

High Probability Technical Trading for Forex Traders

Timothy Morge

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Micro-sized Forex futures contracts

BIG
OPPORTUNITIES

Introducing Forex E-micro Futures

1/10th the standard contract size – the perfect size for you.

- Six currency pairs
- Quoted in Interbank terms
- Largest regulated Forex market
- Secure central clearing

If you trade Forex, try Forex E-micro Futures on for size.
Contact your broker today to learn more.

Forex E-micro Futures Contract Specs

	E-micro EUR/USD Futures	E-micro USD/JPY Futures	E-micro GBP/USD Futures	E-micro USD/CHF Futures	E-micro USD/CAD Futures	E-micro AUD/USD Futures
Contract Size	12,500 euros	10,000 U.S. dollars	6,250 British pounds	10,000 U.S. dollars	10,000 U.S. dollars	10,000 Australian dollars
Delivery	Cash-settled					
Minimum Tick Size	0.0001 USD/EUR (=US\$1.25)	0.01 JPY/USD (=¥100)	0.0001 USD/GBP (=US\$0.625)	0.0001 CHF/USD (=1.25 CHF)	0.0001 CAD/USD (=1.00 CAD)	0.0001 USD/AUD (=US\$1.00)
Contract Value	If USD/EUR=1.3000 then contract = \$16,250 (=€12,500 x \$1.3000/€)	If JPY/USD=93.00 then contract = ¥930,000 (= \$10,000 x 93.00¥/\$)	If USD/GBP=1.5000 then contract = \$9,375 (=£6,250 x \$1.5000/£)	If CHF/USD=1.2000 then contract = 12,000 CHF (= \$10,000 x 1.2000 CHF/\$)	If CAD/USD=1.2500 then contract = 12,500 CAD (= \$10,000 x 1.2500 CAD/USD)	If USD/AUD=0.6600 then contract = US\$6,600 (=10,000 AUD x US\$0.6600/AUD)
Contract Months	2 months in the March quarterly cycle (Mar, Jun, Sep, Dec)					
Last Trade Date/Time	9:16 a.m. Central Time (CT) on the 2 nd business day immediately preceding the 3 rd Wednesday of contract month (usually Monday), except for E-micro USD/CAD futures which is on the business day immediately preceding the 3 rd Wednesday of the contract month (usually Tuesday).					
Trading Hours	Trades exclusively on CME Globex electronic trading platform: Sundays: 5:00 p.m. – 4:00 p.m. Central Time (CT) the next day. Monday – Friday: 5:00 p.m. – 4:00 p.m. CT the next day, except on Friday - closes at 4:00 p.m. and reopens Sunday at 5:00 p.m. CT.					

For more information, visit www.cmegroup.com/forexmicros .

Forex E-micro Margins*

1/10 the size of current standard contracts

- Euro FX (EUR/USD) - (M6E) \$235.00 Margin Per Contract
- Japanese Yen (USD/JPY) - (M6J) \$129.00 Margin Per Contract
- British Pound (GBP/USD) - (M6B) \$290.00 Margin Per Contract
- Canadian Dollar (USD/CAD) - (M6C) \$313.00 Margin Per Contract
- Swiss Franc (USD/CHF) - (M6S) \$318.00 Margin Per Contract
- Australian Dollar (AUD/USD) - (M6A) \$350.00 Margin Per Contract

*Margins may fluctuate due to market conditions

High Probability Technical Trading for Forex Traders

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High Probability Technical Trading

- **Trading The British Pound**

A Classic 'Test and Re-Test' Trade

- **Identifying the Orders**

Mapping the Market

- **Trading Euro FX Against the Dollar**

A 'Chip Shot' Trade

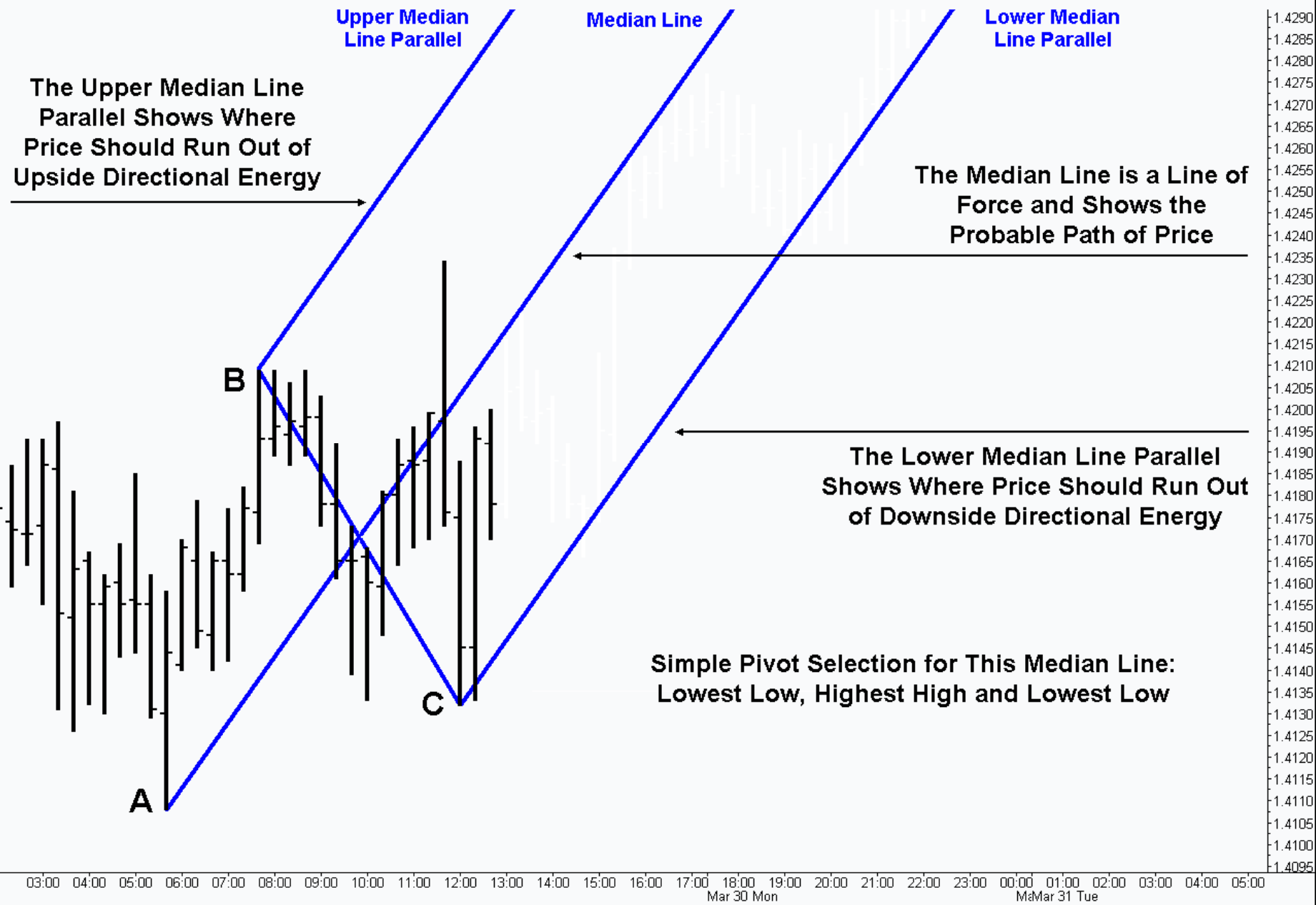
- **Cash FX: Canadian Dollar Versus the U.S. Dollar**

Analyzing Market Structure and Looking for Changes in Behavior to Identify Quality Trade Entry Orders, Stop Orders and Profit Targets

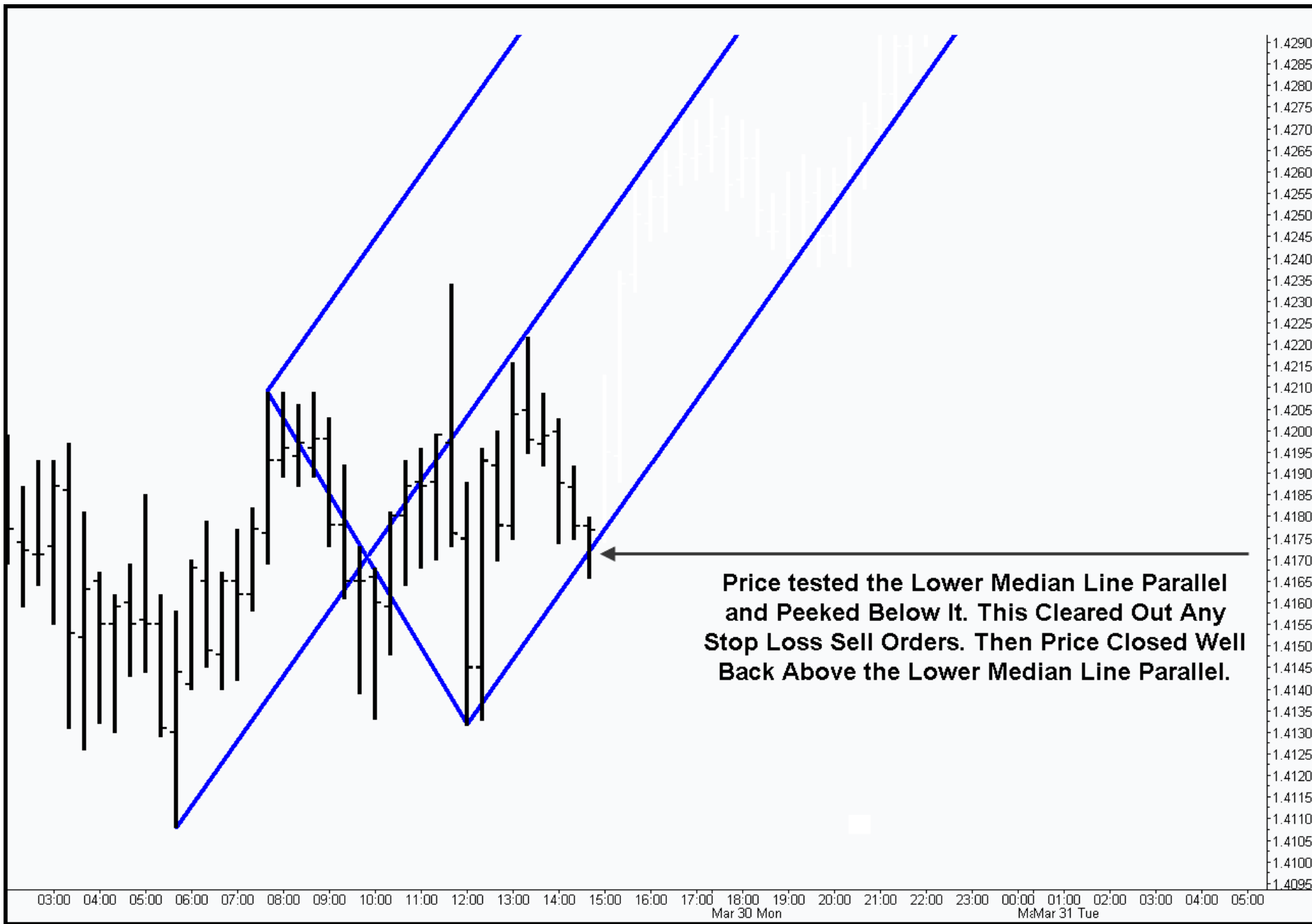
Trading The British Pound

A Classic 'Test and Re-Test' Trade



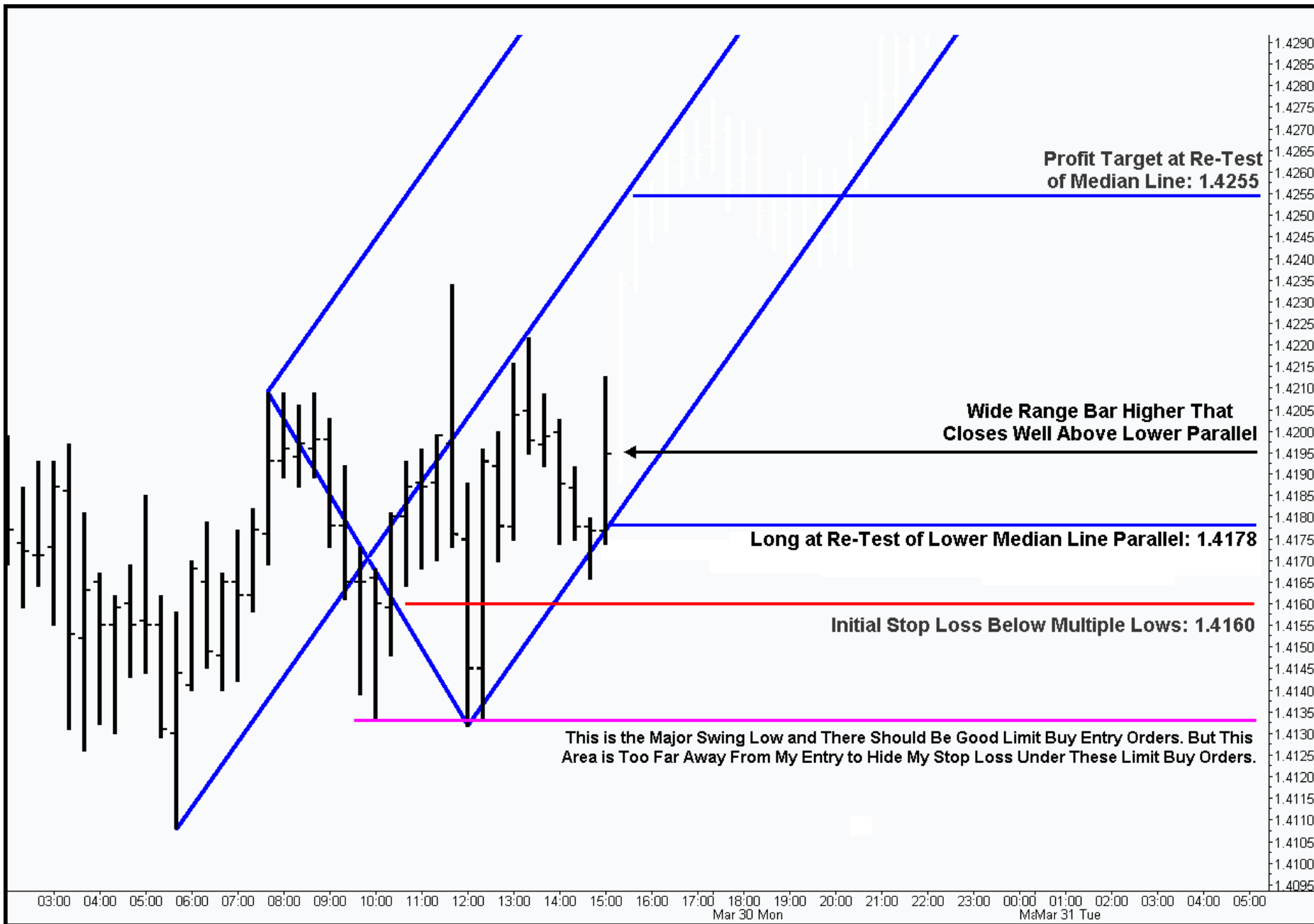






Price tested the Lower Median Line Parallel and Peaked Below It. This Cleared Out Any Stop Loss Sell Orders. Then Price Closed Well Back Above the Lower Median Line Parallel.

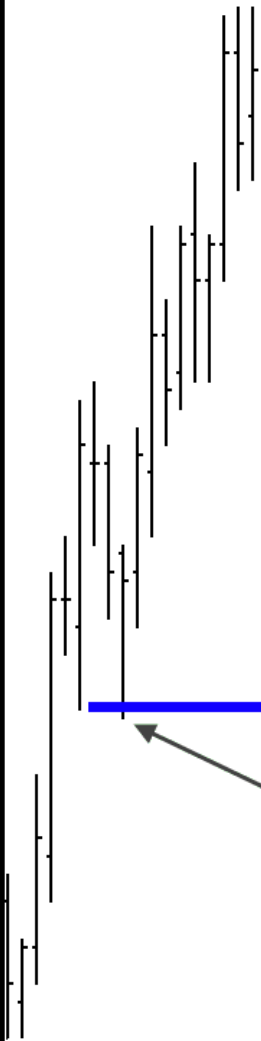






Identifying The Orders!

Mapping the Markets



Limit Entry Buy Orders Resting Here

**The Limit Entry Buy Orders Stopped
the Selloff and Price Rebounded**

**Limit Entry Sell
Orders Here!**



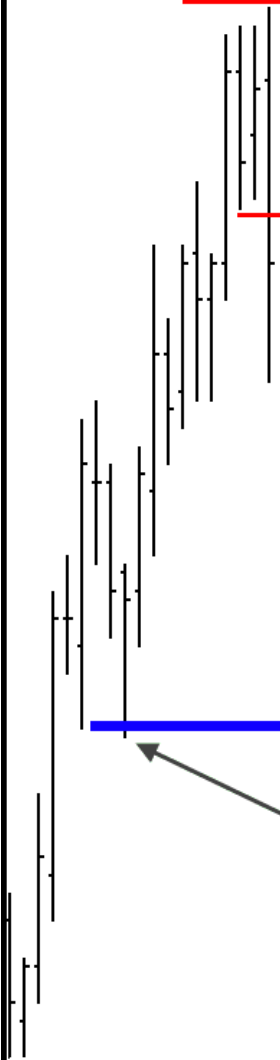
There are Limit Entry Sell
Orders at These Levels Now!

