

Charles A. Floyd, II's



Trading Patterns

That Can Make You

RICH!

WWW.FAPWINNER.COM

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Foreword from FAPTURBO Mike



Charles is a rare person indeed. He is one of the few people I know that has both skill and heart. I saw this first hand. I first met Charles in 2007, when he was providing settings and trading plans for the FOREX Auto Pilot trading software. I was surprised that his settings actually did improve the trading robot's performance, and how he spent countless hours trying to help his members to "get it right". I watched as his FAPUG (**FOREX Auto Pilot Users Group**) grew to over 1,500 members inside of a few months.

In 2008, when he created FAPWINNER, I saw the same dedication and devotion to helping his members learn to trade both properly and profitably. I have seen the company grow to have thousands of members worldwide, have offices in Chicago, Canada and Italy, personally traveled with him doing live seminars and trading clinics in both the US and overseas, while still being one of the nicest and most humble people I know. I can say without hesitation that you will not find another trading mentor who is willing to spend countless hours of his personal off time to help his students- including weekends.

What sets him apart from the others in the FOREX field is that he is a student of the markets. Charles has an impressive library of over 2,000 books that cover all aspects of trading, and he regularly buys and tests the latest FOREX products. So he is current on what is available, but do not think that he is an ivory tower professor; he trades the markets every day. He has good and bad days, like any other trader, but what sets him apart is that he is a real trader. That is what makes him such a great mentor. For him to write a book is a logical next step in his passion to help make other traders successful.

With almost 30 years of trading experience, the charisma of an entertainer, coupled with the professional designations of being a CTA and CPO, he is someone that you need to know and learn from. He helped me, and he can certainly help you, too.

FAPTURBO Mike



A Video Interview and Endorsement From Mark Larsen

FOREX SECRETS

Interview with Charles

- ✓ Why Forex? Keys to success
- ✓ Fapwinner: past, present and future plans
- ✓ Fapwinner trading systems - how to make money :)
- ✓ Trading plan and money management for safety trading



<http://secrets.bz/interview>



What My Students Say

1. Link for Dina and Avi Interview

www.FAPWINNER.com/results.php

2. Link to Las Vegas interview

www.FAPWINNER.com/lasvegas.php

3. Link to the Trading Challenge Leaders

www.FAPWINNER.com/tcleaders.php



Foreword from Charles

As a trader with almost 30 years in the trading trenches, I have learned what does and does not work. What does not work is trying to trade on charts that are choked to death with flashing lights, ringing bells, and the latest mind-numbing can't-lose trading indicator. It is no wonder that the government has published statistics stating that 98% of all FOREX traders lose all of their money.

When I started trading, I was taught to keep it simple-simple being defined as a chart that shows the price action, and trading specific time-tested repetitive patterns- the ones that were most likely to show up regularly on a chart, regardless of the time frame involved.

In this book, I am going to share with you what I consider to be the most common, and possibly the most profitable, trading patterns that show up regularly, regardless of the time frame. Trading price charts and patterns is as simple as it gets. This simple two-step formula –price and patterns –is one of the most closely guarded secrets of the trading elite. Learn these seven patterns. They may help you to become a more successful trader. They *literally* can make the difference in you being a FOREX success and a FOREX failure. In writing this, I am assuming that you have a basic knowledge of the FOREX market, so I will not define basic terms. If you need some help, we offer a great course called FOREX Essentials. It will give you a solid education. If you would like to learn to trade full time, please visit www.manualtradingacademy.com. You will get all that you need to trade for a living.

Ready? Good! Let's get started.

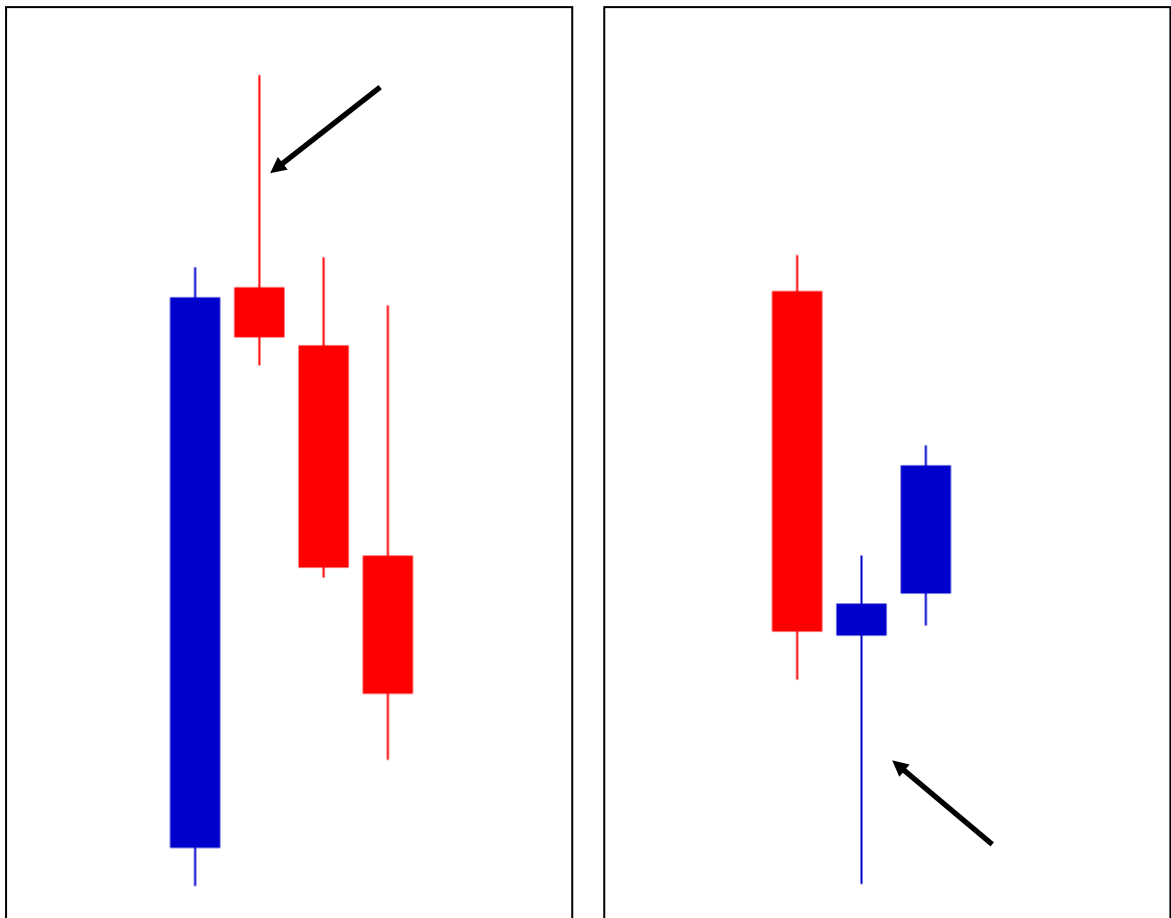
Charles A. Floyd, II



Keep It Simple, Stupid

KISS. Trading is at its best, when kept simple. Too many charts are clogged up with 100 indicators, one signaling buy, another one signaling short, bringing nothing but confusion and so-called analysis paralysis. All you really need is Price Action. Let's have a look at 7 of the most powerful, but simple trading patterns, effective on all timeframes.

1. Pinbars



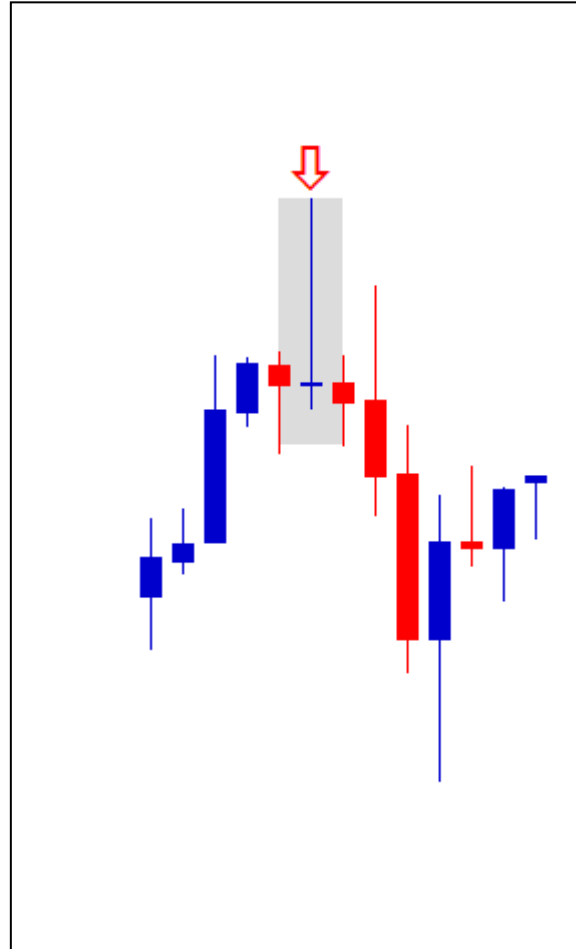
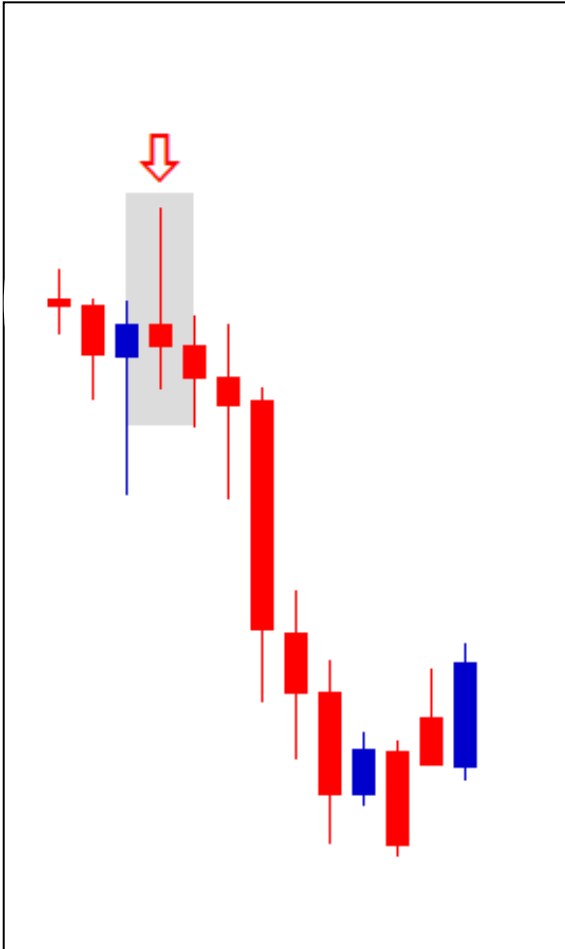
The Pin is a reversal pattern that indicates a change of trend.

The term "Pin Bar" is an abbreviation for the term "**Pinocchio Bar**". It is a 3 bar pattern with the high of the middle bar towering over the highs of the bars on both the left and the right. The middle bar should look like a pin, standing out like the proverbial sore thumb. The pin bar will signal both bullish and bearish trends.



Examples of the Pin Bar Formation in Action

Please notice how the middle bar for both the bullish and bearish pin bars stand out between both the candles on the left and the right.

