

Learning to Dance

The journey begins: What follows is how I got “here.”

First let me say this. There are tons of good threads teaching good strategies on ForexFactory. This is just one more. There is a small difference in this one though. This one is aimed specifically at creating, learning and improving a strategy simple enough that you can trade without ever looking at the news except to know when to avoid trading and to create an extremely visual strategy that allows you to look at a chart and see in literally seconds if you have a trade or not and if one is close to forming.

I created this strategy and wrote this manual for myself. I wanted something visually accurate and extremely simple, something I could sit down at the computer and know within seconds, without a doubt whether or not I had a trade, or if one was forming. I was tired of learning so many nuances of so many indicators and how to interpret the signals they create.

I needed to be able to just focus on the chart in front of me and not have to be distracted by all the “crap” of “eye candy” that so many traders seem to love. To me, it was all just confusing.

Oscillators that indicate oversold and overbought areas also failed often and required me to focus on more than the single chart in front of me. This became even worse with multiple currency and multiple time frame strategies.

Using multiple time frames was cumbersome and confusing for me for much the same reasons as oscillators. Most use multiple settings on multiple indicators so each Time Frame looks slightly different. Trying to watch multiple time frames, flipping back and forth with multiple indicators always just seemed lunacy to me. My attention was always being distracted by the various and often contradictory signals generated and the different Moving Averages and/or indicators on each time frame.

Traditional Support and Resistance levels are also extremely subjective and can be difficult to place on a chart properly, then there is the issue that they are not true “levels” but more of an S/R “zone” that not only fail often, but they can migrate over time. The same is true of Fibonacci levels, Andrews Pitchforks (though I really like them), Trend lines, Elliot Waves, Wolf Waves, 123 Breakouts and many, many others. Worse, all of these required not only a fairly strong “feel” for the market and where to place the lines involved on the chart, it required far too much preparation time for my “style.”

I'm not the most patient person in the world when it comes to trading. I have always been more of a “make it happen” sort of person than a “wait for it” type. I know that's a major shortcoming in trading and I am getting better about it, but I still wanted something that was less subjective, allowed for more focus with less effort and with cleaner charts.

So, I needed something on a fairly short time frame, that automatically drew on the chart everything I needed. Herein lies the genesis of this strategy. You see, when I started I had already made and lost lots of money in a traditional business. I made lots, but in the end there was always someone in the “wood pile” so to speak to mess things up at just the right time. So, I started to research trading Forex, for the second time, with almost no money but extremely good research skills and a very quick learning skill set.

One thing I am extremely thankful to my mother for in all this is that she told me once, in about fourth grade that the most important thing I could ever learn was how to learn. Then to never stop learning. Though she is gone now, that early training when I was a child came back powerfully when I began this journey.

The first time I looked at Forex was in 1997 or early '98. I relied on a “mentor” who claimed to know how to trade and it led to disaster. The rest of that story comes later in this commentary.

This time around I researched lots of strategies, literally hundreds and hundreds of indicators, I have collected several thousand I have looked at. I also read almost every thread on ForexFactory, and other sites like Baby Pips, Forex-TSD, Market Geometry, FXNoobs and so many others I have lost count of them all. I have read several, perhaps as many as 100 e-books on so many strategies, theories, Money Management, etc. that I have lost count and to me, it all boils down to this.

As retail Forex traders, we are at a great disadvantage because of Spreads, Pip Hunting by dishonest brokers, lack of and flawed News access and most especially, for those of us just beginning the journey, lack of confidence in our skills, a solid strategy, poor perception of price movement and a trading style that just simply works by looking at ONE chart with ONE place to look.

The vast ocean of information out there on Forex Trading is extremely difficult to sift through and can be totally overwhelming to a beginner. The huge propensity of that information to be from self professed gurus, so called and wannabe experts, system sellers, creators and vendors of Expert Advisers makes it even worse. Add to that those who proclaim that theirs is the only way it can be done, then for those of us who start this journey and have the task of learning to trade, it can seem at first to be almost insurmountable.

In my own personal journey to where I currently am, I have practiced many, many strategies, finally came to the realization that not sticking to ONE strategy was the first and biggest problem I had to confront. I absolutely had to find or create a strategy I could understand immediately and stick with. Then mastering that strategy and becoming consistent would be the next step in the journey.

I began this back in 1997 at a bucket shop called TDM Global in down town Los Angeles with one of those so called “mentors” who probably knew less then than I know now. In any event, I started with a \$10,000.00 account, learned to trade the Usd/Chf, the Usd/Jpy (which was about 128 to the dollar when I started), the Deutsch-mark/ Dollar and the Gbp/Usd crosses.

