Forex Currency Strength Index

USER MANUAL

Information Management Solutions

Risk Disclosure

Trading foreign exchange on margin carries a high level of risk and is not suitable for all investors. The high degree of leverage can work against you. As with all investments, you should not invest money that you cannot afford to lose. Before deciding to invest in foreign exchange, you must carefully consider your investment objectives, level of experience, and risk appetite. Additionally, you must be aware of all the risks associated with foreign exchange trading and seek advice from an independent financial advisor. Past results are not necessarily indicative of future success. Your actual trading may result in losses as no trading system is guaranteed. You accept full responsibilities for your actions, trades, profit or loss, and you agree to indemnify, defend and hold harmless Information Management Solutions Inc, its owners, authors, officers, directors, employees, agents, publishers, licensors, suppliers and any third party information providers to the Service from and against all losses, expenses, damages and costs, including reasonable attorneys fees, resulting from these actions or trading decisions (including negligent or wrongful conduct) by you or any other person accessing this service and any other associated content and publications.

Commodity Futures Trading Commission Futures and Options trading have large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures, Forex and options markets. Do not trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures, foreign currency or options. No representation is being made that any account will or is likely to achieve profits or losses similar to the results experienced by Information Management Solutions Inc, its respective websites or in any other of its publications or communications. The past performance of any trading system or methodology is not necessarily indicative of future results.

CFTC RULE 4.41 - HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

All information in this manual is for educational purposes only and is not intended to provide financial advice. Any statements about profits or income, expressed or implied, does not represent a guarantee. Your actual trading may result in losses as no trading system is guaranteed. You accept full responsibilities for your actions, trades, profit or loss, and agree to hold the Information Management Solutions Inc team and any authorized distributors of this information harmless in any and all ways.

TABLE OF CONTENTS

Minimum System Requirements

Operating System: Windows XP, Vista, Windows 7, Windows 8
Processor: 2.0 GHz or greater. Dual processor recommended
Broker Platform: MetaTrader 4

(THIS PAGE INTENTIONALLY LEFT BLANK)

www.FxCurrencyIndex.com

Introduction

Forex is the world's largest financial market with an average daily volume of $3 trillion dollars. It is open 24 hours a day Monday through Friday.

One of the most successful and cost effective software platforms to trade Forex is MetaTrader. It is provided by many brokers at no charge. MetaTrader allows the end user to analyze the market and place trades directly from the charts. MetaTrader also has the ability to run customized programs such as indicators, scripts and expert advisors. MetaTrader also provides a data stream of price ticks through a built in Dynamic Data Exchange (DDE) server. The *Forex Currency Strength Index* program utilizes the MetaTrader DDE to calculate and display each currency strength with a robust calculation algorithm measuring the rate of change at a minimum every 5 seconds.

The *Forex Currency Strength Index* program is NOT an automated forex trading program. It is a tool to be used by manual traders to determine currency strength by assigning an index value. Determining individual currency strength allows the trader to decide which currencies or currency pairs to trade.

The *Forex Currency Strength Index* program comes in two versions: Lite and Standard. The Lite Edition includes the bar chart display only. The Standard Edition includes a customizable line graph for the currency strength, graphs that measure and display the tick count for each currency pair, and the ability to change various program settings such as currency colors, line width and time intervals.

The *Forex Currency Strength Index* "Lite Edition" is available on the website for download and can be freely distributed. The "Standard Edition" is a commercial product and registered to each individual purchaser. The Standard Edition can be purchased from the website. After purchase the program will be emailed in a zip. Individual activation is coded into the software. Activation codes have become necessary to protect intellectual property and limit software piracy.

Trading using Currency Strength

The **Forex Currency Strength Index** program is a tool for traders. The program provides the data. The trader evaluates the data and determines how to proceed with trades. As an individual currency strength index rises or falls, all pairs containing the currency are experiencing positive or negative price movement, respectively. The strength index is the total effect of all these pairs on the one currency. The challenge is to select the proper currency pair to trade based on the strength index.

It is impossible to open and monitor a forex chart for every currency pair. The Tick Rate data charts allow the trader to quickly identify which currency pair(s) are most active. This combined with the currency strength index is a powerful trader tool.

Some suggestions include: 1) waiting for one currency to reach the upper portion of the index and matching it with a currency dropping to a lower index since a possible reversal is highly likely or 2) trading two currencies that have recently crossed in the middle of the line graph. The currency strength index concept allows the trader to use a weakening currency to buy a strong currency OR use a strong currency to sell a weakening currency.

The behavior of the strength index lines is important. Steep rises or falls indicate higher trading volume. Used in conjunction with the tick rate data, this will steer the trader into selecting the proper currency pair to trade. Most traders prefer to trade higher volume periods during Asian, European or US market opens with careful attention to scheduled economic reports.

