

The M2 Trading System

How To Trade "Major Movements"

And How To Stop Screwing Around With Crap That Doesn't Work

Important Warning: I'm going to be pretty "in your face" about some things. I may even use "bad words". If such things offend you then please STOP READING NOW. However, if you are looking for a system that may very well work for you, and a little "adult language" won't offend your sensibilities, then please, continue on.

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Chapter 1 - Why You Should Think I'm Totally Full Of Crap

Before we go into the trading system itself, understand something ...

Who I am doesn't matter.

What trading experience I have doesn't matter

The size of my trading account is totally irrelevant.

You see, there are A LOT of well known "traders" out there that regularly get their asses handed to them.

There are A LOT of people out there that have been trading the markets for years and losing the entire time.

Big name gurus who don't actually know what they are doing will cause you to lose money just as quickly as listening to someone that has never traded the market and is giving you some "tip" they picked up somewhere.

The plain and simple fact of the matter is that any time you are listening to anyone regarding the market you should assume they are completely full of crap. You should hold this assumption until that person proves to you that they know what they are talking about.

This system, it may work for you, it may not. I'll go into some fair detail as to why it should work for you.

I'll even explain to you why you've struggled to trade successfully up until now.

However, if you follow my advice you will KNOW if the system will work for you or not before you have risked a single cent of your actual money.

You will KNOW if I legitimately know what I'm talking about or if I'm just yet another idiot with yet another system that doesn't work for shit.

In the end, it is whether or not the system works FOR YOU that matters.

Who I am only matters once you know if I can help you or not.

So, continue reading. But assume I'm full of shit. More likely than not you'll know if I'm the real deal or not long before you get to the end of this trading system.

However, still assume I'm full of shit. Only after you have independently verified if this system is real, if it may work for you, only then should you continue listening to anything else I may have to say.

Chapter 2 - Why Your Trading Sucks

If you're still reading this then I'm going to make a prediction.

Your trading sucks.

If it didn't, you wouldn't be looking for a new system, you wouldn't waste your time reading this.

So, lets start with that as a baseline ... Your trading sucks.

The question then becomes WHY does it suck?

Well, before I go into more details, let me make a few predictions.

1) You're currently losing money. Even if you're just trading a demo account, its losing money. If you're trading your real money, you're probably losing your ass hand over fist.

2) It is fairly common for you to place a trade ... only to have the market move against you very soon after you do.

3) The profitable trades you do make would be MORE profitable if you either exited sooner or held on just a little longer. FURTHER, you probably find that not long after you do have a profitable trade, you end up "giving it all back" in a series of losing trades.

In short you almost feel as if the market has a mind of its own ... and it is doing everything it can to take your money from you.

In fact, because of the above, you are probably spending a fair amount of your time looking for a system that will stop the above from happening.

You're looking for some combination of indicators that will tell you when to enter and when to exit so that you can regularly make money instead of losing it.

**IN FACT IT IS THAT LAST SENTENCE THAT EXPLAINS WHY YOUR
TRADING SUCKS!**

Technical indicators ... every single last one of them ... lag the market.

That means the market has to do something for a while before the indicator can tell you that it's happening.

Let me phrase this another way.

The market has to move ... often quite a distance ... before almost ANY technical indicator will give you enough "confirmation" that the move is going to stick before you get an "entry signal".

What that means is that A LOT of movement has completely gone by you before you even THINK about placing a trade.

And there is exactly the problem. Too much movement is passing you by.

Any set of technical indicators will give WAY too often you an "entry" just as the movement is already done and over with and now the market is going into a consolidation phase.

The market bouncing against your position so soon after an entry (because it is now consolidating) causes you to "freak out" and you exit at a loss.

Technical Indicators ALL Have This Problem!!!

You see, using a technical indicator to tell you when to trade and when NOT to trade is a lot like going out to your car, blocking the front windshield so you can't see out of it, and attempting to drive your car forward down the street using ONLY your rear view mirror. Using what the street WAS doing to guess what it WILL do.

That is what you are doing by trying to use technical indicators to enter and exit the market.

You see, when it comes right down to it, all ANY technical indicator can do is give you some sort of picture of what the market WAS doing.

Most trading systems then try and get you to believe that by properly understand what the market WAS doing, through some set of indicators with some specific settings, you can therefore guess where the market is going to go.

Do you see how that is like trying to guess where the street in front of you might go only by looking in your rear view mirror and knowing where it WAS?

You see, trying to use technical indicators to trade the markets just plain and simply sucks. That's why your trading sucks.

This of course begs the question ...

Chapter 3 - What Doesn't Suck

To explain a method of trading that doesn't suck I first have to explain some things that you may know and understand but haven't truly grasped the importance of.

The first, and most important thing to understand is that most movement in the markets occur over a short period of time.

In other words, 60 percent of the time the market is moving sideways. 30% of the time it will be "trending", and 10% of the time it will be "breaking out" or spiking.

Further, a "trend" nearly always follows a spike of some kind.

If you can find the spikes, with few exceptions you can find the trends.

What I'm saying is that the market, very nearly always will make *major movements* over a very short period of time and after that *major movement* will then move sideways,, locked within a range.

It is the sideways market that will eat you up and chew you out, and unfortunately, if you remember what I said in the previous chapter, most technical indicators will have you entering a trade after the *major movement* has ended and now you're staring at the sideways market.

