



○ Spring

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○ 2016

Trading *focus*

HELPING FOREX TRADERS ACHIEVE THEIR GOALS

We exist to provide the finest charting system on the planet and to augment that with world class education and support.

Helping you achieve your financial goals

Market Structure

Market Structure is identifying the structure of the Big Boys level. It consists of multiple pieces. Trends, Wave Structure, Fibonacci and support and resistance levels etc..

NEVER GO INTO THE MARKET LOOKING FOR A TRADE!

First identify the market structure! Why? 92% of the activity in the FX market is done by the top 10 FX banks

which means the candles that they are forming are within a structure that they are in concert in creating.

Once you have identified the Structure (on the 240 and maybe the day chart), you confirm what you are seeing on the big time compressions on the 60 minute chart to find the “Real Estate of the Day”. If it confirms the higher charts you now can look for a trade setup in harmony with this IN A WIDE OPEN SPACE!



Scott Barkley, President

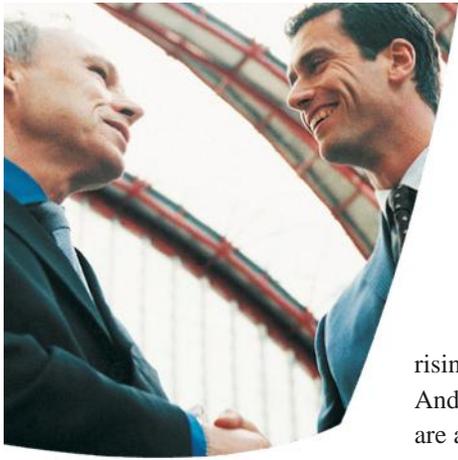


Elkana Roveglia, Analyst
Director European Markets



Trading Tips

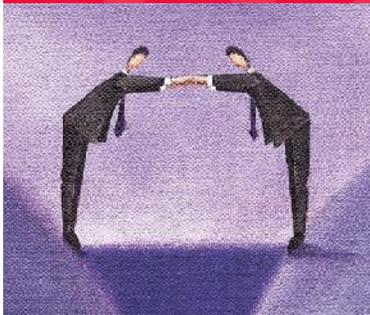
“Press your winners without exception”. This is the **KEY** to successfully growing your account in the forex. Find the Wide Open Space and then find at least 2 places to make a trade in that area and remember that the *“pullback is your friend”* which gives you another opportunity to add. Taking only 1 trade means you are only offsetting your losses which means you are only trading to breakeven!



Getting the most from Technical Analysis

Technical analysis is the cornerstone of Forex Target Trading!

**SMARTER INVESTING:
Be Realistic**



Patterns are powerful indicators of what the market is trying to do!

There are 14 patterns in the Forex that we need to learn. But of those a few are really prevalent. These are:

Poles, wedges, flags and head and shoulders.

There are only 4 reversal patterns: head and shoulders,

rising and falling wedges. And of these 4 the wedges are actually rare.

This means that if you can identify the patterns being created by the Big Boys, you can identify their intention.

