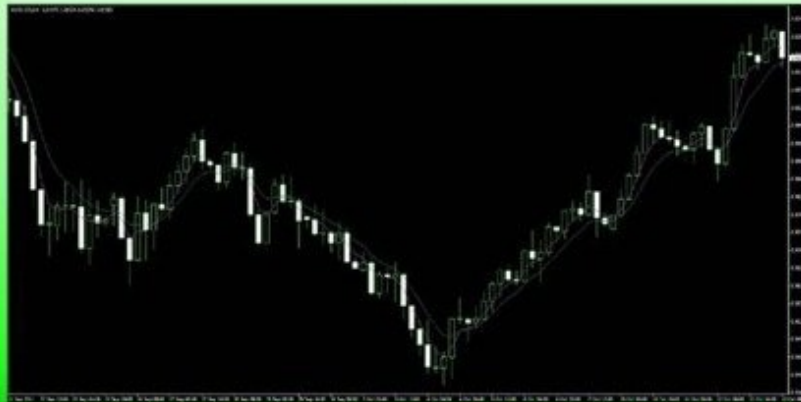


Learn to Trade FOREX

with my Step by Step Instructions
in 47 pages * 5th grade reading level required!

(even if you don't know diddly-squat about currency trading)



by *Joseph G. Wohlers*

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By Joseph Wohlers © March 2012

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Forex Currency Trading disclaimer: The methods and strategies taught in this book are not a guarantee of profits and trading in any currency market involves a high degree of risk regarding the potential loss of any or all of the capital funds you invest, especially if you are not exercising appropriate risk management techniques with each and every trade, such as stop loss orders in particular. As with any business venture, the risk of losing capital is always an inherent factor!

Table of Contents:

[Chapter 1 - Why is FOREX the best online home business?](#)

[Chapter 2 - Learning the lingo of trading basics](#)

[Chapter 3 - Practice makes \(almost\) perfect!](#)

[Chapter 4 - Best times for trading FOREX \(and when not to trade\)](#)

[Chapter 5 - A Simple Forex Business Plan - Planning your work and working the plan will yield exponential profits!](#)

Chapter 1

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**Why is FOREX the best online home business?**

I wrote this training manual for one purpose. I wanted to share with as many people as I can how to develop the confidence, discipline, and proper mindset you will need to compete in the Forex market to make a lucrative business for yourself. I assure you, this book is like no other book out there on Forex. I am going to take you by the hand, step by step, and show you how to implement my manual Forex trading system to produce continuous, exponential profits. The discipline needed to follow the rules will be entirely up to you. You will need to protect your money with a protective stop loss order every time you enter the market and never move a stop!

Sometimes the hardest discipline learned will be to push the button to enter a trade when a buy or sell signal is actually generated. Like baseball, you have to take a swing at the good pitches to get a hit, and not every hit is going to be a home run. There will be the occasional strike out more often than not, but unlike the odds of a great baseball hitter with a batting average of only 40%, my trading system can help you produce a 70% win rate or better! These systematic rules of discipline will become second nature once you have learned to respect the awesome results this manual trading system can produce. You will be wise to spend a few months getting used to trading these methods on a 'live' demo account, thereby not risking your hard earned money till your understanding becomes more refined and confident.

There are many motivating reasons to choose trading Forex. Here are the **top 10 reasons** why trading Forex is really the perfect business.

No inventory

No angry customers or complaints, no returns

Can work from home anywhere in the world

No paperwork - year end statement is sent to you

You can work 24/7, 5 days a week

Can profit in a good or bad economy

Over 3 trillion dollars daily global cash flow – high liquidity leads to many daily profit opportunities

No selling, no recruiting, no network marketing

Gives you more free time for friends and family

Master of your own destiny

I point these reasons out to you because there is no other legal, legitimate business out there that will treat you to a better lifestyle. I thought maybe if you learn to understand and respect what a wonderful lifestyle trading Forex is, you will be motivated to build this business with care and put in the quality time needed

to master the art of trading to the best of your ability. It really is a privilege at the end of the day to have profited so easily by just sitting in a lounge chair at home watching the charts and making simple decisions. There is no angry customer going to call you and ruin your day!

With your own Forex business, you truly are master of your own destiny. Your trading decisions will get better with time if you put in the quality time and study needed to refine your trading style. Perseverance will pay off big time. You really will appreciate having more free time to enrich your social and family life! Look at me - I get to write books to help other people get rich! When I die, those who knew me can say I really made a difference helping others build a better life for themselves and their loved ones.

Anyway, these are some of the thoughts that go into why I really pour my heart into this business and deeply believe you can't go wrong with this business if you truly want to build a better lifestyle for yourself. It's up to you – keep asking questions! To please yourself, you have to know what you really want in this life, and then simply keep asking the right questions till you get the answers you need to succeed. If you need to make more money, the same is true. Let this book be a launching pad for your

financial independence. Your job is to keep feeding your hunger for knowledge and day by day, slowly but surely, the answers will be revealed. Always remember there are many people around the world sustaining a great lifestyle with the art of trading. Their success continues because they never ever give up – they always continue to ask questions till they get the right answers. I'll be happy to answer your questions and keep your financial path on the straight and narrow, and in the black, when it comes to making more Forex profits.



## Chapter 2

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Learning the lingo of trading basics

I will teach you how to trade in the shortest amount of time possible. The last thing I'm going to do is fill your head full of every detail about trading terminology. I'm going to teach you what you will need to understand to place a trade and make money. I assume that is why you bought the book. So, without further adieu, let's learn how you will make money trading the Forex market.

Currency markets go up and down in price. When there are more buyers than sellers, the price increases. When there are more sellers than buyers, the price decreases. The way you make money trading is picking the right direction of the price action. If the market is climbing higher, you want to be buying. If the market is descending lower, you want to be selling. It's not rocket science. It's price action.

