

Manual FX v.3.1

Daily based Trading Strategy

This Manual Trading System is based on Daily Time Frame and has been proven with USD involved currency pairs.

Originally developed by Bill Poulos a founder of Profit Run Inc.

<http://www.ProfitsRun.com>

PAIRS & INDIES

3

PM1 LONG

4

PM1 SHORT

5

PM1 AGGRESSIVE LONG/SHORT

6

PM2 LONG

7

PM2 SHORT

8

PREV LONG

9

PREV SHORT

10

IP TRADE SETTINGS/INDIES

11

IP TRADE

12

TRADING PROTOCOL

13

FAQS

14 - 30

INDICATORS/SETTINGS

IF CHARTING SOFTWARE DISPLAYS

THE SUNDAY BAR USE;

Simple **MAs** :

48 (Purple)

21 (Red),

11 (Blue),

3 (Based on the Low, Brown),

3 (Based on the High, Brown)

ADX (Average Directional Index)_ **28** (Yellow, Pane1)

ATR_ (Average True Range) **9**_ (Red, Pane1)

Stochastic Slow_ **9**, **3**, **3**,

Upper Level Line **85**, Lower Level Line **15**

(K% **Red**)

Price Lines_ Entry Level (Green),

PT1 (Blue Solid),

PT2 if any(Blue Dotted),

Current SL (Red Solid),

Previous SL Levels (Red Dotted),

Major Sup/Res Levels (Yellow)

IF CHARTING SOFTWARE ~~DO NOT~~ DISPLAYS

THE SUNDAY BAR USE;

Simple **MAs**;

40 (Purple)

18 (Red),

9 (Blue),

3 (Based on the Low, Brown),

3 (Based on the High, Brown)

ADX (Average Directional Index)_ **14** (Yellow, Pane1)

ATR_ (Average True Range) **5**_ (Red, Pane1)

Stochastic Slow_ **8**, **3**, **3**,

Upper Level Line **85**, Lower Level Line **15**

(K% **Red**)

Price Lines_ Entry Level (Green),

PT1 (Blue Solid),

PT2 if any(Blue Dotted),

Current SL (Red Solid),

Previous SL Levels (Red Dotted),

Major Sup/Res Levels (Yellow)

Recommended pairs for that system are the 6 majors: EUR-USD, GBP-USD,USD-CHF, USD-CAD, AUD-USD,USD-JPY

EXAMPLE



PM1 LONG TRADE	
I.-	SETUP CONDITIONS 1.- BOTH THE 9 & 18 MA ARE UP OR FLAT AND ONE OR BOTH OF THEM HAVE TURNED UP FROM THE PREVIOUS DAY 2.- ADX>16 ANY TIME IN THE PAST 15 BARS 3.- STAND ASIDE IF THERE IS EVIDENCE OF BEARISH DIVERGENCE AS DEFINED BY THE PIP REV METHOD
II.-	ENTRY RULES BUY ON THE OPEN @ THE MARKET
III.-	INITIAL STOP INITIAL STOP IS WICHEVER OF THE FOLLOWING HAS THE LOWEST RISK; ENTRY PRICE - 175 PIPS OR SET UP BAR LOW
IV.-	PROFIT TARGET & EXIT STRATEGY EXIT 1/2 OF THE POSITION AS FOLLOWS; SELL @ ENTRY PRICE + ATR(5) LIMIT TRAILING STOP ON THE SENCOND 1/2 EXIT SECOND 1/2 OF THE POSITION AS FOLLOWS; SELL @ LL3-0.1% OF THE LL3
CONSEVATIVE ENTRY TACTICS	
*.-	Stand Aside if the Setup Bar does Not Straddle the 9(Blue) or 18(Red) Mas.
**.-	Stand Aside if Setup Bar is a Wide Range Bar > 1.5*ATR(5)
CONSEVATIVE EXIT TACTICS	
A.-	Begining with day after entry day, each day after the market closes, raise stop if grater than the initial stop by entering a stop order to sell the entire position @ HH5-(HH-LL5 as of setup day) * 0.67 Stop
B.-	And if upon the closing of any daily bar, the high of that bar > 60% of the distance between the entry price and the profit target, move the stop on the entire position to 5 pips in the money.
C.-	If not stopped out and the PT1 is hit on the 1st lot, move the stop on the 2nd lot to 50% of the distance between the original entry price and the PT1. or the LL3-.01% of the LL3, wichever locks the most profit.
D.-	Along with conservative tactics A,B,C, consevative tactic D can be applied as; exit the 2nd lot at Entry Price+2*ATR(5) Limit in this last tactic you would be giving up the chance of trailing the stop to ride a mega move in an active mkt trend, but you would be locking up a nice profit on the 2nd Lot in a less active mkt trend....

PM1 SHORT TRADE	
I.-	SETUP CONDITIONS 1.- BOTH THE 9 & 18 MA ARE DOWN OR FLAT AND ONE OR BOTH OF THEM HAVE TURNED DOWN FROM THE PREVIOUS DAY 2.- $ADX > 16$ ANY TIME IN THE PAST 15 BARS 3.- STAND ASIDE IF THERE IS EVIDENCE OF BULLISH DIVERGENCE AS DEFINED BY THE PIP REV METHOD
II.-	ENTRY RULES SELL ON THE OPEN @ THE MARKET
III.-	INITIAL STOP INITIAL STOP IS WICHEVER OF THE FOLLOWING HAS THE LOWEST RISK; ENTRY PRICE + 175 PIPS OR SET UP BAR HIGH
IV.-	PROFIT TARGET & EXIT STRATEGY EXIT 1/2 OF THE POSITION AS FOLLOWS; BUY @ ENTRY PRICE - $ATR(5)$ LIMIT TRAILING STOP ON THE SENCOND 1/2 EXIT SECOND 1/2 OF THE POSITION AS FOLLOWS; BUY @ $HH3 + 0.1\%$ OF THE HH3
CONSEVATIVE ENTRY TACTICS	
*.-	Stand Aside if the Setup Bar does Not Straddle the 9(Blue) or 18(Red) Mas.
**.-	Stand Aside if Setup Bar is a Wide Range Bar $> 1.5 * ATR(5)$
CONSEVATIVE EXIT TACTICS	
A.-	Begining with day after entry day, each day after the market closes, lower stop if less than the initial stop by entering a stop order to buy the entire position @ $LL5 + (HH5 - LL5 \text{ as of setup day}) * 0.67 \text{ Stop}$
B.-	And if upon the closing of any daily bar, the low of that bar $< 60\%$ of the distance between the entry price and the profit target, move the stop on the entire position to 5 pips in the money.
C.-	If not stopped out and the PT1 is hitted on the 1st lot, move the stop on the 2nd lot to 50% of the distance between the original entry price and the PT1. or the $HH3 + .01\%$ of the HH3, wichever locks the most profit.
D.-	Along with conservative tactics A,B,C, consevative tactic D can be applied as; exit the 2nd lot at Entry Price - $2 * ATR(5)$ Limit in this last tactic you would be giving up the chance of trailing the stop to ride a mega move in an active mkt trend, but you would be locking up a nice profit on the 2nd Lot in a less active mkt trend....

