

# FOREX TIPS FROM MY "1/2 A LOSS IN 22 TRADES" SYSTEM



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## 1. Forward

I want to thank you for taking an interest in my trading style.

It is my experience that the forex market is full of empty promises and people who have less than noble intent. That said, I consider myself one of the good guys.

I get a kick out of helping people, and I am really excited to have this opportunity to give back to the forex community that I have learned so much from.

If you are new to forex, then I suggest you start your learning with all the free [babypips.com](http://babypips.com) courses, and you sign up to [forexfactory.com](http://forexfactory.com) and start learning all you can.

I also want to suggest you set up a [demo account](#) so you can try out a few strategies for size as you develop your understanding and get a bit closer to knowing what you are doing.

You will then be in a position to have a better context to test many of the ideas behind my system and the way I trade when you learn them, and be knowledgeable enough to understand them.

Once again I want to thank you for checking out this ebook. If you have any questions or suggestions, you can contact me at [damienhoopertrading@mail.com](mailto:damienhoopertrading@mail.com).

**“The best way to predict the future is to create it”  
Peter Drucker**

## **2. Disclaimer**

### High Risk Warning:

Foreign Exchange Trading has large potential rewards, but also large potential risks. Leverage very often works against you rather than for you. Please research the risks of trading in forex and be willing to accept them before you trade in these markets. Forex trading involves substantial risk of loss and is not suitable for all investors. Please do not trade with borrowed money or money you cannot afford to lose.

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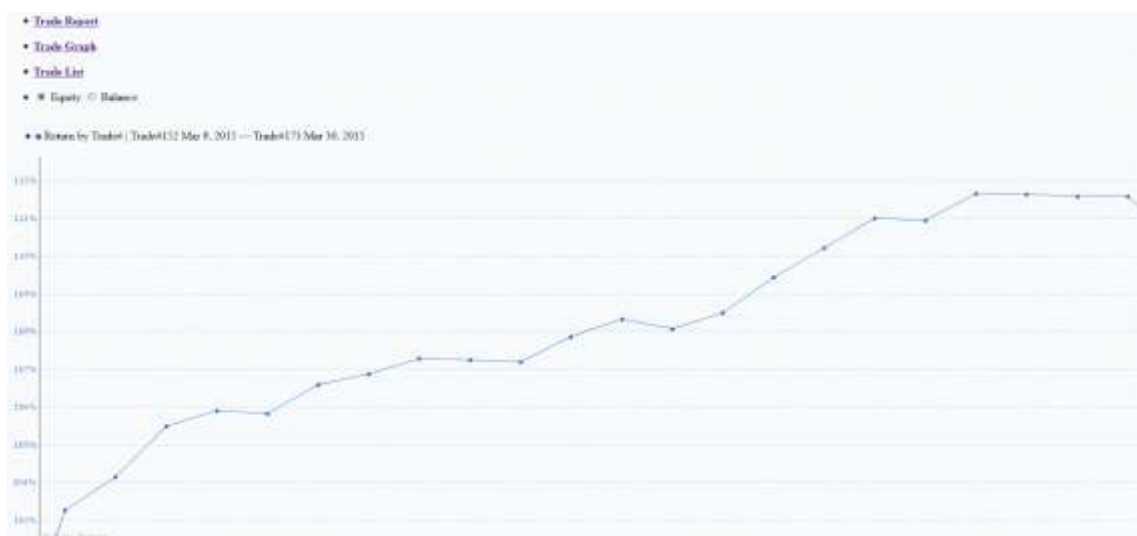
### 3. Proof: 22 Trades in 22 Days

Time for the proof, but before I do I want to make the point that during the 22 day period that is being analysed, I always aimed to make at least the amount of my risk back on each trade, and more if possible. The risk/reward of a system is very important and it would have been vastly easier to create the winning streak with a system that risked more than it stood to gain on a trade, than one like mine - which always aimed to make at least my risk back on each trade.

