

# FX Firing Pin

## Quick-Start Guide



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May 15, 2011

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THERE IS CONSIDERABLE EXPOSURE TO RISK IN ANY FOREIGN EXCHANGE TRANSACTION. ANY TRANSACTION INVOLVING CURRENCIES INVOLVES RISKS INCLUDING, BUT NOT LIMITED TO, THE POTENTIAL FOR CHANGING POLITICAL AND/OR ECONOMIC CONDITIONS THAT MAY SUBSTANTIALLY AFFECT THE PRICE OR LIQUIDITY OF A CURRENCY.

**FOR EXAMPLE, TRADING THE VOLATILITY CREATED DURING THE RELEASE OF HIGH-AND MEDIUM-IMPACT ECONOMIC REPORTS PRESENTS EXCEPTIONAL OPPORTUNITIES FOR PROFITS. LIKEWISE, TRADING IN TIMES OF HIGH VOLATILITY ALSO INCREASES YOUR POTENTIAL RISK. TO ILLUSTRATE, THERE MAY BE TIMES WHEN YOU WILL EXPERIENCE SLIPPAGE IN THE FORM OF A GAP BETWEEN THE PREVIOUS BID AND THE CURRENT BID. THIS IS ESPECIALLY TRUE WHEN THE MARKET IS MOVING FAST DUE TO HIGH VOLATILITY. THUS, YOUR ORDER MAY BE FILLED AT AN AMOUNT FAR PAST YOUR REQUESTED ORDER RATE. IN AN EXTREMELY FAST-MOVING MARKET, YOU MAY ALSO EXPERIENCE A DELAY OF 10 TO 15 SECONDS BEFORE YOUR ORDER IS FILLED. IT IS POSSIBLE THAT YOU COULD LOSE MOST OR ALL OF THE FUNDS IN YOUR TRADING ACCOUNT. THEREFORE, DO NOT TRADE WITH MONEY YOU CANNOT AFFORD TO LOSE.**

MOREOVER, THE LEVERAGED NATURE OF FX TRADING MEANS THAT ANY MARKET MOVEMENT WILL HAVE AN EQUALLY PROPORTIONAL EFFECT ON YOUR DEPOSITED FUNDS. THIS MAY WORK AGAINST YOU AS WELL AS FOR YOU. THE POSSIBILITY EXISTS THAT YOU COULD SUSTAIN A TOTAL LOSS OF INITIAL MARGIN FUNDS AND BE REQUIRED TO DEPOSIT ADDITIONAL FUNDS TO MAINTAIN YOUR POSITION. IF YOU FAIL TO MEET ANY MARGIN CALL WITHIN THE TIME PRESCRIBED, YOUR POSITION WILL BE LIQUIDATED AND YOU WILL BE RESPONSIBLE FOR ANY RESULTING LOSSES. INVESTORS MAY LOWER THEIR EXPOSURE TO RISK BY EMPLOYING RISK-REDUCING STRATEGIES SUCH AS 'STOP-LOSS' OR 'LIMIT' ORDERS.

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## Introduction

FX Firing Pin works as an EA (Expert Advisor) within the MT4 trading platform. If this is the first time you've used the MT4, we recommend getting acquainted with its basic features.

For an excellent tutorial on using the MT4 platform, visit the following web site:

[http://compassfx.com/virtualtour/metatrader\\_tour.htm](http://compassfx.com/virtualtour/metatrader_tour.htm)

Although we have obtained permission from CompassFX to furnish this link, Group Three does not have a business relationship with them, and the fact that we are directing you to their web site should not be construed as an endorsement or recommendation.

### **Download a Free MT4 Platform if you don't already have it.**

You must have an MT4 demo or live account to use these indicators. You can open a free demo account with any Forex broker offering the MT4 platform.

You can do a Google search using the phrase "MT4 Brokers List." Because of important inconsistencies in data addressed in the activities for Day 3 of the 14 Day Action Plan, we recommended you download MT4 from a broker instead of downloading a demo MT4 platform from MetaQuotes – developers of the MT4 platform. This way, you'll get real market data to practice with instead of data that has been aggregated and approximated. This makes a big difference in the results you will see in demo trading.

We use Interbank FX. You may download a free Mt4 platform from them below. However, keep in mind we have no relationship with Interbank and do not consider this as a recommendation to use their services. It is up to each individual to do their own research and due diligence to determine the best broker for themselves. We receive no compensation from Interbank for providing you this download link. We provide it to you for convenience purposes only.

<http://www.ibfx.com/Platform/Forex-Trading-Platform>

**Make sure you use Metatrader 4 – NOT 5 as these indicators will only work with 4.**

## Installing FX Firing Pin

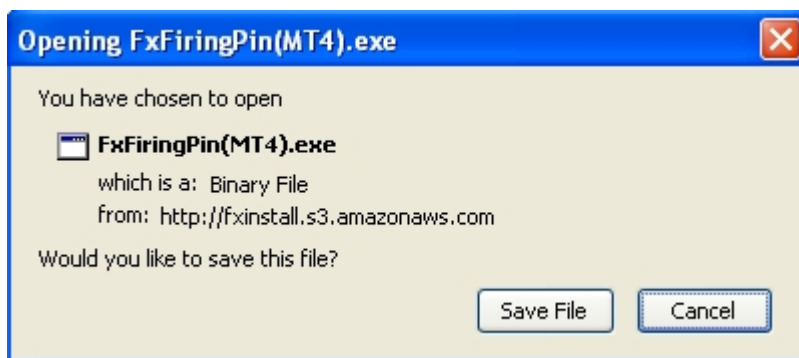
After downloading and installing your MT4 platform, you are ready to download and install the FX Firing Pin. To do so, download the FX Firing Pin Auto Install file from the trial download page. Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>

1. **Make sure your MT4 platform is closed**, otherwise it won't install. Then run the install.

2. Download the FX Firing Pin from Step 3. on the Trial Download Page:

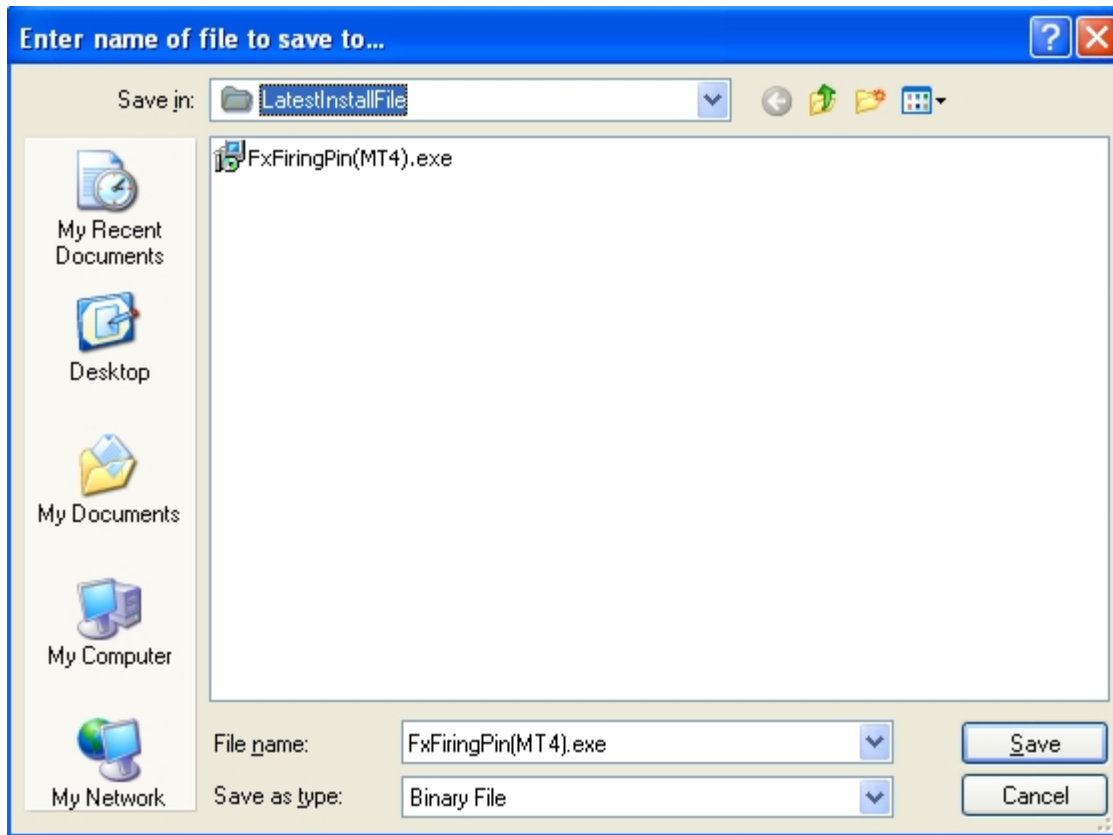
<http://fxfiringpin.com/?uo-offer=trial>

You will see something similar to the image below depending on your browser settings. Some browsers will allow you to "Run" the install from here. Other browsers will require you to "Save" the install file on your computer and then run it after download. Either way is fine:

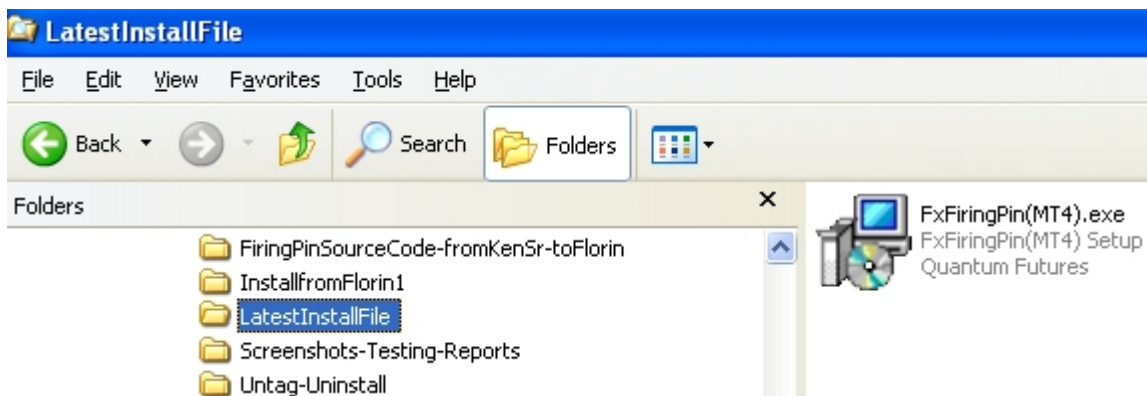


Click "Save File."

## Choose Where to Save the Install File on Your Computer



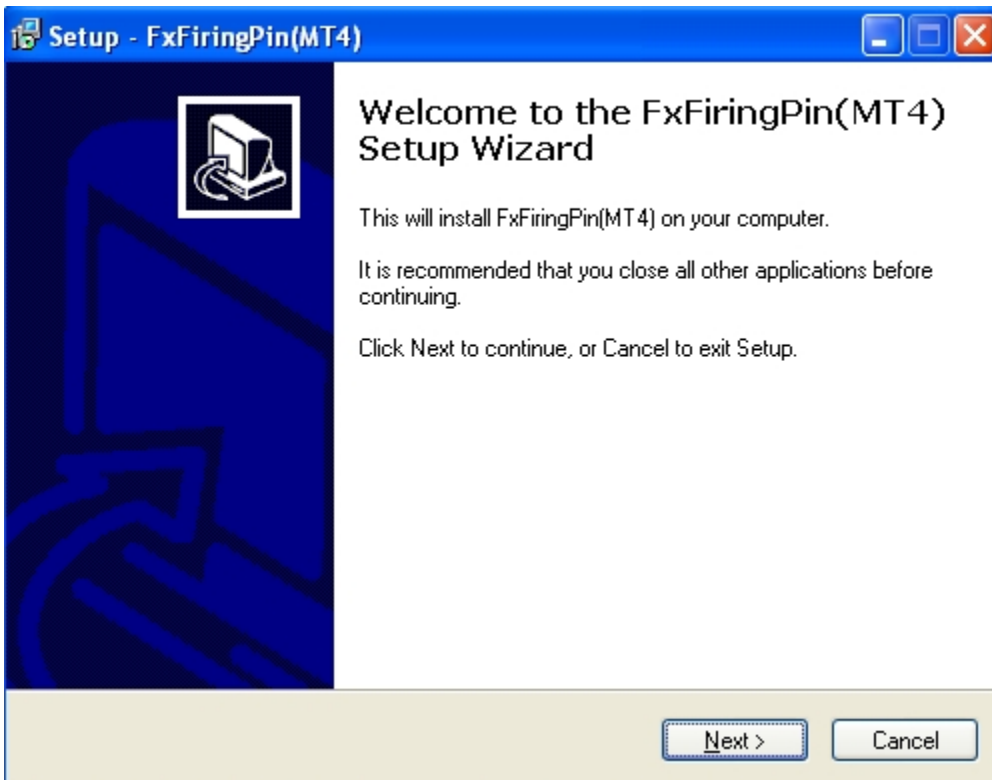
2. Navigate to where you downloaded the program and double-click on the FxFiringPin(MT4).exe file and the installation will begin.



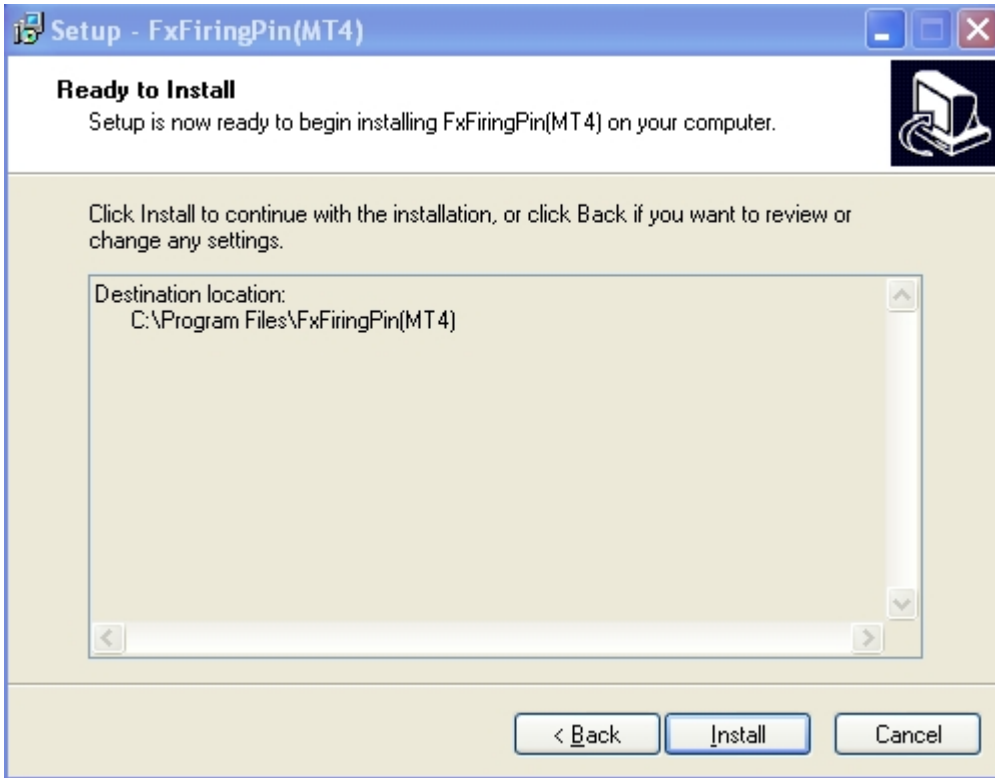
3. If you get the standard warning alert, just ignore it and click “Run.” The software is virus free.



