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# **Our Trading Secret: BL TS System**

**We rely on science and not luck to make money**

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By purchasing BL TS System or signing up for Trading Education Program from Tactical Trading Academy, you acknowledge and accept that all trading decisions are your own sole responsibility, and the author, Brendan Lee, and anybody associated with the Tactical Trading Academy cannot be held responsible for any losses that are incurred as a result.

## About the author:

**Brendan** used to work as an investment manager in a hedge fund.

Now Brendan specializes in teaching real people how to trade the Forex market for long term financial success. He is a full time currency trader, educator and success coach to many forex traders. To read more about his Trading Education Program, click [here](#).

Brendan is the founder and CEO of [TradingEducationProgram.org](http://TradingEducationProgram.org), a forex powerhouse online portal that provides premium forex trading tips and resources. It strives to empower people worldwide to improve their forex trading skills and help them path their way to financial freedom.

Brendan's forte is in forex trading, forex market analysis, technical analysis and creating simple, yet powerful forex trading systems. He believes that forex trading is a MUST for long term financial success because stock investment is no longer an answer to enhance your wealth management. He believes we will face a long term recession which will depress the stock market for a long long time.

Brendan had graduated with Bachelor of Business (Economics and Finance).

If you have any questions or feedback, you can email Brendan at [metal.commodity@tradingeducationprogram.org](mailto:metal.commodity@tradingeducationprogram.org) and he'll get back to you as soon as he can.

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# What is Forex Trading?

Forex trading involves dealing in international currencies. Here, one can sell currency of one country to buy that of another. The trader deals in Foreign Exchange [Forex] at the most appropriate time to profit from the transaction. Good ability to forecast plays a vital role here. One may wonder how Forex trading can be such a lucrative earning opportunity since fluctuations in exchange is so little.

But remember, when done in big volumes, a minor change can mean a lot. There are many non-monetary advantages to it as well. Anyone who wants to deal in Forex can do so, since only the basic knowledge is required for it.

Forex can help you earn a lot of money. But there are certain conditions to follow before trading in Forex. Firstly, one must have a thorough knowledge about the trends in the stock market, the basics of trading and risk-taking ability. You will get all the help you need for attaining these conditions very easily.

There are many sites on the internet which can help you clarify your basics and help you brave rough weather. A good reason why Forex trading can be considered is the fact that there are frequent fluctuations in currencies, though in percentage terms it may be small.

You gain if the fluctuation favors you and the reverse holds true as well. No one can accurately predict the trend of the currencies. Liquidity is another reason why Forex trading is so popular.

Now the most important part – in Forex, you can make huge sums of money even if your initial investment is on a lower side. You can invest as little as \$50,000. Rich people have no upper cap to the amount of investment. So remember that even with a nominal investment, the earning ability is undoubtedly very huge.

Most of the great businesses are connected to the world of internet today, and Forex trading is no exception. You can deal in foreign currencies right from your home. In fact, it is fully conducted online. You have the liberty to choose when you want to trade, and you don't need to meet any deadlines.

Basically, you can be your own boss. The process of online trading is fairly simple for anyone to understand. You just need to open an account for Forex trading with a recognized broker and they will complete the rest of the formalities. The only bit you need to do is get ready with your investment amount.

So, it is thus clear that Forex trading can be one of the best businesses to earn money. Though there is a level of risk attached to it, but it can be avoided with due care and an alert mind!

# Importance of Forex trading

Foreign Exchange [Forex] involves exchanging of different foreign currencies for a profit. The reason for buying the currency of another country may be the need to buy some commodity of the said country as well, besides making money through the difference in exchange rates.

In the latter case, people buy currency of a foreign country when the rate in the market is low, and sell it off when the rates go up. Currency trading is usually done between the central banks, the government, speculators and MNCs. Nations cannot trade with each other without the presence of a foreign market.

A huge amount of money is daily traded in the Forex market, though the amount invested by an individual trader may be very low. No one individually can have any influence on the Forex fluctuations, not even the government. So it can easily be concluded that the level of the currency reflects the strength or the weakness of the economy of a country. So this makes the Forex market a good place for competition.

The government and the central bank do try to stabilize the currency of their country by speculating, by buying and selling currencies at appropriate times. So they can influence the market if they conduct a trade in huge volumes, though. To buy its own currency, however, the government or the central bank must have huge reserves of foreign currency with them. So it is virtually impossible to inflate the currency value artificially.

Banks trade a lot in foreign currencies and this forms a chunk of the volume in the Forex market. They buy currencies not only as individual bodies, but also on behalf of their clients. They trade in lots of futures. Till a few years back, the brokers could influence the volumes of trading in the Forex market. But due to the electronic services available now, the services of brokers is not required. It's easy to operate electronically.

Trading with international countries is possible only with the existence of Forex markets. When there is no Forex market, there is no common currency between two countries, so one cannot evaluate the value of one currency with respect to the other.

The buyer pays the seller in the former's currency. With the money so received, the seller buys goods in the buyer's country and sells those goods in his [seller] country.

Only then he is able to know how much he has earned through the export. In the presence of a Forex market, though, it is very easy for a seller to know of his earnings at the very instant that he conducts an export trade. In the same manner, the buyer too will have a thorough knowledge of the cost he will have to incur to buy goods from an international country.

# Four Main Types of Orders in Forex Market

There are many kinds of orders which traders can place to transact in the Forex market, for making profit out of it.

- **Market Order**

The market order is the most simple and common kind of order. Here, the trader buys and sells the currency at the rate prevailing in the market at the time of placing the order. Due to the huge size of the market and the high volatility, trends can reverse any instant, so people prefer placing orders at the market price to guard themselves against any adverse trend.

