

## Welcome to “Secret Forex Income System”

**“Proven Information, Proven Systems”**

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**“The Forex Master”**



## **DISCLAIMER:**

The strategies and techniques outlined in this book are used at your own discretion. There is no guarantee that you will make money, and the author Ryan Williamson will not be held responsible for any loss of money while using the systems he outlines. Only invest what you can afford to lose!

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## Chapter 1: **Forex Intro**

Hello! Welcome to “The Forex Revolution.”

If you haven’t noticed by now, Forex is one of the most popular and exciting markets to be a part of. It’s really changing how investors, traders, and brokers are directing their customers and funds. With the ever declining stock market, people are turning to exchanging currency in order to make constant returns.

### **Forex is different than the stock market for a few reasons:**

- There is no trading floor! No wall street with stock runners and hours.
- All trades are executed via the telephone or computer.
- Trades are made 24 hours a day! No closing bell!

Forex is not only exciting and profitable; it’s one of the easiest markets to predict. Each country’s currency literally tells a story every single day. It’s like a never ending soap opera based on news, trends, economies, and world politics.

Before you can even begin to think about trading Forex, you must understand certain terms and fundamentals. After you learn everything about Forex, you’ll be ready to make trades using the Forex Pip Predictor System!

## Chapter 2: **Forex Information You Must Know**

Please be sure you completely understand all terms before you move to the chapter about the system. If you don't understand certain terms and fundamentals, it will be impossible to make winning trades.

### **IMPORTANT TERMS:**

**Base Currency** – The first currency in the pair. This also describes the currency your account is traded in

**Exchange Rate**- The value of one's currency in comparison to another. For example if you see, EUR/USD 1.2100, 1 Euro is worth \$1.21

**Currency Pair**- Two currencies that make up an exchange rate.

**ISO Currency Codes** – Below are listed currency codes, there are many more, but these are the main ones:

USD = US Dollar

EUR = Euro

JPY = Japanese Yen

GBP = British Pound

CHF = Swiss Franc

CAD = Canadian Dollar

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AUD = Australian Dollar

NZD = New Zealand Dollar

**Counter Currency** – The second currency in the pair. This is also described as the counter currency.

**Currency Pair Terminology-** This is basically the slang terms for trading certain currency pairs.

EUR/USD – “Euro”

USD/JPY – “Dollar Yen”

GBP/USD – “Cable” or “Sterling”

USD/CHF – “Swissy”

USD/CAD – “Dollar Canada”

AUD/USD – “Aussie Dollar”

NZD/USD – “Kiwi”

**FCM** – Futures Commission Merchant. An individual or organization licensed by the U.S. Commodities Futures Trading Commission (CFTC) to deal in the futures products and to accept money from clients to trade them.

**Forex ECN Broker-** ECN simply means “Electronic Communications Network.”

Basically, the ECN of the Forex acts similar to the stock market ECN, where market

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makers, banks, and traders can have a real-time trading platform to make their trades. They can put and bids and offers either in or out of the spread, making it possible for traders to make trades based on these prices.

**Counterparty-** One of the participants in a transaction

**Pip** – The smallest increment a currency can make which is also known as points. 1

pip = 0.0001 for EUR/USD. USD/JPY = 0.01

**Pip Value** – This is the value of the pip. Pip value can be fixed or can be variable depending on the currency pair and the base currency of your account. For example, the pip value for EUR/USD is always going to be \$10 for standard lots and \$1 for mini lots.

Here is how to calculate the pip value of the currency you are trading:

Divide 1 pip by the exchange rate and then multiply it by the lot size to get the base currency pip value. To convert the pip value over to your currency value, simply multiply the pip value by your exchange rate.

**Lot-** This is the standard lot size per transaction. Usually a typical lot size is 100,000 units of the base currency, or 10,000 if it's what called a "mini" lot. Currency is even traded in what is known as a "micro" lot. There are many dealers that will let you trade any unit size, all the way down to 1 unit.

**Margin** – The deposit that is required to open or maintain a position. A 1% margin requirement makes it possible for you to control a \$100,000 position with a \$1,000 margin account.

**Spread**- This is the difference between the sell quote and the buy quote. For example if you see " EUR/USD - 1.2400/03, this means the difference in the spread is 3 pips. For a trader to break even, their position must move in the direction of the trade equal to the amount of the spread.

**Standard Account** – Trading with standard lot sizes, usually 100,000 units of base currency.

**Mini Account** – Trading with mini lot sizes, which are generally 10,000 units of base currency.

**Leverage**- Using borrowed funds to gear your account. By increasing your leverage, you can either gain or lose more funds. Divide total open positions by your account equity to get the leverage ratio. For example, if a trader has \$2,000 in his account and opens up a \$200,000 position with \$2,000 in his account , he is leveraging by 200 times or 200:1.

