

# 1. Welcome

Welcome to the best trading course on the internet! You will learn the most valuable things that you are not going to learn anywhere else. This course will give you an exceptional understanding of how and why the market moves. You will learn about the secrets of the trading industry, such as market manipulation by major financial institutions, and the truth about "Trading Educators/Mentors". At the end of this course, you will know how you can avoid this and take advantage of this with our unique trading method. We have also developed custom indicators and a whole trading system that we are giving away to you. You will be fully equipped to become a professional trader.

There is no one out there with this amount of value in their courses! You have a massive head start!

We want you to become a (hired) professional trader, so you can live your dream lifestyle and make a living out of trading.

-The SecretWayTrading Team,



# The truth about trading education pt. 1

If you look up anything trading education-related on Google or YouTube or any other channel. You will get a million hits about the same things like support and resistance lines, chart patterns, candlestick patterns, and so on so forth. The same goes for trading academies and schools, they will all teach you the same things.

But does it really work?

Short answer: No, it doesn't.

Long answer: You can make it work, but you will need to spend at least 5/10 years of your life to master these strategies fully, and your risk management has to be super tight. Your profits will be minimum, and not worth the energy and stress you put in. Some of these traders quit trying to trade Forex for a living and move over to educating people. They know a lot about the market sure, but they're not making money in it. Most trading educators have never been profitable traders.

This is the truth that no one tells you about, but it is crucial if you want to understand the reality of trading. Because it's not as what other people make you believe it is. Perhaps you follow famous millionaire trading gurus on Instagram or Facebook, and you think they are legit. Their social media accounts are designed to brainwash you the most possible into believing you can do the same if you follow their signals, or whatever they promote. It's a heaven for online gurus and marketers. Building a following and making people believe they can have the so-called "Trader Lifestyle" as well. They are posing with super-cars and Rolexes, while they're traveling the world and staying in the most expensive hotels, with dinners in the fanciest restaurants. It's kind of like a drug because once you believe in that dream, it's very hard to get you out of that dream. Perhaps you don't like your job, or you're in your 20's, and you don't want to have a 9-5 job for the rest of your life, and you want to live the dream "Trader Lifestyle".

It's all a big marketing trick to make you believe in their lifestyle so they can monetize it. But this so-called "Trader Lifestyle" doesn't come close to the lifestyle of most full-time traders. They're spending 12hrs a day behind a screen with constant stress and zero social communication. Most day-traders are miserable people, and they're risking severe mental health problems. You really don't want that "Trader Lifestyle". If you trade using our method, you don't have to spend 12hours behind a computer screen. In the end, it's all about freedom, these trading gurus promise "freedom", but that's just not true. Someone who works 80-100 hours a week and makes 20K a month, doesn't have the same amount of freedom as someone who works at McDonald's for 38 hours. Your goal is to create a stable income from trading and to

slowly grow your trading account to create wealth. Desperation will murder you. If you want to be successful, you will have to play the long game. Freedom will come together with that.

IMPORTANT! Before you continue: This is an example of how some "Trading Educators" operate. Please do not use these strategies to defraud people. Let's say you have a hundred people in your mentoring group, and you're giving them trading ideas/signals. You don't give them the same signals, that wouldn't be a smart move if you're not a successful trader yourself. So what do you do? You apply some Ponzi scheme techniques.

Out of the 100 traders, you tell 50 to go long, and 50 to go short.

Out of those 100 traders, 50 would've lost, and 50 would've won.

Out of those 50 traders that won, you tell 25 to go long, and 25 to go short.

Out of those 50 traders, 25 would've lost, and 25 would've won.

Out of those 25 traders that won, you tell 12 to go long and 12 to go short.

Out of those 25 traders, 12 would've lost, and 12 would've won.

Out of those 12 traders that won, you tell 6 to go long, and 6 to go short.

Out of those 12 traders, 6 would've lost, and 6 would've won.

And finally, out of those 6 traders that won, you tell 3 to go short, and 3 to go long.

You will end up with 3 traders out of the 100 traders you started off with. You could even save some of the other 97 traders if you play smart and apply some other techniques.

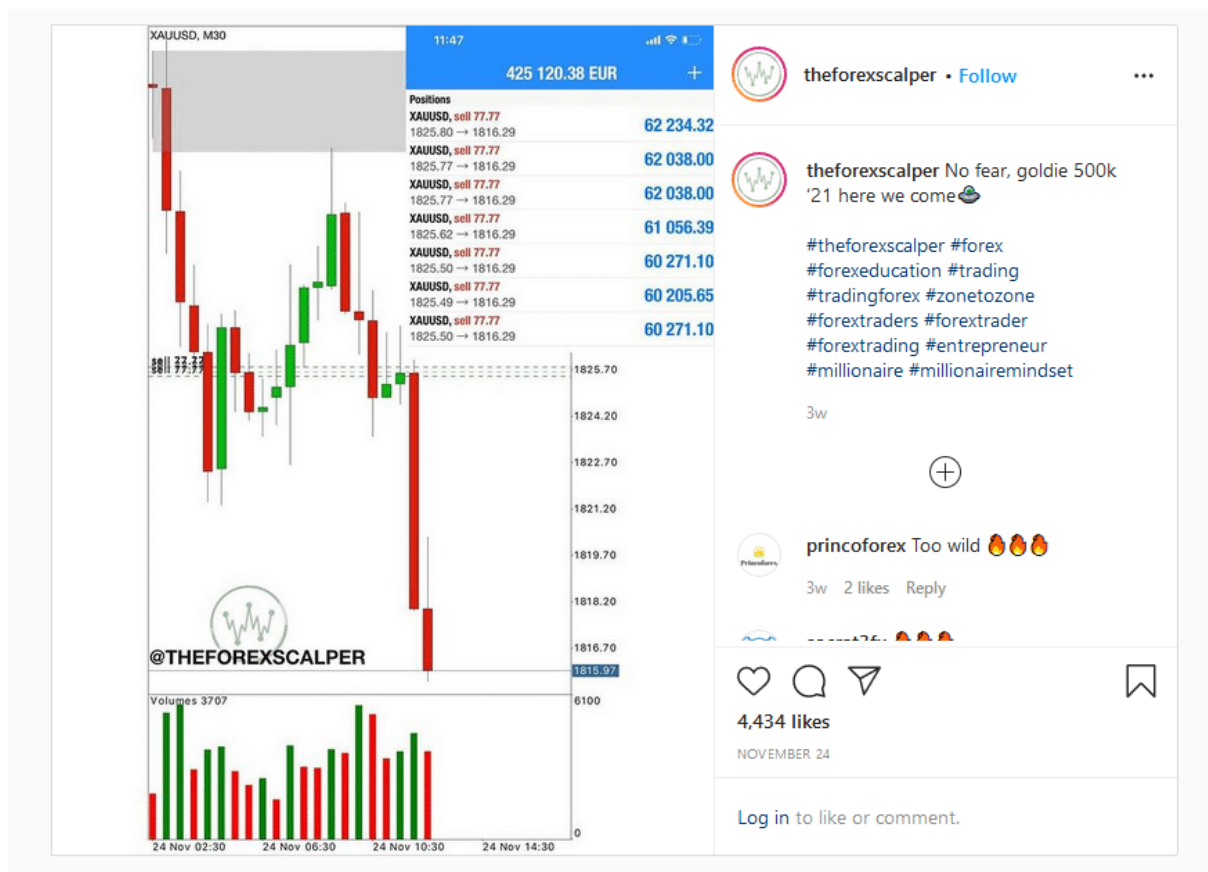
The 3 traders have won 6 trades in a row! Fantastic! They have now fully drowned into the trader lifestyle dream, and they have completely lost their realistic view of trading. They think they can just do whatever they want to do in life. All they have to do is just execute some trades after they get their trading ideas from you, and sit at the beach doing nothing.

Once you get them to that level, they will trust you a lot and will buy almost anything you offer them.

Also a very common trick they use to lure people is the following.

1. They create 2 real trading accounts to prove they are not demo trading.
2. On account 1 they open LONG positions on the EUR/USD pair. (or any other pair/instrument)
3. On account 2 they open SHORT positions on the EUR/USD pair. (or any other pair/instrument)
4. They wait until 1 of the 2 trading accounts is in a lot of profit.
5. Finally, they make screenshots of the profits, and they confirm that their account is real.
6. They won't show you the account with the losing trade.

