

5 UNDERGROUND **GROUNDS**

**STRATEGIES FOR
MAKING A KILLING
IN THE FOREX MARKET**

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**The Forex
Alternative Advisor**

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Introduction

What exactly are “underground strategies”? Simply put they are the culmination of what most people don’t use. That is what makes them work so well. I have picked up these underground strategies over the years through mentorship and self discovery.

These strategies actually work to make you money. Now just like any trading strategy or system they aren’t 100% accurate, but if you understand anything about trading you will know that they don’t have to work 100% of the time to make you money.

The potential in these strategies is not necessarily in the strategy itself, but in how I have devised ways to manage these strategies. They all deal with certain aspects of the market and they are uniquely different and yet several of them can work together powerfully.

As with all trading ideas you should test it yourself before you use real money with it. These ideas may not be suitable for your trading style or risk tolerance and one of the most detrimental things you can do is to your account is to trade with a strategy that is not conducive to your personality or risk tolerance.

With that said let me preface this report by telling you a little bit about me.

About Cecil Robles

My Passions



Trading and business rank up there on my list of things I love to talk about, brainstorm over, and flat out do. The thing you may not know about me is that back in 2003 I had never traded the markets.

If you're anything like I was back then, you will relate very well to my story. At the time I was working about 15 hours a day in a successful business (mortgage broker) that I owned, but man was I getting tired. On top of that I was making a lot of cash but I didn't know how to multi-stream it and I sure didn't have enough time to enjoy it. ...and then I started to get an ulcer and I wasn't even 30 years old.

That literally set a chain reaction off in my life that has led me to where I am today. I have time for my family, take 3-4 mini vacations every year and at least 2 big ones, have multiple streams of cash flow and income, and I am healthy as a horse.

In fact while most people are talking about a recession, I can see more opportunity than ever before.

The simple truth is that I wasn't always in this position. If I can get there than you can too.

How did I do it?

My Start

Well for me it all started with meeting a man who introduced me to the exciting world of Forex. I'm sure you've had that experience before; you meet someone or a friend comes to you and is really enthusiastic about an idea or an opportunity. Many times that enthusiasm spills over onto you and before you know it you're telling someone else about it. Well that is exactly what happened to me.

You may be in the same place as I was then. You see this huge opportunity and the potential of freedom, but you don't know how you are going to turn it into reality. Does that sound familiar? That was me all the way.

So I started on this journey, and I am the kind of guy who literally goes full blast once I want to pursue something. The problem is I didn't realize at the time I was a little fish swimming amidst a lot of hungry sharks.

You see, this is a great business, but it is full of many pitfalls and dangerous obstacles. I didn't know anything about these hidden dangers at the time. The business I was in was competitive, but it was a different and much smaller animal altogether than the trading business.

My excitement led to me blindly tripping over many of these obstacles. I'm sure you've heard that saying before about the "blind leading the blind". Well that was me at the beginning. I mean I was blind about the little things like dealing with unscrupulous brokers, using proper risk management, following systems that don't work, and not learning to test my system enough before trading it.

Those are just a few of the pitfalls I had to deal with early on. I wasted a lot of money on courses and teachers that were all hype. None of them had any solid step by step, systematic and concrete methods that produced lasting results. You've probably experienced this before too.

My Mission

From a recent survey I did to thousands of traders, many others have or are experiencing these same frustrations. I am just lucky that I found the right people to work with earlier rather than later (About \$20,000 later).

So why am I telling you all of this?

Well it is real simple...I am 99% certain that the remaining part of 2010 is going to be the best time ever to capitalize on the Forex market and I want to tell you why. I don't just want to tell you why I want to show you how you can pay for your kid's college or supplement your income or build your retirement or whatever else you want to do with another stream of income. Of course trading is risky and you could lose all of your money like I did with my first \$2,000 account. Without risk there is no reward.

This is what www.yourforexmentor.com is all about. Here you will find all of the professional tools that you need to first make sure this business is the right one for you and then you will learn how to use those

If you want you can even follow me on my video blog and look at some of the trades that I make on a daily basis. In our Forex University (It's free) you'll learn everything you need to know to get up to speed quick. I don't want you to waste a lot of time like I did at the beginning of my career.

I now operate www.yourforexmentor.com and provide much of the content on a daily basis. I also provide alternative investment solutions through my company Ethos Inc.

As a money manager I have worked with some of the brightest minds in this business. No matter what your goals, dreams, and trading needs are I believe you will find what you are looking for at www.yourforexmentor.com and through our many affiliated partners and websites.

If I can help assist you in any way feel free to let me know.

Now onto the strategies!

Underground Strategy #1

The Contrarian Trend Trade

According to Webster's Dictionary, a contrarian trader is someone who buys a stock or commodity when most others are selling and sells when most others are buying.

Therefore a contrarian trade is a trade whereby your position is contrary to the positions of most others.

In order to build this trade into your strategy you must first understand the psychology behind it. This is important because while most traders talk about trading with the trend very few actually do it. In fact the majority of traders focus on tops and bottoms. They focus on the turn of the market.

This can be a profitable approach to the market, however opportunities are generally few and far between and it is easy to get whipsawed during a market consolidation.

This trade works when price has been trending strongly in one direction or the other. If price has been trending upwards there is a point where the sellers are going to try to take over and the buyers are going to try and give it another push to cause the sellers to capitulate.

If price has been trending down there comes a point at which the buyers are going to try and take over and the sellers are going to give it one more push to try and make the buyers capitulate.

What we want to do is try and know when this battle is taking place so we can jump on board in the direction of the overall trend profit from it.

One of the most difficult tasks of a trader is to buy at a top and sell at a bottom. It is **contrary** to what most of us were taught. The contrarian approach is different in two ways.

1. Buy High
2. Sell Low

In order to follow this pattern we must:

1. Trade a breakout pattern successfully.
2. Know how to find a trend, and trade it.
3. Exploit the Market's Momentum Direction.

The Contrarian Trend Trade is a complimentary trade to a trend following system. It puts the trader on the right side of the trend, when many others are trying to fade price action. It can also be used as a standalone trade.

The Indicators-

- 1. The Commodity Channel Index –HLC/3**
- 2. 50 Period Exponential Moving Average – HLC/3**

The Commodity Channel Index is an indicator that can be found on most charting systems and is really very simple in nature.

The Commodity Channel Index, AKA CCI, is rarely used in the Forex Market, but it is one of the most powerful oscillators we have. It was developed by Donald Lambert in 1980, who introduced the indicator in the October 1980 issue of Commodity Magazine (now known as Futures Magazine). A better classification for it would be as a momentum oscillator.

