

**Blox Trading University**  
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Eight Week Nuts and Bolts of FOREX Trading General Course Outline

**Suggested Reading Material:**

The Disciplined Trader: Developing Winning Attitudes By Mark Douglas

Trading For A Living: Psychology, Trading Tactics, Money Management By Dr. Alexander Elder

Series 3 Study Guide: [http://www.nfa.futures.org/forex\\_training/content/CoverPage.htm](http://www.nfa.futures.org/forex_training/content/CoverPage.htm)

Series 34 Study Guide: <http://www.series34exam.com/study-guide/>

Website References:

[www.bloxtrading.com](http://www.bloxtrading.com)  
[www.stockcharts.com](http://www.stockcharts.com)  
[www.babypips.com](http://www.babypips.com)  
[www.forexfactory.com](http://www.forexfactory.com)  
[www.fxcm.com](http://www.fxcm.com)  
[www.esignal.com](http://www.esignal.com)  
[www.nfa.futures.org](http://www.nfa.futures.org)  
[www.mataf.net](http://www.mataf.net)

...and assorted additional sites

Assorted articles provided for your review by the instructor and your classmates

**Educational Format:**

Class room will be:

45 minutes to 1 hour – 10:30 to 11:30am  
2 days per week – Mondays/Wednesdays  
8 weeks

Trade room format will:

Provide open and free flow of ideas  
Be Ad hoc in nature  
Require the trader to actively apply educational lessons

Educational points can be categorized into five main topic areas:

Technical  
Fundamental  
Preparation  
Psychological  
Regulatory

## **Educational Format continued**

Course time might vary based upon content, questions, or current day trading activity. Additionally, educational points will all be addressed throughout the duration of the course. The emphasis and time allotted for each will vary from session to session. Additional educational points will be addressed in a timely manner in the trade room.

## **Class Participation**

Should reflect a conscious effort to understand the material, including:

- Concepts presented in the reading material
- Information provided through article reviews
- Ad hoc learning opportunities
- Topical news stories
- Offering insightful evaluation of the markets
- Observations which are relevant to the course material

Students are expected to be prepared and able to offer insight regarding:

- Topical news stories
- Fundamental analysis
- Technical analysis
- Well thought out and constructive comments
- Constructive opinions which further the action in the trading room

## **A good mindset to have concerning feedback in the trade room would be:**

1. **ANALYZE** – In the process of developing a trading strategy, analyze the general market place and be able to evaluate from a macro to a micro level. Understand which way the tide, waves, and ripples are flowing.
2. **IDENTIFY AND ISOLATE** – Identify the major issues in the Forex market and relate them to prudent trading decisions. Attempt to relate them to current teaching materials.
3. **EVALUATE** – Evaluate the major issues in the macro economic environment, and how they ultimately effect, are affected by, the Forex market. More importantly, understand how the news affects specific currency pairs.
4. **RECOMMEND AND SUGGEST** – Offer insightful solutions and suggestions to a problem or a concern facing a specific currency pair in the marketplace.
5. **QUESTION** – Generate 2 questions per day which are open to the teaching environment. Answers can be provided by the instructor, or other traders.

## **EVALUATION PROCESS**

The process of evaluation will be on going. All traders will be evaluated on numerous factors regarding their performance. Some of the measures will be subjective while others will be objective. Obviously it is the goal of all traders to make money. Providing a return on the investment of capital is paramount to the success of any trader. Additionally, traders will be evaluated on their work ethic, desire, ability to adapt and learn new concepts, and how well they are able to manage risk (while providing return).