PM1 **AGGRESSIVE** LONG TRADE

After entering into a Pip Maximizer 1 or 2 trade and the **profit target is hit for half of the position** and the trailing stop is hit for the second half of the position **for a profit**, consider the following:

I.-	<p>SETUP CONDITIONS</p> <p>A.- Both the 9MA and 18MA are still both going UP at the time the trailing stop is hit. <small>trailing stop is hit</small> B.- A new Pip Maximizer 2 Long Setup has NOT occurred.</p>
II.-	<p>ENTRY RULES</p> <p>BUY two lots at the HH10 + 0.1% of the HH10 Stop</p>
III.-	<p>INITIAL STOP</p> <p>SELL at LL3 – 0.1% of the LL3 Stop (from and including setup day)</p>
IV.-	<p>PROFIT TARGET & EXIT STRATEGY</p> <p>EXIT 1/2 OF THE POSITION AS FOLLOWS; SELL @ ENTRY PRICE + ATR(5) LIMIT</p> <p>TRAILING STOP ON THE SENCOND 1/2</p> <p>SELL at LL3 – 0.1% of the LL3 Stop (Sell both lots if Profit Target not hit, sell remaining lot if Profit Target hit). This stop is to be adjusted after the close of each day.</p>

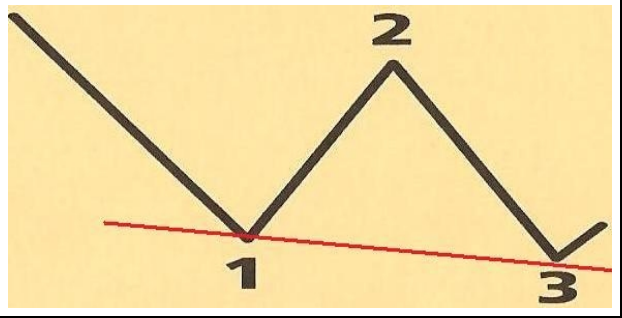
PM1 **AGGRESSIVE** SHORT TRADE

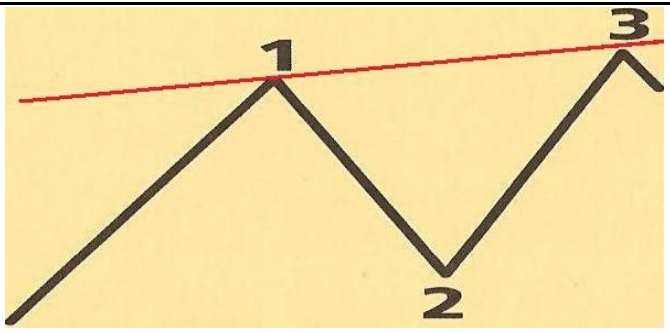
After entering into a Pip Maximizer 1 or 2 trade and the **profit target is hit for half of the position** and the trailing stop is hit for the second half of the position **for a profit**, consider the following:

I.-	<p>SETUP CONDITIONS</p> <p>A.- Both the 9MA and 18MA are still both going DOWN at the time the trailing stop is hit. <small>trailing stop is hit</small> B.- A new Pip Maximizer 2 SHORT Setup has NOT occurred.</p>
II.-	<p>ENTRY RULES</p> <p>SELL two lots at the LL10 + 0.1% of the LL10 Stop</p>
III.-	<p>INITIAL STOP</p> <p>BUY at HH3 – 0.1% of the HH3 Stop (from and including setup day)</p>
IV.-	<p>PROFIT TARGET & EXIT STRATEGY</p> <p>EXIT 1/2 OF THE POSITION AS FOLLOWS; BUY @ ENTRY PRICE - ATR(5) LIMIT</p> <p>TRAILING STOP ON THE SENCOND 1/2</p> <p>BUY at HH3 – 0.1% of the HH3 Stop (BUY both lots if Profit Target not hit, BUY remaining lot if Profit Target hit). This stop is to be adjusted after the close of each day.</p>

PM2 LONG TRADE	
I.-	SETUP CONDITIONS 1.- THE 40 MA > 40 MA OF 5 BARS AGO 2.- LL10>LL35 3.- THE 3 MA (BASED ON THE LOW) IS GOING DOWN ANY TIME IN THE PAST 5 BARS 4.- HH3<HH10 5.- ADX>16 ANY TIME IN THE PAST 15 BARS 6.- STAND ASIDE IF THERE IS EVIDENCE OF BEARISH DIVERGENCE AS DEFINED BY THE PIP REV METHOD
II.-	ENTRY RULES BUY @ HH3+0.1% OF HH3 STOP
III.-	INITIAL STOP SELL @ LL3 FROM & INCLUDING SETUP BAR-0.1% OF LL3 STOP
IV.-	PROFIT TARGET & EXIT STRATEGY EXIT 1/2 OF THE POSITION AS FOLLOWS; SELL @ ENTRY PRICE + ATR(5) LIMIT TRAILING STOP ON THE SENCND 1/2 EXIT SECOND 1/2 OF THE POSITION AS FOLLOWS; SELL @ LL3-0.1% OF THE LL3 STOP
CONSEVATIVE ENTRY TACTICS	
*.-	Stand Aside if on Setup Bar the number of pips at risk (entry price-initial stop) is > 1.5*ATR(5)
CONSEVATIVE EXIT TACTICS	
A.-	Begining with day after entry day, each day after the market closes, raise stop if grater than the initial stop by entering a stop order to sell the entire position @ HH5-(HH-LL5 as of setup day) * 0.67 Stop
B.-	And if upon the closing of any daily bar, the high of that bar> 60% of the distance between the entry price and the profit target, move the stop on the entire position to 5 pips in the money.
C.-	If not stopped out and the PT1 is hitted on the 1st lot, move the stop on the 2nd lot to 50% of the distance between the original entry price and the PT1. or the LL3-.01% of the LL3, wichever locks the most profit.
D.-	Along with conservative tactics A,B,C, consevative tactic D can be applied as; exit the 2nd lot at Entry Price+2*ATR(5) Limit in this last tactic you would be giving up the chance of trailing the stop to ride a mega move in an active mkt trend, but you would be locking up a nice profit on the 2nd Lot in a less active mkt trend....