I was using Trend Lines, S/R levels, and looking for Head and Shoulders, “W” and “M” patterns, which I now recognize as Gartleys. I tried multiple time frames and finally settled for using the M1 and M15 charts. M15 was for the “trend” and M1 was to allow me to see if price was at a good place to enter near the lines.

I did pretty well and was earning approximately 1% per day in my account. I was smart enough to start trading the Usd/Jpy and only taking shorts because it was so amazingly high and there was talk of intervention. Then one day I caught a hugely profitable move and learned a very expensive lesson.

I was trading with stops in place, but no Take Profit, which is acceptable, but leaves one with a bit less control over their trades. The Yen hit about 134 or so and the Bank of Japan along with the “G Eight” intervened to drive it down. I don't remember the exact size of the move, but it almost doubled my

account in one night and in less than an hour. I also learned at that point, that when price moves that fast, there is no way to get out until it settles down a bit and liquidity returns to the market.

I was tired and went home for the night as it was about 2:00 a.m. and I had been up all day the day prior. I told the man supposedly mentoring me to leave the account alone and not to trade it at all until I returned. Instead, he tried to catch a bounce off what he thought was the bottom, it went against him, and with no way to get out in a fast move, he lost most of what was in the account. There was only about \$2,000.00 left when I returned. I was furious and didn't trade again for almost ten years, until mid 2008.

The reasons I decided to try again are not important, except that I was fed up with traditional businesses, and what happened when I started and built one. I was also a bit disillusioned by some of what I had seen of those who were on the Boards of international companies.

One such event occurred in a Bistro in Encino, California where I was on the Board of a startup company with the likes of the president of Disney International, Riot (a post production house in the film industry), the ex investment manager of Sun America fund and a couple of others. The topic of interest was the reserve police officer status and badge one of them and how easy it made it to pick up women. Disgusting to say the least for a business professional to act that way.

So, I started researching again and looked at probably 30 or so brokers and their accounts/ terms of trading, every single Forex site I could find in English, and read most all of them. I finally settled on ForexFactory as the main one I would spend the most of my time at reading and learning. I started using Oanda, but the leverage is atrocious. I switched to Alpari, but the fills were so slow that often when I got filled the move had already passed.

I looked at lots and lots of strategies and I started practicing the OZFX strategy when it was the “new and hot” one and did amazingly well. I was doubling the account about once a month or so, even on Oanda with almost no leverage to speak of and was so happy I could hardly stand myself. That didn't last long. What I didn't realize is that the strategy was critically flawed. It worked great in a sideways market with fairly large swings on a daily and weekly basis, but when the market plunged in mid 2008 and the Euro dropped from around 1.6 to about 1.3, the strategy seemed to quit working.

In fact what had happened was that it still worked after a fashion, but the “real” signals were so far apart that it was difficult at best for a newbie to figure it out. That started me on a new search for a strategy that I could be successful with.

I read most all of the threads on ForexFactory at that point and at least skimmed through every single one of them, including the posts to the Interactive Trading threads and all the others.. I spent tons of time on the James16 thread reading about and trying to understand the use of Price Action, then the Jacko's Forex House of Pleasure and Pain thread trying to get a handle on how to trade a trend, but there wasn't much of a trend at that time, just the plunge in prices and huge swings. I studied Phil Nel's strategies and how he talked about the “flow” and “rhythm” of the market, but had a difficult time filtering out the bad trades even with his use of the MACD.

I tried the Bagovino Method but didn't understand enough about using a “filter” to keep me out of the bad trades, and help me get into the good trades, so I moved on to the 2550 method, looked at Andrews Pitchforks, the Blin Method, most of TEB's strategies, the ICWR strategy (Impulse Corrective Wave Retracement) and did reasonably well with the latter.

The problem with ICWR was it was very time intensive and required a lot of work to use. Even with the indicators I found it was still a bit daunting though it seemed to hold (and still does hold) great promise. I finally settled on Andrews Pitchforks because of the fact that Andrews had used it to amass millions of dollars, in the early years of stocks before the Depression, it was well documented, seemed easy to use and so on.

I was particularly impressed with the fact that price does indeed seem to always come back to the “mean” or the “median line” of it's range extremely often. There was a problem with it though. First, it was extremely subjective for a newbie to try to use consistently. The higher time frame usages of it were the most successful, but required huge stops, often 50 to 100 pips to allow it “room to breathe.”

