

The Quick Secret in FOREX Trading Strategy

< 10 Minutes Power Trading Strategy >

An Instant Fool-Proven Trading Method for All Trader-Levels



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First Edition @Jan 2008
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Foreword

For almost two decades, I have been involved in Financial Futures & FX markets by initially servicing corporate customers then later moved into consultancy as well as taking positions for my own trading account.

During the later 90's of my career as an individual trading local in Singapore Exchange (known as SIMEX then), I had personally achieved a record profit of USD99K plus in a day trading. With a mere initial trading margin of USD30K, I hit a total cash asset of more than a million dollar in less than 5 years. Of course, the first year was a learning and trial year for me then. From second year onwards, I started to focus on my workable strategies and piled up my profits since then!

In this book, I shall unfold one of my personal secret trading strategies – “10 minutes Power Trading Strategy” to you which you can also do it with the correct gifted aptitude. To expedite the learning process, I edited this book all into simple English format and emphasized only on all effective contents instead of scholar wordings.

Nevertheless, I advise you to exercise patience and make sure you read the whole book, practice and observe the markets before utilizing this strategy!

Pay a lot of attention to the last chapter of this book and digest them for your trading enrichment. You can always email us if you have any questions related to the book and strategy stated herein!

Last but not least, I would like to thank Aaron for initiating his pen on this book as I really could not find the time to make a head start. We also thank you for making this purchase and may this strategy bring you consistent profits in trading!

“Winning is all about timing and precision. All other factors are just preparations to your eventual SUCCESS!”

Cheers and happy trading!

Best Regards

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Chapter 1: Investment vs. Risk

In today's fast changing economy, most people would have realized and agree that the exponential way to make big monies is to operate a business that sits on global market!

Amongst all modus operandi, a sure avenue to receive quick payment with easy delivery of sales items is definitely a fast winning strategy to create wealth. Such businesses usually involve digital products, paper instruments or some kind of financial (paper) products; using the channels of internet or telecommunication as platform to deal in billions of dollars daily on global basis.

Nevertheless, we are not denying other traditional means of proven ways to make big monies. Comparatively, we are talking about the technology platform, operation scale and overheads in order to justify the Return of Investment (ROI)!

People in modern economy do not believe in single income source anymore. Almost everyone looks for multiple-returns by trying to adopt various sideline investments while they could still enjoy fixed-income from current employment.

Some, but not all, of the common choices among consumers' investments are listed below:

- Stock, securities and bonds investments
- Asset Management (trust funds)
- Insurance e.g. including life policies and endowment plans
- Collector's items and precious metals
- Real estates
- Fixed-deposit and paper collaterals
- Financial trading in derivatives, listed products and Forex
- Business setup and venture capitalist
- Other part-time marketing businesses

The reason for "Stock" to be listed as first choice is because it is indeed the most popular investment activity amongst folks and citizens.

Many ignorant investors think that the maximum losses in stock market are the premium they have used to pay for the stock purchase. That is true of course; but also the hidden danger that has been preying on many rookies!

Somehow, unofficial statistics showed more than 80% of stock market players lost their hard earned monies eventually!

Alternatively, most retail investors have turned to funds management companies to take care of their investment needs. The advantages of pool funds are diversified risk factors, less volatility, less stressful and steadier returns on prolonged period. Nevertheless, this flat weighing scale also causes investors to pay more miscellaneous fee, receive less amount of return rate (some zero return), limited choice (fixed bucket) and no personal decision of market entry / exit!

The topic of discussion above is not about which avenue makes the most monetary return for investors, but rather which one suits them best.

Whether you manage your own monies (funds) or someone manage for you, it is high time for retail investors to start do some self evaluations as well as investment studies with the interded market. Leaving monies in other people's pocket with trust does not necessarily repay you as what has been promised. In fact, most managed funds have not paid more than the bank rates from 1997 - 2005!

Alternatively, it may be a blessing if you have finally realized that you can manage your own portfolio (monies) better than letting others do it. However, you are advised to understand your personal risk appetite before you do so.

Risk Appetite = Risk Tolerance + Risk Capacity

Generally speaking, higher risk begets higher returns. Before you enter any investment, access your risk appetite first! This will help a great deal in controlling your success or failure eventually.

Ask yourself how much risk you would like to afford for an investment (risk tolerance) without regretting it later. Then ask yourself again how much maximum risk you can digest if things (risk capacity) turn out to be worst. By accommodating this risk capacity, it is important to emphasize that the final situation must not affect your personal life as well as overall financial stability of your family!

RISK IS EVERYWHERE! It is a matter of understanding it, thence apply and manage it to your own advantage.

Do not think you are smarter than the market, go and pick up some training lessons or short courses that might help you to acquire the correct skills (knowledge).

If you think such education on financial training is expensive, then try ignorance!

Crucially speaking, a risk may not be a risk anymore if you know how to manage it to the most minimal scale. On the other hand, this small potential risk of loss must be able to leverage on a good scale of potential profits e.g. 3 times or more. Then this becomes a good deal!

Investment is all about proper education (knowledge) and experience (skills)! Of course there are other essential factors that include persona scale.

Nevertheless, experience can only be derived from participation without giving up. I have personally encountered many successful individuals who still make couple of ten thousands to millions of dollars annually in the stock, futures and FX markets; whilst laymen still complain of having lost their hard earned monies by picking up tips from 3rd parties; some exclusively still deny the possibility of earning monies from financial investment....

Whether you would eventually want to manage your own investment or let someone else manage for you, the risk factor of the nature of investment is no more a threat so long you have the skills to select, evaluate, control and minimize it for projected return in your satisfaction.

Below are some points for self-checks if you have intention to manage your own funds:

- Risk appetite
- Investment objective vs. goal
- Personal discipline & knowledge
- Trading experience
- Market information access
- Portfolio management skills

Chapter 2: What is FX market?

