

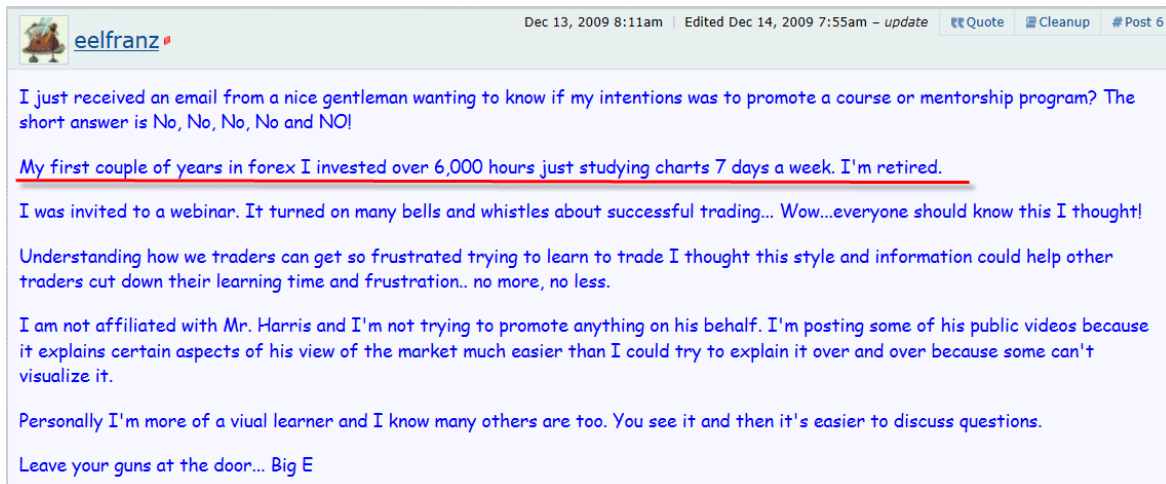
TMS Trading Mastery Series (2)

The **10,000 Hour Rule** bugs people because that is a lot of hours and people simply do not want to spend that amount of their life into doing something which sound to be ‘made simple’.

Question: Do you need 10,000 hours to learn to trade TMS?

Answer: NO.

Our late OP eelfranz spent 6,000 hours trading before he developed and gave us the 5-Method and the 21/233 Method. We all must be grateful to him for the 5-Method and that he shorten our learning curve to become better traders.

A screenshot of a forum post by a user named 'eelfranz'. The post is dated Dec 13, 2009 8:11am and was edited on Dec 14, 2009 7:55am. The post contains several paragraphs of text. The first paragraph says: 'I just received an email from a nice gentleman wanting to know if my intentions was to promote a course or mentorship program? The short answer is No, No, No, No and NO!'. The second paragraph, which is underlined in red, says: 'My first couple of years in forex I invested over 6,000 hours just studying charts 7 days a week. I'm retired.'. The third paragraph says: 'I was invited to a webinar. It turned on many bells and whistles about successful trading... Wow...everyone should know this I thought!'. The fourth paragraph says: 'Understanding how we traders can get so frustrated trying to learn to trade I thought this style and information could help other traders cut down their learning time and frustration.. no more, no less.'. The fifth paragraph says: 'I am not affiliated with Mr. Harris and I'm not trying to promote anything on his behalf. I'm posting some of his public videos because it explains certain aspects of his view of the market much easier than I could try to explain it over and over because some can't visualize it.'. The sixth paragraph says: 'Personally I'm more of a vidual learner and I know many others are too. You see it and then it's easier to discuss questions.'. The seventh paragraph says: 'Leave your guns at the door... Big E'.

To learn to trade TMS 5-Method, you have to read his 861 posts in the Craig Harris Stochastic Method thread and his 461 posts in the Trading Made Simple thread. I read and re-read over and over again both threads. Why? Reason is that I do not have good memory to remember by heart things I read. I need to reason out everything with practical examples so that the information get etched in my tiny brain.

Trading requires a diverse knowledge of many different things. Trading is also a skill based activity and can be learned. How good we are at trading depends on the amount of practice we put ourselves through.

In the book ‘Talent Code’ by Daniel Coyle, he explained what deep practice is in order to achieve peak performance.

His famous quotation: **“Greatness Isn’t Born, It Is Grown”**.

Here an introduction youtube videos by DanielCoyle.

<https://www.youtube.com/watch?v=dY7QNxXbziA>

There are many other videos you will find in youtube channel.

<https://www.youtube.com/watch?v=ccUdSGtbhQo>

You need 10,000 hours to practice to achieve mastery in many professions.

Read the book title “Outliers” by Malcolm Gladwell

<http://www.wisdomgroup.com/blog/10000-hours-of-practice/>

If you share the same belief in the 10,000 Hour Rule, then you can make trading work for you. You do not need to look for other trading systems in forums. Trading Made Simple is the 5-Method. The Method is less than 10% of a trading system. The other components of a winning trading system is our Money Management Strategy and our Mind (the mental fitness how we manage our own psychology when we are trading). You need to do the Deep Practice and that will take time. You need to hit your own 'Sweet Spot' and when you do, your learning will accelerate. No two persons are alike, you can achieve trading mastery in less than 10,000 hours. It took me about 3.5 years roughly 5,500 hours to hit my "Sweet Spot".

