

Automated FX Neural Nets: **DOUBLING** Your Deposit Every Month!

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Have You...

...Logged Into The **Leo Trader Pro™** Real-Money,
Live Account (averaging over **110%/month**)
Using The Investor Password Yet?

If Not...

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Don't know what investor password access is? Don't know why 97.2% of FX vendors hide it from you? Don't know why it is what "proving the proof" in automated FX trading is all about?

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Note:

Leo Trader Pro[™] will ALWAYS have the account investor password displayed on the website... no hiding of trades, no hand-picking, no useless back-tests, no Photoshop scams... only YOU logging into our account and verifying over 110% PER month net profit! We will ALWAYS be 100% transparent!

Ok... so... let's start!

Not long ago - maybe 12 years back, **retail** Forex trading was practically non-existent.

It was around 1997 or 1998 that we started seeing Forex brokers appearing online and targeting the small traders... the retail traders... the guy wanting to open an account with \$300, \$200, \$100 or less.

But today's FX online trading reality is very different from what it was back then.

Getting a spread of **2 pips** for the *EUR/USD* or **3 pips** for *GBP/USD* was a dream!

Getting good fills on your orders without having to mortgage your house for the slippage costs was almost non-existent...

Forget about 5 decimal points pricing, or ECN for MetaTrader...or trading automatically (and those that did offer automatic trading required VERY complex APIs).

Yes...

That is how different the industry was back then... and that is how much it has developed in the past 12 years or so.

But, no matter how developed the FX industry is, there is one thing that will NEVER change...

...and that is:

**Trading Is About Strategy Development... And Superior
Strategy Developments Are A By-Product Of
Technological Advances!**

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You can trade with the best broker, the best market conditions, even the best volatility... but... if you don't have a strategy that ADAPTS to the market's changing personality, you will not make money trading FX.

This, by the way is the problem with Forex [robots](#). It's the reason why most traders that DO make money in FX are manual traders. We will get to Forex robots in a minute.

You see...

Trading is all about proper adaptation. That's what it is. And that's what people refuse to understand.

Successful traders constantly adapt to changing **market personality** all the time.

So...

What is [market](#) personality and how can we define it?

Quite easily actually - here are just a FEW of the many elements that go into the term "market personality":

- *How a [market](#) moves at a certain time of the day*
- *The amount of volatility*
- *The relation between the size of price movement and the time it takes for the move to occur (i.e. 10 pips in 5 seconds -vs- 10 pips in 14 seconds)*
- *How the market behaves when one session (e.g. EU session) closes and the next one opens (e.g. US session)*
- *How long a market trends per timeframe (e.g. a market trends often for not more than X minutes on a 5 minute timeframe)*
- *How much liquidity there is at certain times of the trading session for any given currency pair (key for scalping)*
- *[Length](#) of trends (again, per timeframe)*
- *Speed of reversals (again, per timeframe)*
- *Characteristics of fake breakouts*

...and that's just the tip of the iceberg!

We can go into MUCH more technical elements corresponding to market personality but we don't want to bore you... we think you'll have got the point by now!

Markets change ladies and gentlemen...they change often, they change dramatically, they do not give any notice beforehand...and most importantly:

They Catch MOST Of The People Trading Them Off-Guard!

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This is one of the main reasons why most traders lose when trading Forex...

They have absolutely no idea how to deal with FAST [market personality](#) changes and they get butchered because of it!

And that brings us to what most of you reading this report should really be concerned with...

...automated FX robots!

Why Standard Robots, Coded With A Back-Tested Set Of Rules DO NOT WORK!

Ok...

Anyone who knows a bit about Expert Advisers (EAs – which are also referred to as robots) knows that 100% of them (yes, ALL OF THEM) being sold in today's marketplace are a coded set of rules that back-tested well in the past.

Remember this point because it is VERY important:

A coded set of rules that back-tested well in the past.

Let's expand on this a bit for those who are new to the industry and don't understand this concept.

We talked about [market personality](#) earlier and how each currency pair has its own market personality... and how it [changes](#) (sometimes A LOT).

It's the same thing with **human beings...**

We all have our own personalities. Some things about our personalities change over time, other things don't.

Again... it's just like the [FX market](#).

So...

We now know two VERY important things:

- 1.** The Forex market's personality changes very often (please make sure you understand what we mean by "market personality" – it was explained earlier) and,
- 2.** ALL robots on the market today are built with a set of back-tested rules derived from a specific historical period in time.

