

FINANCIAL INVESTMENTS

Outcome P U01

Strategy:

5-15 Min Scalping based on Economic News:

As time of announcement or data release approaches, we will wait for the last 5 minute candle to get over. At the onset of next candle, we will place trade according to the following rule:

1. If Actual data > Previous Data and Actual Data > Forecast; Then Place CALL Trade for Currency if it is in the numerator or PUT if the currency is in denominator
2. If Actual data < Previous Data and Actual Data < Forecast; Then place PUT if currency is in numerator and CALL if currency is in denominator
3. If Actual data > Previous Data and Actual < Forecast; give more priority to Forecast and close the trade manually at the end of the candle. In case of Actual < Previous and Actual > Forecast, same rule still applies
4. Stop Loss: Very small SL at just above previous candle high for PUT and just below previous candle low for CALL
5. Take Profit: In case, the trade satisfies rules #1 & #2, then TP can be set at Risk Reward Ratio of 1:2
6. Most important point in scalping is to place trades with bigger lot size as the returns are then significant. For example, for a lot Size of 1, even a 5 pip movement will bring in \$50 in just 5 minutes
7. Correlation can be used to take more trades. For example, US Consumer Price Index data is better than forecast and previous period, then USD is stronger. As a result, CALL for USD CAD, USD JPY and USD CHF, while PUT for EUR USD, GBP USD, AUD USD and NZD USD. However, we must make sure that there is no major Support and Resistance (SnR) zones against our trade in the 7-8 pips distance at least.

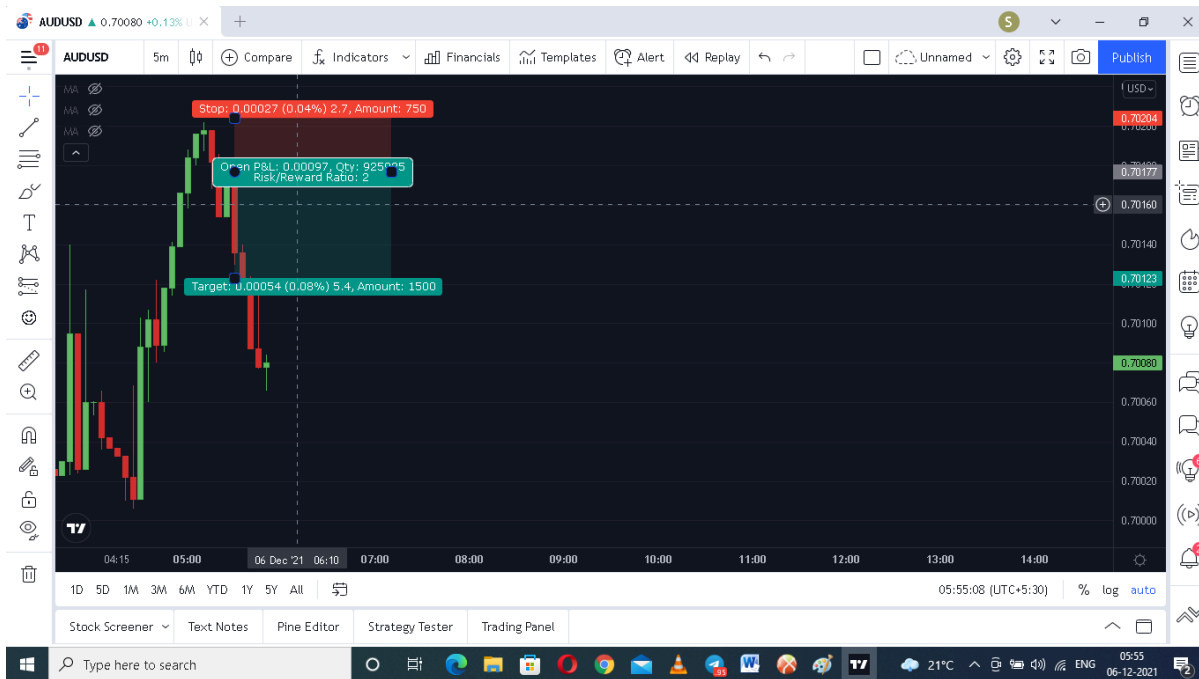
Investment 1:

On 06/12/2021, Australia released MI Inflation Gauge m/m at 5:34 hrs Indian Standard Time (IST). The previous data was 0.2% and the current data released is marginally worse at 0.3%. However, it is worse than the forecast as well.

For this First Case we are going to consider 3 currencies, AUD USD, AUD JPY and EUR AUD.

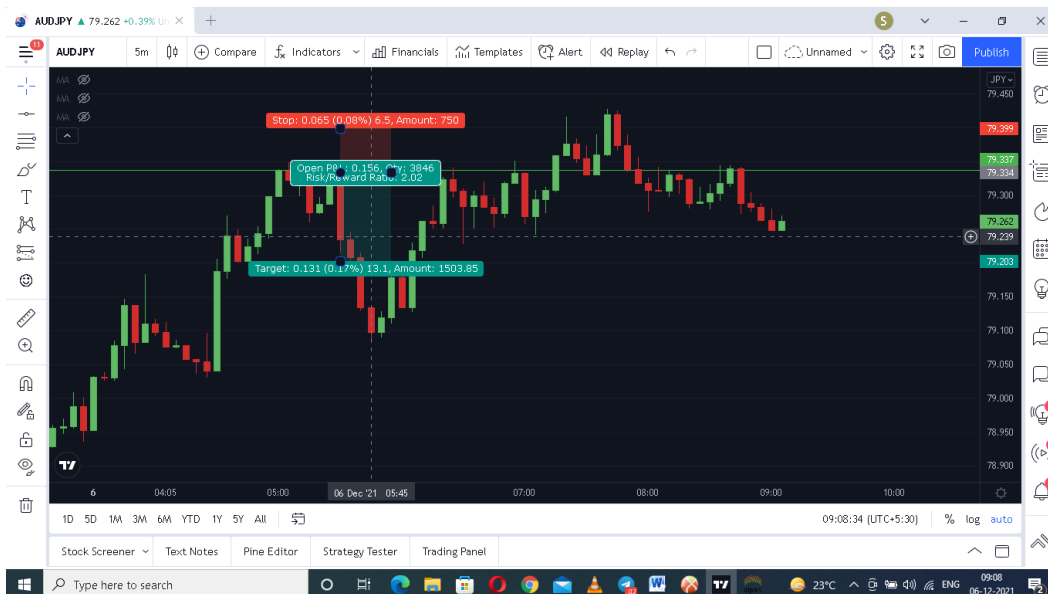
So, according to our trading rules, we place a PUT trade with a Risk-Reward Ratio (RR Ratio) of 1:2 for AUD USD and AUD JPY. We place a CALL trade of RR Ratio of 1:2 in EUR AUD. The following are the results.

AUD USD



AUD USD hit TP of 1:2 under 10 minutes. The analysis was further strengthened by the candlestick formation after a hanging man on the 5:10AM IST. It was a 5.4 pips movement, so for 1 lot it resulted in \$54 profit. We

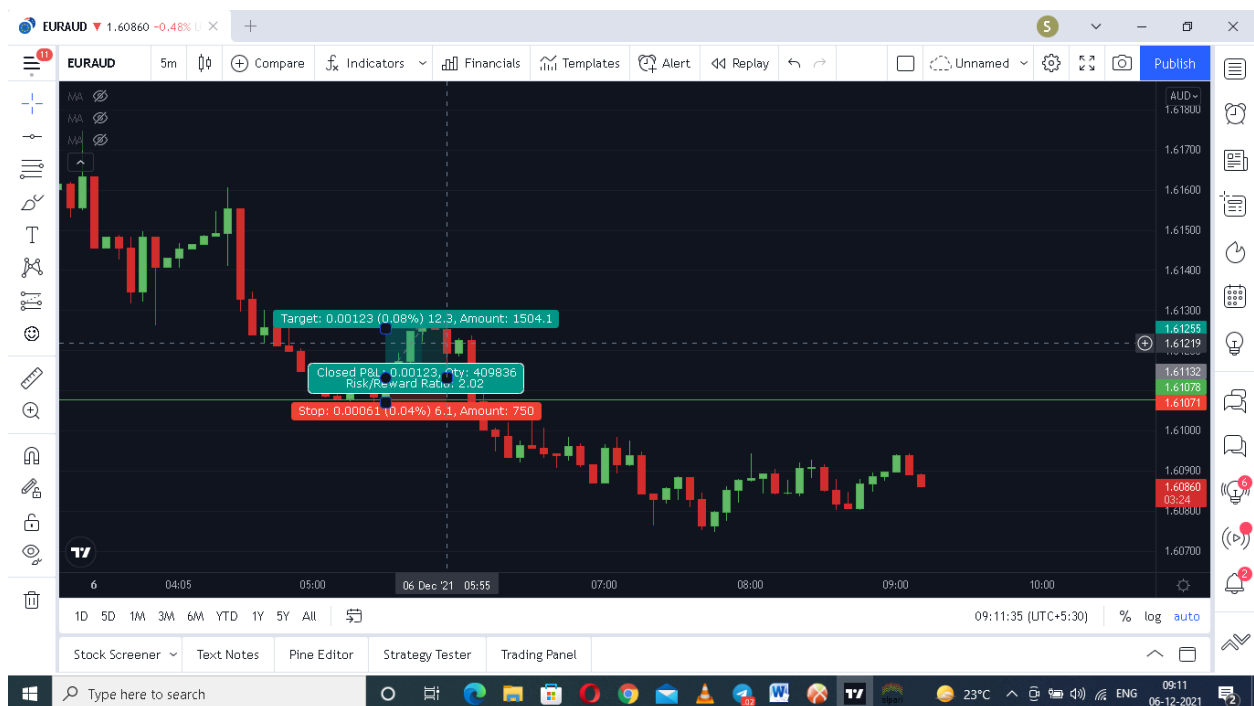
AUD JPY



AUD JPY hit TP of 1:2 under 10 minutes. The analysis was further strengthened by the double top chart formation at 1 hour resistance level at 5:25AM IST. It was a 13.1 pips movement, so for 1 lot it resulted in \$131 profit

Investment 2:

EUR AUD



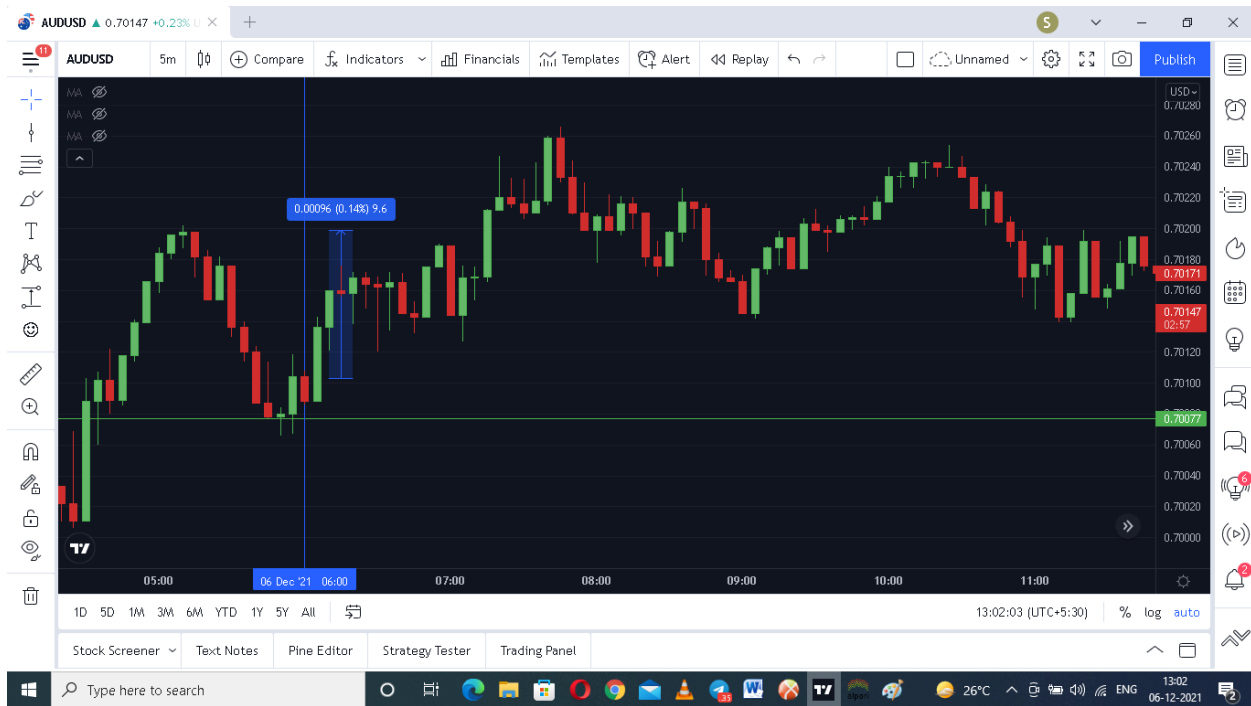
EUR AUD had a CALL trade based on correlation rule as stated above. There was no SnR zone against the trade in the range of 8 pips, so the trade is good to go. The trade is strengthened by a double bottom formed at the 1 hour Support. Trade hit TP in under 10 minutes and it was a 12.2 pips movement. So for 1 lot, the profit is \$122.

Hence, we see how to use the strategy of News and Data Release based Scalping combining with currency correlation rule. The total profit for 1 lot size is \$307 earned in under 15 minutes in 3 trades.

Investment 3:

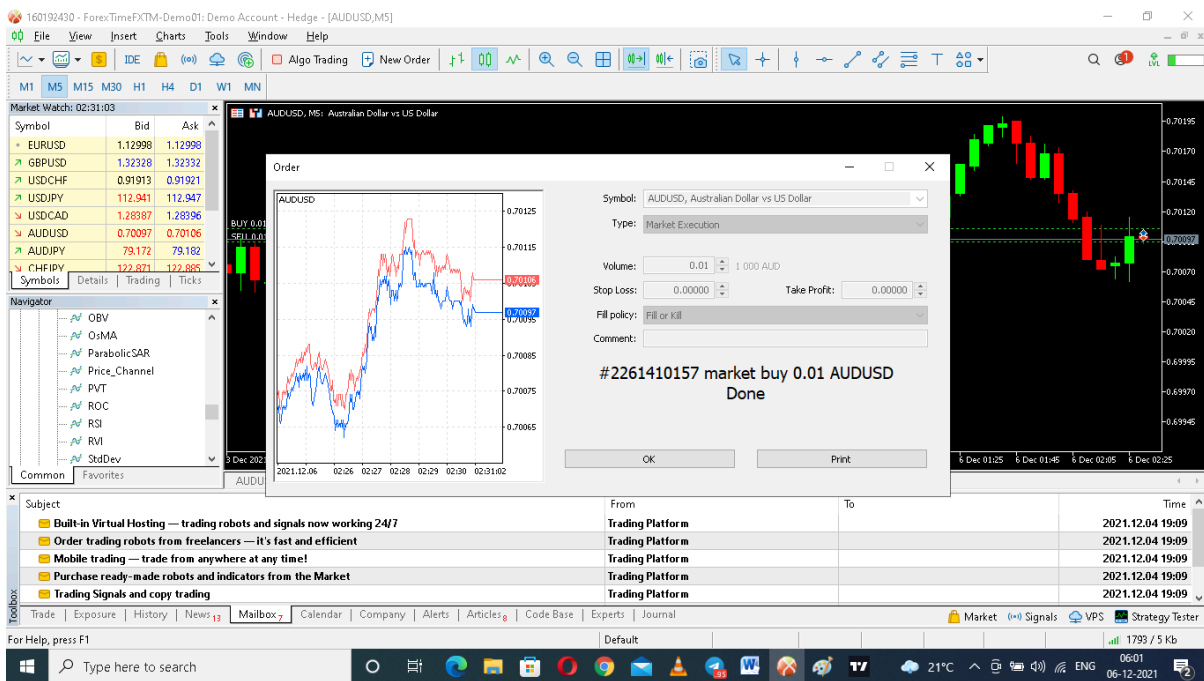
Today: Dec 6								Up Next	Filter
Date	Time	Currency	Impact	Detail	Actual	Forecast	Previous		
Mon Dec 6	5:30am	NZD	📁	ANZ Commodity Prices m/m	2.8%		2.2%	📈	
	5:34am	AUD	📁	MI Inflation Gauge m/m	0.3%		0.2%	📈	
	6:00am	AUD	📁	ANZ Job Advertisements m/m	7.4%		7.5%	📈	
	12:30pm	EUR	📁	German Factory Orders m/m		-0.2%	1.3%	📈	
	2:30pm	EUR	📁	Italian Retail Sales m/m		0.4%	0.8%	📈	
	3:00pm	EUR	📁	Sentix Investor Confidence		14.5	18.3	📈	
		GBP	📁	Construction PMI		54.9	54.6	📈	
	All Day	EUR	📁	Eurogroup Meetings					
	5:00pm	GBP	📁	MPC Member Broadbent Speaks					

On 06/12/21, at 06:00 Australia released data on Job advertisements m/m. The indicator (although minor) – demonstrates improving economy for higher growth and slowing for lower growth rate. The previous period was 7.5% and expectation was of much slower growth. However, the actual rate came out to 7.4%. So sentiments around AUD for the immediate short term can be expected to remain bullish.



At 14:30, t

As expected, the AUD USD continues to rise and makes a 15 pip movement over the next 90 mins. We close the trade as per our rule at the previous high for 9.6 pips. For a 0.01 lot size, that is \$0.96 profit.



However, for a larger account size and larger lot size like more than 1.0 lot, the profits could have been \$94 and upwards. The USD kept appreciating against Yen for 4 hours, ending up at 113.230 at the highest point – Compared to a buy point of 112.827, providing a better trading opportunity

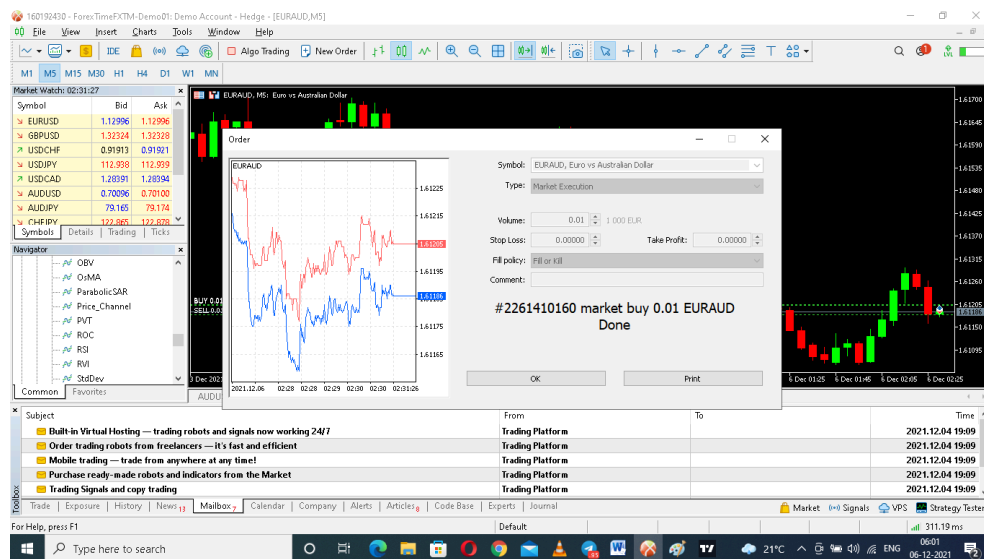
Investment 4:

On 06/12/21, at 06:00 Australia released data on Job advertisements m/m. The indicator (although minor) – demonstrates improving economy for higher growth and slowing for lower growth rate. The previous period was 7.5% and expectation was of much slower growth. However, the actual rate came out to 7.4%. So sentiments around AUD for the immediate short term can be expected to remain bullish.

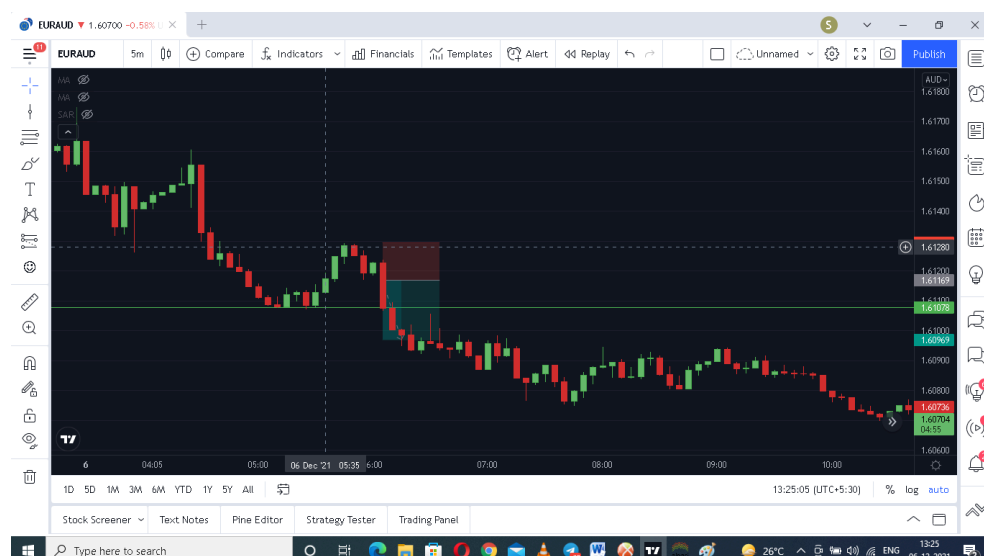
We use the Sentiments in conjunction with our correlation rule and can expect EUR AUD to go down in the near future. So we place a PUT trade in EUR AUD for 0.01 lot and we are looking for the following conditions:

1. If the current candle rejects from the support level, then we close the trade in profit or loss
2. If the current candle breaks the support level, then we can close the trade based on the following conditions:
 - a. Close trade after a strong bullish candle or bullish candle formation like engulfing / pinbar / piercing line / inside bar
 - b. Close trade with the use of Parabolic SAR; when PSAR turns from above the candle to below then close trade

