

Forex Arbitrage Scalping



Arbitrage scalping system is one of the most profitable Forex strategies in the world! With this system you may earn more than 100% profit in only a few hours!

But

All Forex brokers don't allow their client to do this strategy because in fact this strategy is like a cheat!

What is Arbitrage system?

What will happen if you get the market price before it happen?!!

In fact with arbitrage scalping system you will not predict the market price you will read the market prices from the faster source and send order to the slower source! That's All!

Even in electronic system we have delay on the market. Most Forex brokers try to get fastest feed prices source anyhow some time they will receive the prices with delay and it will give you good opportunity to open a new order against your broker!

Some people think that the arbitrage means that you buy or sell on undervalued or overvalued market price and in this situation you are hope that the market price come back but the arbitrage is not this.

Buying an undervalued asset or selling an overvalued one is value trading not arbitrage .

The true arbitrage means that you know the future prices exactly and you will sell or buy on the market according to the future price and you are not hop the market goes through your position you are sure that the market price is on your desire direction your order just sent on delayed Forex brokers.

How to use arbitrage to earn profit?

About 5 to 10 years ago many traders earned a lot of profit by arbitrage system on that time we had more delay on the Forex broker compare now you was enable to open order in delayed broker manually I have earned money with this system before especially on Forex news some time some brokers had a big delay to show new price after the Forex market news but today their delay is very little and it will recover very soon then it's very hard to trade on it manually.

To earn profit by arbitrage system you need fast market feed sources and slower one so your slower source should allow you scalping strategies and also they must open your position very fast if they open your position by delay you cannot be successful in your trade.

The other keys to earn profit with this system is the difference between fast source and slow source should be more than the brokers spread (or commission)

Please look at bellow table for to understand it:

Time	Fast Source	Slow Source	Spread	Difference	Trade
12:00:01	1.1312	1.1313	2	-1	No
12:00:02	1.1310	1.1313	2	-3	Sell
12:00:03	1.1310	1.1310	2	0	Close
12:05:04	1.1350	1.1348	2	+2	No
12:05:05	1.1352	1.1348	2	+4	Buy
12:05:06	1.1353	1.1352	2	+1	Close

When the market prices goes up or down with a little difference in fast market the only way to earn profit by this market is writing a program to do this automatically So the Forex programmers start to write an expert advisor to do this for them!

To use this technique you need at least two separate broker accounts, and ideally, some software to monitor the quotes and alert you when there is a discrepancy between your price feeds.

But most Forex brokers will send your multiple requotes before execution takes place! So today trading by arbitrage system is too hard even by expert advisors.

Have a nice trade

Author: Mohsen Jamshidi From PipSafe Team
www.pipsafe.com