

What Other People Are Saying About Us:



I have experienced much more consistent profits since using this information

Raymond Smith

Hi Henry.....This is just a note to thank you for the daily Forex market performance report and trading news outlook....

This information is very valuable to me and I have experienced much more consistent profits since using this information...

Many thanks



Your service has been a powerful source to my Forex knowledge and understanding

Peter Olasemi

People that offer a great and faithful service like this are very scarce. Instead of providing a fruitful service like your, they turn it to internet fraud.

Your service has been a powerful source of elevator to my Forex knowledge and understanding. In fact I don't know what I would have been without this type of service. I was improved in profit, knowledge and practice.

Thank so much.

I have not really had any major successes until I read Henry's eBook

Bola Taylor, UK - Oct. 2008

I have been trading the Forex for the last three years and i have not really had any major successes until I read Henry's eBook which was very detailed and had lots of information and explanations on why the market moves in any particular direction. I was actually baffled by his analysis of the GBP/JPY movement on Wednesdays which I have seen happened a few times and in the past. A few times when he told us to stay out of the market if not sure proved to be correct as a lot of volatility occurred last week. Thanks Henry and keep up the good work.



I can plan my trades with minimal time and confidence

Trevor Degraaf

Henry!

Your news reports are awesome. The detail and accuracy is invaluable. I can plan my trades with minimal time and confidence. Based on your research, I can expect what should happen with uncanny consistency.

Know what to trade, when and how!

This is a must have for any FX news trader.

Thanks.

It completely opened my eyes to how Forex trading is truly done.

MPP, Florida USA - Dec. 2008

Henry Liu's NewsProfiteer is absolutely fantastic! It completely opened my eyes to how forex trading is truly done. I can't praise the guy enough! If you're a newbie to forex trading do not waste your time with anything else out there. Get the NewsProfiteer today and join Henry's trade room. You'll never look back I will promise you that!



This is exactly the best system for any person that want to make consistent profit in the Forex market trading fundamental analysis.

Omavowan Eferire

This is exactly what I was looking for, it is perfect and extremely wonderful. since I started using this your information I have watched my account grow gradually but progressively. In fact I think that this is exactly the best system for any person that want to make consistent profit in the Forex market trading fundamental analysis.

It is highly recommended for all Forex traders all over the world. your system is the very best. Thank so much.

Newsprofiteer ebook [In my opinion] is a real revelation to the Forex trader

Lee, Australia - Sept. 2008

I've read a lot of Forex trading ebooks and the ebooks I've studied have been very informative, although they have not been as informative and straight to the point as the Newsprofiteer ebook I have recently purchased, the whole concept of trading revealed in Newsprofiteer ebook [In my opinion] is a real revelation to the Forex trader, ie. the concept of [Sentiment news trading] being if the conditions are right for the news trade you can be in a trade some days before hand, with a positive trade, to be perfectly honest you guys out there you won't look back, the email support from Newsprofiteer is been prompt and straight to the point.

Ok God bless you Henry for your honesty.

Yours thankfully,

...after reading Henry's ebook I was confident enough to start trading the EUR/USD currency pair and have made over 100 pips profit in a week!

Phil McAthey

My trading has improved *a lot*

NewsProfiteer may be the most profound FX educational service I've ever studied under. Their Weekly Outlook is without question the most helpful fundamentals roundup I've ever read. Before I started with NewsProfiteer there were a number of ways that I couldn't see the forest for the trees. Since I signed up and really started to digest their tools and educational materials my trading has improved *a lot*. I'm grateful to NewsProfiteer, and they've got my allegiance in 2009!

CP, California USA - Dec. 2008

Henry is almost always on the money

I've been reading Henry's daily email for about 6 months. I find it to be invaluable. Henry is almost always on the money. His foresight as good as my hindsight - 20/20, which is why I bought his book on news trading, and subscribe to his Newsprofiteer service. Thank you and Merry Christmas Henry!

Tim Challenor London, UK - Dec. 2008

Truth in a simpler way of trading (by Henry Liu):

One of the biggest mistakes in Forex trading is ironically spending way too much time trading. There is absolutely no one who could predict with certainty where the market is going to do next, and by spending too much time trading, your chances of getting in a losing trade increases, not mentioning the stress associated with trading, which may very well lead to a lapse in your trading decision.

My ideal way of Forex trading is **knowing ahead when the market is going to move, get in the market during that window of opportunity, enter a trade, and then cash out once in decent profit**. Rinse and repeat while spending usually no more than a couple of hours a trade, and no more than 4 to 5 trades a week.

The only system that fits this bill is Forex News Trading. Let's examine some of the benefits in news trading:

1. **Scheduled Trading Time:** You trade only the high impact news during their scheduled release time, which are available through various news calendars up to few weeks ahead of time, and you are in the market during a time where volatility is almost insured, with ample liquidity, so you don't waste your time or your money chasing the noises or fake trends during low liquidity hours.
2. **Reduce Losses:** Trading Forex is about having the odds stacked with you, *not against you!* By limiting the amount of trades you take in a month, you are cutting down your potential losses while picking the crème of the crop.
3. **Managed Risk:** News trading generally gives you a manageable risk. You can always put your stop order at pre-release level, because it is a golden rule that once the market travels back to the point before the news release, then the effect of the news is presumably over...
4. **High Profit:** Since the market is likely to overreact to news releases, volatility becomes our friend. By getting in the right direction after the release, you can cash out on most of the movements.

5. **Less Time Trading:** There are only about 35 tradable news releases a month, and out of these 35 releases, you'll probably get 50% giving you a tradable release figure. So the tradable ones could take up to 2 hours per trade, but the untradeable ones should only take 15 minutes of your time. Therefore, you are averaging less than 40 hours of trading a month, or about 10 hours a week. While making probably the same amount of money you'd be making trading 16 hours a day.

At the end of the day, it is not about the amount of time you spend trading, or if you used technical analysis or fundamental analysis. It is about what's left in your account. By concentrating only on news trading, you are looking at the simplest way and probably the most profitable way that I know of, in Forex trading.

Henry Liu
May 2010

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RISK DISCLAIMER: Trading the foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. Before deciding to trade the foreign exchange, you should carefully consider your investment objectives, level of experience, and risk appetite. *Past performances are not indicative of future results, which can vary due to market volatility.* The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor if you have any doubts.

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What Kind of News Do We Trade?

There are literally hundreds of financial news events released around the clock from all over the world. The key is to concentrate on news releases that have an immediate impact on the market. **There are about 5 to 10 important news from U.S., and about 3~5 each from UK, EURO Zone, Australia, Canada, and New Zealand. These news releases are usually scheduled monthly or quarterly; they will repeat every month around the same day of the week or day of the month.**

We only trade news releases that are currently considered as “hot”, meaning that the market is particularly interested in it. For example, a few years ago during the real estate boom, U.S. Housing Start, Existing Home Sales, and New Home Sales were constantly ignored and no one was paying attention to it. Why? Because at the time economy was doing good, home sales were always better than expected, and market just assumed the best and basically ignored the numbers. Look at the same news releases today in mid 2008, Housing news releases were particularly important because the economy is suffering, any signs of rebound from the housing sector signals improvement in the economy, as many market analysts pointed out; therefore, housing data is currently “hot”. Similarly, the weekly **Jobless Claims** just became “hot” recently because of former Fed. Chairman Greenspan talked about it in his book...

