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# ProAct *focus*

HELPING FOREX TRADERS BECOME SUCCESSFUL IN THE FOREX  
[WWW.PROACTTRADERS.COM](http://WWW.PROACTTRADERS.COM)

*We exist to provide the finest Forex Charting System in the market. We color code to show MOMENTUM and HARMONY, give clear entry and exit points and unparalleled training resources.*

## Helping you achieve your financial goals

### London Session Test

We have opened a new room in the London session as a test. We hope that our friends across the pond will support this new opportunity.

The room is open usually by 3 AM EST and is not moderated by us but one of our European traders opens it and it is a live forum to share ideas, targets and ProAct methodology with each other. **IT IS NOT PROACT TRADERS MODERATED!**

Mostly it is an extension of our family and give you some great trading buddies to keep you FROM YOU.

Currently, it is only open to subscribers but we hope to develop it into a great place for demo traders to also take advantage of the family atmosphere and the sharing of trading ideas for all.

Ultimately, we would love for a strategic partner to take it over as an extension of their ProAct business for the European market. Is that you?



## Trading Tips

ProAct Traders know how important Previous Support and Resistance (PSR's) are as potential targets. They are found only on the 240 chart. One of our traders does this: Every Sunday he puts EVERY PSR on the WILD CARD ARRAY (9 screens all in one) and goes 700 pips up and 700 down for every currency. Then each day when he opens his Royal Flush charts he only has to transfer the line values for the move that is most likely for the trading session. This keeps your trading charts cleaner but gives you quick access to the next PSR's that are reachable.



# Getting the most from our charts

## Watch the 30 min PATO

So here is an axiom: *Markets that are **NOT** trending are going to. Markets that **ARE** trending are going to stop!*

How can we anticipate both? The 30 minute PATO on the Royal Flush chart usually gives us a nice heads up.

Intuition is a suspension of logic due to impatience.

- Rita Mae Brown

When the market is still steaming in one direction but the 30 minute PATO is high, losing angle and starts to turn against

you - that is your clue to **MOVE YOUR STOP**. If you have reached your target you may want to limit out and wait until after the retrace to re-enter. The 240 (dual) charts on the Royal flush will give a strong indication if the trend is going to continue.

It is not fool proof but it is a visual clue to what the currency is trying to do ... at least for now.

The Forex does three things: Ranges, Reverses and Trends.

But it also Retraces and Pulls back. What is the difference? The market overwhelming retraces which is why we “let it center before we enter.”

A pullback is any LARGE retrace that does NOT change the trend direction.



# SMARTER INVESTING: Counter trend trading



As a general rule we don't like to trade counter trend. But we do have a 6 Aces trade setup to do it.

The best counter trend trades are those that have hit their target and are now poised to reverse. Divergence is one tool we use to determine this as well as bigger HSI levels (R5,6,7 and S5,6,7)

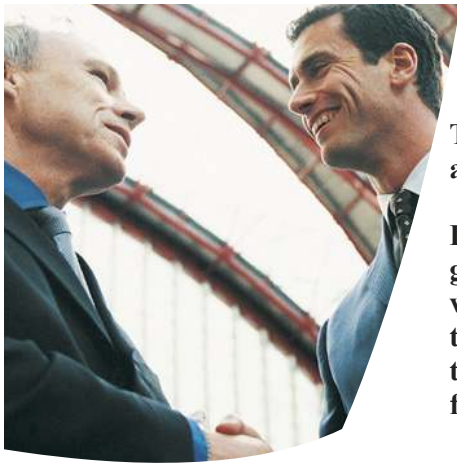
If you make the decision that this is a reversal (or a deep pullback) you want to trade, then the 6 Aces is the trade setup to use BUT...

ALWAYS have the RF1010 trade setup in force with the 6 Aces. This helps insure that there is enough Momentum to push the currency across the desert.

