

# **Keltner Bells Day Trading Strategy**

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document.**

## How This Is Going to Work...

I like to break everything down into easy steps when trading forex so let's do that right here. Here is all you need to do:

1. Review this Keltner Bells Day Trading Strategy Guide. The beginning is some forex background. Familiar with forex? Skip to the page that has "Keltner Bells System"
2. Once you review the system it's time to set-up your charts. Whether you use MetaTrader 4, Tradestation, Ninjatrader or really most other trading platforms. Review the Video that shows us setting up the charts on a couple of these platforms – it's easy.
3. Start identifying the trades at the preset timeframes you are given in this Strategy Guide. This is one of the easier forex strategies out there to execute. You always have a crystal clear buy or sell. Always an exact target and stop, or if you choose what we call a dynamic target (more on that later)
4. Watch the Walkthrough videos I've put together for you -- This will ensure you've got the rules down and can start trading
5. Practice trade is suggested at least so you are sure you have all the rules down pat – then go for real money in the markets when you're ready. It won't take long.
6. Let the trades "Do what they are going to do." This is not a strategy where you should intervene much – just let the markets go through their flows – we win the far majority of the time – let the trades work themselves out.
7. We will email you with updates. We will check the performance monthly and ensure it stays consistent – if we have any changes to our settings and optimizations we will share those with you to ensure the strategy keeps performing. This is a free ongoing benefit!
8. Have questions? Feel free to contact us anytime

## **Understanding the Forex Market**

While the Forex market might seem complex, it is actually just a foreign exchange market. It is through this market that banks, companies and even travelers are able to conduct business on an international level by changing money. Simply put, it is purchasing one currency while selling another currency.

Profits are made in the Forex market through the value difference that exists between two different currencies. This is known as the exchange rate. Due to the fact that currencies are no longer bound to the gold standard, rates of exchange are constantly in a state of fluctuation. Speculators hope that by trading currencies one currency will gain in value over another currency. A small amount of money is used to leverage such trades by controlling much larger sums of money. Consequently, even a relatively small change in currency value can result in dramatic gains or losses.

While the stock market is frequently considered to be quite substantial, the Forex market accounts for an estimated \$3 trillion per day. This is actually several times larger than the New York Stock Exchange. Due to the fact that the Forex market is so large, it is also very liquid. At any given time there is typically an instantaneous seller or buyer for any of the major pairs of currency. Most trading is conducted for the purpose of profit. In reality, approximately 5% of all daily trades are conducted for the purpose of actually exchanging currencies for travel or business.

The Forex market is so massive; it is not possible to manipulate it. Although some of the most powerful central banks in the world have attempted to do so, they quickly learned otherwise. Such was the case in 1992 when the Bank of England utilized its own reserves to provide support for the pound against the rising Euro. Investors who made trades against the pound were able to overwhelm the Bank of England by their sheer numbers. In fact, there are rumors which suggest that one investor in particular, George Soros, managed to bring in a profit of some one billion dollars within the space of one day.

The Forex market is also completely virtual. In other words, there is no actual building where sellers and buyers are able to meet. All trading on the market is conducted online or over the telephone. It is possible for small investors to conduct trade through currency brokers; however, those brokers then place orders through much larger banks. Commissions on such trades are kept low and are actually built directly into the exchange rate, so there are no surprises.

There is an old cliché which states 'the sun never set on the British Empire.' To a degree, the same is true for the trading day on the Forex market. Unlike the stock exchange, the Forex market never really closes. The market first opens in Sydney, Australia at local Monday morning time and then continues to literally move with the sun across the globe to Tokyo and then on to Frankfurt, London and finally concludes in New York. However, even then, it is not really over because it then moves right back to Sydney. The market does finally close on Friday evening in New York. What this means for investors is that there is some type of currency which is available to be traded any given time of the day or night. Somewhere in the world there is a currency that is being traded actively. While it might be midnight in local time, opportunities still exist to make a profit on the Forex market somewhere in the world.

Such lengthy trading hours make it possible for investors to speculate regarding the results of world events as they are taking place-in real time. For instance, if a country makes an announcement that data will be released regarding economic decline or growth, this allows an investor to easily take advantage of such information, regardless of what it might be locally.

At one time, small investors were not able to take advantage of the Forex market. In many ways, it was quietly reserved for large corporations, banks and other important players in the world currency game. Due to a slate of new laws that were introduced in 2000 however, the Forex field was opened to everyone. Now, small investors and traders can start off with trading accounts for as little as \$250.

## **The Basics of Forex Charts**

In understanding the basics of Forex trading charts, it is important to understand that each currency pair is quoted in the same manner. For instance, you will always see the EURUSD currency pair written as EURUSD. What this means is that the base currency is EUR and the terms currency is USD.