Other news releases such as consumer confidence, current account, and even the TIC Net Long-Term Securities are currently being ignored. But they will eventually become hot again, as **many of these news releases and market focus work in cycles, just as the fashion industry.**

The key to trading economic news successfully is to be selective with news releases to trade. As stated before, with hundreds of news released monthly, why risk with less important news releases and gamble your hard earned money when you can trade with news that have a higher probability of success? Therefore, I have compiled a list of news releases that have a high probability of success (at least 70%) backed by solid track record.

Another important “hot” factor in today’s market is RISK. There are basically two different reactions to Risk, one being “**Risk Aversion**” and the other “**Risk Appetite**”.

Risk Aversion basically means to avoid risk. Market will react go with the safest route, selling high yielding currencies and buying low yielding currencies, such as BUYING CHF and JPY while SELLING GBP and AUD. Few instances recently of extreme market risk aversion, GBP/JPY pair have been documented losing up to 1000 pips in a 24 hour period.

This is an extreme example but not an isolated case, we have seen risk aversion taking over market sentiment and dropping USD/CHF, GBP/JPY, AUD/JPY 200 to 500 pips a day.

What kind of news sparks Risk Aversion? The answer: Any news that creates risk (or rumor of risk) in the market, for example:

1. Geopolitical uncertainty – Rumors of war or actual terrorist attack.
2. Subprime Mortgage Write-down – Bear Stearns, Fannie Mae, Freddie Mac, etc...
3. Major industry sector negative earning/forecast report. Such as AIG (insurance), Bank of America (finance), GM (Auto), etc...
4. Or any huge surprise in fundamental news that reminds the market of the condition our economy is currently in. Such as a worse than expected Housing Data, a worse than expected employment data or unemployment rate, etc...

What to do in a Risk Aversion situation? The best answer is to stay out of the market or take a short position!



Risk Appetite means market willing to take on risk. What is considered risk?


When the market is buying high-yielding currencies such as GBP, and selling low-yielding currencies, such as JPY, it is considered as Risk Appetite. Therefore, when carry trades (JPY based trades) are winding, or going up, it is a sign of Risk Appetite.


What kind of news sparks Risk Appetite? Basically any news that promotes:


1. Geo-Political Stability – Peace Treaty, peace talks, etc...
2. Good Earnings Report from major sectors.
3. Good Surprises in fundamental news, such as better than expected housing, employment, or economy data.


Risk Appetite is different from Risk Aversion whereas Risk Aversion will be followed with strength in both JPY and USD currencies, while Risk Appetite will not only promote carry trades, but all high-yielding currencies in general. Risk Appetite will likely to promote stable market condition and normal daily volatility.


Special Definitive Guide Cheat Sheet Report

|  US Reports | Tradable Trigger | Movement Range |
|---|-------------------------|-----------------------|
| Core CPI m/m | 0.20% | 50 pips |
| Retail Sales | 0.50% | 50 pips |
| Interest Rate | 0.25% | 70 pips |
| Trade Balance | 7.0B | 40 pips |
| NonFarm Payroll | 70K | 70 pips |
| ADP NFP Changes | 50K | 40 pips |
| ISM Manufacturing | 2.5 | 70 pips |
| New Home Sales | 70K | 70 pips |
| Existing Home Sales | 400K | 70 pips |
| GDP q/q | 0.30% | 60 pips |

|  Canada Reports | Tradable Trigger | Movement Range |
|--|-------------------------|-----------------------|
| Core CPI m/m | 0.3% | 50 pips |
| Interest rate | 0.25% | 70 pips |
| Trade Balance | 0.7B | 40 pips |
| Employment Change | 30K | 60 pips |
| IVEY PMI | 3.0 | 50 pips |
| GDP m/m | 0.2% | 50 pips |
| Core Retail sales | 0.5% | 50 pips |

|  United Kingdom Reports | Tradable Trigger | Movement Range |
|---|-------------------------|-----------------------|
| CPI y/y | 0.3% | 50 pips |
| Industrial Production | 0.3 | 50 pips |
| Interest rate | 0.25% | 70 pips |
| Manufacturing PMI | 2.0 | 50 pips |
| Retail Sales | 0.5% | 60 pips |
| MPC Vote (minutes) | 2 Votes | 50 pips |
| GDP q/q | 0.3% | 50 pips |

|  New Zealand Reports | Tradable Trigger | Movement Range |
|---|------------------|----------------|
| CPI q/q | 0.3% | 50 pips |
| Interest rate | 0.25% | 70 pips |
| Retail Sales | 0.5% | 40 pips |
| GDP q/q | 0.3% | 40 pips |

|  Australia Reports | Tradable Trigger | Movement Range |
|---|------------------|----------------|
| Interest rate | 0.25% | 70 pips |
| Employment Changes | 27K | 60 pips |
| GDP q/q | 0.3% | 50 pips |
| Retail Sales | 0.6% | 50 pips |
| CPI q/q | 0.3% | 50 pips |

Basic Trading Methods

Let's start by defining few important terms:

- **Forecasted (Consensus or Expected) Figure:** This is usually derived from a survey done by financial news organizations such as Bloomberg, Reuters, etc... Usually they get a number of economists, anywhere from 20 to 240, and ask them what number they think it will be. After getting all of the numbers, the highest and the lowest are taken out with the rest averaged out to a single "averaged" figure. That is why with different news organizations will have a slightly different consensus number.
- **Deviation:** is the difference between the actual release number and the forecasted number. Let's say that CPI is expected to be 3.0% and the actual number came out as 3.3%; the deviation is then 0.3%.
- **Actual Figure:** This is the actual release figure from the official source of the information.
- **Revision:** This is the revised change done for previous release figure, usually the month before. It could sometime impact the market greatly if the revision is huge. Usually if we have a good deviation with a good revision number, the market will react even more.

Fundamental Trading In a Nutshell: Every major news release has a forecasted or consensus figure determined by economists beforehand. If the actual release figure is different from the consensus or forecasted (or expected) figure, the market is surprised and will react to the release immediately. The bigger the surprise, or deviation, will produce bigger reaction. Based on historical data, we can predict that a particular deviation will trigger a minimum amount of pips movement. If a news release consistently moves over 40 pips with a particular deviation, we expect that a similar deviation in the future will likely to cause the market to move 40 pips.

Although we have to be flexible in our trading, news trading requires that a specific plan to be followed with specific set of rules to protect our investment. It

is particularly important that we only take a trade when our expected deviation is hit, not we get a close enough deviation.

For example, if you have promised your teenage son a car on his 18th birthday on the condition that he gets straight A's in school this semester, and he came home with a couple of B's, you wouldn't have to give him a car. We must regard news trading with the same kind of discipline because **sometimes almost still means no**.

To further drive this point, consider that since the forecasted number is an average, many fund managers or banks might be expecting a slightly different number than you and I, and if we take a close enough deviation to trade, we might just be going in the opposite direction against some of these big fund managers.

For example, if the upcoming **ISM Manufacturing Index** has a forecasted number of 52.5, and our standard deviation is 3.0. The actual release came out as 50.3... what is our course of action? The actual deviation is 2.2, about 0.8 points away from our tradable deviation, but it's close enough... so you enter a short trade. But Mr. Big Shot at ABC Hedge Fund may also be looking at release of 50.3, which still means expansion in the sector (above 50 means expansion, below 50 means contraction), and decided to go on a long trade. This could be devastating for your account. Remember, the deviations that we trade are "safe" deviations, they have been proven to work in the past and that is why we trade them.