That meant I had to have a larger account than I did, use less leverage or risk than I wanted to achieve my goals, which in turn meant a much longer time to be able to live off my trading. It was successful, and I did reasonably well with it, about 64% accuracy in my trading. But I again moved on because of the complexity of the discretion in using pitchforks. If you search some of my posts, you can read all about that on the Pitchforks thread started by justcatalin.

This was also all during the period of greatest volatility with huge swings in price in late 2008. That actually made things worse for me as I would see these huge moves of several hundreds of pips, several times a day and miss most of them even though I was at the computer when they happened., so my search continued for an easy to “see” and easy to use strategy that required little effort to actually implement successfully.

I wanted something reasonably mechanical. If X, do Z type of stuff. Discretionary trading seemed all Greek to me, and a bit of voodoo thrown in for good measure. I understood using trend lines and looking for chart formations, but that required a lot of manual work to draw those lines and put me squarely back in the Discretionary camp. Drawing those lines can be extremely discretionary and if you look at the charts they create, they can be very confusing for a newbie, which I was, and may be still considered by many.

This was about the time I ran across the “No Brainer Trades Thread” and trading using nothing but Support and Resistance levels. Great strategy and a great thread to read, but again, it's a bit more “long term” than I wanted and also a bit more discretionary when it comes to drawing the lines.

I later ran across the thread started by Endroute about trading the COG indicator (Center of Gravity) titled “The art of Trading MAs” and was suitably impressed, but it took me back to trading using Moving Averages and was very similar to the Bagovino Thread I had already tested and left. But he did get my attention with a comment he made, that no one even challenged him on (and no I won't tell you what that was, go read it for yourself). So I sent him a PM and asked a few questions

To his credit, Endroute not only answered, but spent quite a bit of time with me teaching me how to use Moving Averages and SpudFyre's Stochastic Threads in trading the way he did. We became good friends in the process.

He was doing amazing things with that strategy but I couldn't seem to get a handle on it properly. I had some great trading days, and some really, really bad ones. With his help, I continued working on my trading and decided that I needed something so simple a total idiot could sit down and simply “see” a trade and take it.

Still, watching him harvest 300 to 500 pips each and every week, week in and week out no matter what the market was like was very, very inspiring.

I worked with several different Moving Averages in an attempt to find a way I could use just one with some sort of filter and simplify the charts the absolute most possible. I had some success with that, but mastery of a strategy enough to create trading consistency eluded me still.

I researched and tested scalping techniques, the C4 strategy on FF and all of this has led me to conclude that trading is really more like learning to dance or play video games than anyone but possibly myself will ever admit, which brings me back to Discretionary trading. It is filled with tons of self fulfilling prophecies, which I will come back to later.

Somewhere along the line, reading Turveyd's thread "M1 only traders thread, any Pair," I encountered Magnumfreak and his trading journal and strategy. It was extremely simple, very, very close to what I was looking for, but M1 is a bit fast for my tastes and experience level. So I moved on, but ultimately found a way to modify it and used it as a basis for my own strategy. Later I modified it even more to the strategy I now use on M15.

Trading vs Dancing

In defense of discretionary trading, it is sort of like dancing. If you have ever been on an "open" dance floor, say like in a country western bar or a ballroom of some kind, you know that there are a few basic rules, but looooooooooots of human discretion in the process. Those few rules can produce the most wondrous and elegant physical harmony between a couple and all the other couples on the floor one can imagine.

The "flow" of the dancers on the floor is all in the same direction, but occasionally you see a couple dancing "counter" to the flow. We'll take country western dancing as the example because I am more familiar with it than ballroom dancing.

Everyone is on the floor at the same time, sometimes hundreds of couples. Some dance west coast swing, some east coast swing, some straight swing, two step, Texas two step, traveling two step, half time, just to name a very few of the popular dance steps. Thing about it is that more likely than not, they are all going in the same direction and no one collides, no one gets hurt and everyone has a lot of fun.

It looks chaotic, but in reality there are lots of smaller sets of rules in play. If you look at just one couple, that becomes very plain and a good set of partners can make it look like music in motion.

Trading isn't much different. Lots of smaller sets of trading "systems" rules in play, all pretty much going in the same direction as the trend, or a few in counter trend style. The only ones who get truly hurt are the ones who ignore the rules and end up colliding with someone else's strategy. Those "getting hurt" in Forex would be the newbies who provide so much liquidity for everyone else.

