

FOREX MAGIC TRADE

July 2011

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INTRODUCTION:

Dear Members

Let me introduce to you The World's Simplest "Forex Magic Trade" price action system! You don't need to be a Forex guru to use this system.

Welcome and thank you for purchasing the "Forex Magic Trade" product. The "Forex Magic Trade" is a complete trading system designed primarily to trade the FOREX markets successfully and consistently.

The main principle of the "Forex Magic Trade" is secret timing and volume.

At some points of time and price, crowds of traders act as one and push prices upwards or downwards to the same price level, thus allowing us to profit from these movements. We advise you to read and make sure you understand the entire system before putting it into practice. Experiment and gain experience in demo accounts before trading with your own money. If you find that you need further help or have any questions, do not hesitate to contact our technical department.

We wish you great trading success!

The Profit Target: 15-50+ pips per trade (usually within 1 hour)

THE SYSTEM

This system is a fantastic way to earn every day on Forex, remain disciplined, and grow an account into something major. Combining many small strategies like these add up to a significant profit in the long run.

This price action strategy has been back tested for a long time and has over a 75% success rate (lucky weeks up to 95%) if used correctly.

The goal of this trade is to take advantage (using the special system) of the first strong moves of the US market opening.

Please keep in mind that all patterns can end at any point based on major movements in the market... but the Forex Magic Trade will always remain successful for years.

There are hundreds of London and US opening trading systems available on the internet. I've personally tried tens of them without good results. The system that you will learn in this book is very different from the ones you have probably already tried.

The Forex Magic trade system is PRICE ACTION strategy based on the current price – (not like useless 2-4 hours high/low box systems) and trend reversal at the secret point of time.

The system works perfectly fine on EUR/USD.
Other Forex pairs are not recommended.
The rules to this super easy system are simple – 3 steps only! The only tricky part is bringing your knowledge of how to place orders 😊

Let me introduce to you to the 3 simple steps below. Then I'll take you through some actual examples in order to illustrate just how easy this system is.

This trading system involves 3 simple steps.

1. Identify a 1 hour bar close price at a specific time
2. Place your trade
3. Close your trade with 15-50 pips in 1 hour (usually)

WHAT'S THE CATCH?

If you check history charts – you will notice that there are always (every day!) stable short 1-2 hour trends at US opening time which are very easy to forecast. The GMT = 11:00am (EST = 7:00am) candle (bar) gives you a very clear price direction forecast for the next hour – guess what!? - An opposite short trend! The secret is that there is almost always a trend reversal at this secret point of time.

We take advantage of this unknown time based secret that has repeated daily for years - this price action (time based) system is ultra profitable. Most of the days you could make 15-50+ pips profit.

SETUP

This is a "Keep it super simple system". There are no formulas or calculations...

You will have to place orders every day at the same time. The system uses smart money management and profit targets and gives you the opportunity to make great pips daily.

The trading chart tool's time (screenshots and samples) used in this book is GMT+2 hours (*to be convenient for all users.. America, EU, Asia, Oceania I used gmt+2 as World's mid-time.*) – so I'll use that chart time numbers in this ebook.

You can easily recalculate it for your time zone:

"Forex Magic Trade" CHART TIME = GMT+2 hours

"Forex Magic Trade" CHART TIME = EST +6 hours

Use this time tool to calculate for your local time:

<http://www.timeanddate.com/worldclock/convert.html>

1.

Get ready at 13:55 ("Forex Magic Trade" CHART TIME = 13:55, GMT = 11:55am, EST = 7:55am)

Remark: check news releases calendar – make sure there are NO important news releases around this time (plus-minus 1 hour)

2.

Pull a 1 hour chart for EUR/USD and wait for a 13:00 candle to close – up or down. (GMT = 11:00am, EST = 7:00am candle)



13:00 candle closed down (white body)



13:00 candle closed up (black body)

3.

The timing unknown for most traders secret (the key of this system): the price/trend almost always reverses after 14:00 (GMT = 12:00am, EST = 8:00am)

If a 13:00 (GMT = 11:00am, EST = 7:00am) candle close down - Wait a few minutes until the price reverses (*it DOES - almost always*) at the very beginning of the 14:00 candle and exceeds the close price of the 13:00 candle for at least 2 pips - place a long "buy" order. In this case we are getting a confirmed entry signal.

(It is not a mistake – yes, if 13:00 candle close down – place a long “buy” trade – this is a short trend reversal system)

See screenshot below.



4.

If a 13:00 (GMT = 11:00am, EST = 7:00am) candle close up - Wait a few minutes until the price reverses (it does – almost always!) at the very beginning of the 14:00 candle and exceeds the close price of the 13:00 candle for at least 2 pips - place a short “sell” order. In this case we are getting a confirmed entry signal.



(Below I'll use my chart time 13:00 or 14:00 etc.. without conversion –you already know how to convert it to your time zone..)

CLOSE ALL ORDERS AT 17:00-18:00 (my chart time) - even if your take profit target is not reached.