Consequently, if the chart reflects a current price of EURUSD at about 1.2155; what this means to you as an investor is that 1 EURO can be used to purchase approximately 1.2155 US dollars. It should also be understood that the trade size is the amount for the base currency that is being used for trading purposes.

Keeping to the same example, if you wish to purchase 200,000 EURUSD, you would be purchasing 200,000 EUROS.

If you purchase a currency pair, this means you are long on the position or that you think the chart for that currency pair will increase. Put another way, your goal is for the base currency to gain strength against the terms currency. Once again, keeping to the same example, with the EURUSD, the Euro would gain in strength against the USD.

Alternately, if you were to sell the currency in order to shorten the position, this would mean you expect the currency pair chart to decline in order to make a profit. In other words, you expect the base currency to actually weaken against the terms currency.

## **Understanding Bars Charts**

By far, the most common types of price bars which are utilized in Forex trading are the Candlestick chart and the Bar chart.

In these representations, price bars represent a period of time through a line or linear representation. This makes it possible for the user to see a graphic representation which summarizes activity over a specified period of time. Each bar on the chart offers similar characteristics. This makes it possible for the user to glean several pieces of important information regarding that time frame. These pieces of information include:

H = Highest Price  
L = Lowest Price  
O = Opening Price  
C = Closing Price

The highest point seen on the bar is representative of the highest price that was obtained during that specific time period. The lowest point on the bar is representative of the lowest price that was obtained during that specified time period. Regular bars are also utilized to represent opening price period with small dots located to the left of the bar. Small dots to the right of the bar are used to notate the closing price during that time period.

Example:



## Candlestick Charts

Candlestick charts, also sometimes known as Japanese Candlestick charts, are also utilized to visually represent the same type of information as is presented on Price bar charts. The sole difference between the two is that on a Candlestick chart the opening and closing display a box, in which there is a color display. When the color inside the box is red, this indicates the closing price was lower than the opening price. When the color inside the box is blue, this indicates the closing price was higher than the opening price.

If the box depicts a line that goes upward from the box, this indicates a high and is known as the wick. On the other hand, if the box depicts a line going downward, this indicates a low and is known as the tail.



### **Understanding Time Frames and Chart Intervals**

A time frame, also known as a chart Time Scale and Period, is used to indicate the amount of time that takes place between the opening and closing of a candlestick or bar. Most Forex charts show a bid price instead of an ask price. Keep in mind that prices are always quoted with a bid as well as an offer or ask. For instance, the current price for EURUSD might be 1.2055 bid and the ask or offer could be 1.2058. When you are ready to purchase, you do so at the ask price. This is the higher of the two prices noted in the spread. When you are ready to sell, you sell at the bid price. This is the lower of the two prices in the spread.

The spread between the prices is simply the difference that exists between the bid price and the ask price. The spread is also measured in a term known as a pip. A pip is the smallest unit in which a currency may be traded. The actual pip value is not a set price. This is important to keep in mind. For instance, suppose you are trading EURUSD and a pip has a value of \$10. If you

were trading a small lot of EURUSD, then the pip would have a value of \$1. There are some brokers that will allow for what is known as an incremental pip, which is a fraction of a pip.

It always important to keep in mind that although the Forex market does allow for more leverage in terms of the funds that you actually possess, there can be a downside to this. While it is possible to earn profits on leveraged funds (more funds than you actually own), your losses can also be amplified. This is why it is imperative that you take the time to educate yourself regarding the best time to enter as well as exit the market. You must also learn to anticipate all types of movements on the market.

Remember, it is never a good idea to place all of your bets in one basket, so to speak. The best bet is to always trade in a conservative manner; both psychologically as well as monetarily. Simply put, if you are not certain about leveraging your investments and your risk-tolerance, it is crucial that you speak with your broker before making any trades.

## **Trading Psychology**

When it comes to trading, the most important thing to keep in mind is self-discipline. This is crucial as both profits and losses can be enormous in this market. More than three trillion dollars exchanges hands in this market daily. It is possible to profit from this exchange of currencies, if you are able to control three critical emotions that frequently tend to lead to clouded judgment and often result in lost profits. Those emotions are, "Greed" "Fear" and "Hope".

Given a proper investment strategy, the Forex market makes it possible to earn a tidy profit. With that said, greed always comes into play in any human effort and this is no less true when it comes to investing. Greed results in one of the oldest problems in investing-overtrading. Whenever a trader engages in overtrading, there is a tremendous potential to risk far too much, hold a good position for too long or enter the market too late and find oneself in a losing position. Greed can also quickly cloud one's judgment; perhaps faster than anything else. Homework and self-discipline

however, can help you to keep both your focus as well as your profits.

Trading in a simulated account environment is a great way to learn the ropes of the market, but it is important to make sure you use the same position and psychology as you would when trading in a live account.