It looks chaotic, but really all that Price Action is made up of millions of rule based decisions by all the participants. The "true" rules of the "dance" in the case of trading anything is what has been stated so very many times by the "Greats" of trading, Andrews, Dow, Merchal (who most never heard of, but predicted the Dow Average 18 months in advance, copyrighted his chart and missed by fractions really

in each swing of his chart compared to what actually happened), Babson, Fibonacci, Elliot, Tim Morge in more recent times and several others.

Learn those basic rules, gain the "floor time" (chart time in trading) and you too can make it look easy, fun, musical and like poetry in motion.

It took me about a year to get really good at dancing, but when I did I could dance with any partner, even one who had no experience at all, and make the dance look simple, easy, musical, elegant and like she had been dancing most of her life.

Trading isn't any different, no aspect of life is. There are basic rules, a "flow" to learn to become accustomed to, a rhythm to follow and wallah!, you have a new Fred Astair looking for his Ginger Rogers. Phil Nel in his thread here on FF talks incessantly of the "flow" or the "rhythm" of the market, and that the most important thing is to learn it.

I have talked with many and researched literally thousands of hours of strategies, methods and it all boils down to this, just like dancing's rules, there are rules for successful trading.

1. What goes up must come down. (Gravity)
2. For every action there is an opposite and equal reaction. (Median Lines)
3. Life follows predictable patterns. (Elliot Waves)
4. It takes a lot of energy for a trend to turn. (Inertia)
5. There is a rise and fall to all Price Action. (Sleep cycles/ Circadian Rhythms)
6. Everything is built on smaller things. (Fractal Science/ Geometry, etc.)

Want to trade Elliot Waves? Then learn what they are and how to identify the major ones and they will appear on every chart in every time frame you can find. Then learn the flow and go with it.

Want to trade Fibonacci, it's not rocket science, just takes some "floor time" to learn the dance. Coincidentally, Fibs will help you find waves and waves will help you find Fibs. Amazing huh? Oh,,,,, the 20 Moving Average and the 10 Moving average have an uncanny way of following both! Maybe that's because they are built on Price Action that creates the "dance" of both. So you could trade Moving Averages too, looking for Wave signals or Fib levels and it will work. You just need "floor time" to learn the dance involved.

Same with any and every other strategy or method out there. Not one of them is truly significantly better than another one. They are all just visual aids to help you see Price Action, shorten the learning curve in the dance and to help you find that "Rhythm" in the dance flow. It is the trader who makes the difference, not the strategy, just like in dancing it is the dancer.

Everyone is different, my brother loves waves and counting them. I like the simplicity of Moving Averages coupled with good Price Action setups.

Find a dance you like, can understand and "see" then DANCE IT! Learn the flow, learn to "see" the patterns of your particular trading dance and quit listening to "gurus" who want your money. Quit arguing about which one is "best" they all work. Learn to use the mind God gave you and learn YOUR DANCE! It will most likely be at least a tiny bit different than anyone else's, because YOU are different.

Oh, and finding a mentor for your particular style of dance would be a great thing. They can help you learn the steps and the rhythm of the dance. To find a mentor isn't hard, that is what all the threads on FF are about, people sharing their strategy with you so you can learn.

Results are all that count!:

I love this quote, "Those who say "it can't be done" are always being interrupted by those actually doing it."

Or how 'bout this one, "Can't never could!" Or this one, "Argue for your limitations, and sure enough, their yours!" How 'bout this one, "Lead, follow, or at least get out of the way!"

Personally, I wanted "more" than the status quo of trading. I wanted to really master it and still do. So, I traded at way above the recommended risk level, in OFF hours, and ONLY the basic system/indicators of the things I tested. I wanted to train myself to ignore the account size, the money involved (even in demo) and to get to a point where neither greed nor fear had any effect on my trading. I'm not completely "there" yet, but I am very, very close.

It has already been said, "those who insist something is impossible are always being interrupted by those doing it." I once had a friend who started a business with almost no money and no business experience and made very good money. When I asked how he did it, he said, "I was too stupid to know it couldn't be done, so I did it." Lots of truth in that.

Look to Jacko's or EOHater's threads. They and many others have already proven that very high returns are possible on a very consistent basis. Jacko went from trading one standard lot to an amount that would shock the nattering na-bobs of negativity. EOHater now trades about 20 standard lots.

EOHater's thread is pretty strong, and they gain some major pips DAILY. I think it averages something well over 100 pips per day and I have read of some of them gaining 1000 pips or more a week. The problem for me was all the moving averages and the multiple time frames they use. Too confusing for me.

