



TRADE
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A
DEADMAN

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TABLE OF
CONTENTS

- I. Introduction to Trading
 - II. Understanding Financial
Markets
 - III. Core Trading Concepts
 - IV. Types of Trading Strategies
 - V. Technical Analysis Tools
 - VI. 95% Wining Strategy
 - VII. The most Important Thing
 - VIII. Conclusion
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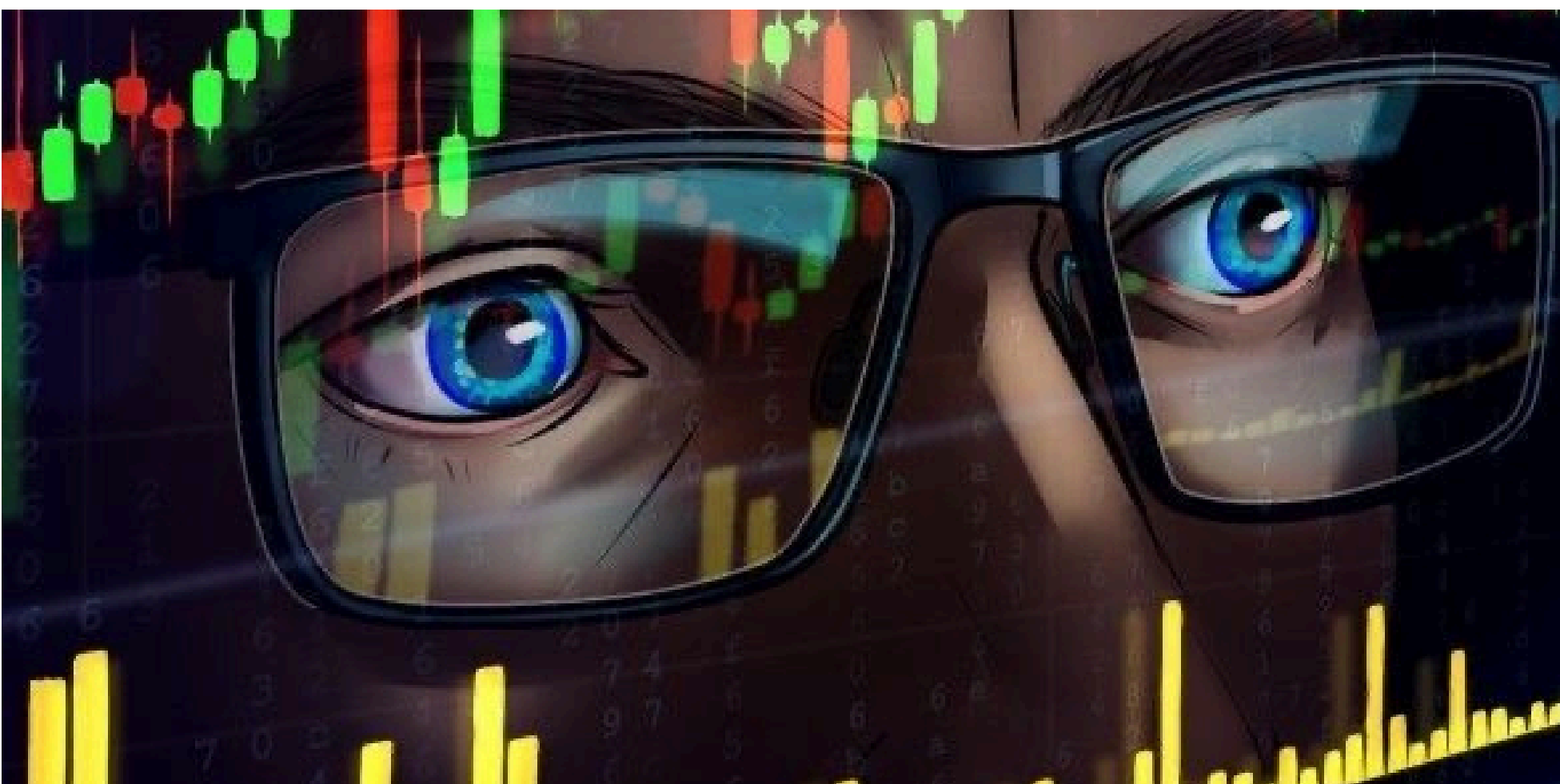
What is Trading?

Trading is the act of buying and selling assets with the goal of profiting from their price fluctuations. Unlike long-term investing, which focuses on holding assets for years, trading seeks to capitalize on short- to medium-term price movements. Traders operate in various markets, including stocks, forex, commodities, and cryptocurrency, each offering unique opportunities and risks.