Another emotion which is commonly seen in investing is fear. Fear is actually quite predictable and can result in panic selling. Fortunately, we can always rely on the market to correct itself. The key is to remain calm and remain with your chosen trading method. Trading in a demo or simulated account before using trading methods is a great way to eliminate fear. You can be certain you know precisely what to expect as you watch trades play out-in real-time.

Hope is certainly something everyone can use a healthy dose of. In terms of investment however, hope can sometimes cause us to make mistakes. This is particularly true when it comes to staying with a position for too long. There are definitive exit points and it is crucial that you stick with them. In the end, the numbers will not ever lie to you. By making use of a stop loss exit that is pre-determined, you can protect against dangerous false hopes and ensure that a losing position does not turn against you. Whether you are working with a live account or a demo account, make certain you are always honest with yourself. Remember, only you are responsible for your actions.

Fortunately, while the market may at times be driven by emotions, the market can also be rather easily predicted. This is precisely because the market is always driven by the same human emotions. You can use these basic tips to keep your profits up:

First, tune out noise. Short-term factors can definitely affect profits in the long-term, particularly if you make the mistake of making investment decisions that are rash. Never allow interruptions to affect you when you are trading. Make sure you are free from any and all other obligations during trading times.

Also, choose a trading strategy and stick with it. Of course, this certainly does not mean you should ignore reality, but it does mean that you should not allow your strategy to waver based on every little thing you hear or read.

Regardless of how you approach the Forex market, keep in mind that the most important factors in your ultimate success is self-discipline.

# **Keltner Bells Day Trading System:**

The Keltner Bells day trading method is a Forex trade that happens at the same time each and every day using two of the most common indicators used in Forex trading... the MACD and a Bollinger Band.

While I will outline a very specific entry and exit that has yielded over 84%\* profitable trades over the last 5 years trading EVERY day, and over 87%\* profitable trades over the last 5 years of backtesting trading nearly every day\*, keep in mind that the trader has the liberty to make adjustments to the method discretionarily. You'll even find in our recent trading results we've actually surpassed this!

We recommend the EURUSD for this trade. Why EURUSD? The EURUSD is extremely liquid and usually has among the tightest pip spreads of any pair.

If you do use the KELTNER BELLS day trading method on pairs other than the EURUSD then you will likely want to use different Trading Times and perhaps different pip amounts for the target and stop loss. You may want to even adjust the MACD and Moving Average settings. More advanced traders can experiment with this at their own discretion, but the following information pertains only to the EURUSD currency pair, as the system was designed for the EURUSD.

## **The 1:00am (New York Time) EST System:**

**The Trade Happens at 1:00am EST (New York Time) AND 8:00am EST (New York Time) every day. There is another trade outlined below that happens at 9:40am/9:45am EST (New York Time) nearly every day, which will give any trader an opportunity to trade, but for now we'll discuss the primary system – just think only 2 times in 24 hours you'll ever need to even think about placing a trade – easy!**

**IMPORTANT:** If you are in a time zone other than EST (New York Time) you will need to adjust the trade time by the number of hour's difference your time zone is. For example: If you are in a time zone that is 3 hours behind New York then the trade occurs at 10:00pm YOUR time which is 1:00am EST (New York time). If you're in a time zone that is 6 hours ahead of New York then the trade occurs at 7am, etc, etc. Just **make sure you have calculated the correct time that matches 1:00am EST (New York Time). Make sure you have calculated the correct time that matches 1:00am EST (New York Time).**

Every trade is taken at that time each day.

It's easy – just check the time in New York and adjust your time zone. For example, 1:00am New York Time is 5:00am GMT at the time I'm writing this – 8:00am is 12:00pm GMT. That can change based on daylight saving but just twice per year.

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

### **SETTING UP THE CHART – 1:00am EST KB System:**

Apply a MACD and a Bollinger Band Indicator to a 15 minute EURUSD chart. NOTE: (20 minute charts work as well if your trading platform charts in that interval – MetaTrader does not for example so stick to the 15 minute which works great)

We have three ways you can exit your trade. The first is what we consider our "Dynamic Exit" – you are going to exit at the upper or lower Bollinger Band, with a minimum number of pips of profit (or more)

The second and third way are perhaps the easiest to trade – a fixed target and a fixed stop. You just set them, and forget them. One is more aggressive, one is more conservative with its profit targets.

All three work great but you'll want to decide what works best for you. I've provided you the results the last 12 months to also help

you decide. Clearly the first option is the most dynamic and 'in-tune' with the market conditions of that day but does require some monitoring of the market. If that isn't something you want to do then opt for the second or third fixed target settings.

**REMINDER:** As a big bonus to you – we will email you whenever we change any of these settings – if we find better settings or the markets change in the coming months/year we'll let you know first! Then you just change the settings (takes a minute or two) and let the results keep happening.

