

ClearFXSignals Forex Strategy

Can trade ANY Forex Pair, in MULTIPLE Time frames!

ClearFXSignals.com

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NOTE: Page 20 begins the detailed description of how to trade the ClearFXSignals forex system, but first there are some important things to cover regarding forex trading in general. We especially encourage those who are not experienced forex traders to read this entire document...

Introduction

What is the FOREX Market?

The Foreign Exchange market is frequently referred to simply as the FOREX market or sometimes the FX market. This is the largest financial market in the world. Each and every day, more than \$3 trillion is traded on this market. If the United States Treasury and equity markets were combined, they would not equal the amount traded on the FOREX market each day.

While other financial markets operate at a centralized location, such as the stock exchange, this is not the case with the FOREX market. There is no single location for this market. Instead, it is comprised of a worldwide electronic network of banks, financial institutions, and individual traders. The single factor that links this network together is the fact that they are all involved in purchasing and selling national currencies.

The currency market is comprised of about 5,000 institutions. Most of those institutions are central government banks, international banks, big brokers, and commercial companies. All of these groups conduct business with one another through the online FOREX trading system. Major centers for online trading in the foreign currency market are located in London, Frankfurt, New York, Tokyo, Bombay, Hong Kong, Paris, and others.

Another important element of the FOREX market is that unlike other markets, it never closes. It is open 24 hours per day and corresponds to the times when the financial centers around the world open and close. For instance, it starts every day in Sydney and then moves to Tokyo, on to London, and then New York. At any particular time and at any location in the world, there are always buyers and sellers making purchases and sales on the FOREX market. Consequently, this is the most liquid market in the world.

In the past, access to the FOREX market has been limited to large financial institutions, such as banks. Over the years, however, advances in technology have led to increased accessibility. It is now possible for anyone to access this market.

The FOREX market is actually much different from trading currencies on the futures market. It can also be easier than trading stocks or commodities. Even though you may not actually be aware of it, you are already involved in the FOREX market. If you have even a single dollar, you are an investor in currency! This is particularly true when it comes to the US Dollar. If you invest in stocks or bonds, or if you have money deposited in a bank account, those investments strongly rely on the integrity of the value of the US dollar. As a result of the way the value of the US Dollar changes and the changes that can occur in exchange rates, those investments can fluctuate in value as well. It is this type of fluctuation that provides the opportunity to increase your capital by investing in the Foreign Exchange market.

Let's take a look at an example.

Suppose you have \$1,000 to invest and you decide to purchase Euros when the exchange rate is 1.50 Euros to the dollar. This means you would then have 1,500 Euros. In the event the value of the Euros rises against the value of the US dollar you will have increased your initial investment if you then sell.

In this example, you might see:

EUR/USD for your last trade 1.5000 means
A single Euro is worth \$1.50 US dollars.

In this example, the first currency is referred to as the base currency and the second currency is known as the quote or counter currency.

The FOREX market plays a significant role in the global economy. The need to exchange currencies will always remain strong. As communication and technology increase, so does international trade.

You should be aware there is some risk involved in currency trading. Margined currency trading can be very risk. As such, it is only suitable for institutions and individuals that are capable of handling the potential losses that may be involved.

Why Is FOREX Trading So Popular?

One of the reasons FOREX is so popular is that you can literally trade from anywhere in the world. Whether it is from the comfort of your living room or the nearest coffeehouse, you can make a trade no matter where you may be. All you need is an Internet connection. You do not need to demonstrate any experience or show a license in order to get started trading on the FOREX market.

In addition, FOREX trading is highly economical. The start-up costs for getting involved in FOREX trading are very low. In fact, you can even open an account for just a couple of hundred dollars at many firms. There is also no need to pay fees or commissions when trading on the FOREX market.

It is important to understand the differences between the cash FOREX market, sometimes referred to as the SPOT FX market, and currency

futures. The primary difference is that in currency futures, the size of the contract is always determined in advance. With SPOT FX, you are able to trade electronically for any amount you desire up to \$10 million. This makes the FOREX market the single largest financial market in the world. Each day, the trading volume on this market exceeds \$3 trillion.

In addition, the futures market will always close at the end of the business day. It is similar to the stock market in this regard. This is important to note in the event any critical information is released overseas while the futures market is closed in the United States, the opening of the market on the following day could experience substantial gaps for large losses if the direction of the move is against your particular position. The FOREX market runs 24 hours per day on a continual basis from 7:00 AM New Zealand time Monday morning until 5:00 PM New York time on Friday evening. There are dealers in every major FOREX trading center, including Tokyo, Sydney, New York, Geneva, and London. They are there to ensure smooth transactions take place as liquidity moves from one time zone to the next.

Additionally, you never have to worry about a bear market with the FOREX market. Traders have access to a wide array of currencies for exchange purposes. One side of every currency pair is always moving in relation to the other side. As a result, whenever you purchase a certain currency, you are selling the other currency in the pair. One of those currencies is always going to be increasing in value against the other side of the pair.

The leverage in this market is also much higher than in other markets. FOREX traders can take advantage of a leverage of up to 400:1. This means you can trade up to 400 times your investment with many brokers. The standard \$100,000 US\$ currency lot can be traded for as little as 0.25% margin, meaning you can trade for just \$250.

It's also possible to benefit from mini-FX accounts allowing you to start with only \$50 to control a whopping 10,000-unit currency position. For prospective traders who are interested in entering the exciting world of FOREX trading, a mini-account can be a good way to get started. It is ideal because you do not need a lot of money to start trading.

Mini-accounts use different leverage calculations than regular \$100,000 accounts. Instead of trading in full-size currency lots of 100,000 units, you trade in lots that are just a fraction of the size of a

standard lot. To be precise, they are 1/10th the size of a standard lot. That means you can get started with a 10,000-currency lot. This typically reduces the amount of risk capital needed.

On average, pips in a mini-account are worth \$1 rather than the \$8 to \$10 of a regular account. Mini-accounts offer a significant 200:1 leverage. This means that for a \$50 margin deposit you can trade roughly up to \$10,000. Overall, the advantages of a mini-account include a minimum required account deposit, the ability to trade in smaller currency lots, a lower default margin, and a significant leverage of 200:1. Basically, you can enjoy the same benefits of a full-size account, including access to the same charts, tools, and resources. Mini-accounts are often a good choice for new traders because they can allow the time to develop a rational and disciplined FOREX trading strategy.

It is also important to note that currency futures only trade in non-USD denominated currency amounts. In contrast, an investor is able to trade in practically any currency denomination in spot FOREX.

Investors are also limited in regards to the currency pairs that can be traded with the futures market. In most cases, futures are only traded versus the USD. This is not the case with spot FOREX. Investors are able to trade foreign currencies vs. USD. You can also trade on a cross basis. For instance, you can trade GBP/JPY or JPY/CHF.

Price movements can also be highly predictable with this market. This establishes trends that can be highly advantageous to traders who prefer to use technical methods and strategies for their trading. Unlike stocks, currencies usually develop strong trends over time. Even as a new trader one can identify new trends fairly easily.

If you have invested in the stock market in the past, you will likely be excited by the fact that you do not have to pay fees or commissions in order to trade in the FOREX market. You do not have to worry about paying the typical fees that you may be accustomed to paying, regardless of your account size. Basically, what you see is what you get when you trade in the FOREX market. This makes it possible to make trading decisions without the need to stop and account for fees that can affect your profit or loss.

In both the commodity and equity markets, you must pay exchange fees and a commission. The over-the-counter structure of the FOREX market eliminates such fees. It also reduces transaction costs.

In fact, you may be wondering how FOREX brokers are even able to make money if they do not charge commissions. As is the case with all financial products that are traded, over-the-counter currency trading involves a spread for the bid/ask price. This represents the prices at which the counterpart is willing to make a trade. Your broker receives part of the bid/ask spread and this is how they profit.

Traders are also able to benefit from instant order execution. In fact, confirmation usually takes place within just a couple of seconds. Due to the fact that all orders are executed in an electronic environment and trades take place via an Internet-based platform, instant execution becomes routine. There are no brokers on the floor, no exchanges, which means no human delays.

Finally, the FOREX market is highly transparent. Transparency is crucial to any trading environment. The more transparent a market, the more efficient it will be. Not only is it easier for traders to analyze the economic conditions of countries, which could affect the movement of the market, but traders also have access to real-time research and news. Due to this transparency, FOREX traders are able to apply risk management strategies based on technical and fundamental indicators.

For these reasons, an increasing number of investors and entrepreneurs are making the switch and choosing to diversify their traditional investments with foreign currency.

How to Begin Trading the FOREX Market

Okay, now that we have covered the advantages of trading the FOREX market, let's take a look at what it takes to get started.

The first thing you need to do is determine the amount of money you wish to trade. This is known as the margin. Remember, this is all that you have to lose! One of the great things about FOREX trading is that you cannot lose more than you actually have deposited in your account. In the FOREX market, you can take advantage of an extremely high leverage amount, up to 400:1, without worrying about

being liquidated at a loss and being liable for any resulting deficits. This is certainly not the case with the futures or equities market. With that said, it's generally not a good idea to overleverage a trade as if the price makes a relatively small move against your position the broker will automatically close out the position which can wipe out your trading capital.

