

HOW TO TRADE FOREX AND CURRENCY MARKETS

*A Beginner's Guide to Professional Forex
Trading*

*Understanding the Psychology and
Strategies of Big Banks and Institutions*

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Forex Trader at Bear Bull Traders

Preface by Andrew Aziz

Author of "How to Day Trade for a Living"

CHAPTER 2: FOREX TRADING

Basics and Nomenclature

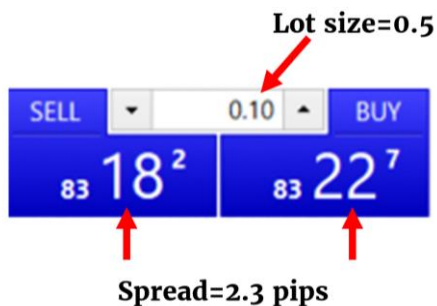


Figure 1. Spread and lot size

Your personal info **Bank statement copy etc.**

1. Create Account 2. About You 3. Status and Experience 4. Finish

Personal Information All fields required unless noted

Country Of Residency:

Title:

First name (legal name listed on your government ID):

Middle Initial (optional):

Surname:

Email Address:

Verify Email Address:

Home Phone:

Mobile Phone (optional):

Account Type:

Base Currency:

My account will be managed by a third party.

Set Account Credentials

Create Username:

Create Password:

8 character minimum (must contain letters and numbers).

Verify Password:

Security Question:

Answer:

Verify Answer:

Figure 2. Example of live account setup

Open an Account ? X

Trading Servers
Select a more suitable trading server:

(A)

Address	Company	Ping
🔗 OANDA-v20 Live	OANDA Corporation	76.84 ms
🔗 OANDA-v20 Practice-1	OANDA Corporation	71.27 ms
🔗 OANDA-v20 Practice-2	OANDA Corporation	70.04 ms
🔗 PCForex-Demo	PowerCapital Forex Management Limited	187.41 ms
🔗 PCForex-Live	PowerCapital Forex Management Limited	155.81 ms
🔗 WorldForex-Demo	World Forex Corp.	155.57 ms
🔗 WorldForex-Live	World Forex Corp.	157.80 ms

Search your broker name here and find proper server

Next > Cancel

Open an Account ? X

Select account type
To start working an account is required:

(B)

To start working, you need a valid trade account. If you don't have it, you can create a demo or real account by selecting the corresponding option below and pressing 'Next':

Existing trade account **← If already opened account**

Login:

Password: Save password

Server: FOREX.com(Global-Demo(R))

New demo account **← If want to open new demo**

New real account

< Back Next > Cancel

Open an Account ? X

Personal details
To open an account, please fill out all the following fields:

(C)

Name:

E-Mail:

Phone: +1

Account type:

Deposit: USD **← Enter a reasonable number**

Leverage:

I agree to subscribe to your newsletters

< Back Next > Cancel

Open an Account ? X

Registration
Wait a little, please

(D)

Name:

Account Type:

Deposit:

Server:

Login:

Password: **← Your account number and password here**

Investor: (read only password)

Please keep your username and passwords in a safe place.

< Back Finish Cancel

Figure 3. Steps for start a demo or real MT4 account

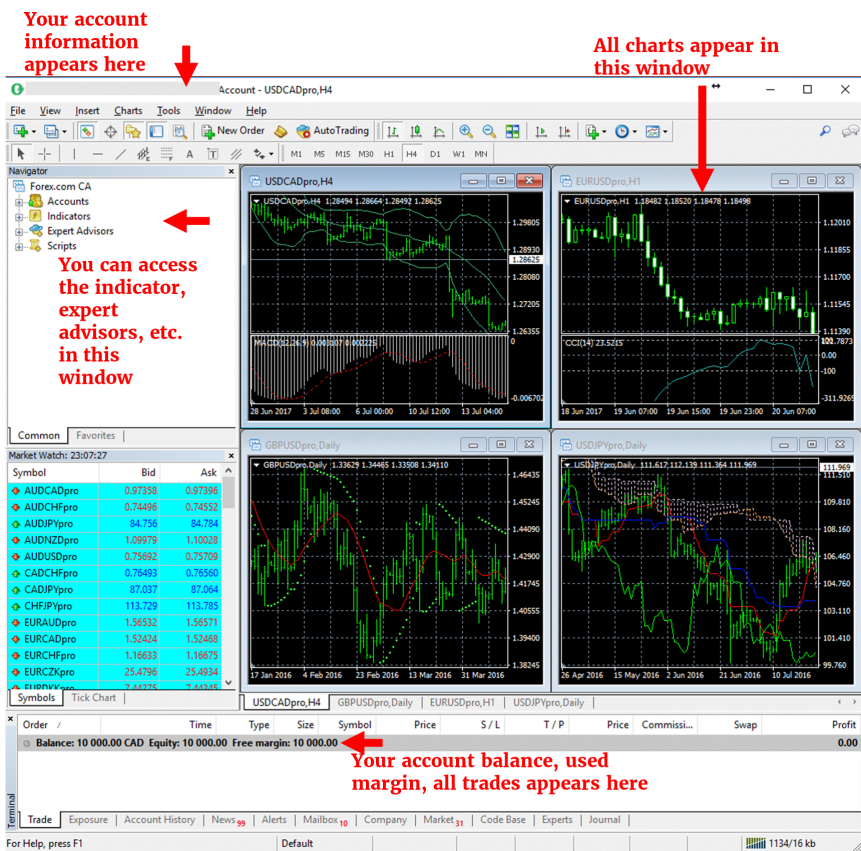


Figure 4. First look at the MT4 platform

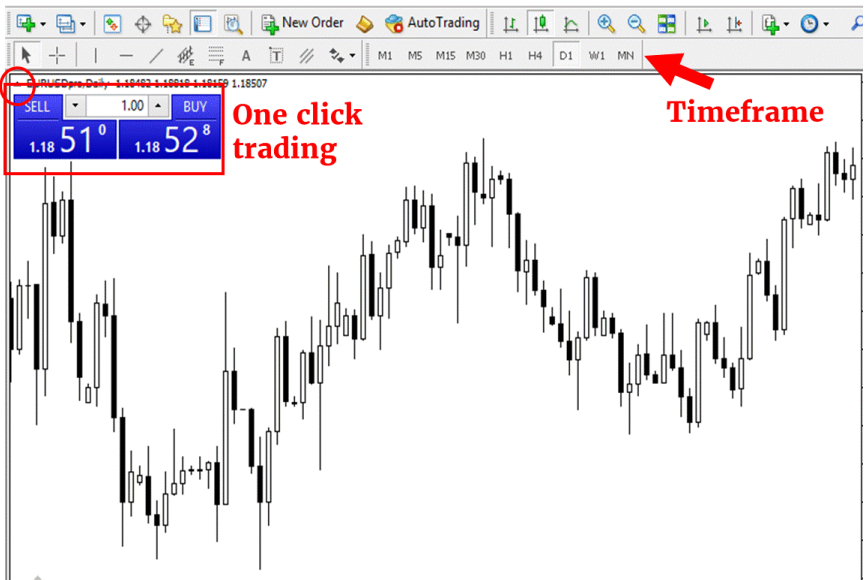
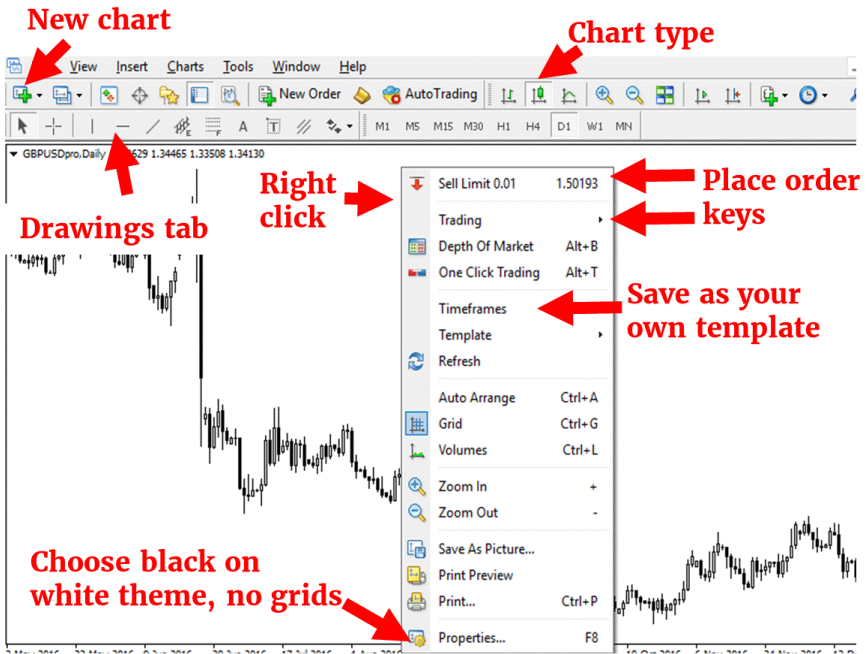
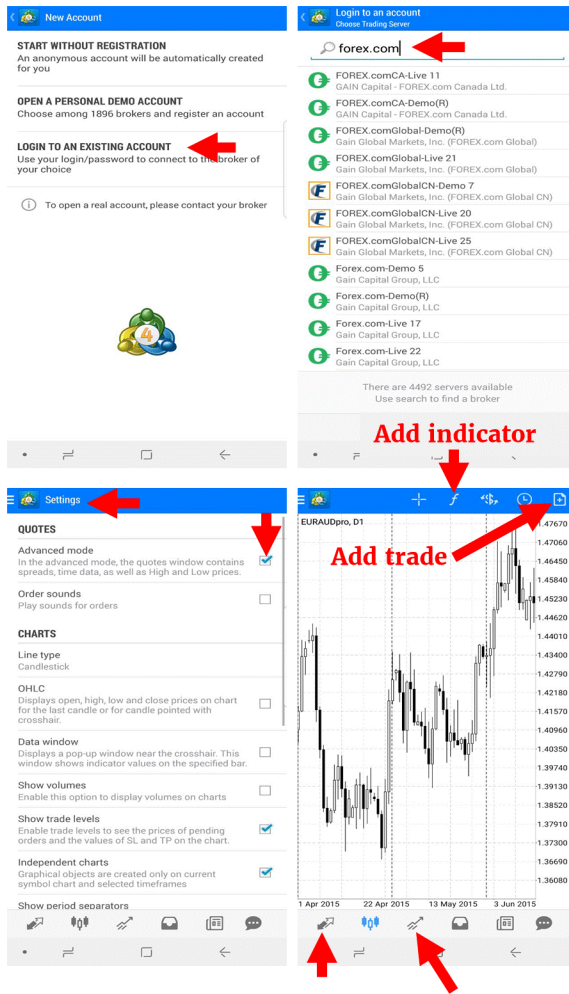


