

## **Entry 50% retracement**

**That is a high probability intraday trade level which I often look at when I trade H1. The 50% retracement of the previous Day High-Low is where seller/buyers will wait at. The same when we trade H4, the 50% retracement of the previous Week high-Low is also the places we look for Buy/Sell entries.**

These are what I call Fib38/50 entry and they often work out when the market is trending and the retracement are usually shallow in strong trends. We look for TMS setups at these Fib38/50 levels.

It will not work when the previous Day or the Previous Week is narrow range or when market is in consolidation.

## **Building Position**

It is very important when we do position building is not to open too many new trades very close to the previous trade. The minimum time delay between the last trade and the next add-on trade should be 4-hours minimum. The pip distance must not be smaller than 0.25ADR (100days) otherwise we will end up with too many open trades in the same day.

The technical trading "trick" here is to use time delay and pip distance 'grid' and use the TDI cross either in M15 or H1 to add the trades for us.

That is how a trade manager can be programmed to do this after we initiated the very first trade as the new basket.

Each basket must have its own Magic Number and must be manage using Magic Number.

MT4 programmers reading this will know what to do.

## **10ema**

M15

50 ema @ m15 = **10 ema @ h1**

200 ema @ m15 = 50 ema @ h1 = **10 ema @ h4**

800 ema @ m15 = 200 ema @ h1 = 50 ema @ h4 = **10 ema @ daily**

H1

50 ema @ h1 = **10 ema @ h4**

200 ema @ h1 = 50 ema @ h4 = **10 ema @ daily**

800 ema @ h1 = 200 ema @ h4 = 50 ema @ daily = **10 ema @ weekly**

H4

50 ema @ h4 = **10 ema @ daily**

200 ema @ h4 = 50 ema @ daily = **10 ema @ weekly**

800 ema @ h4 = 200 ema @ daily = 50 ema @ weekly = **10 ema @ montly**

Daily

50 ema @ daily = **10 ema @ weekly**

200 ema @ daily = 50 ema @ weekly = **10 ema @ montly**

800 ema @ daily = 200 ema @ weekly = 50 ema @ montly .... etc...

my suggestion is look at D1 chart and where the 10EMA is.

if D1 closed above the 10EMA, take buy trades only in H1.

if D1 closed below its 10EMA, take sell trades only in H1.

always observe the day Open, 50 and 200EMA. Trade away from the Day Open and away from the 200EMA. If a H1 candle closed with all 3 EMAs within its high-low, you better look closely at the price action before you trade the H1 setups.

this is simple enough?

Use the APB and TDI for your trade setups and confirmation.

## **Pullback candle reversal formation**

- The pattern consists of the pullback candle, the candle previous to the pullback candle and the candle or two following the pullback candle.
- The wick on a pullback candle must be at least  $\frac{1}{2}$  of the total size of that candle and only have a wick on one end. An even longer wick is preferred.
- The low of the third candle (the candle following the pullback candle) should create a HL & HH compared to the pullback candle on that or the following candle showing that a reversal is occurring
- The candle following the pullback candle, or the next candle should change colour to complete the pattern. An aggressive entry may be made once the following candle clears the pullback candle. A conservative entry would be on the open of the second candle following a change in candle color. On the LO reversal, price made a LH on the Frankfurt session candle, then a HH and a pullback on the pullback candle, then the next candle made a LH and changed color. Aggressive entry would have been right after the candle turned red.....conservative entry would be the open of the 2nd red candle.



**Emmanuel**

if Weekly candle close bullish and the trend is UP,  
you buy when the new week open.  
no need to wait for H4 setup or D1 setup.  
the TMS 5-Method 'trend' must be valid on the Weekly.

for SL, use the 2-bars/candles look back. i.e the previous 2 weeks low in this case.

when to add trades to build the Position?

- Rule 1: use the 4-hours delay which means to wait 4-hours before add the next trade. Do Not open too many trades within a 4-hour period.
- Rule 2: you can either use the M15 or H1 TDI cross to add trades, but must follow rule above.
- Rule 3: maximum number of trades to build a position is 5.

Use position sizing to calculate your trade lot size for every trade.

**Emmanuel**

when I mention PA, i am always referring to the real price bars and not the APB/HA.

What I look for are price bar patterns (or Japanese candlestick patterns for those who prefer these). Just a few common ones which appear more frequently. Don't spend time to learn the hundreds of them which you will find in books and websites.

For TDI cross setups, I look for reversal patterns. REVERSAL must only happen when there is a swing high or a swing low at or near a support and resistance.

There are 3 bars reversal patterns, and there are 5 bars reversal patterns.

**Swing High/ Swing Low Price Action:** [Post#57,779](#)

There are also 2-bars reversal patterns but these are more difficult and need experience to trade them.