Limit moves and trading gaps are practically eliminated in the FOREX market due to the market's continuous trading action and deep liquidity. You can also take advantage of the ability to execute orders very quickly. In addition, there is never a need to worry about margin calls. Brokers are able to automatically close out some or even all of your open positions in the event the equity in your account falls below the level that is required in order to hold a position.

Lots

Currencies are always traded in dollar amounts that are referred to as LOTS. You will usually have the choice between two different lot sizes with most brokers. They are mini-lots or standard lots.

A standard lot is the equivalent of \$100,000 in currency. Using a 400:1 leverage, the margin requirements would be \$250 USD. This means you would control \$100,000 of currency for only \$250 USD.

This does not mean that you can trade \$100,000 worth of currency by simply depositing \$250 with a broker. The size of your account does need to exceed the required margin of \$250 USD. For example, if you purchase a standard lot at \$100,000 of USD/JPY and that currency pair is quoted at 112.10/112.13, then you would be purchasing USD/JPY at 112.13.

In this example, your account balance would then be \$220 because you made a purchase this trade for \$30 or 3 pips.

Now, let's suppose you decide you want to immediately close this trade. You sell it at the bid price of 112.10. You would experience a loss of \$30. In reality, you would not actually be able to make this trade because you would not have sufficient funds in your account. You would need to have a minimum account balance of \$280. (\$250 for the margin and \$30 for the trade equals \$280.)

Talk to your broker for more on this subject and to better understand it.

Currency Pairs:

Keep in mind that currency must always be traded in pairs. You can never trade one currency by itself. You must always purchase one currency and then sell another currency in order to make a trade.

Each pair has a unique notation that shows exactly which currencies are being traded. The symbol for a currency pair will be expressed as ABC/DEF. In this example, ABC refers to the currency for one country and DEF refers to the currency for another country.

Some of the most common symbols used in FOREX are:

USD - The US Dollar

EUR - The currency of the European Union "EURO"

GBP - The British Pound or cable

JPY - The Japanese Yen

CHF - The Swiss Franc

AUD - The Australian Dollar

CAD - The Canadian Dollar

Some of the more commonly traded currency pairs are:

EUR/USD Euro against US Dollar

USD/JPY US Dollar against Japanese Yen

GBP/USD British Pound against US Dollar

USD/CAD US Dollar against Canadian Dollar

AUD/USD Australian Dollar against US Dollar

USD/CHF US Dollar against Swiss Franc

EUR/JPY Euro against Japanese Yen

The currency on the left is referred to as the base currency. The currency on the right is referred to as the counter currency.

When you place an order to purchase a currency pair, you are purchasing the base currency and selling the counter currency. For instance, if you place an order for GBP/USD, you are purchasing the GBP and selling the USD.

In this example, if you were to sell, you would be selling the GBP and buying the USD. The currency pair is always a single item. If you are buying, you buy the first currency and sell the second. If you are selling, you are selling the first currency pair and buying the second pair. You cannot buy without selling and you cannot sell without buying.

The good thing about this is that you can short-sell with absolutely no restrictions. Short selling means you can actually make money when the market drops. This is one of the main differences between trading on the stock market and the FOREX market. In the traditional stock market, there are certain rules pertaining to short-selling, which can make it difficult to do so. This is not the case with the FOREX market. It is possible to make money with a rise or a decline as entering a position as a sell-short is just as easy as a buy-long.

PIPS:

Currencies are always traded on a price or point system. These points are known as pips. Every currency pair has a pip value. For instance, when you see a FOREX price quote, it might look like this:

EUR/USD: Bid 1.2210 / Ask 1.2213

Although this might look confusing, what it really means is that in order to buy the EUR/USD, you will need to purchase \$100,000 EUROS for \$122,113 USD.

Conversely, if you are selling the EUR/USD, then you are selling \$100,000 Euros for \$122,110 USD.

Spread:

The difference that exists between the bid and the asking price is referred to as the spread. In the example used above, the spread would be 3 pips or just 3.

The US dollar forms the centerpiece of the FOREX market. It is usually considered the base currency in quotes. In major quotes, this includes USD/CHF, USD/JPY, and USD/CAD. For such currencies, you might see it expressed as a single unit of \$1 USD for the second currency.

For instance, in a quote for USD/CHF 1.2000, you would receive one USD dollar; you would receive 1.20 Swiss Francs. Basically, you get 1.20 Swiss Francs for each 1 US dollar.

Whenever the US dollar is the base unit and a currency quote increases, this means the dollar has gained in value and the other currency has declined or weakened. Using the same example above, let's say that quote increases to 1.2050, the dollar would be stronger because it would purchase more Swiss Francs than previously.

Exceptions to the Rule:

There are exceptions when this is not the case. Those exceptions include the British Pound (GBP), the Euro (EUR), and the Australian dollar (AUD). In such cases, you might see a quote such as GBP/USD 1.3050, which means that for every British Pound, you receive 1.3050 US dollars.

In regards to these three pairs of currencies, in which case the US dollar is not actually the base rate, a rising quote means the dollar is weakening because it takes more US dollars to equal a single British pound, Euro, or Australian dollar. When the currency quote increases, the value of the base currency is increasing. A lower quote means the base currency is actually weakening.

Cross Currencies:

Currency pairs in which the US dollar is not involved are referred to as cross currencies. The calculation remains the same. For example, in the quote EUR/JPY 125.50, this would mean that a single Euro is equal to 125.50 Japanese yen.

Buying and Selling in the FOREX Market:

When you buy in the FOREX market, it is known as going long. When you sell in the FOREX market, it is known as going short (or selling short).

It's important to remember that as with trading any market when you trade in this market, you are going to have losing trades. This happens to every trader on the FOREX market. The key is to ensure that overall your trades are winning more pips than losing pips.

Also, never trade on the FOREX market without making sure you have placed a stop loss order. Each time you place an entry order; always place a stop order as well. This is critical, as it will help to prevent potential losses.

Before you begin any trade, you may want to take the time to calculate the price point where you will be wrong due to the market changing direction. This is crucial, as it will allow you to cut losses.

In order to make profits in this market, you must always enter the market with a buy position (referred to as going long) and a sell position (referred to as going short.)

Let's look at an example. Suppose you are studying the British pound and it is paired with the US dollar. Based on your study, you believe the GBP is going to rise, so you purchase the GBP/USD pair. This means you are going to purchase British pounds and sell US dollars.

You see this currency pair is trading at 1.3010/1.3013. Since you think the market price for the GBP/USD pair is going to rise, you go in at a buying position. Suppose you buy one lot GBP/USD at 1.3013. Provided you sell the pair back at a higher price, you are going to make money.

Let's keep going with this example in order to see how a typical FOREX sell short trade would look. Keep in mind that selling or going short means that you are selling the first or base currency and buying the second or quote currency.

You will sell the currency pair when you think the base currency is going to decline relative to the quote currency or when you think the quote currency will rise relative to the base currency.

Calculating Profits and Losses:

If you have traded in the FOREX market, the profit calculations may seem somewhat complicated. The process is actually calculated through the software you use, but it is also a good idea to understand how profits work.

Let's suppose the current bid or ask price for USD/GBP is 105.50/105.55. This means that you can purchase \$1 USD for 105.55 GBP or sell \$1 USD for 105.50 British pounds.

Let's suppose you think the US dollar is over-valued against the British pound. In this case, you would sell dollars, buy pounds, and then wait to see how the exchange rate increases.

Your trade would look like this:

You purchase 1 lot of US dollars (\$100,000 USD) and buy 1 lot of British pounds (\$10,555 pounds). Remember, at a 0.25% margin, your initial margin deposit for this trade would be \$250.

Just as you expected, the USD/GBP falls to 104.50/104.55. This means you are now able to buy \$1 USD for 104.50 or sell 1 USD for 104.50. In this case, you would now be short on dollars and long on pounds. You would then need to purchase dollars and sell back the pounds in order to gain a profit.

You can then buy \$100,000 USD at the currency USD/GBP rate of 104.55 and receive 10,455,000 pounds. Since you originally bought 10,555,000 pounds, your profit would be 100,000 pounds.

In order to calculate your profit and loss in terms of US dollars, simply divide 100,000 by the current USD/GBP rate of 0.6326.

Total profit = \$158, 077.

Reading FOREX Price Charts:

FOREX charts are usually much easier to read and use than stock market charts. These charts represent the economy of a country, which is usually much slower moving. In addition, FOREX charts are usually able to develop rather strong trends. It's also much easier to

memorize the four major currencies with the FOREX market than analyze literally thousands of stocks.

By understanding just a few basic points can help you to increase your profit potential.

Pricing:

Remember that price reflects the perceptions and action that is taken by participants in the market. Price movement is created by the dealings between buyers and sellers in the interbank or over-the-counter market. By studying price charts, you can see market psychology. Market psychology is primarily driven by greed and fear.

Data Window Chart:

Most online charting stations allow you to click on a candlestick or price bar and see a small display box that contains the following information:

H = Highest Price

L = Lowest Price

O = Opening Price

C = Close Price (or Last Price)

The Bar Chart and the Candlestick chart are the two most commonly used types of price bars.

Bars Charts:

Price bars represent a linear representation of a particular period of time. In other words, it's a line. This allows a viewer to see a graphic representation that summarizes activity for a particular time frame. Each bar reveals several critical pieces of information.

