

**Carlos MM Approach to
“Linuxtroll Simple Scalping”
(Only for Newbies)**

I developed this MM method as a way to deal with my low hit rate on the **Linuxtroll Simple Scalping**. I guess, this is the newbies major problem since getting a >90% Hit Rate is really hard and can make most of traders give up.

Linuxtroll define the way of trading LSS this way (MANTRA):

- Identify the time (example: EST 3:00-3:30)
- Monitor the market using ≤ 1 min time frame (best is 5 sec OANDA)
- Identify the direction of the move
- Jump in and out with higher lots
- You are done for the day within 30-60min
- Go out and golf

Quiet simple isn't it?

The only problem is doing it consistently in a way that losses won't eat all profits.

Linuxtroll taught us that the only way to get a >90% Hit Rate is to have lots of screen time.

That also takes long time and if you are like me, very hesitating to pull the trigger, it can be very frustrating after some time.

So, i developed what i call “Carlos MM for Linuxtroll Simple Scalping”. This strategy allows me to miss some shots and still make money and getting a lot of screen time and reducing frustration to near zero.

Carlos MM for Linuxtroll Simple Scalping

Assume this for explanation purpose:

- Account balance: \$20.000
- 1 pip (using 1 lot) = \$10
- Leverage 1:100
- Zero commissions

Method: 5 levels

You will end with a profit if you hit TP in any of the 5 levels. Just hit one.

Hitting one TP in five trades is enough to get a profit. $1/5 = 20\%$ hit rate (and you still loose nothing). What more can you ask for training for that 90% hit rate?

TABLE 1 – Method

METHOD				
TRADE N° (LEVEL)	N° LOTS	Stop Loss	Take Profit	PROFIT/LOSS
1	1	10	0	\$100
2	2	10	10	\$200
3	4	10	10	\$400
4	8	10	10	\$800
5	16	10	10	\$1600

Open 3 to 5 pairs charts (TF <=1 min) (i use 5 sec OANDA, as taught by LT). I personally use GJ, EJ and sometimes EU (because of low spread). I trade in Oanda, not ECN but that is irrelevant for the method itself.

Get ready to enter a trade using MANTRA.

Remember, that you are training to become a > 90% hit rate pro so, this will be your major concern. You will give all your best to enter in the right direction and make pips at first time (Level 1).

You can have a Level 1 in all pairs you are trading at same time.

LEVEL 1

This is the most importante Level of all 5. It's here that you measure your progress in LTSS trading.

- * Enter trade N° 1 on any pair when mantra settings are OK.
- * LOT=1;
- * TP=0;
- * SL=10;
- * When you can, move SL to break even. Trail it from there.

IMPORTANT: SL can only be -10 pips from entry; break even or above BE. NEVER, between -10 and 0. If you have a loss **it's 10 pips loss** not less not more then that.

This is the correct way of managing the first trade.

Results:

Profit: 1 lot x 10 pips = +\$100 (for demonstration only, we consider 1 lot:1pip:\$10)

Loss: 1 lot x 10 pips = -\$100

Remember: At Level 1, profit can be anything. In case of Profit, we start Level 1 again. We only move to Level 2 if we have a 10 pip loss.

When you start hitting profits at Level 1 every 9 out of 10, it's time to give this tutorial to someone who really needs it.

LEVELs 2-5

Everytime we have a 10 pip loss we move to next level.

When trading in levels 2-5, takeprofit and stoploss are fixed 10 pips. When we hit 10 pips profit we get back to Level 1.

- * Enter trade on **SAME PAIR** you had the loss (when mantra settings are OK).
- * LOT=2 x last lot traded;
- * TP=10;
- * SL=10;

IMPORTANT: You will never trail SL or TP. They are fixed. So you will either have a 10 pip profit or 10 pips loss. The objective of levels 2-5 is to fix Level 1 bad trade.

Considerations

Have in mind that you are training for a >90% hit rate. So, if you can't hit 1 in 5 (20%), there is something wrong with you entries and you have to review it again. Assume the loss and start over. Keep a positive attitude.

Number of lots from levels 2-5 are placed according to Martingale's principle.

I know that many people don't like Martingale's approach to trading. I personally know traders who use pure Martingale in their trading for long time and make money. They just have to accept a certain amount of loss and go on.

In LTSS, we have something that no casino player has: High Probability Trade Profit (spine leads the way). And that is the only reason why this 5 level Martingale makes sense. It allows newbie LTSS traders to have screentime and search for good trades while dealing with their frustration from the bad trades (and there will be a lot of them i know it).

Has time goes by, you will have less trades on levels 3-4 (i've only hitted level 4 twice, once testing this method on my demotrading in an entire month, and once in my live micro account).

Everytime you hit Profit you get an increase of aprox. 0.5% in your account. Using 3-5 pairs, it's very common to get 3-10 TPs on a regular day, completely stress free.

Pairs and Level Management

Has i wrote before, you can have all 3-5 pairs at level 1 at same time. But obviously, you can't have all pairs at level 4-5 at same time. So, i take this like a management game. I start level 1 on all pairs when setup is OK. If any pair goes to level 3, i take notes on the level of every pair and stop trading all of them except the one in level 3. When it goes back to level 1, i continue with the other pairs on the levels i left them.

TABLE 2 – Ordinary Trading Day (red numbers are trades in progress)

	EURUSD	USDJPY	GBPJPY	EURGPY	EURCHF
Lots	1	1	1	1	1
Lots	1	2	2	2	1
Lots	1	4	1	4	2
Lots	2	1		8	1
Lots		2		1	2
hit/miss	2:1	1:2	1:1	1:3	2:1

Level 3 is like a RED LIGHT to me. If i missed twice the same bird, all my focus goes there. From levels 3-5 i wait for a very very good setup. Hard to miss. I´ve never had a level 5.

Table 2 represents is a typical trading day with 7 TP hit. Hitrate is 7:8 (7 hit, 8 loss), around 50%.

On a 20k account, each TP would represent \$100 (more or less). A total of 3,5%.

So, can you make money with it?

Don´t forget this is a training method, after that, move to pure LT´s.

My regards to LinuxTroll who spends his valuable time mentoring us for free.

Carllos

<http://FxCarllos.blogspot.com>