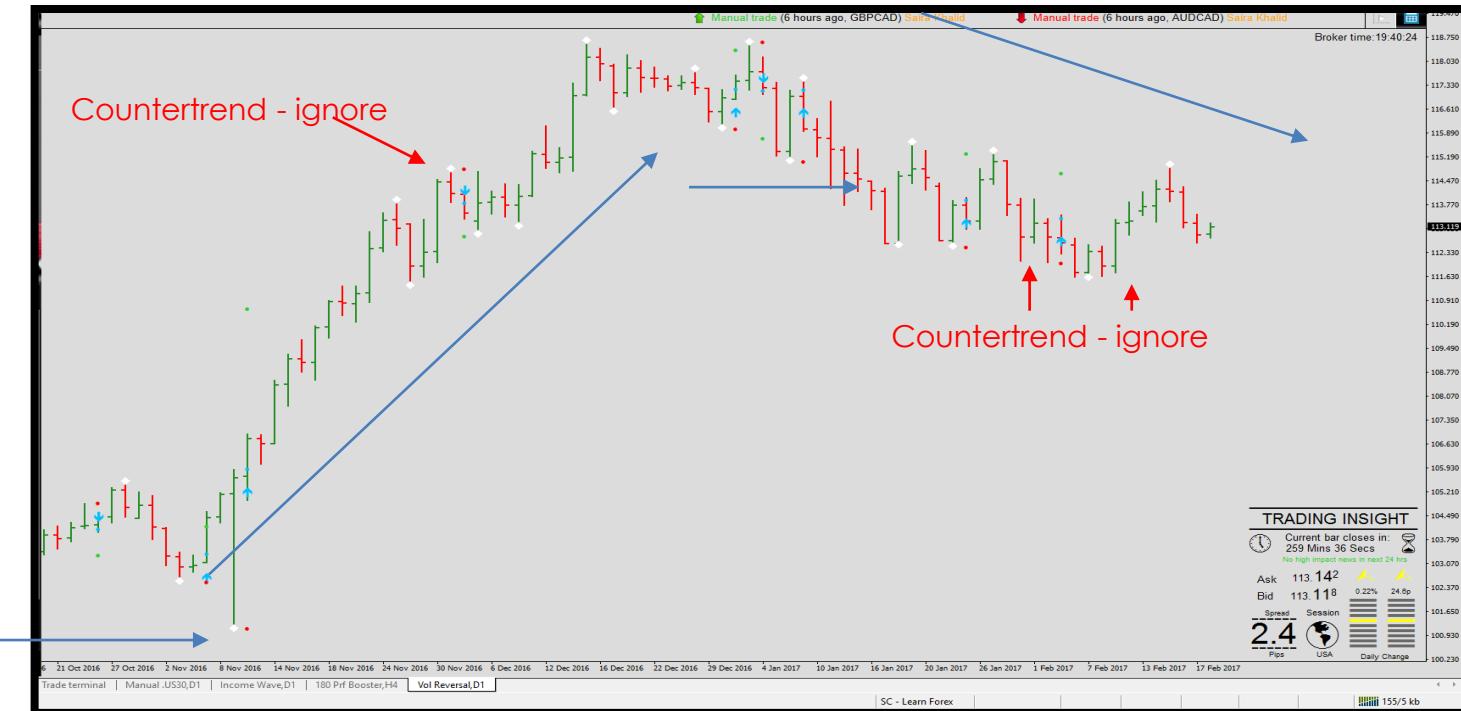
Improving the Volatility Reversal

Improving the Volatility Reversal

This is a solid system as it is capable of trading trends and ranges, however there are a couple of filters to help you pick the right trades:

1. When in trend, only take trend based trades
2. When in ranges, only take trades at the top or bottom of the trading range
3. Avoid countertrend signals, unless there is strong price action and context to support the reversal
4. Support/Resistance
5. Backtest for yourself to identify the best currency pairs to trade
6. Only leave orders valid for one bar

Improving the Volatility Reversal



Notes

Notes



Improving the Trend Tracker



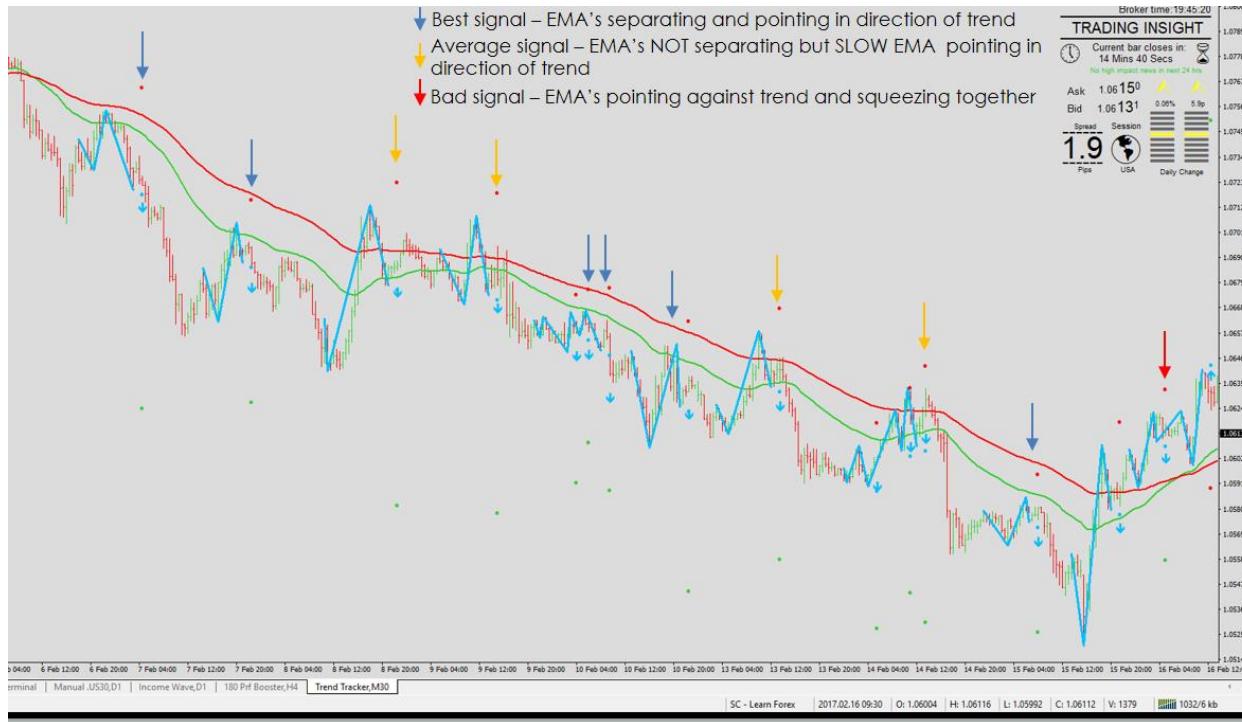
Improving the Trend Tracker

Improving the Trend Tracker

Again, a very good system, although a lot of trades. To improve this system do the following:

1. Avoid trading sideways markets
2. Trail your stop loss behind fractals to reduce risk
3. Ensure that the moving averages are separating and moving further apart
4. Use higher timeframe for context e.g. Daily phase 1
5. Avoid taking multiple trades on the same currency pair
6. Accept that this system struggles in sideways markets, but makes good money in trend, therefore be selective
7. Use expiries/update button to ensure you take the most recent trading opportunity

Improving the Trend Tracker



Notes

Notes



Advanced Snapback



Advanced Snapback

Advanced Snapback

Snapback is a 'reversion to the mean' strategy that is based on envelopes that are displaced a % distance away from the moving average. These envelopes can be adjusted manually to 'fit' the chosen currency pair and generally offer more trading opportunities than Bollinger Bands. Below are settings that you can change on the envelopes.

Period: The number of bars the Envelopes are calculated over. i.e. 5, 10, 20, 50, 100.

Apply to: This is the price of each bar that is used to calculate the Bollinger Bands. i.e. open, high, low, low and $(H+L) / 2$. In this manual we will focus on using $(H+L) / 2$ envelopes for the Snapback.

MA Method: This shows how the average is calculated. For example, a simple MA is simply the average of all bars prices all are weighted equally, whereas an exponential MA type will be heavily weighted towards the recent bars' price average. For trend analysis we will generally be using exponential MAs in this manual. Examples: EXPONENTIAL and SIMPLE, SMOOTHED AND LINEAR WEIGHTED.

Advanced Snapback

Note: The envelope settings have been changed to fit price data volatility. Trend filter is stating uptrend, therefore we can buy on white up arrows. Stop and target according to the rules as follows...



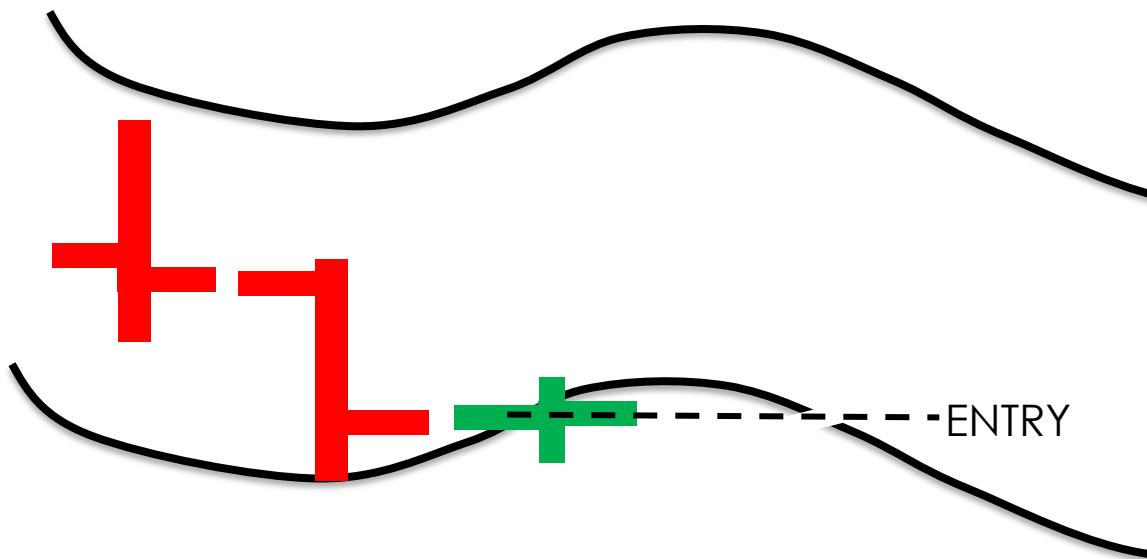
Advanced Snapback

- When looking at the Advanced Snapback you should only be considering currency pairs that have 4 pips or less spread.
- The Snapback is designed for trading in a sideways or rangebound market.
- It can be traded with the trend, using a separate set of rules as follows:
- It should NOT be traded countertrend without specific and backtested rules.

