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## Preface

My name is Yusef Scott and I am the author of this book, founder of the So Darn Easy Forex Strategy, and Web Developer and Designer of many websites.

What a pleasure it is to provide you with a doorway into the world of financial independence using Forex as the vehicle.

I am a devoted husband and father to my beautiful wife and daughter. Everything I do is to provide my family (immediate and extended) with the quality of life that's most enjoyable.

Hopefully by sharing my So Darn Easy Forex Strategy with you that you too will be able to change your quality of life for those who are closed to you.

Should you need a Forex coach or mentor, do not hesitate to visit our site and we will be happy to train you so that you can become our next success story.

*Yusef Scott*

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## Welcome to The So Darn Easy Forex Strategy Trading Guide

Welcome

If you are new to Forex you will find that this book will be your blueprint to helping you gain knowledge, skills, and confidence to become a successful trader in the Foreign Exchange market.

This best part about this book is that the exact same strategy and knowledge that is explained in this book is what I use DAILY to consistently profit when trading the Forex market.

Whether you are a beginner or advanced trader, you will find value in this book. The material in this book will surely encompass all of the most important topics of Forex for the beginner trader.

### The Most Common Reasons People Fail at Trading Forex?

Some might wonder why I decided to start off explaining why traders Forex fail. I can only hope that by going against the norm that those who are looking at Forex for the first time might choose to learn how to avoid these from the start.

**Greed**

Most people trading for the first time, and even those with years of trading under their belt tend to become greedy when trading and find themselves wiping out their entire account in a matter of hours (or shorter).

What's usually happen is this… You're following all of the rules of trading conservatively (volume wise). You're protecting your equity in your account on many levels. You glance over and notice that after about an hour and a half of trading, you've taken your account from $650 up to $1100. In your mind you feel like you're on a roll. Instead of being happy with the profit you've made and being done for the day, you decide to keep going since you are doing fantastic.

Because of the profit you've made so far, you feel invincible to losing and become a little sloppy with your trading. You find yourself placing too many trades than you were earlier. All of a sudden the market goes against you and you panic. You now have trades in both directions and your account's leverage is at risk. When you notice your **Margin Level Percentage** is decreasing, you panic and start to shut down the wrong trades and lose all the money you made just hours earlier.

Something that some people might also do is begin to increase their volume to win back their losses.

### Failing to Close Losing Trades Early

In Forex trading you will find yourself in some bad trades. So, when you're trading and it's your prediction that the market will go move upward, but soon after you take the trade you realize that you were wrong, it's best that you cut your losses early rather than losing your account.

Even when I trade, all signs might show the market going in one direction, but if as a result of unexpected news the market goes against me, I might want to really consider shutting my losing trade and go with the direction of the move. Doing so will allow your gains on your winning trade to only have to offset a smaller loss rather than a huge one.

I cannot say it enough that even though you might have trades open that are all in profit, the money IS NOT yours until you close them. So if your account has $1,000 in it and you have $400 worth of trades running in the money, it will help your account strength wise to shut those trades that are in the money and reposition yourself. Doing so will allow your account's margin level percentage to be based on the $1,400, which means it will increase when you open new trades. Keep in mind that your margin level percentage is based on your account's equity and the volume size traded.

The whole reason behind this book and any other Forex book is to help you WIN and keep your losses to a minimum.

### My Own Trading Story

The first day I've ever traded was a similar story. I had just gone through some training on how to scalp the market. So I decided to deposit $515 into my account. Within 30 minutes of trading I had my account up to $1700. So I had definitely found a groove!

The next thing you know, the market had gone against me and my account was suffering. So I decided to increase my volume and go the other way. Before I knew it, another 20 minutes or so had passed and I had lost my entire profit. Without any understanding of price action, I was hoping that price had turned back around in my favor. When I woke up the next morning my trades had been shut down and I was left with about $4-5 in my account. A major lesson learned in such a short tim5

Considering my experience early on, it's no surprise that I decided to elaborate on how traders lose at the very beginning.