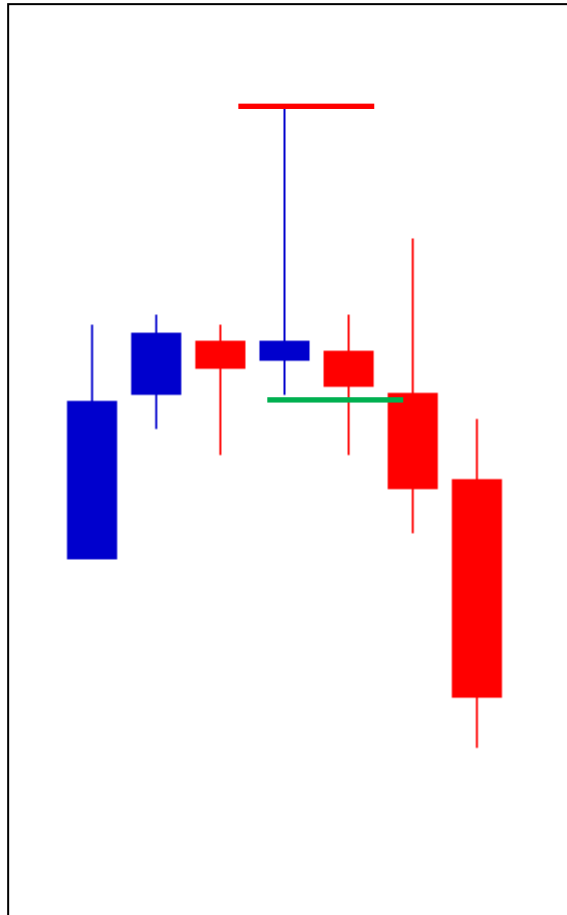


How to Trade a Pin Bar Formation

To effectively trade the pin bar formation, you need to first make sure it is well-defined, (see above characteristics). Do not trade just any bar with a large wick. You want the nose of the bar to really stick out and preferably, you want to be trading in the direction of the overall trend.

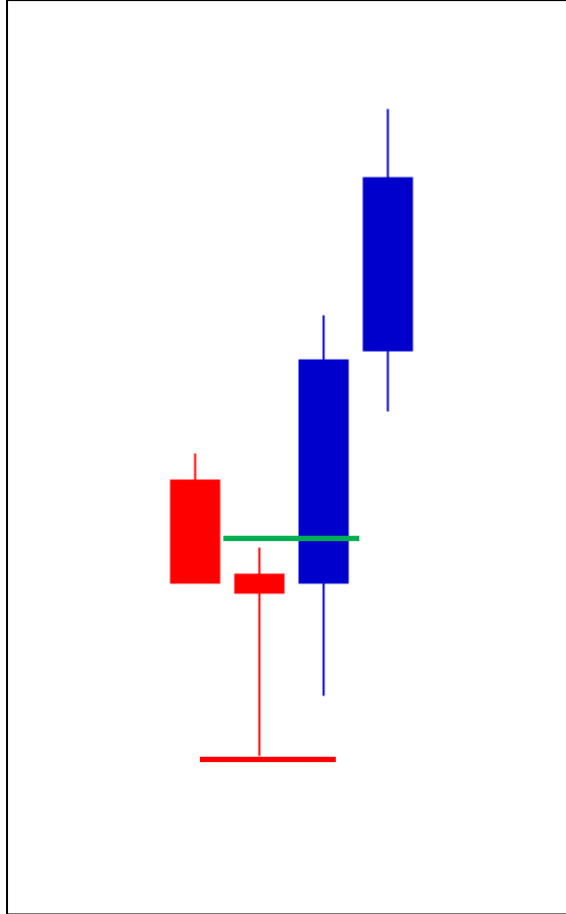
For a Bearish pin bar:

- sell on a break of the pin bar low, and
- place a stop loss 1 pip above the pin bar high.



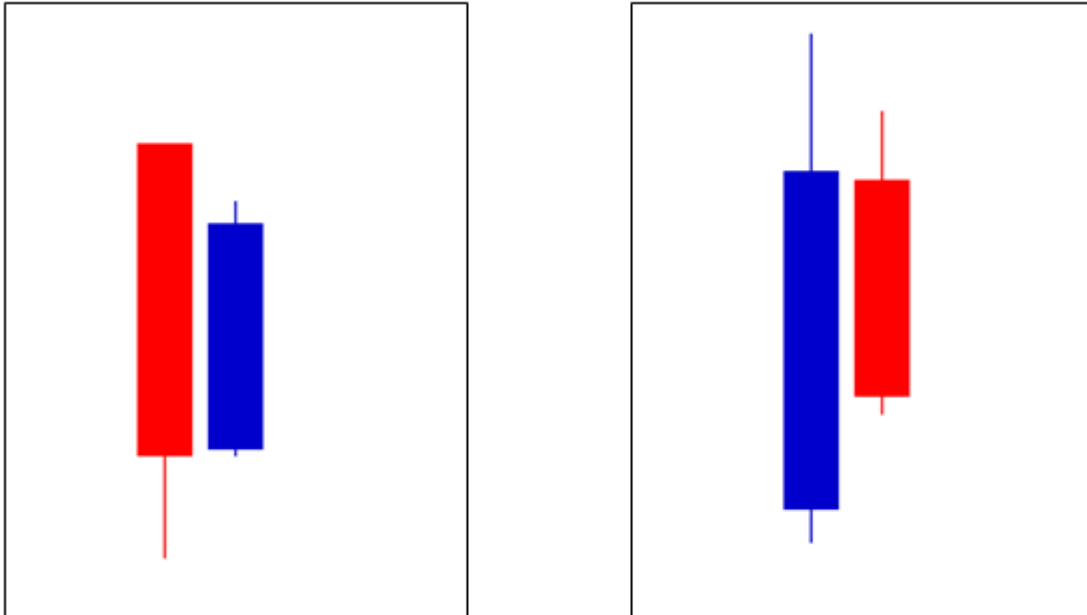
For a Bullish pin bar:

- buy the break of the pin bar high
- set the stop loss 1 pip below the pin bar low.



2. Inside Bars

An inside bar is a bar which is completely inside of the preceding bar. In other words, the high and low of the bar is completely inside of the bar to the left.



An inside bar indicates indecision or consolidation. The market is not sure which way to go. The buyers do not have the strength to push the market higher, and the sellers do not have the strength to push the market lower. Inside bars generally occur at market tops and bottoms, and often provide a low-risk entry and exit point.

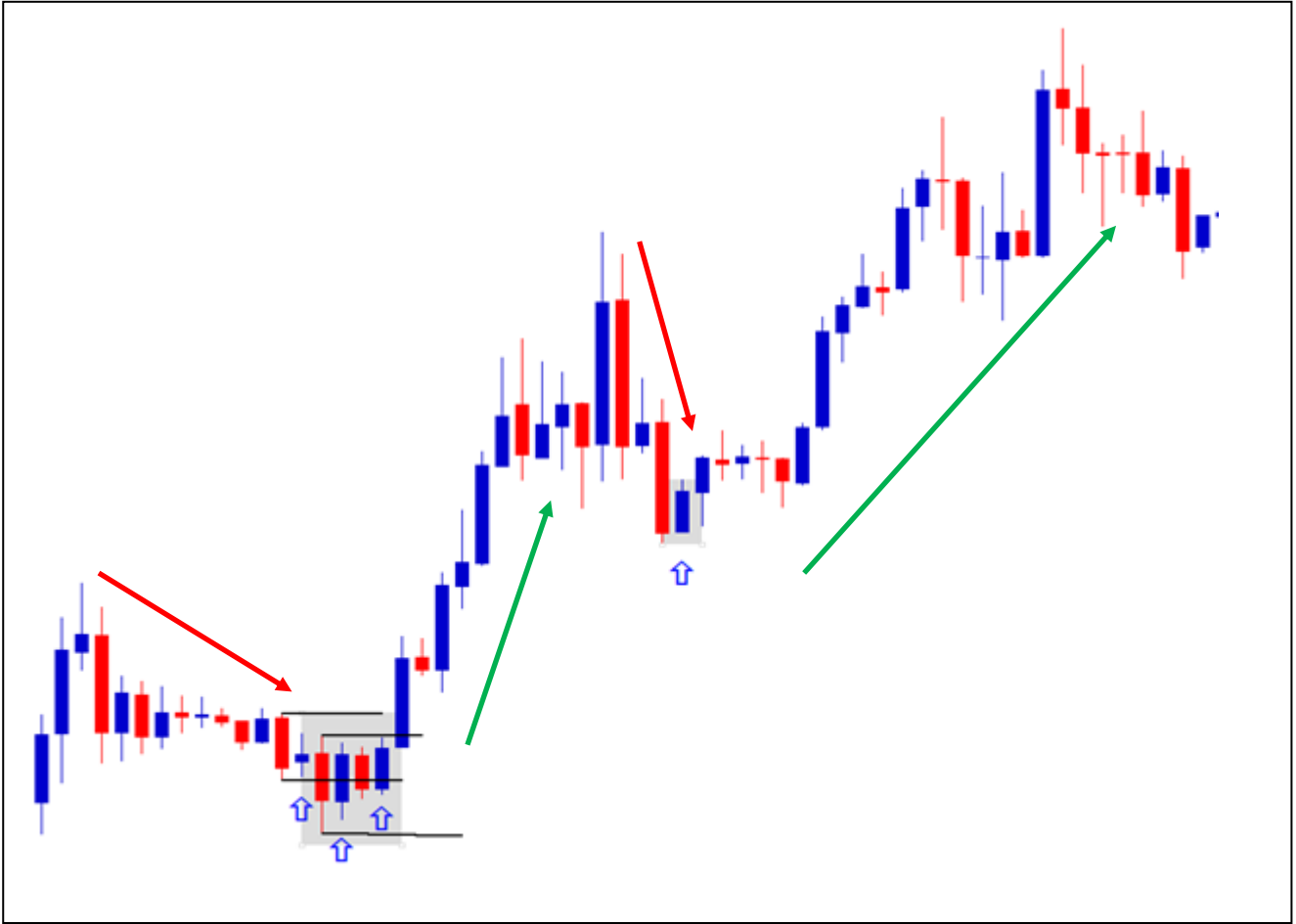
There are two types of inside bars: Bullish and Bearish. Most systems simply trade the breakout of inside bars (or the breakout of the bar “containing” the inside bar), and do not take into account whether the inside bar is bullish or bearish.

There is however a more effective way of trading them: When a bullish inside bar occurs after a bearish trend, or vice versa, a bearish inside bar occurs after a bullish trend. These two situations give a clear indication that the previously established trend is getting exhausted.

Let’s look at a few examples:



How To Trade Inside Bars

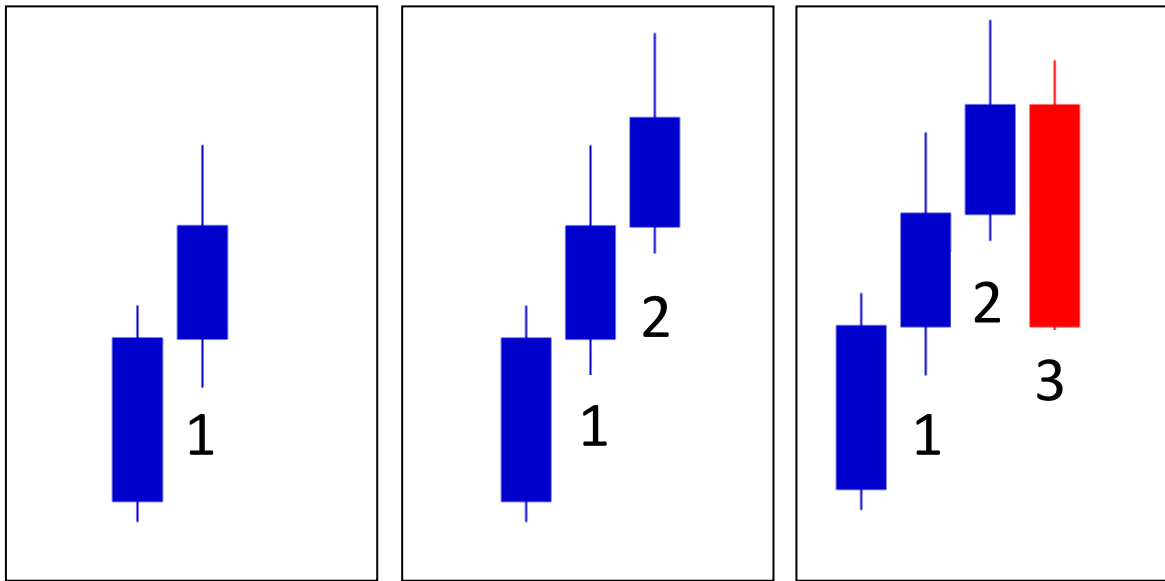


3. 2 Bar Reversal

The 2 bar Reversal identifies a possible trend reversal.

