

Andras M. Nagy



The Turbo Turtle

**Trend Following for the Foreign
Exchange Market**

First off there are some short term traders/speculators that seemingly beat the odds. This is contributed to gambling theory and smart gambling instincts. Usually short term traders (even swing traders) can plod along making their 10-15 pips per trade and one day they blow 50 pips by freezing, not getting out of losing positions etc.

I have seen it all, I have been there myself. Promoting short term trading is benefiting brokers/dealers, who obviously make more with more frenzied activity, systems peddlers.

It will not benefit YOU the traders.

I have scalped listed stocks on Wall Street, traded options and futures in the Chicago Board of Trade pits and day-traded at home. I think I know what I am talking about...I have been working on Robertson Stevens Trading desk as an IT guy, in San Francisco before they were closed down by their bank parent. Short term trading is based on indicators and charts, these charts either work or they do not. Most indicators are lagging and possess zero predictability value. In fact my trading philosophy and philosophy in life is you can never tell the future, for a few minutes is the same impossibility as telling the futures for weeks or months ahead of time. There are two ways to trade successfully.

- 1) Arbitrage
- 2) Trend following

Using the Turtle – Trend Following methodology serves a unique purpose, it allows a small trader to trade forex like a *hedge fund* with only USD 10k-20k risk capital, which is practically unheard of any other market! This means trading 7-12 uncorrelated currency pairs.

I have a free website and just finished a book on trend following (turtle trading) for the forex markets.

<http://www.theturboturtle.com>

The book is only available in a hardcover version NOW but it is coming to Amazon and all over online and offline, worldwide. The book unmasks the forex fallacies and scams and guides the reader to proper trading and risk management.



Trader

DEALING DESK
FOREX

NO DEALING DESK
FOREX

Trading Order

Electronic Trading
Platform

Routed to Dealing Desk

Straight Through
Processing

Dealing Desk

Interbank



BANKS



HEDGE FUNDS
MUTUAL FUNDS

Loosing Trades

Winning Trades

processed to
offset broker risks



INVESTMENT
CORPORATIONS

BROKERS

Countertraded inside the system
& become broker profits