Figure 5. Simple chart in MT4 platform



See pair list See profit/loss

Figure 6. MT4 mobile application

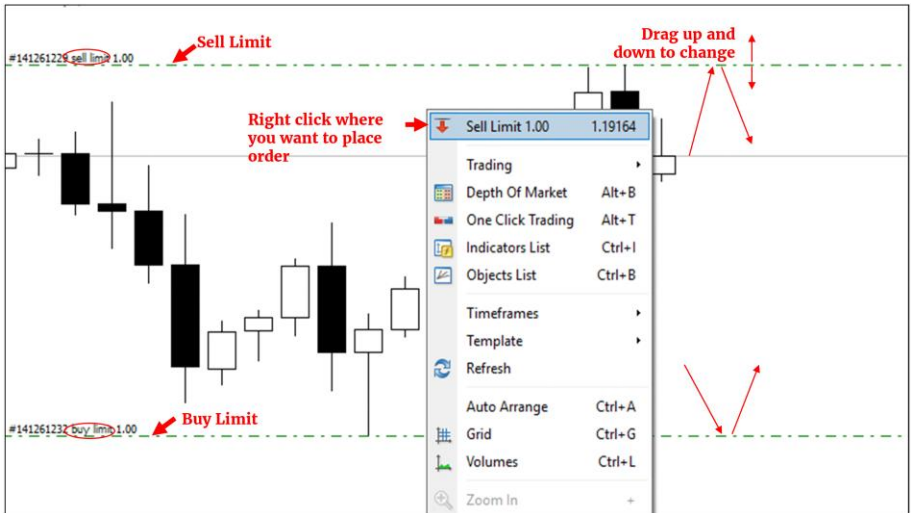


Figure 7. Limit orders in MT4



Figure 8. Stop orders in MT4



Figure 9. Stop loss, trailing stop and profit target for a sell order in MT4



Figure 10. Drawing lines on chart

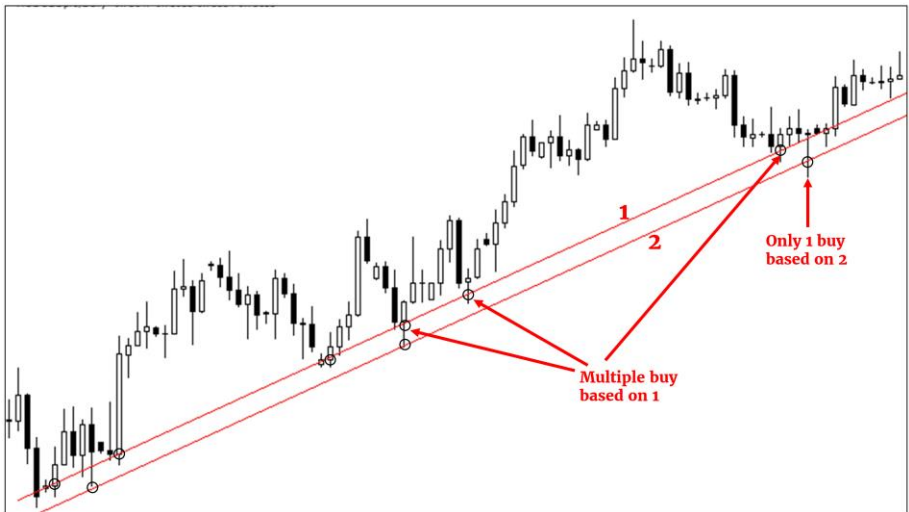


Figure 11. Drawing trendlines method

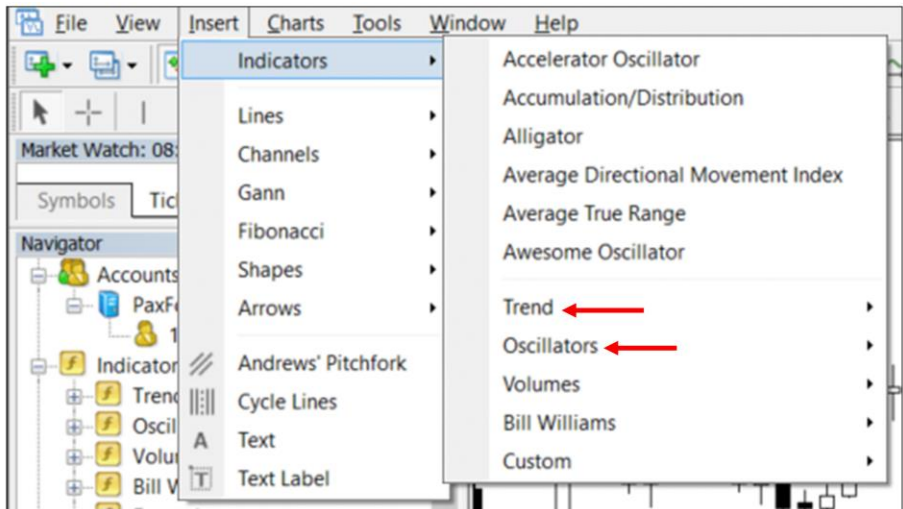


Figure 12. How to insert indicators on MT4

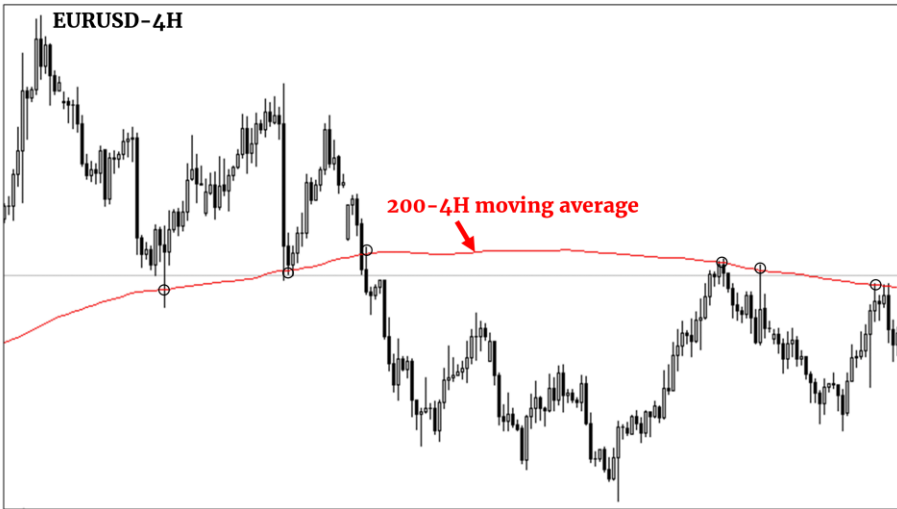


Figure 13. 200-period moving average

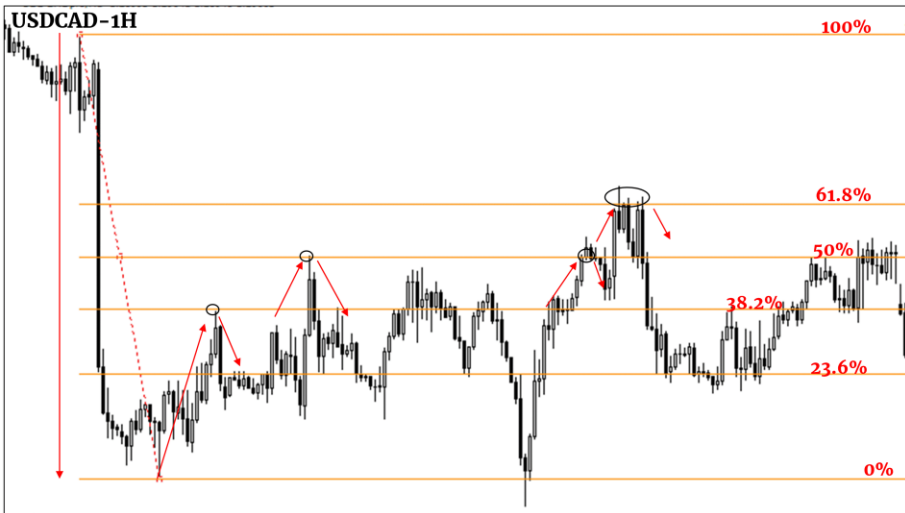


Figure 14. Fibonacci retracement levels after a big price movement



Figure 15. RSI indicator, overbought and oversold regions highlighted

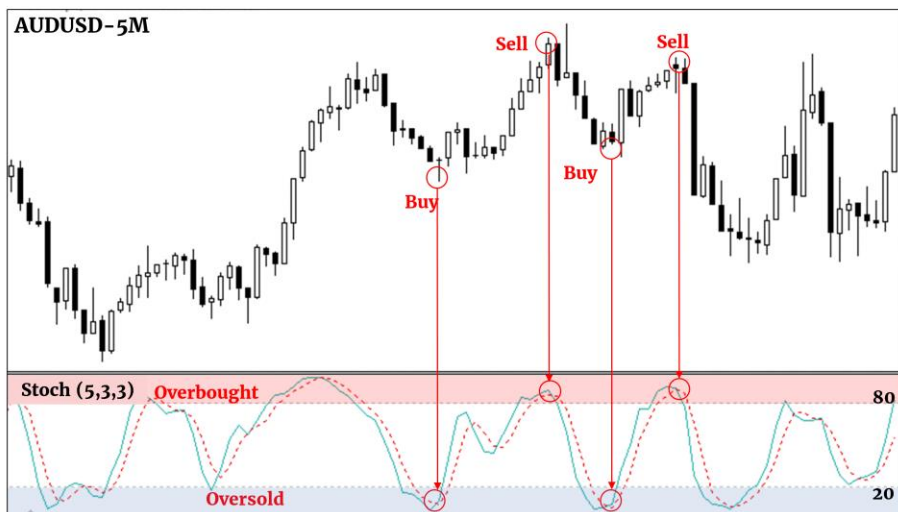


Figure 16. Stochastic indicator

