Index

Accounts:
demo, 3–4, 25, 81–82, 146
full, 95
micro-, 92, 146
mini-, 25, 92, 95, 146
Accumulation, 202–203
ACM (Advanced Currency Markets) USA, 91
Aggregate equity in play, 113. See also Capital
Algorithmic trading systems, 99
Analysis:
bathtub, 166, 235, 260
of bounce trade, 123
of buy and hold trade, 141–142
of campaign trades, 114–115
of charts, 101, 235, 260
of double intersection trade, 162–164
of Goodman Wave trade, 166–168
of King Kong Syndrome trade, 152–153
of market personality trade, 147–148
of market rhythm trade, 172–173
of news trade, 184–185
of return trades, 156–159
of scaling trades, 126–127
of Simple System trade, 178–179
technical (see Technical analysis) of three chart system trade, 137–138
of trend trades, 133
using market environment, 259
Arbitrage, 213
Artificial intelligence trading system, 223, 247
Ask price, 9. See also Bid/ask spread
Attitude. See also Psychology of trading. Trader characteristics of bad trades affecting, 114
ego and, 210
fear affecting, 149–151, 200–201, 210
greed affecting, 149–151, 201
heuristic, 103
in King Kong Syndrome, 149–154
of new traders, 210
of successful traders, 145–146, 199–202
trade plans reflecting, 19
trader profile reflecting, 75–76
Australian dollar, 9, 16, 52, 206
Automatic trailing stops, 15, 29, 207, 259
Balance of trade, 70–71
Bank of Japan, 209
Bar charts, 36–38, 104, 128
Bar Chart Stat Pro software, 166
Base currency, 9
Basics of Trading video course, 31
Bathtub analysis, 166, 235, 260
Bear swing, 40
Belgian Dentist, 5, 142, 223, 225, 252
Bennett, Clifford, Warrior Trading: Inside the Mind of an Elite Currency Trader, 148
Beta coefficient, 216–219
Bickford, James L., 10, 97, 99, 177, 184
Bid/ask spread, 9, 13, 64

291
INDEX

Bid price, 9. See also Bid/ask spread
Big future quote, 9
Biology of Belief (Lipton), 139
Books, resource, 265–267. See also specific books by title
Bounce trades, 117–123
Box charts, 136
Breakaway Principle, 245–246
British pound, 9, 16, 205–206, 211–219
Brokers:
descriptions of specific, 83, 85–91
due diligence on, 82, 84–85
harvesting stop loss orders, 121
no dealing desk (NDD), 10
online, 83, 85–91, 267
order execution after news releases, 64, 183
selecting, 81–96
services of, 7
third-party services and, 92
trading platforms of, 11, 81–83, 85–91, 103–104, 121
types of, 82–83
Bulkowski, Thomas N., Encyclopedia of Chart Patterns, 162
Bull swing, 40
Buy and hold strategy, 140–143
Buyer-Seller Equilibrium Rule, 230–231

Calculations:
of amount to risk, 28
cardinal, 102
of directional movement and volatility, 261–262
of FOREX beta, 216–219
FOREX calculators for, 113
of FOREX trades, 11–15
of forwards, 196
of GSCS rules, 235–242
of leverage, 11–12
of losses, 12
of margin percent, 11–12
of margins, 13
of moving averages, 131–132
of Mundo present value, 189–190, 211–213, 217
ordinal, 102