These two are not alone. Though many say it's not possible to achieve returns of more than a few percent per month, yet there are many who do much more than a 2% return per day pretty consistently. These sort of returns ARE possible and possible consistently. It all just takes a bit of time to allow you to gain a "feel" for your trading style. To be honest, it all comes down to belief. You either believe you can and start working to accomplish it, or believe you can't and never even try. The issue is more psychological than practical. Those who choose to believe something is possible, usually achieve it.

Lasers were pure "science fiction" just 50 years ago, now the military has one that can take down missiles in flight a couple of hundred miles away. Space flight was just a flight of fancy for decades but it's pretty common now. There is even a company starting a Space Tourism business to take people into space for a few minutes. Traveling at speeds in excess of the speed of sound used to be thought impossible. Now hypersonic speeds in excess of twice the speed of sound are a military standard.

The 4 minute mile was thought to be impossible when they were trying to crack the 5 minute mile. Now runners regularly beat 4 minutes and scientists are coming to the conclusion that "mindset" is the only real barrier there.

There is literally NO field of human endeavor where the following doesn't apply. "If you can hold it in your mind, you can hold it in your hand." Jesus taught it this way, "Nothing is impossible for him who believes."

Why should people be limited to trading styles and practices that keep them from surpassing 2% per day? The "holy grail" is "you" or "me" and how we choose to believe and apply our efforts to ANY field of endeavor.

Should I go on and on about all the things that were "impossible" that are now every day events, heart transplants, organ transplants in general, surviving cancer (and by the way, physicians in that field will tell you that mental attitude has a tremendous amount to do with beating that), laser surgery to correct eyesight, lasers to remove excess fat without incisions, personal computing is now common place when it was thought early on that it would be impossible to make the PC small enough or cheap enough for "normal" people to own one. The amount of data currently possible to store in a PC is amazing, most libraries in the early days of the 20th century didn't have that much information. In fact, as I write this, it is possible to transmit data in terabytes per second. A couple of those seconds is equivalent to the Library of Congress. The list of previously impossible things that are now common place is almost endless.

Those who choose to believe it possible, keep at it and eventually achieve "it" whatever "it" is for them. You WILL make it in trading, if you stick to it. For those of you who choose not to believe, you're right, and you will never make it.

By the way, Alan Andrews, trading ***STOCKS*** in (if I remember correctly) about 1915 or so made his first MILLION in a year at the challenging of his father and invented the Andrews Pitchfork method doing it. Ultimately he made over \$50,000,000.00 (the amount might be off a bit) and Babson did even better before Andrews came along.

Soros made 1 BILLION in ONE DAY doing this sort of thing. Oh, and there are others who have done similar things.

<http://www.investopedia.com/articles/forex/08/greatest-currency-trades.asp>

Of one trader who shorted the KIWI, there is a "rumor" in that article that his short exceeded the money supply of New Zealand. Even the NZ government got involved to stop him. How's that for something "impossible" to do?

There is NOTHING impossible unless you believe it is impossible,,, for you.

Now let's talk a bit about Myths and Self Fulfilling Prophecies.

There are so many myths in trading I couldn't begin to count them all. The "myth" of time frame is one of the worst. There is NO time frame in trading, only the way we look at and segment it, which becomes a self fulfilling prophecy as well.

The "market" only knows when it opens and it closes, other than that, there is no "time frame" only the individual trades and the way we break them into segments we can understand and even these are merely "visual aids" for traders.

For the most part I have found trading to be an arena filled with tons and tons of “self-fulfilling prophecies.” For example, Fibonacci lines work because so very, very many people use them, but they often fail as well because some larger player moves the market or some other influence does. Yes, it is a “law” in nature, but when applied to the markets they often fail like anything else does.

Support and resistance lines are pretty much the same. Everyone expects them to work, so they do most of the time. There is nothing magical in any of this, just plain old human psychology at work. Fear keeps people trapped and makes certain levels stronger than others. Greed does much the same just in a different way, so price often “explodes” through an S/R level. “Round Numbers” do the same thing for the same reasons.

If you watch price action around Andrew's pitchforks, you will see the exact same sort of movement as you do around longer term Moving Averages. Nature loves a balance and people instinctively understand that. As a result traders “expect” price to return to the “median” or to seek it's “balance” though there is no “rational” reason for this other than it being a self fulfilling prophecy.

What goes up must come down, everyone knows that! Inertia keeps moving objects in motion and resists objects at rest from movement. Everyone knows that too!