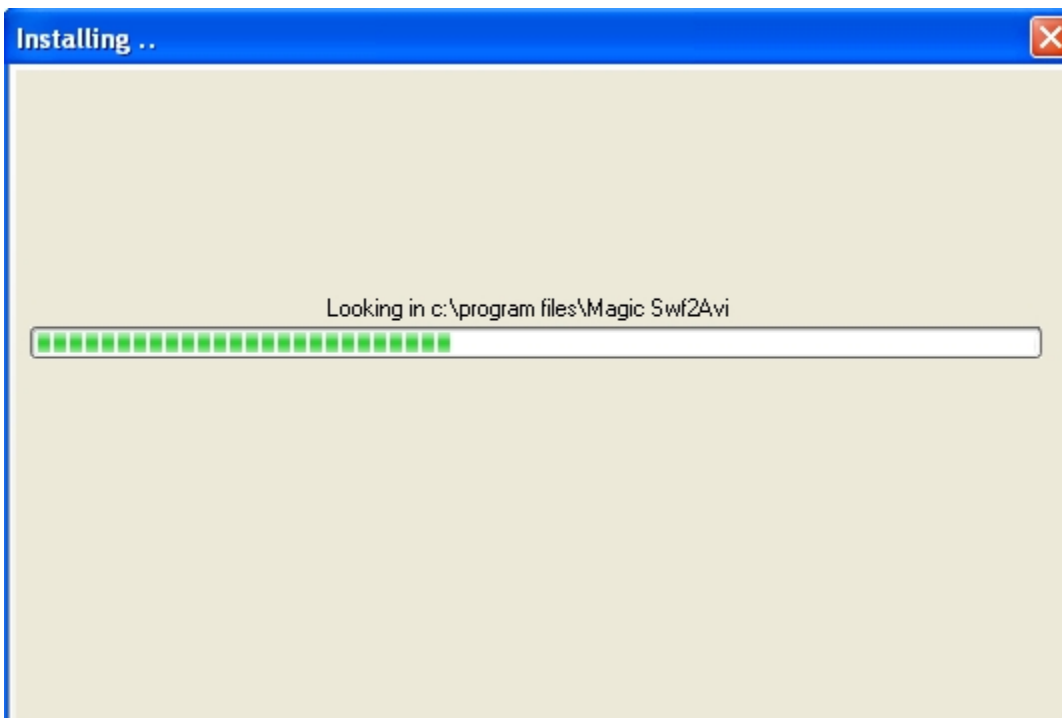
4. You should see the window below. Click “Next.”



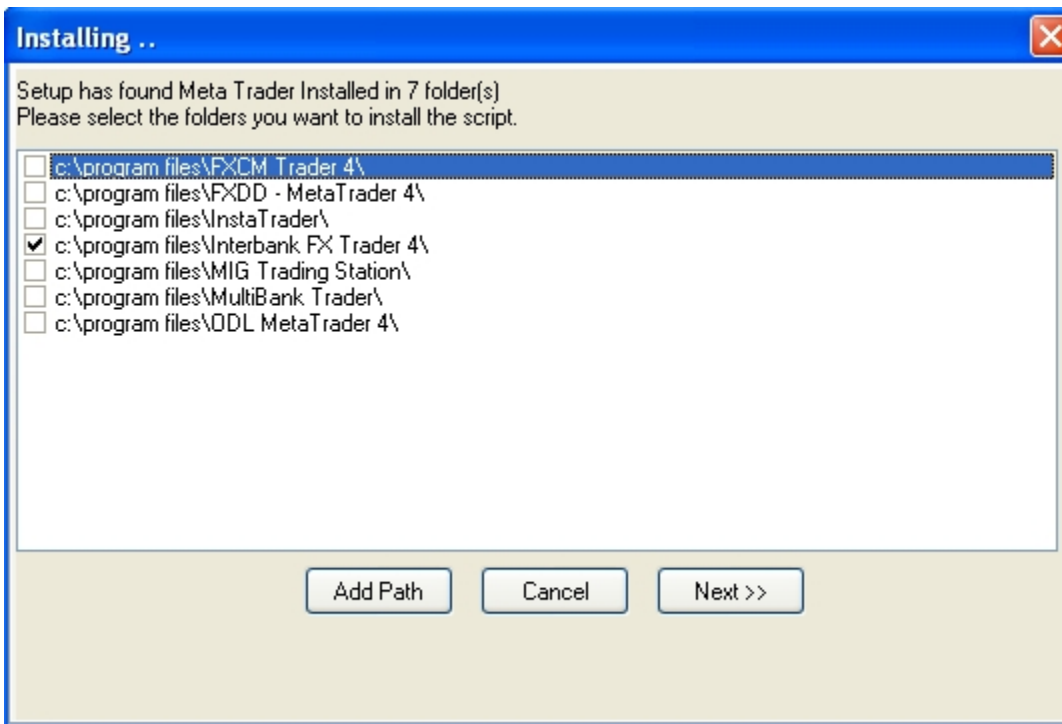
5. Click “Install.”



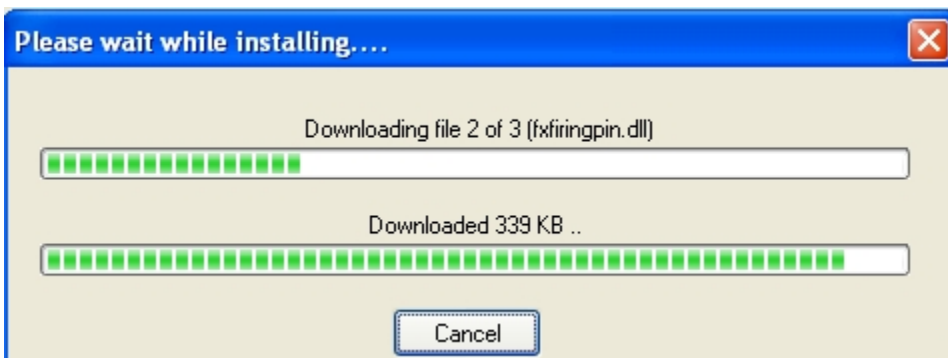
6. The install will now search out all MT4 platforms you’ve installed on your computer. Some folks only use one MT4 platform. Others use multiple. Either way, it will find them and give you the option of which ones to install them on – just one, all or any combination.



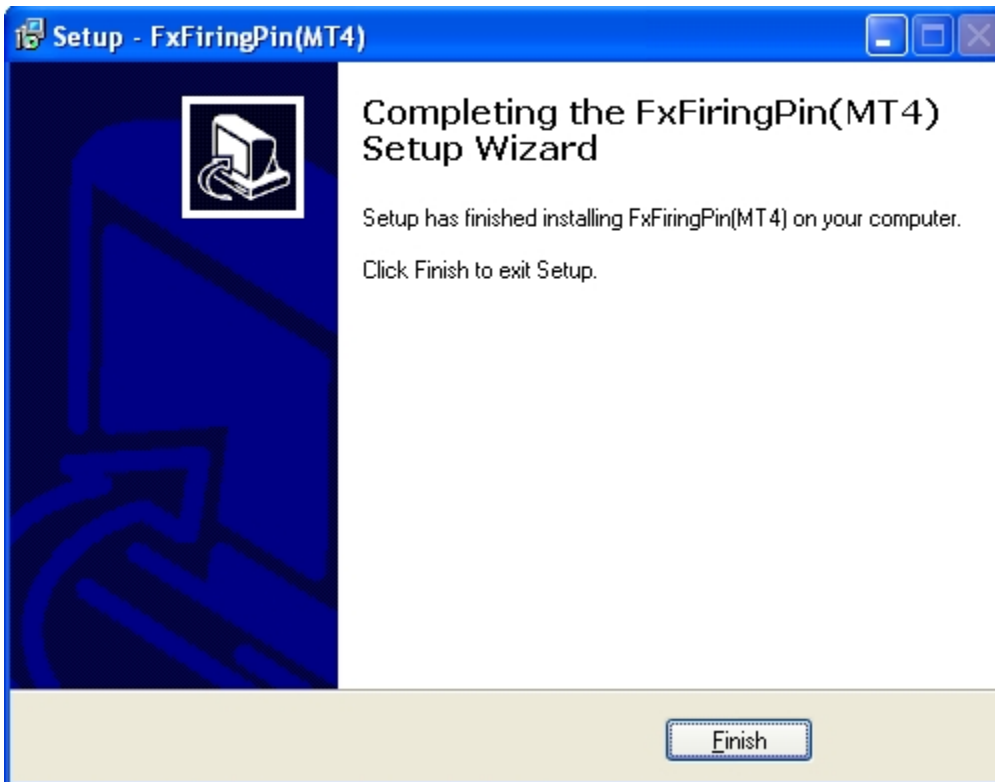
7. Here's where you can choose which MT4 platforms you'd like to install FX Firing Pin. By default, all are checked. Whatever is checked will be installed. Uncheck any MT4 platforms you do NOT want to install FX Firing Pin on. Then click "Next."



8. You will see the progress window below as it installs all necessary files into each of your MT4 platforms you designated in the previous step.

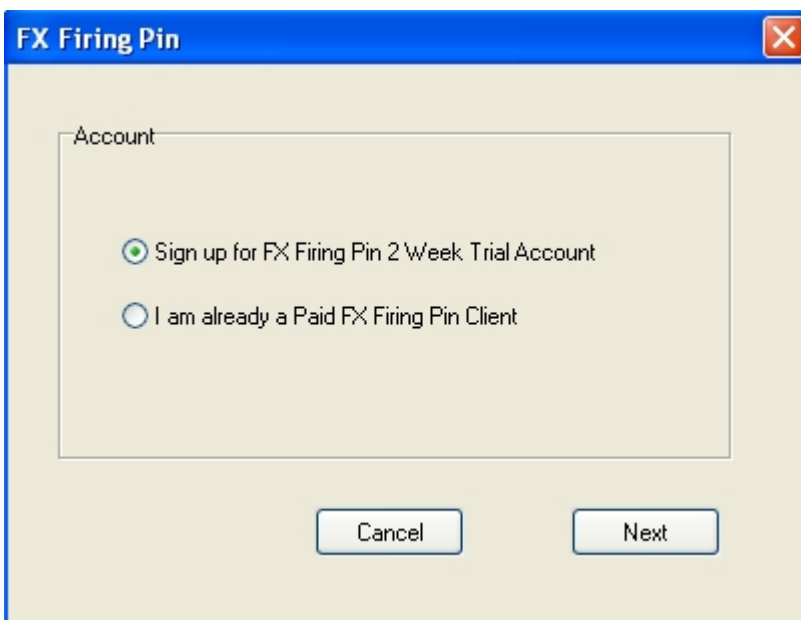


9. Setup has finished. Click “Finish.”



10. Either right after you “Finish” or as soon as you open one of your MT4 platforms with the FX Firing Pin installed, you will see a one-time window asking you to register your FREE account for the 2 Week Trial license to be activated.

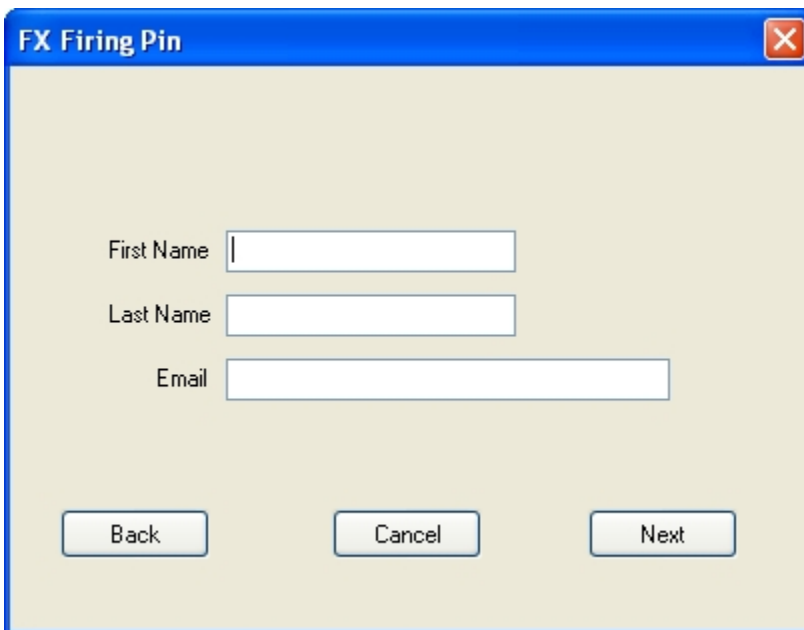
Click “Sign up for FX Firing Pin 2 Week Trial Account.” Then “Next.”



11. To register, enter your real first name, last name and email address.

**Important Note on Registration Info:** If you use fake information here, it may disqualify you from the discount available to you during your trial. If you become a paying client during or after the trial, we have to change your settings in our database to extend the use of the FX Firing Pin on your computer indefinitely.

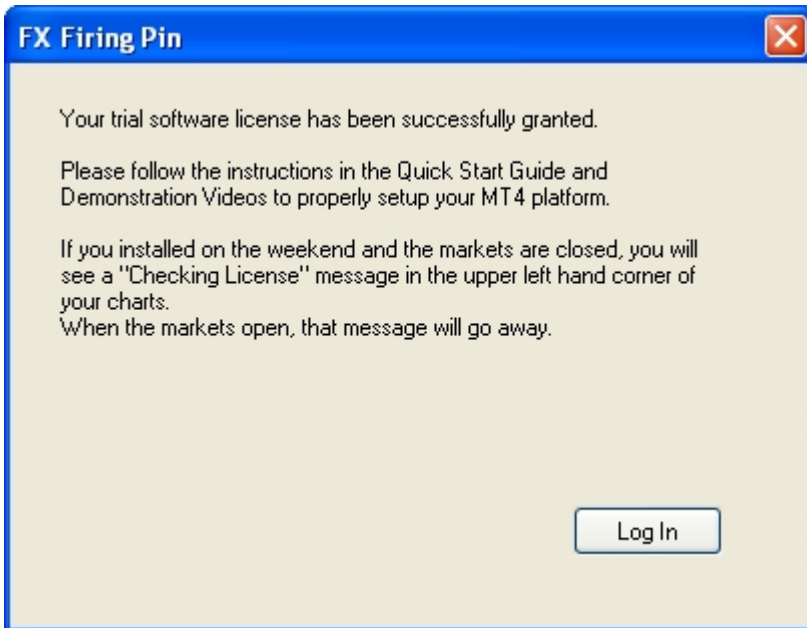
However, to do so, we have to match the order names with the names in the 2 week trial database. If we can't find you in our database because of false info, it not only makes our job of keeping your software going more difficult, it will delay your setup and we may choose at our discretion to disqualify any discounts. So, thank you in advance for keeping this an easy process for all of us by using real info.



The image shows a Windows-style dialog box titled "FX Firing Pin" with a close button in the top right corner. The dialog box has a light beige background and contains three text input fields. The first field is labeled "First Name", the second is labeled "Last Name", and the third is labeled "Email". Below the input fields are three buttons: "Back", "Cancel", and "Next".

Click "Next."

12. Upon successful 2 Week Trial License registration, you should see the window below confirming this fact.



Click “Log In” and follow the rest of the instructions in this guide, FAQ and in the training videos for setting up your charts and trading. We can’t stress the importance of reading this Guide first.

It only takes a little effort to do so. Not doing so can cause you to make unnecessary mistakes which will cost you in the long run. Take this seriously. Don’t rush. Follow the instructions. Ask questions if you need clarification after going through the material.

We’re here for you if you need anything. All we ask is you do your part.  
[support@fxfiringpin.com](mailto:support@fxfiringpin.com)

**Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>**

## **General Description**

FxFiringPin is a system that trades on a breakout above or below price bars marked by the Firing Pins indicator.

