

100 PIPS DAILY SET & FORGET

by Karl Dittmann

June 2010

www.100pipsdailysetforget.com

DISCLAIMER

Please be aware of the loss, risk, personal or otherwise consequences of the use and application of this book's content. The author and the publisher are not responsible for any actions that you undertake and will not be held accountable for any loss or injuries.

U.S. Government Required Disclaimer - Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risks. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading software or methodology is not

necessarily indicative of future results.

CFTC RULE 4.41 - HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. Hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading.

All information on this website or any e-book purchased from this website is for educational purposes only and is not intended to provide financial advice. Any statements about profits or income, expressed or implied, do not represent a guarantee. Your actual trading may result in losses as no trading software is guaranteed. You accept full responsibilities for your actions, trades, profit or loss, and agree to hold 100 pips Daily Set&Forget and any authorized distributors of this information harmless in any and all ways. The use of this software constitutes acceptance of my user agreement.

COPYRIGHT

This book is the copyright of Karl Dittmann and cannot be re-written, re-published, STORED OR LINKED AT ANY FILE SHARING SITES or FORUMS or used for any other books without proper referencing without permission. The use of the books is limited to your personal use. Spreading out the copies without paying for them is illegal and protected by international copyright law.

Copyright © 2010 www.100pipsdailysetforget.com

GENERAL INFO

FOREX - the foreign exchange market or currency market or Forex is the market where one currency is traded for another. It is one of the largest markets in the world.

Some of the participants in this market are simply seeking to exchange a foreign currency for themselves, like multinational corporations which must pay wages and other expenses in different nations other than where they sell their products. However, a large part of the market is made up of currency traders, who speculate on movements in exchange rates, much like others would speculate on movements of stock prices. Currency traders try to take advantage of even small fluctuations in exchange rates.

In the foreign exchange market there is little or no 'inside information'. Exchange rate fluctuations are usually caused by actual monetary flows as well as anticipations on global

macroeconomic conditions. Significant news is released publicly so, at least in theory, everyone in the world receives the same news at the same time.

Currencies are traded against one another. Each pair of currencies thus constitutes an individual product and is traditionally noted XXX/YYY, where YYY is the ISO 4217 international three-letter code of the currency into which the price of one unit of XXX currency is expressed. For instance, EUR/USD is the price of the euro expressed in US dollars, as in 1 euro = 1.2045 dollar.

Unlike stocks and futures exchange, foreign exchange is indeed an interbank, over-the-counter (OTC) market which means there is no single universal exchange for any specific currency pair. The foreign exchange market operates 24 hours per day throughout the week between individuals with forex brokers, brokers with banks, and banks with banks. If the European session has ended, the Asian session or US session will start, so all world currencies may be continually in trade. Traders may react to news when it breaks, rather than waiting for the market to open, as is the case with most other markets.

Average daily international foreign exchange trading volume was \$1.9 trillion in April 2004 according to the BIS study.

Like any market there is a bid/offer spread (difference between buying price and selling price). On major currency crosses, the difference between the price at which a market maker will sell ("ask", or "offer") to a wholesale customer and the price at which the same market-maker will buy ("bid") from the same wholesale customer is minimal, usually only 1 or 2 pips. In the EUR/USD price of 1.4238 a pip would be the '8' at the end. So the bid/ask quote of the EUR/USD might be 1.4238/1.4239 (a price difference of 1 pip).

This, of course, does not apply to retail customers. Most individual currency speculators will trade using a broker which will typically have a spread marked up to say 3-20 pips (so in our example 1.4237/1.4239 or 1.423/1.425). The broker will give their clients often huge amounts of margin, thereby facilitating clients spending more money on the bid/ask spread.

The brokers are not regulated by the U.S. Securities and Exchange Commission (since they do not sell securities), so they are not bound by the same margin limits as stock brokerages. They do not typically charge margin interest, however since currency trades must be settled in 2 days, they will "resettle" open positions (again collecting the bid/ask spread).

Individual currency speculators can work during the day and trade in the evenings, taking advantage of the market's 24 hour long trading day.

