

Forex Bill Killer Trading System #2



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Chapter 1. System Installation

Okay, to get started with this system #1, you should run the *billkiller2.exe* file attached in the same package with this guide.

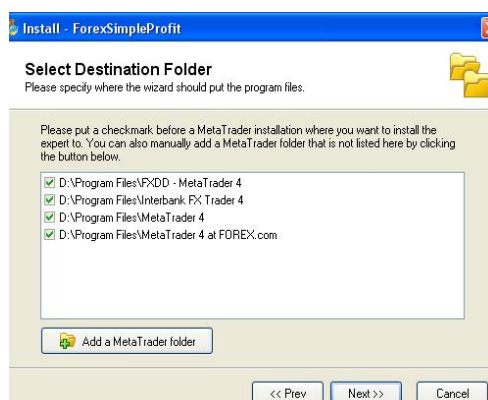
The executable file will automatically copy a readymade forex template (*billkiller2.tpl* file) into your hard drive. Then all you need to do next is to follow the trade instructions in chapter 2.

You would need MT4 (Metatrader 4) platform installed on your computer to be able to use the readymade template. If your broker doesn't support Metatrader 4, you can download it for free and use it to generate the signals and copy your trades to any other broker's platform you are trading with.

Download free here, then follow the instructions on screen:

http://www.alpari.co.uk/en/trading_accounts/open_demo_account/metatrader4.html

Otherwise, if you are running MacOS (for Apple users), you don't need to run the .exe file and you can go ahead with the trading instructions in chapter 2.



Chapter 2

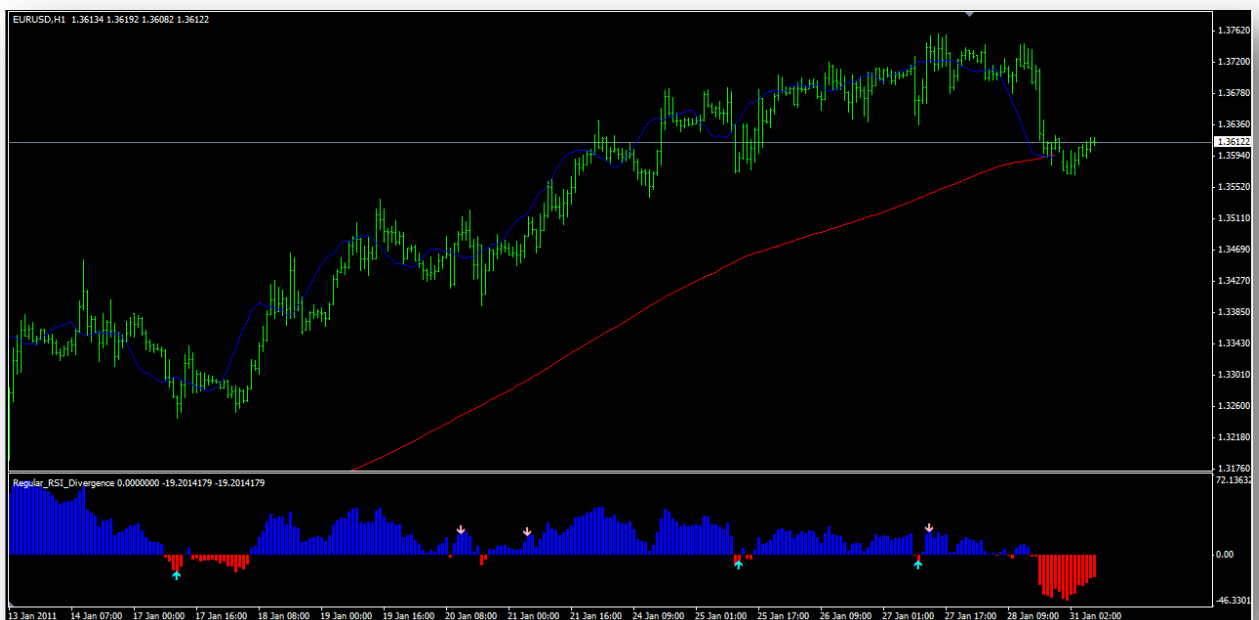
System Setup

This system is a trend follower in nature, and it's mainly designed to catch the long term trend movement and follow it until it changes direction and start an opposite trend.