It's time to lay down some ground rules before getting into the actual trading methods. Remember that the following are extremely important and you should always keep in mind when trading the news, no matter what kind of news releases or how huge the deviations are.

1. It doesn't matter whether or not the market reacts the way you expect it to react. You have to remember that nothing is absolute in trading, especially with Forex.
2. We do not form an opinion before the news release; we will wait for news release to come out, and then trade according to plan.

3. We are only looking for the probability of the combined reaction of the market in the short term, within the first 30 minutes up to 2 hours immediately after the news release.
4. We must be flexible in trading. If market sentiment, technical analysis, and the news release numbers all point to one direction but the market still react in a completely opposite direction, we must also act accordingly. It is most likely that we've missed some underlying reason to this reaction, and we must respect the market.
5. We only concentrate on the news that has most impact to the market with most predictable reaction.
6. We always assume that the market will overreact to the news.
7. Study the reaction of the market after news release. You will see the "underlying market" sentiment.

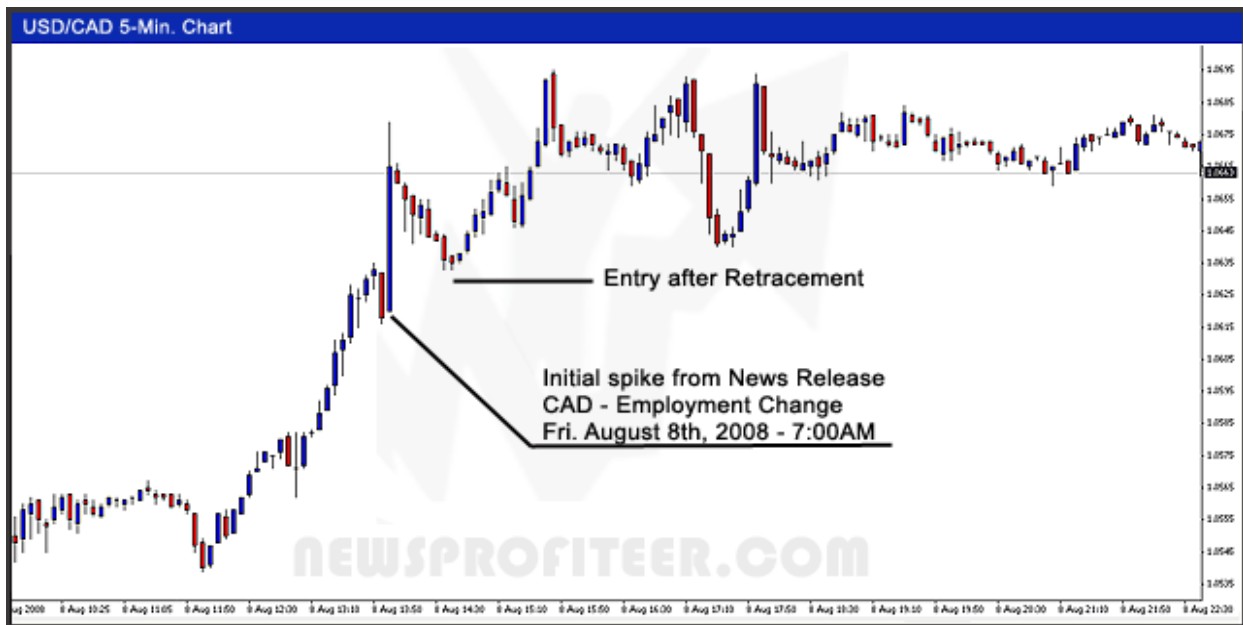
Ok, it's time to talk about the actual fundamental news trading methods. Remember to always prepare a plan by writing them down on a piece of paper; do not get into the market unprepared.

It is important that you get a news wire service, such as tradethenews.com if you want to trade fundamental news. Do not use those free news wire services or news feed from your broker. Every second counts in news trading, you could make up 10 times the money you pay for the news feed service with just one good trade.

Fundamental Trading Methods

TRADE THE RETRACEMENT

- We wait for the news release to come out. Based on the release number we will determine “where” to get into the market if our expected deviation is hit.
- We will wait for the market to retrace back within 10~15 pips of the pre-release price level. Sometimes when we have a huge deviation, we can enter the market at 20~30 pips from the pre-release level, but it would be based on discretion. Market will usually retrace within the first 5~30 minutes, if a retracement is to take place.
- **A stop/loss will be placed at 35 pips or less from the entry price.** Therefore, it is very important to wait for the market to come back because if we enter too soon, we might get stopped out.
- This type of trading is much easier than trading the spike, but sometimes we might not get a retracement at all or big enough and miss this trade altogether.



Weekly Outlook

I provide a weekly outlook where I analyze the fundamental trends. I strongly suggest that you to sign up and read my outlook to get a broader view of the market. I think you will also understand better some of the concepts that I talk about in this book once you see them being applied in real-life. This weekly outlook is valued at \$49 per month.

Sentiment Trading (Long Term Trading)

This is actually one of my favorite subjects, Sentiment Trading. Sentiment trading is basically trading **with** market sentiments. The concept is pretty simple, find out what the market sentiment is, and place a trade in the direction of market sentiment.

So, how can we find out what is the market sentiment? Well, look at this 4-hour chart below; can you spot a trend? That is pretty much your long-term market sentiment.



There are actually 2 types of market sentiment, one being long term sentiment and the other being short term. We cannot really take advantage of the long term sentiment as retail traders, because we don't have the financial backing to sit through market volatility; however, short term sentiment is where we can make good money.

Short term sentiment is driven by fundamental news. If the market is expecting a better than forecasted news release, it will try to price in the outcome days before the actual news release. It is often called "Buy Rumor and Sell Fact". For example, if the market is expecting ECB to raise interest rate next week, we will

see EUR/USD going up few days, even a week before the actual ECB announcement, to price in the rate hike. During the actual interest rate announcement, where the market has already priced in the hike, might start to SELL EUR/USD and drive market lower as major players scramble to cover their original long orders and take profits.

So how can you benefit from this type of trading? Well, here are some basic rules for you to follow:

- Always look ahead a few days and be aware of any upcoming major news releases such as interest rate announcements, CPI, GDP, Central Banker speeches, etc...
- Pay attention to recent news announcements and watch market reaction. If a seemingly negative news release is unable to move the market by much (or vice versa), then there must be a reason why.
- Always keep in mind of the relationships between different news releases. Retail Sales to GDP, PPI to CPI, etc... If we get a much better than expected Retail Sales figure this week, market will tend to expect a better than expected GDP next week, therefore take advantage of this sentiment.
- Watch the market closely the day before the major announcement. Preferably at the end of Tokyo session or earlier for European news releases, or at the end of London session for U.S./Canada news releases.
- Place a trade in the direction of the market if you see a short term trend establishes, and make sure to close the trade **before** the actual news release. Market Sentiment has absolutely no effect on the actual result. If you can make anywhere from 40 pips to 100 pips per sentiment trade, it is good enough. There is no need to make the extra points from the news release. You can trade the retracement of the news release and take your profits.
- Read market analysis by different economists. Read my weekly outlook and learn how to read the market.