How many hours do you put into practice, practice, practice,... is up to you. At the end, it is your very own financial freedom which you want to work at and to achieve.

Now let's get back to our charts.

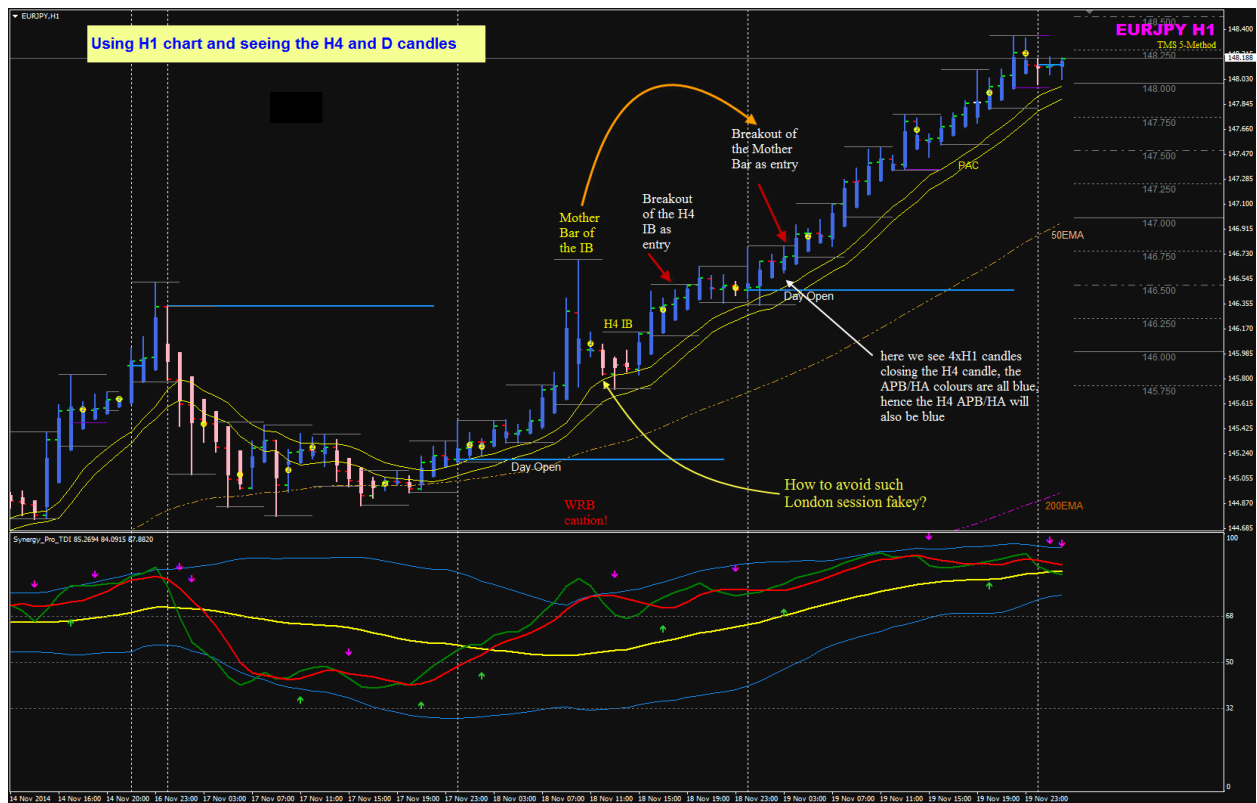
You can trade on any H1 chart. But you do not trade the H1 chart.

Do the above two statements contradict each other? No, because we trade the Day chart and find high probability entries on H1 chart. This is what many traders who hold day jobs and do not have the time convenient to trade the H1 charts.

I look at H1 charts all the time and I zoom out as far as possible to enable me to see how price traded in each of Day period. On H1 charts, you also see how the price move every 4-hour period and that is exactly what H4 chart show us. You simply need to know which H1 candle is the start of the Day (Day Open), and which H1 candle is the start of a H4 candle. We all know that 4 x H1 candles will make a H4 bar. When you know the 1st H1 candle of a H4 candle, by looking at the H1 APB/HA colour, you will know what the H4 APB/HA will be when that H4 closes. You learn this through constant practice. It is not difficult to count the H1 candles/bars. However, you can use a simple indicator to mark every 4xH1 candles on your H1 charts to help you see them much clearer.

How do we trade on H1 charts only with a view of H4 and D1?