So, it only makes sense, if the market is trending upwards, you will look for opportunities to buy the market on pullbacks. You have probably heard it said, "A market can't go up in a straight line forever". A market eventually tops out or becomes exhausted. At a certain price, there becomes a ceiling or a price where there are so many buyers, already in the market, and are willing to sell, because they will have made a substantial profit if they sell. At this point, sellers see opportunity in the market declining briefly

and the sell orders start increasing, pushing the price lower. At some point, the sell orders start to diminish and the buy orders start pouring in and the price action resumes its upward trend again.

When the market bottoms at a certain price point, that becomes a “support” level. A floor is created because there are enough people willing to buy at this lower price. Then as the buy orders keep coming in at increasing prices, the market climbs. Eventually the buyers are not willing to pay higher prices, and at a certain price point there becomes a “resistance” level. A ceiling is created because there are enough people willing to sell at this higher price.

I hope you are starting to grasp why markets go up and down. If you place a buy order slightly above a support level, you would naturally anticipate that a great place to close your position with a sell order would be just slightly below the next resistance level. For example, say you bought the EUR/USD @ 1.4100 and sold it at 1.4200 – you just made 100 pips. Pips are simply the unit of measurement used to score your gains or losses. If the size of your order was one full lot, you made 1,000 US dollars in this example, or 10.00 US dollars per pip. If you were trading mini-lots, or one tenth of a full lot, you would have made 1.00 per pip, or 100 US dollars in this example.

To make money in the Forex market you would have to open a position with either a buy or sell order and then close that position at some future point in time, either experiencing a profit or a loss of funds in your account. If you sold at a higher price than your buy order price, you made a profit. If you had to sell at a lower price than your buy order price, you lost money.

Keep in mind, you can buy or sell to enter a position in the market. If you sell at a point of resistance and open a position in the market, you are hoping the market tanks or declines in price. If you placed a sell order and sold the EUR/USD at 1.4300, you would be anticipating that the market will decline in price action. Let's say for example, the market declined as you foreseen and you closed your position at 1.4250 with a buy order. You made a profit of 50 pips or 500 US dollars with a lot size of one full lot, or 50 US dollars with a lot size of one mini-lot, which is one tenth the size of a full lot.

There will be times when you place an order to buy or sell and the market price action goes against you. For example, let's say you place an order to buy the EUR/USD at recent hourly support of 1.4000. The market has bounced off that level the last two times in the last few hours and you are totally convinced that

the price is too low for too long and it will once again bounce off that support level. Much to your dismay the market mildly bounces and then strongly reverses and goes through the 1.4000 handle and within 15 minutes the market is now at 1.3940 and you are down 600 US dollars, trading one full lot. An hour later the market took another dive through the 1.3940 level and is now sitting at the 1.3900 level and clearly not in the mood to rebound so you close your position by placing a sell order to sell at 1.3903 and you lose 970 US dollars on that trade. That wasn't as much fun as making a profit, but it was your first good lesson of what can happen if you don't have a protective stop loss order.

To avoid these greater losses, when you place your entry order, be sure to enter a 20 – 30 pip protective stop loss order at the same time. Instead of losing 970 dollars you would have only lost 200 to 300 dollars, trading one full lot, when the market turned against you. The lesson learned is to always place a stop loss order with any and every entry order – NEVER TRADE WITHOUT A STOP ORDER IN PLACE. There will times when your trade is progressing quite well. You're even "in the money" and then unexpectedly some news hits the wires saying "the Bank of China feels the Euro is overvalued at these levels" and within 10 minutes the EUR/USD drops 100 pips. So, in summary, whether you are buying or selling, always have a protective

stop order in place to protect your hard earned money, just in case the unexpected should occur.

Let's briefly review. To make money trading you will have to buy or sell one lot and then close your position with an appropriate buy or sell order. If your entry order was a buy order, you will have to place a sell order to close your position. If you close your position with a higher price than you bought it at, you made a profit.

If your entry order was a sell order, you will have to place a buy order to close your position. If you close your position with a lower price than you sold it at, you made a profit.

In either case, you must also place an appropriate stop loss order with your entry order to protect you from a substantial loss if the market goes against your position. If your entry order is a buy order, your stop loss order would be a sell stop. If your entry order is a sell order, your stop loss order would be a buy stop.

Protective stop loss orders will limit your loss of capital to a reasonable amount that you can afford to lose if the price action goes against your position in the market. Your stop loss order becomes the

amount of money you are willing to lose if your trade goes bad.

Now, we come to the issue of risk versus reward. As you just learned your stop order determines how much money you are willing to lose. Your reward is the amount of money your exit order will yield as profit if hit. Once your entry order, along with your stop loss and profit target exit order are placed, your trade will develop over time and either hit the exit target price or your protective stop order price. You will either make a profit or a loss. I prefer trading in market conditions where if I decide to risk 30 dollars, I have a high probability of making at least 60 dollars reward or more. I'll explain more later about risk versus reward and how finding high probability conditions will dramatically produce more profits and keep your losses relatively small. For now, I just want you looking for trades that can potentially give you more reward than what you are willing to risk.

The best thing you can do to prepare yourself for learning how to make money trading Forex is to practice every day until you can make a minimum of at least 15 - 20 pips a day. You will find that sounds easy, but I assure the floor traders who play this game every day with hundreds of thousands of dollars in their accounts will live another day to take your

protective stop loss orders out more often than not. So, humble yourself now with practice. Trading with real money is easy if you feel confident that you have a reliable weekly history of successful trading profits. If you can make 15 - 20 pips a day or 75 -100 pips a week for a month in a row, you're starting to get an overwhelming sense of how to beat the market successfully day after day. The main reason you will lose money in Forex is because you don't put in the practice time needed to become a proficient, professional trader that knows how to make consistent profits.

