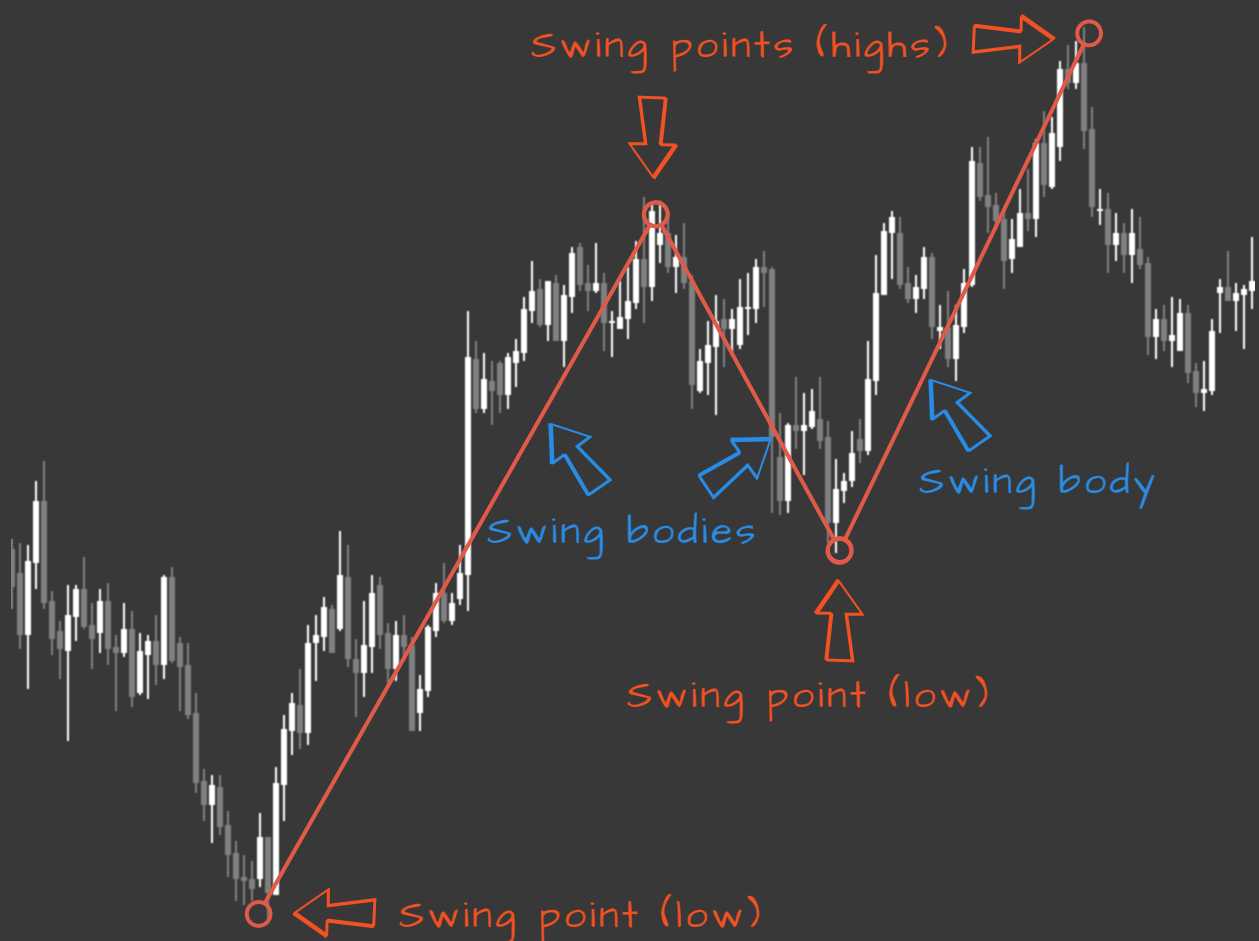


THE ULTIMATE FOREX SWING TRADING CHEAT SHEET

Forex swing trading is a style of trading whereby the trader attempts to profit from the swings in the market. These swings usually last anywhere from a few days to a few week — one or two months, max.