First, it is important to understand that the highest point on the bar represents the highest price that was achieved during that time period. The lowest point on the bar represents the lowest price that was achieved during that same period of time. Regular bars will also show a small dot on the left side of the bar that shows the opening price for that time period. A small dot located on the right side shows the closing price for that time period.

Candlestick Charts:

Japanese candlesticks are also used to show the same information as price bars. The only difference between the two is that the difference that exists between the open and close actually forms the box of the candle. This can be displayed with the color inside. Red refers to a closing that was lower than the opening and usually green refers to a closing that was higher than the opening.

If you see a box with a line going up from the box this represents a high. It is referred to as a wick. If you see a box with a line going down from the box, this represents a low and is referred to as the tail.

Example of both bar types:

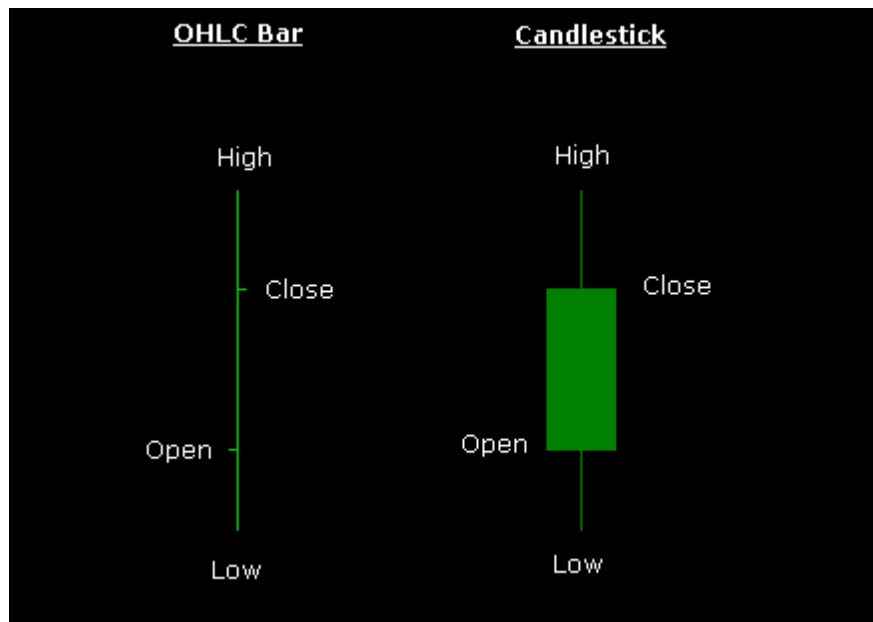


Chart Intervals and Time Frames:

A chart time scale and period, referred to as a time frame, refers to the amount of time that takes place between the open and the close of a bar or candlestick.

For example, you can see a currency pair with your software in a one-hour period over a two-day period of time or five days, 10 days, 20 days, or 30 days. Short-term time intervals are typically used for entry and exit points, while longer-term time intervals are used to show general trends.

Tracking the Past and Predicting the Future:

In understanding how the market moves, it is essential to track the past and keep a finger on the pulse of what is going on around the globe in order to best forecast the future regarding how a market will move.

Keep in mind that technical analysis can only track the past; it cannot predict the future. When trading discretionarily you must be able to draw your own conclusion regarding activity in the past and how it relates to possible future activity.

Studying the charts is absolutely essential to picking up information about the way the market is behaving so that you can decipher the

activity. This type of activity can often provide you with an alert regarding potential changes in the market.

In the FOREX market, anything that makes a particular country tick is a fundamental and it cannot be overlooked.

The release of economic and inflation indicators such as unemployment rate, consumer spending, producer price index, government spending, political factors, government policy, etc. are all crucial. This type of information can all put the entire market in a frenzy. This is the type of information you need to take into consideration when making trading decisions.

Technical analysis refers to the use of historical price data in order to predict the future price of particular currency pairs. Analysis can be a highly effective way of forecasting economic conditions, but keep in mind that it cannot predict precise market prices. This is why it can be important to trade in agreement to technical indicators that also support that analysis.

Foreign exchange traders place the most emphasis on technical analysis because similar tools and charts are used by traders around the world in order to predict trends of the market.

One of the reasons that the FOREX market can be so predictable at times is that the same graph is used by most traders in the market to determine trends and patterns. As a result, there is a good chance that many of them will act in a similar way based on that information. When important information is made available to the public, there will naturally be a similar reaction from speculators and investors.

Information such as economic indicators and news is typically vaguer than technical information. This is why there can be a lot of gray area in terms of analysis. Ultimately, the market is going to respond to the way that people believe economic information compares to the current market situation.

Economic indicators often reveal information that should cause a currency to rise in value or possibly cause a currency to decline. Remember; there is a lot of ambiguity in the market. Just because you believe a currency should or may do something does not necessarily mean it will take that action.

Over time, one can learn about economic data one piece at a time and you can begin to make well-informed decisions from the technical and the fundamental data gathered.

Predicting the Future with Technical Analysis:

Many of the best FOREX traders typically do not discount one type of data over the other, but understand that both pieces of information are important. Technical analysis is often the easiest as well as the most accurate way to trade in the FOREX market, however. Simply put, the numbers do not lie. All information that is available as well as the impact of that information on the market will be clearly reflected in the price of the currency.

Remember, prices will always move in trends. The foreign exchange market is primarily comprised of trends. As a result, technical analysis can be highly effective.

History will always repeat itself. Over time, chart patterns can become predictable, reliable, and consistent. The tricky part is learning to see those trends. Individuals who trade with the trend are generally able to significantly improve their chances of making a profitable trade.

When you are able to locate the prevailing trend you will be more aware of the overall market direction. At the same time, you will also be able to take advantage of improved visibility. This is particularly true in regards to short-term movements.

Developing one's own FOREX Trading Philosophy:

If you are a beginner then as you get started trading in the FOREX market, it is crucial to make sure you avoid the two most common mistakes that many new traders made. First, avoid trading without a strategy and allowing your emotions to direct your decisions. After you first open a FOREX account, it can be incredibly tempting to just begin trading. For example, you may have watched the movements of a particular currency pair and feel as though you are letting a great opportunity get past you if you do not enter right away. What usually happens is that you will see the market move against you and then you will begin to panic and then you will sell. Ultimately, you'll probably see the market recover.

This type of approach is very common and if you start out this way you are practically guaranteed to lose money. When trading in the FOREX market, you absolutely must have a rational strategy. One should not make trading decisions within the heat of the moment.

Understanding Market Movements:

In order to consistently make rational trading decisions, you must be disciplined and well educated regarding the movements of the market. You must be able to apply the technical information you have studied to the charts and then carefully plot out your entry points and your exit points. You also must be willing to take advantage of a variety of different order types in order to minimize potential risk while also maximizing your profit.

Understanding the forces behind the market is crucial to understanding the market and how and why it moves. Once you understand this, you can then begin developing successful trading strategies.

Accountability:

There are five groups of investors that typically participate in the FOREX market. They are banks, governments, investment funds, corporations, and traders. Although every group has its own objectives for trading, the one thing that all of these groups (with the exception of traders) share in common is external control. Each organization has its own guidelines for trading and can be held accountable for the trading decisions they make. Conversely, individual traders are only accountable to themselves.

Money Management:

Money management is critical to any trading strategy. Along with knowing which currencies to trade and how to recognize entry and exit points, a successful trader must also be able to manage his or her resources. Various money management strategies can be used, but many traders rely on the ability to calculate their core equity. This refers to your beginning balance minus the money used in open positions.

Core Equity and Limited Risk:

When entering a position, it is always a good idea to try and limit risk to between 1% and 3% of the trade. For example, if starting a standard lot trade of \$100,000 one should try to keep their risk to between \$1,000 and \$3,000. This can be accomplished with a stop loss order. In this case, one would use a stop loss order of 100 pips above or below the entry position. Remember, 1 pip is equal to \$10.

As the core equity increases or decreases, one might also adjust the amount of the risk. If starting out with a balance of \$10,000 and 1 open position, the core equity would be \$9,000. If adding a second open position, the core equity would then decline to \$8,000. In this case, it may be advisable to limit risk to \$900.

At the same time, it may be a good idea to raise the risk level as core equity increases. For instance, after making a \$5,000 profit, using the same example, the core equity would then be \$15,000. At this point, one could increase the risk to \$1,500 per transaction.

When trading in the FOREX market, winning is ultimately based on understanding your own mind and the way that psychology affects the movement of the market. In the end, winning or losing in this market can come down to emotions and how you interpret the information available to you. The numbers will never lie, but the way you interpret those numbers can definitely influence your trades and whether you win or lose at the end of the day.

Investments are always emotional. The bottom line is that most people cannot completely keep emotions out of the picture, but one can learn to prevent them from controlling trading decisions.

Generally the reason most traders lose is because they allow their emotions to take over their judgment.

Many people trade based on fear and hope rather than facts. Instead of basing trades on the indicators and charts, they trade on what they want the facts to say. This is precisely why a trader will continue to hold on to a losing trade and keep hoping it will turn around. Conversely, many traders will often exit a trade far too soon because they are afraid the current trend won't last.