What you need to do now is download a METATRADER 4 program if you don't already have it. You can download a free demo trading account and the METATRADER 4 program by going to the website, www.metatrader4.com. When you're in the process of registration of this new demo account, be sure to click "Advanced" for account type and set "Amount" for 10,000 US dollars. Set the "Leverage" for 1:50 for a more realistic setting.

Once you launch the program, pull up a chart of the EUR/USD and expand it the full width of the screen. Set it up for the one hour time frame and see if the market is trending up or down. To help see the direction of the market, I want you to go to the

INSERT button on the top left, and click on “Indicator” and then click on “Trend” and then click on “Moving Average”. I want you to add three moving averages to the chart – the 50, 21 and 13 Moving Averages. Make sure the MA’s have different colors so you can distinguish between them. The hourly 50 Moving Average will let you know if the market is going up, down, or sideways. If the market you happened to pick is trending upward, I want you to identify support levels by drawing horizontal lines. Simply click on the horizontal line icon and then find the lowest price point on the chart and click on that point to draw the horizontal line. That line simply represents an important support level. As the market climbed from that lowest point, it reached a minor level of resistance. I want you to draw a horizontal line there as well. At some point in this upward trending market, you will see that resistance level penetrated and a breakout to further upside. Now that former resistance level becomes a new support level for the market. I’m trying to help you recognize how markets are always bouncing between support and resistance.



If the particular point in time of the market cycle you picked happened to be a declining 50 Moving Average, I want you to draw a horizontal line at the highest point. That line simply represents an important resistance level. As the market declined from that highest point, it reached a minor level of support. I want you to draw a horizontal line there as well. At some point in this downward trending market, you will see that minor support level penetrated and a breakout to further downside. Now that former minor support level becomes a new resistance level for the market.



I hope you are seeing how fairly easy it is to identify the support and resistance levels in the market and whether the market is trending up or down. Keep in mind, there will be times when the 50 Moving Average will be a flat line. That is called a sideways market – a period of time when the market is consolidating, or simply stated, “the market is catching its’ breath”. In a sideways market there is usually a relatively narrow band of support and resistance for a period of time, until the market breaks either to the upside or downside.

This process of simple analysis will tell you if the market is trending up, down, or sideways. Hopefully you are grasping the concept of how the market bounces between support and resistance. If you look at the Moving Averages, I want you to see how the market will tend to bounce off those averages as well. When a moving average is breached or penetrated and the momentum is strong enough, the market will tend to reach for the next moving average.

Now you have two ways to find a good entry order. You can either enter the market close to support or resistance or you can pick a point close to the particular moving average the price is bouncing off of and buy or sell accordingly. Sometimes just putting a “limit” order to buy or sell at a specific price point very close to the support or resistance level will make a very successful high probability trade. You could also put in a “limit” order to buy or sell at a specific price point very close to the particular moving average the price keeps bouncing off of.

If you’ve already had some experience trading currencies, the past few pages I’m sure are very elementary. I don’t mean to be rude, but chances are, even if you know these basics are second nature to your trading thought patterns, I would bet the reason you are reading this book is because you are

finding making consistent Forex profits day after day tougher than it looks. Don't feel alone. It's a competitive business. Those pro traders that have the big accounts know how to take out the stop orders to scare the amateur and novice traders. That's why an elementary review of these basics is good medicine. My best advice is once you have entered into a trading decision, follow it through to the end. In your mind, be totally positive, thinking I had a good reason for entering this trade and my profit target will be hit and should I be wrong, my stop order will protect me. If you are confident in your trading decisions and are working with tried and true trading strategies, you will be winning more than losing.

So, that brings up the reason most people lose – traders tend to get emotional and don't stick with there discipline. When a stop order takes you out of the market, don't look at that as a loss – that's the cost of doing business. A small loss is just like any other business – you will have expenses in any other business as well! A stop loss signifies one of two things – you entered the market too early, but had the direction of the price action right --- or, you were completely wrong and the market is in the process of changing direction and this is only the beginning of a more significant move. So, instead of "hit and miss" trading at that point with your first loss, just wait for a new trading opportunity. The market will slowly reveal

the direction it prefers, if you are patient and just wait for an answer.

Let's say you got stopped out for a small loss and 15 minutes later the market is proceeding to continue the trend as you originally intended. In that case, just look for another pull back and get back in the market. On the other hand, if 15 minutes later, the market says you were "dead wrong", and the market prefers to change direction from what you anticipated was the correct direction, you might want to get in with the current trend on a pullback opportunity. If you are willing to wait just the 15 minutes as I suggest, you will allow yourself to make better trading decisions. If you've ever lost money in the Forex market because you have been wrong three times in a row, what you just learned will become invaluable information, and now going forward you will learn to "breathe" when a small loss occurs and be willing to wait for the market to tell you if you were right or if you were dead wrong! Patience in your trading decisions will always make more profits than trading on the fly or trading emotionally. Just stick with your trading strategies and the disciplines you know. Be confident your trading decisions will be right the majority of the time – consistent profits will come from both confidence and discipline in your personal trading methods and will define a personal style that works for you over the long term.

Chapter 3

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**Practice makes (almost) perfect!**

Ok, you've got some basics, and may feel knowledgeable enough to make your first trading decisions... let's go to a chart and do some practice trading on the one minute time frame. I don't recommend trading on the one minute time frame for long periods of time because it will become very stressful, but I guarantee you the one minute time frame will get you up to speed teaching you how to pick a direction and stick with that direction if you're right and help you quickly change direction if you are wrong.

