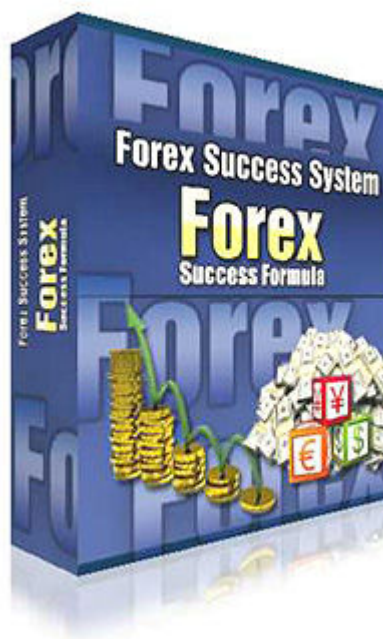


Forex Success Formula

Presents

Forex Success System



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Hey There Folks,

Welcome to **Forex Success Formula**. I must thank you for showing trust in this course. By the end of the course I am sure you would feel this product to be worth the investment you have made.

If you **Use** the strategies and techniques mentioned in this course on a **Regular Basis**, you will find it to be one of the best systems available in the Forex market to make **Consistent** profits!

I have carefully underlined some specific words above. Here is why -

All of us want a good reliable strategy to trade forex. You want a strategy that gives consistent profits continuously days after days, weeks, months and years.

Let me put it this way, if I am presented with 2 trading strategies, one that gives me a one time 200 pips profit and other that gives 2 pips profit each week regularly, then without putting a thought I'll go ahead and buy the 2nd one, the one that makes consistent profits let it be only 2 pips each week.

Remember, Consistent Profits is the basis of each business!!

But, the profits from such strategy can be taken to new levels by using solid money management strategies.

Forex Success Formula covers all of these – It not only takes you through some very reliable strategies, but it also puts great emphasis on strong money management principles.

But let me tell you, for me, it is not sufficient to just read a good system. No system can give good returns or infact any kind of retruns, unless it is **USED** on a **REGULAR** basis.

This needed to be mentioned since I know a lot of people whose whole purpose is just to buy a good system and just read it. They don't do

anything further with out. They don't try it out on even a demo account, let alone the live account.

DON'T BE ONE OF THEM! If you come across any proven system, go through it and then make sure to use it.

Alright, enough of the background. Now lets just move on to the components of the FOREX SUCCESS FORMULA. I am sure you'll find this course easy to understand and easy to use.

But more importantly, I am sure you'll enjoy it!

Once again, thanks for taking your credit card out of your wallet and buying Forex Success Formula.

So lets get started!

Thanks & Take Care,
Rahul

www.forexsuccesformula.com

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Background of Forex Success Formula

Most of you know that there are two kinds of forex trading systems –

- **Fundamental Trading System**
- **Technical Trading System.**

In simple terms, Fundamental Trading is based on market reaction to what is happening in the entire world. Such as reactions to any form of news, announcements like Non farm Payroll (NFP), FOMC etc.

The approach of fundamental trading is primarily used by big financial institutions/banks as it requires very thorough understanding of the economic market.

Where as, Technical Trading system is based on the philosophy that past behavior of the market can be used to predict its future behavior. The past and future behavior in such trading system is driven by use of certain indicators known as technical indicators.

Technical trading is beneficial for traders like us since it is easier to understand & implement when compared to fundamental trading systems.

You would have guessed by now that Forex Success System is based on technical trading.

Forex Success System requires understanding of few technical indicators. All these are very straight forward and are available on all the Forex Chart services. Including free ones.:-)

When it comes to technical trading, there are primarily two forms of trading systems –

1. Day Trading and
2. Swing Trading

Forex Success System is a swing trading strategy.

Note - If you would like to understand difference between “day trading” and “swing trading”, please read my article here –

www.forexsuccessformula.com/swingtrading-vs-daytrading

What is Forex Success System made of?

Which technical indicators does this system use?

Here they are –

1. Exponential Moving Average
2. RSI (Relative Strength Indicator)
3. Candlesticks

That's it!! Only these set of indicators are necessary for this system to work.

