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Identify Your Trade Objective & Forecast in MSCI TW Index Futures

Event : WEBINAR

Standard: All Traders Levels

Date : 9 April 2008 – 2100 Hrs (Singapore Time)

Speaker : DAR Wong, APSRI

Organized by Interactive Brokers

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Acknowledgement

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- **Singapore Exchange Ltd**
- **Interactive Brokers**
- **NextView Pte Ltd**

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Risk Disclaimers

- **Margin trading involving Futures instruments are high risk business activities.**
- **You are advised to evaluate own risk appetite, risk tolerance and risk capacity before initiating this business trade.**
- **You are advised to seek licensed member firm of SGX, its corresponding partners or professional licensed advisors for trading opinions, advices and obtain full declaration of risk before opening a trading account.**



CEO's Background of APSRI

- **1989 – 1991 Bank of America Futures Inc**
- **1991 - 1992 Bankers Trust Futures Inc**
- **1992 – 1993 DCNY Futures / Barclays ZW Futures Inc**
- **1993 – 1996 Smith Barney Shearson (Citigroup)**
- **1996 – 2001 Non-Clearing Local Trader**
- **2001 – 2003 Entrepreneur in Malaysia, Indonesia, Singapore, Thailand, Vietnam.**
- **2003 – 2008 Hedge advisor and Consultant in S.E.A. region**

Main Strength

- **Trader, Hedge Advisor (agriculture & portfolio)**
- **Coach, Market technical & Fundamental analyst**
- **Author for The Traders Journal magazine**
- **Weekly columnist for The Borneo Post newspapers**
- **Independent Trainer for Singapore Exchange Ltd (SGX) & seminar speaker for institutions**





Contents of Training Module

- **Identify Your Trade Objective**
- **3 Essentials to Profitable Trading**
PERMANENTLY
- **Guideline to Develop Your Trading Plan**
- **Specifications of MSCI TW Index Futures**
- **Forecast of Market Trend**

1) Identify Your Trade Objective

WHAT IS TRADE OBJECTIVE?

- **The capability of projecting your trade profit range with effective risk management**

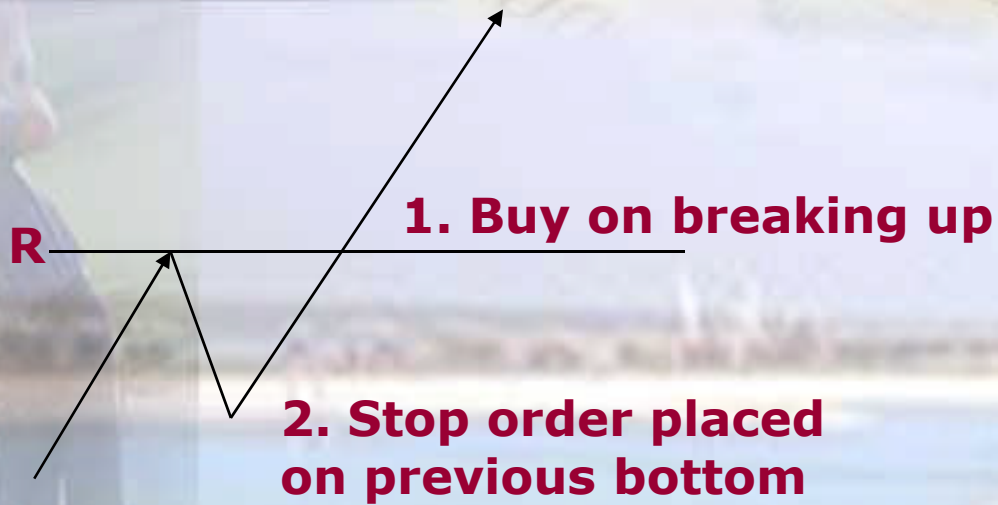
HOW TO TARGET YOUR TRADE OBJECTIVE <click>

- **It is important to find your trade entry with calculated profit range based on the technical chart of your preferential time variation e.g. 5 min, 10 min, 15 min, 30 min, 60 min, daily, weekly, monthly.**
- **All entries must come with calculated stop order with risk reward ratio preferred at 1:3**

