



SECRET ADR TRADING SYSTEM

Make Money in Any Market!

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Introduction

In this secret ADR trading System guide I am about to reveal to you my secret ADR Trading System. A system that has worked for me and hundreds of other traders and short term investors to make lots of money trading only ADRs. Whether its extra cash, a second income, or finally a way to quite your day job entirely, this secret system just might be the answer , a way for you to accomplish any one of these things. If you are seeking some sort of automated system where you can be lazy and do nothing, and hope to become rich with no work at all, then I hate to tell you this system is not for you and you should not continue reading! However if you are seeking a way to dramatically improve your current economic situation or a trading method that can drastically boost your profits, and are willing to put some effort, you have made the right choice purchasing my secret ADR trading system. We traders have a saying "pigs get slaughtered on Wall-street". What we mean by this saying is don't be greedy. Be happy with some profits and I can assure you , you will succeed. What most people don't comprehend is that when you accumulate lots of small profits in a short time period, you can actually

make some nice money from trading, and earn a nice income. Your success will rely on how accurately you follow my ADR system, my trading rules, and adopt a healthy traders attitude.

Trading is generally categorized into three key areas, the attitude or mindset of a trader, money management / how a trader manages risk and the methods used for a particular trading system.

Ones attitude/mindset is, by far, the first and most important key area because the mind drives everything you do in your life and trading is no exception. That is why before I will reveal to you my secret ADR trading system and teach you how to trade successfully applying my system, I am first going to explain to you the trading attitude that is needed to succeed ! Without the right attitude you will not be able to succeed even if you follow my powerful ADR trading system accurately !

If you manage to adapt this attitude you WILL be on your way to a successful trading career and reaching your financial goals.

Here are the 9 main components that constitute a successful trader's attitude/mindset.

1. Be Disciplined & Consistent
2. Have a Positive Attitude
3. Be a Great Leader
4. Control your Emotions
5. Learn from your Mistakes
6. Have Patience
7. Always think like a Winner
8. Enjoy Trading
9. Set Goals & Achieve your Dreams!

1. Be Disciplined and Consistent

Being disciplined and Consistent are two things that separate a successful trader from the rest.

Trading is a combination of risk taking and use of a good system that works (like my ADR trading system). Many new traders lack patience and discipline. These type of traders get caught up in their emotions or ideas and they make foolish

decisions that they regret in the end. They rush without thinking of their trading plan or system that should be applied. They are driven by success but they clearly lack discipline, and completely rely on their instincts. They convince themselves that eventually everything will turn out okay in the end. Unfortunately, things do not turn out okay as they wished, and they are left without their original trading capital and are forced to give up trading all together! On the other hand, you have disciplined traders, who always stick to the trading plan! You must be consistent and disciplined when following your trading plan, it will be the key to high profits and your success as a trader. So, always stick to my ADR trading System and trading rules! My trading system will help you identify high probability trades, you will then enter those trades at the right time, protect your capital and let your profits run.

2. Right Attitude

Frankly, attitude can spell your success or failure as a trader. Statistically, 90% of traders lose money. I want you to make it in one of the 10% that succeeds

and make a lot of money using my secret ADR trading system! And hopefully you will. But without the right attitude this will be impossible to achieve. Trading requires a healthy attitude. The right attitude gives us traders an edge. Attitude is more important than your market knowledge, or the successful trading system that you apply to your trading. Attitude is best described in a saying that goes 'It is not important what the market does to you, it is how you react to it that is important.'

Besides having a positive attitude, your trading attitude cannot be a lazy one! I will explain to you later how my powerful ADR system works, but the truth is, no one can give YOU success, **you have to work for it and earn it-** that's the hard and fast rule of trading. Bear in mind, no one wins 100% of the time, with my system you should be able to win most of the time and actually make money in any market! If you lose a few trades, so what ? Always remain positive no matter what, and you will always come out ahead.

3. Be a Great Leader

You must truly comprehend and adopt some basic leadership principles in order to be a successful trader. Please always bear these principals in mind.

-Traders own their business and set its direction and as leaders they must know how to run their business which is essential to their success.

-Carefully plan and map out your moves like a successful leader would!

-Take ownership of your trading business, make your decisions work for you and not let others do it for you.

-One of the signs of great leaders is not that they do not make mistakes. It is how they handle the consequences and manage to move on.