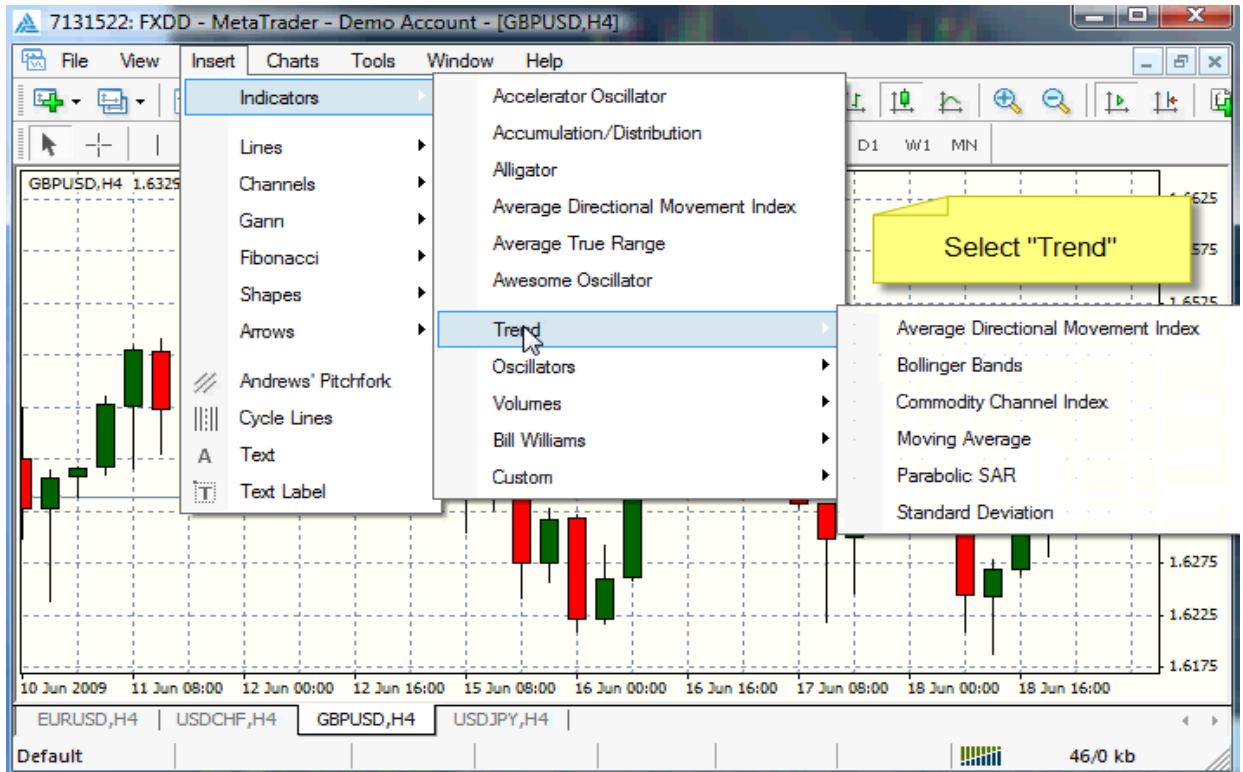
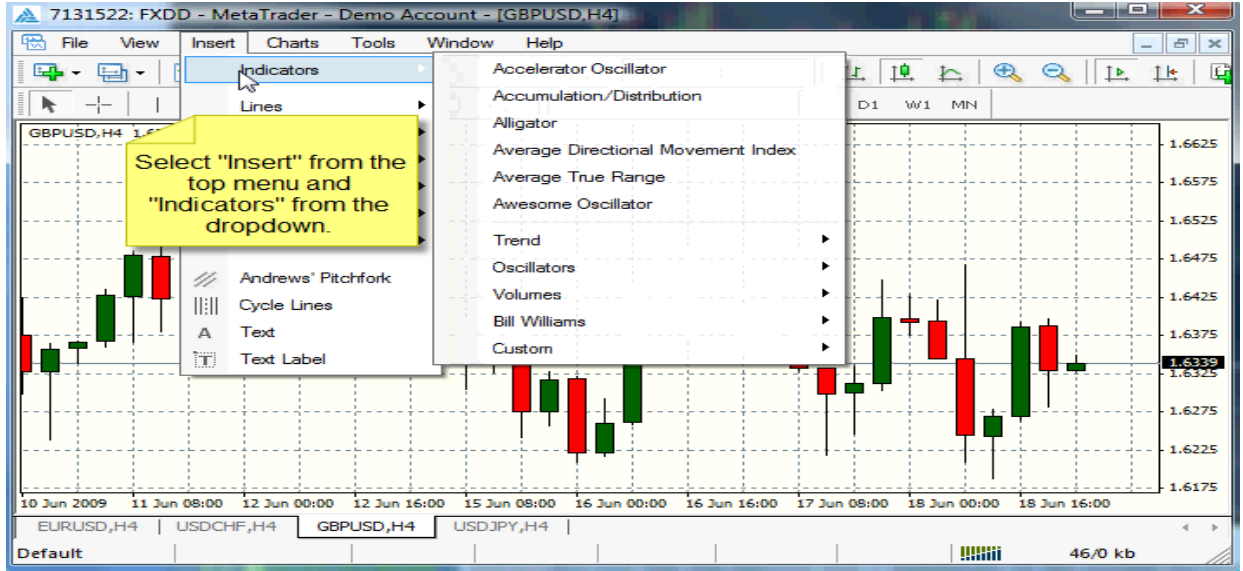
The primary focus of CCI is to measure the deviation of the price of the currency pair from its statistical average. Therefore it works extremely well as a measure of momentum. The single indicator can maximize the probability of our setup.

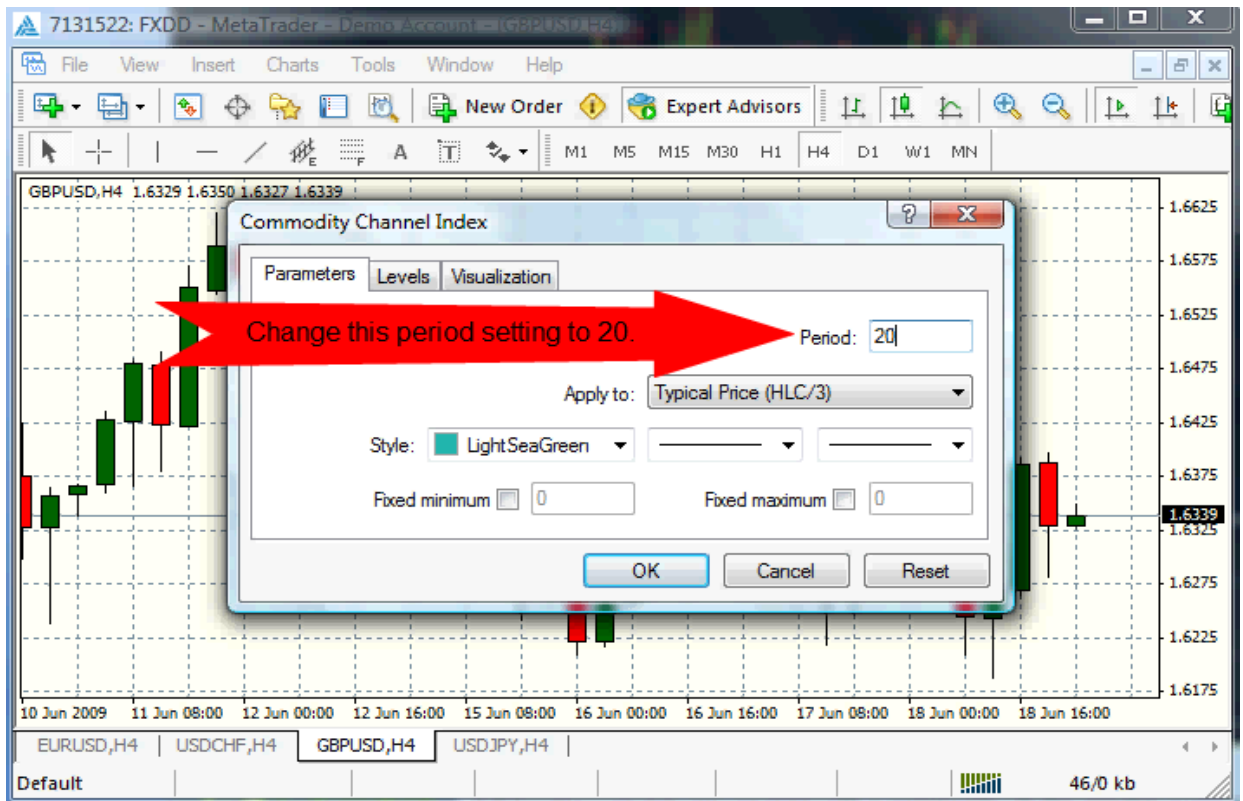
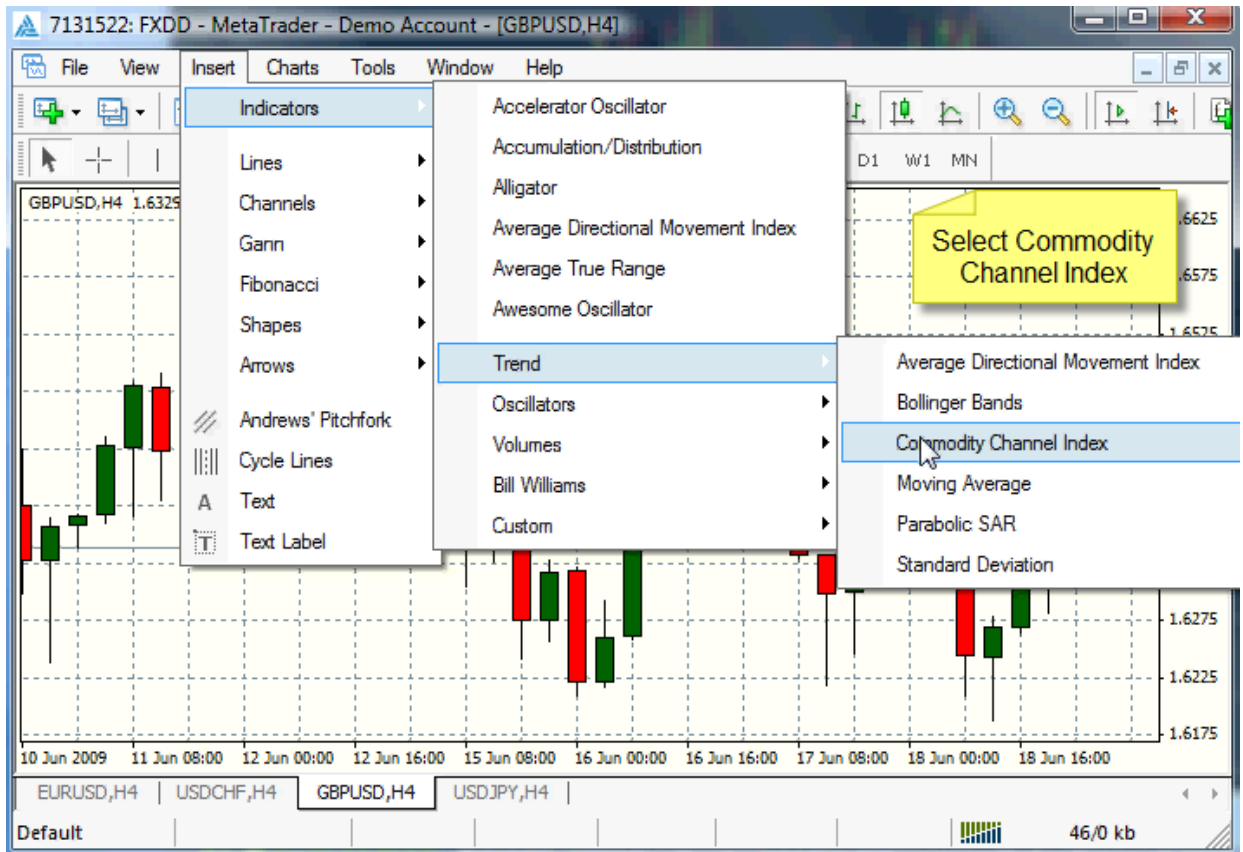
CCI is an unbounded oscillator with any reading over +100 typically meaning overbought and any reading under -100 typically meaning oversold. While most see this as the overbought oversold levels we will use them as a trigger point for our trade. Hence, the name Contrarian Trend Trade.