Please ensure you reread **#2** above:

"ALL robots on the market today are built with a set of back-tested rules derived from a specific historical period in time"

Sorry that we keep repeating this but it is **KEY** for your "[education](#)" regarding standard commercial FX robots.

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Can you now see what the problem is here?

If not... here it is again (please pay close attention!)...

- I.** A set of mechanical rules,
- II.** Back-tested and proven to work in the **past**,
- III.** Applied to a market that CHANGES personality often!

So we ask you once more...

Can you now see what the problem is here?

Ok... plain and simple:

NO FX robot that has had its design based on a set of rules that fitted a certain market personality in the PAST ... will EVER work!

...and THAT is why 100% of back-test based robots DO NOT WORK!

And yes, ALL FX robots in today's marketplace are 100% rule-based, back-tested robots.

In other words...

The developers of these useless EAs managed to see (through a back-test) that a set of 100% mechanical rules (i.e. if **A** Happens Then Do **B** - If **C** Happens Then Do **D** etc.) work to an acceptable degree of accuracy.

But...

Only in the PAST... and based on a SIMULATED environment!

If you have any Forex trading experience then you know what an affront to logic and common sense this approach actually is!

Are you beginning to understand why EVERY single FX robot you have ever bought does not make money for you?

They are all destined to fail...

They are based on a completely *inaccurate* premise... or, to put it into even simpler terms... the foundation is plain WRONG! They are based on the presumption that market personality and behavior do not change.

That, our friend, is the huge mistake that every single FX robot user makes...

...thinking that market personality will always be the same and that the rules that back-tested well will continue to hold true in tomorrow's [market conditions](#)!

Now...

We want to go further with all this since it is VITAL that you understand what is happening in the marketplace...

...even if you do not become our client...

...at least you will know why you are losing your money (AND have a chance to do something about it!) with all these useless "make money trading FX" scam products that are out there.

Here is what we did...

*A simple **but** educational exercise...*

We got the [Leo Trader Pro](#)[™] development team to create an FX robot, based on 100% mechanical rules, that back-tested well for almost **4** years (January 1st 2007 until August 27th 2010).

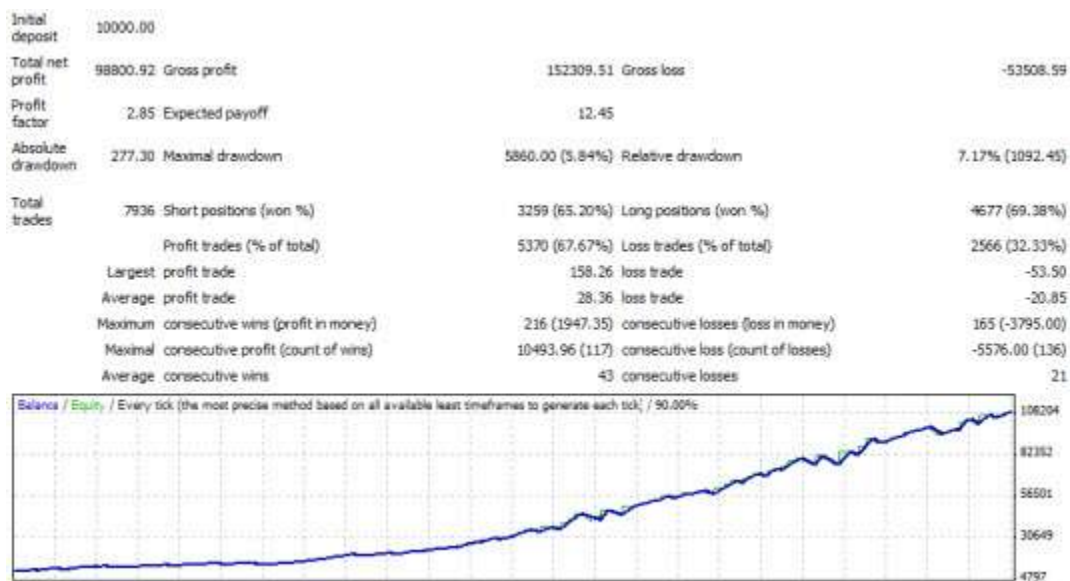
(**NOTE**: Have you logged into our real-money, live account yet to VERIFY over 500% net profit, trade by trade results, and the fact that it is a real-money, live account? If not, we invite you to do so [HERE](#))

In effect...

