

Dean Saunders... **10 Minute**

# Forex Wealth Builder!

**Building wealth in forex with 10 minutes a day.**



The 10 Minute Forex Wealth Builder© and every word, sentence, and paragraph contained within are copyrighted under the Copyright Service and protected under US and international law.

## Contents

<b>Risk disclosure statement</b> .....	3
<b>Welcome to the 10 Minute Forex Wealth Builder ...</b>	4
<b>How to proceed with this course</b> .....	6
<b>The forex market</b> .....	7
Currency pairs .....	9
Bid .....	10
Ask .....	10
<b>Brokers</b> .....	11
Charting software .....	11
Opening a demo account with Interbankfx .....	13
Leverage .....	20
Stops & stop hunting .....	20
Spreads .....	22
Charts .....	24
<b>Money Management</b> .....	25
Compounding .....	28
Risk calculation .....	26
Risk reward .....	29
<b>Psychology &amp; Mindset</b> .....	30
Stage 1 .....	30
Stage 2 .....	31
Stage 3 .....	32
Goals .....	33
<b>Trading forex with 10 minutes</b> .....	36
<b>Breakout System</b> .....	38
Setting up your charts .....	39
The trend .....	40
Identifying the trend .....	42
Entries .....	44
Stops .....	46
Take profits .....	47
System rules .....	48
Trade examples .....	49
<b>Swing system</b> .....	53
Support and resistance .....	54
Pin bars .....	57
Entries and stops .....	60
Trade management .....	65
System rules .....	66
Trade examples .....	67
<b>Conclusion</b> .....	73

## **Risk Disclosure Statement**

The contents of this e-book are for informational purposes only. No Part of this publication is a solicitation or an offer to buy or sell any financial market.

Examples are provided for illustration purposes only and should not be constructed as investment advice or strategy.

All trade examples are hypothetical.

No representation is made that any account or trader will or likely to achieve profits or loses similar to those discussed in this e-Book.

By purchasing this e-Book, and/or subscribing to our mailing list you will be deemed to have accepted these and all other terms found on our web page [www.10-minute-forex-wealth-builder.com](http://www.10-minute-forex-wealth-builder.com) in full.

The information found in this e-Book is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to the law or regulation or which would subject us to any registration requirement within such jurisdiction or country.

CFTC RULE 4.41 - HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, IMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

## **Welcome to the 10 Minute Forex Wealth Builder! 😊**

Hello and welcome, I would like to personally congratulate you on making the decision to invest in the 10 Minute Forex Wealth Builder. I have designed this course in a no fluff straight to the point manner so you get to know what you need in order to start trading and start building your wealth as soon as possible.

I'm sure you purchased this course to either try and trade forex around your current day job or drastically reduce the amount of time you spend staring at your charts every day. Either way I have two very unique and special systems to introduce to you which will accomplish just that. As long as you can spare 10 minutes a day on the evenings you have enough time to start trading forex and to slowly start building your trading account and wealth.

Now I am sure you are tempted to dive straight in to the System section of the main manual and see what its all about (if you haven't already) and then try jumping head first into the markets. Please don't do this, try to take your time and follow the instructions and video tutorials presented in this course, read through all the information presented before moving onto the systems. Although the system is very profitable, without money management and the right mindset it will not serve you as well.

In this course we are going to cover everything you will need to know in order to become successful using the 10 Minute Forex Wealth Builder methods. I strongly urge you to read everything in this book even the simple stuff, take it back to basics and rid yourself of all the rubbish you have been forced to believe about forex. Forget everything you read about trading forex up until now. Clear your mind and accept what I am about to show you, I am very confident this book holds the key to building wealth in the forex market, it may not seem as simple as I lay out but I promise you it is.

The forex markets will be here for the rest of your life, you have all the time in the world to learn this amazing business so there is no need to rush. If you are a beginner to forex then you have no idea how lucky you are to have discovered this course so early in your trading career. I am sure you are going to enjoy this business and if you work hard it will change your life forever.

One more thing, before you begin reading this book promise yourself you are actually going to follow the information presented, many people get fed up after one trade that didn't go exactly as planned and move onto the next best thing. Don't let this happen to you it is a huge trap that many traders fall into called "system jumping" As you will see trading forex is all about the big picture, you will soon discover that the day to day results are not important, it's the monthly totals that we are concerned with. We will talk about this in far more depth later on in this course.

Many of you may be completely new to trading forex and many of you may be experienced traders. Whatever experience level you are, this course can help you become a more consistent and more profitable trader with less time spent gazing at the charts than you ever thought possible. So let's crack on and get started!

Read on, enjoy and start building that wealth... ☺

A handwritten signature in black ink that reads "Dean Dawson". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

## How to proceed with this course

I have designed this course with a simple to follow step by step format with information broken up into several sections. I have tried not to include any useless information that you do not need in order to become successful with this course like many other books out there. I could have easily made this book 200-300 pages explaining every indicator and fundamental mumbo jumbo under the sun but all that would have accomplished is confusion and frustration for you. Everything you need to trade these systems is presented in this book, nothing more and nothing less.

As you progress through this book each section will have several examples and illustrations along with video tutorials.



Any Time you see a DVD icon similar to the one on the left during the course material, click on the link next to it to watch an online video tutorial which will help you fully understand the current section you are about to read. Please be patient, some of the videos may take a while to load depending on your internet connection speed. I find the best solution is to press play and then pause it until all the video has loaded, you can then watch the video without interruptions.

## The Forex Market

The foreign exchange market is the "place" where currencies are traded. Currency exchanges are important to everyone all over the world whether they realise it or not. Any produce purchased and brought into the country whether it is a piece of cheese or a car, currencies are exchanged during foreign exchange and business.

The huge demand for foreign exchange is the reason why the forex market is the largest, most liquid financial market in the world. From 1997 to the end of 2000, daily trading volume from forex trading has surged from 5 billion to 1.5 trillion dollars. Despite this unbelievable growth, the foreign exchange market continues to grow at a phenomenal rate. No other financial market has demonstrated this stellar growth in volume.

One unique aspect of this international market is that there is no central marketplace for currency exchange. Instead, trade is conducted electronically over-the-counter (OTC), which means that all transactions occur via computer networks between traders around the world, rather than on one centralized exchange. The market is open 24 hours a day, five and a half days a week, and currencies are traded worldwide in the major financial centres of London, New York, Tokyo, Zurich, Frankfurt, Hong Kong, Singapore, Paris and Sydney - across almost every time zone. This means that when the trading day in the U.S. ends, the forex market begins in Tokyo and Hong Kong. As such, the forex market can be extremely active any time of the day, with price quotes changing constantly.

Trading Forex is truly one of the best businesses in the world and one of the most profitable, and once you get it right it gives you everything you could wish for. You can run your business from anywhere in the world, as long as you have a laptop and an internet connection you are ready to make money. Not only will

your broker open and close trades with little to no commission they let you have control of large sums of money with little initial investment. You have no office space to rent, no employees to pay and no one to answer to. Yes, trading the forex market is the ultimate job and there is nothing else quite like it in the world.

Forex is the world's largest and most liquid trading market. Even though it has been somewhat of a loosely guarded secret, every day more and more investors are turning to the all-electronic world of Forex trading for income and investment because of its numerous benefits & advantages over traditional trading vehicles, like stocks, bonds and commodities.

When you get this business right, trading Forex can be as easy as picking money up off the floor. Others in the industry have also said "trading Forex is like having an ATM machine on your own computer." While both of these statements are very possible it is important to keep level headed and not let the pursuit of wealth get in the way of realistic goals. As you will soon discover trading forex is all about discipline and consistency.

What FOREX traders do is much less risky than trading currencies on the futures market, much more profitable, and a lot easier than trading stocks and equities.

Forex provides the modern day trader with a much better and simpler alternative than stocks. First of all, there are only a few major currencies to trade; the U.S. Dollar, Japanese Yen, Euro, British Pound, and Swiss Franc are the most popular. A stock trader has to choose from a group of tens of thousands of stocks. This increases the complexity of selecting what to trade.

Let's carry on and have a look at the major currency pairs.

## Currency Pairs

Each currency is paired against another, we make money by predicting whether that currency will gain or lose value against the one it's paired with.

The main currencies I trade are:

AUD/USD	"Aussie"
EUR/USD	"Euro or fiber"
GBP/JPY	"Geppy"
GBP/USD	"Cable"
NZD/USD	"Kiwi"
USD/CAD	"Loonie"
USD/CHF	"Swissy"
USD/JPY	"Gopher"

The first currency in the pair is the base currency. The second currency in the pair is labeled quote currency or counter currency. Such a quotation depicts how many units of the counter currency are needed to buy one unit of the base currency.

For example the quotation EUR/USD 1.2500 means that one euro is exchanged for 1.25 US dollar. If the quote moves from EUR/USD 1.2500 to EUR/USD 1.2510, the euro is getting stronger and the dollar weaker. On the other hand if the EUR/USD quote moves from 1.2500 to 1.2490 the euro is getting weaker while the dollar is getting stronger.

The decimal place of the currency is called a pip, if we take the example from above and buy the EUR/USD at 1.500 then sell at 1.5010 we made a profit of 10 pips.

Each pip has a certain value in profit or loss depending on the size of your position in that trade. If we traded 1 standard lot which is \$100,000 of currency then the above trade would have given us \$10 per pip or \$100 for the trade. Please keep in mind that each pair moves on average hundreds of pips every day so there is plenty of opportunities to take money out of the market.

The currency pairs on the forex market are quoted in Bid and Ask quotations.

### **Bid**

The bid is the quoted price at which you can sell the base currency, in the example below it would be the Euro and buy the quote currency i.e. the US Dollar.

### **Ask**

The Ask is the rate at which you can buy the base currency in our case the US Dollar, and sell the quote currency i.e. the Euro.

Here's an example of how you would see a currency pair being quoted on your trading platform.

Currency Pair	Bid	Ask
EUR/USD	1.4671	1.4673

## Brokers

In order for us to trade the forex market we require to have a broker. A broker is an individual or firm that acts as the middle man between buyer and seller trading in the forex market. The foreign exchange market is quite similar to the equity markets, except that the migratory of forex brokers do not charge a commission. Forex brokers are usually tied to large banks or lending institutions this is because of the huge sums of money traded in the foreign exchange markets.

## Charting Software

In recent years all online brokers have begun to offer their own free charting software built into their trading platform to study the movements of a currency pair, some are good and some leave a lot to be desired. For many years I have used the same broker through Meta Trader 4 charting platform.

Meta Trader 4 (or MT4 for short) is used by hundreds of forex brokers, it allows you to access your broker account right from the platform making it easy for you to adjust and track open positions as well as plotting currency movements on multiple charts. Meta Trader 4 also allows you to use custom indicators and alerts, giving you more freedom to do things you enjoy and leaving Meta Trader to alert you when a trade setup occurs. Another great feature of MT4 is if you have a smart phone you can download the platform onto your mobile phone allowing you to check trades and adjust positions on the go, sometimes vital for a trader on the go.

I use Interbankfx.com as my broker through the MT4 platform. They have been very reliable for me using the trading techniques presented in this manual.

No matter which broker you choose you will find someone who claims "they are not an honest broker," this is simply due to the fact that when people loose at forex (especially newbie's) they naturally must find something to blame it on.

In my experience if you are trading 4 hour charts and above, you have far less to worry about. Traders trying to scalp the forex market on the 1 minute charts are the ones who tend to get the bad end of the stick very often due to the nature of their rapid buying and selling of currencies.

## Opening a Demo Account with Interbankfx



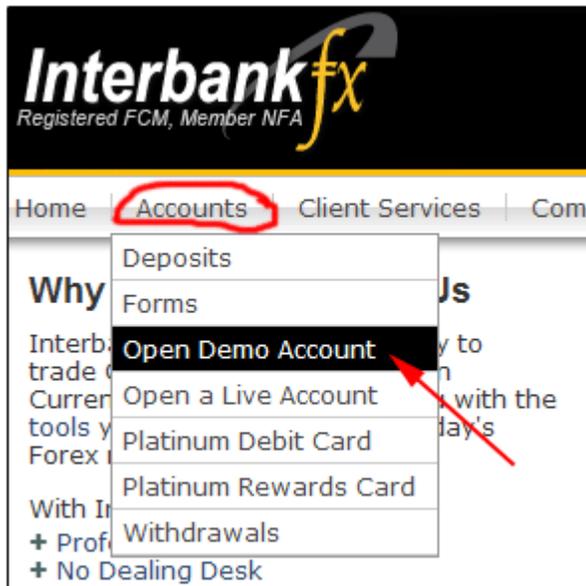
Opening a demo account with MT4  
<http://www.10-minute-forex-wealth-builder.com/demoaccount/demoaccount.html>

Introduction to MT4  
<http://www.10-minute-forex-wealth-builder.com/mt4intro/mt4intro.html>

For years I have used the free and highly acclaimed Meta Trader 4 charting software, in my opinion it is as good, if not better than most forex charting packages that charge over \$100 a month. We are about to setup and install Meta Trader 4 platform on your computer with a free demo account for you to start trading with.

There are hundreds of forex brokers who use Meta Trader, but I have found one who meets all my requirements and has always been honest and professional being interbankfx.

Open your web browser and head over to <http://www.interbankfx.com/>



Go to accounts and then click on the "Open Demo Account" in the drop down menu.

A new page will open asking you to fill in your details to request a demo account. Fill in the form and make sure you select Meta Trader 4 from the Platform Version drop down menu then click Submit Request.

