



*Russel (TF) Scalp Tool  
Best Practices - Initial Training*

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# *Risks of Security Futures Transactions*

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You are responsible for all the risks and financial resources you use and for the chosen trading system. You should not engage in trading unless you fully understand the nature of the transactions you are entering into and the extent of your exposure to loss. If you do not fully understand these risks you must seek independent advice from your financial adviser. All trading strategies are used at your own risk. This software should not be relied upon as advice or construed as providing recommendations of any kind. It is your responsibility to confirm and decide which trades to make. Trade only with risk capital; that is, trade with money that, if lost, will not adversely impact your lifestyle and your ability to meet your financial obligations.

# Scalp Tool Best Practices

- Always start in Global Simulation Mode (Options Setting on Control Panel)
- Set Run Type to Back Test during the optimization process.
- Make sure to have Data Series on 24/7 and start out looking back 2 weeks.
  - Once you are satisfied with setting be sure to test 30, 60, 90 days etc.
  - Remember to hit F5 after the initial time of loading new days.
- Initially keep trade times wide open until Distribution Analysis in Historical Strategy Performance shows otherwise.
  - Day of Week
  - Time of Day - Entry
  - You may find trading 1 hour a day on a specific setup outperforms 6 hours on generic.

# Scalp Tool Best Practices

- One contract is set for target 1 one contract is set for a trail... test performance independently.
  - Best to keep stops wide open when testing candle color rotational exits.
  - The strategy can only trade a maximum of 2 contracts at a time.
  - The strategy can only be active on 1 chart at a time.
  - You can set up several different scenarios that perform differently depending on various conditions.
- When Using Entry Filter Settings...
  - S&P500 Filter is Valid 24/7 as long as markets are open
    - Could be off slightly on big gap days until market normalizes
  - Understand Internals Only Valid from 9:40 AM EST to 4PM EST
    - Can give inaccurate reading outside these times
    - Background color could be wrong

# Scalp Tool Best Practices

- Keep Exit Filter Type set to None for both longs and shorts.
- Only change 1 variable at a time.
  - There are hundreds of combinations you can use on this tool...
    - Understand how tool works
    - Take some time to think thru the settings
    - Be open to out of the box setups
    - Don't get discouraged is it takes some time to find a combination that fits your personality. P&L along with Risk tolerance is still very real emotionally.
  - Settings can be different for
    - Longs vs Shorts
    - Time of Day
    - Day of Week
    - Type of Day

# Scalp Tool Best Practices

- Set Enable to False when making changes to strategy settings.
- Observe Real Time Trading in Simulation Mode for a minimum of 2 weeks prior to ever turning on a strategy on a live account.
- Only use strategy on live account after you have completely understood the inner working of NinjaTrader and how to monitor a trade while live, using DOM etc.
- Best to use visualization settings to observe possible optimization testing theories.
- I prefer to let the tool run in simulation mode and enter my own trades on DOM based on my observations with the visualization settings.