As a system, FxFiringPin integrates a simple manual trading method with automated trade management. It is very hands-on, in that it provides a straightforward set of rules that allows you to determine your entry points as well as your stop loss values, profit target values, and money management settings.

The automated part of this system is an EA that performs all of the trade management functions from entry through exit. Since you tailor it to your trading style, you are in total control of your trades.

## **System Features**

- Extremely user friendly
- Hands-on system
- No optimized parameters
- Driven by price action
- Adaptable to user's trading style
- Usable on 15-min to Daily charts (works better at 1-hour and up)
- Trades on breakout of "Firing Pins"
- User-determined initial stop loss and profit target (guidance provided in Quick-start guide)
- Optional automated or manual entry
- Optional automated parabolic-like trailing stop loss
- Automated trade management from entry to exit (trailing stop loss, profit conservation, exit strategies)

## Module 1: FxFiringPin Trade Management EA Initial Setup

This module of the quick-start guide introduces you to the FX Firing Pin Trade Manager EA. Keep in mind that every trade is a collaboration between you and your Automated Trade Manager. Both you and the Trade Manager have tasks to perform, so we will review them briefly.

### Manual Tasks You Perform:

- Select the appropriate Firing Pin
- Move “Firing Lines” into position (more on this in Module 4)
- Determine your initial stop loss and profit target pips
- Decide on your position sizing method:
  - Self-determined
  - Automated
- Select your entry method:
  - Monitor the charts and enter the trade manually
  - Allow the EA to enter for you

### Automated Tasks Performed by the Trade Management Expert Advisor (EA):

- Monitors markets according to your parameters
- Alerts you to trade opportunities that fit within the parameters you set
- Provides the means for manual entry at any time
- Performs all math for determining breakouts
- Enters trades automatically
- Calculates correct position size for your risk, if directed
- Submits initial stop loss and profit target orders according to your input
- Automatically moves trailing stop loss according to your preferences
- Proprietary algorithm accelerates trailing stop loss to lock in profit at specific points
- Exits trades according to your parameters

As you can see, the EA automatically performs all trade management functions including trailing the stop loss, conserving profit, employing exit strategies, and, with your discretion, money and risk management functions.

Of course, you always have the option of monitoring the trades and changing the stop loss and/or profit target, or even exiting manually as see fit.

In a real sense, you and the EA are partners in the trading process: you, with your trading style and preferences, and the EA, with its automated and unemotional trade management capabilities.

## IMPORTANT:

The FxFiringPin Expert Advisor, while automated, is not an automatic trading robot. The automation is limited to trade management functions for the current trade, and for as long as price is between the Firing Lines (There are certain exceptions to this rule which we'll cover in Module 4).

For the most part, however, the EA is automated for one trade at a time.

## Initial Setup

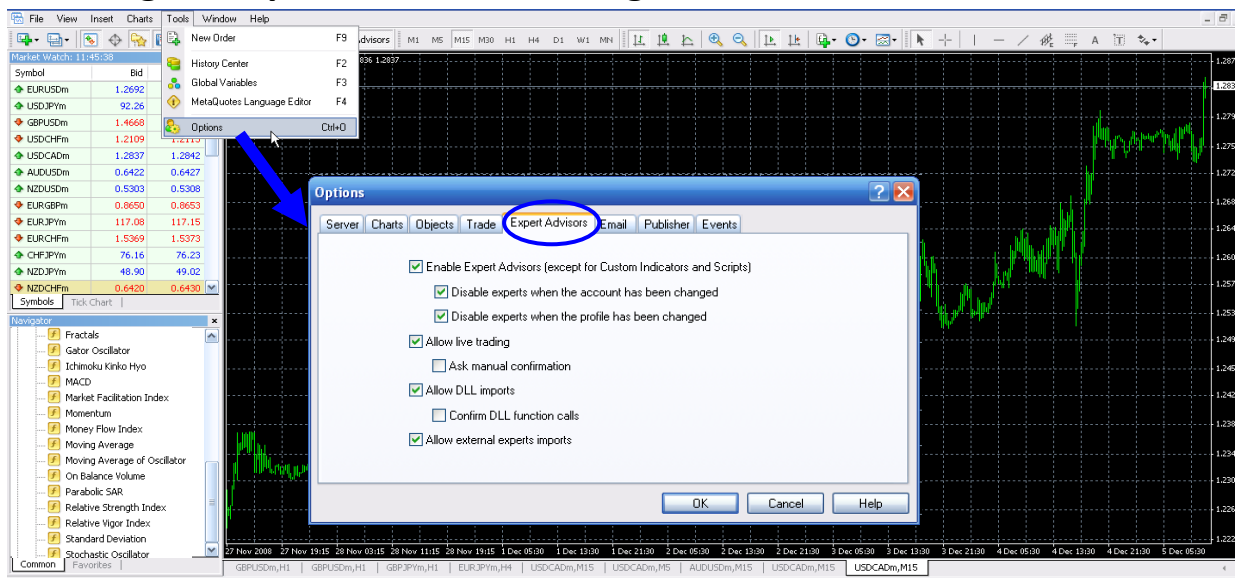
### 1. Enable DLL Imports and Live Trading

When you first open up your MT4 platform, or when you add a new chart, the charts will look something like the one below. It doesn't matter whether your account is live or demo, FxFiringPin and its accompanying indicators will not operate until you enable live trading and allow DLL imports.

To do so, click on the Tools menu and select Options. After the Options dialog box opens, select the Expert Advisors tab. Check the three boxes associated with Enable Expert Advisors, check Allow Live Trading, check Allow DLL Imports, and check Allow External Experts Imports. If you check "Ask Manual Confirmation" under "Allow live trading," your trading will be interrupted until you manually confirm you want to take a trade. This is not recommended as it is time-consuming and can lead to frustration over missed opportunities.

If you check "Confirm DLL Function Calls," a confirmation box will pop up every time the FxFiringPin EA accesses the DLL. We also do not recommend this as it is not only irritating, but it can also interrupt the EA's work until you confirm. It's best not to check those two boxes. When finished, click OK.

## Enabling dll imports and live trading



## 2. Add a New Chart

The default charts for a new MT4 platform are EURUSD, USDCHF, GBPUSD, and USDJPY. They often appear in a horizontal cascade with four charts in the charting window, as in the illustration below. To display only one chart at a time, either click on the Maximize icon in the upper right corner of a chart, or double-click on the chart's tab at the bottom of the charting window, as illustrated below.



The result will be a single chart in the charting window. In this Guide, we're going to be working with the AUDUSD currency pair on the hourly time frame, so we'll need to open a new chart. In the upper left corner of the platform is an icon with a green "+" sign. Click on the icon to open the "New Chart" menu. Locate and select AUDUSD. A new chart will appear in the window. Make sure the hourly time frame (H1) is selected (blue circle). If not, just click on H1 in the time frame menu. Your new chart is now in the charting window in its raw form and is ready for the next step: using the template.

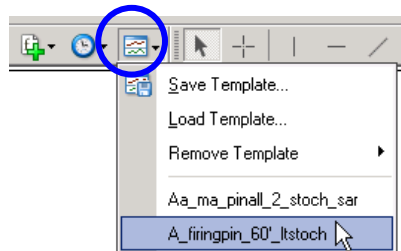


### 3. Attach Firing Pins Template to Chart

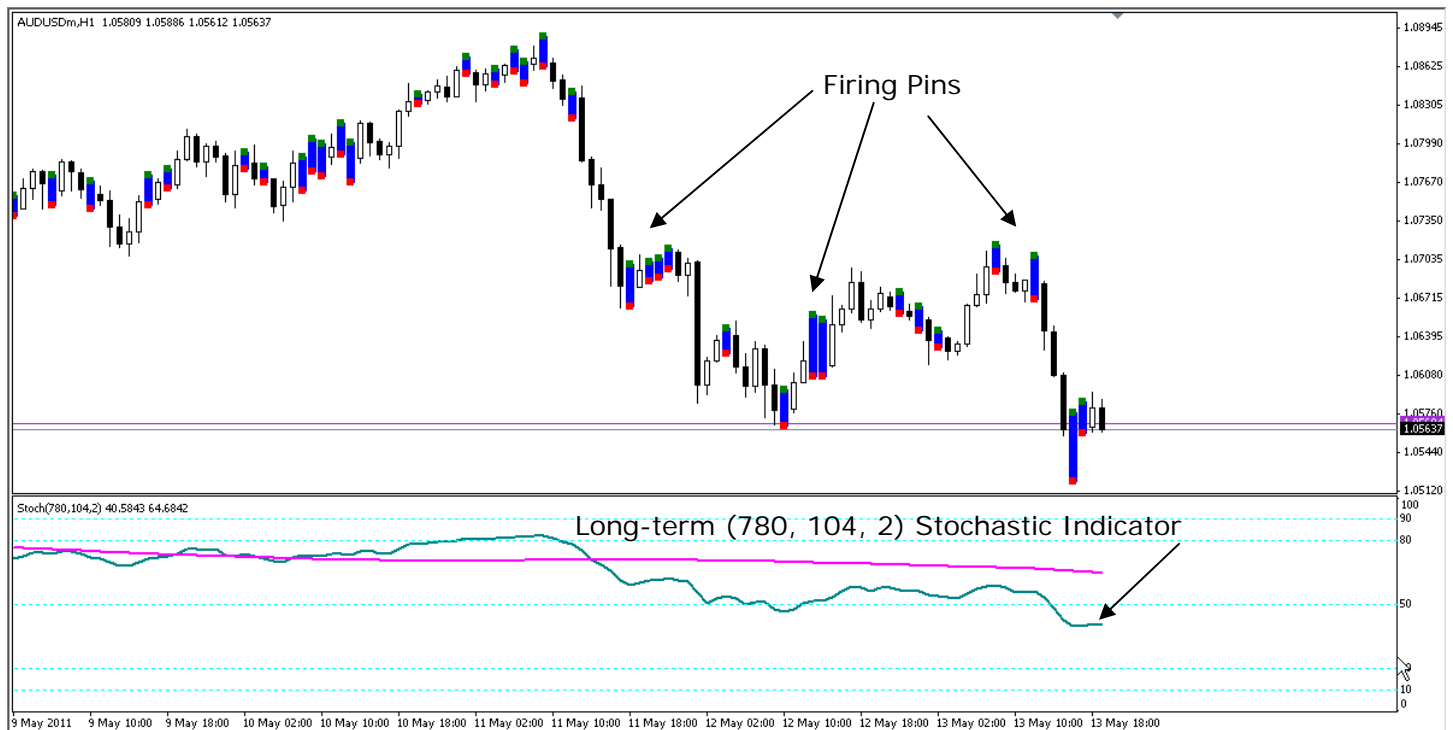
At this stage of the setup process, the indicators you need for trading are not yet on the chart (FiringPins and Stochastics). The easiest way to set the chart up is to attach the “firingpin\_60'\_ltstoch” template.

**For future reference: attaching any template to a chart will automatically replace all previously attached indicators, lines, or EAs.** In this case, you have a raw chart, so there is nothing previously on the chart that will be replaced.

To attach the template, click on the template’s icon in the menu bar and select “firingpin\_60'\_ltstoch.” The template will automatically load the correct indicators.



After attaching the template, your chart should look like the illustration below.



**This concludes Module 1. You enabled dll imports and live trading, added a new chart, and used a template to attach FxFiringPin's indicators. Module 2 introduces you to the Trade Management EA and takes you through pre-trade setup.**

**Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>**

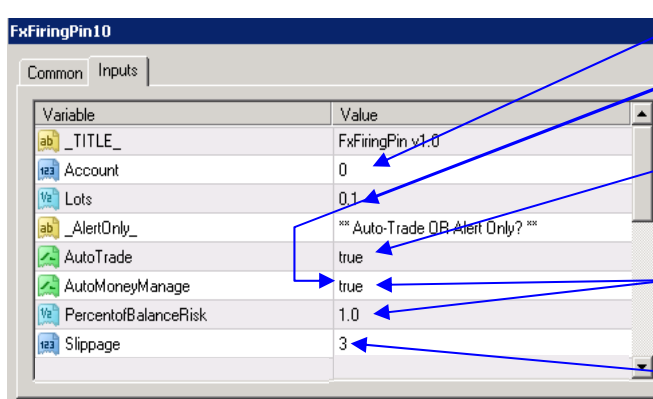
## Module 2: Pre-Trade Setup

Module 2 introduces you to the Trade Management EA and outlines your pre-trade setup tasks.

### Overview of the EA properties box

In this section of Module 2 we'll take a look at the Firing Pins EA properties box and get you acquainted with the parameter settings found there. Although it looks like a lot, it's really pretty simple. This is just an overview, so you won't need to enter any information yet. We'll get into those details a little later in the module.

 \* For best viewing of the illustrations that follow, you may wish to increase the page magnification to 150%



Variable	Value
_TITLE_	FxTradingPin v1.0
Account	0
Lots	0.1
_AlertOnly_	** Auto-Trade OR Alert Only? **
AutoTrade	true
AutoMoneyManage	true
PercentofBalanceRisk	1.0
Slippage	3

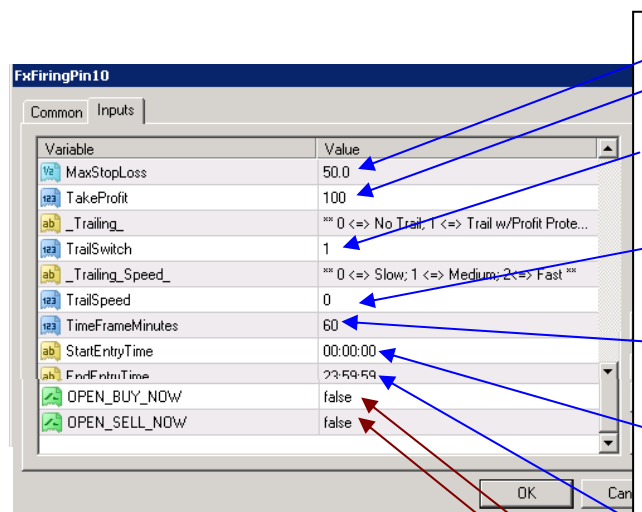
This is where you enter your trading account number.

If you are manually determining your position size, enter it here and set "AutoMoneyManage" to false.

Set AutoTrade to true if you want the EA to enter the trade automatically. Set it to false if you want an alert when a trade opportunity occurs.

Set "AutoMoneyManage" to true if you want the EA to calculate the correct position size based on the percentage of your account balance you are willing to risk. 1% is the default.

Enter the maximum slippage you are willing to accept.



Variable	Value
MaxStopLoss	50.0
TakeProfit	100
_Trailing_	** 0 (<=> No Trail, 1 (<=> Trail w/Profit Prote...
TrailSwitch	1
_Trailing_Speed_	** 0 (<=> Slow, 1 (<=> Medium, 2 (<=> Fast **
TrailSpeed	0
TimeFrameMinutes	60
StartEntryTime	00:00:00
EndEntryTime	23:59:59
OPEN_BUY_NOW	false
OPEN_SELL_NOW	false

Enter your stop loss value.

Enter your profit target.

Set "TrailSwitch" to "0" if you don't want a trailing stop loss, but DO want profit protection. Set it to "1" if you want a trailing stop loss AND profit protection.

Set "TrailSpeed" to "0" for a slow-moving stop loss, to "1" for a moderately fast trailing stop, or to "2" for a fast-moving stop loss.

Enter the time frame you are trading in minutes. 1-hr = 60, 4-hr = 240, Daily = 1440, and so on.

Set the "StartEntryTime" to the hour you want to begin the EA to actively seek trading opportunities that meet your parameters.

