SCALP TRADING BASICS

- SCALP TRADING AIMS TO PROFIT FROM SHORT-TERM PRICE MOVEMENTS.
- INVOLVES QUICK TRADES, TIGHT STOP-LOSS LEVELS, AND RAPID DECISION-MAKING.
- EFFECTIVE IN VOLATILE MARKETS AND DURING SPECIFIC NEWS EVENTS.

SCALPING

- Volatile Markets: Scalping thrives in volatile markets with frequent price fluctuations and ample liquidity. Look for periods of high trading volume, news events, or intraday volatility. Scalping is well-suited for capturing quick price movements within short timeframes.

- Quick Decision-making: Scalping involves rapid decision-making and execution. If you are comfortable making quick judgments based on short-term price movements and can execute trades swiftly, scalping may be a preferred choice. Scalping requires staying focused and reacting promptly to market conditions.

- Opening 3 minute range and AVWAP: Consider the price action during the opening minutes of the market. The opening range often provides important levels of support and resistance. Combining this with the Regular Trading Hours (RTH) Anchored VWAP can help identify potential scalping opportunities. If the price retraces to the RTH Anchored VWAP within the opening range and aligns with other confluences, such as significant shifts in Cumulative Delta or price patterns, it can serve as confirmation for scalp entry points. This confluence indicates increased buying or selling interest near the RTH Anchored VWAP, increasing the probability of a favorable price move.

- Price Action and Cumulative Delta: Scalping often involves monitoring price action and Cumulative Delta for short-term opportunities. Look for significant shifts in Cumulative Delta and divergences between price action and Cumulative Delta, which indicate potential entry or exit points for scalp trades. Combined with Regular Trading Hours (RTH) Anchored VWAP, these confluences provide confirmation for scalp entry setups.

RTH AVWAP

- CALCULATES THE AVERAGE PRICE BASED ON TRADING VOLUME DURING RTH.
- PROVIDES INSIGHT INTO AVERAGE PRICE LEVELS WHERE TRADES WERE EXECUTED.
- IDENTIFIES SIGNIFICANT PRICE LEVELS AND POTENTIAL SUPPORT/RESISTANCE AREAS.

CUMULATIVE DELTA

- MEASURES DIFFERENCE BETWEEN BUYING AND SELLING VOLUME.
- PROVIDES INSIGHT INTO BUYING/SELLING PRESSURE.
- CONFIRMS TRENDS AND IDENTIFIES POTENTIAL REVERSALS.

HIGH TF CONFLUENCE

1. Year-to-Date Anchored VWAP:

- Use the YTD Anchored VWAP as a long-term reference level to gauge overall market sentiment.

- Scalpers can consider the price's position relative to the YTD Anchored VWAP to determine the market bias (bullish or bearish).

- Align scalp trades with the prevailing market bias for higher probability trades.

2. Coiling of Bollinger Bands:

- Watch for periods when Bollinger Bands contract and move closer together, indicating reduced volatility and a potential price consolidation phase, known as "coiling."

- Monitor the coiling of Bollinger Bands as it suggests an upcoming breakout or increase in price volatility.

- Scalpers can prepare for potential trading opportunities by closely monitoring the coiling pattern.

Bringing the Context Together for Scalping:

- Determine the market bias using the YTD Anchored VWAP and focus on scalp trades aligned with it.
- Identify breakout opportunities when the price breaks out of the consolidation range after the coiling of Bollinger Bands.
- Combine these insights with scalp techniques such as short-term price pattern identification, tight stop-loss levels, and rapid decision-making.