of profits, 12
of trading units, 12
of transaction costs, 13
Campaign trading methods, 113–115
Canadian dollar, 16
Cancellation, 237–238
Candidate heuristic, 102
Candlestick charts, 39–40, 204–205
Capablanca, José Raúl, 123
Capital:
allocation of, 112–113
amount to risk, 28
flows, 57, 58–59
preservation of, 21, 22–23
Cardinal calculations, 102
Cardinal rules, 235–242
Carryover, 236–237
Carry trade positions, 52
Central banks:
Bank of Japan as, 209
European Central Bank as, 53, 209
on fair value, 208–209
forecasts by, 71
inflation control by, 53–54, 69–70
news releases by, 67
U.S. Federal Reserve as, 53, 61, 67, 190
CFTC (Commodity Futures Trading Commission), 6, 22
Charts:
advice on using, 203–205
analysis of, 101, 235, 260
bar, 36–38, 104, 128
box, 136
candlestick, 39–40, 204–205
classical chart formations, 161–162
differential, 213–216
flag, 257
glyph, 45–46
GSCS formations in, 165–168, 225
indicators vs., 247
line, 205
major trend, 104, 105, 107–109, 136, 203
market environment, 45
point and figure, 36, 38–39
swing, 40, 45–46
as technical analysis tools, 35–40, 135–138
third-party vendors providing, 92–95
in three chart system, 135–138
timing, 104, 136
watch, 104, 136
CHF (Swiss franc), 16, 205–206, 211–219
Ching, Derek, 45
Clacker boards, 4, 222
Classical chart formations, 161–162
Closed positions, 9
Clusters, 258
Codes, currency, 16, 20, 269–273
Commissions, 7
Commodity Futures Trading
Commission (CFTC), 6, 22
Compensation-Carryover-Cancellation (3C) Rule, 223, 235–238
Computer monitors, 135–136
Consensus forecast, 66–67
Consumer price index, 68, 69–70
Continuation, 241–242
Continuous markets, 151–152, 276
Contrary opinions (contrarian trading), 42–43
Conventions. See Market conventions; Quotes: quoting conventions
Correlation:
of cross currency pairs, 205–206
of currency pairs, 26
of FOREX trading and stock market, 8
of gold and U.S. dollar, 206
Costs:
of FOREX trading, 7
rollover, 51–53, 74
transaction, 13
Countdown clock, 181
Counter currency, 9
Countries:
central banks of, 53–54, 61, 67, 69–70, 71, 190, 208–209
currency codes of, 16, 20, 269–273
fiscal policy of, 53
managed exchange rates of, 60
monetary policy of, 53–54, 60
pegged exchange rates of, 59–60
political uncertainty in, 59
popularly traded currencies of, 8
Crawling peg, 59
Crisis economy, 60–61
Cross currency pairs:
advice on, 205–206
definition of, 9
in GSCS formations, 102
market environment personalities of, 260
quoting conventions using, 17–18
variety of, 8
Crossovers, 43–44
Cross positions, 30
Currency. See also Currency pairs
base, 9
codes, 16, 20, 269–273
counter, 9
futures, 195–197
global (Mundo), 10, 188–190, 211–219
long-term trends of, 105
major, 10
managed exchange rates of, 60
minor, 10
pegged exchange rates of, 59–60
popularly traded, 8
Currency pairs:
correlation of, 26
cross, 8, 9, 17–18, 102, 205–206, 260
in GSCS formations, 102
market environment personalities of, 260
Mundo valuation using, 10, 189, 211–219
quoting conventions using, 17–18, 196–197
thickness of, 251–254
variety of, 8
Dagger entry principle, 105–109, 125–126
Day traders, 74–75, 111–112, 202, 205, 207
dbFX (Deutsche Bank), 88–89
INDEX