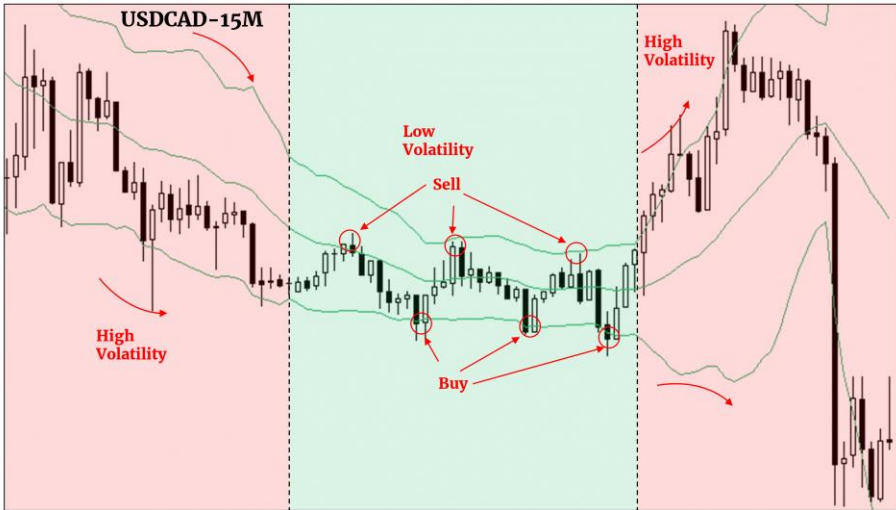


Figure 17. Bollinger bands and their potential profitability at low volatility

CHAPTER 3: FOREX TRADING SYSTEMS

Trading methodologies that worked
for me

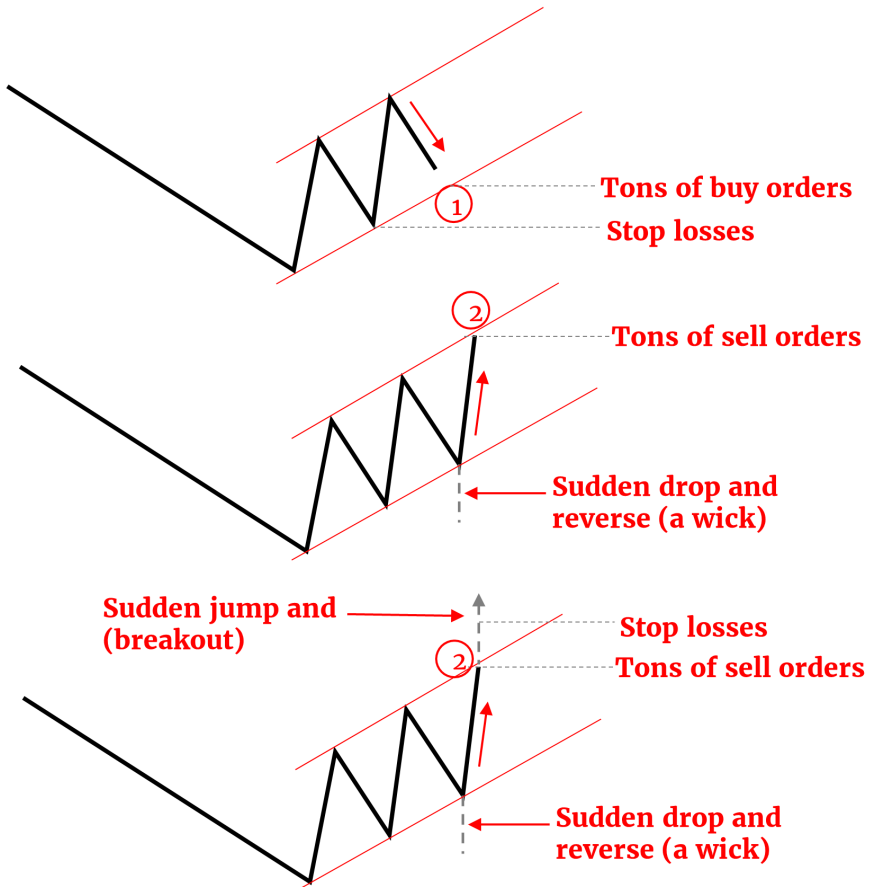


Figure 18. Mindset of a big player vs. small trader

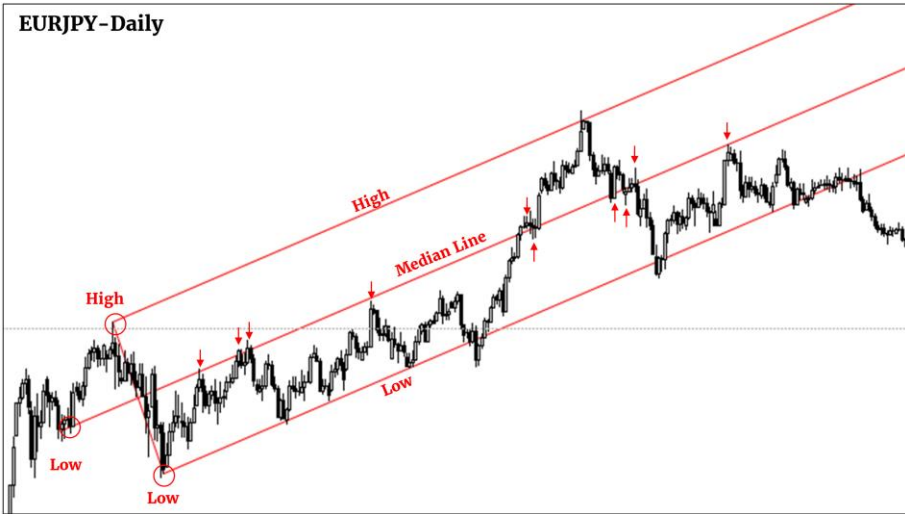


Figure 19. Andrews' Pitchfork representing bullish EURJPY market

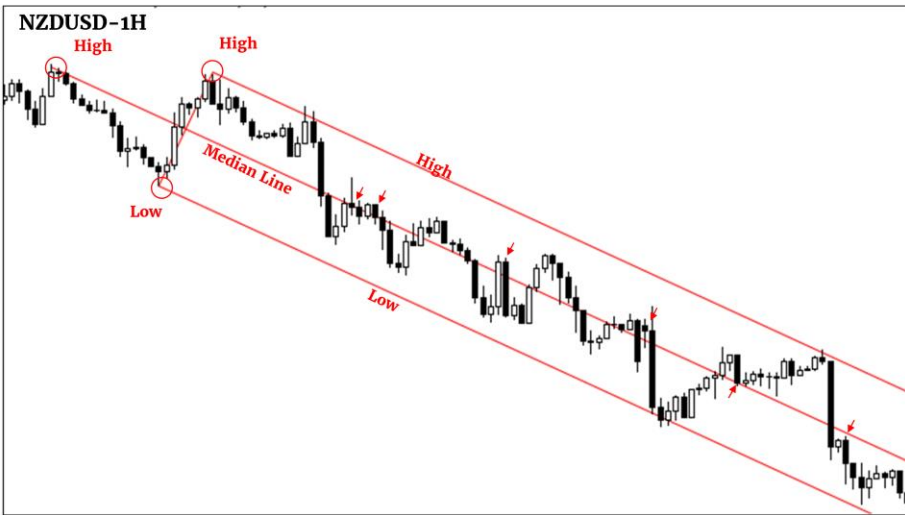


Figure 20. Andrews' Pitchfork for bearish NZDUSD market



Figure 21. Horizontal median line method for EURNZD pair



Figure 22. Early detection of the break of a down trend

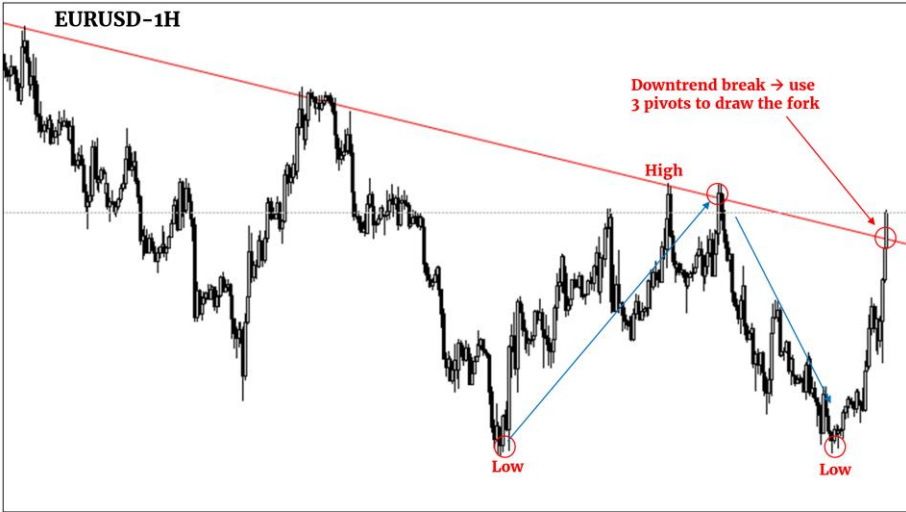


Figure 23. Break of the down trendline to confirm end of the down trend



Figure 24. The median line and parallel lines drawn based on the trend reversal confirmation