They don't lose any money because they have hedged their position. They open a LONG and a SHORT position at the same time, one account will be in profit, and the other account will be in a loss. This is a very old trick, but it works very well for them.

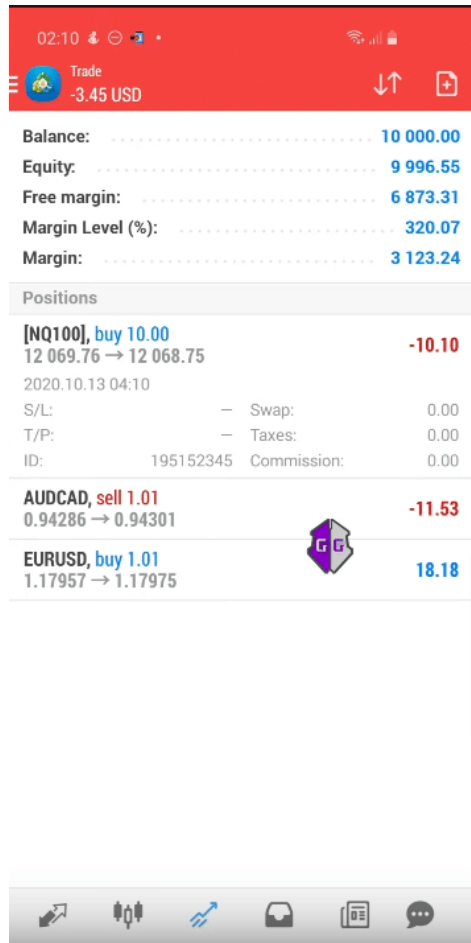


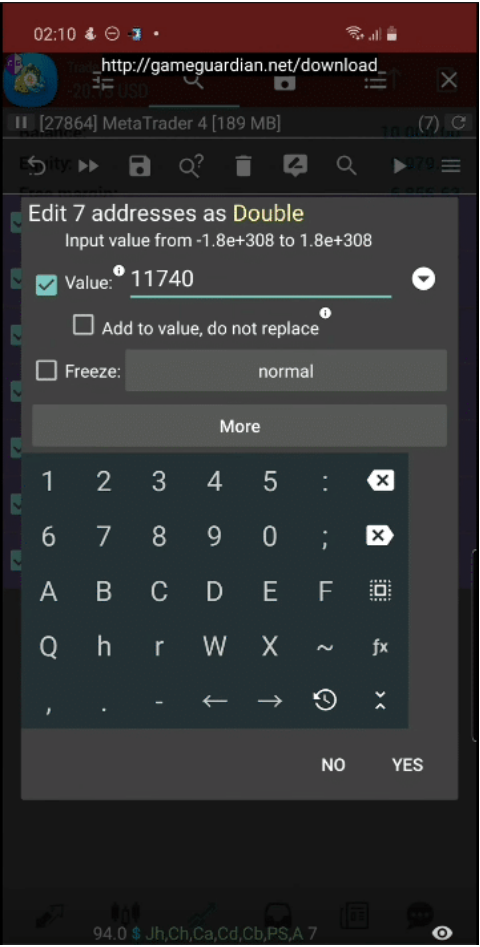
And the final one:

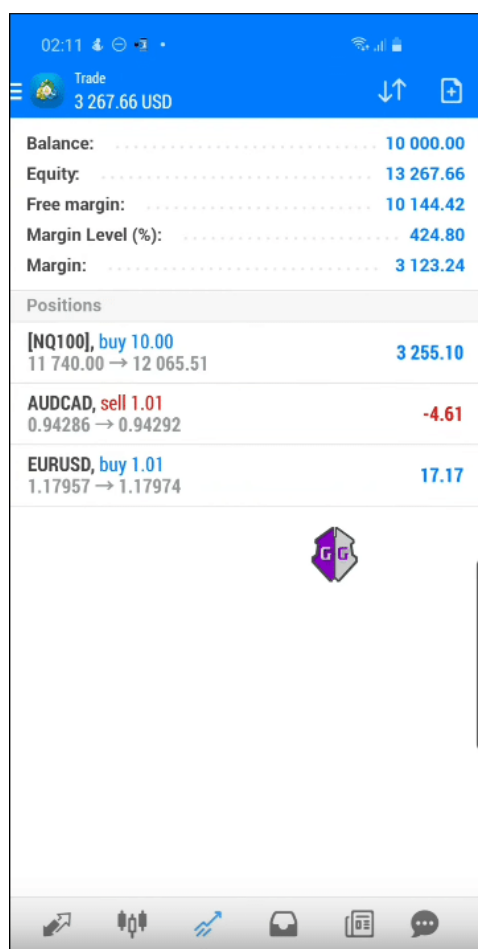
Metatrader4 is the most used trading platform when it comes to FOREX trading, so you trust them for not making it possible for people to manipulate results with. Wrong, metatrader4 platforms are getting manipulated through exploited versions of

the software and fake live servers. You can't trust anything when it comes to proof of trading profits. There are too many falsifications.

Look at the entry price of [NQ100]. It changed from 12069.76 to 11740.00







## The truth about trading education pt. 2

### Brokers

IB Agreements, also Introducing Broker agreements, were invented by brokers to get more clients to sign up. You will find IB Agreements between the "educator" and the Broker on almost all free trading content online. The "educator" promotes the Broker, and tries to make as many traders sign up with the Broker to trade with them. The Broker will then pay the "educator" a share of the commissions that the traders pay to get their trades executed. This introduces a tremendous conflict of interest because the "educator" wants his traders to execute as much trades as possible to maximize his commissions.

The "educator" will teach very high volume strategies and often on very low time frames to his audience, to maximize the number of trades that get executed. It's not in their interest to make you money, they know trading is too hard, and they know you will eventually quit anyway. This is amazing for the broker because they save a lot of marketing costs if "educators" bring traders to their platform themselves. Forex



trading is not set up for you to make money with, the low barriers to entry and the marketing behind are just a big trick to manipulate you as much as possible into doing dumb things with your money. Most "educators" are just very smart marketers, who know how to sell their rubbish while the traders keep believing it will make them rich one day.

*The broker is not on your side.*

*And the educator is on the brokers side.*

If you would own a Forex broker, and 99% of your traders are not making money, would you have a problem with taking the other side of their trades? You would basically win 99% of the trades. This is why brokers will always provide the same kind of "education" everywhere, such as chart patterns, support & resistance lines, and so on so forth. They simply make more money if a client loses money because they can take the other side of their trade + they receive commissions, it's not in their best interest to have profitable traders. If a trader is profitable, they can only profit from them via commissions.

If a broker would really want their traders to make money and succeed, they would have to change the whole industry. Their low entry barrier with the small deposit requirements as low as 0\$, and high leverage as much as 1:1000 is almost a guarantee you will lose your money quickly. The brokers know this very well, some of them will even give you a bonus if you sign up with them.

Regulators don't care.

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[FM Home](#) > [Retail FX](#) > [Brokers](#) > [Libertex Parent Pays €160,000 to Settle Violations with CySEC](#)

## Libertex Parent Pays €160,000 to Settle Violations with CySEC

CySEC referenced ESMA's rules regrading the leverage limits offered to retail clients, as well as the margin close out rule.



Photo: FM

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The Cyprus Securities and Exchange Commission (CySEC) has just announced that it has reached a settlement with Indication



Sometimes regulators come in action, but its always AFTER some scandal has occurred, and they will give the broker a "small" fine to make it seem like the regulators are doing their job properly. Regulators could crush the brokers' business model if they wanted to, they could make the sign up process way slower and harder. Currently, it only takes about 5 minutes to set up a brokerage account, even though they know 99% of traders that sign up will lose their deposited money eventually. They could prevent the loss of a lot of people their life savings and even debt in some cases. Obviously, this is people their own responsibility, but the regulators could do a lot against people losing their money.

What to avoid when choosing the right broker for yourself.

Choosing the right broker is crucial since they hold your money, and you need them to be reliable. You should always look for a broker that has been around for a very long time, and they should always be located in proper jurisdictions and regulated by the authorities.

The three most common mistakes when traders are looking for a broker:

*1) Searching for "best Forex broker, etc." on the internet.*

Sites that advertise brokers with "best Forex broker lists" are affiliate marketing websites; these websites are made for marketing purposes and not for your best interest.

