



**Trading my way  
My 10 years of  
experience in forex  
scalping**

**PRZEMYSŁAW RAJSKI**

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## **Investment risk note**

The information contained in this publication should not be considered as investment advice, an offer or a recommendation to enter into a transaction. Investment products are subject to investment risk, including possibility of losing all or part of the invested capital. The author is not liable for the possible damage that an investor may suffer as a result of concluding a transaction based on this information.

Przemyslaw Rajski

## About me

My name is Przemysław Rajski - I am a financier who graduated from Cracow University of Economics and I work professionally as an accountant. Forex is my passion - since 2012 I have been interested in Foreign Exchange Market. Since then I have expanded my knowledge on this topic on different kinds of webinars as well as exploring the literature on Forex trading and learned how to use it in order to earn money for a living. My adventure with Forex had many different threads - I was looking for a "magical" system that would allow me to earn money through indicator analysis of the price charts and the factors that determine the direction in which this price is moving.

It is well known that in Forex we can earn money on falls and increases of currency prices. But the question is: how can we predict the price movement and to open our position in the right time in order to earn with the least risk? I was looking for systems that would allow me to achieve it. However, after many years I came to the conclusion that the system is not everything - the most important is psychology, being calm and composed and patiently waiting for market opportunities, which is 50% of success - another 30% is capital management model and the remaining 20%

is the system. I also came to the conclusion that the simplest tools and the simplest systems, and I would like to present you 2 of them in my e-book.

# 1. MY TRADING PSYCHOLOGY

When I first started my trading adventure I asked myself a few important questions about why I was doing this. Based on the analysis of other traders' experience, I came to the conclusion that the trading system is not everything, because what is important is your approach to entering the market, your general mood, whether you are distracted or unfocused. The only obstacle that will prevent you from trading successfully is not the market itself but you - the market is random and the price behaviour can also be random, fakes may occur at any time, the economic data can also be a field for price manipulation by large institutions and you have to take it into account. When approaching each day's trading you need to focus on what you want to achieve and look for opportunities, or rather sometimes lurk for it, to play according to your own system and action plan. Remember: never play when you are unbalanced, nervous or distracted, or have experienced a series of losses.

I would like to introduce you to the factors that determine me:

**MOTIVATION:**



I want to trade successfully in all conditions - I am able to switch off and focus only on myself and on trading in order to achieve the best result - my inner strength is great enough to make the result positive. I want to spend as little time as possible on trading (about 3 hours a day) in order to take care of my family and friends and to create the environment of happy people.

#### CREATING A VISION OF SUCCESS:

I will get rid of any addictions, especially smoking, because I want to see myself in the future as a healthy and happy person. I will also walk and meditate a lot. I see a future where I have no material problems and I am not dependent on anyone. A professional career is not important to me - I am my own boss. I do not seek to be considered as a good organiser - this is not my motivation but I don't exclude myself from social life.

#### A STRATEGY FOR ACHIEVING THE GOALS:

My goal in trading is to achieve such results that average profits are at least 1.5-2 times higher than costs (under the simple assumptions of my strategy). The goal is to reach a state in which I can trade calmly - I treat it as an activity I enjoy and achieve good results in the long term in all

market conditions. In the next 5 to 10 years I would like to start building a profitable business which I would like to develop within 12 months. I am my own boss - I am not limited by anyone in my actions and nobody tells me what to do. My goal is to learn the market and its behaviour. I am trying to release, get rid of negative thoughts while trading - I see nothing but charts - I am in the market and I can feel it.

### IMAGINE YOURSELF AS A SUCCESSFUL TRADER:

**Mission:** I want to become a successful trader in order to work less and be satisfied with my results.

**Identity:** I will remain the same person but aware of my freedom.

**Beliefs and values:** one thing will remain the same - money in general is important but it is not an end in itself.

**Skills:** I will become composed and my style will allow me to focus 100% on what I like and am passionate about.

**Behavior and lifestyle:** freedom and lack of restrictions.

**Environment:** being among like-minded people, living without managers, respecting my body and providing it with everything it needs to live a normal life.

