

THE 5 SECRETS TO CONSISTENT FOREX PROFITS

- **Intro: Forex: World of Opportunity**
- **Secret #1 Risk Management**
- **Secret #2 Transparency & Liquidity**
- **Secret #3 Diversify with Multiple Currencies and Strategies**
- **Secret #4 Fundamental & Technical Indicators**
- **Secret #5 Consistency = Consistent Profits**
- **Conclusion: Build a Trade Plan and stick to it**

INTRO

FOREX: A WORLD OF UNPARALLELED OPPORTUNITY

The Foreign Currency Market is the largest financial market in the world, in one day over 3 Trillion US Dollars is traded. It would take the US Stock markets several weeks to accumulate that type of money movement. So this market is big, and why is that important you may ask? Well, if you remember seeing the Stock Market move 5 to 10% a day back in late 2008, May 2010, and August of 2011; when that happened it did so because large financial institutions could manipulate the market with a few billion dollars and cause these extraordinary movements. The Currency Market however is so big that even the largest governments and institutions of the world can have a very difficult time manipulating the currency market. So that means it ultimately can be a more just and predictive market when compared to global stock markets. Essentially this game is not "rigged" like the world of stocks is.

Another intriguing aspect of the Currency market is that you can take advantage of a rising US Dollar or a falling US Dollar. In stocks bought via your 401k or Retirement account, you are essentially helpless if those stocks go down, the end result is that most Retirement accounts have a net negative return over the past decade. But with currency trade if the US Dollar goes down that's just fine, go grab some Euro, British Pound or Australian Dollar to take advantage of such a fall. The ability to profit off of a rising or falling currency is an outstanding feature of the Currency market.

WHO WE ARE

So who are we and why should you listen to us. In Foreign Currency trading there are essentially two ways to participate in the currency market. You either have a Money Manager trade your account for you or you personally trade the account yourself. Our team has traded hundreds of thousands of our own Dollars both with Money Managers and by managing our own trades personally, so whether you are looking to find a quality Money manager to trade your account or have the drive to teach yourself to trade Forex, this document will provide insights and keys to make a good decision when choosing a Money Manager or implementing trading strategies yourself.

We have experienced tremendous gains and seen unfortunate losses over the past 5 years. We have traded the currency markets in positive economic times and negative economic times. And let's be honest there are a ton of mistakes that we have made that you can avoid with the information found in this document. The information in this document is essentially free, but has tremendous value in its ability to help you avoid getting kicked in the financial teeth. It's value can be worth hundreds of thousands of dollars or more depending on how you proceed in the currency market. Many of the concepts that are taught pertain to any type of investment that you make. So learn these concepts well and they will serve you for your entire financial life.

MONEY MANAGER VS PROPRIETARY TRADING (TRADING YOURSELF)

Let's look at the pros and cons of utilizing a Money Manager.

PROS of a Money Manager

- Money Manager can watch the markets daily so you don't have to
- Money Manager has the tools, training, and expertise.

REQUIREMENTS of a Money Manager

- A Money Manager must have a strong track record.
- Show an ability to manage risk.
- Understand your objectives
- Trade only with a Forex broker involved and a limited Power of Attorney (TRANSPARENT)

Cons of a Money Manager

- Must pay a performance fee
- Money Manager is motivated to make money by risking your money.

PROS of Trading on your own

- You are relying only on yourself. (can be good or bad)
- You can find an automated system to trade while away from the market.

Cons of Trading on your own

- Must watch the markets constantly, if you have a job and family this can be difficult.
- Inability to pay attention to the market can lead to losses as well as a lack of experience.

SECRET #1 - RISK MANAGEMENT

So after making some profits in Real Estate during the booming years of the mid 2000s our team began to see the writing on the wall that real estate values were going to collapse as one bank after another began to go bankrupt. As this happened we started to pursue other investments. One of our clients introduced us to Forex and claimed he was making lots of money following the big elephants of Forex. So we were intrigued and began demo trading some Forex accounts. After a few months we had doubled our demo accounts and deemed that we were ready to begin trading real money.

REAL VS DEMO (Get real ASAP!)