THE BASICS

The two main parts of each swing are called the **body** and the **swing point**. The latter is also called the turning point. This is where the market changes direction. The body, on the other hand, is where the market trends up or down for the duration of the swing.



The goal of every swing trader is to profit from the momentum generated by the swing body.

STEP #1

MOVE TO THE DAILY TIME FRAME

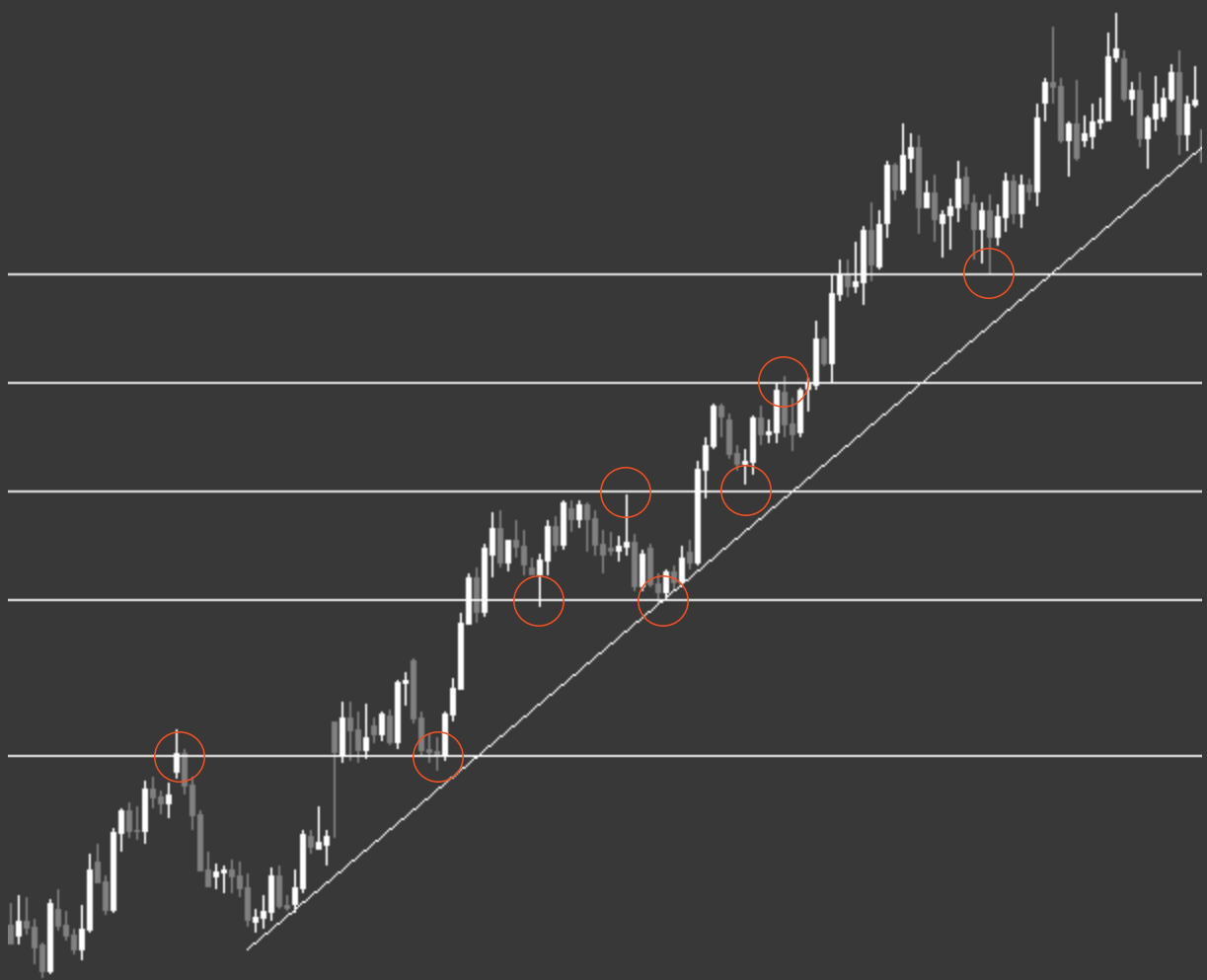
The daily time frame produces some of the most reliable signals. It makes sense then to use the daily when swing trading the Forex market. Be sure to use a **New York close chart**. Each 24-hour session should close at 5 pm EST. If yours don't, you aren't using a New York close chart.

