

Overlap Scalper (Stochastic + 50 EMA) strategy

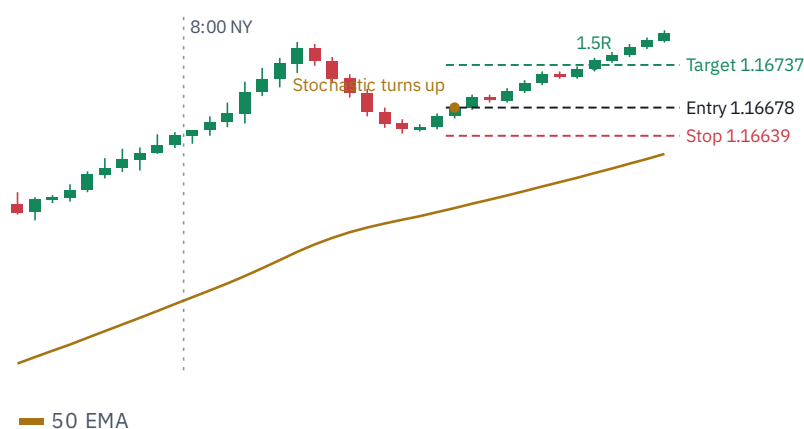
When to scalp forex in IST and why spreads decide it, plus a 5-minute Stochastic scalping strategy and free Pine Script.
By M. A. Horaira, updated 10 October 2026.

THE RULES

- **Market:** EURUSD on the 5-minute chart (GBPUSD works too)
- **When:** 8 to 11 a.m. New York time only
- **Trend:** the price above a 50 EMA that's higher than it was 10 candles ago (below a falling one for shorts)
- **Entry:** Stochastic (14, 3, 3) %K crosses above %D after being below 20; buy at the close (shorts mirror from above 80)
- **Stop loss:** 0.1 ATR below the lowest low of the last 5 candles; skip the trade if that's more than $2.5 \times \text{ATR}$ away
- **Target:** 1.5 times the risk; at most 3 trades a day, and anything open at 11 a.m. is closed
- **Risk:** 0.5% of the account per trade

WORKED EXAMPLE

EURUSD 5m: above a rising 50 EMA, %K 18 → crosses %D. Buy 1.16678, stop 1.16639 (3.9 pips), target 1.16737 (1.5R). 0.5% of \$10,000 = 1.28 lots. With 0.8 pip costs, break-even rises from 40% to about 48% winners.



Illustrative chart drawn to show the rules, not a real day's prices.

TIMES IN IST

	Summer	Winter
London open	12:30	13:30
Overlap (scalping window)	17:30–20:30	18:30–21:30
Rollover (avoid)	about 02:30	about 03:30

Summer = UK and US both on summer time. UK clocks change on 25 Oct 2026, US clocks on 1 Nov 2026.

BEFORE EVERY TRADE

- ☐ Inside 8–11 a.m. New York?
- ☐ Above a RISING 50 EMA?
- ☐ %K crossed %D from below 20?
- ☐ Stop under $2.5 \times \text{ATR}$?
- ☐ Fewer than 3 trades today?

BACKTEST IT BEFORE YOU TRADE IT

1. Open the chart on TradingView.
2. Pine Editor → paste the free script → Add to chart.
3. Settings → Properties: add your commission and slippage.
4. Look for 100+ trades, a profit factor above 1 after costs, and a drawdown you can live with.
5. Check the same settings on other dates, then demo trade for a few weeks.
6. Free script: pipledgerfx.com/downloads/best-time-to-scalp-forex.pine

For education only, not investment advice. Trading forex and gold on margin carries a high risk of loss, and no strategy wins every time. No backtest results are claimed here; test the rules yourself with your own costs. In India, residents may trade currency pairs only through SEBI-registered brokers on recognised exchanges (NSE, BSE, MSE) and gold on MCX; offshore forex and CFD platforms aren't allowed under FEMA. Full guide:

pipledgerfx.com/best-time-to-scalp-forex