Figure 25. Identifying the big player footprints

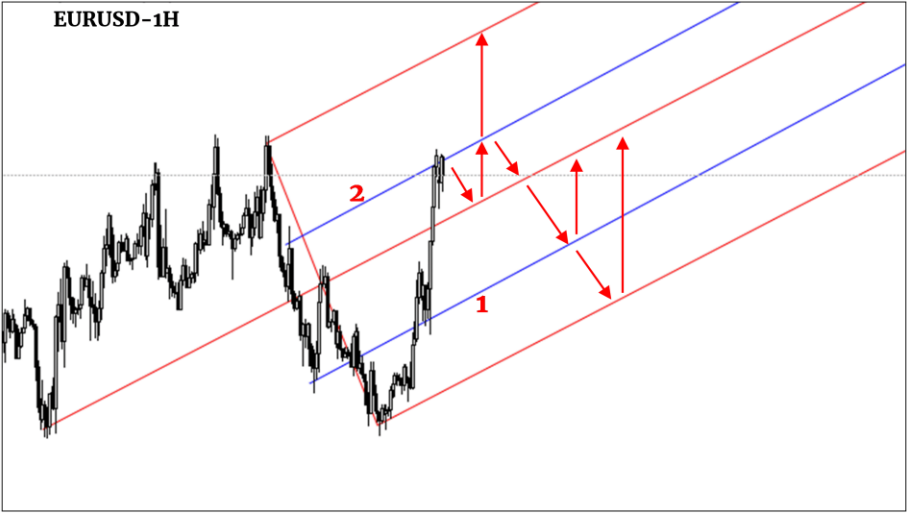


Figure 26. Making predictions based on the current price action

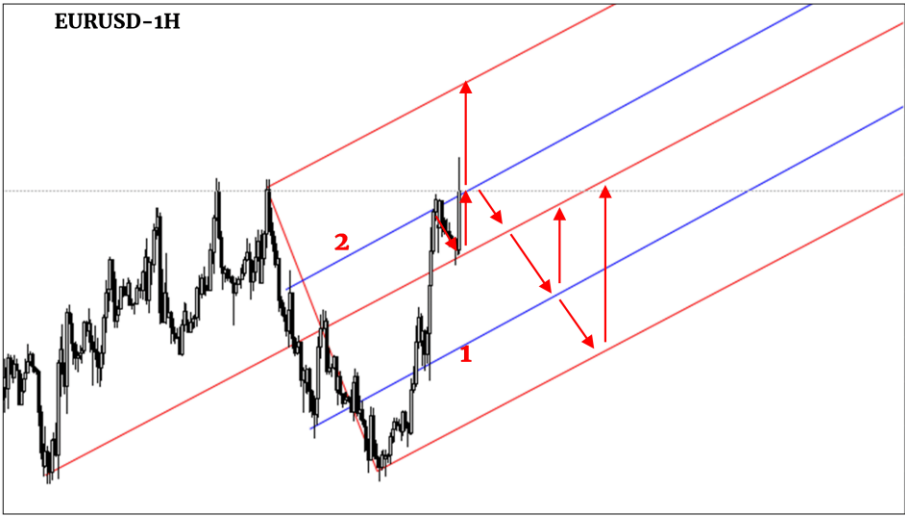


Figure 27. The first reaction based on our prediction

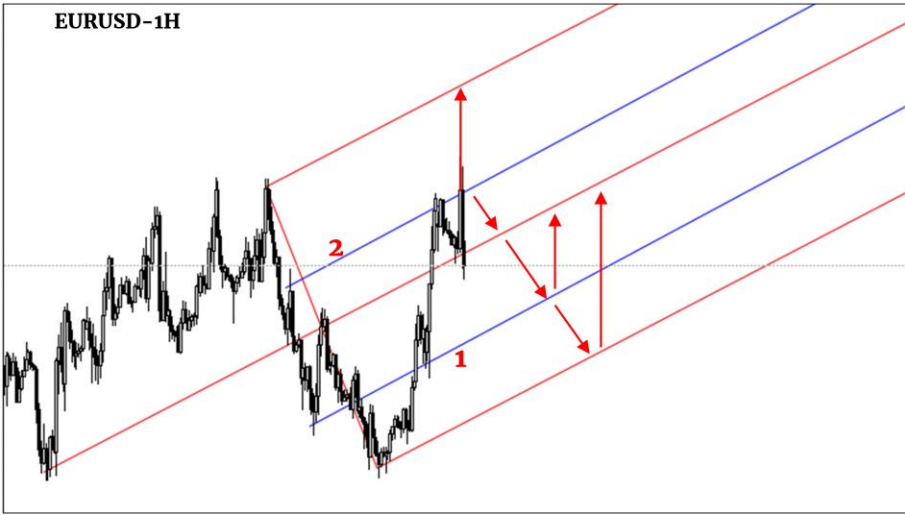


Figure 28. Second prediction based on the resistance line 2

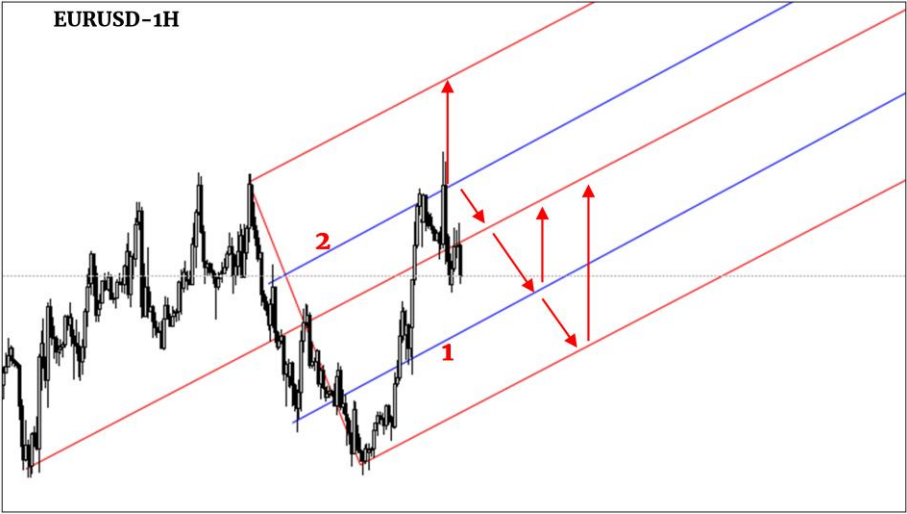


Figure 29. Continuation of the price action based on our prediction

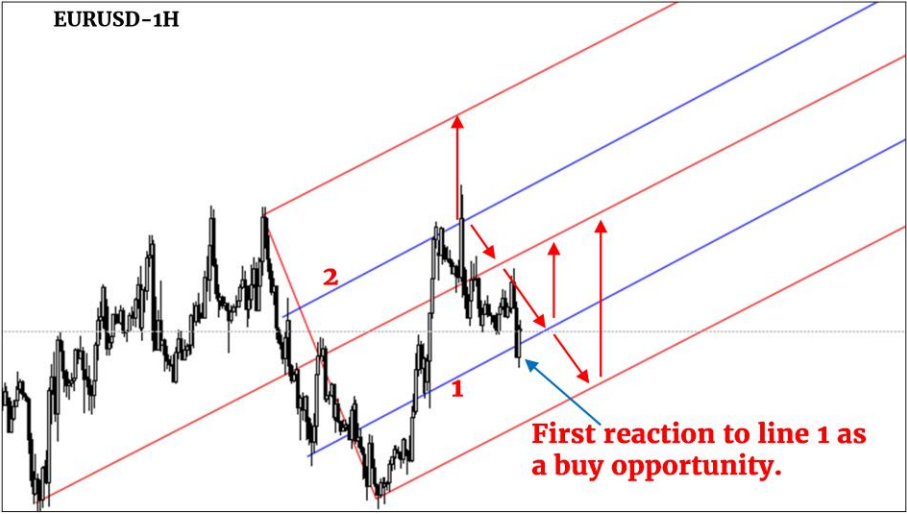


Figure 30. First buying opportunity around line 1



Figure 31. The break of the low parallel line

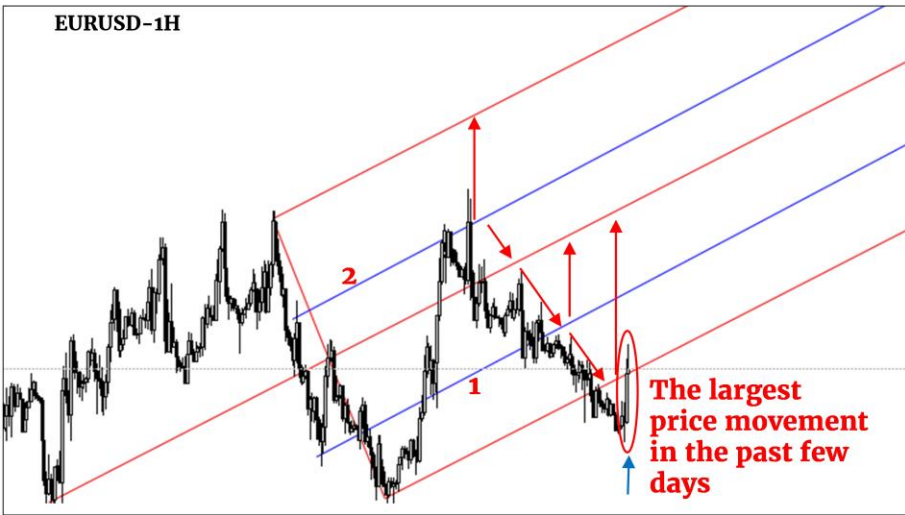


Figure 32. The appearance of large price movements caused by big players

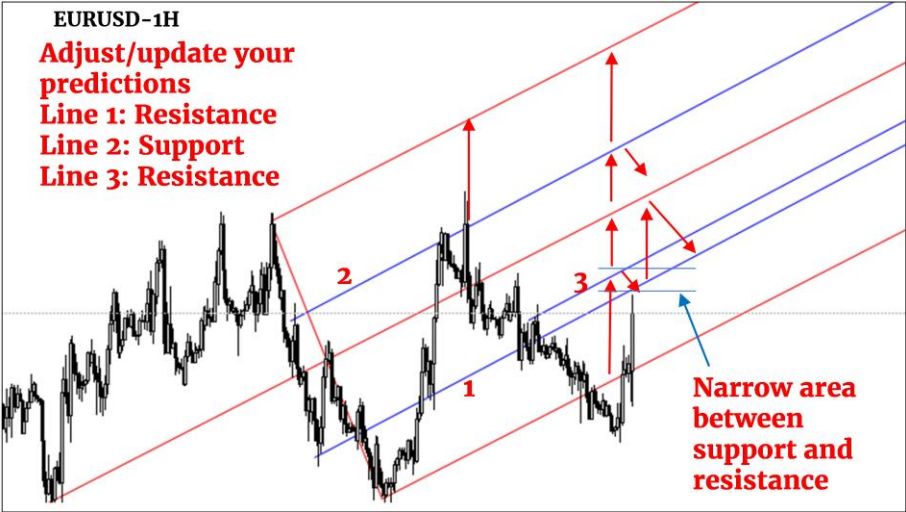


Figure 33. Adjustment and updating the trading plan

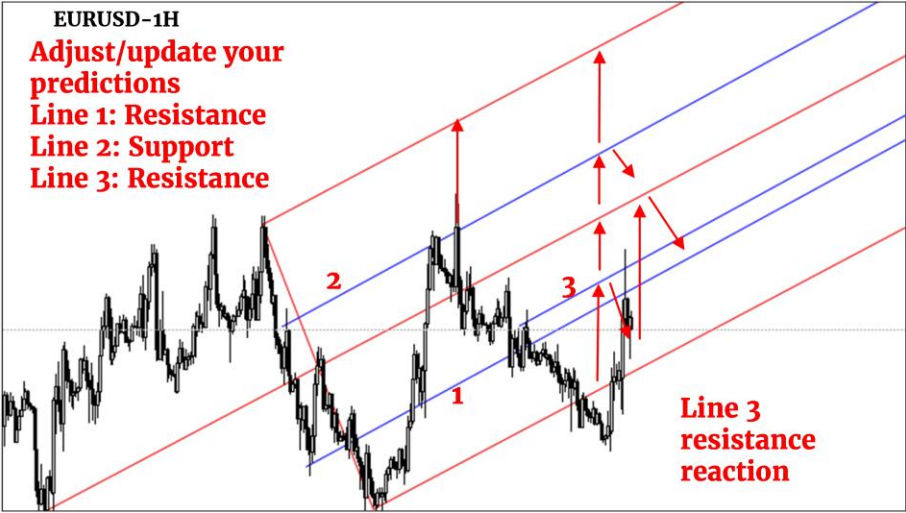


Figure 34. New resistance line reaction

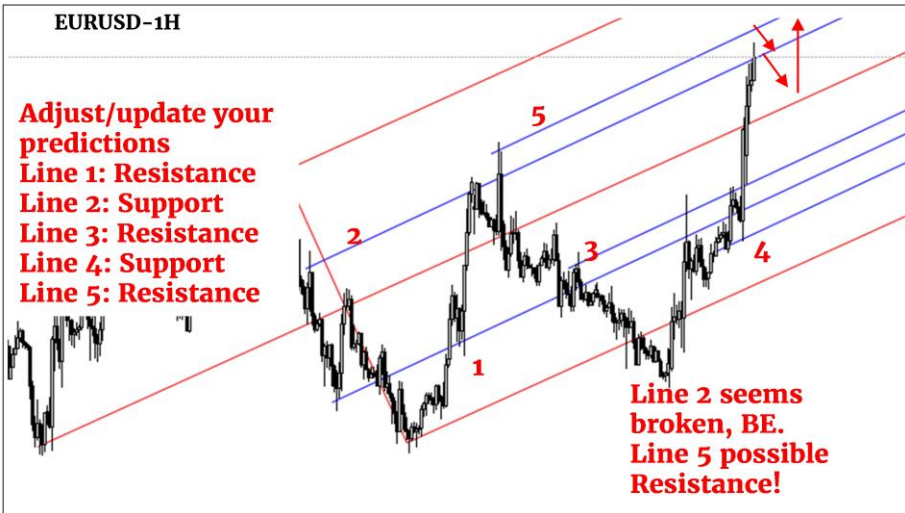


Figure 35. New resistance line based on prior price action



Figure 36. Break down of the median line, possible support opportunity on lines 1 and 4

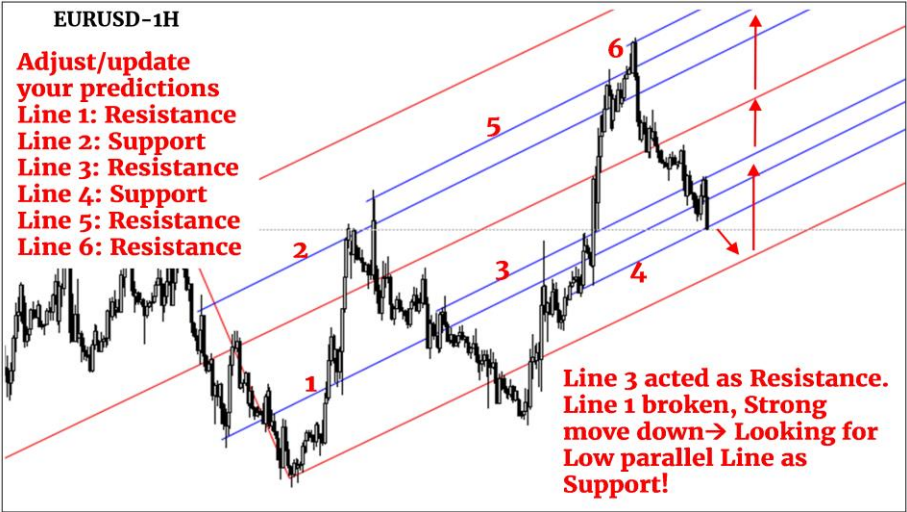


Figure 37. Line 3 resistance, strong move down aiming for the low parallel line

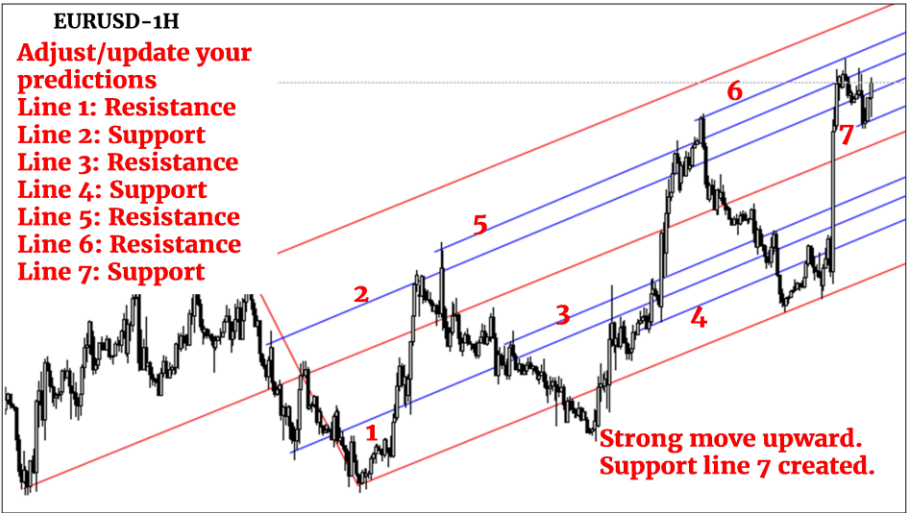


Figure 38. Strong move from the low parallel line breaking all resistances. Line 6 resistance, new support line 7