4. Control Your Emotions

Go easy on yourself! Most traders do not accept losing well. They beat themselves up over it, and

sometimes give up trading all together. You must understand from the beginning that you will not win every single trade. You actually will lose some. And if you win 7 out of 10 trades and keep losses minimal and let those profits run, you will be a VERY SUCCESSFUL TRADER !!! Losing is not an option, it is a fact of life that one has to deal with and how you will perceive this is vital for your success as a trader.

Aside from controlling your emotions NEVER become emotionally attached to a specific stock or ADR or foreign market! If you become emotionally attached you will stop following the system and the rules, and then you will see how a small loss becomes a massive loss.

5. Learn from your Mistakes

Every trader beginners or advanced make mistakes. You must learn from your mistakes and I mean learn from them! This could be a good opportunity for some positive self-criticism, but don't slam yourself

too hard or too often, since even the best traders make mistakes.

My system takes the guessing out of trading, but till you learn how to stick to the system and apply it correctly you might make some mistakes on the way. It is alright, because only by making mistakes you will learn not to repeat them. The most successful traders will tell you that the path to success is thru some trial and error. There are traders who see failures just as a small setback. A successful trader sees these setbacks as part of the steps towards success.

When I was just starting out as a trader I use to make a diary of trades. I use to write down every mistake I made and what I should have done. By the end of each week I use to review my diary well. Even when I was already an experienced trader, the truth of the matter is I would have never been able to create my powerful and proven ADR trading system if I did not go through the trial and error phase over and over again. So, learn from where you failed and

set it as a benchmark for your trading path and establishing your trading mindset.

6. Having Patience

I cannot stress enough how important this attribute is for a healthy traders mindset. Controlling your emotions and learning from your mistakes are all about having patience with yourself! You will succeed with my powerful trading system and you will see the results you always hoped for. However, if you do not have the patience to learn my trading system and take the time to apply it correctly, then you will probably not reach your desired goals! So please have patience!

7. Always think like a Winner

Believe in yourself, and have faith in your abilities! Thinking like a winner turns you into a winner, since the sum of your thoughts has an interesting way of showing up in your life. Work on the thoughts you

want to develop and focus on them regularly, since it has the tendency to become action, action become habits, and habits determine results. Always think of success and you are much more to be on your way to success.

8. Enjoy Trading

Enjoy Trading! One of my favorite quotes is from **Dale Carnegie:**

“People rarely succeed unless they have fun in what they are doing.”

Even though trading is a serious business, the best traders know how to laugh , especially at themselves. Having fun and enjoying what you do is a very good motivator to get you focused on making money with your trading.

9. Setting goals & Achieving your Dreams

You must focus your mind on a specific target. Goal-setting is a key component of achieving your goals and dreams. Once you set your goals, you will try to do everything in your power to achieve them. With your motivation to succeed you must try to carefully and realistically work out how to reach those goals. For example if your first goal is to make an extra \$3,000 a month, then work out how many trades will it take with x amount of profits to achieve this goal. Again this goal will be based on my trading system and by adhering to my strict trading rules, which I will soon explain at length.

Many people trade because they want to achieve their dreams. Successful traders sit down and depend on a reliable and powerful system. Applying my secret ADR trading System accurately to your trading will ensure your success. Just think of all the dreams you can achieve once you are making high profits from successful trades. It is well worth the effort, believe me, to take my system seriously and abide by my trading rules, and adopt these

attributes of a a successful traders mindset. In no time you will get the desired results and reach your goals and finally reach your financial dreams! The sky is the limit if you are willing to work hard for it. Remember I am giving you my trading secrets, but it is up to you to apply them in order to get great results!

What are ADRs (American Depository Receipts)?

ADRs which stands for American Depository Receipts trade on the US exchanges, just like regular stocks do, but represent the ownership of shares of a foreign company. Not all foreign companies have ADR's, but those that do trade on US exchanges and in dollars. Buying shares of companies in other countries can be very complicated and very risky not to mention they trade at different prices and currency levels. That is one of the reasons that ADRs are great! They are an easy and convenient way for

an individual trader or investor to buy shares in a foreign company without the high risk of buying these company's stock in other countries. Each ADR stock is issued by a US depository bank and can represent a fraction of a share, a single share, or multiple shares of foreign stock. The price of ADRs is often close to the price of the foreign stock in its home market, adjusted for the ratio of ADRs to foreign company shares.

