

The logo for 123Trade, featuring the numbers '123' in a stylized font with '1' in blue, '2' in green, and '3' in orange, followed by the word 'Trade' in white.

FX POWER PAIRS

FIND THE BEST TRENDS IN
THE FOREX MARKET WITHOUT
LOOKING AT A CHART

THE SECRET TO PICKING THE BEST FOREX OPPORTUNITIES

A background graphic of a line chart with a grid. The chart features several data series: a prominent green line with circular markers that trends upwards from left to right, and several grey lines with circular markers that fluctuate across the chart area. The overall aesthetic is professional and data-oriented.

WILLIAM BRIDGES
FXWILDBILL

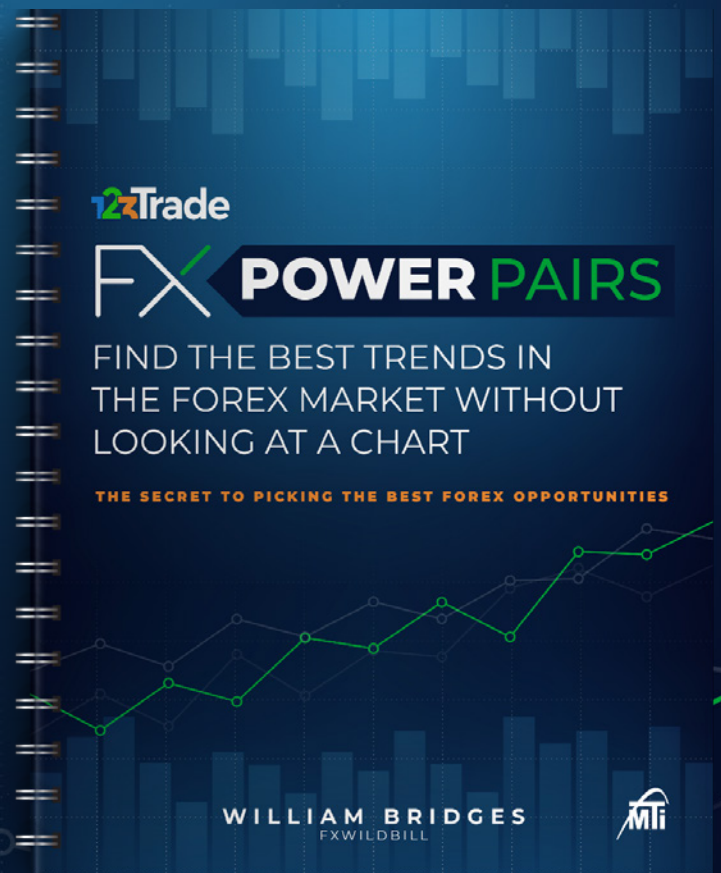


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IN THIS GUIDE:

The secret to picking the best **Forex** opportunities

FX Power Pairs will show you a way to find the most heavily trending markets, before you look at any charts. Trend direction will be found under the assumption that major market movers and drivers will be reported in the news.





After earning an economics degree from the University of Florida, working in internet marketing, and interacting with thousands of Forex traders for the last 5 years

I wanted to find something simpler. There is simply a ton of data to wade through when trading a macro market like Forex and it can be very easy to get lost. This strategy is designed to cut through the noise and make it clear what is happening on the charts and discover what direction the market is likely to head long term. Many traders are looking at 4 or more timeframes per currency pair to find trend direction. With this strategy, our aim is to cut that number to ZERO. This will give you the ability to know where the trends are likely to be before you even open your charts.

William Bridges

FXWILDBILL



Overview

The secret to picking the best Forex opportunities is knowing what moves governments, large institutions and banks will make on a week to week basis. FX Power Pairs will show you a way to find the most heavily trending markets, before you look at any charts. Trend direction will be found under the assumption that major market movers and drivers will be reported in the news. The most relevant and highly trafficked news will be reported on Page 1 of Google, right?

