Electric Fences

In the world of forex trading, price often reacts to certain invisible lines on a chart. We call these 'Electric Fences' because just like a real electric fence, when price touches them, it often gets shocked and thrown back. These are commonly known as support and resistance levels, but we'll use the term 'Electric Fences' to better explain what they do and how they behave.

How to Identify Electric Fences

Electric Fences are levels where price tends to bounce off instead of going straight through. To find these fences, look for points on the chart where price has touched a level multiple times and reversed. They stand out on all timeframes, especially the 4H, 1H, 15M, 5M, and 1M charts.

- On a 4H or 1H chart, fences help you see the big picture.
- On a 15M chart, they show intraday fences.
- On the 5M and 1M charts, they are key for scalping fast in and out trades.
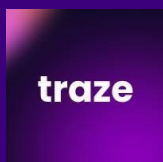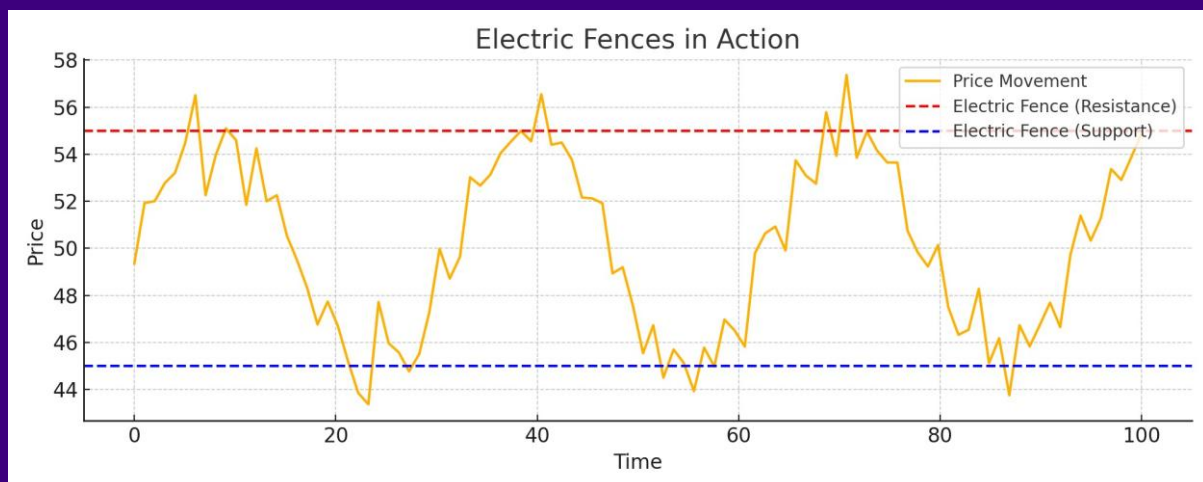
How to Draw Electric Fences

To draw an electric fence, do the following:

1. Zoom out to a larger timeframe like the 4H or 1H.
2. Look for areas where the price bounced multiple times.
3. Draw a horizontal line at that price level.
4. Zoom into the 15M, 5M, and 1M charts and do the same.

You are likely to see price 'shocking' back from these levels again and again. These are your high-probability zones to buy or sell.
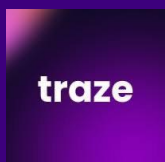
Entries and Exits on 1M and 5M Timeframes

Scalping on the 1M and 5M charts means quick entries and quick exits.

1. Zoom into the 1M or 5M chart.
2. Wait for the price to approach an electric fence.
3. Look for a candle rejection or wick rejection at the fence.
4. Enter the trade with a small stop-loss just beyond the fence.
5. Exit near the next fence or after a certain pip gain.

Always trade with discipline and proper risk management.

Entry and Exit Example (1M Timeframe)
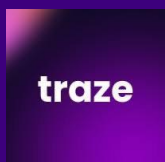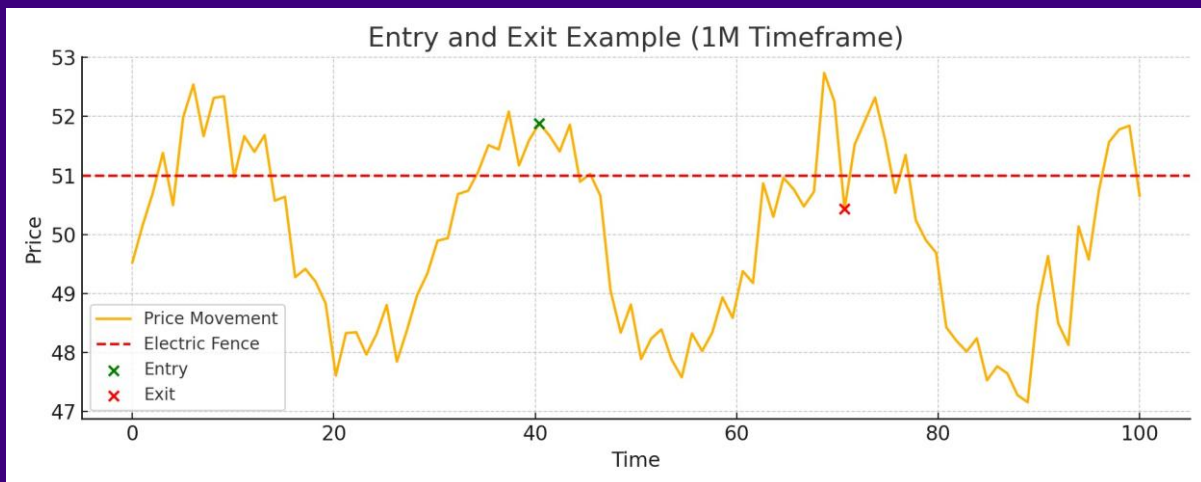
How to Change Timeframes

To draw and trade electric fences, switching between timeframes is crucial.

- Use 4H and 1H to spot major fences.
- Use 15M for intraday fences.
- Use 5M and 1M to time your scalping entries.

On most platforms (like TradingView or MetaTrader), timeframes are found at the top of the chart window.

How to Change Timeframes (Top of Most Trading Platforms)

1M	5M	15M	1H	4H	1D
✕	✕	✕	✕	✕	✕
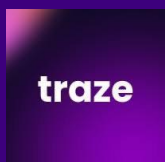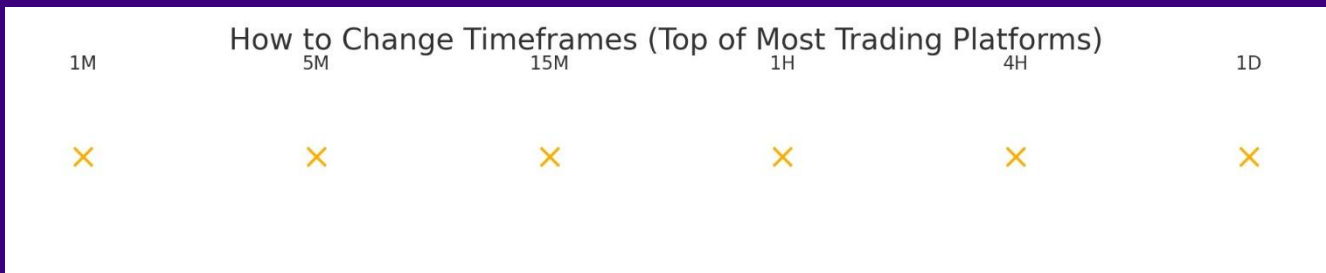
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A Forex Trading Guide

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