UNLOCKING WEALTH THROUGH INDICE TRADING

'Learn 3 traits that define indices'

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Contents

Introduction

Everything in this book is based on experience, I have seen that there are certain things that always repeat themselves in markets and I want to share them with you so you can turn this knowledge into profit too. This book is written with one purpose in mind and is to help all the people who are already into trading or investing but are finding it difficult to remain profitable. I believe all traders or investors whether new or old who apply the principles in this book will save themselves a lot of money and time.

I am personally not an author but found it to be one of the best ways to reach and help a lot of people at a cheaper cost so I decided to share my knowledge with you through this book. I have been where you are whether you are still struggling or you are now successful in trading I have been there but I've had the privilege to finally break out of the struggle. I finally managed to crack the code and turn from being a speculative trader to being a profitable trader who is at least 80% sure that his trades will yield good profits. What I will be breaking down in this book is nothing I learned from anyone, I learned it over time through observation, losses, and success. You might have come across some of the things I'll be telling you but if you ignore it the last time, you should take it seriously this time as it will be the thin wall between your success and failure.

Losing a lot of money was part of my journey as I was in the process of discovering this system that I am going to present to you. It hasn't been an easy journey but it should surely direct your path on what to focus on and perfect your craft. There's too much information available today most of it is free and some of it is sold but in a world where technology has made it very easy to share information how does one know what to take and what to leave out? That's one of the reasons why many people are losing a lot of money today but I will keep it simple and straightforward.

Blowing accounts is part of the journey but it doesn't end there. To those that are not yet part of the 90% of traders who don't make a good profit for yourself, and those who are not part of the stats, it's time to switch. This will be my 2nd book and what I've learned from the results of the first one is that everyone who followed the instructions of this book switched completely to being profitable and I am not expecting anything less from this. Everyone who sticks with the principles outlined in this book will be profitable and thankful.

I will often use the word Investing and not trading and you will understand why as you go on.

PART 1

Recommendations

Before making your first deposit into your forex account if you are a new trader, you need to spend some time learning about the real forex market, I won't be covering the basics of trading in this book but I recommend that you go and learn the basics of forex from online sources. I strongly recommend babypips.com which is free. YouTube also has a lot of information just do your best to avoid learning about INDICATORS as you are not going to need them if you really want to be profitable.

Here are some of the topics you should learn:

- What is forex trading and how it works
- How you can participate in the forex market
- Choosing the right broker, check reviews about a broker before going with them
- Online trading platforms, apps, software and how to use them
- Trading fundamentals

Once you have gotten that off the way and believe that you are ready to face the real world of trading, take some time and open a practice account and just apply yourself for at least two weeks then you can decide from there if you are ready to face the real world.

Chapter 1

Investing?

There are many different ways of making money, some are quick and others take very long. I have gone through both routes and at the end, I decided to stick with the longer route. I have come to realize that the longer routes are less risky and rewarding which is why I decided to treat trading like any other long-term investments and this book will be covering everything on that. I will give you practical examples of what I am talking about. We all know that there's what we call gambling and yes it has money but how many people are rich or living well from gambling alone? If we take 10 people and give them equal amounts of money and put them in a casino only 1 out of the 10 will come back with money and that's not to say the other 9 lost their money immediately but at some point in their gambling they had actually made money but at the end of the gambling time they have nothing and that's just the reality of gambling or quick money making ways.

There are a huge number of people, who are gambling right now and some are because of the addiction, others are just not giving up because they know one individual who has money through gambling. Others are starting to learn because they were told the dream that there's money in gambling but the honest truth is that the house wins more. Come to forex trading and you will find that the exact same thing is happening here. Many people come here because they saw 2 or 3 people living the life through trading but once they are in they treat trading like a get rich quick scheme and that's where many people miss it. Yes, you might know 2 or 3 people who treat it like gambling and are successful but the reality is that gambling doesn't work for everyone, only 1 out of 10 people make it.

Are those people not successful? They are but if we look at the stats how many people actually lost their hard earned money while trying to follow their steps? The stats say 90% of people trading today are not successful and it is for the simple reason that they treating forex like a get rich quick scheme. There is money here and a lot of it, we can't finish it but you need the right way to get your share of this money and gambling is not the right way. Making money and taking it back the following day is not making money. You can't build a strong financial foundation on scalping.

On the other hand, we have the safer and long-term way of making money when I say long term I am not talking about months but it is surely nothing like scalping.
Patience is very fast; trust me when I say patience is very fast. You will be able to reach your financial goals through trading if you will take the investing route which is the patience route.

Don’t look any further to try and obtain this patience, no you already have it in you. I’ll show it to you and all you need to do is to direct your patience on the right path. If you are currently employed you know very well that you don’t get paid today and then from there you can’t wait to get paid tomorrow. You can actually go for 2 weeks without thinking about your next salary, see you are actually patient, imagine what 2 weeks of holding 2 or 3 trades that are going your way can actually reward you with. You are patient enough to wait for month end for your next salary but when it comes to trading you want to make the same amount in a day or 2, that’s where people miss it.

Let’s look at those who have a 32-day notice savings account at the bank, you guys are one of the most patient people and that level of patience can make you rich in trading. Imagine holding 2 or 3 winning trades for those months where you put your money in the bank, it would actually grow your account by at least 30-50% which is way better than what your bank is going to give you. I am not saying don't save your money with the banks but it is best to have your money in different investments. You can grow your money by applying what I am going to present to you in this book and from there you can add many different investments. If you are that patient with the bank then you can also direct that same patience here and make it too.

Now still on your patience, let's look at those of you who have property for rental or are willing to go into property. How long does it take for an average property owner to make his money back? Years right? True, it takes years before you can be profitable and you are patient enough but in trading, you want to double your capital in a week. That's not the right approach. Trading works only if you can make it work, don't worry about entries and how to get the right direction of the market, I will show that to you but you need to approach it with an investor's mindset. There are too many ways of making money out there and all the legal ways of making money require you to be patient and if you are in any of them you know what I am talking about, the same applies here, you will have to be patient if you want to be successful in trading.

And now let’s come to those of you who are already trading, we are still on the patience issue. You guys are very patient the problem is you are only patient with losing trades. You are very sure that price will reverse even though it just keeps going deeper into a loss but the moment the trade comes back and it is on $1 profit you quickly close it. You see you have patience but you just have to direct it in the right path. Investing requires patience, the nice thing with us is that we can even put our stop losses in profit and just watch money come our way while gamblers keep depositing more money.

Investing means we will not be taking trades everyday, I don’t think there’s any good investor who goes around investing in something new every day even though he has the money to do it but he studies or prepares for his next big move then execute when ready and that’s the approach we take. Just because you have money in your trading account doesn’t mean you should always have running trades, always plan and then when the time is right to take the trade and hold like an investor, when people are busy blowing accounts with every market swings you should be busy waiting for your next planned big move. There's absolutely no need to open your device every 30 minutes to check your investments. You don't go to the bank every day to check if your money is still there and by how much it has grown. You don't walk into your property every day to check if it is still there but you patiently wait for the right time and that should be your way of doing things here too. We have such a precious watchman called stop loss to look after our accounts.

I chose the investment route because it is simply less risky and more profitable. Banks use the same approach too. Banks don't scalp, they slowly add to their positions every week which explains why you will find price going in one direction for weeks even though there are small retracements in between which are used to take money from retail traders but I'll cover this in the market sentiment section. When investing I risk less and get big returns, my losses are always nothing compared to how much I make per investment. It also allows me to trade less which minimizes the number of my losses. Open history files of any company now and you will see that over time their share price has increased but it doesn't happen overnight. I simply buy and patiently hold while my investments yield more fruits. It is the same concept which is applied by many people who buy Crypto-currencies today. They want to buy today and patiently hold for a few months and sell after the value has increased. This is what we have to do, the nice thing for us is that we can hold when the price for what we bought is increasing and we can hold when the price for what we sold keeps on dropping.

When I speak of investing, it is not limited to patience alone but also good investing practices like not putting all your money into one investment. Investments always carry risks with them so risking it all is not a good investment practice. It is also wise to put your money in different investments, in this case, it can be that you day trade and also swing trade, both ways do work just that the other one is smoother than the other.

Chapter 2

What are Indices?

It will be very important for us to understand what we are dealing with since this will help us make wise decisions before investing in any of them. We need to know and understand how they behave, what moves them and what affects them. Once we know that then it will be easier for us to watch out for those and make wise and safer investment decisions.

Trading is more of a patience and discipline thing, in actual fact, it is about 90% psychological. We can take the same trade at the same time but only the person who is psychologically strong or disciplined will get the most out of the trade. With the right discipline, we don't necessarily have to get all the trades right to be successful but we surely need to apply the right discipline and patience. Discipline involves taking proper risks and being well behaved in your trading. There is a strong relationship between forex trading and indices trading, in fact, the two are connected. If you are going to be successful in one, you will also be successful in the other. But again you can choose to focus on indices only and still be successful or focus on forex only and still be successful. There is a strong the relationship between the two but the volatility is different. Indices will make you what forex can make you in two weeks in a day or two but the opposite can also happen but we are not going to focus on the opposite but I don't want you to be ignorant of the fact that as much as you can make a lot in a day, the opposite can happen in a day if you are not going to apply the principles outlined in this book.

In forex, we are looking at currency pairs and their performances as a whole but in indices, we are looking at the company's performances. A currency's strength is directly influenced by all the fundamentals that surround it, people often neglect some fundamentals but I have realized that when all the fundamentals surrounding a currency are combined, they make up a driving force of the currency as a whole.

The fact that a country's currency is losing value does not mean that the companies in that country also lose value or rather don't perform. Every company wakes up every day with one goal, and that is to be better than they were yesterday, to increase their profits and it is this increase in profits that contribute to share prices. With some companies, it is actually an advantage for them when the currency of the country loses value based on their operations. For example, if I sell goods to other countries when my country's currency losses value, other people, see my goods as cheap and in turn decide to buy more of what am selling which is good for my business at the end of the day.

Another practical example is with companies that are global. Most of those companies have their money in US Dollars; it never affects them when their countries' currency loses value, and when the US Dollar increases in value, their net worth increases too.

In indices, we actually deal with stocks/share prices of many companies that have been combined to make that index. One popular index is the Dax also known as German 30; it has top 30 companies in Germany such as BMW, Siemens, Adidas, and Deutsche Bank. The price of the Dax index fluctuates every time depending on how its companies are doing. Different companies weigh differently within a particular index. They are capitalization-weighted which means that they are weighed based on their market value. That tells us that the companies do not weigh the same, the more a company weighs within

the index, the more it will have an effect on the index's price movement.

Let me break that down. Let's say we have XY 10 index, the 10 companies do not weigh all 10%. We can have X company weighing 30% meaning that the other 9 companies will have to share the remaining.

70% in that index but still within that 70% they are not going to weigh the same, so this means that company X has more influence on the overall performance of the XY 10 index. So are we going to sit down and look at how each company in the ABC 100 index is doing? No, we are not going to do that. We are going to tackle it technically, in price action but we are not going to be ignorant of the fact that fundamentals (news) play a role in price action.

It is very wise to not neglect fundamentals and events happening across the globe when trading indices, the reason being indices are strictly companies' share prices and the share prices rise and fall on a daily basis depending on the events and fundamentals happening around the world. Companies have one goal daily and that is to grow but there are events which affect them which they don't have full control over and it is these events that lead to companies having to watch their share prices crumble but for us it an opportunity to make money, for example, we simply can't ignore the fact that oil prices are falling or rising because this has a direct influence on energy companies' performance and shares daily.

Another driving force for indices is a country's economic performance when we know how a country is expected to perform based on news or economic events that have occurred it becomes easier to decide how long we are going to hold our trades for. The reason is that we understand why stocks/ shares are behaving in this manner and we expect them to continue for a certain period of time. One example of this is what happened to the markets when Donald Trump became the president of the USA, stocks skyrocketed for months because of the promises he had made and investors trusted him to boost the economy and markets were just performing extremely well. The U.S. dollar was bullish for weeks and as a result, stocks kept rising.

CHAPTER 3

THE OLD AND THE NEW WAY OF DOING THINGS

Besides not having a solid winning system/strategy that just works, there's a lot that is common among the 90% of people who don't make it in the market and again there's a lot that is among the 10% that make it in the market. If you are part of the 90%, you simply have to let go of the old way of doing things and start doing it the new way. In markets, there are principles that lead to success, and only those that go by these principles are the ones that are successful. I have blown too many accounts in my learning, so I have learned how to do things right. You might have not blown an account or accounts and you don't have to first blow accounts to make it, all you have to do is follow what I am going to outline in this chapter.

In a world of social media, many of us came to know about trading from people who claim to be living a good life from trading, and those people would often post a lot of good profits on Facebook, Instagram or Twitter. We might have not given in immediately but because those good profits were popping up in front of our faces every time we log on to social networks, we finally gave in and that's why we are here today. But little did we know that what we have been consistently seeing on social networks was building up a path to failure in the markets in our minds. Why am I saying this? When we finally got our hands on trading platforms we already wanted to make as much as what we had been seeing on social networks and the reason behind that is nothing more than the path that was being built over time. We also wanted to post those big profits on social media. We also wanted to make as much money as what others are making on social networks. The lot sizes we were seeing on their posts gave us a clue of how to make those huge profits but little did we know that it was a road to blowing our accounts. We learned the wrong way of doing things by just scrolling past and perhaps pausing for 3 seconds on that post with good profits. 99% of the time we didn't even get to see how big that person's account was or if it is a real account or not and how many losses he encountered before finally getting something to show us on social media. But all we saw was that with 10 lots we can make $500 profits, it is doable, we have seen it too many times from XYZ on social networks.

We would often get to see some people's analysis and guess what, oh yes I see how they do it; it's the indicators I read about on Google or any other site. Yes, I remember that one; I watched a YouTube video explaining how it works. We then went on to do it by ourselves and it worked once, worked again and again. Oh wow, it works; my account is double than the next moment the account is blown. That's just how it would often go with indicators. They sometimes work and the moment they don't work. It was a bad day; credit cards must come out because we have to deposit funds again. And all this happened because we trusted indicators, and indicators simply don't work in the market. If they worked, we would have at least 60% success in the market. The 40% would have to fail because they perhaps don't have the right indicators or they are getting it wrong psychologically. There are a lot of other things we have encountered in the forex and indices trading journey.

The old and ways of doing things:

Indicators don't work, they are always lagging and will always correct themselves and adjust to sudden changes in the market. Indicators do not know real life events and will always fall short. They are not human beings and can't make human decisions. So do your best to avoid using indicators. If you have been using them, by now you should've realized that they simply don't work. If you have never used them don't even start. If indicators worked big financial institutions would work around restricting them from being used by you and me.

It is not about always having trades running or having to wake up and trade every day. I like to say I invested in the markets because when I open trades I am not looking forward to closing my trades after an hour or 2, but rather expecting a yield after a few days if not weeks. Our introduction to forex was the wrong one, we were used to seeing people posting every 3 hours and then made to believe that it ought to be like that. Treat trading as an investment. When you invest in property or whatever, it i s what you choose to invest in; you do not expect returns on the same day. You should have the same mindset about trading. This will enable you to be consistently profitable. When you want to make an investment you don't just go to the bank and make transactions, but first, you study and plan about what you want to invest in. You take time to think about your next investment if you can apply the same in your trading nothing will stop you. It's even much better because at the end of the day investing in the markets will yield results much faster than any other investment.

