:) Yipee! More on **FOREX**

Thanks to Online Trading Academy

support/resistance, pivots and surprises.... :)

We need solid risk management techniques...

FOREX is high leverage.... a double edge sword ... so we must...
plan the trade ... trade the plan.

According to OTA (where this info is from) → Know when not to trade.

Remember that volume is fuel

The most active time to trade is (Asia, Europe, NY)
between 8 pm and 9 am EST

* 5:30 to 7:30 pm don't trade
* Slowest is 1:30 pm to 4pm

Every position involves selling one currency and buying another.

So ..... Ex: if the EURO (price) is going to rise. →
→ then buy EURO and sell U.S.D.
(buy EURO/USD)

Which "Macro" points of view will effect the currency value?
Trade reports, unemployment, interest rates ...
We should learn to anticipate reactions to government intervention.

The Majors:
- "GBPUSD" cable (pound/dollar)
- "EURUSD" Euro
- "USDJPY" Dollar Yen
- "USDCHF" Dollar Swiss "Swissy"
- "USDCAD" Dollar Canada
- "AUDUSD" Aussie Dollar

Order Types - Market (MKT) - immediate at current MKT price

Limit order - can be executed at a specified price

"better money missed than money lost"

an order expires if not executed on the day entered

Stop order - "stop loss" order

"have a stop in mind" "line in the sand"

"when in doubt get out"

"A profit is not a profit, nor a loss a loss until you take it"

"Don't lose money .... if you do ... very little"

"Keep it simple"

- plan entry/exit/stop loss before opening the trade — Don't change the strategy

---

Pivots, Support/Resistance (trying to establish high probability for entries and exits)

Pivot point - the average of high plus low plus close of previous day.

$$P = \frac{H + L + C}{3}$$

(Can plug data into spreadsheet)

Resistance level 1 (R1) = $(2 \times P) - L$

Support level 1 (S1) = $(2 \times P) - H$

Resistance level 2 (R2) = $(P - S1) + R1$

Support level 2 (S2) = $P - (R1 - S1)$

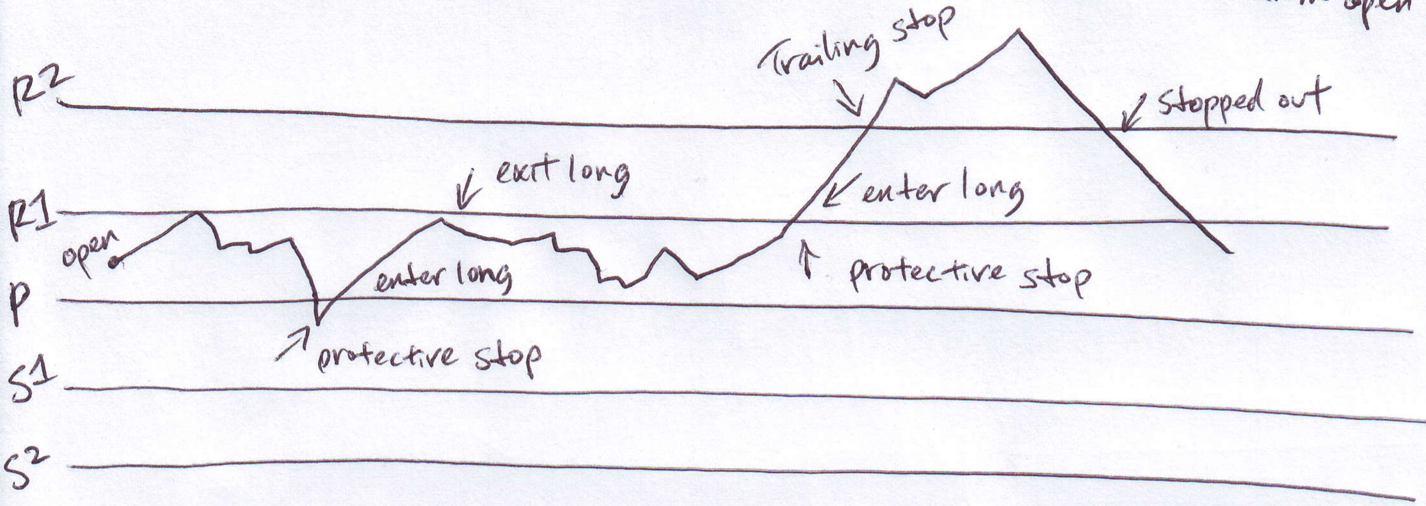
(same data for H, L, C that was used for pivot)

- Buy near support, sell at resistance -
- Breaking R1 is very strong -
- Go long above the pivot, short below the pivot -

"Always have confirmation in candlesticks/momentum"

Always use a combination of technical analysis....
"confirmation is key"

Give the market time to get "movin along" (after 30 min. from open)



How about a bit of ADR? (Average Daily Range)

(can use spreadsheet and a daily chart)

- Use high and low for the past 20 days then divide by 20.
- Each day add a new range, and omit the oldest ADR.
- Again, wait 30 minutes after the market opens to identify opening range - (be consistent each day)

(Be careful) Assumption: Buy if price breaks above range, and new high
Short if price breaks below range and makes new low.

Also can use Exponential Moving Average (EMA's) 5 EMA and SMA (if they cross expect activity)

If price is above the EMA - Bullish (uptrend)
If price is below the EMA - Bearish (downward)