

Forex Pip Rider

Trading System

Forex is a High Risk Investment

Before deciding to participate in the Forex market, you should carefully consider your investment objectives, level of experience and risk appetite. Most importantly, do not invest money you cannot afford to lose. There is considerable exposure to risk in any off-exchange foreign exchange transaction, including, but not limited to, leverage, creditworthiness, limited regulatory protection and market volatility that may substantially affect the price, or liquidity of a currency or currency pair.

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1.0 What Files Are Included in the Forex Pip Rider Trading System?

Indicators:

1. NPFX HiLo
2. NPFX RSI alert
3. NPFXclock
4. gann_hilo_activator_arrow

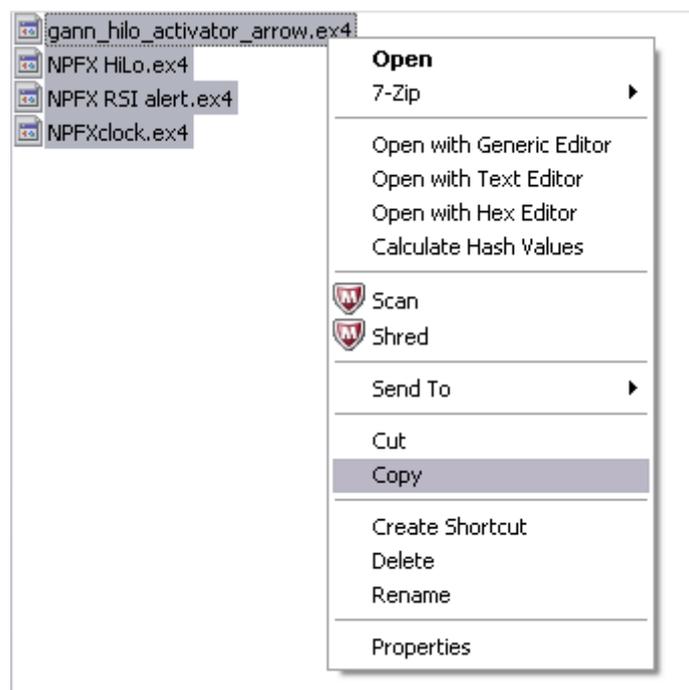
Template:

1. NPFX.tpl

2. How to Install the System

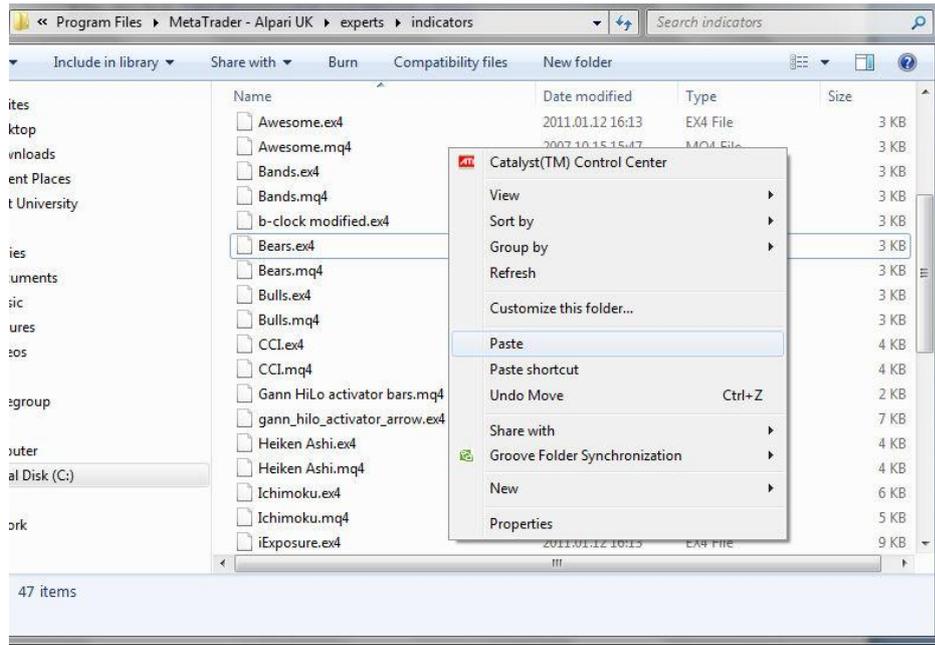
Installing the Forex Pip Rider trading system is very easy. Just follow the step-by-step guide below. Please note that the system only works on Metatrader 4 platform.

1. Extract the contents of the ForexPipRider.zip file using Windows Explorer or your favourite compression program (WinZip, WinRAR, etc.)
2. By now you should have extracted two folders: Indicators and Template, and this manual.
3. Open the Indicators folder and copy the indicators.