### Request a Demo Account

(\*required field)

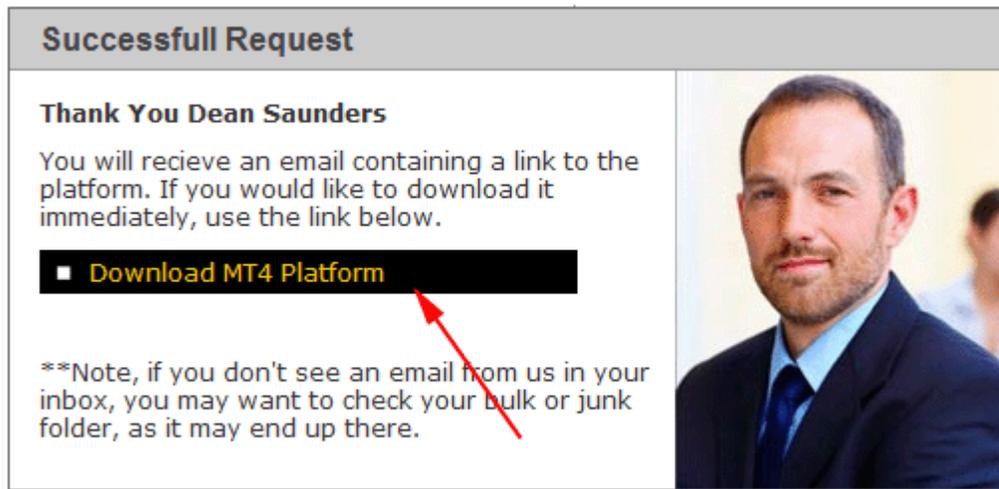
*First Name <input type="text"/>	*Last Name <input type="text"/>
*Country Select Country <input type="button" value="v"/>	*City/Town <input type="text"/>
*State / Region <input type="text"/>	*Phone <input type="text"/>
*Platform Version Select Platform <input type="button" value="v"/>	*Email Address <input type="text"/>
Trading Experience Select Option <input type="button" value="v"/>	How did you hear about us? Select Option <input type="button" value="v"/>

Please provide a valid email address.  
Platform download links will be emailed to the address you provide.

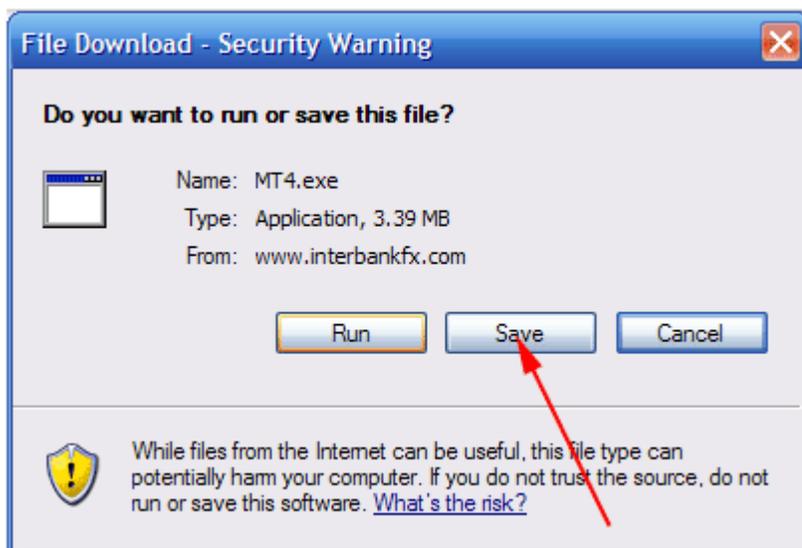
---



After you click submit you will be directed to another page where you will be asked if you wish to download MT4 Platform, click on the "Download" button and select Save as you can see in the examples below.



Save the file to your desktop or another location that you can easily recall it from.



Once the file has downloaded locate the MT4.exe file in the location you saved it and double click on it.



A menu will appear for you to select your desired language.



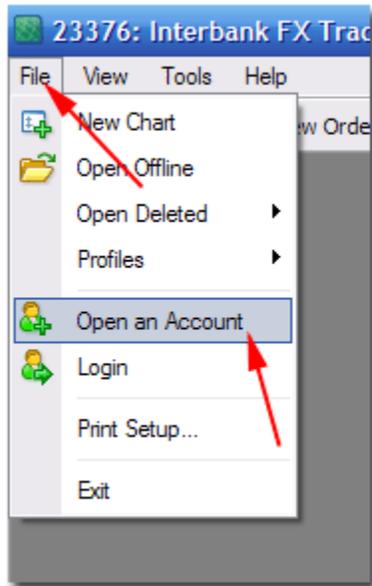
Once you have selected the language click next and follow the on screen instructions to install Meta Trader 4.

Once the program is installed on your computer you will have a desktop icon looking like the one below.



Double click on this icon to open the trading platform.

When you open the platform there will more than likely be several charts open, close each chart down by clicking on the little cross in the top right hand corner, then go to File and select "Open Account"



A box will open asking you to fill in your details once again. Fill in every box and select the minis account type with a realistic deposit of your choice. Remember even though this is play money you should only deposit an amount of money that reflects the amount you will be trading with in your first trading account. If you would prefer not to use your real details then use a false address and phone number. Once you are finished click next.

**Open an Account**

**Personal details**  
To open an account, please fill out all the following fields:

Name:  min 6 chars

Country:  State:  min 2 chars

City:  min 2 chars Zip code:  min 3 chars

Address:  min 6 chars

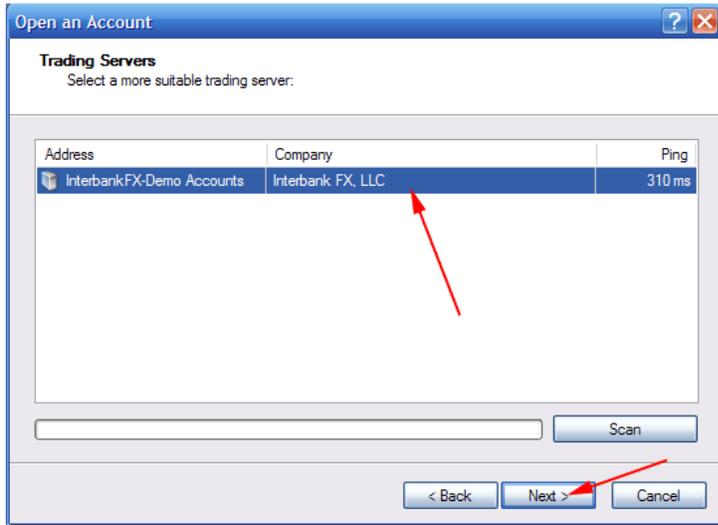
Phone:  min 6 chars Email:

Account Type:  Currency:

Leverage:  Deposit:

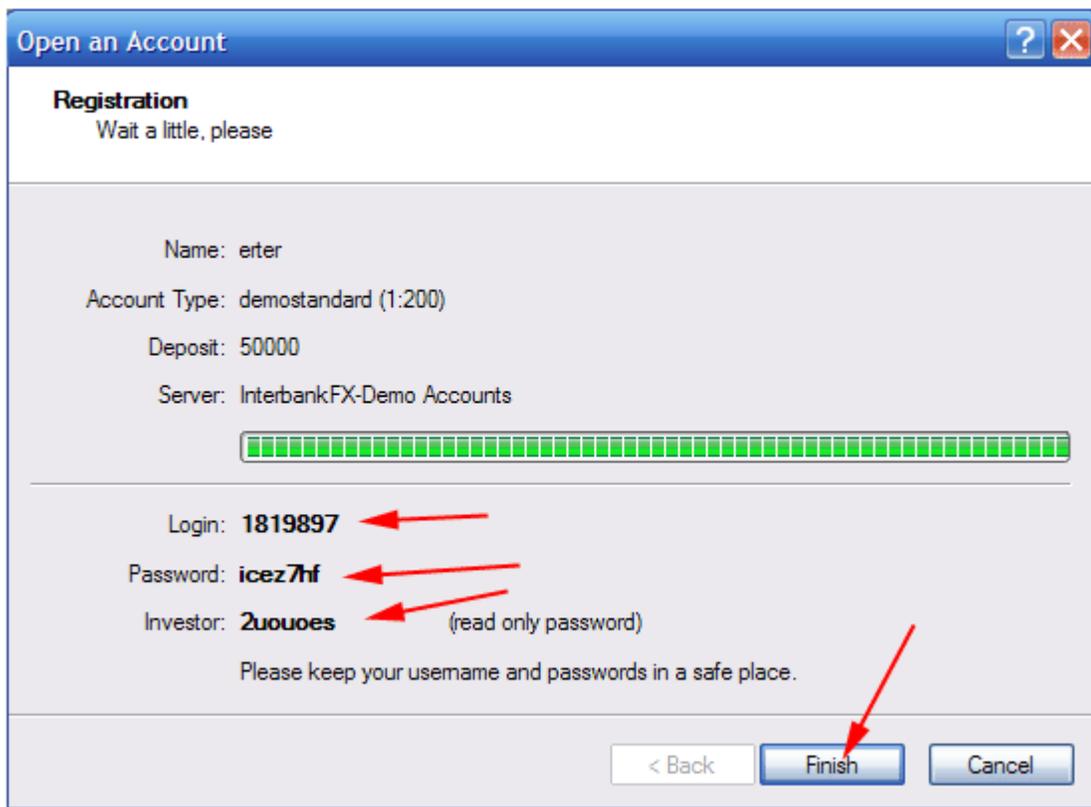
I agree to subscribe to your newsletters

< Back **Next >** Cancel



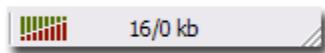
Once you click finish you will be prompted to select a server, just highlight the one on the list and click next.

You will now be shown the details for your demo account, make sure you write these down as you will need them to log in to your account.



Ok you're finished. Now simply go to file on the menu of the Meta Trader platform and click Login.

Make sure you select demo accounts from the servers list and then insert your login number and password. Once you are logged on, in the bottom right hand corner you should see a green and red bar similar to the one below showing your connection status.



Open a chart for the EUR/USD and make sure the data is flowing by clicking on the following icon



Ok you are all set ready to start demo trading, have a play with the charting platform but don't make any trades just yet, let's carry on and learn more about the 10MFWB method.

## **Leverage**

Leverage is one of the reasons many traders come into the forex market and the reason many traders leave without any money left in their account, many brokers including my own offer up to 200-1 leverage. With leverage of 200-1 you have control of 200 times the money in your account. If have \$1000 in your account you can buy \$200,000 using a leverage of 200-1. We will not be using anything remotely like that in this course. High leverage is a killer and can wipe out your account in one trade. Later in the money management section of this manual we will be discussing how to control your risk on each trade so that if the worst case situation happens you can withstand a huge amount of losses without losing your account. Again I DO NOT use high leverage and if you want to survive and build wealth in this business neither should you.

## **Stops & Stop hunting**

Stops are orders set to close your positions if the trade goes against you by the amount of pips you stipulate. I want to take a minute to talk about stops as this is something I see many traders struggling with all the time.

You may have heard of stop hunting, it is not a myth, it actually happens although usually not to the extremes many traders talk about. Many of the retail brokers that require only a small deposit to open an account are often not giving you direct access to the forex market as the positions you are trading are too small. Instead they take the other side of the position themselves because it is a fact that the majority of traders lose money overall and the brokers are playing this to their advantage. So you make your small mini lot trade and the broker takes the other side at their dealing desk, you place your stop which the broker can see on their platform and you go about your business. Now it is important

that I point out the broker is not targeting your position, there will be thousands of positions with stops in the same place and as price comes within 5 pips or so the broker may manipulate the data feed by 5 pips to take out all these stops. So how do we avoid being at the mercy of the broker? We trade longer term charts and avoid all the stressful day trading systems out there that require small stops.

Different traders use stops in different ways, some use stops as protection against a sudden market crash and some don't use them at all due to suspicion that brokers try to take them out. I personally believe a trade should have a stop placed at a point that gives the trade room to breath and if the trade did go beyond that point, there would be no question that the trade was no longer valid. This is the approach I take with my trading and it has served me well, I have a max pip stop I am willing to risk and I do not allow myself to move this stop once it is placed.

Many traders fail to realise that trades will not immediately go in your direction all the time, they need breathing space. As soon as I began giving my trades more breathing space I saw my win percentage go through the roof. It's the whipsaws that get many traders out of the market just before price heads off in the anticipated direction, especially if you are trying to trade the small intraday time frames.

The systems presented in this course are designed to give price plenty of breathing space while still allowing us to get a good risk reward ratio on our trading positions. This eliminates the broker trying to take us out and also gives our trades room to move.

## Spreads

As you will have no doubt seen on adverts, forex brokers offer a commission free trading solution. However this does not mean you trade for free, instead they give you a spread on the currency pair you wish to trade which is the difference between the ask and the bid price. The spread changes for each currency pair depending on how volatile it is. For example the spread on the EUR/USD is between 1-2 pips, this means if you open a trade on this pair your trade will start off negative by -1 or -2 pips, this is the brokers way of making their little bit money out of your position.

Spreads vary drastically from broker to broker some can be three times as much as a competing broker, it is very important that you don't lose sight of the fact that the size of the spread makes a huge impact on your income over a years worth of trading. I have used many brokers over the years and I found the spreads at [www.Interbankfx.com](http://www.Interbankfx.com) to be very reasonable.

