HOW TO START

WOLFX SIGNALS

The main objective of this PDF is **helping you maximize your profits by learning how to start from scratch, manage Take Profits, risk, leverage, and other key factors.** It is not our intention to explain deeply what the forex market is, which fundamental factors affect changes in exchange rates, or any other aspect that is not 100% relevant when it comes to successfully following our signals. We will, however, start with a short introduction in order for you to follow everything we explain.

1. WHAT IS THE FOREX MARKET?

When you travel to another country which has a different currency from yours, you need to change the money that you have in your wallet into the currency from the country you are visiting. This operation takes place at a specific **exchange rate**, which represents how much units of the other currency are you receiving in exchange for 1 unit of yours. For example: if you exchange 1 USD for Japanese Yens at an exchange rate of 107.00 (USD/JPY), you will be receiving 107 JPY. By doing this, you are actually participating in the forex market, you have exchanged one currency for another!

The **foreign exchange market**, which is usually known as **"forex"** or **"FX"**, is the largest financial market in the world: its volume is as big as 5 trillion dollars a day. This makes it over 200 times bigger than the biggest stock exchange in the world, the New York Stock Exchange (NYSE).

2. HOW CAN YOU MAKE MONEY IN THE FOREX MARKET?

In order to answer this question, we are going to go back to the example from above. Imagine that you are coming back from your holiday in Japan and you have some JPY left. You proceed to change them back to USD, and you notice that the **exchange rate has changed** to 100.00 USDJPY, which means that for every 100 JPY, you will get 1 USD. So, before, you got 107 JPY for 1 USD, but now for every 107 JPY you will get 107/100 = **1,07 USD**. This means that the JPY has raised in value against the USD, so, this monetary transaction has led you to profits!

3. OK BUT… HOW DO I START?

Step 1: Download the following apps:

- Telegram (available in App Store and Play Store)
- Metatrader 4 (available in App Store and Play Store)

Step 2: Sign up with our recommended broker (XM) following these instructions:

- Click on this link to register XM:
  https://clicks.pipaffiliates.com/c?c=493003&l=en&p=1

- When choosing your entity, select: XM Global.
- In Account Type, choose: Standard (1 lot = 100000)
- On the next page, in Leverage, select: 1:888
- Account Bonus: Yes, I wish to receive the bonus.
- By registering with that link and following these instructions you will receive a 25€ bonus.

Step 3: Deposit your funds in your broker

Here you have to deposit your money in your broker account in order for you to be able to operate with your real money. The process is simple and intuitive.

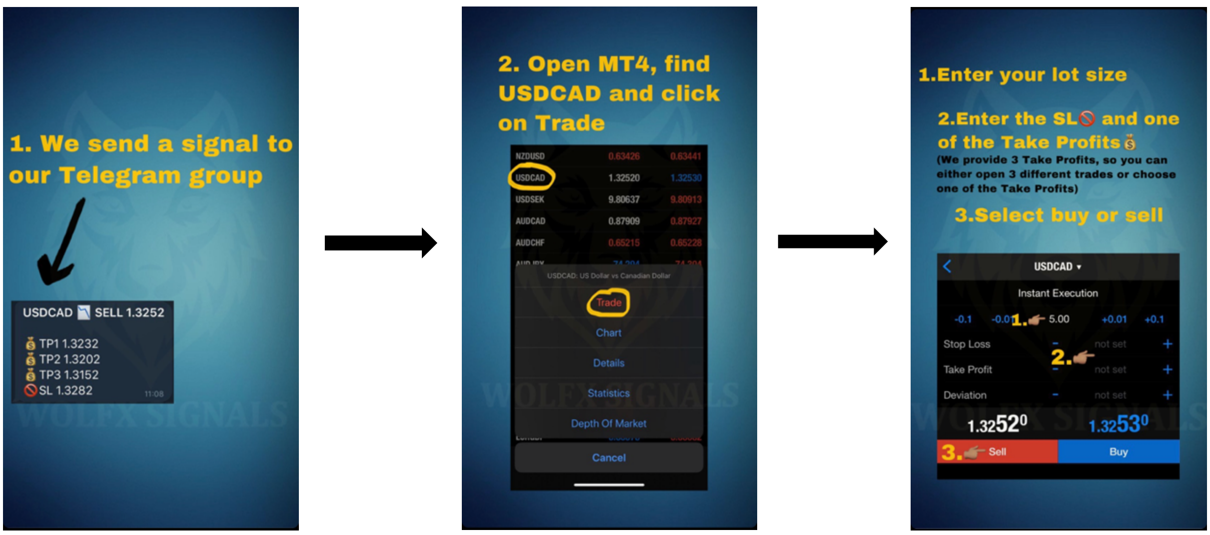
Step 4: Connect your broker account to MT4

a. Open the MT4 app
b. Go to settings
c. Select "new account", and then: "login to an existing account".
d. Write your username and password from your broker account.
e. Follow the steps provided by your broker

4. HOW TO FOLLOW OUR SIGNALS STEP BY STEP

Following our signals is **very easy**, but there are some things you have to take into account if you want to do it successfully. It is vital that you keep your phone with you all day long, as you have to enter your trades as soon as we send the signals. This way, you will be able to pick the same (or very similar) prices as us, radically increasing your chances of obtaining profits.

