Forex Survival Guide for Serious Traders

Master the Charts | Maximize your Success | Minimize your Losses

Hi, thanks for stopping by 'The Forex Guy' blog.

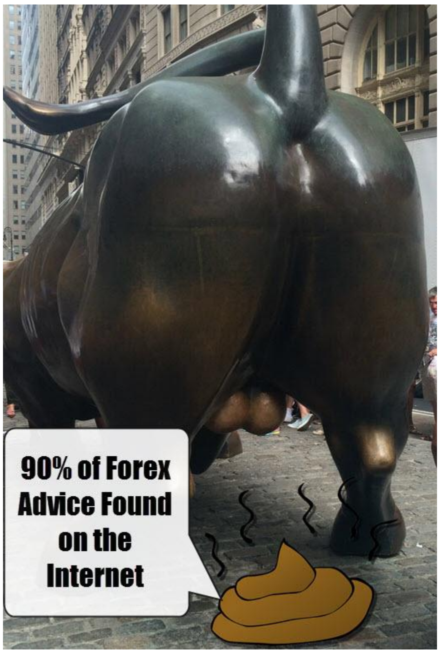
You've no doubt grabbed this eBook because you've got a passion for trading, a thirst for knowledge, and are serious about becoming a successful trader. The *psychology* behind trading is a fascinating subject. In this business, you will hear that if you can get your emotions under control, you can make any trading plan work. The ability to follow set rules without deviation or emotional intervention is the mindset that is considered the 'holy grail' of the trading discipline.

Ultimately, if you show weakness to the market, it will be exploited and used against you. It's very easy to screw up and open holes in your defences, allowing vulnerability for silly trading mistakes. I know a lot of smart, experienced traders who still slip up and make trading mistakes when they know better, myself included. This risk is something we must deal with constantly throughout our entire trading career, it never goes away. If anyone tells you otherwise, they're lying.

> *"The more sophisticated you become as a trader, the more you will realize that trading is completely mental. It isn't you against the markets, it's just you." - Mark Douglas*

Trading can push you to depressive lows or extreme highs. One moment the market can make you feel like the most useless human being in the world, and the next make you feel invincible. On average, Forex traders feel frustrated and confused, especially the newbies on the scene. The intense challenges the market throws at you daily leave most traders feeling exhausted from being in a constant negative state, mentally and emotionally. As a result, traders have a hard time building any sort of positive outlook with the Forex markets.

Eventually, worn-down traders will feel like they've sold their soul to the market. They'll let their guard down and burn their account to the ground via reckless emotional trading; *the psychological equivalent of committing suicide.* Most traders are second-guessing themselves at every turn. One of the culprits is the overwhelming amount of conflicting information on the internet. From 'Exotic Forex trading strategies', to ineffective money management systems, to shady broker's promises, to 'magic' indicators and crude trading robots, there's plenty of 'bad advice' available out there.



In this eBook, I share useful, practical tips that you can use to immediately improve your trading, and give you a good foundation upon which to build your Forex trading career.

Day Trading – A Dangerous Game

"A moderate addiction to money may not always be hurtful; but when taken in excess it is nearly always bad for the health".

-Clarence Day

<daytrading rant>

Day trading, a.k.a. high frequency trading or 'scalping' – is a sensitive, controversial subject for a lot of traders. I know there will be many traders that don't agree with what I say here; to each their own :)

Most newcomers are attracted to the idea of day trading because it promotes high profit generation through the principle that **taking more trades = earning more profit**.

Day trading requires traders to be in-and-out of trades throughout the day, making it a very intense way to trade. For the 'adrenaline seeker', Day trading could be the 'rush' they're looking for.

Because 'Day trading strategies' is so viral right now, it is discussed heavily in the public Forex forums, and it traps a lot of new traders into believing day trading is the right way to go about trading.

Everyone else is doing it so it must be good right?

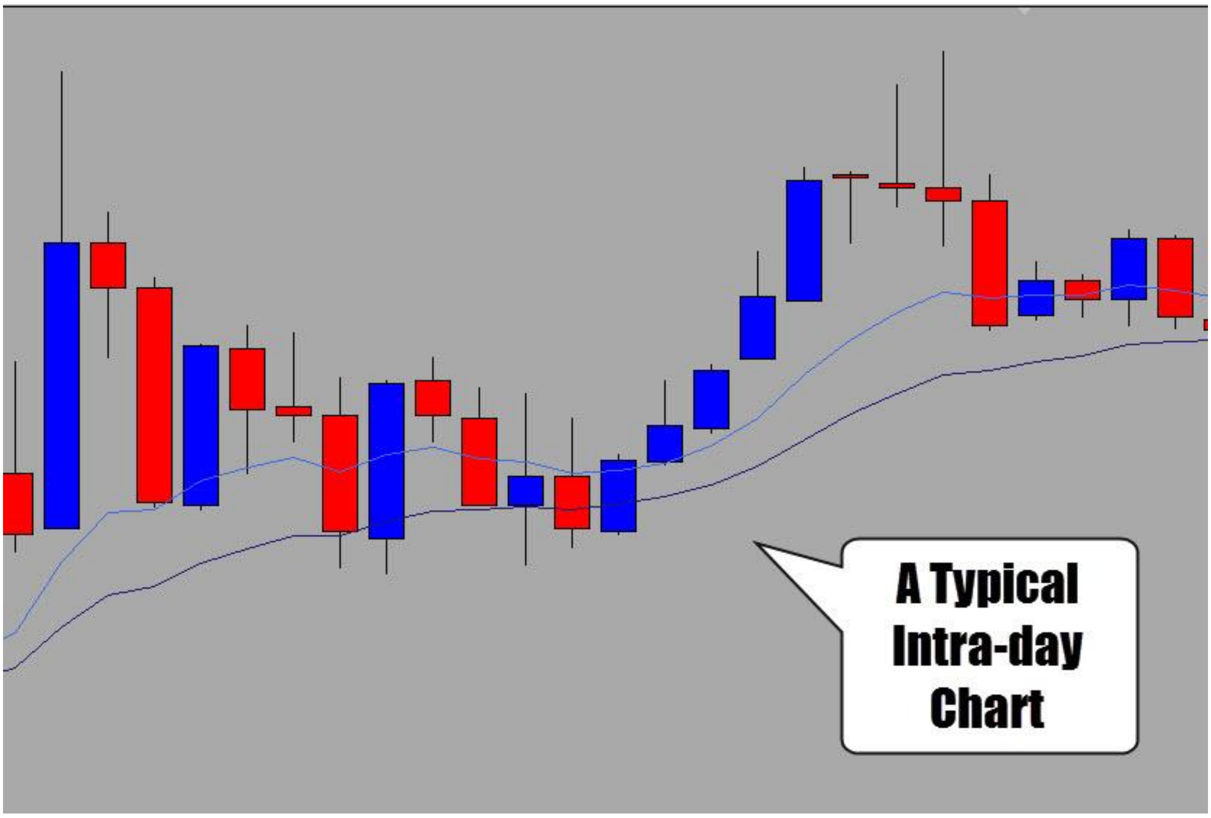
Wrong!

It's been discovered through one study that Day traders are some of the worst performing category of traders.

> ***"We used two distinct methodologies to examine the profitability of a sample of U.S. day traders. The results show that about twice as many day traders lose money as make money."***
>
> *Source: "The profitability of day traders" published in the Financial Analysts Journal (Vol. 59, No. 6, Nov-Dec 2003).*

With high frequency trading strategies, like scalping or day trading, traders are focusing their attention on the lower timeframes.

What's the problem with short timeframes you may ask?



Look at the chart above. It's a typical scenario on the intraday price charts. It's a very noisy, unstable, unreliable picture of the trading environment. It's hard to see the bigger picture and really get any idea of what the market is doing. Welcome to the battlefield of a Day trader.

Here is the same currency pair (EURUSD) displayed on the daily timeframe. At first glance we can see the market is clearly in a down trend here and would be best to look for short opportunities. Much more clarity is available to us by looking at the market from this perspective.