Another important reason why I like Interbankfx.com is because they allow you to use micro lots. Micro lots are positions of \$1000 each giving you a profit/loss of 0.10c per pip and only require you to have \$10 in your account. This will allow you to calculate and risk an exact 2% of your account no matter how small your account is. We will cover this in far more detail in the money management section.

Which ever broker you choose to trade with remember you will always have trouble if you try to trade around important news events, that's just the way it is and it's not the brokers fault. You should never have the need to trade the news with the systems in this course, the way I teach you to trade in this course is very low stress and you have plenty of time to execute your trades.

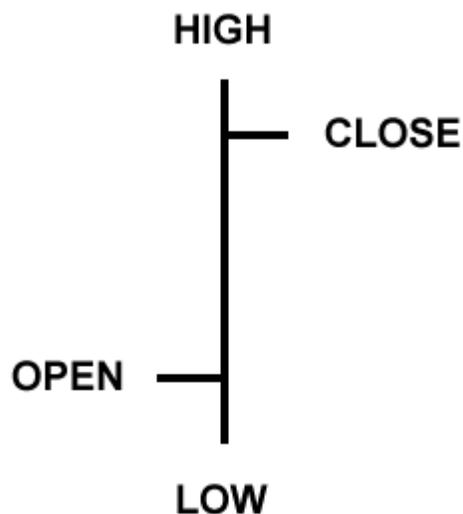
In the United States a broker should be registered as a Futures Commission Merchant (FCM) with the Commodity Futures Trading Commission (CFTC) and a NFA member. The CFTC and NFA were made to protect the public against fraud, manipulation, and abusive trade practices. Remember to check this if you are at all unsure about a broker you are planning on using.

## Charts

All brokers usually supply you with some sort of charting software and a live data feed, charts come in three forms. OHLC, Line or Candlestick, we will be focusing on OHLC charts in the 10 Minute Forex Wealth Builder examples because I find it makes it easier to spot the setup we will be looking for, but you are welcome to use candlestick charts if you wish.

The Japanese began using technical analysis to trade rice in the 17th century. While this early version of technical analysis was different from the US version initiated by Charles Dow around 1900, many of the guiding principles were very similar.

OHLC charts are made up of bars very similar to candlesticks, each bar represents a time period. For example on a 4 hour chart each bar represents 4 hours of price action showing the open, high, low and close of that time period. Below is a diagram of the make up of a bar from a bar chart.



## Money Management

When I say to many traders "my average risk per trade is about 80 pips" they go white with fear, "surely that is too much risk" they say.

Before we go any further I want you to understand no matter if you have a 50 pip stop or a 200 pip stop your risk should never change, you should never risk more than 5% of your account on any one trade and I recommend if you can, try to keep it at 2%. I understand a lot of you may have small trading accounts and you are eager to build it faster so you may want to use 5% until your account grows larger and then reduce your risk.

Everyone seems to be talking about money management in the trading world yet very few people put it into practice to make their account grow safely.

Everyone's goal when it comes to trading forex is to make money, but people have different circumstances and different starting capital. Unfortunately most new traders have very low starting capital and very big goals which are not in line with reality.

Starting with an account of \$2,000 you can not expect to be able to make a living straight away, you must have a little patience and grow your trading account to a stage where you can withdraw a pay check for yourself and still leave some profits for your account to grow slowly. This is the stage many new traders lose patience and over leverage their account resulting in account destruction.

You may be surprised how fast your account will grow with slow steady gains on an ongoing basis and compounding your profits.

## Compounding

Carrying on with the above example using the starting capital of \$2,000 lets see where we will be in 12 months gaining a very conservative average of 5% a week but compounding this profit so we can trade larger positions every week.

Week	Capital	Week	Capital
1	\$2100.00	27	\$7466.91
2	\$2205.00	28	\$7840.25
3	\$2315.25	29	\$8232.27
4	\$2431.01	30	\$8643.88
5	\$2552.56	31	\$9076.07
6	\$2680.19	32	\$9529.29
7	\$2814.20	33	\$10000.37
8	\$2954.91	34	\$10506.69
9	\$3102.65	35	\$11032.03
10	\$3257.78	36	\$11583.63
11	\$3420.67	37	\$12162.81
12	\$3591.71	38	\$12770.95
13	\$3771.29	39	\$13409.50
14	\$3959.86	40	\$14079.97
15	\$4157.85	41	\$14783.97
16	\$4365.74	42	\$15523.17
17	\$4584.03	43	\$16299.33
18	\$4813.23	44	\$17114.30
19	\$5053.90	45	\$17970.01
20	\$5306.59	46	\$18868.51
21	\$5571.92	47	\$19811.94
22	\$5850.52	48	\$20802.53
23	\$6143.04	49	\$21842.66

24	\$6450.19	50	\$22934.79
25	\$6772.70	51	\$24081.53
26	\$7111.34	52	\$25285.61

As you can see from looking at the example above after 12 months of compounding your profits you would be in a position to start withdrawing profits from your account on a regular basis. If you carried on with this compounding for another 12 months your account would stand at well over \$300,000. Of course you will not be able to gain 5% on your account every week exactly, sometimes it will be a lot more and sometimes it will be less.

## Risk Calculation

Brokers now offer micro lots which enable us to accurately use a certain percentage of our account on each trade, a micro lot is 0.10c a pip giving us far more flexibility especially for smaller accounts.

Let's run through a quick example using a random \$5,436 account.

We spot a setup on the EUR/USD and require a 60 pip stop to give our trade plenty of breathing room and get the stop behind the recent resistance level.

To find 2% of our account we.....

Divide \$5436 by 100 then times by 2 = \$108.72 which is 2% of the account size.

So we can risk \$108.72 on this trade, now we need to find out what position size to place on this trade.

\$108.72 divide by 60 pip stop = \$1.81

To find the number of micro lots we divide \$1.81 by 0.10c = 18 micro lots.

To summarise placing 18 micro lots on this trade, risking 60 pips will risk exactly 2% of our trading account. On the next trade you will calculate this all over again using the new balance on your trading account, if your trade was a success then your new risk will be slightly higher than the previous one. This is how we rapidly build our trading accounts compounding profits and using them to create even more profits.

Money management is not only about what to risk on each trade. That alone will not save your bacon if you are a trading maniac who must be involved in the market no matter what.

Whatever size your trading account is treat it like gold, if you are at all unsure of a trade then skip it, like bus's there will always be another one along soon enough. You must not feel the need to trade, I very often do not trade Mondays which only leaves 4 days a week to look for setups yet I still turn profit and the more patient I become, the smoother my equity line increases and the more wealth I build.

## **Risk/Reward Ratio**

Risk/reward ratio is very important when trading over a long period of time. Many new traders coming into the forex market fall into the trap of refusing to let their winning trades run. Lets have a look of how that will affect them over time.

**Trader #1** Risks \$100 and takes profit at \$25 giving him a risk reward of 4-1 this means that in order for him to break even in the long run he must achieve 80% winning trades.

**Trader #2** Risks \$100 and takes profit at \$100 giving him a risk reward of 1-1 this means that in order for him to break even in the long run he must achieve 50% winning trades.

**Trader #3** Risks \$100 and takes profit at \$200 giving him a risk reward of 1-2 this means that in order for him to break even in the long run he must only achieve 33% winning trades.

**Trader #4** Risks \$100 and takes profit at \$300 giving him a risk reward of 1-3 this means that in order for him to break even in the long run he must only achieve 25% winning trades.

Now who do you think is going to succeed in the long run? Surely it is far easier for traders 3 & 4 as they have less pressure to achieve a high win % in order to make money. Are you beginning to see how important this is?

Never open a trade if you do not anticipate your trade to gain you at least the same amount as you risked, I prefer to try and go for twice or three times the amount I risk while always moving my stop to break even as soon as I can.

## Psychology & Mindset

The psychology of trading is as important as the trading system itself. If you do not suffer from the emotions of trading then you are either gifted or you have never built your trading account into a large enough amount of money. This subject is so large I couldn't possibly get everything in this section without filling hundreds of pages and I don't want to bore you, so I am only going to cover the things I believe will help you the most to understand what you are about to face in your venture into the forex world, especially when you begin to start making large amounts of money. I believe the growth of a trader is in 3 main stages (you have side stepped most of what's below by reading this book 😊).

**Stage 1:** Greed is the first thing a new trader will face when starting out in the forex world, particularly when the individual has a grasp of trading forex and the huge amount of money that can be made in a small amount of time. Greed involves over trading and refusing to exit a trade when it is blatantly obvious the move is over. Or, on the other hand the inability to realise that their predictions were wrong resulting in them being unable to cut their losses and accept that the trade was a mistake. Usually this emotion of denial is formed due to the new trader having a small dose of success in his totally random guessing of the market direction. This small dose of success leads them to believe that the forex market is actually easy money (which it can be once you get it right) and for some reason they have an expert talent that enables them to predict the markets direction perfectly (which they do not have).

When the market decides not to participate in agreeing with this random traders decisions they have trouble accepting that they were in fact wrong and if they were to stay in the trade long enough it would come back in the anticipated direction. Then they will prove once again that they are in fact a master trader. At this point most traders lose their entire trading account trying to prove

themselves in the market. Whether the trader moves on and learns from this mistake is usually dependent on the size of the trading account lost and the pain of blowing out a first account.

**Stage 2:** This is usually the most exciting and most soul destroying stage of trading, at this point you actually do have a clue what you are doing and you are at a stage where you are back trading at the same size account you were before it was eaten up by the market in stage 1. This is the stage that highlights every flaw that will need to be addressed in your character in order for you to succeed at forex. This is the point many of you reading this book will find yourself at soon enough, you will have the ability to make huge amounts of money from trading forex, you will have a solid system but only your fear will stop you from becoming a truly successful trader.

Let's look into this a little more, now we know that a good system can have a winning edge of 70% this means that out of 100 trades you can expect to have around 30 losses. The only thing you have no idea about is when these losses will hit and how many you may have in a row.

You begin trading with a nice string of winning trades which send you on a high making you feel like you have conquered the world but suddenly you hit a loss, then another and another. Soon enough you have lost 4 trades in a row, you are now far from feeling on top of the world if you were trading 3% of your account on each trade you have lost over 12% of your account or in \$ value if you had a \$100,000 account you have lost \$12,000. At this point it hits home that you have just lost the equivalent of 6 months of wages from an average persons wage in just a few days. You are now very wary of making another trade and when the moment comes you decide to sit on the side lines and watch how it plays out. The trade does exactly as you anticipated but yet you still feel a little hesitant to make a trade so you sit on the side lines for the next trade which was also a winner. Ok so the losing streak is over you place a trade on the next signal and guess what, yes you lose again! If you had not let your fear take over your

trading decisions and you had followed your system at this point you would be way ahead and in profit instead you are heading for a 20% loss in your account. Now you might clearly see what is wrong here but when those emotions come into play it is often difficult to see the light. Trading forex is about having the discipline to follow the rules and trade your system no matter what your gut is telling you. Obviously you don't want to follow your system into the ground, I generally have a cut off point at 50%, so if my trading account ever gets drawn down by 50% I stop trading completely until I figure out what went wrong. But until this cut off point is met I follow my system without fail.

**Stage 3:** This is the turning point for most traders, this is the point they either decide that trading is not for them and hang up their trading shoes or the light goes on in their head and they really start cooking on gas.

Those who make it to this stage are usually no longer concerned with the day to day results of trading, winning a trade is no more exciting than losing a trade because they know that it is simply the law of average playing out on their trading edge and overall they will always be in profit.

## Goals

The importance of short and long term goals in trading can not be stated clearly enough. Coming into the forex market you will be thinking all sorts of ideas like being able to make a million in one year, you need to clear your head of this for the moment and focus on two goals. Now I'm not saying you can't make a million in this business, you can make a whole lot more than a million, but without using goals to get you there, you may well get frustrated and give up. These goals have to be realistic, one for the coming month and one for the coming 6 months to a year.

Always keep your goals easily within reach, once you have reached your goal create a new one, but still within reach.

For example when I first began trading my monthly goal was to finish in profit even if it was \$1, a profit is a profit and that is better than 95% of traders out there. Once I achieved a profit every month for 3 months in a row I created a new goal. My new goal was to finish the month with more than 15% increase in my account size. Do you see how reachable goals keep your feet on the ground and give you something to focus on?

Trading in the forex market is all about knowing your edge and exploiting it to gain profits over the long term. A casino has a very small edge yet they make millions and never loose in the long run, do you know why? It's because they are consistent, they are playing their edge consistently and the law of averages states that they will always come out on top.

If you are coming into this business with the idea that you will be able to avoid losing trades then you are badly mistaken. Losses are part of this business and you must accept them openly like bills you pay in any business. Always keep in

mind your short and long term goals, remember you are playing the odds and they are highly stacked in your favour, far more than any casino.

Just because you have a losing trade today does not make you a bad trader it is simply the laws of averages playing out. If your system has a 70% winning edge then you know out of every 10 trades you will lose 3.

If you step back to think about this logically as a long term business it really becomes clear that discipline and consistency are essential if your edge is going to play out in the forex market.

Trading the forex market is possibly the most profitable business in the world. Try to keep in mind that you are learning a skill that will change your life forever so if you have trouble in your first few months of trading don't worry about it. Remember a doctor or surgeon has to study, practice and work for at least 10 years before they receive a large salary.

Here are the steps I followed when coming into this business, even though I did feel a little held back, I believe it saved me a lot of money that I would have otherwise lost to the market.