Don't sit in front of the charts every day, you will see what you are looking for but not everything you see will be what you were really looking for, false setups. This is what leads to people blowing an account in a day because they had plenty of time to open all false setups.

Patience and discipline are what you will need, I like to make this example to people. If you want to ride a train, you know that the safest way to do so is to go to the train station and wait for the train to arrive and even when it arrives you still wait for it to stop before you can get on the train, to safely get on the train, you have to apply patience and discipline. You have to patiently wait for it to arrive then apply some discipline to wait for it to stop and for other people to leave the train then enter. We have safe entry points in trading, if you didn't know, you should not worry, you will know after finishing this book. We don't enter trades everywhere and exit trades everywhere. Once in the trade, we need to patiently wait for the trade to get to where we had planned to exit then we can exit. Yes if an emergency arises in between we have to exit but if not then we don't. Just like when you go to the bank and choose to invest your money with them you patiently wait for that term you guys agreed upon to end then you can go and get your money with that tiny little interest gained. If we can do it anywhere else then we can and we'll do it in trading too. Be patient enough to wait for the price to get to your entry and exit points, it will eventually get there it has done it before and it will do it again, that's just how the market is. Be disciplined enough to only enter trades at their entry points and to exit trades at their exit points.

Never aim to double an account in a day or a week, sometimes it can happen as you are doing things right but that should never be your aim because the opposite will happen. All other investments will give you less than 40% in a month and yet you go for them, but with trading, you want a 100% return in 2 weeks. You need to have realistic goals to make it in trading, yes what you heard when they said there's money in trading is true but it is not an overnight thing. Maybe you want quick money for something urgent, I will be honest with you this is not the right place to get it, the opposite will happen. Having realistic goals will benefit you in your decision
making before opening a trade.

Use the correct lot/contract sizes at all times. As much as it will be exciting to double an account by consistently using wrong lot sizes, you are building a bad habit which is not sustainable, this will blow your account with time, the very same account that you have grown will be easily blown in a trade or two simply because you risked more than you were supposed to. Always remember that if you are risking more because of a certain target you can also lose as much. Always risk less even if you are 100% sure that it will yield to profit.

Do not over trade. 70% of the 90% of people who don't make it in trading is simply doing it wrong by overtrading because they made a good profit today. Instead of stopping for the week or for the day, they then decide to go and look for other opportunities. From there, all the profits they had made are wiped away plus a certain % of the account balance.

Don't have a lot of trades running all at once.
Take 2 or 3 trades a week and just apply patience and see your profits increase. Also just focus on a few pairs this will enable you to trade less.

Always use a stop loss. Even when you are 100% sure of your trade, anything can happen at any time and you will read about the cause later after your account is gone.

You can use a take profit or trailing stop for taking profits.

Avoid trading to show off your results, if possible try trading by yourself if you are easily influenced.

Avoid following the crowd but stick to what has been working for you.

Chapter 4

The 3 traits

There are 3 behaviors that indices always follow, knowing these behaviors increase my chances of always being right with my entries and this is what I am going to show you in this chapter. If I come to you holding a tennis ball and ask you what will happen if I throw the tennis ball to the wall with a strong force you will tell me that it will bounce back and this is not because of assumption but simply because you have seen it happen many times before, if we were to bet you will only want to be on the side that says the tennis ball will bounce back. I have gotten to the same point with indices simply because I have studied and watched these 3 traits repeating themselves 90% of the time when I spot these traits I always get ready to invest. I urge you to go and do your homework, go and study the charts for yourself and see if it is not so. Before going live try this out on a demo, it will build confidence in you, getting you ready for your live account in indices.

The 1st trait is: Indices always choose one direction in a day and then turn in the opposite direction. This also happens when we are about to get a change in the trend. Price will open at a certain price; shoot in one direction and then turn, this new direction will continue for the next days if not weeks. This does not happen every day but when it happens, 90% of the time it is just giving us an entry point.

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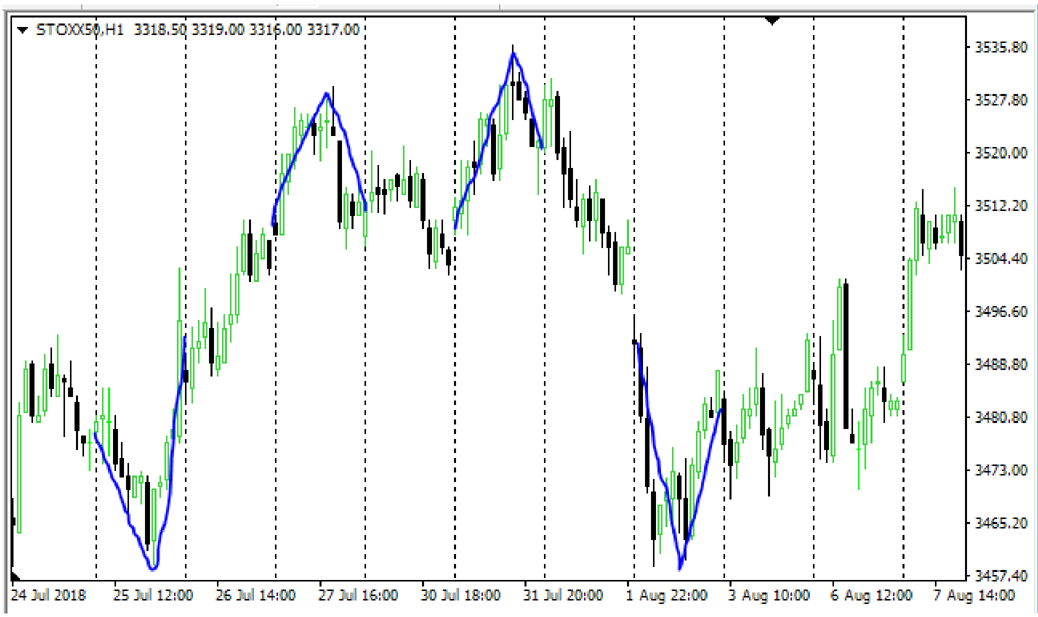
Let's go straight to the charts to see what I am talking about:

From one dotted vertical line to the next is 1 day, what I am bringing across to you is this: before getting an entry, price will move in one direction and then turn, creating a v-shape, it does not always happen but this is one of the things we will be looking for before taking any trades. Often times on days where indices move by many pips in one direction, before the day ends the sames indices will turn and erase most of the gains for that day, we call this RETRACEMENT. Indices always retrace, you can leave your trades that you took in the morning in good profit and when you come back later during the day you find the same positions on a loss or on less profit and this is simply because indices are too volatile and retrace a lot. We will be looking to enter our positions where price turns since we know that price will eventually turn. Let's have a look at more charts to make this point solid.

Notice the big drop before price turned, buying at the bottom always reduces your risk.



We are going somewhere with this, notice how a change in the trend started by continuing the trend before turning. Even though we are expecting a change in the trend, it will always be safer to first let price choose a direction and take advantage of the fact that price usually turns to enter into the trade.

But for now, let's continue with what we busy with


F40,H1 5316.70 5319.00 5295.00 5299.80
Change in Trend
5539.00
5527.90
5516.80
5505.70
5494.60
5483.80
5472.70
5461.60
5450.50
5439.40
5428.30
25 Jul 2018
26 Jul 22:00
30 Jul 10:00
31 Jul 12:00
1 Aug 14:00
2 Aug 16:00
3 Aug 18:00
6 Aug 20:00
7 Aug 22:00
9 Aug 10:00


DE30,H1 12000.60 12006.90 11959.70 11989.90
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12406.00
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12303.00
12269.00
12234.00
12200.00
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27 Jun 23:00
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29 Jun 09:00
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2 Jul 19:00
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4 Jul 06:00


USTEC,H1 7526.70 7527.40 7509.50 7511.10
7455.60
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7395.30
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16 Aug 02:00
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20 Aug 20:00
21 Aug 13:00
22 Aug 06:00
22 Aug 22:00


US500,H1 2891.50 2891.60 2886.60 2886.90
2745.65
2740.10
2734.40
2728.85
2723.30
2717.75
2712.20
2706.50
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2695.40
2689.85
26 Jun 2018
26 Jun 17:00
27 Jun 10:00
28 Jun 03:00
28 Jun 19:00
29 Jun 12:00
2 Jul 05:00
2 Jul 21:00
3 Jul 14:00
4 Jul 10:00

Let's move on to the 2ND TRAIT:

I got to discover the 2nd trait back in 2016 when I started being interested in indices. I used to have a NetDania app on my phone and it would give me notifications when something major happens on the markets. With time I got to notice that there was one strange pattern that kept repeating almost every week. The app would notify me that Crude Oil has fallen or risen by 2.01% and minutes later if not hours; it would bring another notification saying Crude Oil has fallen by 3.01% and sometimes it would come back for the 3rd time in a day saying the same Crude Oil has now fallen by 4.01%. This is measured from the price where the market opened on that day.

There was no way I wouldn't notice this because it kept showing up on my screen but this was not the only notification of this nature. The same app would tell me when Indices would fall by more than 1.03%, I am using this 1.03% because it was never a straight 1%, but one strange thing with Indices is that I would never get a 2nd notification saying the same Index has further fallen to maybe 2-3%, which is what I was used to with Crude Oil. This was when I decided to start entertaining Indices, I decided to open the charts every time I would get that notification to see why I don't get other notifications after that. My discovery was that price turns; I then decided to take trades in the opposite direction every time I get the notifications. That's when I knew I found a pot of Gold because 90% of the trades I took always yielded good fruits.

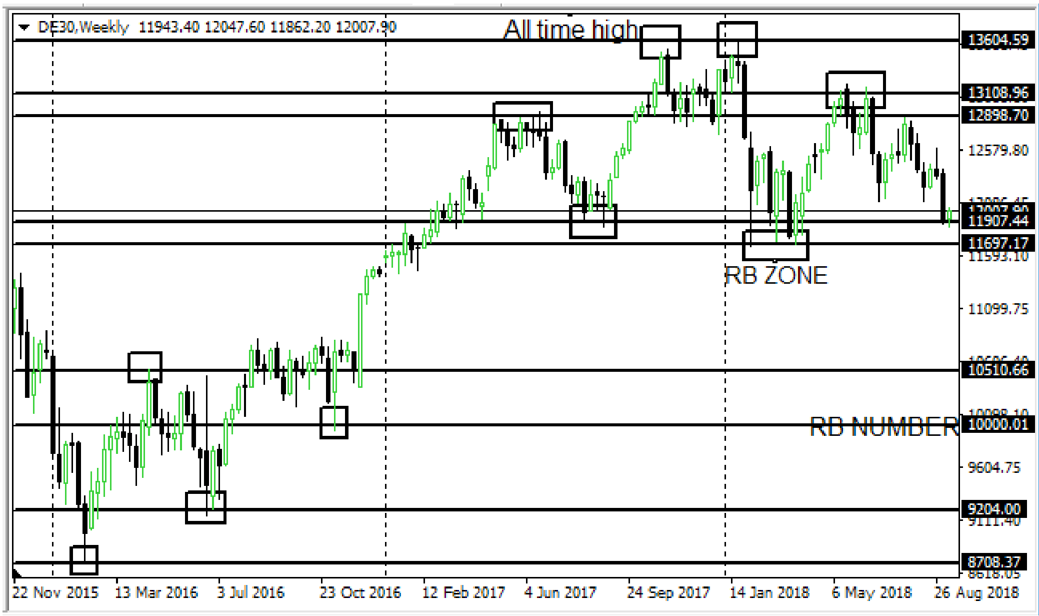
I knew that after Indices fall, all rise by a huge percentage in a day they will turn.

The above picture was taken from Investing.com, circled are the daily percentages that I am talking about, 90 of the time when the price falls by more than 1% it retraces. We will go into the application of this in the trading section. You don't have to know how to calculate the percentages, what is important more important here is to know how indices behave so that you can turn that into profit. You can keep track of the percentages from the investing.com app of website.

Let's now move on to the 3RD TRAIT:

By now we have established the fact that indices retrace a lot, what if there was something magical we could use that would tell us that we are about to have a change in the direction, like a certain candlestick pattern, or a certain combinations of lines we could draw that would tell us that it is time to turn or just an indicator that is accurate. This would make life easier right? Well, the 3rd trait is that magical indicator/ road sign, we will give a name: RB NUMBERS and RB ZONES. RB zones will run 40 points above the RB numbers and 40 points below the RB numbers.

Try and prove me wrong if you can on this one, let's go straight to the charts:


DE30,Weekly 11943.40 12047.60 11862.20 12007.90
All time high
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RB NUMBER
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13108.96
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11697.17
11099.75
10510.66
10000.01
9604.75
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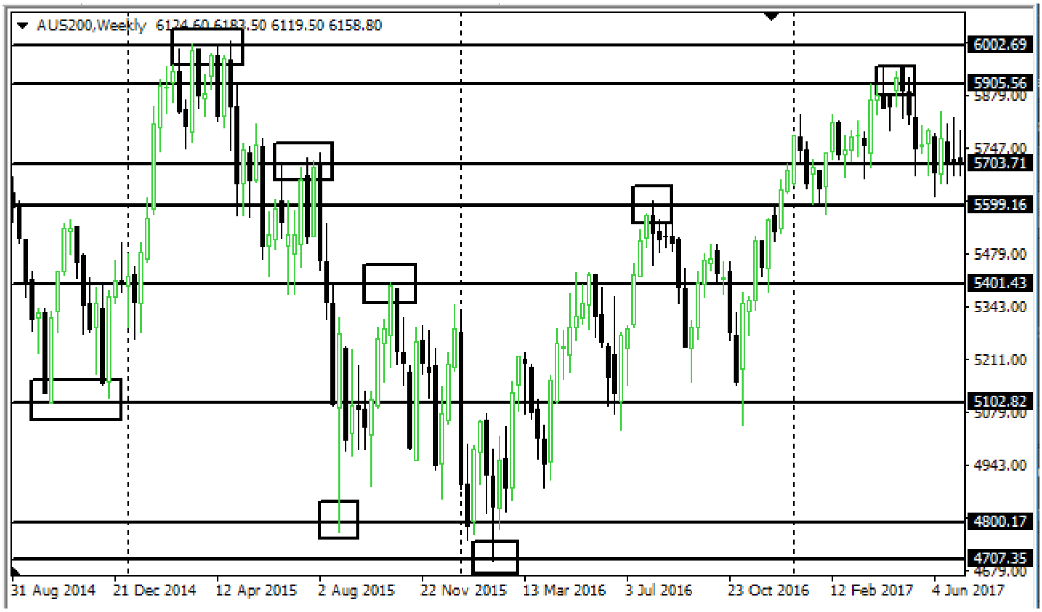
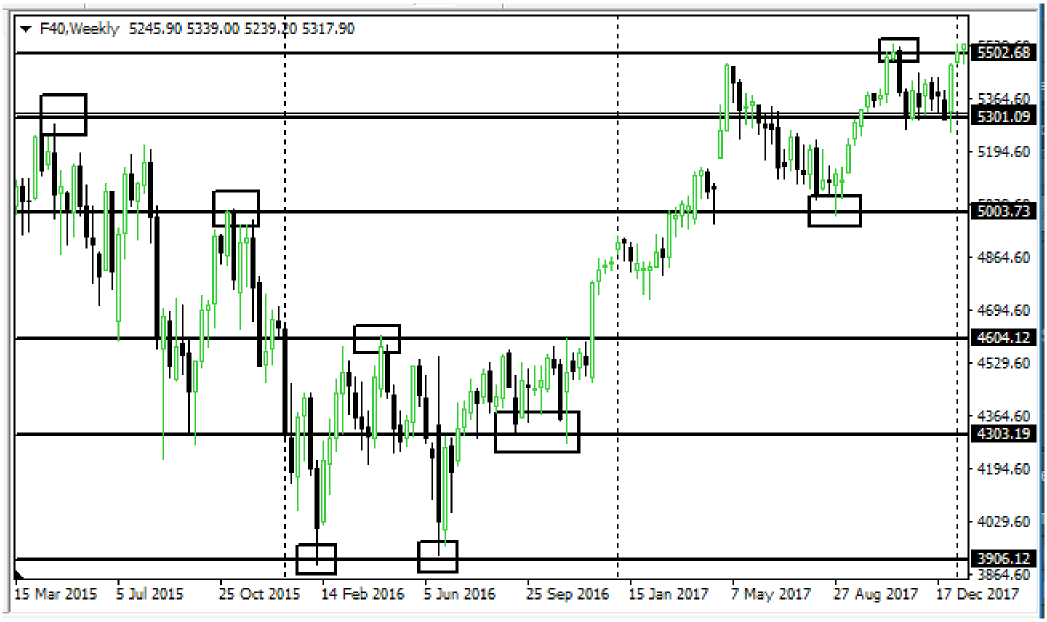
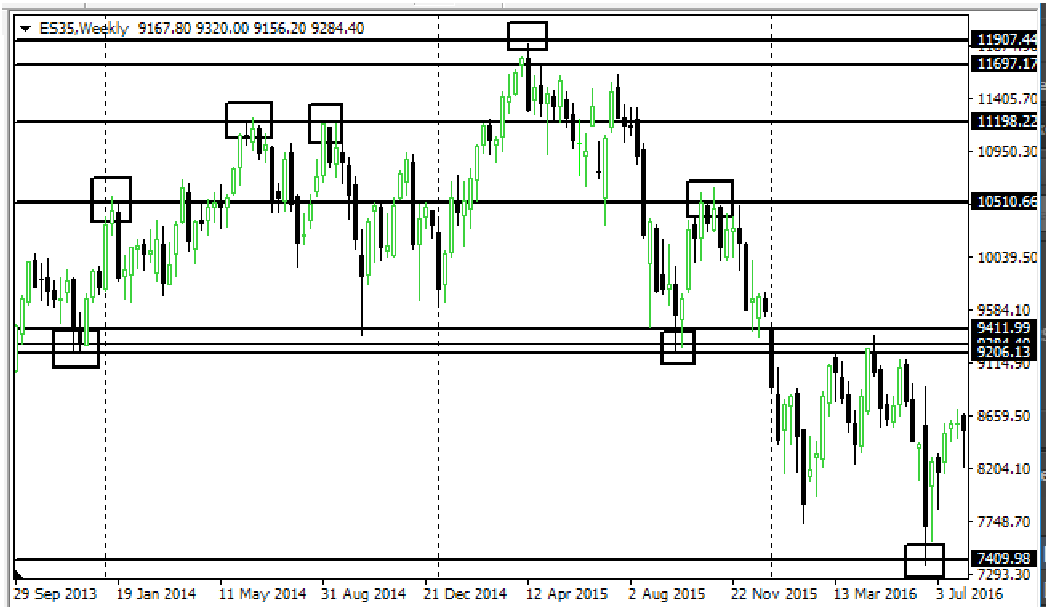
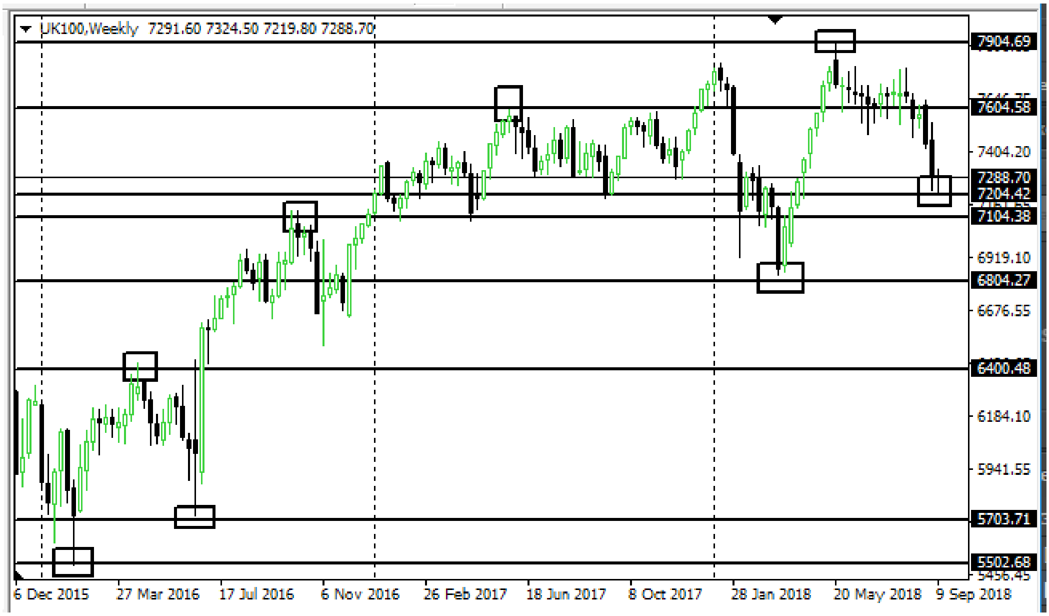
14 Jan 2018
6 May 2018
26 Aug 2018

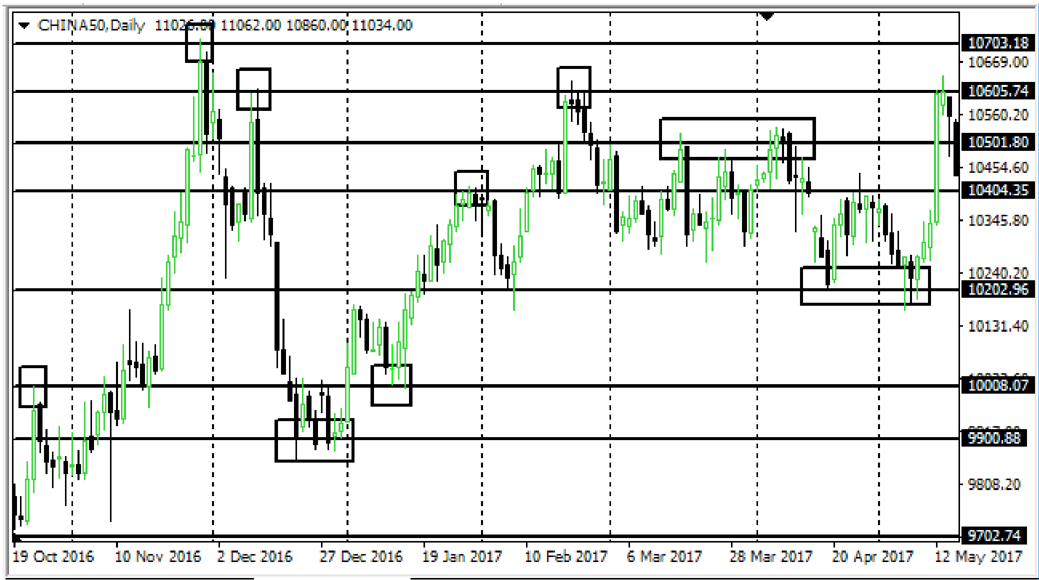

AUS200,Weekly
6002.69
5905.56
5703.71
5599.16
5479.00
5401.43
5343.00
5211.00
5102.82
4943.00
4800.17
4707.35
31 Aug 2014
21 Dec 2014
12 Apr 2015
2 Aug 2015
22 Nov 2015
13 Mar 2016
3 Jul 2016
23 Oct 2016
12 Feb 2017
4 Jun 2017

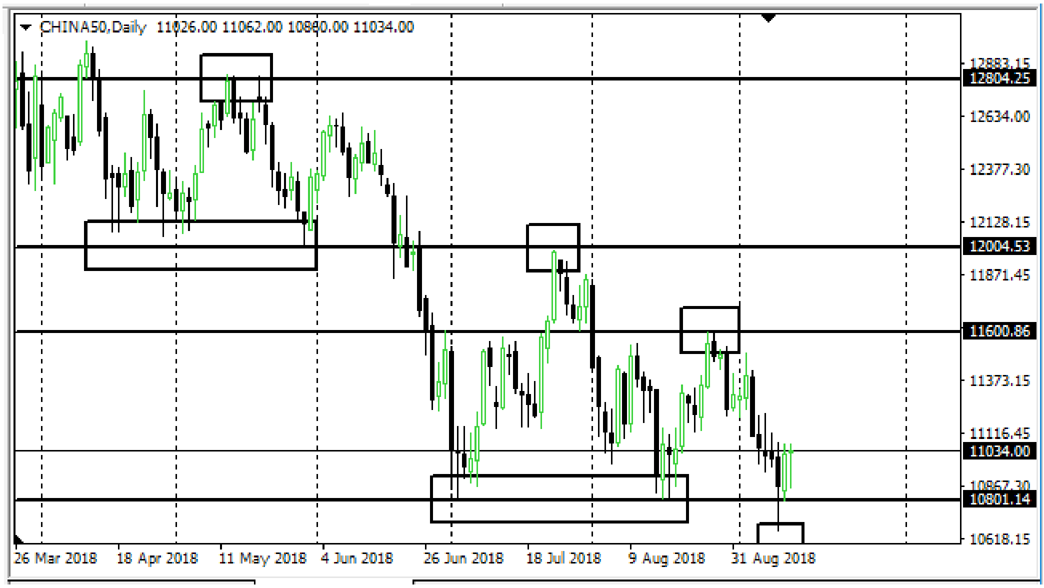

F40,Weekly 5245.90 5339.00 5239.20 5317.90
5502.68
5364.60
5301.09
5194.60
5003.73
4864.60
4694.60
4604.12
4529.60
4364.60
4303.19
4194.60
4029.60
3906.12
3864.60
15 Mar 2015
5 Jul 2015
25 Oct 2015
14 Feb 2016
5 Jun 2016
25 Sep 2016
15 Jan 2017
7 May 2017
27 Aug 2017
17 Dec 2017


ES35,Weekly 9167.80 9320.00 9156.20 9284.40
11907.44
11697.17
11405.70
11198.22
10950.30
10510.68
10039.50
9584.10
9411.99
9206.13
9114.90
8659.50
8204.10
7748.70
7409.98
7293.30
29 Sep 2013
19 Jan 2014
11 May 2014
31 Aug 2014
21 Dec 2014
12 Apr 2015
2 Aug 2015
22 Nov 2015
13 Mar 2016
3 Jul 2016



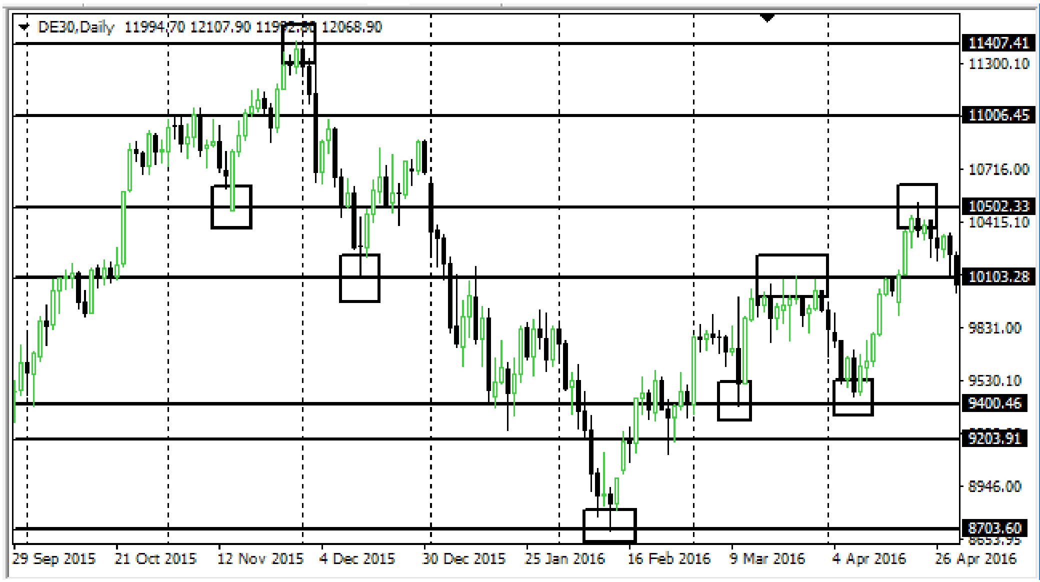
As you can see from all the above charts there is one thing in common, the price keeps turning at certain numbers which are in intervals of 100s. These are the RB NUMBERS. From the above UK100(FTSE) chart we can see that most changes in long and short-term trends were occurring at the RB NUMBERS (5500, 6400, 7100, 6800, 7200, 7600 and 7900). It is not always exact and it doesn't have to be exact but one thing for sure as you can see from all the W1 charts above the change in the direction happens at around those RB NUMBERS, because of this we should always treat it as zones, there will be zones where we warm ourselves up to enter trades. Let's fully explore these RB NUMBERS and ZONES on D1 timeframe:

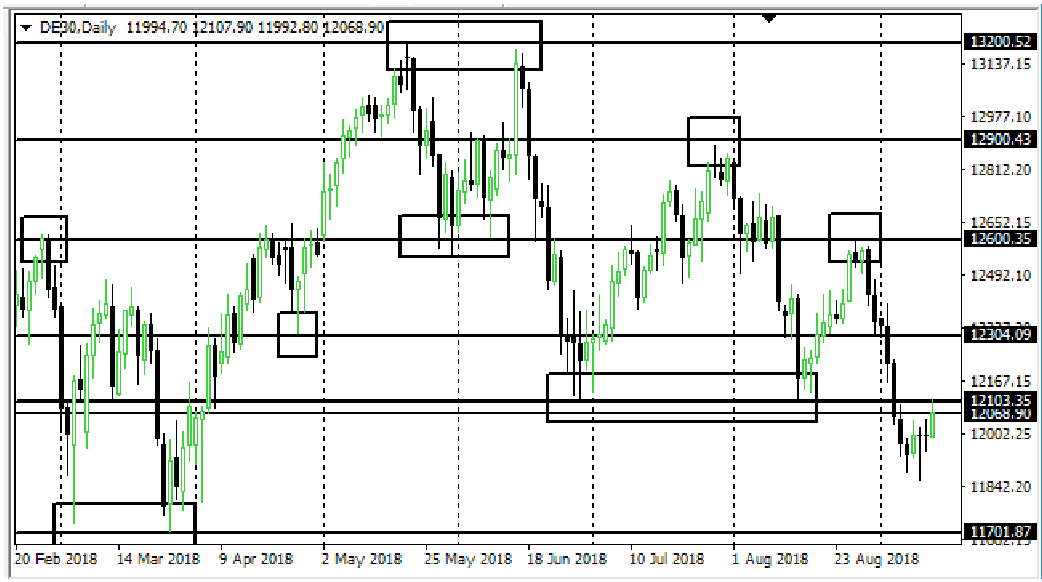

CHINA50,Daily
11062.00 10860.00 11034.00
10703.18
10669.00
10605.74
10560.20
10501.80
10454.60
10404.35
10345.80
10240.20
10202.96
10131.40
10008.07
9900.88
9808.20
9702.74
19 Oct 2016
10 Nov 2016
2 Dec 2016
27 Dec 2016
19 Jan 2017
10 Feb 2017
6 Mar 2017
28 Mar 2017
20 Apr 2017
12 May 2017