It's also designed to keep traders away from the market if the trend is too weak or there is no clear/strong trend direction.

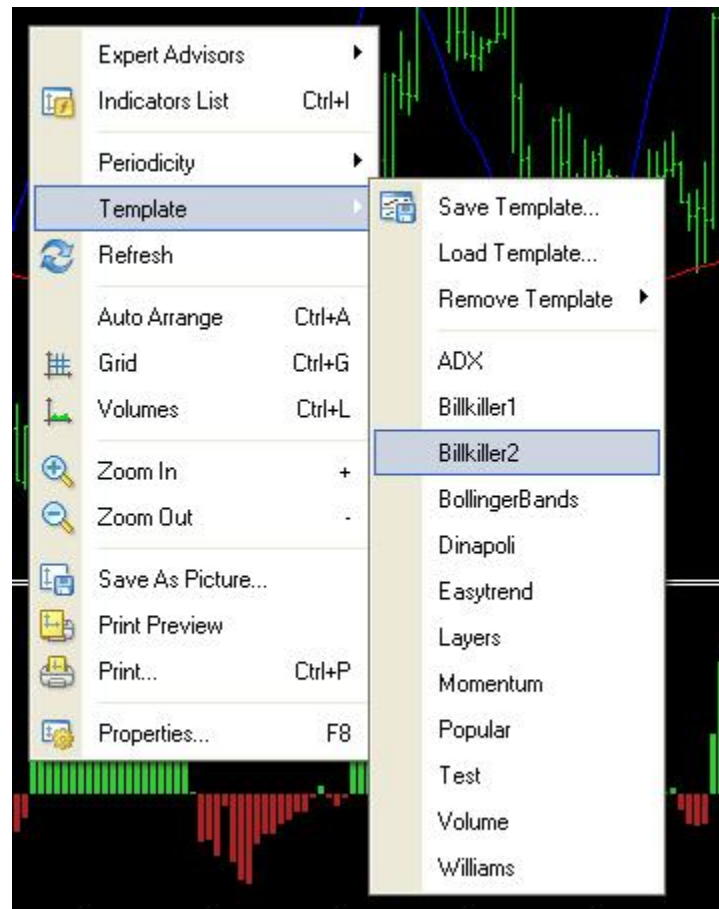
What makes this system even more powerful is that it's easy to follow and understand. It doesn't require any trading experience.

Best Time frame is 1 Hour Chart, the system can be used with all currency pairs.



You will find a readymade template (works with Metatrader4 software) that would install all indicators used with this system.

(Right click on chart >> click on "templates" >> choose billkiller2)



Chapter 3

How it Works

The system uses two main indicators to identify major trend's direction.

First indicator: Simple Moving Average (9 SMA and 200 SMA)

