

ForexSmartTools.com

FOREX SMART TOOLS

Internet: www.forexsmarttools.com

Product: Performance tracking and money management tool for forex traders

Requirements: Windows XP/Vista/7, web browser

Price: \$149 for Lite; \$297 for Standard; \$389 for Pro

by Jayanthi Gopalakrishnan

Any discussion of a trading plan would be incomplete without a mention of money management, but it is often the least-implemented task among traders. Most traders tend to lean toward mental money management, mostly because the task of sitting down and planning each trade, writing notes on each trade, and identifying entry and exit points all seems too tedious. The same goes for tracking all your trades and analyzing each of them. How often do you take the time to analyze all your trades to see why you had a losing or winning trade? Not often enough.

Fortunately, all these tasks have been made easier by two tools, The Trade Log and The Calculator, developed by Forex Smart Tools. I found both to be powerful and enriching. These are tools that could actually make you a successful trader.

THE TRADE LOG

I'll start with a look at The Trade Log. The first thing that came to mind when I opened The Trade Log was its simple interface (Figure 1). It is very unimposing, with a few tabs across the top and a toolbar. But its feature set is far from simple, and so useful.

By default, The Trade Log opens at the setup tab, where you select the different parameters you want to track. Although there are some preinstalled parameters, you have the option of creating custom ones. Within some of the preinstalled

This review doesn't do justice to the rich feature set available in both tools of Forex Smart Tools.

parameters you have options. For example, if you select "Session Name" as one of your parameters to track, you can click on "Options" and select among the Wellington, London close, New York open, London open, Frankfurt, or Asia. You can also enter various strategies and select those that you think are relevant for a particular trade.

In the trade input tab you input information about your trades. Here you select your currency pair, the direction of the trade (buy or sell), entry time/price, exit time/price, stops, and entry and exit triggers, among others. It is self-explanatory, with some entries having dropdown menus from which to choose. Overall, it is very user-friendly. There are videos available through the help menu that go over all the features in great detail. You'll also be able to find useful videos if you check out sites like

YouTube.com.

An interesting feature on the trade input page is the "Screenshots" area. This is where you can enter as many screenshots of charts or graphs that are related to your trade as you want. So if you were in a trade for, say, five days, you can put screenshots of charts for each of those days. This lets you see how your trade progressed. You can also enter notes about your trades. This is an excellent way to keep track of all your trades, and what is even better is you can save all this info as a pdf. How's that for simplifying the task of keeping a trading journal? It's such a luxury to have all this information stored in one place.

All the information you entered into the setup and trade input tabs are summarized in the summary tab. Once again, you have various options for filtering

your data. You also have the option of splitting your screen so you can compare data from day to week to month to year, or any way you prefer. The tool is customizable, giving you the flexibility to arrange data to suit your preferences.

The analysis tab, as you can guess, lets you analyze all your trading data. There are some preinstalled analysis presets, but you can create your own and save them. Here, all your trading data is displayed in a tabular format. The nice thing is you can export all this data to a spreadsheet.

The accounts tab is where you create your broker accounts. Say you have accounts with three brokers. You can enter the necessary information for each account. It is helpful for keeping track of all your expenses, withdrawals, deposits, and so on. You can access all your account statements in one place instead of logging into each broker's websites to retrieve the information.

There are a couple features in this tab that I found helpful, one of which is that each of the trades listed is linked to the trade in the trade input page, giving you the opportunity to edit that trade or make notes. The other feature is that all this information can be exported to a spreadsheet, simplifying the dreaded process of preparing tax forms.

While The Trade Log gives you the opportunity to keep track of all your trades, The Calculator focuses on money management and risk control.

THE CALCULATOR

Based on the risk profile, stop-loss, and pip value you entered, this feature will calculate the lot sizes you should trade. It will also calculate certain trading strategies that could be of interest to more advanced traders.

By default, The Calculator opens with the setup tab (Figure 2). Keep in mind that Forex Smart Tools links to the MT4 platform by MetaQuotes. So if you use MT4, then you will get live data and charts. Otherwise, you will have to manually enter the data.

In the setup page you enter your equity, risk profile, and currency you hold your account in. Other entries include those of your broker as well as trade settings.

