

INTRODUCTION

THE TRADING STRATEGY—PROFX IS THE RESULT FOR SCIENTIFIC STUDIES OF THE FOREIGN EXCHANGE MARKET (FOREX) AND AVAILABLE RESOURCES.

THE STRATEGY CONTINUES TO BE IMPROVED FOR THE PURPOSE OF REACHING MAXIMUM POSITIVE RESULTS AS A POWERFULL TOOL IN THE FOREX MARKET. THIS STRATEGY IS DEVELOPED FOR THE COMMERCIAL PLATFORM META TRADER 4. BEFORE USING THIS APPLICATION, AS WITH ANY SYSTEM, BECOME ACQUAINTED WITH THE MANAGEMENT OF TOOLS AND USER INTERFACE.

METATRADER 4 & BROKER

DOWNLOADRESOURCE FOR META TRADER 4:

<http://www.metaquotes.net/terminal>

THERE ARE MORE THEN 100 BROKER WHO SUPPORTS META TRADER 4. CLIENTS WHO NEEDS TO CHOOSE A BROKER SHOULD READ: „MT4BROKER.PDF“

SETUP

1) PLACE THE CUSTOM INDICATORS IN THE FOLDER „INDICATORS“ FROM THE METATRADER 4 SOFTWARE.

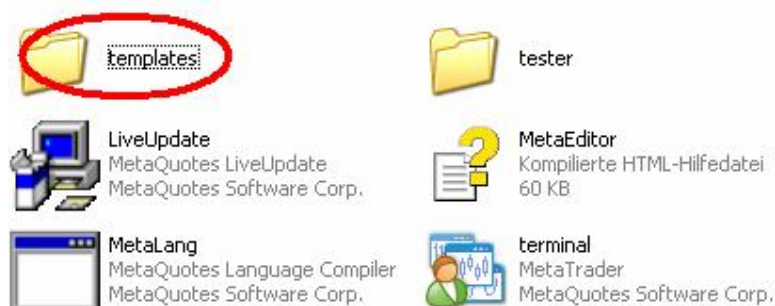
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FOR THE CASE THAT YOU DONT FIND THE FOLDER, USE THE WINDOWS SEARCH FUNCTION.

2) NEXT STEP IS TO PLACE THE TEMPLATE IN THE RIGHT FOLDER.

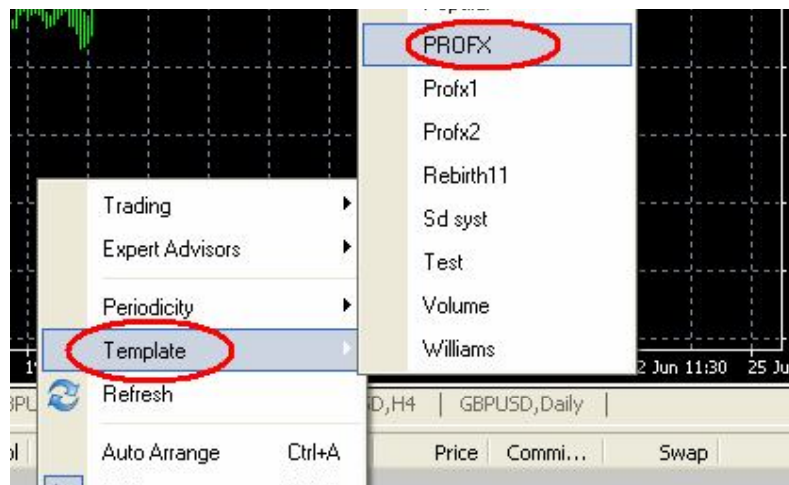
C:/PROGRAMFILES/METATRADER-(NAME OF BROKER)/TEMPLATES



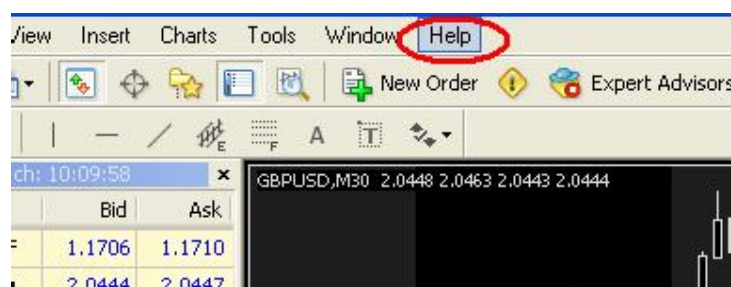
4) RESTART METATRADER 4

5) AFTER RESTARTING THE INDICATORS AND THE TEMPLATE ARE ON THE RIGHT PLACE AND THE STRATEGY IS READY TO USE.