### KB Dynamic System Settings:

- 1) Change the default settings of the MACD indicator to:  
Fastlength=16 (Fast EMA in MetaTrader 4), Slowlength=20  
(Slow EMA in MT4), MACDlength=2 (MACD SMA in MT4)
- 2) Add a Bollinger Band to the chart and change the default settings to the following: Bollinger Length = 19, NumDevsUp = 2, NumDevsDn=-1.1 (MT4 users do not need to change the Bollinger NumDevsUp and NumDevsDn).
- 3) You will take a minimum profit of 23 pips and up to 68 pips – see below for more details

### KB Aggressive Fixed Target System Settings:

- 1) Change the default settings of the MACD indicator to:  
Fastlength=12, Slowlength=16, MACDlength=2
- 2) Add a Bollinger Band to the chart and change the default settings to the following: Bollinger Length = 17, NumDevsUp = 2, NumDevsDn=-1.1 (MT4 users do not need to change the Bollinger NumDevsUp and NumDevsDn).
- 3) You will take +60 Pips Profit

### KB Very Aggressive Fixed Target System Settings (same as above just larger fixed target)

- 1) Change the default settings of the MACD indicator to:  
Fastlength=12, Slowlength=16, MACDlength=2
- 2) Add a Bollinger Band to the chart and change the default settings to the following: Bollinger Length = 17, NumDevsUp

= 2, NumDevsDn=-1.1 (MT4 users do not need to change the Bollinger NumDevsUp and NumDevsDn).

3) You will take +80 Pips Profit

Let's take a look at the trading results of the three Exit Strategies so you can decide which is best for you:

	Dynamic System BB Exit 1:00am EST	Aggressive Fixed Target 1:00am EST	Very Aggressive Fixed Target 1:00am EST
December, 2012	0	82	244
November, 2012	88	146	-46
October, 2012	101	238	276
September, 2012	267	144	-52
August, 2012	273	269	72
July, 2012	95	300	196
June, 2012	104	219	418
May, 2012	52	-107	-66
April, 2012	192	112	211
March, 2012	146	360	239
February, 2012	3	-220	-176
January, 2012	44	176	357
Total Pips	1,365	1,719	1,673
Wins	100	67	54
Losses	25	23	39
Winning Percentage	80%	74.44%	58.06%
Drawdown	-248	-400	-372

The results above are in Pips profit. For example, in August, 2012 the Full System Dynamic Exit had +273 pips. Trading one full size EURUSD lot would be 273 pips x \$10/lot = \$2,730 profit.

## ENTERING THE TRADE:

At the close of the Trade Time bar (the 1:00am New York time bar) if the MACD fast line is above the slow line then BUY LONG on the open of the very next bar. If the MACD fast line is below the slow line then SELL SHORT on the open of the very next bar. Yes, it's that simple!

NOTE: If you're using an MACD that has a histogram then the signal is when it is above or below the zero line. (Reminder: Watch the Walkthrough Videos you have access to – this way you can see me identify this right on the charts)

