

FxLeaders Forex Signals: Evaluation of Profitability and Reliability

Forex trading is a risky investment, yet, it promises high returns on investment to potential traders.

One way novices gain by investing in forex trading is by relying on signals provided by professional traders.

Fxleaders is one of the free forex signal providers that promise a high return on investment.

I collected data from the Fxleaders website from January to September 2023. My focus is to find out how reliable their signals are and their viability for potential traders.

Below is the summary of the data analysis report. You can download the interactive dashboard in my [Github repo here](#).

What is Forex Signal?

Forex signal is a trading opportunity identified manually or by automated systems made available by a signal provider.

In recent times, forex signals have become extremely popular. They particularly remove a trader's need to continuously monitor the forex markets for possible trading opportunities.

Different signal providers are offering free, freemium, and premium signals. Each of them claims that their signal win rate is between 70% to 95%.

Because most of these [signal providers](#) do not make their trading reports available to the public, it'll be difficult for an investor to make the right choice.

Where is the place of the Fxleaders?

Fxleaders is a freemium forex signal provider. It provides free and premium forex signals, and its premium signal is one of the cheapest in the market.

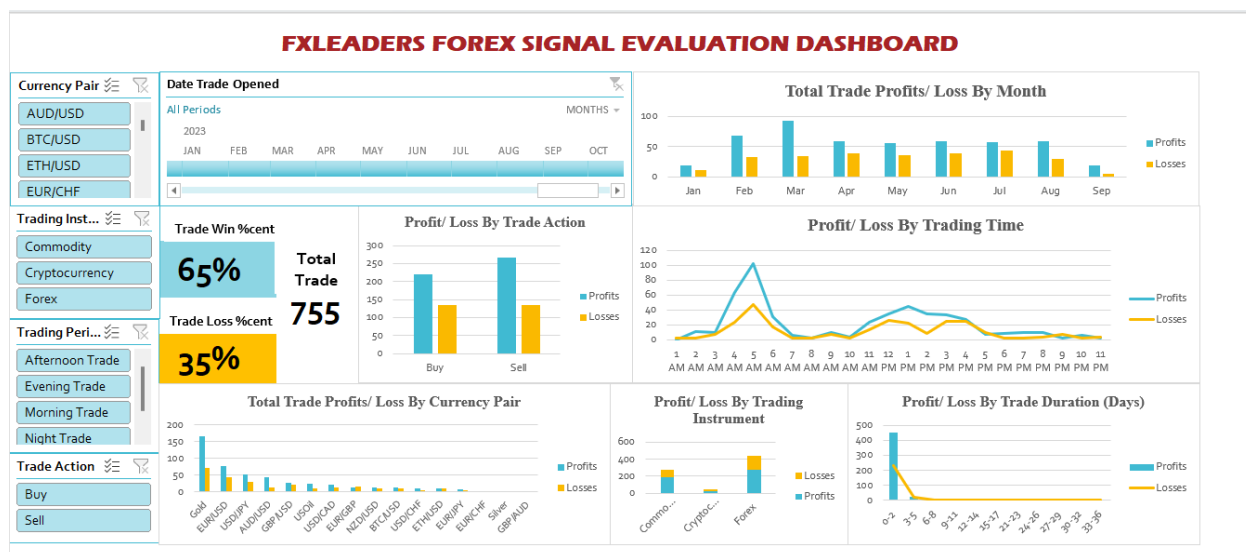
Its signals system is based on trading analysts who insert their decisions directly into the system and turn them into buy/sell signals.

The signals are based on technical indicators and fundamental analysis of the market.

With its free signal, a novice can easily start trading forex. But what is the possibility of profiting with Fxleader's forex signals? This is the hallmark of this analysis.

Summary of the Report

The analysis is based on 755 signals provided for 8 months (January – September 2023). Take a closer look at the dashboard below:



From the analysis, we can see that Fxleaders signal has a proven 65% profitable trades.

