

News Scalping Strategy Check List

1. Required stable internet connection;
2. Use uninterruptible power supply;
3. Use two different computers with the same trading account on both of them and if possible, connect them to different internet providers;
4. Enable “One Click Trading” feature for MT4 before “News Scalping” trade;
5. Enable “Allow automated trading” feature for MT4 before “News Scalping” trade;
6. Activate then config and test “Nwes Scalping Executer” expert adviser 30 minutes before high impact news is released;
7. Config auto-place orders at “Nwes Scalping Executer” to avoid of missing the trade, 3 – 5 minutes before of news it’s possible to activate manual orders placement;
8. Choose the best proper currency pair according to statistic;
9. At least 2 hours before or after of the end of a server trading session (liquidity can be very pore and spread might be very wide) (**Experimental**);
10. Trade news only with at least 30 pips volatility in average to proper currency pairs according statistic (If there isn’t statistic to particular news ignore this rule);
11. Before trading the news read comments and watch videos from statistic for particular type of news if necessary, to increase win odds;
12. Before trading the news place horizontal support/resistance levels to be aware where the first opposite pressure is going to come;
13. Before trading the news calculate average price movement by using statistic and use this info to exit if after this distance will be strong horizontal support/resistance level;
14. RED flagged news;
 - Non-Farm Payrolls (NFP);
 - CPI (Consumer Price Index, Inflation);
 - GDP Data;
 - Unemployment Claims;
 - Interests Rate (Overnight Rates, BOC Rate Statement);
15. We only trade major news announcement (RED flagged) on major currencies;
 - USD News → Trade EUR/USD, USD/JPY, USD/CAD;
 - GBP News → Trade GBP/USD;
 - CAD News → Trade USD/CAD;
 - JPY News → Trade USD/JPY;
 - EUR News → Trade EUR/USD;
 - CHF News → Trade USD/CHF;
 - NZD News → Trade NZD/USD;
 - AUD News → Trade AUD/USD;
16. The stop loss distance should be 10 pips (14 pips for GBP);

News Scalping Strategy

News Scalp strategy is a strategy that takes advantage of rapid and large price movements driven by major market moving news in a currency pair. The strategy is to concurrently place a long and a short order about 3 - 5 seconds before the news release. We expect the news moves the currency pair in one direction and trigger the long or the short order.

Timeframes: M1 (one-minute candles) are used;

Important Points

- Only trade this strategy with stable internet connection;
- We only trade 5 major news announcement (RED flag) with specific data;
- Non-Farm Payrolls (NFP);
- CPI (Consumer Price Index, Inflation);
- GDP Data;
- Unemployment Claims;
- Interests Rate (Overnight Rates, BOC Rate Statement);
- We only trade major news announcement (RED flag) on major currencies;
- USD News → Trade EUR/USD, USD/JPY, **USD/CAD**;
- GBP News → Trade GBP/USD;
- CAD News → Trade USD/CAD;
- JPY News → Trade USD/JPY;
- EUR News → Trade EUR/USD;
- CHF News → Trade USD/CHF;
- NZD News → Trade NZD/USD;
- AUD News → Trade AUD/USD;
- Only use Forex Brokers with very tight spreads 1 – 2 pips that use an MT4 platform that allows placing 2 opposing orders on the same currency pair;
- Do not trade very close to the end of a server day trading session (keep at least 2 hours before or after this event) because spreads may be very wide and there is a possibility to be filled with huge **(Experimental)**;
- To avoid losing trades because of technical problems it's good idea to use two different computers with the same trading account on both of them and even better to use different internet providers on these computers to avoid connection problems;

Entry and Exit Rules

1. Entry orders and stop losses are placed about 3 - 5 seconds before news is announced;
2. Long position;
 - **Long Entry:** Place Buy Stop Order 10 pips above current market price (Formula $(\text{Bid price} + \text{Ask price}) / 2$);
 - **Stop Loss:** Place Sell Stop Order at current market price (Formula $(\text{Bid price} + \text{Ask price}) / 2$) or 1 pip;
3. Short position;
 - **Short Entry:** Place Sell Stop Order 10 pips below current market price (Formula $(\text{Bid price} + \text{Ask price}) / 2$);
 - **Stop Loss:** Place Buy Stop Order at current market price (Formula $(\text{Bid price} + \text{Ask price}) / 2$) or 1 pip below;
4. Note: For GBP/USD, the distance used is 14 pips;

Scenario 1 (Long Entry Triggered)

1. Price moves up and triggers long entry order once news is released (within 10 seconds);
2. Cancel short entry order immediately;
3. Exit should be splitted at least for 3 parts:
 - Exit 30% as price reaches 2R;
 - Exit 30% before strong horizontal resistance level;
 - Keep 30% of position if price goes up after news. Protect yourself by moving stop loss above entry price. As price goes higher and higher move stop loss above. Keep buffer at least 10-15 pips between current market price and stop loss price;
4. One order is triggered try to move SL to breakeven point to avoid loss if price goes down;
5. Outcome can be - 1.5R loss to unlimited R gains (usually 2R to 10R is possible);

Scenario 2 (Short Entry Triggered)

1. Price moves down and triggers short entry order once news is released (within 10 seconds);
2. Cancel long entry order immediately;
3. Exit should be splitted at least for 3 parts:
 - Exit 30% as price reaches 2R;
 - Exit 30% before strong horizontal support level;

- Keep 30% of position if price goes down after news. Protect yourself by moving stop loss above entry price. As price goes higher and higher move stop loss above. Keep buffer at least 10-15 pips between current market price and stop loss price;
- 4. One order is triggered try to move SL to breakeven point to avoid loss if price goes up;
- 5. Outcome can be - 1.5R loss to unlimited R gains (usually 2R to 10R is possible);

Scenario 3 (Neither Orders Triggered within 10 seconds)

1. Upon release of the news, the price does not move enough to trigger the long order or the short order within 10 seconds;
2. In this case, we cancel both long and short orders immediately;

Scenario 4 (Unlikely but possible)

1. It is possible that currency pairs price moves rapidly in one direction and then the opposite, triggering both long and short positions and hitting both stop losses, resulting in a -2R or -3R outcome.

Important Notes

1. When price moves quickly during news announcements, your long or short entry order may not get filled at the intended buy/sell stop price;
2. Example: Your buy stop order may get filled 1 – 12 pips above the intended stop price, resulting in a 1.5R – 2R risk or more;
3. If your order is filled far away from your intended entry price, you can immediately shift your stop loss to within 12 – 16 pips of the entry price to keep your risk at 1R;