You don't need any fancy or proprietary indicators to trade in forex and make good money. As per my experience, the simplest indicators are the ones which are more reliable and help make more money

You can get details about these indicators and corresponding tips in the accompanied videos.

I know the question in your mind right now is - “Why these indicators”?

This has a simple reason – When it comes to successful forex trading strategies, they all have below mentioned essential technical components

–

1. A **leading technical indicator** (Also known as primary indicator). This is the main signal that tells whether the market is at a point where a potential trade can come up as per the rules defined by the trading system.
2. A **confirming indicator** that compliments the leading indicator in placing a trade. As the name suggests the purpose of confirming indicator is to confirm whether the trade should be placed or not.

Note – Remember the confirming indicator should be referred only when the leading indicator signals for a trade.

Typically with these indicators, a good trading system will help you have 50-55% of your trades as profitable trades.

But, would you like to settle at only 50-55% winning trade when you can have a higher success rate?

How can such a high success rate be achieved?

Forex Success System achieves that by using a **tertiary indicator** which further removes the losing trades and increases the % of winning trades.

The tertiary indicator is **Candlesticks**.

Now lets look at the settings of these indicators -

1. **Forex Chart setting**– The chart is set for a 1 hr timeframe (Each candle represents 1 hr).
2. **Leading (Primary) indicators** – 15 period Exponential moving average (EMA) and 55 period EMA

3. **Confirming Indicator** – Relative Strength Indicator (RSI) of 14 period

4. **Tertiary Indicator** – Candlesticks

If you don't know about these indicators or how to plot them, I suggest you to immediately watch the accompanied videos which are included as part of this multimedia course.

Remember, having a basic understanding of these indicators and terms is really important for good use of Forex Success Formula!

Lets setup Forex Success System

Let us plot these technical indicators on a Forex Chart. Incase you don't refer to any charts yet or you don't know good forex charting services, I would recommend Dailyfx charting service. Dailyfx provides free charts as well as paid services.

For now, let us refer to Power Forex Charts –

<http://www.dailyfx.com/charts/ChartStation.html>

Here is how a forex chart will look like once the indicators are set –



Here is how to set it up –

1. Open the chart and convert the price bars to Candlestick pattern.
2. Go to the menu and select Exponential Moving Average from “Studies” option
3. Enter the value as 15 in the box with label “Period”
4. This will plot 15 EMA
5. Similarly plot 55 EMA & 200 EMA (**I’ll mention later why 200 EMA is needed**)
6. Once EMAs are plotted, select RSI from “Studies” option on menu
7. Enter the value as 14 in the box that comes up.

(Remember, these instructions to setup the indicators is also shown in the accompanied bonus videos)

In the above picture, the red line indicates the 15 EMA, the green is 55 EMA and the blue line is 200 EMA.

The 14 RSI is plotted in lower half of the picture.

Let us Use Forex Success System

Forex Success Formula works on the philosophy that when the market is in a state of momentum or you can say is trending, it can be capitalized on. This holds true for all sorts of trends – big or small

The momentum is identified by the direction of 15 EMA & 55 EMA. If the 15 EMA is above 55 EMA and both are rising, this means that the market trend is bullish. The reverse is for bearish momentum in which case the 15EMA is below 55 EMA.

Though we plotted the 200 EMA on the chart, for the time being let us not focus on it. I'll come to it's use a bit later in the manual.

How does Forex Success System works?

The primary point of placing a trade using this system is when the price crosses the 55 EMA. The price is being represented by candles on the chart that we set-up.

To understand better let us take the case of a “Buy Trade” –

On the chart, if the candle closes above 55 EMA and the 15 EMA also follows it, this would mean the market has turned bullish and we should be ready to place a trade.

But our decision to place the trade should be confirmed by our “confirming indicator RSI”. If the RSI reads above 45 and is **still going up**, it's a confirmation that the market is bullish. However if the RSI is above 50, then it doesn't matter if the RSI is climbing or is horizontal or even declining.

But, we are still not ready to open a trade since we have not referred to our tertiary indicator.

More likely than not, if we place a trade now, it will be profitable. However, just to ensure even further, we'll look at our tertiary indicator which is the size and shape of the candle that crossed the 55 EMA.

In this case, the candle should be a bullish candle and should close above the 55 EMA. The length of body above the 55 EMA should be at least 5 pips and the overall body of candle must be at least 10 pips.

If only the candle's thread (also called wick) closes above the 55 EMA and not the body, it's not a bullish candle. Also if the wick is much larger than the body above the 55 EMA, it is not a valid confirming candle. Wait for the next one.

Let us look at step by step instructions for the bullish market (Please also check the section "**Rules of the Game**" before you start trading using Forex Success System) –

1. Open the 1 hr candlestick Chart and plot the indicators of 15 EMA, 55 EMA, 200 EMA and 14 RSI
2. Monitor the opportunity when candlestick crosses and closes above the 55 EMA from below. Once it crosses the 55 EMA, Check the values of other indicators to confirm a bullish market and so to place a trade.
3. Look at the value of RSI, it should be 50 or above. If the RSI is above 45, then also it is fine provided the RSI is climbing up.
4. The Candle that crossed the 55 EMA should close above 55 EMA by at least 5 pips (Overall body length should be at least 10 pips) and not just has the wick crossing the 55 EMA. **(This is Important!!!)**
5. Once all the above requirements are met, open a "Buy Trade" on the currency pair. **Remember to wait for the candle to close before opening the trade.**

Here is a chart which shows all the valid bullish entry points



If you see the above chart, all the entries made have a bullish candle that closed atleast 5 pips over 55 EMA and also had RSI above 45.

So, now you have analysed the market, found a good trading set-up. You have also entered the trade.

But this is just half side of the story.

The remaining half is all about knowing when to close your trade, how to ensure that your trades result in maximum profit and how to protect your account in case the trades is going in loss. These details are covered in the next section.

Basic Money Management & stop loss principles in this system

The Formula for Success in Forex Market is based on two things.

1. One, knowing and using a reliable trading strategy.
2. The other is to implement Money Management Guidelines.

That's the reason, when you bought "Forex Success Formula", you also received a Money Management manual called "**Secure Your Money**" that contains a lot of some strong guidelines that can not only increase your profits, but the biggest benefit is that it will make you start taking Forex Trading as a business.

But remember, Forex Trading is simply not about earning money by placing trades, the game is also about protecting the money that you have earned. This is also what is covered in "Secure Your Money" manual.

Though, I would sincerely request you to go through that manual before you start using this system, I'll mention some of the important points right now so that your flow of learning the system is not broken.

Here they are –

Once the trade is opened, it's time to follow the money management principles and place the Stop Loss.

A stop-loss is a feature that your trading station provides by which your trade closes automatically when the loss in the trade reaches a certain level predefined by you. So if your stop loss is at 20 pips below the entry price of the trade, then the trade closes as soon as your trade is in 20 pips loss.

As you can imagine placing a stop loss is of prime most importance to ensure that a losing trade doesn't eat good chunk of your trading account balance.

However, the stop loss should be such that it allows the currency pair to move around.

By this, what I mean is if your stop loss is very close to your entry point, you'll find that many a times the currency pair will just hit you stop loss and then move in the direction you predicted.

However if your stop loss is too far away from your entry point, then you are risking a lot of pips incase of a losing trade.

Typically I would suggest you to have a stop loss of at least 35 pips when trading on a 1 hr chart, but a maximum of about 50 pips.

Here is how you should implement money-management in Forex Success System –

1. Once you place your trade, put a stop loss just 25 pips below the bottom of the candle which you used to confirm your trade. Assuming that the candle after which you placed the trade is about 25 pips in length, this will ensure that you risking only maximum of 50 pips (25 pips of stop loss + 25 pips of length of candle)
2. Once you are about 35 pips in profit, its time to protect your profits and reduce your risk. As soon as you are 35 pips in profit, move your stop loss to entry point of your trade.