### **Traders will:**

Be provided with a Google doc worksheet to provide their daily profit and loss for trading  
Meet with the head traders regularly to evaluate their progress  
Be expected to provide a “State of the Trade” document summarizing their weekly performance  
Be placed on the “Audit Clock” once they, and the head traders, are in agreement to do so  
Be evaluated on their month to month returns via an external audit of their accounts

### **Traders will be evaluated regarding how:**

Composed they are in challenging situations  
They deal with losing days  
They deal with winning days  
How they interact with their peers  
Effective their research is, and their ability to act upon their findings

### **Traders will also be evaluated regarding:**

The validity of their individual trading strategy  
The “evaluation” of their trading strategy  
The implementation of their trading strategy

## **BASIC GOALS AND LIMITS TO BECOME A SUCCESSFUL TRADER**

While progressing through the educational curve, it is important to remember that the primary goal is to work towards becoming a fund manager with our partner firm Chicago Global Capital LLC. The process includes providing systematic returns, while minimizing the risk associated with trading. As a result, it is highly recommended that all traders enter into the process with a clear understanding of what they are willing to risk, and/or what the limits to losses will be.

As stated earlier, the time invested in the trading room is a means to an end. As traders become more proficient at trading, they can choose to start what is referred to as the "Audit Clock". We refer to the Audit Clock as the time when the auditing process begins on the account of the trader. The audit process is crucial to providing verifiable returns of the trader. It is important to note that once the Audit Clock starts, the evaluation process **MUST** provide consecutive months of returns. For example, we would be unable to evaluate returns for a trader who presented returns for November, January, and February.

At Blox Trading LLC, we understand that each trader is unique in their trading style, and their risk/reward parameters. Obviously, just as there different trading styles, there will be differing returns. General suggestions for a successful trader can be found below.

### **General Suggestions:**

**Number of Trades:** Traders are reminded that they can feel free to trade as often or as little as they prefer. It is important to remember to trade when the markets present opportunity to do so, not because he/she feels obligated to make a certain number of trades. Generally a trader, who is placed on the fund manager track, will place approximately 60 or more trades per month, or three round turns per day. In general, we feel that the 60 or more trades per month threshold is an appropriate amount of trades in the Forex marketplace concerning prudent risk management strategies. Your trading style might dictate differently.

**Monthly Draw Down:** All traders will loose money at some point in their trading careers. It is crucial to not let this draw down become excessive. A trader who experiences a 15% or greater draw down for a month will be required to re-set the Audit Clock. Meaning once a trader reaches the 15% monthly draw down threshold, they begin the audit process on their account anew.

**Daily Draw Down:** All traders will loose money at some point during a trading day. It is crucial to not let this draw down become excessive and wipe out a month of work. A trader who experiences a 5% or greater draw down for a day will be required to re-set the Audit Clock. Meaning once a trader reaches the 5% daily draw down threshold, they begin the audit process on their account anew.

The above suggestions are not designed to provide a binding agreement between the trader, Blox Trading LLC, and Chicago Global Capital LLC. The suggestions are designed to offer the trader some guidance and direction regarding the path to become a Currency Fund Manager. Some traders will not be invited into the Fund Manager Program, despite their audited track record

## **LEARNING OUTCOMES**

### **Goal:**

It is the goal of Blox Trading to present a curriculum that is dynamic in nature, and prepares the soon to be fund manager the opportunity to learn many different facets of the trading and investment industry.

Learning outcomes include, but are not limited to: technical analysis, fundamental analysis, market mechanics, trader psychology, and above all prudent risk management strategies. An additional goal is for the newer trader to have a topical overview of the economic landscape which comprises the global marketplace.

Ultimately, the trader should have a better understanding of the global marketplace, a greater understanding of self, and the ability to trade currencies in the Forex marketplace. Ultimately, this should allow the trader to actively trade in a manner that is befitting to the risk/reward parameters and personality of the trader.

It is NOT the goal of Blox Trading to have a room full of traders trading with similar risk/reward parameters and styles. Each trader will be able to leverage their own skills and abilities, ultimately allowing them to trade within their own comfort zone.

