SECRETS TO SUCCESSFUL FOREX TRADING

FIGURE OUT HOW I TRADE PROFITABLY
EVERY SINGLE MONTH WITHOUT FAIL

LEE KELVIN

How I Trade Profitably Every Single Month without Fail

First of all, let me take some time to introduce myself to you. I am Kelvin and I am a full time currency trader. I have a passion for trading and this drives me to create a forex blog that gathers a community of traders together.

Due to constant request from my blog readers asking me to share my trading strategies with them, I have now written 3 forex books that are available on Amazon Kindle Store with 2 of them constantly ranked top 20 in the foreign exchange categories. I have also created 3 forex courses that contain the exact information on how I trade and all my trade setups.

Now that you have subscribed to my newsletter, you will be receiving forex tutorials from me every month as well as trading videos that I have specially created to help you in your trading.

In this book, you will be taught the 4 secrets to successful trading. Do note that these 4 secrets are all based on my own experience and therefore will be useful for you in your trading.

This is a reward for those of you who really took action as it shows your determination in learning this skill.

So let me start to share with you the 4 secrets to successful trading.

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. However I am unable to share with you more about this multiple Fibonacci technique as it will be unfair for those who have purchased my **Forex Mastery Course** as it is a module within that course.

Forex Mastery
Where Special Trading Techniques Are Taught

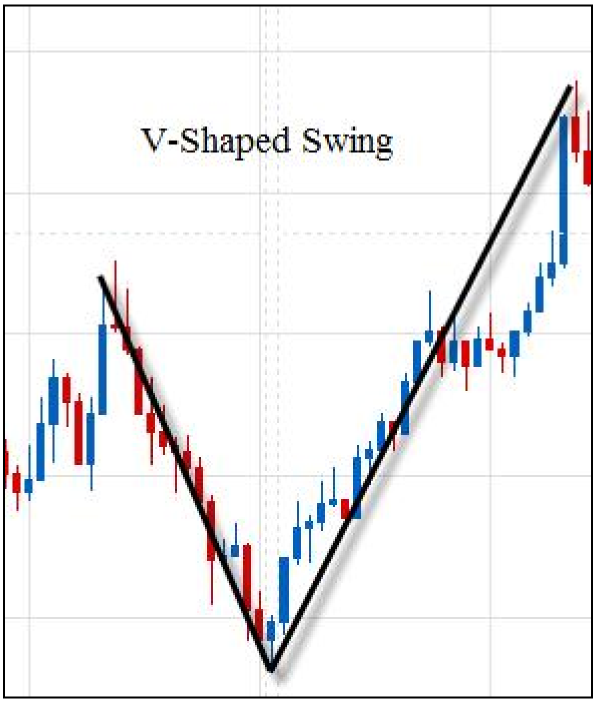
Pivot Points

Besides the Fibonacci indicator, the Pivot point is another indicator that is used by institutional traders. Similar to the Fibonacci indicator, the support and resistance level created by the Pivot points serve as a strong level of support and resistance.

For the Pivot levels, you can plot the daily pivot, weekly pivot and monthly pivot on the same chart. Do note that the power of the monthly pivot is larger than the weekly pivot and the power of the weekly pivot is also larger than the daily pivot.

Swings

Swings are V-shaped (Swing Low) and N-shaped (Swing High) patterns. When you see a swing high, the top level will then formed the resistance level. When you see a swing low, the bottom level will then formed the support level.



However not all swing highs and lows are of equal importance, those swings that have more depth are considered stronger level of support and resistance than those with lesser depth.

Below are some pictures for your comparison.

The above are 3 ways you can identify strong level of support and resistance. Therefore spend some time to practice them on your chart today to have a better understanding of their trading nature.

In fact, if you are a student of my **Forex Mastery Course**, you will learn a strategy called Confluence of Supports Strategy. In the first 3 module of the course, you will be taught how to identify importance Fibonacci and Pivot levels that the price will more than 90% respect them.

With this ability, you will then be able to trade the Confluence of Support Strategy profitably every month without fail.

Secret #2: Power of Indicators

The next secret to successful trading lies in the indicators that you are using as well as how you use them. Most traders do not know the nature of the indicators that they are using and therefore finds them useless to their trading.

My suggestion to you is to learn the various ways to use an indicator as well as learning how to fine tune them to suits your trading plan. Below are some of my favourite indicators and the way you can use them in your trading. So spend some time to go through them now.

MACD Indicator

Before I start to tell you the power of MACD, I must spend sometime to do a introduction on what is MACD and who invented it.

