

1 MINUTE PIPS



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Welcome

This is all about *scalping* Forex on the 1-minute timeframe.

You need to know two things:

#1 – scalping is not so dependent on a ‘system’ as longer-term trading (but you still need a *solid* system!) – it relies more on watching and “feeling” the market

and

#2 – you can get good very quickly because you will be taking many more trades compared to trading the higher-timeframes; where the learning time required is a lot longer.

This manual is not long – *because it doesn’t need to be*.

I’ll show you how to setup your charts, then detail the system and finally go through some trades and tactics to get you on your way.

Remember, scalping is about YOU – it’s not just point and click (you probably won’t make money on your very first day – but hey, at least I’m telling you the truth here!).

Charts

When you downloaded this manual you should also have downloaded the template file for Metatrader4™.

The file will be called something like '1mpips.tpl'.

This file must be placed in the following area:

C:\Program Files\ [your Metatrader4 installation folder \templates

NOTE: you must restart Metatrader4, if it is already running, to be able to find the template.

Once you've done this, right-click on your chart and choose '**template →**' then '**1mpips**'.

Now, you can also setup your charts manually.

To do this you need to place three moving averages onto your chart:

- A 34 Exponential Moving Average of the Close
- A 34 Exponential Moving Average of the High
- A 34 Exponential Moving Average of the Low

In the next section you will see how your charts should look.

The Strategy

That's our charts all setup – now I'll explain how we look at them ...and then get straight to how we trade.

You will notice that our charts are pretty bare – only a few moving averages – and nothing else.

That's what we want – simplicity. We are scalping and so want to “distractions”!

In fact, this system is so simple that I can describe it in one line:

“We are taking trades as price returns to our moving averages and riding the momentum as price continues in the same direction.”

But let's go into more detail...

When price is above the MAs (Moving Averages) we are only looking to buy as price comes back to the MAs.

(...and when price is below the MAs, we are only looking to sell when price comes back to the MAs).

What we're looking for when price pulls back to the MAs is for it to *hold* and then show that it is going to continue.

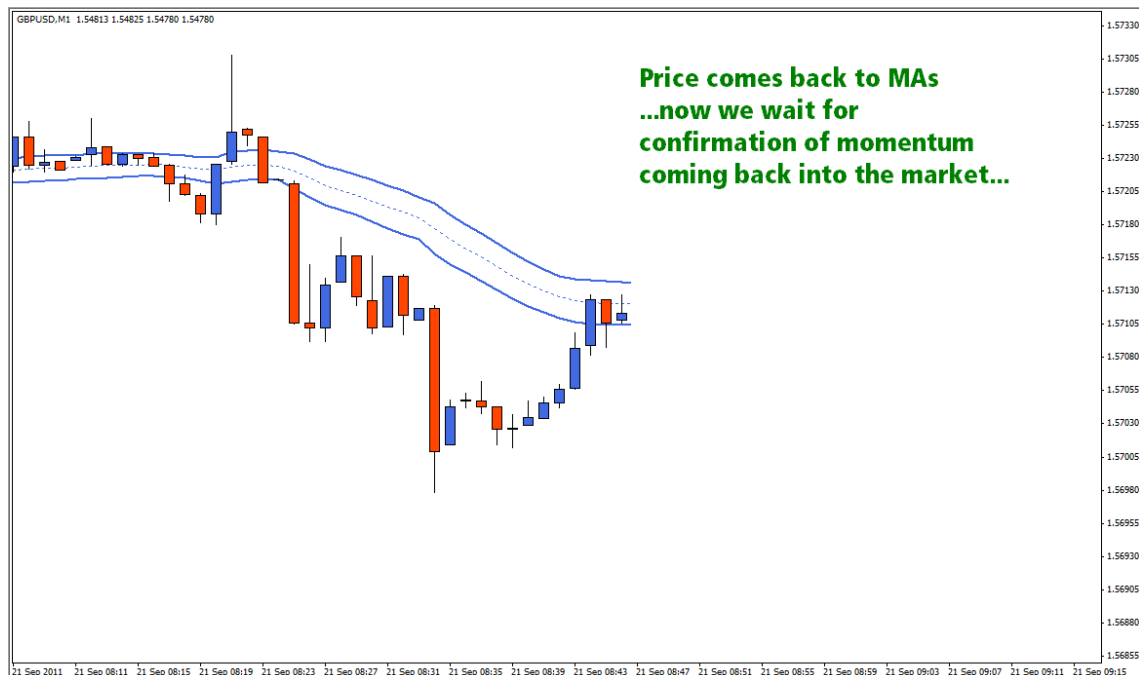
We look for this continuation signal in terms of a strong, *momentum-driven* bar.