1. Demo trade until you have at least 2-3 months with each month ending in profit following your trading plan.
2. Move to a mini live trading account with \$500-\$1000. This stage is not like trading a demo account, It's real money and greed and fear come into play. I personally recommend you trade this account until you at least double the starting capital while using strict money management of no more than 5% risk on each trade, preferably 2%.
3. Ok now you have doubled and over you original starting capital and even though it has taken you a while you feel on top of the world. It's time to

increase the account size and take it to the next level but I would keep the account under \$20,000 until you have proven once again that you can double your starting capital. Once you double your capital again you will now have in the region of \$40,000 which is a fair size. It is now up to you how you fund you account but remember don't put all you eggs in one basket.

If you don't have capital to fund your account once you get to stage 3 do not worry, using the money management outlined earlier you can build your small trading account using compounding and you will be surprised how fast it will grow. Following these steps enabled me to learn to build wealth in this business without losing a large amount of money, I hope they will do the same for you.

## Trading Forex with 10 Minutes

Ok now we are getting into the meat of this book. Trading forex with only 10 minutes a day is very easily achievable once you understand how to implement the systems I am about to introduce to you. There's a well known quote from Albert Einstein that sums up trading forex very well. He said,

"Everything should be made as simple as possible, but not simpler."

This is spot on when it comes to trading forex, there is no need to complicate anything. Forget all the complicated indicators that you have collected cluttering your charts. You do not need them.... all you need is price action.

Trading the forex market part time is one of the most over looked, most profitable part time incomes ever. In fact although you are only monitoring your trades for a few minutes a day, this part time business can quite easily create far more money than any normal full time 9 till 5 job.

Believe it or not trading with a limited amount of time is actually far easier than sitting and watching the charts all day long, this is due to several reasons.

First you are usually not around to watch the trade play out, this eliminates the greed and fear factor which is a huge problem to many new traders who exit too early due to fear of losing the profit they already have or being too greedy and holding on too long for more profit.

Second, it is a well know fact that the larger the time frame is, the more reliable the signals are to trade. Because you are trading the longer term charts you have cut out a lot of the noise in the market. This noise is what many traders try to day trade spending 8-12 hours a day in front of their pc and even then they are still losing money.

Many people are simply not cut out to trade full time, the stress this places on you is immense. A friend of mine who trades part time plans his trades in the evening and places his orders before he goes to work. He is one of the best traders I have ever come across, in fact he was so good that he quit his job to trade full time not long after he started. Suddenly he started losing money, his trading went to pot.....Do you know why?

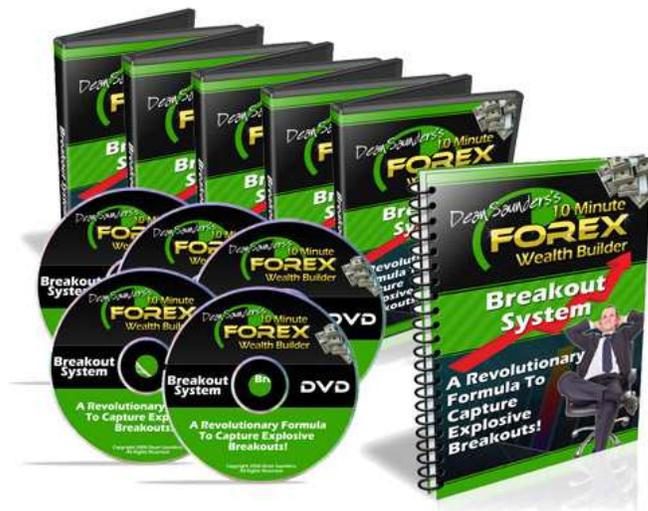
It was because he had all day to watch and manage his trades but he didn't have the discipline to let them play out as he did while he was away from his computer at work.

I pointed this out to him and he altered the way he traded, he never went back to his old job but instead he allowed himself 30 minutes in the morning and 30 minutes at night to plan and managed trades. The rest of the time he spends working on other business ventures funded by his trading or spends time with his family.

In the following sections of this book I am going to introduce to you two trading systems, both of these systems are very profitable and both use price action setups for entries. You do not need to learn both systems at once, you can learn to trade one and once you are familiar with it start using the other. Both systems require about 10 minutes at the close of the daily bar to check for setups.

**IMPORTANT:** Both systems in this manual use end of day data, this means for the signal to form the daily bar/candle has to have completely formed and closed. No entry is valid until the daily bar/candle has closed. The time the candle closes depends on your broker and your location. My broker uses midnight GMT, all this means is I have to get up for 10 minutes to check my charts at midnight GMT.

## Breakout System



I am going to introduce to you a system that uses price action for entries into the market with the trend. There is a secret to trading forex, well it's not really a secret because everyone knows of it but few use it, it's the key to trading forex successfully.

The trend is your friend!

Yes, that's it! Ok bye, have fun.....

No seriously this is the key, trading against the trend is like trying to swim against the current, you may make some gains but eventually it will push you back. In the 10 Minute Breakout System you will learn how to judge the trend to ensure you are entering into the longer term trend at the right moment riding the wave to our predetermined profit target.

As I said earlier this system is an ultimate low maintenance system which requires only 10 minutes every evening adjusting positions and placing orders, this system is designed for people with very little time to spare. It uses daily charts and only requires end of day data for your trading decisions. The trades last anywhere, from 2 days to a week depending on the strength of the trend. Risk is always very small in comparison to the average reward. Watching 8-10 currency pairs supplies us with plenty of trade setups so we can take only the very best of the bunch. Because this system is a trend following system it stacks the odds far more in our favour which is something I always like.

## Setting up your charts



Identifying the trend.

<http://www.10-minute-forex-wealth-builder.com/trend/trend.html>

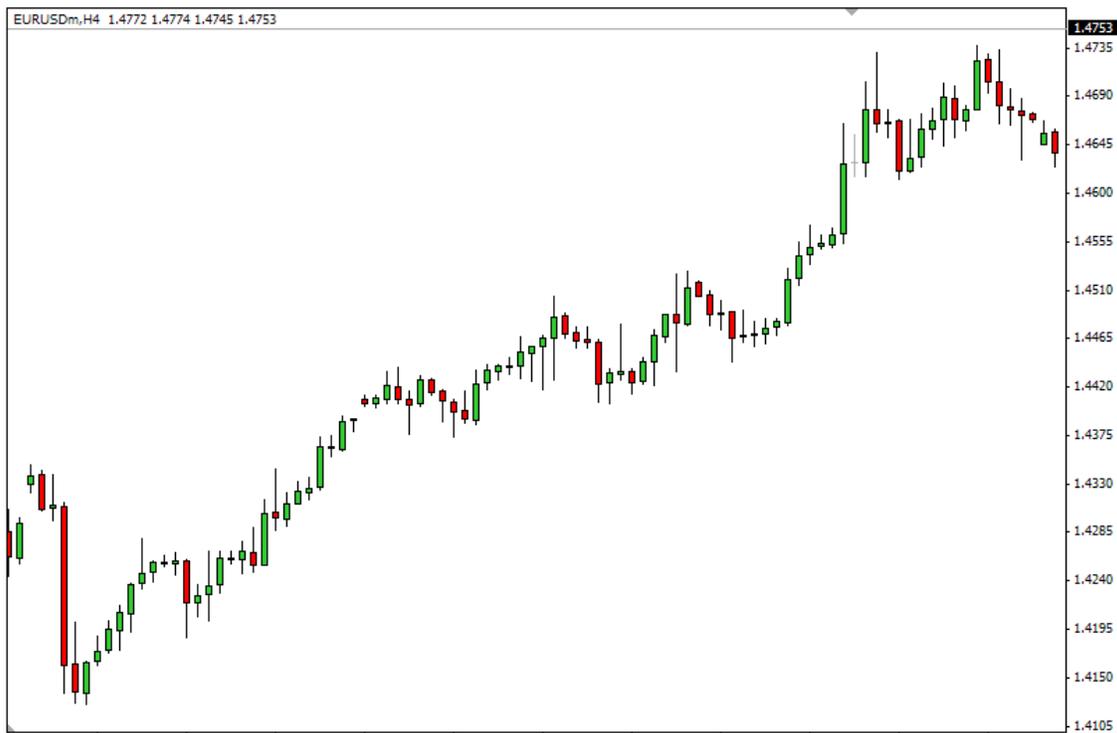
Let's begin by opening a daily chart for the EUR/USD, this pair is renowned for its trending periods and will make it easier for me to explain the setups for this system. You can either use candlestick or bar chart for this system, I will be using bar charts as a bar chart tends to make it easier to spot the setup we are looking for.

Once you have a daily chart open for your desired pair all we need to do is add a 21 simple moving average in red. Your chart should now look like the one below, clean and simple.



## The Trend

Currency markets are renowned for their trending characteristics which believe it or not make it far easier for us to make profitable trades (more on this later). Below in fig 1 is an example of a chart of the EUR/USD. As you can clearly see on the chart below this market is trending up and any smart investor would be looking to take long positions or wait for the market to clearly start trending down before taking any short positions.



Trading forex is all about placing the odds in your favour as much as possible, so over the long term even if you have a patch of bad luck you will still come out with a profit month after month.

Although finding the direction of the trend is simple, many traders find it difficult due to over analysing the market condition. The best piece of advice I can give someone with this problem is to keep things simple, I have never met a professional trader who has a complicated system or set of rules which magically

makes him/her money. Create a simple set of rules and be disciplined, the markets reward discipline with long term success.

In the 10MFWB Breakout System I utilise price action for the entry technique, I do not rely on indicators for entries into the market as they lag far too much in most circumstances, by the time the indicator has given a signal the move will have come and gone.

## Identifying the trend

The only thing on the chart should be the red coloured line of the 21SMA, this will change slope and direction depending on the direction of the trend.



Most traders I know use the moving averages as a trigger to enter trades, from my experience this is a waste of time, by the time the moving average has changed the move is either retracing or over completely. I use moving averages to ensure I am on the right side of the trend when I take a trade. If the trend is weakening I make a note but the trend is still in place until the moving average changes direction from up to down or down to up.

On the chart above I have marked the trend direction with black arrows, you can clearly see the trend direction change when the SMA indicator changes from up to down and down to up. The direction of the trend is the direction all trades must be taken during that period. For example, while the trend is pointing up on the 21 SMA we only take long trades (buy trades) in that direction. While the 21 SMA is pointing down we will only be taking short positions (sell trades).

As the trend weakens the SMA will become flat and this indicates one of two things, either the trend is changing or it's a small consolidation while the trend regains some strength. Be very cautious about taking trades when the 21 SMA becomes flat I personally avoid trades totally until the 21 SMA is clearly pointing up or down once again.

Spend a little time on your chart and try to spot the trend and when the SMA average becomes flat, this does not have to be an exact science as our entry technique will often prevent us from entering the market against the trend. Once you feel comfortable with the 21 SMA, move onto the next section and we will discuss the entry technique for entering the market.

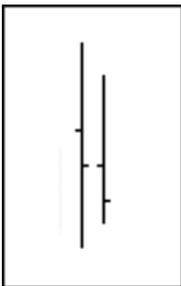
## Entries



10MFWB Entry Formation.

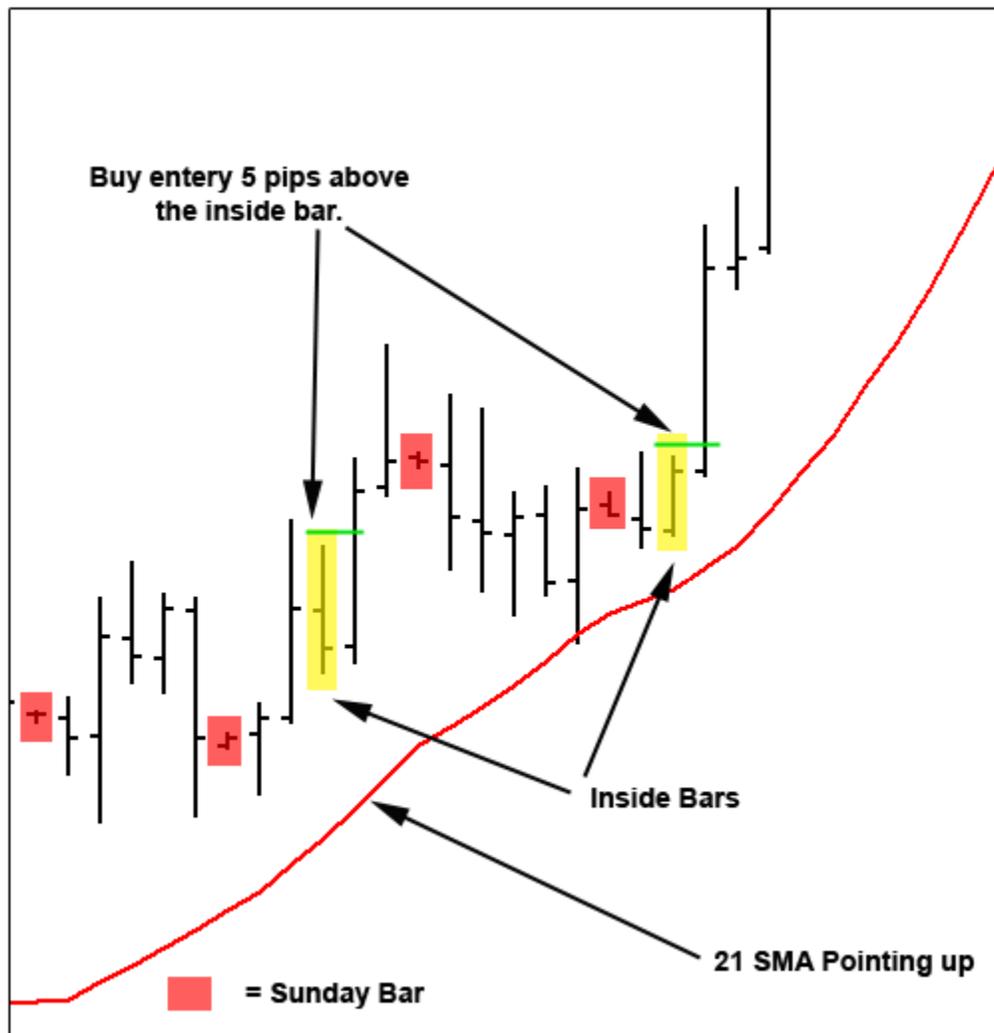
<http://www.10-minute-forex-wealth-builder.com/insidebars/insidebars.html>

The entry into the market is what sets apart the winners from the losers in this business. The migratory of traders will try and predict the exact turning point of a move and then open an order generally while price is still moving against them. I have never understood this and it possibly has something to do with proving they can beat the market. Whatever it is we will not be joining in. Our entry into the market will be after a consolidation in the direction of the trend, this will be our confirmation to enter the market on the break of the signal bar.