When Price Plunges Through These Lows
Leaving a Series of Similar Highs, Limit
Entry Sell Orders Come into the Market

Limit Entry Buy Orders Resting Here



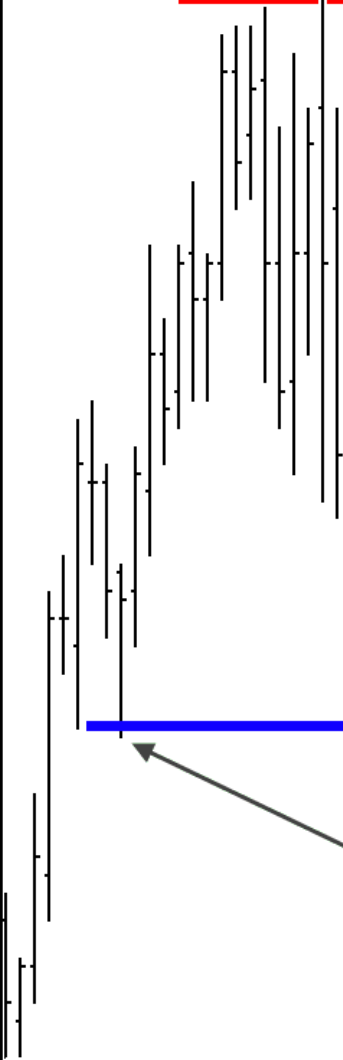
The Limit Entry Buy Orders Stopped
the Selloff and Price Rebounded



Limit Entry Sell
Orders Here!



The Rise in Price is Easily Halted When
It Runs into the Limit Entry Sell Orders



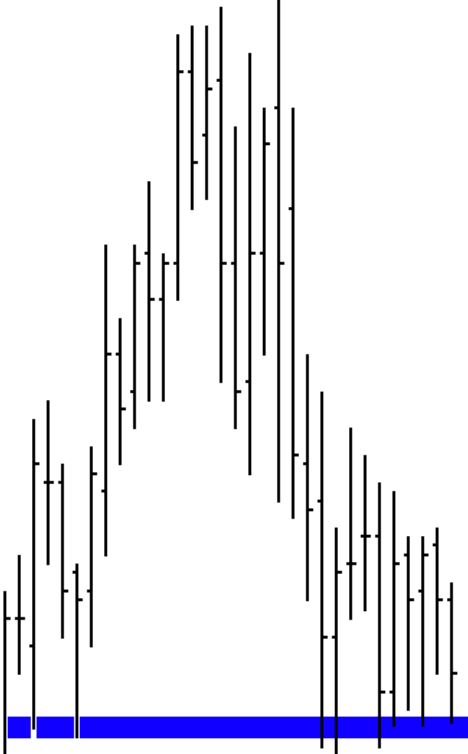
Knowing Where the Market Orders
Are Give You a Distinct Advantage!

Limit Entry Buy Orders Resting Here

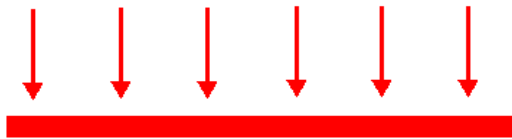
The Limit Entry Buy Orders Stopped
the Selloff and Price Rebounded



There are Limit Entry
Sell Orders Here Now!



Price is Testing the Limit Entry
Buy Orders Over and Over!



If the Limit Entry Orders Run
Out, Stop Loss Orders Are Hit!



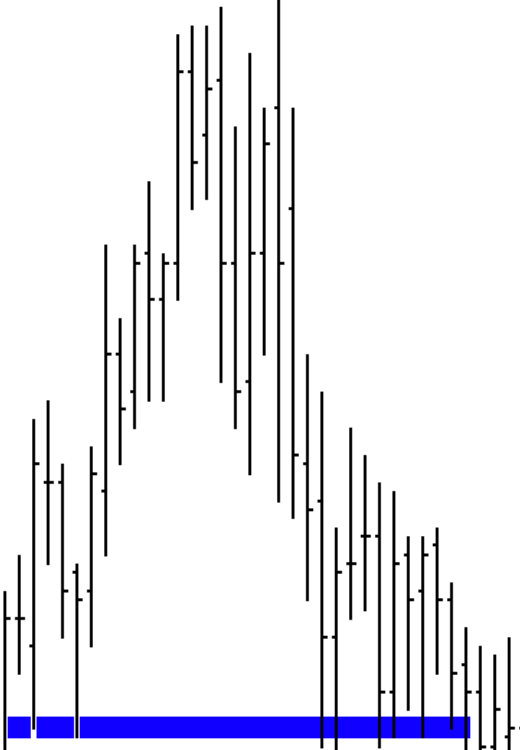
There are Limit Entry
Sell Orders Here Now!



When the Market Exhausts All the Limit Entry Buy Orders, Price is Pushed Lower. Stop Loss Orders and Stop Entry Orders are Run as Price Pushes Lower. Once All the Sell Orders are Exhausted, a Classic 'Wash and Rinse' Pattern Forms. Fresh Buyers Come into the Market and Push Price Right Back Above What Had Been the Prior Support.



There are Limit Entry
Sell Orders Here Now!



Traders That Initiated New Short Positions
Got Stopped Out of Their Short Position.
A Flood of New Buyers Push Price Higher.

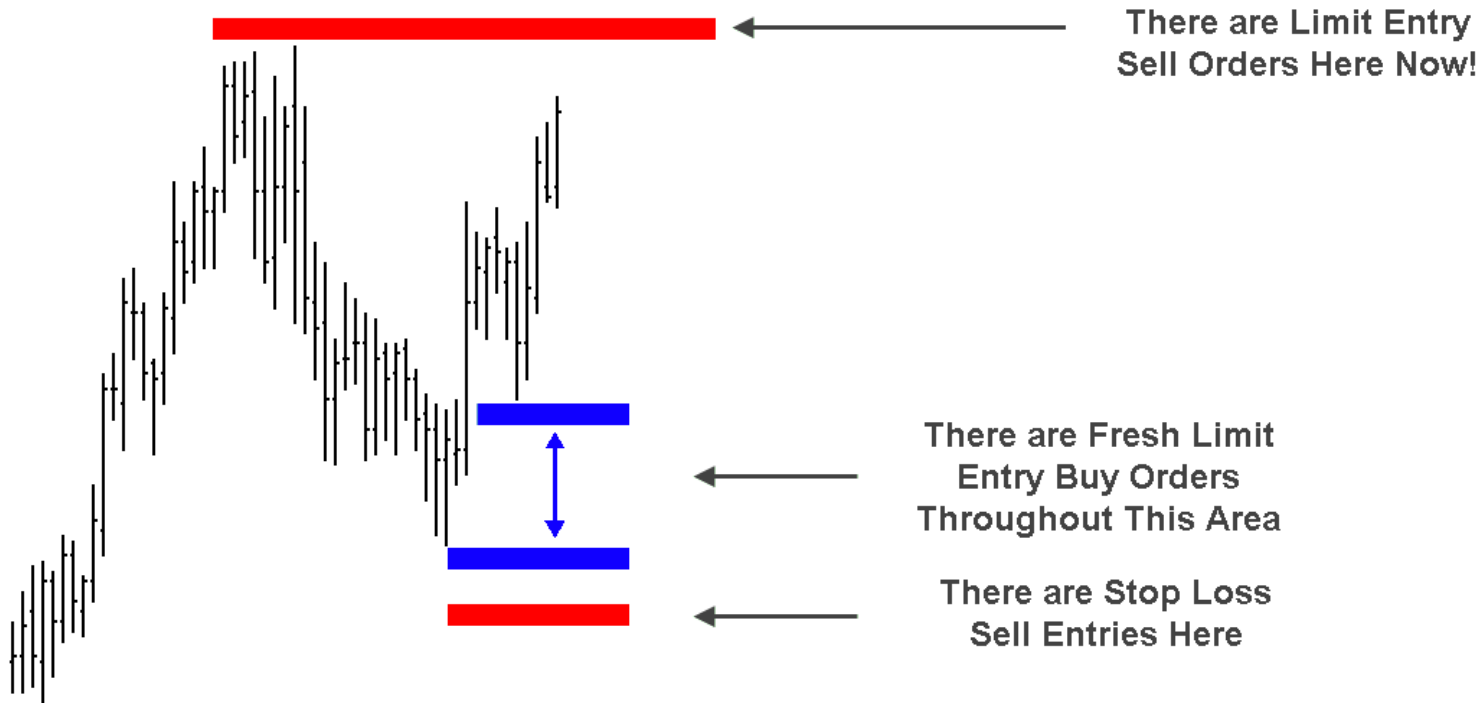


There are Fresh Limit
Entry Buy Orders
Throughout This Area



There are Stop Loss
Sell Entries Here





Let's Pull Back For A Larger View!

Initial Stop is 15 Pips Above Entry and Protected by The Build Up of Limit Entry Sell Orders

Limit Entry Sell Orders Here!

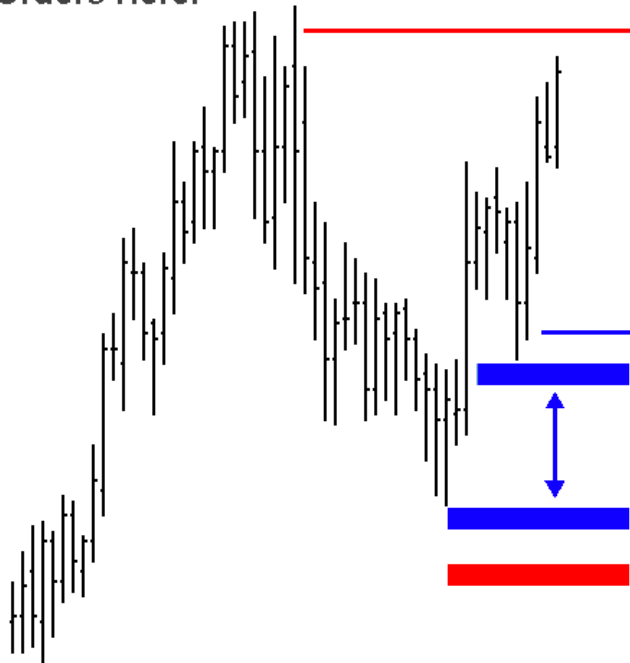
Sell a Re-Test of the Multiple Tops

Profit Target is Above Mashed Area of Limit Entry Buy Orders

There are Fresh Limit Entry Buy Orders Throughout This Area

There are Stop Loss Sell Entries Here

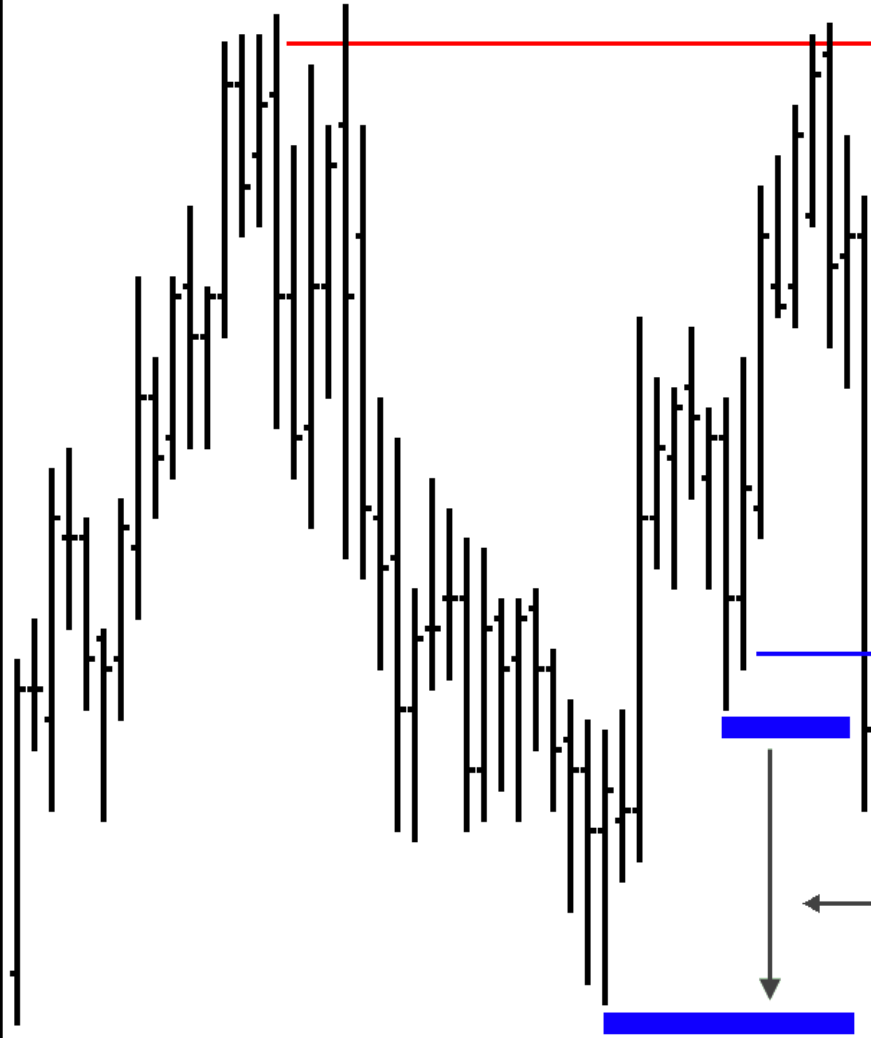
We Mapped Out the Orders Resting in the Market. Now Let's Trade Using That Map!



Limit Entry Sell Orders

Stop Loss Order is 15 Pips Above Entry and Protected by Massed Limit Entry Sell Orders

Short at Re-Test of Multiple Tops



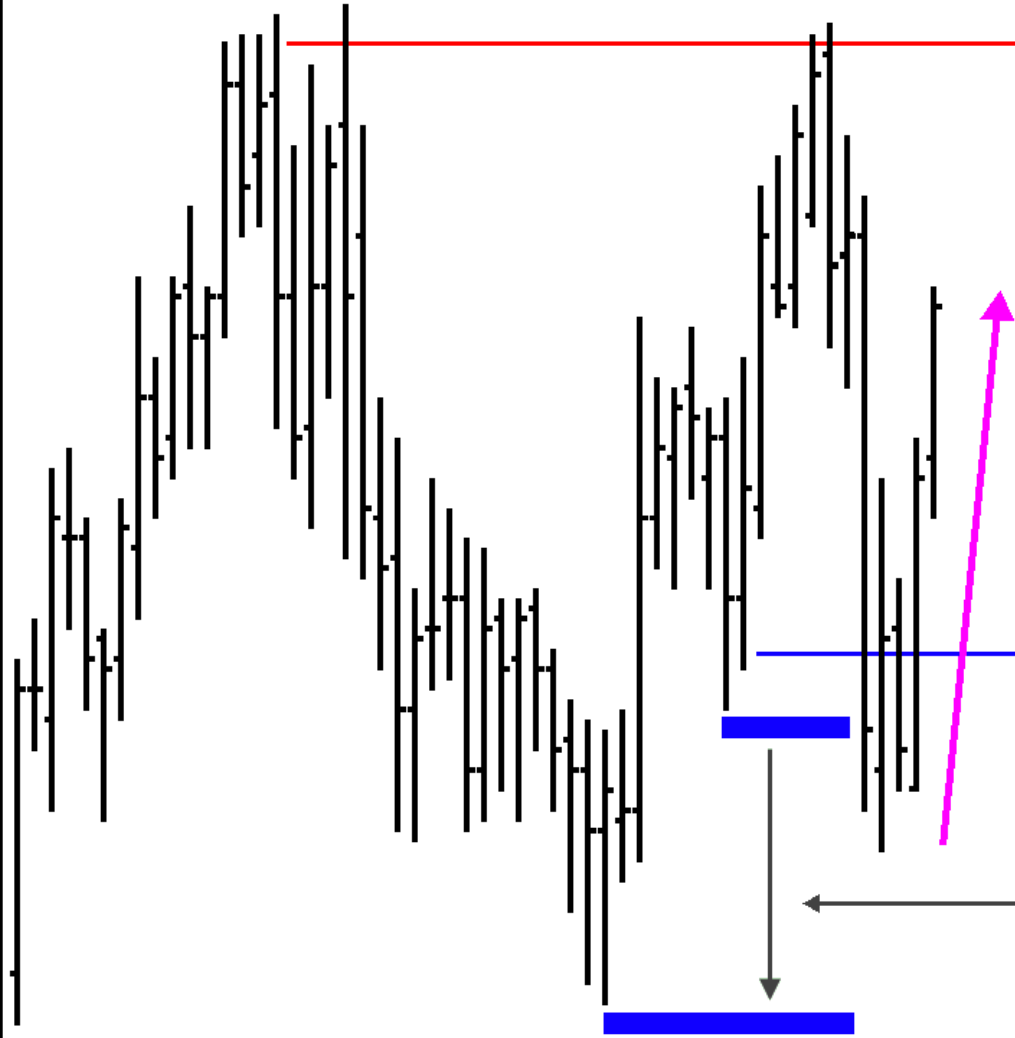
Profit Target is Met Above Massed Areas of Limit Entry Buy Orders

There are Fresh Limit Entry Buy Orders Between These Areas

Limit Entry Sell Orders

Stop Loss Order is 15 Pips Above Entry and Protected by Massed Limit Entry Sell Orders

Short at Re-Test of Multiple Tops



The Selloff Ran Right into the Massed Limit Entry Buy Orders. Many Traders Got Caught Short in This Rally!

Flat With a Nice Profit and Very Happy!

Profit Target is Met Above Massed Areas of Limit Entry Buy Orders

There are Fresh Limit Entry Buy Orders Between These Areas

Trading Euro FX Against the Dollar

A 'Chip Shot' Trade



Potential 'C'

After the Wide Range Lower Bar That Defines Pivot A and Pivot B, I Purposely Do Not Choose The Highest High for Pivot C; Instead I choose the End of the Upward Swing From Pivot B as Pivot C. I call This a 'Width' Median Line Pivot Selection and I Find That After a Wide Range Bar, This Pivot Selection Often Defines the Probable Path of Price Better Than Normal Pivots.