Advanced Snap Back™

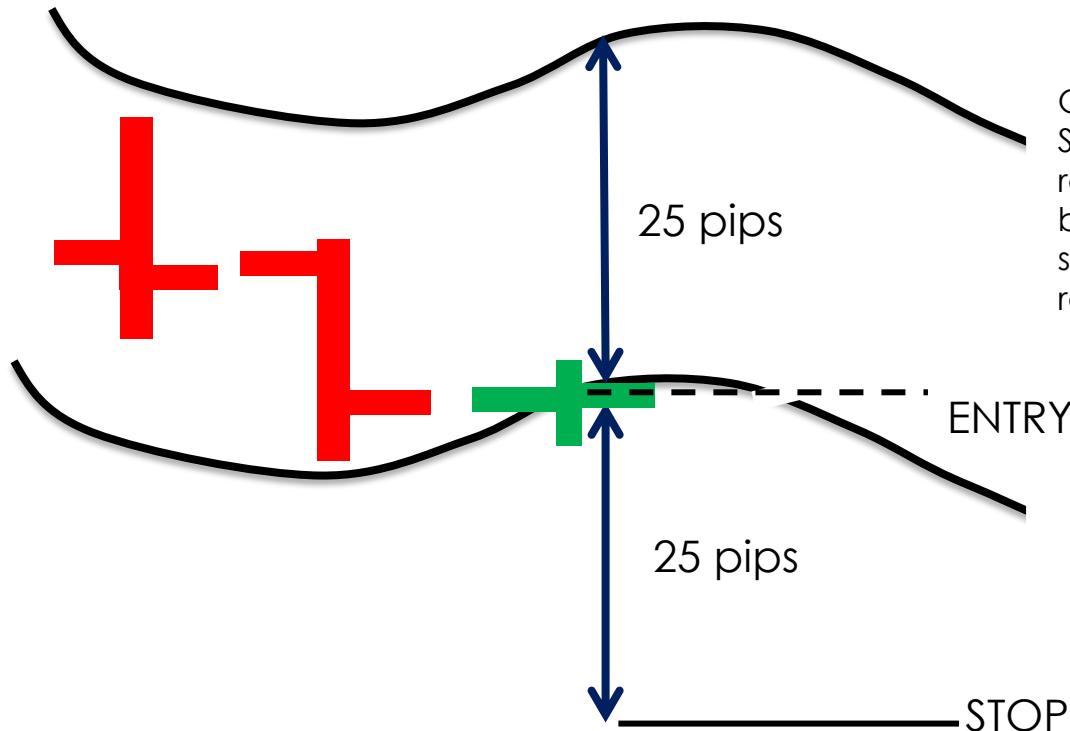
Long	Short
Use the 30 or 60 minute timeframe	Use the 30 or 60 minute timeframe
Select a 5 period exponential envelope, with a (high + low) /2 source	Select a 5 period exponential envelope, with a (high + low) /2 source.
Tweak the envelope's % setting until it fits the price action of the currency*	Tweak the envelope's % setting until it fits the price action of the currency
Identify Uptrend – using trend filter	Identify Downtrend - using trend filter
Entry – Price Hits Lower Band - BUY	Entry - Hits Upper Band – SELL
Target – Upper Band - other envelope, dynamic target	Target- Lower Band – other envelope, dynamic target
FIXED Stop – the entry minus the distance of the range of the upper and lower envelopes	FIXED Stop – the entry plus the distance of the range between the upper and lower envelopes

Trading Advanced Snapback Long - ENTRY



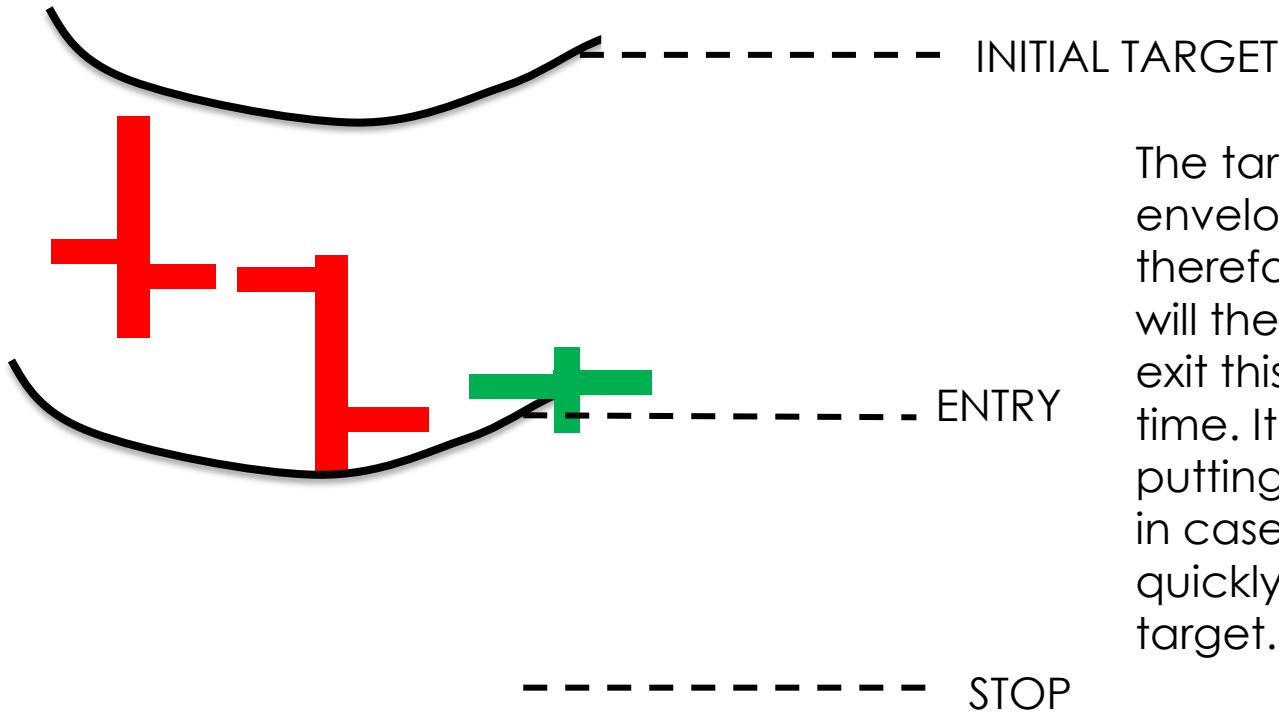
On the Advanced Snapback Long, you are looking to enter the trade when the price touches the bottom envelope. This should be a live order.

Trading Advanced Snapback Long - STOP



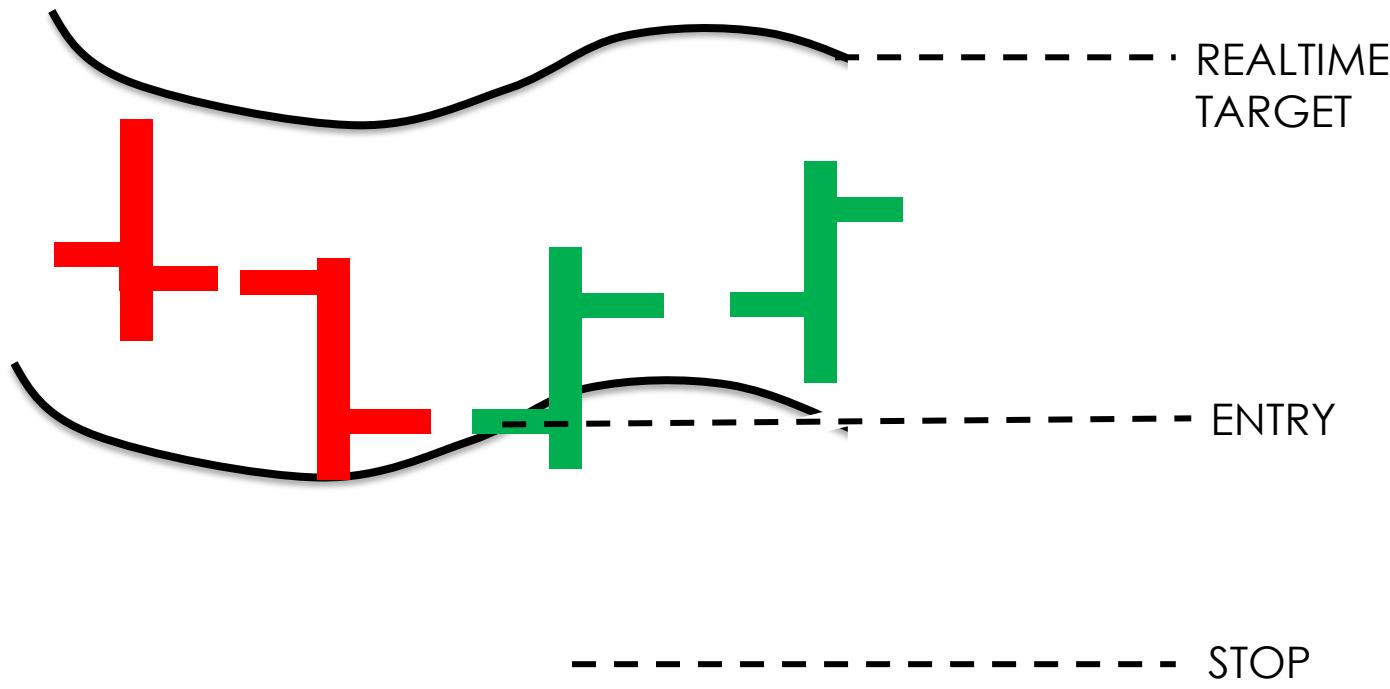
On the Long Advanced Snapback, the STOP will be the range of the upper and lower band below the entry point. The stop is fixed and will therefore remain static.

