



10-20-30 TARGET STRATEGY

(go for less, get more!)

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This ebook is part of a proprietary FOREX training program with one goal in mind: to train you in becoming a successful currency trader. It is very likely that in the beginning of your trading career you will lose money. Even the most successful traders go through that. Marek W. Stupka (or Gepard Investments) is not liable if, based upon the information you find here, you lose finances. If you want to be a long-term winner at trading FOREX, be prepared to work hard, study alot, and dedicate your time and your energy into trading. Don't give up, not ever...only losers do that...



THE MONKEY AND THE PEA

An Ancient Tale from India

One lovely afternoon, the mighty King of Varanasi went hunting with his wise advisor. As they reached the wilderness of the jungle, their horses went tired. The King's counselor commenced to feed them with peas. Unexpectedly, a monkey youngster flitted down a tree and, out of the feeding gutter, he grasped as many peas as he could take in his hand. Climbing back up the tree, however, it was one pea that the monkey managed to drop. Determined to save it, he dumped all of the peas, and reached the tree empty-handed.

Peas sprinkled on the ground. And the horses ate them. Sitting wretchedly on a branch, the monkey watched as the loot he held just moments ago is being ravened by the hungry horses. The King and his wise advisor observed the scene with amazement. The advisor giggled, "Mighty King, when far too greedy thou be, bethink that monkey and the pea."

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Let's be honest – every single trader has the greed problem. We just want more pips, more gains – no matter where or how we make them. It is not enough for us to make just SOME profit. What we really need is a SIGNIFICANT achievement. We want it all. Not even a pea(=pip) missing!

And we listen to our greed every time we take a trade. It's just the way we are.

In following, I will show you how greed can rob you of all the money you have. It has already depleted accounts of hundreds of traders around the world. If you don't learn how to get rid of it, it will deplete yours too...

THE MOST COMMONLY MADE TRADING MISTAKE

I have talked, in person or *via* IM, with many trading beginners from different parts of the world. As I have been interviewing them on how they actually open and close their trading positions in order to help them trade better, it has gradually become clear as the bluest sky over New Zealand that almost all of them make **THE SAME** trading mistake. A very plain one, in fact! Most of them tend to set their profit targets too high – aiming for 100 pips, or even more, on one trade..

I want you right now to imagine the last trade you have taken. Please recall the whole setup – the reasons for taking the trade, the analysis you did before you took it, the currency pair you traded, etc. Remember the points where you entered the market, where you put your stop-loss and your profit limit?

(Well, in case you think there's no point of setting profit and loss limits – most likely because you heard it from some very self-confident FOREX guru – just go backwards in your charts, and look for the NFP-generated moves on the GBP/USD over the last year or two, for instance. As you see, there were times when this pair moved more than 500 pips in less than two short days!! Now, I want you to picture this: what if you were trading live at that time? What if, for some reason, you'd open your position in the very opposite direction as the market really moved? Sure as hell - without a stop-loss set to your position, you would go bankrupt before you knew it!!)

Now, honestly, how do you set your stop-losses & profit limits? Do you have a strategy? Or is it, along with the rest of your “trading plan”, based on some sudden “impulses”, or “inspirations”, as I hear from traders all the time?

See, if you are really serious about your trading, you cannot afford to trade just as the mood strikes you! Hey, what if the mood strikes you bad? If you've had a terrible day – say your dad, or girlfriend, made you go crazy.. – then what? Most likely the mood will command you to go after a real HUGE profit, only to spend the money (which you still don't have) somewhere in a bar later!

Let's face it. What do you do in moments like these? Do you listen to your sudden “inner impulses”? Is your trading influenced by your emotions? Well, if it is, then I've got news for you. You are either going to learn how to get your emotions under control, or they are going to ruin you.

Let me help you handle your emotions. Learn how to base your trades on facts!

THE MONKEY TRADER

All right, let's go back to our monkey and pea tale. I love the short tales, since they have the potential to clearly and distinctly pinpoint one specific aspect of life – or trading! Ernest Hemingway once wrote a story in just six words (“For sale: baby shoes, never worn.”), and is said to have called it his best work.

The monkey story wonderfully points out how greed can make you lose everything you've earned so far on your trading. You can be the most talented and well-experienced trader in the whole universe, but if you listen to your greed, one day you have it all, and the next... one greedy move, and your profits are scattered on the ground, only to be eaten by other hungry traders in no time!

The point is clear. Don't be the monkey trader!

