

THE ICT TRADING PLAN

Here is my basic method, I say method and not system because it relies on price action and not mathematics found in electronic triggers or black box signal generators.

Every night at Midnight (New York) I calculate new day Pivot Points for the Cable (GBP/USD) and post them on my charts. I then note key support and resistance levels from Monthly charts down to five minute charts.

I determine my trade bias for the new session and while I do look for trades in this direction, I'm not married to the notion the market must bend to my expected direction... I am flexible. The market is always right and I can except being wrong every day as long as I can be willing to change my bias based on current price action.

If we are trading in the Pivot levels above the Central Pivot level... I demand a lot for buys. Ideally I focus on trades that show a short term overbought condition and price in the area at or above R1 or R2 for shorts. This is even more powerful if the previous days high is slightly below the R1 or R2 level.

In otherwords, I look for false breakouts above previous days highs at R1 and or R2 levels. I use stops and limits to get me in at the levels and use a 30 pip stop or less initially. As the trade makes the spread up and moves in my favor, I look to reduce the risk and tighten the stop. My exits are predetermined and can be at market if things get hairy.

I use candle formations and basic chart patterns to determine low risk trades and targets are typically 25-30 pips before scaling out some of the position. I generally try to hold for the average daily range in pips before exiting for the remaining portion of the trade.

The reverse can be said for buys. I like short term oversold conditions and price in the S1 and or S2 levels under the the Central Pivot. I like buying Previous days low or a false break under this level given the conditions warrant a bounce.

I like trading at the figure, the markets like round numbers and options get tripped at these points so they are a easy trade multiple times per month. You can trade for a living just doing that as a method new traders!

So here is what I will be doing this week:

I will short previous days highs and buy previous days lows. If I get stopped out and the market finds support above the previous days low, I will buy. If the market finds resistance at the previous days high after being penetrated I will short it.

I take two trades per day max, if I win on the first, I close shop and bank the wins. If I lose on the first I try to capture the trade as described above... if it loses too, I close shop. No emotions, no muss no fuss.

If a Pivot level finds itself at the Figure, say Cable 1.51, I will look to buy it at that point if price has traded down to it and conversely for price trading up to it.

I just found the MeetPips.com site and created an account. I will do my best to highlight trades with this as it apparently gives real time or close to it tracking?

Key Support and Resistance Levels

The easiest way to find Key levels to anticipate reactions in the future is to begin with the long term charts and work your way down to the lowest timeframe you intend to trade from.

Monthly charts:

Note the highs the market turned at and the lows the market turned at. These levels are the obvious levels that any quick glance would reveal. Do not strain your eyes and waste time wondering if a specific level is a Key level... it is because it is obvious. These market turning points are obvious... do not overthink them.

Weekly Charts:

The long term Monthly Key S&R levels will appear on these charts as well as new Key Levels the Monthly timeframe was not so apparent to see.

Daily Charts:

This is where the banks work from. All the longer term Monthly and Weekly S&R levels are to be plotted on this Daily time frame. The Daily chart will present its own Key S&R levels and these need noted as well.

The Intraday Time Periods:

I like the 4 hour, 1 hour and 15 minute time periods. These will show excellent reaction levels to anticipate trades to set up on far in the future and this is the key to proper trade selection and developing patience. Note the Key S&R levels on your individual intraday charts you like to use. The ones I mentioned are considered professional choice.

Now that you have these levels noted on your charts, plot your Pivot levels on the intraday charts and you're in business... I promise you... if you do the routine above on any pair of your choice... every major swing in the weeks trading will either begin or end at one of these Key levels. Look on the left side of your charts and study how these levels called huge swings.

Once you have these plotted walk forward this week and see how your pair of choice reacts at these levels. You will be amazed at how you can sit back and wait for the market to come to you... and not chase it and find yourself on the wrong end of the Dealers Spread and negative Pips to boot!

Long Term Charts Have The Strength

First and foremost... if you do not refer to your daily charts, you are going to eventually see huge swings pass you by and worse yet... trade into something bullish on the intraday charts which might be a bear with blood on his mind... let's not do that folks.

The daily Support and Resistance levels and Swing highs and lows are critical in swing setups that

pay ridiculously for the smart patient trader. You want your trades to be in the market flow of the daily and hourly charts... not solely on the trend of a 1 or 5 minute chart. This is dangerous... even if you are scalping. (let me know if you scalpers need tips here)

Which Way To The Emerald City?