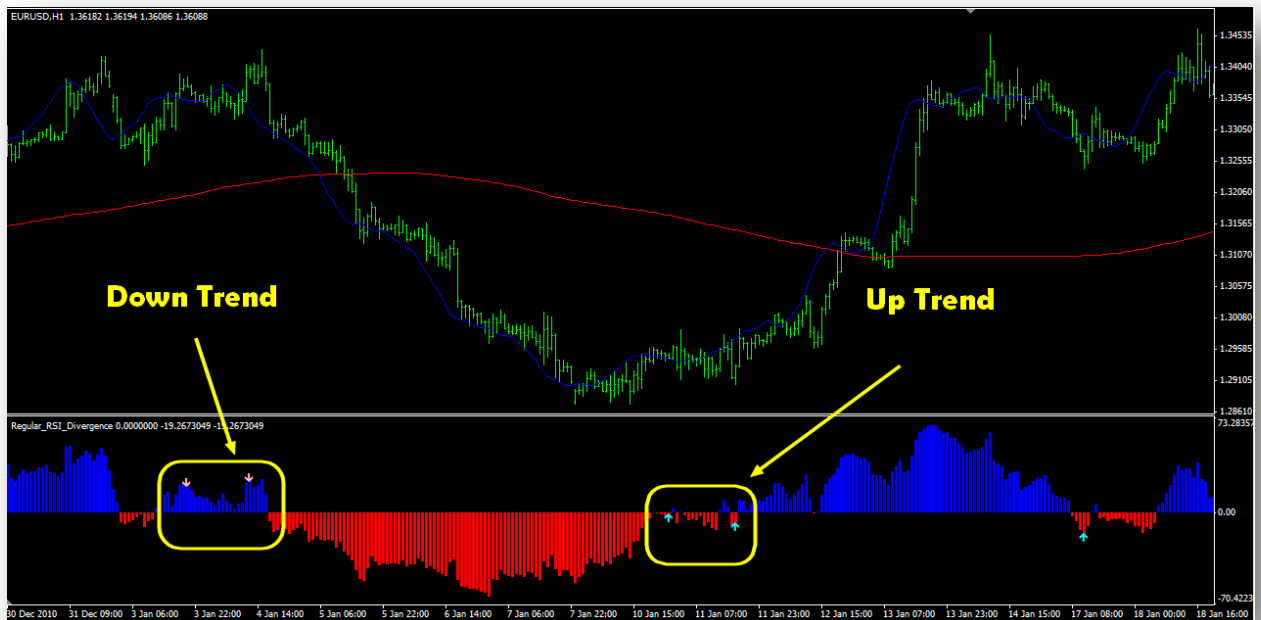


How to read this indicator and identify the trend?

9 SMA (Blue Line) Above 200 SMA (Red Line) = Up Trend

200 SMA (Red Line) Above 9 SMA (Blue Line) = Down Trend

Second indicator used with this system is RSI Divergence (Period : 21)



How to read this indicator and identify the trend ?

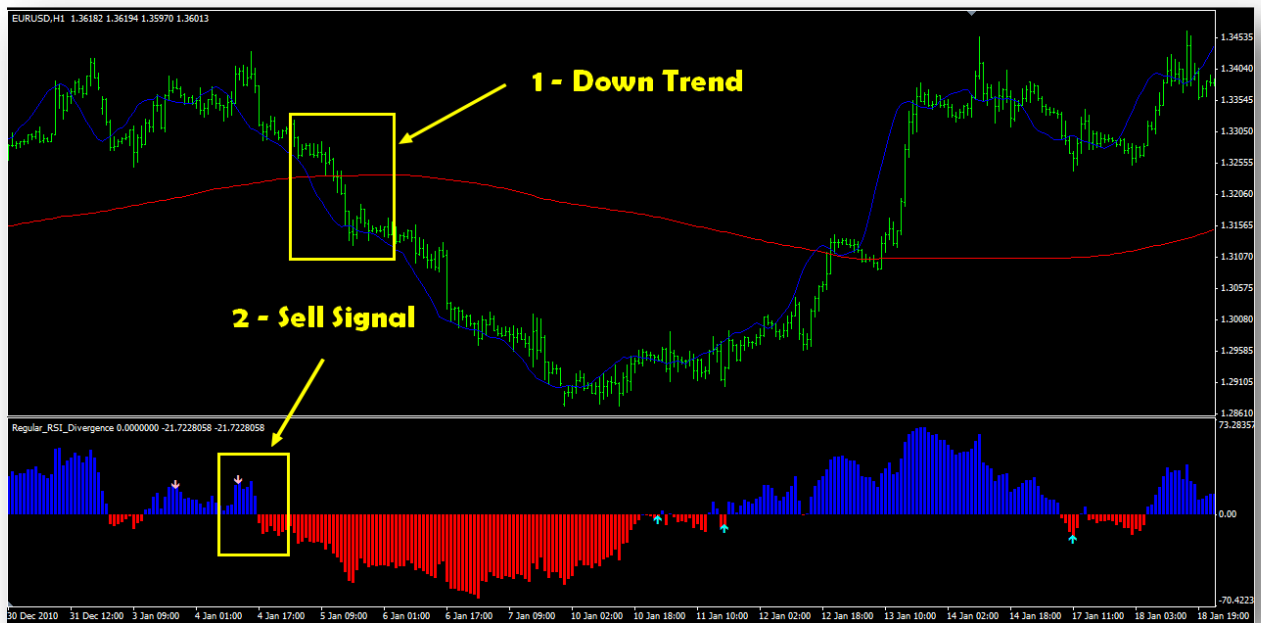
Red Bar Below 0 line, After Down Arrow = SELL Signal