< Definition >

The Foreign Exchange Market, also referred to as the "Forex" or "FX" market, consists of a bucket of currency pairs whereby the price of each pair is the exposure value of their market price.

Till today, FX market is second largest financial market in the world, after the Bonds markets. According to BIS Switzerland (Bank of International Settlement) in April 2007, there is a daily average turnover of over US\$3 trillion in the global FX transactions.

Transaction of "FX" involves simultaneous buying of one currency and selling of another. Currencies are always traded in pairs, for example, Euro /US Dollar ("EUR/USD") or US Dollar /Japanese Yen ("USD/JPY").

< Purpose >

There are two reasons to buy and sell currencies. About 10% of daily turnover is from companies and governments that buy or sell products and services in a foreign country or must convert profits made in foreign currencies into their domestic currency. The other 90% is trading for profit, or speculation.

For speculators, the best trading opportunities are with the most commonly traded (and also most liquid) currencies, called "the Majors."

Today, more than 85% of all daily transactions involve trading of the Majors, which include the "US Dollar" (USD), "Japanese Yen" (JPY), "Euro" (EUR), "British Pound" (GBP), "Swiss Franc" (CHF), "Canadian Dollar" (CAD) and "Australian Dollar" (AUD).

< Reading FX Quote >

In the Foreign Exchange market, currencies are traded in pairs. For instance, a speculator may trade the Euro versus the US Dollar ("EUR/USD"), or the US Dollar versus the Japanese Yen ("USD/JPY"). Reading a foreign exchange quote may seem a bit confusing at first. However, it's really quite simple if you remember these 3 things:

- 1) The first currency listed in the pair is "base currency"
- 2) The second currency listed in the pair is "counter currency"
- 3) The value of the base currency is always 1 unit.

The exchange rate represents the number of units of the counter currency that one unit of the base currency can purchase.

FX traders speculate on the exchange rate between two currencies for potential profits. Exchange rates measure the relative strength of one currency to another. Speculators make buy / sell decisions on currency pairs based on fundamental and technical analysis, with the intention of the exchange rate moving in their favor!

In a quoted pair, the trader who buys or sells in the stated price always bet on the base currency in their desired favor!

The US dollar is the centerpiece of the FX market and is normally considered the 'base' currency for quotes. In the "Majors", this includes "USD/JPY", "USD/CHF" and "USD/CAD".

For the above mentioned currencies and many others, quotes are expressed as a unit of USD1 per the second currency quoted in the pair. For example, a quote of "USD/JPY" 120.00 means that 1 US dollar is equivalent to 120.00 Japanese yen.

When the U.S. dollar is the base unit and the stated price of whatever this paired currency goes up, it means the dollar has appreciated in value and the counter currency has weakened. This is vice versa for a devaluing base currency.

For instance, if the "USD/JPY" quote we previously mentioned now increases to 123.00, the dollar is stronger because more yen are needed to purchase the same denomination of 1 dollar.

The time when US dollar is quoted as counter currency is with following currency like “British Pound” (GBP), “Euro” (EUR), “Australian Dollar” (AUD) and “New Zealand Dollar” (NZD). However, only the first 3 pairs are mostly traded as “Majors” and “NZD” is less popular. In such cases, you might see a quote of “GBP/USD” 1.4300, meaning that 1 British pound equals 1.4300 US dollars.

In the 4 currency pairs mentioned above, where the US dollar is not the base rate, a rising quote means a weakening dollar, as it now takes more US dollars to equal one British pound, euro, NZ dollar or Australian dollar.

In summary, if a currency quote goes higher, that means increment in value of the base currency. A lower quote means the base currency is weakening.

< Cross Rate & Price Quote >

Currency pairs that do not involve the US dollar are called cross currencies, but the technical part of reading them is the same as any other major pairs. For example, a quote of “EUR/JPY” 127.50 signifies that one Euro is equivalent to 127.50 Japanese yen.

When trading FX, you will often see a two-sided quote, consisting of a 'bid' and 'ask'. This means the best available price at that time for you to hit them.

The 'bid' is the price at which you can sell the base currency (at the same time buying the counter currency automatically). The 'ask' is the price at which you can buy the base currency (at the same time selling the counter currency automatically).

For example, if “EUR/USD” is trading at 1.3050B / 1.3053A. In this case, the bid is “1.3050” and the asked price (offer) is “1.3053”. The difference between the bid and ask constitutes the spread. In the above example, the spread is 3 pips, or points. This differential reflects the cost of the trade for you to either sell at “1.3050” or buy at “1.3053”.

In FX transactions, every most minimal price movement is known as 1 pip (it means “price interest point”). All profits and losses are computed in number of pips when the currency price moves.

In FX trading, it is commonly understood that the size of trade is always quoted as per minimum lot of 100,000 units in the “base currency”, known as 1 lakh.

For example, if you want to buy 3 lakh “USD/JPY”, that means you are buying in USD300,000 at the exchange rate of Japanese yen at the time of your transaction. Selling 1 lakh of “EUR/USD” means you are selling 100,000 Euro at the quoted rate to US dollars.

In market practice, 5 lakh of base currency in US dollar is commonly quoted as “half a dollar” and 10 lakh (i.e. USD1,000,000) is referred to as “1 dollar”.

Likewise, if the quotation is in Euro as base currency, then the above examples will become “half a euro” and “1 euro”.

10 million units of base currency in a quoted pair are known as 1 yard.

< Mini-FX Quote >

In recent years, many brokers have catered reduced trading size to the smaller players in retail markets by providing mini FX.

In mini FX transactions, each trade is quoted in 10,000 units of base currency which is 10 times smaller than the standard FX trades.

< Calculating Profit & Loss >

In any currency pair, the intended transaction always lies in measuring the potential movement of base currency. However, the calculation of profits or loss is computed in the counter currency by counting the number of pips.

