FOREX SCALPEL

By J.J. Glenellis

DISCLAIMER

Commodity Futures Trading Commission: Futures and options trading have large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This book is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this book. The past performance of any trading system or methodology is not necessarily indicative of future results.

Trading foreign currencies is a challenging and potentially profitable opportunity for educated and experienced investors. However, before deciding to participate in the Forex market, you should carefully consider your investment objectives, level of experience and risk appetite. There is considerable exposure to risk in any foreign exchange transaction. Any transaction involving currencies involves risks including, but not limited to, the potential for changing political and/or economic conditions that may substantially affect the price or liquidity of a currency.

Moreover, the leveraged nature of FX trading means that any market movement will have an equally proportional effect on your deposited funds. This may work against you as well as for you. The possibility exists that you could sustain a total loss of initial margin funds and your position will be liquidated and you will be responsible for any resulting losses. Investors are recommended to lower exposure to risk by employing risk-reducing strategies such as 'stop-loss' or 'limit' orders. Simple4XSystem.com will not be held responsible for the reliability or accuracy of the information provided in this book. The content provided is put forward in good faith and believed to be accurate, however, there are no explicit or implicit warranties of accuracy or timeliness made by Simple4XSystem.com.

CFTC rule 4.41: Hypothetical or simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity.

The following book is provided for entertainment purposes only.

Forex Scalpel

What is Scalping

Simply put, scalping is a trading style where you enter into a trade with the express goal of exiting with a small number of pips in profit (usually 5-10 pips after paying the spread). For most traders, scalping is the preferred method of trading as it usually only takes a moment or two to reach your goal, and rarely do you have to ride out any big swings in price.

The best scalpers out there (traders who routinely earn 100-500 pips a day) have a hard and fast rule: If the trade goes against me, I GET OUT! Meaning they don't hang on to a losing trade in the hopes that it will become a winning trade. They have a set number of pips they are willing to sacrifice, and if the price hits that number, they exit the trade.

If your goal is 5 pips per trade, and you let a losing trade run until you are 30 pips in the hole, you need to win 6 trades in a row just to get back to break even. So keep your stop loss set tight (5-10 pips plus the spread, in most cases).

Scalping Profit Targets

As I mentioned above, you want to set a target of 5 or 10 pips when you are scalping (and 5 is obviously easier to get to than 10, since you can't get to 10 without getting to 5 first!) but your target should depend on how many pips your chosen method of scalping historically nets you.

In each of the methods I describe in this e-book, I tell you what kind of pip gain you can expect on average. But don't just rely on my findings…use your own records to see if you should hold on to trades a little longer (or exit them a little earlier) to maximize your winnings when trading.

Scalping Pairs

The one thing you should always keep in mind when scalping is "What kind of spread am I paying?" If you are trading with a Market Maker broker (which is most of them right now, and they do trade against you on occasion, so keep that in mind as well) that has a fixed spread, you want to focus on the pairs with the smallest spreads. Typically that will be the EUR/USD and the USD/JPY, both of which normally carry a 1-2 pip spread.

So when scalping, say, the EUR/USD, with a goal of 5 pips profit, you would need to see your price move about 7 pips in order to cover the spread and make your 5 pips. If your goal is 10 pips, then you need the price to move 12 pips in order to cover the spread and still make your profit goal.

There are other pairs which are also good to scalp, as they have a lot of volatility, but the spread is typically larger. The two others which I think are best are the EUR/JPY and the GBP/USD. Both have spreads in the 4-5 pip range (with the Market Maker brokers) but have the kind of volatility that allows the pairs to easily cover the spread and still earn plenty of pips, especially if you are only gunning for 5 pips profit).

The other kind of broker is the ECN broker, and here, the spreads are not "fixed" (meaning they can change at a moment's notice). The "market" determines what the spread is, and the broker makes their money off commissions you pay to them for every transaction you enter into.

The upside to using an ECN is that they are truly acting as brokers, placing your order with an opposing party instead of taking the other side themselves. Another advantage is that during times of high volatility, the spreads on some of the more volatile pairs (like the EUR/JPY, GBP/USD and GBP/JPY) can be much, much less than those offered by the Market Maker brokers and their fixed spreads. This means you can "scalp" a pair like the GBP/JPY (which typically moves 20-30 pips in one direction at one time) and make more pips in a single trade, but which normally carries an 8 or 9 pip spread with most brokers.