- **Limit order**

In this case, the trader specifies a price at which he may wish to buy or sell the currency. Suppose a trader has bought GBP against the USD at 1.9710, then he can place a sell order at 1.9725, when the exchange will execute the order and he will profit from it. The order will get cancelled if the target price is not achieved during the day.

- **Stop loss order**

Due to the volatility, stop losses are essential. They determine the maximum loss a trader is willing to suffer. Suppose in the above instance, the risk-taking ability of the trader is low, then he may place a stop loss at 1.9705, at which level the exchange will book losses for him, and he won't be affected by any fall below 1.9705.

- **Entry order**

Such an order is filled only when certain conditions are met in the market, which the order specifies. The entry order can be a limit entry order or even a stop entry order.

- **Limit entry order**

As an example, let's assume that the current market price for GBP/USD is 1.9705-10. This implies that the trader can transact at these levels. Here, a trader can put a limit entry order to sell his holdings at a price more than the market price, say, 1.9715. His order would be executed only if that price is attained. In the similar manner, he can place an order for buying at a level of, say 1.9700, and his 'buy' order would remain pending till the price falls to that level.

- **Stop entry order**

Such an order is generally used when the trader has sufficient grounds to believe that the currency is trading in a fixed range and believes that it is on the verge of a breakout from that range. He might want to buy at a price higher than the market price or sell at a lower price than the market price. In the same example, the trader may go ahead and buy at 1.9720 or sell at 1.9690, where he believes that once these levels are attained, the currency will only go up or fall further, as the case may be. A trader exercises the stop entry order only when a trader has reasonable grounds to believe that there will be sharp movements in the currency rates in the Forex market.

# **Forex Trading Price Movements-How and Why Markets Move and How to Profit**

Understanding expense trends of Forex is not easy at all. Businessmen often get wrong ideas and make agendas based on them and suffer losses. The following can help you understand the trends:

## **You predict the Forex expense trends**

Businessmen observe a certain level and jumps on to it thinking that it's stable. However, this is simply based on assumption and that never works in Forex business. There is no accurate prediction.

If wining is the goal, you have to base the business on the sure shot expense trends. Related to this, there are certain factors given below.

## **The Market obeys Scientific Laws**

There is a notion, which believes that market trends are based on logic. Some believers are Gann, Elliot and the followers of Fibonacci.

However, if everybody knew everything, prices would never have been a surprise and markets would be non-existent. The layman would accept these ideas and their fantastic suggestions. However facts say otherwise.

## **Business Can be made of News**

It is not advisable as news is actually insignificant. The way news is supposed is what decides the movements. Let's see how trends occur.

## **Actual Expense Trends**

Basics + Individual Insight into them = Forex Market Trends

People are seldom rational. They often function emotionally, which is why logical reasoning does not always hold true. The real human psychology is consistent but these matters have no logic:

1. People make costs move to extreme and these passing points can be used profitably.
2. Carry on with business. Don't get into guessing.

## **Win the Competition**

Forex is a sport and competition is based on chances. You may not be able to determine chances but you will never lose.

That applies not for every instance but try out on big probability situations and you will surely take the cake with very few losses. Get huge proceeds in due course of time. Voracity and panic fluctuate costs, creating points that are visible on Forex schedules and can be used gainfully.

It's a game so when prices fluctuate on your side, get to business. Control your finances well and be a winner.

## **Be Imperfect but Never a Loser**

Forex markets teem with those who attempt guessing and try to get a non-existent undisclosed trend cipher. Even though Forex expense trends seem disordered, basing your business on cost fluctuations will make you a winner.

It may not be an ideal business for many, however if done right, you can make a lot of money through forex trading.

# Forex Traders: The Need to Be Objective

It is difficult for Forex traders to realize that the currency market is extremely unpredictable. As new traders spend a long time trying to learn the mechanics of the foreign exchange trade and focus their time and energy on trying to find a method for predicting movements, they naturally expect there to be rules governing the movement of the market. This not being the case, many traders find themselves at a disadvantage.

While Forex traders have a number of tools at their disposal, which allow them to judge the right time to open or close a position, many prefer to rely mostly on one tool. So, having opened a position, they watch their favorite indicator and, to a large extent, base their trading decisions solely on it, ignoring the others.

This works well enough until that indicator starts telling them something different from what the others are. Traders caught in a open position which their favorite tool is telling them to hold, will often do so, despite the fact that other tools are telling them to close and get off the market, and end up losing money.

The basic problem, of course, is that the trader is not looking at the market as is, but through the lenses of his own expectations about it and further using his favorite indicator to reinforce those ideas instead of looking at the bigger picture. And, encouraged by the fact that his chosen indicator is forecasting the profit he wants, the trader is focusing more on money than on the market.

If the Forex market was not unpredictable, it would collapse because all traders would profit all the time. There are many tools that can help traders predict the direction of the market and they usually do an efficient job. But even in the hands of the most experienced traders, the best tools occasionally fail to predict the market's movements correctly.

Losing in trade because of predicting the market wrongly is an innate part of Forex trading and traders need to accept it. Besides, they need to learn to avoid getting in a position where they do not have many choices.

For this, the trader needs to accept the fact that the foreign exchange market pretty much has a mind of its own and the traders have to follow its movements instead of trying to make it go in the direction they want it to.

## Forex Trading Tools

There is no one single super smart Forex trading tool which gives you profit, profit and more profit. The only possible solution is to use a combination of different tools to identify the favorable market forces to get a maximum number of high probability trades over a period of time. Trendlines are the most popular and reliable Forex trading tool which many successful traders give their testimonial for.

## The Three Trend line Strategy

Trend Lines are an important tool for trend identification and confirmation in technical analysis. It is a straight line that connects two or more price points and then extends into the future to guide you.

