



Aussie Rob's Newsletter



**Aussie Rob News: 36
August 2006**

G'day Folks

I'd like to start this newsletter with a great BIG Aussie Rob "Welcome Aboard" to all of my new students. We thought that July was an exciting month, well August has been even more incredible. We had a great Expo in Brisbane and followed up with a One Day Training Workshop that was dynamite. We had a film crew there to capture all of the excitement. More on that another time....

We had our first 2 Day Hands-On Computer Lab Training Workshop in August. If you have not booked in for one of these, then all I can say is "DO IT".

This month's quote is a combo of two:

"The brain is like a muscle. When we think well, we feel good. Understanding is a kind of ecstasy."

- Carl Sagan , Broca's Brain

AND, I use this one during my Training Workshops:

"Thomas Edison once observed that the reason most folks don't recognize opportunity when it comes along is that is often dressed in overalls and looks like work."

I combined these two to paint the picture of what happens when we study, push ourselves out of our comfort zones and strive to take control of our financial future. There is no better feeling than knowing that your finances are totally taken care of and if you ever want to earn some more money, you can simply place another trade. Sure sounds good, eh?

Is it easy? No, but it is not difficult either. All it takes is study, discipline and a burning desire to make it work. *"The brain is like a muscle. When we think well, we feel good. Understanding is a kind of ecstasy."*

Bring Your Kids or Grandkids Along....

Some of you would have been empowered by the inspiration that we received from my Training Workshops when we have dynamite youth in the audience like we did in Sydney on Sat 29th of July and Brisbane on Sat 12th Aug. I am in the process of creating a Training Scholarship for kids by personally mentoring them by handling any questions personally so long as they email me the assignments that I set them. In other words, if they're serious, I'll be serious to work with them too!

Each of the 3 boys in the Brisbane class completed their assignments and here is some of our correspondence:



G'day Rob,

It's Matt here, the 18 year old boy that was sitting up the front of your seminar. Firstly I would just like to say that the seminar was great, awesome, educational and so good that it's the best I've been to. To your question, you asked me how much money I would have at the age of 40 if I started at 18 with an initial deposit of \$1000 and traded it on the Forex market for example, and receiving 10% per month. It would equate to \$48,400!!. Certainly beats the banks.

Once again the seminar was great and I look forward to working with you and making money!
Matt

After the dust settled over the weekend, Matt followed up with:

Hi Rob,

After consulting my buddy we found that the figures that I had given to you were incorrect, I failed to take into consideration the compounding effect over the years.

Because of the size of the numbers involved over the 22 years (40 years - 18 years) we have limited the examples below to 10 yrs for comparison purposes.

The answers are:

120% PA Principal \$1000 Compounding 10 yrs = \$2,655,914

60% PA Principal \$1000 Compounding 10 yrs = \$109,951

9% PA \$1000 Compounding 10 yrs = \$2367 (Average Super fund)

This illustrates the power of compounding over a period of time and the size of the numbers using such a high return of 120% per year and how low the Super fund is.

Rob, I am happy to achieve 60% PA and have \$110,000 after 10yrs.
Matt

G'day Matt

Great to have received your emails Mate! I'm glad that you've made an effort to do some calculus to learn the power of compounding!

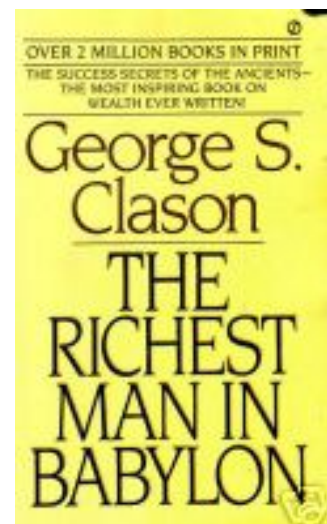
Your next assignment is to go to a bookstore and buy a paper-back called "The Richest Man From Babylon". It's very easy to read, you'll probably have it read in a few days. If you apply the principles in that book, you will be set for life!

Please let me know what the key message is that you get out of this book.

See you at the TOP Mate!

Kind Regards
Aussie Rob

And here's what Nathan, another Teen at my Brissy Workshop sent me...



Dear Rob,
i would like to tell you that i enjoyed the seminar and i learnt a lot. I have figured out the question that was asked.

If you start at \$1000 and it doubles every year till your 40 how much will u have. Then until your 50.