Losses can also occur through greed because a trader jumps too soon instead of waiting for the indicators to confirm a movement. When the breakout they anticipated never occurs they are disappointed, etc.

It is important to develop a solid trading plan, using solid money management skills and trading on a strategy. Never alter your plan based on emotion

Stops can also be used to control losses and protect profits. It can be a good idea to always establish stops sufficiently away from the entry price to ensure a trade is not closed out by the jitters that normally take place in the market.

Even if you are not certain you are ready to get started yet, you can use a demo account and paper trade until you feel completely comfortable with trading for real. In fact it may be a VERY good idea to do so. When you do feel comfortable to begin trading with real money, keep in mind that this is probably not the time to change the strategy you perfected with your demo account. It's also a good idea to work on setting small, but realistic goals and then trade until one is achieving that goal more frequently than not. Mini-accounts can be a great way to do this. Starting off small is never a bad idea.

Finally, do not forget to study your own trading record. Analyze what went wrong and why. Learn from your mistakes. This strategy alone can put you ahead of the rest of the crowd!

THE CLEARFXSIGNALS FOREX TRADING SYSTEM:

The ClearFXSignals system was designed to work on ANY forex currency pair in multiple time frames and to be used for scalping, daytrading, or longer term "swing" trading.

The trades do not have to be time-specific and can be used at the trader's convenience. Although ClearFXSignals can be used on many various time frames we have rigorously backtested it on the following 32 currency pairs in the 1Hour (60 minute) time frame:

AUDCHF (Aust Dollar / Swiss Franc)
AUDJPY (Aust Dollar / Japanese Yen)

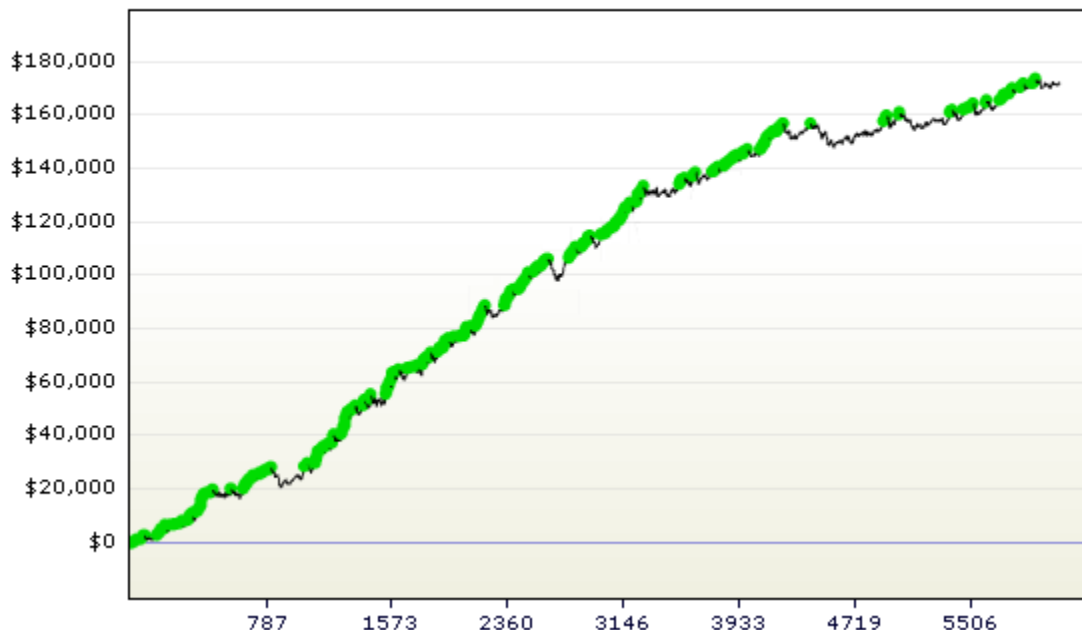
GBPCAD (British Pound / Canadian \$)
GBPCHF (British Pound / Swiss Franc)

AUDNZD (Aust Dollar / New Zealand \$)
 AUDUSD (Aust Dollar / US Dollar)
 CADCHF (Canadian Dollar / Swiss Franc)
 CADJPY (Canadian Dollar / Japanese Yen)
 CHFJPY (Swiss Franc / Japanese Yen)
 EURAUD (Euro / Australian Dollar)
 EURCHF (Euro / Swiss Franc)
 EURDKK (Euro / Danish Krone)
 EURGBP (Euro / British Pound)
 EURJPY (Euro / Japanese Yen)
 EURNOK (Euro / Norwegian Krone)
 EURNZD (Euro / New Zealand Dollar)
 EURSEK (Euro / Swedish Krona)
 EURUSD (Euro / US Dollar)

GBPJPY (British Pound / Japanese Yen)
 GBPNZD (British Pound / New Zealand \$)
 GBPUSD (British Pound / US Dollar)
 NZDCHF (New Zealand \$ / Swiss Franc)
 NZDJPY (New Zealand \$ / Japanese Yen)
 NZDUSD (New Zealand \$ / US Dollar)
 SGDJPY (Singapore Dollar/Japanese Yen)
 USDCAD (US Dollar / Canadian Dollar)
 USDCHF (US Dollar / Swiss Franc)
 USDDKK (US Dollar / Danish Krone)
 USDJPY (US Dollar / Japanese Yen)
 USDNOK (US Dollar / Norwegian Krone)
 USDSEK (US Dollar / Swedish Krona)
 USDSGD (US Dollar / Singapore Dollar)

Below you will find a list of default settings that we discovered for many of these pairs. These are settings that tested well for us. For example the following image is an equity curve of ClearFXSignals's trading the popular EURJPY, EURUSD, GBPUSD, USDCHF, USDJPY currency pairs on a 1Hour (60 minute) chart, with 6292 trades over a 5 year period trading during specific times of the trading day and night, and hypothetically backtested out at 82.02% winning trades:

Closed Trade Equity Curve *



Although the ClearFXSignals indicator gives EXACT entry points by displaying UP Arrows for Buy Long entries and DOWN Arrows for Sell

Short entries the above example is just one of many possible outcomes depending on how the input parameters are set. Changing input parameters, trading different symbols in different time frames, trading at different times of day/night, using various profit target amounts, stop loss exits, and other exit methodologies all contribute to the outcome.

Although ClearFXSignals may be used as a 100% mechanical system it was designed to give the trader/user the flexibility to adapt the system to their particular style of trading, trading goals, time schedule, and risk-tolerance level. Therefore there's not only one set way to trade the system, but many. However with that said, below we will outline several scenarios, input parameters, and rules that tested well for us using 6 years of historical data optimized using walk-forward optimizations, but first you'll need the indicator...

Getting Started:

The first thing you'll need is the ClearFXSignals indicator for Metatrader (MT4). If you haven't already downloaded and installed the indicator then you may want to do so now by going to the following link (Installation instructions and instructions pertaining to the input parameters are included on the page):

<http://clearfxsignals.com/downloads/clearfxsignalscomplete.zip>

Once you've followed the directions for installing the indicator, loaded it onto a chart, and watched the short video to understand the input parameters you're ready to move on to learn the system.

ENTERING THE TRADE:

When using the indicator a Buy Long position is opened as soon as the UP Arrow appears and a Sell Short position is opened as soon as the DOWN Arrow appears.

The moving average line determines whether the arrows that appear will be UP or DOWN arrows. In other words if a buy long or sells short signal is determined by the indicator it will then check to see if the closing price of the bar is above or below the yellow moving average

line. Only UP arrows will be plotted if the closing price of the bar is ABOVE the moving average line and conversely only DOWN arrows will be plotted if the closing price of the bar is BELOW the moving average line. The length of the moving average line can be adjusted in the input parameters in order to fine-tune the indicator to the behaviour and time frame, of the particular currency pair being traded. This is at the trader's discretion as there are many combinations of chart time frames and moving average lengths that will create various desired results depending on the trader's style of trading (scalping, daytrade, swing, etc), and risk-reward profile, as well as the differences in markets being traded, times of day/night, volatility, along with other factors.

