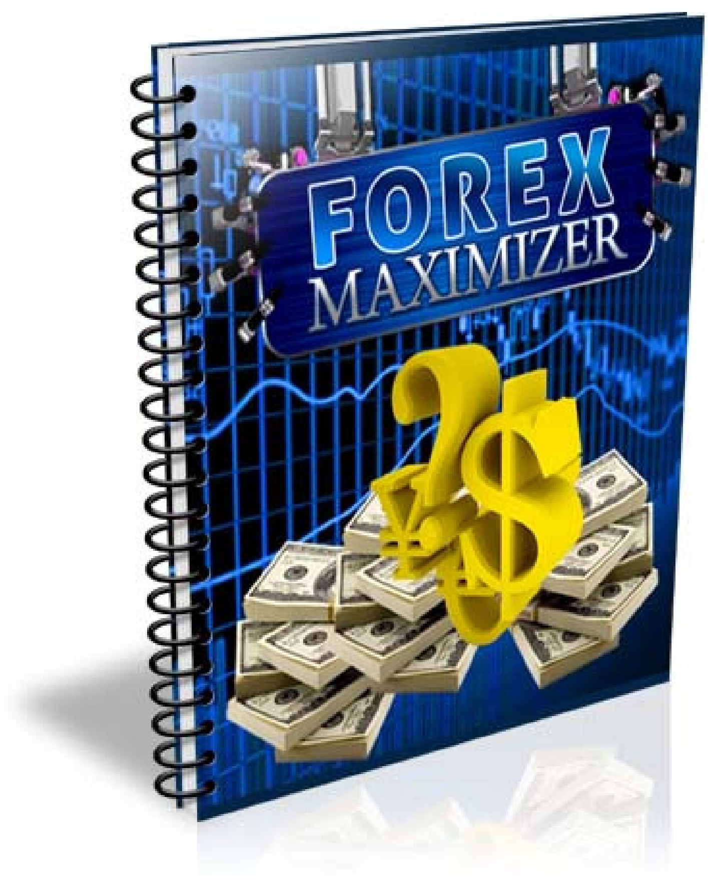
Special Report: Inside The New "Dynamic Price Channel" Indicator…

PLUS… What You <u>Must</u> <u>Know</u> Before Investing In A Forex Robot EA



http://www.ForexMaximizer.com

Hi, Kevin Long here, and as I promised you in the video you just watched, I'm going to give you a quick and easy tutorial on how to use the Dynamic Price Channel indicator you received.

Then, I'm going to give you a rundown of what I consider the most important things any Forex trader should be on the lookout for to make sure a Forex robot can be trusted to trade with your hard-earned money – and not just an imaginary "demo" account.

First, the tutorial:

This is one of my own preferred indicators, and I call it the Dynamic Price Channel indicator because it's based on the Bollinger Bands on three different shifts, plus the ATR and the Keltner channels (for the non-Forex geeks out there, sorry for the techie talk, but you'll see what I'm talking about in a moment).

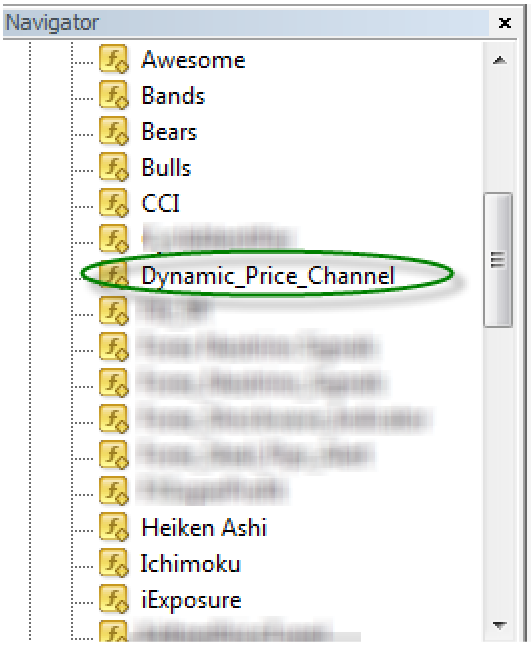
The goal with this indicator is to find the "U-Turn" signals in the market and take advantage of them for quick profits.

