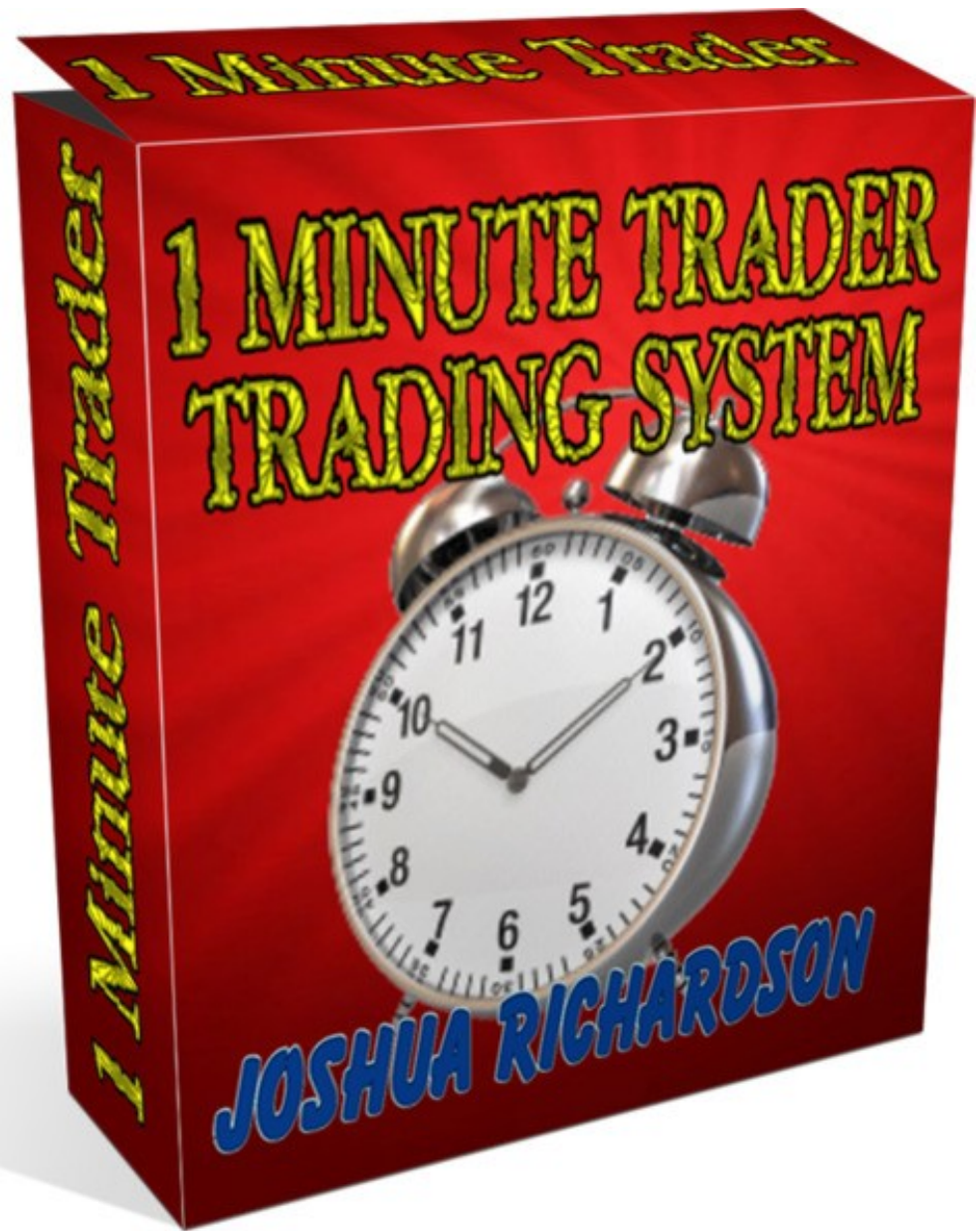


FOREX 1 MINUTE TRADER TRADING SYSTEM



THIS IS NOT A FREE EBOOK

COPYRIGHT Information

No part of this ebook may be reproduced or transmitted in any form whatsoever,

electronic or mechanical, including photocopying, recording, or by any informational storage or retrieval system without expressed written, dated and signed permission from the author, JOSHUA RICHARDSON

Copyright © JOSHUA RICHARDSON – FOREX 1 MIN TRADER TRADING SYSTEM

GOVERNMENT REQUIRED: Risk Disclaimer and Disclosure Statement

The information provided in this ebook is of the nature of a general comment only and neither purports nor intends to be, specific trading advice. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. Information should not be considered as an offer or enticement to buy, sell or trade. Examples are provided for illustration purposes only and should not be construed as investment advice or strategy.

You should seek appropriate advice from your broker, or licensed investment advisor, before taking any action. Past performance does not guarantee future results.

Simulated performance results contain inherent limitations. Unlike actual performance records the results may under or over compensate for such factors such as lack of liquidity. No representation is being made that any account will or is likely to achieve profits or losses to those shown.

The risk of loss in trading can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition.

If you purchase or sell Equities, Futures, Currencies or Options you may sustain a total loss of the initial margin funds and any additional funds that you deposit with your broker to establish or maintain your position. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice in order to maintain your position. If you do not provide the required funds within the prescribed time, your position may be liquidated at a loss, and you may be liable for any resulting deficit in your account.

Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move." The placement of contingent orders by you, such as a "stop-loss" or "stop-limit" order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders.

By purchasing the FOREX 1 MIN TRADER TRADING SYSTEM, you acknowledge and accept that all trading decisions are your own sole responsibility, and the author, JOSHUA RICHARDSON and anybody associated with the FOREX 1 MIN TRADER Trading System cannot be held responsible for any losses that are incurred as a result.