Goals

1. Find market sentiment in reference to overall macroeconomic strength in order to rank major economies from 1 to 7 - Includes **USD, CAD, AUD, JPY, GBP, EUR, and NZD**
2. Discover pairs with the greatest odds of profitable trades and the greatest possible volatility - **STRONG VS WEAK**
3. Determine long term trend direction in an effort to use the proper trading strategy in any situation

Benefits

1. Know when you should be making a short term play on a retracement or a long term play on an extension of the trend.
2. Have a better understanding of which pairs will be doing what before you even open your charts.
3. Better recognize an uptrend, downtrend or sideways (consolidating) market.
4. Cut through the noise of the announcements happening all day, every day.

Theory Behind The Strategy

The majority of traders do not understand the fundamentals of the market. Many of them may not even know that fundamentals are economic metrics released by governments to measure growth. Some metrics are much more important than others, but how does the average person know. Let the professionals working for the largest and most heavily trafficked organizations on Earth do the hard work for you in figuring out what really matters.

Trade Secret:

Google Ranks Articles By RELEVANCE

Relevance is very important. This means that whatever articles rank higher on Google's news pages, get the most traffic. It also means that when you begin to see new articles on page 1 of Google, the good news or bad news in that article is gaining momentum. If you want to invest in a currency (or therefore an economy), why not look at the most relevant info on the web for direction?

The Numbers Behind Google Page 1

Google is the #1 search engine and provides for almost 12 billion searches per month and accounts for 87.5% of all searches. 93% of all buying decisions start with a Google search. The 1st page of Google gets 91.5% of all traffic. Virtually everything after page 1 has been forgotten or is not relevant enough to care about yet. Here is a table to show you how the traffic is spread in order of organic result:

Google Result Page Rank	Average Traffic Share
1	32.5%
2	17.6%
3	11.4%
4	8.1%
5	6.1%
6	4.4%
7	3.5%
8	3.1%
9	2.6%



Calculating Currency Power Scores

For our purposes, we will be awarding points for positive articles only. If the **#1 article is positive, that currency will be awarded 32.5 points toward their Currency Power Score, 17.6 points if #2 is positive, 11.4 points if #3 is positive** and so on. All negative articles or articles promoting uncertainty will be scored ZERO points. From there we will derive a Currency Power Score by adding all points scored by positive articles. If there are new articles from this week on page 1, those scores must be weighted.

New Articles on Page 1 **VERY IMPORTANT**

Many of the articles on page 1 will simply be old. They are still important, but not as important as the articles that showed up this week on Page 1. These new articles, no matter where they are ranked, are getting a lot of traction in a short period of time. Whether these articles are positive or negative is **VERY important.** Their scores will be weighted into the final score **DOUBLE - POSITIVE OR NEGATIVE.**

Which Google Searches Should I Be Making?

Doing 9 simple Google searches, traders can now uncover macroeconomic sentiment for every major economy in a very short period of time. No need to look at every economic announcement that has been released this year when all of the most relevant info is on 1 Page of Google, right? We will use very common keywords to get the best results.

Google Searches to Make:

1. Australia Economy
2. New Zealand Economy
3. UK Economy
4. Canada Economy
5. Japan Economy
6. Europe Economy
7. United States Economy
8. Oil
9. Gold

Why are Oil and Gold on the list?

Oil can be used as an indicator for the value of the CAD, as the canadian economy is based heavily on oil profits. Gold is often purchased more heavily when people lose faith in currency markets. Gold is often tied very closely to the value of the US Dollar. If oil is at a low price or people expect a rise in oil, then it may be a good time to buy the CAD.