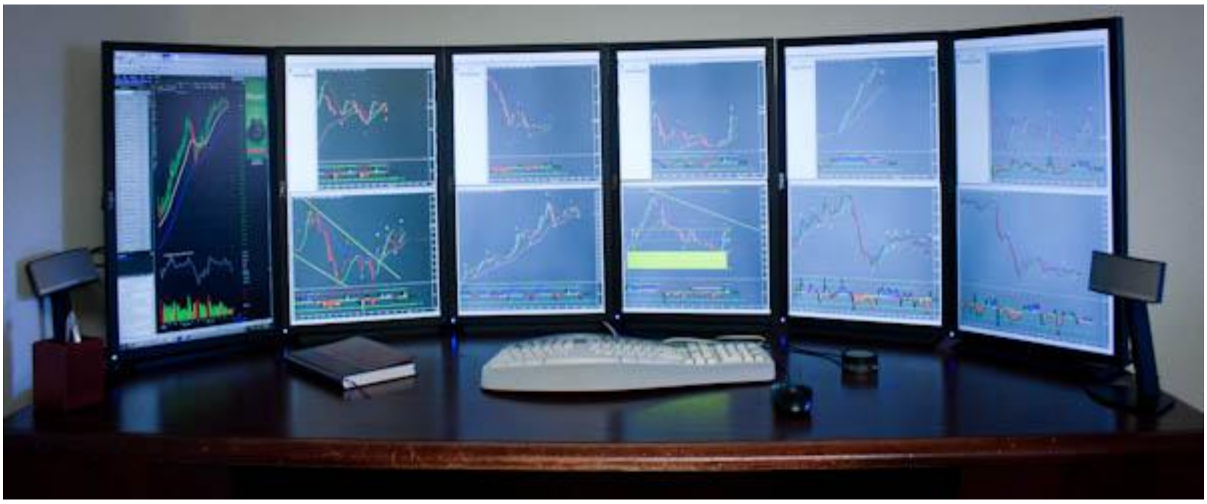
The candlesticks on short timeframes are nothing but noise; they don’t represent meaningful movement. **Day traders make high risk trading decisions based on this kind of noise.**

Not only that, but day traders generally have to make a lot of trades per day to see any sort of decent return for their efforts. This is true because their losses will normally greatly out perform any winners. It’s just the nature of these strategies, large risk for small profits.

The difference between winners and losers is not a small amount; it’s generally a nasty gap. Due to this ‘negative profit ratio’, day traders are required to maintain a very high win rate to keep losing trades from destroying huge chunks of capital.

A losing trade could potentially wipe out the gains from the previous 10 trades. Think about the stress this would induce when a day trader discovers their trade isn’t working out. Closing the trade on early signs of failure will still probably result in a big loss because there is very little margin for error.

Day trading ends up turning into a very emotional, ‘gut instinct’ way to trade. Many day traders who do manage to keep the losses at bay eventually get frustrated with the small progress made in account growth, and decide to ‘up the risk’ in order to speed profit-gaining results.



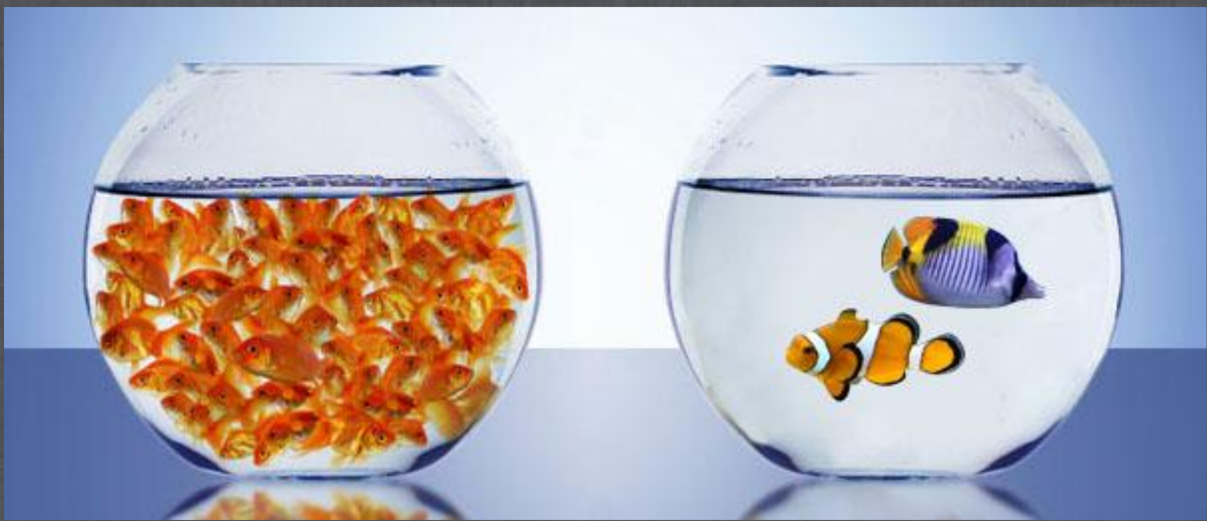
Day trading requires traders to spend hours in front of the computer screen. Who would want to live like this? It’s a very taxing way to trade leading to physical and mental exhaustion. When you’re mentally fatigued, you make poor decisions. It breaks my heart when traders tell me they day trade.

Seriously don’t engage in high frequency trading strategies, no matter how good they sound or how strongly they are being promoted. If you’re after action, go down to the casino and play some blackjack or something. Walking away from the charts a loser makes you feel like crap, walking away from the casino a loser is to be expected right? But at least you had a good time.

</daytrading rant>

The ‘Real’ Value of Pips

“Trading is an exercise in accumulating money” - Mark Douglas



When you hear traders call out “oh, I made 250 pips on a EURUSD short!” Realize that it’s really just an empty statement. 250 pips sounds like a nice trade, but how much did the trader actually risk in the first place to get that return?

What if the trader had a 900 pip stop loss and was running the trade over a period of 5 months? What if the trade actually spent most time in the negative, and the trader kept expanding the stop loss because the market continued to move against the position?

That doesn’t sound like such a good trade anymore, does it? If anything it sounds more like the trader got a lucky break! You’ve got to ask yourself, “What are we trading for?” Money!

So, your trades should be measured in the amount of $ risked, not pips.

Let’s compare two traders: we will call them trader A and B.

Trader A could be risking 30 pips on a trade, while trade B has risked 300 pips. What if I told you trade A has more risk? Trader A with his 30 pip stop could have a position size of 3 full lots. Let’s compare that to trader B who has a position size of 0.1 lots…

	Trader A	**Trader B**
Stop Loss Size	30 pips	300 pips
Position Size	3 Standard Lots	0.1 Standard Lots (1 mini)
EURUSD Pip Value @ 1 Lot	$10	$10
Trade Risk	$900	$300

Just for fun, let’s flip the position sizing around between the traders to see the effects…

	Trader A	**Trader B**
Stop Loss Size	30 pips	300 pips
Position Size	0.1 Standard Lots (1 mini)	3 Standard Lots
EURUSD Pip Value @ 1 Lot	$10	$10
Trade Risk	$30	$9000

Stop loss size is only part of the equation when it comes to trade risk. Your position sizing and the point value of the instrument you’re trading will also have a big effect on trade risk as you can see from the examples above.

Most traders don’t understand position sizing very well and don’t actually know, or accept the risk they are taking on. When it comes down to trade risk, it’s not about the pips, it’s about the money. When I go to sleep at night, I want to feel comfortable in knowing exactly how much risk I have applied to my trades.

I won’t go through the math behind manually calculating position sizing, that’s something we cover in detail in our price action course. A quick solution, use an online lot size calculator like this one…

BabyPips Online Lot Size Calculator

Stop trading blind and calculate your position size correctly!

Don’t Spray & Pray

“It is quality rather than quantity that matters.”

- Lucius Annaeus Seneca

Do you approach Forex trading like a 1930's gangsta, offloading his tommy gun into his rival's favourite hangout?

A massive problem with Forex traders is they take on more than they can handle by opening too many trades at a time. It's this 'spray and pray' mentality where a trader opens an unmanageable amount of trades with the hope some of them work out, and turn a good profit.

'Hope' is not a valid trading strategy by the way…

The logic trap here is that most of the currency movements are correlated. So if a group of trades are taken around the same time, and the market moves against you, then all your trades will probably all fail at once.

This is the typical "shoot first and think later" kind of trading.

Taking on too many trades at one time makes things unmanageable, messy and can be very mentally taxing. On occasions I've seen some 'cowboy traders' open up to50 trades at once. I mean that's just ridiculous.

