



Trading Focus

Using the Average True Range

We use the ATR every day. The Average True Range is a statistically valid piece of information that every trader should use in their information gathering phase about the currency today.

If the currency pair has a ATR of 100 pips and you open your charts at the London open and during the Asian market it did a 20 pips directional move with the current structure then you know there are still 80 pips directionally left in the move.

If the currency pair has a ATR of 100 pips and you open your charts at the London open and during the Asian market it did a 20 pips directional move with the current structure then pulled back 20 pips you know there are still 80 pips directionally left in the move and you now have an additional 20 pips for the current point due to the pullback.

If the currency pair has moved 60 pips of its ATR directionally then you do not have a trade **UNLESS** you get a pullback since there are only statistically 20 pips left. **THE PULLBACK IS THEN YOUR FRIEND!**

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Scott Barkley



Winter Trading

Winter Trading creates a unique market. On the one hand market volume typically picks up as professional traders try and get a good year started for their clients. This means higher ATR's and therefore more opportunity for the retail trader day to day.

Markets begin to try and trend after the ranging markets over the Christmas holidays. Although the ATR's are rising

WE need to ANTICIPATE the market, RECOGNIZE what it is trying to do and find the REACTION that will cause you to want to trade it. The Reaction is your Trade Setup! Scott Barkley

Trading Tip

Since the ATR's are a statistical probability every day, you can use the PAT projector and mark the 5:00 PM NY TIME candle and based on the structure, plot that target in the direction the structure says is the next move.

Example: GBPJPY trend down. Use the current ATR (153 pips) form 5 PM NY. Find the target to the downside. If you get the move, you now know where to move your stop. If it goes the other way in a correction you will know the probable MAX move for the reversal back in the trend,

the position and swing traders usually don't have enough space to really get some positions on - YET.

This is when knowing the rules of how to find trends helps you. Trends are a combination of support, resistance, heartlines and Elliott Wave and trend angle. If you don't know the rules you rely on your gut and that is usually a recipe for disaster!

If you can't find the trend based on rules, then the only alternative is that it is ranging. Traders need a "go to" setup that they can **CONSISTENTLY** do on a currency that **CONSISTENTLY** does that and that **CONSISTENTLY** shows up depending on the overall structure of the pair.

What is your "go to" trade setup if the market is trending?

What is your "go to" trade setup if the market is ranging? Find those and you can trade **CONSISTENTLY** no matter what the market is doing.

LEONARDO'S TRADING JOURNEY

So, I began trading back in 2007, with the stock market. My first trade made me 45% profit in 20 minutes. As you can imagine I was not able to sleep for weeks, thinking about the possibilities and assuming that this could be compounded to make me a millionaire within the year. So, from there on out it was a train wreck.

I eventually learned to stabilize my gains and losses during post-recession trading but nothing consistent. I got started with forex in 2010, when I picked up a book that always seemed to linger around me, on Forex basics. That's when I started with forex, studying Elliot wave theory, understanding the Fibonacci sequence and learning some of the indicator tools like the RSI and MACD. I was fortunate not to have ever depended on indicators from the beginning. I now live across the street from the Federal Reserve branch in Houston, TX and had not realized what the building was when I first moved.

In the beginning of my Forex trading years, I had been studying as a chemist and a process engineer, so I found that technical analysis and extrapolating market behavior share many parallels that fascinated me. I knew there must be a way to win consistently, so this is the journey that I set out to accomplish.

It wasn't until about 1 year after I started forex, that I discovered Proact. I subscribed to the charts and continued to learn. The encouragement received by Proact has been very instrumental throughout the years. Jerry and Scotts' encouragement became very valuable to me, as in the times when I felt like losing hope in trading, I had proact helping me push forward to break the barrier.

I no longer do Engineering and went through a phase where I was dependent on trading income with little reserve, which is high pressure trading. I don't recommend it, however, what I learned in the process of overcoming the pressure, is that I now trade with a mindset that is free of outcome.

I'm a fulltime trader, but I also just joined the fast trackers to continue learning. I'm also in the process of doing an Airbnb startup in Houston, TX. My current level of success has always been with trades that are profitable after a few weeks, and have found that for all my selected trades, they have matched the "Real Estate of the Month" proact trades up until today. Knowing how this supports and validates my trading analysis is a valuable gem. Currently, my development focus is on "TFPD" or "trading for Pips Daily". This is still a work in progress for me but I know I'll get to the daily pips with enough repetition and consistency, to have sustained weekly gains.

I'm definitely looking forward for continued success with the ProAct Fast Track family and continued success and amazing experiences with this trading community.

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No Trader Left Behind

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We are the best kept secret in the Forex – and we hate that. You can get \$100 per referral when your friend subscribes.

Use this easy checklist AFTER you have identified the structure, found the targets, know the ATR and that there are no FUNDIES in this pair upcoming.

- **Wide Open Space WOS** = 55 pips or more
- **Press My Winner PMW** = at least double in route and where?
- **Average True Range ATR** = is there enough of it left in this session

To find the Trade

- ▶ WOS
- ▶ PMW
- ▶ ATR