



PULI TRADING

How to Spot a

# FOREX SCAM

An investor's best friend

[www.pulitrading.com](http://www.pulitrading.com)

## WHAT IS A FOREX SCAM

At Puli Trading we are confident in our system and results, so much so that we have **live proof of trading and connected our accounts to verified tracking**. There are a lot of companies out there who lure in investors with promises of great results, and may even make some great months of profit, but unfortunately end up letting their clients down, blowing accounts or losing significant sums before disappearing or worse - setting up the same thing with a different package/name. Often key hallmarks of these scams (or just terrible setups) is that they will charge different types of fees. **Ask yourself, why are fees required if the trading is making so much money?** These may be one off payments, monthly recurring fees, or charges per month for trading. **At Puli we operate a simple ethos: if you don't profit, we don't profit.** We only make money if we as a company do what we say we can do - make profit. The split is 60/40 - you keep 60%, we keep 40% of profits made. We are passionate about being **transparent** and about showing **integrity** in what we do. We have nothing to hide.

A **forex scam** is a seemingly great opportunity showing amazing consistent gains but in which there is no legitimate trading happening. Results are forged. Money is either recycled to peoples accounts, or fake trades are produced with a dishonest corrupt broker to make money from commissions on trades. Other than that, there could be a trading business set up that is taking trades or copying trades. However, you will often have no proof of trading, no verified history of trades and strategy performance, no understanding of the strategy being used, and will have to **blindly trust** that it will last long enough for you to make money.

There is no **sustainability** with these types of opportunities and usually within a year to two years they will blow accounts, go dark, or at least lose significant amounts of capital. They may have a type of trading or certain system, and then all of a sudden switch to a completely different one. They may halt funds being withdrawn or accessed but give no real reasons as to why. These are indications that a system is not able to withstand the long term. Switching strategies entirely results in totally new risk parameters and therefore should be backtested, live tested and great effort taken to show that the new system has reliability and can trade effectively over time. There are very (**very!**) few automated systems out there that not only have been heavily invested to develop a reliable algorithm over a

long period of time, but have also been tested and show live results without hiding key information and are backed by a solid team. We hope we can show you at Puli Trading that, in us, you have found one of those few.

## PROOF OF TRADING

One of the most simple ways to determine whether an opportunity might be a scam (or just a terrible company) is if there is no **true proof of trading**. The most well known and (again) simple ways to show this is through a **Myfxbook** connection. Myfxbook is a 3rd party company that can connect to and verify a trading account and track trading statistics. However, it is important to ensure you understand how Myfxbook can help determine the success of a system and its risk vs profitability. **Just because a company or strategy is linked to Myfxbook, does not make it trustworthy.** Myfxbook can also show a system you might want to avoid! We will go into this further in the document.

There are other ways to show proof of trading but these are often not trustworthy. Statements, excel sheets or even showing a screenshot or video of trades running live via an MT4 platform (especially a phone) can be manipulated and don't prove very much at all.

**The question to ask yourself is: if this company is legitimately trading and has a successful strategy that makes positive % over time, why wouldn't they have that connected at their earliest convenience to a verified tracking system to show me the investor what the system has done in the past and help me make an informed decision?** Why wouldn't they be proud to show their risk management techniques to preserve capital whilst trading? Why wouldn't they want to prove they are worth your time and money? There may be great traders out there who have no need to prove these things. They trade for **themselves**. However, when it comes to putting others' finances into the equation, there needs to be a higher standard.