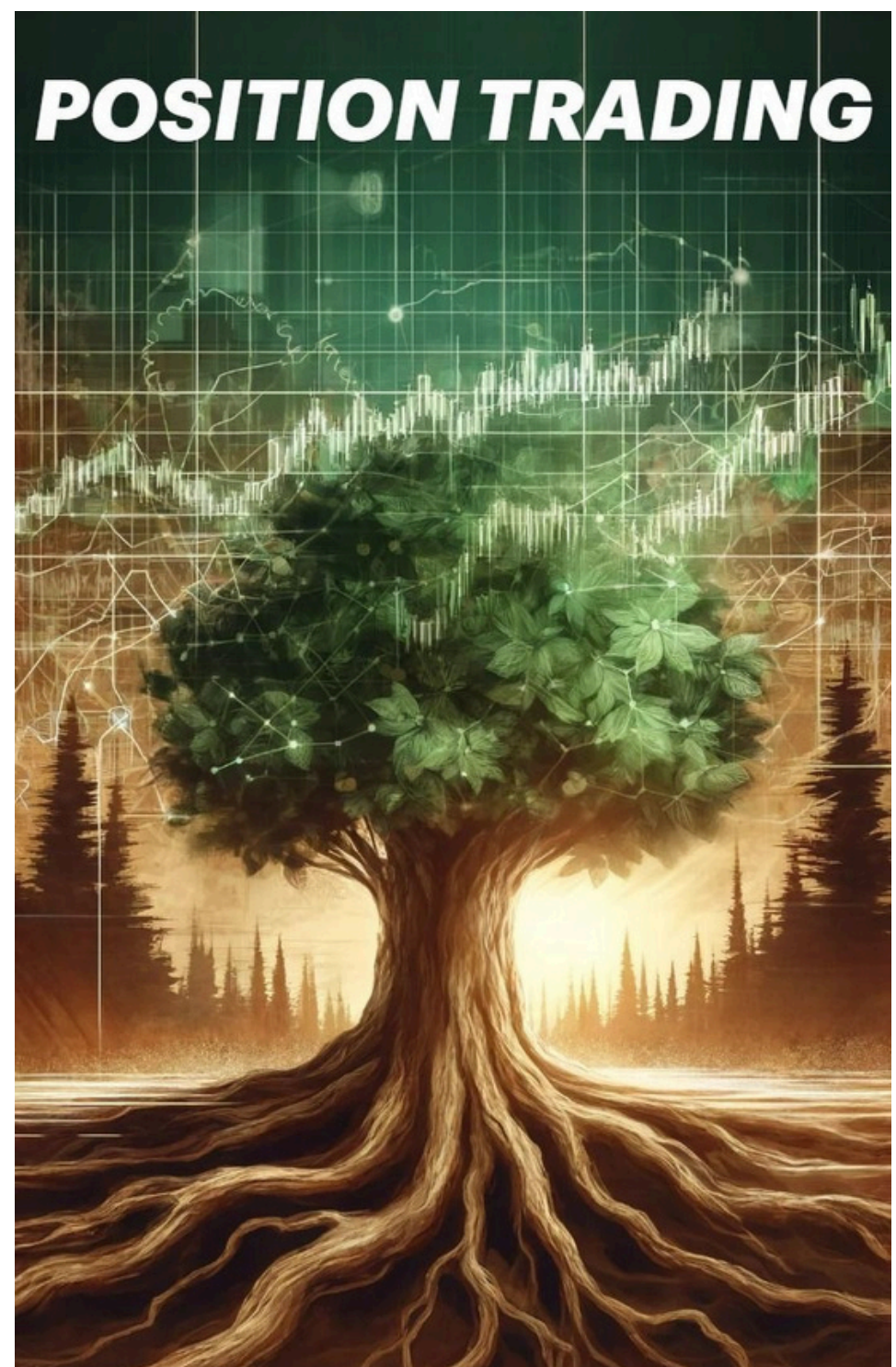
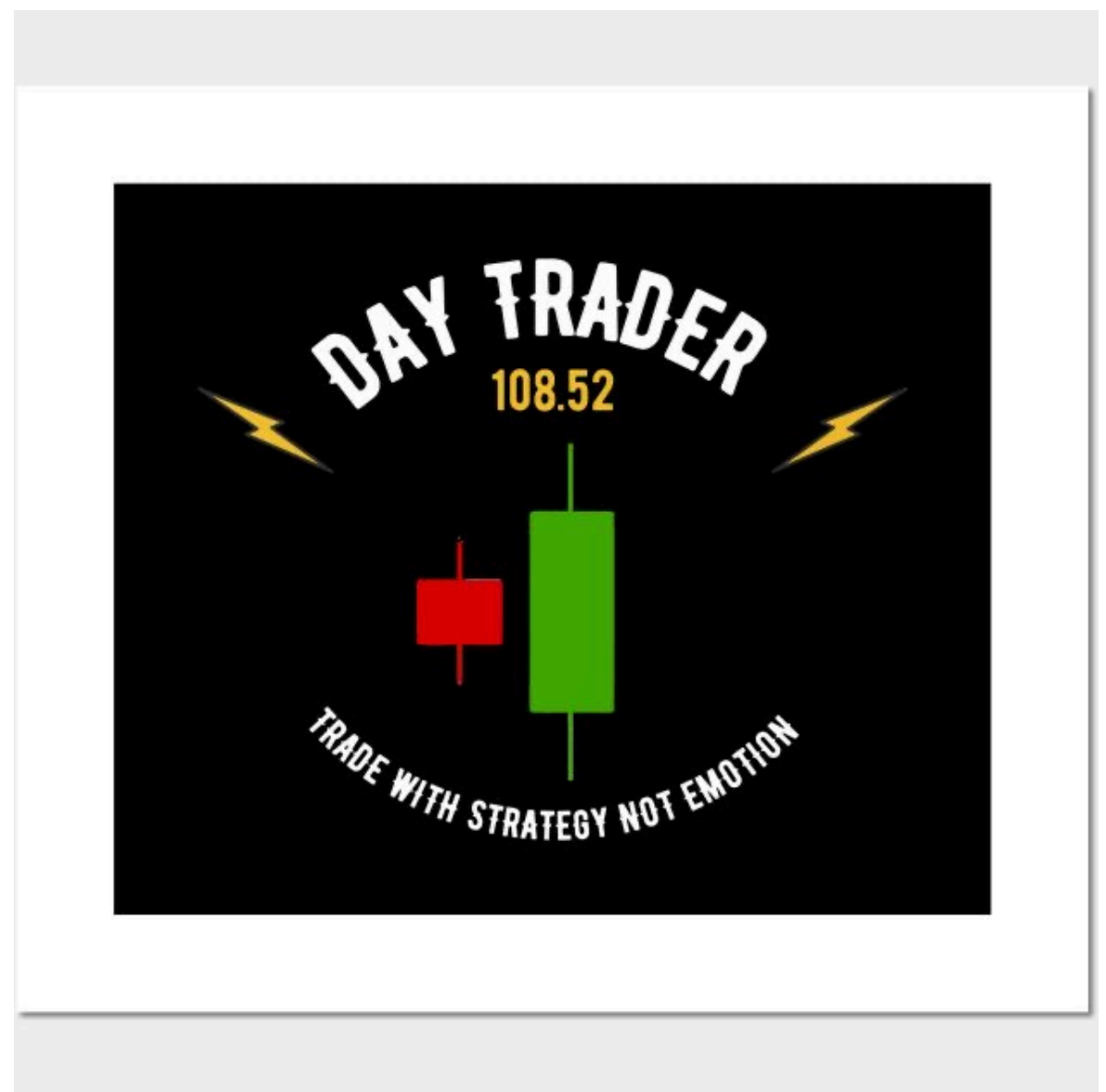
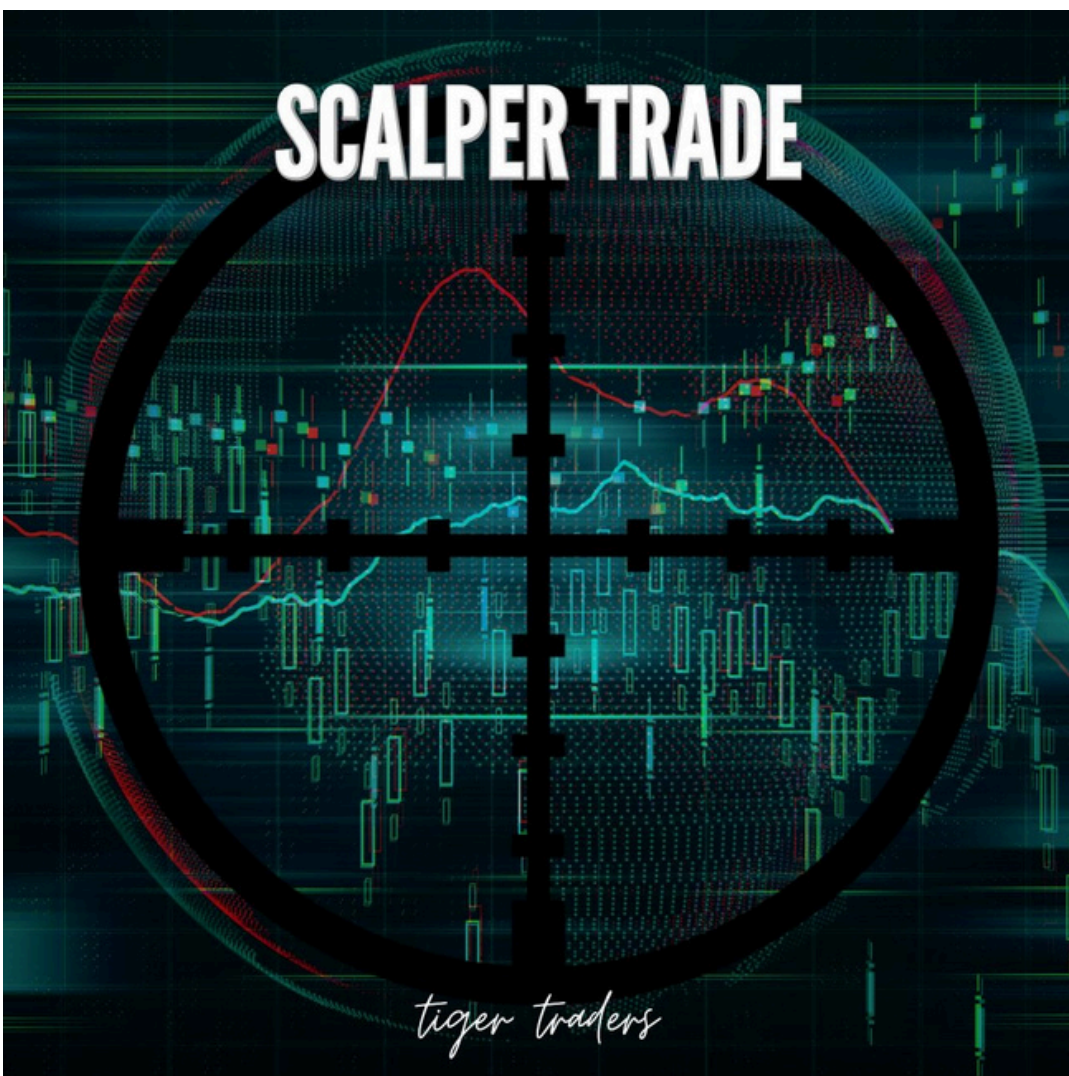
Types Of Markets

