



# Tokyo Trader's Club

*Working together to trade markets all over the world!*

## The Forex Trading Plan Workbook for MT4

[www.tokyotraders.com](http://www.tokyotraders.com)

## **Disclaimer and Risk Disclosure**

Trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the markets. Don't trade with money you can't afford to lose. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed in this system. The valuation of the tradable assets discussed in this system may fluctuate, and as a result, you may lose more than your original investment. In no event should the content of this system be construed as an express or implied promise, guarantee or implication by or from Tokyo Traders Club or its employees or associates, that you will profit or that losses can or will be limited in any manner whatsoever. The past performance of any trading system or methodology is not necessarily indicative of future results. Information provided in this system is intended solely for informative purposes and is obtained from sources believed to be reliable. This information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted.

### **About Papertrading (Hypothetical Trades)**

HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN INHERENT LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER OR OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. ALSO, AS THE CHARTS IN THIS WORKSHOP HAVE BEEN CREATED WITH THE BENEFIT OF HINDSIGHT, THERE IS NO GUARANTEE THAT YOU WILL ACHIEVE SIMILAR RESULTS IMPLEMENTING THESE STRATEGIES.

NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR INCUR LOSSES SIMILAR TO THOSE SHOWN.

# **The Issue is the “Plan!”**

1. **5 Rules and 4 Trades:** The Complete Plan
2. **Method:** Trading Plan Key Points
3. **Goal Setting:** Roadmap to the Future
4. **Getting Set up:** Demo & Live Account
5. **Weekly Review:** Catch those Mistakes!

Your success with this plan will be your ability to keep what you have learned simple and uncomplicated by your own thoughts. Simple and clear application WILL lead to excellent results; anything else WILL NOT guarantee good returns with a known risk.

## **The 5 Rules: Critical to your success!**

1. Profit target: 15 pips, always!.
2. Only BUY: Intermediate Uptrend.
3. Don't exceed the maximum position size.
4. Protective Strategy at 300 pips (30%).
5. Follow the Rules! And Keep it Simple!!

## 4 Trades:

1. Buy		
2. Replace	↑	(Buy Entry)
3. Add	↓↓↓	(Buy Entry)
4. Hedge	↓↓↓↓↓	(Sell Entry)

**Placing Orders:** Each time you trade you MUST place BOTH your entry order and your exit order.

**Order Types:** Below are the types of orders you will use in MT4 for each of the 4 trades.

	<u>Entry</u>	<u>Exit</u>
Buy	Market Execution Buy by Market	Take Profit (Sell Limit Order)
Replace	Pending Order Buy Stop	Take Profit (Sell Limit Order)
Add	Pending Order Buy Limit	Take Profit (Sell Limit Order)
Hedge	Pending Order Sell Stop	Stop Loss (Buy Stop Order) 1)            2)

**Hedge Note:** The hedge is your insurance. It will protect your capital and limit your risk. 1) Set your hedge exit. If the hedge becomes +100 pips, then 2) you can change your exit!

## Method:

Markets will move in 3 directions, up, down and sideways. By following this simple plan you know exactly what to do no matter which way the market moves, and your emotions never get in the way.

## Key Points:

- **Which Market to trade?**  
There are many Forex markets. At Tokyo Traders Club we are constantly analyzing the markets and we decide which market to trade. As a Club Member you can join in on the analysis.
- **Intermediate Trend (1-3 years)**  
This plan focuses on intermediate up trends. This is not a day trading plan as we are willing to hold positions overnight.
- **Trade 1 market at a time**  
More markets mean a lot more time to maintain the plan. With this strategy we focus on 1 market at a time. Keep it simple!
- **Market Timing**  
This plan does not rely on your ability to do market timing. Instead of spending long hours watching the markets, responding quickly to the email alerts will give you the best results.
- **Trading Plan Worksheet (TTC Website)**  
Depending on your capital and top buy price, the TTC Worksheet will calculate your adding and replacement prices, position size, and give you access to the Weekly Review & Forex Alerts. See the FX Trading Plan Tools Page of the TTC Website for more info.
- **Support: Skype Chat**  
Join the TTC FX Plan Chat Group. The Chat is where we keep up to date daily on any specific points and you can ask questions or share ideas directly with us.