- Not every major news release is sentiment tradable. If the market is confused, then sit it out. Only trade the market when you see a clear, established short term trade.

Once again, market will try to price in a high impact news release few sessions before the actual release. This price in market action is called short term Market Sentiment. For instance, if there is an overwhelming consensus that a certain central bank is going to cut rate, we should be looking at its currency at least a day before and try to “price in” our trade, just like most major players by selling it ahead of time.

Retail traders don't see this simple fact. People just follow the market without asking why. As a herd, traders are not very perceptive. However, as individual traders, if we just keep an eye on future events, it is not hard to predict what the market is going to do one week ahead of time.

We have to understand that the market does not move based on Technical Analysis or just some moving averages crossing. If this is what Forex is all about, then we should have 95% of winners in the Forex Market. But I think the opposite is true. Most traders would rather choose the complicated method, although they don't understand it, rather than choose an easy, simple method because they think that trading couldn't be this easy... It is the same idea as if you raise the price on a certain item will add more perceived value to it, even though it is the same item.

So market sentiment is to understand market psychology. Traders overreact and over exaggerate trades. That is exactly what we are counting on.

How do we determine what kind of sentiment, bearish or bullish? There are actually 2 different ways.

Price Action: There is absolutely nothing better than simple price action. Look at how the market is trading prior to the high impact news scheduled next session or two. If you see market is buying USD, then it is safe to assume that the current

short-term trend and market sentiment is USD bullish. We will be looking at support areas on a pull back to enter LONG USD.

Fundamental News Relationships: This requires that you understand how each news release is released with one another. I will try to list a few below, but I don't think I can cover everything... but once you know what you are looking for, you will get used to these relationships:

Here is a list of news release relationships. Usually when the first news release is better than expected, expectations will start to build prior to the second news release for better than expectation figures. This will help you to identify the market trends and possibly enter on a sentiment trade.

- a. **PPI -> CPI:** A high PPI will affect market sentiment towards a better CPI release.
- b. **Retail Sales -> GDP:** Retail sales in emerging countries such as the US makes up about 2/3 of the market. If Retail Sale is good, then possibly we will see better GDP.
- c. **Unemployment, Jobless Claims, Unemployment rate -> Retail Sales:** If people are losing jobs, they will not have money to spend at the retail levels, therefore affecting the GDP as a whole.
- d. **Housing Data -> Durable Goods:** Especially in the U.S., a higher housing data will have a positive effect on durable goods because more people buy new houses equals to more people buying new appliances.
- e. **PMI -> GDP and General Economy:** Purchasing Manager Index, such as UK Manufacturing PMI, U.S.'s ISM Manufacturing PMI, Canada's IVEY PMI, all have an effect on the future GDP and the health of economy.

- f. **ADP -> NFP:** U.S. ADP has an impact on the expectation of NFP. But if we get an extremely out of norm reading, like NFP is expecting -50K and we get a +80K on ADP, then traders will probably just ignore this, thinking it is probably a mistake.

Just to give you an example... If the Retail Sales numbers for the past 3 months has been coming out better than expected in the U.S., then at the end of the quarter, one should expect to see higher GDP q/q release, as Retail Sales make up about 72% of the US GDP number. Therefore, few sessions or even a couple of days before the release of GDP, you should start to look for signs of stronger USD, and plan your entry for a sentiment trade in the direction of that expectation...

SPECIAL RESOURCES SECTION

SPECIAL Announcement: I have created a standalone version of Strength Meter, it is downloadable from my website, and you don't need to have Excel or the hassle of setting it up. Just make sure your MT4 has the DDE Server option enabled, and fire up the Newsprofiteer Meter, and voila, you are done!

In this section I am going to share with you some of the tools that I have been using in my daily trading. These are the tools that I find crucial and I cannot do without them. Some of these tools are freely available and some aren't. I am not the creator of these tools and I give credits to the people who created them.

Here we go:

Strength Meter:

Microsoft Excel - Jim-SuperMeter.xls

File Edit View Insert Format Tools Data Window Help

Type a question for help

10 Arial B I U

Reply with Changes... End Review...

F41

| | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----|---|-------------|--------------|---------|----------|--------------|---------------|---------|---------|---------|---------|----------|---|
| 1 | Weights 0.963928 0.999840616 0.980315618 0.98291689 | | | | | | | | | | | | |
| 2 | | Euro/Dollar | Pound/Dollar | | | Dollar/swiss | Loonie/Dollar | | | | | | |
| 3 | | EUR/USD | GBP/USD | AUD/USD | USD/JPY | USD/CHF | USD/CAD | EUR/AUD | EUR/CAD | EUR/CHF | EUR/GBP | EUR/JPY | |
| 4 | High | 1.4816 | 1.9598 | 0.8965 | 108.9600 | 1.1012 | 1.0204 | 1.6621 | 1.5103 | 1.6300 | 0.7563 | 161.2800 | |
| 5 | Ask | 1.4810 | 1.9587 | 0.8956 | 108.8000 | 1.1008 | 1.0197 | 1.6549 | 1.5104 | 1.6301 | 0.7564 | 161.1100 | |
| 6 | Bid | 1.4808 | 1.9583 | 0.8952 | 108.7700 | 1.1005 | 1.0192 | 1.6532 | 1.5093 | 1.6297 | 0.7561 | 161.0700 | |
| 7 | Low | 1.4762 | 1.9575 | 0.8890 | 108.6000 | 1.0984 | 1.0175 | 1.6511 | 1.5060 | 1.6267 | 0.7549 | 160.5400 | |
| 8 | | | | | | | | | | | | | |
| 9 | PIP Range | 34 | 23 | 75 | 36 | 28 | 29 | 110 | 43 | 33 | 14 | 74 | |
| 10 | Bid Ratio | 76.5% | 34.8% | 82.7% | 47.2% | 75.0% | 58.6% | 19.1% | 76.7% | 90.9% | 85.7% | 71.6% | |
| 11 | | | | | | | | | | | | | |
| 12 | Relative Strength | EUR | GBP | AUD | USD | USD | USD | EUR | EUR | EUR | EUR | EUR | |
| 13 | | 7 | 3 | 7 | 4 | 7 | 5 | 2 | 7 | 8 | 7 | 6 | |
| 14 | | USD | USD | USD | JPY | CHF | CAD | AUD | CAD | CHF | GBP | JPY | |
| 15 | | 2 | 6 | 2 | 5 | 2 | 4 | 7 | 2 | 1 | 2 | 3 | |
| 16 | | | | | | | | | | | | | |
| 17 | Total Strength | USD | EUR | GBP | CHF | CAD | AUD | JPY | NZD | Strong | | | |
| 18 | | 4.1 | 6.2 | 3.8 | 2.3 | 2.67 | 7.0 | 4.0 | 6.0 | Rising | | | |
| 19 | # of evaluation points | 7 | 6 | 4 | 3 | 3 | 4 | 5 | 1 | Neutral | | | |
| 20 | | -1 | | | | 3 | | | | Weak | | | |
| 21 | | | | | | | | | | | | | |
| 22 | Relative Strength1 | GBP | GBP | NZD | AUD | AUD | CHF | | | AUD | NZD | | |
| 23 | | 4 | 6 | 6 | 7 | 7 | 4 | | | 0 | #VALUE! | | |
| 24 | | JPY | CHF | USD | CAD | JPY | JPY | | | NZD | JPY | | |
| 25 | | 5 | 3 | 3 | 2 | 2 | 5 | | | 9 | #VALUE! | | |
| 26 | | | | | | | | | | | | | |
| 27 | PIP Range1 | 84 | 50 | 67 | 71 | 102 | 42 | | | 105 | #VALUE! | | |
| 28 | Bid Ratio1 | 47.6% | 64.0% | 81.2% | 81.7% | 76.5% | 45.2% | | | 0.0% | #VALUE! | | |
| 29 | | | | | | | | | | | | | |
| 30 | GBP/JPY GBP/CHF NZD/USD AUD/CAD AUD/JPY CHF/JPY AUD/JPY USD/JPY EUR/USD CAD/USD CAD/JPY Links | | | | | | | | | | | | |