I think we need some charts to explain what we've talked about so far – here we go...

So, firstly, price is below the MAs like this:



We're then looking for price to pullback like so:



This next chart is what we're looking for:



So in the above chart you can see that there are a load of sellers coming back into the market (long, **red** bearish candle) after this pullback – this is the candle that triggers you to sell!

Because we're scalping – we're watching the market *closely*. You will see the market falling fairly quickly and the long-red candle forming.

There is no need to wait for the close of the candle – if you see it dropping – sell it! (but, when starting out, you may want to wait for it to close – to give you that extra confidence!).

Okay, so we've sold the market – what about our stoploss?

Well, this is where I'm going to tell you not to use one.

WHAT? ...did I just say not to use one? Yes, I did.

Because you're scalping; if you were to use stoplosses – they would be very small.

With such small, tight stoplosses – there is a good chance your broker is going to start “triggering” them and you’re going to keep losing trades.

You’re scalping and going to be in front of the screen at all times when you’re in a trade – you’re not going to walk-off and leave a scalp-trade open – that’s just silly.

So, if you’re there with your finger on the mouse-button – there is not need for a stoploss.

Yes, have a “mental stoploss” – that is, get out when it goes 10 pips against you - but don’t place it with an order.

For those of you who are not confident with this – I recommend that you place a stoploss of say 50 pips. This will not be your *real* stoploss – but an emergency one in case you lose your internet connection or such.

You’re **only** going to get out of your trade if it doesn’t go your way within one or two minutes.

So, if you enter and you’re not in profit within 60 to 90 seconds – you’re almost always going to get out – or at least have your finger on the mouse button ready to bail-out!

So, with the above in mind, we enter short on the trade we've been following from before – and the market continues like this:



That trade would have been a minimum of 1:1 profit – and perhaps 2:1 if you held-out for more.

Now – that's really all there is to this system:

- 1) – Wait for pullback
- 2) – Enter when momentum comes into market
- 3) – Exit when momentum slows (or you're not in profit within a minute or two)

Really very simple.

I wish I could provide very strict, black-and-white rules for you – unfortunately that's not how this game works I'm afraid.