Not all Forex brokers offer New York close charts, so be sure to ask before you go through the trouble of opening an account.

STEP #2

DRAW KEY SUPPORT & RESISTANCE LEVELS

Using the highs and lows in the market (remember, you should be on the daily time frame), draw the key support and resistance levels. By "key", I'm referring to the most important levels — **the ones that really stand out!**



Although this price action is in the past, because we're using the daily time frame, the levels above will influence the market for months and even years to come.

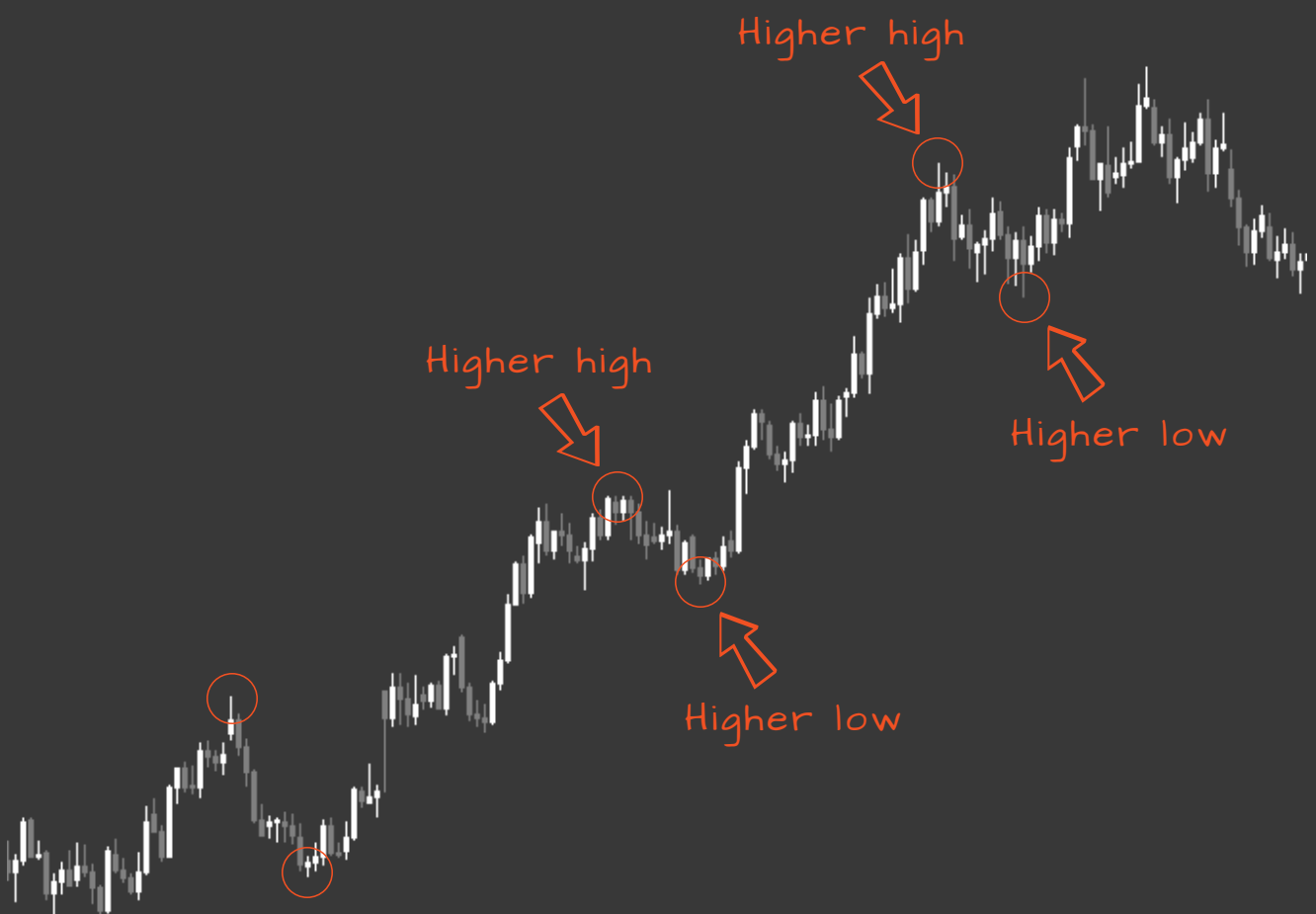
Be sure to use horizontal levels and trend lines, but keep it simple! There should be at least 100 pips between horizontal levels. If not, you're probably overdoing it.