There will be lines drawn across significant lows in an uptrend, and significant highs in a downtrend. To roughly classify trend lines, we can divide them into three as short term trendlines, medium term trendlines and long term trendlines.

### 1. Short Term Trendlines

Draw these lines across the most recent two lows for an uptrend or across most recent two highs for a downtrend. Best observations are found on a smaller time frame such as a 15 minute or 30 minute chart.

### 2. Medium Term Trendlines

These are best observed on a higher time frame like a 60 minute chart. It either connects the nearest significant low to current price action to the previous significant low in an uptrend or the nearest significant high to current price action to the previous significant high in a downtrend.

### 3. Long Term Trendlines

It uses higher time frames such as the 4 hour chart or the daily chart to draw long term trendlines using the same method of Medium Term Trendlines. The long term trend line is considered as an effective Forex trading tool. The daily chart is used mostly by traders of big institutions who do not usually engage in small moves on an intra day level.

By drawing a trend line on a daily chart you can graphically analyze where price is and where it is likely to bounce. But employ trendlines as a Forex trading tool with caution and discretion. Covering your charts with every trend line possible will result in confusion and blurry analysis.

It is not a good idea to rely completely on a short time trend line. They merely give you a defined picture of current price action. These are broken often during the course of a day. Their main use is to give you a clear, instantly recognizable graphical representation of current price behavior.

If you notice price coming back to test a trend line on the higher time frames, look at other factors. Draw in horizontal lines to mark key support and resistance using previous highs and lows. Draw Fibonacci retracement and extension levels. Calculate the daily pivot points and put them on your chart. Have the 200 EMA (Exponential Moving Average) shown on your charts.

# How to Win with Forex: The Step-by-Step Secrets

When 95% of traders lose money, what makes you think you can win? To see your chances of succeeding as a forex trader, here is a checklist for you to see and become one of the elite traders, who make tremendous long term profits.

Following are a few ways **to lose money**. You may wish to change your mind immediately if you are thinking of trying any of them. Do this to avoid losses and continue your forex education!

**1. Following a Forex Robot with Simulated Gains** - You can apparently achieve success without any effort as promised by these. You are asked to accept their track records simulated going backwards. Your equity will get destroyed by trying them.

**2. Scalping** - Due to the random short term volatility, simply doesn't work. Like the robots, even people selling these always have simulated track records.

Many more of these all fall into the category of trying to find someone else to give you success. This does not work in forex markets.

Apart from needing a trading edge, you also have to understand ways and reasons of it leading you to success. Let's look at this in detail.

## Success Comes From Within

The combination of a simple robust helping you to understand and trade with discipline is what forex trading is about.

You need to know what you are doing to trade with discipline. This translates into having confidence, which you definitely don't get from someone telling you what to do. You get confidence by from your own knowledge and learning.

## Discipline & Losses

As you have to keep executing trading signals through losing periods, discipline is hard. This has to be continued till you hit a home run, even when the market is fooling you and taking your money.

## A Trading Edge

What separates out your forex trading system from the 95% losers is your trading edge. You can answer what is your trading edge and how will it help you beat the majority. You don't have one if you don't know what it is.

Few succeed in the simple looking forex trading. These elements are present in the winners' forex trading strategy:

Using simple robust forex trading system

- Having solid grounding in the basics of forex trading
- Knowing exactly why their system will lead them to success
- Having confidence and discipline to stick with their plan
- Knowing only they are responsible for their Forex trading success

You have to stand alone, be confident of your actions and be disciplined to follow your plan in forex trading.

## **Success is in YOUR Hands**

Sounds simple, however it is actually depends on your approach to forex trading - with the right mindset and getting right education. The trader beats himself, rather than the market beating the trader in forex trading.

Learn the basic fundamentals, get a suitable system, become confident, get an edge and be disciplined. Do all of these to enjoy currency trading success.

# Dangers of Getting Emotional About Forex Trade

Getting emotional in the stock market is the worst thing that can happen to investors. The same goes for Forex traders as well. Seeing paper losses in everyday trade is pretty common.

Once to take a decision to buy something and make losses, you still hold on even if situations turn from bad to worse, only because you feel that things might turn back in your favor once again. The main problem here is that, the decision to stick to a losing trade for a long time is an emotional one, since you are in no mood to accept a loss and get out of the trade.

Forex market is largely influenced by the general market and you must always trade on what the indications based on the market are, and not just initiate one since your heart tells you to. At times, you might be so emotionally attached to a given currency in the Forex market, that most of your exposure to the Forex market would be in that particular currency.

Nothing wrong with it, as if you have reasonable grounds to believe that the currency will do well, then you will actually profit from the exchange. The 'wrong' thing is opening up a trade in a currency just because your heart tells you to.

In the case, if you strongly feel about any given currency, then it's better to check the reality by having the look at what the market is indicating. That will give you a clear picture of whether or not you should trade in that currency.

The basic thing that is needed to be remembered is that once you have initiated a trade, and are incurring paper losses, and by all indications, things are likely to get even worse for you, then it is much better to book losses and come out of it rather than sticking to it till a time you ultimately are able to see some gains from it. Remember, the markets have little room for emotions.

Forex trading is not a win-win situation. Be prepared to lose on some trades as well. That's the precise manner in which the market works. It is not really a question of whether you are right or not, the fact remains that markets move in an unexpected way and they have a knack of surprising people when they least expect it. All the fundamentals and even experience may be thrown into the air when the markets decide to do something.

So just follow the indications that the market gives you. If you feel that after initiating a trade, things are not going the way you had foreseen, book your losses and get out of it. You can invest the amount in some other trade and make good gains rather than sticking to your losing trade.