### **Learning Process:**

At Blox Trading, we believe that research and education are the cornerstones to becoming a successful trader. Currently, there are numerous educational resources available on line, as well as through traditional media. Students can expect the majority of the teaching items to be derived from professional journals, magazines, downloads from websites, and newspaper articles. Some of the lessons will be empirical in nature, requiring the trader to follow along with a senior trader side by side, or within the “Blox Trader” website.

Additional lessons might include ad hoc teaching while in the trading room, or on line. The majority of the information will be based upon research currently available in the trading industry, but can also include experiential lessons from our fund managers. Teaching methods will be mixed media, and will include: dry erase, flip charts, Power Point, Excel spread sheets, presentations, handouts, and/or video.

Critical to the educational process is the act of placing live trades - It is essentially where the rubber meets the road. All traders are expected to establish, fund, and trade their own accounts. It is a critical step in the process, and allows the trader the opportunity to progress from the theoretical to the practical. Most newer traders will agree that live trading “feels” different than demo trading, and they are correct. Live trading allows the trader to feel the markets, and more importantly, offers a better gauge to understanding the fundamentals of the market and regarding themselves.

The educational process takes an investment of time by the trader, and the path is NOT the same for every trader. Generally after going live, the trader is required to participate in several additional months of trading to establish their skill and acumen in the marketplace.

A basic overview of the first two months can be found below.

## **First Month**

The first month is more of an introduction to the Forex marketplace, the FXCM trading platform, and trading in general. General technical and fundamental analysis will be addressed during this time, as well as the mechanics of order execution. As the trader evolves their skill set, and progress towards trading live, they will be able to formulate general opinions regarding market dynamics and technical cues. The trader will also be introduced to fundamental risk management philosophies, and how to use them effectively. Most traders begin this segment trading their demo account for the first two weeks, and progress to a mini account towards weeks three and four.

## **Second Month**

It is during the second month that a trader is introduced to progressively more in depth trading methodologies. The skill set of the trader will have progressed to where the trader can formulate trading strategies relative to the trading environment, and act upon them. The trader will have developed a basic trading strategy that is easily articulated and implemented. Furthermore, the trader will be have developed, and have begun to implement, basic risk/reward strategies. It is during this 4 week block that the trader progresses from trading single mini lots, to trading multiple mini lot size. Traders will learn how to add to their wining positions, and will become adept at legging into and out of positions

## WEEK 1 - SESSION #1

### **CLASS OBJECTIVE:**

To introduce the course, the syllabus, outline the expectations and proposed learning outcomes for the next 8 weeks. Information regarding educational sources will be addressed. Additional time will be utilized to introduce the FXCM order entry platform. If required, all loose ends will be addressed regarding account set up and paperwork.

### **RECOMMENDED READING: (“control+click” on the topic to link out)**

#### **Blox Trading ([www.bloxtrading.com](http://www.bloxtrading.com))**

[Essentials-Definition of a Day Trader](#)

[Predicting Versus Forecasting](#)

[Times To Be Aware Of](#)

#### **Baby Pips ([www.babypips.com](http://www.babypips.com))**

[Pre-School: Forex Basics](#)

[12<sup>th</sup> Grade: Market Hours](#)

#### **Stock Charts ([www.stockcharts.com](http://www.stockcharts.com))**

[What are Charts](#)

[John Murphy’s Ten laws of Technical Trading](#)

#### **National Futures Association (<http://www.nfa.futures.org>)**

#### **FXCM ([www.fxcm.com](http://www.fxcm.com))**

<http://www.fxcm.com/getting-started-step2.jsp>

### **TOPICS COVERED:**

#### **General**

Course Introductions

How to Use Syllabus

TFPPR

What to Expect

General resources

Introduction to the Forex marketplace

Introduction to the FXCM platform

#### **Technical**

Provide an introduction to technical analysis.

#### **Fundamental**

Provide an introduction to fundamental analysis. Introduction to [www.forexfactory.com](http://www.forexfactory.com).

