

The title "Pips On Fire" is rendered in a highly stylized, gothic-style font. The letters are filled with a gradient of red and orange, giving them a glowing, fiery appearance. The background behind the text consists of vertical, flame-like streaks in shades of red, orange, and yellow, set against a solid black background.

# Pips On Fire

200-400 pips Trades REVEALED!

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## **Introduction**

Congratulation on your purchase of the Ebook 'Pips On Fire'. You have taken the first step into the exciting world of Forex Trading, read through this ebook careful and you are sure to have all the information you need to become a successful forex trader and more to the point make a shed load of cash. This Ebook has been written with both the beginner and advanced user in mind, so regardless of whether you are new to Forex trading or an advanced user you are sure to benefit.

## **Forex Trading: A Beginners Guide**

Forex trading is one of the most popular trading markets available. What is Forex? Forex is short for Foreign Currency Exchange. This market trades foreign currency exclusively. What types of currency are traded in the Forex market? There are at least eight different currencies that are traded actively on this market. The currencies traded are the US Dollar, the European Euro, the Japanese Yen, Great British Pound, Switzerland Franc, Canada Dollar, Australian Dollar, and New Zealand Dollar.

The Forex market is the biggest financial trading market in the world. Currency can be traded on this market 24 hours a day, seven days a week.

Trading Forex is better than trading on the stock market because there are no commissions, low transaction costs, a 24 hour market which no one can corner, high liquidity, and free demo accounts just to name a few of the bonuses that come with trading Forex. All you need is a computer and this information and you will be set to trade.

Forex is always traded in pairs. The first currency listed is the base and the second is the counter currency. When trading, you will buy the currency using the exchange rate in order to buy or sell. What this means is that you would need to use the rate in order to tell you how much that you need of the quote currency in order to buy a unit of the base currency. You would buy if you think that the currency will go up in value. You would sell if you thought that the price would fall.

When making the decision to buy or sell, you would need to decide exactly what position that you want to take. A long position is a buying position and a short position is a selling position. All Forex include two different quotes, the bid and ask. Bid is the price that the dealer asks for to buy the currency at the quote price. Ask is the price for selling the Forex. The spread is simply the difference between the two. You will also need to take into consideration using a demo account.

First of all I recommend you sign up for a free practice account with etoro at the page below.

<http://www.etoropromotion.com/>

Why use a demo account? This way you will not be risking any of your own money on the Forex market while you are learning to trade Forex. It is suggested that you use this account for a couple of months at least in order to learn the right way to trade Forex. A pip is the smallest unit of currency that is traded on the Forex market. A lot is an amount of money that is needed to be traded in order to make a profit. A standard lot size is around 100,000. A mini lot is around 1,000.

Leverage is what is used to trade Forex.

Think of your broker as a bank that fronts you say, 100,000 to buy currency and all he asks is an amount of 1,000 for example. This will require a minimum lot size which is known as initial margin.

Example, for 1000, you can trade one lot of currency at 100,000. A margin call is when your account balance falls below margin. You will then need to deposit money in order to keep the account open. There are several orders that can be made through Forex. These orders are listed as follows.

A market order is an order placed to buy or sell at the current market price. A Limit order is limited to selling and buying at a certain predetermined price. A stop – loss order is one taken out in order to stop additional losses by the currency. There are also some weird sounding orders. GTC means good until cancelled. This order is active until you close or cancel the order. GFD or good for the day means that the order is only good for

the day in which it is placed. OCO is order cancels other. This order when placed is a mix of stop – loss and limit order.

### **Finding A Forex Broker**

All Forex brokers in the US should be registered with the Commodity Futures Trading Commission as a Futures Commission Merchant. You can check on the status of any broker by contacting the NFA by phone or on the web. Make sure that the broker in question has a clean regulatory record. This is imperative in order to keep from getting ripped off. Since the Forex Market is a 24 hour market, your broker should also have 24 hour customer service. Do their reps have a working knowledge of the market?

After you have answered those questions, then we will move on to the next step, which is how to choose an online trading platform that is right for you. There are many different platforms from which to choose from. These platforms should give you the ability to see real time transactions and account summaries. There are also two different types of platform, the brokers and the downloadable client. The client software will only allow you to trade from the computer that it is installed on but the broker will allow you to trade from any computer. We recommend that you start with the reputable and secure etoro, they are also very easy to use.