There is a link on our website that show sthe study we did in trading counter trend trades. Here is the link:

[http://proacttraders.com/sites/default/files/RF1010trend-counterrend\\_0.pdf](http://proacttraders.com/sites/default/files/RF1010trend-counterrend_0.pdf)

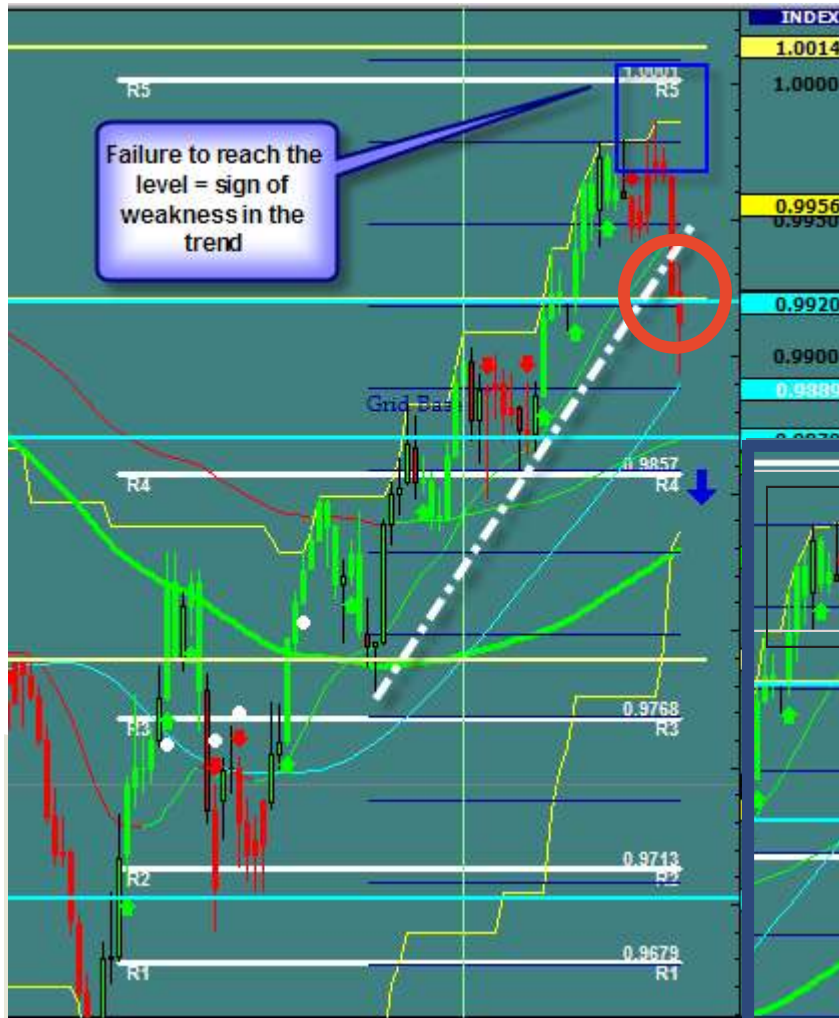
Don't be the Dumb Money  
Don't click out for 5