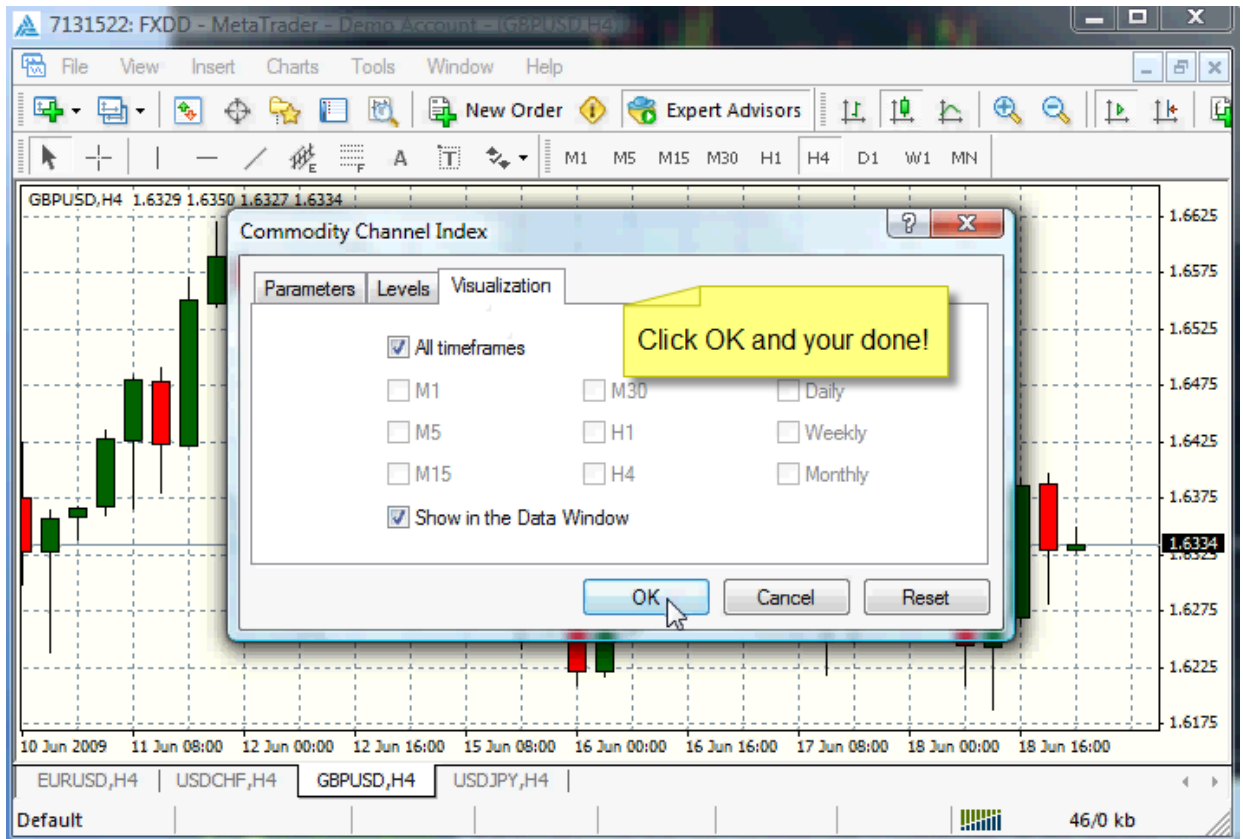
What do true contrarians do? They do the opposite. So instead of selling at +100 we are actually looking to buy. The opposite is true for when the CCI value drops below -100, we look for a selling opportunity.

We are looking for new peaks in the spike of the CCI indicator. These new peaks mean the currency pair has the potential to push further based on momentum. The new highs and lows in CCI show a buildup of momentum which catapults the price of the currency further in the direction of the trend.

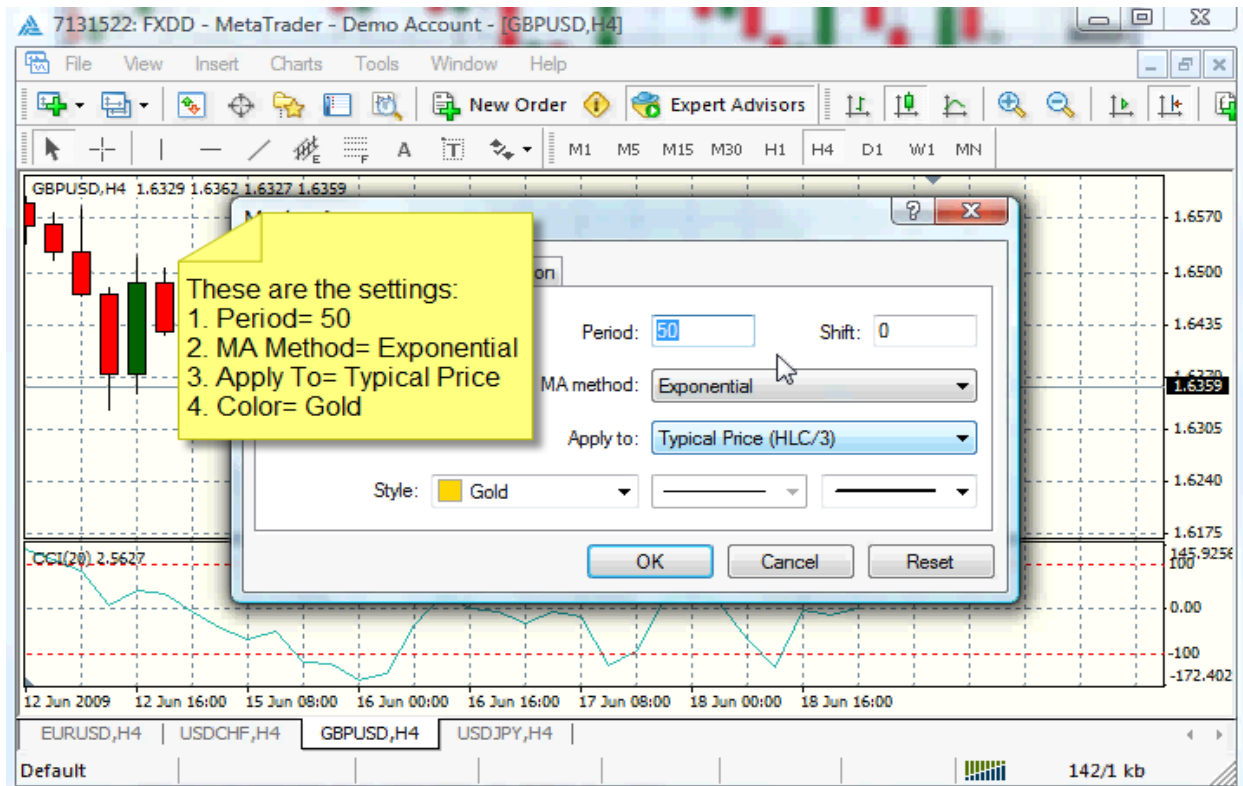
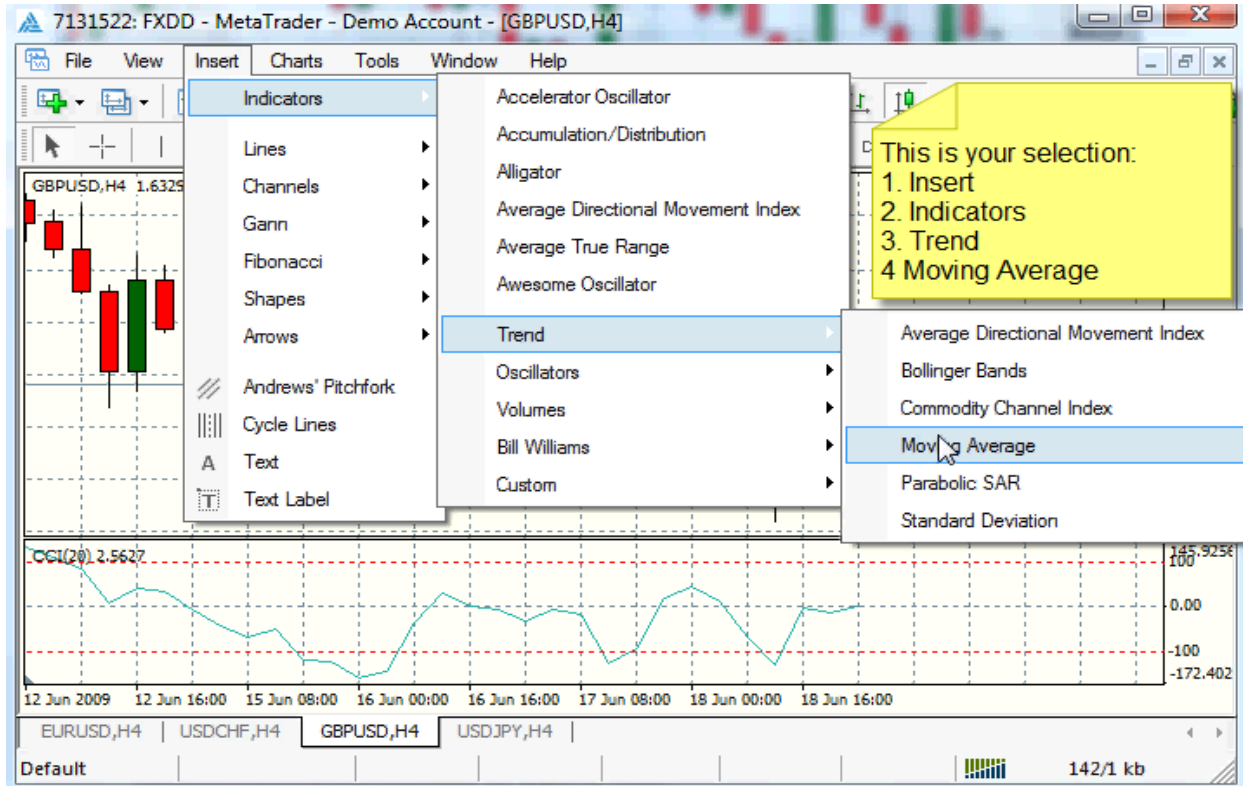
Let me show you how to set this indicator up using MT4, since it is a widely used platform in Forex and it is free. Below you will find screenshots.