<http://www.etoropromotion.com/>

When selecting a broker, make certain that you know all the policies and procedures for each of the following areas:

- Available currency pairs
- Cost of transactions
- Margin requirements
- Minimum trading size
- Rollovers and trading hours.

Now we move onto the final area which is selecting and opening your account. You have the choice of opening a demo account a standard account, a mini account or a micro account. These accounts have to be opened in your name or business name. Make sure that you read and understand the fine print on any contract that you sign. You will also have to submit paperwork in order to open an account and the broker will contact you when your account is fully open. Your broker will contact you via email with instructions on how to activate your account.

This is just a small portion of what you need to know in order to know the Forex basics. A lot has been covered here which will help you on the road to becoming a successful forex trader. With all this information, you will be able to start trading Forex and be able to open an account with a broker. You will also be able to trade using a practice account for Forex.

### Trading Platforms

There are many different web based and Java based clients for the Forex trading. One of the best for this is the Etoro system. These platforms give you the ability to see real time transactions and changes in the market. There are also two kinds of platform. They are the broker trading platform and the client trading platform. The broker will allow you to trade on any computer but the client will only let you trade on the computer in which the program is installed. Java is considered by most brokers to be the most reliable platform for trading.

eToro is an innovative and creative approach to online foreign exchange trading. With eToro's combination of financial know how and user friendly interface you can monitor, share, and discuss your trading activity while enjoying the latest financial updates.

This easy to use platform allows you to use real or virtual money to execute real-time trades with a click of a button, making the complex world of international finance simple and interactive. Visit the page below to see for yourself.

<http://www.eturpromotion.com/>

## **Strategies To Becoming A Successful Forex Trader**

In order to be a successful Forex trader you need to understand the flow of the trade and go the way trade is going. Don't make the mistake of going every which way when trading Forex. That will sink your ship faster than a tidal wave. Follow the flow of the market when trading. Market flow will actually help you to make a profit. Another point to consider is to have two accounts, one real and one demo so that if you are unsure about a trade, you can use the demo account to see how the trade would go.

By using software platforms, most if not all information is currently available to you. Also by using a dummy account, you are less like to lose any money, as you are not trading with your own money. It isn't too wise when you are a beginner to look for the leading indicators. You cannot predict the future and neither can anyone else when it comes to currency trading. Make use of any charts that you are given. This information helps you to make a better decision. Knowledge is power. Always remember to look for patterns in trading. These patterns will help you to make profit on your trades.

Trade in more than one lot, if possible. By trading in more than one lot, you will up your chances for a success. Check out the top five currency pairs before making decisions. Understand what these pairs are doing before you make a trade or sell. Don't trade when you are sick and on medications. You need to understand this yourself since you will be unable to take the right decisions when you are sick. Under the influence of medication or when ill, does not bode well for making a profit on the market.

Here are some other tips and tricks for all traders. Follow your heart when trading. Your heart and hunches will prove invaluable when making trades. Don't get greedy. By getting greedy, this will cloud your judgment and lead you to make mistakes and losing money.

Use your knowledge. Be over cautious and know when to stop. There is absolutely nothing wrong with being very cautious. You will find that these tips and tricks are mostly common sense rules in order to help get the best out of your Forex trading. Sometimes in the heat of the emotion and moment we do forget.

You need to remember that everything is discounted by the Market actions. The price movements happen in trends. There are trends available which show how the market will move. You need to try and keep a simple trading system. Too much complication can lead to confusion.

Sample the environment. It is encouraged to use a dummy account when in doubt. By using a dummy account, you will be able to try out trades. This is invaluable in order to see where a potential trade will go before you make the trade in question. You need buy low at the least price and sell at the highest price. By following this simple principle you can maximize your profit potential. This is just plain common sense.

You will need to manage losing positions. You will need to accept that this is an inherent part of trading. Patience is a virtue and very much needed in any type of trading.

Being impatience will cause you to make a mistake and lose or make the wrong decision at the right time. Having a flexible mindset will definitely be a plus. Being rigid minded will just limit you and limit your position.

Unique experiences and past performances are not an indicator of future results. Invest wisely and use all resources available to you. Use a 5-10 minute chart to monitor dips and swells. Use care in interpreting your results. Trust your gut.

For getting all the rewards you need to learn to accept the risks that come with the awards. Both of these are inherent in any type of trading situation. You need to implement a trading plan. This is of the utmost importance when developing your strategy for selling and buying Forex. Having a plan of action will actually make things easier.

