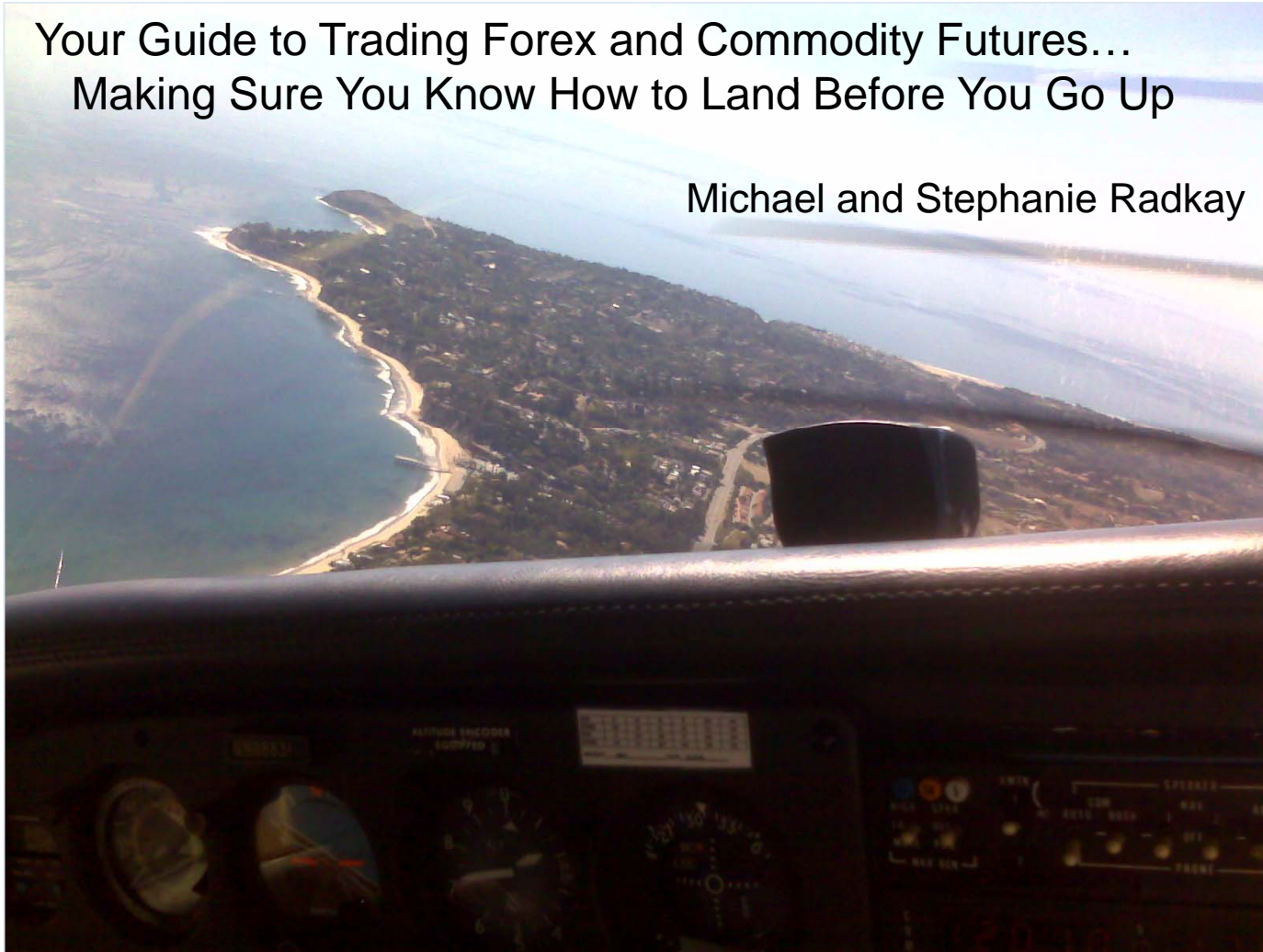


Your Guide to Trading Forex and Commodity Futures...
Making Sure You Know How to Land Before You Go Up

Michael and Stephanie Radkay



The opinions expressed in this manuscript are solely the opinions of the authors. The authors represent and warrant that they either own or have the legal right to publish all material in this book.