Once you do that, this will essentially mean that from now onwards you cannot suffer a loss in this trade even if the market reverses from this point onwards.

3. From this point on keep moving your stop losses as your trade gets more profitable. You can move the stop-losses manually or you can use the feature called “trailing stop-loss” of your trading station. So for e.g. If you trade is in 60 pips profit, move your stop loss 20 pips further in the direction of the trade. So you are now atleast 20 pips in profit even if the market closes.

Like I mentioned above, keeping a stop loss is one of the most important things in any form of trading, let it be forex or options or any commodity. You don't want to run into a trade that can wipe out your entire account!!

The next important question at this point is –

“When should the Trade be closed”?

Timing of closing a profitable trade can decide whether you ended your trade with maximum profit or did you close your trade prematurely/late.

Same holds for a trade that is running in loss.

So, let's quickly get on to topic of when to exit a trade!!

The Exit Criteria – How to close the trade??

So let us look back at what we have done so far.

You analysed the market, looked at the various indicators as given in Forex Success System and decided if you should place a trade. If you placed the trade, you also have placed the all so important stop loss.

Not only you have placed your stop loss but you are also trailing your stop loss to protect your profits in a winning trade.

So, in all, the forex trade is running fine.

But!!

Here is another important question – **When should you exit the trade?**

Exiting a trade is by far one of the **most overlooked aspects**.

Here is the problem that people face when it comes to closing a trade -

If a trade is running in profit, closing a trade prematurely will hamper the profits as one may miss out on the additional pips that they could have gained had they stayed in the trade longer

Similarly for such trades you don't want to keep your trade open for too long since if the market reverses, this will wipe out the profits that you had earned. Of course, if you placed a trailing stop, you would have hit the trailing stop loss by that time and a lot of your profits would have been secured, but still it is not recommended.

Here are the ways in which you can exit the trade –

1. One obvious way is to let market hit your trailing stop loss. The main advantage of this style is that you'll continue to be in market as long as the trend is continuing. But in some cases, you may miss some pips as most of the times our trailing stop loss will be about 40 pips away from the point when market reversed.
2. Exit the trade when price crosses the 15 EMA or 55 EMA. This strategy is effective in the conditions when market has become stagnant and the trend has stopped. **By “Price Cross” I mean the BODY of the candle has crossed the EMA and not just the wick.**
3. If the Trade is stagnant at one position for 6 or hrs, close the trade irrespective of how much profit/loss it is in. Remember, you can reenter the trade once the entry signal comes again. The strategy of “Re-entering” the trade is covered later in this manual.
4. Another way and by far the best way to exit the trade is by looking at currency pair behavior at certain important levels on the chart. There are some important areas or points where the market reverses. Some of these points are Fibonacci levels, support and resistance levels and 200 EMA!!

I guess the 1st three points are self explanatory, but the point 4 requires some more attention!! Let's take a closer look -

There are certain key points or areas in the market that act as huge support and resistance level and one should definitely keep a close eye on currency pair behavior at these levels –

1. **The 200 EMA** – At last I am ready to tell you about 200 EMA. In my experience 200 EMA is one of the huge support/resistance level and is not easily broken.

Often you will see that the currency pair will touch the 200 EMA and then its direction will reverse.

So, if you are in a bullish trade and if the 200 EMA is above the price, you may want to watch out what happen when the price reaches 200 EMA. If the trend reversal happens at 200 EMA, you must close your trade. Same holds true for a sell trade!

2. **Support/resistance level created by previous high/lows** – For e.g. if a bullish trending currency pair reverses at a certain price, you can consider that price as a resistance level. Vice-Versa for the bearish trend. So next time when the currency pair approaches the same price level again, you may want to keep a closer eye on the currency behavior at that level.

The support and resistance levels are drawn by looking at previous high and lows of the currency pair.

3. **Fibonacci Levels** –To be honest, discussing Fibonacci levels is a big topic in itself. This manual is small to cover that. But I have touched Fibonacci levels briefly at -

<http://www.forexsuccessformula.com/forextradingblog/forex-fibonacci-trading-using-fibonacci-sequence>

Here is a chart that shows multiple support and resistance levels.