Nice Test

Price Breaks Above Multiple Highs and Closes Well Above the Upper Median Line Parallel

Wide Range Bar Lower

1.33032
1.32986
1.32940
1.32894
1.32848
1.32802
1.32756
1.32710
1.32664
1.32618
1.32572
1.32526
1.32480
1.32434
1.32388
1.32342
1.32296
1.32250
1.32204
1.32158
1.32112
1.32066
1.32020
1.31974
1.31928
1.31882
1.31836
1.31790
1.31744
1.31698
1.31652
1.31606
1.31560
1.31514
1.31468
1.31422
1.31376
1.31330
1.31284
1.31238
1.31192
1.31146
1.31100
1.31054

15:00 16:00 17:00 18:00 19:00 20:00 21:00 22:00 23:00 00:00 01:00 02:00 03:00 04:00 05:00 06:00 07:00 08:00 09:00 10:00 11:00 12:00 13:00 14:00 15:00 16:00 17:00 18:00 19:00 20:00 21:00
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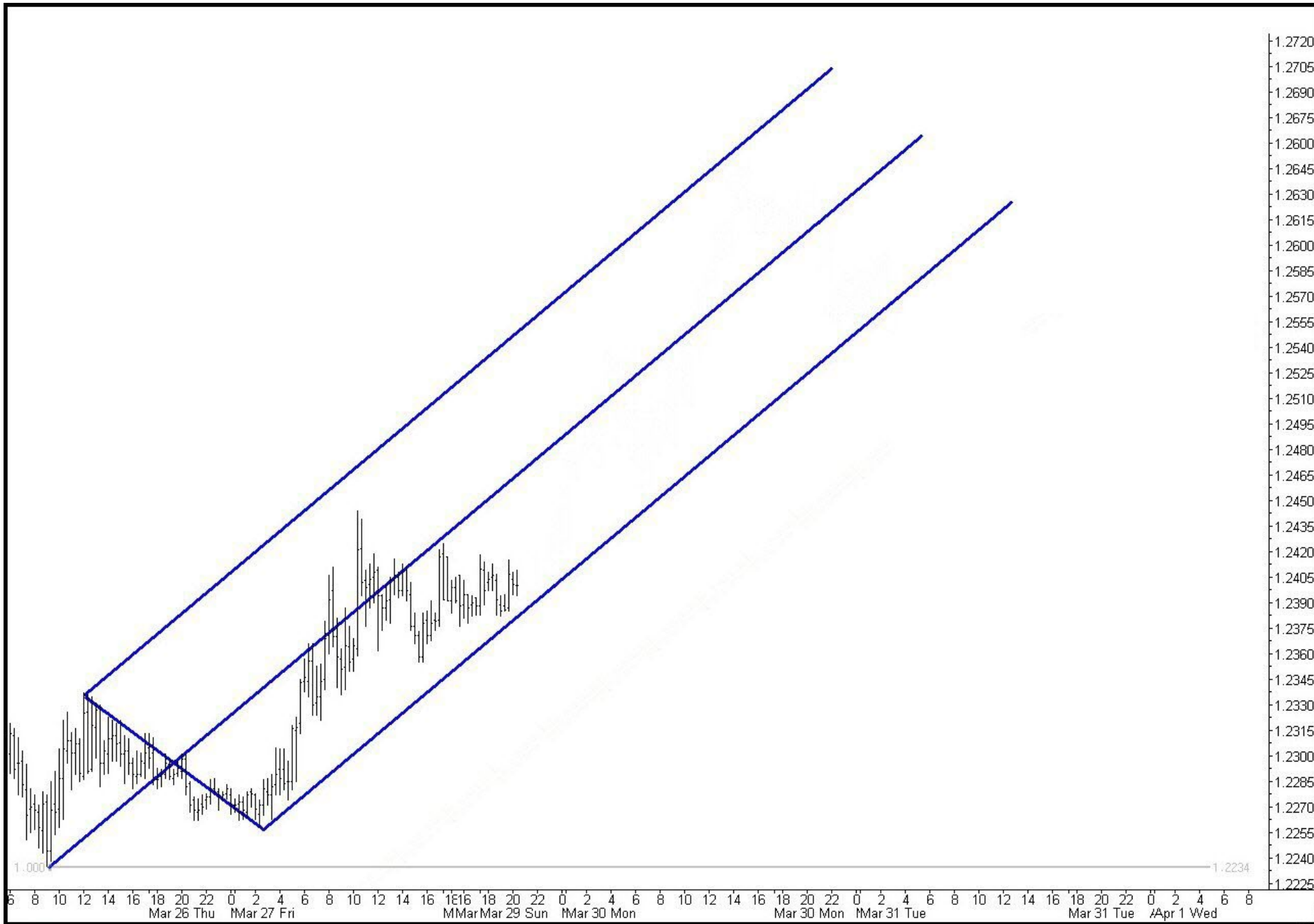


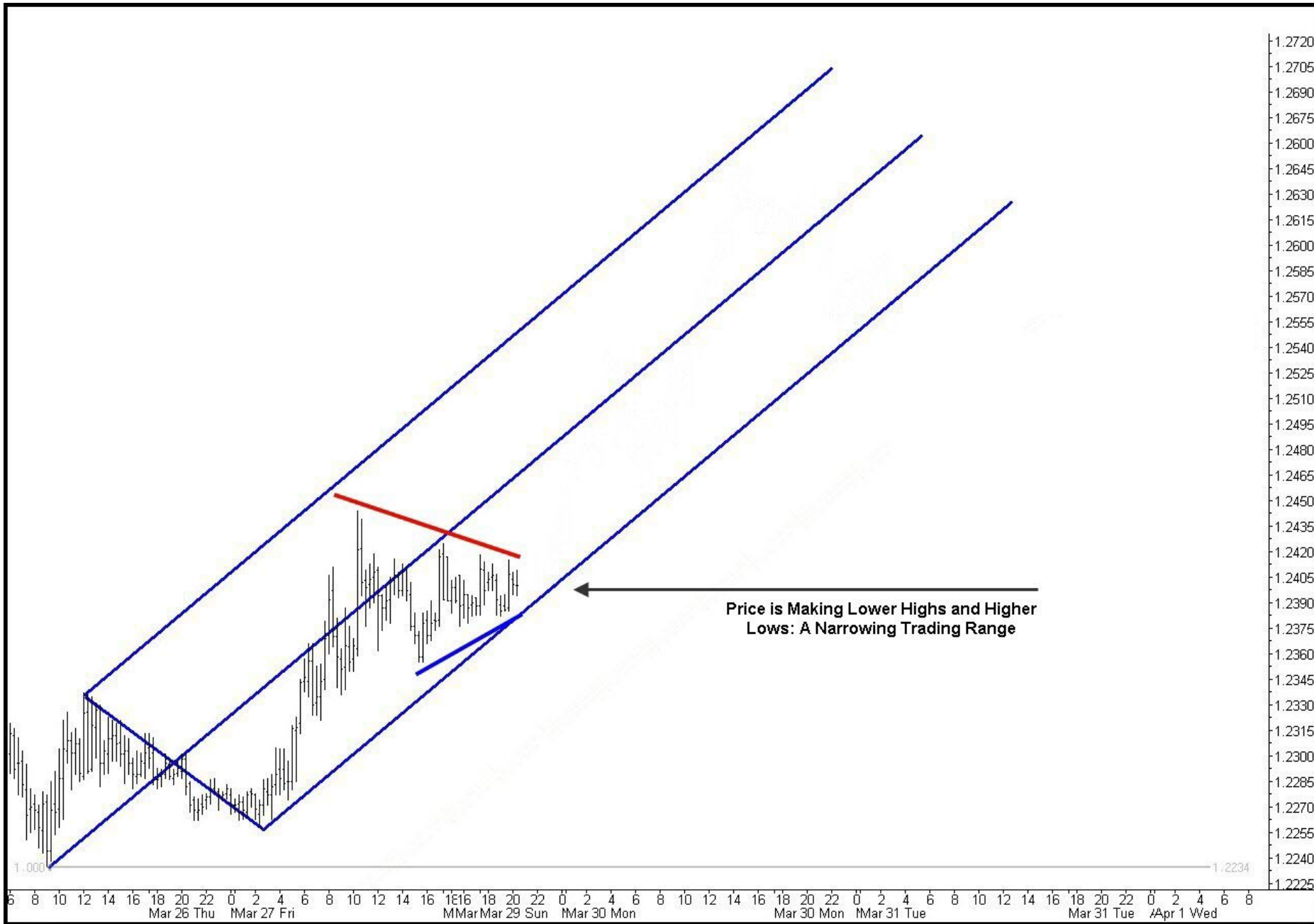


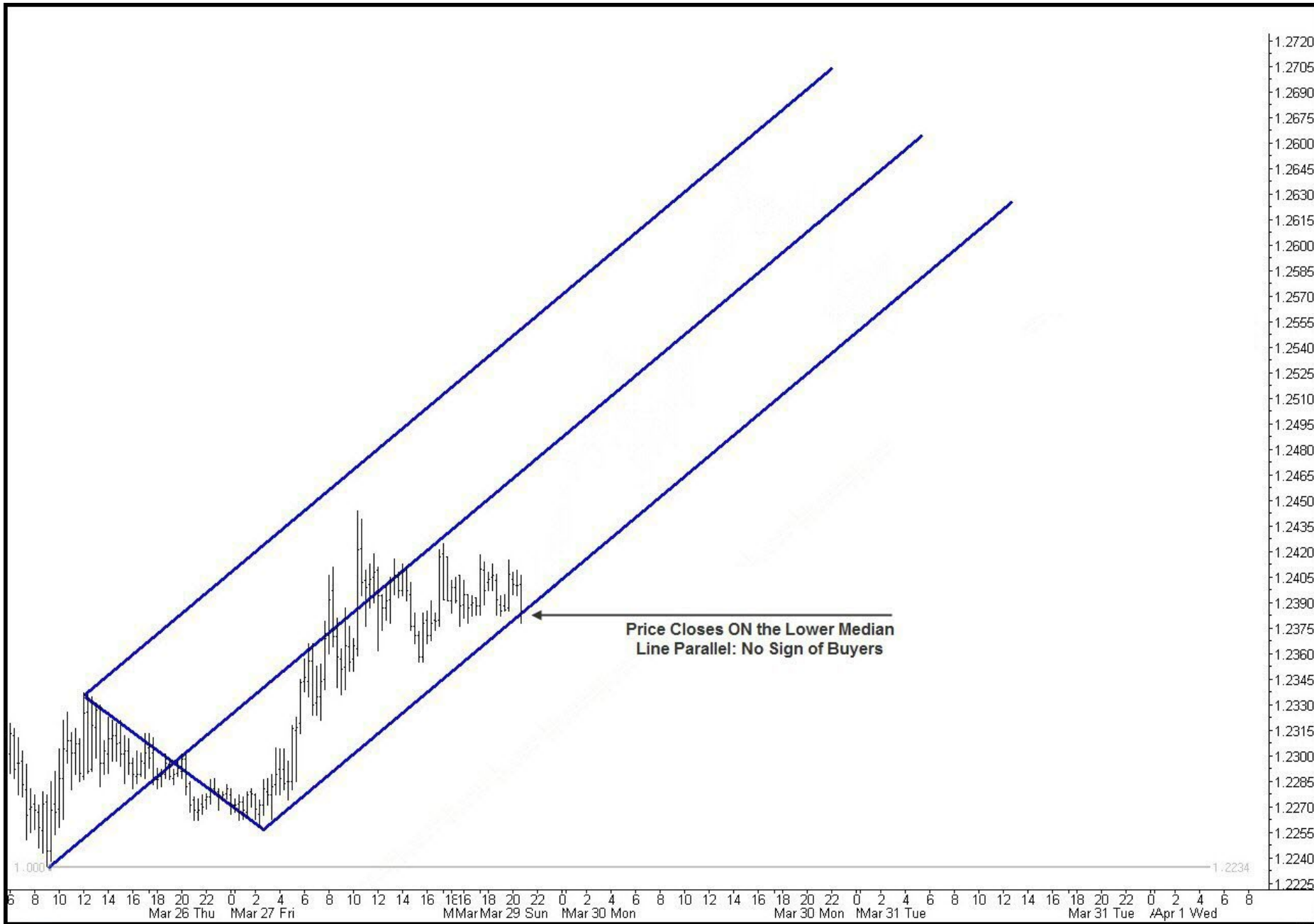


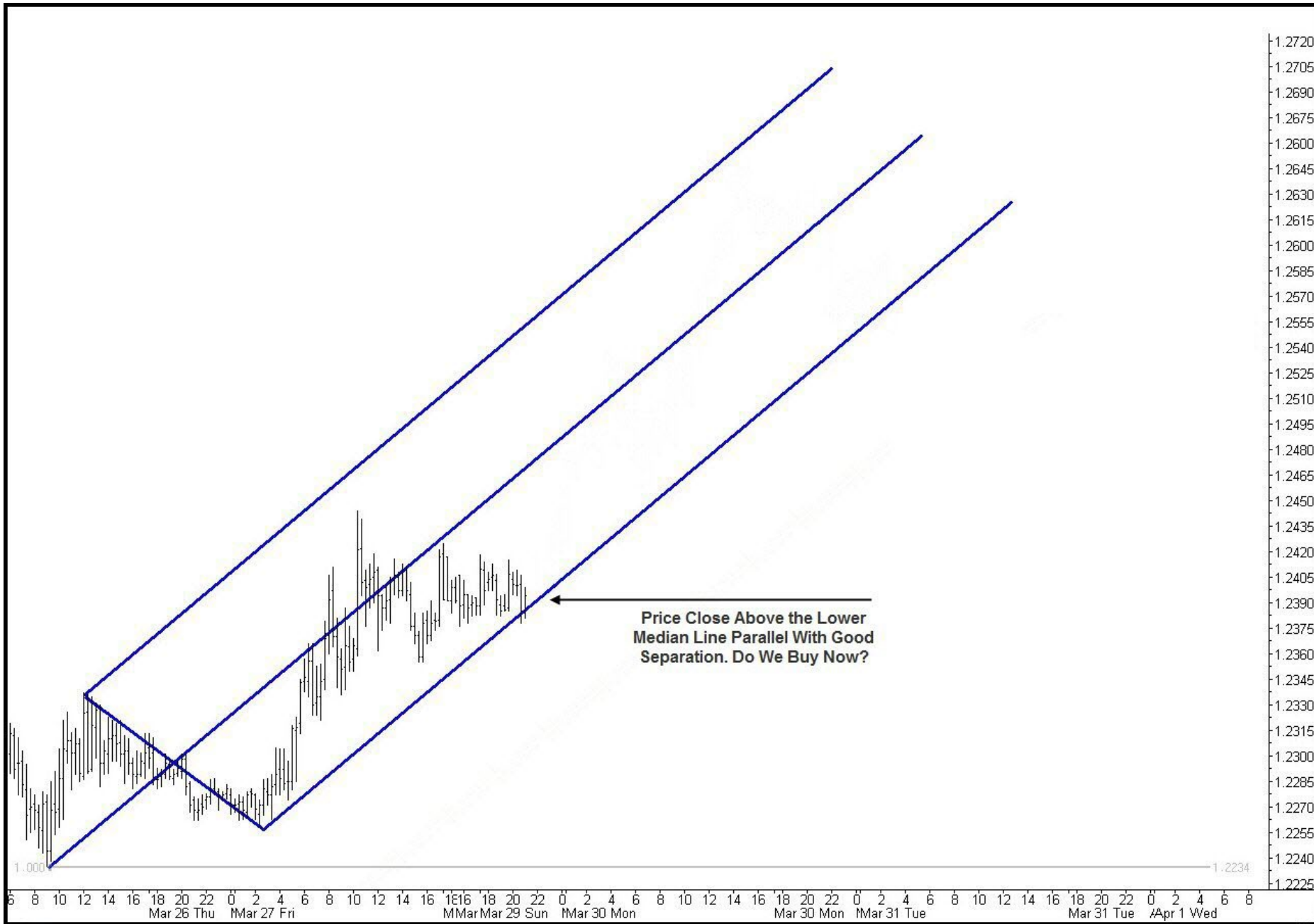
Cash FX: Canadian Dollar Versus the U.S. Dollar

**Analyzing Market Structure and Looking for
Changes in Behavior to Identify Quality Trade
Entry Orders, Stop Orders and Profit Targets**