BENEFITS OF FOREX TRADING

There are many benefits and advantages of trading Forex. Here are just a few reasons why so many people are choosing this market as a business opportunity:

1. **LEVERAGE:** In Forex trading, a small margin deposit can control a much larger total contract value. Leverage gives the trader the ability to make extraordinary profits and at the same time keep risk capital to a minimum. Some Forex firms offer 200 to 1 leverage, which means that a \$50 dollar margin deposit would enable a trader to buy or sell \$10,000 worth of currencies.

Similarly, with \$500 dollars, one could trade with \$100,000 dollars and so on.

2. **LIQUIDITY:** Because the Forex Market is so large, it is also extremely liquid.

This means that with a click of a mouse you can instantaneously buy and sell at will. You are never 'stuck' in a trade. You can even set the online trading platform to automatically close your position at your desired profit level (limit order), and/or close a trade if a trade is going against you (stop order).

3. **PROFIT IN BOTH 'RISING' AND 'FALLING' MARKETS:** On the stock markets, you can only make money if shares are rising,

but in economic recession and falling 'bear' markets, there is little chance of making big money.

Forex is different. One of the most exciting advantages of FX trading is the ability to generate profits whether a currency pair is 'up' or 'down'. A trader can profit by taking a 'long' position, (buying the currency pair at one price and selling it later at a higher price), or a 'short' position, (selling the currency pair and buying it back at a lower price). For example, if you think the US dollar will increase in value vs. the Japanese Yen then you will buy Dollars and sell Yen (go long). If you think the Yen will increase in value against the Dollar then you will sell Dollars and buy yen (go short). As long as the trader picks the right direction, a potential for profit always exists.

4. 24HRS: From Sunday evening to Friday afternoon EST the Forex market never sleeps. This is very desirable for those who want to trade on a part-time basis, because you can choose when you want to trade--morning, noon or night.

5. FREE 'DEMO' ACCOUNTS, NEWS, CHARTS AND ANALYSIS: Most Online Forex firms offer free 'Demo' accounts to practice trading, along with breaking Forex news and charting services. These are very valuable resources for traders who would like to hone their trading skills with 'virtual' money before opening a live trading account.

6.'MINI' TRADING: One might think that getting started as a currency trader would cost a lot of money. The fact is, it doesn't. Online Forex Firms now offer 'mini' trading accounts with a minimum account deposit of only \$200-\$500 with no commission trading. This makes Forex much more accessible to the average individual, without large, start-up capital.

What to look for in an online Forex Firm:

1. Low Spreads.

In Forex Trading the 'spread' is the difference between the buy and sell price of any given currency pair. Lower spread saves

the trader money. Most firms offer 4-5 pip spreads in the Major Currency pairs. The best firms offer clients 3-5 pips.

2. Low minimum account openings. For those that are new to trading, and for those that don't have thousands of dollars in risk capital to trade, being able to open a mini trading account with only \$200 is a great feature for new traders.

3. Instant automatic execution of your orders.

This is very important when choosing a Forex firm. You want instant execution of your orders and the price you see and 'click' is the price that you should get. Don't settle with a firm that re-quotes you when you click on a price or a firm that allows for price 'slippage'. This is very important when trading for small profits.

4. Free charting and technical analysis

You need a firm that gives you access to the best charting and technical analysis available to active traders. The firm that I recommend gives clients FREE professional charting services and even allows traders to trade directly on the charts!

5. High Leverage

You want high leverage—the ability to trade a large amount with a small margin deposit. Some of the best firms offer .25% or 400:1 leverage.

6. Hedging Capability

You want the flexibility of opening positions on the same currency pair in opposite directions without them eliminating each other and without margin increase!

Here is a list of some of the main Forex trading Firms on the Internet. You can research the firms listed to see for yourself.

Forex.com

fxdd.com

alpari.co.uk

CMS Forex www.cms-forex.com
ACM Advanced Currency Markets
Fairlot Financial Group
Forex Capital Markets
GAIN Capital
GCI Financial, Ltd.
Global Forex
IFX Markets Limited
London Capital
Meridian Forex Pty Limited
MG Financial Group
SaxoBank
Tricom

100 PIPS DAILY SET & FORGET INTRODUCTION

The “100 pips Daily- Set & Forget” system is a very easy set and forget system where you don’t have to watch the market day and night. It is perfect for beginners and people with 9am-5pm day jobs.

