

For SMART Gold Traders, TRUMP may be the best thing since sliced bread. Do you know how to be SMART about your Gold trading?



Lachlan Elsworth is the Founder and Trading System Architect at the International Day Trading Academy, based on the Gold Coast of Australia. He is a champion for transparency and broker free trading in the markets and a big fan of combining both long-term and short-term trading. In this interview, Lachlan discusses how to be SMART about your Gold trading and also details the advantages of trading Gold direct to the Chicago Mercantile Exchange.

YTE: Lachy, you have mentioned that Mr TRUMP may be the best thing since sliced bread, why is that?

Lachy. Having worked with Mr Trump privately, prior to his presidency, I can confirm for YTE readers that Mr Trump is a very driven man. As such, the volatility he has injected into the global trading markets is potentially very lucrative for those that know how to trade the markets very well. For many years I have spoken about Gold as the “global currency of fear”, and despite the enormous amount of fake news that maybe present on the Internet, the global currency of fear just keeps falling. So much for doom and gloom if you will? The decline in the value of Gold suggests to me that the US Economy is getting stronger by the month and as such Gold is a great trading opportunity indeed.

YTE: You mention SMART Gold traders, exactly what do you mean by SMART?

Lachy: Great question. Being SMART as a trader, for me,

means trading the global financial markets without the potential interference of brokers. I meet a lot of traders globally who think that all forms of trading are equal and in reality, this assumption could not be further from the truth.

As a Futures trader I do not trade Gold through brokers in the conventional sense of the word. Instead, I trade direct to the Chicago Mercantile Exchange (CME) via a Clearing House. As a result, I can trade the real ‘Stock Exchange’ price of Gold without anyone manipulating the price of Gold while I am trading it. Many traders I meet are not aware that conventional (market making) brokers have the option to alter the price of a market ‘in the brokers favour’ while the client is in a trade. Common terms to describe this include “taking the other side” and widening the spread” just to mention two. Seems ruthless, sure, but it is a key part of the ‘Market Making Broker Business Model’. So I encourage you to be very careful who you trade with.

It does not take a rocket scientist to work out that if a broker can trade against you, while you are in a trade, that your chance of success in trading is dramatically reduced. This particular issue is very common in the FOREX and Binary Options Markets, hence

the high number of failed traders in these markets. This is a huge point of difference between what I do, Futures, and what most traders do, that being trade through a broker. Trading SMART, is hence for me, trading without ‘external interference’ with the intent of making as much money as I can every time I sit down to trade.

YTE: So how does an everyday trader do what you do?

Lachy. Simple. Any trader, around the world can access the exact markets I do, every single day, by simply trading direct to the CME. We access the CME via a Clearing House, not a broker, as I said earlier, the difference being a Clearing House cannot trade against me, it is physically impossible. Trading direct to the CME allows all traders to access the biggest and most lucrative markets in the world and get on with the job of being great traders. Trading direct to the CME has been available in Australia for over 14 years and is clearly, in my opinion, the only way to get ahead in the game of Trading.

YTE: So where do you think Gold is going?

Lachy: The key to determining where Gold is going is analysis of the larger charts. One of my favourite charts to analyse is the weekly chart and I use Fibonacci as the basis of my analysis. The weekly chart allows me to do forecasts 6 to 8 weeks in advance and as such can be a great compass as to potential market movement. In Image One, there are four key levels that I would like to discuss and I have labelled these Levels A through to D.

Level A has a price of US\$1221.0 per ounce and is a dominant stalling point for Gold based on price movement from 2017. As you can see on Figure One, Gold is currently hovering around this level (as at the date of interview). If Gold breaks the level of US\$1221.0, Gold is likely to fall quite rapidly to level a price of US\$1211.0.

If Gold pops Level B, it is highly likely to run to Level C which is the 100% Fibonacci Extension of the weekly chart. This price level of US\$1193.0 will take Gold to its lowest trading price in 2 years and will no doubt attract significant selling at these levels.

Level A, B and C are all good targets for selling Gold over the coming 6 weeks. If Level A does not break in the coming weeks, and in fact the market bounces off this yearly low, then we are in a great place to buy the market back to level D. Trading Gold back up to Level D and a price of around US\$1250.0 an ounce is

a great little trade if the 'global currency of fear' can't go down any further. This does bring up a great point about SMART traders being able to trade the markets both up and down! I may have got my prediction completely wrong and yet I can make money out of the pending moves anyway.

YTE: In your opinion, what is the best way for a trader to take advantage of Gold when it moves both up and down?

Lachy: That is a really good question. Having taught more than 1000 traders to trade the markets in the exact manner I do, may I suggest the best way to trade Gold is to use a five-minute Futures chart. A five-minute chart allows you to take advantage of the short-term trends in the Gold market, on a daily basis, with the intent of generating a reliable and predictable daily income. When this chart is combined with a forecast from a larger chart, like a 60-minute chart for example, this 'chart combination' gifts you a very powerful trading strategy indeed. The Gold charts I am about to discuss with you are clear examples of this.

Example One: Gold Trend Up – 21 July 2018.

As a quick chart familiarisation, this is a five-minute Gold chart as used by all my traders globally. I have chosen to feature the US Pre-Market Trading Session, 2 trading days in a row, these being Friday 21 July 2018 and Monday 24 July 2018, respectively. As it happens, we had an uptrend and a downtrend on these days which highlights the power of trading both up and down.