STEP #3

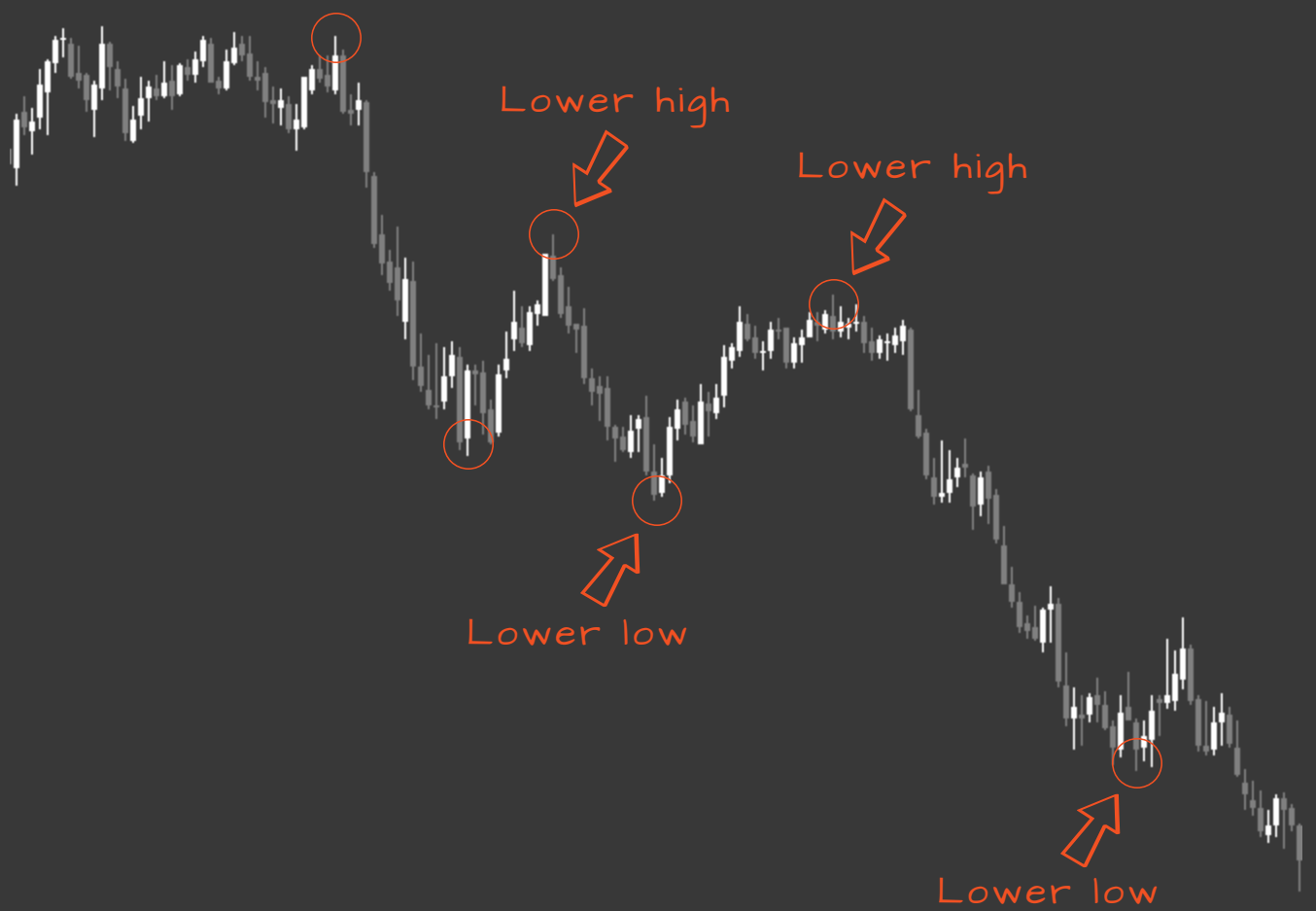
EVALUATE MOMENTUM

Momentum in the Forex market comes down to two things... **Swing highs and swing lows!** That's it. If a market is carving higher highs and higher lows, it's in an uptrend (look