I have been guilty in the past of having too many trades open, and I know you have too. When things go wrong, you feel like you're aboard the Titanic when it's taking on water. There aren't any lifeboats left and you're already feeling those ice chilling waters.

This is why I adopted the policy of "**Only one trade at a time**".

Seriously try it, it's probably one of the best rules I've put in place. It helps remove the temptation of overtrading and adopting unnecessary risk. You leave the market alone to do its thing and give yourself the breathing space you need between you and your account.

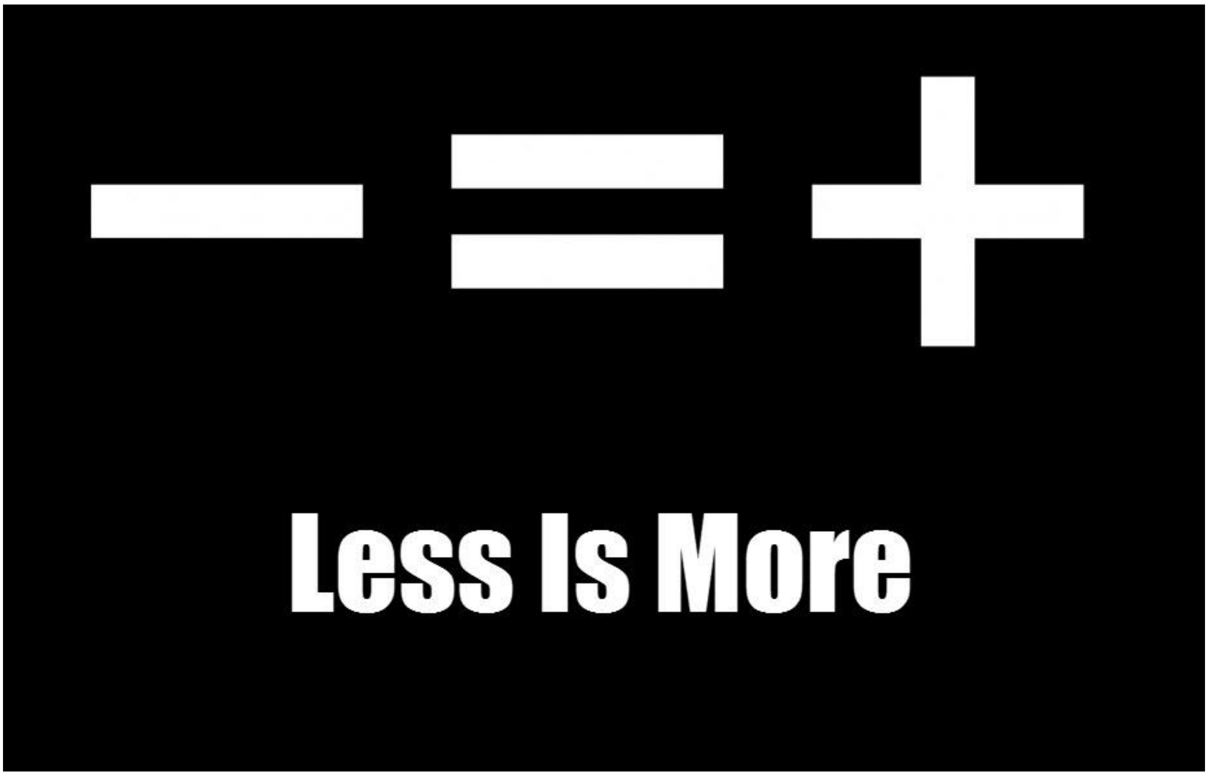
In my experience, the less involved you are with your trading account, the more profitable you are in the end. By only managing one trade at a time, you will find yourself in a better situation than attempting to nail 3 trades simultaneously.

Think about it. If those 'excess', or extra trades you stack up don't work out, they put you a few steps back, even though the intention was to move forward. If the first initial trade you take does hit its target, it's only going to place you at break even. It's a trading paradox that has always come back to bite me in the behind – "The more you push the market, the harder it is to move forward. "

"If only I stuck with just that one trade".

Seriously, how many times have you said that to yourself?

By sticking with just the one trade, you can focus on the higher quality, 'high probability' trade signals.



This advice might not sit well with newer traders who want all the action they can get. Eventually you will see my reasoning after you 'churn and burn' your account with heavy trading activity.

The less involved you are with your trading, the more progress you will see.

20% Work, 80% Results

Work Smarter – Not Harder

If you haven't figured it out yet, I am a lazy trader. I don't like to be very involved with my trading account. Once I place an informed trade, I prefer to let the market do the rest of the work for me.

I don't know why, but many traders seem to love to 'micro manage' their positions. That's got to be the quickest way to suffer from 'trader burnout'.

Have you ever heard of the '80/20 Rule'? It's also known as the 'Pareto Principle'. It's a ratio that states 80% of your results come from 20% of your efforts. Most traders have it the wrong way around – putting in 80% work for 20% results. We need to think on the inverted side of the ratio to make it **20% Work, 80% Results** instead.

Here is a typical scenario of an overworked trader trying to micro manage his/her trades…

> "I've made $300 on this GBPUSD trade, it hasn't hit the target yet but I should take the profit before the market reverses on me"
>
> "But on second thought if this trend keeps going, it could easily be a $3000 winner, even more if I add to my position at this price"
>
> "Hmm, maybe I should just take the trade now because my account is down and I really need to get a win here"
>
> "Maybe if I just move my stop to break even to protect against a loss and let the trade run"
> "I am getting a sell signal on the 15 min charts though… maybe if I short now I can catch a major reversal"
>
> "But the Daily trend is very bullish, I should stay long"
>
> "Maybe I could do some hedging here, I heard that's a good system"
>
> "Oh, GBP news coming out from the Bank of England soon though, it's expected to be bullish"
> "What should I do…. Arrrrggggggghhhhhh"

These examples illustrate the thoughts weighing on the minds of many novice traders. We can all relate to this kind of frustration, trading without any direction, structure or plan in place.

There is no benefit of being over analytical in the markets. The less variables you bring into trading, the better. That's why I like price action trading so much because you only need to worry about what's going on with price on the charts.

Price action is a very 'low maintenance' way to trade. You can deploy 'set and forget' style trade management very easily where you set your trade up and let the market take over from there. Your trade will either hit its target, or be stopped out, no in-betweens.

If you have a full time job, study, or have other commitments, then you don't have time to sit in front of the charts all day. Here are a few suggestions to help you fit trading into a busy lifestyle…

1. Switch to higher timeframes

Higher timeframes, my favourite being the daily time frame, offer a much clearer picture of what's going on in the market. Generally daily trends last a long time and are much more reliable than intraday moves.

Those traders who get caught up in lower time frames waste hours in front of the screen, dealing with low quality signals and market noise. Most of the time lower timeframes look like a mess and are just outright confusing. You need to see the bigger picture.

If you had 1 million dollars to trade with, would you use unreliable timeframes like the 5 min and 15 min chart, or put your trust in the daily and weekly timeframes?

When you work with daily candlesticks, you're working with much more reliable data. A trade signal on the daily chart has many times the value of a trade signal on lower timeframes.

See More: **How End of Day Trading Strategies Can Transform your Life**

2. Check the market only at key times

This suggestion goes hand in hand with using higher timeframes. By using the higher timeframe like the daily chart, you only need to check the market at key times.

We use, 'New York Close' candles which means our daily candle will close when the New York market closes. The New York close data offers a true representation of what happened during the 24 hour Forex session (Sydney Open – New York Close).

We are checking the markets at the New York Close to see *how* the daily candle closed, and *if there are any price action signals we can take advantage of*.

A second, but less important check point, is around the London open. Here we look to see if there are any breakout trap signals that have been generated through the Asian session that could lead to a breakout trap & reverse trade setup.

You really only need to spend about 15 minutes (minimum) per day, analysing the daily chart for price action signals that you can act on.

3. Don't stare at charts

Especially when you have trades open!

If you watch every price tick, you're going to be tempted to intervene on the position. You might be tempted to fiddle with your trade and start with that bad 'micro-management' habit that we spoke of earlier. Whether it's a quick 'stop loss adjustment' here, implement a trailing stop there, or even just an outright early trade closure, you are not sticking to your plan.

You need to remain emotionally disconnected from trading, and it's going to be very difficult to do that if you're starting at the screen anticipating every tick.

