



Naked Forex: High-Probability Techniques for Trading Without Indicators

Alex Nekritin , Walter Peters

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A streamlined and highly effective approach to trading without indicators Most forex traders rely on technical analysis books written for stock, futures, and option traders. However, long before computers and calculators, traders were trading naked. Naked trading is the simplest (and oldest) trading method. It's simply trading without technical indicators, and that is exactly what this book is about.

Traders who use standard technical indicators focus on the indicators. Traders using naked trading techniques focus on the price chart. Naked trading is a simple and superior way to trade and is suited to those traders looking to quickly achieve expertise with a trading method.

Offers a simpler way for traders to make effective decisions using the price chart

Based on coauthor Walter Peters method of trading and managing money almost exclusively without indicators

Coauthor Alexander Nekritin is the CEO and President of TradersChoiceFX, one of the largest Forex introducing brokers in the world

Naked Forex teaches traders how to profit the simple naked way!

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From Reader Review Naked Forex: High-Probability Techniques for Trading Without Indicators for online ebook

Rodger St Hilaire says

Simple but effective

This book provides an excellent forex trading foundation. The concepts are easy to understand and apply. It also provides important perspective to those who are serious about trading in the foreign exchange market. This is an absolute must read for those who are new to foreign exchange trading and can also be of immense benefit to professional traders. I highly recommend this book.

hmhsylm says

Boring due to too-little knowledge and too obvious already-known information explained in shallow manner.

Rami Hirez says

It's really amazing specially the psychological part of it really helpful and gave me a lot of big ideas to put the in work so I'm giving it 5 stars hoping they will take my trading to the next level)

Evil Evan says

Overall, Naked Forex is a great book for those who are either new to forex or price action trading or are currently trading price action unsuccessfully. There are three parts to this book. I'll be taking about the second part mostly, which covers six trading setups.

A complaint that people often have with this book is that "he just renames traditional setups". Not true. People who say this may not have read the book properly, or don't actually know the criteria for the traditional setups. What Peters does is add more criteria to traditional setups, and then give the new setups silly names, which purportedly makes them more reliable (the additional criteria, not the silly name).

Another complaint that people have is that "this book is too simple". But that is the point. Peters explains that you don't want complex trading systems with too many rules. You want simple systems that work, and trade them properly in a disciplined manner. Focus on things like correct execution and trading psychology, rather than fine-tuning the period of your EMA or adding another indicator.

I am just starting to backtest these setups, so I can't comment on their effectiveness. But I have traded similar price action setups, and I think that these more specific setups look quite promising. The subtle differences in these setups to their traditional counterparts really make a lot of sense to me. I had several "a-hah" moments reading this part. Like "Oh that's probably why my pinbar trades got stopped out so often". I look forward to

testing these setups.

The silly names he gives setups, like whammies, moolahs and trendy kangaroo tails I found quite annoying. But brilliant setup names are not what we are looking for when reading a trading book.

The book is an easy read. Things are explained clearly and in simple language; however, the explanations are extremely repetitive and not very well written. He goes off on frequent tangents, saying things he's already said several times while he should be explaining the main topic. The tangents are short, and he does quickly come back to the main point, but he just does it so often that it does become a bit tiresome. And do we really need equally long explanations for both the bearish and bullish version of every setup? Why can't authors just say "and the bearish setup is exactly the same, except in the opposite direction." The repetitive and redundant nature of the writing makes me suspect that he was trying to fill space. Perhaps the publisher gave him a quota for the number of pages. These things are why I'm not giving the book 5 stars.

Diagrams are rarely on the same page as they are discussed. Often you have to flip or scroll several pages ahead, passing several other diagrams and paragraphs, before you find the diagram which you are reading about. Lots of publishers do this to us. I guess they want to save pennies on paper or really care more about fitting everything all pretty on the page with no gaps. Unfortunately, this makes for a frustrating reading experience. I don't care if there is a gap on the page if it means the diagrams are where I need them.

In summary, I Naked Forex clearly presents what is probably an effective trading methodology and several specific price action setups (although I have not tested the setups). Your eyes will roll at the silly names, and glaze at the frequent redundant tangents, but in the end, you'll get what you wanted, and that is a plan on how to succeed at trading price action.

Maxim Shilo says

I am learning to trade FX markets.

Highlights of this amazing book from Walter Peters who is one of my e-mentors and my community leader.