*2) Looking for brokers with the lowest spread.*

You shouldn't be obsessed with low spreads. In today's age, It's almost an industry standard for brokers to have low spreads in today's age, all major brokers have good spreads because no one will trade with them if their spreads are terrible.

*3) Going to brokers with the highest leverage.*

Brokers with 1:1000 leverage are usually unregulated because no regulator allows crazy leverage like that. Most of these brokers are registered in places like Nevis, St. Vincent and the Grenadines, and other offshore jurisdictions with bad reputations. Your money isn't safe with these brokers if they ever go under; your money is gone.

Our recommendation:

(We are not affiliated with this broker in any way)

[Swissquote.com](https://www.swissquote.com)

Swissquote is a Swiss bank which has a banking license. Swiss banks are among the most trusted banks in the world!

Minimum deposit: 1.000 USD

Spread: From 1.7 to 1.1 pips (depending on deposit)

## **The truth about trading education pt. 3**

The truth behind most Technical Analysis tools.

You could have emotional value attached to these trading concepts, which is normal because you have always believed in them, and never questioned their profitability. But for you to move on and leave the losing side of traders, you will have to accept the facts instead of what "trading experts/educators/marketers" tell you what to do. Even though you won't like it and it could take some time for you to accept it, it's necessary. If you are not ready for this, please skip this. Trading is very emotional, and that's why marketers can really play into you.

The first thing new traders do is, they look for education, but what is the education about? It's usually about Chart Patterns, Support & Resistance lines, Fibonacci lines, Trend lines, and so on so forth. Sometimes they even have a "special" way of using a certain tool, such as combining it with indicators or perhaps even their own tool. Or they market their "own pattern that's 99% guaranteed to win" to sell their mentoring group or signals. Marketers love chart patterns and price lines! It's amazing for them, humans are always used to recognizing patterns in everything, and people always want to make sense of things that they don't understand. Chart patterns and price levels are the best thing to sell people when it comes to trading, and it's super easy to cherry pick winning trades to make it seem even better.

It ALWAYS works when the "educator" does it, but when you try it, it doesn't seem to work.

Technical analysis is very emotional because sometimes traders just don't want to see things, or they give losing trades weird excuses. This is very bad because now you don't want to see losing trades and you don't notice them as much, so you will focus on winning trades, and you will keep believing it works. Sometimes it's just hard to spot losing trades because the price levels are very vague, especially when you are using zones to enter and exit, and sometimes you just don't notice them at all. You could even be in a losing trade that will look like a winning trade if you are backtesting.

These standard Forex tools are taught everywhere, but it doesn't really work as well as you were meant to believe. These analysis techniques were being used in 1930 for STOCK trading, which is totally different from FOREX trading. In the last 80 years, the market conditions have drastically changed, and a lot of new analysis techniques were invented, today's trading firms have very complex trading algorithm's, the old things simply don't work anymore. Everyone can draw lines on a chart it's not special, we are not in art class, we are trading on the biggest financial market in the world.

You can make a lot of money with Forex trading, but you won't make money by using tools and techniques that 99% of losing traders use.

Tools to avoid at all cost:

- Chart Patterns
- Trend Lines
- Fibonacci
- Support & Resistance Lines
- Supply & Demand Zones
- Heiken ashi
- Ichimoku
- Japanese candlestick patterns

Indicators to avoid:

- RSI
- MACD
- Stochastics
- Williams %R
- ADX
- CCI
- SAR
- Bollinger Bands
- Bill Williams indicators

These tools are very easy to use, and it feels like you really understand the market after you have studied them and backtested them. Especially for new traders, they feel like they have a grip on the markets, and they can read charts. There have been a lot of studies regarding the profitability of these concepts, and the results are very interesting, and it confirms our perspective.

[THE PREDICTIVE SUCCESS AND PROFITABILITY OF CHART PATTERNS:  
application to the Euro/Dollar foreign exchange market. By. Walid Ben Omrane,  
Herve Van Oppens](#)

"Using five-minutes Euro/Dollar MID-quotes for the May 15 through November 14, 2001 time period, we shed light on the predictability success and the profitability for some chart patterns. We compare results according to two extrema detection methods M1 and M2. The first method (M1), also used in the literature, considers only prices which occur at the end of each time interval (they are called close prices). The second method (M2) which is our new method compared to those used in the literature, takes into account both the highest and the lowest price of each interval of time. To evaluate the statistical significance of our results, we run a Monte Carlo simulation. We simulate a geometric brownian motion process to construct artificial series. Each of them has the same length, mean, variance and starting value as the original observations for the currency. We conclude on the apparent existence of some technical patterns in the Euro/Dollar intra-daily foreign exchange rate. More than one half of the detected patterns, according to M1 and M2, seem to have a significant predictive success. However, only two patterns from our sample of twelve present a significant profitability which is too small and fails to cover the transaction costs."

*IDENTIFYING NOISE TRADERS: THE HEAD-AND-SHOULDERS PATTERN IN U.S. EQUITIES. By Federal Reserve Bank of New York*

"This paper identifies a specific set of agents as noise traders in U.S. equity markets, and examines their effects on returns. These agents, who speculate using the "head-and-shoulders" chart pattern, are shown to qualify as noise traders because trading volume is exceptionally high when they are active, and their trading is unprofitable. Head-and-shoulders sales lower prices and vice versa, effects that disappear within two weeks."

*The profitability of MACD and RSI trading rules in the Australian stock market. By Safwan Mohd Nor*

"In this study, we investigated whether the MACD and RSI trading rules can generate profitable trades in the Australian stock market. The results reveal that in general, buy signals from trading using the MACD under performs the naive buy-and-hold strategy, although there is some support for it for short selling. Nonetheless, the profits from the latter are too small and generally insignificant, and can be eliminated in the presence of trading costs. In any event, short selling restrictions mean that such strategy might not be able to fully capitalize on any inefficiency in processing historical market data. Overall, the poor results from MACD are consistent with Chong et al."

*The Profitability of a Combined Signal Approach: Bollinger Bands and the ADX. By Shawn Lim, CFTe, MSTA, Tilman T. Hisarli, and Ng Shi He*

"While the performance of a trading strategy based solely on Bollinger bands tends to underperform a buy-and-hold strategy, the positive skew of the return distribution suggests that Bollinger bands still can play an effective role in implementing tactical trades to exploit short-term fluctuations. In particular, combining a trading strategy based on Bollinger bands with a stop-loss rule is likely to improve the performance of the overall strategy and limit the magnitude of the left tail, which places a large drag on overall performance. We investigated the use of the ADX as an initial systematic filter but found little evidence of improved performance. However, the ADX could still be effective if used as a discretionary input or combined to create a systematic stop-loss strategy, and further study is needed to evaluate its effectiveness in such a context."

All of these tools were once developed for stock trading. These studies prove the fact that trading with these tools is not profitable. It doesn't outperform a buy and hold strategy, and they struggle to even cover the transaction costs. Since these tools were developed for stock trading, it will even work worse with FOREX trading because of the different market conditions and influences that determine price action.

## **The truth about trading education pt. 4**

Trend lines.

Trend lines might be the first tool that you have ever used for technical analysis. You were amazed by how good it was supposed to work, and when the "Trading Educators" drew them, it always worked, but for you it never did.

There is no one way to draw them, there are more possibilities which makes it almost impossible to back-test them properly.

Trend lines are the mother of dumb money. Almost every losing trader uses them, and they genuinely believe it works.

Fibonacci, Support & Resistance lines.

This all comes together with the "Trading Education" narrative. Because it's popular, and it's sexy, people are lazy, and it looks like the most simple thing ever. Just drawing and reading some lines on the chart and you're good. Everywhere you look they are using some sort of psychological level where they decided to enter from. You can't trust this analysis because it's always after the fact, OR before the big

move. They will have two possibilities that can happen, and when the big move strikes they will say "I was right! Look! Buy my signals". It's almost pathetic that people believe in it when you think about it, but people are being manipulated into believing it.

It's also the perfect spot to manipulate price. If all traders put their stop-losses and orders on these lines, they make it very easy for the financial institutions to perform stop-hunting and other market manipulation methods.

Supply & Demand.