For example the stock symbol:TEVA stands for Teva Pharmaceutical Industries LTD., an Israeli company that trades on the US NYSE, is an ADR. That means it is a foreign company that trades on the US market. If someone wants to benefit from the price movement of TEVA they do not have to buy the shares in Israel, they can simply buy and sell x amount of shares of the stock symbol TEVA with their online broker, just like an ordinary stock traded on the US stock exchanges.

The Secret ADR Trading System

Now that we explained what ADRs stands for and what they represent, I am going to explain to you what is so special about ADRs and why using my secret ADR trading system you will beat any type of market. There are 2 reasons why you should trade from now on only ADRs:

1. Only ADRs have the highest probability of outperforming unstable markets and especially weak US markets. This is because of the very fact that ADRs represent foreign companies, you simply are taking advantage of other markets worldwide that are strong and outperforming, even when the US markets are weak and unstable. I want you to understand that you will never be narrowing yourself ever again by trading only stocks that represent US companies, and that are driven by forces of the US economy. You have the opportunity with my powerful system to trade the world and benefit from all foreign markets!

2. ADRs have more easily recognizable chart patterns with noticeable clear price direction! With my secret 7 key ADR technical tools & indicators, an integral part of my secret system, it is easier to predict future stock movements especially in a short time frame, and thus benefit from profits with lower risk.

Now, let me begin revealing some of my secrets. What makes an ADR go up is not driven by the same forces that make your regular stock go up! What influences a particular ADR to go up dramatically has a lot to do with the country's stock market from where that foreign company is situated! In my system you will be looking at some powerful charts . First of all the charts of market indexes worldwide, and Bank of mellon ADR index charts. These are all crucial and essential when predicting future price movements and analyzing ADRs.

This unique ADR trading system is different than all other systems. Once you learn the steps and apply them correctly you will perceive the markets in an entirely new light, and you will have the secret trading edge that is needed to always beat the market .

Learn these steps well, and always do them in this sequence. That will be the key to picking winning ADRs to trade:

Step 1 : Global View of World markets

Before trading ADRs you have to have a global view of world markets. The performance of a stock market of a certain country can be displayed in its index. These are called world indexes (or world indices).

These indexes reflect investor sentiment on the state of its economy. The major market indices are country's indices composed of the stocks of large companies listed on a particular country's largest stock exchanges, such as the American [S&P 500](#), the Japanese [Nikkei 225](#), the Brazilian [Ibovespa](#), the Russian RTSI, the Indian [SENSEX](#) and the British [FTSE 100](#).

What you must do in this step is to simply detect using world indexes, what markets are strong and which markets are weak. According to my system a strong market will be defined strong if they are in an uptrend for at least 3 months already. Avoid buying ADRs that are from a country that their index/chart

has no clear direction or has not yet formed a solid 3 month uptrend yet. For those of you who like to short stocks you would examine which country's stock market index chart is in a strong downtrend (for at least 3 months already). In other words you must look at the charts of major countries stock market indexes in order to have a overall picture of world markets. This step is very easy for you since we have done the work for you! Our site tradingadr.com can give you an updated view of the world everyday for free, and we also give you our short analysis of a particular country's stock market index. We basically tell you if the index is in an uptrend or downtrend or lacks direction etc. All you have to do is bookmark our page and always check our updates at: [World stock Indexes](#) . You can click on the time frame of each chart on this page. Under each chart there are links of 3 month, 6 month, 1year, periods. Simply click on 3 months, and you can see for yourself if a particular country is in a strong uptrend or downtrend over the last 3 months. Below are some charts to explain this step. One of the charts is a 1 year chart and the second is a 3 month chart of that country. I will explain to you exactly what a country's stock market index looks like when it is in a strong uptrend and also what it

looks like in a strong downtrend. But first for those of you who are not aware what an uptrend and downtrend mean. Let me explain it to you. Always remember the Trend is your Friend!

Uptrend: when you see a chart pattern with higher highs and higher lows, this is called an Uptrend. In an uptrend each new peak that is formed is higher than the prior ones. The trend will be broken if the next low is lower than the previous low and the stock fails to form a new peak higher than its previous ones.

Downtrend: When the chart pattern is going down, you see lower highs and lower lows, which is called a downtrend.

Stocks that have charts that go up and down with no direction, and no clear uptrend or downtrend are difficult to predict which direction they are heading.



This chart is a 3 month chart of S&P/ASX All Ordinaries and represents the 500 largest companies in the Australian equities market. This stock market Index constituents are drawn from eligible companies listed on the Australian Stock Exchange.