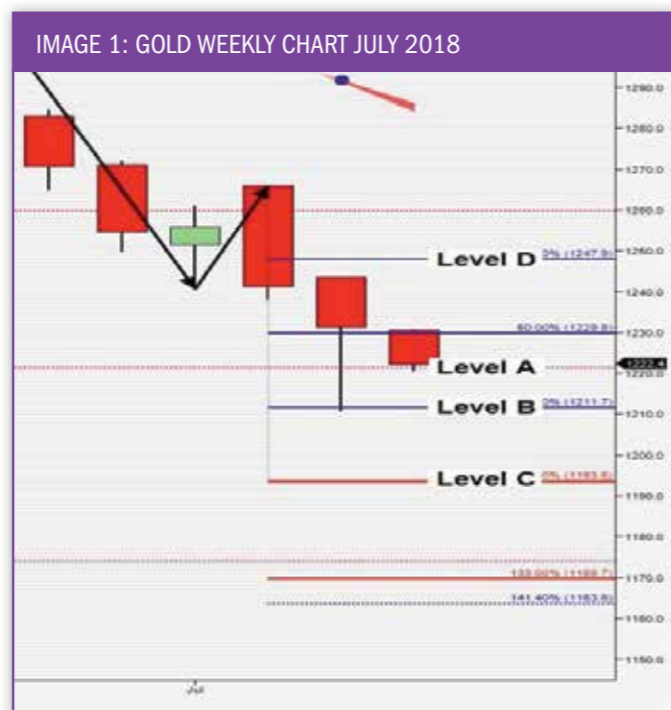
Image Two is the US Premarket Session 21 July 2018. The Red Square at the bottom of the image shows that the sellers are failing to push the market down through a number of trading pivots, otherwise known as brick walls. If the market cannot push down through these brick walls, it is highly likely to turn and run in the other direction. The coloured band through the image is a Proprietary Trend Indicator and when it is green in colour, the trend is up, and we are only allowed to Buy into this trend.

The short-term uptrend that results gifts us 3 x Buy Signals that we are very interested in trading. The entry points for these trades are indicated by the black arrows and the horizontal blue dotted lines on the chart.

To assist you in measuring potential profit and risk, the blue square in the centre of the image represents AU\$100.00. If the market moves up 1 x Blue Box, and you are in a Buy Signal, the trade has paid you its AU\$100.00 Target. The stop-loss I use, for this style of trading, runs 2 x candles behind the market. Using this risk control principle, all 3 x Buy Signals were successful and paid in under 30 Minutes.

Example Two: Gold Trend Down – 24 July 2018.

Gold is a brilliant market to target if you are a beginner trader



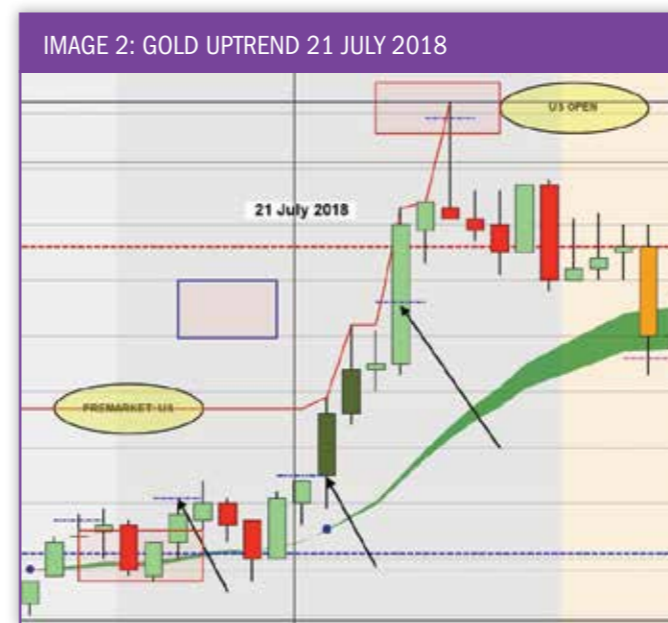
The past performance of this product is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. This product, like all other financial products, is subject to market forces and unpredictable events that may adversely affect future performance.

seeking to target a highly predictable market that can be traded in both directions.

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To highlight the consistency of the strategy, here is the US Pre Market Session on the following trading day at the same time. As we have learned already, failure at the 'brick walls' means the market is highly likely to turn. In the case of Image 3, the buyers have failed to push the market up through the brick walls, meaning the sellers are stronger and we are getting ready to sell the market when we get the appropriate sell signals.

The black arrows, with corresponding red horizontal lines, indicate 4 x high probability sell signals that have been generated as a result of the downtrend. The blue square in the centre of the image is our AU\$100.00 profit / risk reference tool. Our stop-loss runs 2 x candles behind the market and following this rule we have



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had 4 x winning trades with each trade taking less than 20 minutes to pay its AU\$100.00 target. The sell signal at the bottom of the image, in the red square, is not allowed to be traded, as per the rules of this strategy. We are not allowed to trade 'into brick walls' and I suggest this is a great take home for YTE readers.

In both Image 2 and Image 3, the markets have clearly failed at the brick walls and then moved in the opposite direction. I know that this might seem like a fairly simplistic trading principle, sure, but it does generate a significant number of trade signals on a daily basis when you are using the right chart and the right strategy in combination. When you add 'trading with the short-term trend' into this mix, you have the foundation for a very SMART trading strategy indeed.

YTE: Have you got any last-minute tips for our YTE readers?

Lachy: My biggest is- keep your trading as simple as you can and avoid trading through brokers at all costs. When you have a great strategy that works, use it every day and change nothing. At the end of the day, it is your success I am most interested in.



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YTE: Lachy thank you so much for your time, we really appreciate your thoughts. 🙏

Lachlan Elsworth, Founder and Trading System Architect | The International Day Trading Academy.

To watch an 'On-Demand' 90 Minute Trading Lesson with Lachlan, simply visit: <https://www.idta.com.au/events>

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