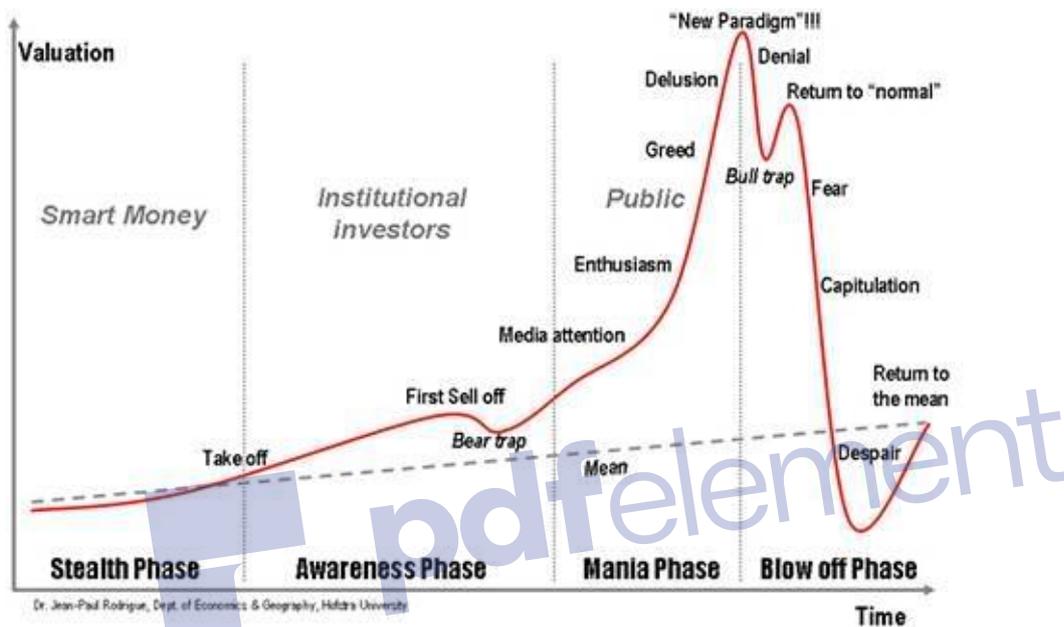


Top 3 Forex Trading Strategies That Work

Elliott Wave

If you are new to trading you may never have heard of Elliott Wave. Well the likes of Ramki from Chase Manhattan, Paul Tudor Jones have all extolled the virtues of Elliott Wave, so I don't need to do that. Elliott Wave was named after Ralph Nelson Elliott who studied 75 years of stock market behaviour to come up with the theory. However the theory already existed. It was the bubble theory re-packaged.



So why is Elliott Wave so successful in the banking community? Well quite simply it ignores geo-politics and all other media information and focuses on investor behaviour driven by fear and emotion. The [Guerrilla Trader](#) does a good job of breaking down relationships between the media and trading opportunities and offers a practical guide to Elliott wave use.

This simple trading strategy allows the trader to be aware of risk and offers up great long-term speculation ideas. Elliott is not just reserved for the long-term trader but also short-term as human behaviour is the same across time lines.

Market Profile

If you are a futures trader or a big floor trader you already know about this. Market profile has not found its application very common in retail spot Forex, one of the fastest growing sectors. This is primarily because of the expense of creating or purchasing a TPO chart. As an example when I was an institutional trader, market profile cost \$80 a month and that was minus the CQG subscription not counting any Bloomberg terminals. These days as interest has peaked in the tool we see it used in MT4 as well. Good news for you, here is the link. [Link](#). Thank me when you start making money. I will ask for a payout when you do. I take Cheques, cash, no Amex....

Market profile is largely focused on the bell curve theory and attempts to organise data in its most simple form as a random distribution. This is not only genius but the very essence of market mechanics. This evolution in the 60's was too hard to ignore, so all the best traders queued up to get their own market profile. Market profile offers a long-term, mid-term and short-term look at any market from a neutral objective view point allowing an uncovering of activity. It is no wonder the institutions are continuing to outpace retail traders.

The Implied Volatility Risk Parameter

This is probably still the best kept secret and even I would not dare reveal this for free. This is purely associated with risk management. The ability to make returns in markets is coveted by all. It is however not going to be readily exposed. This final strategy is what will allow you to comfortably execute and manage your trades stress free.

Volatility continues to influence how we trade and will in the future, calculating this effectively is crucial. If you want to find out more, then go to www.marketprofile.org. Learning to trade successfully will be satisfying and would offer a degree of freedom but with limited capital and time in the retail market, it is important you have the right direction early, so you can move on and make critical decisions as to whether this is for you or not.