As you can clearly see Australia's chart index is in a very strong uptrend for the last 3 months already. However, if for some reason the ^AORD would dip below 5000 it could signal a change in the trend and would naturally break its strong uptrend. Since the 5000 point is February's low and aprox. 5,100 is February's high, thus to continue its strong uptrend

this index in March will have to make a new high and a higher low .

Below is a 1 year chart of China's Hang Sang Index from our site.



By just looking at the 1 year chart the chart seems to be in a strong uptrend but if we click on the 3m link below the chart, we will get an entirely different picture.



According to China's Hang Sang's 3 month chart there is no longer a strong uptrend. February's new low and failure to make new highs has caused a change in the trend. What we can learn from these 2 charts is the following:

1. Mexico is in a general 1 year uptrend, but it is currently pulling back and should be avoided till it resumes it's strong 1 year uptrend.
2. Mexico in February changed trend- from a strong uptrend to downtrend. When mexico's index will form another strong 3 month uptrend we should then look for Mexican ADR's to buy (once they meet all other criteria that I will explain later).

Step 2: Take a good look at BNY ADR Index Charts

First lets understand what an ADR Index is: BNY (Bank of New York) Mellon ADR Index is the only index that tracks all ADRs traded on the US markets. The index is an ideal tool that allows one to track the performance of their ADRs as well as the ADR market at large. Our website provides a page: [adrs-INDEX-performance](#) that gives this information updated monthly! On these charts you will find the major ADR indexes, with each country's ADR index displayed in a different color. The point is, you want to be buying the ADRs that belong to the countries that are outperforming all other countries and regions according to these charts. For all countries that are not displayed on these charts we have their ADR index chart as well on the bottom of this page. For these individual country ADR index charts simply try to find the charts that are in strong uptrend.

Other important charts that we have a webpage for that updates monthly are for the following charts: ADRA,ADRE,ADRU,ADRD.

Below is a chart comparing ADRA (Asia ADRs) with ADRU (Europe ADRs). What one can understand by looking at this chart is that from July till February ADRU has been outperforming ADRA. These charts give one greater understanding of ADRs on the Macro. In other words European ADRs have outperformed Asian ADRs during this period.



Here are what each index represents: Updated charts of these 4 crucial indexes can be found on our website on this page: [ADR Indexes charts](#)

ADRA : Asia 50 ADR Index ADRA tries to reflect the BNY Mellon Asia 50 ADR Index and includes both emerging and developed markets, with exposure to Japan, Australia, China, South Korea, India, Taiwan, Hong Kong, Indonesia, and the Philippines.

ADRE: Emerging Markets 50 ADR Index ADRE tries to reflect the BNY Mellon Emerging Markets 50 ADR Index and includes Brazil, China, South Korea, India, Mexico, Taiwan, Hong Kong, South Africa, and Russia.

ADRD: Developed Markets 100 ADR Index Fund ADRD tries to reflect the Bank New York Mellon Developed Markets 100 ADR Index and has exposure to United Kingdom, Japan, Switzerland, France, Spain, Germany, Australia, Netherlands, Italy and more.

ADRU: Europe 100 ADR Index Fund ADRU tries to reflect the BLDRS Europe 100 ADR Index, and owns ADRs from the United Kingdom, Switzerland, France, Spain, Germany, Netherlands, Italy, Finland and Israel.

I will now summarize the past 2 steps before we get to the third step. As we mentioned you first have to find the countries whose indexes are in a strong uptrend for at least 3 months already. Then out of this group of countries that are strong you will filter out the countries whose ADR indexes are outperforming all the rest. This is done by taking a

good look at the ADR index charts by each country and region. When you have narrowed down this group to 2-4 countries, please write down these countries in a notebook, now you can begin the next step.

Step 3: Gather ADRs from those strong markets.

Now that you know which markets (countries) are strong by all the charts you have analyzed: world index charts and ADR index charts. You now want to buy ADRs from those countries! Our site has a lot of popular ADRs listed by each country, just go to <http://www.tradingadrs.com> and choose a country or region. You can also find a full list of ADRs by visiting the website of BNY (bank of New York) MELLON at: adrbnymellon.com/dr_directory.jsp

Important Note:

It is very important to only trade ADRs that are listed on the main US exchanges: NYSE, NASDAQ, AMEX

Copy the symbols of each ADR belonging to those countries you have on your list. You now have the countries and their ADRs written down before you.

