

FXCORRELATOR FREE Trading system

Hey all !

Many, many thanks for trying this Free introductory system – its fresh and innovative approach to individual G8 currency analysis makes it as powerful a tool as anything I've (personally) ever seen out there in the Trading cosmos - and with some practice , experimentation and application it should provide you with a profitable trading system for years to come and perhaps a lifetime introduction to using strengthmeter trading tools .

If you are keen to develop your trading further, I believe this system will also whet your appetite for trying more advanced systems and trading methods (see later) – the innovative FXCorrelator has limitless potential once you can understand and observe Forex market behavior in this unique way.

If you get a chance, do read through my T2W Thread (that is still going strong as I publish this system guide in May 2012.....or go to my Website FXCorrelator.com for more information where it shows the evolution of this system and general strengthmeter technology that everything is based on

The FXCorrelator truly *Brings currencies to life!*

As you are probably aware by now if you read my T2W thread - my life **never** has enough hours in the day (who's does ?) so I am a frustrated part time Trading system developer trying to transition across to full time professional trading (and teaching) alongside a very full time job and other family commitments. My time will come, and yours will one day if you have the focus, belief and commitment to do it..... Who knows, perhaps we will make it at the same time!

Over the years I have developed much more advanced Hybrids of the FXCorrelator, and these may be marketed by my company (FXCorrelator Limited) in the future, incorporating the incredibly innovative World of strengthmeter technology and market analysis - something I believe is a revolutionary way to view and trade the Forex market – please contact me when you want to take that next step. I am always happy to collaborate on ideas so contact me for a chat.....especially if you are a programmer as I am not a specialized programmer and always need help !

Meanwhile if you have any questions at all - please e-mail me at FXcorrelator@gmail.com or post on the T2W Thread and someone will come running.

So without further delay – let's get you fired up and using the Free Indicator and system !

Best regards

Neil (NVP)

Oops – here's the serious legal stuff.... pay attention all:-

Trading carries a huge degree of risk and is NOT for Amateurs – once you start Trading with real money you must have a Professional approach in all areas or you will fail

In loading the FXCorrelator indicators you are agreeing to all of the legal disclaimers posted on the T2W FXCorrelator Thread Terms and conditions. We take no responsibility for any losses incurred using this information or related documentation

Do not re-sell the indicators or the information contained in this publication. Please contact me if you find anything being sold and we will take appropriate action

1) System Requirements

- Any decent modern PC or laptop will do the trick – the more memory the better
- Internet access for the feeds (I would advise a secure cable link for live trading/feeds)
- Metatrader 4 software installed on your machine (this system is available for MT4 platform only)
- A broker feed for the MT4 live data (we cannot recommend anyone but NVP personally uses ODL which is now owned by FXCM). It is possible to use free feeds but this may require reloading the software every month, so it's better to sign up to a live account and deposit minimal funds. This will give you an uninterrupted service going forward. Ask on T2W if you're not sure who to use.

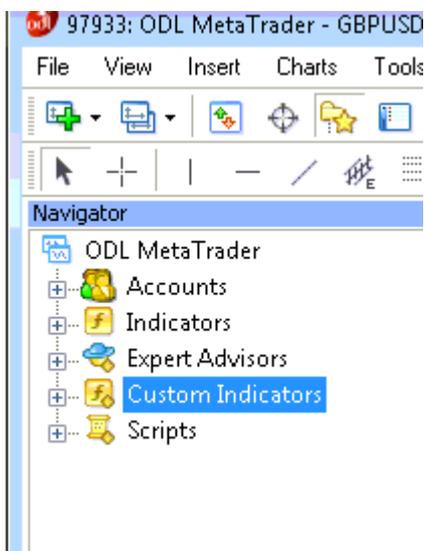
Contact me at FXcorrelator@gmail.com with any queries on the above if needed