CHINA50,Daily
11026.00 11062.00
11034.00
12883.15
12804.25
12634.00
12377.30
12128.15
12004.53
11871.45
11600.86
11373.15
11116.45
11034.00
10867.30
10801.14
10618.15
26 Mar 2018
18 Apr 2018
11 May 2018
4 Jun 2018
26 Jun 2018
18 Jul 2018
9 Aug 2018
31 Aug 2018

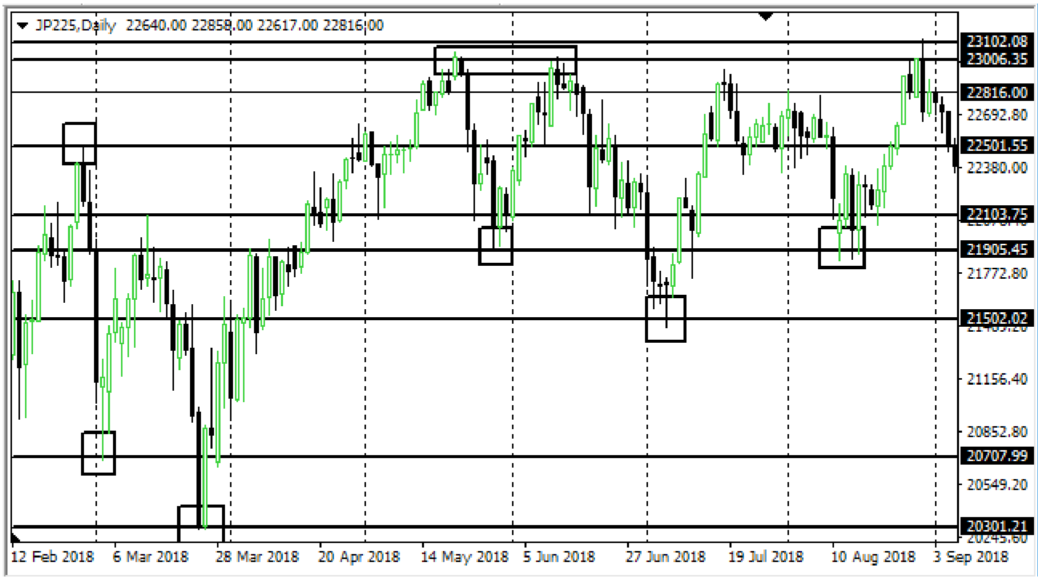
Due to space, I will not go all the way back but I urge you to go to your charting platform and go all the way back to see if this is not so. From the above chart look at 12900 and 13900, notice how price does not perfectly turn at the RB NUMBERS but goes past a bit before turning, this is the reason why we have to treat as zones, the fact that it has seemingly passed the RB NUMBER does not mean that it has broken past the turning point, sometimes it won't even get to the RB NUMBER but will get into the zone and then turn. RB ZONES will be the most ideal for our entry points, prices will always turn within the RB ZONES but what is more important is the RB NUMBER.

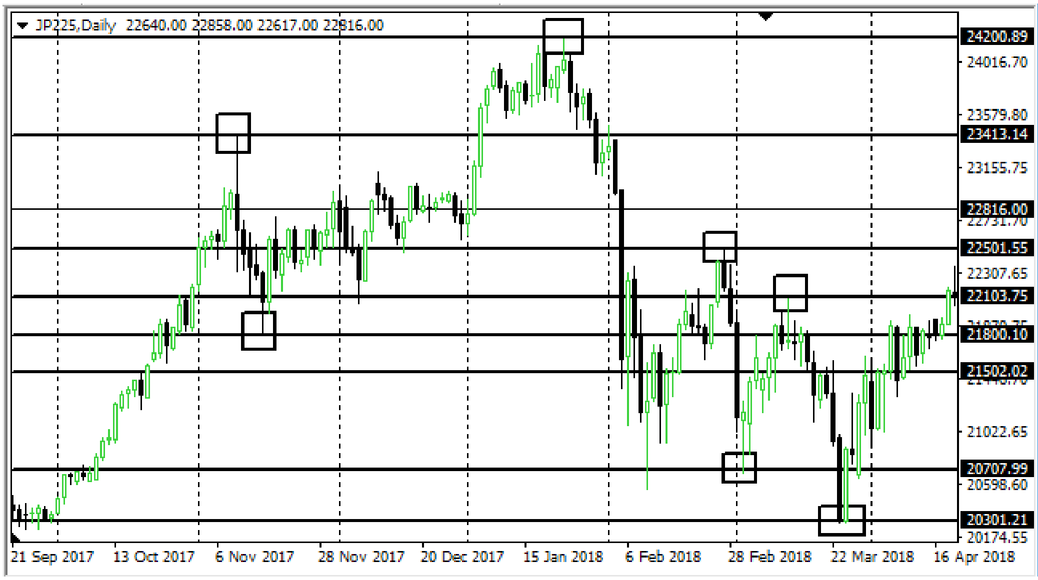
Let's continue to explore this...



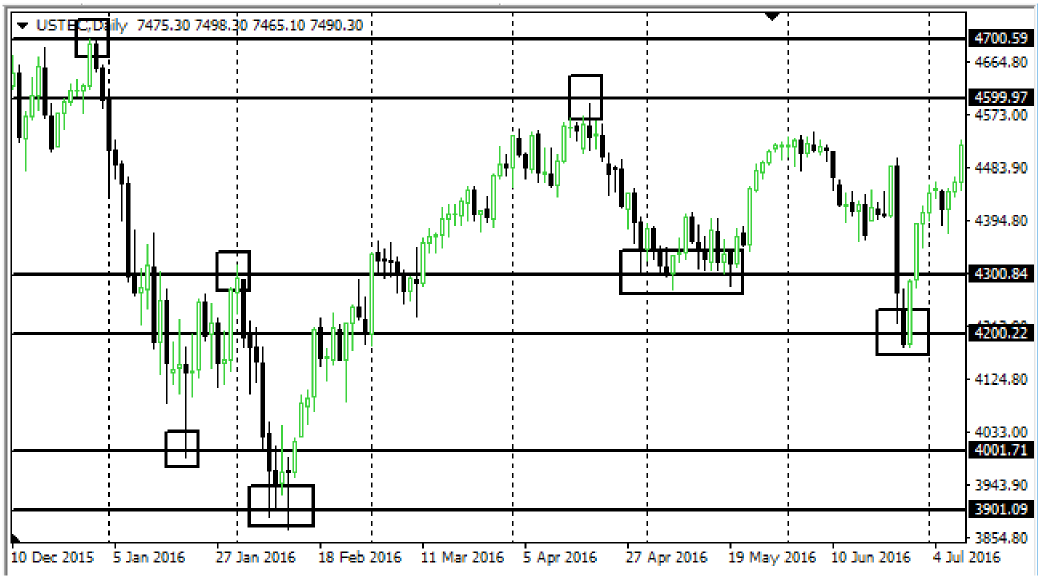


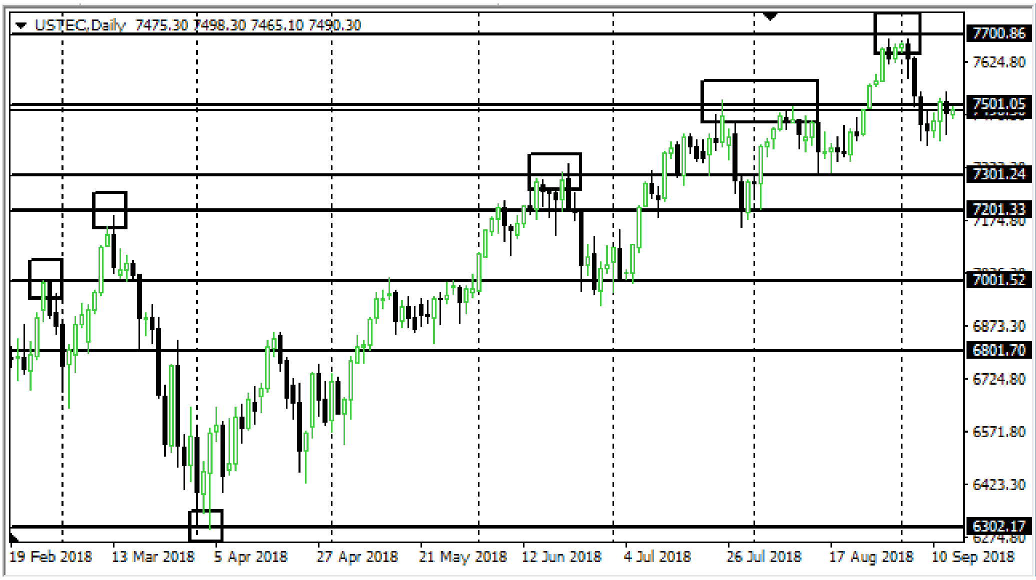
Nothing new here, same old story, RB NUMBERS, and ZONES at work, let’s continue to explore...



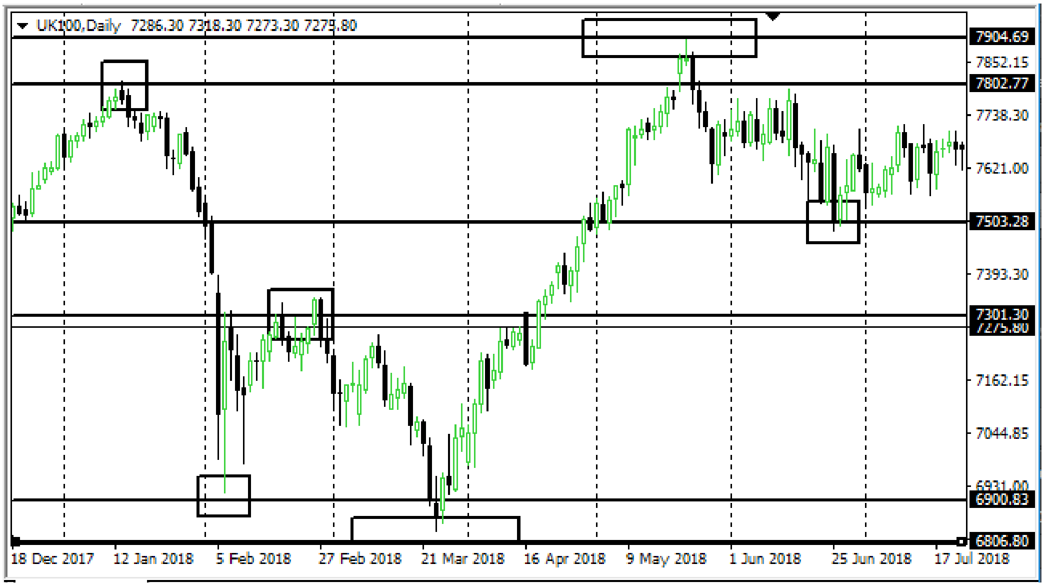


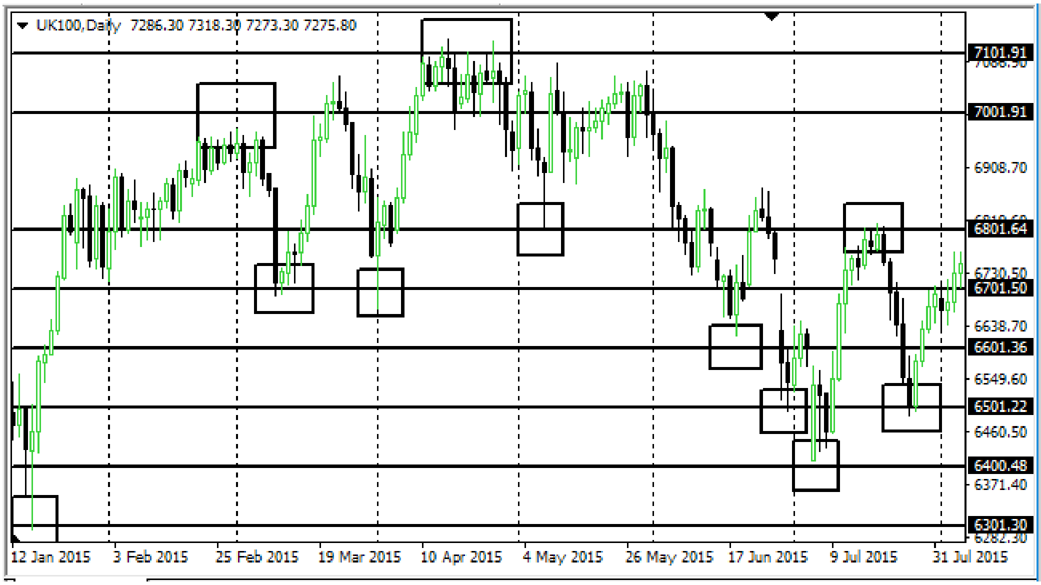
Above we have Nikkei/JP225 and there's nothing new to talk about here, same RB NUMBERS...