Trading Advanced Snapback Long - DYNAMIC TARGET

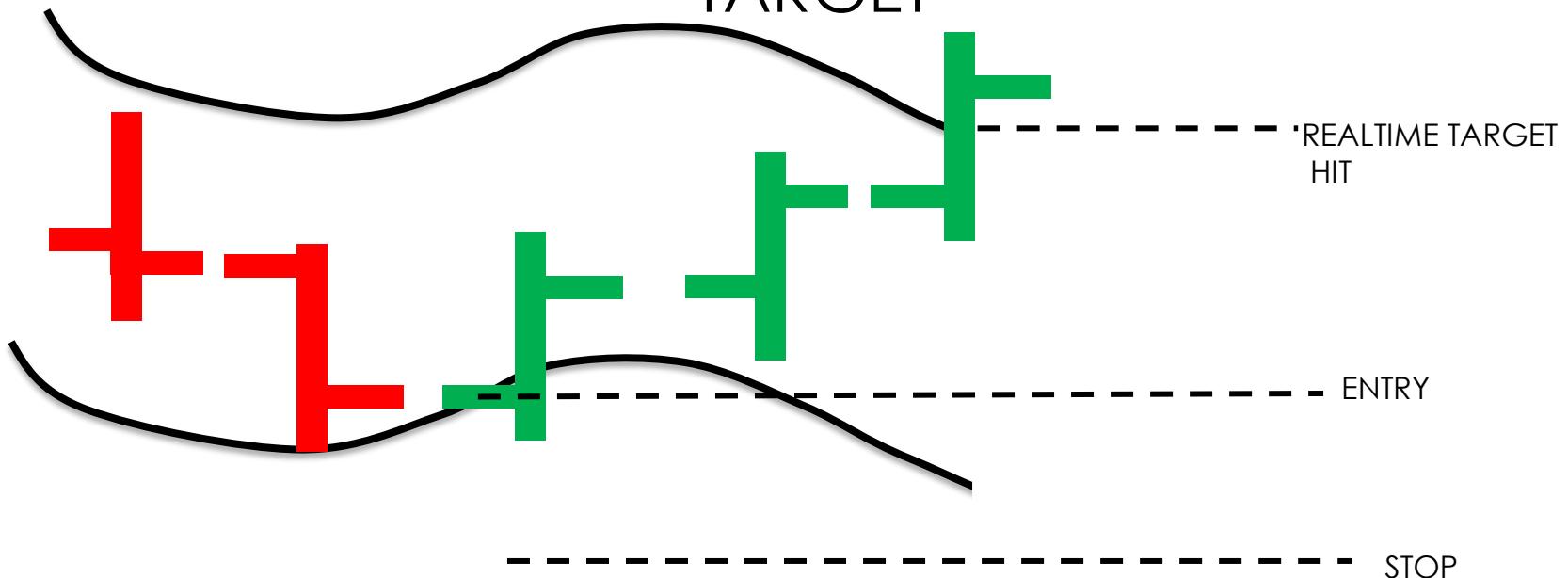


The target is upper envelope and is therefore dynamic. You will therefore need to exit this trade in real time. It will be worth putting in the initial stop, in case the price trends quickly and hits the target.

Trading Advanced Snapback Long - DYNAMIC TARGET

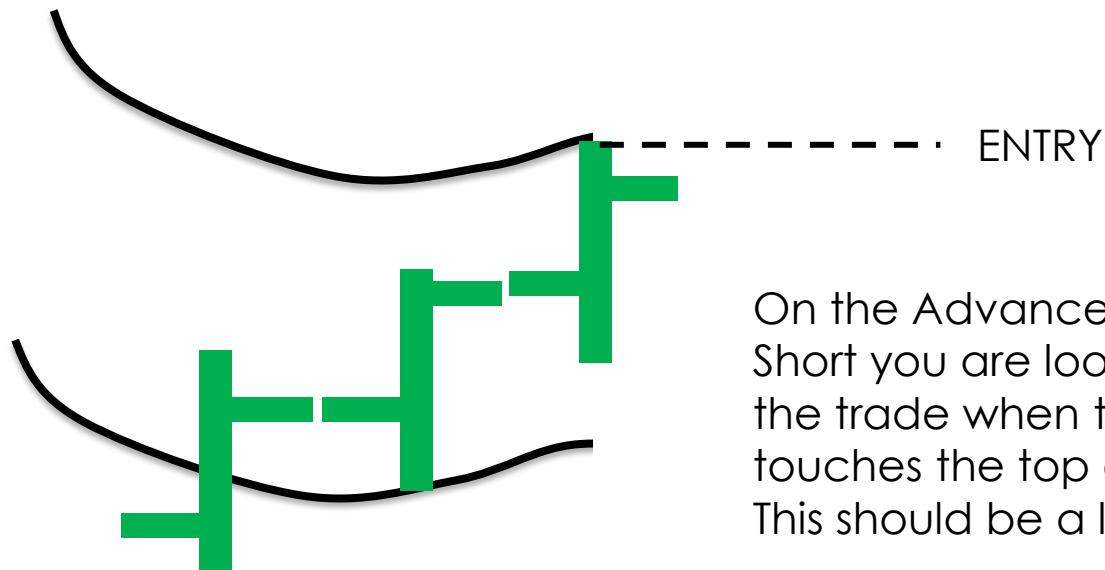


Trading Advanced Snapback Long - DYNAMIC TARGET



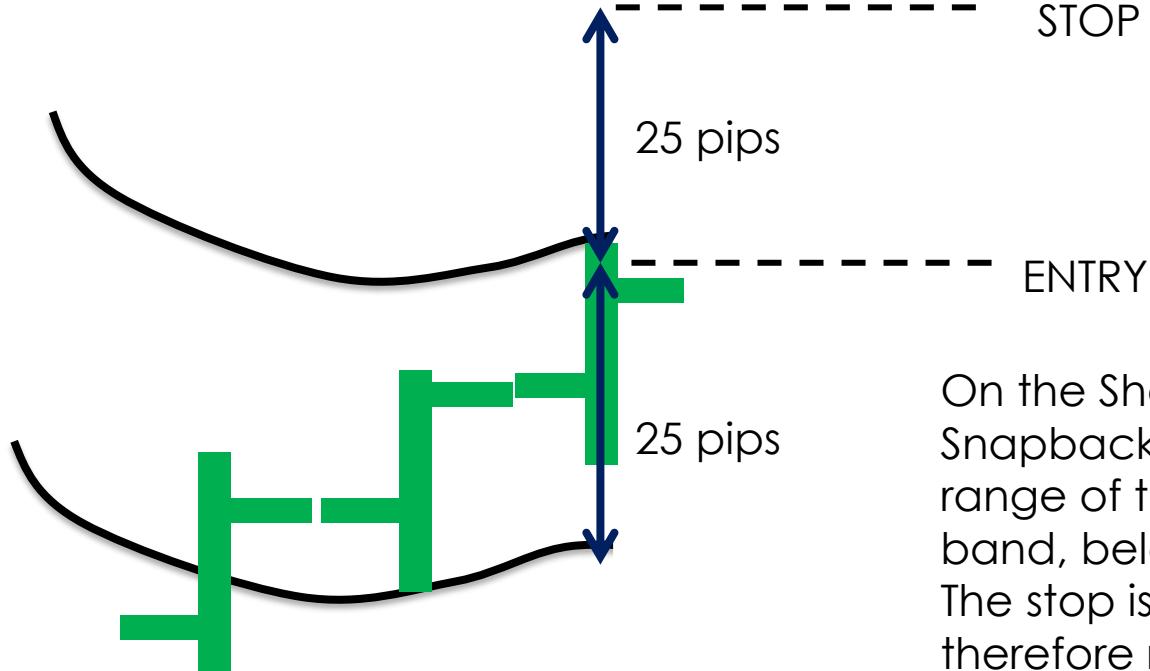
The target is the upper envelope and is therefore dynamic. This will need to be adjusted at the end of each 30 minute time period.

Trading Advanced Snapback Short - ENTRY



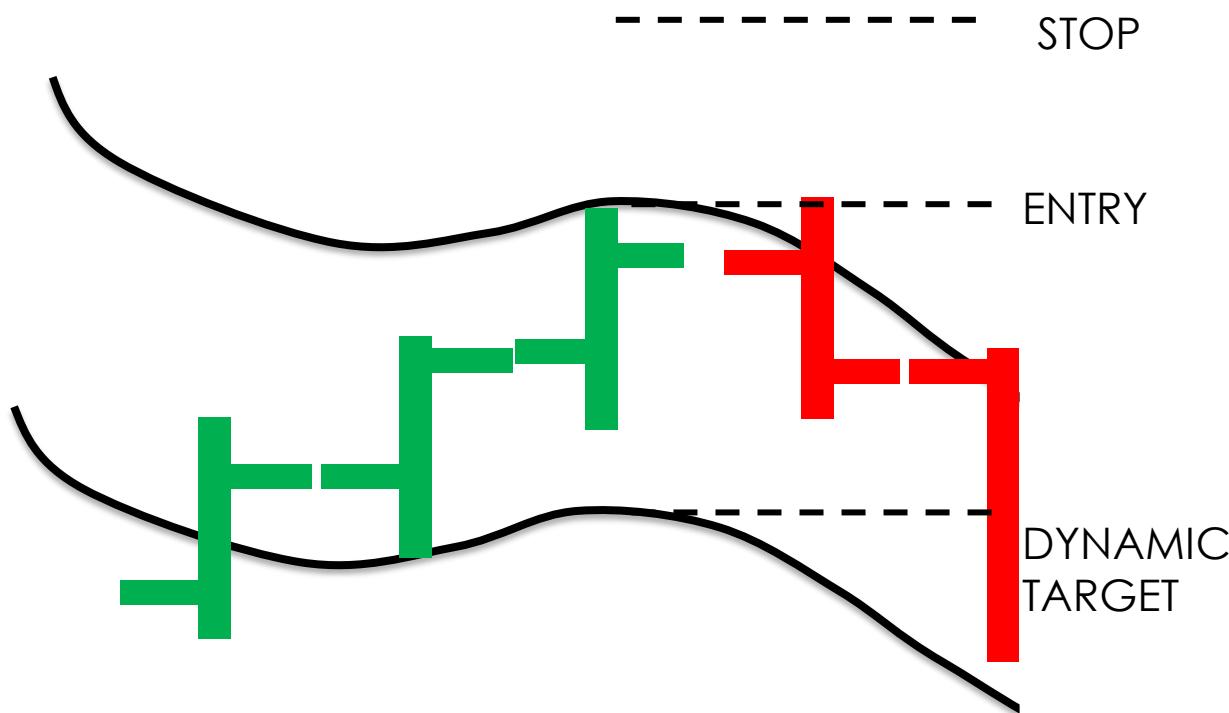
On the Advanced Snapback Short you are looking to enter the trade when the price touches the top envelope. This should be a live order.