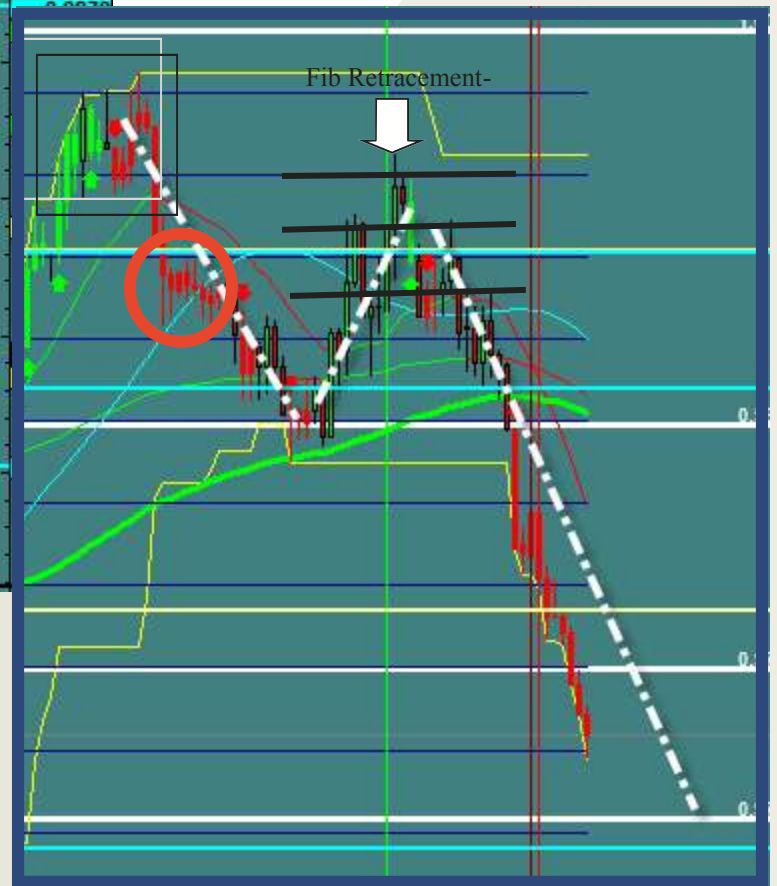
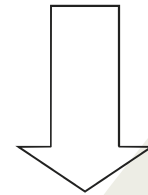
# Screenshots

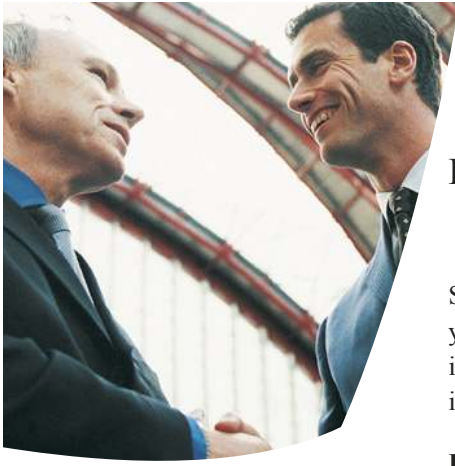
The failure of a currency to reach a target can be a sign of a reversal or pullback but it is always a sign of weakness.

Below you can see the failure on the left to reach the target ( especially the R5.6.7 or S5.6.7). Check first for divergence on the 60 Min 6 Aces chart. Draw a single line trendline and when that is breached look for the move in the opposite direction. Use the fib retracement tool to find the best entry.