Also, its sell signals of 67% profitable trades outperformed its buy signals of 62% profitable trades over the period.

Cryptocurrency signals are the worst-performing signals with 51% profitable trades and 49% losses.

Let's look at the analysis in greater detail.

Detail Analysis of Fxleaders Forex Signals

Before the overall analysis, the data was cleaned and transformed, the detail is included in this section.

Data

The data for the analysis was obtained from the [Fxleaders website](#). FX Leaders publish the result of their signal performance daily. However, only premium members have the privilege to download the data.

The data covered the period of January 23, 2023, to September 14, 2023. You can download the data from my [Github here](#).

Data cleaning

There are a few anomalies in the data. They were cleaned and the data was made ready for analysis. The cleaning process includes:

1. Elimination of an outlier in the data. A single row has a trade opened on June 6, 2018, and closed on January 23, 2023. This row was removed from the data.

2. Normalizing the commodity instruments pair. Two rows having BTC and ETH were normalized to BTC/USD and ETH/USD respectively.

Data transformation

The raw data was imported into Excel from a CSV file. It has 8 columns but the transformed data used for the analysis has 15 rows. The data transformation was made in Power Query and Excel.

None of the original columns were removed. The detailed transformation made on the data includes:

1. Splitting the *time open* and *time closed* columns into *date open*, *time open*, *date closed*, and *time closed*.
2. *Duration in days* was obtained as follows:
 - a. *Date closed* minus *date open*
 - b. Converting *duration in hours* into days (hours value / 24)
 - c. Adding the converted *duration in hours* to the days obtained in (a) above.
3. *Duration in hours* was obtained as follows:
 - a. *Time closed* minus *time open*
 - b. Converting *duration in minutes* into hours (mins value / 60)
 - c. Adding the converted *duration in hours* to the hours obtained in (a) above.
4. The 12-hour time in the raw data was converted to 24-hour time in Excel using the formula: =TEXT([@[Time Open]], "[hh]:mm:ss").
5. The trading period was grouped into four from the time obtained in (4) above as follows:
 - a. Morning trade period: 04:00 – 09:59

- b. Afternoon trade period: 10:00 – 15:59
 - c. Evening trade period: 16:00 – 21:59
 - d. Night trade period: 22:00 – 04:00
6. The trading instruments were grouped into 3 as follows:
- a. Commodity representing gold, silver, and US oil
 - b. Cryptocurrency representing Ethereum and Bitcoin
 - c. Forex represents all currency pairs, e.g. EUR/USD, GBP/USD, etc.

The above data transformations helped us analyze the data more critically.

Results of the analysis

Overall trade wins/ loss

On the overall, there are 65% trade wins and 35% trade loss. This means that anyone who trades with the Fxleaders forex signal will make a profit on average.