Dealers. See Brokers; Electronic communications network (ECN); Market makers
Decision-making process, 199–200
Demo accounts, 3–4, 25, 81–82, 146
Dependent Interfacing Rule, 225
Deposit market, 196
Diagnostic loop, 19
Differential charts, 213–216
DiNapoli, Joe, Trading with DiNapoli Levels: The Practical Application of Fibonacci Analysis to Investment Markets, 45
DiNapoli Levels, 45
Directional movement:
  definition of, 114, 248
  as market environment element, 248–253
  as market personality factor, 146
  new releases impacting, 183
  profile matrix of, 258
  Visual Basic source code for, 261–262
Discipline, 22–23, 200, 202
Discrete markets, 151–152, 276
Distribution, 202–203
Dollar. See Australian dollar; Canadian dollar; New Zealand dollar; U.S. dollar
Dollar stops, 122
Dominance Principle, 243–244
Double intersections, 161–164, 238–239
Doublets Principle, 245–246
Drummond Point and Line, 45, 225
Due diligence, 82, 84–85
EA (Expert Advisor), 44
ECN (electronic communications network), 9, 82–83, 89–90, 183
Econometrics, 35, 188
Economic calendars, 66, 71, 181
Economic data, U.S., 67–71
Economic events:
  FOREX trading reflecting, 29
  fundamental analysis based on, 33–34, 50–61
  news releases on, 63–71, 181–185
  trading during crisis, 60–61
Education:
  Basics of Trading video course as, 31
  broker instructional materials for, 81, 86, 87
  in FOREX trading, 3–6, 25, 79
  FOREX Trading video course as, 79
  in trading the news, 66–67
Edwards, Robert D., Technical Analysis of Stock Trends, 161
Ego, 210
Electronic communications network (ECN), 9, 82–83, 89–90, 183
Elliott Wave theory, 156, 165, 221, 225, 232–234, 243–244
Emotions. See Attitude
Employment report, 67–68
Encyclopedia of Chart Patterns (Bulkowski), 162
Equilibrium, 213, 215, 230–231
Equity in play, 113. See also Capital
European Central Bank, 53, 209
Eurozone euro:
  as base currency, 9
  in cross currency pairs, 205–206
  currency code of, 16
  interest rate differential impacting, 57–58
  Mundo valuation using, 211–219
  news releases impacting, 190–191
Exchange rates:
  managed, 60
  pegged, 59–60
Exercise, 152
Expert Advisor (EA), 44
  Fair value, 208–209
  Fear, 149–151, 200–201, 210
  Federal Reserve, U.S., 53, 61, 67, 190
  Fees. See Costs
Index

Feldman brothers (Stu and Reef), 133, 222
Fibonacci numbers, 45
50 Percent Rule, 227–228
Fiscal policy, 53
Fixed stops, 122
Flag charts, 257
Flat-Complex Principle, 166, 243
Flat/square, 10
Forecasts, 61, 66–67, 71, 247, 260
Foreign exchange trading. See FOREX trading
FOREX beta, 216–219
FOREX calculators, 113
Forex Chartists Companion (Archer and Bickford), 10
Forex.com, 85–86
FOREX index, 188–190
Forex Shockwave Analysis (Bickford), 99, 184
ForexTester, 92, 95
FOREX Trader's Companion, 188
FOREX trading:
calculations in, 11–15
definition of, 6–7, 10
handbook on, 20
hypothetical, 24–25
reasons to participate in, 7–8
rules on, 29–30
terminology of, 8–11
video course on, 79
Forwards, 195–196
Franc, Swiss, 16, 205–206, 211–219
Fundamental analysis:
definition of, 49–50
of interest rates, 51–57
market frameworks in, 57–60
of news releases, 50–51, 66–67,
181–185
technical analysis vs., 33–34, 50
trades based on, 187–192
Futures:
currency, 195–197
interest rate, 53–54
FXCM (Forex Capital Markets) Group, 86–87
FX Contrary Opinion Poll, 43
FXDD, 87
FXtrek, 92–93
GAIN Capital Group, LLC, 85
GBP (British pound), 9, 16, 205–206, 211–219
GCI Financial Ltd., 88
Getting Started in Currency Trading (Archer), 3, 44, 92
Getting Started in Forex Trading Strategies (Archer), 44, 100
GFD (good for the day) orders, 15
GFT FOREX (Global Forex Trading), 83, 85
Global banking hours, 275
Global currency (Mundo), 10, 188–190, 211–219
Global-View:
brokers on, 96
central bank analysis by, 53
countdown clock on, 181
currency codes on, 16
economic calendar by, 66, 71, 181
Forum, 25, 187–192
forward swap values on, 196
fundamental analysis discussion on, 187–192
interest rates on, 53–55
web site of, 20
Glyph charts, 45–46
Going long, 10
Going short, 10
Gold, 206
Good for the day (GFD) orders, 15
Goodman, Charles B. (Charlie). See also other Goodman-related entries
charting tools by, 45, 136, 224
double intersection trades by, 162
glyph charts used by, 45
GSCS development by, 221–226
hypothesis testing by, 166, 235, 260
on indicators, 178, 247
as mentor, 4–5, 97, 223
return trades by, 155–156
trading methods of, 100, 155–156, 162
INDEX