Step 4: Decide which style of trading is for you. Short term stock trading & Short term Investing

We Recommend 2 different styles of short term stock Trading. The first style is swing trading: holding a trade from 1 to 10 days. The second style of trading is called Position trading: holding a position from a couple of days to several weeks. Short term investing is what we call when the trade is very successful and you can let the trade ride the wave and sit back and collect the profits over a course of at least a few months.

You must choose a style that suits you best, depending on how often you wish to trade. A swing trader must dedicate more time to his trading since he is seeking quick and smaller profits he spends a lot of time researching ADRs to trade. Once you have decided which ADRs you want to buy, you can decide whether you would like lots of quick profits from every trade say a 0.50-\$2.00 move per share from each trade in 1-10 days, or stay in the trade longer, trade less, and ride the stock all the way to a short

term target price for a larger point move of say \$2.00-\$8.00 per share profit in a longer time frame from a few days to even several months.

If you Sign up for our [ADR GOLD pick subscription service](#) we do all the picking, work, and research for you.

Step 5: Analyze your ADR List:

In this step you have to filter all those ADRs by using my secret 7 key technical Tools & indicators. You want to only keep on your list the ADRs that meet the necessary criteria that determines if an ADR should be traded at this time or not.

You must perform a complete technical analysis of your ADR before you decide to trade it, weather you have decided to short sell or go long. After sifting through all technical indictors I have created my system of trading based on using 7 very powerful key technical tools and indicators, which I find are the crucial technical tools & indicators for analyzing ADRs .

Here are the 7 KEY TECHNICAL TOOLS & INDICATORS:

If you are new to trading and need a more comprehensive understanding of these technical tools & indicators that I explain in short below, then I recommend this educational site: [stockcharts.com](https://www.stockcharts.com) they explain Technical Analysis, many technical indicators, and technical tools very well.

1. Trend lines: Uptrend and Downtrend

Before investing or trading this is the most important indicator. Always keep in mind: "The trend is your friend". It is easier to make money when a stock is going up, higher highs and higher lows, called an uptrend, or when it is going down, lower highs and lower lows, a downtrend (when shorting stocks). In an uptrend each new peak that is formed is higher than the prior ones. The trend will be broken if the next low is lower than the previous low and the stock fails to form a new peak higher than its previous one. Stocks that have charts that go up and down with no direction, and no clear uptrend or downtrend are difficult to predict which direction

they are heading. A stock in a steady general uptrend or general downtrend are much easier to trade. Try to find ADRs that are in a strong uptrend for at least 2-3 months already, or if you are planning to go short then find ADRs that are in a strong downtrend for at least 2-3 months already.

Draw a Trend Line on your charts:

Trend lines are an important tool for trend identification and validation. Trend lines can also act as a line of support and resistance that I will discuss in number 5.

It takes two or more points to draw a trend line. The more points used to draw the trend line, the more validity attached to a positive slope (Uptrend) or negative slope (downtrend). If you find you cannot find at least 2 points to draw your trend line then the ADR is not trending! If the lows or highs just don't match up then avoid the stock and look for a better ADR to trade. On our site tradingadr.com we have a customizable chart for you that you can draw the trend lines on any ADR stock symbol. [Go here](#) and see if your ADR is trending and if it is draw the trend line. Here is a chart of the ADR BCH (Bank of Chile). It started its nice strong uptrend since October.



I connected 3 **low** points. Keep in mind that the second low must be higher than the first for the line to have a positive slope. Above you will notice that the third low was higher than the second low. The fourth low will have to be higher than the third in order for the uptrend to continue.

Now I have drawn another trend line of all the high peaks. By doing this I can try to predict approximately the Price target of BCH which you can see in the chart is over \$103. P&F charts that I will explain later about also help predict price targets.



I found also that this site [FinViz](#) has usable free technical charts . They have some important trendlines and support/resistance lines drawn automatically. It can really help save you time.

2. MACD Crossover

After you have researched an ADRs chart to see if the stock is trending, you should now check out its MACD graph. MACD-stands for Moving Average Convergence - Divergence. This graph has 2 lines, the crossing of the two lines is a signal of a new trend. The two lines consist of a fast line and a slow line. Where the crossover happens tells you if there is a trend. The fast line has to cross above the slow line, or above the 0 line. The higher it ascends above the 0 line the stronger the uptrend. The lower it

descends below the 0 line the stronger the downtrend. You want to catch ADRs that are trending big time, or enter a trade where the crossover just occurred. This is how it is possible to make great profits trading. In the chart below of ADR BCH you can see the MACD indicator simply click under the menu indicators on [our chart page](#) and choose MACD, then the MACD indicator appears below your ADR stock chart. According to the MACD indicator, we can see that the blue line will have to rise and cross over the red line for a strong uptrend to resume.



