

Simple trades

I have been studying, learning and trading on demo with Big E's "Trading Made Simple" & "5 Method" since he opened the CH Stochastics thread in Dec 2009. I feel very fortunate to have been able to learn these methods from Big E and the other contributors of these two threads and am trading this method on a live account now, since November of last year (after many months of demo trading). Even with some mistakes, my account continues to grow and this week produced the highest yield to date (see screenshot). I usually only catch 1 or 2 of these moves each week but this week, I caught all 5. My only purpose for sharing this is to show that with the review and study of old charts, proper money management, the discipline to follow your trading plan and not overtrade, any trader should be able to succeed by following the simple rules of TMS. My criteria for taking these trades does not include looking at higher time frames or checking out the current trend (other than what I can see on the H1 chart) or looking at S & R areas. It does NOT include following arrows or alerts or colored dots or even checking the "slope of the TDI cross". I simply wait for the cross of green over red of the TDI and look for stochastic agreement. If the candles are small with wicks top and bottom indicating low volume or if there is consolidation with inside bars, I wait for the entry candle to move higher or lower than the setup candle before entering. I also look for double/triple tops and other simple candle patterns and keep an eye on upcoming news releases.

90% to 95% of my trades are taken on the EU because I have studied that pair the most and have some understanding of how it moves, plus I like the lower spread on that pair. I mostly trade the first 3 or 4 hrs of the London session (middle of the night for me) and sometimes the beginning of the NY session. After much research and study, my light bulb moment came when I began to comprehend that the high and low of any given day usually occurs within a 4 to 8 hours period and usually during the trading times I stated above. Following the simple TMS rules makes entry very easy (except for the occasional fake-outs if you enter too soon). I always enter and monitor the trades on the H1 chart because there are less whipsaws than the M15 or M5 time frames. The only thing left to do upon entering the trade is to define the exit. Since the EU currently has about a 190 average daily range, I have had good success using a 100 to 120 pip TP and a 40 pip SL. I also add a 25 to 35 pip trailing stop. Sometimes I monitor the trade until it closes and sometimes I go to bed and let it run, after the SL has been moved to break even +.

Big E....thanks for all your patient instruction and willingness to share your methods and your successes. As you have proven many times, this simple system if money in the bank.....I just need to get a bigger wheelbarrow! Hope you are feeling better and God bless you, sir....