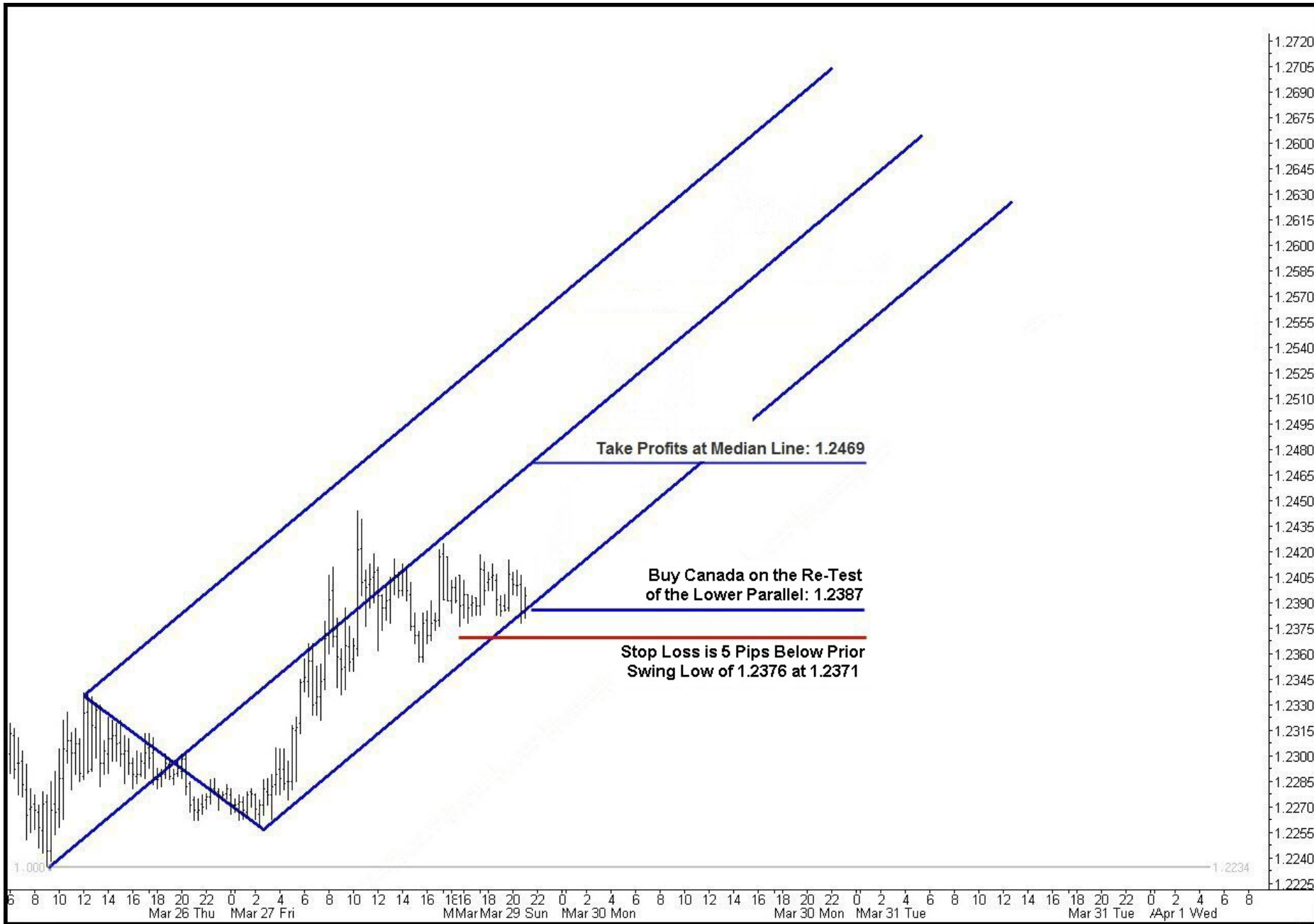


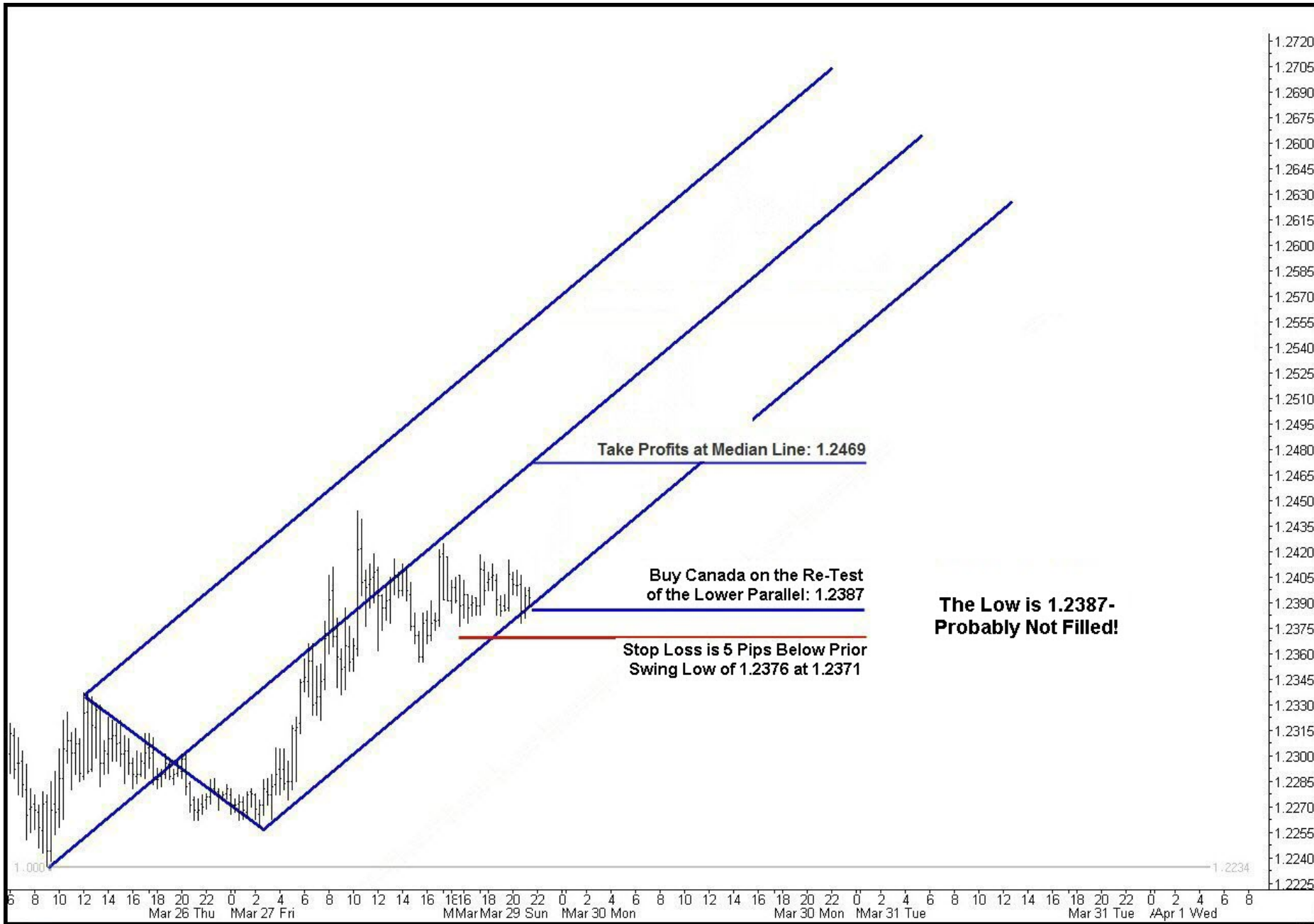


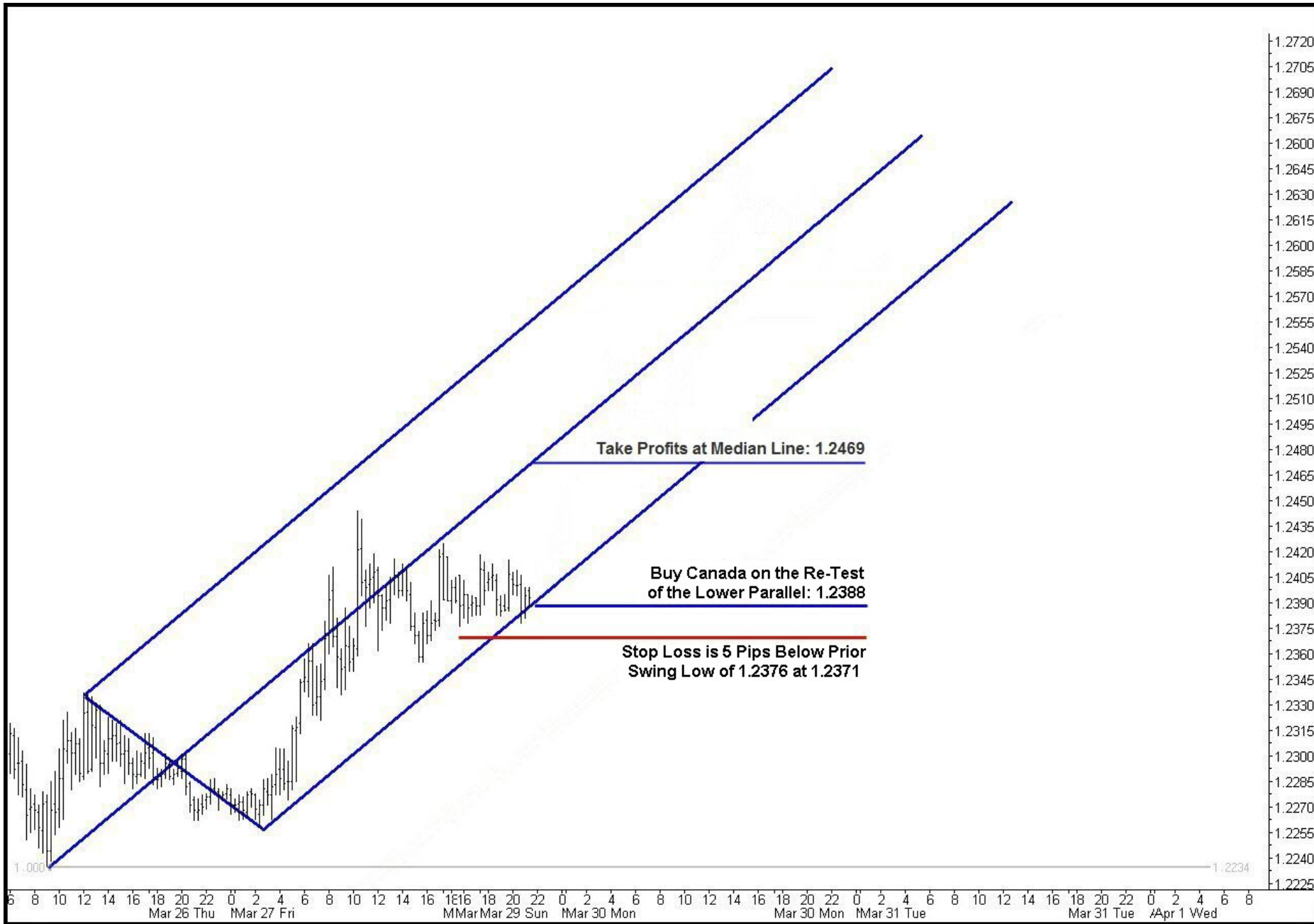




Price Close Above the Lower Median Line Parallel With Good Separation. Do We Buy Now?



