

Phx62's Trades, Comments Part I.

This is shared just to show some of the possibilities. Every trader has to have the patience, discipline and money management to determine what works for them but the premise of this thread, "Trading Made Simple", works when properly applied. ... a trader would have been very successful just by following what they saw on the H1 chart alone and trading each cross of the TDI along with candles changing color.





I had to get up at 3AM (MST) for work.....spotted a crossover on EU on the 4 hr chart and opened the trade. Moved to 1 hr chart at about 6AM (at work using my scan disk) and checked on the trade when I could, locking in profit each time, until the TDI flattened out.....as Big E would say "Easy Money".....out with 196 live pips on 1 full lot.....Thanks Big E for all the work you did to perfect this method and graciously share with everyone. Keep it simple guys....no need to check other time frames or add other indicators.....this works over and over reading price action and the TDI cross!!!



Attached are a couple of screenshots of three trades taken so far this week using the simple rules of TMS.....two of them on the H1 time frame set-ups per rules I discussed in a post last Sunday (100 pip TP on the cross of green over red and stochastic agreement). Due to low volume, the first trade early Monday morning only earned +19 pips & was stopped out by the 25 pip trailing stop. If I had been monitoring the screen, I would have taken profit earlier. This morning, the second trade went for the full 100 pip TP. For the third trade, also this morning, I dropped down to the M15 time frame and took a short trade after PA failed to break the 4500 level and the TDI gave a solid entry signal. That trade was also taken per the rules set out by Big E (entry at the beginning of the second candle on the M15 chart). I closed that one before the EU news release for +71 pips.





Attached is a chart that shows the TDI crosses last week on the EU H1 chart during the London and New York sessions. I did not include the crosses during the Asian session because the movements during that period are usually small and inconsistent. There were 9 TDI crossovers during London & NY (one was start of Frankfurt session). 8 of those were profitable crossovers. The total pips moved for those 8 possible trades was almost 1200 pips (pip numbers for each move in boxes). I am not suggesting anyone could take all those pips but if you entered each trade by Big E's rules, as outlined in this thread, and set a 60 pip TP and a SL above or below the last swing, you would have taken 480 pips on 8 trades and lost 45 pips on 1 trade. Your total pip increase would have been +435 pips for the week. If you did not set a 60 pip TP and rode each trade until the hook or cross of the TDI, you would have gained substantially more pips than that.

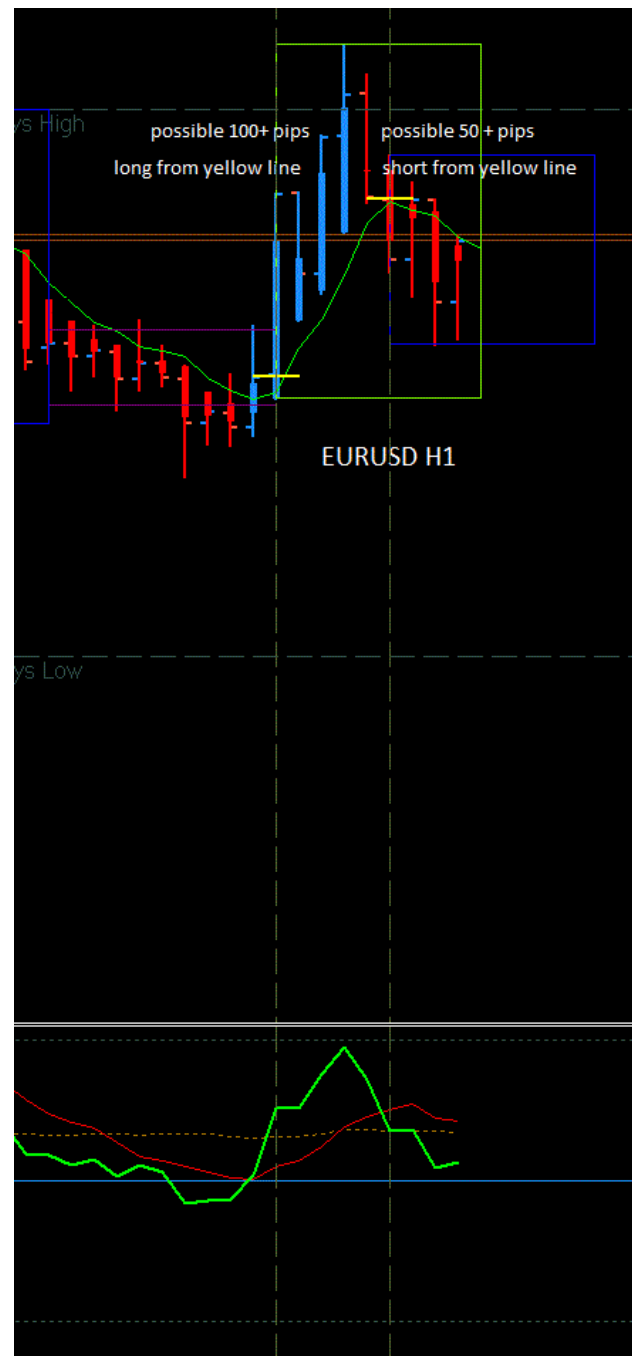


Attached is a chart with five trades taken today, all winners, based on Big E's simple TDI system. I usually trade the H1 charts and only take trades during the London session but because I was off work today, I decided to try the M15 charts again (from the Craig Harris thread days) and refine my entry/exit skills. I take all trades per the original method developed by Big E as refined into my own trading plan. The first trade today was taken a little early because of the double bottom. Missed the next one and got in late on the third TDI cross because I caught a couple of hours of sleep. The other three trades were taken after the TDI had crossed.



Attached are two charts...one M15 showing the three trades I took today and a H1 chart showing how the same amount of pips could have been earned on the same movements using the one hour charts. Trades were taken on the cross of the green over red and momentum. Very simple system and it keeps my account increasing every week.





Q: There're so many cross on 1H , my question is how do you know this one will work?

I normally only trade the H1 chart during the London session...this week was different because I was off work and wanted to experiment with earlier entries on the M15 chart. There are usually only 1 or 2 crosses of TDI during the 9 hours of London. Highlight the hours of the London session on your charts and only trade crosses during that period. You will find that there is almost always a 50 to 100+ move during that period. Once the PA has moved 50 or 60 pips in one direction, there is usually a small retracement or consolidation and then the move continues. I don't enter those retracements unless consolidation indicates the trend is reversing. Looking at the past 4 days, there were 2 TDI crosses today during London for 150+ pips, yesterday there was 1 cross for 60+ pips, the day before there were 2 crosses for 90+ pips each and the day before that there was 1 cross for 80+ and one fake out long.....6 out of 7 crosses were good for pips.





The daily trend move occurred during the Asian session today. That move could have garnered up to 140 pips for anyone who took it. As a result of the early move, the London session was quite choppy and ranging. I did one trade on the M15 chart for +24 and decided to stay out of the market until London tomorrow. As has been stated many times by several different traders on this thread, knowing when NOT to trade is just as important as knowing when to enter or exit a trade. It doesn't take long to give back those pips by trading when the market is not trending.



I regularly trade the EURUSD during the London session on the H1 time frame. Only 1 trade today. There was no TDI cross until the open of the NY session. Entered with my usual 50 pip TP & 50 pip SL. As the trade got close to the 50 TP, I decided to reset the TP to 200 and ride the PA down, since it appeared to be going lower and the past couple of trading days had also been in a downtrend. After the TP passed 50, I moved my SL to the top of the previous candle (almost BE). I continued to do that at the top of each hour until I was taken out with +141 pips.



Just closed the 2nd trade for the day on my live account.....both on the M15 chart due to choppy PA earlier. First trade was on the TDI crossover after the London session set a high & tested it. News releases kept it going my way and if it had not, I would have still stopped out with a profit. The second was a bounce trade following consolidation after the big move down.



I got some of those pips on the H1 time frame at the London Open this morning following news of the French & German banks shoring up the expected Greek default. Hit the 200 pip TP on a bounce trade. Almost did not get there but I still would have taken 160 trailing behind the previous candle. I like the 200 pips better.



Since the market opened on Sunday, there have been six TDI signals to enter trades on the H1 time frame. I marked each one on the chart. I trade the EUR/USD only and 90% to 95% of the time during London. Three of the trades were during London session. I was able to enter two of them for a nice pip total. Not bragging....just trying to show that the system works and give some hope to those who are still struggling to make a profit. I left lots of pips on the table but not being greedy is also a part of my trading plan.

Q: 1 Are you taking trades at the open of the signal bar (otherwise the +50 couldn't have worked I think)?

2 Today (Wednesday am) there was a good signal at the start of the 7am bar. Would you take it or wait for a bounce

1. Per Big E, trades should be entered on the first or second candle with a cross of the green over red. In this case, we had two dojis (indicating consolidation or reversal) followed by a cross down of the TDI. I entered aggressively once the TDI crossed. Someone else may choose to wait a little longer for

confirmation. Even if you had waited for another 10 pips into the candle, there could have still been a 50 pip movement ending a couple of hours later. Even if PA didn't move 50 pips, you could have still gotten out with 25 pips or so.

2. In hindsight, that would have been a good trade.....however I would not take that trade **at that time** per the rules of **my trading plan**, because I don't trade the Asian session. I did enter the trade on the M15 chart shortly after the London Open, following a small retrace and continuation of the trend, with a cross back up on the TDI. I entered at 1.3659 and exited at 1.3786. If I had waited for a pullback on the H1 chart, I would have missed the trade completely (have seen this happen many times before....that is why I dropped to the M15 this morning). Experience and lessons learned have to count for something. That move set the high and the low of the London Session (so far), which happens very often on the EU.



Three successful trades taken during the London session. Exited trade 1 with 17 pips after the green TDI hooked over. Re-entered the market on a cross down and continuation in the opposite direction. Trade 3 taken toward the end of the London session for 50 pips. All trades taken per the rules of the TMS.



Three trades today on the M15 during London....1st trade reversed...out with +9 pips, 2nd trade good for +102 pips, trailing 3 pips behind the previous candle.....the 3rd trade should not have been taken on the retracement leg of that trend movement. I should have taken it on the next impulse leg down for 40 or 50 pips. Broke my trading rules...took a chance instead of trading the plan....no loss though. Ended with 112 for the day...a good day!

Q: What is it about this retracement that didn't fit your rules? Looking at it the TDI cross was there below the 32 and the stoch was oversold. Is it because it was counter trend or that you expect a retracement? Looking at some of your trades last week that would have worked out as a perfect buy signal.

The EU during the London session usually moves in one direction for 3 or 4 hours and then has a retracement leg (usually longer than the one on the chart) and then continues on for another hour or two. Part of my trading plan is to not take the retracement leg and if I enter another trade, it should be in the same

direction as the earlier trend. You are right, I did have a couple of successful trades on the retracement leg last week. That is one of the reasons I tried it here. Not every trade is going to be successful....there will always be some pull backs and losses. You just need to limit the losses.

Q: Hallo, what about your 2. entry - you enter without a red candle (after the blue one) ? Is that correct?

On the 2nd trade, there was a red candle followed by a small blue doji and then another red candle. The TDI cross actually occurred on the blue doji but I waited for a break below the blue doji on the 2nd red candle to enter. The rules as established by Big E allow entry on the 1st or 2nd candle of the opposite color with a cross of the TDI and stochastic agreement.

Q: Do you use a 3 pip trailing SL at trade open or after 1/2 bars?

The trailing stop is really not a 3 pip trail....it is set 3 pips behind the previous candle at the start of the current candle. On the M15, I usually move it after the trade has moved 20 to 30 pips. On the H1, I normally start after the entry candle is completed, if PA moved as expected.

Only took one trade this morning. When I got up, I had already missed the M15 entry so I took the entry on the H1. Got out with +62 after PA pulled back 24 pips.







Two trades today on the H1. The first one barely reached my TP. The second one became an A+ trade following a test and failure to break the London high. TP was reached on that one in less than an hour.



The market for EU is ranging so far this week. Be careful with entries and exits and maybe shoot for smaller TP.



Q: Do you use the M15, to validate the input of trades in H1?

No, per my trading plan I do not validate the H1 trades on the M15. When trading the H1, I base all decisions on what I see on the H1. Much less confusion & indecision that way.

Q: I asked this question because I think that sometimes you "anticipate" the intersection of TDI. For example 24 to 17 hours Tuesday, and I was wondering on what basis you did (the slope of STOC)?

No, I never "anticipate" the intersection of the TDI. After the first trade on the 24th closed, there was a double bottom on the 13:00 and 14:00 candles and the Stoch was below the 20 line indicating to me that the London session had probably reached its low for the day. I then began looking for a long trade with TDI and Stoch agreement. Once the 16:00 red candle closed, the TDI green line had crossed over the red line (see where the yellow line intersects the TDI) and the 50 line. I then waited for the 17:00 candle to break past the top of the 16:00 red candle (just to be sure it was going to continue long), checked the stoch for agreement and then entered the trade with my usual 50 pip TP & 50 pip emergency SL.