Every day or night which ever you start your new session analysis for trading, you should have a checklist. This should be written down... not mental. It's forced discipline and we're working with your money afterall... would you trust your bank teller to take your deposits and remember to deposit them in to your account, no, you expect her/him to write it down and record it. Expect paperwork when successful trading is your goal.

This checklist must be clear, objective and identifies everything you would need to be mindful of for that trading day or session. If you have a solid checklist this will guide you to consistent profitable trading which aids your development in patience and removes the chances, if followed, in overtrading.

Your Preflight Checklist:

Every pilot before flying goes through a systematic preflight checklist. Since everyone in trading wants to be Top Gun material... this is a must for long term success.

What would a Preflight checklist look like? You might be asking yourself... or what would it include?

First you want to have the Monthly, Weekly and Daily levels closest to the current market price in front of you. You want your Daily Pivot levels in written form in front of you. You want the Daily, 4 hour and 15 minute levels noted as well. Not to mention their directional probability for each.

What price patterns are in the longer term charts that may impact your analysis? Fibonacci levels to watch for on long term swing retracements in the direction of the market flow?

If the daily is in a down trend and trading lower from a key resistance level and we are not oversold or trading at or near a key daily or longer term support level... this sets the stage for SHORTS only.

On your intraday charts, 4 hour, 60 minute, 15 minute charts you would ideally look for rallies in price up to a Pivot Resistance or Previous Daily High or even Low to provide resistance for price. The longer term trend or market flow will likely be correcting or retracing intraday and markets trade higher to trade lower... it's flows 101.

Sniper Trader:

This is the elite in my opinion. This trader doesn't care about the 20 pips here or 30 pips there intraday that can be caught by any average trader. The Sniper has a single goal in mind... one shot, one kill. His mark is that 100 pip target that when it finds its way in the crosshairs... it's on.

This trader will only trade setups with the market flow in his or her favor and wait for days for the right setup. The markets present maybe two or three solid Sniper setups in my experience. These are the pretty highs or lows intraweek most traders daydream of having caught... or maybe were in but jumped ship too soon.

Directional Bias For Dummies

We all seen those silly titled books, Auto Repair for Dummies, Cooking Pasta 211 Ways For dummies... well here is my submission to the series as it relates to Directional bias.

First let me say, this is not a be all end all... it like everything else in trading is based on probabilities. Your results will vary and as time goes on, you will know when to expect the odds to favor this method or stand on the sidelines and wait longer... yeah I know, that word again... wait.

In a nut shell:

- 1) Refer to the market flow of the daily charts.
- 2) Daily chart still have flows that could swing higher without being overbought?
- 3) If above condition is met... look for the Daily low to be made in the first 4 hours of new days strading then watch the high unfold based on targets and intraday analysis techniques.
- 4) If daily stage is bullish and 4 hour and hourly are in sync... look for Daily Pivots under the Central Pivots to provide your buy signals.
- 5) If the market opens above the Previous Days High... wait for a retracement back the Previous High for Support. Look for Pivot confluence at or around same High, for buy signals.
- 6) If we open in te BUY ZONE (in the S1-S2 PIVOTS area) expect the low to form in this area and when the low forms and time passes add four PIVOT levels higher to the Low... this is your projected Pivot High objective.
- 7) Pivot Levels tend to see 4 levels filled by number... that means they touch atleast four levels intraday in 24 hours. Time your trades in the daily and 4 hour, 60 minute market flow and use the Pivots as crosshairs to target price objectives to reach.

Reverse for for Shorts.

Professional Pivot Point Concepts for Forex Trading

Okay folks let's discuss Pivots a bit...

It is useful to have a map and be able to see where the price is relative to previous market action. This way we can see how is the sentiment of traders and investors at any given moment, it also gives us a general idea of where the market is heading during the day. This information can help us decide which way to trade. Pivot points, a technique developed by floor traders, help us see where the price is relative to previous market action.

As a definition, a pivot point is a turning point or condition. The same applies to the Forex market, the pivot point is a level in which the sentiment of the market changes from bull to bear or vice versa. If the market breaks this level up, then the sentiment is said to be a bull market and it is likely to continue its way up, on the other hand, if the market breaks this level down, then the sentiment is bear, and it is expected to continue its way down. Also at this level, the market is expected to have some kind of support/resistance, and if price can't break the pivot point, a possible bounce from it is plausible.