## Goal Setting:

There are a number of areas we need to focus on with goal setting but today we want to focus on some simple financial goals to help give you a clear direction in which to head.

Using the rule of 72 and our lower return estimate of 30%, calculate how much startup capital you require to reach your 3 year, 10 year and 20 year goals. (Hint: A 30% compound rate will double your money every 2.4 years).

1 Year \_\_\_\_\_ 3 Year \_\_\_\_\_

10 Year \_\_\_\_\_ 20 Year \_\_\_\_\_

## Getting Set Up

Login to the TTC website, scroll over your name and click on the FX Trading Plan Tools page. Once inside, click on the **Step 1 “Register for your practice account”** to register for your Demo Trading Account.

Once you are registered, continue to **Step 2 “Download the trading platform”** to download the trading platform and learn how to use it. Your demo account is good for 1 month. If you want to continue practicing, go back to step 1 and register again.

When you are ready to start trading real money, click on **Step 3 “Open your Live Account”** to apply for a live trading account.

Once you receive your account number, you can send your funds and access your account. Before you begin trading you must request to have the leverage setting on your account changed to 50:1. You can do so by sending an email to the broker. Once you receive confirmation you can now start making money! *You must understand there is a maximum 30% risk of your capital in trading this system. If you don't follow the plan then you could be risking 100%.*

## Weekly Review

**Why to:** Your weekly reports will be the best way to communicate clearly and timely with TTC, ensuring accurate application of the plan for best results and reduced mistakes. It is a good habit to review your trading each week, and catching your mistakes early will save you money.

**How to:** By Sunday of each Week complete your weekly review by clicking “Weekly Review” on the Trading Plan Worksheet or the FX Trading Plan Tools Page.

- Answer YES or NO to the following 5 questions:
  1. Are you following the 5 Rules?
  2. Are your Hedges set?
  3. Is your Equity greater than 70% of your Balance?
  4. Are your total buys less than your maximum total allowed?
  5. Do you feel good about your trading?
- Save your Trading Report and attach it in the field provided.

In the MT4 Terminal, click the “Account History” tab. Right click in the white area and click “Save as Report”. Once you have attached your report, click on submit and your review will be sent to us.

## Setting Alerts

Setting alerts will help you to run your plan smoothly and efficiently. At all times you'll be informed via email to your cell phone when it is time to maintain your plan. This gives you more control and can reduce the amount of time you need to spend in front of the computer.

In MT4 you can set an alert at any price. Alerts are set separately from your trades. We recommend using Gmail for your alerts but you can use any POP email you like. In order to use Gmail for alerts you must first log into your Gmail account, click on the gear in the top right corner and click Settings. Once in Settings, click the tab “Forwarding and POP/IMAP” and click “Enable POP for all mail”. Finally, click Save Changes and Gmail will be ready to send alerts.

In the MT4 Platform click the Tools menu and Options. Once opened click on the Email tab and check the box Enable. Complete the following fields: The example below is for using Gmail. If a different email account is used the server number could be different.

<b>SMTP server:</b>	<b>smtp.google.com:465</b>
<b>SMTP login:</b>	<b>Your address @gmail.com</b>
<b>SMTP password:</b>	<b>Your email password</b>
<b>From:</b>	<b>Your address @gmail.com</b>
<b>To:</b>	<b>Same as above or another email</b>

Click Test to confirm it works and you are ready to use email alerts!

To set up an email alert, click on the Alerts tab of the MT4 Terminal. Right click in the white area and click Create. Check the box Enable and complete the dialog box with the needed information.

**Action:** Set to Email or Notification if using the mobile app.

**Symbol:** Choose the correct market.

**Condition:** Choose Ask> or Ask< for alerts above or below the current price.

**Value:** Enter the price of the desired alert.

**Source:** Enter a message of what to do once you receive the alert.

## What's Next?

Now that you have completed the Trading Workshop, you have learned the details of a complete trading plan. The plan is simple but applying the plan will be a test of your emotions and discipline. Those members that can follow the plan will succeed and those who can't, well...

