

TMS Method by BigE

General Info

I wanted a method that was simple, worked on all timeframes, simple rules, few indicators.... that when looking at my simple chart it just shouted out what I needed to do and developed a method that is 70-80%+ wins for me on a regular basis. It took over 2 years to develop this method. I worked hard... late nights and weekends, too. I was so hungry for success.

You'll learn down the road that most of the stuff you have learned in the past is crap. I did. The list of rules in most methods will keep most dizzy... never building confidence... without confidence in your entries and exits you have nothing worth while.

Years ago I traded stocks but later switched to fx. I started using higher timeframes moving up from 5 to 15 to 30 to 1hr and I was seeing benefits every time I went higher. Kept working on the TDI honing it to the maximum simplicity possible and moving up to 4hr charts and trading at my bed time... wow what a difference in pips earned... stress free as I slept...

When I finally got sick and tired of making \$1 a pip I switched to 4hr charts and trading full lots.

Without confidence in this method you'll never go any where. It's easy... rules are easy for entries & exits... I cut it down so there is no fluff... For the first time in many traders experience they are making \$\$\$\$\$\$..

Starting out you should be 60-65% successful. Within 1 to two months you should be 70-80% successful.. IF... you follow the simple rules and simple exits... 3-6 months... 85% successful. Don't complicate it... keep it simple. Buy your wheel barrow..

Many traders are making money for the first time since they started trading fx and they deserve it too. I get high on other peoples success.

If you decide to trade this Simple Method I recommend you go to your local hardware store and buy a wheelbarrow to carry your pips to the bank. I got mine gold plated...

Just follow the simple entry rules and TDI exit rules... this isn't brain surgery or rocket science. Just follow what I show you... what I tell you... not what others say

that's not within the rules. It's simple and many of you are thinking it can't be this simple so you try to add things and complicate it... that will only lead to your minimum performance or failure...

When you do that you create stumbling blocks for yourself... Plain and simple... if your not making bunches of pips your not following what I and the other key guys have taught you...

Practice Demo trades to build confidence in the method... it's money in the bank...

Timeframe

I hate trading 5min-15min-30min charts. Why? You have to monitor each trade from beginning to end and hope and pray you made a correct entry. I only trade 1hr charts during the 1st 3 hours of the USA OPEN and 4hr trades at night. I check for set ups at 10pm Pacific, 2am and close all 4 hour trades by 6am Pacific.... You ever woke in the morning popping on your puter and find you made 150 pips while you slept... guaranteed to put a smile on your face and a skip in your step.

4hr charts have less noise, less head fakes, less influence by any news. Just has a lot of benefits...

One of the purposes of this thread is to teach traders to trade the higher timeframes... there is nothing to be afraid of. Many of you have finally converted and wonder why you didn't do it earlier... less problems on the 4hr and a lot more pips profit... just make a proper entry.

What I'm getting at is don't be afraid to enter a 4hr trade at night if your going to bed if the TDI gives you a set up. At least try it on Demo. I'm telling you that once you start trading 4hr and Daily charts you'll fall in love with them and the pips you make... You'll wonder why you ever traded on the lower timeframes.... That's where the dealers steal the most money from traders who don't know better...

I know a lot of you are afraid to trade the 4hr charts...why?... cuz someone sold you a bag of crap about your S/L being too far away... 50-80 pips, etc. In your mind your thinking I can't afford that... like chicken little running in circles... get a grip gang. Seriously now... Look back at any 4hr chart where there was a reversal where you would have entered a trade using the 5 method. If you had entered the trade on the 4hr chart... and put your S/L at the last swing high or low... even 100 pips away...how many times has it come back to hit your S/L in the next couple of candles? I can't find one example of that happening anywhere... not one....

So the larger S/L really means nothing except if the sun don't rise and the chickens don't lay... it would save your account but I've never seen that happen on a 4hr chart.... probably has once ever 1,000 trades.

A lot of the problems are people trading 5min-1hr charts... your setting yourself up for failure in most cases...

Seriously... how many pips a week would you like to earn consistently? Are you making 25 pips total, 40, 60... what? The more trades you take on the lower time frames the more losses you'll have... Your putting the odds in the Brokers favor... Why not wait for the perfect set up on the 1 or 4h chart. I made only 2 trades last week on the 4h chart and made over 150 pips. So what if your trading mini lots... two good set ups and like me you would have made good pips... Don't be so desperate or in a hurry to get into trades... good ones come along all the time... wait until it appears, then grab it.

5 & 15 m charts are for Gladiators because the brokers take most of those traders to the meat market as road kill... and that's why I prefer not trading those timeframes... I got tired of the horses dragging me from the arena...

Stop trading lower time frames if you really want to make money.