Another big BS concept educators will teach you, is analysis based on supply & demand. In the FOREX market supply & demand simply doesn't exist, there is NO intrinsic value inside of FIAT currencies anymore, the gold standard was abandoned back in 1933. There is no reason to think supply & demand zones still exist in FOREX. In the Stock market it obviously exists, but the FOREX market and the STOCK market are not the same thing. The difference between the FOREX and STOCK market is something "educators" don't really understand, they think the same technical analysis tools can be applied on every chart they see.

Indicators.

The standard indicators are garbage, but there are over 15"000 indicators available to download on the internet. Do you want to be a pioneer? Out of those 15"000 indicators there could be a small selection that will work very good for you. Looking for that one good indicator is a very deep rabbit hole, and you might not find anything good after you have invested a lot of time in it. This is a big risk, but the return you could get is massive.

## **Market manipulation and financial institutions pt. 1**

Market manipulation.

You have already learned the secrets about the brokers and the "Trading Education" industry, but what if we told you there is another big thing traders don't know about? It's called Market Manipulation, perhaps you might have heard about the term Stop-Hunting before, and that's a real thing. Since we now know that Support and resistance lines, Trend lines, and Chart Patterns don't work, but 99% of traders use them, it's a hot spot for market manipulation. Have you ever experienced your trade being hit precisely on your stop-loss level before shooting up in your initial direction

again? This is no coincidence. When you are trading like the 99% of traders, you are merely creating liquidity for the smart money of big financial institutions. They will take all of your money if you trade like a sheep.

But who or what manipulates the market?

At first, you should know the difference between the FOREX spot market and the FOREX interbank market. The spot market is also known as the open market. This is the market where retail traders can trade on through their brokerage account. The interbank market is the market where banks/financial institutions trade currencies with each other. All of the trading activity on the interbank market affect the trading volume of currencies and their exchange rates. However, the primary market makers, which are the large banks that execute a significant amount of the forex trading volume, provide the baseline exchange rates that all other trade pricing is based on.

## **FOREX is a rigged game.**

Do you now know what moves price in the Forex market? Not the retail traders! Forex is a 5 trillion dollar a day market, the only thing that could make the price move as it does, is the presence of the biggest Financial Institutions in the world. They are responsible for 79% of the total volume! If the banks weren't involved in the Forex market, the market would move like the Stock market.

These banks are:

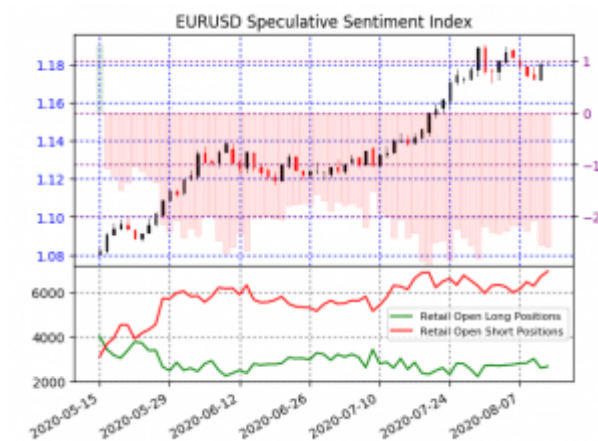
- HSBC
- Citicorp
- JP Morgan Chase
- Deutsche Bank
- UBS
- Barclays
- Credit Agricole
- & Many more

But please don't try to beat these banks because you can't, you have to play it smart instead.

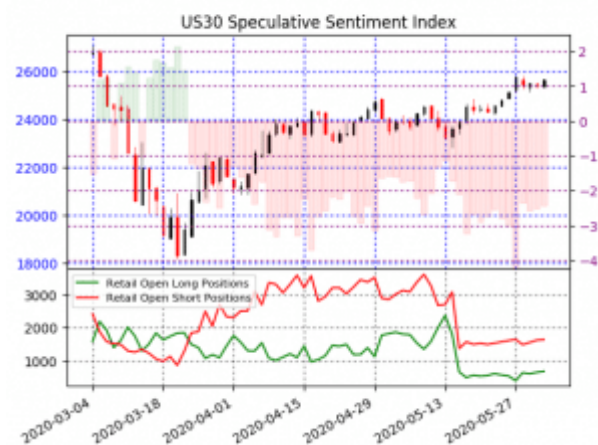
Traders for these institutions have to redistribute the money back into the market to create liquidity, but whose money do they take?

They have a very powerful tool in their possession. Just like the brokers, they can see stop-losses and client sentiment.

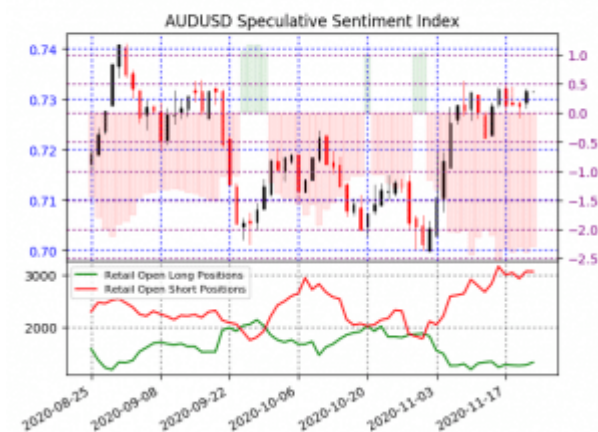




US30: SSI of -2.43 shows 71% positions are short--contrarian signal for price gains.



AUDUSD: SSI of -2.3 shows 70% positions are short--contrarian signal for price gains.



They can see where the dumb money is located, where it's headed and where and when it will exit.

If you can't beat them, join them.

These sentiment indicators are very powerful, but retail traders can't trade like this, they can't chase sentiment as the banks do. The only thing retail traders can do to win in this market is to leave the 99% of traders. And trade with a different kind of

strategy, and explore different approaches to trading. It is possible to make a lot of money in this market, but remember that you are not meant to be making money.

Regulators and "scandals":

Sometimes banks get fined just like the brokers, but the fine is "minimal". The regulators have to do this to make it seem like they are doing something about it, but in reality.. no.

## Banks fined €1bn by EU for currency rigging

© 16 May 2019



Five banks have been fined €1.07bn (£935m) by the European Commission after traders clubbed together to rig the foreign exchange market.

Four banks in the "Banana Split" cartel - Barclays, BBS, Citigroup and JP Morgan - were fined €811m in all.

## Banks fined £413m over euro rate-rigging

© 7 December 2016



The European Commission has fined three banks €485m (£413m) for rigging a key European benchmark rate.

The Euribor rate is used to calculate the value of many financial products worth billions of euros.

## Six banks fined £2.6bn by regulators over forex failings

12 November 2014



Six banks have been collectively fined £2.6bn by UK and US regulators over their traders' attempted manipulation of foreign exchange rates.

HSBC, Royal Bank of Scotland, Swiss bank UBS and US banks JP Morgan Chase, Citibank and Bank of America have all been fined.

A separate probe into Barclays is continuing.



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### FCA fines Barclays £284,432,000 for forex failings

Press Releases | First published: 20/05/2015 | Last updated: 04/11/2019



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The Financial Conduct Authority (FCA) has imposed a financial penalty of £284,432,000 on Barclays Bank Plc (Barclays) for failing to control business practices in its foreign exchange (FX) business in London. This is the largest financial penalty ever imposed by the FCA, or its predecessor the Financial Services Authority (FSA).

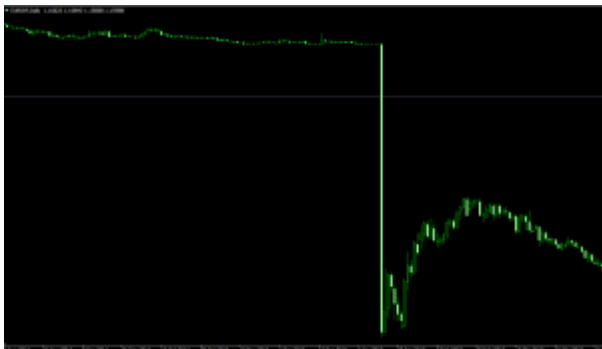
Barclays' failure adequately to control its FX business is particularly serious in light of its potential impact on the systemically important spot FX market. The failings occurred throughout Barclays' London voice trading FX business, extending beyond G10 spot FX trading into EM spot FX trading, options and sales, undermining confidence in the UK financial system and putting its integrity at risk.