Your Guide to Trading Forex and Commodity Futures... Making Sure You Know How to Land Before You Go Up

All Rights Reserved.

Copyright © 2010 Michael Radkay

This book may not be reproduced, transmitted, or stored in whole or in part by any means, including graphic, electronic, or mechanical without the express written consent of the authors except in the case of brief quotations embodied in critical articles and reviews.

*To the Current Floor Traders and Brokers –
May you have courage and success when you move to the computer.*

Table of Contents

| | |
|---|--|
| Preface..... | |
| Three Questions to Ask Yourself Before Getting Started..... | |
| How to Maximize the Teachings in This Book | |
| Tangible Things You Need to Get Started..... | |

Part 1a: Learning the Basics: Forex

| | |
|---|--|
| RDS Daily Quote and Exercise Plan..... | |
| Risk | |
| Slow and Steady Life of Your Dreams | |
| What is Forex? | |
| The Most Common Currency Pairs | |
| Understanding Currency Pricing | |
| What is a Pip? | |
| Understanding Margin and Leverage | |
| Forex Calculator | |
| Unit Size and Recommended Account Value | |
| Adjust Size on Platform | |
| What is Bullish? | |
| Basic Entry/Exit Order Types (Buy Side) | |
| What is Bearish? | |
| Basic Entry/Exit Order Types (Sell Side) | |
| Trade Examples (making pips, losing pips, scratching) | |
| Viewing Your Daily Trading Statement History | |

Part 1b: Learning the Basics: Futures

What are Futures?

What Kind of Futures Products Can I Trade?

What is a Tick?

Basic Entry/Exit Order Types Using a DOM

What is Bullish?

What is Bearish?

Trade Examples (making ticks, losing ticks, scratching)

Closing Tips

Trade Evaluation and Developing a Trader's Memory

Trade Language Review

Quiz #1

Part 2: Fundamental Analysis: Should You Buy or Sell First?

Daily Setup

Risk

Fundamental Analysis

The Basic Supply and Demand Curve

Definitions You Should Know

The Most Important Fundamental Factor

Viewing the Live News Feed

Central Bank Policy

Interest Rate Tip

Preparing for a Fundamental Report

Theoretical Report and Price Response

Trade the Market When it Has the Most Energy

Quiz#2

Part 3: Developing a Feel for Price Movement and Building Proper Risk Tolerance

Daily Setup

Risk

5 Areas

The Light bulb Went off in 1992

Developing a Feel for Price Direction

Homework Rule

Two Types of Traders

Momentum with a Contrarian Twist

Developing Your Risk Tolerance

Risk Tolerance/RDS Risk Calculator

Quiz #3

Part 4: Technical Analysis: Timing the Investment

Daily Setup

Risk

Technical Analysis

Why You Need Technical Analysis (and not just Fundamental Analysis)

Starting FX AccuCharts from your GTS Platform

Reading a Technical Price/Time Chart

Breaking Down the Candle

Basic Candle Patterns

Learn Chart Patterns

RULE #1 of 4: Proper Side of Neutral

Example of Rule #1

Building the Field from Daily Candle Charts

RULE #2: One Level Minimum Two Level Preferred Before Buying
RULE #2: One Level Minimum Two Level Preferred Before Selling
RULE #3: Window of Opportunity (Buy Entry)
RULE #3: Window of Opportunity (Sell Entry)
RULE #4: Relative Strength Index
Quiz #4

