

# Forex General 10

An Integrated Trading Environment (ITE)

Revision 1.1  
March 15, 2010

Prepared by:  
PHK Corporation  
[www.phkcorp.com](http://www.phkcorp.com)

## Table of Contents

|   |    |
|---|----|
| Disclaimer.....                                     | 4  |
| How to use this Manual.....                         | 5  |
| What is Forex General ?.....                        | 5  |
| Why is Forex General FREE?.....                     | 5  |
| Preparing for Installation.....                     | 5  |
| Obtaining Forex General.....                        | 6  |
| Installing Metatrader.....                          | 6  |
| Installing RGMorris Ultimate Metatrader Add-on..... | 7  |
| Installing the MySQL .Net Connector 5.2.....        | 12 |
| Installing Forex General Connect .....              | 15 |
| Installing Forex General.....                       | 19 |
| Configuring Metatrader.....                         | 21 |
| ForexGeneral.ex4 .....                              | 25 |
| Configuring Forex Tester 2.....                     | 27 |
| Forex General Applications (or subordinates).....   | 31 |
| Properties Dialog.....                              | 34 |
| Forex Raptor Freeware.....                          | 41 |
| Triangular Arbitrage Calculator.....                | 44 |
| FX News Hunter.....                                 | 47 |
| How to Update the News Databases.....               | 48 |
| 4-Rex.....  | 49 |
| Mobile Trading.....                                 | 51 |
| Backtesting with Forex Tester 2.....                | 52 |
| Forex General Developer's Program.....              | 52 |
| Introduction.....                                   | 52 |
| Tier Levels.....                                    | 52 |
| How to buy.....                                     | 52 |
| Getting Support.....                                | 52 |
| Getting Further Assistance.....                     | 53 |
| Appendix A – Economic Indicators.....               | 54 |
| Gross Domestic Product (GDP).....                   | 54 |
| Consumer Price Index (CPI).....                     | 54 |
| The Producer Price Index (PPI).....                 | 55 |
| Employment Indicators.....                          | 55 |
| Retail Sales Index.....                             | 55 |
| NAPM.....   | 55 |
| Consumer Confidence Index.....                      | 56 |
| Beige Book.....                                     | 56 |
| Durable Goods Orders.....                           | 56 |
| Employment Cost Index (ECI).....                    | 56 |
| The Productivity Report.....                        | 56 |
| Unemployment Rate.....                              | 57 |
| Non-farm Payrolls.....                              | 57 |
| Factory Orders.....                                 | 57 |
| Current Account (Balance of Payments).....          | 57 |
| Initial Claims (Jobless Claims).....                | 58 |

|  |    |
|--|----|
| Tank a Survey.....   | 58 |
| ZEW Survey.....  | 58 |
| Personal Consumption / Expenditures (Personal Spending)..... | 58 |
| Personal Income.....   | 59 |
| Capacity Utilization.....                                    | 59 |
| University of Michigan Consumer Confidence Index.....        | 59 |
| Philadelphia Fed Index.....                                  | 59 |
| Chicago PMI Index.....                                       | 59 |
| Appendix B – Triangular Arbitrage.....                       | 60 |
| Appendix C – Money Management.....                           | 61 |

## **Disclaimer**

U.S. Government Required Disclaimer - Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risks. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading software or methodology is not necessarily indicative of future results.

CFTC RULE 4.41 - HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. Hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading.

All information on this website or any e-book purchased from this website is for educational purposes only and is not intended to provide financial advise. Any statements about profits or income, expressed or implied, does not represent a guarantee. Your actual trading may result in losses as no trading software is guaranteed. You accept full responsibilities for your actions, trades, profit or loss, and agree to hold Forex Raptor and any authorized distributors of this information harmless in any and all ways. The use of this software constitutes acceptance of our user agreement.

## How to use this Manual

Use this manual as a guide to install and configure the Forex General Integrated Trading Environment for both Demo and Live trading.

## What is Forex General ?

Forex General is an integrated trading environment, where you have the resources in one application to make an informed decision when to enter and exit a trade. Forex General contains four trading applications each with a different strategy to predict trade setups.

Forex General is a collection of tools and application that help facilitate your forex trading, though no one system can achieve an 100% success rate.

The Forex General has bundled the following Forex trading applications into this one, robust forex trading environment:

- (1) Forex Raptor Freeware (*the free and working version of Forex Raptor*)
- (2) Triangular Arbitrage Calculator
- (3) FX News Hunter
- (4) 4-Rex

Each bundled application is described in detail throughout this document.

## Why is Forex General FREE?

There are enough scams that cost the industry billions of dollars. The developer's of Forex General wanted to offer a proven, user controllable trading application that is free and that the developer's can use themselves. Forex General also needed to raise the bar in forex trading applications and strategies. Our money is made from using the application ourselves, selling source code to the Metatrader EX4 file, through our new developer's program and through affiliate's like Forex Tester 2. Forex General can be used successfully without including these value added products and services.

## Preparing for Installation

Before you begin the installation of Forex General, you need to have the following:

1. Forex General installation utility
2. A Metatrader FDM (demo and live) account and the associated Metatrader Client application
3. The Richard G Morris Ultimate Metatrader Client Addon
4. MySQL dotNet Connectivity, available on [www.forexgeneral.info](http://www.forexgeneral.info).
5. Forex Tester 2 forex strategy testing application. Help our development and use the links that we provide so we can get a commission on the sale.

Also, you should turn off anti-virus programs prior to the installation as some of these program claim that the MT4API.dll and FT2API.dll contain a virus. We have isolated why the anti-virus programs believe this as both MT4API.dll and FT2API.dll use a shared data segment memory which ensures data integrity shared between Forex General and Metatrader/Forex Tester 2 remains the stable. If not using this method, then wrong data would be sent and retrieved from the wrong API's. We verified this by turning off shared memory data segment and no virus detection occurred. We are actively looking for another alternative.

## **Obtaining Forex General**

You can download the Forex General Integrated Trading Environment for free from the Google groups at <http://groups.google.com/group/forex-integrated-trading-environment> or from [www.my-buy-it-now.com](http://www.my-buy-it-now.com)

## **Installing Metatrader**

You first need to download the Metatrader 4 client. You will obtain this client from the forex broker you intend on trading. To validate brokers, you should download and install the Metatrader client for multiple brokers. If you do not want to install multiple Metatrader 4 Client applications, you can download one broker's metatrader 4 client, and then download and install the RGMorris Ultimate Metatrader 4 Client Addon, which gives access to 13 additional forex brokers without having to install metatrader 13 times. Also this Ultimate Client Addon, provides a large collection of Expert Advisors, Scripts and Indicators not initially distributed with the metatrader 4 client. There is also a new docs/ directory providing a comprehensive list of relevant documents geared towards forex trading.

If you need help in locating a Metatrader 4 Broker you can navigate your web browser to Earn Forex at [http://www.earnforex.com/mt4\\_forex\\_brokers.php](http://www.earnforex.com/mt4_forex_brokers.php)

After you have downloaded the Metatrader 4 client, just follow the instructions and prompts. You then will install the Ultimate Metatrader 4 Client Add-on describe in the next section of this document.

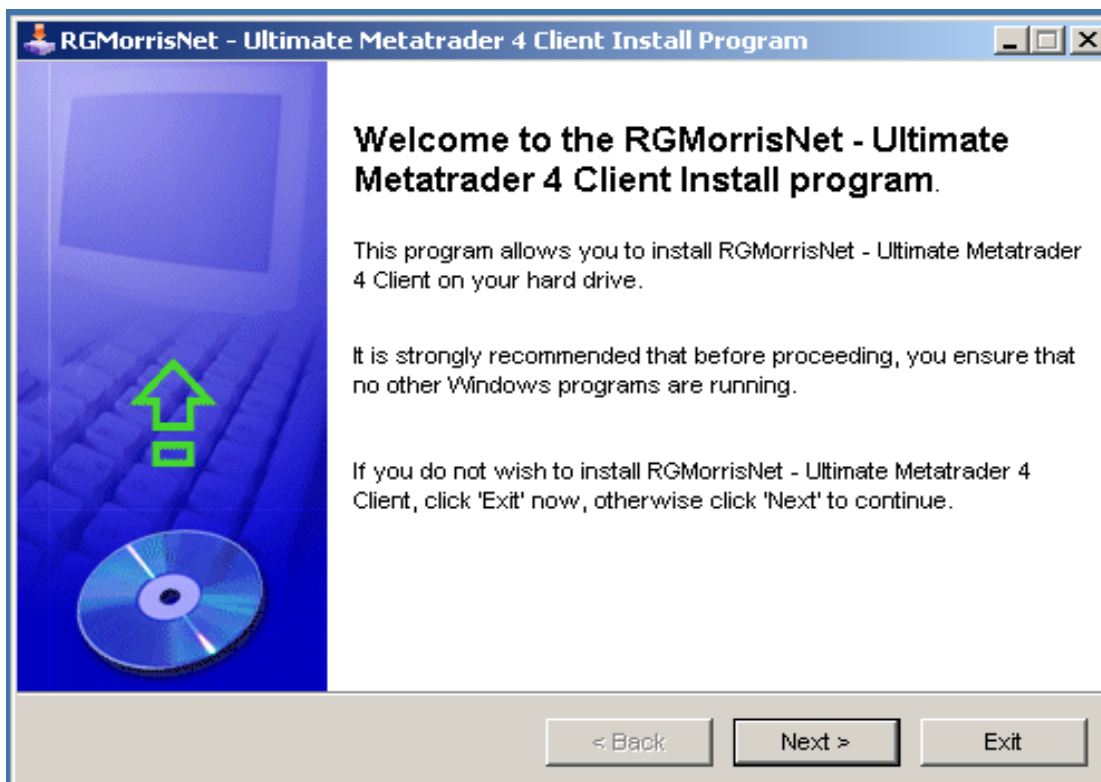
## Installing RGMorris Ultimate Metatrader Add-on

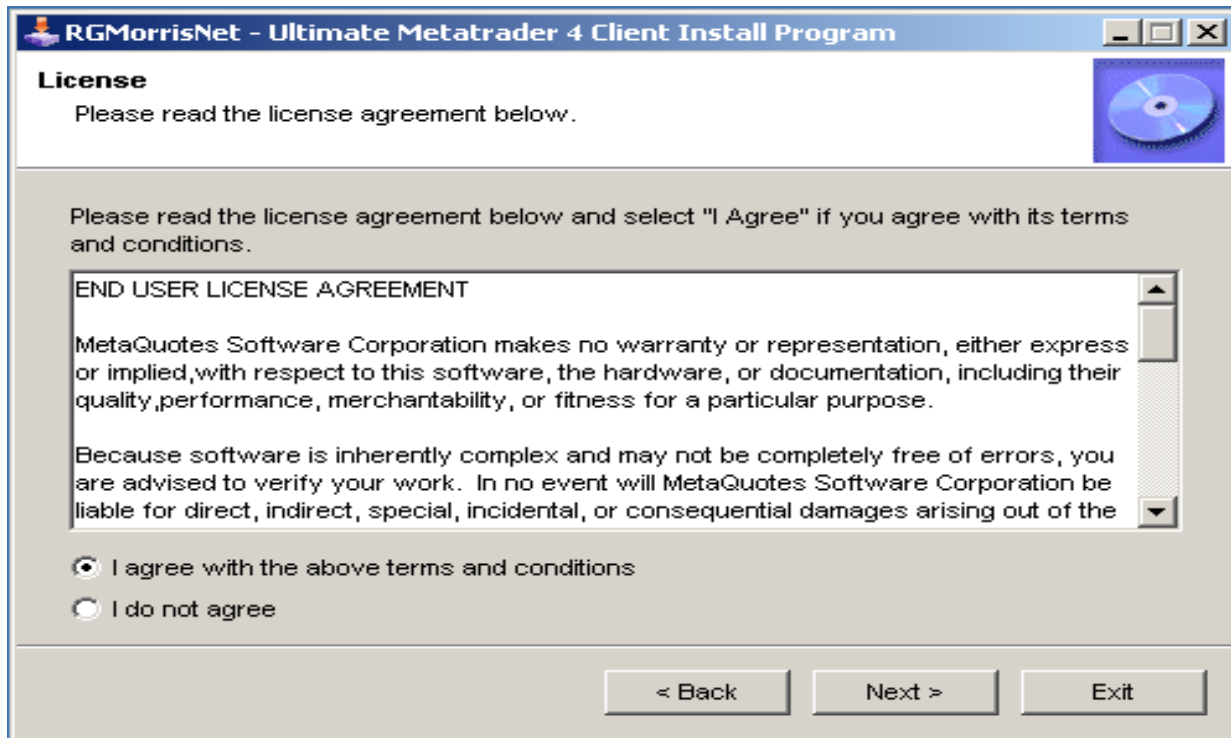
The Ultimate Metatrader 4 Client Add-on is additional components not included in the original distribution of the Metatrader 4 Client that includes the necessary third party components as well as a new DOCS/ directory of a hosts of documentation pertaining to Forex Trading.

The Ultimate Metatrader 4 Client Add-on can be obtained from <http://groups.google.com/group/rgmorrisnet-ultimate-mt4-client> for FREE!

### **YOU MUST INSTALL A METATRADER CLIENT BEFORE INSTALLING THE ULTIMATE METATRADER 4 CLIENT ADD-ON!**

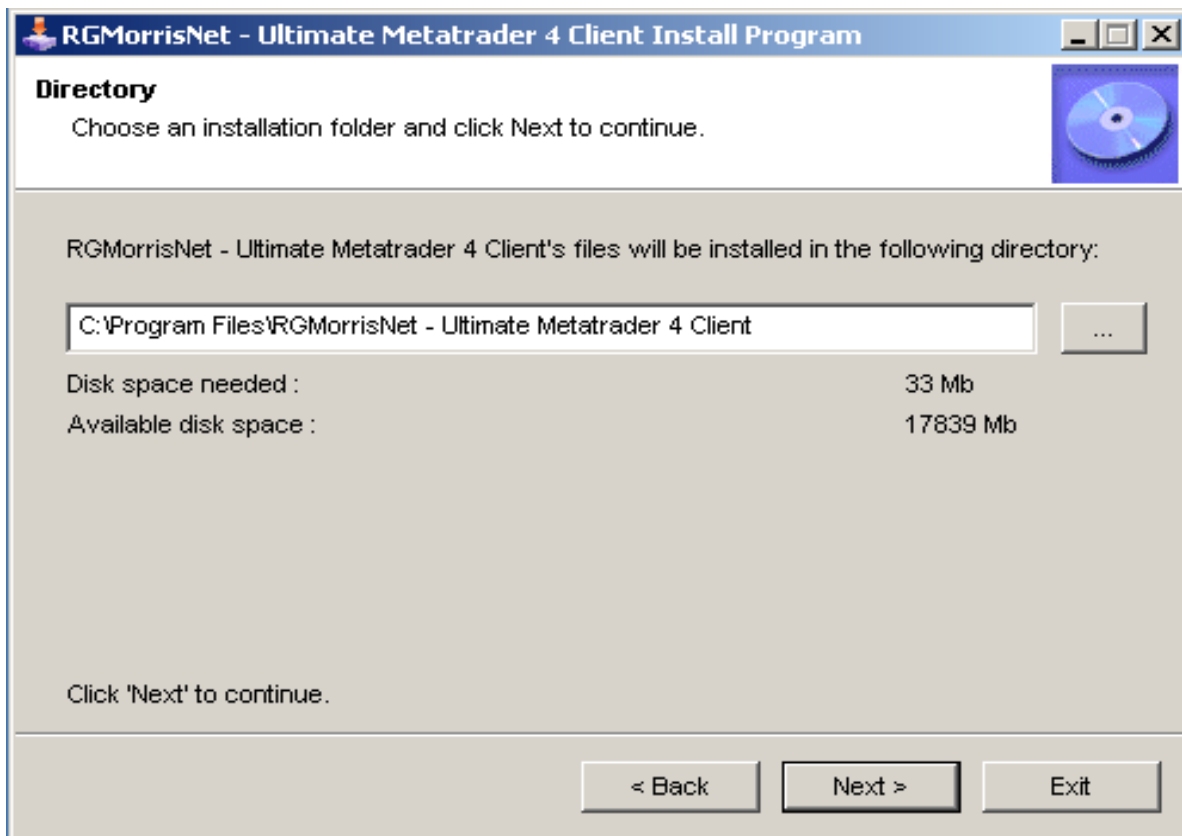
After downloading the Ultimate Metatrader 4 Client Add-On you will install as follows: Click Next to begin the installation or exit to stop.



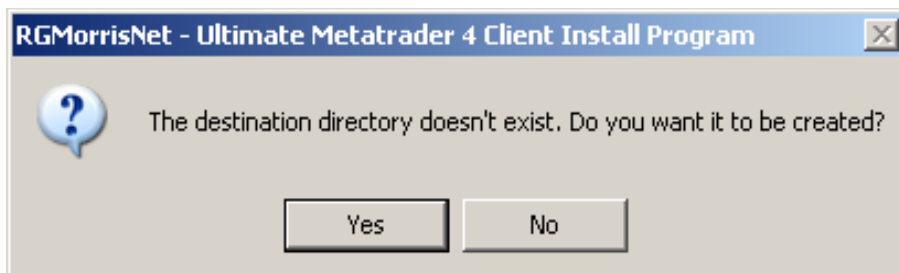


You must read and agree to the license before continuing...

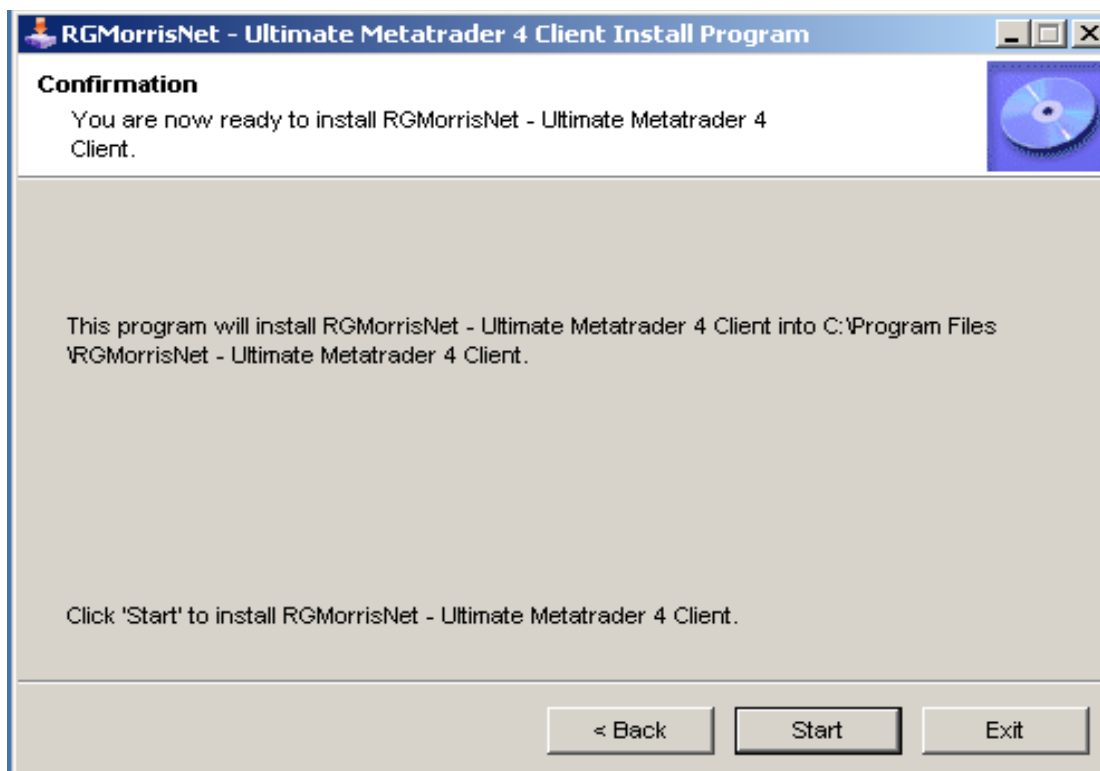
Now choose the directory of your Metatrader client, this is the default directory and should be used.

