

My Currency Grail No-Loss Scalping Method

THE SET-UP FOR A SHORT/SELL TRADE:

1) **Switch to bar charts only.** Remove all indicators. Use a blank chart as seen below.



2) **Only 2 bars are needed to determine a set-up.** Ignore everything prior to 2 bars. Below are 2 bars as I describe a perfect set-up for a short/sell trade. (The bars seen below do NOT come from the chart seen in step 1.)



3) For a short/sell set-up, **the 2 bars must be trending upwards** (yes, upwards); **higher highs and higher lows**. In the example below I have marked the upward trend with pink arrows ONLY for your eyes to see it; do not mark up your chart.

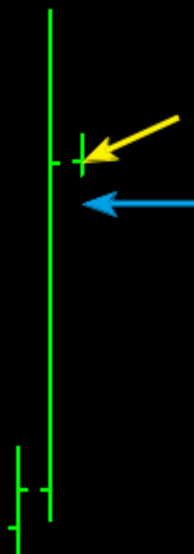


4) A) **The 2nd bar must be bigger than the 1st bar**. B) Measure the distance (visually) between the high and close of the 1st bar with the high and upcoming close of the 2d bar. **If the 2nd one is significantly greater** then get ready to enter a short/sell trade once the next bar opens. In the example continued below, I have marked the distance in red ONLY for your eyes to see it better; do not mark up your charts.

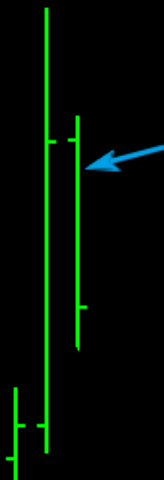


Note: When I stated "upcoming close" I am referring to the 2nd bar which is about to close or is soon to close. Thus obviously you cannot know the exact closing price of that bar. However, if you observe the 2nd bar just a few seconds prior to the yet-to-be-formed next bar, it will suffice.

5) A) **Enter a short/sell trade immediately when the next (3rd) bar opens.** In the example below I have used a yellow arrow to show you the entry point. B) After the entry has been successfully carried out, then **immediately set your profit exit target** using the chart provided below. In the example below, the (approximate) exit is marked with a blue arrow.



As you can see below, the scalping was successful!

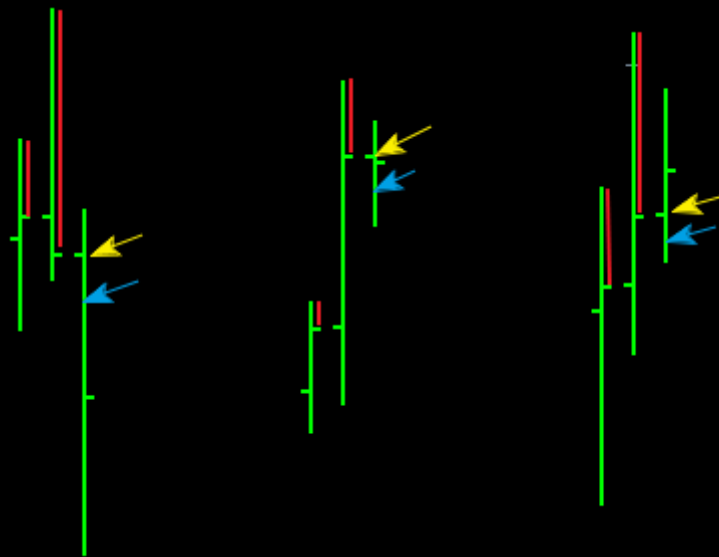


15 MIN	30 MIN	1 HR	4 HR	DAILY	WEEKLY
1 PIP	2 PIPS	5 PIPS	20 PIPS	50 PIPS	200 PIPS

Note: The chart above shows conservative profit targets only. Obviously more pips can be usually acquired, but the figures above will ensure no-losses; those pips will be gained. Once you become more experienced, increase the pips **at your own risk** but remain conservative not greedy. For example, 10 pips on the 1 HR chart can usually be gained and 50 pips on the 4HR chart can usually be gained. Avoid however changing the pip ammount on the lower timeframe of 15 min or 30 min. Also, even though the pips gained might seem low, don't forget that profits do indeed add up over time because of a) frequent set-ups and b) you can trade multiple currency pairs at the same time if you work quickly and c) profits will increase depending upon your lot size and leverage.