The indicator-based trader also has the added advantage of an indicator to blame when things go awry; the naked trader can blame no one but the market for losing trades. This is a subtle but very important difference point of reference for the naked trader. All trading involves an aspect of luck. All traders experience a lucky streak of winning trades and an unlucky streak of losing trades. Without the crutch of indicators, naked traders are more likely to take responsibility for their trading results. If you find yourself saying something similar, you are probably a terrible-system trader. If you are constantly changing trading systems, particularly after a losing streak, you are a terrible-system trader. All terrible-system traders blame the system when trading profits becomes difficult. Traders around the world have found that adopting naked-trading strategies means letting go of a trade. There are no indicators to give false signals, there are no settings to tweak; there is simply the market price and the trading decision. Naked traders have a true advantage because the focus of the trade is the current market price. There is no better indicator of the sentiment, attitude, or exuberance of the market than the current market price. Naked traders make the current market price their indicator.

Where has the market moved since I entered my trade?

If I looked at the market now, would I take the same trade?

How do I feel about my trade?

What do I like about this trade now?

What do I dislike about this trade now?

On a scale of 1 (poor decision) to 10 (great decision), where would I rank this trade now?

If I were not in a trade now, would I take the opposite trade? Market Biofeedback is the one area that most traders neglect, most traders are not quite aware of this process. By paying attention to Market Biofeedback over time, you will be able to become aware of, and eventually control your trading behaviors. This will allow you to take a big step towards consistent profits. You have to pay close attention to one thing on the chart if you trade naked: price. Price is king. Price will tell you all you need to know.

1. Zones are an area, not a price point.
2. Zones are like fine wine; they get better with age.
3. Zones are spots on the chart where price reverses, repeatedly.
4. Zones may be extreme highs or lows on the chart.
5. Zones are where naked traders find trading opportunities.
6. Support and resistance zones rarely need to be modified.
7. Line charts help naked traders find zones.
8. Zones are often seen by many traders.

It is absolutely critical that the naked trader identifies the zones on the chart. These zones are the foundation of naked trading. If the market trades beyond the zone it does not mean that the market has broken the zone. This is an important and critical point for the naked trader. Remember zones are beer bellies, they are squishy, they are fat, and they consist of a wide range on the chart. This means that sometimes the market will push into the zone, and it may look like the market has broken beyond the zone, this is often not the case. The key to successful trading is to wait for the very best trading opportunities. These opportunities occur when the market reaches a well-defined zone and then prints a catalyst. These are golden opportunities. The first is to identify the support and resistance zones, the second is to wait for the market to reach one of these zones, and the third is to take a trade once a catalyst prints on one of these zones. Catalysts are powerful price patterns. These simple price patterns suggest what the market may do once the market reaches a zone.

The last-kiss trade is a nice way to trade high-probability breakout trades. Here are the steps for the last-kiss trade:

Wait for price to consolidate in a box between two zones.

The box should have at least two touches on both zones.

Wait for price to break beyond one of the zones.

Once price returns back to the consolidation box, wait for the market to print a last-kiss candlestick on the edge of the box. The Last Kiss

For sell trades, a sell stop is placed below the low of the last-kiss candlestick, and for buy trades, a buy stop is placed above the high of the last-kiss candlestick.

Emergency stop loss is placed in the midpoint of the consolidation box. The profit target is the nearest zone.

The big shadow appears on support and resistance zones, precisely where the naked trader looks for high probability trade set-ups. Once the big shadow prints on a zone, we have a valuable hint that the market may soon turn around. The important thing is this: The big shadow must print on a zone. The cycle of doom makes sense to the trader who is convinced that profits come from trading systems. The problem is this: Profits do not come from trading systems. Profits come from traders. Traders find profits in the markets, and the tool (trading system) used to extract these profits is not as essential as the trader's execution. The fatal mistake that most traders make is to assume that trading systems are responsible for profits. The first step toward profitability is identifying that you have been stuck in the cycle of doom. The key to breaking the cycle is to recognize that the trading system is not responsible for trading profits or losses. You are responsible for

trading profits and losses. It is possible to defeat the cycle of doom. I have done it, and many other naked traders have also broken the cycle. You can certainly defeat the cycle of doom. You must want to become a professional trader. If you want to trade consistently, and if you want to find profits, it may be best for you to stick to a trading system that you believe in. You are the type of trader who must create your own trading system. You must trade a system that is completely yours. The rules of your trading system will define how you interact with the market. It may seem like this is a very small detail, but in fact it is the definition of the game. Those traders who do not have rules—and many traders enter the market without rules—are simply gambling. It is important for you to define what your system rules are, if only for the fact that having them in front of you will help to remind you that you have a method for extracting profits. In fact, impatient traders make very good scalpers.

The point at which you can place a trade, accept the risk associated with the

trade, and get a good night of sleep. If a trade is constantly on your mind or if you find yourself checking a trade at odd hours in the night, there is too much risk associated with the trade, and it should be reduced to the sleeping point.