Blue Bar Above 0 line, After Up Arrow = BUY Signal

USING BOTH INDICATORS...

SELL TRADE:

- 1 - Down Trend Signal
- 2 - SELL Signal



Simple Moving Average = Down Trend Signal

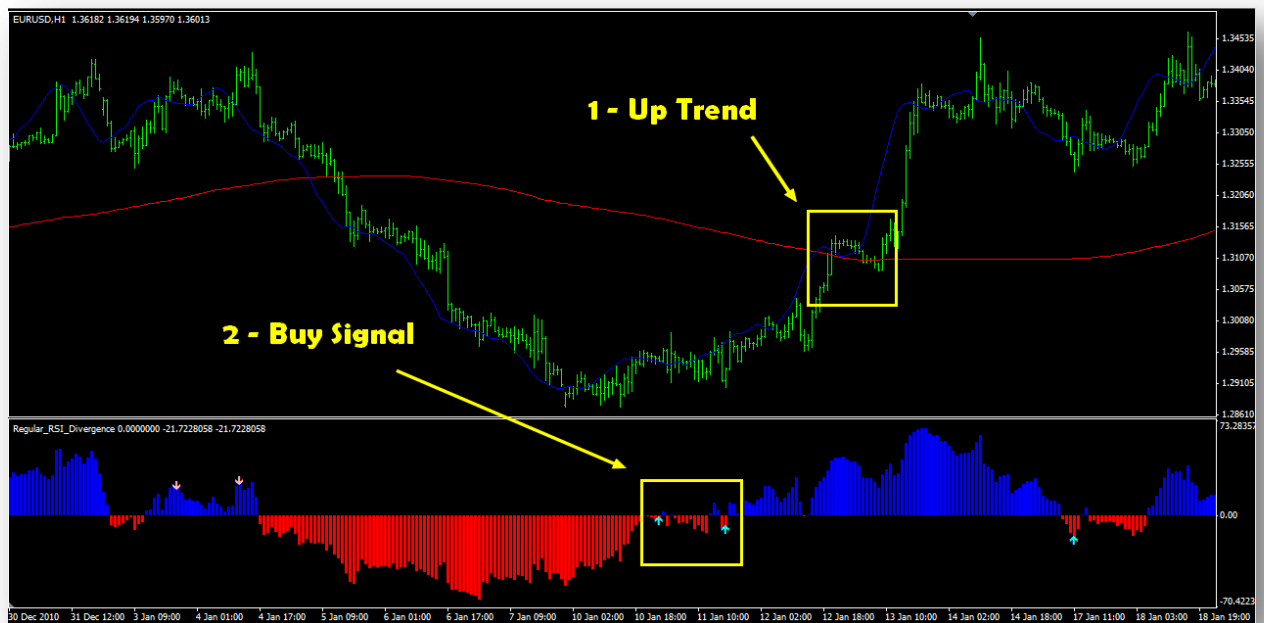
RSI Divergence = Sell Signal

That means you can open SELL market order

BUY Trade:

1 – Up Trend Signal

2 – SELL Signal



Simple Moving Average = Up Trend

RSI Divergence Indicator = Buy Signal

That means you can open BUY market order

Chapter 4:

Entry, Targets & StopLoss

For newbie traders:

Playing with stop loss and profit taking is an art. It requires a bit experience. So if you are new to trading, you can use the following simple rules:

Place target profit to 30 pips. And set stop loss to be the same.