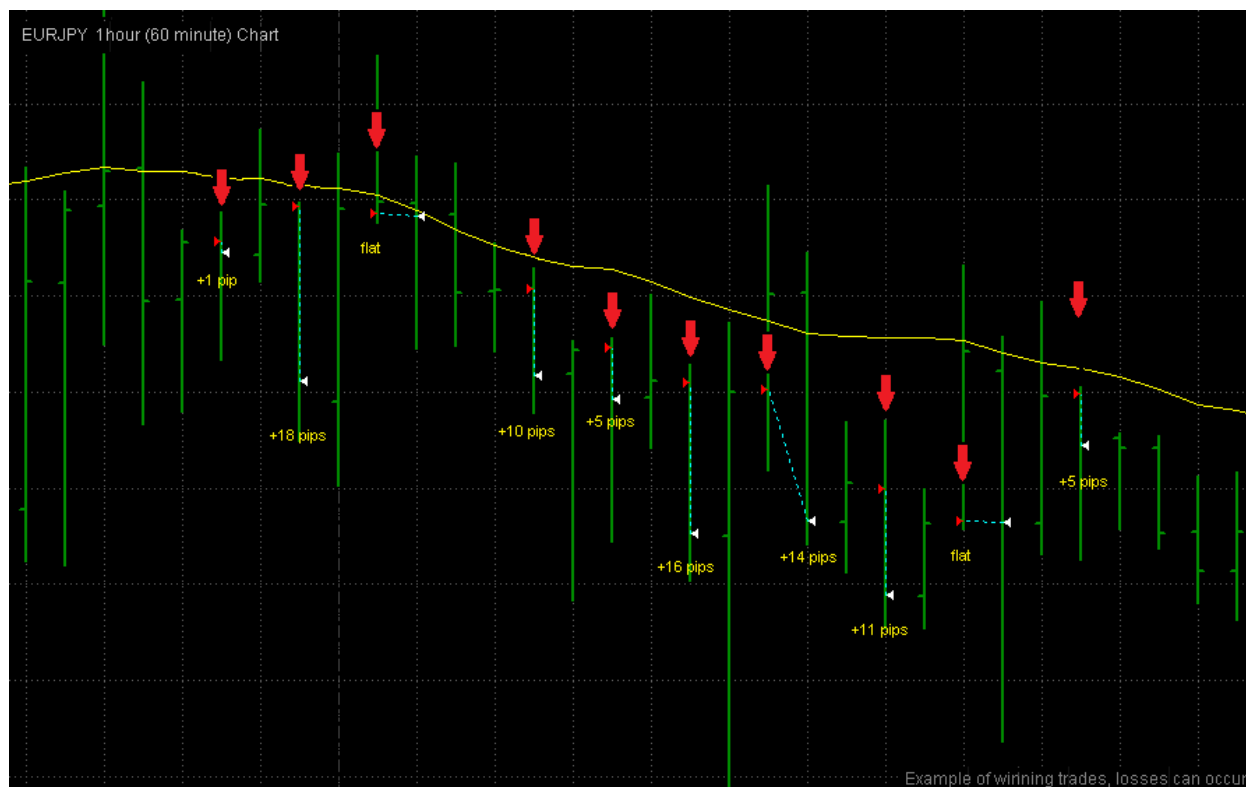
Before we go any further it's important to understand how and where the arrows are displayed on the chart. The default setting will make the arrows appear on the OPEN of the bar that the trade is to be entered on. In other words as soon as the bar opens the arrow appears and the trade is entered on that bar. The alternative setting, which can be adjusted in the input parameters, can make it such that the arrows appear on the CLOSE of the PREVIOUS bar (the signal bar, just before the new bar opens). The trading difference is primarily a matter of visual preference (how the user wants to visualize the arrows on the chart), although the two different settings can make a slight difference as to when, and at what price, the trade is opened if the closing price and opening price of the bars on which the arrows appear are different, along with a few other factors. Again, the default setting is for the arrow to appear on the open of the bar that the trade is taken. If this seems confusing don't worry once you watch the indicator in realtime it will make sense. We encourage only observing or trading in a demo/simulated account in order to become familiar with the indicator.

Once the indicator is set the way you want it you enter the trade, at your discretion, upon the up or down arrow appearing. Entering the trade is that simple.

EXAMPLE OF WINNING BUY LONG TRADES:



EXAMPLE OF WINNING SELL SHORT TRADES:



Looking at the above charts notice the trades were entered on the OPEN of the bar as soon as the UP or DOWN arrows appeared. The above example charts show the entries and the exit points along with how many PIPS of profit each trade would have collected (or “ripped” from the market).

ClearFXSignals was tested on the following 30 currency pairs:

AUDCHF (Aust Dollar / Swiss Franc)
AUDJPY (Aust Dollar / Japanese Yen)
AUDNZD (Aust Dollar / New Zealand \$)
AUDUSD (Aust Dollar / US Dollar)
CADCHF (Canadian Dollar / Swiss Franc)
CADJPY (Canadian Dollar / Japanese Yen)
CHFJPY (Swiss Franc / Japanese Yen)
EURAUD (Euro / Australian Dollar)
EURCHF (Euro / Swiss Franc)
EURGBP (Euro / British Pound)
EURJPY (Euro / Japanese Yen)
EURNOK (Euro / Norwegian Krone)
EURNZD (Euro / New Zealand Dollar)

EURSEK (Euro / Swedish Krona)
EURUSD (Euro / US Dollar)
GBPCHF (British Pound / Swiss Franc)
GBPJPY (British Pound / Japanese Yen)
GBPNZD (British Pound / New Zealand \$)
GBPUSD (British Pound / US Dollar)
NZDCHF (New Zealand \$ / Swiss Franc)
NZDJPY (New Zealand \$ / Japanese Yen)
NZDUSD (New Zealand \$ / US Dollar)
SGDJPY (Singapore Dollar/Japanese Yen)
USDCAD (US Dollar / Canadian Dollar)
USDCHF (US Dollar / Swiss Franc)
USDDKK (US Dollar / Danish Krone)
USDJPY (US Dollar / Japanese Yen)
USDNOK (US Dollar / Norwegian Krone)
USDSEK (US Dollar / Swedish Krona)
USDUSD (US Dollar / US Dollar)

Exit strategy is outlined below but first...

MANAGING TRADES AND SOME PHILOSOPHY:

Once the trade position is open you'll need an exit strategy, right? Better yet.. BEFORE you ever open any trading position you will want to have an exit strategy already in mind. Before we get into specifics let's talk a little more trading philosophy. There are many different philosophies when it comes to trading so when we discuss our opinions on this issue they're not to be construed as trading advice but rather to be understood as the opinions and philosophy of the developer of this trading system.

While profiting is the obvious goal, it's not the primary goal. This may be shocking a statement to some. The primary goal is this... capital preservation. It's extremely important to remember... capital preservation. This doesn't suggest that one should trade fearfully or be afraid of losses (because they WILL occur with ANY trading system), and fear of loss can almost guarantee failure, but it does mean that one needs to take their trading seriously, use common sense, and treat it like a business rather than like a slot machine. Trading long is a position, trading short is a position, and staying OUT of a trade can be a position when it makes sense to do so.

Overleveraging your account, trading in fear, allowing greed to keep you in a trade too long, going into a trade with no guidelines for exiting, not using protective stop loss orders, moving stop loss orders when the price is getting close, feeling like you have to regain the money you just lost in the last trade... these are the dark side... once you start down the dark path it can consume your trading destiny! Seriously.. it's important to protect your trading capital by managing your account, and managing your account by managing your trading with set rules and discipline.

One point of utmost importance is AS SOON AS you enter a trade enter a protective stop loss order. Far too many trading accounts have been plunged to ruin by not doing this. Thinking that "if the trade starts going against me I'll just exit at my discretion therefore I won't use a protective stop loss order.. I'll just watch it closely" is NOT a wise strategy. Even if you do want to approach your trading in such a way that part of your exit strategy is based on "how things look once you're in the trade" then it's STILL a good idea to ALWAYS put a protective stop loss order in at some reasonable level. You can always cancel the pending stop loss order if you exit the trade profitably or for some other reason first. Think of it as a safety net... The market can move FAST, especially if there's a news event and when REAL money is at risk often times we can become emotional and experience fear of loss, or 'false hope' resulting in denial and a refusal to exit the trade at a smaller loss thinking, "it's got to come back in my favor.. it's not a loss until I exit" only allowing the loss to become greater and greater as the price continues to move against the trade. We can go on and on about this but suffice to say, it's unwise to trade without a protective stop loss in place as soon as a trading position is opened.

Besides a protective stop loss it's important to consider a predetermined take profit strategy before opening the position (or shortly thereafter) because having the discipline exit the trade with a reasonable profit can be nearly as difficult as taking a loss. Some of the same emotions and psychology that we just discussed can come into play when it comes to taking profits. This is why people continue to stay in a stock when the price per share far exceeds the fundamental value, or why people continued to buy houses at the top of the housing bubble as prices were skyrocketing... people tend to think, "it's going my way and it's never going to stop", or "I want to get all I can out of this one trade". When in a trade thinking, "this is the ONE trade that's going to make me rich!" is NOT a wise strategy

for successful trading. While this is remotely possible, it's HIGHLY improbable, and this is a business of probabilities and odds. All of the negative aspects we just discussed are a result of human emotion. While we can expound even further on how fear and greed can be a major trading hazard suffice to say that with a good, sensible trading plan in place, for not only entry but also managing and exiting positions, one can **profit from the markets**.

EXITING THE TRADES:

As stated earlier there are many ways to exit trades. Beyond using a protective stop loss and focusing on capital preservation profiting from the market is obviously essential to making it a worthwhile endeavor.

So.. when using the ClearFXSignals system you'll need to determine a reasonable protective stop loss price level and profit target based on the currency pair being traded, the time frame(s) of the chart(s) being used, and the current conditions of the market(s) traded.

Below are various parameters for several currency pairs that we've tested.