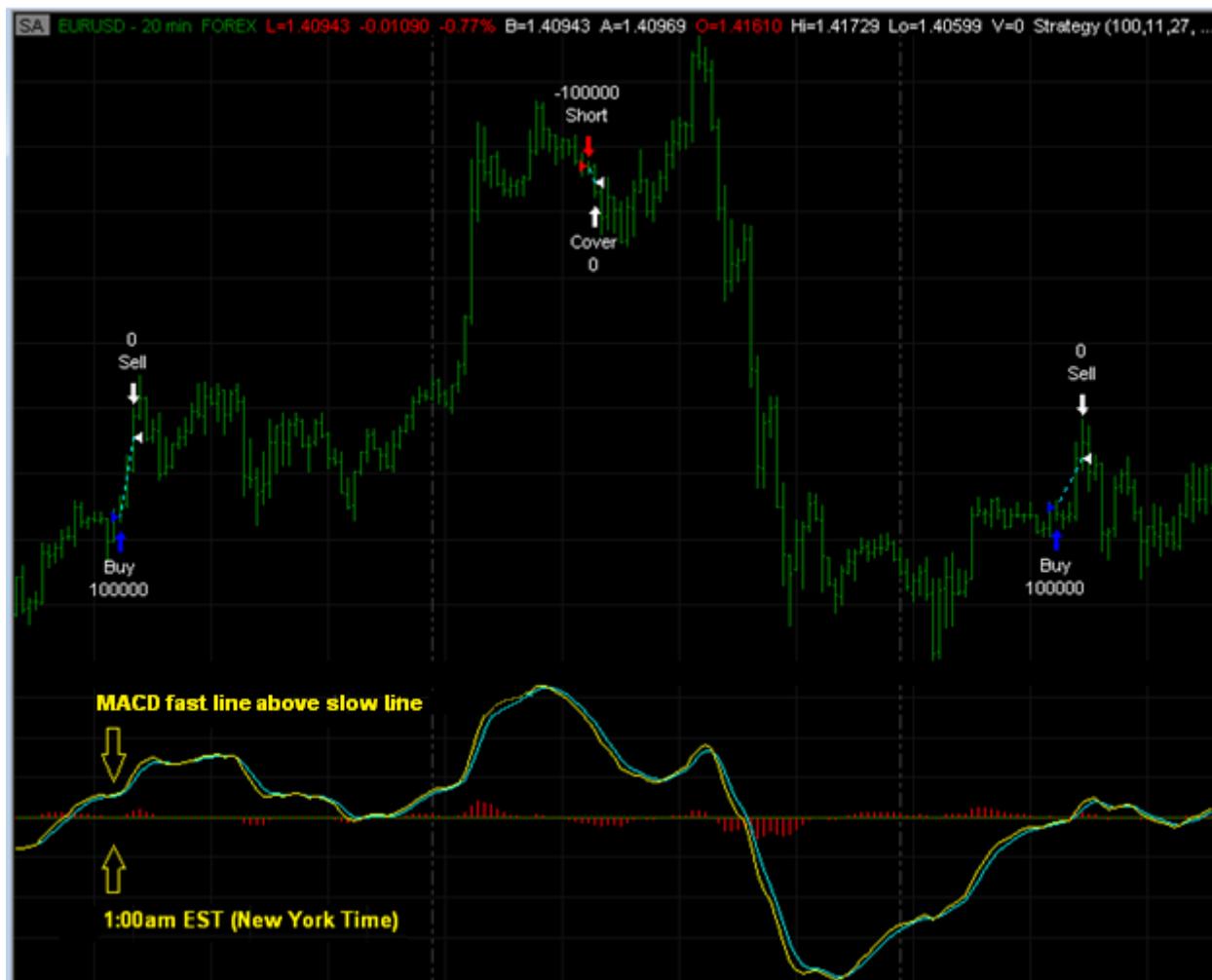
Here's an example in MetaTrader 4. Buy Signal is when the MACD is greater than the Signal line value at the 1:00am EST bar close (in my example this MT4 broker trades in GMT time so the 4:45am GMT bar closes at 5:00am GMT which matches the 1:00am EST) You can see the MACD is 79 > 71 of the Signal Line value



Here's an example in MetaTrader 4. Sell Short Signal is when the MACD is less than the Signal line value. Here you can see the MACD -90 < -87 the Signal Line Value so a short (since a negative 90 is less than a negative 87)



## EXAMPLE CHART AND TRADES - Tradestation:



The signal works the same way on Tradestation, Ninjatrader or other platforms. Here we are just looking for the Fast Line (MACD) > Slow line (MACD Average) for a buy – that's what they call it in Tradestation for example. See walkthrough videos for more examples.

## Bollinger Band Entry Verifier:

For a trade with even more profit potential the Bollinger Band is used to confirm entry. You could choose to not use this filter and get excellent results but we find it gives us a higher percentage of winners, and lowers the drawdown.

Use the same entry rules outlined above except only buy long when the MIDLINE (Average line) of the Bollinger Band is going UP and only sell short when it's going down. Although this will filter out some trades this added criteria can increase the accuracy and profit potential of the trade.

It's a super simple additional entry filter that smooths out your equity/profits. Like I mentioned, you could disregard and get more trades and excellent results but I like to keep my odds of success as high as possible so I like this entry filter.

## EXAMPLE with Bollinger Band:



## **Option #1: EXITING THE TRADE - KB Dynamic Exit Settings**

Exiting the Keltner Bells day trading method is a two-part process if you use the Dynamic Exit. If you are choosing the easier exit – the aggressive fixed target or very aggressive fixed target exit just move to the Exiting the Trade section for the fixed exits just below where it's a “set and forget” exit:

- 1) Profit Target and Stop Loss:** As soon as the trade is entered use a 68 pip profit target and a 72 pip stop loss for both long and short positions.
- 2) Bollinger Band Exits:** If a LONG open position is PROFITABLE and the Current Price touches the UPPER BAND of the Bollinger then sell but make sure you have a minimum of 23 pips of profit. If a SHORT open position is PROFITABLE and the Current Price touches the LOWER BAND of the Bollinger, and you have at least 23 pips profit then exit/cover.

If it reaches the Bollinger band and you do not yet have the minimum of 23 pips profit – make sure you just set your target to achieve those 23 pips. We do not want to settle for less on any trade.

So one of three things will happen: The trade will hit the target (+68 pips), the stop loss, or exit if the price touches the upper/lower Bollinger Band with at least +23 pips profit.