Open up a new chart by clicking on "File" and then click on "New Chart" and then click on the Eur/Usd currency pair. Now with that new chart make sure it is on the one minute time frame by clicking the "Period" icon of one minute. Find the icons on the top part of the chart window that allow you to choose a bar, candlesticks or line chart and choose candlesticks. Next to those icons are "Zoom In" and "Zoom Out" icons. Keep hitting the minus sign (zoom out) till it is a maximum zoom out. Then go back to the plus sign (zoom in) and click it three times. This will allow you to see about 3 hours of past history of price action on the one minute chart. Then, make sure the Auto Scroll button is "on" right next to the "Zoom" icons and then click on the "Chart Shift" icon, (right next to the "Auto Scroll" icon) and keep clicking it till the most current price of the market or most recent candlestick is on the far right. Now the chart



will auto scroll as minute by minute chart history is recorded on the candlesticks.

Now, I want you to make sure there is a 50 Moving Average and also a 3 and 7 MA. Be sure to make sure the moving averages have different recognizable colors so you can easily distinguish the different MA's. The support levels and resistance levels should be easily recognizable by the price action bouncing off support and resistance. These levels are always changing and in a one minute time frame you get to see how fast they really change. I want you to pay particular attention to the 3 and 7 MA's. Notice how when the 3 crosses the 7, something happens – the market generally will follow through to the next minor support or resistance level. Also, notice that if the 50 MA is declining, the market will usually tend to break thru support more predominantly than not and vice versa for an upward trending 50 MA.

What I'm leading you into is a very easy, yet highly reliable trading strategy - when the 50 MA is declining we will enter the market when the 3 MA has crossed the 7 MA to the downside at the END of the ONE MINUTE CANDLESTICK and not before. Then, we will stay in the market till the 3 MA starts crossing the 7 MA in an upward motion and close our position with a buy order. When you actually exit is subjective, but

the whole idea is to get a maximum amount of pips accumulated for this trade without getting too greedy. On a one minute time frame, 5 pips can be a great trade. There will be times when you can get more for sure, but don't get too greedy.



This most recent trade example was for selling, but if the 50 MA was in an upward trend we would be buying as the 3 MA crossed the 7 MA to the upside at the end of a candlestick and close our position when the 3 MA starts to flatten or cross the 7 MA to the downside.



This simple 3/7 Cross moving averages trading strategy I just taught you is probably the most important thing you will ever learn about entering the market at the right time. If this was the only strategy I ever taught you, please remember this strategy used alone could make you easily 20 pips or more a day. If you were trading a full lot, with a 6-7 thousand US dollar account you would be making 200 US dollars a day. I really wanted to give you an idea how incredibly important this simple, yet reliable trading strategy is.

So, if you are experiencing 2 – 3 trading losses in a row or more, just go back to the one minute chart and use the 3/7 Cross strategy and get all your money back and more. That's what I do when I mess up or get too emotional and start losing money. My confidence for trading will be forever well intact, knowing this simple strategy and I'm sure your confidence will grow as well with this very reliable and profitable Forex weapon in your bag of trading tricks.

What's really cool about using this 3/7 Cross on the one minute chart is that you will be naturally closer to the major areas of support or resistance when you enter the market. Thereby, you are entering into a low risk, highly favorable reward situation. By that I mean you can have smaller, tight stop loss orders - I usually use 12 pip stop loss orders. Although it may be true that you will be risking more than you might gain on the reward side, it is also true that you will be losing less frequently.

What I do to increase my reward side of the equation is trade off a 5 minute chart and wait for the 3 MA to cross the 7 MA. As I see the cross getting closer on the 5 minute chart, I go to the one minute chart and when the 3/7 Cross on the one minute chart signals a buy or sell order at the end of the candlestick, I place

my order. As soon as I enter the market, I go back to the higher 5 minute time frame to pick my take profit exit order, which usually is the next major level of support or resistance.

Now, I have the best of both worlds – a smaller, low risk, stop loss and a higher take profit order for higher reward. Once I enter my stop loss and take profit orders, I usually go to the kitchen and make a sandwich and pour my favorite beverage of choice. If I'm right, usually within 30 minutes I've made 20 pips. If I'm wrong, I just lost 12 pips and re-evaluate the market demeanor! Remember, when you are confident in your trading system, you can enjoy a sandwich and a cool drink, rather than get bothered by an occasional loss. With a good trading system you will be winning the majority of your trades.

I want you to start practice trading with what you know... you know more than you realize if you've been keeping up with the general understanding of the material presented. And I'm sure you'll agree - this is not rocket science - this is price action and what goes up will eventually come down and vice versa!

Now, we will practice the 3/7 Cross strategy in real time on a demo account. You should have a one minute chart with about 3 hours of trade history and the 3, 7, and 50 MA's displayed. If you right click on the chart you will see the "Trading" button at the top of the pop-up screen. Just click on "Trading" and then "New Order" and a new pop-up screen will appear allowing you to buy or sell at the current market price. Make sure the "Volume" or "Lot size" is 1.0 Lot. The size of your order determines how much money per pip you will win or lose. With 1.00 Lot, every pip is worth 10.00 US dollars with the Eur/Usd currency pair. Pull that screen to the side for now and watch for the next 3/7 cross. Remember, if the 50 MA is declining, you want to sell and if the 50 MA is climbing, you want to buy. When the cross occurs at the end of a one minute candlestick, buy or sell appropriately.

Another screen will populate and before you hit "OK", make sure you also enter your sell or buy stop price. That price will be 12 pips from your entry price. If you have a current sell order in the market you want to set your "Stop Loss" order, which is a Buy Stop, 12 pips above your entry price. If you have a current buy order in the market, you want to set your "Stop Loss" order, which is a sell stop, 12 pips below your entry price.