The downside of using an ECN is the opposite side of the non-fixed spread issues. At a moment's notice, volatility can drop and the spreads can increase, making it more difficult for you to reach your profit goal in a single trade.

However, since ECN's make their money off the commissions you pay per trade, they are happy to welcome all scalpers as customers. The more trades you place, the more money they make, even if you end up winning at the end of each day.

Market Maker brokers, on the other hand, hate scalpers since they have a hard time laying off losing trades onto other traders. Every time you win a scalp trade, you are in effect taking money out of their pockets, and many of these brokers will not allow you to do that for very long before they either ban you from trading, or they use sneaky tactics like slipping your entry prices, or putting you on manual execution, thus delaying your ability to get into a trade at the price you want.

Scalping Times

The beauty of scalping the Forex Markets is that if you re only looking for 5-10 pips per trade, you can actually trade at any time, day or night, when the market is open, and have a good chance at finding your trade setups and getting into profitable trades.

But like all other forms of trading, you are going to find more setups, and get more winning trades, if you trade when volatility is heaviest. This means starting trading at 1 a.m. eastern time (2 hours before London opens) and ending at 4 p.m. eastern time (when New York closes). This 15 hour time frame encompasses the best trading there is.

However, if you are forced by your job or other commitments to only trade the Asian session, you can still scalp from 7 p.m. eastern time until 3 a.m. eastern time. Just focus on the pairs that are usually the most heavily traded during that time frame: USD/JPY, AUD/USD, NZD/USD and EUR/JPY. Just pay close attention to the spreads on those pairs to make sure you don't get into a trade where your 5-7 pip gains fails to even cover the spread.

Top 10 Scalping Methods

1. Shi-Channel Retrace--play off the touches on the two outer lines.

The Shi Channel True is a custom indicator designed for the MT4 Trading Platform. It is included in the zip file you downloaded as a part of your purchase (as are all the other indicators mentioned in this e-book). You simply install it in the experts/indicators file (see Appendix 1 for exact details if you are unsure how to do this) and then use either the Insert function on the MT4 Toolbar, or drag it over onto your chart using the MT4 Navigator.

There is no need to adjust the settings on the Shi Channel. It comes set at 240 periods, and should be left there, assuming you are scalping off the One minute charts.

After you install the Shi Channel, you'll notice a green banded channel is now on your charts. The two thick lines are the outer bands of the channel, and the dotted line in the middle is the middle band.

When markets are ranging, they tend to hit the upper and lower bands of the Shi Channel indicator.

To scalp, simply wait for the price to touch one of the two lines, and trade it in the opposite direction. If the channel is 25 pips wide or less, aim for 5 pips as your profit goal. If the channel is 26 pips or larger, aim for 10 pips (plus your spread…always plus your spread).

Using the following chart as an example….

Here the price touched the top of the Shi-Channel at the far left side of the chart (1.3990) triggering a SELL trade. 12 candles later you not only closed out the trade in profit (8-10 pips, depending on your spread) but you also got into a BUY trade, which only took 4 minutes (candles) to get back to the top of the Shi-Channel, 18 pips away. You would exit the trade and SELL again and hit your profit target 9 candles later.

Here you got into a SELL trade on the far left side of the chart. It took 19 minutes (candles) to reach the bottom of the Shi Channel, where you exit with a small profit (3-4 pips) and enter a BUY trade. You easily made 10 pips profit in the next six candles (out of 16-18 pips profit possible), and then enter a SELL trade when the first candle touches the top of the Shi Channel.

Two easy trades here. You BUY when the price is at the bottom of the Shi Channel, bank 10 pips profit on the way up, and SELL when the candle touches the top of the Shi Channel.

2. 2/10 ema Cross--when 2 crosses 10, buy or sell

This is by far the simplest Scalp Trade you can set up. It works on any platform, on any time frame, and for any pair.

You set up 2 Exponential Moving Averages on your chart: a 2 ema and a 10 ema. Make sure you use two different colors for your ema's, and use two colors different from what you use for your candlesticks.

When the 2 ema crosses UP through the 10, you BUY. When the 2 ema crosses DOWN through the 10, you Sell. Use a 10 pip profit goal on this trade, unless you can see that your current trading conditions justify either more or less.

Here the 2 ema crosses up through the 10 ema, and runs for 25 pips before turning around and heading back down.