# The Correct Timing in Forex Trading

When you sense a trading opportunity, the deciding factor is to know exactly when to buy. Unfortunately this is the very point at which most lose the plot by timing their entry levels improperly. But here are some basic guidelines to help you at those crucial moments:

## Making Proper Use of Support and Resistance

If you try and use the fundamental rule of the share market – “buy low, sell high” – in Forex trading, you’ll actually lose money. To understand you need to know how the system of support and resistance works.

A support price is a historically tested price at which traders intervene and buy, so as to “support the market”. The more times this price is tested, the more bankable the support price will be.

Inversely, a resistance level is defined as a level at which “prices were resisted from moving any higher”. Here too the more times this level is tested, the more reliable it becomes.

## Why Buy Low and Sell High Doesn't Work

The reason why this traditional wisdom is counterproductive in Forex trading is that if you actually wait for prices to fall, you're going to end up missing some of the best opportunities for making money. Consider: when a currency starts to pick up, what are the chances of its pulling back?

What if it doesn't and steadies out? If you keep waiting for a pullback, you could end up never getting in on the trade because most of the changes in currencies occur from new market highs and without any pullback.

So if you plan to focus your Forex trade strategy on waiting for an entry at support prices, wake up! You stand to lose out on the most profitable trades. What your Forex trading strategy should target is rather, to "buy high and sell higher" – i.e. you should try and do quite the reverse of what the general crowd is doing. Try and keep a lookout for any breakthroughs in support and resistance, and then sell and buy correspondingly.

## It Takes Guts - But It Makes Money

The policy of going against the crowd takes courage to practice. But think over the strategy with a cool head and you shall find it is the most logical thing to do. How often have you heard of traders buying into support, but the market continuing its freefall, breaking the support?

And again, haven't you heard tell of the price continuing to soar and never getting to support, thereby making the trader miss the chance to capitalize on the trend?

So rather than be traditional and lose money, it is easier to adopt the breakouts policy: you won't be comfortable on entry but you will be making money. The trick is to break away from the pattern that the losing majority sets and to do what is productive and logical considering the common and predictable response.

# The Importance of Real Time Forex Charting

Do you want to earn money in the arena of foreign exchange? In order to accomplish so, you should possess in-depth technical knowledge, focused on the capability of tracking currency exchange rates, through interpreting actual forex charts.

If you are an amateur in this field, you should quickly discover authentic forex charts from the Internet or may opt for free actual forex charts. The best option is however, to take the help of free chart recognition software and mastering on it, you are well suited for this business.

Online forex charts keep you updated about currency values at any time, even between short time gaps like minutes to long intervals like several years. The graphs depicting the oscillations in rates are line graphs, or bar diagrams or candlestick charts.

Line charts are easy to interpret and help you to broadly check ups and downs of prices. It aids you to track the current trend of rate movement. On the contrary, bar charts are not as lucid as line graphs but supply a much in depth information.

To summarize, the length of a bar chart depicts the amount of rise or fall in price and the breadth gives the duration, which has witnessed this. Initial and final rates are mentioned on chart so that you can identify the range and whether it's a fall or rise. There are pattern recognition software available that interpret the bar diagrams for you and make your task easier.

The Japanese were first found to use candlestick charts to plot their amount of their rice production. Since then they have been increasingly popular. Though they are similar to bar diagrams, they are colored.

Each color acts as a code to signify the rise or fall in price. The index is written on the graph itself. Thus candlestick plots are much more user friendly than bars. Candlestick

charts have unique patterns and they are as pretty as to be named after natural beauties. As soon as you are able to identify the particular pattern you will identify the market trend.

An actual forex chart is often complemented with many technical indicators such as trend, strength, volatility and cyclic movements. A forex chart is useful itself, but this adjunct information is provided to ease your task of market analysis to predict both movements in the market and market volume.

# BL TS System

## Why is BL TS System an essential tool in your trading?

If you have been trading long enough, I believe you will be very familiar with the technical indicators, ie Bollingerband, MACD, Williams, Commodity Channel, Relative Strength Index, Parabolic etc.

But have you been making money using those indicators? Sometimes I guess. Have you wondered why sometimes it works and why sometimes it does not work?

I had heard of extreme comments from other traders, ie "indicators do not work", "don't waste your time using indicators", etc. Possibly those traders have been losing a lot of money using indicators in their trading and also possibly they have learned forex the wrong way.

In the past 1-2 years I have heard of trading courses started to teach trading without using any indicators. So this means even the trading educators who have been trading for years do not believe in indicators. I wonder if their students are learning to trade forex the correct way.

Since indicators have been an important tool in trading, in Tactical Trading Academy, we have done extensive research into this area. Our conclusion is that different products (currency pairs) have different behaviours. So you must use specific indicators for specific products. From our research we discovered [BL TS System](#). All of our students in our [Trading Education Program](#) will learn to trade forex using BL TS System.

BL TS System tracks past patterns of currency pairs and use these information to generate buy and sell signals.