The first two bars must trade in the same direction and be trending bars. The third bar reverses the trend direction by taking out the low of the second bar (for short) or the high of the second bar (for long).

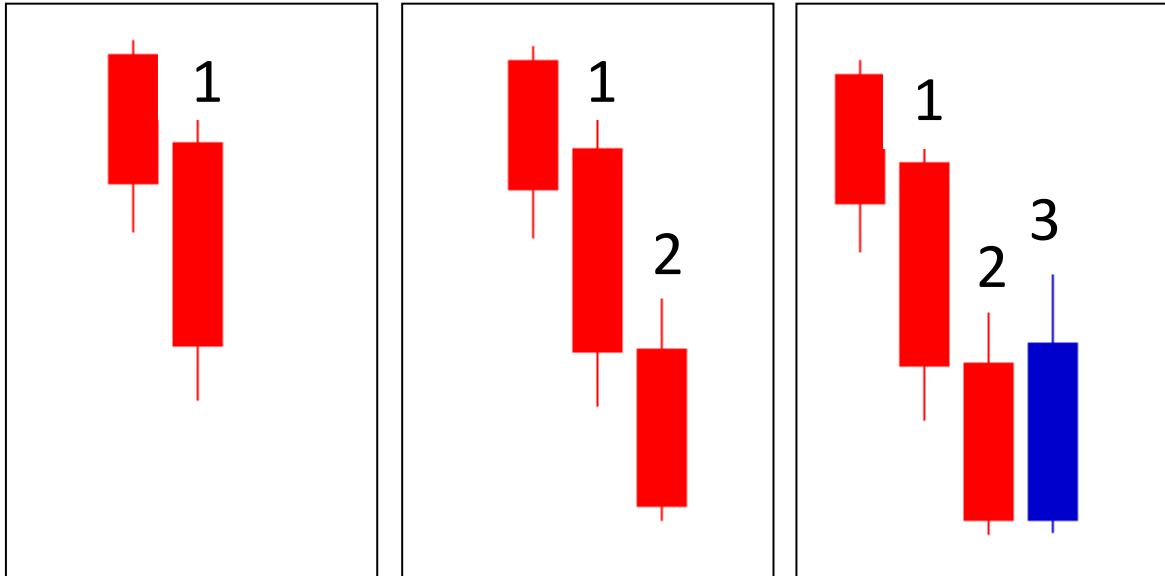
The Bearish 2 Bar Reversal



1. Bar 1 has a higher high, higher low and a higher close.
2. Bar 2 has a higher high, higher low and a higher close than bar 1.
3. Bar 3 reverses the trend by trading below the low of bar 2.



The Bullish 2 Bar Reversal



1. Bar 1 has a lower high, lower low and a lower close.
2. Bar 2 has a lower high, lower low and a lower close than bar 1.
3. Bar 3 reverses the trend by trading above the high of bar 2.

How To Trade the 2 Bar reversal

Bullish 2 Bar Reversal:

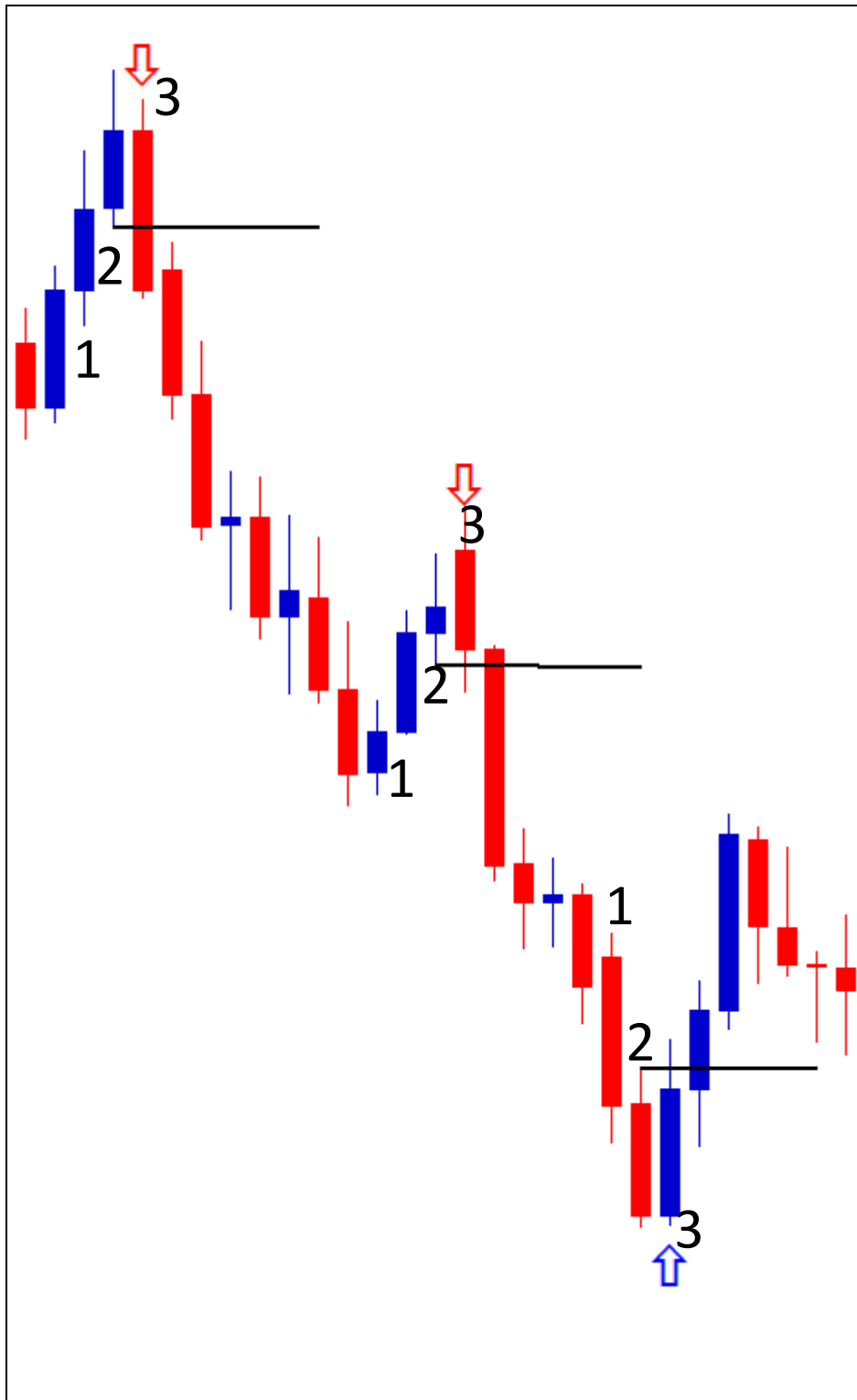
- Buy 1 pip above the high of bar 2
- Place your stop loss at the low of the breakout bar 3.

Bearish 2 Bar Reversal:

- Sell 1 pip below the low of bar 2
- Place the stop loss at the high of bar 3.



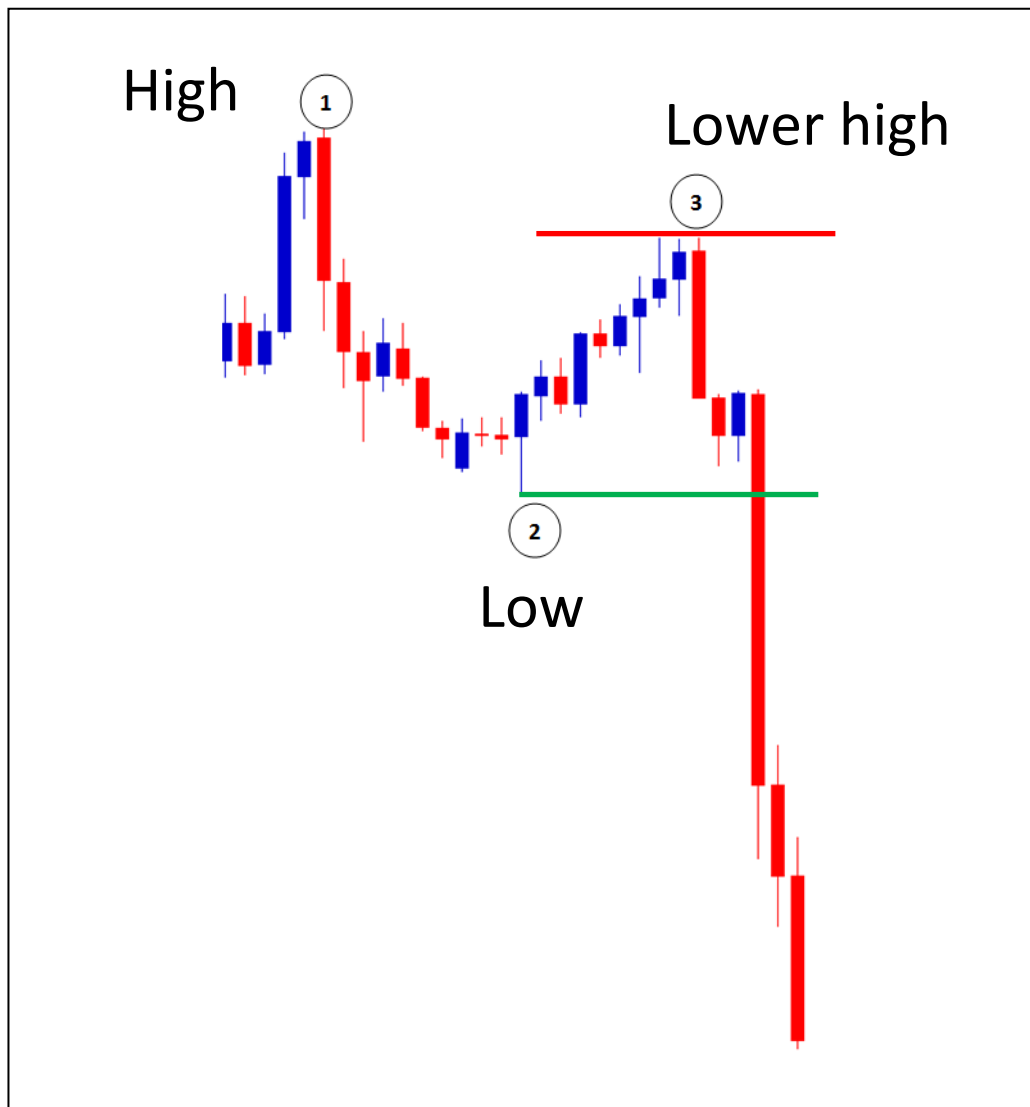
Below is a EURUSD Daily chart. It is obvious this system has the possibility to get you into swing trades at the best possible level.