Following are the rules that were used to produce the results shows in the equity curve above. It's important to remember that due to the way we determined all settings outlined in this document using walk-forward optimization and out of sample data we believe these settings can work into the future, however all settings and performance should be considered hypothetical and are no guarantee that any account will achieve the same results. With that said remember that the system can be traded MANY different ways so here's just one of many possibilities:

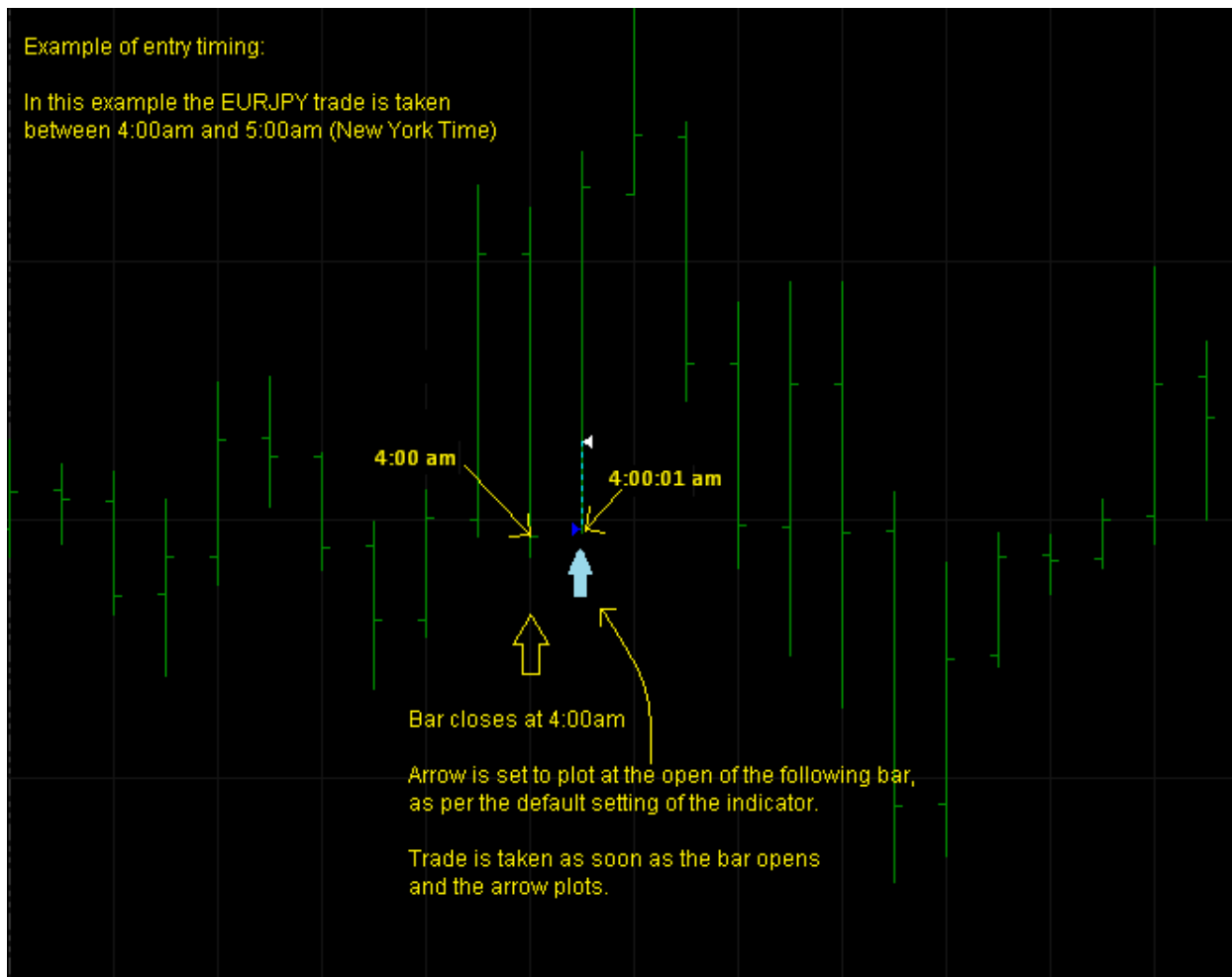
Using a 1Hour (60 minute) chart for each of these 5 popular pairs: EURJPY, EURUSD, USDCHF, GBPUSD, USDJPY. Trades were only entered if not currently in a position (in other words the positions were not reversed from long to short or short to long while open). These settings produced 6292 trades, on the 5 currency pairs, over a 5 year period, with 82.02% winning trades, and are just one set of parameters and one way that can be used to trade this highly versatile system.

It is important to understand that when we say, "Traded between 12:00am and 1:00am (New York Time)" we mean that a position could be opened on the close of the bar that closes at 12:00am (or open of the following bar depending whether you have the indicator set to plot the arrows on the close of the signal bar or open of the following bar) or the close of the bar that closes at 1:00am (or open of the following bar depending whether you have the indicator set to plot the arrows on the close of the signal bar or open of the following bar).

Again, if we say, "Traded between 8:00am and 7:00pm (New York Time)" we mean that position can be opened on the close of the bar that closes at 8:00am (or open of the following bar depending whether you have the indicator set to plot the arrows on the close of the signal bar or open of the following bar) or the close of the bar that closes at 7:00pm (or open of the following bar depending whether you have the indicator set to plot the arrows on the close of the signal bar or open of the following bar), OR any time in between those two times.

In case that was confusing.. The following chart example may make this clearer:

In this example the EURJPY is traded "between 4:00am and 5:00am (New York Time)"



Note that All times mentioned in this document are Eastern Time (New York Time).

If you choose to use these settings and wish to use the time constraints outlined below then you must make sure you have calculated the correct time that matches Eastern Time (New York Time) to your local time zone:

[CLICK HERE for the Current time in New York](#)

Note: "MA" is the abbreviation for the "Moving Average" input parameter.

EURJPY MA=24 Target=50pips StopLoss=56pips

Traded between 8:00am and 7:00pm (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 11th bar since entry then exit on the close of that bar no matter what.

If a short position is still open by the 11th bar since entry then exit on the close of that bar no matter what.

USDJPY MA=30 Target=70pips StopLoss=70pips

Traded between 12:00am and 1:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 10th bar since entry then exit on the close of that bar no matter what.

USDCHF MA=120 Target=46pips StopLoss=106pips

Traded between 12:00am and 1:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 3rd bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 3rd bar since entry then exit on the close of that bar no matter what.

EURUSD MA=80 Target=68pips StopLoss=81pips

Traded between 12:00am and 1:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 7th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 4th bar since entry then exit on the close of that bar no matter what.

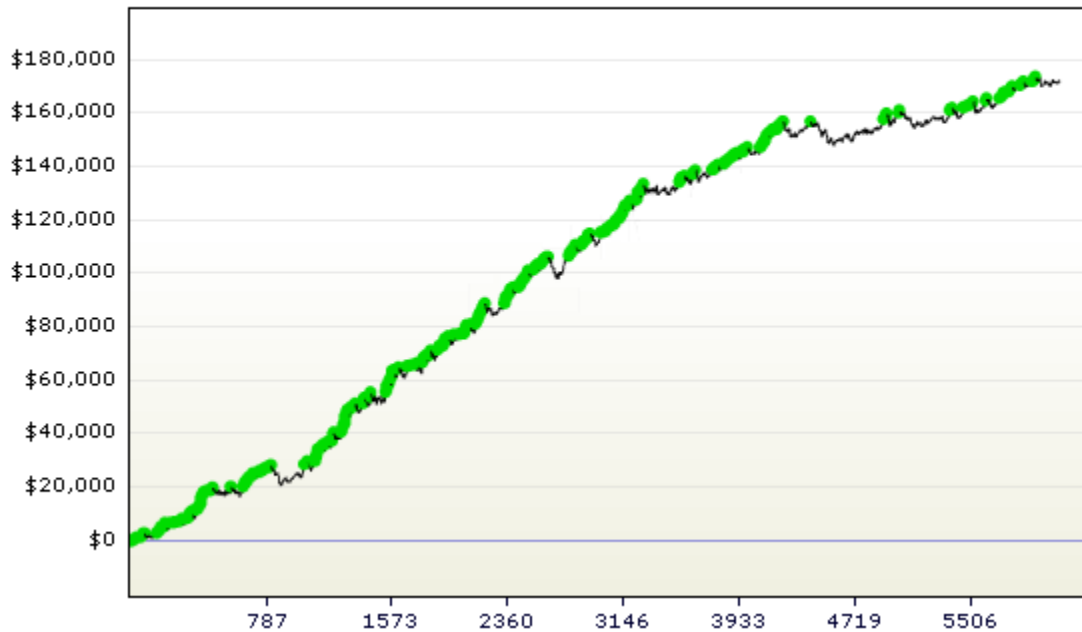
GBPUSD MA=80 Target=108pips StopLoss=74pips

Traded between 12:00am and 1:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 13th bar since entry then exit on the close of that bar no matter what.

Here's what the equity chart of the 5 pairs traded simultaneously looked like when we tested it. These are the 5 pairs combined:

Closed Trade Equity Curve *



Again, the above was only one of countless scenarios using 5 currency pairs.