## To view samples of past trades generate from BL TS System:

### **EURJPY (click on the link to view the trade details):**

[68 pips profit](#), [149 pips profit](#), [133 pips profit](#), [72 pips profit](#), [14 pips profit](#), [95 pips profit](#), [61 pips profit](#), [39 pips profit](#), [18 pips profit](#), [41 pips profit](#), [60 pips profit](#), [66 pips profit](#), [97 pips profit](#), [40 pips profit](#), [37 pips profit](#), [69 pips profit](#), [67 pips profit](#), [94 pips profit](#)

### **AUDUSD (click on the link to view the trade details):**

[14 pips profit](#), [60 pips profit](#), [30 pips profit](#), [83 pips profit](#), [82 pips profit](#), [33 pips profit](#), [46 pips profit](#), [52 pips profit](#), [77 pips profit](#), [40 pips profit](#), [52 pips profit](#), [27 pips profit](#), [26 pips profit](#), [33 pips profit](#), [52 pips profit](#), [56 pips profit](#)

### **EURUSD (click on the link to view the trade details):**

[57 pips profit](#), [62 pips profit](#), [25 pips profit](#), [83 pips profit](#), [28 pips profit](#), [14 pips profit](#), [82 pips profit](#), [35 pips profit](#), [24 pips profit](#), [47 pips profit](#), [93 pips profit](#), [90 pips profit](#), [65 pips profit](#), [64 pips profit](#)

### **USDJPY (click on the link to view the trade details):**

[22 pips profit](#), [39 pips profit](#), [51 pips profit](#), [42 pips profit](#), [14 pips profit](#), [61 pips profit](#), [50 pips profit](#), [44 pips profit](#),

## Logic of BL TS System:

Different currency pairs have different behaviors and characteristic, and this change in different seasons of the year. So you cannot use the same indicator to track all currency pairs for all seasons.

BL TS system tracks recent behavior and characteristic of the currency pairs, then uses this information to track buy and sell signals.

## Methodology:

### **Step 1: To find out the best 2 indicators for particular currency pairs**

I do back-testing on the currency pairs based on 1 year period. Then I find out which 2 indicators are most profitable.

I will only use indicators that help to earn profit of more than US\$10,000 in my back-test.

Indicators used in my back-testing are:

Bollingerband (2,20)

Comm Channel (14)

MACD (12,26, 9)

RSI (14)

Stochastics (9,5)

Williams %R (14)

Parabolic Systems (0.02,0.2)

### **Step 2: Use the 2 indicators from my back test to find out the signal using 4 hourly chart**

I will use the 2 indicators from my back test result to find out signal for various currency pairs using 4 hourly chart.

When both the 2 indicators show the same signal to a particular product, I will proceed to step 3 for my entry level. A lot of times the 2 indicators will not point to the same signal, so I will not trade that particular currency pairs for that day.

### **Step 3: Use the same 2 indicator to determine my entry level using 1 hourly chart**

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After identify the signal from step 2, then I will look for entry level using 1 hourly chart.

When both the 2 indicators show the same signal to a particular product, I will place my trade accordingly.

#### **Step 4: Identify the stop loss and target level**

I use hourly chart to identify my stop loss and target level. If I can shorting a particular currency, I will identify where is the nearest resistance level, and place my stop loss slightly above the resistance level. After that I will place a target level with a wider pips.

For example if my stop loss level is 70 pips, I will place a target level at 100 pips. My ratio of profit / stop loss is 1.20 (at least).

I had attached a spreadsheet which shows the backtest result for the various currency pairs. I am trade with currency pairs that have tight spreads of 2 - 4 pips, those currency pairs that have spreads more than that, I will not trade.

#### **Step 5: Monitoring of open positions**

Once unrealized profit exceeds 50 pips, move your stop level to the entry level. In this way if the market suddenly make a move against your position, you are still able to close your position at breakeven.

Once unrealized profit exceeds 70 – 90 pips (very near to your target level then), and the trend is still moving in favour of your position, remove the stop and target level. Then place a 30 pips trailing stop. In this way your position will be assure of some profits, at the same time you let your profit runs.

This is how I had managed to profit 269 pips profit from a USDJPY trade:

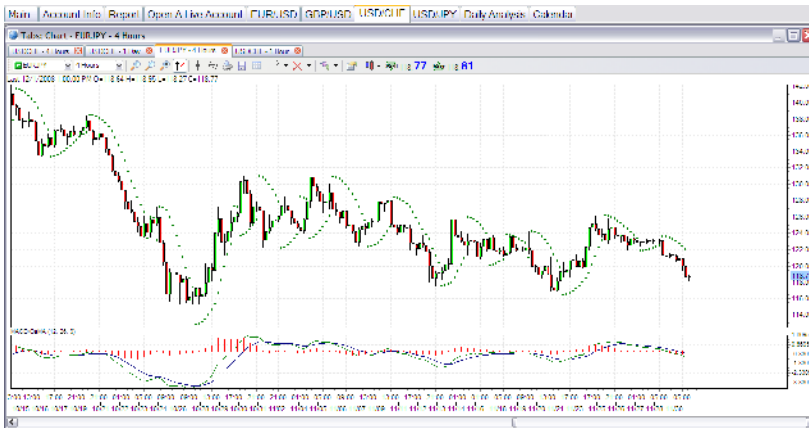
<http://www.forexandbinary.com/2008/12/usdjpy-trade-close-with-269-pips-profit.html>

**Example:**

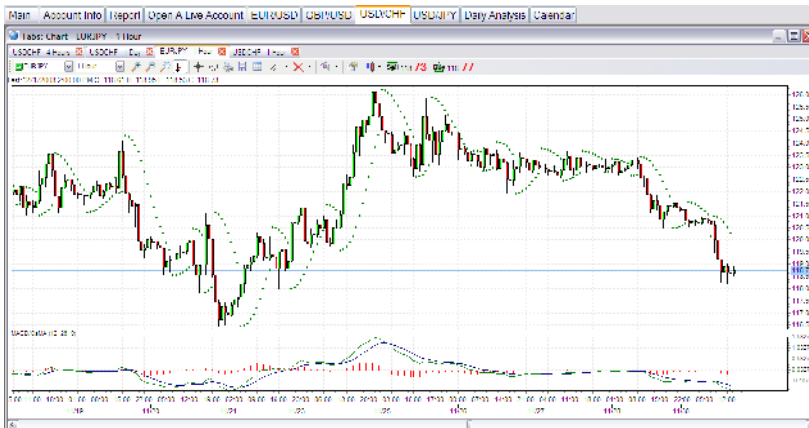
Using EUJPY's trade as an example:

The best 2 indicators for EURJPY at that time are Parabolic and MACD.  
Both Parabolic and MACD had signaled Sell for 4 Hourly chart

So I know I should sell and not buy for EURJPY. But the 4 hourly chart does not tell you where is the entry point. To determine the entry level, we should look at 1 hourly chart.