To use this system you don’t need to be a market guru. It uses pure mathematical calculations that even a child can do. The algorithm is based on a 6:00pm est – 6:00pm est (yesterday – today) range and Asian Session opening around 7:00pm est. Let’s begin:

Forex Candlestick charts show sets of data consisting of open, high, low, and close values of each period.

The hollow and filled section is called "the body". The lines above or below "the body" are called shadows or tails. If the stock has closed higher than the opening price, then a hollow candlestick is drawn. In addition, if the stock closed lower than the opening price, a filled candlestick is drawn. In a hollow candlestick where closing price is higher than opening price, the lower body shows opening price and the upper body shows closing price. In a filled candlestick where closing price is lower than opening price, the lower body shows closing price and the upper body shows opening price. Hollow means stocks up and filled means stock is down.



SETUP

Dear Members

Let me introduce this, the World's Set and Forget Strategy. This simple system is time based and can be used only once a day . You don't need any indicators, just a "charting tool" in your trading platform and a simple calculator.

Max Daily Profit Potential: 100 pips

This is a very simple and proven to be profitable manual "set and forget" system. You will have to place orders every day at the same time. The system uses smart money management and profit targets and gives you the opportunity to make 100 pips even on 50-60 pips pair move! We are taking advantage of the Asian session opening at around 7:00pm.

The system works on USD/JPY (you may also try GBP/JPY and other "JPY" pairs), I use USD/JPY.

The rules of this system are simple, and managing trades, and calculating levels will take no more than five minutes of your time. The only tricky part is using your knowledge to set limit orders. (you can trade the system manually of course..)

Let me introduce you to the 3 simple steps below. Then I'll take you through some actual examples in order to illustrate just how easy this system is.

This trading system involves 3 simple steps.

1. Get ready around 6:00 pm EST
2. Identify your entry levels
3. Place 6 limit orders

That's it! You don't have to monitor your trades. All your trades will be executed by your limit orders..

The Strategy Step by step:

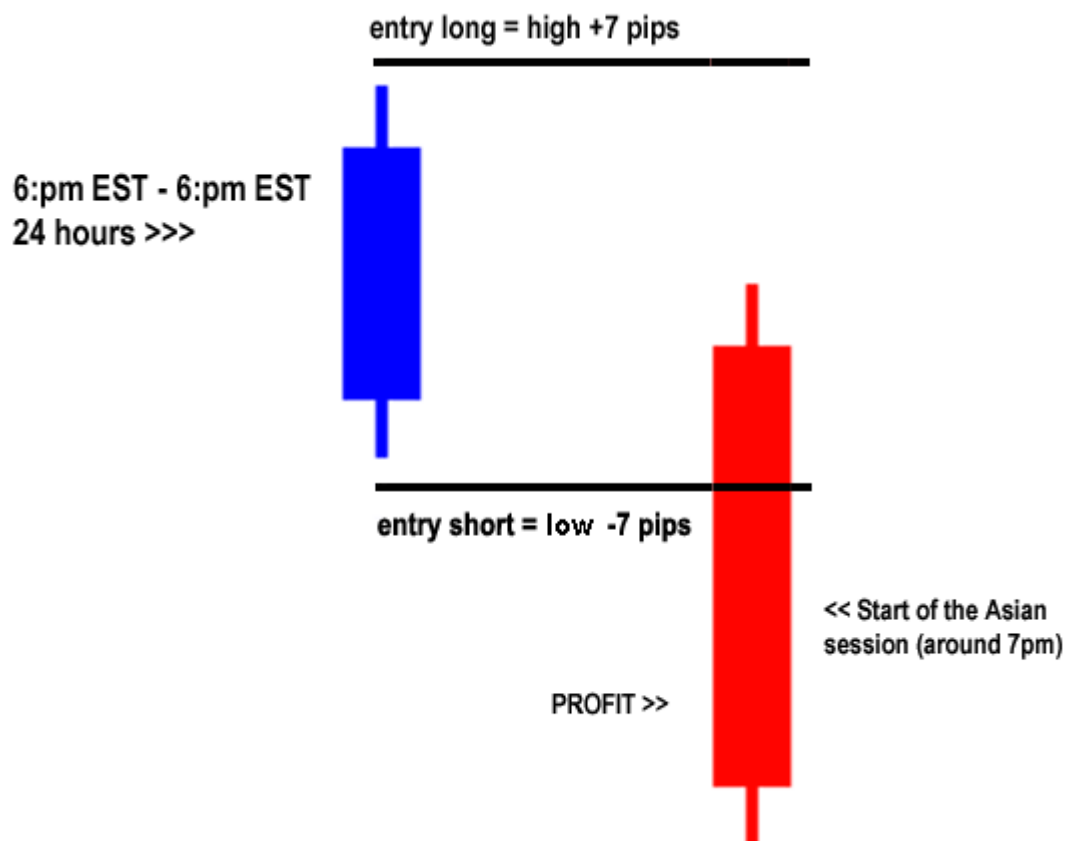


1. 1. At 6:00pm EST pull a 2H (or 1H or 4H - doesn't matter - it will be used only to determinate high/low of the 24 hour) chart USD/JPY. See example above.

2. Identify the USD/JPY high and low of the 24 hours period from 6:00pm to 6:00pm

(let's take an example high=90.50 and low=90.00)

3. Identify your entry levels



4. Set 3 **BUY** orders 7 pips above the high (high + 7 pips)

Order 1 Entry: High +7pips
Set take profit 15 pips and stop loss 25 pips

Order 2 Entry: High +7pips
Set take profit 35 pips and stop loss 25 pips

Order 3 Entry: High +7pips
Set take profit 50 pips and stop loss 25 pips

Example:
USD/JPY High=90.50 Low=90.00

Order example 1 LONG=90.57 Take Profit=90.72 Stop loss=90.32

Order example 2 LONG=90.57 Take Profit=90.92 Stop loss=90.32

Order example 3 LONG=90.57 Take Profit=91.07 Stop loss=90.32

5. Set 3 **SELL** orders 7 pips below the low (low -7 pips)

Order 1 Entry: Low -7pips
Set take profit 15 pips and stop loss 25 pips

Order 2 Entry: Low -7pips
Set take profit 35 pips and stop loss 25 pips

Order 3 Entry: Low -7pips
Set take profit 50 pips and stop loss 25 pips

Example:
High=90.50 Low=90.00

Order example 1 SHORT=89.93 Take Profit=89.78 Stop loss=90.18

Order example 2 SHORT=89.93 Take Profit=89.58 Stop loss=90.18

Order example 3 SHORT=89.93 Take Profit=89.43 Stop loss=90.18

6. Done! You don't have to monitor your trades. All will be done by your limit orders.

IMPORTANT: CANCEL ALL ORDERS IF NOT TRIGGERED ON THE NEXT DAY BEFORE 6:00pm EST

OPTIONAL: You may use [100pipsdailysetforget trade calculator EXCEL](#) – all you need to do is to enter high/low. (or just do it manually...if you are not familiar with excel)

Screenshot – how the trade calculator looks like: (skip this step if you don't have excel)

| | A | B | C | D | E | F |
|----|--|--------|--------|--------|---|---|
| 1 | Karl Dittman Trading Calculator | | | | | |
| 2 | | | | | | |
| 3 | Buy Trades (Long) | | | | | |
| 4 | High | 138.00 | 138.00 | 138.00 | | |
| 5 | Cushion | 0.07 | 0.07 | 0.07 | | |
| 6 | Buy Price | 138.07 | 138.07 | 138.07 | | |
| 7 | Profit | 0.15 | 0.35 | 0.50 | | |
| 8 | Take Profit Price | 138.22 | 138.42 | 138.57 | | |
| 9 | | | | | | |
| 10 | Stop Loss | 137.82 | | | | |
| 11 | | | | | | |
| 12 | Sell Trades (Short) | | | | | |
| 13 | Low | 122.00 | 122.00 | 122.00 | | |
| 14 | Cushion | -0.07 | -0.07 | -0.07 | | |
| 15 | Buy Price | 121.93 | 121.93 | 121.93 | | |
| 16 | Profit | -0.15 | -0.35 | -0.50 | | |
| 17 | Take Profit Price | 121.78 | 121.58 | 121.43 | | |
| 18 | | | | | | |
| 19 | Stop Loss | 122.18 | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | This calculator will automatically calculate the | | | | | |
| 23 | buy/sell trade amounts as well as stop loss | | | | | |
| 24 | and take profit levels for each trade. | | | | | |
| 25 | | | | | | |
| 26 | Enter the high amount in the cell to the | | | | | |
| 27 | right of "High" and the low amount | | | | | |
| 28 | to the right of "Low" | | | | | |