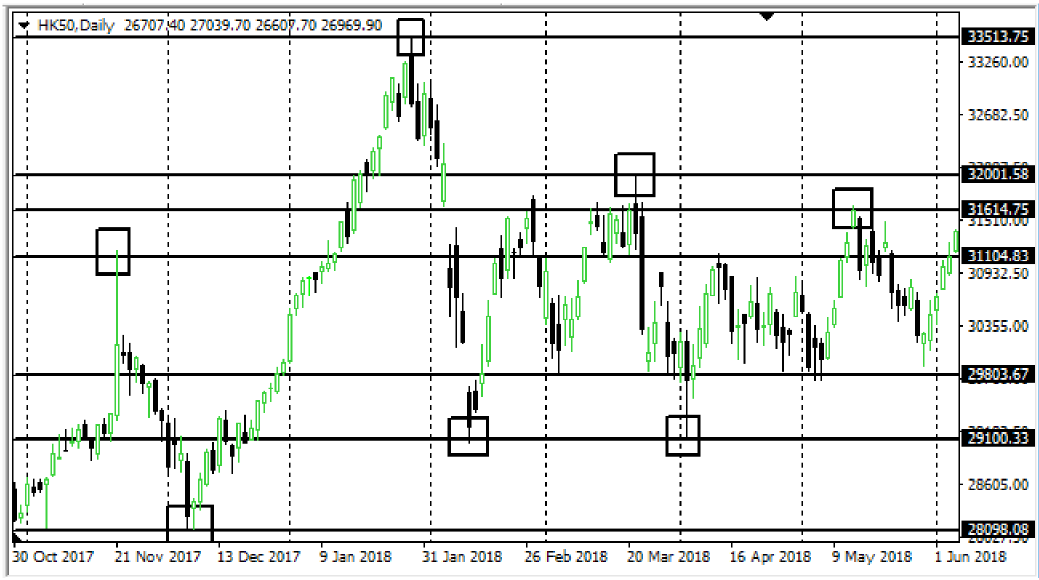


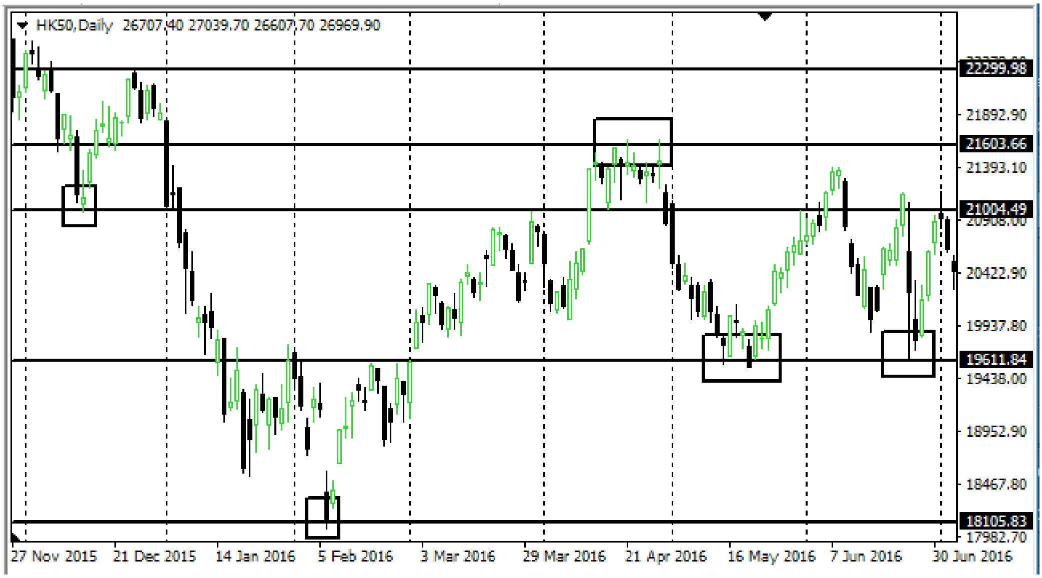
Above we have Nasdaq, look at where the changes in the trend take place most times, nothing new here, we still have the same RB NUMBERS at work...



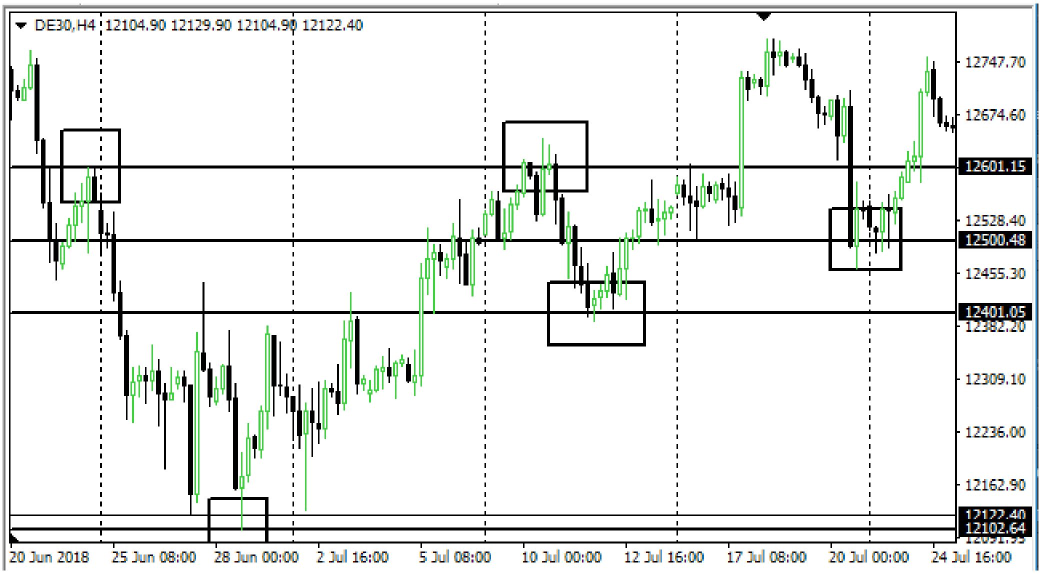


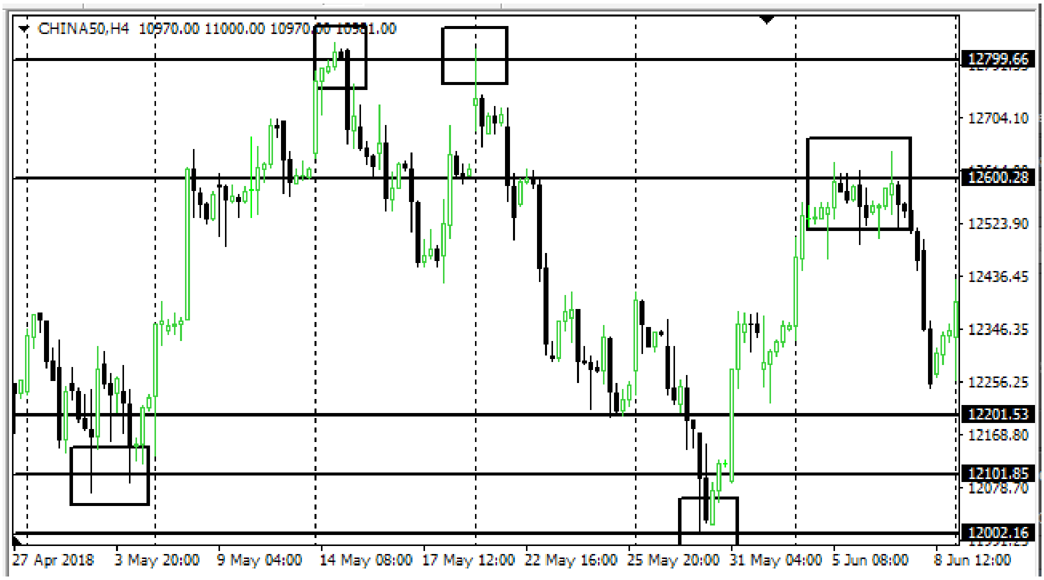
Same RB NUMBERS are at work here,
let's look at one more index before
we go down to a lower time frame


HK50,Daily 26707.40 27039.70 26607.70 26969.90
33513.75
33260.00
32682.50
32001.58
31614.75
31104.83
30932.50
30355.00
29803.67
29100.33
28605.00
28098.08
30 Oct 2017
21 Nov 2017
13 Dec 2017
9 Jan 2018
31 Jan 2018
26 Feb 2018
20 Mar 2018
16 Apr 2018
9 May 2018
1 Jun 2018


HK50,Daily 26707.40 27039.70 26607.70 26969.90
22299.98
21892.90
21603.66
21393.10
21004.49
20422.90
19937.80
19611.84
19438.00
18952.90
18467.80
18105.83
17982.70
27 Nov 2015
21 Dec 2015
14 Jan 2016
5 Feb 2016
3 Mar 2016
29 Mar 2016
21 Apr 2016
16 May 2016
7 Jun 2016
30 Jun 2016

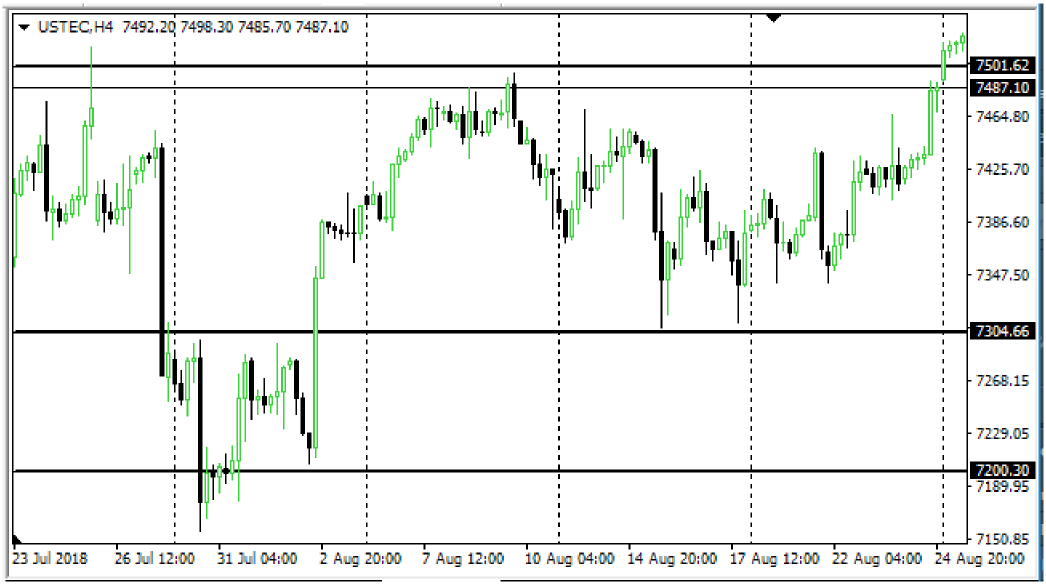

DE30,H4 12104.90 12129.90 12104.90 12122.40
12601.15
12562.90
12485.35
12405.45
12325.55
12245.65
12168.10
12102.64
12008.30
11928.40
11903.72
11850.85
13 Aug 2018
16 Aug 08:00
21 Aug 00:00
23 Aug 16:00
28 Aug 08:00
31 Aug 00:00
4 Sep 16:00
7 Sep 08:00
12 Sep 00:00
14 Sep 16:00

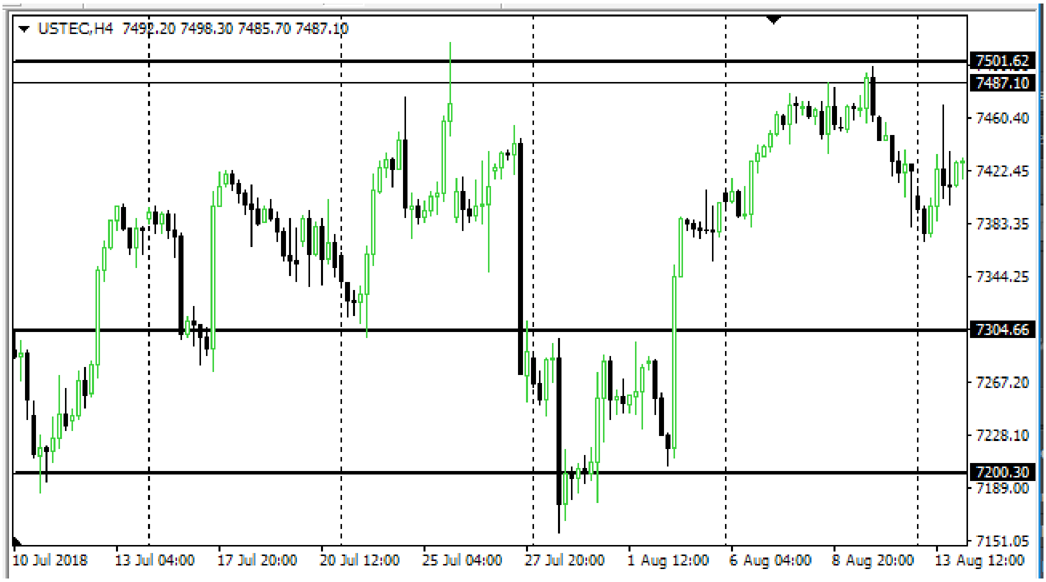

DE30,H4 12104.90 12129.90 12104.90 12122.40
12747.70
12674.60
12601.15
12528.40
12500.48
12455.30
12401.05
12309.10
12236.00
12162.90
12102.64
20 Jun 2018
25 Jun 08:00
28 Jun 00:00
2 Jul 16:00
5 Jul 08:00
10 Jul 00:00
12 Jul 16:00
17 Jul 08:00
20 Jul 00:00
24 Jul 16:00

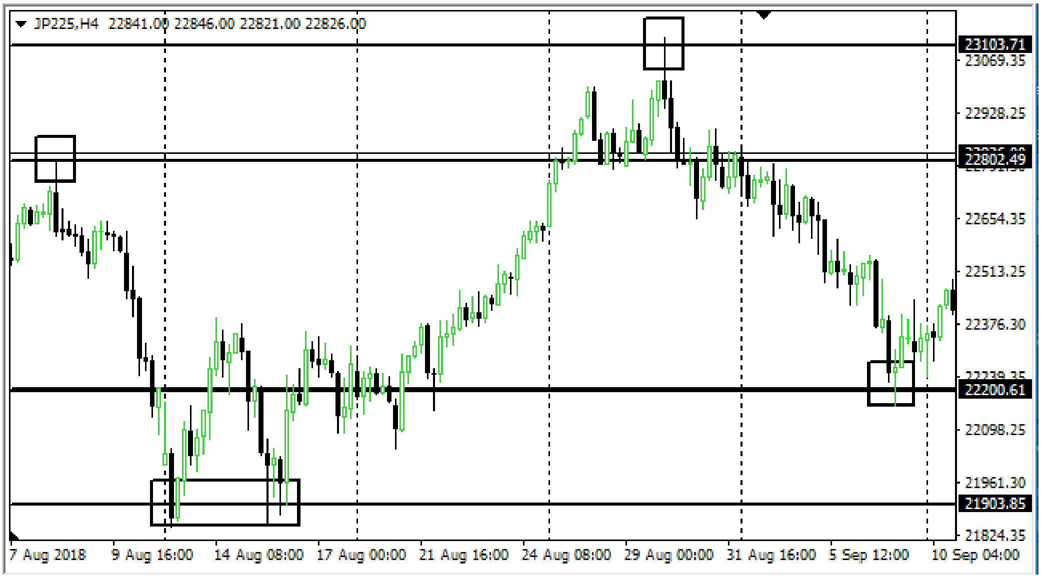


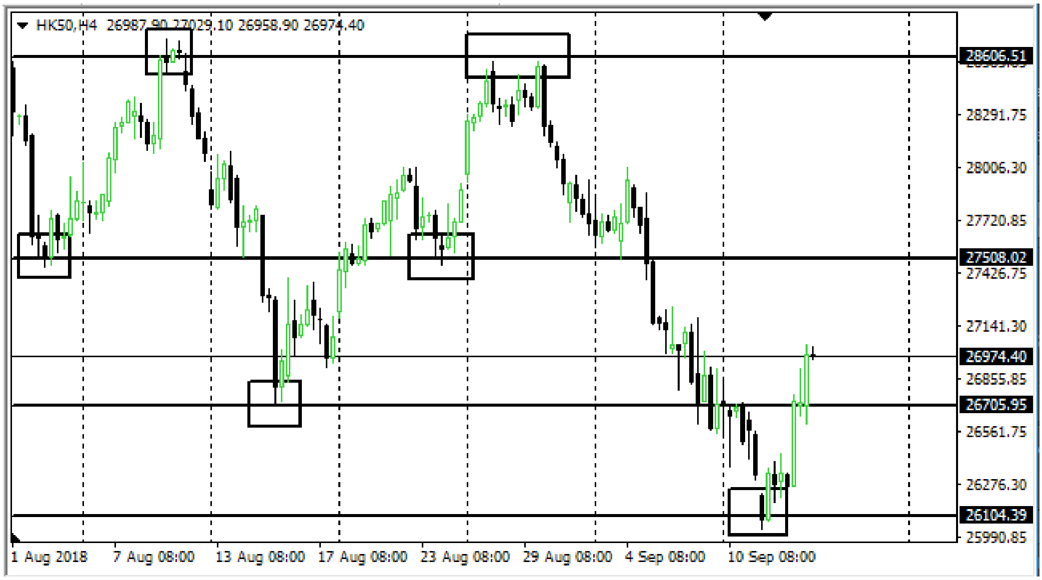
CHINA50,H4 10970.00 11000.00 10970.00 10981.00
12799.66
12704.10
12600.28
12523.90
12436.45
12346.35
12256.25
12201.53
12168.80
12101.85
12078.70
12002.16
27 Apr 2018
3 May 20:00
9 May 04:00
14 May 08:00
17 May 12:00
22 May 16:00
25 May 20:00
31 May 04:00
5 Jun 08:00
8 Jun 12:00

