

# Hunter's Field Guide to Forex

It's a Jungle Out There

**Claire Elstun**

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*Claire Elstun*

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# Contents

1.0	Th Hunting Forex Market .....	1
1.1	The Kill.....	2
1.2	Master the Ammo and the Lingo .....	4
1.3	The Arsenal .....	5
1.4	Get to Know the Terrain.....	12
1.5	Trading Preliminaries .....	14
1.6	Target Practice: Burn Powder or Miss .....	15
1.7	Trading Styles .....	17
1.8	Let's Talk Turkey: Hunting Skills .....	18
1.9	Tale of Two Trails.....	19
1.10	Technical Analysis: Charts .....	21
1.11	Candlestick Formations.....	23
1.12	Bullet Points: Hunting Strategy.....	27
1.13	Techniques: Load, Aim, Fire .....	29
1.14	Support and Resistance Levels.....	31
1.15	Zero in on Your Scope: More Important Technical Indicators.....	33
1.16	Follow the Trail: Trends.....	37
1.17	Trading System Development .....	39
1.18	Trading System Selection .....	41
1.19	Trade Discipline.....	42
1.20	Deeper Into the Woods— Currency Correlations: The Correlation Code .....	44
1.21	The Mosquito Zone .....	47
1.22	Oil the Ammo with Leverage .....	48
1.23	Mingle with the Natives.....	49
1.24	Survival of the Fittest .....	50



*To husband, Wes,  
a true western legend*



## THE DRILL

THIS FOREX expedition does not cover legal, social, psychiatric, medical, business, psychosomatic, financial, accounting, or any other type of issue that requires expertise; not even the pseudo stuff. This is a purely exploratory endeavor into the world of foreign exchange trading or FOREX.

The aim is to hone the skill of the novice trader, supplying tips on trading and profiling the kill in FOREX.

It is all about winning the game in the FOREX market. The hunting challenge is selecting currency pairs that will increase against each other. By outsmarting the market through persistent study, in-depth analysis, and perseverance, the skilled hunter/trader combines those qualities along with a keen sense of smell to cash in on profit margins. The currency pairs trade long or short, in cash, 24-hours a day in a worldwide market of over a trillion dollars a day. It is fast and liquid.

Like every good hunter, the trader is mostly in control. However, trading in FOREX is a high-risk business. The trader will trade only when he or she expects the currency being bought will increase in value to the currency being sold. The FOREX trader will never risk more than he or she is willing to lose.

This guide will focus on day trading in the foreign currency market.



# 1.0

## THE HUNTING FOREX MARKET

FOREX has fundamentally changed since its inception, going from small, limited traders to high-end, trillion-dollar trading, causing a change in the way one trades.

FOREX is the largest financial market in the world. This market is attractive because unlike other trading markets, it is open 24 hours a day. There is high leverage, immediate transactions, and buy-and-sell orders which enable constant trading in the most liquid market in the world.

Like every avid hunter, the FOREX trader will not give up or give in. So let us begin our journey. On the novice hunt we will negotiate each turn, wary of the next bend, but plowing onward. We will learn to navigate the FOREX terrain, survey the foreign exchange market, and strategize the kill.

There are specific advantages to the FOREX trader:

- Free training and tools
- Liquidity
- No centralized banking
- Instant execution
- 24 hour trading
- zero to low commission charges

RESOURCE: [www.seekingalpha.com](http://www.seekingalpha.com)

# 1.1

## THE KILL

MAKING “The Kill” means that you buy low and sell high. In FOREX, you select the pair of currencies you choose to make trade: USD/Yen, Swiss franc/USD, Euro/Yen, Euro/USD, Pound/USD.

Next, the trader determines the quantity of the kill in dollar amounts. Market forces determine the value of one currency floating against another. Daily fluctuations in the market can multiply the selected currency pairs in seconds, minutes, hours, and days. The trader is betting that the value of one currency will increase against the other.

For example, let us say that you decide to trade EUR/USD. The currency quote for this combination is 1.315. The euro is the base currency, while the USD is the quote. One unit of the base currency, (the euro), will buy 1.315 US dollars. Alternatively, this trade requires 1.315 USD to buy one euro. If the euro increases in value, the trader makes a profit.

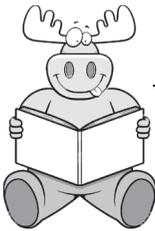
The trader can also reverse the pairs, euros for dollars or dollars for euros, to optimize trade advantage of the kill. You don't actually possess the currency, the trader simply trades on contract which means that monies are exchanged in a trader's account.

If the euro increases to 1.316 in a 100,000 margin account, the trader will gain 100.00 (131,500-131,600).

Factors sometimes common in both trading and hunting: big game animals that are large and visible are open territory to all hunters.

Top notch traders tend to focus on a limited number of pairs, GBD/USD, USD/EURO, etc. Novice traders should focus on one to two pairs to start with.

RESOURCES: [www.onlinetradingideas.com](http://www.onlinetradingideas.com)  
[www.Forexknowledge.com](http://www.Forexknowledge.com)  
[www.gettingstartedinForex.com](http://www.gettingstartedinForex.com)  
[www.aprimeronForexmarket.com](http://www.aprimeronForexmarket.com)



## **FUR TALES**

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On a quail hunt, a hunter deep in thick brush spooks out a quail. Pop, pop, pop. The hunter looks up for his catch, only to hear flapping wings. The hunter was using the wrong ammo, bye-bye birdie.

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