- **Stocks:** Represent ownership in a company. Traders buy and sell shares based on market performance, company news, and economic trends.
- **Forex (Foreign Exchange):** The world's largest financial market, involving the trading of currency pairs like EUR/USD and USD/JPY.
- **Commodities:** Physical goods like gold, silver, oil, and agricultural products. Commodity trading is often less volatile than stocks, attracting those looking for stability.
- **Cryptocurrencies:** Digital currencies like Bitcoin and Ethereum. Cryptocurrency markets are highly volatile, with price movements that can offer significant profit potential.



Types Of Traders

- **Scalpers:** Focus on ultra-short-term trades, making quick profits on small price changes.
 - **Day Traders:** Close all positions within the same day to avoid overnight risks.
 - **Swing Traders:** Hold positions for days or weeks, aiming to capture price swings.
 - **Position Traders:** Longer-term traders who may hold positions for weeks or months.



Understanding Financial Markets

Market Structure

The financial market is a network of buyers and sellers, allowing the trade of financial assets. Each market has its own characteristics:

1. **Stock Market:** Allows for trading shares in companies. Stock prices are influenced by earnings reports, economic news, and global events.
2. **Forex Market:** Trades currency pairs, influenced by global events, interest rates, and economic policies.
3. **Commodity Market:** Deals in physical goods like oil and gold, which are traded via futures contracts.
4. **Crypto Market:** Operates 24/7 and is driven by demand, supply, and technological developments in blockchain.

Key Players

- **Retail Traders:** Individual investors using personal funds.
- **Institutional Investors:** Banks, hedge funds, mutual funds, and pension funds that impact the market with large trades.
- **Market Makers:** Firms that provide liquidity by quoting both buy and sell prices.
- **Prop Traders:** Traders using firm capital, as with prop firms like FundedNext, trading under strict rules.

Core Trading Concepts

Price Action, Trends, and Cycles

- Price Action: Refers to the movement of prices on a chart, driven by supply and demand.
- Trends: Describe the general direction of the market—up, down, or sideways.
- Market Cycles: Include phases of accumulation, uptrend, distribution, and downtrend.

Support and Resistance

- Support: A price level where a downtrend is expected to pause due to a concentration of demand.
- Resistance: A price level where an uptrend is expected to pause due to a concentration of supply.

Volatility and Liquidity

- Volatility: Measures how much an asset's price changes. High volatility offers profit opportunities but also increased risk.
- Liquidity: Refers to how easily an asset can be bought or sold without affecting its price. High liquidity indicates easier trading with less slippage.

Risk Management

Risk management is critical. Traders must calculate the risk-reward ratio for each trade, set stop losses, and ensure they don't over-leverage their accounts.

Types of Trading Strategies

Fundamental vs. Technical Analysis

- **Fundamental Analysis:** Evaluates the intrinsic value of an asset based on financial reports, economic data, and global events.
 - **Technical Analysis:** Focuses on chart patterns, price movements, and indicators to predict future movements.

Popular Trading Strategies

- **Trend Following:** Involves identifying the direction of the market and trading in that direction.
- **Breakout Trading:** Enters trades when an asset breaks through support or resistance, indicating a potential new trend.
 - **Swing Trading:** Focuses on capturing price “swings” over several days.
- **Scalping:** Takes advantage of small, rapid price movements for quick profits.

Risk-Reward Ratio and Position Sizing

Each trade should have a risk-reward ratio to balance potential profit against possible losses. Position sizing involves adjusting the number of assets to trade based on account size and risk tolerance.



Technical Analysis Tools

Candlestick Patterns and Chart Types

- **Candlestick Patterns:** Visual indicators of price action. Key patterns include Doji, Hammer, Engulfing patterns, and more.
- **Chart Types:** Line, bar, and candlestick charts are common, with candlestick charts offering the most detail on price movement.