In most currency pair, except against Japanese yen, the quote is usually stated in point 4 decimals (.0000) such as GBP/USD, EUR/USD, USD/CHF, AUD/USD etc.

In above cases, it is not difficult to understand the profit /loss of all point 4 decimals quoted price will result in 10 units of counter currency.

Nevertheless, if the currency pair is quoted in Japanese yen, which is at point 2 decimals (.00) then each pip becomes 1000 yen!

Of course, the above two equations are true only because the base currency is traded in 100,000 units. For mini FX, each pip of profit /loss naturally becomes 10 times smaller since the base currency trades at 10,000 units

< Profit /Loss Table >

Standard Currency Pair	Per pip value
GBP/USD	USD10
EUR/USD	USD10
USD/CHF	CHF10
USD/JPY	JPY1000
USD/CAD	CAD10
AUD/USD	USD10
NZD/USD	USD10
EUR/GBP	GBP10
CAD/JPY	JPY1000
GBP/JPY	JPY1000
EUR/JPY	JPY1000

< Case Study >

A trader wishes to speculate on “EUR/USD”. Believing that the EUR will rise against the USD (EUR moves upwards), the trader places an order to buy “EUR/USD” at a market rate of 1.3050. Let us also assume that the trader is speculating on 100,000 euros (1 lakh) of the base currency (which is the standard lot size used in the universal FX market).

After 3 days, the value of EUR/USD appreciates to 1.3150. This new exchange rate will yield a profit of 100 pips for the trader if he realizes it by closing the position. Otherwise, floating profits are not confirmed profits and they are subject to the daily fluctuation of market rate!

Upon closing the position, the trader makes a profit of 100 pips which is equivalent to USD1000!

This gross profit is subject to some small commission charges based on a new trade is done every time regardless opening or closing a trade. However, it is solely due to the practice of brokers to charge commission or not, based on the spread quote of the currency pair at the time of transaction!

Besides trade commission, another cost factor to be considered while carrying the position over every night (after New York market closes) is the swap point interest.

Swap point is the interest differentials of the two currencies quoted in a pair. It is computed on daily basis (after New York market closes) so long as the position is not closed. Of course, this interest amount is based on the amount of the transaction a trader carries in his base currency versus the equivalence in counter currency.

It is important to mention that swap point can be positive or negative. That means a trader could be earning an interest payment while holding a positive carry trade (open position). Likewise, the same trader could be paying interest on each and every day while holding onto a negative carry trade (open position).

Then again, it depends on the practice of brokers to compute and execute the swap point into your trading account. Nevertheless, experienced and seasoned traders will always select a broker that computes daily swap point because it does matter in the total profit /loss statements when transactions are done in big amounts!

< Summary >

Trade margin is required in FX transactions but its potential profits and risks are similarly unlimited just like Futures market. However, FX is the only market with instruments traded around the clock (market day) and essentially accessed on universal base by every country. In broadest term, any place under the sun that has business will have FX market!

Chapter 3: Understanding Leading (Economic) Indicators

To utilize the “10 minutes Power Trading Strategy”, it is important to first understand the definitions of various economic indicators. However, this is a fool-proof trading method that can be used by anyone, without understanding anything in the markets!

The reason is because FX market will never move if there is no news! However, the economic news that may move market can be largely dependent on the preset weekly calendar of data release. This can be controlled once we have this economic calendar at every beginning of the week!

To gain a sample of updated economic calendar, you may visit our website <http://www.pwforex.com/update.htm>

Another type of news that we cannot control is the ad hoc statement when some important figures speak without giving a warning. Fortunately, we would have enough consistent profits if a trader sticks to the first type of economic news release!

Below are some of the common indicators:

A) General Indicators

- Consumer Confidence

- This survey is a sample study released monthly and based on a table representative of 5000 U.S. households.
- This figure indicates consumers' projection and outlook of economy in near future; thus generating spending activities if they are optimistic or otherwise if they opt to tighten waist belts.
- Index unit in benchmark of above or below 100.

- National Savings

- This figure is the measurement of personal savings (%) as disposable income.
- High personal savings means lower spending and less fuelling for retail economy. Low personal savings means high spending from citizens as economy booster. Of course, negative savings means citizens are in debt.
- Figure unit in percentage.

- Weekly Leading Index (monthly)

- This is a composite index released monthly, based on the 7 major indicators – ECRI (Economic Cycle Research Institute) material price index, mortgage quality, bond quality spread, bond yields, stock index and jobless claims.
- These 7 major indicators are used to read the economy outlook quickly and reliably. Hence, Weekly Leading Index can be used as a reading guideline for overall performance in following quarter.
- Index unit in benchmark of above or below 100.

B) Income & Expenditures

- Per Capita Income

- This median figure indicates earning capacity of per citizen over an average calculation of whole nation.
- It means the overall income capability of citizens and economic growth of the country.
- Figure unit usually quoted in USD or in the home currency.

- Household Income

- This monthly figure is the aggregate of household income of per family over an average of while nation.
- An improvement in figure means better economy with more jobs and higher salary for overall citizens.
- Figure unit usually quoted in USD or in the home currency.

- New Order for Durable Goods

- This monthly figure indicates the new order of durable goods. Figure can be very volatile every quarter but may serve as a good indicator to read future economy outlook.
- An increment in new order for durable goods means higher demand from consumers and higher production from manufacturers in coming quarter.
- Figure unit quoted in billions of dollars

- Retail Sales

- The monthly figure indicates total amount of retail sales in all industries.
- Directly indicates the overall confidence on consumer spending whether economy is booming or grey.
- Figure unit quoted in million of dollars.

C) Cost & Output

- Consumer Price Index (CPI)

- This monthly figure indicates the experience of inflation in cost of living by general public in urban areas.
- A high rate of inflation (CPI) has negative impact in bonds and stock market due to raising interest rates.
- Rising interest rate by central bank is a policy to contain inflation and slow down economy.
- Index unit is quoted in benchmark of 100.

