

'Currency Ring'

100% Free Interesting Trading Strategy (source: available for free on the web)

This is a trading method which has been around for some time now. Many people have reported good success rate with it. In this method, we are going to trade 3 pair at the same time, the 3 pairs together form what we call a 'Currency Ring'. The main property of a Currency Ring is that, altogether, they share the same number of currencies. The most popular rings are as follows:

AUD/JPY
AUD/USD
USD/JPY

CHF/JPY
CHF/USD
USD/JPY

EUR/JPY
EUR/AUD
AUD/JPY

EUR/USD
EUR/AUD
AUD/USD

GBP/JPY
GBP/USD
USD/JPY

EUR/CAD
EUR/USD
USD/CAD

EUR/CHF
EUR/GBP
GBP/CHF

EUR/CHF
EUR/USD
USD/CHF

NZD/JPY
NZD/USD
USD/JPY

EUR/JPY

EUR/GBP
GBP/JPY

EUR/USD
EUR/GBP
GBP/USD

EUR/JPY
EUR/USD
USD/JPY

GBP/CHF
GBP/USD
USD/CHF

GBP/JPY
GBP/CHF
CHF/JPY

As you can see above, each ring consists of 3 pairs. What you should also note is that each ring consists of 3 currencies. For example, if we take the following ring:

GBP/JPY
GBP/CHF
CHF/JPY

We can see that we have 3 currencies present in this ring namely GBP, CHF and JPY. Now when we are buying the GBP/CHF and the GBP/JPY, we are infact also buying the cross pair CHF/JPY as well.. So, we have to actually also open a buy position on the CHF/JPY pair as well to stabilise the account.

For example:

1. You buy 1 lot GBP/JPY
2. You buy 1 lot GBP/CHF
3. You also have to buy 0.8 lots of CHF/JPY in order to stabilise the accounts

After we have done this, we wait for the currencies to move and when we decide to take some profits, we close all the orders altogether. The aim is not to make profits from each individual trades, but to make an overall profit from all the 3 trades together...

You should use the ADR, Average Daily Range indicator to know how much the pair has already moved before entering into the trades. You dont want to trade a currency ring when all the 3 pairs has already move beyond their 75% daily range... The best spot is when the currencies has moves 25% of the daily range, then you open your trades and wait for the currencies to reach the 50%-75% daily range before closing your trades... You should not be waiting for a fixed profit level to be reached, you should just be satisfied with whatever you are getting and get out of the trades.

You can use an equity trailing EA which will trail the overall profits on the account. Trailing the entire account profit is better than trailing individual orders separately.

The best currency ring to trade are those that has the most activity is the GBP/USD, USD/JPY and GBP/JPY. As you can see, all the 3 currencies present in this ring are the Big Movers of the market.

It is advised that you trade only 1 currency ring per account as this will decrease undue drawdown that your balance can suffer with these type of strategies. It is also better in the sense that you will be able to study the behaviour of each ring separately and may better assess their performance.

You should always start with very small lots initially... for example, if you have a 10,000usd account, you can start with 0.10 lots and then increase it as your balance increases. Compounding your earnings is among the best ways to increase your profits and grow your account.

I hope that you benefit from all these. Take your time to study and practice the method on a demo account... A week or so is definitely not enough to get a good feel of the system, so be patient and enjoy it. Good luck