Make sure that you are trading within your means. This cannot be acknowledged enough. Traders run into quicksand when they overspend with their finances.

Trade on the commonly traded currency pairs. Don't sink all your hopes on unique pairings. Sometimes these pairings will not work out. It is far better to trade with the main pairs to avoid the risk of potentially sinking your ship.

Avoid emotional trading. This kind of trading will not help you when you are trying to make a profit.

Trust the trading trends. These trends usually are cyclical in nature. They happen once then they appear again.

Learn to anticipate small losses. This is important to learn so that you are not thrown when one happens. This is a part of the inherent risk of trading.

Avoid trading strategies that you do not understand. Do your research and know what strategies work for you. If you do not understand a trading strategy, then don't do it.

Always have an exit strategy pre planned. If you just go, the results can be and often are disastrous. You need to make sure to set a limit on your losses. Don't keep yourself in such a position that you lose everything. Make a loss limit and stick to it. Cut your losses. Know when to let go and get out of a bad situation that will not get any better.

Have a vision and look beyond the present. Calculate profits in long term runs. Long term runs are the financial money makers.

You need to identify the best days to trade. There are indeed certain days that are better to trade on than others.

Don't be afraid to ask advice from other traders. Asking advice is one way to increase your knowledge on the subject. Expand your knowledge. Attend seminars and read all the information that you can to learn all about trading Forex.

Build the skills needed in order to trade. If you don't have the skills, then learn them. Once you have those skills, then practice then with a dummy account until your skill set is strong. It takes skill in order to make a living in this market. Make certain that all of your strategies are complete. Make sure that you plan for major events and catastrophes. These are the unknown variables that can be planned for in order to take advantage of the situation.

Know that losses are possible despite the best trading strategy. Losses are a part of the game and every one incurs them at one time or another.

Take time and think things through thoroughly. Taking time and think everything through will give you an advantage over someone who doesn't. This also allows you to see if this is just an emotional buy or if this is sound sense.

Use software, especially demo software. By using trading software, you will be more able to capitalize on any type of market movement in real time. They also can, especially in the case of the dummy software be used to predict trends for certain currency pairs. It will also show you what a possible trade may or may not do in the current term by taking into consideration all known angles.

Be confident. A trader who is confident will also make confident decisions on any trade. Confidence is the key both as a trader and in the trade itself.

Remember to look at the currency in pairs, and not as a single unit. Keep in mind the most popular pairs that are traded. These are your known money makers. These pairs will be the ones that will always be traded. Also keep in mind economic stability and governmental stability. These factors really affect the market to a major extent. If there is an economic crisis, it will definitely affect all of the markets, not just one portion of them. Economic conditions cannot be stated enough when looking at how a particular pair will do in the immediate term.

You will also need to consider how much that you are willing to invest in the market itself. With its high liquidity, many things change hands many times during the day.

There is a huge range of software on the market today for FXTrading. You will need to take care in choosing such a system, as they each are designed for different aspects of the Forex trade. Go in for [eToro](#), it's popularity is increasing day by day.

Your strategies need to be flexible to allow for sudden up or down turns in the market. This goes back to the flexible thinking tip listed above. Keeping an open mind and being open to new things will help you to seize on an opportunity that others would miss. It will

also allow you to be able to make changes in order to anticipate or predicate the market in general. Let's look back at the loss side of things. Losses are inevitable, that is true. However you can minimize your losses by taking out stop-loss orders in order to step the losses from increasing.

This area also looks back at having a strategy in place for dealing with all the things that could possibly come up. Strategy is the name of the game when investing. You have to have a solid strategy in place in order to buy and sell, bearing in mind that the conditions will change daily, if not hourly. Strategy is what will get you into and keep you in the winner's circle. With a winner's mindset and a flexible strategy, you are poised to take advantage of any and all conditions. This is what you will need in order to be a successful Forex trader.

That is why I have included a killer never seen before strategy that really works below.

## **The Good Stuff - FOREX Tips and Tricks**

Trading in Forex is a highly lucrative option. However, you might want to check out these tips and tricks of the trade in order to make the most of your Forex trading experience. Here are some tips for beginners who are just starting out. You would need to go along with the flow of trade. Don't make the mistake of going every which way when trading Forex. That will sink your ship faster than a tidal wave. Follow the flow of the market when trading. Market flow will actually help you to make a profit. Another point to consider is to have two accounts, one real and one demo so that if you are unsure about a trade, you can use the demo account to see how the trade would go.