Don't be fooled by flashy marketing and "testimonials" - as these can be unsuspecting victims themselves making money (when it's going well) who will eventually also probably find themselves blocked from funds, or experiencing a blown account. It is valuable to have people share their experiences with these types of opportunities. However, make sure that it is also **tied to proof of trading and a system with live tracking!**

# MYFXBOOK

Myfxbook is a third party trading tracking software company. It is a relatively simple process. You sign up, follow their prompts to connect your trading account via MT4/5 (or other trading platform), and follow some simple steps to show your account is not only **verified** but also has **trading privileges** (showing it is in fact your trading account that is connected not another you have access to). There should be at least 2 green ticks at the top of the page showing 1. Connected account and data verified and 2. Trading privileges are verified. As you can see below these ticks are verified on our account:

## Reuben James Mattinson Master Account

Discuss Watch Custom Analysis

Real (GBP), IC Markets, Technical, Mixed, 1:500, MetaTrader 4

Track record Trading privileges Live update Cashback

Copy



Please see our website (or live zoom calls each week) to fully understand the metrics and stats on our page as you scroll through it. Follow this link for instructions and screenshots of what to look out for: <https://pulitrading.com/our-results/> and reach out to our team via our website if you have any questions.

Myfxbook can be set up to **hide or show** certain details such as account balance, live trades open, trade history and other risk/profitability factors. You can set these to your preference as a trader. This can be helpful to show a system results but hide private details. **However, it can also be used to hide important metrics to skew your vision of the full story.** The only things you would expect to be hidden are balance, open trades (so these cannot be copied live), lots, standard deviation (a financial statistic relating to balance) and commissions. The other metrics should be **fully visible** along with a history of trades including stop losses, take profits, open and close price, profitability, average win vs average loss, gain (% per trade in history) and commission.

If you cannot see these metrics, it could be that the strategy is:

- not trading legitimately
- using extremely high risk techniques
- capable of blowing an account / losing large amounts of your balance
- not using risk management techniques (no stop loss / take profit / limiting number of trades / calculating a maximum desired drawdown of balance)
- manipulating trades with a broker to entice investment
- manipulating commission per trade with a broker to make money this way rather than long term trading

## RISK MANAGEMENT

**Risk management** is arguably the most important factor to consider when looking at these types of opportunities.

**Loss is unavoidable** when it comes to trading in a volatile market such as the FX market. It is the management of that loss (limiting losses in terms of quantity and percent) that matters. Techniques can be employed within trading to manage risk. The most simple and effective technique is to utilise **stop loss levels** on every trade. Our system uses stop loss levels on each trade meaning each trade has a pre-existing set maximum loss possible should the trade turn against us. Our trades also have **take profit** levels set, ensuring that once the market has moved in the direction of our buy or sell to a desired amount, the trade will automatically close. **Both of these techniques reduce the risk that a trade will run into an uncontrollable loss.**

Furthermore, **backtesting and live testing** can help to better understand the results of a strategy and its profitability over time vs its risk. Backtesting refers to the testing of a system using real market data in the past, and running the strategy as if it were trading live. See our PDF “Backtesting Results” for a further explanation of our systems results. Live results and testing refers to having the system run on live data in real time and recording the results. This is viewable on Myfxbook.

Another factor to compare on Myfxbook is the relationship between the **balance line and equity line**. The equity shows balance with the addition or subtraction of current live floating/unrealised profit or floating/unrealised loss (positions that are open). Balance shows the accounts total balance not including the current trades profit/loss. If the equity line diverts (begins to distance itself) aggressively and randomly from the balance line (especially in the negative), this shows that risk management and trade management is not in place. **A trade could be floating an enormous loss, but that might not be shown on results.** The traders could be hiding this by not closing the loss to realise the statistics on the account. It would also show that stop losses are not used effectively to manage a losing trade. Our equity curve and balance line are tight at all times. Gain and loss is realised quickly rather than holding multiple losses hoping they recover whilst risking large amounts of capital.

# REGULATION

**Regulation** is one of the most important factors when considering an opportunity in trading. The trader or company that conducts the trading doesn't need to be regulated for others to subscribe to their trading via a PAMM (percent allocation management module - i.e subscribing to trades) within a broker. However, the broker and the place where your money is held should be regulated. The broker should be regulated so that you know they are being honest in their conduct with regards to trades being taken, at live prices, with fair spreads and commission. The place where your money is held should be regulated to ensure the money is exactly where the holding company claims it is.