### DISCOVER YOUR POWER ON THE MARKET:

What I enjoy the most is the moment when I lurk for a long time and enter a position, then I don't think in terms of winning or losing - the market is random.

I love price consolidation and dynamic, unexpected breakouts from it.

I believe that trading should be treated as a business in which we are dealing with maximizing the level of revenues and minimizing losses, commissions and spreads.

Investment plan:

1. Market observation
2. Spotting a trading opportunity
3. Opening a position
4. Position management
5. Closing a position
6. Evaluating a transaction after closing

I focus only on the implementation of the stages included in the above investment plan and thus try to eliminate negative emotions from my trading. I do not wonder whether I have done the right thing - I just follow the procedure.

I don't play when:

1. I have a bad mood, lack of mental clarity due to smoking cigarettes, drinking alcohol, using soft drugs and other stimulants (in my case I only smoked cigarettes)
2. I have too little exercise
3. I have a poor diet and don't drink enough water
4. I sleep less than 7 hours a day and get up late
5. When I am angry with myself or others
6. When I need to focus on someone who is absorbing my attention

In trading the biggest opponent is not the market but yourself, which is why discipline and sticking to the trading plan are so important, as well as following, almost mechanically, the points listed above.

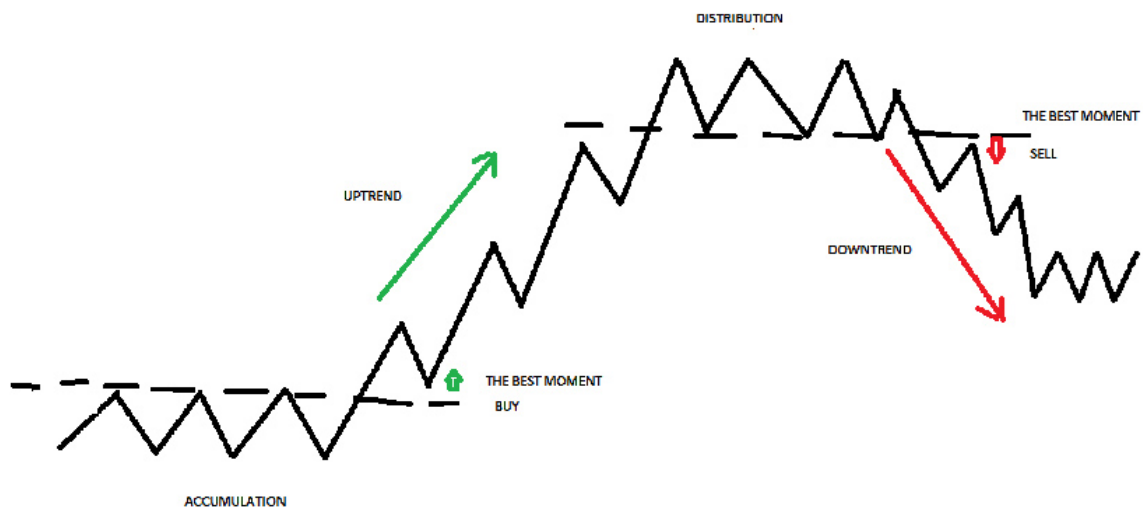
I always check my emotional state before a session and rate it on a scale from 1 to 10, where bad is 1 and very good is 10 - I only trade when the score is at least 5.

I use relaxation technique when I am nervous and feel that my breathing is relatively shallow due to stress: I breathe slowly and deeply with my diaphragm, arrange myself as comfortably as possible in front of the computer and concentrate. I also correct my facial expression - I try to remove any tension from my face. Then I open the economic calendar and look at the important data, then open the chart in the H1 time frame and look at the 3-4

hour trend and also at the one from the beginning of a day. Then I wait calmly and lurk for the signal to play.

In stressful situations, I use a relaxation technique: I breathe deeply, move, speak and think slower, try to forget about all the problems that are bothering me at the moment, as if everything that arose in my head suddenly disappeared. You will be surprised how much this technique will help you regain inner peace, control your emotions and give you a sense of confidence. Erasing a stressful and embarrassing situation from your mind is the method of concentration. Deep breathing is also a very useful tool to help you regain your normal state.