The information provided on this ebook is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject us to any registration requirement within such jurisdiction or country.

Hypothetical performance results have many inherent limitations, some of which are mentioned below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and actual results subsequently achieved by any particular trading system.

One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk and no hypothetical trading record can completely account for the impact of financial risk in actual trading.

For example the ability to withstand losses or to adhere to a particular trading system in spite of the trading losses are material points, which can also adversely affect trading results. There are numerous other factors related to the market in general or to the implementation of any specific trading system, which cannot be fully accounted for in

the preparation of hypothetical performance results. All of which can adversely affect actual trading results.

Use of Charts

Please note that all charts used in this ebook are meant for illustrative purposes.

Getting started in Forex

If you are new to Forex trading, there are several key pieces of information you need to know:

- ☐ a) How and where to open a Forex trading account
- ☐ b) Demo trading and when to go “live”
- c) ☐ Essential reading material for your growth as a trader
- d) ☐ Money management and leverage, stop losses and targets
- e) ☐ How to read a candlestick chart

We will go through these items for the benefit of new traders. If you are an experienced trader already, please skip these pages and go straight to the page headed “FOREX 1 MIN TRADER Trading System”

How and where to open a Forex trading account

This depends a lot on how much capital you have to start with your trading. We highly recommend that all new traders “demo” trade for at least 1-3 months before committing real money to the account. There are now literally 100’s of Forex brokers available to the retail trader, but we must warn you that not all of them are “above board” We have had experience with several brokers and can recommend the following: (Please note that our recommendation does not in anyway endorse these brokers)

www.oanda.com

This broker allows traders with smaller accounts to trade extremely small lot sizes thereby minimizing the risk of losses for beginners. They allow micro-lots which move about \$0.10 per pip www.fxcm.com FXCM is one of the largest brokers and allows mini lots which move about \$1.00 per pip. You can open an MT4 Demo account and download their free MT4 software.

More information on Forex trading in general can be obtained from the two websites above and from other sites such as www.forexnews.com and www.fxstreet.com

Demo trading and when to go “live”

The brokers above both offer unlimited period demo accounts. These are trading accounts which look and feel exactly like real money accounts, except that the money is not real. Using a demo account will allow you to get the feel for the trading platform, the feel for how the market moves and a feel for how the FOREX 1 MIN TRADER TRADING SYSTEM trade signals work in real time. We highly recommend trading on a demo account for at least 1 month, but probably even longer (3-6 months) Many traders who graduate to real money accounts too soon lose money. This is because the demands of real money trading are so much greater in terms of stress and emotions, and if you have not mastered demo trading before that, the combination of new experiences can be overwhelming.

Money Management and leverage, stop losses and targets

This is one of the most important and most overlooked parts of trading. Many traders take huge risks with their capital in the hope that they will “get rich quickly” or recover previous losses with one good trade. We would like to suggest some simple guidelines for managing your trading account with our FOREX 1 MIN TRADER Trading System, which will help you to reduce risk and maximize returns.

1. Never leverage more than 5:1

This means that for every dollar in your account, you should not trade more than 5 dollars per trade positions. For example, if your account size is \$5000, you should trade no more than \$25000 per position. This is 2.5 mini lots (a mini lot is worth \$10,000)

☐ We prefer to leverage even lower than 5:1 with 1:1 – 2:1 being optimal.

2. Never risk more than 2% of your account on 1 trade.

This is easily calculated. If the trade you want to enter requires a 40 pip stop loss for example, the risk to your account if stopped out is 40 pips x leverage/100%. In this case, if your leverage is 5:1 then the risk would be $40 \times 5 / 100 = 2\%$. If the stop loss is higher, the leverage would have to be reduced.

3. Always aim for a 2:1 reward/risk ratio in your trades.

☐ If you are prepared to risk say 40 pips on a trade, ensure that the potential target for the trade is at least 80 pips. If you are prepared to risk 50 pips, make sure you have a possible target of 100 pips, and so on. Try to always aim for twice as much as you risk.