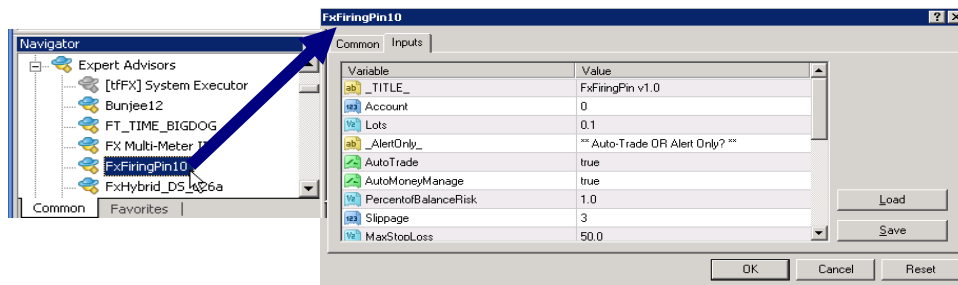
Set the "EndEntryTime" to the hour you want to stop seeking trade opportunities. Leave the settings at 00:00:00 to 23:59:59 to trade all 24 hours.

Set "OpenBuyNow" to true to manually enter a long trade. Set "OpenSellNow" to true to manually enter a short trade.  
**CAUTION: Leaving either of these settings at true will cause the EA to continue to enter trades as soon as one closes. The EA will follow those instructions until your account is drained. To prevent this from happening, as soon as your trade is opened, reset the value to false.**

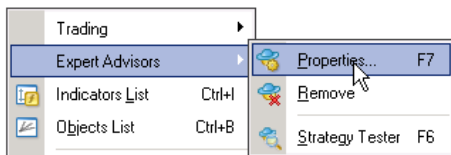
## Enter general information and preferences into your Trade Manager EA

Let's begin with the general entry tasks, as there are some settings that you won't often change after you have entered them and we'll show you how to use these general settings to save time in setting up new charts.

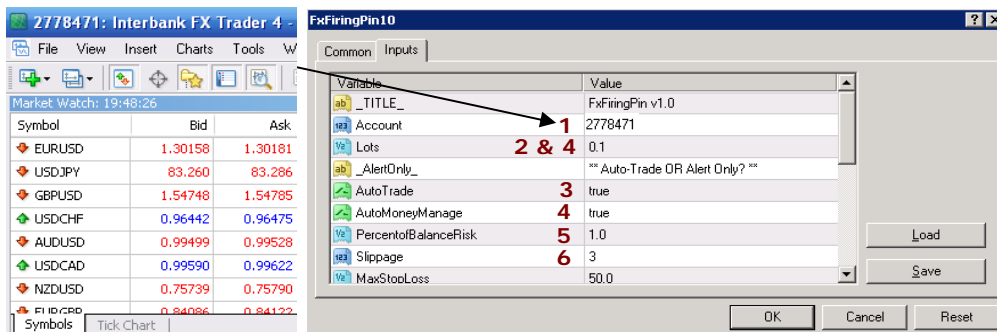
First, to access the FxFiringPin EA properties box, go to the Expert Advisors section of the Navigator window (usually found on the left side of the charting window). Select FxFiringPin10 and double click. The properties box will open.



To access the properties box after the EA is attached to a chart, right-click anywhere on the charting window and the menu pictured below will pop up. Select Expert Advisors, and then click on Properties. This will bring up the properties box.



After your FiringPin EA is open, do the following:



1. Enter your trading account number and double check to make sure the number you entered is correct. The EA will not function if you fail to enter the number or the number is incorrect.
2. If you have your own money management and position sizing strategies, use this line for entering the number of lots you want to trade. Make sure to change "AutoMoneyManage" to false.
3. If you want the EA to automatically enter trades after you have input the appropriate data, set "AutoTrade" to true. If you want to enter your trades manually and then have the EA take over, set "AutoTrade" to false. You will receive an alert any time a trade meeting your parameters presents itself.
4. If you do not have your own money management and position sizing strategies, set "AutoMoneyManage" to true. The EA will automatically calculate your position size based on the percentage of your account balance you feel comfortable risking.
5. Enter the percentage of your account balance you want to risk. We recommend no more than 1% per currency pair you are trading and no more than 4% for all of the pairs you are trading. Thus, if you are trading five pairs, your risk for each pair would be 0.8%, which would equal 4% for all five pairs together.

For example, if your account balance is \$5,000 and you want to risk 2%, you would enter the number 2, which the EA interprets as 2%. A value of 1.5 would equal 1.5% and a value of 0.1 would equal 0.1% (one-tenth of one percent). The EA then takes your account balance, the percent you want to risk, your stop loss pips value, and the value of a pip in the currency pair you're trading and calculates your position size.

Thus, if you were trading AUDUSD with a 1% risk on a \$5,000 mini account with a 53-pip stop loss, your position size would automatically be calculate at about 0.91 mini lots.

6. Enter the amount of slippage pips you are willing to accept. For example, FxFiringPin enters trades at the open of the entry bar. If the market is moving fast and there is a higher number of traders participating, your order could be delayed and price could move a few ticks past the open before your order is accepted.

Slippage is the number of pips beyond the opening price of the entry bar that you are willing to give up to enter a trade. The default setting is 3, and we recommend no more than 6 pips.

## Enter Pair-specific Information Into Your Trade Manager EA

### Enter Your Stop Loss, Profit Target Pips, and TradingHours

At the end of this Quick-start guide is a set of tables to help you select your stop loss and target pips per currency pair. The tables are arranged by time frame (Daily, 4-Hour, 1-Hour, and 15-Min) and by pair. The trading hours represent periods of increased price action, and stop loss and profit target values are based on the low probability that the stop loss will be hit within the first ten bars of a trade, and the higher probability that a profit equal to or greater than the pips risked in your stop loss will be hit.

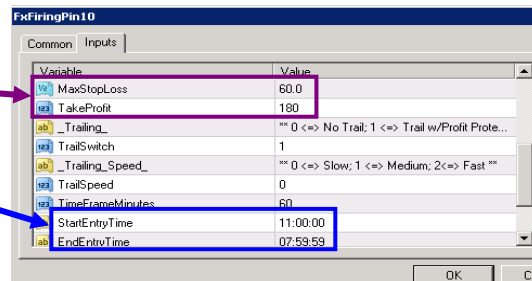
Although the Firing Pin method works with all time frames, it performs best on the 1-hour charts. The table below contains suggested trading hours, stop loss pips, profit target pips, and reward-to-risk ratios for 11 currency pairs. You can use the information as a guide when setting up your trade management EA.

Let's assume you are setting the EA up to trade AUDUSD. The table suggests a stop loss of 60 pips with a profit target of 180 pips (highlighted in purple). Simply double click the appropriate value cell and then enter the values 60 and 180 in the MaxStopLoss and TakeProfit cells, respectively.

The table also suggests that the optimal hours for trading AUDUSD run from 11:00:00 (GMT) through 7:00:00 (GMT) the following morning (highlighted in blue). Double click the StartEntryTime cell and change it to 11:00:00, then double click on the EndEntryTime cell and change it to 07:59:59. Doing so tells the trade management EA that you want to actively seek trading opportunities at 11:00:00 and stop seeking trade opportunities at 07:59:59 the next morning.

Also, make sure to enter the "TimeFrameMinutes." In this case, we're working on a 1 Hour chart, which is "60" minutes.

1-Hour Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	40	120	3 to 1
AUDUSD	11:00:00	7:59:59	60	180	3 to 1
EURCAD	22:00:00	6:59:59	60	180	3 to 1
EURCHF	7:00:00	13:59:59	40	120	3 to 1
EURGBP	7:00:00	17:59:59	40	120	3 to 1
EURJPY	6:00:00	21:59:59	50	150	3 to 1
EURUSD	4:00:00	19:59:59	60	180	3 to 1
GBPUSD	5:00:00	9:59:59	45	135	3 to 1
USDCAD	7:00:00	20:59:59	45	135	3 to 1
USDCHF	5:00:00	18:59:59	45	135	3 to 1
USDJPY	0:00:00	23:59:59	40	120	3 to 1



**NOTE: Trades are not automatically liquidated when the EndEntryTime expires. On the contrary, any trade entered during those hours will run until it reaches its profit target or is stopped out somewhere along the way.**

### \* Special Note on GMT End Entry Time

The FxFiringPin EA does NOT automatically adjust times in the setup tables to translate GMT into your broker's server time. If your broker is not on GMT time, you will need adjust the EndEntry time yourself.

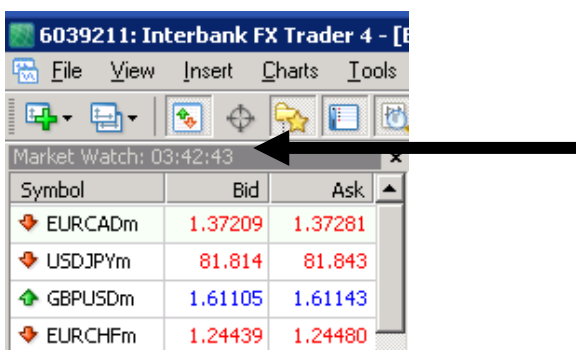
### How to Ajust Times in the Setup Tables to Match YOUR Broker's Server Time

The simplest way to determine your broker's GMT offset is to download a demo from InterbankFX. Their time stamp is GMT. By comparing the time in your market watch window with that of InterbankFX, you can easily calculate your broker's offset.

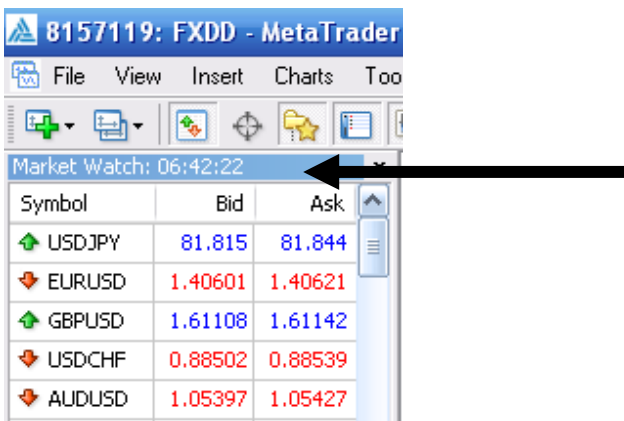
You may download InterbankFX's MT4 Platform here:

<http://www.ibfx.com/Platform/Forex-Trading-Platform>

This is the InterbankFX market watch window. Notice that the time is 03:42. Interbank runs on GMT time.



Here is the FXDD Market Watch window. Notice that the time is 06: 42, or 3 hours ahead of GMT, which means the offset is GMT +3.

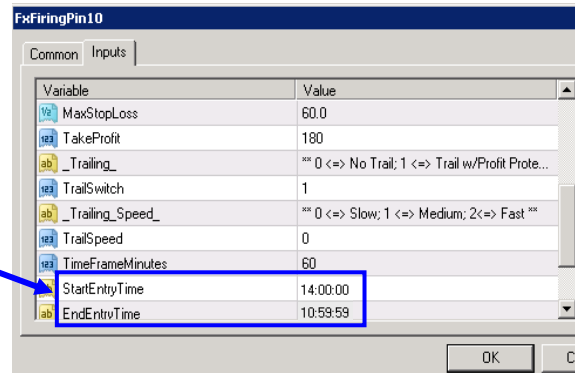


In this example, because your broker's GMT offset is +3, you would ADD three hours to the times in the setup tables at the end of the quick-start guide when setting up your EA.

On the other hand, if your GMT offset is -2, just subtract two hours from the times in the setup tables at the end of the quick-start guide when setting up your EA.

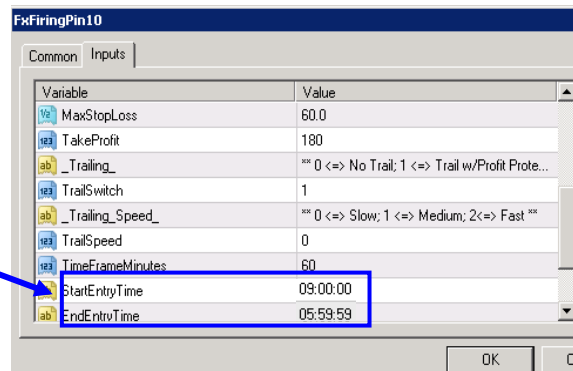
For example, AUDUSD's most active hours are from 11:00 to 07:59:59 GMT. Let's assume that in using the method shown above, you determine that your broker's server time is GMT+3. To make the conversion, you would add three hours to the table's start time of 11:00:00, which would make your start time 14:00:00, and add three hours to the table's end time of 7:59:59, which would make your end time 10:59:59.

1-Hour Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	40	120	3 to 1
AUDUSD	11:00:00	7:59:59	60	180	3 to 1
EURCAD	22:00:00	16:59:59	60	180	3 to 1
EURCHF	7:00:00	13:59:59	40	120	3 to 1
EURGBP	7:00:00	17:59:59	40	120	3 to 1
EURJPY	6:00:00	21:59:59	50	150	3 to 1
EURUSD	4:00:00	19:59:59	60	180	3 to 1
GBPUSD	5:00:00	9:59:59	45	135	3 to 1
USDCAD	7:00:00	20:59:59	45	135	3 to 1
USDCHF	5:00:00	18:59:59	45	135	3 to 1
USDJPY	0:00:00	23:59:59	40	120	3 to 1



Conversely, if you determine that your broker's server time is GMT-2, you would subtract two hours from the table's start time of 11:00:00, which would make your start time 09:00:00, and subtract two hours from the table's end time of 7:59:59, which would make your end time 05:59:59.

1-Hour Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	40	120	3 to 1
AUDUSD	11:00:00	7:59:59	60	180	3 to 1
EURCAD	22:00:00	16:59:59	60	180	3 to 1
EURCHF	7:00:00	13:59:59	40	120	3 to 1
EURGBP	7:00:00	17:59:59	40	120	3 to 1
EURJPY	6:00:00	21:59:59	50	150	3 to 1
EURUSD	4:00:00	19:59:59	60	180	3 to 1
GBPUSD	5:00:00	9:59:59	45	135	3 to 1
USDCAD	7:00:00	20:59:59	45	135	3 to 1
USDCHF	5:00:00	18:59:59	45	135	3 to 1
USDJPY	0:00:00	23:59:59	40	120	3 to 1



**A simple way to remember the conversion is that if your broker's server time is GMT+, add the hours to the table times. If your broker's server time is GMT-, subtract the hours from the table times.**

## Choose Your Trailing Stop Loss Type

The FxFiringPin EA comes with a “Trail Switch” that offers you two options for the type of trailing stop loss:

0. No trailing stop loss, but profit protection active.
1. Trailing stop loss and active profit protection.

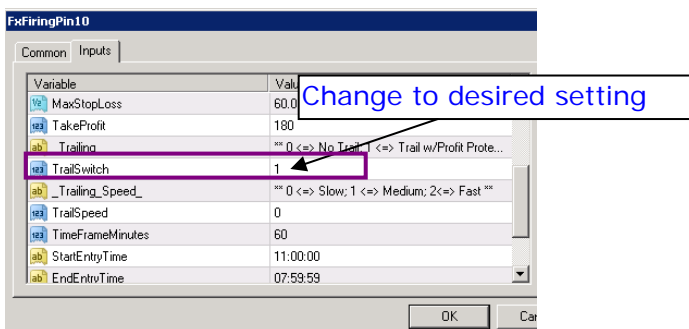
These settings are dynamic so that you can change them any time during a trade. Just open the EA, make the desired change, and then click OK. The change will take effect at the open of the next bar.

- Select option “0” for no trailing stop loss

This option allows the trade plenty of room to develop. The stop loss will remain in its initial position until a profit protection level of three times the ATR(Average True Range) is reached. At that point, the stop loss will move to break even plus a couple of pips. It will remain there until the next profit protection level of 75% of the profit target pips is reached, at which time the stop loss will move to that level and begin trailing.