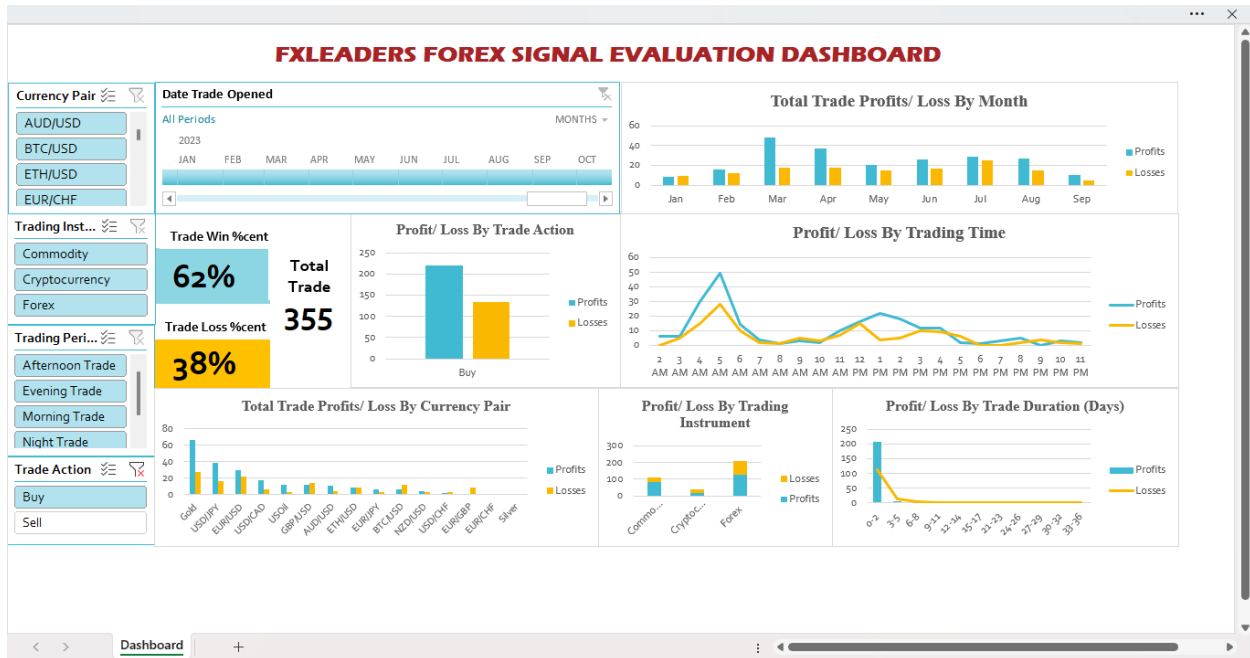
However, this depends on the risk management ratio applied during the trading. A higher loss margin could outweigh the profits made during the wins. But if proper risk management is applied, a trader will gain.

Fxleaders advise that traders should risk 5% of their investment on each trade.

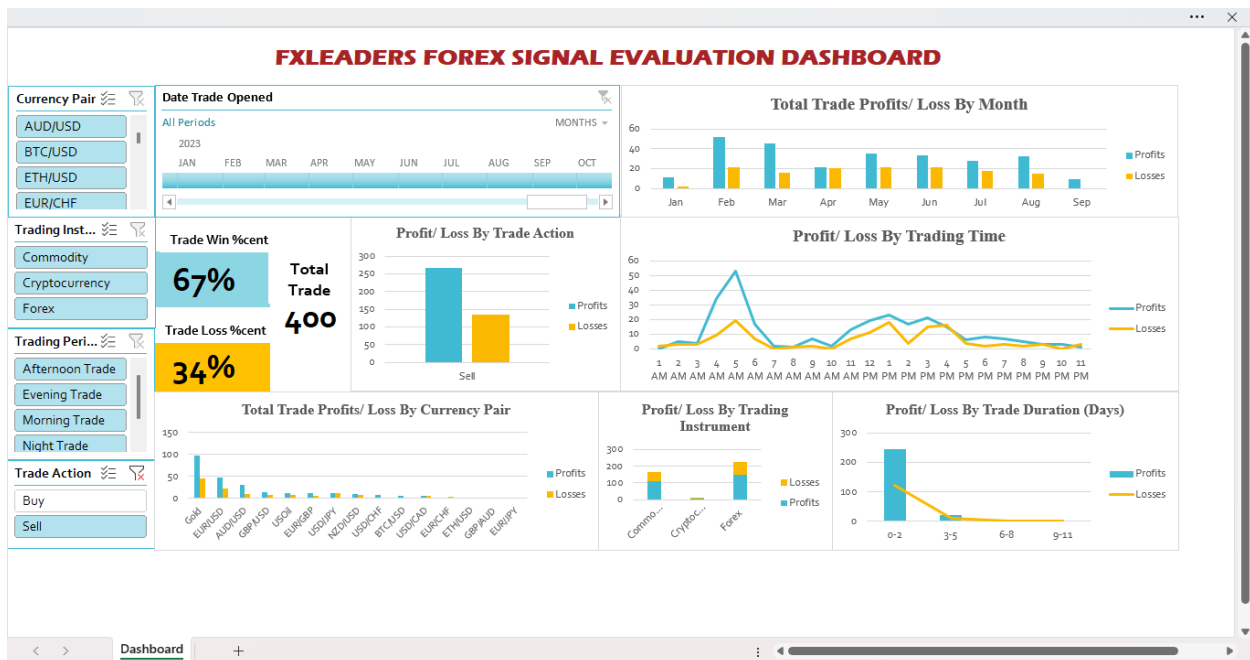
With this level of risk, it will be a win for any trader trading with Fxleaders forex signal.