...we did what ALL vendors of automated FX trading robots do (i.e. the products YOU buy!)

So, after a lot of hard work (and it WAS a lot of hard work!) ...after hundreds of back-tests based on a wide range of parameter variations... we achieved a DREAM back-test!

And here it is...



A REAL dream...

- Deposit: US \$10,000.00
- Net Profit: US \$98,800.92
- Net Profit Percent: **988.092%**
- Maximal Drawdown: 5.84% (WOW!)

Yes... a **988.092%** NET profit with less than 6% drawdown!

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Again... **WOW!**

If this had been the very first automated FX product you came across, you would have probably said "*This is going to make me rich*" (and many reading this report have actually gone through this!)

And why not?

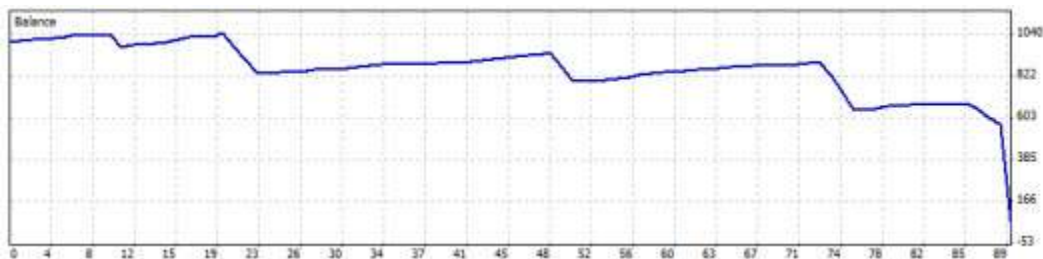
If in the PAST this set of mechanical rules produced almost 1,000% in HYPOTHETICAL NET profit, why couldn't it do that again?

Well...

What better way to find out than to place the robot on a **REAL-MONEY, LIVE ACCOUNT** and see what happens!

And...

...here is the equity curve of the SAME robot that achieved almost 1,000% NET profit in a back-test... but this time on a real-money, live trading account



Rather different, isn't it!

No worries though...

Luckily, we only risked US \$1,000 with this real-money, live account.

And here are the stats for the account:

- *Deposit*: US \$1,000 (real money)
- *Net Profit*: US \$0
- *Net Profit Percent*: 0%
- > *Maximal Drawdown*: 100% (account ruined!)

Yes... we traded the robot on a real-money, live account for a bit over 3 months and **LOST** all the deposit!

Whipped... cleaned out... erased.

So...

On the back-test, the robot achieved 988.092% net profit and, in LIVE trading ...well:

It erased the account balance in under 3 months. Again... under THREE months!

So, what caused the back-test to be so good and the real-money, live trading to be such an utter catastrophe?

Well... if you read our report in detail right from the first page, you already know that it's...

**Because market personality changes and
mechanical rules (i.e. if A = B then do C) are good
for the **PAST** but IRRELEVANT for the future!**

These coded mechanical rules are irrelevant for the future because:

The market is a "living and breathing" entity. Its personality **CHANGES** over time.

And...

What worked one year ago on a back-test is NOT guaranteed to work today in a LIVE trading environment because of the simple fact that

today's live trading environment reflects TODAY'S market personality.

Bottom line ...and this is all that matters:

*The only way to make money (and **a lot** of it!) from trading Forex on complete autopilot...*

...is by using technology that knows how to adapt, understand and exploit TODAY'S market ENVIROMENT and PERSONALITY.

Adapt and understand:

The 2 KEY terms in Forex trading... especially with Neural Nets!

Neural Nets:

Who Cares What Happened 4, 3, 2... Or Even 1 Year Ago (yes, we're talking about robots based on back-tested rules)! Achieving Sustained Performance Is All About Tomorrow... BUT, In Relation To Today!

Ok...

If you have not yet logged into our [real-money, live account](#) averaging close to **110%** per month NET profit (averaging over 2 trades per day!) than you can do so by going [HERE](#).

You will also VERIFY for yourself that *Leo Trader Pro*[™]'s drawdown is less than **1%**.

Remember - transparency is what we are all about:

We will always publish an investor password for our trading account on our [website](#) so that ANYONE can login to it and independently to verify its authenticity, our claims and the brutal accuracy and

profitability of neural nets.