In the event that the trade is open till the following 1amEST entry then the trade is simply left open until the target or stop or first profitable bar occurs.

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

That's it... it's that simple. We've backtested this system at over 80% profitable over an 8-year period and over 2000 trades\*

## **Option #2: EXITING THE TRADE - KB Aggressive Fixed Target Exit**

This plan we do not use the Bollinger Band for exit so you can place your Target and Stop as soon as you have entered the market and walk away:

- 1) Profit Target and Stop Loss:** As soon as the trade is entered use a +60 pip profit target and a 92 pip stop loss for both long and short positions.

In the event that the trade is open till the following 1am entry then the trade is simply left open until the target or stop or first profitable bar occurs.

This Trading Plan is a true "set and forget" -- you do not have to monitor once placed.

## **Option #3: EXITING THE TRADE - KB Conservative Fixed Target Exit**

This plan we do not use the Bollinger Band for exit so you can place your Target and Stop as soon as you have entered the market and walk away:

- 1) Profit Target and Stop Loss:** As soon as the trade is entered use a +80 pip profit target and a 62 pip stop loss for both long and short positions.

In the event that the trade is open till the following 1am entry then the trade is simply left open until the target or stop or first profitable bar occurs. As above, this one is also set and forget compared to Plan #1.

## **The 8:00am (New York Time) EST System:**

### **SETTING UP THE CHART – 8:00am EST KB System:**

Great news! Everything above applies – the rules are exactly the same. All you need to know are the settings for the MACD and Bollinger Band plus the exit parameters and you're done. So let's get those covered here:

KB Aggressive Target System:

- 1) Change the default settings of the MACD indicator to:  
Fastlength=12 (Fast EMA in MT4), Slowlength=40 (Slow EMA in MT4), MACDlength=2 (MACD SMA in MT4)
- 2) Add a Bollinger Band to the chart and change the default settings to the following: Bollinger Length = 17, NumDevsUp = 2, NumDevsDn=-1.1 (MT4 users do not need to change the Bollinger NumDevsUp and NumDevsDn).
- 3) You will take a profit of 60 pips

For Entry we do NOT use the Bollinger Band Entry Verification Filter Here

KB Conservative Fixed Target System Settings:

- 1) Change the default settings of the MACD indicator to:  
Fastlength=8, Slowlength=40, MACDlength=6
- 2) Add a Bollinger Band to the chart and change the default settings to the following: Bollinger Length = 17, NumDevsUp = 4, NumDevsDn=-1.1 (MT4 users do not need to change the Bollinger NumDevsUp and NumDevsDn).
- 3) You will take +16 Pips Profit

For Entry we DO use the Bollinger Band Entry Verification confirmation explained above in the 1:00am EST system

Let's take a look at the trading results of the two Exit Strategies so you can decide which is best for you:

	Aggressive	Conservative
	Fixed Target	Fixed Target
Month	8:00am EST	8:00am EST
December, 2012	50	-86
November, 2012	102	126
October, 2012	109	45
September, 2012	213	111
August, 2012	-172	206
July, 2012	380	256
June, 2012	-68	5
May, 2012	230	70
April, 2012	256	215
March, 2012	330	142
February, 2012	-258	-168
January, 2012	250	142
Total Pips	1,422	1,064
Wins	111	163
Losses	63	19
Winning Percentage	63.79%	89.56%
Drawdown	-340	-280

The results above are in Pips profit. For example, in August, 2012 the Full System Dynamic Exit had +231 pips. Trading one full size EURUSD lot would be 231 pips x \$10/lot = \$2,310 profit.

### **Option #1: EXITING THE TRADE - KB Aggressive Fixed Target Exit**

This plan we do not use the Bollinger Band for exit so you can place your Target and Stop as soon as you have entered the market and walk away:

**Profit Target and Stop Loss:** As soon as the trade is entered use a +60 pip profit target and a 82 pip stop loss for both long and short positions.

In the event that the trade is open till the following 8am EST entry then the trade is simply left open until the target or stop or first profitable bar occurs.

## **Option #2: EXITING THE TRADE - KB Conservative Fixed Target Exit**

This plan we do not use the Bollinger Band for exit so you can place your Target and Stop as soon as you have entered the market and walk away:

**Profit Target and Stop Loss:** As soon as the trade is entered use a +16 pip profit target and a 82 pip stop loss for both long and short positions.

In the event that the trade is open till the following 1am entry then the trade is simply left open until the target or stop or first profitable bar occurs.

