

Setting Up the MT4 Platform to Trade the London Crush

Step One

Load the indicators and templates from the LondonCrush.zip file into your MT4 platform. You have 3 indicators and 1 template. To load the indicators open your platform and click on the File tab. Then click on the Open data folders option inside the File tab window. A new window will open. Inside the new window open the MQL4 folder, locate and open the Indicators folder. Copy and paste the Renko, Slope and ZeroLagMACD files into the Indicator folder.

Now back out of the Indicator folder and return to the level where you can see the MQL4 folder. Below the MQL4 folder is another folder labeled Templates. Open this template folder and copy and paste the LondonCrush.tpl file in to this folder.

Now close the all the file windows that may still be open, and either restart your entire platform, or open the Navigator window, right click and select Refresh. Either method will cause your platform to load and display the indicators and template you just copied into the folders.

Step Two

Now you need to open a 5 Pip Renko chart. Inside the LondonCrush.zip file you downloaded you received a .txt file on How to Load a Renko Chart. Follow those instructions to the letter, and when it comes to setting a Box Size, set the Box Size to 5. Then follow the remainder of the instructions. When it comes to the end of the instructions and you are told to load a Template onto the 2M Offline Renko chart, load the LondonCrush template.

If you've followed the directions, you should have a chart that looks like this:



Step Three

Load AutoScaler onto your chart with the settings you prefer. In the LondonCrush.zip file, I give you a .jpg (Picture) labeled LondonCrushSettings which displays the exact settings I use daily to trade the London Crush. You are free to use those settings (and in fact I would recommend it) or you can experiment with other settings that are more to your liking.

Step Four

To trade the London Crush, I strongly urge you to trade only the first two hours of the London Open (8-10 a.m. London time, 3-5 a.m. Eastern [New York] time, Midnight-2 a.m. Pacific [California] time).

You can trade this method at any other hour of the trading day but I have found that price action is most predictable and tends to trend 20-30 pips at a time during the first two hours of London Open. So if you have the ability to consistently trade the London Open, this is the method to use.

Step Five

To get into trades using the London Crush setup, keep an eye on the Slope Direction Line, which is the Lime Green / Magenta line that follows price action closely. When the line changes from Green to Magenta, you should start looking for Sell trades. When the line changes from Magenta to Green, you should start looking for Buy trades. **NOTE:** when you see a box with a half green, half magenta line at the top of the Blue or bottom of the Red box, Slope is getting ready to change. But that box must close in the correct direction to lock in the color change. **DO NOT TRADE** a box with both colors each covering half the box end. Wait until you see the next box open to ensure you get the color change locked in.

But before you jump into a trade, look to see if the current Renko box is above or below the 50 EMA, which is the thick Yellow line running through the chart. Optimally you want to limit yourself to only Buying when price is above the 50 EMA and Selling when price is below the 50 EMA. There is an exception to this which I will cover shortly, but aside from that exception, limit your trades to Buying above and selling below the 50 EMA. This will eliminate a lot of trade signals that would otherwise result in a loss.

And once you've determined price is properly above or below the 50 EMA to be considered for a trade, look at the ZeroLagMACD. If the MACD for the current box is Above the Zero Line (the line running through the middle of the MACD indicator window), and price is above the 50 and the Slope is just now turning Lime Green, you have a solid signal to Buy.

If the MACD is below the zero line, price is below the 50 EMA and the Slope is just turning from Green to Magenta, you have a solid signal to Sell.

WHEN PLACING TRADES WITH AUTOSCALER ON THE CHART, ALWAYS USE THE BUY/SELL BUTTONS WHICH ARE INSTALLED ON YOUR CHART WHEN YOU ADDED AUTOSCALER TO THE CHART. DO NOT USE THE MT4 BUTTONS, BECAUSE THE AUTOSCALER EA WILL NOT PICK UP THE NECESSARY SIGNAL FROM THE CHART TO PLACE ALL THE STOPS AND TAKE PROFITS AND WILL LEAVE YOU HAVING TO DO THAT MANUALLY.

STEP SIX

Sit back and wait for the trade to resolve itself. Assuming you followed the settings I suggested in the other PDF related to setting up the Step Stop, AutoScaler will continually move your stop loss in 5 pip segments as price continues to move in 5 pip segments in your favor. You have the choice of either waiting for price to reverse and hit your stop loss, or you can set a take profit inside the AutoScaler Input settings and wait for one of those two outcomes to occur.

I mentioned in the other PDF that I was not a fan of setting profit targets during this session because the pairs I trade (GBPJPY, GBPUSD, GBPAUD and GBPCAD) have a well-documented history of moving 40 or 50 pips at a time in one direction. I prefer to manually exit my trades once I think price action has stalled out. I exit by clicking on the Close Buy or Close Sell button which is part of the button array placed on the chart by AutoScaler.

If you decide to exit consistently at +20, you are going to make 50 pips each time you take a winning trade. But if you decide to let price keep moving, for every 5 additional pips price moves you add another 20 pips to your account balance (I add 3 trades 5 pips apart when trading London Crush, for a total of 4 open trades. A 5 pip move adds 5 pips to each of the 4 trades for a total of 20 pips).

20 = 50

25 = 70

30 = 90

35 = 110

40 = 130

45 = 150

50 = 170 pips.

Along those same lines, if I allow price to move back and hit my stop loss, I am giving back 12 pips per open trade from the current price. So I am sacrificing 48 pips on a stop out (this does not mean I am “losing” 48 pips. It means I am reducing my profit on the trade by 48 pips. Some or all of my trades could still be closing in profit, but 48 pips less profit than had I manually exited the trade when price action stalled out. This is why once price really takes off in my direction on one of these trades, I become very sensitive to momentum stalling out or price running into a major line of support or resistance. That is when I prefer to exit, instead of waiting for my Stop Loss to trigger.

This is why I say you can CRUSH the London Open using this method. And if you shoot for 25 pips on a regular basis (70 pips total) you can lose anywhere from 3 to 5 trades in a row and if you win the next trade you are back in profit. Win 2 or 3 of these in a row (and that happens often in those first two hours of the London Open) and you’ll make more pips in a day than most traders make in a month.

All on otherwise very small price moves, all things considered.

The Exception Mentioned in Step Five

I mentioned there was an exception to limiting your trades to Buying above or Selling below the 50 EMA. Here it is:

(1) If price action has been consistently above or below the 50 for at least 3 legs (trade runs of 4 or more boxes in one direction) and price is currently 30 pips or more above or below the 50 EMA, if you get a signal to take a trade in the other direction (Sell while above the 50 or Buy while below the 50) you should strongly consider taking that trade. After three legs down, often times price momentum will stall out and there will be enough profit taking to propel price in the opposite direction by 20-30 pips, or...

(2) If price action has been moving back and forth across the 50 EMA by 3 or 4 boxes, which would be considered ranging, you can Buy at the bottom of the range or Sell at the top of the range regardless of what the indicators might be saying. On slow mornings price can just swing up and down by 20 or 30 pips without ever really showing signs of momentum. If you feel comfortable trading off of Support and Resistance lines, by all means take these trades. But be aware that you are probably going to be limited to 20 pips total in most of these trades, so don’t hang around hoping to get 5 more and turn a big winning trade into a small loser.

As I develop additional strategies and refine the existing ones, I will update this PDF and the accompanying video, so make sure you BOOKMARK THE DOWNLOAD PAGE and sign up for the email alerts using the form on the download page if you have not done so already.

And please send any questions or comments to me at jeff@simple4xsystem.net