Then the next type of TMS setups are the CONTINUATION (after a reversal). These are often seen as TDI bounce setups.

After a 'trend' reversal, market makes a big move (big candle) then followed with some small candles. This is consolidation and we wait for the timing to jump in before the breakout of the consolidation range.

All these patterns have given names instead of calling them big candles and small candles - Wide Range Bars, Master Candles(3), Inside Bars, Double Inside Bars, Bullish and Bearish Engulfing Bars, Bullish and Bearish Outside Bars, these are common ones which appear more frequently than others and it enough for us to use to pick trade opportunities.

I will look for some chart examples and post them when I have time. But you read my previous charts and you find many old examples.

Question for many is how to trade these patterns. Where to enter, where to exit, etc.



Hi Scramble,

1. always do your top down analysis to see what the market type is before your start the week trading. know where the Monthly historical price swing levels are around the current market price when you are on the lower TF trading charts. I call this my Big Picture Plan BPP. One same BPP and you can trade both 4H swing trading and Day Position trading.
2. when you trade H4, always follow the Weekly bias and also look at the previous Day candles. Make sure all 3 timeframes are align in the same direction.
3. in the TF your want to trade, you must know when market is trending or it is sideways. If sideways, you need to identify the range of the sideways market type, if narrow ranged, do not trade that. If wide range, then it is good.
4. look at the price structure of the 3 TFs, for reversal trade entry, always use the previous swing low or swing high for your initial stop loss. If the setup is a CONTINUATION after a reversal, use the 2-bars/candles look back for your SL.
5. always check the volatility of the pairs you trade. You must know what their Monthly, Weekly and Daily average traded ranges are. 12 months, 52 weeks, 100 days average traded range. These are important information of all the currency pairs which you must know all the time.
6. we determine the initial SL for all our trades and we let the market decide our final TPs. We simply manage our exits by moving our protective stops as the market moves in our favour. Trailing using the 2-bars/candle look back is effective way to let our trades run until we get stooped out when the market start to consolidate. Worst case it reverses, we get stopped out by the 2-bars look back.

Hi LL,

Simply use the ATR(52) on Weekly chart for the average weekly range for 52-weeks. It should be ~268pips.

Usually, we target 60% of this weekly range. But in some weeks when market is narrow range, we may not get that. But 40% is sure thing in the past 2 weeks on H4.

When market starts to trend and breaks out, then we look at 100% and even 120% of that range. This is provided we pick our 5-Method entries using APB#1 and #2.

Attached chart below shows the swing highs and swing lows of the past 2 weeks with the swing range in shown in pips. We cannot possibly pick tops and bottoms.

This week, we do not know if the week has made its high for this week yet. What we know now is the Week open and we target our 40% of the weekly range from this week's open. Should market move lower and reverses, we will take the buy setup and target based on the new swing low of this week.

basically when we develop the 4H swing trading, we are trading the intra-week swings i.e. we look for when the market makes its high or low during the week.

in this case of AJ, we look at Monday open which is this week' open and that first H4 candle high on Monday was use as the first high of this week as it move down.

we do not consider the last swing on the chart because that was last week' swing high.

now we see AJ made a swing low , we assume this is now this week's swing low and would take the 4H swing setup which is now running nicely with target 60% of the weekly average range of 268pips. Look good for now.

this concept is the same for H1 intraday trading taught by Steve Mauro market swings.

I use my eyes to see the natural support and resistance, you can see them only when you have clean charts,

- previous swing highs and swing lows where the APB changes colour, take note of the close prices.
- for H4 trading, I look at the previous weeks' Open High Low and Close OHLC,
- the Big Round Number and round number 00 and 50 levels.
- 10, 50 and 200 EMAs beibg dynamic S&R.

support and resistance are not single price line, they are a small price zone or region where price will react to and this is where we will look for TMS 5-Method trade setups. I look for CONFLUENCE of various 'support and resistance', for example if the recent swing high is also near a RN or BRN, 10,50,200EMAs, and /or OHLC.

you are bound to see market reaction at some price levels and there is nothing magical about Pivots, Fibos, Harmonics patterns, astro cycle, etc. so long as you can see Price Action and Momentum in the CONFLUENCE on your charts and you adopt a consistent approach in doing so. All these is less than 10% of technical trading. The other 90% is what we must spend more time into.

- 1) W1 for trend
- 2) D1 for Setups which can be Reversal or Continuation

If we do not want to use 3) we can use ME/ME

"We trade this on D1 chart, and there is nothing todo in the lower TF H4. I only posted the H4 chart to show where the actual add-on entries are or else on the D1 chart, you will see several entry in the same D1 candle."

## SL

Reversal – previous swing low or high

Continue – 2 day bars look back

## BO of WRB

- follow direction of Weekly or monthly trend

The main entry rule is: green crossing red on the TDI within the first 2 candles for an entry...