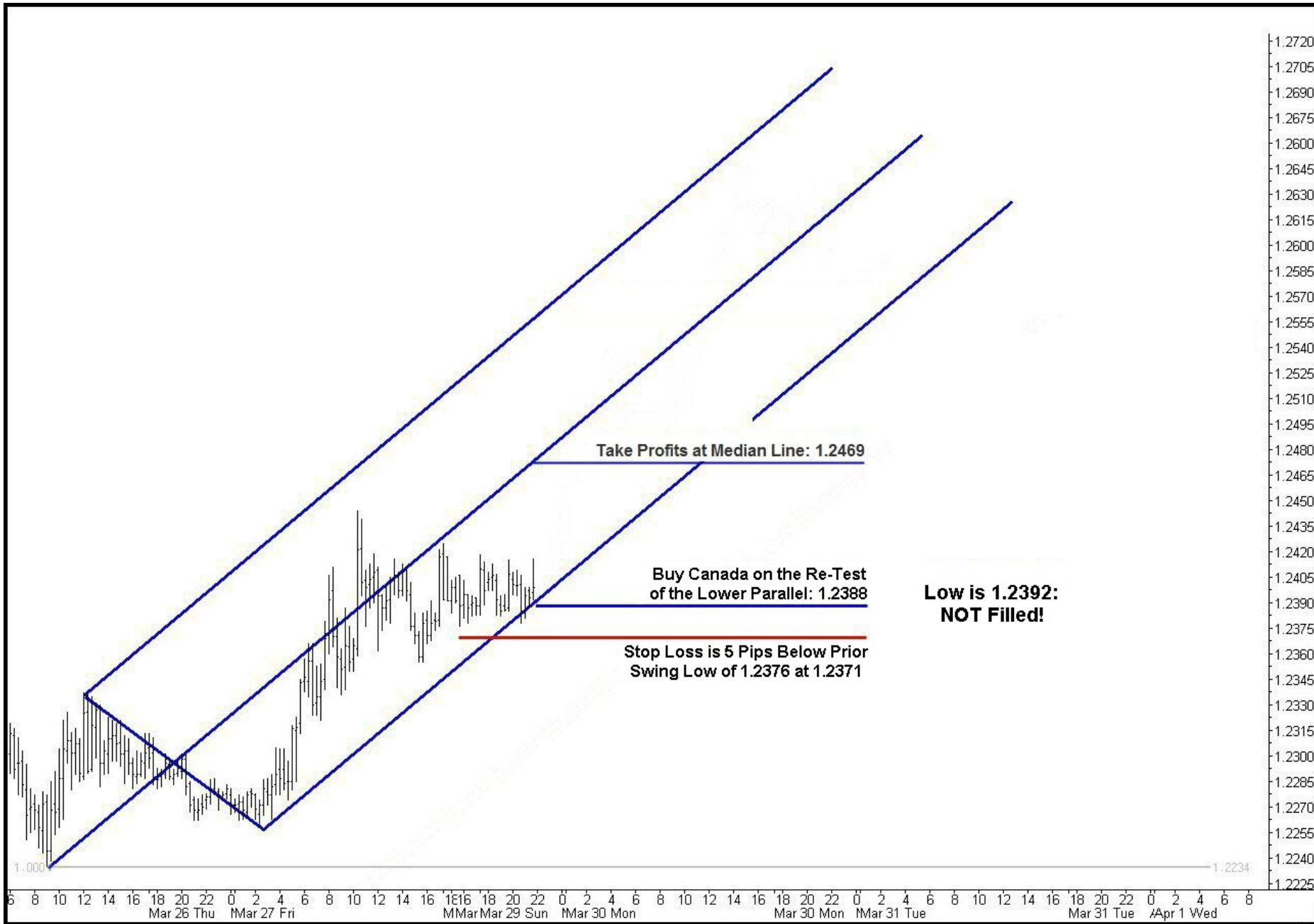




Take Profits at Median Line: 1.2469

Buy Canada on the Re-Test of the Lower Parallel: 1.2388

Stop Loss is 5 Pips Below Prior Swing Low of 1.2376 at 1.2371

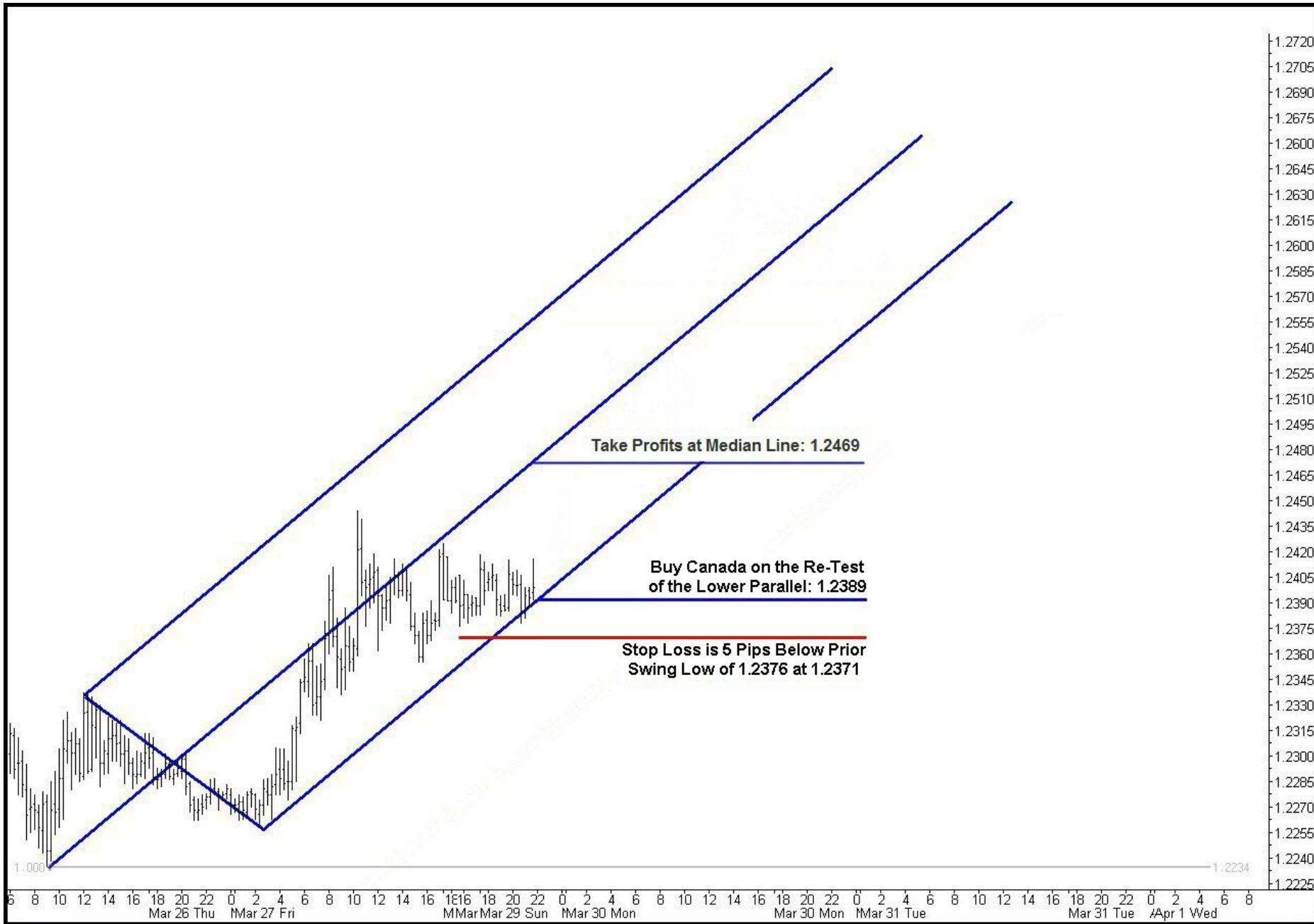


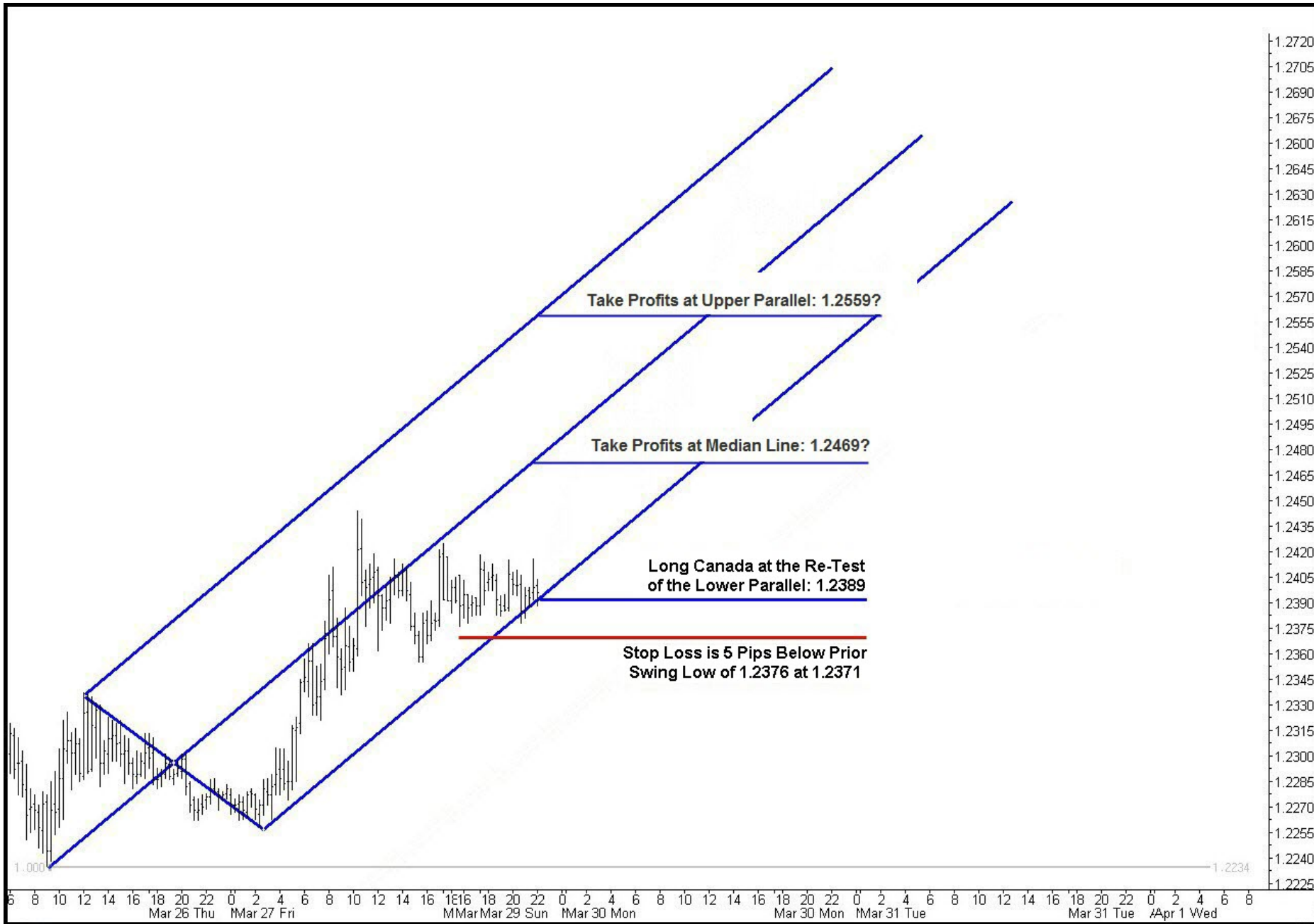
Take Profits at Median Line: 1.2469

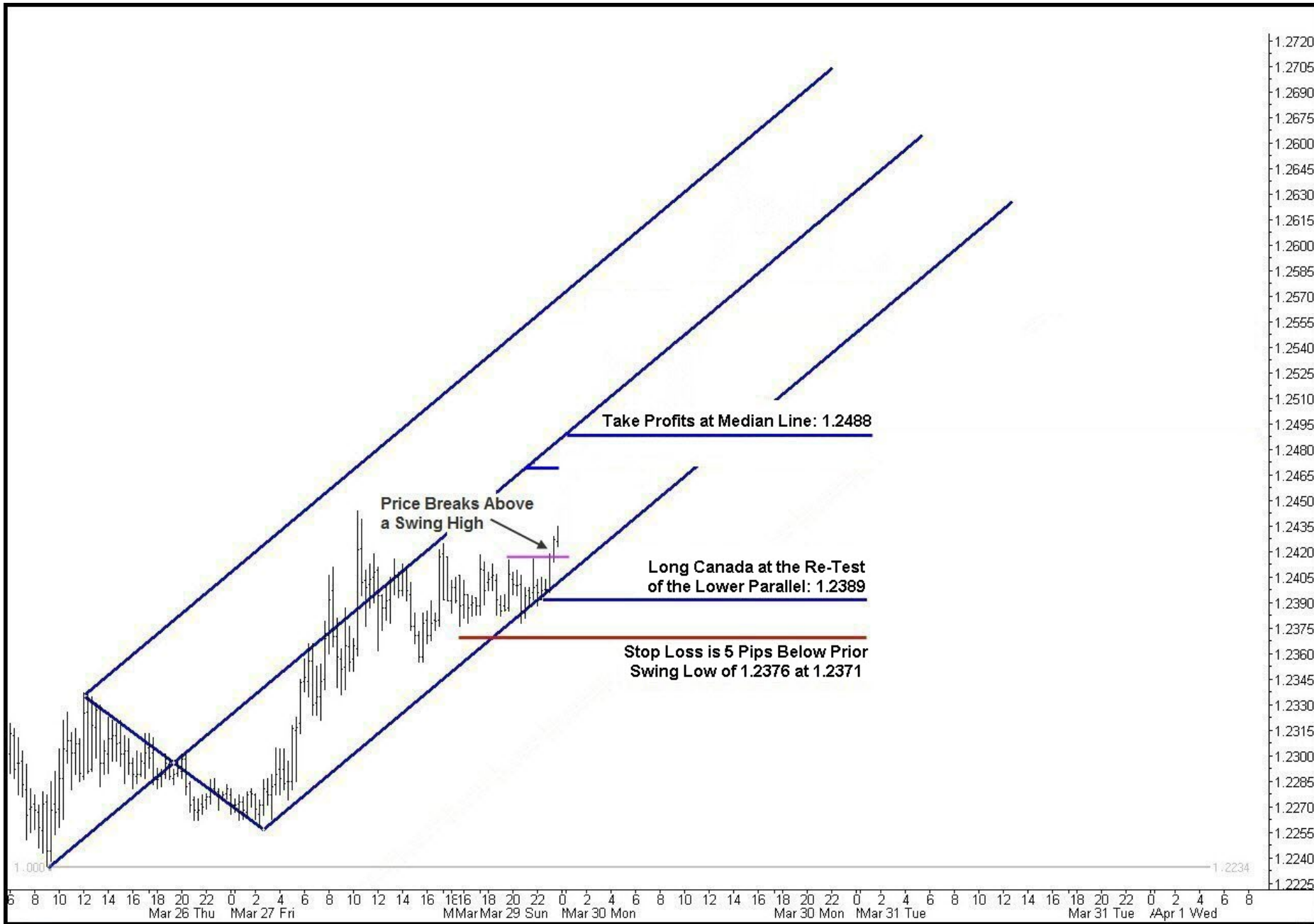
Buy Canada on the Re-Test
of the Lower Parallel: 1.2388

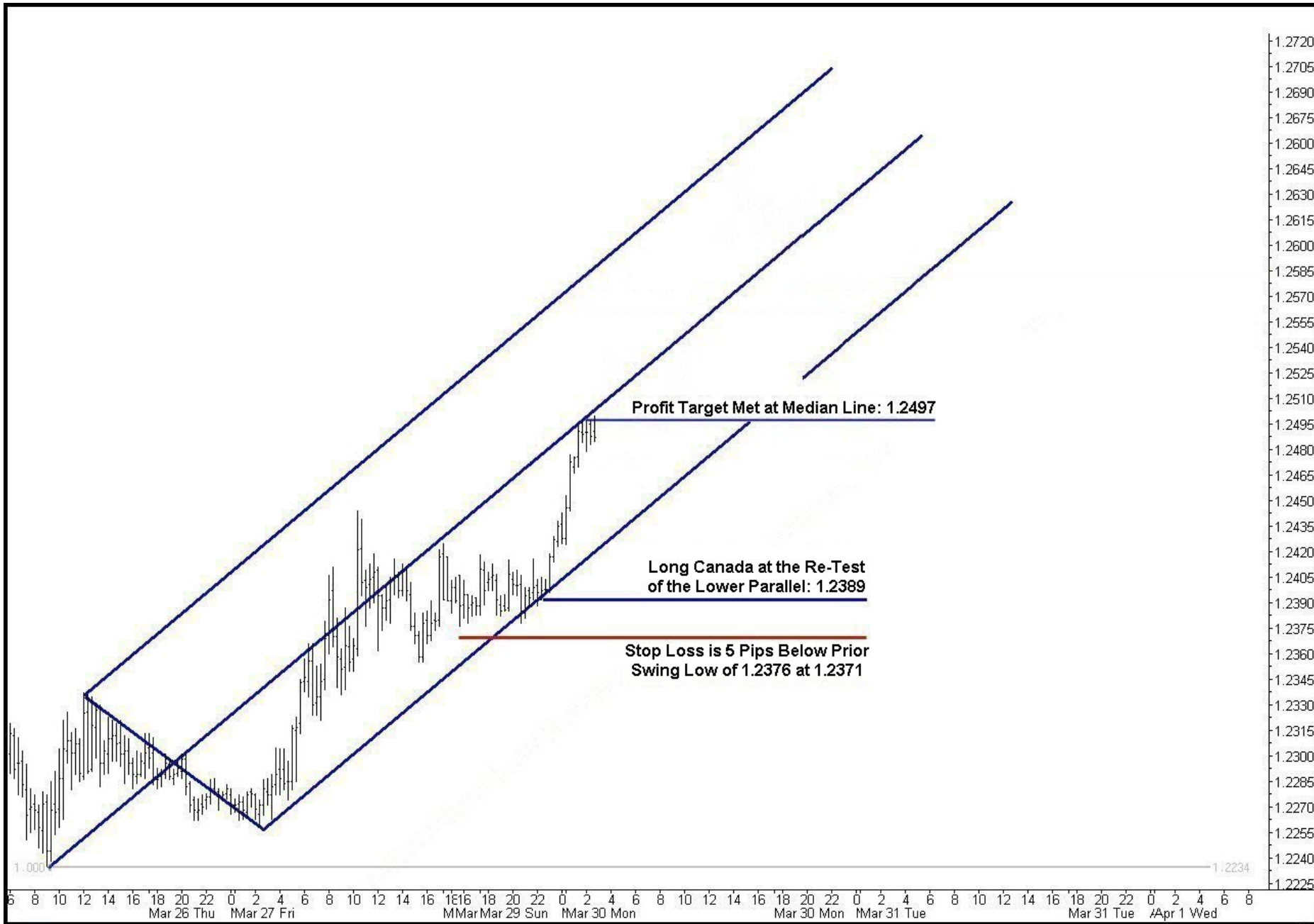
Stop Loss is 5 Pips Below Prior
Swing Low of 1.2376 at 1.2371