## How to Become a Successful Forex Trader?

To put it plainly, in order to become a successful Forex trader, you will need to have the ability to do these 3 things:

1. Generate Pips
2. Close Your Winning Trades to strengthen your trading account
3. Do #1 & 2 consistently!

Once you are able to do these 3 things consistently, you will be well on your way to being the successful Forex trader that you desire to be.

## What is Forex?

Forex, which is short for Foreign Exchange, and also known as FX, is the exchange of one currency for another at an agreed exchange rate on the Over-The-Counter (OTC) market.

Forex is the world's most traded market, netting an average of **$5.3 Trillion worth of transactions DAILY.**

Most people new to Forex get confused about how they're able to make money in Forex since there's nothing being sold physically.

Think of buying currency like buying shares of a company, the only difference we're talking about a country's currency. The price of the currency is like the market's opinion of the value of the company at the moment and in the future.

A great example that I often refer to when explaining what is Forex is in Forex trading when you buy the United States dollar, you are basically buying a "share" in the United States economy. You are in other words *betting* that the United States economy is thriving and will continue to strengthen. So, let's just hope that you're able to make profit once you sell those shares back to the Forex market.

Another good example of foreign exchange is when you travel outside of your country. You will need to exchange your currency of your country to that of the country you are traveling to, at the current exchange rate. Because there are constant dips and spikes in the market, these rates vary at a glance.

**In general, the exchange rate of a currency versus other currencies is a reflection of the condition of that country's economy, compared to other economies.**

That said, this book will teach you how to trade the Forex market – taking advantage of those oh so common dips and spikes in the market. And since history ALWAYS repeats itself and numbers don't lie, they will help make your journey of trading Forex profitable.

I intend to show you when the best time to BUY and SELL in the Forex market using The So Darn Easy Forex Strategy.

## What is Traded in Forex?

| Symbol | Country | Currency | Nickname |
|---|---|---|---|
| USD | United States | Dollar | Buck |
| EUR | Euro Zone Members | Euro | Fiber |
| JPY | Japan | Yen | Yen |
| GBP | Great Britain | Pound | Cable |
| CHF | Switzerland | Franc | Swissy |
| CAD | Canada | Dollar | Loonie |
| AUD | Australia | Dollar | Aussie |
| NZD | New Zealand | Dollar | Kiwi |

Currency symbols always have three letters, where the first two letters identify the name of the country and the third letter identifies the name of that country's currency.

Take GBP for instance. GB stands for Great Britain, while P stands for pound. Easy enough, right?

The currencies included in the chart above are called the "majors" because they are the most widely traded ones.

## Why Trade Forex?

Of course it's all because of the **MONEY**!

For starters, the Forex market has **a DAILY volume of $5.3 Trillion**, which correlates to a lot of money Forex traders can make.

When you size the Forex market up to the Stock market, there's absolutely any comparison when looking at figures, since the daily volume of the New York Stock Exchange (NYSE) is just over $22 Billion.

Something else to be considered is that unlike in the stock market, when trading Forex traders can make money whether prices goes **UP** or **DOWN**.

**24-hour Market**

When trading the Forex market, traders can enjoy having the opportunity of being able to trade around the clock. There's no waiting for the opening bell like that of when trading the stock market.

The Forex market opens on **Sunday evening (5 or 6pm EST)** and does not close until **Friday afternoon (4 or 5pm EST).** It really depends on your broker and the time zone of where you are located.

**No Commissions**

One might ask how it is that there are no commissions when trading Forex. Well most Retail Forex brokers are compensated for their services through "**bid-ask spread**".

A **bid-ask spread** is the amount by which the Ask Price exceeds the Bid Price. This is essentially the difference in price between the highest price a buyer is willing to pay for an asset and the lowest price for which a seller is willing to sell it.