Ready

Strength Releases Lines RBands Pivots MOVEMENT AUD/JPY USD/JPY EUR/USD CAD/USD CAD/JPY Links

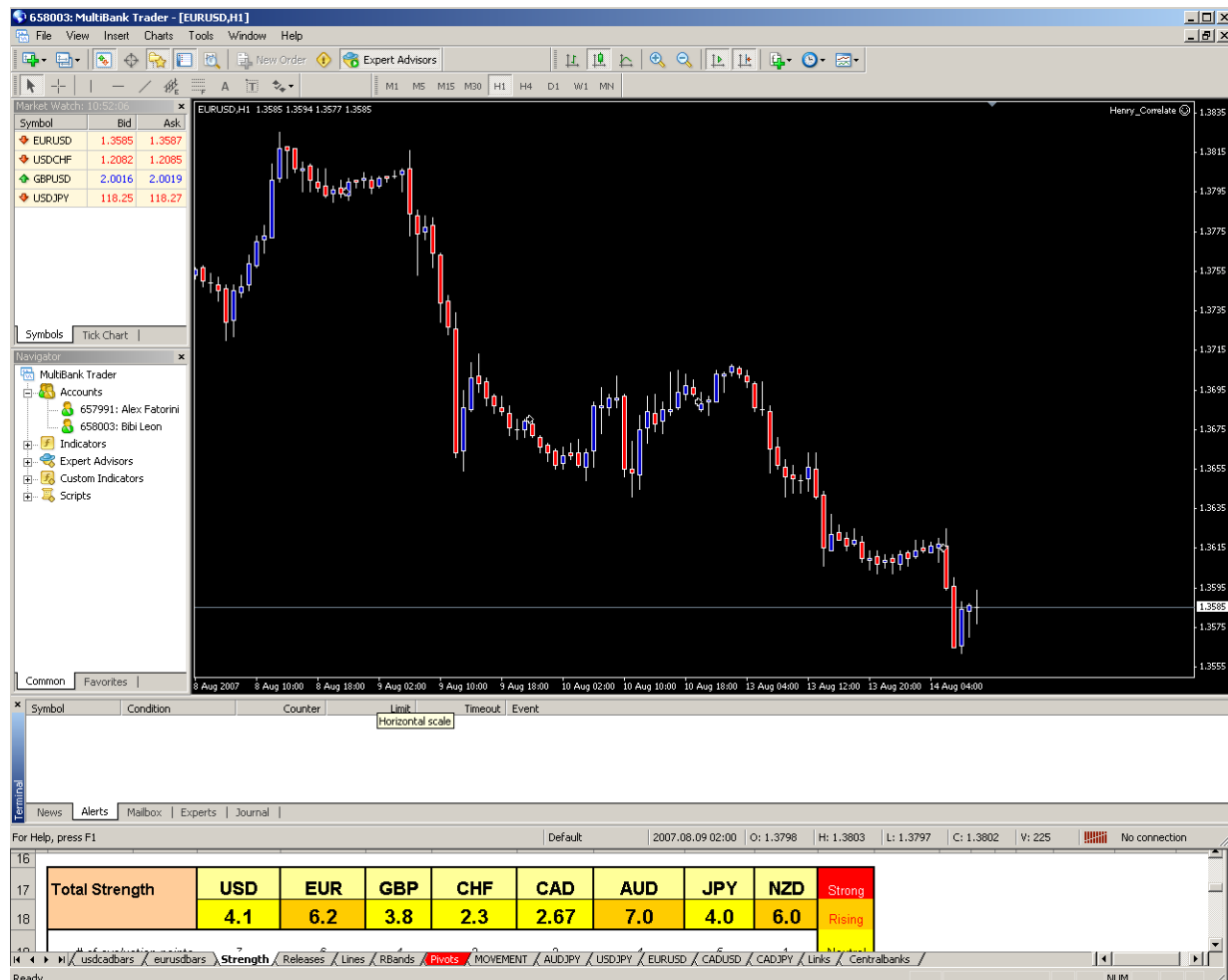
NUM

This special tool is made by Thomas Yeomans and friends, and you can see

individual currency strength with just one glance. Exceptionally well designed spreadsheet using Microsoft Excel and MetaTrader 4.0 platform. You can get MetaTrader 4.0 from different brokers that use this platform, and then all you need to do is enable DDE Server from the options to link with the Excel sheet. If you can't find a MetaTrader broker, use metaquotes.net

Obviously you must also have Microsoft Excel in order to use this tool. Almost everyone that has a Windows based PC have Microsoft excel.

I usually keep the signal meter in a reduced format on one of my monitors like below:



I can instantly see what currency is strong and what currency is weak. Let me show you how to set it up with MetaTrader then I will show you how to use this signal meter.

Download MetaTrader

If you don't have MetaTrader, go to <http://www.metaquotes.net> to download the latest MetaTrader platform.

However, if you download it from ODL Markets you will get stock market charts such as: UK FTSE, German DAX, French CAC, Gold, Silver, Crude Index, etc...

http://www.odlmarkets.com/metaquotes_metatrader4_demo.html

Complete form and click on 'Sign Up' button to register for a demo account.

The screenshot shows a web browser window displaying the ODL Markets website. The page has a red header with the ODL logo and navigation links. The main content area features a large image of a starburst pattern. Below this, there is a section titled 'Download Your Free MetaTrader 4 Demo' with a registration form. The form includes fields for Name, Email, Phone, and Country of Residence, along with a 'Sign up' button. A sidebar on the left lists various trading options like FX, Gold, Silver, Spread Trading, etc. A 'Client Login' section is also visible on the right.

Free MetaTrader 4 Demo | FX, CFD, Gold, Silver & Oil on 1 platform · Windows Internet Explorer

http://www.odlmarkets.com/metaquotes_metatrader4_demo.html

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Page Tools

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Client Login

Home | FX Gold Silver | CFDs | Spread Trading | Equities | Futures and Options | Oil | Partners | About ODL | Trader Area | Accounts

Download Your Free MetaTrader 4 Demo
Now for the first time you can trade Forex, CFDs, Gold, Silver & Oil all on Metatrader 4

Simply fill out the form below to receive your free Metatrader 30 day demo.