Example of Finding Currency Power Score

1. Google search "Australia Economy"
2. Click on "News" tab to narrow search to news articles only
3. Award points for positive articles only to articles 1 through 10 based on the weighting system from above (32.5, 17.6 and 11.4 points and so on)
4. Add extra weight to the new articles on page 1. Give DOUBLE points to to each article that made it to page 1 this week and give DOUBLE NEGATIVE points to negative articles that surfaced this week. Neutral articles still count for ZERO.

EXAMPLE:



Australia's Long Economic Run Is Flagging

Bloomberg - Jul 1, 2018

That means a waning appetite for the raw materials Australia sells it even as China's economy grows bigger overall. And at some point, China ...

Article 1 - NEGATIVE - This article is suggesting that the 25 year span of no recessions may be coming to an end. **0 POINTS**



Australia's economic complexity on par with developing economies ...

Herald Sun - 46 minutes ago

AUSTRALIA'S economic complexity is on par with that of developing economies such as Kazakhstan, Cambodia and Kenya, the nation's chief ...

Article 2 - POSITIVE - This article is putting Australia's economic complexity on par with Kazakhstan, Cambodia, and Kenya. They may be making this sound rough, but Kazakhstan has been forecast to grow at 5.5% by the IMF. **17.6 POINTS**



Australia's economy is going strong, but the fate of its currency is in ...

CNBC - Jun 7, 2018

The Australian economy has gone without a recession for 26 straight years and is still going strong, but the same can't be said about the ...

Article 3 - NEGATIVE - This article is putting doubt in the Australian currency and lowering trust in the RBA. **0 POINTS**



Australia's Economy Accelerates Faster Than Expected on Exports

Bloomberg - Jun 5, 2018

Australia's economy expanded faster than forecast in the first quarter as exports rebounded, underscoring the central bank's expectation of ...

Aussie economy steps on the gas, consumers sputter

Opinion - The Australian Financial Review - Jun 5, 2018

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Article 4 - POSITIVE - This article is touting better than expected results. Pretty clear cut. **8.1 POINTS**

Australia – Foodora's gig economy hearing over unfair dismissal kicks ...

Staffing Industry Analysts - 1 hour ago

Australia's Fair Work Commission, the country's national workplace relations tribunal, has kicked off an unfair dismissal hearing about human ...

Article 5 - POSITIVE - The Aussie's are cracking down on unfair wages. This means the government is pushing harder for the wage growth the economy needs. **6.1 POINTS**



China Frees Australian Executive at Center of Diplomatic Dispute

New York Times - 1 hour ago

Australia passed sweeping national security legislation just last ... it a crime to damage Australia's economic relations with another country.

China frees ex-Rio Tinto executive jailed on corruption charges in 2010

Arab News - 6 hours ago

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Article 6 - NEUTRAL - An Australian executive was freed by China. This doesn't have a whole lot of bearing on what we want. **0 POINTS**



Australia Holds Rate as Currency Drop Offers Export Support

Bloomberg - Jul 2, 2018

Australia left its key interest rate unchanged at a record low Tuesday as the currency's recent decline aids the economy by offering exporters ...

Reserve Bank names Donald Trump main risk to global economy

International - The New Daily - Jul 3, 2018

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Article 7 - POSITIVE - The RBA held rates at a necessary time. Their economy needs export growth and the government made the expected move. **3.5 POINTS**



Australia's bank chief warns low wages growth will hurt economy

The Guardian - Jun 13, 2018

In April, Lowe had told a business audience in Western Australia that the economy's painful run of record low wages growth may have finally ...

RBA Governor Philip Lowe believes one really big factor is holding ...

Business Insider Australia - Jun 12, 2018

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Article 8 - NEUTRAL - Australian bank chief has outlined the biggest factor holding back the economy. This article would be negative if it weren't obvious from Article 5 that the government is taking measure to correct this. **0 POINTS**



Paris accord is damaging the Australian economy

The Australian - 42 minutes ago

Australia should pull out of the Paris accord because it makes no ... and the frightening prospect of a de-industrialised economy are all based ...