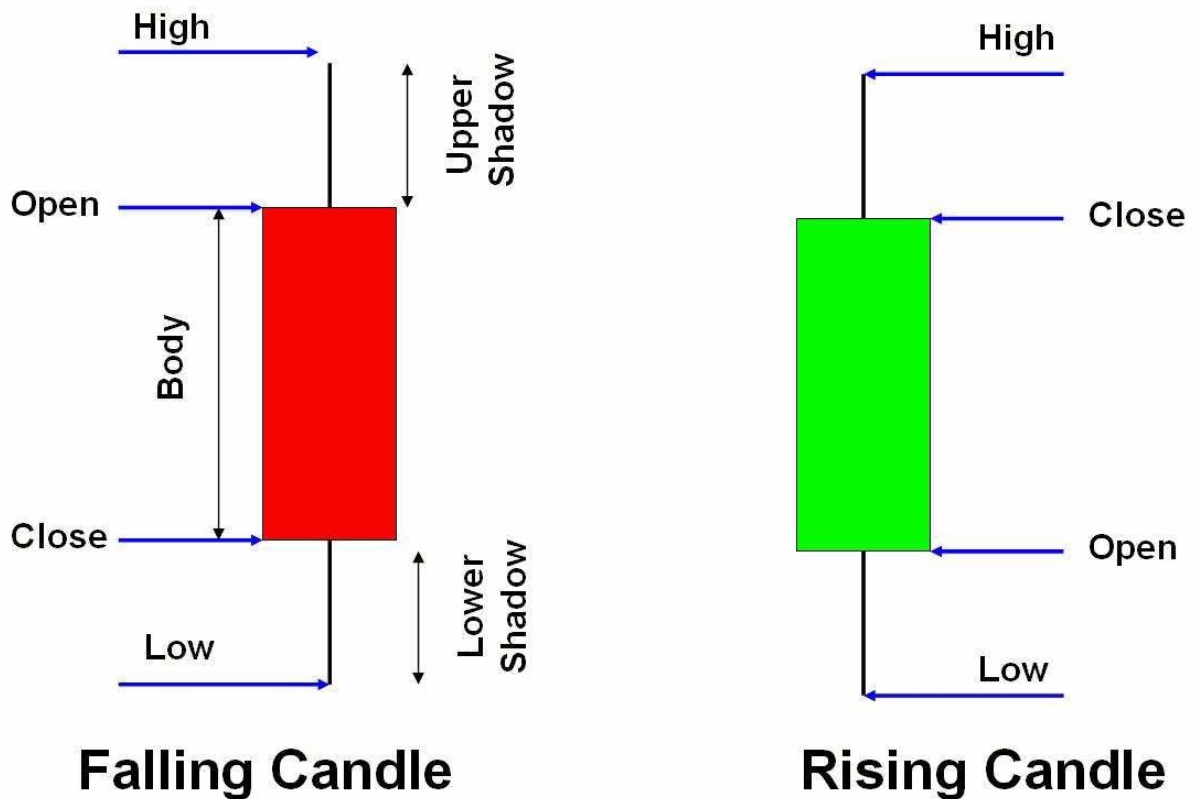
If you stick to these simple rules, you should be able to weather the storms and have a long lasting and relatively stress free Forex career.

Technical Analysis of the FOREX 1 MIN TRADER TRADING SYSTEM

Candlestick Charts

For technical analysis, the FOREX 1 MIN TRADER Trading System uses candlestick charts of the following time-frame:

1 minute chart



Candlestick charts are more visually appealing and easier to interpret compared to bar charts. They enable forex traders to compare the relationship between the opening and closing price as well as the high and low price of a particular period.

In our FOREX 1 MIN TRADER Trading System, a green candlestick, where the closing price is higher than the opening price, indicates a **rising candle** with buying pressure while a red candlestick, where the closing price is lower than the opening price, indicates a **falling candle** with selling pressure.

OVERVIEW

FOREX 1 MIN TRADER Trading System strategy makes use of 1 minute chart to trade. We look for prices that have gone up/down too fast and heavy buying/selling pressure. Then after identifying using 2 indicators, we will look out for prices going up but momentum and strength slowing down and vice versa (i.e this is called divergence in the 1 min power mountain indicator. The other indicator is used to ensure, we are selling at overbought area and buying at the oversold area through the use of 1 min power line indicator. We will discuss in detail.

Markets Traded – All Forex Pairs, Major Pairs (GBP/JPY, EUR/USD, GBP/USD, USD/JPY, USD/CAD, AUD/USD, USD/CHF), however the best Pairs are EUR/USD and GBP/USD because of the spread between the bid and ask price is 2-3 pips.

Charts – 1 minute chart

Charting Software – Any

Indicators – a) 1 min Power Mountain (draw two horizontal lines -0.001 and 0.001)

b) 1 Min Power Line (draw 2 horizontal lines -80 and -20 , where -80 is oversold zone and -20 is overbought zone)

Rules for Long trades



1. Identify the **1 min Power mountain to exceed -0.001 level** (This shows that the price trading to the lowest level and possible for a u-turn for a long trade).

2. Identify whether the next 1 min Power mountain is lower that the previous power mountain as indicated in point 1 in chart (This indicates that the strength is coming to the market).

3 Identify whether the next 1 min Power mountain is lower that the previous power mountain as indicated in point 2 in chart (This indicates that the strength is coming to

the market). As soon as you have found 3 power mountain, increases in strength, (divergence) look out for point 4

4. Point 4 is where the price have to go lower and lower, while the 1 min power mountain indicates that the histogram is not lower and lower but HIGHER and HIGHER. This clearly indicates DIVERGENCE.

5. Ensure that the 1 min Power Line (Blue line) is in Oversold territory i.e anything above the -20 is overbought and below -80 is oversold. In this case, the prices indicates that it is oversold.

6. Identify the Power Bar. Power Bar is the the 3rd divergence mountain that has immediately created a strength by its histogram is going lower and lower, and then a peak histogram is formed, the next histogram is shorter, and at the close of the prices (at close of candle), this shorter histogram bar is called Power Bar.

Look at the prices. Let the price peak formed, as soon as the peak is formed, let the price retrace. Enter a long trade immediately WHEN THE PRICE GO HIGHER THEN THE PEAK, (a breakout to the upside) with risk 1:1, and trailing stop with risk 1:2 or 1:3. Place your stop loss 5 pips below the low of the previous support. I.e if your stop loss is 10 pips, then your 1st profit target is 10 pips, followed by 20 pips and if you want 30 pips. But make sure to put your stop loss to breakeven when you hit your first target.

Take note: Alternatively when you want a good risk and reward, after entry, wait for the price to reach to the overbought zone and close the trade immediately when it reaches to the -20 zone by looking at the 1 min power line (blue line). This often give you a minimum of 1:4 or 1:5 risk and reward.