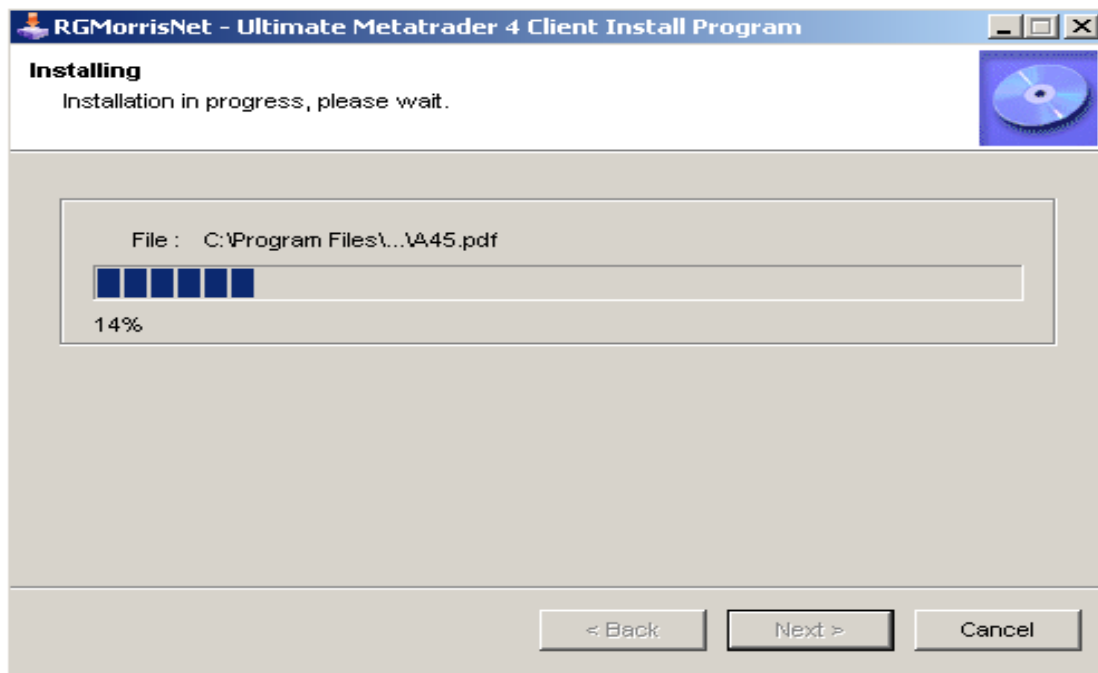


You may be asked to create the above directory if it does not exist.

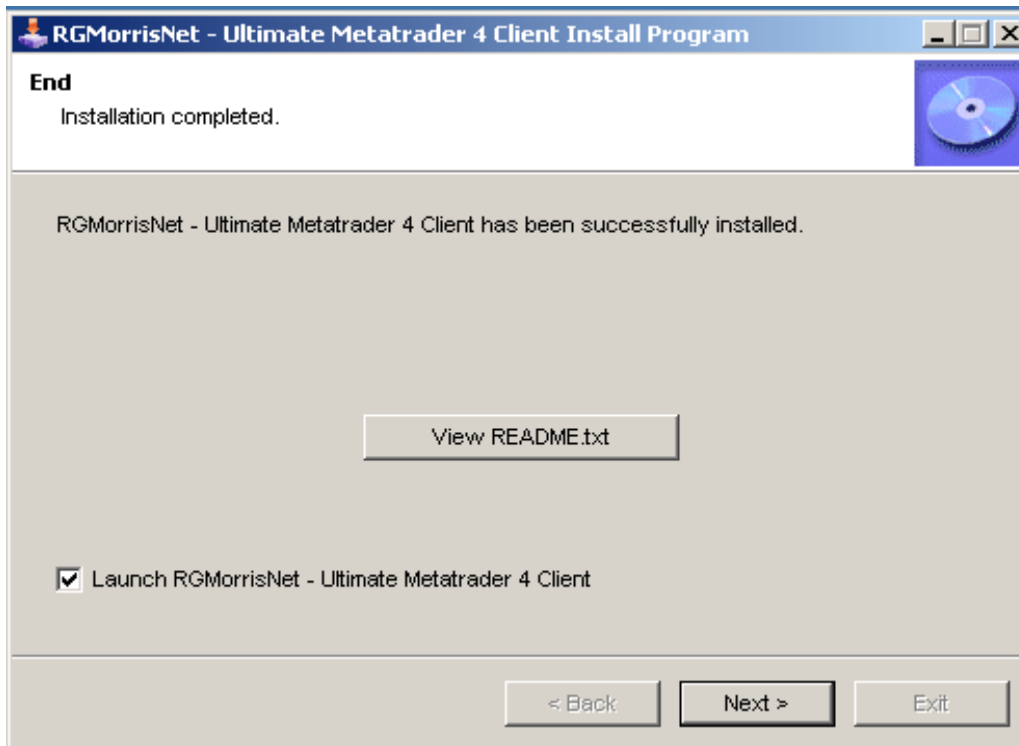


You are now ready to begin the installation by pressing the Start button

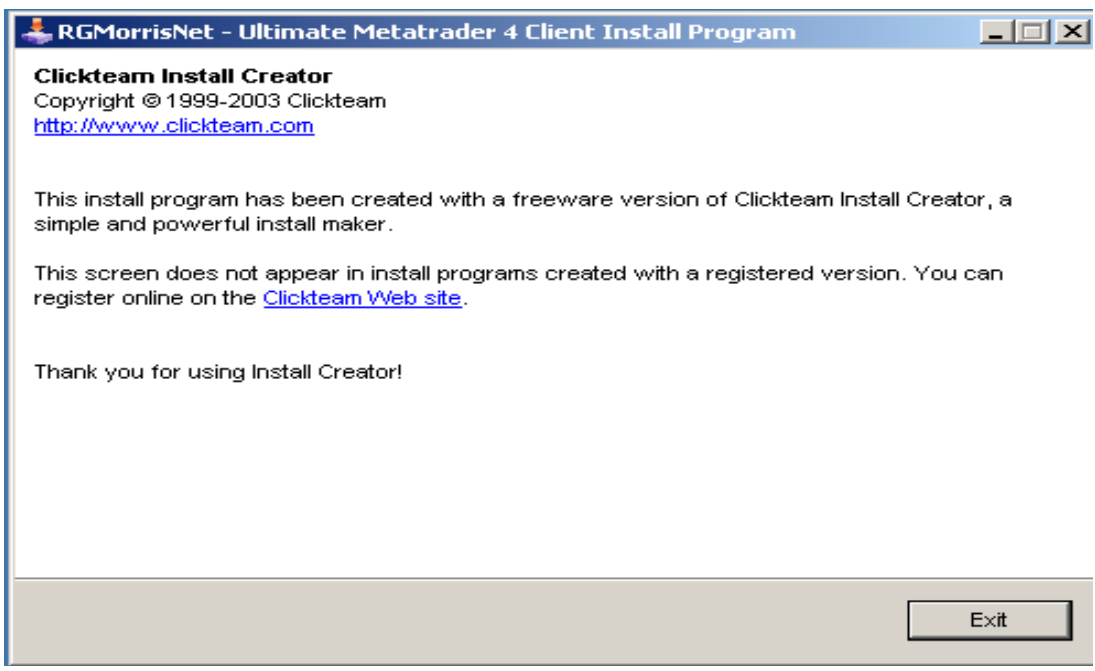




When complete, you will have the option to start the Ultimate Metatrader Client



Click the Exit button to end the installation and start the Ultimate Metatrader 4 client is chosen above.



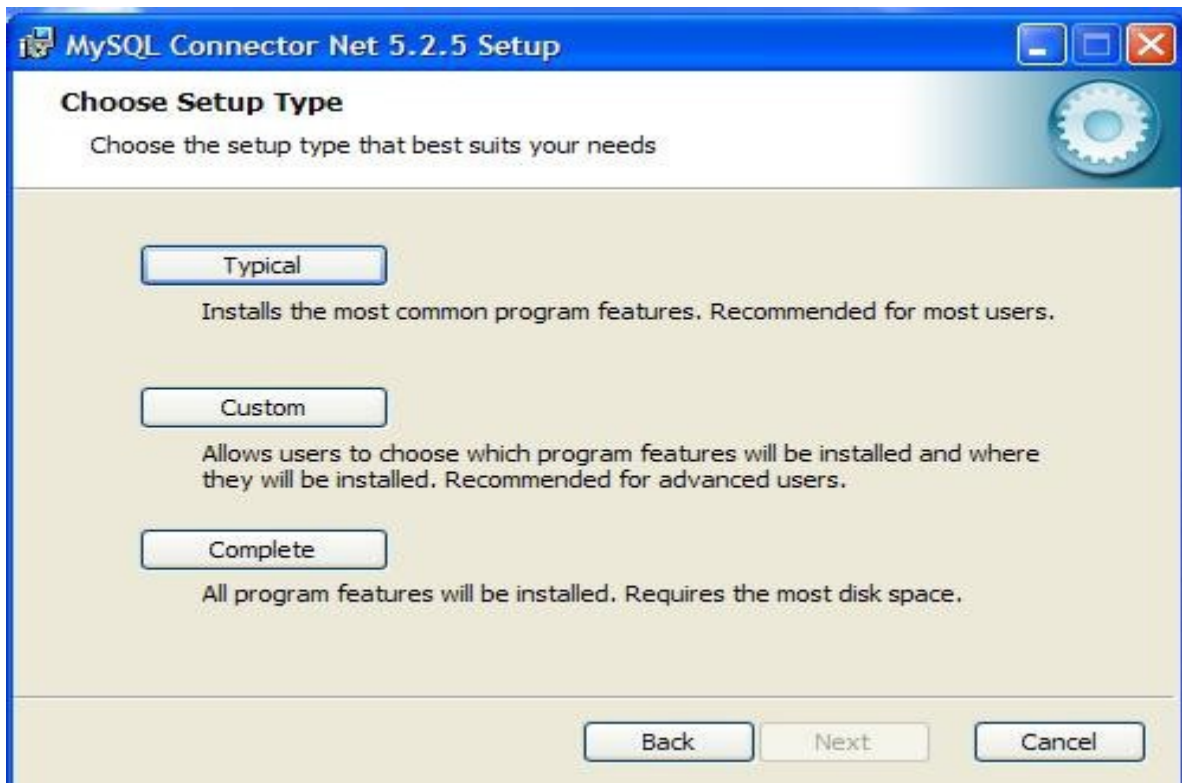
## Installing the MySQL .Net Connector 5.2

In order for the Forex Integrated Trading Environment applications to communicate properly with MySQL 5, you need to install the .Net connector which routes commands and data between MySQL and Forex ITE. You can download the latest version of the .Net 5.2 Connector from [www.mysql.com](http://www.mysql.com) or from the supported Google groups.

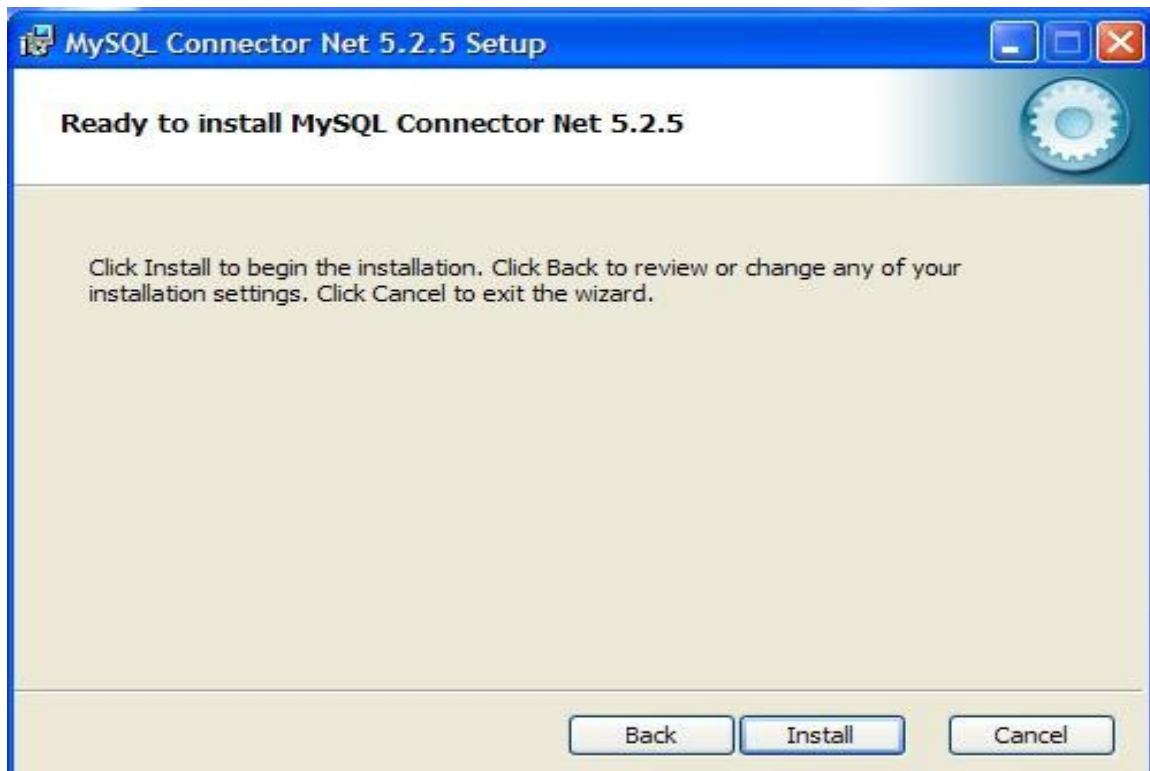
Following are the steps for properly installing the .Net 5.2 Connector. After you have downloaded and unzipped the installation file, you then double click the program icon to begin, and the following dialog appears,



Then click Next to continue,

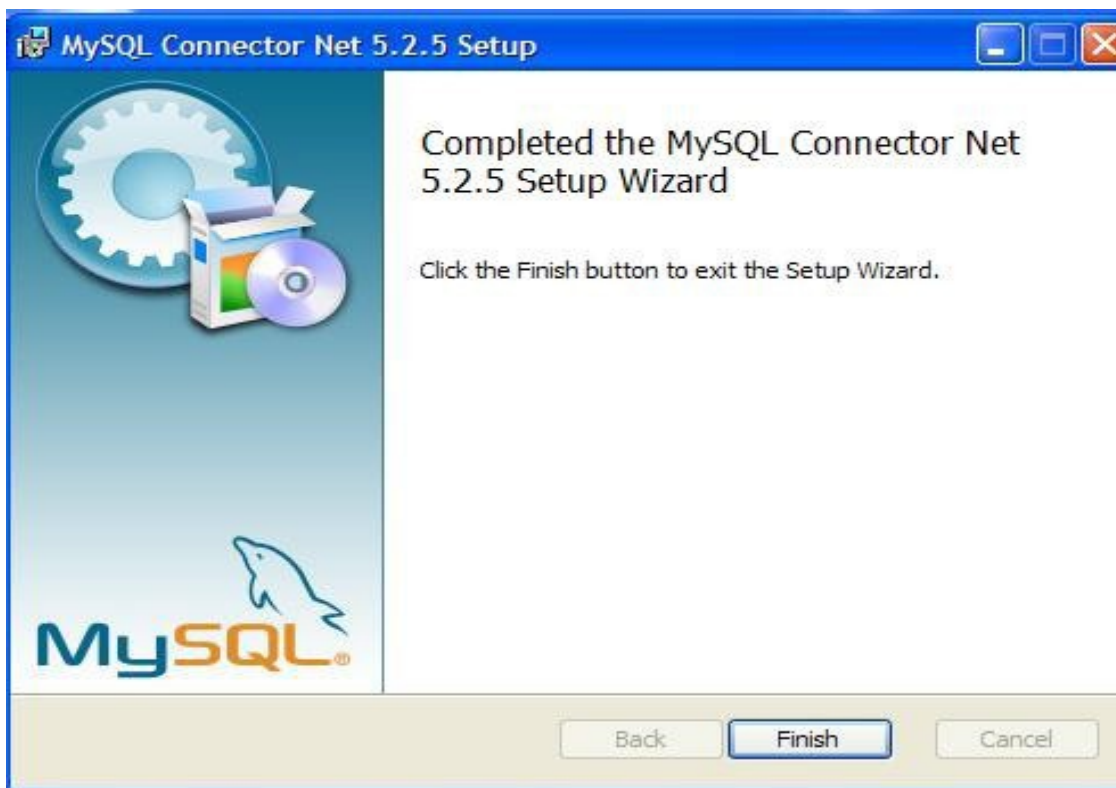


You will now want to press the Complete button to install all features



You then press the Install button to commence the installation process, and upon

completion you will be presented with the following dialog,



Your installation is now complete and no further action is needed on your part. When the update for the Forex Integrated Trading Environment is installed, the MySQL .Net connector will automatically be detected and connection to the MySQL database server will be established.