We will only be using a daily chart with this system and we will be checking the chart every evening as the daily bar closes which requires only a few minutes of your time. Our entry relies on an inside bar candle formation. We can not make a trade until one is present. An inside bar is simply a daily bar which is completely engulfed by the previous bar. (see example to the left)

Once we have an inside bar present we will place a pending position, 5 pips above the high of the inside bar if the trend is up on the 21 SMA indicator and 5 pips below the inside bar if the trend is down on the 21 SMA indicator. Let's look at some examples of entry setups.



Above is a daily chart of the EUR/USD, the inside bars are marked in yellow, as you can see the 21 SMA indicator is clearly indicating an up trend so we are looking to go long or buy this currency pair 5 pips above the inside bar. The green lines are our entries where we would open our positions.

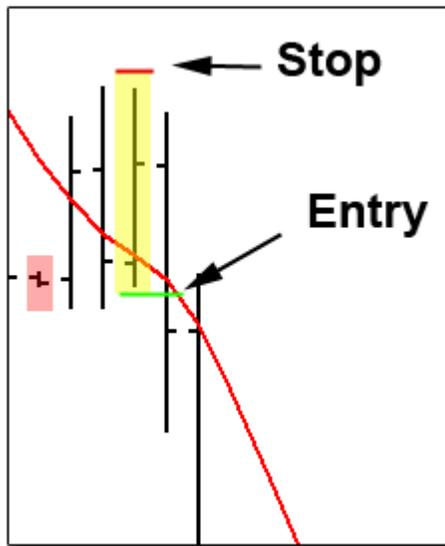
Some trading platforms like mine, plot Sunday bars, these are always very small and are of no use to us for calculating entries and stops. If your platform uses these then simply ignore them and use the next available bar for your trade calculations. Each Sunday bar is marked in red on the above example.

## Stops



Stops and take profits.

<http://www.10-minute-forex-wealth-builder.com/insidebarentries/insidebarentries.html>



Ok so you have located the inside bar, it meets the requirements and you are ready to place a pending order above or below the inside bar by 5 pips depending on the trend direction. The stop for this position will be a set pip value, each currency pair has a different stop value depending on how volatile it is. Below are the 8 main currency pairs I trade along with the required stop value for each pair.

Pair	Stop
EURUSD	50
USDCHF	50
AUDUSD	50
GBPUSD	60
USDJPY	50
USDCAD	60
EURJPY	90
GBPJPY	100

You should only risk 2% of your trading account on each trade. To work out what size position to place on any given trade please refer to the money management section of this book.

## Take Profits

Once you have placed your pending position 5 pips above/below the inside bar with a stop of the required value as stated above then it is time to set the take profit level for the trade. The take profit for any trade on any currency pair with this system is always double the value of the stop. This means your reward is twice as big as your risk.

For example let's say we have an inside bar on the GBP/JPY the trend is up and we have placed our buy orders 5 pips above the top of the inside bar. The stop value for the GBP/JPY is 100 pips, which means the take profit should be set at 200 pips. I use fixed take profit levels for several reasons. First it eliminates emotion from trading which is so common with new traders trading with real money on the line. Second I know from rigorous testing and trading, not only are these levels hit the most often but using this method of taking profit means as long as we achieve more than 33% winning trades we are making money. 😊

Once you have placed your order with your broker and placed all the required stops and take profit levels, all that is left to do is go about your every day life and check back tomorrow evening to see how the trade developed. The majority of the time you will come back to your trading platform the next evening to discover your trade has already closed with a healthy profit.

## **System Rules**

Before we move onto full trade examples let's run over the system rules to be sure you understand how everything works.

### BUY SIGNAL

- Only use a daily chart and check for signals at the close of each daily bar on the evenings.
- 21 SMA must be trending up and not flat.
- An inside bar must form.
- Place a buy order 5 pips above the top of the inside bar.
- Place the required stop depending on the currency pair (see stop values)
- Place a take profit of twice the amount of the stop.
- Do not remove trade until either the entry is triggered or the 21 SMA changes to a down direction.

### SELL SIGNAL

- Only use a daily chart and check for signals at the close of each daily bar on the evenings.
- 21 SMA must be trending down and not flat.
- An inside bar must form.
- Place a sell order 5 pips below the bottom of the inside bar.
- Place the required stop depending on the currency pair (see stop values)
- Place a take profit of twice the amount of the stop.
- Do not remove trade until either the entry is triggered or the 21 SMA changes to an up direction.

## Trade Examples

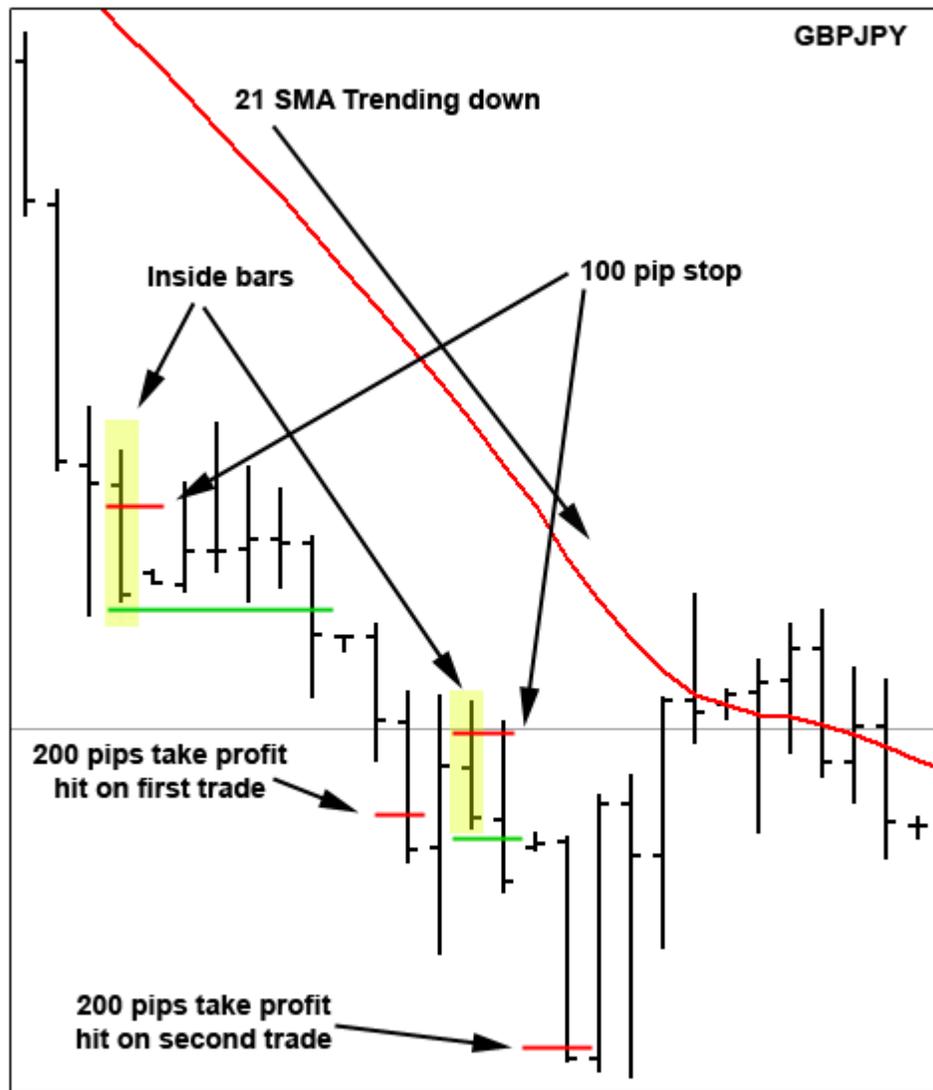


Live Trade examples

<http://www.10-minute-forex-wealth-builder.com/livebreakouttrade1/livebreakouttrade1.html>

<http://www.10-minute-forex-wealth-builder.com/livebreakouttrade2/livebreakouttrade2.html>

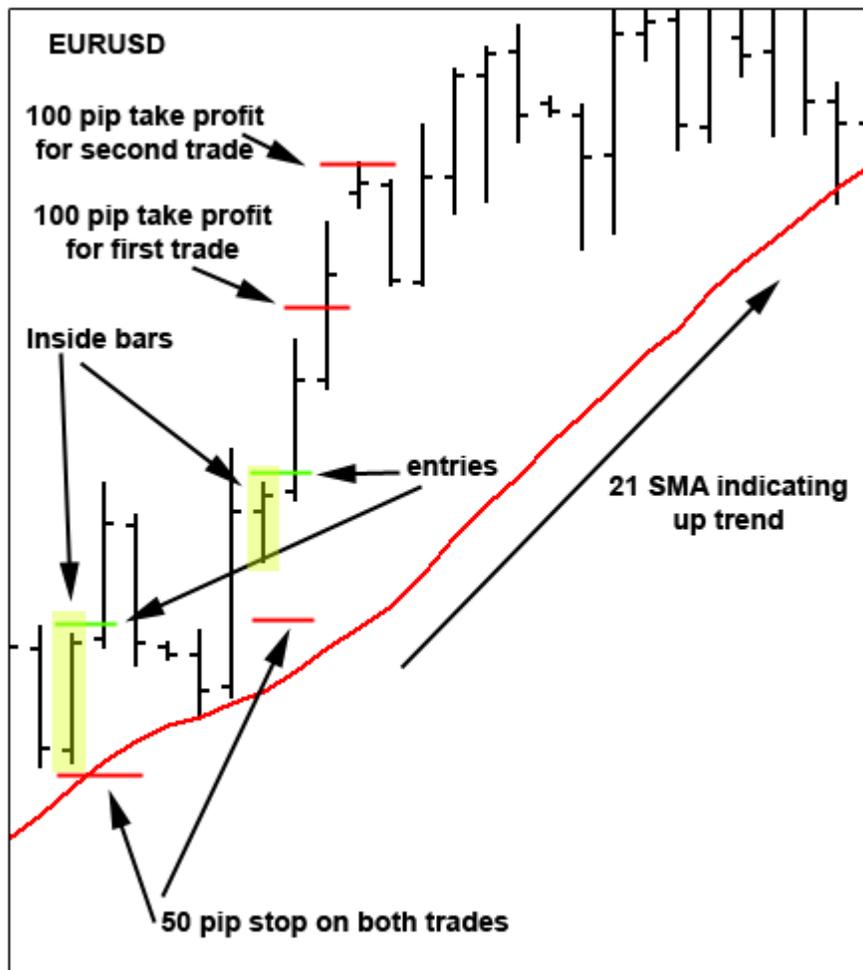
### Example #1



Above in example 1 we have two trade setups on the GBP/JPY, the 21 SMA is in a clear down trend with no signs of turning flat. On the Friday an inside bar formed and we placed our entry 5 pips below the bar with a 100 pip stop and a 200 pip profit target. 4 days passed with no market movement before our entry was finally triggered taking us into profit almost immediately. Our take profit was hit two days later with a profit of 200 pips.