Both Parabolic and MACD signal Sell for 1 Hourly chart  
So this means it is time to sell. My entry point at that time is 120.73.



This is the end result of my trade:

<http://www.forexandbinary.com/2008/12/took-profit-on-eurjpy-222-pips-profit.html>



EURJPY had a sharp fall, reached my target level at 118.60, profit is 213 pips, US\$454.16.

## **How to identify buy and sell signals from the following indicators:**

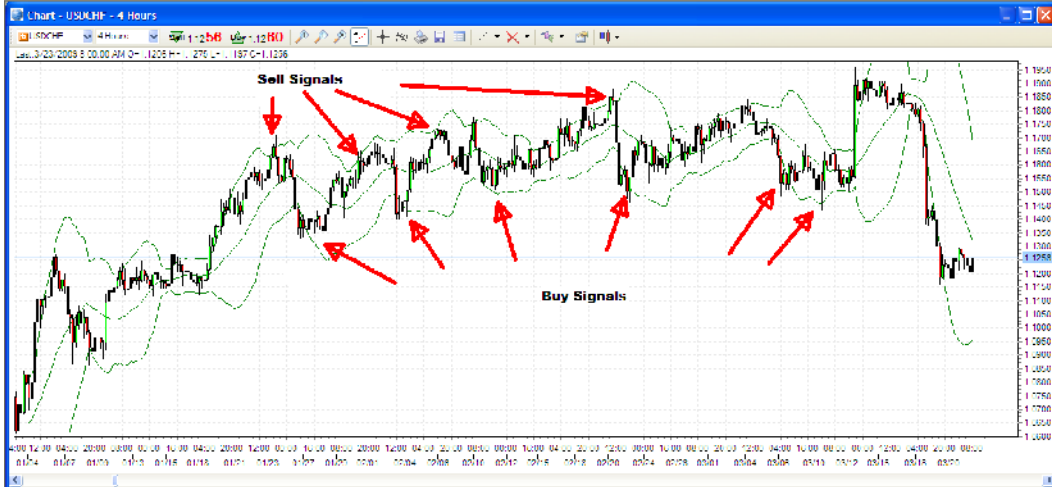
In order to execute BL TS System, traders must have a good understand of the various indicators.

- a. Bollingerband (2,20)
- b. Comm Channel (14)
- c. MACD (12,26, 9)
- d. RSI (14)
- e. Stochastics (9,5)
- f. Williams %R (14)
- g. Parabolic Systems (0.02,02)

a. Bollingerband

Buy signal occurs when price rebounds from lowest band

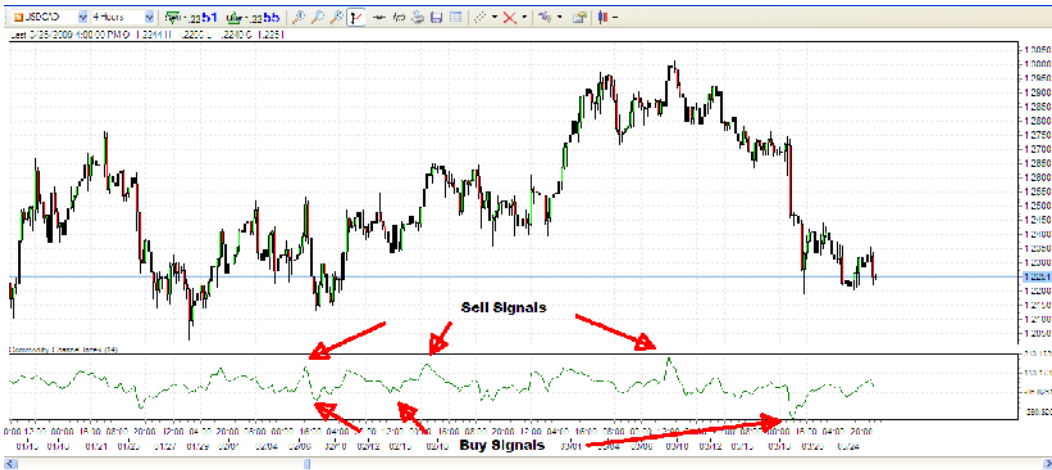
Sell signal occurs when price falls from highest band



b. Comm Channel

Buy signal occurs when Comm Channel reaches around -165 and moving upwards.

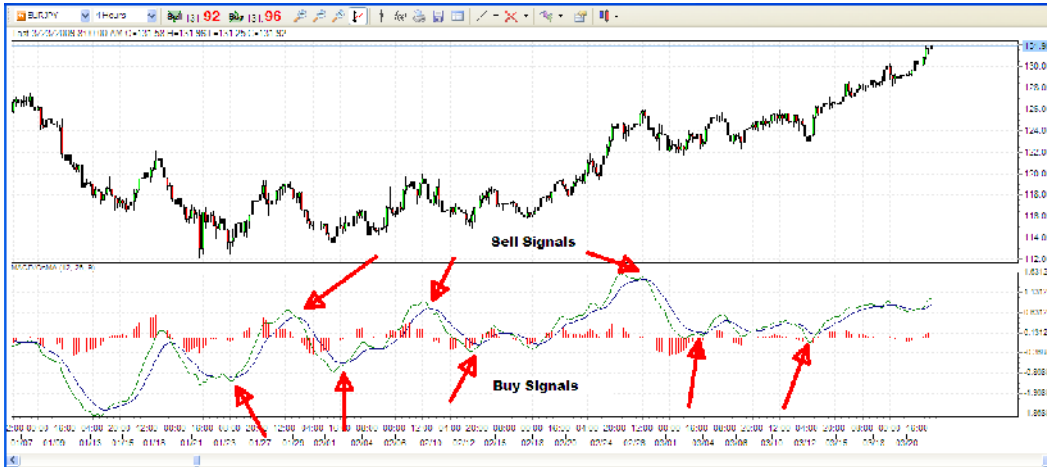
Sell signal occurs when Comm Channel reaches around +218 and moving downwards.