## Installing Forex General Connect

Begin by doubling the Forex General Connect icon,



Click next to continue,

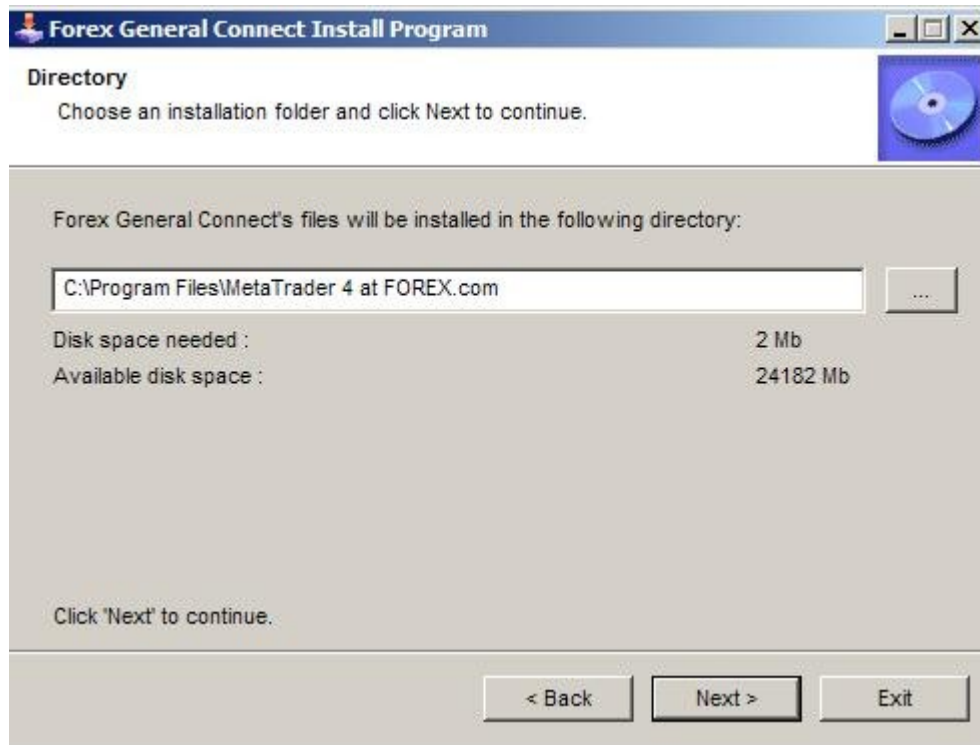


**Important! You must have Forex Tester 2.**

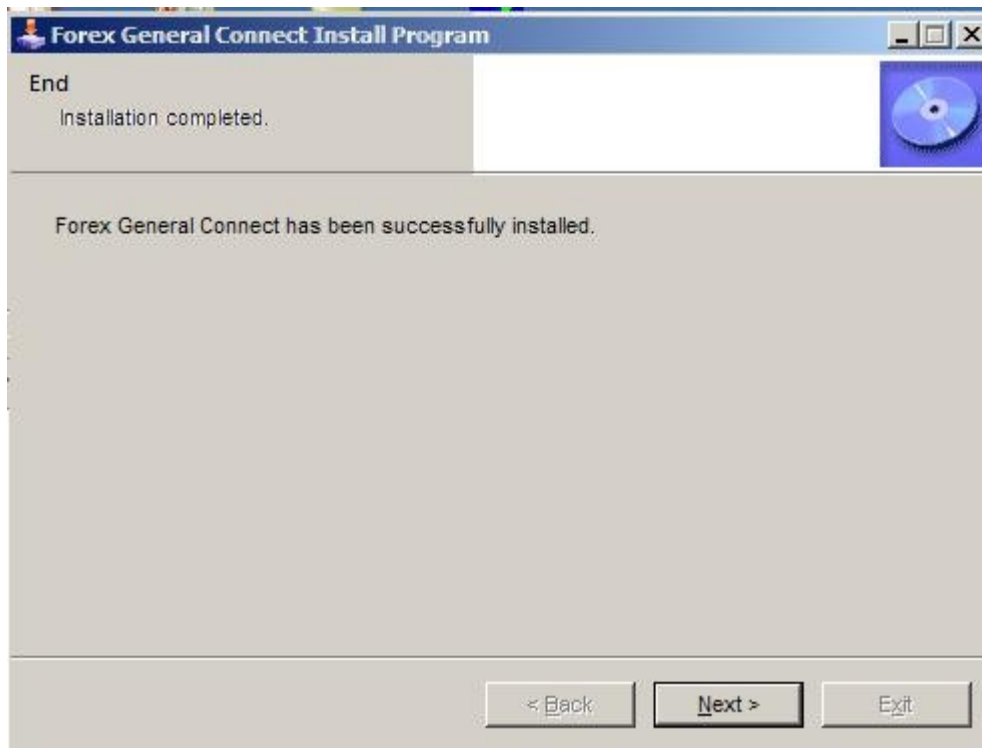




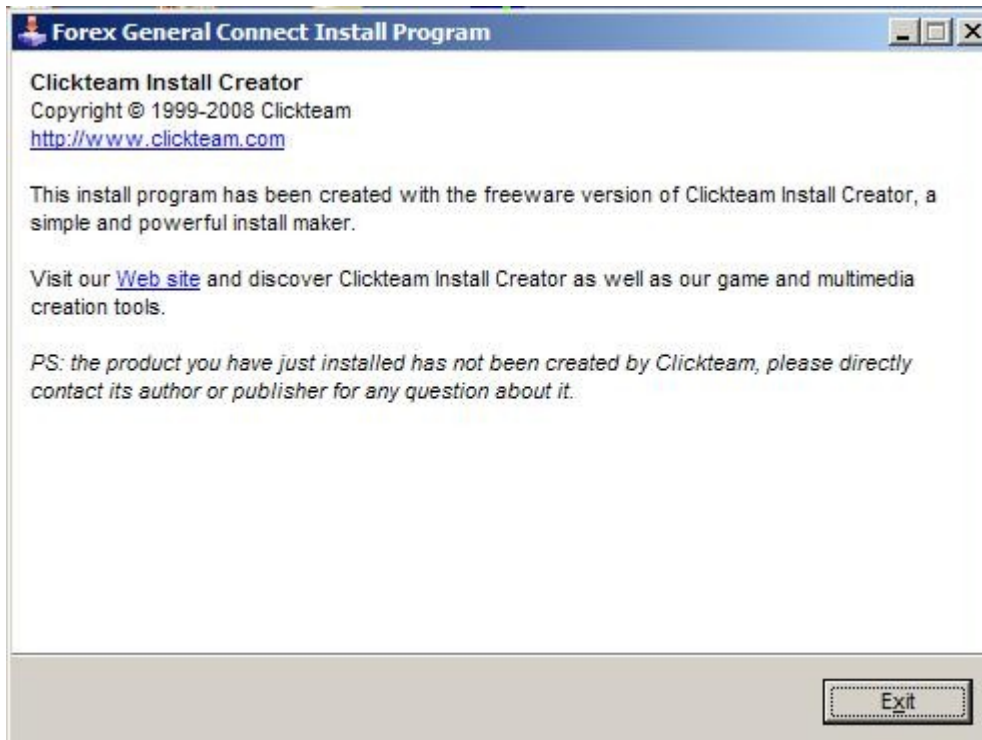
Metatrader 4 at FOREX.com, the Forex HYIP Club FDM account.



Press next to begin the installation of the Forex General Connect components,

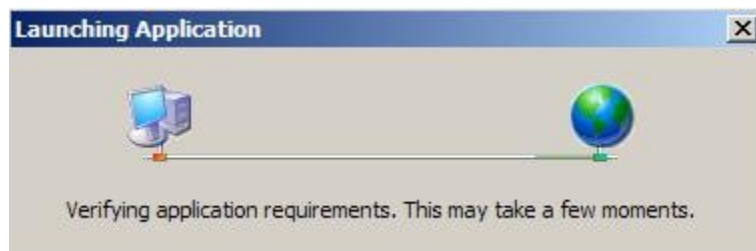


The Forex General Connect components are now installed.



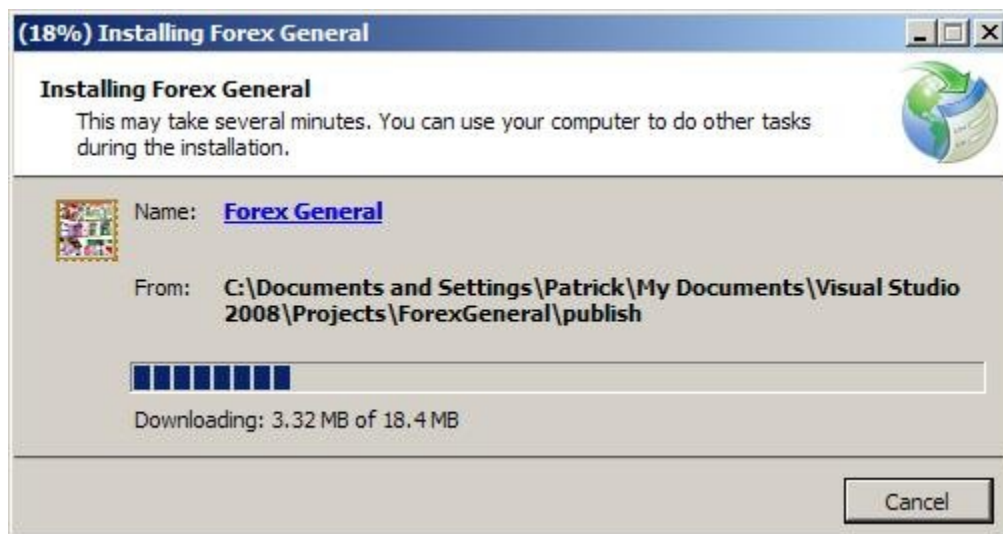
## Installing Forex General

Download the Forex General application from [www.forexgeneral.info](http://www.forexgeneral.info) and extract to a common location, like your desktop. Then double click on setup.exe. The installation will begin and the program will start upon successful completion. If all previous dependencies have been met, you should then be able to trade demo, live or back test using Forex Tester 2.



Press **Install** to begin installation,



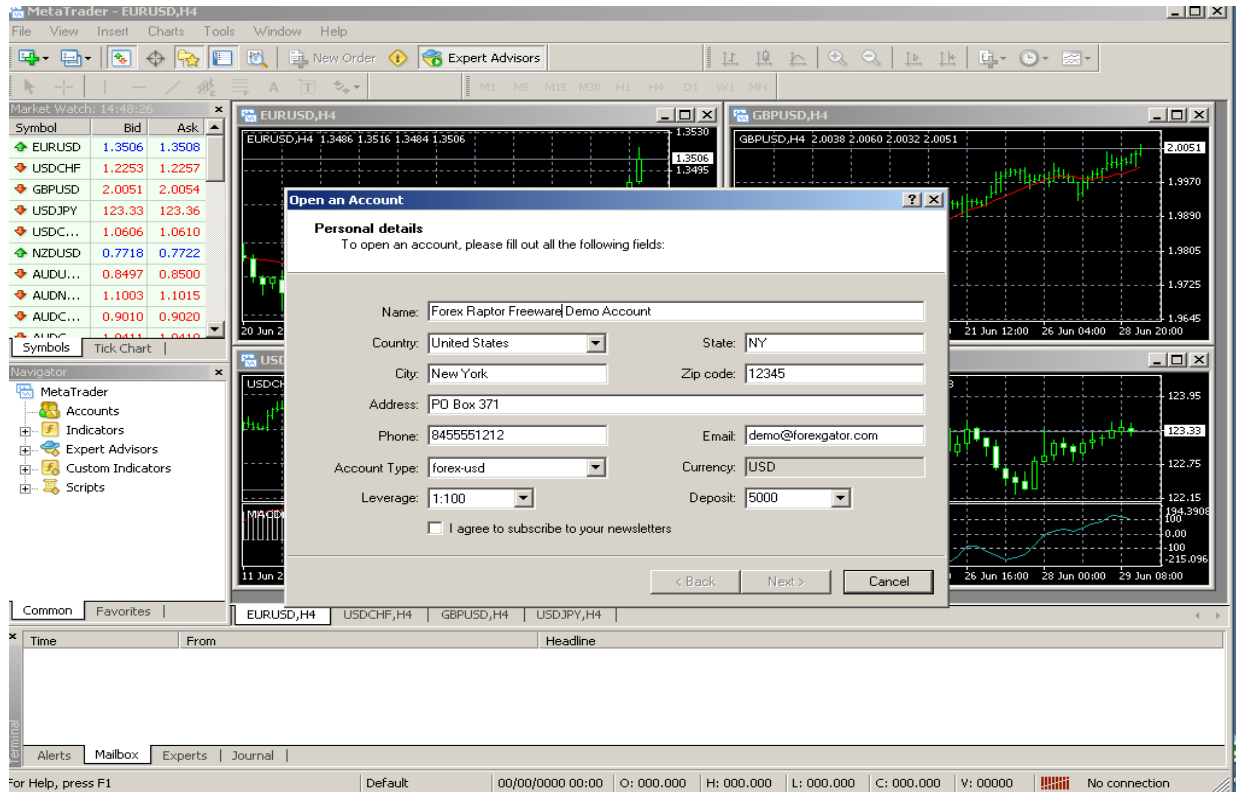


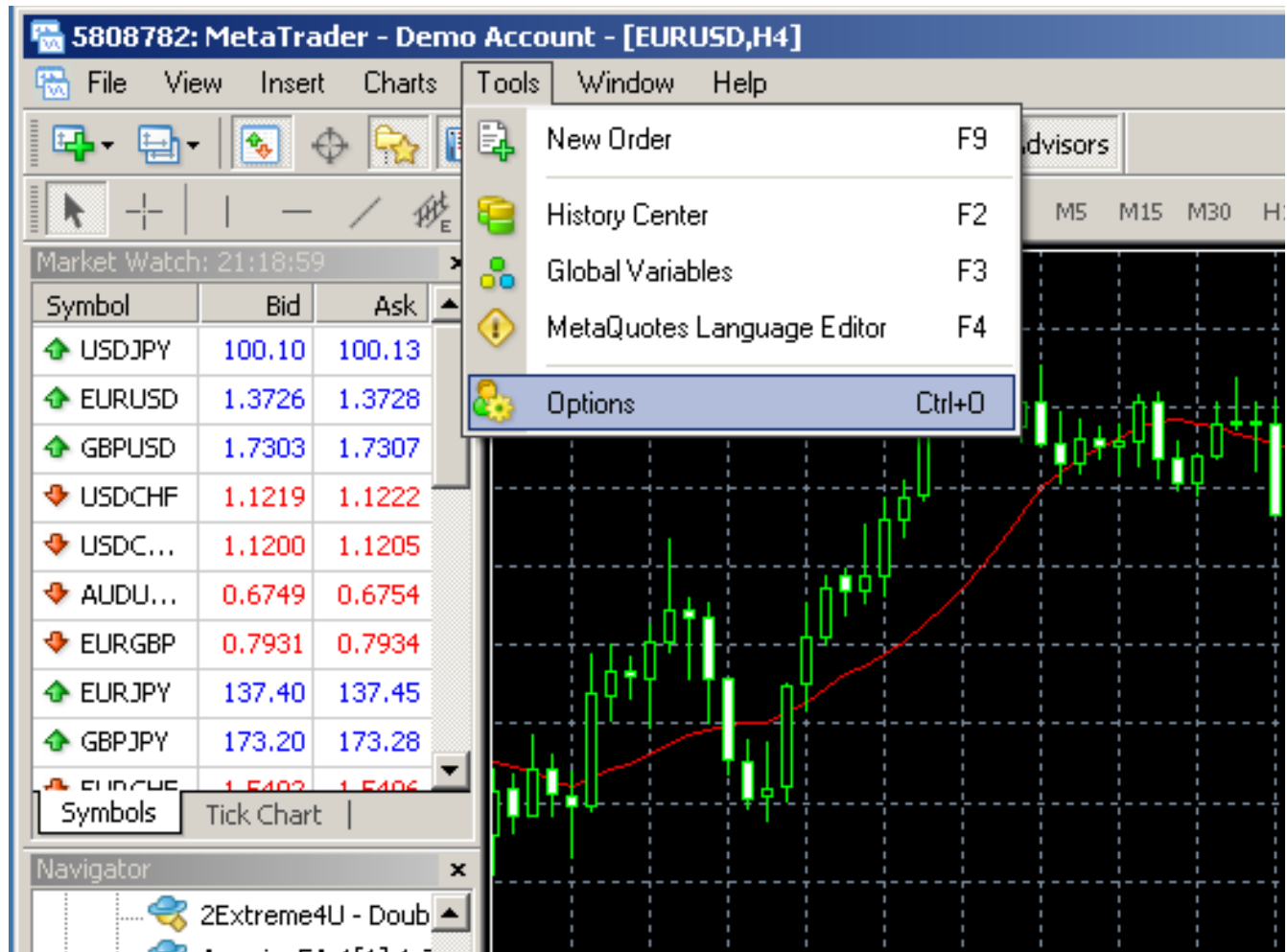
Forex General will start automatically upon completion of the installation.

# Configuring Metatrader

Before you can use Forex Raptor Freeware you must configure the Ultimate Metatrader 4 Client as follows:

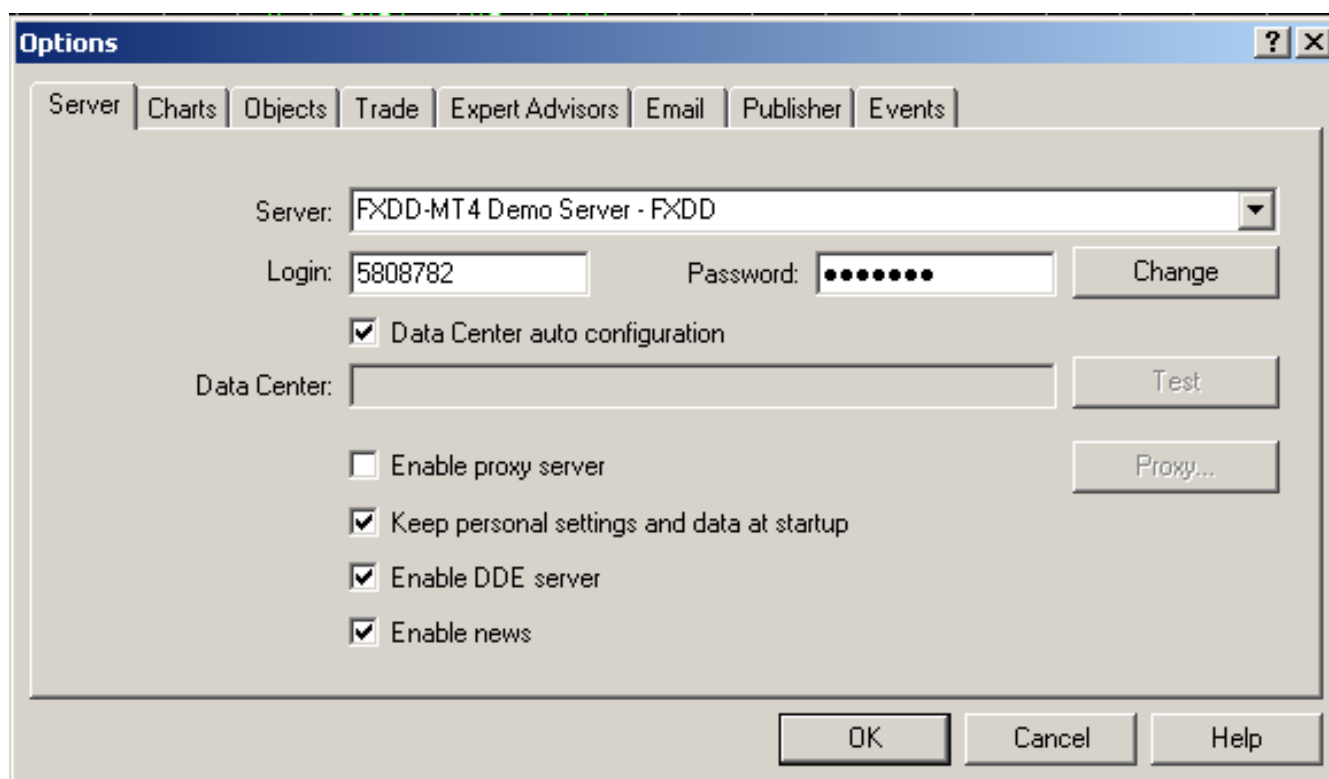
You will then see the new account registration page. If you already have an account (demo or live), simply cancel out of this dialog and go the login dialog off the File menu.