So here's how to get it working for you:

First, if you haven't downloaded MetaTrader 4, that needs to be your first step – it's the basic software that runs any online Forex account and interfaces with your dealer's system. Any Forex dealer you sign up with should give you a convenient free download link.

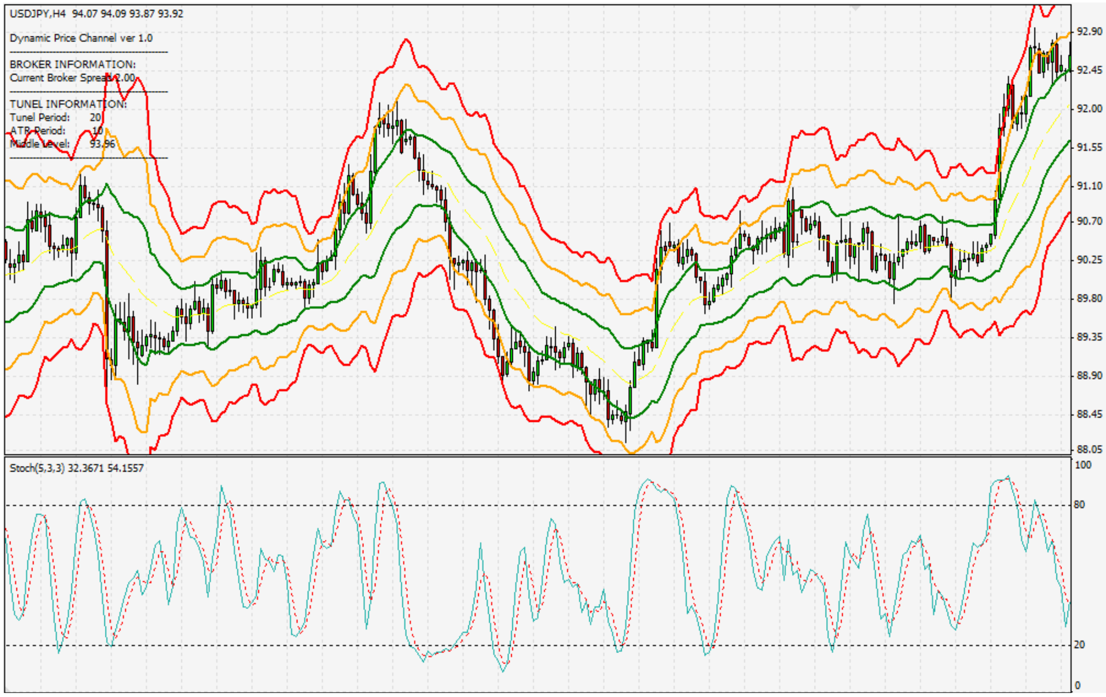
The next thing you need to do is put the indicator file (Dynamic_Price_Channel.ex4) in your MetaTrader folder:
C:\program files\meta trader 4 (your broker name)\experts\indicators

After copying the indicator to the folder, close MetaTrader and then re-open it. Then just apply the Dynamic Price Channel indicator to your chart (any chart you already use): Simply go to the navigator window, then to custom indicators, and then choose this one.



You should then see the indicator listed on your chart:

I also recommend you apply the stochastic oscillator to the chart, so your full chart should look like this:



Now here’s how to use it:

Now, as I already mentioned, the indicator is based on the Bollinger Bands on three different shifts, the ATR and the Keltner channels. And the rules are:

1. The price tends to stay between these bands.
2. If the prices are outside all three bands, there is a strong trend, but it will quickly revert to the bands.

These points should always be on your mind, because they will help you keep a firm grasp on the usual market behavior.