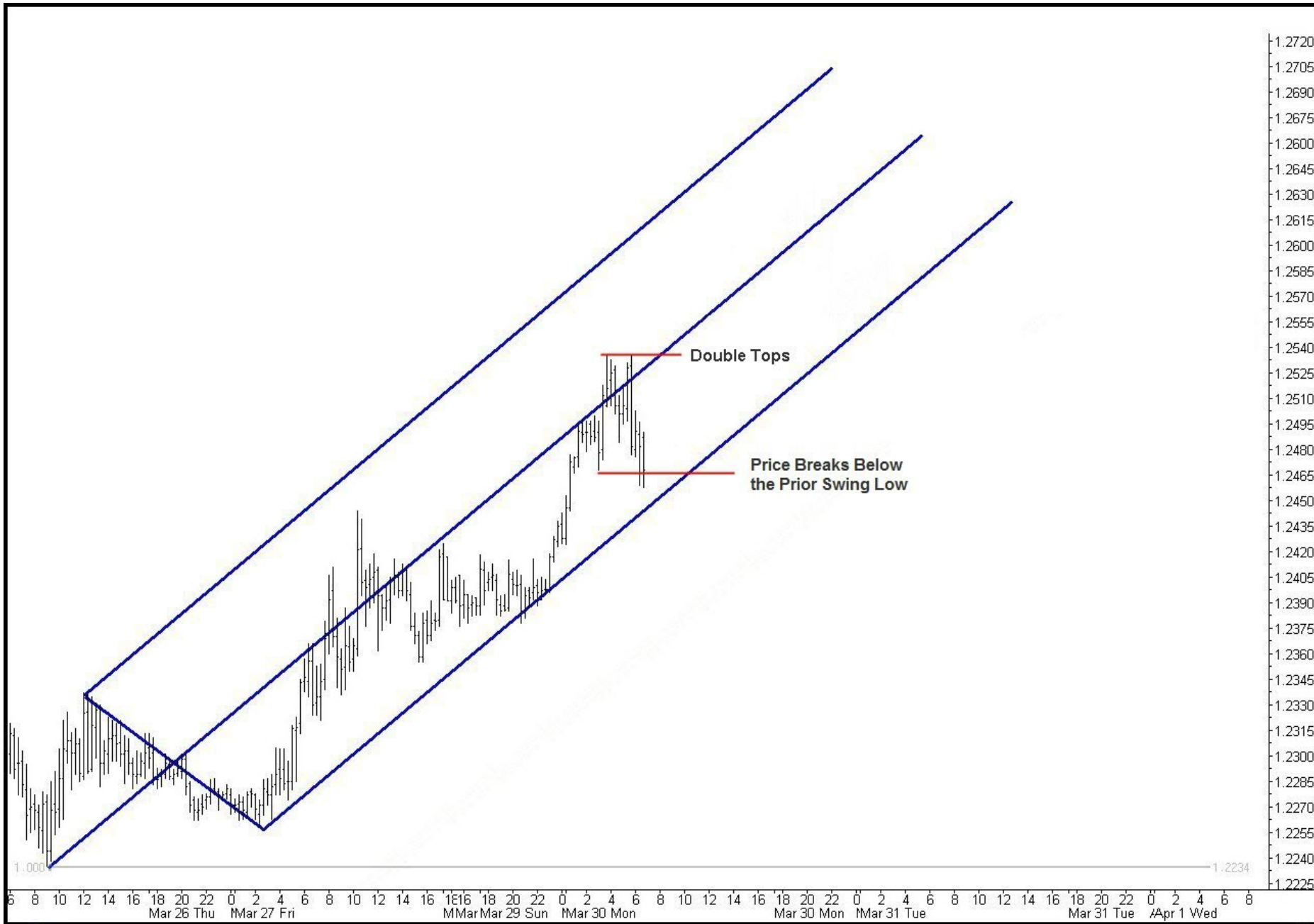
**Low is 1.2392:
NOT Filled!**

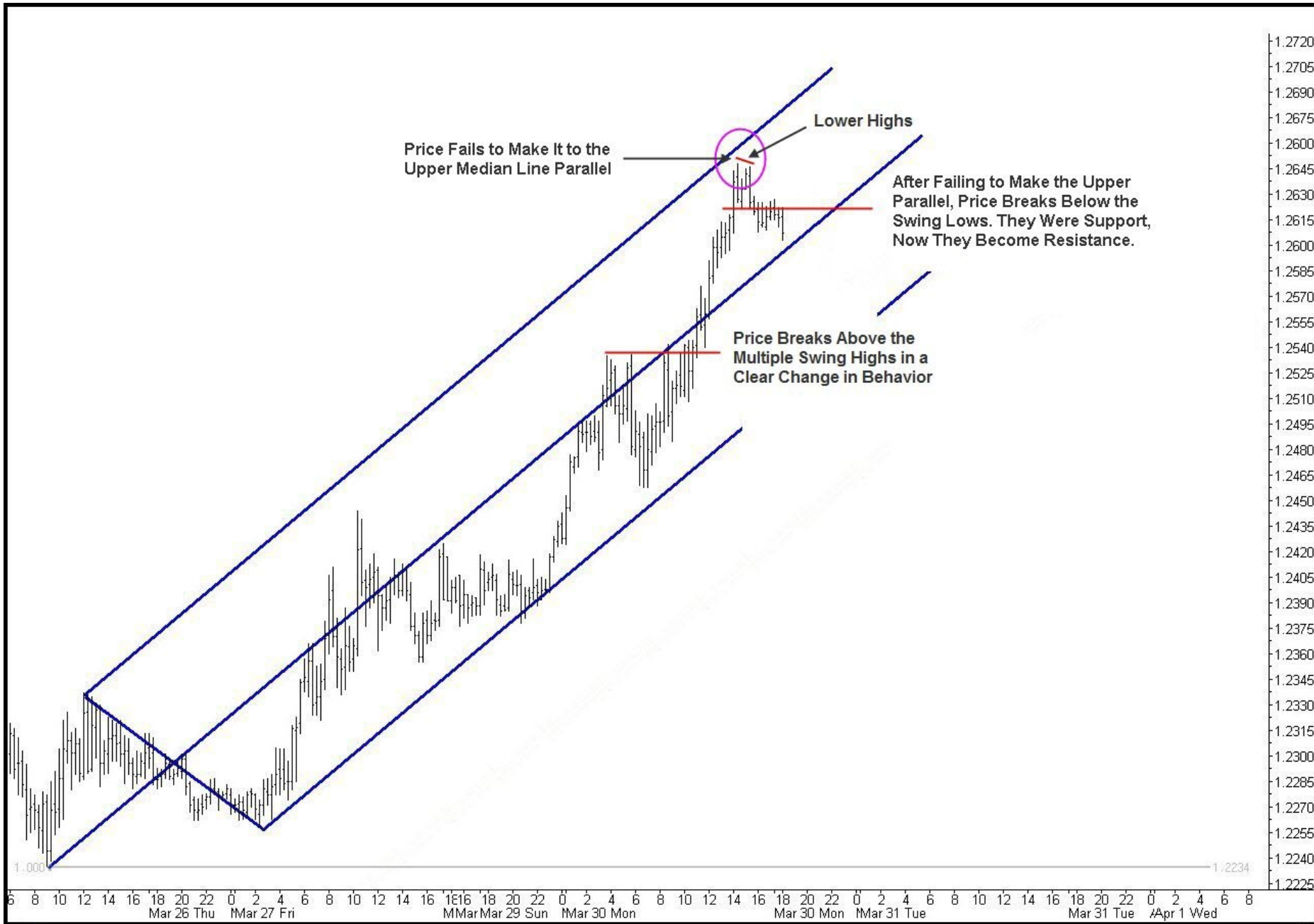


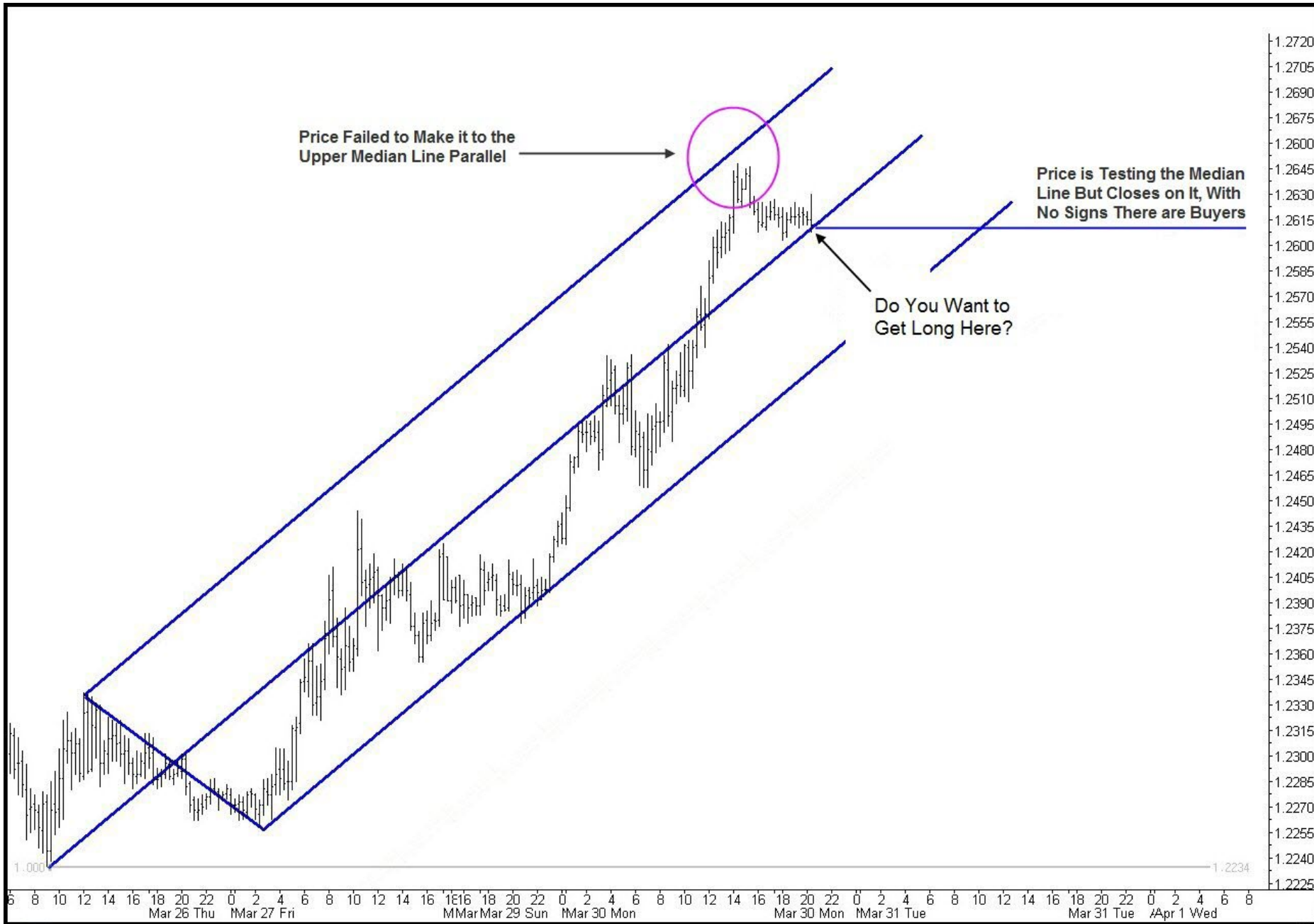


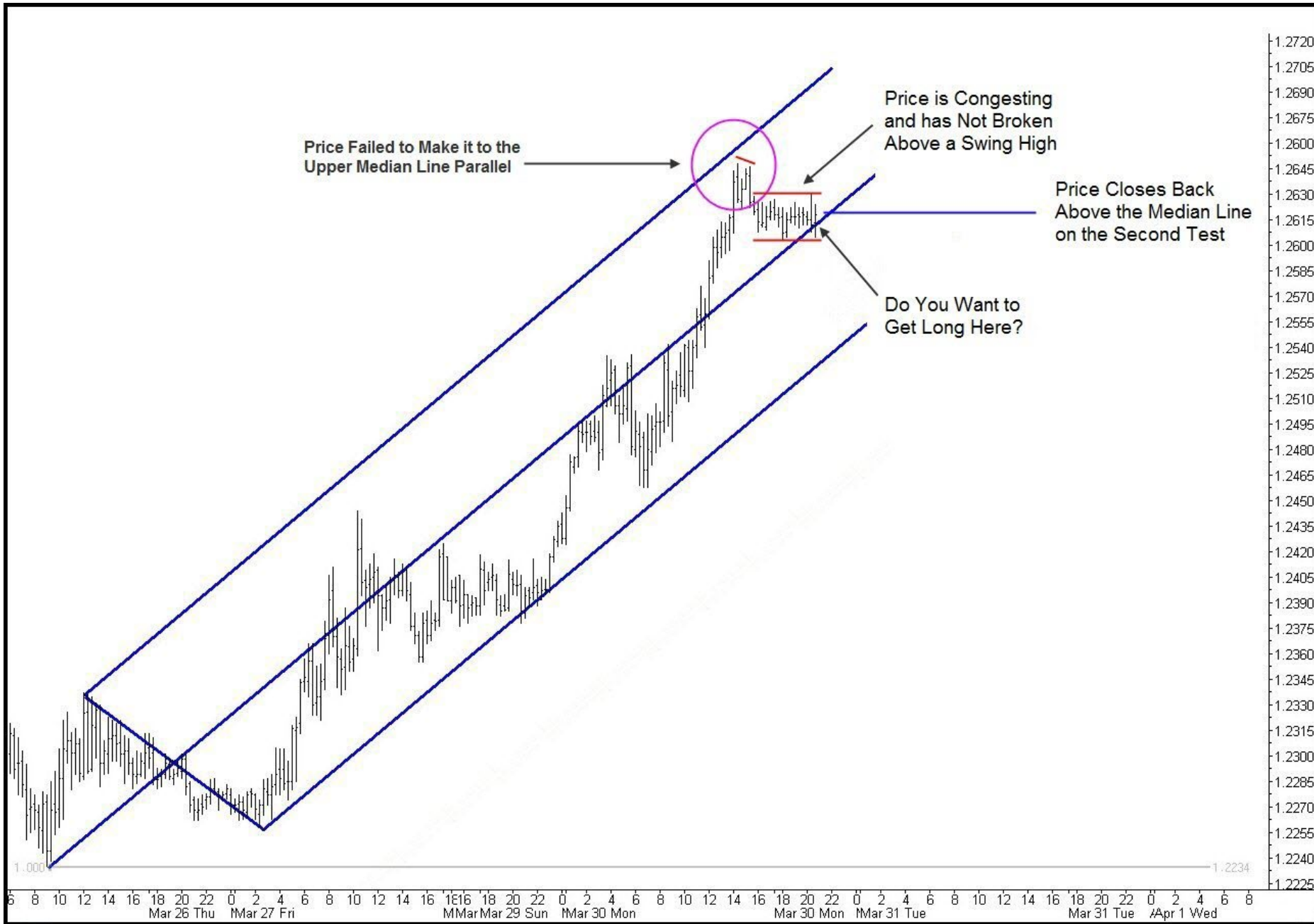


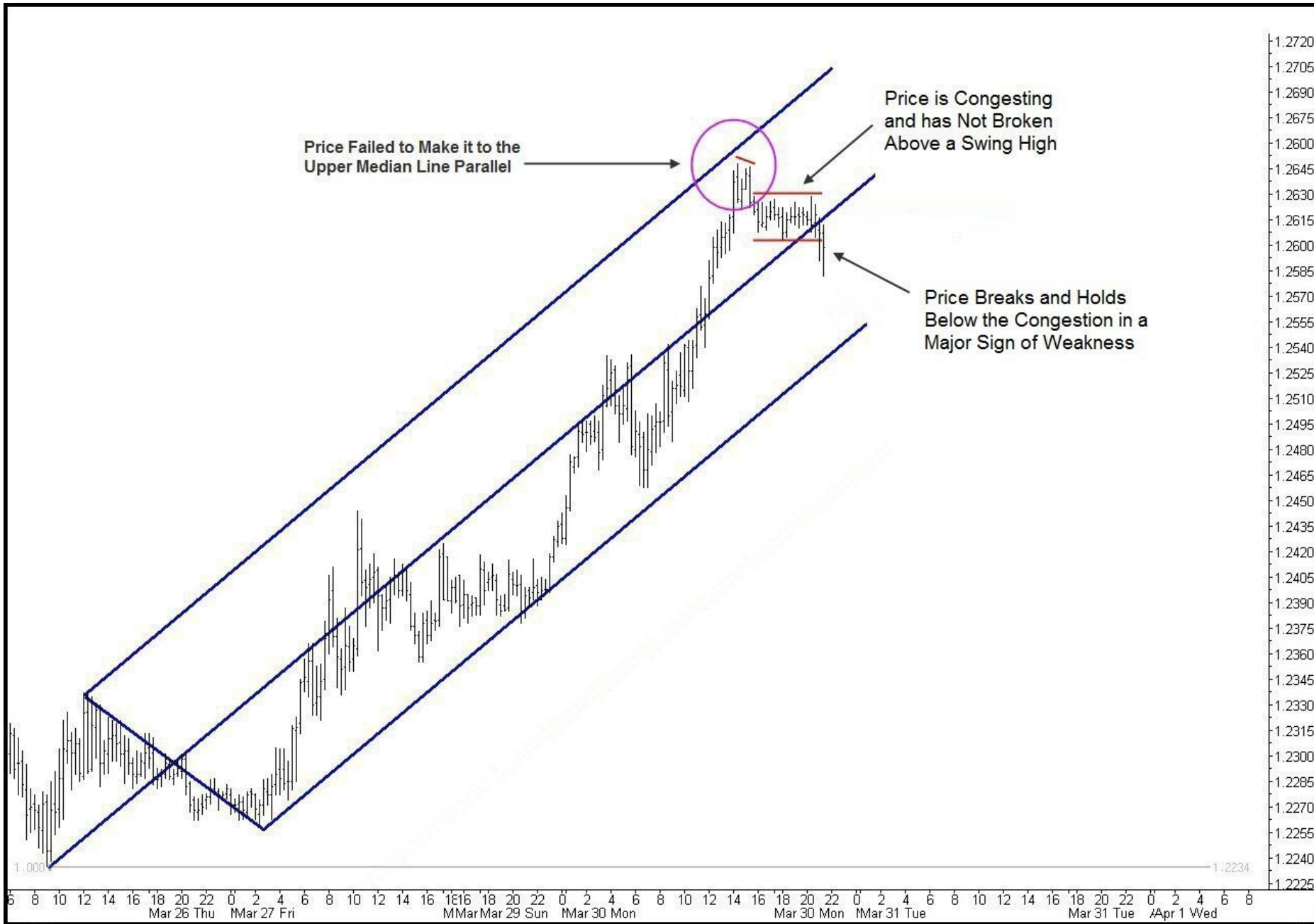


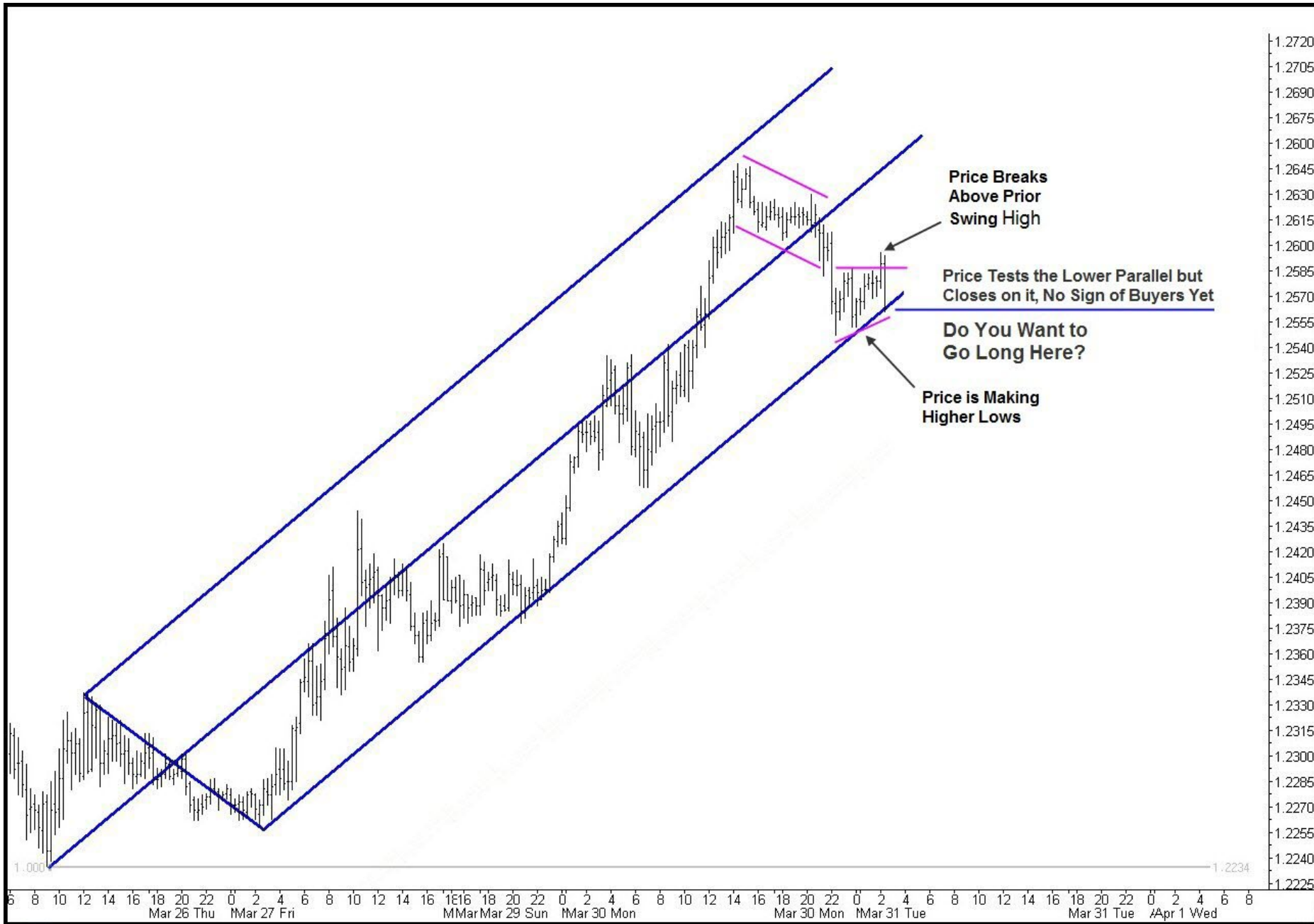




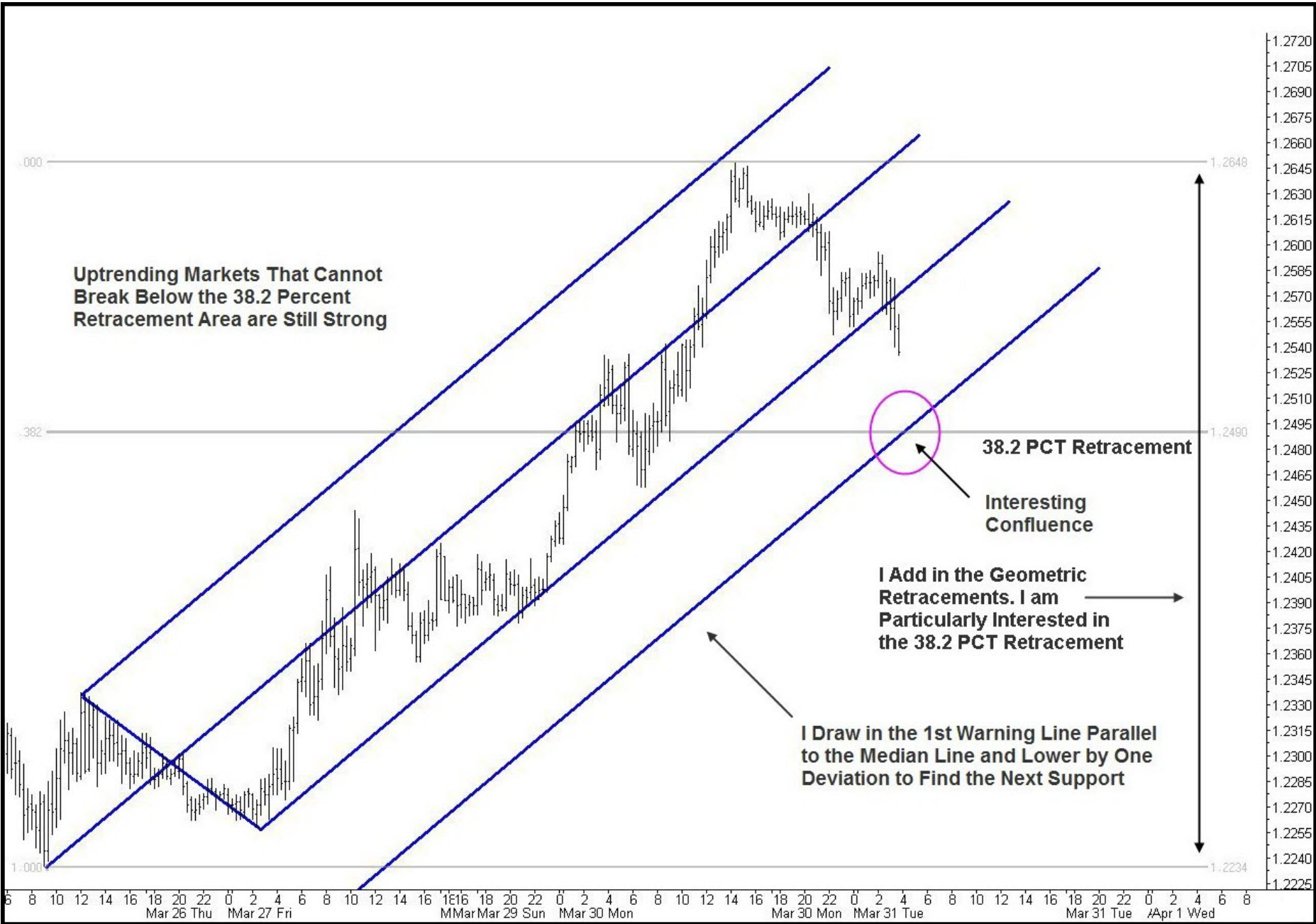












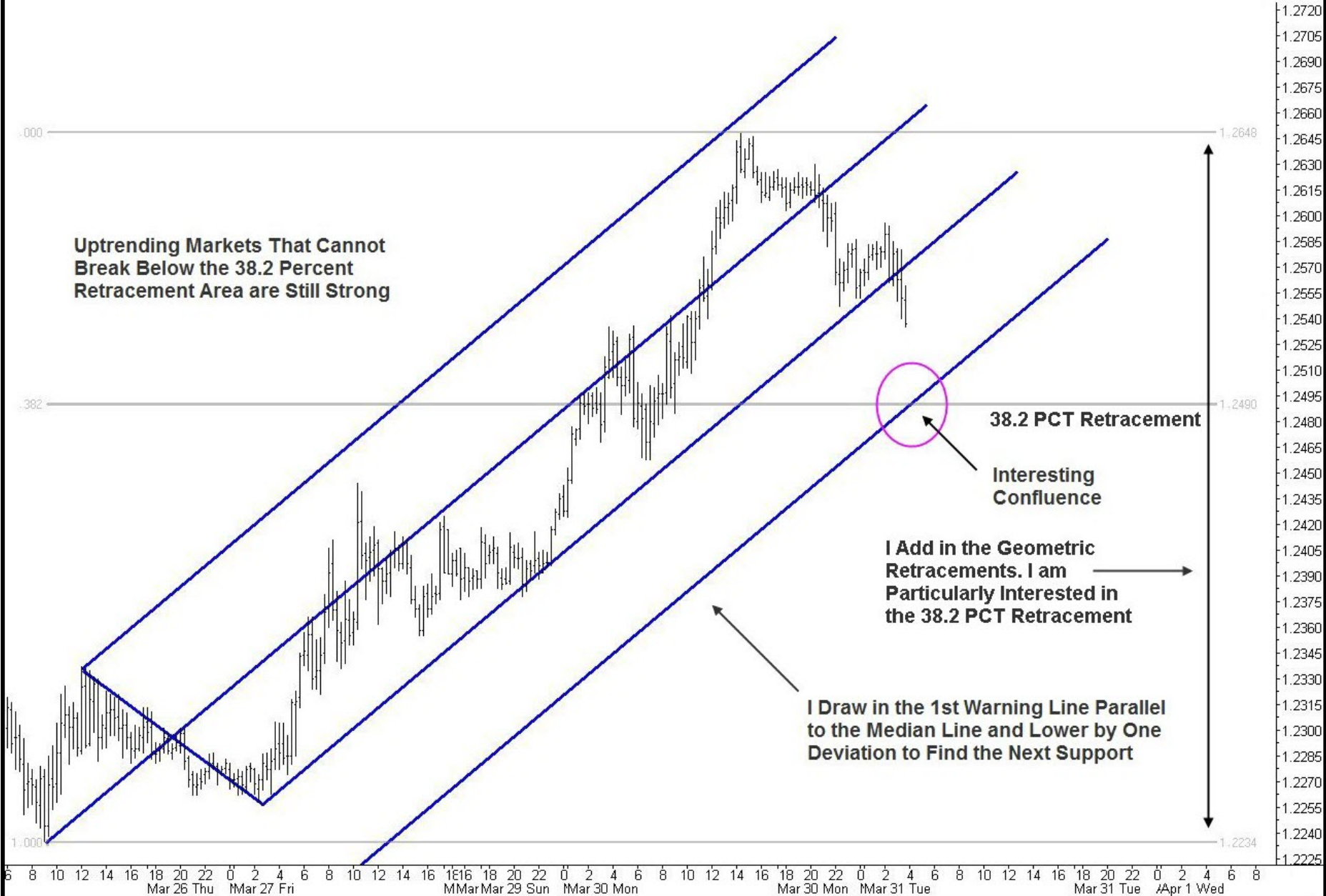
Uptrending Markets That Cannot Break Below the 38.2 Percent Retracement Area are Still Strong

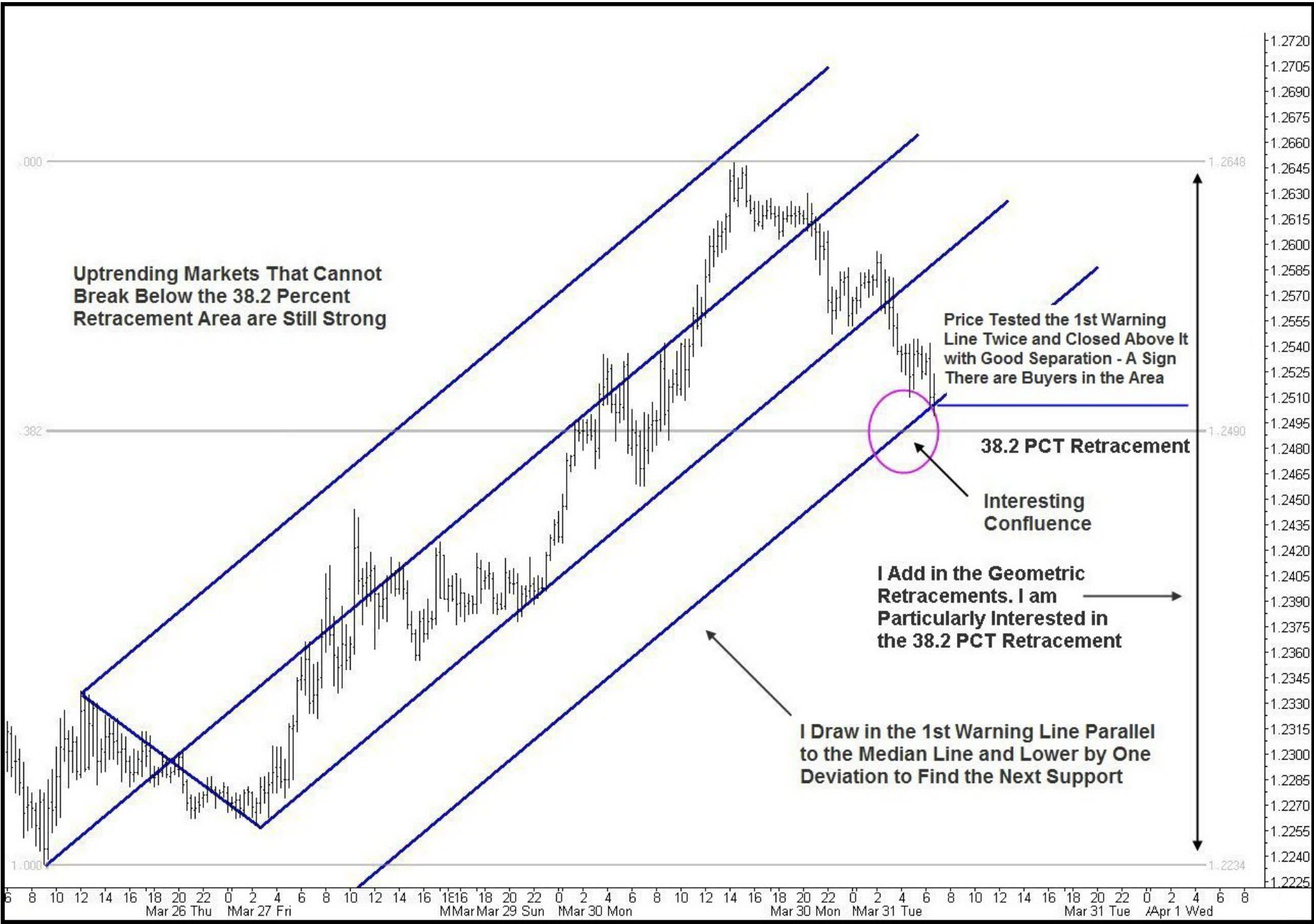
38.2 PCT Retracement

Interesting Confluence

I Add in the Geometric Retracements. I am Particularly Interested in the 38.2 PCT Retracement

I Draw in the 1st Warning Line Parallel to the Median Line and Lower by One Deviation to Find the Next Support





Uptrending Markets That Cannot Break Below the 38.2 Percent Retracement Area are Still Strong

Price Tested the 1st Warning Line Twice and Closed Above It with Good Separation - A Sign There are Buyers in the Area

38.2 PCT Retracement

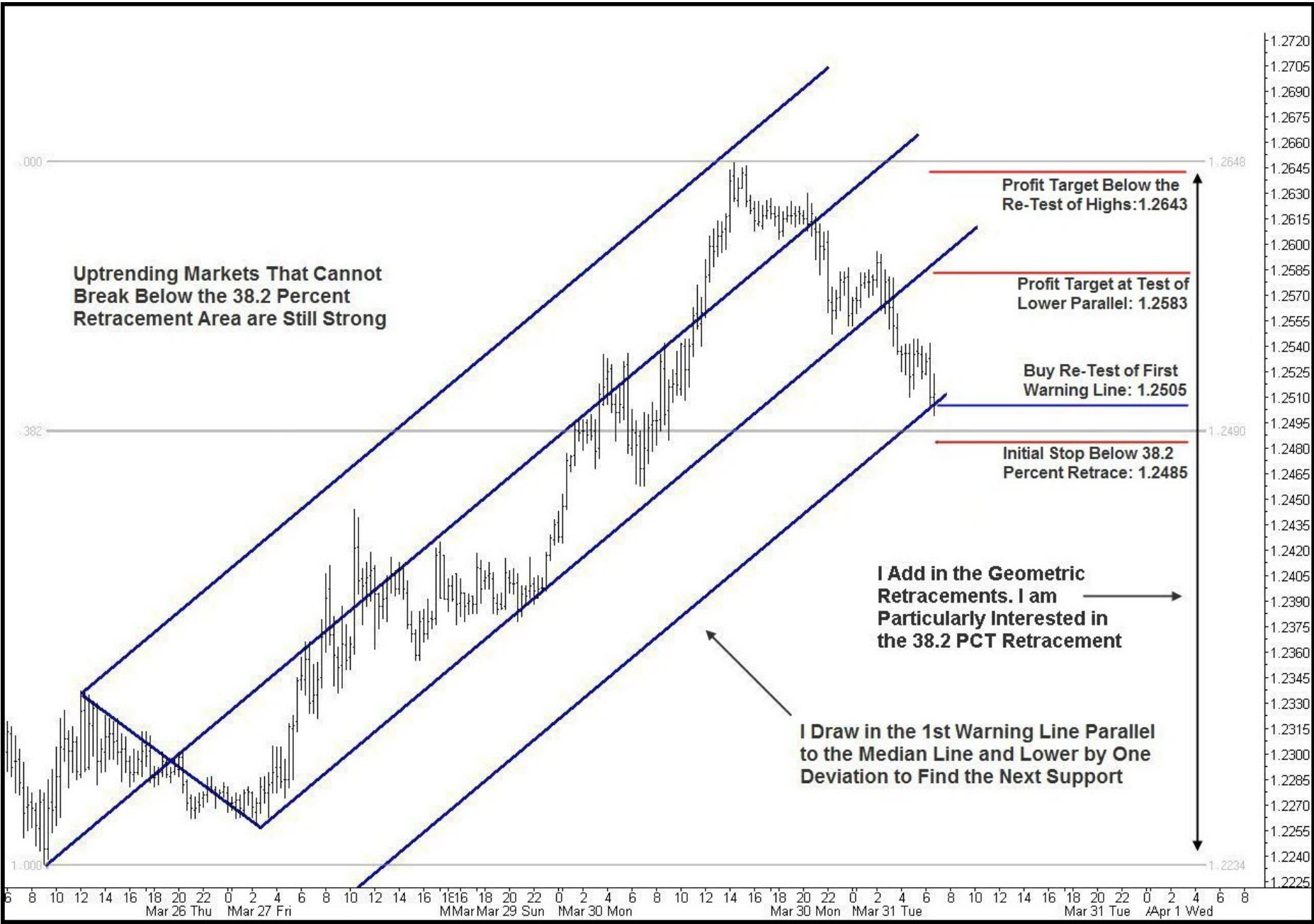
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Mar 26 Thu Mar 27 Fri Mar 29 Sun Mar 30 Mon Mar 30 Mon Mar 31 Tue Mar 31 Tue Apr 1 Wed

