SYNERGY
Basic Trading Method

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Disclaimer

Unique experiences and past performances do not guarantee future results.

Trading stocks, options and Forex spot currencies involves substantial risk; and there is always the potential for loss. Your trading results may vary.

No representation is being made that any software or training will guarantee profits or not result in losses from trading.
SYNERGY Method

EUR/USD 1-Hour

Clear Entry at 1.2823
SYNERGY Method

EUR/USD 1-Hour

Clear Exit at 1.2875
Why the SYNERGY Method?

Mark Douglas, author of Trading in the Zone, states:

“The best traders have developed an edge and more importantly, they trust their edge.”
Why the SYNERGY Method?

The “trading edge” of Synergy:

1. A high degree of probability.
2. Enter and exit trades with less emotions.
3. Trade decisions dictated by price action, not by preconceived beliefs and opinions.
What is SYNERGY?

“Mutually advantageous collaboration of forces to create an enhanced combined result.”

Market Strength

Price Action

Basic Synergy Method

Momentum

Trend
SYNERGY Method

There are 4 primary market conditions in a potential trade:

1. Price action
2. Trend
3. Momentum
4. Strength
SYNERGY Chart Setup

- Average Price Bars
- Price Action Channel
- Traders Dynamic Index
SYNERGY Method

Price Action & Trend

Average Price Bars

Price Action Channel

Momentum & Strength → Traders Dynamic Index
Average Price Bars
Average Price Bars

- Provide a better depiction of current market.
- Reveal market strength & consolidation.
- Eliminate fluctuations of nominal price action.
- Remove the noise of price distortion of the underlying trend.
Average Price Bars

- Use the Heiken Ashi method.
- Heiken = “Average”
- Ashi = “Bar”

- Heiken Ashi averaging technique:
  - HA_Close = (Open + High + Low + Close) / 4
  - haOpen = (haOpen(previous bar) + haClose(previous bar))/2
  - haHigh = Maximum(High, haOpen)
  - haLow = Minimum(Low, haOpen)

*The HA_Close is most important for the SYNERGY Method.*
Typical Candlesticks
Typical Candlesticks

False exit points!
Average Price Bars

Blue and Red Average Price Bars overlaid on typical candlesticks.

No false exit points …just trending price bars!
Average Price Bars

Average Price Bars with candlesticks removed!
Average Price Bars

Positive bars mean “BUY”

Negative bars mean “SELL”
Average Price Bars

Positive bar with long upper wick means “Strong BUY”

Negative bar with long lower wick means “Strong SELL”
Average Price Bars

A positive bar with lower wick means “Weak BUY”

A negative bar with upper wick means “Weak SELL”
Average Price Bars

A very short bar means “Change of Trend”

Shorter bar than previous bar is an “indication of Change”
Price Action Channel
Traditional Price Channel

Traditional Price Channel has two formats:

1. A pair of trend lines above and below price like the Linear Regression Channel.

2. An envelope of bands around price with set deviation limits such as Keltner Channel.
Traditional Price Channel

Used to determine upper and lower boundaries and signal potential reversals or breakouts.

Traditional price channels can cause “reactive” trading!
Price Action Channel

Sets inside of price movement…instead of outside of price waiting for the market.

Used by institutional traders and sophisticated trading programs.

Promotes “responsive” trading!
Price Action Channel

- Use Smoothed Moving Average
- Top of Channel = 5 period, High
- Bottom of Channel = 5 period, Low
Price Action Channel

5 period Smoothed MA = High price.

5 period Smooth MA = Low price.
Price Action Channel

- Provides overall trend direction.
- Reveals periods of consolidation.
- Used primarily as an Entry target.

- **BUY Trend** – Average Price Bars tend to run on top of channel.

- **SELL Trend** – Average Price Bars tend to run on bottom of channel.
Price Action Channel

“Good BUY (Long) Trend”

Positive bars riding the top of the Price Action Channel

Nice upward trend of the Price Action Channel.
Price Action Channel

“Good SELL (Short) Trend”

Nice downward trend of the Price Action Channel.

Negative bars riding the bottom of the Price Action Channel.
Price Action Channel

"Range-Bound, No Trend"

Price Action Channel is flat with no clear direction.
Price Action Channel

“Entry Condition using PAC”

HA_Close > PAC High

HA_Close < PAC Low
Price Action Channel

“Entry Condition: HA_Close & PAC”

Use the Data Window to compare the value of the HA_Close to the PAC.