Tony Abbott wants Australia to pull out of the Paris Climate deal he ...

International - ABC News - 12 hours ago

[View all](#)

Article 9 - NEGATIVE - This one is easy, the economy of Australia is commodities based and strict environmental laws certainly slow them down. **0 POINTS**



Huawei executive warns Australia risks economy with 5G ban

Phys.Org - Jun 27, 2018

Australia could damage its economic future if it bans Huawei from the nation's next-generation mobile network technology, the Chinese ...

new technology is a risk that they will fall behind the rest of the world that adopts it. **0 POINTS**

Articles 2,4,5 and 7 are positive, yielding 35.3 Points. Article 2 and 5 came into the fold this week, so they must be counted twice - adding another 17.6 and 6.1. Article 9 showed up this week as well, generates 2.6% of traffic and must be counted double negative. Subtracting 5.2 points.

CPS of Australia = 35.3 + 17.6 + 6.1 - 5.2 = 53.8

Creating a Bracket System to Pick Pairs

(should be done while market is closed for best results)

This is something that can be done on a weekly basis. Sentiment has a tendency to compound over time and won't always happen instantly. The market closes on the weekend, providing an opportunity for traders to discover sentiment and prepare for setups. Finding Currency Power Scores and ratings should be done on Saturday or Sunday before market open.

The pairs that will have the greatest movement and odds of success will involve currencies with the weakest Currency Power Score versus the currencies with the strongest scores. This being the case, **we will only play 1 vs 7, 1 vs 6, 2 vs 7, and 2 vs 6.** These matchups should yield an Uptrend or a Downtrend. This does not mean that they will constantly fall. Only that you should be looking for high prices to sell in Downtrend and low prices to buy in an Uptrend. Many traders may also want to trade short term retracements.

Example Ranking and Pairs to Trade:

1. NZD
2. AUD
3. GBP
4. USD
5. JPY
6. CAD
7. EUR

Longs to look for:

1. NZDCAD
2. AUDCAD

Shorts to look for:

1. EURNZD
2. EURAUD

****** Playing a strong currency versus another strong currency(such as 1 vs 2), or weak versus weak (such as 6 vs 7), will most likely yield a sideways market trend and will often be much smaller moves.**

Finding the Best Entry and Exit Points

Once you have picked the most trending pairs, the hard part is over! You will now be relying on the power of long term trend and simply need to be patient in getting a good entry point.

From here traders simply need to Buy Low on pairs they are looking to short and Sell High on pairs they are looking to go long. Once you know what direction to trade and on which currency pair, you must now simply wait for a setup that fits your entry strategy for proper risk to reward.

Here is our Preferred Strategy Using this Method

1. Go to the Daily time frame and look for a Retracement (usually more than 1 day)

A. Is the Daily chart showing a retracement? **Y N**

B. Are there strong Bearish or Bullish Candlestick formations? **Y N**

i. What candlestick formations?_____

2. Pull Fibonacci Retracement on the most recent AB on the Daily Time Frame

3. Look for a Pivot between the .618 and .786 retracement levels. Set a pending order at that price for entry if applicable. What price?_____

A. Look for a pattern of Counter Trend line breaks on the 1 or 2hr chart from the most recent long term trend, only consider the position if at or beyond .618 when countertrend is broken in order to AVOID FAKEOUTS/LOSSES or keep them to a minimum.