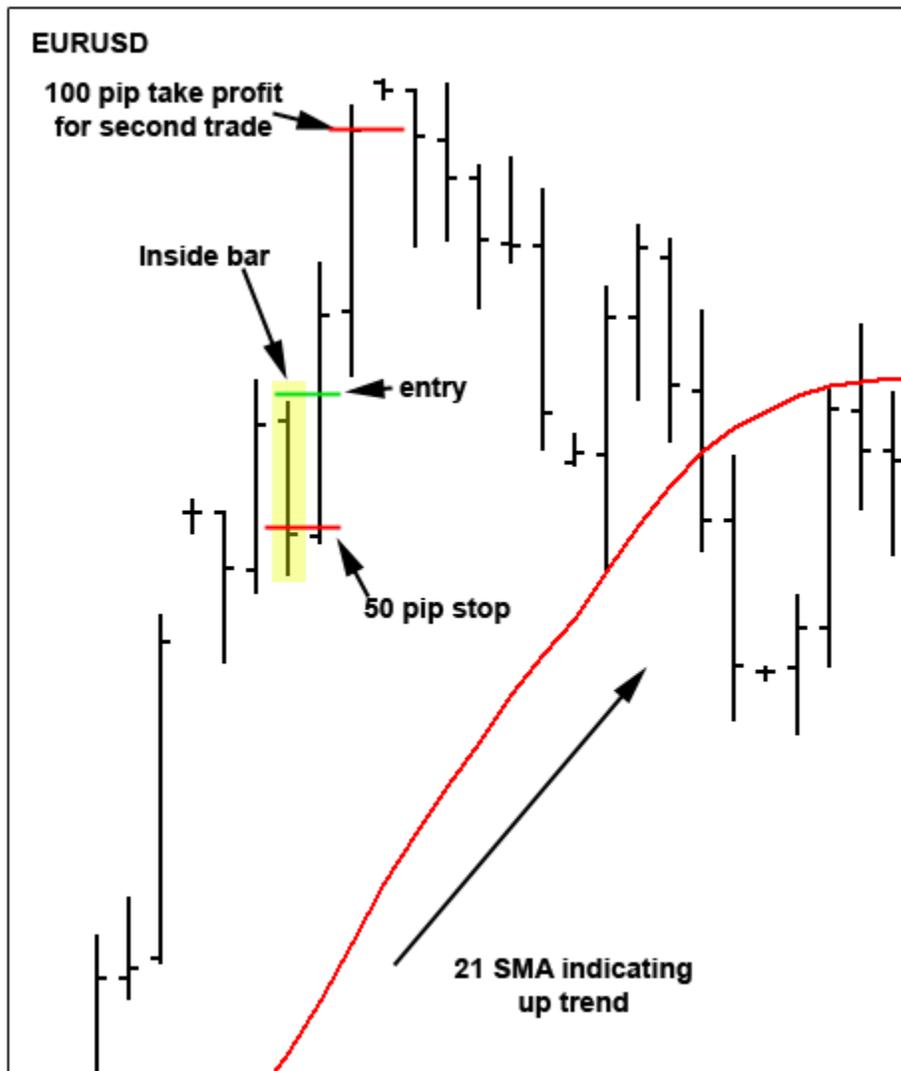
The second trade was far more exciting triggering our order into the market the very next day and hitting our profit target the following Monday with another 200 pips profit.

### Example #2



Above in example #2 we have another 2 good examples of this system in action on the EUR/USD, both inside bars formed with the 21 SMA sloping up indicating we can only take buy trades. The first trade was looking a little grim as it retraced against us after the entry day but it eventually hit our profit target of 100 pips 5 days later. The second trade shot into profit straight away and hit our profit target the very next day. Remember all this was done with about 10-15 minutes on the evenings, nothing more.

### Example #3



In this last example we have a very strong up trend on the EUR/USD as indicated by the 21 SMA sloping up. An inside bar formed and our entry was placed 5 pips above the bar as soon as it closed. The very next day the order was triggered and two days later the profit target was hit for 100 pips profit.

Please keep in mind that you are not going to win every trade with these systems, nor any other system for that matter. Losses are part of doing business in the forex market but because the risk/reward ratios of these systems are reasonably high we can afford to have a few losses in our trading and still easily achieve profits on a regular basis.

I advise you to concentrate on 1 or 2 pairs at first until you are confident, the problem with adding too many pairs is it can increase your chances of having several bad trades in a row. If you do decide to watch 6-8 pairs for setups I highly recommend you lower your risk per trade to at least 2% of your trading capital.

## 10MFWB Swing Trader



As with the Part Time FX Breakout Trader this system requires 10 minutes each evening to trade. This system is all about taking high probability swing trades. Not only have I traded the system for a long period of time I have also manually back

tested years upon years of data. I originally tested it over 13 pairs and found that 2 of these pairs did not produce amazing results so I have cut them out and now only trade 11 pairs. The pairs I trade with this system are as follows USDJPY, AUDUSD, GBPUSD, EURJPY, AUDNZD, EURUSD, NZDUSD, CADUSD, EURAUD, GBPJPY and EURCAD.

The reason I trade so many pairs is because the setup we are going to be looking at only happens on average 12 times a year per pair (if you only take the very high probability setups). So once we start trading 11 pairs we get more than enough signals, in 2007 there was approximately 120 good setups.

## Support and Resistance



Support and Resistance.

<http://www.10-minute-forex-wealth-builder.com/supportresistance/supportresistance.html>

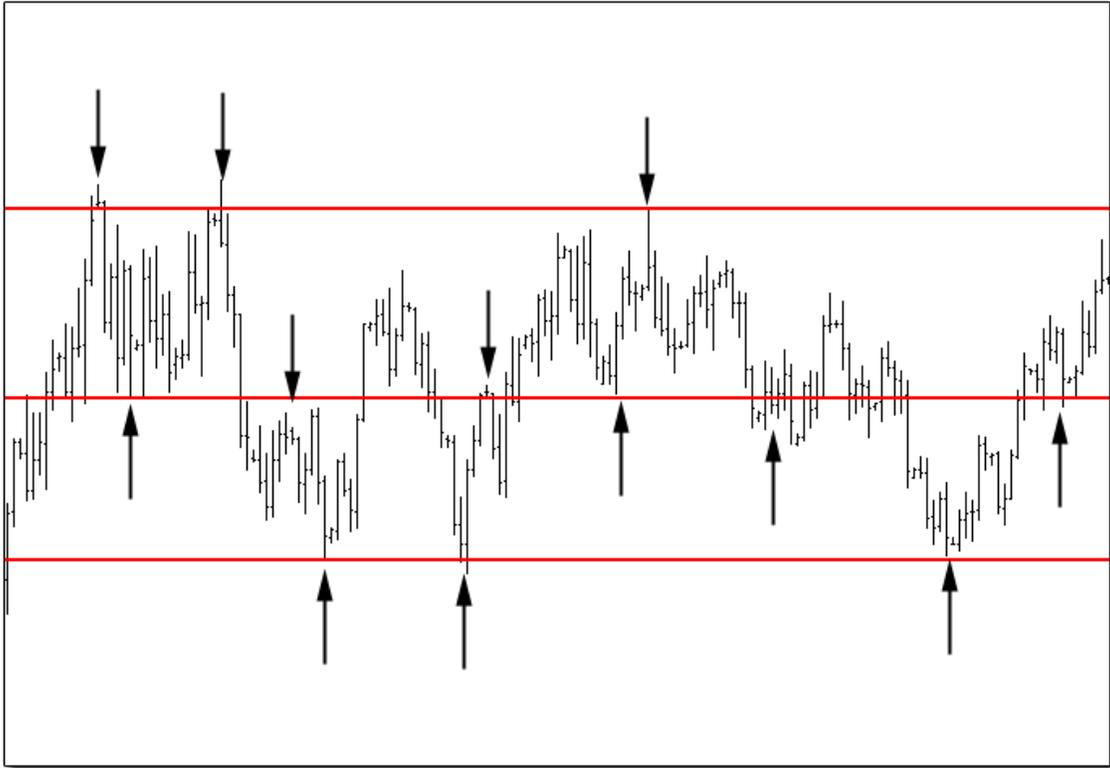
### What is support?

Support is the price level at which demand is thought to be strong enough to prevent the price from declining further. The logic dictates that as the price declines towards support and gets cheaper, buyers become more inclined to buy and sellers become less inclined to sell. By the time the price reaches the support level, it is believed that demand will overcome supply and prevent the price from falling below support.

### What is resistance?

Resistance is the price level at which selling is thought to be strong enough to prevent the price from rising further. The logic dictates that as the price advances towards resistance, sellers become more inclined to sell and buyers become less inclined to buy. By the time the price reaches the resistance level, it is believed that supply will overcome demand and prevent the price from rising above resistance.

Below there are two examples of support and resistance in action on a Daily chart of the EUR/USD. The first example is using horizontal support and resistance and the second example is using a trend line. The arrows show points at which the line rejected price. As you may notice from looking at the first example once a strong support level is broken it turns into strong resistance, the same goes for a strong resistance level, when it is broken it becomes support.



This system will be using support and resistance extensively so I highly recommend after you have read this section and watched the video tutorials, that you spend a decent amount of time trying to identify support and resistance levels for yourself on your trading platform.

Throughout my trading career I have always used support and resistance levels to assist my trading decisions and it has proven to be a very valuable asset.

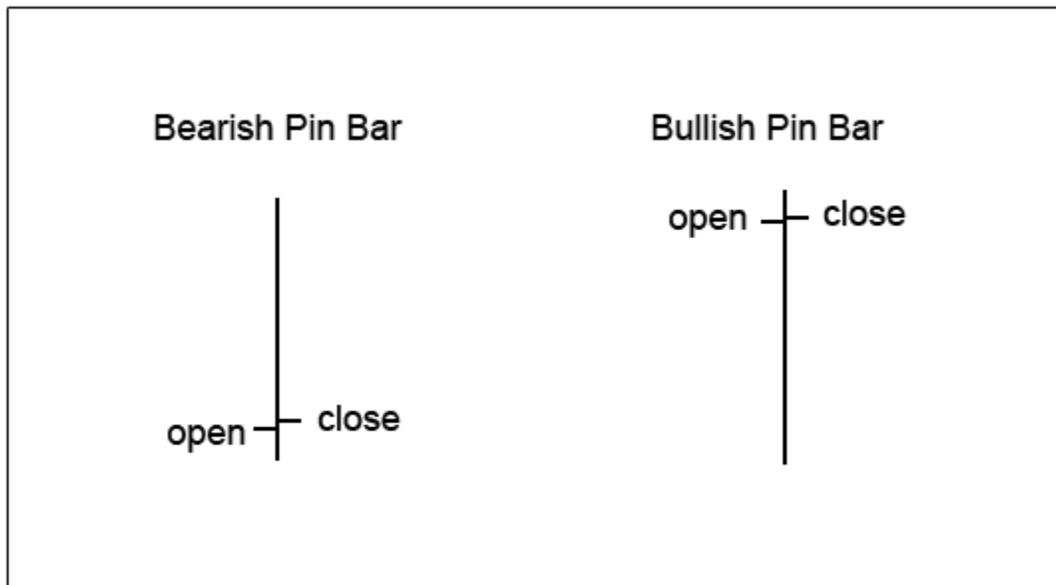
## Pin Bars



Entry Formation

<http://www.10-minute-forex-wealth-builder.com/pinbarexamples/pinbarexamples.html>

For the entries for this system we will be using price action, we will only be using one candle stick pattern which I call the Pin Bar. Pin bars form on all time frames where price tries to push up or down through a resistance level but fails and falls back to a similar level at which it opened. Once the bar closes in this state, it creates a price bar which looks like a pin see images below.



**Pin Bar pointing up = SELL**

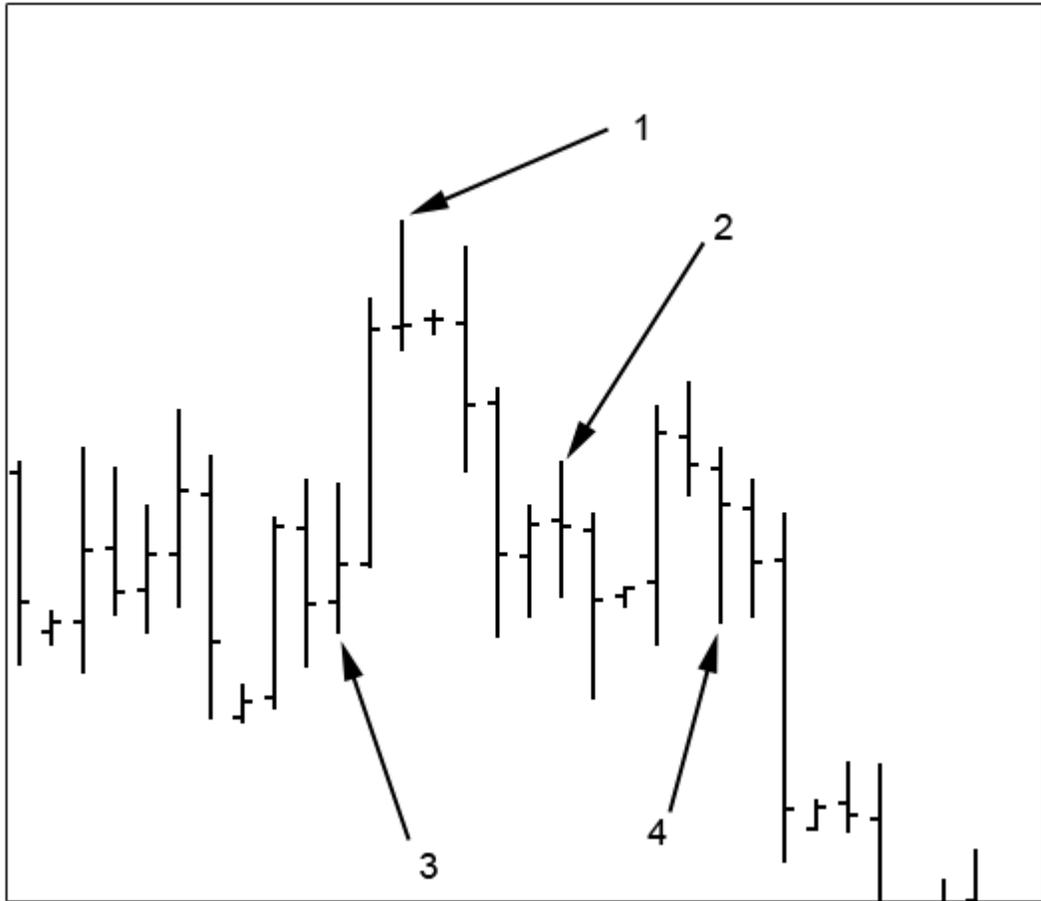
**Pin Bar pointing down = BUY**

This price bar is very accurate at pointing out reversals on the larger time frames like the 4 hour and daily charts as long as it coincides with a strong support and resistance level.