Here the 2 ema crosses down through the 10 but only gets you 2-3 pips before crossing back UP through the 10 again. In a trade like this, you exit your first trade and take a small loss, while entering a new BUY trade, which moves 18 pips up, easily making your 10 pip goal. Some people will try for a couple of extra pips on a tyrade like this to erase their small loss from the previous trade. That is a decision for you to make for yourself.

Here you got into a BUY trade when the 2 ema crossed up through the 10 at the far left hand side of the chart. You rode out a small retracement that never came close to your stop-loss, then watched the trade move up almost 30 pips. Then the price reversed and you got into a SELL trade that ultimately made you an easy additional 10 pips.

3. Heiken Ashii Candle color switch--Use Heiken Ashii set at 2,6,3,2. When first new candle color closes, Buy/Sell accordingly.

If you have never used Heiken Ashii candles before, you are in for a real eye-opener. These candles are a very good indicator of a trend either continuing or collapsing, and if you can Buy or Sell when you see the first candle close after a color change. You have about an 80% chance of making at least 10 pips.

The rules are simple: Set up your Heiken Ashii candles with the following input settings: 2,6,3,2. When you see the Heiken Ashii change color, wait for that candle to close, then enter a trade immediately after the new candle opens.

It's hard to see on this chart, but the Heiken Ashii candles turned from red to blue on the 4th full candle from the left. You would buy at 1.4025 and hold fro 10 pips profit (or until the HA's turn abck to red if you want to extend the trade out a bit). You would SELL where the candle opens at 1.4037 and make an additional 10 pips in the course of the next 8 minutes.

Off to the left side of this chart, the HA's turned red, signaling a SELL trade and an easy 10 pips. The large Bullish candle at the middle right is where the HA's turned blue, so you BUY at the open of the next candle (1.6175) and make another 10 pips in 12 minutes.

Here, you can clearly see where the HA's change color. Since this is the USD/JPY, 10 pips can be difficult to get these days, and I will gladly bank 5 pips and wait for the next trade in almost every case.

4. Bollinger Retrace--Set up a 20 Boll. When price touches outer bands, play the retrace.

Bollinger Bands are used by a large number of traders, and those traders all know that when the current price touches one of the outer bands, the price tends to reverse for at least 5-10 pips.

So set up the Bollinger Bands with a 20 period. When price touches one of the outer bands, enter a scalp trade in the opposite direction. Since this trade is usually good for 10 pips, figure in your spread price and exit accordingly.

Here I've labeled the chart at the point where you BUY and SELL. In almost every case as represented on this particular chart, price action was strong enough that you could get more than 5 pips on this USD/JPY pair.

Again, I've marked each spot on then chart where you BUY or SELL. 10 pips per trade was easily achieved during this time span.

This chart represents points you need to keep in mind. First, there will be trades where the price breaks through the Bollinger Band, such as it did a few minutes after we entered our first BUY trade. While this bodes well for making an easy 10 pips, when you see a strong break of the Bollinger Band, you should hold off placing a Bounce trade until you can be somewhat certain that price is coming back the other way. One way to do that is to measure the size of the move of the first and possibly the second large bullish candles. If the candles cover more than 20 pips, you are looking at a strong spike, which is usually followed by a retracement. So if you see the price stall out after a big (20+ pip) move, get ready to enter a trade in the opposite direction, regardless of whether the candles have moved back within the Bollinger Bands.

5. 60 Bounce--Set up a 60 ema on your chart. When price touches 60, play a retrace. Be ready to get out quick.

The 60 ema tends to mimic one of the outer Bollinger Bands. When price touches one of these lines, it tends to bounce back at least 5-10 pips, sometimes more.

So the play is: When the price touches the 60 ema enter a trade in the opposite direction.

Here, the price touched the 60 ema (trades 1, 2 and 3) and bounced back 10 or more pips. Price finally broke through the 60 on the 4th attempt (a common occurrence) then moved back to touch the 60 again from the other side. Since the 60 can act as both Support and resistance, this would trigger a SELL trade and would have made oyu an easy 10 pips (and more if you waited to exit the trade)

Here the price broke through the 60 ema on the let side of the chart, came back and hit it at #2 then fell 10 pips, moved back up for another touch at #3 and fell 6-7 pips, then broke through at #4 before falling back below the 60 one more time.

After breaking through the 60 ema at #1, price repeatedly touched the 60 and bounced back 10+ pips before finally breaking through and moving below the 60 ema just past #4.