50 EMA Setup





Ok now that you have the CCI indicator up and the 50 period EMA, let's look at how to make the strategy work.

***Important Note:** We can both Buy and Sell using this trading method. However we only want to buy in an uptrend and sell in a downtrend.

1. To buy the trend has to be up. We know the trend is up when the 50 Period EMA closed at a higher level than the previous bar or candle. To sell the trend has to be down. We know the trend is down when the 50 Period EMA closed at a lower level than the previous bar or candle.
2. The 100 level (Denoted by a red dotted line on my chart) of CCI is what we are focused on during a potential buy signal. The -100 (Also denoted by a red dotted line on my chart) of CCI is what we are focused on during a potential sell signal.

3. When the value of the CCI goes above 100 (for buy signal) we look back in time. We look back for the last two times that CCI broke the 100 level. When the value of the CCI goes below the -100 (for sell signal) we look back in time. We look back for the last two times that CCI broke the -100 level.
4. If the value of CCI breaks above the higher of the previous two highs then we enter a buy at the open of the following candle. We will risk 1%-2% of the total beginning monthly account balance on this trade.
5. The pip risk will be determined by the length of the candle directly before the candle that gave us the signal. Our stop loss will be 5 pips below the low of the candle prior to the signal for a buy and above the high of the prior candle for a sell.
6. Based upon the pip risk we only want to risk 1%-2% of our total account value. The target is determined by the length of the signal candle. If the signal candle has a 100 pip length, then the target is 200 pips.
7. There are some additional filters. If the target is not greater than the risk then we do not take the trade. This is a very high probability trade that does not occur very often on the daily and 4 hour charts; however we want to always make sure our reward outweighs our risk.

I have created a video for you to see some examples. [Click Here For The Forex Underground CT Trade...](#)

This is literally one of the simplest trades you will ever come across.

Underground Strategy #2

The Premium Market Strategy

The premium market strategy is not only a strategy it is a tool to help you be in the right market at the right time. After all choosing the market to trade is one of the most difficult tasks of trading.

When you trade the Forex choosing the right market is much easier than say trading the stock market simply because there are far fewer currencies to choose from than stocks.

However, trading is all about having an edge and that is exactly what the premium market strategy allows you to do. It literally tells you something is coming. It also has the potential to tell you whether a breakout has the making for becoming a trend. In my opinion trends are the basis for 90% of the profits that come from trading.

The first thing that you are going to need is a **Newspaper** that has a list of commodity prices. I use the Wall Street Journal. In this case we are going to be looking at Currency Futures since that is the market that we are trading. We aren't actually trading the futures market, we are trading the spot market also known as Forex, however this technique will help us choose the currency pairs we want to trade.

In futures quotes you will find the stacking of the quotes for all commodities at all times. Essentially this shows the months of delivery for a commodity. In most commodities there are several months of delivery. In currency futures there are usually only two. These dates are shown in order of the month closest to expiration (delivery).

In most cases the further out in time we look the higher the commodities prices will get. This happens for several reasons.

The person holding delivery for 5 months has a greater cost than the person who will deliver this month. The person or entity holding a commodity has to factor in interest charges, risk, and storage costs. The further out in the future you plan on holding the commodity the more uncertain the value becomes. For these reasons the distant months sell at higher prices than closer months most of the time.

This is not a course on commodities so I will not go into all of the reasons why trading distant months is not better. Most of the trading public is oblivious to these facts. They believe that trading distant months is better

and they don't know why the distant month's prices are higher than the closer months. You now have the knowledge that 90% of traders don't have.

That is great right, but how do you use this information? What I just explained above is what those in the industry call a carrying charge. The carrying charge reflects the cost of holding a commodity for a period of time as opposed to making immediate delivery.

On occasion there is an inversion that takes place within the normal pricing structure. In this case the distant contracts sell for less than the nearby contracts. This is extremely an extremely bullish sign and it is something to pay close attention to.

When this inversion takes place it is a good indication that the "smart money" (smart money is referring to the Big Players in the market; Market Makers, World Banks, Multi-national Corporations, Hedge Funds, Etc.) sees a reason to pay a premium for the nearer months. As a little fish in a big pond your goal is not to try and create the trend, but simply to ride on the coat tails of those that do.

Think about it, who could pay for the ability to control the way price goes in a market? Only someone or someone's with a lot of money. That is who we want to follow! Most bull markets that are truly bull markets are signaled well in advance by this premium market strategy.

In the following clips I am going to show you how to identify this premium market every day of the week using only one tool; any major newspaper that has a financial section for Commodity prices in it.

Now there are some key differences between a "smart money" bull market and a "speculative" bull market. An example of a speculative bull market would be the oil market of 2008, when speculators drove oil prices above \$140 a barrel. However, it was short lived and had a steep pull back.

A smart money bull market is much different in that it is a smooth trending market that lasts much longer with much smaller pull backs. This is the kind of market we want to be in on.

COMMODITIES

Find the Commodities section of the newspaper.

Futures Contracts

Metal & Petroleum Futures

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; cents per lb.							
June	225.50	226.15		223.55	226.70	1.05	1,222
Sept	226.40	228.60		223.05	228.20	1.25	59,111
Gold (CMX) -100 troy oz.; \$ per troy oz.							
June	942.00	942.00		931.00	934.00	-1.40	540
Aug	940.00	944.00		930.50	934.60	-1.40	230,695
Dec	943.90	946.80		933.30	937.40	-1.30	47,336
Feb'10	944.50	944.50		937.00	938.80	-1.20	14,042
April	946.30	947.50		936.90	940.30	-1.10	15,604
Dec	950.10	954.00		946.90	950.40	0.10	12,867
Platinum (NYM) -50 troy oz.; \$ per troy oz.							
July	1206.10	1223.00		1204.30	1207.60	2.40	13,988
Oct	1212.60	1227.00		1211.10	1214.20	2.40	9,799

Silver (CMX) -5,000 troy oz.; cnts per troy oz.							
June	...	...		...	1422.9	-4.0	217
July	1434.0	1440.0		1413.0	1424.0	-4.0	37,115

Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.							
July	70.82	71.75		70.22	71.37	0.34	75,657
Aug	71.42	72.33		70.82	71.91	0.21	266,489
Sept	72.58	73.17		71.64	72.69	0.08	132,227
Oct	73.50	73.80		72.34	73.37	0.03	44,779
Dec	74.88	74.96		73.51	74.47	-0.03	150,741
Dec'10	78.75	78.78		77.47	78.22	-0.21	86,961

Heating Oil No. 2 (NYM) -42,000 gal.; \$ per gal.							
July	1.8608	1.8745		1.8269	1.8370	-0.260	40,309
Aug	1.8945	1.9076		1.8619	1.8745	-0.220	48,477

Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.							
July	2.0215	2.0436		2.0065	2.0295	-0.031	46,453
Aug	2.0000	2.0203		1.9870	2.0078	-0.017	69,458

Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.							
July	4.263	4.328		4.061	4.093	-1.60	60,275
Aug	4.435	4.504		4.249	4.278	-1.46	98,792
Sept	4.550	4.624		4.378	4.414	-1.36	85,231
Oct	4.789	4.821		4.576	4.614	-1.39	76,422
Dec	6.050	6.085		5.870	5.944	-0.83	42,105
March'10	6.329	6.329		6.135	6.197	-0.78	37,151

Agriculture Futures

Corn (CBT) -5,000 bu.; cents per bu.							
July	408.00	408.75		401.75	403.25	-4.50	192,106
Dec	429.00	429.50		422.50	423.75	-5.00	353,286

Ethanol (CBT) -29,000 gal.; \$ per gal.							
July	1.72	1.72		1.71	1.71	-0.01	590
Aug	1.70	1.71		1.70	1.71	-0.01	489

Oats (CBT) -5,000 bu.; cents per bu.							
July	214.00	218.75		209.75	211.50	-2.75	2,871
Dec	237.00	241.00		233.25	235.00	-2.50	7,211

Soybeans (CBT) -5,000 bu.; cents per bu.							
July	1211.00	1226.00		1199.00	1213.75	7.50	90,340
Nov	1050.00	1057.00		1038.75	1043.50	-6.50	218,910

Soybean Meal (CBT) -100 tons; \$ per ton.							
July	401.30	408.00		398.30	405.40	5.00	51,485
Dec	325.00	328.00		321.90	322.70	-2.60	62,667

Soybean Oil (CBT) -60,000 lbs.; cents per lb.							
July	37.22	37.37		36.37	36.95	-1.5	56,690
Dec	37.98	38.17		37.21	37.82	-1.1	88,444

Rough Rice (CBT) -2,000 cwt.; cents per cwt.							
July	1211.00	1257.00		1206.00	1238.50	31.50	1,638
Sept	1229.50	1272.50		1221.00	1250.50	26.50	4,227

Wheat (CBT) -5,000 bu.; cents per bu.							
July	568.00	570.50		528.75	560.25	-5.75	73,379

	Open	High	Contract hi lo	Low	Settle	Chg	Open interest
Coffee (ICE-US) -37,500 lbs.; cents per lb.							
July	119.30	121.30		117.80	120.45	2.00	12,898
Sept	121.20	123.70		120.15	122.85	2.00	69,584
Sugar-World (ICE-US) -112,000 lbs.; cents per lb.							
July	15.08	15.19		14.84	14.87	-1.12	124,610
Oct	15.97	16.14		15.79	15.84	-1.11	284,214
Sugar-Domestic (ICE-US) -112,000 lbs.; cents per lb.							
Sept	22.35	22.35		22.35	22.45	-0.05	2,540
Cotton (ICE-US) -50,000 lbs.; cents per lb.							
July	52.05	54.50		51.48	53.87	1.84	12,464
Dec	57.60	59.71		57.01	59.14	1.54	84,753
Orange Juice (ICE-US) -15,000 lbs.; cents per lb.							
July	77.15	79.50		76.45	77.90	1.10	7,454
Sept	80.00	82.85		79.65	81.25	1.25	17,350

Interest Rate Futures

Treasury Bonds (CBT) -\$100,000; pts 32nds of 100%							
June	117-090	117-130		115-145	115-215	-2-03.5	4,739
Sept	115-285	115-300		113-310	114-055	-2-04.5	692,614

Treasury Notes (CBT) -\$100,000; pts 32nds of 100%							
June	116-290	116-290		115-165	115-210	-1-10.0	20,592
Sept	115-055	115-085		113-275	114-005	-1-10.5	1,050,298

5 Yr. Treasury Notes (CBT) -\$100,000; pts 32nds of 100%							
June	114-285	114-297		114-060	114-095	-25.5	26,889
Sept	113-307	114-005		113-020	113-065	-26.0	769,859

2 Yr. Treasury Notes (CBT) -\$200,000; pts 32nds of 100%							
June	108-190	108-210		108-130	108-137	-6.2	4,174
Sept	107-282	107-287		107-192	107-210	-6.2	519,074

30 Day Federal Funds (CBT) -\$5,000,000; 100 - daily avg.							
June	99.795	99.795		99.778	99.783	-0.13	58,160
Nov	99.680	99.685		99.640	99.660	-0.20	54,909

1 Month Libor (CME) -\$3,000,000; pts of 100%							
July	99.6400	99.6425		99.6100	99.6200	-0.0200	10,663
Sept	99.5300	99.5500		99.5000	99.5150	-0.0350	7,847

Eurodollar (CME) -\$1,000,000; pts of 100%							
July	99.3200	99.3425		99.2625	99.2800	-0.0525	100,002
Sept	99.2450	99.2600		99.1200	99.1750	-0.0750	1,054,904
Dec	98.9450	98.9600		98.7800	98.8400	-0.1050	894,440
March'10	98.6700	98.6950		98.4650	98.5250	-0.1450	739,497

Currency Futures

Japanese Yen (CME) -¥12,500,000; \$ per 100¥							
Sept	1.0460	1.0468		1.0352	1.0359	-0.0099	64,947
Dec	1.0414	1.0478		1.0372	1.0375	-0.0097	156

Canadian Dollar (CME) -CAD 100,000; \$ per CAD							
Sept	.8838	.8907		.8802	.8830	-0.0019	71,079
Dec	.8863	.8909		.8814	.8837	-0.0019	2,083

British Pound (CME) -£62,500; \$ per £							
Sept	1.6390	1.6467		1.6185	1.6348	-0.0077	80,627
Dec	1.6365	1.6456		1.6194	1.6345	-0.0076	245

Swiss Franc (CME) -CHF 125,000; \$ per CHF							
Sept	.9275	.9302		.9186	.9219	-0.0065	31,795
Dec	.9233	.9313		.9204	.9234	-0.0064	36

Australian Dollar (CME) -AUD 100,000; \$ per AUD							
Sept	.7883	.8005		.7861	.7954	.0054	72,823
Dec	.7928	.7950		.7814	.7903	.0054	241

Mexican Peso (CME) -MXN 500,000; \$ per 10MXN							
July	...	...		...	.74625	-0.00025	2,400
Sept	.73375	.74100		.73350	.73775	-0.00025	36,904

Euro (CME) -€125,000; \$ per €							
Sept	1.3932	1.3994		1.3863	1.3892	-0.0063	108,507
Dec	1.3966	1.3989		1.3864	1.3891	-0.0059	405

This is the column that you need to be paying attention to. It shows the settled or closed prices. If the nearer month has a higher price than the distant month you are in a premium market. A premium market is very bullish so we need to be on the lookout for buy signals. Can you find the premium markets?

Ok. Now I've highlighted the premium markets for you.

Friday, June 19, 2009 **C7**

COMMODITIES

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Metal & Petroleum Futures

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Aug	940.00	944.00	930.50	934.60	-1.40	230,695	
Dec	943.90	946.80	933.30	937.40	-1.30	47,336	
Feb'10	944.50	944.50	937.00	938.80	-1.20	14,042	
April	946.30	947.50	936.90	940.30	-1.10	15,604	
Dec	950.10	954.00	946.90	950.40	0.10	12,867	
Platinum (NYM) -50 troy oz.; \$ per troy oz.							
July	1206.10	1223.00	1204.30	1207.60	2.40	13,988	
Oct	1212.60	1227.00	1211.10	1214.20	2.40	9,799	
Silver (CMX) -5,000 troy oz.; cnts per troy oz.							
June	...	...	...	1422.9	-4.0	217	
July	1434.0	1440.0	1413.0	1424.0	-4.0	37,115	
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.							
July	70.82	71.75	70.22	71.37	0.34	75,657	
Aug	71.42	72.33	70.82	71.91	0.21	266,489	
Sept	72.58	73.17	71.64	72.69	0.08	132,227	
Oct	73.50	73.80	72.34	73.37	0.03	44,779	
Dec	74.88	74.96	73.51	74.47	-0.03	150,741	
Dec'10	78.75	78.78	77.47	78.22	-0.21	86,961	
Heating Oil No. 2 (NYM) -42,000 gal.; \$ per gal.							
July	1.8608	1.8745	1.8269	1.8370	-0.0260	40,309	
Aug	1.8945	1.9076	1.8619	1.8745	-0.0220	48,477	
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.							
July	2.0215	2.0436	2.0065	2.0295	-0.0031	46,453	
Aug	2.0000	2.0203	1.9870	2.0078	-0.0017	69,458	
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.							
July	4.263	4.328	4.061	4.093	-0.160	60,275	
Aug	4.435	4.504	4.249	4.278	-0.146	98,792	
Sept	4.550	4.624	4.378	4.414	-0.136	85,231	
Oct	4.789	4.821	4.576	4.614	-0.139	76,422	
Dec	6.050	6.085	5.870	5.944	-0.083	42,105	
March'10	6.329	6.329	6.135	6.197	-0.078	37,151	