However no pin bar is created equal, every one that develops is slightly different, as you gain experience you will be able to easily spot the good from the bad but for now I will give you a few pointers to help you recognise the right pins to be trading.

- The pin of the bar must be at least twice the length of the head (the part between the open and close).
- The longer the pin the stronger the signal. The close of the pin bar should be close to the open.
- Although it is not crucial, if the pin bar is pointing up and the close of the pin is below the open this shows that the bears are strong and means it is a strong signal. If the pin bar is pointing down and the close of the pin is above the open this shows that the bulls are strong and means it is a strong signal.

Let's look at some pin bars on a chart.



On the above example there are 4 bars marked out with numbers, only two of these are pin bars. Pin #4 is a well formed pin bar. Pin #3 has a close which is too high making the pin of the bar not long enough. Pin #2 is not a pin bar but more of a neutral bar mainly because the pin of the bar is equal on either side indicating uncertainty in the market. Pin #1 is a perfect pin bar, it meets all the guidelines and would be a perfect setup in my opinion.

## Entries & Stops



Entries and Stops.

<http://www.10-minute-forex-wealth-builder.com/swingentries/swingentries.html>

Once you have a grasp of the support and resistance and you understand how a pin bar is formed and what it should look like, then it is time to put everything together and start looking at entries.

First you will need a Daily bar chart, for each of the following currency pairs. USDJPY, AUDUSD, GBPUSD, EURJPY, AUDNZD, EURUSD, NZDUSD, CADUSD, EURAUD, GBPJPY, EURCAD.

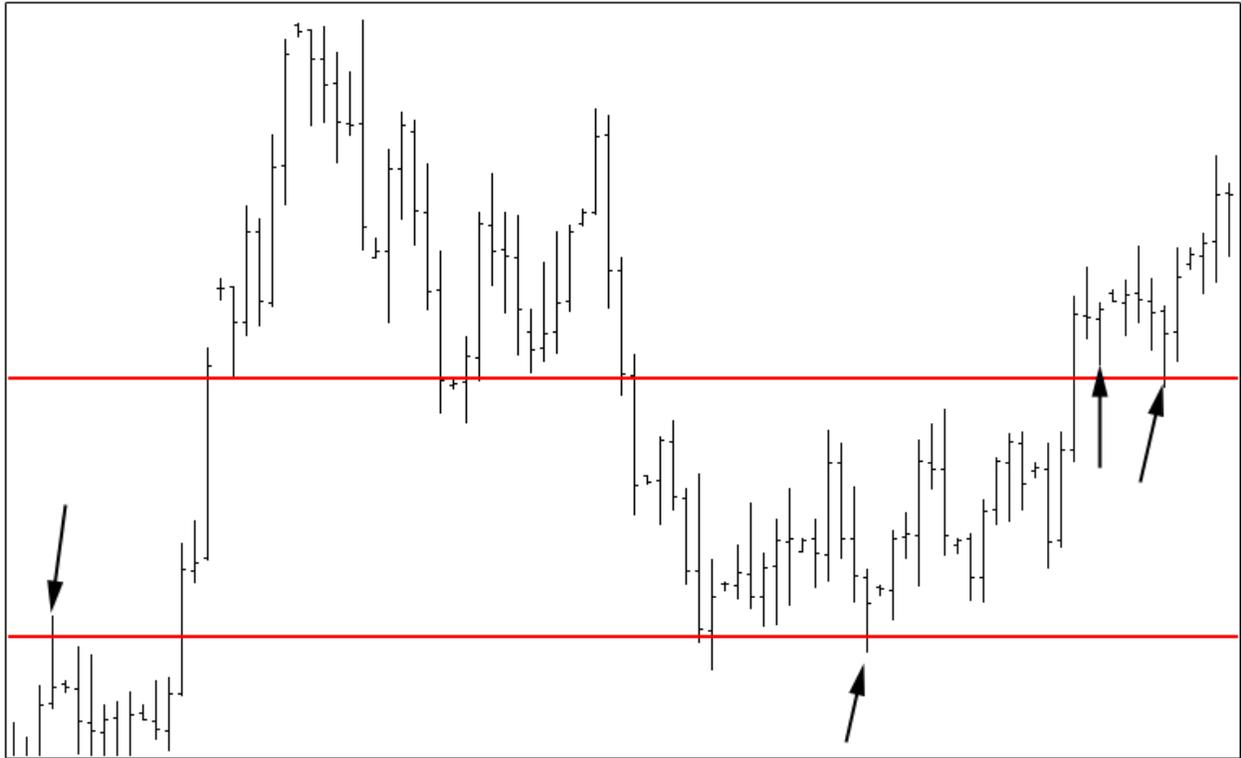
The first signal we are looking for is a pin bar like we discussed earlier. Each day a new bar is created at midnight GMT or EST depending on your broker, you only need to flick through all your charts and check if today's bar closed as a pin bar. For example I use a broker on GMT but I am in EST so every day at 8.00pm EST I flick through all my charts and look at the days price bar to see if it is a pin bar, this should barley take 2 minutes. Sometimes you may not see any for a while then the next week you may get one each day.

Once we have found a nice pin bar we have to see if the price is also close or touching one of the following.

- Trend line
- Support level
- Resistance level

If you have been keeping an eye on the pairs for more than a week then you will already have marked out all the possible support and resistance levels and have a good idea what's going on long before a entry is formed.

Let's look at a couple of charts using support and resistance along with pin bars.



Above is a daily chart of the GBP/USD at this time there were two major support and resistance lines in play going back as far as 5 months. I have marked with arrows the pin bars that formed at these levels, using the entry technique we will discuss later just these four trades would have easily yielded over 600 pips and remember all we are doing is spending 10-15 minutes each evening at the charts.

Ok, so you have the major support and resistance lines set out on your charts, you see a nice pin bar form at one of these levels, right now your probably dancing around because you are so sure you know where price is going... but don't jump in the market yet! Although you could jump in the market now and have a good chance of this being a winning trade you would be leaving a lot of

money on the table, let me explain my method for entering the market once you have a signal.

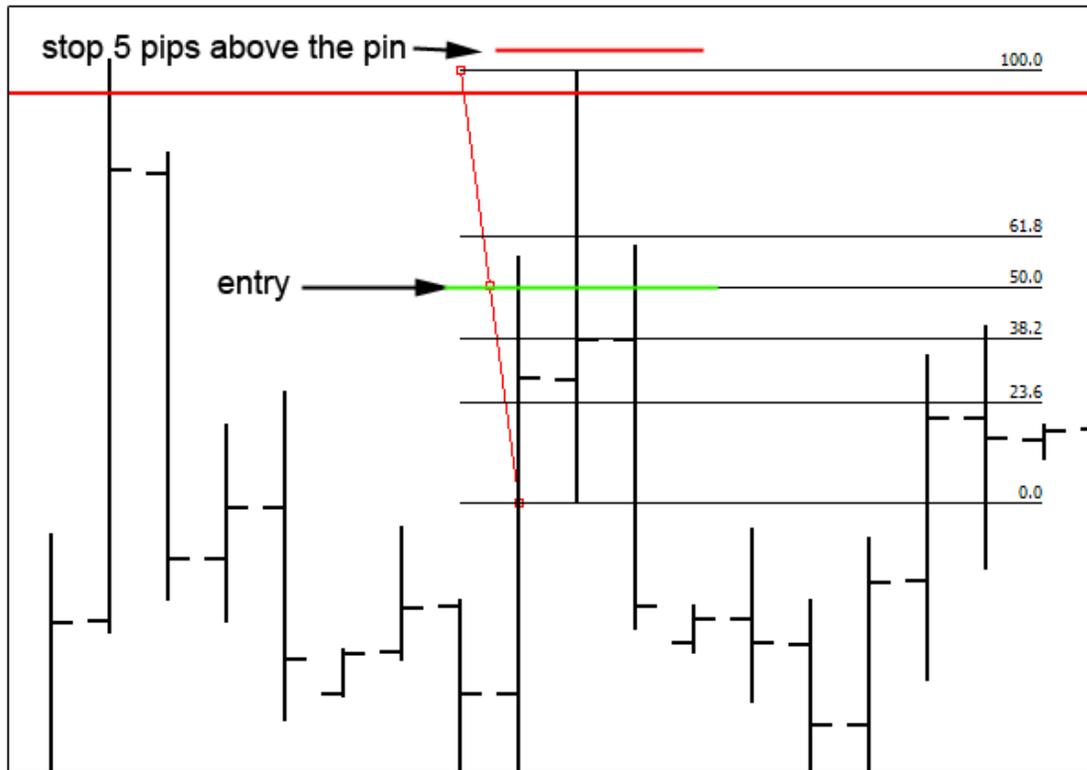
This is the real beauty of this system, most people I know that trade off of pin bars will place their buy or sell order a couple of pips above or below the pin bar with their stop the other side. I'm not saying this does not work but I am saying that there is a far better way of trading them.

I analyzed hundreds and hundreds of pin bars from all 11 pairs that I trade and I found 1 thing in common. Each time a pin bar is formed I found that more than 90% of the time, price retraced back before heading in the direction the pin bar anticipated. Out of those 90%, 80% retraced to the 50% fib retrace level of the pin bar and the other 10% retraced to the 68% fib level of the pin bar.

What this means to us is that if we enter at the 50% retracement of the pin bar then we get a much better risk/reward ratio on the trade which is very important to any trader wishing to make it long term in this business.

Don't worry if you are confused, I am about to explain. 😊

Let's take a new example of a pin bar forming at a resistance level. I have enlarged the picture of the pin bar that formed so you can clearly see the entry level.



Above you can clearly see the red resistance line that has shown a history of support and resistance further back in time (not on chart) and the nice pin that formed at the level, this means we are looking to make a sell trade.

To locate our entry point at the 50% retracement level what I do is use the Fib tool and drag it over the whole body of the pin bar, the 50% fib level will be our entry point for the sell trade located on the picture above where the black arrow is pointing.

As you can see the next day price came up to open our sell order at the 50% level, then went in the desired direction. There was almost no drawdown on this trade and everything was known the day in advance! This is not luck if you check back over your charts you will see the same thing repeats itself over and over. Of course there will be times when price will go way over the 50% level but they are minimal.

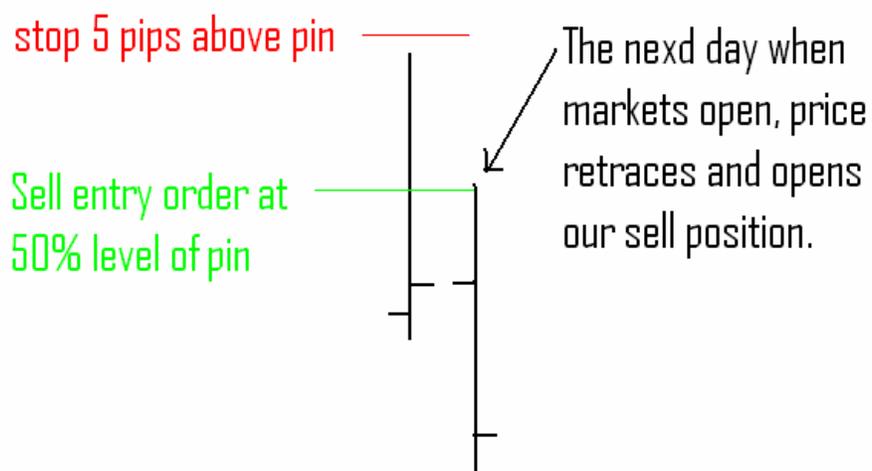
Stops are always placed 5 pips the other side of the pin bar.

By using this method of entry we have halved the risk.

Here's an example. The average pin bar on the daily chart is about 100 pips in length, if we were to place our buy order 5 pips above to catch the move with the stop 5 pips behind then our risk in pips is 110 pips not inc spread. Using 2% of your account (which is what I recommend) on a \$10,000 account would be \$300. This means price has to move 110 pips for you to make back your initial 2%.

Using my entry method our risk in pips would be 55 pips so price only has to move 55 pips in our direction for us to have a profit of 2%. Considering I have had moves of 500 pips risking 50 pips your account can grow faster than you think! On that particular move it was a profit of 20% of my account risking 2%.

Below is a diagram of a pin bar with the entry and stops drawn on for a sell position, it is exactly the same for a buy position except the opposite way around.



## **Trade Management**

How you manage the trade once it is open will vary depending on your personality, some people like to shoot for the big money while others prefer to take smaller more consistent profits.

### **If you prefer smaller more consistent profits...**

I recommend you split your position into 2 halves, set a take profit level for one half at the same amount of pips that you risked on that trade. For example if your stop is 60 pips then you would set the take profit on the first half of your trade to 60 pips. Set a trailing stop for the second half of your position to trail behind by the same amount of pips you risked. This enables the trade to take care of itself while you are not around, the first position is used to take a quick profit and the second will follow the trade behind by the same amount as the stop value, eventually being stopped out when price turns against it.

### **If you prefer larger big dollar gains...**

I recommend you do not split your trade into two positions as this does reduce your overall dollar gain, instead use one position, and as soon as you check the trade and it is in more profit than you risked, move your stop to break even. From here on it's a free ride and some of these rides are huge! You can target another support and resistance level or set a predefined target like four times your risk which would give you a huge gain on each winning trade.

I personally use the second method as it makes me the most money but I do get quite a few trades stopped out at break even which can be annoying sometimes. Whichever method of trade management you choose you still should not need to be more than 10 minutes in front of your charts on the evening. Before we move on to looking at some live trade examples let's go over the rules to make sure you understand everything.