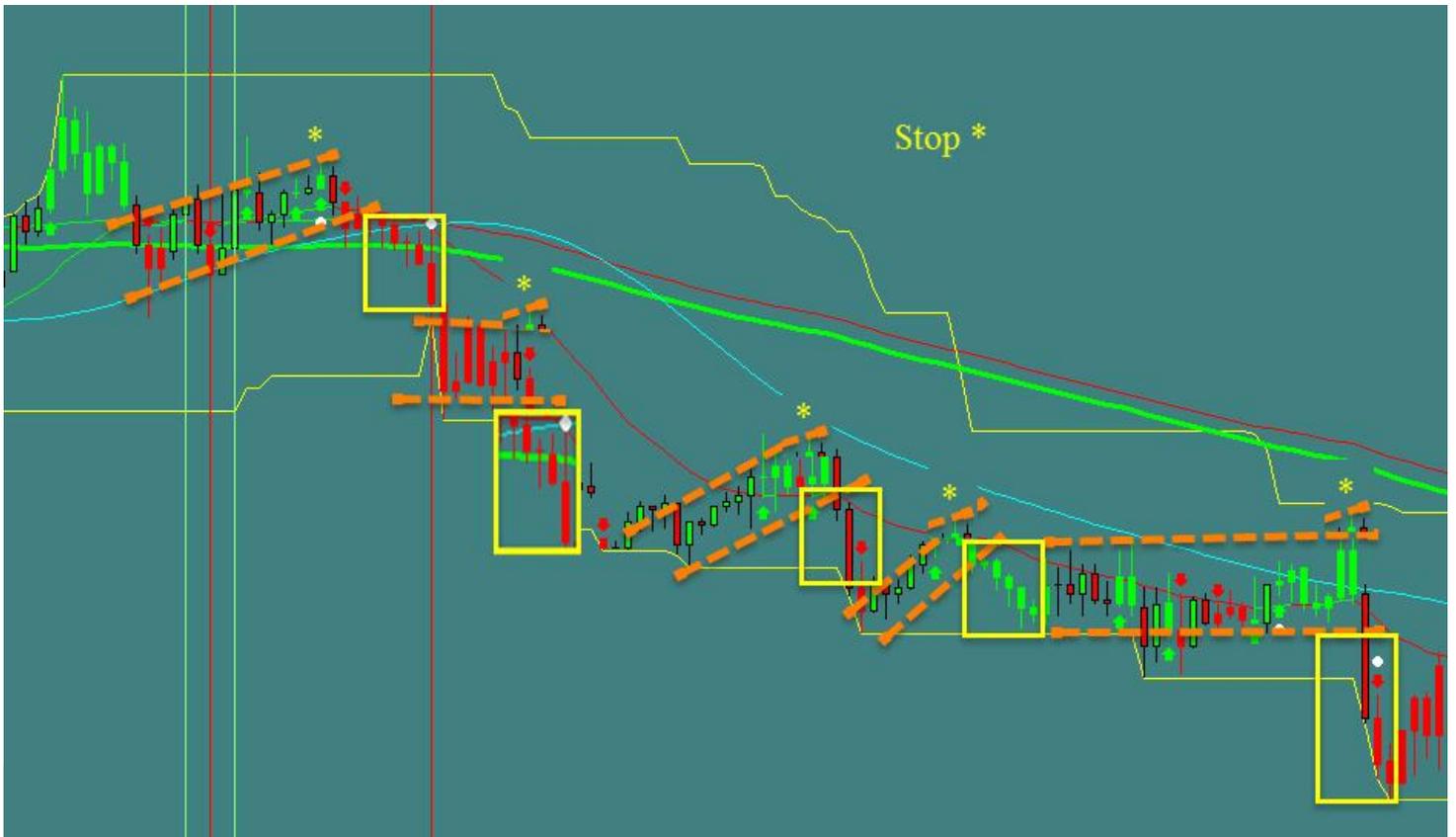
Since most patterns are continuation patterns they are prying that pattern to tell all professional traders their intend to continue what they are currently doing. Our

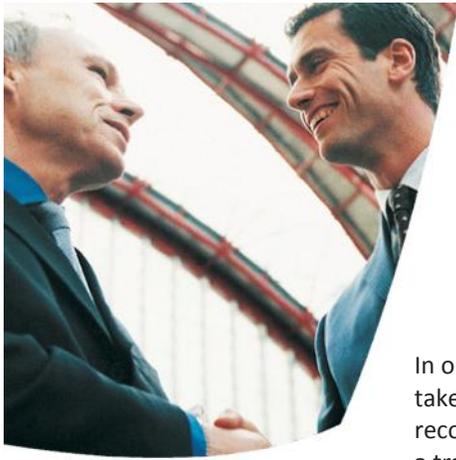
In order to succeed, we must first believe that we can.

Nikos Kazantzakis

problem of course is that we cannot live through big stops and they can. The good

news is that when a pattern is in the market the stops for us can be small compared to the reward since we need to only use a stop above or below the pattern that is being shown (depending of trend direction). Here is a downtrend and the continuation patterns they used to keep the trend intact.





Not sure that momentum is pushing your currency?

Here's a hint from the charts

Momentum to make moves comes from the top down.