Pivot points work best on highly liquid markets, like the spot currency market, but they can also be used in other markets as well. In a few words, pivot point is a level in which the sentiment of traders

and investors changes from bull to bear or vice versa. View them as mile-markers for the map price is using to fill the daily range for any given day.

Why Pivot Points work?

They work simply because many individual traders and investors use and trust them, as well as bank and institutional traders. It is known to every trader that the pivot point is an important measure of strength and weakness of any market.

How Do I calculate Pivot Points for Intraday Trading?

ExtremeR3 = $R1 + (HIGH - LOW)$

$R2 = PIVOT + (HIGH - LOW)$

$RM2 = R2 + R1 / 2$

$R1 = 2 \times PIVOT - LOW$

$RM1 = R1 + PIVOT / 2$

$PIVOT = H + L + C / 3$

$SM1 = S1 + PIVOT / 2$

$S1 = 2 \times PIVOT - HIGH$

$SM2 = S2 + S1 / 2$

$S2 = PIVOT - (HIGH - LOW)$

ExtremeS3 = $S1 - (HIGH - LOW)$

Time to calculate is Midnight -5 GMT or New York EST. Load a hourly chart and determine the highest high and lowest low from Midnight today and Midnight 24 hours prior. Use the open of the first hourly candle of today as your Close.

Monday Pivots are determined by using Friday Midnight to Sunday Midnight. The same is used for extended weekends and holiday schedules. * It is best to avoid Mondays on holiday weeks. *

Trading Pivots in a Trending Market:

In trending market conditions expect to see the currency find Buy signals form in the area under the Central Pivot Point (CPP), this is the Blue shaded area in the diagram. Look for price to find support at a Previous Day's Low, the lowest low or even a key intermediate term intraday low made in previous 24 hours of trading.

If price starts trading at Midnight -5 GMT or local New York time above the Previous Day's High, expect to find Support form at the Previous Day's High and find additional Support at any of the Pivot levels, even levels in the Red area or Sell Zone. In strong trending conditions, the Pivots can and will lend themselves to both Support and Resistance properties.

When markets begin trading near the middle of the Previous Day's high and low, demand more from your technicals. If you are looking for buys try to limit your trades to those in the Buy Zone and with supporting technicals.

If you have confluence of several technicals at any Pivot level found between the Previous Day's High and Low, you can refer to the longer term trend on the four hour and 60 minute charts to trade for a retest of the Previous Day's High or Low.

Many times range bound days or inside days (a day when the high is lower than the PDH and higher than the PDL) will begin inside the Previous days Range and this is important to look for early. You do not want to be buying and holding for a breakout to new highs when the market is not primed to do so. The reverse can be said for breakouts lower.

Previous Day's Highs and Lows are critical levels at which the banks monitor flows and participate. Ideally your Pivots will line up with previous Daily Highs or Lows, key daily, weekly or monthly S&R, Fibonnaci Levels, the Figure, price patterns like Flags, triangles, Head & Shoulders formations, 123 tops or bottoms, candlestick patterns, Macd Divergence or any other indicator used to time trade entries.

The more confluence of events at a Pivot Level the stronger the signal will be. Look for a minimum of three confluences at your targeted Pivot level and in the direction of the hourly trend... you will filter many false signals this way. If you have more than three events at a Pivot level and your directional bias is in sync with the market flow and longer term trend, you will see monstrous price swings unfold and this can be exciting.

On extreme trending days, the market will likely trade above the R2 and below S2 levels. I have provided two additional levels in the formula I use for my personal trading to determine where these blow off days will likely unwind. Typically, trading will be limited to R2 as a maximum High and S2 as a maximum Low.

Once your trade has been determined you will look for the next Pivot level in the trade direction you are executing. For instance, let's assume for a moment the 60 minute chart has a solid Bearish Divergence in the Macd, RSI or Stochastics... whatever indicator you monitor for momentum and overbought and oversold conditions will do. For this example let's assume also the market is trading at the figure, this case, let's say GBP/USD 1.5300.

At the time we see the market form the bearish divergence (hourly) and trading at the figure 153.00, we see price is 15 pips above the Previous Day's high. We also are trading at the MR1 level on our Pivot levels and a bearish inverted hammer forms on the 5 minute chart, giving us a Sell.