**Leverage**

In Forex, with the use of leverage, a small deposit can ultimately control a much larger sum of money.

Just like in Real Estate, you can leverage the assets you have to be able to control even more property. The same thing applies in Forex. You have more buying power or can control a larger sum of money in the market while keeping your risk capital to a minimum.

For instance my broker's highest leverage account is 1000:1. What that means is that for every $1 in my account, I can control $1,000. So if you deposit $1,000 into an account with my broker, you could control $1,000,000.

While having great leverage can result in making nice profits, I will go into further detail on the pitfalls of trading with such high leveraged accounts, and how to leverage your account for the best returns, and prevent yourself from wiping out your entire account.

**Minimum Transaction Costs**

As mentioned previously, the retail transaction cost (bid-ask spread) is typically less than 0.1% under normal market conditions. Some larger dealers may have spreads as low as 0.07%. Of course this depends on your leverage which will explained thoroughly later.

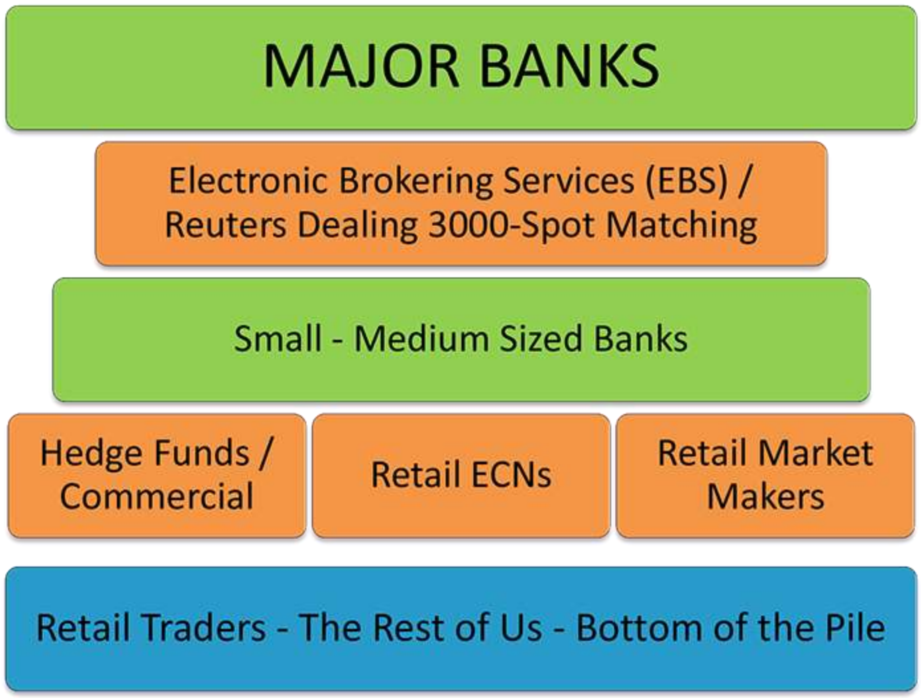
**Liquidity**

Since the Forex market is so enormous (considering it has a daily volume of $5.3 Trillion), it is extremely liquid. That is advantageous for you and I who are trading the Forex market. For instance, when you are trying to purchase/sell shares in the stock market, if there's no one there to fill the order, you are stuck holding onto devalued shares. In Forex, as soon as you click SELL or BUY from your trade panel, your order is filled IMMEDIATELY!

**FREE Practice Accounts**

In the Forex market, brokers will give you the option to open a LIVE/REAL account or a PRACTICE/DEMO account. The benefit of this is self-explanatory. You have the luxury of being able to practice as long as you want with funny money, so that you do not blow all of your real money.

## Who Trades Forex?




At the very top of the Forex market ladder is the interbank market. Composed of the largest banks of the world and some smaller banks, the participants of this market trade directly with each other or electronically through the Electronic Brokering Services (EBS) or the Reuters Dealing 3000-Spot Matching.