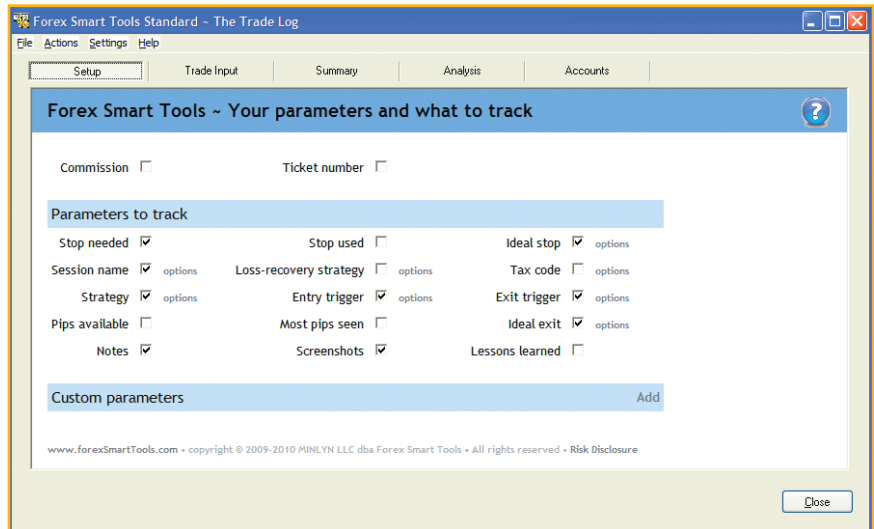


FIGURE 1: THE TRADE LOG. It may look simple, but it does a thorough job of keeping track of all your trades.

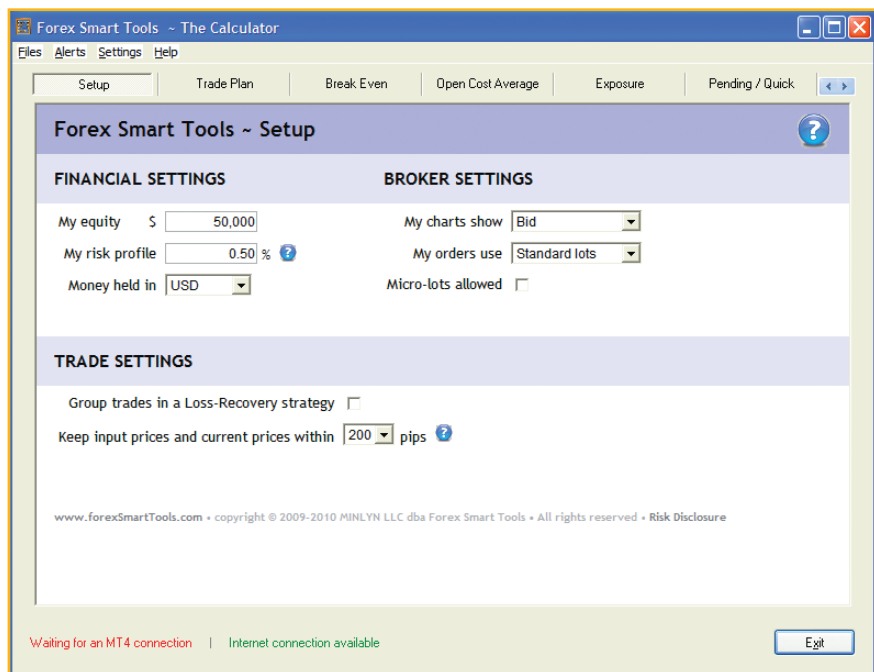


FIGURE 2: THE CALCULATOR. Just enter some of your trading details such as your account equity and risk profile, and the calculator figures out the rest.

Under trade settings, you can check the option for grouping your trades in a loss-recovery strategy. This is a more advanced trading strategy, and I recommend that you go over the video tutorials you can find online to fully understand this feature.

The trade plan tab is where you select the currency pair you are trading, and enter the direction of your trade and your stop. This is a critical page, and it is where you see The Calculator at work. You can

enter your stop by basing it on what you see on the chart or a fixed value. If you base it on what you see on the chart, The Calculator will set your stop-loss for you. You also need to enter how many lots you will be trading. The Calculator will display the suggested lots. This is calculated based on the risk profile you entered in the setup page, the pip value of the currency pair you are trading, and the stop value.

Another entry on this page is the pip

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goal, which is how many pips that the currency pair you are trading should move if you have a set take-profit value. You will see a display of your net profit/loss, net pips, and equity change on this page. You will also see another display that gives you a realistic picture of the stop-loss and take profits. This is useful because we do not often take the difference in the bid/ask prices into consideration. The trade plan page helps you fully understand your risks.

Some of the tabs such as the breakeven, open cost average, and exposure are for more advanced trading strategies such as multileg trades and scaling-in techniques, or if you are in multiple trades at one time. If you do trade using these more

complex strategies, you will find these tools to be helpful. For example, you will know at what point you will break even and how many lots you should trade to break even on a trade. In the exposure tab, you will know your drawdowns and recovery percentages.

If you have live datafeed from MT4, you will be able to see the currency rates for selected pairs in real time. There are about 20 pairs prebuilt, but you can certainly add to this list.

TRADING JUST GOT EASIER

Overall, The Trade Log and The Calculator do an excellent job of getting traders to trade with discipline. This review doesn't do justice to the rich feature set

available in both tools. There are tons of other features I haven't covered. But they all share one goal, and that is to help the traders plan their trades, trade according to their plans, remove emotions from their trading, and ultimately make better decisions. It is not unusual for successful traders to say that trading should be treated as a job. These tools will help you do just that.

I encourage all forex traders to go through the FAQs available on the website and watch videos of these tools available in the public domain. You will like what you find.

Jayanthi Gopalakrishnan is Editor for STOCKS & COMMODITIES.

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