Goodman Charting, 224
Goodman Swing Count System
  (GSCS), 44
  Breakaway Principle of, 245–246
  Buyer-Seller Equilibrium Rule of, 230–231
  Compensation-Carryover-Cancellation (3C) Rule of, 223, 235–238
development of, 221–226
  Dominance Principle of, 243–244
double intersections in, 161–164, 238–239
  Doublets Principle of, 245–246
  Elliott Wave theory vs., 156, 165, 221, 225, 232–234, 243–244
  50 Percent Rule of, 227–228
  Flat-Complex Principle of, 166, 243
  Intersection Rule of, 238–240
  Measured Move Rule of, 228–230
  ordinal calculations in, 102
  Points Rule of, 240–242
  principles of, 242–246
  Recursion Rule of, 232
  Return Rule of, 234–235
  return trades based on, 155, 156
  rules of, 226–242
  Wave Propagation Rule of, 232–234
Goodman Wave, 165–169, 225, 232–234, 243. See also Goodman Swing Count System
Harmonized indexes of consumer prices, 53–54
Hartnagle, Eugene, 97, 175–176, 257
Harvesting stop loss orders, 121
Head and shoulders formations, 36, 38
Hedge funds, 260
Hedge trades, 8, 30, 183
Help Forum, 31
Heuristics:
  attitude, 103
  candidate, 102
  hopper, 102
  money management, 103
  postmortem, 103–104
  Snowflake, 100–104
  trade, 103
  in trade plans, 19, 100–104
  Holding vs. trading, 140–143
  Hopper heuristic, 102
How Charts Can Help You in the Stock Market (Jiler), 161
Hunt, Howard G., 97
Hypothesis testing, 166, 235, 260
Hypothetical FOREX trades, 24–25

Index:
  consumer price, 68, 69–70
  FOREX, 188–190
  harmonized, 53–54
  purchasing manager, 54–56, 68–69
  Relative Strength, 41–43, 204
Indicator(s):
  advice on using, 203–205
  battery, 43–44, 176–180
  charts vs., 247
  economic, 66–67
  of sideways markets, 36, 41–42, 176–180
  in Simple System trades, 176–180
  as technical analysis tools, 36, 40–44
  third-party vendors providing, 92–95
  of trending markets, 36, 176–180
  Inflation, 53–56, 68–70
  Inflection point, 208
  Ingermanson, Randy, 101
  Insider trading, 8
Index

Inside Scoop:
- on brokers, 83
- on fundamental analysis, 50–51, 51–52
- on mentors, 4–5
- on money management, 22–23, 27, 28–29
- on postmortems, 77
- on release of U.S. economic data, 67–68
- on trading a news release, 63–64

Inside swing, 40

Institute for Supply Management (ISM), 68

IntelliCharts-FXtrek, 92–93

Interest rates:
- currency valuation impacted by, 190
daily forecasts of, 61
- forwards calculated by differentials in, 196
- fundamental analysis of, 51–57
  as inflation control mechanism, 53–56
- longer-term, 56–57
- overnight, 53–54

International Monetary Market, 196

International Organization for Standardization (ISO), 16, 269

Intersection Rule, 238–240. See also Double intersections

Intuition, 99, 110

ISM (Institute for Supply Management), 68

ISO (International Organization for Standardization), 16, 269

Japanese yen:
- in cross currency pairs, 205–206
- currency code of, 16
- in currency pair with U.S. dollar, 207–208
- interest rates on, 52
- managed exchange rates of, 60
- Mundo valuations using, 211–219


Jonathan’s Wave, 223, 247

JOSTAN FX, 44, 99, 259

Jubbs, 26

Kauhini, John, 97

King Kong Syndrome, 149–154

KIS (Keep It Simple) system, 105–109

Lemon, Sherry, 97

Leverage, 7–8, 10–12, 23–24, 112

LIBOR (London Inter-Bank Offered Rate), 53–54

Limit orders, 14. See also Stop-limit orders

Lindsay, Charles L., Trident, 227

Line charts, 205

Lipton, Bruce, Biology of Belief, 139

Liquidity, 7, 64, 209

London Inter-Bank Offered Rate (LIBOR), 53–54

London open, 209

Long positions, 10

Long-Term Capital Management, 27

Losses:
- bounce minimizing, 117–118
- calculations of, 12
- expecting, 25, 30
- liability for, 24–25
- profit/loss ratio aggregate, 112
- stop loss orders limiting (see Stop loss orders)
- time in market affecting, 140
- tolerance for, 28

