

Forex Robots Report!

Introduction

There are many benefits and advantages to trading Forex. Here are just a few reasons why so many people are choosing this market as a business

opportunity:

1.LEVERAGE: In Forex trading, a small margin deposit can control a much larger total contract value. Leverage gives the trader the ability to make extraordinary profits and at the same time keep risk capital to a minimum.

Some Forex firms offer 200 to 1 leverage, which means that a \$50 dollar margin deposit would enable a trader to buy or sell \$10,000 worth of currencies.

Similarly, with \$500 dollars, one could trade with \$100,000 dollars and so on.

2.LIQUIDITY: Because the Forex Market is so large, it is also extremely liquid.

This means that with a click of a mouse you can instantaneously buy and sell at will. You are never 'stuck' in a trade. You can even set the online trading platform to automatically close your position at your desired profit level (limit order), and/or close a trade if a trade is going against you (stop order).

3.PROFIT IN BOTH 'RISING' AND 'FALLING' MARKETS: On the stock markets, you can only make money if shares are rising, but in economic recession and falling 'bear' markets, there is little chance of making big money.

Forex is different. One of the most exciting advantages of FX trading is the ability to generate profits whether a currency pair is 'up' or 'down'.

A trader can profit by taking a 'long' position, (buying the currency pair at one price and selling it later at a higher price), or a 'short' position, (selling the currency pair and buying it back at a lower price). For example, if you think the US dollar will increase in value vs. the Japanese Yen then you will buy Dollars and sell Yen (go long).

If you think the Yen will increase in value against the Dollar then you will sell Dollars and buy yen (go short). As long as the trader picks the right direction, a potential for profit always exists.

4. 24HRS: From Sunday evening to Friday Afternoon EST the Forex market never sleeps. This is very desirable for those who want to trade on a part-time basis, because you can choose when you want to trade--morning, noon or night.

5. FREE 'DEMO' ACCOUNTS, NEWS, CHARTS AND ANALYSIS: Most Online Forex firms offer free 'Demo' accounts to practice trading, along with breaking Forex news and charting services. These are very valuable resources for traders who would like to hone their trading skills with 'virtual' money before opening a live trading account.

6.'MINI' TRADING: One might think that getting started as a currency trader would cost a lot of money. The fact is, it doesn't.

Online Forex Firms now offer 'mini' trading accounts with a minimum account deposit of only \$200-\$500 with no commission trading. This makes Forex much more accessible to the average individual, without large, start-up capital.

Trading Secrets

1 - Currency Trading is not a Get-Rich- Quick Scheme.

Currency trading is a SKILL that takes TIME to learn. Skilled Traders can and do make money in this field, however like any other occupation or career, success doesn't just happen overnight. Here is a great 'formula' for success:

Practice + Patience + Persistence = Profits

As they say, there is no substitute for hard work and diligence. Practice trading on a demo account and pretend the virtual money is your own real money. Do not open a live trading account until you are profitable trading on a demo account. Stick to the plan and you can be successful.

2 - Follow 1 or maybe 2 major currency pairs.

It gets far too complicated to keep tabs on all four. I also recommend that traders choose one of the majors because the spread is the best and they are the most liquid. The Euro/USD is the most commonly traded pair and usually has the best 'spread' because of its liquidity.

The USD/Swiss Franc is usually the most volatile and moves the most during the trading week. The USD/Yen moves a lot on the news out of Japan and normally the Pound Sterling/USD is more stable in it's moves than the other three.

4 - Follow and understand the daily Forex news.

Even though this system is based solely on technical analysis of charts, it is

important to get a birds-eye view of the currency markets and the news that affects the prices. It is also important that you know and understand what the key technical 'support' and 'resistance' levels are in the currency pair that you want to trade.

Support is a predicted level to buy (where currency pair should move up on the charts), resistance is a predicted level to sell (where the currency pair should move down on the charts).

Fortunately, all the best Forex news and analysis is offered free on the Internet.

5 – Your forex broker.