By using software platforms, most if not all information is currently available to you. Also by using a dummy account, you are less like to lose any money, as you are not trading with your own money. It isn't too wise when you are a beginner to look for the leading indicators. You cannot predict the future and neither can anyone else when it comes to currency trading. Make use of any charts that you are given. This information helps you to make a better decision. Knowledge is power. You would need to identify patterns in trading. These patterns will help you to make profit on your trades. Trade in more than one lot, if possible. By trading in more than one lot, you will up your chances for a success. Check out the top five currency pairs before making decisions. Understand what these pairs are doing before you make a trade or sell. Don't trade when you are sick and on medications. All of this is common sense and self explanatory. Under the influence of medication or when ill, does not bode well for making a profit on the market.

Here are some other tips and tricks for all traders. Follow your heart when trading. Your heart and hunches will prove invaluable when making trades. Don't get greedy. By getting greedy, this will cloud your judgment and lead you to make mistakes and lose money. Use your knowledge. Be over cautious and know when to stop. There is absolutely nothing wrong with being overly cautious. You will find that these tips and tricks are mostly common sense rules in order to help get the best out of your Forex trading. Sometimes in the heat of the emotion and moment we do forget. You should always remember that the market action discounts everything. One should also that the

prices always tend to move in trends. There are trends available which show how the market will move. History can repeat itself, it is cyclical. Always therefore keep your trading systems as simple as you can. Too much complication can lead to confusion. Sample the environment. It is encouraged to use a dummy account when in doubt. By using a dummy account, you will be able to try out trades. This is invaluable in order to see where a potential trade will go before you make the trade in question. Buy as low as you can and sell at highest possible value. You can therefore maximize your profit potential. No logic is required for this

You will need to manage losing positions. You will need to accept that this is an inherent part of trading. Patience is a virtue and very much needed in any type of trading. Being impatience will cause you to make a mistake and lose or make the wrong decision at the right time. Having a flexible mindset will definitely be a plus. Being rigid minded will just limit you and limit your position. Unique experiences and past performances are not an indicator of future results. Invest wisely and use all resources available to you. Use a 15/30 minute chart to monitor dips and swells. Use care in interpreting your results. Trust your gut.

You should learn to accept both the risk and the rewards. Both of these are inherent in any type of trading situation. Put into action a trading plan. This is of the utmost importance when developing your strategy for selling and buying Forex. Having a plan of action will actually make things easier. Make sure that you are trading within your means. Each and every person who trades needs to know his or her limits. Traders run into quicksand when they overspend with their finances. Trade on the commonly traded currency pairs. Don't sink all your hopes on unique pairings. Sometimes these pairings will not work out. It is far better to trade with the main pairs to avoid the risk of potentially sinking your ship. Avoid emotional trading. This kind of trading will not help you when you are trying to make a profit. Trust the trading trends. These trends usually are cyclical in nature. They happen once then they appear again. Learn to anticipate small losses. This is important to learn so that you are not thrown when one happens. This is a part of the inherent risk of trading.

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Remember to look at the currency in pairs, and not as a single unit. You should never forget that currency is traded in pairs. Keep in mind the most popular pairs that are traded. These are your known money makers. These pairs will be the ones that will always be traded. Also keep in mind economic stability and governmental stability. These factors really affect the market to a major extent. If there is an economic crisis, it will definitely affect all of the markets, not just one portion of them. Economic conditions cannot be stated enough when looking at how a particular pair will do in the immediate term. You will also need to consider how much that you are willing to invest in the market itself. With its high liquidity, many things change hands many times during the day. Many times the topic of software has also come up. There are a number of different types of software available in the market today. You will need to take care in choosing such a system, as they each are designed for different aspects of the Forex trade.

Your strategies need to be flexible to allow for sudden up or down turns in the market. This goes back to the flexible thinking tip listed above. Keeping an open mind and being open to new things will help you to seize on an opportunity that others would miss. It will also allow you to be able to make changes in order to anticipate or predicate the market in general. Let's look back at the loss side of things. Losses are inevitable, that is true. However you can minimize your losses by taking out stop-loss orders in order to step the losses from increasing.