## **BONUS Trade SYSTEM (Occurs at 9:40am EST or 9:45am EST nearly every day):**

### **Setting up the Chart:**

Apply an 18 period/length Simple Moving Average indicator to a 10 minute EURUSD chart (if you start at 9:40am EST)

**NOTE: You may use a 15 minute chart if you choose but in this case the trade is entered at the close of the 9:45am bar as opposed to the close of the 9:40am bar.**

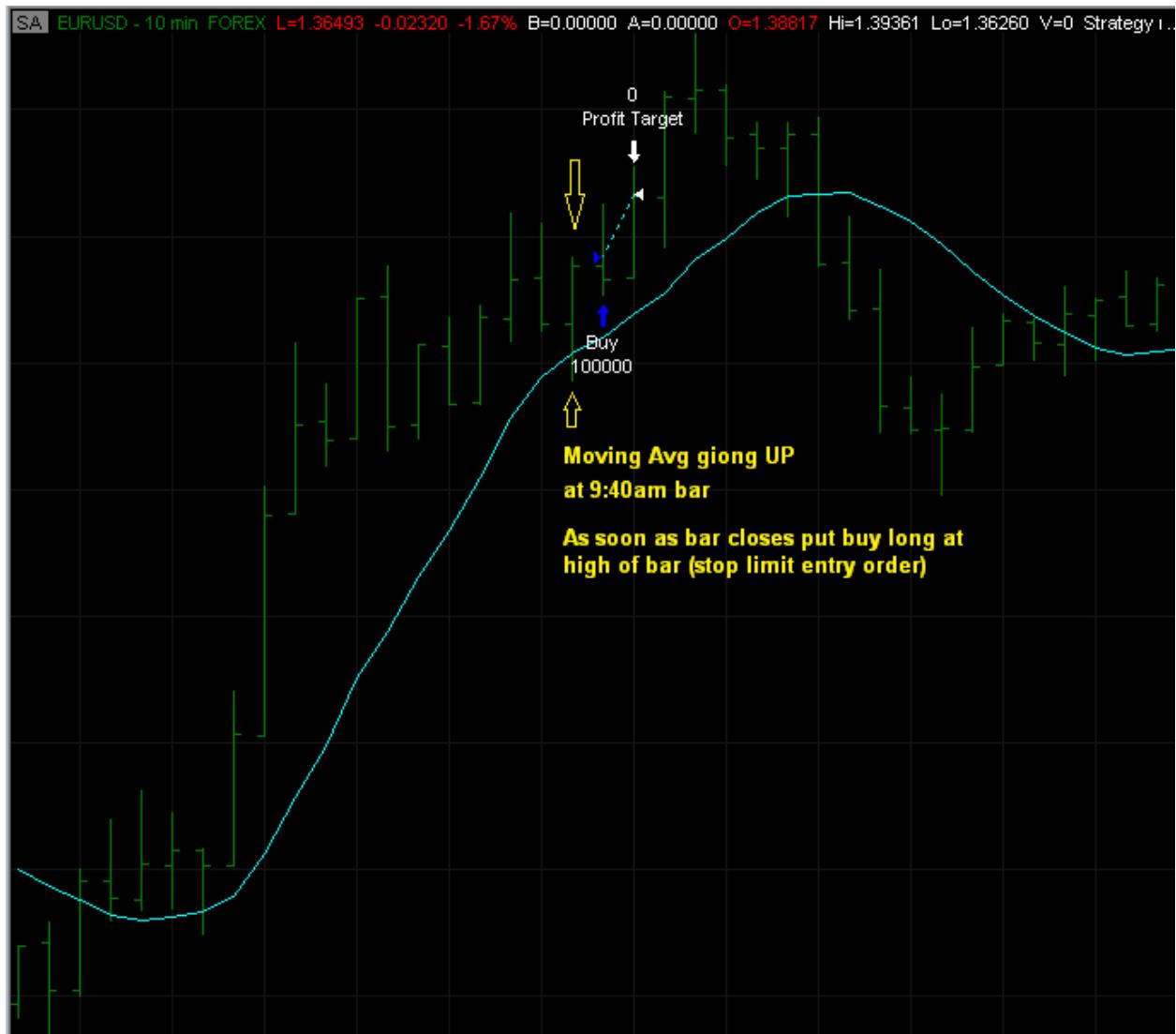
### **ENTRY:**

At the close of the 9:40am EST bar (or 9:45am EST if 15 minute chart) if the Moving Average line is going UP then on the open of the next bar put a stop entry BUY LONG order at the HIGH of the 9:40am bar (or 9:45am) and if the Moving Average line is going DOWN then on the open of the next bar put a stop entry SHORT SELL order at the LOW of the 9:40am bar (or 9:45am).

### **EXIT:**

If the entry is triggered and you are in an open position then set a 10 pip target and a 15 pip stop loss OR a 15 pip target and a 25 pip stop loss depending on if the market seems to really be moving. More advanced traders can use different targets and stop loss levels or other indicators/means of exit.