MACD is a forex indicator that is developed by Gerald Appel who has written 12 books on investment strategies. He is also the president of Signalert Corporation which is an investment firm that helps to manages over $290 million dollar of capital.

MACD is in fact one of the simplest and reliable forex indicators I have used so far. As it is actually analyzing and displaying chart for past data, it is often know as a lagging indicator. However there are times where you can use MACD as a leading indicator to help you predict the next movement of the price.

1) How to Setup Your MACD

The most common setting for MACD is 26 or 12. What this means is 26 days and 12 days Exponential Moving Averages. The 26 EMA is a slower setting for MACD which will produce a slower indicator that is less prone to whipsaws. As for the 12 EMA, it is usually a faster setting for MACD.

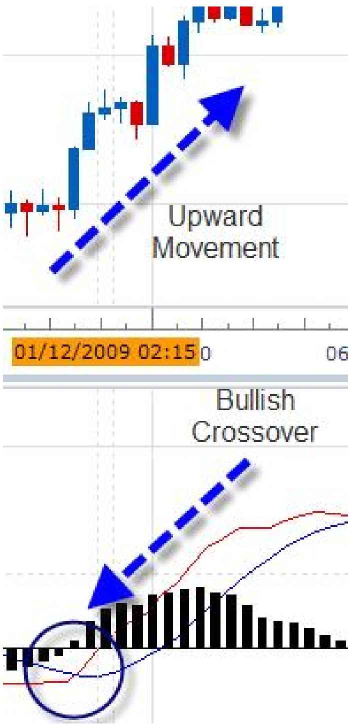
In the MACD indicator, there will usually be a 9 days EMA that will represent the trigger line while the histogram represents the difference between MACD line and its trigger line.

2) How to Read Your MACD

There are several ways you can use the MACD to help you in your trade but first of all you need to understand how to read your MACD.

i) Bullish Crossover: Bullish crossover usually indicates a upward movement in the market and the way you can identify a bullish crossover is through the two line in the indicator namely; MACD line and its trigger line.

Whenever MACD cut through its trigger line in the upward direction, it usually indicates an uptrend or an upward movement.



ii) Bearish Crossover: Bearish crossover usually indicates a downward movement of the price and the way you can identify a bearish crossover is when the MACD cut through its trigger line in the downward direction.

iii) MACD Divergence: This is the best signal any trader can get from MACD: Divergence. First of all, let me explain to you what is MACD divergence all about.

When we say that there is a divergence in MACD, we are referring to the scenario where MACD and the price are not in the same direction movement pattern.

Example: When the highs of a currency pair is getting higher and higher, MACD highs are getting lower and lower. We are experiencing something called "Negative Divergence.

From my experience, you will usually see a downside movement after a negative divergence is formed.

When the lows of a currency pair is getting lower and lower, MACD lows are getting higher and higher. We are experiencing “Positive Divergence”. Whenever you see positive divergence, you will usually see a upside movement in price.

3) How to Use MACD to Form Forex Buy Sell Signal

It will be very risky if you trade based on just one of the signal you have learn above. You will have a more robust forex strategy if you are able to combine these two signals above to constitute your buy sell signals.

MACD is a good indicator when it comes to buy sell signal as it always allow the trader to validate a trend line break or a breakout in price. With this function, MACD can help the trader to identify fake outs in trading.

If you are interested to learn how to trade with a modified MACD Indicator that took me 1 year of experiment to fine tune, you can take a look at the **Forex Mastery Course** that I have created.

ADX Indicator

Riding the trend is one of the most profitable trading strategies you can have as it is a good way of producing high risk reward ratio trade and the best way to find out the status of the trend is to make use of the forex adx indicator.

So Why ADX Indicator?

If you have been reading my blog, you will know that I have written an article to help you identify the trend of the market using various forex trend indicators like the moving averages. The moving averages are still a good way to tell the trend but they are unable to give you a value for the trend and this is where the ADX indicator comes into play.

What Is ADX Indicator?

It is an indicator that is made up of a single line with value ranging from 0 to 100. You may think that it looks like an oscillator but it is uni-directional. Unlike the oscillator which tells you that the market is moving up when it is pointing up and the market is moving down when it is pointing down, the ADX is only meaningful when it is pointing up and that’s why it is uni-directional.

If you take a close look at the picture below, you will find that the adx will point up when you are in a good uptrend as well as a downtrend.

How to Use the ADX Indicator?