The big boys have big accounts and when they enter it starts momentum. But that has to be recognized by the market. Is it in keeping with the market structure or is it a corrective move?

In order for a real move to take place the market has to recognize it and also execute a trade in that direction.

ProAct traders has a proprietary way to see that. You know that on a ten minute chart the white dot (signifying momentum entering) is actually coming down from the 60 mnute chart. So you are

Failure will never overtake me if my determination to succeed is strong enough.
Og Mandino

seeing the follow through. But we can also see the big boys fist pulses into the market. When we are looking at a 60 minutes chart there are also white dots 0 but these come from the 360 minute world. In other words BIG BOYS. Typically the move will not come off this chart but it gives you a great visual on what the Big boys are thinking. See below!



SMARTER INVESTING:



Overcoming Indicator junkiness

The #1 reason that traders start out with indicators is they want something from the chart to tell them to execute. If a trader is not careful they begin to rely on the indicator as the reason to trade and not their analysis.

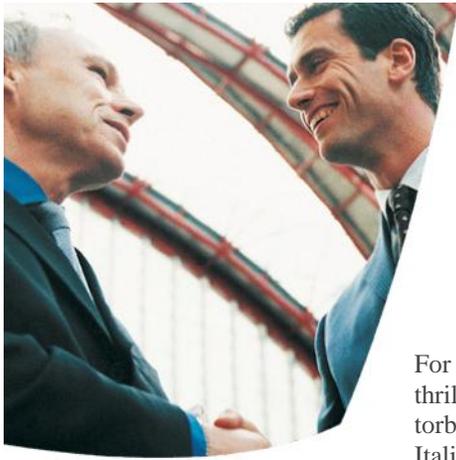
Ultimately that leads to lack of confidence which is a big enemy in the trading world.

How to solve it?

Do the 6 beginners lessons and then paper trade them until you are confident that you can analyze the market without your indicator (s).

Practice your analysis and then see what the market printed. If you can get to 65% right you can throw your indicator away!





How I became a full-time trader

By: Elkana Roveglia



My name is Elkana Roveglia and I work as a full-time trader from home. A few years ago, I was able to quit my day job as a teacher to pursue a career as a full-time trader. This did not happen overnight and there was a lot of sweat and tears along the way! Nevertheless, I was successful in achieving my long-time goal of being able to work from home, doing a job I love which would help me fulfil God's call on my life – to travel the world and share the Good News, to heal the sick...Matthew 10:8. Let me share with you my story.

My interest in trading began at the age of 18. I left school at 15, with the minimum requirements to leave compulsory education at that time. I was disillusioned with school and wanted to earn my own money and be able to afford the things that boys aspire to buy at that age e.g. a motorbike, smart clothes, going out and so on.

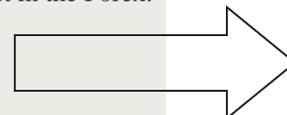


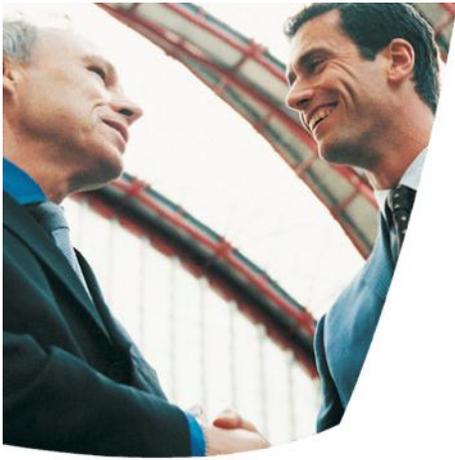
For a time I was happy, enjoying the thrill of riding my own brand new motorbike around the narrow streets of my Italian village, living the dream. However, after a while, the thrill wore off, as this lifestyle came at a price. I was working hard in all weathers as an apprentice bricklayer, I hated every minute of the work, it was tough and I desperately wanted a way out. I had always envisaged myself doing office work in a stylish Italian suit. Not being able to cope with it anymore, I managed to find a job as a market trader selling shoes but again, I hated being outdoors in the bitter-cold winters and had no interest in the work.