The Result below





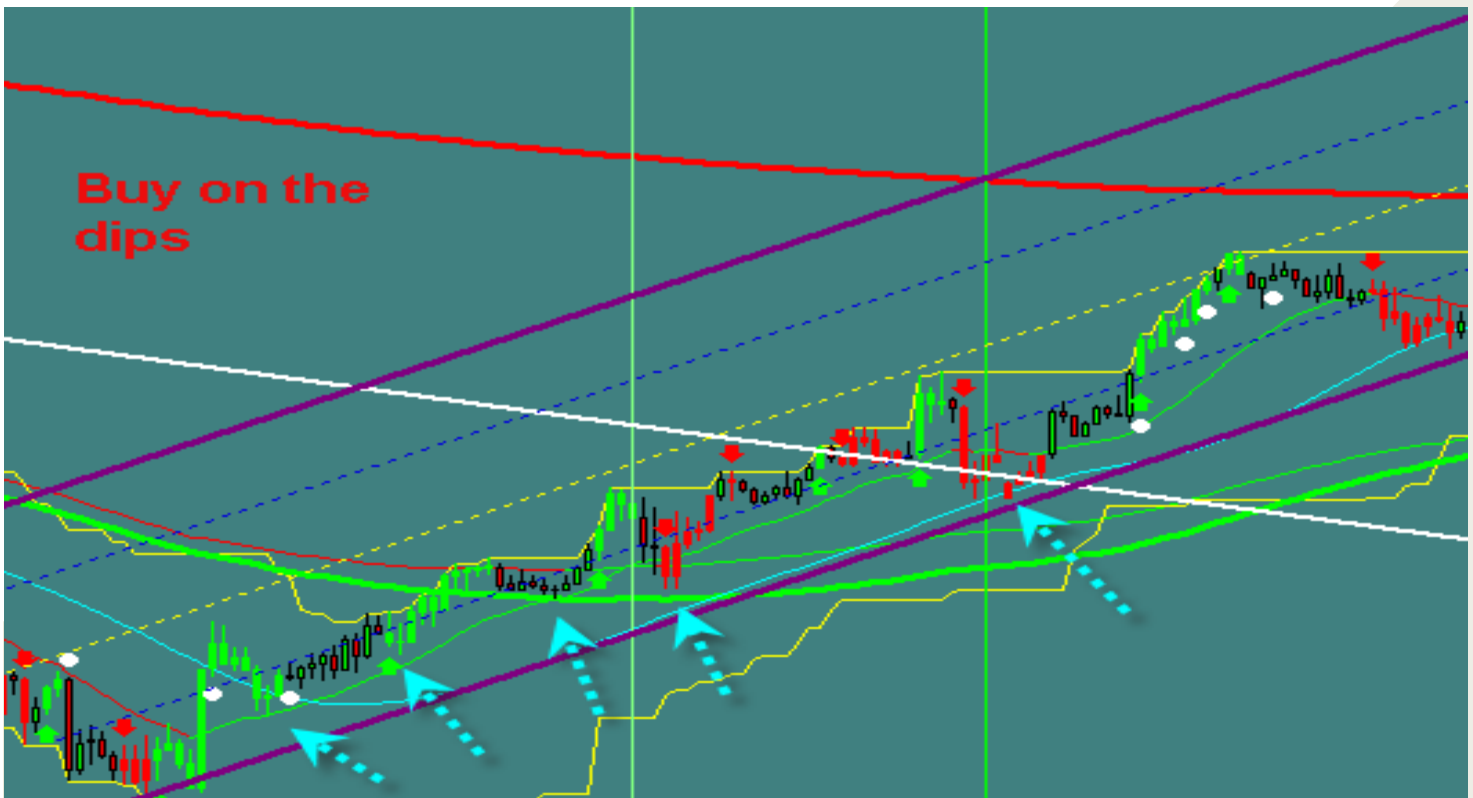
# Trading Training

BUY on the Dips – SELL on the Rallies



So, we have all heard this piece of trading wisdom – but how do you do it? It is pretty easy to see it “AFTER THE FACT”, but doing it in real live trading is another matter. Some rules: Buy ONLY in up trends, sell ONLY in down trends.

**Here it is after the fact—buying on the dips.**



So you can see, that had you bought on the dips you would have done pretty well.

But this is the bigger chart ( 60 min).

After the fact is easy to see what you SHOULD have done.

But we enter on the 10 minute chart so we have to know how to do this on that chart.

What do we look for?

Fib Retracements and bounces on PSR's see next ....



# Trading Training



Here it is on the 10 minute ( same move BTW) — buying on the dips.



So you can see, that had you bought on the dips at CONFIRMABLE points you are making a calculated decision to enter AFTER a retracement or a pullback. Above we can enter on pull backs to the fibs ( .500 and the .382 in the above) and on the retracement back to the PSR ( 2 above).

**That is important!** Why? If you buy **before** the dips then the retracement or pullback is in your future! That is called “getting stopped out”. We want the retracement or pullback in the past. Do not confuse this with entry orders which are calculated entries based on support or resistance levels being broken. That is another lesson!

As you can see you will not always get an RF1010 on these levels since they take some time to make the turn to the opposite direction. Technical traders learn to trade these WITHOUT a trade setup and only using the rules of technical analysis.

Practice these on a demo account before you EVER trade one on a live account. 300 of them should get you started.