One could expect to see the Cable trade down to Previous Day's High and bounce a bit to suck foolish bulls into buying this level expecting the market to rocket higher. During this time price would have slide from the trade entry at or around MR1 and the Figure... for this example let's say we Sold Short at 1.5297.

When price trades down to the PDH it pauses a bit and this would likely look like a bear flag or pennant formation on your 5 minute chart. This level would eventually breakdown and the stops under the PDH the foolish bulls placed to protect their longs made at the PDH would be targeted by Market Makers.

As price dips under the PDH and stops are triggered this accelerates the selling pressure and you would be looking to see price maybe retest the PDH but many times it will just plunge lower as Professional traders will be trading it as a false breakout and your Short from the 1.5297 would be approaching the CPP level as it's first objective.

As the Cable drops to CPP expect it to bounce or at least pause, expect another continuation pattern to form in here as well. If it is a swing of 20-50 pips, be ready to see it bounce more. At the entry of your trade 1.5297, your initial protective stop would be moved from 30 pips risk to even now. One third of your position would be removed at CPP on a stop or limit which ever you personally choose.

Since we have the longer term market flow on our sides and possibly caught the daily High we will be looking for the numbers to be filled on the day, that is four Pivot levels traded to. If we shorted 1.5297 at MR1 the next levels we aim for are CPP, MS1, S1, MS2 and possibly as low as S2; at which we would cover any remaining position to go flat on the Short Trade. If the Cable drops under MS2 by 5-10 pips, the protective stop would move to MS2 to liquidate all position remaining and locking on the lion's share of the move.

As the Cable trades down to each lower Pivot more of the position would be scaled off at your choosing. Most importantly after the second objective is met, the initial protective stop would move from breakeven down to lock in 20-40 pips. Where it would remain until the objectives are met and or trade is stopped out with a profit on remaining portion.

This example is just one of many possible scenarios of which are infinite in dynamics. One could just as easily found a Bullish divergence on the longer term charts and found flows moving higher and seen price find confluence at or just under the PDH to go Long and reach for higher pivot levels to exit as the Short example above hypothetically explained.

The results with Pivot levels are going to be a direct relationship to your general market understanding. It is not limited to simply where Pivots are and to expect a straight line from one to the other and a happy song and dance it will be to the bank... so if that is your expectation, allow me the honors of driving the pin in on your balloon right here.

Keep your big picture in focus... that's where the money is found.

Trading Pivots in a Consolidating Market

When markets are in consolidations one can trade the Pivots simply as the Diagram details. Shorts are to be expected to unfold in the Sell Area (Red) and Longs are to be expected to unfold in the Buy Area (Blue).

Look for the market to trade back to the CPP level either from lower or higher prices... consolidating markets find fair value at or near the CPP level. On consolidating days expect to see prices hover near the CPP level or another Pivot level and hug it for hours. This can be a miserable experience if you are in a trade... so if you notice this occurring... you might consider taking the loss or gain and cutting bait for the day. Find a movie or reason to leave your charts for the remainder of the day.

Pivot Strategy and Key Reversals

A successful trader will use Pivots as a tool to find anticipated levels to trade on in the future. These

levels are known in advance and since this is the case, it provides you a means to prepare for trade setups far in advance. This is crucial for profitable trading, since the majority of the traders react to the market with market orders and multiple trades per day; you can exercise self-control, patience and professional execution.

By allowing the market to provide you with future reference points to anticipate and not react to price swings, this will assist your emotions while in trades and control the “need to be in” that plagues novice traders. If you see prices trading between any two Pivot levels, you either missed the low risk entry point on the present price swing or you are in what is commonly referred to as “No man’s land”. You want to execute your trades as close to the Pivots as possible. Selling the Pivot as Resistance when confluence supports a short sale and buying the Pivot as Support when confluence supports a long purchase.

Pivots can be determined on Monthly and Weekly data as well. I use Daily Pivots primarily for my setups. There are plenty of trades on this timeperiod and I weigh my selections with the current trend and market flow in mind.

If one would trade hourly divergence in Macd and simply take one Pivot level to the next assuming technicals support the setup, 20 pip swings are an easy goal. You simply must have the longer term perspective in mind to see long term success in Pivot trading.

In closing, Pivot levels are perfect little eye candy to look at in hindsight where everything is safe and absolutely risk free. We can plot Pivots on charts and see where the levels stopped right on a dime and reversed and back to the higher level where it again stopped and reversed.