*****Fakeouts will happen most often @ .236, .382 and .50 Fibonacci Retracement levels

*****Check Elliot Wave Count of the retracement on the 1 hr time frame

4. Put stop loss above or below most recent high or low (2 candles left and 2 to the right) on Daily chart at a distance of the Spread + 10% of daily trading range for that pair

*****This large of a stop will only make sense in .618 Retracement Zone or deeper for 1.5:1 in current AB

*****If trading the CAD, check to see if oil is at a high or low. If oil is at a high and you are looking to buy the CAD, or oil is at a low and you are looking to sell the CAD, avoid the trade

5. Place limit at corresponding Fibonacci level or pivot. What Price?_____

6. Check for at least 1.5 to 1 risk reward ratio.

A. How many pips potential?_____

B. If 1.5 to 1 is met prior to expected potential PIPs to Limit found in Step 6, at what price is 2 to 1 fulfilled? _____

Equity Management Guidelines

Risk no more than 1% of total account size per trade, adjust lot size for pips at risk

1. As a rule of thumb, trade 1 micro lot per trade for **every \$500** you have in your trading account. Open no more than 5 positions **per \$500** in your account.

2. If the trade goes against you in the amount of half the daily trading range, buy or sell again unless the most recent AB boundary on the daily chart has been broken in the opposite direction you want to trade.

Managing Positions Throughout the Week/Updates

The market has a tendency to follow trend until an event of some kind knocks it off course. This could be some kind of government decision or heavily scrutinized economic matrix to be released, such as the US Non Farm Payroll Report, Retail Sales, Durable Goods, etc.

Check Economic Calendar for Major Announcements for each currency in the pairs you are trading as well as anything that might affect multiple currencies. If a report comes out that is likely to change market direction **(such as a negative Durable Goods report for the USD while you are long USD)**, dump the trade. If reports come out and support the direction of your trade, there could be more momentum in your direction. All of this information can be found on your Economic Calendar.

Conclusion

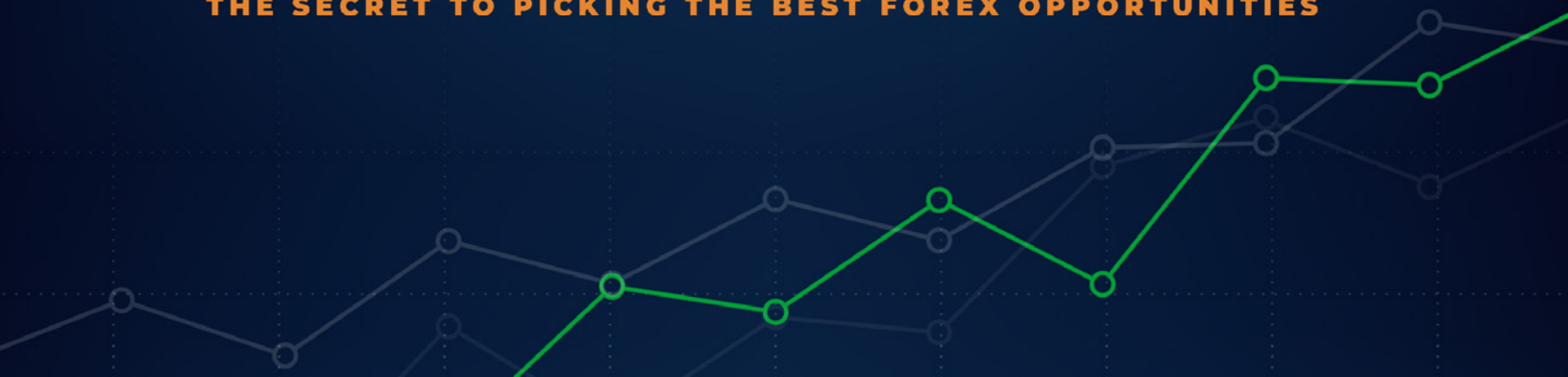
The idea behind doing this labor is to give traders a clearer understanding of WHY the market is moving in a particular direction or another. Understanding long term trend is a massive help to understanding which strategy to take and when. Long term or short term? Up or down? This may seem like a decent amount of labor, however if you want to be a professional trader, you need to understand the whys and whens.

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**MTI students
reported being
profitable at
2x the industry
average rate.***

*MTI 2019 Client Survey compared to the Profitability Analysis
by GAIN Capital Group LLC for Quarter 3 in 2019.



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