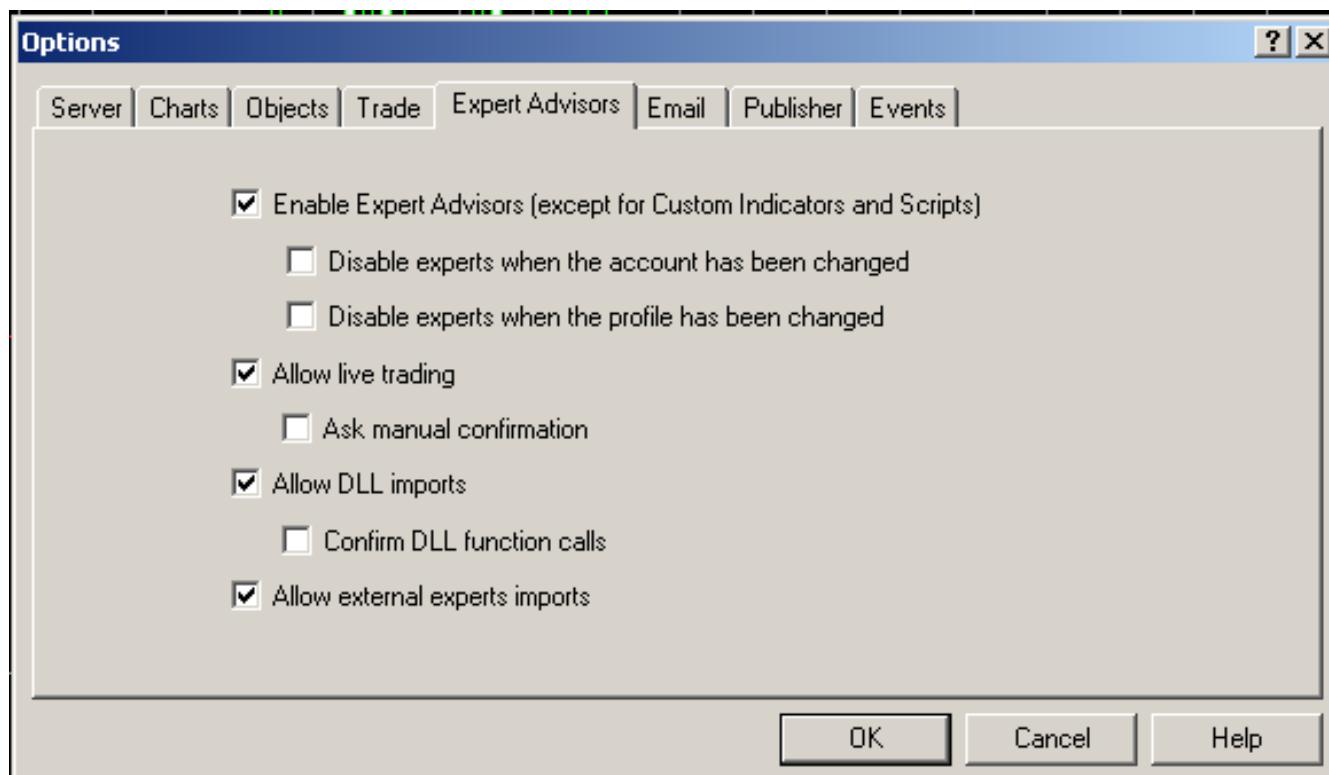


Choose the Options menu item from the Tools menu as shown below

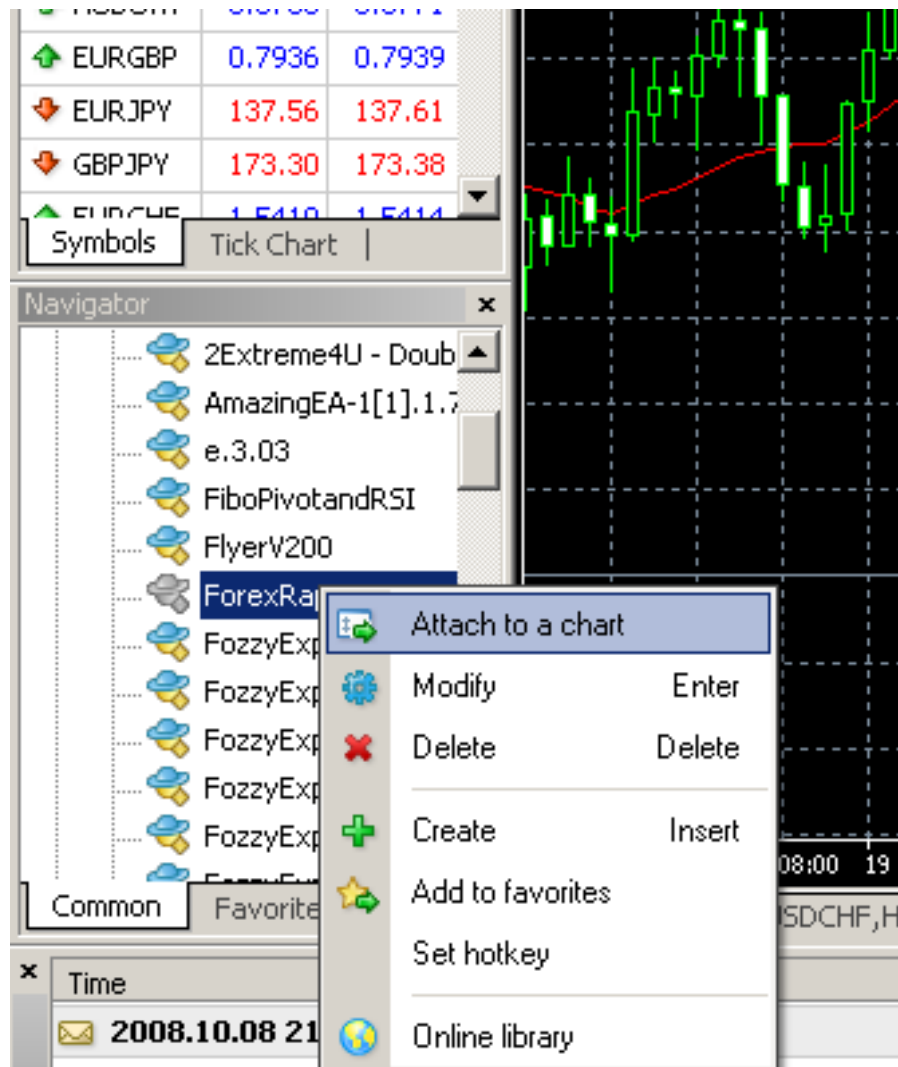
From the Server tab, you want to check the Enable DDE server option. This option allows you to receive quotes at Forex General ITE.



Now change to the Expert Advisors tab and check and un-check the options as shown below



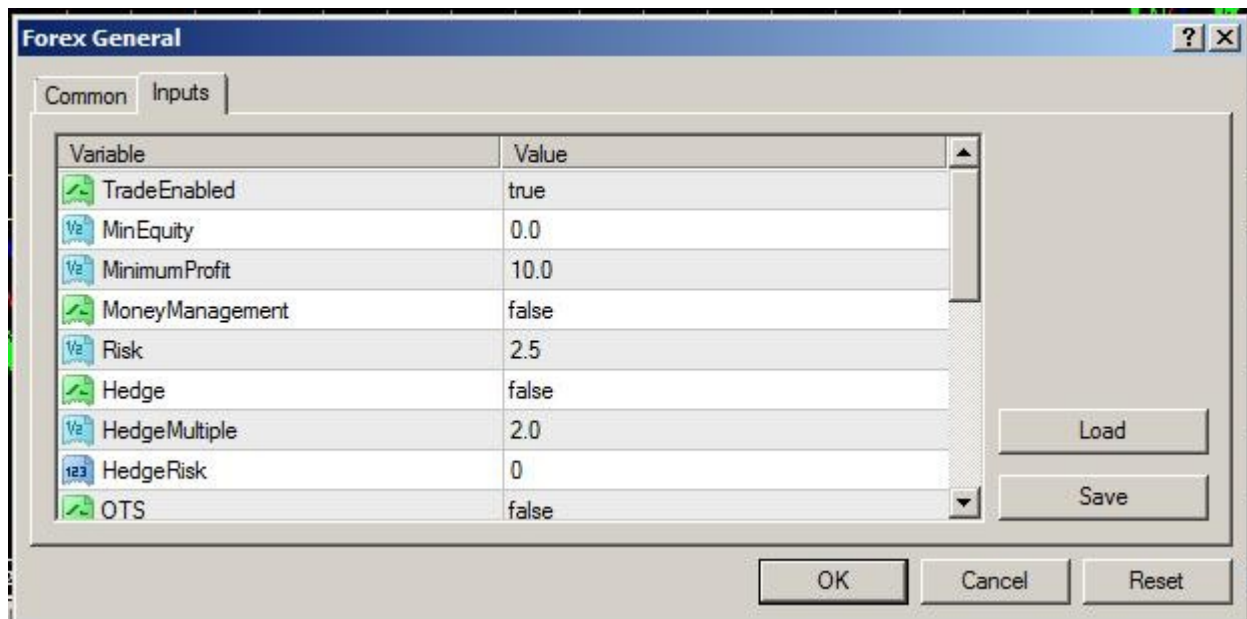
The Metatrader Connectivity Components comes with a Expert Advisor classifications (ForexGeneral), In order for the application to communicate with Metatrader from with the Forex General ITE, you only need to attach this single EX4 component in the same way as you would attach an Expert Advisor to a chart. Fore example, to attach the ForexGeneral.ex4, though built as an Expert Advisor, is not a traditional expert advisor, but a messaging system (or bridge) that receives trade messages from the Forex General Integrated Trading Environment.



## ForexGeneral.ex4

A major change between the last release of Forex General (aka Forex ITE) and this version there is only one (1) ex4 file to attached to the Metatrader chart. Also only one strategy file needed to back test with Forex Tester 2.

Starting with the MT4 Input parameters for ForexRaptorFreeware.ex4,



**TradeEnabled** (disables trade, allowing globals to be set)

**MinEquity** (minimum equity needed for trade to processed)

**MinimumProfit** (this feature helps you make that minimum profit when the market is slow to reacting. The total of all trades for that session/magic number, will be closed once this minimum profit amount has been breached)

**MoneyManagement** (use to automatically adjust the lots size)

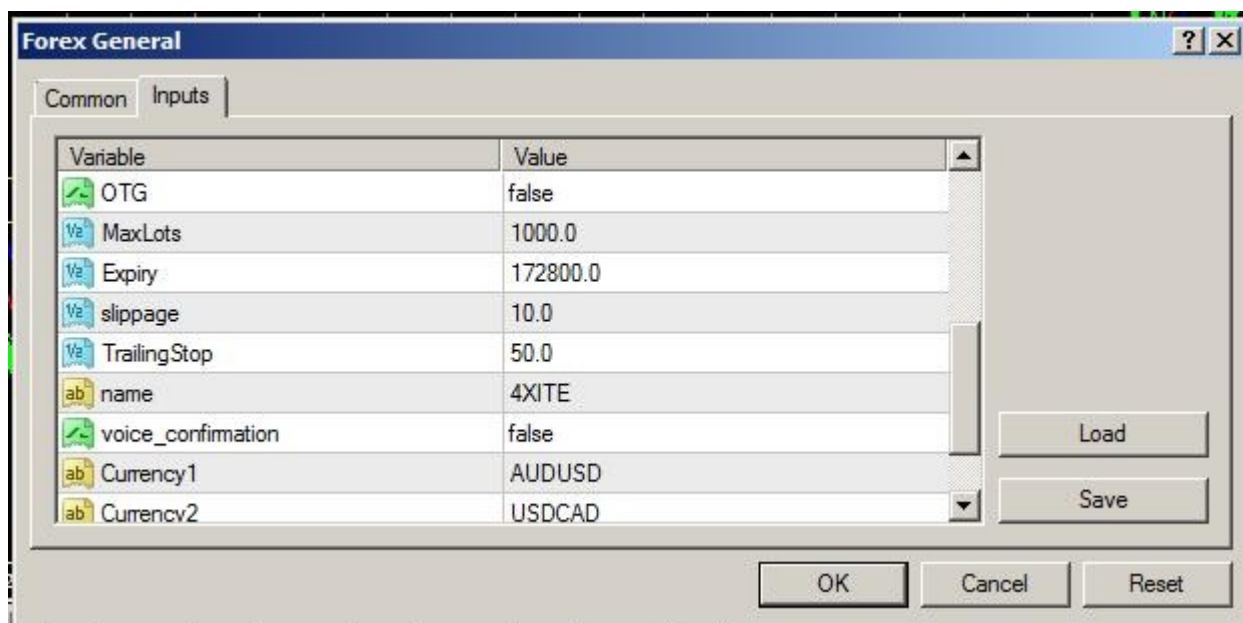
**Risk** (use to automatically adjust the lots size)

**Hedge** (set to open a long and short trade without SL and TP)

**HedgeMultiple** (sets the quantity multiplier of the hedge trade in the direction of the trend)

**HedgeRisk** (filters whether to trade low (=0), medium (=1) or high (=2) risk hedge opportunities)

**OTS** (open one trade per currency)



**OTG** (*open one trade per account*)

**MaxLots** (*maximum lots that will be permitted to open concurrently, if OTS and OTG is off*)

**Expiry** (*expiration time in seconds, this value set for 48 hours*)

**Slippage** (*the amount of variation you allow the broker to adjust the price to accept the trade. Increase in receive a lot of 'Invalid stops' error messages*)

**TrailingStop** (*useful to reduce the number of losing to make each trade a potential winner*)

**name** (*a tag to append to the comments*)

**voice\_confirmation** (*enables voice response messages*)

**Currency1** (*the first currency triad used for the Triangular Arbitrage Calculator*)

**Currency2** (*the second currency triad used for the Triangular Arbitrage Calculator*)

**Currency3** (*the third currency triad used for the Triangular Arbitrage Calculator*)

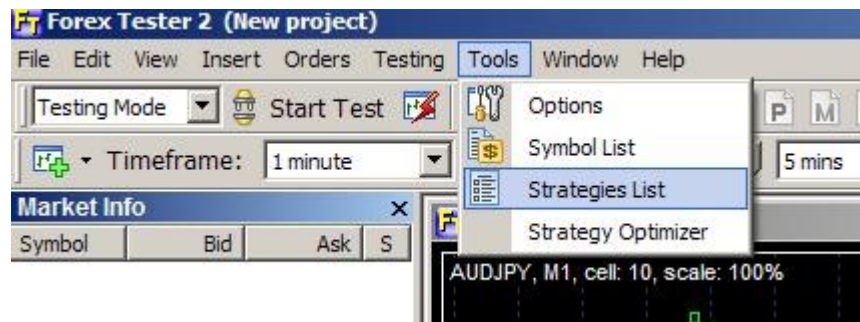
[Not shown in figure]

## Configuring Forex Tester 2

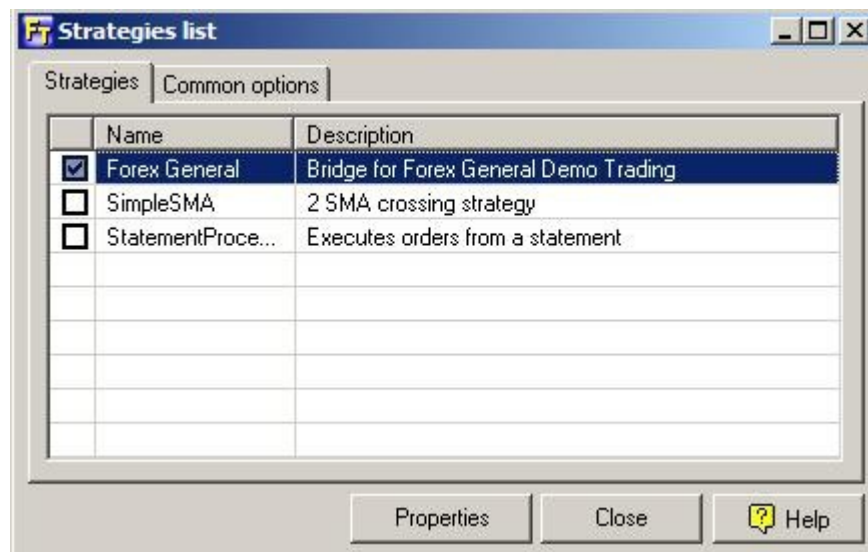
You can download Forex Tester 2 from [www.forextester.com/partners/forexgeneral.html](http://www.forextester.com/partners/forexgeneral.html). We have secured special pricing at \$135 which is \$25 off the regular price of \$150.

After following the Forex Tester 2 instructions for installing the Strategy bridge (using the Forex General Connect installation utility will have installed the bridge in the default directory, then you just need to configure for a test.

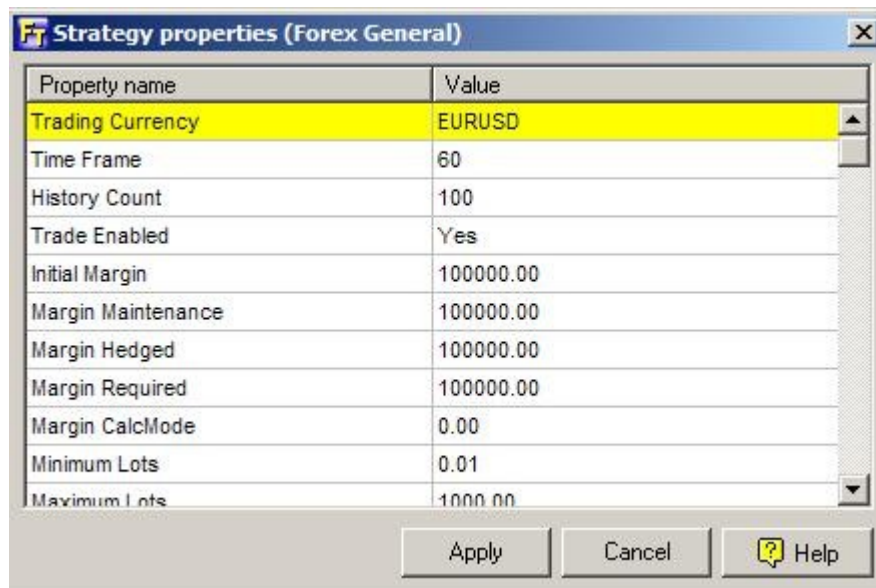
Choose the Tools|Strategies List option,



You should the Bridge for Forex General Demo Trading in the list as shown, you must choose by setting the check box, then select the item and press the Properties button



A configuration dialog similar to one you would use in Metatrader appears, with the options explained below,



**Trading Currency** – The session currency, metatrader chart currency equivalent

**Time Frame** – the time frame, metatrader chart period equivalent

**History Count** – the number of periods to use for historical calculations

**Trade Enabled** – disables trades

**Initial Margin** – the initial margin provided, metatrader fdm provides this parameter.

**Margin Maintenance** – the metatrader fdm provides this parameter

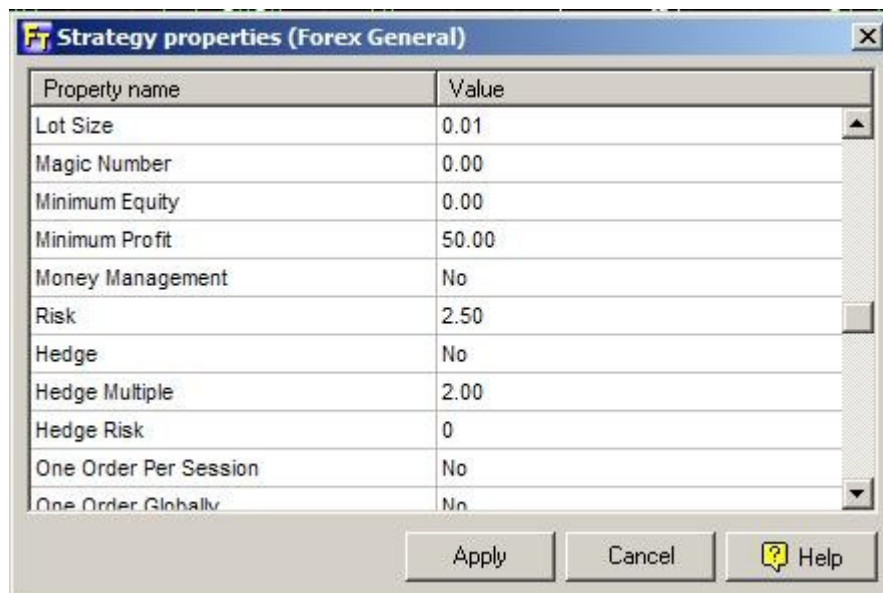
**Margin Hedged** – the metatrader fdm provides this parameter

**Margin Required** – the metatrader fdm provides this parameter

**Margin CalcMode** - the metatrader fdm provides this parameter,

**Minimum Lots** – the minimum lots permitted, the metatrader fdm provides this parameter

**Maximum Lots** – the maximum lots permitted, the metatrader fdm provides this parameter



**Lot Size** – typical lot size, the metatrader fdm provides this parameter,

**Magic Number** – a unique magic number, metatrader creates a unique number automatically

**Minimum Equity** – minimum equity to permit trades

**Minimum Profit** – minimum profit to achieve to close out trades for the magic number

**Money Management** – used to adjust the lot sizes automatically

**Risk** – used to adjust the lot size

**Hedge** – to open a long and short trade with a SL or TP

**Hedge Multiple** - sets the quantity multiplier of the hedge trade in the direction of the trend

**Hedge Risk** - filters whether to trade low (=0), medium (=1) or high (=2) risk

hedge opportunities

**One Order Per Session** – open one trade per session

**One Order Globally** – open one trade per account



**Expiration** – sets the expiration time on an entry order

**Slippage** - the amount of variation you allow the broker to adjust the price to accept the trade. Increase in receive a lot of 'Invalid stops' error messages

**Trailing Stop** - useful to reduce the number of losing to make each trade a potential winner

**Name** – a tag to append to the comments

**Voice Confirmation** – enable voice announcements

**Triad Currency 1** – first currency pair for use with the TAC

**Triad Currency 2** – second currency pair for use with the TAC

**Triad Currency 3** – third currency pair for use with the TAC

**YOU ARE NOW READY TO USE FOREX GENERAL  
INTEGRATED TRADING ENVIRONMENT!**

## Forex General Applications (or subordinates)

The Forex General consists of a MDI window with a common user access navigation menu. The menu choices include the following.