Now...

If you took the time to read what we've had to say about FX robots (the conventional ones... i.e. ALL the other FX robots on the market today!) above...

...you'll already have some idea of why you have **NEVER** witnessed performance like *Leo Trader Pro*[™]'s in the past.

Now that you're familiar with what "Market Personality" means...

You'll have some understanding of how it's relevant to YOUR trading... and more importantly: You know how it can make a back-tested robot look spectacular but turn out to be road kill on a REAL MONEY, LIVE TRADING ACCOUNT.

Back-tests and demo forward tests are the MAIN tools that scam artists use to convince YOU that their robots are the great thing on the market and will make you rich!

They all look so good on paper... so irresistible... and without knowing what you now know about market personality and the fact that demos and back-tests are hogwash, they're a great HOOK to get you to spend your hard-earned money and buy their product!

Automated FX trading CANNOT be based on the distant past (and by distant, we mean more than a **few days!**)

What is relevant is what is happening in the market NOW

What is relevant is CURRENT market behavior! Nothing else!

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We talked about market behavior quite a bit earlier... how it goes through changes... how it makes any back-test irrelevant.

We talked about how it causes MOST Forex traders – those who rely solely on products based on this kind of useless information - to lose their accounts.

Now...

Many of you reading this report might know a little about [neural nets](#)... others don't, but that's okay - we're going to give you a very brief explanation about them right now.

So... for those who don't know what neural nets are, here's a short tutorial - it's a little bit technical but we'll try to smooth out the rough edges.

What Is A Neural Network?

An Artificial Neural Network is an information processing methodology that's modeled on the way in which biological nervous systems, such as the brain, process information.

So, basically it's a [computerized](#) way of simulating a human brain in terms of thinking and learning.

The most important element of this approach is the impressive structure of the information processing system – a structure composed of a large number of highly interconnected processing elements (called neurons) that work in together to solve specific problems.

Artificial Neural Networks learn **by example** – just like people do!

Think of it like this:

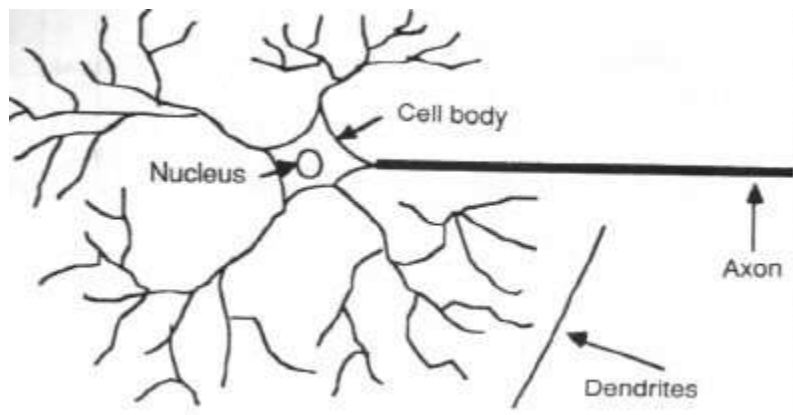
If you take a 3 year old child and give them a box of crayons, first you teach them what the colors are... then you take them for a walk in the garden and show them some trees... give the child some paper to draw on and, after a LOT of practicing, you'll get a pretty decent picture of a tree.

The Neural Net's ability to learn is something like that, but on a much, much more accelerated basis. Let's pretend the kid is Superman... that puts in to perspective!

Now...

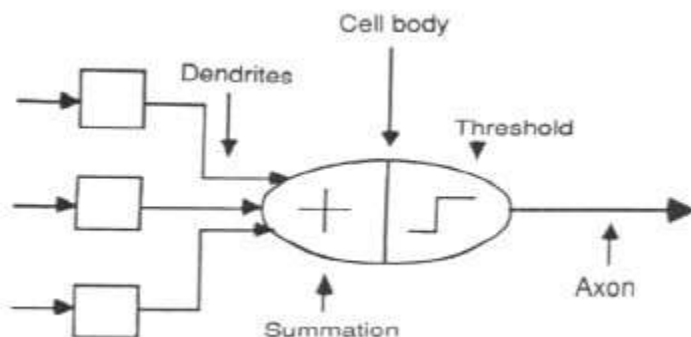
An [Artificial Neural Network](#) can be configured for a specific purpose, such as *pattern recognition* or data analysis, through a learning process... just like the kid learning about nature and then replicating that with the paper and the crayons.