3. Close above or close below the EMA'S

When analyzing an ADR's stock chart, moving averages are vital. It is one of the easiest tools used

in TA (technical Analysis). EMA-stands for Exponential Moving Average. When an ADR closes above its 13, 20 and 50 day EMAs this is a bullish signal. If an ADR closes below it's 50 day and 20 day EMAs there is a good chance that it might fall to its 200 day EMA creating a bearish signal. Some ADR stocks when they have a minor pullback, they bounce off their 50 day EMA, which creates an excellent buying opportunity before they make new highs. ADRs that have recently closed above their 50 day and 20 day EMAs might be reversing their trend , and might go higher.

On [our chart page](#) you can add the different EMA's to your ADR chart.



From the chart you can see that BCH closed above its 50 and 30 day EMA's it is very close to closing above it's 20, that would be a bullish sign for this ADR to resume its strong uptrend.

4. Stochastic-oversold and overbought & Williams R%

The stochastic indicator shows you the short term movements of a stock. Essentially you want to buy when an ADR is oversold and exit when it is overbought. If you are considering selling short a particular ADR stock, an overbought condition might make a nice entry point. When observing a stochastic graph look out for what looks like a hook being formed, this can indicate an excellent entry point where the ADR has bottomed already and is rising from oversold conditions.

The most profitable trades are when you can catch an ADR that is in an uptrend, above its 50 day EMA and oversold according to a stochastic graph.



Again just click on [our chart page](#) and on the top click on indicators and choose Stochastics and it will appear below your ADR chart like this sample of BCH above. According to the stochastics indicator above you can see that it has formed a hook at the bottom, where it was oversold, just like it did in September before it began it's strong uptrend. The MACD looks good. However this indicator is not enough for us to buy BCH just yet. BCH will have to be well screened first by using all my 7 technical tools & indicators, in order for us to buy it. If BCH is bullish after applying all 7 tools and indicators then BUY it!

The technical indicator William %R is similar to stochastics, only it multiplies the raw value by -100. As a result, the Fast Stochastic Oscillator and Williams %R have almost the exact same lines, only

the scaling is different. Williams %R oscillates from 0 to -100. If the line is situated from 0 to -20 the stock is considered overbought. When the line is situated between -80 to -100 the stock is considered oversold. Signals derived from the Stochastic Oscillator are also applicable to Williams %R.

You will notice 1 day has gone by and our BCH chart now looks like this:



Now, BCH closed above its 13, 20, and 50 day EMAs. It went up nicely yesterday. The Williams %R indicator appears below the chart. Notice how it is very similar to the stochastic indicator. The Williams indicator will appear for you when clicking the indicators tab – when using the chart on [our chart page](#).

5. Support & Resistance

Support- this term describes the bottom of a stock's trading range. It's like a floor that a stock price finds it hard to penetrate through.

Resistance-this term describes the top of a stock's trading range. It's like a ceiling which a stock's price doesn't seem to rise above. Support and resistance levels are essential clues as to when to buy or sell ADRs . Many successful traders buy stocks at support levels and sell short stocks at resistance. If an ADR stock manages to break through resistance it could go much higher, and if an ADR breaks its support it could signal a breakdown, and it might go downmuch further.

When we draw trend lines we can use them as support and resistance lines. For example, as you can see from the ADR Bank of Chile (BCH) chart below, a trend line can provide support for an asset for several years. In this case, notice how the trend line propped up the price of BCH's shares for an extended period of time. This is a 2 year chart that I

drew the trend line that also can serve as a long term support line.



Based on a 6 month chart below, I drew a trend line that offers a line of short term support. In the chart below I compare the 2 different trend lines to display the different support lines.



When and if you do buy BCH and if you are a short term trader you want to place your stop loss at \$96 slightly below the support line. If you are a short term investor you want to place your stop loss around \$83, which is slightly below the support line of the 1st trend line I drew based on a longer period (a 2 year chart) . If you notice BCH is near support which is an excellent entry level as long as BCH meets all the other 7 criteria pointing to a Bullish ADR set up to BUY.