If you can't control yourself, don't put yourself in a position where you are vulnerable to 'self-sabotage'. Place your trade, step away from the charts and go enjoy your day.

Attention Ratio

"A man with a watch knows what time it is.
A man with two watches is never sure."

-Segal's Law

How many variables do you take into consideration when placing a trade?

We walked through a typical scenario earlier where a trader essentially drowns in data and doesn't know what to do with an open position. With so many variables influencing price movements, it's easy for your charts to get out of control.

You've got the economic calendar which the 'news traders' watch like a hawk, the underlying financial and political fundamentals affecting the markets, new Forex robots popping up every day, not to mention Forex 'analysts' offering different opinions.

Then there are the price charts…

1000's of indicators to choose from, Fibonacci levels, pivot levels, support and resistance, various types of chart formats… need I go on?

Where does it stop?

It's easy to get lost with the amount of information and data available to traders. It's very easy for traders to over complicate their trading quickly, and lose themselves in their own trading environment. This is why it's important to only focus your attention on the a few important details only and be as minimalistic as possible.

This is why I became a price action trader. Price action strategies focus strictly on the candlesticks, support and resistance levels, and we utilize two EMA's for mean value analysis. I don't need to worry about the news or what the Stochastic indicator is doing.

'Price action' is regarded as the king of all trading methodologies. Why? Because most technical trading systems are derived from the price action itself. By using price action you can cut out the middle man so to speak and identify **high probability**, **low risk** trading signals by focusing straight on the price action.

Generally all the variables like the news, fundamentals and sentiment of the market are already factored into price anyway. *By looking at a price chart you're already peering into the collected thoughts of all the market participants*.

Price Action – The one method that rules over all

If you get a good understanding of price action trading you will see the markets in a whole new light. You can work from clean price charts and keep your attention focused on the important details only. Every trader will benefit from a good understanding of price action.

Why I Hate Indicators So Much

"There is no point in watering a dead flower"

- *Dean Steed*

Indicators are very popular, you see them on most trader's charts in popular Forex forums right through to the 'big shot' market analyst's chart. Despite their insane popularity, I have no time for them, and I never have. From the very point of inception with my own Forex trading, I never liked the idea of Indicators!

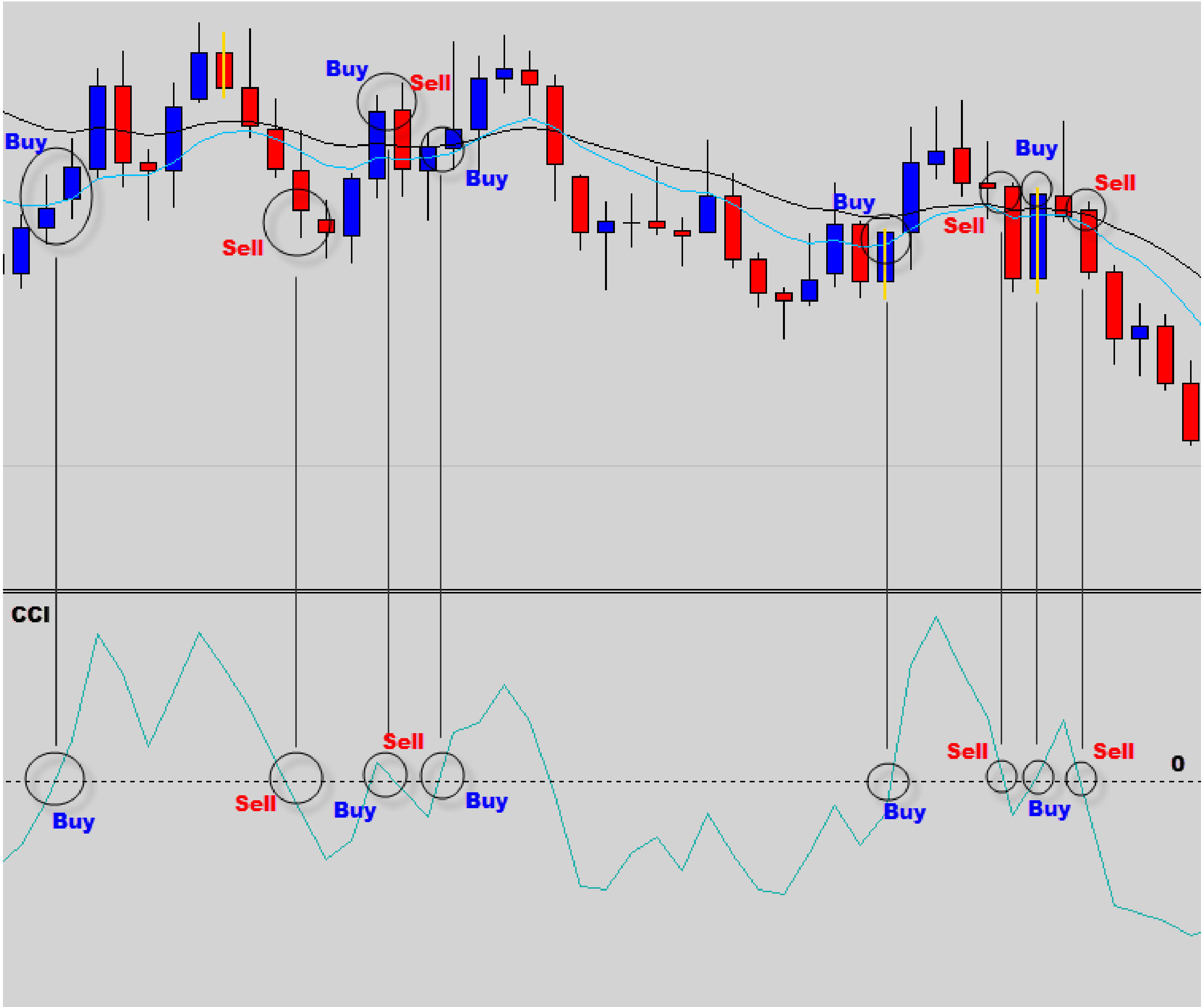
Here are a few reasons why I have no time for Indicators…

1. Indicators generate horrible trade signals

Honestly, for an indicator to function correctly and generate good trade signals, the market conditions need to be perfectly suitable for that specific indicator.

If you relied on one indicator, it would generate some OK signals, but then give all the profits straight back to the market as soon as market conditions shifted. Some traders will work with 'indicator stacks' to try get multiple indicators to come to a common consensus on buy or sell signals.

It sounds good, but adding indicators to filter out the flaws from other indicators only compounds the problem. Indicators will only generally line up after long extended price movements, by that time the move is probably over anyway.



Above is the popular CCI indicator generating poor trade signals.

2. Indicators are actually very basic

Traders will often look at indicators as a 'black box' that contains some highly complex mathematical algorithm that will give them a really good edge in the market.

In our 'Indicator Autopsy' series, we open up common indicators and explain how they work. You may be in for a shock; they are actually quite simple in nature.

Most of the common indicators you find in your charting package are nothing more than a play on moving averages and price action data points, like swing highs and lows.

Some Indicators will actually use the output of other indicators and blend them in with a barrage of moving averages.

I am sorry to break the hearts of all the indicator lovers out there, but I can't see any 'edge' in using them. All they do is obstruct the most valuable thing on your charts, and that's price itself.

The chart above demonstrates the Stochastic generating 'buy' signals through a strong bear market.

3. Indicators are slow to respond to market moves

Indicators react *slowly* to price movements. Sometimes even so badly that an entire price move could be over, and the indicator will only have just begun to generate a 'buy' or 'sell' signal. It's like arriving to the party after everyone else has gone home.

As we discussed in the previous point, this is mostly due to the fact that the inner workings of most indicators revolve around slow averaging calculations (sometimes, even a moving average on top of moving average, on top of another moving average).