The competition between the two companies – the EBS and the Reuters Dealing 3000-Spot Matching – is similar to Nike and Reebok. They are in constant battle for clients and continually try to one-up each other for market share. While both companies offer most currency pairs, some currency pairs are more liquid on one than the other.

For the EBS platform, EUR/USD, USD/JPY, EUR/JPY, EUR/CHF, and USD/CHF are more liquid. Meanwhile, for the Reuters platform, GBP/USD, EUR/GBP, USD/CAD, AUD/USD, and NZD/USD are more liquid.

All the banks that are part of the interbank market can see the rates that each other is offering, but this doesn't necessarily mean that anyone can make deals at those prices.

Like in real life, the rates will be largely dependent on the established **CREDIT** relationship between the trading parties. The better your credit standing and reputation with them, the better the interest rates and the larger loan you can avail.

Next on the ladder are the hedge funds, corporations, retail market makers, and retail ECNs. Since these institutions do not have tight credit relationships with the participants of the interbank market, they have to do their transactions via commercial banks. This means that their rates are slightly higher and more expensive than those who are part of the interbank market.

At the very bottom of the ladder are the retail traders. It used to be very hard for us little people to engage in the forex market, but thanks to the advent of the internet, electronic trading, and retail brokers, the difficult barriers to entry in Forex trading have all been taken down. This gave us the chance to finally play like those high up the ladder.

Now that you know the overall structure of the forex market, let's delve in a little deeper to find out who exactly these people in the ladder are. It is essential for you that you understand the nature of the spot forex market and who are the main forex market players.

Until the late 1990s, only the "big guys" could play this game. The initial requirement was that you could trade only if you had about ten to fifty million bucks to start with! Forex was originally intended to be used by bankers and large institutions, and not by us "little guys." However, because of the rise of the internet, online forex brokers are now able to offer trading accounts to "retail" traders like us.

## When Are You Allowed To Trade Forex?


As mentioned above, Forex traders have the luxury of trading **24-hours a day, 6 days a week**. Within that time frame, traders have 4 trading sessions that they can trade from. Those trading sessions are **Sydney, Tokyo, London, and New York.**

As you become more familiar with Forex, you will realize the most volatile sessions and those where the market is almost dead.

When looking for the most movement/volatility in the market, people look to get into the market when two sessions overlap. Look at the photo above and see how the New York and London bars are overlapped; then also The London and Tokyo, and finally the Tokyo and Sydney.

The most common overlap is the London/New York. For instance, the EUR/USD pair moves the heaviest during the London/New York overlap. Once you find those pairs that are directly affected by the session overlaps in the market, you will be on your way to possibly increasing your money.

| Pair | Tokyo | London | New York |
|---|---|---|---|
| EUR/USD | 76 | **114** | 92 |
| GBP/USD | 92 | **127** | 99 |
| USD/JPY | 51 | **66** | 59 |
| AUD/USD | 77 | **83** | 81 |
| NZD/USD | 62 | **72** | 70 |
| USD/CAD | 57 | **96** | 96 |
| USD/CHF | 67 | **102** | 83 |
| EUR/JPY | 102 | **129** | 107 |
| GBP/JPY | 118 | **151** | 132 |
| AUD/JPY | 98 | **107** | 103 |
| EUR/GBP | 78 | **61** | 47 |
| EUR/CHF | 79 | **109** | 84 |

## How to Trade Forex?

If you can grasp these very simple concepts, you will be on your way to learning how to trade Forex.

Since you already know that in Forex you are simply buying and selling currencies. Now it's time to break everything down in a way that you can digest it in smaller doses.