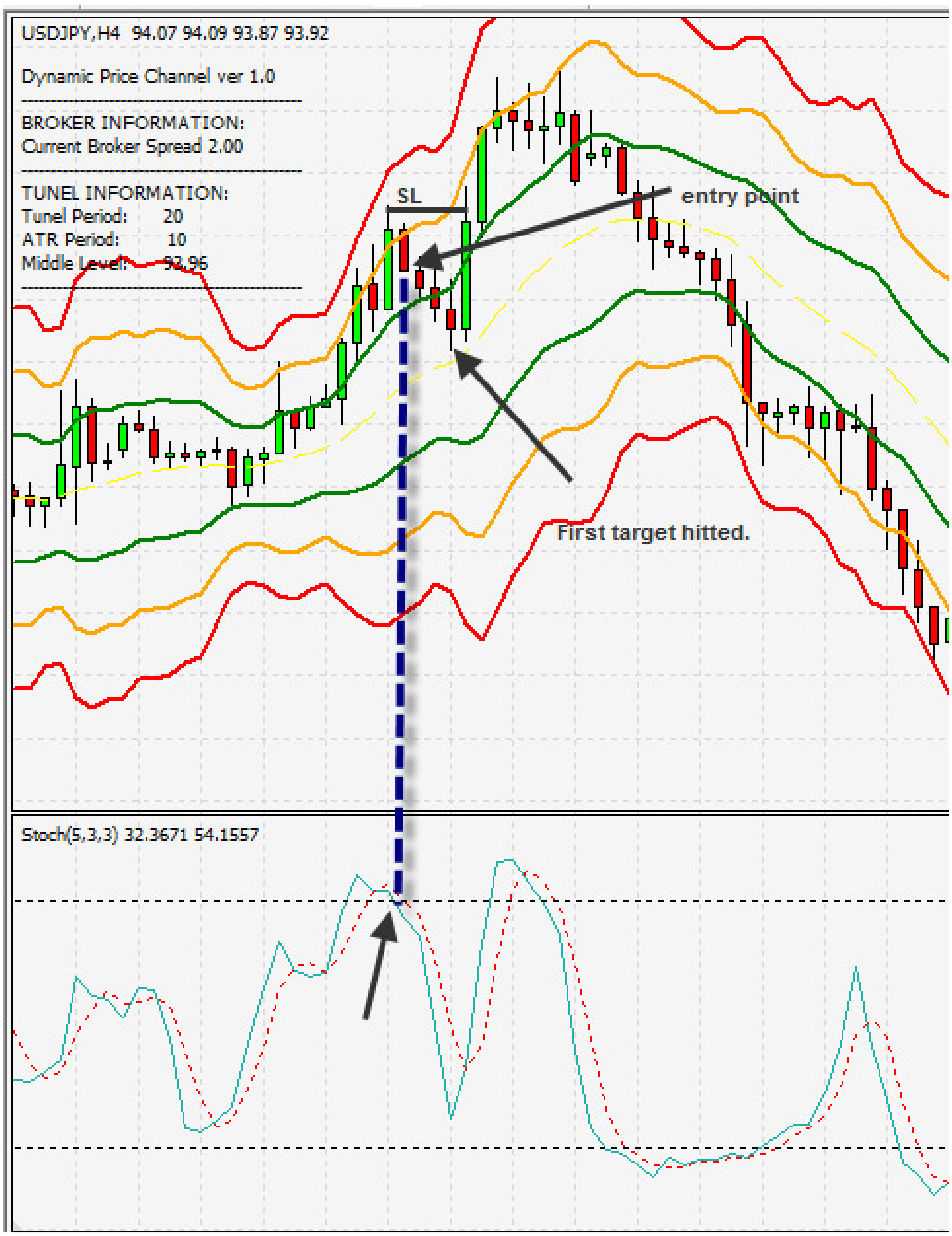
The first way to trade:

Look for the prices to stop at the orange band or the red one. If it stops at the upper side of the bands, look for the stochastic to be above 80, wait until it crosses down, and then go short with two trades.

Put the Stop Loss one pip above the last high, the first Take Profit at the same number of pips as the Stop Loss, and the second Take Profit at twice the Stop Loss.