It is recommended that the program be started at least 4 hours before you intend to start trading to collect a history of recent market behavior. For those traders who wish more data, start the program at the beginning of the week. This will allow the trader to view previous market activity. Storing the data in a spreadsheet can provide a means for back testing strength patterns.

Installing Forex Currency Strength Index

The **Forex Currency Strength Index** install file will arrive as an attachment to your email. The file will have a ZIP extension. The setup file name

 includes the Windows programs and User Manual.

After detaching the ZIP file from your email, save the ZIP file to your desktop or other convenient folder. Unzip the file and save contents to an appropriate folder.

Inside the folder double click the file icon to start the installation process. If your anti-virus program starts scanning the files please wait until it is completed. If your anti-virus program rejects the installation turn off your anti-virus during the installation process.
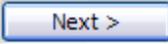
If you get a security warning
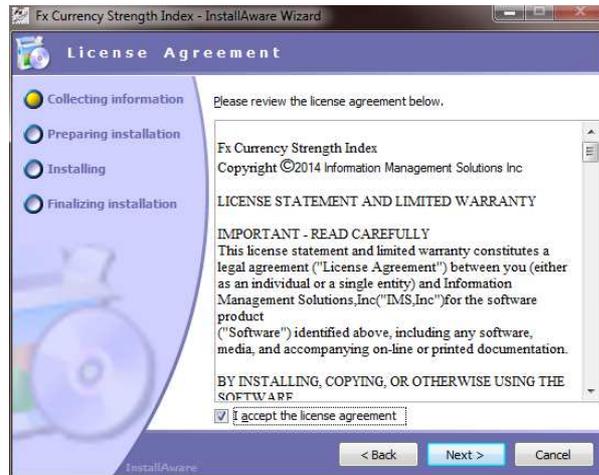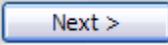
popup click the **Run** button to proceed.
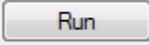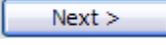
Click the **Next >** button to proceed.

Read the license agreement and select the check box to accept terms.

Click the Next > button to proceed.

Click the Next > button to complete the installation process.
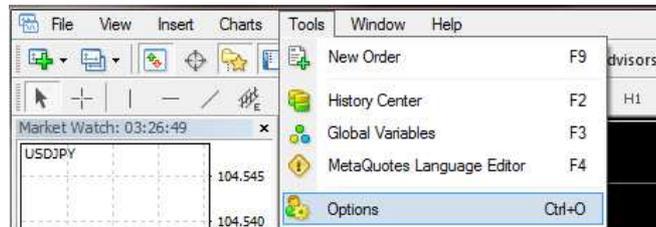

The progress bar will display during file installation. The program will start automatically after install is complete. Do **NOT** click the *Forex Currency*

Strength Index **START** button until your broker platform is installed and running with the DDE server as explained in the next section.
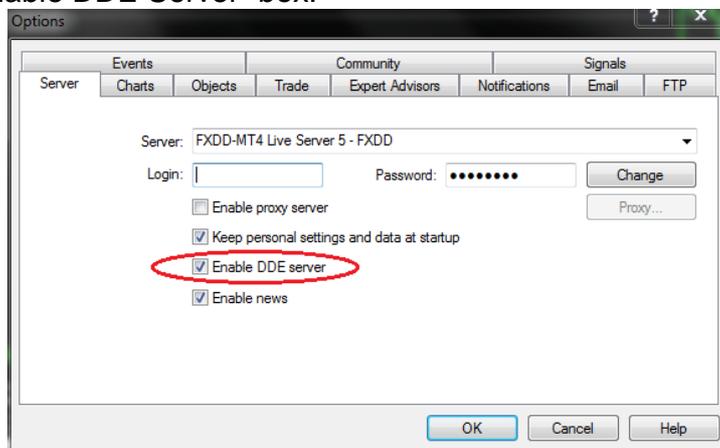
Starting Forex Currency Strength Index