## **Overview of Forex, Currencies and Pairs**

The Forex marketplace is a decentralized marketplace, where countries, large banks, and now retail traders buy and sell global currencies. Currencies are traded, with their value is established relative to one another, and prices quoted in pairs. Meaning quoted as the GBP/USD, or the USD/JPY. For each pair, there is one base currency and one quote currency. The base is always the first listed, and the quote is the second.

### **FIVE TAKEAWAYS:**

1. Understanding of how candlesticks are formed
2. Recognize the difference between the tide, waves, and ripples
3. Ability to enter and cancel orders on FXCM
4. Understanding of the overall process
5. Basic knowledge of the Forex marketplace

## WEEK 1 - SESSION #2

### **CLASS OVERVIEW AND OBJECTIVE:**

Further introduction to trading in general. This session will begin to review the topics of Technical and Fundamental analysis. Primary focus will be given to the process of evaluating the news, and how the market responds to news reports.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Common Day Trading Mistakes](#)

[News Sources](#)

[Ice Berg](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[College: Trading The News](#)

[College: Market Sentiment](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Introduction to Candlesticks](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

[Trade Station Platform Overview](#)

### **TOPICS COVERED:**

#### **General**

Topical overview of the FXCM trade platform.

#### **Technical**

Utilizing technical indicators for price targets in news driven markets.

#### **Fundamental**

Positives and negatives of trading the news. Being prepared matters!!!

#### **Preparation**

Review techniques for evaluating market expectations, and how to respond to economic numbers. Additionally, begin to journal your trade days. Make note of the successes, the failures, the overall market, and your logic for the trades you made.

### **FIVE TAKEAWAYS:**

1. Understanding how technical analysis is utilized in trade decisions
2. “Beginners” ability to navigate through several news providers sites
3. Realize that preparing to make the trade requires far more time than the trade its self
4. Begin to realize the interconnectedness of news reports. Existing homes and durable goods
5. Greater understanding that the expectation is as important as the actual report.

## WEEK 2 - SESSION #3

### **CLASS OVERVIEW AND OBJECTIVE:**

Introduction of trend style trading, and its applications in the Forex marketplace. Recognize trending markets, and the trade opportunities present in those markets.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[It Is About The Trend](#)

[Driving Backwards](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[Kindergarten: Types of Charts](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Trend Lines](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**ADDITIONAL READING** ([www.wikipedia.org](http://www.wikipedia.org))

[Wikipedia Foreign Exchange Market](#)

### **TOPICS COVERED:**

#### **General**

Risk reward scenarios for trend style trading

#### **Technical**

Evaluation of price action of currency pairs to filter out those pairs which offer greatest opportunity

#### **Fundamental**

How longer term trends are generally initiated, and driven by, fundamental catalysts

#### **Preparation**

Evaluate currency pairs to determine which pairs are beginning, in, or at the end of a trend

### **FIVE TAKEAWAYS:**

1. Ability to differentiate between noise, range bound, or trending markets.
2. Understand the basic differences in the style of trade for each
3. Evaluate news sources for possible tide (trend) changing events
4. The weighting of news events, from different regions, and their effect on the trend
5. The actual cause of a trend in a market

## WEEK 2 - SESSION #4

### **CLASS OVERVIEW AND OBJECTIVE:**

Not all pairs are equal. Some are better to trade than others. Spread, liquidity, and volatility all effect a currency pair. It will be to goal of this class to evaluate some of the currency pairs, and determine those best to trade.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Good Pairs To Trade](#)

[Tape Reading Overview](#)

[Tape Reading Setups](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[4<sup>th</sup> Grade: Moving Averages](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Moving Averages](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

[Overleveraging Your Account](#)

### **TOPICS COVERED:**

#### **General**

Review of the very important topic of leverage in trading.