Trading Advanced Snapback Short - STOP



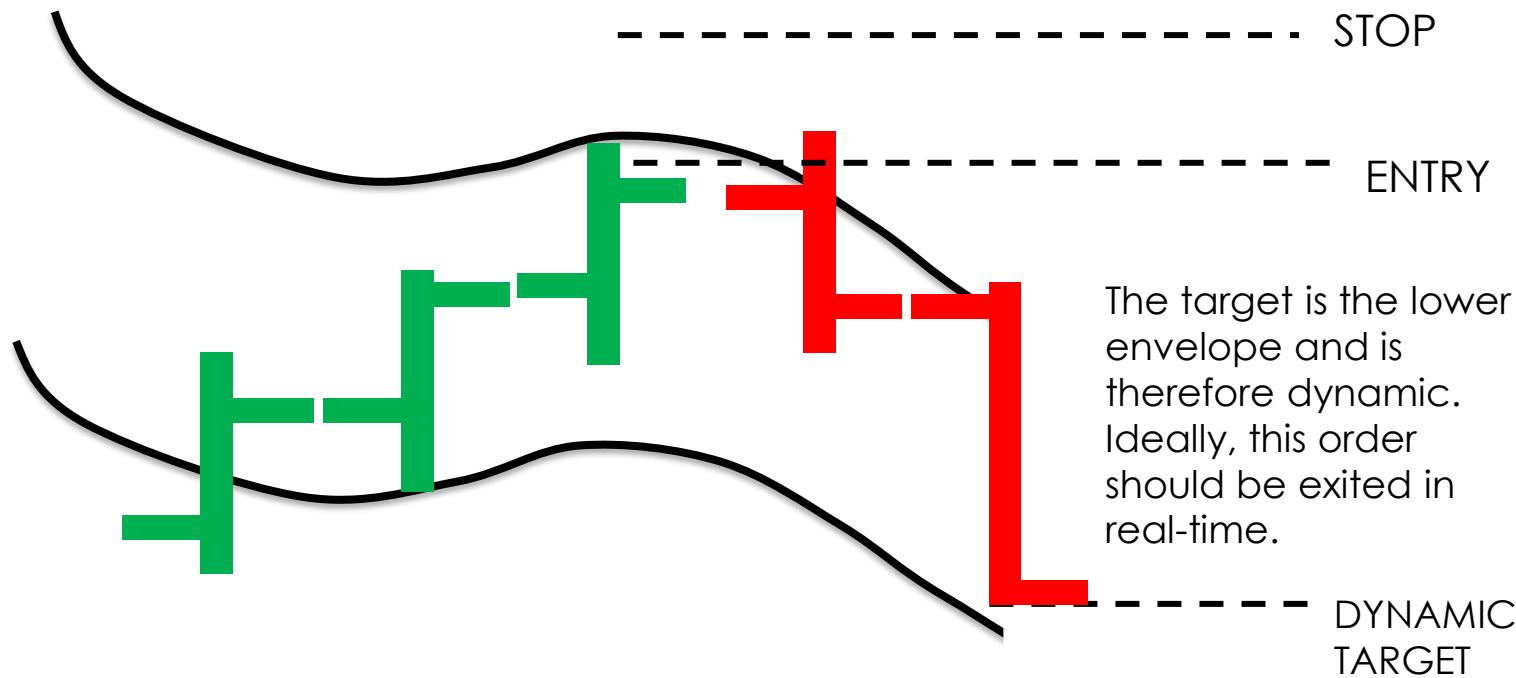
On the Short Advanced Snapback the STOP will be the range of the upper and lower band, below the entry point. The stop is fixed and will therefore remain static.

Trading Advanced Snapback Short - DYNAMIC TARGET

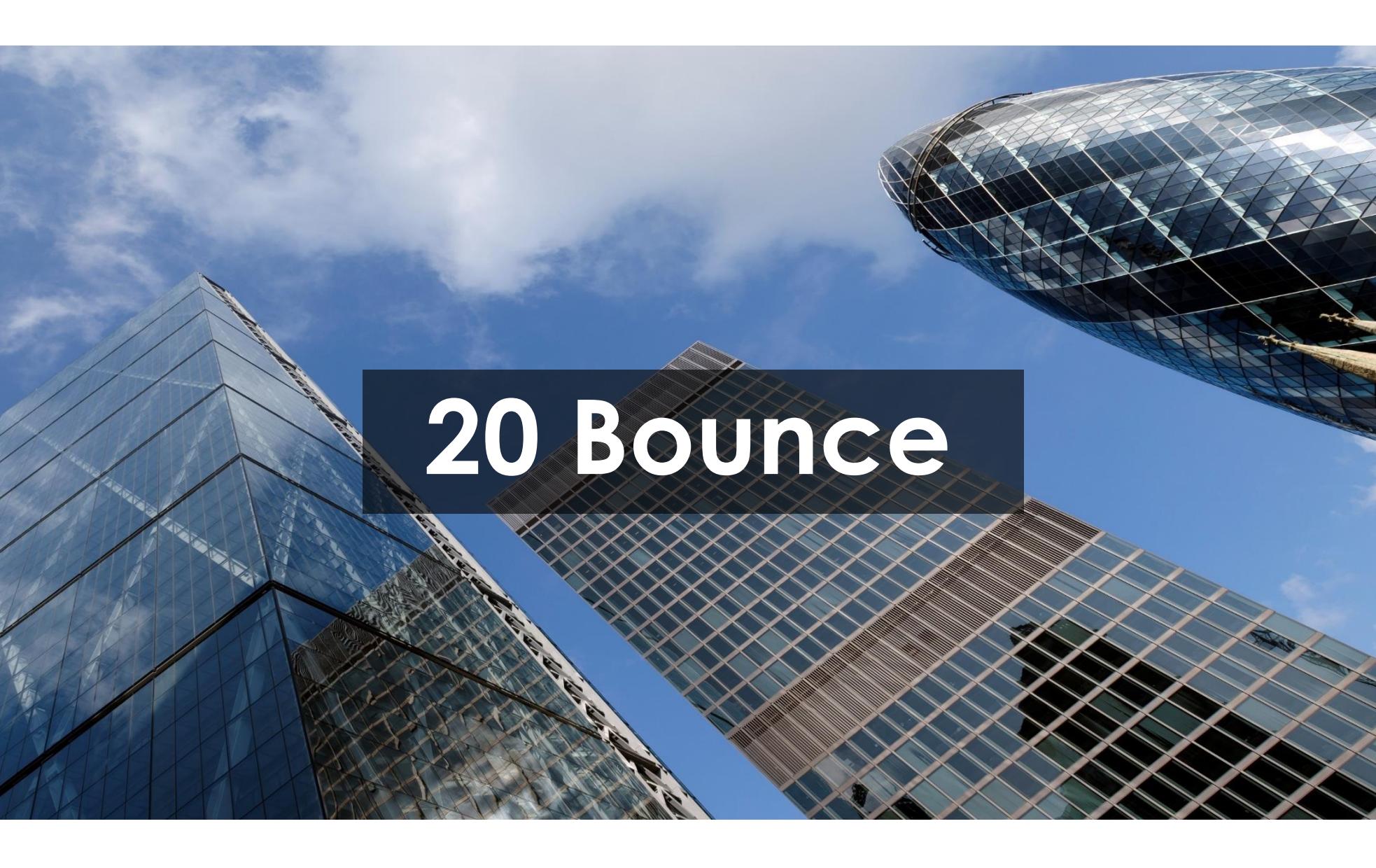


The target is the lower envelope and is therefore dynamic. You will therefore need to exit this trade in real time. It will be worth putting in the initial stop, in case the price trends quickly and hits the target.

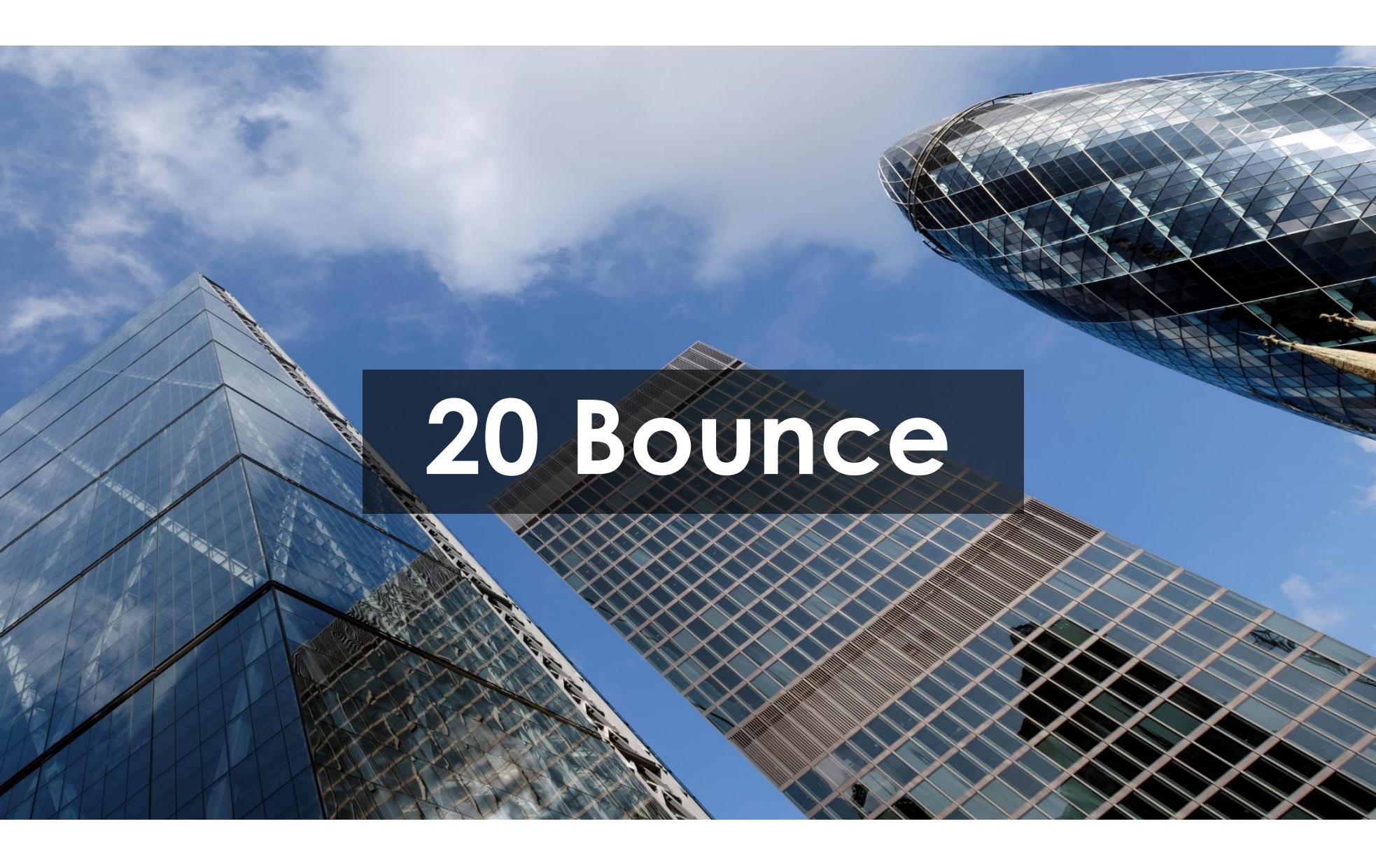
Trading Advanced Snapback Short - DYNAMIC TARGET



Notes



20 Bounce



20 Bounce

20 Bounce

This is a powerful intraday trend trading strategy that harnesses phase 1 trend trading.