Life is filled with cycles, which scientists now call “circadian rhythm.” Night and day, rise and fall of the tides, sleep and waking, excitement and depression. Everyone knows this too!

Fractal technology is the science of how larger things are built on smaller things. Just look at a tree. One line “branches” into multiple lines and eventually we have the shape we recognize trees to have, both in branches and roots.

People have been trying to apply all these principles in differing methods to the markets from when the first market place was ever created. Just look at how long Japanese kept records of the rice markets with candlestick charts. The same is true of the grain markets in more European areas, just not with candle sticks.

The whole point in all this is that life is built on self-fulfilling prophecies and expectancies. So are the markets. It really is that simple. Yet everyone wants to try to make it complex and difficult to understand.

Trading is no more difficult than finding one or more of these that you can understand, “see” clearly on a chart and trade effectively. That then becomes your “edge.” It really is more like a dance than anyone wants to admit.

There is an old country western song that says, “One step forward and two steps back, no one gets very far like that.” BUT, that is not true.

In a dance there are two partners. One leads, one follows. For the most part the “male” leads and the “female” follows. She is traveling along in the dance just as fast as he is, only she is doing it backwards! She is also taking all of her “cues” from him. Without both partners there would be no dance.

In trading, the market is the “male” and traders are ALL “female” taking their cues from “him” AND, they must do it in response rapidly and backwards.

If one over analyzes a dance technique they mess it up, the “flow” of the dance suffers and sometimes they even get hurt. If they don't understand the cues the same thing happens, only often it's worse . Trading is no different.

You could also compare it to a video game. There are rules to play by and when you learn them, it becomes very simple to "win" or at least play really, really well. There are rules as well in the markets. Those "rules" are all based on these self fulfilling prophecies of human psychology. Learn a few that make sense and you can play the game really well too.

One last thought about these "self fulfilling" prophecies where individuals are concerned. Everyone grows up in life with certain "limits" imposed on them by those raising them, and then on those they surround themselves with and those they look at as "authorities" in any area. These limits then also become self fulfilling prophecies.

I once had a "boss" tell me that the only reason I wasn't capable of making a six figure income was because I never had. It made no sense to me at the time, but man was he right! People all around me in the field I was in were making six and seven figure incomes and I was struggling to make the mid fives.

Then, something miraculous happened, I hung around them long enough to learn to get past that personal limit and the day came that I had way more than six figures in my bank account.

You can make a strong living with only a small account to start with. It may take a while for you to get to the point you believe that, but once you do, it WILL happen. Keep at it long enough and you will ultimately become very wealthy. It depends on what you are willing to believe and what you are not willing to believe.

By the way, you don't need a lot of education either to be successful. Personally, I think I'm pretty intelligent and I will be the first to tell you that intelligence often got in my way of becoming a consistent trader.

Let me give you an example. During World War II, there was a severe need for good lenses for all sorts of uses, telescopes, periscopes, binoculars, etc. So they brought in a bunch of people to be trained to make lenses by a master at the craft. (no in those days they did not have the elaborate machinery of today to do it.)

The problem was that not one of the students could turn out a flawless lens even after months and months of attempting it. Then ONE student started turning out perfect lenses. Immediately they began to question the student about what he was doing that the other students weren't.

His answer was startling, it went something like this. "I don't know, I just started watching the master lens maker and noticed that he never used his wrist to turn the lens. He only flexes and turns from his elbow. So I started doing it that way."

THEREIN is the great lesson of all this. There are great traders, great students of those traders, and they are always improving things, creating better strategies, modifying and improving what they do, perfecting their craft. There are a few who can actually teach what they do that makes or made them successful enough to help others. Then there are limitless numbers of people who do not know how to

learn, cannot teach worth a crap, and sit around telling everyone else how it "can't" be done.

Trader discretion is the ONE thing that sets a masterful trader apart from all other traders. SOMETIMES they know what it is they are doing "instinctively" or "intuitively" sometimes they don't. IF they do, they can teach that part of trading to others who can then improve on it, make it "their own" and hopefully help others.

Your OWN Chains!!

The first obligation of every trader is to themselves. It is to become free from the chains of your own limitations and those imposed on you by a lifetime of good intentions from others to help you see the limits of the "real" world. As a trader, you absolutely must find and stick to one strategy long enough to become consistent first, then stretch it to the level of financial security. In the process you will learn more about yourself than trading and you will eventually make that strategy "your own" by continuously improving and tweaking it to fit you.