If something is not working, step away, re-analyze your trades, and then come back to the markets. Stepping away from the markets will give your mind and your body time to rest, and you will be much better for it when you come back to the markets.”The market is constantly sending information to market participants. What will you do with that information? Will you take market data and use it to adjust your entry strategy? Some of the very best traders in the world share a simple secret: They use extremely simple and yet powerful, trading systems. The best traders in the world—hedge fund traders, bank traders, private millionaire traders you will never hear from—all have one thing in common: These people are experts. They do one thing. You probably know a gambler or two disguised as a trader. This is the difference between a trader and a gambler: A gambler has no risk management, and a gambler is willing to lose large amounts of money quickly. A trader treats each trade as a calculated risk and manages each trade according to his system rules. Gamblers can lose all the money at once, and traders lose only as much money as their system will allow. The distinguishing factor is that a gambler does not follow risk management rules, whereas a trader follows strict risk management controls. Expert traders do more than simply follow strict risk management controls; they also concentrate on one trading technique. This is the real secret of expert traders: They focus on one market, one trading system, one edge, and they use this edge in their trading repeatedly. Profitable trading is boring. Profitable traders are experts, and these expert traders do one thing over and over again. Why do profitable traders limit themselves? The answer is simple: Profitable traders know what makes money. Profitable traders trade to make money. If you would like to make money as a trader, do what the experts do. Become good at trading one system. You know how to do this now. All you need is in this book. You simply need to put the work in, practice, and become an expert with a trading system that makes sense to you, and then trade that trading system. Trade your system over and over again until trading becomes boring (and very profitable). All the very successful traders are doing one thing. This may seem unbelievable, but entire hedge funds are built on one idea. Hedge-fund traders often have one edge, and they use this edge in their trading. Now, some hedge funds may have several traders, each with his own edge, but to be a successful trader you simply have to have one thing that you are very good at, and then you do this one thing over and over again. The most successful traders I know follow this rule. The traders that struggle, the traders who have difficulty finding consistent profits, are the ones who repeatedly change their systems, reanalyzing and reorganizing their trading rules. In other words, they are still stuck in the cycle of doom. The key to breaking the cycle of doom is to decide what makes sense to you, which of the trading systems in this book resonate with you. Once you have chosen one, you simply need to test it over and over again. Then apply this system, concentrate on following your system rules, and watch your confidence grow. Exciting trading is exciting because it is akin to gambling. Gambling is exciting. This is precisely why risking too much on any given trade is exciting. Trading should be fun, but if it is exciting. It is a sign that the system is unproven or you are risking too much.

In fact, confidence is the most important ingredient for trading success. Confidence will help you profit with an average trading system, but without confidence you will be unable to find success, even with a brilliant trading system.

You will find that there are two different types of confidence problems for forex traders: (1) a lack of confidence in the trading system, or (2) a lack of confidence in yourself. How to create a trading plan -->

Are you a market specialist or a trade specialist?

How many hours of daily screen time do you allow yourself?

Which trading session (European, Asian, or North American) do you trade?

Which timeframes will you trade? Creating Your Trading System

Which trading set-ups do you trade?

Which exit strategies do you use?

How much interpretation do you have when placing trades? How much interpretation do you have when exiting trades? What is your maximum risk per trade?

What is your maximum weekly drawdown?

What is your maximum monthly drawdown?

How do you deal with drawdowns?

How will you regain confidence after a maximum drawdown? What will you do to ensure you are physically fit to trade? What will you do to ensure you are psychologically fit to trade?

The majority of the volume in forex is from the banks and private funds, not the retail traders. The retail traders make up about 1 percent of all the forex trading volume each day.

The great thing for the naked trader is that naked trading systems are based on market psychology. The naked trading systems you have learned in this book are based on the psychology of the market participants. They are likely to hold for as long as humans participate in the markets. One thing that many traders fail to recognize is the intricate relationship between what you risk and the emotions you experience during trading. In fact, risk and trading psychology are two sides of the same coin. You are the one who knows whether you will make money or not, even though you may not have conscious access to this information. Most traders do not acknowledge this fact: Your beliefs drive your behaviors. This includes your trading behaviors. If you believe you are worthy of trading profits, you will be able to make money. If you do not believe your trading will lead to profits, you will not be able to consistently make money. It doesn't matter if you decide to work in business or in trading. Your beliefs, whether they are accessible to you consciously, will drive your behaviors. You win (or lose) because of your beliefs. Specifically, of course I am talking about your winning or losing in the financial game. It does not matter if you are an entrepreneur, looking at establishing a new business, or if you are a salesman, looking to cultivate a stream of customers, or, perhaps more likely, if you are a burgeoning trader, looking to establish reliable trading method to pull profits from the market. The same principles apply to all people looking to make money. Your beliefs about money, and how worthy you believe you are of money will determine whether or not you make money trading. If you believe you are worthy of trading profits you will find they come much more easily. Your beliefs about money can determine how much money comes your way. If you believe money is good and you are worthy of wealth, money is more likely to come your way.