Basic Rules

The key to this method is the *Traders Dynamic Index* indicator for entries and exits.

We only use Heiken Ashi candles... that's important.

We **Enter** a trade when green crosses red on the TDI at the beginning of that candle... If it's candle 3 or more don't enter... find another trade set up. The only exception is if green bounces off red and continues... it's ok to re-enter on the bounce...

A Normal entry is when green crosses red on the TDI (and you can actually see the green on the other side).

A bounce trade is when green gets close to red but bounces away and the original trade continues are good entries generally.

I always look to the left for a possible res/sup level being near. If it's close I pass on the trade and go find another...

Exits...

Looking at your TDI... if you see:

1. TDI go flat
2. TDI start to hook over
3. TDI do a check mark reversal

On this method the TDI is King. All trades are signaled by it as well as exits... does that keep it simple. Only red and green lines (double thickness) and remove the others... cut out any possible confusion... make it simple for YOU !

If you add other things it will influence your decisions... usually to your detriment. Don't try to complicate it thinking it can't be this easy.

Important to study TDI entries on old charts, any time frame... Give yourself a chance and trade it like it's layed out..

Detailed Description

My page when I open up my charts has 8 open charts. I just glance at the TDI for set ups when the new candle opens... If I see a set up... green just crossing red I'll take the trade, turn off the puter and go to bed. Four hours later (1:50am) my alarm goes off for the new candles and I take a peek... if I see a new set up I'll enter and go back to bed with the last alarm at 5:50am my time. I close all trades at that time and go back to sleep... There are enough set ups in a normal week to make 200-500 pips... Stress is zero...

If I do any day trading I'll use 1hr charts at news time. Any method and any timeframes are difficult and fast on the 5-15 min charts. That's where most traders get taken to the slaughter and the dealers know it which puts the odds in their favor...

Trading the London Session is the best in my opinion... lots of movement.

Look at your London Session old trades and check out the TDI trade signals on your 4hr and Daily charts... your jaws will drop open when you realize what a gold mine is during that time.

Night Trades: You just have to look at your new 4hr candles when they appear. If they don't give you the set up your looking for... just go to bed. 2-3 times a week there will be a solid set up and take it then... be patient and not so itchy to be in a trade all the time. Wait for the best set ups and you'll make lots of pips.

During the day time: If I'm in a 1 or 4 hr trade I monitor the trade by glancing at the active chart ever now and then... every 5 - 15 or 30 min. When I'm up 30-40 pips I usually drop in a S/L at break even + the spread and don't check back for an hour or so....

I hate to monitor charts anyway. Even if I scalp the market I use 4hr charts with success....

I used to trade the first 2 hours of the NY Session on the 15min charts. Since I no longer trade 15min charts I shut down at 6am my time (9am NY). At about 8am my time (pacific) the market starts to range normally... it's self destruct to trade ranging markets.. If I did trade the first couple of hours I'd scalp it on a 4hr chart if I get a set up...

I enter on the candle I get the TDI signal on... not the next one. When the next candle started pulling back I would have exited... with a profit I might add...

On a 4hr candle... if there is a pullback it generally starts between hour 3... and 4...so you have lost most of the momentum on that candle when entering late...beware...

Check your charts when the new 4hr candles *just appear*... check the normal basic fx stuff like above... and if it's a good TDI signal... enter.

If you get a good TDI signal then look at the candles... is it candle 1 or 2... OK... take the trade or if it's candle 3 pass on it and find another set up...

When wanting to enter a TDI trade... take a moment first to observe basic 4x things... like:

How close am I to the previous high or low

Am I in an uptrend or downtrend.. short & long term...

Am I in or close to a consolidation area

Are the previous candles small...

Look at the candles on the last reversal... big, little, what

How does the momentum look right now (12-2, 4-6)

Does Stoch's confirm the TDI signal

Sounds like a lot of stuff but it's basic stuff and only takes a moment to observe it...

You need to see a color change on candle 1 or 2 before taking any trade... with TDI signal... no color change... pass.

Trend... long term and short term...

I take a chart and make the candles as small as they will go to find the direction of the long term trend...

Then I enlarge them to my normal trading size for the current short term trend...

If they are the same I feel I have better odds on my side... if they are opposite I may trade less lots per trade... I will pay more attention to the last swing (candle size & length)...

When checking out the TDI for a possible trade: Think of a wall clock here and it's arms... you want to see the green line for a long trade at the 12-2 angle for best results and a short trade at a 4-6 angle... This is basic 4x stuff... Don't try to read things into the TDI just so you can get into a trade...

If the green line looks like it's at a 2-4 angle... it's weak. Pass on it.

I am more aggressive now and noticed I was giving up some pips doing it that way so I changed to using the TDI candle #1 or 2 for entries. I'm not looking for 15 pips profit... more like 150 !