Georgina Philippou, the FCA's acting director of enforcement and market oversight said:

"This is another example of a firm allowing unacceptable practices to flourish on the trading floor. Instead of addressing the obvious risks associated with its business Barclays allowed a culture to develop which put the firm's interests ahead of those of its clients and which undermined the reputation and integrity of the UK financial system. Firms should scrutinise their own systems and cultures to ensure that they make good on their promises to deliver change."

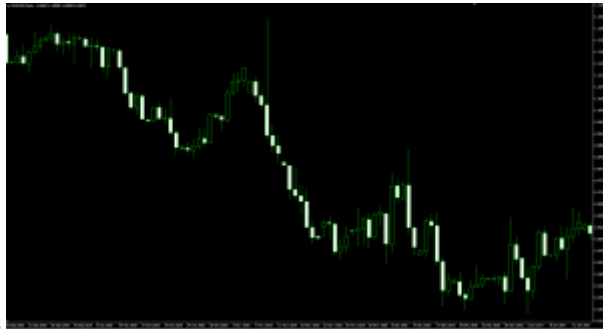
Examples of obvious manipulation:

EUR/CHF Flash-crash 15-1-2015:



98.59% of traders were long, which such a massive sentiment it's almost guaranteed the big financial institutions are going to do something about it. It's dumb money for them, and the retail traders just made it very easy for the financial institutions to take it from them.

EUR/USD Trump winning the US Presidential Elections 09-11-2016:



This one is a bit different, there wasn't a flash crash, but before the massive downtrend after the election day, the banks made sure everyone who had a short or long position was stopped out.

*EDIT: The exact same thing happened during the election day of the 2020 US Presidential Election.*

## Different FOREX pairs

Which Forex pairs should you trade?

You should only trade the 28 major pairs and stay away from the exotic pairs because most of these currencies are not stable enough to trade with. A lot can happen because of minor news events that you won't see coming, or there might be a natural disaster in a country that will create chaos in their currency, or there is a trade war going on between two countries. You don't want to be involved in trading these currency pairs.

So what are the 28 major currency pairs?

#Currency Pair Volume, %

1 | EURUSD | 27.95%

2 | USDJPY | 13.34%

3 | GBPUSD | 11.27%

4 | AUDUSD | 6.37%

5 | USDCAD | 5.22%  
6 | USDCHF | 4.63%  
7 | NZDUSD | 4.08%  
8 | EURJPY | 3.93%  
9 | GBPJPY | 3.57%  
10 | EURGBP | 2.78%  
11 | AUDJPY | 2.73%  
12 | EURAUD | 1.8%  
13 | EURCHF | 1.73%  
14 | AUDNZD | 0.96%  
15 | NZDJPY | 0.93%  
16 | GBPAUD | 0.89%  
17 | GBPCAD | 0.81%  
18 | EURNZD | 0.78%  
19 | AUDCAD | 0.76%  
20 | GBPCHF | 0.73%  
21 | AUDCHF | 0.7%  
22 | EURCAD | 0.7%  
23 | CADJPY | 0.67%  
24 | GBPNZD | 0.64%  
25 | CADCHF | 0.58%  
26 | CHFJPY | 0.57%  
27 | NZDCAD | 0.48%  
28 | NZDCHF | 0.38%

There is no best pair. Every currency pair goes through the same market cycles. Focusing on only one currency pair is just not a smart move.

*"But the EUR/USD pair is the most traded currency pair so I should only trade the EUR/USD."*

Wrong, it doesn't matter how much a particular currency pair is traded. It's actually a bad thing if a currency pair is traded a lot, because it goes against our number 1 rule, "Leave the 99% of traders". The most price manipulation is on the US Dollar pairs because this is what the majority of the 99% of traders trade. You should still trade USD pairs, but you have to know that it's getting manipulated the most, so only trading USD pairs is definitely not a smart move.

Volatile currency pairs.

Major pairs		Cross pairs		Exotic pair	
Currency pair	Volatility (in points per day)	Currency pair	Volatility (in points per day)	Currency pair	Volatility (in points per day)
EUR/USD	48,63	AUD/CAD	58,1	USD/BRL	461,93
GBP/USD	102,05	AUD/CHF	49,3	USD/DKK	292,1
USD/JPY	46,63	AUD/JPY	60,13	USD/HKD	61,4
USD/CHF	46,1	AUD/NZD	62,28	USD/ILS	175,03
AUD/USD	43,45	CAD/CHF	43,9	USD/INR	301,63
NZD/USD	47,48	CAD/JPY	52,28	USD/SEK	673,85
USD/CAD	54,3	CHF/JPY	51,97	USD/SGD	34,48
Avg.	55,52	EUR/AUD	97,48	USD/TRY	518,17
		EUR/CAD	73,6	Avg.	314,82
		EUR/CHF	47,65		
		EUR/GBP	59,45		
		EUR/JPY	65,28		
		EUR/NZD	121,13		
		GBP/AUD	168,25		
		GBP/CAD	143,63		
		GBP/CHF	107,25		
		GBP/JPY	123,13		
		GBP/NZD	192,98		
		NZD/JPY	59,9		
		Avg.	86,19		

Some exotic pairs have CRAZY volatility; this is not a good thing. It will murder you. Volatile pairs are good for our way of trading because you can catch a lot of good trends, and price manipulation is not as significant on these pairs. This is because it's not interesting enough for the financial institutions to manipulate trending markets. They prefer more reversing pairs with a lot of noise going on. British pound pairs are by far the best pairs to trade, but you shouldn't limit your trading with only these pairs.

# Fundamental Analysis

The two most common types of market analysis are Fundamental Analysis and Technical Analysis.

There are two types of market participants,

1. Traders
2. Investors

If you are a long term FOREX investor, you will need to focus on the Fundamental analysis of the currencies you have the interest to invest in. You can't make good long term investment decisions based on Technical Analysis alone.

But..

If you are a Trader and you don't hold positions for longer than four months, you simply don't need it. You can enjoy watching Bloomberg if you like it, but you shouldn't let it affect your trading, ever. It appears very smart and interesting if someone is talking about the Forex market with a nice suit on. But Bloomberg isn't made for traders to get their trading ideas from, they usually talk about things that happened in the past and not what's happening right now. You don't need to be informed about all the macro analysis if you are a short term trader.

It's the ideal time for banks to do some price manipulation!

It's the perfect time for banks to manipulate price! They can just blame the movement on the news event and collect all the dumb money. So what you should do is avoid trading when news events occur.

What kind of news events are there?

1. Natural disasters
2. Heads of bank giving speeches, the World Economic Forum Annual Meeting, Foreign ministers talking, etc
3. Politics
4. Economic Calendar

How to avoid trading when these events occur?

*Heads of bank giving speeches, the World Economic Forum Annual Meeting, Foreign ministers talking, etc:*

You can ignore all of this. It won't have any impact on the market.

*Politics:*



When there is an important election going on or when an event like Brexit occurs, you should avoid trading these pairs until these events are over.

#### *Economic Calendar:*

The economic calendar is our most important tool for fundamental analysis. It's perfect for traders, and it will let you know precisely what kind of event will happen.

<https://www.forexfactory.com/calendar>

What economic events to avoid? Below this, you will find a list with each currency pair and the most important economic events. Don't trade these currencies for 24h when an event happens.

#### USD Pairs:

##### *Interest Rates*

*Chair of the Federal Reserve speaks (Jerome Powell)*

*NFP (Non-Farm Payrolls)*

*CPI (Consumer Price Index)*

#### EUR Pairs:

##### *Interest Rates*

*President of the European Central Bank speaks (Mario Draghi)*

#### GBP Pairs:

##### *Interest Rates*

*GDP (Gross Domestic Product)*

#### CAD Pairs:

##### *Interest Rates*

*Employment Rate*

*NFP (Non-Farm Payrolls)*

*CPI (Consumer Price Index)*

*Retail Sales*

AUD Pairs:

*Interest Rates*

*Employment Rates*

NZD Pairs:

*Interest Rates*

*Employment Rates*

*GDP (gross domestic product)*

JPY Pairs:

*Interest Rates*

CHF Pairs:

*Interest Rates*

Renko pt.1

What do you need for this part of the course?

We will be using Meta Trader 4 for this strategy. You will need to install this through your broker's website. Don't install it through the official Meta Trader 4 website, because they will redirect you to Meta Trader 5.