**The Simple**

**The object of Forex trading is to exchange one currency pair for another. You are expecting that the currency bought to increase in value compared to the one you sold.**

Example:

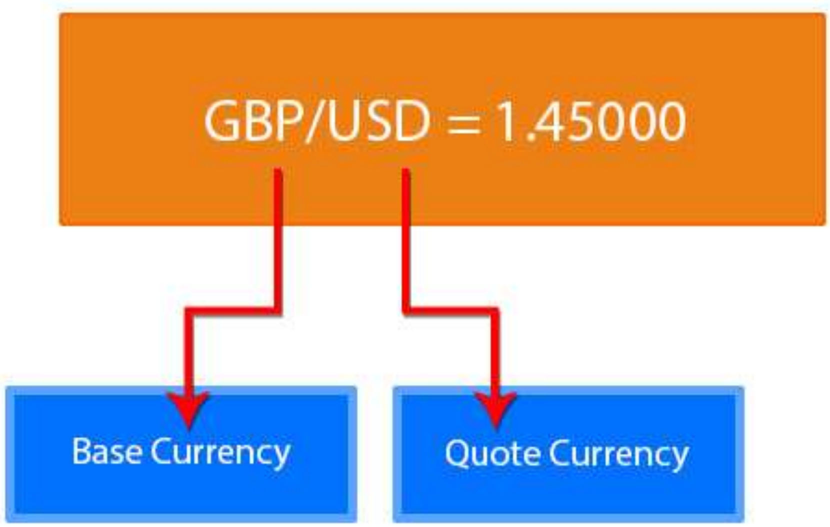
| Trader's Action | GBP | USD |
|---|---|---|
| You purchase 5,000 pounds at the GBP/USD exchange rate of **1.4500** | +5,000 | -7,250* |
| 3 weeks later, you exchange your 5,000 pounds back into U.S. dollars at the exchange rate of **1.5700** | -5,000 | +7,850** |
| You net a return of **$600** | 0 | +600 |

*GBP 5,000 x 1.45 = US $7,250

** GBP x 1.57 = US $7,850

An exchange rate is simply the ratio of one currency valued against another currency. For example, the GBP/USD exchange rate indicates how many Great Britain pounds can purchase one US dollar, or how many US dollars you need to buy one Great British pound.

**How to Read a Forex Quote**




The first listed currency to the left of the slash ("/") is known as the **base currency** (in this example, the British pound), while the second one on the right is called the **counter or quote currency** (in this example, the US dollar).

When buying, the exchange rate tells you how much you have to pay in units of the quote currency to buy one unit of the base currency. In the example above, you have to pay 1.45000 US dollars to buy 1 British pound.

When selling, the exchange rate tells you how many units of the quote currency you get for selling one unit of the base currency. In the example above, you will receive 1.45000 US dollars when you sell 1 British pound.

The BASE currency is the "basis" for the buy or the sell. You would BUY the pair if you believe the base currency will appreciate (gain value) relative to the quote currency. You would sell the pair if you think the base currency will depreciate (lose value) relative to the quote currency.

**Important Forex Lingo**

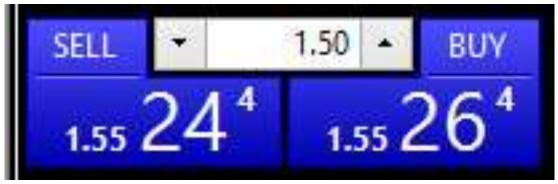

Just as in any profession, with Forex, you will need to learn the lingo to understand what's going on. The most important of all Forex lingo is whether you will Buy or Sell the market. By looking at the picture above, you can get a better idea of some of the most common phrases or lingo that Forex traders use when speaking on the subject.

**Buy or Sell the Market**

If you want to Buy the market (which means buy the base currency and sell the quote currency), you want the base currency to rise in value and then you would sell it back at a higher price. We traders call this "going long" or "buying the market." To make it easier for you... just remember **long = buy.**

If you want to Sell the market (which actually means to sell the base currency and buy the quote currency), you want the base currency to fall in value and then you would buy it back as a lower price. This is called "going short" or "selling the market." To make it easier for you... just remember **short = sell.**

**Bid/Ask**




All Forex quotes are quoted with two prices: the bid and ask price. For the most part, the **bid** is lower than the **ask** price.