Rules for short trades

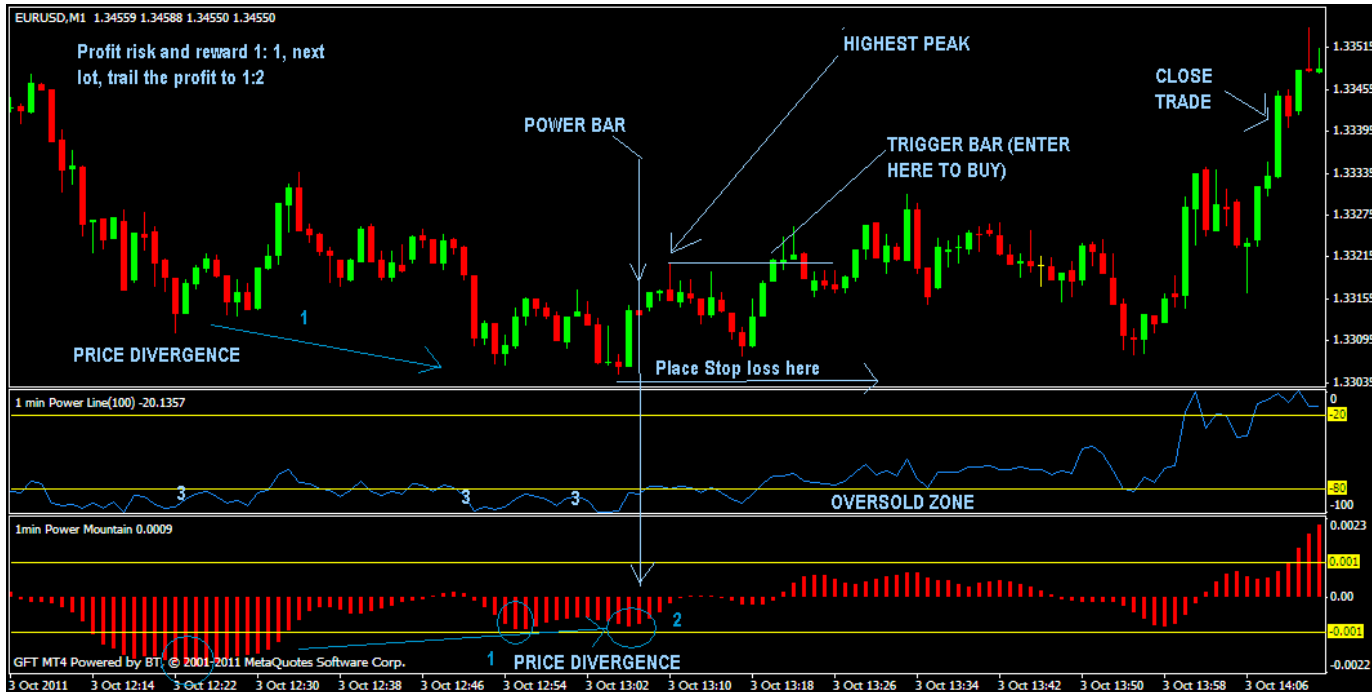
1. Identify the **1 min Power mountain to exceed 0.001 level** (This shows that the price trading to the highest level and possible for a u-turn for a short sell trade).
2. Identify whether the next 1 min Power mountain is lower than the previous power mountain (This indicates that the weakness is coming to the market).
3. Identify whether the next 1 min Power mountain is lower than the previous power mountain (This indicates that the weakness is coming to the market). Ensure you have found 3 power mountain, which shows it weakens in strength, (divergence)
4. The price has to go higher and higher, while the 1 min power mountain indicates that the histogram is not higher and higher but LOWER and LOWER. This clearly indicates DIVERGENCE.
5. Ensure that the 1 min Power Line (Blue line) is in Overbought territory i.e anything above the -20 is overbought and below -80 is oversold. In this case, the prices indicate that it is overbought.
6. Identify the Power Bar. Power Bar is the 3rd divergence mountain that has immediately created a weakness by its histogram going higher and higher, and then a peak histogram is formed, the next histogram is shorter, and at the close of the prices (at close of candle), this shorter histogram bar is called Power Bar.

Look at the prices. Let the price support/trough to form, as soon as the support is formed, let the price retrace to the upside. Enter a sell short trade immediately WHEN THE PRICE GOES LOWER THAN THE SUPPORT, (a breakout to the downside) with risk 1:1, and trailing stop with risk 1:2 or 1:3. Place your stop loss 5 pips above the high of the previous resistance. I.e if your stop loss is 10 pips, then your 1st profit target is 10 pips, followed by 20 pips and if you want 30 pips. But make sure to put your stop loss to breakeven when you hit your first target.

Take note: Alternatively when you want a good risk and reward, after entry, wait for the price to reach to the oversold zone and close the trade immediately when it reaches to the -20 zone by looking at the 1 min power line (blue line). This often gives you a minimum of 1:4 or 1:5 risk and reward.

Long (Buy) Trade Examples

Chart 1



Above is an example of EUR/USD 1 Min Chart.

First thing to look out for a long trade, the 1min Power Mountain **HAS TO GO BELOW – 0.001. VERY IMPORTANT.** This is to identify the most oversold point and the best place to buy.

Point 1 – Price Divergence (Price going down and Power mountain bar getting stronger)

Point 2 – Power mountain histogram is getting stronger

Point 3 – 1 min Power line (blue line) in oversold area.

At the 3rd 1 min Power Mountain, divergence, Power Bar is identified when the 3rd mountain gets stronger with histogram value becoming lesser. Wait for the peak to form.

Once peak formed, Enter Long when the peak is broken. Take profit Risk 1:1 (1st target and 1:2 Risk and reward for 2nd target.

For 2nd profit target, you can either put immediately stop loss at breakeven when 1st target reached, or set a trailing stop at 15 pips.