Q: I noticed the trade you entered on the 27th that made you 200 pips I'm assuming you entered that as a bounce trade? or did you have other reasons for entering at that point?

I did enter that trade as a bounce trade but I considered other criteria before entering.

First: I knew the EU had been ranging for 3+ days. When that occurs, there generally is a huge move (long or short) following a breakout of that range (indicated by the orange lines).

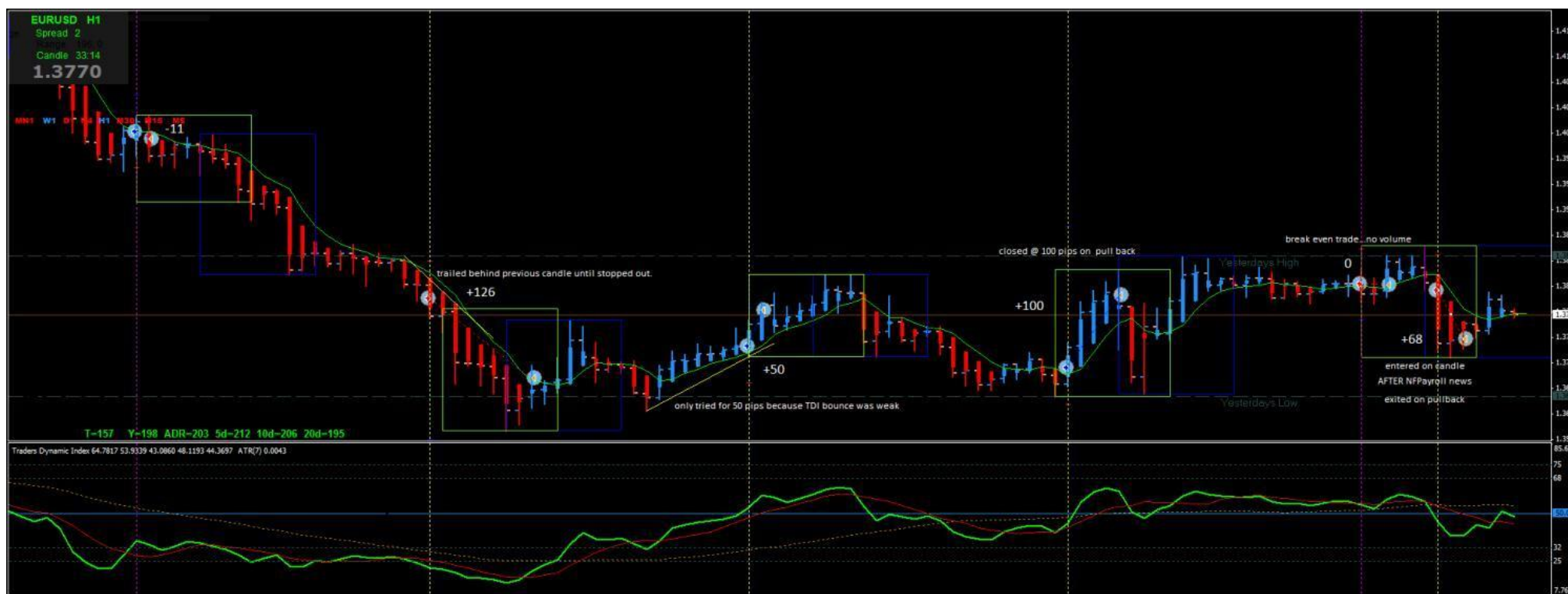
Second: The Asian session PA made a very strong move up breaking the top of that range, followed by a small consolidation during the first couple of hours of the London session. I only trade the London session, so did not enter during the Asian, even though there were a couple of strong TDI crossovers.

Third: Based on previous experience and many hours of studying charts, I knew the trend should continue long. I waited for a break of the high of the 1st London candle (indicated by the little white line near the trade entry) and entered as the TDI green separated from the red. Based on these criteria, I was fairly comfortable breaking a couple of the TMS rules....entering on the 4th blue candle, not the 1st or 2nd....and seeing the Stoch near the top of the range. I entered with my usual 50 pip TP and 50 pip emergency SL. As PA strengthened (the candles got longer with no wicks at the bottom), I moved my TP to 200 and moved my SL at the close of each candle to 5 pips below that candle, until the TP was hit. If the PA had failed to hit the TP, I would have exited when the first red candle appeared (in this case with 160 pips or so) or been taken out by my trailing SL (150 pips or so).

*Q: 1. Entry on Signal. If price has gone too far at time of entry do you consider setting a limit order to anticipate a pullback or is it always at market.
2. The Thursday am signal had already moved 100 pips odd by 8am but you still took a trade. Do you ever not take it because the market has gone too far?*

1. I seldom trade with pending or limit orders.

2. The Thursday trade was a rare exception and was taken outside the rules of my trading plan. I took that trade based on the criteria I explained in my last post and was fortunate enough to be right this time. I also monitored that trade very closely and was willing to risk a small loss if it went against me.



I took a long trade at the London Open....it continued in that direction for about 20 pips and then reversed. I exited with a loss of 11 pips and went back to bed. I have found that normally when the Asian session makes a strong move (last Thursday was an exception because the EU was ranging for several days) the London usually does not move much. I see that there was a trading opportunity during the last hour of London that would have garnered 100+ pips but I was at work and not monitoring the screen.

I have been trading live for nearly a year now....one pair (EU).....one trade at a time.....primarily London session on the H1 TF.....an occasional M15 trade during the NY session....all based on Big E's TMS system....averaging 317 pips per week over the past 4 months....this week 333 pips on 6 H1 trades (chart attached). It has not come easy...lots of chart study, trial & error and learning from anyone willing to teach or share....but it is possible to succeed with this system.

Q: Quick question, you just check every hour?

Yes, when I am looking for a TDI crossover entry during the hours I trade, I check the chart at the top of every hour.

Q: On your first trade, how did you know to get out with a stoploss of 11 pips? I waited for the candle to close and got out with 40 pips loss. On your second trade, how did you know it was safe to enter the trade when the TDI is below 32? Should you not be looking for buy under 32 and sell over 68? I did not enter this trade because it was too over oversold per the TDI. Do you wait for the candle to close to enter a trade? Do you wait for the candle to close to exit trades regardless if you're in profit or in a loss? Do you set your SL and TP for every trade ie: 11 pips SL and 100 pips TP? It seems like you do not follow the daily trend. Have you always been successful with trading against the daily trend? How much do you risk each trade?

Trade 1: Price action is the key for exits. I closed this trade based on the PA. The setup candle showed a reversal at the open of London (which occurs quite often). I entered the trade on the open of the entry candle and the trade took over an hour to move 20 pips in my direction. That was the first clue that the trade may not go. The PA then pulled away about 30 pips from that high, so I cut my losses. If PA had reversed again, I still had the option to re-enter. Trade 2: The EU was still in a strong downtrend for the second day in a row (mostly below the 32 line for that whole time), so I took a shot as the green pulled away from red. The trade worked out for me.

Entrys & Exits: I enter most H1 trades with a 50 pip TP & a 50 pip emergency SL. Only once in the past 4 or 5 months have I taken a 50 pip loss. Sometimes I wait for the trade to move 20 to 30 pips and move the SL to breakeven and let it run. Sometimes I monitor the trade and move the TP to 100 or 200 and trail the stop loss 5 pips behind the previous candle until I am taken out. If a trade goes against me early, I may exit at breakeven or take a small loss and look for another entry.

Daily trend: I base all my trading decisions on what I see on the chart I am trading. When trading the H1 chart, I look for PA, trend, support & resistance, entries, etc., all on that chart. If I traded the H4 or the Daily, I would base my trading decisions only on what I saw on the TF I was trading. That is just how it works for me. Every trader must develop their own trading plan and what works for them. Learning to trade mechanically (with little emotion over wins or losses), learning money management and learning to evaluate each trade based on its merits (not overtrading) are all key ingredients of a successful trading plan.

As FXSurf stated a couple of posts back: "What do I need to be successful? How can that be achieved realistically? What is my tolerance for loss? Those were the questions I needed to answer."

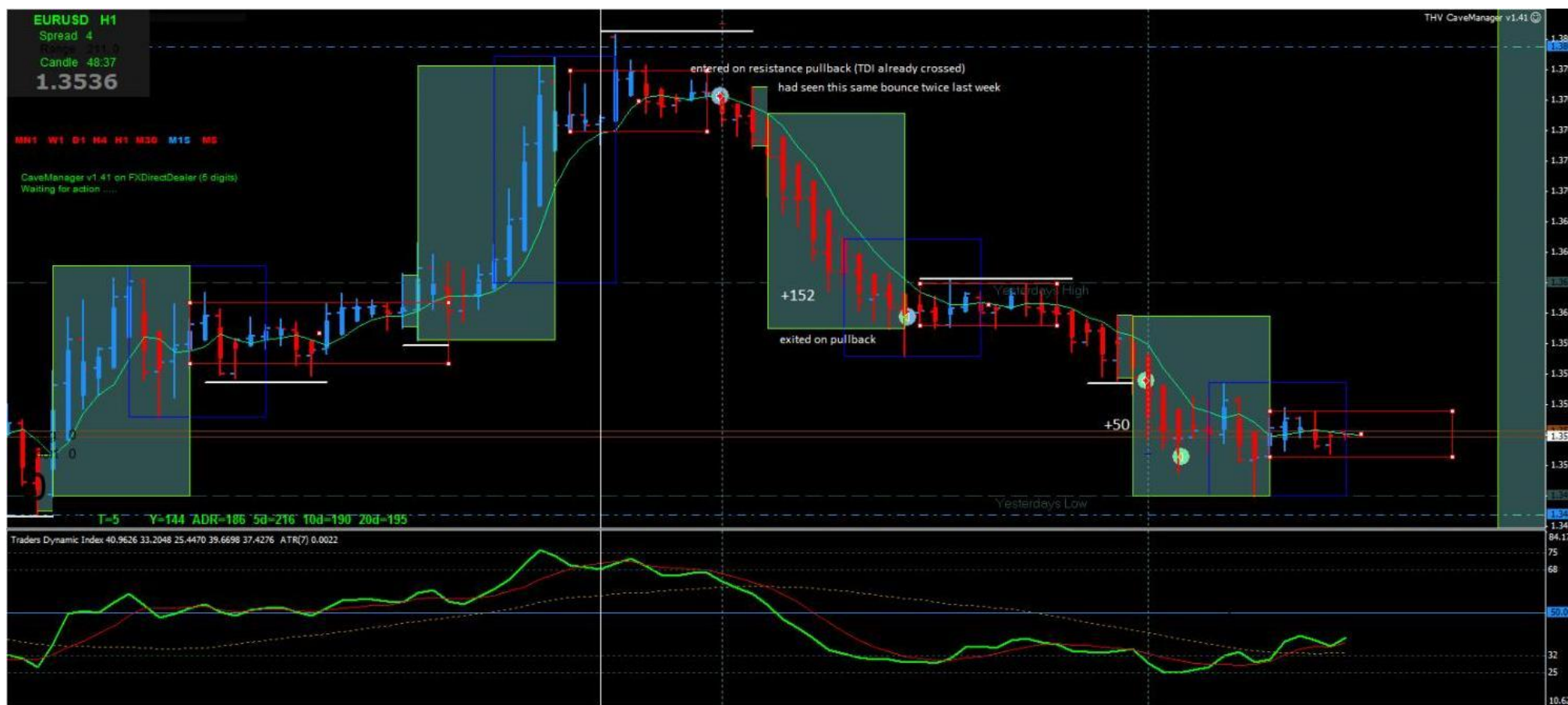


I traded the London session on EU today....only I traded the H1....entered the trade at the beginning of the 2nd blue candle....it took over 5 hours to get that 50 pip TP....I got tired of monitoring the trade and went back to bed, checking it every hour or so and moving the SL up...it finally hit my TP while I at work. But that is trading!!!! Some good and fast....some very slow. The TDI green stayed above the red so I rode it out.



This morning, I entered my trade at the beginning of the Frankfurt session when the TDI bounced and separated from the red line (following the close of the 1st red candle). I normally trade the London on the H1 time frame and sometimes trade the NY on the M15 if the volume is down. I do not look at the M15 chart to determine entries on the H1....too much whipsaw which just confuses the issue.

When the PA was slow this morning I did look at the M15 one time, at London open. If I had acted on what I saw on that TF, I would have exited my trade. Instead I went back to the H1 and when PA started moving down quickly, I moved my TP from 50 to 100 pips. When it got close to 100, I tried to move the TP to 200 but PA hit the 100 TP before I could get it done. I did not want to re-enter without a new signal, so I stayed out and went back to bed.....could have had 200+.....but hindsight is 20-20. I am very happy with 100 pips for the day.