- Producer Price Index (PPI)

- This monthly figure indicates the inflation rate from the producer s' cost of manufacture, not including service.
- It indicates the rise in price of production in all finished products.
- Interpretation of PPI is similar to CPI.
- Index unit is quoted in benchmark of 100.

- Industrial Production (IP)

- This monthly figure is based on the total output of U.S. factories and mines.
- Improvement in IP figure indicates better economy outlook but overgrowth will trigger inflation.
- Figure unit is quoted in percentage.

- Gross Domestic Product (GDP)

- This quarterly figure is based on derivation of equation shown below:

$GDP = \text{consumption} + \text{investment} + \text{export} - \text{import}$

- In definition, GDP is the measurement of total market value of all finished goods and services produced and consumed in a country, together with the investment and government spending. This again adds onto the total value of export minus value of import.
- Growth of GDP in moderation means better economy outlook.
- Figure unit is quoted in percentage.

- Gross National Product (GNP)

- GNP is basically the same derivative figure as GDP, except that it does not include the goods and services from foreign producers but does include the goods and services by local firms that operate from overseas location.
- Not so widely used compared to GDP figure.
- Figure unit is quoted in percentage.

[D\) Employment & Unemployment](#)

- Unemployment Rate

- This monthly figure shows the ratio of unemployed persons over the total labor force in a nation.
- It is an important indicator to show overall health in the job market and economy.
- Figure unit is quoted in percentage.

- Non-Farm Employment Payroll

- This monthly figure indicates the number of persons in non agricultural jobs.
- Leading indicator to show job growth.
- Figure unit is quoted in thousands.

- Average Weekly Hours (monthly)

- This monthly figure indicates the average total working hours (in a week) of non-supervisory workers on private non-farm payroll.
- Figure unit is quoted in number of hours.

- Weekly Earnings (monthly)

- This monthly figure indicates the average earnings (over a week) of non-supervisory workers on private non-farm payroll.
- Figure unit is quoted in dollars.

[E\) Housing & Real Estates](#)

- Housing Starts

- This monthly figure indicates the number of new starters to own private housings.
- Moderate growth shows better economy outlook and confidence of consumers.
- Figure unit is quoted in percentage.

- New Home Sales

- This monthly figure indicates the number of newhome purchase by US citizens to own private housings.
- Moderate growth shows better economy outlook and confidence of consumers.
- Figure unit is quoted in percentage.

- Existing Home sales

- This monthly figure indicates the number of buyers in resale homes.
- Moderate growth shows better economy outlook and confidence of consumers.
- Figure unit is quoted in percentage.

[E\) Money Supply](#)

Definition

- The total supply of money in circulation in a country is usually measured by using M1, M2, and M3. They are important instruments for controlling inflation by those economists.
- Since these 3 indicators are inter-link, it is essential to strike a balance in order to stabilize the economy and keep inflation in check.

- M1 Supply (narrow money)

- This figure indicates the total value of money supply including all currency (bills and coins) held by the public, traveler's checks, citizens' monies in checking accounts in banks and credit unions.
- Figure unit is quoted in billion of dollars.

- M2 Supply

- This figure indicates the total money supply including M1, savings and small time-deposits in banks and overnight repos in banks, together with monies in non-institutional money market accounts.
- A measurement used to forecast inflation rate.
- Figure unit is quoted in billion of dollars.

- M3 Supply (broad money)

- This figure indicates the total money supply including M2, large time-deposits, repos of maturity more than 1 day, together with monies in institutional money market accounts.
- Figure unit is quoted in billion of dollars.

Chapter 4: Introduction to 10 minutes Power Trading Strategy

The movements of currencies are affected mainly due to the economy of the countries at that time. If the economy is performing well, there is a tendency that the hosted currency will be strong. Therefore, economic indicators (also known as figures) are used as a gauge to read the economy of that country versus the currency that it is paired with.

Before any economic figure releases, we are able to obtain the expected (consensus) figures which usually are estimated by major institutions. You can get this weekly economic calendar from the link <http://www.pwforex.com/update.htm>

Inflationary figures are those that will move up the hosted currency price when the actual figure released is higher than the expectation. For example, US non-farm payroll that increases more than expectation will indicate a better economy which means more people get employed; hence USD/JPY will appreciate. On the other hand, actual release below the expectation will drive down the hosted currency price!

Recessionary (deflationary) figures are those that will drive down the hosted currency price when the actual figure released is higher than the expectation. For example, UK unemployment rate, when increases more than expectation, will indicate more people are getting unemployed, hence GBP/USD will depreciate! On the other hand, actual release below the expectation will move the hosted currency price higher!

Some examples of categorized figures:

Inflationary Figures	Recessionary Figures
<ol style="list-style-type: none">1. Consumer Price Index2. Producer Price Index3. Gross Domestic Product4. Manufacturing Index5. Industrial Production6. Consumer Spending7. Consumer Confidence8. Retail Sales9. New Home Sales10. Existing Home Sales11. Non-farm Payroll	<ol style="list-style-type: none">1. Unemployment Rate2. Initial Jobless Claims3. Trade Deficit4. Budget Deficit5. Stockpile Inventory

All indications are released on exact timing. Usually, if two or more indications are queuing to be released, the figures outcome will be done in one after another at intervals of every 1 minute. Currency movement will usually move immediately (or anytime within 30 minutes) after the release, showing its impact on the economy! Nevertheless, if the market does not move after 30 minutes bracket, then the trader may shut off his trading activities!

The secret of “10 minutes Power Trading Strategy” is purely tapped on the movements that are directly affected by the economic figures when release at their designated time. However, by using this strategy, you do not need to bother if the actual figure is better or below the expectation. In addition, you also do not need to bother what category the figure belongs to. All those that we mentioned above on figure categories and effect are just for your knowledge!