If you are on a Mac, please use this guide:

[https://www.metatrader4.com/en/trading-platform/help/userguide/install\\_mac](https://www.metatrader4.com/en/trading-platform/help/userguide/install_mac)

We have made custom indicators that you will be able to download later on. These indicators are only available for MetaTrader 4 platforms!

After you have installed your MetaTrader 4 client, you will need to install the Renko chart generator.

We will be using this free one:

<https://www.mql5.com/en/market/product/16144#>

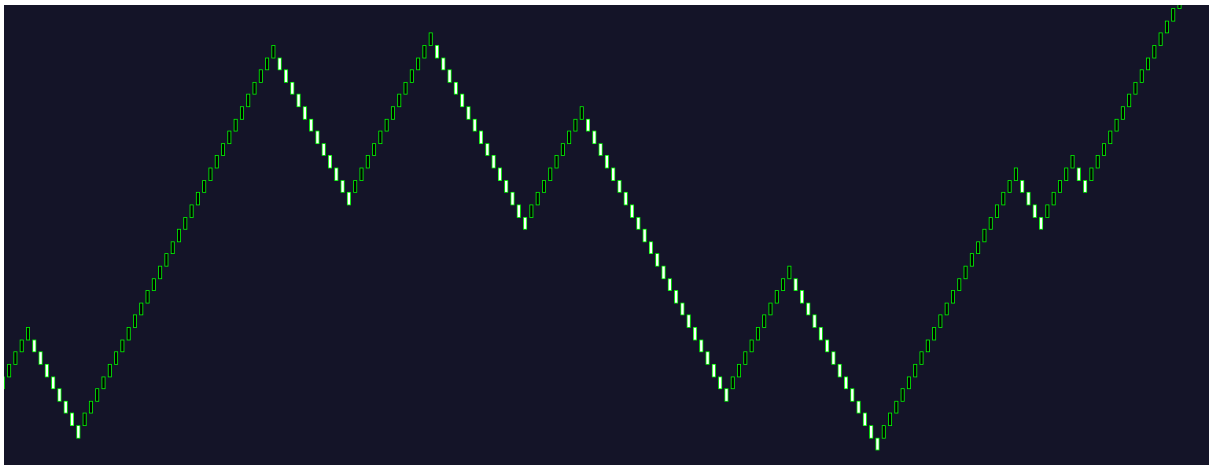
## Renko pt.2

So what is the solution to all the problems?

Initiative! If everyone is doing the same thing, you should question yourself if it's really the best way of doing it. You need to be the strange quiet kid in class instead of the popular kid when it comes to trading. If 99% of traders fail, you shouldn't be doing what 99% of traders are doing.

You have to get out of the bubble. No one takes the initiative in discovering something else that works. Because traders are scared that it won't work out, and they might waste all of their time, or they don't know where to start.

It's a big risk, and it could be worth it.



So what makes Renko Charts special?

Since Renko charts remove all of the noise on the charts, it makes it easier to read the charts, and charts move differently. This is very unique because it provides you with a different perspective of the market.

*Time charts are based on time.*

*Renko charts are based on movement.*

It just doesn't work as a traditional chart so you can't treat it like one. You can't adapt tools from traditional charts. It won't work, especially not tools that don't even work properly on traditional charts.

But how do Renko Charts work?

A Renko chart consists of Renko bars, which are bars that appear when the market has moved a certain pip amount in any direction. When a bar reverses it has to travel 2x the Renko value, but if a bar continues the trend, it only has to travel 1x the Renko value. This makes it very easy to catch trends and remove noise in the market.

The Renko value is one of the most important aspects of Renko charting because there is a big difference if you have a Renko value of 10pips or 100pips.

Every currency pair has a different amount of volatility. What this means is, if the EUR/USD pair moves up with 5pips, it will take longer than if the AUD/USD pair would move up with 5pips. This makes it more difficult to use Renko charts because you can't use a fixed pip value. Also, market conditions change, and if the Renko value doesn't change together with the market, it will result in a failure of the trading strategy.

We had to find a solution to this problem, and we came up with one. We had to develop our own indicator to determine what the Renko value has to be for each currency pair. It calculates the average volatility of a currency pair over the course of the most optimal period. This unique tool solves a lot of problems that come together with Renko charting. (secretwaytrading\_renko.ex4)

The Renko chart!

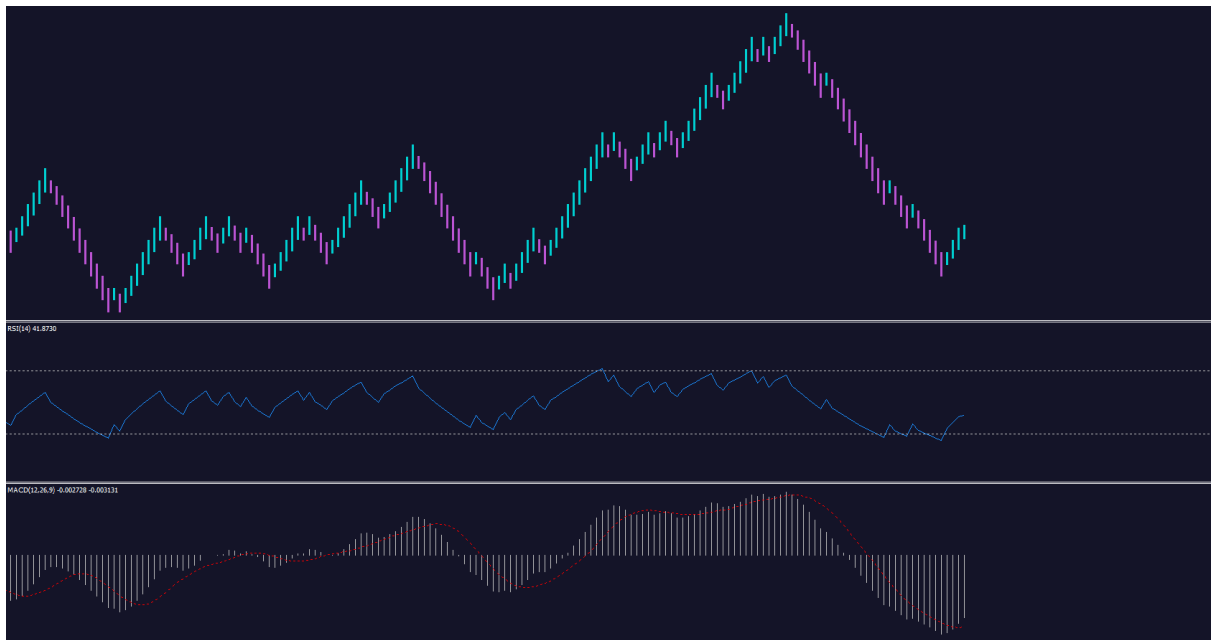
On regular charts, support & resistance lines, and Fibonacci lines exist, but they don't in Renko charts. However, the price manipulation of traditional charts does come back in Renko charts. It cannot be eliminated from the market, but it will be reduced to a certain extend.

It can't be eliminated because the markets stay the same, Renko charting is only a different way of interpreting the data and processing it.

This means that Indicators will give totally different signals than if they were on a traditional chart. This will provide you with many opportunities and keeps you out of the 99% on a different level. Literally, no trader is doing this...