There are many opportunities out there that are not clear on their regulation, how they are set up, and how your money is protected.

Some brokers may be regulated but only with very **limited and questionable regulation**. Some may not even be regulated. It is important to conduct some thorough research before deciding to take an opportunity on. **This should be easy information to find out - if it isn't, something is wrong.**

**With regards to Puli Trading**, our Broker is regulated under the **ASIC (Australian Securities & Investment Commission)** and also regulated in Vanuatu. Furthermore, the place where the money is actually stored is in **Currencycloud - a fully FCA (Financial Conduct Authority - UK) regulated and authorised electronic money institution**. It is also fully regulated in the EU and Canada, and owned by Visa.

There should never be any uncertainty or secrecy when it comes to this matter. **Clarity shows transparency and integrity.**

# HIGH RISK TRADING

When we say **high risk trading** we refer to strategies used in the market. There are 3 types we want to highlight, although there are many more:

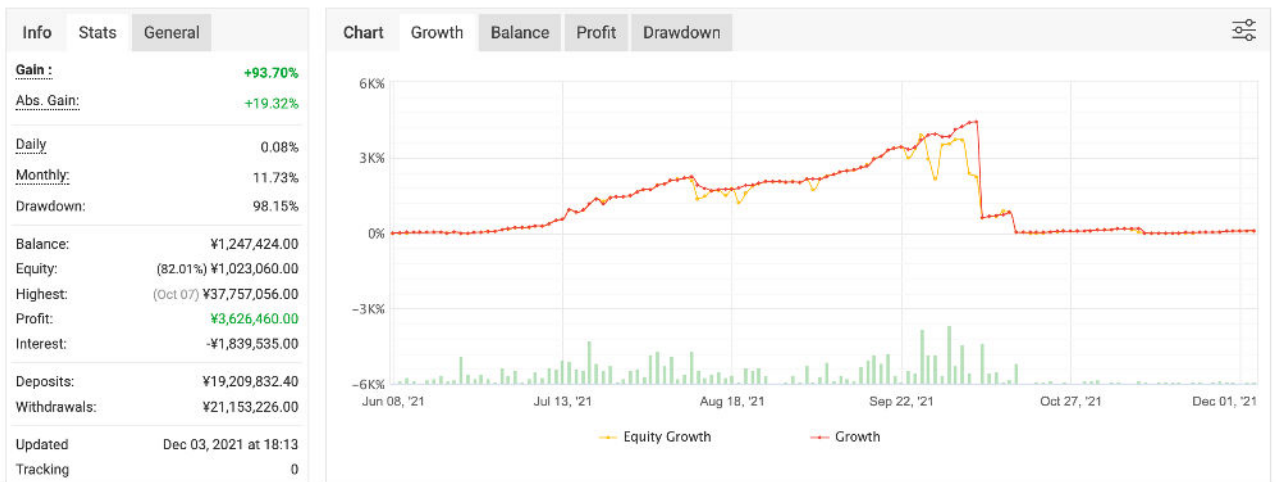
STRATEGY	DETAILS
<b>MARTINGALE</b>	Doubling the size of risk each time a loss is made. Based on probability and the theory of mean reversion. A potentially infinite balance required to outlast the drawdown. Results in huge loss. Potential to begin with large gains enticing investment.
<b>GRID TRADING</b>	Incremental orders in the market at set intervals. Only really works in trending markets usually and can result in regular large losses if the market environment changes.
<b>HIGH RISK TRADING</b>	No stop loss or take profit used. Exposure is potentially unlimited and losses are unmanaged and uncertain. Makes probability almost impossible to determine over time.