2) The Indicator and load instructions

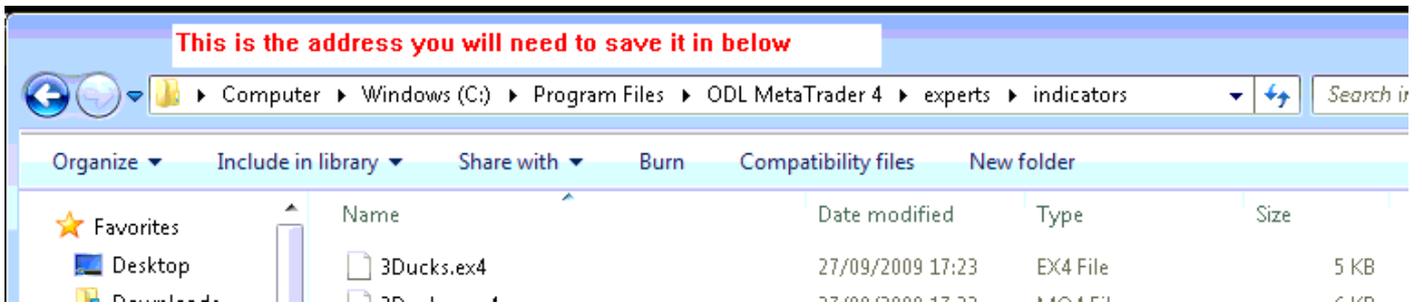
Ok – we are going to assume you have a nice shiny Metatrader 4 platform up and running on your computer (see 1 above) and its on a broker platform that will provide the feeds. The first thing we need to do is load up the new customised indicators you will be using .

Here's how (please skip this section if you know how to install indicators for Metatrader)

When navigator is open - You are going to be copying them into the custom indicator folder shown below



locate the file embedded in the post this is attached to and copy it over to the folder area above - or here it is again with the full address I have in my laptop



Colour key to the system

Unless stipulated separately in the Indicator the following colours apply

Green = USD , Yellow = Yen, Blue=Euro, Red = GBP, Light Blue = NZD , Orange = AUD, Brown = CAD

FXCorrelator 20ma System

Template needed: - 1) FXCorrelator on a 20ma placed on a US30 (Dow 30) chart

Instructions: - load a US30 (Dow30) chart onto your platform – set it to 1Hr

Add a 20 SMA (and bands using the ma setting if you want to gauge the strength of the 20ma trend)



Now load in the FXcorrelator indicator (in the Thread Post) and set it on 20ma



RULES

The system is very simple but effective.....only trade when

- 1) The yellow yen and Green USD are **above** the Zero and the Dow is **below** its 20ma
- 2) The yellow yen and Green USD are **below** the Zero and the Dow is **above** its 20ma

I would recommend you only trade USD pairs and the trading partner to the USD is up to youthis system provides an edge to give you the predictive direction of the USD !

Personally I would always chose a currency that is on the **opposite** side of the Zero to the USD.....so in the example below (buying USD) the options of selling the CHF, EURO,AUD and the NZD at entry point are shown below :-



And heres an earlier signal selling the USD below with just the AUD and NZD on offer at signal :-



Other bits and pieces

Adding more Rules

This is a very very basic introduction to trading strengthmeters and using market correlation principlesits the tip of the iceberg in my world...and my journey continues in taking these approaches to the limits...we are eternal students!

Once you get the rules and play a little - feel free to experimentI would suggest you focus on the following

- 1) Vary the ma setting
- 2) Combine multiple charts (use 2 or 3 settings for confirmation, multiple timeframes..... etc etc)
- 3) Observe dynamics / behaviours of the G6 currencies (non USD or YEN) to give an edge in currency pair choice
- 4) add bandings to get a better feeling for price movement strength and momentum
- 5) Perhaps ignore MA's and move to price action principles on the charts using 500+ma settings

ADDENDUM RULES added in 2013

*Note that if you want to generate **more** signals and be in the market **more** then I suggest incorporating the following amendment to the standard rules :-*

1) If the USD and YEN are on the SAME side of the Zero line TRADE THEMregardless of the DOW's position

2) if the 2 Currencies are on **opposing** sides of the zero then use the DOW to decide what currency to trade :-

a) if Dow is **Above** its SMA trade the currency (USD or Yen) that is **below** the ZERO line

b) if Dow is **Below** its SMA then trade the currency (USD or Yen) that is **Above** the ZERO line

and in these cases it is quite acceptable to Trade USDJPY as a pair trade.... as the volatility of the move could be more profitable than other pairs on offer

All of which **must be** aligned to good basic trading processes regarding money management and observation of all current Economic news and events that **will** be moving the market

TimeZones

My observations are the same as most traders on this - so look for active periods when other markets are in full swing and preferably the US or the European sessions. For me in the UK I would always look to be active from 7am to 11am ish, then let the markets settle into the US opening before trying an afternoon session as well. Evening sessions with US markets are perfectly tradable as US equities are key to moving markets

Interestingly for me when I post my morning overnight posts (T2W) I always comment on the Forex movements vs. Far Eastern markets, and there are many occasions where the tag team have moved smoothly in response to market rises or falls allowing some lovely trades – all uninterrupted by European and North American economic news releases that plague the more normal trading hours.

Watch how currencies behave when they are not in their own relative Timezone market open periods, it is fascinating.