CHINA50,H4 10970.00 11000.00 10970.00 10981.00
12999.16
12947.60
12848.60
12799.66
12746.60
12644.60
12545.60
12443.60
12341.60
12300.92
12242.60
12140.60
12101.85
12041.60
27 Mar 2018
2 Apr 12:00
5 Apr 16:00
10 Apr 20:00
16 Apr 04:00
19 Apr 08:00
24 Apr 12:00
27 Apr 16:00
3 May 20:00
9 May 04:00


USTEC,H4 7492.20 7498.30 7485.70 7487.10
7501.62
7487.10
7464.80
7425.70
7386.60
7347.50
7304.66
7268.15
7229.05
7200.30
7189.95
7150.85
23 Jul 2018
26 Jul 12:00
31 Jul 04:00
2 Aug 20:00
7 Aug 12:00
10 Aug 04:00
14 Aug 20:00
17 Aug 12:00
22 Aug 04:00
24 Aug 20:00


USTEC,H4 7492.20 7498.30 7485.70 7487.10
7501.62
7487.10
7460.40
7422.45
7383.35
7344.25
7304.66
7267.20
7228.10
7200.30
7189.00
7151.05
10 Jul 2018
13 Jul 04:00
17 Jul 20:00
20 Jul 12:00
25 Jul 04:00
27 Jul 20:00
1 Aug 12:00
6 Aug 04:00
8 Aug 20:00
13 Aug 12:00


JP225,H4 22841.00 22846.00 22821.00 22826.00
23103.71
23069.35
22928.25
22802.49
22654.35
22513.25
22376.30
22200.61
22098.25
21961.30
21903.85
21824.35
7 Aug 2018
9 Aug 16:00
14 Aug 08:00
17 Aug 00:00
21 Aug 16:00
24 Aug 08:00
29 Aug 00:00
31 Aug 16:00
5 Sep 12:00
10 Sep 04:00

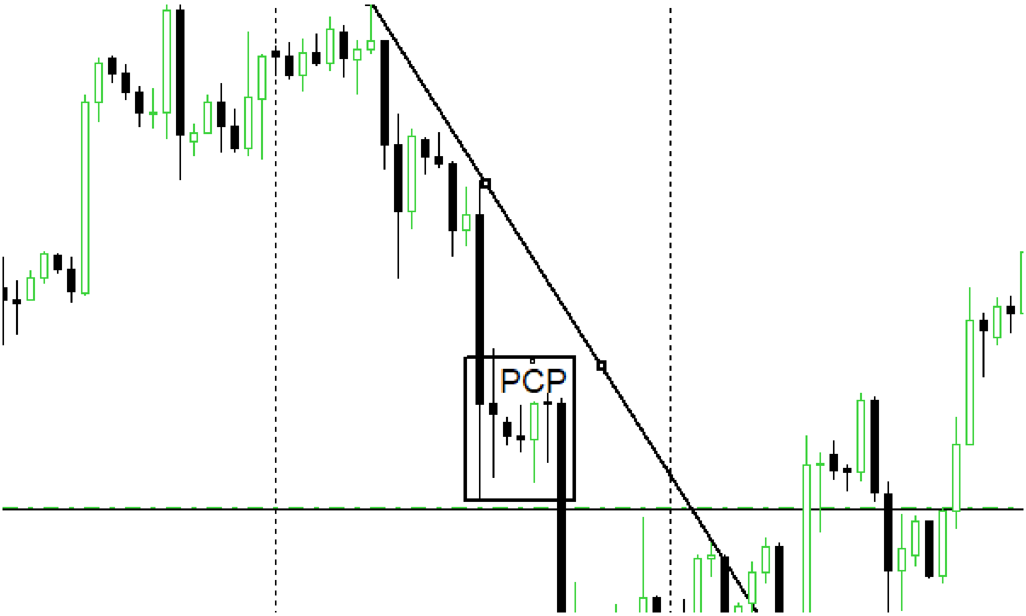

HK50,H4 26987.90 27029.10 26958.90 26974.40
28606.51
28291.75
28006.30
27720.85
27508.02
27426.75
27141.30
26974.40
26855.85
26705.95
26561.75
26276.30
26104.39
25990.85
1 Aug 2018
7 Aug 08:00
13 Aug 08:00
17 Aug 08:00
23 Aug 08:00
29 Aug 08:00
4 Sep 08:00
10 Sep 08:00

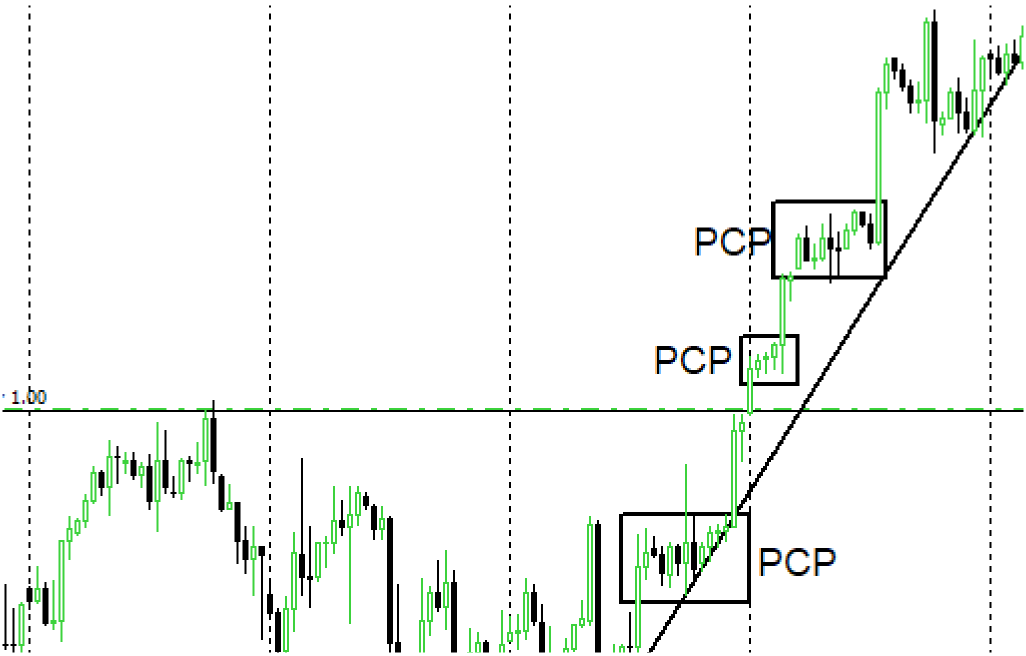
Chapter 5

Potential Continuation Pattern

As traders by now you know that price moves in trends either in an uptrend or a downtrend but it is never a smooth trend. It is always in a form of waves. Price always pulls back then continue with the trend, there is always a destination when it comes to price action but in the process of going to the destination price often stops and consolidates in a certain range then break out of the range but in those consolidations we are never 100% sure that price will breakout and continue with the trend or it will change the direction.

This is the reason why this is called potential continuation pattern. Through experience and our knowledge of the price's history, we know that 90% of the time when we have those consolidations in a trend price often continues in the same direction hence the name "potential" continuation pattern. This is always a good time to enter positions which we missed when price turned. It is also a good place to add more positions.
A potential continuation pattern is made up of a zone which has bullish and bearish candles within the zone


PCP

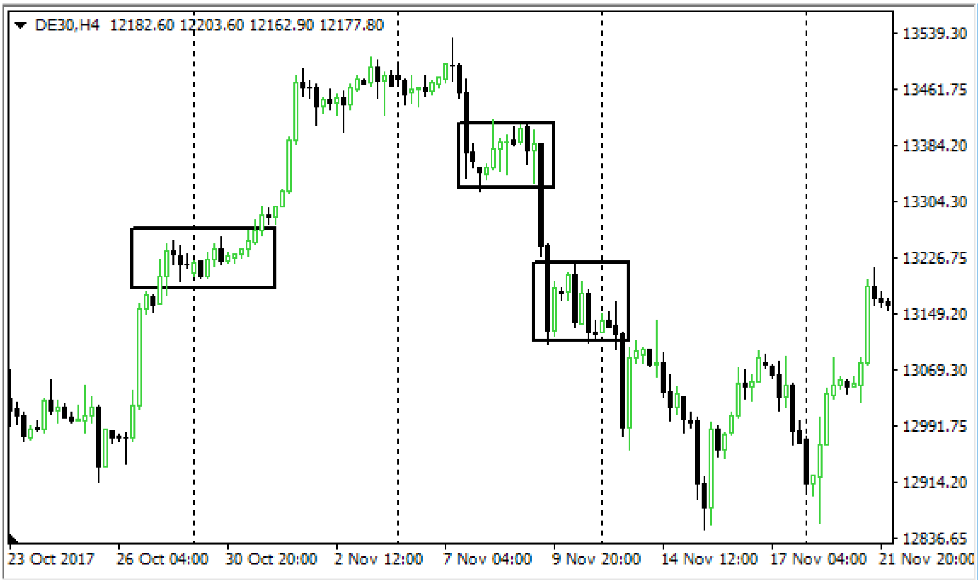

PCP
PCP
1.00
PCP

The 2 charts on the previous page show what PCP looks like. You can open any chart of your choice and look for these patterns, they are just all over your charts and in all time frames, depending on your preferred time frame when trading that's where you should look for them but they are present throughout your charts in all time frames. A good PCP includes at least one candle in the opposite direction to the trend. Let's look at more examples...

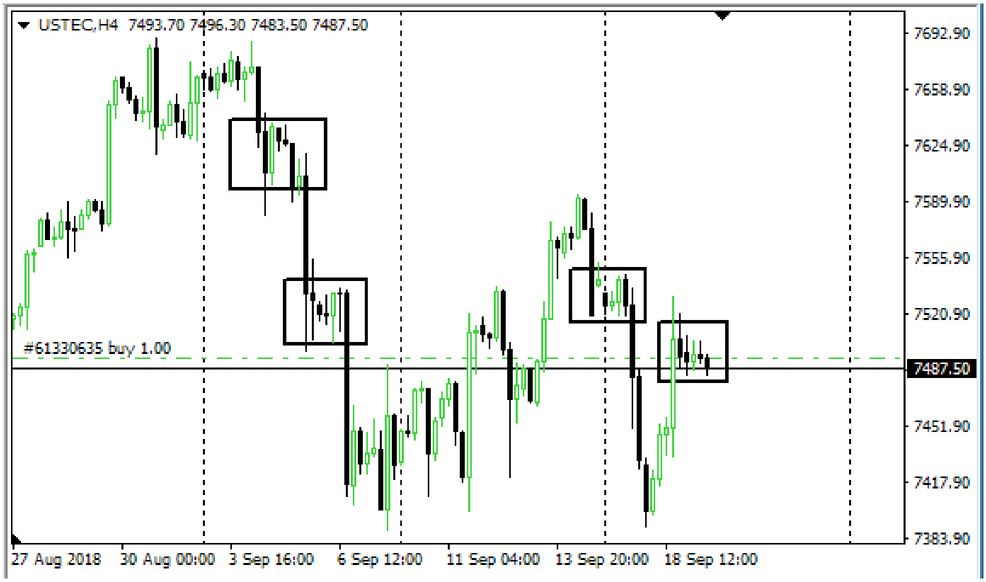

CHINA50,Daily 11209.00 11424.00 11166.00 11371.00
9389.40
9105.60
8821.80
8529.40
8245.60
7961.80
7669.40
7385.60
7101.80
6818.00
18 Sep 2012
16 Oct 2012
7 Nov 2012
29 Nov 2012
21 Dec 2012
16 Jan 2013
7 Feb 2013
7 Mar 2013
29 Mar 2013


DE30,H4 12182.60 12203.60 12162.90 12179.80
12606.30
12521.30
12438.80
12353.80
12268.80
12179.80
12101.30
12018.80
11933.80
11851.30
21 Aug 2018
24 Aug 00:00
28 Aug 16:00
31 Aug 08:00
5 Sep 00:00
7 Sep 16:00
12 Sep 08:00
17 Sep 00:00


DE30,H4 12182.60 12203.60 12162.90 12176.80
13192.90
13070.80
12945.00
12822.90
12700.80
12578.70
12452.90
12330.80
12208.70
12176.80
12086.60
5 Jun 2018
7 Jun 20:00
12 Jun 12:00
15 Jun 04:00
19 Jun 16:00
22 Jun 08:00
27 Jun 00:00
29 Jun 16:00
4 Jul 08:00


DE30,H4 12182.60 12203.60 12162.90 12177.80
13539.30
13461.75
13384.20
13304.30
13226.75
13149.20
13069.30
12991.75
12914.20
12836.65
23 Oct 2017
26 Oct 04:00
30 Oct 20:00
2 Nov 12:00
7 Nov 04:00
9 Nov 20:00
14 Nov 12:00
17 Nov 04:00
21 Nov 20:00


JP225,H1 23723.00 23728.00 23723.00 23728.00
22654.40
22563.65
22470.15
22379.40
22288.65
22197.90
22104.40
22013.65
21922.90
21832.15
8 Aug 2018
9 Aug 06:00
9 Aug 22:00
10 Aug 15:00
13 Aug 08:00
14 Aug 01:00
14 Aug 17:00
15 Aug 10:00
16 Aug 03:00


USTEC,H4 7493.70 7496.30 7483.50 7487.50
#61330635 buy 1.00
7692.90
7658.90
7624.90
7589.90
7555.90
7520.90
7487.50
7451.90
7417.90
7383.90
27 Aug 2018
30 Aug 00:00
3 Sep 16:00
6 Sep 12:00
11 Sep 04:00
13 Sep 20:00
18 Sep 12:00

PART 2

Chapter 6

The Trading Process

Besides not having a solid winning system/strategy that just works, there's a lot that is common among the 90% of people who don't make it in the markets and again there's a lot that is among the 10% that make it in the markets. If you are part of the 90%, you simply have to let go of the old way of doing things and start doing it the new way. In the markets, there are principles that lead to success, and only those that go by these principles, they are the ones that are successful. I have blown too many accounts in my learning, so I have learned how to do things right. You might have not blown an account or accounts and you don't have to first blow accounts to make it, all you have to do is follow what I am going to outline in this chapter. In a world of social media, many of us came to know about trading from people who claim
to be living a good life from trading, and those people would often post a lot of good profits on Facebook, Instagram or Twitter. We might have not given in immediately but because those good profits were popping up in front of our faces every time we log on to social networks, we finally gave in and that's why

we are here today. But little did we know that what we have been consistently seeing on social networks was building up a path to failure in the markets in our minds. Why am I saying this? When we finally got our hands on trading platforms we already wanted to make as much as what we had been seeing on social networks and the reason behind that is nothing more than the path that was being built over time. We also wanted to post those big profits on social media. We also wanted to make as much money as what others are making on social networks. The lot sizes we were seeing on their posts gave us a clue of how to make those huge profits but little did we know that it was a road to blowing our accounts. We learned the wrong way of doing things by just scrolling past and perhaps pausing for 3 seconds on that post with good profits. 99% of the time we didn't even get to see how big that person's account was or if it is a real account or not and how many losses he encountered before finally getting something to show us on social media. But all we saw was that with 10 lots we can make $500 profits, it is doable, we have seen it too many times from XYZ on social networks. We would often get to see some people's analysis and guess what, oh yes I see how they do it; it's the indicators I read about on Google or any other site. Yes, I remember that I watched a YouTube video explaining how it works.