Chart 2



Above is an example of EUR/USD 1 Min Chart.

First thing to look out for a long trade, the 1min Power Mountain **HAS TO GO BELOW – 0.001. VERY IMPORTANT.** This is to identify the most oversold point and the best place to buy.

Point 1 – Price Divergence (Price going down and Power mountain bar getting stronger)

Point 2 – Power mountain histogram is getting stronger

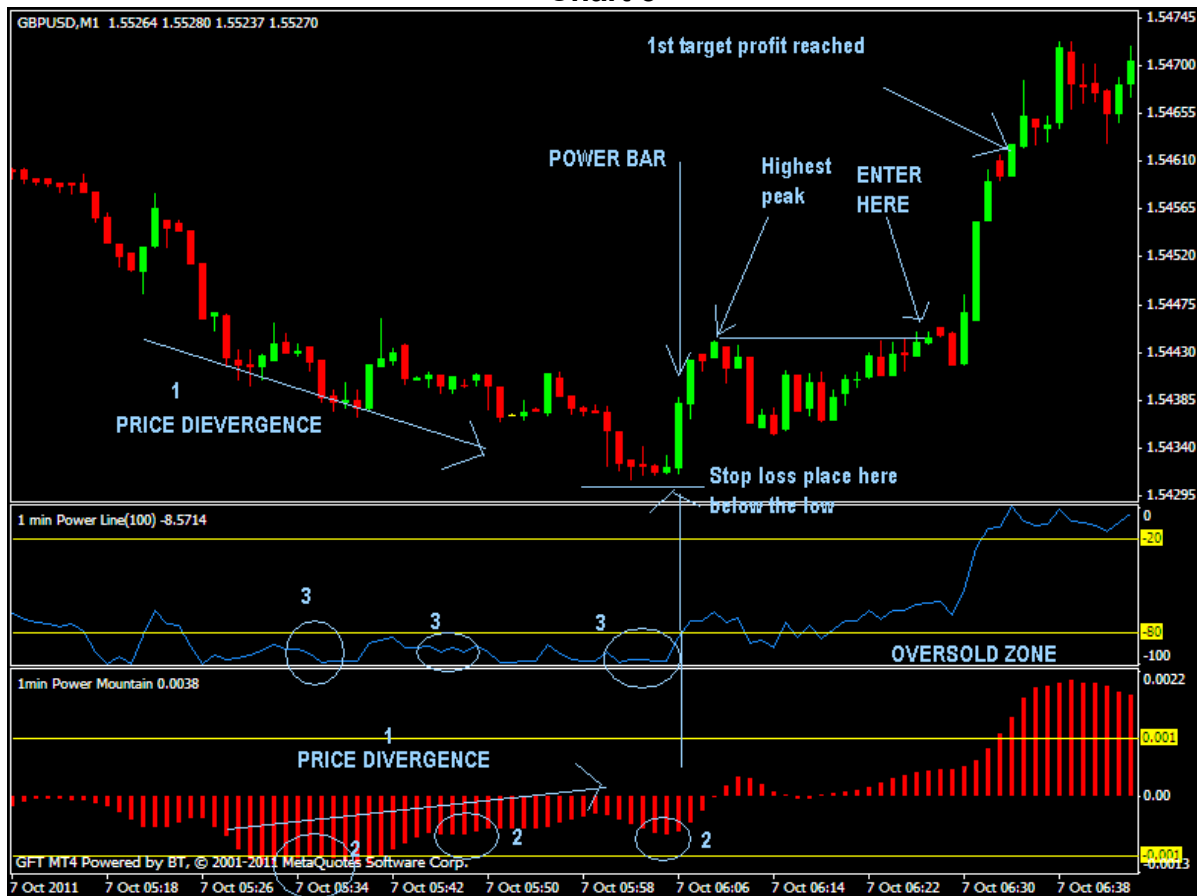
Point 3 – 1 min Power line (blue line) in oversold area.

At the 3rd 1 min Power Mountain, divergence, Power Bar is identified when the 3rd mountain gets stronger with histogram value becoming lesser. Wait for the peak to form.

Once peak formed, Enter Long when the peak is broken. Take profit Risk 1:1 (1st target and 1:2 Risk and reward for 2nd target.

For 2nd profit target, you can either put immediately stop loss at breakeven when 1st target reached, or set a trailing stop at 15 pips.

Chart 3



Above is an example of GBP/USD 1 Min Chart.

First thing to look out for a long trade, the 1min Power Mountain **HAS TO GO BELOW – 0.001. VERY IMPORTANT.** This is to identify the most oversold point and the best place to buy.

Point 1 – Price Divergence (Price going down and Power mountain bar getting stronger)

Point 2 – Power mountain histogram is getting stronger

Point 3 – 1 min Power line (blue line) in oversold area.

At the 3rd 1 min Power Mountain, divergence, Power Bar is identified when the 3rd mountain gets stronger with histogram value becoming lesser. Wait for the peak to form.

Once peak formed, Enter Long when the peak is broken. Take profit Risk 1:1 (1st target and 1:2 Risk and reward for 2nd target.

For 2nd profit target, you can either put immediately stop loss at breakeven when 1st target reached, or set a trailing stop at 15 pips.

Trade Examples

Chart 4



Above is an example of GBP/USD 1 Min Chart.

First thing to look out for a long trade, the 1min Power Mountain **HAS TO GO BELOW – 0.001. VERY IMPORTANT.** This is to identify the most oversold point and the best place to buy.