In fact, when you utilize this strategy, you do not need to understand why the market moves and what causes the movement. All you need to keep track is the timing of each figure release and do the setup as what we will guide you in the next chapter. This secret formula is almost dumb-proof and only need to do few simple preparations to capture the profits!

In the next chapter, you will learn how to prepare your setup and make money from it!

Chapter 5: Methodology on the Strategy

1. Pick a major figure and track down the exact timing of the figure going to be released.
2. 10 minutes prior to the time of release of figure (Zero hour), get ready your 1 minute trading chart with real time trading prices.
3. Get ready your calculator and writing materials and instrument.
4. Take down the overall High and Low of the last 2 minutes prior to zero hour.
5. Quickly add 15 pips on the overall high and 15 pips on the overall low, when compared these 2 minutes together. With these figures, you will preset your two entry points i.e. 1 at the top (to buy) and 1 at the bottom (to sell), if market breaks beyond any of these levels You may place a mental stop-order (immediate enter new order by clicking onto the price) when the market hits your stipulated level.
6. Usually the market will react after the figure releases. The price breakout will start once your stop (either top or bottom) level is hit.
7. Cancel the other opposite stop-order when either one is hit.
8. Take profit usually about 20 to 50 pips or preferably after 2 min bars shoot-out.

NOTE:

Take note that in trading, the jargon “long” means “buy” and “short” means “sell”.

Chapter 6: Case Study

Take note that all the illustrated charts are based in ASIA hours (GMT + 8:00 hours).

CASE STUDY 1 (USD/JPY)

On 7 Sept 2007 (Fri), US figures released at 2030 hours were as below:

- Non-Farm Payrolls (MoM) – Nov
- Unemployment Rate – Nov
- Average Workweek – Nov
- Hourly Earnings (MoM) - Nov

Action

- Full HI and LO for 20:28 and 20:29 hours is 115.22 - 27
- Place mental buy-stop at 115.42xx and mental sell-stop at 115.07xx

Profit

- Short at 115.07 and covered at 114.40

Comment

- At Zero hour, market started to plunge. I shorted at 115.07. Position was squared after 2 bars, at 114.40.



CASE STUDY 2 (USD/JPY)

On 18 Sept 2007 (Tue), US figures released at 2030 hours were as below:

- PPI m/m
- Core PPI m/m

Action

- Full HI and LO for 20:28 and 20:29 hours is 115.43 - 46
- Place mental buy-stop at 115.61xx and mental sell-stop at 115.28xx

Profit

- Long at 115.61 and covered at 115.81

Comment

- At Zero hour, market did not move much. At 20:37 hour, I caught a break up. I entered long at 115.61 and squared my position after 2 bars.



CASE STUDY 3 (USD/JPY)

On 12 Dec 2007 (Wed), US figures released at 0315 hours were as below:

- Interest Rate Statement

Action

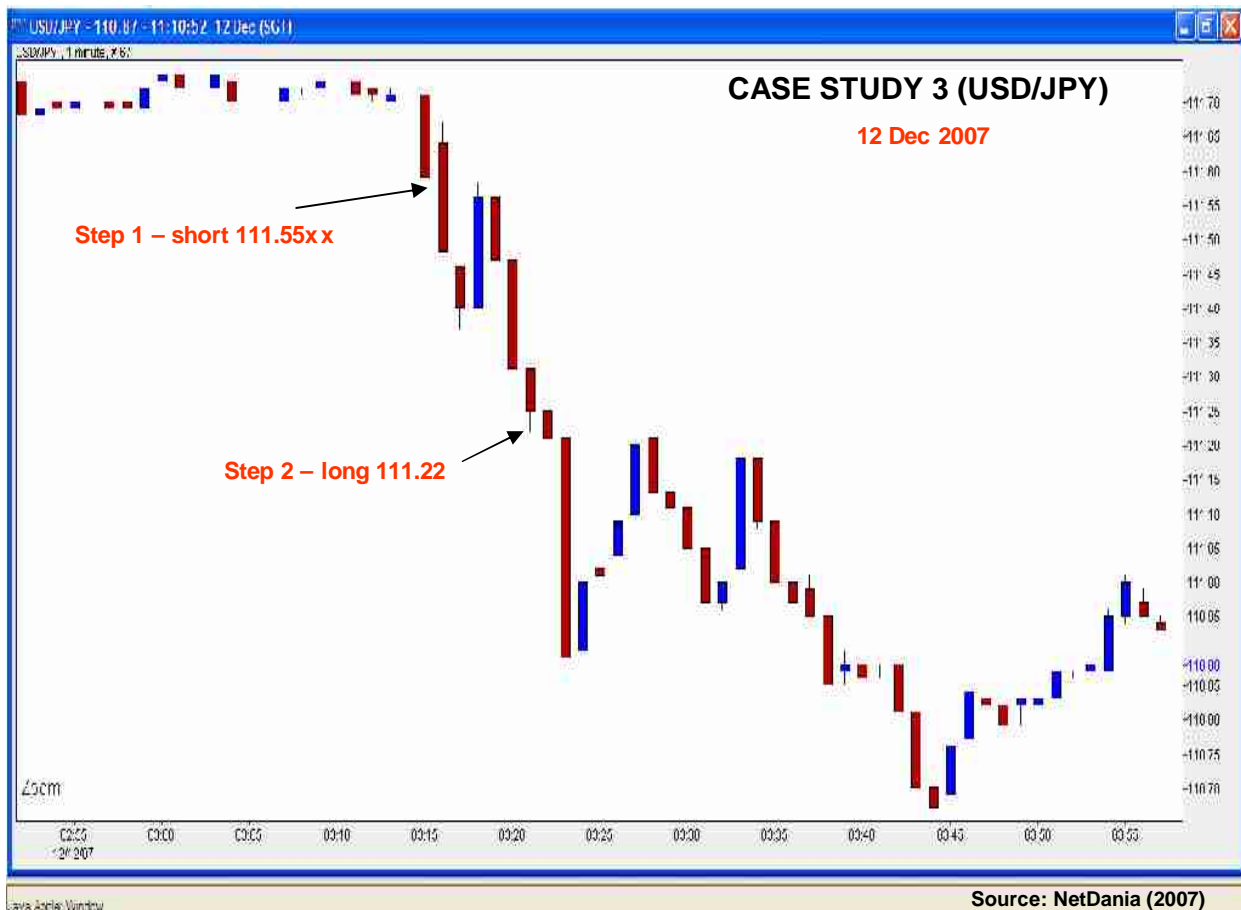
- Full HI and LO for 03:13 and 03:14 hours is 111.70 - 72
- Place mental buy-stop at 111.87xx and mental sell-stop at 111.55xx