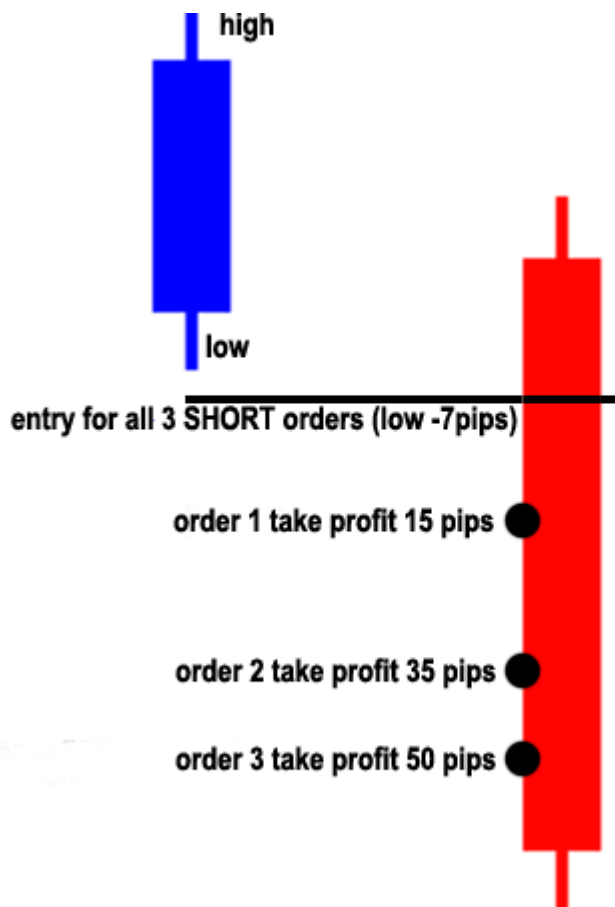
(NOTE: You DON'T HAVE to use it if don't have EXCEL – just do the calculation manually on the paper..)

Optional: If the high or low trade triggered – you can cancel the opposite limit orders (if a breakout is up and LONG orders are triggered – cancel all 3 short limit orders). This step is optional because sometimes both long and short orders are triggered – then you can earn a lot more than 100 pips.

MONEY MANAGEMENT:

If you are lucky (which is usually what happens) and all 3 take profit levels are reached – you will make 100 pips profit: 15 pips + 35 pips + 50 pips = **100 pips** ... even if the price move was only 50 pips!

This system is proven to be profitable!



The other 3 scenarios:

A.

2 orders profit targets are reached and the 3rd order is closed by the stop loss (25pips)

+15 pips +35 pips -25 pips = +25 pips profit

B.

1 order profit target is reached and the 2nd and 3rd orders are closed by the stop loss (25pips)

+15 pips -25 pips -25 pips = -35 pips

C.

none of the orders profit targets are reached and all 3 trades are closed by the stop loss. -75 pips (happens very rarely!)

ACTUAL TRADE SAMPLE:



Remarks: As you can see the entry arrow on the chart is 7 pips below the Low (pink line)

Do not trade: If the 6pm – 6 pm range is too big – over 150 pips. For example Non Farm Pay Roll announcement.

The formula is simple - All you need to do: is to put in the High and Low - it will give you all the figures ... your buy, sell, take profit and stop loss.

That's it!

Warm regards

Karl Dittmann

www.100pipsdailysetforget.com