

Trading Made Simple:

Zoopots informative post at

<http://www.forexfactory.com/showthread.php?p=7361481#post7361481>

Trading the H4 chart requires some patience...that was a hard lesson for me to learn six years ago. But I read a lot of contributors to this thread discuss lower time frame exits/entries which may work for them. But the H4 chart allows me to have a life beyond FOREX and still supplement my income. Here is what's working for me:

I normally ignore TDI crossovers around the "50" level. Why? If you look at price action it is normally consolidating when the TDI is in this area and flattens out (we do not get the 10/2 or 4/8 o'clock nice moves as originally discussed by the thread author. To be sure, you can always find some mid-stream crossovers that follow through, but most of them provide lower levels of profit.

I still do my examinations every four hours like most of you, but I focus on the TDI reaching the "68" or "32" levels which in most cases, corresponds to being "overbought" or "oversold". The market breathes...it cycles like your chest going up and down as you inhale and exhale.

When you take in a really big breath ("68"), what normally follows is a big exhale towards "32". Then you have to take another breath (from "32" towards "68")...and so on. It's a K.I.S.S. principle that even an old fighter pilot can understand.

Let's look at one of my favorite pairs the AUDJPY:

Here's the screenshot of the 3 March oversold TDI cross to the long side which took 4 days to give an exit (price NEVER closed below the PAC so stay with the program! It gave up 380 pips during that trade...PATIENCE!

Attached Image



Now the pair needed to exhale (it was way overbought) and gave a great TDI cross sell signal on 7 March. This trade gave up 135 pips! (Exit was when TDI reached the "32" level and gave a buy cross signal and hit the S/L trailing the PAC). This trade lasted five days and was carried through the weekend.

Attached Image



I now honored the buy signal mention above on 13 Mar @ 0000 which resulted in a loss of -65 pips. One could argue that the Market Base Line (yellow line in TDI) was sloping down seeking neutrality near "50" but let's keep it simple.

Attached Image



The next buy signal was 17 March (I really liked this one as it had divergence) and this position is currently still open and at +165 pips with a S/L in profit! Again....PATIENCE.
Attached Image



The final pic is of TDI crosses that I generally ignore and normally indicate consolidation as you can see by price action.

Attached Image (click to enlarge)



If I don't see my pairs in "68" or "32" territory...I wait. One doesn't always have to be in a position. Eventually fundamentals or news will get the TDI in an area I like to trade. Finally, trading the TDI cross as I've explained is the most aggressive way to trade it...my S/Ls are generally in the 50-70 pip range. I pay attention to H4 swing highs and lows as well. When I'm not home, I check the trades every four hours on my cell phone using GoToMyPC.

Perhaps this will help someone in the thread. I love the H4 charts and at the time of this posting, this pair alone has given up **+615 pips** in March.

<http://www.forexfactory.com/showthread.php?p=7361603#post7361603>

USDCAD taken 21 Mar @ 0000 (FXDD time).



Just moved S/L to lock in minor profit (trailing above PAC).

(Sorry, forgot to delete the Fib levels)



<http://www.forexfactory.com/showthread.php?p=7361618#post7361618>

Picture 1 is a NZDUSD H4 TDI showing why I determine within a few seconds if a pair is viable...note all the TDI crossover signals in/near the "50" level.

Attached Image



Now look at Picture 2 to see what price was doing when the TDI displayed this behavior....not something we should be stepping into.

Attached Image