Something happens when you are manually trading a demo account vs. real money. For example instead of using stop losses to limit our risk we simply waited for trades to come back in our favor and then close them out for a profit., but that was not so easy to do when we had open trades at a \$10,000 loss with real money. What happens is if you are not emotionally trained to stick to your system you will sabotage your account and let your emotions take control. So spend a couple of weeks using a demo account and then open a small \$5000 account so you can see and feel the difference between real and fake money. The moral of the story is to get Real as soon as possible.

BLOWING UP AN ACCOUNT (VERY IMPORTANT)

Instead of starting out with a small account of \$5,000 or so we immediately deposited \$75,000 and began to trade it. Our first night was good we netted a \$4,000 profit. but we just did not have the education and most importantly the knowledge to properly manage our account. We also had unrealistic expectations that we could double our money consistently every month. Before you begin trading you need to have a set amount that you are going to risk, most trading experts suggest not to have more than 2% at risk on any one trade. Risk Management is the most important aspect of trading, there is nothing more important than risk management. So back to our sad story, we didn't have a trade plan, we didn't understand how to manage risk and after a month our \$75,000 account was down to about \$22,000. At that point we were certain our future in Forex was over, done. The next month we began trading a simple system and risking no more than 2% per trade with a small \$3,000 account and by the end of the month we were up about 20%. A few months later we would take a \$35,000 account and more than double it in 6 months.

So the moral of this story is don't be foolish, greedy, and stupid like we were. When you begin trading live whether with a Money Manager or trading your own strategies begin small, and manage your risk. Have a mental stop loss, that at some point you are going to stop trading after a certain percentage of losses and most importantly manage your per trade risk. The truth is that most successful traders at some point blew up an account, but that doesn't have to be you, learn from the get go that starting small and managing risk and losses is the key to being successfully profitable long term.

FOR MORE INFORMATION ON RISK MANAGEMENT GO TO www.4xeducation.com/5-secrets

SECRET #2 TRANSPARENCY & LIQUIDITY

Forex provides opportunities that certain investments simply do not. Remember Bernie Madoff and his \$65 Billion Ponzi scheme? Did you know that he was highly respected, licensed, and at one point even in charge of the Nasdaq exchange? He was visited regularly by the SEC and gov. regulators, but still he was able to steal Billions. Why? Because the stock market industry where your 401k and Retirement accounts are often managed is simply not transparent, you have to blindly trust the company who manages your money, there is no objective 3rd party that holds your money and transparently monitors it, there is no way for you to really see the results 24/7 in real time. Forex however provides complete transparency while the other markets don't, including those that may hold your retirement. This is one of many brainless errors by Wall Street.

So here's how it works, let's say that you done your due diligence on a Money managing firm and elect to have them manage your money with Forex. Here is what you never ever do, you do not send them your money and wish them luck in managing your money (THIS ONE SECRET WILL SAVE YOU BIG TIME). There are so many stories about someone who is a currency trader or stock trader who takes other people's money and then magically one day he pushes the wrong button and just like that has deleted someone's money. A very unlikely story, the real version is that he took 80% of it and went on vacation and paid for his lavish lifestyle and then lost the remaining portion in some type of investment, maybe Forex, maybe something else. Here is how Forex works. First and foremost you set up your own trading account in your own name at a reputable, licensed, and regulated Forex broker. In the US Forex brokers need \$20,000,000 net capital on hand in their bank account that they cannot touch just to be in business. After you set up and fund your account at the 3rd party Forex broker, then you can sign a Limited Power of Attorney that will allow your Money manager firm to manage your account and trade it. They have no power to withdraw the funds, only trade it.

So whether you have a Money manager trade your account or trade it yourself the process is always the same, you set up your trading account at a Forex broker.

Again comparing Forex to stocks, bonds, mutual funds, bank CDs, and a variety of old outdated investments Forex provides the best liquidity. While each of the other investments may require you to wait weeks and sometimes months to withdraw your money with some type of penalty or fee, Forex provides complete liquidity meaning that if you fund your account today at a Forex broker, then the next day have an emergency and need all of your money back then the broker will be able to get your money

sent back to you usually within 2 business days. This is such a great feature, imagine if you invest in a property and then need to sell, not only may you take a loss, but there is no guarantee that you will be able to sell your property in a timely manner, again Forex allows you to get your money no questions asked and quickly. It's the 21st century my friends throw out everything you've been taught about investing and demand transparency and liquidity with your investments.