To open the Data Window:
At the top menu bar, click View → Data Window.

The 1\(^{st}\) MA(5) is PAC High.
The 2\(^{nd}\) MA(5) is PAC Low.

**Long entry condition:**
HA_Close > 1\(^{st}\) MA(5)

**Short entry condition:**
HA_Close < 2\(^{nd}\) MA(5)
Traders Dynamic Index
Traders Dynamic Index

A hybrid indicator developed to indicate market conditions related to trend direction, momentum, and market volatility.

An “all-in-one” indicator!
Traders Dynamic Index

Step 1: RSI Price (Green) Line

Rules: Trade **Long** when **Green line** > 50.
Trade **Short** when **Green line** < 50.
Consider exit when **Green line** is > 68 or < 32.
Traders Dynamic Index

RSI Price Line compared to Price Action
Traders Dynamic Index

Step 2: Trade Signal (Red) Line

Rules: Trade **Long** when **Green > Red**.
Trade **Short** when **Green < Red**.
Exit trade when **Green & Red** crossover.
Traders Dynamic Index

Step 3: Market Base (Yellow) Line

Rules: Market Base Line (MBL) is the Overall Trend. Trade Long when Green is > Yellow line. Trade Short when Green is < Yellow line.
Traders Dynamic Index

Market Base Line compared to Price Action
Traders Dynamic Index

Market Base Line forecasts Market Reversals
Traders Dynamic Index

Step 4: Volatility Band (Blue) Lines

Rules: Possible to add to a **Long** when Green is > VB.
Possible to add to a **Short** when Green is < VB.
Consider exit when Green crosses back over VB.
Traders Dynamic Index

Volatility Bands compared to Daily Price Action
Traders Dynamic Index

Volatility Bands compared to Intraday Price Action
SYNERGY Method
Entry Rules
SYNERGY Method

All systems GO!

Average Price Bars (APB)

• Look for Positive or Negative bars trending.

• Monitor the current haClose.

• Long entry = haClose > PAC High Moving Average

• Short entry = haClose < PAC Low Moving Average
SYNERGY Method

*All systems GO!*

**Price Action Channel (PAC)**

- Monitor the direction of the Channel.
- Monitor the High & Low Channel values in relation to the current haClose.

- **Long** entry = haClose > PAC High & PAC uptrend
- **Short** entry = haClose < PAC Low & PAC downtrend
SYNERGY Method

*All systems GO!*

Traders Dynamic Index (TDI)

- Long entry = RSI PL > 50, TSL, and MBL.
  (Long entry = Green line > 50, Red line, & Yellow line)

- Consider adding to Long if RSI PL > the upper Volatility Band and > 50, but < 68.

- Avoid entering a Long when RSI PL > the upper Volatility Band, > 50, and > 68.
SYNERGY Method

All systems GO!

Traders Dynamic Index (TDI)

• Short entry = RSI PL < 50, TSL, and MBL.
  (Short entry = Green line < 50, Red line, & Yellow line)

• Consider adding to Short if RSI PL < the lower Volatility Band and < 50, but > 32.

• Avoid entering a Short when RSI PL < the lower Volatility Band, < 50, and < 32.
SYNERGY Method
Entry Setups

**Long Entry**: *(All conditions are satisfied.)*

1. APB haClose > PAC High Moving Average.
2. PAC trending up.
3. TDI = RSI PL > 50, TSL, and MBL.

**Short Entry**: *(All conditions are satisfied.)*

1. APB haClose < PAC Low Moving Average.
2. PAC trending down.
3. TDI = RSI PL < 50, TSL, and MBL.
SYNERGY Method
Exit Rules
SYNERGY Method

Exit Rules

- **APB Long exit**
  Positive bar is much shorter than the previous bar or changes to a negative bar at close.

- **PAC Long exit**
  APB closes inside the channel.

- **TDI Long exit** =
  1. Green crosses back below Red to the downside.
  2. Green > 68
  3. Green crosses back below the upper Volatility Band to the upside.
SYNERGY Method

Exit Rules

- **APB Short exit**
  Negative bar is much shorter than the previous bar or changes to a positive bar at close.

- **PAC Short exit**
  APB closes inside the channel.