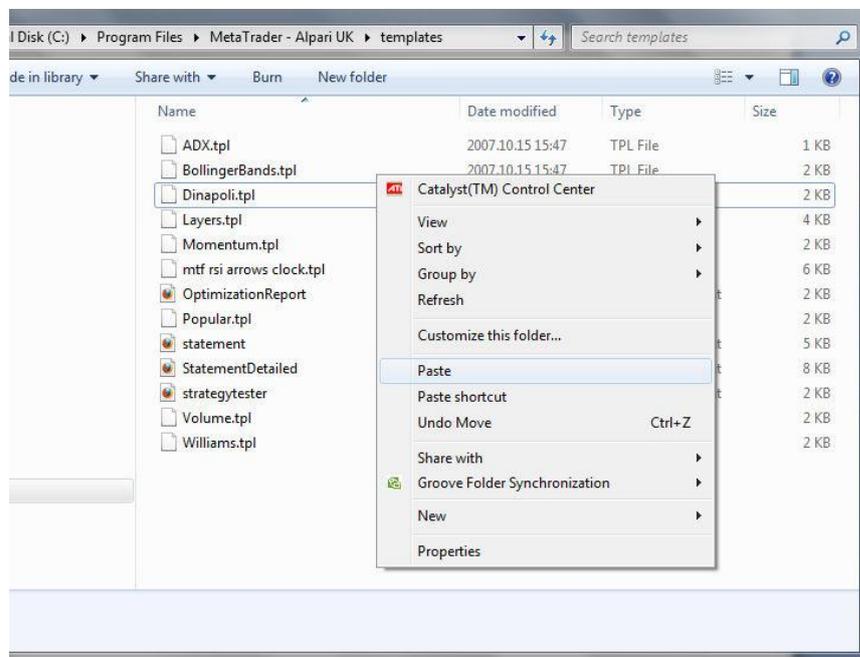
4. Find your brokers MT4 folder and paste them in the mt4\experts\indicators location.

Example location: C:\Program Files\MetaTrader - Alpari UK\experts\indicators



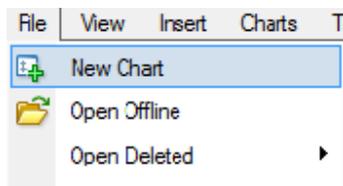
5. Open template folder and copy the NPFX.tpl file.
6. In your brokers MT4 folder paste the template file in the mt4\templates location.

Example location: C:\Program Files\MetaTrader - Alpari UK\templates

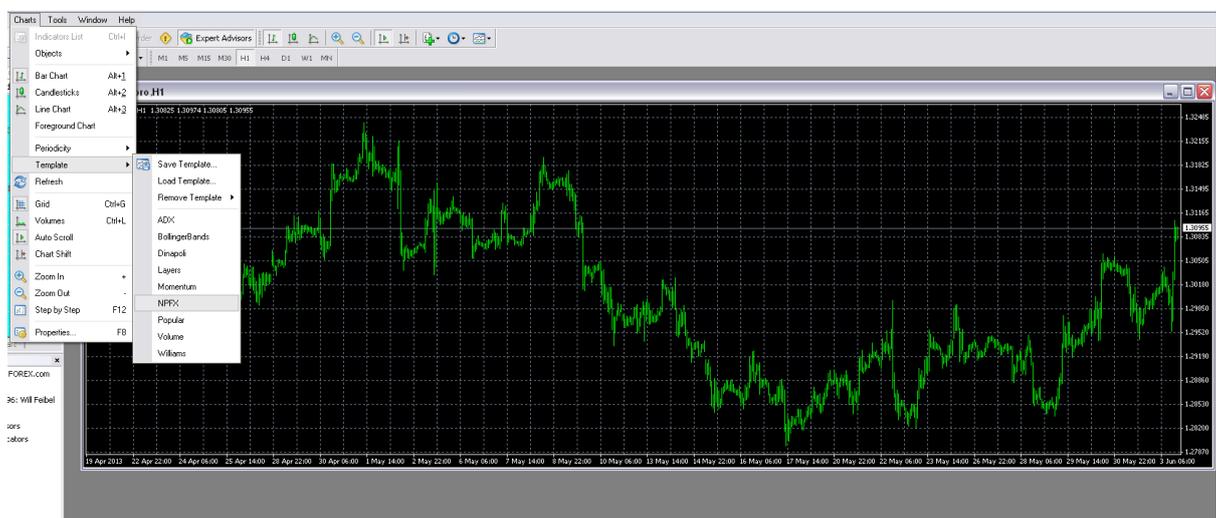


3. Placing the Template on the MT4 Platform

1. Open a new Chart from the FILE Menu on the Platform for ex. EURUSD.



2. Then go to CHARTS Menu, move to Templates.



3. Select NPFY template.
4. DONE! The Forex Pip Rider trading system is installed and you are ready to start trading. Please read the next section.