GREED MAKES YOU BLIND AND AGGRESSIVE

OK, let's put greedy trading in contrast with a sound, consistently profitable trade exit philosophy (remember, these are just basic trading rules; details of various exit techniques are described in the relevant 1-on-1 Training lessons).

What greed actually does in this context is that it commands you to set your profit targets too high and your stop-losses too low (or not to set any), making you believe that nothing can go wrong. Greed blinds your sight, so that you're only able to see one viewpoint of the market (as you surely know by now, to open the position properly, we always have to seek the harmony of taking more angles to the whole scene, not just one!)

Greed also calls for making instant decisions and shortcuts. It makes you aggressive! Once you manage to point on your chart the first impressive set of exit targets that comes into your mind (based on a simple, one-angle market analysis, e.g. Bollinger Band crossover), it persuades you that there's no need to do any further research, and thus make your trading too complicated. Just apply this simple thingy, and watch your profits skyrocket in just a few minutes! That's why Mr. Bollinger found out his little trick, didn't he?

Unfortunately, it never works this way. Trading is no amateur's game. If you only trade by one technique and never take time to design your own strategic

plan that would help you examine the markets from different perspectives and tell you exactly when, what, how, and how much you should trade (in my training we call this a Trading Plan – all of my students are guided to adopt one right from the beginning, and then to improve it in order to trade even better), you are a perfect candidate to become just another trading loser.

OK, TELL ME HOW YOU DO IT!

Sure. Here's how: when I plan my trades, I first do my homework.

As the first step, I analyze the fundamental background of the currency pair I think of trading to find out about the mood and expectations of the major market players. To do this, I use the news calendar, and I read the relevant economy reports. I look for the prevailing market sentiment and expectations.

Then, most importantly, I use the technical tools contained in my Trading Plan to actually decide on the precise rate I am going to open my position at (that is, only if all checkboxes in my Trading Plan are giving this one a go!).

The complex technical analysis incorporated in my Trading Plan provides me with confirmed levels of Support and Resistance, relevant to the position I am about to open. Note that the SR levels must be CONFIRMED, that is, each such SR level has to, independently, result from applying at least 3 various techniques (my Trading Plan tells me which ones to use).

These confirmed SR levels then represent my possible exit points.

And here comes the highlight of this short ebook – I SHOOT FOR THE MOST CONSERVATIVE PROFIT TARGET!

In other words, I set my profit limit to just 20 pips (or any such level of Support or Resistance that is close to my 20 pips of profit)! If there's no significant news out for that day, and one cannot reasonably expect the markets to move much, I might even set my limit to just 10 pips (or any such level of Support or Resistance that is close to my 10 pips of profit)! I usually set my stop-loss to 30 pips (there are exceptions to this...).

Yes, you've heard right. It's not a joke! Just 10 or 20 pips profit. Not a pip more.

You see, this way I am after the most certain profits. I ignore my greed. And leave other greedy players to take the risk upon their shoulders!

If I do my homework right, this simple technique literally guarantees that my trading sees profit 7-8 times out of 10! -- Of course, it has to be backed by quality analysis.

And that's the whole story, actually. There are cases when there's a significant market move happening, and a majority of the players are after 100+ pip profits. In moments like these I might increase my profit target to 30 pips (or any such level of Support or Resistance that is close to my 30 pips of profit).

But that's really all I do (*note that we're talking about short-term, session-based trading*).

The point is this: I am a professional. Based on many years trading experience, I know how easy – and how fast – the market can suddenly move against me. My goal is not to make quadrillions on one single trade. My goal is to stay consistently profitable, so that I can remain trustworthy in my own eyes, and in the eyes of those who let me manage their money.

For the reasons above I set my profit targets as conservative as possible. And I am successful. As I look at my weekly and monthly track records, I can feel the satisfaction. I have a highly profitable job – I might not be making 294 pips on each trade, BUT I usually reach my profit target in 7-8 trades out of 10! As my total investment capital grows, I continue to be making money on my conservative, 10-20-30pip profit targets!

It is all possible for me because once I set my mind firmly to gaining ultimate victory over my greed – and I remind myself of this decision every time I take a trade.

And if it works for me, believe or not, it will certainly work for you too...

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Remember, these are just general and most elementary rules-of-thumb. Keep reading free ebooks that you can download at www.gepardinvestments.com at no cost to you. I will show you how I became a successful FOREX trader myself, and how you can too.

You may also apply to become my 1-on-1 student. I will dedicate my time in teaching you everything you need to know in order to effectively develop your own, consistently profitable trading style. As you develop professional trading knowledge and skills, you will be offered a chance to get involved with one of the trading teams that I supervise.