Point 1 – Price Divergence (Price going down and Power mountain bar getting stronger)

Point 2 – Power mountain histogram is getting stronger

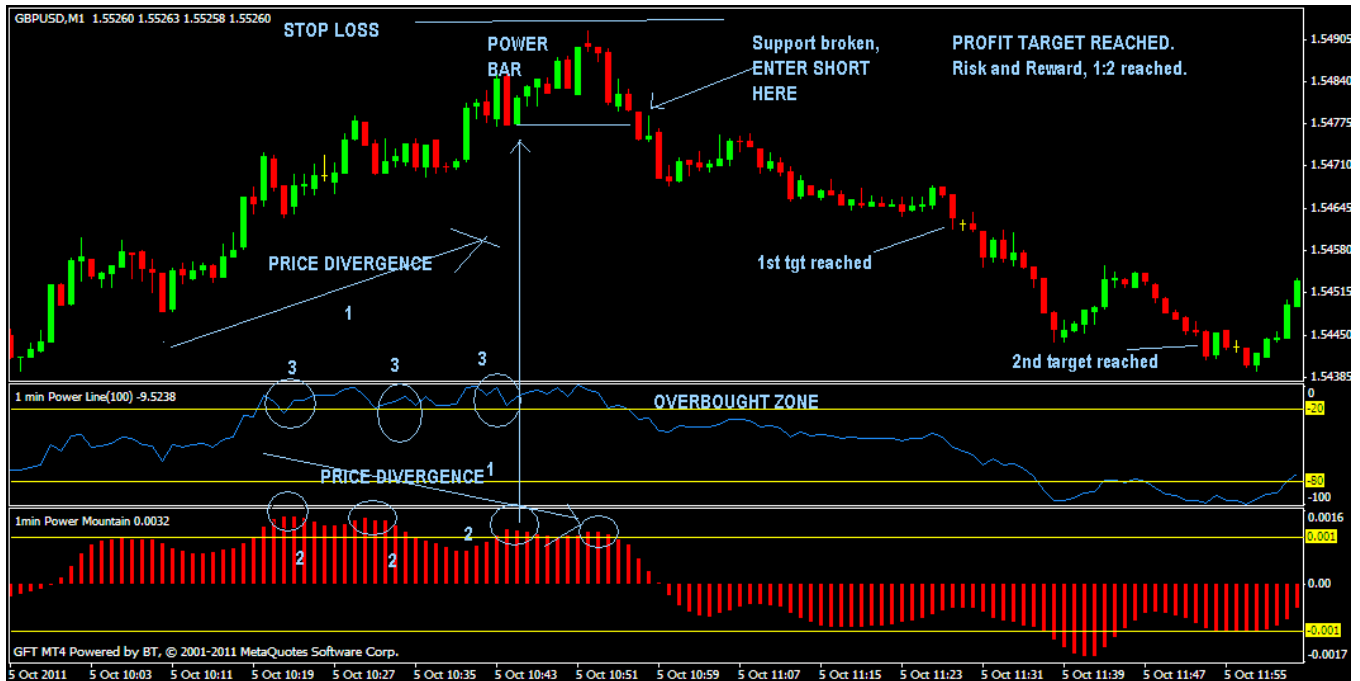
Point 3 – 1 min Power line (blue line) in oversold area.

At the 3rd 1 min Power Mountain, divergence, Power Bar is identified when the 3rd mountain gets stronger with histogram value becoming lesser. Wait for the peak to form.

Once peak formed, Enter Long when the peak is broken. Take profit Risk 1:1 (1st target and 1:2 Risk and reward for 2nd target.

For 2nd profit target, you can either put immediately stop loss at breakeven when 1st target reached, or set a trailing stop at 15 pips.

Chart 5. Short Trades (Sell Trades)



Above is an example of GBP/USD 1 Min Chart.

First thing to look out for a short (sell) trade, the 1min Power Mountain **HAS TO GO ABOVE 0.001. VERY IMPORTANT.** This is to identify the most overbought point and the best place to sell.

Point 1 – Price Divergence (Price going up and Power mountain bar getting weaker)

Point 2 – Power mountain histogram is getting weaker.

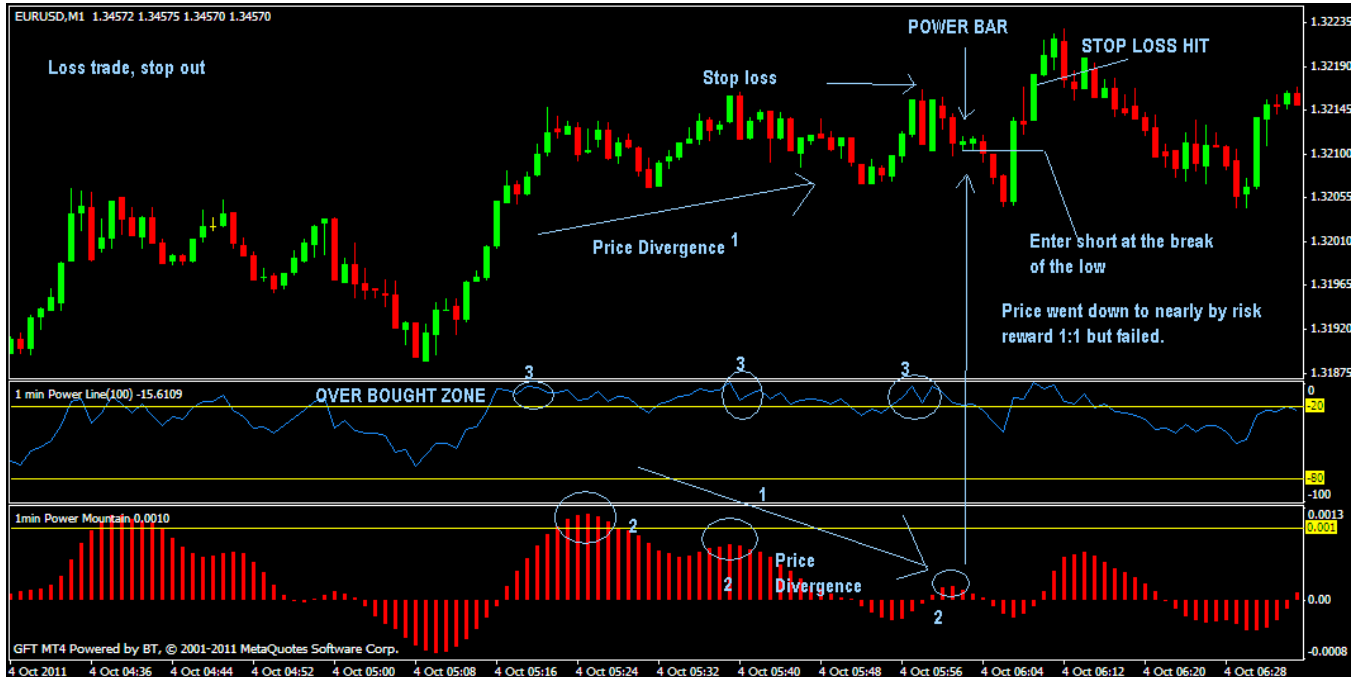
Point 3 – 1 min Power line (blue line) in overbought area.