4. Trading Instructions

This is the most important part of using my trading system. All the criteria have to be exactly matched for successful order placements.

We are going to look at two charts for trend determination- Weekly and Daily (W1 and D1). Only a handful of pairs will be trending enough to give you high probability entries, so it's worth going through all the pairs in market watch starting by checking the Weekly charts. For more info read section "Let's Get Efficient!".

4.1 Long/Buy signal

1. Open a weekly chart and make sure that the last 3, 4, 5 candles are all moving in the same direction, each one making new highs. (The more candles moving in se same direction the better, but you can start from 3).

Example:



2. When you find a Weekly Chart (W1) that is trending go down to the Daily Chart (D1) and make sure it "looks" right - most of the time it will be trending just like W1.

On the Daily Chart you want to make sure that the last 15 - 25 trading days are moving in one direction. Drawing trend lines can be very useful. If you need more information about drawing trend-lines find a book called Stikky Stock Charts - it is the best of the best on the subject!

http://books.google.com/books/about/Stikky_Stock_Charts.html?id=HP6_AAACA AJ&redir_esc=y



3. If the daily chart is trending then you can go to 4hr Chart (H4) - this is where you will hunt for a trade. The price has to be moving in the same direction as in the Weekly and Daily Charts.

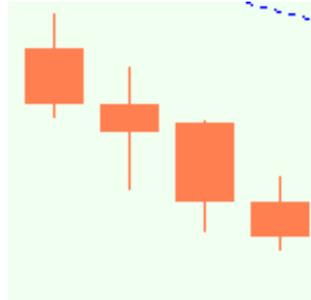
Now you have to wait for both of the bottom indicator **green lines to move above the middle black line** and there has to be an arrow pointing upwards on the candle. Wait until the candle with an arrow pointing upwards closes and then enter the trade with a buy position. Please note that the time indicator counts down the time left for the candle to close.



4.2 Short/Sell signal

1. Open a weekly chart and make sure that the last 3, 4, 5 candles are all moving in the same direction, each one making new lows.

Example:



2. When you find a Weekly Chart (W1) that is trending go down to the Daily Chart (D1) and make sure it "looks" right - most of the time it will be trending just like W1.

On the Daily Chart you want to make sure that the last 15 - 25 trading days are moving in one direction.



3. If the daily chart is trending then you can go to 4hr Chart (H4) - this is where you will hunt for a trade. The price has to be moving in the same direction as in the Weekly and Daily Charts.

Now you have to wait for both of the bottom indicator **green lines to move below the middle black line** and there has to be an arrow pointing downwards on the candle. Wait until the candle with an arrow pointing downwards closes and then enter the trade with a sell position. Please note that the time indicator counts down the time left for the candle to close.



4.3 Let's Get Efficient!

Trading Forex doesn't have to take a lot of your time. Let me show you how it is possible to trade only 40 minutes per day with Forex Pip Rider and achieve amazing results!

To trade efficiently leave the NPFX template on the Weekly chart (W1) and drag and drop the currency pairs one by one from the market watch.



The first step in finding a possible trade is to check the W1 chart for 3 and more candles moving in the same direction making new highs/ lows.

By using this drag and drop method you will be able to scan through all the pairs very efficiently. Just check the W1 chart of each pair and if the condition is not met - you move on. Keep only the charts that meet the condition 1 and then look for other signals of trade opportunity.

5. Exit strategies/ TP/SL

I am introducing two Exit Strategies for you. I have done so because there are two main types of traders - beginners and advanced. For beginners I created a perfectly good exit strategy that is easy to use. Once beginners improve they will be able to use the advanced Exit strategy.

For advanced traders I have created a dynamic Exit strategy. This strategy adapts to the market volatility increasing the chance of a successful trade and higher profits. It also takes Support and Resistance levels into account.

The advanced strategy leaves room for individual trader decisions as it allows you to close half of the position and leave the other half running towards a second target independently chosen by you (this is where you make BIG profits when done correctly).

5.1 Simple Exit Strategy

This is the easiest and the most basic exit strategy.

When you open the trade simply put 50 pips Stop Loss and 60 pips Take Profit and leave the trade until one of these levels are reached. This strategy is basic but good as the trades are expected to move at least 60 pips and this method gives the trader higher than 1:1 Risk/ Reward ratio.

5.2 Advanced Exit Strategy

Always set Stop Loss at swing high or swing low points from the 4H chart. Swing low should be the Stop Loss for Buy orders and swing high should be the Stop Loss for Sell orders.