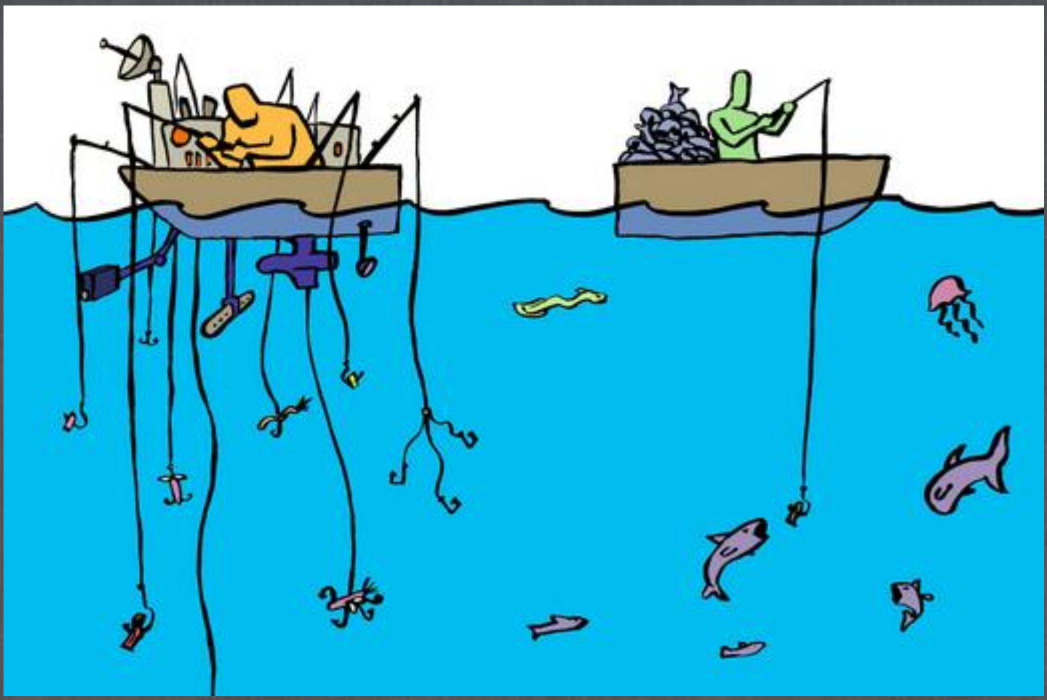
Indicators do this to help prevent 'false signals' from being generated by sharp moves in the markets, like news spikes. It does its job effectively, but unfortunately to get a signal the market has to move up do down for a long term before the indicator responds with a buy or sell signal.

Clean up your chart template, ditch the indicators and learn how to 'read the charts' by focusing on a strategy like price action trading.

What is Price Action Trading?

"Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime"

- *Maimonides*



We've been referring to price action trading quite a lot, but what is it exactly? - Only the most popular/powerful trading methodology used in the markets today.

Price Action Trading is the skill of being able to look at a plain price chart and make confident, logical and rational trading decisions. It's the art of reading simple candlestick charts and then being able to identify patterns which you can use to anticipate future price movements with a high degree of accuracy.

The real truth is; many traders only start to see progress after they learn how to trade strictly with price itself.

This is the chart of an uneducated Forex trader…

This trader probably thinks he is very smart, and from a newbie looking outside that may appear to be the case for them also. But the reality is this chart is filled with useless indicators that have added a lot of 'noise', creating a bad trading environment.

It's beyond me how any trader can work with this sort of chart. It might look 'cool' at first, and seem really 'advanced', but all this really does is to create a stressful, confusing trading environment which would eventually drive any trader insane.

The beauty of price action is you don't have to deal with all these confusing indicators, Fibonacci levels or pivot points. Just by looking at price action you can make low risk, high probability trading decisions without the stress.

Take a look at the chart below…

This is the clean price template that I use for my price action trading, and believe me it's all you need. What I'm pointing out in the chart above, is a bearish short opportunity on the EURUSD market.

The 'mean' is simply the zone created by two EMAs; the 10 and 20. Nothing else is needed as far as indicators are concerned. It really doesn't get any simpler than that now does it? And believe me when I tell you, that's all you need.

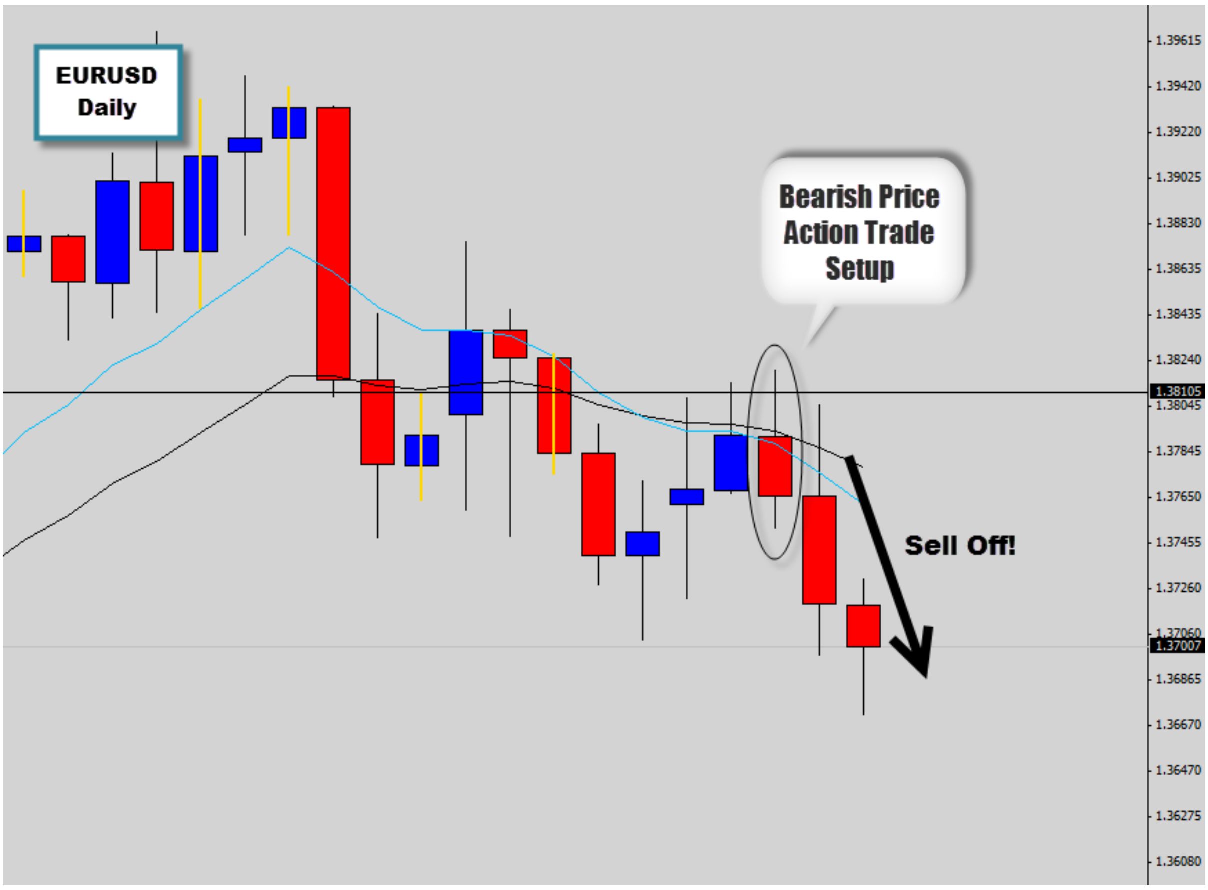
I've identified this trading opportunity by using 4 non correlated variables.

- Market Momentum
- A resistance level
- Mean value analysis
- A bearish candlestick reversal pattern

It's easy to identify that the market is moving downwards because we're getting that nice 'lower highs, lower lows' stepping down pattern.

The resistance level is obvious and was quickly identified on the chart. The mean value analysis helps us establish a bearish bias because the market is trading on the negative side of the mean value.

Finally the large bearish rejection candle brings the setup into focus nicely, and is our 'trigger' to go short. The rejection candle shows us that price tried to move up into the resistance level, but the rally was rejected and the market ended up closing much lower than its open price. This is a very common price action trade setup that brings great trading opportunities.



As anticipated, the market did sell off the next few trading days and drove the setup into deep profit quickly. The beauty of trading with price action is you're working with the raw price movements of the market.

You can actually 'see' what's really going on in real-time, allowing you to pull the trigger with confidence. The greater your confidence, the easier it is to execute your trades.

