

Forex Trading

What Finally Worked For Me



If you find typographical errors in this book they are here for a purpose. Some people actually enjoy looking for them and we strive to please as many people as possible.

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Conventional wisdom is both right and wrong depending how you look at any issue. For example, conventional wisdom says that in forex trading a trading system with an edge is the most important thing you can have as a trader.

Not true.

I know that may sound like heresy. You might be ready to tie me to a stake and burn me for a statement like that. Give me just a few moments of your time to prove to you otherwise.

After all, if you're not have the success you want to have in the forex market, you owe it to yourself to take a look at what I'm doing. What I'm doing works.

Yes the trading system is important, just not nearly as important as you've been lead to believe. Let me explain...

Trading System

Okay, the point is established that if you don't have an edge in the market, the market is going to separate you from your money. That is a highly simplified version of this truth, I understand. But we can all agree on the fact that if you don't have an edge somehow, you will lose.

Do we agree on that? Good.

Now let's say that you do have an edge. It's not hard to get one. There are thousands of good systems for sale. Backtesting software is free. Getting a winning system isn't hard. Yet traders still struggle to make money in the market.

So we've come to the next important point. That is that trading systems are not the end all for successful trading. Do we agree on that as well? Yes? Good.

Quickly, before we move on, I want to tell you about the style of trading that I use. I like divergence. Here is an article that describes it more. [Click here.](#)

Just remember, trading systems are not the end all.

Money Management

Most likely, people who realize that the trading system is not an end all, will point to money management being the "holy grail" of trading. In fact Ryan

Jones has called money management just that.

I hate to burst bubbles, but no, money management isn't the answer to all trading woes. Furthermore, many traders over complicate money management. (Ever hear of "optimal f"?)

It doesn't need to be that complicated. Keep it simple. The honest truth is if you keep your risk per trade at 1% to 2% of you total account balance, you're safe.

That's it! That's all you need to know about money management.

Trading Psychology

Mark Douglas has made his money explaining to traders that trading psychology is the answer to trading profits. If you're read any of his books, you know that he really over complicates the issue.

He writes a whole book on the subject that really could be done in just a page or two at the most. Look, I'm going to give it to you in several sentences.

Here's the deal. If you have a good system (it has an edge), and you're using good money management, then train yourself to take the trades as they come.

Simple. Just not easy.

What Finally Worked For Me

It's a combination of things. So to give it an easy to remember name, I'm calling it the YouSystem™. It's not "new" any more that the ingredients of a chocolate cake were new before the the first chocolate cake was made.

It's the proper combination of these items that makes it all come together. So what makes the YouSystem™?

- Your Trading System
- Your Money Management Plan
- Your Starting Capital
- Your Trading Time
- Your Reason For Trading
- Your Commitment

It wasn't until I combined all of these items into one cohesive plan that it started to work for me. I've already explained trading systems, and money management. Yes, they are very important!

Don't misunderstand what I was saying above. I'm not trying to degrade them. Instead, I want you to see that alone they are very incomplete. You'll still lose money trading forex.

You also need to have sufficient capital to trade. Yes, you can trade with as little as \$250. But then you'll have to trade micro lots, and you'll only be able to risk \$5 per trade.

I don't have to tell you that when you're only risking \$5 per trade, you ain't going to get rich any time soon!

If you try to trade larger than that, your broker will thank you, and other traders will thank you...

...because they are going to have you money.

****Warning: Start of Advertisement! ;-)****

So you haven't got enough capital, I know of one very simple way to raise a \$1000 quickly and legally. It does require a bit of effort, but not much. The report that explains it costs \$10. If you're short on funds, **you can't afford to not have this!**

[Click here](#) to go to the website. Scroll down and click on the link that says "Get \$1,000 - \$5,000 FREE & CLEAR Within 30 Days!" No, it's not a scam. I own the report and have used variations of what it describes. It works.

****End of Advertisement****

Okay, so you've got a system, you know how much you're going to risk per trade, and now you're got your capital squared away.

There's yet another hurdle to jump over. When do you trade? If you're available during the London, New York crossover (8am-12pm EST), they you're just lucky. Trade during that time. For most of the rest of us, that time just doesn't work. Either your working or sleeping or spending time with the family.

There is on simple way to deal with the problem of when to trade. Don't day trade! Really!

It seems that everyone who is trying to make a go of forex trading thinks they need to day trade. You don't.

You can trade end-of-day bars. For a little more action, you can trade 4 hour bars, but they are more tricky. Furthermore, it is widely known that patterns that develop on the daily charts are much more reliable. You're more likely to make money. Why wouldn't you want to trade then?

Well?

Because someone told you that you could get rich day trading? You want more action? Allow me to ask a very sobering question.

Do you want to lose the money in your trading account?

That's what will happen if you continue (or start first) with day trading. I'm not saying that day trading doesn't work. However, you can't make a killing on the daily charts, you won't be able to make a killing on the 5 minute charts.

Decide when you're going to trade and only check your charts briefly as you see if there is a trade or not. Your account balance will love you for it!

You need to have your reason straight for why you are doing this. If you're trading forex because you want to get rich in a year, go throw some cold water on your face.

I've been there. I know what you're feeling. But it doesn't work that way. You've heard the line that you must crawl before you can walk. That's true. Stop thinking about turning \$1000 into \$1,000,000 in 18 months. That's fantasy land.

If you want to stop reading right now, I understand. I didn't want to listen once upon a time too. Just do me a little favor. Save this report and come back to it. You'll be glad.

When you're ready to really make money in forex I'll be here waiting for you...

Still with me? Great!

Lastly is commitment in the YouSystem™. This world is very lacking in commitment. Why are some people poor? They lack commitment to bettering themselves (in many cases).

Why do forex traders flit from trading system to trading system, and never seem to make money? Lack of commitment.

Once you have your very own YouSystem™ outlined, you have to commit to following it every day for at least six months. That's what gives the YouSystem™ teeth!

That's what makes it work. Commit to sticking with it. And then stick with it.

Putting the YouSystem™ to Work

Write everything down. Document the system you are going to use. Write out your money management plan (keep it simple), make a record of your capital and devise a plan for getting more if you need it.

I would recommend trading with at least \$1000.

Next commit to paper when you are going to trade (for example I check my charts at 9am and 5pm, that's what works for me) Don't be afraid to slow your trading down.

Write down why you are trading. Let me give you some good examples.

"I want to learn a skill that will make me more and more money through out my life."

"I want to make my money work for me."

"I want to learn to achieve 40% returns annually (making index mutual funds look like a child's game)."

Let me give you some bad examples.

"I want to get rich fast."

"I want to retire in 2 years a multi-millionaire (starting capital \$5000)."

"I want to make easy money."

Okay, so no one would actually write those reasons down, right? However, you might be thinking them in the back of your mind. Those kinds of thoughts work exactly opposite of what you intend. They will take you further away from your goals.

How do I know? Unfortunately for me, personal experience. Use that to your benefit. You needed fall into the same trap.

Lastly write down that you will follow your YouSystem™ as if your life depended on it. WRITE THAT DOWN. This must be so important to you that you'd rather die than not keep your word.

Now sign your name at the bottom.

You just made a contract with yourself. You're the only one who can keep you to it. And you're the only one who is going to lose if you break the contract.

Patience

This is kind of like a P.S. You need to have patience. Good trades don't come every day. Patience. Use your edge. Follow your YouSystem™.

And you will make money trading forex.

If you'd like to learn more about how I trade, check out my website. Check out my new guide [Winning Forex Trading - THE Definitive Guide.](#)

Just go to WinningForexTrading.com

I wish you the best of success in trading.

Nathan