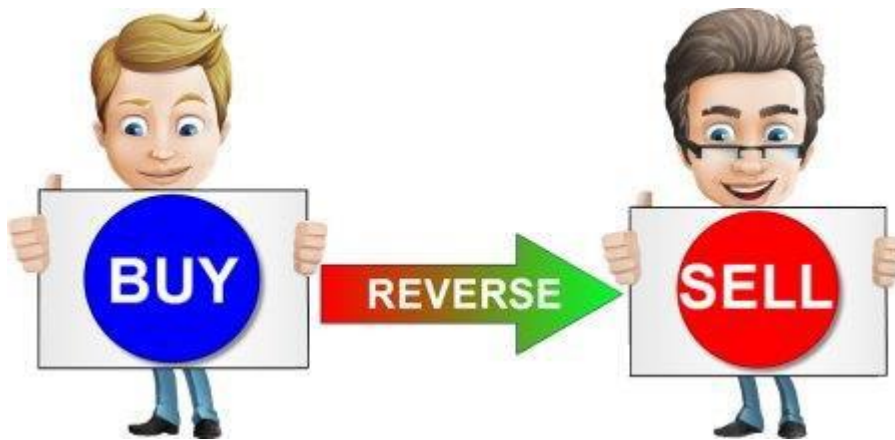


M1/M5 FOREX SCALPING STRATEGY



Introduction

This scalping strategy uses the MACD and the Stochastic trading oscillator. With this forex trading method you can trade any currency pair.

I suggest EUR/USD and GBD/USD when you start), and you will always trade with M1, M5 or even longer term charts.

This scalping can be used to make trades that you will hold for as little as 5 minutes (M1) up to several hours with the hourly charts (H1).

Let me explain how this simple strategy works below...

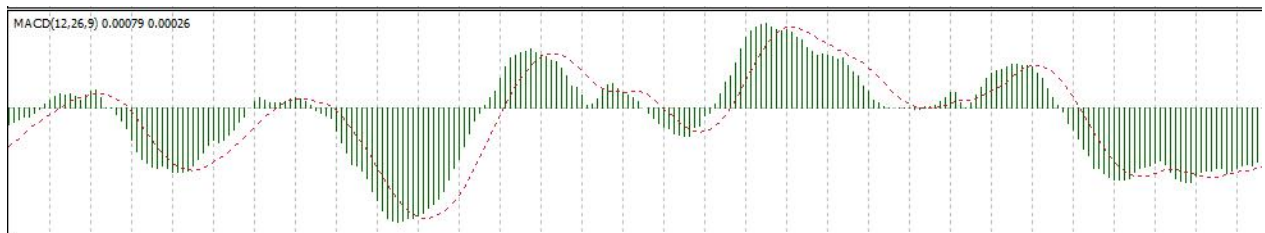
Trading Indicators

We will be using two different indicators with this trading system and they are both oscillators. We will be using the MACD indicator to determine the trend, and we will be using a stochastic indicator to determine entry points.

These indicators can seem complicated to newer traders, so let's just start with a short discussion about the indicators themselves. By the time you are finished this chapter it should become clear that it isn't really that complicated at all, it just looks that way.