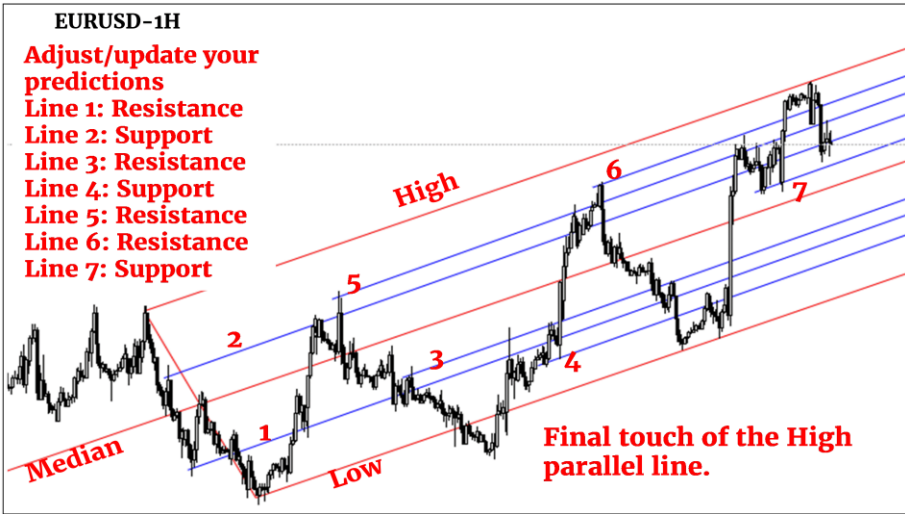


Figure 39. Final reaction to the high parallel line



Figure 40. Markup process of the previous trades and line adjustments



Figure 41. GBPUSD 4H chart at a given time in 2011

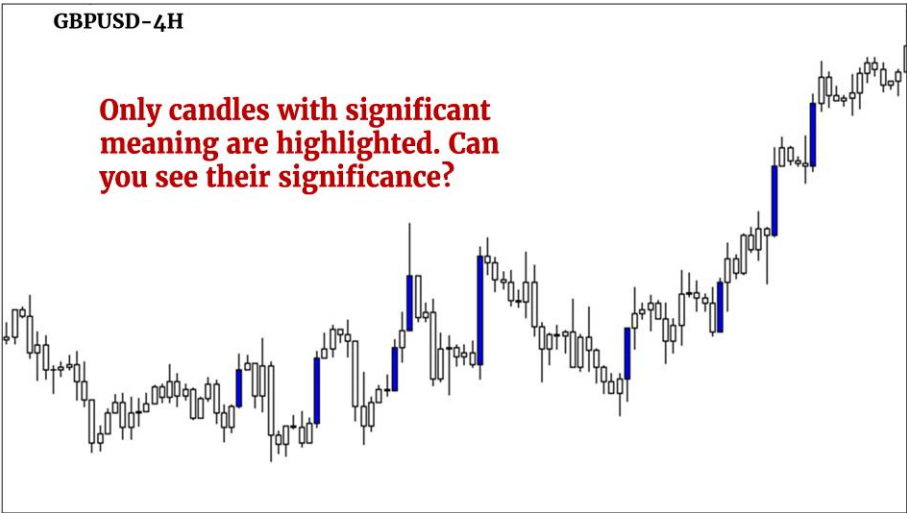


Figure 42. Highlighting few candles with some significant meaning

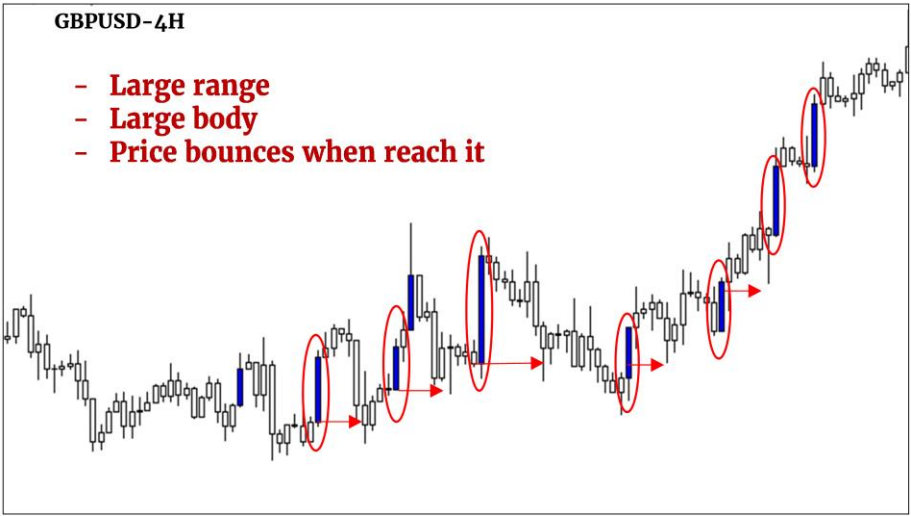


Figure 43. Annotated version of chart in Figure 42



Figure 44. Predicting based on the past highlighted candles



Figure 45. Buy limit order (A) and its impact (B) on the price once reached

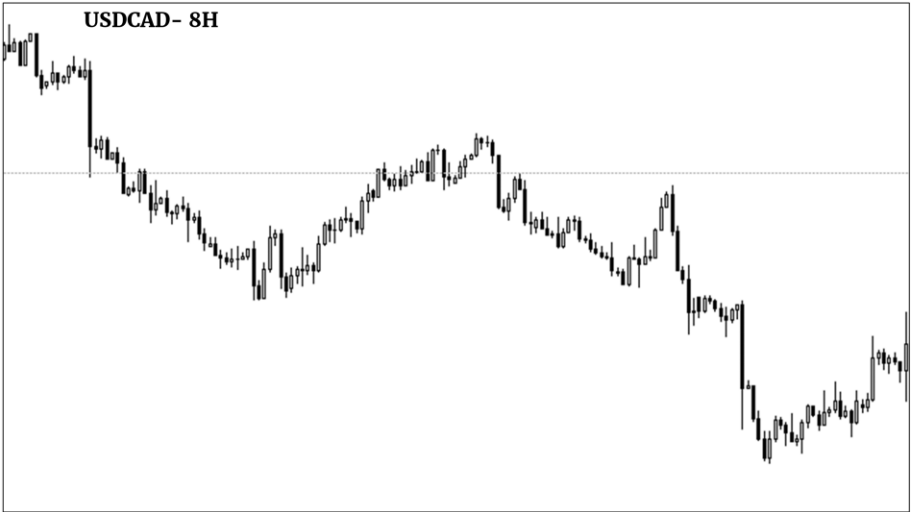


Figure 46. USDCAD 8H chart



Figure 47. Highlighted candles with significant meaning



Figure 48. The prediction (A) and the performance (B) of the price reaction when reaching the levels of the large candles



Figure 49. Price has reaction to a zone rather than a single level



Figure 50. Two price reactions to zone 2 before its break on the third attempt

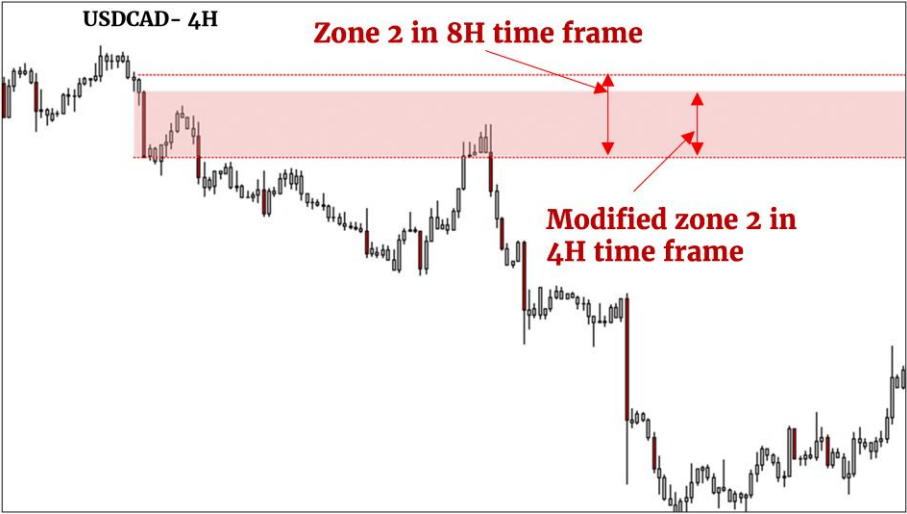


Figure 51. Modification of the zone 2 based on the 4H timeframe

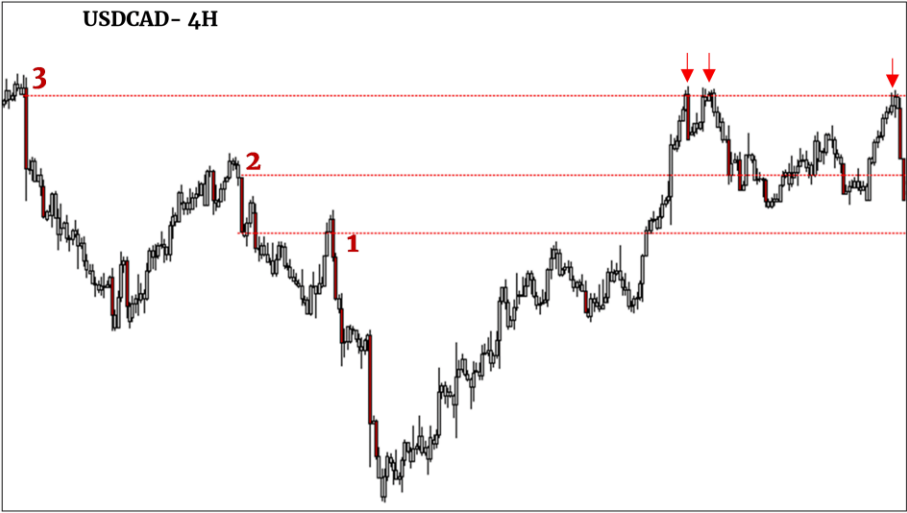


Figure 52. The rejection of the upward movement when reaching level 3



Figure 53. Determining the sell zone based on (A) entire candle range and (B) prior price range