If you don't know the ins and outs of risk/reward ratio in trading and are fairly new to this stuff, I recommend you first spend some time completing some of the beginner lessons at [babypips.com](http://babypips.com).

This ebook doesn't provide many trading basics, but there are plenty of great cheap and free resources around the internet that can get you started in the world of forex.

The following is my equity curve for the trading period, so you can be sure the list of trades for the trading period were sequential.



All losses in the sample that were equal or less than the spread I have not labelled as a loss. These trades were closed at break even, but given the volatility of the forex market, the spread and/or slippage, around a pip loss occurred in a few cases. This loss was not significant in the context of the risk taken on each trade.

Return Pips											
AUD/USD	Sell 0.7727 Buy 0.7727	Mar 20, 2015 9:06am Mar 20, 2015 9:11am	1	0.0%	-	0.0	Full	A	+50.00 -50.00	5 min	Add
AUD/USD	Sell 0.7798 Buy 0.7798	Mar 27, 2015 12:05pm Mar 27, 2015 1:37pm	1	-0.1%	-	+1.1	Full	A	+50.00 -50.00	1 hr 33 min	Add
AUD/CAD	Sell 0.8742 Buy 0.8742	Mar 27, 2015 9:41am Mar 27, 2015 10:06am	1	-0.0%	-	-0.5	Full	A	+50.00 -50.00	26 min	Add
USD/CAD	Sell 1.2440 Buy 1.2427	Mar 26, 2015 4:09pm Mar 26, 2015 4:20pm	1	1.3%	-	13.9	Full	A\$	+50.00 -50.00	12 min	Add
EUR/GBP	Buy 0.7367 Sell 0.7365	Mar 25, 2015 4:37pm Mar 25, 2015 5:02pm	1	-0.1%	-	-1.6	Full	A	+50.00 -50.00	25 min	Add
EUR/GBP	Buy 0.7387 Sell 0.7369	Mar 24, 2015 4:29pm Mar 24, 2015 4:59pm	2	1.4%	-	12.2	Full	A\$	+50.00 -50.00	30 min	Add
AUD/JPY	Buy 93.37 Sell 93.86	Mar 23, 2015 11:00am Mar 23, 2015 12:03pm	1	1.4%	-	29.3	Full	A	+50.00 -50.00	33 min	Add
AUD/USD	Buy 0.7792 Sell 0.7794	Mar 19, 2015 8:11am Mar 19, 2015 8:25am	1	1.7%	A	14.6	Full	A	+50.00 -50.00	15 min	Add
AUD/USD	Sell 0.7608 Buy 0.7644	Mar 18, 2015 1:50pm Mar 18, 2015 4:12pm	1	0.8%	A\$	13.6	Full	A\$	+50.00 -50.00	2 hr 22 min	Add
AUD/USD	Sell 0.7629 Buy 0.7633	Mar 17, 2015 10:13pm Mar 17, 2015 10:43pm		-0.2%	-A	-4.2	Full	A	+50.00 -50.00	31 min	Add
GBP/USD	Sell 1.4748 Buy 1.4738	Mar 17, 2015 9:21pm Mar 17, 2015 9:31pm		0.6%	A\$	12.3	Full	A	+50.00 -50.00	10 min	Add
EUR/USD	Buy 1.0596 Sell 1.0613	Mar 17, 2015 3:17pm Mar 17, 2015 3:49pm		1.2%	A	17.2	Full	A\$	+50.00 -50.00	42 min	Add
AUD/USD	Buy 0.7658 Sell 0.7656	Mar 17, 2015 3:17pm Mar 17, 2015 3:44pm	1	-0.1%	-A\$	-1.8	Full	A	+50.00 -50.00	28 min	Add
AUD/JPY	Sell 92.48 Buy 92.50	Mar 16, 2015 7:11am Mar 16, 2015 8:03am	1	-0.1%	-A\$	-1.5	Full	A\$	+50.00 -50.00	52 min	Add
GBP/USD	Sell 1.4877 Buy 1.4865	Mar 13, 2015 9:23am Mar 13, 2015 12:56pm	1	0.5%	A\$	12.0	Full	A	+50.00 -50.00	5 hr	Add
EUR/GBP	Sell 0.7048 Buy 0.7042	Mar 12, 2015 10:14am Mar 12, 2015 12:35pm	1	0.5%	A\$	5.5	Full	A	+50.00 -50.00	2 hr 22 min	Add
EUR/USD	Sell 1.0535 Buy 1.0512	Mar 12, 2015 8:13am Mar 12, 2015 12:34pm		1.4%	A\$	22.3	Full	A	+50.00 -50.00	4 hr	Add
GBP/USD	Sell 1.4918 Buy 1.4921	Mar 12, 2015 8:13am Mar 12, 2015 11:59am		-0.1%	-A	-1.3	Full	A\$	+50.00 -50.00	4 hr	Add
Closed Trades 1 2 3 4 5 6 7											
Forums Trades News Calendar Market Brokers Login 10:09pm Search											
Closed Trades (305) (no open trades) 1 2 3 Page 4 5 6 7											
Instrument	Price Open/Closed	Date Open/Closed	# Trades	# Entries	# Pips	Chart	# Balance	# Entry/Comm.	# Duration	Notes	
NZD/USD	Buy 0.7282 Sell 0.7288	Mar 11, 2015 7:00am Mar 11, 2015 7:52am		0.8%	-	6.4	Full	A	+50.00 -50.00	52 min	Add
EUR/USD	Sell 1.0834 Buy 1.0792	Mar 10, 2015 8:04am Mar 10, 2015 4:29pm		2.7%	A\$	51.9	Full	A\$	+50.00 -50.00	3 hr	Add
EUR/GBP	Sell 0.7170 Buy 0.7155	Mar 10, 2015 8:31am Mar 10, 2015 4:25pm		1.7%	A	24.8	Full	A\$	+50.00 -50.00	3 hr	Add
EUR/GBP	Sell 0.7190 Buy 0.7179	Mar 9, 2015 7:50am Mar 10, 2015 4:04am		9.4%	A	20.0	Full	A	+50.00 -50.00	20 hr	Add