# HIGH RISK SYSTEMS

Here are some screenshots of **higher risk systems** or systems that show questionable operations

1

**High risk, huge drawdown** (drawdown is the worst loss on the balance over time), no stop loss take profits. Looks good when you see the gain (enticing). But in order to achieve that, your capital would have suffered **98% loss!** That is essentially an account **blown if it happens before a greater amount is made.**



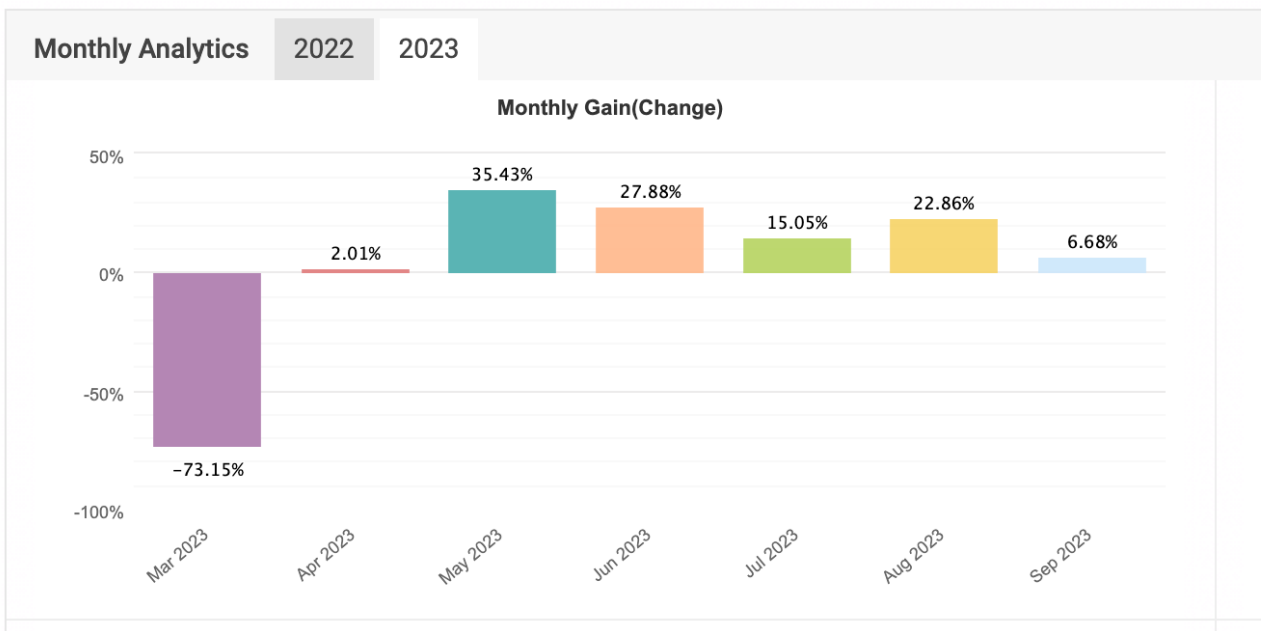
Trading	Periods	Goals	Browser				
		Gain (Difference)	Profit (Difference)	Pips (Difference)	Win% (Difference)	Trades (Difference)	Lots (Difference)
Today		-	-	-	-	-	-