The **bid** is the price at which your broker is willing to buy the base currency in exchange for the quote currency. This means the bid price is the best available price at which you (the trader) will sell to the market.

The **ask** is the price at which your broker is willing to sell the base currency in exchange for the quote currency. This means the ask price is the best available price at which you (the trader) will buy from the market.

The difference between the bid and ask price is known as **the spread**.

On the GBP/USD quote above, the bid price is 1.55244 and the ask price is 1.55264.

If you want to sell GBP, you click "Sell" and you will sell pounds at 1.55244. If you want to buy GBP, you click "BUY" and you will buy pounds at 1.55264.

**Figuring Out When to Buy or Sell a Currency Pair**

Using the **GBP/USD** currency pair as an example, let's take a closer look at some fundamental analysis to predict when is best to Buy or Sell.

If you think that the British economy will continue to thrive better than the US in terms of economic growth, you would execute a BUY GBP/USD order. By doing so you have bought pounds in the expectation that they will rise versus the US dollar.

If you believe the British's economy is slowing while the United States' economy remains strong, you would execute a SELL GBP/USD order. By doing so you have sold pounds in the expectation that they will depreciate against the US dollar.

## How to Measure Movement in the Forex Market?

Since this is how you will be measuring how much money you can/will be making in Forex, it is probably one of the most important topics of trading Forex.

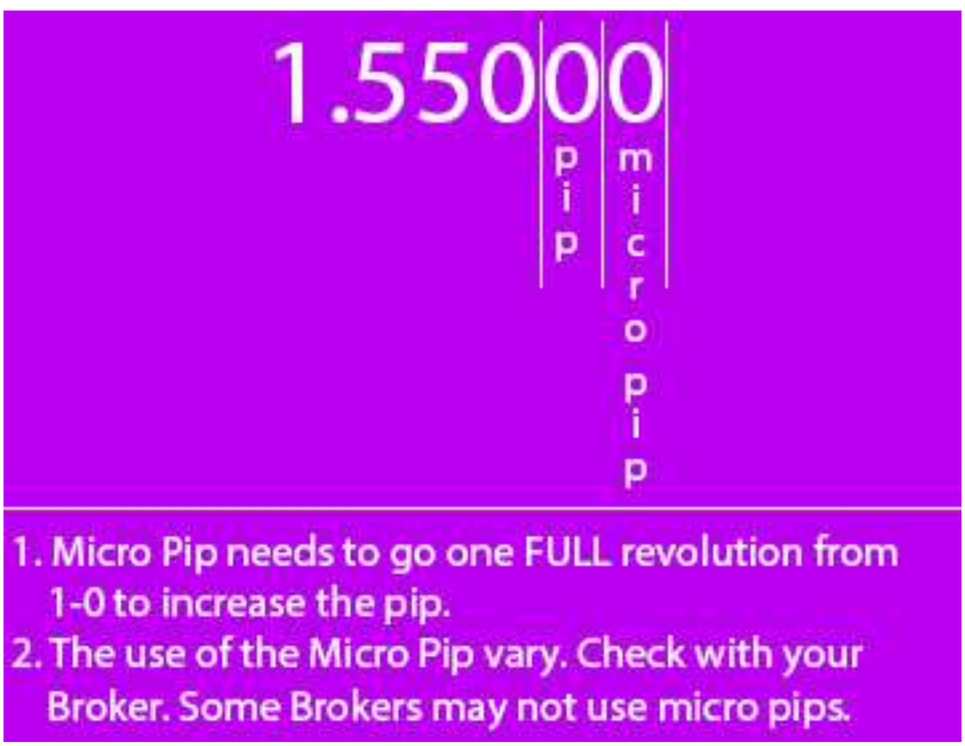
**What is a Pip?**

A "**Pip**" is the unit of measurement used to explain the change in value between currency pairs.