### File

#### New

Opens a new trade panel for one of the four available trading applications.

#### Forex Raptor Freeware

Opens a new trade panel for the Forex Raptor Freeware trading system

#### Triangular Arbitrage Calculator

Opens a new trade panel for the Triangular Arbitrage Calculator

#### FX News Hunter

Opens a new trade panel for the FXNewsHunter trading system

#### 4-Rex

Opens a new trade panel for the 4-Rex trading system

#### Open

Loads a previously save layout of trade panels

#### Save

Saves the current layout of trade panels to the active layout file

#### Save As

Saves the current layout of trade panels to a new layout file

#### Print

Prints the current active region of the MDI panel

#### Print Preview

Previews the current active region prior to printing

#### Exit

Closes all trade panels, connections and exits the Forex ITE application.

### View

#### Tool bar

Turn on/off the top tool bar

#### Status bar

Turn on/off the bottom status bar

## Tools

### Properties

Opens only one instance of the global property settings

### RSS Reader

Opens only one instance of the news reader

### Kill Session

Allows you to close orphan sessions within the Metatrader/Forex Tester 2 bridges

### ForexTV

Displays a third party forex.tv.com video news

### FX360

Displays a third party fx360.com website

### Forex Rate Ticker

Opens only one instance of the forex rate ticker

### Forex Calendar

Displays a third party forex calendar

### Market News

Displays a third party forex market news

### Bureau of Labor Statistics Databases

Information regarding fundamental trading.

### Advertisers

Displays a single page list of the advertiser ads being rotated in the side panel

### World Clock

A clock application showing the trading time zones in GMT and your time.

## Windows

### Next Window

Enumerates to the next window

### Cascade

changes to cascade window orientation

### Title Vertical

changes to vertical window orientation

### Title Horizontal

changes to horizontal window orientation

### Close All

closes all open windows

### Arrange Icons

arranges the icons when the windows are minimized

## Help

### **Get MQ4 Source Code**

Tells you how to obtain the MQ4 source code for the Metatrader bridge

### **eHow Tutorials**

Helpful tutorials on the popula eHow learning network

### **Google Groups**

#### **Forex General**

Navigates the internal web browser to the main Forex General support group on Google Groups

#### **Forex Raptor Freeware**

Navigates the internal web browser to the Forex Raptor Freeware support group on Google Groups

#### **Triangular Arbitrage Calculator**

Navigates the internal web browser to the Triangular Arbitrage Calculator support group on Google Groups

#### **FX News Hunter**

Navigates the internal web browser to the FX News Hunter support group on Google Groups

#### **4-Rex**

Navigates the internal web browser to the 4-Rex support group on Google Groups

### **Video Tutorials**

Helpful video tutorials

### **Currensee Social Network**

#### **Join Today**

Invitation to join the only social network for forex traders

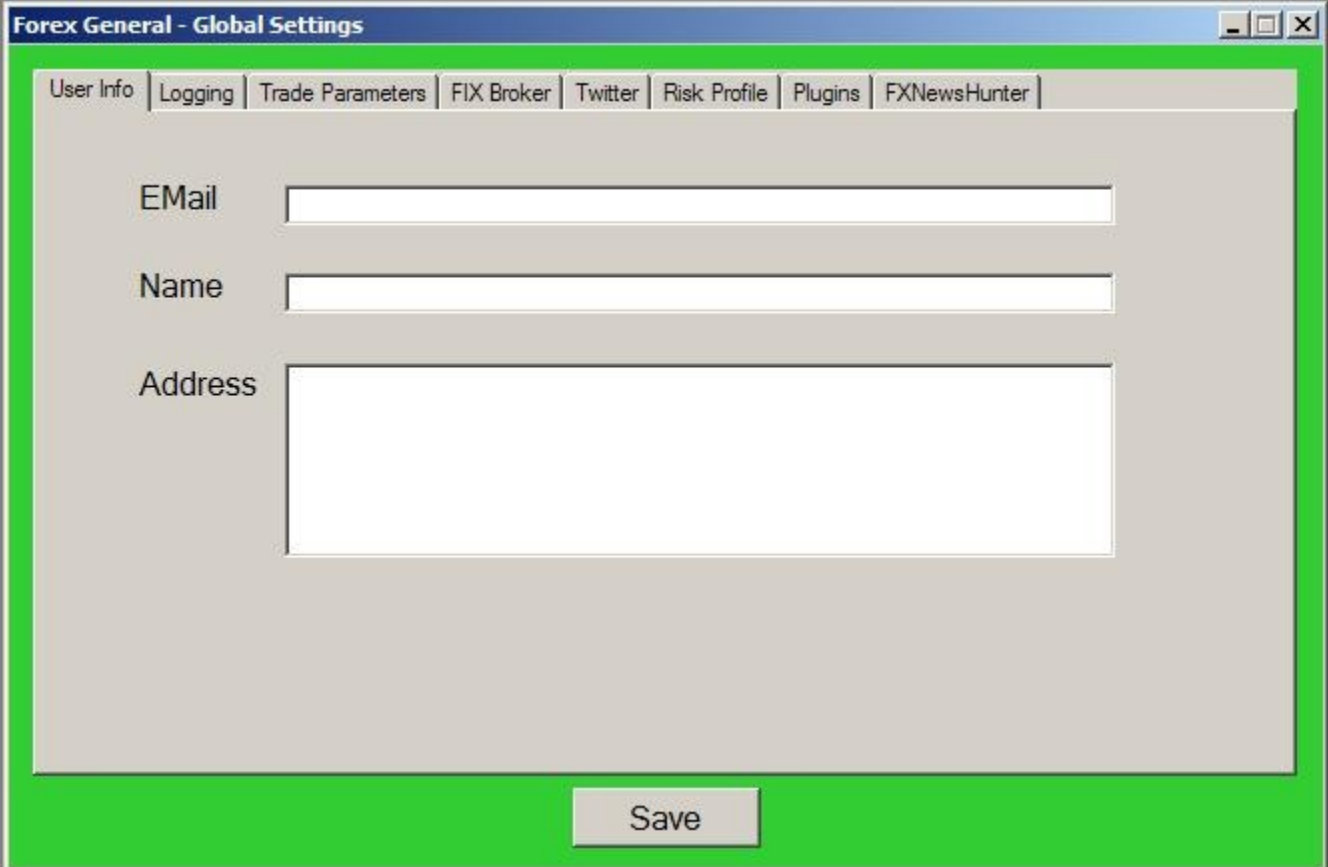
#### **Access Now !**

Opens a browser window for direct access to the network

### **About**

## Properties Dialog

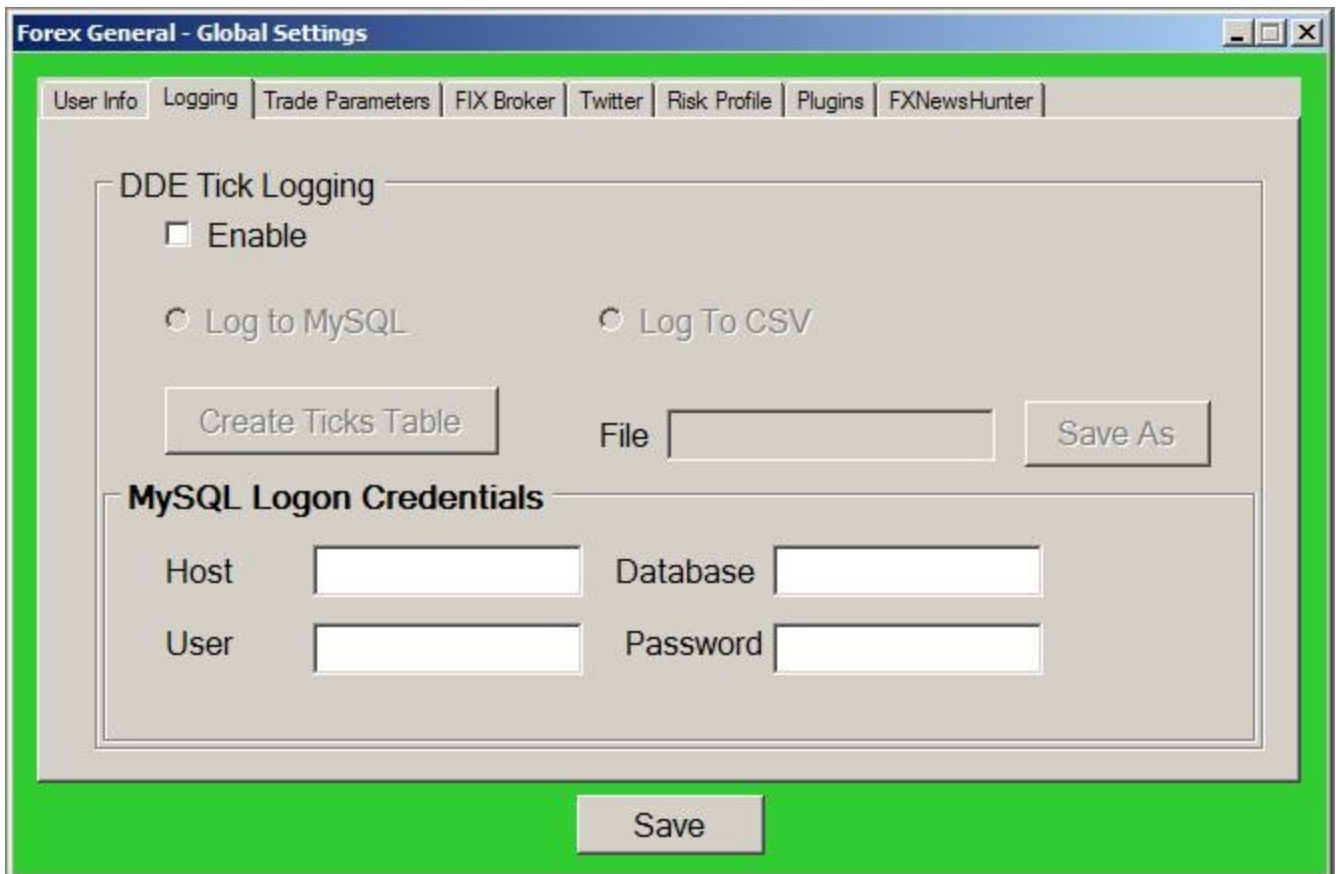
The Properties dialog permits the configuration of global settings used throughout the Forex Integrated Trading Environment. Some of these property attributes may be altered per each trade session.



The image shows a screenshot of a software dialog box titled "Forex General - Global Settings". The dialog has a blue title bar with standard window controls (minimize, maximize, close) on the right. Below the title bar is a tabbed interface with several tabs: "User Info", "Logging", "Trade Parameters", "FIX Broker", "Twitter", "Risk Profile", "Plugins", and "FXNewsHunter". The "User Info" tab is currently selected and active. It contains three text input fields: "EMail", "Name", and "Address". The "EMail" and "Name" fields are single-line text boxes, while the "Address" field is a larger multi-line text box. At the bottom center of the dialog, there is a "Save" button. The entire dialog box has a green border.

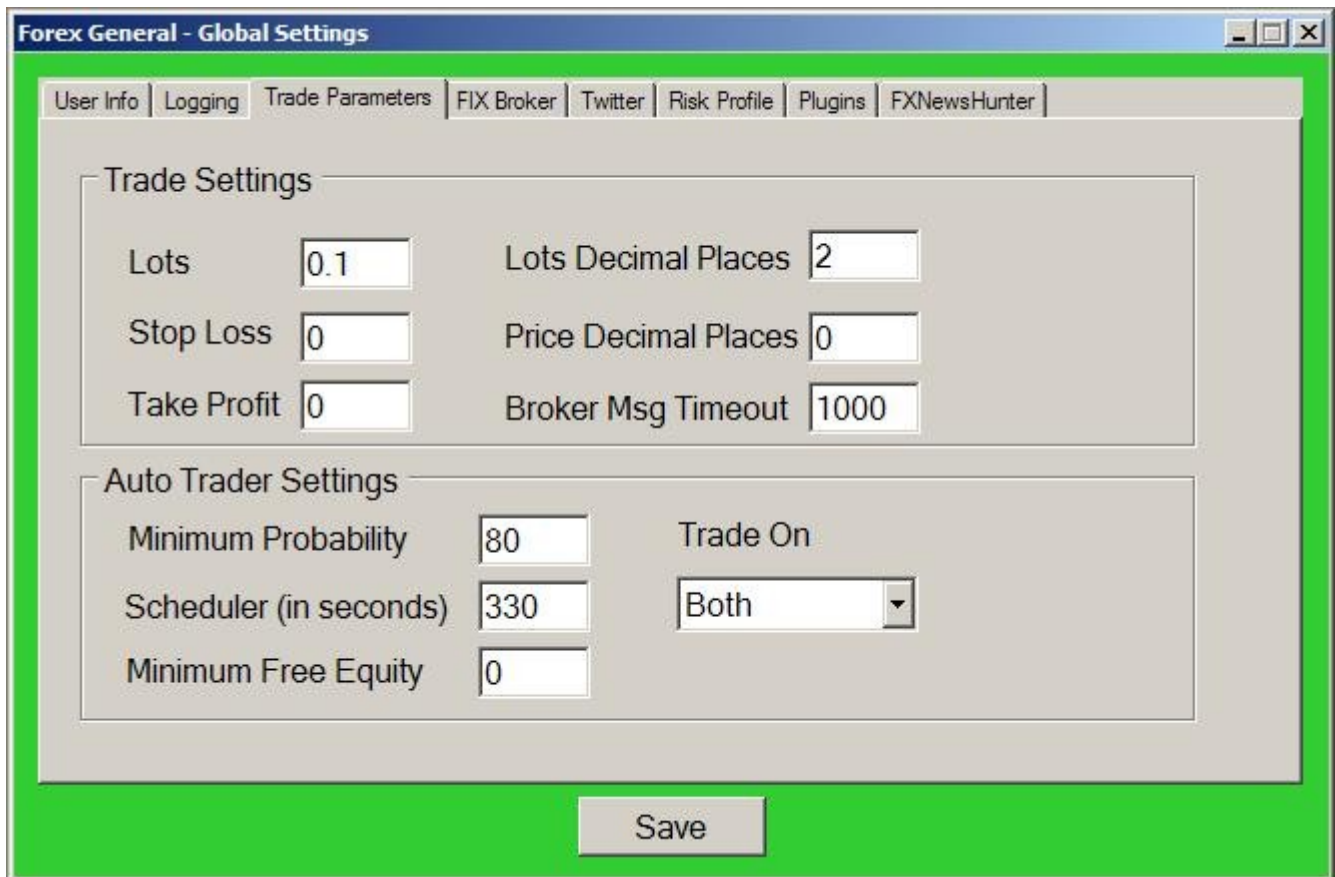
This panel of the properties dialog accepts the entry of your email, name and address. The email is used to identify yourself when registering the applications. Your name and address is used during the registration process.

This panel is disabled and is future tick logging of prices being sent from the broker via DDE into your local MySQL database or a CSV file. *This feature is subject to change,*



This panel accepts your global trade settings used across the embedded trading applications. All settings with the exception to 'Lots Decimal Places', 'Price Decimal Places' and 'Broker Msg Timeout' can be modified per each trading session.

This panel is separated into two groups, Trade Settings and Auto Trader Settings. Some settings are not used for every application. Such as the Minimum Probability setting is used for Forex Raptor Freeware ONLY and the 4-REX, FXNewsHunter, and the Triangular Arbitrage Calculator applications do not use this setting.