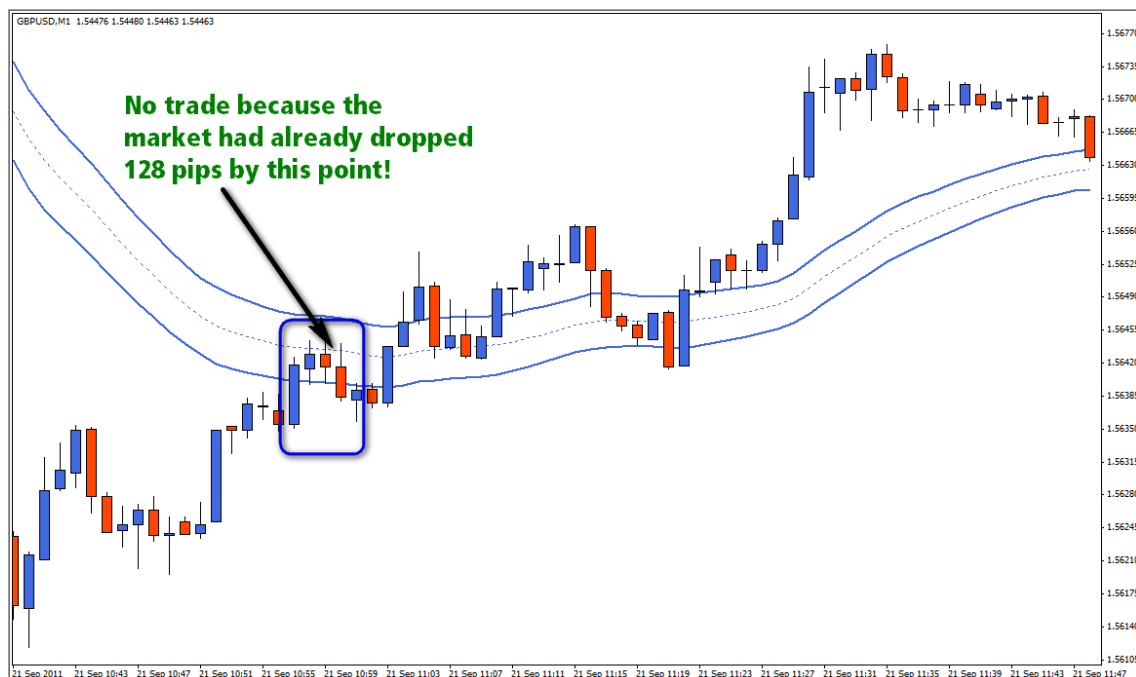
I just ask that you trust me and follow price closely on the 1-minute chart – even within the first day you will feel yourself getting better and really starting to understand price and how it moves.

What I'll do now is go through a few more trades and point out small things that I haven't talked about so far.

Market Moved Too Far

When the market has already moved a significant amount that day – I will not enter in the same direct expecting a further move.

The following chart shows what could be a nice scalp setup – the problem is, the market had already moved 128 pips that day (this is a lot for cable at this time!).

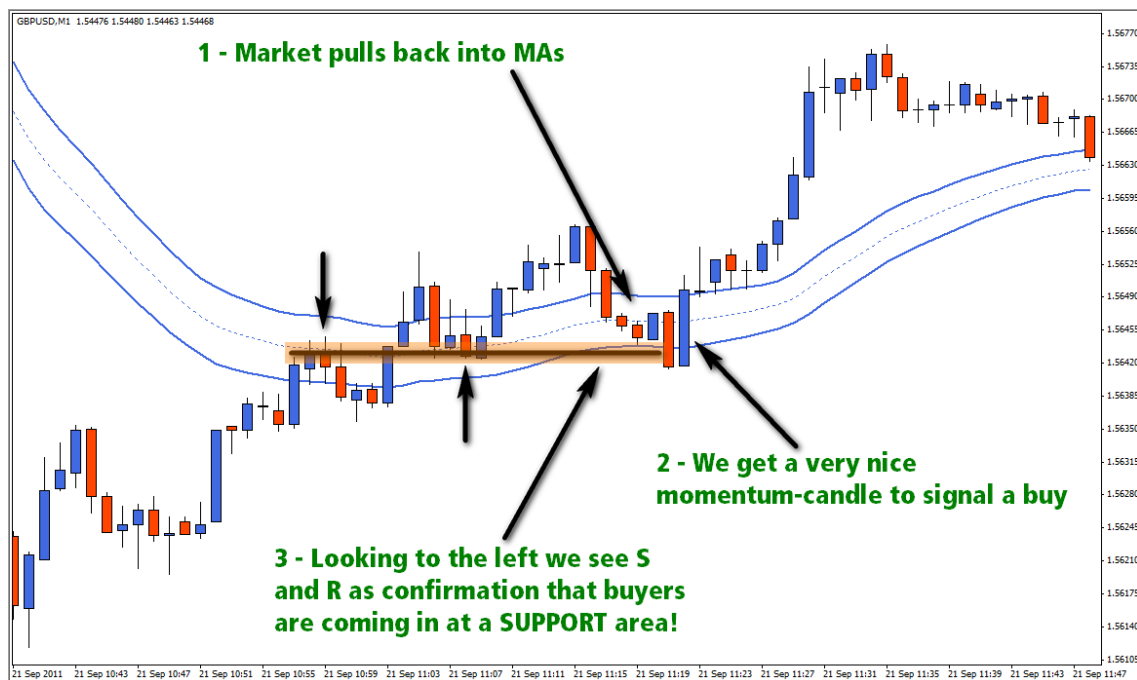


However, it is a good idea to watch for trades in the opposite direction when the market has moved a great deal – this brings us onto the next chart...