for buy signals). Alternatively, if it's carving lower highs and lower lows, it's in a downtrend (look for sell signals).

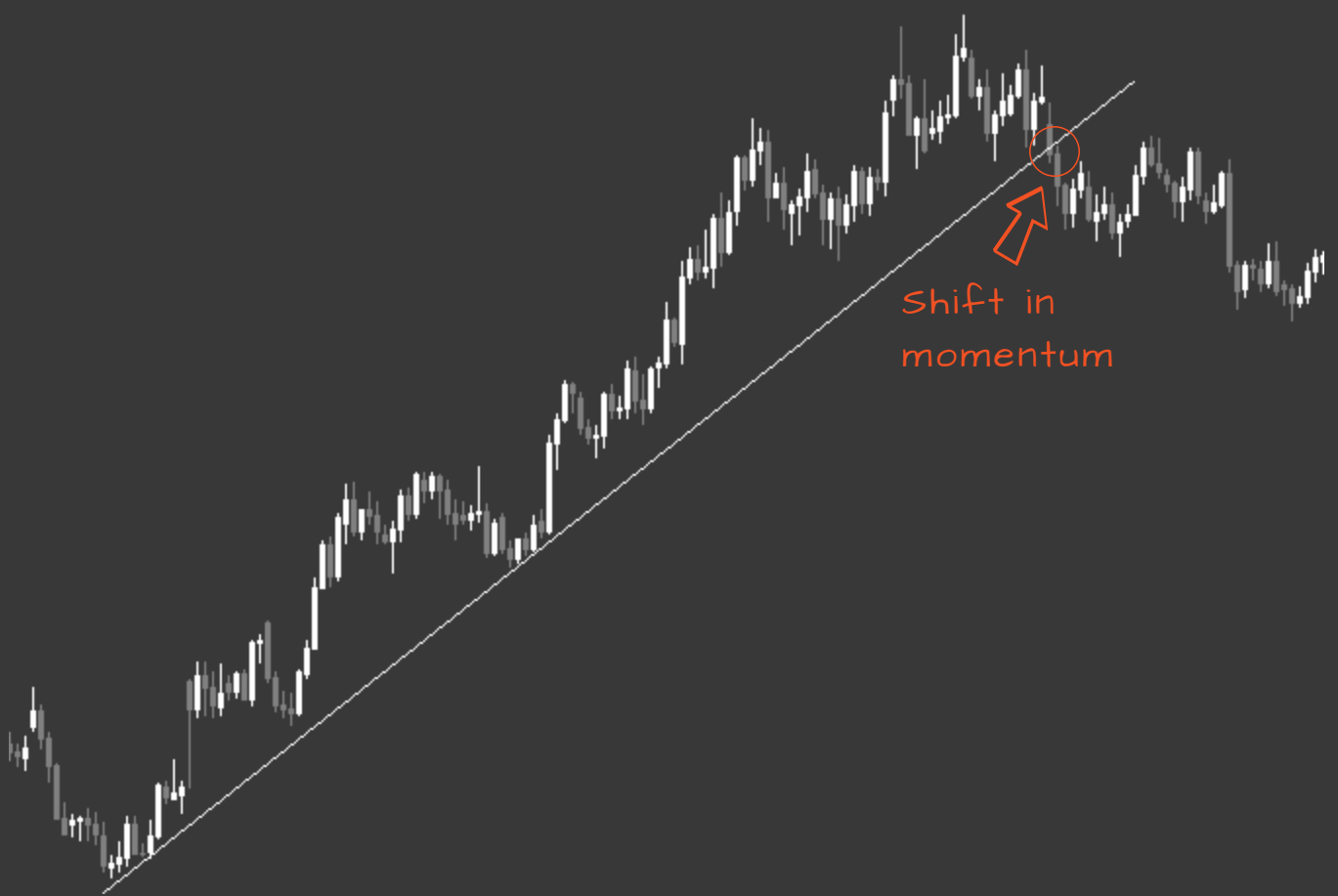
Higher highs and higher lows indicate an uptrend...watch for buying opportunities.