Open Date	Symbol	Action	Lots	Open Price	(Pips)	(Pips)	(JPY)	Pips	Swap	Gain
01.12.2021 20:41	USDJPY	Buy	0.05	112.828	-	-	3215.00	64.3	-47.0	+0.25%
01.12.2021 23:50	NIKKEI	Buy	0.01	27,442	-	-	5930.00	59,300.0	-43.0	+0.47%
02.12.2021 10:30	GBPNZD	Sell	0.05	1.94878	-	-	-3517.00	-91.6	-15.0	-0.28%
02.12.2021 11:36	GBPNZD	Sell	0.05	1.95108	-	-	-2634.00	-68.6	-15.0	-0.21%
02.12.2021 14:40	GBPNZD	Sell	0.03	1.95847	-	-	122.00	5.3	-9.0	+0.01%
02.12.2021 19:48	NZDUSD	Buy	0.05	0.68107	-	-	-2485.00	-43.8	-4.0	-0.20%
02.12.2021 19:49	NZDUSD	Buy	0.05	0.68111	-	-	-2508.00	-44.2	-4.0	-0.20%
02.12.2021 19:49	NZDUSD	Buy	0.05	0.68111	-	-	-2508.00	-44.2	-4.0	-0.20%
02.12.2021 19:49	NZDUSD	Buy	0.05	0.68112	-	-	-2514.00	-44.3	-4.0	-0.20%
02.12.2021 19:49	NZDUSD	Buy	0.10	0.68111	-	-	-5015.00	-44.2	-9.0	-0.40%
02.12.2021 19:50	NZDUSD	Buy	0.10	0.68105	-	-	-4947.00	-43.6	-9.0	-0.40%
02.12.2021 19:52	NZDUSD	Buy	0.10	0.68096	-	-	-4845.00	-42.7	-9.0	-0.39%
02.12.2021 20:42	NZDUSD	Buy	0.10	0.68067	-	-	-4516.00	-39.8	-9.0	-0.36%

03.12.2021 02:17	NZDUSD	Buy	0.05	0.68079	-	-	-2327.00	-41.0	0.0	-0.19%
03.12.2021 02:17	EURJPY	Buy	0.05	127.761	-	-	1810.00	36.2	0.0	+0.15%
03.12.2021 02:31	NZDUSD	Buy	0.10	0.68046	-	-	-4278.00	-37.7	0.0	-0.34%
03.12.2021 02:48	NZDUSD	Buy	0.10	0.68022	-	-	-4005.00	-35.3	0.0	-0.32%
03.12.2021 02:49	NZDUSD	Buy	0.10	0.68014	-	-	-3915.00	-34.5	0.0	-0.31%
03.12.2021 04:30	NZDUSD	Buy	0.10	0.67873	-	-	-2315.00	-20.4	0.0	-0.19%

2

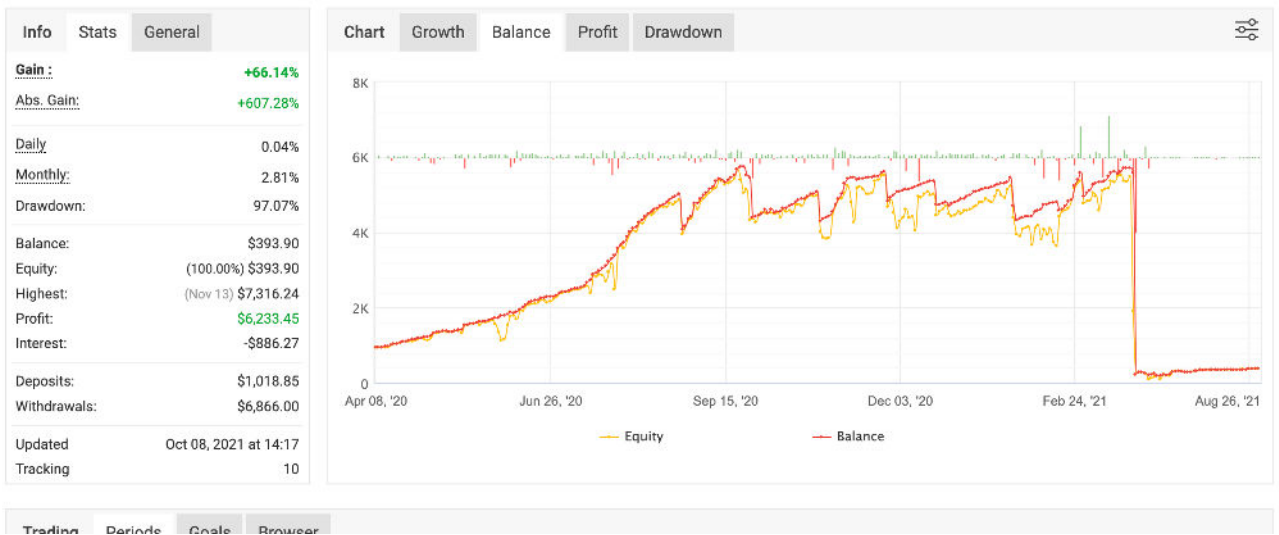
**High risk, huge drawdown (99.90%) and a terrible month of -73% (in one month lost), no stop losses or take profits, and huge gaps between equity line and balance line.**