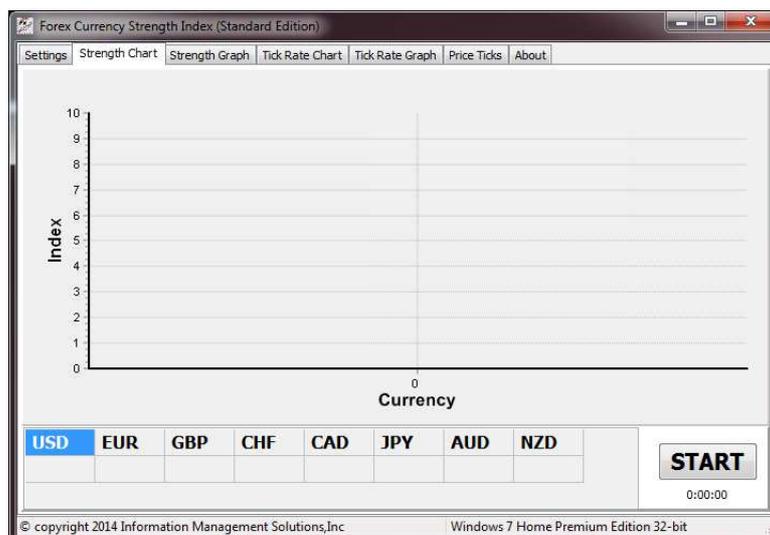Refer to your broker's installation guidelines to properly install your MetaTrader trading platform.

After MetaTrader installation is complete select TOOLS | OPTIONS from the main menu.
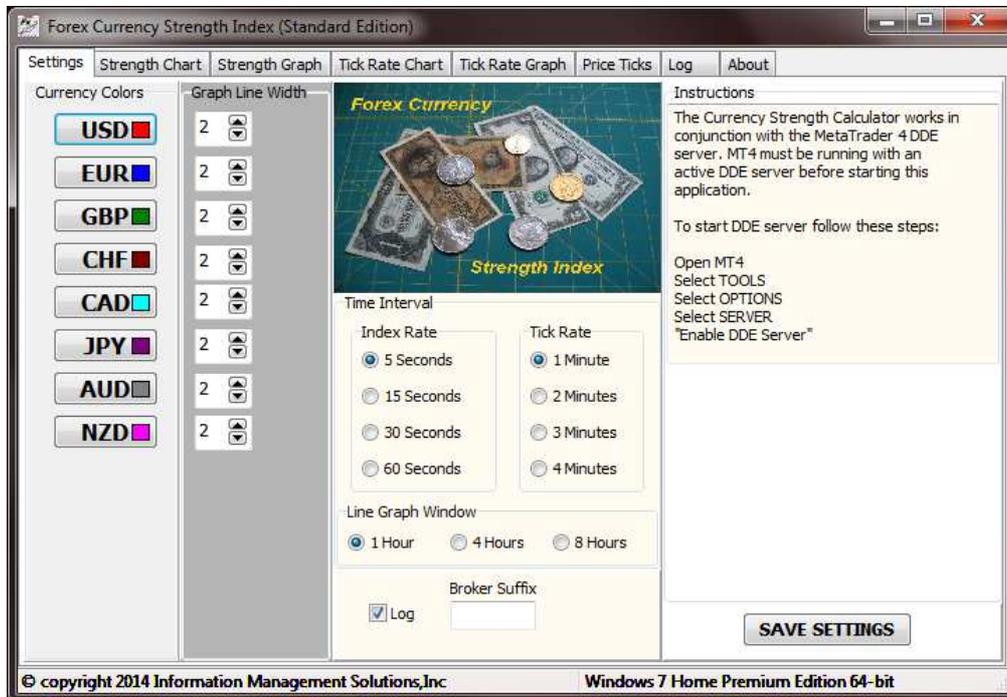
Check the "Enable DDE Server" box.

Select the INDEX CHART tabsheet and click the **START** button.

Disclaimer: Forex carries a high level of risk. End users should read & understand the license agreement.

Settings

Currency colors can selected by clicking each individual currency. The width of the line graph can also be changed. These settings can only be changed in the Standard Edition.

The Time Intervals denote the refresh rate for the strength index and tick rates on the bar charts. It does not affect the line graphs. These settings can only be changed in the Standard Edition.

The Line Graph window sets the viewing area for both strength index and tick rate graphs. This setting can only be changed in the Standard Edition.

If your broker adds a suffix to the 6 character currency pair designation you must specify the Broker suffix. (example: EURUSDm).

Selecting the LOG checkbox will open an additional page that will collect strength index data for exporting into a separate text file. Subsequently the text file can be imported into a spreadsheet.