#### **Technical**

How moving averages are calculated. How different moving averages show chart information differently

#### **Fundamental**

Review news releases for the current week, and how they affected the marketplace

#### **Preparation**

Please come to class having viewed the FXCM video regarding overleveraging

### **FIVE TAKEAWAYS:**

1. Leverage is a double edged sword. Keep the leverage at a minimum.
2. How leverage can affect returns – percent of account utilized for the trade
3. Difference between moving averages – EMA, Simple, Etc
4. How overlapping time fractals can add validity to a moving average price point
5. Simple overview of tape reading techniques. Spread and the accordion

## WEEK 3 - SESSION #5

### **CLASS OVERVIEW AND OBJECTIVE:**

Traders will gain an understanding of candlestick charts, how they are formed, what the different parts of a candlestick are, and the importance of price action in the formation of a specific candlestick. Introduce the “State of The Trade” document for utilization in the process of performance evaluation, goal setting, and goal achievement.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Economic Reports](#)

[Tune It Out And Tune In](#)

[State of The Trade](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[1<sup>st</sup> Grade: Japanese Candlesticks](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Candlestick Pattern Dictionary](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Bid/ask spread, and calculation of profit and loss of a trade. A brief overview of the process of focus.

#### **Technical**

Candlesticks: how they are made, what they tell us, and how to use them

#### **Fundamental**

Review news releases for the current week, and how they affected the marketplace

#### **Preparation**

Please have a basic understanding of candlesticks and how they are made

### **FIVE TAKEAWAYS:**

1. Utilize SOTT to evaluate performance, and establish goals
2. Ability to describe how a candlestick is formed
3. Ability to identify three candles, and their importance in trading
4. Further understanding of economic reports
5. The ability to calculate basic PIP profit/loss

## WEEK 3 - SESSION #6

### **CLASS OVERVIEW AND OBJECTIVE:**

Candles alone are a good tool, but when evaluated in a formation, they are a great tool. Students will learn some of the more common candlestick formation, and their application in the markets. Probability scenarios will be addressed for formations in different market environments. Additionally, students will be introduced to the “push of war” concept in the market.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Trading Rules To Live By](#)

[Pressure In The Markets](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[7<sup>th</sup> Grade: Important Chart Patterns](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Introduction To Chart Patterns](#)

**National Futures Association** (<http://www.nfa.futures.org>)

[Module 1](#)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

[Short-Term Trading Webinar](#)

### **TOPICS COVERED:**

#### **General**

Topical understanding of rules to implement while trading.

#### **Technical**

How shorter fractals combine to form longer term fractals. Through greater understanding of push of war, how the market responds, and how specific candles are formed.

#### **Fundamental**

Understanding where the greatest push comes from in the push of war, and its implication on the market.

#### **Preparation**

Please evolve your fundamental analysis to offer insightful opinions regarding news stories.

### **FIVE TAKEAWAYS:**

1. Candles mimic their big brother
2. Pressure in the markets can be applied passively or actively
3. Patterns are repeated
4. Patterns can become self fulfilling
5. Patterns will have varying degrees of success/failure dependent upon overall market dynamics

## WEEK 4 - SESSION #7

### **CLASS OVERVIEW AND OBJECTIVE:**

Trading requires a different mentality that usually does not fit the herd. As a trader, success can come in short bursts, or long stretches. It is important to remember that a trader needs to trade to win to be successful. Understanding this is key. Additionally, traders will gain a basic understanding of Fibonacci sequence and how it influences the markets.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Factors For Success](#)

[Play To Win](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[3<sup>rd</sup> Grade: Fibonacci](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[List Of Chart Patterns](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Play to win!!! It cannot be any clearer than that.

#### **Technical**

The Fibonacci sequence has become self fulfilling. Traders should understand the basic mechanics. Additionally, Fibonacci can be used as a predicting tool.

#### **Fundamental**

Review news releases scheduled for the current week. How will they affect the marketplace?

