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## another profitable scalping strategy

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What you'll need:

\*Access to tick charts

\*Metatrader

Tick chart indicators:

ADX (14)

DMI (14)

Metatrader indicators:

Damiani signal/noise (on this forum, just search)

Momentum (14)

ADX (14), optional

What to do:

I usually scalp EUR/USD because of the low spread and fairly good volatility. Set the Metatrader chart to 1 min. Apply indicators. Apply indicators to tick chart.

You are looking to take advantage of surges of volatility while keeping losses very slow. Obviously if Damiani says "Do not trade" you will do nothing.

Step 1:

Check if tick ADX is above 20. If it is, AND if Damiani is reporting good volatility ("Trade") then go in the direction indicated by DMI on your tick chart. It is fairly straight forward. The purpose of Damiani obviously is to filter, and trust me, this system needs it. Go for about 4 pips per trade, if you wait for more you are asking to take a loss, this is ultra frequent scalping and trades usually are only open a few seconds. A few minutes at MOST. When you enter the trade you

should move into profit immediately, if it goes against you just get out. You'll get plenty of opportunities to make it back. This strategy is designed to get you into the market exactly as the currency pair is moving with power in one direction or another. Again, if it moves against you at all it's already a bad trade. Take the spread plus the small loss and get out.

I said to go for 4 points and no more BUT very often there is such strong volume that the price will move 20 points for you before you can even close the trade. This also means that you need to be aware of the chart at all times and be ready to get out if it moves against you. This is very important.

#### MOMENTUM:

If you watch the Momentum indicator with your chart zoomed out you will see that it forms more or less uniform peaks and valleys across the chart. These serve as an excellent guide to determining which signal to take. For instance, the DMI may go above 20 with a signal from ADX to buy and the momentum indicator has just formed a nice upward hook from the bottom of its range- a valley-this would be a good time to buy. But if the same happens and momentum is in very high ascent you may want to pass on it. It's a good indication that the volume is there but the price is over-bought. Be patient, if the volume holds out you WILL make money on the downside. The price must go up AND down.

#### BROKERS:

Allot of brokers still frown on profitable scalpers. Not all, but most. You must find a broker that will allow you to do it AND still give you good spreads. A spread of 2 is too high. I trade EUR/USD and the highest I will go with is 1.8. I only trade for 10 to 15 pips a night so it's not an issue for me.

So, I'm half asleep right now if this doesn't make sense let me know. Feel free to test the strategy. I put it together about 3 weeks ago and so far it's profitable by a decent margin and I offer it to you for testing and use.