Lot sizes, 7, 10, 112, 125, 146

Magee, John, Technical Analysis of Stock Trends, 161

Major currency, 10

Major trend(s). See also Trending markets
- charts, 104, 105, 107–109, 136, 203
determination of, 131–133, 176, 178
- trading with, 125–126, 129–134

Malo, Kenny, 117–118, 222, 223

Managed exchange rates, 60

Margin calls, 30
INDEX

Margin percent, 11–12
Margins, 7, 10, 13, 23. See also Leverage
Market conventions, 16
Market environment:
  charting, 45
devolution of, 223–224, 247–248
market personality to determine, 146–147
primary elements of, 248–253, 261–262
profiles, 257–258, 259–260
rhythm as element of, 171–173
secondary elements of, 250–255
system development, 259
tertiary elements of, 256–257
thickness as element of, 128, 251–254
trend determination in, 132–133
Market events:
  FOREX trading reflecting, 29
  fundamental analysis based on, 33–34, 50–61
  news releases on, 63–71, 181–185
  trading during crisis, 60–61
Market makers, 10, 82–83, 121, 183
Market orders, 14, 64–65
Markets:
  deposit, 196
discrete vs. continuous, 151–152, 276
for FOREX trading, 7, 151–152, 276
fundamental frameworks of, 57–60
knowledge of, 200
monitoring, 101, 102, 166
opening of, 209
personalities of, 146–147
political, 59
reactions to news releases by, 29, 63–71, 181–185, 208
sideways, 36, 41–42, 176–180
stock, 8
time of day impacting activity in, 275
trending (see Trending markets)
  24-hour, 7, 151–152, 276
Market thickness, 128, 147, 251–254
Matrix:
  definition of, 130–131, 230
  of directional movement and volatility, 249
double intersection of, 162
  in GSCS formations, 130–131, 165–168, 230–246
  profile, 258
MB Trading, 89–90
Measured Move Rule, 228–230
Mentors, 4–5
Michalowski, Greg, 87
Micro-accounts, 92, 146
Microsoft Visual Basic 6.0 code, 249, 261–262
Mini-accounts, 25, 92, 95, 146
Minor currency, 10
Minor trends, 125–126
Monetary policy, 53–54, 60
Money management:
  in bounce trades, 117–123
  in campaign trades, 113–115
  capital amount to risk and, 28
  capital preservation as, 21, 22–23
  components of, 111–113
  FOREX trading rules on, 29–30
  heuristic, 103
  importance of, 21, 111, 202
  leverage and, 23–24
  rules of, 25–26, 29–30
  in scaling into position trades, 125–128
  stop loss orders as, 23, 24–25, 27–28
  in three chart system trades, 135–138
  in trade plans, 18, 21–31
  in trend trades, 129–134
Moving averages:
  crossover, 43–44
  in Japanese yen market, 207
  as technical analysis tool, 40–41, 203–204
  trend determination using, 131–132, 176, 178
Mundo, 10, 188–190, 211–219
Index

National Futures Association (NFA), 6, 82–83
NDD (No dealing desk) brokers, 10
New Concepts in Technical Trading Systems (Wilder), 41
News releases:
  EUR/USD sensitivity to, 190–191
  fundamental analysis based on, 50–51, 66–67, 181–185
  markets reactions to, 29, 63–71, 181–185, 208
  third-party vendors providing, 92
  trading after, 63–71, 181–185
  of U.S. economic data, 67–71
New York open, 209
New Zealand dollar, 9, 16
NFA (National Futures Association), 6, 82–83
Nimzowitsch, Aron, 121
NinjaTrader, 92, 94
No dealing desk (NDD) brokers, 10
Nofri, Eugene, Success in Commodities: The Congestion Phase System, 46, 231
Nofri formations, 46–47, 231