Look at the above chart –

1. Note how the currency pair is hitting the resistance level again and again as marked with Ellipse A, B and C
2. Similarly, look at point D. It shows that price bounced of 61.8% Fibonacci resistance levels.

So, now we have covered all the points associated to a trade such as –

1. Under what situation a trade should be placed.

2. Once a trade is placed, how to use stop loss
3. In a winning trade, how to exit.
4. How to maximize your profits.

We all know that each & every trade that we make cannot be a winner. Some trades will end up in the loss.

This is fine!! The idea should be to have high profits in winning trades and limited loss in the non-profitable trades.

How do we handle the losing trades? What techniques do we use to manage such trades?

That is what we cover in the next section.

Managing a Forex Trade that is running in a loss

No trading systems can give you winning trades 100% of time. Forex Success System is no exception.

Infact, if anyone tells me that they have a 100% winning system or one with even greater than 85% winning trades, I would be suspicious on the legitimacy of his claim.

But here also, the Forex Success Formula impresses me immensely. That's because -

1. The losses faced are not high due to the strong money management principles that we use.
2. The number of winning trades typically is much higher than number of losing trades. Along with that, the average number of pips made per each winning trade is higher than the number of pips lost per losing trade.

So, net-net If you place 10 trades out of which 7 are profitable with close to 75-100 pips on average profit (which is 550-700 pips) and 3 losing trades with 30-35 pips loss per trade (total of 90-100 pips), your net profit will be 450-600 pips!!

Will you be happy with that? I am sure you would!!

Let us see what should be done in a losing trade -

The losing trade should be closed as soon as we know that market has reversed. This can be done if any of the below mentioned criteria is met -

1. Crossing of 15 or 55 EMA - If you are in a trade that goes in negative direction, you can close it as soon once the candle closes after crossing the 15 EMA or 55 EMA.

This will limit your losses to 30-35 pips maximum. But remember, don't close the trade if the body of the closed candle doesn't cross the EMA.

2. Another way to close a losing trade is by letting it hit the stop loss. In this case, the loss will be a bit higher, but will be between 35-50 pips.

Here is an example below



If you look in the chart above –

1. Point A is in the picture above is where the trade was placed

2. As you can see, later on the market went in the other direction. If you choose method 1, your trade would have closed at the end of candle B with 32 pips loss.
3. However if you would have let your trade hit stop loss, you would have closed at candle C at 37 pips loss.

You must have seen by now that Forex Success Formula is extremely powerful. It has amazing entry and exit strategies which are complemented by solid money management principles. The system very clearly tells us when to take a trade and when one should be avoided.

But many a times, you'll see that a perfect opportunity was available in the Forex market, the EMAs were lined up, the RSI were looking good and the candlesticks also confirmed that the trade can be placed.

But there is one problem – You missed this trade.

That could have happened for variety of reasons such as you were out shopping or your trading station was not working or any other reason. It happens every now and then. These setups can happen in the night when you asleep etc.

Don't feel bad because this is part and parcel of this game.

And there is a way you can take advantage of such opportunities.

How? Let us look in the next section

What should be done when a Forex Trade is missed?

Before I tell you what to do in case of a forex trade, let me tell you what you **SHOULDN'T** do –

Never chase a trade. If you missed a perfect setup and found about it when the price is far away from 55 EMA, don't place trade at this point since you would be forced to risk a lot of pips.

Instead, wait for the market to pull back and wait for a re-entry signal

You see, a market trend consists of highs and lows. During a bullish trend, the market makes a high, followed by retracement and then moves up again. It is as if market, after running very fast, stops for a little bit to catch its breath and then starts running again.

Vice-Versa for a bearish market.

When the market is in trend, there are 2 things that can happen during retracement –

Let's assume a bullish market-

1. If the price is already above 15 EMA

- a. In this case during retracement, the price can get some support on 15 EMA.