$i(2)^y$

i = initial amount (\$1000)

(2) = to make it double

y = to the power of 50-16 (34)

$1000(2)^{24}$ (till im 40)

= 16,777,216,000

$1000(2)^{34}$ (till im 50)

= 17,179,869,184,000

from 16-40 years = 16,777,216,000

from 40-50 years = 17,179,869,184,000 - 16,777,216,000

= 1,716,091,968,000

and thats USD! i look forward to seeing you again

Yours faithfully,
Nathan Brandes

[And his brother Ben sent me this...](#)

Gday Rob!

Thanks so much for the seminar yesterday I can't stop thinking about it. I am about to start trying out the software after this email. Well here is the mathematics you asked for.

The equation is: $(2^Y) \times I = P$

2 = Doubles every year

Y = How many years you want it to double from now

I = Initial amount invested

P = Profit

If it doubles every year from now until im 40:

$Y = 40 - 18$ (I am 18)

= 22

$I = \text{US\$}1000$

$(2^{22}) \times 1000 = 4,194,304,000$



Therefore I will have US\$4,194,304,000 profit at the age of 40.

If it doubles every year from now until I'm 50:

$$Y = 50 - 18 \\ = 32$$

$$I = \text{US\$}1000$$

$$(2^{32}) \times 1000 = \text{US\$}4,294,967,296,000$$

Therefore I will have US\$4,294,967,296,000 profit at the age of 50.

These figures are amazing!!! At first I couldn't believe my eyes. I am still having trouble! I have checked the answers several times. Well thanks again! I look forward to seeing you at the computer lab in a couple months. I will begin paper trading well before then. I look forward to hearing your reply.

Cheers
Ben

WOW, these kids are amazing. That stuff looks way too complicated for me though, I think I'll stick to the easy stuff like trading options! :-)

I replied to the boys with the following:

So what do you think? Do you think you can turn \$1,000 into \$1,100 in a month? In other words, make \$100 profit on \$1,000? Too easy, eh! If you can do it, then there is no reason why you can't do it the next month and every month until you do turn 40. So are you up to it? Is the end result worth it?

You know that both Nathan and you can do it, it's just a matter if you REALLY do want to do it and become successful. As they say, "If it is to be, then it is up to ME".

Nathan and Ben are teenagers. I commend their parents for having the foresight to bring them to my Training Workshop. Well done Mum & Dad and I look forward to seeing ya'll at my 2 Day Hands-On Computer Training Workshop in October!

I HAVE USED 30, 40 AND 50 PIPS AS A STOP. I AM STILL GETTING STOPPED OUT (AT 50 PIPS I STOPPED OUT 6 OF 11 POSITIONS).. PLEASE DEFINE HOW MANY PIPS YOU USE FOR A CATASTROPHE STOP..

BEST REGARDS
CARL

You need to look at what the daily swings are Mate. You need to put them far enough away from the daily swing so you don't get stopped out. A catastrophe stop is one to save your butt from a catastrophe not from the daily volatility.

And here's Ben again...



G'day Rob!

How are ya?

Great thanks Mate, just back from Sydney and Melbourne.

I'm good. I have been getting right into Forex and have read the manual 7 times now. Nathan and I have been paper trading and made \$2696.4 Profit and gained \$1109.5 in the trades we are currently in.

Well done!

I have a few questions though..

1) When I am getting out of a trade, do I use the open or close price on that day?

If you get a signal to exit on say Tuesday, you use Wednesday's open price.

2) When I am getting into a trade, do I use the open or close?

You always use the "open".

3) Forex isn't updating at 8:15am every morning, sometimes it updates at 9:04am other times later. Why is this happening?

One of our programmers was on holidays so it was taking a bit longer for the daily updates to come through. He is now back and updates are back on schedule now. We have learnt from that and will ensure extra personnel will be on deck to cover from now onwards.

My plan is to master Forex before the computer lab therefore I will be able to concentrate on options :)

Great plan Mate, I'm looking forward to teaching you options!

We are all very excited about attending and we would like to THANK YOU VERY MUCH for sponsoring Nathan and I !!!

You guys are more than welcome; I'm looking forward to the Computer Lab too! It's gunna be a fantabulous weekend!

I look forward to hearing your reply!