Online brokers, 83, 85–91, 267
Online trading, 7
Orders:
  good for the day (GFD), 15
  good till canceled (GTC), 15
  limit, 14
  market, 14, 64–65
  stop-limit, 14–15
  stop loss (see Stop loss orders)
  time-based, 15
Ordinal calculations, 102
Ordinal rules, 227–235
Oscillators, 41–42, 176, 178–179
Outside swing, 40
Overnight interest rates, 53–54
ParaMatrix, 224
Parity rate, 219
Patience, 139–140
Pegged exchange rates, 59–60
Periodicals, 265
Perspective, 137
Physical fitness, 152
Pips (definition), 12
Point and figure charts, 36, 38–39
Points Rule, 240–242
Point values, 196, 240–242
Political markets, 59
Positions:
  carry trade, 52
  closed, 9
  cross, 30
  long, 10
  scaling into, 125–128
  short, 11
Position traders, 74–75, 111–112, 206–207
Postmortem(s):
  of bounce trade, 123
  of buy and hold trade, 141–142
  of campaign trades, 114–115
  of double intersection trade, 162–164
  of fundamental analysis trade, 190–191
  of Goodman Wave trade, 166–168
  heuristic, 103–104
  of King Kong Syndrome trade, 152–153
  of market personality trade, 147–148
  of market rhythm trade, 172–173
  of news trade, 184–185
  of return trades, 156–159
  of scaling trades, 126–127
  of Simple System trade, 178–179
  of three chart system trade, 137–138
  of trade plans, 19, 77–78, 100
  of trend trades, 133
Pound, British, 9, 16, 205–206, 211–219
Precomputer technical analysis, 45–47
Pretzel charting, 257
Price bluff, 74
Price rhythm, 105, 172, 254–255
INDEX

Prices:
- after news releases, 29, 63–71, 181–185, 208
- ask/bid, 9
- determining stop loss, 122–123
- directional movement of (see Directional movement)
- of FOREX futures, 195–196
- harmonized indexes of consumer, 53–54
- intersections of, 161–164, 238–239
- limit orders based on, 14
- of market order execution, 65
- as point values, 196, 240–242
- price bluff, 74
- price rhythm of, 105, 172, 254–255
- recursive movements of, 232
- spot, 195–196
- stop-limit orders based on, 14–15
- take-profit, 101, 103
- technical analysis of (see Technical analysis)
- volatility of (see Volatility)

Price-trace-dispersement (PTD), 182–184

Profile matrix, 258

Profit/loss ratio aggregate, 112

Profits:
- calculations of, 12
- profit/loss ratio aggregate, 112
- scaling into position reducing, 126
- stop loss orders protecting, 101–102, 103
- take-profit prices, 101, 103
- time in market affecting, 140
- trader profile based on, 73–75
- trailing stops protecting, 15, 29, 207, 259

Psychology of trading. See also
- Attitude; Trader characteristics
  - in King Kong syndrome, 149–154
  - personalities in, 145–148
  - sitting on hands as, 139
  - trading as mind game, 199–202

PTD (price-trace-dispersement), 182–184

Pugh, Burton, *The Great Wheat Secret*, 227

Purchasing manager indexes, 54–56, 68–69

Purchasing power parity, 57–58

Pyramiding, 30, 75

Question-and-answer processes. See Heuristics

Quotes:
- big figure, 9
- quoting conventions, 16–18, 196–197
- requotes, 64

Recordkeeping, 29, 103–104, 106

Recursion Rule, 232

Rednor, Pete, 149, 222

Regulation (of FOREX trading), 6–7, 8

Relative growth patterns, 58–59

Relative Strength Index (RSI), 41–43, 204

Requotes, 64

Resources (books/periodicals), 265–267. See also specific books by title

Return Rule, 234–235

Return trades, 155–159

Reversal points, 241–242

Reversal trading, 140, 168, 202

Rhythms, 105, 171–173, 254–255

Risk. See also Risk-reward ratios
- capital amount at, 28
- of FOREX trading, 22, 26
- time in market impacting, 140
- trader profile based on, 73–75