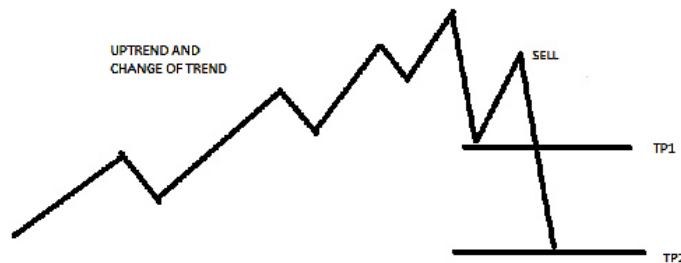
## 2. SCALPING METHOD THAT REALLY WORKS



What you have to know is that markets move in two phases: upward or downward trends, they can also consolidate, which means that they do not move neither up nor down - this phase of market consolidation (stopping) comes in two versions of accumulation - when buyers prepare to attack and raise price (demand) and distribution, when sellers prepare to attack and lower the price (supply).

As you can see, the basic laws of economics apply to the market. The phases of accumulation and distribution do not always last long, sometimes the transition from a downtrend to an uptrend and vice versa can happen very quickly when the stopping phases are basically invisible and we try to take advantage of this as well.

Definition of an uptrend: each successive peak and trough are higher than the previous ones in the trend - the price rises. This is a situation in which there is no visible distribution phase and the trend changes to a downtrend.



Definition of a downtrend: each successive peak and trough are lower than the previous ones in the trend - the price is falling. This is a situation in which there is no visible accumulation phase and the trend changes to an uptrend.



Why am I showing these two situations in relation to scalping? Because I myself play on pairs characterized by high liquidity during the morning session (between 8:00 and 10:30 Warsaw Time), i.e. on the GBP/USD, EUR/USD and GBP/JPY currency pairs which during these hours, due to the market opening, are prone to quick trend changes, bypassing the typical phases of market accumulation and distribution.

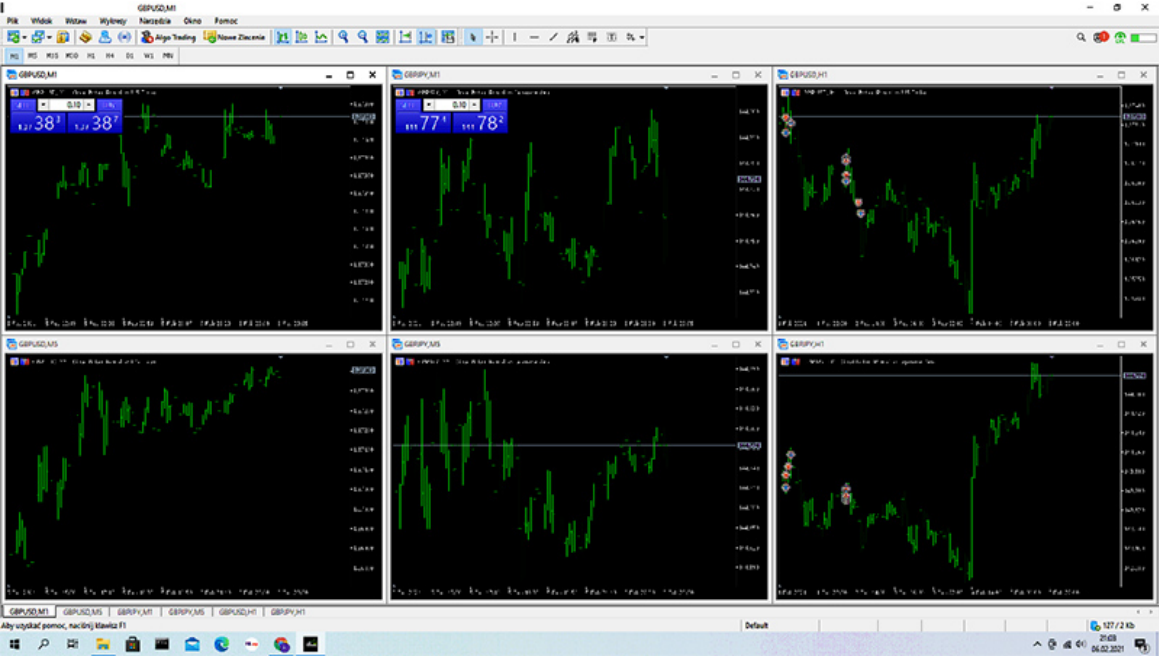
Also, try to keep your profit to risk ratio at least 1,5:1 or 2:1.