The SAVE button will allow you to save settings. The LOG checkbox is not saved. The settings can only be saved in the Standard Edition.
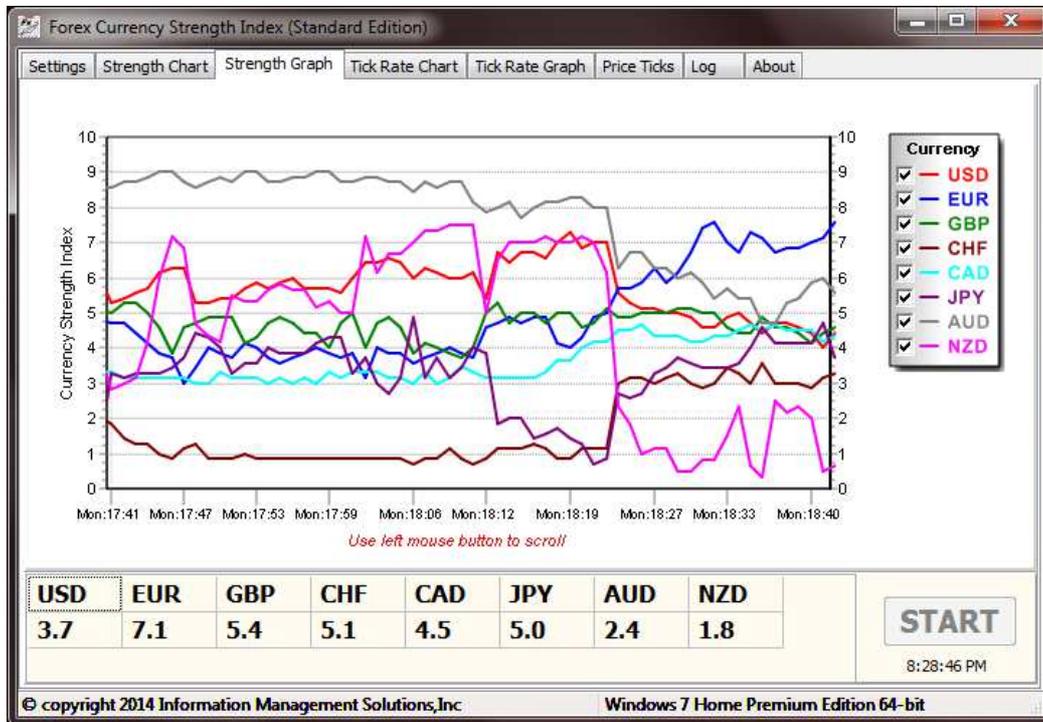
Strength Bar Chart
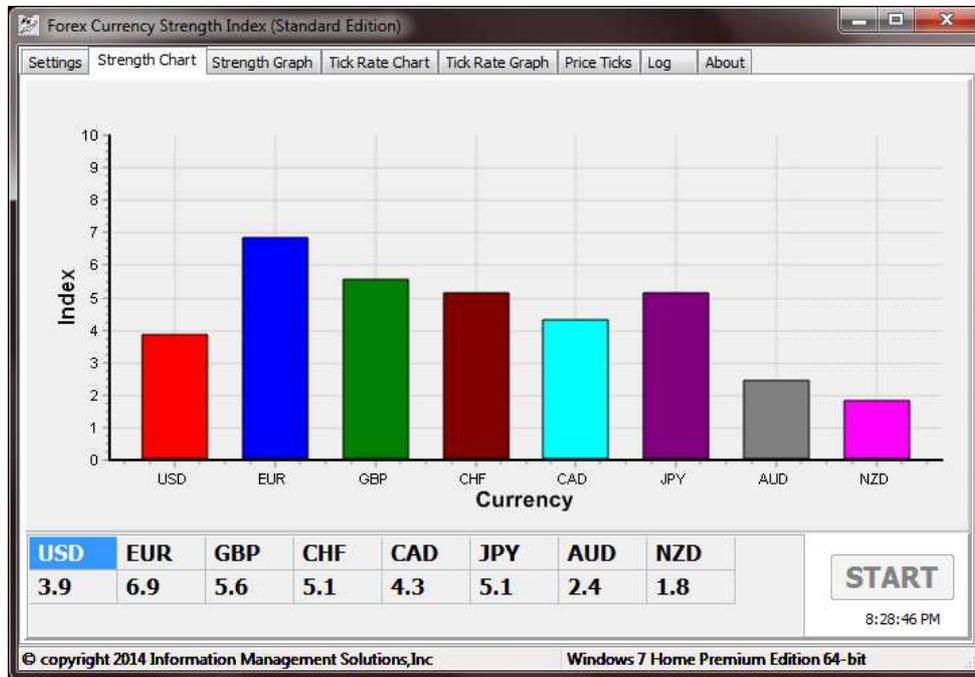
The Strength Bar Chart provides a quick visual view and numerical value of each currency strength.

The index's time interval defaults to once every 5 seconds and can be changed on the settings page with the Standard Edition of the program.

The START button starts the data interchange with the MT4 DDE server.

Strength Line Graph

The strength line graph provides a visual view of currency strength through time and, in the table, a numerical value of each currency strength for the selected time interval.

The index's time interval defaults to once every minute. This interval cannot be changed.

The viewing of individual currencies can be turned on or off in the checkbox. The additional checkboxes are for future use.

The START button starts the data interchange with the MT4 DDE server.

Tick Rate Bar Chart
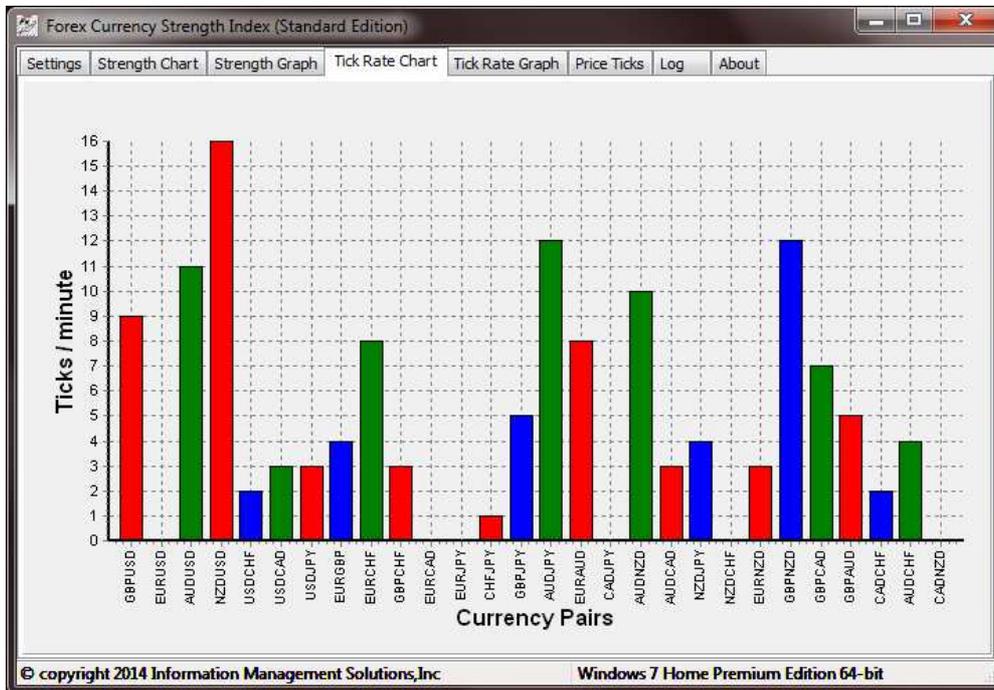
The tick rate bar chart provides a quick visual view of currency pair tick rate. The tick interval defaults to once every 1 minute and can be changed on the settings page with the Standard Edition of the program.

The tick rate provides a measure of the activity of a currency pair. It is not an indicator of volume since there is no quantity associated with each tick.

Tick Rate Line Graph
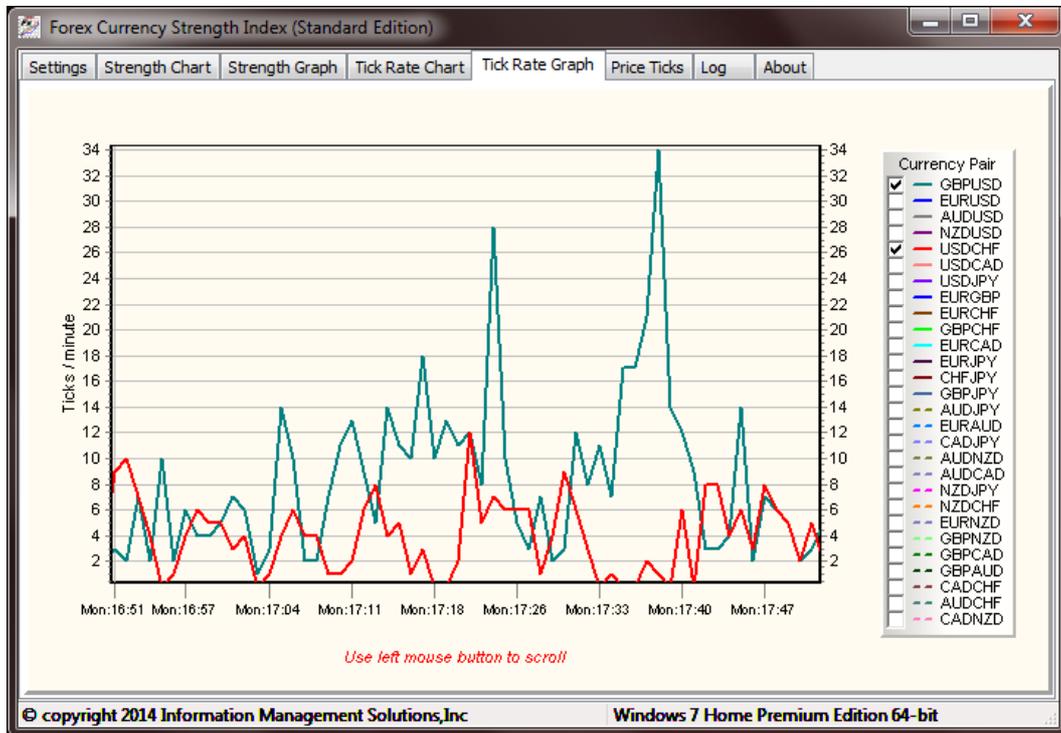
The tick rate line graph provides a visual view of currency strength through time.