Lower highs and lower lows indicate a downtrend...watch for selling opportunities.



Pro Tip: Use trend lines to spot slowing momentum and even turning points.



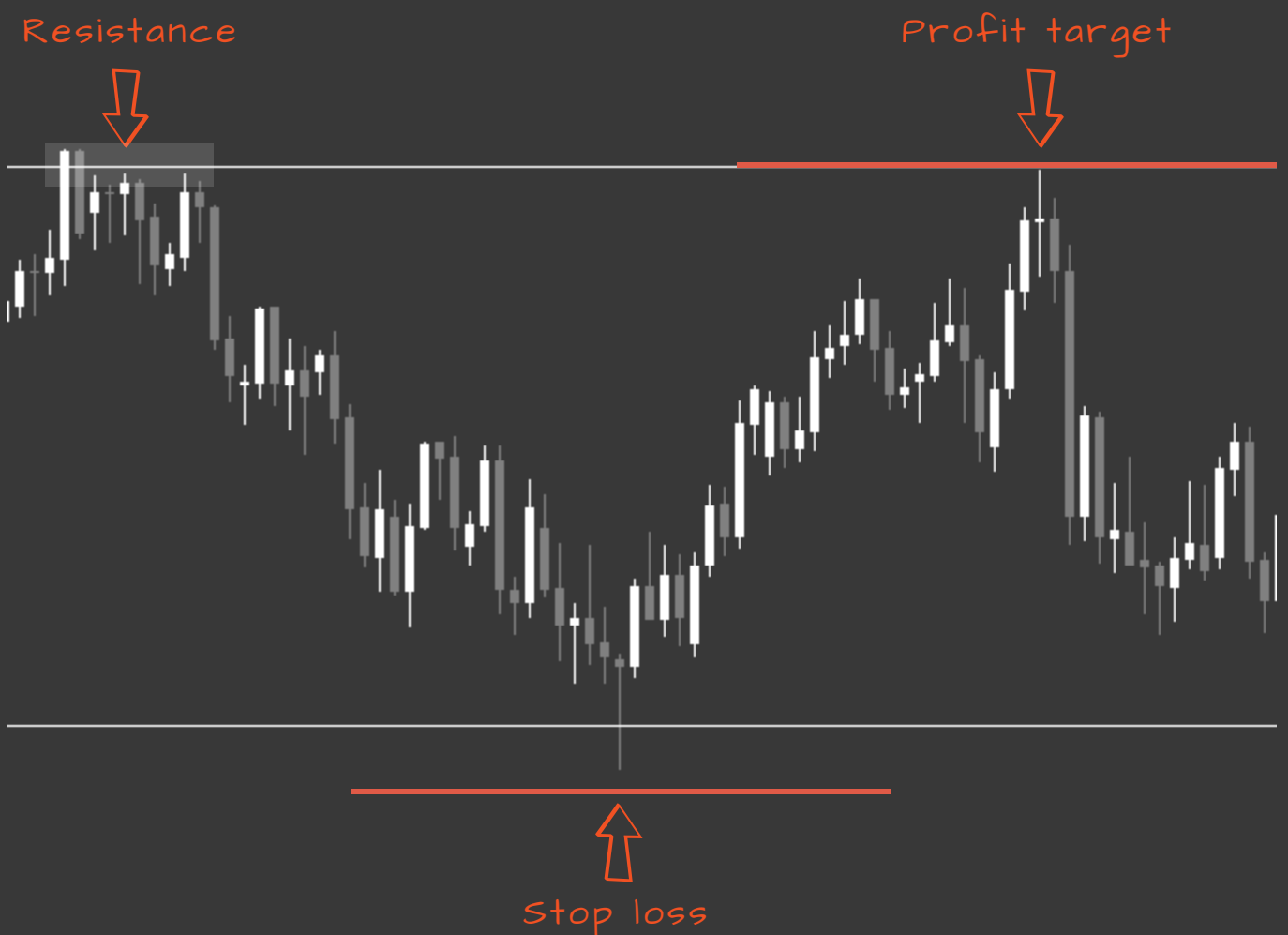
As a general rule, a market spends more time consolidating than trending, so be sure to stay patient and wait for a trend to develop before considering an entry.