Seeing yourself making money is the first step to trading success. If you believe wealthy people are moral and good, you are more likely to become one of these people. Likewise, if you know that you will be making money, if you are confident that you have the skills to achieve wealth, you are on your way to becoming wealthy.

RISK MANAGEMENT - Super important.

There are very few laws for trading, but this is one of them: Improper risk management leads to emotional trading problems. Win or lose, if you risk too much on a trade, you will endure emotional problems. It is not

only with the losing trades that improper risk management rears its head. Improper risk management—risking too much on a trade—leads to emotional issues, even if the trade is successful. If too much risk is placed in a trade and it ends up a winner, overconfidence, irrational exuberance, and sloppy trade execution may be the result. If too much risk is placed in a trade that ends up being a loser, any number of results may occur: trading rules may be ignored, psychological despair may result, and the management of the trade will almost always be exceptionally poor. There is no way around this law of trading.

Emotional issues will creep into your trading regardless of whether you like it. You think that you keep your emotions out of your trading, but, for most traders, this is not true. Most traders get extremely upset after a losing streak, or a losing trade, or missing out on a great trade opportunity. Under most circumstances traders have a very difficult time removing emotion from trading decisions. The only destructive trading is trading that is not according to your rules. So whether it is emotional trading or logical trading, if you trade in a manner that is not consistent with your rules, you are trading in a destructive matter.

The number-one trading skill you need to succeed as a trader is the ability to protect your trading account. This is paramount to all other goals, protecting your account means survival. Traders who are unable to make the jump from novice trader to professional trader fail to recognize the importance of playing defense. Professional traders are very good at playing defense. To succeed you will need a healthy dose of determination. History is littered with stories of famous people who overcame adversity, people who accepted success because failure was not an option. Determination is the common thread among these stories.

Each of these people share one thing in common: determination. You simply must have determination to succeed in trading (or any other endeavor). All successful people share determination. Your determination will guide you to trading expertise in the form of all the hours spent in front of charts, back-testing. Your determination will yield resourcefulness when it is needed most, during drawdowns and when your confidence is shaken. Your determination will help aid you to see your success before it appears. Determination is your ride to success. Let it carry you to where you want to be.

You know what to do now. The question remains: Are you determined to succeed as a naked trader?

Nur Syahirah says

This is a great start for beginners. Simple, and precise. Very informative. Kinda have 5 techniques, but truly profitable. Be consistent with one of it for a month, all enough for a profitable and safe trade. Recommended for beginners, SnR and naked traders.

Not suggested for butterfly traders, robots or complex indicators traders.

Andrew Pratley says

Excellent book which is easy to follow & is full of sound advice. It is pitched at the right sort of level for someone who wants to learn how to be good trader. The website that goes with looks interesting. I will do the free on-line course which is available on it once you sign up. I am making notes on what I have learned & look forward to putting its ideas into practice to see if they work for me.

Saeed Mohamadi says

The author of this book is trying to explain some old well known technical analysis patterns in his own terms, and it wouldn't do any favor for anyone with some little experiences in the background. but there was also a part of the book under the title of psychology of trading (the latest chapters) that i liked and i would recommend to myself and any traders to review them once in a while. actual rating 2.5 star.

Saeed.

Rishi Kaushal says

A good book for the basics, but if you are beyond a beginner, you will have already have read most of the concepts discussed elsewhere . The 6 setups described in this book are common setups which any technical trader would have already known, though the author has given them fancy names, and added some variables to rule out poor trade setups. Part III of the book (Trading Psychology) is the best part of the book, although if you are looking for guidance in that respect, I would recommend you read Trading in the Zone.

Ivan Aguilar says

This book delivers many good reasons of why FOREX trading is simple, and how to embrace that simplicity learning how to identify opportunities and passible market behaviours through "RAW" data, nevertheless is still more oriented to the technical analysis. I found the last 3 chapters very useful to understand and apply for any everyday trader.

Tadas Talaikis says

As always, expected more, got what I read few years ago on forums.

Here's rhe reality. You can generate random data, dispaly on charts and find a lot of "support" and "resistance" "zones" on those charts.

Here's example:

<https://www.youtube.com/watch?v=5mPp7...>