RECOMMEND IS TO START WITH THE GBPUSD 30 MIN CHART.



FOR THE CASE THAT YOU DONT KNOW HOW TO OPEN A TEMPLATE, USE THE BUILT IN HELP FROM META TRADER 4.

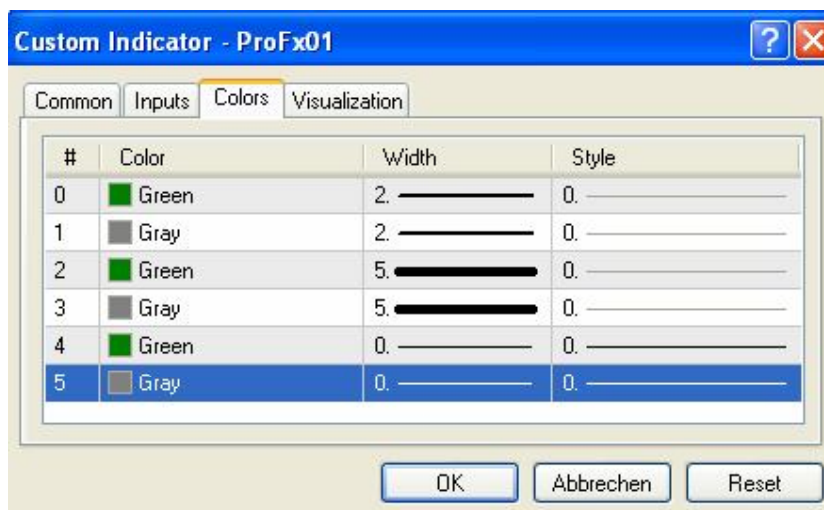


THE FOLLOWING INDICATORS DISPLAYED ON THE CHART:

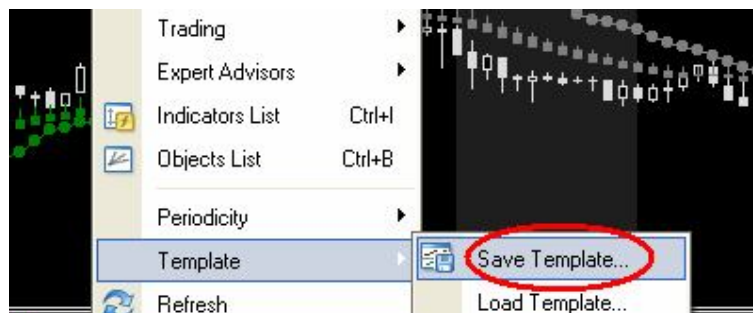
PROFX01—PROFX08



6) COLOURS, WIDTH AND STYLE FROM THE INDICATORS ARE FULLY ADAPTABLE.

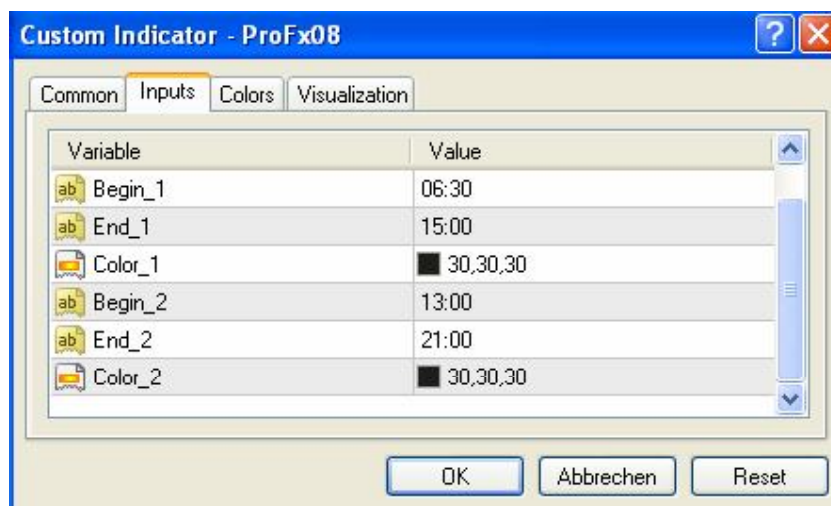


FOR THE CASE THAT YOU CHANGE THE COLOURS, WIDTH ETC. DONT FORGET TO SAFE THE CHANGES. OTHERWISE THE CHANGES GET LOST WHEN YOU CLOSE THE PLATFORM.