#### Trade Settings:

Lots = the default lots for the trade

Stop loss = the default stop loss for the trade

Take profit = the default profit target for the trade

Lots Decimal Places = number of decimal places for the lots

Price Decimal Places = number of decimal places for the prices

Broker Msg Timeout = a timeout in milliseconds to wait for a response message from the broker that will be displayed in the Message window

#### Auto Trader Settings:

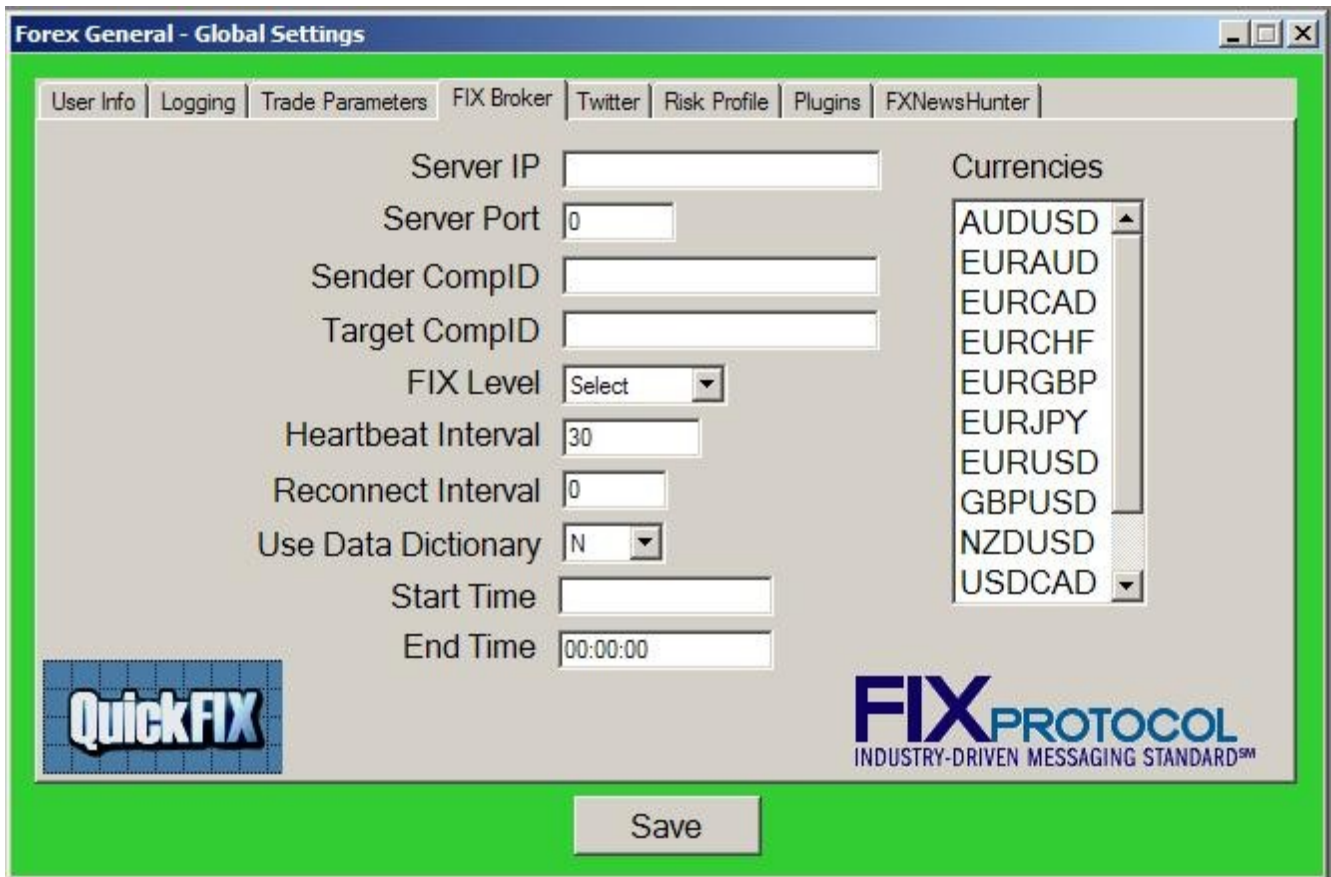
Minimum Probability = used by Forex Raptor Freeware ONLY to send a trade when the probability calculation has breached this value

Scheduler (in secs) = the timeout between the execution of each run of the auto trader. How long to let the auto trader sleep before calculating another trade.

Minimum Free Equity = minimum free equity needed for a trade to be sent to the broker

Trade on [Both|Bid|Ask] = to filter the trade sent to the broker.

This panel is used to enter your login information for your broker that uses the FIX protocol to receive trade orders



The FIX connectivity of Forex General uses the open source QuickFIX engine based on the FIX protocol specifications from [fixprotocol.org](http://fixprotocol.org)

Twitter is the best solution for trader insights where you let other traders know what your trade setups. When enabled, for each trade sent to your FDM or Forex Tester 2, will be tweeted on your twitter account.



Forex General - Global Settings

User Info | Logging | Trade Parameters | FIX Broker | **Twitter** | Risk Profile | Plugins | FXNewsHunter

# twitter

User ID

Password

Enable Auto Updating?

*Use Twitter for Trader Insight to show other traders, when they follow you of your trades.*

Save

This panel helps you decide your risk profile by answering four multiple choice questions. You will be surprised where you stand in risk?

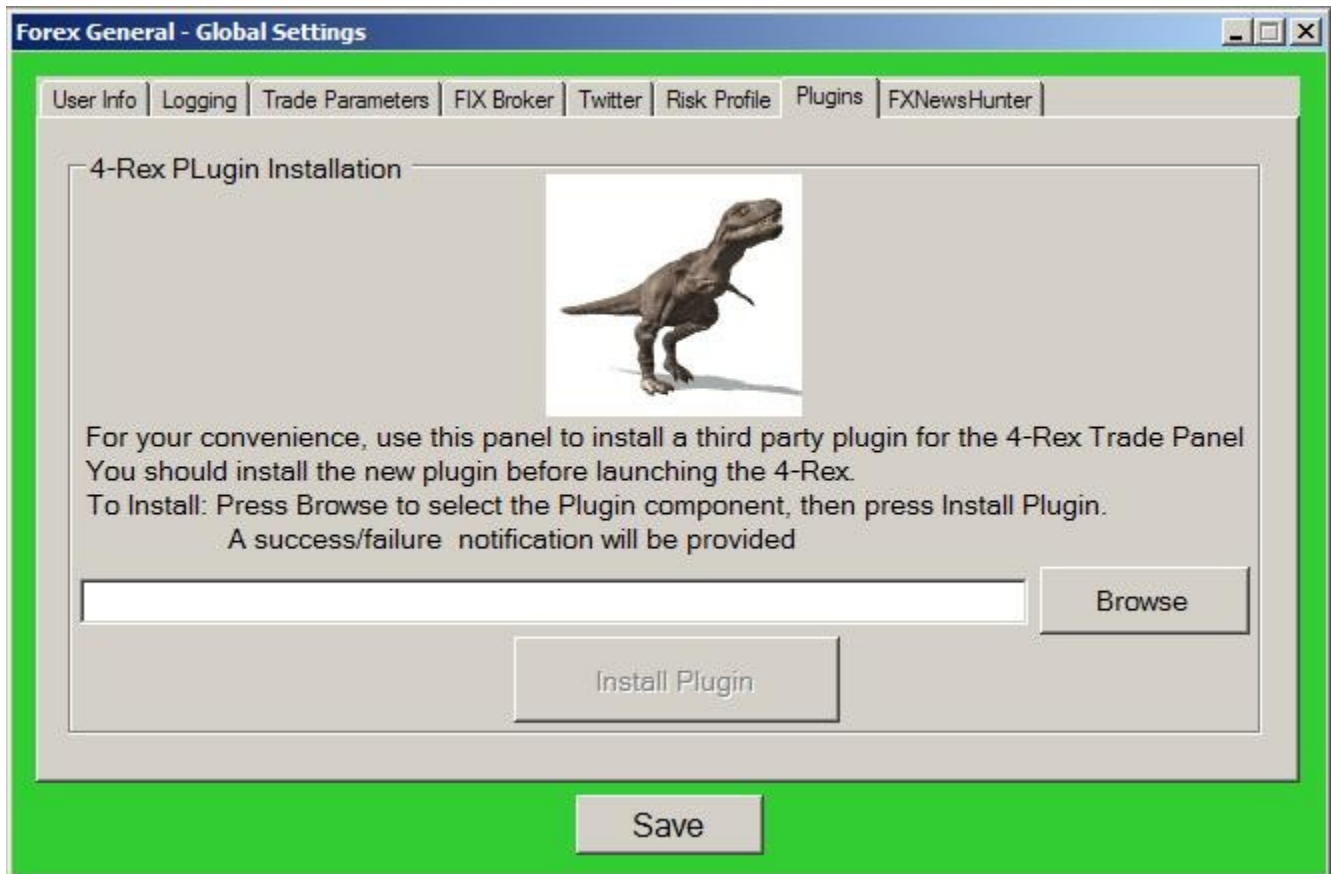
**Forex General - Global Settings**

User Info | Logging | Trade Parameters | FIX Broker | Twitter | **Risk Profile** | Plugins | FXNewsHunter

1. What is your risk/return trade off?
2. How long can you comfortably endure temporary paper losses in exchange for the prospect of higher returns over the long term?
3. Do you want growth or income?
4. What is your time frame?

Based on your answers we estimate your Risk Profile as: **TBD**

This panel allows you to install third party strategies into the 4-Rex Trade Panel. You can copy the third party strategy to the installation path but this path changes during each installation. Using this panel is easier to install the third party 4-Rex strategies.



## Forex Raptor Freeware

An update has been included for the popular Forex Raptor Freeware trading system, with the main difference being the multiple broker selection. All future updates to Forex Raptor Freeware will be included with the updates to this Forex General Integrated Trading Environment (ITE) thus eliminating the need for separate installations.

Now for the Forex Raptor Freeware Trade Panel,

The screenshot shows the 'Forex Raptor Freeware: Selected Currency: UNASSIGNED' window. The interface is green and contains several sections:

- Available FDM:** A dropdown menu set to 'Select'.
- Available Currencies:** A dropdown menu.
- Automatic Trade:** An unchecked checkbox.
- Signal Analysis:** Fields for 'Predicted price: 000.0000' and 'Probability: 000.0000'. A 'Suggested Action' area with a blue square and a 'Refresh' button.
- Auto Trade Settings:** Fields for 'Probability (min): 80', 'Lots: 0.1', 'Scheduler (secs): 330', 'Stop Loss: 0', 'Free Equity (min): 0', 'Take Profit: 0', 'Trades (max): 50', 'Sample Size: 10', and 'Trade on: Both (Buy & Sell)'.
- Market Trade:** Fields for 'Lots: 0.1', 'Stop Loss: 0', and 'Take Profit: 0'. Radio buttons for 'Yahoo!' and 'Google'. A 'Chart It!' button. Large blue 'Buy' and red 'Sell' buttons with '00.00' values. A note: '\* These prices are not guaranteed !'.
- Account Information:** Fields for 'Balance:', 'Equity:', 'Leverage:', 'Spread:', 'Stop level:', 'Margin required:', and 'Hedged:'.
- Messages:** A large empty text area at the bottom.

To make the Forex Raptor Freeware successful and profitable, there are some optimal settings that have been tested and evaluated. These settings are not all exclusive and the user is strongly advised to investigate other settings and make their finds known on the Google Groups for Forex Raptor Freeware.

There is a red push pin that is used to un-dock this trade panel from the MDI and move to another attached monitor.

Broker and Currency selections:

**Available Broker/ECN:** *(this shows the broker/ecn connectivity that you would to established. The options include Demo, Metatrader, and a FIX-based broker. All three options are available)*

**Available Currencies:** *(this shows the list of currencies available for trading for the selected broker. Just as before with Metatrader, you must attached the ForexGeneral.ex4 within the Metatrader navigator to a chart before that currency will show in this list.)*

Once you have selected an available currency, the Broker/Currency selections will become disabled to change, a connection is made with the Metatrader client for the selected currency to retrieve the currency history as well as send/receive trade parameters and established a DDE connection to receive Market trade quotes.

#### **Account Information:**

Upon successful connection, your account information will be displayed

**Balance** *(your current account balance, and is updated automatically whether or not trades have been sent.)*

**Equity** *(the amount of free equity in your account, this amount affects whether a trade will be accepted by your broker and the risk of a margin call)*

**Leverage** *(the amount of leverage that is associated with your account, expersses as this ###:1)*

**Spread** *(this is spread between the bid and ask prices for the selected currency pair. This is how the broker makes their money as for you to make a profit on a trade from this currency, you trade must exceed this amount in PIP's in the positive direction)*

**Stop level** *(this show the minimum setting that your stop loss and take profit must be for your broker to accept the trade. Anything less than amount, your trade will not be executed and the error "Invalid stops" will be returned.)*

**Margin required** *(another important value that determines whether a trade is accepted and the risk of a margin call)*

Signal Analysis:

**Predicted price** *(this is a price prediction based on a proprietary algorithm that determines the direction of the trend and a targeted price)*

**Probability** *(this is a probability estimate that the if an entry trade is placed, that the trade will open and close positive)*

**Suggested action** *(this is the predicted action that should be taken or will be take during auto trading. You may notice that sometimes you will be presented with a price, a suggested action and a zero probability. This means that the algorithm has found a price within the current trend that is out of range but could open on a retrace or another factor.)*

**Refresh** *(you would press this button if you change the auto trade parameters such as the sample size or just want to recalculate a new trade prediction)*

#### **Auto Trader settings:**

**Minimum Probability** *(this setting is the estimated probability of success of the trade recommendation by the probability engine.)*

**Sample Size** *(this setting defines the number of periods[bars] that the probability engine should transverse back when estimating the minimum probability)*

**Trade on** (Both|Buy|Sell) *(this setting adds additional filtering for the auto trader process to trade only on a specified trade setup. For example, if set to trade on Buy trades, if a Sell trade setup has been determined, the auto trader will ignore that trade setup)*

**Scheduler** *(this setting sets the frequency[in seconds] that the auto trader process will check for a valid trade setup and if found, will send the trade to Metatrader)*

**Minimum Free Equity** *(this setting provides further filtering to prevent margin calls by informing the auto trader to send trades to Metatrader when the Free equity exceeds this amount.)*

**Maximum Trades** *(this setting provides further filtering to reduce the number of concurrent trades that will be opened, sent to Metatrader by the auto trader process.)*

**Lots** *(this settings indicates the lots[volume] of the trade that will be sent to Metatrader. This value is depend on the maximum allowable set by your Metatrader broker. Values exceeding the brokers maximum will fail. This values overrides the global Properties.)*

**Stop Loss** *(this setting defines the initial stop loss for the next valid trade setup and is subject to the spread set by your Metatrader broker. If the stop loss is not with the broker specifications the trade will fail as an Invalid Stops. This values overrides the global properties.)*

**Take Profit** *(this setting sets the initial Take [targeted] profit for the next valid trade and is subject to the spread set by your Metatrader broker. This value overrides the global properties.)*

### **Market Trade:**

There are times when you just want to send a market trade based on your own calculations.

**Buy** *(send a buy market trade based on the price display, but not guaranteed)*

**Sell** *(send a sell market trade based on the price display, but not guaranteed)*

**Lots** *(the number of lots for your market trade)*

**Stop loss** *(a stop loss for your market trade, change to zero for no stop loss)*

**Take profit** *(a profit target for your market trade, change to zero for no profit target)*

**Volume** *(the real time volume, as the buy/sell price of the volume trading)*

**MFI** *(a real time calculation of the Money Flow Index, based on volume trading)*

**Chart It** *(a choice to view a pop up chart of the selected currency either from Yahoo! Or Google Finance free services)*

Messages:

Gives status of operations perform within this trade panel as well as status messages from the broker regarding a trade. *(Sometimes these messages may be delayed and you should confirm your trade by checking Metatrader journal directly or enabling Voice Confirmation from within Metatrader when you first attached the EX4 file)*

## Triangular Arbitrage Calculator

This trade panel attempts to show discrepancies in the currency prices as well as show correlation trends between the triad currencies.

| FDM     | Currency 1 | Currency 2  | Currency 3  | Gain/Loss  |
|---------|------------|---|---|--|
| Select  | CCY Pair   |   |   |  |
| Session | Bid        |   |   | Calculate  |
|         | Ask        |   |   | FPI  |
| Help ?  | Lot Size   | 10000   | 10000   | 10000  |
|         | Total      |   |   | Send Trade   |
|         | Strategy   | <input checked="" type="radio"/> Buy <input type="radio"/> Sell | <input type="radio"/> Buy <input checked="" type="radio"/> Sell | <input type="radio"/> Buy <input type="radio"/> Sell |

Messages

Metatrader client, and the Triangular Arbitrage Calculator EX4 attached to a chart. The attachment does not have to be one of currencies being traded.

There is a red push pin that is used to undock this trade panel from the MDI and move to another attached monitor.

**Broker** (this shows the broker/ecn connectivity that you would to established. The options include Demo, Metatrader, and a FIX broker.)

**Help** (this pops up a dialog showing the common arbitrage combinations)

**Currency 1** (based on the your arbitrage selections, you would choose the first currency in the series)

**Currency 2** (based on the your arbitrage selections, you would choose the second currency in the series)

**Currency 3** (based on the your arbitrage selections, you would choose the third currency in the series)

**Currency Pair 1 Chart** (a snap shot of the first currency selected. Does not update)

**Currency Pair 2 Chart** (a snap shot of the second currency selected. Does not update)

**Currency Pair 3 Chart** (a snap shot of the third currency selected. Does not update)

**Bid** (after a currency has been selected, a DDE session will be established with your metatrader client to display the bid price for that currency)

**Ask** (after a currency has been selected, a DDE session will be established with your metatrader client to display the ask price for that currency)

**Lot size** (this is normal lot size of the currency, where a typical 1 Lot refers to 100000 or 0.1 lot refers to 10000. When a trade is sent, the lot size is calculated automatically from this value using the Metatrader, MarketInfo(Symbol(),MODE\_LOTSIZE) function.

**FPI** (once all prices are available, you press the FPI button to show another dialog with the fractional product inefficiencies of all possible strategy combinations.)

**Calculate** (once all prices are available, you press the calculate button to determine the gain/loss amount from the selected strategy)

**Strategy** (you choose various combinations of buy/sell that achieves a maximum gain before sending to metatrader)

**Gain/Loss** (the result from the triangular arbitrage formula)

**Send Trade** (when satisfied with your strategy, will send three trades to the metatrader currency session. The EX4 file then check the total profits for these three trades and close them out when the profit exceeds the minimum profit parameters in the EX4 property settings)

| <u>EURGBP</u> | <u>GBPUSD</u> | <u>EURUSD</u> | <u>FPI</u>  |
|---------------|---------------|---------------|-------------|
| Sell          | Sell          | Sell          | 0.00029721  |
| Sell          | Sell          | Buy           | 0.00049721  |
| Sell          | Buy           | Sell          | -7.635E-05  |
| Sell          | Buy           | Buy           | 0.00012365  |
| Buy           | Sell          | Sell          | -0.00013896 |
| Buy           | Sell          | Buy           | 6.104E-05   |
| Buy           | Buy           | Sell          | -0.0005124  |
| Buy           | Buy           | Buy           | -0.0003124  |

OK

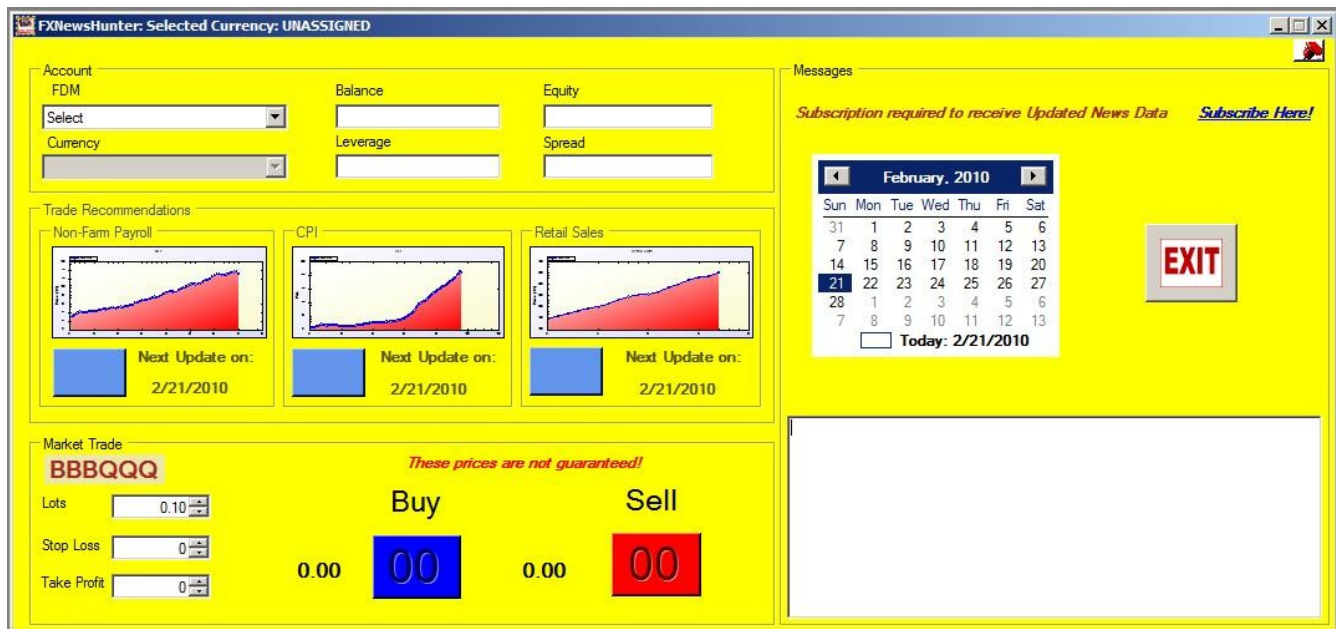
*Recommendation for Trading with the Triangular Arbitrage Calculator:*

- 1. Choose the three currency pairs based on their most active time periods.*
- 2. Open a chart for each currency pair and attached the Sure Fire Forex indicator, available from the RGMorris Metatrader 4 Client Add-on, to each chart.*
- 3. Determine the trend for each chart using this indicator.*
- 4. Set the buy/sell strategy matching the trend within the Triangular Arbitrage Calculator.*
- 5. If the Gain/Loss value is positive, then send the trade to Metatrader.*
- 6. Or use the combination from FPI for the smallest value FPI which could be the greatest negative value.*
- 7. Wait to close!*

*Additionally, you may wish to open a FXNewsHunter trade panel and select only those currencies triangular combinations with have **high priority** news associated for the coming week.*

## FX News Hunter

A strategy used in an attempt to predict trade setups based on three fundamental indicators: NFP, CPI and Retail Sales.