We then went on to do it by ourselves and it worked once, worked, again and again, oh wow it works my account is double than the next moment the account is blown. That’s just how it would often go with indicators, they sometimes work and the moment they don’t work, it is a bad day. Credit cards must come out because we have to deposit funds again. And all this happened because we trusted on indicators, and indicators simply don’t work in the markets if they worked we would have at least 60% success in the markets, the 40% would have to fail because they perhaps don’t have the right indicators or they are getting it wrong psychologically. There are lots of other things we have encountered in the forex and indices trading journey.

The old and ways of doing things:

- Indicators don’t work and they are always lagging. It will always correct itself and adjust to sudden changes in the market. Indicators do not know real life events and will always fall short. They are not human beings and can’t make human decisions. So do your best to avoid using indicators. If you have been using them, by now you should’ve realized that

they simply don’t work. If you have never used them don’t even start. If indicators worked, big financial institutions
would work around restricting them from being used by you and me.

- It is not about always having trades running or having to wake up and trade every day. I like to say I invest in the markets because when I open trades I am not looking forward to closing my trades after an hour or 2, but rather expecting a yield after a few days if not weeks. Our introduction to forex was the wrong one, we were used to seeing people posting every 3 hours and then made to believe that it ought to be like that. Treat trading as an investment. When you invest in property or whatever it is that you choose to invest in you do not expect returns on the same day. You should have the same mindset about trading. This will enable you to be consistently profitable. When you want to make an investment you don’t just go to the bank and make transactions, but first, you study and plan about what you want to invest in. You take time to think about your next investment if you can apply the same in your trading nothing will stop you. It’s even much better because at the end of the day investing in the markets will yield results much faster than any other investment.

- Don’t sit in front of the charts every day, you will see what you are looking for but not everything you see will be what you were really looking for, false setups. This is what leads to people blowing an account in a day because they had plenty of time to open all false setups.

- Patience and discipline is what you will need, I like to make this example to people: if you want to ride a train you know that the safest way to do so is to go to the train station and wait for the train to arrive and even when it arrives you still wait for it to stop before you can get on the train, to safely get on the train you have to apply patience and discipline. You have to patiently wait for it to arrive then apply some discipline to wait for it to stop and for other people to leave the train then enter. We have safe entry points in trading, if you didn’t know, you should not worry, you will know after finishing this book. We don’t enter trades everywhere and exit trades everywhere. Once in the trade, we need to patiently wait for the trade to get to where we had planned to exit then we can exit. Yes if an emergency arises in between we have to exit but if not then we don’t. Just like when you go to the bank and choose to invest your money with them you patiently wait for that term you guys agreed upon to end then you can go and get your money with that tiny little interest gained. If we can do it anywhere else then we can and we'll do it in trading too. Be patient enough to wait for the price to get to your entry and exit points, it will eventually get there it has done it before and it will do it again, that's just how the market is. Be disciplined enough to only enter trades at their entry points and to exit trades at their exit points.

- Never aim to double an account in a day or a week, sometimes it can happen as you are doing things right but that should never be your aim because the opposite will happen. All other investments will give you less than 40% in a month and yet you go for them, but with trading, you want a 100% return in 2 weeks. You need to have realistic goals to make it in trading, yes what you heard when they said there's money in trading is true but it is not an overnight thing. Maybe you want quick money for something urgent, I will be honest with you this is not the right place to get it, the opposite will happen. Having realistic goals will benefit you in your decision making before opening a trade.

- Use the correct lot/contract sizes at all times. As much as it will be exciting to double an account by consistently using wrong lot sizes, you are building a bad habit which is not sustainable, this will blow your account with time, the very same account that you have grown will be easily blown in a trade or two simply because you risked more than you were supposed to. Always remember that if you are risking more because of a certain target you can also lose as much. Always risk less even if you are 100% sure that it will yield a profit.

- Do not over trade. 70% of the 90% of people who don't make it in trading is simply doing it wrong by overtrading because today they made a good profit. Instead of stopping for the week or for the day, they then decide to go and look for other opportunities. From there all the profits they had made are wiped away plus a certain % of the account balance.

- Don't have a lot of trades running all at once. Take 2 or 3 trades a week and just apply patience and see your profits increase. Also just focus on a few pairs this will enable you to trade less.

- Always use a stop loss. Even when you are 100% sure of your trade, anything can happen at any time and you will read about the cause later after your account is gone.

- You can use a take profit or trailing stop for taking profits.

- Avoid trading to show off your results. If possible try trading by yourself if you are easily influenced.

- Avoid following the crowd but stick to what has been working for you.

Chapter 7

Market Sentiment

Simply put market sentiment is how the market is feeling. There is no market without traders, so it is basically the view the majority of traders have. It is the pulling or pushing force that pushes or pulls the market in one direction. I find a market sentiment to be very useful simply because the market will do what the market feels. If the market feels like pulling in one direction, that's exactly what will happen. If you come with your pushing force, it won't be enough to stop the pulling force and because of that, you will be consumed. You only make money when you side in with the market, anything opposite that is a loss. A trend is a result of market sentiment. If the market feels like pushing in one direction, that's what will happen, only those who are pushing or are looking for pushing opportunities will profit from their effort. Some traders like to put it this way "the trend is your friend", I fully agree with them and that's what this chapter is about. If the price is at a buying zone but the market sentiment is bearish and strong then expect the zone to be broken. Major support and resistance zones (in our case RB ZONES)are the number 1 drivers of the market sentiment. The reason why price respects major support and resistance zones is simply because the market sentiment in those zones is always biased in the opposite direction. There are many traders and financial institutions that patiently wait for the price to get there and then they jump in. A lot of traders have woken to support and resistance trading and this puts much more force in one direction and this changes the trend. The second driver of the market sentiment is fundamentals. Fundamentals also set the market sentiment in which you can see this by observing the market's reaction after fundamentals were released. When a country's fundamentals are conservatively coming out negatively you will often see that its currency is bearish for a number of days if not weeks or their index falling hard everyday. There's just no reason for investors to invest in a country which is under performing. Concerning market sentiment, you have to keep in mind that investors always want to have their money where it will mature and will pull out if they see a risk of losing their money. As a result of this, no investor will put money into a country whose businesses or the economy is under performing and again not everyone will pull out at the same time so in a series of days you should expect that currency to be losing value because a lot of people are pulling out from it. The sentiment here is bearish and we shouldn't look into buying but selling. The trend the line, in this case, will be a bearish one. Buying zones will be broken and new selling zones will be formed, pcps being the best way to open positions. You should look for selling opportunities in such cases. Again we get times where a currency's market sentiment is bullish, this could be because of new policies passed, a new president or even interest rate being increased. This will surely create a bullish market sentiment that will continue for days or weeks. Keep in mind that there will be retracements but the overall trend will be bullish, here we should look into buying opportunities. This is why we have to hold our trades for long. THE SAME THING APPLIES TO INDICES. OVER THE YEARS THE PRICE OF INDICES HAVE BEEN INCREASING AND THAT WILL ALWAYS BE THIS CASE. THE REASON FOR THIS IS SIMPLY BECAUSE BUSINESSES ARE OUT THERE TO BE PROFITABLE AND TO CONTINUE GROWING. INDICES ONLY HAVE TOP PERFORMING COMPANIES IN A COUNTRY AND IF A COMPANY STOPS PERFORMING IT IS REMOVED FROM THE INDEX AND REPLACED WITH A BETTER PERFORMING ONE

PART 3

Chapter 8

The trading of Indices

Stop loss

This is fuel for your success in indices, use it well to keep yourself in the game, Indices are very volatile and to be safe you will always have to place your stop loss in every position you open. Be very disciplined with stop losses. Always make sure that where you put your stop loss you will not be risking more than 5-10% of your account balance. And this can be well done by patiently waiting for the trade to reach the entry point, else you will be forced to place the stop loss at a place where you will be risking twice as much as you were supposed to or you will put your stop loss at a place where it will surely be hit since you will be afraid to place it far from your entry. But don't worry I will show you how to do it right.
Never have a single trade running without a stop loss no matter how sure you think you are about your trade, anything can happen at any second.

Risk Management

This is where you are either built or broken, this is where you invest or gamble, and this is the key to success in this field. If you go all in keep in mind that you have a 50% chance of getting ready to make another deposit due to a blown account. Never risk money you can't afford to lose, always make sure that after taking a loss you will still have enough money to recover. Losses are part of this business and we can't avoid them but we can surely be smart enough to make sure that after taking losses we still have money to recover the losses and continue making a profit. In Indices different brokers pay differently per lot size on the same price movement so I won't set minimum lot sizes for certain account sizes but most of them have this is the payment per price movement:

Around $100 for every 100 points moved
E.g. If I buy Dax at 12100 with 0.01/1.00 (a minimum lot depending on the broker) and price moves to 12200, my profit will be $100 and if price moves to 12000 my loss will be -$100.

The above already shows you that it is too risky to trade indices on a $100 account, I always advise people to grow their accounts through currencies before investing in indices.

You need to be able to take at least 5 losses and still have money to bounce back from the losses else you are just gambling. Avoid trying to get rich quickly because you will get broke quickly, use minimum risk when trading indices, they are quite rewarding and you will get to where you want to be if you apply proper risk management.

Take Profit

I personally don't use any take profits simply because price can always push further than where it is, I prefer to use manual trailing stop(adjust my stop loss every-time price moves deep in my direction) and locking in my profits but always take what you are comfortable with.

LET'S TRADE

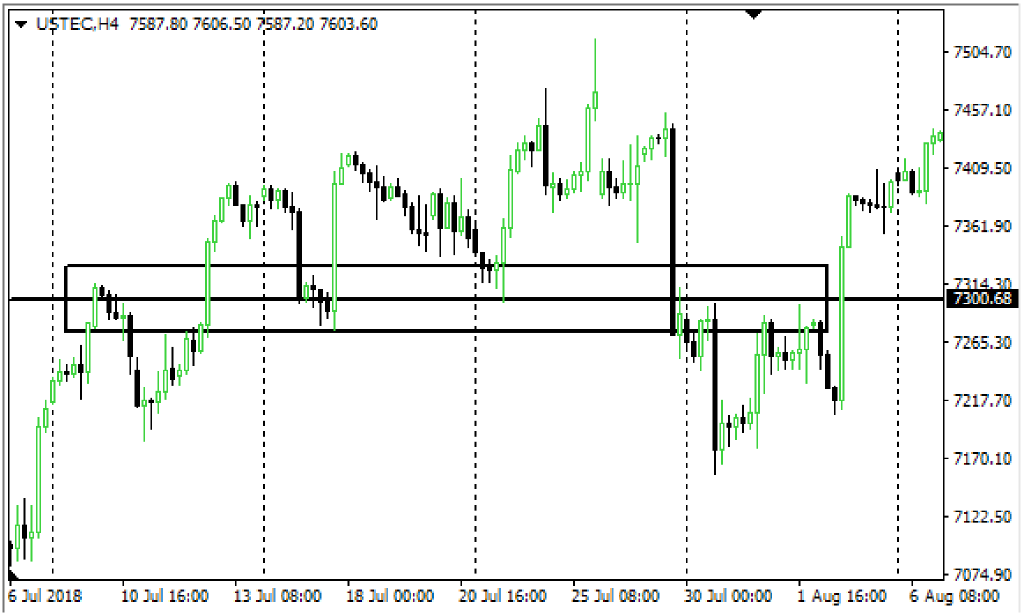
I'd love to believe that you know what support and resistance are, I wrote a book called Recipe for Forex and Indices Investing and it covers all that. They still work here and we will also use the normal price action used in currencies. Price loves repeating what it did last, if price turned at 11800.00 before and went to 12900.00, if the price comes back to 11800.00 805 of the time it will turn again.

Now that we know a lot let's put everything together and see how we apply it to generate those $$$$
There is nothing that works 100%, what I am showing you work most of the times, not always. When you open your charts price will always be somewhere, ours is to look at price action (what price is doing) and then act.
Before acting always check that there's nothing fundamental (news) that will go against you. This is important, no one just crosses the road without checking if there is no car coming and you should not start it here, check your environment before taking any positions, make sure that the market sentiment is not against what you are about to do.
On a trending market we use PCP to enter the trade and on the market that is about to start a new trend we use the 3 traits to enter the new trend (this is very powerful, everyone else will us already in the trend when they decide to jump in)

From the Nasdaq (USTec) Chart above notice how price turned 7400 4 times, the other 2 times price was simply repeating what it did twice before, this is, in turn, a support but again notice how price actually turned at an RB NUMBER, yes most of the time when you get support and resistance it will be taking place at the RB NUMBERS. There is an alarm that will go off when it is time to buy. Our knowledge of Indices traits is what gives us the edge and confidence to say price is at the RB ZONE and we know what price does 80% of the time when it gets here, so what we do is buy and put our stop losses outside the zone and then start trailing (locking the profit by moving the stop loss into profit).

From the H1 Chart above we can see the same support at 7400 and what actually happens on that day before the price could turn and we can clearly see that price created a V-shape (dropped first before changing direction), price repeated what it did twice before and indeed price turned at the RB NUMBER. Notice how price didn't wait for anyone but got to the zone and then turned on the same candle, this happens a lot but it is not always the case, sometimes price spends time there before turning but you buy when price gets there and you have to make sure that the coast is good(market sentiment).

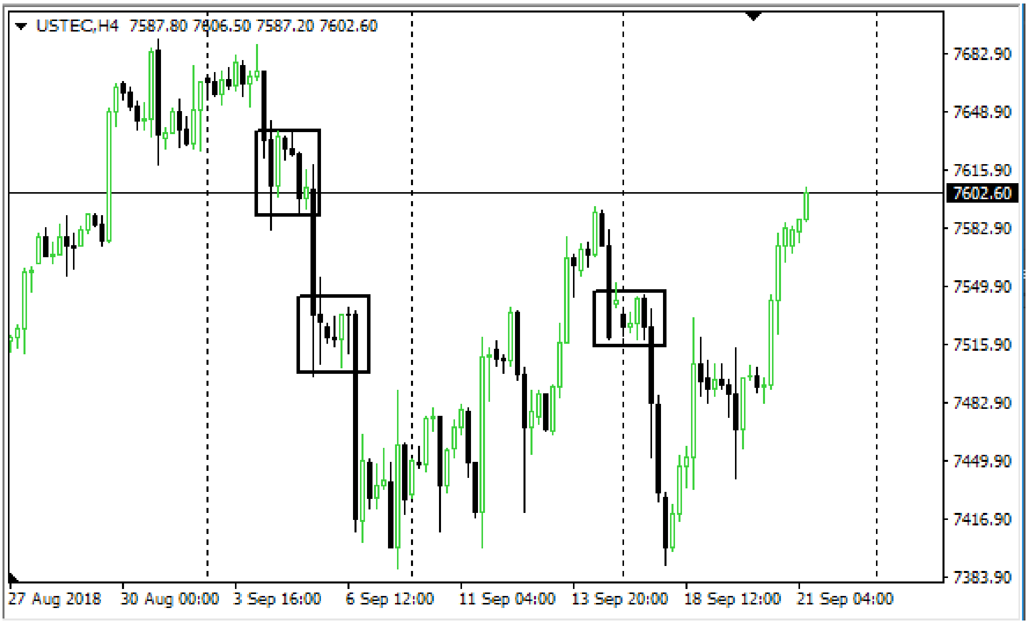
And this is what actually happened when the price came back for the 4th time, what was mostly in play here was the fact that we are at support and RB ZONE, notice how price spent some time here before turning.