6. Volume

Without volume trading could not take place. Its volume that causes stocks to move. Without volume nobody can get off the ground. If a particular ADR is being purchased a lot, its price will rise. If an ADR is being heavily sold more than its being purchased it will fall. If a stock all of the sudden breaks resistance with increased volume, it will probably continue going higher. Always pay close attention to a volume chart. A large percentage of U.S stocks have significant liquidity on U.S. exchanges. However, that

is not necessarily the case when looking at ADRs. Always make sure that before you trade a particular ADR there is sufficient volume/liquidity otherwise there is no one trading shares, and a sell or buy order can sit on the exchange waiting, and waiting, and waiting.

7. P&F charts, and Candlestick charts & patterns

These are 2 great tools to be used when analyzing ADRs. These are very powerful charts when used together with the other tools & indicators I mentioned.

Point and Figure (P&F) charts is a charting technique used in technical analysis. Point and figure charting is unique in that it does not plot price against time as all other techniques do. Instead it plots price against changes in direction by plotting a column of Xs as the price rises and a column of Os as the price falls. The charts are constructed by deciding on the value represented by each X and O. Any price change below this value is ignored so point and figure acts

as a filter to filter out the smaller price changes. The charts change a column when the price changes direction by the value of a certain number of Xs or Os.

Here is a [P&F chart](#) of the ADR BCH (Bank of Chile)

The stock is in a strong uptrend according to its P&f chart we see that it is currently pulling back from its new 52 week high, this can be seen because it is still on it's o column, but it appears that it is getting ready to start a new column of x's. The moment this ADR begins forming a new column of x's, then it will be very bullish! An X would be signaling this ADR resuming its strong uptrend. Notice the target presented above the chart from stockcharts.com is \$111.

Candlestick Patterns

Once you can read the basics of a candlestick chart, they can open up an array of trading opportunities. While a trader may not employ candlestick analysis alone in their strategies, it can help give us clues into market sentiment and direction. [Stokta.com](#) is a site that does all the work for you. It gives you the candlestick analysis for any stock or ADR and also gives you support and resistance points of any given

stock or ADR automatically for you. Simply place your ADR symbol in the box and they will give you a short candlestick analysis, by recognizing important bullish and bearish candlestick patterns. If you are ready to buy a particular ADR and it shows up on their screen with a bearish candlestick pattern don't buy it! I use this site as another screening for my ADR, and their candlestick analysis usually confirms my decisions of either buying or selling an ADR.

Once the ADR has been analyzed according to these 7 key technical tools & indicators, and all points to a bullish ADR technically it is time for you to buy, trade and profit! But wait! You must read very carefully my trading rules first before trading.

Let me sum up the steps that are crucial for following my powerful ADR trading system till now:

1. Obtain a global view of all markets, by looking at world indexes. Write a list of all countries that are in an uptrend for at least 3 months already.
2. Out of the list of strong markets/ countries you gathered check which country/region ADR index is

outperforming all others, or have strong charts.
Narrow your list down to 2-4 countries.

3. Find ADRs from those 2-4 countries that you have listed.

4. Choose your Trading Style.

5. Filter the list of ADRs by screening them according to my powerful 7 key technical tools and indicators. When they meet all criteria of Bullish, write them down in front of you as ADRs ready to BUY.

ADR Trading Rules

1. When and How to enter a Trade

In order to better understand when and how to enter a trade, I am first going to explain to you what we send to our Subscribers of our [ADR Gold picks](#), this way I will explain to you what you must prepare at this step for yourself.

When we send our subscribers our ADR GOLD pick alerts, we provide them with exact buy or sell signals. Buy signals or sell signals are the trigger

price you should buy or sell an ADR at. My buy signals are based on a resistance point, my sell signals are based on a support point broken. These resistance and support points I inferred by applying my 7 technical tools and indicators that I have mentioned throughout this ADR trading system guide. You too can set for yourself key resistance and support points that the stock would have to penetrate first in order for it to go higher or go lower (in case you want to short an ADR). Remember this, the ADR must go through the trigger price in order to be executed and to be successful. Not all trades will be executed because they never reach, and pass through the trigger price. When the trade is not executed because it never reached our recommended buy or sell signal, it's because the ADR, is not ready yet to go the direction we anticipated. This way of trading protects traders from risk, since we cannot lose money if the trade was never executed. Right? When the trade is executed there is a high probability that the trade will go the direction we want it to go. This is because we have applied my secret ADR trading system to choosing which ADRs to trade. We do not recommend an ADR stock if we haven't carefully done all the steps that I have explained throughout

my secret ADR trading system. You too can do the same now. You have read my secret ADR trading system and it all depends on you if you follow everything in my system accurately or not.

