

# Forex Gain Formula

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*[www.ForexWinners.Net](http://www.ForexWinners.Net)*

# Introduction

Forex trading began in the 1970s when the major currencies were deregulated so that their values were no longer fixed. The banks and large investors quickly saw the potential for making money from the changing prices.

The main forex marketplaces are the big financial centers of the world. London sees the highest activity with New York second and Tokyo third. Other major players are Sydney, Zurich and Frankfurt.

Originally you had to be in one of those places to trade money, or at least have a telephone connection with a broker who was there. It was very difficult for somebody who was not on the spot to act fast enough to react to the sudden fluctuations in price that can happen in the forex markets.

But modern advances in technology have changed all of that. Since the rise of the internet it has been possible to trade on your own account from anywhere. This means that it has become easier and easier for the little guy to get a piece of the action.

While some people never think about foreign currency from one overseas trip to the next, others are studying charts and financial information or even using automated software in the form of forex robots to make money from the rising and falling prices with the aim of becoming financially free by trading on the foreign exchange markets.

Being a forex or foreign exchange trader no longer means you have to work for a bank in one of the world's financial centers. These days you can trade on your own behalf, from anywhere.

Since the rise of the internet many people are doing this from their own

homes, making money in their spare time or even making a full time income. But what is forex trading and how does it work?

A foreign exchange trader deals in currencies. He or she will sell one

currency that seems to be falling in value, to buy another that seems to be rising. There are always two currencies involved in a trade (a currency pair) because when you want to buy dollars you have to have another currency to exchange for them.

In the beginning it is best to be involved with just one currency pair. Most people start out trading in the EUR/USD market, that is the euro against the US dollar. This is the biggest forex market. There is plenty of information available for this market and it tends to have lower costs and be relatively stable.

Nevertheless forex is a very volatile market. This means that the prices can rise and fall steeply and quickly. The risk is high. It is easy to lose money. In fact, some losses are inevitable, so you should manage your account so that you never risk too much on one trade. You can use stop losses so that your broker will automatically sell if the price goes a certain way against you. The aim is not to have no losses, but to make sure that your profits are higher than your losses so that you end up with a net gain.

You will need access to a computer with a high speed internet connection any time that you want to trade. Unless you use a robot to control your currency trading, you will also need time where you can concentrate on learning a profitable system and then on trading itself. You pretty much need to be able to lock yourself away in a room to do this, at least for a couple hours a day. It is no good trying to trade from your desk at your day job with your boss interrupting you, or using a computer in the family den with kids climbing on your knees wanting to play games. You must be fully concentrated on the movements in the market or you could miss the right moment to either open or close a trade.

If you are a cautious person who likes a solid investment with predictable low returns, you should not become a currency trader. Forex traders are people who enjoy risk and love the challenge of trying to turn a profit in a

fast moving market.

It helps if you are strongly focused on your goals and not easily swayed by emotion. It is important not to let fears of losses or dreams of huge wealth divert you from your strategy. You also need to stay aware of financial news, not only in your own country but in all of the major world powers, because this will affect the forex markets. With these characteristics and a good trading system in place, a foreign exchange trader can reap substantial gains from his or her investment.

With so many Forex brokerage houses on the net, it is usually very easy to find a full featured Forex broker. Finding a Forex broker is an important start to successfully trade in the foreign currency markets.

Many people choose to invest and trade in the Forex markets because it is very easy to get started. Many Forex brokerages require a small minimum investment, usually about \$250. With this small investment, you can leverage your money to invest in the market by up to 200 times in certain situations.

Finding a Forex broker is also important because each broker's tools and resources are different. You might find that a Forex broker has great resources and information to analyze and spot trends in currency trading. Finding a Forex broker is also important because you can pick and choose which software platform to use to make trades. You might experience that some brokers have awkward software platforms that can be difficult to understand or to execute a trade on. Doing important research in the beginning can help you find the right Forex broker to facilitate your trades and research.

Another great tip when finding a Forex broker is to see if the broker offers

simulation trading. Simulation trading is a great way to use the broker's software and tools in real time without wagering real money. So if you are interested in investing and trading in the foreign currency market, look at

different Forex brokers for the best software, information and resources. Doing lots of research on brokers will help finding the right Forex broker to fit your needs.