PM2 SHORT TRADE	
I.-	<p>SETUP CONDITIONS</p> <p>1.- THE 40 MA < 40 MA OF 5 BARS AGO</p> <p>2.- HH10<HH35</p> <p>3.- THE 3 MA (BASED ON THE HIGH) IS GOING UP ANY TIME IN THE PAST 5 BARS</p> <p>4.- LL3>LL10</p> <p>5.- ADX>16 ANY TIME IN THE PAST 15 BARS</p> <p>6.- STAND ASIDE IF THERE IS EVIDENCE OF BULLISH DIVERGENCE AS DEFINED BY THE PIP REV METHOD</p>
II.-	<p>ENTRY RULES</p> <p>SELL @ LL3-0.1% OF LL3 STOP</p>
III.-	<p>INITIAL STOP</p> <p>SELL @ HH3 FROM & INCLUDING SETUP BAR+0.1% OF HH3 STOP</p>
IV.-	<p>PROFIT TARGET & EXIT STRATEGY</p> <p>EXIT 1/2 OF THE POSITION AS FOLLOWS;</p> <p>BUY @ ENTRY PRICE - ATR(5) LIMIT</p> <p>TRAILING STOP ON THE SENCOND 1/2</p> <p>EXIT SECOND 1/2 OF THE POSITION AS FOLLOWS;</p> <p>BUY @ HH3+0.1% OF THE HH3</p>
CONSEVATIVE ENTRY TACTICS	
*.-	Stand Aside if on Setup Bar the number of pips at risk (entry price-initial stop) is > 1.5*ATR(5)
CONSEVATIVE EXIT TACTICS	
A.-	Begining with day after entry day, each day after the market closes, lower stop if less than the initial stop by entering a stop order to buy the entire position @ $LL5+(HH5as\ of\ setup\ day-LL5) * 0.67\ Stop$
B.-	And if upon the closing of any daily bar, the low of that bar < 60% of the distance between the entry price and the profit target, move the stop on the entire position to 5 pips in the money.
C.-	If not stopped out and the PT1 is hitted on the 1st lot, move the stop on the 2nd lot to 50% of the distance between the original entry price and the PT1. or the HH3+.01% of the HH3, wichever locks the most profit.
D.-	Along with conservative tactics A,B,C, consevative tactic D can be applied as; exit the 2nd lot at Entry Price-2*ATR(5) Limit in this last tactic you would be giving up the chance of trailing the stop to ride a mega move in an active mkt trend, but you would be locking up a nice profit on the 2nd Lot in a less active mkt trend....

PIP REV LONG	
	<p>SETUP CONDITIONS</p> <p>A.- 18MA IS DOWN B.- LL4=LL20 (POINT 3) C.- POINT 3 < POINT 1, THE NUMBER OF BARS BETWEEN THOSE 2 LOWS MUST BE MAXIMUM 15 BARS AND MINIMUM 5 BARS. (IMAGE 1) D.- STOCHASTICS %K <=15 WITHIN 2 DAYS OF POINT 1. I.- E.- THE LOWEST %K WITHIN 2 BARS OF POINT 3 > LOWEST %K WITHIN 2 BARS OF POINT 1. F.- %K OF SET UP DAY HOOKS UP FROM PREVIOUS BAR AND EITHER THE FOLLOWING OCCURS; - LOW OF SET UP BAR > POINT3 - OUTSIDE BAR OCCURS WHOSE CLOSE IS UP IN THE RANGE OF THE OUTSIDE BAR. IN THIS CASE, THE OUTSIDE BAR LOW IS POINT 3 G.- CLOSE OF SET UP BAR < 18MA H.- ADX > 15 ANYTIME IN THE LAST 15 BARS.</p>
II.-	<p>ENTRY RULES</p> <p>BUY LONG @ 18MA LIMIT</p>
III.-	<p>INITIAL STOP</p> <p>SELL IF THE MARKET CLOSES BELOW POINT 3</p>
IV.-	<p>PROFIT TARGET & EXIT STRATEGY</p> <p>PT1_ 1ST 1/2 POS, SELL @ ENTRY PRICE + 5(ATR) TRAILING STOP ON THE SENCOND 1/2 4TH & 5TH BARS IN THE TRADE, SELL @ POINT 3 - 0.1% OF POINT 3 STOP AFTER 5TH BAR IN THE TRADE, SELL @ LL3 - 0.1% OF LL3</p>
IMAGE -1	
	
CONSEVATIVE EXIT TACTICS	
B.-	<p>And if upon the closing of any daily bar, the high of that bar > 60% of the distance between the entry price and the profit target, move the stop on the entire position to 5 pips in the money.</p>
C.-	<p>If not stopped out and the PT1 is hit on the 1st lot, move the stop on the 2nd lot to 50% of the distance between the original entry price and the PT1. or the LL3-.01% of the LL3, whichever locks the most profit.</p>
D.-	<p>Along with conservative tactics A,B,C, conservative tactic D can be applied as; exit the 2nd lot at Entry Price+2*ATR(5) Limit in this last tactic you would be giving up the chance of trailing the stop to ride a mega move in an active mkt trend, but you would be locking up a nice profit on the 2nd Lot in a less active mkt trend....</p>

PIP REV SHORT	
	<p>SETUP CONDITIONS</p> <p>A.- 18MA IS UP</p> <p>B.- HH4=HH20 (POINT 3)</p> <p>C.- POINT 3 > POINT 1, THE NUMBER OF BARS BETWEEN THOSE 2 LOWS MUST BE MAXIMUM 15 BARS AND MINIMUM 5 BARS. (IMAGE 1)</p> <p>D.- STOCHASTICS %K >=85 WITHIN 2 DAYS OF POINT 1.</p> <p>I.- E.- THE HIGHEST %K WITHIN 2 BARS OF POINT 3 < HIGHEST %K WITHIN 2 BARS OF POINT 1.</p> <p>F.- %K OF SET UP DAY HOOKS DOWN FROM PREVIOUS BAR AND EITHER THE FOLLOWING OCCURS;</p> <p>-HIGH OF SET UP BAR < POINT3</p> <p>- OUTSIDE BAR OCCURS WHOSE CLOSE IS UP IN THE RANGE OF THE OUTSIDE BAR.</p> <p>IN THIS CASE, THE OUTSIDE BAR HIGH IS POINT 3</p> <p>G.- CLOSE OF SET UP BAR > 18MA</p> <p>H.- ADX > 15 ANYTIME IN THE LAST 15 BARS.</p>
II.-	<p>ENTRY RULES</p> <p>SELL SHORT @ 18MA LIMIT</p>
III.-	<p>INITIAL STOP</p> <p>BUY IF THE MARKET CLOSES ABOVE POINT 3</p>
IV.-	<p>PROFIT TARGET & EXIT STRATEGY</p> <p>PT1_ 1ST 1/2 POS, BUY @ ENTRY PRICE - 5(ATR)</p> <p>TRAILING STOP ON THE SENCOND 1/2</p> <p>4TH & 5TH BARS IN THE TRADE, BUY @ POINT 3+ 0.1% OF POINT 3</p> <p>AFTER 5TH BAR IN THE TRADE, BUY @ HH3 + 0.1% OF HH3</p>
IMAGE -1	
	