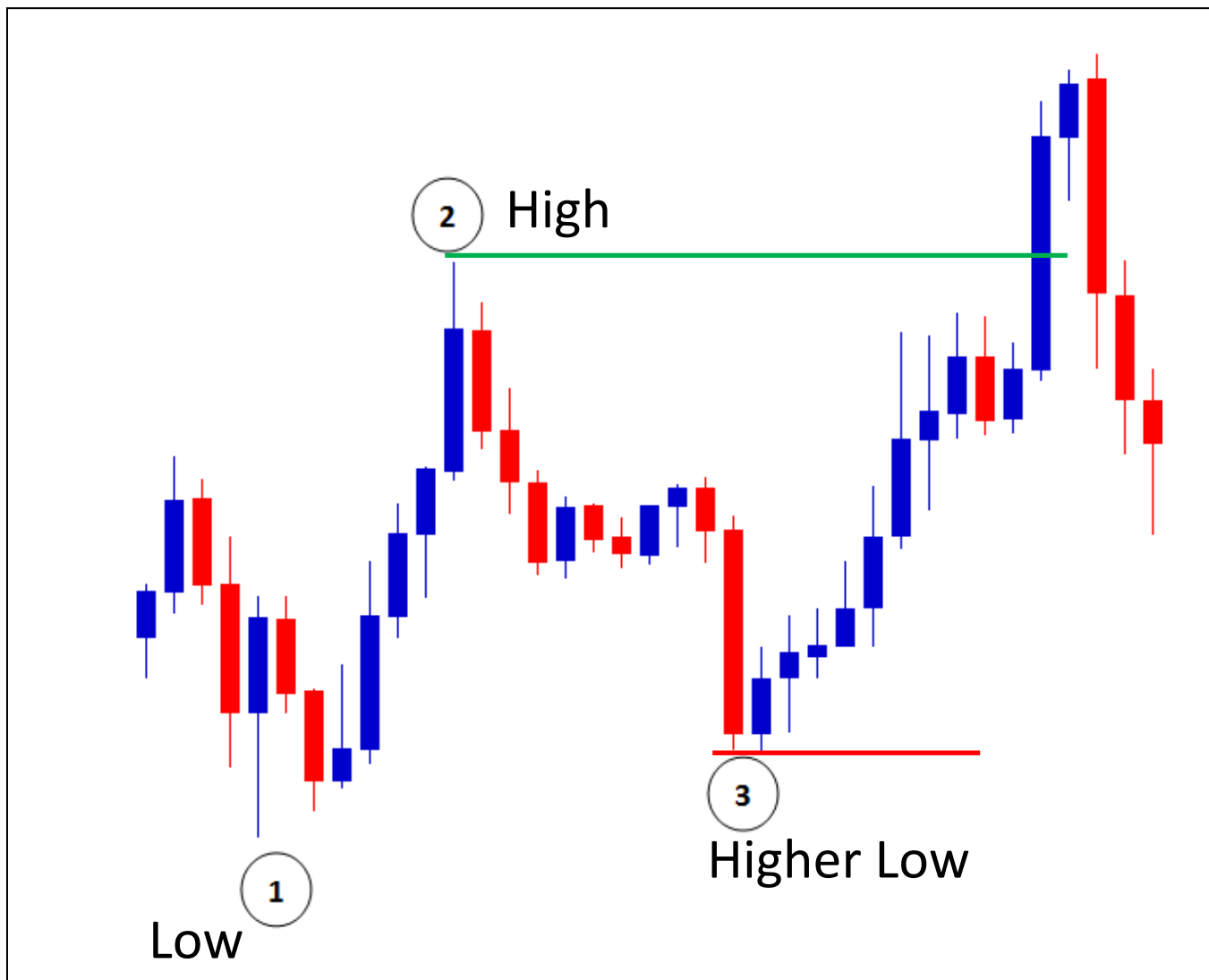


4. Failure Swing Top / Bottom

Failure swings are my favorite pattern. They are a clear sign of the inability of price to reaffirm a new high in an uptrend or a new low in a downtrend, which gives us the opportunity to spot a trend reversal before most do.

This is what they look like:





As you can see, this pattern is as simple as 1 - 2 - 3, but VERY powerful. A very common way of trading failure swings is trading the breakout of Point 2, with your stop loss above Point 3 when going short, and below point 3 when going long.


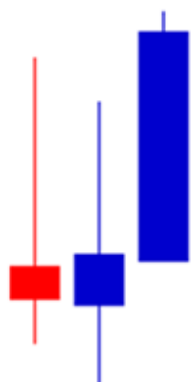
I have developed my own proprietary way of trading Failure Swings, which allows you to enter earlier than most conventional failure swing trading systems do. It is one of the best classes offered in our Manual Trading Academy Level 1 series. For more information, please visit www.manualtradingacademy.com.



5. Reversed Pivot Top / Bottom

Pivots are a common pattern used in several trading systems. A pivot bottom shows that price has found a level of support. A pivot top on the other hand shows that price has found a level of resistance.

Let's have a closer look.

<p>Pivot Top</p> 	<ul style="list-style-type: none"> ▪ A Pivot Top is a three candle pattern ▪ The High of the middle candle is Higher than both the Highs of the candle to its left, and the candle to its right ▪ A pivot top signals a reversal to the downside might be setting up
<p>Pivot Bottom</p> 	<ul style="list-style-type: none"> ▪ A Pivot Bottom is a three candle pattern ▪ The low of the middle candle is lower than both the lows of the candle to its left, and the candle to its right ▪ A Pivot Bottom signals a reversal to the upside might be setting up

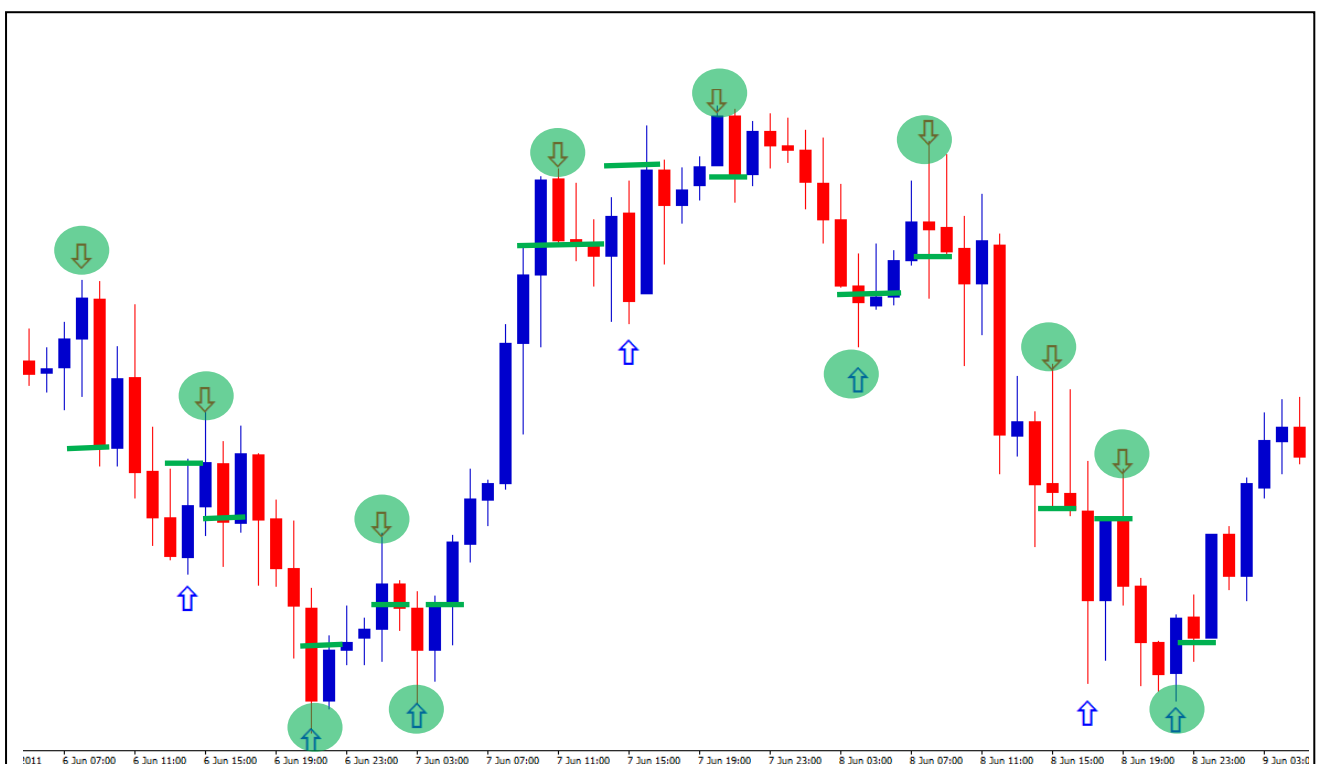


The easiest way of trading pivots is assuming the support/resistance level they indicate will hold, and therefore the prices will reverse.

A common way of trading this would be to enter the trade at the close of the pivot confirmation candle (the third candle of the pivot pattern), with your stop at the pivot high/low.

Let's have a look at the following EURUSD H1 Chart. It is an average Chart from last week, not cherry picked.

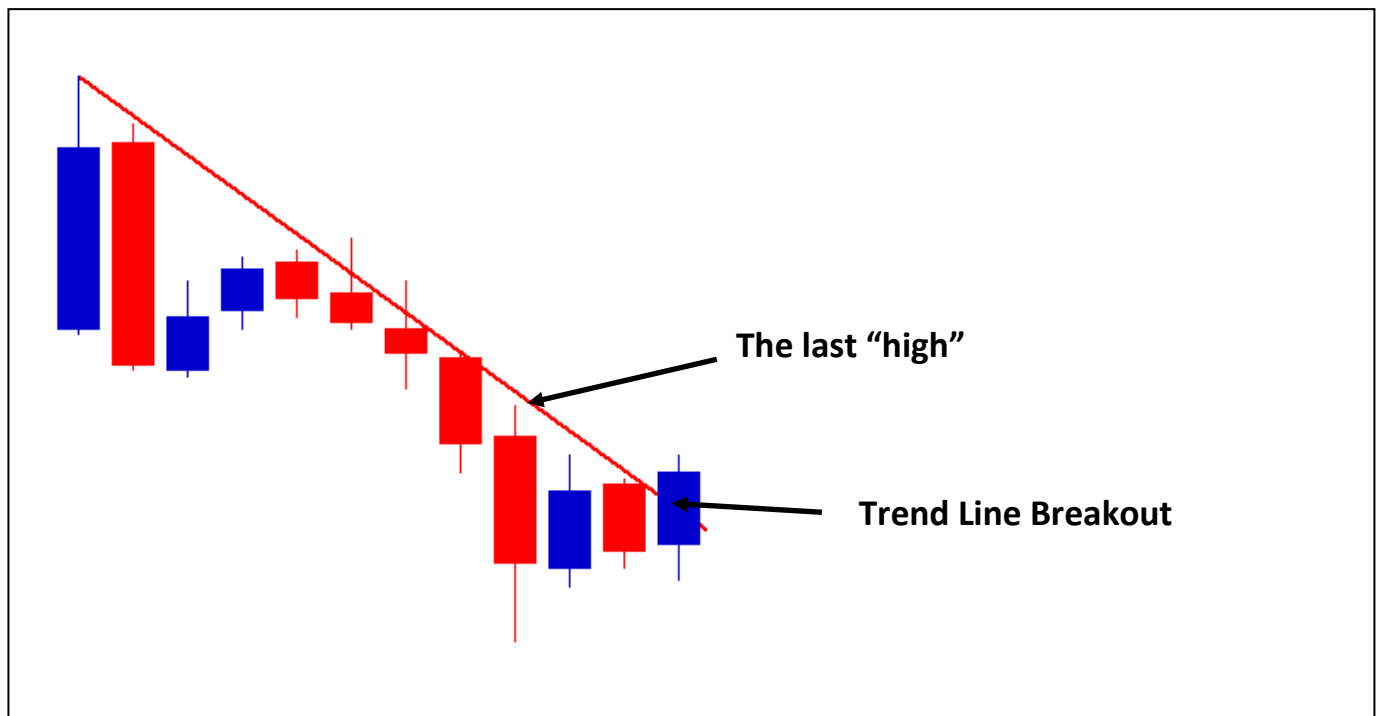
Every Green line represents a trade entry, stop loss would go at the pivot low/high indicated by the arrow. Depending on your money management, out of 15 trades, in the picture below at least 12 trades (I circled the arrows) would turn out to be winners. Not bad for 2 days worth of trading....



6. Naked Reversal

A naked reversal is based on nothing more than a trendline break.

It is a 2-step technique:



You first want to draw in a proper trend line. To do so, let me give you a proper definition:

UPWARD TRENDLINE:

From the lowest low to the highest low before the highest high, without cutting through any candle bodies.