- **TDI Short exit**
  1. Green crosses back over the Red to the upside.
  2. Green < 32.
  3. Green crosses back up over the lower Volatility Band.
SYNERGY Trades
SYNERGY Method

GBP/USD 5-minute

Entry at 1.8864
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GBP/USD 5-minute

High at 1.8876
SYNERGY Method

GBP/USD 5-minute

Traders Dynamic Index > 68. Possible exit at 1.8871
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GBP/USD 5-minute

Exit at 1.8868
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GBP/USD Daily

Entry at 1.8588. Set Stop Loss at 1.8403 at the Low PAC.
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GBP/USD Daily

Not much movement today. Stop Loss set at 1.8403 at the Low PAC.
SYNERGY Method

GBP/USD Daily

Trade at 1.8676. Move Stop Loss to 1.8474 at the Low PAC.
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GBP/USD Daily

Trade at 1.8763. Move Stop Loss to 1.8610 which is Low of the Day.
SYNERGY Method

GBP/USD Daily

Trade at 1.8767. Move Stop Loss to 1.8659 which is Low of the Day.
SYNERGY Method

GBP/USD Daily

Trade at 1.8877. Move Stop Loss to 1.8702 which is Low of the Day.
SYNERGY Method

GBP/USD Daily

Trade at 1.9082. Move Stop Loss to 1.8763 which is Low of the Day.
SYNERGY Method

GBP/USD Daily

Trade at 1.9066. Move Stop Loss to 1.8874 which is Low of the Day.
SYNERGY Method

GBP/USD Daily

Trade at 1.9048. Move Stop Loss to 1.8974 which is Low of the Day.
SYNERGY Method

GBP/USD Daily

Stopped out at 1.8974.
386 pip trade
Advanced SYNERGY Trading Seminar

• Real-Time Trade Signals
• Audible Alerts
• Multiple Trade Strategies
• Trade Targets to maximize trades
• LIVE in the market trading!
Advanced SYNERGY
Trading Seminar

The methodology you shared over two days was everything you stated and more. The indicators and the method you created I believe may be the best methodology I’ve been exposed to since I started trading Forex over 3 ½ years ago.” ~ G., Phoenix

“I made 44 trades, 43 of which were positive with an average of 34 pips per trade. And yes, that was in a live account!”
~ C., Raleigh

“It’s incredible…18 winners and only 4 losers using a 1-Hour chart only.”
~ M., Dallas
COMPASS FX™
we know what traders want
History of CompassFX

1991 – Compass Financial, NFA registered futures firm, started.

2003 – Compass Foreign Exchange LLC (CompassFX) founded.

2004 – CompassFX establishes IB relationship with IFX Markets and offers the ActForex platform with one-click multiple account trading designed for traders and fund managers.

2005 – CompassFX offers access to Forex Trade Oracle managed account program.

2006 – CompassFX establishes IB relationship with FXDD and offers the MetaTrader 4.0 platform to clients.
Forex broker with a trader’s perspective

- Access to ActForex & MetaTrader 4.0 trading platforms
- Trade over 20 Currency Pairs
- 2 pip spread - EUR/USD & USD/JPY
- 3 pip spread - GBP/USD & USD/CHF
- Leverage - 100:1 & 200:1
- Mini Lot Accounts
- One-click trading for multiple accounts
- Trailing Stops, Hedging and Scaling-out
- $500 minimum deposit
Forex broker with a trader’s perspective

Free access to proprietary trading tools

• FXTradeTrend™ forecast (Week, Day, Intraday)
• Daily Support/Resistance
• Daily Pivot Points
• Trading Ratios
• Weekly Analysis
• Average Daily & Weekly Ranges
• Trend Continuation / Reversal Analysis
• Leverage & Stop-Loss Principles
Forex broker with a trader’s perspective

- Online educational videos
- Basic & Advance trading strategies
- Forex pivot point calculator
- MetaTrader 4.0 Custom indicators
Inside the Forex

Money Management

• Margin
  “Margin is only how much it costs you to place the trade.”

• Leverage
  “Leverage is the equity in your account divided by the volume of the positions traded.”

• Consistency
  “Stay in the game with Consistency, Discipline and Low Leverage.”
Forex Managed Account
Forex Trade Oracle

www.forextradeoracle.com

A Forex Managed Account program.

Provides investors who seek above average returns the ability to participate in the largest financial market in the world and increase portfolio diversification.
Managed account program:

- Uses low leverage.
- Trades market cycles.
- Follows a proprietary formula.
- No management fees.
- Only an incentive fee on new profits!
Thank you...

and trade well!

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