CONSEVATIVE EXIT TACTICS	
B.-	<p>And if upon the closing of any daily bar, the low of that bar < 60% of the distance between the entry price and the profit target, move the stop on the entire position to 5 pips in the money.</p>
C.-	<p>If not stopped out and the PT1 is hit on the 1st lot, move the stop on the 2nd lot to 50% of the distance between the original entry price and the PT1.</p> <p>between the HH3+.01% of the HH3, whichever locks the most profit.</p>
D.-	<p>Along with conservative tactics A,B,C, conservative tactic D can be applied as;</p> <p>exit the 2nd lot at Entry Price-2*ATR(5) Limit</p> <p>in this last tactic you would be giving up the chance of trailing the stop to ride a mega move in an active mkt trend, but you would be locking up a nice profit on the 2nd Lot in a less active mkt trend....</p>

IP TRDE INDICATORS/SETTINGS

IF CHARTING SOFTWARE DISPLAYS

THE SUNDAY BAR USE;

Simple **MAs** ;

21 (RED),

11 (BLUE),

ENVELOPS;

PERIOD 11, SHIFT 2 & -2 (LIGHT BLUE)

PERIOD 11, SHIFT 1 & -1 (BROWN)

ATR_ (Average True Range) 9_ (Red, Pane1)

Price Lines_ Entry Level (Green),

PT1 (Blue Solid),

PT2 if any(Blue Dotted),

Current SL (Red Solid),

Previous SL Levels (Red Dotted),

Major Sup/Res Levels (Yellow)

IF CHARTING SOFTWARE DO NOT DISPLAYS

THE SUNDAY BAR USE;

Simple **MAs**;

18 (RED),

9 (BLUE),

ENVELOPS;

PERIOD 9, SHIFT 2 & -2 (LIGHT BLUE)

PERIOD 9, SHIFT 1 & -1 (BROWN)

ATR_ (Average True Range) 5_ (Red, Pane1)

Price Lines_ Entry Level (Green),

PT1 (Blue Solid),

PT2 if any(Blue Dotted),

Current SL (Red Solid),

Previous SL Levels (Red Dotted),

Major Sup/Res Levels (Yellow)

Recommended pairs for that system are the 6 majors: EUR-USD, GBP-USD,USD-CHF, USD-CAD, AUD-USD,USD-JPY

EXAMPLE



IP LONG TRADE	
I.-	SETUP CONDITIONS 1.- 18 MA IS GOING UP AND < 60 BAR SINCE LAST TURNING UP 2.- SETUP BAR "CLOSE" > LOWER BAND OF THE ENVELOPE 3.- SETUP BAR HIGH < MIDDLE BAND BETWEEN THE UPPER BAND AND THE 9MA 4.- STAND ASIDE IF THE HH5 > THAN THE UPPER BAR BY 75% OF THE DISTANCE BETWEEN THE UPPER BAND AND THE 9MA. STAY ASIDE UNTIL ONE BAR HIGH < THAN THE UPPER BAND.
II.-	ENTRY RULES BUY @ THE SETUP BAR HIGH + 2 PIPS
III.-	INITIAL STOP SELL @ SETUP BAR LOW - 2 PIPS
EXIT RULES	
IV.-	1.- EXIT THE TRADE @ THE 1ST PROFITABLE OPEN ABOVE THE 9MA. OR 2.- EXIT THE TRADE @ THE 1ST UNPROFITABLE OPEN.
CONSEVATIVE ENTRY TACTICS	
A.-	ENTER THE TRADE ONLY IF THE CLOSE OF SETUP BAR < 9MA
B.-	ENTER THE TRADE ONLY IF THE CLOSE OF SETUP BAR IS IN THE UPPER 40% OF THE SETUP BAR RANGE
CONSEVATIVE EXIT TACTICS	
A.-	WHEN PLACING THE ENTRY ORDERS PLACE A TP ORDER TO SELL @ ENTRY + 40% OF THE ATR(5)
B.-	IF THE TRADE IS NOT CLOSED OUT IN 1 BAR, PLACE A TRAILING STOP AS FOLLOWS; SELL @ THE PREVIOUS BAR'S LOW - 2 PIPS

IP SHORT TRADE	
I.-	SETUP CONDITIONS 1.- 18 MA IS GOING DOWN AND < 60 BAR SINCE LAST TURNING DOWN 2.- SETUP BAR "CLOSE" < HIGHER BAND OF THE ENVELOPE 3.- SETUP BAR LOW > MIDDLE BAND BETWEEN THE LOWER BAND AND THE 9MA 4.- STAND ASIDE IF THE LL5 < THAN THE LOWER BAR BY 75% OF THE DISTANCE BETWEEN THE LOWER BAND AND THE 9MA. STAY ASIDE UNTIL ONE BAR LOW > THAN THE LOWER BAND.
II.-	ENTRY RULES SELL @ THE SETUP BAR LOW - 2 PIPS
III.-	INITIAL STOP BUY @ SETUP BAR HIGH + 2 PIPS
EXIT RULES	
IV.-	1.- EXIT THE TRADE @ THE 1ST PROFITABLE OPEN BELOW THE 9MA. OR 2.- EXIT THE TRADE @ THE 1ST UNPROFITABLE OPEN.
CONSEVATIVE ENTRY TACTICS	
A.-	ENTER THE TRADE ONLY IF THE CLOSE OF SETUP BAR > 9MA
B.-	ENTER THE TRADE ONLY IF THE CLOSE OF SETUP BAR IS IN THE LOWER 40% OF THE SETUP BAR RANGE
CONSEVATIVE EXIT TACTICS	
A.-	WHEN PLACING THE ENTRY ORDER PLACE A TP ORDER TO BUY @ ENTRY PRICE - 40% OF THE ATR(5)
B.-	IF THE TRADE IS NOT CLOSED OUT IN 1 BAR, PLACE A TRAILING STOP AS FOLLOWS; BUY @ THE PREVIOUS BAR'S HIGH + 2 PIPS

TRADING PROTOCOL

For a given pair, the following protocol among the methods applies:

- If not in a trade and a PM 1 and a PM 2 setup occurs in opposite directions, go with the PM 1 setup, because it will be the next bar on the open and is the dominant setup in this situation.
- If already long a PM 1 or 2 trade when a short PM 1 or 2 or bearish Pip Rev setup occurs and triggers into a new short, close out the long position and consider going short at the new short entry price. And, if already short a PM 1 or 2 trade and a bullish Pip Rev setup occurs and triggers into a new long position, immediately close out the short position and consider going long at the new long entry price.
- If a PM 1 or 2 setup occurs, but a Pip Rev trade is already in progress, then stand aside until the Pip Rev Trade has run its course.
- If already long a PM 1 or 2 trade and a subsequent PM 1 or 2 uptrend setup occurs, ignore that setup as you are already long.
- If already short a PM 1 or 2 trade and a subsequent PM 1 or 2 downtrend setup occurs, ignore that setup as you are already short.