I don't care what the red TDI line is doing.

Did Stoch's confirm the TDI signal between the 20-80 lines...?

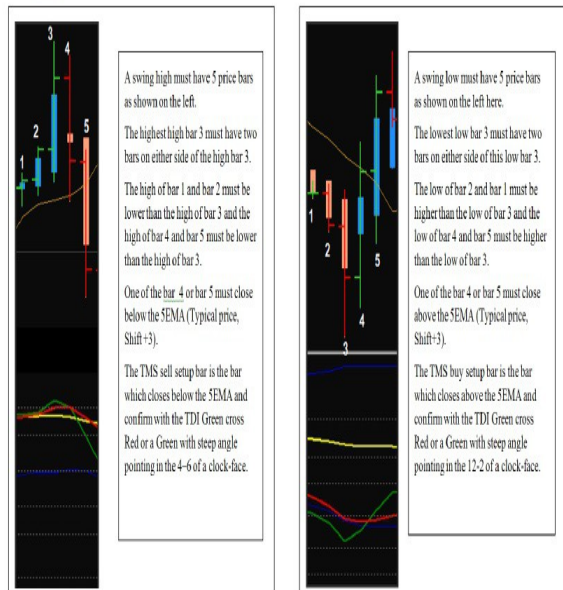
The 12-2 and 4-6 is for the TDI and not the 5ema... that would just be a bonus...

If you meet the TDI entry rule it doesn't much matter where the 5 ema is in relation to the 1st two candles...

## 3 bars reversal



### Swing High / Swing Low – How to define them in a simple way?



## Set up build & run Phase





## Trade invalid





# 1hr trading



## Big E

Quite honestly I love them both... but they have different purposes.

On the 21/233 method it is designed to make you 3 to 5 times more pips because when you see the 21 (yellow) come close to the 233 (dodge blue)... you look for it to move away from the 233 line. The 1st candle that crosses the 21 and closes is the set up candle. The second candle is the entry candle if it's the same color as #1. Enter on candle #2... as the trade progresses the candles will pull away from the 21 and then retrace back towards the 21 (stay in the original trade **unless** it crosses back over the 21 and if so exit the trade). When it turns back in the original direction away from the 21 & 233 you buy a 2nd lot... and continue buying every time that happens until it crosses back over the 21 headed toward the 233 and you exit all the lots. PIPS Galore 🙌

Now on the 5 method... When the 1st candle crosses the 5 it's a set up candle and the 2nd one is the entry candle. Enter the trade. When it crosses back over the 5 line you exit. Simple...

In the 21/233 method I usually have 3-5 re-entries before I exit them all. On the 5 method there is just 1 entry and exit unless your trading more than one lot.

I've got 6-8 charts up at one time. On the 21/233 method I pick a chart and start on the 5 min and run thru the 4 hour looking for a trade. If no trade I look at chart #2 the same way until I've gone thru all my charts... If I can't find a trade I switch to the 5 method and do the same thing looking for a trade.

Remember the HA Candles average 3-8 candles per swing. So if I get in on candle #2 I know I'm normally good for profit on candles #2 & #3 anyway and normally more. The Time is important however...

I'm in the Pacific zone. From about 10-11am the charts die off as far as swings go. It picks back up after 7-8 pm and is best during the London session. Longer swings then.

## Master Candle

My rule is not to trade any setup candles when they are within the high-low of the MC. This mean if the entry setup is in the MC, we do not trade that setup but we can either wait patiently for the breakout or look for trade setup one timeframe below... but always in the direction of the higher timeframe.

## Using the MTF trading approach,

we approach the market by looking at 3 timeframes and look for conflicts in the timeframes.

In this example, we talk about TMS H4 entry and exit only but when we consider the MTF approach, the Weekly is to determine the **TREND** or when the market is sideways ranging, we use this weekly as the Bias direction.

the Daily is the **SETUP** timeframe where we look to the trade setups, PA+SR&+TMS

the H4 is the timeframe for **TIMING** our entry, some call this fine-tuning our entry.

## Monthly-swing levels

you missed a lot of PA activity when you do not use the MN to see those historical price swing levels. if you don't then you must use the BRN and RN levels on your trading chart

remember,

sell at resistance and when we see buying stops.

buy at support and when we see selling stops.



## TDI behaviour in strong market



### In my Big Picture Planning document,

I use the Monthly Line Chart (which is the MN Close Price) to look for price swing levels. This should not give too many lines in and around the current market. If it show too many lines, then you will see that the market is trading in very small choppy range.

On the Weekly, you can do the same using the Weekly Line Chart. Same simple rule you use for the Monthly. But the simple way is just to use the previous Week Open, High, Low and Close (OHLC) as natural support and resistance.