Despite moving from job to job, fortunately, I was sensible with my money and saved half of what I earned, something that my father taught me. One day, knowing how I was, hopping from one dead-end job to another, with no sense of real commitment, my father sat me down and said that I should consider investing my money. He arranged for a friend of his, who was working for a private bank, to come to the house and speak to me about savings and investments. She taught me how the market worked, where the opportunities lay, what to look out for, return and risk. The idea of my money working for me was appealing. I decided to learn more and finally found an area that I was passionate about and one that I could finally commit to. By day, I worked and by night, I was studying the market. I was excited and thrilled at the prospect of my money making me money but then came the inevitable call for duty - military service. This was not for me and I took the option to become a policeman instead. For one year, I worked as an undercover policeman in drugs control

and burglaries in Genova. I enjoyed the work and was good at it, so much so that I was offered a permanent post as a police officer but God had a different direction for me. I was offered a place to study in Rhema Bible College, South Africa. As you will have gathered by now, I am a Christian and come from a family of pastors. I arrived in Johannesburg without a word of English and undertook 4 months of intensive English lessons to master the language before my course started. Unfortunately, my trading career took a back seat, as my commitments changed. In between attending lectures I was obsessively studying English and after a year, could confidently conduct myself in the language. The hard work paid off! I carried on attending English lessons mornings and evenings and in my spare time, worked in an IT shop voluntarily to practise my English and learn valuable IT skills. I also studied psychology as part of my degree which I found fascinating.

After 4 years, I left South Africa with a First Class degree and returned to Italy. In Italy, things did not pan out the way I wanted and I spent 18 months working as a receptionist in hotels and another year working as a salesman. After 3 years, I felt that my life had ground to a halt and was in desperate need for a change. I was back to the same old vicious job circle and needed a breakthrough. On the advice of a local priest, I decided to relocate to England to further my study in a land that would offer me more opportunities and job prospects. In 2007, a friend of mine asked if I wanted to invest in the Forex with a New York banker that he knew. I declined the offer, but being older and unhappy again in my current working life, I began to rekindle my interest in the Forex.





How I became a full-time trader

By: Elkana Roveglia



Whilst pursuing a second degree in Theology at Bristol University and financing myself by working full-time, I took it upon myself to learn again about the Forex. I attended webinars, bought books, went to broker events and slowly and gradually taught myself how to trade. I made big losses in the process but my resilience and perseverance did not let me give up. I was then introduced to ProAct traders by an acquaintance. I was working as a full-time teacher by day and at night I was studying the market hard. For those who are or who know teachers and the demands of the job, this was very difficult. I would return from school, mark my books, plan the next day's lessons and then up early the next morning learning the Forex. For 4 years, this was my life. Eventually, I started to see my hard work pay off to such an extent that I was able to confidently resign from my job as a teacher and be a full-time trader.

For those of you who recognise certain aspects of my journey in your life, I would like to share some words of wisdom.

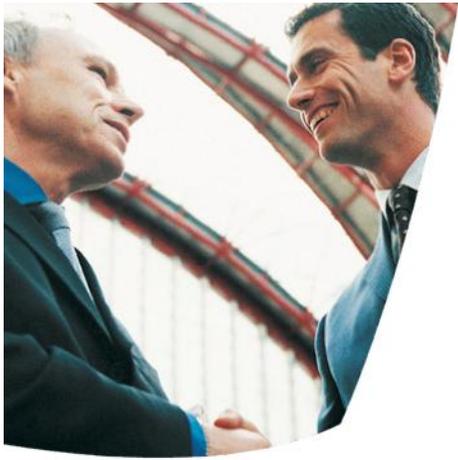
- * Be realistic. Businesses don't turnover 6 or 7 figure sums overnight, professional people don't get to the top in few months, so the same rules applies to us traders.
- * Investment should be an education. You need to learn how to read the market in the correct way. You need to work hard to learn how the market works before making money. It saddens me that traders look at MT4 to decide if a trade needs to come off or continue. Looking how much you are making or losing is not an indicator to take off your trade. Only the market/structure should decide whether or not to stay in a trade.