I personally use it to tell whether the market is trending or ranging. As stated in the earlier part of this post, the ADX has a range value from 0 to 100. When it is moving below the 25 level, it is telling you that the strength of the market is very weak. What usually happens at this time is that the market is in consolidation and will most probably be moving in a range.

When the indicator moves above the 25 level, it is telling you that the trend is strengthening and the larger the value, the stronger will be the trend. However to have a better understanding of the trend you are in, you need to combine the direction of the indicator together with its value.

Sign of a Strong Trend:

You are in a strong uptrend or downtrend when the ADX indicator is pointing up and moving above the 25 level.

Sign of a Weak Trend:

You are not in a strong trend when the indicator is pointing down and moving below the 25 level.

Other Uses of ADX Indicator

1) Divergence: Besides using the ADX indicator for telling the strength of the trend, you can also use the divergence of this indicator to warn you of possible retracement or reversal. If you have entered a LONG trade and you see the ADX making lower highs while the price make higher highs, this is a good time to exit your trade as a retracement or a reversal is going to occur.

2) Breakout Strength: You can also make use of this indicator to help you trade breakouts. The problem with most breakout traders is fake out which is the false movement of the market leading most inexperienced traders to enter a trade and then stopped them out by reversing the movement.

With the ADX indicator, you will now be able to check if a breakout is valid or not. When you see the price breaking out of a pattern or trend line, you can immediately check your indicator to see if it is pointing up and moving above the 25 level. A valid breakout will be formed when the ADX indicator is pointing up and moving above the 25 level and an invalid breakout will be the opposite.

I hope that you find this indicator useful for your trade and eventually integrate it into your trading plan. If you have other uses for the ADX, do share with us by commenting below. I hope that this blog will eventually become the place where traders share their knowledge and everyone can learn from one another.

CCI Indicator

The CCI indicator is known as the Commodity Channel Index and this is an indicator that is developed by Donald Lambert.

I will not bother you with the calculation of this indicator because your trading platform can automatically help you to calculate and plot out the indicator. What I am going to share with you today is what exactly this indicator can do for you and how you can integrate it to your trading plan.

For this CCI indicator, it will come with +100 and -100 levels. Most of the time, this indicator will move in between the +100 and -100 levels and it will exceed the levels for about 20 to 25% of the time.

Here is what you can use the CCI for:

1) As a buy and sell signal – Whenever you see the CCI moving above the +100 level, you are in fact in a period of strong uptrend and this is the time you can enter a LONG trade. Once the CCI moves back to the +100 level, you should then exit your trade.

However when you see the CCI moving below the -100 level, you are in a strong downtrend period and you can enter a SHORT trade. Similar to the above LONG trade, you should exit your trade once the CCI move up to the -100 level.

From the picture above, you can see that the market move higher when CCI reaches the +100 level and vice verse.

2) As a reversal identifier – There are basically 3 ways you can make use of the CCI indicator to identify reversal and I am going to go through one by one in detail.

a) Trend Line Break: You can make use of the CCI to draw trend line and once you see the trend line being breached, you are going to see the market moving in the direction of the breakout.

b) CCI Divergence: Similar to MACD divergence, the CCI also produces positive and negative divergences. When you see the market making higher highs while the CCI making lower highs, you are in fact seeing a negative divergence. This is usually a signal that the market is going to move down but the time it takes for the down move may vary and you should not assume that it is coming in the next few candles.

If you see the price making lower lows while the CCI making higher lows, it is a sign of positive divergence and the market is going to produce an upward movement soon. Similarly, you should not assume that it is going to happen very soon.

c) Overbought & Oversold: Similar to the Stochastic and the Relative Strength Index, the CCI can be used as an oscillator. When you see this indicator moving above the +200 level, you are in an overbought zone and you can place a SHORT trade when you see the CCI crossing below the +100 level.

When you see the indicator moving below the -200 level, you are in an oversold zone and you can then place a LONG trade once you see the indicator moving above the -100 level.

However there is nothing that works 100% of the time and below is one such example

The CCI indicator has been a great help to my trading so far and it can be integrated into various type of trading methods due to its multi-features. You can try this indicator out in your trading chart and see how it performs for you .

Bollinger Bands

The Forex Bollinger Bands is an indicator that is developed by John Bollinger and What Bollinger band can do for you is to help you to measure the volatility of the market. It can tell you the current situation of the market by using its upper and lower band. Whenever the market has low volatility, the bands will be narrow and whenever the market has high volatility, the bands will be wide.