- Select option “1” for a trailing stop and active profit protection

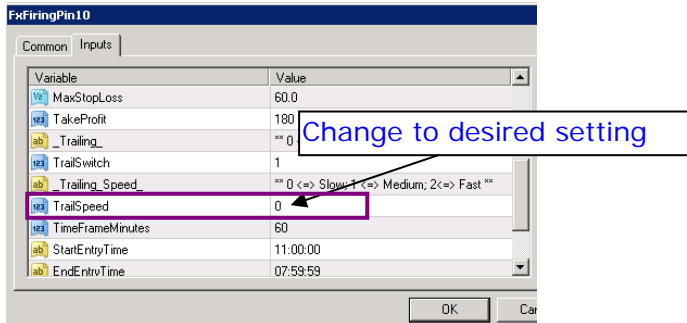
This option allows the stop loss to begin trailing after the first bar in the trade. In addition when the entry price plus three times the ATR is reached the stop loss will move to that level. It will remain there until the trailing stop loss algorithm catches up, at which time the stop loss will continue trailing. When the second profit protection level is reached, the stop loss will jump to that level, and then start trailing again.



## Set Your Trailing Stop's Speed

The FxFiringPin EA gives you the flexibility to control the speed of your trailing stop loss on a dynamic basis. That is, you can open the EA mid-trade and change the setting to a faster or slower speed. The change will take effect at the open of the next bar. The speed settings are:

0. Slow—Starts trailing after 10 to 15 bars;
1. Medium—Starts trailing after 6 to 10 bars; moves 3 times as fast as slow setting
2. Fast—Starts trailing after first bar; moves 5 times as fast as slow setting



In the training videos, we go into more detail on how to benefit from this flexible feature.

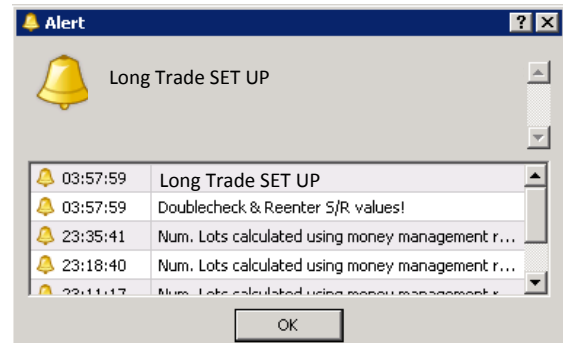
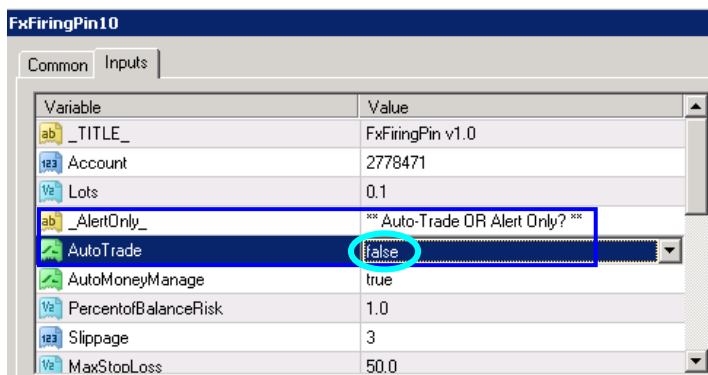
## Select Your Entry Method

With the FxFiringPin EA, you have the option to enter manually after an alert, or to have the Trade Manager enter the trade automatically. **For automatic trade entry, leave AutoTrade set to true. This is how most traders will want to trade as then you won't have to be at your computer to take the trade. However, we've built FX Firing Pins to be highly flexible and you can opt to enter a trade manually if you prefer.**

## Manual Entry

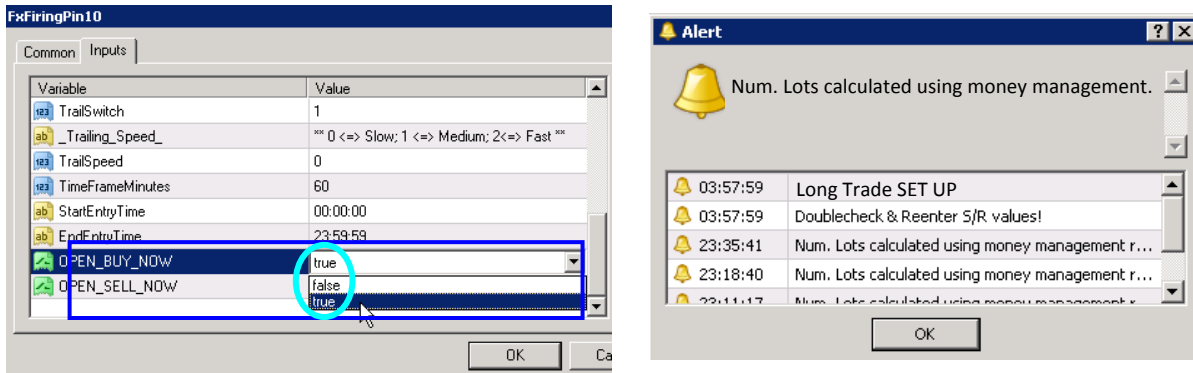
If you prefer to exercise the manual option (as opposed to the automatic trade entry option), open the properties box and set "AutoTrade" to false.

Once you have typed in your trading parameters and activated the EA, you will receive a visual alert accompanied by a tone informing you of a trade setup.

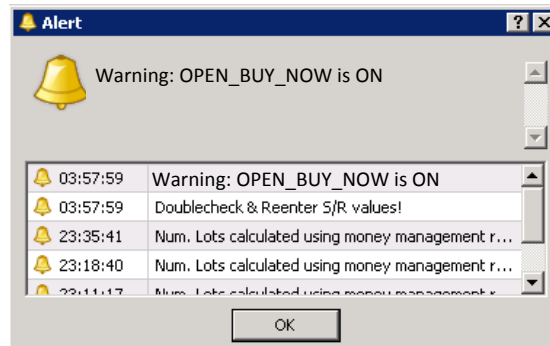


After you check the possible trade out and decide that you want in, you'll need to enter the trade manually. This procedure can be followed at any time, with or without an alert, and whether or not AutoTrade is set to true. Simply open the EA properties box and scroll all the way to the bottom.

To manually enter a long trade, set "OPEN\_BUY\_NOW" to true. For short trades, set "OPEN\_SELL\_NOW" to true. Click OK. The money management alert will pop up. Click OK.



**It will take one tick to enter your order, one tick for the order to execute, and one tick to generate the following alert:**



**DO NOT IGNORE THIS WARNING! As soon as it pops up, open your EA properties box, reset "OPEN\_BUY\_NOW" or "OPEN\_SELL\_NOW" to false, and click OK. If you do not follow this procedure, the EA will continue to open buy or sell orders as soon as the last one closes. It will do this until your account is depleted.**

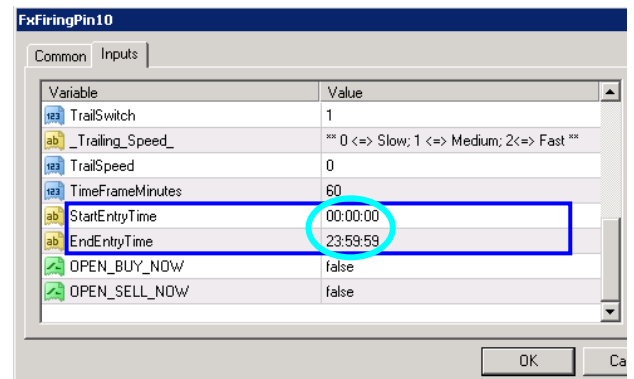
**NOTE: You can open a trade manually at any time. Just remember to reset the "OPEN\_BUY\_NOW" or "OPEN\_SELL\_NOW" to false.**

## Set Trading Hours According to Your Preference

The FxFiringPin can be set to trade any hours you wish. The tables at the end of this guide contain information on the most active hours for each currency pair, but if you have a preference for certain Forex sessions, and want the Trade Manager to pay attention to possible trades only during those times, you can dial in those hours. **Again, if a trade is open, the Trade Manager will, of course, supervise the trade until it is closed out regardless of the times you have entered.**

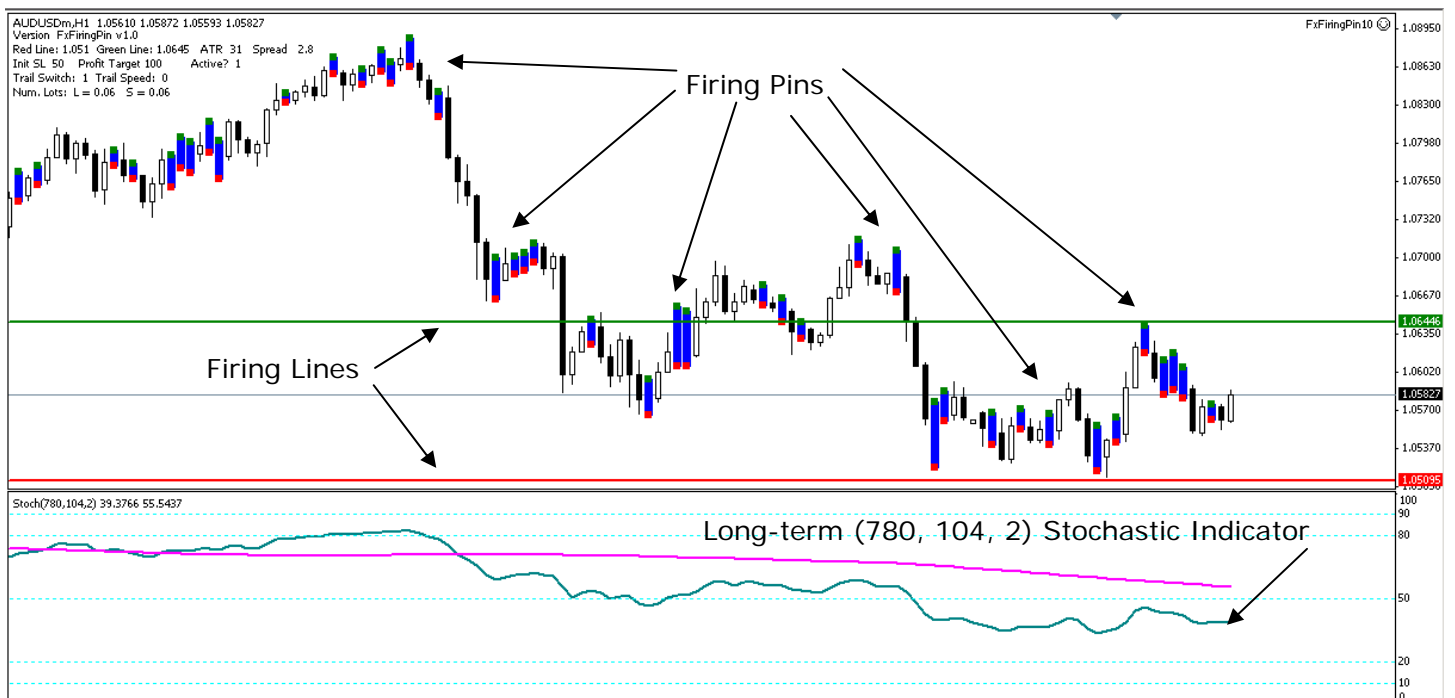
Below is a schedule of the various sessions in GMT.

- 00:00 to 23:59 (24-hour trading)
- 08:00 to 16:59 GMT (London session)
- 13:00 to 21:59 GMT (New York session)
- 22:00 to 08:59 GMT (Australia/Asian session)
- Most active hours by pair in table at end of Guide



Your pre-trade setup is complete. Click the OK button on the properties box, and the EA will attach itself to the chart that is in the charting window. In this case, to AUDUSD.

Now that you are finished with all of the setup work, your EA should be up and running on your chart. In particular, the upper left and upper right corners should resemble the chart below:



The illustrations below describe the information found upper left- and right-hand corners of the chart.

AUDJPYm,H1 85.270 85.332 85.237 85.327	← Line 1: Currency pair and Open, High, Low, Close data.
Version FxFiringPin v1.0	← Line 2: FxFiringPin version.
Red Line: 86.068 Green Line: 86.4593 ATR 36 Spread 4.7	← Line 3: Current value for Red and Green Firing Lines, current value of Average True Range (ATR), value of the current spread.
Init SL 50 Profit Target 100 Active? 1	← Line 4: Initial Stop Loss in pips. Profit Target in pips. Active? 1 means the Trade Manager EA is actively seeking trading opportunities. Active? 0 means that the EA is not seeking trading opportunities. If you have trading hours set to other than 00:00:00 to 23:59:59, you will see Active? 0 during the off hours.
Trail Switch: 1 Trail Speed: 0	← Line 5: Current Trail Switch setting—0 = No trailing stop loss, but profit protection; 1 = trailing stop loss and profit protection.
Num. Lots: L = 0.05 S = 0.05	← Line 6: Number of lots per position is based on current parameters.

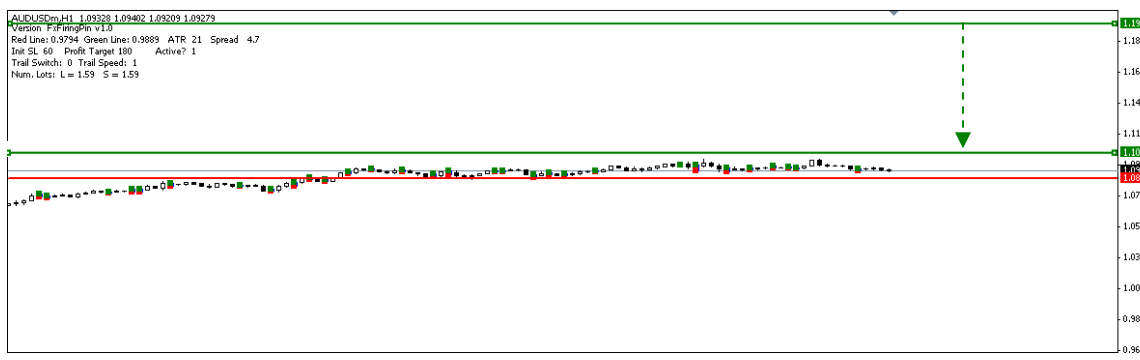
FxFiringPin10 😊	← A Smiley Face indicates that the Firing Pin program itself has no operating problems. However, you <i>can</i> have a Smiley Face and still not have entered the correct trading parameters, including transposing the numbers when entering your trading account number.
	Ignoring an alert or failing to take corrective action will cause the EA to take no action, such as entering a trade, adjusting stop loss values, or exiting at a profit target.

**Note:** Occasionally, but not very often, one of the Firing Lines may not appear within the visible part of the chart window, as in the illustration below. If this happens, move your cursor to the vertical price scale on the right hand side of the chart, click, hold, and drag the scale downward. Repeat until the line or lines appear.

Double-click on a line and a box will appear at both ends. This means the line has been activated. Click on the line, hold, and drag it close to the current price. When finished, move your cursor to the price scale and double-click it. Prices will bounce back to the original scale.



Click, hold, and drag downward

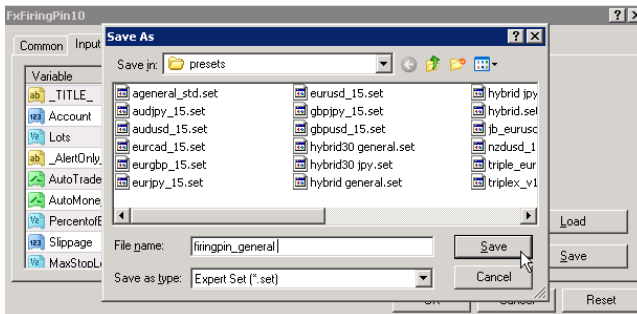


Double-click on the line. When the boxes appear, click, hold, and drag to an area near the current price. Double-click on the price scale and it will bounce back.