STEP #5

DETERMINE ENTRY & EXIT POINTS

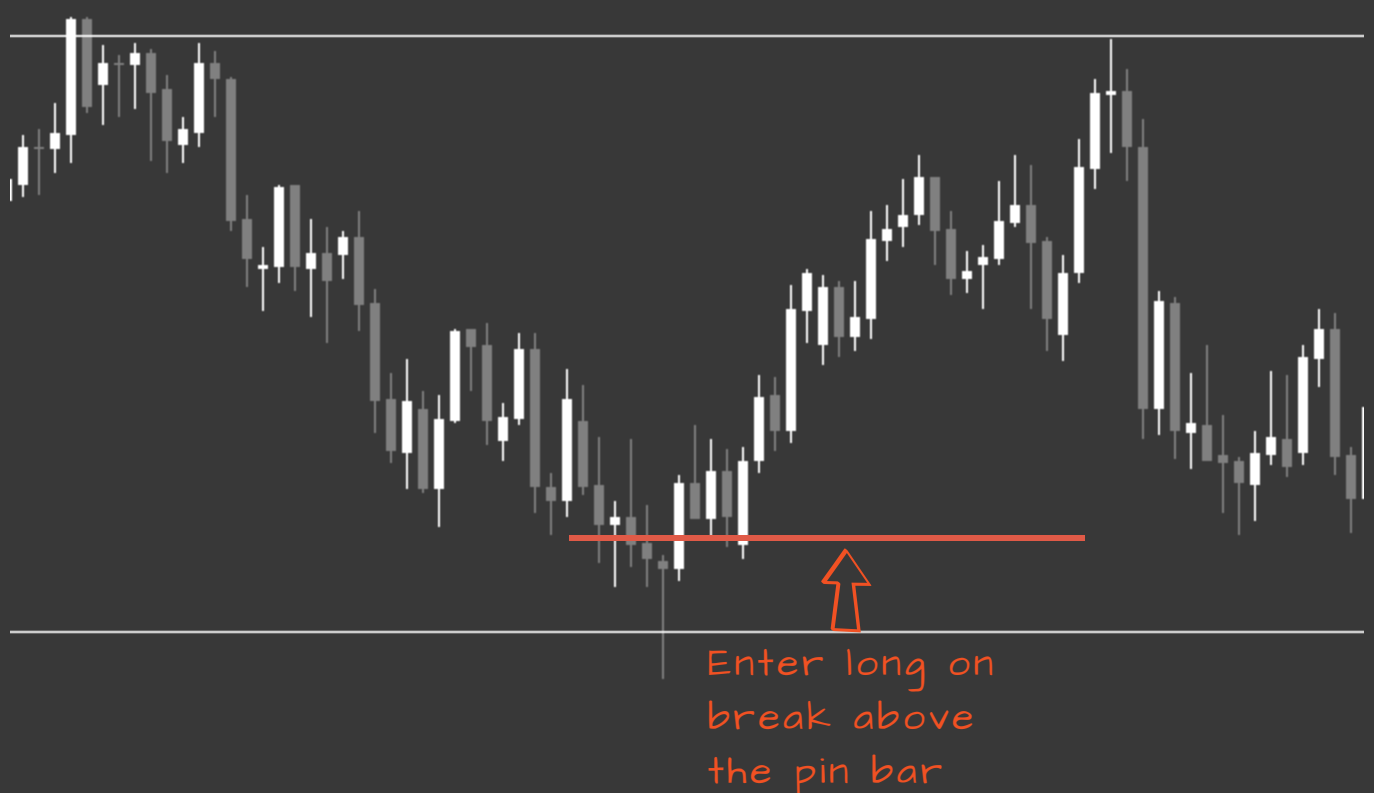
Remember those key support and resistance levels you drew in step two? It's time to put those to use again. Although a lot of traders get tripped up when identifying exit points, it's really quite simple. Your target should be the **next key support/resistance level** while your stop loss should be placed **above/below the candlestick pattern you're trading**.