In this blog, I will not be going through the various sophisticated mathematical calculations for the individual tools as I find them totally useless as most forex platform that you are using is able to automatically help you plot them out.

Here is the structure of the Bollinger bands

1) The upper band – which is showing you the simple moving average + 2 x standard deviation

2) The lower band – which is showing you the simple moving average – 2 x standard deviation

3) The Simple Moving Average (SMA)

How to Setup Your Bollinger Bands

Personally, I always stick to the default setting for my Bollinger band which is the 20 days SMA and plus minus 2 x standard deviation for the upper and lower bands.

However you can also adjust the setting if you find the price constantly penetrating the upper or lower bands.

What Bollinger Band Can Do For You

The upper band usually indicates a resistance level while the lower band usually indicates a support level. If you take a close looks at your Bollinger band. You will find that the price usually bounce off the Bollinger band whenever it touches the upper or lower band.

With this observation, you can use the upper and lower bands as support and resistance when planning your trade.

Besides using the upper and lower bands as the support or resistance, you can also make use of Bollinger bands to help you measure the volatility of the market.

When the upper and lower bands are narrow, you are actually in a period of consolidation and when the bands are widely apart, you are in a period of strong price movement. In my next post, I will show you the various uses of forex bollinger bands in trading and how you can make full use of its feature to help you in your trading.

ATR Indicator

The average true range (ATR) indicator is developed by J.Welles Wilder and it is used to measure the volatility of a currency pair. Unlike the other forex indicators we have went through so far, the average true range (ATR) indicator does not provide any indication of the price movement.

There are a total of 3 different ways you can calculate the average true range (ATR) of a currency pair.

- Recent High minus the Recent Low
- Recent High minus the previous Close
- Recent Low minus the previous Close

However the value that you will use as the true range will depend on which of them are larger. With your trading platform, there is usually no need to calculate these values yourself. Your trading platform will help you to calculate the value and plot it into a graph.

So How Can You Use the Average True Range (ATR) Indicator?

Although this indicator cannot give you an indication of the direction of the market movement, it can be a good tool to help you verify the strength of the current market.

When the ATR indicator is showing small values, it is usually a sign that the market is consolidating or moving with small movement waiting for a breakout.

When you see the ATR indicator showing you large value, it is a sign that the market is trending strongly or you are in a valid breakout.

If you are a breakout trader, this indicator can be a great tool to add to your trading. When you see the ATR showing small values, you will wait for a breakout to occur. Once you see a trend line break together with rise in the ATR, this is a good sign of a breakout occurring.

Besides using the average true range indicator as a breakout tool, you can also use it in trend trading. When you are performing trend trading, you can use this ATR indicator to help you verify whether you are in a strong trending market or not.

Now that you know the usage of these indicators, you can better select them in your trading.

But How Many Indicators Do You Need?

This is one of the most common questions that I get from readers of my forex blog. There are near to 50 different forex indicators available on a trading platform and to use them all is nearly impossible. My personal suggestion is a maximum of 3 and I will never use more than 3 different indicators on any trading strategy. If you are students of my forex course, you will see that I often use between 2 to 3 different indicators in a strategy.

Please do not think that the more indicators you use, the more likely you are going to win a trade. In fact, the more indicators you use, the more complex is your trading plan and the more likely you are going to get into a losing trade and miss out on possible winning trades.

Below are some of my profitable trading strategies and the number of indicators used in each of them

Break the Bands Strategy	– 2 Indicators
Forex Piggyback Strategy	– 2 Indicators
Forex Scalping Strategy	– 2 Indicators

The key to making money in forex lies in your execution of your plan as well as your trade setup planning. Therefore knowing the nature of each indicator can help you in designing a working trading plan that will make you money every month without fail. The 3 strategies stated above are making me profit every single month without fail.

In fact, I have done a performance tracking report for one of them to show my readers how well my strategy is performing.

Note: ***For those of you who are interested to learn more about my modified MACD and Stochastic Indicator, you can take a look at the course below.***

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 x 8 = 320 pips

Loss = 20 x 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.

The reason why I am able to generate profit every single month is because all my trading strategies has a winning percentage of more than 70% and it has a risk reward ratio of at least 1:2.

***Note:* To learn the *exact strategies* that I am using everyday in my trading, you can take a look at the *forex mastery course* below**

Secret #4: Power of Strategies

The last thing that you need to be very careful in is the selection of your trading strategy. Without a good trading strategy, there is no way you can ever make money in trading. Therefore you need to be extremely picky in your selection of strategy.

