

Tipu's

DOW SCALPER

TRADE YOUR WAY TO FINANCIAL FREEDOM



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Early Momentum Move

In the previous two modules we covered;

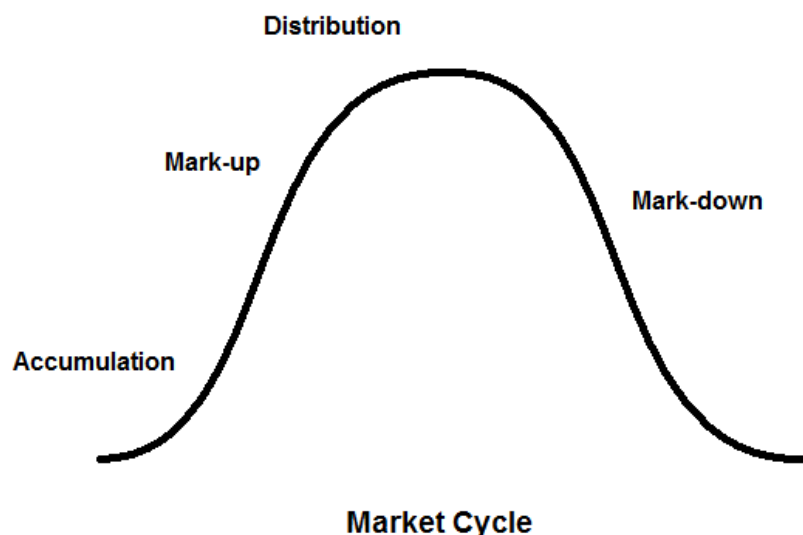
1. Price Action
2. Market Cycles
3. Support & Resistance
4. Reading Candlestick Charts
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In this module you will learn about the '**Early Momentum Move**' trade criteria.

Identifying Stage 1 Of The Early Trend

The Dow Index Futures market will most days kick start with a strong open, this is visible on our charts which we set to 1 minute timeframe, within the first 5 minutes.

If you remember from module 1, we looked at this market cycle diagram.



The Dow Emini Index market is likely to go through this cycle on the 1 minute timeframe within 15 to 30 minutes after open.

Most days this accumulation phase is visible within the first 5 minutes, this is where buyers or sellers jump into or out of the market creating a strong momentum in either direction.

This strong move later in the market goes through the mark-up phase and then shortly after into distribution. The mark-up and distribution phases become visible when the market shows signs of losing steam and slowing down before going into a reset or the mark-down phase.

As for this module, what we are interested in, is the early accumulation and the mark-up phase. Because we know that most days the Dow Emini market pulls these strong momentum moves right after the open, we can benefit from this fact and make money in the shortest time possible.

Remember, as traders or short term financial speculators we need some kind of move in the market to make money from. Most folks lose money by getting trapped into the distribution phase which can last for example in the FOREX market for a very long time, in other words you want to stay away from the choppiness in the market.

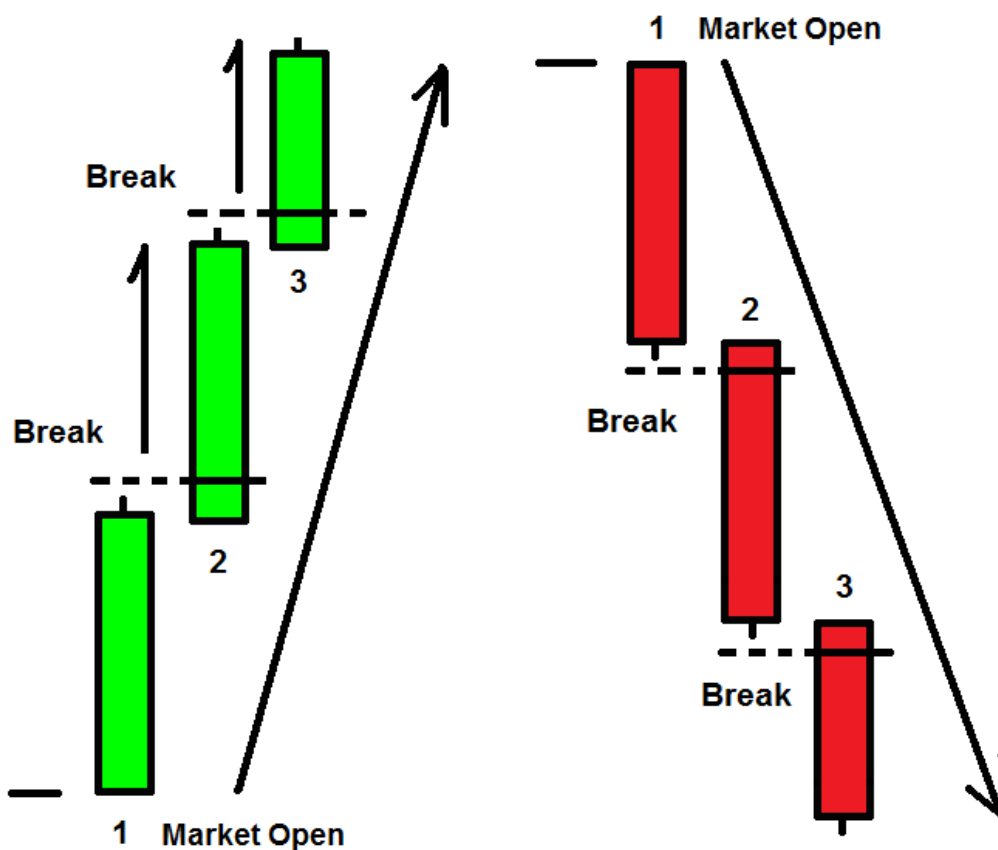
DowScalper is based on this cycle principle which allows you every opportunity to succeed in your trading, should you understand this one basic principle.