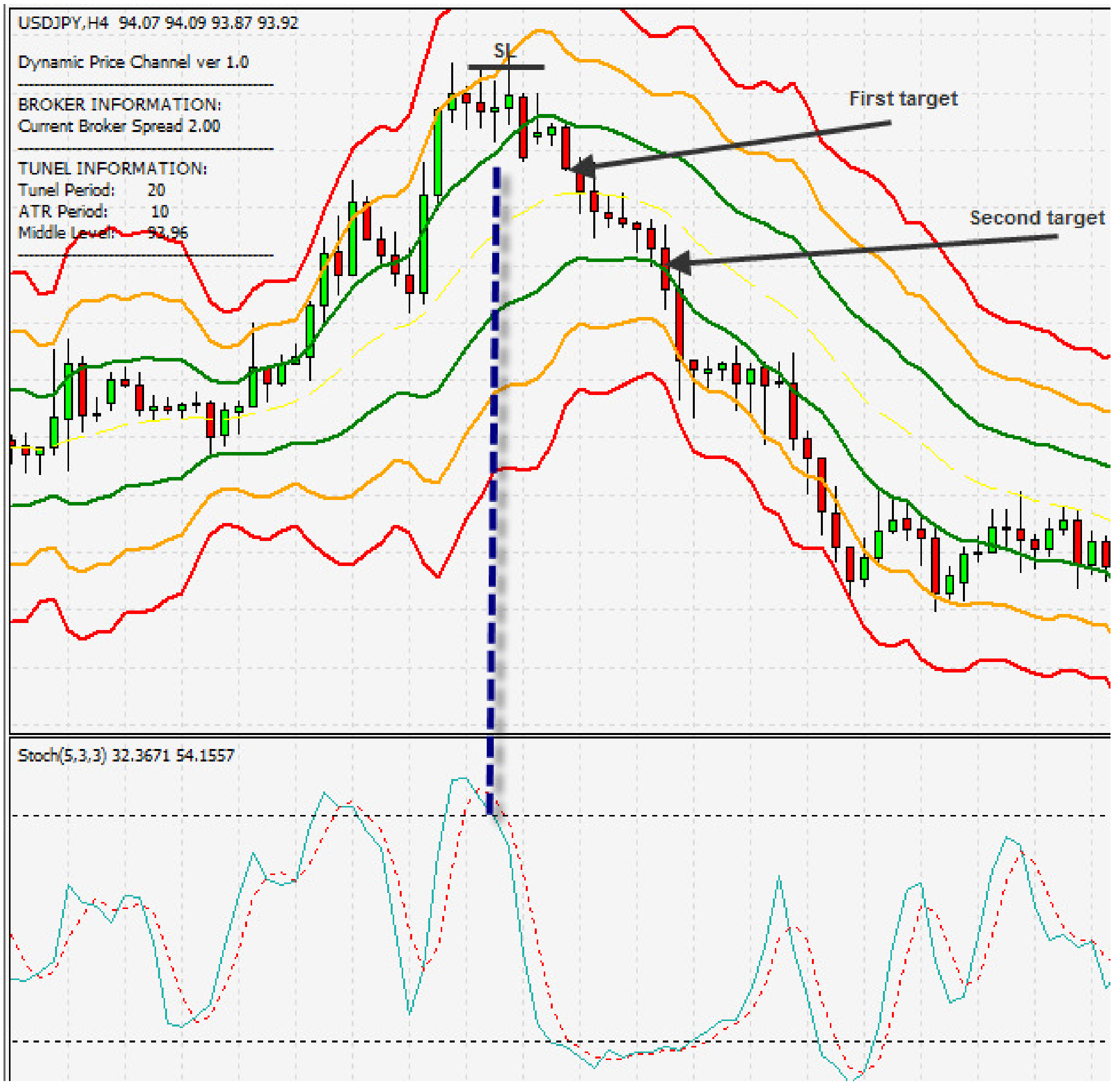
For example, if the Stop Loss is 50 pips, put the first profit target at 50 pips, and the second target at 100 pips. When you get to the first target, move the Stop Loss of the second trade to break even.

Here's an example:



In this example, there was a stop on the orange band, then the stochastic crossed and we take the first profit quickly while the second trade was closed at zero as we moved the SL to break even after we got the first TP.