At the 3rd 1 min Power Mountain, divergence, Power Bar is identified when the 3rd mountain gets weaker with histogram value becoming lesser. Wait for the trough (or support) to form.

Once trough (support) formed, Enter Short when the trough (support) is broken. Take profit Risk 1:1 ,1st target and 1:2 Risk and reward for 2nd target.

For 2nd profit target, you can either put immediately stop loss at breakeven when 1st target reached, or set a trailing stop at 15 pips.

Chart 6



Above is an example of EUR/USD 1 Min Chart.

First thing to look out for a short (sell) trade, the 1min Power Mountain **HAS TO GO ABOVE 0.001. VERY IMPORTANT.** This is to identify the most overbought point and the best place to sell.

Point 1 – Price Divergence (Price going up and Power mountain bar getting weaker)

Point 2 – Power mountain histogram is getting weaker.

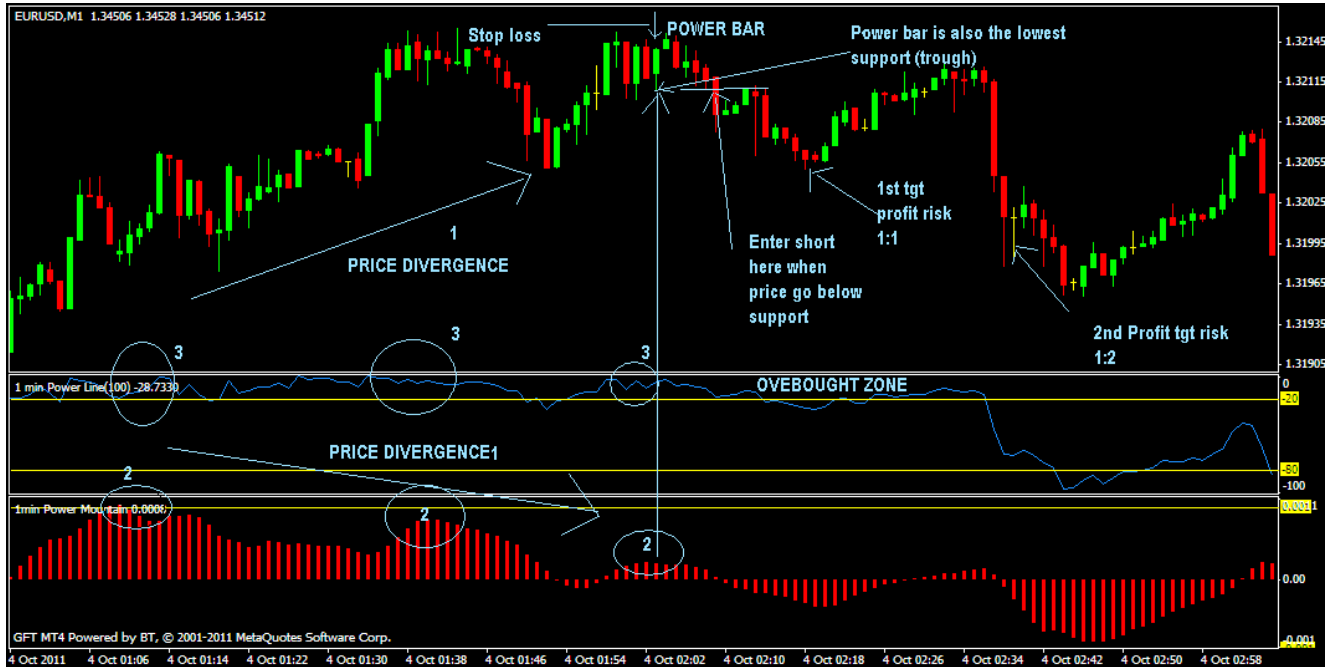
Point 3 – 1 min Power line (blue line) in overbought area.

At the 3rd 1 min Power Mountain, divergence, Power Bar is identified when the 3rd mountain gets weaker with histogram value becoming lesser. Wait for the trough (or support) to form.

Once trough (support) formed, Enter Short when the trough (support) is broken. Take profit Risk 1:1 ,1st target and 1:2 Risk and reward for 2nd target.