Learning in biological systems, like the human brain, simply involves adjustments to the synaptic connections that exist between the neurons.



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This is also true of Artificial Neural Networks, except that those adjustments occur within data structures. It's almost the exact same thing but obviously working within the confines of computer hardware and software.



Why use neural networks?

Neural networks are blessed with a remarkable ability to derive meaning from complicated and/or imprecise data, which means that they can be used to [extract patterns and detect](#) trends that are simply too complex to be noticed by humans or other computer techniques.

As human beings, we're subject to a lot more distraction than a computer. If we showed you a hundred pictures all at once and asked you to pick out which of the hundred pictures shared similarities, any human being would miss 90% of them.

That's not even mentioning the fact that it would take us a few HUNDRED THOUSAND times longer than the machine to do it ...AND the fact that we're subject to hunger, fatigue and emotions.

A [trained neural network](#) can be viewed as an "expert" in the category of information that it's been given to analyze because it's absolutely single minded.

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This expert can then provide projections based on current events and answer "*what if*" questions, which really makes a neural network the ideal system for interpreting the apparently random behavior of the financial markets. To the [Neural Net](#), it's NOT random... it's analyzing way more data than we could ever hope to and it's seeing REAL patterns where we see nothing but coincidence or chance!

Advantages of Artificial Neural Networks include:

- 1. Adaptive learning:** The ability to learn how to do things based on the data provided during training and/or initial experience. (The crayons)
- 2. Self-Organization:** An Artificial Neural Network can create its own perspective or representation of the information it receives during the learning period. (The drawing of the tree)
- 3. Real Time Operation:** Artificial Neural Network computations may be carried out in parallel, so special hardware devices are constantly being designed and manufactured to take advantage of this capability, meaning the potential of this technology can only get better as we learn to marry hardware and software specifically designed to build bigger "brains".
- 4. Fault Tolerance via Redundant Information Coding:** Partial destruction of a neural network obviously leads to a corresponding degradation in performance, however, some [capabilities of the network](#) may be retained even with extensive network damage.

In layman's terms, if someone loses their eyesight, their sense of hearing and smell becomes heightened to compensate.

Neural networks versus conventional software -

Neural networks take a completely different approach to problem solving compared to conventional software.

Conventional software uses an algorithmic approach where the software follows a rigid set of instructions in order to solve a problem.

In terms of automated trading...

...well, that equates to specific strategy rules i.e. if $MACD > 0$ then Buy.

Unless the specific steps that the software needs to follow are known, the software cannot solve the problem.

What this basically comes down to is the fact that these types of bots are only as smart as the people who create them.

That restricts the problem solving capability of conventional software to situations that we already understand and know how to solve.

As we mentioned previously, while a [Neural Net](#) will identify patterns which look like just random events to us, a developer coding a bot manually can never account for those patterns because he doesn't even know that they exist!

This explains why most automated trading systems are only able to perform reliably during very specific historical periods and/or for short periods of time after being released. Because we can only program it for what we know has ALREADY happened, we simply can't teach the conventional trading bot to interpret anything new on its own.

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This, in itself, highlights an important point:

Software, and trading software in particular, would be so much more useful if it could deal with situations that we DON'T exactly know how to deal with (for example, sudden and sharp market behavior change)!

Now..

Neural networks [process information](#) in a very similar way to the human brain.

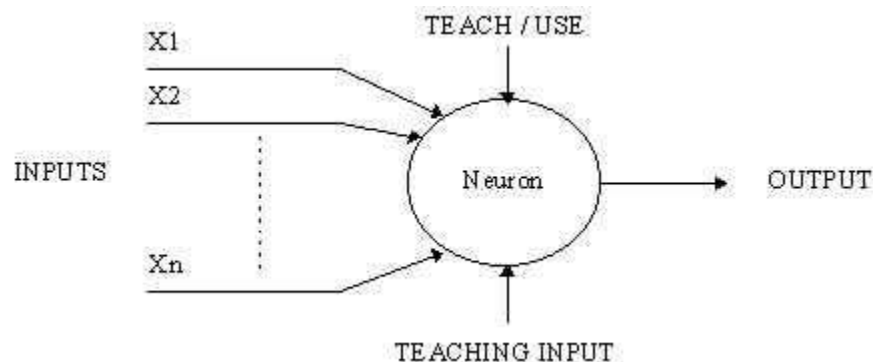
The network is composed of a large number of highly interconnected processing elements (neurons) working in parallel to solve a specific problem.