The index's time interval defaults to once every minute. This interval cannot be changed.

The viewing of individual currencies can be turned on or off in the checkbox. This graph can become very cluttered with lines. It is recommended that you only view currency pairs that are of interest.

Price Ticks

The price tick page provides a real time visual view of incoming data for each pair from the DDE server. If data on a particular pair is blank it is probably not supported by your broker. Brokers do not necessarily support all minor currency pairs.

The STOP button will halt the data interchange and reactivate the START button. This may also be necessary if you lose your internet connection and need to restart.

Log
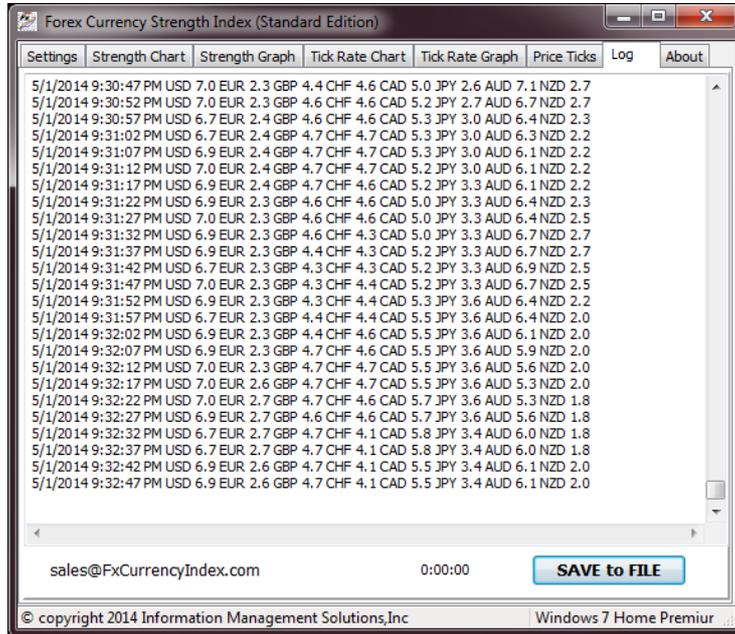
The tick log is activated by selecting the LOG checkbox on the SETTINGS page. The SAVE TO FILE button will allow you to create a text file for importing data into a spreadsheet.

About

Live Account and Demo Account Trading

The Forex Currency Strength Index will operate on live or demo accounts. There will probably be some discrepancy in the price ticks between the two, but the relative strength should be valid particularly during higher volume market hours

FAQs and Troubleshooting

Can the program be used with non MetaTrader accounts?

No. If you trade on a non MetaTrader platform you can still use a MetaTrader demo account to monitor currency strength. Results should be valid during higher volume trade hours.

What time frame should be used in the line graphs?

Line graphs default to a 1 hour window. This should be the optimal viewing time frame for short term trading. 4 and 8 hour windows are also available to study longer data intervals. The screen can always be scrolled back to view previous data.

Must the computer be connected to the internet all day?

It is recommended that the program be started at least 4 hours before you intend to start trading. This will provide a history of recent market behavior.

How do I trade using the strength index?

Trading the market using the strength index is up to the trader. The program provides the data. The trader should evaluate market conditions and upcoming reports along with the strength data to determine how to trade a particular currency. Some suggestions include: waiting for one currency to reach the upper portion of the index and matching it with a currency dropping to a lower index or trading two currencies that have recently crossed in the middle of the line graph.

I downloaded the program and some features are not active.

The "Lite Edition" is a free version of the program. The strength bar chart is active. All other features are only available in the "Standard Edition" which is a commercial product. We recommend that you download the Lite Edition, read the User Manual in its entirety and test on your broker platform. Once you are satisfied with the performance you can order the Standard Edition on this website. There is a *no refund* policy on the Standard Edition.

Can I use the program on multiple computers at the same time?