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1.2705
1.2690
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1.2660
1.2645
1.2630
1.2615
1.2600
1.2585
1.2570
1.2555
1.2540
1.2525
1.2510
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1.2420
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1.2315
1.2300
1.2285
1.2270
1.2255
1.2240
1.2225



Uptrending Markets That Cannot Break Below the 38.2 Percent Retracement Area are Still Strong

Profit Target Below the Re-Test of Highs: 1.2643

Profit Target at Test of Lower Parallel: 1.2583

Buy Re-Test of First Warning Line: 1.2505

Initial Stop Below 38.2 Percent Retrace: 1.2485

I Add in the Geometric Retracements. I am Particularly Interested in the 38.2 PCT Retracement

I Draw in the 1st Warning Line Parallel to the Median Line and Lower by One Deviation to Find the Next Support

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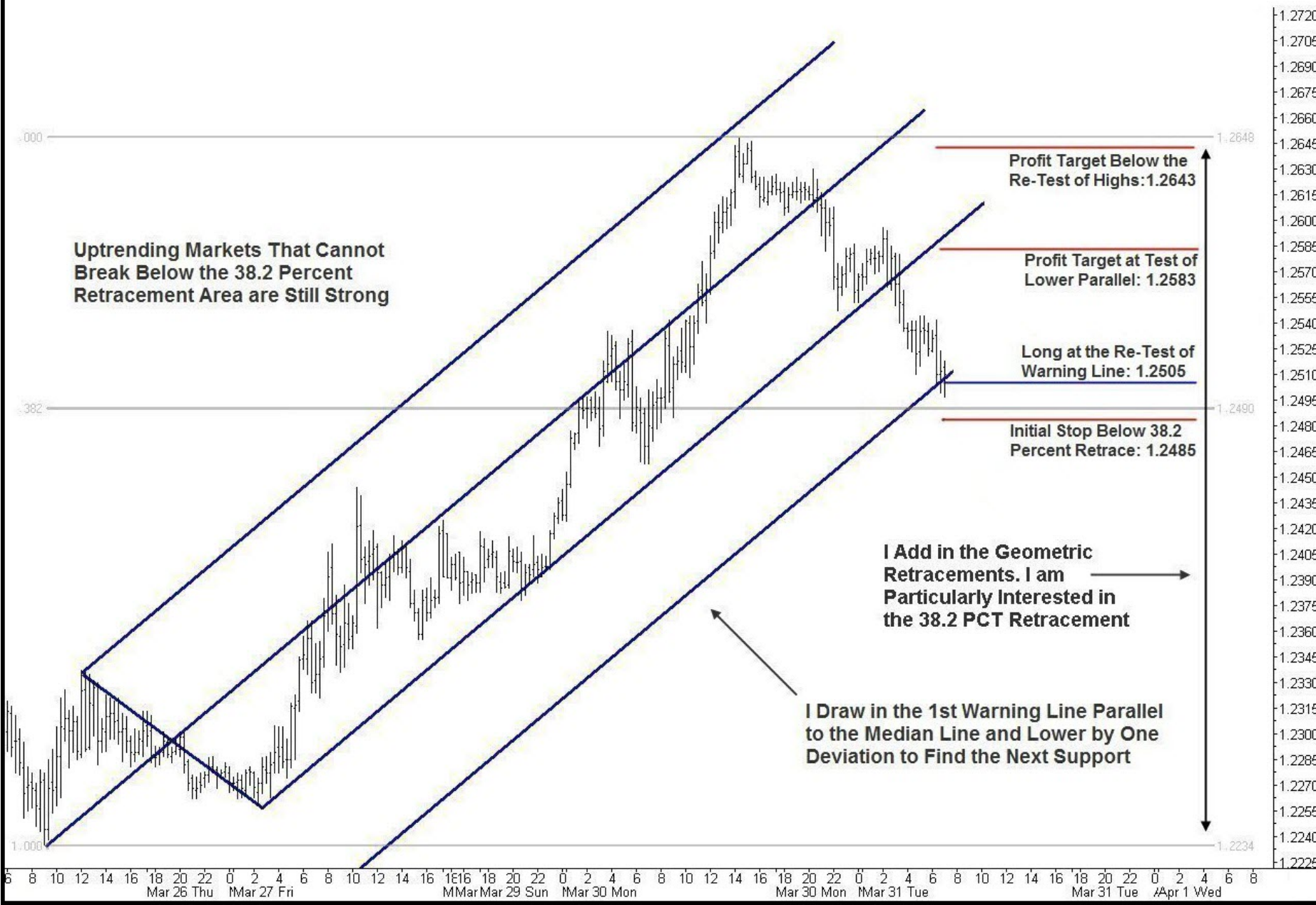
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Uptrending Markets That Cannot Break Below the 38.2 Percent Retracement Area are Still Strong