**Micro Account** – Trading with micro lot sizes, which are usually 1,000 units of base currency.

**Manual Execution** – An order that is executed by a dealer intervening.



**Automatic Execution-** An order that is executed automatically without dealer intervention

**Drawdown** – The extent to which equity is lost through a series of trades. This is measured from the height to the lowest, commonly measured by percentage.

**Support** – Technical term where buyers outweigh sellers. The prices will bounce off of a floor temporarily.

### Order Types

**Market Order-** An order to buy or sell at the current market price.

**Limit Entry Order** – An order to purchase below the market or to sell above the market at a specified level. Your belief is the price will reverse direction from that particular point.

**Stop-Loss Order** – An order to restrict losses at a specified level.

**Stop-Entry Order** – An order to purchase above the market or to sell below the market at a specified price, your belief is the price will continue in the same direction it is currently.

**OCO Order-** One Cancels Other. An order where if one is executed, the other order will be canceled.

**GTC Order-** Good Till Canceled – An order that stays in the market until it is either filled or canceled.

### **Trading Styles**

**Fundamental Analysis Trading –** This style of trading involves analysis of macroeconomic factors of an economy, underpinning the value of a currency and placing trades that support the trader's outlook of the economy.

**Technical Analysis Trading –** This style of trading involves analysis of price charts for certain technical patterns of behavior.

**Range Trading-** This style of trading goal is to profit from buying technical levels of support and then selling technical levels of resistance. The upper level of resistance and lower level of support is what defines the range.

**Scalping –** This style of trading involves frequent trading to gain small gains over a short period of time. The trades can last from a few seconds to a few minutes. This is the preferred method for many online day traders.

**Swing Trading-** A style of trading that involves seeking profit from short to medium terms in swings of the trends happening. Trades can last from a few hours to many days.

**Position Trading-** A style of trading that involves taking a long term position that is reflective of a long term outlook. The trades can last from a few weeks to many months.

**Discretionary Trading** – A style of trading that uses human judgment and decision making in every single trade.

**Automated Trading** – A style of trading that involves neither involvement nor human decision making, it uses a pre-programmed strategy that is based on technical or fundamental analysis to automatically execute trades via an automatic trading platform.

**Trend Trading-** A style of trading that tries to gain profit from riding short, medium, and long term trends in price.

**News Trading** – A style of trading where a trader attempts to profit from fundamental news announcements on a country's economy that will affect the value of a currency, usually trying to gain short term profit immediately after the announcement is released.

While you may not believe you need to memorize all of these terms, it's very important to understand most of them. For example, in many of the system you are going to hear words such as trend, swing, and scalping. If you have no idea what swing and scalping means, how in the world are you going to be able to execute the trade properly?

**Here are some helpful websites:**

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<http://www.forex-markets.com/>

<http://www.forex.com>

<http://www.babypips.com>

<http://www.info-forex.com/>

<http://forextradingon.com/forexfaq-1.phtml>

Use those informative websites to help you fully understand Forex before getting started trading

### Chapter 3: What You Will Need To Trade Forex

There are a couple of tools you are going to need in order to successfully exchange currency. I first recommend signing up an account with FXCM.



The screenshot displays the FXCM trading platform. The main window shows a grid of currency pairs with their current prices and bid/ask spreads. A detailed window for the EUR/USD pair is open, showing the current price at 1.4124, with a low of 1.41099 and a high of 1.41635. The trade window includes fields for lot size (100) and buttons for 'Sell' and 'Buy'. A yellow banner at the bottom of the platform interface reads 'Free \$50,000 Practice Trading Account'.

**24-Hour Online Currency Trading**  
**NO Dealing Desk Execution**  
Trade on rates provided to FXCM by multiple global banks. [Learn More](#)

- Spreads as Low as 1 Pip
- Trade Directly From Charts
- Hedging Capabilities
- Positive Rolls at All Margin Levels
- Up to 200:1 Leverage\*

[Video Tour of The Forex Trading Platform](#)

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FXCM is one of the largest and most well respected Forex brokers in the world.

Listed below are just some of the reasons why they are the best:

- Over 90,000 live accounts
- FXCM Group has over \$120,000,000 in US firm capital
- Regulated in the USA, Canada, UK, and Hong Kong.
- Spreads are low
- Can trade directly from charts (great for quick trades)
- Ability to hedge
- Up to 200:1 Leverage

All in all, FXCM is the best. I've used them for years with no problems at all. I highly recommend using them as your Forex broker.

