

ARDESHIR MEHTA

3:00 AM AND 8:00 AM HIGH VOLATILITY FOREX STRATEGY

Developed June 21-23, 2015

- Use OANDA'S "FXTrade" Java-based platform.
- Trade the EUR/USD currency pair *exclusively*.
- Set trades between 3:00 am and 5:00 am, and then, *if necessary only*, again between 8:00 am and 10:00 am every trading day, as follows:
- Check to see if there is a *strong* trend — evidenced, say, by 2 to 4 *heiken ashi* candles all of the same colour in the 30-minute chart — before setting any trade. If the trend is *not* strong — say, if the candle that just closed at 3:00 am has wicks on both ends, or if it is less than 25 pips long (including the wick) — don't set any trades; wait up to two hours for additional candles to appear, and then set trades if the trend appears to be strong; while if the trend is weak or reverses, skip setting trades for that occasion. (I have to admit that checking whether the trend is strong or not depends a bit on your trading intuition.)
- On each occasion, initially set just *one* market trade in the direction of the trend with 100% of your Leveraged Net Asset Value ("NAV") and a 10-pip take-profit.
- When it has taken profit, if your gut tells you that the trend is still strong, set *another market* trade with 50% of your Leveraged NAV and a 10-pip take-profit in the same *treanding direction* in which the first market trade was set.
- Optionally, if the strong trend persists even after the *2nd* trade takes profit, set a *3rd* market trade, also with a 10-pip take-profit and also using 50% of your Leveraged NAV; and when *that* trade takes profit, if the strong trend *still* persists, set a *4th* market trade, also with a 10-pip take-profit and also using 50% of your Leveraged NAV. If the strong trend *continues*, you may, optionally, even set *5th*, *6th*, *7th* or more such trades, but only *if* the strong trend still continues.
- Each trade should initially have a stop-loss exceeding the distance to previous resistance or support (as the case many be) in the 15-minute chart just prior to when the trade was set; or alternatively, no stop loss may be set and the trade closed at your discretion if it is losing too much.
- When any 2 — or optionally, at your discretion, any 3 or more — trades have taken profit, *and* no trade has taken a loss, close all remaining trades and orders, even if necessary at a small loss, and stop trading for the day.

THE REASONING BEHIND THE STRATEGY:

Between 3:00 am and 5:00 am Eastern Standard Time in North America, it is between 8:00 am and 10:00 am GMT, and the bankers at the City of London start trading in earnest. This causes a sharp rise in volatility in the EUR/USD pair around that time, which causes the price to move, on the average, anything between 50 and 150 pips in one direction. At 8:00 am EST, Wall Street traders also join them, and work their hardest for an hour to two hours after they get to office; this gives rise to yet more volatility, causing the price to move even more in one or the other direction.

Thus the strategy recommended above makes it extremely likely that between 8:00 and 10:00 am GMT, and again between 8:00 am and 10:00 am EST, any single trade will take a 10-pip profit in one or the other direction; and on most days, 2, 3 or even 4 trades will take profit. Each such 10-pip trade will yield about 1.5% profit if it is made with 100% of your Leveraged NAV, or 0.75% profit if made with 50% of your Leveraged NAV; so on good days, 2 trades taking profit will yield about 2.25% profit, while 3 trades taking profit will yield 3%, and 4 trades taking profit will yield 3.75%.

Some days the price may reverse and the trade might hit its stop loss. Most of the time the stop loss will be worth 20 to 30 pips; sometimes it will be greater if the trend is strong, but then if that's the case, it most likely won't be hit. There may be only one losing trade per day. These medium-sized losses will be made up for by the many winning trades over the long run. (Some days or even some weeks, may, however, show a net loss. A forex trader just has to accept such losses as unavoidable when trading.) I expect that a 2% profit per trading day on the average, or more — perhaps quite a bit more — is well within the capability of this strategy.

I have backtested this strategy, in slightly modified form, for the past 12 weeks (60 trading days), setting only 2 trades per day, each with 90% of my Leveraged NAV. The results are given below. They seem to be very satisfactory: I could have made an average of over 2.4% per day.

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TESTING OF THE STRATEGY FOR 60 TRADING DAYS (12 WEEKS),
STARTING ON THE 30TH OF MARCH AND ENDING ON THE 19TH OF JUNE:

1ST WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
March 30	20 pips (2 trades) win	No trade set	20 pips win (2.9%)
March 31	20 pips (2 trades) win	No trade set	20 pips win (2.9%)
April 1	20 pips (2 trades) win	No trade set	20 pips win (2.9%)
April 2	20 pips (2 trades) win	No trade set	20 pips win (2.9%)
April 3	20 pips (2 trades) win	No trade set	20 pips win (2.9%)
Weekly Total	100 pips win	0 pips win	100 pips win (14.45%, average per day 2.9%)

2ND WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
April 6	No trade set	20 pips win	20 pips win (2.9%)
April 7	20 pips win	No trade set	20 pips win (2.9%)
April 8	10 pips win, 30 pips loss	No trade set	20 pips loss (-2.9%)
April 9	20 pips win	No trade set	20 pips win (2.9%)
April 10	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	70 pips win, 30 pips loss; net 40 pips win	20 pips win	60 pips win (8.73%, average per day 1.75%)

3RD WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
April 13	20 pips win	No trade set	20 pips win (2.9%)
April 14	No trade set	20 pips win	20 pips win (2.9%)
April 15	20 pips win	No trade set	20 pips win (2.9%)
April 16	20 pips win	No trade set	20 pips win (2.9%)
April 17	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	70 pips win	20 pips win	100 pips win (14.45%, average per day 2.9%)

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4TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
April 20	No trade set	No trade set	0 pips win
April 21	20 pips win	No trade set	20 pips win (2.9%)
April 22	No trade set	20 pips win	20 pips win (2.9%)
April 23	No trade set	No trade set	0 pips win
April 24	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	40 pips win	20 pips win	60 pips win (8.73%, average per day 1.75%)

5TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
April 27	20 pips win	No trade set	20 pips win (2.9%)
April 28	No trade set	No trade set	0 pips win
April 29	No trade set	20 pips win	20 pips win (2.9%)
April 30	20 pips win	No trade set	20 pips win (2.9%)
May 1	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	60 pips win	20 pips win	80 pips win (11.64%, average per day 2.33%)

6TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
May 4	20 pips win	No trade set	20 pips win (2.9%)
May 5	20 pips win	No trade set	20 pips win (2.9%)
May 6	No trade set	20 pips win	20 pips win (2.9%)
May 7	No trade set	20 pips win	20 pips win (2.9%)
May 8	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	60 pips win	40 pips win	100 pips win (14.45%, average per day 2.9%)

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7TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
May 11	No trade set	No trade set	0 pips win
May 12	20 pips win	No trade set	20 pips win (2.9%)
May 13	No trade set	20 pips win	20 pips win (2.9%)
May 14	No trade set	20 pips win	20 pips win (2.9%)
May 15	No trade set	No trade set	0 pips win
Weekly Total	60 pips win	40 pips win	60 pips win (8.73%, average per day 1.75%)

8TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
May 18	20 pips win	No trade set	20 pips win (2.9%)
May 19	20 pips win	No trade set	20 pips win (2.9%)
May 20	20 pips win	No trade set	20 pips win (2.9%)
May 21	20 pips win	No trade set	20 pips win (2.9%)
May 22	No trade set	20 pips win	20 pips win (2.9%)
Weekly Total	80 pips win	20 pips win	100 pips win (14.45%, average per day 2.9%)

9TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
May 25	No trade set	No trade set	0 pips win
May 26	No trade set	20 pips win	20 pips win (2.9%)
May 27	No trade set	20 pips win	20 pips win (2.9%)
May 28	No trade set	No trade set	0 pips win
May 29	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	20 pips win	40 pips win	60 pips win (8.73%, average per day 1.75%)

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10TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
June 1	20 pips win	No trade set	20 pips win (2.9%)
June 2	No trade set	20 pips win	20 pips win (2.9%)
June 3	20 pips win	No trade set	20 pips win (2.9%)
June 4	20 pips win	No trade set	20 pips win (2.9%)
June 5	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	80 pips win	20 pips win	100 pips win (14.45%, average per day 2.9%)

11TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
June 8	20 pips win	No trade set	20 pips win (2.9%)
June 9	20 pips win	No trade set	20 pips win (2.9%)
June 10	20 pips win	No trade set	20 pips win (2.9%)
June 11	20 pips win	No trade set	20 pips win (2.9%)
June 12	No trade set	20 pips win	20 pips win (2.9%)
Weekly Total	80 pips win	20 pips win	100 pips win (14.45%, average per day 2.9%)

12TH WEEK

Date	1st set of 2 trades	2nd set of 2 trades	Net result
June 15	20 pips win	No trade set	20 pips win (2.9%)
June 16	No trade set	20 pips win	20 pips win (2.9%)
June 17	20 pips win	No trade set	20 pips win (2.9%)
June 18	20 pips win	No trade set	20 pips win (2.9%)
June 19	20 pips win	No trade set	20 pips win (2.9%)
Weekly Total	80 pips win	20 pips win	100 pips win (14.45%, average per day 2.9%)

TOTALLING UP:

1ST WEEK	100 pips win	0 pips loss	Net 100 pips win (14.45%, average per day 2.9%)
2ND WEEK	90 pips win	30 pips loss	Net 60 pips win (8.73%, average per day 1.75%)
3RD WEEK	100 pips win	0 pips loss	Net 100 pips win (14.45%, average per day 2.9%)
4TH WEEK	60 pips win	0 pips loss	Net 60 pips win (8.73%, average per day 2.31%)
5TH WEEK	80 pips win	0 pips loss	Net 80 pips win (11.56%, average per day 4.3%)
6TH WEEK	100 pips win	0 pips loss	Net 100 pips win (14.45%, average per day 2.9%)
7TH WEEK	60 pips win	0 pips loss	Net 60 pips win (8.73%, average per day 1.75%)
8TH WEEK	100 pips win	0 pips loss	Net 100 pips win (14.45%, average per day 2.9%)
9TH WEEK	60 pips win	0 pips loss	Net 60 pips win (8.73%, average per day 1.75%)
10TH WEEK	100 pips win	0 pips loss	Net 100 pips win (14.45%, average per day 2.9%)
11TH WEEK	100 pips win	0 pips loss	Net 100 pips win (14.45%, average per day 2.9%)
12TH WEEK	100 pips win	0 pips loss	Net 100 pips win (14.45%, average per day 2.9%)

(Just take a good look at how small and seldom the losses are!)

GRAND TOTAL:

1020 PIPS NET WINS OVER 60 DAYS,

OR 85 PIPS NET WINS PER 5-DAY TRADING WEEK,

OR 17 PIPS NET WINS PER TRADING DAY,

OR 2.4565% PROFIT PER TRADING DAY ON THE AVERAGE.

At this rate, one would *double* one's account in less than 30 trading days, or increase it a *thousand-fold* in not much over a year.

Starting with no more than \$100 of trading capital, with this kind of return on investment, within a *year* one would have an average *monthly* gross income of just over \$30,000, or an *annual* gross income of just over \$360,000!!!

But even more importantly, within *two* years one could have a fortune of almost \$35 *million*, and within *three* years, a fortune of over \$20 *billion*.

Heck — within just *ten* years, *one could afford to send a cheque of \$1 billion* to every single man, woman and child on the planet, and *still* have money left over!

THE LORD BE PRAISED!