There are in fact several types of strategies you can trade as a trader and below are a list of them

- *Forex Scalping Strategy*
- *Forex Trend Strategy*
- *Forex Range Strategy*
- Forex Reversal Strategy
- *Forex Swing Strategy*
- *Forex Breakout Strategy*

Which type of strategy to use really depends on your personal preference but my suggestion to you if you are a new trader is to refrain from trading the reversal strategy.

For a new trader, I will always encourage you to start with the forex trend strategy as it is much easier to trade in the direction of the trend than against it.

However I will spend some time to tell you more about each strategy so that you can have a better picture of which one to use in your trading.

Forex Scalping Strategy

Forex scalping has become more and more popular among new traders. This is because forex scalping tactics allows the trader to see fast profit sometime within less than 20 minutes of trading and this is what entices some traders.

Although scalping the forex market can see quick profit, it can also amount to quick loss if you do not execute it with proper analysis. Due to the scalping nature of your trade as a scalper, you can enter several trades within 1 hour and it can amount to a sizeable loss if you have consecutive loss trades.

Here are the forex scalping analysis you can do:

1) Mark out the important support and resistance levels, typical support and resistance levels are

- Fibonacci 0.618, 0.5. 0.328
- Pivot Point S3, S2, S1, PP, R1, R2, R3
- Previous high will be your current resistance and previous low will be your current support.

2) Use oscillating indicators like stochastic or RSI or even MACD can help you to time your entry more accurately.

- If you are looking to SELL, you should try your best to wait for the oscillating indicator to go overbought and start to curve down.
- If you are looking for BUY, you should try your best to wait for the oscillating indicator to go oversold and start to curve up.

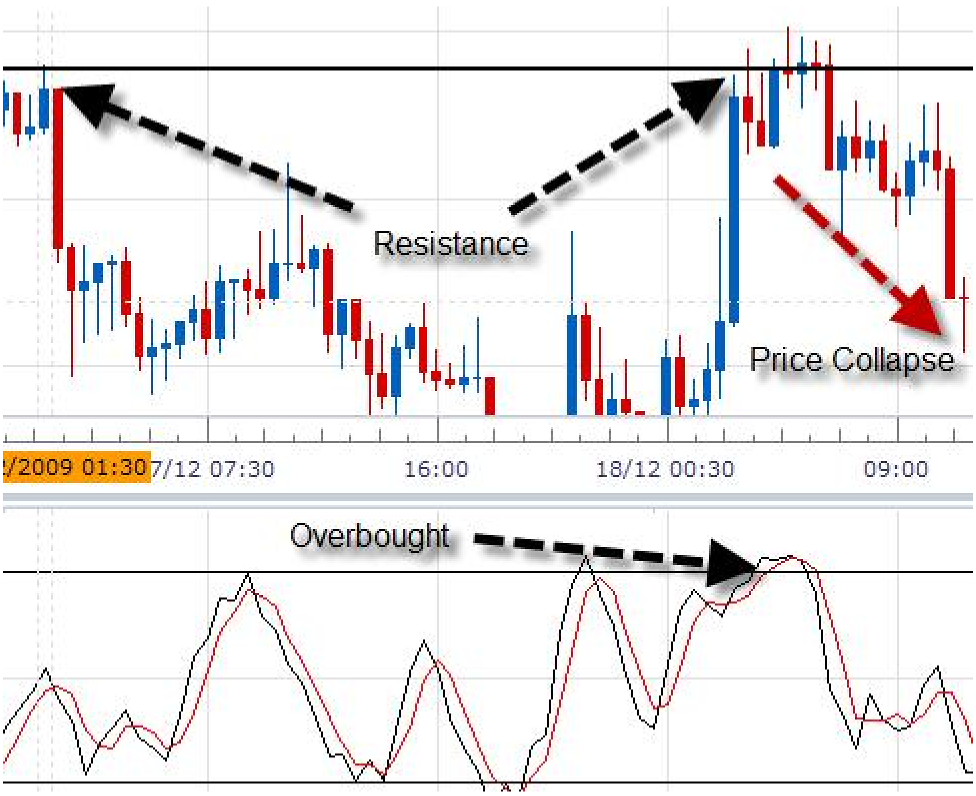
Besides timing your entry, these oscillating indicators can also help you to time your exit.

- If you go ***SHORT***, you should be looking to exit your trade when the oscillating indicator reaches the oversold zone.
- If you go ***LONG***, you should be looking to exit your trade when the oscillating indicator reaches the overbought zone.