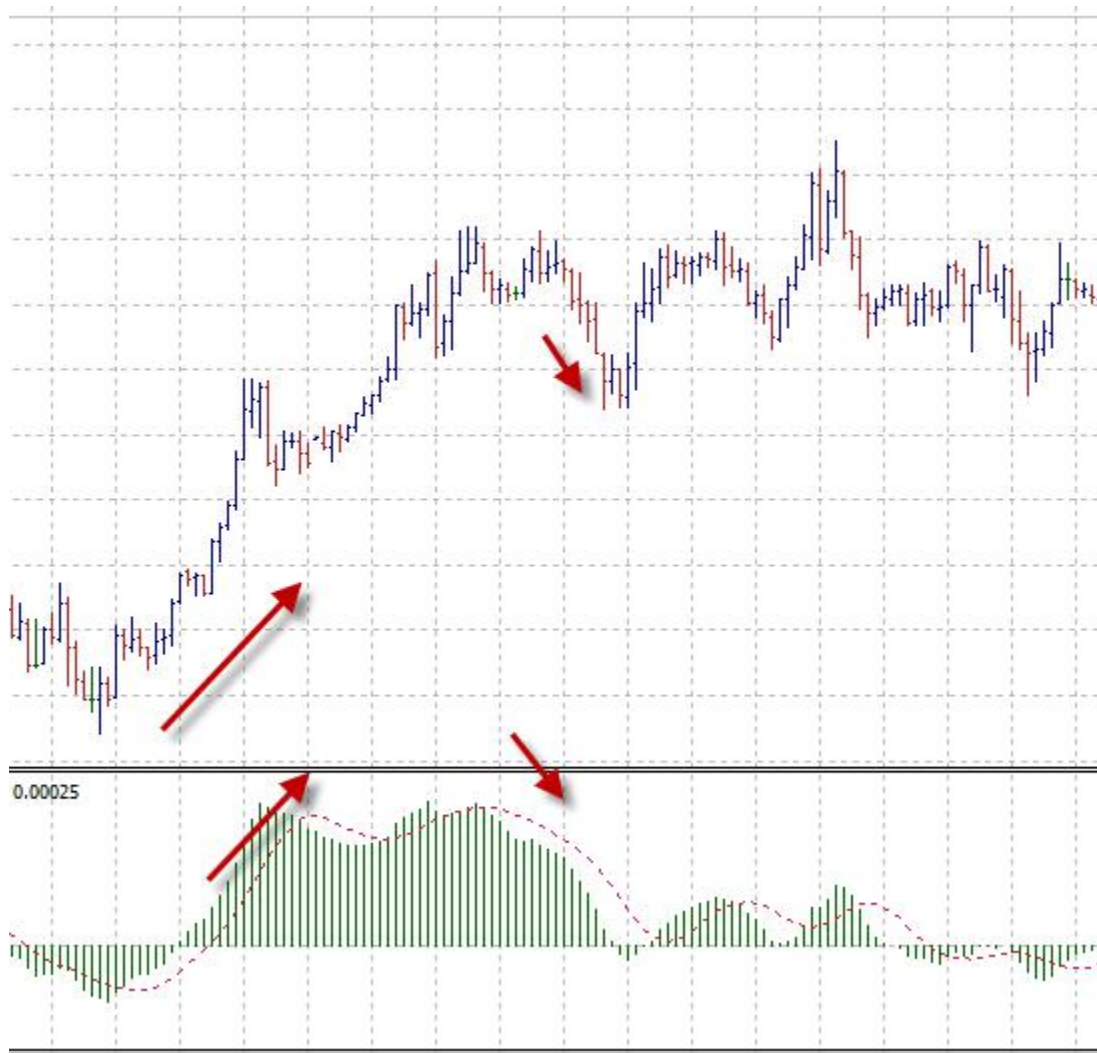
MACD

The first indicator we want to look at is the MACD (Moving Average Divergence Convergence). It looks like this:



The MACD indicator forms waves relative to the price. What it really does is show the difference between a fast and a slow EMA (exponential moving average). Next to moving averages themselves, MACD is likely one of the most used indicators in Forex.

Using the MACD we can determine the trends and more importantly we get a solid indicator of when a trend is about to change. Looking at the MACD indicator on a chart with the prices, it looks like this:



On the chart with the MACD included, we can see how the indicator follows the trend. When the price was trending up, so was the MACD. By the same token when the price took a turn, so did the MACD.

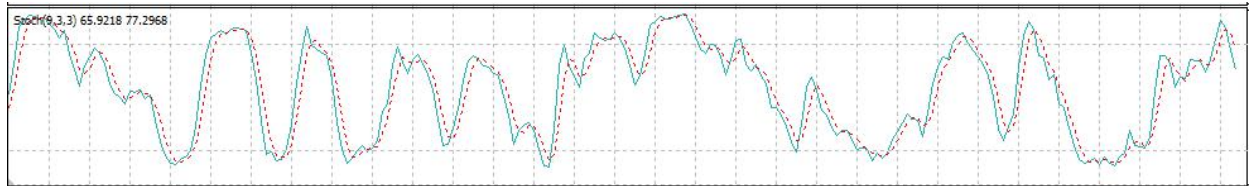
As the MACD reached the center point, and cross under this is our indication that the trend is likely going to change. In this case it did, it changed from an uptrend to trading sideways in a range for about 2 WEEKS.

There are actually many ways to use this indicator with Forex. For our purposes we will be using it to determine the short-term trend. If you want to learn more about MACD, Googling it will turn

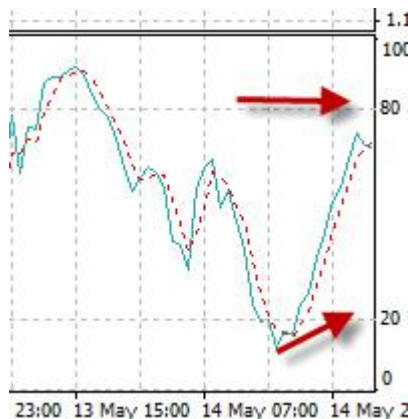
up all sorts of information.