Gaining an Edge with Price Action Trading

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

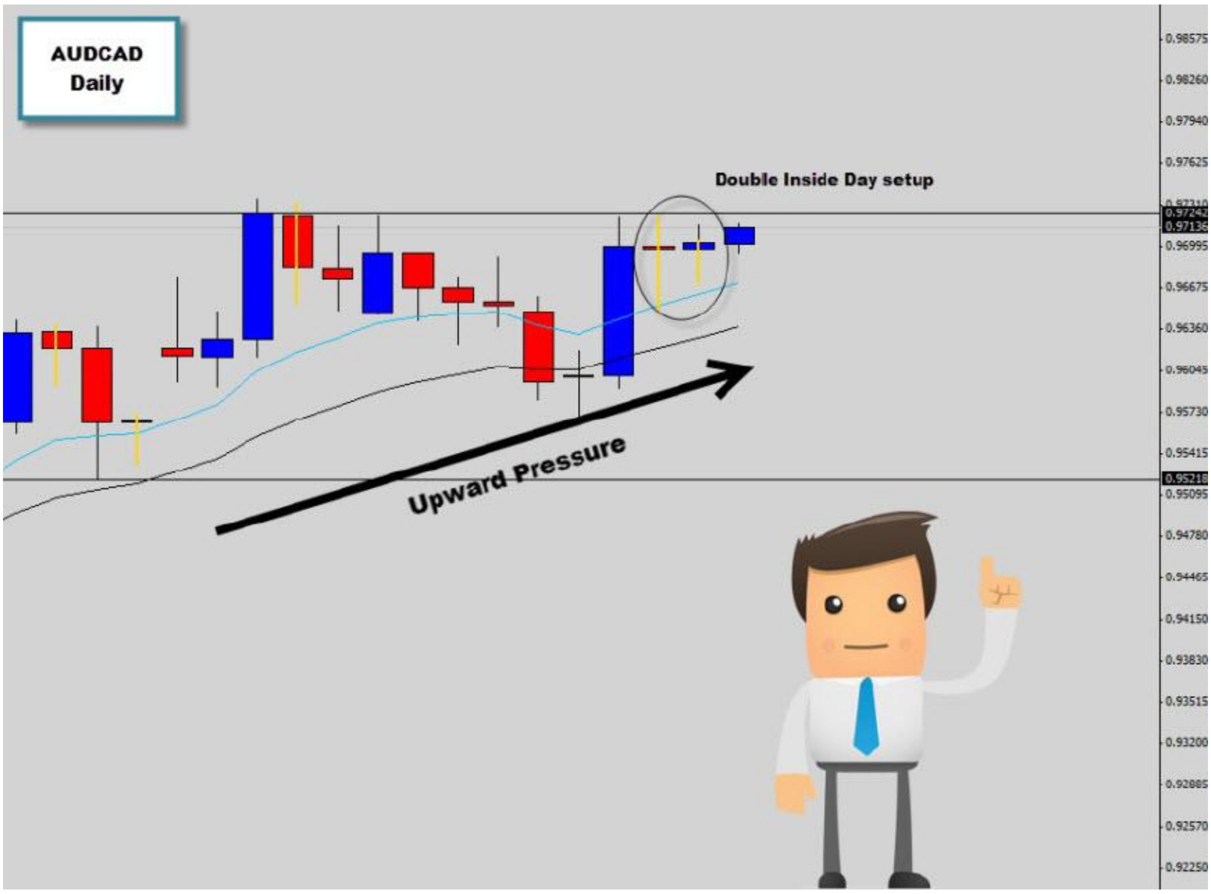
- Charles Darwin

One of the key reasons price action trading is so effective, is because it's simple. Despite popular belief; you don't need complicated mathematical models to gain an edge over other traders. The technical side of trading should remain simple, logical and straight forward.

The extra 'bells and whistles' on your chart will not give you a better or more consistent market analysis. In fact, it will do quite the opposite because these extra variables like indicators and 'magic trading tools' will often conflict not only with one another, but with your own personal analysis. This is how traders become 'unhinged' mentally and emotionally and eventually spiral out of control.

When you trade with price action, you're focusing on what the market is doing 'NOW' in relation to what happened in the past. There is a 'flock' mentality in the markets which caused the market to behave the same way in certain situations.

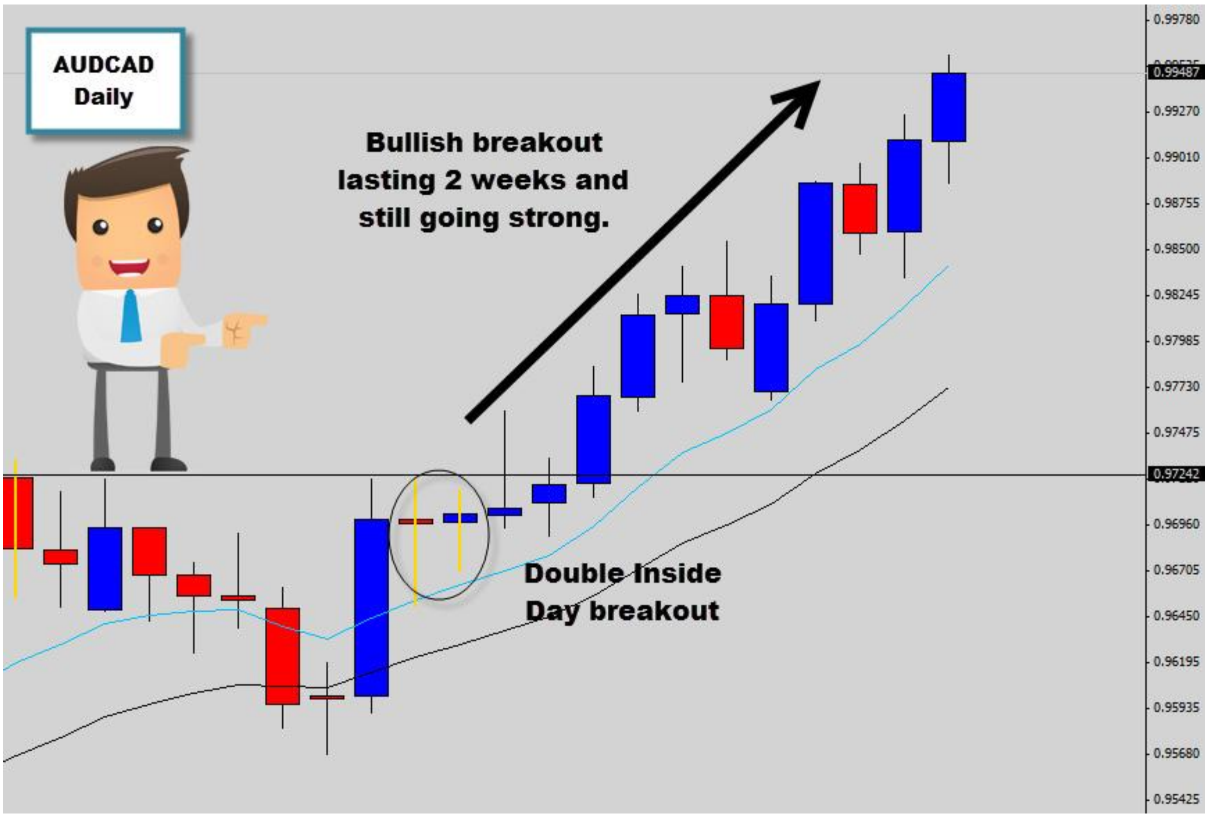
The repetitive behaviour of the market creates price patterns that continue to form time and time again, which continuously produce the same outcome. So, you can use these price action signals to identify low risk/high reward trade signals, which can position you into the market ahead of a large move, before it actually happens. You can't beat that. Let me show you what I mean in the trade example below…



The AUDCAD daily chart produced a 'double inside day' setup. An inside day is a candle which has a trading range that's 'inside' the previous candle's range. A double inside day setup is where you get an inside day within an inside day.

This is a price action pattern that occurs time and time again in the market, and they always produce the same result – a very powerful breakout. Some simple market analysis tells us the trend is clearly up here, so we're only interested in trading breakout that occur on the high side, because this lines up nicely with the core market momentum.

