

SCALP T1 SYSTEM- scalping system based on Raghee Horner's teachings

By Tarantula

The system is very simple to use but requires knowledge of basic momentum candles and reading of the PA on 1MIN timeframe.

First of all the chart consists of 3 indicators:

1. 34 EMA high
2. 34 EMA low
3. 34 EMA close

The teaching Mrs. Horner is using is called "The river" and by looking at the chart you will notice that EMA's are really look like the river.

The principle of trading is purely SCALP. 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. We buy on MOMENTUM CANDLES

When price is below the MAs, we are only looking to sell when price comes back to the MAs). WE sell on MOMENTUM CANDLES

MOMENTUM CANDLE DEFINITION –THE CANDLE THAT INDICATES THE RETURN OF BUYERS OR SELLERS INTO THE MARKET. CHARACTERIZED BY LONG STRONG BODIES WITH VERY SMALL OR NO WICK AT ALL.

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. That is the ENTRY for long or short trades respectively.

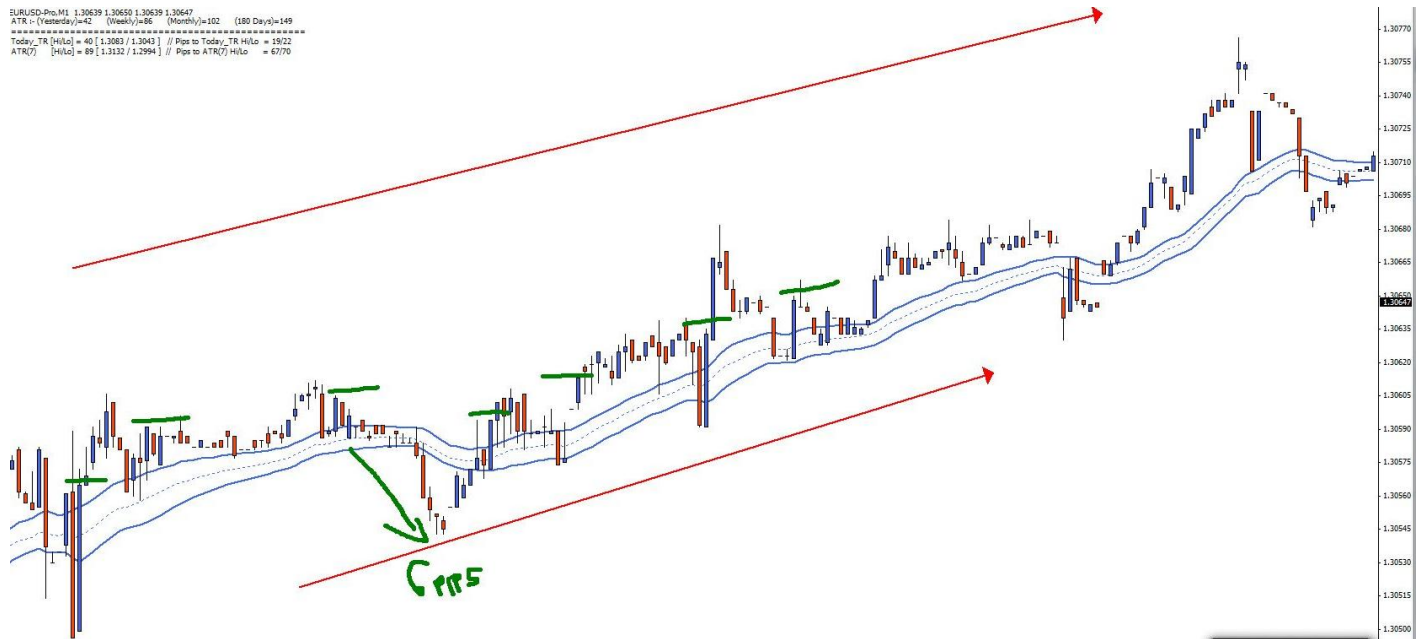


We are taking trades as price returns to our moving averages and riding the momentum as price continues in the same direction.

Since these are scalps you need to determine your own exit points but I usually go for 5-10 pips maximum but the advantage is you can exploit 1-5 retracements before momentum shifts. In the picture above there were 5 retracements before the shift. I usually go for 3 retracements.

In this example we can see that entries are taken when long or mid length candles form below “the river”. In the above chart you can see that there are a load of sellers coming back into the market (long or mid/long, red

bearish candles) after pullbacks – this is the candle that triggers you to sell. Momentum candles are indicated by big strong bodies with almost or no wick at all. Good entries can also be small REVERSAL candles in this case small shooting stars. But I usually OPT for momentum candles.