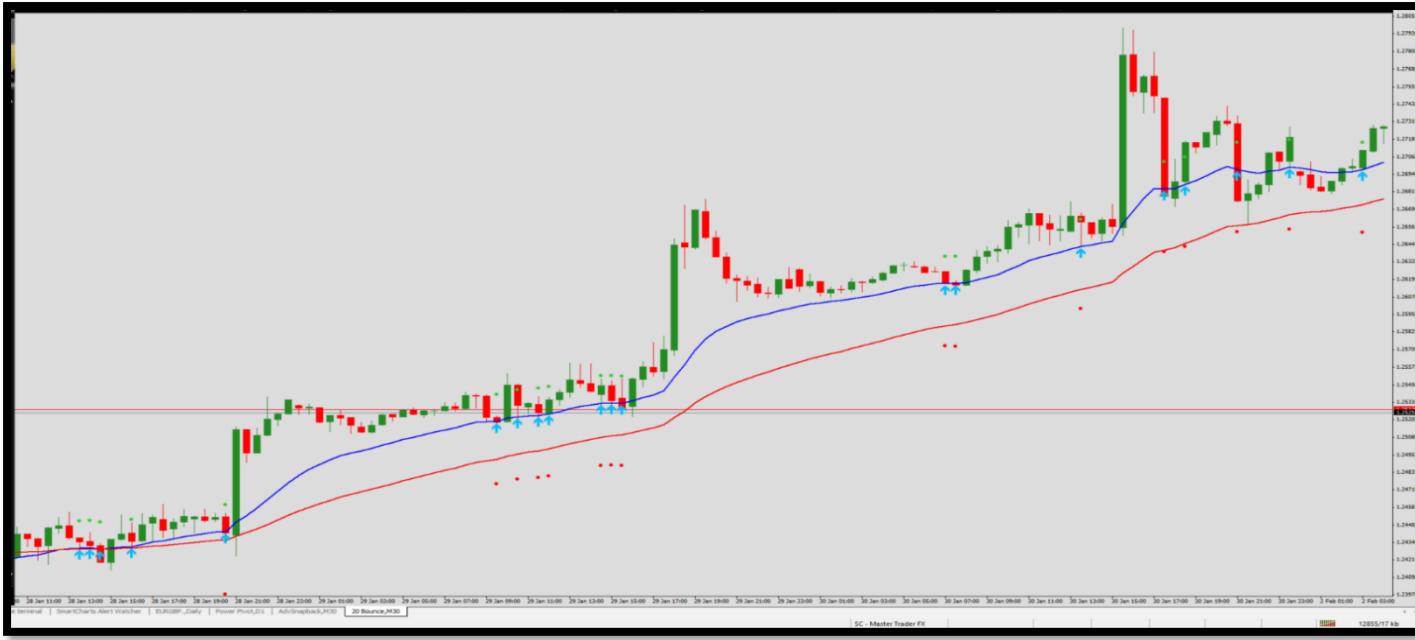
This strategy is designed to provide you with lots of trading opportunities.

Use discretion to focus on high probability opportunities.

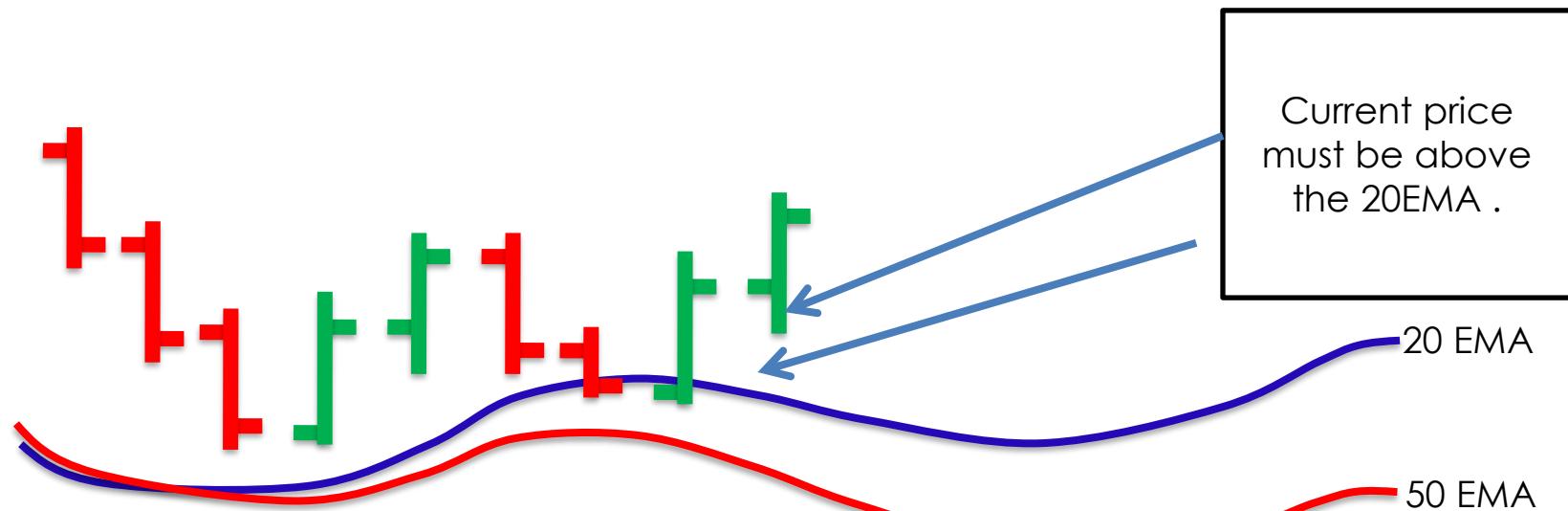
20 Bounce

Long	Short
30 min timeframe	30 min timeframe
20 EMA must be above the 50 EMA	20 EMA must be below the 50 EMA
Current Price must be above the 20 EMA	Current Price must be below the 20 EMA
Buy when price gets down to and touches the 20 EMA	Sell when price gets up to and touches the 20 EMA
Target – 20 points above entry	Target – 20 points below entry
Stop – 40 points below entry	Stop – 40 points above entry