From the above chart, we can see the traditional price action at work. Price is simply repeating what it did last and it is at the RB ZONE

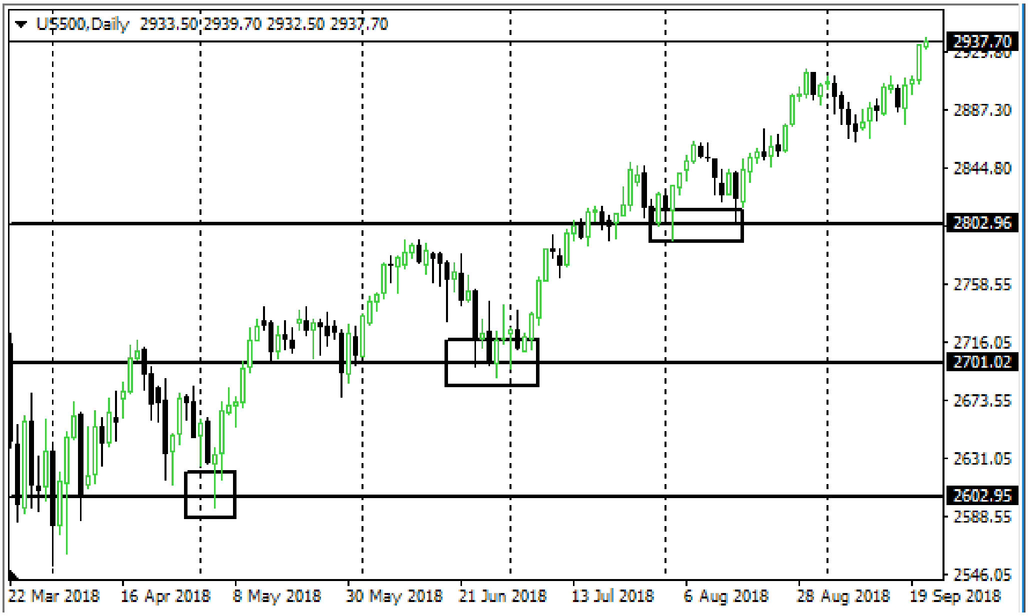
And from the previous chart, we can see that the reason for the change in the directions we were seeing was because the price had turned there before. Price was just repeating what it did last, the turn on the left on the chart above was the reason for the turn on the right-hand side.

By now we have seen and established that RB NUMBERS and ZONES always work but the above chart is also a perfect example of the fact that support and resistance work even though we not at the RB NUMBER, but we can surely see that we had a V-shape situation. The above chart has to points with rectangles around where price turned, and we can see that price was simply repeating what it did last.


USTEC,H4 7587.80 7606.50 7587.20 7602.60
7682.90
7648.90
7615.90
7602.60
7582.90
7549.90
7515.90
7482.90
7449.90
7416.90
7383.90
27 Aug 2018
30 Aug 00:00
3 Sep 16:00
6 Sep 12:00
11 Sep 04:00
13 Sep 20:00
18 Sep 12:00
21 Sep 04:00


USTEC,H1 7605.60 7606.20 7595.30 7599.30
Stop Loss
Sell Entry
7680.25
7647.00
7613.75
7599.30
7581.45
7567.19
7548.20
7534.33
7514.95
7482.65
7449.40
7416.15
7383.85
3 Sep 2018
4 Sep 02:00
4 Sep 18:00
5 Sep 11:00
6 Sep 04:00
6 Sep 20:00
7 Sep 13:00
10 Sep 06:00
10 Sep 22:00

The 2 charts above are showing us PCP entries, the H1 time frame clearly shows that you have to let patience work in you since price can consolidate in one zone for hours before breaking out and continuing with the trend. On the H1 time frame is also a clear example of how to trade PCPs, on a downtrend sell from the top of the zone and put your stop loss above, don’t make your stop loss too tight. Selling at the bottom of the zone will only result in bigger losses because your stop loss has to be outside the zone had should not be tight. On an uptrend, market buy at the bottom of the zone and place your stop loss below.

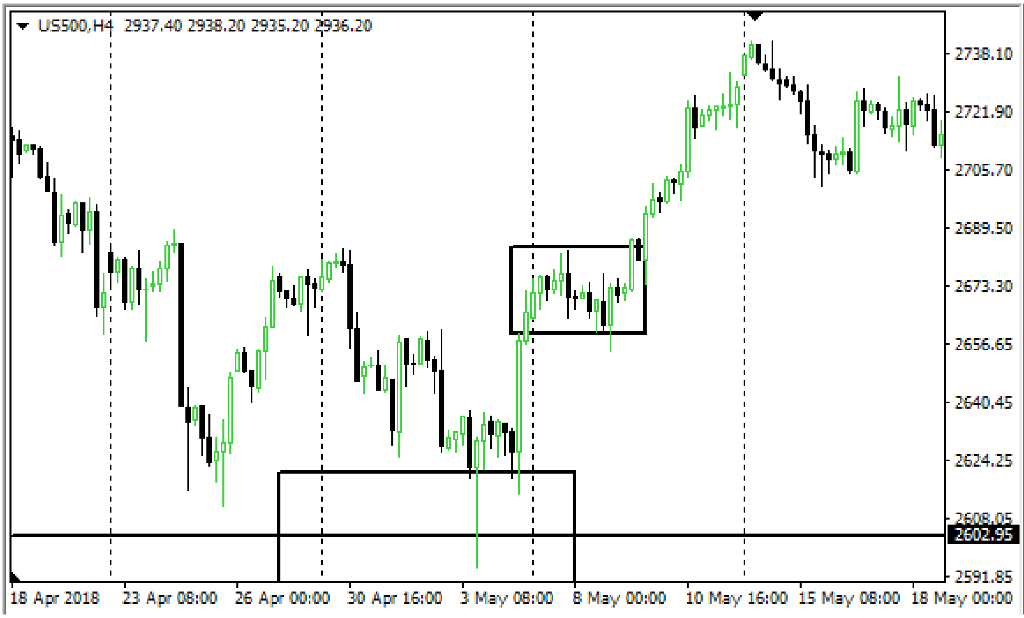


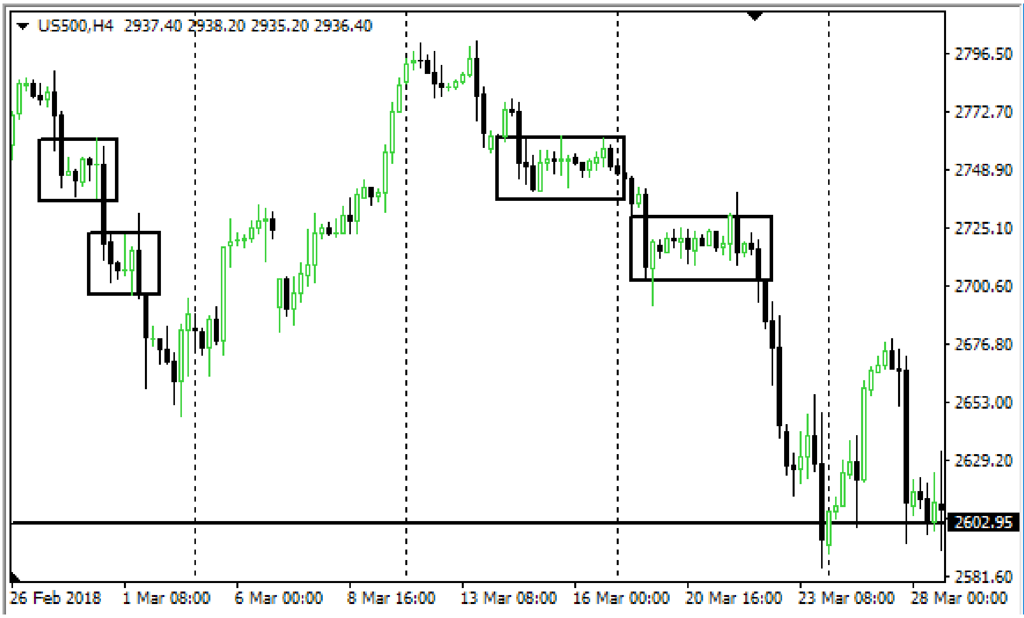
From the previous US500(S&P 500) chart it is evident that indices are always on an uptrend, on the date I took the screenshot it was at an all time high, it is very easy for indices to break the resistance and this is the reason: every business wakes up with one common goal and that is to be better that they were before and because of that you should always expect price to go higher unless there is something fundamental to create a downward market sentiment, but even when that happens the index will always recover and push higher. Those draw-downs are just perfect for adding or taking long positions.

From the US500 chart it is evident that the RB ZONES are perfect for telling us that it is time to buy again, we see prices turning at 2600, 2700 and 2800 while on it's journey to keep pushing higher. I'd rather hold positions if there's nothing fundamental that is bad for the index. PCPs are also perfect for joining those upward moves, price won't always fully retrace to the RB ZONES but PCPs will help will you join the train.

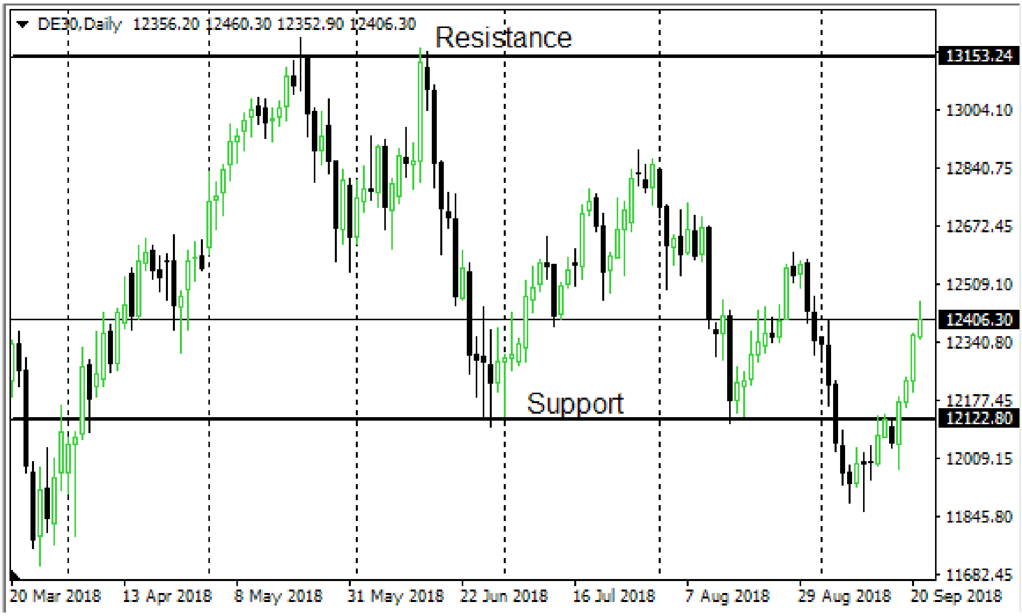

US500,H1 2937.40 2938.20 2935.20 2936.00
2861.70
2855.10
2848.30
2841.70
2834.90
2828.30
2821.50
2814.90
2808.10
2802.96
2801.50
13 Aug 2018
14 Aug 12:00
15 Aug 05:00
15 Aug 21:00
16 Aug 14:00
17 Aug 07:00
17 Aug 23:00
20 Aug 16:00
21 Aug 09:00


US500,H4 2937.40 2938.20 2935.20 2936.20
2813.60
2799.60
2785.60
2772.00
2758.00
2744.00
2730.40
2716.40
2701.02
2688.80
21 Jun 2018
25 Jun 16:00
28 Jun 08:00
3 Jul 00:00
5 Jul 20:00
10 Jul 12:00
13 Jul 04:00
17 Jul 20:00
20 Jul 12:00





There is nothing new here, you can see how everything just comes together.



All you would do from the above chart was to buy at support as soon as price got to where it turned last or sold at the resistance when price came back again.

The DE30 chart on the previous page shows PCP and RB ZONES entries, I don't wait for any indicator or certain candlesticks to enter a trade, my knowledge of how indices behave is reason enough to open positions. The stop loss is my best friend, the worst that can happen when following this winning system is that my stop loss will get hit sometimes but because of risk management I will recover and continue making profits.

BEST TIME TO ENTER THE TRADE?

The De30 chart above is a perfect example of how to use this system, we know that if price falls a lot in a single day it will retrace and we know that when price gets to RB ZONES it retraces, unless there are fundamentals that will affect your trades, first let the price extend to the RB ZONE preferably at or past the RB NUMBER then enter the trade. Place your stop loss outside the RB ZONE(at least 45 points from the RB NUMBER) e.g. if you bought at 100, place your stop loss at 55.

Unlock your wealth

I have shown you how the market works and how to turn that into profits, just like in any school you can have the best teacher and yet still have learners who fail the class or subject, please don't be one of those. What I have shared with you is all through experience, it works, I have seen it working for years but your wrong application can lead to failure. All it will take you from here is discipline and patience. There is absolutely no reason to be trading everyday but every reason to hold your trades like an investor expecting more rewards.

Treat this like a career and you will unlock your wealth, invest like you have to report to a boss, this will boost your discipline. It goes beyond having a working system, not everyday is a trading day because not everyday will be favorable to this system. There's no need for you to force things, be patient enough and this will reward you. It is never easy but experience is the best teacher, learn from your mistakes, put in the work, it is not a get rich quick scheme, put in some effort, make time for yourself to read on what's surrounding the markets, this will always give you an idea of why prices are rising or falling and will help you avoid losses. It's is this simple and very important, no car will ever hit you if you check your surrounding before trying to cross the streets.

What are you looking for in your surrounding before entering trades? Upon writing this book there was a trade war between the USA and CHINA and the outcome to indices was that stocks kept falling every time negative headlines on the trade war came out. It is things like this that you need to observe and put in the work before making blind investments.

You have the key, unlock (do something) your wealth, no one will do it for you, put in the hours, put in the effort and you will be rewarded. I would've never notice what I have brought to you if I didn't put in the effort and I want you to do the same, the world is governed by principles and it rewards those who work.

This powerful book has been made possible by Bruce Nthulane. Bruce has been a mentor of many students in trading and knows what people struggle with and what people need to make it and because of thst he wrote this book, if you stick to this book you will surely come out a different person financially. All the advices in this book were inspired by experience in dealing with students in trading, you don't have to struggle if you will avoid people's mistakes by applying the principles in this book.

Because of the success of his first book called Recipe for forex and indices investing and experience with dealing with people Bruce saw the need to share this with you.