Technical Indicators

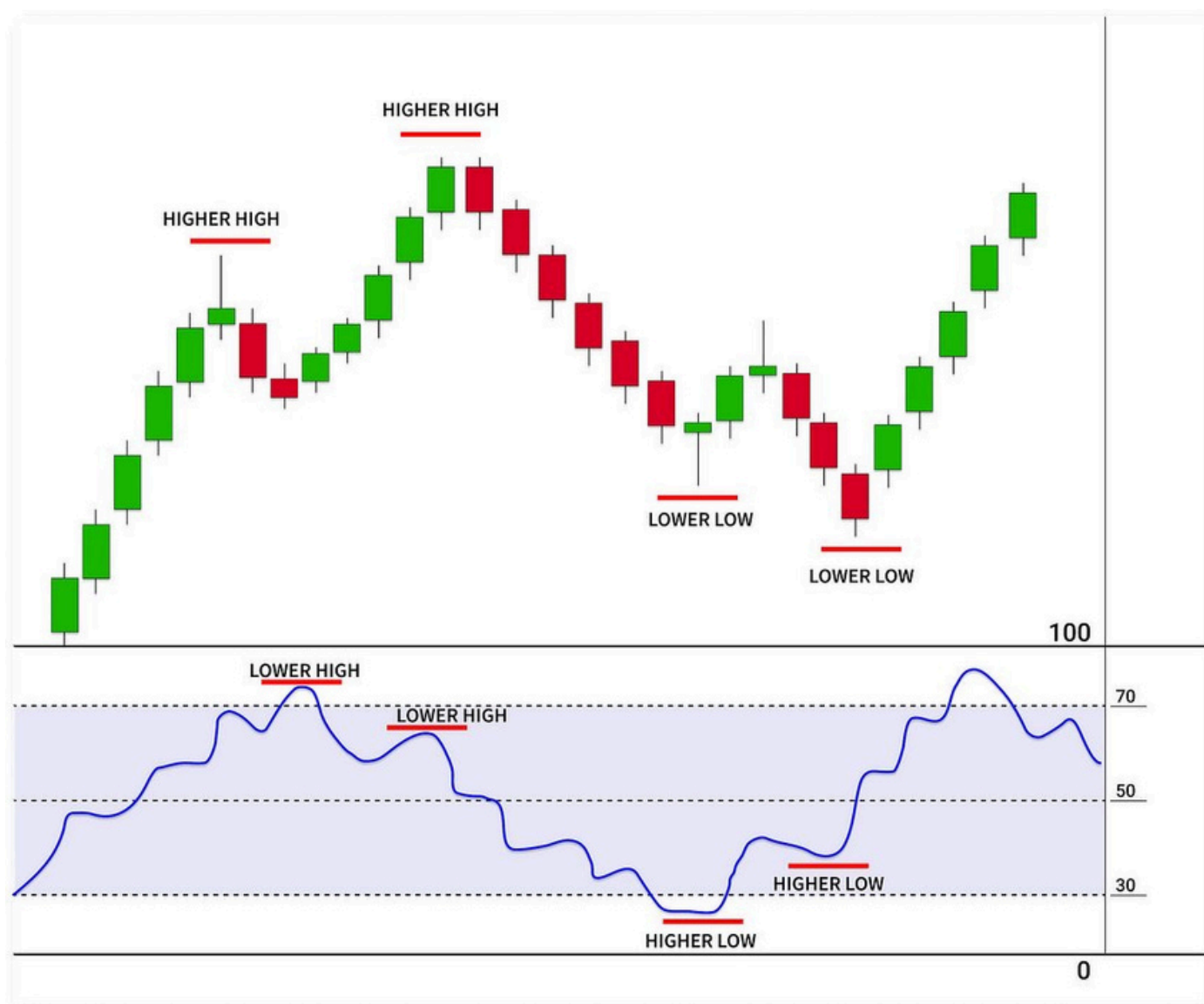
- **Moving Averages (MA):** Smooth price data to identify trends. Commonly used averages include the 50-day and 200-day MAs.
- **Relative Strength Index (RSI):** Indicates overbought or oversold conditions.
- **MACD (Moving Average Convergence Divergence):** Measures the relationship between two moving averages to identify momentum.

Using TradingView for Chart Analysis

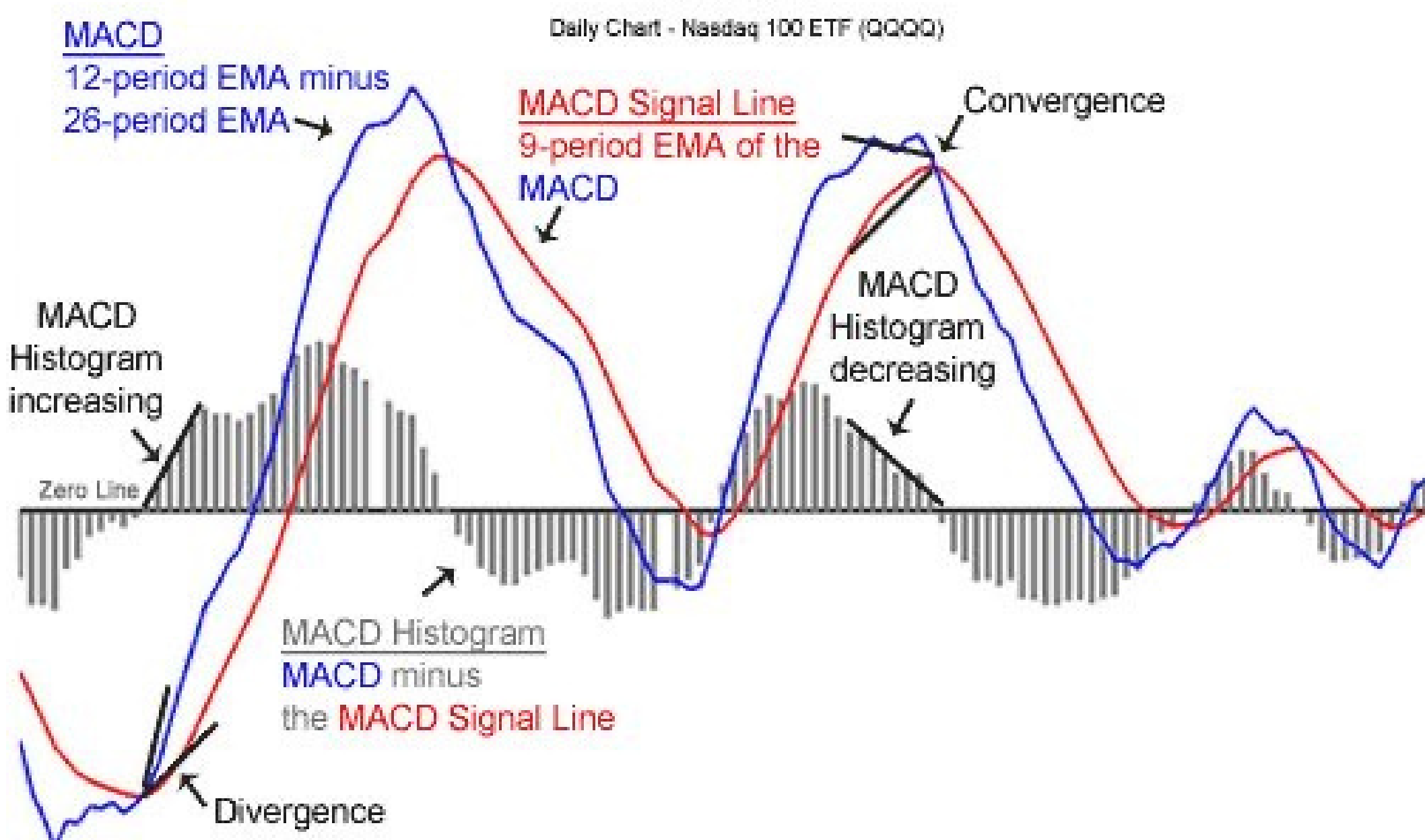
TradingView is a popular tool for technical analysis. It provides customizable charts, indicators, and a social community where traders can share ideas.