**1 Month Free Support:** You can now run the demo plan and practice as long as it takes to become confident in your ability to trade the plan consistently. Included in the workshop fee is 1 month of free support, the Forex alerts and weekly reviews.

**Club Membership:** At the end of the month you are welcome to continue to practice the TTC Plan. In order to continue to receive the full support of TTC you will need to become a Club Member. If you have any questions feel free to contact us anytime at [info@tokyotraders.com](mailto:info@tokyotraders.com).

## FAQ

We have compiled a list of questions that will help you to understand the trading plan better, and give you valuable lessons based on other trader's mistakes. Be sure to read through them several times!

❑ **Q: How many orders can I place into the system?**

**A:** You can place as many orders into the system as you like. They will remain in the Pending Orders section of the platform until they enter the market or you cancel them. Above your top buy price we recommend keeping at least 10 replacement orders in case the market moves fast while you are away from your computer.



**□ Q: How can I organize my orders?**

**A:** You can sort your orders many different ways by clicking on the title of each column. By clicking on the “open” column you can arrange your orders from the top down by price.

**□ Q: When do I need to reset the TTC Trading Plan Worksheet?**

**A:** You need to re-setup the worksheet when you have a new Top Buy Price or you each time you make \$1,000. When the market has reached a new high and your Top Buy Price has changed, remember to cancel and reset all your pending orders below the market. Pending orders above the market don't need to be canceled.

Each \$1,000 you make will give you another lot you can trade. By entering your new Balance the worksheet will tell you where you can that new lot!

**□ Q: When is a good time to set my hedge?**

**A:** If you are very conservative then you might set your hedge right away. However, you must remember to cancel and reset it every time your buy price changes. As the market tends to move 100 pips each day, you might wait until the market has dropped 100 pips from your entry to set your hedge.

**□ Q: What do I do if I miss my hedge spot?**

**A:** Don't panic. If a hedge is missed then the first thing you need to do is place your hedge at whatever price the market is at right now. Secondly, your next hedge required, for any buys above, will now be done at -200 pips to counter for any increased risk you may have.

**□ Q: My exit was set but my order wasn't closed.**

**A:** This is very rare, but if it happens the first thing to do is contact the broker via live chat. They will be able to fix the problem quickly, and sometimes you'll even have a bonus of a few extra dollars. *As IT isn't perfect there will be glitches in the system. Always contact the broker as soon as you notice anything wrong!*

**□ Q: What is the Margin & Leverage for this plan?**

**A:** As trading is about risk, margin is the amount of money the broker will set aside for each position entered as a deposit until the position is closed. Leverage is the ratio between the margin and the amount of currency you can control. As we are trading the mini lot of 0.10 which equals \$10,000 and our leverage to 50:1, the broker will set aside 2% or \$200 per lot.

*By following the TTC Trading Plan you will set aside 10% or \$1,000 for each lot you enter. Therefore, our leverage is set at 10:1.*

## **Congratulations! You have now completed the Trading Workshop.**

Don't delay, now is the time to practice and get ready to trade!

By completing the checklist below you will possess all the key points to succeed with the TTC Trading Plan.

### **Homework:**

- ☐ **Practice!**  
Buying/Replacing/Adding/Hedging. Also, understand how the email alerts can help you.
- ☐ **Trading Plan Worksheet**  
Learn to use the trading plan worksheet, and be very clear on how the ADD & REPLACE orders are entered and when.
- ☐ **Weekly Review**  
Complete the weekly review and submit your trading report within 5 days.
- ☐ **Online Review**  
Do your online review with us to cover these and all aspects of the plan at least once within 2 weeks.

### **1 Month Support:**

You now receive 1 month's support; It's time to do the work!

\*\*\*Communication is essential for your success\*\*\*

1. Access for Q&A via online, phone and email
2. Access to the demo trading plan
3. Weekly Reviews

#### ☐ **Live Account & Club Membership**

To access the full live trading plan you must do 2 things:

1. Open a Live account
2. Pay Club Membership.

Club Membership gains you access to; Market research on the currencies for trading, trading alerts, account monitoring via the weekly reviews and online technologies to enhance communication between you and your mentors. As well as the additional club member benefits you can find on the website.

The best advice we can give to you from our experience, is to communicate with us. Becoming a Club Member aids that ability.