Profit by trade action

On average, the sell trade action performs better than the buy trade action. The dashboard shows that out of 355 buy trades executed, 62% were profits and 38% were losses.



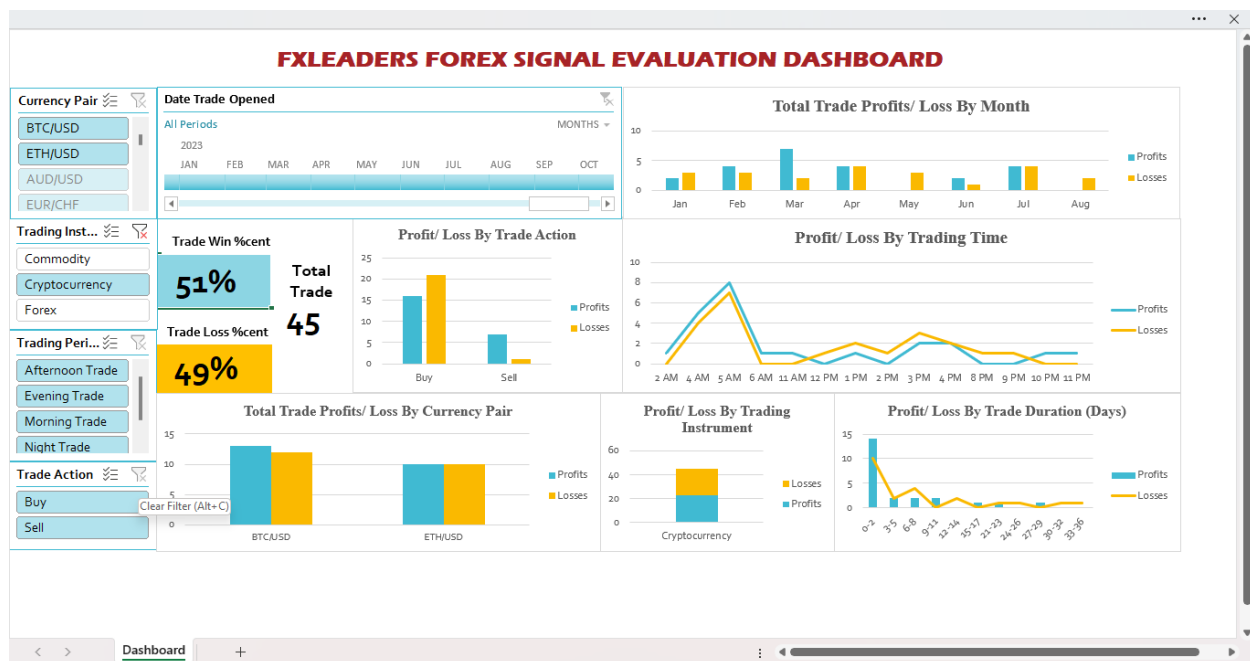
On the other hand, out of 400 sell trades executed 66.5% were profits and 33.5% were losses.



Profit by trading instrument

There are 3 groups of trading instruments: commodity, cryptocurrency, and forex. Out of the 3, commodity outperformed the other 2.