S/R Scalp

From the same chart as before we can see that there is a very nice scalp *buy* trade.

We can use the concept of Support and Resistance to confirm and give us confidence in the trade:



Using S/R, even on the 1-minute, WILL boost your profits – try and look out for it!

Grind-Down or Quick-Drop

Sometimes the market will “grind” down (or up) slowly in a direction when you enter a trade ...and other times it will drop (or rise) quickly without looking back.

The reason you need to differentiate between them is that sometimes you can be too quick to bank profit when the market is not going in your favour quick enough – but had you known the market was just going to slowly grind along into profit, at its own pace, you could have held-out for a better result.

After a while you will be able to detect when it is doing each of these.

Here’s an example of the two in action:



A Failed Trade

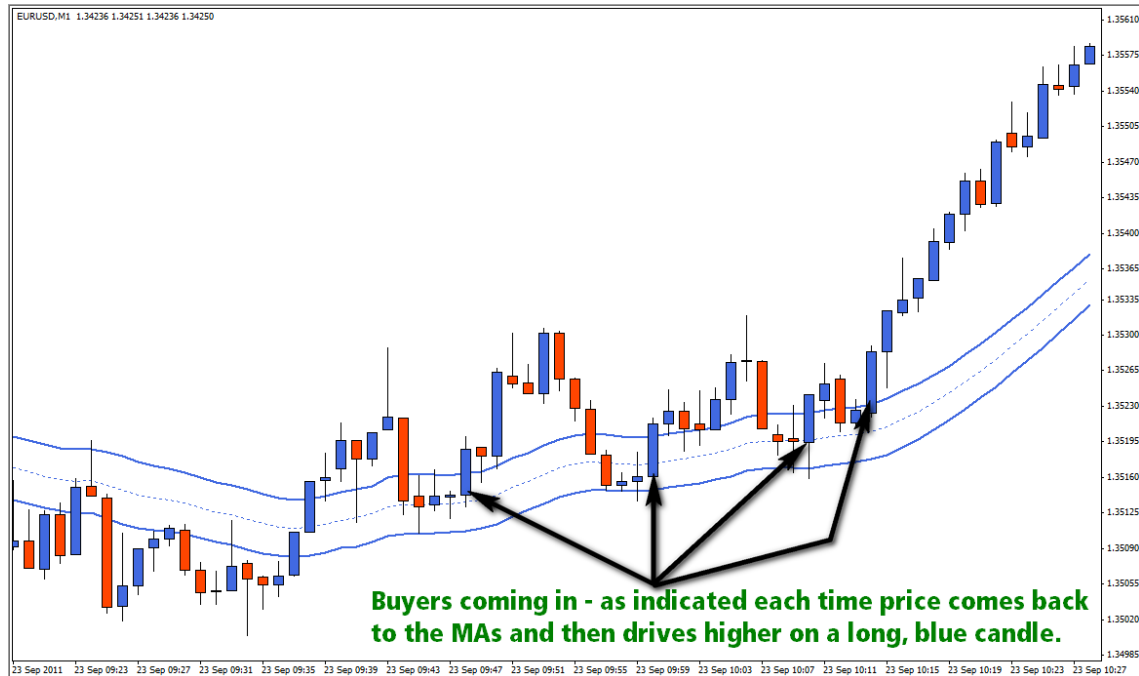
Quite often a failed trade in one direction is your guide to the market going in the opposite direction – so keeps your wits about you!

Take a look at this trade:



We know almost right away we are wrong – so the damage is fairly minimal; just a handful of pips.

