

### **FAST TRACK TO FOREX PROFITS**



Hitendra Patel

www.fxtribe.com

Traders & Investors Club 15th March 2010

# The 'FACTS'

- Forex largest financial market in the world, trading around \$4 trillion each day.
- The spot Forex market is unique as trading is available 24-hours a day.
- Most of the transactions are non-deliverable.
- Companies genuinely exchanging currencies are responsible for just 13% of forex transactions. By contrast, "other" financial institutions - such as hedge funds, insurers, mutual funds and so on contribute a record 48% of the business.



## The 'FACTS'

- Most of the trading done is for speculative purposes.
  - So what is the basis for the speculative trading?
  - Trading on fundamental analysis or technical analysis?
- The spot forex is one of the few markets where technical analysis is considered to be a prime factor.



# The 'FACTS'

 Now let's get down to the most important FACT

85% of traders lose money in forex.



# 3Ms - Money, Mind, Method

- Money the 'money management' would constitute <u>5 parts</u>.
- Mind the 'discipline & patience' would constitute 3 parts.
- Method the 'technical analysis' would constitute 2 parts.



So how does one succeed in Forex...?

# By preparing a **Trade Plan**, incorporating the 3M's



## Let us have a look at the common pitfalls...





# And then...





## Lessons

- Lesson no. l all indicators are lagging, and one must never use them to determine the trading parameters.
- <u>Lesson no.2</u> always look at the larger picture.



# How experienced Trader thinks...





# Example: Divergence





# Correct use of 3Ms Mind

### Mind –

<u>Patience</u> - I will not trade till I see a divergence setup.

- If I do not find a divergence for the entire day or 2 days, or a week, I will not trade.
- If price is making a strong move (and going without me) I will not take the trade, because it does not confirm to my plan.

<u>Discipline</u> – Once I have identified this setup, I will follow my plan without any changes.



# Correct use of 3Ms Method

## Method –

Once the setup has been identified, as per the rules of the trade plan, I will precisely define my entry level, stop level and expected targets.



# Correct use of 3Ms Method





# Correct use of 3Ms Money

## Money –

My entry, stop and exit levels enable me to calculate the Risk-to-Reward ratio.



# Correct Use of 3Ms Money





# Conclusion...

- All our techniques have a specific trade plan built.
- We don't just teach, but "walk the talk" and have been achieving consistent trading profits.



# And finally...

"Trading requires the Patience of a Saint & the Discipline of a Soldier", and we can show you how to achieve that.