Stochastic

The next indicator that we will be using is called Stochastic. This indicator is a momentum indicator that is intended to show when a market is overbought or oversold. The indicator itself looks like this:



There is one main area you want to pay attention too though.



Looking at the screenshot to the left, there are two numbers that matter to us. The 80 and the 20 indicate overbought and oversold regions.

When the two lines on the indicator are above the 80, it is an indication that the market is overbought. Whenever the lines are below the 20 level, it is our indication that the market is oversold.

As much as this indicator is an oscillator that speaks of current market conditions, it is also a timing indicator. We will be using this one to time the entry points of our trades to ensure we get into the trades when they have the most profit potential.

System Overview and Chart Setup

With a basic idea of what indicators we will be using, and what we will be using them for, let's just dive right in.

Chart Setup

Fire up a M1 chart of the EUR/USD or GBP/USD and add the following indicators:

1. MACD (12, 26, 9) – This is the standard setting on most charting software.
2. Stochastic (%K8, %D3, Slowing 3) – This one may require you to change the setting of the %K. common charting software like Metatrader defaults it to %K12.

Buy and Sell Rules for Entry Signals

1. BUY Trading Rule:

MACD > 0 and the Stochastic indicator crosses from below 20 back above 20

===> **BUY SIGNAL**

2. SELL Trading Rule:

MACD < 0 and the Stochastic indicator crosses from above 80 back below 80

===> **SELL SIGNAL**

Placing a Stop-Loss

Place a stop-loss 1 pip below the most recent support for buy trades and 1 pip above the most recent resistance level for sell trades.

Take Profit Strategy (M1, M5)

M1 charts: Close the trade for at least 15 pips or more. M5 charts: Close the trade for at least 25 pips or more.

Let's take a look at the following Euro/US Dollar M1 chart below for better understandings of this powerful forex scalping strategy...

Trade Example on the EUR/USD M1 Chart



Explanation

The 1 min EUR/USD chart above provides us with buy signal on the EUR/USD M1 chart. Why? $MACD > 0$ and the slow Stochastic indicator crosses back above 20 from below.

We buy the EUR/USD at 1.3311 with our stop loss placed 1 pip below the most recent support at 1.3307 (only 4 pips stop-loss).

The 15 pip target was easily hit 7 minutes later at 1.3326. Risk-to-reward ratio on this trade 1:3!

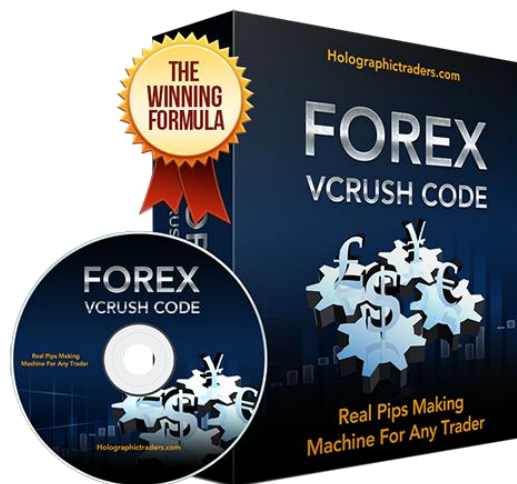
ATTENTION TRADER: Forex VCrush Code System

[Forex VCrush Code](#) will make you a consistent trader and returns many profitable trades that could potentially give you the desired results you have been looking for.

Forex VCrush Code works equally as good for swing traders, day traders, and scalpers...

[>>Get All Forex VCrush CodeSystem Details Here<<](#)

That is because the VCrush system is designed to work on any timeframe without exception!



We tested Forex VCrush Code with the help of MTF logic to make sure that we weeded out mostly all of those pesky false signals so you can have the best trade setups in front of you when the system triggers a trade.

Trade Examples



You would be up 41 pips right now if you entered the trade where it triggered with a stop loss placed 12 pips away from the sell entry.

That's an amazing 3.5:1 reward to risk ratio!

Here is another trade with the EURAUD currency pair 15-minute time chart:



You would be up 71 pips right now if you entered the trade where it triggered with a stop loss placed 32 pips away from the sell entry.

That's a great 2.2:1 reward to risk ratio!

>>Get All Forex VCrush CodeSystem Details Here<<