Just like the human brain, neural networks *learn by example*.

They also cannot be programmed to perform a specific task so the examples used to train them must be selected carefully to avoid "over training"...

For example, when we take the 3 year old in to the garden, we show them just a couple of trees and that's it. If we gave the child a botanical encyclopedia, this would stunt its potential to learn on it's own by exploring the garden...

...resulting in a network that may not function correctly due to a condition similar to "***curve fitting***".



Of course, this potential disadvantage of the approach is also its greatest advantage because, when optimally trained, the network finds out how to solve the problem (profitable trading, in this instance) by itself.

Conventional software, by contrast, uses a cognitive approach to problem solving...

The problem has to be known in advance and the solution (the strategy rules, for example) must then be stated in very small, unambiguous instructions for the problem to be solved.

Simply put, it can't learn...

In fact it has no understanding at all!

If I teach the conventional bot that $2 + 2 = 4$ then it will give me that answer every single time but, if I were to ask it what's $2 + 3$, the conventional bot, never having been told what "3" is, will crash and burn whilst the Neural Net will deduce that 3 is 1 less than 4 and 1 greater than 2, etc. and eventually solve the problem, giving the correct answer of "5".

So with the conventional bot, although this method allows very precise results for specific situations i.e. MACD has moved above 0 so Buy, it carries an inherent degree of inflexibility.

Interestingly...

Neural networks and conventional algorithmic systems are not in competition but actually complement each other.

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There are some tasks that are more suited algorithmic approaches i.e. arithmetic operations, and tasks that are more suited to the [flexible](#) and adaptive capabilities of neural networks.

In fact, a large number of tasks require systems that are able to use a combination of these two approaches in order to perform at maximum efficiency, *the most relevant of which are automated trading solutions.*

Ultimately, neural networks won't perform miracles but, if used sensibly, they can certainly produce some amazing results ...as we have **PROVEN** with *Leo Trader Pro*[™] and the **over 100%** per month NET profit.

Now...

There are many neural net models... each with a different foundation or basis. [Leo Trader Pro](#)[™]'s neural-net model is based on inter-market relationships.

What Does Inter-market Analysis Mean?

Simply stated...

It's the analysis of more than one related asset class or financial market to determine the strength or weakness of the financial market or asset classes being considered.

Essentially...

This particular style of analysis expands on the more common approach of simply looking at each individual market or asset in isolation.

Instead, [Inter-market analysis](#) involves looking at other markets or assets that have a strong relationship to the market or asset being considered.

For example...

When studying the EUR/USD currency pair, an inter-market analyst would also consider other related currency pairs.

To gauge the strength or weakness of the US Dollar, an analyst/system might look at pairs such as GBP/USD, USD/JPY, USD/CHF, etc. and for the Euro, perhaps EUR/JPY, EUR/CHF, EUR/GBP, etc.

The changes and trends identified in *the related markets* can highlight the likely direction of the EUR/USD pair by identifying common strengths, weaknesses or indecision affecting both of the component currencies.

The Neural Net considers the BIG picture and... once again, sees patterns thousands of times more complex than we can... and by extension, is thousands of times more complex than you could ever hope to code into a conventional robot.

So...

To conclude... we've talked extensively about market behavior and how it's a *living and breathing* "entity".

Also how, without notice, market personality changes...

Most importantly, the reason why "rule based" robots do not work (this is VERY important for you to understand). They look great on back-tests but always fail in real market environments...

The reason is because they CANNOT adapt to changing conditions and behavior.

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Bottom line:

The objective of neural nets is to SOLVE this specific flaw that affects common FX robots...

...by training them to understand today's behavior in relation to the near past and arrive at an accurate "picture" of what type of market we are in.

Yes, neural nets help us gauge what type of market we're in, what behavior characteristics are prominent and what type of trading best suits the current environment.

Again...

That's how we're able to trade FX automatically with such precision (*Leo Trader Pro*[™] is the most accurate and profitable automated solution available... as you've already seen from our real-money, live account).

Neural nets are the ONLY solution for correctly and accurately knowing what type of market we are in BEFORE it's too late!

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