Second example:



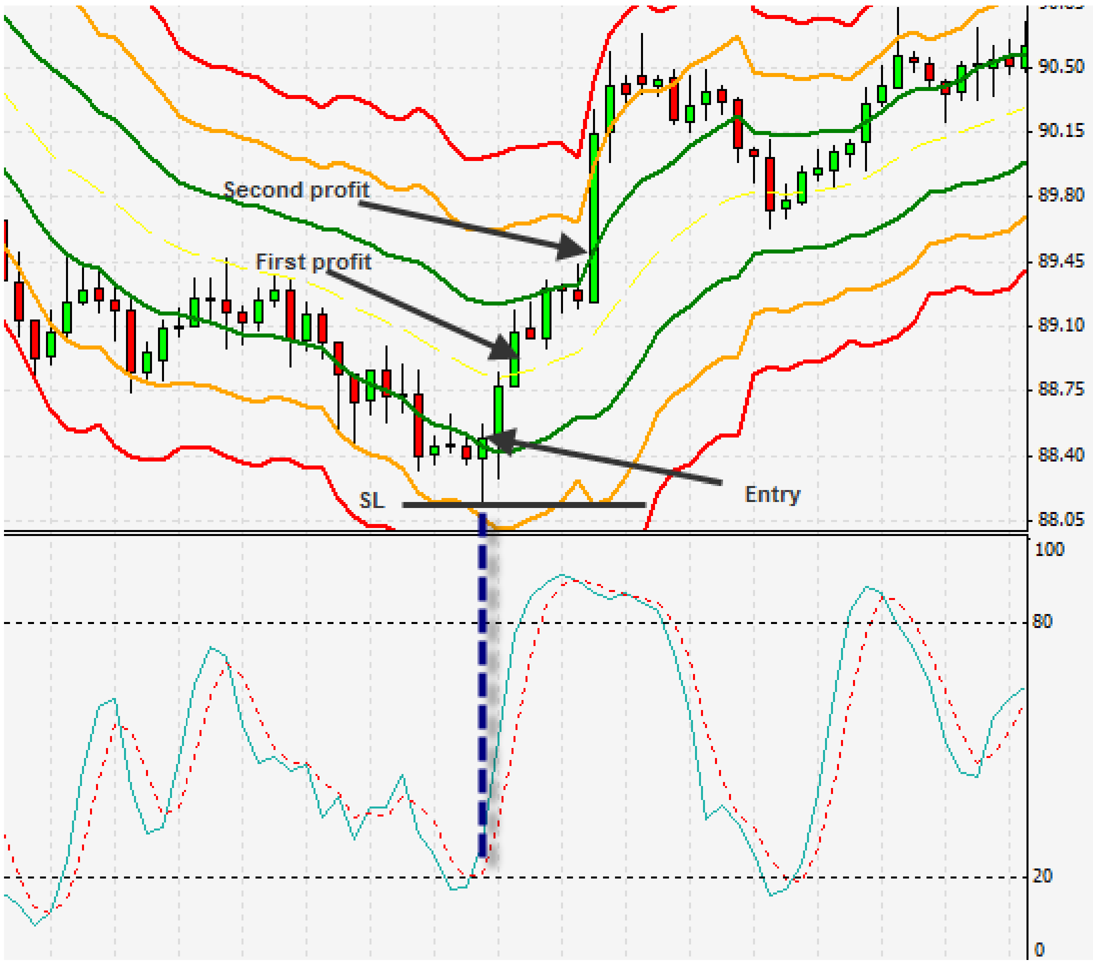
In this example, you can see that both targets are achieved quickly. The entry was at the bar when the stochastic crossed.

Let's take a look at a buy-trade example:

As you can see, we entered where the stochastic crossed, and took the profit after only one bar!

The second target wasn't reached, and we closed the second trade at zero.

Here's yet another example:



Again, we see: stochastic cross; entry at the end of this bar; stop below last low; first profit the same number of pips as the stop loss; second target twice as large as the stop loss; and… we can see that we get to both targets quickly!