Figure 54. the competition between the bulls and bears

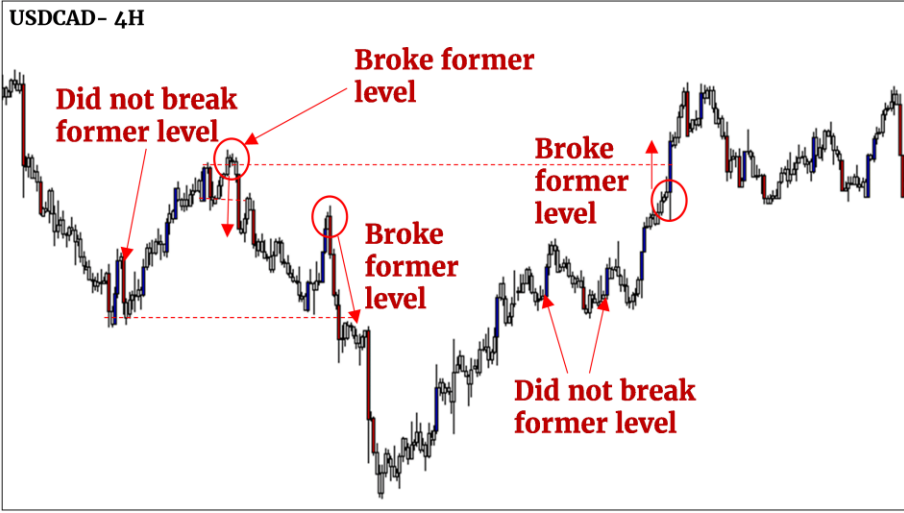


Figure 55. Strength of levels based on large candles

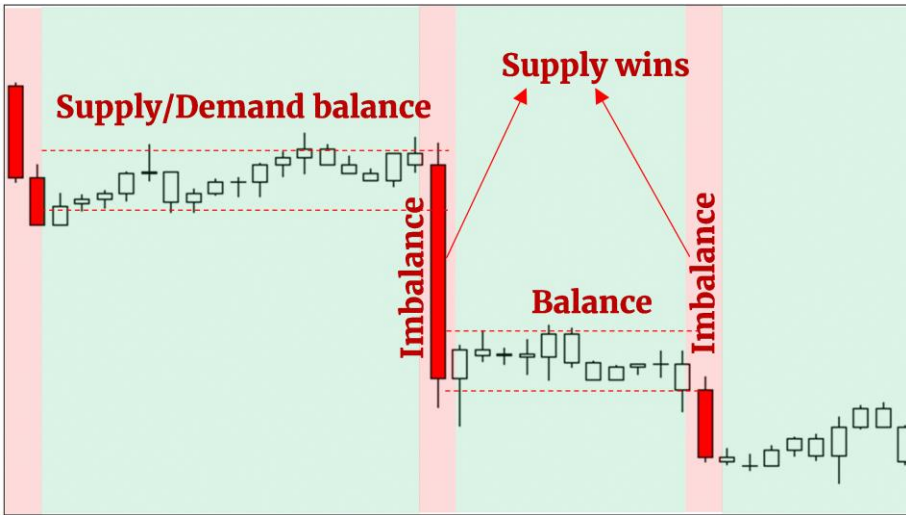


Figure 56. Balance and imbalance of supply/demand



Figure 57. Elimination of the pending orders along the way



Figure 58. Consumption of the unfilled orders



Figure 59. Reaction to the supply zone with no pending orders left

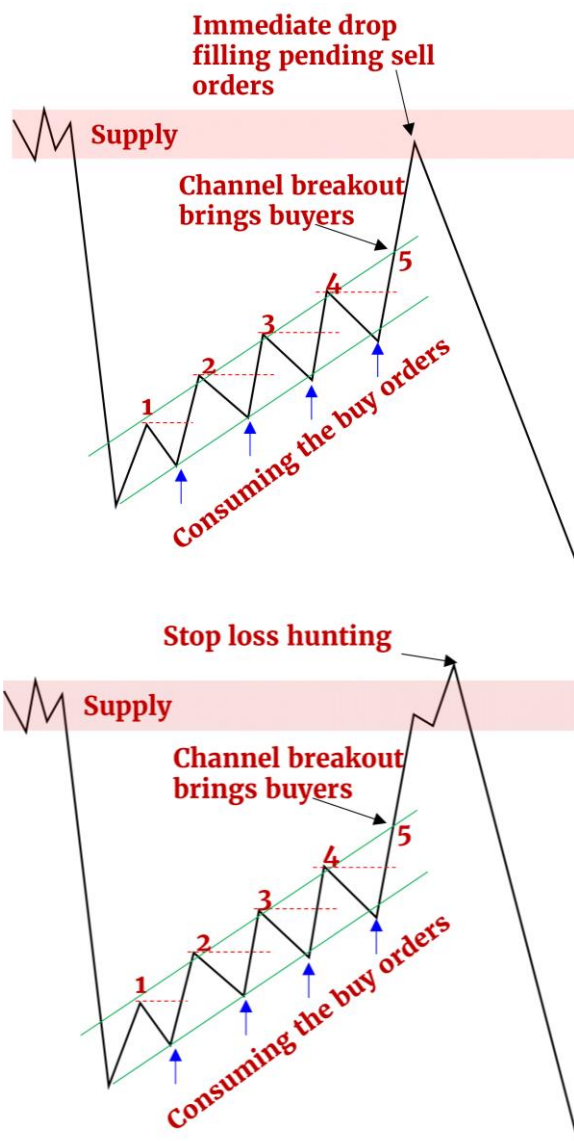


Figure 60. Psychology of big players to sell large orders

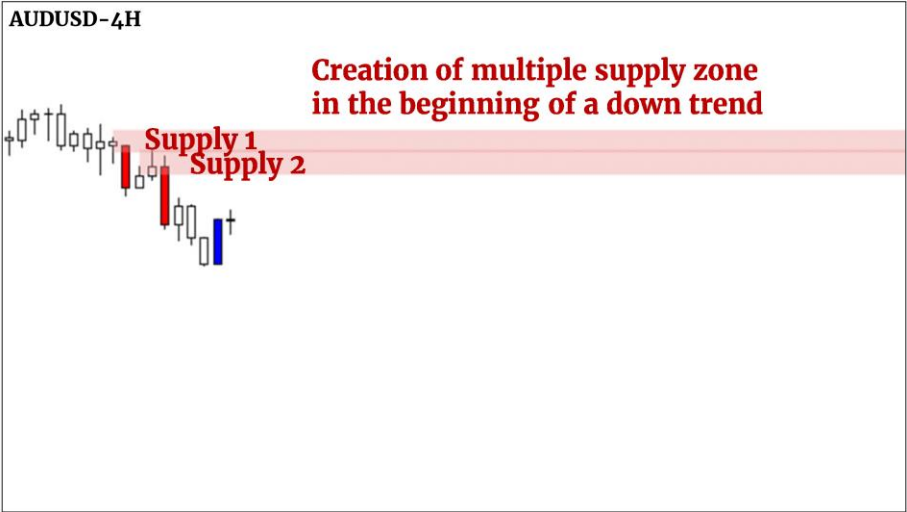


Figure 61. Real time 4H chart of AUDUSD at the beginning of a down trend

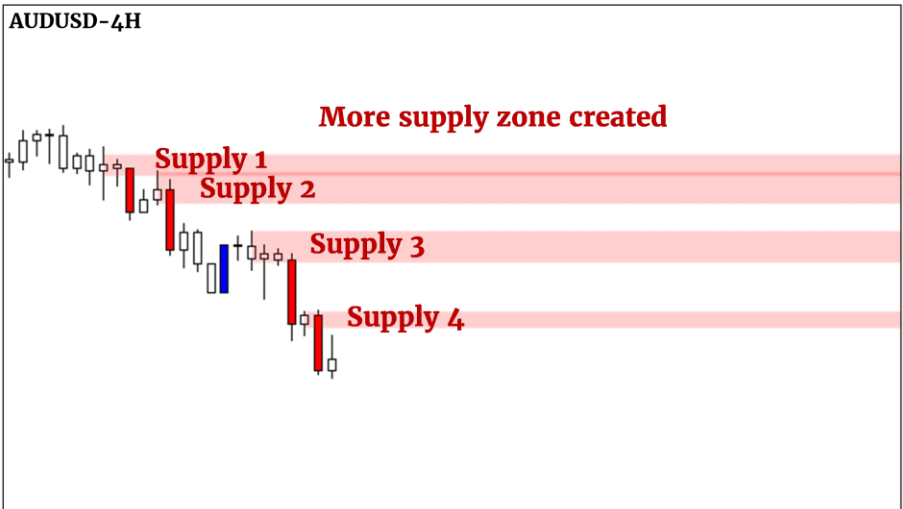


Figure 62. Real time 4H chart of AUDUSD showing more supply zones created

AUDUSD-4H

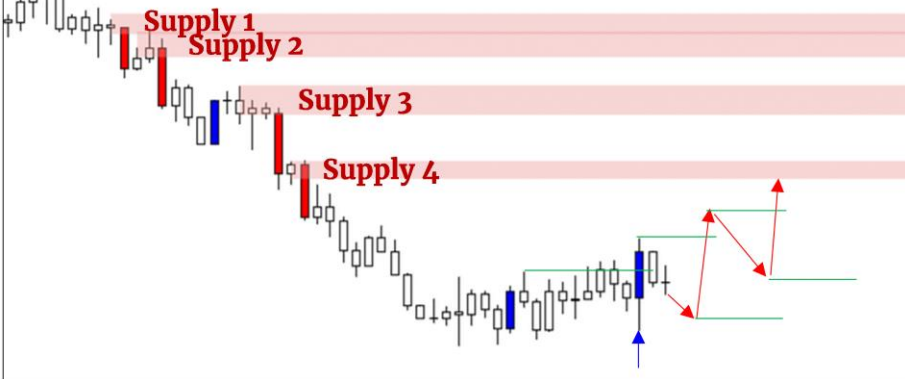


Figure 63. Creation of more supply zones and start of an approach back to the supply zones

AUDUSD-4H



Figure 64. The removal of supply zone with a strong move upward



Figure 65. Removal of two supply zone adding to the demand zone strength



Figure 66. Confirmation of the supply zone strength with a strong move down

AUDUSD-4H

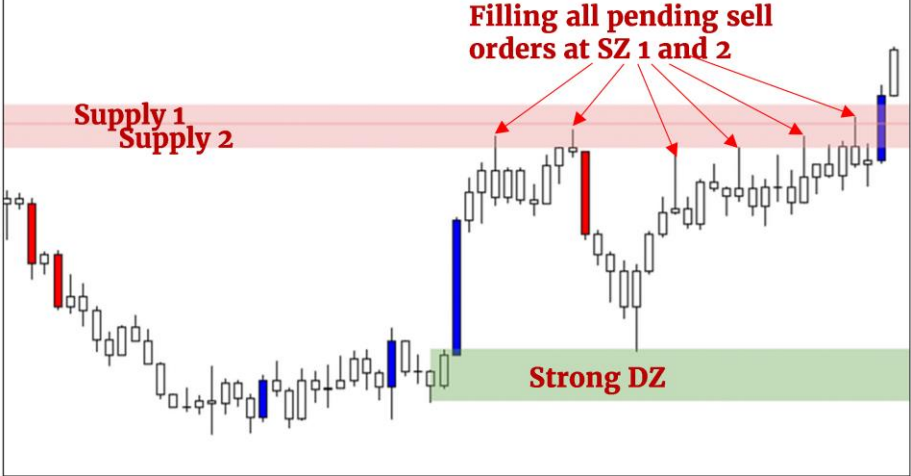


Figure 67. The first touch of new demand zone and filling the orders at SZs 1 and 2