Have a look what happened…



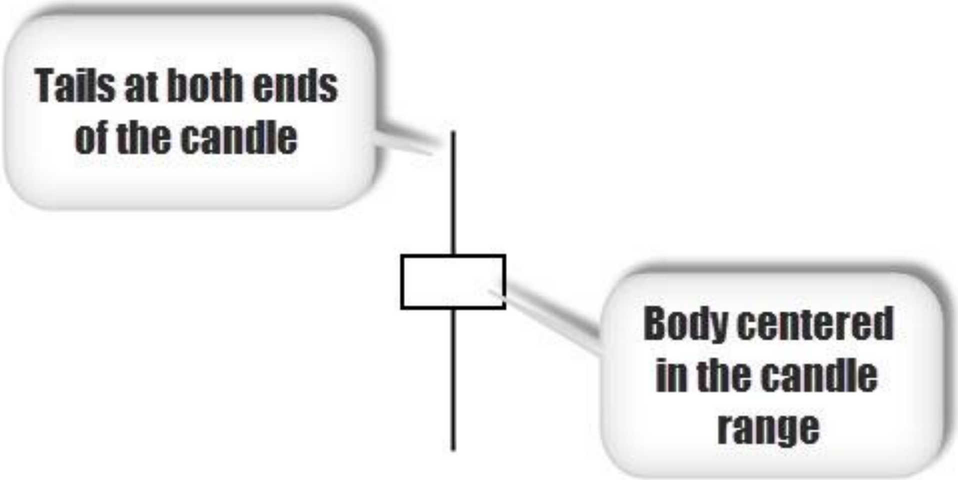
As expected a breakout did occur to the high side and you can see how powerful the move was. This is very typical of a double inside day breakout trade; you can go back through your charts and see how explosive these setups are.

The best part about this trade is that it was easy. It was simple to identify, and I could define my risk easily and confidently enter the trade. You don't have to worry about sitting in front of the computer for hours to monitor the trader either, this is one of those trade setups where you can set up the trade and walk away.

The Indecision Candle

The calm before the storm

The Indecision Candle is often referred to as a 'Doji' or a 'Spinning Top'. Let me show you what an Indecision candle actually looks like on a price chart.



It's a very simple and easy pattern to identify, and it's really simple to trade. Just a word of caution, the Indecision candle alone is not a good enough reason to pull the trigger. You need to line these guys up with major turning points in the market, like strong support/resistance levels or strong trend lines.

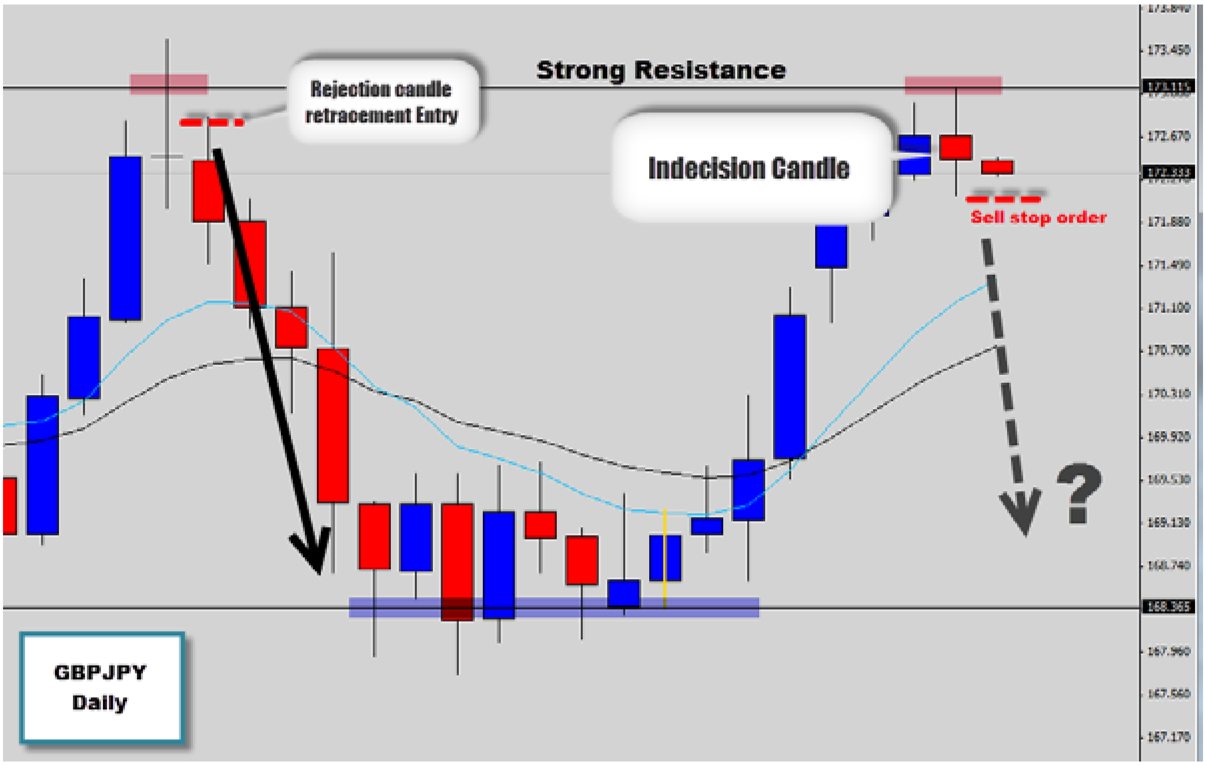
The Indecision candle is communicating to you that the market has lost momentum and fallen into consolidation, while price churns around heavily from lots of orders entering the market.

Generally what follows consolidation periods are strong breakouts, and that's what Indecision Candles are great for, getting you into those breakouts before the actual move takes place.

If an Indecision candle forms at a strong support or resistance level, and you can anticipate a reversal, then you can 'catch' the breakout out of these patterns. All you have to do is set a buy stop, or sell stop order a few points above the high, or below the low of the indecision setup.

Stop losses should be placed on the opposite side of the Indecision Candle, so you cover the full risk of the setup.

Some of our War Room traders will place their stop loss above the high/low of the current trading day to tighten up the stop. This play is a little bit riskier, but it will almost double the reward potential of the setup.



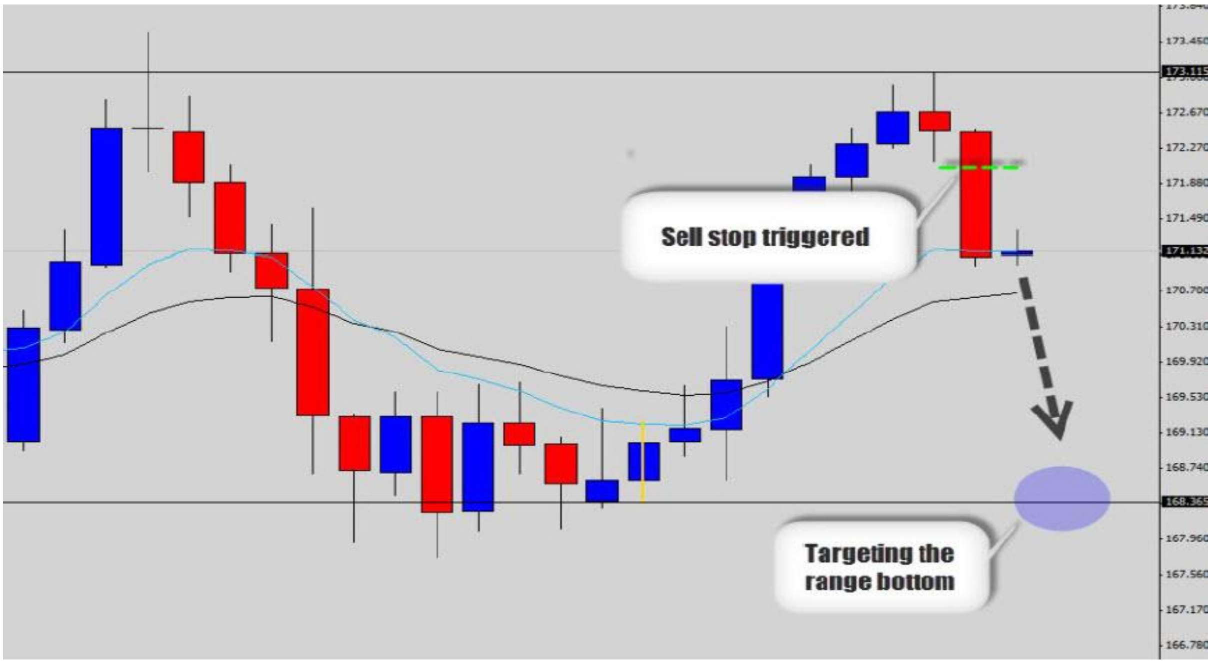
On the GBPJPY chart above, we can quickly identify range bound conditions on the daily chart.