With both the MN swing levels and the W1 OHLC, plus the BRN 00 and RN 50, you will bound to see market reaction around these CONFLUENCE of support and resistance.

On the Day chart, it is much easier, I look at the price swing using the APB/HA colour change and with the TDI cross. These become the most recent support and resistance.

Price Action patterns like - Wide Range Bar WRB and Master Candle [3] are two very useful PA patterns to use to look for consolidation high-low which are also support and resistance levels.

No more use of Pivots, Fibonacci, etc. like the old days. I keep it simple and adopt this simple approach and achieved consistency.

Now having done the above, I only focus on the Price Action for trade setups.

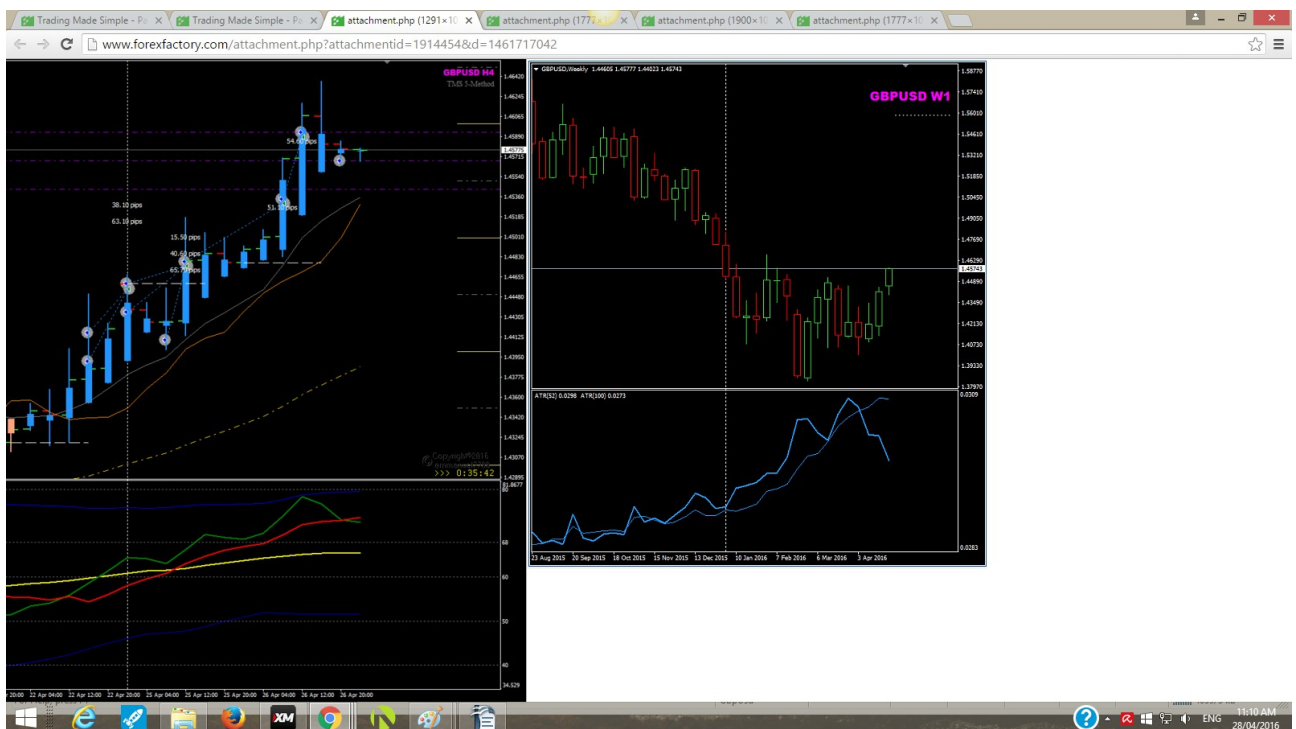
here is **WHEN** to add to winning positions... using TMS Price Action setups with TDI in agreement.

## Breakout building position





check the weekly ATR 52 weeks ...about 298 pips.  
 if your measure from the low of this week on H4, then the target TP should be 100% of this ATR 52 weeks... ca 1.4700BRN would be tested.





I also do not trade 4H swing on Sundays and Fridays. My reason is because market seldom reverse on Sunday when NY open and also on Fridays, it is usually the tail end of the intra-week swing therefore I do not open any new 4H swing trades on Fridays. To every rule is an exception, i.e. if there is a good setup which I see can run into Day chart position trading, I will open on the basis of Day chart trading and keep my trades over the weekend.

Pairs to trade for Newbies:

AUDUSD, EURUSD, GBPUSD, AUDJPY, EURJPY, USDCAD. These five pairs will give you enough H4 trades in any week. Avoid USDCHF because this pair move opposite to EURUSD most of the time.

Avoid the EUR and GBP crosses (EURAUD, EURCAD, EURNZD, GBPAUD, GBPCAD and GBP NZD) until you gain more trading experience.