## System Rules

- Check each chart when the daily bar closes for a pin bar.
- Make sure it is bouncing off of a major support and resistance level.
- If the pin is pointing up against the resistance level we are looking to sell.
- If the pin is pointing down against the support level we are looking to buy.
- Set the 50% fib level of the pin bar to find your entry.
- Work out your risk for 2%-5% of the account.
- Set your entry order at the 50% level.
- Place your stop 5 pips the other side of the pin bar (pointy side).
- Set your take profit level depending on which exit strategy you wish to use.
- Always bring your stop to break even once you are in profit by the same amount as you risked.
- If your trade is not triggered on the next daily bar then close the trade and look for a new one.

## Trade Examples



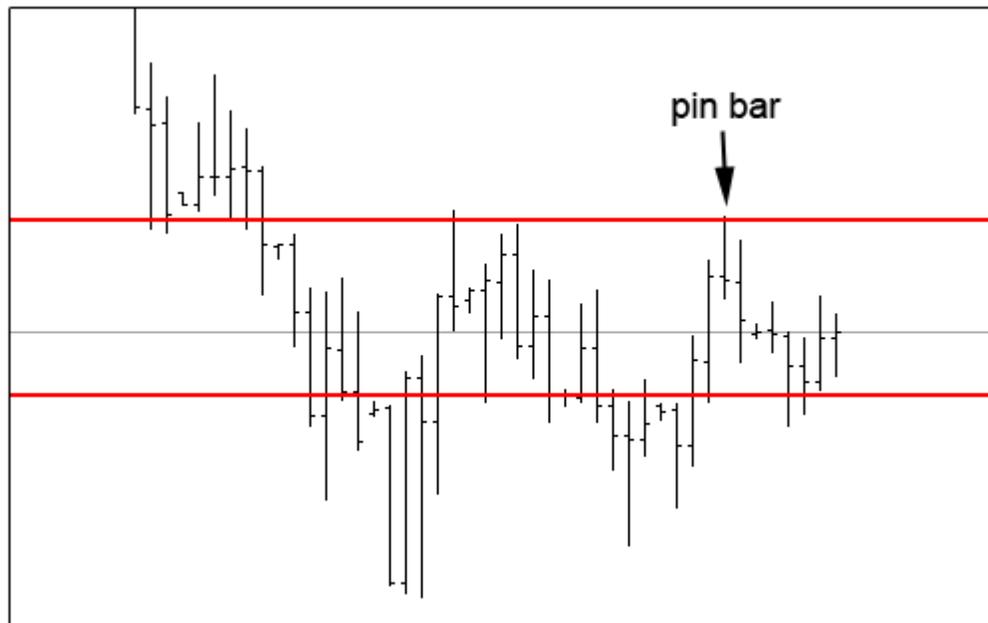
Live Trade examples

<http://www.10-minute-forex-wealth-builder.com/swingtrade1/swinglivetrade1.html>

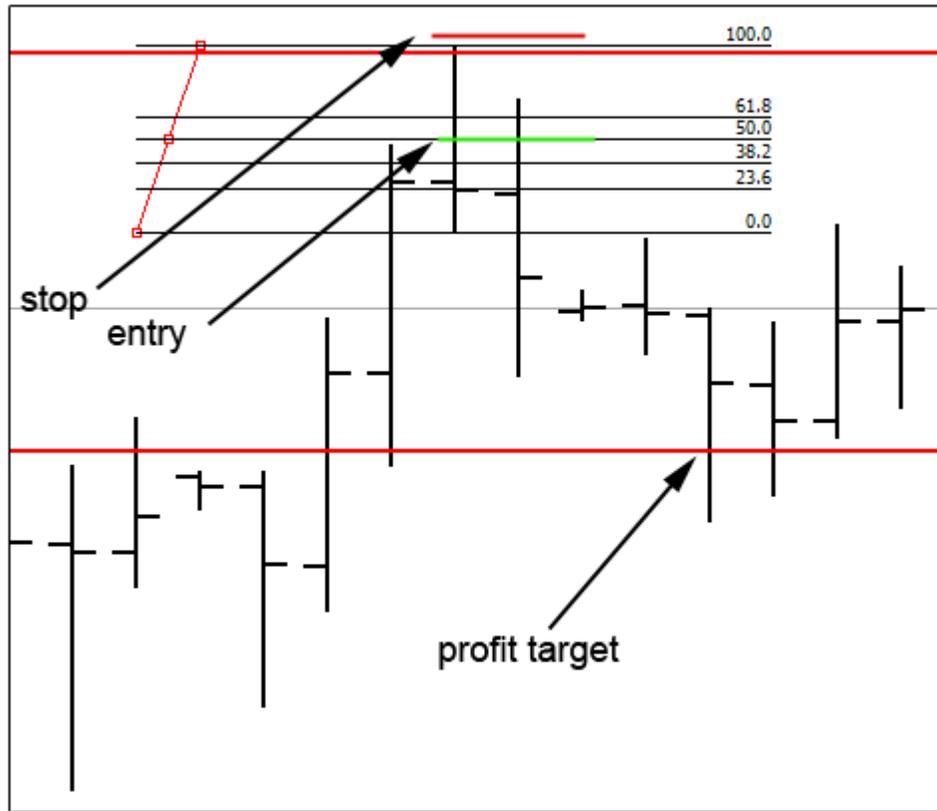
<http://www.10-minute-forex-wealth-builder.com/liveswingtrade2/liveswingtrade2.html>

### Trade example #1

Below is a recent setup on the GBP/JPY which formed a perfect pin right on a resistance line.



I took this trade and set my profit target at the support line below it 350 pips away. I have zoomed into the pin bar in the chart below to show you exactly how I calculated the entry.



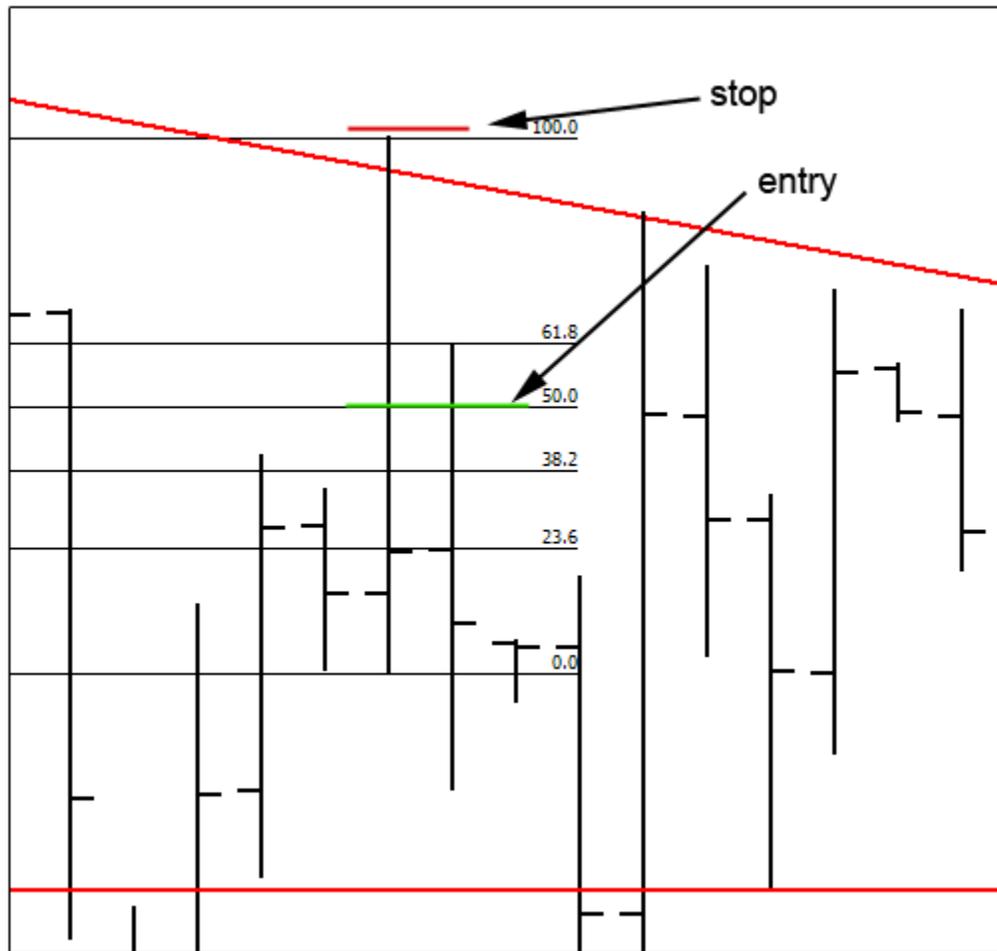
Above you can clearly see the pin bar, I have dragged the fib tool over the bar from top to bottom to locate the 50% fib level where I placed my entry. I set my stop 5 pips above the pin and left the trade for the next day. After I managed to find time to check on the trade the next day it had already moved far enough for me to move my stop to break even making this trade a free ride. Four days later my profit target was hit leaving me with 350 pip profit, not bad for 10 minutes work!

## Trade example #2

Below is an example using this system with a trend line instead of the horizontal line. Another perfect pin formed on the trend line indicating the inevitable move down. I set my profit target at the next strong support level, although it may not look like a logical place to place the support line on this chart but 2 months further back in history it had proven to reject price very strongly at this level.



Below I have made a zoomed in chart to show you my entry.



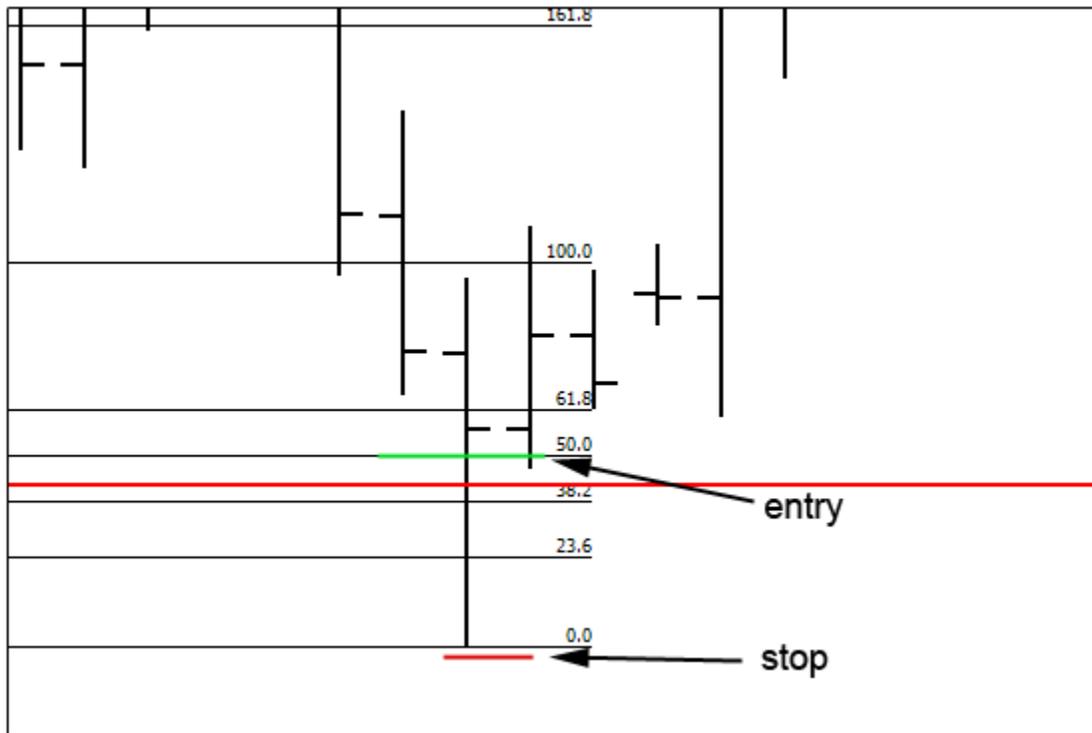
Surprise, surprise, price yet again retraced to the 50% level before heading off in the anticipated direction. After the first daily bar had closed I moved the stop to break even and two days later my take profit level was hit at the horizontal support level for a 340 pip gain.

### Trade example #3

Below is another pin that formed right on a strong support line. Although there was over 700 pips to be made from this trade, at the time I set my profit target at the resistance line above as I thought that would be where price would halt.



I have zoomed in on the pin bar below to show you the entry on the pin bars 50% fib level. Price was very close to my entry on the close of the candle yet price retraced exactly to the 50% level and triggered my entry. My profit target was hit five days later for a profit of 398 pips, little did I know that this trade would keep moving for another 300 pips.



## Conclusion

Building wealth in forex may take some time and dedication but it beats any other job in the world as far as pay and freedom goes. No one should ever need to trade more than a few minutes a day in this business to make extraordinary wealth. Once you have defined your edge trading is all about consistency, if you are feeling fear at all in your trading then you need to reduce the amount you risk per trade, make it 2% or less until you gain consistency and have little to no emotion in the trade. Keep in mind that you are learning a skill that will provide you with wealth for the rest of your life.

I have done my very best to explain how I trade the forex market with minimum amount of time at my disposal, it works very well for me and I am sure it will do the same for you. I hope that you have enjoyed this book and video tutorials.

If you have any questions whatsoever then please contact me at

[contact@10-minute-forex-wealth-builder.com](mailto:contact@10-minute-forex-wealth-builder.com)

Have fun and start building that wealth!

A handwritten signature in black ink, appearing to read "Dean Dawson". The signature is fluid and cursive, with a long horizontal stroke at the end.