Choppy markets are hard to trade. The red squares on my chart show how the market is moving sideways from about the time London closes until late in the Asian session. The good news is that the London session is still showing fairly good movement on the EU....the 5 day ADR is 216....yesterday's daily range was down to 144 and today the daily range was about 122.....however, almost all of that movement occurred during the London session. There is still enough PA to make some pips during the London session, if you are able to trade during that time.

Q: How do you monitor a trade. Is it every hour and don't do anything in between or constantly which means you don't go back to bed. I'm amazed also how you can exit a losing trade for say - 11 pips if you only look at the H4 chart. Is it just knowledge and/or intuition?

I have found the best way to get the pips out of a trade is to get a good setup at a time when there is volume (London Open usually gives good PA), set an emergency SL (50 pips) and a TP of 50 pips and let it run (you're a lot less tempted to mess with it every time there is small pullback). I will then monitor

the trade until it moves 10 or 20 pips in my direction and then walk away from the computer. If PA pulls back during that first 10 or 20 pips, I know my analysis was not right, so I try to exit with a small profit or small loss, then look for another setup.

When I do monitor a trade (that often depends on how much sleep I've had), I check it once or twice an hour and if the PA is good, I will sometimes move my TP to 100 or 200 and trail 5 pips behind the previous candle. When I change the TP, I then monitor it almost constantly and will usually exit if it pulls back 20 or 25 pips.

I only trade the EU H1 chart during London. Haven't really spent the time and study to be comfortable with the H4 charts yet.



Had a tough morning with the London session. Entered a trade on the H1, watched it move in my direction and went back to bed. The trade came to within 1 pip of my 50 pip TP and reversed.....took me out at BE for a 1 pip loss. Nothing to be upset about....that's just trading. At the end of the London, I moved to the M15 and took another setup. This one got to the 50 pip TP.





Another nice move up on the EU since the Frankfurt Open.....helped along by some news....moved the 50 pip TP to 100 which got hit.....a very good week! TMS works...just follow the simple rules and don't try to outsmart the market. Base all your decisions on PA confirmed by the TDI and you can be successful!

Q: Regarding the Tuesday trade, do you not wait for the bar to complete before you take the trade? Especially as the bar before had crossed UP over the red line.

I have found that there is usually a lot of PA when the London session opens. I waited for the 1st candle to close and when I saw the bounce of the TDI, I took the trade at the beginning of the 2nd candle of the London session. It was a bounce trade, not a crossover trade.

Q: I'd like to ask you about your trade after the Frankfurt open on Friday. From your chart, I'm assuming you entered at about 1.3500 around 0730 GMT when price cleared the high of the previous hour. Price then went up to 1.3532 and back to 1.3481. It would appear that you either stayed in during these fluctuations, not moving your stop to be, or you re-entered when price came back up through 1.3500.

Your assumptions are pretty much spot on. I entered the trade as the candle cleared the high of the first blue candle at 1.3496. When that first blue candle closed, the TDI green had bounced off the red confirming an entry. I waited to make sure there was no reversal (Frankfurt does that sometimes) and I entered with my normal 50 pip TP and emergency 50 pip SL. The price did retrace about 15 pips....if it had pulled back 20 to 25 I would have exited and re-entered. One of the things I have had to overcome is failing to give trades "room to breathe". Many times in my earlier trading, I would get out too soon and then watch PA continue, like it did here. As PA got close to my 50 pip TP, I moved my SL to BE and moved my TP to 100 pips because of the long blue candle and there was at least another 60 to 70 pips to go before the Average Daily Range for the day was met. PA again retraced but since my SL was already at BE, I let it run. This time it went to the TP. One thing I have learned about the London session is that most of the time the high and the low of the day are set during that session, meaning there are lots of big moves with small retracements.



Took one more trade on the H1 this morning....hit the TP.....done for the week.



Attached is a chart with the trades I took this week. My trading plan is based on primarily trading the Frankfurt/London session (shown with the green boxes), which includes the first 3 hours of the NY session (shown by the blue boxes). When I get a signal to enter, especially during the first couple of hours of each session, I get the best results. I entered a total of 9 trades this week, all within those time frames and was successful on all of them, even though a couple of them were exited early because PA retraced. I have learned that **patience and not overtrading** are two of the keys to success. In my early days of trading, I tried to take every entry signal, regardless of time frame or time of day and could not seem to hold on to the pips. Trading the H1, basically during London, has been my key to making and keeping most of those pips.

Q: Question about your early entry on this morning's London trade. Was your entry when PA broke below the low of the blue candle?

Yes, I took the trade on a strong break of the low of the blue candle. The TDI was just even with the red line when I took the trade and moved below it when the next hour completed. I am very comfortable with trading the 1st or 2nd candle of the London Open because there is usually lots of volume. Even if it reverses on you, as long as you are monitoring the chart, you can usually get out at BE or a few pips either way and then re-enter. When the market is moving, it is a lot easier to determine trend and direction.



A nice start to the week.....121 pips for the day on two trades taken per the rules of the TMS and my own trading plan.

Q: My question is this, how did you know how to wait for the later candle? Originally I entered a short, it moved up and I just decided to close it for a loss..... Of course maybe it's just your experience with forex that has helped.

I assume you are asking about the 2nd trade. The TDI green had crossed but I waited for the entry candle to turn red before entering. Until it turns red, there is a solid chance it will retrace with a green cross back over. You will also notice that PA had tested and failed to break the earlier high indicating it probably would go down.

Q: Did you take the first trade before candle close?

Yes....per Big E's TMS rules, entry can be made on the 1st or 2nd candle based on a change in candle color and a TDI cross. The TDI had crossed, the candle had change to blue, so I waited for PA to clear the high of the previous candle and entered with my normal 50 pip TP. PA was strong so I moved my TP to 100 but PA did not get there. I exited on the pullback for 71 pips.

Q: How did you determine your exits on these trades?

I enter my trades with a 50 pip TP and a 50 pip emergency SL. When PA is strong, I may move my TP to 100 or 200. Very seldom do I allow the trade to take out my 50 pip SL. I will usually exit after 15 to 25 pips, if the trade pulls back.



Q: Do you enter without a TDI cross (Just a color change and breach of high of previous candle) Otherwise on my chart this morning the sharp reversal long would have peaked before a cross. Be interested to see how you handled this morning.

In answer to your comments, attached is a chart for the three trades I took this morning.

Trade 1 Following the close of the first red candle and a cross of the TDI, plus knowing volume increases at the opening of the London session, I entered the trade. It moved about 28 pips in my favor and then reversed. I closed it at breakeven.

Trade 2 On the close of the first blue candle and cross of the TDI, I tried several times to enter a trade but due to volume (from GBP news), the trade was not opened until the third or fourth try. It reach the 50 pip TP quickly.

Trade 3 Again following the cross of the TDI and the seeing the long upper wick on the third blue candle of the session and taking into consideration it failed to reach the high of the candle before, I entered as the candle pulled below the blue and turned red. This trade was successful as well, even though I was unable to monitor it.

Q: This PHX62... does he trade just watch the H1 only or any other time frame too? Form his chart, I saw that every TDI Cross, he seems to wait PA go to above or below MA then he enters with the direction of TDI. He will not wait until the candle close. For example, TDI Cross Buy, he waits to price go above MA then he entered, I guess. Does he trade like that?

If I may, let me explain my reasoning for the entries you see on the charts posted by X-Man (post 431). I only trade the EU on the H1 chart during the London session. I do not watch or check any other time frame when I am trading the H1.

Trade 1 (11-28). The red candle prior to the entry candle actually moved about 20 pips up and left a long wick below it during the hour before I entered the trade. In my opinion, that became the set-up candle even though it did not turn blue. The TDI had crossed at the close of the red setup candle, so I entered. I was shooting for a 100 pip TP but exited after PA pulled back.

Trade 2 (11-28). Same scenario as the first trade....the blue candle prior to entry tested the high of the day and failed to break it. PA then moved away from the previous high by about 20 pips during that hour and left a long wick at the top. Again the TDI crossed down and the entry candle turned red, so I entered the trade with a 50 pip TP, which was hit.



Last week was a very busy week for me, without much sleep, but I still managed to get some good trades in. I had already posted Mon & Tues trades. No trades on Wed, Thurs PA was ranging and took a long time to reach profit but Friday was a good trading day....lots of pips. The trading plan is simple and it works. You have to trust the TDI crosses and watch what PA is doing.

Q: Regarding the trade on Thursday, it seems that there was a pullback of more than 30 pips on the second candle. Why did you decide (and rightly so!) to stay still in the trade? Psychologically it must be hard!

I had moved my stop to -20 and if it had retraced to that point, I would have been taken out. Most of that retracement was above my entry. It didn't come all the way down and I finally got the 50 pips.

To me, the most difficult part of trading has been to master the psychological part of it....not hanging on every tick.....not able to accept losses.....giving your trade room to breathe.....not exiting too early....etc. It has taken me a long time to accept that we cannot will the market to do anything and sometimes it will take you out no matter what you do. The only way to succeed is to develop your own trading plan that addresses money management and what you will do in any situation, as PA develops opportunities to enter. Determine under what conditions you will enter and do the same for your exits. Each trade will present its own situations. Study old charts, demo trade, trade small live lots and then put that plan into writing and refine it over time. Eventually you will have a plan that will make you successful (when you stick to it).



Took 2 trades today....the first one was a lesson in patience....it went up 46 of the 50 pips I needed and bounced around but it finally hit my TP about 8 hours later. I did not monitor the trade after moving my SL to BE....otherwise I probably would have exited for a smaller profit. One thing I have noticed is that when the TDI red line is sloping up at a good angle, many times the green line will bounce off it or cross slightly, then cross back over and continue in the same direction as the red line. The second trade was just the opposite.....a cross of the TDI, entry on the opening of the 2nd candle and a quick 50 pips. Overall a very good 100 pip day.



Be very cautious with your TP and SL for the rest of this month. Many of the 'big boys' take two or three weeks off around the end of the year and go on "holiday." As a result, PA suffers and the pairs don't move as much. I have reduced my initial TP on the H1 EU from 50 pips to 40 pips for the rest of December. I may reduce it even more if the PA is slow or trade the M15 chart for 15 or 20 pips at a time.

I got in on one H1 trade an hour after the London Open, for 40 pips today.

I took the same two trades on EU today that you did.....exited for +60 pips following a pullback on the first one. I entered that trade like you did, after the pullback candle, but I waited for the next candle to retrace and when it pulled down again, I entered. On the second trade, it just hit my 40 pip TP and doesn't look like it is done yet, but I am.....another good day!!!





Two trades today...first one didn't move much....closed on weak PA and a pullback. Second trade was taken on the pullback of the news candle and long wick of that candle. Entry was made after PA pulled past the close of the previous candle and exited with +80.....from the posts above, many of you took some pips on the same pullback move. Good job!

EU H1 London session.

Some very nice PA during London. Two trades...first one....entered after London Open candle moved past the high of the previous candle, with a TDI cross and change of color....went straight up to the 100 TP.....original TP was 40 but I moved it to 100 and moved to BE at about 32 pips in.....second trade...entered as the candle changed to red following a pullback of the two previous candles.....a very good day and a very good week after thinking PA would slow down for the rest of the month.