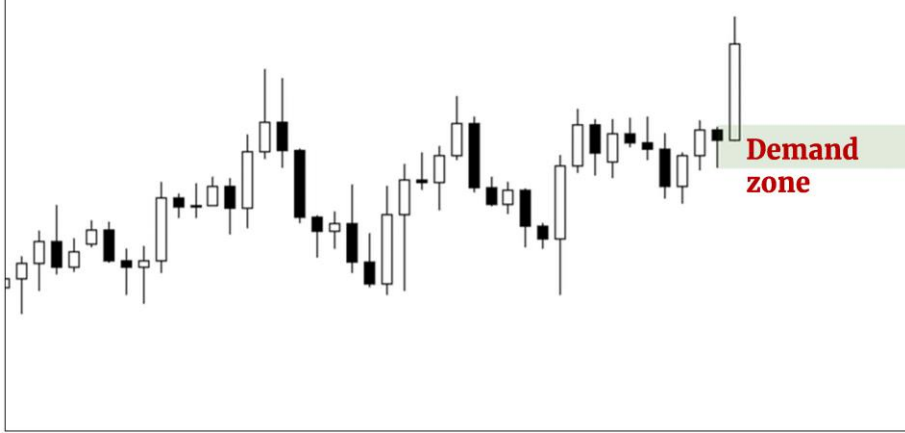
NZDUSD-4H

Removing the SZ,
creating a DZ



NZDUSD-4H

Demand
zone



NZDUSD-4H

**Demand zone is
removed easily!**



Figure 68. Example of false demand zone



Figure 69. Importance of timeframe to determine supply and demand

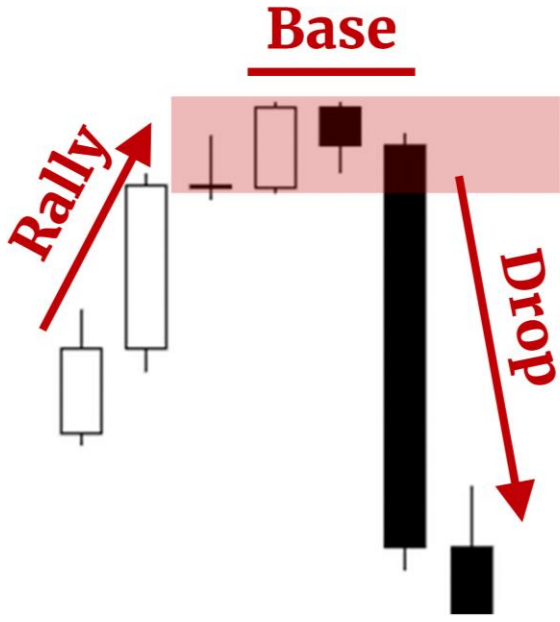


Figure 70. RBD pattern creates supply zone

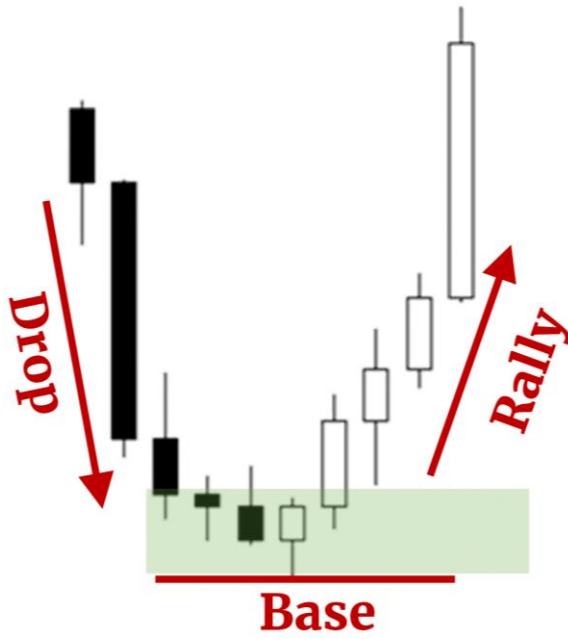


Figure 71. Drop-Base-Rally creates demand zone

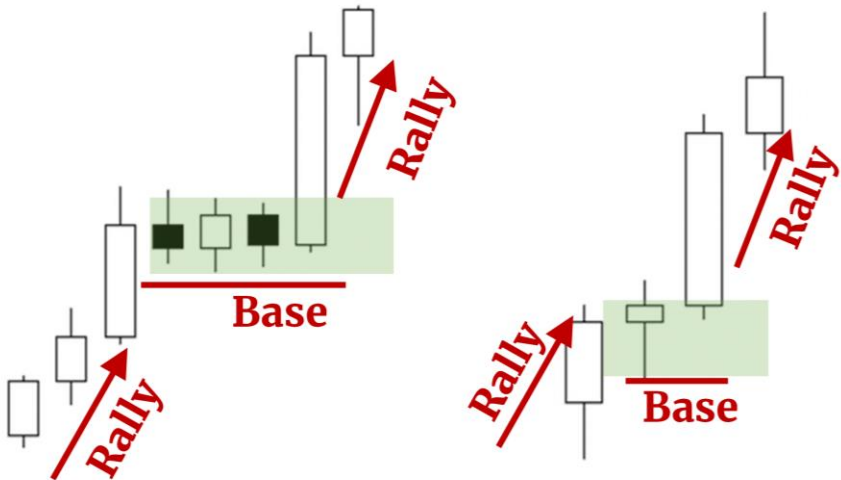


Figure 72. Rally-Base-Rally creates demand zone

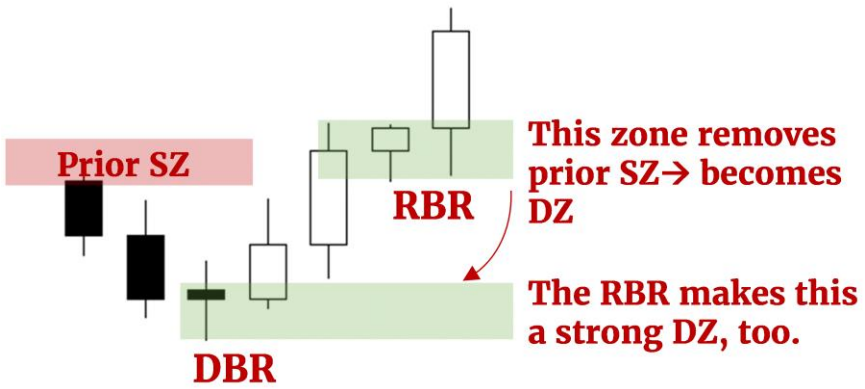


Figure 73. RBR removes supply, makes the DBR a supply zone

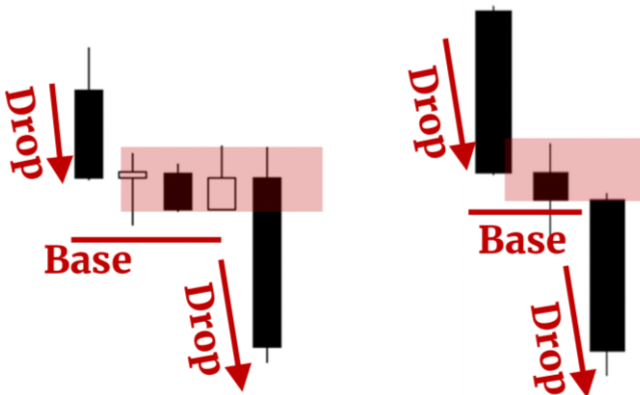


Figure 74. Drop-Base-Drop creates supply zone

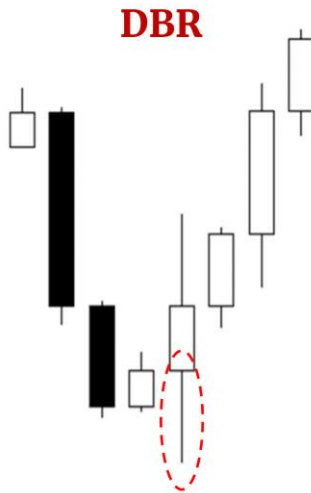


Figure 75. DBR does not create demand zone



Figure 76. DBD does not create supply zone

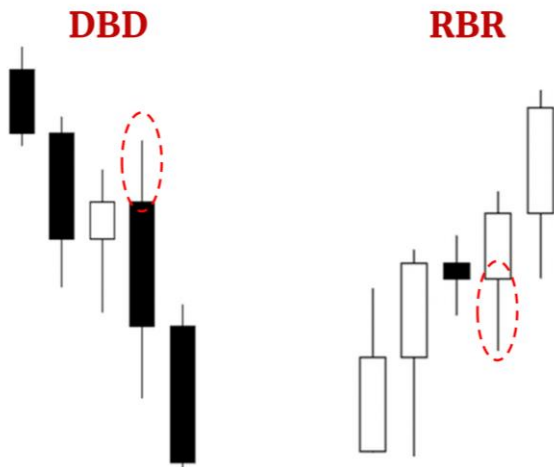


Figure 77. DBD and RBR do not create supply and demand

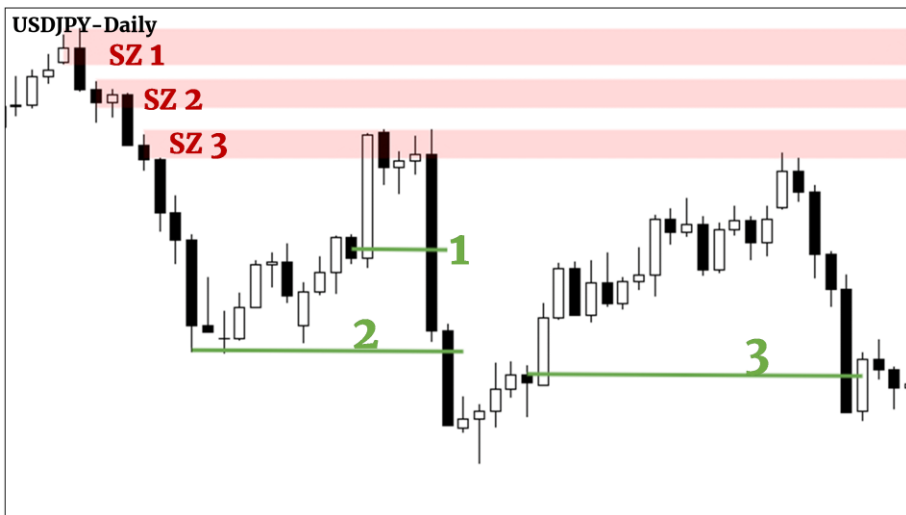


Figure 78. USDJPY daily chart with some supply zones

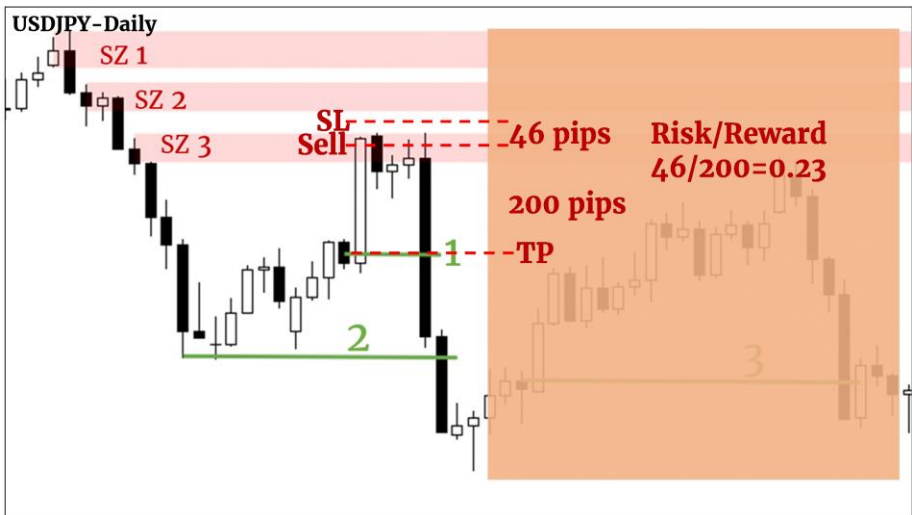


Figure 79. Determining SL and TP, risk/reward example

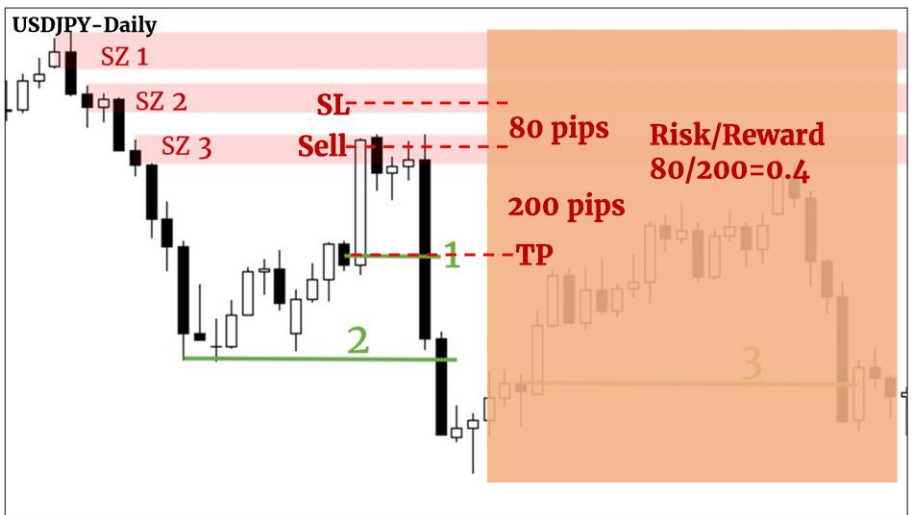


Figure 80. Example of extending the amount of risk



Figure 81. Examples of SL and TP for a sell order

CHAPTER 4: TRADING JOURNAL

An educational account of
successful and failed trades



Figure 82. USDJPY 1D chart on Jan 30, 2017

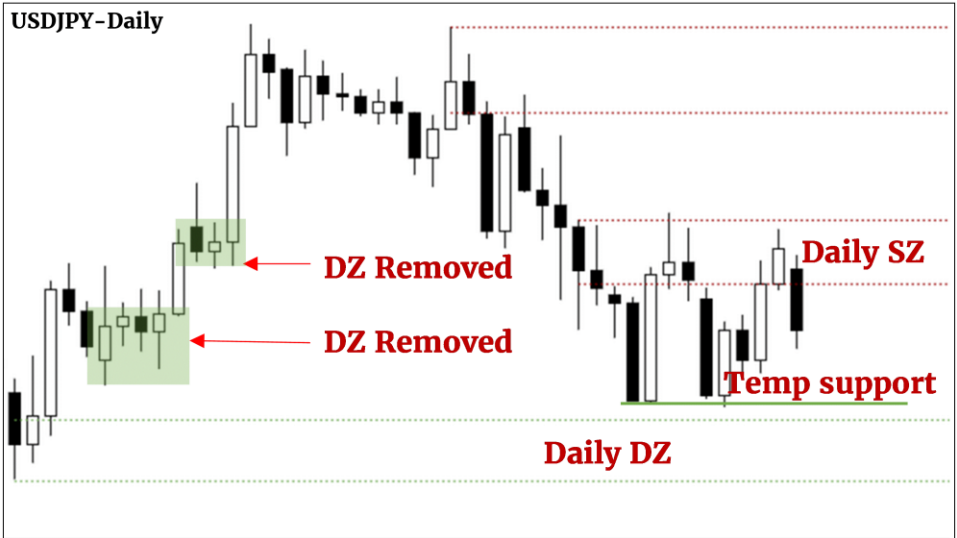


Figure 83. Marking SZ and DZ and market sentiment



Figure 84. Same USDJPY daily chart after 10 days



Figure 85. USDJPY 8H chart to confirm the trend



Figure 86. USDJPY 4H chart for decision making