This area also looks back at having a strategy in place for dealing with all the things that could possibly come up. Strategy is the name of the game when investing. You have to have a solid strategy in place in order to buy and sell, bearing in mind that the conditions will change daily, if not hourly. Strategy is what will get you into and keep you in the winner's circle. With a winner's mindset and a flexible strategy, you are poised to take advantage of any and all conditions.

## **Beginners Guide: Conclusion**

This guide tells you what is needed to be known about the Forex trade and all the information that you will need to know in regards to the trade itself. It is a complete listing of what you need to know in order to be successful trading in Forex. It covers terms and technology that you need to have in order to not only understand what is going on, but also what you need to know so that you do not get lost when trading in the Forex market online.

Knowledge is power, and the more knowledge that is known about the market, the better able you will be to take advantage of opportunities when they arise.

This information should help you to make a decision as far as how successful you could be in the Forex market and as a trader. It covers everything that you will need to know about Forex, and everything that is covered under that market. With explanations of all technical terms, it is a good start to answering that question. It also covers how to find out what a broker's record is. With all the information that is available in this guide, you would be hard pressed not to be able to make a decision on your potential success in the market.

Once you have grasped the basics I suggest you take a look at the advanced guide and start putting your new found knowledge to good use.

## **Glossary**

**Liquidity.** This term relates to the fact that the market is indeed “Liquid”.

**Leverage.** Leverage talks about the money and lots that you have currently on the market. You will also need to know that the market is open 24 hours a day and trades over 1 trillion shares every day.

**Pips.** A pip is the smallest amount of a currency. What do you understand by a lot? A lot is a section of currency usually around 100.000 dollars that is used in the buying and selling of currency. 1 lot is equal to 100.000 dollars.

**Long Bid.** This is a position that you take with an eye on selling later on when the position is more favorable to sell.

**Short Bid.** Short bid is selling off your currency. What do you mean by bid and ask? Bid is buying price and ask is selling price for a pair of currency.

**Initial Margin.** The initial margin is the minimum lot size that can be purchased. A margin call happens when your balance falls below a pre set margin and your broker will let you know by issuing a margin call.

**Base price.** Base Price is the first currency listed and the second one is the counter for the second one listed. The base currency is what determines the price that you would need to pay for a certain amount of the counter.

**Market Order.** Market Order is an order placed to buy or sell at the current market price.

**Limit Order.** Limit Order means that when the price that you wish to buy or sell is reached then the order will go into effect.

**Stop Loss Order.** Stop Loss Order is an order placed in order to stop more potential losses.

**Good Until Cancelled Order.** Simply means that the order is good until cancelled by the buyer.

**Good for the Day.** Simply means that the order is only good for the day in which it was placed.

**OCO.** This means Order Cancels Other. In short, this is nothing but a mix of stop loss and limit orders.

### **Accounts**

**Mini:** A mini account can be opened with a minimum of 10,000.

**Micro:** A micro account can be opened with 1000.00. Now bear in mind that some online accounts can be opened for less than that.

**Standard:** A standard account needs at least 100,000 to open.

**Dummy:** This is a practice account. This practice account will allow you to practice trading Forex without any risk to your money. It is suggested that you practice with a dummy account before opening a real account. This is so that you may be able to learn the Forex ropes and get better at buying and selling on the open market.

## Advanced Guide (For Those Who Want To Make REAL Profits!)

The methods described in this guide have been perfected as much as possible over time and experience. These methods have taken a long time to perfect and I could charge hundreds or thousands of dollars to spill the beans on these methods, but I decided to give this out for free so newbies and people that don't have a reliable system can take advantage of it, put it to use and quite literally make a fortune (I am not kidding).

The methods I will describe in this guide for forex trading, have made me hundreds of thousands of dollars. Personally, these methods have given me a sweet percentage of 82% of winning trades. Not bad, huh? Considering each trade makes me an additional 200 to 400 pips, which could mean hundreds or thousands of dollars per each trade.

I am sure you want me to spill the beans already and stop talking, right? Ok, I will start explaining...

Here is a picture of the last trade I made for the pair USD/JPY. This trade made me 239 pips and that is a lot of money.



Some would say that pin bar is too ugly and using it as a signal would set you up for gambling. Well, I say they are dead wrong. And will explain why later...

Here is a trade that \*could\* have been succesful. Unfortunately, my short position was not triggered (only 3 pips away from getting triggered). This was a trade for EUR/USD.