**FDM:** (this shows the broker/ecn connectivity that you would to established. The options include Demo, Metatrader, and a FIX-based broker. All three options are available)

**Currency:** (this shows the list of currencies available for trading for the selected broker. Just as before with Metatrader, you must attached the ForexGeneral.ex4 within the Metatrader navigator to a chart before that currency will show in this list.)

Once you have selected an available currency, the Broker/Currency selections will become disabled to change, a connection is made with the Metatrader client for the selected currency to retrieve the currency history as well as send/receive trade parameters and established a DDE connection to receive Market trade quotes.

Account Information:

Upon successful connection, your account information will be displayed

**Balance** (your current account balance, and is updated automatically whether or not trades have been sent.)

**Equity** (the amount of free equity in your account, this amount affects whether a trade will be accepted by your broker and the risk of a margin call)

**Leverage** (the amount of leverage that is associated with your account, expressed as this ###:1)

**Spread** (this is spread between the bid and ask prices for the selected currency pair. This is how the broker makes their money as for you to make a profit on a trade from this currency, you trade must exceed this amount in PIP's in the positive direction)

**Non Farm Payroll** (show the trade type prediction based on NFP database statistics)

**CPI** (show the trade type prediction based on CPI database statistics)

**Retail Sales** (show the trade type prediction based on Retail Sales database statistics)

### **Market Trade:**

There are times when you just want to send a market trade based on your own calculations.

**Buy** (send a buy market trade based on the price display, but not guaranteed)

**Sell** (send a sell market trade based on the price display, but not guaranteed)

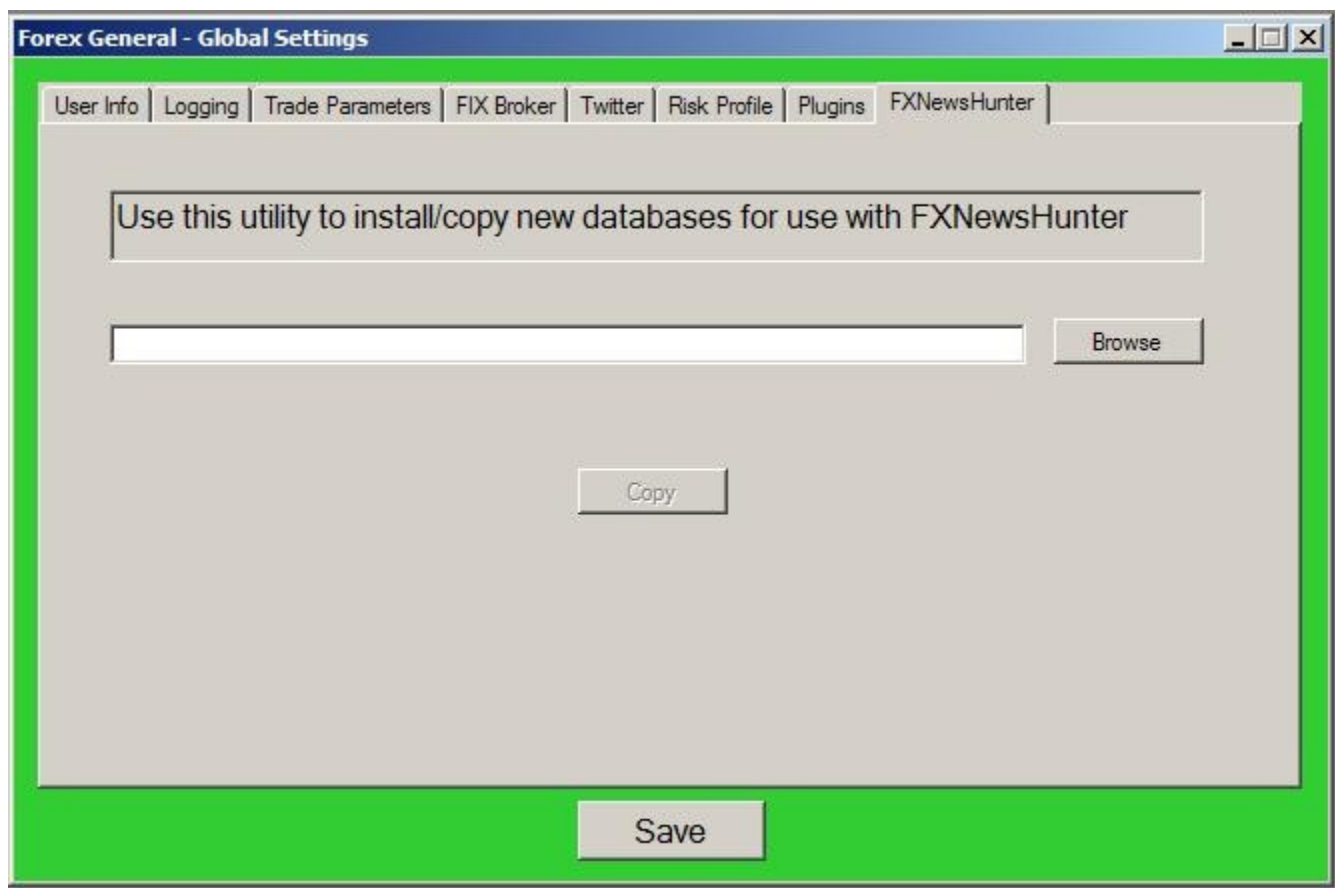
**Lots** (the number of lots for your market trade)

**Stop loss** (a stop loss for your market trade, change to zero for no stop loss)

**Take profit** (a profit target for your market trade, change to zero for no profit target)

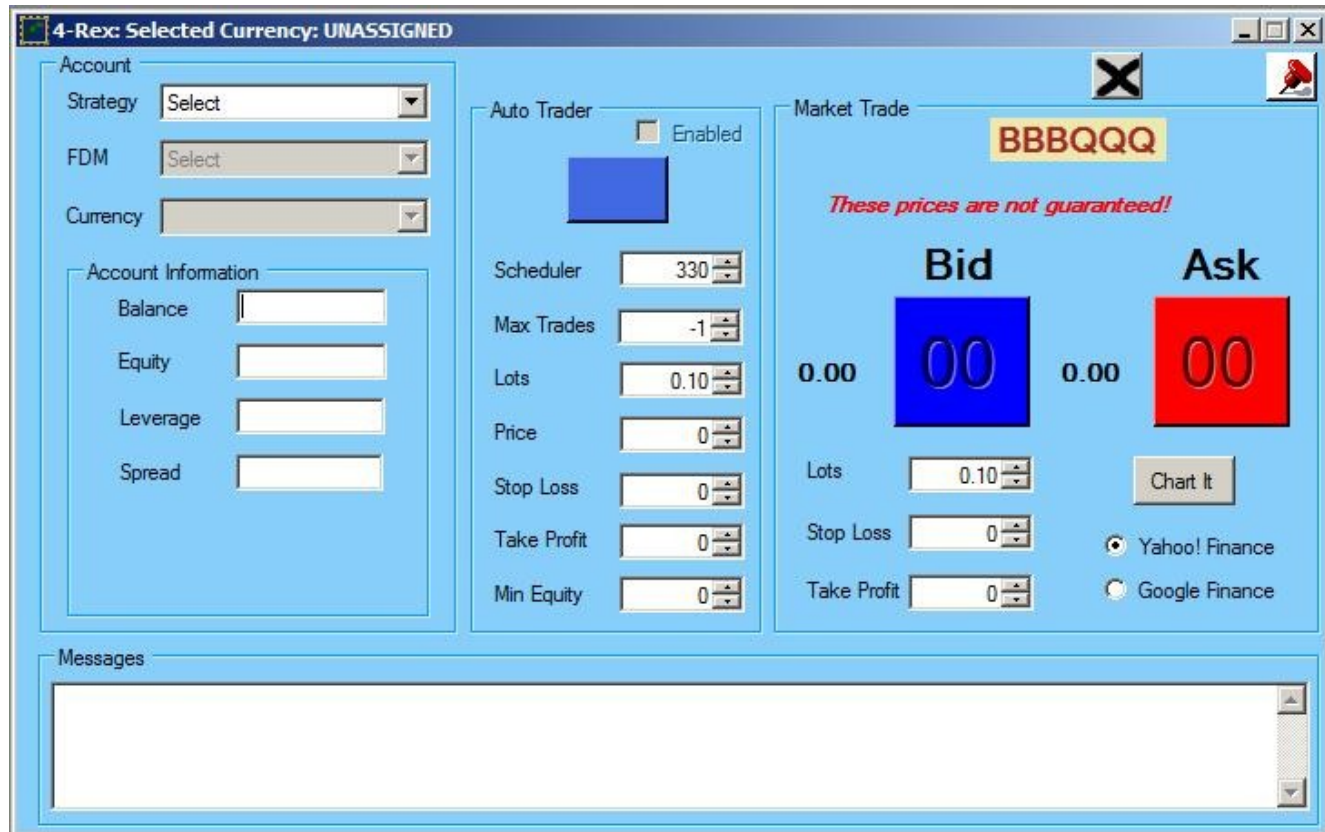
### ***How to Update the News Databases***

Log in to the Bureau of Labor Statistics and download the databases for NFP, CPI and Retail Sales and save as a CSV file. Remove any text headers from the file. Then open the Properties dialog and choose the FXNewsHunter tab which will copy your new database files to the appropriate data directory. You should use the same naming convention: nfp.csv, cpi.csv, and retailsales.csv



## 4-Rex

The first of its kind, to offer trading several different strategies on the same trade session, truly a blend maker. As a member of the Developer's program, you will be able to extend the 4-Rex trade panel to use your own customized strategy.



**Strategy** (*Offers a selection of strategies to trade during this session*)

**FDM:** (*this shows the broker/ecn connectivity that you would establish. The options include Demo, Metatrader, and a FIX-based broker. All three options are available*)

**Currency:** (*this shows the list of currencies available for trading for the selected broker. Just as before with Metatrader, you must attach the ForexGeneral.ex4 within the Metatrader navigator to a chart before that currency will show in this list.*)

Once you have selected an available currency, the Broker/Currency selections will become disabled to change, a connection is made with the Metatrader client for the selected currency to retrieve the currency history as well as send/receive trade parameters and establish a DDE connection to receive Market trade quotes.

Account Information:

Upon successful connection, your account information will be displayed

**Balance** (*your current account balance, and is updated automatically whether or not trades have been sent.*)

**Equity** (*the amount of free equity in your account, this amount affects whether a trade will be accepted by your broker and the risk of a margin call*)

**Leverage** (*the amount of leverage that is associated with your account, expressed as this ###:1*)

**Spread** *(this is spread between the bid and ask prices for the selected currency pair. This is how the broker makes their money as for you to make a profit on a trade from this currency, you trade must exceed this amount in PIP's in the positive direction)*

#### **Auto Trader:**

**Enabled** *(this settings turns on the auto trader for this trading session/panel)*

**Scheduler** *(this setting sets the frequency[in seconds] that the auto trader process will check for a valid trade setup and if found, will send the trade to Metatrader)*

**Max Trades** *(this setting provides further filtering to reduce the number of concurrent trades that will be opened, sent to Metatrader by the auto trader process.)*

**Lots** *(this settings indicates the lots[volume] of the trade that will be sent to Metatrader. This value is depend on the maximum allowable set by your Metatrader broker. Values exceeding the brokers maximum will fail. This values overrides the global Properties.)*

**Stop Loss** *(this setting defines the initial stop loss for the next valid trade setup and is subject to the spread set by your Metatrader broker. If the stop loss is not with the broker specifications the trade will fail as an Invalid Stops. This values overrides the global properties.)*

**Take Profit** *(this setting sets the initial Take [targeted] profit for the next valid trade and is subject to the spread set by your Metatrader broker. This value overrides the global properties.)*

**Min Equity** *(this setting provides further filtering to prevent margin calls by informing the auto trader to send trades to Metatrader when the Free equity exceeds this amount.)*

#### **Market Trade:**

There are times when you just want to send a market trade based on your own calculations.

**Buy** *(send a buy market trade based on the price display, but not guaranteed)*

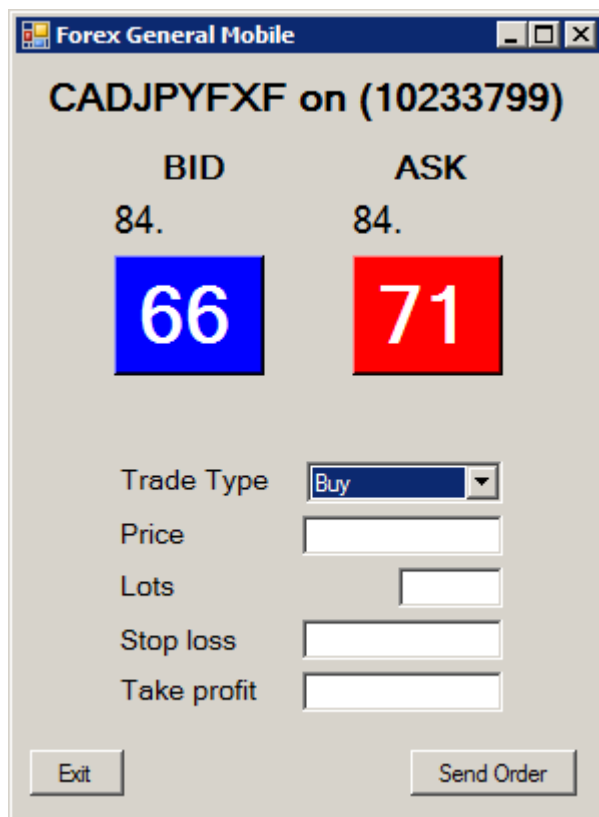
**Sell** *(send a sell market trade based on the price display, but not guaranteed)*

**Lots** *(the number of lots for your market trade)*

**Stop loss** *(a stop loss for your market trade, change to zero for no stop loss)*

**Take profit** *(a profit target for your market trade, change to zero for no profit target)*

## Mobile Trading



See the mobile trading user's guide for configuration.

## Backtesting with Forex Tester 2

Choose Demo in the FDM selection and then trade as you would normally. See configuring Forex Tester 2 section of this manual.

You must start Forex Tester 2 Test Mode before connecting with Forex General. All data transfer is accomplished through the Forex General Connect components FT2API.DLL and the Forex Tester 2 Strategy bridge.

## Forex General Developer's Program

### *Introduction*

The Forex General Developer's Program allows strategy developers to capitalize on the free and popular Forex General Integrated Trading Environment, as well as support further development of Forex General.

### *Tier Levels*

1. Developer: *gives the strategy developer the resources necessary to extend the 4-Rex trade panel by implementing additional strategies that can be loaded via the trade panel Strategy selection.*
2. Enterprise: *gives the strategy developer the resources necessary to extend the Forex General Integrated Trading Environment.*
3. Business Partner: *gives the organization the source for them develop their own private label.*

### *How to buy*

Both the Developer and Enterprise tier levels are available for purchase as a CD ISO download from the popular ecommerce site, [www.my-buy-it-now.com](http://www.my-buy-it-now.com)

The Business Partner membership is by invitation and request only, and requires a completed application. See [www.forexgeneral.info](http://www.forexgeneral.info) for more information.

## Getting Support

Support is provided only through the google groups.

## Getting Further Assistance

- Google groups
- Forex Raptor Freeware (<http://groups.google.com/group/forexraptor-freeware-support>)
- Triangular Arbitrage Calculator (<http://groups.google.com/group/rgmorrisnet-ultimate-mt4-client>)
- FXNewsHunter (<http://groups.google.com/group/fxnewshunter>)
- 4-Rex [Beta] (<http://groups.google.com/group/4-rex-algorithmictrading-system-beta>)
- Ehow.com Tutorials ([www.ehow.com](http://www.ehow.com))
- Help->Video Tutorials
- Forex Raptor Freeware ([www.forexraptorfreeware.com](http://www.forexraptorfreeware.com))
- FX News Hunter ([www.fxnewshunter.com](http://www.fxnewshunter.com))
- 4-REX ([www.4-rex.com](http://www.4-rex.com))
- Richard G Morris Financial Network ([www.rgmorris.net](http://www.rgmorris.net))
- About the Sure Fire Forex Trading Indicator ([www.surefire-forextrading.com](http://www.surefire-forextrading.com))
- NY Polytechnic ([www.nypolytechnic.com](http://www.nypolytechnic.com)) – offers many free and low cost online courses in Forex and other academics.

## IMPORTANT

The Forex Integrated Trading Environment (ITE) offers automatic update notification each time the application is started, thus eliminating the need to uninstall and reinstall the application, providing that you choose to download the update each time and do not press the skip button. You will be missing out on important updates and fixes. A new distribution is made for each update allowing new installations to have the current release. There may be an occasion that a new distribution package will not be made when minor fixes have been made.