Combining Indicators for Trading Signals

Traders often use multiple indicators to confirm signals. For example, combining RSI with Moving Averages can provide stronger buy or sell signals, especially when both indicate overbought or oversold conditions.

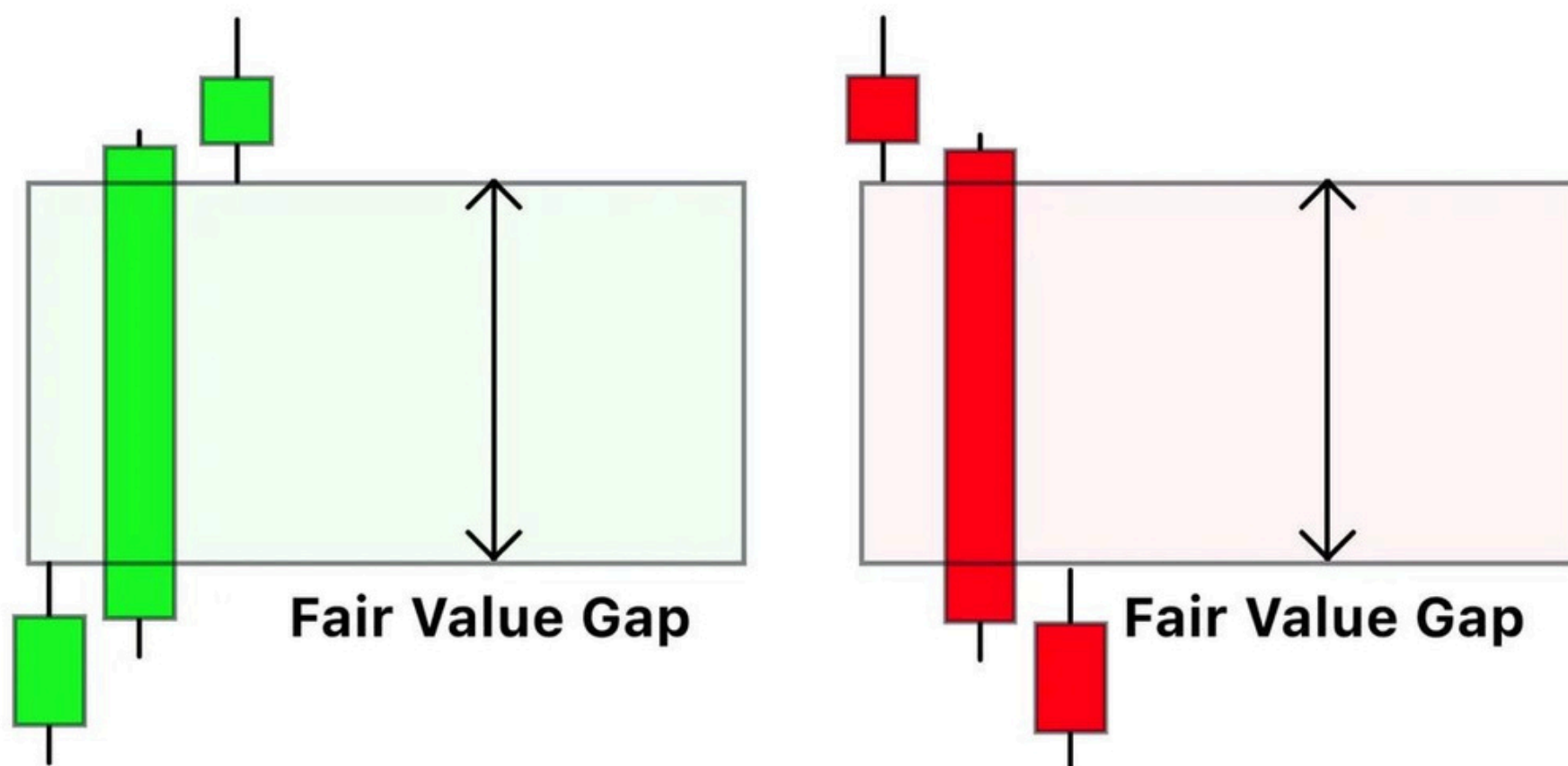


MACD



95% WINNING STRATEGY

The Fair Value Gap (FVG) strategy is a concept used in trading, particularly in price action and supply-and-demand analysis. This strategy identifies inefficiencies in the market where price moves so rapidly that it skips over certain levels, leaving gaps on the chart. Traders use these gaps to predict potential price reversals or retracements. Here's a breakdown:



What is FVG (Fair value Gap) in Trading?

What is a Fair Value Gap?

A Fair Value Gap occurs when:

1. Price moves sharply in one direction.
2. The candlestick's wicks do not overlap between two adjacent candles, creating a visible "gap."
3. This gap represents an imbalance in buy or sell orders, often caused by high volatility or institutional activity.