6. 00/50 Bounce--When price hits 00 or 50, play a retrace. Often good for 10-20 pips

The 00's and the 50's in Forex Trading represent huge lines of psychological support and resistance. Human nature causes us to huddle around these large even numbers, and as a result, there are a large number of stop-loss and limit orders placed around the 00's and the 50's. Some people think they are being smart by placing their stops and limits at .01 or.99, or .51 or .49. But this just adds to the buying or selling pressure, and causes the price to bounce nicely off both these psychological lines.

The white line running through the lower half of the chart shows you where the "50" line would be (1.6350). You can see how many times price hit and then bounced off that line (or very close by…remember, a lot of people set stops and limits a few pips on either side of the 50's and the 00's, so don't be shocked if price actually breaks through by 4-5 pips before turning around and bouncing).

Here are three lines, representing 96.00 (top) 95.50 (middle) and (95.00) bottom). Along the 96.00 line you can see how many times price tried to break through but was ultimately rejected. 95.50 didn't pose a real problem, but 95.50 held when touched the first time and price retraced almost 40 pips before resuming the selloff and eventually breaking 95.00.

This is a case where the 50 line failed to act as resistance, but found it's role as a Support line, where 3 touches resulted in price moving back up, ultimately approaching 1.4000.

7. Mystery Spike Retrace--That unexplained run-up or run-down in price on the 1 and 5 minute charts will almost always come back to earth. Play it accordingly.

There is no way to plan for this one, but when you see it, you know you can make some immediate pips.

Every now and again, the price of a pair will jump up or down 20-30-40 pips in a matter of seconds. There are no scheduled news events that cause it, and it usually happens during times of low volume, when a couple of big orders cause the price to jump like a cat on a hot griddle.

But what happens next is about as reliable as clockwork. Once the price jumps up, it grinds it's way back down over the next few minutes.

So when you see a spike that comes out of left field, get ready to trade it in the opposite direction just as soon s the momentum dies off.

A classic mystery spike. Price was already slowly moving up, them WHAM! 20+ pips in one minute. When a candle like that closes, you immediately put in a trade in the opposite direction, and in this case easily made 10 pips.

Here, price was ranging, but in a downward move when you got a 15+ pip candle, followed by a 10 pip candle. 25 pips in 2 minutes qualifies as a Mystery Spike (assuming it was not based on any anticipated news events or other identifiable event). Sine we are looking for 20+ pips movement in a short period of time (1-2 candles) you wait until the second candle in this spike closes and then put in a BUY order. Another easy 10 pips.

Another 2 candle spike. 2nd candle closes, you put in a SELL order and wait. This chart is too small to show the outcome, but you got your 10 pips 2 candles off to the right.

8. The Breakout Scalp--Look at the last 5-15 candles. If price is locked in a range, wait for price to break out of range and play accordingly. Longer term charts = more pips per breakout.

If you are trading on the 1 or 5 minute charts (and you should be for the most part if you are scalping) you'll run into times when the current price drops into a tight range for a few candles (5-15 or so). This simply means price is consolidating and is about to break out in one direction or the other.

So you draw a couple of lines on your chart…one across the top where the absolute high was reached (using the candles in your designated range) and one where the low was reached. When the price breaks through that line, you buy or sell in the direction of the breakout. The longer the range lasts (Meaning the more candles you have in that range) the more pips you can expect to make.

Here, price consolidated into a very tight 8 pip range. I drew in lines to show the top and the bottom of that range, and when the price broke through the bottom it was time to SELL. An easy 10 pips.

A wider range this time, but the same result. Price broke through the bottom, indicating a SELL was in order. 10 pips profit in just 2 candles. Note that this trade was on a 5 minute chart instead of a one minute chart. The longer the time frame you are trading from, the bigger the breakout you can expect. On a one minute chart, I would shoot for 5-10m pips. On a five minute chart, 10-20 pips would be very reachable, particularly with the GBP/USD/

This is common pattern with breakout trades. You usually hit your target quickly, since range trading is not much more than buyers and sellers forcing each other into tight corners. Once one of them breaks free, it's "off to the races" and price movement is usually fast. This trade is an exception to that rule, and I blame that on the fact it is the USD/JPY pair, which doesn't move much any more, and making 10 pips on even a breakout trade takes 30 minutes or more in a lot of cases. But with the small spread, you need to keep the U/J in your scalping routine.

9. Session High/Low Breakouts-Look for High and Low of previous session (Asia, London, US). When High or Low is broken, play for 10 pips + spread.