### **EXAMPLE CHART AND TRADES:**





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

Good Trading,

Mark Soberman  
NetPicks.com

## **More Forex Symbols:**

EUR/USD: Euro / US Dollar (this is the one we recommend for this system) You can certainly test other currency pairs but you'll likely need to modify the start times and targets/stops. If we get great results from other pairs in our testing we will email you updates and let you know exactly what we're doing. For now, focus on the EURUSD – the spreads are very small, the liquidity is great and the results have been dependable.

USD/JPY: US Dollar / Japanese Yen

GBP/USD: British Pound / US Dollar

USD/CHF: US Dollar / Swiss Franc

USD/CAD: US Dollar / Canadian Dollar

AUD/USD: Australian Dollar / US Dollar

EUR/JPY: Euro / Japanese Yen

EUR/CHF: Euro / Swiss Franc

GBP/CHF: British Pound / Swiss Franc

GBP/JPY: British Pound / Japanese Yen

CHF/JPY: Swiss Franc / Japanese Yen

NZD/USD: New Zealand Dollar / US Dollar

USD/ZAR: US Dollar / South African Rand

USD/GRD: US Dollar / Greek Drachma

USD/SEK: US Dollar / Swedish Kroner

USD/NOK: US Dollar / Norwegian Kroner

USD/DKK: US Dollar / Danish Kroner

USD/FIM: US Dollar / Finnish Markka

USD/NLG: US Dollar / Dutch Guilder

USD/MXN: US Dollar / Mexican Peso

USD/BRL: US Dollar / Brazilian Real

USD/IDR: US Dollar / Indonesian Rupiah

USD/HKD: US Dollar / Hong Kong Dollar

USD/SGD: US Dollar / Singapore Dollar

USD/CZK: US Dollar / Czech Kroner

**\*Important Conditions/Terms, Risk Disclosure, Liability Disclaimer Information:**

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., NetPicks 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 these automated trading systems. To ensure that this risk is acceptable to the user, a document stating same must be signed and returned, absolving NetPicks from any liability from trade aberrations.

**RISK DISCLOSURE STATEMENT (CFTC Reg. Sec. 1.55)**

The risk of loss in trading commodity futures contracts 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 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) All futures 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 futures 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) 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 FUTURES TRADING WHETHER FOREIGN OR DOMESTIC. IN ADDITION, IF YOU ARE CONTEMPLATING TRADING FOREIGN FUTURES 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 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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You agree to indemnify, defend and hold harmless NetPicks , 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.

## Confidentiality

This agreement covers proprietary information belonging to NetPicks 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 NetPicks, that have not otherwise been made publicly available by NetPicks. 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.

The Recipient agrees to hold the Confidential Information in strict confidence and shall not disclose such information to any third party without the prior written permission of NetPicks. The Recipient also agrees to employ all steps necessary to protect the Confidential Information from unauthorized disclosure or use, including without limitation, all steps the Recipient uses to protect information they consider proprietary or a trade secret.

The Recipient shall refrain from directly or indirectly acquiring any interest in, or designing, creating, manufacturing, selling or otherwise dealing with any item or product containing the Confidential Information received by Recipient under this agreement. The Recipient acknowledges and agrees that any Software Source Code and Software Products received under this agreement, and any Software Products derived or compiled from the Software Source Code, are subject to the following limitations:

1.) Recipient may use the Software Products only on the TradeStation platform. Use on all other operating systems is expressly forbidden by this agreement.

2.) Recipient may not grant rights to use the Software Source Code or Software Products to any other individual or entity. Usage of these is limited to the Recipient signing below.

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

This agreement shall be governed by and construed in accordance with the laws of the United States, and state of Texas.

NetPicks provides the Confidential Information on an AS IS basis and is not responsible for any loss or damages arising from the use of the Confidential Information made available under this agreement. Neither party of this Agreement may assign this Agreement or any rights or obligations under it, without prior written consent by both parties, and any attempt to do so is void; neither grants the other any licenses under any patents or copyrights.

#### Termination.

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

This Agreement shall survive any termination of this Agreement and be governed and construed in accordance with the laws of The United States of America applicable to agreements made and to be performed in The United States of America. You agree that any legal action or proceeding between NetPicks, it's owners and/or operators and you for any purpose concerning this Agreement or the parties obligations hereunder shall be brought exclusively in a federal or state court of competent jurisdiction sitting in the State of Texas in The United States of America, unless otherwise decided by NetPicks, it's owners and/or operators. Any cause of action or claim you may have with respect to the Service must be commenced within one (1) year after the claim or cause of action arises or such claim or cause of action is barred. NetPicks, it's owners and/or operators failure to insist upon or enforce strict performance of any provision of this Agreement shall not be construed as a waiver of any provision or right. Neither the course of conduct between the parties nor trade practice shall act to modify any provision of this Agreement. NetPicks, it's owners and/or operators may assign its rights and

duties under this Agreement to any party at any time without notice to you.