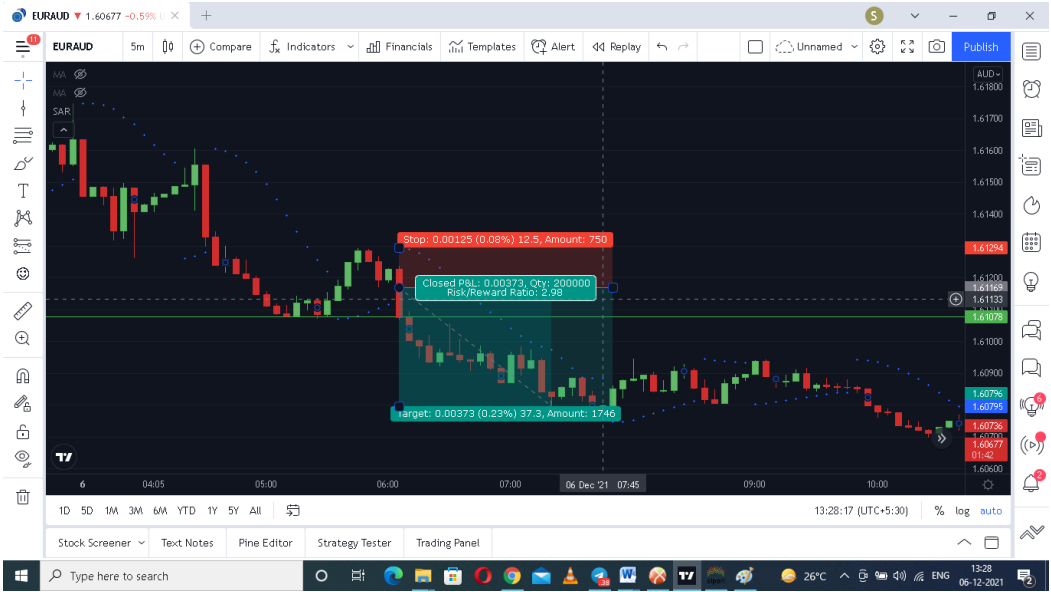
We placed a SELL LIMIT order. Since this is scalping trade, we are monitoring trade closely and will close it manually.



As the candle broke the level, we let the trade continue and close it at the first green candle for a 20 pips profit. It , meant \$0.2 profit for a 0.1 lot size trade.



However, if we would have used the 2nd condition and let it run with the PSAR, then it could have resulted in 37 pips profit. We can see in the screenshot, we close the trade at the first instance of PSAR below candle.

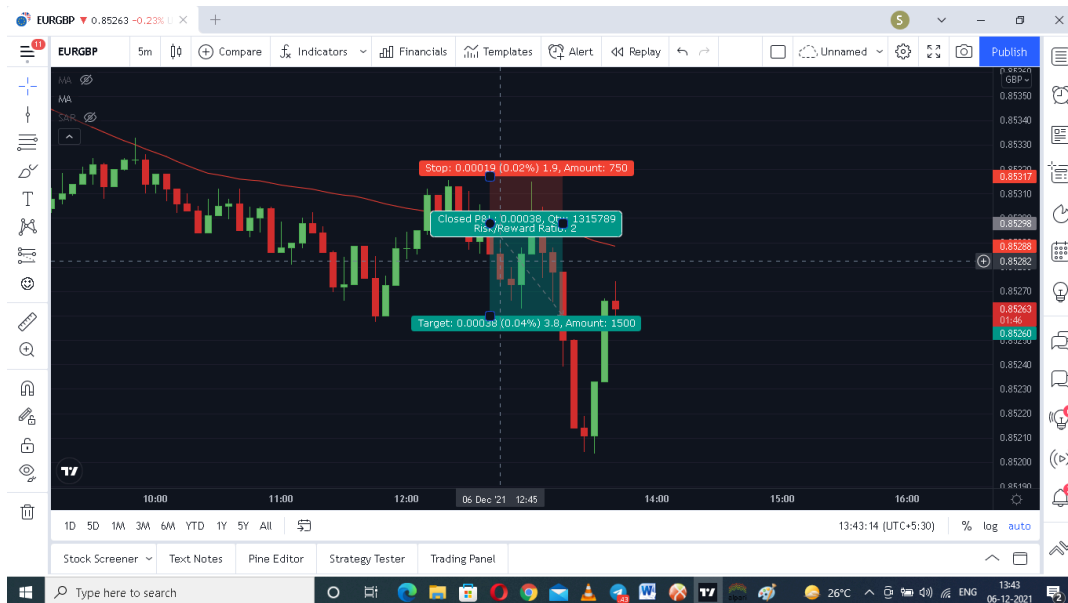


Investment 5:

Today: Dec 6									
Date	8:37am	Currency	Impact	Detail	Actual	Forecast	Previous	Graph	
Mon Dec 6	5:30am	NZD	📁	ANZ Commodity Prices m/m	2.8%		2.2% ↴		
	5:34am	AUD	📁	MI Inflation Gauge m/m	0.3%		0.2%		
	6:00am	AUD	📁	ANZ Job Advertisements m/m	7.4%		7.5% ↴		
	12:30pm	EUR	📁	German Factory Orders m/m		-0.2%	1.3%		
	2:30pm	EUR	📁	Italian Retail Sales m/m		0.4%	0.8%		
	3:00pm	EUR	📁	Sentix Investor Confidence		14.5	18.3		
		GBP	📁	Construction PMI		54.9	54.6		
	All Day	EUR	📁	Eurogroup Meetings					
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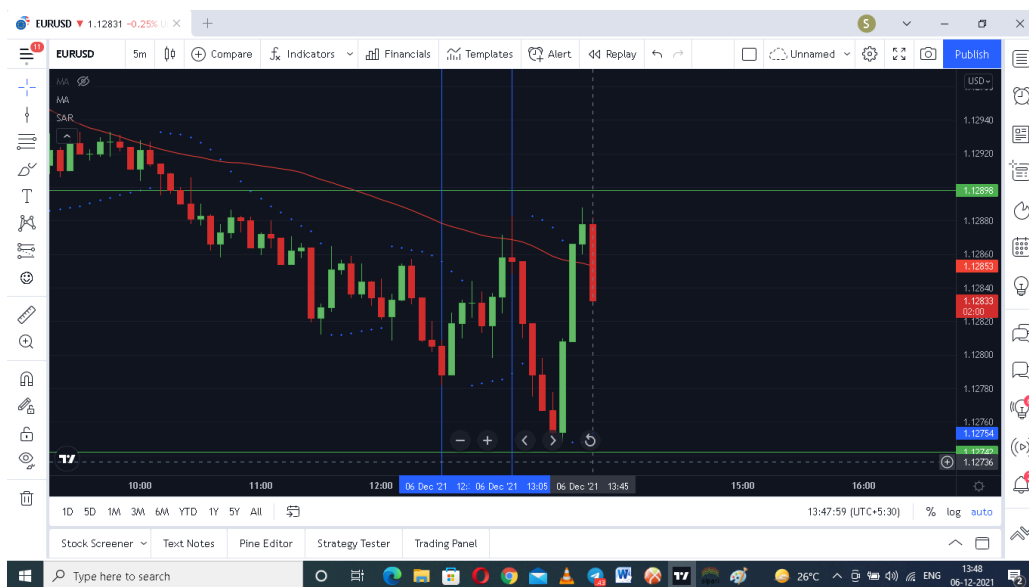
On 06/12/2021, Germany released Factory orders m/m data. The previous period growth was 1.3% and the forecast was bearish at -0.2%. Generally the mood around EUR was bearish. We are looking for PUT trades. We are going to add a 50-period Exponential moving average, as a trend filter with the following additions to previous rules:

- We wait for a reversal to mean to place trade. That means, if the price is far from 50 EMA line, we wait for price to trace back to 50 EMA or reject from 50 EMA in downward direction to place our trade with stop loss above the 50 EMA line.
- We close trade as per following rules:
 - Trade hits TP with 1:2 RR ratio OR
 - PSAR goes below the price; whichever is earlier

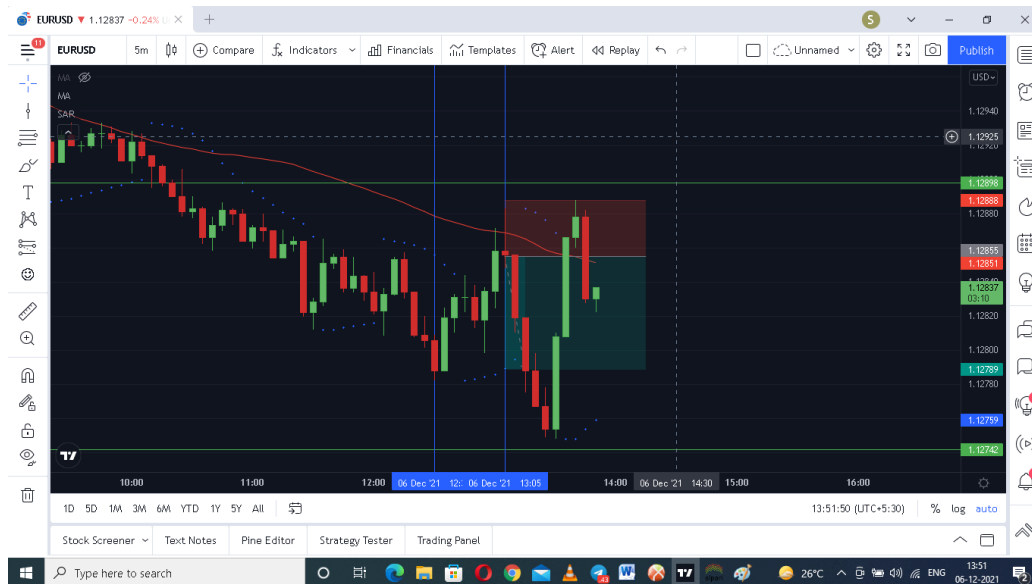


Trade is placed at 12:40 IST upon double rejection from 50 EMA line. SL is placed above the swing high and 50 EMA line for 1.9 pips and TP is set at 3.8 pips. Trade went very close to SL but as eventually came in our favour and hit TP by 13:15 IST. This demonstrates our trade logic as sound.

We placed one more trade using correlation and the trade was in EUR USD. Using same conditions as above we are looking for PUT trades and trades after reversal to mean or rejection from 50 EMA line.



As we can see, the data was released at first blue vertical line, but we waited for the 2nd blue vertical line to fulfill our condition and place our trade at the finish of that candle at the SR of 1.1285. SL placed above swing high and 50 EMA line and TP set for 1:2. SL was set as 3.3 pips and TP for 6.6 pips



As we can see, TP gets hit first and the trade closes at 6.6 pips profit.

So, in the previous 7 trades we can see our strategy rules have been used to enter quick scalping trades with high win rate. Our trades were for micro size of 0.01 lots. However, for larger accounts and larger lot size, it could have resulted in more than \$300 of profit in one day of little under 90 min of trading. That is very profitable if we stick to the rules and conditions with discipline.