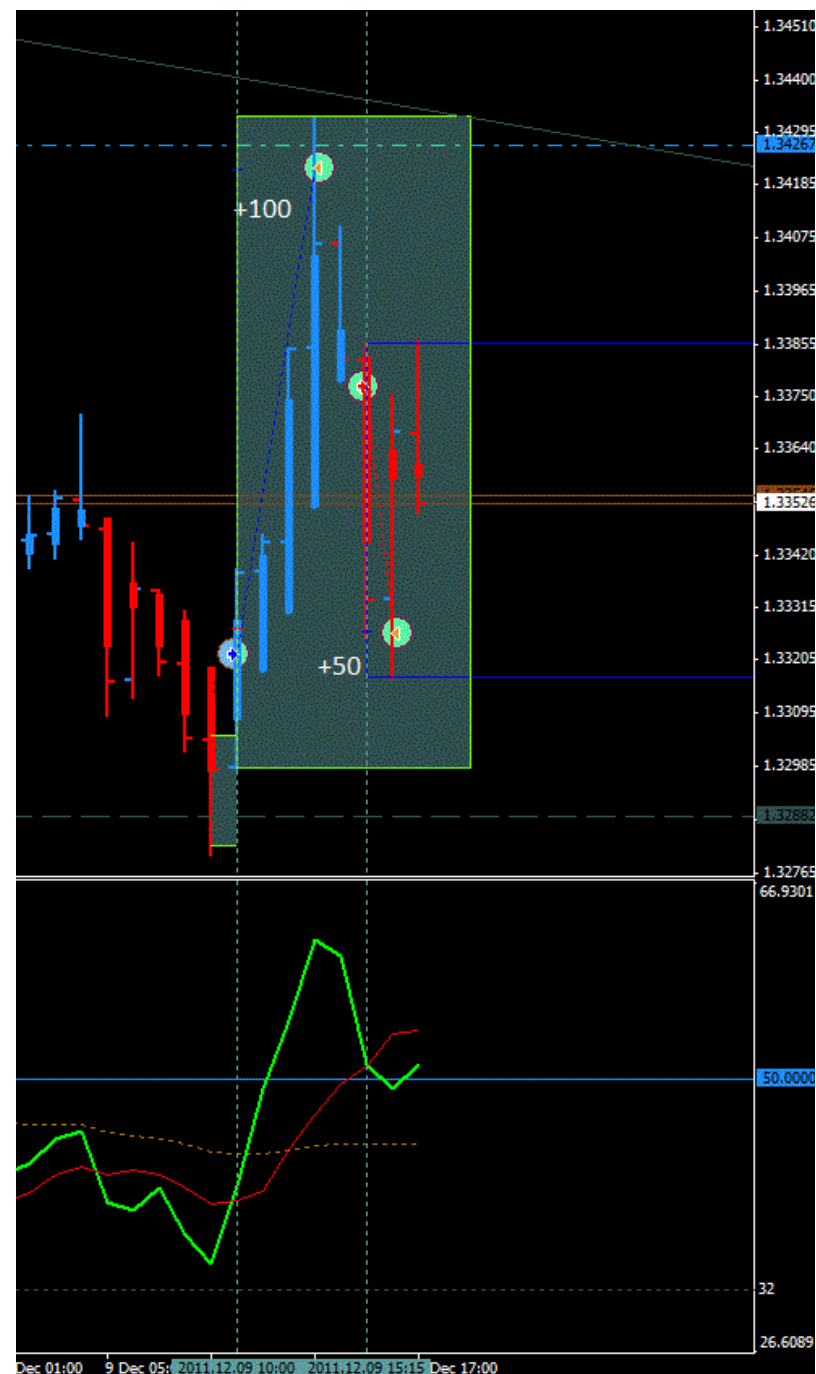
Q: I'm curious, did you enter just when the cross was taking place? You didn't wait till the cross actually happened?

On the first trade, at the open of the red candle the TDI green line just barely crossed the red line. I entered the trade as the red bar continued past the previous bar. Please understand, I no longer depend on the TDI cross to enter a trade.....if it crosses that only confirms what I am reading on the chart and the APB's.....

On the second trade, I entered because the previous two bars had pulled back from the high....the TDI had not crossed yet but was heading down and was near the red line. Pullback trades can also be very productive.

Q: Please explain me how you recive 50 pip in second trade in today? how specify your target?

First...I only trade the EU H1 chart during the London session and I have spent hundreds of hours studying and learning how Price Action moves for that pair, at that time of day.....during news...during low volume...during high volume....etc. Occasionally I will trade NY on the M15 chart but my pips are basically earned on the H1 chart. I enter most of my trades with a 50 pip TP and a 50 pip EMERGENCY SL because on this pair, a TDI cross during London will normally move 50 to 80 pips before is retraces or reverses. Other pairs move differently....even the other two amigos. The 50 pip SL is in case my computer system goes down or the broker feed is interrupted, etc. I adjust my TP & SL as the trade develops. Seldom do I lose more than 20 pips on any trade. Trades need room to breath...they move up and down a few pips constantly and you don't want such a small SL



that you get taken out and then watch price go for 50 or 100 pips in the original direction. If a trade is moving quickly in one direction, I will extend my TP to 100 or 200 pips. If it retraces 20 or 25 pips after I am in profit, I will usually exit with what I can get. I also use a management EA when I can't monitor the trade which moves my stops up to 5 pips below the previous candle.



Here is my chart for the trade. I entered on the break of the triple bottom resistance (white line) and a bounce of the TDI shortly after the Frankfurt Open. The candle that looked like a pullback on a double bottom came back down....so no pullback yet.



Sunday night....took two trades.....both on the break of the double/triple bottom of the previous candles....looking back I could have stayed in the 2nd one longer but PA kept pulling back before resuming the downtrend and I was not available to keep an eye on it. Last night....entered on a long that pulled back and did not go anywhere...out with +10.....2nd trade entered on a break of yesterday's low....got out as it pulled back.....like the second trade yesterday, in hindsight could have stayed in longer but had business responsibilities, so I closed it for +69. Three of the four trades had TDI confirmation and the fourth (the +30 one) the red and green lines were both sloping down and crossed in the right direction. 159 pips in the bank for 2 days is a good thing!!!



Two trades today...1 for a small loss. The LO faked me out again even though I knew we are in a downtrend.....didn't stick to the trading plan....cost me a few pips. Got them back on the second trade but not much there.



Found an A++ setup about an hour into the London session on the M15 chart.....entered on the open of the 2nd red candle with:

1. The TDI crossed down,
2. The previous candle pulled back from the high and closed lower,
3. The first red candle formed following a nice 10 candle move up,

.....got my 40 pips and went back to bed.
Done.....Easy day.



Had some fun this morning scalping the London session on the M15 at every cross of the TDI.....just an experiment.....took 5 trades....total of +108 pips gained.....only used 1/2 lots since that time frame can reverse on you quickly.....exited the biggest trade after price failed to break the high of the session three different times. Two trades ended at break even.

Q: Many times I move to BE very fast. For example, in the 2 orders that closed to BE, at what point you decided to close the order or move the SL to BE?

I entered each trade on the M15 with a 20 pip SL and a 20 pip TP. I moved my stop to BE at about 10 pips into profit. If the candles are long with no wick on the back end, I remove the TP and exit manually at the point I decide the trend is exhausted or is reversing. Big E used to say he expected 3 to 8 candles in a row on a change of candle color and TDI cross. Today, during London, that proved to be true in every case. The least number was 4 in a row and the most was 8 in a row before the candle color changed. That can only give a trader the confidence to earn some pips when the TDI crosses and candle color changes.

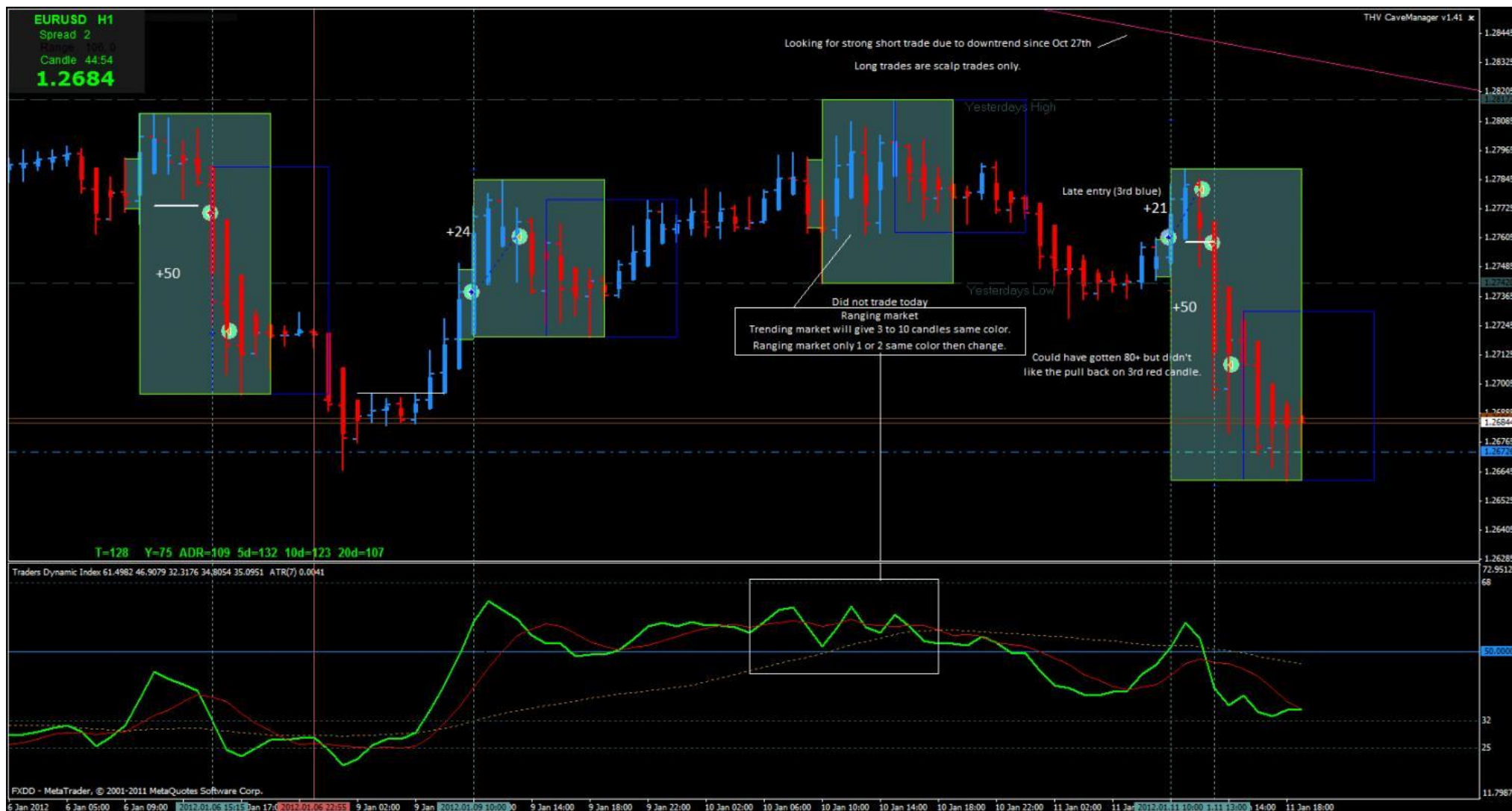


Three days this week.....three good trades on crossover of TDI after London opened. Entered following a break of the previous candle high or low. A little safer entry with good results.

Q: I would long at the open of London section because TDI already crossed in previous candle and color already changed blue at that time and finally stop out. It should be a good signal for long. May I ask what is your thought at that time and avoid the fake out?

This was a fairly typical London open head fake against the trend for EU. I have found that if price moves in one direction for 60 or 70 pips without a strong correction, it is wise to not trade against that move. That scenario occurred yesterday with a strong move down of 175 pips.

The EU has been in a strong downtrend since Oct 27th. On Tuesday, price broke through that trendline and moved up about 70 pips past it. Yesterday, price tested the adjusted trendline (from Oct 27th to the current high) at London Open and made a strong move back down through the old trendline (drawn from Oct 27th through Dec 9th highs). Today, the head fake at LO tested the old trendline again and moved away, prompting a short entry.



Did not trade yesterday and only had one scalp trade on Monday. Today did present a good opportunity for a short trade. I could have gotten 80 or 90 pips on that trade today but I did not like the pullback on the second candle following entry. +71 pips is a good day in anyone's book!!

Q: What gave you a clue that yesterday was ranging as the market was developing. It's easy to see after the fact that yesterday we should not enter.

It is difficult to "know" if the market is ranging in the beginning.

The first clue I noticed was that the daily range for Monday was only 65 pips. The average daily range for EU is almost twice that number. That indicated to me that caution was in order.

The second clue is that the London session generally moves 6 to 8 hours in one direction (with small retracements along the way) and that session usually sets the high and low of the day. Monday, the London did set the high and low for the day (only 65 pips) but did not move 6 to 8 hours in one direction. Again, that indicated that there was no current trend.

On Wednesday, I took the first long without knowing if the market was still ranging and stopped out on the long trade with +21. Then the market dropped lower and gave me a signal to enter, so I entered a short trade. This time the market made the move that London normally makes and I got out with +50. Test the market and learn how PA moves and what signals lead to successful trades. Every trader must relax and resist the "need" to enter every trade at just the right place. Pull back from the charts a little and see the entire picture, then put the pieces that work for you, together, and build your own trading plan to leads to success.



I had two good trades today based on the old system of PA confirmed by the TDI, even though I traded toward the first daily downtrend line. Big E's TDI system, with a couple of tweaks like waiting for a HH or LL of the previous candle, watching for pullback candles, etc., works for me. If I get a signal, I often enter on the 1st or 2nd candle following LO. I always monitor that period carefully, in case it is a LO reversal and if there is, I usually break even...sometimes + or - a few pips. If there is momentum (price action), I enter on the APB color changes and TDI signals during the London session on the H1 chart, with good success.