HA candles average a 3-8 candle run in most cases when it reverses... That's why I want to enter on candle 1 or 2 if I see a set up. A single candle on the 4hr nets you 30-60 pips or more generally. If it goes 3-4 candles you've already made 80-150 pips.

Remember I'm expecting a 3-8 candle move. I like to enter on candle 1 or 2 of a reversal if my green has **CROSSED** the red on the TDI. I don't like to enter on candle 4 or more unless it's to add a second lot to the current trade... This is my aggressive style...

A set up is **NOT GREEN TOUCHING RED**. Why? Many times green bounces back and the original direction continues. That's a bounce trade.

Wait for green to **CROSS RED** and open your trade at the beginning of the new candle... usually candle 1 or 2. Catch the momentum...

The idea about entering on candle 1 or 2 if you get the TDI signal is if it only goes 3 candles you should get on average at least some profit... especially on higher time frames.

I love taking short trades off the 68 line or just below and long trades long off the 32 line area... made tons of pips when that opportunity presents itself...

If your in a good strong trade 3-5 candles don't be afraid to re-enter again for even more pips profit.... I do that quite often... but make sure everything looks strong and keep an eye out for pull backs... and exits on the TDI...

If there was a reversal and it went 6 candles lets say... The first 2 candles are #1 & #2. If I don't get a signal to enter from the TDI on (candle 1 or 2... green crossing red).. I pass on the trade and find another. This is the rule. The only exception is if the green line bounces away from the red line I'd jump in because it's a bounce trade...

Never enter when green is just touching red... why?... because it might bounce back instead of crossing the TDI Red... wait for the signal... as soon as you see the cross... enter right then... it's happens at the start of a new candle... Don't wait to enter on candle 3 or.... later.

Dean Malone trades a similar method but it's very conservative... too slow for me and I had to pass on a lot of pips using his rules and he trades 15 min charts which I don't like...

Dean invented the TDI... and I removed all the extra lines to make it easy to look at and trade... same thing with his Synergy charts... I kept eliminating all the extras until we got down to what I trade now... no fluff. His charts and TDI are too busy for me... I like simplicity... He doesn't use the TDI the same way I do either...

I hate S/L trading. The safest way is to place your S/L at the last hi or low a couple of candles back... I've never had one taken out that way...

5 ema... shows direction currently... only wanting to enter on candle 1 or two. If there is a reversal do I have a TDI signal to enter... if not and all looks strong then enter on candle 2... use some discretion... practice on Demo... take some chances and see if your head computer was right... it's free.

I left it on my chart because I like to see how PA interacts with the 5ema line during the trade. Gives me a better feel for what's going on... that's mainly the reason...

At one time I used the 5ema in a different way. Back then if a candle closed across the 5ema it was the set up candle. I would enter the trade at the beginning of the next candle if it was the same color... and that still works... this is more conservative...

I don't worry about PA crossing the 5 ema. I totally depend on the TDI for my entry signals... Always entering when green crosses red and only on candle 1 or two depending what the TDI shows... otherwise I pass and look for another set up...

When you enter a trade using the TDI.. watch PA as it arches back and forth to the yellow 5ema line...

If it's arching back to the yellow line... don't panic and just jump out.. IF PA looks strong around the 5ema line... stay in the trade until the TDI tells you different (exit rules)... Give your trades some latitude to breathe... use your brain... does PA still look good? No small candles forming? Flow with your trades... Demo until you build confidence... study old charts...

I always like to have the E/U, G/U and A/U side by side on top plus one more chart. Those three charts tend to move together in the same direction. So if I see a set up on one I usually find a set up on one or both on the other pairs. I've made a lot of pips trading all three at the same time.

I generally quit trading at 6am Pacific (9am est). Why? The market might cook some for the next hour or two but unless there is a hot news announcement during the day... the market pretty much peters out and ranges... I don't want to be trading in that junk. That's where dealers make most of your money is ranging markets and 5-15 min time frame trading... you got to quit trading those trash time frames. Granted there are 2 out of 100 who can Kick bootie there but chances are your in the 98% who can't. I hear it over and over traders complaining that they have 2-3 years experience but can't keep their head above water... always losing or just breaking even... or worse...

HA Candles... What are their size? If they are small I will usually go find another set up... Look for consolidation... look for how close PA is to supp/res levels... use your brain. !

Believe it or not you have to participate and think... until it's so second nature... there is nothing to it... it's so simple... don't complicate it or you will lose...

The 32,50 & 68 lines are original. When you get to 68 start looking for a reversal sign on the TDI... However it could still be 50-100 pips away occasionally... just pay attention to the green line for a possible exit signal... the 32 line is the opposite.

