# FREE SCALPING INDICATOR

## User's Manual

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# Introduction

The "Free Scalping Indicator" is a complete SCALPING tool designed primarily to trade the FOREX markets successfully and consistently.

The main principle of the indicator is **price action.**

The hit rate of the indicator is about 75% in most currencies.

We advise to read and make sure you understand the entire system before putting it into practice. Experiment and gain experience in demo accounts before trading on your own money. If you find that you need further help or have any questions, do not hesitate to contact our technical department.

We wish you great trading success,
Karl Dittmann Team

# Installing the Indicator

IMPORTANT: If you don't have MetaTrader ® installed, please download it from this link:

http://alpari-forex.com/en/platforms/

Follow the instructions and open a demo or real account. We recommend trading the indicators on demo account before proceeding to real accounts.

## The indicator file is: Free scalping indicator.ex4

➔ ***Step 1:*** Copy the indicator file EX4 into your /experts/indicators/ folder. This folder is in the folder of the MetaTrader trading platform.

Examples:

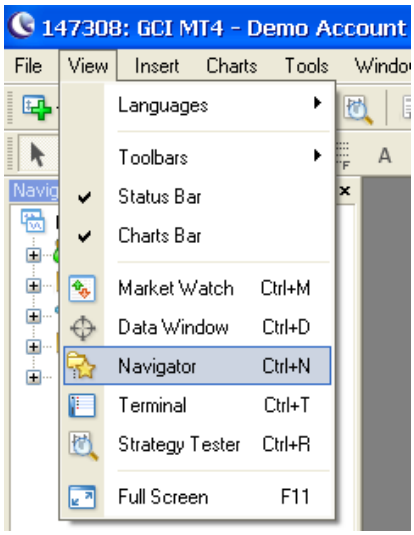
If you are using the Interbank FX Trader broker, the folder will be at C:\Program Files\Interbank FX Trader 4\experts\indicators\

If you are using the Alpari MetaTrader broker, the folder will be at C:\Program Files\MetaTrader - Alpari\experts\indicators

If you are using the FXDD broker, the folder will be at C:\Program Files\FXDD – MetaTrader 4\experts\indicators\

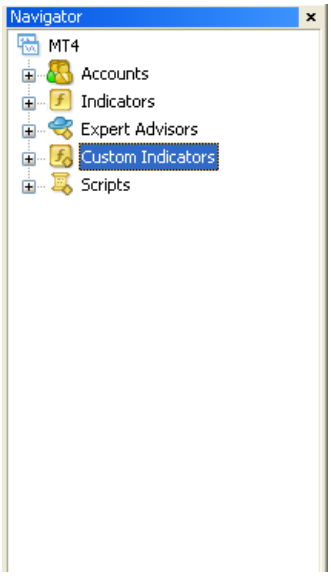
If you can't find your /experts/indicators/ folder, please contact our technical support.

➔ ***Step 2:*** Open the MetaTrader® platform, and click on View -> Navigator. You can also click on CTRL+N.




*Click on 'Navigator'*

➔ ***Step 3:*** A window titled 'Navigator' should appear. Click on Custom Indicators.




*The Navigator*

➔ ***Step 4:*** You should see the **Free Scalping Indicator** indicator at the Custom Indicators folder. Double click on both indicators and click OK to load them onto your chart.

# IMPORTANT RULES - How to use the signals

- Identify a current trend. (Remember? Trend is your friend?)

- Ignore all signals against a current trend! Example:
  Trend is up – but you get a "sell" signal ( ignore it!)

- Wait for a "buy" signal to enter. This is the most important rule #1, if you follow it – you will have no losing trades at all.

- The most important rule #2: do not trade and do not use the indicator on a side trend. This is "MUST follow" rule#2.

If you DON'T follow or ignore the rules above – good results are not guaranteed!

## Entering Trades

The Free Scalping Indicator generates trades it changes colors.

**To use** the Free Scalping Indicator © **to generate signals:**

**Long trades** occur when the Free Scalping Indicator © changes color from Red to Yellow.
(ZERO line crosses)

**Short trades** occur when the Free Scalping Indicator © changes color from Yellow to Red. (ZERO line crosses)




## Stop Loss

Place your stop loss 5 pip below the previous candle For long trades

Place your stop loss 5 pip above the previous candle

For short trades.

**IMPORTANT:** Set stop loss for all your trades and do not deviate from it. Once the trade has touched your stop loss be disciplined and close the trade. This will protect you from major capital losses.

# Exiting Trades

Exit trades when the Free Scalping Indicator Indicator issues the opposite trading signal. This ensures that you trade with maximum profits and right before the market reverses.

Another exit mechanism which is highly effective is to exit near strong support or resistance levels. It is a method that generates exits earlier, so you take profits early.

# Time Frames and Pairs

- 1 min, 5 min, 15 min
- All major pairs

# Recommendations

IMPORTANT: Make sure to trade only follow a currect trend! It will cut ALL bad trades! Never place a trade against a trend.

Example: If the current trend is up and the indicator
shows “BUY” signal – place a trade.

If the current trend is up and the indicator
shows “SELL” signal – NO TRADE! Wait for the next “BUY” signal…

Stay away from using the signals and open trades on unclear trends or side trends.

## Money Management

Money management is a very important concept that has an enormous effect on drawdowns and margin calls. The cardinal rule of money management is the following:

**You should only risk 1-3% of your account on any single trade.** You may have heard this rule hundred times before, but it is amazing to see how many good traders fail to comprehend this concept – and don't understand why they are wiped out again and again, despite great entries and timing of trades.

Another important concept that is related to your **stop loss**: In this strategy you learned how to place stop loss for each setup. This stop loss is calculated regardless of your level of risk or your equity, and is based solely on price-action. After stop loss is set, calculate your trade size so you achieve the percent of risk you trade with. For example: your stop loss is 10 pips, and your equity is 10,000$. You wish to risk 2% of your equity in this trade, so you enter trade with 2 lots – so your risk is 200$, or 2%.

# To download the indicator:

# FXProSystems.com