Forex however is a 24/7 business (except for most of the weekend) so trade when you want!

TimeFrames

The FXCorrelator systems work in any timeframe, however the 1hr and higher s/be more consistently profitable

Entry and Exit levels

In all of the indicators I use it is important to wait until **the price bar closes and confirms** the signal you are waiting for. The FXCorrelator is very sensitive – especially on the lower Timeframes !

You will frequently see the currency lines cross the zero levels and each other during the time bars duration, only to fall back and withdraw from the signal when the bar eventually closes. This is the nature of **ALL** signals and you will see this in any pair chart or indicator – so be patient and let it close! (Sometimes I don't wait, and I win or lose based on my impatience!) **Your money, your choice.....**

Regarding Exit points for trades? - You will see nothing here regarding my advice on this, why? Because whatever I say you will probably find the opposite will happen on the next 3 trades you take!

Seriously – I could write a book on exit strategies, because for many traders it's even more important than the entry point. For scalping that's relatively easy, pick your pairs you regularly trade, work out the 1min/5min ATR's for the scalps you are hunting, and after entry be ready to then exit on the price achieving these targets before the market inevitably retraces. The system described above needs practice and WILL provide excellent entry signals. Remember they demand currency lines to be above /below certain levels to initiate the trade, so once you are in the trade keep one eye on the pair chart being traded (naturally!), but also keep an second eye on the indicator that got you in, and if that indicator **stops** registering the signal that got you into the trade **THAT IS A WARNING THE PARTY MAY SOON**

BE OVER!.....so certainly tighten stops at this point or even eject in a scalp situation. I cannot teach you this....it's called experience, so practice practice practice!

Money Management and Leverage

Hey c'mon we are all adults here right? Just don't be stupid with your trading (or Gambling - whatever you want to call it). I grew up in a family of UK Bookmakers and have watched far too many gamblers lose every penny they had (and more) and spend the rest of their days (some shorter than others) in misery and despair, destroying families and other lives along the way.

However you want to treat your Trading, as soon as the real money starts being traded - you have to take **full responsibility** for all your actions and play to win at all times as a professional Trader....

You stop being a Amateur when you put real money down.

Every time you trade (having taken every precaution to ensure the signal is pure and correct) you still need to realize that even the greatest traders in the world lose money on failed trades on a frequent and regular basis. **It's part of the cost of doing business.** Like restaurants have a lot of food preparation wastage, you can't avoid it, **but you can certainly ensure it's kept it to a minimum at all times through good processes and rigid discipline.**

Please ensure you are totally proficient and comfortable on the particular FXCorrelator indicator you are using before trading real money

Don't over leverage your account (don't trade with real money until you understand what the hell I am talking about) and I would suggest using 2% of your Bank (the money you have allocated/written off to trading – fully losable) to every trade you do. Don't grade your trades and allocate money accordingly – a signal is a signal, so what the hell are you taking a less than top grade signal trade for anyway?

My Correlator indicator and any derivatives (when used properly) is designed to give you the best chance of selecting a currency moving upwards and also one moving downwards.

As I have mentioned before in my T2W thread, all I need to do is get just 1 currency direction correct (and especially if it is the more Volatile currency of the pair chosen) to ensure I don't lose on the trade. This equates overall to my (pure G8 Forex) trades targeting a 25% chance (or less with experience) of losing on any trade taken.

Combine the 2% of (cumulative) bank per trade with this percentage above and you will make steady profits with experience and practice.

Trading carries a huge degree of risk and please refer to my legal disclaimers on all FXCorrelator documents and Indicators.

Your Journey starts

In the few pages above I've only just scratched the surface on demonstrating what this amazing indicator and family can do. My journey continues in finding new ways to make this Indicator a profitable trading tool, and I would love you to join the family - perhaps discovering trades and signals which are still (as yet) hidden inside the FXCorrelator.

Ok all I'm going to have to go now.....you know how to contact me and my team at FXCorrelator@gmail.com on any questions. But please read the whole of this document a few times to understand what's happening, plus read the mega thread at T2W for more background knowledge. The more you practice and eyeball the charts the more you will understand what is happening and the fantastic way these indicators present relevant trading data and signals.....the FXCorrelator truly *Brings currencies to life*

Best regards

Neil (NVP)

DEDICATION

I would certainly not be involved in Trading without the influence of a childhood spent in a close loving family where my Father and Grandfather were very astute and successful Bookmakers (and also professional gamblers for a long and profitable period in the 60's and 70's) - The gambling industry is in my blood, and always will be.....

Sadly all of my loving family are long departed now.....

God Bless and I think of you all every day