Register for your Metatrader Demo:

Preferred Language: English

Name: *

Email: *

Phone (Int country & local dialing codes): *

Country of Residence: Select your country of residence *

* Required fields

Please keep me informed of free news, seminars and education ☐

Please ensure your email is correct to receive your Metatrader 4 demo download

Sign up

FX, Gold, Silver

- Open a FX Account
- FX Platforms
- What is FX?
- Advantages of FX Gold & Silver
- Why trade FX with ODL?
- Meet the ODL FX Team
- FX Spreads and Rates
- FX Interest Rollovers
- FX Margins

Spread Trading

Equities

Futures & Options

Oil Trading

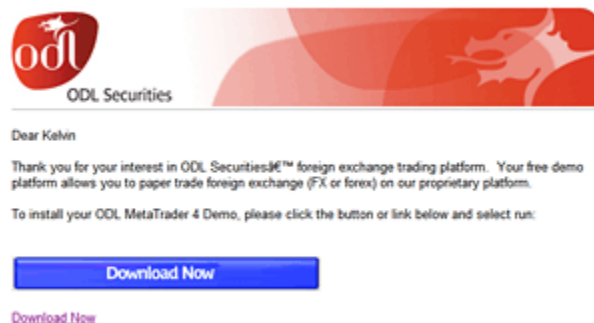
Partnerships, IB, Whitelabels

About ODL

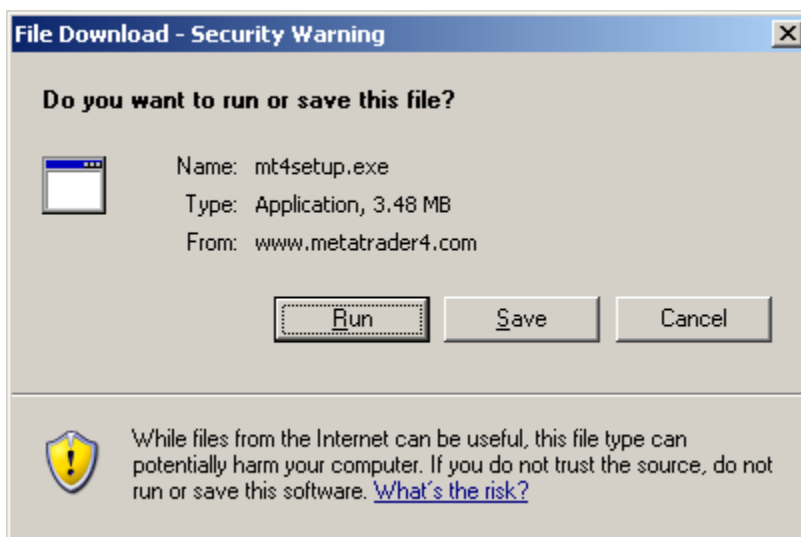
Client Login:

Username

Login to your Account



Once registered, you will receive an email with the download link.



Click on 'Run' to initiate process.

Once you have downloaded and installed the platform, you will be asked to open up an account if you have never opened an account before. This is done directly from the platform. You will see the following window.

Open an Account

Personal details
To open an account, please fill out all the following fields:

Name:

Country: State:

City: Zip code:

Address:

Phone: Email:

Account Type: Currency:

Leverage: Deposit:

☐ I agree to subscribe to your newsletters

< Back Next > Cancel

Enter whatever information you want, follow the instructions and you should have a demo account with live data feed, all for FREE!

Then Go to the TOP MENU where you see "File View Insert..." Select Tools and then select Options (you can also use a short cut Ctrl-O).

Options

Server Charts Objects Trade Expert Advisors Email Publisher Events

Server:

Login: Password: Change

☒ Data Center auto configuration

Data Center: Test

☐ Enable proxy server

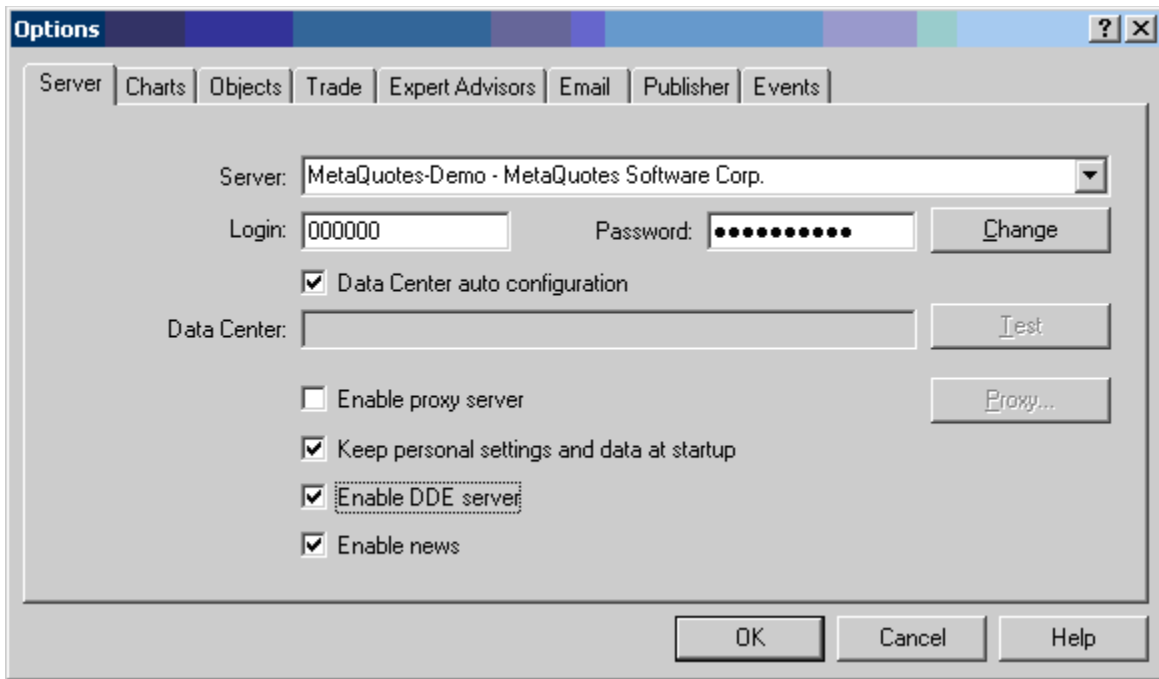
☒ Keep personal settings and data at startup

☐ Enable DDE server

☒ Enable news

OK Cancel Help

Make sure that on the Server Tab you check the box where says “ENABLE DDE SERVER”.



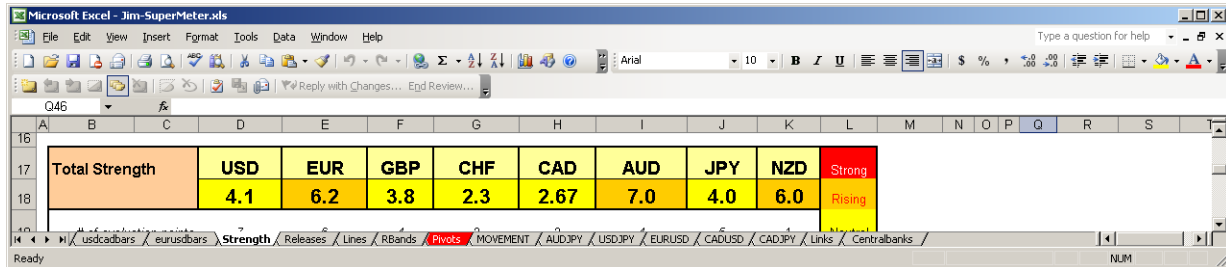
Once you have done this, your Strength Meter is ready to work!

Remember to always start MetaTrader first, and then start your Strength Meter (Excel). You might be asked if you want to update, answer “yes” to all of the questions.