This one only works 3 times a day, maximum, but when it works, you can score an easy 10-20 pips. Locate the absolute High and Low for the previous session (in London session, look for Asian Hi/Lo. At the start of the US session, look for London Hi/Lo). When the current price breaks either the high or the low, you enter a trade in the direction of the breakout. Since this method is typically based on prices set several hours earlier, any breakout is normally good for a minimum of 10 pips, and usually 20 or more.

A simple scalp. Figure out where the High and low of the Asian session and London session are located, and place orders to take advantage of any breaks of those lines. I've marked the opening of Asia with a 7, London with a 3 and US with an 8. You can simply count candles to determine where the highs and lows are located and then see when each line was broken by later price action. It can take hours for this trade to set up, but you can put in future orders well in advance, and by using stops and limits (or OCO, as we are now being forced to use with all the NFA registered brokers) you can set up orders around noon eastern time and walk away from your PC for the rest of the day.

Here you broke the Asian (7) high a couple of different times, once before US open and then around 3pm eastern time, after the UK had closed. Both times were worth 10 pips.

Here, 92.85 was the high from the London session, and 92.90 was the high from the previous Asian session. Both were broken in late afternoon and an easy 10 pips was made.

10. Forex Scalpel Scalping Method

This is by far my favorite scalping method. It's one of those methods that requires everything to set up "just right" before you get in, but if you have the patience to wait for your setups, you're going to end up winning most of your scalp trades.

The chart setup requires you to place 2 Slope Direction Lines on your 1 minute chart: one will have settings at 34,2,0 and the other will be set at 9,3,0. I call the 34,2,0 line the "slow" slope line and the 9,3,0 line the "fast" slope line.

The first step is to determine which direction the "slow" line is trending, up or down. I use Lime green for Up and Magenta for Down. So if my Slow Slope line is Lime green, I am looking to enter into some Buy scalps. If the Slow Slope line is Magenta, I am looking to get into some Sell scalps.

When the slow line is Lime Green, I wait for the Fast Line to turn Lime Green as well. As soon as I see the line turn green, I Buy. One caveat: when the slope lines start to change color, one half of the line over the current candle will be one color, and the other half will be the new color. If you want to trade aggressively, you wait for the current "dual color" candle to close and the new candle to open before you enter your trade.

If you want to trade it conservatively, wait for both the Dual Color candle AND the very next candle to close before you get into the trade. This will keep you out of some bad trades that turn around quickly, well before you ever get to your pip target. But you will also miss out on a lot of trades that make 7-8 pips during that first 1-1/2 candle run, but stall out and reverse when the second full color candle opens.

Personally, I'll trade aggressively if the market is showing some volatility, but will be conservative when the market is flat. I'll leave it up to you to decide which method works best for you.

As with all scalping, keep a tight stop loss, usually equal to your profit target plus your spread.

6 candles from the left, the Fast line starts to turn red, and the Slow line is already red. You sell when the Dual Color candle closes (if aggressive) or when the candle AFTER the dual color candle closes (conservative). Either way, you made 10 pips. A few candles later, the slow line turns green. Since the fast line is already green, we wait for the fast line to retrace a bit and go red for a few candles, then jump in when it turns back to green. Aggressive trades made 10 pips, conservative traders made 5 before the fast line started to change colors again.

Here, the fast line turned green first, so we wait for it to go red then green a second time before we buy (matching the color of the slow line). Aggressive traders made an easy 10 pips, conservative traders made 5 or so. The Fast line turned red before the slow line did, so we wait for the fast line to go green then back to red. This time it didn't matter where you entered (aggressive or conservative). Everybody made at least 10 pips on this one.

Here is the big conundrum of the Slope line Scalp. You enter the trade around 92.63 (at the far left of the chart). You made an easy 10 and you get out. The fast line goes red, then green again, so you BUY a second time. You may or may not have seen a small profit on this trade before the fast line turns red. Since you are using a 10 pip stop loss, you can either wait out the color change and see if the trade resumes in your direction (like it did in this case) or you can exit as soon as you see the fast line change color, take a smaller loss than you would have by letting your original stop loss remain in place, and get back in when the fast line turns back into the color of the slow line. I have no personal preference, and will do both depending on what kind of “feel” I am getting from the pair.