For 2nd profit target, you can either put immediately stop loss at breakeven when 1st target reached, or set a trailing stop at 15 pips.

Chart 7



Above is an example of EUR/USD 1 Min Chart.

First thing to look out for a short (sell) trade, the 1min Power Mountain **HAS TO GO ABOVE 0.001. VERY IMPORTANT.** This is to identify the most overbought point and the best place to sell.

Point 1 – Price Divergence (Price going up and Power mountain bar getting weaker)

Point 2 – Power mountain histogram is getting weaker.

Point 3 – 1 min Power line (blue line) in overbought area.

At the 3rd 1 min Power Mountain, divergence, Power Bar is identified when the 3rd mountain gets weaker with histogram value becoming lesser. Wait for the trough (or support) to form.

Once trough (support) formed, Enter Short when the trough (support) is broken. Take profit Risk 1:1 ,1st target and 1:2 Risk and reward for 2nd target.

For 2nd profit target, you can either put immediately stop loss at breakeven when 1st target reached, or set a trailing stop at 15 pips.

The Disciplinary Aspect of Trading

The FOREX 1 MIN TRADER TRADING SYSTEM alone cannot help a trader to be profitable. Discipline in trading is also equally important, if not even more important than having the right system or strategy. Therefore, it is only appropriate that this ebook end with this topic.

When come to trading, especially forex trading, there are two aspects of discipline: money management and emotional (or psychological) management.

Money Management

The following are 10 simple but important rules of money management (risk management) that a trader need to adhere if he or she wants to be consistent in reaping profits from the forex market:

1. The money that one uses to open a forex trading account should be considered as a risk capital. Even if one loses them, it should not affect his or her lifestyle adversely. In other words, use only money which one can afford to lose for forex trading.
2. Do not trade with a leverage of higher than 200:1 (i.e. a margin level of 0.5%). Leverage level of 200:1 (0.5%), 100:1 (1.0%) and 50:1 (2.0%) are acceptable but not higher than these, as the higher the leverage, the higher is also the risk.
3. When trading, priority should be given to capital preservation, then to minimizing losses, and finally to maximizing profit.
4. Always ensure that a stop loss is in placed when opening a trade position.
5. For every trade, do not risk more than 5 percent of the balance margin. This is computed by dividing the stop loss for the trade with the balance margin.

Example: if the stop loss for one's EUR/USD trade is 20 pips (USD200) and one's balance margin is USD5,000, then the risk is 4% when trading with one standard lot.

6. Always trade with a risk-reward ratio of not more than 1:2 (50%) in mind. However, the recommended risk-reward ratio is 1:3 (33%). With such risk-reward ratio, even if one is to lose half of the trades, he or she will still end up with some profit by the end of the month.

7. When the market is against your open position, do not add another similar position as you may be actually compounding your losses.

8. Do not over trade. This means do not have too many open positions which your net margin balance is not able support in the event the market is against you.

9. Do not trade unnecessarily. Trade only when the risk is the minimal and the size of the profit is able to justify the risk. (Note: Forex trading is basically about risk management.)

10. Do not accumulate too much profit in the trading account. In other words, do not leave too much funds with your broker. There is always risk in leaving too much funds with a broker.

Emotional Management

Like money management, emotional management (a.k.a. trading psychology) also has 10 simple but important rules that a trader need to adhere if he or she wants to enjoy trading under minimal stress in the forex market:

1. If one's sole goal is to make money from trading, it is unlikely to provide sufficient motivation for success. One also needs to have a passion for trading.
2. Ensure that one has a trading style or method suited to his or her personality.
3. View stress positively as a challenge and a learning experience.
4. Be risk-averse towards trading and patiently wait for the trade with the greatest risk reward ratio.
5. One should never be emotionally attached to a position. If it is time to close that position, close it even if it is with a loss.
6. Take profits and losses with ease by focusing on the system and follow it with discipline. Learn to appreciate that a loss does not make one a loser.
7. Forget the loss or profit that one may have previously.
8. Having a fear of a loss is good as long as it makes a trader want to avoid losses and maintain caution in trading. However, too much fear may affect judgment and lead to trading paralysis.
9. Cultivate patience and stop having the fear of missing a trading opportunity.
10. Adopt regular balanced and healthy diet accompanied with regular exercise, as a fit individual is better able to cope with stress and other negative emotion.

Besides the need to know how to use the trading system well, and to know how to manage one's money and trading emotion, we also need to adopt the mindset of an institutional or professional trader. Since more than 95% of retail forex traders lose their money to institutional traders, why not adopt the mindset of these institutional traders so

that we can also beat them in their own game.

The above table differentiates the trading behavior between institutional and retail traders. Study their differences and understand the importance of the need to change our mindset. Without this change in mindset, no matter what trading system we may have, we will still lose money to the institutional traders in the long run.

Conclusion

We have now come to the end of the ebook on the FOREX 1 MIN TRADER Trading System.

However, your learning to be a professional and profitable trader has either just begun if you are a newbie, or continues even if you are an experienced trader.

Meta Trader 4 Charting (You are free to use other broker's platform for trading but we require you to use the MT4 Platform, which you can download from <http://www.interbankfx.com/Accounts/OpenDemo.aspx> for market analysis.)

Note: We reserve the right to amend the above benefits at anytime without any notification.

Wish you best in your trading

Your friend and mentor,

JOSHUA RICHARDSON

Hypothetical performance results have many inherent limitations, some of which are mentioned below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example the ability to withstand losses or to adhere to a particular trading program in spite of the trading losses are material points, which can also adversely affect trading results. There are numerous other factors related to the market in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results.

- END -