Do not trade AUDCAD and AUDNZD. Leave these pairs to big time forex speculators and forex gamblers.

About EURGBP, this pair has the largest pip value but very small trading range. If the three amigos AU, EU and GU) are riding in the different directions, you should look closely at EU and GU and see what happening in the market - tier one news, big events, etc. You need to know what moves the currency market.



## **Darvas Box**

WRB is seen with only one candle / bar

Darvas Box High/Low must be seen using 4 candles / bars.

Master Candle [3] also must be seen using 4 candles/bars.

So what is the difference between MC[3] and Darvas Box H/L?

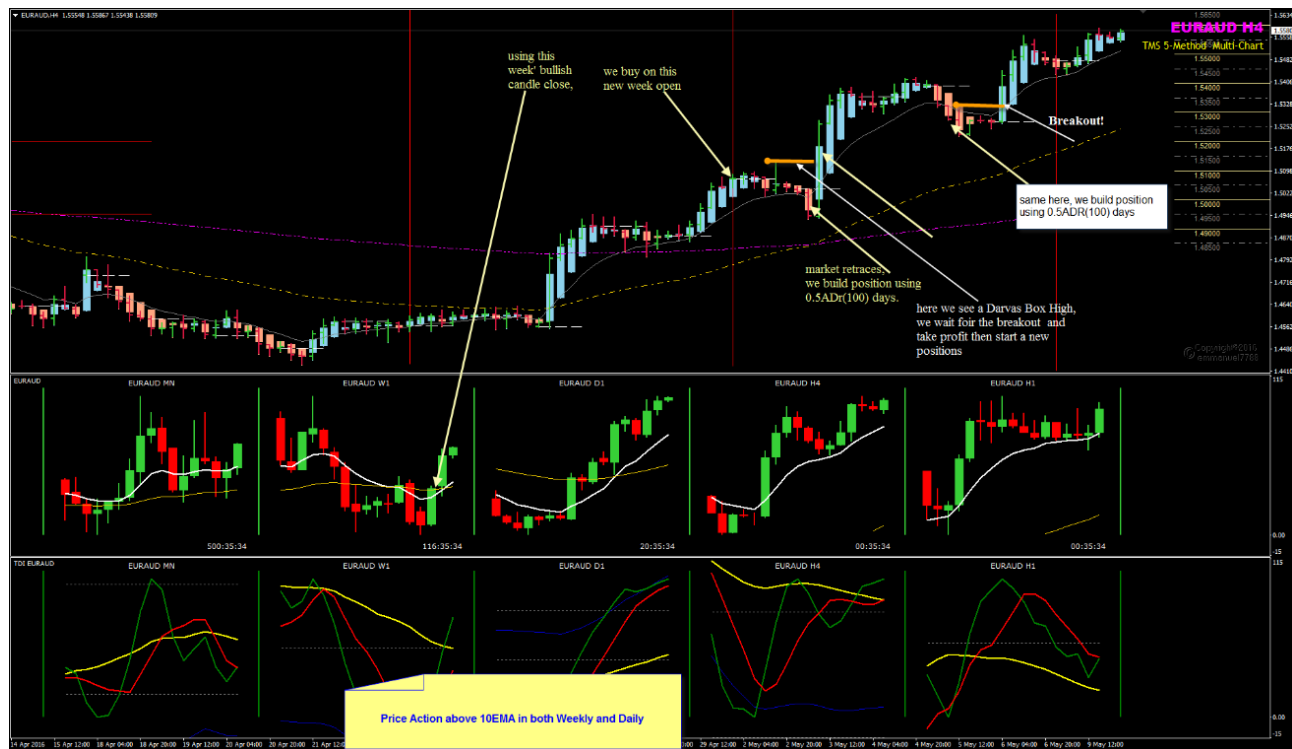
See example explanation below:



## STOP LOSS



## BUILDING POSITION



## ME/ME



**the 'problem' here in trading TMS is that traders are looking only for the reversal setups and only want to take a trade on the APB#1 and APB#2 candles of the reversal.**

when we do this, the number of trade opportunities are much fewer . to make up for this, they look at more pairs.

when we look at only these pairs - AUDUSD, EURUSD, GBPUSD, AUDJPY, EURJPY and USDCAD, these will give you 3 to 5 good trades every week.

what we need to do is to look for Price Action setups at Support and Resistance, and learn also to take trades setups that are in confirmed trend and not just the reversal setups.

you need to look for candles which has momentum and the timing to jump in and know where to place your initial stop loss.