20 Bounce

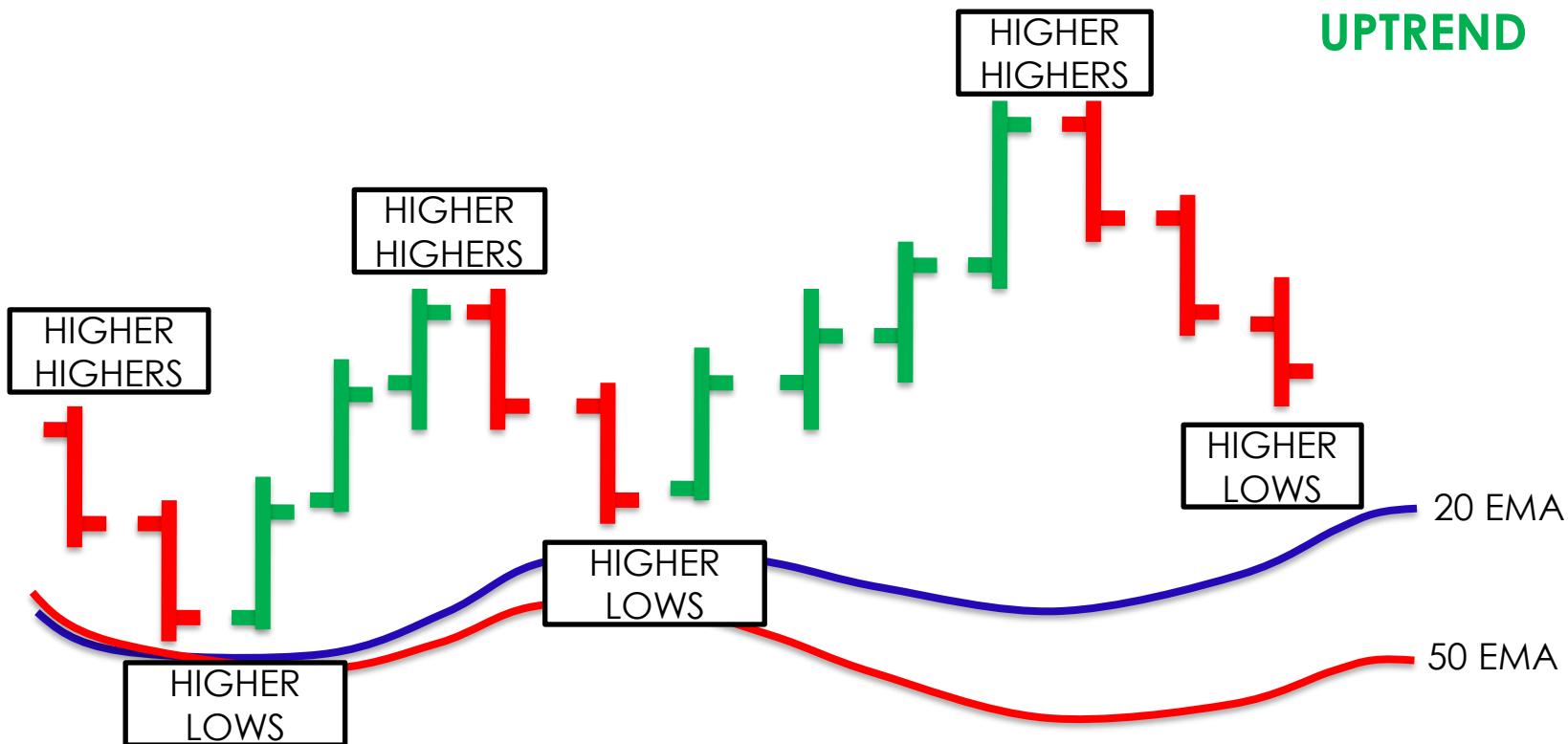


20 Bounce

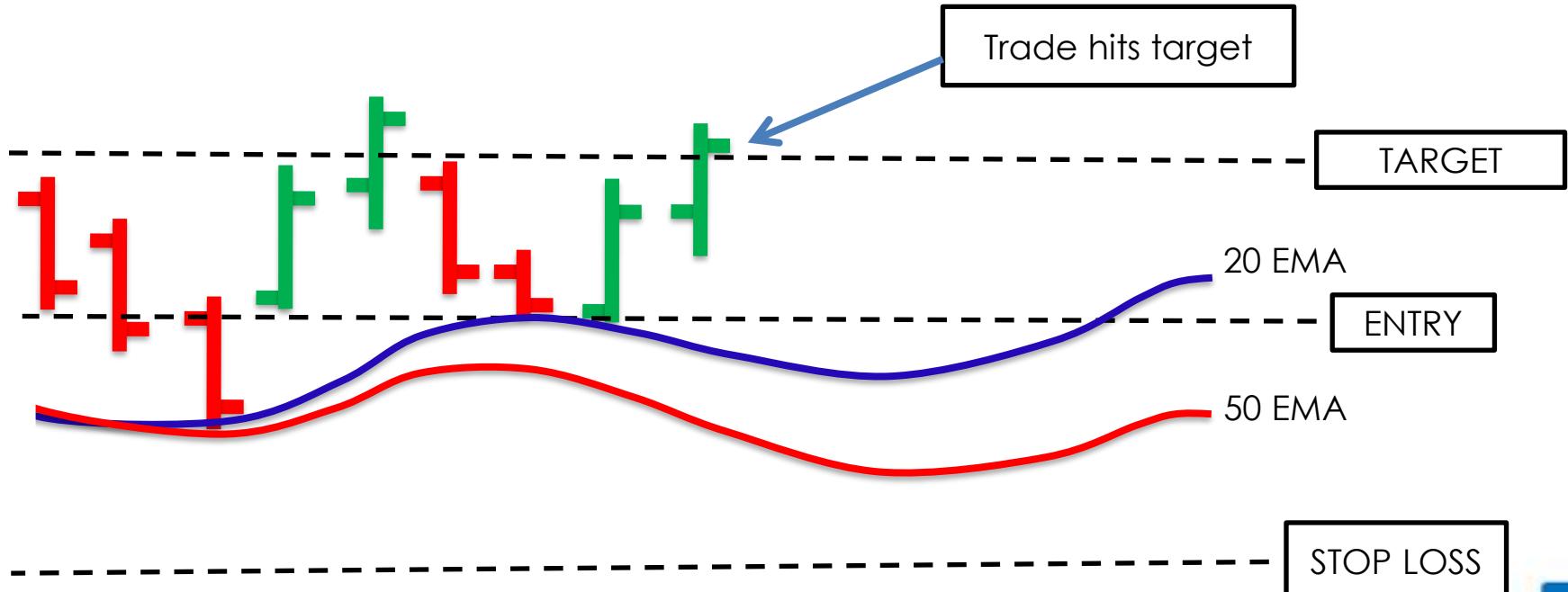


UPTREND CORRECT: Current price is above the 20EMA and the order, angle and separation of the EMA is correct.