For instance when the GBP/USD moves from 1.5500 to 1.5501, that 0.001 rise in value is 1 PIP. A pip is usually the last decimal place of a quotation. Most pairs go out to 4 decimal places, but there are some exceptions like Japanese Yen pairs (they go out to two decimal places).

**Very Important:** There are brokers that quote currency pairs beyond the standard "4 and 2" decimal places to "5 and 3" decimal places. They are quoting **MICRO PIPS**. For instance, if the GBP/USD moves from 1.55000 to 1.55001, that .00001 USD move higher is **ONE MICRO PIP.** Now if the GBP/USD moves from 1.55000 to 1.55010, that .00010 USD move higher is **ONE PIP.**

**An example that I usually try to explain to my students is that 10 MICROPIPS is equal to 1 FULL PIP. It's just like your tripometer in your car. Your car would have to go 1 FULL revolution (10 micro pips) before it can change the PIP.**



## My Forex Broker of Choice

When starting out with Forex it's best to do your research on Forex brokers who has the best perks for traders.

The most common factors that people consider when in search of a broker are the maximum leverage the broker offer, the withdrawal process and turnaround time, and how safe is their money with the broker.

After doing the broker shuffle for a bit I stumbled upon TradersWay and I have to say that I have never been let down.

**The Major Collapse**

For those who might remember, on February 15, 2015 the Switzerland Franc took a humongous nose dive after it was mandated that any individuals with funds being hidden in their banks as a way to evade paying taxes. Of course people removed their money to avoid penalties or possible jail time. Well the result of all of those funds being removed caused Switzerland's Franc to lose its value. The photo below is a screenshot of the EUR/CHF 1-hour chart illustrating the aftermath of such collapse.


Those trading the swissi were able to realize humongous gains or losses in nearly a blink of an eye.

**The Moments Leading Up to The Collapse**

When I saw this buildup of major consolidation over such a long period of time on the 1-hour chart, I knew (based on historical data) that there was going to be a major move. But realizing which way it was going was the question.

I remember telling some fellow traders to expect there to be a significant move on that pair. But I was quickly greeted with doubt since this pair was known to move in an extremely tight range for a long duration of time.

Within a week's time, the collapse happened and there was nothing more to say.

**My Lesson from This Situation**

While a number of brokerage houses were put into bankruptcy or forced to shut down, a very few had strong financial liquidity providers that allowed their operation to be compromised by the misfortune.

[TradersWay](#) happened to be one of those who happened to have very stable and strong financial liquidity providers. Big banks such as Barclays, Morgan Stanley, HSBC, UBS, and Deutsche Bank are amongst the many that allowed them not to be impacted by such a move.

## Volume Management

If you're already familiar with Forex charting software, you've seen the **Trade Panel** pictured below that allows you to select your volume and also place trades. If you're new to Forex, take a look at the image below to learn its functions and how to use it for trading.


**Volume Management** is extremely important when trading Forex. Lack of volume management understanding is probably one of the top reasons traders lose their accounts.

Understanding volume management and **margin level percentage** will allow you to weather the storm of bad trades when the market goes against you.

One thing to keep in mind is if you have $1,000 in your account and you decide to open a trade at 0.10 ($1.00 per pip), you will have roughly 1,000 pips before blowing your account. But if you decided to open a trade for 0.50 ($5.00 per pip), you would only have 200 pips before blowing your account.

In Forex, your strength in the market, better known as your margin level percentage, is something to keep an eye on as you trade. The higher your margin level percentage, the more trades you can have open at one time, and/or the higher the volume you can trade.

As a safety net, I try to keep my margin level percentage above 1000% for the best strength.