Risk-reward ratios:
- betas reflecting, 217–219
- establishing, 23, 26
- money management based on, 112
- trader profile based on, 75

Rollover costs, 51–53, 74

RSI (Relative Strength Index), 41–43, 204
Index

Saxo Bank, 90–91
Scaling into position, 125–128
Scalpers, 74–75, 111–112
Semone, Frank, 97, 103
Shanghai BC:
  on cross currency pairs, 205–206
  on different centers, 209
  on fair value, 208–209
  on gold, 206
  on new traders, 210
  on psychology of trading, 199–202
  quips from, 210
  on reacting to news, 208
  on technicals and charting, 203–205
  on trend trading, 202–203
  on USD/JPY trading, 207–208
  on using stops, 206–207
Shape, 256
Short positions, 11
Sideways markets, 36, 41–42, 176–180
Simple System, 175–180
Snowflake heuristic, 100–104
Society for Worldwide Interbank Financial Telecommunication (SWIFT), 16, 20
Spot prices, 195–196
Standard deviation, 217–218
Stock market, 8
Stop-limit orders, 14–15. See also Limit orders; Stop loss orders
Stop loss orders. See also Stop-limit orders
  advice on using, 206–207
  debate over using, 119–123
  definition of, 15
  determining stop loss prices for, 122–123
  harvesting, 121
  in market environment approach, 259
  money management using, 23, 24–25, 27–28
  profit protection using, 101–102, 103
Straddles, 30

Success in Commodities: The Congestion Phase System (Nofri), 46, 231
SWIFT (Society for Worldwide Interbank Financial Telecommunication), 16, 20
Swing charts, 40, 45–46
Swiss franc, 16, 205–206, 211–219
Sydney open, 209
Symbols, currency, 16, 20, 269–273
System stops, 122
Take-profit prices, 101, 103
Technical analysis. See also Goodman Swing Count System; Market environment
  advice on using, 203–205
  charts as tools of (see Charts)
  definition of, 35
  of double intersections, 161–164
  fundamental analysis vs., 33–34, 50
  of Goodman Wave, 166–169
  indicators as tools of, 36, 40–44, 92–95, 176–180, 203–205, 247
  of market rhythm, 171–173
  precomputer, 45–47
  resources on, 266–267
  of return trades, 155–159
  of Simple System, 175–180
  third-party vendors providing, 92–95
  in trading methods/systems, 36, 43–45
  using three chart system, 135–138
Technical Analysis of Stock Trends (Edwards and Magee), 161
Thickness, market, 128, 147, 251–254
Third-party services/vendors, 92–95
3C (Compensation-Carryover-Cancellation) Rule, 223, 235–238
Three chart system, 135–138
Time-based orders, 15
Time frame(s):
  of bar charts, 36
  of glyph charts, 45–46
  multiple charts of different, 136–137
INDEX

Time frame(s) (Continued)
  time rhythm reflecting, 171–172, 254–255
  trader profile based on, 73–75
  for trend development, 101–102, 139–140, 202–203
Time of day, 275
Time rhythm, 171–172, 254–255
Time zones, 275
Timing charts, 104, 136
Tokyo open, 209
Trade heuristic, 103
Trade plans:
  daily, 103
  diagnostic loop in, 19
  elements of, 18–19
  heuristics in, 19, 100–104
  importance of, 3–4
  money management in, 18, 21–31
  postmortem of, 19, 77–78, 100
  trader attitude reflected in, 19
  trading methods in, 18 (see also
  Trading methods)
  weekly, 103
Trader characteristics. See also
  Attitude; Psychology of trading
  ego as, 210
  fear as, 149–151, 200–201, 210
  greed as, 149–151, 201
  in King Kong Syndrome, 149–154
  of new traders, 210
  of successful traders, 145–146, 199–202
  trade plans reflecting, 19
  trader profile reflecting, 74–77
Trade releases, 70–71
Trader profiles:
  day trader as, 74–75, 111–112, 202, 205, 207
  good vs. bad traders, 75–77
  guerilla as, 74–75, 111–112
  identifying, 73–75
  money management based on, 111–112
  position trader as, 74–75, 111–112, 206–207
  scalper as, 74–75, 111–112
  three chart system parameters for, 136
  trading session length determined by, 151–152
  types of, 74–75
  Traders checklist, 263–264
Trade The News, 92
Trade with Passion and Purpose: Spiritual, Psychological and
  Philosophical Keys to Becoming a Top Trader (Whistler), 148
Trading. See also other trading-related entries
  Basics of Trading video course, 31
  contrarian, 42–43
  in crisis economy, 60–61
  currency futures, 195–197
  FOREX, 6–15, 20, 24–25, 29–30, 79
  hedge, 8, 30, 183
  holding vs., 140–143
  insider, 8
  news releases, 63–71, 181–185
  online, 7
  psychology of, 139, 145–154,
    199–202 (see also Attitude; Trader
    characteristics)
  returns, 155–159
  reversal, 140, 168, 202
  rules of, 29–30
  trends, 26, 34, 47, 105–106, 125–126,
    129–134, 202–203
Trading methods. See also
  Fundamental analysis; Technical analysis; Trading systems
  based on market personalities, 146–147
  bounce as, 117–123
  campaign, 113–115
  devising, 5–6, 201–202
  double intersections as, 161–164
  Goodman Swing Count System as
    (see Goodman Swing Count System)
Index