## **Create a Preset File for Your Settings**

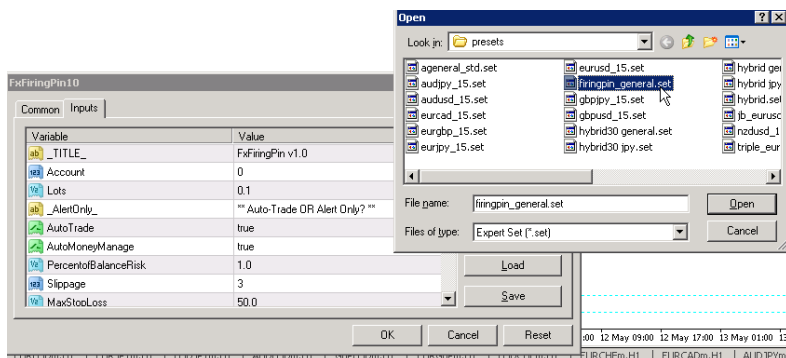
With your EA properties box open and with all of the parameters entered, you can save that information in a preset file and use it for future set ups to save time.

Press the “Save” button on the EA properties box, and a Save As box will pop up. Give your settings a name and when you’re finished, click the “Save” button on the Save As box. The information you entered is now saved in the “presets” file. You can also do this with your specific settings for each pair. The illustration below shows examples of presets for various pairs.



Presets can be used as a shortcut when setting up an EA. To access a preset, first open the EA properties box and then press “Load.” A box containing your preset files will pop up. Select your previously saved preset, then either double click the preset or press Open. This will automatically enter your account number, preferences, and trading parameters into the properties box.

This saves time when you need to set up your EA on new charts. If it is a new currency pair, simply replace the stop loss, profit targets and active trading time values with the appropriate settings.

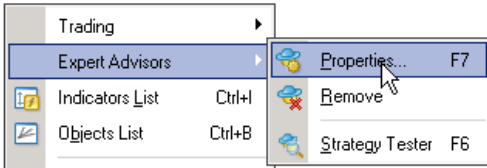


**This concludes Module 2. Module 3 presents important information about warnings and alerts the trade management EA may generate. Do not trade without going through Module 3.**

**Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>**

## Module 3: Alerts and Warnings

If any of the alerts below appear, right click on the chart, select Expert Advisors, and then select Properties, and the FxFiringPin properties box will open. Take the appropriate corrective action, click OK, and your chart should resemble the one above. Clear the alert by clicking OK.

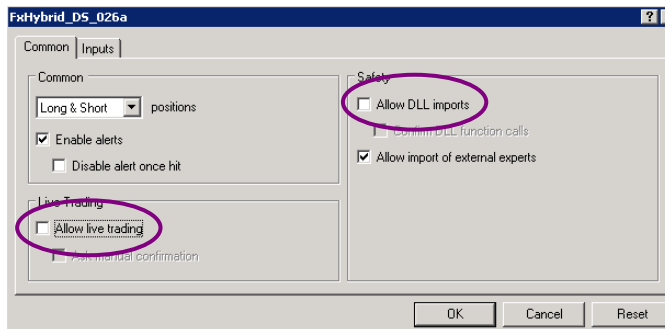


You inadvertently disabled your expert advisors. The EA icon has a red "nose." Also, the Smiley Face in the upper right corner of the chart will change to an "x."

Click on the icon; it will change to green and the Smiley Face will return.

Then click OK to clear the Alert.

Either of these two alerts below means you didn't follow Step 1 in Module 1. Open the FX Hybrid DS properties box Common tab and check "Allow live trading" and "Allow DLL imports." Click OK, clear the alert, and then go back to Step 1 and follow the instructions there. Also, if "Allow live trading" is disabled, you'll get a Frowny Face in the upper right corner of the chart. Not so with "Allow DLL imports." You just get the alert.



**This completes Module 3, including correcting alerts you may encounter. All of your setup tasks are complete. Module 4 will take you through trade setup, entry, and exit.**

**Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>**

## Module 4: Trade Setup, Entry, and Exit

This module takes you step-by-step through a trade from setup to exit. You will see how simple this method really is.

**Special Notice:** As part of your trial, we also recommend using the MT4 strategy tester to gain months worth of practice in a 45 minute session. To see how to use the strategy tester to simulate live trading, please see the videos in **Step 5. How to Get Months Worth of Practice in Minutes with Simulated Trading** on the trial download page:

<http://fxfiringpin.com/?uo-offer=trial>

**There are three components to the FX Firing Pin method:**

1. the Firing Pins
2. the Firing Lines and
3. the long-term Stochastic indicator.

### Firing Pins

The Firing Pins represent areas of market indecision, where neither buyers nor sellers were in control. Below is a group of firing pins all hanging around the same level, indicating a highly indecisive market. Firing pins have a blue body with a green box at the high and a red box at the low.



### Firing Lines

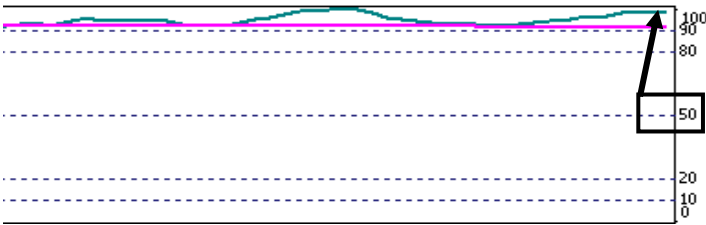
The Firing Lines are two horizontal lines overlaid on the price chart—one green and one red, to match the upper or lower part of the Firing Pins for long and short trades, respectively.



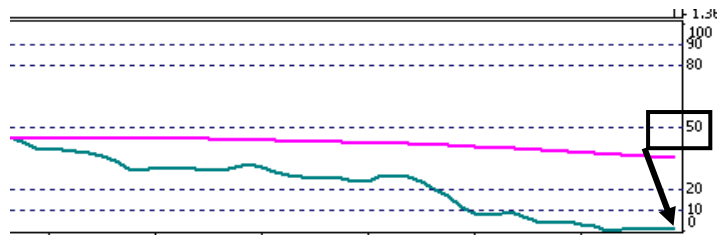
## Long-term Stochastic Indicator

The Stochastic indicator shows us the long-term market direction. It consists of two lines, the stochastic line (teal-green colored) and the signal line (magenta-purple). Both illustrations below show the long-term stochastic on an hourly chart. It represents a rolling approximation of the market direction on a daily chart while maintaining some of the shorter term characteristics of hourly price movement. Consequently, it is an ideal indicator this approach to trading the Forex.

The FxFiringPin method subscribes to the old adage, "The trend is our friend." Thus, we consider the general direction of the market to be upward if the teal-green stochastic line is above 50, as is the case in the illustration below.



Likewise, we consider the general direction of the market to be downward if the teal-green stochastic line is below 50, as is the case in the illustration below.



## Rule for Trading with the FxFiringPin

1) Trade only long if the stochastic is greater than 50; trade only short if the stochastic is less than 50.

What? There is only one rule? Yes! Nothing could be simpler than that!

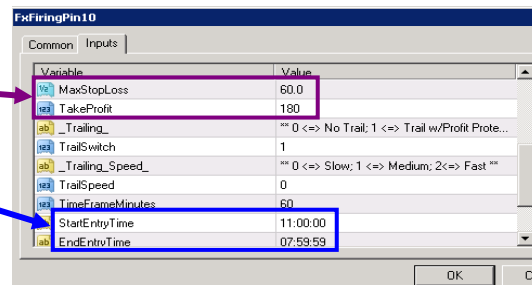
In Illustration A below, the stochastic (teal-colored) line is above 50, so we would trade only long. In Illustration B, the stochastic (teal-colored) line is below 50, so we would consider taking only short trades.



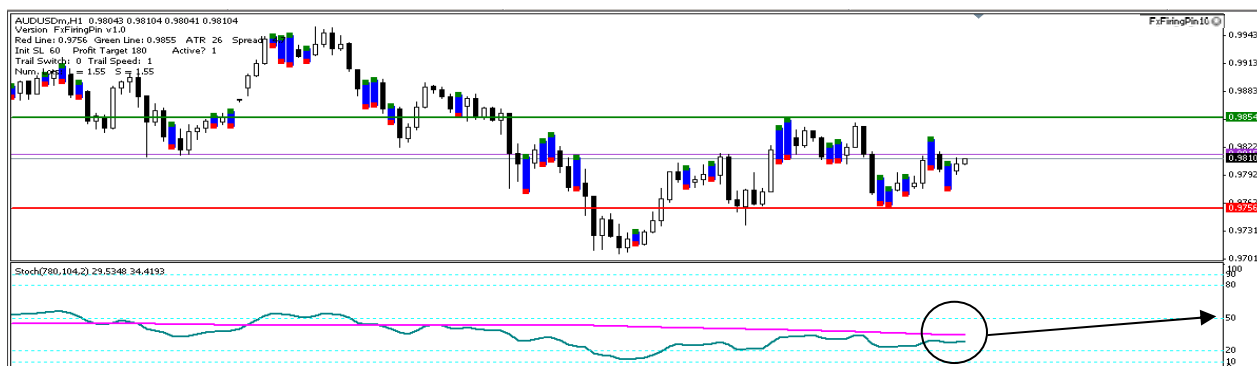
## Setting Up For the Trade

As a quick review, in Module 2 we went through the steps for setting up the EA using the tables provided at the end of the Guide. Assume that we're setting AUDUSD up for a trade on the hourly charts and that we've already set the EA up according to the table, as in the illustration below.

1-Hour Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	40	120	3 to 1
AUDUSD	11:00:00	7:59:59	60	180	3 to 1
EURCAD	22:00:00	7:59:59	60	180	3 to 1
EURCHF	7:00:00	13:59:59	40	120	3 to 1
EURGBP	7:00:00	17:59:59	40	120	3 to 1
EURJPY	6:00:00	21:59:59	50	150	3 to 1
EURUSD	4:00:00	19:59:59	60	180	3 to 1
GBPUSD	5:00:00	9:59:59	45	135	3 to 1
USDCAD	7:00:00	20:59:59	45	135	3 to 1
USDCHF	5:00:00	18:59:59	45	135	3 to 1
USDJPY	0:00:00	23:59:59	40	120	3 to 1



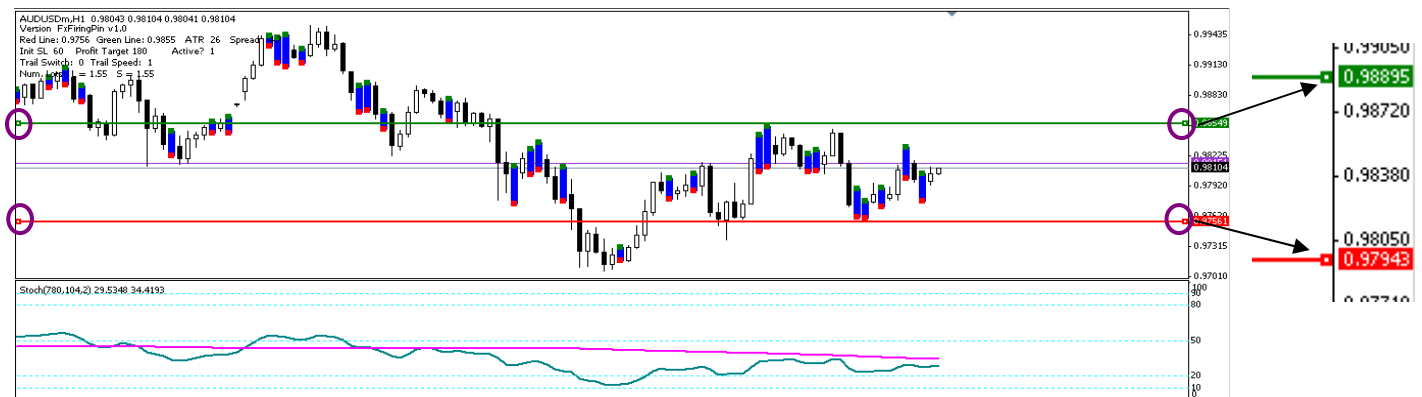
With all the pre-trade preparation done, your chart will look similar to the one below, with the Firing Pins, Firing Lines, and Stochastic indicator all on the chart. Note that the Stochastic line is below 50.



Remember, with the stochastic line is below 50 we are going to look for short trades only. All that we need to do now is to move the red Firing Line into position, and to move the green Firing Line to a strategic location away from the trade direction. The red Firing Line controls short trades and the green Firing Line controls long trades. The Trade Management EA keeps track of where you move the lines and knows exactly where they are at any given time.

**Activate Firing Lines, Locate Most Recent Firing Pin, and Move Firing Lines Into Position**

First, double-click on both Firing Lines so that the small boxes at each end appear. With the boxes present, the Firing Lines are activated for movement and you can click, hold, and drag them where you want to. If the boxes are not at the ends of the Firing Lines, you will not be able to move them at all.

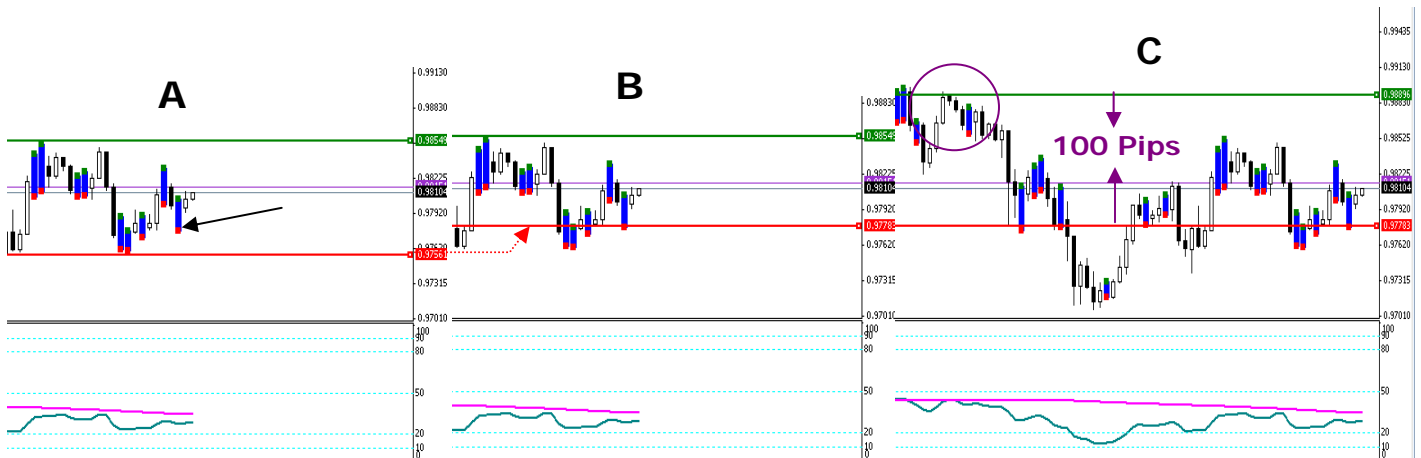


Since the Stochastic is below 50, we are looking for opportunities to go short. That being the case, we will be working with the red Firing Line and the red boxes on the Firing Pins.

After activating the Firing Lines for movement, locate the red box on the most recent Firing Pin. The arrow in **Illustration A** is pointing to it.