Agriculture Futures

Corn (CBT) -5,000 bu.; cents per bu.							
July	408.00	408.75	401.75	403.25	-4.50	192,106	
Dec	429.00	429.50	422.50	423.75	-5.00	353,286	
Ethanol (CBT) -29,000 gal.; \$ per gal.							
July	1.72	1.72	1.71	1.71	-0.01	590	
Aug	1.70	1.71	1.70	1.71	-0.01	489	
Oats (CBT) -5,000 bu.; cents per bu.							
July	214.00	218.75	209.75	211.50	-2.75	2,871	
Dec	237.00	241.00	233.25	235.00	-2.50	7,211	
Soybeans (CBT) -5,000 bu.; cents per bu.							
July	1211.00	1226.00	1199.00	1213.75	7.50	90,340	
Nov	1050.00	1057.00	1038.75	1043.50	-6.50	218,910	
Soybean Meal (CBT) -100 tons; \$ per ton.							
July	401.30	408.00	398.30	405.40	5.00	51,485	
Dec	325.00	328.00	321.90	322.70	-2.60	62,667	
Soybean Oil (CBT) -60,000 lbs.; cents per lb.							
July	37.22	37.37	36.37	36.95	-0.15	56,690	
Dec	37.98	38.17	37.21	37.82	-0.11	88,444	
Rough Rice (CBT) -2,000 cwt.; cents per cwt.							
July	1211.00	1257.00	1206.00	1238.50	31.50	1,638	
Sept	1229.50	1272.50	1221.00	1250.50	26.50	4,227	
Wheat (CBT) -5,000 bu.; cents per bu.							
July	568.00	570.50	568.75	560.25	-5.75	73,379	

Interest Rate Futures

Treasury Bonds (CBT) -\$100,000; pts 32nds of 100%							
June	117-090	117-130	115-145	115-215	-2-03.5	4,739	
Sept	115-285	115-300	113-310	114-055	-2-04.5	692,614	
Treasury Notes (CBT) -\$100,000; pts 32nds of 100%							
June	116-290	116-290	115-165	115-210	-1-10.0	20,592	
Sept	115-055	115-085	113-275	114-005	-1-10.5	1,050,298	
5 Yr. Treasury Notes (CBT) -\$100,000; pts 32nds of 100%							
June	114-285	114-297	114-060	114-095	-25.5	26,889	
Sept	113-307	114-005	113-020	113-065	-26.0	769,859	
2 Yr. Treasury Notes (CBT) -\$200,000; pts 32nds of 100%							
June	108-190	108-210	108-130	108-137	-6.2	4,174	
Sept	107-282	107-287	107-192	107-210	-6.2	519,074	
30 Day Federal Funds (CBT) -\$5,000,000; 100 - daily avg.							
June	99.795	99.795	99.778	99.783	-0.013	58,160	
Nov	99.680	99.685	99.640	99.660	-0.020	54,909	
1 Month Libor (CME) -\$3,000,000; pts of 100%							
July	99.6400	99.6425	99.6100	99.6200	-0.0200	10,663	
Sept	99.5300	99.5500	99.5000	99.5150	-0.0350	7,847	
Eurodollar (CME) -\$1,000,000; pts of 100%							
July	99.3200	99.3425	99.2625	99.2800	-0.0525	100,002	
Sept	99.2450	99.2600	99.1200	99.1750	-0.0750	1,054,904	
Dec	98.9450	98.9600	98.7800	98.8400	-0.1050	894,440	
March'10	98.6700	98.6950	98.4650	98.5250	-0.1450	739,497	

Currency Futures

Japanese Yen (CME) -¥12,500,000; \$ per 100¥							
Sept	1.0460	1.0468	1.0352	1.0359	-0.0099	64,947	
Dec	1.0414	1.0478	1.0372	1.0375	-0.0097	156	
Canadian Dollar (CME) -CAD 100,000; \$ per CAD							
Sept	.8838	.8907	.8802	.8830	-0.0019	71,079	
Dec	.8863	.8909	.8814	.8837	-0.0019	2,083	
British Pound (CME) -£62,500; \$ per £							
Sept	1.6390	1.6467	1.6185	1.6348	-0.0077	80,627	
Dec	1.6365	1.6456	1.6194	1.6345	-0.0076	245	
Swiss Franc (CME) -CHF 125,000; \$ per CHF							
Sept	.9275	.9302	.9186	.9219	-0.0065	31,795	
Dec	.9233	.9313	.9204	.9234	-0.0064	36	
Australian Dollar (CME) -AUD 100,000; \$ per AUD							
Sept	.7883	.8005	.7861	.7954	.0054	72,823	
Dec	.7928	.7950	.7814	.7903	.0054	241	
Mexican Peso (CME) -MXN 500,000; \$ per 10MXN							
July	...	...	...	.74625	-0.00025	2,400	
Sept	.73375	.74100	.73350	.73775	-0.00025	36,904	
Euro (CME) -€125,000; \$ per €							
Sept	1.3932	1.3994	1.3863	1.3892	-0.0063	108,507	
Dec	1.3966	1.3989	1.3864	1.3891	-0.0059	405	

The highlighted markets are the premium markets. We will look to trade these against the weaker markets as well as the USD. The larger the difference between the numbers, the more of a premium market it is.

It really is that simple!

Now let me give you some words of caution. This is a very powerful technique and one that has worked for many, many years. However, just because the newspaper shows that a market is a premium market, it isn't a sign for you to bet everything you have on it. There are some additional rules of engagement that you need to know before you go out and buy the newspaper and risk it all.

1. You need to look at when the premium market developed. Just because a market is a premium market right now is not an indication to buy. The market may have been operating in a premium for quite some time and it is getting ready to weaken. The best time to get in on a premium market is when it initially takes place. That means you need to record the commodity prices on a daily basis within a spreadsheet or notepad.
2. Once you are in a premium market you need to monitor it on a daily basis to make sure that it does not go back to a carrying charge market too quickly. If that occurs it could be that the smart money is testing prices. This occurs occasionally. A carrying charge market is defined by the spread being larger between the nearer months and the distant months.
3. Once in a good premium market you need to be willing to ride it out for a while. I have found the best strategy to use is to buy on small pullbacks. This will limit your risk significantly. We are going to discuss a strategy for doing this in the next lesson.

I have uploaded a video for you on the Insider's Blog that highlights this strategy. Check it out...

<http://www.forexibincome.com/underground-strategies-free-report/>

Underground Strategy #3

The Scalper

The scalper may very well be one of my favorite strategies. It is a very high probability trade setup and it works from the 1 minute chart and up.

If you are a day trader I will give you a little word of caution. This trade setup is best used during normal market hours and can very often help you predict the beginning and the end of the trend for the day.

With this trade we are going to use candlesticks as our only indicator. You do not need any other indicator on the screen. Of course you can use almost all of our other strategies that you are learning in this Underground report right along with it, but you don't have too.

In fact if you just use this one strategy and are diligent with it, you will see some huge gains.

Let me preface this by saying teaching you the basics of candlesticks. This material comes right from my Basic Candlesticks Course.

The Japanese people were the first to use technical analysis to trade futures markets, rice futures, in their case. In the early 1600's, trading rice futures beget much speculation, which in turn, created technical analysis.

The most famous rice trader in the 1700's was **Munehisa Homma** (1724-1803). He was a rice merchant from Sakata, Japan who traded in the Ojima Rice market in Osaka during the Tokugawa Shogunate. He is reputed to have become an honorary Samurai due to his trading success.

Until about 1710, only physical rice was traded but then a futures market emerged where *coupons*, promising delivery of rice at a future time, began to be issued. From this, a secondary market of coupon trading emerged in which Homma flourished. Stories claim that he established a personal network of men about every 6 Km between Sakata and Osaka (a distance of some 600 Km) to communicate market prices.

He was the first to recognize that sometimes the market perceived a harvest that often turned out totally different than expected. He deduced that the market was strongly influenced by the emotions of the traders.

He understood, before anyone else, that there was a difference in the value and the price of rice. This realization is as valid today in the futures market

as it was in the 1700's. He realized that the psychology aspect of the market was crucial to his trading success.

Homma is believed to have written a book by the name of "The Fountain of Gold –The Three Monkey Record of Money" in 1755, the first book ever on technical analysis. In this, he claims that the psychological aspect of the market is critical to trading successfully and that traders' emotions have a significant influence on prices. He notes that this information can be used to position oneself against the market: *when all are bearish, there is cause for prices to rise* (and vice versa).

The three monkeys are the "see, hear, speak no evil monkeys" we all learned about as children. The meaning of the title is that in order for traders to reach their "fountain of gold" they need to have the same characteristics of the three monkeys.

Here are the three monkeys in market terms:

1. "**See** no evil" – when you **see** a trend, always, consider the opportunity to make money on a reversal.
2. "**Hear** no evil" – when you **hear** news (bullish or bearish), don't trade on it.
3. "**Speak** no evil" – don't **speak** to others what you are doing or going to do in the market.

