

20 pip and dip strategy

by David Roads

20 pip and dip strategy is one of the simplest yet most effective ways to make a guaranteed 20 pips a day. The 20 pip and dip strategy uses multiple [indicators](#) to confirm long-term and short-term trend entries. It is a [price action](#) and forex indicator-based strategy that is largely dependent on the 50 exponential [moving average](#). Other components of the strategy include a [support and resistance](#) identifier or pivot point indicator and an entry signal indicator.

The [average daily pips range](#) of foreign currency pairs varies from as little as [50 pips](#) to 120 pips, depending on different factors. Factors that influence volatility in the currency market are [News](#) releases, Institutional buying/selling (smart money) and major events, etc. With that, we can conclude that making [20 pips in a day](#) is not a far-fetched possibility. It is a highly plausible possibility given that there are people who do it.

How do 20 pip and dip strategy work

WPR Crossover Indicator

The strategy uses three indicators in conjunction to create a trade setup. The first indicator is the “WPR Crossover Indicator” the indicator points out spots where possible reversals might happen. It is a repainting indicator which means that if it fires a forex signal at any point after the [signal](#) appears and there is a change in price that does not reach the requirements, the signal is then filtered. This helps to keep attention on trend moves and helps to avoid [false signals](#).

50 EMA (exponential moving average)

The second indicator is the “50 EMA (exponential moving average)” unlike an “SMA (simple moving average),” the ema is a more weighted moving average which puts importance on recent price data, giving an accurate average of price movement of the past 50 candles. This technical indicator produces BUY and SELL signals based on crossover and divergence from historical averages.

Forex indicator, EMA relies on historical data. [Many traders](#) and other [speculators](#) believe in efficient foreign exchange market theory, that market price reflects all the information about the currency. If markets are efficient, using past data should tell us nothing about future [forex market](#) direction.

Pivot Points

Pivot Points are the 3rd module, Also known as Bar Count Reversals, are used to anticipate from where we will enter the trade. Potential price reversals. How does this indicator work? No matter which lower time frame we trade, we will always select a daily pivot point.

Sell trade rules on 20 pip and dip strategy

We will check whether there is any WPR crossover indicator sell signal or not. If there is any sell arrow, then we will check if the price is below or near to pivot point. If the price remains below pivot points, then we will focus on 50 EMA. If the market price remains below or is rejected from 50 EMA, then that is the perfect setup that we wish for. We will then open a sell trade. Just take a look at the following picture. See how beautifully price remains below pivot points. Our WPR crossover indicator produced a sell arrow. And the price was also rejected from our 50 EMA.



Now we can sell. If we sold here, then we could make more than 20 pips!

Buy trade rules on 20 pip and dip strategy

We will check whether there is any WPR crossover indicator buy signal or not. If there is any buy or green arrow, then we will check if the price is above or near to pivot point. If the price remains above the pivot points, then we will focus on 50 EMA. If the market price remains above or is rejected from 50 EMA, then that is the perfect setup that we wish for. We will then open a buy trade.

20 Pips a day guaranteed

Yes, you read that right. The mastery of this 20 pip and dip strategy will help you catch **20 pips a day, guaranteed**. But this is for only one pair. Think about how many pairs are there in your MT4 or MT5? Many **scalpers** make short trade and enter & exit trades quickly. They even catch 20 pips move twice or thrice in a single pair. Thus they gain far above the 20 pips!

20 pip and dip strategy for a swing trader

The beauty of it is that it is not only a forex [scalping strategy](#), but you can also implement other strategies in conjunction with this strategy, using it to day trading, swing trading, or position trading depending on your preferred style of forex trading. Using a trade management strategy such as trailing stops can also help you turn your 20 pips a day scalp trades into swing trades. If you apply an advanced trade management system, it is also possible to catch market core swing points. Then catching swing trades, you can even catch [60/70 pips](#) in a day applying this [forex strategy](#). But for [swing trading](#), you need to trade on a daily chart or 4-hour chart.

20 pip and dip strategy pdf

The trading strategy also comes in a pdf form. However, it is only currently available on the [parkingpips.com](#) Many traders feel comfortable reading in pdf files. That's why I am giving this 20 pip and dip strategy pdf. So just get it and start studying.

Which currency pairs should you trade the strategy with?

Although there are 28 major currency pairs. The strategy works on any currency pair. However, highly volatile currencies may present a higher risk because of the nature of the swing of price, But it also gives quick results. If you place trades on highly volatile currencies, your chances of making a profit will increase!

Time frame

Another factor to consider is the time frame in which you will be trading because this will also play a huge role in the outcome of your trade. For example, trading the Asian session might leave you in a situation where your trade has a 50/50 chance, and that is simply a gamble as no clear pattern would have formed then. So for getting better out put from this 20 pips forex scalping strategy try to use 15 minute time frame and daily pivot point.

20 pips and dip indicator free download

You will find 50 exponential moving average by default on your mt4 or mt5 platform. So I am giving you the pivot point indicator and WPR Crossover Indicator here. Just download these two indicators and combine these with 50 ema. 20 pips and dip indicator is the combination of two custom indicator and one default indicator. So never ever try to apply this strategy based on only 1 or 2 indicators. Until you combine these there that will not be a complete 20 pips and dip indicator strategy.

What is a pip

The most common increment of currencies is the Pip. If the EUR/USD moves from

1.2250 to 1.2251, that is ONE PIP. A pip is the last decimal place of a quotation.

The Pip is how you measure your profit or loss. As each currency has its own value, it is necessary to calculate the value of a pip for that particular currency. For example, in currencies where the US Dollar is quoted first, the calculation would be as follows.

Let's take the USD/JPY rate at 119.80 (notice this currency pair only goes to two

decimal places, most of the other currencies have four decimal places)

In the case of USD/JPY, 1 pip would be .01

Conclusion

Many traders master chart patterns, candle patterns, and many complicated strategies based on fancy custom indicators. They also take the costly trading course. But still, they fail to make money from the market. That's why I always recommend to learn forex trading in a proper way. As a professional trader, my investment advice for you will be to "stick to only one strategy." Master that strategy. Practice that strategy again and again in a demo trading account. Unfortunately, retail traders make this mistake.

Before succeeding in a demo account, he jumps into live trading and loses money.

I hope that the aforementioned forex trading tips & 20 pip and dip strategy will help you reach your profit target. You will get a clear trading idea when applying this in your trading. Last but not least, I want to advise you one more thing: when you trade applying this forex trading strategy, then try to choose a good forex broker. If your broker offers a high spread, then all your profit will be consumed by your broker.

FAQs

Q.How much can you make with 20 pips?

A. If you use this technical analysis, then for sure you will easily get 210 pips profit. But How much you can make gaining 20 pips depends on how much capital you have and the lot size you use per trade

Q.How can I get 20 pips a day?

A.By scalping using the aforementioned 20 pip and dip strategy, you can easily get 20 pips a day. Following the 20 pip and dip strategy, Even many forex scalpers catch 50/60 pips in each trade according to market structure.

Q.What does 20 pip mean in forex?

A.twenty pips are 20 price interest points of a currency pair, and it can either be 0.0020,0.020 or 0.20 depending on the decimal places of the currency pairs.

Q.How many pips a day is good?

A. There is no straight answer to this question, but as a forex trader, I think any 20 pips profit is good. The aim is to find consistency in your trading system to be profitable.