#### **Preparation**

Please Youtube “Fibonacci” or “Fibonacci Retracement” and be ready to review what you found

### **FIVE TAKEAWAYS:**

1. The Fibonacci sequence permeates everything. Recognize it, and use it to your advantage
2. The Fibonacci sequence has become self fulfilling
3. The successful trader has a REALLY good sense of self
4. Successful traders play to win
5. A better understanding of calculating profit and loss

## WEEK 4 - SESSION #8

### **CLASS OVERVIEW AND OBJECTIVE:**

Complete technical analysis and charting basics. Delve into the concept of self, and the psychology of trading. Next to money management, understanding “self” and developing a trade strategy around this understanding is key to success. Additionally, Elliot Wave Theory and how it relates to trading.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Technical And Charting Basics](#)

[Psychology Of Trading](#)

[Be Exceptional](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[10<sup>th</sup> Grade: Elliott Wave Theory](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Support And Resistance](#)

**National Futures Association** (<http://www.nfa.futures.org>)

[Module 2](#)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Traders are generally outside of the mold. What hampers most from the outside is mediocrity

#### **Technical**

Elliot Wave Theory, and how it applies to charting

#### **Fundamental**

When evaluating fundamental analysis, just what is it worth, and is it worth more than the chart-a-facts in front of you?

#### **Preparation**

Suggested reading for next session

### **FIVE TAKEAWAYS:**

1. Recognizing where others are stuck
2. Utilizing scenarios to assist in your trade decisions
3. The 9 to 5 paradigm shift
4. The difference between support and resistance
5. Ability to recognize support and resistance in the marketplace

## WEEK 5 - SESSION #9

### **CLASS OVERVIEW AND OBJECTIVE:**

To be successful in trading, a trader must develop successful habits. These should leverage your strengths. SWOT analysis as it relates to trading. Support and resistance, and how specific candlesticks can assist in showing areas of support and resistance. Presenting how support and resistance can lose validity in news driven markets.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Traits And Habits For Success](#)

[Timing The Lights](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[2<sup>nd</sup> Grade: Support And Resistance](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Candlesticks And Support](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Developing successful habits, leveraging your strengths, and SWOT analysis as it relates to trading.

#### **Technical**

Support and resistance revisited

#### **Fundamental**

How support and resistance lose their validity once a tide changing event hits the market.

#### **Preparation**

Complete a SWOT analysis on yourself. Attempt to isolate your strengths and weaknesses.

### **FIVE TAKEAWAYS:**

1. What are your strengths/weaknesses as you see it?
2. Playing to your trading strengths.
3. Candlesticks which signal support
4. Support and resistance can fail depending upon the longer term picture
5. Leverage example from NFA site.

## WEEK 5 - SESSION #10

### **CLASS OVERVIEW AND OBJECTIVE:**

Build upon prior session in recognizing strengths and weaknesses. Utilizing these to develop an overall trading strategy. Begin the process of understanding different time “fractals” and how they influence each other.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Trading Methods](#)

[Winner Winner Chicken Dinner](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[9<sup>th</sup> Grade: Multiple Time Frames](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Candlesticks And Resistance](#)

**National Futures Association** (<http://www.nfa.futures.org>)

[Module 3](#)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Further development of a specific trade strategy which can be implemented by the trader.

#### **Technical**

Candles are open and closed based upon their duration. Shorter time frames combine to form larger fractals. Knowing what type of long term candle can help with shorter term trade decisions.

#### **Fundamental**

How support and resistance lose their validity once a tide changing event hits the market.

#### **Preparation**

Evaluate three charts to determine support and resistance. Evaluate these levels to determine their validity once a news report is released.