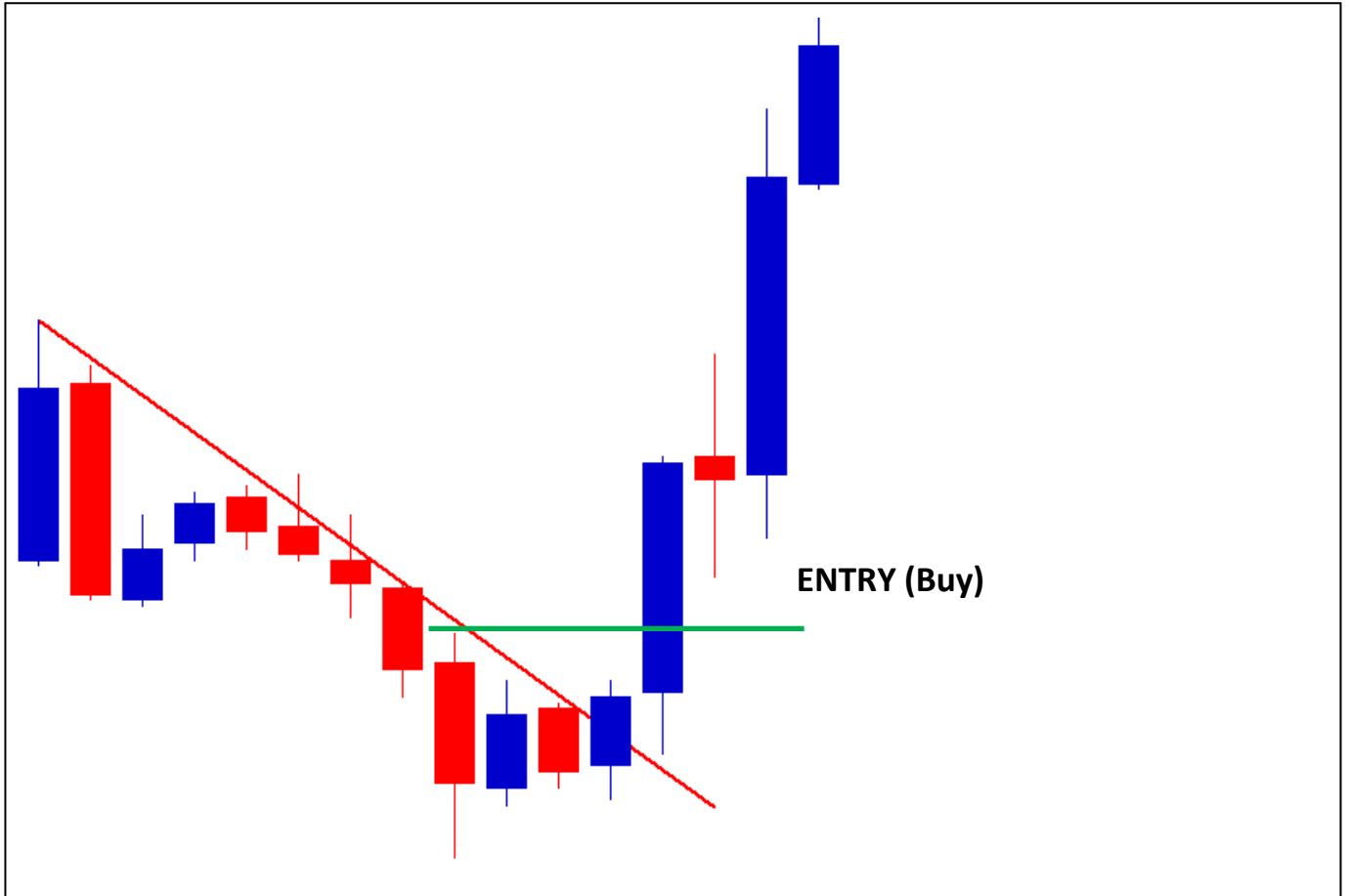
DOWNWARD TRENDLINE:

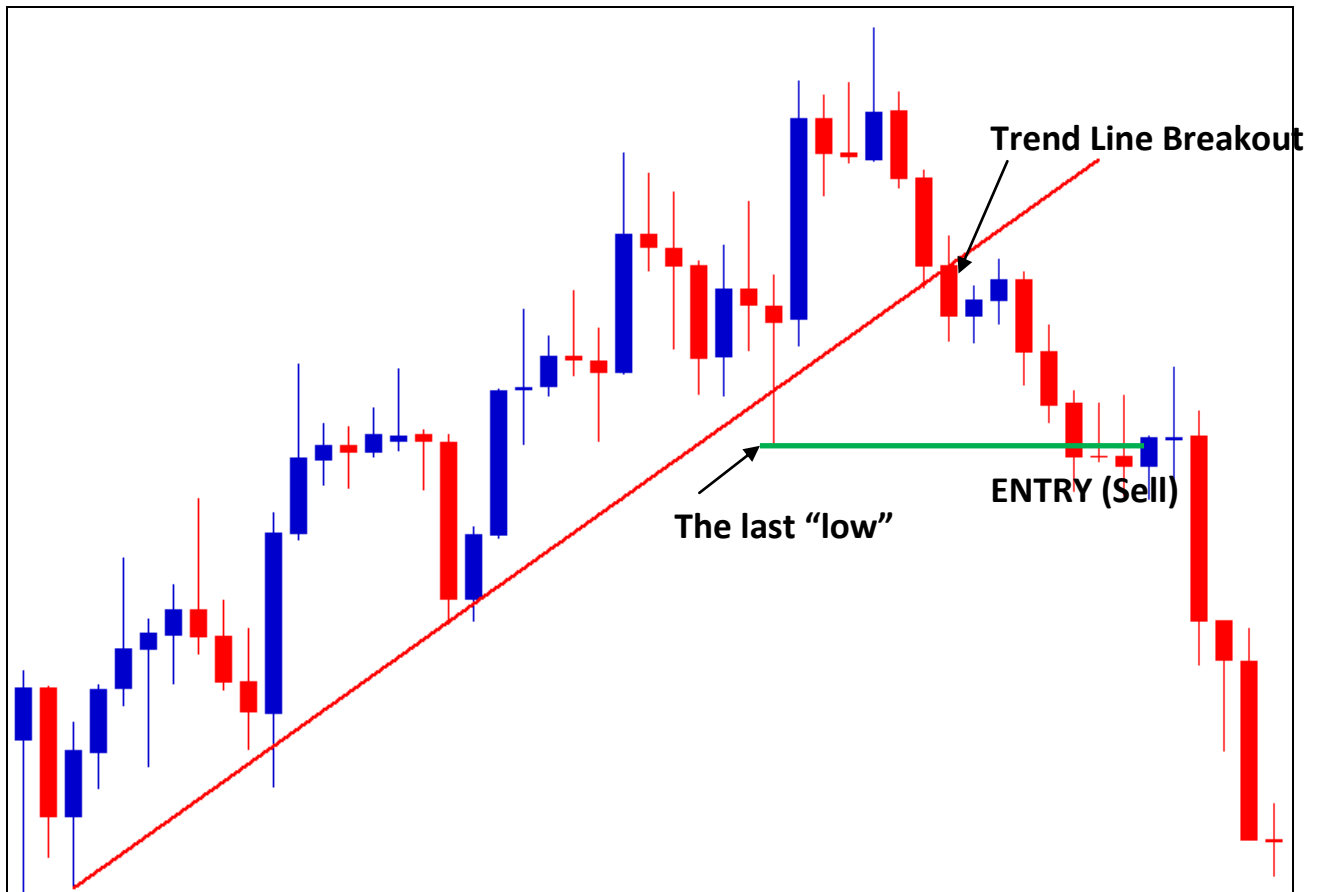
From the highest high to the lowest high before the lowest low, without cutting through any candle bodies.

Also, you would want price action to touch your trend line at least twice, preferably 3 times, in order for it to be a valid trend line.

Once your trend line is on your chart, you wait for a candle to BREAK through that trend line. When this break occurs, you will look at the last candle high, higher than the high of the candle that broke through the trend line. That high will be your entry point.







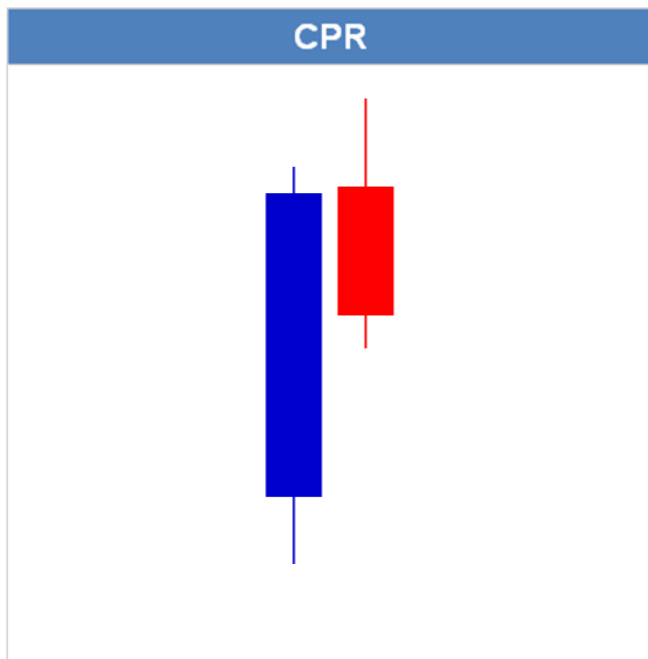
Vice Versa for short.

- Wait for a trend line break to the downside
- Look for the last low, lower than the low of the candle that broke the trend line
- Place a sell order when that low gets broken.

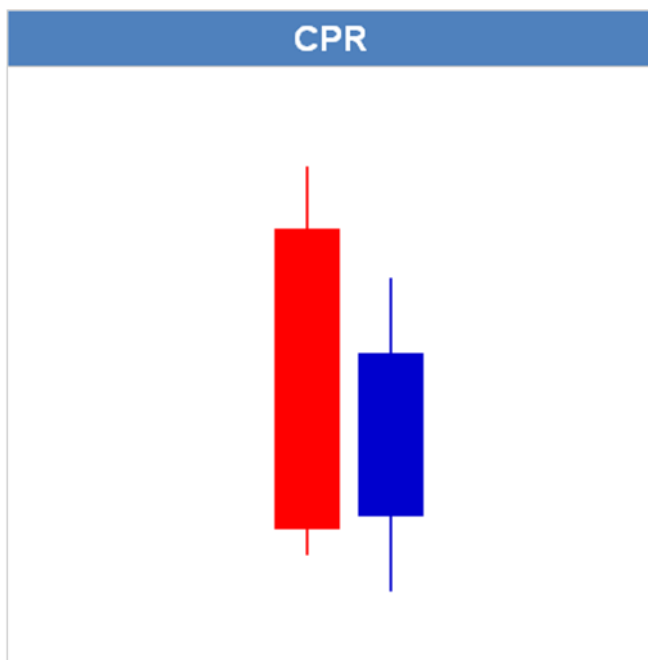


7. Closing Price Reversal

A closing price reversal is one of the easiest patterns to spot. Price makes a new high/low but gets pushed back strongly and reverses, closing beyond the previous candle's close.