3) Confluence of Events – In trading, we should also wait for confluence of events to happen before we enter or exit a trade. Confluence of events refers to the situation where two or more conditions to enter a trade or exit a trade happen together. This can gives you more confident and assurance in the trade.

  - The best long entry point is when the price hits the support level with the oscillating indicator reaching the oversold zone and start to curve up.

- The best short entry point is when the price hits the resistance level with the oscillating indicator reaching the overbought zone and start to curve down.



Above are the forex scalping system I have been using. Although some of you may be thinking that it is a simple strategy and may even wonder if it can make you money, you need to know that the most profitable strategy are those that are easy and simple to execute.

I do not encourage you to start trading this strategy immediately and I actually hope that you have the habit to try out new strategy on DEMO account and master the way to execute it before trading LIVE with it.

Forex Trend Strategy

If you have been reading up forex books or courses, you will have heard of the phrase "The Trend Is Your Friend". Indeed I will strong recommend new traders to trade with the trend instead of against it.

Trading against the trend is only advisable for those experienced traders who have a feel of the market. Therefore in this post, I will be sharing with you my forex trend trading system so that you can try it on your demo to see if it works for you.

What You Need To Trade The Forex Trend Trading System:

- Forex Fibonacci Indicator
- Forex Stochastic Indicator
- 200 Exponential Moving Average

How To Trade The Forex Trend Trading System:

First of all, you need to plot the 200 EMA as this is an indicator that you can use to tell the current trend and strength of the market. If the 200 EMA is sloping upward with steep angle, you are seeing a strong up trend. If it is sloping downward with steep angle, you are seeing a strong down trend.

I will strongly advice against you trading when the 200 EMA are pretty flat as there is no trend in action.

Next you should setup the forex stochastic indicator with the setting of 5,3,3. What you do with this indicator is to wait for it to get overbought or oversold.

What we are actually doing when performing this forex trend trading system is to BUY THE DIPS and SELL THE RALLY. When you are in a strong uptrend, you will wait for the price to retrace (DIPS) and then BUY in. When you are in a strong downtrend, you will wait for the price to retrace (RALLY) and then SELL.

In order to do this perfectly, we need the help of the forex stochastic indicator. When you are in an uptrend, you will wait for the price to retrace until the stochastic show sign of oversold. At this time, you will make use of the forex Fibonacci indicator to check if there is a strong level of support or resistance like the 0.382, 0.500 or 0.618 levels.

If the price hits a major Fibonacci level and the stochastic is showing sign of overbought or oversold. It is a good trading opportunity.

I will suggest you to try this strategy out on your demo account and see how well it works. Practice it until you are able to execute it with ease and I believe you will start to see profit.

Forex Swing Strategy

Forex swing trading is one of my favourite trading method as it happens so frequently which gives all traders a lot of opportunity to trade it.

However there are times where the swings are more vigorous and this is when you can make more money from. Typically the forex market moves in waves and these waves are what is known as swings. You may be thinking that there are so many swings in a chart and is it possible to trade them all.

The answer is NO. If you take a close look at the swings, you will find that most of them do not move by a lot of pips. Therefore today I will be revealing to you the time that I often trade forex swing and it is also the time where there are bigger movement in price which makes it more profitable to trade.

First of all, let me go through the definition of swings for those of you who are new in this field. Basically a swing is made up of a V or N shape and it is actually formed by a reversal or retracement in price movement.

The best time to trade forex swing is during London Open and New York Open as these are the times that have the most violent swing.

Forex Indicators Required To Trade Forex Swing:

- MACD (Moving Average Convergence Divergence)
- Oscillator: Stochastic/RSI
- Parabolic SAR

Here are How You Can Trade Forex Swing:

1) Time To Do Technical Analysis: As the swing often occurs at London Open or New York Open, you should be doing your technical analysis 1 hour before the opening time. This can gives you ample time to analyze the time and figure out all the major supports and resistances.

2) Trend Line: To trade forex swing, you should be waiting for a trend line break to confirm the reversal or retracement of the price which makes up the swing. Take note that you should never enter your trade before a trend line break occur as you may be stopped out of your position if the price did not break the line but end up being repel by it.

3) Check Your Oscillator: This is the last step to check before you enter your trade. If you are looking to go LONG, you should check the oscillator to see if there are oversold and if you are looking to go SHORT, you should see if the oscillator is overbought. This can gives you additional chance of having a winning trade.

The above are how I trade forex swing and you can try them out to see if it works for you as well.