Figure 87. Risk/Reward ratio based on 1D USDJPY



Figure 88. Determining SL and TP based on refined SZ



Figure 89. The sell from the refined SZ reached the first target



Figure 90. The effectiveness of the new SZ for SL modification



Figure 91. The effectiveness of the DZ



Figure 92. USDCAD daily chart on Feb 10, 2016

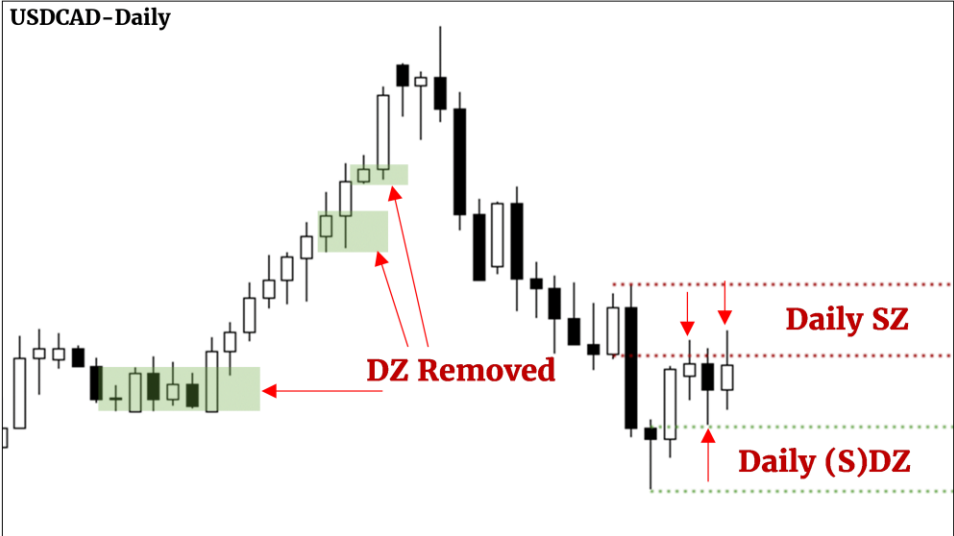


Figure 93. Supply and demand zones on the USDCAD daily chart



Figure 94. Refining the zones in the 4H chart



Figure 95. 1H USDCAD chart for making the trade decision

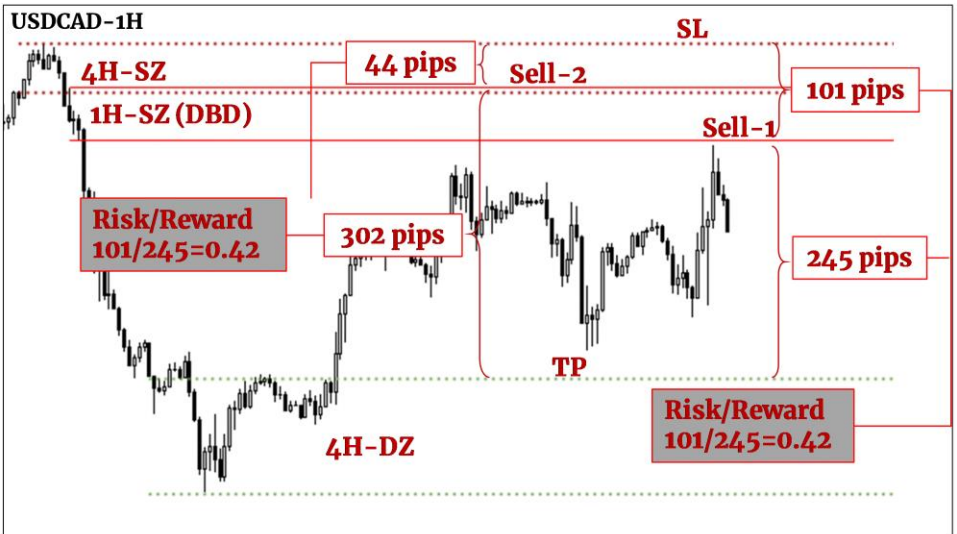


Figure 96. Risk/Reward analysis based on two sell orders on a 1H USDCAD chart



Figure 97. USDCAD short trade results



Figure 98. AUDUSD daily chart with supply and demand zones



Figure 99. AUDUSD daily, sell order based on the SZ



Figure 100. Daily and 1H chart of the AUDUSD after the sell order



Figure 101. Buy order for the AUDUSD based on the demand zone

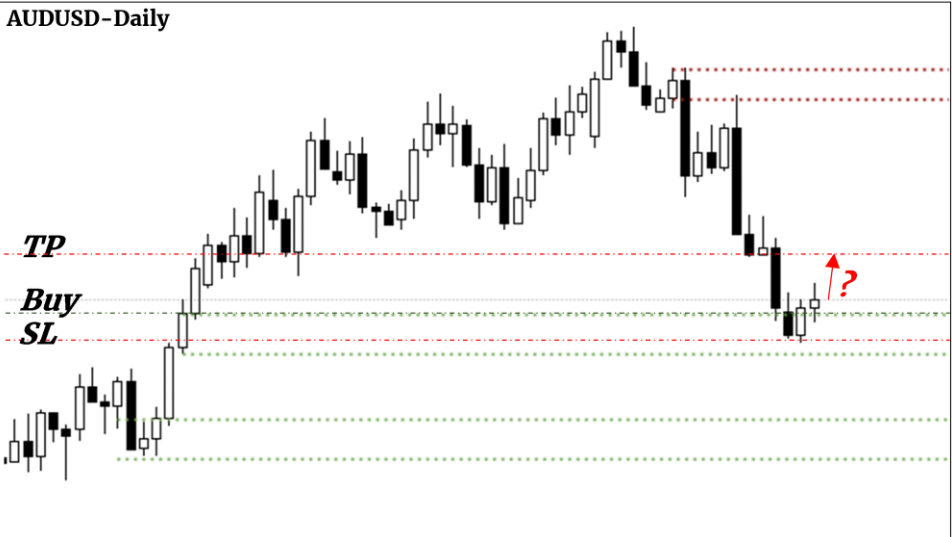


Figure 102. Daily AUDUSD chart after the buy order



Figure 103. AUDUSD 1D chart, SL reached in buy, new sell order



Figure 104. Sell entry triggered and new buy order placed on 1D AUDUSD



Figure 105. Exit the sell and enter the buy trade, 1D AUUSD



Figure 106. Exit the buy order at the TP level, 1D AUDUSD



Figure 107. The AUDUSD daily chart over the next month following the last trade

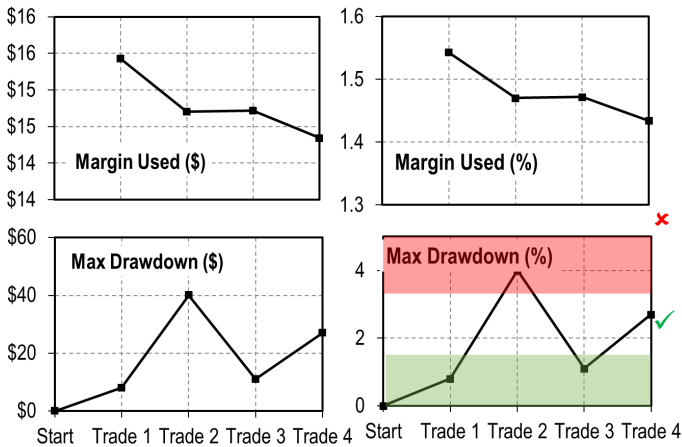
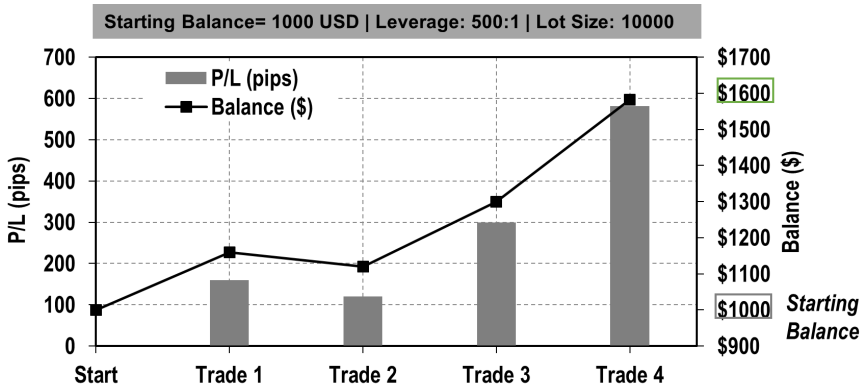


Figure 108. Summary of the four trades in AUDUSD during 40 days in 2016

Balance	Lot Size (Standard Lot)
500	0.05
1000	0.1
5000	0.5

Figure 109. Choosing the size of lot appropriate for the account size