POSITION SIZE

- FOR SMALL MARGIN ACCOUNTS MAXIMUM RISK EXPOSURE AS 5% OF EQUITY BALANCE.
- FOR LARGE MARGIN ACCOUNTS MAXIMUM RISK EXPOSURE AS 2% OF EQUITY BALANCE.
- IT IS RECOMMENDED TO HAVE A MAXIMUM OF 2 OPEN POSITIONS (NOT CORELATED) AT ANY GIVEN TIME.

FPA Frequently Asked Questions

Account Size

Q: What account size do I need to trade FPA?

A: There is no minimum account size per se and no one right answer to this question, except that each individual must assess their own financial circumstances. However, a mini lot account of \$5000 is a good place to start. The aim of Forex Profit Accelerator is to teach you a set of robust trading methods that you can have at your disposal for life, regardless of your financial situation at the moment. Having said that, I don't believe anyone should be trading the Forex Markets with any method with less than a \$5000 mini lot account.

Q: What if I don't have enough money at the present time to open an account?

A: Your situation is common to most beginning traders, you want to learn how to trade, but have limited cash for trading. The advice I always give is to learn how to trade first, learn and master a good trading method, practice it over and over again with paper trading. You will then own the method for life. That is a big deal that gives you an edge in the markets that most others don't have. Then when the cash becomes available, you will be ready.

Brokers

Q: What is the difference between market makers and ECNs?

A: Concerning market makers vs. ECNs (Electronic Communications Networks), there are several pros and cons to each with the overriding concern being that as a trader you are getting a fair shake on your order execution. If you search for this subject on the Internet, you will find many informed opinions that will help you decide which is best for you. There is no one right answer. The good news is that the way we trade with Forex Profit Accelerator, we are entering the markets when they are relatively quiet and the

chance for suddenly widening spreads or poor order execution are dramatically reduced. And so either a good regulated market maker or ECN should be suitable when trading with Forex Profit Accelerator.

Charts

Q: Can I use candlestick charts instead of bar charts?

A: Yes, absolutely. I prefer bar charts, but those who prefer candlesticks should use candlesticks. Both contain the same information; it is just a matter of personal preference.

Q: How do I set up my chart template for the four methods?

A: You only need to create four chart templates for each of the methods and then you can toggle through the 6 pairs for each template. To create a template, using VT Trader as an example, just plot that methods indicators and then click on FILE and the DESKTOP TEMPLATE and then SAVE DESKTOP TEMPLATE AS and then enter the name of the method, such as Instant Pips and click SAVE. and then do the same for the other three methods. That's it. To plot a chart with one of your saved templates, click on FILE and the DESKTOP TEMPLATE and then click on your templates name and the chart will come up for you. At the bottom of the chart you can click on whatever pair you wish to review with that template.

Orders

Q: How do I handle order placement without having to watch the market all day?

A: For Pip Maximizer 1 & 2 and Pip Reversal, when you enter the entry order for 2 lots (standard or mini), you can enter the stop loss order at the same time as a contingent order for the 2 lots. At the same time you can enter another order as a limit order for the profit target for 1 lot. Be sure to cancel the limit order if the entry order is not filled. Also when the profit target order is filled, be sure to change the stop order or trailing stop

order to 1 lot. Another approach would be to enter two separate orders to enter the market, one for each lot. The one order would also include the stop for 1 lot and the other order would include the stop for 1 lot, but also the limit order (profit target) for 1 lot. That way when the profit target is hit, the stop for that lot will be automatically canceled. For Instant Pips, when you enter the entry order for 1 or more lots, you can enter the stop loss order at the same time as a contingent order for all lots. And then you exit the trade on close according to the Instant Pips exit rules.

Q: With Instant Pips, can I also use a profit target limit order to catch a big overnight move?

A: With Instant Pips, there is nothing wrong with also entering a limit order as an 80 to 100 pips profit target. Just remember to cancel or change that order to a market order if it is not filled by the next open.

Q: How do I calculate the stop price for the HH3 + 0.1% of the HH3 Stop?

A: If the HH3 is 1.3700, then the HH3 + 0.1% would be $1.3700 + (1.3700 \times 0.001 = 0.0014) = 1.3714$ Stop

Q: What stop and limit order types are to be use with the FPA trading rules?

A: Forex charts are commonly displayed as “bid” charts, that is the high price for a price bar shows the highest bid for the duration of that bar and the low price for a price bar shows the lowest bid for the duration of that bar. The same applies to candlesticks.

Forex Profit Accelerator trading rules are based on these commonly used “bid” charts.

Furthermore, FPA trading rules are based on the execution convention of the most common trading platforms such as MetaTrader4 and VT Trader, as well as others. For these platforms, the following execution convention applies:

- a Buy Limit order is executed if the Ask is equal or lower than the order level;
- a Sell Limit order is executed if the Bid is equal or higher than the order level;

- a Buy Stop order is executed if the Ask is equal or higher than the order level – otherwise known as a Buy Stop “if offered” order.
- a Sell Stop order is executed if the Bid is equal or lower than the order level – otherwise known as a Sell Stop “if bid” order.

For platforms that provide a choice between Buy Stop “if offered” and Buy Stop “if bid” AND Sell Stop “if bid” and Sell Stop “if offered” choose the convention shown above.

With this approach it is possible that a stop entry order is filled without going above the setup day high in the case of a long position or the setup day low in the case of a short position, but that is ok as this was taken into consideration when developing the trading rules.

Q: Can you elaborate on the Pip Reversal Close Only stop for the first 3 days of the trade?

A: For Pip Reversal Trades, the stop rule is that for the first 3 days (including Entry day) you exit the trade ONLY, if the CLOSE, closes beyond point 3. We do this to filter any possible spikes up /down and still remain in the trade. This seldom happens but when it does, I don't want to be stopped out, because the odds are that the market will change direction in favor of the trade immediately thereafter. If you are uncomfortable with this, then you can load in an initial hard stop equal to 1 Average True Range (based on the last 5 days) beyond point 3.