**in reversal setups, you place SL at the last swing high or swing low, mentioned by all traders over and over again.**

**but in a trending pair, you pick the entry on a candle with momentum and place your SL using the previous 2 candles high/low**

**or you can also place your initial SL using the previous candle high/low.**

**what matter more is your risk and position sizing of your trades.**

many traders trade with fix lot size because of their small account. for these traders, a 100pips SL on 0.01lot is a big deal. so they thought better lose 50pips using SL =50pips. They have no idea of the intraday volatility aka noise to hunt all these small stops.

but if I trade with 1% risk, and with a SL of 150pips, and do my position sizing, I stand to lose only 1%.



### **There are difference Exit Strategies.**

When our trade setup entry is based on setup candle to close above the 5EMA and TDI cross up, then a trade invalidation should be the opposite technical condition i.e the exit candle must be one which close across below the EMA and the TDI cross down in the opposite direction of the entry.

When Big E exit his trade using TDI going flat, hook backwards, etc.. this is not trade setup invalidation. His TDI exit is to protect his money. You will find many of TDI exit will eventually run in the direction of the 'trend' after the reversal.

### **some important things are:-**

- 1) to close some ME trades at breakeven and keep the oldest ones protected to run
- 2) never allow your trades to hit the Hard Stop Loss which is there to protect your entire account from being wiped out.
- 3) know when to cut some small losses
- 4) keep your drawdown small
- 5) know how to do the recovery from drawdown in short time

... more/-

### **Question:**

Hey Emm, just wanted to ask you a question about your SL placement.

For example, when you enter your initial trade using ME/ME, how do you decide on where to place your SL? Also with add-on trades during retracement, do you use the same SL and position size for the 0.2% (e.g. using a slightly larger lot size), or does each entry have its own SL?

And also how do you decide on your TP?

### **Emm answer:**

There are two methods for trade lot size calculation for trading TMS 5-Method with Multiple Entries / Multiple Exits.

Most traders trade with small account size so I suggest you use ADR-100days (in pips) as initial Stop Loss and calculate each ME trade lot size.

For those who trade large account size, you decide on where your trade setup entry is and where the technical stop loss is on your chart. Use that technical stop loss and calculate each ME trade entry lot size with that stop loss level.

**when the 'trend' is strong, oscillators like the Stochastics and TDI will remain above the 70 levels for long time as the price action continues to rise.** We do not assume that when the TDI is

above the 68-level then we start looking for sell setups.

On your D1 and H4 charts, the PA can pull back but until we see a reversal in the higher timeframe, we remain on the buyer side.

EURAUD Week 20 ME/ME trades closed. Total 405 pips.  
 Re-entry to start a new basket



**The number of ME trades for every position/basket is for the trader to decide.** I am used to having maximum 5 trades per position/basket. My trade statistics shows that the average of number of ME trades is 3.5 ME trades per position/basket.

In the case of AU, the NFP candle is a strong move after the breakout of the range. In a strong trending move, the retracement is seldom more than 50%. To see a strong trend move we look shallow retracement, usually between 10 to 35% retracement is indication of a strong buying or selling sentiments.

The initial SL for AU setup was 240 pips, and the ADR(100 days) is 93 pips. If we use 0.5 ADR(100 days), how many ME trades will there be in a shallow retracement?  
 The objective is to build up to a full position using %risk. Hence when I use 0.2% per ME trade, my objective is to build up to one full risk position of 1%. But this is seldom possible because the average is 3.5. Your own statistics will teach you.