Actually, it is one of the most efficient strategies I know, and I'm glad I can give you this indicator for free – trust me, you'll love it as much as I do once you see what it does for your account balance!

Five years' worth of my own statistics show that the first target is reached with 67.7% of the trades and the second target is reached with 50% of the trades – so just by simple math, you can see that if you just perform the trades as described, the profits will come fast and furious.

Just one final note: You can use this indicator for *any* chart on 1-hour, 4-hour, daily, or weekly timeframes.

Good luck!

And now for what you need to look for in a Forex robot…

1. The "brains" behind the robot should be a successful, experienced Forex trader – *not* a programmer. Yes, Forex robots require software programming knowledge to create, but the programming "language" used to create them (MQL4) is not all that difficult to pick up (at least it wasn't for me, and I'm not a pro software developer by any means).

   Whenever I see a new ad campaign for a Forex robot that claims it was built by a reclusive team of computer geniuses, I tell anyone who asks to run in the other direction – because Forex is <u>not</u> about the code, it's about the strategy.

   You could tell the most brilliant computer programmer in the world to create a Forex robot, and they could probably whip up something that *looked great* in record time after reading a few books about the currency market – but I sure wouldn't want to trust what they came up with to trade on my account.

   It's like the computer geeks always say: "Garbage in, garbage out."

   And the dirty secret of the Forex software industry is that the *vast majority* of robot EA's are created *not* by Forex traders themselves, but "outsourced" to cheap programmers overseas who in many cases don't know the first thing about Forex.

   So what do they do?

   They head over to a Forex-trading forum, pick up a "strategy" or two, and try to patch together a piece of software that puts them into action.

   But these "robots" are way too flimsy to trade with real money.

So that’s **rule number one**: Always make sure any robot you trade with was put together by someone who knows their stuff about the Forex market, and not just by some hack programmer .

2. Make sure the robot has undergone extensive “strategy testing” (otherwise known as “back-testing”) under strict conditions to ensure that its fundamental trading “rules” are sound. You should also require solid evidence the robot has been tested on a “live” real-money account (not just a “demo”) to make certain it performs as well under real market conditions as the back-testing results suggest it should.

3. Any robot you trust with your Forex account should have a good “balance” of trades throughout the day – not so few that it misses profitable opportunities, and not so many that you only end up with a pile of tiny profits and a much deeper pit of account-draining losses.

   Many robots you find online use the popular (but deeply flawed) “scalper” strategy to make their trades – not because it works well, but because it aims to make the most trades possible every day, so it *sounds good* (after all, more trades *sounds like* “more profits”, right?)… and that inflated number of trades makes it easier for marketers to sell.

   On the other hand, there are robots that *could* be highly profitable because they operate on a good strategy, but they make so few trades that it would take you *years* to make any real money.

   This is why, when I create the Forex robots I use in my own trading, I have always aimed for a middle-ground “sweet spot” that makes profitable trades often enough to add up to a nice pile of profits at the end of the day, but not so many trades that you end up with “garbage” trades that bring the software’s performance down and risk losing your shirt.

I'm proud to say (since I do everything from the strategizing to the programming myself) that recently I "cracked the code," so to speak, to achieving the kind of "intra-day" strategy that has finally manages to hit this "sweet spot" with almost spooky consistency. I'm calling it… drum roll… **Forex Maximizer** (catchy, huh?), and I'll be letting you know more about that discovery very soon.

4. Last, but not least, make sure any robot you trade with doesn't have any "hidden flaws" that make it unsuitable for use with your broker or trading goals. For example, many robots are *not* compatible with all brokers – just a handful (whichever ones happen to be giving the marketers a nice kick-back, I suspect) – be sure to find out whether the software will work with your broker before making a purchase.

   You should also check to make sure the robot is suitable for trading in *all* market conditions, not just one particularly "favorable" set of circumstances, and make sure to find out which currencies it is capable of trading (some will only trade one single currency pair, which may not be ideal for your trading goals).

For more great tips and important news, be sure to check back often at http://www.forexmaximizer.com this week.

Now go make some trades,

Kevin Long