Our ADR picks are valid for the whole week we recommend them, you can do the same. Once the ADR, stock we recommend can charge through the buy or sell signals we set for ourselves then the trades are executed! Most chances are it will continue to go up short term or down short term, as I anticipated. Because my powerful ADR trading system works!

Before placing a trade, I also suggest waiting for the market to breathe a little first, wait a minute or two after the stock market officially opens, and only then place your order with your online broker. This also prevents you from faulty prices before that specific stock starts trading, and also lets you make sure there is no gap up or gap down. When a gap up or gap down happen (I'll explain in step 2) you must enter the trade differently.

2. Gap Up/ Gap Down Rule

There is a gap up and gap down rule in trading which you must always adhere to.

When going long (buying a stock):

A stock gaps up \$0.50 or more, which means when the market opens the stock's price opens with a 50 cents or more increase in its stock price from the previous day's closing price. When the stock gaps down \$0.50 or more, this means the stock price opened with a \$0.50 or more decrease in its stock price from the previous day's closing price. In both cases you must then trade the stock differently. It could be that your recommended buy signal or sell signal is no longer valid.

For the gap up-You must wait a half an hour and then check the stock's price, the stock's high of that very same day, and its low. Then place a buy stop order 10 cents above its new high of the day. Remember this is after 10:00 A.M. . If you are using stop losses, the stop loss must be a new stop loss placed 10 cents below the same day's new low price. If the stock gaps down 50 cents or more wait only 5

minutes and then place a buy stop order and stop loss just like we explained with the gap up.

When going short (sell short stock):

Same rules apply as going long except for a gap up wait 5 minutes and for a gap down wait 30 minutes.

3. What to do after the trade is executed?

You have placed your order already. After you have seen your buy stop order has been executed, you now own the shares in the underlying security. Decide if to place a stop loss order or a mental stop . A mental stop is used because the markets have been so volatile lately that you might get stopped out of a trade, even when the trade might end up working out well. If you decide to place a stop loss order in order to minimize your risk (you may want to enter a bracketed sell order, includes target and stop loss).

Whether you use a mental stop or place a stop loss order, they both are important in order to to keep losses at a minimal. Let your profits run, and always

keep your losses minimal! When consistently applying this technique with your trading you will always come out ahead!

After you have decided which style of trading you feel comfortable with, swing trade or hold onto your position longer you will set your target accordingly.. If you are a swing trader or have decided that you would like many quick smaller profits, then place your stop loss now at 20 cents less than the previous day's low when going long. For example if the previous day's low of the stock was \$16.80. You will now place a stop loss at \$16.60. Which is 20 cents lower than yesterday's low. If you shorted a stock, place the stop loss 20 cents above the previous day's high. You will do this every day until your quick profit target is reached or if you have been stopped out. If you have decided to position trade ADRs and would like to ride them all the way up or down to your longer term target price, then your stop loss should not be changed daily.

We suggest in this case that you use a more complex order such as a bracketed sell where you state the stop loss price and the longer term target price. This makes it possible, if your target is reached, you will

automatically sell the stock and reap all the profits even if your not around.

Always Remember to apply this system, and try to follow it as accurately as possible. Remember to always follow all the steps necessary before choosing which ADRs you will trade. Once you have chosen which ADRs to trade always have a clear trigger price to buy the ADR at, a target price, and a stop loss in place. If you adopt a healthy traders attitude as I mentioned at the beginning of my eBook, and consistent and disciplined using my trading system you will succeed!

Helpful Links and Websites:

- 1. Tradingadr.com**- Our website will help you with essential charts, world indexes, ADR indexes and ADR lists.
- 2. stockcharts.com**-Has a free chart school, one can gain a better understand of TA, and

technical tools and indicators on this site. They also have excellent P&F charts.

3. [FinViz](#) has usable free technical charts . They have some important trend lines and support/resistance lines drawn automatically.
4. [Stokta.com](#)- This site will automatically spot candlestick patterns for any given stock/ADR. They also automatically give you resistance and support points.
5. [ADR BNY MELLON SITE](#)- Has full list of ADRs and ADR index charts.

Helpful Links:

1. Create your own chart and draw trend lines and write notes on it. Tradingadr.com/charts
2. Global view of all world stock indexes with quick analysis: [World stock Indexes](#)
3. ADR Indexes country Page :[adrs-INDEX-performance](#)

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