See chart below using EURJPY as example:



We follow the top down approach starting each week by doing our Big Picture Plan marking those nearby key Historical price swing levels where the prevailing market is trading and use these Hist swing levels as our S&R regions. But be mindful that price can move around these Hist S&R by 50 to 100 pips depends on the volatility range of the currency pairs. Once we are down to the H1 charts, we pay attention to the Open, High, Low and Close of the Previous week and Previous Day. These OHLC are the natural support and resistance for intraday H1 trading. Also pay attention where the Round Number prices are and the 200EMA, and the CONFLUENCE of these price levels. Look out for the Previous Price Action PPA areas where the TDI had showed crosses of the Green PL, Red TSL and Yellow MBL.

General Rule is to trade away from the Day Open and away from the 200EMA.

If you trade away from the Day Open but towards the 200EMA, it is Counter Trend CT and you must mitigate the risks. This is a simple rule.

Eelfranz's secret to trading success in his post#261. Go read that post and work on that.

Multiple Time Frame Trading

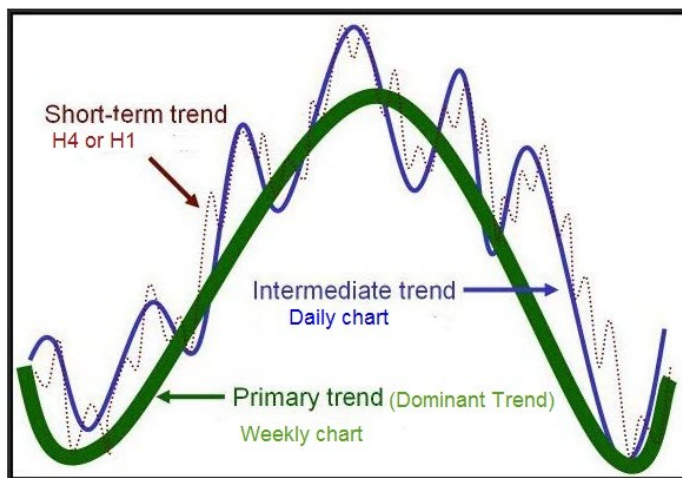
This is not my creation. I learn this in my early trading years taught by different trading coaches.

<http://en.tradimo.com/learn/technical-analysis/chart-analysis/multiple-time-frame-analysis/>

Many traders use three time frames:

- To determine the **Trend (Trend Chart)**
- To look for trade **Setups (Setup Chart)**
- **Timing** the entry (**Timing Chart**)

The picture below is an easy visual way to explain there is a trend in every timeframe. When these trends are in synergy, we go with that flow.



Use multiple timeframes and look at the price action to decide the three chart timeframes trends.

To trade the D chart, always confirm the Primary Trend (Dominant Trend) using the Weekly chart.

Next move to the D chart and look at the price candles, the D candles must be in the same direction as the Dominant Trend.

Once you have decided on the D setup candle, you can either drop down to H4 or H1 chart during the day and pick an entry during that chosen day.

On H1, you can look for setup candles at support and resistance and place your trade entry. Initial Stop Loss can be the most recent swing high or low on H1, or you can also place your initial SL above or below the previous D high or low.

H1 charts is used as our Timing chart to time our trade entries. When both the H4 and D are in sync, then the winning probability will be much higher for TMS trend traders. Nothing stops us from trading Counter Trend when we see a valid D setup and H4 shows the momentum for entry.

The MTF Trading Method

The MTF method gives you the bigger picture. Because instead of trading off of just one chart, we use three.

Each chart has its own timeframe and indicators, but by accounting for more than one time frame you get a much better look at the bigger picture of what's happening.

And that will help you make winning trades, and filter out most of the losers.

Before we get to the trading system itself, let's first talk about why you need the MTF system.

The Conflict – Why Multiple Time Frame (MTF) Trading

At one point or another, most traders do eventually come up with methods and systems that work with the trends.

Trading with the trends simply makes sense.

Of course there are methods/systems that works for trading in ranging/sideways markets, it is just that trading long in an uptrend, or short in a downtrend, seem to be EASIER and have a better chance of success. Trend trading requires also a money management strategy which enables us to maximize the use of our trading capital with minimal initial risk. We must make our hard-earned money work for us.

However, trading with the trends has its own problems. The biggest issue that we have to deal with is the conflict between the different timeframe charts despite the price being the same.

It doesn't matter what trading method/system you use to trade with, the conflict is always there.

The MTF trading summary

The MTF method is intended to overcome the conflicts we find when trading with the trends.

We make use of the conflicts we identify in our chart analysis and use them to better enable us to gauge our trade entry points, exit points, and that gives us an edge we need to make a profitable trade.

Each chart timeframe gives us a different set of information.

By using three charts timeframes instead of just one, we get the information we need to overcome the conflicts between different timeframes. I call this reconciliation of all 3 timeframes to give us a bigger picture than using juts one chart timeframe.

Conclusion

By now, you see why our late OP eelfranz spent that 6,000 hours to learn many things about trading. But you will also learn on your own that many things which you learn in 10,000 hours will not work for you and you spend more time to unlearn those things. It is much harder to unlearn because 'old habits die hard'.

You can cultivate new habits for TMS trading through Deep Practice.