Profit

- Shorted at 111.55 and covered at 111.22

Comment

- At 0316 hour, market reached my target entry price. I shorted at 111.55. At 0318 hrs, market retraced upwards to 111.58. I intended to square at small losses but market came off very quickly. I kept the first short position and exit lower at 111.22 (0319 hour), which was after 2 bars.



CASE STUDY 4 (GBP/USD)

On 20 Sept 2007 (Thur), UK figures released at 1630 hours were as below:

- Retail Sales m/m
- M4 Money Supply m/m
- BSA Mortgage Approvals

Action

- Full HI and LO for 16:28 and 16:29 hours is 2.0057 - 61
- Place mental buy-stop at 2.0076xx and mental sell-stop at 2.0042xx

Profit

- Long at 2.0079 and covered at 2.0104

Comment

- At Zero hour, market did a gap up with opening price at 2.0079. I entered long immediately and squared position after two bars.



CASE STUDY 5

On 4 Oct 2007 (Thurs), UK figures released at 1900 hours were as below:

- Interest Rate Statement

Action

- Full HI and LO for 18:58 and 18:59 hours is 2.0308 - 16
- Place buy stop at 2.0331xx and sell stop at 2.0293xx

Profit

- Long at 2.0330 and covered at 2.0363

Comment

- At Zero hour, market came off. I shorted at 2.0330 on the 1st minute and covered back at 2.0363 after 2 minutes.



CASE STUDY 7

On 27 Nov 2007 (Thurs), Euro figures released at 1600 hours are as below:

- German Ifo Business Climate Index
- German Ifo Business Expectations Index

Action

- Full HI and LO for 15:58 and 15:59 hours is 1.4855 - 59
- Place mental buy-stop at 1.4874xx and mental sell-stop at 1.4840xx

Profit

- Shorted at 1.4840 and covered at 1.4827

Comment

- At Zero hour, market swung wildly up and down but broke 1.4840 after 5 minutes. I entered short at 1.4838 and exit after 2 bars at 1.4827. Although the market went as low as 1.4815, you are advised to stick to the rules of 10 mins PTS by squaring after 2 minute-bars.



CASE STUDY 8

On 03 Dec 2007 (Thurs), Eur figures released at 1655 hours are as below:

- German Manufacturing PMI

Action

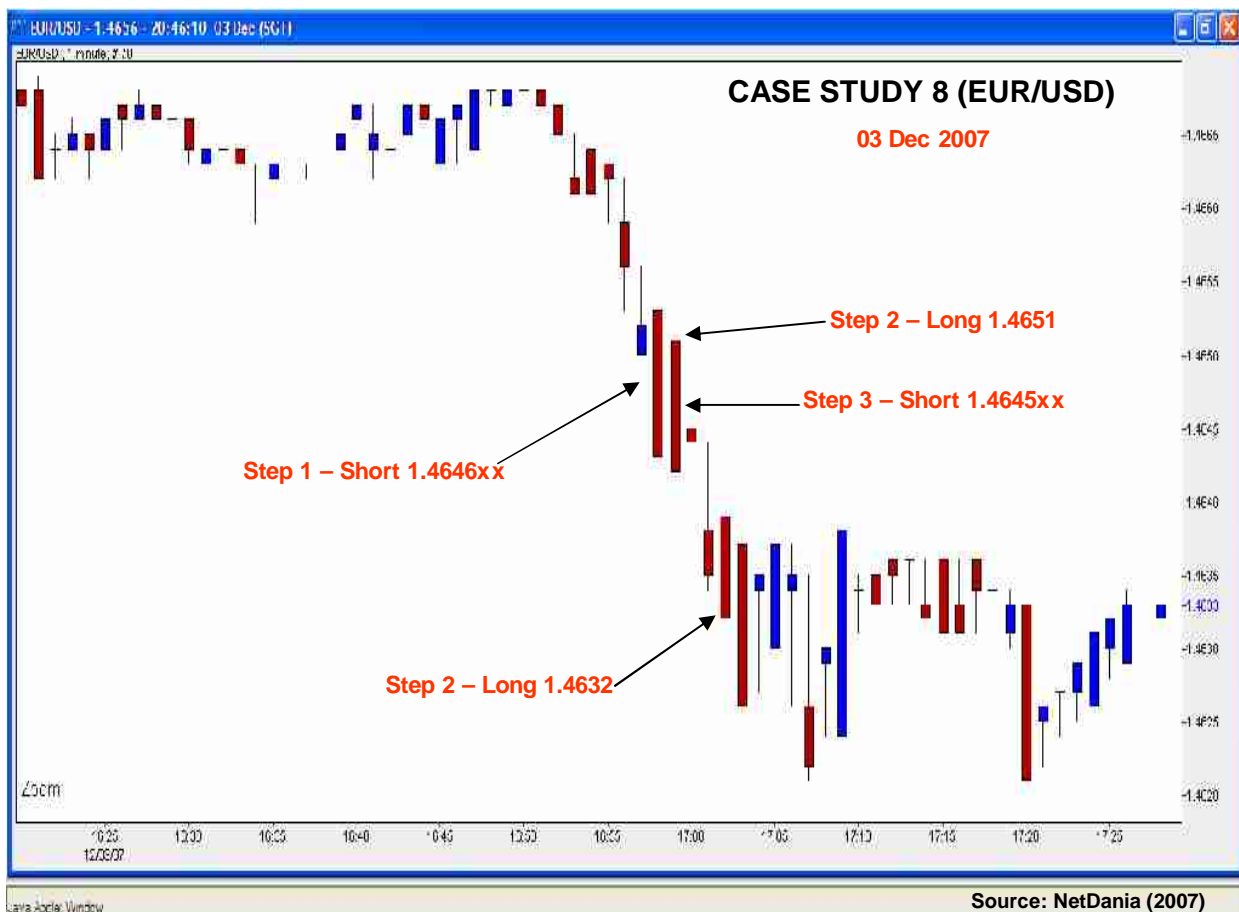
- Full HI and LO for 16:53 and 16:54 hours is 1.4665 - 61
- Place mental buy-stop at 1.4680xx and mental sell-stop at 1.4646xx