Personally, I have just turned the corner on being more consistent, after a little over a year. I have also finally developed a strategy that I can use and simply sit down and "see" whether or not I have a decent entry. I have steadfastly refused to accept the normal trading limitations that so many others succumb to in their journey.

I get so sick and tired of the tirades of traders who spend so much time telling others how it CAN'T be done I just wanna puke!

There are lots of traders who do extremely well, far, far better than the gurus of trading mediocrity.

Let's see, MysticGenie did an amazing thing when he traded, just read it and the bashing he took for it. ([How I Turned 1k To 100k In A Wk!!!](#)) Magnum Freak does really, really well even on the M1 chart ([The Ogre's Trading Journal](#)). Jacko has a well documented trading history ([Jacko's Forex House of Pleasure and Pain @ Forex Factory](#)). And, don't forget the people over at EOHater's thread. ([Trade what you see NOT what you expect](#)) If you read, there are lots and lots of others who are doing really well too.

Problem is most end up getting bashed by the nattering nabobs of negativity and just give up. NEVER QUIT!

Oh, and lest I not include Non FF records of wining traders. There have been many in the "outside" world who have done amazing things as well and not just the huge ones, but done amazingly well consistently.

Investopedia has a short list of some amazing trades made by at least three that would shock most people. ([The Greatest Currency Trades Ever Made](#)) Here are some excerpts.

- Using the relatively new techniques afforded by options, Krieger took up a short position against the kiwi worth hundreds of millions. In fact, his sell orders were said to exceed the money supply of New Zealand. The kiwi dropped sharply as the selling pressure combined with the lack of currency in circulation. It yo-yoed between a 3% and 5% loss while Krieger made millions for his employers.
- Stanley Druckenmiller made millions by making two long bets in the same currency while

working as a trader for George Soros' Quantum Fund. (and this was in BONDS of all things!)

- Many speculators, George Soros chief among them, wondered how long fixed exchange rates could fight market forces, and they began to take up short positions against the pound. Soros borrowed heavily to bet more on a drop in the pound.....Soros made at least \$1 billion off this one trade. (AND, horror of horrors, he BORROWED MONEY to do it!)

So,,, CHOOSE! You can allow people to lie to you that all this is difficult, that starting with a small account is impossible, that building that account into a very large one fairly quickly is impossible and stay in the chains of doubt, or grow up and overcome all of that crap.

I heard everywhere I researched that I needed to find a strategy and make it "my own." That is what this strategy is about and why I spent the time to write this, so others could read of the journey of one trader and benefit from it, perhaps shaving precious time off their own journeys.

The next thing is that trading absolutely must be treated as a business, not a risky gamble like in a casino.

Every business I have ever started or owned required two core elements. Sacrifice and tenacious, persistence. Money was always secondary to success.

Learning to actually believe and "training the mind" was always the most difficult part. The mind can play tricks on one. Emotions such as discouragement, depression, "feeling" tired, fear and other such negative emotions are the tricks it plays on you. So are some of the more "positive" ones.

Ever heard of "manic depressive" disorder. Letting one's emotions run wild in EITHER direction is wrong and a problem to be dealt with harshly and early on in the effort. If someone else has done it, that establishes ONLY a baseline against which to improve. If YOU have done it, the same is true.

Find ways to stay motivated, to eliminate greed, fear, too much enthusiasm, too much excitement about the results. Too much of any emotion in trading is an issue to be dealt with. Trading REAL money in very, very small accounts is the BEST way to learn to deal with that.

Trust me, you can get just as excited over a balance of 18 cents that grows to 24 cents in a week as you can going from 1800.00 to 2400.00 in an account. (yes, there is a company where you can trade live with 18 cents, Oanda is it's name. I believe that possibly IBFX can do similar, not sure.)

If you don't believe that, ask Endroute, he heard me!

As for newbies just starting to learn, DON'T GIVE UP, NOT EVER! Or, to quote one of the most giftedly determined men of our time, "Never give up, never give up, never give up!" -Churchill- By the way, I think that was his whole speech that time!

More people fail because of discouragement than ever failed from "losing it all." Trust me there too, I have literally lost everything in life a few times. Colonel Sanders went bankrupt many times before he finally loaded up some chicken to sell by the roadside, then went on to establish what we know know as Kentucky Fried Chicken, or KFC for the younger crowd.

I believe it was Napoleon Hill who said that most men never achieve greatness until AFTER they turn 40. Grandma Moses LEARNED TO PAINT AFTER she was 75 or so and became famous around 80.