See No Evil

The book states that even the market has a yin and yang. There is always a balance or rotation of Yin (bearish) and Yang (bullish). Meaning that the market will always try to find a way to balance itself. Within every bull market, there is a bear market ready to bring balance to the market. Within every bear market, there is a bull market ready to bring balance to the market. This may explain why Japanese candlestick techniques place so much emphasis on reversals, rather than trends.

Hear No Evil

The book states that it may be safer to trade a position **after** the market has reacted to the news rather than trading with the news. We should pay **less attention to the news events** and pay **more attention to the human reaction** to these news events.

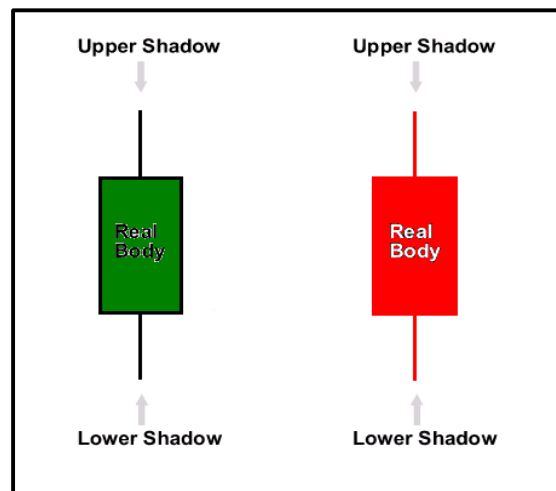
Speak No Evil

Don't talk to people about what you are or about to do in the market. It is safer to only look to the market for direction in what you are going to do. People tend to give bad advice or talk against your position which may affect your actions or give you "cold feet". If you want to know about the market, ask the market; not your friend or co-worker.

The Candlestick

The individual lines often look like candles with their wicks. The rectangular part of the candlestick is called the real body. The thin lines above and/or below the real body are called shadows.

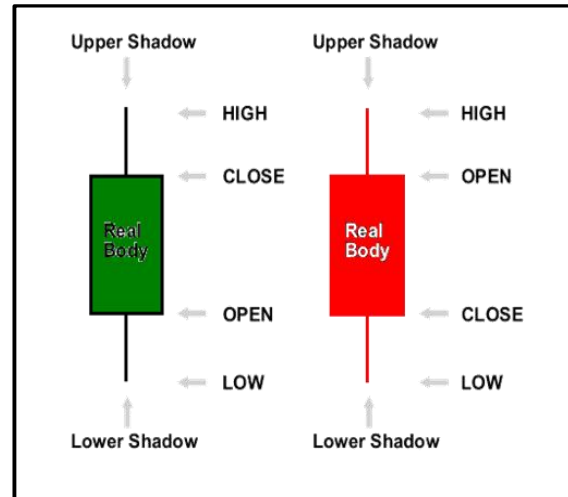
Note: Candlestick charts can be used for intra-day, daily, weekly, and monthly charting.



Candlestick Formation

Candlesticks are formed using the open, high, low and close of a session:

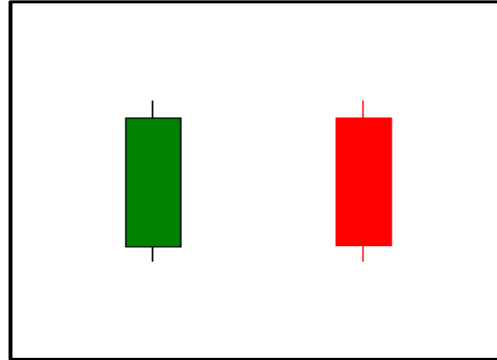
- The real body represents the range between the session's open and close.
- If the close is above the open, you will have a green candlestick (real body).
- If the close is below the open, you will have a red candlestick (real body).
- The thin lines poking above and/or below the body represent the high/low range and they are called shadows.
- The top of the upper shadow is the "high".
- The bottom of the lower shadow is the "low".



The Japanese people believe that the real body is the key to price movement. The size and color of the real body gives us vital clues to understanding and analyzing the market. Through the height and color of a real body, we can clearly see if the session was a bull or bear.

Green vs. Red

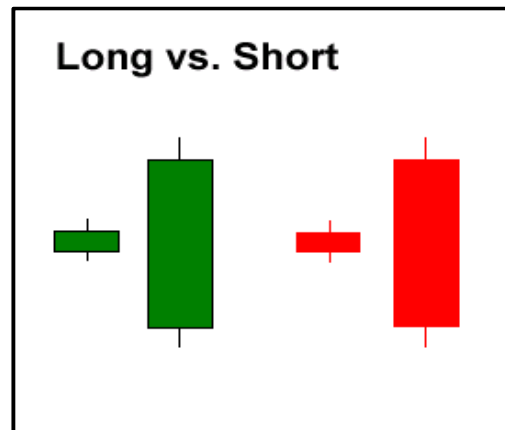
- **Green candlestick** – signals uptrend movement (those occur in different lengths; the longer the body, the more significant the price change)
- **Red candlestick** – signals downtrend movement (those occur in different lengths; the longer the body, the more significant the price change)



Long vs. Short

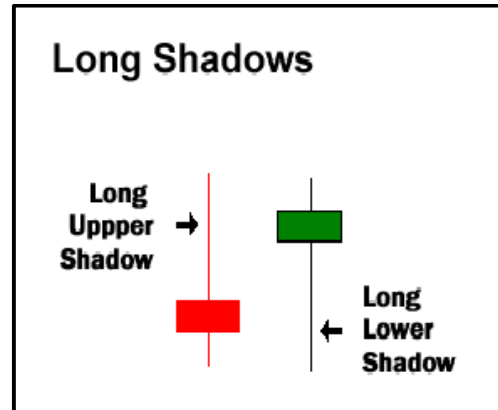
- ☹ Long bodies indicate strong buying or selling. The longer the body is, the more intense the buying or selling pressure.
- ☹ Short bodies imply very little buying or selling activity. The shorter the body is, the less intense the buying or selling pressure.

Note: In forex lingo, bulls mean buyers and bears mean sellers.



Shadows

- **Long upper shadow** – this signals that buyers bided prices higher, but for one reason or another, sellers came in and drove prices back down to end the session back near its open price.
- **Long lower shadow** – this signals that sellers forced prices lower, but for one reason or another, buyers came in and drove prices back up to end the session back near its open price.



These are just a few of the basics of candlesticks and I hope you learned something from it, but now is when the rubber meets the road. Now let's learn about the Scalper Strategy using these powerful indicators.

I have developed something that I call a reversal candle. It is a high probability indicator using candlesticks that signals for us to buy or sell only if certain conditions are met.

Once again for day trading the first condition is that it must be within normal trading hours. You can actually start scanning the charts 1 hour before each major market opens and of course while the markets are open and in full swing. Usually the best times to find the setups occur when a market is about to open or when a market is about to overlap with another market.

For instance you can start scanning the charts between 2 a.m. and 3 a.m. EST for the London market session, between 7 a.m. and 8 a.m. EST for the New York market session and between 6 p.m. and 7 p.m. for the Tokyo market session.

This trade is going to work best on pairs like the GBPUSD, EURUSD, AUDUSD, USDCHF, GBPJPY, EURJPY, AUDJPY, but you can trade it on any pair you like. The ones with higher volatility are going to be the best performing pairs.

So here is a list of the setup criteria:

1. If you are trading the 1 minute chart through the 30 minute chart you need to make sure you are using this strategy from one hour before a market opens until one hour after it closes.
2. We are looking for reversal candles. Here is the setup for a reversal candle:
 - a. A buy reversal candle has a lower low than the previous candle and closes within the upper half of the candle (50% or better above the low). If this occurs you will place a buy stop above the high of the reversal candle.
 - b. A sell reversal candle has a higher high than the previous candle and closes within the lower half of the candle (50% or better below the high). If this occurs you will place a sell stop below the low of the reversal candle.
 - c. For intra-day trading you will place the entry 3 pips above the high or below the low of the reversal candle. For swing trading you will place the entry 7-10 pips above the high or below the low of the reversal candle.
 - d. The stop loss for a buy reversal candle will go below the low of the candle.
 - e. The stop loss for a sell reversal candle will go above the high of the reversal candle.
 - f. The take profit will come when you get a reversal candle in the opposite direction. At that point you will take a position in the opposite direction as well (for day trading you will only do this if it is within the normal market hours).

That's it! Now let me show you some examples:



I have created a video for this example, where I break it down step by step for you. There are several other video examples on this page as well.

[Go to the Forex Underground Scalper video page now!](#)

Underground Strategy #4

The Trend Follower

The Trend Follower strategy is another simple strategy that you can use to catch big trends. Most traders that have been successful for a number of years believe that trends are where the money is made.

Ed Seykota, whose story was outlined in Jack Schwager's book, *Market Wizards*, says, "The trend is your friend...until it bends". In fact he has a great song that he wrote and posted on youtube.com called, "The Whipsaw Song". If you get a chance you should listen to it as it has six really sound and time tested principles for trend following.

Of course trend following is sometimes not the easiest thing to do and that is why I have given you a mix of strategies that you can be successful with. This way even if the market is not trending you can still make money.