1a) Entry / Exit of Your Trade

- Exit time of your entry will depend on the time variation you are using**
- For example, trade entry based on 5 min, 10 min or 15 min chart can usually find an exit in half an hour – 2 hours time.**
- Trade entry based on 30 min or 60 min chart can usually find an exit in 4-8 hours. <click>**
- Trade entry based on daily chart will be positioned for 2-4 days. In special circumstances, up to 2 weeks.**
- Trade entry based on weekly chart will be positioned for few weeks to few months.**

1b) Risk Management





2) 3 Essentials to Profitable Trading PERMANENTLY

- **Identify Your Trade Objective**
- **Verify Your Time Frame To Sit In The Position**
- **Access Your Capital Risk**



2a) Access Your Capital Risk

- **Never lose more than what you can afford to lose**
- **Every trade entry must be accompanied by a stop order**
- **Never accumulate losses**
- **Never average your losing position**
<click>
- **R. Tolerance + R. Appetite = *RISK CAPACITY***

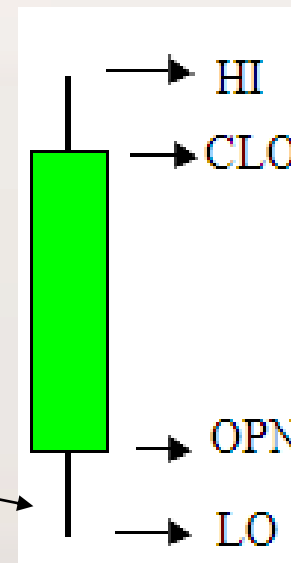


3) Guideline to Develop Your Trading Plan

- **Learn to understand the Candlestick charting techniques by gauging daily market trend reversals.**
- **Most traders use candlesticks to gauge trend reversals and spot opposite entry on following market day.**
- **Very seldom do traders know the precision of entering from initial shadow.**

3a) What Is Initial Shadow?

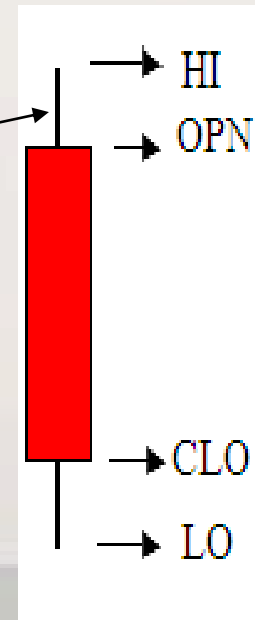
- 1) The bottom shadow of the day candle if the market were to form white day candle
- 2) Entry from here suffers less market swing



3b) What Is Initial Shadow?


1) The top shadow of the day candle if the market were to form black day candle

2) Entry from here suffers less market swing





3c) The Summary

- **A smart and experienced trader always attempts daily entry from initial shadow**
 - **To gauge an exact good entry in a day trade and estimate the length of the initial shadow, you can refer to intraday 30 min chart for further study.**
- 



3d) Strategize Your Daily Trading Plan

- **Understand the market trend and determine which market formation it is doing now.**
- **Estimate your daily average range of the Nikkei market by taking the average true range over previous 9 days. <click>**
- **Enter from the initial shadow as it carries the most potential to make profits for intraday trading.**
- **Place stop order from at a comfort range behind your entry level.**
- **Target exit price is usually very near to estimation of last 9 days average range.**



***NOTE: To get a full syllabus of
Candlesticks Trading Book, You may
purchase from ALL major book stores.***

Some of the popular authors are as below:

1) Steve Nison

2) A. Bigalo



Observe 3N-Rule as Your Daily Trading Basic:

- ***Never think the market is wrong! (market doesn't move in the way you want it)***
- ***Never sit on a losing position! (only do that in the range of your stop loss limit)***
- ***Never trade if you are confused! (or if you are not ready)***