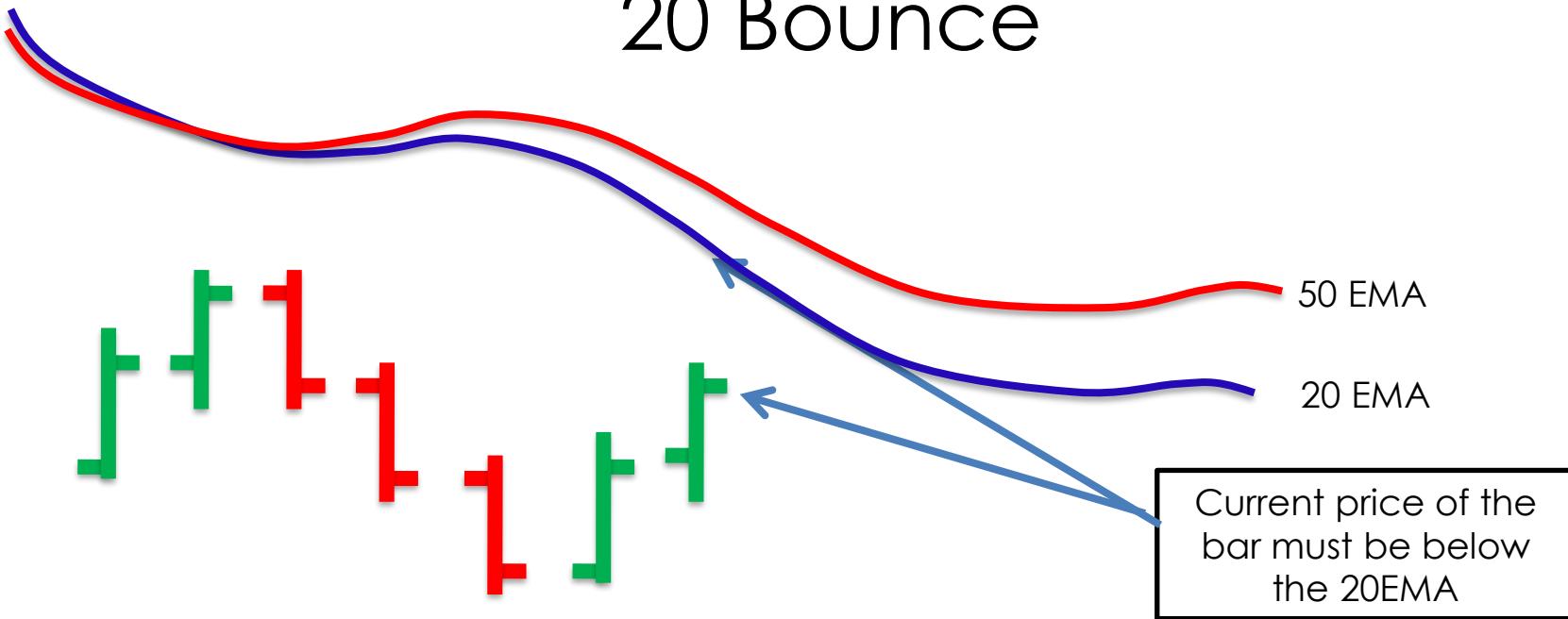
20 Bounce



20 Bounce

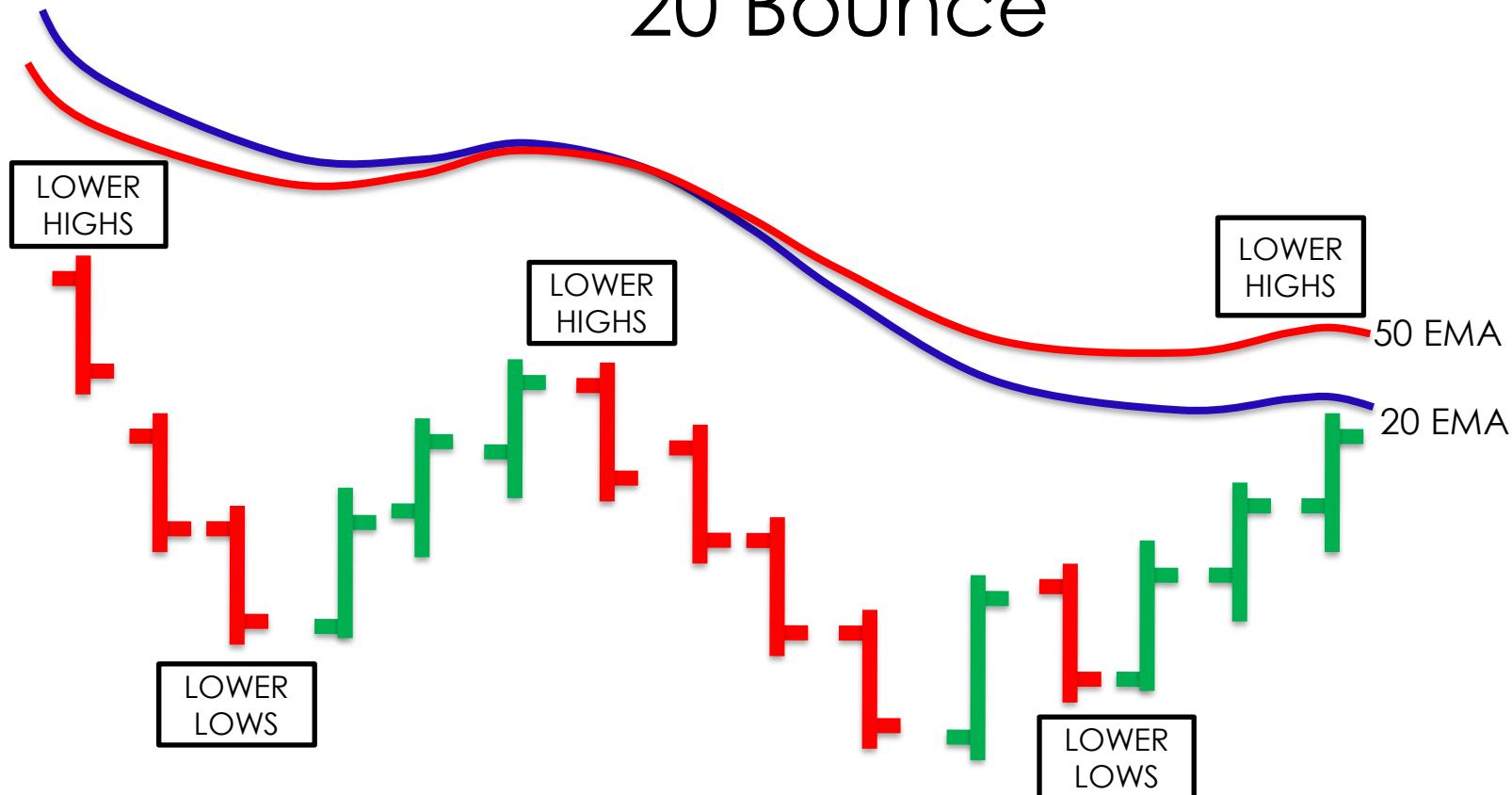


20 Bounce

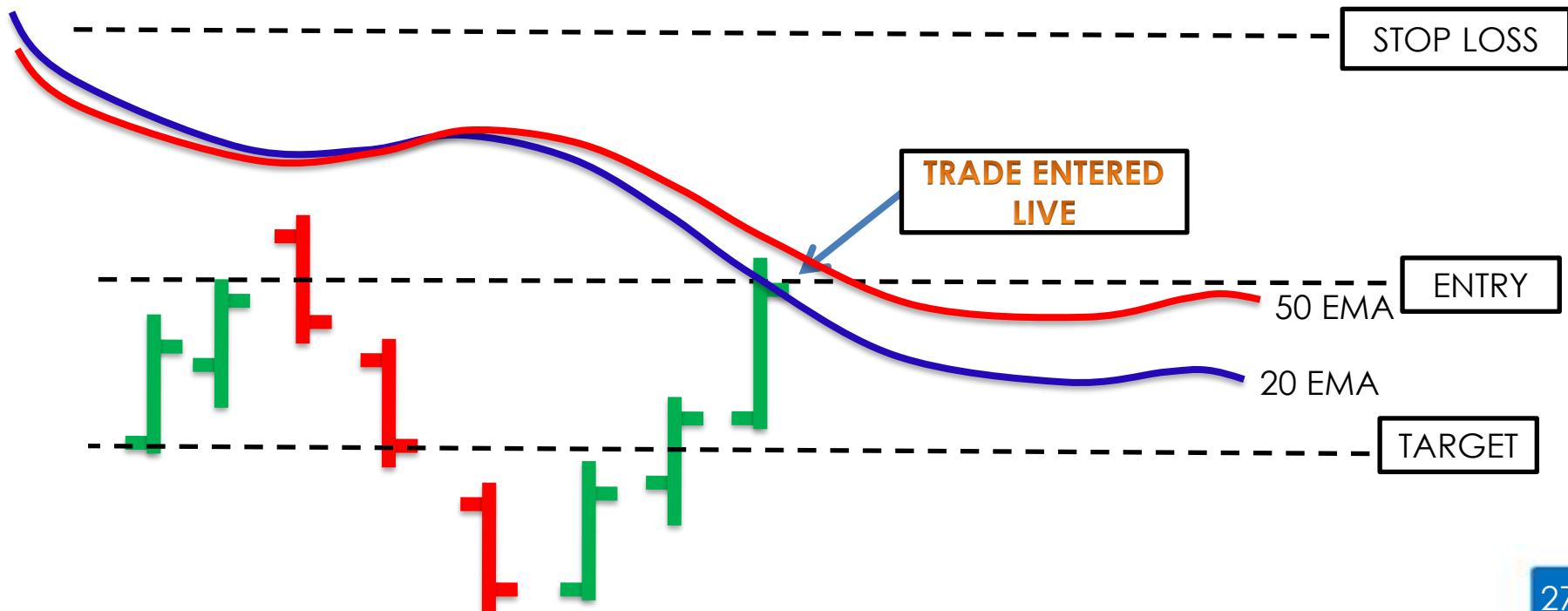


DOWNTREND CORRECT: Current price is below the 20 EMA and the order, angle, separation of the EMA is correct.

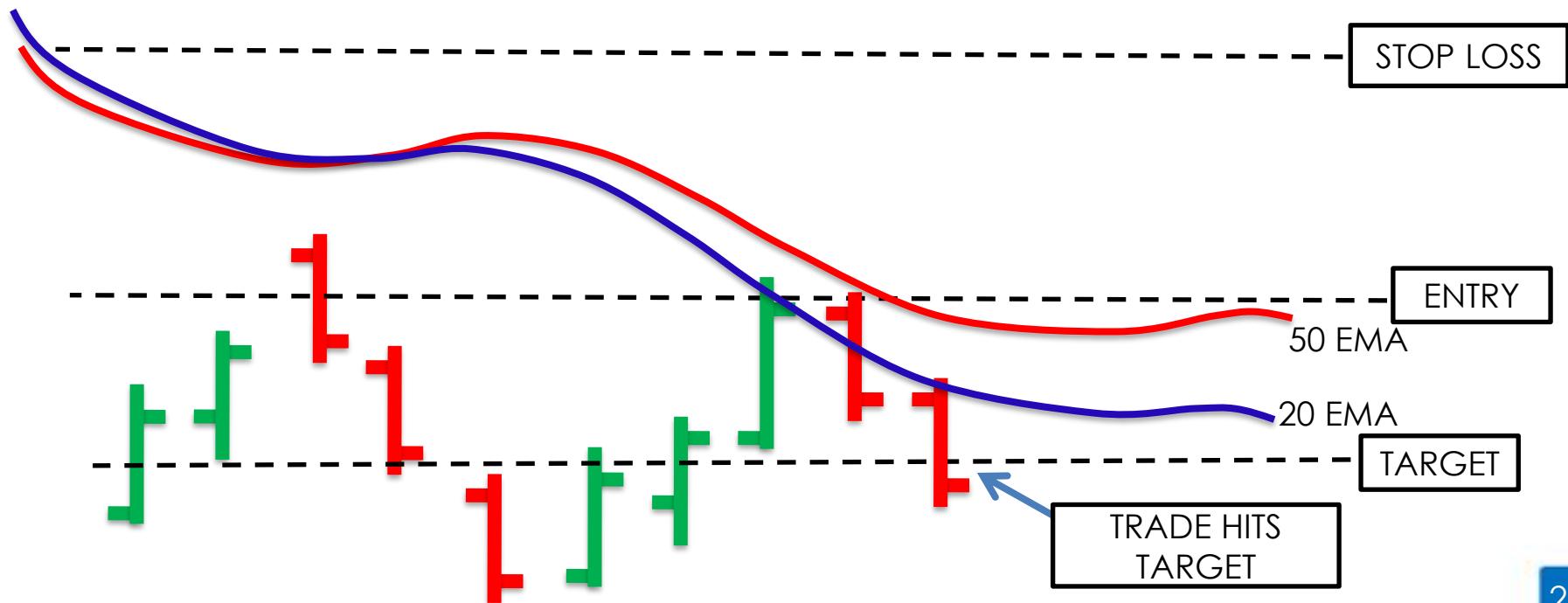
20 Bounce



20 Bounce



20 Bounce





Unlimited Income Generator



Unlimited Income Generator

Unlimited Income Generator

This is a daily trade that requires a ranging market (trading this in trend and especially counter-trend is highly risky).

We need to see at LEAST 4 ranging bars before entry.

The character indicator can be used to confirm range.

We use the 0.6 setting for the Envelopes but these can be changed as you see fit.

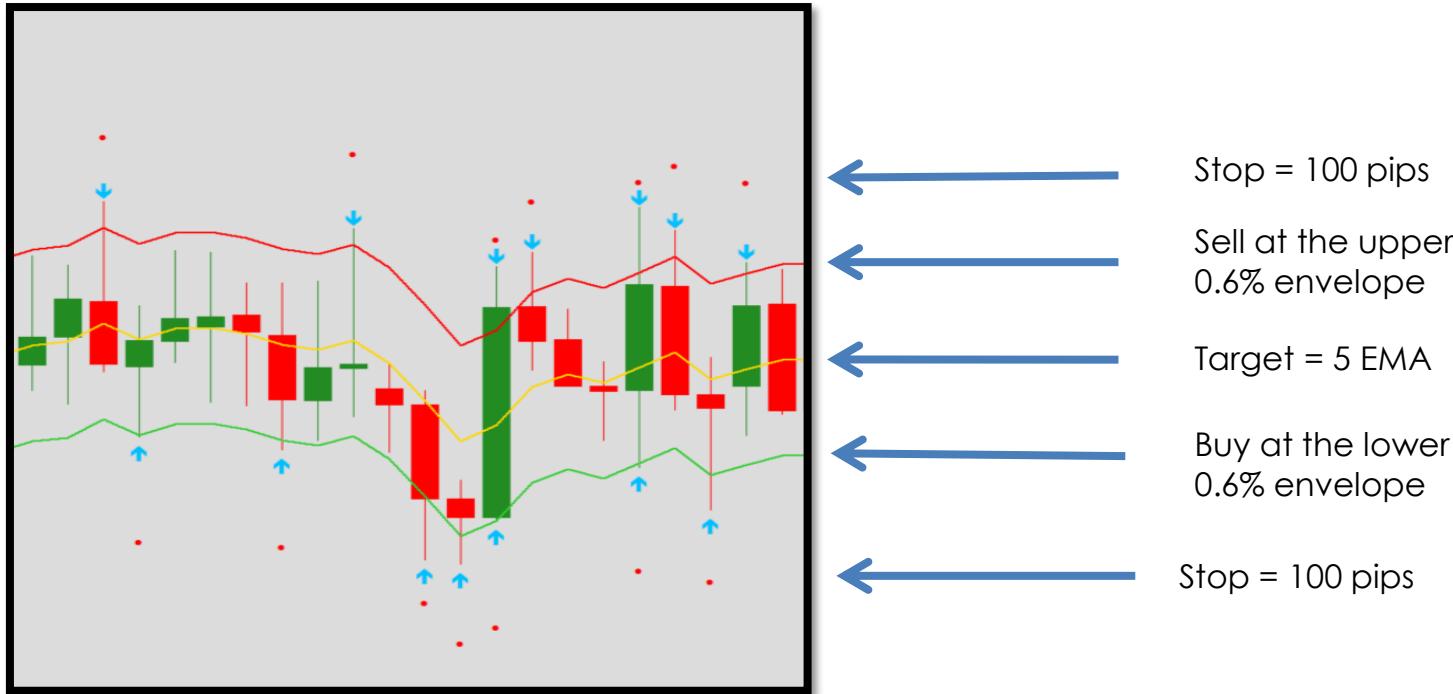
Unlimited Income Generator

Long	Short
Daily Timeframe	Daily Timeframe
Buy when price touches 0.6 envelope (2 nd lowest envelope)	Sell when price touches + 0.6 envelope (2 nd highest envelope)
Stop = entry price – 100 pips or use price action	Stop = entry price + 100 pips or use price action
Target- 5 EMA	Target- 5 EMA

Unlimited Income Generator



Unlimited Income Generator



Unlimited Income Generator

We can trade this as a trending strategy by only taking the trend based trades in a trending market.

This is essentially a Daily Snapback.

Live entry and target needs to be moved throughout the day so you need to check the screen several times each day.

Unlimited Income Generator

Long	Short
Use the daily timeframe	Use the daily timeframe
Use the standard Income Generator Envelopes	Use the standard Income Generator Envelopes
Look for additional support levels such as 20 ema to confirm the bounce off	Look for additional resistance levels such as the 20 ema to confirm the bounce off
Identify Uptrend – using trend filter	Identify Downtrend - using trend filter
Entry – Price Hits inside Lower Band (-0.6 band) BUY	Entry - Hits Inside Upper Band (0.6 band) – SELL
Target – Upper Band - other envelope, or price action target	Target- Lower Band – other envelope or price action target
FIXED Stop – 5 past 1.2 envelope or price action based such as the last swing low	FIXED Stop – 5 past 1.2 envelope or price action based such as the last swing high



Master Moving Average Crossover



Master Moving Average Crossover

Master Crossover

Long	Short
60 Minute Chart	60 Minute Chart
FAST EMA crosses above the SLOW EMA - wait for bar to close and then enter at the open of the next bar	FAST EMA crosses below the SLOW EMA - wait for bar to close and then enter at the open of the next bar
Target = entry price + 330pips	Target = entry price - 330pips
Stop = entry price - 100pips	Stop = entry price + 100pips
Other exit – reverse position when a short set up occurs	Other exit – reverse position when long set up occurs
Only trade in direction of Daily chart trend	Only trade in direction of Daily chart trend

Master Crossover



Master Crossover



Master Crossover



Master Crossover



Master Crossover

Only take trades in direction of Daily chart.