Profit

- Shorted at 1.4645 and covered at 1.4632

Comment

- At 1658 hours, market reached the targeted price of 1.4646. I entered short at 1.4646 and squared with losses at 1659hrs, at 1.4651. At 1700 hours, I re-entered a new short position at 1.4646 and took profit after 2 bars at 1.4632.



CASE STUDY 9

On 21 Dec 2007 (Fri), Eur figures released at 1550 hours were as below:

- French Consumer Spending m/m

Action

- Full HI and LO for 17:48 and 17:49 hours is 1.4401 - 05
- Place mental buy-stop at 1.4420xx and mental sell-stop at 1.4386xx

Profit

- Shorted at 1.4386 and covered at 1.4381

Comment

- After zero hour, market was quiet. I waited patiently. After 10 minutes, I intended to shut down for the day but market suddenly started to react. At 1602 hours, I entered short at 1.4386 and exit after 2 bars, for only 5 pips profits. However, I still closed my position happily for the day without a loss.



Chapter 7: Summary on 10 minutes Power Trading Strategy

1. Be patient and wait for your entry level.
2. Never pre-empt your action.
3. Scratch your trade or minimize your stop loss if market is anti climax.
4. Do not trade on hoping more profit if you couldn't read trend
5. if the trade runs in floating profit, you can cover anywhere after it has shot out for 2 x 1 minute bar, OR square instantly if market u-turns.
6. Do not be frustrated if the market has no event. Remain in no-activity if the market does not trigger your stoploss level (entry point).
7. You can easily repeat this action 2-3 times per week, among all figures release.

Chapter 8: Important Notes

It is important to first agree that the strategy we covered in this book is a fool-proof trading method. It does not require you to understand the fundamentals of market or rationale why it moves.

The principle of using this strategy is based on setting a breakout level at top and bottom simultaneously, hence waiting for the market to break beyond either one. In any case, if the market does not react much to the news release and stays within the preset range, then you may not need to establish any new position at all!

Below are 8 check points that you need to reinforce in order to enhance the profitability of adopting this method:

1) The currency selection

It is important to select the correct currency pair to trade at each different data release.

For selection of UK economic figures, apply our strategy onto GBP/USD.

For selection of US economic figures, apply our strategy onto USD/JPY.

For selection of Eurozone and Germany economic figures, apply our strategy onto EUR/USD.

It is advisable to monitor and trade an economic figure ONLY in relative to its hosted currency as the base currency. In another word, never trade EUR/USD when you are looking at US figures!

Please do not apply “10 Minutes Power Trading Strategy” to cross rates. We always emphasize that the proper utilization of it on the above 3 major pairs is potential enough to make many and consistent incomes for traders!

2) But what happens if the market breaks your level and reverses immediately?

First of all, it is vital to remember that you do not need to possess any knowledge about market before adopting this strategy. Therefore, it is fair to emphasize that any new position executed from breakout of price level but thereafter reverses immediately, should be instantly removed!

Sometimes, the market does not move after the figure releases, but instead, may only move anytime within the immediate 30 minutes. This is probably due to its revised figure that follows but we have no clue as to what time it will happen. Of course, such event does not always occur!

From above theory, if the market really does move only much later after the release, but still within the 30 minutes timeframe, we recommend the breakout levels to be observed at the same preset levels!

Market carries much unexpected risk. That is why we always emphasize on observing strict risk management without making unnecessary loss!

3) What is the best time to exercise this strategy?

It is also necessary to remind readers that the most active market timings are in the London and New York hours. This is because the morning hours of London markets are the period for all important announcements of UK economic figures, while Eurozone (in the same time zone) also releases their figures.

Hence, during the early London and European market hours, GBP/USD and EUR/USD are ideal for the application of “10 Minutes Power Trading Strategy”!

On the other hand, the morning hours of New York markets are the times when US economic figures are released for the potential currency movements of USD/JPY to be observed!

Therefore, if you can find regular free-time during these short hours (usually each time of exercise is less than 20 minutes i.e. 10 minutes pre-setup and 10 minutes observation & application) in your local time zone to monitor and apply the strategy as taught in this book, this is the most fortunate blessings bestowed to you!

4) The possible outcome

In summary, these are the 3 likely situations that will happen correlatively to your action:

- 1) Market stays within the stipulated range if the released figure is in line with expectation. No new action is required from you.
- 2) Market price surpasses beyond the top or bottom breakout level after the figure releases. You may take profit immediately after 2 x 1 minute-bar completes, which could be anywhere from 10 -70 pips depending on the figure effect.
- 3) Market performs same as in above case but u-turns immediately. You may square off your position regardless it is a small loss or small profit or a scratch trade!