If that's the case, the price may rebound from 15 EMA with a bullish candle. When that happens, re-enter the trade provided the RSI reading is above 45. This is a valid entry

signal and your stop loss can be just below the 15 EMA (25 pips below the body of the bullish candle)

- b. If the price continues to fall below the 15 EMA, Observe what happens at 55 EMA

2. If the Price hits 55 EMA –

- a. If the price bounces of 55 EMA with a bullish candle, safely enter the trade. It is a valid re-entry signal provided the RSI reading is above 45. The stop loss should be just few pips below 55 EMA (25 pips below bullish candle).
- b. If the price continues to fall below the 55 EMA, ignore the trade. This might be just a setup for opening a new trade a Sell Trade as the market may have just turned bearish.



Above chart shows some examples of re-entry point.

Just see how the currency is riding the 15 EMA. All the re-entry points are on 15 EMA. When this happens, it means that currency pair is strongly trending.

Similarly, the same kind of re-entry signals can be found on 55 EMAs also.

So what have we covered so far?

Wow!! We really have covered a lot of stuff so far. But don't be overwhelmed. If there is anything which is confusing to you, it will become clear once you look at the videos and go through the other manuals such as "Secure Your Money" etc.

Here is the recap of what all have we looked at so far –

1. The background of Forex Success System.
2. The nuts and bolts of Forex Success System –
 - a. The technical indicators to use
 - b. The entry points
 - c. The exit points
3. What to do when a Trade is winning.
4. What to do when the trade goes negative
5. Basic money management principles necessary to increase your profits
6. What to do when you have missed a trade and when to re-enter the market

Now, I would suggest you to take a break of few minutes to few hours to help yourself in understanding what you have read so far. Take a break, eat your lunch, dinner or go for a walk, go out and play some sport etc or even take some sleep.

(I know you will not be able to sleep, at least before completing this course as you might be feeling restless before going through all of this)

But this manual is not over yet. There is some very important stuff still remaining to be covered such as –

1. Examples of Forex Success System in –

- a. a trade that is winning
- b. a forex trade which is facing some losses

2. The key rules of Forex Success System

3. How to take your trades and trading account to the next level

Let us start by going through some examples. Remember I have provided other examples in the accompanied videos

Lets Go through the Examples

This section contains a lot of examples which will help you see the implementation of Forex Success System in Real Time.

Example of Forex Success System in a Bullish Market

Below is real picture of chart of EUR/USD currency pair which I took when writing this manual.

I'll take you through the Trade I placed using Forex Success System on EUR/USD 1 hr chart -



1. If you look at the right side of the chart, the line on the top is 15 EMA. The one below it is 55 EMA and the one below 55 EMA is 200 EMA.
2. The graph below the currency pair is 14 RSI
3. Look at the Candle marked in Ellipse A. This is the candle where the price crossed and closed above the 55 EMA.

Since the primary indicator turned bullish, now its time to look at the confirming indicator of 14 RSI

4. The reading on RSI should be above 45 for a bullish trade. In the chart above, the RSI value is 53 (as indicated by Ellipse Q).
5. Also, the candle that crosses the 55 EMA is bullish and more than 10 pips in length
6. We place the trade at the close of candle A by buying EUR at 1.6512.
7. We place the stop loss at line B which is 25 pips below the candle A at 1.6471. This makes our stop loss of only 41 pips well with in our 50 pip stop loss rule.
8. Focus on candle C. This candle is important because the highest price of candle C was 1.6547, the point at which our trade was in 35 pips profit. At that point I moved my stop loss to 1.6512. So from now on, my trade can close with zero profit in the worst case. It cannot close in a loss.
9. Look at Candle in Ellipse D. That's when my trade reached 100 pips in profit. By this time I also moved my stop loss by using trailing stop loss. At this point my trailing stop was about 40 pips away. So if the market reversed at this point, I am guaranteed to make at least 60 pips profit

10. The line E represents my current stop loss, which is 75 pips from my entry point.

So, as of now this trade is still open with current profits of 112 pips.

The above example shows how we identified a very solid trade using Forex Success System. How we implemented good money management principles and how we are trailing the stops to maximize our profits.