I will confess my mistake here. In this trade I got too confident and that is why my position was not triggered. Based on the methods I will describe soon, I should have placed my position a little lower than I did (1.5950). That is what happens when you don't follow proven methods and rely on your own feelings. Don't learn from your own mistakes, learn from others'. Don't try to change the methods I will reveal to you in this guide because you will set yourself for failure. Follow every bit of the methods as I explain them here; this will make sure you make yourself thousands and thousands of dollars for many weeks, months, and years to come.

Ok, so now that you have seen 2 of my most recent trades, I will show you EXACTLY how to make the 200 - 400 pip trades and avoid losses so you can also make thousands of dollars with minimal effort.

At first, you may not be 100% confident on these new methods you will learn (if it is new for you). Therefore, I suggest that you get a demo account and apply the methods you will learn on it before putting them to gear on your real money trading account. It won't take long before you apply the methods on your real money trading account though as you will clearly see how successful they are. ;)

I am willing to help you succeed with these methods. This guide puts my reputation at stake so I want to take you by the hand and help you succeed.

In this guide you will learn how to win hundreds of pips with each trade. The methods I will show you in this guide have the potential to make as much as 600 pips or more. Of course, this always depends on how the market is moving.

The beauty of these methods is that you only need 15-20 minutes maximum to set them up. One thing you should take notes on is that I trade ONLY with D1 time frames (daily charts) when I am using these methods. I have used them with H4 and H1 charts but the percentage of my winnings are significantly lower than when trading D1 charts. The lower the time frame the lower the percentage winnings.

Let's get down to business!

The first thing you have to do is identify the Support and Resistance Levels. Open the currency pair you want to trade and set it up for D1 chart. I trade using these methods only with 7 pairs: EUR/USD, USD/JPY, EUR/JPY, AUD/USD, GBP/JPY, EUR/CAD and CAD/USD.

What is support?

Support is the price level at which demand won't let the price go further down.

What is resistance?

Resistance is the price level at which supply won't let the price go further up.

Take a look at this image so you can understand the concept better...



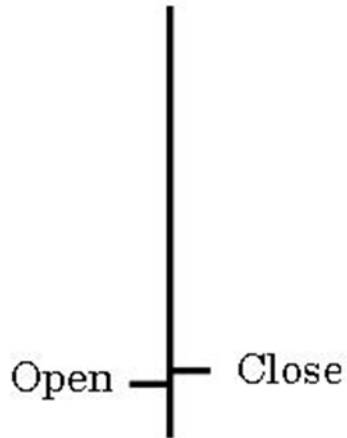
As you can see, I placed two lines identifying resistance and support levels. Support and resistance levels change from time to time. That is why you need to compare support and resistance levels from back in history and the most recent support and resistance levels.

After you have gotten a clear idea about what are support and resistance levels and you know how to identify them, it is time for you to learn how to identify a pin bar.

Here is an image to explain...

Pin Bar Pointing Up

Signal to SELL



Open ——— Close

Signal to BUY

Pin Bar Pointing Down

Pin bars have a shape similar to a sword. The closer the open and close lines are the better the pin bar is formed.

Here is a picture to see how pin bars work as signals either to buy or to sell.



You can see in the picture I identified history support and resistance levels as well as most recent support and resistance levels. I also identified the pin bar.

*NOTE: This pin bar was the signal I identified to place my trade that was only 3 pips away from getting triggered.*

After I have identified the resistance levels, I take a look at the charts every night to see if any pin bar forms breaking the resistance or support levels. Breaking? – You ask. Yes, after we have identified support and resistance levels, we look for a pin bar to form that goes over or under a resistance level. Take another look at the picture above and notice that the pin bar goes over the history and most recent resistance levels. That is the signal that price is going down and we are looking to sell!

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*Before we go into how to place our trade, let's discuss a little bit more about pin bars. You may be wondering why I call the pin bar I identified in the picture above a pin bar if it looks so ugly, and close and open lines are a bit away from each other.*

*The answer is quite simple, I compare the distance between the close and the open lines plus the distance to the tip of the "tail" with the distance of the rest of the pin bar (the top of the body). It is clearly noticeable that the top of the pin bar's body is 2 to 3 times the distance from the close to the tip of the "tail".*

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I hope that was clear to you. Let's continue...

So, now that we are looking at a pin bar forming, we wait for the pin bar to close. We can't place our trade without knowing where the pin bar finally closed; we don't know for sure if it will be a pin bar. Since we are looking at D1 time frames, obviously the pin bar closes when the day closes. I am in Puerto Rico and forex trading days close at 8:00 PM Eastern Time. Find out at what time each day closes for you.