4) Specifications of MSCI TW Index Futures

Contract Type	MSCI Taiwan Index Futures (TW)
Specifications	
Contract Size	US\$100 x SGX MSCI TW Index Futures Price
Tick Size	0.1 Point (US\$10)
Contract Months	2 nearest serial months + 4 quarter months
Trading Hours (Singapore Time)	T session: 8.45 am - 1.50 pm (Singapore time) 11.15 am - 2.30 pm Pre-open routine commences at 8.30 am followed by a 2-minute non-cancel period from 8.43 am T+1 session: 2.45 pm - 10.55 pm Pre-open routine commences at 2.30 pm followed by a 2-minute non-cancel period from 2.43 pm
Trading Hours on Last Trading Day (Singapore Time)	8.45 am - 1.50 pm
Last Trading Day	Second last business day of the expiring contract month
Settlement Basis	Cash Settlement



4.1) SGX Futures trading Simulator

Visit website to gain FREE access:

<http://futuressimulator.sgx.if5.com/Default.aspx>

5) Forecast of Market Trend

The following knowledge and practiced skills are used to forecast Nikkei market trends:

- **Fibonacci Retracement Theory**
- **Candlesticks Charting Techniques**
- **PowerWave™ Trading Concept**
- **Some useful indicators like slow stochastic and Exponential moving averages**

MSCTWI CC-E SD-Weekly 4/11/08 C=335.5 -0.1 (-0.03%) O=331.9 H=337.1 L=331.8 V=32,906
EMA C (4) 332.2713 EMA C (20) 326.2314

X - 3877

WEEKLY chart as of 7 April 2008

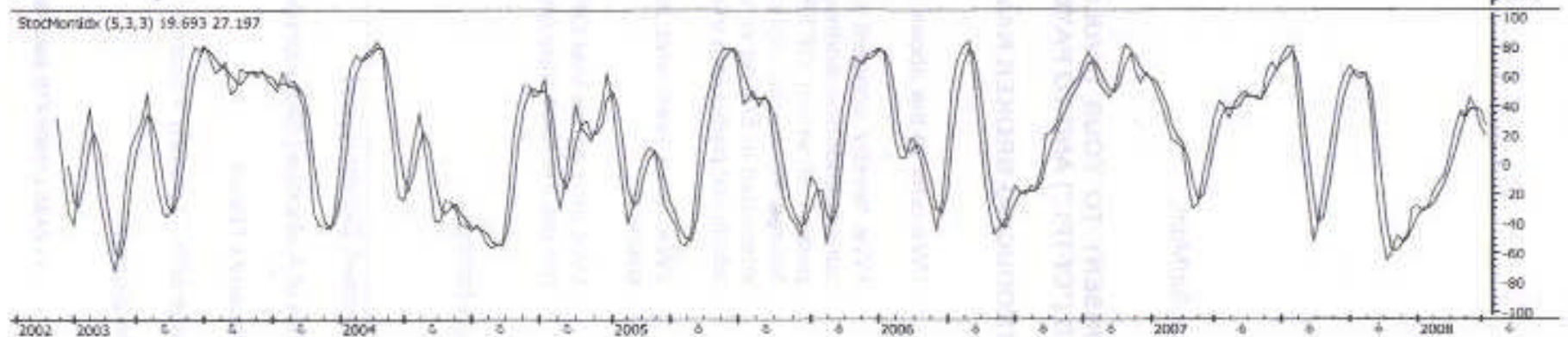
- If market breaks above B 3579, target resistance will reach 3660 regions
- However, a sliding market is more likely to happen.....
- Support regions at: S1 - 3040 & S2 - 2940
- Upon breaking below A, we foresee the market to sink until 2480 regions