c. MACD

Buy signal occurs when red line cuts up the blue line

Sell signal occurs when blue line cuts down the red line



d. RSI

Buy signal occurs when RSI is below 30 and is moving upwards

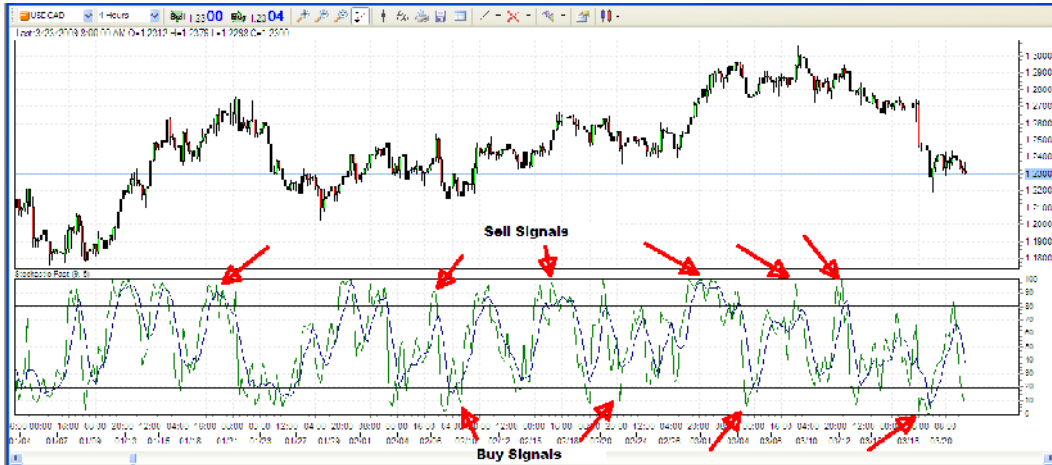
Sell signal occurs when RSI is above 70 and is moving downwards



e. Stochastic

Buy signal occurs when Stochastic is below 20 and red line cuts blue line upwards

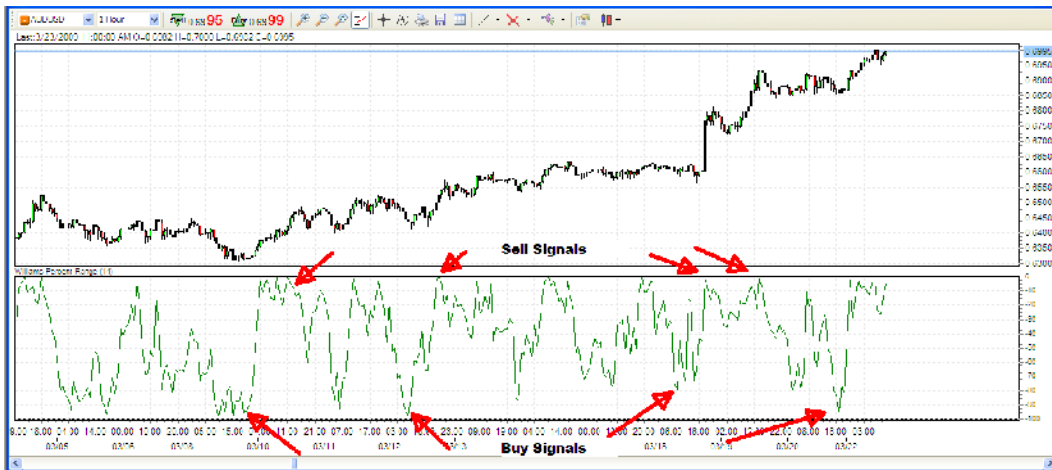
Sell signal occurs when Stochastic is above 80 and red line cuts blue line downwards



f. Williams

Buy signal occurs when Williams is around -100 and is moving upwards

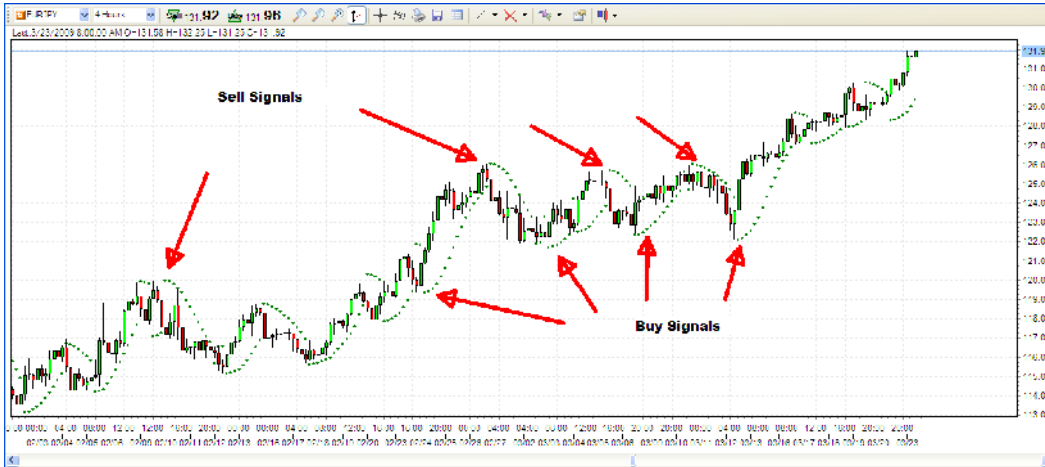
Sell signal occurs when Williams is around 0 and is moving downwards