Cheers Ben

Hi Rob, Thanks for the new spreadsheet. I will be able to practice my paper trading now. Does option volume mean anything. I have noticed sometimes there is none. Is open interest the one that matters or do you need both?

Cheers, John

Zero volume doesn't bother me when I'm SELLING. We scan for way OTM Puts and most people would never write them as they wouldn't think that there'd be any premium in doing it. That is what makes my Scanner so good, it finds the gems that no-one knows exist. If I was buying options, then I would certainly be paying attention to both Open Interest and Volume. We're stacking the odds in our favor being a Seller.... Let's stack all of the odds against the Buyer! :-)

The following email was forwarded to me by a fellow student from his Trading Buddy. I'm responding to it here as it contains some great lessons for all to learn...

We have been paper trading forex with limited success at this stage. . . we feel that we may not be selecting the right close price - perhaps missing the mark? Can you shed any light on this for us?

We "trade" at 6.30pm each day.



That is fine while paper trading, however, you would get a closer real result to your paper trading results if you traded closer to the time the charts update.

For example:- lets say we opened a long on USD/JPY - we saw the cross on 09/08/06 and went long using the open on 10/8/06 of 115.31.

Perfect!

It crossed again on the 17/08/06 indicating a close.

Yup

If we want to close that position, do we take the price at the close of that day (115.97), or do we take the price at the open the next day (115.94), or is there another value we should be using?

Remember the type of order we discussed at my Training Workshops? "MOO" Always remember "MOO" "Market on Open". Now as we know, Forex trades around the clock so there is no open or close apart from a short period of time over the weekend, but for all intentions, let's just say it trades around the clock. Our open is the first trade executed after 5pm USEST, however, the charts do not open until around 6.15pm USEST so there is going to be some "slippage". Sometimes you could get a better price, sometimes worse.

So, we take the open price of 115.94 on the 18th. End result: **\$567 profit!**

Also, is it possible to set up a dummy trading account through this system? We have had a good look around the site, but have only found applications for opening real accounts.

I suggest that you use the spreadsheet to track your results. 1 step at a time. Learn my Lifestyle Trader Software and then take the next step at learning a Trading Platform.

Hope you can understand our queries and would greatly appreciate any assistance you may be able to offer.

Take a look at the "Contacts" section of my website and you'll see the different departments that I have in place to help you. tradingsupport@aussierob.biz has been set up to help you with these kinds of queries.

Diversification

Diversification is the name of the game. At times one trading instrument could be trending really well and at another time, something else trends better. The other week at my 2 Day Hands-On Computer Lab Training Workshop there was a couple who had paper traded over \$70,000 profit on Forex and yet the last couple of weeks since then, Forex hasn't been trending as well. Still profitable, but not trending as well as it has been. It will trend again, it's just a matter of time. That is why I instill "Paper trade for 90 days" then you'll have seen the good and the bad of trading as things cycle through their trending patterns. Imagine trading for real when you first come onboard and your first 3 trades are losers. You'd instantly think that my software didn't work and then you'd miss out on all of the future profits that others have been capitalizing on...

I strongly suggest that everyone who is focusing on only trading Forex to broaden their horizons and take a look at Commodity "Softs". Softs generally trend really well and are not all that volatile. Their margin requirement is similar to Forex too. On top of that, run a Naked Put Scan in the last 2 weeks of the month to complete your diversification. It's all about stepping up to the plate and becoming a Professional Trader. The results will be worth it!



A Note of Thanks

Rob, I traveled four hours by early morning train to attend your afternoon session in Melbourne yesterday and was very pleased to meet both you and Kerry. I was also very impressed by your teaching style and software. To my mind, the epitome of excellence in any human endeavour is simplicity – any fool can make something complex!

In 3-4 years of searching and trialing assorted trading software I have never seen anything to rival your remarkable product. Previously I had only thought of the market in terms of price and even time – but never from the unique but true perspective of ‘buyers and seller’ - which now seems so simple and clear. This was the great gem worth my trip. I look forward to paper trading over the next 90 days and to fun and profits beyond that.

Thank you for being willing to share your knowledge and software at a very reasonable price, and for your commitment to ongoing customer support.

I will keep you posted on my results.

My best to you and Kerry.

Warm Regards, Ian

Thanks Ian, your kind words of encouragement are greatly appreciated!

Exclusive Members Area

The Exclusive Members Area contains an abundance of training to help you get up and running.