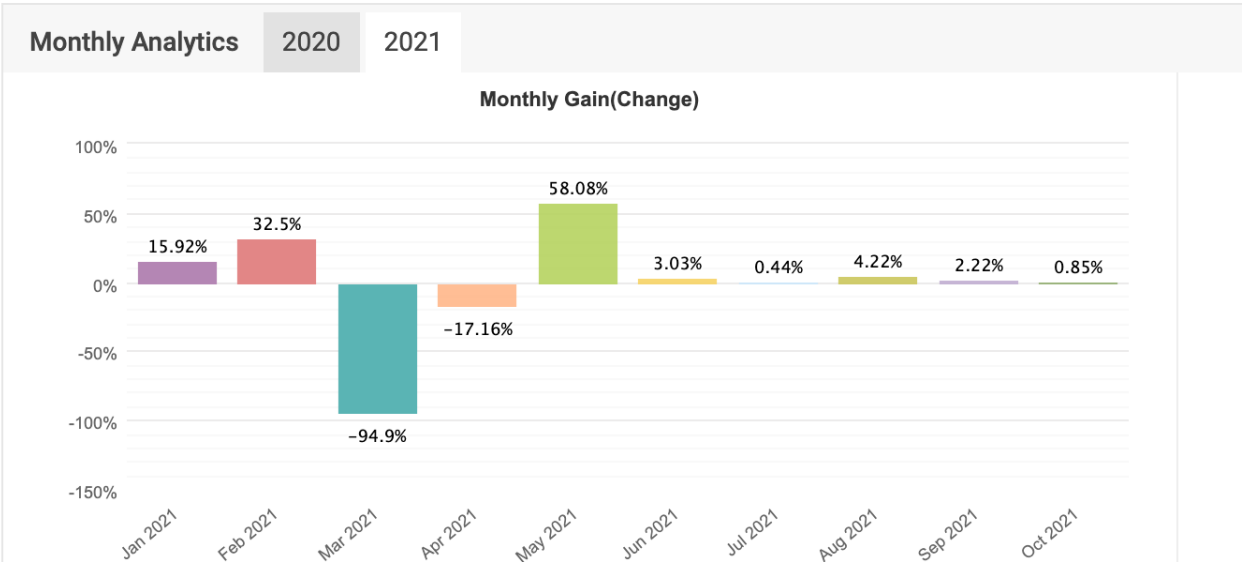
# 3

**High risk, drawdown of 97.07%, large gaps between equity line and balance line regularly** with regards to loss, sharp decline in balance regularly, **no trade history** so no evidence of risk management = something to hide, initially looked great and enticing (although big gaps appearing, and no trade history). It is worth noting that each of these 3 examples has a **negative risk to reward ratio** (please see our document “Puli Trading Software” for more information), a **huge negative month** showing no risk management in place for that month to ensure capital is protected.



Trading Activity | Open Trades | Open Orders | History | Exposure

🔒 History is private



We hope you have a greater understanding of the best way to ensure a system has been through enough testing, has appropriate risk management and proof of trading along with having a clear business or team behind it. You must do your research when selecting opportunities such as these and make sure you are going in with your eyes wide open.

Please take a look over other helpful documents on our website in your Puli Trading account. Log in and go to [Resources](#) for more helpful PDF's.

**Should you have any questions, suggestions or need help please contact us directly at [support@pulitrading.com](mailto:support@pulitrading.com) or visit our website:**

**[WWW.PULITRADING.COM](http://WWW.PULITRADING.COM)**