Outcome P_U02

Strategy:

Trend following strategy in 1min, 5min or 15 min with confirmation from higher time frames

We will be placing trades based on our rules and checking multiple time frames for opportunities. It is a trend following strategy and hence reduces risk significantly (as we are not betting against trend). We will be looking for opportunities across asset classes like Forex, Options and Stocks.

NB: For the purpose of quick trades, we are using demo account and demonstrating trades on Trading View without real trades.

1. Check higher time frame – 4hr or 1hr for trend direction
2. Ideally if we can find break of structure in 4hr or 1hr i.e any break of levels or trendlines; then the strategy is very powerful to trade in the direction of trade.
3. Entry of trades will be on lower timeframes of 15 min, 5 min or 1min
4. Risk-Reward Ratio: we will be sticking to a minimum of 1:2 RR ratio. In that case, even if we lose 50% of our trades, we will still be in profit!
5. We will be using the following indicators:
 - a. Exponential moving average of 9 period – EMA 9 (yellow line in charts)
 - b. Exponential moving average of 21 period – EMA 21 (blue line in charts)
 - c. Exponential moving average of 50 period – EMA 21 (red line in charts)

- d. Parabolic SAR Of 0.2,2 settings (Optional)
 - e. Relative Strength Index of 14 period. Overbought at 70 and Oversold at 30. (optional)
 - f. Stochastic oscillator of default settings (optional)
6. Stop Loss: Very small SL at just above swing high for PUT and just above swing low for CALL
7. Take Profit:
- a. First TP level will be set at 1:2 ratio. So, SL pips * 2
 - b. 2nd TP level can be set by following PSAR once it changes its relative position to price
8. CALL Trades:
- a. Trend must be up or if in a range bound then rejected from lower range in the higher tf of 4 hr or 1hr
 - b. Preferably we are looking for break of structure on higher tf to identify best opportunities
 - c. Then we go into lower tf of 15min/5 min /1 min
 - d. We are looking for MOVING AVERAGE CROSSOVER signal:
 - i. EMA 9 should cross EMA 21 from below
 - ii. Preferably, EMA 50 is below EMA 9 & 21
 - iii. Preferably PSAR is below price (not necessary)
 - iv. RSI and Stochastic in the oversold (OS) region (not necessary)
 - v. Upon the first candle in cross over, we place trade with 1:2 RR and place SL below the candle OR below 21 EMA OR below 50 EMA whichever is lower
 - e. We can again re-enter using SURFING THE WAVE strategy from 9 EMA
 - i. We must wait for the EMAs to be arranged in ascending order i.e EMA 9 over EMA 21 over EMA 50
 - ii. We must wait for moving average crossover already once before
 - iii. We must wait for price to come back to EMA 9 and then get a rejection in the form of a pinbar OR bullish engulfing OR large candle higher than swing high
 - iv. PSAR below price (optional)
 - v. RSI and Stoch Oversold (optional)
 - vi. Trade placed with 1:2 ratio.
 - vii. SL placed below candle low or below 9 EMA (whichever lower)
 - viii. TP placed at SL pips *2
 - ix. If price crosses 9 EMA line, we wait for the next strategy
 - f. SURFING THE WAVE strategy from 21 EMA
 - i. Same rules as above but we wait for price to cross 9 EMA and see its reaction to 21 EMA.
 - ii. We are looking for strong rejection of Bullish Engulfing formation, preferably crossing the 9 EMA line
 - iii. Trade is same as 1:2 RR ratio and SL placed below candle or below 21 EMA line, whichever lower
 - iv. **Do not take trade** if the **price also breaks a trendline**
 - v. If price crosses 21 EMA line, we wait for it to go to 50 EMA line and use next strategy
 - g. 50 EMA BOUNCE STRATEGY
 - i. Same rules as above, but we wait for price to cross 21 EMA line and see its reaction to 50 EMA line
 - ii. We are looking for strong rejection or Bullish Engulfing formation

- iii. 50 EMA is highly used trend filter, hence a movement upwards from 50 EMA line can signify strong buying pressure
- iv. Trade is same as 1:2 RR ratio and SL placed below candle or below 50 EMA line, whichever lower
- v. **Do not take trade** if the **price also breaks a trendline**
- vi. Do not trade if the **price crosses 50 EMA**
- vii. For best kind of trades look for following one or more of the following confluences:
 - 1. Price also hits a up trend line
 - 2. Price also hits a support zone
 - 3. RSI and Stochastic at Oversold region or moving out of Oversold region (optional)
 - 4. PSAR below price (optional)

9. PUT Trades:

- a. Trend must be down or if in a range bound then rejected from upper range in the higher tf of 4 hr or 1hr
- b. Preferably we are looking for break of structure on higher tf to identify best opportunities
- c. Then we go into lower tf of 15min/5 min /1 min
- d. We are looking for MOVING AVERAGE CROSSOVER signal:
 - i. EMA 9 should cross EMA 21 from above
 - ii. Preferably, EMA 50 is above EMA 9 & 21
 - iii. Preferably PSAR is above price (not necessary)
 - iv. RSI and Stochastic in the overbought (OB) region (not necessary)
 - v. Upon the first candle in cross over, we place trade with 1:2 RR and place SL above the candle OR above 21 EMA OR above 50 EMA whichever is higher
- e. We can again re-enter using SURFING THE WAVE strategy from 9 EMA
 - i. We must wait for the EMAs to be arranged in descending order i.e EMA 50 over EMA 21 over EMA 9
 - ii. We must wait for moving average crossover already once before
 - iii. We must wait for price to come back to EMA 9 and then get a rejection in the form of a pinbar OR bearish engulfing OR large candle lower than local swing low
 - iv. PSAR above price (optional)
 - v. RSI and Stoch Overbought (optional)
 - vi. Trade placed with 1:2 ratio
 - vii. SL placed above candle low or above 9 EMA (whichever higher)
 - viii. TP placed at SL pips *2
 - ix. If price crosses 9 EMA line, we wait for the next strategy
- f. SURFING THE WAVE strategy from 21 EMA
 - i. Same rules as above but we wait for price to cross 9 EMA and see its reaction to 21 EMA.
 - ii. We are looking for strong rejection of Bearish Engulfing formation, preferably crossing the 9 EMA line
 - iii. Trade is same as 1:2 RR ratio and SL placed above candle or above 21 EMA line, whichever higher
 - iv. **Do not take trade** if the **price also breaks a trendline**
 - v. If price crosses 21 EMA line, we wait for it to go to 50 EMA line and use next strategy

g. 50 EMA BOUNCE STRATEGY

- i. Same rules as above, but we wait for price to cross 21 EMA line and see its reaction to 50 EMA line
- ii. We are looking for strong rejection or Bearish Engulfing formation
- iii. 50 EMA is highly used trend filter, hence a movement downwards from 50 EMA line can signify strong selling pressure
- iv. Trade is same as 1:2 RR ratio and SL placed above candle or above 50 EMA line, whichever higher
- v. **Do not take trade** if the **price also breaks a trendline**
- vi. Do not trade if the **price crosses 50 EMA**
- vii. For best kind of trades look for following one or more of the following confluences:
 1. Price also hits a down trend line
 2. Price also hits a resistance zone
 3. RSI and Stochastic at OB region or moving out of OB region (optional)
 4. PSAR above price (optional)

All the strategies can be followed together or one after other and provides us with many trading opportunities while decreasing risk to small pips

10. We will try and demonstrate the effectiveness in back testing of the strategy across asset classes

Trade - 1

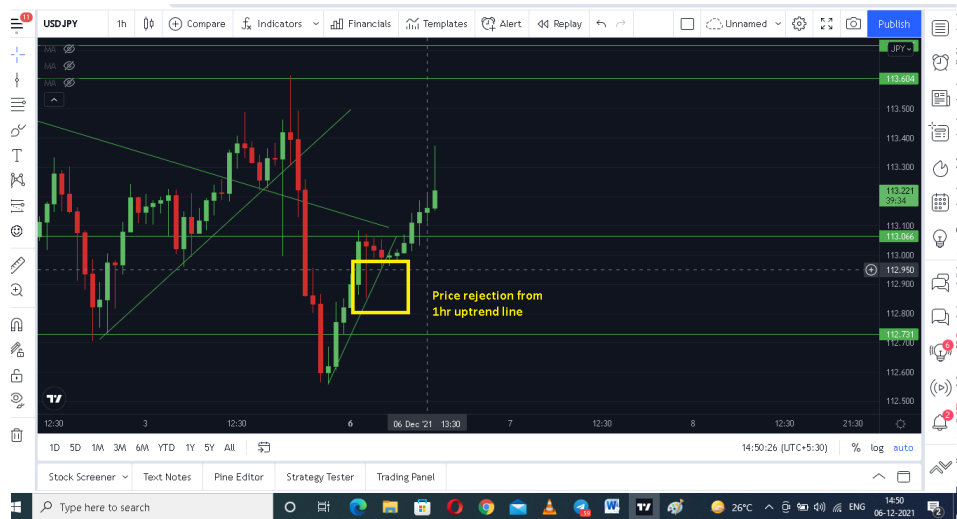
CALL trade using Surfing the Wave Strategy

Asset: USD JPY pair

1. Pinbar at support formed on 4 hr timeframe



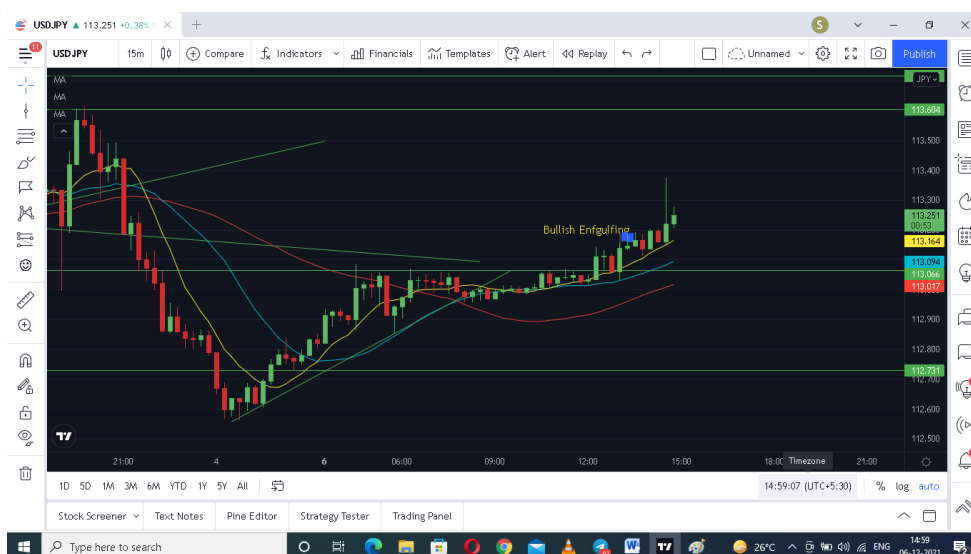
2. In 1 hr tf, price takes rejection from up trend line



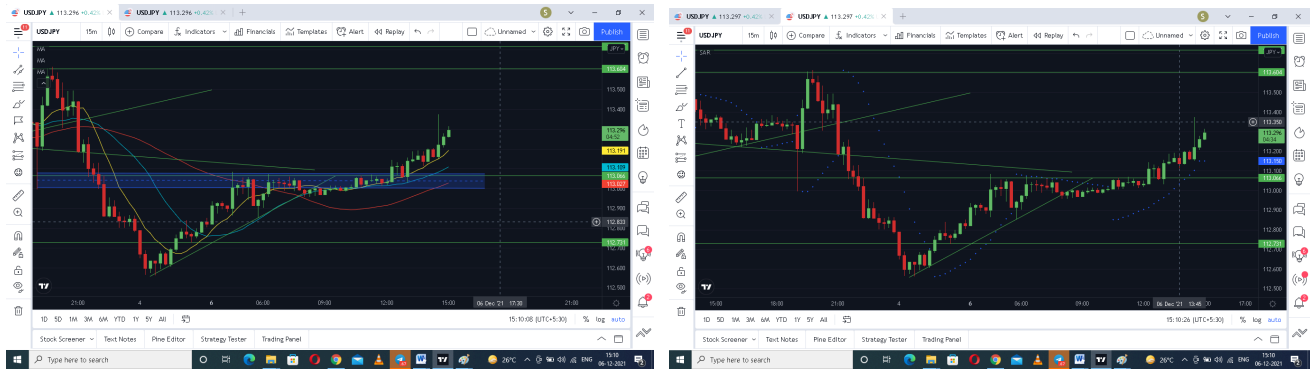
3. In 15 min tf, we wait for EMA crossover. However, crossover candle below strong resistance and we wait for better confluence



4. Price breaks the resistance level and comes back to 9 EMA and then creates a bullish engulfing

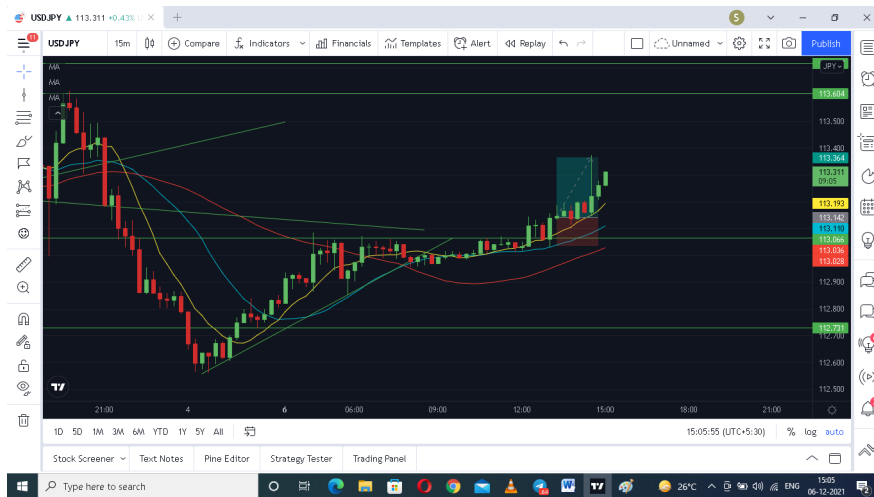


5. Trade taken with further confluence of EMA and Turncoat Support Zone and Parabolic SAR confirmation



6. We place a CALL trade at 13:15 IST with RR 1:2 and SL at confluence of 21 EMA and low of engulfing level

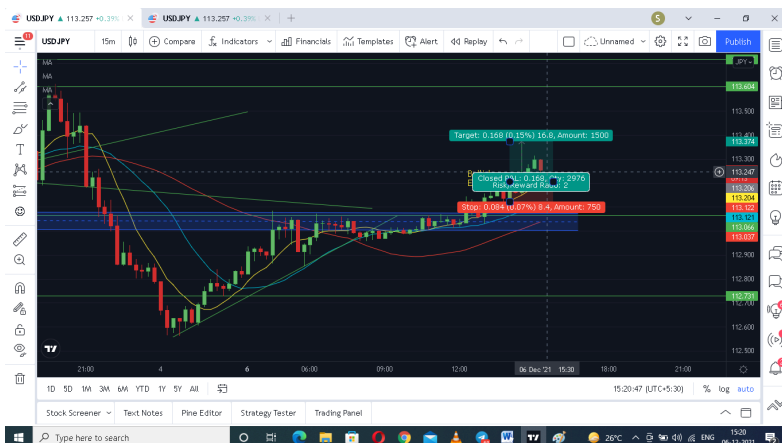
- Strike Price = 113.142
- Stop Loss = 113.03 (11 pips)
- Take Profit = 113.36 (22 pips)
- Trade hits TP in the next 80 min



With a lot size of 0.1, that trade would have made us \$22 risking \$11.

Additional Opportunity:

We get one more signal using Surfing the Wave strategy. Bullish Engulfing on 9 EMA line. Trade placed with 8 pips SL and 16 pips TP. TP hit under 45 min



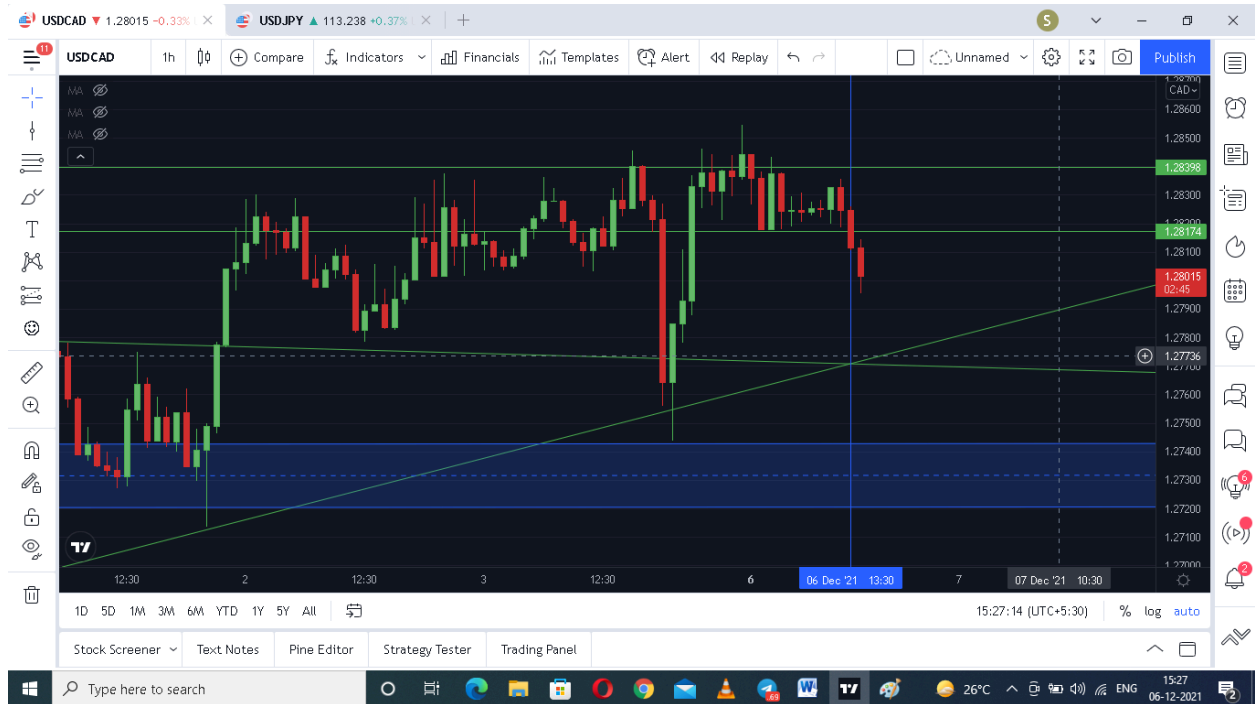
So, using our strategy we got 2 trades, totaling, 38 pips (\$38 for 0.1 size lot) under 90 min

Trade - 2

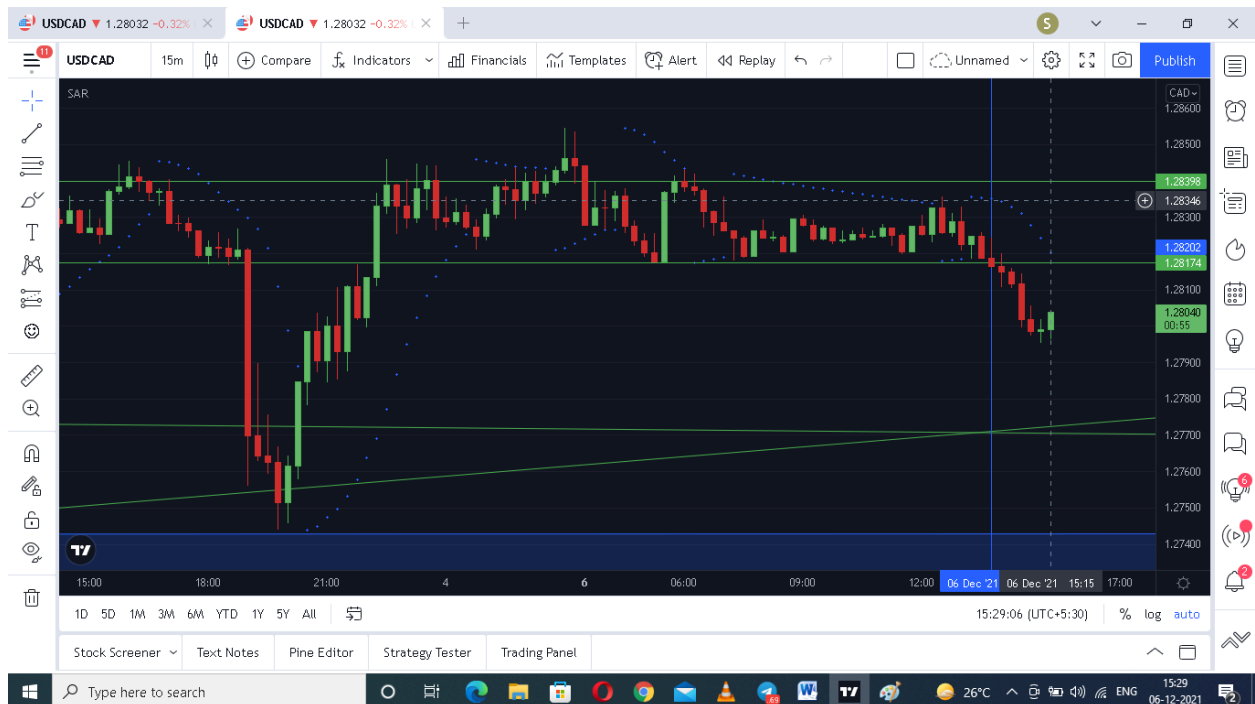
PUT trade using EMA crossover

Asset: USD CAD pair

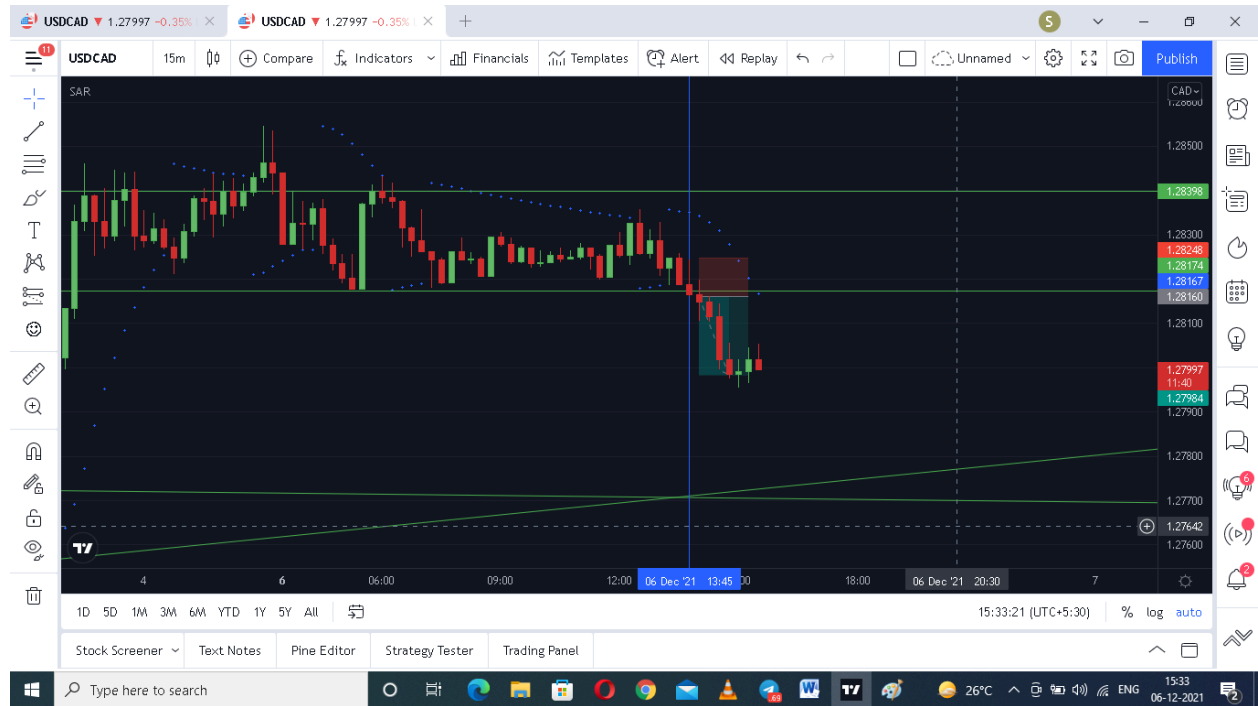
1. Break of structure in 1 hr tf



2. Same time EMA crossover happens and next candle breaks swing low



7. We place a PUT trade at 14:00 IST with RR 1:2 and SL above pinbar high
- Strike Price = 1.2816
 - Stop Loss = 1.2824 (8 pips)
 - Take Profit = 1.2800 (16 pips)
 - Trade hits TP in the next 60 min



For a 0.1 lot size, that is a \$16 profit risking \$8

Trade - 3

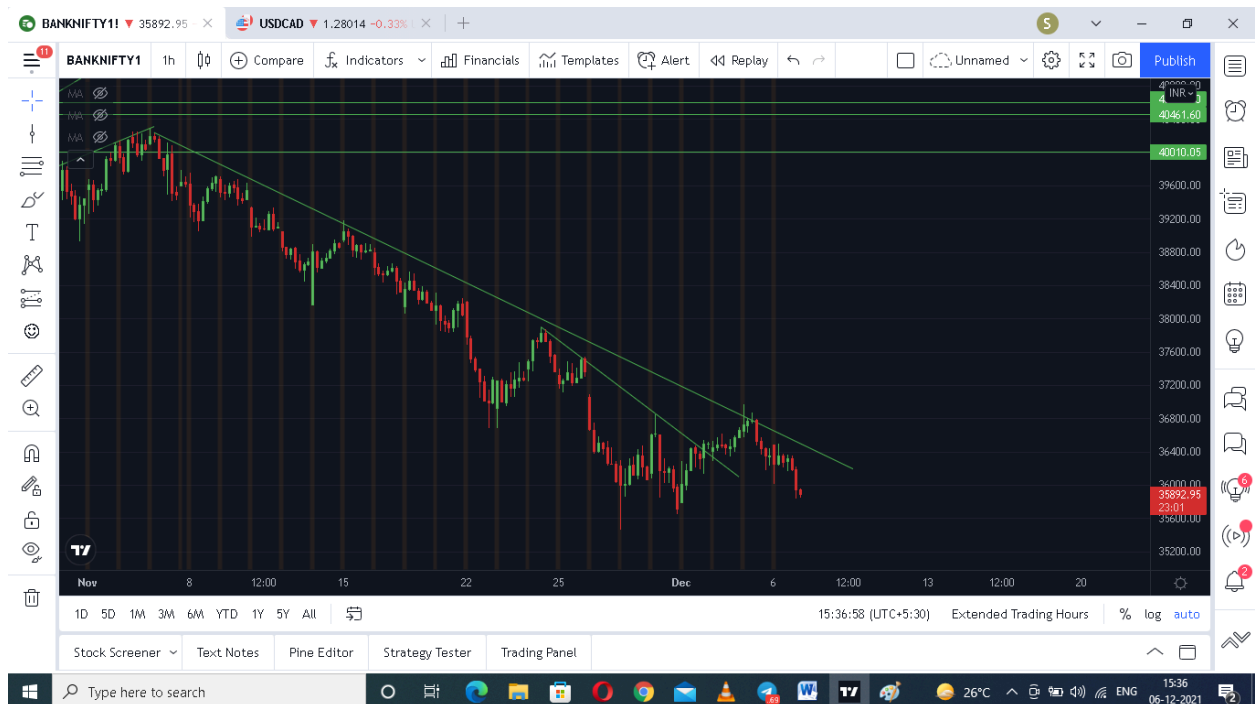
PUT trade using confluence in intraday derivatives on 5 min tf (Indian Stock Market)

Asset: Bank Nifty Futures

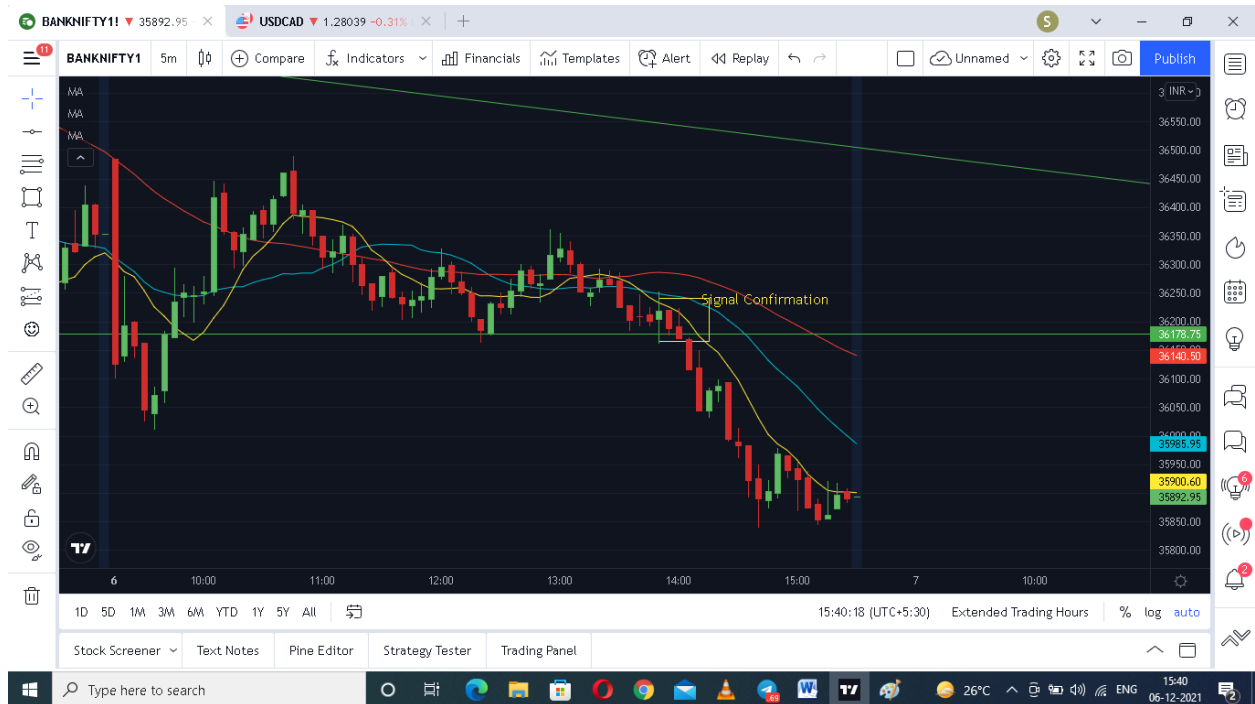
1. Strong downtrend in 4 hr tf



2. Continuing downtrend in 1 hr tf



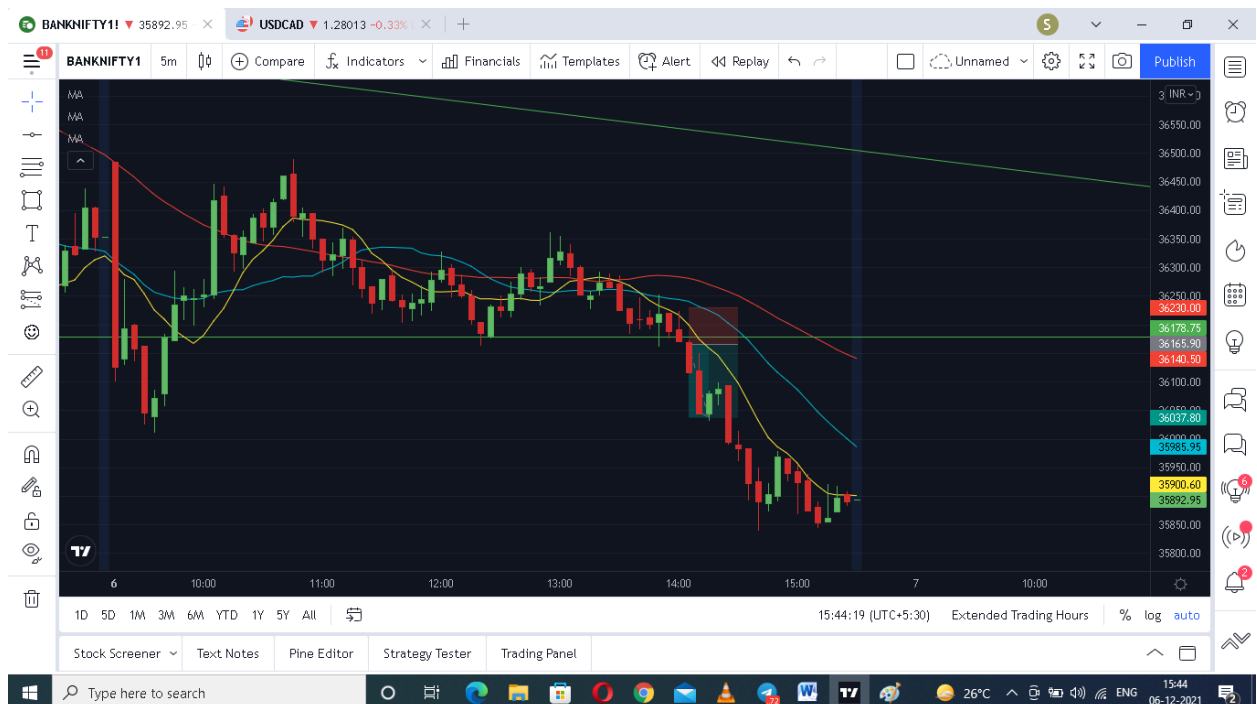
3. We go down to 5 min tf looking for EMA lines in descending order (50 EMA>21 EMA>9 EMA) and confluence of SnR zones



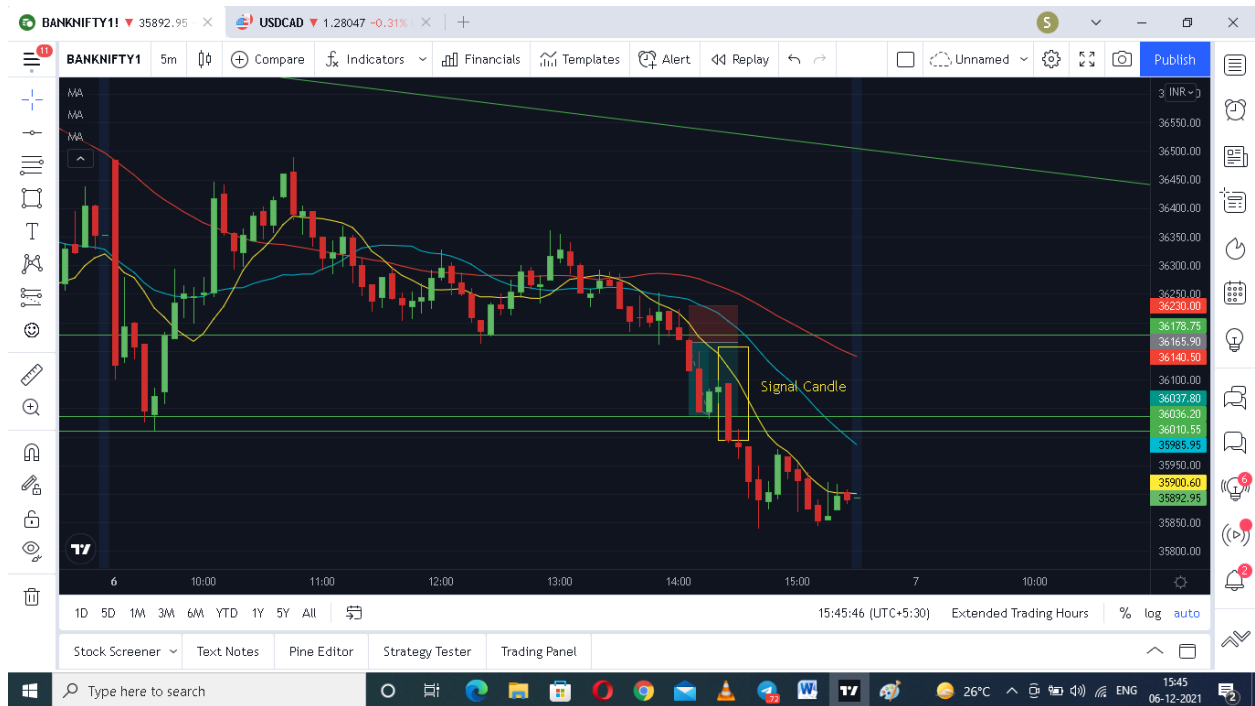
We get breakout of neck-line level confluence with Surfing the Wave signal (rejection from 9 EMA)

4. We place a trade with 1:2 RR
- a. Strike Price = Rs. 36,164.30
 - b. SL = Rs. 36,230
 - c. TP = Rs. 36,036.20

TP hit in 12 min.



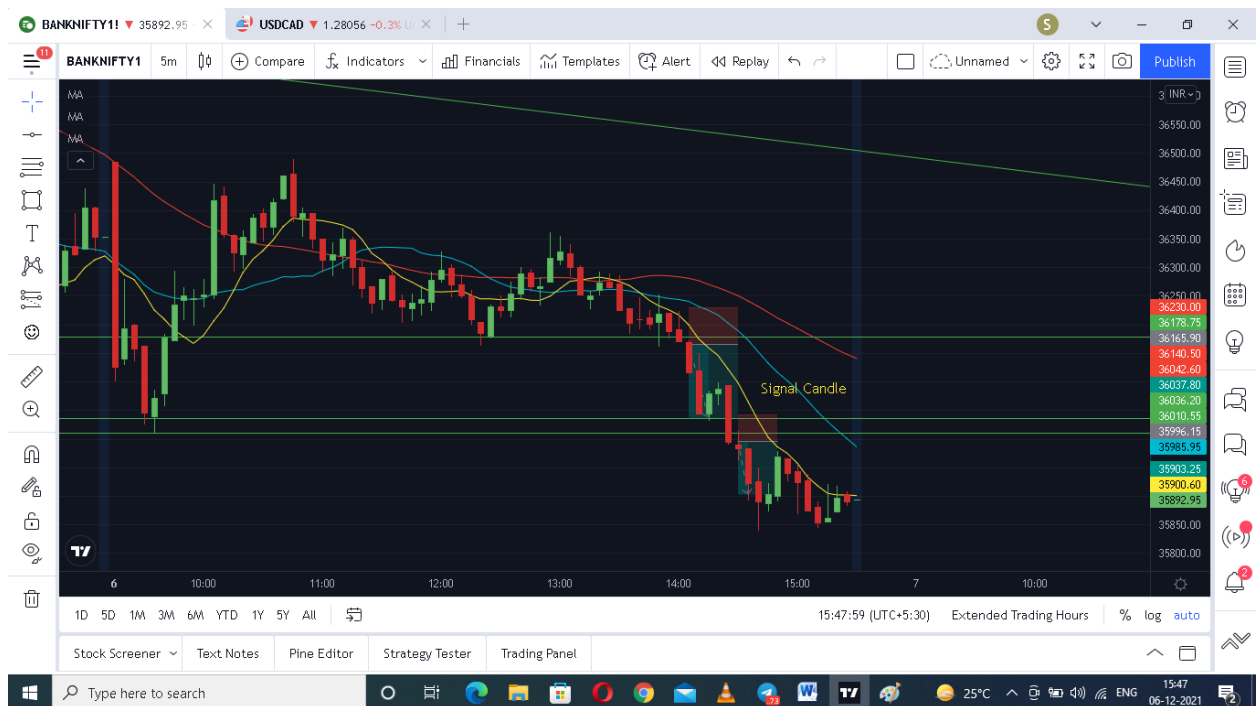
5. One more entry using SnR break confluence with rejection from EMA



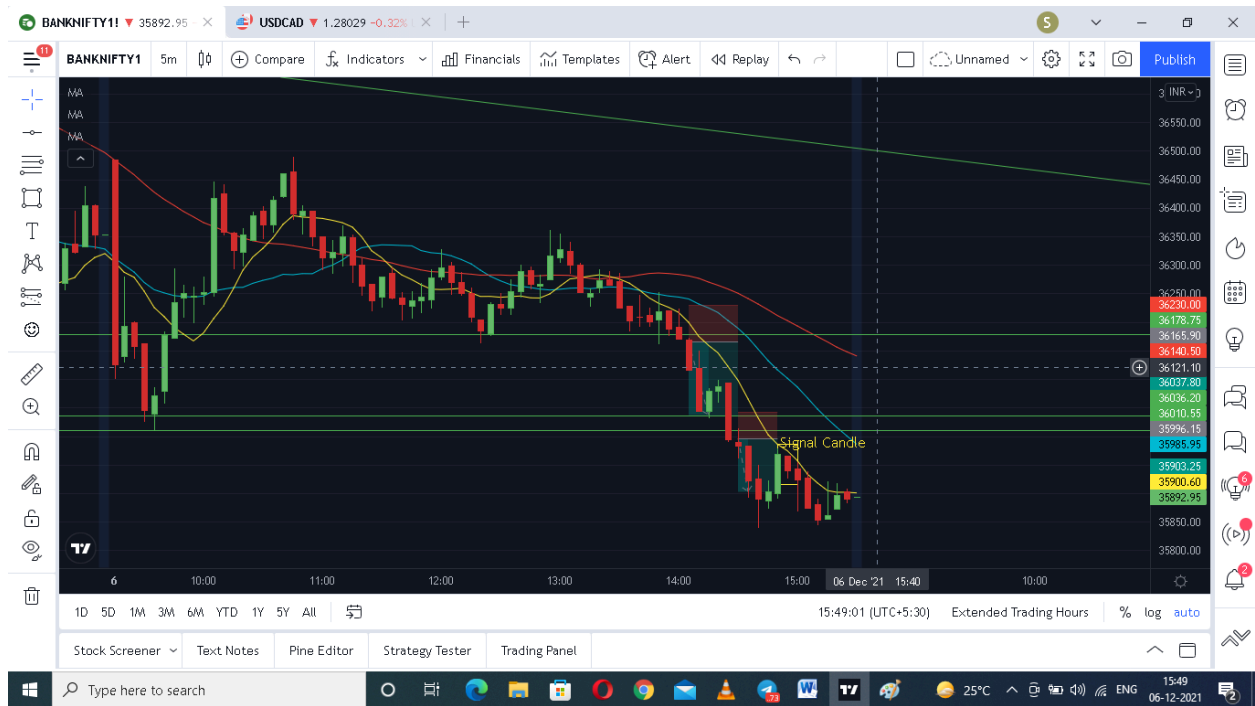
6. We place a trade with 1:2 RR

- Strike Price = Rs. 35,996.15
- SL placed above the breakout zone = Rs. 36,042.6
- TP = Rs. 35,903.25

TP hit in 15 min.



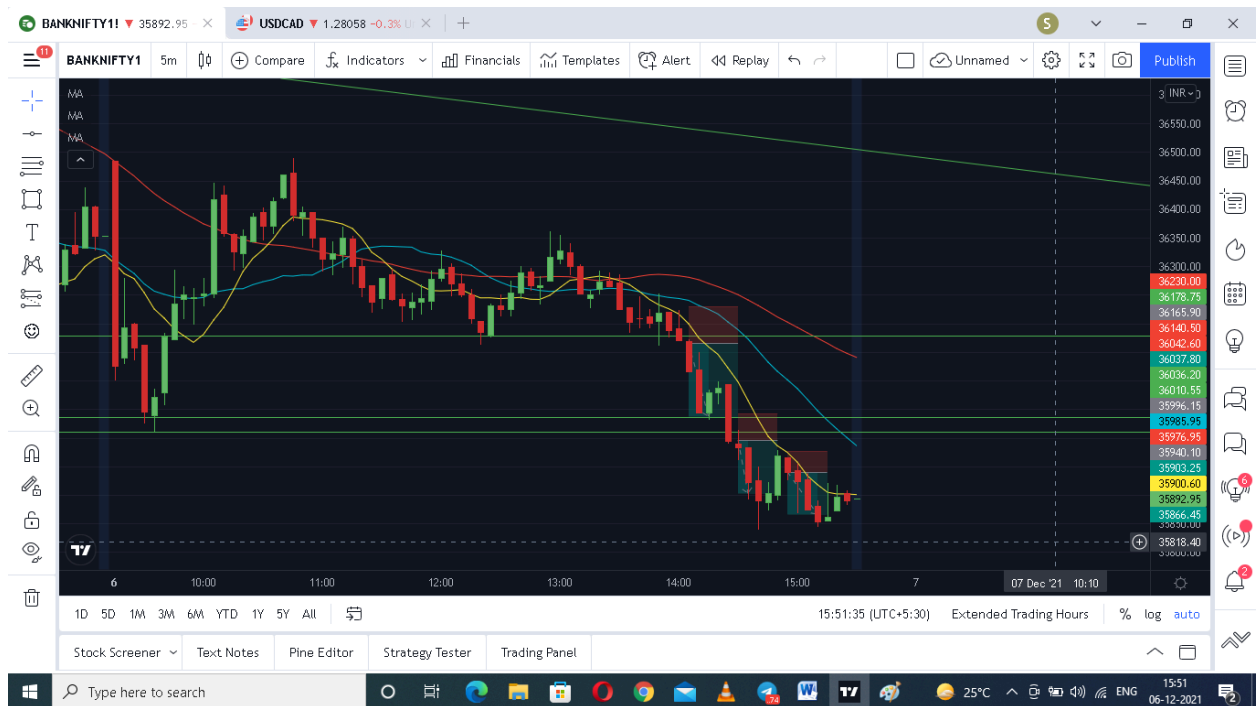
7. One more signal (will not take more than 3 trades in one minor trend)



8. Trade placed with 1:2 RR

- Strike Price = Rs. 35,940.10
- SL placed above the candle high and EMA 9 line = Rs. 35,976.95
- TP = Rs. 35,866.45

TP hit in 13 min.



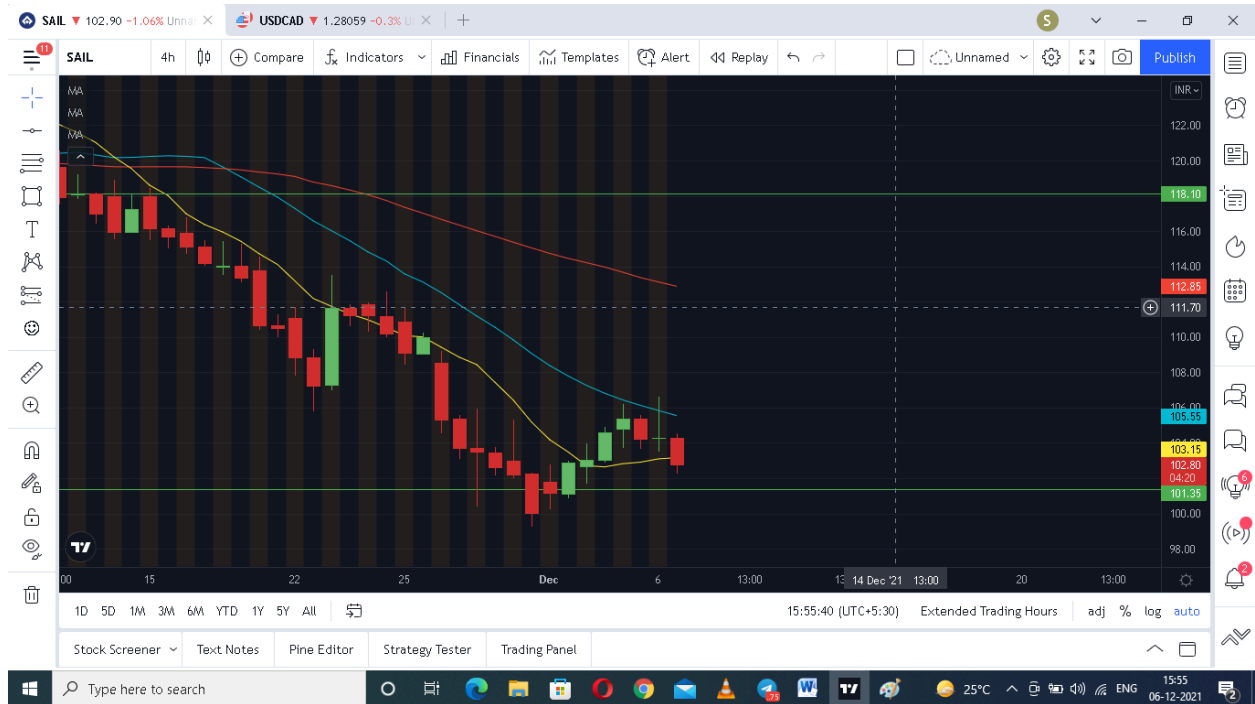
So once a setup is identified, we got 3 back to back to wins risking very little every time.

Trade - 4

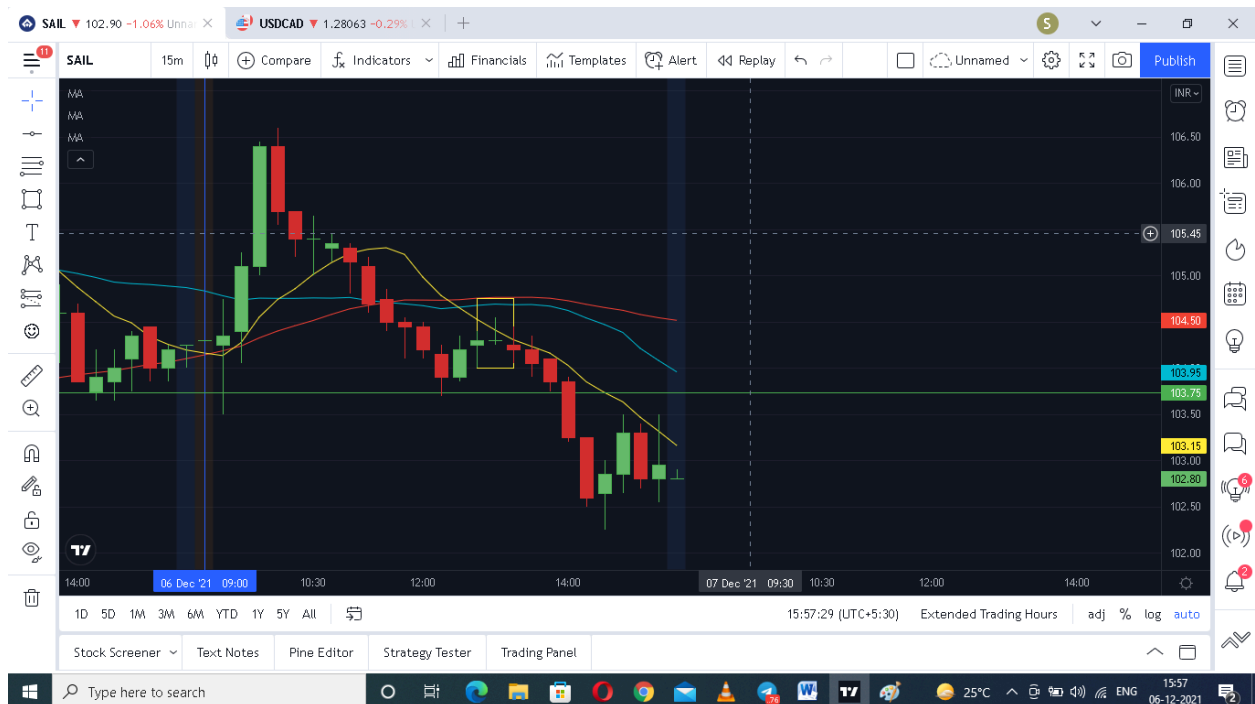
PUT trade using confluence in intraday stocks on 5 min tf (Indian Stock Market)

Asset: Steel Authority of India (SAIL)

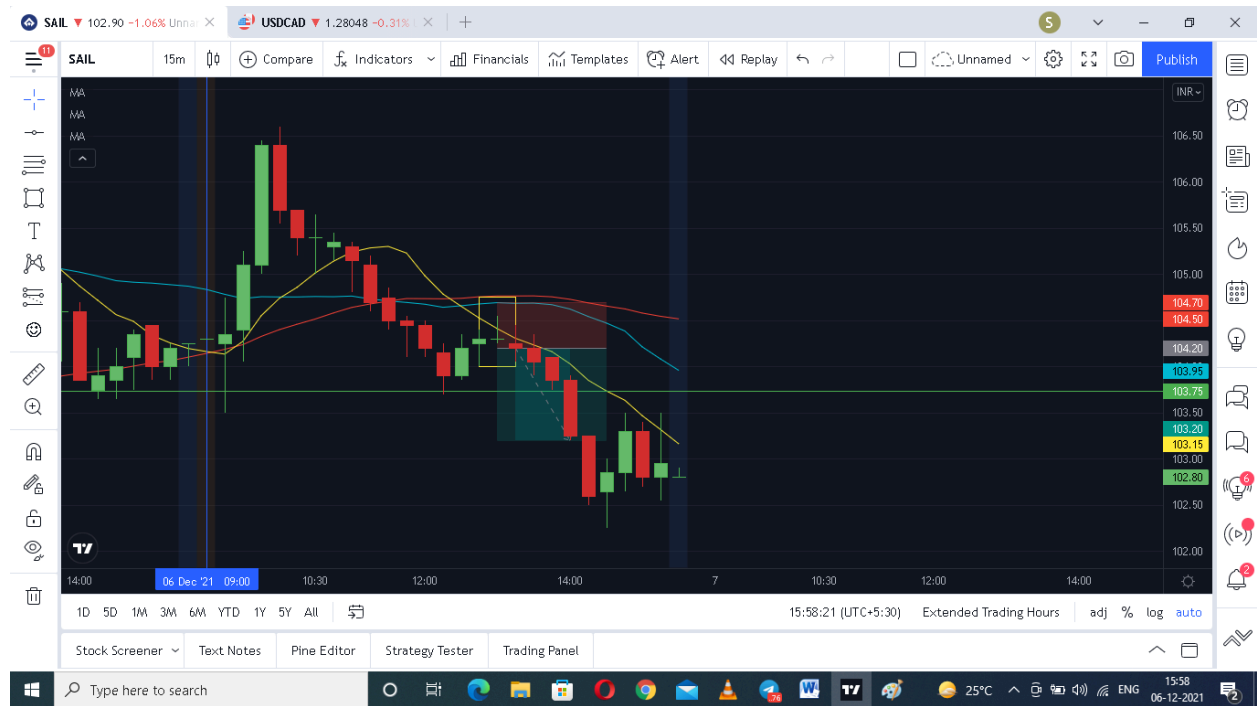
1. Strong rejection from 21 EMA in the 9:00 IST on 4hr tf



2. Trade signal on 15 min using Surfing the Wave strategy



3. Trade taken with 1:2 RR TP hit is 1 hour



Hence we see using 8 trades how to use a combination of strategies based on Moving Averages with PSAR and SnR confluence zones and multitime frame structural confirmations. This strategy has a very high win rate low risk (not more than 2% on any single trade)