I entered trade #1 as a 20 pip scalp trade during the Asian session on a break of yesterday's high (only because there was no volume the day before due to the US holiday). When it move strongly up, I moved my stop to 100 and moved my SL to breakeven. I then trailed behind each previous candle by 5 pips. Ended up hitting the 100 pip target. Trade 2 was taken following the break of the previous candle....new candle tested high and then turned red with a cross of the TDI.





This week has trended up but it has been choppy and lots of movement in the Asian session which I seldom trade. I did get in a good Asian trade on Tuesday, as explained in a previous post. Other than that day, nothing to write home about. It is very difficult to trade candles that have wicks at both ends....lots of fake outs.



Traded the EU H1 following London Open. Watched PA move down and set what turned out to be the low of the London session, and then waited for a break of the Asian session high before entering a long trade. If the first candle had continued down and the TDI had crossed down, I would have entered a short order. The TDI green was already crossed up over the red line and was about to cross up over the yellow line. A very nice 9 blue candles move up of about 170 pips for the session. I was able to capture 118 of those pips after PA set a new high and then pulled back. Moves like that make trading lots of fun!!!

Q: You seem to be awesome at catching the big moves when they occur. what clues you in on whether to trail or take 50 pips or less and get out?

Experience mostly, from many hours of watching PA and becoming familiar with how the EU price moves.....I closely monitor how quickly PA is moving in my direction. If I am up 35 or 40 pips and price is moving quickly, I will usually move my TP from 50 to 100 and continue to monitor. If price is moving slowly, I will usually just take the +50. If price stalls or reverses 20 to 25 pips, I will usually exit. If PA is still moving strongly as it gets closer to the 100 TP, I sometimes remove my TP completely and let the EA take me out as price reverses and hits the trailing SL (5 pips below the previous candle). This morning's trade, I just closed manually once price pulled back from the high of the day and that blue candle closed lower than the open of that candle. Once the next candle turned red, I closed the trade.

Q: When do you move your SL to BE+1 and when not?

I usually will only move the SL after the trade has moved 30 or more pips into the positive. Sometimes, I will just leave it at 50 pips. Only on one or two occasions has PA ever come back from + 30 to take out the SL. If it does, I know I have made a poor decision or missed something in entering the trade in the first place. If I enter a trade and it does not go 25 or 30 pips in my direction and then reverses, I will usually close it out manually at -20 to -30 pips and not let it hit the SL. Trades need "room to breathe".

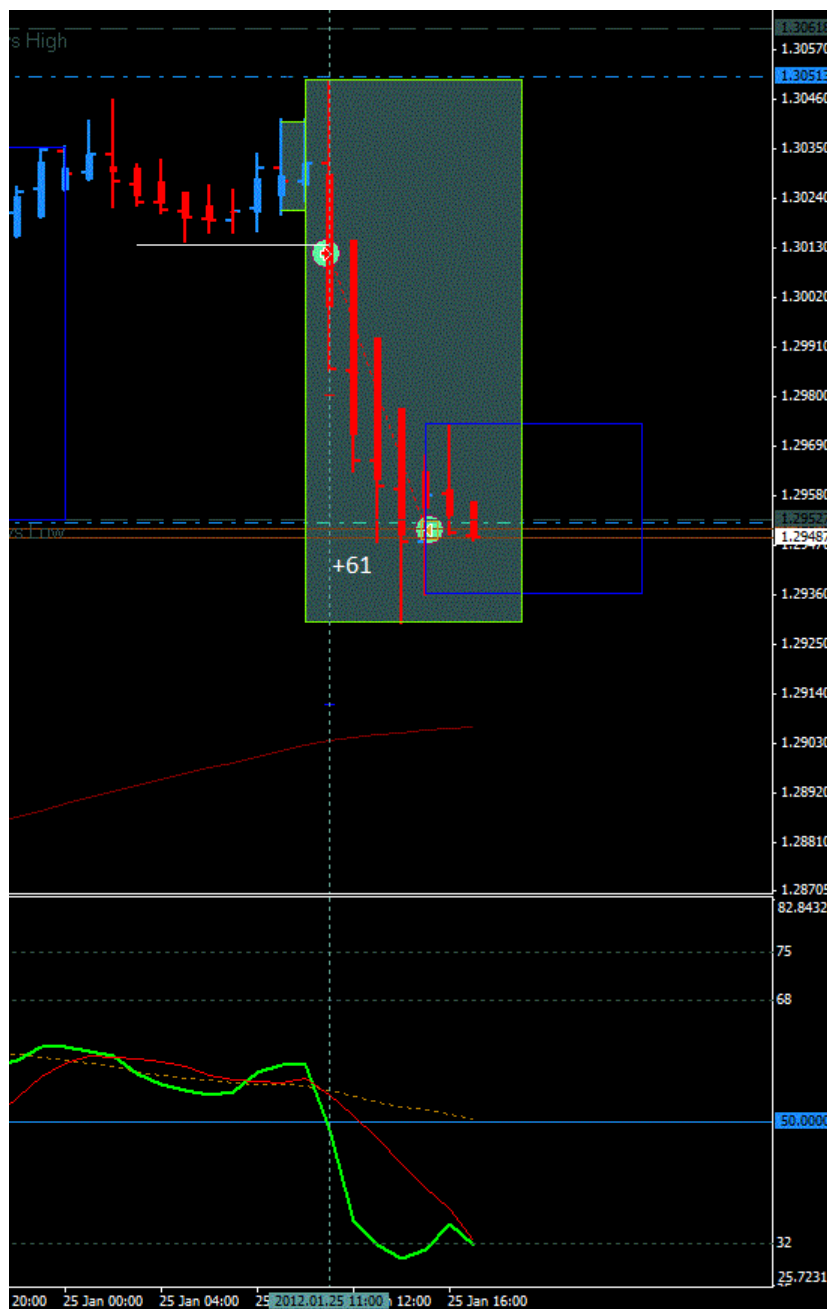
Three trades today.

The first one was taken long on a break of the Asian session high, but without a good signal from the TDI (also against the rules of my own trading plan) but I took a shot on news releases moving PA strongly up. Out at BreakEven on that trade.

The second trade was taken short by the rules and a cross of the TDI....good for the +50 TP. The third trade was taken long, also per the rules and a cross of the TDI. Closed it manually for +40 at the end of the London session with volume slowing down.....could have hit the +50 if I had stuck it out.

Patience is the name of the game when monitoring the H1 trades. Still happy with +90 for the day.





I entered a short trade on the break of the Asian session low....exited on a pullback for +61 pips.

For those of you who are struggling to make positive pips....I have been down that road. Spend the time to study old charts and watch the ebb and flow of the market. Learn and understand how the market moves. Then test your methods on a demo account until you can get your emotions under control and can set realistic stops and profit targets based on what you learned. You cannot be successful if you exit for a loss every time the market pulls back on you 15 or 20 pips. Trust whatever method or system you have tested and that works for you. Big E's TMS system works for me. X-Man's S3 system works well also. Find one that works for you. Put all that into a written trading plan and then just follow that plan. The more simple and price action based that plan is, the better the results will be. With learning and testing, you can become successful in trading. It just takes lots of work and due diligence to get there.

Q: How have you analyzed the candle was not good for long? At the beginning of this hour, it yet broken up, the range of the Asian session.

Several reasons.....first, I am always wary of a fake out at the beginning of the London session and second, there is a strong resistance (blue line) that had turned back price on the previous two days. I needed to see that resistance area broken to enter a long trade. As you may have noticed in an earlier post this week, on Tuesday I tried to go long and price was rejected after moving up 20+ pips or so. Third, the pattern of the Asian session the day before was very similar to the pattern today. Once price broke the low of the Asian and the TDI had crossed down at the open of the red candle, I knew there was a good potential that it would continue. When the TDI crosses on the H1 time frame, I expect it to continue in that direction for 3 to 8 candles. Also, my study show that once the London session sets a high for the day and reverses, it usually continues in that direction and sets the low of the day also. With the Average Daily Range on this pair at 128 pips, that leaves plenty of room to pick up 50 to 100 of those pips.



Below is a chart of trades taken for the week. I have highlighted all the TDI crosses that took place during the London session. For the week on the EU H1 chart, there were 9 TDI crosses that could have netted over 700 pips for the week and 3 crosses where no trade should have been made. You can make lots of money on 50 to 100 consistent pips per day.

In my experience, profitable trading begins with learning PA movement, trading with good volume, reading price action, being aware of trend direction and areas of support & resistance, common candle formations like pullback bars, inside bars, 123 moves, etc. In addition, crosses of the TDI can add that last bit of confirmation to be confident that your trade will be successful. Patience is paramount in letting the trade develop and reach its potential.

Q: I would like to know that when you trade the break in the candles previous high/low do you enter the trade at the exact high/low of the candle or do you do you enter 5 to 10 pips above the previous high/low of a candle?

I normally enter as soon as the break occurs because in most cases, the candle has already moves several pips in the same direction. When entering on a break of the Asian session, I only do that when the Asian has a small range....the smaller the range, the bigger the move after breaking out....usually no more than a 40 pip range.

Q: Looking at your trades...still trying to figure out how you new to hold on some of those trades like 1/25 during the fomc and 1/23.

Also, looking at your charts and backtesting. I am trying to figure out how you know when to take a short when the trend is up and when to skip it. Vice versa for longs. Is there a clue in the TDI that will give you a hint?

For example, the long on 1/24. What let you know that price would follow through and not bounce back and continue down?

Also, 1/26...is there something in the TDI that indicates price stalling for the up move before the fall.

Q1. It is a matter of trusting your system and what you have learned by backtesting, forward testing on demo and learning how PA works on a particular pair.....on 1/25, the first trade moved short for 4 hours after setting the high of the London session....PA then set what turned out to be the low of the day and pulled back.....I exited after PA had pulled back about 20 pips. The ADR for the EU is 125 pips and the range for the day was very close to that....normally, I would have just take my standard 50 pip TP but I experimented and let the trade run.

On 1/23, I took entry on a break of the Asian session high (partly because I did not get to my computer until LO).....as long as each candle made a higher high and a higher low, I stayed in the trade....fortunately, it moved more than 130 pips from my entry.....once the last blue candle gave me a lower close than the open, I exited. There was a cross of the TDI to go short at that point but my experience has shown after a long move in one direction (70 or more pips without a retrace), a reversal will seldom go very far.....plus I had just earned 118 pips and did want to give any of them back.

Q2. Long on 1/24.....again, the cross of the TDI gave me the entry point. There was a reversal blue candle, then a cross of the TDI on the open of the next candle. When the TDI crosses, I expect 3 to 8 candles of the same color before another change of direction. This occurs at least 70% of the time. For the exit, I was not able to continue to monitor the trade, so I closed it at 40 pips.

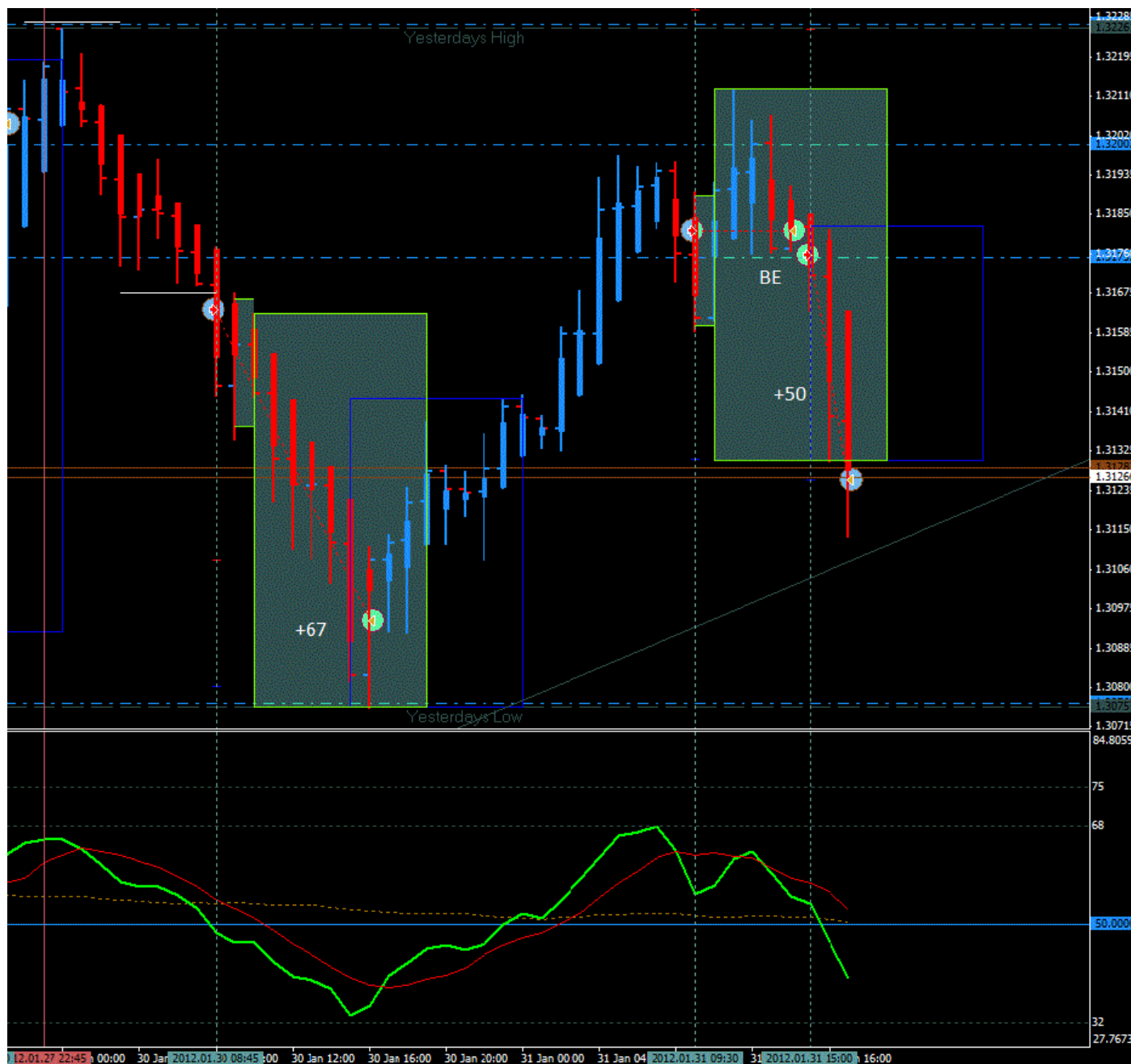
Q3. Short on 1/26....the TDI did cross over at the beginning of the last blue candle but the real clue was in the candles themselves.....notice the last two blue candles before the entry....both of them closed lower than they opened, indicated by the little red open & close ticks on the sides of each candle (that means that the Japanese candles had already turned red) and a reversal was possible. Once the entry candle turned red and TDI had crossed on the candle before, it was a good entry based on my trading plan.