DETERMINE EXIT POINTS:



Keep it simple and always aim for a target that's at least twice your risk. So, if your stop loss is 100 pips from your entry, your target should be at least 200 pips in the opposite direction.

DETERMINE ENTRY:



A more advanced entry method is to buy or sell at 50% of the pin bar's range. However, while it does offer a more favorable risk to reward ratio, it may cause you to miss out on setups like the one above.

STEP #6

CALCULATE & MANAGE RISK

You're almost ready to place your first swing trade! But before you do, be sure to calculate the position size so that you can manage the risk. **Never, ever, ever enter the market before doing this step.**

Here's how to use the calculator on my website...

The image shows a screenshot of a Forex Position Size Calculator interface. On the left side, there are five input fields: 'Account Currency' (a dropdown menu showing 'USD'), 'Account Balance' (a text input field), 'Risk Percentage' (a text input field with the instruction '3) Enter risk (usually 1 - 3)'), 'Stop Loss in Pips' (a text input field), and 'Currency Pair' (a dropdown menu showing 'EUR / USD'). To the right of these fields are five numbered instructions in red text, each with a red arrow pointing to the corresponding field: '1) Select the currency you use' points to 'Account Currency', '2) Enter your account balance' points to 'Account Balance', '3) Enter risk (usually 1 - 3)' points to 'Risk Percentage', '4) Distance from entry to stop loss' points to 'Stop Loss in Pips', and '5) Select currency pair you're trading' points to 'Currency Pair'. Below the input fields is a red 'Calculate' button and a red 'Clear' button. On the right side of the calculator, there are five output fields: 'Amount at Risk', 'Position Size', 'Standard Lots', 'Mini Lots', and 'Micro Lots', all of which are currently empty.

Once you've completed each field on the left, click "calculate" to receive the appropriate position size.

You can access the calculator here...

[Forex Position Size Calculator](#)

The amount you risk per trade depends on your risk tolerance. However, a range between 1% and 3% of your account balance is an excellent place to start (I prefer to keep risk around 1%).

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Wash, rinse, and repeat! The key to profiting from swing trading is discipline. Stay patient, never chase, and only pursue the "A+" setups. If you follow the advice above, you'll be profiting from your first swing trade in no time!

Want More?

If you enjoyed this cheat sheet, you'll LOVE The Ultimate Forex Swing Trading Course. It's the ideal next step once you're ready to take your swing trading skills to the next level.

Stay close to your inbox. ;)