The process is the following:



*As you can notice, we provide three take profits. We will explain how to manage them later in the PDF.

5. WHAT IS A PIP?

You need to understand what a PIP is and how to calculate its value in order to understand what you are trading. PIP stands for Percentage in Point, and it is the minimum price change that a specific exchange rate can make. An increase or decrease in PIPS represents a gain or a loss in your trade.

Usually, currencies are quoted to the fourth decimal place (for example: EUR/USD 1.1103). There are exceptions, like the pairs that include the Japanese Yen (JPY), or some commodities such as gold or oil. These are only quoted to the second decimal place (for example: USD/JPY 107.98).

When, for example, the EUR/USD pair moves from 1.1103 to 1.1104, it has moved one PIP, because the fourth decimal place has increased by 1. **For the USD/JPY, a 1 PIP increase would be the following: from 107.98 to 107.99**, because the second decimal place has increased by one.

How much of a profit or loss a movement of 1 PIP produces depends on both the currency pair you are trading and the currency you funded your trading account with. PIP value matters because it affects risk. If you don't know what the pip value is, you can't precisely calculate the ideal position size for a trade, and you may end up risking too much or too little on a trade.

As the most heavily traded currency pairs in the world involve the US dollar (USD), we will only explain how to calculate the value of a PIP of major pairs quoted against the USD. As an example, we will use EUR/USD, which has an exchange rate of 1.1103. To calculate the PIP value, we have to divide 1 PIP by the exchange rate (0.0001/1.1103) = 0.00009007€. Now we will show you how to calculate your profits or losses in a given trade:

- ***Example 1: SELL 100000€ worth of EUR/USD at 1.1103.***
  - *PIP value **in euros**: 0.00009007 * 100000 = 9.01€ (10$)*
  - *If the deal is closed at 1.1083 (20 PIPS profit), you have to multiply the PIP value times the PIPS in profit:*
    - *9.01 * 20 = 180.20€ (200$).*

- ***Example 2: BUY 50000$ worth of USD/JPY at 107.98.***
  - *PIP value **in USD** terms: (0.01/107.98) * 50000 = 4.63$ (500 JPY)*

- *If the deal is closed at 107.78 (20 PIP loss):*
    - *4.63 *- 20 = -92.6$ (9980 JPY)*

*You will notice many times additional smaller numbers at the end of each currency rate: they are fractional PIPS (one tenth of a PIP). For example, in the EUR/USD pair, 1 fractional PIP would be 0.00001; in the USD/JPY pair it would be 0.001. They are there to help you see more detail in price action.

We have used deal examples using huge amounts of money (50000$ or 100000€). This are very large figures, especially if you are new to trading. Here is where a very important factor comes in: **leverage,** which basically allows you to trade larger amounts than your initial investment.

6. WHAT IS LEVERAGE?

Imagine you want to buy a 100000$ house, so you go to a bank to take out a loan. The bank requires you to supply 20% of the value of the property as a down payment on the loan. The result is that, for 20000$, you are able to access a property valued in 100000$. This is an example of leverage in real state. You have bought the house at a leverage of 5:1 (because 20000 is 1/5 of 100000).

One year later, the real estate market has appreciated by 50%, so your house is now valued in 150000$. You decide to sell it, making a 50000$ profit. If you had not asked for a loan, and instead you had bought a 20000$ studio, after a 50% increase in value you would have sold it for 30000$, with only a 10000$ profit. So, basically, your 5:1 leverage has allowed you to make 5 times more than you would have if you had traded without profit.

Now, let's apply this logic with a forex trade: imagine you have 1000€ to invest, and you decide to buy 100000€ worth of EUR/USD at a rate of 1.1103. Considering 1000 is one hundredth of 100000, you are using a leverage of 100:1. Then. The EUR/USD moves to 1.1123, and you decide to close your deal, with a 20 PIP profit. Your profits would be the following:

- 0.0001/1.1103 = 0.00009007
- 0.00009007 * 100000 = 9.0065748 (PIP VALUE in €)
- 9.0065748 * 20 = 180.13€ (200$) profit

So basically, the use of leverage can lead to bigger potential profits, but also to bigger potential losses.

7. SO, HOW MUCH LEVERAGE SHOULD YOU USE?

Managing risk is key in forex trading, especially when you are new to it, so you have to be very careful when choosing how much leverage you are going to use. It depends on many factors, one of which is the amount of money you are going to invest. In Matatrader 4 you choose how big is your leverage by choosing your **lot**. A lot in forex represents the quantity of the currency bought or sold in one trade. So, the size of a trade is measured in lots.