The short answer is no. After activation the purchased license limits program use to one computer.
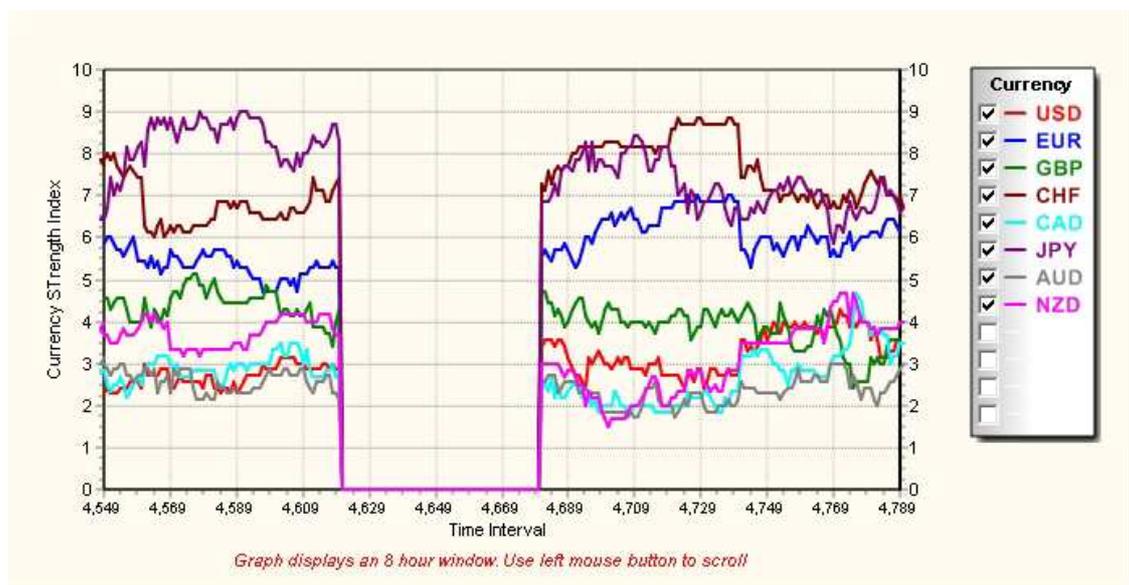
Will the program work on the iMac?

The program is designed to work on Windows with the MetaTrader 4 platform. It may work on an MacBook or iMac running Windows emulation, however, this scenario has not been tested.

Errors

MetaTrader DDE Server not activated

Example of loss of internet connection

END USER LICENSE AGREEMENT
YOU MAY NOT INSTALL OR USE THIS SOFTWARE UNLESS YOU HAVE CAREFULLY READ THE TERMS AND CONDITIONS SET FORTH BELOW:

This End User License Agreement (the "Agreement") is an agreement between you and Information Management Solutions Inc, and its subsidiaries, affiliates and licensors (collectively, " IMS Inc "). This Agreement governs your use of this software and its related documentation.

BY INSTALLING OR USING THE SOFTWARE, YOU ARE CONSENTING TO BE BOUND BY THIS AGREEMENT. IF YOU DO NOT AGREE TO ALL OF THE TERMS OF THIS AGREEMENT, THEN DO NOT INSTALL OR USE THE SOFTWARE. IF YOU INSTALL THE SOFTWARE, THE TERMS AND CONDITIONS OF THIS AGREEMENT SHALL BE DEEMED FULLY ACCEPTED BY YOU.

1. License Terms of Use.
   a. Subject to the terms and conditions set forth herein, IMS Inc hereby grants you a personal, non-sub licensable, non-transferable, non-exclusive license to download, install and use the Software solely as set forth in this Agreement and the accompanying documentation, and solely for your personal noncommercial use only.
   b. If the Software was provided to you on at no-charge or Demo basis, then, in addition to the other provisions and limitations hereof, the Software may be used only for the purpose of using it on a practice account, unless you purchase a full-use license.
   c. During the term of this Agreement, you may only use licensed copy of the Software for trading your account(s).

2. Reservation of Rights and Restrictions.
All rights not expressly granted by IMS Inc in this Agreement are reserved. All rights not expressly granted by IMS Inc in this Agreement are reserved. Except as otherwise expressly provided under this Agreement, you shall not, and shall not allow any third party to: (a) decompile, disassemble, or otherwise reverse engineer or attempt to reconstruct or discover any source code or underlying algorithms of the Software by any means whatsoever, to the maximum extent such restriction is allowable under applicable law, (b) alter, modify, enhance, or create a derivative work or improvement of any part of the Software, (c) remove, alter, or obscure any product identification, copyright, or other intellectual property notices embedded within the Software, (d) resell, re-license or sublicense, lease, lend the Software, or otherwise grant rights in the Software to any third party, (e) use the Software for timesharing, hosting or group trading or COOP purposes. You understand and agree that (i) the Software is licensed to you and not sold; and (ii) IMS Inc retains title to the Software (including but not limited to any code, characters, storyline, images, photographs, animations, video, music, text, "applets" incorporated into the Software, and any related documentation), and all associated copyrights, trademarks, and other intellectual property rights therein.