More scenarios:

Trading 17 pairs with Time Constraints:

(Conservative approach with higher percentage of profitable trades and average overall net profit than with no time constraints)

These settings are an example of settings we have found to be optimal using walk-forward optimization on 1Hour (60 minute) charts over a combined total of 9079 trades for the following 17 forex currency pairs producing a combined average of 85.72% winning trades on a 6 year backtest*

AUDJPY (Aust Dollar / Japanese Yen)
AUDUSD (Aust Dollar / US Dollar)
CADCHF (Canadian Dollar / Swiss Franc)
CADJPY (Canadian Dollar / Japanese Yen)
CHFJPY (Swiss Franc / Japanese Yen)
EURCHF (Euro / Swiss Franc)
EURJPY (Euro / Japanese Yen)

EURNOK (Euro / Norwegian Krone)
EURNZD (Euro / New Zealand Dollar)
EURUSD (Euro / US Dollar)
GBPNZD (British Pound / New Zealand \$)
NZDJPY (New Zealand \$ / Japanese Yen)
NZDUSD (New Zealand \$ / US Dollar)
USDCHF (US Dollar / Swiss Franc)
USDDKK (US Dollar / Danish Krone)
USDJPY (US Dollar / Japanese Yen)
USDSGD (US Dollar / Singapore Dollar)

AUDJPY (Aust Dollar / Japanese Yen) 76.20% Winning Trades*

MA=102 Target=118pips StopLoss=38pips

Traded at 2:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 5th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 4th bar since entry then exit on the close of that bar no matter what.

AUDUSD (Aust Dollar / US Dollar) 89.86% Winning Trades*

MA=150 Target=48pips StopLoss=82pips

Traded at 2:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 10th bar since entry then exit on the close of that bar no matter what.

CADCHF (Canadian Dollar / Swiss Franc) 82.05% Winning Trades*

MA=20 Target=70pips StopLoss=20pips

Traded at 11:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 12th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 15th bar since entry then exit on the close of that bar no matter what.

CADJPY (Canadian Dollar / Japanese Yen) 83.77% Winning Trades*

MA=150 Target=36pips StopLoss=58pips

Traded at 2:00am and (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 4th bar since entry then exit on the close of that bar no matter what.

CHFJPY (Swiss Franc / Japanese Yen) 90.74% Winning Trades*

MA=106 Target=58pips StopLoss=58pips

Traded between 4:00pm and 5:00pm (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 9th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 14th bar since entry then exit on the close of that bar no matter what.

EURCHF (Euro / Swiss Franc) 88.22% Winning Trades*

MA=88 Target=120pips StopLoss=72pips

Traded between 1:00pm (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 13th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 8th bar since entry then exit on the close of that bar no matter what.

EURJPY (Euro / Japanese Yen) 68.65% Winning Trades*

MA=150 Target=70pips StopLoss=100pips

Traded between 1:00am and 2:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 14th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 2nd bar since entry then exit on the close of that bar no matter what.

EURNOK (Euro / Norwegian Krone) 92.42% Winning Trades*

MA=32 Target=20pips StopLoss=58pips

Traded at 4:00pm (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 13th bar since entry then exit on the close of that bar no matter what.

EURNZD (Euro / New Zealand Dollar) 89.97% Winning Trades*

MA=54 Target=22pips StopLoss=106pips

Traded at 9:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 10th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 13^h bar since entry then exit on the close of that bar no matter what.

EURUSD (Euro / US Dollar) 90.21% Winning Trades*

MA=92 Target=70pips StopLoss=66pips

Traded between 4:00pm and 5:00pm (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 14th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 12th bar since entry then exit on the close of that bar no matter what.

GBPNZD (British Pound / New Zealand \$) 91.07% Winning Trades*

MA=150 Target=34pips StopLoss=108pips

Traded between 11:00pm and 12:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 14th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 15th bar since entry then exit on the close of that bar no matter what.

NZDJPY (New Zealand \$ / Japanese Yen) 89.30% Winning Trades*

MA=82 Target=24pips StopLoss=118pips

Traded between 1:00am and 2:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the

12th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 15th bar since entry then exit on the close of that bar no matter what.

NZDUSD (New Zealand \$ / US Dollar) 82.84% Winning Trades*

MA=22 Target=36pips StopLoss=116pips

Traded between 1:00am and 2:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 6th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 6th bar since entry then exit on the close of that bar no matter what.

USDCHF (US Dollar / Swiss Franc) 85.93% Winning Trades*

MA=120 Target=20pips StopLoss=40pips

Traded between 4:00pm and 5:00pm (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 6th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 5th bar since entry then exit on the close of that bar no matter what.

USDDKK (US Dollar / Danish Krone) 88.66% Winning Trades*

MA=35 Target=120pips StopLoss=80pips

Traded between 1:00pm and 21:00pm (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 12th bar since entry then exit on the close of that bar no matter what.

USDJPY (US Dollar / Japanese Yen) 89.49% Winning Trades*

MA=20 Target=76pips StopLoss=32pips

Traded between 1:00am and 2:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 4th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 14th bar since entry then exit on the close of that bar no matter what.

USDSGD (US Dollar / Singapore Dollar) 84.40% Winning Trades*

MA=112 Target=120pips StopLoss=115pips

Traded between 2:00am and 3:00am (New York Time)

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 7th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 15th bar since entry then exit on the close of that bar no matter what.

Another Scenario: Trading 12 pairs, trading 24 hours a day, with NO Time Constraints:

The settings below are for our backtest trading 24hrs a day, with no beginning and end time constraints, on each pair. In our first example showing only the 5 pairs (EURJPY, EURUSD, GBPUSD, USDCHF, USDJPY), and our second example trading 17 pairs the trades were restricted to certain times of day/night. This is not the case for the list of input parameter settings and rules below, however these too can be further refined and made potentially more profitable by restricting them to certain times of day when volatility and market behaviour are more conducive to trading the system, or by adding other rules at the user/trader's discretion.

The following has been optimized and backtested using walk-forward optimization over a period of 6 years, with a total of 72,089 trades and a combined winning trade percentage of 83.49%

AUDCHF (Aust Dollar / Swiss Franc) 79.66% Winning Trades*

MA=72 Target=110pips StopLoss=100pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 7th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 5th bar since entry then exit on the close of that bar no matter what.

AUDNZD (Aust Dollar / New Zealand \$) 88.28% Winning Trades*

MA=138 Target=20pips StopLoss=110pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 14th bar since entry then exit on the close of that bar no matter what.

AUDUSD (Aust Dollar / US Dollar) 77.13% Winning Trades*

MA=20 Target=120pips StopLoss=120pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 5^h bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 4th bar since entry then exit on the close of that bar no matter what.

CHFJPY (Swiss Franc / Japanese Yen) 83.68% Winning Trades*

MA=106 Target=20pips StopLoss=70pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 14th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 6th bar since entry then exit on the close of that bar no matter what.

EURCHF (Euro / Swiss Franc) 86.62% Winning Trades*

MA=88 Target=100pips StopLoss=120pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 15th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 15th bar since entry then exit on the close of that bar no matter what.

EURNOK (Euro / Norwegian Krone) 84.61% Winning Trades*

MA=32 Target=120pips StopLoss=105pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 8th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 11th bar since entry then exit on the close of that bar no matter what.

EURNZD (Euro / New Zealand Dollar) 80.01% Winning Trades*

MA=54 Target=34pips StopLoss=116pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 11th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 3rd bar since entry then exit on the close of that bar no matter what.

GBPCHF (British Pound / Swiss Franc) 86.67% Winning Trades*

MA=76 Target=25pips StopLoss=115pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 10th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 15th bar since entry then exit on the close of that bar no matter what.

GBPNZD (British Pound / New Zealand \$) 85.60% Winning

Trades*

MA=92 Target=70pips StopLoss=66pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 14th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 12th bar since entry then exit on the close of that bar no matter what.

NZDCHF (New Zealand \$ / Swiss Franc) 83.26% Winning Trades*

MA=150 Target=36pips StopLoss=120pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 9th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 14th bar since entry then exit on the close of that bar no matter what.

NZDUSD (New Zealand \$ / US Dollar) 84.21% Winning Trades*

MA=22 Target=32pips StopLoss=118pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 14th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 6th bar since entry then exit on the close of that bar no matter what.

USDCHF (US Dollar / Swiss Franc) 82.11% Winning Trades*

MA=120 Target=20pips StopLoss=90pips

Exit on the first bar that closes while the trade is profitable OR if profit target or stop loss is reached. If a long position is still open by the 4th bar since entry then exit on the close of that bar no matter what. If a short position is still open by the 15th bar since entry then exit on the close of that bar no matter what.

ClearFXSignals indicator for MT4 Parameter explanation:

Video Explanation: <http://www.ClearFXSignals.com/support>

MALength

This is the number of bars in the MA (moving average) calculation, used as a trend filter for trades

Separation

This helps set the visual vertical distance between a chart marker and the price bars
Increasing this setting will put more distance between the chart marker and the bar

BuyArrowCharacter / SellArrowCharacter

The integer number of the chart marker symbol for buy and sell signals.
MT4 lets you select which WingDing character you want to use as your chart marker.
Below is a table that shows you the possible selections

32		33		34		35		36		37		38		39		40		41		42		43		44		45		46		47	
48		49		50		51		52		53		54		55		56		57		58		59		60		61		62		63	
64		65		66		67		68		69		70		71		72		73		74		75		76		77		78		79	
80		81		82		83		84		85		86		87		88		89		90		91		92		93		94		95	
96		97		98		99		100		101		102		103		104		105		106		107		108		109		110		111	
112		113		114		115		116		117		118		119		120		121		122		123		124		125		126		127	
128		129		130		131		132		133		134		135		136		137		138		139		140		141		142		143	
144		145		146		147		148		149		150		151		152		153		154		155		156		157		158		159	
160		161		162		163		164		165		166		167		168		169		170		171		172		173		174		175	
176		177		178		179		180		181		182		183		184		185		186		187		188		189		190		191	
192		193		194		195		196		197		198		199		200		201		202		203		204		205		206		207	
208		209		210		211		212		213		214		215		216		217		218		219		220		221		222		223	
224		225		226		227		228		229		230		231		232		233		234		235		236		237		238		239	
240		241		242		243		244		245		246		247		248		249		250		251		252		253		254		255	

EnableBuyAlertSound / EnableSellAlertSound

These true/false parameters let you turn on/off the playing of the buy or sell alert WAV files "True" means the playing is enabled, "False" means the playing is disabled

BuyWAV / SellWAV

The WAV file name of the audible alert.

