

Trading Mastery Series

TMS Trading Mastery Series

Instead of writing in the forum thread post format, I will use pdf attachments to share with you what I do and also my comments to some members posts.

This Week 47 shall be the beginning of our **TMS Trading Mastery Series**.

EURNZD 19 Nov



This is D1 chart.

3-bars Bullish Reversal Pattern

if you consider the price bar before the bar1, that will make a 3-bars pattern. Bar2 close above both bar1 and that bar before that. There is historical support @1.57125, good price reaction for an entry and quick exit strategy.

On the Day chart above, we see the previous D closed bullish. Looking at the price bar pattern, that is a Double Bar Low Higher Close DBLHC bar pattern.

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By looking at price bar1 and bar2, both these bars have the same Low and bar2 close higher than the high of bar1. When this happens at key support and resistance zone, it is the kind of trade setups which I would look for. This setup is confirmed with the TDI clock-face angle 12-2 and also at the oversold region 32-level. The TDI Volatility Band VB has widened and is a good indicator of increased volatility.

Another view is to look at all 3-day bars after the Day closed. You will also see a 3-bars bullish reversal pattern. To me this is a valid 3-bars Price Candles Reversal Formation aka PCRf. There is a Weekly OHLC of week 44 and 45 which we use and that was tested in week 45.

The TDI which is our price momentum indicator tells us complete stories of what happened in the past week starting in week 44, and in week 45 and week 46. It showed us the trend, the consolidation, the consolidation range, and what is very important is that it shows use when the TDI momentum 'under-performs' the Price Action and when the TDI 'over-performed' the Price Action. These sort of TDI reading skills should be in your trading mastery skills set and will boost your performance as a TMS trader.

Now, we get back to the Day chart setup and the entry is when price breaks above the previous bar i.e. the bar before bar1.

Note that the above entry bar did not have any retracement, therefore if you waited for a retracement entry, you could have missed a good entry price using APB/HA#2 according to TMS Rule. What should you do to get into the market?

This is Day chart trading and you have plenty of time to look for a lower TF entry on H1 chart.

What do we look for on H1 chart? Just to name a few,

- 1) Price pull back / retracement entry
- 2) Price contraction / consolidation.
- 3) Price expansion after a pull back.

When we trade using price action bar patterns like Inside Bar (IB), Bullish/Bearish Engulfing Bar (BUEB/BEEB), Bullish/Bearish Outside Bar (BUOB/BEOb), Pin Bar (PB) you will realise that trading the higher timeframes bar patterns will produce better results. Therefore, when we trade using the higher TF chart like D and H4 as our trade setups, the bar patterns on lower TF like H1 can be effective only when we follow the same trading approach using the higher TF.

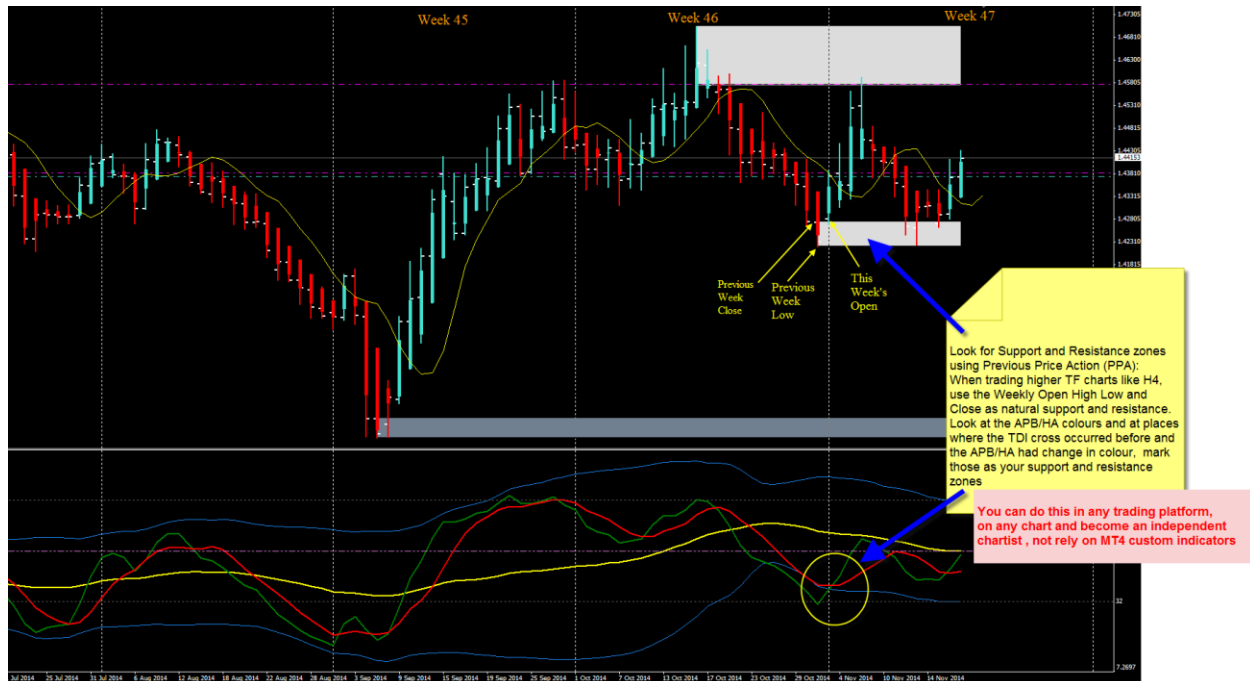
The winning edge is not the use of price bar patterns or chart patterns. Your winning edge is your other skills you need to develop and to have in order to achieve trading mastery. You need a proven 'bullet-proof' money management strategy as part of your winning edge.

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Support and Resistance S&R

S&R is not one single price level. It is a zone bound by previous price action.

Using member 'lorbax' EURAUD trade post today seen here below.



Note how the support zone was established by the previous week 46 Close and Low and this week's 47 Open. That is a support zone. Other traders rely on MT4 indicator to show them Supply and Demand S&D. They may be differences and that depends on who programmed that indicator, what he programmed the indicator to do and the parameters he used to determine the supply and demand zones.

The above example may be just coincidence where the S&R and S&D occur. But when we use Previous Price Action PPA with the TDI as our momentum oscillator, we all need to know the behaviour of Price and its underlying momentum seen using the TDI. The TDI being derived from the Price above will often 'under-perform' and 'over perform' for the simple reason it is lagging the Price Action. Many traders believe that Price Action is the leading indicator if we have to compare the two. Our chances of getting into the market with high probability setups will make a big difference in our long term trading performance. It is our approach and the consistency we must maintain to ensure long term success.

Whichever you chose and decide to use – S&R or S&D to trade with TMS, just use that over long term, complete 100 trades, then 200 trades, then 300 trades, analyse at each step milestone and see how your trading account perform.

There is no holy grail.

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More TMS setup examples:

EURUSD H4



NZDUSD H4 example:



