Bitcoin
MONEY CENTER

CRYPTO ULTIMATE TRADE SIGNAL

Traders Handbook

Key to Investing

Keep your entry price as close to market price as possible to have a position to participate in the market every day.

NO Dead Money

Table of Contents

Chapter 1

Rule 1

Capital Preservation

Most important of All!! Profits are there for the making, but the real key to trading is not making money; it is keeping it. If you blow up your account game over. DISCIPLINE!!! Good Traders Are:

- Mundane - do not trade for excitement
- Repetitive - Use same signal
- Habitual - looking for same results
- Capitulated - stay within their comfort zone

Rule 2 Trading Plan:

S.E.T. = Stop Entry Target

Some traders do not know what to do if they are wrong nor what to do if they are right because they did not have a plan. The large floating profit they make may often turn into a large loss, because they did not know when to get out. A large loss could turn into a blown-up account because they did not understand the risk and use proper risk management with predetermined stops. Trade defensively and always know your downside and what you are at risk of losing. When you are most exposed to emotion and greed once entered in market, you are much more likely to change your plan. If you lift your stop or change your target, you have no plan.

Rule 3

Understanding Risk/Reward

Trading or Investing is all about knowing what your risk to reward is when you enter market and being able to tolerate or feel comfortable about the trade. This single most determining factor for understanding risk/reward is the amount money you are willing to lose vs. the amount of money you expect to make. Toleration of your own risk appetite is the amount of money your able to withstand during equity swings and drawdowns.

Most principal factor for making money and not losing it pertains to Capital Preservation. Always know your downside and where you must cut losses if wrong about trade. Must accept a losing trade or investment in order to preserve capital so you are in a position to participate in the market on a daily basis.

Using 1:3 risk/reward ratio or **10% Risk 30% Reward**

- 3 Winners 20%
- 4 Winners 50%
- 5 Winners 80%
- 6 Winners 110%
- 7 Winners 140%

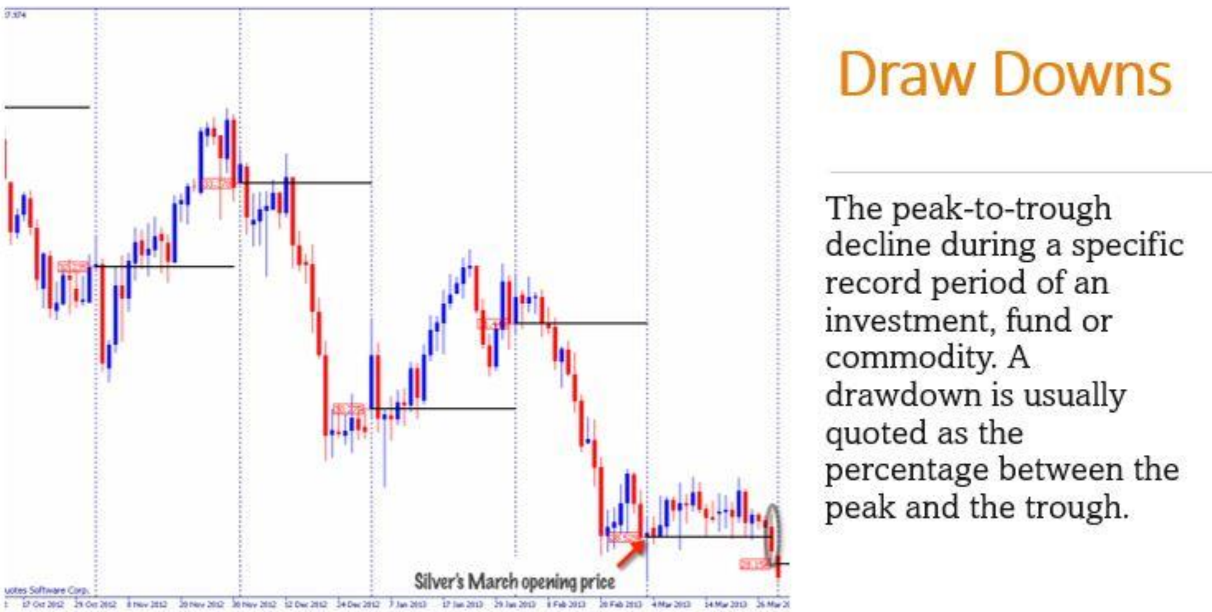
Chapter 2

Equity Swings

Equity Swings is a fluctuation in the value of an asset or account. This term commonly refers to a situation in which the price of an account experiences a notable change over a short period of time.

Equity Swings is a fluctuation in the value of an asset or account. This term commonly refers to a situation in which the price of an account experiences a notable change over a short period. Whether it is up or down the control of these swings is key to capital preservation and must be mastered by the trader in order to have complete control of their account and market movements. Lower leverage is easiest fix to this problem or risk management.

Draw Downs



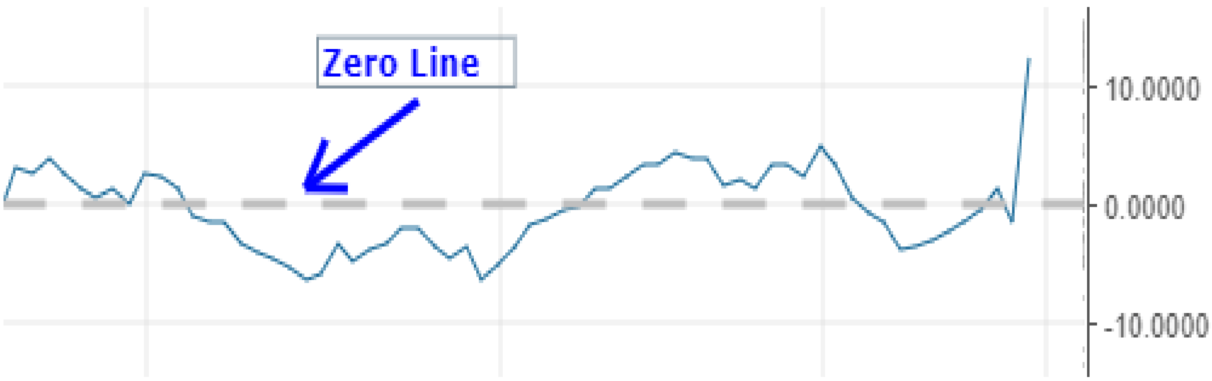
Controlling your equity swings or draw down is the most important skill a trader must understand to survive the unknown market moves that will occur. To be an effective trader one must “manage the doubt” correctly on every entry into the market.

This is done simply by using the proper lots sizes based on account value to be in position to tolerate move of market without created stress on account. By having a pre-determined plan and proper risk/reward it will minimize deep draw downs.

Maintaining Zero Line

***A Zero Line** is typically associated with the opening account balance line. The Zero Line separates positive and negative values within the investment oscillator.*

Maintaining ZERO LINE control is what everyone should strive to do while trading. The opening balance of your account is the zero line when trading. Ideally if your account is never below zero line means it is always in a profitable position and you are a great trader.



Account Value in example above had an equity swing below zero line than had an accelerated move above to a whole new level. This is what you want to accomplish while trading. The hardest time to control zero line is with a new account because in short term of trading may cause a drawdown below zero line until trades start taking profits and building equity to clear zero line. When trading your biggest decision is entry price so with good trend support or resistance lines the probability of narrowing equity swings increases because the stops can be tighter.

Never hold a loser and hope market comes back. **It's always better to bask in the elation of a winner than sit and hope on a loser**. If you have an investment in anything when you say to yourself **"Hope it comes back"** you have lost control of you money and are gambling because market will become you faith. Bad place to be so always know your downside or what you're willing to risk so you do not ruin your account or suffer excessive losses. Capital Preservation first rule of investing and no dead money.

Draw Downs on account are similar because they will be created while market is trading and when your stress will be at the highest. The way to control this emotion is by having a pre-determined plan with defined risk/reward ratio when entering market.

Every time you enter market set the stops (could be mental) and targets so it is up to you to set the proper plan, so you know what to expect on every entry. **Never Hope Just Manage Doubt.** Every trade has risk of losing so it is up to the trader or investor to manage that risk.

Above is an example of a professional trader controlling equity swings and you can see they have it above zero line since last October and growing. This is a perfect example because the equity swings are kept within 10% and the chart has upward movement on a very consistent basis.

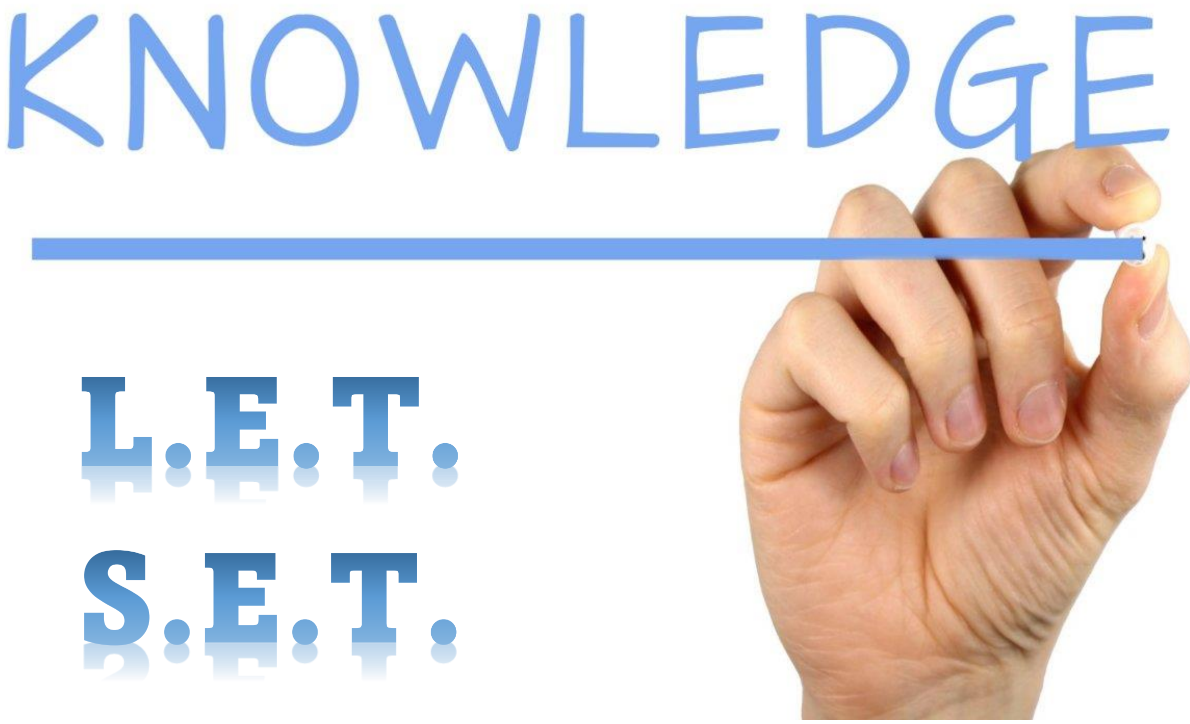
Most impressive about this chart is that once it broke zero line to the profit side it consistently stayed above which means account was never down again. That is my personnel account which was perfect trading sequence ended up 93% for the year.

Diversification

Another investing strategy used to manage risk. Rather than concentrate money in a single company, industry, sector or asset class, investors diversify their investments across a range of different companies, industries, and asset classes.

When you divide your funds across 7-10 different coins, you avoid the risk of having all your eggs in one basket and increase your chance of a more balanced portfolio capable of offsetting loses with winners to increase return and lessen probability of loss.

Chapter 3



Participation Creates Liquidity

Two Things Make a Market
1.) Difference of Opinion
2.) Create Liquidity for that Difference

Smallest Market	Regional Market	Global Market
		

Participants create Money Pool = Best Price

Liquidity Execution Transparency

Liquidity - Size of market matters because Wall St. will sell you anything you want to buy and as much as you can afford. This is a BIG mistake many investors make because once investor gets their position filled if they do not have enough participants to help with money pool, they cannot get out at their exit price.

Execution – having the liquidity in the market to exit a position is based on the size of market and number of participants creating that market. This is why crypto, and forex are much better to trade because if you choose the proper coins to own or trade, it has a global market of participants. There is only 25% of population that have access to the regional markets but over 75% of global population that have access to cryptocurrency. That is an additional 4 billion people which adds the liquidity and capital necessary for execution. Therefore before you invest make sure you can get out or you will lose everything like most pump and dump scenarios crypto's are loaded with these scam coins and buyer beware.

Transparency – when trading or investing you need to see the trade for market when entering or exiting to know how your position is being filled. Every Ponzi scheme in history of the world offered no transparency until their con was discovered. With crypto or forex, you can see the trade providing your dealing with an honest market maker, exchange, or broker.

Do NOT get caught up with story line coins because everyone believes in their position, but few understand how to get out. Buy only currencies that have at least $200 million in capital flow daily that create a money pool large enough to sell into on exit. There is only one reason to buy a coin because you believe it will go up but there is plenty of reasons to sell. Be very careful what you buy because the wolves out there will sell your money in a second before you even know it.

Predetermined Trading Plan

S. E. T. = Stop Entry Target

Stop – Have an exit to cut losses

Entry – Pick your price or know

Target – Take Profits

Liquidity ***E***xecution ***T***ransparency

Stop ***E***ntry ***T***arget

Chapter 4

Technical Analysis

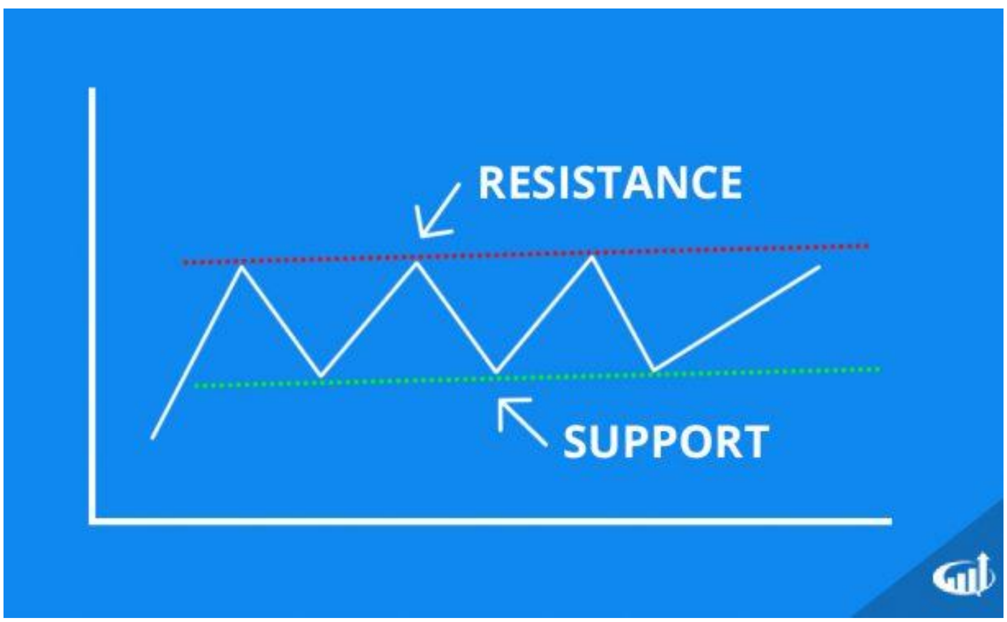
Trend lines

To better visualize the trend, trading range **support and resistance** levels on a chart, traders commonly use trend lines. Trend lines are drawn horizontally or diagonally. The basic trend line will connect the lowest lows on the candlestick or bar charts from left to right and the same applies for connecting the highs. Not every candle will touch the trend line. The objective is to connect the lowest and highest points either at the wicks or the bodies. This will generate a trading range also known as a channel.

The upper trend line is considered a **resistance** and lower trend line is considered a **support**. Traders can draw multiple trend lines with different starting points.

The more points the line touches the stronger the support or resistance.

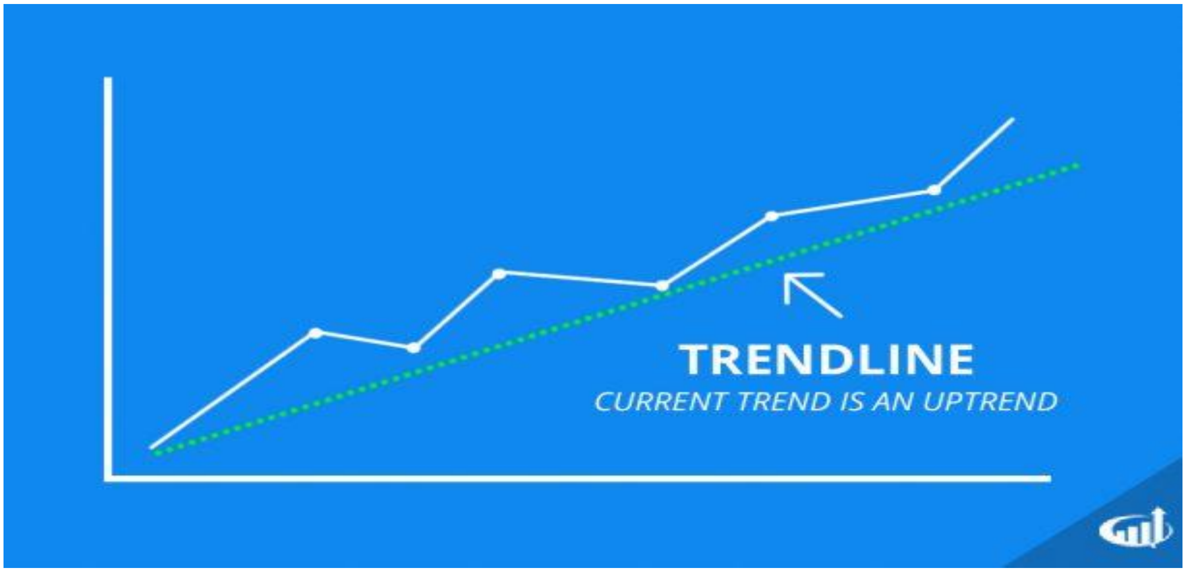
Example: Support and Resistance Lines



Support Broken and sell off started

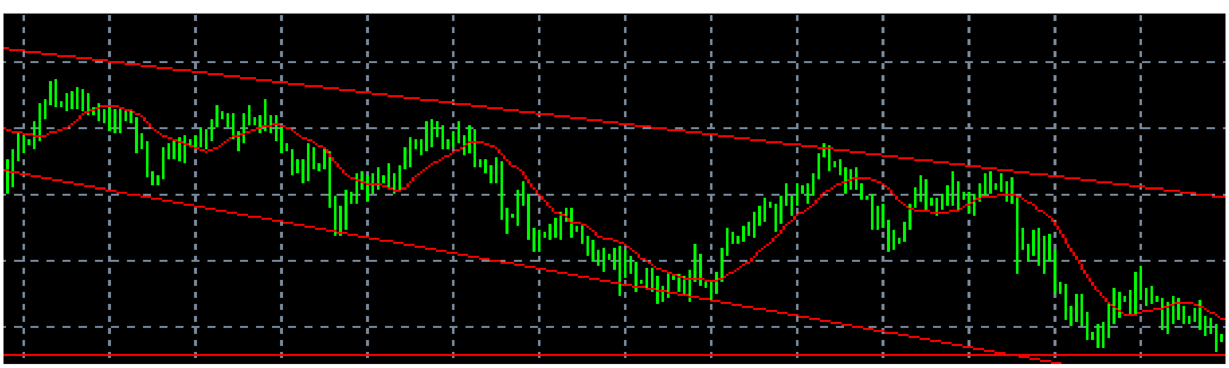
Resistance Broken and uptrend started

Example: Trend Channel Lines



Uptrend

Down Trend



Bollinger Bands

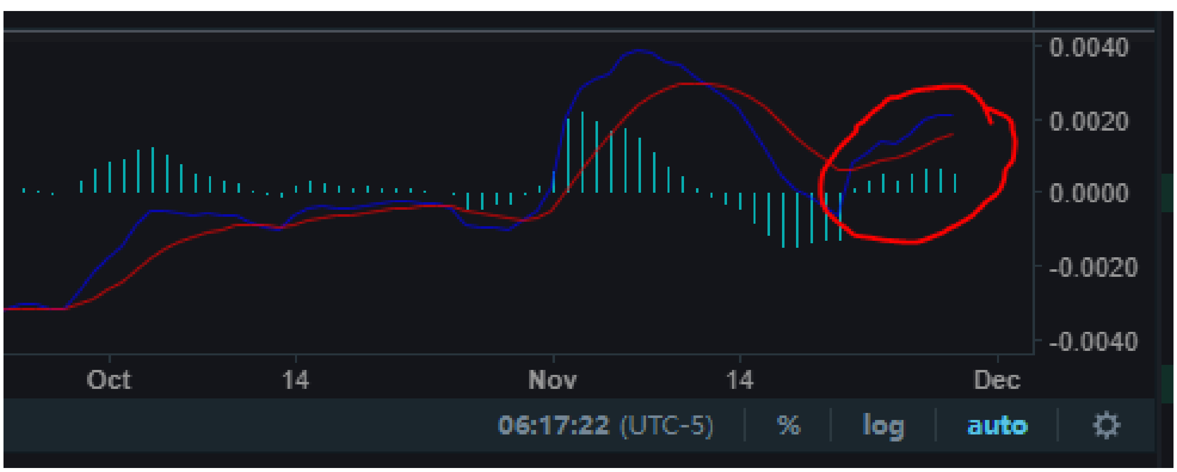
They are curves drawn indicating current trend channel or trading range around the price structure usually consisting of a moving average (the middle band), an upper band, and a lower band that answer the question as to whether prices are high or low on a relative basis. Only a CLEAR break of lower band is a buying trade signal a touch is NOT a signal.

MACD

Moving Average Convergence Divergence (MACD) is a trend-following **momentum indicator** that shows the relationship between two moving averages of a coin's price. Traders use the MACD to identify when bullish or bearish momentum is high to identify entry and exit points for trades. Biggest indicator of trend using MACD is above zero line (bullish) or below zero line (bearish).

Under Zero Line Bearish

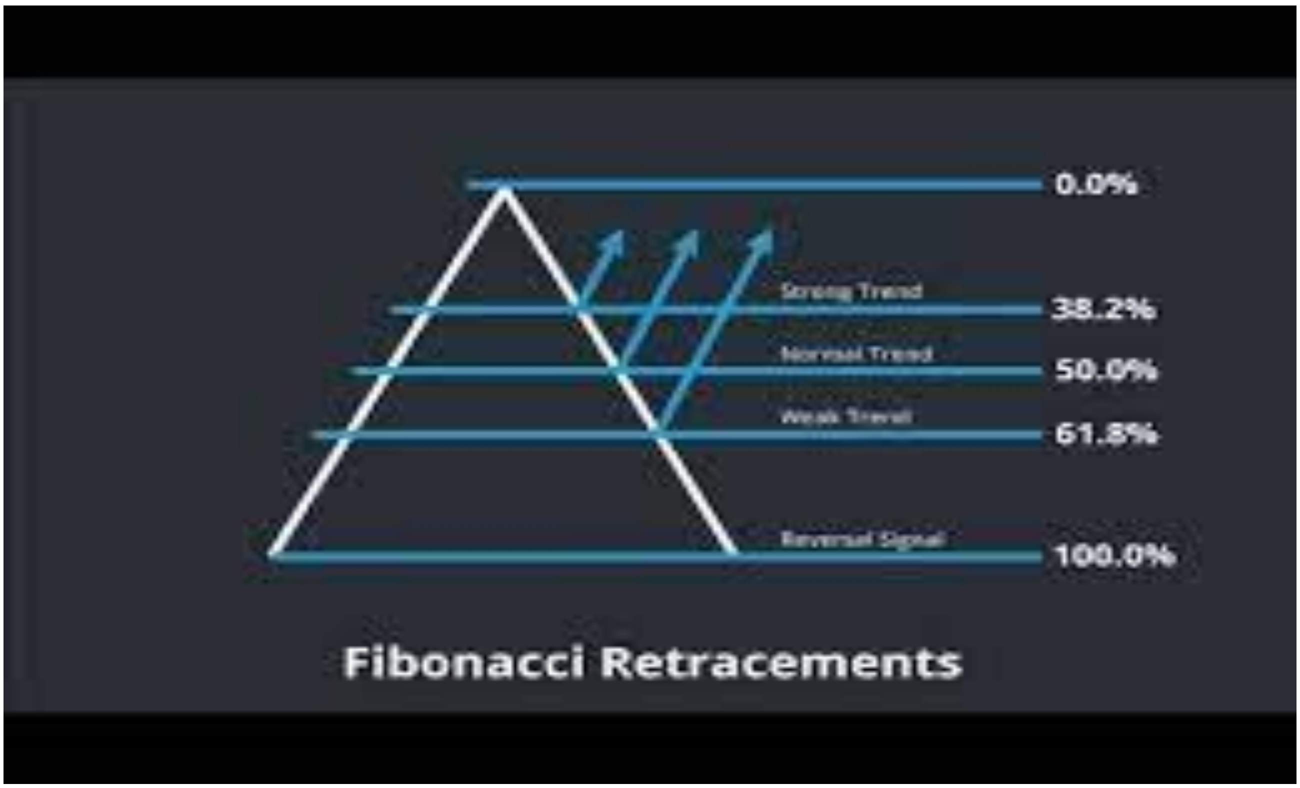
Above Zero Line Bullish



Fibonacci Retracement

A method of technical analysis for determining support and resistance levels. It is named after the Fibonacci sequence of numbers, whose ratios provide price levels to which markets tend to retrace a portion of a move, before a trend continues in the original direction.

After finding most recent high and low to draw lines expect retracement to 62%, 38%, and 23% chance of going to that price level before continued trend.



Simple Moving Average

10 Day Pivot Daily Chart

(SMA) **calculates the average of a selected range of prices, usually closing prices, by the number of periods in that range**. A simple moving average is a technical indicator that can aid in determining if an asset price will continue or if it will reverse a bull or bear trend.

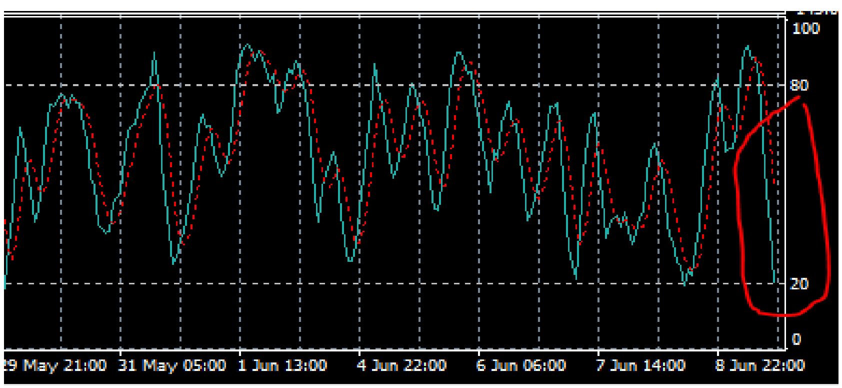
10 Day Simple Moving Average Pivot on Daily Chart Buy Trade Signal

Slow Stochastics

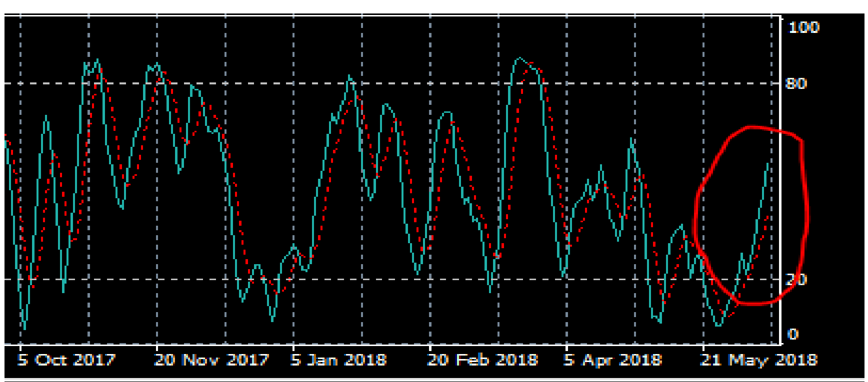
Stochastic Slow - "Momentum will always change before price and this indicator shows that." Stochastics is a momentum oscillator that does not follow price, it does not follow volume or anything like that. It follows the speed or the momentum of price. As a rule, the momentum changes direction before price. Price in comparison to a rocket speeding away from the Earth. Before the rocket can turn and head back to the ground again, it must first start to slow down. The slowdown of momentum happens before the change of direction always. That is what stochastics do it is a leading indicator to the change in direction and helps predict the direction of movement.

Trade Signal: Is when the two lines cross over 80 or under 20, which is best identifiable with daily and weekly charts for trend reversal. There must be a clear break out, and the further the distance between current market price and moving average price, the greater the momentum. Stochastics are most useful in measuring the strength of a trend or as a coming reversal in prices. Many traders find that the best trading opportunity comes when their stochastic indicator is flattening out or moving in the opposite direction of prices. When these divergences occur, it is time to book profits and/or to establish a position in the opposite direction of the prior trend.

Sell or Bearish Signal



Buy or Bullish Signal



Interval Charting – Identify Trend

Using different chart time frames to correlate trend and time the market moves going forward. All charts are related and indicate a time frame or an anticipated move going forward. Using your technical indicators on chart keep checking previous time frame for anticipated move.

Example: If the daily stochastics are not crossed over but the 8 hr chart is already crossed than we can assume the daily will cross over as well giving us a better indication of direction. Making money in markets is all about predicting the future and by interval charting we can assume forward moves based on previous time frames.

Rule of thumb: by multiplying time frame by 5 gives indication of time takes slow stochastics to round trip from oversold to overbought or vice versa.

Example: Daily chart takes 5 trading days normally to reverse course, 8 hr chart takes 40 hours to round trip, 1 hour takes 5 hrs. to round trip, etc. unless followed by sell signal from 8 hr chart.

Time Frame Indicators:

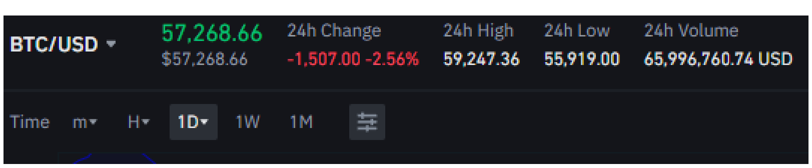
5 min, 15 min, 30 min – Entry Charts show short term move

1 hr., 4 hr, 8 hr. – Session charts. Shows what market direction for day

1 day, Weekly, Monthly – Indication of longer-term trend or direction of market.

MT4 Platform Timescale

Binance Crypto Platform Timescale



Ultimate Trade Signal Daily Chart

Bollinger Breaks Lower Band Indicating Oversold Outside Channel

Stochastics below 20 Indication Oversold

Daily Chart which is best indicative of Trend

1.) **Bollinger Breaks Lower Band**
2.) **Stochastics below 20 indication Oversold**
3.) **Trade Plan: Entry .24 Stop.22 Target .32**

Trade Signals: Made Entry .24 when **broke Bollinger low band** and **stochastics were below 20** indicating oversold. Then on reversal let it trade to test **10-day SMA pivot** once broke held and exited on break of Bollinger High Band Break .329 Profit 33% 3 days

Trading Strategies

Carry Trade – Growth and Income

Carry trading or Staking is one of the simplest strategies for currency trading that exists. A carry trade occurs when you buy a crypto coin that pays high interest for each day that you hold that coin.

Staking is the process of holding funds in a cryptocurrency wallet to support the operations of a blockchain network. Users are rewarded for simply depositing and holding coins, allowing for more freedom and accessibility. This makes it easy to participate in staking without giving up full liquidity.

Example: Staking Coins

Pyramid or Stack Trade

A PYRAMID or STACK TRADE is a type of trend trade, while stacking at different break points, with low leverage keeping entry price below market price while heading to target.

Example:

1st entry = $10,000

2nd entry = $5,000

3rd entry = $2,500

This trade requires good risk management, discipline, and patience, for market to hit target. It keeps your initial entry well below market, controlling your risk by adjusting stop to original entry which reduces risk on that position and strives to increase returns for next directional break within trend channel.

This trade reduces your downside to a minimum due to partial entry while at the same time maximizing your return and rewarding you for correct trend identified.

Pyramid or Stack, is purchasing another position to keep average entry well below market, adjusting stop to break even, expecting a further break to hit target. This is **NOT** averaging a position because your entry will stay 50% below your first entry that is why it is stacking and not averaging.

Holding the position is key for this strategy so farther away from market price to your first entry the lower the risk higher reward. You just risk what was made already for larger gains.

Chapter 5

1. **Liquidity or Execution is a MUST:** Wall St. will sell you anything you want and all you can buy without any doubt. It is the participants of the asset class who create the market and liquidity for the investment being traded or purchased. The greater the capital, volume, and number of participants that control the market the greater the chance of realizing a profit on exit for execution. The most crucial factor for investing is getting out, to turn your profits into cash for a realized percentage gain. There are plenty of crypto's, pink sheet, Nasdaq, bulletin board, options, futures, commodities, etc. that do NOT have the daily volume required to give an investor or trader the option of cashing in because the lack of participants in the investment, when nobody is willing to buy the other side of trade your dead. When investing or trading to have execution to exit investment is something most do not think of when purchasing but is paramount for any type or return. If you cannot get out it is worthless. Investments are only good if someone is willing to buy other side.

2. **Insolvency Risk:** When investing in the markets overall one of the greatest risks an investor faces is when solvency becomes insolvency because of adverse market move. What happens often is when the investor makes entry into a position and the market moves directly against their holdings it causes them to be out of the market which forces them to make another decision to buy more, close position, or **hold dead money**. This than keeps the investor at bay because if they do not have the money to buy more and lower their entry price, they become insolvent and are unable to make a decision without taking a loss or holding, causing dead money. We believe by diversifying and holding more than one position it allows your account to have plenty of equity to participate in market. We believe because of having the ability to enter multiple positions due to low minimums to own coins it gives us an advantage over other asset classes when the individual investor may only have limited funds to invest.

3. **Take Advantage of Every Market Scenario:** With many traditional investments, only a bullish position can be taken. Moreover, investors do not have to limit their view on the performance of an asset class since currencies normally do not follow economic cycles. They can also express views on its volatility or on its correlation with other assets plus technical indicators. The "exotic" element can derive from an unusual payout or new underlying asset, or a combination of both. Innovations in creating new products to meet client's needs, takes risk in pricing and executing trades, and hedges and manages the resulting risk positions which is why Crypto Currency Investments we believe will come to forefront.

4. **Lack of Investment Plan:** Some investors do not know what to do if they are wrong nor what to do if they are right. The large floating profit they make may often turn into a large loss, because they did not know when to get out. Trade defensively and always know your downside and what you are at risk of losing. Every investment must have a stop loss or target price to be predetermined before investing.

5. **Lack of Money Management:** Risk/Reward; Trading is a question of what the odds are of being right vs wrong. This is known as risk/reward ratio. Good money management means you know your profit objective and the odds of being right or wrong and know how to control your risks with stops.

6. **Failure to Use a Stop:** Rejection of ego is perhaps the toughest part of trading or investing to manage. Not only does the market tell you you are wrong when your stopped out, which no one wants to be told, but it also takes your money. Stops are a good thing; because of these ever-trending markets and immaturity of the crypto's, stops cut your losses and gets you out before you allow your account to be ruined or capital to be out of market participation. The stronger your entry, the less likely of being stopped out. Identifying strong entries will keep you in the position longer, and when stopped out, be happy you are out because you were wrong. Never change your plan; once you move your stop, you had no plan and are at the mercy of market which most times you lose more.

7. **Accept a Losing Investment:** Many investors or traders lose confidence after a couple of losing trades and reduce their ability to become an efficient investor or trader. The market requires a gradual learning curve so only persistence, trial and error will help enhance your ability to trade. As a trader your emotional cycles will be like none other. When you have winning trades, you are on top of the world and when have losing trades you feel like a failure. If you cannot accept a losing trade and realize it will happen, then do not waste your time starting. Every investor will experience a losing trade or investment eventually, so only if your steadfast to your plan will you have the capital preservation it takes to make money regularly, learn to tolerate new market/skill.

8. **HOPE:** Lack of proper discipline is hope. Hope is the most devastating of all feelings in investing or trading because it can lull you into becoming complacent. You know in most cases when you find yourself hoping or saying, "Hope it comes back," you are wrong, and just get out of market. When your investment puts you in a position of hope your gambling and have lost control of your outcome and most times because you did not have a plan. This requires the most self-discipline of all. You were wrong. **Never hope; just manage doubt**.

9. **Taking Quick Profits and Letting Losses Run:** Quite common among investors and traders alike, this is normally a result of no trading plan. After one or two losing trades, you are likely to take a small profit, even though that trade could have been a huge profit maker. This mistake is overcome by using a predetermined stop to prevent losses from running. It is always much better to "bask in the elation of a winner" and bumping up stop to protect profit and capital than to "Sit and HOPE on a loser."

10. **Overstaying your Position:** This is simply failing to take profits at a predetermined level. If the market meets your price target, adjust your stop above entry, to be in a risk less position and not be at risk of losing profit. This way your never in position of hope in case the market turns against you it still leaves you in control of your money. Capital Preservation.

11. **Averaging Down or Making Same Mistake Twice:** Justifying averaging down by figuring you will have a lower entry price and requiring a smaller move to break even may work but normally it tends to go against you because of failure to recognize trend. When you are averaging down it means you were wrong on your initial entry and the market has told you so because the market is never wrong, we are. It is much better to average up than down because it means your average entry price will be lower than the current market price when long and be above market price when short giving you a greater chance to manage your risk and exit profitably. It is also better to stack or buy less on average up because it will keep your average entry that much lower while at same time getting a greater position or percentage gain which will keep your risk level at a minimum when done correctly.

12. **Over Confidence is a Killer:** Increasing your commitment, with success, usually leads to disaster. When you are right more often it leads to larger trade sizes, which end up ruining your account. You can make 10 winning investments or trades in a row, but it only takes 1 wrong investment, and all that profit is gone. This ruins more investors or traders than a series of small losses. Never try to make back all losses on one trade! Everyone will eventually have that one loser. Stay Disciplined!!! Same amount of money and plan regardless of the excitement or sales pitch to manage account properly. When you are certain that the next move will be a big one, you sometimes risk too much. To prevent this, you must have a hard and fast rule that you will only risk a certain percentage of equity regardless of how strong the trade looks. Only overweigh trades with a profitable account and risk their money because it will provide the largest gain with a lot less stress or pressure on your account!

13. **Changing Your Plan During Trade:** When you are most exposed to emotion and greed, you are much more likely to change your plan when your live in the market. If you lift your stop or change your target, you have no plan. The reason for a predetermined plan is because when you are in the investment and with real money on the line you tend to think differently than when you are analyzing the market pre-entry. Your rational for the trade or investment is much clearer before entering than dealing with the ups and downs or equity swings during market participation and price action activity.

14. **Trading for Excitement Not Profit, Gambling, Lack of Patience:** Some traders do not trade for money; they just like the action. Think about it: Must you have a trade a day or just an opportunity to make money, regardless of the time frame? The market will dictate and present opportunity to make money NOT you.

15. **Chasing the Market:** When you are looking for entry and convinced the market is higher even though technical, price action, and fundamentals disagree you jump into market while rising only to have it fall after it settles down. Don’t Fight the market because your insides will be highly stressed, and your frustrations will be tested. Be patience and do not get emotional before entry or while market is in motion. There is ALWAYS another opportunity to make money do not force it.

In conclusion: After 38 years of investing and having passed 7 licensing exams to understand every asset class to invest money we believe these are the main reasons thru our experiences why we made and lost money in the markets thru the years. The market will do the unexpected and at times you will lose; but if you steadfastly stick to your plan, using proper risk management you can make money.

About the Author:

Leonard D. Neuhaus, Jr.

Started on Wall St. 1984 and has been investing/trading for over 38 years in financial markets.

- Designed / developed his own automated trading system Multi30 for forex market,
- Developed own asset class thru company called Forex Hybrid,
- Managed forex hedge fund,
- Owned/founded first American equity brokerage in Ireland,
- Presented at the first Chinese financial expo in 2006 at Xian, China 2006,
- Numerous public speaking events and has taught hundreds of traders successfully thru his on-line Forex Trade School.
- Nicknamed Professor 4x by his peers on Wall St while trading forex because of number of correct trades**.**
- Has Held: **Series 7, 6, 63, 34, 3, life, ethics, and code.** With these tests he is now passing on this knowledge to help students better understand the different trading strategies and markets to help them prosper with their own financial life endeavor.
- Owner/Founder Bitcoin Money Center, Inc.

Questions: info@bitcoinmoneycenter.com