This is misleading to a new trader and can give you a false sense of security. While these levels are wonderful tools they should be used in conjunction with an already sound trading understanding of general market action.

I promise you, if you want to sit over a chart and discuss how you could have bought here and sold there over and over all day and whistled yourself to Forex Heaven; I can show you on the same chart where it would have chewed you up and you would have lost and given up on the day before seeing it pan out like a professional trader should.

They are sharp tools... in the hands of a mature well rounded individual you can carve out a nice living. In the hands of a fool reckless and unlearned... they can cut your throat and still leave you able to look at the chart the next day and find they will still have the same allure... beware.

Learn to use them correctly and you won't go away thinking they are useless because you failed to manage your trading with them in conjunction with other tools. There are no be all end alls in trading.

The Trades You Make & The Stops They Take:

Well, we all understand sound trading requires the use of Protective Stops to limit our loss on a losing trade. How much thought do you put on placing those Stop Orders? My guess is not much like most traders... they determine the percentage or dollar amount of their account they are willing to

lose on any particular trade and divide this into Pips and use this as a means of Stop Placement.

I humbly submit this concept for your review and future consideration. When was the last time you placed a trade to buy a pair only to see it trade to your Stop and knock you out of the market and spooking your nerves and you abandon your trade analysis and stare right at the chart as it turns 180 degrees and goes precisely where you traded it initially. Sound familiar?

Change Titles For Entries and Exits:

Before you place a trade, either buying or selling, your analysis should be accurate on direction. This might be assuming much if you are new to Technical Analysis... however, we are going with this understanding. You want to ask yourself if you were a Market Maker and your job is to provide liquidity in the markets... where would the resting Protective Stops be in the current market condition?

Every Swing down in price has a swing high it is anchored to and rest assured the Buy Stops on the Bears are right at or just above this Swing High. Markets are always prone to retrace and even modest retracements and retests in price are normal, but we can use this event to nail down superb trade entries.

You need to think like a Market Maker and trade right into the Stops. This flies right into the face of typical "Sell after it turns down" and "Buy after it turns up". Your analysis should have you trading at a Key Price level be it Support or Resistance, when it reaches this level. There should be at least a bounce in price if not an outright reversal all together. So do not be fearful of trading right into opposing trade direction.

Covering The Dealer's Spread & Getting Your Profits Closer:

By entering into retests of known highs and lows and limiting in just beyond them is an excellent way of reducing Stop risk and allowing you to trade more lots without going over your percentage per trade risk. Not to mention, you will see the Dealer's Spread will be covered faster since you are entering in the direction opposite of your intended trade direction. Sounds scary doesn't it? Therein lies the silver lining.

It is this fear factor that makes the Market Makers the "bad guys". Do you call the waiter the bad guy for taking your money to purchase that fine dinner? He is just doing his job, after all, so is the Market Maker. His job is to pair orders together and provide liquidity.

Swing Highs at Key Levels are always sold short by aggressive Bears and scalpers... and these traders are considered the early birds. While it can be said, the early bird gets the worm, it is the second mouse that gets the cheese!

Professional traders like to trade a retest and look for the stops to be blown out and you eventually see a price rejection occur and this is noted by a rapid move in price away from the level stops were suspected to be "hiding" at.

This price rejection is confirmation that your trade is likely to pay off and pay off handsomely. Look at your charts and study when highs were retested right before a dramatic slide and 90% chance you will see this phenomenon occur. It goes untraded by thousands of novice and unlearned traders and maybe these same traders were in right at the previous high... and because of fear they rushed their stops to one pip or two just above the Swing High fearing being stopped out.

They want to keep a close stop... then liquidity takes their stop and they watch the price slide lower and lower and they suddenly feel sick they were right on the direction. So what do they do? They chase it and sell right into those beautiful red candles... only to find they sold the low and the vicious cycle begins. Sound familiar? Hello?

You want to plan your trade and plan your entry. This is what is meant by that trading proverb.

Take The Money & Run:

When you are in a profitable trade and are looking to take your profits and exit the move, consider exiting on the stops. Remember we looked for pockets of price where resting orders should be in the market with trader's expecting protection from these "bad guys" out to get their accounts.

Had some luck trading but giving it back before exiting the move? We can use this same strategy to take gains. Look for levels under swing lows to buy back your shorts and look for swing highs to sell your longs. The exits will typically find you leaving the market with cash and the stop nests raided and traders on the other side left holding the bag.