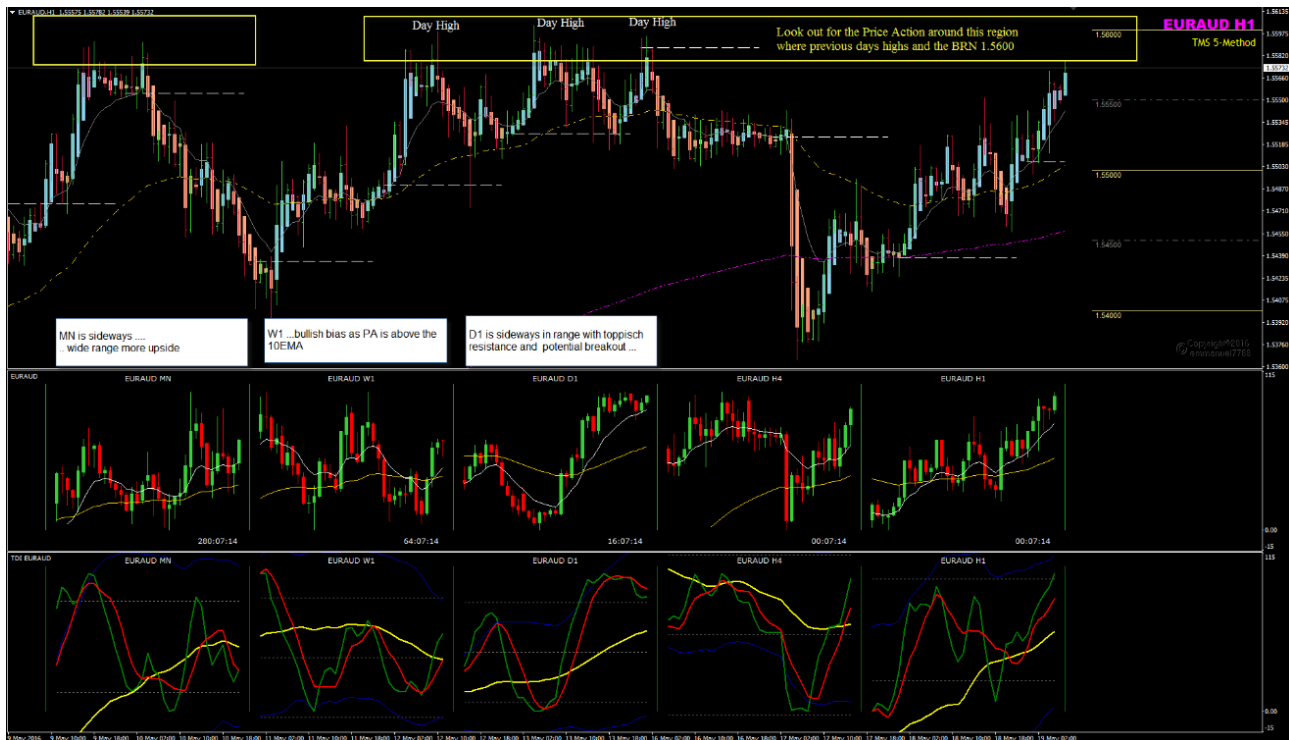
Its the same for 4H swing and D1 Position trading, look at the chart price action and make decision. The trade distance between ME trades is something you can vary between 0.1 to 1.0 ADR 100 days. There is different for reversal setups and continuation setups. You know what I mean.



Question: Dear emm, the re-entry is based on tf 4hr or lower? i noticed the candle has not close on 4hr. do you enter once break of resistance or do u wait for candle close ?

Emm: I had planned to buy on Day chart when price break the 1.5600 level.

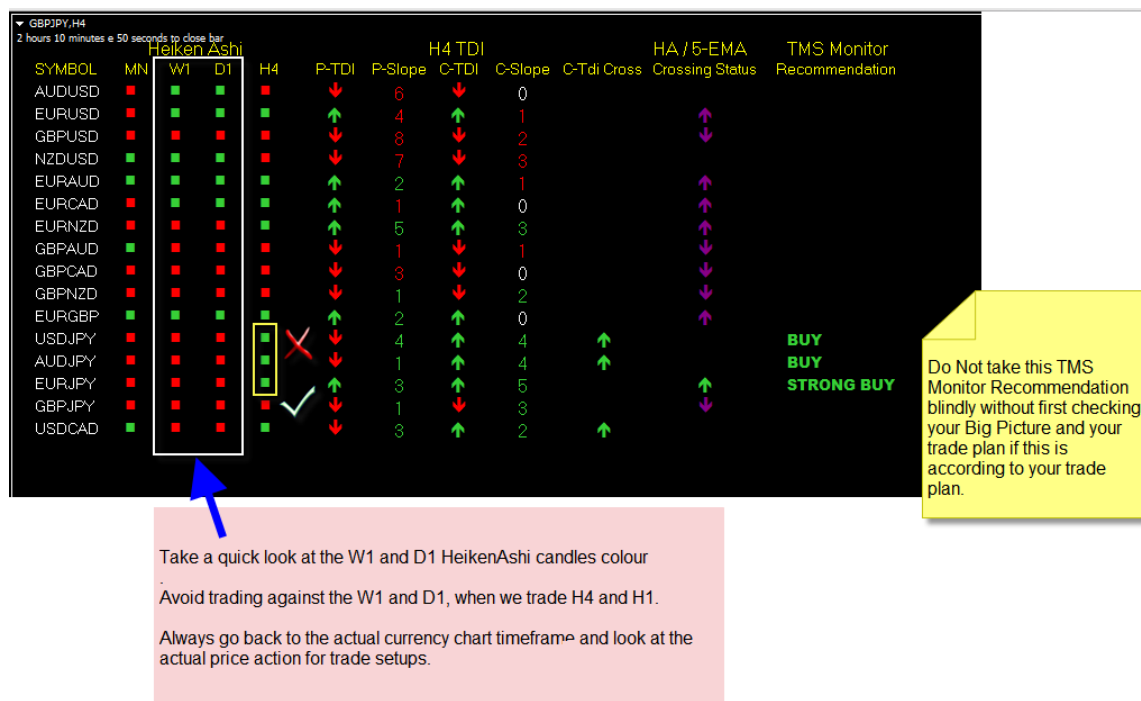
My trades taken before that were based on H4 and when those 5 trades were in profit and reached 1.5600, I close them and immediately re-open a new trade according to my trade plan with new % risk and position size. The re-entry has nothing to do with H4 setup and I do not have to wait for the H4 candle to close. **Should the market retraces, then I will build position during the retracement to get an overall better average entry price.**