My typical Stop Loss is max 5-6 pips with a broker that offers zero spreads - that's the kind of

broker you should look for: zero spreads and low commission of no more than \$7 per lot (e.g. in Australia there are many brokers who still offer leverage 1:500 and such low trading costs.



Always look at the chart from multiple perspectives - identify the 3-4 hour trend on H1 as well as the one from the beginning of the day. Then see what's on the M5 (for any important accumulation and distribution) and then look for opportunities on M1.



### **3. BASE RANGE STRATEGY (BRS FOREX)**

I would like to present to you the approach to forex trading based on the basic calculus of probability, in which the accuracy success rate for entering, maintaining and closing a position is 50% (as usual in the forex market). Based on the price observation on major currency pairs such as EUR/USD, GBP/USD, EUR/JPY, USD/JPY, USD/JPY, during the 10 years I have been in the foreign exchange market, I have noticed a basic feature of this market: most of the time the market moves in trends. Of course, there are moments when the market is less dynamic and we want to take advantage of this situation. The end of the night sessions is usually lethargic and then we are mostly, although not always, dealing with a consolidation instead of a trend - this is the best moment to determine what I call the base range. The forex market is characterized by high dynamics and volatility during the opening hours of the London session (from 9:00 Warsaw time) - the price usually breaks out and reaches the base range which I have previously defined.

How to measure and determine the base range and what exactly is it?

The base range is nothing more than the first support and resistance points that the price is likely to reach in the first hours of the London session - between 9:00 am and 12:00 pm Warsaw time. The probability of the price reaching these points is 50-50 and once the price takes one direction, probability of reaching the base range is close to 100% and the average profit-to-risk ratio is 3:1 and can even reach 10:1 in strong trends. So why not take advantage of this dependency?

Base range determination technique:

1. Between 8:00 and 8:30 or 8:00 and 9:00 we determine the upper and lower base range which is the first support in case of a downward movement and the first significant resistance in case of an upward movement.

2. For this, we will use a line chart on time frame D1. If we see a previous price reaction on time frame M30 we determine the first significant support and resistance points from our current price location based on where price has reacted in the past.

3. After determining the base range line we switch to the M5 or M1 time frame and look for the first correction after

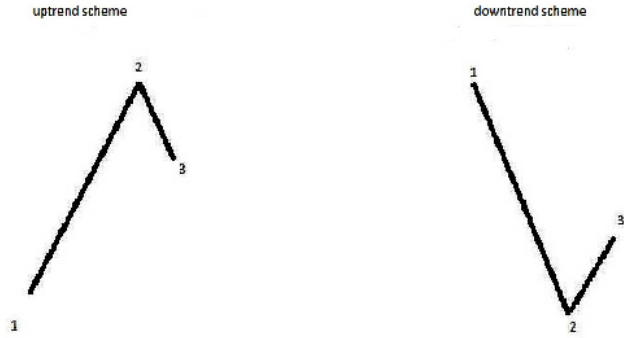
the first price impulse breakout from the morning consolidation (or look for a significant breakout if the price was not in a consolidation) with a 1-2-3 pattern.

4. We enter the transaction and make the stop loss adjustment of a few pips, usually between 5 and a maximum of 7 pips, below the correction in an uptrend or above the correction in a downtrend.

