

Installing and Using SuperFX System Video: <https://youtu.be/EYWFllmfAg4>

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### **HOT KEY:**

Alt+R (Tile WIndows)

F11 (Full Screen)

Ctrl+M (view Market)

Ctrl+N (View Navigator)

## **Secret #1: Power of Support & Resistance**

My secret number 1 in trading is support and resistance. Most new traders tend to ignore the importance of support and resistance because they do not know that the wave like movement of the market is actually the creation of support and resistance.



When the price hits a major resistance for the first time, it will most probably moves down first due to the repulsion of that level. It will then attempt to break this resistance level again and once it manages to break through it, the old resistance level will now turns into a new support level.

You will find that the price will always comes back to test that new support level before it moves further up. Such action contributes to the formation of waves in your trading chart.

Therefore as a trader, you must be able to identify where the major supports and resistances are. With these level identified, you will then be able to know where to enter a trade, where to place your stop loss and where to place your target profit. In this section of the book, I will teach you a few ways to identify strong level of support and resistance.

### **Fibonacci Indicator**

The Fibonacci indicator is one that is commonly used by institutional traders and therefore the level of support and resistance created by this indicator is more significant.

The Fibonacci indicator consists of retracement and extension. All you need to do is to drag the indicator from the top to the bottom of the wave and you will be able to select which retracement and extension level you want to show.

From my trading experience, retracement level like the 0.382, 0.500 and the 0.618 have more power than the rest of the retracement levels. As for the extension, it depends on the retracement.

If the price hits the 0.382 retracement level, the price will usually stop at the 1.272 extension level.



If the price hits the 0.500 or 0.618 retracement level, the price will usually be stopped by the 1.500 or 1.618 extension level.



However if you are able to find level of multiple Fibonacci, that specific level will be where you are going to enter a trade.

### **Secret #3: Power of Risk Reward Ratio**

I cannot emphasize more about this risk reward ratio. It is this exact ratio that allows traders to be profitable in their trading consistently.

#### **So what exactly is risk reward ratio?**

It is in fact the amount of risk you are taking per trade versus the amount of profit you are going to make per trade. The ratio of these 2 figures will give you the risk reward ratio.

For example: If you enter a trade and then set a stop loss of 20 pips and your target profit is set at 40 pips. Your risk reward ratio will be 20:40 which is equal to 1:2. Do note that the higher your risk reward ratio, the more chances that you will be profitable at the end of the month.

Let's assume that your trading strategy only win 50% of the time but it has a risk reward of 1:2. Assuming that you only trade 16 trades per month which means that you are going to win 8 of them and lose another 8 of them.

If you are setting your stop loss at 20 pips and target profit at 40 pips, below are your profit and loss calculation.

**Profit =  $40 \times 8 = 320$  pips**

**Loss =  $20 \times 8 = 160$  pips**

**Total Profit = 160 pips** (Equivalent to \$1,600 if you are trading 1 standard lot per trade)

Can you see the power of this risk reward ratio? Even when you only win 50% of the time, you are still making \$1,600 per month. If you are trading 2 standard lots per trade, you can make up to \$3,200 per month.

You can try Cent Account at <https://goo.gl/RSNcEP>

## **Conclusion**

Making money from forex trading is not as hard as what most people think but it is also not that easy. You will need to be patient and is willing to spend time to learn and practice what you have learned.

It took me 9 months to eventually make my first dollar in forex but since then, I am able to generate consistent income for myself every single month without fail. Therefore it is definitely worthwhile to spend the time to learn and practice forex.

There are a lot of marketers in the market who are posing as real traders trying to make money out of us traders. Therefore you have to be extremely careful when selecting a course or signal service to use as a wrong selection will wipe your account out in a short time.

**All The Best**

**Riza Rohman**

**<http://superfxtrading.blogspot.com>**

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