Cryptocurrency instruments were the worst, and should not be traded using the signals provided.

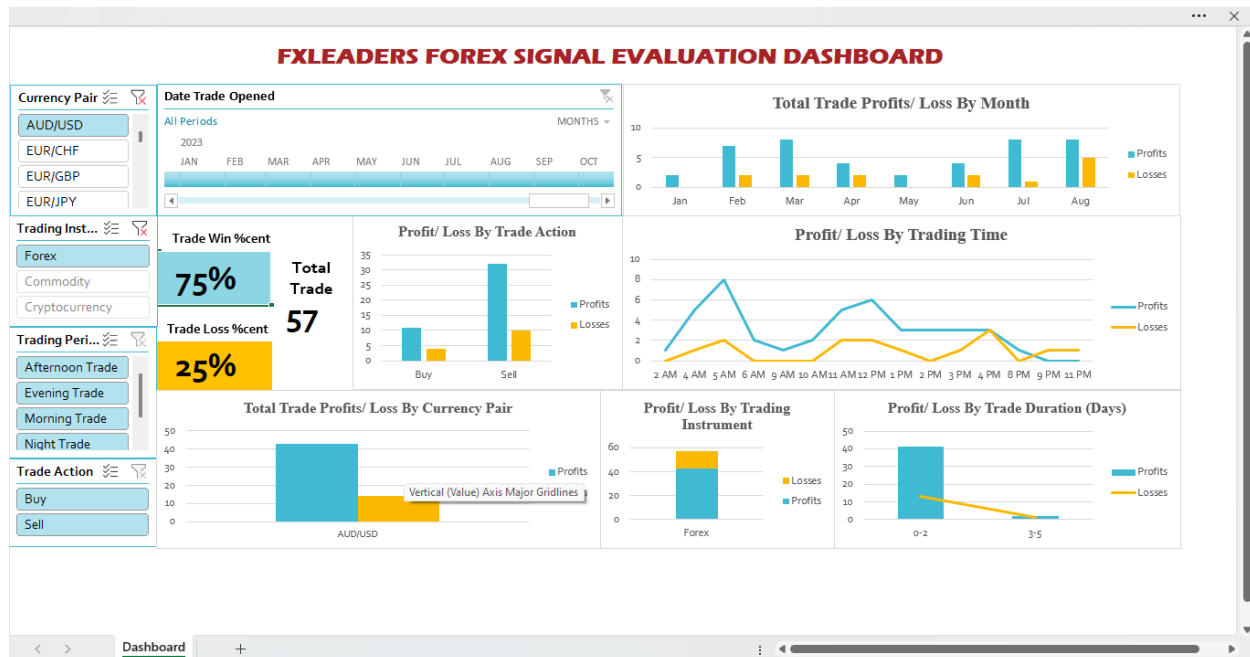


The analysis shows that out of 45 trades executed on the crypto instruments, 51% are wins and 49% losses. When you drill more into sell action, we observe that most losses come as a result of buy trade actions.

The best-performing instrument is a commodity, with 69% wins and 31% losses. Using the trade action, we observe that buy trades had 72% wins and 28% losses. While sell trades had 68% wins and 32% losses.

A total of 435 forex instruments were traded during this period with 63% wins and 37% losses.

A critical look at each of the instruments shows that AUD/USD was the best-performing pair. It had 75% wins and 25% losses out of 57 trades.