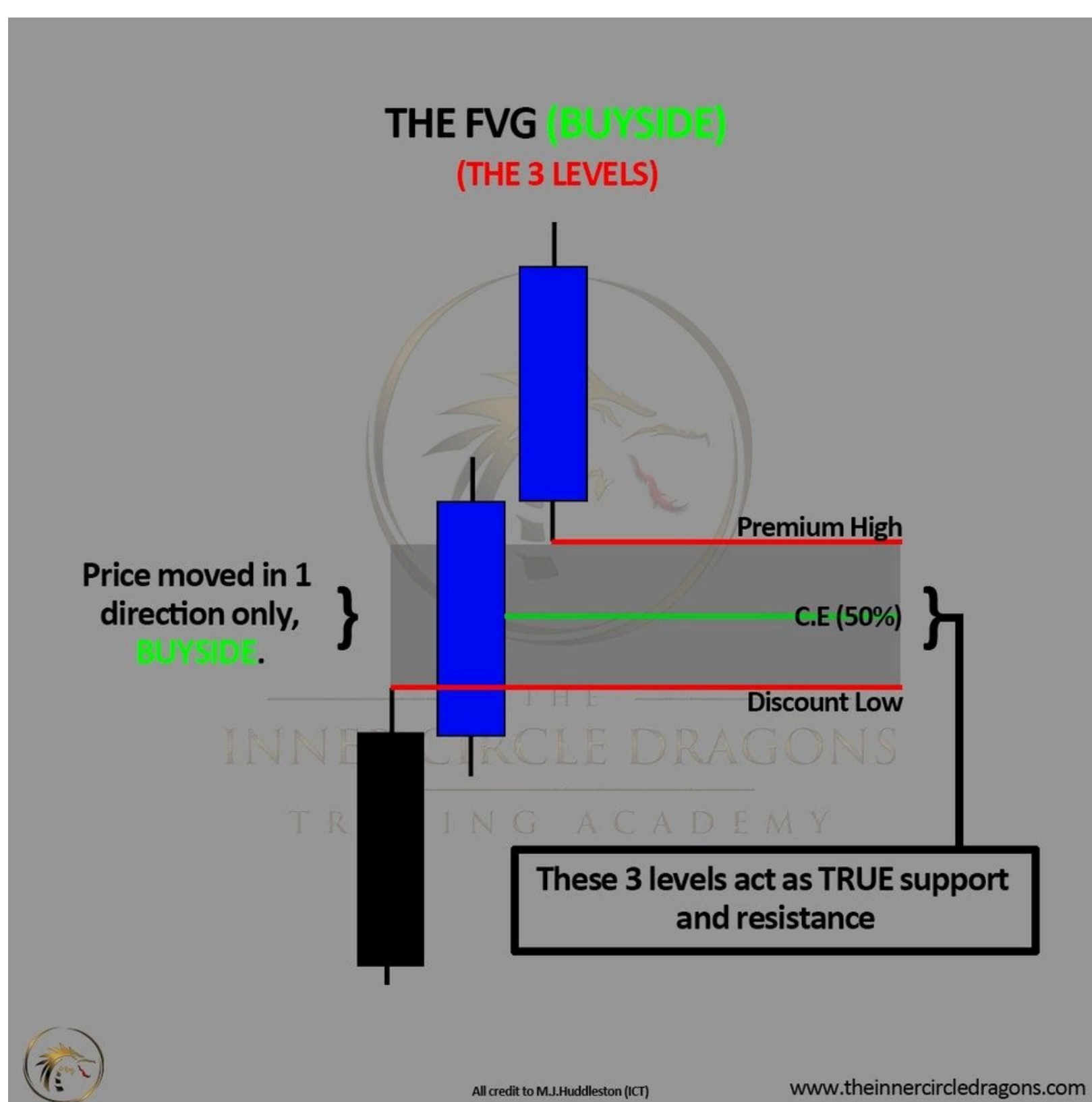
How to Identify a Fair Value Gap?

1. Look for Three Consecutive Candles:

- The first candle moves sharply in one direction (up or down).
- The second candle creates a gap between its wick and the previous candle's wick.
- The third candle may fail to completely fill this gap.

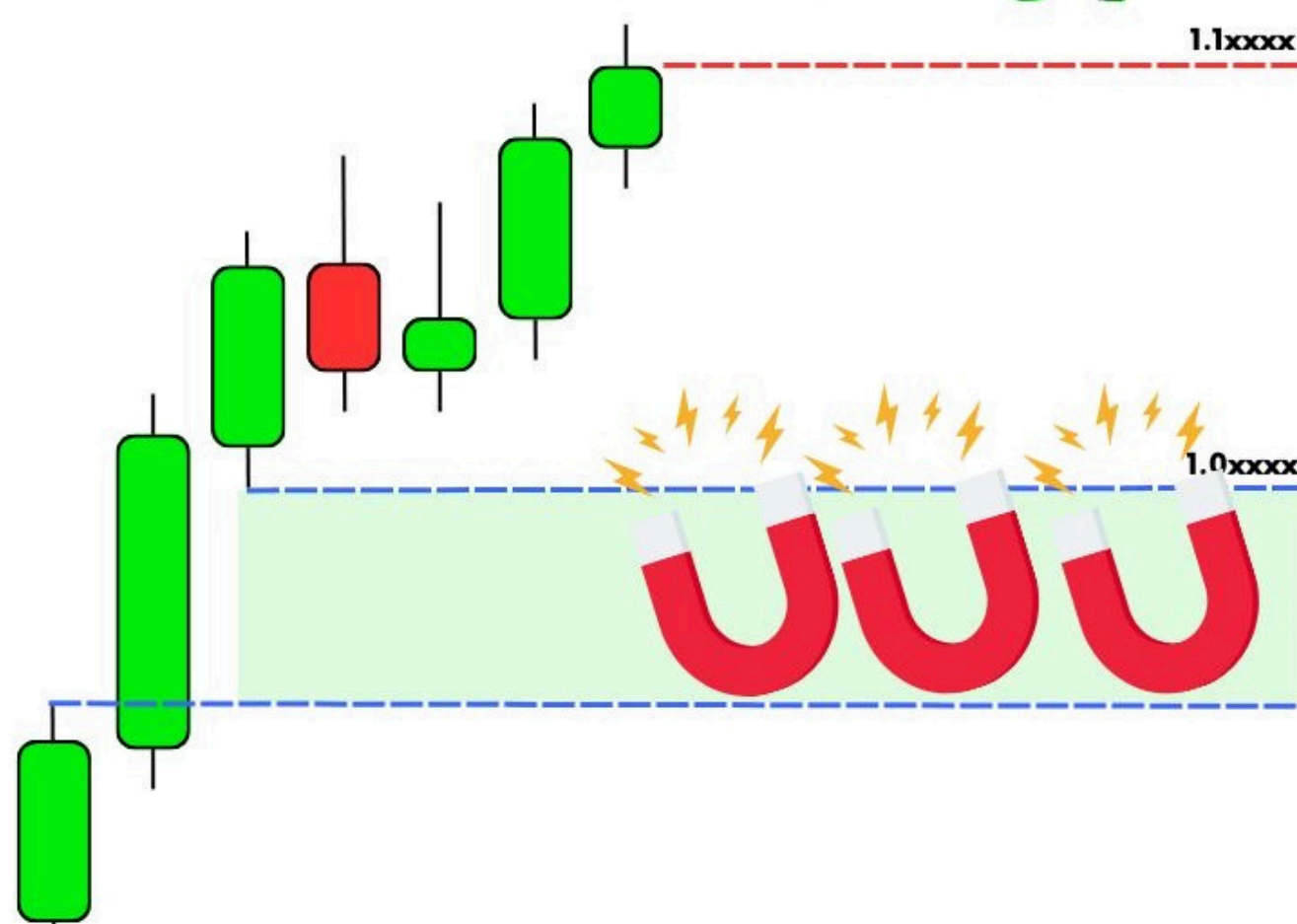
2. Mark the Gap:

- Highlight the range between the high of the first candle and the low of the second candle (for a bullish gap).
- For a bearish gap, mark the range between the low of the first candle and the high of the second candle.