FOR MORE INFORMATION ON TRANSPARENCY GO TO www.4xeducation.com/5-secrets

SECRET #3 DIVERSIFY WITH MULTIPLE CURRENCIES & STRATEGIES

Often in Forex or any trading for that matter there is always someone trying to sell the next Holy Grail of trading. With our world more globalized than ever trading requires a very flexible mindset and the ability to improvise and change with dynamic markets. What that really means is don't be married to just 1 strategy or one currency pair. The old adage don't put all your eggs in one basket is true when it comes to Forex. Let's say that your Holy Grail strategy which had been profitable for 2 years falls apart with new market dynamics, if you were only trading that strategy then you would be guaranteed a negative return. However, if you had 3 "holy grail" strategies trading at once and one of them had an off month, but the other 2 maintained their average return then you would still have an excellent chance at being profitable. Most successful Money Managers will trade multiple strategies and multiple currency pairs that way if there is a huge, unforeseen event in Australia although you may be affected in an Australian currency trade if you are diversified amongst many other top currencies then you are able to recover from big event that may happen in one country. A recent example was the Japanese earthquake, these are events that cannot be predicted, but by trading multiple currencies you can protect yourself.

Another important factor that must be considered is risk to reward. This means that if you risk \$500 on a trade you want to make \$750 to \$1000 on that trade, that way if you only win half the time you will still be profitable.

The ability to stick to strategies and a trading program during a drawdown (period of loss) is a requirement when it comes to Forex or any investment. Any profitable Money Manager including the Oracle of Omaha Warren Buffett will have periods of loss, Buffett once had sold over a Billion Dollars in US Dollars and had counted on the Euro to strengthen against the US Dollar, initially the US Dollar strengthened and he was down over 1 Billion, but eventually the trade turned in his favor and he netted over a Billion on the trade. At times you need to stay the course.

FOR MORE INFORMATION ON DIVERSIFICATION GO TO www.4xeducation.com/5-secrets

SECRET #4 FUNDAMENTAL & TECHNICAL INDICATORS

Forex like most financial markets is governed by a combination of Fundamental and Technical Indicators. Fundamental drivers can be anything such as: movements of Global Stock Markets, Bond Markets, Commodities and major news events.

In today's financial markets there are a couple of terms that you may hear if you watch CNBC or any of the Financial analysts they are "risk on" and "risk off" trading days. Risk on refers typically to the price of stocks going up, the price of commodities will go up, and some of the higher yielding currencies will also increase in value like the Australian Dollar, New Zealand Dollar, Canadian Dollar, and others high yield currencies. Typically on a risk on day the US Dollar will overall usually lose value as well as the Japanese Yen, and the Swiss Franc. Risk off is of course the opposite as stocks will decrease, commodity prices will go down and US Treasury bonds and the US Dollar will increase in value, the high yield currencies will sell off and so understanding these types of market days is important. These are generalities and of course there is more to monitor than just risk on and risk off, but this gives you a general pattern to follow. Additionally oil prices usually go up on risk on days and down on risk off days.

Major news events will certainly have an effect as well, for example each month countries will have jobs reports, manufacturing reports, retail sales reports, and each of these economic reports will have a direct effect on the currency market as well as other markets. Earnings from the major businesses of a country and the world will also affect the currency markets.

From a technical standpoint there are certain chart patterns and indicators that are watched by the major institutions that move the currency markets and some of these are well respected. Technical indicators can often be sold as Holy Grail products, but they are just one piece of the puzzle and typically there is often a good mix of fundamental and technical indicators that move the currency markets. The most respected technical indicators are moving average lines, trend lines, Fibonacci retracement, and support and resistance.

Some Money Managers follow exclusively fundamental indicators and still others may follow technical indicators. It is our opinion that a combination of the two is the best mixture, both are important and must be taken into account to be profitable long term.