On the EU during the London session, when you get a proper signal to enter (your entry on this trade was perfect)....enter the trade with a 50 pip TP and a 30 pip SL and walk away from the computer. My experience shows that over 70% of the time, your TP will be hit for +50 pips. We sometimes try to "re-invent the wheel" and squeeze the most pips out of a move. It is much less stressful to just take the 50.

I enter 90% of my trades with a 50 pip TP and a 50 pip SL. If I stop monitoring the trade, I will move my SL to 30 or less (depending on where price is) and walk away. Most of the time, the TP is hit. You can be very successful with 40 or 50 pips per day (50 pips on 1 full lot = \$500 a day, which = \$2500 per week).

Q: So for you the OPEN of the candle having a cross counts...not the cross occurring when the candle moves or changes color right?

Correct....the most productive entries are when the TDI cross occurs at the OPEN of the first or second candle (and a change of candle color). It is even better when the TDI is coming out of overbought (68 line) or oversold (32 line).



First trade today ended at BE....second one hit the +50 TP.

Q: Your 1st BE trade went -35 pips against you. What made you hold on to it?

I actually entered the trade with a 50 pip TP and a 50 pip SL.....watched it for half an hour or so and went back to bed.....when I got up it was back to BE, so I closed it. There was some strong resistance at 1.3200 and at 1.3226 (blue dotted lines) and my stop was just above both of those.

Q: Did you draw those lines manually on the chart?

The lines are drawn manually....I pull up a H4 chart and look for areas where price has consolidated over the past month or so and then draw those lines in and leave them on my chart. Only one of them is a 00 number and that is just where I saw resistance. Not part of a system....just for my own reference.

Nice move up from LO with the help of some news. TDI crossed at the open of the first candle of the London session and the candle turned blue....waited for it to cross the 200 EMA and move higher than the last red candle, then entered.....there was some consolidation in the 2nd & 3rd hour....moved SL 5 pips behind previous candle each time.....if PA had reversed I would have still been taken out with a profit.....PA did not reverse....continued and hit my TP. +217 pips for the week on 4 trades, so far.





Q: What do my eyes need to be focusing on as the bars develop?

I added some lines to my own chart covering the example you posted.

The TDI gives some clues to focus on.....is the green line at or over the 68 or 32 line or is it hanging around the center (blue) line?....if it's hanging around the center line that would tell me that the pair is ranging and if you enter a trade, TP's should be smaller than normal.....during the London session on your example there were 3 TDI crosses with candle color changes that went for 31, 73 & 28 total pips from normal entry.....obviously you are not going to capture all those pips but the 31 & 28 pip moves at the very least should have been breakeven trades or + or - a few pips if you are monitoring the trade. The 73 pip move should have gotten you at least +50.

Again, in ranging situations you should focus on how far away from overbought or oversold the TDI is and keep a close eye for reversals and close the trades more quickly. Sometimes there is nothing you can do.....some trades will be losers even when there is a perfect setup.....just the price of doing business.



Like others of you, the spike today stopped me out at -4 but when price pulled back down, I was able to enter short for +50.

Once the trade gets 25 to 30 pips in my direction, I move the SL to BE.

Lots of indecision in the market today.....done for the day.



Nine trades for the week.

Pips earned this week on seven trades +336.

Pips lost this week on one trade -4.

One trade at BE.

Total pips for the week +332.



Finally got a move to collect 50 pips.

Trade 1 was a test.....the last two weeks, PA has taken off for 100+ pips from the open of the week.....I do not normally trade the Asian due to low volume but was at my computer as the day opened and entered a trade....just a test.

Trade 2 was taken following the LO, on a cross down on the TDI after the TDI up cross retraced before I got to my computer. Following entry, PA attempted to break resistance for 3 hours and failed....closed for 11 pip after the third failed attempt.

Trade 3....I was concerned about how close the 200 EMA was to entry but decided to enter and monitor closely....if PA had pulled back from the 200, I would have exited immediately....I even had the close order open on my screen.....instead it moved right thru it and hit my TP. A very difficult day to trade with lots of candles having long wicks on one or both ends....no trending market.

Q: What was the reason you didn't go long on the LO, when it broke the high of the previous bar by a few pips ? There was also a cross of the TDI on this candle.

With price being very close....right under the 200 EMA, I would have to see at least a strong break above the 200 to enter long. The same principle applied to the first short trade I took this morning...I waited for a break down thru 200 EMA to enter..... that also holds true with any solid resistance area where price has tested and failed to move past the resistance....

A very good trading day for me....

Trade 1 was taken on the TDI cross down, with a 30 pip TP just above the 200 EMA.....if that had been broken, I might have re-entered, based on the strength of PA.

Trade 2 was taken early (before the TDI cross) as PA was rejected at the 200 EMA. I took a chance and opened a standard trade for me with a 50 pip TP & 50 pip SL but as it blew past the first resistance, I moved the SL to BE and the TP to 100, which was right at the H4 trendline....PA stayed strong with little retracement, so I moved the TP to 150. PA did a bit of hesitation at the trendline but then moved up strongly past the trendline, so I locked in 100 pips, right at the trendline, fully expecting PA to reverse and come back to take me out at 100....fortunately it continued to the 150 TP. A very nice move up!!!!

Q: Today I would have traded long the London open candle session with approx. 60 pips till resistance with your usual 50/50 SL/TP. Where I'm wrong ?

There was no TDI cross at the open of the London session.....the cross had already occurred on the candle before (during the Asian session). If you had traded the TDI cross at the open of that candle (just before the LO), you could have gotten the 60+ pips TP. Once that candle completed, I would need to see a break of the high of that candle at the LO to enter long. Chasing a trade seldom works out. You must follow the rules of your own trading plan to succeed.





I did not trade at all yesterday because there was no clear break of the Asian session, long or short.

Due to the many areas of support and resistance and no clear trend direction right now, I reduced my TP and my SL to 30 pips. Originally, I was going to try a 25 pip TP & SL but the 30 pip worked out.

Trade 1...This is not normally a time I trade but I was watching PA at the time and took the signal. On the third attempt to break the high of the Asian session, PA finally made a move and I entered a trade that hit the +30 TP.

Trade 2...On the 2nd candle of the London session, I entered on a break of the low of the previous two candles and a cross of the TDI for +30.

Trade 3...On the next cross of the TDI after news, I entered for another +30.....Done for the day.

Q: For exits do you just use a 30 pip sl/tp or a 50 pip sl/tp depending on market conditions or are you watching for potential s/r, turn around points, or changes in the TDI on the way to your target?

All of the above....when PA is struggling to reach the average daily range in pips, I will reduce the TP/SL. I also watch the 200 EMA closely and long term trendlines that have been tested at least once. To a lesser extent, I watch S&R lines as they are not as dependable. Most of all, I try to judge momentum and Price Action, watching for candle formations and pullbacks.

Q: You did not take any trade yesterday even though during London session prices break the Asian high/low. Is there any reason you went long today when price broke previous high and the candle before that is a pullback candle?

Yesterday, PA did not break the high of the Asian session.

The trade today during the Asian session was an exception....in fact, my trading plan is to trade only the London session, so it is not something I usually do. I broke the rules of

my trading plan and got lucky with a profit. The reason for the trade was the first two blue candles tested the Asian green line and closed below it....on the third try PA broke that high and the TDI was still going in the right direction, so I entered. Like I said, I got lucky and in retrospect, I need to get back to being disciplined and trade according to my trading plan.

Q: Trade 2 was on the break of the 1.3310 level as it was stalling out there previously. Wouldn't the large wick on your trade 3 make you want to skip it even with the tdi cross? I am not sure what you saw in the candle to make a long.

As I stated before, the time to enter your Trade 2 was at the beginning of that candle because the TDI had already crossed up. The setup candle was created by news and had a long wick **at both ends**, which in my opinion did not qualify as a pullback candle. In this case, I trusted the TDI signal and PA had already moved back up 37 pips following the news spikes. My entry was just a continuation of the last move up of the setup candle.

There was nothing wrong with your entry....your exit however needs work. I made the same trade and even traded into a resistance line on my chart (not really awake yet, at the time). The difference is that I did not take the 50 pip loss. I closed it for a loss of 11 pips but then on the open of the next candle, entered a short trade down to the 200 EMA for +76 pips. The 2nd blue candle that we traded became a very nice pullback candle, so a short entry at the open of the 3rd candle was a no brainer. You just need some more practice to close the losers early and let the winners run.

Q: So for you to take on a TDI cross, the setup candle must be inside the London timeframe too, no Asian and not even Frankfurt first H1 candle ?

No....if I am at my computer and a setup candle occurs prior to London, I may take the trade but my study and experience has taught me to be very cautious with the London Open.....many times the 1st or 2nd candle will reverse and go the other way.....for me to be confident in that trade, there needs to be some other confirmation (i.e. support levels, strong PA, MA's, long term trend lines, divergence, fib levels, news, etc).....just something to increase the probabilities that PA will continue the direction of my trade. That is why learning to read PA is so important!

The second candle of the London session **was** a pullback candle. On the third candle PA weakly pulled down and then pulled back up. The Asian session did what it has done for the past several weeks on the first day of the week (go back to your charts and look for yourselves)....it made a long run during that session, which makes me very cautious with an entry during the beginning of London. There was no clear entry (TDI crossover and a change of color of candle) until the **open of candle number 4**. PA then proceeded to move about 65 pips toward the 200 EMA. I will now need to see a break or bounce off the 200 for another entry. That could take a couple of hours or a couple of days.

Q: What about the pullback identification...those tend to mess me up when I trade. As in if I see one like today when I am in a trade. But it was a false alarm. Also the candle closes not being consistent messes me up as well, because I always think it can go the other way.

I see a couple of things.....pullback candles alone are not enough evidence to enter any trade.....the entry you took was a little early but the pullback candle was not a false alarm, PA eventually went in the right direction.....your entry should have been when the TDI crossover confirmed the pullback candle.....then once you enter, you just need to let the trade run....one higher close is no reason to exit a trade.....especially when it is an inside bar and you have a solid TDI cross.....that is where trusting your system comes in.....when you have an entry like that, enter a 50 pip TP and a 50 pip SL (or whatever number you are comfortable with but no less than a 35 pip SL) and walk away from the computer.....let it run and you will be amazed at how many times it will hit the TP (assuming you enter on a TDI cross with color change during London or early NY).....it will hit TP enough times (70 to 80% of the time, based on my backtesting) to make you a nice profit for the week.





Two trades today....a really nice one at LO.....the second one following a bounce off the support line and a pull through the 200 EMA.....both for +50 in live trading.....I am also doing some demo trading using a revised version of Big E's scalp system for other times than London....that would have added another 73 pips today.....

Q: Was the cross on your first trade well defined like that? Looking back My tdi was pretty flat (difficult to tell if it crossed), and had that well defined cross when the candle you entered at closed.