You have probably even thought of trying to "scalp" the market to solve this problem. I could spend A LOT of pages explaining why this philosophy is

flawed from the beginning, but let me put it to you this way ... how's that working out for you?

You trading sucks doesn't it.

That's because a "sideways" market can be softly up or softly down which makes for predicting exactly where the top resistance or bottom supports really are exceedingly difficult.

Not only that, but a sideways market can end often with little warning and all too often it will do so at odd times.

So, to recap, most of the time the market will move a lot in a brief period of time and then move sideways.

The question then becomes *WHY* does the market do that.

Well, that's because **ONLY TWO THINGS** cause the market to move.

1) News, or the anticipation/rumor of what that news will say

2) Trading activity by major institutions or governments

And the fact of the matter is that with few exceptions, major institutions will base their trading activity based on what the news says.

If you know what the news is VERY soon after it comes out, and if you know how that news is likely to affect the market, then trading becomes easy.

Now, I'm not talking about watching the major network news here.

Understand that clearly.

I'm talking about watching major financial specific news (e.g. Bloomberg) on top of knowing what news sources there are specific to your market.

Moneywatch.com, commoditynewscenter.com, forexfactory.com

Those three name news sources specific to equities, commodities, and forex respectively and name just three of the important ones.

You see, knowing the news will tell you WHAT is likely to be experiencing a *major move*, WHEN that is likely to be happening, and WHY.

It is by knowing that information that you can narrow down thousands upon thousands of potential equity or commodity contracts and know which you should be looking at to trade.

After all, why bother looking at a stock in the transportation sector if there is a stock in the tech sector that is experiencing a *major move*?

Why bother looking at the Australian Dollar if it is the Pound that is experiencing a *major move*?

The only way to know what is moving, why, and when, is to know the
RIGHT news, AT THE RIGHT TIME.

Okay, all of this is fine and dandy.

But how do you actually TRADE off of this? Well, lets go into ...

Chapter 3 - The Trading System

First, lets talk about "chart set up."

The set of any chart is going to be the shortest time frame your specific broker will allow candlesticks to be displayed. A "tick chart" does you no good.

You want candlesticks ... preferably you will be able to set a one minute time frame, but if your broker only allows something longer, that's fine.

Now, understand something. That's just how you set it up. You do NOT need to actually open a chart yet. Why open a bunch of charts of stuff that may or may not actually matter?

Now, you need to go to news sources that will ideally tell you what news is pending BEFORE it actually comes out.

Things like when a company is going to be releasing earnings, major economic releases for the forex market, inventory levels and such for the commodities market.

I've given you a starting place for where to get that news in the previous chapter.

Once you know what news is coming out that day, THEN you open the charts.

Now, for one week, just watch what happens when the news hits. What is the reaction like?

How far apart do the actual released numbers need to be from the forecasted numbers to really drive a *major move*.

Spend a week just watching what goes on, what causes the big movements to happen.

Then spend another two to four weeks and trade "demo" money ONLY.

See if you can successfully watch the news, predict the direction of the major move, and then trade it.

It won't take long before you get a VERY good feel for how the news will drive a *major move* in almost anything.

Now, there are LOTS of times when an institutional trader or a governmental entity will make a move outside of the news cycle.

Unfortunately there aren't any free sources of news that will tell you the institutions or governments are making large trades.

So for the moment you definitely should just not worry about those times.

Instead, trade the news that you can.

Now, what will really help you to understand how to trade this way is ...

Chapter 4 - Free Live Trading Sessions

I'm going to be doing free live trading sessions where I show you how to do this.

You'll see exactly when, why, and how I place my trades, live, as they happen.

If you want you can even place your trades with me.

Lets face it, there is plain and simply no better way of learning something than having someone sit down with you and show you how to do it, walking you through every step along the way.

These sessions won't cost anything and I do them fairly frequently.

I want you to think about it for a minute. Any moron, jackass, wanna be, hack of a "trader" can create some trading system and sell it.

But when it comes time for the rubber to meet the road it is ONLY when you are able to see that system used LIVE that you can be sure it's for real.

By joining in on a free live trading session you get the chance to not only see the system in use, in a real life live scenario, you also get the chance to answer any questions you have, as they happen, and get an answer right then and there.

If you think about it, you'll quickly come to the conclusion that this is the ONLY way to learn how to trade any system.

If you'd like to get in on a free live trading session then go to:

<http://freelivetrading.com>

UNDERSTAND SOMETHING BEFORE YOU GO ... that page is extremely simple. It isn't some super slick professional looking thing.

It is just a form that will let you give your name and email address so that I can tell you when the free live trading sessions will occur. I'll also let you know of any analysis reports I create.

You will NOT be sold some stupid garbage being sold out on the internet somewhere.

That page isn't meant to be something that I'm making money off of which is why the page is so incredibly simple and basic.

If you're interested in learning how to trade, instead of being sold the latest over hyped piece of crap being hawked on the internet, then go to <http://freelivetrading.com> and fill out the form on the very simple page.

I'll tell you when I'm doing a live trading session and on occasion I'll send out an analysis report or a link to a video I did. That is the ONLY reason you'll be contacted by me.

Once again, that site is: <http://freelivetrading.com>

Now, there is one last thing. If you have any questions feel free to ask right there in the forum. Your other option is to reply to any email I send you. I really will be the person that responds. You won't be put into some lame "support system" or anything dumb like that. Like I said, I'm not selling you anything so this isn't going to be some professional load of crap you often see.