

Forex NFP Trading Strategy that Works



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In this blog post, we will share a **Forex NFP trading strategy that works**.

The Non-Farm Payroll report is one of the most highly anticipated economic releases for [forex traders](#).

Each month, the US Bureau of Labor Statistics release this report which details the number of new jobs created in the previous month, as well as the unemployment rate.

This report can cause some big swings in the markets, so it's important to have a trading [strategy](#) in place before it's released.

Forex NFP Trading Strategy Video Tutorial



What is the NFP or Non Farm Payroll?

The NFP or Non Farm Payroll is a key figure released by the US Department of Labor [every month](#).

It represents the number of new jobs created in the previous month, excluding farming jobs.

The figure is closely watched by traders and investors as it gives a good indication of the health of the US economy.

A strong NFP figure indicates that the economy is growing and is likely to lead to higher [interest rates](#), which is positive for the US dollar.

A weak NFP figure indicates that the economy is slowing down and is likely to lead to lower interest rates, which is negative for the US dollar.

Why NFP is a significant economic event?

NFP is significant because it is one of the few economic indicators that is released on a monthly basis.

It is also a key indicator of employment and wage growth. NFP data can provide insight into future inflationary pressures and economic activity.

Forex NFP Trading Strategy

When it comes to trading the Non-Farm Payroll report, there are a few key [things you need to know](#) in order to have a successful strategy.

First and foremost, you need to understand what the [NFP report](#) is and what it means for the Forex market.

The NFP report is released by the US Department of Labor every first Friday of the month and includes data on employment growth, average hourly earnings, and other important labor indicators.

This data release can have a big impact on the [Forex market](#) because it can give clues about future inflationary pressure.

If employment is growing and wages are rising, that usually leads to inflationary pressure down the road. Therefore, central banks may tighten monetary policy in order to keep inflation in check.

This all depends on how strong the data is though. If the data misses expectations or is weaker than expected, then central banks may not feel the need to act and inflation may stay subdued.

Now that you know what the NFP report is and why it's important, let's look at some [strategies you can use to trade](#) it successfully...

The most [important thing when trading any economic news release is managing your risk](#) properly.

This means having a solid [stop loss in place before the release so you know exactly how much you're willing to risk on the trade](#).

And since economic news releases can be very volatile, it's often best to use a wider stop loss than you would normally



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Trading Rules

[Forex NFP Trading Strategy](#) is a simple trading system with only two rules:

[Buy Trade](#) Setup Rules

CCI indicator value < -100; Buy Signal Arrow; [Heiken Ashi](#) candlesticks change color to blue.

Sell Trade Setup Rules

CCI indicator value > 100; [Sell Signal Arrow; Heiken Ashi candlesticks change color to red.](#)

Exit Buy [Trade Rules](#) (Profit Target)

How to trade the NFP release

When it comes to trading the NFP release, there are a few things that you need to keep in mind.

First and foremost, you need to be aware of the potential for volatility.

The NFP release is one of the most highly anticipated economic releases, and as such, it can often lead to large swings in the market.

Secondly, you need to have a plan.

Before you enter any trade, you need to know what your goals are and how you intend to achieve them.

This is especially true when trading the NFP release, as the market can move very quickly.

Finally, you need to be patient.

Even if your plan is solid and your analysis is correct, the market may not move immediately in your favour.

Patience is key when trading the NFP release, as it can often take a few minutes for the market to fully digest the news.

By following these three simple tips, you can increase your chances of [success when trading](#) the NFP release.

How Financial Markets Usually React to NFP Release

The NFP report is one of the most important economic [indicators for the forex market](#).

It is released on the first Friday of every month and gives information on the number of jobs added or lost in the US economy.

The report also includes the unemployment rate and average hourly earnings.

The NFP report can have a big impact on the [forex market](#) because it gives an indication of the health of the US economy.

If the number of jobs added is higher than expected, it indicates that the economy is doing well and this is usually positive for the US dollar.

On the other hand, if the number of jobs lost is higher than expected, it indicates that the economy is not doing so well and this is usually negative for the US dollar.

It is important to note that the NFP report is not always accurate and there can often be revisions to the data.

For this reason, it is important to wait for the initial reaction to pass before making any decisions.

What to do after the NFP release

After the NFP release, there are a few things you can do to make sure your [trade is successful](#).

First, check the release schedule and make sure you know when the NFP will be released.

Second, [watch for any unexpected news or announcements that could move the markets](#).

Third, stay aware of your stop-loss levels and take profit levels.

And finally, don't forget to monitor your [trade throughout the day](#) to ensure it is going as planned.

Forex NFP Trading Strategy Final Thoughts

When it comes to trading the NFP report, there are a few things you need to keep in mind.

First of all, don't over-trade.

The NFP report is one of the most important economic releases, but it's also one of the most unpredictable.

This means that there is a lot of potential for profit, but also for loss.

Second, don't trade the NFP report blindly.

Just because the number comes in better or worse than expected doesn't mean that it will move the market in a predictable way.

You need to take into account other factors such as overall market sentiment and technical factors.

Finally, have a strategy in place before the release.

This way you know exactly what you're doing and why you're doing it.

If you don't have a plan, you're more likely to make impulsive decisions that can lead to losses.

If you follow these three simple tips, you'll be well on your way to making [profits from trading](#) the NFP report.

[Forex NFP Strategy PDF](#)

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Forex NFP Trading Strategy FAQ

1. What is the [Forex NFP trading strategy](#)?

The NFP [trading strategy is an intraday scalping](#) strategy that is designed to trade the US Non-Farm Payrolls (NFP) report.

2. What time frame does the Forex NFP trading strategy work on?

The NFP trading strategy works best on [higher time frames](#).

3. What currency pairs can I use the NFP trading strategy on?

The NFP trading strategy can be used on any [currency pair](#), but it is recommended to use it on the major currency pairs such as the EUR/USD, GBP/USD, USD/JPY and USD/CHF.

4. When is the best time to trade the NFP report?

The best time to trade the NFP report is during the US session when liquidity is at its highest. However, the [strategy can also be traded](#) during other times when there is high liquidity in the market.

5. What [indicators does the NFP trading strategy](#) use?

The NFP [trading strategy uses the following indicators](#):

- MACD (12, 26, 9)
- [stochastic oscillator](#) (5, 3, 3)
- 200 period simple [moving average](#)

6. How do I trade the NFP report?

The NFP report is a high impact economic event that can cause volatility in the markets. To trade the NFP report, you will need to wait for the release of the report and then look for [trading opportunities according to the rules of the strategy](#).

7. How do I place [stop losses](#) and take profits when trading the NFP report?

When trading the NFP report, you should place your stop loss just below

the previous low (for long trades) or just above the previous high (for short trades). For take profit, you can target a 1:1 risk to reward ratio or aim for a higher ratio if you think the market has potential to move further in your favour.

8. What are the risks involved in trading the NFP report?

The risks involved in trading the NFP report include [market volatility](#), slippage and spreads.