Next, click on, hold, and drag the red Firing Line to the red box on the Firing Pin, making sure that the current price remains between the red and green Firing Lines, as in **Illustration B**.

Finally, as shown in **Illustration C**, move the green Firing Line to a location that is either about 100 pips from the red line or to the apex of a past upward price move (purple circle). This is not rocket science, so you don't have to be exact. The main idea here is to make sure you don't unintentionally enter a long trade.



## Now that you're set up, let's take a look at how entry takes place.

It takes three bars for a trade to be taken:

1. **The first bar is the Firing Pin bar.** If you are setting up for a short trade, you will match the red Firing Line with the red box at the bottom of the Firing Pin. Conversely, if you are setting up for a long trade, you will match the green Firing Line with the green box at the top of the Firing Pin;
2. **The second bar is the setup bar.** It is a very important bar because it determines whether or not a trade will be entered.

For short trades, the setup bar must open above the red line and close below the red line.

For long trades, it must open below the green line and close above the red line.

Also, the setup bar's high to low range must be at least one ATR (average true range) in length. In other words, if the bar is less than average length, then it disqualifies the entry.

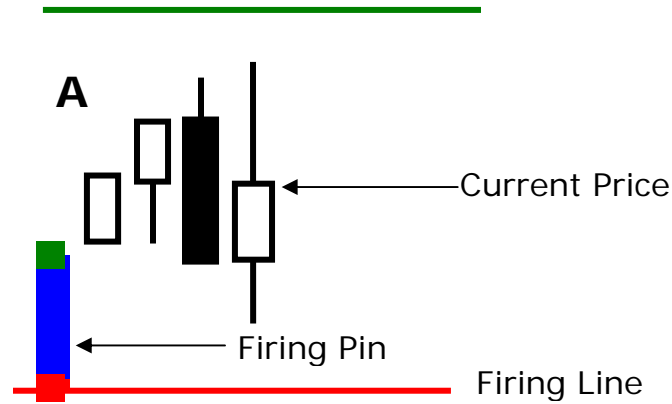
Finally, at least 30% of the setup bar's body must extend below the red line for short entries, or above the green line for long entries;

3. **The third bar is the entry bar.** If the signal bar's requirements are met, the EA will enter the trade at the open of the entry bar. Since entry requires all three bars, fewer entries on false breakouts will occur.



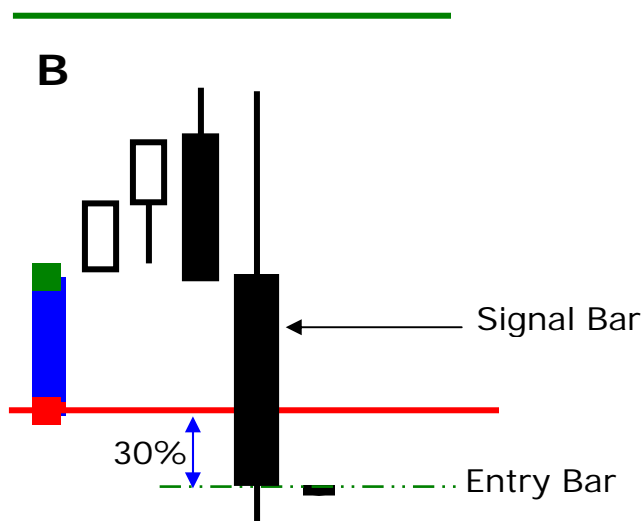
**Special Note on Signal Bar: The SIGNAL BAR Does NOT have to be the NEXT bar to the FIRING PIN BAR. It can be several bars away from the FIRING PIN BAR.**

The important thing to remember is that the Firing Line is matched up with the most recent Firing Pin that will allow the current price to be between the two Firing Lines, as shown in **Illustration A**:



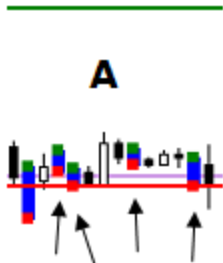
**Illustration B** is a continuation of the situation depicted in Illustration A, only some time has gone by. Notice that the signal bar has now crossed the red firing line and is extending beyond it. When that happens, entry will be triggered as long as the three criteria for a signal bar are met:

- 1) The signal bar's range from high to low must be at least one ATR long
- 2) The body of the bar must be greater than or equal to 50% of the range
- 3) At least 30% of the body must extend beyond the Firing Line



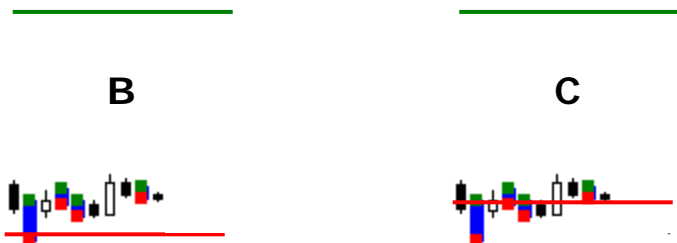
## A Firing Pins Trade from Entry to Exit

We'll now go through a short trade from entry to exit. One thing to consider in setting up for a trade is that you will occasionally have to relocate your Firing Line. Since we're looking at shorting the market, we'll have to move the line as new Firing Pins are generated. See Illustration A below for an example. The arrows represent possible changes.

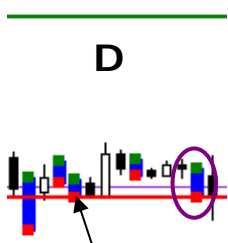


To change a Firing Line's position, simply place your cursor over it, click, hold, and drag it to where you want it. In looking at Illustration B, suppose that your red Firing Line was originally set where the solid red line is. Seven hours later, you have an opportunity to check your setup and find that price has risen and three new pin bars have been generated.

You move your Firing line up to the red box on the most recent Firing Pin. Position the line just below the price on the current bar, keeping the open and the current price between the red and green lines as in Illustration C.

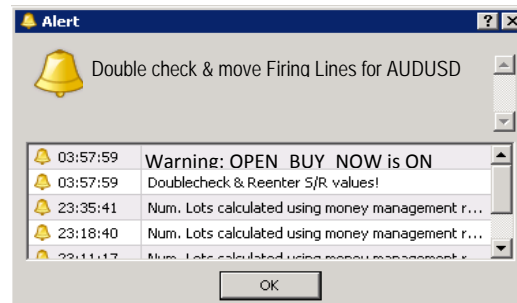
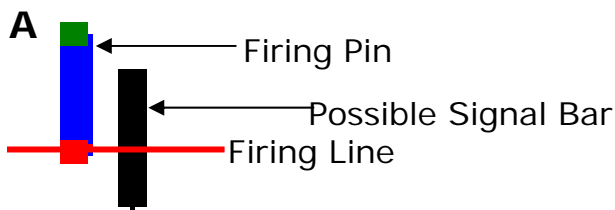


But don't worry if you don't get to each and every bar. You may occasionally miss a trade, but there will always be another. Suppose that you set up your Firing Line at the arrow in Illustration D and then went out for the day. Eight hours later (purple oval), you return and find that your setup held while you were gone. This is a scenario we often encounter.

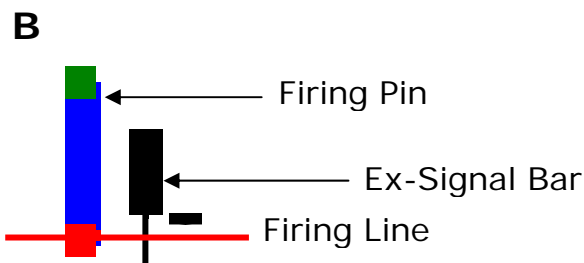


Another instance in which you will need to reposition (move) your Firing Lines is if price is no longer between the Firing Lines and there is no resulting trade. When that occurs, you will get the alert below.

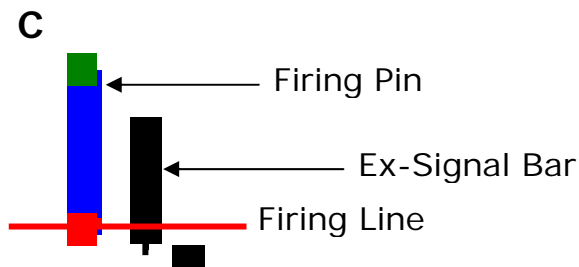
This is particularly true when a signal bar is forming (Illustration A below). Price is now outside the Firing lines, so the EA will generate the alert. In that case, it is better to click OK on the Alert box but take no action until the end of the bar.



If price moves back and closes between the Firing Lines and the new bar opens between the Firing Lines as depicted in Illustration B below, a new alert will not be generated.



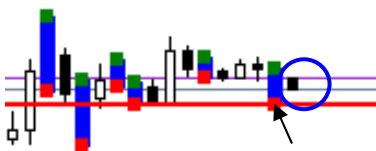
However, if price closes outside of the Firing Lines, but not far enough to meet the entry parameters, you will get the alert. When that happens, click OK on the Alert box, and then reposition your Firing Line(s).



So now you find yourself at the current bar (blue circle in Illustration A below) and you have set your red Firing Line at the red box of the most recent Firing Pin (arrow in Illustration A below). You have remembered to keep the current price between the red and green Firing Lines.

---

**A**



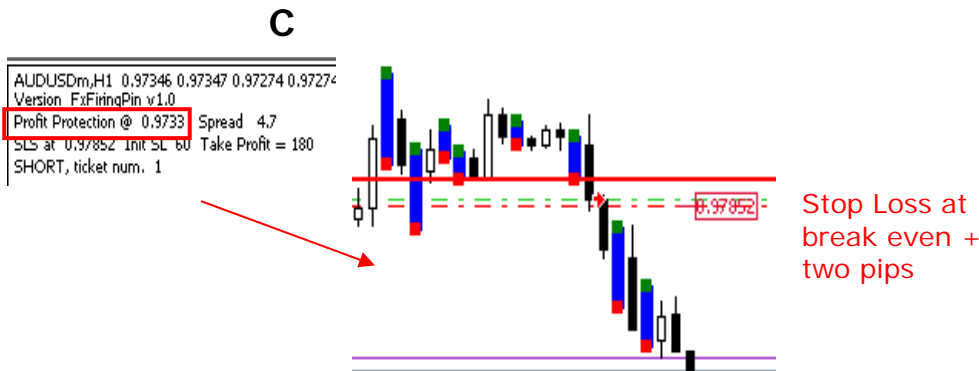
You go to bed and an hour later the Trade Management EA opens a short position (Illustration B).

---

**B**



During the pre-trade phase, you had set your Trail Switch to 0, meaning the stop loss will remain in its initial position until the first profit protection level is reached. That level is found in the upper left corner of the chart, as shown in Illustration C below. Once the profit protection level is reached, the stop loss moves to break even plus two pips. This all happened about the time you were waking up.



While you're at work, the market continues downward and the second profit protection level is hit. You are close to hitting your profit target and are currently sitting on protected profit of 135 pips (Illustration D).



In Illustration E, by the time you get home from work, the Trade Management EA has exited the trade at your trailing stop loss for a gain of 136.2 pips.



**Stopped Out  
for a Gain of  
136.2 Pips**

That's all there is to trading with the FxFiringPin EA. To recap, if the stochastic is above 50, you look only for long trades; if it is below 50 you look for short trades.

In either case, you position the appropriate Firing Line within the green or red box on the Firing Pin. You occasionally reposition the Firing Line in response to alerts or when a new Firing Pin is generated and let the EA do the work of monitoring the trade.

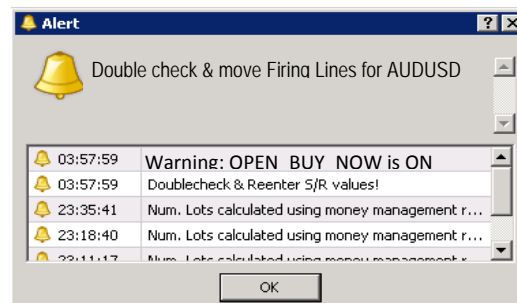
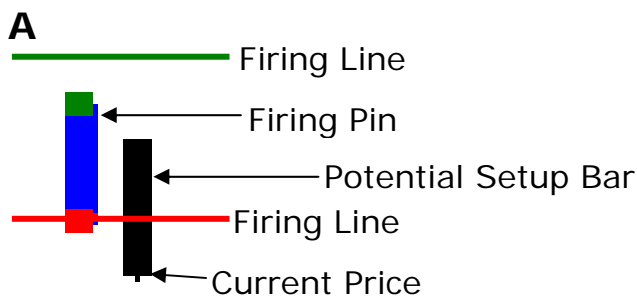
## Special Note: What to do when you get the Double check & move Firing Lines alert?

There are two situations that this alert is generated:

- 1) when a setup bar is forming (Illustration A below), and
- 2) when price has moved and remains beyond either of the Firing Lines (Illustration B below).

**Situation 1):** In Illustration A, the current bar (Potential Setup Bar – which directly follows a firing pin bar) is forming and price has moved outside the red Firing line, so the EA will generate the alert.

In this situation, click “OK” on the alert box and **DO NOT MOVE YOUR LINES yet**. At this point, the current Potential Setup bar is still forming and may signal an entry on the following bar if entry requirements are met (see FAQ #3 for entry requirements).



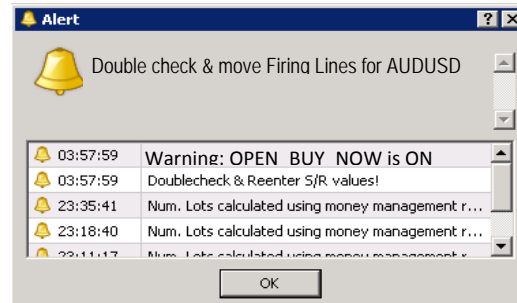
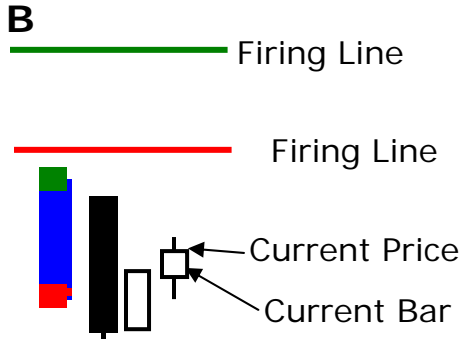
**If you happen upon the alert while the setup bar is still forming, DO NOT MOVE YOUR LINES until the open of the next bar.** This is because the setup bar determines whether or not a trade will be entered.

Therefore, if you move the firing line before the potential setup bar has closed—that is, while it is still forming—you may miss a trade opportunity. That is why, in this case, you must wait until the next bar opens.

Essentially, this is an early warning alert that you may want to reset your firing lines as soon as the potential signal bar has closed. But until then, just click OK on the Alert box, but keep your lines where they are.

**Situation 2):** In Illustration B, several bars, including the current one, are beyond the red firing line. In this case, the “Double-check” alert will pop up periodically until you move your firing lines to the appropriate positions so that price is between the red and green Firing Lines.

In this case, click OK on the Alert box and move your lines.



**You are now almost ready to get started with your trading. But before you go on, you need to carefully absorb and consider the final module, which discusses money management and position sizing. It is the most important part of the system, so please read it because it is what will keep you in the game.**

**Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>**

## Module 5. Position sizing and money management

You don't need to concern yourself with the math in this module as the AutoMoneyManage feature within FxFiringPin Trade Manager EA automatically calculates your position size based on your stop loss, your account balance, and the pip value according the percentage of risk you specify.

We recommend trading at a max of 1% per trade and 4% total on all currency pairs you're trading.

### ***“Know when to hold ‘em, know when to fold ‘em...”***

As the lyrics in the old Kenny Rogers song suggest, knowing exactly when to get out of the market is just as important, if not more important, than deciding where to enter. In other words, you need a way to know ahead of time:

- 1) what your ultimate risk will be,
- 2) what your initial stop loss will be, and
- 3) when to take profit.