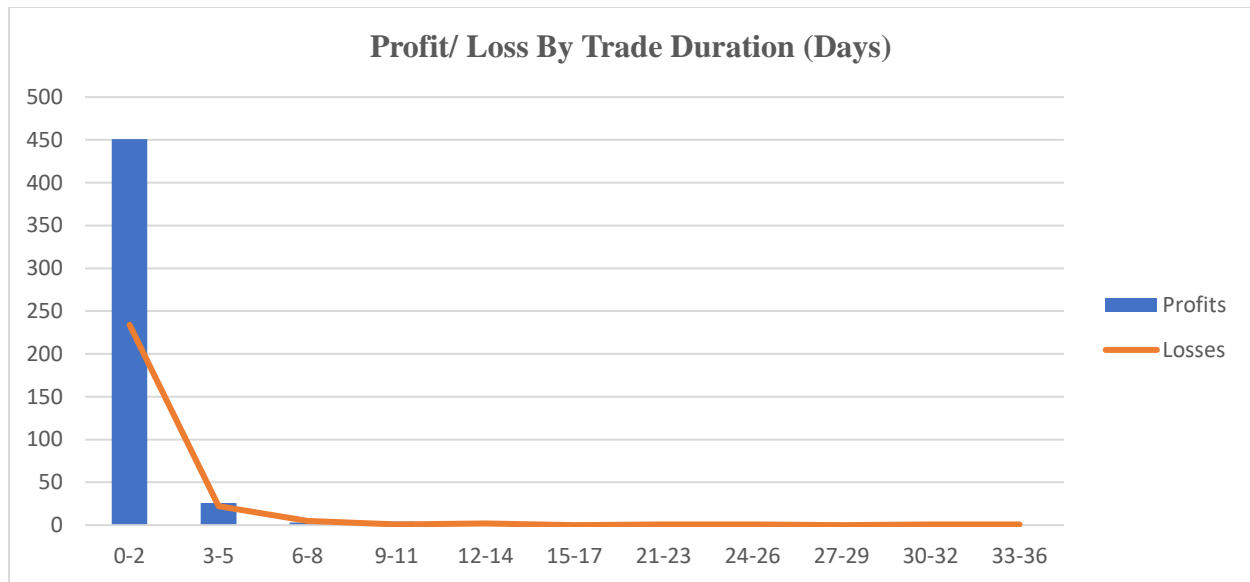
The worst-performing currency pair is EUR/GBP with 47% profit and 53% losses. However, the buy trade action produced most of the losses with 90% loss trades.

During this period, we observed that trades executed in the morning hours were more profitable with 68% wins.

Contrarily, trades executed in the evening were the worst performing with 57% wins. Most trades were executed in the morning and afternoon while the night period witnessed less trading.

On the duration of trade, you will observe that trades that lasted between 0 and 2 days were more profitable. As the length of days increases, the losses also increase.

The graph shows that there are 451 profiting trades compared to 234 lost trades for 0 – 2 days duration. On the other hand, there are 26 profiting trades and 22 lost trades for 3 – 5 days duration.



Crypto instruments had the longest trading duration, this could explain why the higher losses with crypto instruments.

You can feel free to interact with the dashboard to uncover more insights.

Especially, profiting trades in the different trading months.

Conclusion

With 65% profitable trades, it means out of every 100 trades, a trader will win 65 times and lose 35 times. If the losses do not outweigh the wins, on average, the trader will profit with Fxleaders signals.

Cryptocurrency instruments were observed to be the worst performing. However, it was observed that sell trade actions executed on crypto instruments had 88% wins. Thus, one can choose to trade only sell actions on crypto for morning trades.

The forex instruments produced a promising result, especially for non-premium members. With 63% profit trades, two currency pairs stood out: AUD/USD and USD/CHF. They had 75% and 73% profiting trades respectively with most of the wins coming as sell trade action.

The morning trading period was the most profitable time of trade with 68% profitable trades. If only sell trade actions were executed, 75% of the trades would be profitable.

Finally, trades that lasted between 0 – 2 days are favored compared to trades lasting above 2 days.

If you want to try the Fxleaders forex signals, you can rest assured of 65% reliability. This can be increased if you choose your trade action and time of trade wisely.

For example, morning trades with a sell trade action have the potential of delivering 75% profitable trades.

You can let me know what you think about this analysis by commenting using the comment box.