Forex Range Strategy

What exactly is range trading? You may be wondering. If you have been looking at your forex chart, you will find that there are times where you will see the price moving within a trend channel. When the price is within a channel, we say that it is moving in a range bounded by an upper resistance and a lower support level.

So How Can You Trade The Range?

In this post, I will be sharing with you how I do range trading whenever the market is moving sideways or within a range.

Below are things you need in order to trade the range

1***) Identify the Trend Channel:*** This is the number one thing that you must see in order to trade the range. Do remember to draw a resistance and support line of the trend channel you have identified.

2) Setup your RSI or Stochastic: These 2 indicators are known as oscillator as they can help traders to identify whether the market is oversold or overbought.

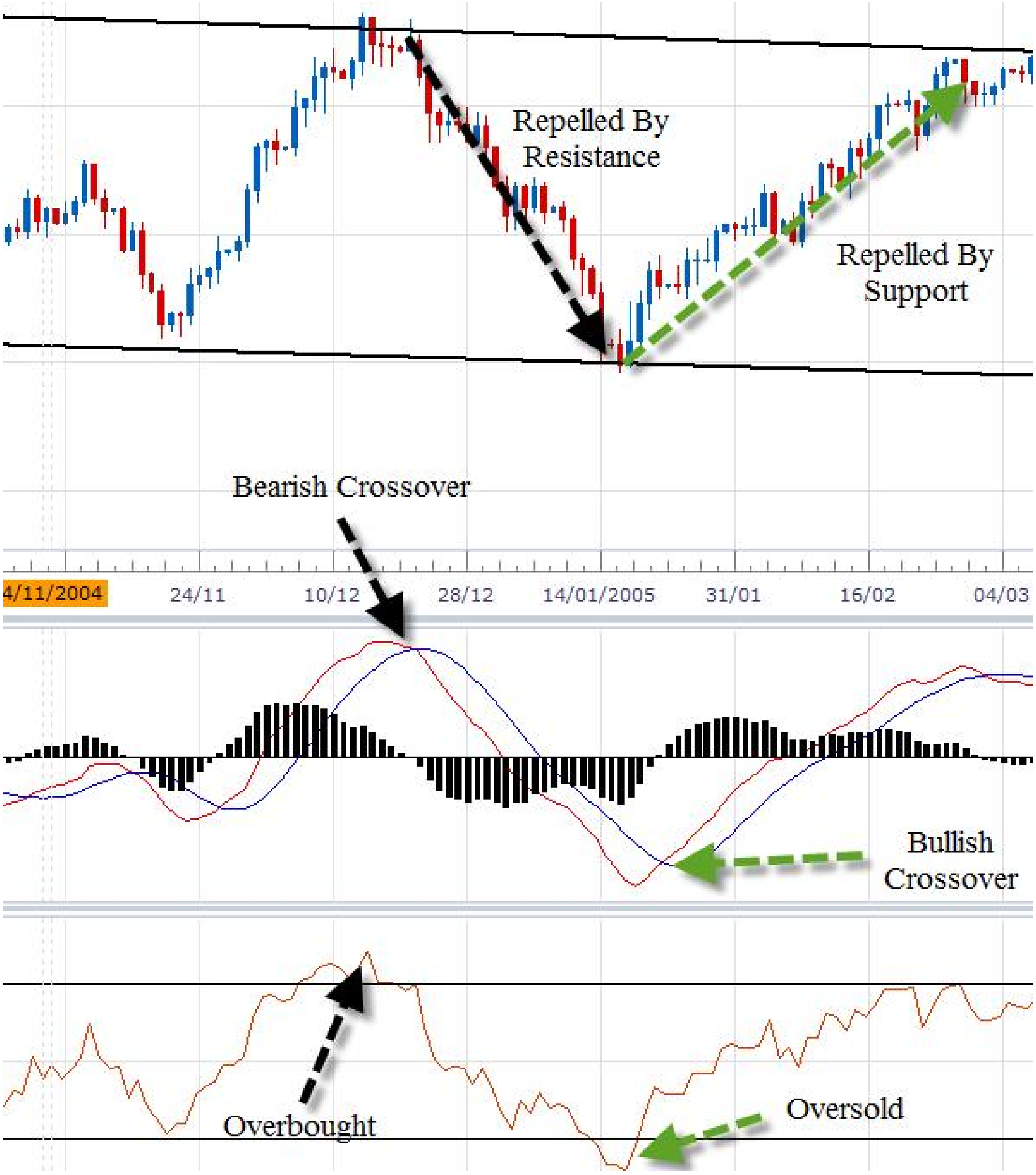
3) Setup Your MACD Indicator: The MACD indicator can be a good tool to help double check whether the price will breakout of the range or will most likely stay within the range.

