Forex Trading

SAMPLE INVESTING PLANS
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Rate of Change Investing Plan
FOREX TRADING

- **Objective**

  To identify short and intermediate trend trades in the forex market.

- **Watch List Criteria**

  - Major Dollar Pairs with High Liquidity

- **Entry Rules**

  Indicators
  - 20-period SMA and 12-period Rate of Change (ROC)
  - Daily candles

  Entry Signal
  - Bullish when ROC crosses above 0 and currency is above MA
  - Bearish when ROC crosses below 0 and currency is below MA

- **Money Management**

  - Position Size: Position up to 2% per trade
    - Formula: Portfolio risk / trade risk = # of contracts
    - Trade Risk = stop loss in pips * pip value

- **Exit Rules**

  Exit Signal
  - When ROC crosses 0 opposite of entry signal
  - When ROC climbs above +5 on bullish trades
  - When ROC drops below -5 on bearish trades
  - Stop loss triggered. 250 pip stop loss from entry works well for most pairs
  - Note: Stop loss is not moved
Daily Routines

This is a technical system and requires checking the currency pairs on a daily basis.

- After the close of the day (rollover), check the trend as identified by the price being above or below the moving average
- Check to see if the ROC has crossed the 0 line for new trade in the direction of the trend
- Check to see if the ROC has crossed above +5 or below -5 for any open positions to exit the trade
CCI ADX Investing Plan

FOREX TRADING

Objective
To identify intermediate trend trades in the forex market.

Watch List Criteria
- Major Dollar Pairs with High Liquidity

Entry Rules

Indicators
- Market Forecast indicator
- Daily candles

Entry Signal
- Bullish: When CCI crosses above +100 if ADX is above 15
  - Add to bullish position if multiple crosses above +100 occur w/o being stopped out and ADX remains above 15
- Bearish: When CCI crosses below -100 if ADX is above 15
  - Add to bearish position if multiple crosses below -100 occur w/o being stopped out and ADX remains above 15

Money Management
- Position Size: Position up to 2% per trade
  - Formula: Portfolio risk / trade risk = # of contracts
  - Trade Risk = stop loss in pips * pip value

Exit Rules

Exit Signal
- Bullish Exit Rules: Place stop 15 pips below a 3-day low; tighten to a 3-day low on cross below +100
  - Adjust stops on all open positions on any new bullish entry
- Bearish Exit Rules: Place stop 15 pips above a 3-day high; tighten stop to a 3-day high on cross above -100
  - Adjust stops on all open positions on any new bearish trade
Routines

Daily Routines

This is a technical system and requires checking the currency pairs on a daily basis.

- Check the ADX to verify strength of trend (if not above 15, there is no trade); existing trades should be exited if ADX has fallen below 15
- Check the CCI to see if it has crossed above +100 for bullish trades or below -100 for bearish trades (if ADX is above 15, place new trades)
- Check for CCI crossing below +100 to tighten stops on existing bullish trades; check for CCI crossing above -100 to tighten stops on existing bearish trades
MFC Intermediate Confirm Bullish Entry Investing Plan
FOREX TRADING

Objective
To identify intermediate trend trades and add points for bullish entries in the forex market.

Watch List Criteria
- Major Dollar Pairs with High Liquidity

Entry Rules
Indicators
- Market Forecast indicator
- Daily candles

Entry Signal
- Bullish initial entry when the Intermediate line rises above the 20% level or is above the 20% level and turns from falling to rising
- Add additional position with each day the momentum line crosses below 20% while intermediate line continues to rise or is above 80%

Money Management
- Position Size: Position up to 2% per trade
  - Formula: Portfolio risk / trade risk = # of contracts
  - Trade Risk = stop loss in pips * pip value

Exit Rules
Exit Signal
- When intermediate line exits the upper-reversal zone (crosses below 80) or turns from rising to falling
- Stop loss triggered (220 pip stop loss from entry works well for most pairs); stop loss below the 3-day low also works well
  - Stop loss moved up to 220 pips or 3-day lows on new entry signals
Daily Routines

This is a technical system and requires checking the currency pairs on a daily basis.

• Check the intermediate line slope or position at the close (if still bullish check for new trades; if now bearish, exit existing trades)

• Check the momentum line (if the momentum line has entered the lower-reversal zone while the intermediate line is still rising or in the upper-reversal zone, this is a bullish trade signal)
MFC Intermediate Confirm Bearish Entry Investing Plan

FOREX TRADING

Objective
To identify intermediate trend trades and add points for bearish entries in the forex market.

Watch List Criteria

• Major Dollar Pairs with High Liquidity

Entry Rules

Indicators
• Market Forecast indicator
• Daily candles

Entry Signal
• Bearish initial entry when the intermediate line falls below the 80% level or is below the 80% level and turns from rising to falling
• Add additional position with each day the momentum line crosses above 80% while intermediate line continues to fall or is below 20%

Money Management

• Position Size: Position up to 2% per trade
  ◦ Formula: Portfolio risk / trade risk = # of contracts
  ◦ Trade Risk = stop loss in pips * pip value

Exit Rules

Exit Signal
• When intermediate line exits the lower-reversal zone (crosses above 20) or turns up from falling to rising
• Stop loss triggered (220 pip stop loss from entry works well for most pairs); stop loss above the 3-day high also works well
  ◦ Stop loss moved up to 220 pips or 3-day highs on new entry signals
Routines

Daily Routines

This is a technical system and requires checking the currency pairs on a daily basis.

- Check the intermediate line slope or position at the close (if still bearish, check for new trades, but if now bullish, exit existing trades)
- Check the momentum line (If the momentum line has entered the upper-reversal zone while the intermediate line is still falling or in the lower-reversal zone, this is a bearish trade signal)