Get out of the trade when you reach target profit, or when you see the reverse signals. For example, when you are in a buy trade, get out when you see one of the two indicators change color.

If you are an experienced trader, please go ahead with the next section describing how you can place targets & stop loss with Fibonacci levels.

For advanced traders:

For targets and stop loss , we are going to use one of the most powerful trading tools. The [Fibonacci levels](#)! Read Forex Bill Killer System #1 to learn more about using Fibonacci retracement and extension levels to place Stop Loss and Target Profit.

Again, this section is only for advanced traders. So let's go ahead.

The principle is: Once price breaks support or resistance, we place Fibonacci levels over the last wave for that level.



The above example shows USD/CAD 1H chart, support was just broken and we placed Fibonacci levels over the high and low of price wave.

Our Stop loss would be the 0.0 level

And First Target would be the 161.8 level

Second Target would be 261.8 level

If you are going to set your target to the second target, I recommend that you use a trailing stop loss to protect your profits.

Here is a screen shot for the above example trade, showing entry/stop loss and targets...



Example Trade...

EUR/USD - 1H Chart

BUY Signal



In the above example , the system generated a buy signal (Up trend).

What we have done next is that we used Fibonacci levels to set entry/targets and stop loss levels once 1H resistance was broken.

Choosing Forex Broker

In order to trade in the Forex market you will need to find yourself a broker. A broker is someone who executes trades according to your wishes and earns a commission

on each trade.

But there are so many brokers out there competing for your business it can be hard to figure out which one is best. This article will give you an idea of what to look for.

Transaction Costs. In the forex market, brokers are paid via the bid/ask spread. There should be no hidden fees or charges to trade. However, there may be additional charges to access certain reports and optional services.

Obviously the smaller the spread the better. Pip spreads vary by broker (and also by currency pairs), so shop around for competitive rates.

Currency Pairs Available. All brokers should at least have the big seven currencies ((AUD, CAD, CHF, EUR, GBP, JPY, and USD). But if you plan on trading New Zealand dollars or Danish kroner, you should be sure that the broker is able to do so.

Immediate Execution of Orders. Currency prices are constantly moving up and down and any delay in the execution of your order can cut into your profits or add to your losses. Of course its possible a delay will help you, but it never seems to work out that way does it? Look for a broker that can consistently execute your trade at the price you see on your screen. An occasional delay is understandable, but if it happens frequently find yourself a new broker.

Free Tools. In order to analyze currency prices, spot trends, and plan entry and exit points you need access to charting and technical analysis tools. Most brokers offer basic services free of charge with an expanded array of tools for an added charge.

Minimum Account Balance. As a small investor you will need a broker that does not require a large balance to open an account. Many brokers today will let you open a mini-account with as little as \$300.

Margin Requirement. The lower the margin requirement, the more leverage you have. If a broker allows you to use 100:1 leverage, that means you can trade \$100,000 in currency for only \$1,000. You can use margin to rack up huge profits. But don't margin yourself too much or you will find yourself wiped out fast.

Superior Customer Service. This is something traders often overlook when choosing a broker and later regret it when they need assistance. A quality broker should respond quickly to any question you have. They should have knowledgeable reps available

24 hours a day by phone and email.

A User-friendly Trading Platform. Some brokers require you to download a trading program to your PC in order to make trades.

Others let you make trades directly over the web. Pick a few brokers out and sign up for a free demo account. You can trade with play money while you test out their software and see which one works best for you.

Disclaimer

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No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. Hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading.