

10 MINUTE PIPS

4 RULES

— of —

Deadly Accurate

Automated

SCALPING

by Jason Fielder

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A High-Probability Scalping Strategy

10 Minute Pips

4 Rules of Deadly Accurate Automated Scalping

by Jason Fielder

Are you living the 'Scalping' lifestyle?

Here's why I've prepared this report for you.

It's another bright, sunny morning and I've just finished my trading for the DAY. I'm about to go to the kitchen and sit down with my wife for a well-deserved, "hard earned" breakfast.

Nope, I wasn't up all night glued to my screen...

I wasn't stressing and pulling my hair out like I used to when started trading, either. In fact, I was only trading for about 60 minutes! And that's why I LOVE scalping!

And now that I'm done trading, I'm taking the rest of the day off (I have some fun plans with my wife...).

If you would like to see exactly how I do this every morning, carefully review this report. I reveal to you how fast and straight forward it is to pull what I call "easy pips" out of the market...before most people have even left their houses for the office...

I think you're going to love this as much as I do!

Before I go into how I scalp the Forex markets, I gotta clear up a common (and dangerous) myth...

Myth: Trading frequently is risky, it's best to stick to the big trends.

I like catching big trends, too...there's nothing wrong with that approach. But this myth has got to go. Trading LESS frequently is NOT inherently SAFER. Ask anyone who lost a huge chunk of their 401k's in 2008's stock crash. In today's volatile markets, 'buying and holding' is probably more risky than any other strategy I can think of.

And, if you only take a few trades a month or a year, you gotta use bigger stops to stay in the move.

BUT, when you're wrong, it can take a long time to make the money back, let alone profit.

That kind of trading can make you pop antacids like Pez candy!

See, if you know what you're doing, a 'scalper' has a big advantage. A pip scalper gets frequent opportunities to profit while not risking much on any one trade. Done right, you don't have to worry so much about losing because the next winner happens quickly.

The secret is not how often you trade...

Write this down!

It's all about following a system that puts the odds in YOUR favor. To be clear...scalping WITHOUT a proven system IS stupid. But high probability scalping can truly be the dream lifestyle.

But it's not for everyone...

That said, if you like the idea of making your daily dough before breakfast, read on because in this report I'm gonna show you the anatomy of a high probability scalping system.

One of the reasons I prepared this report for you is because lately I've been getting a ton of questions about whether it really is possible to profitably 'scalp' the Forex Markets...

And by scalping, I mean the act of entering and exiting the market VERY quickly and grabbing 15-40 pips on average.

When you know what you're doing, scalping can be the fastest way to earn your entire day's pay, before most people have finished breakfast...

So, as you can imagine, there is a LOT of interest in this kind of trading.

(Not to mention scalping is a LOT of fun, VERY exciting, and can be a highly accurate way to trade the markets - again - IF you know what you're doing)

The problem is...Most traders really don't know what they are doing, get caught up in the excitement of it (anyone who's day traded or scalped knows EXACTLY what I'm talking about) and will often suffer severe losses.

If you think scalping is only about grabbing a few quick pips, think again...

Your potential profit can be TEN TIMES greater (if you know what to look for). In fact, in my own scalping system, I have a strategy for grabbing as many as 100 pips!

Now that you know why the scalping lifestyle is so attractive and why it can be highly profitable, let's talk about how you can put the odds in your favor when you scalp...

The ONLY time for a scalper to trade...

Trick question...What's the one time of day you can jump into a Forex day trade for maximum effect (and lowest risk)?

The one time you can do it is not a TIME of day, but WHEN you have the odds in your favor.

More on the best time of day to trade later in this report...

But first let me explain what I mean.

See, I learned long ago to ONLY trade when the odds are stacked in my favor. The markets are ALWAYS moving. You can put on a trade ANY time. And that is what kills more trading accounts than anything.

Too many 'traders' are really just action junkies...

...They want to roll the dice and get a thrill.

Hey, it's up to you...but for me, trading is a business. I'm not looking for an adrenaline rush. I'll go to Vegas if I want to roll the dice and burn money.

The secret is to get the odds in your favor BEFORE you pull the trigger.

Here's why this is so important:

The mortal enemy of all traders is...emotions gone wild.

Losing your cool is the #1 enemy of profits.

If you've ever...

- missed a winning trade because you didn't pull the trigger (there almost isn't a worse feeling than this)
- stayed in a losing trade too long
- cut your profit short on a big winner (ok, this feels even WORSE!)
- turned a winner into a LOSER by being greedy and staying in too long (THIS is the very worst!)

...then you'll recognize that the mortal enemy of profits is emotions ruling your trading decisions.

What most traders don't know is the root cause is UNCERTAINTY. I had to learn this lesson the hard way (and I'll share it in a minute). The great news is...

When you master your emotions, trading becomes a highly lucrative and rewarding game you play. It's the greatest 'job' in the world.

The lifestyle of a Forex scalper is second to none. But until YOU become the master, well, it's a roller coaster ride.

Do you know how successful traders master their emotions? They have CONFIDENCE in their system. Confidence is KEY.

To get it you have to really understand WHY you are putting on a trade and what to expect.

Once you know that, you can laser focus your attention and emotions return to their proper place...in the background.

Without confidence in your system, the truth is, you won't be able to pull the trigger.

Of course, a great way to build confidence in your system is to place demo trades or paper trade. If only we could SPEND paper trade profits...

But you and I both know that to win, you gotta put on a real trade.

And the fact is, the more high probability moves you capture, the more your account will grow with REAL money.

Here's the dirty little secret of Forex trading...

The reality for too many traders is they sit frozen in fear, watching big moves in the Forex, and then if they do gin up the courage to trade, they chase an obvious move...right before it ends.

Ouch!

So after sitting on the sidelines too long, desperation sets in and the anxious trader gets hit with a loss. It doesn't take too much of that before paralysis sets in and no trades get placed at all...

No trades...no profits. It's that simple.

The good news is that any top trader you talk to will confess they suffered the same problem before they found their way to consistent profitability.

What's their secret?

Well, for me it was having an objective system that gave me frequent, high probability trades with precise entry and exit rules.

Most traders get this dead wrong...Instead of trying to pick the 'perfect' trade, I learned to identify many 'scalp' trades and let the winners run (and keeping my risk small!).

And when I take a small loss...it's no big deal.

Because I know I've got another winner right around the corner. Precision and peace of mind through VOLUME...That's how I developed and proved my scalping system, and I've gotten it down to where I can teach a complete beginner how to scalp in just about 25 minutes.

It's simple. It's deadly effective...and even FUN to trade like I do now!

With that said, let's dive into the anatomy of a high probability scalping system.

This report will share four rules for developing a high-probability scalping system, how to determine the best time frames for scalping, why technical indicators alone are not enough, and programming resources for getting your system coded and tested.

Four Rules for Developing a High Probability Scalping System

1. You must have a clear, high-probability time frame.
2. Your trades must be driven by the fundamentals, especially price action.
3. You must use technical indicators to help filter out good trades from bad trades.
4. You must eliminate emotion by establishing clear entries, stops, and exits before you place your trade.

Establishing an Ideal Scalping Time Frame

You need to keep in mind that not all time frames will work for scalping. Because you actually need to get some sleep and can't scalp 24/7, you need to decide what time-frame works for your lifestyle. Look at the markets, and make sure that whenever you do decide to trade, it fits with what the markets actually do.

See, there are fluctuations in how active the market is – and to scalp you need the market to move.

There are times when the market moves sideways and there are times when it really starts to heat up and moves strong in one direction. Keep in mind there are certain times in the market that you want to avoid and there are ideal times in the market that you want to make sure that you are scalping if you are able to.

There are two ways for determining the ideal time frame: The hard way, and the easier way.

The Hard Way

You can take a year's worth of hourly market data, and then calculate the difference between the high and the low to get the range for each hour. To do this, group all the hours' range data by time. Take hour 1 of the day through 24, and then add up all of the hour 1's, all of the hour 2's, and so forth until you get all the way to 24. Then, when you have the groups added, divide each total by the number of hours that you had. This will give you the average of what each session does from a range standpoint.

This calculation will tell you, on average, the best times of the day to trade in the market you are following. Of course, that sounds like a lot of work because it is.

So instead, let's look at...

The Easier Way

You can hire a programmer to code the previous idea into an EA (Expert Advisor Indicator) or into a script to give you the information of the first hour through 24. You can actually get a good idea of when the highest volume times of the market should be. Realize that although this is the easier way, you would need to pay the programmer, and you would need to check the script to make sure it works correctly.

The end result though is that you can have confidence and know that you are focusing

your trading on the proven best times of day for your market – and that gives you higher probability trades and higher confidence in your trades.

Determining the Fundamental Indicators that will Trigger Your Scalping Trades

Why do fundamentals matter?

While there is more opportunity when you scalp pips within the day using charts like the 5 minute, 15 minute and 60 minute chart – the reality is that you are then faced with a whole lot of price data and risk getting drawn into false trades.

Basically, scalping is too risky to trade without fundamentals like the price trend in your favor. It is very important that the fundamentals are in your direction when you go to scalp. You have to know how each individual currency is moving, and a simple way to know that is to focus on the price chart action.

Never forget this: Price action is king.

For example, the 'point and figure' charting strategy has been around for over 100 years, and it continues to pump out profits because it's based strictly off of price action. That shows you how powerful price action is to follow.

Every trader's bet about where the market is going is captured in the price chart. Price is where price is for a very good reason...every trade in that market is reflected in the current price action. That's why you need to incorporate price charts into your scalping strategy.

A good way to incorporate price into your scalping strategy is to use the highs and the lows of the previous sessions. As far as looking the individual currencies, you would be well-served to look at the currency futures. There are several websites which will help you track all of the different currencies and how they are doing.

Selecting Technical Indicators to Filter Out Good Scalping Trades from Bad Scalping Trades

Selecting technical indicators to filter out good scalping trades from bad scalping trades is very important. You don't want to get into a situation where everything else seems to be going correctly, but then you get into a trade and it pulls back against you and quickly stops you out.

That's why you want technical indicators to help determine the direction for you to trade. You also want technical indicators to help you determine follow through. To ensure that everything is as good as it can get, the technical indicators need to line up with the fundamentals, or price chart action.

Scalping can be a risky business if you don't have these tools in place. The following is a list of some good indicators that you will probably want to use or can use:

- RSI

- CCI
- Momentum

Make sure you use them all together. Learn how to read all of the indicators and determine the course of action you should take.

Coding Your Scalping System so it Can Be Tested and Automated

Once you have put together the rules for your trading system, it's time to again have a programmer help you to code your system.

Why would you want to code your scalping system so it can be tested and automated?

Because you need to back-test it. Back-testing your system will help you determine if it has a pulse.

After you back-test, you also need to do forward-testing. You need to run the system forward for at least six weeks, if not six months, or even longer. This testing will help ensure that the results that you're getting in real time match the back-testing. If they don't match, then something is off and you need to go back to the drawing board.

Eliminating Emotion

Like I said earlier, you need to eliminate emotion as much as possible. Having your system automated--or at least having dings and arrows to alert you when to make your trades--will tell you when to pull the trigger and when to get out. Follow the automated system and you will remove emotion from the equation.

Sources for Coders

When it comes time to code your system to incorporate the 4 elements of a high probability scalping system, you want to make sure to use a professional. Unless you have programming skills already, I do not recommend that you try to learn how to code the system yourself. Your time is much more valuable than that.

Luckily, today it is very easy to find coders to do this for you.

Here are some sources for where to find coders:

- Rentacoder.com
- Elance.com
- ProgrammingForex.com

How Much Will This Cost?

The first cost is your time and effort to not only develop the trading ideas, but to work with programmers to get your system coded.

Over the years, I've learned some things the hard way that will let you get your system

programmed as fast and inexpensively as possible.

The reality is that coders can be flaky. When you use the sites I listed above, read the reviews of the coders so that you only work with those with a track record of customer satisfaction.

Also, if English is your only language, many programmers are located overseas and speak limited English. Make sure you don't overlook any communication problems you have when selecting a programmer because the problem won't improve magically once you hire someone. Picking an English speaking coder with a proven track record will help minimize any problems that might arise.

Be prepared in that the best programmers may have a waiting list. In any case, it takes time to get your system programmed and to make sure that it works as you intended. You can help this process by setting a deadline in advance with your programmer and sticking to it.

But don't be afraid of saying 'no' and choosing another programmer. One programmer I interviewed said she wasn't sure how long it would take to finish my project and wanted to bill me an hourly rate. I did not hire her because I knew the job was not complicated and so I wanted to pay a fixed cost. You should consider that as the way to go, too.

The time and effort is worth it, though. So is the cost.

You need to realize that what you are creating is more than just a simple program. It is a complete system. You should plan on budgeting at least \$5,000. This may seem like a lot, but keep in mind that this system will end up making you thousands of dollars.

The basic system will cost anywhere from \$1,000 to \$2,000, depending on the complexity. Then, additional tests and tweaks will cost you at least \$2,000, and this is assuming it works the first few times. You will most likely give the idea to the programmer and have them code it, and then when you get it back and check it, you will find that it's not exactly where it should be. So at that point, you will give it back to the programmer to re-work it. Just remember that there is money spent every step of the way.

Back to the Drawing Board

Keep in mind that there is a chance that once you back-test your system, you may find that the idea wasn't quite as good as you thought it was, so it's back to the drawing board. But after you do this process over and over, hopefully you will eventually come up with solid ideas that can actually profit in the market. Don't be discouraged if it takes a while. You may need to kiss a lot of frogs when you're building your own scalping system.

I've probably tested 1,000 different trading ideas to find the winners I have today. Be prepared for the time it can take to properly test your system. Once you have your system coded, you want to back test it on 5 years' worth of tick data. On an average computer, it will take 12 to 24 hours per currency pair to test. If you test all 7 major currency pairs, it will take you a full week to 10 days to test your system. If you do have to go back to the drawing board, it can take weeks to get your system finished.

But don't be discouraged. Once you have your scalping system coded, you'll know within a few days or weeks how well it performs in real market conditions. Once your system is in place, the scalping lifestyle can set you on the road to financial freedom.

A High-Probability Scalping Strategy

In this report I've laid out the 4 elements of a high probability scalping systems. I've shared how the 4 elements work together to keep you scalping on the right side of the market ONLY during the highest probability times during the trading day.

As you can tell from this report, I love scalping the Forex market. I've shown you why it can be so exciting and profitable when you follow a proven system and master your emotions by knowing that proven system inside and out.

When I tell people how to develop their own scalping system, I usually get asked if I ever share my own proven system – and the answer is that, occasionally, I do.

If you want to see a high-profitability scalping strategy in action, take a look at the Delphi Scalper. It has all of the above mentioned elements, including time frame, price action, indicators, and fundamental price action all built in and automated. I've even developed a way to turn a 10 pip scalping trade into as much as 100 pips on a single move!

Find out how I put all the elements of a high probability scalping system together, had it coded, tested, and automated so that it effortlessly alerts me when to buy and sell the Forex markets. To get the whole story, visit www.delphiscalper.com/webinar.

Good Trading,
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