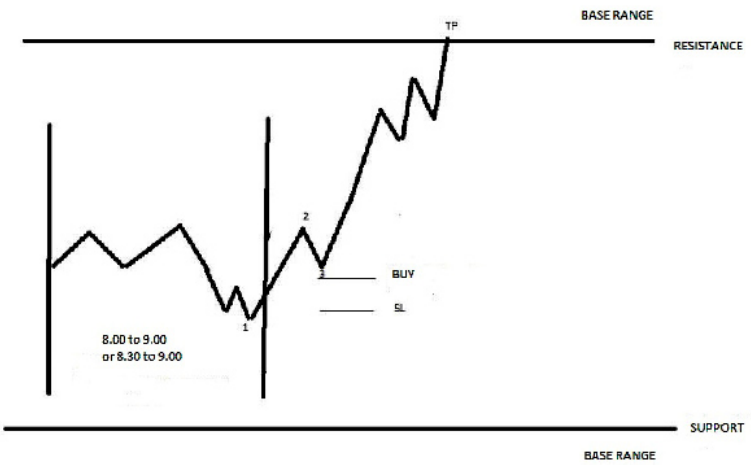
5. The range and our target are determined by the range line we set earlier.

6. 90% of transactions close between 9:00 am and 12:00 pm so we don't have to wait for the transaction to be closed throughout the session, therefore this is a convenient way to trade Forex because most of our trades will close during these hours.

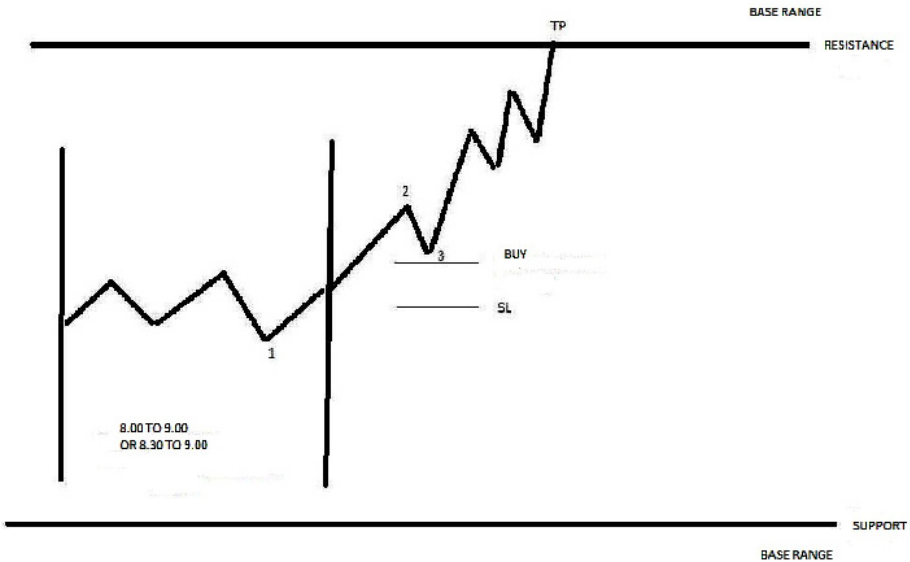
Picture 1. Price breakout patterns in a downtrend or uptrend