### **FIVE TAKEAWAYS:**

1. Ability to recognize specific chart patterns, and probability of success
2. Optimal entry and exit points of specific chart patterns based upon environment
3. Patience is a crucial component of trading.
4. You might not get the set up you desire
5. Support and resistance can fail depending upon the longer term picture

## WEEK 6 - SESSION #11

### **CLASS OVERVIEW AND OBJECTIVE:**

Risk management – the understanding and implementation of - is crucial to the success of any trader. Most traders enter a trade with an eye more towards profit potential, THEN evaluate specific risk. It should be the converse of this. Traders should have a greater understanding of the risk associated with each trade prior to the trade.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Risk Management](#)

[Skydiver And Risk](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[College: #1 Death For All Traders](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Candlestick Bullish Reversal](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

The utilization of the risk management “window” in evaluating a potential trade. Additional discussion regarding leverage, and its place in the risk management process.

#### **Technical**

Evaluating specific chart setups for potential bullish reversal patterns

#### **Fundamental**

Review news releases scheduled for the current week. How will they affect the marketplace?

#### **Preparation**

Evaluate five different trade set-ups for risk/reward

### **FIVE TAKEAWAYS:**

1. Evaluate the risk side of the equation first
2. Know the risk pre trade, per day, and what you are willing to risk in this process
3. Leverage can be of benefit if utilized correctly
4. Excellent risk management can make up for many other shortfalls
5. Ability to recognize 5 bullish reversal candles

## WEEK 6 - SESSION #12

### **CLASS OVERVIEW AND OBJECTIVE:**

Many successful traders will tell you that the act of trading, and being successful is not a one dimensional process. Three main components work in concert, and are essential to successful trading. Having a better understanding of these three items will help in increasing your odds in the trading arena.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))  
[The Success Triad](#)  
[Professional Trader Professional Athlete](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))  
[13<sup>th</sup> Grade: Money Management](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))  
[Candlestick Bearish Reversal](#)

**National Futures Association** (<http://www.nfa.futures.org>)  
[Module 4](#)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Understanding of self and general money management concepts

#### **Technical**

Evaluating specific chart setups for potential bearish reversal patterns

#### **Fundamental**

Review news releases scheduled for the current week. How will they affect the marketplace?

#### **Preparation**

Attempt to develop your trade strategy. Address risk management, strategy, pairs, and setups.

### **FIVE TAKEAWAYS:**

1. Know thy self
2. Have a plan
3. Execute your plan
4. A trade strategy is specific to the trader who developed it
5. Ability to recognize 5 bearish reversal candles

## WEEK 7 - SESSION #13

### **CLASS OVERVIEW AND OBJECTIVE:**

It cannot be stated enough. Have a plan based upon your own risk management profile, and then trade your plan. Many traders lose sight of their plan once in a trade due to fear. If the market changes, and the reason why you got in to a position changes, don't change your plan. Time will also be given to evaluating inefficiencies in the marketplace, and how to capitalize upon them.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[50 Basic Rules For Traders](#)

[Price Inefficiencies](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[5<sup>th</sup> Grade: Common Chart Indicators](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Introduction To Technical Indicators and Oscillators](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Developing a trade strategy

#### **Technical**

Price action and pricing inefficiencies are relative and relevant to the current market environment.

Oscillators assist in recognizing trade opportunities

#### **Fundamental**

Recognize inefficiencies between expectations and news reports

#### **Preparation**

Evaluate your trading plan and use your results in the SOTT document.

### **FIVE TAKEAWAYS:**

1. Dollar cost averaging is not a good idea in Forex
2. Be sure to have a trading plan – that is of your own design
3. Stick to your trading plan
4. Two main oscillators utilized by traders
5. How oscillators are utilized to confirm trade decisions

## WEEK 7 - SESSION #14

### **CLASS OVERVIEW AND OBJECTIVE:**

Candlestick charts are great at informing the trader regarding the direction of the market, and are the primary data source for forming a trade decision. Oscillators help the trader in verifying that the trade decision remains valid, and reveal if there are over bought or oversold conditions. .