The current log in details are:

September

User Name: [september](#)

Password: [freedom](#)

Hotmail is a Pain in the....

We constantly receive reports from people with Hotmail email address saying that they do not receive our emails. We cannot guarantee replies to Hotmail. If you are using a Hotmail email address, we strongly suggest that you consider upgrading to a superior email provider. Take a look at GMAIL which is Google's FREE email service: www.gmail.com

Data Feed Update Times

Here are the current data update times:

	<u>US EST</u>	<u>Sydney</u>	<u>Syd Daylight Saving</u>
Forex:	6:15pm	8:15am	10:15am
Options:	6:45pm	8.45am	10:45am
Stocks:	7:00pm – 7:15pm	9:00am – 9:15am	11:00am – 11:15am
Commodities:	7:00pm – 7:15pm	9:00am – 9:15am	11:00am – 11:15am

To equate the above times to your local time, go to: www.worldtimeserver.com

Note: Forex trades around-the-clock so we base our “close” on the prices at 5:00pm US EST. We base the following day’s “open” on the price of the first trade that occurs after 5:00pm US EST.



Forex News ~ It's Been a Tough Couple of Weeks, or Has it?

Some say it's been a tough couple of weeks but that's what trading is all about. You win some; you lose some then you win some more. It's all about longevity and being able to apply good money management to stay in the game. If you're in the game, you have a chance to win. The trouble is, my Forex program has been making truck loads of profits lately and then when things slow down a little, people wonder what is going on. What's going on is that after big runs, things need to regroup, catch their breath and prepare for their next run. That's why break outs after sideways runs produce incredible profits.

USD/JPY: It continues to stair-step up.
EUR/USD: It's trying to go up.
GBP/USD Looks like it's back on track with this current Long position.
USD/CAD: Great profits are still flowing short.
USD/CHF: It has no idea what it wants to do. No long term trend either.
EUR/CHF: It's having a real tough time breaking higher.
AUD/USD: The weekly chart tells it all.... If there is no definite weekly, the daily will battle too!
EUR/GBP: More good short profits.
EUR/JPY: \$405 profit in the current Long and that's after the last run up of \$1,413 or 141%. How can you not make money with this little beauty at the moment?
GBP/JPY: \$2,916 profit on this current Long... Nearly 300%!?!?!?!?
NZD/USD: \$1,370 profit on this current Long and that's after making \$1,070 on the previous Long!
USD/ZAR: Long entry triggered again.
Doesn't look too bad to me... certainly beats work'n 60-80 hours a week making ya boss rich!?!?!?

Forex FAQs

Q1. The Forex market trades round-the-clock. What do you base your daily "close" on?

A1. *We base our "close" on the prices of 5:00pm US EST*

Q2. What do you base your "open" on?

A2. *We base the following day's "open" on the price of the first trade that occurs after 5:00pm US EST.*

Q3. What time of the day are your charts updated?

A3. The charts update around the following times:

<u>US EST</u>	<u>Aust EST</u>	<u>Aust Daylight Saving</u>
6:15pm	8:15am	10:15am

Q4. Why does it take over an hour from the close to the time the charts update?

A4. *During that time, we acquire our data from our data suppliers and then our programmers run several computer routines to create our red and green lines. This information is then uploaded to our servers and is then ready for you to download to your computer.*

Q5. How do you trade it as the prices would more than likely have moved?

A5. *Yes, the prices probably have moved. Sometimes you might get a better price than the "open" and sometimes you might get a worse price.*

Q6. When I am paper trading, do I enter at the close or the open price?

A6. *We always enter and exit our trades at the "open" so we use the open price.*

Q7. When I update my paper trading spreadsheet each day, which price do I use?

A7. You use the "open" to open a trade and then use the "close" each day to calculate your running profit/loss.

The FAQs section on my website will be updated shortly and then it will be continually enhanced.