Okay, next you are going to need to use the right charting software. I recommend picking up MetaQuotes for FREE!



1. Metaquotes is one of the most popular and easiest charting software's to use.

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2. Metaquotes has now integrated Meta Trader 4 to work directly with FXCM. You can now make your trades directly from Meta Trader instead of switching back and forth.
3. You are going to need some type of up to the minute financial news source. The reason being is there are going to be some days you are just going to want to stay away from some markets no matter what the system is telling you. If a country's currency is being downgraded hard or if there is some type of major event or catastrophe, you need to know about it.

I recommend the following Forex news sites:

<http://www.forexnews.com/>

<http://www.dailyfx.com/>

[www.fxstreet.com/news/forex-news/](http://www.fxstreet.com/news/forex-news/)

4. You will definitely need a good computer system. You need something fast, efficient, and easy to use. If you can afford it, I'd highly recommend investing in dual monitors. By having dual monitors, you will be able to keep track of multiple markets at one time easily. Head to your local computer store to figure out the easiest and most cost effective way of having multiple monitor's setup.

5. You need to have the WANT to learn Forex completely. You cannot master every technique, trend, and fundamental of Forex over night, it takes a lot of time and patience to fully understand exactly how Forex works. Be patient, be persistent, and constantly try to LEARN!

#### **Chapter 4: How To Be Successful Trading Forex**

Alright, this is my chapter to give you my words of wisdom of being an experienced Forex trader. In my opinion, the most important trait to remember when trading Forex is to be a TECHNICAL trader. There are many traders who at times will look at Forex as a gamble. They will have one technical trade go wrong and think to themselves “I’ll try to make it up on the EUR/USD market, I have a feeling it’s going to gain 40 pips in the next few hours.” Well guess what, sometimes they win, but much more often they lose more and more. After years go by, the people who do this will dig themselves into deep holes that they simply cannot get out of.

**My top rule of trading currency:**

**“Do not be a speculative trader! ALWAYS stick to TECHNICAL trading!”**

**A successful trader will do the following on a DAILY basis:**

1. Plan his or her SLEEP schedule around prosperous market activity
2. Stay on top of various country’s world news

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3. Have a computer up to date with plenty of monitors
4. Have the ability to be analytical
5. Have the ability to research
6. Have the ability to see trends
7. Have the ability to limit losses
8. Have the ability to limit wins
9. Have the ability to keep his or her goals in perspective

The hardest part of being a professional Forex trader is having to make very stressful situations under a LOT of pressure. I'll be honest, it's hard making trades that can win or lose you thousands of dollars of your OWN money. There are many people who will stay out of prosperous trading situations because they are simply too scared to take a chance on possibly losing money.

For this reason I stress how important it is to have a separate bank account with your currency trading money. If you are trading with your mortgage, car note, or kid's college money, then I can tell you RIGHT now you will **NOT** be a successful trader. If you put together \$20,000 dollars where you will not be hurt by losing 30% of it on trading, then you WILL be successful following proven systems and strategies.

**"Scared money doesn't make money!"**



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It's very true and probably one of the most important lessons of exchanging currency that I can teach you.

Finally, always remember, don't close out your position until you see an indicator or rule broken in a system. There are many people who will simply close out of positions because they are bored with them. The market has leveled out and they believe they can use their money in a different market that is moving upward. Do not jump around markets! Stay with your trade until the end!

### Chapter 5: **The Forex Pip Predictor System**

This system does just as the title says, it predicts where there is going to be a breakout in pips by using two main indicators. You will see in my charted examples that time after time this system is able to predict when there is going to be a large uptrend in markets and get you in before the breakout happens.

**Let's go over the parameters to the system:**

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1. Set your MACD indicator to 12, 26, 29
2. Set your ATR to 14
3. Only enter stable markets. Do not enter markets where the market is going up and down in extremes every hour.

### **Let's go over the rules:**

1. Only enter a trade when the MACD is positive
2. Only enter a trade when the ATR is above 50 (positive)
3. Exit your trade exactly when the MACD and ATR both turn negative and go below 50.

This system is great because it's able to get you in before the breakout happens and is great at predicting when the pip gaining is over. You MUST be sure to add both indicators and follow them exactly as described.