Picture 2. Base scheme layout when the price was not in consolidation



Picture 3. Base scheme layout when the price was in consolidation

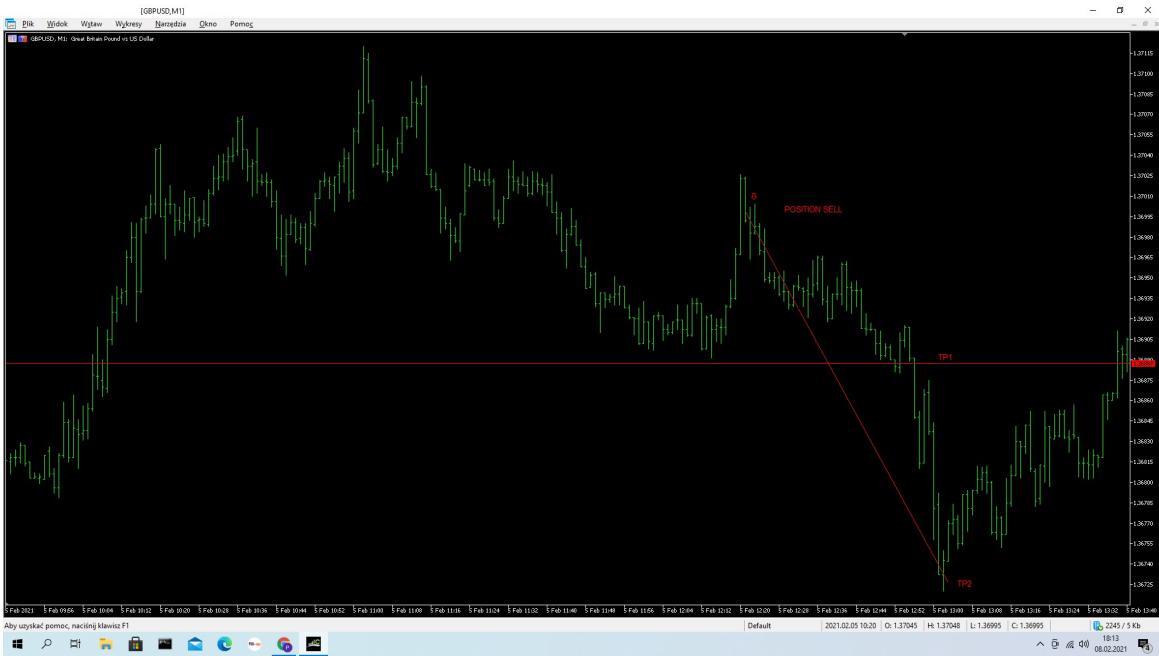


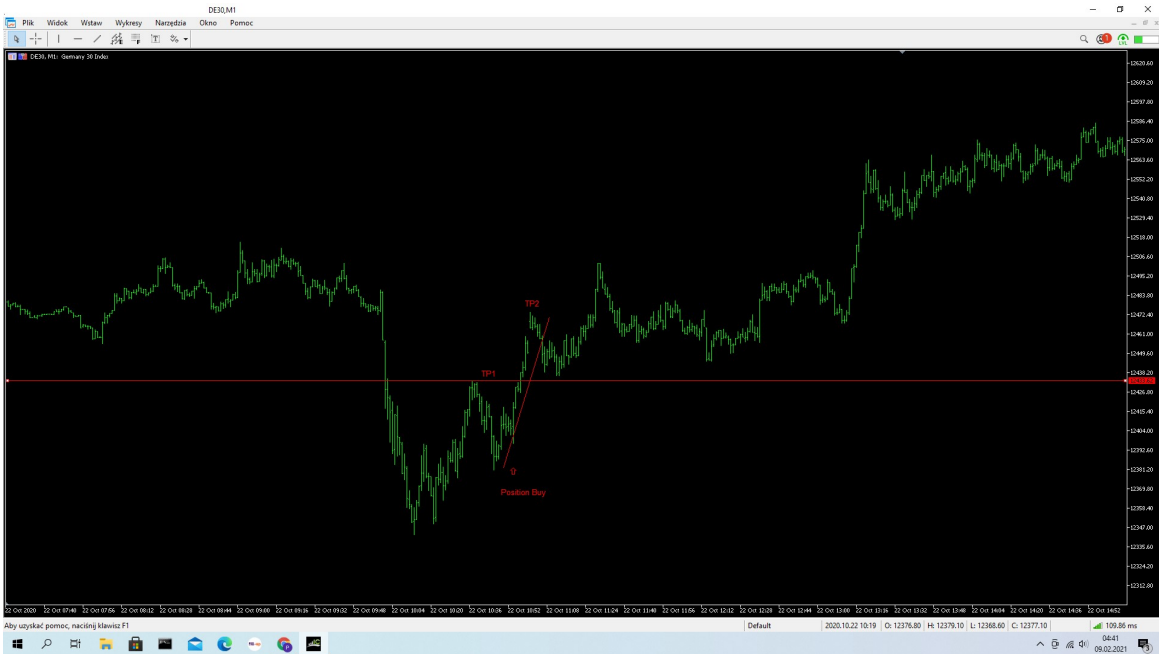
I wish you many successful transactions and mastering  
the art of concentration

PRZEMYSŁAW RAJSKI



## **EXAMPLES OF TRADES AND OPPORTUNITIES - SCALPING SYSTEM**









*Thank you for reading the book's publication.*

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