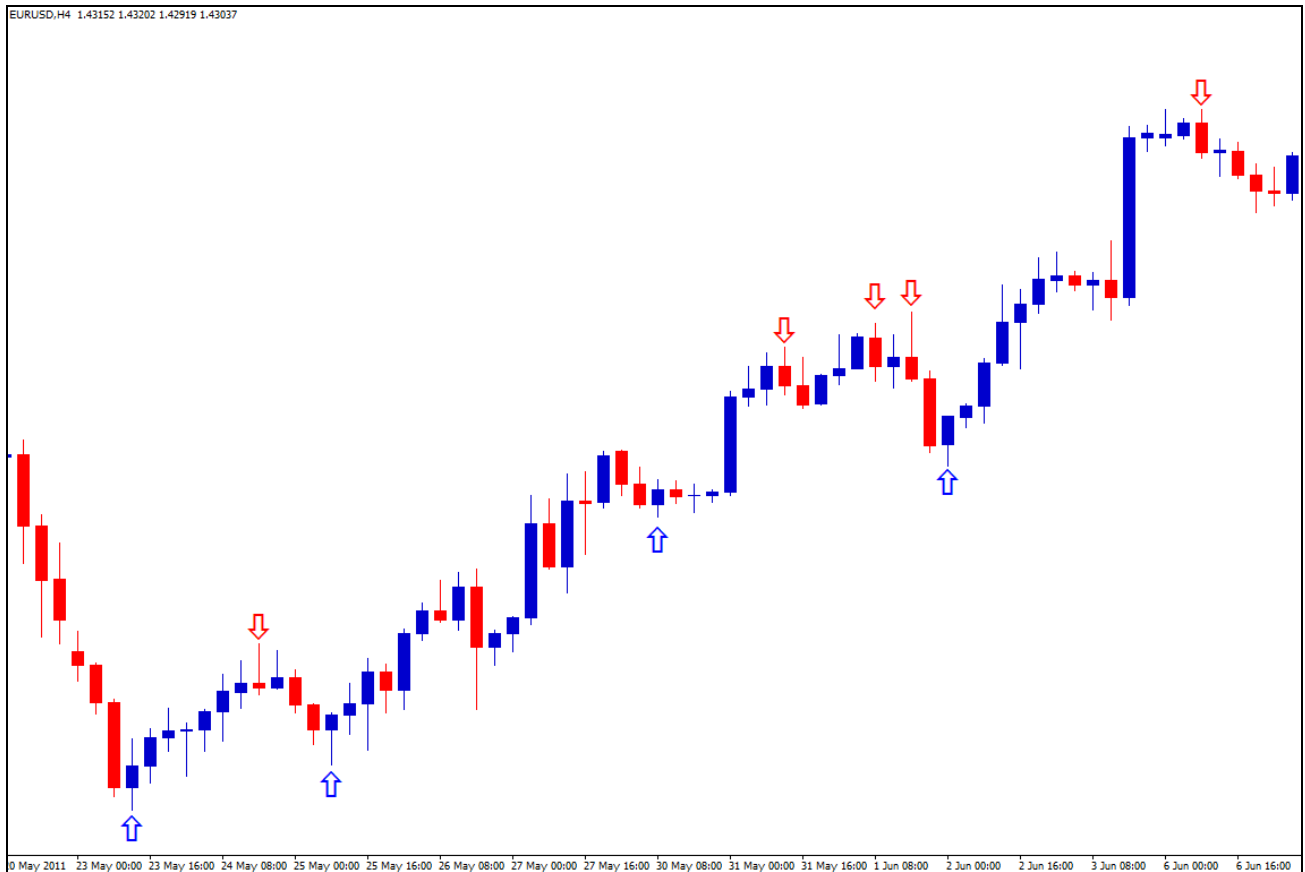
- In an uptrend, a bearish candle appears.
- This bearish candle takes out the previous candle's high but closes lower than the previous candle's close.
- This is the signal to go short at the opening of the next candle



- In a downtrend, a bullish candle appears.
- This bullish candle takes out the previous candle's low, but closes higher than the previous candle's close.
- This is the signal to go long at the opening of the next candle.



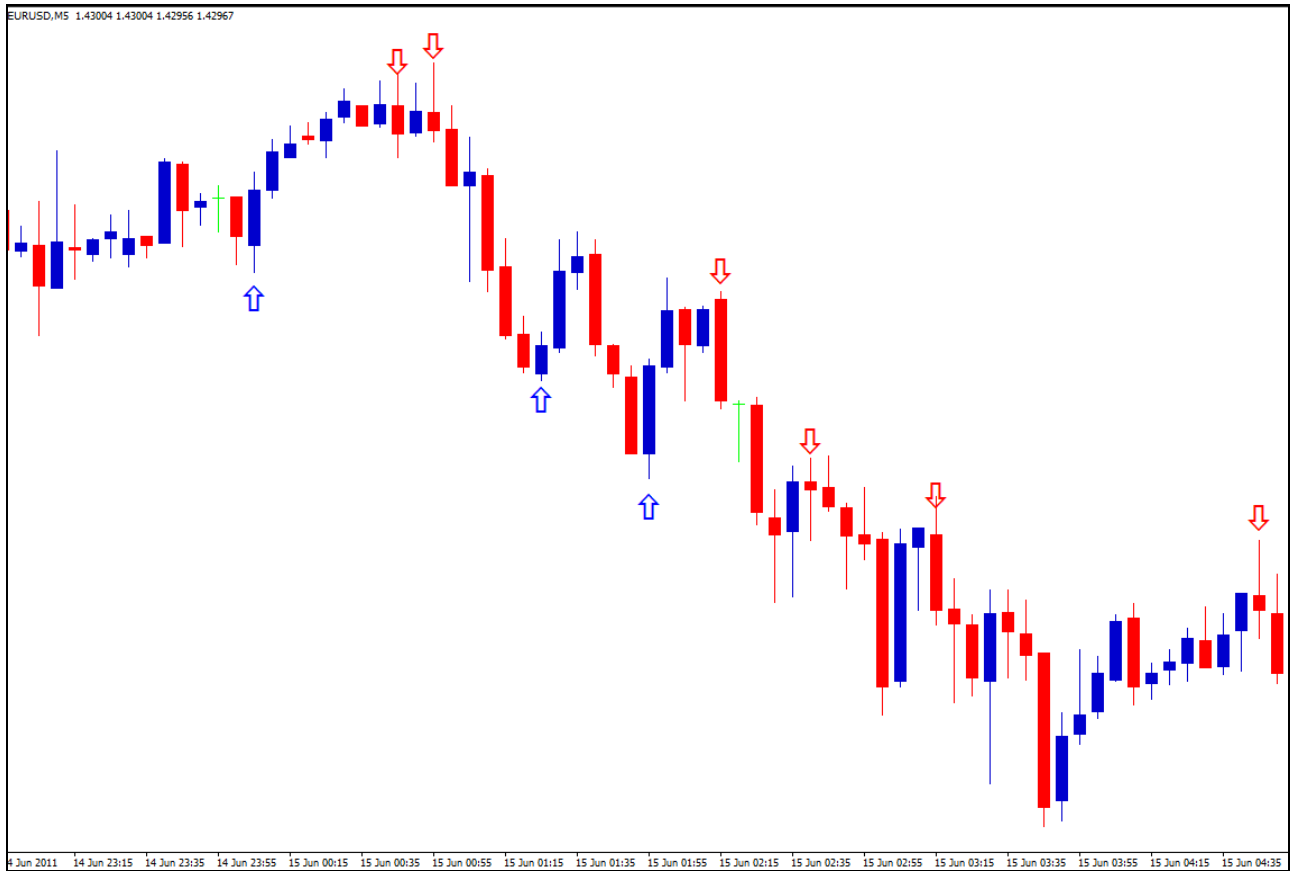
In the chart below, of the EURUSD H4 chart, I indicated all CPR's with an arrow.



If you traded in the direction of the overall trend, you would have made some nice money, as you can see. But even when taking ALL trade setups, out of 9, 7 setups would have reached at least 1:1, following the trading and money management techniques taught in our classes.



Just to show you these patterns work on all timeframes, take a look at the EURUSD 5M chart.



I bet you like what you see..... If you now understand you really don't need a whole lot of fancy flashing indicators in order to make an INSANE amount of money in the market, the goal of this book has been reached.



One Week of trading patterns on the EURUSD H1

Now, we have just seen the 7, in my opinion, most powerful patterns. Of course I do not expect you to take my word for it. Let's look at 1 week worth of the trading on the EURUSD H1 chart and find out what patterns occurred.

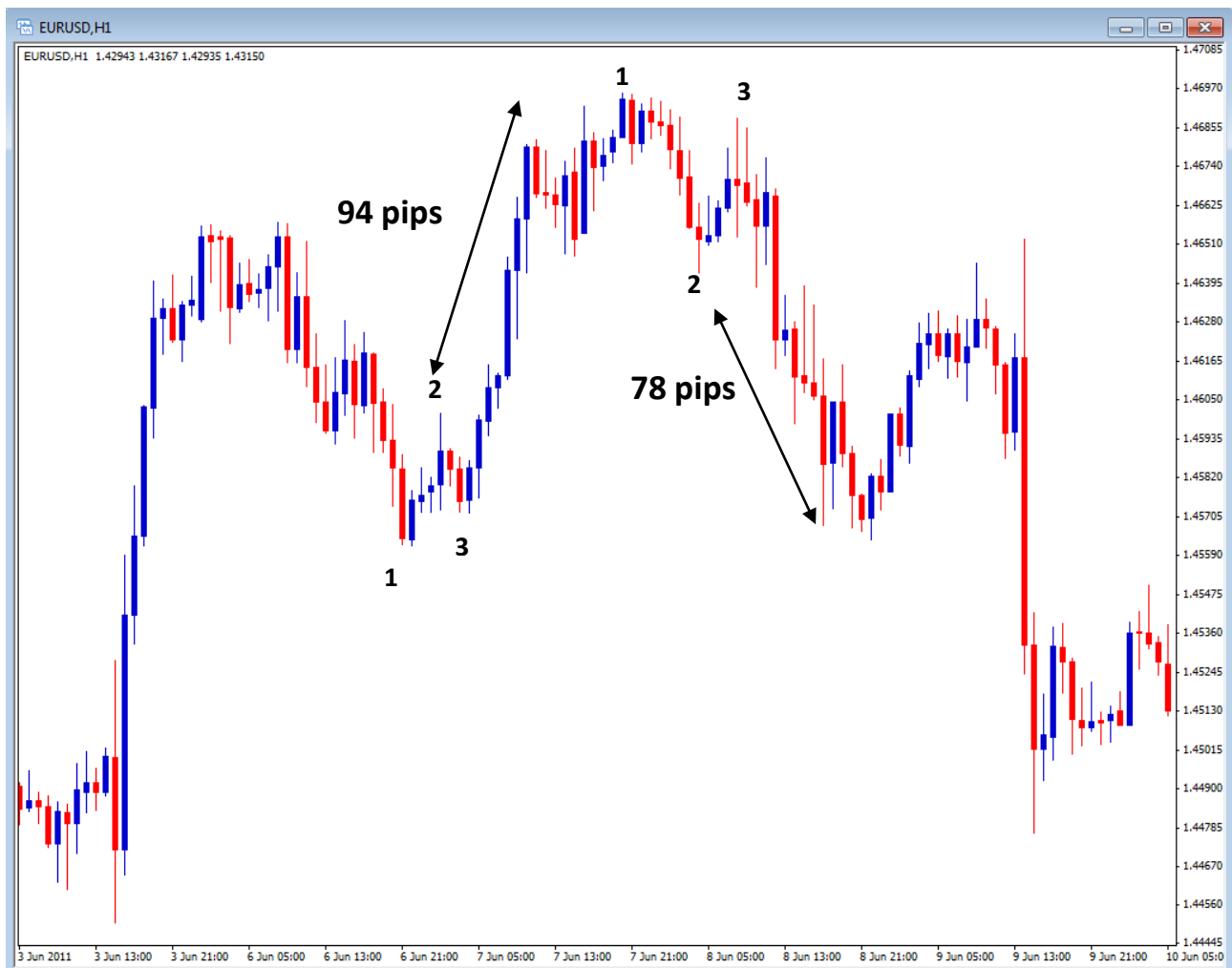
Failure swings and Naked reversals are best seen if we zoom out a bit, so we will spot them looking at the complete week.

After that, we will look at the smaller patterns day by day.

First, let's have a look at the naked reversals. Without much effort, I immediately see 4 of them. Each of them had enough pip potential to grab a nice profit.



