

THE SECRET TO FOREX TRADING

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Chapter 1.

The most common problem faced by every trader in the world and precisely one main reason why 95 % fail and 5% pass.

Every trader is late into the trade. Why does it happen well very few people try to take it seriously.

THERE IS A SAYING ALL INDICATORS ARE LAGGING, WE WOULDN'T AGREE ANY LESS.

If all indicators are lagging then why is that the other 5% are in the trades much before the others do they use a non lagging indicator.

The answer is No they don't use any non lagging indicator but they watch price differently than the rest of the world.

ANY MARKET IN THIS WORLD IS ALL ABOUT SUPPLY AND DEMAND

The idea is to figure out when does the supply run out and when demand comes in.

THE GREATEST SECRET TO FOREX IS A TERM CALLED DIVERGENCE UNFORTUNATELY NOT MANY TRADERS PAY ATTENTION TO THIS AND TILL THEY DON'T PAY ATTENTION THEY WILL ALWAYS LOSE.

This is one of our favourite systems and it will always keep you safe in the worst of markets. The term is called DIVERGENCE.

We wont get into the dictionary meaning of it but to make it simple divergence is a technique to find out that when a probable reversal can happen.

When the price of an asset and an indicator, index or other related asset move in opposite directions. In technical analysis, traders make transaction decisions by identifying situations of divergence, where the price of a stock or currency and a set of relevant indicators are moving in opposite directions.

There are many indicators that you can use to watch divergence we personally a custom macd which has given us immense success.

The best way to learn divergence is to watch charts and try to read when a trend is about to fail. What we are trying to figure out is when the order flow loses steam.

DIVERGENCE IS GENERALLY USED TO PREDICT END OF TREND AND START OF A REVERSAL.
IDEALLY THE BEST TIME TO USE IT IS THE END OF THE MONTH TO FIGURE WHAT CAN HAPPEN NEXT.
ALSO YOU CAN USE IT TO UNDERSTAND WHAT CAN HAPPEN ON EVERY MONDAY ON MARKET OPEN.

Watch these examples on how divergence on an individual currency index can create multiple trading opportunities.

WATCH HOW AFTER A LONG TERM DOWNTREND THROUGHOUT THE MONTH THE NZD, THE MACD STARTS TO GO ABOVE THE ZERO LINE AND THE PRICE IS STILL BELOW THE FILTER LINE AND SLOWLY COMES TOGETHER.... SEE BOTH THE MACD LINES ANGLING UP AND THE LAGUARRE RSI MOVING UP. THIS IS A TYPICAL DIVERGENCE.



*Now watch what happened on every NZD PAIR
Here are a few samples you can see the rest in your profile.*





Here is an exercise we want you to do.

DIVERGENCE CAN MAKE A KILLING LIVING IN FOREX ONLY IF YOU LEARN IT WELL, WHEN WE COPY TRADES WE DON'T WANT YOU TO WONDER WHY PICKED THIS TRADE.

AND IF YOU INTEND TO MAKE A CAREER IN THIS FIELD THEN ITS IMPORTANT YOU LEARN THIS WELL AND YOU WILL BE AMAZED WITH YOUR SUCCESS.

OK SO PICK ALL THE BEST DIVERGENCE EXAMPLES ON INDIVIDUAL INDEX THEN PICK THE PROFILE OF THE CURRENCY AND LOOK FOR PAIRS DIVERGING IN THE SAME WAY, THEN PICK THE BEST ONE BASED ON THE DIRECTIONS OF INDIVIDUAL INDEXES.

Now here look at the October example of the GBP divergence.