Go to Manual trading to check the trend on the Daily chart.

Pick your own moving average combination for entries but test yourself so you are happy your combo works.

A good one to look at is the 10 & 20 EMA.



SmartCharts



SmartCharts

SmartCharts

Everything from this course has a video tutorial in the SmartCharts Software.

It is highly recommended that you watch those tutorials a few times to ensure you understand the system.

It also makes a lot of sense to book a coaching session to go through any questions you have over the next few weeks- either on the trading systems, SmartCharts or any of the discretionary parts.

Notes



What is Thinking?



What is Thinking?

Reframing – the power of Questions?

LOSER MENTALITY

- This doesn't work.
- It's a gamble.
- Why does this always go against me?
- Why does this hurt so much?
- What does 'X' think about this trade idea?

WINNER MENTALITY

- What can I learn here?
- How can I make this system better?
- What can I change to improve my results?
- How can I increase my confidence?

Reframing – the power of Questions?

- These are not just 'positive thinking' questions – they are to ask your brain specific questions – because (and remember this)...

“ALL QUESTIONS ARE ANSWERED”

Creative Hypnosis – condition yourself...

- Constructing hypnotic suggestions:
 - I only use my trading plan and I admire that about myself.
 - I am a smart and rich trader. I use a concise plan to trade.
 - I <strategy> and <positive affirmation>, or
 - I <positive affirmation> and <strategy>.

Notes



Condition Yourself
For Success



Condition Yourself
For Success

Physiology of Trading

- Everyone has a different strategy for success or failure. You need to identify your own strategy for success or failure.
- For trading we need to find a time when you trusted your inner self, felt confident (not cocky). Real confidence and self belief are critical to your armoury.

Condition Yourself for Total Self Confidence

- Everyone has their own unique 'recipe' or strategy for experiencing any emotional state in life.
- Emotional states govern life – they define whether we succeed or fail... **fact**.
- Of all states, **confidence** is the **most important** emotional state and is **crucial** to trading success.
- Most people wait years for confidence in trading to slowly build **BEFORE** they can be successful.
- Applying the following exercise, you can **literally** leap-frog years of waiting for your confidence to grow and accelerate your success.

Sub modalities of confident trading state (PRACTICAL)

- Step 1 – Remember a time when you felt 100% confident – not cocky...
- Step 2 – put yourself BACK in that state...
 - What is your posture like?
 - How are you breathing: deep or shallow?
 - Are you hot or cold?
 - Where does the feeling start in your body – where does it finish?
 - If the state was a colour, what colour would it be?
 - What texture would it be?
 - What are you saying to yourself?
 - Are you in the picture or out of the picture?
 - NOW YOU HAVE YOUR PERSONAL STRATEGY FOR FEELING CONFIDENT
 - your strategy will be different than your partners strategy.

Sub modalities of confident trading state cont.

- Step 3 – Create an anchor for this confident state...
 - What can you do to instantly put yourself back into this state?
 - Is it a Word? A Picture? Or a Feeling? Find something that works best for you.
- Step 4 – Put yourself in the state you are normally in when you are trading...
 - What is your posture like?
 - How are you breathing: deep or shallow?
 - Are you hot or cold?
 - Where does the feeling start in your body – where does it finish?
 - If the state was a colour, what colour would it be?
 - What texture would it be?
 - What are you saying to yourself?
 - Are you in the picture or out of the picture?

Sub modalities of confident trading state cont.

- Step 5 – Compare both states – what are the differences?

Questions	Totally Confident State	Current Trading State
What is your posture like?		
How are you breathing: deep or shallow?		
Are you hot or cold?		
Where does the feeling start in your body?		
Where does it finish?		
If it were a colour what colour would it be?		
What texture would it be?		
What are you saying to yourself?		
Are you in picture or out of the picture?		

Sub modalities of confident trading state cont.

- 6: Transfer your sub-modalities from Confident state to Trading state...

Questions	Totally Confident State	Current Trading State
What is your posture like?		
How are you breathing: deep or shallow?		
Are you hot or cold?		
Where does the feeling start in your body?		
Where does it finish?		
If it were a colour what colour would it be?		
What texture would it be?		
What are you saying to yourself?		
Are you in the picture or out of the picture?		

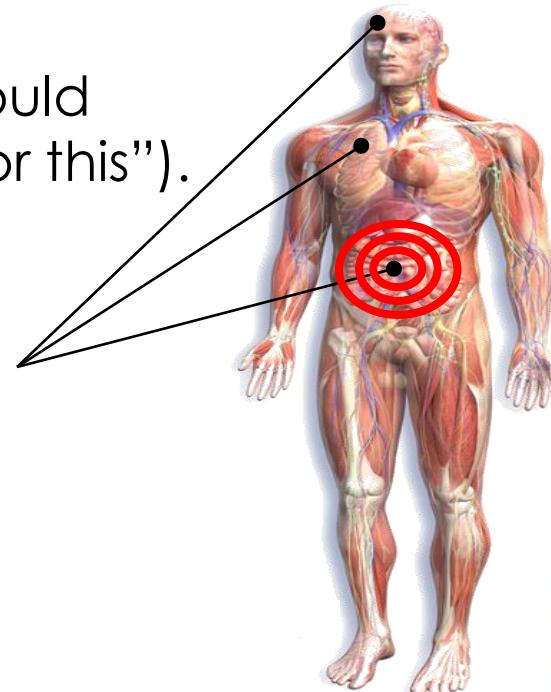
Destroy Debilitating FEAR of Trading

Tools to **KILL DEAD** that **Gut Feeling** of **FEAR**

Destroy Debilitating FEAR of Trading

- **Locate your fearful inner voice...**

You know the one – (e.g. “Maybe I should pack this game in, I’m just not made for this”).



1. **Ask yourself:**

“Where is my inner voice?”

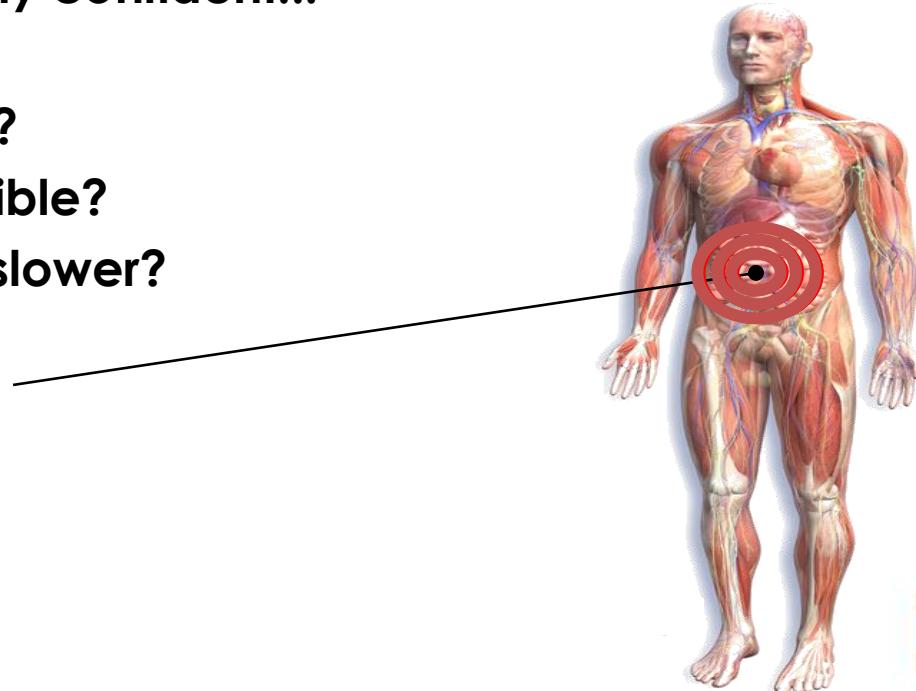
2. **Point to that location on yourself**

Destroy Debilitating FEAR of Trading cont.

3. Now, imagine your voice totally confident...

- Is it **louder** or **softer**?
- Is it **faster** or **s-l-o-w-e-r**?
- Is it **bold** and more audible?
- Do you speak **faster** or **slower**?

4. Now, put that confident
voice in the same
location as where your
old internal voice was.



Destroy Debilitating FEAR of Trading cont.

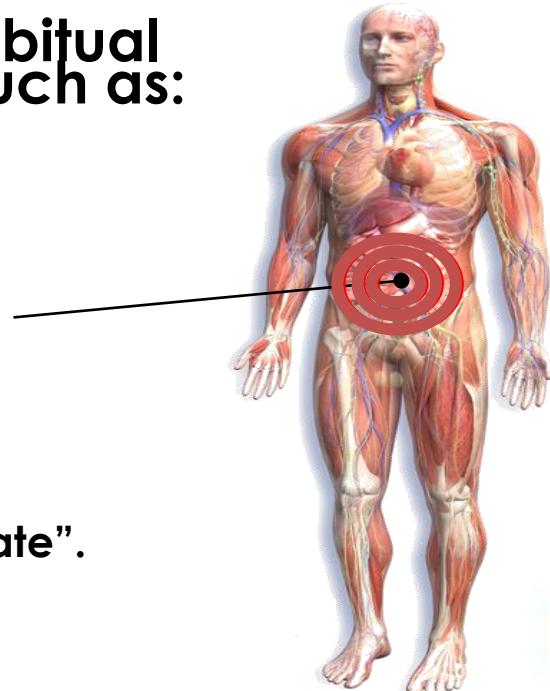
5. Take time to think of some of your habitual negative thoughts from the past, such as:

- “Trading and me don’t go together”.
- “I am hopeless at evaluating trades”.
- “I will never make this game work”.

6. For each lie, come up with its positive opposite...

- “I am a naturally gifted trader”.
- “I make fantastic trade selections”.
- “There is no end to the income I can generate”.

7. Finally, repeat this process daily!



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We would like to take the opportunity to welcome you once again onto the Learn Master Trader Programme. Below is a breakdown of what you can expect to discover during this period of immersion training. This course has been designed to enable you to embed, learn and practise the trading skills you will require in order to master this lucrative arena.

- Reversal Patterns
- Fibonacci
- Timeframe Correlation
- Risk Management

- Improving the 180 Profit Booster
- Improving the Income Wave
- Improving the Volatility Reversal
- Improving the Trend Tracker

- Advanced the Snap Back
- 20 Bounce
- Unlimited Income Generator
- Master Crossover

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