It's never too late, never, never, never, never, never, never ever give up! If everyone in the whole world says "it can't be done" or "you'll never get there" IGNORE THEM and keep on keeping on! YOU WILL GET THERE!

By the way, the BEST TWO books I ever read was "Think and Grow Rich" by Napoleon Hill and "The Greatest Salesman In The World" by Og Mandino. Awesome books, great life lessons.

I like to say the crux of "Think and Grow Rich" this way. "If you can hold it in your mind, you can hold it in your hand!"

NEVER GIVE UP!

As for "logic" it's way over rated. Einstein was not using "logic" when he daydreamed about riding a beam of light and started working on his "Theory of Relativity." He was in FACT using the facility of imagination which specifically removes the need for "logic" to achieve that.

I mean, really, how "logical" is it for a person to think of riding a beam of light?

Logic has it's place in ASSISTING one to surpass limits, NOT in placing them. Einstein only used "logic" AFTER he "dreamed" or "day dreamed" of riding a beam of light.

THE SAME is true of any and all careers, including trading. Dream it FIRST, then use every tool you can find to achieve it!

Let's take that one to the extreme. Einstein's famous formula can actually be used to prove the second line in my tag line of "If you can hold it in your mind, you can hold it in your hand."

$E=mc^2$ Energy is equal to mass times constancy (speed of light) squared. Thoughts are "energy," basically bio-chemical energy processes. So in essence, each thought is a tiny "essence" of something that is made up of mass.

People who hide behind the words "realistic," "normal," "average" and so on are the ones who never accomplish much if anything in this life. There is always a balance between success and failure, but failure is NEVER truly failure, unless you give into it. Thomas Edison learned literally thousands of ways that did NOT lead to the light bulb, and ONE that did and changed life for all of humanity.

We do not need more than a "small edge" in Forex trading to become wildly successful in life. Compounding used with that edge is a wonderful thing. Forex is one of the areas of life where a small edge like sticking to the same strategy long enough to master it, can make a huge difference.

You don't need thousands of pips and huge trades either. In fact, you only "need" a relatively small number of pips per day to become extremely wealth. Starting with only 100.00, and gaining only 20 pips per day one can grow to over a million dollar account in 467 trades. At one trade a day that is about 23 months assuming no losses during that time, but wait, it gets better!

If you do that with a beginning balance of 1000.00, it only takes 350 trades, even less time. 17.5 months to be exact. If you use a little higher leverage, even less time.

I have already listed several who have done this. Now, it's your turn, and mine. You will have losses and it's as much a part of your business as shoplifting is of retail, but you can overcome any loss you experience. Trust me, I have lost literally everything in my life a few times and always got it all back each time.

With that, I may have said all I can for the moment. Now let's look at one of the biggest “myths” in Forex. It is the “Myth” of impossibilities.

1. It is possible for one to do very, very well from day one. Just ask Tim Morgue, who paid his way through college trading Forex!
2. It is possible to gain great wealth in a relatively short period of time. The period will vary from trader to trader.
3. The "Holy Grail" is the trader not the system and the better the trader's discretion, the more powerful the Grail and the results
4. Time frames are not as relevant as many want you to think. The only two times the market itself even recognizes is the open and close of the market. The rest is how we perceive and dissect it for our own purposes.
5. Larger time frames allow for longer periods of decision making and eliminate the "noise" often talked about.
6. Shorter time frames require the AAA game from any and all traders using them, but they also take great advantage of the "noise" or "breathing" of the market allowing for more and greater returns in a shorter period of time
7. Safety is a personal thing for each trader and is based exclusively on that specific trader's personality, psychology and emotional self control.
8. Risk is also a very personal thing. Entrepreneurs engage on a daily basis in activities starting businesses that others would never dream of because of the perceived "risk" in doing such things. The risk of larger percentage trades, smaller time frames is exactly the same thing.
9. Strong returns depend also exclusively on the trader's "style" and ability to trade his or her plan flawlessly.
2. Compounding increases returns more rapidly if done on a per trade basis as does letting the account grow without withdrawals for a period of time.
1. Skill is gained with every trade, whether or not one understands or even comprehends that. The Human mind was designed to learn and the only people who don't learn are those who set themselves in the concrete and chains of their own self limiting beliefs.
2. Only quitting can ever stop you from achieving your goals. The markets can't, other traders can't (unless you listen to their negativity and become infected with it) your bank account can't, only you can quit. If you refuse that, you WILL get there, where ever your "there" is!

I could probably go on and on, but it's late and I want to go trade.

God bless and good trading