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## Trading Hours

The forex market hours stretch from Monday morning in Sydney, Australia to Friday afternoon in New York. During that time the market is open somewhere around the globe at all hours of the day or night.

However it is not a 24/7 market because it does shut down on weekends. 24/5 would be more accurate.

If you need to know the exact times that the markets open and close, you have to take time zones into consideration. It is very simple when expressed in UTC. This is Universal Coordinated Time, formerly known as Greenwich Mean Time. This is the standard (winter) time in Greenwich, London which is the point of zero longitude on the globe.

So, the normal forex market hours are 22.00 Sunday UTC to 22.00 Friday UTC. This is 10 pm in the UK in winter time.

New York is 5 hours behind the UK so the global forex market opens and closes at 5 pm Sunday/Friday in New York, 2 pm on the US west coast, 11 pm in Germany, 8 am Monday/Saturday in Sydney.

Things get a little complicated when you start to try to take summer time daylight saving into account. This makes one hour difference in countries that observe it. But daylight saving operates in a different way in the southern hemisphere countries such as Australia which have summer time from September to March instead of March to September.



The hours of the different major national markets are as follows:

Sydney: 10 pm to 7 am UTC

Tokyo: 12 midnight to 9 am UTC

London: 8 am to 5 pm UTC

New York: 1 pm to 10 pm UTC

Or we can express that in EST (Eastern US time):

Sydney: 5 pm to 2 am EST

Tokyo: 7 pm to 4 am EST

London: 3 am to 12 noon EST

New York: 8 am to 5 pm EST

You can see that these correspond to 24 hour cover.

However, this does not necessarily mean that trading will be good at all of these times. Just after a major market opens, the prices can be very volatile and unpredictable. Many traders will stay out of the forex market for up to an hour four times a day when the financial markets are waking up in these major cities.

The US dollar is the most traded currency by a long way, involved in 2.5 times as many trades as its nearest rival the euro. This means that events in the USA have a greater impact on the financial markets than events in other countries. The New York market tends to slow down around 3 pm local time (8 pm UTC) and if you are involved in a US dollar pair, this can be a good time to stop trading for the day.

So theoretically you can trade 24 hours a day from Sunday night to Friday night. Automated software in the form of a forex robot can even make this physically possible. However, a cautious trader will choose his times and will not be active during all of the forex market hours.

## **About The System**

Forex Gain Formula is a manual trading strategy that you can use to generate profits from forex market every month.

It was designed to be very simple and very powerful at the same time. And unlike most trading systems all over the market, this system is tested for a long time and proved to be profitable even in the worst market conditions. The reason for that, is that was designed based on the most powerful trading methods like trend following and wave trading.

At the same time, the system was meant to be very simple. You don't have to be an experienced trader to be able to use it. In fact, even if you have no trading experience at all you would still make a lot of money from it just like pro traders.

There are many people that sign up to trade Forex that don't understand or take the time to learn how and why to trade Forex. There are many risks involved in trading any kind of asset, whether it is stocks, bonds or currencies. If you are interested in trading, make sure you understand Forex risks.

One of the biggest Forex risks is a leveraged buy. Some Forex brokerages allow you to hold a certain amount of money in your account but leverage that amount to up to 200 times its worth. While this can be good if you are on the winning side of a trade, this can be devastating if you lose your entire accounts worth plus many times more.

So please, before you start trading .. make sure that you understand and apply money management rules. No matter how powerful the trading system is, without money management .. it will become a time bomb!

# System installation

If you already have MetaTrader 4 installed, place the following files:

Indicators goes:

into **C:/Program Files/xxxxx/experts/indicators**, where **xxxxx** is the name of your MT4.

***For example***, the MT4 from FxPro is called **FxPro - MetaTrader**, and the complete

Template goes:

into **C:/Program Files/xxxxx/templates**, where **xxxxx** is the name of your MT4.

After finished restart you MT4 platform for changes to apply.