What can the strength meter do? Will, to begin with, you get a snapshot of the market condition. You can see what currencies are strong and what currencies are weak at the moment. It gives you a plethora of information and you should always remember to use it as a confirmation tool in your trading.

Remember what we talked about Risk Aversion and Risk Appetite? When I see a typical risk aversion scenario, both JPY and CHF get much stronger (Orange to Red color). I will also confirm this with looking at a chart, but usually my first clue without comparing 8 different currency pairs is the currency meter.

Also I often match up the currencies to trade the news. For instance, if I was to trade an U.S. news, just prior to the actual news release, I will look at the strength of all the currencies versus (EUR, CHF, GBP, CAD, AUD) the USD...



The screenshot shows a Microsoft Excel spreadsheet titled "Jim-SuperMeter.xls". The spreadsheet contains a table with the following data:

| Total Strength | USD | EUR | GBP | CHF | CAD | AUD | JPY | NZD | |
|----------------|-----|-----|-----|------|-----|-----|-----|-----|--------|
| 4.1 | 6.2 | 3.8 | 2.3 | 2.67 | 7.0 | 4.0 | 6.0 | | Strong |
| | | | | | | | | | Rising |

The table is located in the range A17:J19. The "Total Strength" column is highlighted in orange. The "USD" column is highlighted in yellow. The "EUR" column is highlighted in green. The "GBP" column is highlighted in blue. The "CHF" column is highlighted in red. The "CAD" column is highlighted in purple. The "AUD" column is highlighted in brown. The "JPY" column is highlighted in pink. The "NZD" column is highlighted in light blue. The "Strong" and "Rising" cells are highlighted in red.

Based on this meter, I see that if the news is **good for the USD**, I should be **buying USD/CHF**; if the news is **bad for the USD**, I should be **buying EUR/USD**. By matching the weakest/strongest currencies with USD, I can expect to get more movement out of the news event.

I also use strength meter to determine the "short term sentiment established trend" when I trade short term sentiments. Obviously using strength meter is not enough; you also need to confirm the market with charts. But as always, this is where I would start.

Another great use for this tool is determining what is moving the market. Often times when we see a currency pair moving, and being a pair, it is sometimes hard to determine which one is moving the market. When we see GBP/USD going up, we don't know if it is a GBP strength or USD weakness. If USD is weak, then you should also see EUR/USD going up... If GBP is strong, then you should also see EUR/GBP going down. But having the strength meter will save you so much time, because you can just look at the strength and know what is going on.

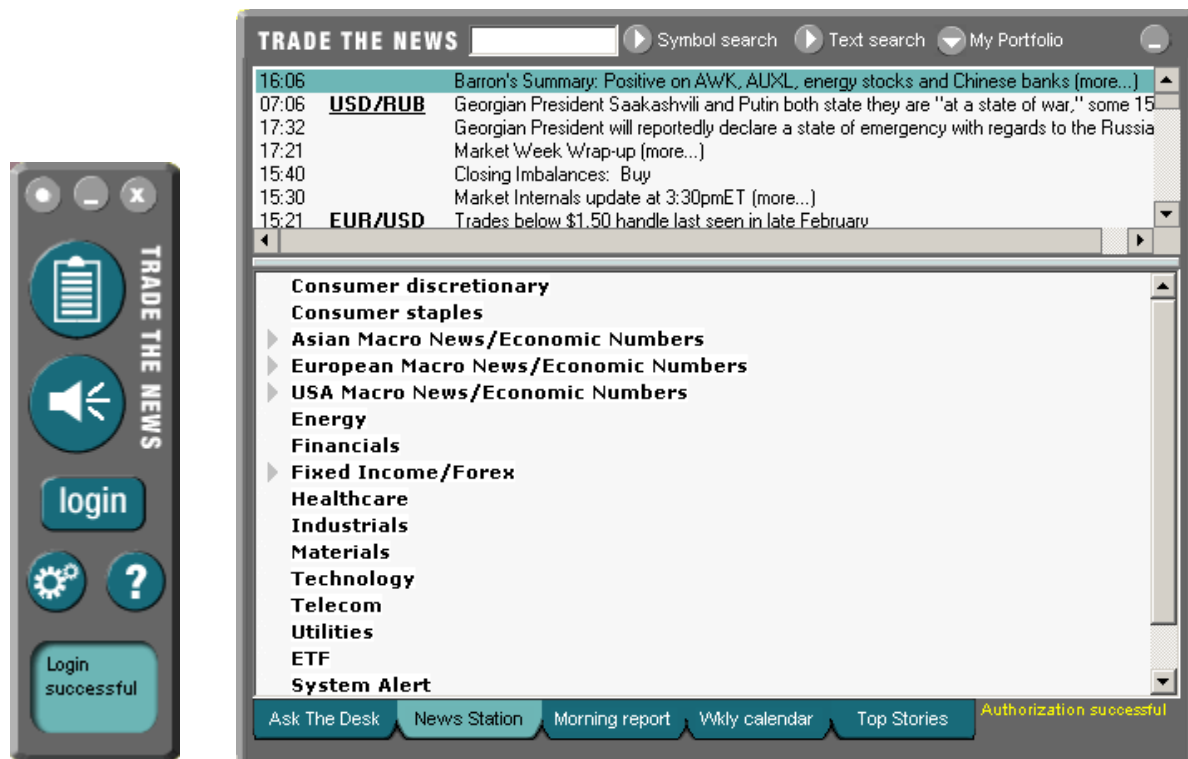
I recommend that you keep the meter up and running at all times. I usually start my meter and leave it on the entire week. As a matter of fact, I never turn off my signal meter, unless I was rebooting my PC.

It is very obvious that when the signal meter is showing strength of one particular currency, you don't go against it! It has saved me from making many mistakes when I was starting out.

One last thing, the strength meter also has patterns. As I mentioned before, when I see both JPY and CHF strengthening, I will stay away from going long with carry trades. Once you have seen different market conditions along with the strength meter, you will begin to notice a pattern emerging. I am still documenting different patterns and maybe one day I will release a special report on that. Surely every trader can benefit from it.

Trade The News

Trade the News is a news wire service that I use. I have been using Trade The News for years and they have provided a great service, delivery time, and accuracy. You'll get into your trades on time, and sometimes even beat the market by a fraction of a second. They are very reliable people and I cannot praise them enough.



Trade the News charges \$175.00 per month for their Forex news service. They allow you to do research and also provide commentaries prior to major news releases. They have been very good with Central Bank Speeches and Statements where you get the headlines and commentaries from broadcasters. I have made lots of money trading the news using only their service.