g. Parabolic

Buy signal occurs when the dots are below the price chart

Sell signal occurs when the dots are above the price chart



## Money Management

The following are 8 simple but important rules of money 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 minimizing losses, then to capital preservation 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 2 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 100 pips (USD100) and one's balance margin is USD5,000, then the risk is 2% when trading with one mini lot.
6. When the market is against your open position, do not add another similar position as you may be actually compounding your losses.
7. 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.
8. 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.)

## Guidelines to follow:

1. Do not have any open positions on 2 important announcements:  
a) Non-farm payroll b) Interest rate decision.
2. It is better to pick one or two currency pairs and specialized in them.  
Specialists tend to do better than generalists.
3. Do not leave your position over the weekend. Market opinions tend to vary week by week.
4. If you are not prepared to place a stop loss of 200 pips, avoid trading wild currency pairs like GBPUSD and EURJPY.
5. EURUSD is the leader in the currency market. If you are bullish on AUDUSD but bearish on EURUSD, double check again on your technical and fundamental.

# How to choose a Forex Trading Course:

Choosing the right Forex trading course may sound easy but it is not. With hundreds of Forex courses being sold on the Internet, it would be very difficult to identify which one would help you succeed.

So here are some important things you have to consider when choosing the right education. These pointers should help you to identify which course is good and which ones are worthless.

## **Do Not Buy the Basics**

The first thing you have to remember is not to buy a course that will teach only the basics of Forex. You can easily get such information for free. Even your broker can provide free basic trading courses and tutorials.

You will only waste your money on courses that teach you how to trade, how to read charts, and other information that you can get for free. Most probably, these courses are just written by authors who compiled different Forex information and sold them as a Forex course.

*In [Tactical Trading Academy](#), we do not waste time teaching the basics which can be found easily on the internet and books. We are focus on making trading profits in our education program. The things that we taught cannot be found in anywhere else because we had created the system ourselves, it is our proprietary system.*

## **Focus on Strategies and Advanced Techniques**

What you should be looking for is a Forex trading course that will teach you the step by step process of building a proven trading system. However, you need to ensure that the strategy being discussed by the course has been proven in actual market conditions.

*We taught [BL TS system](#) at [Tactical Trading Academy](#). This system has been fully back-tested and it has been proven to be profitable in actual market conditions. We post our trade ideas in our website on a daily basis. Purpose is to let our prospects and readers know that BL TS system is still very relevant and profitable in current market condition.*

### **Choose a Course that Offers Hands-On Services**

Majority of courses are packaged into ebook modules which you can read and study. Although these types of courses may provide valuable input to sharpen your Forex knowledge, it would be best if the course provider can include hands-on training.

*In [Tactical Trading Academy](#), besides providing a ebook on the details of our system, we also provide unique hands-on training which most other trading courses do not provide. We will send trade emails for 2 months to our students so they will learn when and why to enter a trade in a Live Trading environment. Our [trainer](#) spends 15 hours watching the forex market so he can identify trading opportunities and show them to his students.*

### **Ensure that the Testimonials are Real**

Testimonials can be faked and posted on the website.

*In [Tactical Trading Academy](#), we take efforts in letting our prospects and readers know that our testimonials are real. We will print screen testimonials emails sent from our students and post them in our website.*

### **Cost of the Trading Program is part of your Trading Cost**

Many of the trading seminars cost more than \$3000. Students who attended the course need to achieve a profit of \$3000 before they can reach breakeven point.

*In [Tactical Trading Academy](#), the cost of our program is very affordable and economical. Most of our students can easily achieve profit that can cover the cost of our trading education program. One of our students had covered the cost of the program after his first two winning trades.*

*The above reasons explain why we are the best choice in online trading education program. To sign up for our Trading Education Program, send an email to [metal.commodity@tradingeducationprogram.org](mailto:metal.commodity@tradingeducationprogram.org).*

# Actual Trading

When you decide to start actual trading, you need to find forex broker, open an account, deposit money and start trading. At first deposit small amount of money and trade with it. Some brokers offer demo accounts for training purposes where you can trade with virtual money and see if you can generate profit from forex market.

Before choosing any online broker, you should be advised to obtain a clear understanding and be fully aware of all the associated risks. In case of any doubts, you should seek advice from financial expert.

For new traders we would advise them to trade super mini contract (1,000) and only deposit US\$200 to trade. This allows them to expose to live trading environment without burning a hole in their pocket. However many brokers do not offer super mini contracts as this is not a profitable business to them. One such broker that still offer super mini contract is [ForexYard](#). Deposits and profit withdrawals are done via credit card. Visit [ForexYard](#) for more information.

Trade carefully in forex market and always trade only what you can afford to lose. Greed is one of the main downfalls in forex trading. It is better to generate slow profits than a quick loss.

## Final Words...

Last but not least, I hope you've enjoyed reading this ebook and find it helpful. If you have any questions, feel free to drop us a mail at [metal.commodity@tradingeducationprogram.org](mailto:metal.commodity@tradingeducationprogram.org). We will get back to you as soon as we can.

Thank you.

To Your Trading Success

Brendan Lee

[TradingEducationProgram.org](http://TradingEducationProgram.org)