However, what comes right after this “failed” trade is a series of trades as buyers start pushing the market with waves of momentum (as indicated by the long, **blue** momentum candles):

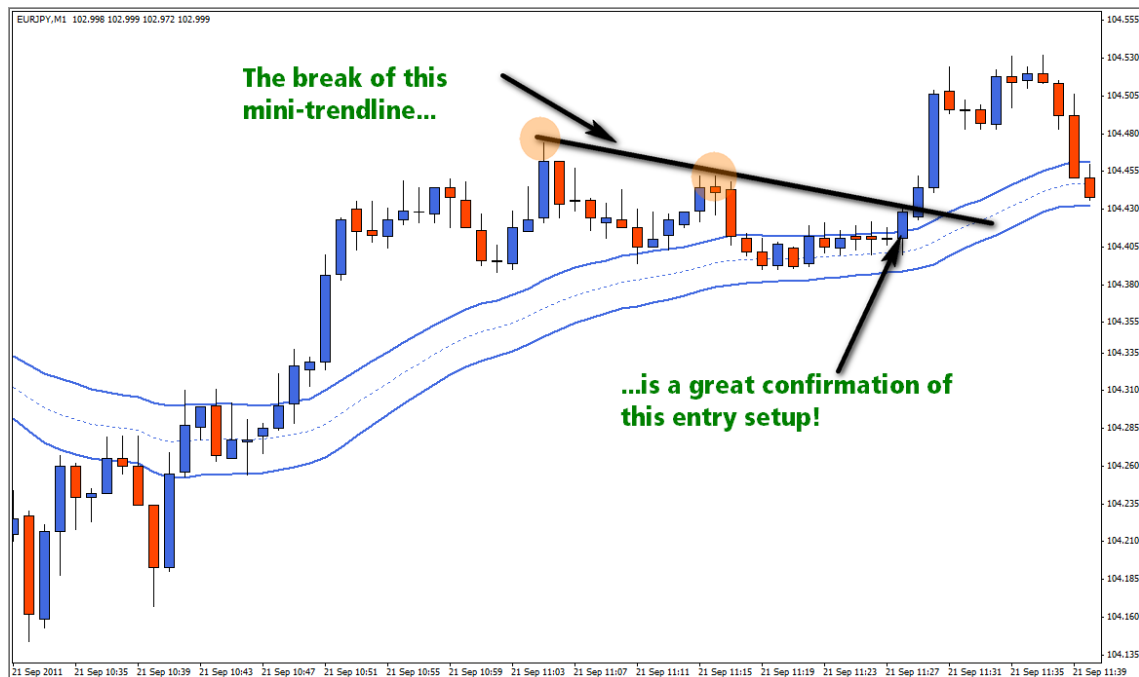


Trendlines

You will encounter places to draw mini-trendlines pretty much every day.

They are a nice little confirmation to a trade setup. In fact, you could probably just trade these only – and you'd have a winning system.

Here's what I'm talking about:



Other Things...

Here are a few things that you'd probably figure out on your own eventually – but thought I'd include them anyway.

Time

The market is *best* to trade during the first few hours of a sessions open.

So, for each session, that would be the first few hours (3 to 5 hours) of:

London → 06:00GMT and on...

US → 13:00GMT and on...

Asia → 22:00GMT and on...

Now, there are no black-and-white rules here. You can trade the whole day if you want. But your trades are more likely to succeed if you stick to these times.

Timeframes

In case I get questions about trading this systems on other timeframes – all I will say is that I have never tried.

You can try if you like – but I present this system here for the 1-minute timeframes only.

If you want to try other timeframes then you can (let me know how it goes if you like 😊).

Pullbacks

Some of you may ask, *“how far does price have to pull back?”...*

There are no hard rules for this – but generally around the middle of the “tunnel” of the moving averages.

All I can really say is that you *will* start to understand yourself very quickly how much is ideal by watching price and learning.

Thank You!

I hope you feel that this is a system that will work for you.

It is very simple – but that's scalping. That's how it is.

Simple. Quick. In-and-out. (no fancy stuff!!).

I'd like to thank you for investing in this and hope that you take the time to really put the system through its paces ...and get *your* trading on track!

Give this system a shot – you will find yourself really understanding price, and how the markets move, in a short space of time.

Thank you again and may you reach your trading goals!!

John Meyer