Goodman Wave as, 165–169
in King Kong Syndrome trades, 149–154
KIS (Keep It Simple) system as, 105–109
market rhythm as, 171–173
news trading as, 181–185
return trades as, 155–159
scaling into position as, 125–128
Simple System as, 175–180
Snowflake heuristic as, 100–104
technical analysis tools in, 36, 43–45
three chart system as, 135–138
in trade plans, 18
trading vs. holding as, 140–143
trend trading as, 129–134
value of, 200
Trading platforms, 11, 81–83, 85–91, 103–104, 121
Trading Rule That Can Make You Rich, The (Dobson), 227
Trading sessions, 151–152
Trading systems. See also Trading methods
algorithmic, 99
artificial intelligence, 223, 247
devising, 5–6, 201–202
Goodman Swing Count System as (see Goodman Swing Count System)
KIS (Keep It Simple) system as, 105–109
Simple System as, 175–180
technical analysis tools in, 36, 43–45
testing using market environment, 259–260
three chart system as, 135–138
value of, 200
Trading units, 12
Trading with DiNapoli Levels: The Practical Application of Fibonacci Analysis to Investment Markets (DiNapoli), 45
Trailing stops, 15, 29, 207, 259
Transaction costs, 13
Transitivity, 213
Trending markets:
charting, 104, 105, 107–109, 136, 203
components of, 130
determination of, 131–133, 176, 178
indicators of, 36, 176–180
moving averages charting, 40–41
retracement of, 227–228, 236, 241–242
return trades impacted by, 155–159
rhythms measuring, 171–172
time frame for development of, 101–102, 139–140, 202–203
Trend Machine, 35, 99
Triangular arbitrage, 213
Triangulation, 257
Trident (Lindsay), 227
24-hour markets, 7, 151–152, 276
Uncertainty, political, 59
U.S. dollar:
as base currency, 9
in cross currency pairs, 205–206
currency code of, 16
in currency pair with Japanese yen, 207–208
gold correlation with, 206
interest rate differentials impacting, 57–58, 190
Mundo valuation using, 211–219
news releases impacting, 190–191
quoting conventions using, 17, 196–197
U.S. economic data, 67–71
U.S. employment report, 67–68
U.S. Federal Reserve (Fed), 53, 61, 67, 190
Van Treuren, David, 97
Variety (in FOREX trading), 8
Visual Basic 6.0 code, 249, 261–262
Volatility:
after news releases, 63–65, 67–68
definition of, 114, 248
in FOREX trading, 8
INDEX

Volatility (Continued)

- as market environment element, 248–253
- as market personality factor, 146
- new releases impacting, 183
- profile matrix of, 258
- time of day impacting, 275
- Visual Basic source code for, 261–262

Warrior Trading: Inside the Mind of an Elite Currency Trader (Bennett), 148

Watch charts, 104, 136

Yen. See Japanese yen

Yield curves, 56–57

Zales, Jack, 97