7) AS NEXT STEP YOU MAY SETUP AND DISPLAY YOUR PERSONAL TRADING TIME USING THE INDICATOR PROFX8.

WE TRADE FROM 0630—2100, BECAUSE THAT IS IN OUR MEAN THE BEST TRADING TIME. DEPENDING FROM YOUR TIMEZONE, SERvertime YOU MAY ADAPT THE SETTINGS.



RECOMMEND SETTING: EUROPE OPEN—EUROP CLOSE, US OPEN—US CLOSE;

8) INDICATOR WITH ALERT

PROFX1—WILL ALERT YOU WITH SOUND AND A POPUP WINDOW WHEN A POSSIBLE ENTRY IS COMING UP.

SoundON=true / ALERT

SoundON=false / NO ALERT

NOTE: PROFX 01 AND PROFX06 WILL BE DISPLAYED ON THE LAST 1000 BARS. YOU CAN CHANGE THAT, BUT FOR THE CASE THAT YOUR WORKING STATION IS NOT THE STRONGEST (256—768MB RAM) IST POSSIBLE THAT YOUR COMPUTER IS SLOWING DOWN. FROM THIS REASON IST RECOMMEND TO USE THE DEFAULT SETTINGS.

FOR THE CASE THAT YOU HAVE TROUBLES WITH THE SETUP PLEASE CONTACT THE SUPPORT.

LIVECHAT VIA YAHOO IM: FOREXEASYSTEMS

EMAIL: support@forexeasystems.com

PLEASE ALLOW US 24 HOURS TO ANSWER.

BEFORE WE START WITH THE EXPLANATION FROM THE STRATEGY RULES, PLEASE TAKE THE TIME AND READ THE GENERAL TRADING RULES.

TRADING PLAN

MANY TRADERS STARTS TRADING WITHOUT ANY PLAN. SOUNDS UNBELIEVABLE BUT IS UNFORTANLY THE TRUTH.

PLAN:

- WHERE YOU WANT TO ENTER A TRADE ?
- HOW MUCH MONEY YOU ARE GOING TO RISK ?
- WHERE YOU ARE GOIUNG TO GET OUT IF YOU ARE WRONG ?
- WHERE YOU ARE GOING TO TAKE PROFITS IF YOU ARE RIGHT ?
- KNOW HOW MUCH MONEY YOU ARE GOING TO MAKE IF YOU ARE RIGHT ?
- NEVER TRADE WITHOUT A PROTECTIVE STOPLOSS !

RULE: DONT TRADE WITHOUT A TRADE PLAN !

MONEYMANAGEMENT

CREATE FIXED RULES HOW MUCH MONEY YOU WANT TO RISK PER TRADE AND STICK TO YOUR RULES. DONT USE A RISK FROM MORE THEN 5% PER TRADE !

RULE: USE MONEYMANAGEMENT !

PROTECTIVE STOP LOSS

ALWAYS PLACE A STOPLOSS WITH THE INITIAL ORDER. NO MENTAL STOPS! MANY TRADERS SAY: „I USE MENTAL STOPS“ AND CHANGE THEM MENTAL WHEN THE MARKET GOES AGAINST THEM. WITH A MENTAL STOP, AS SOON AS THE MARKET HAS GONE THROUGH YOUR STOP LOSS PRICE, YOU WILL NO LONGER ACT ABSOLUTELY RATIONAL. NOW, YOU ARE MOST LIKELY TO MAKE A DECISION BASED ON FEAR, GREED AND HOPE.

RULE: NEVER TRADE WITHOUT A FIXED PROTECTIVE STOP !

TAKING LITTLE PROFITS AND LETTING YOUR LOSSES RUN

A MAJOR MISTAKE FROM TRADERS IS TAKING SMALL PROFITS AND LETTING LOSSES RUN. RESULT FROM HAVING NO TRADE PLAN.

AFTER ONE OR TWO LOSING TRADES, YOU ARE LIKELY TO TAKE SMALL PROFITS ON THE NEXT TRADE EVEN THOUGH THAT TRADE COULD TURNED INTO A LARGE WINNER.

RULE: CUT LOSSES AND LET WINNER RUN !