- * Risk management is a big factor in investment and life in general. Look at me for example. I left my job only when I was able to afford to pay my living costs and not before. Risk management is not about thinking how much I can risk in a trade, it is also part of the planning of your future career. You wouldn't risk giving up a job knowing that next month you are unable to pay bills. So why would you risk more than you can in Forex when you trade? It becomes stressful if you have to trade to pay bills as you will trade because of exterior pressure rather than because the market tells you to.
- * Don't jump from one system to another, one company to another, from one indicator to another. I know you've heard many times that there is no holy grail and I can tell you there is no holy grail. You must convince yourself that there are many marketers out there who say what people want to hear in advertising and bend the truth. Ultimately that's all it is.
- * Use common sense all the time. Trading is not about trading in pjs from your bed or on the beach with a cocktail in one hand and a laptop in the other. It is a serious profession and one that requires professionalism on your side. If you are a break-even or losing trader, the only person to be blamed is you.
- * A most important point that traders need to remember is to specialise in one set-up alone. Let that set-up make you the money and build your trading account. The day will come when you will know that set-up inside out and you can go and learn a new one. However, remember not to



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abandon your winning set up when you enlarge your portfolio because that will support and pay for the losses of your new learning. It is not about taking every trade or any candle that moves but is about being disciplined in trading the one set-up you recognise and decided to trade. If you are honest with yourself and look back at your trading, you will admit that most of your losses happen not because you didn't know how to trade or needed a new guru to follow, it is because you were not disciplined, you abandoned your plan and you did not keep your risk under control.

Believe me, do these things and you will be the next full-time trader. Remember it won't happen overnight, most of you have families, full-time jobs and other commitments. It will be achievable if you believe in it and stop making foolish mistakes. Do not ever compare yourself to anyone else, do not ever trade currency pairs that move fast to achieve your goal quicker. Be yourself, respect the rules, keep to your plan and success will appear by your side.

I want to leave you with my motto, the one that I always say when ending the live room:

Trade your plan/set-up (whatever you have decided it to be), **not your emotions** (not because you know they will go to target you can trade or because the candles are moving faster than usual, or because you feel lucky or because you want to see if it will work etc. Emotions are not above your plan, the other way around is a better option).

Learn from your losses (yes, you will have losses even when you trade your plan, even when you stick to one set

-up alone. However losses are not an indication of something that doesn't work. Losses are hard lessons to be learned and not to be repeated again...if possible. I remember when one of the many traders that I trained started to trade his live account. I told him to trade **ONLY** the set-ups agreed, record the entry, the time it took, pips lost or gained. Surprise, surprise, the first 2 were winners – hooray – the next 3 were losses. He didn't give up that set-up or trade. He stuck to his plan, learned why he had those losses and kept on trading his plan, his original set-up. It goes without questioning - his winners overcame his losses by far. Learning from your losses is a difficult choice to make because it is like poking a wound, it hurts bad, but keep on doing it, keep on learning from it and you will want losses. Losses become valuable lessons that no one else will be able to teach you. Avoid them and you will become infected, just like a wound. Remember, a wound infected has the power to destroy a part in your body to the point that eventually you'll lose that part of your body or die. Your losses, if disregarded, have the same power. I have seen far too many traders moving around like zombies, losing accounts after accounts without learning from them, to the point where they get cut off completely as they are psychologically destroyed, not believing anymore that trading can be their financial freedom...and so the dream dies.

Review your winners – is just as important as the learning from your losses. Many traders have winners without understanding the reason why. Most in fact don't even care why they had winners. Too many traders move on from a winning trade to another without learning from it. What's so important about the learning? Well, learning is a skill that can be developed and replicated, luck IS NOT! You can't develop luck, you can't replicate luck, you can't even learn from it. Luck comes and goes when it pleases and I can guarantee you that if you base your trading on luck, well...guess what? You won't survive for long...the end is near (divergence)!

So make sure to keep your emotion at and all time equilibrium and go back and review those winners as you will want to replicate them! Banks want to keep a Forex pair at equilibrium; we want an equilibrated life, relationship and so on. **So, keep your emotions under control when you win or lose and prepare yourself for something amazing!**



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