We also have 2 failure swings

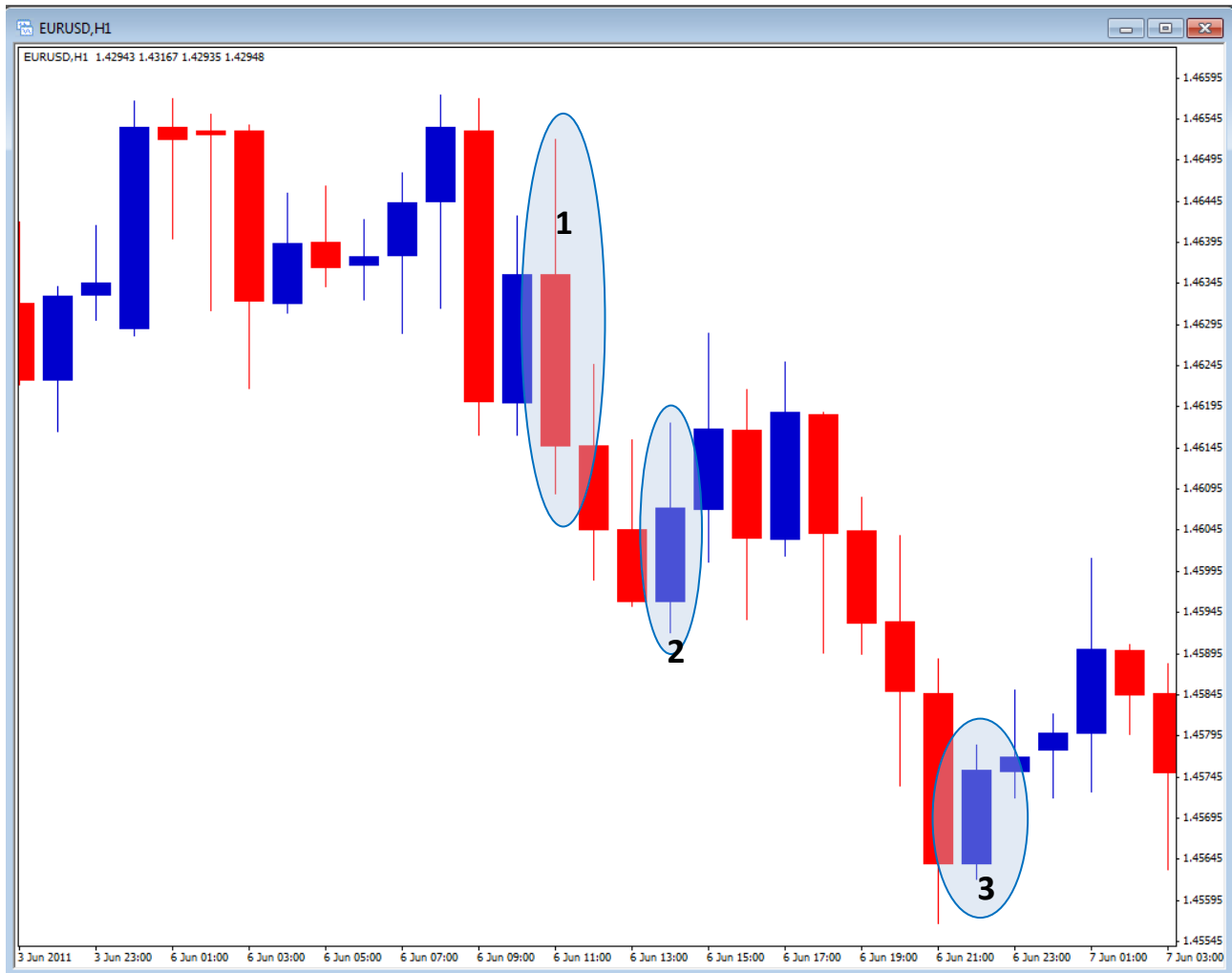


You see that by just looking occasionally at the markets, using H1 charts and just 2 patterns, we could have made over 400 pips on the EURUSD alone, in one week.

Now let's have a more detailed look day by day at the other patterns we discussed.