The table below on the next page illustrates price points of select volume sizes.

| Volume Amount | Valued of Selected Volume |
|---|---|
| 0.01 | $0.10 |
| 0.02 | $0.20 |
| 0.03 | $0.30 |
| 0.04 | $0.40 |
| 0.05 | $0.50 |
| | |
| 0.10 | $1.00 |
| 0.20 | $2.00 |
| 0.30 | $3.00 |
| 0.40 | $4.00` |
| 0.50 | $5.00 |
| | |
| 1.00 | $10.00 |
| 2.00 | $20.00 |
| 3.00 | $30.00 |
| 4.00 | $40.00 |
| 5.00 | $50.00 |
| | |
| 50.00 | $500.00 |
| 60.00 | $600.00 |
| 70.00 | $700.00 |
| 80.00 | $800.00 |
| 90.00 | $900.00 |

# Yusef Scott's Words of Wisdom for Traders

As you delve into this lucrative money making opportunity, it's best that at the start you focus on studying on focusing on just 1 currency pair. I mean, take a month or two and lock yourself in your office and study the charts of that pair. The goal is to master that pair. Think of that pair like your significant other. You want to learn their ebb and flow so that the two of you are rhythmic. Once you learn the way the pair moves, it will become easier for you to realize where the market is likely to go.

For those who I speak to about Forex, I normally let them know that currency pairs have a common pattern that they follow. And it's up to YOU as the trader to realize its pattern of movement to increase your chances of success.

### The 50/50 Rule

It still amazes me that so many people still struggle with Forex trading. Considering the fact the market can only make 2 moves – either UP or DOWN – it provides a 50% success rate from the start.

Once you start applying The So Darn Easy Forex Strategy to it, along with other important variables taught inside of The Mirrored Millionaire's Forex Group, that 50% will quickly increase.

### Building Up Your Confidence

I realize just how important it is to have confidence while trading the market. Actually, experience in the market, confidence, patience, and strength are all important while trading the Forex market.

As a member of The Mirrored Millionaire's Forex Group, you will find that I focus heavily on building up my student's confidence. I realize that when I show my students repeated patterns in the market, that's when they are more comfortable with realizing the direction that the market will likely move in.

I show my students how each currency pair has its own pattern of movement, and how important it is to realize its pattern to help predict its next move. It's through continued studying the charts that one can realize these patterns to be able to capitalize on them.

### Putting a Plan Together

As you decide to take charge of this new journey as a successful Forex trader, you will need to create a plan and execute it daily. Whether you want to make a certain amount of money a day or a certain amount of pips a day, you will need to have a big goal in place that's being fueled by smaller goals to help reach them. Think of your smaller goals as steps of a ladder and your goal is to climb to the top. Each rung reached is a step closer to successfully reaching your bigger goal.

The purpose of this is to allow you to see that if your goal is to make just $500 a week, we 8/8can say that you should at least make $100 a day to achieve it. Then, we break that down into days. Next, we realize what volume would be traded at and divide that by the $100. So if you are trading at 0.01 ($1/pip), we know that you will need 100 pips a day to achieve this goal. Possibly more if the volume size is smaller.

I teach my students NOT to focus on achieving the bigger goal at one time, which can cause anxiety, or become overwhelmed. Rather, I show them how to tackle the smaller goals that help fuel the bigger goal.

**My Final Word**

There's no one member in The Mirrored Millionaire's Forex Group that hasn't said to me that after going through my coaching/training that they were able to learn more than any other Forex group they've ever been a part of. For me, that means a lot and shows that I am doing the right thing.

I totally live by the Laws of Attraction and believe that you can have ANY thing you want if you believe that you can and act on it daily. I am a living testament of that and know that things for me will continue to get better because I am doing what's right for my members and I am continuing to over-deliver in all aspects.

As you take the knowledge found in this ebook and apply it to your trading and mindset, know that knowledge is only valuable if you are doing something with it.

Let today be the day that you do what you've always said you would do, but never did!

Yusef Scott