These points are at the heart of capital preservation and risk control—or in other words, sound money management practices. This manual provides recommendations on initial stop loss values and in calculating your profit targets, so you already know in advance what those values are. As for knowing what your ultimate risk will be, that topic will be addressed as we proceed. And by the end of this module you will see how FX Firing Pin automatically “knows when to hold ‘em, know when to fold ‘em...”

### **Does Size Matter?**

This question has been around since long before David & Goliath and it conjures up a host of possible responses. For traders, this is a pivotal question. The answer is, “Yes, size DOES matter.” And you'll discover why as we progress through this module.

In the meantime, to illustrate the point, imagine watching a video that describes entry into a trade, where to place the stop loss, and where to exit. The narrator might say, “So, since we're going short in this trade, we'll place our stop loss just above the high of the previous bar. Let's see...it looks like it's about 50 pips. Also, we want to make a profit of at least two times our stop loss value, so we'll set our first profit target at 100 pips.”

But what's missing in the narrative? We'll answer that in a minute, but for now, think about it...

Far too many traders equate risk with the SIZE of the stop loss. For example, if you are trading in standard lots of EURUSD, then every pip is worth \$10. So, when the narrator says, "...it looks like it's about 50 pips," the first thing that hits you is, that's a \$500 stop loss! If you have a \$5,000 account, that represents a hefty risk of 10% of your capital and it's even more if you plan on trading 2 lots.

That kind of risk might be too rich for your blood, so you decide that maybe trading mini lots would be better. That way, at least, with a 50-pip stop loss you would only be risking \$50 per mini lot, or 1% of your capital for each lot traded.

However, what if the probability for a handsome profit is higher if your stop loss is 100 pips? If you go for it, you're now risking \$100 per lot.

This is the dilemma inexperienced traders face quite often as they try to figure out how to stay in the game without losing everything. They have no way of knowing what their ultimate risk will be.

### **Two Key Elements**

There are two key elements that will greatly influence your ability to profit with ANY system. In fact, they are the most important factors in the life of every trade. They answer the question, "Does size matter?"

#### **These two key elements are:**

1. the SIZE of your trading account, and
2. how you decide your position SIZE

These two components are interrelated and inseparable. Without integrating your initial account size with a sound position sizing strategy, your trading results will be less than stellar. Fortunately, the FX Firing Pin system does just that – all automatically and behind the scenes.

## How Do I Know What My Ultimate Risk Will Be?

Your ultimate risk is really determined by your position size—that is, by the number of lots you are trading. That is what was missing in the video’s narrative. You almost never hear anything about position size, yet it lies at the very core of your ability to survive and flourish as a trader.

As pointed out earlier, many traders equate risk only with the distance between the stop loss and the entry point, or in other words, with the number of pips in the stop loss.

For example, if they are trading a mini account and want to risk \$50 on a particular trade, they might set their stop loss 50 pips from entry. However, they may then enter the trade with a 2-mini lot position size. They don’t consider that trading two mini lots means each pip gained or lost will have an approximate value of \$2.00. So if they are stopped out, they will actually lose \$100, or twice as much as they had planned.

## The “Magic” Formula

This formula was held secret and sacred for many years by a group of very successful traders. Van Tharp published it, and recommended it as a highly effective approach to determining ultimate risk. It is the Percent of Balance model.

Let’s assume that you have a mini-account with a \$2,500 closed trade balance, and you want to risk no more than 1% on your next trade. The formula for determining your position size from a percentage of your account balance is:

$$\text{Position Size} = (\text{AcctBal} * \text{Pct}) / \text{SL} / \text{PipVal}$$

**AcctBal** = your closed-trade account balance

**Pct** = the desired percentage of your account you are willing to risk

**SL** = your stop loss in pips (the difference between your entry and your stop loss)

**PipVal** = the value of a mini pip (one-tenth the value of a standard pip)

You can get this value by using a pip value calculator. There are hundreds available free online. The link below will take you to one of them:

<http://www.goforex.net/pip-calculator.htm>

## Calculating Your Ultimate Risk

Let’s say that you have set up your FxFiringPin EA for a trade in EURUSD, so you have already set your stop loss value from our recommendations. Any pair with USD as the quote currency (the second currency in the pair) has a standard pip value of \$10.00. If you didn’t know this, you could get it quickly with a pip value calculator. Since you are trading a mini account, the

value of a mini pip would be \$1.00. With these two values, FX Firing Pin calculates your position size.

$$(2,500 * .01) / 47 / 1 = 25 / 47 = 0.53 \text{ lots}$$

If you are an experienced trader and you decide to risk a more aggressive 2.5% of your account balance, your ultimate risk would be calculated as follows:

$$(2,500 * .025) / 47 / 1 = 62.5 / 47 = 1.33 \text{ lots}$$

Again, since you're trading mini lots, and since one pip for a full mini lot is worth \$1.00, your position is equal to \$1.33 per pip. This means that your **ultimate risk** is your position size multiplied by your stop loss pips times \$1.00 (the value of a full mini pip), or  $1.33 * 47 * \$1.00$ , which equals \$62.51.

So now you know that if your stop loss is hit, you will be losing \$62.51, your ultimate risk.

With the magic formula, you now know what your ultimate risk will be, what your initial stop loss will be, and when to take profit.

Again, knowing your ultimate risk, and knowing that you are the one who controls it, leads to peace of mind.

**Since you have the advantage of the FX Firing Pin system, you don't have to go through all of the calculations. The system does it for you automatically. All you do is decide on the percent of your balance you are comfortable risking on a trade. We recommend 1% max per trade and 4% combined max on all charts.**

**The AutoMoneyManage feature automatically calculates your position size based on your stop loss, your account balance, and the pip value.**

### **Powerful Model**

The Percent of Balance money management and position sizing model is extremely powerful because it is flexible. For example, going back to a question in an earlier scenario, "But what if the probability for a handsome profit is higher if your stop loss is 100 pips [rather than 50 pips]? If you go for it, you're now risking \$100 per lot."

With AutoMoneyManage set to true, you can actually set your stop loss to 100 pips without changing in any way your ultimate risk. Here's why:

Assuming a EURUSD trade with a \$2,500 mini account and a 1% risk factor, your ultimate risk will be \$25. In terms of a 50-pip stop loss, your position size would be 0.5 lots. Your 100-pip stop loss at dollar risk of 1% of your account balance would be 0.25 lots.

So you can still take the trade at 100 pips because your dollar risk doesn't change.

Another important aspect of the Percent of Balance model is that as your account grows in SIZE, your position SIZE increases, which influences the SIZE of your profits. Best of all, you always have peace of mind in knowing what your ultimate risk on any trade really is.

**NOTE: We recommend that you risk no more than 1% of your account balance on any one trade, and no more than 4% in the aggregate for all the pairs you are trading.**

**For example, if you are trading five currency pairs, then we recommend setting your PercentofBalanceRisk parameter to 0.8 for each pair.**

**Also, when you begin trading live, with real money, start out risking 0.25% for any one pair, and 1% in the aggregate for all trades. This is a good way to break into live trading because you can learn to control your emotions, follow your plan, and avoid the temptation to tweak the system while still being able to sleep at night.**

This concludes the module on money management. NOW, it's time to activate your FxFiringPin and begin trading. As you make sure to watch the training videos, follow along with the 14 Day Action Plan steps and practice, you will quickly see the value of what you now have in your possession.

Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>

The following pages contain Results, Stop Loss and Profit Target Tables as a guide to selecting currency pairs and setting up your trading parameters.

## Live, Real Money Trading Results



## Results By Pair

Pip Performance				
December 09, 2010 through May 13, 2011				
Pair	Trades	Wins	Win%	Pips
EURJPY	164	84	51.22%	2273.6
AUDUSD	139	78	56.12%	1296.5
EURCAD	56	31	55.36%	583.6
EURUSD	209	98	46.89%	506.3
EURGBP	113	59	52.21%	412.7
GBPUSD	155	72	46.45%	322.8
AUDJPY	73	34	46.58%	292.9
EURCHF	42	20	47.62%	268.9
USDJPY	140	69	49.29%	234.4
USDCHF	76	45	59.21%	192.0
<b>TOTALS</b>	<b>1167</b>	<b>590</b>	<b>50.56%</b>	<b>6383.7</b>

Your Trial Download and Video Training Page may be accessed at any time during your trial by going here: <http://fxfiringpin.com/?uo-offer=trial>

## Stop Loss and Profit Target Tables

The tables below are arranged by time frame (Daily, 4-Hour, 1-Hour, and 15-Min) and by pair. The trading hours represent periods of increased price action, and stop loss and profit target values are based on studies that indicate the low probability that the stop loss pips will be hit within the first ten bars of a trade, and the higher probability that a profit equal to or greater than the pips risked in your stop loss will be hit.

Daily Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	150	300	2 to 1
AUDUSD	0:00:00	23:59:59	125	250	2 to 1
EURCAD	0:00:00	23:59:59	200	400	2 to 1
EURCHF	0:00:00	23:59:59	125	250	2 to 1
EURGBP	0:00:00	23:59:59	80	240	3 to 1
EURJPY	0:00:00	23:59:59	100	200	2 to 1
EURUSD	0:00:00	23:59:59	150	300	2 to 1
GBPUSD	0:00:00	23:59:59	150	300	2 to 1
USDCAD	0:00:00	23:59:59	200	400	2 to 1
USDCHF	0:00:00	23:59:59	150	300	2 to 1
USDJPY	0:00:00	23:59:59	200	400	2 to 1

4-Hour Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	150	300	2 to 1
AUDUSD	0:00:00	7:59:59	80	240	3 to 1
EURCAD	20:00:00	15:59:59	125	250	2 to 1
EURCHF	8:00:00	15:59:59	125	250	2 to 1
EURGBP	8:00:00	19:59:59	60	120	2 to 1
EURJPY	4:00:00	19:59:59	150	300	2 to 1
EURUSD	4:00:00	19:59:59	100	250	2.5 to 1
GBPUSD	4:00:00	19:59:59	100	250	2.5 to 1
USDCAD	8:00:00	19:59:59	100	200	2 to 1
USDCHF	4:00:00	19:59:59	80	240	3 to 1
USDJPY	0:00:00	23:59:59	100	250	2.5 to 1

1-Hour Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	40	120	3 to 1
AUDUSD	11:00:00	7:59:59	60	180	3 to 1
EURCAD	22:00:00	16:59:59	60	180	3 to 1
EURCHF	7:00:00	13:59:59	40	120	3 to 1
EURGBP	7:00:00	17:59:59	40	120	3 to 1
EURJPY	6:00:00	21:59:59	50	150	3 to 1
EURUSD	4:00:00	19:59:59	60	180	3 to 1
GBPUSD	5:00:00	19:59:59	45	135	3 to 1
USDCAD	7:00:00	20:59:59	45	135	3 to 1
USDCHF	5:00:00	18:59:59	45	135	3 to 1
USDJPY	0:00:00	23:59:59	40	120	3 to 1

15-Min Pair	Trading Hours From (GMT)	Through (GMT)	Stop Loss	Profit Target	Reward/Risk
AUDJPY	0:00:00	23:59:59	30	90	3 to 1
AUDUSD	11:00:00	7:59:59	30	90	3 to 1
EURCAD	22:00:00	16:59:59	35	105	3 to 1
EURCHF	7:00:00	13:59:59	25	75	3 to 1
EURGBP	7:00:00	17:59:59	20	60	3 to 1
EURJPY	6:00:00	21:59:59	35	105	3 to 1
EURUSD	4:00:00	19:59:59	40	120	3 to 1
GBPUSD	5:00:00	19:59:59	30	90	3 to 1
USDCAD	7:00:00	20:59:59	35	105	3 to 1
USDCHF	5:00:00	18:59:59	30	90	3 to 1
USDJPY	0:00:00	23:59:59	25	100	4 to 1

## SPECIAL NOTICE ON SUNDAY TRADING

The FxFiringPin is hardwired **NOT** to trade on Sundays. In the United States, most brokers bring their dealing desks online around 17:00 Eastern Time Sunday evening. That translates into 22:00 GMT, or about two hours before Monday morning (00:00 GMT). Those two hours represent the first hours of the trading week. They are usually chaotic because of low volume, low liquidity, and low participation.

After about 01:00 GMT, as the Tokyo market begins to warm up, liquidity, volume, and participation rise, making for a better trading environment. Therefore, if you live on the East Coast of the U.S. and want to trade on Sunday, wait until at least 8 PM. That way, it's still Sunday for you, but Monday for the EA. But if you absolutely MUST trade during those opening two hours of GMT Sunday, you will need to enter the trade manually as outlined in Module 2.

## **RISK WARNING**

TRADING FOREIGN CURRENCIES IS A CHALLENGING AND POTENTIALLY PROFITABLE OPPORTUNITY FOR EDUCATED AND EXPERIENCED INVESTORS. HOWEVER, 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 FOREIGN EXCHANGE TRANSACTION. ANY TRANSACTION INVOLVING CURRENCIES INVOLVES RISKS INCLUDING, BUT NOT LIMITED TO, THE POTENTIAL FOR CHANGING POLITICAL AND/OR ECONOMIC CONDITIONS THAT MAY SUBSTANTIALLY AFFECT THE PRICE OR LIQUIDITY OF A CURRENCY.

**FOR EXAMPLE, TRADING THE VOLATILITY CREATED DURING THE RELEASE OF HIGH-AND MEDIUM-IMPACT ECONOMIC REPORTS PRESENTS EXCEPTIONAL OPPORTUNITIES FOR PROFITS. LIKEWISE, TRADING IN TIMES OF HIGH VOLATILITY ALSO INCREASES YOUR POTENTIAL RISK. TO ILLUSTRATE, THERE MAY BE TIMES WHEN YOU WILL EXPERIENCE SLIPPAGE IN THE FORM OF A GAP BETWEEN THE PREVIOUS BID AND THE CURRENT BID. THIS IS ESPECIALLY TRUE WHEN THE MARKET IS MOVING FAST DUE TO HIGH VOLATILITY. THUS, YOUR ORDER MAY BE FILLED AT AN AMOUNT FAR PAST YOUR REQUESTED ORDER RATE. IN AN EXTREMELY FAST-MOVING MARKET, YOU MAY ALSO EXPERIENCE A DELAY OF 10 TO 15 SECONDS BEFORE YOUR ORDER IS FILLED. IT IS POSSIBLE THAT YOU COULD LOSE MOST OR ALL OF THE FUNDS IN YOUR TRADING ACCOUNT. THEREFORE, DO NOT TRADE WITH MONEY YOU CANNOT AFFORD TO LOSE.**

MOREOVER, THE LEVERAGED NATURE OF FX TRADING MEANS THAT ANY MARKET MOVEMENT WILL HAVE AN EQUALLY PROPORTIONAL EFFECT ON YOUR DEPOSITED FUNDS. THIS MAY WORK AGAINST YOU AS WELL AS FOR YOU. THE POSSIBILITY EXISTS THAT YOU COULD SUSTAIN A TOTAL LOSS OF INITIAL MARGIN FUNDS AND BE REQUIRED TO DEPOSIT ADDITIONAL FUNDS TO MAINTAIN YOUR POSITION. IF YOU FAIL TO MEET ANY MARGIN CALL WITHIN THE TIME PRESCRIBED, YOUR POSITION WILL BE LIQUIDATED AND YOU WILL BE RESPONSIBLE FOR ANY RESULTING LOSSES. INVESTORS MAY LOWER THEIR EXPOSURE TO RISK BY EMPLOYING RISK-REDUCING STRATEGIES SUCH AS 'STOP-LOSS' OR 'LIMIT' ORDERS.

## **AUTOTRADER DISCLAIMER**

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