We've seen aggressive bouncing between the two containment levels of the range, creating nice follow through price movements.

One of those moves developed from a bearish rejection candle setup, which is another one of our price action trade setups which formed the previous time the range resistance was tested. The setup did prompt a nice sell off from the market, driving the trade into nice profit.

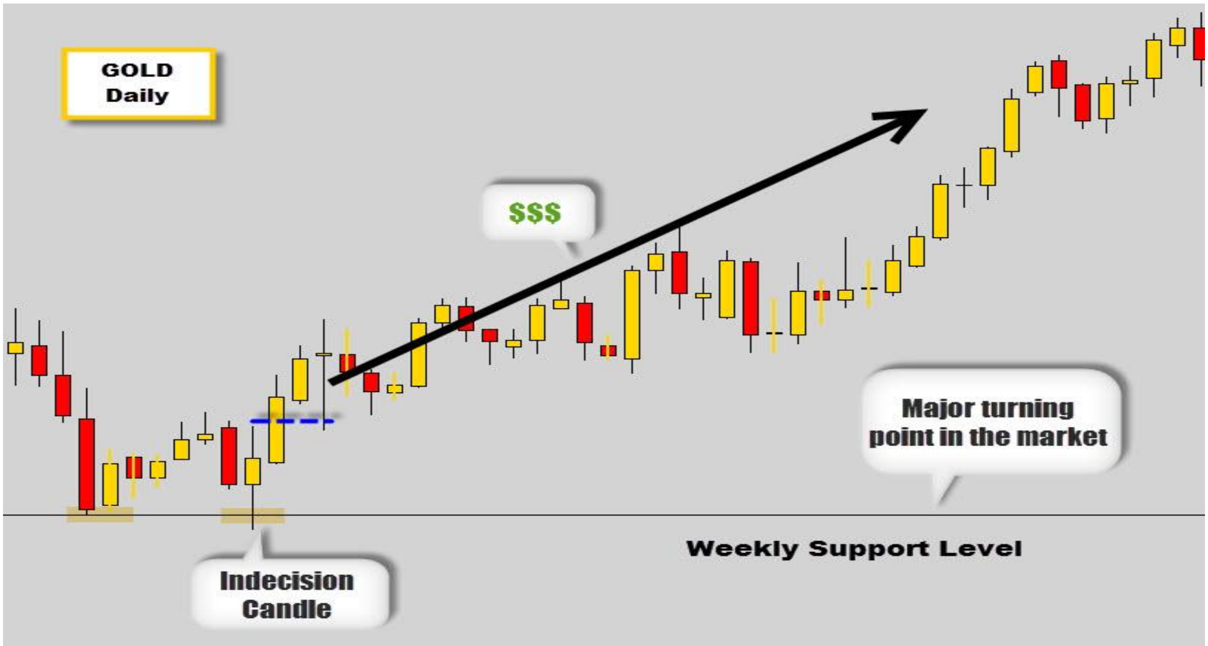
The range top has been tested again where price stalled and printed an Indecision Candle. The close of the day was lower than the open, giving the indecision candle a bearish tone.

This helps us build extra value into the trade because we're looking to go short here in anticipation of a reversal off the range top. Placing a sell stop below the low is used to trigger short positions, looking to target the range bottom as a potential profit level.



The Indecision Candle helped us catch a breakout before it actually happened.

One of the advantages of trading with price action like this, is you can position yourself into moves before they even take place. No need to sit there and watch the trading screen all day waiting for something to happen.



The example above demonstrates a bullish Indecision Candle setup on the Gold market. The Indecision Candle formed at a major turning point, the weekly support level, and had a bullish close in its body (the close price was higher than the open).

As you can see, using a buy stop order above the high of the candle would have caught a breakout that lasted for weeks. It just goes to show how powerful this simple setup can be when you line them up with key reversal points in the market.

Conclusion

The secret of getting ahead –

is getting started

Picking a trading system is one of the most daunting tasks for any trader; you need a system you can really put your faith into. If you don't have faith in your trading system, you won't follow it, and you'll just trade randomly.

Be careful of public trading forums and getting sucked into looking at lots of different trading strategies, which in my experience is very counterproductive.

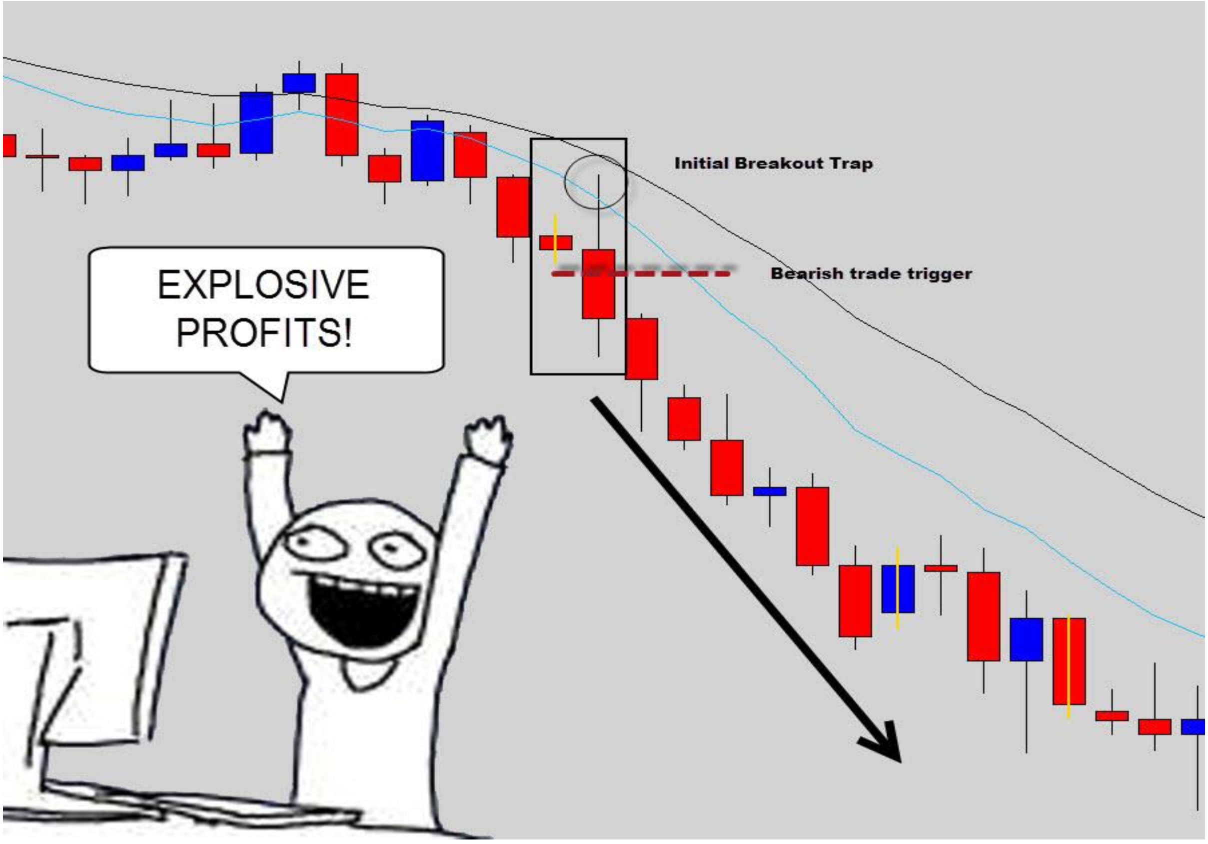
The focus of any good trading system should be how it derives trading signals. It should be based on logic you understand; there is no point trading a system that confuses you and leaves you with no clue as to why you're buying or selling.

This is why I am such a passionate believer in price action trading. I have been a price action trader for the last seven years. Discovering price action trading changed my life, and I believe it can change yours as well.

If you find yourself completely lost and getting mixed up with all these confusing trading systems that really get you nowhere, or if you look at a price chart and you struggle to make sense of what appears to be a chaotic and 'random' market environment, then price action trading will definitely be the answer you've been looking for.

I hope this eBook has inspired you to consider making the switch to an indicator free, uncomplicated, logical trading methodology.

If you would like to learn more about price action trading then feel free to stop by and check out our Forex trading articles and videos on TheForexGuy.



All the best on the charts - Dale