Q: Can you clarify how to place an entry order with the Pip Reversal Method?

A: For the bearish divergence case, the rule is once a setup day occurs, we can consider placing a trade for the following day (bar) as follows:

- Sell short at 18 day MA Limit

This means that we only want to sell if the close of setup day and the subsequent open of the next bar are greater than the 18 day MA.

However, several broker provided trading platforms do not allow a sell limit order below the current market. So for these platforms, as long as the close of setup day and the subsequent open of the next bar are greater than the 18 day MA, we can consider placing a trade for the following day (bar) as follows:

- Sell at the Market on the Open

For the bullish divergence case, the rule is once a setup day occurs, we can consider placing a trade for the following day (bar) as follows:

- Buy at 18 day MA Limit

This means that we only want to buy if the close of setup day and the subsequent open of the next bar are less than the 18 day MA.

Again, several broker provided trading platforms do not allow a buy limit order above the current market. So for these platforms, as long as the close of setup day and the subsequent open of the next bar are less than the 18 day MA, we can consider placing a trade for the following day (bar) as follows:

- Buy at the Market on the Open

Q: I had on a short trade in 2 parts with the EUR/USD that I placed yesterday, and this evening I placed a long Instant Pips trade in the opposite direction. The Instant Pips trade filled appropriately 2 pips above the setup bar high, but then was immediately used to cover my short position. How can I avoid this and have both the short bearish reversal AND the long Instant Pips trade on simultaneously?

A: When the order window opens for the Instant Pips trade, be sure to click the "Hedge" box and that will treat the order as a separate order unrelated to your current short position.

Q: Is it okay if I enter my trade orders on Friday night when the market is closed or should I wait until Sunday after it reopens?

A: It is okay to enter orders after the market closes on Friday but be aware that they will most likely have to be entered as "Good Till Cancelled" (GTC) instead of the usual "End of Day" (EOD). This is because most trading platforms look at 5:00pm EST as the close of trading for each day. This is when the new daily bars start that we look at and when the accounts are typically settled. If it is a weekend the platform will normally still look at 5:00pm so the orders could get cancelled on 5:00pm Saturday or 5:00pm Sunday. If this happens you will not have any open orders when the market resumes trading at 5:00pm EST on Sunday evening.

If you do enter orders over the weekend as GTC orders remember to change any unfilled orders to EOD before 5:00pm on Monday. This is because each day is a new potential setup day and we do not want orders from Friday to stay open into the Tuesday trading day.

Q: What is the difference between placing a “stop order” and a “limit order” to enter the market?

A: If we place a limit order we are placing the order behind the current market price meaning that we are trying to get into the market at a better price than what is currently available. We are going to wait for the market to come to us to meet our price and then we will enter the market.

If we place what is called a stop order we are placing the order in front of the current market price waiting for the market to hopefully gain momentum and move strongly in our direction hitting our price and picking us up along the way with the continued movement in our direction. We are actually trying to enter the market at a price that is worse than the current market price. If we do not get the strength and momentum we are looking for we do not want to be in the trade and hopefully our order will never get filled.

The reason these orders are called stop orders is that when they are filled for us going in our direction, the other side of the transaction is getting stopped out of their position. We are actually stopping ourselves into the position by taking over the position of the investors that got stopped out on the transaction on the opposite side of us.

Pip Feeder

Q: What is the advantage and purpose of the Pip Feeder?

A: Pip Feeder is a convenience that many of our traders have asked for that alerts them when the setup conditions for one of the four FPA methods are in place for a particular pair. It is not required when you do your own analysis and review of the 6 major pairs that I recommend trading. After you master the four FPA methods, you will be able to appreciate the value of the Pip Feeder. Also, remember the Pip Feeder list pairs that are highly likely to meet the set up conditions for one of the FPA methods, however, that doesn't mean a trade is entered into, that happens only when the entry rules are also met as you will see.

Q: Why is the Pip Feeder not updated until 7:30 PM EST?

A: We are using a premium software program for Pip Feeder which does a great job with the scans, but the data is not updated until after 7PM EST. Other Premium providers are in this same situation. However, there is a lot of flexibility here. For the major pairs with the possible exception of the USD/JPY pair, the quiet hours actually can extend to the London open which occurs at 3:00AM EST, 8:00AM BST, or 9:00AM Western Europe Standard Time.

Setups

Q: Can I plot the ATR (Average True Range) as an indicator on my chart with a setting of 5 and just read the setup day value rather than go through the calculations of determining this?

A: Yes, I show you the calculation logic in the course material, but it is not necessary to do those calculations yourself. Just use the ATR indicator value for the setup day and apply that to determine your Profit Target price.

Q: In an uptrend, for example, after the market trades down for a few days and we have either a Pip Maximizer 1 or 2 setup that is triggered long, if subsequent Pip Maximizer 1 or 2 setups occur while still in the trade can those be valid as well?

A: No, for Pip Maximizer 1 & 2, what we are looking for is a correction against the dominant trend, and when that happens one of these methods should get you into a trade as the correction is ending for another move in the direction of the predominant trend. Whichever method gets you into a trade first is the one you go with. Subsequent Pip Maximizer 1 & 2 setups should be ignored while still in the trade.

Q: With the Pip Maximizer 2 Method, I noticed there can be additional setup days after a setup day has triggered into a position. Are these setup days also valid?

A: No. For an uptrend, after the 3 day MA turns down, the valid setup is the first one that triggers into a long position. For a downtrend, after the 3 day MA turns up, the valid setup is the first one that triggers into a short position.

Q: Is it necessary to trade all setups with Forex Profit Accelerator?

A: No, there is no rule that says you have to trade every setup. As you master these methods, you will develop your own style of trading including which pairs you trade. Some traders only trade the EURUSD or the GBPUSD, others trade all six major pairs. Also, if an unusually wide range day occurs on or around setup day, stand aside as the risk is probably out of line with the reward. Another stand aside situation is during the Christmas and New Year Holiday period when the volume drops but the volatility picks up, it is best to wait until after New Years day to consider new trades. And to further minimize risk for our more risk averse traders, be sure to review the Conservative Tactics on the members website under the IP, PM1, PM2, and PR tabs.

Q: Why is the trade alert criteria different than the setup conditions in some cases?

A: The trade alert criteria is different and simpler for those whose software is not sophisticated enough to program in all of the setup conditions. But if you are using a premium software, then by all means, add the more complex setup conditions as well. Keep in mind, regardless, you must always visually confirm that the setup conditions have been met before considering a trade. Once you have mastered these methods, you will be able to do this confirmation in a matter of seconds.

Q: For Pip Maximizer 2 uptrend setup condition C., will you clarify what you mean when you say the 3 day MA has “turned down” anytime in the past 5 days?