AVERAGING UP/DOWN

IN FOREX WITH A LEVERAGE FROM 100:1 OR GREATER, AVERAGING A LOSS CAN BE DISASTROUS FOR YOUR ACCOUNT.

A TYPICAL APPROACH IS THAT AFTER YOU WENT LONG AND THE PRICE DROPS DOWN; YOU MIGHT FIGURE THAT IT WAS A GOOD BUY THEN, IT IS A BETTER NOW.

YOU MAY JUSTIFY AVERAGING DOWN BY FIGURING YOU WILL HAVE A LOWER AVERAGE PRICE AND REQUIRE A SMALLER MOVE TO BREAK EVEN. UNFORTANLY, YOU WILL LOSE TWICE AS MUCH IF THE MARKET CONTINUES AGAINST YOU.

RULE: NO AVERAGING UP AND DOWN !

OVERTRADING

TO MUCH OPEN TRADES WITH TO MUCH RISK IS A CLASSICAL EXAMPLE FROM OVERTRADING. OUR RULE IS TO HAVE ONLY 3 POSITIONS (MAX) OPEN AT ONE TIME. THIS GREATLY LIMITS ANY POSSIBLE OVER TRADING.

NOTE: OVERTRADING IS THE QUICKEST WAY TO BLOW UP YOUR ACCOUNT.

RULE: NO OVERTRADING !

NOT HAVING PATIENC

YOU TRADE TO MAKE MONEY, RIGHT ? YOU DONT GET MONEY TO ENTER AS MUCH TRADES AS POSSIBLE. CHOOSE THE BEST TRADING SETUPS AND WAIT PATIENT WHILE THEY COME UP.

IST SOMETIMES BETTER NOT TO TRADE THEN TO TRADE AND LOSING MONEY.

RULE: BE PATIENT !

DISCIPLINE

IT HAS BEEN OUR EXPIERENCE IN TRADING FOREX AND HELPING NEW AND SEASONED TRADERS, THAT THE GREATEST CAUSE OF LOSSES IS THE ABSENCE OF SELF DISCIPLINE.

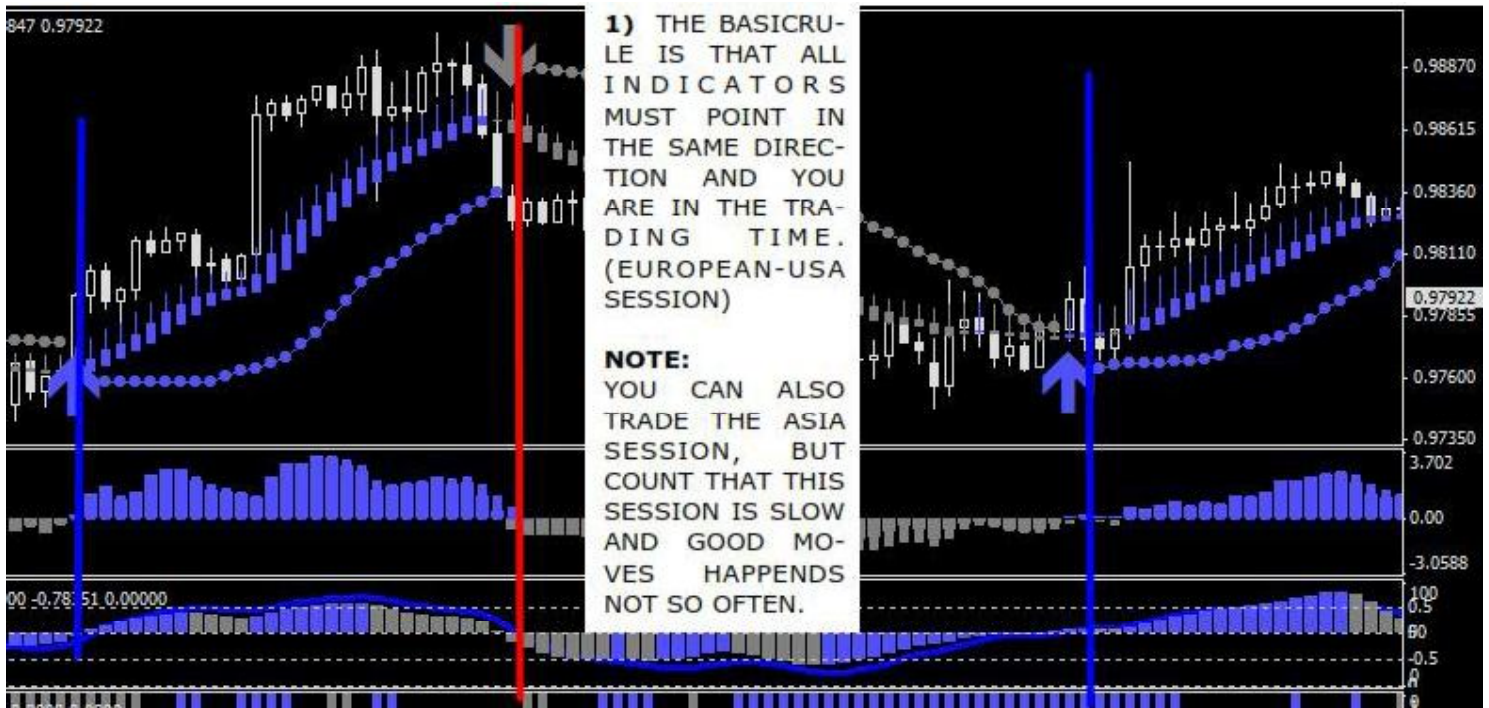
TRADER NEED A LOT OF SELF DISCIPLINE !