## **4. Finding My Feet**

Most traders lose money. It's important for me to be honest and upfront with you about that fact if you aren't already experienced in forex and/or trading. Traders are in it for the money, but it is important to understand that for most traders that money never comes.

The great majority of traders give up trading before they become profitable, and I think it is important that you decide for yourself if you are up for the challenge. Asking yourself why you trade is also a good idea, because if your motivation for trading isn't strong enough, you probably won't achieve success - because it is most likely that you won't give the trading journey enough of your time or effort.

It is also my view that trading can't be 'the homework you don't want to do'. What I mean by that is you have to find a way to engage with it and enjoy it. From my experience - if you can't find a way to make trading fun - you are much more likely at some point not to continue.

Unfortunately when I began my trading journey, I wasn't as smart about my development as I should have been, and because of that - the journey to profitability took much longer than it should have. I tried to copy profitable traders, but unfortunately the products and support they provided was not adequate.

After a couple of years my routine was well established. I would focus intensely for several months on my learning and trading - blow up a small account - then take a few months off. This process would then repeat over and over.



What I was guarding against was giving myself a period of time within which I had to have the trading game 'won' - because after that period I would have to give up.

I decided also that if I didn't take time off, then I would become much more frustrated about my failure to - be the trader I needed to be - and this frustration and added pressure would make the trading journey even more difficult.

So here I was - a number of years down the track - and I was finally starting to hit some good patches of profit and discipline. I was finally getting to a point where I could be proud about my progress, and happyish with my profitability.