Renko pt.3

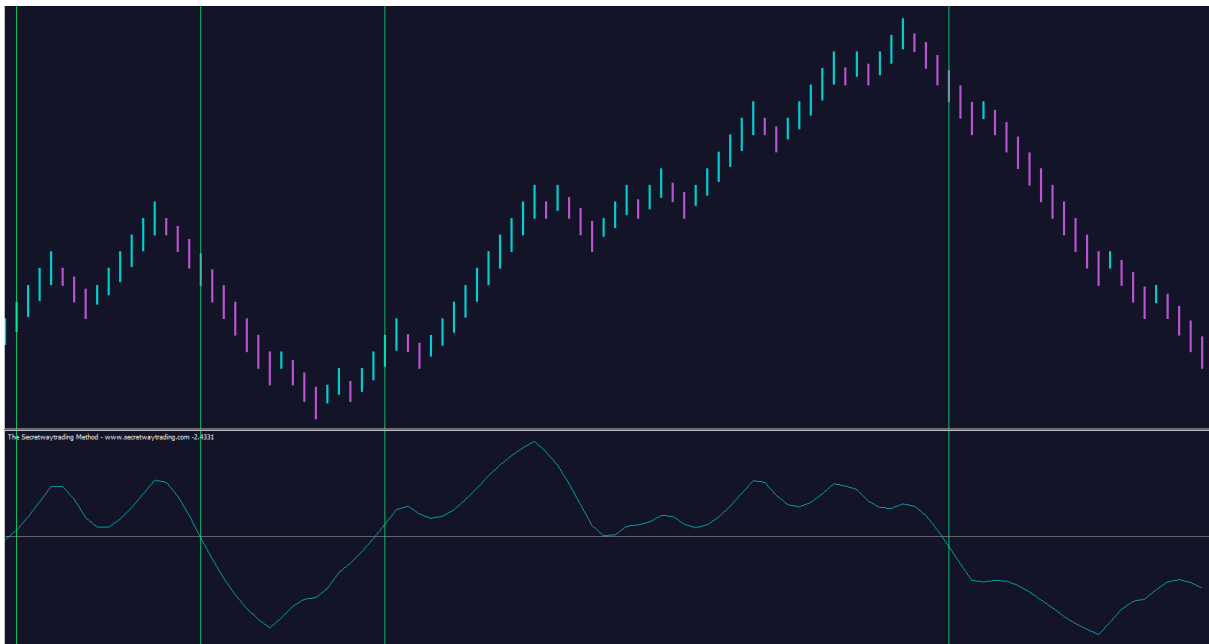
Trading Renko charts with indicators:



# Renko Chart with Standard Indicators

Most indicators will become a total mess when you put them on Renko charts; this is because indicators on regular charts read the chart based on the data of candlestick bars + time. If all the bars have the same pip amount with zero correlation to time like Renko charts, it's going to be a total mess.

But you can use this as an advantage since it's a very unique way of using data.



# Renko Chart with our own Indicators

We decided to code our own indicators/trading system for Renko charts, and we have made it the most simple thing ever...

When to enter?

When the blue line crosses above the grey zero-line, it's a LONG signal.

When the blue line crosses below the grey zero-line, it's a SHORT signal.

Always wait until a new bar has FORMED! Never enter a trade before the indicator tells you to to enter, just because it looks like it's going to close a certain way doesn't mean it 100% will!

When to exit?

When a bar has fallen 3x in a row, you exit the trade.

OR if the secretwatrading\_1 indicator gives you the opposite signal.



## Risk

Most traders don't really care about this part. They prefer putting their time and energy in finding the best entries. Or they want to grow a small trading account into a six-figure sum, but for professional traders or traders that don't want to gamble with



their money, risk management is super important! You can have the best trade entries, but if you don't manage your risk well, you are not going to make any money long term.

Another small factor of why 99% of traders fail is because they won't close losing trades fast, they let them run in the hope they will reverse to profit, and when their trade is in profit, they want to cash out quickly. Most of these positions are over-leveraged and will result in losses. You will need years worth of realistic trading gains to get yourself out of those losses. If you lose 50% of your trading account, you will need to make 100% to break even. An excellent professional trader would take 2-4 years to make a return like that. Other professional traders would take up to 6 years to make that back.

How much money should a trader risk per trade? We would say about 0.5 to 2 %. You shouldn't go any higher than that nor below that. If you are trading all of the 28 major currency pairs, you should only risk 2% per direction of the same currency. Like this:

Let's say you have a long position open on the EUR/USD. And your strategy gives you another signal to go long on the EUR/CAD and EUR/JPY and EUR/AUD, you don't take those trades, why? Because that means you will be with 8% of your trading account in the EURO. If something bad happens with the euro, you will lose 8% of your account instead of 2%. Never do this!

Solution 1:

Let's say you have a short position open on the CAD/JPY, and your strategy gives you a signal for the EUR/NZD and EUR/USD, what you can do now is, split the risk between the two trades. 1% on the EUR/NZD and 1% on the EUR/USD pair.

Solution 2:

Just ignore the signals and move on. We don't recommend this, but it could work for you if you prefer keeping things simple.

*What is a realistic annual return on investment?*

About 18-40%

If you only trade the 4 major cross pairs, you are not going to make as much return as you could if you would trade all 28 pairs and even other markets such as Metals or indices. But you are not going to make a 25% return every month.

As long as you are outperforming the S&P 500 index, you could consider yourself a good trader, having an 18% return year after year with minimal draw-down is a LOT.

*What should your maximum drawdown be?*

*Relative draw-down is the difference between the account's highest equity balance (realised value) and the lowest equity balance (unrealised value)*

*Formula: \$ draw-down = Realised or Unrealised Account- Highest Realised Acct Balance.*

*Example: On 2nd June the account realised value was \$125,000. On 6th June, the account equity value (unrealised value) was \$120,000*

*Conclusion: The Relative draw-down in the account is: \$120,000 – \$125,000 = -4%*

if you risk 2% per trade, your maximum draw-down should be below 10%.

if you risk 1.6% per trade, your maximum draw-down should be below 8%

if you risk 0.8% per trade, your maximum draw-down should be below 4%

This also depends on your own needs, if you are trading for a proprietary trading firm that only allows a maximum draw-down of 4%, you will need to adapt to that number and cut your risk to 0.5/1% per trade instead of 2% per trade.

Scaling Out.

Scaling out is so powerful but almost no one teaches it, even though every professional trader does it. You can have a very detailed strategy on when you will take portions of your position off, or you can just take half of your position off when the price has reached a significant amount of profit.

Always take a portion off your trade when its in profit.

But never ADD to a winning trade EVER! It's what losing traders do.

So how can you do this?

1. Open 2 positions with 1% risk each instead of 1 position with 2% risk.
2. On both positions, you will put the same Stop-Loss,
3. On 1 position you will need to put a take profit in. (You will learn where to put your stop-loss & take-profit in the next lecture.)
4. Once that take profit is hit, you move your stop-loss to the quote price that you entered the trade with, this is called break-even you can't lose anymore, and you already took out some profit.

## 5. Let the trade run!

### Trailing Stop.

To secure your profits as much as possible, you should be using a trailing stop. Since our exit rule is to exit when 3 bars have gone the opposite direction, you should set a trailing stop at that level. You can do this manually as well, but to secure your profits its a must to use trailing stops whenever you can.

### Stop-Loss & Take-Profit

For Renko trading, we will be using a very straightforward method, because risk management is basically built-in if you trade using Renko charts.

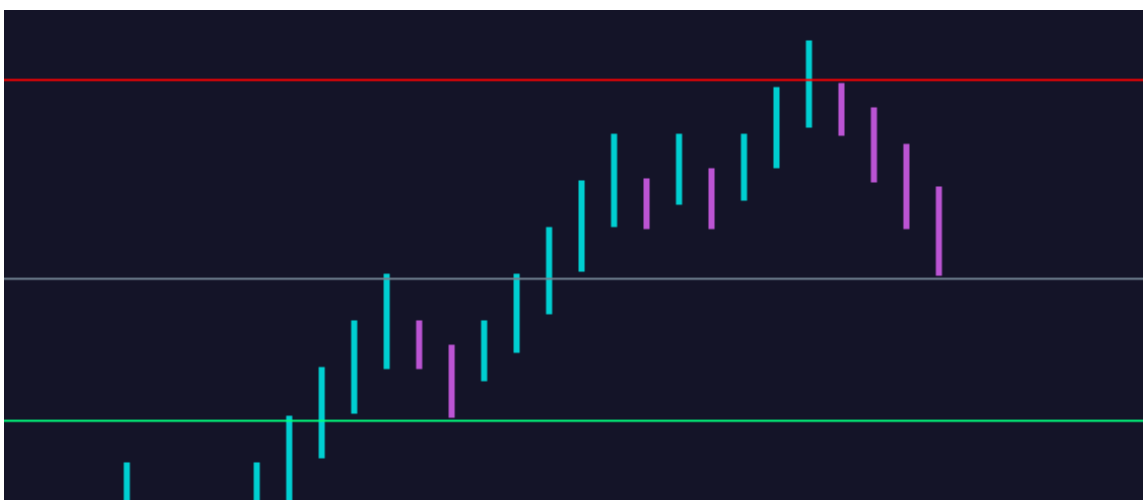
All you have to do is quadruple the Renko value from the price you want to enter from.