B - 3579

A - 2783



StocMorIdx (5,3,3) 19.693 27.197



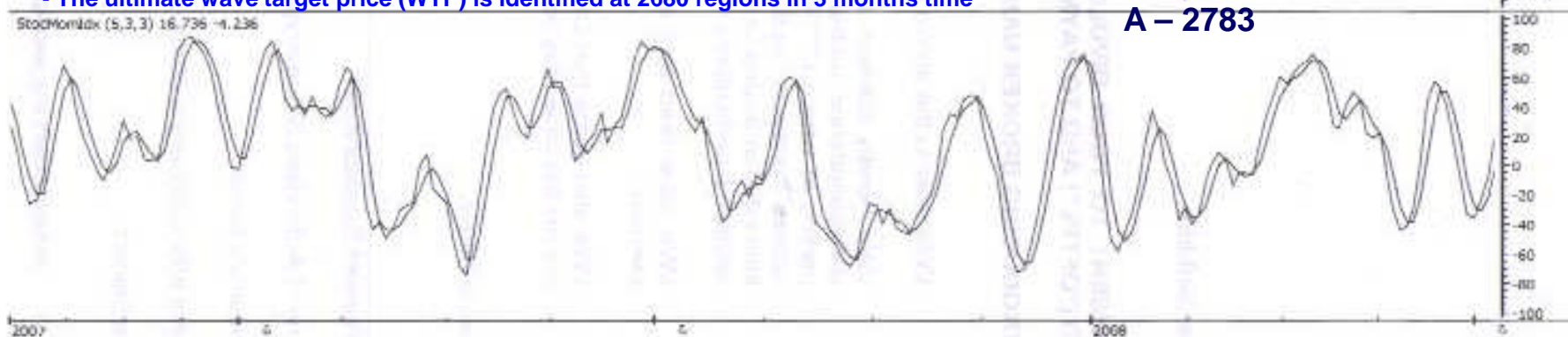
MSCITWI CC-E SD-Daily 4/7/08 C=335.4 -0.2 (-0.06%) O=331.9 H=337.1 L=331.8 V=32,919
DMA C (4) 332.406 TMA C (20) 328.647

DAILY chart as of 7 April 2008



- Wave B has completed an ideal major wave completion est. 50%
- Highly possible to turn down into a new south trend from here
- Immediate uptrend will meet resistance regions 3387 - 3450
- Confirmation of downmove extension when market breaks below 3195 in near future
- When that happens, our target is set at S1 - 3066 (very near to 3040 on weekly chart study)
- The ultimate wave target price (WTP) is identified at 2680 regions in 3 months time

StocMomIdx (5,3,3) 16.736 -1.236

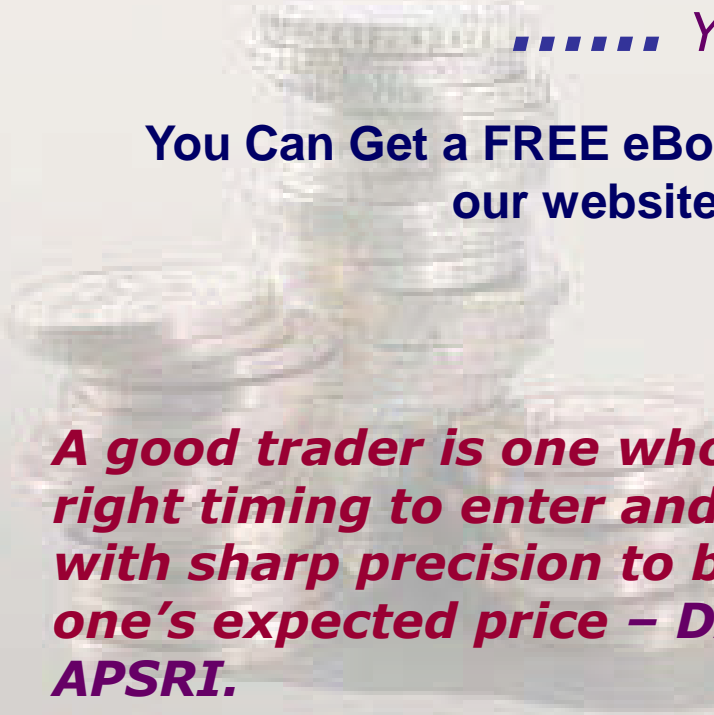




END OF MODULE

..... Your journey has just begun

You Can Get a FREE eBook “Instant Mindset Tuning” by visiting
our website <http://www.PWforex.com>



A good trader is one who predicts the right timing to enter and exit market with sharp precision to buy /sell at one’s expected price – DAR Wong, APSRI.