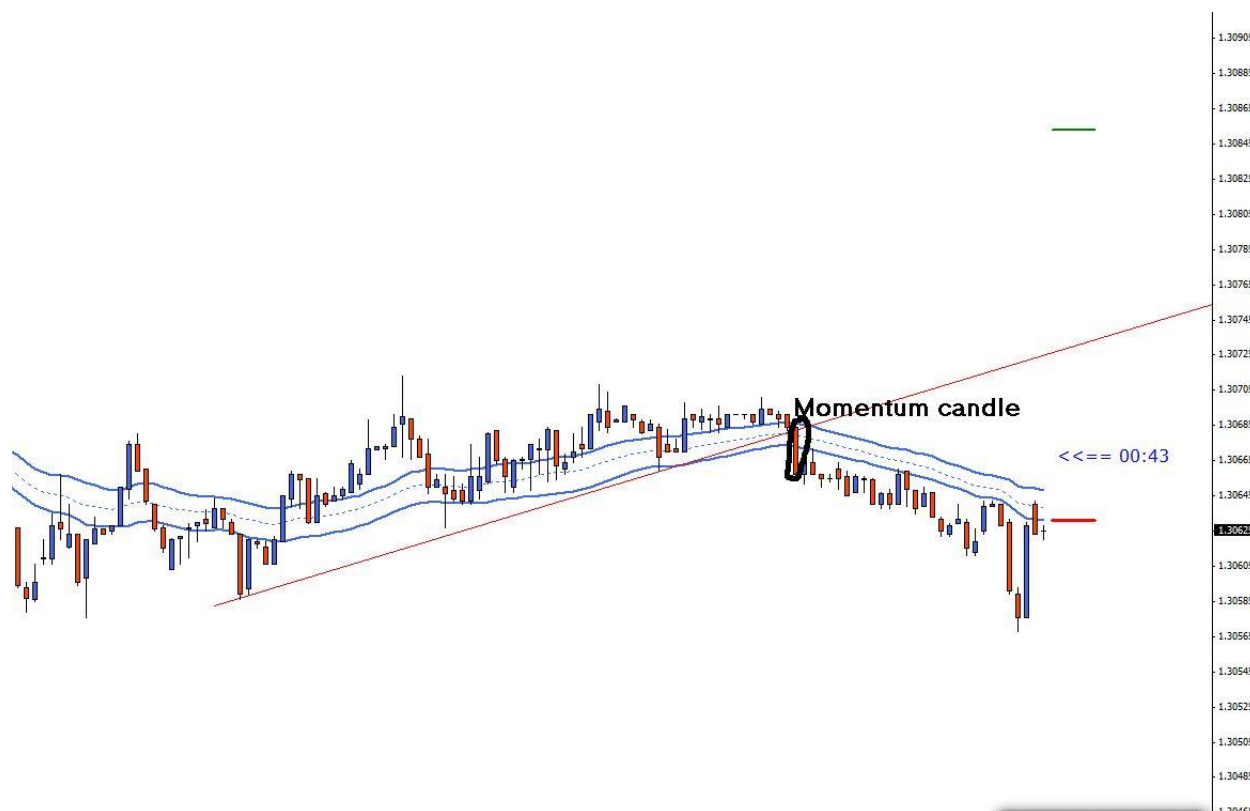
In the example above we can see buy signals (I picked up a random chart part to show you) where I would take entries based on BLUE momentum candles. You can see that max drawdown was only 6 pips in this example.

Stop loss is usually mental as those are scalp trades but shouldn't exceed 12 pips

So basically you need to know some basic stuff about forex trading. (candles, retracements, trendlines, etc). When the market has already moved a significant amount that day – I will not enter in the same direction.

However, I always suggest **MOMENTUM SHIFT** trades- it is a good idea to watch for trades in the opposite direction when the market has moved a lot in 1 direction, as we can start looking for trades in opposite direction. But always imply your MM. If you got enough for the day (by your daily plan, stop trading).

You can also use trendlines when momentum starts to shift to see if there are continuation moves. We can see that in this example:



As I say this system is not purely mechanical, not easy for new traders but for experienced traders it should be ok. I use it for 1m scalp.

Try to get familiar with it as it surely will get you many pips.

SO lets recap the basic rules:

- 1. PRICE ABOVE THE RIVER – going for long trades**
- 2. PRICE BELOW THE RIVER-going for short trades.**
- 3. BUY/SELL ON MOMENTUM CANDLES (or tl breaks when momentum shifts)**
- 4. PROFIT is booked app after 5-10 pips per every RETRACEMENT(3-5 average retracements before momentum shifts)**
- 5. STOP is usually mental , don't go above 12 PIPS.**

Always try DEMO first, and when you get familiar go with LIVE.

Yours sincerely,

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