I have covered more examples like these in the accompanied videos.

Let us also look at an example of another Trade.

Example of Forex Success System in another Forex trade



Here is a sequence of events in 1 hr chart of AUD/USD currency pair –

1. At point A, a bullish candle crossed and closed above the 55 EMA. The RSI was also above 45 (infact it is 52). So all Forex Success System indicators confirmed of a bullish forex Setup.
2. We entered the trade at 0.9434 and placed the stop loss at point B at value 0.9490 (So we are risking only 39 pips)
3. The Ellipse C indicates that we are in 35 pips profit, which means that we can move our stop loss to the entry point.

4. **Look at Ellipse “D” and Ellipse “E”.** What do you think they are for? It is for people who missed the trade at Ellipse “A”. The Ellipse D and E meet the re-entry criteria. Isn't it?
5. Remember, all this while we are using trailing stop loss to protect our profits.
6. Ellipse F is the place where the market hits my stop loss after 177 pips profit.

Yet another trade that made cool pips in only just few hours. All I did was to place trade using the rules and then from there on I just adjusted my stop loss!!

Example of Why support and resistance are important!



The above is a USD/CHF 1 hr chart. Look at the chart closely and tell me what can you read.

1. The Blue line on which I have marked multiple Ellipses is a support and resistance line. Just look at the ellipses A, B, C, D, E. They all are bouncing of the blue resistance line. Isn't it? Even after 1 week, the USD/CHF currency pair is not able to break this resistance line.

This is why you need to watch the currency behavior when it reaches levels like this.

2. Similarly look at the ellipses 1 and 2. They represent the price reversal from the 200 EMA. Of all the EMAs, I have seen that 200 EMA is one of the most important.

I guess you would have realized by now how accurate Forex Success System is. If used correctly with good money management principles, it can generate consistent profits day in and day out.

But, just like any other game, Forex Success System also has certain Rules that you must keep in mind before you start using it.

Lets go over these rules in the next section.

Rules of the game called Forex Success System

Just like every business, Forex Success System also has certain rules associated with it. These rules are in place to maintain a high profitability and have a very limited loss when trades go negative. You must understand each of these rules before you start using this system.

Here they are –

1. This is one of the most basic and one of the most important rules – **Whenever you place a trade, there must always be a stop loss in place.** If you omit the stop loss, you are running the danger that one single trade can clean up your account balance.

So, never forget about placing a stop loss.

Remember, we are forex traders and not gamblers.

2. **Avoid trading during certain important fundamental announcements.** News announcement is the time when the market is generally very volatile and has no respect for technical levels. The level of volatility depends on the kind of the news. Here are few important announcements during which you should avoid using this system –
 - a. **NFP (Non Farm Payroll)** – This is by far the most important news announcement and that happens once every month, on 1st Friday.
 - b. **FOMC (Federal Open Market Committee)** – This is a meeting conducted by important Federal Reserve Bank members. Generally the output of this meeting is some major announcement on federal policy that can impact the US Dollar significantly
 - c. **Interest Rate cuts/hikes** – This fundamental announcement doesn't have any pre-decided frequency. It can happen whenever the governing bank of a country wants to control its economy.

As the name suggest, during this fundamental announcement, the governing bank declares hike or cut of the national interest rate. Needless to say, during this announcement market turns extremely volatile.

This is true for all currencies. If the British Interest rate announcement news has come out, it will impact the British pound the most. Same is true for Canadian dollars and similarly for US dollar.

3. **Close the trade when the Exit criteria is met** – One of the most common reasons why most of the forex traders don't do well with any system is because they don't know when to close the trade or even worse they don't want to close their trades.

In this system we have covered the exit criteria very much in depth. So please use those exit guidelines. Don't keep a losing trade open expecting that the market will reverse and your losses will be recovered. Similarly, don't let a profitable trade open when it should be closed expecting that the profits will keep increasing.

4. **Start by first using Forex Success System on a demo account** – Understand the system and get yourself used to it before trading directly with real money.