When I check my charts... I look to the TDI... then PA. If I'm not feeling strong about a current in progress trade... get out then and keep the pips... you don't have to wait for the next candle to exit. Grab your money and run to a new trade...

If the TDI straight green line tweeks it's angle... pay close attention... check everything... it's warning you something has changed or is about to...

When I see a tweek... I look for:

1. Are the candles getting smaller
2. Are the wicks starting to pull back more
3. Are we getting close to a supp/res level.
4. Is my green TDI line getting close to previous highs or lows on my TDI.

If I enter a trade lets say and I'm monitoring the trade and its up 50 pips but suddenly it pulls back 10-15 pips I just exit. I'll keep the profit at \$10 a pip... no big deal. If it turns and continues (bounce) I'll just jump back in... Don't get so rigid...

I never knownly take a draw back of 40-50 pips even on the 4hr. I generally exit at 10-15 pips to keep my profit and I'll re-enter when it turns back. If it happens when I'M SLEEPING... SO WHAT ... I never know about it... S/L at last HH or LL. It turns out in my favor most of the time. I lose about 2 trades out of 14-16 trades. I can live

with that. I choose my trades carefully making sure they meet the entry rules spot on... and pass on the iffy ones and go hunt other charts.

News... hummm... It can have a big effect on the 5/15/30 minute charts and 1 hour too at certain times. While trading the 4hr charts I don't pay much attention to it UNLESS IT'S a MAJOR news release... If it's major (red on FF Calendar) I'll wait until after the news release and the market calms down...

The key to building confidence is to study old charts... look at the TDI moves and how it looks on PA so every time you see that same set up you will know your odds for success are high.

Psychology

When learning a new trading method you've got to give it 6-12 weeks. You have to start feeling comfortable with your decisions. It takes that long to build confidence... If your not willing to devote that much time then why even start it... just move on.

Every time I enter a trade I Expect To Win... right from the get go. If I'm not sure because of what I'm seeing I'll pass and find another set up... therefore the wheel barrow is required equipment to trade this simple method...

You can't get different results if you keep doing the same thing over and over... just ain't gonna happen anytime soon...

Every time I trade I image going to the bank with my wheel barrow. I know there going to pay me... I just don't know how much today. Throw your fear into the trash... walk away and don't look back. I tell the market in my minds eye "I refuse to be beaten... I'm smarter than you because I've figured out an easy system to whop your butt". Don't take any crap from the market... your better than it is... don't listen to the downer rumors and excuses... kick ass in your mind and your attitude towards the market...

Trading isn't difficult... over coming your fears is the problem in most cases. Decide in your mind to take control & kick bootie. Until you do that you will never be more than a minimum trader. Tell the market to go to hell... your here now... grab the horns... get some... b....well you know...

Fear in peoples lives destroys so many. There is nothing to fear in the market. Practice, practice, practice on DEMO. THAT'S THE ONLY WAY TO BUILD CONFIDENCE. I took a "year off" of live trading and just studied old charts building my confidence.... trading Demo Only. Now I have no fear to push the button... take the trade. Sometimes I exit too early and miss another 50 pips... so what... I'm on the prowl looking thru my charts looking for the next trade. If there is none... click off and check back later.

Develop the attitude "*You can't beat me sucker" I'm here to clean your clock.*" I'm serious. Make the market bow to you!

When trading don't bite off more than you can chew. Trading Demo is different than trading live... For some reason it gets harder to pull the trigger when it's real money... that's why its so important to build confidence and study old charts... any pair, any time frame on Demo... and then when you finally go live... Trade a Micro account first... as more confidence builds switch to a Mini account... because if you made a poor entry or decision... it really hurts losing the green stuff... So start SMALL when you switch to live trading...

If your worried about the money in your account how are you going to pull the trigger with confidence? *They tell you from the get go the money in your account shouldn't be money you need... otherwise don't trade...*

I REMEMBER THE DAYS WRINGING OUT MY HANDS FOR MY \$500 ACCOUNT... THE SKIES FALLING ! Help, help, help.

The money I put into my last trading account (\$10,000) I don't even think about it. It's like the money you take to Las Vegas. You hope to win but don't often... Your taking money for entertainment and relaxation... So I don't give it a second thought... It's entertainment money as I said... Besides It always grows larger...

Learning the fx market is like going to school. It costs to go to school and your pip money for trades is what you use to learn. When you have a reliable method and confidence... the market starts to pay you for your education expenses... profit.

The only reason I deposited that amount is because I trade full lots and some trades have 2-4 lots on a trade... or I'll add additional lots as the trade is in progress.. no big deal...

I'm in this because it's fun, keeps my mind active and I'm good at it. Pretty cut and dried...