3. Disclaimers. (a) TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, the Software is provided to you "AS IS," and your use is at your own risk. We do not make, and hereby disclaim, any and all other express, implied OR STATUTORY warranties, including, but not limited to, implied warranties of merchantability, fitness for a particular purpose, no infringement of third party rights, and any warranties arising from a course of dealing, usage, or trade practice. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF OR LIMITATIONS ON IMPLIED WARRANTIES, SO THE ABOVE EXCLUSIONS AND LIMITATIONS MAY NOT APPLY TO YOU.

4. Limitation of Liability.
   a. To the maximum extent permitted by applicable law, NEITHER IMS Inc NOR its suppliers and partners shall BE LIABLE TO YOU FOR ANY lost profits, cost of substitute goods or services, or any form of indirect, special, incidental, consequential or punitive damages from any causes of action ARISING with respect to this Agreement or the SOFTWARE licensed hereunder, whether arising in tort (including negligence), contract, strict liability or otherwise, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. IN NO

EVENT SHALL INTELATRADER'S AGGREGATE LIABILITY UNDER THIS AGREEMENT EXCEED THE AMOUNT ACTUALLY PAID BY YOU FOR THE SOFTWARE.

    b.   You acknowledge and agree that the provisions under this Agreement that limit liability, disclaim warranties, or exclude consequential damages or other damages or remedies are essential terms of this Agreement that are fundamental to the parties' understanding regarding allocation of risk. Accordingly, such provisions shall be severable and independent of any other provisions and shall be enforced as such, regardless of any breach or other occurrence hereunder, AND even under circumstances that cause any exclusive remedy under this Agreement to fail of its essential purpose.

5. Term and Termination. IMS Inc may, at its option, terminate this Agreement immediately upon notice to you, if you fail to comply with any terms and conditions of this Agreement. Promptly upon termination, all license rights granted under this Agreement will terminate and you must destroy all copies of the Software in your possession or control and cease all use of the Software. Our termination will not limit any of our other rights or remedies under this Agreement or at law or in equity. Notwithstanding anything contained herein to the contrary, Sections 2-6 shall survive termination or expiration of this Agreement for any reason.

6. Miscellaneous.

    a.   **Limits on Your Right to Transfer.** Neither this Agreement nor any other rights, licenses or obligations, may be assigned by you, either voluntarily or by operation of law, without IMS Inc's prior written consent. Any attempted assignment in violation of this Agreement shall be void and without effect.

    b.   **Severability and Survival.** If any provision of this Agreement is illegal or unenforceable under applicable law, the remaining provisions of this Agreement will remain valid and fully enforceable. If any provision is in part enforceable and in part unenforceable, it will be enforced to the extent permitted under applicable law.

    c.   **Injunctive Relief.** You agree that a breach of this Agreement adversely affecting IMS Inc 's proprietary rights in the Software may cause irreparable injury to IMS Inc for which monetary damages would not be an adequate remedy and IMS Inc shall be entitled to equitable relief in addition to any remedies it may have hereunder or at law.

    d.   **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of North Carolina without regard to conflicts of laws provisions thereof. Unless waived by IMS Inc in writing for the particular instance (which IMS Inc may do at its option), the sole and exclusive jurisdiction and venue for actions related to the subject matter hereof shall be the North Carolina state and federal courts having within their jurisdiction the location of IMS Inc 's principal place of business. Both parties consent to the jurisdiction of such courts and agree that process may be served in the manner provided herein for giving of notices or otherwise as allowed by North Carolina or federal law. The parties agree that the UN Convention on Contracts for the International Sale of Goods (Vienna, 1980) shall not apply to this Agreement nor to any dispute or transaction arising out of this Agreement.

    e.   **Export.** You agree to abide by U.S. and other applicable export control laws and agree not to transfer the Software to a national destination prohibited by such laws, without first obtaining, and then complying with, any requisite government authorization.

Entire Agreement. This Agreement constitutes the entire agreement between you and IMS Inc with respect to the Software and supersedes all prior or contemporaneous understandings regarding such subject matter. No amendment to or modification of this Agreement will be binding unless made in writing and signed by IMS Inc. No failure to exercise, and no delay in exercising, on the part of either party, any right or any power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or power hereunder preclude further exercise of any other right hereunder. In the event of a conflict between this Agreement and any applicable purchase terms, the terms of this Agreement shall take precedence.

(THIS PAGE INTENTIONALLY LEFT BLANK)