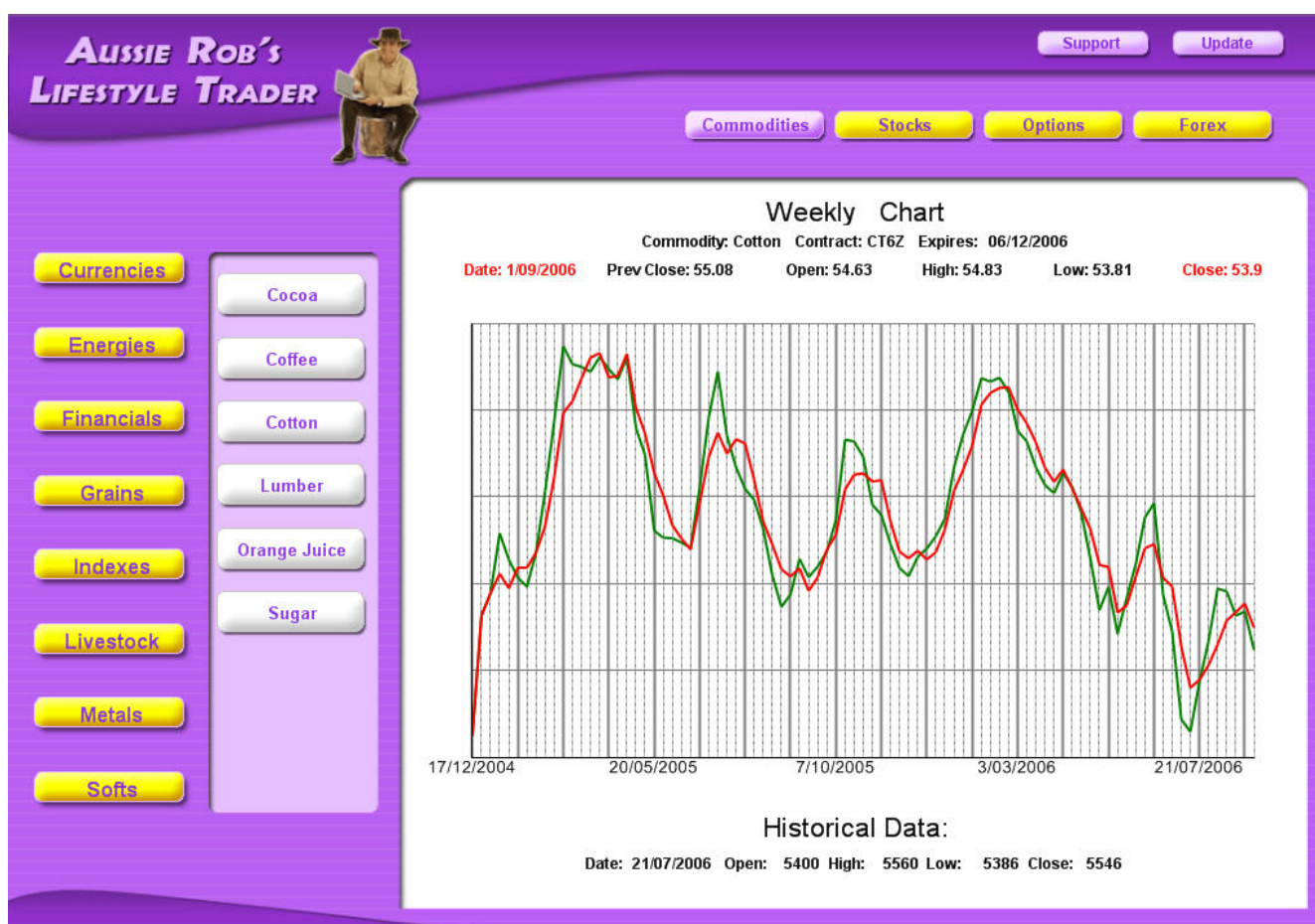
Commodity News ~ Are You Diversifying with Softs?

As a Lifestyle Trader, we really do need to learn to diversify. Some people disregard Commodities as a lot of them have reasonably high margin requirements. Not so with "Softs":

Cocoa: An exit has just been triggered to get out of the current short that is returning \$360 profit on a \$1,120 margin for a 32.14% return in 14 days.

Coffee: An exit has just been triggered to get out of the current short that is returning \$262.50 profit on a \$2,520 margin for a 10.42% return in 4 days. This is after it has had a great profitable run up and then a few minor losses as it's cycling in a sideways pattern trying to work out which way it wants to break out.

Cotton: An exit has just been triggered to get out of the current short that is returning \$300.00 profit on a \$1,120 margin for a 26.79% return in 2 days. Take a look at the weekly chart, looks as though there could be some nice short profits on the way...



Lumber: We exited our long on Friday to bank \$651.00 profit on a \$1,650 margin for a 34% return in 10 days.