Next, make sure to set your Take Profit order. To determine a reasonable Take Profit order, take a look at your chart and from the previously chart history determine the last significant level of support or resistance. If you have a sell order in the market, you want to find the most recent level of support in the market and set your Take Profit just above that level. If you have a buy order in the market, you want to find the most recent level of resistance and set your Take Profit just below that. For now we don't want to be greedy, just want to learn how to place orders and make consistent profits.

Trading off of higher time frame charts will help you get the bigger profits, but at the expense of wider stops --- which in the long run is worth it. This one minute trading exercise will help speed up the process of learning what we are looking for in a good trade and how it develops and how to see it through till the end.

I want you to spend at least an hour or two a day learning to make 20 pips a day using this 3/7 Cross strategy trading on the one minute chart trading one lot at a time. Just thought it worth mentioning again – NEVER MOVE A STOP LOSS ORDER. That being said, you can close your position at any time by simply going to the top left of the Metatrader4 window



and click on “View” and then click on “Terminal” and then double click on your order at the bottom of the screen in the terminal box and then click “Close Position”. Make sure the “Type” of order is set to “Market Execution” so it displays the option, “Close Position”. Just to be on the safe side, it doesn’t hurt to lock in profits, especially when you’re within a couple of pips of the Take Profit target.

Up to now, the entry orders you are practicing trading with are called instant execution orders or market orders – you have been buying or selling at whatever the current market price is. There will be times when you want to pick a better buy or sell price and you would then place what is called a pending order called a “Limit” order. What you are effectively doing is asking your Forex broker to buy or sell at a specific price. It’s kind of like being at an auction and you’re willing to pay only so much for a particular item. You are willing to make a Bid to buy at a certain specified price or better. On the other hand if you were selling something precious you already owned, you would Ask to sell or offer your item at a certain specified price or better.

Please remember, in a Forex market auction, at any given time, the buy price becomes the price the sellers are Asking – and the sell price becomes the

price the buyers are Bidding up to pay. This ever changing stack of buy and sell orders at specific prices is forever changing with the ebb and flow of the price action of the market. If more people are willing to sell at a lower price, the market is declining in price. If more people are willing to buy at a higher price, the market is moving up in price.

Here is a great example of when and how to use a limit order to your advantage. Let's say you're trading off the one hour chart and the market has been bouncing off a specific moving average like a 13 MA in a declining market. It would be smart to put in a limit order to sell one full lot slightly below the current 13 Ma and if executed, you would be in the "sweet" spot, having a very low risk, sell position in the market. By the way, when you are entering a pending limit order, you can enter your stop loss and take profit order at the same time. If your limit order is executed, your stop and take profit order will immediately go into effect as well. Sometimes, when market conditions become highly favorable, I'll enter a pending limit order with my stop and take profit orders before I go to the gym to work out. If executed and a profit made, I can proudly say I'm earning money, even while I'm enjoying my favorite activities – what a life!

Here is another great example of when to appropriately place a limit order and take advantage of current market conditions. Let's say on the 15 min chart the market is in a 20 pip range for about 3-4 candlesticks and market conditions have turned to a sideways direction. Now would be a good time for a short term trade just playing the current support and resistance levels. You could enter a pending limit order to buy a few pips above the current support level or put in a limit order to sell a few pips below the current resistance level – and naturally you would enter your stop and take profit orders simultaneously. The take profit orders would be a few pips slightly below the current support or resistance levels. When a market slows down and begins to trends sideways or consolidate, this range bound trading allows you to rack up the pips scalping the market many times in a few hours.

If you've been practice trading already, you've probably noticed when you buy a full lot at the market price; the Ask or buy price is higher than the Bid or sell price. The difference between the ask and the bid price is commonly referred to as the "Spread" and this difference in price is what the broker gets for their sales commission. To get the lower spreads you have to trade the more popular currency pairs. These major currency pairs have heavier trading volume, so brokers can give you lower spreads and charge you less in commissions.

The most popular currency pairs include the Eur/Usd, Usd/Jpy and the Aus/Usd. To make your practice trading more beneficial, I want you to stick with these major pairs to become more familiar with how these major pairs tend to react in real market conditions. Then, when you do start trading with your own money, trading these major pairs will help you get more pips in your pocket by paying less in broker commissions. The average commission you'll pay is about 2 – 2.5 pips per trade with these higher liquidity currency pairs. You can get lower spreads with most brokers simply by funding your account with more money and actually get the cost of the commission down to .5 to 1 pip per trade with larger accounts of 10,000 US dollars or more.

I hope you have challenged yourself on the one minute chart. Making 20 pips or more a day is not that hard if you keep going back to the 3/7 Cross strategy, don't get too greedy on your take profit orders and keep your stops where they – REMEMBER, NEVER EVER MOVE A STOP LOSS ORDER – I've been telling you this over and over for a reason. The human emotional part of your brain will tell you that if I just move my stop 5 more pips I'll be able to stay in the market and not lose any money. The reality is if the market takes your stop out, chances are this is just a new beginning for the

continuation of current directional movement in the market. In fact, chances are the movement of stop loss orders from other amateur traders thinking just like you is already taking place. The sharks that control of this market direction can now smell blood and are purposely driving the market to an extreme by continuing to take out more stops. This is the reason YOU NEVER MOVE A STOP LOSS ORDER.