A: This "turned down" phrase that I used is ambiguous, what I mean is, for an uptrend, that the 3 day MA needs to be moving down anytime within the last 5 days, sorry for the confusion on this. And of course the reverse is true for the downtrend setup condition.

Q: What is the definition of a swing low and swing high?

A: A swing low is defined as a bar that has a minimum of two higher highs (do not have to be in a row) than the swing low bar high and two higher lows (do not have to be in a row) than the swing low bar low on both sides of the swing low bar. A swing high is defined as a bar that has a minimum of two lower lows (do not have to be in a row) than the swing high bar low and two lower highs (do not have to be in a row) than the swing high bar high on both sides of the swing high bar.

Q: What happens if we get a conflicting setup before or after entering a trade?

A: For a given pair, the following protocol among the methods applies:

- We treat Instant Pips setups as independent from the other three methods setups, so if an opposite Instant Pips setup occurs from a Pip Maximizer 1 or 2 or Pip Reversal current trade, this setup should have no bearing on the current trade

because the current trade is longer term in nature, while the Instant Pips trade is very short term.

- If not in a trade and a Pip Maximizer 1 and a Pip Maximizer 2 setup occurs in opposite directions, go with the Pip Maximizer 1 setup, because it will be triggered into a trade on the next bar on the open and is the dominant setup in this situation.
- If already long a Pip Maximizer 1 or 2 trade when a short Pip Maximizer 1 or 2 or bearish Pip Reversal setup occurs and triggers into a new short position, immediately close out the long position and consider going short at the new short entry price. And, if already short a Pip Maximizer 1 or 2 trade when a long Pip Maximizer 1 or 2 or bullish Pip Reversal setup occurs and triggers into a new long position, immediately close out the short position and consider going long at the new long entry price.
- If a Pip Maximizer 1 or 2 setup occurs, but a Pip Reversal trade is already in progress, then stand aside until the Pip Reversal Trade has run its course.
- If already long a Pip Maximizer 1 or 2 trade and a subsequent Pip Maximizer 1 or 2 uptrend setup occurs, ignore that setup as you are already long.
- If already short a Pip Maximizer 1 or 2 trade and a subsequent Pip Maximizer 1 or 2 downtrend setup occurs, ignore that setup as you are already short.

Q: If I am already long on a Pip Maximizer1 setup and entry, why do I often times get “conflicting” downtrend Pip Maximizer 2 setups?

A: Regarding conflicting signals, these Pip Maximizer 2 setups are not really conflicting signals, rather they are setups in the opposite direction that only have meaning if they are triggered. When trading the markets, a successful trader knows that it pays to be nimble. Meaning you go where the market takes you and be prepared to reverse positions if the market so dictates. And that is what we are doing with these setups. You are long via Pip Maximizer 1 setup and entry based on the expectation that the 18 MA will continue up and be the dominant MA. However, if a Pip Maximizer 2 short setup triggers than that means that the 40 MA (which is the basis for Pip Maximizer 2) has become dominant and it is time to reverse direction. If the Pip Maximizer 2 setup(s) do

not trigger, than that means that the 18 MA remains dominant and you stay with the long position.

Q: Please let me know why the 7th, 23rd, 25th, 26th, 40th, 43th and 44th days from the left in the lower chart on page 6 of the Module 2 of the reference manual are not setup days.

A: Those days are also setup days, we only highlighted those that triggered into a position the next day on the chart.

Q: How long is a setup day valid?

A: The setup day is only valid for the next day, because one of three outcomes is possible:

1 – the setup will be triggered into a position

2 – the setup will be superceded by another setup day that offers a better entry price

3 – the following day will not be a setup day

Q: Why does the Pip Feeder sometimes list Pip Reversal pairs that do not meet the Pip Reversal setup conditions?

A: As I point out in the course, the trade alert scans for the Pip Reversal Method are not as reliable as for the other three methods, due to charting software program limitations in identifying the specifics of the divergence pattern. And that is why you must confirm these alerts do indeed meet the setup conditions.

Q: Isn't it risky entering a trade ahead of a report announcement?

A: As you know, trading Forex is risky by nature. But with sound trading methods and good risk management, you can minimize this risk. I have found that the news more often than not drives the market in the direction that the FPA method setups are expecting. However, if you are not comfortable entering a trade ahead of the report,

then stand aside and wait for the next opportunity. Again, you will develop your own style and preference.

Q: Can you clarify the ADX setup requirement?

A: The ADX only has to be > 16 once within the past 10 trading days and does not have to be > 16 on setup day.

Q: Can you clarify what I should be looking for on the charts when I am trying to confirm if the Pip Reversal setup conditions are present?

A: The thing to look for is a "W" pattern for bullish divergence or "M" pattern for bearish divergence on both the price chart and the %K that forms points 1, 2, and potentially 3. If you don't readily see this pattern where points 1 and 3 are 5 to 15 days apart and the %K around point 1 is not exceeded on the downside thereafter for bullish divergence or is not exceeded on the upside for bearish divergence, then it is highly likely that the setup conditions have not been met.

Q: What movement are we specifically looking for on a Pips Max 1 setup and are there any exceptions?

A: I'll use an uptrend setup example. Ideally, we want both MAs going up on setup day. The day before setup day, one the MAs should have been going down for at least a few days and should then turn up on setup day.

A special case is when the 9MA is going down the day before setup day and the 18 has been going up for at least a few days including the day before setup day, then, on setup day, the 18 MA goes flat and the 9 MA turns up, that is also a valid setup day. If they have both been moving down and turn up on the same day that is ok as well, but seldom happens.

Software

Q: How do I setup the FPA indicators?

A: Please review the video tutorials in the course and on the members website on setting up the indicators with VT Trader. With this knowledge MetaTrader4 users will find the approach to be very similar.

Q: How do I program MetaTrader4 or VT Trader for trade alerts?

A: On trade alerts, I believe you must be a programmer to be able to program trade alerts with MT4 or VT Trader as it is not intuitive on how to do this. I am not aware of a programming service that will do this. That is why we offer the Pip Feeder service which does provide trade alerts (we use a high end software by Trade Navigator to do this). However, you will find that trading only 6 pair or less with four method chart templates, really, only takes 20 minutes a day to do a visual scan for trade setups.

Q: I use MetaTrader and I note from your CDs that you mention using this software. The problem I have is that I am unable to set envelopes for the MAs using MetaTrader. Is this facility available on this software?

A: Yes, just click on Indicators, Oscillators, Envelopes

Q: Many of the broker's platforms with charting facilities in Australia do not have the ADX indicator. What is the best substitute indicator to measure the strength of the trends?

Q: MetaTrader4 ADX values are different than most other charting software. What should I do?