## **WRB – b/o WRB normally will follow the direction on higher TF**

I simply look at WRB using the price bar high-low and not the Open and Close (body) Most often the big candles are caused by market reaction to news and the market fill the orders at extreme price levels. But when you look at the higher timeframe, the direction usually do not change. Therefore, trading the higher timeframe for e.g the Day chart is much less affected by big candles movements seen in H4 and H1.

## **Monitor dashboard**



## **Questions:**

[C:\Users\Peed-PC\Downloads\FF questions replies week 22 TampaFX \(1\).pdf](C:\Users\Peed-PC\Downloads\FF questions replies week 22 TampaFX (1).pdf)

Many TMS traders listen to Big E. They look for big candles and small candles. They look to see if the price action is in consolidation or near to a consolidation. They look to the left of their chart and look for nearby support and resistance. They look at the price action and know what the long term and short term trend.

Advanced TMS traders do the same but a little smarter after 5 years of trading. They look at the size of the price bars and analyse the big price bars which has very high-low aka Wide Range Bars WRB.

When WRB appears near recent support and resistance, they take extreme precaution in their trading. When two consecutive WRBs appear, they do not chase after volatile prices especially when the WRBs are at support / resistance.

What traders do? They wait and see if the price will bounce from support then they will make their next trading decision.

You see a BEOB, that's very good. But very often, the market will set up traders instead of giving them their trade setups.

**Quest:** Hi, Emmanuel

i always have a question: if your  $SL=144=adr100$ , when ME4 or ME5 open, the SL of ME1 will be larger than 144 which mean the risk of ME1 is more than 0.2%, am i right? if that the total risk may be more than 1% when price keep going up, how can you deal with this?



**Answer:** things you need to consider, the average entry price of all open ME trades.

the dynamic cut loss based on market price volatility and is not the technical hard SL which is 550pips in this trade example.

the ADR(100) days is only used to calculate the ME trade lot size. This was introduced because many members asked me this because they trade with very small trading accounts as small as \$500 dollars and the smallest possible lots size is 0.01lot. They don't look at R:R using \$500 account. They can make \$200 or they can lose \$200 anytime. This is what they know and have accepted. but if you have large trading account, you can use the hard SL of 550pips and do position sizing for every individual ME trade. This is the better way which I use.

you can add up all max 5 ME trades and then make a variable trade size decision.

for example if your total trade size for max 5 ME trades is 5 std lots, you do not need to trade 1.0 std lot for every ME trade.

you can distribute your trades in different sized which I do often knowing that my statistics is average 3.5 ME trades per basket.

you can open ME1 with 0.5lot, then ME2 with 0.8lot, ME3 with 1.5lot, etc... its up to you but the max is 5 std lots.

use a spreadsheet and do the calculations.

it may sound complicated but once you see the logic and how that work in live trading (demo for 2 years) you will learn and master this what some say complex money management strategy. this MM will not be your winning edge, but it will make you money faster than SE/SE. the good thing is all these can be programmed into an expert advisor which has been done.

but you all need to understand the ME/ME concept and know the multiple variations of possibilities which are available to you as the trader.

the other more important thing is how you decide on when to trade and when not to trade with this MM strategy. It is the market type which the traders must be discipline to look for and execute the trading. It is not difficult, and i repeated many times, we need to see the price action for setups and we also need to know the market volatility.

do you have your winning edge? when do you know when you have your winning edge? can anyone tell me if you know your winning edge? its not complex MM, it is something else.

if you still don't know, then you haven't got it. Keep working at it..

Do not mix up non-ME/ME trading and what is ME/ME trading. The trade risk % and the Stop Loss are differently treated.

For those single entry and single exit trades, you can use the %risk and calculate the trade position size using that %risk. When you risk 1% of your equity and use Position Sizing , regardless if the initial SL is 50pips or 200 pips, the trade risk remains at 1%.

When you trade with ME/ME, and risk 1% and breaking that into maximum 5 trades, you have two different ways to calculate the trade size.

If you have a small trading account, I propose using ADR-100 days to calculate the trade lot size. This often result in very small lot size mostly 0.01 lot the smallest what the broker offers.

*But for large trading account, you can use the technical Stop Loss seen on your chart and calculate your trade lot size the same way for R and R-Multiple management. If you use 1% risk and divided that into 5 maximum trades of 0.2% each, you calculate each trade size based on this risk amount and the technical SL.*

This is best done using a spreadsheet , is easy and prevent human error when we are trading.