I'm sure you have probably found that trading the one minute chart can be rewarding, but also is a very stressful way to trade the market to end up with a series of small wins. To remove some of the stress you will need to trade off a higher time frame. Trading off a higher time frame will increase your risk, so you will have to trade with wider stop losses. Trading off higher trade frames will allow you to yield greater reward. I've found that the 30 minute time frame tends to give me the reward I'm looking for but yet I can find suitable entry points where my risk is quite small. The reason I can get a 70 percent win-loss ratio is because I mainly trade off the 30 minute chart, but actually choose the direction of the trend with the hourly 50 Moving Average to determine if I'm buying or selling. With the same 3/7 Cross philosophy in mind, when I see the market getting close to making a 3/7 Cross on the 30 minute chart and the market direction is again moving with the trend, I will switch to a 15 minute chart and make sure the 3/7 Cross is also about to cross and moving in the trending direction,

and then finally enter the market upon a confirmed cross on the 5 minute chart at the end of a 5 minute candle. I will place my stop 7 pips below the last hourly support or resistance as appropriate and place my take profit order at about two times the number of pips of my stop loss order, which is usually about 25 – 30 pips on the hourly chart. If the stop loss needs to be wider than that, I just don't trade and wait for another opportunity. It is so much less stressful trading like this and when you profit 50 - 60 pips a trade with out the stress of being glued to your computer, the reward is so much sweeter – and I boastfully declare, “Now that's what I'm talking about!”

I most certainly can testify that using these different time fractals or multiple time frames to base my trading decisions are the most profitable way to trade. The higher time frames really do give you a true reflection of the established direction by basing your buying or selling decision off the trend of the 50 MA. The smaller time frames are really just a way to fine tune your entry for the most opportune moment, where the risk is still very low and the market is just starting to accelerate again in the trending direction so you can capture a larger move in price action, especially on higher volumes, in a relatively small time frame. In other words, you get in and get out of the market a.s.a.p. and make a decent profit quickly while being exposed to very small risk.

If you wish to explore trading on multiple time frames, you will need to know how to set up your charts. I'm sure you can probably figure it out on your own, but I just want to give you a few tips to point you in the right direction.

First, I want you to make a "Template" of these technical settings to preserve the 3, 7, and 50 MA's on your one minute chart. All you have to do is right click on the chart and then click on "Template", and then click on "Save" at the top of the new pop-up screen, and then give it a name like "3.7.50" and save it as a template file so you can easily load the template on the new charts you are creating.

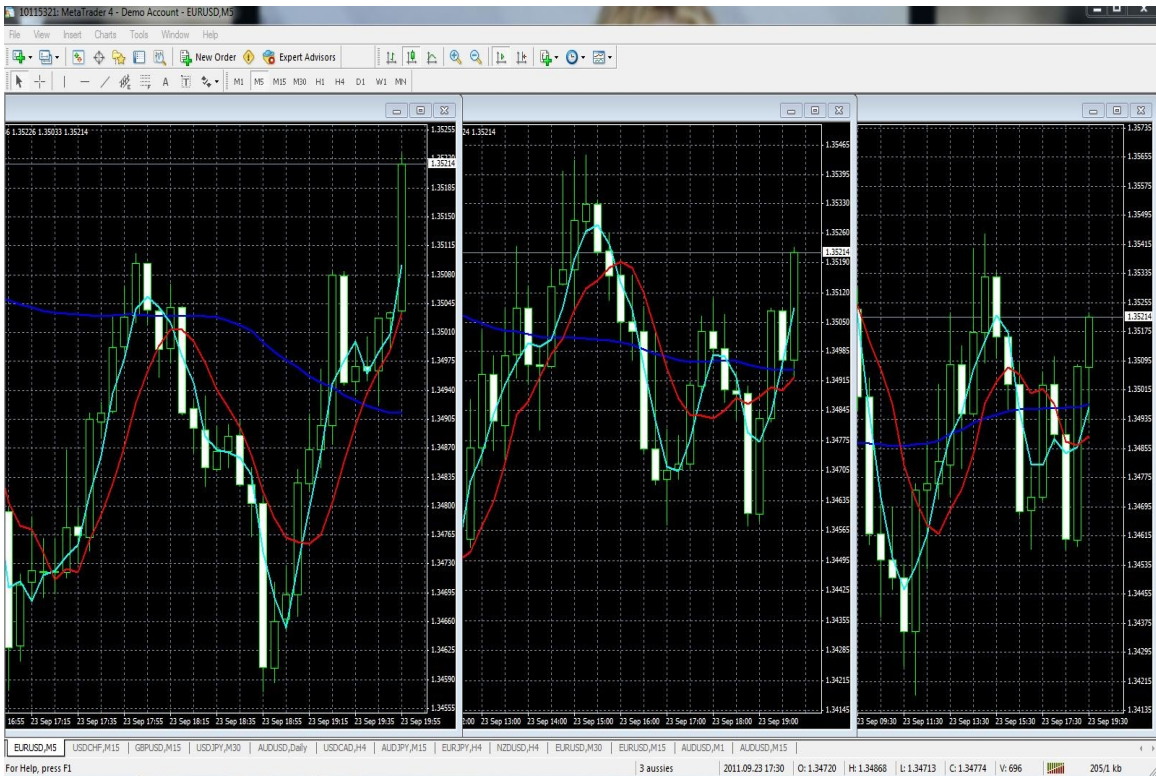
The next step is to change the one minute chart to a five minute chart by clicking on the 5 minute "Period" icon. Now that you have a five minute chart, you have to add another chart. Just go to the top left of the Metatrader 4 program window and click on "File", then click on "New Chart" and then click on the Eur/Usd currency pair. Make this new chart a 15 minute chart by clicking on the 15 minute "Period" icon. Now, simply right click on the new chart and click on "Template" and then click on the "3.7.50" template file and that will add the moving averages and whatever settings were included with that

particular template's settings. You also want to make sure the "Auto Scroll" is on this new chart by clicking on it if you have to. Then adjust the "Zoom Out" and "Zoom In" so the candlesticks are the same size as the candlesticks on the five minute chart. Finally, adjust the "Chart Shift" so the last candle stick on the right is as close to the right edge of the chart as possible. In this same fashion you would have to add a 30 minute chart and now you will have all three time frames needed. Make sure when you click on the "View" button at the upper left of the chart, that the "Charts Bar" is checked. This will allow you to switch between the 3 different time frames of charts. You simply click on the desired time frame needed at the bottom left of the screen.