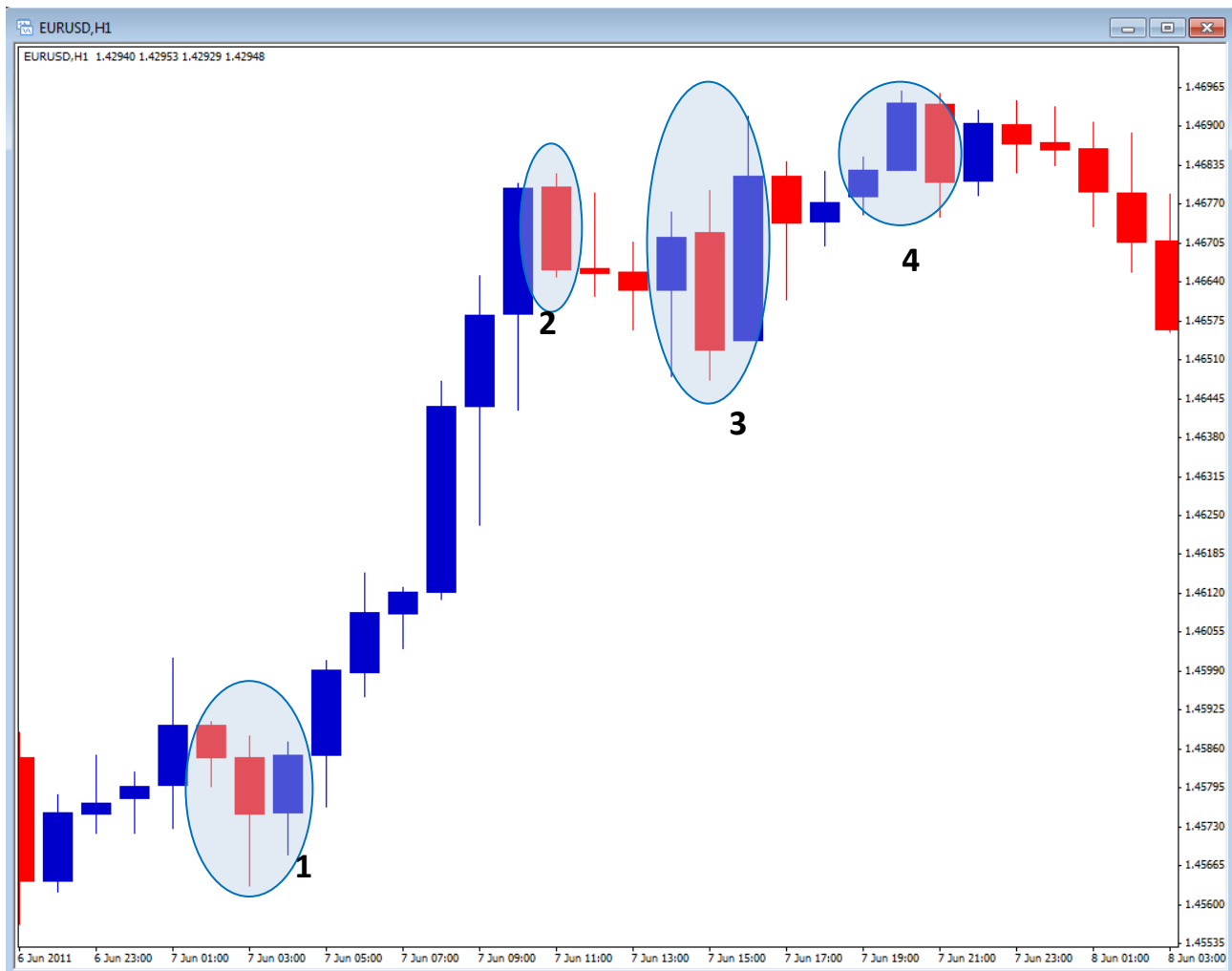
Monday June 6, 2011



1. Bearish Closing Price Reversal
2. Bullish Closing Price reversal
3. Bullish Inside bar after a downtrend



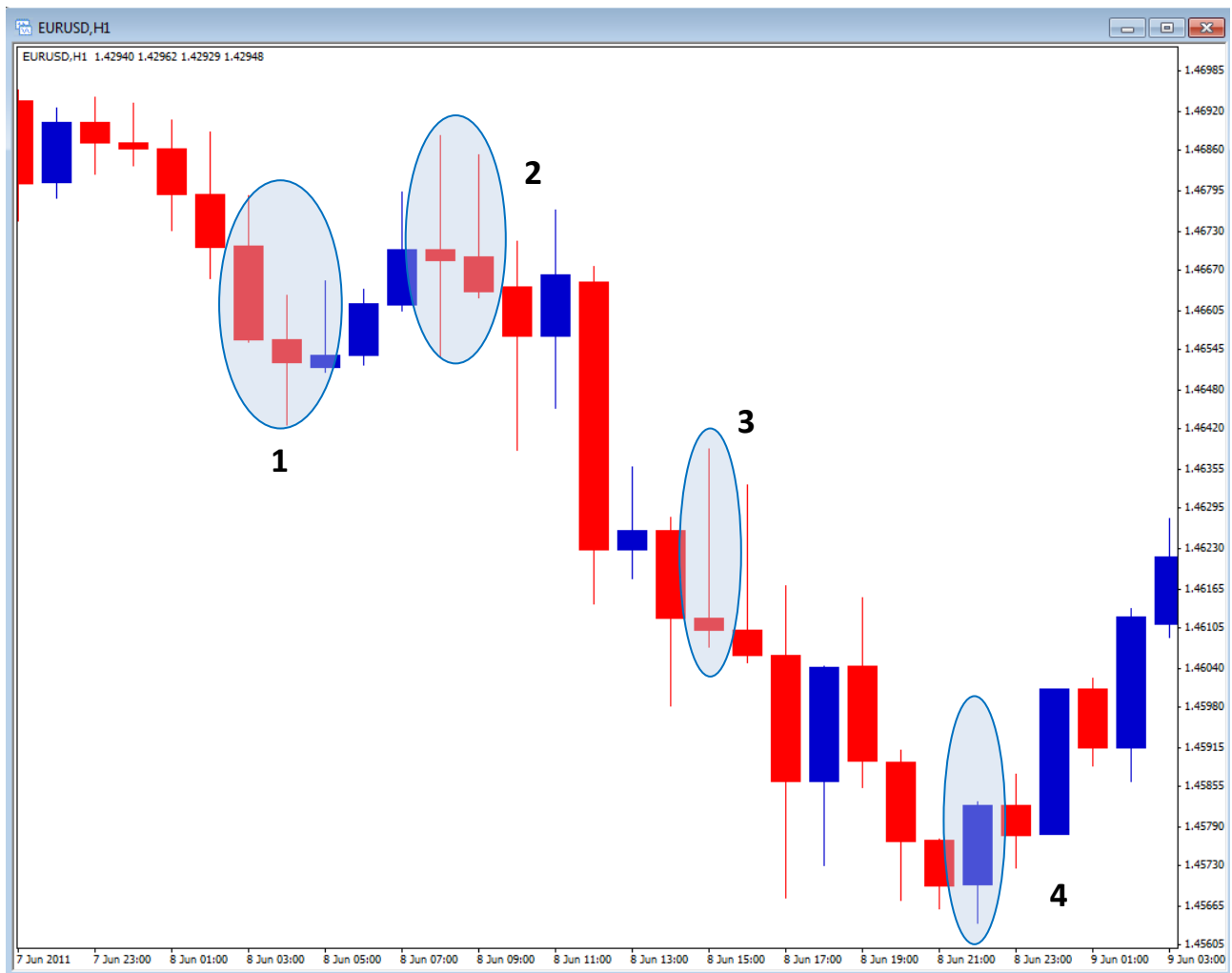
Tuesday June 7, 2011



1. Pivot Bottom
2. Bearish Closing Price reversal
3. Pivot Bottom
4. Pivot Top and 2Bar Reversal



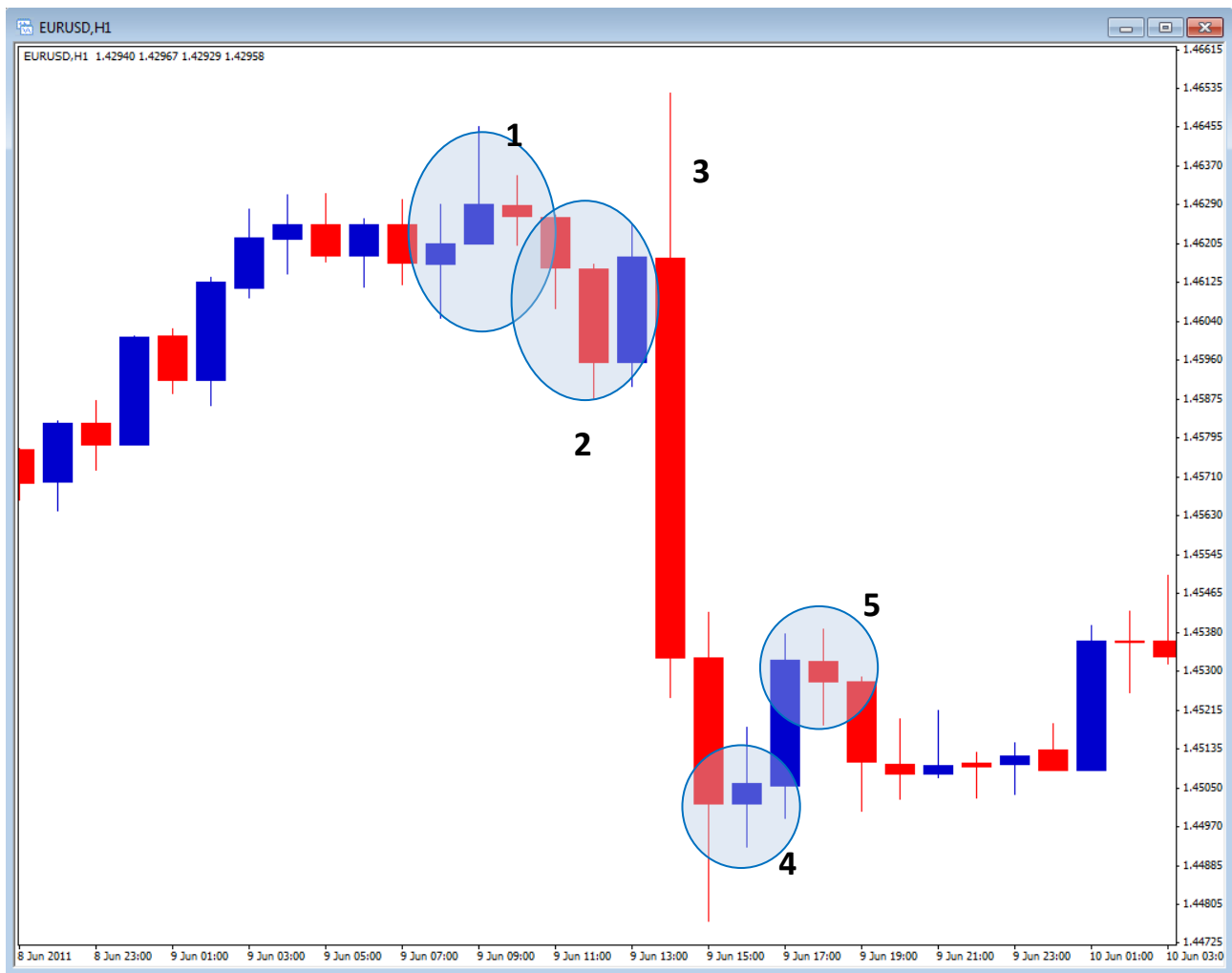
Wednesday June 8, 2011



1. Pivot Bottom and 2 Bar Reversal
2. 2 Bar reversal, followed by a Bearish Inside bar, with form of Pinbar (meaning strong resistance above)
3. Pinbar and Pivot top
4. Bullish Closing Price Reversal and Pivot Bottom



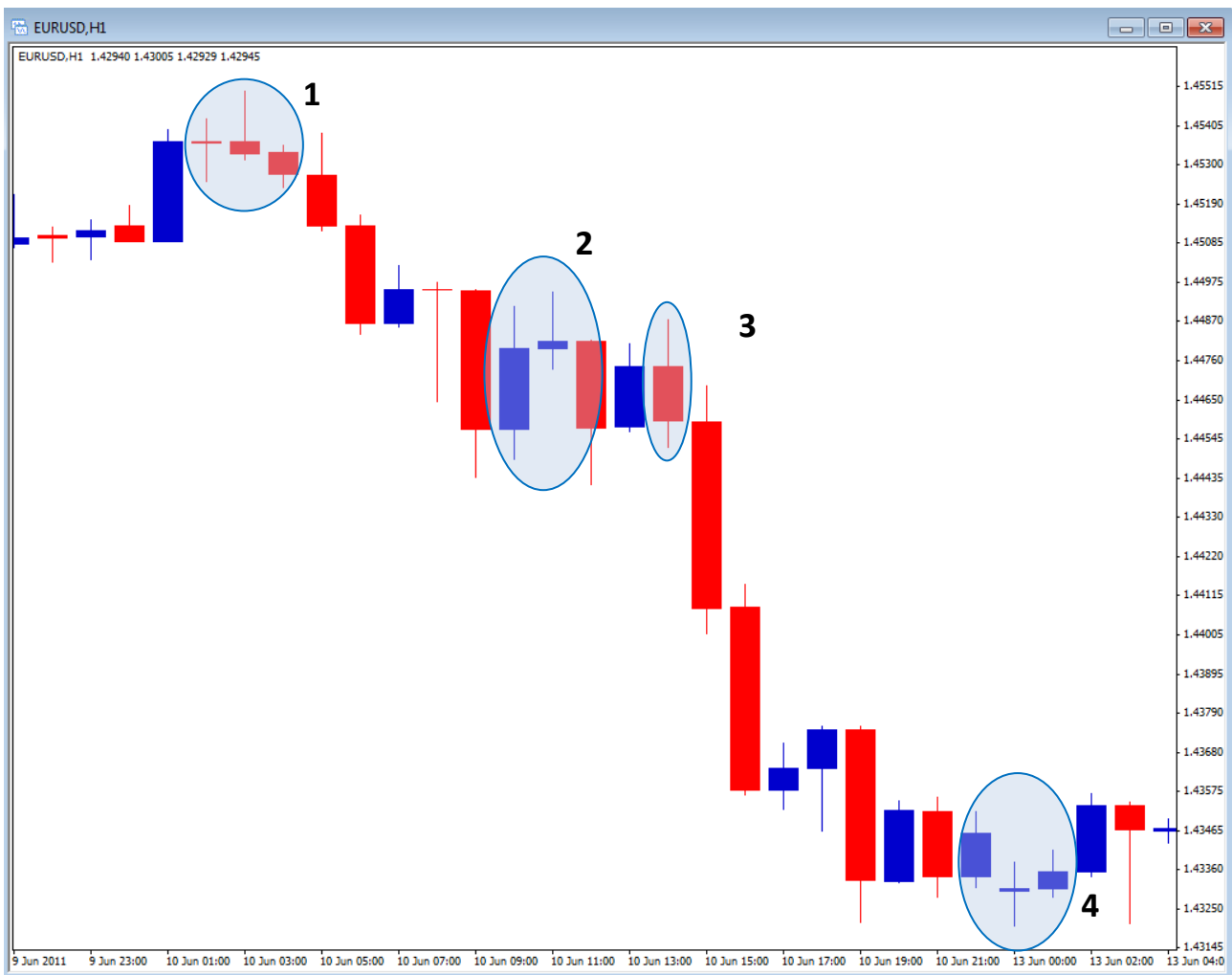
Thursday June 9, 2011



1. Pivot Top
2. Pivot Bottom
3. Huge Bearish closing price reversal. Attention required, this is usually an indication news came out.
4. Bullish Inside bar after race down
5. Pivot top and Bearish Closing Price Reversal



Friday June 10, 2011



1. Pivot top
2. Pivot Top
3. Bearish Closing Price Reversal
4. Pivot Bottom



Conclusion

My 13 week course in Manual trading treats each of the above patterns, providing you with proprietary entry, exit and money management formulas.

If you are serious about becoming a full time trader, please visit www.manualtradingacademy.com.

If you are interested in using a guided trading robot, please visit www.FAPWINNER.com

If you are interested in trading my trading signals, please visit www.tradelikecharles.com

Good trading!

Charles A. Floyd, II CTA, CPO
President & CEO
FAPWINNER.com



In the mailbox

"In today's world it is hard to find a person of integrity. I consider Charles to be one of those people." In 2010 I almost completely abandoned my goal of learning how to successfully invest in the FOREX market because of the 'hyped-up' and bogus marketing schemes designed to take advantage of desperate people. Then I learned of Charles Floyd and FAPWINNER. I have to admit I was skeptical because as I read his website it seemed too good to be true.

I consider myself to be truly blessed to find a mentor that truly cares about my success. He has confirmed this from the very beginning with personally helping me with some technical problems and continues even today. I have been impressed with his entire staff who genuinely care if I properly learn how to trade and not put all my faith in an EA, an expert adviser computer program. It still amazes me how many people put all their faith in an EA. Charles teaches that these people are more interested in gambling than learning how to properly invest profitably. Charles teaches that EA's are designed to enhance your returns only, and not to replace manual trading. It is evident that Charles loves to teach investing.

As my mentor in the "Manual Trading Academy" he has been firm with me when I needed it and complements me when I deserve it. I'm truly thankful, because I want to maximize my returns and minimize my losses.

Charles Floyd is a true professional whose background is impressive and speaks for itself. He has the experience to help educate and guide me through the FOREX jungle. Working with Charles to learn to invest is one of my wisest decisions. I would recommend Charles and FAPWINNER to anyone who is serious about learning to properly trade in the FOREX market.

Sincerely,

David Arnold



"Thanks to Charles I am now making money on a daily basis in the FOREX Market". I have been trading in the stock market and FOREX since the 1970's. I've traded in mutual funds, investment clubs, and on my own. Each year I lost money but stuck with it because I knew there was money to be made if I could just



learn how. I've spent thousands of dollars taking classes from various gurus but only ended up poorer after following their teachings.

Last year I gave up on the stock market and began searching the internet for information on FOREX websites. I stumbled upon FAPWINNER through Mark Larsen's web site. I had corresponded with Mark and trusted his judgment. Based upon his recommendation, I began exploring the FAPWINNER website and liked what I read.

I became a member of FAPWINNER in May, 2010. I was soon writing Charles, telling him of my desire to learn to trade FOREX. Based upon his recommendation, I enrolled in the PMG3 classes which were just starting and was soon learning investment techniques that worked for me. Charles is committed to each person's success and is always ready to answer questions on a one-to-one basis. I've sent plenty of emails asking for help when I didn't understand or was having problems implementing a trading technique. Charles doesn't put up with people who are not serious about learning and working to better their investment skills. That may put off some folks but I found him refreshing even though I was the object of his negative attentions from time to time both in the classroom setting and in personal correspondence.

I think the greatest thing I've learned from Charles is patience and to believe in my own abilities to successfully trade FOREX. I still have losing streaks and occasionally make newbie mistakes, but I know that I can make money trading in FOREX because I am doing it on a daily basis.

Emmett Ade



About Charles

Charles A. Floyd, II, is the creator and founder of 3 of the most popular and successful FOREX trading firms, FAPWINNER .com, TradeLikeCharles.com and Manual Trading Academy.

Formerly, he was a portfolio manager with Morgan Stanley Dean Witter. As a veteran trader with over 28 years of experience, Charles has also personally designed many expert advisors, including the famous FAPWINNER Scalper EA that serves as a trading companion to his FAPTS EA. His objective upon entering this industry was to revolutionize the perception of the FOREX market and to simplify it so that virtually anyone can begin trading.

Known for his straightforward and relaxed approach towards learning how to trade FOREX, he has successfully helped many traders worldwide increase their confidence, and expertise.



Government Required Disclaimer

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