EXAMPLE:

FVG attracting price



Fair Value Gap Fills



How the Fair Value Gap Strategy Works

1. Revisit the Gap:

- Price often retraces to “fill” the gap after the initial move. This is where traders can look for entries.
- The gap represents an area of imbalance, and the market often revisits it to restore equilibrium.

2. Entry Points:

- For Long Trades: Wait for price to retrace into the fair value gap in a bullish trend. Enter when price starts bouncing off the gap area.
- For Short Trades: In a bearish trend, wait for price to retrace into the gap and look for signs of rejection.

3. Targets and Stop Losses:

- Stop Loss: Place a stop-loss order just below the gap (for long trades) or above the gap (for short trades).
- Target: Aim for the next significant support/resistance level or use a risk-reward ratio (e.g., 1:2 or 1:3).

Bullish Fair Value Gap:

1. A large bullish candle is followed by a smaller candle that leaves a gap between its low and the previous candle's high.
2. Price later retraces into this gap but doesn't go below it.
3. Traders enter a buy position at the gap and target a higher resistance level.

Bearish Fair Value Gap:

1. A large bearish candle is followed by a smaller candle that leaves a gap between its high and the previous candle's low.
2. Price retraces into this gap but doesn't exceed it.
3. Traders enter a sell position at the gap and target a lower support level.



Why Does the Fair Value Gap Work?

- Institutional Orders: Large institutions leave footprints in the market. A fair value gap can indicate areas where they entered or exited positions.
- Market Psychology: Retail traders often chase price after a big move, while smart money waits for price to revisit imbalanced zones.
- Liquidity Zones: These gaps often coincide with areas of liquidity where stop-loss orders and pending trades are clustered.

Tips for Using the FVG Strategy

1. Combine with Other Indicators:

- Use tools like Moving Averages, Fibonacci retracements, or RSI for confirmation.

2. Focus on High Timeframes:

- Gaps on higher timeframes (e.g., 4-hour, daily) tend to be more reliable.

3. Watch for Confluence:

- If the FVG aligns with support/resistance levels or trendlines, the setup becomes stronger.

THE MOST IMPORTANT THINGS

1. Preparation:

- Check charts on a 4H or daily timeframe.
- Identify FVG zones using three-candle setups.

2. Execution:

- Wait for price to retrace into the FVG.
- Look for confirmation (e.g., bullish engulfing for long trades).

3. Risk Control:

- Enter with a stop loss just outside the FVG zone.
- Use a 1:2 or better risk-reward ratio.

4. Review:

- Record the trade in your journal.
- Evaluate what went right or wrong after the trade closes.

How to Stay Disciplined

1. Create a Trading Plan:

- Define your strategy step by step:
- When to enter (price touches FVG + confirmation).
- Risk per trade (e.g., 1-2% of account).
- Exit criteria (profit target or invalidation).
- Stick to this plan no matter what.

2. Use a Journal:

- Record every trade, including:
 - Entry/exit points.
 - Timeframe used.
 - Your thought process.
- Review regularly to identify patterns or mistakes.

3. Set a Daily Limit:

- Have a maximum number of trades per day (e.g., 2-3).
- Stop trading if you hit your daily loss limit.

4. Avoid Emotional Trading:

- Don't chase missed trades or trade out of frustration after a loss.
- Walk away if emotions start influencing your decisions.

5. Be Patient:

- Good FVG setups don't happen every day. Waiting for quality setups is more profitable than forcing trades.

6. Backtest and Practice:

- Test the FVG strategy on historical data and demo accounts before using real money.
- This builds confidence and trust in your system.



Good Trading Advice

1. Focus on Risk Management:

- Never risk more than 1-2% of your account per trade.
- Use position sizing to calculate the number of lots/shares to trade.

2. Trade with the Trend:

- FVG works best in trending markets. Avoid using it in choppy or sideways conditions.

3. Don't Over-Leverage:

- Leverage amplifies both profits and losses. Use it responsibly, especially in volatile markets like forex or crypto.

4. Master One Strategy at a Time:

- Stick to the FVG strategy until you've mastered it. Avoid jumping between multiple strategies.

5. Accept Losses:

- Losses are part of trading. Focus on consistency, not perfection.

6. Use Alerts and Automation:

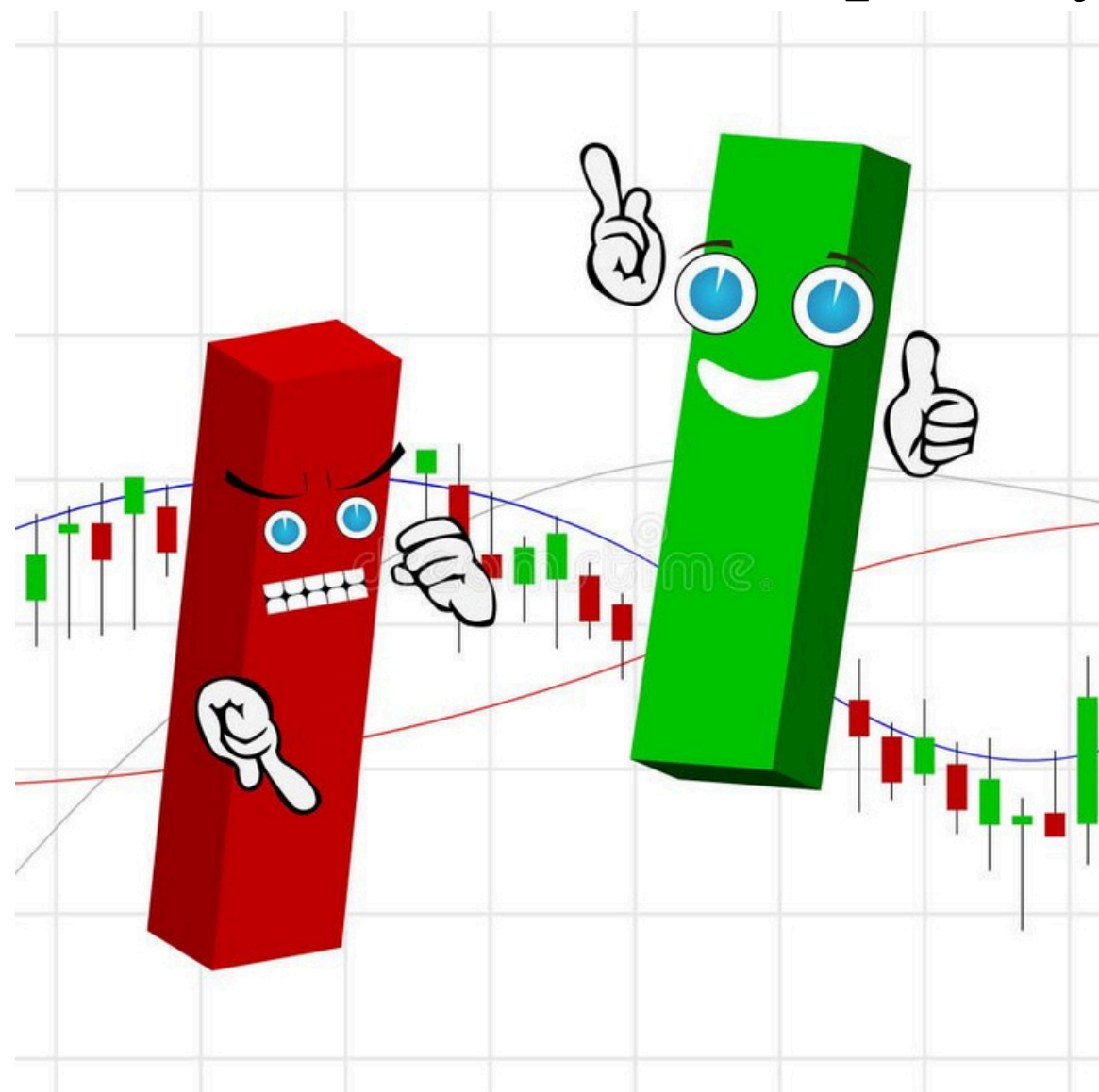
- Set alerts for when price enters the FVG zone.
- Automate parts of your process (e.g., trailing stops) to reduce emotional interference.

7. Stay Updated:

- Follow news and events that can impact your market. Avoid trading during highly volatile news releases.

8. Take Breaks:

- Trading fatigue leads to mistakes. Step away when you're tired or stressed.



Conclusion: The Journey to Mastering Trading

Trading is not just about making money; it's about mastering discipline, understanding market behavior, and continuously evolving as a trader. Throughout this book, we've explored essential trading concepts, strategies like the Fair Value Gap, and the importance of discipline and risk management. These tools and insights are the foundation for long-term success in the markets.

To conclude:

1. Education is Ongoing

The financial markets are dynamic, and learning never stops. Stay curious, study new strategies, and adapt to market changes.

2. Discipline is Key

Stick to your trading plan, manage your emotions, and always prioritize risk management. A disciplined trader is a successful trader.

3. Focus on Process Over Profits

Success comes from consistent execution, not chasing quick gains. Trust the process, and the results will follow.

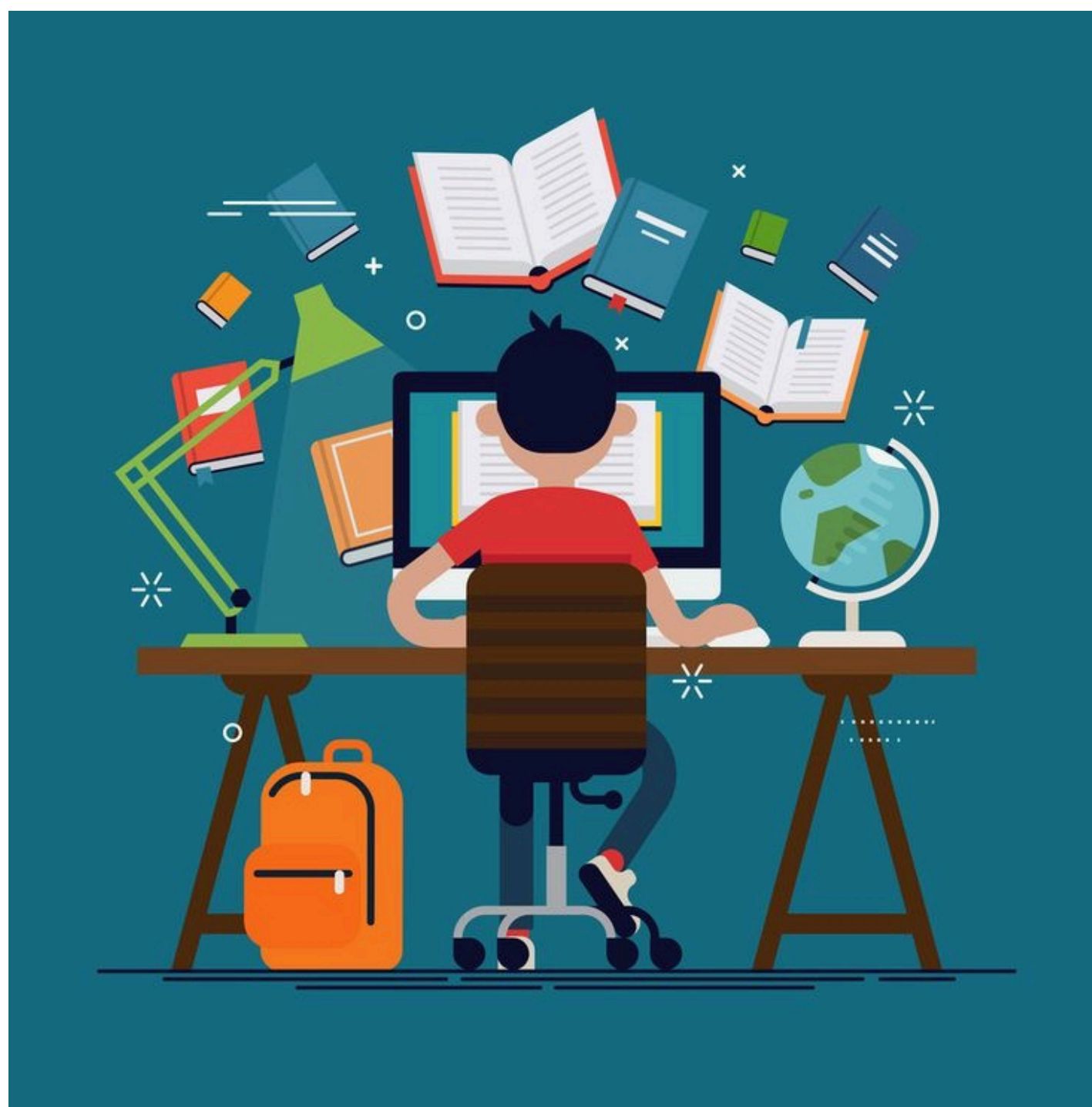
4. Embrace Failure as a Lesson

Losses are inevitable, but they're also valuable learning opportunities. Use them to refine your skills and strengthen your mindset.

5. Patience Leads to Mastery

The road to becoming a successful trader is a marathon, not a sprint. Stay patient, stay focused, and celebrate every small win along the way.

Trading is a journey that rewards those who are persistent, disciplined, and committed to growth. Use the tools and strategies you've learned in this book to take control of your trading journey, and remember: the key to success lies within your ability to remain consistent and adaptable.



Your success is in your hands-now, go seize it.