Here are some more examples of various short/sell set-ups:

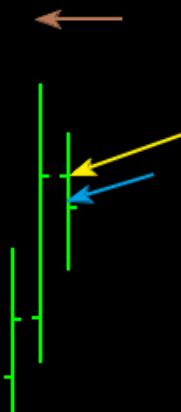
- Higher highs, higher lows
- 2nd bar is bigger than the 1st
- High and (upcoming) close of the 2nd bar is greater than the 1st
- Enter immediately at opening of next (3rd) bar
- Set take profit amount immediately after entering the trade



STOP LOSS:

Why do I not show a stop-loss point? I do not trade using stop-losses! This might sound crazy but actually it is not. Here is why: a) It is rare for the market to crash on you. b) Many non-ECN brokers will trade against you or attempt to (fake) spike the market to hit your stop-loss value thus exiting your trade at a loss. c) If a human error is made using my method, you can usually just sit it out and wait and the pips will be gained a few bars later. d) Only a small amount of pips are gained with this scalping method, thus the pips are usually acquired within seconds or minutes. e) My method works during economic news events because it is based on supply and demand points created by the big banks. Don't fool yourself; banks know what is going on prior to the economic news being released. Fundamentals (economic news), banks, the mainstream controlled media all in bed together, so-to-speak. f) If you use an ECN/STP type of broker, you will not have to worry about a middle man secretly trying to spike the market on you or thwart you to close you out in a loss. I personally use FXCC.com as my broker. g) Withdrawl your profits frequently so all your capital never remains tied up in the market. This book describes my own personal no-loss trading method therefore I have to remain honest and tell you that I do not trade with stop-losses!

However, some users of my method will apply a stop-loss placed above the high of the 2nd candle on a short/sell set-up. My advice if you are going to use stop-losses is: the wider the better. In the example below the brown arrow denotes a possible stop-loss point for a short/sell set-up, although I would prefer the stop-loss to be even further away (or in my case, not use one at all). If you use a stop-loss just be sure the set-up is perfect, as in the 2nd bar is much longer than the 1st and the distance from the high and upcoming close of the 2nd bar is much greater than the same on the 1st bar.



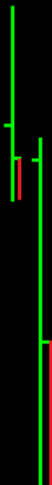
THE SET-UP FOR A LONG/BUY TRADE:

As assumed, the set-up is simply in reverse. Therefore the following steps are in brief.

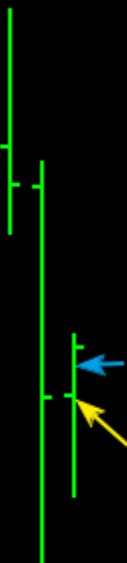
1) For a long/buy set-up, **the 2 bars must be trending downwards** (yes, downwards); **lower highs and lower lows**. In the example below I have marked the downward trend with pink arrows ONLY for your eyes to see it; do not mark up your chart.



2) A) **The 2nd bar must be bigger than the 1st bar**. B) Measure the distance (visually) between the low and close of the 1st bar with the low and upcoming close of the 2d bar. **If the 2nd one is significantly greater** then get ready to enter a long/buy trade once the next bar opens. In the example continued below, I have marked the distance in red ONLY for your eyes to see it better.

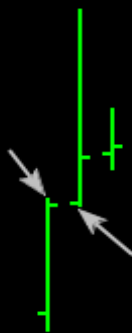


3) A) **Enter a long/buy trade immediately when the next (3rd) bar opens.** In the example below I have used a yellow arrow to show you the entry point. B) After the entry has been successfully carried out, then **immediately set your profit exit target** using the chart provided earlier. In the example below, the (approximate) exit is marked with a blue arrow.

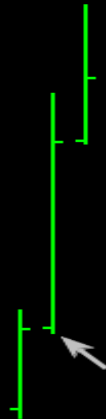


STUFF TO AVOID FOR LONG & SHORT TRADES:

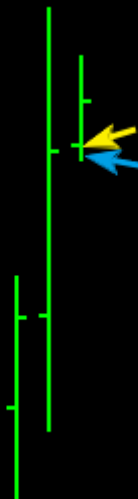
1 A) In the example below, this type of set-up will not usually work because the close or opening of either or both the 1st bar and/or the 2nd bar is too close to the high or low of the bar. Thus avoid this completely as shown with grey arrows below. Notice in the 3rd bar that the price never shorted much.