5) The trigger cushion

The next issue we would like to touch on is the explanation of why we used +/- 15 pips as cushion to preset your stop level for new entry.

Ten 10 years ago, I used + 10 pips and -10pips as preset stop levels to establish my new entry. That was because the market had shorter daily range then and lesser liquidity!

In today's market, there is more liquidity with the average daily range increased with similar more swings during intraday trades. Therefore, we have to adjust our cushion levels wider. However, you have to constantly observe the market behavior as years go by! It would not surprise us to see that the cushion may be raised to +/- 20 pips probably in the next decade.

We suggest you practice and play around with this strategy for at least 20-30 times until you become very decisive and confident, before going into the real-trading for a killing!

6) The Application

It is always better to place a pencil, paper and calculator right in front of your computer when you want to exercise this trading strategy. Otherwise, you will be surprised how many new traders just forget about their entry prices when the market moves...

In addition, writing down these 2 entry price levels are as good as placing mental stop-orders if the market were to trigger either one of them.

It is not advisable to physically key in the stop orders of these 2 entries (at top and bottom) because it will be too late sometimes when market reacts instantaneously after the figure releases!

7) The platform selection

FX trading is very popular and common nowadays. There are many factors to consider in order to find one that is most ideal and advantages to the exercise of “10 minutes Power Trading Strategy”.

Below are some factors that will improve your profitability:

- ~ Tight bid/offer spread preferred
- ~ 1 pip (aka raw quote) spread is best (usually charged commission)
- ~ Rich liquidity for easy entry/exit when market moves
- ~ Stability of trading platform when market moves
- ~ Less than 7 pips of stop-loss activation when market moves

The above points are important because there are many “highly visual and presentable” internet platforms that hide their killing weapons when market moves.

Finally, trading is a very long journey. It will take you many months ahead to build lots of warring experiences in order to make you a triumphant trader in these global markets!

We wish you can extract the most powerful vibes from this strategy and make it profitable in many years ahead.

8) FREE Charting Software

To trade efficiently, a trader needs to have a live trading account (can start with DEMO account initially) and a charting software. In most cases, these both items usually come together in a trading account when duly opened.

Nevertheless, there are many charting software which were built inside the (various) trading platforms that have their indicators lag behind the real-time markets by few seconds to few minutes. To a professional trader who trades on timely entry / exit, this is rather disastrous especially when market moves erratically!

Alternatively, it is quite expensive to purchase and setup a personal charting platform with monthly subscription to real-time data. To solve this issue, we recommend you to visit the website below and create a free account to achieve the most accurate market movements on real-time basis.

In our opinion, this is the most accurate and reputable FREE charting software that is web-based but not known to many retail traders!

<http://www.netdania.com>

For the trading platform, you may select any broker that provides a platform with features highlighted in clause (7).

About the Authors

Aaron Chan graduated with a Diploma in Electronic, Computer and Communication from Nanyang Polytechnic in Singapore. He served in the Navy Force for 7 years, assuming a vital role in overall maintenance and operation in the electronic / computer system with the unit force.

After he left the naval service, he met DAR Wong, Master Coach of Acute Precision & Studies Research Inc., whom triggered an interest in him to trade for a living. Thereafter, Aaron underwent the stringent mentorship of DAR for 2 years and turned out to be a champion trader with sound market fundamental knowledge and acquired superb technical forecast skills!

Today, Aaron is a full-time trader and also coaches the cell group trainings for APSRI in few countries covering South East Asia.

DAR Wong holds a professional qualification in NASD series 3, 5 and 7. He started his career in the financial industry in 1989 from Bank of America Futures Inc. He experienced multiple roller coaster rides of various world markets events like Dow Jones market crash (1989), Soviet military coup (1991), Desert storm (1991), Bull run market (1992-1995), Barings Bank collapse (1995), Asian currency turmoil (1997), US-Iraq war (2002) etc.

His past employment record for a decade included many multi-national companies like Bankers Trust, BZW Inc, Citigroup etc. At the end of 1996, he traded in his individual account until 2001 and semi-retired since then. Failing to withstand his loneliness in his mid thirties, when others are usually still toiling hard for a living, he acted as personal financial adviser (from year 2003) to few superb high-net-worth individuals in ASIA countries.

As words passed around, he has been outsourced by many institutions for his financial markets coaching and deliveries of seminars. Now, he is also functioning as an independent coach in Singapore Exchange, where his risk management trading has been popularly learned by other traders in derivatives trading.

“FX Mastery™ Trading” workshop is the most popular module which was personally devised by DAR Wong. This training module has been widely pursued from his trading associates that come from Indonesia, China (H.K. SAR), Malaysia, Middle East (U.A.E.), Singapore, Thailand, Vietnam.

In the above module, he teaches his forte on how to spot and forecast FX market for good range trading. Full contents of the workshop module include economic knowledge, market pricing infrastructure and enhanced technical analysis (wave studies) to take up any market on your finger tips!

If you have interest to purchase the 3 eBooks written by Dar Wong, visit <http://www.make100kprofitaday.com>

If you would like to receive FREE Weekly Financial Snippets and a FREE eBook “Instant Mindset Tuning”, visit <http://www.pwforex.com/contactus.htm>

If you would like to read our FREE daily news update and retrieve weekly calendar, visit <http://www.pwforex.com/update.htm>

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Upon purchase of this eBook, you will be given the privilege to enjoy our FX Weekly Report (worth USD120 annually) posted in our Trader’s Forum on every Sunday. This is a highly accurate forecast report that has helped many institutional and retail traders in their profit makings on every week.

To enjoy this privilege, you have to register in our Trader’s Forum and email us to inform your registered username. We will upgrade you to become Premium Member for this special access which is not visible to other ordinary members. Take note the registered Forum username must have a same email as the one you used to purchase this eBook. Thank you.

Email: apsricoo@gmail.com (Attn: Aaron Chan)
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THE END