Momentum Trade Entry Criteria

You are looking for a strong move up or down right after the market open, in logical terms we are looking for a sudden rush of supply or demand which may just prove to be a beginning of a trend.

A strong candle at the open indicates momentum behind the move, chances are for the market to continue on in that direction until there are signs of slowing down or loss of momentum in the form of candle(s) with smaller body, a doji, a hammer or a shooting star.

Strong Momentum Continues After Initial Move



Once you identify this move, you want to be in and out of the market before the steam runs out so basically you want to capture the first arm up or the first leg down of this momentum move

There are two ways you can , you can fix your profit target to 8 ticks, or you can wait for the the market to show slight signs of weakness and immediately close out your position manually.

For starters and to keep things simple, you may just want to use fixed profit target

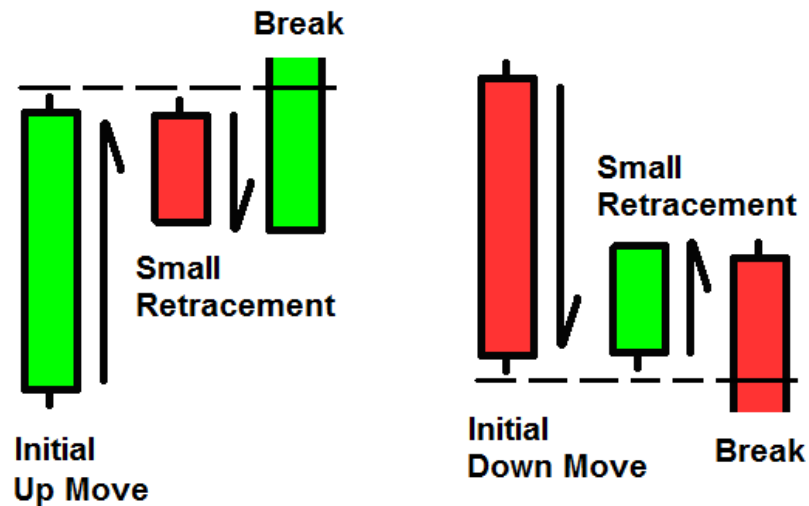
such as 8 ticks which is more likely to get filled without any input on your part.

Another way to do this would be to exit half your position when the trade is in the positive by 8 ticks and the other half when you see any signs of slowing down of momentum.

So as you can see there is no one way to do this, but with an understanding, practice and more experience you will develop your market reading skills along with your intuition and you will find yourself doing this effortlessly.

But you must remember, the key here is to get into the move early... if you delay, you will miss out on the move and if you make a later entry then you increase the risk of the market reversing on you.

Now, the early momentum trade may look something like this.



The point here is to identify and understand the early momentum move. With an understanding of the market cycles and your ability to read charts with the help of candlesticks you can make money trading the early part of the accumulation and the mark-up phase.

The video below explains the Early Momentum Trade in more detail.

Video 3: Trading The Early Trend/Momentum Trading.

Press the play button to start the player

[Advance to Module 4 ==>](#)

Contact Support: support [at] dowscalper.com



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