A: If your version of MetaTrader4 shows ADX values much higher than expected, then change the setting to 28 which will then provide the correct values.

Q: What is the ADX formula?

A: ADX = modify moving average of DX

$DX = 100 \times \left(\frac{+DI - -DI}{+DI + -DI} \right)$

$+DI = +DMn / TRn$, $-DI = -DM / TRn$

$+DM = H_t - H_{t-1}$, $-DM = L_t - L_{t-1}$

$CL = C_t - C_{t-1}$

TR = largest of +DM, -DM ,and CL where:

+DI = current positive directional index

-DI = current negative directional index

+DMn = current modified moving average of +DM

+DM = current positive directional movement value

H_t = current high

H_{t-1} = previous high

L_t = current low

L_{t-1} = previous low

-DMn = current modified moving average of -DM

-DM = current negative directional movement value

TRn = current modified modified moving average of the true range

TR = true range

n = number of periods

DX = current DX

Reference from : J. Welles Wilder

Q: How do I apply the envelopes used in the Instant Pips Method?

A: Please see the video tutorial under the Instant Pips method link on the members website.

Q: What do I do if my software shows Sunday as a daily bar?

A: Some broker provided charting software such as MetaTrader 4, plot Sunday as a 6th daily bar in addition to Monday-Friday. They do this even though the Sunday session as they define it may be only 1-2 hours. This is not a problem with FPA, but it does require adjusting the FPA indicator settings to account for these Sunday “blips.” If you are using this type of software following are the setting adjustments to make when you apply the FPA indicators to your charts:

Moving Average	Standard FPA Setting	Adjusted Setting
9 day	9	11
18 day	18	21
40 day	40	48
9 day envelopes	9	11
3 day	3	3
ADX	14,14	17,17
Stochastics	8,3,3	9,3,3

Also, these “Sunday” bars should be folded into the Monday bars for analysis purposes and otherwise ignored for determining setups and trailing stops. Also, the ATR indicator cannot be used with Metatrader4, due to this 6th day issue. For these reasons and ease of use, VT Trader is the better choice of broker provided software.

Q: Does Metatrader4 use 5PM EST as the daily “close”?

A: No, Metatrader4 uses Midnight as equal to GMT + 2, or 6PM EST which is close enough for our purposes.

Q: Can you elaborate on the calculation of the Average True Range?

A: Most charting software allows you to plot the Average True Range as an indicator, where you would enter 5 as the setting and then just read the value off the chart for setup day. For a manual calculation do the following:

First, the idea is to add the range (high-low) of the past 5 days and then divide by 5. But there is an additional factor. If the close of the previous day is outside of the current day's range then you also have to add that difference (prev day close - current day high if the prev day close is above the current day range OR current day low - previous day close if the prev day close is below the current day range) to the current day's range to get the true range.

Q: How do I create and Save a chart in VT Trader?

Time Requirements

Q: At what time of the day do I need to spend 20 minutes analyzing the markets?

A: I specifically designed the FPA methods so that the markets can be analyzed and orders entered anytime after 5PM EST until at least 10PM EST. This is possible because the markets are usually quiet during this time. With VT Trader and most good charting software, the daily bars are based on 5PM DST in the summer and 5PM EST in the winter or 10PM BST (British Summer Time) and 10PM GMT in the winter. MetaTrader4, is an exception, some versions are based on GMT + 2 or 6PM DST in the summer and 5PM EST in the winter or 11PM BST and 10PM GMT in the winter, others are based on GMT + 1 and still others on GMT. This is close enough for our purposes, again because the markets are usually quiet during this time. If the entry has already been triggered, you can still enter a limit order at the original entry price level as the market during those hours or later may well trade back to that price range and fill the order. In addition, for the major pairs with the possible exception of the USD/JPY pair, prior to 3:00AM DST in the summer and 3:00AM EST in the winter (8:00AM BST and 8:00AM GMT in the winter) would be ok coincident with the London open for our students in the UK and Europe.

News, Reports, & Holidays

Q: Should I place orders or trade at all around the times of major holidays?

A: Generally speaking the market gradually slows down before a major holiday like Christmas, Easter etc... It is clear in the price movements when this begins to happen. This past December the first two weeks of the month were really good from a trading standpoint but the market slowed way down in the third week. There were a lot of Profit Accelerator trades that set up the last part of the month but very few ever got filled. I believe a week or two before Christmas would be a good time to be cautious along with the middle of the week before Easter, Thanksgiving week is tough and only a day or so before holidays like Memorial Day, Labor Day and July 4th. The rest of the world does not celebrate all of these holidays so they are still trading but it is obvious when a major

market is not trading heavily. We also need to pay attention to holidays that are celebrated in countries other than our own.

Q: Should I be out of the market around the times of major news events?

A: With regard to major news and economic reports, the markets tend to flatten out for a time just before these events occur in anticipation of the event. This is obvious when awaiting the interest rate announcement from the US which comes from the Federal Open Market Committee also called the FOMC. The interest rate announcement is the biggest economic report that there is. The main reason people look at the other reports is to try to figure out what will happen to short term interest rates in a given country because short term interest rates can have an impact on a currency's value relative to other currencies. It may be a good idea to stand aside for the entire week leading up to an announcement of this size from the FOMC. This would be from Sunday at the open until the evening's analysis on the day of the announcement. The reason for this is to give the market time to figure out what direction it wants to go in. Typically within several hours after the announcement the markets begin to trade in a more "normal" fashion.

If you are in a trade that is in the money when an announcement this big occurs it may be a good idea to move the stop 10 or 15 pips behind the current market price shortly before the announcement. If the news moves the market in your direction you're good but if it moves it sharply in the other direction you can book some profits and avoid an agonizing ride. If you are out of the money before the announcement the news may move you back to even or possibly in the money so you may consider moving the stop at that point. If the market goes against you it is likely you will be stopped out and the trade would be over for a loss but at least the loss should be capped at the predetermined risk.

Other Timeframes

Q: Can FPA be used with different timeframes other than the daily bars?

A: Some of our students use the Profit Accelerator using four hour bars instead of the daily bars. There are only a few modifications to make:

Instant Pips - Adjust the outer band width to comprise approximately 95% of the price action. Start at .5 and .25 and adjust from there.

Pip Max 1 - Adjust the stop to one average true range of the previous 5 bars or the low of the setup bar. Use whichever one has the lowest risk.

Also our Instant Profits and Super Divergence Blueprint courses may be of interest to you. Instant Profits teaches a powerful trend following trading method and SDB teaches an equally powerful trend reversal method that can be applied to any market (stocks, forex, futures etc...) in any timeframe (10 minute bars, four hour bars, daily bars, weekly bars etc...).