The standard lot in forex is = 100000 units. Therefore, if you invest 1000€ and open a buying trade in the pair EUR/USD with lot size 1, you are buying 100000€, so you are buying at a leverage of 100:1.

These are the lot sizes we recommend depending on how much you invest:

- **100€ of investment: 0.01 LOT**
- **250€ of investment: 0.02 LOT**
- **500€ of investment: 0.05 LOT**
- **1000€ of investment: 0.1-0.15 LOT**
- **2500€ of investment: 0.2-0.25 LOT**

8. HOW TO MANAGE TAKE PROFITS

The management of Take Profits depends on the level of risk you want to assume and the amount of money you have invested in your account. There are different ways in which you can manage this, but we consider the following (option 1) to be the best for those who are starting to trade:

Option 1:

Metatrader 4 does not let you open 1 trade with more than 1 TP, so you should open 3 different trades, in the following way:

- One trade setting the TP1. This trade should have 70% of your lot. Therefore, if you are using lot 0.1, this trade should have lot 0.07.
- Another trade setting the TP2, with 20% of your lot (which would be lot 0.02).
- A third trade setting the TP3, with the pending 10% of your lot (0.01).

Advantage of using this method:

- Trades will close automatically when they hit the TPs, meaning you will not have to be so alert to the market's movements. This will lower the risk, which is perfect for those who are starting to trade.

Disadvantage of using this method:

- Less risk means also fewer potential gains. The fact that trades close automatically limits your potential gains.
- If your initial investment is low (100 $ or so), you will not be able to open more than one trade, as the recommended LOT is 0.01. You can either use lot 0.02 and open two trades (with the TPs of your choice), or just open one trade again with the TP of your choice.

Risk management strategy especially designed for this exceptionally unstable economic situation:

You will have probably noticed that during the last few weeks, our Stop Losses are way bigger than before. This is because due to the huge increase in volatility in the markets, if we used normal 30-50 PIP stop losses, they would be hit many times.

Therefore, please use the following strategy to minimize risk. You should open the three trades in the following way:

- **Trade 1:**
  - Opening price: the one we give (or a similar one).
  - TP: our TP1.
  - SL: the one we give.
  - Lot: 70% of your total lot.
- **Trade 2:**
  - Opening price: the one we give (or a similar one).
  - TP: our TP2.
  - SL: the one we give. When your first trade closes (when it hits TP1), you should move the SL to either the market execution price (the price in which you opened the trade) or to TP1 price.
  - Lot: 20% of your total lot.
- **Trade 3:**
  - Opening price: the one we give (or a similar one).
  - TP: our TP3.

- SL: the one we give. When your first trade closes (when it hits TP1), you should move the SL to either the market execution price (the price in which you opened the trade) or to TP1 price. Following the same logic, when the second trade closes, you change the SL to either the market execution price (the price in which you opened the trade), to TP1 price or to TP2 price.
- Lot: 10% of your total lot.

The same logic applies to those who cannot open 3 trades because they use very small lots: if the prices reaches TP1, move the SL to TP1's price in order for you to secure profits and eliminate risk. Use this exact same method when it reaches TP2.

Option 2:

This option consists in opening a single trade with no TPs, placing only the Stop Loss. You will then have to be extremely alert to the market's movements, so when the trade hits TP1, you should close 70% of the trade; when it hits TP2, close 20%; and when it hits TP3, close the pending 10%. **You can, however, modify these percentages depending on the risk you are willing to assume.**

For example, if you open a trade with lot 0.1: you will close 0.07 (70%) when it hits TP1, leaving the pending operation with lot 0.03. You will then close 0.02 (20%) when it touches TP2, leaving the pending operation with lot 0.01. Finally, you will close the rest (lot 0.01 (10%)) when it hits TP3.

Advantage of using this method:

- The absence of Take Profits gives you the opportunity to close trades whenever you want, which means potential unlimited gains.

Disadvantage of using this method:

- In order for it to work well, you have to be very alert to the markets, as the operations will not close automatically. Therefore, this is a much riskier option, only recommended for more experienced traders.

***The percentages we use (70% for TP1, 20% for TP2 and 10% for TP3) are just our recommendations. They are oriented to beginners (as they minimize risk), so you can vary them whenever you feel comfortable enough to assume bigger risks**.

9. FINAL RECOMMENDATIONS

- Forex trading requires a high amount of patience and discipline. You should not assess your results the same day you start. Wait some weeks as you learn how to follow our signals and manage your funds correctly.

- If your initial inversion is low, don’t assume huge risks to get bigger gains faster. This is a mid/long-term thing, so don’t expect to go from 100 do 1000$ in one week. Instead, be disciplined and constant, and remember that your gains will compound little by little.

- **ENJOY YOUR PROFITS!**