What to look for in an online Forex Broker:

1. Low Spreads.

In Forex Trading the 'spread' is the difference between the buy and sell price of any given currency pair. The lower the spread saves the trader money. Most firms offer 4-5 pip spreads in the Major Currency pairs. The best firms offer clients 3-5 pips.

2. Low minimum account openings.

For those that are new to trading, and for those that don't have thousands of dollars in risk capital to trade, being able to open a mini trading account with only \$200 is a great feature for new traders.

3. Instant automatic execution of your orders.

This is very important when choosing a Forex firm. You want instant execution of your orders and the price you see and 'click' is the price that you should get. Don't settle with a firm that re-quotes you when you click on a price or a firm that allows for price 'slippage'. This is very important when trading for small profits.

4. Free charting and technical analysis

You need a firm that gives you access to the best charting and technical analysis available to active traders. The firm that I recommend gives clients FREE professional charting services and even allows traders to trade directly on the charts!

5. High Leverage

You want high leverage—the ability to trade a large amount with a small margin deposit. Some of the best firms offer .25% or 400:1 leverage.

6. Hedging Capability

You want the flexibility of opening positions on the same currency pair in opposite directions without them eliminating each other and without margin increase!

Why most Forex Robots Fail?

1 – Sorry, no more updates!

Most robots are based on one or two trading systems. These systems could perform great for a while, but the market is changing all the time!

For example, few years ago a simple pivot system I was using performed great. It produced really amazing results even in the worst days. But now it's absolutely useless. Because the rules of the game are changed, and as they do you must change your trading plan.

That's why you hear that robots are optimized for the last year's market conditions. And from time to time, the creators of these robots "have to" release new updates.

This is ok if the sellers intent to keep their website running forever! .. but unfortunately, most sellers close their doors once they had enough sales. At best, the website will be there for a year or two. What about 3 or 4 years later? .. Oops! No updates, no mind blowing results anymore, nothing but more loss day after day after day.

2 – Technical analysis is not enough

All trading robots don't care about or aware of fundamental analysis. But wait a minute, isn't the economical events are the ones responsible for 90% of price action? YES!

If you take a look at the code of your robot you will never find any related strategy or system that takes into account economical events or news releases. The best robot would – maybe – offer an option to not to trade in these days. But news are released all the time, and economical effect is present 24/7.

In fact, successful traders take their trading decisions by following the change in the economy or the global events with the help of few simple technical indicators or price patterns.

3 – Talking about price patterns ...

All robots follow a formula that is based on different trading indicators. a little problem with that: all indicators follow the price! .. that means they are always late in their signals and many times they are just too late.

Professional traders – the 10% winners – follow price patterns instead of blindly following a blind indicator. You must heard about these patterns before. For example, head and shoulders, double tops and double bottoms, pen bars, inside bars...Etc

If you are not using price patterns in your trading system, then you are not trading at all. You are playing a video game called “trading”. And 90% of players in this game lose all their money!

Can your robot recognize price patterns?

Think about that when you are giving your money to this “A.I miracle” to play with.

4 – Backtest is a magic trick!

Most sellers provide nothing as proof of their amazing EA except backtest results. Even the so called “live trading results” are most of the time just backtests.

The problem with backtest is that it can easily be manipulated. I’m not talking about faking screen shots here, that’s another story! .. I’m talking about making backtest to show different results than what the robot would do in real live trading.

And this is really easier than you think!

For example, I reviewed some EAs with great results in 10 years backtest. Later I found out that all these results are totally fake! How this was done? easy, the creator just made “special” settings for each year. Those settings would be automatically activated and used by the robot when it’s in backtest mode.

Of course, when used live the results would be totally different.

Evil trick, but unfortunately it's not the only trick! There are many tricks to use just to produce amazing results in backtest.

So in a nutshell if a Robot is constantly updated and not forgotten about then it will be successful... Other than that it is likely to do you more damage than good, by failing in 95% of the cases. So just make sure you know what you're getting yourself into when deciding on which Robot to go for.

Success via a Robot can easily be achieved if you take the appropriate steps.

Good Luck

John Simons

<http://www.forexexecutive.com>