News Profiteer's Guide to Fundamental News Trading -*Lite*

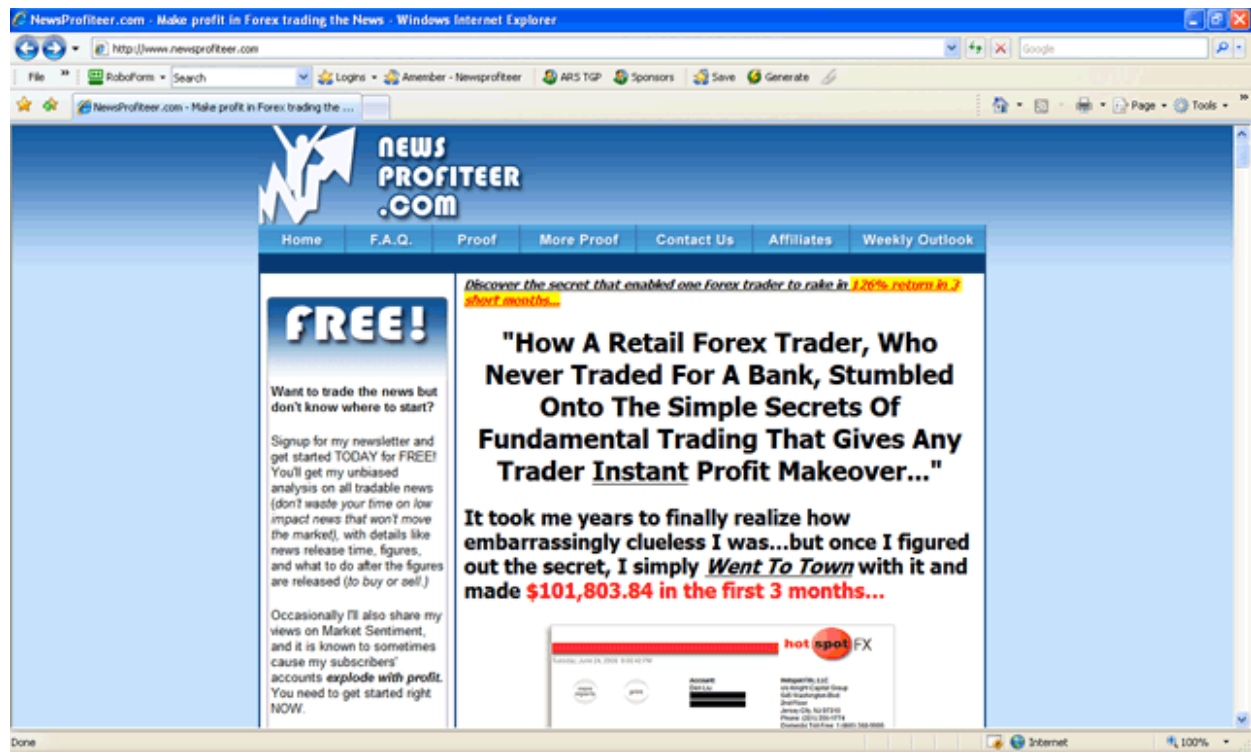
You can sign up for a trial at <http://www.tradethenews.com> and test drive free for 7 days.



NewsProfiteer

Ok, this is my own service. I provide a free news alert service for traders. I have two types of membership, one is free and the other one is only \$49.00 a month. The free membership will give you a daily email analyzing news event scheduled for the next day. I will give you my thoughts on what news is tradable, what is the deviation that I am looking for, and what is the expected movement if the deviation is hit. It is a very informative newsletter and I recommend that everyone signup for it immediately if not already a member.

The paid membership will give you access to a special restricted area where you can download different tools that I use, including the Strength Meter, and also access to my special weekly outlook section. Remember I recommended that everyone to look at the market on Sunday before the open? I do this faithfully (except when I am on vacation) and I share with my members in this section. I will give you my take on the market, what kind of sentiments that I am looking at, plus I send out special alerts to my paid members if I see a strong sentiment trade developing. You can signup at: <http://www.newsprofiteer.com>



Henryliuforex.com

This is my blog where I post on upcoming news releases with detailed analysis and my trade plans on how to trade them. This is based 100% on the methodology in this e-book.

However, as words on the book are just words, I record every news event that I recommend to trade, as I trade them live, and I post the entire video back in the post, showing you how to make money trading the news...

Some of my e-book customers might be skeptical over my trading methods, but once they see how I apply these same methods in real time, with real money, most will appreciate the simplicity in the whole process. It is as simple as I explain it here, and by seeing how it is done by me, you'll gain the confidence needed in trading Forex for success.



News Trading Afterthought

I thought it's extremely important to end this book on this chapter, because of the huge amount of inquiries that I've received recently, all about news trading.

You see, it's extremely important that we always put the context of the market into our trading consideration instead of following a formula. As I have given you a formula that works, and continues to work, in this e-book; and by taking the context of the market into consideration, I think my formula will not only work much better, but your trading will improve significantly as well.

Here is a scenario to consider; there are only 3 viable reactions after a news release, and they are:

- **BUY or SELL in the direction if our tradable deviation is hit.**
- **Do nothing**
- **Take a reversal trade in the OPPOSITE direction**

The first reaction is pretty self-explanatory. As a matter of fact, I've dedicated the entire book explaining how to do it.

You wait for the news to come out, and based on the release, you either 1) Spike Trade, or 2) Retracement Trade... Pretty straight forward.

The second reaction, staying out of the market, also seems self-explanatory, since if the news is not going to give you a reason, or justification, to enter a trade, then perhaps it is best just staying out of the market.

Then the third reaction and that is where most novice news traders, or even veteran news traders fail, because they do not put the *context* of the market in their trade consideration.

Let me explain,

If the market has traveled to the support or resistance of your target currency, once the news comes out, you have to make sure that there is enough

momentum to carry over these levels; so, even if we get a tradable release, be very discreet over your trading because if these levels hold, expect for the market to reverse and that, in itself, presents a golden opportunity for an entry in the reversal position and make tons of pips.

Not many traders take advantage of this simple fact, by taking reversal when you can clearly see that the momentum ran out. Usually this happens either these support/resistance levels are too strong, or the release is either in line with expectation or just slightly tradable. So instead of a gradual and steady push beyond these points, you get a sharp retracement, where on the second attempt to breach, you get yourself a perfect entry for a reversal trade...

By making the right decision and put the context of the market in your trading, your news trading career just went from trading about 15 out of 40 news events a month (15 out of 40 news events that give you tradable deviations), to about 30 trades.

Furthermore, there is a known market psychological reaction called "Buy on Rumor and Sell on News". Most traders know about this, but they don't know how to take advantage of it. By looking at any **No Trade** news events, the ones that our deviation has not been hit, you could enter a reversal trade in the opposite direction of the premarket sentiment. This is because of the expectation or speculation of traders on a better or worse release, but because the release came out close or at expectation, most pre-news traders are taking profits out of the market, and that will cause the market to go in reverse direction, and giving you yet another golden opportunity to make money and exploit these situations.

Of course, as I cannot overstress that fact that you need to use sound judgment and put the entire context of the market in consideration. If the market didn't show any kind of pre-market sentiment, or the pre market sentiment was uncertain, you can't possible expect a reversal entry from there.

In conclusion, what I am trying to say is this: You could theoretically take a trade after any news release, regardless of the release number, based on just the context of the market. Of course I would warn against taking trades

indiscriminately, as that is a sure way to financial ruins. But instead of overlooking these opportunities because you might even know that they are possible in the first place, you are now in a position to look for these “trades” and possibly make more money around news trading time than ever.

One last thing and I really hope this will stay with you for the rest of your trading career, and that is to limit yourself to only trade Forex around news releases. I think by understanding news and fundamental factors, you have much better odds at trading, plus you'll cut down your trading time significantly, if you are like the old me, who used to trade 16 hours a day. And I have to say without any doubt, my trading only improved once I spend less time at it... It may be unfathomable, but give it a try; you'll definitely thank me later.

Henry Liu

(Revised Ver. May 2010)