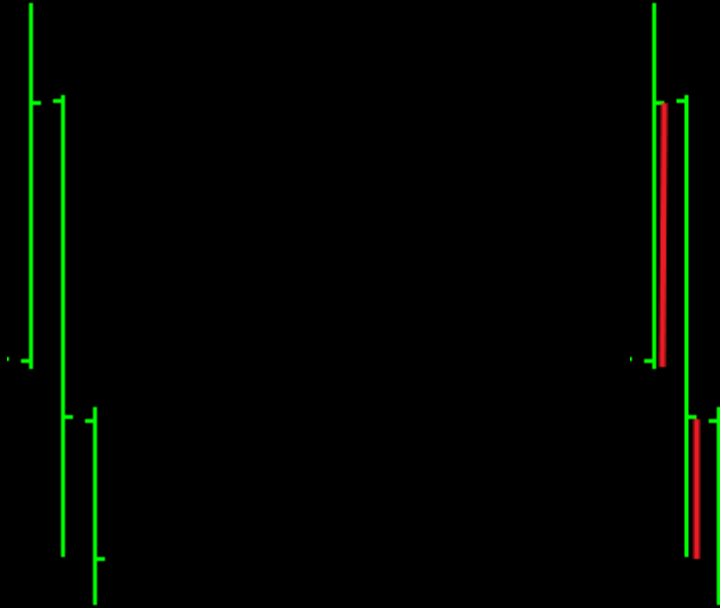
1 B) In this example below you have a similar situation. It does indeed meet the trade set-up for a short/sell trade. Higher highs and higher lows, the 2nd bar longer than the 1st, and the distance from the high and (upcoming) close of the 2nd is longer than in the 1st bar.... but notice how the market did not go short on the 3rd bar. This is due to the same reason as mentioned above and is marked below with a grey arrow.



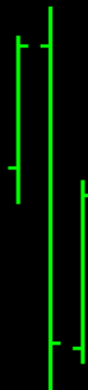
2) In the example below on the 1 HR chart, the set-up appears to be fine. But notice again how the market did not go short. No worries, the trade still worked. Why? Because if you followed my chart for the pip target you would have successfully gained the 5 pips. Thus the importance of being conservative. However, this situation of a 3rd not going too far in your favor usually doesn't happen too often. And if you made a human error of not sticking to my pip chart - perhaps trying to gain 10 pips instead of 5 pips - then you can just wait it out until the market goes short again which it did after 2 more bars (not seen in this example).



3) See this next example below. What went wrong? This appears to be a perfect set-up for a long/buy trade but the market did not go long. Why? Because you made a mistake; notice on the 2nd bar that the distance from the low to the upcoming close is smaller than the low to the close on the 1st bar. Thus this trade entry should not have been made. In other words, this is NOT a set-up. So in this example, the thing to avoid is YOU making a mistake.



4) Notice in this example below, on the 3rd bar the market went long. This was (only) predicted by the very lengthy 2nd bar which was much larger than the 1st bar. But since the set-up requirements were not present for a proper long/buy trade based on the 1st and 2nd bars and the trend directions are different, a trade entry would/should NOT have been made. In other words, stick to the rules and do not worry about possible missed opportunities. Just be patient and wait for the perfect set-ups only.



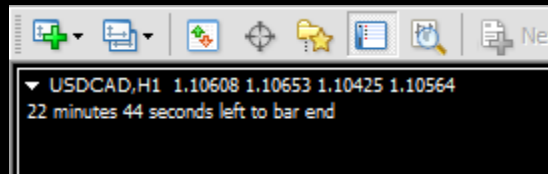
HANDY INDICATORS:

My method does not require the use of any indicators placed on your chart. However, two useful indicators can help you.

1) A "candle time" indicator. This shows you quickly, at-a-glance, how much time is remaining before the next bar opens. This can save you more time by avoiding to have to monitor your clock. Since you are entering trades immediately at the start of a new (3rd) bar, this type of indicator can be very useful because it will count down the seconds prior to the next bar opening. This can give you time to even prepare yourself with your order-window ready as you wait for the next bar to open. If you use a candle time indicator (which you can find for free on the internet), it is also a time saver because you can thus just look at your charts a minute or so prior to the next candle opening. Since my method takes a mere seconds to spot a perfect set-up (once you get experienced at it), a candle time indicator such as this can be very useful. In this example below on the 1 HR chart, it looks like a long/buy set-up might be occurring. But notice there is still 22 minutes remaining until the next bar opens. Thus, still too much time to know for sure if this will establish itself to be a perfect set-up.



In this example below is another style of a "candle time" indicator. The data appears in small text at the top left of my trading platform (software) on the chart. If you notice though, it is way too small thus not easy to glance at. So basically this kind of candle time indicator is useless because your eyes have to do more work reading it. Use instead something similar to the previous example, or find your own method such as a countdown timer on your computer or mobile phone.



2) A "show ask line" or "spread" indicator. This type of indicator makes it very handy to basically and quickly see the spread amount. This is useful if you are monitoring multiple currency pairs at once. In this example below of the USD/JPY 1 HR chart you will see the spread is quite large; as increased by this broker. Even if you see a perfect set-up occurring (not in this example), by visually seeing the spread amount you can determine if it is worth your while to make a trade. In this example (of a non set-up) below, the bars are generally small and not worth the risk of trading. You might even want to close this pair and work with others instead that have a less spread, wait until there is more volume, or switch to a higher timeframe. I find that displaying the "ask line" in Metratrader 4 is even quicker than using a "spread" indicator that shows a number.