Advanced 2 orders method

I would recommend using 2 orders to increase your profit up to 30-50 pips per day. If you prefer simple single order simple method - skip this section and use the single order method explained above.

"BUY"

If a 13:00 candle close down - open 2 long orders "buy".

Order 1: Profit target 15 pips

Order 2: Profit target 25 pips

Example:
EUR/USD

Order 1 example LONG=1.4000 Take
Profit=1.4015

Order 2 example LONG=1.4000 Take
Profit=1.4025

"SELL"

If a 13:00 candle close UP -
open 2 short orders "sell".

Order 1: Profit target 15 pips

Order 2: Profit target 25 pips

Example:
EUR/USD

Order 1 example SHORT=1.4000 Take
Profit=1.3985

Order 2 example SHORT=1.4000 Take
Profit=1.3975

If you are lucky (which is what usually happens)
and both take profit targets are reached – you will

make 40 pips profit: 15 pips + 25 pips = **40 pips**
... even if the price move was only 25 pips!

Feel free to use the system manually – close your order manually as soon as your profit target is reached.

Important:

This system has proven to be profitable!
There is only one thing that you should always remember:

It is extremely important to NOT use the system if there are important news releases at 14:00.
The 99% of the “bad” days when the system seems not to be working (a losing trade) – it is the news releases at 14:00-14:30 that turn the market randomly.

So, when you back test the system on your history charts – don't forget this point.

I guarantee that if you follow the rule “no trades if there are any news releases” – you will make great profits every day!

WHEN NOT TO TRADE

If the body (open-close) of the 13:00 candle is less than 2-3 pips you can still trade but it is risky – unclear trends.. Simply wait for the next trading day.

NEWS RELEASES – no trades!

Before setting up a trade – make sure to check a news calendar for “market moving” or “extra

attention”
news releases at 14:00-15:00.

<http://www.bloomberg.com/markets/economic-calendar/>

If you don't follow the above rules – the system will NOT work for you!

STOP LOSS

Place your stop loss order 35-45 pips below for a BUY order.

Place your stop loss order 35-45 pips above for a SELL order.

The point is that the volume of wins is a lot more than the volume of losing trades.

Do not worry about 35-45 pips stop loss.

From 200 trades (1 year) – you expect 150+ winning and only 50 (or a lot less!) losing trades.

Make sure to follow all the rules and you will make a fantastic profit with this system.

You can still use a tight SL if you prefer, for example 20... (I think 35-45 pips will work the best, I recommend 45 pips. If you check history charts – you will find that 45 pips SL is very rarely executed and you still get winning trades in most cases.)

TAKE PROFIT

Take profit: Trends on the openings are usually very strong, when a trend reverses – you can expect a significant move in the first minutes or hours...

There are a few options of when to exit your trade:

- a. Set your own target (15 pips recommended for beginners)
- b. Use a trailing stop to exit (max profit – mostly used - recommended)
- c. Exit manually as soon as your profit potential is reached.

Trade samples – June 2011

Great profit – every single day – notice trades below – day by day (not picked best trades..)

July 4th, 2011 - Fantastic profit!



July 2, 3 - 2011 – week end.. market closed

July 1 - 2011 – no signal (doji)

June 30, 2011 - Fantastic profit!



June 29, 2011 (potential **profit 40 pips** using 2 secret orders) - no actual trade on this day - news release - we usually stay away from trading, but it was a trading opportunity anyway if SL was not hit - so consider this screenshot just like an example of what could happen if you ignore news releases..)



June 28, 2011 - Fantastic profit!



June 27, 2011 - Fantastic profit!



RECOMMENDATION

Pairs: EUR/USD

Time frame: 1H

Before using this system – always check a news release calendar.

Money management

Money management is a very important concept that has an enormous effect on draw downs and

margin calls. The cardinal rule of money management is the following:

You should only risk 1-3% of your account on any single trade. You may have heard this rule a hundred times before, but it is amazing to see how many good traders fail to comprehend this concept – and don't understand why they are wiped out again and again, despite great entries and timing of trades.

Another important concept is related to your stop loss: In this strategy you learned how to place a stop loss for each setup. This stop loss is calculated regardless of your level of risk or your equity, and is based solely on price-action. After a stop loss is set, calculate your trade size so you achieve the percent of risk for your trades. For example: your stop loss is 10 pips, and your equity is 10,000\$. You wish to risk 2% of your equity in this trade, so you enter a trade with 2 lots – so your risk is 200\$, or 2%.

Stock trading

Exactly the same method can be used for Stock trading. It works in the same way and with the same rules.

Thank you!

Best regards

Karl

July 2011

Forex brokers that you may use:

Forex.com

Alpari.co.uk

CMS Forex www.cms-forex.com

ACM Advanced Currency Markets

Fairlot Financial Group
Forex Capital Markets
GAIN Capital
GCI Financial, Ltd.
Global Forex
IFX Markets Limited
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