THE BEST WAY TO TRAIN YOUR DISCIPLINE IS MAKE YOURSELF WATCH THE MARKET FOR A WHOLE WEEK WITHOUT DOING ONE TRADE. EVEN IF THE PERFECT TRADE COMES UP DONT DO ANYTHING. THIS WILL PROVE YOURSELF THAT YOU HAVE DISCIPLINE TO BE PATIENT AND NOT TO TRADE.

RULE: BE DISCIPLINED!

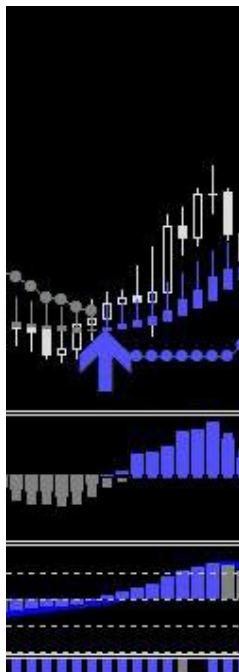
PROFX STRATEGY RULES

BASICRULES FOR ENTRY:



- 2) CHECK MAINTREND FROM THE 4 HOUR CHART. TRADE WITH THE MAINTREND.**
- 3) CHECK THE ECONOMIC CALENDER. DONT ENTER A TRADE BEFORE MAJOR NEWS COMES OUT. (GDP, NFP ETC.)**
- 4) DONT TRADE HOLIDAY SESSIONS.**

BASICRULES FOR PLACING THE PROTECTIVE STOPLOSS:



- 1) PLACE THE STOPLOSS NEAR THE LAST IMPOR-TEND SUPPORT/RESISTANCE LEVEL. (25—70 PIPS)**
- 2) ALWAYS PLACE THE STOP WITH THE INITIAL ORDER.**
- 3) DONT USE MENTAL STOPS**
- 4) NEVER USE A STOP GREATER THEN 100 PIPS**

NOTE: IF YOU FEEL NOT COMFORTABLE WITH SUPPORT AND RESITANCE LEVELS, YOU CAN USE ALTERNATIVE FIBS, PIVOTS AS POTENTIAL STOPLOSS LEVELS.

BASICRULES FOR EXIT:

- 1)** EXIT @ TAKEPROFIT: 100 PIPS FOR GBP/USD
- 2)** EXIT THE TRADE WHEN THE SIGNAL CHANGE
- 3)** EXIT THE TRADE WHEN STRONG NEWS COMES OUT AND YOU HAVE NOT ONE IDEA WHAT WILL BE THE DIRECTION AFTER THE RELEASE
- 4)** EXIT THE TRADE AT THE END OF THE US SESSION

RECOMMENDATION: TRADE THE STRATEGY 1-4 WEEKS ON DEMO BEFORE YOU START TO TRADE LIVE WITH THE STRATEGY.

ADVANCED STRATEGY RULES:

WHEN YOU HAVE ALREADY EXPERIENCE IN TRADING FOREX, USE THIS RULES TO INCREASE YOUR WINNING TRADES AND YOUR PROFITS.



ENTRY ON THE MOVE

OSZILATOR HEADING DOWN, MOMENTUM IS STRONG, OTHER INDICATORS CONFIRMS THE DIRECTION.

IN SUCH CASES YOU CAN ENTER THE TRADE EARLIER.