Part 5: Putting It All Together

Daily Setup
Risk
RDS Defined
RDS Market Mood – “Momentum: Following the Trend”
RDS Market Mood – “Contrarian: Fighting the Trend”
Ideal Buy Entry/Exit with a Profit
Ideal Buy Counter-Trend Entry/Exit with a Profit
Ideal Sell Entry/Exit with a Profit
Ideal Sell Counter-Trend Entry/Exit with a Profit
Buy Entry/Exit Taking a Loss
Sell Entry/Exit Taking a Loss
Pre-Session Prep
During the Session – Technical Rule Review
Managing Your Profits Through Typical Price Action
Managing Your Losses Through Typical Price Action
Reading Price Action with a Short Bias (Favoring a Sell Entry First)
Making an Adjustment
Quiz #5

Part 6: Performance Evaluation

Daily Setup

Risk

Two Investor Personalities

Your Trading Statement Never Lies

Build Your Map to Success: Goals Worksheet

Appendices

Appendix A – About Us

Appendix B – Reading Resources

Appendix C – Education Programs

Preface

Over the last 20 years we have actively participated in the Forex and Commodity Futures markets and educated thousands along the way. This E-Book is our “doctoral dissertation” that we completed from the “School of Hard Knocks”.

There are many who find day trading Forex and/or Commodity Futures an invigorating and challenging endeavor to pursue. Many enter this arena, find it extremely difficult and often times fail. With today’s global economy and razor-like technology speed there is an overwhelming need for you to take charge of your own investments. So how do you go about doing this yourself successfully?

The RDS Trader E-Book was created with practical tips and time-tested ideas for achievers like you to help you take a comprehensive look into the markets and successfully navigate your way around the financial globe. For instructional purposes we often refer to Forex as the markets of choice and FX Solutions as the FCM of choice. We feel these are the best tools to start with for many reasons including start up costs, ease, functionality and regulation protection. At the beginning of each chapter we also share with you a quote and our recipe for health. Mental, physical and emotional health is extremely important when it comes to trading. Trading is a lifestyle, one you will love if you respect yourself and the markets. Truly.

You will learn the meaning of our motto:

Trade Strong!! Trade Smart!! And Always Have Enough in Your Account to Trade Tomorrow!!

Investors beware: this endeavor is for high achievers and not for the faint of heart!!

How to Maximize the Teachings in This Book

The best way to use this book and maximize your learning is to start at the beginning and read on. Make sure to take the quizzes at the end of each chapter.

As you grow into a mature trader you will begin to see things that you didn't see before and your questions and curiosity will develop as you continue to strive for more. Trading teaches you more about yourself than you may ever care to know and you will grow as a person throughout this endeavor, guaranteed.

When clients come to us and ask when they should start trading, we tell them to use the demo account to practice the action of placing orders until they can do it with ease. Since Forex is relatively inexpensive to get involved, you can start trading the micro account fairly quickly. We do recommend you finish reading this book and come into our live rooms to get more support especially in the beginning.

We promise you will be more knowledgeable about the markets and the possibility to make millions will be available to you. The best trade we ever made and one we will work endlessly to hang onto is the opportunity to work for ourselves and for you.

To Your Prosperity!

Three Questions to Ask Yourself Before Getting Started

1. Do you have the will to win?
2. Can you pick yourself back up, when you get knocked down?
3. Do you truly learn from your mistakes?

If you answered “Yes” without hesitation to these 3 questions, read on...



Tangible Things You Need to Get Started

1. An office (work or home) environment that allows you to focus clearly and concentrate intently on your trades.
2. PC or Lap-top Computer (Mac's generally need Windows to run the trading software). Ideally you should have 2 separate screens or 1 large screen to run the software.
3. Execution platform (software allows you to physically enter buys and sells)
4. Real-time charts
5. Live market news feed
6. High-Speed Internet Connection (Cable, DSL, T1 line etc.)
7. Futures Commission Merchant (FCM) A secure place to hold your trading funds to maintain the integrity of the marketplace and give you the right to enter buys and sells. The FCM should be regulated by the National Futures Association (NFA) or the Financial Services Authority (FSA).
8. Introducing Broker (IB) A firm that will help you with your questions and needs along your career path.
9. Advice from a professional with the knowledge and experience to assist you on your path. www.rdstrader.com