I actually then position these windows so that I can see all three time frames at once. To do this you simply right click on the 30 minute chart and click on "Restore". This will reduce the size of all your charts. Then adjust the size of the 30 minute chart so it takes up about one half of the width of the screen and maximum height and then click on the top bar of chart and drag it too the far right edge of the screen. Then I would click on the 15 minute chart and make it the same size as the 30 minute chart and actually overlay it on top of the one hour chart. Then simply click on the top bar of the 15 min chart and drag it over to the middle of the screen. Then finally click on the one minute chart and make it the same size as the 15



minute chart and click on the top bar and drag it over to the far left of the screen. Pretty amazing huh! Now you can see all three time frames moving in tandem with the market price action. You can even save these three Eur/Usd windows as a specialized “Profile” setting of your favorite charts. Just click on “File” at the top left of the screen and then click on “Profiles”. Then click “Save As” and label this “Profile” a name of your choice, like “3\_Euros” for example.



Example of Multiple Time Frames – 5, 15, & 30 minute charts aligned side by side of each other

You would not believe how much this multiple time frame style of charting has helped me understand market action and give me more confidence in making smarter and more justified trading decisions to drastically improve my profits. What you're effectively doing is using a higher time frame to look for more reward and then fine tuning your entry order for optimum timing of the market to greatly reduce your risk. Professional traders rely on this technique to give themselves a profitable edge in the Forex market for the long term.

I realize that not everybody will feel comfortable choosing the 30 minute time frame like I do. Each individual trader will learn to develop his or her own style of trading that works for them. Some traders just prefer trading the minute charts and they are happy and successful. Some traders that have heavily funded accounts might choose to trade on longer time frames like the daily or weekly charts, but if they do they better be prepared to use 110 - 150 point stops.

Maybe you'll end up preferring the 30 minute chart as a starting point and as you grow more profitable, prefer to start trading off the higher time frames. I think that's what happens to most traders as they refine their trading skills. When I started trading, I traded primarily off the 5 minute charts and started

realizing my stops weren't wide enough and was getting stopped out too often. Then when I switched to trading primarily off the 15 minute time frame, I learned with a well timed entry, I would not have to risk that much more to gain that much more reward.

For now, I want you to keep practicing on the one minute chart with the simple 3/7 Cross strategy till you can do it in your sleep. When accumulating 20 pips a day seems fairly easy, start trading off the higher time frames, using fractals or multiple time frames to better time your entry order for minimum risk and maximum reward. This multiple time frame style of trading, along with **my personal template of preferred technical indicators that I use to base my trading decisions**, will help you make 100 or more pips a week and can be done in 3 – 4 trades a week with a lot less stress than trading just the minute charts.

If you are interested in getting my complete, 123 page eBook, "Mean Green Money Machine", **which includes my personal MT4 template with my precise, fined tuned technical settings and complete chart illustrations and examples** to further your technical study of FOREX markets and how to better understand and fully utilize my trading methods to maximize your profits --- just click on this link below, and get it for only \$9.00... and a download

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My best ever, 123 page eBook is a very complete, comprehensive, in-depth FOREX study that includes my personal MT4 template with my personal technical settings, along with step by step instructions how to profit from my trading strategies and also includes many advanced strategies that will maximize your profits even more... it's jam packed with pertinent, "must know" FOREX knowledge to be a successful professional trader – really unbelievable deal for \$9.00, and **you will make it back many times over in your first trade**, because you will better understand what to look for in order to **spot the really GREAT Trade Set-ups that offer low risk entries with higher rewards!**

## Chapter 4

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Best Times for Trading FOREX! (and when not to trade)

The Forex market might be open 24 hours a day and over 5 days a week, but there are times when you really don't want to initiate a trade. Naturally these times would include when there is little momentum in either direction and the market is stuck in neutral. In these relatively inactive times, there are typically going to be larger than normal spreads, so you will lose right off the bat, paying too much for a wider spread of greater than even 4-5 pips. Remember how I told you when the MACD histogram bars display a relatively narrow band don't initiate a new trade. The narrow band of bars is a sign to stay clear of a trade and wait till the momentum builds one way or another.

The best time to trade is when the market is the most active and therefore has the biggest volume of trades. More active currency price movement will create a better trading opportunities and enable you to profit more effectively. Knowing this little rule will keep you out of the market in periods of low liquidity!

The Forex market is open from 5 PM EST on Sunday afternoon to 5 PM EST on Friday afternoon. There are four main sessions worldwide:

Sydney – opens at 5:00 pm to 2:00 am EST

Tokyo - opens at 7:00 pm to 4:00 am EST

London - opens at 3:00 am to 12:00 noon EST

New York - opens at 8:00 am to 5:00 pm EST

Forex Market Hours (EST)

Open 17:00 EST Sunday to 17:00 EST Friday



And so, there are hours when two sessions overlap...

New York and London — 8:00 am — 12:00 noon EST

Sydney / Tokyo — 7:00 pm — 2:00 am EST

London / Tokyo — 3:00 am — 4:00am EST

For example, trading EUR/USD and GBP/USD currency pairs would give good results between 8:00

am and 12:00 noon EST when two markets for those currencies are active.

At those overlapping trading hours you'll find the highest volume of trades and therefore more chances to place winning trades in the foreign currency exchange market.