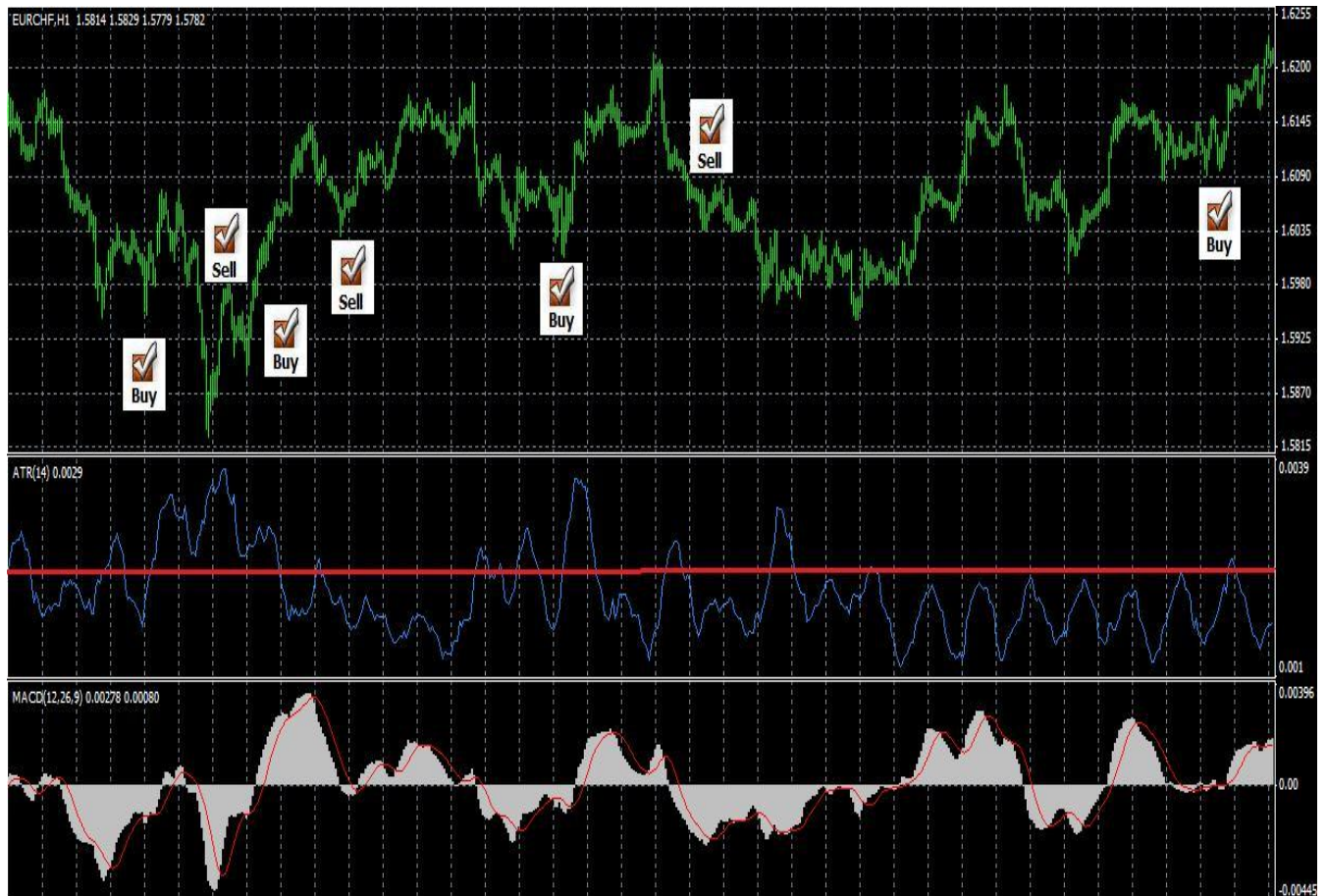
Let's look at a perfect example of this system in action



**Two complete winning trades! 1 small gain and 1 large gain!**

For teaching purposes I drew a RED line through the ATR to indicate what we consider to be "50." When the ATR rises or moves above this line and the MACD is positive, that's when we execute the trade.

Let's take a look at another winning trade, this one is in the EUR/CHF market:



**Three winning trades! 1 trade still pending**

This market was a LITTLE bit harder to predict than the last, but by following the indicators to make the trades we were able to predict before the market went positive and negative!

As you can see, we only execute our trades when the MACD and ATR are both rising positive and above "50." We executed our first trade when the ATR rose and the MACD rose for just a small period of time. As long as the MACD is even a "little" positive, you can make the trade. If the MACD is not positive, don't make the trade!!

Let's look at another winning trade.

Notice we marked our "buying" and "selling" next to the MACD indicator to give you a better understanding at how we execute our trades.



**Three winning trades!! All following the MACD and ATR indicators!**

Notice we bought when the MACD turned positive and the ATR rose. If the ATR wasn't rising above the red line, we would have not made the trade.