Do Not Fear Trading Into Opposing Directions:

When you put your trade on, it too will require a protective stop. Make sure you trade against the intended direction of your trade to enter and look for pockets under your entry for the same pockets, so a stop raiding event doesn't happen to your trade.

If you are buying into a Support level and you trusted it enough to put the trade on, what difference does it make if you buy in lower than you would have if you had waited for confirmation? Actually it is a big difference!

You will find your stops will be farther away from the market price and less likely to stop you out, since hopefully you were a patient Bull and waited for it to trade lower into a key support level. If you wait to see it bounce thinking of this as confirmation... you are right. It confirms you missed the low risk entry point that was just staring you right in the kisser in the form of a boldface red candle!

If you buy after the bounce you have the bounce in pips plus the initial support level and the risk under this level to consider as risk on your trade! This is not how it is done folks.

The reverse is said for shorting... you want the Resistance level to be solid enough to trust it going Bear tooth and claw right as it slams into the level in the form of a Bullish boldfaced candle. Practice doing this for a month or two in a Demo account and you will quickly see how you used to do it was opening yourself up to unnecessary risks and possibly overleveraging your account.

So Where Should Your Limits Be Placed?

Let's assume the swing low price is retesting on your entry is 1.5520 and you want to buy the Cable using this smart money approach to entries. You could use a Limit at 1.5524 to 1.5520 or better. You have to remember the spread and this will be a factor in your trade. You want to capture the raid on the stops, but try not to be too fancy that you Limit too cheap and miss the move.

Basically, you want the Dealer's Spread you will pay going into the trade to be covered at or under the Swing low price and conversely at or above the swing high price. Don't be too greedy or frugal and fear taking on risk in the trade. You will still see price likely trade a few pips against you before covering the spread and lowering your blood pressure as it steadily moves in your direction.

If you miss the entry... chalk it up as study time. Unless you get a low risk Pivot entry higher up with supportive technicals converging at the same Pivot level. Chasing it never works... trade like a Professional.

So How Are Your Entries Confirmed?

Remember you're entering right when the candle will be the most bearish looking on long entries and most bullish looking on short entries, this will be scary until you get used to trading the method. Your charts, when you look at them in hindsight have those powerful looking hammers with long wicks at either end. What do you suppose those hammers and long legged dojis were before forming?

Before those long wicks appear they are those boldfaced candles you entered at or near the extreme end of! Welcome to Professional Smart Money Entry folks!

Now do some maturing and review your past trades and see where you entered and how you might have been able to better place your orders to reduce risk, increase profit potential and cover the Dealer's Spread more rapidly so you can start bringing those Protective Stops of yours closer to breakeven!

A Professional Approach To Stalking Trade Setups

Why Aren't You Succeeding?

Many new traders struggle with the patience that is required in the business. The worse thing they can do is read these forums and try to be spoon fed signals and become dependant in following a trader without knowing how to trade themselves.

My goal in this thread was to educate the new trader and possibly the trader that has lost his shirt and has reached the crossroads where it either is going to click for them and they profit or they are walking away from Forex and quite possibly embittered by the whole business. Should they cut bait and close their career in Forex trading, they will surely become of the many folks who conclude this business can not be successful for anyone and the bad press feeds itself.

Hang In there, Not Hang Yourself...

Folks don't give up. If you are honest with yourself, you would be that much better for admitting you rush into trades without any real reason for taking the trade. Perhaps it was a gut feeling or you were watching the market during a particular time and saw it rally up fifty pips and figured what the heck, I might as well buy it too and grab twenty pips too. You can't survive this business doing that and it's nothing more than gambling.

I realize this thread may have readers returning to it daily and maybe multiple times a day looking for this "secret" weapon or indicator to direct their path to riches untold. Folks, I'm going to tell you again, like in my previous posts... you don't need anything top secret or big bucks to make a fortune in this business. What you do need is patience. I am not posting a complete method on here purposely to force you to see how waiting for setups and allowing your tools to work for you when it is optimal for the setups to pan out.

False Sense Of Preparedness...

Just because your charts have all the latest indicator fads and whistles programmed to alert you to the next big moves, doesn't mean it will result in a profitable price swing in your favor. If it were that easy, I'd buy a Forex Robot and let it buy and sell all day and night and I'd be rich enough to put Bill Gates on Welfare... and we all know how likely that is... right?