However, when the "Trend Is On" as I like to say that is when the big money is made in trading. So you need to have a sound strategy for following the trend. What I have developed is nothing magical and by using it you won't catch the entire trend, but in reality you don't need to.

All that you really need to do is catch what I call the "Meat in the middle". When you do your trading account will grow. Now I will caution you that by being a trend follower you have the opportunity to earn hundreds and even thousands of percent over a period of years, however sometimes to get there you have to experience some big draw downs. So be prepared.

Okay, now onto the strategy. This strategy is very simple. I have found that simpler really is better when it comes to trading. I have tried to add too many facets to a system before to try and optimize it. All it did was make it worse.

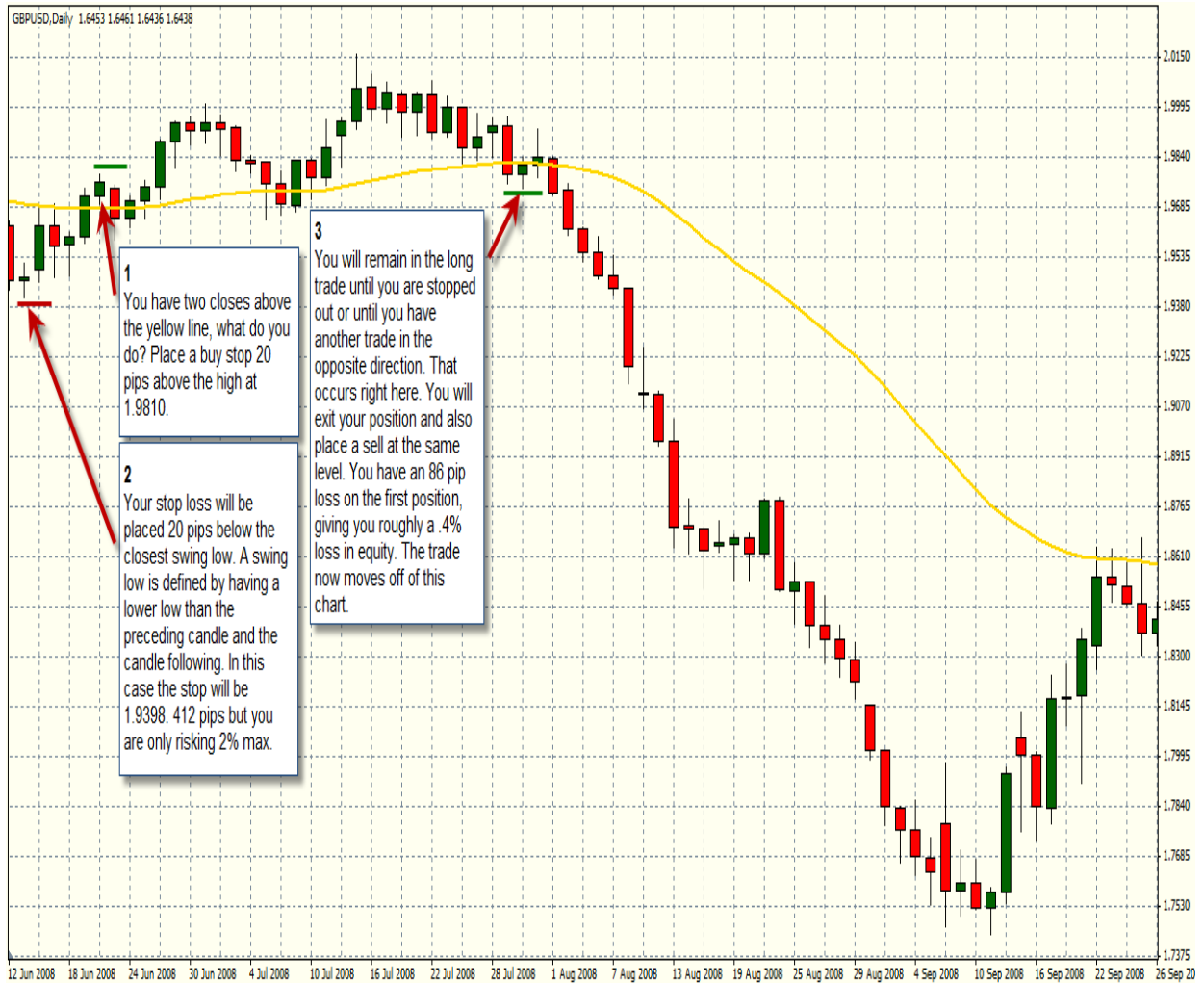
For this strategy we only need one indicator. In fact we have already used this indicator in another trade, our CT Trade. It is the 50 period EMA (Exponential Moving Average). In reality you can use this indicator on any component of your portfolio that can be plotted on a chart. This is a major trend following indicator.

Here is the setup:

1. Insert the 50 period EMA on your chart. I use the color of gold.
2. Using the Daily chart is the best. You can use any of the currency pairs that you like. The pairs that have a tendency to trend the best are the best ones to use.
3. For buying, wait for two candles to close above the 50 EMA. Set your entry 10-20 pips above the high of the highest close. Place your stop loss at the closest swing low point (If you don't know what a swing low point is you'll learn in the example). For a trailing stop, use the 50 EMA in the opposite direction. If you have two candle closes below the 50 EMA then move your stop to 20 pips below the low of the lowest low.
4. For selling, wait for two candles to close below the 50 EMA. Set your entry 10-20 pips below the low of the lowest close. Place your stop loss at the closest swing high point (If you don't know what a swing high point is you'll learn in the example). For a trailing stop, use the 50 EMA in the opposite direction. If you have two candle closes above the 50 EMA then move your stop to 20 pips below the low of the lowest low.
5. You will take profits when the trade reverses in the opposite direction.
6. Your risk should be a max of 2% of your account equity on each trade.

That's it. That is as simple as it is and you can knock down some big profits.

Here are some examples:



The chart below is the same trade only it is the exit point.



Over 5,100 pips and 40% later you get out of this trade! That doesn't happen all of the time, but when it does you make a killing. The beauty is it only takes about 5 minutes a day to follow this strategy.

I have created a video page for you to see some more examples.
[Forex Underground Trend Follower Trade Video Page](#)

Underground Strategy #5

The Ultimate Leverage Play

The ultimate leverage play is a powerful strategy that I have been using for 4 years now to make big \$\$\$ in Forex. This has been proven not only by me, but also many others, some under my mentorship and others that have been doing for much longer than I have.

It isn't a trading strategy. In fact you don't have to know how to trade at all to do it.

What am I talking about? I'm talking about using your influence and your passion about trading to educate investors about the potential within the Forex market. This is the ultimate leverage play that can create big residual income.

Leverage is a very powerful tool to grow your wealth. In this case we are leveraging two things:

1. Proven and licensed money managers that have top notch trading records.
2. A small portion of an investor's portfolio as they diversify into the hottest asset class in the world, Foreign Currency.

As you use your influence and the tools of high level CTA's and brokerage firms to raise money you will get paid a portion of the profits and the part of the broker's commission.

The beautiful part about this is that you get paid month after month year after year on the assets that you raise.

The Forex Introducing Broker (IB) has the ultimate leverage play with the least amount of risk in the business.

And here is the beauty, right now is the best time to do it and it is easier than ever before. By leveraging the power of the internet and the vast array of tools and information available at your fingertips you could potentially raise millions, leveraging it into millions for yourself.

So how do you do this? Well there are a couple of ways.

1. First you need to find a broker to work with. This is not always the easiest thing. You want to work with a broker who is going to assist

you and has a vested interest in seeing your clients make money and not lose. Stay tuned for one of the upcoming interviews that I did with Jim O. You'll learn why it is important to work with the right broker and how to pick them.

2. You need to work with a mix of experienced proven and registered CTA's. There are several ways to do this. You can look through the CTA databases like the Barclays index and contact them and work out arrangements to promote them.
3. A big part of my business is leveraging the power of the internet and by providing high quality content and using cost effective advertising sources I drive traffic to my websites. I then have an automated sales funnel that takes prospects through a three step process of education, information, and solicitation. The key here is that it is automated as much as I can make it.
4. Next is compliance. You want to make sure that your website is compliant with the regulating bodies like the FTC and the CFTC. This is fairly easy. The simple advice here is, just don't lie or exaggerate the truth.

Here is the thing; this industry absolutely needs the Introducing broker. Why? The broker is simply the facilitator of the transaction, they are not focused on raising money and they don't have the ability to do so. The CTA or trader is focused on trading and cannot focus on raising money unless they are very good and have a staff that assists them in doing so. Very few both trade and raise their own assets, and yet the futures industry has grown by \$50 billion in the last 4 months alone...yes that's Billion with a B!

How have most of these assets been raised? By IB's that have influence and understand the opportunity that we have right now.

This is what the FAA website and new program is all about. I not only want to educate you to manage your own assets, I want to empower you to help others manage their assets as well.

This is true leverage... and this is true freedom!

Best regards,



Cecil Robles – President of Ethos Inc.



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