And I had been profitable for a while, but then something else entirely happened...

*The hairs on the back of my neck stood to attention and my palms heated up as i tapped nervously on the desk with my index finger.*

*I could almost taste the adrenalin coursing through my veins where blood used to flow.*

I may be giving it more credit than is due but I hadn't seen a run of trades like it, except for those 'outsiders' that risked much more on a trade than they took in profit.

Risking a lot to make a little was a strategy that I had tried - certainly for long enough to know it was a complete loser, and that i needed to always try and made sure my profit covered my initial risk.

*But here i was - after planning today's trade on the back of a great run of 18 trades with only one half loss. 18 trades with only half a loss, and I couldn't believe my luck.*

They say that a profitable trade can set off similar reactions in the brain to cocaine use. I can attest to that fact because at the time I was feeling amazing - *this was a high like I hadn't previously experienced.*

Not surprisingly i was more nervous at that point than i had been at any time in my trading past - even when i had a lot more money on the line.

The money wasn't the thing that I was focussed on, my focus was solely on what i had to lose - which was my **18 trade** winning streak - when I should have just been glad that all of my work had paid off.

For many years in the past I was much more accustomed to a large string of losses than wins - even up to 9 straight losses in my previous trading life a couple of times.

*But here it was. Vindication.*

Here finally was the indisputable proof that i had become more than just a slightly profitable trader, that my edge wasn't so small that I would lose it sometime down the track. *But in that moment none of it seemed to matter as much as **not losing my next trade.***

Thankfully it was also that moment I realised that I was falling back into one of the largest strategic traps of my past - the trap where a trader cares most about NOT losing his next trade rather than about trading his system accurately and systematically. The trap where a trader then uses that motivation as an excuse to break his rules.

*The trap which most often produces a massive drawdown.*

It turned out that remembering the trap was enough to put me back on the right path, and into the mind frame that had more than partly led to the statistical anomaly of my current trading run in which i only took one half loss.

Because I took stock at that time, the drawdown that had accompanied my most successful periods previously didn't happen this time.

At the end of the streak, i was able to achieve  $\frac{1}{2}$  a loss in 22 trades over a 22 day period, and my trading has never been the same since.

Up to that point and for many years I had been tweaking every aspect of my system to find the optimal set of settings and rules.

The problem with always tweaking a system though is that it doesn't provide you with the consistency and focus that are so necessary to trade a system most effectively.

At that point, I decided to draw a line in the sand, and stop searching or changing my system.

I spent time thoroughly analysing that relatively short trading period, pulling it apart, and distilling all of the important wisdom within it, so that I could double down and use the system to change my fortunes forever.

I have trading systems to trade almost any market, but I decided at that point that I needed to simplify everything and just focus on *what worked best* for me.

What follows are the best tips and most important strategic considerations I learned from trading that system.

Prior to achieving such good results, I had been on a 7 year pilgrimage to profitability, and though i had achieved profitability sometime in the latter part of that period, I was not happy with my statistical edge.

I kept asking myself what good was only making 1-2% on your account after 20 trades if one mistake could wipe it all out? How could i build a trading career from a relatively small edge?

Because of these considerations - I struggled, I fought, I studied and busted plenty of accounts over those years until I finally achieved my goal.

I finally had an edge large enough I could take to the bank, and I finally had the skills and discipline to consistently trade it.

Thank you for giving me your time, i am so pleased that you are on the same journey that consumed so many years for me.

What I hope is that your journey to profitability isn't anywhere as long as mine, and if you are yet not a profitable trader, I hope you find what you are searching for in these pages and from my upcoming trading videos.

Life is short, too short to waste spinning your wheels for years and years because you refused to take the more difficult path of action.