Profit Target Below the Re-Test of Highs: 1.2643

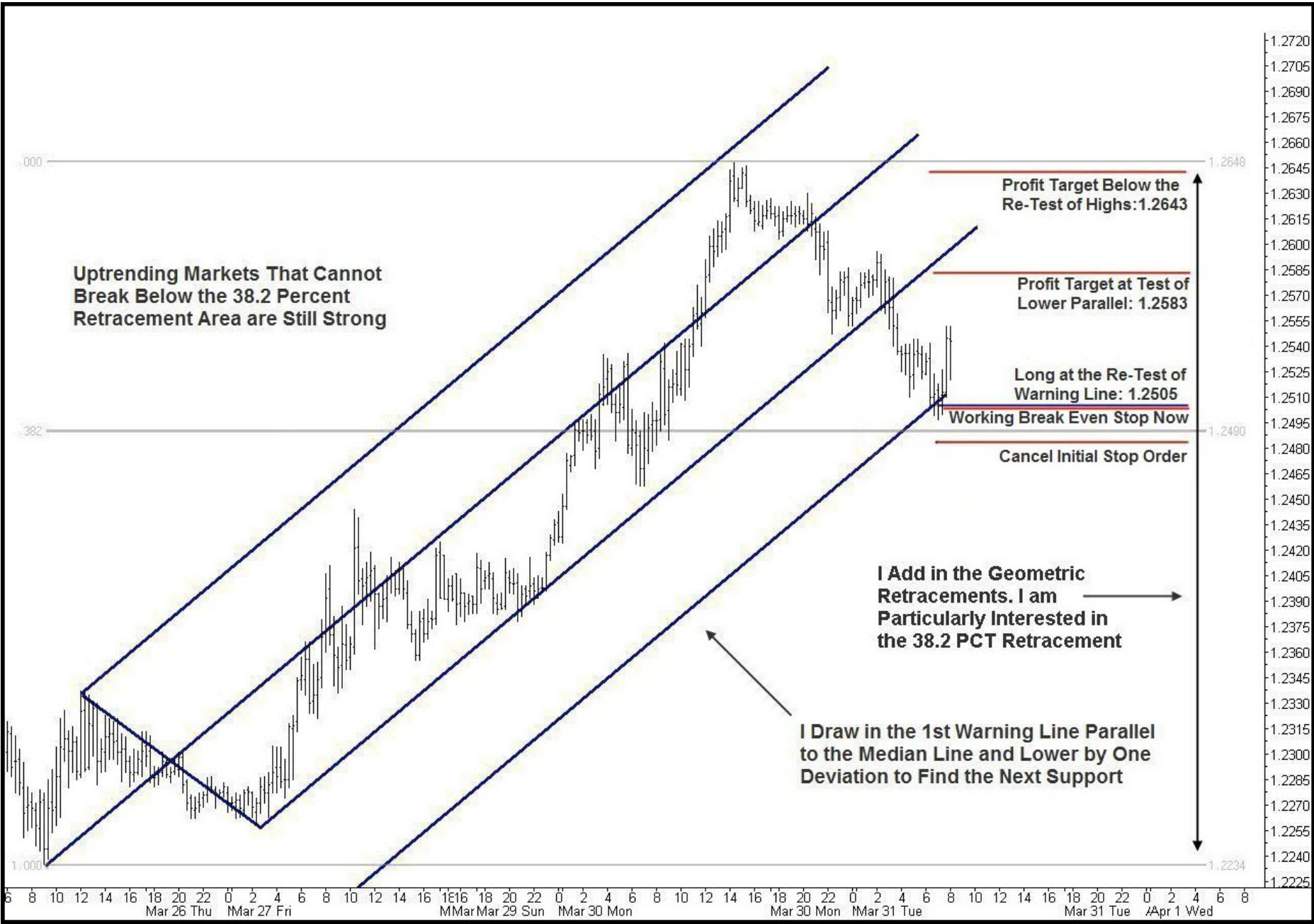
Profit Target at Test of Lower Parallel: 1.2583

Long at the Re-Test of Warning Line: 1.2505

Initial Stop Below 38.2 Percent Retrace: 1.2485

I Add in the Geometric Retracements. I am Particularly Interested in the 38.2 PCT Retracement

I Draw in the 1st Warning Line Parallel to the Median Line and Lower by One Deviation to Find the Next Support



Uptrending Markets That Cannot Break Below the 38.2 Percent Retracement Area are Still Strong

Profit Target Below the Re-Test of Highs: 1.2643

Profit Target at Test of Lower Parallel: 1.2583

Long at the Re-Test of Warning Line: 1.2505

Working Break Even Stop Now

Cancel Initial Stop Order

I Add in the Geometric Retracements. I am Particularly Interested in the 38.2 PCT Retracement

I Draw in the 1st Warning Line Parallel to the Median Line and Lower by One Deviation to Find the Next Support

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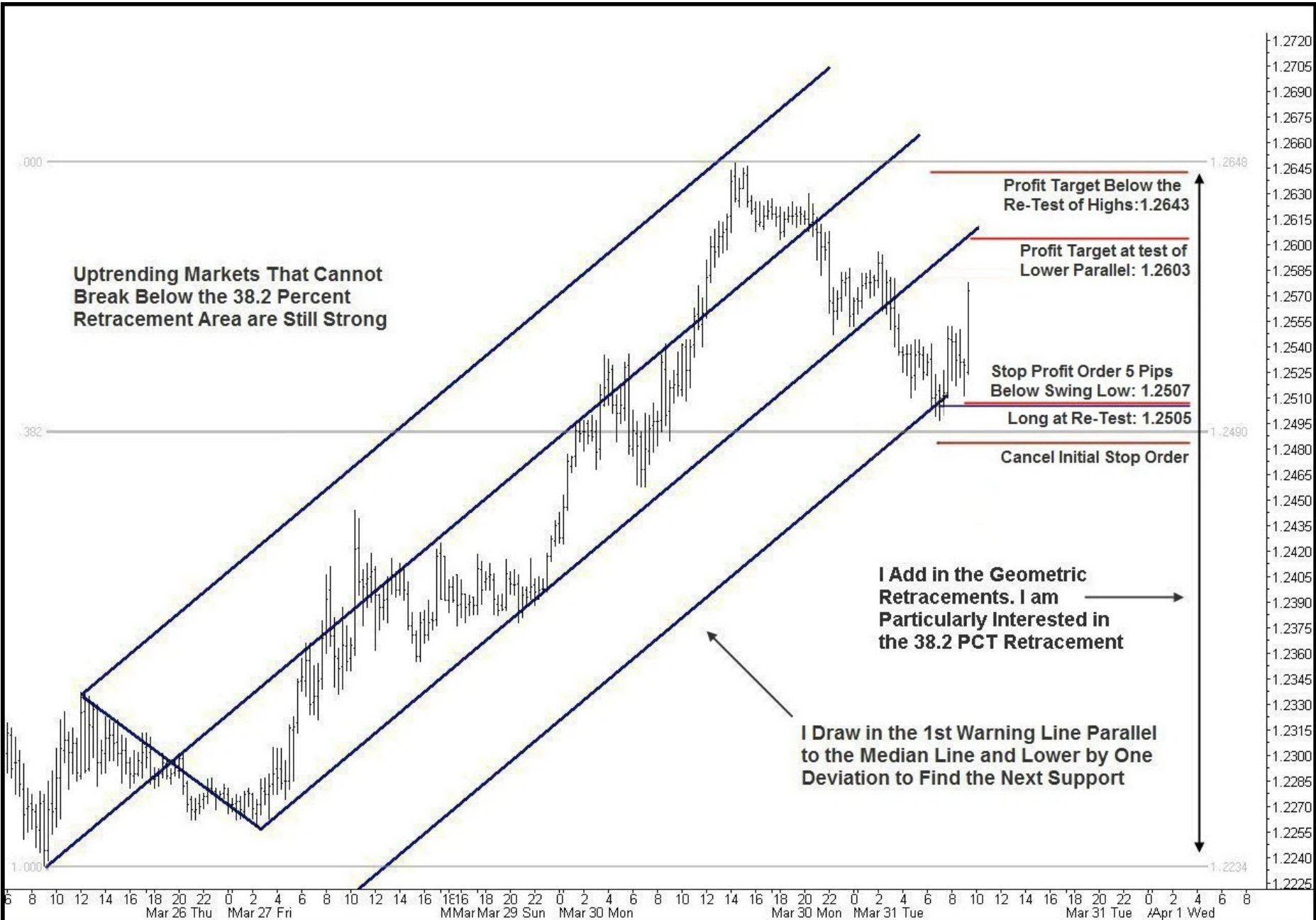
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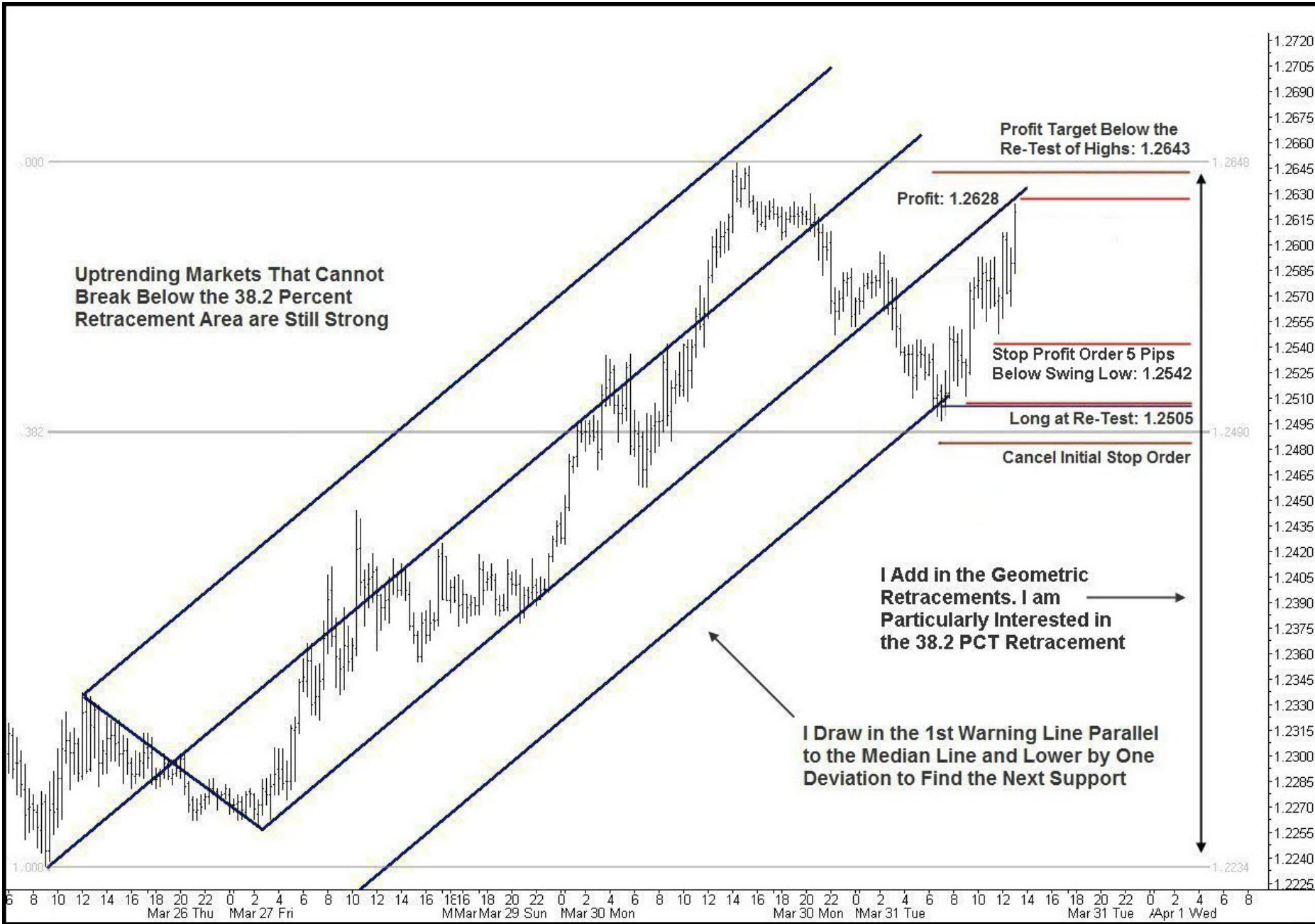


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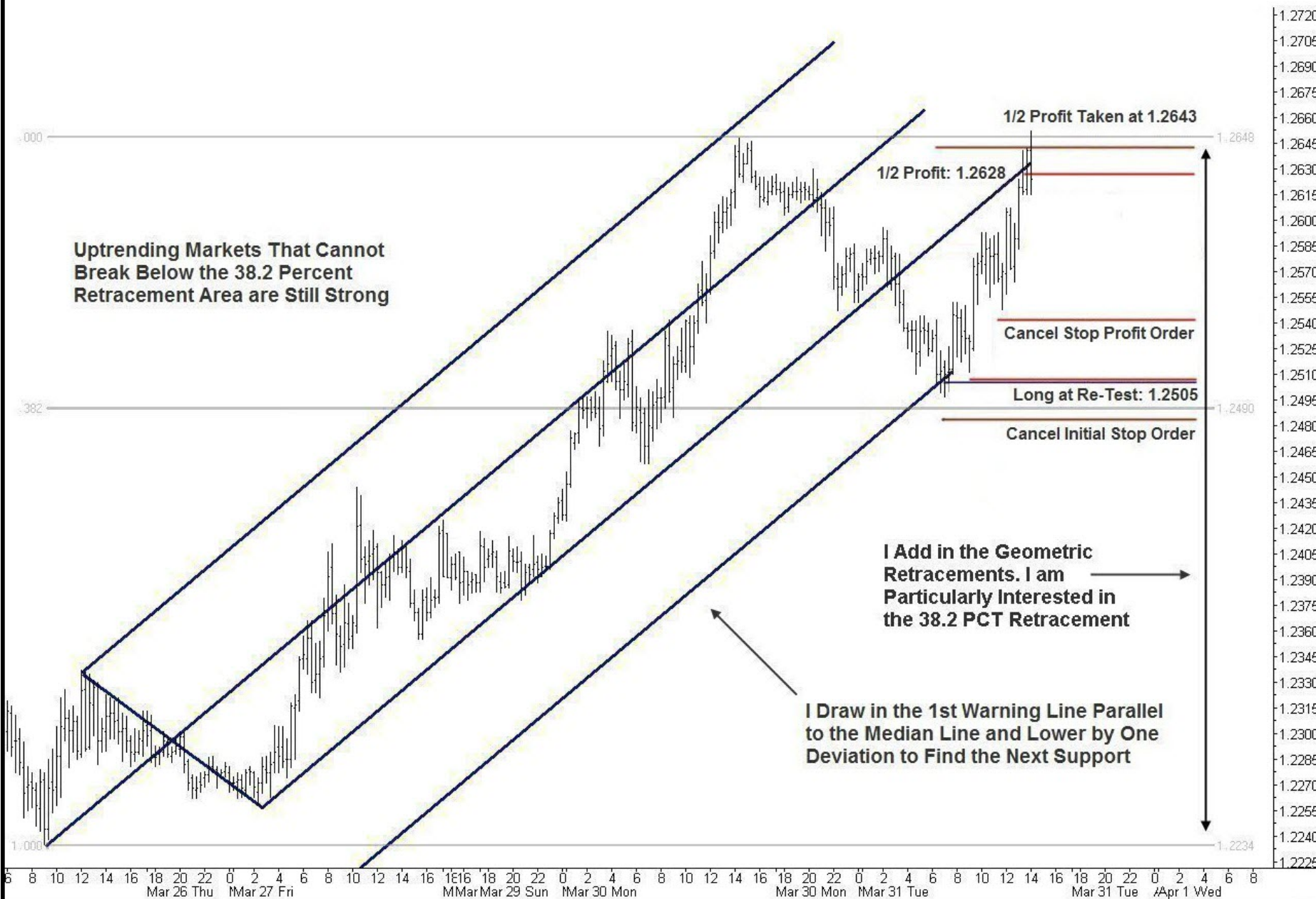
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1.2720 1.2705 1.2690 1.2675 1.2660 1.2645 1.2630 1.2615 1.2600 1.2585 1.2570 1.2555 1.2540 1.2525 1.2510 1.2495 1.2480 1.2465 1.2450 1.2435 1.2420 1.2405 1.2390 1.2375 1.2360 1.2345 1.2330 1.2315 1.2300 1.2285 1.2270 1.2255 1.2240 1.2225

1.000 382 1.2490 1.2234



Uptrending Markets That Cannot Break Below the 38.2 Percent Retracement Area are Still Strong

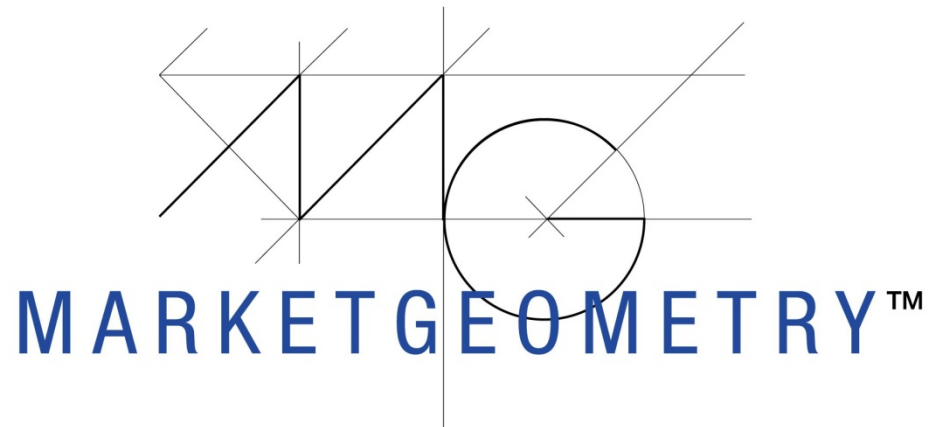


I Add in the Geometric Retracements. I am Particularly Interested in the 38.2 PCT Retracement

I Draw in the 1st Warning Line Parallel to the Median Line and Lower by One Deviation to Find the Next Support

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Mar 26 Thu Mar 27 Fri MMar Mar 29 Sun Mar 30 Mon Mar 30 Mon Mar 31 Tue Mar 31 Tue Apr 1 Wed





Thank You for taking the time to attend this session.

“Master your tools, Master yourself.”

®Timothy Morge

Q & A

Contact Information

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