You want your mind to be so tuned into price action you can look at a series of charts on a pair and see what levels are critical on the immediate time horizon and what price is likely to do based on where it is trading at the present time. Support and Resistance is king when it comes to preparing for your setups. Your focus needs to be there... not anywhere else. Believe me, it is all you need to build setups you can rely on.

Which Way To The Pot Of Gold?

If you look on your charts at Historic Highs and Lows and Daily Highs and Lows you have eighty percent of the ideal trading areas setups will form... just doing that! If you look at the highest and lowest levels in the last twenty to thirty days you can find solid setups at these levels as well. You can find intermediate term highs and lows on your four hour and sixty minute charts to stalk your next trade setups as well.

Once you identify where Key Support & Resistance levels are and the relationship to the market price as it relates to each level... you have just moved from the novice or neophyte level to intermediate experienced trader. You see novice traders watch one and five minute charts because they look fast and the swings are dynamic looking. This lulls them into thinking trading this timeframe is where the gains are... remember my very first post? Their headstone is being lettered already!

Is There An Ideal Stage To Look For?

If you post your Pivot Points on your hourly charts as I recently suggested you will see the best setups occur when price has moved far away from the Central Pivot Point. When Price is at R1 or R2

this condition is awesome when you converge with Key Resistance levels and Daily Highs from previous day or Historical Highs are being tested.

Conversely, you can expect when price is at S1 or S2 and the Central Pivot is some distance away higher... you can expect some significant setups to form.

Think of price as an elastic band. When it gets pulled up so high when everyone lets go of buying it... it will snap back lower... back to the Central Pivot Point. When price trades itself down so low it will eventually snap back to Central Pivot Point higher.

This concept coupled with other professional trading concepts will provide you a lifetime of insanely profitable setups to zero in on for your Sniper trades. When the markets are near the Central Pivot Point and we have not entered a strong trending environment... keep your expectations low. Price will enter consolidation days or periods during this condition.

Learn to take a picnic lunch or catch up on TV shows on these days. Let the neophytes force a trade in the mud... and watch and see how you feel the next day when you look and see it didn't move much and you had a wonderful time away from the market instead!

What Do I Do After I Determine Key Levels?

Well, I am sure this will come as no surprise to you, but you wait. You wait for the market to come to your established level. If price is trading under the targeted high you anticipate seeing a reaction point as resistance... wait until it trades up to it. When the market gets close to your target zone for trade setups... then you need to turn your attention to your tools... NOT prior to price reaching your target zone.

You want to be like a Sniper. A Sniper will wait for days if need be for the optimal time to pull the trigger. He is not rushed to shoot his weapon just because he is loaded and ready to fire... he wants his target in his crosshairs... then bang!

You will sit and wait for price to trade up or down to your Key levels and when they do, you become the Sniper... you put your eye to the scope and train your crosshairs on price as it moves into range. What are your crosshairs as a trader you might be wondering? Your pivots and other technical tools are what you will monitor for trade execution. When price enters the kill zone or "trade zone" you want to look for optimal trade entry for your trigger to take the trade on.

It really is easy to do once you learn to wait and be comfortable with price trading around under or above your trade zone... you aren't going to buy every low and sell every high... so don't fill yourself with unrealistic goals. If you are expecting this in your trading... I'm afraid you will be schooled very early on... and you might have that Trader's Gravestone being carved out in your honor as we speak!

Have A Life Outside Trading...

Folks, you are trading Forex to make money or at least it should be on the top of the list of reasons why you are. These currencies are always going to present setups and profits can be taken from them

even if you only trade three days a week, you can still make a great living over time.

It is healthy for a trader to have a hobby outside of Trading and I already told you that Forex is and should not be a hobby. It should be your business... that's what it is. Go fishing, hunting, sailing, horseback riding... do something away from the market and charts... everyday.

You need to step away from the market once in a while to refresh your perspective and give your body a chance to unwind and relax. Trading can take its toll on your mental, physical and emotional being. Find a means of enjoying the hard efforts you invest in building your Forex business. Find a way to have fun outside the world of candlesticks, Fibonacci and Pivot Points... spend your time cultivating happiness and longevity in your life or you might find after you make your Forex riches, you became a dry worn out old coot and not worth being around... even with all that Forex profit behind you!