**“Twenty years from now you will be more disappointed by the things you didn’t do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbour. Catch the trade winds in your sail. Explore. Dream. Discover.”**  
**Mark Twain**



## 5. Commitment

I could write a book on this topic, but for the sake of brevity I will say that whether your current circumstances are a result of *your* choices and actions or someone else's, you need to take responsibility for your current circumstances - and make a firm commitment to changing them.

Something I learnt early in my journey was that if you don't commit to doing *whatever it takes to succeed*, then you will more than likely fall short.

There is simply nothing I know of that is both life changing and incredibly valuable that comes easily, and doesn't require hard work and commitment. As time goes on, information is becoming easier and cheaper to access.

We are connected to people and resources in ways that are a complete change to how things were in the not too distant past, but what hasn't changed is the work required to apply this learning and developing the skills to be successful.

You may have better or more effective learning tools than many others have or have had in the past, or have a more profitable system than most others ever trade with, but they won't of themselves make you a great trader.

I believe that it is your ability to commit to being a great trader and then taking the actions that will bring it about which will determine your success.

You can search out shortcuts and ways to make things easier, but at the end of the day you can't run from hard work where it is required.

## 6. Indicators are Unnecessary

A famous Einstein quote is “Everything should be as simple as possible, but not simpler.” I am a big fan of the quote, and I think it is one of the secrets to good trading.

Have a look at the following picture. This is a screenshot of a chart from a system I used to like trading. While it may have been profitable, it is clearly a long way from being as simple as possible.



I spent many years in the pursuit of effective indicators, and my experience has been that the indicator route is a bit of a rabbit hole.

Very quickly you can hit overwhelm status and find it hard to make your way back to a straight-forward system that is both clear and effective.

Throughout most of my development I considered learning to trade with indicators a rite of passage, but I now believe that using indicators isn't keeping with the adage of being as simple as a system could or should be, and so they may not be the right of passage I once thought.

Having said that, every trader should have a good understanding of the various types of indicators available, and understand how they are used and what information they are said to convey. That is the only way I see them as a rite of passage, to be used as a tool to educate yourself about the innumerable dynamics of the market.

The reason for this is that understanding what an indicator is doing helps us understand a little more about the market each time, and that knowledge can then be integrated into your own system.

Even if you don't use it in your system, the understanding will provide the right foundation for your growth as a trader.

Other than not being as simple as possible, the other problem with indicators is that they **always lag price**.

Because of those things, my system uses only price action to determine entry and exit criteria, and (almost) uses no indicators whatsoever.

My only exception is a tool I use to filter the market for the strongest current trends.

At any time when you are looking for a setup with my system, it is **strategically crucial** to be **only focussed on the best current trends across all relevant markets and all relevant timeframes**.

What this means in a practical sense, is that if a setup occurs in a market that is not on my leader board of trending high achievers, I don't even consider it - and you shouldn't either.



The tool I use to filter for the strongest trends at any moment is called [Forex Trendy](#).

There are plenty of free indicators for MT4 that you may be able to use to filter for the best current trends, but I haven't found one that is satisfactory.

If you choose to run free indicators in MT4 you will need to have multiple charts running simultaneously which will drain your computer resources. There will likely be other issues that pop up for you but it can be done.

Over my trading history I have preferred IOS applications to MT4, but now that I have ditched my iphone for a better VR experience, I don't have a choice but to use something that displays in a browser window. I think that at only around \$12 a month, I wouldn't be without [Forex Trendy](#).

[Forex Trendy](#) enables me to select my most favoured specific timeframes, my preferred markets, and to locate up to 20 charts with the strongest trends for those timeframes and markets.

Considering that just five timeframes (eg 5m, 15m, 30m, 1H, and 4H) and 25 markets would provide you with 125 charts requiring analysis in order to determine which were trending the strongest, and you will easily appreciate that a tool which automatically finds the best of them and places them in trending order is pretty helpful.

[Forex Trendy](#) also measures the largest recent pullback as a % of the current move, which is a really great objective way of placing markets in order of the strongest trends to weakest trends.

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