For me, the setup candle qualified as a pullback candle with a long lower wick, higher close than the open and a short body....also Frankfurt and LO seem to create direction change quite often.....plus the cross of the TDI was enough for me to get in.....I know that if I am wrong, I can always close for BE or with the loss of a few pips....that's worth the risk to me.....if you had done what I suggested in a previous post and opened either one of those trades with a 50 pip TP & 50 pip SL and walked away from your computer, you would have captured the 50 pips on either or both trades yourself.....instead what I am seeing with you is called "analysis paralysis".....over-analyzing every trade until the opportunity is gone.

When I got to my computer to trade the LO and watched PA for a while:

1. I found that the Asian session had already moved down over 100 pips.
2. PA was sitting right on the 1.300 line and consolidating.
3. There was no cross of the TDI yet.

Based on that information I opted not to enter a trade and went back to bed. This morning I was able to catch the long trade after it pulled back up through the 1.300 and the TDI crossed over. This happened just before I left for work and I just closed that trade at the 200 EMA line for +136 pips. A very good day.

Q: To those who went long, what signal did you guys take? just to help me to look out for it next time?

1. A break back above the 1.3000 line.
2. A cross of the TDI green over red.
3. Also a cross of TDI green over yellow.
4. The setup candle had very long wicks and a small body.
5. A break of the high of the red setup candle by the first blue candle.
6. The TDI moving up from the 32 line.

Q: When would you look to enter a continuation move. Because sometimes the TDI has already crossed and price can break mini support and resistance areas to continue down.



Consolidation candles indicate that PA is hesitating....the bears are closing trades and/or the bulls are looking to reverse the trend. You have to look for reasons why the consolidation is occurring....news, a long move without a retracement, resistance areas, etc. In the example you gave, PA had already moved down more than 200 pips from the LO yesterday, without a retracement, which creates concern about where it goes from here...the market moves in waves

and somewhere there will be a retracement. I would not enter a short following that 200 pip move down until I got serious confirmation that the trend would continue...in fact, I was looking for a reversal for the reasons I stated in my post, which we got.

Q: Could you elaborate a bit on what you consider to be serious confirmation in the case above?

Just the fundamentals of trading Forex.....there would have to be a retracement at least back to the .382 fib following that 200 pip move and then a good cross down of the TDI following consolidation and possibly a pullback candle. Even with an entry there, I would need to monitor and be prepared to close the trade quickly unless the 1.300 line was broken and probably even a break of the low of the original move. From there, I would be looking at the next resistance area.



Attached are my trades for the week. 6 trades. All profitable...no losers.

Today, I entered following the break of the 200 EMA and closed it at the H4 trendline for +35.....could have gotten the +50 but got busy and took what I could.

Q: May I ask what your logic was for the very last trade? It seems that every signal was rather weak.

That trade was taken on PA alone and based on the break of the 200 EMA after PA tested it three times. It finally broke through, so I took the trade. If it had retraced to 25 or 30 pips, I would have taken the loss. It was a risky trade because I had no other confirmation except the consolidation of the Asian & London sessions....I expected a break one way or the other.

The difference between trading the S3 method and the TMS method is that on the S3, we look first at Price Action...on the TMS method, we trade based on TDI crossovers.....when you combine them both, the safest trades are based on PA and confirmed by TDI crosses, breaks of S/R, fibs, candle patterns, trendlines....etc.

Q: May I please ask why did you get out where you did on your last trade? I took the same trade and ended up giving all my profits back, because I had my target at 1.3200 and it didn't make it all the way there.

As I said in the post...I closed the trade because I got busy at work and could not monitor the trade....PA was up against a trendline and it was getting close to time for the market to shut down for the weekend.....there was not much momentum, so pushing through the trendline would have been difficult....so I closed it for what I could get.

Q: I am just thinking when I looked at your chart, for the trades 1,3 and 4, why you did not push your TP after the initial +50pips. The APB showed momentum at your exit point.

Time constraints.....I would have loved to pick up those extra pips but on all three of those trades, I took the pre-set TP because I was unable to monitor the trade any longer, due to work commitments. If I had been able to monitor each trade, I would have kept them open until consolidation occurred....

Q: On Feb 16 during Asian Session prices moved down around 70 pips and just prior to LO there was a pullback candle with long wick and TDI cross up signaling a potential reversal. And yet you correctly did not enter a long trade at the LO. May I ask what you saw that made you not want to take a long entry at LO?

There are 3 reasons stated in the original post.....#3 stated there was no cross of the TDI yet.....the cross did not happen until the opening of the blue entry candle....once that happened, entry became a possibility. Once PA moved past the high of the red entry candle, my criteria for entry was met. I am always cautious when the Asian moves more than 60 pips in one direction because reversals usually do not happen....that is why I waited for price to pull above the last red candle.

Q: I thought you often enter mid candle waiting for prices to move above/below previous candle's high/low for long/short trade, like your trade on Feb 16.

Let me rephrase my answer....what I should have said is I look for a TDI crossover at the open of any candle with a color change.....my entry is somewhere within the first two candles of that TDI crossover and entry is determined by other confirming factors....i.e., PA breaking resistance or support, a pullback candle, overbought or oversold, volume/momentum, etc....



Observations

1. Today the banks are closed in the USA...result...lower volume, especially during the NY session (no trades for me during NY).
2. The Asian session made a big move (62 pips) indicating to me that the London might not move very much, based on previous history this year.
3. The market is still unsettled with Greek debt situation and over the weekend, the Chinese made a move that affected the market.
4. I see lots of posts predicting where price will go "because". Predicting where the market will go is like predicting which direction the wind will blow and how hard it will blow. None of us can predict where the market will go because there are so many factors that make it move.
5. There is a fine line between "analyzing the market" and "predicting the market". To succeed, we have to know the difference. Once we analyze the market setups, we only act on those setups and take the profits or losses. Successful trading must be mechanical, not emotional. Sometimes we try to find reasons for the market to go short or long because that is what we want it to do. As X-Man stated again today...." trade what you see and trust your system."

I took the long trade today, a little early (before the TDI had completed the cross). What I saw in my analysis was the trend for the past two trading days was up, price was above the 200 EMA, the TDI green line was above the 50 and crossing the yellow and red lines, and price had broken back above the 1.3200 mark (which was also a resistance line) and also broken above the previous red candle high, which had pulled back. That was enough for me to enter. Did I know the market would go 50 or 60 pips up? No, I did not...but based on my analysis, I traded it anyway and took what the market gave me.

The Asian session set the high and low of the day, so PA making a big move during London is very unlikely.

First trade...long....at LO failed to continue above the high of the Asian...out at -1.
Second trade...short... based on pullback candle....good for +40.
Third trade...long....still open....currently up 34 pips with SL @ BE and TP @ 50.





It was a rough week on the EU. 6 trades including 1 mistake (was testing a demo trade and mistakenly traded it live)....4 winners....2 losers....+193.

Q: What was your reasoning for the Friday E/U buy? The TDI while crossed, green was way above 68 which signaled risky trade in my book. The cross was also at the beginning of London which is often an impermissible candle(you said it and I agree).

London Open is unpredictable....anything can happen. The TDI crossed one candle earlier but that candle was almost a doji, so I entered....if it had reversed at all, I would have been out.....trading forex is about taking calculated risks....this one worked out well.



Trade entered after the first candle of LO moved past the low of the setup candle. PA did what it does quite often on Monday morning.....it continued in the direction of the Asian session.....EU +50...nice start to the week.

Q: What made you exit on EURUSD? I did wait some more time and I went back from 50pips to 26pips so I lost 24 pips because I did not close it on time, what made you exit on the EURUSD exactly on the right time?

I enter most of my EU H1 trades with a 50 pip SL and a 50 pip TP....if price is moving well, I will adjust my TP to 100....otherwise, I take the 50 pip TP or get taken out where ever my SL is at the time.....after 30 pips, I trail SL 5 pips behind the previous candle.

I would suggest that everyone select and concentrate on one pair only until you have mastered how it performs and you can be consistently profitable with that one pair (you should be able to average at least 200 pips a week). X-Man has suggested we all master the EU.....Once you reach that point, branching out to other pairs becomes easier and hopefully quite profitable. I, for one, do not want to "derail the train while trying to repair the track". I will not post anymore trades, except the EU ones....I don't want anyone to lose focus on this thread and what it offers.

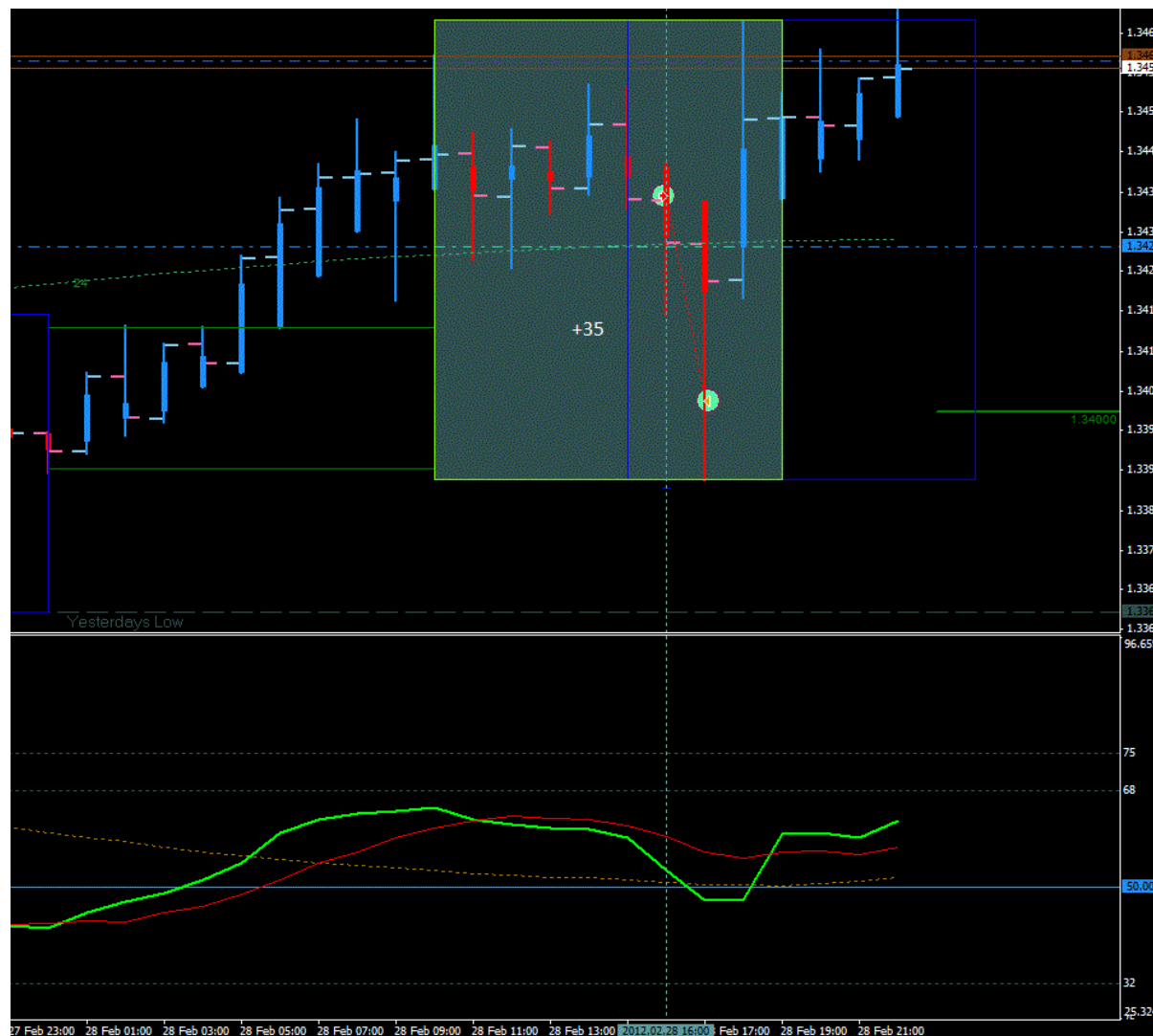
Q: Before the opening of London, we had a small pullback, and after a return bullish. Then, the candle at the opening of London broke the height of the candle than two hours before. Is it possible to know why you have not taken a long then?

The Asian session had a move of 9 blue candles prior to the LO...the LO candle was the 10th blue candle in a row....I have learned that, true to what Big E taught, most moves consist of 3 to 8 APB candles in the same direction before retracing or reversing....when I saw the 10th blue candle in a row, I was cautious about entering until I could see where price was headed from there.

Q: What made you decide to close your trade and take profit at +35 instead of holding for +50 on this trade? How much pullback will you allow on a candle before closing the trade and taking your profit?