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Oscillators Overview](#)

[Promote To Incompetence](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[6<sup>th</sup> Grade: Oscillators](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[Stochastic Oscillator](#)

**National Futures Association** (<http://www.nfa.futures.org>)

[Module 5](#)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

The components of an oscillator - %K, %D, trigger, slow and fast

#### **Technical**

Utilizing oscillators and stochastic as an overlay to your trade charts, and trade decisions.

#### **Fundamental**

Review news releases scheduled for the current week. How will they affect the marketplace?

#### **Preparation**

### **FIVE TAKEAWAYS:**

1. Ability to integrate oscillators into a trade decision
2. Understanding of leading versus lagging indicators
3. Oscillators are generally considered leading indicators
4. Momentum indicators are lagging indicators
5. Understanding where to utilize each of these indicators ie: trend versus range bound trades

## WEEK 8 - SESSION #15

### **CLASS OVERVIEW AND OBJECTIVE:**

Every trader, large or small, across the globe, looks at the same information presented on the charts. To that end, every trader sees the same trend lines, lows, and highs. Trade decisions will be made as a result based off of this information. One tool utilized by traders are protective stops. There will be populations of traders who will utilize stops, and there will be others who seek to set the stops off. It is important to know where there might be large numbers of protective stops, and how different traders will utilize them. We will also be introducing pivot points and MACD

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Stops In The Market](#)

[Mouse Traps In The Market](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[8<sup>th</sup> Grade: Pivot points](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

[MACD](#)

**National Futures Association** (<http://www.nfa.futures.org>)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Where stops might be in the marketplace. Evaluating different fractals for possible stop areas

#### **Technical**

MACD and their use in trend style trading. Utilizing pivot points to identify areas of support and resistance

#### **Fundamental**

Review news releases scheduled for the current week. How will they affect the marketplace?

#### **Preparation**

### **FIVE TAKEAWAYS:**

1. Recognizing areas where stops might be most utilized
2. Understanding how different populations of traders might utilize stops
3. Ability to compare/contrast different time fractals and potential areas for stops
4. Topical understanding on pivot points
5. Topical understanding of MACD

## WEEK 8 - SESSION #16

### **CLASS OVERVIEW AND OBJECTIVE:**

You will have been asked to absorb a large amount of information by the end of eight week, 16 session, course. Despite this, your education is not over. Trading is a profession, much like medicine or law, where the professional is always in “practice”, and continually seeking mastery. The education be on going, and require you to utilize many of the tools you might have originally learned here.

For this session, we will touch on trading slower markets, and how to stay out of trouble in those slower markets. Additionally, we will continue to work on the evolution of your trading strategy.

### **RECOMMENDED READING:**

**Blox Trading** ([www.bloxtrading.com](http://www.bloxtrading.com))

[Trading Slower Markets](#)

[Getting On A Roll](#)

**Baby Pips** ([www.babypips.com](http://www.babypips.com))

[11<sup>th</sup> Grade: Create Your Own Trading Strategy](#)

[14<sup>th</sup> Grade: Plan Your Trade And Trade Your Plan](#)

**Stock Charts** ([www.stockcharts.com](http://www.stockcharts.com))

No lesson

**National Futures Association** (<http://www.nfa.futures.org>)

[Module 6](#)

**FXCM** ([www.fxcm.com](http://www.fxcm.com))

### **TOPICS COVERED:**

#### **General**

Slower markets do not mean less profits. It is a matter of patience in trading slower markets

#### **Technical**

How technical indicators become more important in slower markets. How to utilize technical analysis in your trading plan.

#### **Fundamental**

News can be a part of the master trading plan.

### **FIVE TAKEAWAYS:**

1. Patience n slower markets
2. Never guess in a slower market, rely on the indicators
3. Slower markets usually reflect less traders (ie: less liquidity) in the market
4. The slow moving avalanche
5. Technical indicators carry more weight in slower markets.