Targets should be set at support and resistance levels. However, sometimes when price is entering new territory you won't know where to set the target, in this case set the target at the same distance as your stop to give a 1:1 risk/reward.

It is possible (and a good idea for experienced traders) to set two targets, in which case you could close half of the trade when target 1 is hit and then let the rest run moving the stop to breakeven +10 pips. How long you leave the trade running is up to you.

6. Money Management

What separates a novice trader from a pro? A novice trader will struggle to make profits and most likely will have an overall loss and a pro will make money consistently. Many of you would think that the pro traders have special tools and systems that regular traders don't have access to, but let me tell you a secret. A novice trader *might* struggle to make profit with any system, but a pro **WILL MAKE CONSISTENT PROFITS** over and over using the same system. How can that be? The answer is simple - **MONEY MANAGEMENT**.

Money management is probably the most important part in Forex trading, but is often forgotten by many beginners.

6.1 Don't Try to Win **BIG** or Risk **SMALL**

Many Forex traders start trading Forex with the idea of making **BIG** gains quickly, and it doesn't matter how many times they have been advised to trade with small positions, they just don't listen. Let me show you an example why risking small is much better than risking a large percentage of your account.

For example a trader is risking 25% per trade. If the first trade is lost then the trader will have to achieve a 33% gain on his account to break even. If the trader loses 2 trades with a risk of 25% then the trader will have to achieve a **100% gain** on his account to break even! See the chart below:

| Equity lost | Gain required to restore previous balance |
|-------------|---|
| 25% | 33% |
| 50% | 100% |
| 75% | 400% |
| 90% | 1,000% |

If a trader loses 75% of his equity (only 3 trades with 25% risk) the trader will have to quadruple his account to restore previous balance. And that is something close to impossible.

A much better and safer (and more professional) way to trade is to risk a small percentage of the account. Even with the Forex Pip Rider which is 70% profitable you have to apply proper and strict money management. 70% profitability means that you will have 70 winning and 30 losing trades out of a hundred. In the worst case scenario you could possibly have 30 losing trades in a row. That is why

YOU SHOULD NEVER RISK MORE THAN 1 - 2% OF YOUR ACCOUNT PER TRADE.

$30 \times 1\% = 30\%$ and $30 \times 2\% = 60\%$, so if the worst case scenario would happen (although it is highly unlikely) you would still keep 70% or 40% of your trading balance. If you had anything higher than 2%, even if it is 3%, your drawdown would be at least 90% of your trading account and that would mean that you have blown your account.

I can't stress enough how important it is to have low risk per trade. To tell you honestly money management alone can mean if you will succeed in trading Forex or not.

Position Sizing

Position sizing helps a trader to limit the amount of losses made in trading. It forms part of an investment strategy which helps the trader decide how much contract size to enter in each trade.

Usage of this Forex investment concept is what differentiates the professional Forex traders from average traders. This article will explain position sizing in simple terms, the benefits and the ways in which to incorporate into your Forex trading.

Getting the right position size requires two elements - risk per trade and the Stop Loss amount in pips.

Let's say your account balance is \$5,000, risk per trade 2% and Stop Loss is 50 pips. Then you have to apply the formula:

(account balance X risk per trade %) / (number of pips stop loss) = (value denominated in mini lot)

$$\$5,000 \times 2\% / 50 = 2 \text{ mini lots}$$

The rule is to take proper risk management by controlling risk with position sizing. Practise and keep practising. Think in terms of percentage you made and not on the dollar terms you made. Investors think in percent while employees think in monetary terms. Be an investor, think percentage and Forex will be a market you can extract profits in the long term.

Final Money Management and Trading Tips

Forex Pip Rider is a successful trading strategy, if executed correctly with persistence; you can exponentially increase your trading income.

Please read the final tips for successful and profitable trading:

1. The 1 - 2% risk per trade rule should not be violated.
2. Never add to a losing trade. Often traders increase their position size and keep on adding to it if a trade goes against them. In such scenarios a smart trader will typically close the position and head towards the next trade.
3. Most Traders also blow up their account by trading impulsively. If you ask a beginner trader the reason for taking a long position on a currency pair, you might hear the answer, "Because it has gone down enough – so now it's bound to go positive." This is an example of impulsive trading and wishful thinking; the trade decision is not based on a logical reason. Logical trading is far more precise than impulsive trading.
4. Most traders start with a new system on a real account, they are not comfortable with the system and when they suffer temporary drawdown they quit and move to the next system. You should first trade the strategy on a demo account until you are confident and comfortable with the system and only then should you switch to a live account. Most traders close immature trades at temporary drawdown as they have not tested and are not confident with a strategy.