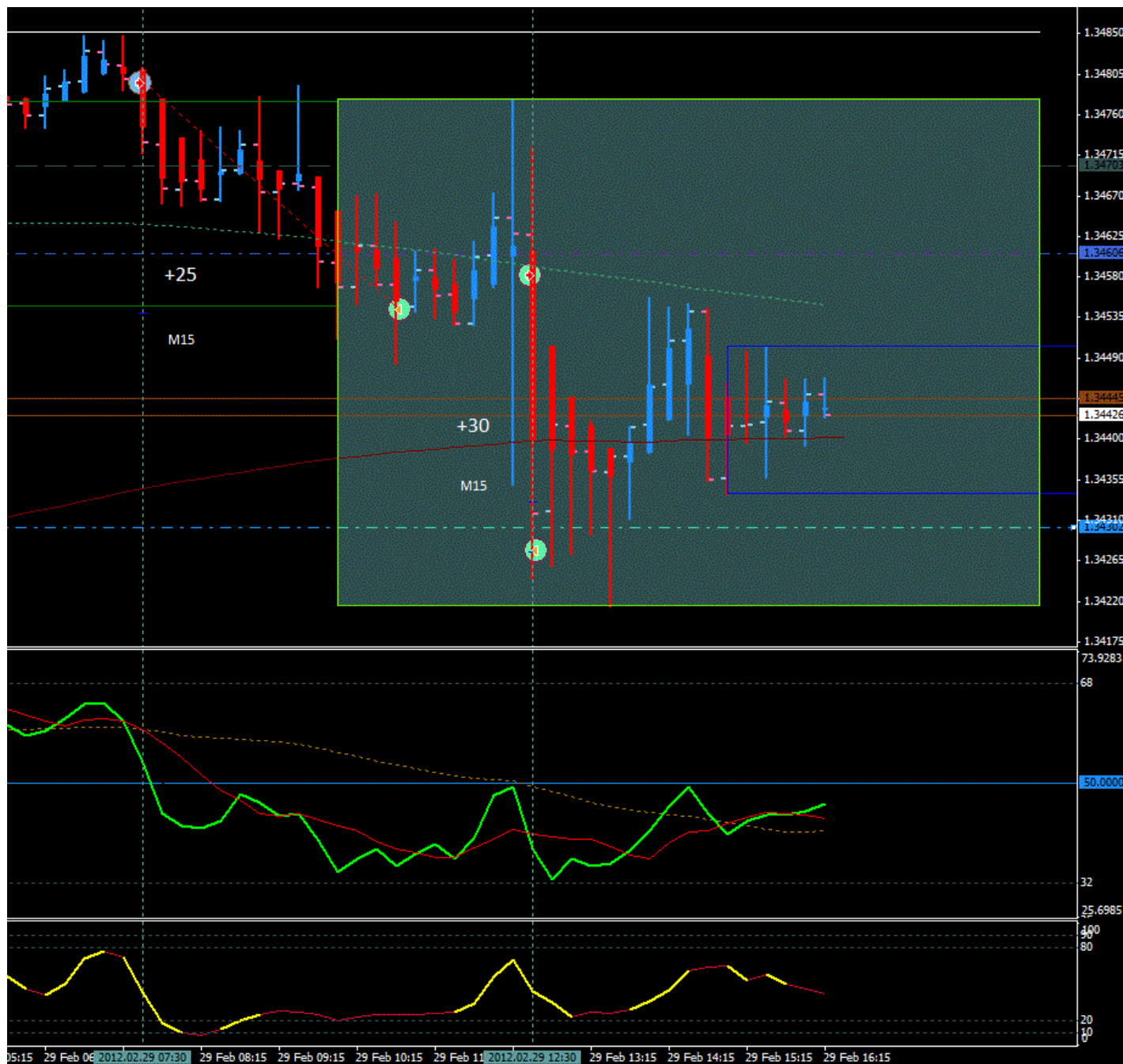
Q1. I was already at work and not able to monitor the trade any longer so I closed it for what I could get.

Q2. That depends on several factors....the time of day, support or resistance in the area, how long the trade has been running, etc....London session, I will usually allow a pullback of 30 or 35 pips....NY session, much less....15 or 20 pips.



Q. You also said in a previous if Asian session moves about 60 pips that you don't expect a reversal and price normally continues in the same direction.

That is true....and if price had continued in the same direction with a higher high on the next candle, I probably would have entered but watched it closely for a reversal. Instead, there was a pullback and a TDI crossover short on the next candle, which also happens quite often at London Open. All we can do as traders is analyse what we see and base our decisions that information along with our own knowledge and experience.



Did not trade EU H1 today.....made a couple of EU M15 scalp trades, one for +25 and one for +30 based on price moving away from the double tops (extended white line at top of chart). I moved to the M15 chart because trading volume is usually down at the end of the month.



Q: I have uploaded a chart-pic from you, which you have posted earlier in this thread.

1. Are you using a Asian session break out here or just a HH or LL of previous candles ? (if yes, how many candles do you count?)

2. I have read, in one of your posting earlier that u are already getting in while the candle is forming.. do you use the TDI for ACK ?

a) If yes, do you use a special kind of realtime TDI because the normal version of TDI only forms on the start of a new candle.

b) how do you go sure, that the candle will not form to a pullback?.. I have often

traded breakouts like you, but often they formed to a pullback and my SL was hit.

3. On Trade No. 2. and 3. you took a countertrade right afterwards... But not in Trade no. 1. because no significant Pullback was formed after the Trend, right? As far as i can see, you are using mainly PA using basics of Support and Resistance. TDI is just for confirmation, right?

Q1. I usually only trade the London session on EU H1. I get my computer just before LO and if a trade presents itself with the proper setup, I take it. In this case I did wait until the entry candle had moved past the high of the Asian session but the trade was based on Price Action and a cross of the TDI. The previous 5 candles were very small candles....almost dojis...so I did not count them for entering on the second candle after color change (see Big E's posts).

Q2. Per Big E, we should enter trades on the first or second candle of a color change. That has worked well for me. The BE trade met that criteria. I exited because price was changing direction. The second trade of that day was entered because of price action had created a long upper wick and a pullback candle was forming. a.) The TDI that I use is not realtime...the crosses occur at the top of each hour. b.) There is no way to be 100% sure any trade will work out. You must study and backtest and gain experience and an understanding of how the pair you are trading normally reacts at different times and in different situations. Once you get that, create a trading plan that will give you an edge when you apply what you have learned or as X-Man has said....you must develop that 6th sense and the confidence and belief in the system you decide to use.

Q3. Trade 1 trended up more than 130 pips during the London session....very seldom will the market reverse and go a significant distance in the opposite direction following a move like that, unless there is some news or other force that causes a strong retracement. Plus the London session was ending when I exited the trade. Seldom do I enter a trade during the NY session, unless the London has been ranging. On trades 2 & 3, there were significant crosses of the TDI, still during the London session, with the cross for trade 3 beginning at the 32 line of the TDI.

Yes, I look primarily at PA and now use the TDI for confirmation on my analysis. That is the main difference between what Big E taught and what X-Man has developed. I do not use the Stochastics on the H1 time frame. I do still have them on my M15 chart for times that I scalp the market for a few pips.



Two nice EU M15 trades this morning on crosses of the TDI for a total of 63 pips.... The lines on my chart are something I am testing right now and are not a part of this trading system. I won't answer questions on them right now.

The 2nd vertical line is in the wrong place...it should be over the entry candle of the 2nd trade.

Two charts below....one is the EU H1 chart showing my trades this week. Most were M15 trades but I could not get them all to fit in one chart, on one picture.

The other chart is the EU M15 chart showing two very nice setups that generated 200 pips for the day. I entered the trades knowing that price was pulling away from the Hourly 200 EMA after testing it and being rejected several times during the previous 24 hours. Both M15 trades were taken with a 25 pip SL and 25 pip TP. Because we were moving away from the hourly EMA, when the first trade reached 20 pips, I moved my SL to BE and TP to 50....price retraced a little and I considered closing the trade but because the SL was now at BE, I left it open. After the little retracement, I got another signal to enter a short trade and since the first one was already in profit, I entered the second trade with the same SL & TP. From there, I just let the EA keep moving the stop to 10 pips behind the previous candle, moved my TP on both trades to 100, expecting to be taken out on a reversal and went back to bed.....got up this morning with the first trade closed and the second one still moving down.....went to work and just got back to my office to find the second trade hit TP also. I did not know how far the market was going to move in my direction, but I have confidence in the TDI crossovers and understand how price moves around the hourly EMA. I was very fortunate that the market did not retrace and take me out early but I had not tried to get those pips I would be saying....why didn't I see that? or why didn't I enter? or why didn't I move my SL to 100 pips. On the other hand, I really had nothing to lose.....my stop losses were in profit or at least at BE, so why not?



Q: What are the differences between the analyzes of trading in M15 and H1, for your method, please?

Same analysis. Same trading plan. Just a different time frame when the market is ranging more than trending. On the M15, I trade any session.....on the H1, I basically trade the London session only.





Two EU H1 trades this week...they each netted +50 pips.

Q: I have a question on your 1st trade. How did you correctly enter at that candle instead of the previous blue candle? There is a pullback candle 1 hour after LO. and following that, the candle open with blue candle + tdi cross .

And which time that we need to be aware of previous low and high when entry? sometimes I often see your trading and open position after the price go past previous low/high candle.

Entry on trade1 was made based on the separation of the green TDI line from the red TDI line.....I saw the red pullback candle but the previous 10 candles before that one, had wicks at both ends...indicating consolidation and I wanted to see some separation of the green line from the red line before entering a trade. Look at the TDI line during the Asian session...it crossed over but did not separate in either direction for several hours.

Even if you had entered at the 1st blue candle, it would have also given you +50 pips.



Attached are 6 trades I took on the EU this week.....1 of the trades was entered from the M15 chart because PA was pulling back from the low of the session.....the other 5 trades were all taken on the H1 chart.



Today I made 3 small trades on the M15....all on TDI crosses at the beginning of the 2nd candle.... First trade....entered short...price moved down about 20 pips and reversed, out at BE. Second trade...I went long on TDI cross...price moved up about 40 pips and reversed.....out with +19. Third trade....went short on TDI cross....price moved down about 40 pips and reversed....closed for +30.

Q: Can you please explain why you did it on the 15 min chart and not the 1h chart. if you had traded the 1 hour chart you would get 2 wrong signals....How do you decide whether you will trade the 1h or 15 min chart?

I have been doing some testing using M15 entries while monitoring the H1 charts....trying to get earlier entries but still not get caught in the whipsaws of the smaller time frame.....still a work in progress.

If you look at your H1 chart, only the first BE trade was not signaled with a cross of the TDI. The other 2 trades WERE signaled on the H1 chart....trade 2 was signaled at the same time and trade 3 was signaled an hour later....the problem is that the market is ranging today and only moved a total of 68 pips so far....in a ranging market you have to exit for smaller pips, BE or even small losses....you just have to manage your money.

Q: How can you have a 50 pip or swing high or low stop but at the same time exit early with only a few pips loss (this can't be achieved)?

I trade this way almost every day....it can be done. I may exit at any time for a smaller profit or a loss. I enter EU H1 trades with a 50 pip TP and a 50 pip **EMERGENCY** stop loss. Rarely do I allow the SL to be hit. Unless there is a spike while I am away from my charts or my computer crashes, I will exit when my analysis shows price has run its course.

Q: Do you mind explaining in detail how you minimize your losses when price action reverses on you?

Look at the last chart I posted (remember these are M15 trades, not the normal H1 trades)....the first trade was a typical London Open reversal.....I allowed my EA to take me out at BE.....

Trade 2.....price moved up 42 pips and pulled back. The next candle tested the previous candle high and failed to break it. Price pulled back again and two candles later, the bar changed color. I waited to see if price would test the high a third time and when it did not, I exited for +19. Trade 3...I entered immediately on the open of the 2nd red candle. Again, price moved 42 pips down and pulled back. When the next candle changed to blue, I exited for +30 pips, not waiting for a test of the low because the NY session had opened and that session is less predictable.

Q: How do you give your trade room to breathe if you are exiting at the first sign of reversal?

Per my trading plan, following entry I give the trade "room to breathe" for 20 to 30 pips. If it pulls back further than that, I know my analysis was incorrect and will exit for a loss. On the other hand, when the trade goes into profit 25 or 30 pips, the EA I use will move the SL to BE and trail the trade 5 pips behind each previous candle until I chose to exit manually or let the EA take me out.

Q: Do you watch each bar constantly? Do you just check it at the end of the hour?

When I am looking for a trade set-up, I monitor the chart at the end of each hour during the London session. Once I enter a trade, I usually monitor that trade until it reaches 25 or 30 pips into profit, as described above. At that time I will decide to continue monitoring or walk away from the charts and let the EA manage the trade.