Once our pin bar is closed and decently formed, we are going to place a pending trade (sell limit or buy limit). Click on the Fibonacci Tool on your trading platform and place it from the top to the bottom of the pin bar (see picture below). Depending on how well your pin bar forms, determines where you will place your pending order at.

If the pin bar is ugly (as in the example given here), you are going to place your pending position to buy limit or sell limit (sell in this case) somewhere between 23.6 and 38.2 of the Fibonacci Tool. On the other hand, if the pin bar is perfectly formed or close to being perfect, you are going to place your position at 50% of the Fibonacci Tool (which is 50% of the length of the pin bar).

*NOTE: This is where I made a mistake when trading this pin bar. I knew it was an ugly pin bar and, yet, I placed my position at 50% = price 1.5950.*

Your stop-loss should be placed 5 pips above the top of the pin bar (see picture below). The take-profit position should be placed depending on your way of trading. If you are conservative, place your take-profit to earn the same amount you are risking to lose (the amount of pips from your entry position to the stop-loss). If you are not conservative, like me, place your take-profit 2 to 3 times the amount of pips you are risking to lose. Also consider the most recent support/resistance level to estimate where it is likely to come back against you (see picture below to see where I placed a line at the most recent support level).



Once you have placed your position either buy limit or sell limit, you just need to wait a few days to watch the profit rolling. If for some reason, your position is not triggered, do

NOT follow the market and do NOT place another position to see if you end up with profits; that is nothing but GAMBLING.

Don't ever feel lucky when you are trading the forex market. Simply follow a proven system that others have had success with and try it yourself. Don't guess because you feel lucky. That doesn't work with forex and you should treat forex trading as a business.

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That's it. I hope you understand these methods and put it to use. Remember to practice with it first on a demo account. Then, after you gain some confidence using it, put it to use on your real money trading account.

## **FAQ – Frequently Asked Questions**

**Q:** What is buy limit and sell limit?

**A:** Buy limit and sell limit are used when you want to enter at a certain price that you think is going to be hit in the future. Obviously, buy limit means you want to buy when that certain price is hit, and the same with sell limit.

**Q:** Why use buy limit and sell limit instead of instant execution orders?

**A:** Based on my personal experience pin bars do not always tell you where the market is going. Yes, they are a guide for you to determine if the market is going up or down, but you can't rely on them to trade. Also, in my years of trading I have seen that after a pin is formed, the next day's bar most of the time goes up (if you are buying) or down (if you are selling) and hits up to 50-60% the length of the pin bar. That is why I have designed this system of placing the pending position depending on how well the pin bar is formed.

**Q:** What if placing the stop-loss 5 pips above/below the pin bar is too much for me to lose?

**A:** You can always set your stop-loss where ever you feel comfortable with. Although I recommend not placing it too tight because sometimes you need to let the market breathe and it will go the direction you want over time.

**Q:** What if I see a pin bar that goes over/under **most recent** resistance/support levels but NOT over/under **history** resistance/support levels?

**A:** You can trade the pin bar if it goes over/under a most recent resistance level. History resistance/support levels are a guide to tell you what have been the highest or lowest price levels in the past compared to the present prices. A good thing is that history and most recent resistance/support levels combined are very strong signals. But, yes you can trade using the most recent resistance/support levels as guides and if you find a pin bar breaking over or under them, you should go for it and trade it.

**Q:** Can I use trailing stops?

**A:** Of course you can. In fact, it is a way to make sure you don't lose.

**Q:** Is there a company/broker you prefer over others?

**A:** In the last few years I have been a strong fan of InterbankFX. Recently, there's a new rising star for me, and that is Etoro.

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[eToro](#) has a unique trading platform like nothing you have seen anywhere, the most important point to note is that etoro simplifies the complicated process of forex trading more than any other forex site. Since I began to use eToro my earnings have almost doubled and I couldn't be happier with it. I definitely recommend you take a look at it at the page below.

<http://www.etoropromotion.com/>

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**THANKS FOR READING, I HOPE YOU ARE NOW READY TO ENTER THE  
EXCITING WORLD OF FOREX TRADING. IT IS NOW UP TO YOU TO TURN THIS  
INFORMATION INTO A REAL PROFIT!**