## **Appendix A – Economic Indicators**

### ***Gross Domestic Product (GDP)***

The most important indicator is the GDP report. Basically, the GDP is the widest measure of the state of the economy. The figure is released at 8:30 am EST on the last day of each quarter and reflects the previous quarter. The GDP is the aggregated monetary value of all the goods and services produced by the entire economy during the quarter (with the exception of international activity). The key number to look for is the growth rate of GDP. Generally, the U.S. economy grows at around 2.5-3% per year and deviations from this range can have a significant impact. Growth above this level is often thought to be unsustainable and a precursor to high inflation, and the Fed usually responds by trying to slow down the "overheated" economy. Growth below this range (and especially negative growth) means that the economy is running slowly, which can lead to increased unemployment and lower spending. It is worth noting that each initial GDP report will be revised twice before the final figure is settled upon: the "advance" report is followed by the "preliminary" report about a month later and a final report a month after that. Significant revisions to the advance number can cause additional ripples through the markets. The GDP numbers are reported in two forms: current dollar and constant dollar. Current dollar GDP is calculated using today's dollars and makes comparisons between time periods difficult because of the effects of inflation. Constant dollar GDP solves this problem by converting the current information into some standard era dollar, such as 1997 dollars. This process factors out the effects of inflation and allows easy comparisons between periods. Don't confuse Gross Domestic Product with Gross National Product (GNP). GDP includes only goods and services produced within the geographic boundaries of the U.S., regardless of the producer's nationality. GNP doesn't include goods and services produced by foreign producers, but does include goods and services produced by U.S. firms operating in foreign countries. For example, if a U.S. firm was operating a chain of stores in France, the goods and services produced by those stores would not be included in the GDP, but would be included in the GNP. As the global economy grows, the difference in GDP and GNP is falling for developed countries like the U.S. But for smaller, developing countries, the difference can be substantial. For the latest report, visit the Bureau of Economic Analysis website.

### ***Consumer Price Index (CPI)***

The CPI is the most widely used measure of inflation. The report is released at 8:30 am EST around the 15th of each month and reflects the previous month's data. The CPI measures the change in the cost of a bundle of consumer goods and services. The bundle includes about 200 types of goods and thousands of actual products, ranging from foods and energy to expensive consumer goods. The prices are measured by taking a sample of prices at different stores. In addition to the overall CPI number, it is important to also look at the "core rate." The core rate excludes volatile goods like food and energy and gives a closer measure of real inflation. Most reports of the CPI numbers will include both the overall and the core numbers. The CPI is also important because it is used to adjust the annual changes to Social Security payments. There has been much debate about how well the CPI measures inflation, and some feel that it is an imperfect way to track rising prices. To see the latest report, visit the Bureau of Labor Statistics.

## ***The Producer Price Index (PPI)***

As mentioned above, the PPI is one of the two most important ways to measure inflation (along with the CPI). The PPI is released at 8:30 am EST during the second full week of each month and reflects the previous month's data. The index measures the price of goods at the wholesale level. So, while the CPI tracks the cost paid by consumers for goods, the PPI tracks how much the producers are receiving for the goods. There are three types of goods measured by the PPI: crude, intermediate, and finished. Crude goods are raw materials used in production of something else, intermediate goods are components of a larger product, and finished goods are what is actually sold to a reseller. The finished goods data are the most closely watched because they are the best measure of what consumers will actually have to pay. The latest report can be found at the Bureau of Labor Statistics.

## ***Employment Indicators***

The major employment announcement occurs on the first Friday of every month at 8:30 am EST. This announcement includes the unemployment rate (the percentage of the work force that is unemployed), the number of new jobs created, the average hours worked per week, and average hourly earnings. Note: the work force is not the entire population; it is a subset of people that meet certain criteria. The unemployment picture is a key gauge of the health of the economy while the average hourly earnings figure impacts inflation. In addition to this monthly report, there is also a weekly report on initial jobless claims-the number of people filing for unemployment benefits for the first time. Though far less important than the monthly report, these numbers help to take the pulse of the job market. For the latest monthly report, visit the Bureau of Labor Statistics.

## ***Retail Sales Index***

The Retail Sales Index measures goods sold within the retail industry, from huge chains to small local stores, by taking a sampling of a set of retail stores across the country. Released at 8:30 am EST around the 12th of the month, the report reflects data from the previous month. This report will be the "advance" report, which can be revised fairly significantly after the final numbers are crunched. Many analysts choose to look at the figures "ex-auto", which means excluding the volatile car sales figure. It is thought that this number is a better measure of across-the-board purchasing trends. The report does not include money spent on services, so it represents less than half of total consumption during the month. However, even with these limitations, the figures are closely watched as an indicator of the state of the economy. For the latest report, visit the U.S. Census Bureau.

## ***NAPM***

The National Association of Purchasing Management index (NAPM) measures conditions in the manufacturing sector. It is released on the first business day of the month at 10 am EST and reflects the previous month's data. According to the association, a reading over 50% indicates that manufacturing is growing, while a reading below 50% means it is shrinking. In addition to providing an excellent picture of the state of manufacturing (the data is only 1 day old) the NAPM is also thought to be an early indicator of inflationary pressures. You can find the latest report by visiting the NAPM.

## ***Consumer Confidence Index***

Consumer confidence is considered a crucial part of the economic picture. Released on the last Tuesday of the month at 10 am EST, the report measures how confident consumers feel about the state of the economy and their spending power. The idea is that the more confident people feel about the stability of their incomes, the more likely they are to make purchases. The Consumer Confidence Report uses about 5,000 households as a sample population and even measures the number of help wanted ads in newspapers to gain a sense of the state of the labor market. Many analysts believe that high consumer confidence can cure a lot of what ails an economy. When most data points to a slumping economy, high consumer confidence and consistent spending may help soften the blow or power a recovery. For the latest release, visit the Conference Board Company.

## ***Beige Book***

The Beige Book is part of the Federal Open Market Committee's preparations for its meetings and is published 8 times a year. The report is released two Wednesdays before each FOMC meeting at 2:15 pm EST. The book is a summary of economic conditions in each of the Fed's regions. The report is mostly seen as an indicator of how the Fed might act at its upcoming meeting. For the latest reports, visit the Federal Reserve website.

## ***Durable Goods Orders***

The durable goods orders report measures how much people are spending on long-term purchases (products that are expected to last more than three years). The report is made at 8:30 am EST around the 26th of each month and is thought to provide insight into the future for the manufacturing industry. The reports are broken down by industry, which helps to eliminate the effects of single volatile industries like defense spending. Investors are concerned with the overall picture and the markets are moved by general trends across most industries. Visit the U.S. Census Bureau for the latest report.

## ***Employment Cost Index (ECI)***

The ECI is another important measure of inflation. Released at 8:30 am EST on the last Thursday of January, April, July, and November, the ECI measures the cost of labor including wages, benefits, and bonuses. The reason the ECI is thought to be an indicator of inflation is that as wages increase, the added cost is often passed to consumers shortly thereafter in the form of higher prices (inflation). In combination with the productivity report (see below) the ECI can reveal whether the increased cost of labor is justified or not. For the latest report, visit the Bureau of Labor Statistics website.

## ***The Productivity Report***

The productivity report measures how much output is created by a unit of labor. Released at 8:30 am EST around the 7th of the second month of each quarter, the data reflects the activity during the previous quarter. This indicator has been of secondary importance until relatively recently because Fed Chairman Alan Greenspan has been very interested in productivity growth. Many economists believe that productivity growth allows the economy to grow at unusually high rates without causing inflation. If productivity is growing, employment costs can increase without heightened inflation resulting. For the latest data, visit the Bureau of Labor Statistics.

## ***Unemployment Rate***

A measure of unemployed workers (above 18 years) in relation to the total labor force. Unemployment Rate is calculated monthly by surveying a random sample of about 60,000 households, 375,000 plants. It is one of the key macroeconomic indicators. Only unemployed are taken into account, that is jobless people, which actively look for work. The unemployment rate is calculated by dividing the number of unemployed by the number in the labor force, where the labor force is the sum of the unemployed and the employed. The natural rate of unemployment is considered to make about 4-5% of the labour force. It is treated as an indicator of possible inflationary pressure through wages increase. Salary is considered to grow faster with low unemployment rate, especially in case inflation acceleration is expected. In case rates hikes are expected unemployment rate decrease triggers USD advance.

## ***Non-farm Payrolls***

Non-farm Payrolls represent the total number of paid US workers of any business, excluding the following employees: general government employees, employees of nonprofit organizations that provide assistance to individuals, farm employees. About 400 thousand of companies and 50 thousand of home economics are estimated. These data are released monthly, revised in accordance with seasonal fluctuations, etc. Non-farm Payrolls, Unemployment Rate, Average Workweek and Hourly Earnings are used for inflation rate specification, that is for rates changes also. High rates of growth of the indicator stimulate economic growth acceleration.

## ***Factory Orders***

The indicator signals industrial demand on durables and non-durables. This indicator increase characterises production activity and its possible growth, while its decrease signals phase-down. That is why currency rate rises on this indicator increase and falls on decrease. This indicator includes Durable Goods Orders and Non-durable goods orders. Durable Goods Orders include goods with intended lifespan of more than 3 years (cars, furniture, building materials), which make more than 50% of the total. Non-durable goods orders include food, clothes, light industrial goods etc. Factory Orders characterise production activity. Increase in the indicator is a positive factor for the economy, while decrease in the indicator signals decline.

## ***Current Account (Balance of Payments)***

Balance between payments to foreigners (debits) and payments received from foreigners (credits) includes: trade balance or trade gap and capital payments gap. Credits surplus over debits makes balance of payments and causes the national currency growth. Debits surplus over credits makes current account deficit and causes the national currency fall. Current account surplus is a favorable signal of the national currency.

## ***Initial Claims (Jobless Claims)***

A number of people who applied initial jobless claims. The data indicate the number of initial claims applied to the Employment Department for the redundancy award receiving. The data provide up-to-date, but often delusive, indicator of economic tendency. Increase/decrease of those who applied initial claims signals in favor of growth slowdown/acceleration. In this respect the influence on market is low, though some influence on trading behavior is probable in rare cases. Due to the weekly data variability most of analysts prefer monitoring the four-week moving average to get more distinct reading while determining the main market tendency. Usually strong displacement (about 30K) is considered to get significant change of the trend. The steady decrease of initial claims signals economic growth and improvement in the Labor market and causes the dollar growth. The reading above 400 000 signals the problems in the Labor market.

## ***Tank a Survey***

To compose the survey about 8-10 thousand businessmen from different economic spheres are polled. The companies, among which 10-15 are large enterprises, 30-35 — medium-sized enterprises, 50-55 small enterprises, are asked about 1) business environment, 2) production and sales, 3) demand and supply, 4) prices level, 5) gains, 6) direct investments, 7) employment, 8) fiscal conditions. Top managers are polled separately. Estimation methods: Diffusion Index (DI) — «Favourable» minus «Unfavourable», %points, Percent change — change of the index in relation to the same period of the previous year. The survey increase signals economic conditions improving and it is favourable for JPY rise.

## ***ZEW Survey***

ZEW Survey is a main indicator of investors' confidence. It is calculated on basis of 350 analysts' and institutional investors' polling. The indicator reflects the difference between analysts who are optimistic about forthcoming economic development of Germany within six months and those who are pessimistic. If most of respondents are optimistic, the reading is above zero, if pessimistic — below zero. Example: if thirty analysts are optimistic, thirty are neutral and forty are pessimistic, the reading will make «-10». The Survey is used for German economic prospects estimation. ZEW Survey growth causes the euro growth.

## ***Personal Consumption / Expenditures (Personal Spending)***

PCE is comprised of three categories: durables, nondurables, and services. The retail sales report provides a good read on durable and nondurable consumption. Service purchases tend to grow at a fairly steady pace, making this a relatively predictable report. Economic recession often occurs once consumers stop spending money, which triggers decrease in demand. On the back of it this indicator increase is a positive factor for the national economy development. This indicator increase may trigger growth in Retail Sales, which is a positive factor for economic development and triggers USD rise.

## ***Personal Income***

Personal income measures households income from all sources before personal income tax is paid. The measure of income from all sources, which can be estimated using payrolls and earnings data from the employment report. It includes rental income, interest income, government subsidy payments, dividend income, etc. Personal income indicates future consumer demand. It is reported together with Personal Spending. Personal income increase may trigger growth in Retail Sales, which is a positive factor for economic development and triggers USD rise.

## ***Capacity Utilization***

The indicator of the degree of industrial capacity utilization. Capacity utilization shows the degree of economic industrial capacity utilization. This is quite a good indicator of economic stocks for the future. The optimum value for this indicator is 81.5. The value of more than 85 signals that the economy is overheated. Though even excessive value of this indicator may trigger currency strengthening, as high pressure economy brings about inflation, which signals that the Fed may raise discount rate. In case the value of the indicator is much lower than the optimum one it signals weak economy and may trigger currency weakening. Price of suppliers of goods may influence estimating as this price increase may push stocks and bonds prices down. CU approach to the threshold level (about 85) is treated as a signal of possible inflation.

## ***University of Michigan Consumer Confidence Index***

A monthly survey of consumer confidence conducted by the University of Michigan to detect consumers' confidence. Thus, consumers' willingness to spend money is measured. It is a leading indicator of consumer climate. It consists of two components, sentiment (about 40% of the total index) and expectations (the other 60%) indices. About 500 consumers answer 5 questions about current and future economic situation (2 and 3 questions correspondingly). Answers to the first two questions form current conditions survey, whereas the last three questions form the expectation index. The increase in the index signal positive perspectives of the economic growth, whereas decrease signals possible deceleration in growth. The index increase triggers USD advance.

## ***Philadelphia Fed Index***

Survey of manufacturers from Philadelphia (the USA), which indicates their attitude towards current economic situation. Philadelphia Fed index is a survey of about 100 manufacturers in Philadelphia, which indicates their attitude towards current economic situation and perspectives for the nearest 6 months. The index signals economic rates of growth slowdown when it is below zero. This index can indicate what to expect from ISM index (Institute of Supply Management' index, former NAPM — National Association of Purchasing Managers), which comes out a few days later. This index increase triggers USD rise.

## ***Chicago PMI Index***

Chicago PMI index is the result of Chicago industry purchasing managers polling. It characterizes manufacturing orders, output prices and trading stocks status. The index readings below 50 characterise economic recession. It is released shortly before NAPM, which attracts additional attention to it. Chicago PMI index readings above 50 are usually treated as industrial activity growth ratio.

## Appendix B – Triangular Arbitrage

Triangle or triangular arbitrage is a Forex trading strategy, which is theoretically 'risk free'. As the name suggest, triangle arbitrage includes trading 3 different currency pairs almost simultaneously to profit from exchange rate difference between them.

In global Forex market, the price of one currency pair depends on the price of one or more other currency pairs. The basic formula for the relationship of three related currency pairs, having 3 different currencies, is as follows.

$$AAA/BBB \times CCC/AAA = CCC/BBB$$

Chance of triangular arbitrage occurs whenever this equation goes wrong. A triangle arbitrator buys BBB spending AAA, then buys CCC spending BBB and lastly returns to AAA selling CCC, capturing a small profit. The chance of profit is maximized by utilizing margin from brokers and trading with higher amounts.

For example take exchange rates EUR/USD = 0.6522, EUR/GBP = 1.3127 and USD/GBP = 2.0129. With \$500,000 one can buy 326100 Euros, using that he can buy 248419.29 Pounds. He can now sell the pounds for \$500043.19. Thus he can earn a profit of \$43.19. In today's Forex market, the chances for triangle arbitrage are getting rare. Even if there is one, it last only for seconds. Thus for profiting from triangular arbitrage traders need advanced trading systems, programmed for automated trading. Taxes and fees may also reduce the profit.

Original article from:

<http://www.nobletrading.com/blogs/2008/03/triangle-forex-arbitrage-strategy.html>

## Appendix C – Money Management

Money management has always been a light topic with the emphasis on making money but not on a sound plan to achieve your desired goals. This discussion on money management is aimed at giving specific strategies that are conservative yet achievable and maintainable.

If you are just starting out in Forex trading, you were probably lured to the promise of making quick cash in only a matter of minutes, and this does happen more than often than you think.

To begin with proper money management, you need to identify, (1) The minimum you can afford to invest and still be profitable, (2) How much time do you have to spend actively trading, and (3) How much you want to earn in a given time frame.

Most beginner traders want to make as much as they can in the shortest time. This is too abstract and has no focus. Would be better to say, "I want to make \$1,000,000 in the next 30 days?"

Let see, how much is needed in your account to make \$1,000,000 in next 30 days?

We need to make some assumptions. First, we will assume 20 trading days per month. Each month has more than twenty, if you trade on every trading day, you will surely make your target goal. Though Forex is traded 24/7 for 6 days per week, you define your trading days. I am not talking about automatic trading, you should be comfortable with manual trading before trusting your account to any automatic trading strategy.

Back to our example, on average for 20 trading days, you will need to profit \$50,000 per day. If you have a \$10,000 account balance with an 100:1 leverage, your estimated PIP value is \$10. You then have to make a 5000 PIP gain for each of the twenty days.

If each successful trade yields a 10 PIP gain, then you would need 500 positive trades to achieve the 5000 PIP daily gain. This may sound like a lot, but in Forex trading, this amount of trades is not uncommon and is usually much more. Keeping in mind that you may be a beginner trader, you can still use the best 10 PIP gain per trade and reduce your daily trades until you have gain experience and confidence to increase your daily trade count.

Now we go back and decide what is the minimum initial deposit that you need to be profitable that would grow your account balance to \$10,000. I have already identified this for you with the absolute minimum of \$500 at 200:1 leverage (\$1000 minimum is preferred).

The Triangular Arbitrage Calculator has proven that you can take \$500 and increase the balance by \$500 every four days. Hence, for 20 trading days per month, you can safely achieve \$2000 per month. The Triangular Arbitrage Calculator is NOT automatic trading and you must learn how to spot trends, entry and exit signals before you can successfully use the Triangular Arbitrage Calculator. Over the course of 5 months trading, you should accumulate a \$10,000 balance, then by your seventh month, you will have your \$1,000,000 goal.

Now we have identified that we have 20 trading days, we can earn 10 pip gain per trade, we have a tool that has the potential of earning \$500 every four trading days and will take you five months to build up to a \$10,000 balance for you to make \$1,000,000 in thirty days.

We are now going to break down the \$500 every four day goal into daily goals. We can successfully and consistently make a 10 pip gain per trade (a triangular arbitrage trade of 3 currency pairs is considered one trade). We need to make \$250 per day or just 25 positive trades per day that increases the daily account balance by \$250. A far cry from 500 daily trades. After 5 months of your, you will most likely coming near if not exceeding 500 trades per day.

Now we have to decide how much time we need to spend per day to make these twenty trades. Because the account is starting out at \$500, you should only make 1 triangular arbitrage trade at a time or risk a margin call and account depletion. Again, looking at the past results of the Triangular Arbitrage Calculator, we see that 25 trades were achievable within a 2 to 4 hour time frame. Since Forex trading is 24 hours, you can trade this before you go to your regular employment and after you arrive back home. Once you have made your \$250 for the day, STOP! Take a break and enjoy your "spoils." Tomorrow is another day. You do not want to be in a rush. You do want to be consistent and discipline. For the discipline trader wins every time. As the old saying, "Haste make waste!" As you get more experienced and confident, and you balance increases, you can increase your lot size, trade more hours per day, increase your daily target. The key is NOT to be OVER CONFIDENT!

Money Management also applies to when you are evaluating an automated trading strategy. When testing your strategy on a demo account, you should treat as a live account from the initial balance as you were going to open a live account with the assigned leverage. A good rule of thumb is the trading strategy MUST double your account balance before you trade live within a predefined time period. By back testing your strategy, when available and possible, will help you to decide what this time period to double your account balance needs to be. If back testing reveals that your account balance should double after 10 trading days, then that is your minimum requirements. If the strategy does not meet these requirements after the 10 days of trading, then discard the strategy and try something else. Do not trade live thinking the strategy will do better. From experience, IT WILL NOT! If strategy failed on the demo account, it will **FAIL QUICKER** on your live account!