NOTE: Your WAV file must exist in the "Sounds" folder within your MT4 installation

Example for FXDD might be: **C:\Program Files (x86)\FXDD - MetaTrader\Sounds**

EnableBuyAlertPopup / EnableSellAlertPopup

Determines if you want to launch a popup window alert then a buy or sell signal occurs

PlotOnOpenOfBar

This true/false setting lets you control which bar gets the buy/sell chart marker.

NOTE: This indicator bases its buy/sell signal calculations on the close of each bar.

If you want the chart marker to plot on the bar that closed (the bar that generated the signal, otherwise known as the "signal bar"), then set PlotOnOpenOfBar to "false".

If, however, you want the chart marker to plot on the bar that starts immediately after the "signal bar", then set this parameter to "true".

It's important to remember that the forex market is not a centralized market like the New York Stock exchange (or other stock exchanges), or the Chicago Mercantile Exchange and other futures exchanges therefore prices from one broker to another can vary to a degree, even within the same country. In this case opening and closing prices of bars can also vary thus causing results for the system to vary from one broker to another. This is something beyond any one person's control. See the risk disclosure, terms, and disclaimer of liability for important information pertaining to all settings, rules, and results shown above.

Additionally market conditions, patterns, and volatility can change over time. Certain trading methodologies will often times need to be adjusted or modified in order to adapt to the changing conditions. This

is another reason why we encourage you to be discretionary when you trade.

We are confident that most forex traders have never come across such a versatile forex system as ClearFXSignals. Most strategies work only on one pair, because different pairs tend to behave differently from each other. This is not the case with ClearFXSignals. TAKE YOUR TIME to become familiar with the system. Even though we've provided input parameter settings and have displayed rules for the 1Hour (60 minute) time frame the system can be traded on MANY time frames and using different exit strategies than those that are outlined in this document, as ClearFXSignals is a flexible trading tool. There are a diverse number of trading styles depending on individual traders. ClearFXSignals was designed with versatility and the potential for profitability in mind!

If when opening this document you skipped down to see the mechanics of the system only, we want to encourage you to read the complete document especially the materials pertaining to the psychology of trading and managing trades. Even a winning system can be useless without applying wisdom and discipline and employing good management.

In Closing: Above are just a few of the countless combinations of rules and settings that can be used to trade the ClearFXSignals Forex System.

NOTE: We recommend trading using a demo/simulated account to become comfortable with the system.

Sincerely Wishing you the BEST trading success,

ClearFXSignals.com

Commodity Futures Trading Commission Futures, Options trading, and Forex trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures, forex and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures, stocks, options, forex currencies. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading system or methodology is not necessarily indicative of future results.

Due to the inherent risks of internet data transfer, data feed interruptions, rejected orders, etc., WeDirect, LLC cannot be held responsible for any order not properly processed. Trading these systems from a home computer must therefore be monitored at all times to ensure proper execution and it is understood to be totally dependent on the user's oversight of the system whether automated or manually traded.

RISK DISCLOSURE STATEMENT (CFTC Reg. Sec. 1.55)

The risk of loss in trading commodity futures, securities and forex can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware of the following points:

- (1) You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the commodity futures, forex, and stock market, and you may incur losses beyond these amounts. 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 time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
- (2) Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move").
- (3) Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, since market conditions on the exchange where the order is placed may make it impossible to execute such orders.
- (4) (4) All trading positions involve risk, and a "spread" position may not be less risky than an outright "long" or "short" position.
- (5) The high degree of leverage (gearing) that is often obtainable in trading because of the small margin requirements can work against you as well as for you. Leverage (gearing) can lead to large losses as well as gains.
- (6) (6) You should consult your broker concerning the nature of the protections available to safeguard funds or property deposited for your account.

ALL OF THE POINTS NOTED ABOVE APPLY TO ALL MARKET TRADING WHETHER FOREIGN OR DOMESTIC. IN ADDITION, IF YOU ARE CONTEMPLATING TRADING FOREIGN FUTURES, FOREX, STOCK, OR OPTIONS CONTRACTS, YOU SHOULD BE AWARE OF THE FOLLOWING ADDITIONAL RISKS:

- (7) Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, customers who trade on foreign exchanges may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as

funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarize yourself with the foreign rules which will apply to your particular transaction.

- (8) Finally, you should be aware that the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF THE COMMODITY MARKETS

CFTC REG SEC. 4.41 HYPOTHETICAL PERFORMANCE RESULTS DISCLOSURE

THESE RESULTS ARE BASED ON SIMULATED OR HYPOTHETICAL PERFORMANCE RESULTS THAT HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE THE RESULTS SHOWN IN AN ACTUAL PERFORMANCE RECORD, THESE RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, BECAUSE THESE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THESE RESULTS MAY HAVE UNDER-OR OVER-COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED OR HYPOTHETICAL TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THESE BEING SHOWN.

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"Fully automated trading of a strategy - automated trading that requires no confirmation of the decision to place the trade before it is placed - is a tool that should be used only by sophisticated, experienced traders who are very comfortable with computerized electronic trading. This feature is NOT designed to enable you to trade without paying close attention to your transactions on-screen as they occur, as situations may arise that require your prompt intervention. For example, in the case of short selling, your order may be rejected because of market short sale rules. You certainly would want to be aware of this when it happened and react as you deem appropriate. For another example, the buying power of your brokerage account may be insufficient to execute a trade that your strategy has triggered. You would want to be aware of this when it happened, so that you have the opportunity to modify your strategy to a lower share volume, provide additional funds to your account, or take other actions you deem

appropriate. Here is another example which illustrates a very important aspect of fully automating a strategy: IF YOUR STRATEGY REQUIRES PLACEMENT OF A LIMIT ORDER, AND A TRADE AT THAT PRICE OCCURS IN THE MARKET AT OR ABOUT THAT TIME, YOUR STRATEGY WILL ASSUME YOUR ORDER WAS FILLED, EVEN IF IT WAS NOT, AND PROCEED TO TRIGGER BUY OR SELL ALERTS ON THE PREMISE THAT THE ORDER WAS FILLED. If this occurred, you would likely want to have the opportunity to intervene as soon as possible to implement whatever trading decisions you deemed appropriate to address that situation. Conversely, there may be occasions when your strategy's order is filled before a superseding strategy order is placed (i.e., market movement causes your strategy to place an order to take the place of the one the strategy triggered a few moments before, not yet realizing that the first order has already been filled). Again, in a situation such as this, you likely want to be able to make a decision at that time about how to proceed with your trading decisions. Finally, data errors ("bad ticks") and other factors may cause unwanted orders or executions. These five examples are not intended to be exhaustive. There are likely several scenarios that could arise which may require prompt intervention and decision-making. IT IS YOUR RESPONSIBILITY TO MONITOR THE TRADING ACTIVITY IN YOUR ACCOUNT AT ALL TIMES.

The sole purpose of fully-automated trading is to increase the speed of the execution of your trading strategies. WeDirect, LLC strongly recommends that you do not use the fully automated trading system until you have used, for an extended period, and are comfortable with, the trading methodology or program in either live or demo/simulated mode at your own discretion. In particular, you should verify in advance, for each trading strategy you use, that the buy and sell alerts of the strategy are being generated based upon the rules and conditions you intended and that the strategy is, in general, operating as you intended it to operate. You should ensure that you are very comfortable about this before you automate your trade placement."

You agree to indemnify, defend and hold harmless WeDirect, LLC, its officers, directors, employees, agents, licensors, suppliers from and against all losses, expenses, damages and costs, including reasonable attorneys fees, resulting from any violation of this Agreement (including negligent or wrongful conduct) or loss of any kind, by you or any other person using the purchased program.

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This agreement covers proprietary information belonging to WeDirect, LLC ("WeDirect") that is made available or disclosed to the party signing this agreement (the "Recipient"). This information (referred to as the "Confidential Information") includes, but is not limited to, software products ("Software Products"), trading recommendations generated by the software, software source code ("Software Source Code"), documentation, and correspondences, all rights to which are owned or controlled by WeDirect, that have not otherwise been made publicly available by WeDirect. Confidential Information, however, does not include: (a) information generally available to the public; (b) widely used programming practices or algorithms, (c) information rightfully in the possession of the Recipient prior to signing this agreement.

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- 3.) Recipient is subject to all terms and limitations set forth in all separate software licenses provided by WeDirect to Recipient with the Software Source Code.

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This Agreement may be terminated by either party without notice at any time for any reason.

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