Here's another winning trade using the Forex Pip Predictor!

EUR/CAD Market



**2 Complete Large Winning Trades! 1 Trade Still Pending!**

We did very well with the first two trades, taking in large gains just following our system. As you can see we rode a nice wave on the first trade, but once we saw the slightest decline in MACD, we got out! Good thing we did because the market went

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down QUICK! Look at the red dot where the MACD went down, you have to catch the decline, even if it's small.

**Let's look at a winning trade in the EUR/GBP Market. Notice we charted the indicators between the ATR and MACD so you can view how we execute the trades based on analyzing both indicators.**



**Three Complete Winning Trades! 1 Trade Pending As The Chart Ended**

1 nice small gain with 2 great LARGE gains using the rules of the system.



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We show you how we bought and sold between the two shown indicators in order for you to be able to view how we make our trades exactly.

Let's look at a trade where we cannot execute trades due to both of the indicators not being aligned.



For this trade, I'd like to direct your attention to the  at the beginning of the chart.



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As we can view, the MACD rose which would usually indicate that there is a winning trade brewing.

The ATR did not rise above 50, so we could not execute the trade.

An amateur trader might have executed the trade and then experienced a loss for doing so.

Be sure to follow the indicators of the system EXACTLY as described in the rules.

### Chapter 6: **Fire Away Pip Gainer**

Okay, this system is similar to the last in ways of rules, but it uses two different indicators. For this system, we will be using the **moving average** and the **OSMA** set at **14,24, and 8**.

**FastEMA – 14**

**SlowEMA – 24**

**SignalEMA – 8**

Set the **moving average** to period "60."

Okay, below are the rules to trading this system:

1. The moving average must be on an "up slope" in order for you to **buy**.
2. The OSMA must show "positive" in order for you to **buy**.

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3. The same for selling, the moving average must be on a “down slope” for you to **sell**.
4. The OSMA must be “negative” in order for you to **sell**.

The most common mistake made by traders with this system is waiting too long to execute their buy. You need to zoom in as far as possible on your moving average.

The key to consistently winning is executing your trade as SOON as the moving average moves in an up slope for buying or down slope for selling. If you wait too long the wave will already start and you will lose out on many valuable PIPS.

**Let's look at a few examples of the system in action**

### Fire Away Pip Gainer in the EUR/CHF Market

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**Three completely profitable trades! One trade still pending, but showing a lot of volume.**

As you can see, we made many of our trades right when we saw the moving average switching up or down. We keep close watch to make sure the OSMA is showing proper direction before we execute the trade.

**Let's look at another winning example**

### Fire Away Pip Gainer in the EUR/CHF Market



**Three nice winning trades! Big Gains! Virtually no risk!!**

Gotta love the system! We got in on our first trade the second we saw the moving average moving in our direction. The second the slope leveled out we started to watch closely and sold it on the first sign of down slope.

It's important to watch when the moving average plateau's and stays stable, this is usually an indicator that you are close to selling.

## Fire Away Pip Gainer in the CHF/JPY Market



**Two nice winners! We avoided trading in the last section of the chart due to low OSMA action.**

Both of our complete trades brought in a lot of pips. The reason we sold after our first trade is due to the moving average showing a bit of down slope. We saved pips by selling and then picking up a new position instead of holding onto our first position.

A good example of following both indicators is in the last section of the chart. We avoided trading when the moving average started to move positive because the OSMA was still very low. Follow both indicators to success!

Let's look at another easy winner.

### Fire Away Pip Gainer in the EUR/GBP Market




**Two easy winning trades! One trade still pending!**

As you can see from above, the entry and exit points for this graph were very easy. By just simply following both indicators we were able to get in right before the wave of pips started and exit before the market went south.

Let's look at a graph where some amateurs to the system could get in trouble:

### Fire Away Pip Gainer in the GBP/CHF Market



Please direct your attention to where the  are on the graph.

As you can see, our OSMA indicator indicated we should buy, but the moving average was either leveled out or going downward. An amateur trade might try to jump the gun and get in on a trade when they see a lot of OSMA activity.

Be sure that both indicators are in line before you make the trade to avoid loss!

Let's look at another easy winner while focusing on making sure the OSMA is in line with the moving average:

### Fire Away Pip Gainer in the EUR/CAD Market



Notice I have the buy and sell signals down near the OSMA. Now, look where I have you **buying and selling**. The OSMA has large activity EXACTLY when the moving average starts to make its trend either upward or downward.



**By following the large volume of activity, you can get in plenty of time before the action takes place!**