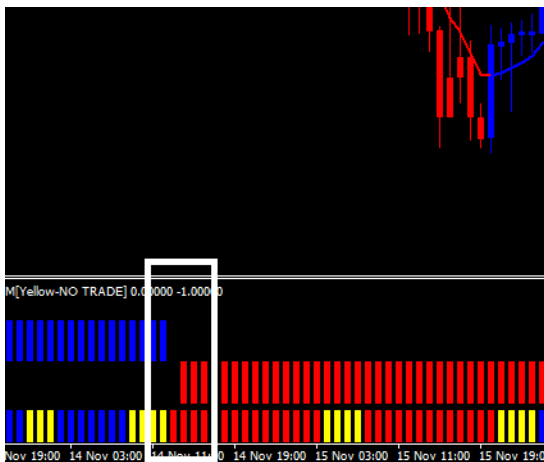
# System Rules

## Go short:

1. Red candle bar closes below FGF\_35SMA low line (you will receive alert)



2. FGF\_BURDYS and FGF\_FBURD indicators draw red bar.



## Go Long:

1. Blue candle bar closes above FGF\_35SMA high line (you will receive alert)
2. FGF\_BURDYS and FGF\_FBURD indicators draw blue bar.

## Exit rules:

Exit trade when indicators turns against your trade direction. Trailing stop could be applied, stop loss for it depends on timeframe.

Stop loss should be placed at previous low or high.

Recommendation not to risk more than 2% of your initial capital per trade.

## Trade examples:



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# Getting Emotional

Getting emotional in the stock market is the worst thing that can happen to investors. The same goes for Forex traders as well. Seeing paper losses in everyday trade is pretty common.

Once to take a decision to buy something and make losses, you still hold on even if situations turn from bad to worse, only because you feel that things might turn back in your favor once again. The main problem here is that, the decision to stick to a losing trade for a long time is an emotional one, since you are in no mood to accept a loss and get out of the trade.

Forex market is largely influenced by the general market and you must always trade on what the indications based on the market are, and not just initiate one since your heart tells you to. At times, you might be so emotionally attached to a given currency in the Forex market, that most of your exposure to the Forex market would be in that particular currency. Nothing wrong with it, as if you have reasonable grounds to believe that the currency will do well, then you will actually profit from the exchange. The 'wrong' thing is opening up a trade in a currency just because your heart tells you to.

In the case, if you strongly feel about any given currency, then it's better to check the reality by having the look at what the market is indicating. That will give you a clear picture of whether or not you should trade in that currency.

The basic thing that is needed to be remembered is that once you have initiated a trade, and are incurring paper losses, and by all indications, things are likely to get even worse for you, then it is much better to book losses and come out of it rather than sticking to it till a time you ultimately

are able to see some gains from it. Remember, the markets have little room for emotions.

Forex trading is not a win-win situation. Be prepared to lose on some trades as well. That's the precise manner in which the market works. It is not really a question of whether you are right or not, the fact remains that markets move in an unexpected way and they have a knack of surprising people when they least expect it. All the fundamentals and even experience may be thrown into the air when the markets decide to do something.

So just follow the indications that the market gives you. If you feel that after initiating a trade, things are not going the way you had foreseen, book your losses and get out of it. You can invest the amount in some other trade and make good gains rather than sticking to your losing trade.

It is difficult for Forex traders to realize that the currency market is

different from what the others are. Traders caught in a open position which their favorite tool is telling them to hold, will often do so, despite the fact that other tools are telling them to close and get off the market, and end up losing money.

The basic problem, of course, is that the trader is not looking at the market as is, but through the lenses of his own expectations about it and further using his favorite indicator to reinforce those ideas instead of looking at the

bigger picture. And, encouraged by the fact that his chosen indicator is forecasting the profit he wants, the trader is focusing more on money than on the market.

If the Forex market was not unpredictable, it would collapse because all traders would profit all the time. There are many tools that can help traders predict the direction of the market and they usually do an efficient job. But even in the hands of the most experienced traders, the best tools occasionally fail to predict the market's movements correctly.

Losing in trade because of predicting the market wrongly is an innate part of Forex trading and traders need to accept it. Besides, they need to learn to avoid getting in a position where they do not have many choices.

For this, the trader needs to accept the fact that the foreign exchange market pretty much has a mind of its own and the traders have to follow its movements instead of trying to make it go in the direction they want it to!

Thank you and

Good luck

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