With all these setups and the range identified, all you have to do is to watch out for the price to go near the support and resistance lines that you have drawn.

When the price goes near the resistance level, you should take a look at your oscillator to check if the market is currently overbought. If your oscillator shows you that the market is indeed overbought, you should then move on to see your MACD to check if a bearish crossover is going to occur.

If all conditions are met, you can then enter a SHORT trade to grab the profit as the price is going to be repelled by the resistance level and continue to move in the range.

If you see the price going near the support level, you will then do the same as above but you will be looking out for the oscillator to give you an oversold signal and the MACD to give you a bullish crossover.



If you are interested in trading this range strategy, you can now try this out on your demo account and then fine tune them to suit your trading style. Once you are able to produce consistent profit from this range trading strategy on your demo account, you can then move on to trade in your live account.

Remember: Do not rush into trading LIVE with any strategy that you learn. They must be tried out in demo account as it allows you to familiarize with it so that you can trade profitably with it.

Forex Breakout Strategy

Forex breakout is one of the more commonly used trading strategies that are used by currency trader. The main reason it is so widely used is because of the clarity and simplicity of execution. It is so simple that even new traders without much experience can trade profitably with it if they put in some effort to practice the strategy in their demo account.

So what exactly is Forex Breakout?

It is the sudden surge of price in a particular direction after a period of side way movement or consolidation. With the sudden price movement, you will then enter a trade in the direction to grab the profit by riding the trend.

But How to Identify Forex Breakout Opportunity

First of all, you need to know the various candle patterns that will eventually constitute a breakout trading.

1) Triangle

2) Flag

3) Trend Channelling

These are the common patterns for a forex breakout to occur. Usually It takes some time for the patterns to emerge and you should be on your toes when you saw these patterns on your chart and wait patiently for an entry opportunity.

Secondly, you need the help of an indicator called “Bollinger Bands”. The purpose of this indicator is to provide you with volatility check. It will be able to tell you whether the price is currently in consolidation or not.

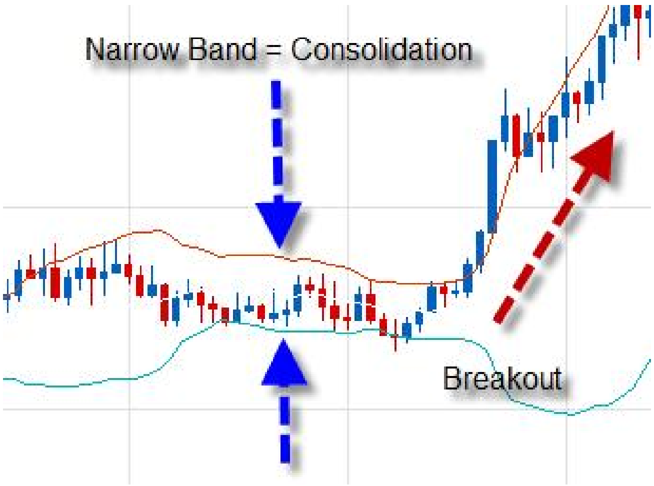
When the upper and lower bands are narrow, it is signalling to you that the price is currently in consolidation and you should be waiting for a breakout.

Here are the steps I usually take to trade forex breakout

1) Setup the following indicators – Bollinger Bands (Default Setting), Stochastic (Slow) and MACD (Moving Average Convergence Divergence).

2) Draw the necessary trend lines to identify support and resistance level or even channel wall.

3) Always keep a lookout for the Bollinger Bands when it is narrow as it usually signals a consolidation in progress and then wait for the stochastic to either go oversold or overbought. Once the price produces a sudden surge in movement and also at the same time the bollinger bands starts to widen, you should then wait for the stochastic to either curve up if you are going LONG or curve down if you are going SHORT.



4) Always wait patiently for a proper trend line break before you enter any trade. Failure to do so may lead to loss of money due to fake outs.

This is usually how I trade breakout in forex and the winning percentage is pretty high for this strategy. Take some time to practice this strategy on your demo or micro live account until you are able to achieve consistent success before you go into standard account trading.

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.

For those of you who do not have a working strategy on hand, the Forex Mastery Course is one that you can consider. This course took me 13 months to create and it consists of 6 exact strategies that I am using everyday in my trading as well as 6 special trading techniques that took me years to figure out.