Remember each trading system has a learning curve including. I would suggest you to trade using this system for at-least 15 trades on a demo account before deciding when to trade with live money. Typically these 15 trades can be made within one month.

5. This is just for information and is not a rule - This system works quite well with all the currency pairs, but it works the best with –
 - a. USD/CHF
 - b. GBP/USD
 - c. EUR/USD
 - d. AUD/USD
 - e. GBP/EUR

My experience with USD/JPY or any JPY based currency pair has not been encouraging since JPY is very heavily fundamental based currency pair and doesn't honors technical indicators.

6. **Try not to place a stop loss more than 50 pips away from the entry point** since that would mean you are risking a lot of money. This is more of a suggestion and not a rule. If you are very confident about a particular trade set up, you may choose to bend this rule.

That's all there is to Forex Success System trading strategy. As you can see it is an extremely solid and reliable trading strategy because –

1. It uses some very good and reliable indicators that are available on all the charts (Free as well as paid).
2. It comes with very well defined Entry and Exit Criteria for winning trades as well as losing trades.
3. The system very clearly defines the rules of re-entry.
4. And one of the most important points, it comes with amazing money management rules. This manual just brushed on the money management aspect. More details are covered in “Secure Your Money” manual.

Here is a list of some important resources that you may find handy -

Additional Resources

Here is a list of some additional resources you may want to refer –

1. **Fundamental Announcement Calendar** – To find out when the fundamental announcements are coming out and what is their importance. The economic calendar can help you in identifying when the trades should not be placed –

- a. <http://www.dailyfx.com/calendar>
- b. <http://www.fxstreet.com/fundamental/economic-calendar/>

2. Forex Charts – One of the beauties of Forex Success Formula is that this system doesn't require any special or proprietary indicators. All the indicators used in this system are available in all the forex charts. However, when choosing a forex chart you must ensure that it is updated in real time.

There are few sites that I can recommend –

- a. <http://www.dailyfx.com/charts/ChartStation.html>
- b. The charts provided by your Broker – This should be your 1st preference as these charts will be more in sync with the rates on which you'll place the trade.

3. Forex Brokers – I won't recommend you the brokers for trading live money. I'll recommend only the brokers who offer good platforms for Demo trading. These brokers are very reputed –

- a. FXCM – www.FXCM.com
- b. GFTForex - <http://www.gftforex.com/>

4. Forex Trading Tips and Suggestions –

Ofcourse it's

www.ForexSuccessFormula.com/forextradingblog

Conclusion -

This course is just a beginning of a new chapter in your Forex Trading Career. Also, there is much more you have to cover such as the accompanied videos, manuals and also the all important **“Secure Your Money”** manual on Money Management

But, as you can see there is already a lot of content that is present in this manual, leave alone the entire multi-media course. I strongly suggest you to open your QuickStart guide and find out what do you have to go through next (which is Secure your Money manual)

Though I have added it as a free bonus, this money management manual itself is worth the price of the entire course that you paid. Often people focus only on **“placing trades to make profits”**, but the key is **“saving the money to make more profits”**

Correlate this with baseball. To succeed in baseball, it is not sufficient to just know how to swing bat. One has to know how to stand, how to hold the bat, how to move from one base to another and other important aspect. If you don't know about this, swinging the bat will not matter.

Remember, we are forex traders who are taking Forex Trading as business and not just a hobby. We need to have same attitude that Donald Trump has or what Martha Stewart has.

So now you have got the knowledge of a fabulous trading system that I found by doing some hit and trial and optimized it to such an extent that it works great. What you need to do next is take this system and start using it.

But first, read “Secure Your Money” Manual to understand how to manage your trades for maximum profits. I am sure that is what big businessman would have done.

That's what I suggest that you should also do.

If you have any comments/questions, please feel free to drop me an email at –

fsformula@forexsuccesformula.com

I'll try to reply to your emails at the earliest.

However it would be very nice of you if you can give me some testimonials if you are happy with this course.

Also, don't forget to keep visiting

www.forexsuccesformula.com/forextradingblog

Thanks & Taka Care,

Rahul

Forex Success Formula

www.forexsuccesformula.com