FOR MORE DETAILED INFORMATION GO TO www.4xeducation.com/5-secrets

SECRET #5 CONSISTENCY = CONSISTENT PROFITS

Prior to 2008, when it came to financial markets especially stocks there was an ideology that by just buying and holding stocks or real estate there was no better, safe, and profitable investment. With the recession of 2008 that is no longer true, the majority of the world's investment accounts over the past decade have netted a negative return or very small returns if they were invested heavily in bonds that did not default. So what does that mean exactly? It means that the old way of thinking when it comes to investments is gone and unlikely to ever come back. To be consistently profitable you must be

consistent in your approach. Over the years we have learned from many sources including one of our Mentors who worked for the Bank of England for years trading the currency market and the key points listed below are some of the keys to consistent profits that we have experienced.

THE TREND IS YOUR FRIEND

A consistent strategy of a variety of traders is to trade with the overall trend. If the trend is currently that the US Dollar will weaken against the Japanese yen, then a strategy that will give you a high probability of winning is to wait for a temporary period of strength for the US Dollar and then at a point of resistance or support buy the Japanese Yen against the Dollar with targets where you would exit if the trade goes against you and a target where you would exit if the trade went in your favor. This is where some of the fundamental and technical indicators must be taken into account. Trends that are supported by trend lines are not easily broken so whether you trade short term or long term sticking to the trend is important.

MINIMIZE YOUR LOSSES

It is essential to cut your losses early and let your winners run, this old adage can be exemplified in the following example. Let's say that you sell the Euro vs. the US Dollar at 1 Euro equaling \$1.3500 (currency trading uses 4 decimal places often) and the price of the Euro decreases and 1 Euro now equals \$1.3300 so it now takes less US Dollars to get 1 Euro. In this case it would probably be wise to use a stop loss of \$1.3600 and as the trader did in this example a take profit point of \$1.3300. So you risked 1 cent to make 2 cents, this is good risk to reward risking 1 to make 2. Although 2 cents doesn't sound like much with leverage that can add up to a substantial gain. Another way to manage your trade would be to move the stop loss to 1.3500 at break even as the price moves to 1.3400 therefore assuring either a break even or profitable trade. Good risk management and trade management are key factors to consistent profits.

BE CONSISTENT

To be consistent seems logical, but it is easier said than done. Let's say you enter a trade risking 1% of your account and lose and then decide to risk 5% on your next trade. You could have an overall profitable trade record and win 75% of the time, but due to poor risk management and inconsistency you might not be profitable if you had experienced a 5% loss around all of the 1% losses. So consistent risk management is needed for consistent profits. Let's look at another example, If your Money Manager has a time tested and proven system with multiple strategies and loses 10% of your account and you let your emotions lead you to close your account when the next month he would have made 20% in profits for your account, this is not what you want to do. Typically with a time tested Money Manager or trading system you want to give it 180 days to put the law of averages in your favor. Trading is a business and there are no guarantees with trading just as there are with business, but if you put enough odds in your favor then you have a great chance at being profitable. Consistency is one of those factors that must be strictly adhered to.

FOR MORE DETAILED INFORMATION GO TO www.4xeducation.com/5-secrets

CONCLUSION

At the end of the day the steps to get Consistent Forex Profits are similar whether you hire a Money Manager or Trade on your own.

Step 1 Get a strong foundation by obtaining education from 4xEducation.com. Leverage our teams combined decade's worth of experience in the Currency markets.

Step 2 Decide if you want to engage the services of a Money Manager, if so, make sure they comply with the requirements previously outlined. If you are going to trade your own account then you need additional education and to study various Forex programs and systems that you can trade manually or automate.

Step 3 Set up your Trading account either in your name, business, or IRA. Check with your Money Manager or Trading system for certain recommendations, most will require the use of a certain Forex broker as they may be more confident that their services best maximize their trading strategies.

Step 4 Carefully monitor performance while at the same time sticking with a system for a 3 to 6 month period or if necessary stop trading and re-evaluate the Money manager or Trading system. If necessary demo trade until you are comfortable.

Step 5 If possible have 2 accounts one for long term growth and one for short term cash flow.

Step 6 Keep learning

IT IS IMPOSSIBLE TO PUT YEARS OF EXPERIENCE AND LEARNING INTO ONE SMALL DOCUMENT TO REALLY BUILD A SOLID FOREX FOUNDATION GO TO www.4xeducation.com/5-secrets