11. BONUS: 30 Minute Trend Trading Method

Lately, this is about all I use for longer term trades. It is as simple a trading method as you'll ever find, and it even works well in terms of setting up trades with specific profit targets and stop losses, allowing you (and me) to walk away from the computer for a while, knowing that everything we can possibly control while trading is in fact under control.

This method also uses the Slope Direction Line, but relies solely upon the "fast" line with the settings of 9,3,0. Place it on a 30 minute chart. Also add the FiboPiv_v2 indicator…you do not need to change any of the settings for this one, but make sure your broker opens a "new day" at 5 p.m., which also works out to 00:00 GMT. The vast majority of brokers open a new daily chart at this time, and the FiboPiv_v2 resets automatically when your broker opens a new daily candle. Since most brokers 9and traders) use the 5 p.m. eastern/00:00 GMT settings, it means they are also using these same fib-pivot lines.

I lean heavily towards the GBP/USD and GBP/JPY for these trades, but will also include the EUR/JPY and occasionally the EUR/USD (although this pair tends to move less than the other three).

Much like the scalping method, I am waiting for the Slope line to change color before I get into a trade. I still use Lime Green for Up and Magenta for Down, but choose whatever colors work best on your charts.

Because we are looking at a longer term trade, I will usually (98% of the time) wait for the Dual Color candle to close AND the very next candle to close before I get into a trade. This will, in most cases, mean that the trend is going to continue in this same direction for several hours. I am even more confident of this if the color change happens somewhere around 1-2 a.m. eastern time and between 8-9 a.m. eastern time.

But the color changes can and do take place at any time.

Because we are using a 30 minute chart, the issue of the Slope line "repainting" is minimized. On a very rare occasion will a huge move in the wrong direction erase the previous 2 candles worth of color change. It just doesn't happen often. When you DO get a huge move against your position, it will normally create a new Dual Color candle and a new Slope Direction trade develops thereafter.

Again, because we are trading longer term, I am shooting for more pips from my trades. With the GBP/USD I am usually looking for a 100 pip profit. With the GBP/JPY, my profit target is normally 150-200 pips. With the EUR/JPY I am looking for 60-100 pips profit, and the EUR/USD I am looking for 40-60 pips profit.

I also set my stops accordingly, although I do let the nearest Support or Resistance (or Pivot) line as drawn by the FiboPiv indicator heavily influence where I set my stops. If I am setting a 50 pip stop loss, and notice I am only 5 pips under a Resistance line, I will move my stop above that line by 5 additional pips (making it a 60 pip stop loss instead of 50). This is due to the strength of the Resistance and Support lines, something you will see as you continue to trade using this indicator.

This method works best during the pre-London open (1-2 a.m. eastern time) all the way through 11 a.m. eastern time (about a 10 hour period). You will usually see at least two, and sometimes three different substantial moves in the pairs I mentioned earlier. All you need to do is catch one of them to hit your profit target for the day. If you can trade multiple pairs at one time, making 100-200 pips per session is the norm, rather than the exception.

As noted with the Slope Line scalp, conservative traders will wait for the candle AFTER the dual color candle to close before they enter the trade. Here, the red Slope Line had entry prices of either 149.90 (aggressive) or 149.52 (conservative). In this trade I held until the line turned green around 148.45, for a 100 pip profit. When the line turned back to red I sold again at 148.10 (just below Support #1) and held on for another 100 pip gain, exiting at 147.10. When the Slope Line turned green, I waited until price broke above Support #1 at 148.13 and entered a BUY. I got out at 149.13 for a 100 pip gain, and rode out the brief retrace , BUYING back in at 149.65 (just above the pivot line). I banked another 100 pips just after this chart ended. 4 trades. 16 hours. 400 pips. One pair.

Can you see why I really love trading this method on the 30 minute charts?

Aggressive trades could SELL after the Dual Color candle closed, at 1.6285 (just under Resistance #2). Conservative traders would wait until 1.6250 (the open of the next candle). Price never quite reached Support #1 but you had numerous chances to get out between 1.6105 and 1.6125, for more than 100 pips profit on a single trade. Both aggressive and conservative trades got entries in the same range between 05 and 25, and it was pretty much a straight shot up the charts after that, with price flattening out at R-2, 1.6291, for a profit in the range of 170-190 pips.

Here the price gets a little choppier, so back-to-back 100 pip winners are harder to come by. But you can see obvious entry points for 7 trades, and price stayed in between the Pivot Line and R-1 for the most part, making exits easy to time as well.