To monitor Forex trading hour's sessions while being anywhere in the world:

[Download Free Forex Market Hours Monitor v2.12 \(814KB\)](#) Time zone option is added for most of North American and European countries.

My personal favorite hours to trade are from 8:00 PM EST to 12:00 AM EST; 3 AM EST – 7:00 AM EST; and 8 AM EST to 12:00 PM EST

I try to avoid trade during or just prior to news releases and wait till the announcement is over and the market has regained some sense of stability again. You can really get whipsawed in both directions and therefore a 40 pip stop will do you no good at all, so just best to stand on the sidelines.

The main US financial news comes out around 8:30 AM EST almost daily so that is a good time to stay clear of being in the market. The really craziest period to be in the market is before a major FED announcement when the Federal Reserve announces changes in interest rates – I've seen the EUR/USD go up and down 80 pips seconds before the announcement and any reasonable stop loss order is DOA, so just wait till the dust settles after news announcements I've found to be the safest bet!

Chapter 5

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**A Simple FOREX Business Plan - Planning your work and working the plan will yield exponential profits!**

## **Here is my suggested trading Business Plan...**

Whenever you are seriously working at building a business, it is certainly a great idea to have goals and track those goals. What I developed here was a practical plan with realistic goals that helps you use the money in your trading account to your best advantage. It is very important to adhere to strict risk management disciplines and place a protective stop loss order on every entry order – AND NEVER MOVE A STOP! I hardly ever have to risk more than 25 - 35 pips on any one trade, even when trading higher time frames. To risk anymore just becomes harder and harder to recoup.

The chart below is great inspiration to me and helps drive me to stay on track with my weekly goals. The Min. Margin row starts with \$600 and allows me to safely trade 1 mini-lot, making a \$1.00 per pip with the EUR/USD. If you save \$100 from trading profits every month, after every six months your account will grow by \$600. After 6 months you should have \$1200 and can trade 2 mini-lots, or make \$2.00 per pip. The goal then becomes to save \$600 every six months, so you can trade another additional mini-lot to make more weekly and monthly income. It's like giving your self a raise every six months!

My achievable goal is 60 pips a week profit on the EUR/USD and that comes to \$240 per month the first six months. In six months after adding \$100 month, I have \$1200 in my account, and will trade 2 mini-contracts. I hope you can see how it grows exponentially every six months, potentially yielding over \$30,000 annually from a \$600 starting balance in about 60 months. I hope this plan inspires you!

|                       |                |                |                |                |                |                |                |                |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Min. Margin           | 600            | 1200           | 1800           | 2400           | 3000           | 3600           | 4200           | 4800           |
| pips/wk               | 60/wk          | 120/wk         | 180/wk         | 240/wk         | 300/wk         | 360/wk         | 420/wk         | 480/wk         |
| \$ per month          | \$240          | \$480          | \$720          | \$960          | \$1200         | \$1440         | \$1680         | \$1920         |
| <b>\$ in 6 months</b> | <b>\$1440</b>  | <b>\$2880</b>  | <b>\$4320</b>  | <b>\$5760</b>  | <b>\$7200</b>  | <b>\$8640</b>  | <b>\$10080</b> | <b>\$11520</b> |
| Min. Margin           | 5400           | 6000           | 6600           | 7200           | 7800           | 8400           | 9000           | 9600           |
| pips/wk               | 540/wk         | 600/wk         | 660/wk         | 720/wk         | 780/wk         | 840/wk         | 900/wk         | 960/wk         |
| \$ per month          | \$2160         | \$2400         | \$2640         | \$2880         | \$3120         | \$3360         | \$3600         | \$3840         |
| <b>\$ in 6 months</b> | <b>\$12960</b> | <b>\$14400</b> | <b>\$15840</b> | <b>\$17280</b> | <b>\$18720</b> | <b>\$20160</b> | <b>\$21600</b> | <b>\$23040</b> |

If you're looking for a good Forex broker you can trust with outstanding customer service 24/7, be sure to let [www.Forex.com](http://www.Forex.com) know I referred you. You will be treated like family, I assure you. I have had absolutely no hassles with them – ever! If I want to withdraw funds, I receive a deposit in my check account well within 24 hours or less (usually much less) with no transaction fees! I've been trading with

them for 4 -5 years now and will continue to do so the rest of my life on this planet!

Feel free to download a free demo account and learn how to place trades on either their Forex Trader Pro platform or MT4 platform... I personally just use the MT4 platform to monitor the charts, because the technical indicators are much better and would rather use my “Mean Green Money Machine” template that generates reliable buy and sell signals. I initiate my actual trade orders on their Forex Trader Pro platform just because I’m more comfortable placing orders on that platform. You can sign up for a [free demo account](#) – just go to [Forex.com](#). Be sure to view their [tutorial trading videos](#) as well.

If you have any trading questions, let me know. I love to help fellow traders beat the market and stay in profit!

[jojo@meangreenmoneymachine.com](mailto:jojo@meangreenmoneymachine.com)

My best advice to new traders is to be sure to trade on a demo account until you can make at least 60 pips a week consistently for at least a full month, before you trade with “real” money.

If your looking for more Forex learning resources be sure to go to my website and click on "[Learning Resources](#)" and I'm sure you will find some excellent tips and strategies to help you better understand how you can always become a better currency trader!

[www.MeanGreenMoneyMachine.com](http://www.MeanGreenMoneyMachine.com)

Thank you for reading my book! Again, let me know if you have any questions.

[jojo@meangreenmoneymachine.com](mailto:jojo@meangreenmoneymachine.com)

Be sure to live, laugh and prosper – life is too short!

Sincerely,

JOSEPH WOHLERS

Be sure to always have the updated version of this book by downloading the newest PDF file version at:

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