

A Hedged Carry Trade Strategy

Forex Introduction

I was originally introduced to trading by attending a 4xMadeEasy seminar and eventually purchased the software. I tried trading using the traditional methods that 4xMadeEasy promoted with very limited success. I eventually stopped using 4xMadeEasy as I could not make it work for me but I remain forever grateful because without 4xMadeEasy, I would never have discovered the FOREX market.

I then tried a number of other technical trading strategies with very limited success. I knew that if I kept searching, I would eventually find a strategy that would work for me. It was not until I found this Hedged Carry Trade strategy that my trading account started to grow consistently.

Traditional Carry Trades

All Carry Trades are based on purchasing (BUY/LONG positions) those currencies that have a significant difference in the interest rates that are set by the various countries central bank. For example, the USD/JPY and the USD/CHF are good choices. Since currencies are always sold in pairs, we RECEIVE interest from the first currency listed in the pair (USD) and we PAY OUT interest on the second currency listed (JPY and CHF). Since the USD interest rate is currently 5.25% and the JPY & CHF interest rates are 0.25% & 1.75% respectively, we will be paid the difference in interest rates for every day that we own those currencies.

This means that you will receive 5% per annum from the JPY and 3.5% per annum from the CHF. This does not seem like a lot of interest until you realize that you are being paid this interest on the leveraged amount of your trade. For example, if you are trading with 400:1 leverage and you purchase 1 standard lot of the USD/JPY, you will be controlling \$100,000 of currency but it will only cost you \$250 to maintain the open position. At 5:00pm EST, you will be paid interest on the \$100,000 not the \$250. The interest would be equal to $\$100,000 \times (5\% / 365 \text{ days}) = \13.70 per day for simply maintaining this open position.

The problem with many Carry Trade strategies is trying to enter the trade when the currency is rising because to receive the interest, you must have a BUY/LONG position. You must then exit your open positions before the upward move ends. This can be very difficult to time and these currencies are not always rising in price, which limits the number of Carry Trades you can enter. You do not want the trade to go against you because the PIP loss will wipe out the interest gain.

A Hedged Carry Trade Strategy

The Hedged Carry Trade strategy that I am using doesn't have this problem. It is so unique that most traders will not try it because it goes against everything that we have been taught about trading. I am asking you to forget about everything that you have learned about trading and open your mind to a totally different trading concept.

It uses inverse currency pairs such as the GBP/USD and the EUR/USD to offset the other USD/JPY and the USD/CHF currency pairs. By introducing these inverse currency pairs, you will have to pay out some interest but the real benefit is that you know longer care which direction any of the currencies are moving and you will have open positions in the market almost all of the time.

The reason this hedging works is due to the USD being the common currency among all of the pairs. In principle, as the GBP/USD and EUR/USD are rising in price, the USD/JPY and USD/CHF will be falling in price. If you purchase the correct ratio of each currency pair, the negative PIP losses from those currency pairs dropping in price will be mostly offset by the positive PIP gains from the other currency pairs that are rising in price and will effectively cancel each other out. However, as long as you are receiving more interest from the USD/JPY and USD/CHF than you are paying out interest on the GBP/USD or EUR/USD, your account will grow daily without you ever having to read another chart to determine its direction.

I absolutely love checking my account every evening and seeing how much daily interest I received and I didn't have to spend any time trading.

An Improved Hedged Carry Trade Strategy

The Hedged Carry Trade strategy that I am using goes 1 step further and provides another way of making additional money with the existing open positions. If we place both BUY and SELL pending orders for each currency we are trading, and as those currencies rise and fall in price, some of the pending orders will trigger and we will BUY more lots when the price is LOW and SELL off some lots when the price is HIGH. Every time we SELL off a few lots, we lock away more profit. This is basic investing; Buy Low and Sell High.

The nice thing about the currency market is it never rises or falls forever and will eventually change direction. This means that all of those extra lots that you BOUGHT will eventually be SOLD and all of the lots that you SOLD off will eventually be BOUGHT again. This keeps the Hedged Carry Trade strategy balanced while you continue to lock away more profits.

This is the only strategy that I am actively trading and my account is growing approximately 4 - 6% per week. It varies week to week because the number of BUY and SELL pending orders are different every week but the daily interest is fairly constant.

Using The Hedged Carry Trade Strategy

You must join as a member to use this strategy but all of your trades are 100% controlled by you and your own broker's software. I personally use the broker that they recommend but you are free to select your own broker. All of the information to place the initial lot purchases and the pending orders is provided via a website that you will log into and manage your portfolio. You will then place these orders into your broker's software and wait for the markets to move. When a pending order triggers, simply log into the website and tell the portfolio manager what has occurred and it will tell you what you need to do next. ZERO guesswork.

You can join as a trial customer for 15 days and practice trade the strategy for free if you wish but I would recommend that you save yourself some time and simply join up. The total cost for this system is only \$100 per month plus a one time \$25 charge to setup your account on the website and there is a refund policy of 100% within the first 10 days and 50% from days 11 to 30. This is the monthly cost of your current data feed with 4xMadeEasy and with this Hedged Carry Trade strategy; you will no longer need to pay for that data feed.

There is also a totally optional marketing concept to this website but the main focus is the Hedged Carry Trade strategy. You can take advantage of the marketing concept at a later time if you wish to but there is absolutely no requirement to be part of it.

I would highly recommend that you take a serious look at this Hedged Carry Trade strategy. It is working for me and I spend only a few minutes each day checking to see if any of the pending orders have triggered. I especially enjoy checking my account each day and seeing it grow steadily.

This is truly a ZERO GUESSWORK strategy that uses the Carry Trade in a way that nobody else that I know of is doing. Please do your trading career and yourself a favor and at least sign up for the free 15-day free trial; you have nothing to lose and a lot to gain. You will not be disappointed.

My Commitment

If you join, I will provide you a copy of my real trading account, if you like, so that you can see what currencies I am using successfully and how my account has grown 45% over the last 8 weeks. I will also help you learn how to use the system efficiently so that your account will grow steadily. In addition, I have developed a few advanced techniques that I will share with you once you understand how the strategy thoroughly works. These are advanced techniques but they will show you how to maximize your profits in order to grow your account faster.

The website is: www.4xTradeWins.com

Simply select the Product Movie and it will explain the Hedged Carry Trade strategy.

To Join, simply click on Join Now and select the option that best suits your needs.

I look forward to helping you get started using this unique Hedged Carry Trade strategy.