Orange Juice: We're in our first day of our short which is a counter-trend trade. So far so good with \$285 profit on a \$1,120 margin for a 25.45% return. Not too bad for 1 day, eh? This is on the back of a long that produced \$1,447.50 profit for a 129.24% return for 15 days.



Sugar: We're in our 3rd day of our new short and we're scored \$257.60 profit on a \$1,120 margin for a 23% return. Our last short produced \$1,668.80 profit (149%) in 14 days and the one before that produced another bucket full...

The latest "Soft" trades contain US\$2,116.10 profit which goes a damn long way to covering the cost of your software and training!

When I run my Training Workshops, most people say that they'd be happy if I could teach them how to earn what the banks pay in a year, monthly. By diversifying your trading between Forex, Commodities and Selling Options, it should be a "no-brainer"!

Spreadsheet Instructions

1. Open Trades

Enter the data from my Lifestyle Trader Software into columns A,D,E, G, H & L. DO NOT change any of the other columns or you'll corrupt the calculations!

Check with your Broker for current Margin rates as they can fluctuate from time to time.

2. Closed Trades

When you close a trade, you delete it from the "Open Trades" section and enter the data into the "Closed Trades" section. We want to keep the latest closed trade to the top to save having to continuously scroll down the spreadsheet so all you need to do is follow these 3 steps:

Step 1: Highlight row 11 by clicking on the number "11" on the far left of the page.

Step 2: Select "Edit" from the menu bar and then scroll down to "Copy" (A shortcut to do this is to hold the Ctrl button down while simultaneously clicking on the "C" button on your keyboard).

Step 3: Right click on cell A11 and click on "Insert Copied Cells".

Step 4: Enter the new data in columns A thru G.

This will now keep a running tally of your trades and calculate your "Trade Stats"

3. Trade Stats

This is where you can analyse all of your closed trades.

To add a new month just select row 51 and right click the mouse and "copy". Then right click again and "insert copied cells".

4. Profit Lookups

This is the brain of the spreadsheet. DO NOT change anything within this section!

Upcoming Events

Click on the "Upcoming Events" button on my website to see upcoming training workshops. Come as many times as you wish as they're a great way to learn and to network with fellow like-minded traders. If you haven't been to one yet, ya gotta do it as they're a lot of fun and you'll go home an inspired and more confident trader! If you've been before, come again and get your "Aussie Rob" fix! :-)

US & Canadian Tour

We have made a tough decision to delay my next US & Canadian Tour until next year. As a lot of you are aware, we've purchased an office in the heart of Surfers Paradise on the Gold Coast (about 300m from the beach ~ yeh I know, it's tough but hey, at least you have one of the best places in the world to come for a deductible working holiday) and are in the process of recruiting and training more support staff. This



decision will benefit everyone as we put our systems in place to give you even better than awesome service!

ARLT 4.3

Anyone for Bull Put Spreads? Ya gunna looove this little beauty! When? Real soon...

Options Essentials CDs

I continually get great feedback from clients after they have studied my CDs. They contain a lot of psychology as well as great option information. They were created for all traders, not just options traders as there are elements in them that can help you no matter what you trade. Take the section on the creation of a Goal Poster for example. The reason why most people break the rules is that they have not set goals important enough to stop them breaking the rules. What's worse, most people haven't set any goals at all. Have you? I don't mean just thinking, "Doh, I wanna make a million bucks trading..." I mean, clear, concise, realistic and trackable written down goals.

If you seriously want to become a more successful trader you need to step up to the plate and start doing things different to what you have done in the past, afterall, if you keep doing what you have been doing in the past, your future will simply mimic your past.

Go to <http://www.aussierob.biz/cdoffer.htm> and order a copy of the CDs right now and receive free shipping! You can never learn too much, turn off the TV and spend that time constructively educating yourself!

Think about this... *We save and save to educate our children for their future however we do not spend the money to educate ourselves. The importance of educating yourself is to be able to make more money that can be used towards our children's education.*

Well that's it for today.. I hope you enjoyed reading this newsletter as much as I enjoyed writing it! Both Kerry and I are looking forward to seeing you, your family and friends at one of my new Training Workshops real soon!

Until next time...

Kind Regards

Aussie Rob

www.aussierob.biz

"Everything's EASY when you know how!"

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