Example:

Your stop-loss will be 4x the value of the current Renko value, so if your Renko value is 50 pips, your stop-loss point will be 200pips.

Your take-profit point will be 3x the value of the Renko value, so if your Renko value is 50 pips, your take-profit point will be 150pips.

Use [This tool](#) to calculate your position size.



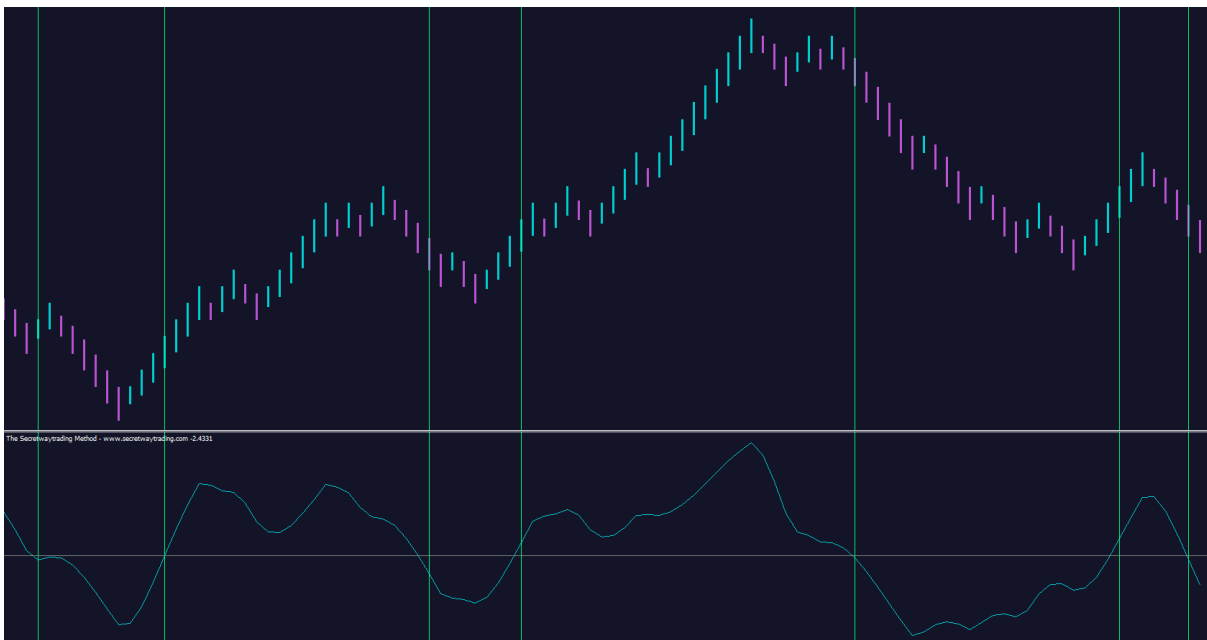


The price goes through your take profit target, (+3 Renko bars) and it closes out the first half of your trade.

The other half of the trade is still open, but you change the stop-loss to break-even to protect your position.

Now you let the trade run, and you follow the other rules on when to exit.

## Indicators



## Installation

The Secret Way Trading Method Indicators.

1. *secretwaytrading\_renko.ex4*
2. *secretwaytrading\_visuals.ex4*
3. *secretwaytrading\_1.ex4*

These indicators are custom made by ourselves and optimized for Renko charts.

*secretwaytrading\_1.ex4* can be used on regular charts as well! Even though it's optimized for Renko charts, it also works exceptionally well on traditional charts. You can use these indicators to trade with our strategy, but you can also play with these tools and explore what's possible yourself! And you might find something very good :)

*How to use secretwaytrading\_renko.ex4:*

*Open up a new chart with the same pair your Renko chart is on.*

*Change the timeframe to W1 (Weekly) for long term trading.*

*Change the timeframe to D1 (Daily) for swing trading.*

*Change the timeframe to H4 (4 Hour) for day trading.*

*Navigate to secretwaytrading\_renko in your indicator library, and add it to the chart.*

*The Renko value will show up, and you will have to enter the full digit.*

*Example: if the Renko value is 210,3; you will have to enter 2103 in your Renko bar generator.*

*How to use secretwaytrading\_visuals.ex4:*

*Navigate to secretwaytrading\_visuals in your indicator library and add it to the chart.*

*You're done.*

*How to use secretwaytrading\_1.ex4:*

*Navigate to secretwaytrading\_1 in your indicator library and add it to the chart.*

*A new indicator window will pop up.*

*You're done.*

The 3 steps



## The 3 steps towards trading success.

1. Risk Management
2. Market conditions
3. Trade

### 1. Risk Management

In [\*this part\*](#), you have learned about our risk structure, apply this to every trade no matter what! We have set very specific rules on what our Stop-Loss and Take-Profit points are, how much % you should risk per trade, and when to take half your trade off.

## 2. Market Conditions

We dug very deep on [this subject](#), its important to avoid news events and other noise as much as possible! This can really save you a LOT of pips.

## 3. Trade

You have learned how to use Renko charts [here](#), and how you can use our indicators to decide when to enter/exit.

# Trading as a job

If you want to have a stable life and make a stable income out of trading, you will need somewhere between \$200,000/\$400,000 in trading capital if you're making 20% per annum. You will make as much as most people would make in a year with regular jobs.

But if you're reading this and you don't have that kind of money available for trading, and you think you could grow a small account into something bigger, please stop. You are not going to make a living out of Forex trading with a \$10,000 trading account nor are you going to be able to grow that into a \$500"000 account, you might think you can, but in the real world, you are not going to make that happen.

But..

You have a valuable skill, which means people want you. You know how to manage risk very well, and you know how to trade profitably.

Proprietary Trading firms.

You might have heard about this term before, a trading floor filled with screaming men as you see on the movies, but it's not like that anymore. Nowadays you have Remote Proprietary Trading firms. You don't need to get out of bed early to travel, you don't need to dress up, no annoying co-workers, and you can work from basically anywhere.

Proprietary firms are not going to let you trade with a lot of money when you are just starting out. They don't know you, so why would they? You will have to prove to them you are a profitable trader and that you know what you're doing. You can't just apply and expect them to give you 2"000"000 in your first year to trade with. It doesn't work



like that, it's a big risk for them to take new traders, you will need to have 2-3 years experience in trading for proprietary trading firms, and they will slowly give you more capital to trade with.

Understanding the business model of proprietary trading firms is essential because there are different types of prop firms out there, and their business models can really vary. Most of them take a 50% cut on your profits, and they charge costs for management. This can be a monthly subscription or a one-time fee. Either way, a proprietary firm needs to have a healthy cash flow coming in because if they have a bad year or something crazy happens with the market, you want your prop firm to survive and stay in business for a very long time.

There are also a lot of proprietary firms that don't really care about their traders, they just collect the fees and give you a lot of rules you have to follow with unrealistic targets.

Type Prop firms you should avoid:

- Prop firms that don't let you trade with your own strategy.
- Prop firms that force you to close all of your positions overnight.
- Prop firms that force you to close all of your positions over the weekend.
- Prop firms that require you to hit unrealistic targets.
- Prop firms that want you to work in their office (unless you really want to).
- Prop firms that are new and offer very high balance for new traders.

Proprietary firms like that are terrible places to work for, also because you will build up a valuable long-term relationship with your Proprietary Trading Firm. If your proprietary firm doesn't treat you well or they try to make it a living hell to trade for them, you will need to leave and move to a good proprietary firm.

How do you find good proprietary firms?

If you look for trading job offers on sites like Glassdoor. You will find a lot of trading jobs that require you to know how to code Python or other programming languages, but that's not what you are looking for. You want to work for a remote proprietary firm as a trader. There are many good proprietary firms out there with outstanding offers for traders.

(We are not affiliated with these companies)

[The5ers.com](https://www.the5ers.com)

*One time fee:* \$275-\$875 (depending on starting balance)

*Prop book up to \$1.280.000+*

[CityTradersImperium.com](http://CityTradersImperium.com)

*One time fee:* £200-£600 (depending on starting balance)

*Prop book up to \$2,000,000+*

A 20% return every year on a \$2,000,000 account is \$400,000. The prop firm will then take 50% of these profits, and the rest is yours.